BOSNIA AND HERZEGOVINA
FEDERATION OF BOSNIA AND HERZEGOVINA
FBiH MINISTRY OF ENERGY, MINING AND INDUSTRY
CHAMBER OF ECONOMY OF THE FEDERATION OF BOSNIA AND HERZEGOVINA

DEVELOPMENT STRATEGY OF THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY

IN THE FEDERATION OF BOSNIA AND HERZEGOVINA FOR THE PERIOD 2013-2023

December, 2012

BOSNIA AND HERZEGOVINA FEDERATION OF BOSNIA AND HERZEGOVINA
FBiH MINISTRY OF ENERGY, MINING AND INDUSTRY

CHAMBER OF ECONOMY OF THE FEDERATION OF BOSNIA AND HERZEGOVINA

STRATEGY

OF DEVELOPMENT OF THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY IN THE FEDERATION OF BOSNIA AND HERZEGOVINA FOR THE PERIOD 2013-2023

December, 2012

Content

Tables Overview

Diagrams Overview

Attachments Overview

Attachment No. 1	Project Task
Attachment No. 2	Realization of Activities from the Consultation Plan
Attachment No. 3	Consultation Plan, Form 2 - Summarized Opinions Collected on the Basis of Meetings with the Stakeholders
Attachment No. 4	Consultation Plan, Table No. 3 The Listo of Business Organizations that Participated in the Meetings
Attachment No. 5	Questionnaire
Attachment No. 6	Consultation Plan, Form 2 - Summarized Opinions Collected on the Basis of Questionnaire Delivered to the Business Organizations
Attachment No. 7	Consultation Plan, Form 3 - Summarized Opinions Collected on the Basis of Written Observations of the Stakeholders
Attachment No. 8	Manufacture of Textile Activities Classification 17
Attachment No. 9	Manufacture of Clothing, Dressing and Dyeing of Fur Activities Classification 18
Attachment No. 10	Tanning and Dressing of Leather;Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear Activities Classification 19
Attachment No. 11	The List of Privatized Companies that Perform Manufacture of Textile Footwear and Leather

1. INTRODUCTION

Bosnia and Herzegovina has long tradition in textile, clothing, leather and footwear manufacturing. At the beginning of the last century in the territory of the Federation of Bosnia and Herzegovina, handicraft of that period was replaced by contemporary and modern manufacture of final products, primarily leather, footwear and clothing.

The tendency of development of industry continued until the nineties of the twentieth century when it achieved extraordinary results and largerly contributed balancing the foreign trade balance, no matter it was never considered to be one of the priority sectors of the economy.

Textile, Clothing, Leather and Footwear Industry had industrial plants in almost all parts of the country. The sectors of this Industry had a complete production cycle by creating industrial plants: from manufacture and processing of raw materials to the final products. Manufacture of domestic brands and classic Lohn business was at a ratio of 70 - 30 %, and all world markets were opened for their placement.

Due to war activities, most of the manufacturing plants were devastated, workforce was lost, market was lost and moving forward in technological and any other sence was not possible, which led to the fact that today this Industry is at a turning point which should choose whether it will develop into a competitive industrial branch or will remain at the stage of survival, which will eventually place it into a branch of negligible economic importance.

Generally, Textile, Clothing, Leather and Footwear Industry is one of the traditional branches of manufacturing industry. The social aspect of this industry is very important because it employes a larger number of workers of a lower qualification structure, consisted primarly of a femail workforce, with a large proportion of a personal work, in which the price of that work is smaller than in the other branches of processing industry and with a large proportion of unfavourable Lohn businesses.

Today`s global business environment has suffered significant changes and it is completely different comparing to pre-war situation. This is primarly related to the economic crisis in developed countries, the recession of the world economy, process of accelerated liberalization of world trade, with the change of business conditions in the domestic market, whereby the process of globalization intensified competition and caused the need for modernization and restructuring of this industry branch in the market, human resources, manufacturing, organizational and technological point of view.

Therefore, in the document ”Development Strategy of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina for the period 2013-2023” the policy and measures of structural adjustment was given, on the basis of previous experiences in the business of this branch, which are accented on its objective possibilities, considering the constant desire of our country to join the European Union.

1.1. Basis for Preparation of the Strategy

The basis for preparation of the document ”Development Strategy of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina for the period 2013-2023” is in the document ”The Development of Industrial Policy in FBiH” (Official Gazette of FBiH, number 40/10) which is an integral part of the Strategy of Economic Development of the Federation of Bosnia and Herzegovina.

FBiH Ministry of Energy, Mining and Industry planed in its Work Programme for the period 2011 - 2014, in the Strategic Goal No. 3 which is related to Improving the Environment for Production and

Increase of the Export Orientation of Industrial Production, preparation of Development Strategy of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina.

The activities on the preparation of the documents are planed: Development Strategy of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina (deadline 2012), Action Plan for Realisation of the Strategy (deadline 2012), Legal Acts and Bylaws Arising from the Strategy (continuously) as well as Implementation and Monitoring Realisation of the Action Plan (continuously).

FBiH Ministry of Energy, Mining and Industry in cooperation with Chamber of Economy of the Federation of Bosnia and Herzegovina, and on the basis of approved Project Task, prepared proposal of this document.

1.2. Methodology, Participants, Process,Structure

The sciantific methodology was applied in preparation of the studies in accordance with the subject and purpose of research. The research began with the systematic analysis of the existing literature, first of different documents, studies and scientific papers dealing with the subject issue. Findings from an analysis of the literature served as guidelines for further research activities.

The Methodolgy for designing the Strategy was defined as the Project Task, (Attachment 1).

Basic principles of the project performance of preparation of the Strategy are:

- Principle ”bottom up” in order to obtain real ideas and proposals of objectively feasible programs and activities.
- Principle ”from individual to general” in order to reflect and accept competitive differences of individual sectors and portfolios of industrial products and to propose the overall Strategy.

Starting from this principles, methodological basis of this project should be:

- Through the primary and secondary researches, as well as through the communication with interest entities an objective situation and assumptions for the development of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina.
- Industrial policy in manufacture of textile, clothing, leather and footwear, models of growth, investment plans and development plans are defined by applying the principle ”bottom up”, by evaluating different possibilities of building competitiveness in certain sectors.
- According to relevant quantitative and qualitative market researches the right market positioning of the sector is formulated.
- The effective implementation plan of Development Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023 is ensured, considering the time dimension and required resources.

Working Group based realisation of approved Project Task for preparation of the proposal for the Strategy of the Textile, Clothing, Leather and Footwear Industry for the period 2013-2023 on the application of the Regulation on method of preparation, impact assessment and selection of policy in the process of preparing the acts that are proposed and adopted by the Government of the Federation of Bosnia and Herzegovina and FBiH ministries (Official Gazette of the Federation of BiH, number 27/11) and Regulation on the rules for participation of the relevant class of persons in the process of preparation of federal legislations and other acts (Official Gazette of the Federation of BiH, number 51/12).

The Consultation Plan was made according to above mentioned regulations and it was published on www.fmeri.gov.ba. On the basis of the same regulation the document Activity Realisation from the Consultation Plan for preparation of proposal of the document ”Development Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023 was made (Attachment No. 2- Activity Realisation from the Consultation Plan).

The research program for the purpose of this project is realised through the implementation of standard and additional research, in accordance with the Consultation Plan, and in terms of survey tests, interviews/visits to manufacturers and meetings/roundtables. The primary and available secondary data sources were combined for the purpose of conducting research. Primary data were collected by surveying manufacturers by means of questionnaries, while available studies, expertise and relevant scientific and technical literature were the secondary data sources. Also, different databases were used for the purpose of this research, such as the data of Statistics Agency in BiH, FBiH Statistics Institute, Foreign Investment Promotion Agency in BiH, EUROSTAT, statistical data of the European Commission, etc. These studies were associated with the need to collect additional information and arguments to the treated areas and to check the applicability of the proposed solutions.

Participants in the process of designing the Strategy are all important subjects, or all influential groups that are in any way directed to the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina (Attachment No. 2- Activity Realisation from the Consultation Plan).

The process of forming the Strategy included all participants through the opened dialog with all influential groups with the aim that all the solutions should be adopted by consensus. The process of forming the Strategy lasted almost nine months (March - October 2012) and was realised through the following forms of dialogs and communication with the stakeholders:

- Meetings/roundtables: A total of meetings/roundtables were performed with the stakeholders of this public policy, from which three in business organizations : ”Alma Ras”, Olovo - manufacture of wear and underwear, ”KTK Visoko”, Visoko - processing of textiles and leather manufacture and ”Alpina Bromy”, Tešanj - Jelah - footwear manufacture, and which are directed to different segments of this public policy. Every meeting/roundtabe was performed to the same methodological way, where the significant number of information, oppinions and recomendations that contributed to the quality of the document were collected, through opened discusion with participants, using suitable strategic tools. Every meeting/roundtabe was ”verticaly” focused in the way that it deeply examined key aspects of each stakeholder of public policy and in average lasted for three hours. Summarized opinions of the meetings/roundtables are an integral part of this document. (Attachment No. 3 - Consultation Plan, Form 2 - Summarized Opinions Collected on the Basis of Meetings with the Stakeholders). The meetings were attended by a total of 36 business organizations from the field of textile, clothing, leather and footwear of the Federation of Bosnia and Herzegovina (Attachment No. 4 - Consultation Plan, Table No. 3 The Listo of Business Organizations that Participated on the Meetings).
- Questionnaires: Locating to the business community as a stakeholder of this public policy, the Survey Questionnaires consisting of nine chapters with seventy two questions were addressed to seventy business organizations that exist in the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina. (Attachment No. 5 - Questionnaire). The business organizations were asked the following: basic data on business organization, data on authorised person, other data on business organization, financial highlights, personnel data, manufacturing program, development, export/import of raw materials and final products, economic policy measures. Twenty nine business organizations answered the Survey Questionnaires (Attachment No. 6 - Consultation Plan, Form 2 - Summarized Opinions Collected

on the Basis of Questionnaire Delivered to the Business Organizations) and they represent integral part of this document. The answers to these questions were used as a guidelines and basis to examine the relevant importance of possible measure propossals, goals and activitioe at the level of Bosnia and Herzegovina i.e. Federation of Bosnia and Herzegovina.

- Interviews/visits to manufacturers: Additional primarly data were collected by interviewing managers, visiting manufacturers (one manufacturer in manufacturing of clothing, manufacturing of leather and manufacturing of footwear), and through a focused panel discussion with selected manufacturers.
- Written observations: The proposals, oppinions and suggestions were asked from different influential groups, that are formed by certain institutions of Bosnia and Herzegovina, Federation of Bosnia and Herzegovina, nongovernmental and other organizations and institutions. Summarised opinions of these stakeholders are given in the attachment and they are an integral part of this document (Attachment No. 7 - Consultation Plan, Form 3 - Summarized Opinions Collected on the Basis of Written Observations of the Stakeholders).

Opinions of stakeholders of this group, which is horisontaly oriented, intersect the results of all other researches. According to that the prioritets of all groups of stakeholders were determined, their selection was performed and concrete conclusions and recomandations were performed.

1.3. The Objective of the Strategy

The objective of this document is to outline the general characteristics and problems that the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina is facing with, but also to determine intention of the state in this field, to propose measures and activities to take so that every business organization or individual can know their directions and where to move in its business intentions, with the aspiration of the final recovery of this industrial branch.

2. ANALYSIS OF THE SITUATION OF THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY OF THE FEDERATION OF BOSNIA AND HERZEGOVINA

Indicators of industrial manufacture are result of Monthly Survey of industry IND-1 performed by FBiH Statistics Institute pursuant to the Law on Statistical Survey in FBiH (Official Gazette of the FBiH, number 63/03). All legal persons that employ ten and more workers are covered by the monthly report of the industry , and they are classified in the Register of Business Entities in the area D (Processing Industry) by the classification of activities in BiH Activity Classification (Official Gazette of BiH, number 84/06).

2.1. Data Obtained on the Basis of Questionnaires

For the Analyses of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina the survey questionnaire was prepared, in order to collect general data on business organizations, data on manufacture and capacities, import and export, financial data and data on market position of business organizations. Interviewing was performed in the period from April 2012 to September 2012. The sample of 29 business organizations was collected, achieving the response rate of 42% of the total of business organizations that took the survey questionnaire (70). For the purpose of processing the collected data the standard statistic methods were used and obtained, basic data, are presented in tables (Table No. 1- Data Obtained on the Basis of the Questionnaire).

In the structure of the sample, in 93% of cases, it is about private business organizations that were established before 1995, what confirms the fact that they have tradition in their business. In the observed sample, size of business organizations is in the range of 28% organizations up to 50 employees, 35% are organizations are organizations from 50 to 250 employees, while 37% are business organizations with over 250 employees.

Total income of sampled bisiness organizations is moving to approximately 100 million BAM, where, in 86% of cases, is about business organizstions with over million Bam of income. 73% of subjects are import oriented, from which 71% of those with exmport larger than million BAM. 49% is export oriented, from which 42% with import larger than million BAM. The basic raw materials and the structural materials are the most imported because of the lack of domestic base manufacture.

The sample has a participation of 33,4% in total employment, from which 29% of men and 71% of women. In terms of employment in the last three years an increase of 1,01% is recorded. The age structure indicates that 43% of employees are at the age of 40 years, 36% are between 40 and 50 years, while 21% is at the age of over 50 years, which confirms that this industrial branch has an experienced workforce.

In the terms of professional structure, 3% of employees has the master degree, university degree or college degree. 25% are employees with secondary school qualifications, 43% are qualified workers, and 29% are semiqualified and unqualified workers.
Table No. 1 Data Obtained on the Basis of the Questionnaire

Speciment size 29				
INDICATOR			VALUE OF THE TOTAL	
Ownership structure				
Private			93%	
Major share of state capital			7%	
Year of establishment				
Before 1995			55%	
After 1995			45%	
Size of business organizations				
Business organizations up to 50 employees			28%	
Business organizations from 50 -250 employees			35%	
Business organizations over 250 employees			37%	
Incomes				
Total income			99,347,000	
Over 1.000.000 BAM			86%	
To 1.000.000 BAM			14%	
Total export			50,937,000	
Export oriented			73%	
Export over 1.000.000 BAM			71%	
Export to 1.000.000 BAM			29%	
Total import			12,925,000	
Import oriented			49%	
Import over 1.000.000 BAM			42%	
Import to 1.000.000 BAM			58%	
Employees				
Total of employees			6,736	
Men			29%	
Women			71%	
Employment trends by years				
year 2009			6,668	
year 2010			6,733	
year 2011			6,736	
Age structure				
To 30 years			22%	
From 30 to 40 years			21%	
From 40 to 50 years			36%	
Over 50 years			21%	
Qualification structure 2011	total	women	total	women
Dr/Mr	3	1	-	33%
university/college degree	181	78	3%	43%
Higher vocational qualification	56	18	-	32%
Secondary school qualifications	1,704	1,124	25%	66%
Vocational qualification	2,877	2,034	43%	71%
Semi vocational qualification	1,915	1,535	29%	80%

28% of business organizations own employment plans. The same percentage of sampled business organizations scholarship necessary personnel, mostly for vocational occupations, as well as for the area of financial management.

Installed capacity in this in this industrial branch are used in the amount of 81%. 19% uses the new technology, 57% uses modernised technology, while 24% owns outdated technology. The new technology is procured through their own resources or is obtained through donations. 59% of business organizations own the plans of improvement of manufacture processes, while 41% holds service for development and they are realised from their own resources, rarely through existing credit lines.

71% of subjects organized work in one shift, 18% work in two shifts, while 11 % work in three shifts. 28% of business organizations own quality certificates, and 31% of the subjects used incentives from the Government of the Federation of Bosnia and Herzegovina.

The sample represented all the major manufacturers in the domestic Textile, Clothing, Leather and Footwear Industry (Table No. 2- Overview of the Business Organisations That Responded to the Questionnaire), and considering that 36 business organizations expressed their oppinions, objections, suggestions at the meetings, the sample can be considered as representative and can be used for evaluation of the future trends in this industrial branch.

Table No. 2- Overview of the Business Organisations That Responded to the Questionnaire

Order Number	Business Organization	Place
1.	Art	Tešanj
2.	Zlatka Vuković	Mostar
3.	Konfekcija Borac	Travnik
4.	Men	Travnik
5.	Elan Ross	Zenica
6.	Rentexcom	Tuzla
7.	TIM	Mostar
8.	Alma Ras	Olovo
9.	Globus Konfekcija	Kiseljak
10.	Donnia-trade	Bugojno
11.	D.D. za proizvodnju kože	Bugojno
12.	Nerzz Bešlagić	Visoko
13.	KTK Visoko	Visoko
14.	Fortuna	Gračanica
15.	Aida	Tuzla
16.	BFM	Travnik
17.	Alpina FOGS	Sarajevo
18.	Thema	Gradačac
19.	Antilop	Žepče
20.	Makap	Bugojno
21.	Positive group	Bugojno
22.	Sanitex	Velika Kladuša
23.	Komas-komerc	Sarajevo
24.	Ziko	Zavidovići
25.	PIMS-Vuntex	Odžak
26.	SICON SAS	Tuzla
27.	BS-Kobra	Bosanka Otoka
28.	Kotex	Tešanj
29.	Uslužnost	Sarajevo

2.2. The Structure of Industrial Manufacture

The Structure of Industrial Manufacture contains analysis given through the hierarchical level of the product from Nomenclature of Products consisting of levels of Activitiy Classification (AC) (level and class) and in D area Processing Industry include the following: activity classification 17 Manufacture of textile, activity classification 18 Manufacture of clothing; dressing and dyeing of fur, and activity classification 19 Tanning and Dressing of Leather; Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear.

2.2.1. The Physical Volume of Manufacture by Activities

Data of FBiH Statistics Institute relating to Indexes of Industrial Manufacture in the Federation of Bosnia and Herzegovina, Processing industry and levels activity classification 17, activity classification 18 and activity classification 19 are presented in tables (Table No. 3- Industrial Manufacture Indexes).

Table No. 3- Industrial Manufacture Indexes

	2006 2005	2007 2006	2008 2007	2009 2008	2010 2009	2011 2010
FBiH Industry	110.4	108.6	107.9	88.4	104.2	102.5
Processing Industry	110.4	111.7	108.2	83.9	106.9	100.0
Textile Processing AC17	86.9	77.8	113.2	90.4	128.9	103.2
Clothing Manufacture AC 18	83.4	99.5	115.7	84.4	111.5	101.9
Leather and Footwear Manufacture AC 19	118.1	104.3	104.7	89.1	111.1	104.4
Textile Processing, Clothing, Leather and Footwear Manufacture	96.1	93.9	111.2	89.0	117.6	103.2

Diagram 1 shows trends for Manufacture Indexes in the observed period. The constant increase of the manufacture index of the FBiH Industry is evident, except for the 2009/2008 recession year. The same trend has the FBiH Processing Manufacture, as well as the Leather and Footwear Manufacture activity classification 19.

