

ECONOMIC DEVELOPMENT IN SOUTHERN SERBIA



The factory is equipped with the most modern devices and produce smoked meat, sausages, ribs, roasts (tenderloins) and other meat products



New meat processing factory is situated very close to the strategic highway "Corridor 10", which connects Central Europe and Greece

BUJANOVAC, SERBIA – With the support of USAID and CHF International, and within the economic pillar of the Community Revitalization through Democratic Action (CRDA) program, one of the first meat processing factories in Southern Serbia began production. Fifty people will soon be employed in this factory in Bujanovac and a number of cooperatives will deliver raw meat to the factory.

The owner of the firm, Dobrivoje Ilic, has been working in slaughterhouses in Bujanovac and Vranje for 20 years. Almost ten years ago Mr. Ilic opened a store for meat & meat products merchandize, at the same time he started to build his own factory for meat processing. Due to the many political and economic problems Serbia has faced during the last 15 years, construction of the factory lasted for a decade. By the year 2000, Mr. Ilic had managed to construct the walls and roof when he ran out of money.

In 2002 Dobrivoje Ilic was granted a credit from the Republic Fund for Development under very favorable conditions, which amounted to 60% of the funds he needed to complete construction of the factory building.

The remaining amount he received from Bairam Hasani, an ethnic Albanian, originally from Bujanovac, who lives and works in Switzerland. Subsequently, Bairam became Mr. Ilic's partner and owner of 20% of the factory.

In order to initiate production the partners needed additional funds for purchasing an Electric Power Generator to supply the machines with electricity. "Nothing can be done without this generator: one can not start

the engines, the cooling system is off, there is no heating... Initiating the production without the generator was completely impossible," says Mr. Ilic.

Mr. Ilic then learned about Sustainable Business Development (SBD) opportunities within the USAID funded CRDA program. CHF and USAID provided a \$7,300 grant for purchasing the generator so the factory could begin to work.

In return, during the first year after the generator was delivered *Ilic Commerce* will provide a "social payback" to the community by delivering meat products worth \$7,300 to the Elementary School 'Branko Radicevic' from Bujanovac (900 students).

"One can easily purchase beef in this area. In villages of Presevo, Bujanovac and Medvedja, approximately 10-15 cattle markets are being held weekly. We have a good market and excellent raw materials. The overall capacity of the factory completely satisfies the needs of this area and what is more important, our current debts are manageable. We are at the crossroads of three borders – Serbia, Kosovo and Macedonia; Kosovo is only 5 km away and Macedonia 27 km, and there is a big need for high-quality meat products," says Mr. Dobrivoje Ilic.

As he says, Kosovo is the best market for this kind of products. "Kosovo as a market is like any other: it's driven by profit and quality goods. Although we have been facing problems in society for the last ten years, we work together successfully – we know each other well," says the owner of the first meat processing factory in Southern Serbia.