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MUNICIPAL ECONOMIC GROWTH ACTIVITY

Vranje – Six Steps to 700+ Workers



Vranje is well known as the textile center of Serbia. Now, it is also a home to one of the biggest UK textile producers.

The "Development of Vranje Municipality General Urbanistic Plan (GUP)" is one of eight Economic Development (ED) projects derived from the Local Economic Development (LED) Strategic Plan and identified in the Implementation Plan for 2007. The new GUP, which USAID-funded local economic development project works with Vranje on, will result in investment worth more than \$6.5 million and will secure jobs for more than 1,200 employees. This will be an end of a long line of activities which the municipality conducted in partnership with USAID to foster and secure investment by the UK investor Bianca Allena Ltd.

When asked about the contribution of the municipality, Office for LED, and his own, leading to signing the deal on this investment, the Head of Vranje LED Office, Mr. Boban Stankovic, simply answered "Not much at all, just a few small services". But if you were to talk to Mr. Stankovic about the "few small services" you would find out that what it takes is a full commitment and permanent dedication on the part of the entire municipal administration, led by the Mayor and LED Office to become the home of one of the biggest foreign investments in Serbia.

Firstly, the investor, Bianca Allena, needed to be registered in front of the legal entities in Serbia – a task painfully long and complicated in the country where the average waiting time to get the approval from the Republic Government takes 3 years and 10 months. "I personally handled all the procedures and registered Bianca Allena Company in Serbia" said Mr. Stankovic. It took him a couple of weeks.

To illustrate their satisfaction with the investment and the quality of the work force available, Bianca Allena representatives stated that while in their previous factory, 28 minutes were needed to produce one pair of jeans, in Vranje, it takes only 21 minutes for the same work to be done.

The next problem was the work force. Being new in the area and lacking knowledge of qualified local staff appeared to be an issue and the LED Office was immediately on it. **As the second step**, Boban Stankovic, recommended Mr. Sinisa Bundalo, former economic development officer in the USAID-funded community revitalization program, to be the first employee of the company to help guide the initial phase of its business activities. The investor found Mr. Bundalo to be extremely professional and highly qualified and now he is the General Manager of Bianca Allena in Vranje.

Shortly after, company managers came from London and Athens in order to start up the business. Municipal servants once more demonstrated commitment, and helped their partners to find two apartments in the down town for the reasonable price. **Step number three completed.**

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Fourthly, the municipality organized meeting between the National Employment Service, Textile School of Vranje, and its own People's University. They jointly reached agreement on education and skill development of future company's employees. In addition to that, the municipality submitted the request to the Ministry of Education and Sports to allow the Textile High School to change its work plan and to organize specialized courses for the future Bianca Allena employees.

As the fifth step, the municipality issued permit to Bianca Allena to start construction of the new factory, and once more confirmed dedication to adopt new GUP and to integrate the investor's factory and premises in it. **Finally**, the municipality found and recommended a number of construction companies thus reducing the time it will take them to finish their work, employ people, and start production. In the meantime, the investor rented the premises in former socially-owned Yumco plant and is employing around 700 workers.

In six steps and 'few small services' Vranje proved to be proactive and business-oriented local government which successfully implements skills and knowledge gained through different USAID-funded programs.