Textile Manufacture activity classification 17 and Clothing Manufacture activity classification 18, after two negative years, 2006/2005 and 2007/2006, achieves manufacture growth in 2008/2007, but in the next recession 2009/2008 comes to their decrease. In the last two years and in this levels of activity classification comes to the growth of manufacture.

The average value of the industrial manufacture index for all three treated levels of activity classification follows the trend in textile and clothing manufacture, so that after two negative years achieves growth of manufacture in 2008/2007, but in the 2009/2008 recession year comes to their drop. In the last two years the average value in these levels of activity classification comes to the growth of manufacture.

Diagram No. 1 Manufacture Indexes

2.2.2. The Physical Volume of Manufacture by Product Units

The document presents statistical indicators: Textile, Clothing, Leather and Footwear Manufacture in the Federation of Bosnia and Herzegovina by Product Unit in 2010, with comparative manufacture in 2006, 2007, 2008 and 2009. Also, the manufacture indexes for 2010/2009 are shown, with comparative manufacture index by product unit for 2007/2006, 2008/2007 and 2009/2008.

Data relating to 2010 with comparative period 2006, 2007, 2008 and 2009 are presented in tables, covering the area of Processing Industry (D), trough levels: Textile Manufacture (D17), Manufacture of Clothing, Dressing and Dyeing of Fur (D18) and Leather Processing, Manufacture of Leather Goods and Footwear (D 19), according to the standard activity classification.

2.2.2.1. Manufacture by the Product Unit-Textile Manufacture

Manufacture by the product units at the level of Textile Manufacture is shown in results in Tables No. 4-6, according to the data from attachment (Attachment No. 8- Manufacture of Textile Activities Classification 17).

Data from the attachment No. 7 relating to the period 2006-2010 show that constant increase of manufacture is recorded in manufacture of Bed Linen of Cotton, Vehicle Upholstery, for which there are no data on manufacture in 2006 or Men Sweaters and Pullovers containing more than 50% of wool and weight more than 60 grams, for which there are no data on manufacture in 2007 (Table No. 4).

Table No. 4 Data on Increased Manufacture in the Department of Textile Manufacture

Product code	Name of the product	Unit of measure	2006	2007	2008	2009	2010
17.40.12.53.00	Bed Linen of Cotton	kg	7,000	9,746	13,135	13,218	19,054
17.40.16.59.01	Vehicle Upholstery	m^2		6,180,548	7,129,339	7,740,047	11,247,383
17.72.10.33.00	Sweaters and Pullovers containing more than 50% of wool > 600gr	piece	5,000	-	229,485	231,625	304,688

Data on manufacture in period of 2006-2010 are not recorded in the group of products as Dyeing of Textile Fibres and manufacture of Men Sweaters of Wool or Fine Animal Hair (Table No. 5).

Table No. 5 Product Groups for Which There Are No Recorded Manufacture Data

Product code	Name of the product	Unit of measure	2006	2007	2008	2009	2010
17.30.10.10.00	Dyeing of Textile Fibres	kg	0	0	0	0	0
17.72.10.31.00	Men Sweaters of Wool or Fine Animal Hair	piece	0	0	0	0	0

However, in the product groups as : Yarn containing 85% by weight of synthetic staple fibres, blankets and travelling ruggs of synthetic fibres, tarpaulins, awnings, shutters, as well as tents, there are no data on manufacture in the last two or three years (Table No. 6), so we can speak about termination of manufacture for these products.

Table No.6 Product Groups for Which There Are No Recorded Manufacture Data

Product code	Name of the product	Unit of measure	2006	2007	2008	2009	2010
17.10.52.30.00	Yarn containing 85% by weight of synthetic staple fibres	kg	19,000	13,000	1,000	0	0
17.40.11.50.00	Blankets and Travelling Ruggs of synthetic fibres	piece	0	2,000	0	0	0
17.40.22.10.00	Tarpaulins, Awnings, Shutters	kg	0	17,223	2,814	0	0
17.40.22.30.00	Tents	kg	0	1,870	0	0	0

In the rest of the product groups within the level of Textile Manufacture, there was a decrease in manufacture over the previous year, which ranges from 6.57 to 94.09 of index points for 2007. In 2008, the drop in manufacture ranges from 2.38 to 95.17 index points.In 2009, the drop in manufacture ranges from 13.75 to 99.26 index points, while in 2010 decrease in manufacture ranges from 4.85 to 31.58%.

2.2.2.2. Manufacture by the Product Unit - Manufacture of Clothing, Dressing and Dyeing of Fur

Condition of manufacture by the product units in the level Manufacture of Clothing, Dressing and Dyeing of Fur activity code 18, is shown in results in the Tables No. 7-10, according to data from attachment (Attachment No. 9- Manufacture of Clothing, Dressing and Dyeing of Fur Activities Classification 18).

Data from attachment No. 8 relating to period 2006-2010 show constant increase of manufacture in manufacture of: Men`s sets made of cotton for industrial and professional use, the rest of women`s clothing for industrial and professional use, women`s negligees, bath robes, etc (Table No. 7)

Table No. 7 Data on Increased Manufacture in The Department of Manufacture of Clothing, Dressing and Dyeing of Fur

Product code	Name of the product	Unit of measure	2006	2007	2008	2009	2010
18.21.11.20.01	Men`s sets made of cotton for industrial and professional use	piece	19,000	34,262	38,467	44,075	80,272
18.21.30.23.01	the rest of women`s clothing for industrial and professional use	piece	19,000	104,869	175,467	213,059	256,900
18.23.24.60.00	women`s negligees, bath robes made of cotton	piece	268,000	401,044	437,988	561,825	591,100

Data on manufacture in a period 2006-2010 are not recorded for the group of products as women`s coats, gowns and capes of knitted or crocheted materials, women`s wind-jackets, ski jackets and similar articles, men`s comisoles, bath robes, dressing govns of other materials (Table No. 8)

Compared to the period of 2006-2009, when there was no data on manufacture, manufacture is recorded in 2010 for the group of products: Men`s jackets and blazers of synthetic or man-made fibres, for industrial and professional use, men`s trousers and breeches of synthetic or man-made fibres, for industrial and professional use, women`s trousers of synthetic or man-made fibres, for industrial and professional use, men`s nightshirts and pyjamas of cotton (Table No. 9).

Table No. 8 Product Groups for Which There Are No Recorded Manufacture Data

Product code	Name of the product	Unit of measure	2006	2007	2008	2009	2010
18.22.13.10.00	women`s coats, gowns and capes of knitted or crocheted materials	piece	0	0	0	0	0
18.22.31.30.00	women`s wind-jackets, ski jackets and similar articles	piece	0	0	0	0	0
18.23.22.40.02	men`s comisoles, bath robes of other materials	piece	0	0	0	0	0

in 2010

Table No.9 Product Groups for Which There Are No Recorded Manufacture Data

Product code	Name of the product	Unit of measure	2006	2007	2008	2009	2010
18.21.11.30.02	Men`s jackets and blazers of synthetic or man-made fibres	piece	0	0	0	0	9,319
18.21.12.40.02	men`s trousers and breeches of synthetic or man-made fibres	piece	0	0	0	0	16,233
18.23.22.30.01	men`s nightshirts and pyjamas of cotton	piece	0	0	0	940	4,191

Table No. 10 Product Groups for Which There Are No Recorded Manufacture Data

Product code	Name of the product	Unit of measure	2006	2007	2008	2009	2010
18.22.12.60.00	Men`s suits and sets of knitted or crocheted materials	piece	31,000	0	16	0	0
18.22.12.70.00	men`s trousers of knitted or crocheted materials	piece	3,000	1,000	0	0	0
18.22.35.49.00	women`s trousers and breeches	piece	0	2,000	13,000	0	0
18.22.35.51.00	women`s trousers of cotton	piece	0	4,455	2,988	0	0
18.24.22.20.01	women`s short sports jackets, sweatshirts and special sports clothing made of wool or fine animal hair	piece	0	29,794	10,153	0	0
18.24.23.38.00	shawls, scarves, veils, and simillar, made of silk	piece	0	140	70	0	0
18.24.32.33.00	clothing of felt	piece	0	1,000	0	0	0

However, in the group of products as: Men`s suits and sets of knitted or crocheted materials, men`s trousers, breeches, shorts of knitted or crocheted materials, women`s trousers and breeches, women`s trousers of cotton, women`s short sports jackets, sweatshirts and special sports clothing made of wool or fine animal hair, shawls, scarves, veils, and simillar, made of silk, clothing of felt, there are no data on manufacture in the last two or three years (Table No. 10).

In the rest of the product grupes within the section Manufacture of Clothing, Dressing and Dyeing of Fur there is a decrease in manufacture comparing to the previous year, which is in 2007within the range from 2.94 to 99.99 of index points. In 2008 decrease in manufacture is within the range from 5.69 to 99.61 of index points, while in 2009 decrease in manufacture is recorded in the range from 1.06 to 99.97 of index points.

2.2.2.3. Manufacture by the Product Unit - Tanning and Dressing of Leather; Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear

Condition of manufacture by product unit at the level Tanning and Dressing of Leather; Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear activity classification 19, is shown in results, in Tables No. 11-13, based on datat given in attachment (Attachment No. 10 Tanning and Dressing of Leather;Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear Activities Classification 19).

In the period 2008-2010 increas of unit manufacture for products, as: Slippers and other indoor footwear with leather uppers, footwear with upper part of leather with wooden or crock soles, articles normally carried in pocket or in the handbag and women`s footwear with leather uppers (Table No. 11).

Table No. 11 Data on Increased Manufacture

Product code	Name of the product	Unit of measure	2008	2009	2010
19.20.12.10.00	Slippers and other indoor footwear with leather uppers	piece	19	420	2,118
19.20.12.20.00	footwear with upper part of leather with wooden or crock soles	piece	4,508	6,745	24,494
19.20.12.30.00	articles normally carried in pocket or in the handbag	piece	2,055	5,448	8,377
19.30.13.52.00	women`s footwear with leather uppers	piece	2,233,102	2,368,418	2,764,678

In period from 2008-2010 manufacture data were not recorded in product groups as:
Waterproof footwear with uppers of rubber or plastic, women`s sandals with leather uppers, ski boots and shoes for cross country skiing and snowboard, sport shoes with leather uppers and soles of rubber, plastic or leather, shoes with soles of rubber, plastic or rubber and protective metal toe-cap, footwear which do not belong to the group with uppers of leather or artificial leather and textile (Table No. 12).

Table No. 12 Product Groups for Which There Are No Recorded Manufacture Data

Product code	Name of the product	Unit of measure	2008	2009	2010
19.30.11.00.00	Waterproof footwear with uppers of rubber or plastic	pair	0	0	0
19.30.13.62.00	women`s sandals with leather uppers	pair	0	0	0
19.30.21.50.00	ski boots and shoes for cross country skiing and snowboard	pair	0	0	0
19.30.13.52.00	women`s footwear with leather uppers	pair	0	0	0
19.30.23.50.00	sport shoes with leather uppers and soles of plastic	pair	0	0	0
19.30.31.50.00	shoes with soles of rubber, plastic or rubber and protective metal toe-cap	pair	0	0	0
19.30.32.90.00	footwear which do not belong to the group with uppers of leather or artificial leather and textile	pair	0	0	0

In period from 2008-2010 manufacture data were not recorded in product groups as:
Waterproof footwear with uppers of rubber or plastic, women`s sandals with leather uppers, ski boots and shoes for cross country skiing and snowboard, sport shoes with leather uppers and soles of rubber, plastic or leather, shoes with soles of rubber, plastic or rubber and protective metal toe-cap, footwear which do not belong to the group with uppers of leather or artificial leather and textile (Table No. 12).

In the rest of the group of products within the section Leather Processing, Manufacture of Haberdashery and Footwear, there is a decrease in manufacture comparing to the previous year which was within the range from 2.95 to 89.14 of index points in 2007. In 2008 decrease in manufacture is within the range from 5.73 to 99.61 of index points. In 2009 decrease in manufacture is recorded in the range from 5.73 to 97.3 of index points, while in 2010 decrease in manufacture is within the range from 4.52 to 64.22 of index points.

2.2.3. The Representation of the Textile, Clothing, Leather and Footwear Industry of the Federation of BiH, by cantons

Industrial branch textile, clothing, leather and footwear has different representation by cantons of the Federation of Bosnia and Herzegovina. Indicators show that Textile Processing is represented in four cantons: Zenica -Doboj Canton, Una-Sana Canton, Tuzla Canton and Sarajevo Canton.

Area of Clothing Manufacture is most numerous and it is performed in six cantons as follows: Zenica-Doboj Canton, Bosnian Podrinje Canton, Herzegovina-Neretva Canton, Tuzla Canton, Central Bosnia Canton and Sarajevo Canton. Area of Leather Processing and Footwear Manufacture is performed in six cantons as follows: Posavina Canton, Tuzla Canton, Zenica-Doboj Canton, Central Bosnia Canton, West Herzegovina Canton, Sarajevo Canton. In Tuzla Canton, Zenica-Doboj Canton and Sarajevo Canton all three areas of processing and manufacturing of textile, clothing, leather and footwear are represented.

There is no manufacture in observed areas in Canton 10, while in other cantons, some of above mentioned areas of this industrial branch are realised.
Data on realized manufacture by cantons, in industrial branch of textile, clothing, leather and footwear, are shown in tables.

2.2.3.1. Una-Sana Canton
Textile, clothing, leather and footwear manufacture in Una-Sana Canton is performed in the area of Textile Processing (Table No. 13). This area of manufacture exercizes constant growth on an annual basis, from 7.3% in 2008, 12.2% in 2009 and 14.9% in 2010.

Table No. 13 Industrial Manufacture Indexes of the Una-Sana Canton

1	Una-Sana Canton	2008 2007	2009 2008	2010 2009
	Textile processing	107.3	112.2	114.9
	Manufacture of clothing	136.3		
	Leather and footwear processing	-	-	-

However, it is evident that after 2008 there are no data on manufacturing activities in the area of Manufacture of Clothing. Similar situation is in the area of Leather Processing and Manufacture of Footwear, where manufacturing activities are not recorded for the observed time period.

2.2.3.2. Posavina Canton
In Posavina Canton, manufacture of this industrial branch is realized in the area of Leather Processing and Footwear Manufacture (Table No. 14). The area of Leather Processing and Footwear Manufacture achieves rezults showing that manufacture has not reached the level of 2005. Comparing with the observed year, manufacture is on the level of 92%.

Table No. 14 Industrial Manufacture Indexes of the Posavina Canton

2	Posavina Canton	2008 2007	2009 2008	2010 2009
	Textile processing			
	Manufacture of clothing	68.9	14.0	
	Leather and footwear processing	88.4	62.4	92.0

2.2.3.3. Tuzla Canton

In Tuzla Canton, manufacturing activities are realized in all areas of textile, clothing, leather and footwear industry (Table No. 15).
Table No. 15 Industrial Manufacture Indexes of the Tuzla Canton

3	Tuzla Canton	2008 2007	2009 2008	2010 2009
	Textile processing	63.7	72.4	63.9
	Manufacture of clothing	109.6	78.0	105.3
	Leather and footwear processing	142.4	36.8	133.4

From value of industrial manufacture indexes of the Tuzla Canton, it is obvies that there was a decrease in manufacture on all observed areas. Besides that, area of Textile Processing realizes constant decrease of 36.3% in 2008, 27.6% in 2009 and 36.1% in 2010. Clothing Manufacture with 5.3% and Leather Processing Footwear Manufacture with 33.4% continue with the increasing trend from recent years.

2.2.3.4. Zenica-Doboj Canton

Also in Zenica-Doboj Canton, manufacturing activities are realized in all areas of Textile, Clothing, Leather and Footwear Industry (Table No.16)

Table No.16 Industrial Manufacture Indexes of the Zenica-Doboj Canton

4	Zenica-Doboj Canton	2008 2007	2009 2008	2010 2009
	Textile processing	115.4	107.8	145.2
	Manufacture of clothing	148.0	110.0	101.1
	Leather and footwear processing	123.6	61.5	73.3

In the area of Textile Processing and Clothing Manufacture, the constant increase of manufacture is realized for the obzerved period. The area of Textile Processing realizes increase from 15.4% in 2008, 7.8% in 2009 and 45.2% in 2010. Clothing Manufacture has increased for 48% in 2008, 10% in 2009 and 1.1% in 2010. Area of Leather Processing and Footwear Manufacture, after 2008, realizes decrease in manufacture value for 38.5% in 2009 and 26.7% in 2010.

2.2.3.5. Bosnian Podrinje Canton

Data on manufacture of textile, clothing, leather and footwear industry of the Bosnian Podrinje Canton (Table No. 17) show that the first data on manufacture in the area of Clothing Manufacture are related to 2010.

Table No. 17 Industrial Manufacture Indexes of the Bosnian Podrinje Canton

5	Bosnian Podrinje Canton	2008 2007	2009 2008	2010 2009
	Textile processing			
	Manufacture of clothing			131.2
	Leather and footwear processing	-	-	-

The rest of the areas of manufacture are not registerd in this canton.

2.2.3.6. Central Bosnia Canton

Manufacture of this industrial branch, in Central Bosnia Canton, is performed in the areas of Clothing Manufacture and Manufacture of Leather and Footwear (Table No. 18).

So, in the area of Clothing Manufacture there is increase of 6.5% in 2008, than decrease of 4.7% in 2009 and increase of 23.8% in 2010. Manufacture of Leather and Footwear records increase of manufacture that is 11.1% for 2009, while 13.4% in 2010.

Table No. 18 Industrial Manufacture Indexes of the Central Bosnia Canton

6	Central Bosnia Canton	2008 2007	2009 2008	2010 2009
	Textile processing			
	Manufacture of clothing	106.5	95.3	123.8
	Leather and footwear processing	82.6	111.1	113.4

2.2.3.7. Herzegovina-Neretva Canton

In Herzegovina-Neretva Canton, manufacture in this industrial branch (Table No. 19) is performed in the area of Clothing Manufacture. After the increase of manufacture that was 42.4% for 2008 and 14.3% for 2009, there is decrease of 41.1% in 2010.

Table No. 19 Industrial Manufacture Indexes of the Herzegovina-Neretva Canton

7	Herzegovina-Neretva Canton	2008 2007	2009 2008	2010 2009
	Textile processing			
	Manufacture of clothing	142.4	114.3	58.9
	Leather and footwear processing	-	-	-

There is no manufacture in the areas of Textile Processing and Leather and Footwear Processing in this canton.

2.2.3.8. West Herzegovina Canton

In this canton, manufacture in this industrial branch (Table No. 20) is performed in the area of Leather and Footwear Manufacture. There is no manufacture in the rest of the areas.

Table No. 20 Industrial Manufacture Indexes of the West Herzegovina Canton

8	West Herzegovina Canton	2008 2007	2009 2008	2010 2009
	Textile processing			
	Manufacture of clothing			
	Leather and footwear processing	233.0	152.7	108.9

Constant increase in manufacture is evident, from 133% in 2008, over 52.7% in 2009 to 8.9% in 2010. There is no manufacture in the rest of the areas of this industrial branch.

2.2.3.9. Sarajevo Canton

In Sarajevo Canton, manufacturing activities are performed in all areas of Textile, Clothing, Leather and Footwear Industry (Table No. 21).

Table No. 21 Industrial Manufacture Indexes of the Sarajevo Canton

9	Sarajevo Canton	2008 2007	2009 2008	2010 2009
	Textile processing	71.8	85.0	105.1
	Manufacture of clothing	174.4	52.4	173.5
	Leather and footwear processing	100.0	96.2	84.0

Data on manufacturing results of the Textile, Clothing, Leather and Footwear Industry achieved in Sarajevo Canton show that in the area of Textile Processing, after 2008 and 2009, there is increase in production of 5.1% in 2010. Clothing Manufacture with extreme minimum of 47.6% in 2009, records increase of 73.5% in 2010. In the area of Leather Processing and Footwear manufacture there is decrease in manufacture in the last two years from 3.8% in 2009 to 16% in 2010.

2.2.3.10. Canton 10

Data on manufacture of the Textile, Clothing, Leather and Footwear Industry in Canton 10 (Table No. 22) show that in the area of Clothing manufacture, after decrease in manufacture in 2008 and 2009, came to its closure. In this way Canton 10 lost its production in the Textile, Clothing, Leather and Footwear Industry.

Table No. 22 Industrial Manufacture Indexes of the Canton 10

10	Canton 10	2008 2007	2009 2008	2010 2009
	Textile processing			
	Manufacture of clothing	79.3	60.1	
	Leather and footwear processing	-	-	-

Data on representation of the FBiH Textile, Clothing, Leather and Footwear Industry with total manufacture indexses in the areas that cover this this industrial branch by cantons are grouped, processed and generally shown in tables (Table No. 23).

Table No. 23 Representation and Manufacture Indexes by the FBiH Cantons

		2008 2007	2009 2008	2010 2009
Una-Sana Canton	Textile processing	107.3	112.2	114.9
	Clothing Manufacture	136.3	-	-
	Leather and Footwear Man.	-	-	-
Posavina Canton	Textile Processing	-	-	-
	Clothing Manufacture	68.9	14.0	-
	Leather and Footwear Man.	88.4	62.4	92.0
Tuzla Canton	Textile processing	63.7	72.4	63.9
	Clothing Manufacture	109.6	78.0	105.3
	Leather and Footwear Man.	142.4	36.8	133.4
Zenica-Doboj Canton	Textile processing	115.4	107.8	145.2
	Clothing Manufacture	148.0	110.0	101.1
	Leather and Footwear Man.	123.6	61.5	73.3
Bosnian Podrinje Canton	Textile processing	-	-	-
	Clothing Manufacture	-	-	131.2
	Leather and Footwear Man.	-	-	-
Central Bosnia Canton	Textile processing	-	-	-
	Clothing Manufacture	106.5	95.3	123.8
	Leather and Footwear Man.	82.6	111.1	113.4
Herzegovina Neretva Canton	Textile processing	-	-	-
	Clothing Manufacture	142.4	114.3	58.9
	Leather and Footwear Man.	-	-	-
West-Herzegovina Canton	Textile processing	-	-	-
	Clothing Manufacture	-	-	-
	Leather and Footwear Man.	233.0	152.7	108.9
Sarajevo Canton	Textile processing	71.8	85.0	105.1
	Clothing Manufacture	174.4	52.4	173.5
	Leather and Footwear Man.	100.0	96.2	84.0
Canton 10	Textile processing	-	-	-
	Clothing Manufacture	79.3	60.1	-
	Leather and Footwear Man.	-	-	-

2.3.Employment by Activities

Data on the number of employees in the Industry of the Federation of Bosnia and Herzegovina, Processing Industry, Textile Processing, Clothing Manufacture, Leather and Footwear Manufacture, as well as the total number of employees in the Textile, Clothing, Leather and Footwear Industry, according to data of FBiH Statistics Institute, are shown in the table of employment by areas and sections (Table No. 24).

Table No. 24 Employment by Areas and Sections

	2006	2007	2008	2009	2010	2011
FBiH Industry	389,601	413,676	430,745	437,501	438,949	440,747
Processing Industry	82,507	85,093	87,695	84,275	84,064	84,700
Textile	4,711	4,509	4,471	4,877	4,986	5,716
Clothing	6,971	6,150	6,596	6,682	6,668	7,164
Leather,Footwear	6,366	6,163	6,056	6,530	6,701	7,334
E TCLF	18,048	16,822	17,123	18,089	18,355	20,214

It is evident that number of employees in the FBiH Textile, Clothing, Leather and Footwear Industry increases from 2006 when it was 16.822 to 20.214 of employees in 2011.
Percentage of increase of the number of employees is from 1.78% in 2008 to 10.12% in 2011.

Comparing to the total number of employees in the Industry of the Federation of Bosnia and Herzegovina, Textile, Clothing, Leather and Footwear Industry (Table No. 25) absorbed 4.6% of employees, wherein this percentage increased from 3.9% in 2008 to 4.6% in 2011.

Table No. 25 Proportion of Employees: FBiH Industry - FBiH TCLF Industry (%)

	2006	2007	2008	2009	2010	2011
FBiH Industry	100	100	100	100	100	100
TCLF	4.6	4.1	3.9	4.1	4.1	4.6

Comparing to the total number of employees in the Processing Industry of the Federation of Bosnia and Herzegovina, Textile, Clothing, Leather and Footwear Industry (Table No. 26) absorbed 23.8% of employees, wherein this percentage increased from 19.5% in 2008 to 23.8% in 2011.

Table No. 26 Proportion of Employees: FBiH Processing Industry - FBiH TCLF Industry (%)

	2006	2007	2008	2009	2010	2011
Processing Industry	100	100	100	100	100	100
TCLF	21.8	19.8	19.5	21.5	21.8	23.8

Proportion of employees within the Textile, Clothing, Leather and Footwear Industry (Table No. 27) shows that the largest number of employees, 7.334 or 36.4%, works in Leather and Footwear Manufacture. 7.134 employees or 35.4% works in Clothing Manufacture, while 7.516 or 28.2% of employees works in Textile Processing.

Table No. 27
Proportion of Employees in FBiH TCLF Industry (%)

	2006	2007	2008	2009	2010	2011
E TCLF	100	100	100	100	100	100
Textile	26.1	26.8	26.1	26.9	27.1	28.2
Clothing	38.6	36.5	38.5	36.9	36.3	35.4
Leather,Footwear	35.3	36.7	35.4	36.2	36.6	36.4

2.3.1. Employment by Age Intervals[1]
Situation of employees in the Industry of the Federation of Bosnia and Herzegovina, according to data from March 2011 (Table No. 28), comparing to interval of employees, shows that 32.7% of total number of employees is at the age interval to 35 years, 42.5% is at the interval from 35 to 50 years, while 24.8% of employees is over 50 years.

Table No. 28 Employment by Age Intervals - FBiH Industry

E	-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-65
379,688	19,513	47,342	57,078	52,559	52,459	56,576	50,797	29,892	13,472
100%	5.1	12.4	15.2	13.8	13.8	14.9	13.4	7.9	3.5
E women	7,520	19,929	23,768	21,434	20,130	22,625	19,833	11,474	5,140
40.0%	4.9	13.1	15.6	14.1	13.6	14.9	13.0	7.5	3.3

[1]Situation March 2011

From the total number of employees 40% are women. Of that number, 33.6% are in age interval to 35 years, 42.6% are in age interval from 35 to 50 years, and 23.8% of employed women are in age interval over 50 years.

Condition of employees in the Processing Industry of the Federation of Bosnia and Herzegovina (Table No. 29), shows that 38.0% employees is in the age interval to 35 years, 41.5% is in the interval from 35 to 50 years, while 20.5% of employees are aged over 50 years.

Table No. 29 Employment by Age Intervals - FBiH Processing Industry

E	-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-65
78,469	6,886	11,216	11,681	10,115	10,997	11,460	10,318	4,514	1,282
100%	8.8	14.3	14.9	12.9	14.0	14.6	13.1	5.8	1.6
E women	2,505	3,840	3,968	3,736	4,030	3,941	3,044	1,108	231
33.6%	9.5	14.5	15.1	14.2	15.2	14.9	11.5	4.2	0.9

From the total number of employees, 33.6% coveres femail population. Of that number, 39.1% of employed women are in the interval to 35 years, 42.6% are in the age interval from 35 to 50 years, and 23.8% of employed women are in the age interval over 50 years.
In the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina (Table No. 30) from the total number of workers, 41.0% are in the age interval to 35 years, 41.1% in the age interval from 35 to 50 years, while 17.6% of employees are over 50 years.

Table No. 30 Employment by Age Intervals - FBiH TCLF Industry

E	-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-65
18,979	2,530	3,151	2,109	2,727	2,826	2,329	1,524	1,676	107
100%	13.3	16.6	11.1	14.3	14.9	12.2	8.0	8,8	0.6
E women	1,241	2,110	2,214	2,055	2,100	1,718	1,699	242	37
70.7%	9.2	15.7	16.5	15.3	15.6	12.8	12.6	1.8	0.3

From the total number of employees in the Textile, Clothing, Leather and Footwear Industry, 70.7% belongs to femail population. Of that number, 41.4% of employed women are in the interval to 35 years, 43.7% are in the age interval from 35 to 50 years, and 14.7% of employees are aged over 50 years.

Textile Processing, as area that employs 28.2% of total number of employees in the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina (Table No. 31), has 54.2% of workers in interval to 35 years. 37.6% works in interval from 35 to 50 years, and 8.2% of workers is employed in interval of over 50 years.

Table No. 31 Employment by Age Intervals - Textile Manufacture

E	-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-65
5,401	899	1,063	969	770	709	548	303	113	27
100%	16.5	19.8	17.9	14.2	13.2	10.2	5.6	2.1	0.5
E women	564	631	643	592	461	413	190	66	6
66.0%	15.8	17.7	18.0	16.6	12.9	11.6	5.4	1.8	0.2

In this area, 66.0% of workers are femail work force. 51.5% of employed women is up to 35 years, 41.1% of employees is in the interval from 35 to 50 years, while 7.4% is over 50 years old.

Clothing Manufacture,as area that employs 35.4% of the total number of employees in the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina (Table No. 32), has 43.4% of workers in interval to 35 years. 41.6% of workers in interval from 35 to 50 years, and 15.0% of workers is employed in interval of over 50 years.

In this area, female work force makes 77.3% of workers. 44.3% of women is employed in interval to 35 years, 42.6% of employees works in interval from 35 to 50 years, while 13.1% is employed in interval of over 50 years.

Table No. 32 Employment by Age Intervals - Manufacture of Clothing, Dressing and Dyeing of Fur

E	-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-65
6,667	827	989	1,078	861	1,078	832	668	286	48
100%	12.4	14.8	16.2	12.9	16.2	12.5	10.1	4.2	0.7
E women	677	750	854	664	898	633	495	161	20
77.3%	13.1	14.6	16.6	12.9	17.4	12.3	9.6	3.2	0.3

In the area of Leather Processing and Footwear Manufacture, that makes 36.4% of workers of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina (Table No. 33) has 42.4% of workers in interval to 35 years. 44.5% of workers in interval from 35 to 50 years, and 12.9% of workers is employed in interval of over 50 years.

Table No. 33 Employment by Age Intervals - Leather Processing and Footwear Manufacture

E	-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-65
6.911	804	1,099	1,033	1,096	1,039	949	553	306	32
100%	11.6	15.9	14.9	15.9	14.9	13.7	8.0	4.4	0.5
E women	507	729	717	799	741	672	372	115	46
68.0%	10.8	15.5	15.3	17.0	15.8	14.3	7.9	2.4	1.0

In this area, female work force makes 68.0% of workers. 41.6% of women is employed in interval to 35 years. 47.1% of employees works in interval from 35 to 50 years, while 11.3% is employed in interval of over 50 years.

Generally, in terms of employment by age intervals, comparing to the Industry of the Federation of Bosnia and Herzegovina and its Processing Industry, the Textile, Clothing, Leather and Footwear Industry (Table No. 34) has the highest number of workers, 41.0%, in interval to 35 years. 41.4% of workers is in the interval from 35 to 50 years.

With the lowest number of workers of 17.6%, in the age interval over 50 years, it is concluded that this branch of industry has a favorable age structure, in the total number of employees, as well as in terms of gender structure.

Table No. 34 Employment by Age Intervals (%)

		To 35 years	From 35 to 50	Over 50 years
FBiH Industry	Total 100.0	32.7	42.5	24.8
	Women 40.0	33.6	42.6	23.8
Processing Industry	Total 100.0	38.0	41.5	20.5
	Women 33.6	39.1	42.6	23.8
Textile Processing	Total 28.2	54.2	37.6	8.2
	Women 66.0	51.5	41.1	7.4
Clothing Manufacture	Total 35.4	43.4	41.6	15.0
	Women 77.3	44.3	42.6	13.1
Leather Processing Footwear Manufacture	Total 36.4	42.4	44.5	12.9
	Women 68.0	41.6	47.1	11.3
Total of textile, clothing, leather,footw.	Total 100.0	41.0	41.4	17.6
	Women 70.7	41.4	43.7	14.7

2.3.2. Unemployed Persons With Occupations in the Field of Textile, Clothing, Leather and Footwear

Acording to data of FBiH Statistics Institute, in eight cantons of the Federation of Bosnia and Herzegovina (without West Herzegovina Canton and Canton 10), there are 16,005 of unemployed persons in the records in the field of textile, clothing, leather and footwear (Table No. 35).

Table No. 35 Overview of Unemployed Persons with Occupations in the Field of TCLF, by the FBiH Cantons

	USC	PC	TC	ZDC	BPC	CBC	HNC	SC
2010	1,819	475	3,934	3,448	162	1,500	1,491	3,002
2011	1,869	483	3,932	3,460	298	1,568	1,490	2,908

Comparing to 2010 year, there is increase of 174 unemployed persons or 1.09% in 2011 (Table No. 36).

Table No. 36 Total Number of Unemployed Persons

	2010	2011	Variance
Number of unemployed	15,831	16,005	+ 174

The increase of number of unemployed persons with occupations in the field of textile, clothing, leather and footwear is evident in the most of the cantons, while there is decrease of number of these persons in Tuzla Canton, Herzegovina-Neretva Canton and Sarajevo Canton.

2.3.3. The Average Net Wage Per Employee, by Activities

FBiH Statistics Institute, data on average monthly disbursed net wage calculates on the basis of data collected through Monthly Survey on employees and wages. Survey on wages includes disbursed net wages of employees that have permanent employment, regardless of the type of employment and of working hours.

Average monthly disbursed net wage includes disbursed wage for performed work, as well as remunerations based on employment: annual leave, paid leave, national public holidays and non-working days stipulated by law, sick leave disbursed by business entity, paid leave from work, delays in business without fault of employees.

According to data that were published in gazettes of FBiH Statistics Institute, the average net wage in the Industry of the Federation of Bosnia and Herzegovina shows increase on the annual level (Table No. 37). Average wage in this industry branch is 374.0 BAM. In the area of Textile Processing is from 409.77 BAM, in leather processing and clothing manufacture is 369.77, and in the area of clothing manufacture is 342.46 BAM.

Table No. 37 The Average Net Wage Per Employee - by Areas

	2006	2007	2008	2009	2010	2011
FBiH Industry	603,21	662,10	751,30	792,08	804,37	819,36
Processing Industry	457,49	493,92	542,84	558,61	573,72	581,91
Textile	345,49	386,20	404,69	380,03	401,96	409,77
Clothing	299,79	323,69	352,45	337,51	365,56	342,46
Leather footwear	337,09	345,39	393,58	346,07	358,46	369,77
E TLF	327,45	351,76	383,57	354,53	375,32	374,00

Comparing to 2006, disbursed net wage for 2011 increased by 216.15 BAM or 36.83%.

Average wage in Processing Industry in the Federation of Bosnia and Herzegovina, for the same period, increased by 124.42 BAM or 27.19%.

However, the average wage in the Textile, Clothing, Leather and Footwear Industry has not yet reached a value of 2008 of 383.57 BAM and it is lower for 2.49%.

Average wage in the particular areas of processing of this industry branch shows simillar trend. Wage in textile processing reached in 2011 the level from 2008, but it is only for 5.08 BAM higher than that amount. Comparing to 2008, the wage in the clothing manufacture is lower for 9.99 BAM and it is 97.16% of that amount. And in the area of leather processing and footwear manufacture, wage in 2011 has not yet reached a level from 2008 and it is lower for 23.81 BAM or 93.95% of that amount.

Trends of the average net wage per employee in the Industry of the Federation of Bosnia and Herzegovina and the Textile, Clothing, Leather and Footwear Industry (Table No. 38) shows that the same has been constantly decreasing in the period from 2006-2011.

Table No. 38 Proportion of The Average Net Wage Per Employee: FBiH TCLF Industry (%)

	2006	2007	2008	2009	2010	2011
FBiH Industry	100	100	100	100	100	100
TCLF	54.2	53.1	51.0	44.7	46.6	45.6

The same comparison can be made in relation to the average net wage of the Processing Industry of the Federation of Bosnia and Herzegovina and the Textile, Clothing, Leather and Footwear Industry (Table No. 39). In the period of 2006-2011 the average wage of the Textile, Clothing, Leather and Footwear Industry is in constant decrease and in 2011 it is 64.2% of the average wage of the Processing Industry of the Federation of Bosnia and Herzegovina.

Table No. 39 Proportion of The Average Net Wage Per Employee: FBiH Procesing Industry - TCLF Industry (%)

	2006	2007	2008	2009	2010	2011
Processing Industry	100	100	100	100	100	100
TCLF	71.5	71.2	70.6	63.4	65.4	64.2

2.4. The Share of the Textile, Clothing, Leather and Footwear Industry in the Gross Domestic Product
Data on the Gross Domestic Product of the Federation of Bosnia and Herzegovina, according to production and income approach for 2010, are taken from the "Statistical Yearbook 2011" that was published by the FBiH Statistics Institute.

In the Gross Domestic Product of the Federation of Bosnia and Herzegovina in 2010, Processing Industry participated with 12.52% and the Textile, Clothing, Leather and Footwear Industry with 1.21% (Table No. 40).

Table No. 40 Share of TCLF Industry in the Gross Domestic Product

	2005	2006	2007	2008	2009	2010
Industry 000 BAM	11,006,599	12,321,957	13,936,662	15,688,444	15,277,726	15,712,296
Industry %	100	100	100	100	100	100
Processing Ind. 000 BAM	1,177,765	1,361,068	1,732,617	2,025,886	1,764,698	1,966,961
Processing Ind. %	10.70	11.05	12.43	12.91	11.55	12.52
TCLF 000 BAM	117,920	132,529	150,435	174,040	173,127	190,391
FBiH- TCLF Ind. %	1.07	1.07	1.08	1.12	1.13	1.21
Process Ind.FBiH - TCLF%	10.00	9.68	8.68	8.67	9.78	9.66

Comparing to period of 2005-2010, share of the Textile, Clothing, Leather and Footwear Industry is in constant increase from 1.07% in 2005 to 1.21% in 2010.

In the Textile, Clothing, Leather and Footwear Industry individual manufacture areas have a different share in the realisation of the Gross Domestic Product (Table No. 41).

Table No. 41 Share of TCLF Industry in the Gross Domestic Product

	2005	2006	2007	2008	2009	2010
TLCF 000 BAM	117,920	132,529	150,435	174,040	173,127	190,391
FBiH- TCLF Ind. %	1.07	1.07	1.08	1.12	1.13	1.21
Textile Processing	0.37	0.26	0.28	0.32	0.39	0.42
Clothing Manufacture	0.42	0.41	0.47	0.44	0.44	0.47
Leather and Footwear	0.28	0.40	0.33	0.36	0.30	0.32

Area of Textile Processing participates in the share of the Textile, Clothing, Leather and Footwear Industry, in the Gross Domestic Product realized in 2010, with 0.42%. The area of Clothing Manufacture realizes the highest share with 0.47%, while the area of Leather and Footwear Manufacture is represented with 0.32%.

When manufacture approach is applied in the budget, the Gross Domestic Product is equal to the value of all goods and services manufactured in the economy - output or gross manufacture value minus the value of all goods and services. In doing so, as elements are taken: Gross Manufacture Value (output), Intermediate Consumption and Gross Value Added at Basic Prices.
Manufacture account for individual areas of manufacture within the Textile, Clothing, Leather and Footwear Industry in 2009 and 2010 are shown in tables.

In the area of Textile Processing gross output in basic prices participates with 0.39%, in intermediate consumption participates with 0.28%, and gross value added in basic prices with 0.51% (Table No. 42).

Table No. 42 Manufacture Account in the Area of Textile Manufacture

		2009	2010
Textile Manufacture 000 BAM	Gross manufacture in basic prices	92,541	105,420
	Intermediate consumption	32,687	39,886
	Gross value added in basic prices	59,854	65,534
Textile Manufacture %	Gross manufacture in basic prices	0.36	0.39
	Intermediate consumption	0.25	0.28
	Gross value added in basic prices	0.47	0.51

In the area of Clothing Manufacture, gross manufacture in the basic prices participates with 0.49%, intermediate consumption with 0.42%, and gross value added in the basic prices with 0.57% (Table No. 43).

Table No. 43 Manufacture Account in the Area of Clothing Manufacture

		2009	2010
Clothing manufacture 000 BAM	Gross manufacture in basic prices	116,061	132,884
	Intermediate consumption	49,362	58,402
	Gross value added in basic prices	66,699	74,482
Clothing manufacture %	Gross manufacture in basic prices	0.45	0.49
	Intermediate consumption	0.38	0.42
	Gross value added in basic prices	0.53	0.57

In the area of Leather and Footwear Manufacture, gross manufacture in the basic prices participates with 0.59%, intermediate consumption with 0.78%, and gross value added in basic prices with 0.39% (Table No. 44)

Increasing trend, comparing to the elements of analysis , is evident in all three of observed areas. The highest share of gross manufacture in basic prices of 0.59% and intermediate consumption of 0.78% is recorded in the area of Leather and Footwear Manufacture, while the highest share of gross value added is of 0.57% in the area of Clothing Manufacture.

Table No. 44 Manufacture Account in the Area of Leather and Footwear Manufacture

		2009	2010
Leather and footwear manufacture 000 BAM	Gross manufacture in basic prices	117,880	160,276
	Intermediate consumption	71,306	109,901
	Gross value added in basic prices	46,574	50,375
Leather and footwear manufacture %	Gross manufacture in basic prices	0.46	0.59
	Intermediate consumption	0.54	0.78
	Gross value added in basic prices	0.37	0.39

2.5. Investments

Data on investments in the the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina are taken from the publications of the FBiH Statistics Institute and they are related to Disbursements for Investments per years and per main sources of financing for 2010 or realized investments per years, with respect to fixed assets by technical structure, as well as realized investments in the new fixed assets by purpose of investment and technical structure in 2010.

2.5.1. Disbursements for Investments

Disbursements for investments are financial investments during the year in new and existing fixed assets, regardless of the time of their construction or purchase. The value of these investments in the Federation of Bosnia and Herzegovina, for the period of 2006-2010, is shown in tables (Table No. 45).

Participation of the Textile, Clothing, Leather and Footwear Industry, relating to the value of investments in the Industry is 1.0%, while, comparing to the Processing Industry, amounts 5.3%.

Value of disbursements for investments in all observed segments, after 2008, realize decrease. Only the Textile, Clothing, Leather and Footwear Industry realized increase of investments of 18.6% in period of 2009-2010, but that amount is for 13.8% lower than the amount of investments made in 2008.

Approximately 2.8 billion BAM were invested in 2010 in the Industry of the Federation of Bosnia and Herzegovina. Of that amount,510 million BAM or 18.2% was invested in the Processing Industry, while 29 million BAM or 0.96% was invested in the Textile, Clothing, Leather and Footwear Industry.

The highest investment in the Textile, Clothing, Leather and Footwear Industry are own funds of 68.9%, 21.6% are used financial loans, 9.5% are other sources of financing (Table 46).

Table No. 45 Disbursements for Investments

	2006	2007	2008	2009	2010
Industry 000 BAM	2,297,462	3,527,339	4,207,898	3,036,284	2,804,366
Industry %	100.0	100.0	100.0	100.0	100.0
Processing Ind. 000 BAM	512,790	895,276	1,035,603	601,675	510,695
Relation Industry - PI	22.3	25.4	24.6	19.8	18.2
Industry TCLF 000 BAM	17,668	34,481	31,300	22,745	26,986
Relation Industriy-TCLF	0.8	1.0	0.7	0.7	1.0
Relation PI- TCLF	3.4	3.8	3.0	3.8	5.3

Table No. 46 Disbursements for Investments According to the Main Sources of Financing in 2010 (000 BAM)

	Industriy	Manufacture industry	TCLF Industry
Own funds	1,780,168	292,186	18,601
Pooled funds	68,613	15,430	352
Used financial loans	670,259	177,291	5,850
Finance lease	84,359	15,736	626
Own funds and Budget	60,739	1,038	367
From other sources	140,227	9,013	1,188
Total	2,804,366	510,695	26,986

2.5.2. Realized Investments

Realized investments are values of physically realized construction, production or purchase of new and used fixed assets over the year, regardless of whether they were finished, and if their disbursement was performed and when. Amount of these investments in the Federation of Bosnia and Herzegovina, for the period of 2006-2010, is shown in tables (Table No. 47).

Values of realized investments are, in all observed segments, after 2008, in decrease. Only the Textile, Clothing, Leather and Footwear Industry realized increase of investments, in the period of 2009-2010, of 21.2%, but that amount is lower for 17.5% than the amount of investments made in 2008.

Table No. 47 Realized Investments

	2006	2007	2008	2009	2010
Industry 000 BAM	2,279,959	3,583,330	4,285,716	3,008,982	2,776,648
Industry %	100.0	100.0	100.0	100.0	100.0
Processing Ind. 000 BAM	487,451	925,602	1,039,734	579,130	508,230
Relation Industry - PI	21.3	25.8	24.2	19.2	18.3
Industry TCLF 000 BAM	17,893	34,999	31,762	22,233	26,950
Relation Industry-TCLF	0.8	1.0	0.7	0.7	1.0
Relation PI- TCLF	3.7	3.8	3.0	3.8	5.3

Table No. 48 Realized Investments Fixed Assets by Technical Structure-2010 (000BAM)

	Industry	Processing Industry	Industry TCLF
Construction operations	1,453,521	222,201	15,204
Machinery, equipment and transport vehicles	1,182,819	270,905	11,351
Other tangible assets	46,543	2,602	
Intangible fixed assets	90,451	12,368	390
Costs of ownership transfer	3,316	154	5
Total	2,776,648	508,230	26,950

Less than 2.8 million BAM were invested in this way in 2010 in the Federation of Bosnia and Herzegovina. Of that amount, 508 million BAM or 18.3% is invested in Processing Industry, while 27 million BAM or 0.97% is invested in the Textile, Clothing, Leather and Footwear Industry.

The largest amount of investments in the Textile, Clothing, Leather and Footwear Industry 56.4% are construction operations. 42.1% are investments in machinery, equipment and transport vehicles, while 1.5% are other sources of financing (Table 48).

Realized investments in the new fixed assets by the purpose of investment and technical structure in 2010 in the Industry of the Federation of Bosnia and Herzegovina are approximately 2.6 billion BAM (Table No. 49).

Table No. 49 Realized Investments New Fixed Assets by Technical Structure in 2010

	Industry	Processing Industry	Industry TCLF
Construction operations	1,368,922	202,416	13,468
Machinery, equipment and transport vehicles	1,065,317	238,925	8,983
Other tangible assets	46,266	2,443	
Intangible fixed assets	90,203	12,514	390
Costs of ownership transfer	3,316	159	5
Total	2,574,023	456,457	22,846

Industry of the Federation of Bosnia and Herzegovina invested in 2010 more than 2.5 billon BAM in new fixed assets, in terms of technical structure.

460 million BAM or 17.7% was invested in the Processing industry, and in the Textile, Clothing, Leather and Footwear Industry near 23 million BAM or 0.9% of total value of investments in the industry, or 5.0% of total investments in the Processing Industry.

The largest amount of investments in the Textile, Clothing, Leather and Footwear Industry 58.9% are construction operations. 39.3% are investments in machinery, equipment and transport vehicles, while 1.8% are other sources of financing.

2.6. Energy Products

The Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina, according to used capacities, cannot be considered as large energy products conzumer (Table No. 50).
Share of the consumption of the Textile, Clothing, Leather and Footwear Industry in the total consumption of electricity of the Industry is 20,900 MWh or 0.54%, or it represents 0.69% of the total consumption of the Processing Industry. The highest consumption is in the area of the Clothing Manufacture of 38.2%, than in the Leather and Footwear Manufacture of 36.9% and Textile Manufacture of 24.9%

Significant consumption of energy products is recorded in the terms of the amounts of high sulphur fuel oil of 732 t or 75% of the total consumpted amounts in the Industry, or Processing Industry.

Consumption of lignite and briquettes is 4.770 t or 17.6% of the amounts consumpted in the Processing Industry, while the consumption of other energy products has a small share in total consumption of energy products in the Industry, as well as in the Processing Industry of the Federation of Bosnia and Herzegovina.

Table No. 50 Consumption of Energy Products

	Industry	Processing Industry	Textile Manufacture	Clothing Manufacture	Leather and footwear Manufacture	Total TCLF
Electricity MWh	3,846,605	3,025,776	5,197	7,996	7,707	20,900
Steam and hot-water GJ	4,263,630	3,463,614		1,753		1,753
Brown coal and briquettes t	3,506,217	73,807	264	525	702	1,491
Lignite and briquettes t	2,656,685	27,072	205		4,565	4,770
Firewood m^3	21,016	20,999	49	34	24	107
Unleaded petrol t	568	128			6	6
Diesel fuels t	34,734	11,731	58	34	79	171
Extra light fuel oil t	3,949	2,681	8	19	11	38
Low sulfur fuel oil t	10,822	7,331			28	28
High sulfur fuel oil t	977	977	727		5	732
Natural gas m^3	50,130	50,095	70	2,500	.	2,570

2.7. Environment

Impact on the environment is viewed through a segment of water and waste resulting from this industrial branch, through its manufacture activities.

2.7.1. Water

Economic entities that make this industrial branch realize the water supply in many ways (Table No. 51).

Table No. 51 Water Supply 000 m^3

	Industry	Processing Industry	Textile Manufacture	Clothing Manufacture	Leather and footwear Manufacture	Total TCLF
From public waterworks	20,972	17,306	97	216	67	380
From other systems	1,619	245	6	-	-	6
From groundwater	8,622	6,869	-	3	3	6
From source	909	866	-	-	72	72
From watercourse	24,322	23,472	-	19	332	351
Total	99,341	53,764	103	238	474	815

The Textile, Clothing, Leather and Footwear Industry annualy spends the amount of 815.0 m^3 of water, representing 0.8% of water used in the Industry, or 1.5% of water used in the Processing Industry. Water supply is performed from the public waterwork 46.6%, or 43.0% from watercourse.

According to purpose, these amounts of water are used for the technological processes, sanitation and other purposes (Table No. 51).

The largest amount of water is consumed in the area of the Leather and Footwear Manufacture 58.1%, Clothing Manufacture 29.2% and Textile Processing 12.7%.

Table No. 52 Usage of Water According to Purpose 000m^3

	Industry	Processing Industry	Textile Manufacture	Clothing Manufacture	Leather and footwear Manufacture	Total TCLF
Technological process-manufacture	59,094	29,814	56	38	335	429
Technological process-cooling	35,475	21,681	38	76	-	114
Sanitary purposes	2,446	1,764	9	3	67	198
Other purposes	2,326	505		2	72	74
Total	99,341	53,764	103	238	474	815

Of the total amount of water used, 52.6% is used for manufacture, 24.3% for sanitary purposes, 14.0% for cooling processes and 9.1% for other purposes.

After the usage, 775,000 m[2] is dropped from the drive of this industrial branch or 95.0% from the total of used amount of water (Table No. 53).

	Industry	Processing Industry	Textile Manufacture	Clothing Manufacture	Leather and Footwear Manufacture	Total TCLF
Unpolluted	27.167	8.900	73	31	47	151
Polluted	7.310	5.827	14	180	23	217
Refined	40.271	27.470		3	404	407
Total	74.748	42.197	87	214	474	775

2.7.2. Waste

Certain amount of waste arises from the manufacture activities of Textile, Clothing, Leather and Footwear Industry (Table No. 54). Based on the total amount of the waste arising from the Industry, amounts of this industrial branch are minimal and are 0.1%, while comparing to the Processing Industry this amount is 2.1%. The largest amounts of 14.316 tons or 97.8% arise from the area of Leather and Footwear Manufacture.

[2] The largest amount of bound water, of 24,000 m^3, stays in the Leather and Footwear Industry and makes 60.0% of the total of bound water in the Textile, Clothing, Leather and Footwear Industry, while the other 40% or 16,000 m^3 go to the Textile Processing.

It is significant that there is no hazardous waste of the total amount of waste of 14,639 tons.

Table No. 54 The Amount of Waste Arising from the Manufacture Activities

	Industry	Processing Industry	Textile Manufacture Clothing Manufacture	Proizvodnja kože i obuće	Ukupno TOKO
Amount of waste generated t	12,501,805	687,739	323	14,316	14,639
Amount of hazardous waste	17,006	16,709	.	.	.

2.8. The Share of the Textile, Clothing, Leather and Footwear Industry in the Debt of Taxpayers of the Federation Bosne i Hercegovine [3]

According to data of the Tax Administration of the Federation of Bosnia and Herzegovina dated on December 31st, 2011, the total debt of taxpayers is 1,045,976,230.48 BAM. 187 taxpayers had the amount larger than 1 million BAM (Table No. 55).

Table No. 55 Share of the Textile, Clothing, Leather and Footwear Industry in the Debt

	Total debt	Number of companies	%
FBiH	1,045,976,230.48	187	100
Textile, Clothing, Leather and Footwear Industry	94,271,464.36	14	9.01

Of that amount, 94,271,464.36 BAM goes to the subjects from the branch textile, clothing, leather and footwear, which is 9.01% of the total recorded debt.

2.9. Foreign Trade Exchange by Activities

2.9.1. Foreign Trade Exchange of Bosnia and Herzegovina, by Activities

Bosnia and Herzegovina is making negative rezults in foreign trade exchange with foreign countries (Table No. 56, Diagram No. 2 and No. 3). After 2008, when the increase of export and import in Bosnia and Herzegovina was recorded, in 2009 there was an export in the amount of 5.530 billon BAM, which is 17.6% less than in 2008 while the import in the amount of 12.348 billion BAM has a decrease of 24.2%.

[3] FBiH Tax Administration; Data dated on December 31st, 2011

Processing Industry in Bosnia and Herzegovina recorded a decrease of export of 20.4% in that period, or decrease of import of 27.9%.

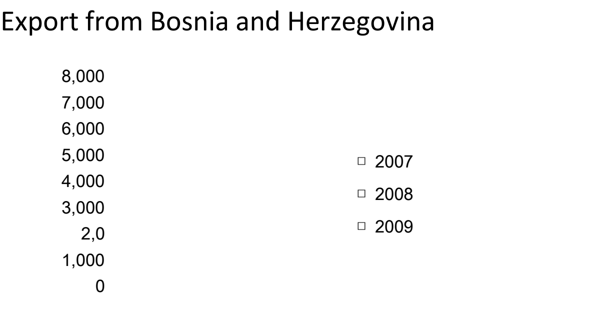
At the same time, the Textile, Clothing, Leather and Footwear Industry recorded export in the amount of 700,368,000 BAM, which represents decrease of 3.4% comparing to the last year. Import of these industrial branches in 2009 had a value of 1,031,799,000 BAM or 10.2% less than in 2008.

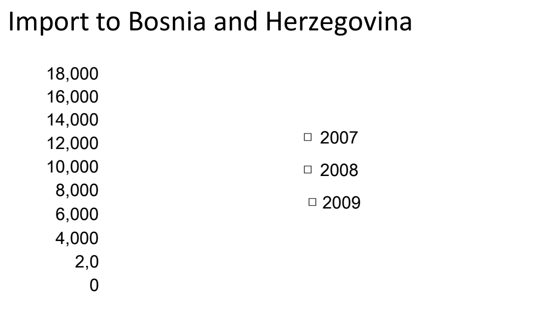
Comparing to the area of the Textile, Clothing, Leather and Footwear Industry, the effects of foreign trade exchange are as follows: Textile Manufacture records export in the amount of 97,533,000 BAM, which represents the increase of 11.2% and import of 430,671,000 BAM or 8.9% less than in 2008. Clothing Manufacture, Dressing and Dyeing of Fur recorded export in the amount of 235,198,000 BAM or 9.4% less than in 2008 and import of 224,440,000 BAM which represents decrease of 9.6%. Leather and Leather Products Manufacture recorded export of 367,637,000 BAM which represents decrease of 12.0% and import of 376,688,0 BAM or 8.4% less than in the last year.

Table No. 56 Export and Import in Bosnia and Herzegovina According to Areas and Divisions of Activities Classification[4] - Manufacture Principle 000 BAM

	Export			**Import**		
	2007	**2008**	**2009**	**2007**	**2008**	**2009**
Total	**5,936,895**	**6,711,690**	**5,530,377**	**13,898,709**	**16,286,056**	**12,348,466**
Processing Industry	**5,421,878**	**6,085,114**	**4,844,074**	**12,715,346**	**14,666,393**	**10,574,832**
Total textile, leather and footwear	**681,622**	**764,974**	**700,368**	**1,078,080**	**1,141,569**	**1,031,799**
Textile manufacture	**48,868**	**87,695**	**97,533**	**450,280**	**472,406**	**430,671**
Clothing Manufacture, Dressing and Dyeing of Fur	**242,020**	**259,559**	**235,198**	**235,549**	**258,115**	**224,440**
Leather and Leather Products Manufacture	**390,734**	**417,720**	**367,637**	**392,251**	**411,048**	**376,688**

Diagram No. 2 Export from Bosnia and Herzegovina Diagram No. 3 Import to Bosnia and Herzegovina





The coverage of import by export in the foreign trade exchange of Bosnia and Herzegovina shows a negative value (Table No. 57 and Diagrams No. 4 and No. 5).

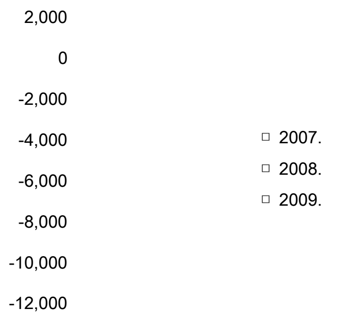
Total import in Bosnia and Herzegovina in 2009 is covered with 44.78% of export, which is 3.57% more than in 2008. The coverage of import by export, in Processing Industry, is 45.80% and comparing to 2008 it is higher for 4.31%.

Table No. 57 The Coverage of Import by Export in Bosnia and Herzegovina According to Areas and Divisions of Activities Classification in 000 BAM

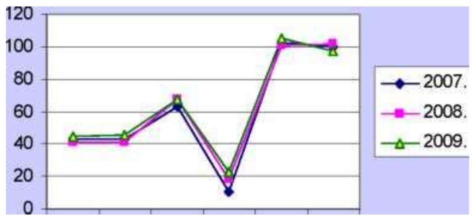
	2007	**%**	**2008**	**%**	**2009**	**%**
Total	**- 7,961,814**	**42.71**	**- 9,574,366**	**41.21**	**- 6,818,089**	**44.78**
Processing Industry	**- 7,293,468**	**42.64**	**- 8,581,279**	**41.49**	**- 5,730,758**	**45.80**
Total textile, leather and footwear	**- 396,458**	**63.22**	**- 376,595**	**67.01**	**- 331,431**	**67.87**
Textile manufacture	**- 401,412**	**10.85**	**- 384,711**	**18.56**	**- 333,138**	**22.64**
Clothing Manufacture, Dressing and Dyeing of Fur	**6,471**	**102.74**	**1,444**	**100.55**	**10,758**	**104.79**
Leather and Leather Products Manufacture	**- 1,517**	**99.61**	**6,672**	**101.62**	**- 9,051**	**97.59**

Diagram No. 4 The Coverage of Import by Export in Bosnia and Herzegovina and Diagram No. 5 Index of the Coverage of Import by Export

The Coverage of Import by Export in BiH



Index of the Coverage of Import by



The Textile, Clothing, Leather and Footwear Industry covers its import with 67.87% of export and comparing to 2008 records increase of 0.86%. The efect of export increase comparing to import is larger in Textile Manufacture for 4.08%, although in this area the activity of import is covered with export with only 22.64%. Clothing Manufacture, Dressing and Dyeing of Fur records higher export than import for 4.24% in 2009. That is the only branch of the group which covers the complete import with its export. In Leather Manufacture and Leather Products export is for 2.41% lower than import in 2009.

2.9.2. Foreign Trade Exchange of the Federation of Bosnia and Herzegovina

Data on foreign trade exchange of the Federation of Bosnia and Herzegovina for the period of 2007-2009 are given in relation to Activity Classification, while data for the period of 2008-2010 are given according to the Sectors and Sections of Standard International Trade Classification (SITC).

2.9.2.1. Foreign Trade Exchange of the Federation of Bosnia and Herzegovina, by Activities

Statistic data on foreign trade exchange of the Federation of Bosnia and Herzegovina realized for the period of 2007-2009 comparing to the areas of the Activity Classification are shown by default, tables and diagrams (Table No. 58, Diagram No. 6 and No. 7).

Table No. 58 - Export and Import in the Federation of Bosnia and Herzegovina According to Areas and Divisions of Activities Classification 000 BAM

	Export			Import		
	2007	2008	2009	2007	2008	2009
Total	**4,149,985**	**4,568,970**	**3,686,013**	**9,906,472**	**11,355,524**	**8,201,943**
FBiH Processing Industry	**3,896,854**	**4,238,007**	**3,329,058**	**8,990,787**	**10,197,444**	**7,396,814**
Total textile, leather and footwear	**481,001**	**470,655**	**430,232**	**698,181**	**487,988**	**714,314**
Textile manufacture	**30,020**	**405**	**6,528**	**305,422**	**8,878**	**285,187**
Clothing Manufacture, Dressing and Dyeing of Fur	**164,992**	**199,049**	**191,910**	**154,418**	**197,219**	**181,378**
Leather Processing and Footwear Manuf.	**222,989**	**271,201**	**231,794**	**238,341**	**281,891**	**247,749**

Diagram No. 6 Export from FBiH

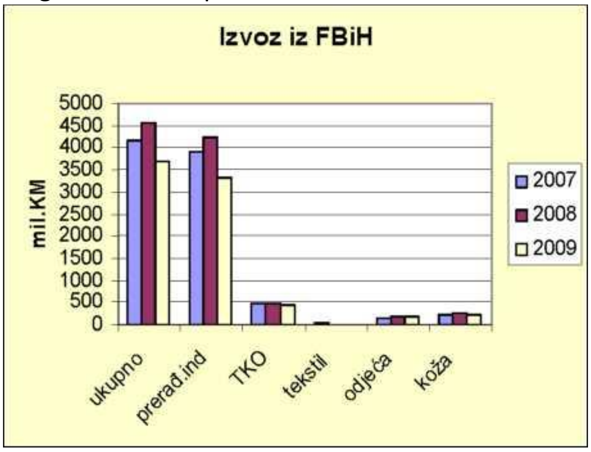
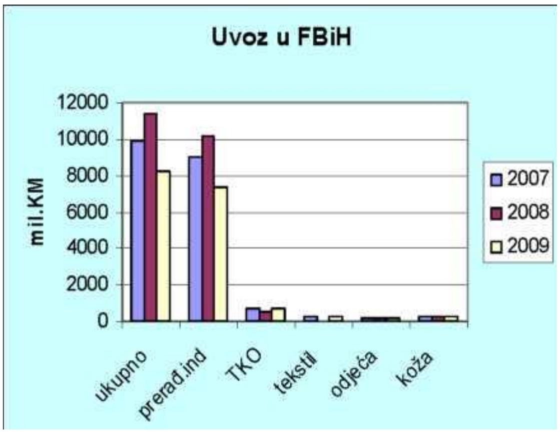


Diagram No. 7 Import to FBiH



Similar to the foreign trade exchange of Bosnia and Herzegovina, in the foreign trade exchange of the Federation of Bosnia and Herzegovina after 2008 the increase of export and import is evident. In 2009 export is realized in the amount of 3.686 billion BAM, which is for 19.30% less comparing to 2008, while the import in the amount of 8.201 billion BAM recorded decrease of 27.77%. Processing Industry in the Federation of Bosnia and Herzegovina, in that period, realized decrease of export of 21.44%, apropos decrease of import of 27.46%.

The Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina, at the same time realized export in the amount of 430,232,000 BAM, which represents decrease of 8.58% comparing to the previous year. Import of these industrial branches had value of 714,314,000 BAM in 2009 or 46.37% more than in 2008.

Comparing to the area of the Textile, Clothing, Leather and Footwear Industry efects of the foreign trade exchange are as follows: Textile Manufacture records export in the amount of 6,528,000 BAM and import of 285,187,000 BAM which represents enormous increase of both parameners comparing to 2008. Clothing Manufacture, Dressing and Dyeing of Fur realized export in the amount of 191,910,000 BAM or 3.58% less than in 2008 and import of 181,378,000 BAM which represents decrease of 8.03%. Leather and Leather Products Manufacture realized export of 231,794,000 BAM which is the decrease of 14.53% and import of 247,749,0 BAM or 11.89% less comparing to the previous year.

The coverage of import by export in the foreign trade exchange in the Federation of Bosnia and Herzegovina is given in Table No. 59 and Diagrams No. 8 and 9.

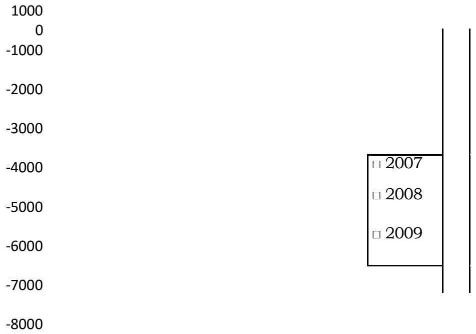
Table No. 59 The Coverage of Import by Export in the Federation of Bosnia and Herzegovina 000 BAM

	2007	(%)	2008	(%)	2009	(%)
Total	**- 5,756,487**	**41.9**	**- 6,786,554**	**40.2**	**- 4,515,930**	**44.9**
FBiH Processing Industry	**- 5,093,933**	**43.3**	**- 5,959,437**	**41.5**	**- 4,067,756**	**45.0**
Total textile, leather and footwear	**- 217,180**	**68.8**	**- 17,333**	**96.4**	**- 284,082**	**60.2**
Textile manufacture	**- 275,402**	**9.8**	**- 8,473**	**4.5**	**- 278,659**	**2.3**
Clothing Manufacture, Dressing and Dyeing of Fur	**10,574**	**106.8**	**1,830**	**100.9**	**10,532**	**105.8**
Leather Processing and Footwear Manuf.	**- 15,352**	**93.5**	**- 10,690**	**96.2**	**- 50,097**	**93.5**

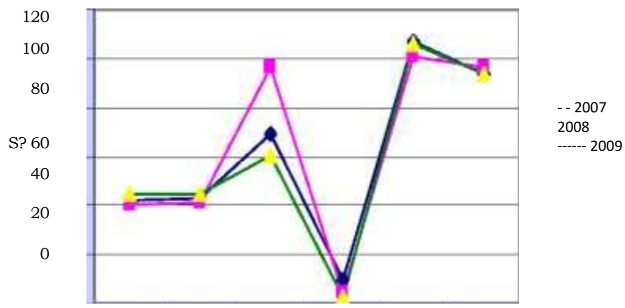
Diagram No. 8 The Coverage of Import by Export

Diagram No. 9 Index of the Coverage of Import by Export

The Coverage of Import by Export in FBiH



Index of the Coverage of Import by Export



2.9.2.2. Foreign Trade Exchange of the Federation of Bosnia and Herzegovina, by SITC Sectors and Sections

Data on foreign trade exchange of the Federation of Bosnia and Herzegovina, by SITC Sectors and Sections relating to textile, clothing, leather and footwear manufacture are related to Unworked Leather and Unworked Fur, Unworked Textile Fibres and Their Waste, Leather and Fur and Products of Leather and Fur, Yarn, Fabrics and Textile Products, Bags, Purses, Vanity Cases and Similar Products, Clothing and Footwear.

Table No. 60 Export by Sectors and Sections of SITC 000 BAM

	2008	2009	2009/2008	2010	2010/2009
Unworked Leather and Unworked Fur	38,196	25,714	67.3	57,362	223.1
Unworked Textile Fibres and Their Waste	405	389	96.0	833	214.1
Leather and Fur and Products of Leather and Fur	46,778	20,817	44.5	22,037	105.9
Yarn, Fabrics and Textile Products	13,018	6,139	47.1	7,099	115.6
Bags, Purses, Vanity Cases and Similar Products	2,897	4,472	154.3	4,794	107.2
Clothing	199,049	191,910	96.4	205,284	106.9
Footwear	183,330	180,791	98.6	213,346	118.0

Export by Sectors and Sections of SITC (Table No. 60) indicates the fact that, comparing to 2008 year, in 2009 only in section Bags, Purses, Vanity Cases and Similar Products increase of export of 154.3% was realized. Insignificant decrease of export, of 4%, was realised in sections Unworked Textile Fibres and Their Waste, Clothing and Footwear, while decrease of 32.7% - 55.5% was realised in sections Unworked Leather and Unworked Fur, Leather and Fur and Products of Leather and Fur, Yarn, Fabrics and Textile Products.

However, comparing to 2009, in 2010 in all observed sections increase of export was recorded, from 5.9% in the section of Leather and Fur and Products of Leather and Fur to 223.1% in the section Unworked Leather and Unworked Fur.

Import by Sectors and Sections of SITC (Table No. 61) shows that, comparing to 2008, in 2009, in all sections, except for the Leather and Fur and Products of Leather and Fur, there was decrease of import.

With regard to import in the period of 2009-2010, in the observed sections, we can see its increase of 4.9% in the section Footwear, to 341.3% in the section Unworked Leather and Unworked Fur.

In the period of 2008-2010, decrease of import was realized in sections Unworked Textile Fibres and Their Waste and Clothes, while the other sections realize increase of import.

Table No. 61 Import by Sectors and Sections of SITC 000 BAM

	2008	2009	2009/2008	2010	2010/2009
Unworked Leather and Unworked Fur	39,579	17,053	43.1	58,211	341.3
Unworked Textile Fibres and Their Waste	8,878	6,367	71.7	5,947	93.4
Leather and Fur and Products of Leather and Fur	105,636	108,637	102.8	143,298	131.9
Yarn, Fabrics and Textile Products	302,290	278,806	92.2	322,127	115.5
Bags, Purses, Vanity Cases and Similar Products	14,115	12,903	91.4	14,220	110.2
Clothing	197,219	181,379	91.9	171,623	94.6
Footwear	122,561	109,156	89.0	114,567	104.9

The coverage of import by export in the observed period has a negative value in all sections, except for the sections Clothing and Footwear (Table No. 62).

Table No. 62 The Coverage of Import by Export in Sections of SITC 000 BAM

	2008	%	2009	%	2010	%
Unworked Leather and Unworked Fur	-1,383	96.5	8,661	150.7	-849	98.5
Unworked Textile Fibres and Their Waste	-8,473	4.5	-5,978	6.1	-5,114	14.0
Leather and Fur and Their Products	-58,856	44.2	-87,820	19.1	-121,261	15.3
Yarn, Fabrics and Textile Products	-289,272	4.3	-272,667	2.2	-315,028	2.2
Bags, Purses, Vanity Cases and Simila Products	-11,218	20.5	-8,431	34.6	-9,426	33.7
Clothing	1,830	100.9	10,531	105.8	33,661	119.6
Footwear	60,769	149.6	71,635	165.6	98,779	186.2

The coverage of import by export in the total value of sections of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina (Table No. 63) shows that these values are in the range of 61.2% in 2008, over 60.2% in 2009 to 61.5% in 2010.

In the same period the coverage of import by export (Table No. 59) of the Industry of the Federation of Bosnia and Herzegovina are in the interval from 41.9% to 44.9%, and of its Processing Industry in the interval from 43.3% to 45.0%.

Table No. 63 The Coverage of Import by Export of the Total Value

	2008	2009	2010
Import	483,673	430,232	510,755
Export	790,278	714,301	829,993
Coverage 000 BAM	-306,605	-284,069	-319,238
Coverage %	61.2	60.2	61.5

Efects of foreign trade exchange of this industral branch are better than the effects showed by the Industry, i.e. Processing Industry of the Federation of Bosnia and Herzegovina.

2.9.2.3. Export and Import of Major Products

Products of the Textile, Clothing, Leather and Footwear Industry are in the group of Top 20 most important products that are being exported or imported to the Federation of Bosnia and Herzegovina in 2010 (Table No. 64).

Table No. 64 Export and Import of Major Products

Export			
	000 BAM	000 EUR	%
Upholstered seats	67,097	34,306	1.4
Other women`s footwear	52,442	26,813	1.1
Other women`s footwear with leather uppers	43,976	22,485	0.9
Import			
	000 KM	000 EUR	%
Textile materials fin or covered with polyurethane	52,085	26,631	0.6
Unworked leather wet salted from bovine or equine animals	46,824	23,941	0.5

Export of upholstered seats with 1.4%, other women`s footwear with 1.1% and other women`s footwear with leather uppers with 0.9% participate in the total export of the Federation of Bosnia and Herzegovina, while import of textile materials fin or covered with polyurethane with 0.6% and unworked leather from bovine or equine animals with 0.5% participates in the total import of the Federation of Bosnia and Herzegovina.

2.10. Condition of Manufacturing Programs, Technologies and Technological Systems

2.10.1. Condition of Manufacturing Programs

The central premise of the success of the strategy of an industrial branch is that business companies from its field have good and commercially successful manufacturing program, where customer satisfaction, determined by the certain product, is one of the main criteria by which the commercial success of the product is measured.

Condition of manufacturing programs in the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina is still hard, with the exception of a few dominant domestic brand names. This situation is directly reflected on the trade of products of this industrial branch in the domestic retail outlets, which is on the border of 3% comparing to the total traffic in retail trade (Table No. 65).

Table No. 65 Retail Traffic According to Trade Branches

	Traffic in trade without VAT 000 BAM	Traffic in trade with VAT 000 BAM	%
Total traffic	5,209,299	6,087,321	100.00
Textile and trimmings	44,168	51,657	0.84
Clothing	60,274	70,511	1.15
Footwear leather	60,326	70,581	1.15
Total TCLF	164,768	192,749	3.16

The present trends will hardly make progress of this industrial branch, so it can be said that stagnation, in this field, is our reality. The reasons for that are different.

Only some of the business companies can follow the the market demands that are reflected in a fast rhythms and short seasonal deadlines. In this way many customers` wishes remain unfulfilled, so that they refuse to purchase certain domestic products. At the same time, due to reduced purchasing power, share of costs for the products of this branch, in the total sum of all household expenditures, is constantly decreasing. Classical trade in domestic products loses market share in comparison with different channels of distribution of goods manufactured in this branch, which are of doubtful quality, and which very successfully acquire customers.

On this condition, in terms of manufacture programs, influences the fact that small number of educated designers find their place in the business organizations of this branch, and there are many reasons for that. Above all, that is related to a small wages , unfavorable working conditions, progress in the profesion almost does not exist, etc., what makes this sector unattractive.

2.10.2. The Condition of Technologies and Technological Systems

The domestic Textile, Clothing, Leather and Footwear Industry is conventional, based on Lohn businesses, what represents the lowest level of gaining profit. Implementation of the new technologies and production processes in this sector penetrates more slowly than the real needs, which results in much lagging behind the foreign manufacturers.

There are many reasons for that condition of which there is no any use, and they are: lack of finances for purchase of modern technologies, the lack of educated and motivated staff that would go forward, which are not even stimulated enough at the workplace, lack of programs for additional training and specialization for the new technologies, etc. To perform manufacture by the requests of global market and economic profit criterion, it is necessary to implement the system of value in the domestic manufacture and business systems, in order to make it an impuls for more adeqat use of one`s own staff.

Technological systems that are being used in the domestic plants that perform manufacture of textile and clothing, and partly manufacture of footwear, are usually 10 or more years old. However, those that are being used are usually in good condition, besides the fact that technologically they cannot compare to the systems in developed foreign textile industry. Insignificant automation in clothing sector is being compensated through the large share of employees, for example in cutting process, ironing and other jobs.

Technologies, equipment and facilities in plants for leather manufacture and footwear in part are outdated, except for rare exceptions, but they still functione properly. The average age of the machines is 20-30 years, but in spite of this, employees in these plants are able to manufacture the product, e.g. footwear of good quality.

However, in general it can be said that the existing technological processes and technologies do not provide acceptable productivity compared to the competition.

2.11. The Condition of Educational System

According to data by the FBiH Ministry of Education and Science, as well as the Cantonal Ministry of Education, Science, Culture and Sport (without data for Central Bosnia Canton and Bosnian Podrinje Canton), at the territory of the Federation of Bosnia and Herzegovina there are 16 secondary education institutions that educate 1,916 students for occupations of textile, clothing, leather and footwear profession (Table No. 66).

Of that number, the most of the schools are in Zenica-Doboj Canton, six of them, and the most of the students are educated there, 593 of them. There are five schools in Una-Sana Canton and 356 students are educated there, while in Sarajevo Canton 426 students are educated in one school for the occupation of textile, clothing, leather and footwear profession (Table No. 66).

Table No. 66 FBiH Network of Secondary Schools [5]

USC	PC	TC	ZDC	BPC	CBC	HNC	SC
5 Schools 356 stud.	1 school 18 stud.	4 school 490 stud.	6 school 593 stud.	1 school *	1 school *	2 school 33 stud.	1 school 426 stud.
Total	16 schools with 1,916 students (Without data for Central Bosnia Canton and Bosnian Podrinje Canton)						

There is no education for the students for the profession textile, clothingIn, leather and footwear in the West Herzegovina Canton and Canton 10.

At the higher education institutions in the Federation of Bosnia and Herzegovina, at the Faculty of Technical Sciences Bihać and the Academy of Fine Arts in Sarajevo, cadres are educated for textile design.

The number of students at the Faculty of Technical Sciences Bihać, in school year 2011/2012 is 143, varies by the year of study (Table No. 67).

Table No. 67 Students at the Faculty of Technical Sciences Bihać

I year	II year	III year	Seniors	Total
59	33	23	28	143

At the other higher education institutions in the Federation of Bosnia and Herzegovina there are no departments that study technologies related to the manufacture of textile, clothing, leather and footwear, what leaves this industrial branch without necessary staff. However, when we speak about the condition of the secondary education system and the personnel that it gives to this industry, economists point out that it primarily has to harmonize with their needs.

2.12. Competitive Situation [4]

One of the most extensive indicators used in the modern economy is the analysis and assesment of competitivness. Global Competitiveness Report (GCR) contains data on Global Competitiveness Index (GCI), and from 1979 it is published by the World Economic Forum (WEF).

Global Competitiveness Index (GCI) is estimated on the basis of three subindexes and 12 pillars of competitiveness, that are being analysed on the basis of 111 parameters. Pillars of competitiveness are: institutions, infrastructure, macroeconomic stability, health care and primary education, higher education and training, goods market efficiency, the efficiency of the labor market, financial market sophistication, technological readiness, market size, business sophistication and inovations.
Values of the GCI ranking for Bosnia and Herzegovina are shown in diagrams No. 10 and 11, according to data for particular parameters.

At the Competitiveness Report for 2006/2007 it is pointed out that Bosnia and Herzegovina, comparing to 2005, significally improved its position in some segments of macroeconomic stability. The largest problem are technological readiness and innovation, as well as inefficient state bureaucracy, inadequate policy and corruption. Out of 135 competitiveness parameters Bosnia and Herzegovina has 95 below average, 20 above average, while 20 are neutral.

The largest decrease of competitiveness is realized according to the published report for 2007/2008, for 15 places, from 91 to 106 place. Still the biggest problems are: technological readiness, innovation and infrastructure, inefficient state bureaucracy, inadequate policy and corruption. decrease in the segment of macroeconomic stability is shown in this report.

[4] Data of Foreign Investment Promotion Agency of Bosnia and Herzegovina (FIPA)

Diagram No. 10 CGI Ranking for BiH with Presented Subindex

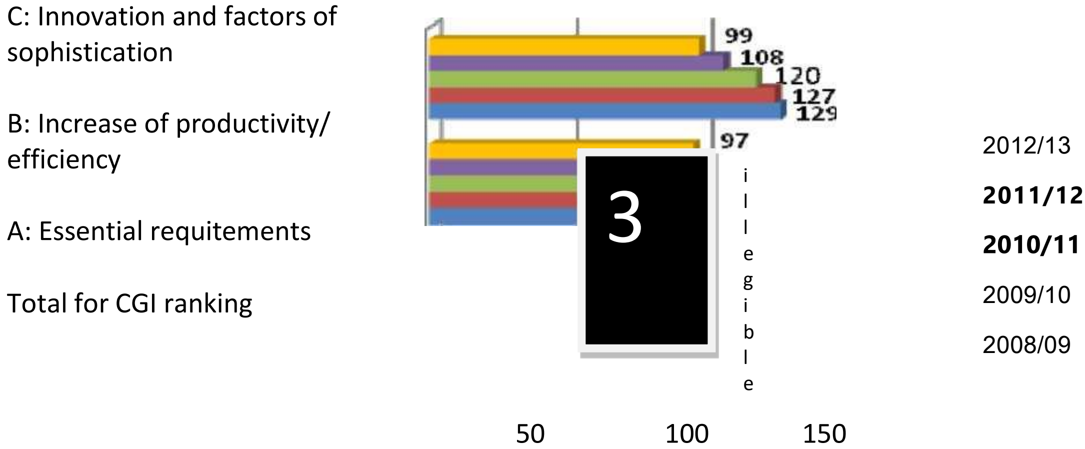
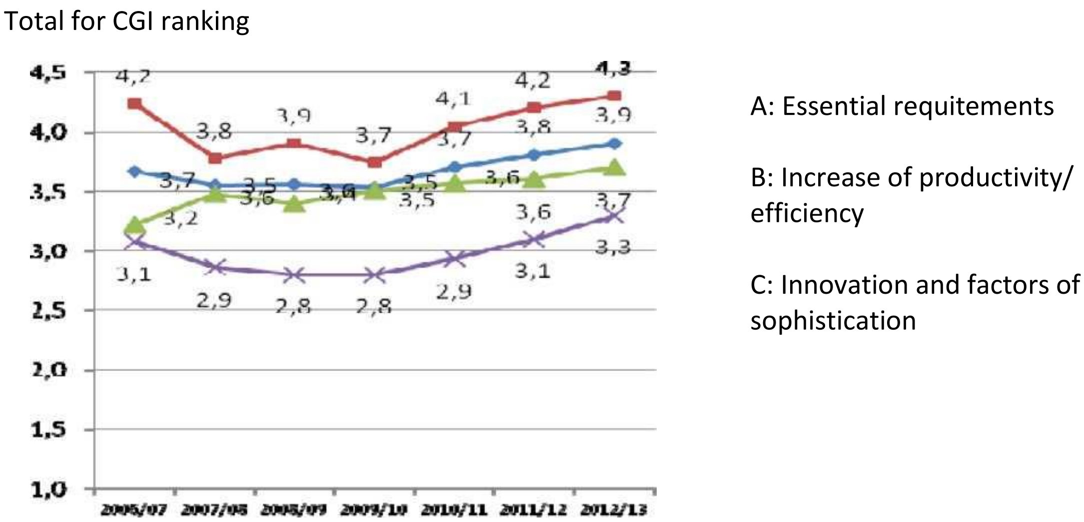


Diagram No. 11 CGI Ranking for BiH with Presented Subindex



Out of 131 country we are on the 128th place, by the condition of cluster development, as well as the level of taxation, and by the level of acceptance of technology in companies, we are on the 127th place.

Report relating to 2008/09 confirms that Bosnia and Herzegovina haven`t made progress in competitiveness, nor significant changes relating to earlier reports. Positive progress is achieved only within the essential requirements, that is in the segment of macroeconomic stability. Comparing to the indicators by which Bosnia and Herzegovina was poorly ranked in the past years, there was an additional decrease. Innovation and sophistication of business still have the worst rank, within which there is not even one positively evaluated indicator. We also kept the bad position in the segment of technological readiness.

Analysing bad ranking indicators, it is clear that many things have to be done in order to improve the business climate. It is necessary to build a closer relationship between science and economy and to establish clusters. The companies also have to improve the trust and professional conduct, understand the necessity of investment in research and development, as well as the adequate training for the employees.

In the report for 2009/10, Bosnia and Herzegovina recorded decrease on the ranked list according to the value of GCI. Analysing the position of Bosnia and Herzegovina, comparing to the countries of the region, it is evident that we move backwards by the competitiveness indicators. Within the report for 2009/10, out of 110 indicators, Bosnia and Herzegovina recorded a mild progress in only 14 indicators, while it moved backwards in the rest of the 96 indicators, but important elements remain in line with previous reports.

Analysis of the report for 2010/11 also confirmed stagnation of Bosnia and Herzegovina. Regardless of insignificant progress in specific indicators, it kept the last place comparing to the rest of the European countries or countries in the region. Important elements of competitiveness remain in line with previous reports.

The Global Competitiveness Report for 2011/12 still shows stagnation of the Global Competitiveness Index of Bosnia and Herzegovina. The rest of the countries in the region realized significant progress in their ranking, and our country, with insignificant changes in certain indicators, kept the last place comparing to the rest of the European countries or countries in the region.

The Global Competitiveness Report for 2012/13, published in September 2012, gives data on the Global Competitiveness Index GCI for 144 countries. According to that report, comparing to the previous period, Bosnia and Herzegovina progressed for 12 positions and it is placed on the 88th place now from the total of 144 ranked countries.
Comparing to the countries in the region, Bosnia and Herzegovina was the only country that progressed comparing to the previous year, Serbia remained in the same position. and all other countries in the region spoiled their ranking. Macedonia moved backwords for one position, Croatia for five, Albania for eleven, and Montenegro for twelve positions.

Comparing to the last year report, when Bosnia and Herzegovina was the last ranked country in the Europe, these position are occupied by Serbia and Greece this year.

The encouraging fact is that Bosnia and Herzegovina has made a slight nominal progress in the value of competitiveness index in the last three years, as well as the fact that it improved its ranking in this year for 12 places, especially comparing to the rest of the countries in the region and South East Europe, that, in this year , mostly spoiled their last year positions.

2.13. Standardization

European standards, by their implementation, enable the customers to increase their efficiency and competitiveness, minimize waste, reduce costs, ensure quality and safety of products and services, and make their sale in the Europe and world easier.
Equal conditions of business and acess to different markets are created by their use, making the opportunity to attract the new customers.

However, the most important standards that define these sectors are series of ISO 9000 and series of ISO 14000, with valid certificates for products including EU Ecolabel, Oeko-tex Standard 100, GOST, Organic Exchange, SA 8000 and other.

The family of ISO 9000 is primarly based on quality management. In practice, that means that organization has to fulfill the certain quality principles, or that overall organization of the company is aimed at the consumer. The entire organization of the company has to understand the needs and expectations of consumers relating to the product, shipment, price or reliability and to strive to maintain lasting relationship with users of the product or services.

Series of ISO 14000 was created as a response to the daily increasing environmental concerns as well as a proportional increase in the number of laws that deal with this matter, or as a means to help each organization to set up their business in a way that responds to the growing demands of environmental protection. Besides avoiding the problems by the microenvironment and legislation due to non-compliance with environmental standards, organizations use systems of ecological management as their competitive advantage, offering the products which on the one hand do not harm the environment, and were created through the process that by itself cannot harm the natural environment.

According to data from the Questionnaire, 11 business organizations or 28% own
quality certificates from the serie of ISO 9000, while certificates of quality from the series of ISO 14000 does not have even one business organization. Label EU Ecolabel on the textile products means that the presence of any harmful substances in the water or air is limited during the production, provided that the product continues to meet the various criteria in terms of quality.

Global standards for the organic textile[5] is special global standard for textile and organic fibres, including ecologcal and social criteria. Standard defines conditions for fibre products, yarn, materials and clothing and includes manufacture, processing, making, packing, labeling, export, import and distribution of all products of natural fibres to ensure organic status of textile.

Oeko-Tex Standard 100 represents unique system for testing and certification of textile raw materials, semiproducts and final products in all stages of manufacture. Testing referes to harmful substances that are prohibited or regulated by law, chemicals which are known to be harmful to health, and parameters involved as a preventive measure to preserve health.

OE 100 Standard[6] is standard for monitoring and recording the purchase, handling and use of 100% certified organic cotton fibres in yarns, fabrics and final products.
Social Responsibility 8000[7] is international standard for improving working conditions worldwide.
It is based on the conventions of the International Labor Organization, Universal Declaration of Human Rights and United Nations Convention on the rights of the Child.

According to research performed by the Sarajevo Regional Development Agency (SERDA) within the project TexEASTile[8], only three companied or 18.8% of interviewed have eco standards in the process of purchasing products or services, or when selecting the suppliers, while thirteen interviewed companies or 81.2% have no eco standards in the process of purchasing products or services, or when selecting the suppliers. Most of the companies are aware of the need for the adoption of green (eco) manufacture and distribution of products, and that there is a certain degree of environmental awareness. The issue of entery of these companies into the green (eco) manufacture is associated with the support of the companies in this process.
Institute for Standardization of Bosnia and Herzegovina, for the purpose of addopting Bosnia and Herzegovina standards (BAS) from this area, formed technical committee BAS/TC 48, Textile, Leather,

[5] Global Organic Textile Standard
[6] Organic Exchange
[7] Social Accountability 8000
[8] Sustainable innovations for textile in South East Europe

Clothing and Footwear. 266 standards has been taken as BAS up to now, and in 2012 the takeover of 91 more standards is planned from the field of Textile, Leather and Footwear industry [9].

2.14. Directives of the European Union

After examining the EUR-Lex[10], within the directives of European Union, the following directives are related to the field of textile, leather and footwear:

- Directive 73/44/EEC - quantitative analysis of ternary fibre mixtures,
- Directive 89/686/EC - the personal protective equipment,
- Directive 94/11/EC - labeling of the main components of footwear,
- Directive 96/73/EC - quantitative analysis of binary textile fibre mixtures,
- Directive 2008/121/EC - raw material composition and textile names,
- Directive 2009/567/EC - textile clothing, textile for indoor use, as well as fibres, yarns and fabrics for use in clothing, textile products or textile for indoor use,
- Directive 2009/598/EC - bed mattresses,
- Directive 2009/563/EC - footwear.

Directive on the Personal Protective Equipment 89/686/EC, as well as the Order on the Personal Protective Equipment is taken in the legislation of Bosnia and Herzegovina on September 21st, 2010 (Official Gazette of BiH, No. 75/10) and has a mandatory application from September 21st, 2012.

2.15. Privatization

Within the process of privatization, according to data of the FBiH Privatization Agency, fifty five companies that performe activity of textile, footwear and leather manufacture are privatized.
The total capital of these companies amounted 373,332,272.90 BAM, from which the state capital was 344,336,759.68 BAM or 92%, while the private capital amounted 28,995,513.22 BAM or 7.8%. 9,286 workers worked in these companies (Attachment No. 11 The List of Privatized Companies that Perform Manufacture of Textile Footwear and Leather).

Condition in these privatized companies is not specifically analised, but conditions for that were made by adopting the Law on Audit of Privatization of State Capital in Enterprises and Banks (Official Gazette of the Federation of Bosnia and Herzegovina), No. 55/12), that regulates subject matter, procedure, institutions and resources necessary to perform the audit of privatization of state capital in business organizations and banks of the Federation of Bosnia and Herzegovina.

[9] Data of the Institute for Standardization of Bosnia and Herzegovina
[10] The official portal for access to European Union legislation

3. SWOT ANALYSIS OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY

In order to achieve the desired goal of this document, it is necessary to analyse the situation in which the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina is. This implies consideration of internal and external factors which have influence on it.

The SWOT Analysis (S - Strenghts, W - Weaknesses, O - Opportunities, T - Threats) make the basis for evaluation of condition and development capabilities of the FBiH Textile, Clothing, Leather and Footwear Industry.

The strenghts, weaknesses, opportunities and threats in the development of this industrial branch are shown and identified by this method.
Opinions given in SWOT Analysis are the result of the qualitative and quantitative analytical methods (Diagram No. 12).

3.1. Strenghts

The most important strenght of the FBiH Textile, Clothing, Leather and Footwear Industry is tradition in business, experienced workforce, product quality, cost of labour comparing to the region, geographical proximity of the market of European Union, manufacture flexibility, flexibility of delivery, safe supply of energy products, road infrastructure, lack of export quotas.

3.2. Weaknesses

The most important weaknesses of this branch are the absence of basic manufacture, technological obsolescence, high rate of tax burden, lack of quality of working capital, long process of registration of business organizations, high price of energy products, customs tariffs, fragmented manufacture, inadequate vocational training, (education system), inadequate monitoring of competition, bad market pozition, low investments in the development of new technologies, large share of Lohn businesses, small number of domestic brands.

3.3. Opportunities

The most important opportunities are runing of basic manufacture, development of domestic products and brands and their export, manufacture of products of higher additional value, better cooperation between manufacturers and government, scientific research and other institutions, strengthening of partnership between domestic manufacturers - clusters, transfer of knowledge and technologies through the work with foreign partners, the use of funds from projects financed by the European Union.

3.4. Threats

The most important threats are termination of cooperation with the partners in Lohn businesses, intense price competition especially in Lohn businesses, the deterioration of the relationship between price and quality of work, low purchase power of domestic customers, import of poor quality products, increase of manufacture costs, disappearance of the base manufacture, lack of qualified staff, increase of the price of energy products, requirements for using the specific standards.

Diagram No. 12 SWOT Analysis

STRENGHTS	WEAKNESSES
- tradition in business, - experienced workforce, - product quality, - cost of labour comparing to the region, - geographical proximity of the market of European Union, - manufacture flexibility, - flexibility of delivery, - safe supply of energy products, - road infrastructure, - lack of export quotas	- the absence of basic manufacture, - technological obsolescence, - high rate of tax burden, - lack of quality of working capital, - long process of registration of business organizations, - high price of energy products, - customs tariffs, - fragmented manufacture, - inadequate vocational training, - inadequate monitoring of competition, - bad market pozition, - low investments in the development of new technologies, - large share of Lohn businesses, - small number of domestic brands.
OPPORTUNITIES	**THREATS**
- run of basic manufacture, - development of domestic products and brands and their export, - manufacture of products of higher additional value, - better cooperation between manufacturers and government, scientific research and other institutions, - strengthening partnership between domestic manufacturers - clusters, - transfer of knowledge and technologies through the work with foreign partners, - the use of funds from projects financed by the European Union,	- termination of cooperation with the partners in Lohn businesses, - intense price competition, - the deterioration of the relationship between price and quality of work, - low purchase power of domestic customers, - import of poor quality products, - increase of manufacture costs, - lack of qualified staff, - increase of the price of energy products, - requirements for using the specific standards.

It can be concluded from the SWOT analysis that the starting point for the development of this industrial branch is very complex and limited in many ways. However, despite of this, it has perspective for development with efforts to rectify the recorded weaknesses, to avoid existing threats and seize the opportunities that lie ahead this industrial branch.

4. GROWTH PROJECTIONS AND EXPECTED STRUCTURAL ADJUSTMENT OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY

4.1. Prospects of Development of the FBiH Textile, Clothing, Leather and Footwear Industry on International Level[11]

Projections of economic growth of Bosnia and Herzegovina for the period of 2012-2015 are based on assumptions that the economic growth in 27 countries of the European Union will move from 0% in 2012, than 1.3% in 2013 with the normalization of the situation in 2014 and 2015, that Bosnia and Herzegovina will start using pre-accession funds in 2013, that the begining of borrowing of Bosnia and Herzegovina, from international creditors for the development of infrastructure projects, will start in 2014 with modest growth in world prices during 2012-2015.

Official projections of the member states of the European Union indicate further deterioration of the trend in the first quarter of 2012, which should be followed by a gradual, moderate improvement in the rest of the year. In final, that should result in economic stagnation of the countries of European Union, with the growth from 0% in 2012.

Similar trends are also projected for Bosnia and Herzegovina where, comparing to the countries of European Union, the modest economin growth of 0.4% is expected. This projection is based on the real decrease of export of 1.9% followed by real stagnation, or decrease of 0.2% of domestic demand caused by the slight increase of final consumption and mild decrease of investments. Finaly, it is expected that the decrease of domestic demands should cause the real increase of import of 2.3% which should, with aforementioned decrease in export, result in real decrease of foreign trade deficit of 3%.

Certain boost in economic growth is expected in 2013 when the real growth of 1.9% is projected. The basic assumption of this growth is gradually reviving of growth in member countries of the European Union with a projected rate of 1.3%.

This projection for the countries of the European Union indicates the expectation of a very slow and gradual recovery of the debt crisis which will directly reflect to the economic growth in Bosnia and Herzegovina. However, this should reverse some of the expected negative trends from the previous year, above all, modest strengthening of growth of export from Bosnia and Herzegovina, and cash inflows from abroad.

These trends should somewhat strengthen disposable income of the population directly through foreign incomes, or indirectly through increase of employment. Besides that, modest growth of investments of 6.6% is expected, which would, with the expected growth of final consumption of 0.9%, cause the modest growth of import in Bosnia and Herzegovina.

It is expected that Bosnia and Herzegovina will get to the real growth of export of 4.6%, and import of 3.6%, which would lead to the increase of foreign trade deficit of 2%.
Projection of economic growth for the period of 2014-2015 is made on the assumption of continuing recovery of the debt crisis in the immediate and wider BH environment. The design of the further strengthening of economic growth is connected with this, after the modest improvment in 2013. In other words, further strengthening of export activities is expected, with the increase of current inflow from abroad.

[11] In preparing this part of the Strategy, the analitical document of the Directorate for Economic Planning of Bosnia nad Herzegovina was used - Outlook 2012-2015 - Autumn Edition -

Expected growth of the industry and other activities in the real sector should lead to gradual strengthening of employment in Bosnia and Herzegovina, and private consumption according to that. In that way, the real growth of private consumption of 2.9% is expected in 2014, or 3.9% in 2015.

With the real growth of investments of approximately 8% in 2014 and 10% in 2015 there should be a real growth of import in Bosnia and Herzegovina of 7-7.5%, with further increase of foreign trade deficit. It is expected that all these factors could result in economic growth in Bosnia and Herzegovina of 3.4% in 2014 and 4.4.% in 2015.

Since the full recovery of most industries in the Countries of the European Union is expected in the period 2014-2015, we can certainly expect that these events will allow the full recovery of industrial production in our country.

The total consolidation of European market is expected in this period, recovery of private consumption, overcoming problems with financing companies and intensification of foreign trade exchange between European Union countries, which will have the positive effect to complete region, and therefore to Bosnia and Herzegovina. The higher utilization of capacitiies and increase in the number of employees will result in the increase of manufacture in Processing Industry of Bosnia and Herzegovina on the level of pre-crisis period.

According to the projections of the Directorate for Economic Planning, we can expect increase in industrial manufacture in Bosnia and Herzegovina, about 6% comparing to the previous year.

Prospects of development of the FBiH Textile, Clothing, Leather and Footwear Industry, in terms of international exchange, must be viewed as analysis of total economic growth of the country and the Federation of Bosnia and Herzegovina.

It is evident that average value of index of industrial manufacture in this industrial branch, after two negative years in 2008/2007, shows increase, but in the following recession year 2009/2008 comes to its decrease.In the last two years, the average value of index shows that there is a growth of production of 17.6% in 2010/2009 and 3.2% in 2011/2010. The tendency is to keep the level of manufacture increase on the achieved level, or to achieve its mild growth of 3% on annual level.

To achieve these goals, it is necessary to create the preconditions for growth and economic development in the Federation of Bosnia and Herzegovina which include this industrial branch. This is primarly related to increase of the total export with the change of its structure or increase of the share of export of the products with higher additional value, increase of the number of exporters, strangthening of the business organizations that manufacture reproductive materials that are being used in the technological processes, making conditions for running the basic manufacture, and therefore the reduction of import.

The basic goal is to create conditions for larger number of companies to extend their businesses and realize higher incomes on the international market, while increasing the level of competitiveness.

4.2. Starting Basis for Creation of Growth Projections and Structural Changes of the FBiH Textile, Clothing, Leather and Footwear Industry

Starting basis for creation of Growth projections are based on the importance of the FBiH Textile, Clothing, Leather and Footwear Industry, on economy of the Federation of Bosnia and Herzegovina and also on the economy of European Union. The main reason for that is the result which is obtained when observing the macroeconomic environment and developments in the domestic market, where it is evident that the structure of the BiH economy changes in the direction of services, wherein the external factors largely dictate the dynamics of economic growth.

The Textile, Clothing, Leather and Footwear Industry had very important role in economy of SFR Yugoslavia and SR Bosnia and Herzegovina, till 1990. In that period SR BiH had approximately 100,000 employed workers, from which about 80% were femail workforce, with industrial facilities in all parts of the country. Sectors of this industrila branch, by creating industrial plants, had a complete manufacture cycle: from manufacture and processing of raw materials to manufacture of the final products. Manufacture of domestic brands and classical Lohn business were in the range of 70-30%, and all world markets were opened for their placement.

Agression against Bosnia and Herzegovina has brought major changes in the operations of this industrial brunch. Qualified workforce was lost, a large number of manufacturing facilities were devastated or totally destroyed, The market and ability of complying its demands were lost, a step forward in technological and any other development was lost.

The Textile, Clothing, Leather and Footwear Industry employes approximately 20,000 of workers, predominantly female workforce, of a lower qualificational structure, with a high share of personal work, where the cost of that work is less than in other branches of processing industry and with larg share of unfavourable Lohn businesses. And the very process of globalization has intensified competition and caused the need for modernization and restructuring of this industrial branch with respect to market, personnel, manufacture, organization and technology.

According to the final report of the Economix[12], textile and clothing industry of 27 members of European Union consisted of 266,000 companies that have generated 67.8 billion euros of value added, from which 47% in textile sector, 35% in clothing sector and 18% in leather/footwear sector.
There were 3.4 million of employees in textile and clothing industry, of that 46% in clothing sector, 36% in textile sector and 18% in leather/footwear sector. In the period from 2000 to 2006 decrease of employment in all countries of European Union was recorded, except for Bulgaria which is the only country that records the increase of employment and Slovenia and Slovakia.
Leading manufacturer of the Textile, Clothing, Leather and Footwear Industry in Europe is Italy with 1/3 of value added in European Union for 2006, and it is followed by Germany and France each with 11% of share, and Spain and Great Britain each with share of 9%, Portugal with 4.3%, Belgium with 3.1% and Poland with 3.0%.
In the period between 1996 and 2006 European textile and clothing industry also records decrease in manufacture and prices. Total manufacture decreased for 4% per annum.
Opening of the European markets for import and elimination of trade barriers, together with globalization and liberalization trends even more exposed European manufacturers to the competition of the countries with low labour costs. This trend of liberalization in 1999 as a result had a fact that 50% of the total of Europian import of textile and clothing was duty-free, while in 1994 28% was duty-free. The majority that consisted of 70% of total import of textile and clothing were free of quantitative restrictions.

In the member countries of the European Union, all responibility related to textile and clothing industry is left to the industry and every country within the Europian Union deals with the problems differently.

The common thing to all countries, observing the textile and clothing industry, is decrease of the number of employees with increase of work productivity. Companies that survived now use market

[12] Economix Research&Consulting; Skills scenarios for the textiles, wearing apparel and leather products sector in the European Union Final report LOT 2 ,2009

space where fast turnaround, quality and small serial manufacture provide comparative advantage. The solution that Italy and Germany apply is manufacture outsourcing, mostly in the countries of Eastern Europe, and investment in distribution channels.
Textile and clothing companies in Great Britain are entering into cluster, and are trying to manufacture more specifical products. The clusters consist of the group of companies that perform functions of association with the creation of value in the supply chain, that ends with manufacture of textile and clothing.

Netherlands has moved from the companies led by the manufacture to the companies led by the design.

French Fashion Institute , observing experiences in reconstructuring within the European textile and clothing industry, has identified five major adjustment strategies, as follows: Strategy of Brand and Design that increases the competitiveness in the high and middle price segments; Partnership Strategy applied by highly specialized and vertically integrated manufacturers focused on the high quality and reliability of products; Startegy of Industrial Retail developed by the manufacturer also dealing with the retail and who achieve low prices by delocalisation; Subcontracting Strategy that applyes cost control, rapidly responses to the market opportunities and development as major factors of success and Strategy of Technological Leadership which is mainly applied in textile sector and development of technical textile.
Italian textile and clothing industry is one of the major industrial branches in this country. At the same time, it is the leader in Europe in manufacture and export of textile. At the same time it is in a second place, right after China, with 6.5% of share on the world market. It is on the third place, on the clothing market, by the world export, after China and Mexico with 5.3% of share on the market. Problems which Italian textile and clothing industry meets today are not only economical, but structural, because they sterm from the simultaneous changes in customers and the emergence of new competitors. These two factors, new customers and competitors are strongly associated with each other, because now customers can easily replace their suppliers. As a solution they propose stronger linking of manufacturers with retailers, marketing activities and participation in inovative processes, and maintainance of existing product quality and creativity.

Turkish textile, leather and clothing industry occupies signifficant place in the Ninth Development Plan of the Republic of Turkey for the period 2007-2013[13] by which the country supported this industrial branch. Manufacture of textile, leather and footwear industry is in a privileged position in Turkey since it possesses significant resources in cotton, wool and other fibres, as well as in leather. Basic industry is extremely developed and has huge capacities that besides the needs of the domestic industry meets the needs of a large number of other countries, including Bosnia and Hrezegovina. Medium-term development plan predicts that textile, leather and footwear industry manufactures goods and provides services with high level of value added, and in that context the aggressive appearance on the third markets is provided. Design, fashion and branding are taken as a basic starting point for this performance and its most important part.

Big problem of textile and clothing industry in Poland is because European customers, besides the long tradition, reduce connection with Polish companies and are turning to countries with lower labor costs. Investments in the areas of inovations, investments and development of human resources, increase of work productivity in order to achieve competitive prices are proposed as possible solutions, together with the application of new trends in marketing (relationship marketing), in outsourcing and e-business. It is proposed the establishment of a network of companies and organizations to support the business that would create a large group of manufacturers with a strong development strategy that could be faced with the competition from outside the Europe. The

[13] DEVLET PLANLAMA TESKILATI MUSTESARLIGI DOKUZUNCU KALKINMA PLANI (2007-2013)

improvement of conditions in textile and clothing industry is shown in the implementation of the new solutions together with the mass commercialization that would allow the transition from the mass manufacture to ˝mass˝ attention to the individual needs of customers.

In the research of the review of the situation in the textile and clothing industry of the countries in the region during the transition period it is stated that recovery of Romania and Bulgaria occured after the dissolution of the SFRY, thanks to the finishing operations of the European Union that were resettled in these countries, and then they start to record the increase of share of textile industry in the total of processing industry.

Besides the significant potentials that it owns, Republic of Serbia is among the countries that do not have a clear development strategy of textile industry. This industrial branch is burdened by many factors among which are: Badly managed privatization and restructuring of textile plants that are very dificult to run, dependence on imported raw materials - yarns and fabrics, where products from Serbia are not competitive in the market. And a large share of the grey economy in total trade is one of the most significant issues which is highlighted by businessmen, as well as the small number of domestic brends, quantity and price for which the Lohn businesses are done. Considering all those elements, state authorities in Serbia have come to develop a strategic document that will help in solving the above problems.

The textile and clothing industry in the Republic of Croatia is in extremely complex and unfavourable condition and despite of government subsidies does not come out of the crisis. Layoffs, pay cuts and outdated technology are the main problems of this industry. As a solution to the crisis of Croatian textile and clothing industry it is proposed manufacture of products of higher value added and own brand products, as well as the consolidation of textile and clothing companies, changes in human potentials, inovations and market repositioning that will suit opportunities of the industry. For each of the mentioned solutions it is necessary to invest financial capital that the indystry at this time does not have. The Republic of Croatia meticulously approached solving the problem of the industry by setting strategic guidelines for the development of textile and clothing industry in Croatia for the period from 2006 to 2015.

Slovenia nad Hungary started manufactiring higher quality and more expensive products and they developed their own well-known brands, and they leave the rest of the manufacture to less developed countries.

With the progress of transition period, finishing jobs that contributed to slowing the fall of textile and clothing industry had greater effects in states that have realized the importance of creating small and medium companies that offer many advantages in training, education, financing and manufacture of small and flexible series of various items.

In June 2010 the European Council has addopted the proposition of the European Commission on strategy for growth and jobs ”Europe 2020”. This document forms the basis for national reform programs which will concretise measures, and for the purpose of implementation of the strategy. It is determined in this document that the crisis pointed to the strucutural weaknesses of European Union: lower economic growth than of its trading partners, low employment range and aging of population. Global challenges that the European Union faces are economical strightening of emerging countries, reorganization of global finances, climate changes and limitation of resources. Commission proposes the following areas as five leading goals: employment, research and development, climate and energy, education and fight against the poverty. Determined prioritets are: inteligent growth (economy based on knowledge and inovation), sustainable growth (economy that uses its resources efficiently, that is ecologicaly directed and competitive) and integrative growth (economy that has a high rate of employment and social and territorial integrity). There will be 7 initiatives within the integrity: Union of Inovation, Youth on the Move, The Digital Agenda for Europe, Europe Resorce Efficiancy, Industrial Policy in the Area of Globalization, New Qualifications and Job Opportunities, The European Platform against Poverty. The strategy has a special place in the process of accession of new members and the assessment of the progress achieved.

Considering the present situation of Bosnia and Herzegovina and the Federation of Bosnia and Herzegovina, and therefore the operations of companies in the field of textile, clothing, leather and footwear manufacture, it is vital to create the conditions that allow normal market operations.

At this moment, scenario of creation of those conditions is not clear, or rather precisely defined, although a lot of work is performed and many legal solutions that lead in that direction are addopted. It is primarly necessary to determine the intention of the state in the field of textile, clothing, leather and footwear manufacture, so that every business organization or individual know their direction and which way to go with their business intentions.

Bosnia and Herzegovina is a small country, and its inclusion in the international market is a precondition of its development. Because of that, construction and development of export-oriented production programs should be one of the major directions of the strategic development of this industrial branch in the Federation of Bosnia and Herzegovina.

4.3. Projections of Growth of the Economy of the FBiH With Special Emphasis on the Textile, Clothing, Leather and Footwear Industry

The movement of industrial manufacture in Bosnia and Herzegovina is determined by interaction of domestic and export demand. Changes of domestic demand are less significant and are mostly reflected through electricity and mining, as well as a very small part of processing industry. On the other hand, the Processing Industry of Bosnia and Herzegovina is largely export oriented, so that export demand has a primary role and completely determines the trend of movement of industrial manufacture in Bosnia and Herzegovina. So we can safely conclude that in the next period the movements of industrial manufacture in Bosnia and Herzegovina will be determined by the events in the countries of European Union and region.

According to the latest available projections of the relevant international institutions, the improvement in economic activity in the world is expected during 2013. This improvement should have the positive effect on the whole region, as well as the Bosnia and Herzegovina.

In that way the improvement in export demand in 2013 should result first in normalization, and later with more marked recovery in industrial manufacture and export potentials of Bosnia and Herzegovina. If this improvement of income is added to the expected improvement of business environment in Bosnia and Herzegovina, projection of the Direction for Economic Planning is that during 2013 Bosnia and Herzegovina could achieve growth of industrial manufacture of about 3% comparing to the previous year.

Decrease of economic activity in the countries of European Union and countries of CEFTA and weakening of export demand negatively reflected on manufacture processes and export of Bosnia and Herzegovina.

So according to the preliminary data of FBiH Statistics Agency, for the first time of 2012 Processing Agency records decrease of over 7.5% comparing to the same period in previous year. In the same period, decrease of industrial manufacture of 6.7% is realized. Considering the structure of domestic industry and uncertainty of economic conditions in the countries of the European Union and the region, the assessment of the Direction for Economic Planning for the second half of the current year is that Bosnia and Herzegovina, at the end of 2012, could record stagnation of industrial manufacture.

According to data of the FBiH Statistics Agency, the increase of 2.5% was recorded in 2012 in the industry of the Federation of Bosnia and Herzegovina, Processing Industry is at the level of manufacture from 2011, and Textile, clothing, leather and footwear industry records increase of 3.2%. Continuing this trend, it is expected that this industrial branch, in the planned period, can achieve increase of manufacture of 3% comparing to each last year, which would, in 2015, lead to increase of production of 9.27% comparing to 2012.

4.4. Projection of Movement of the FBiH Textile, Clothing, Leather and Footwear Industry

Projection of Movement of the FBiH Textile, Clothing, Leather and Footwear Industry are observed on the basis of three different scenarios.

The first, basic scenario includes the status quo projection, or projection that is placed on the asumption that nothing significant will change in the micro and macro economic environment comparing to the current business conditions.

The second, alternative scenario indicates the combination of measures: rapid or short-term and permanent or continuous. By applying these measures the Industry of the Federation of Bosnia and Herzegovina will have an opportunity to overcome the existing problems and to create preconditions for its development.

The third, radical scenario assumes the commitment of the state that this industrial branch has no perspective and that its further existence is not necessary and it should be left to itself.

4.4.1.The Basic Scenario- Status Quo Projection

Analysing the condition of the textile, clothing, leather and footwear industry, the environment in which this industrial branch is operating is described in detail. If it continues with current business conditions and if there is no significant changes in micro and macro-economic environment, it cannot be expected: Maintainance of the current level of manufacture nor its growth; The current level of employment will not be maintained, but it will reach its decrease; Productivity increase will be slower than the productivity increase in the rest of the economy; The awerage wage will continue to lag behind the movements in the rest of the economy.

It is estimated that, in the current conditions, only rare employers can perform their operations succesfully in smaller facilities, without own manufacture, based on the finishing works for other purchasers, with small number of employees and small incomes.

Existence of any industrial brunch cannot be based on this scenario, not even the textile, clothing, leather and footwear industry.

4.4.2. The Alternative Scenario - Stimulating the Production With High Added Value

The alternative scenario includes a number of strategic objectives, operational measures and activities that should enable overcoming of the existing problems in this industrial branch and make conditions for its development. Focusing on the crucial problems in which the Textile, Clothing, Leather and Footwear Industry operates, strategic objectives and operational measures and activities should be observed in two different segments. The first segment includes rapid, short-term measures, while the other segment includes implementation of permanent, continuous measures, and their final version makes the preposition of conclusions and recomendations of this strategic document.

First of all, it is neccesary that the state is oriented according to the importance of this industrial branch, so all the rest activities could be predicted for the purpose of its revitalisation. Strategic objective that moves to unburdening of the economy is another important factor that determines the existance of this industrial branch, as well as economy in whole. It is necessary to adopt the whole number of legal acts in this area that would go in the direction of reducing the various fiscal and para-fiscal burden that now burdens the business organizations.

Proposals that arise from the Alternative Scenario significally depend on ability of domestic manufacturers to resist to the competition of the countries with lower manufacture costs. In fact, the crucial importance should have a change in the structure of the prodact, or orientation to manufacture of products with high degree of value added. Just relying on price competition and manufacture with the purpose of minimalizing the costs will lead to a slow extinction of this industrial branch.

The next group of activities should be directed to restructuring of manufacture. It is necessary to create the conditions for the manufacture of final products on targeted markets, domestic as well as foreign, together with the fight with competition from the east at the same time. For the realization of these activities it is necessary to ensure significant investments for the improvement of technology, tracking of fashion trends, dezign and marketing, but also group manufacturers into associations - clusters, which will significantly increase the opportunity of their individual success. The proximity of European market, as well as other comparative advantages of the domestic market have to be used completely.

The trend of creating domestic brands and gradually abandoning finishing works will depend on improvement of financial liquidity and access of the entire industrial sector. Current Lohn businesses provide much-needed liquidity for most companies that perform this activity. Maintaining of the current level and increase the level of competitiveness can be provided only by insisting on investments in technology that will ensure the higher level of productivity and quality of products. Also in this case, the crucial role have inovations, creativity , tracking of trends in design and fashion.

Taking into account the criteria set by the document ”European Union Strategy 2020”, their realisation will not be posible without continuous education of employees, as well as creation of educational system that is harmonized with the needs of the economy.
All these activities should be followed by the certain level of incentives that should be, primarly, directed to the research and development in terms of the usage of modern technologies and ability to adapt to new trends.

4.4.3. The Radical Scenario - The State Does Not Stand Behind This Industry Branch

All previous activities conducted by the state authorities and institutions of the Federation of Bosnia and Herzegovina indicate the unreality of this scenario. In the case that the state does not stand behind this industrial branch and decides that it does not have perspective, the consequences to it would be incalculable. The most of the current manufacturing facilities would stop their manufacture activities, and the biggest number of employees would lose their jobs. Considering the unreality, this scenario is taken into consideration only as a theoretical possibility.

5. MARKET REPOSITIONING OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY

5.1. Positioning of BiH/FBiH In the International Division of Labor

The situation at the labor market of Bosnia and Herzegovina[14], in the first half of 2012, is not encouraging.The number of employed persons decreases comparing to the increase rate that represents a change compared to the same period of the previous year and it amounts 0.7%, with the constant growth of the number of unemployed persons of 2.4%. With the modest growth of employed persons in the public sector it assumes that the number of employed persons in Bosnia and Herzegovina in 2012 could be decreased up to 0.8%.

A faster growth cannot be expected in the area of wages. Net wages in the public sector should not be changed because of current budget savings, while the wages in the private sector could record a modest growth. Nominal growth of the average net wage in 2012 could be approximately 1.5%, while the real growth would be negative due to inflation.

Projections of the labour market 2013-2015 are mostly determined by the risks in terms of economic growth, or the volume of activity in the private sector, and in that sence, the stagnation on the labour market can be expected in 2013.

Slow recovery in domestic and world economy indicates that in the mentioned year cannot occure a strong growth of the number of employed persons in Bosnia and Herzegovina, but the trend of decrease of the number of employed persons could be terminated, or the number of employed persons would remain approximately on the level from 2012, in the amount of 0.3%.

Net wages of the employees in the public sector should not be changed (because of the budget savings), while the wages in the private sector should grow, which would as a consequence have the total growth of net wages of 1.9%. In the real sence, net wages could remain at the level from 2012.

In accordance with the assumed economic growth in BiH the labour market could report positive changes only in the period 2015-2015. The strengthening of investments, export and generally improved business climate should have a positive impact on employment and wages in Bosnia and Herzegovina.

The number of employees in manufacture and services within the private sector should increase. On the other hand, the number of employees in the public sector would increase slower.
In that way, the total number of employees in BiH would increase for 1.8% in 2014, or 2.9% in 2015.

The increase in the number of employees and higher volume of work would certainly be accompanied by a decrease of the unemployed, but also the faster growth of net wages. It is expected that the average net wage could be larger for 1.3% in 2014, or 3.7% in 2015.
The Textile, Clothing, leather and Footwear Industry of the Federation of Bosnia and Herzegovina, with application of appropriate development strategy, is capable, but also have to follow the movements on the market of European Union to which it is predominantly oriented and largely conected.
In the foreign exchange Bosnia and Herzegovina should persevere in its flexibility, product quality, speed of delivery, competence of the management and personnel in manufacture, which will, together with comparative and competitive advantages, lead to necessary transfer of knowledge and technologies.

5.2. Determinants of Success of the FBiH Textile, Clothing, Leather and Footwear Industry

[14] Data of the Direction of Economic Planning of Bosnia and Herzegovina

Expected success of the FBiH Textile, Clothing, Leather and Footwear Industry is based on the process of restructuring of this industrial branch. Market restructuring have to be followed by manufactural and organizational restructuring, conjoining and networking with other manufacturers which products are used as ancillary materials in this industrial branch.

In the realisation of this process, all the activities related to the identification of appropriate market opportunities have to be taken into account. In doing so, the greatest efforts must be put in the field of starting the base production, for the purpose of ensuring the basic materials, what would result in the products with higher level of new value, but also the positive effects would be achieved in terms of supstitution of import, growth of export and performance on new markets. With the start of base production, the posibilities for new employment, increase of the wages of employees and thus increase the level of allocations to state funds are opened.

As the second element, the increase of placement of domestic, own product must be taken into consideration, in that way the greater profit per employee is achieved. It is posible to use the existing opportunities to increase the sale in domestic and foreign market by creating the own product adjusted to the requirements of customers, increasing the image of company and product, expending distribution channels by stronger promotion of these products with competitive price.
Initially, the market orientation of the company on its own product will also mean higher expences comparing to the Lohn manufacture, because the investments into marketing, development of own brend, researches and the total development are larger. In doing so, the higher profitability can be achieved with growth of manufacture quantities and sale, primarly in the manufacture of clothing, or leather and footwear products. On the other hand, the small facilities that present specific comparative advantage, if they identify with the sensitive needs of the market, can contribute to the increase of profitability. That demands more active approach in the track of the movements of market, investment into personnel and knowledge, appropriate equipment of manufacture and its maximum flexibility.

Positive elements that will influence demand for domestic products are: growth of the market of personal consumption and growth of the market manufacture consumption. There are opportunities on the market for the growth of incomes from the sale, by increasing the sale to the existing customers and obtaining the new customers. Assuming that the textile, clothing, leather and footwear industry increases its competitivenes, it is possible to increase income on the account of import, and also to achieve increase of sale, especially on the foreign markets. It is necessary to insist on identified comparative advantages of domestic manufacure in foreign exchange, but also seek to return comparative advantages in the group products which we currently do not have, but for which there are real opportunities to make it happen.
The important elements that has positive influence on the increase of sale are marketing activities, on the domestic as well on the foreign market. However, these activities require appropriate investments and personnel. The existing domestic brends are not familiar enough on the foreign markets, which is the consequence of the poor promotion, but also the lack of financial funds for more active promotion. Insufficient coverage of the domestic market and the limitation of the distribution channels should be taken into account, especially in the export. With the expected industrial growth, the existing limitation of purchase power of domestic customers will decrease, which will reflect on the purchase of domestic products with a recognizable brend.

It is extremely important that identified limited factors of these processes turn into advantages as an element of the market repositioning and development strategies of the companies in this industrial branch.

5.3. Elements of Market Repositioning

European textile and clothing industry is going through an intense process of modernization and restructuring in the last twenty years. By that, restructuring resulted in the closure of companies, modernization of manufacture and increase of productivity. Many factors in the surrounding have influence on the structural changes and development of manufacture of textile, leather and clothing, and as imperative they set the modernization of production processes.

The most important factors are: saturation of the market of the European Union and the relative decrease of costs for clothing, changes in the preferences of the consumers, liberalization of the market and intensified price competition, changes in distribution, application of the new technologies, as well as human potential and structure of the industry.

Structural changes are also shown in the trade, where the retail role is growing in determining the structure of industrial manufacture, wherein the value chain is oriented to the more demanding customers. Distribution of textile products starts to depend on the large chain stores that set their conditions.

The problems of this branch of the European economy, as labor-intensive, is the exposure to strong competition of the countries with cheap workforce. There is the constant decrease of employment because of the low total productivity of work and lower work costs compering to the rest of the processing industry and the problem of hiring a qualified workforce is more pronounced. Structural changes in the textile and clothing industry of the Europe are proposed as the solution. It is necessary to look for the new solutions in order to increase competitiveness in the saturated European market.

The decrease of manufacture of 32.4% with the increase of manufacture at the same time in Azia of 76.3% is stated as one of the main problems of the textile and clothing industry in Europe. This decrease in manufacture resulted in the reduction of employees, with the trend of moving manufacture to areas of cheap workforce, with more significant lost of manufacture capacities.

For the solution of this situation and the continuance of positive operations of textile and clothing industry in Europe, the textile and clothing industry must rise in the value chain, building its compatibility on new technologies, innovation and design.
The answer to the mentioned problems, restructuring of the sector of the European textile and clothing industry, is to move from the mass manufacture to the manufacture of high technological level and modern style, and to keep competitive advantages on global level in that way. We also must consider the fact that the European manufacturers of textile and clothing, in the search of profitable solutions, turned into traders of brends without their own production, concentrating on design and marketing.

The European companies will not be able to improve the efficiency, quality, flexibility and awareness of market if they do not have the access to the new professions, facilities and services that would enable the fast answer to the small fashion cycles and manufacture of limited series of products manufactured and distributed in short period.

Generally speaking, the concept of mentioned processes of market repositioning are moving to the creation of products of higher value added, forming the new structure of personnel with the higher level of knowledge and new investments in technologies, marketing and distribution of products.

The basic elements on which the domestic textile, clothing, leather and footwear industry should rely are: Financial Results – the increase of income from the sale and productivity, Customers – increase of the share of sale on the domestic market with the increase of export, Business Processes –

increase of productivity, Innovation and Knowledge – development of the innovation and raising the level of knowledge.

When we lok at the financial results, two financial objectives are extremely important for the future development of this industrial branch in its market repositioning: increase of the sale income and productivity increase. These objectives can be achieved by gradual transition towards increasing the participation of domestic products in the income structure. In doing so, the structure of income continues to be mixed and will be based on the income obtained from the sale of domestic products and income realized by the Lohn manufacture. Keeping the Lohn business will provide for the companies usage of the free manufacturing capacities, gaining the new knowledges and experience in the manufacture, but also gaining the recomendations on the foreign market. If that is possible, it should be insisted on obtaining Lohn businesses with higher value added, which provide services of higher level of knowledge and more technological equipment.

Increase in sale income stems from the increase in productivity which is related to the realization of the business rationalization, raising of the technological level, increase of the contribution of science in all elements of achieving the value added and more efficient management of the manufacture. The increase of productivity will be the key element in realization of the proces of competitive repositioning of the FBiH Textile, Clothing, Leather and Footwear Industry. In achieving this goal, results of combination of factors of increase of incomes from sale and increase of productivity are essential.

The second element of the market repositioning of this industrial branch are the customers. When we speak about domestic market or domestic customers that is primarly related to the growth of the sale share of domestic products on it, while the performance toward the foreign markets are determined for the purpose of the increase of export. Customer´s satisfaction with the product contributes to the growth of customer´s loyality and encourages the growth of income from the sale of that product in a long-term period. It is important to emphasize the need that the products are created (made in the colection), according to the specific requests of the each group of customers. In manufacture of clothing, products of leather and footwer, domestic industry sees an opportunity in expanding the existing range with new products and increase of share of own product of recognisable brand. Realization of this activity depends on ability of the manufacturer, but also from the help of the state and scientific and professional organizations and institutions to make the new products and to develop own brends. In this way, the manufacturer will have the control over market, pozitioning and promotion of the company, as well as the launching of the new product. At the same time, the bigger income from the sale will be achieved, and the consumers will be easier to make decisions on the purchase of these products, with an accompanying increase of customer´s loyality to the selected product.

In orther to successfully achieve the market repositioning of this industrial branch, or to achieve greater satisfaction of the customers and to realize larger income, domestic manufacture must be followed by the introduction of the new technologies in manufacture processes, and all in order to increase their own productivity and competitiveness. Therefor the reduction of difference in the technological lag behind the domestic economy in relation to the European Union is one of the important issues. This primarly involves transfer, the transfer and application of new technologies in manufacture, what will provide development of new products. Decrease of the difference in technological backwardnes is closely related to the introduction of the appropriate information systems, management techniques, design and other. Purchase of new, modern equipment is of particular importance for the manufacture of reproduction materials, or manufacture of textile, because it will allow the lounch of this manufacture area, wining of the new type of products, achieving higher quality of products and efficient use of available raw materials. Manufacturers of final clothing articles and footwear should, also, apply technological inovations, through the use of different information and communication technologies, that will increase the level of automation of manufacture. In doing so, the goal of automation should be creation of flexible manufacturing system that allowes flexible adjustment to the requests of the customer and that allowes easy and rapid reorientation from one to the other type of manufacture, adapting to market conditions in this way. Internet options have to be maximaly used as a mean in the performance of marketing function in the companies, for the promotion activities, finding of new business partners and communication with the existing partners, contracting, market research, familiarization with the latest technological achievments, etc. Efficiency of operations, work productivity, quality of product are increrased by innovative technical solutions in terms of more rational usage of the existing technical means and technological methods, savings in raw materials and energy are achieved, as well as better usage of the existing capacities.

Innovation and knowledge are one more of the elements of achievement of previously defined goals. It is extremely important to persist on development of innovation and raising of the level of knowledge in the companies that deal with the manufacture of the articles of textile and leather. One of the important tasks that is set in front of the domestic managers is system to encourage the development of innovative solutions. Managers showed with their actions that they are aware of the need to raise overall quality of products, so in that sense, they rely to a greater extent on a constant quality control in accordance to applicable standards and demands of the matrket. For the purpose of raising the competitiveness of the companies of this industrial brunch, one of the key determinants is systematic and continuous education of managers and training of the existing workforce through specialized training programs, as are those related to design, construction, marketing, informational systems, etc. However, we should emphasize the fact that the current system of education of personnel for occupations in the field of textile, leather and footwear is inappropriate to the needs of the economy. Because of the fact that this industrial branch identifies a lack of qualified personnel, the expected restructuring process will further increase the need for these personnel. In these terms, the system of education of personnel should be adjusted to the needs of the economy, but also businessmen themselves must make an extra effort for the purpose of granting scholarships to young personnel, investing into training and retraining of existing personnel and development of adequate system of rewarding and motivating employees, wich requires substantial financial investments.

6. ELEMENTS OF DEVELOPMENT STRATEGY OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY

Elements of development strategy of the FBiH Textile, Clothing, Leather and Footwear Industry are based on the characteristics that this industry branch had in the past and its present conditions, as well as the analysis of objective opportunities for its development.

The proposed solutions, in terms of realization of the development strategy,are in accordance with the vision, its programs and objectives, as well as the planed activities and expected results.

6.1. Initial Facts on the FBiH Textile, Clothing, Leather and Footwear Industry

When we take into account the discussed financial, economic and market analysis, it is evident that the results of operations of the domestic textile, clothing, leather and footwear industry are on the verge of profitability.

Its basic characterictics are reflected in the traditional business; the lack of the basic manufacture and the small number of domestic brands; where most of the manufacture capacities are privatized, while, at the same time, roles, rights and obligations of new owners and management have not been fully defined; operations in a conditions of high fiscal and para-fiscal burden; with the lack of stable and favorable financing sources; lack of incentives by the state; most of the manufacture is performed within the Lohn businesses; manufacturers are disunited with a weak barganing position in relation to the environment; with structural problems in terms of personnel and workforce, technological equipment, etc.

Traditional business is important characteristic of the domestic textile, clothing, leather and footwear industry. Managers most often rely on experience and acquired habits, so there is no enough investing in the development, marketing and own brand.

Basic manufacture does not exist anymore. Large plants for manufacture of yarn, fabrics and knitwear are no longer functioning, and we can find the cause for that in the performed process of privatization, where, in the most parts, manufacture and ownership structure were modified.

Business is burdened with high fiscal and para-fiscal burdens, whereby the amount of the contributions to the gross and net basis of wage are above the value of contributions in the countries of a region. Many has a high price, what results in a lack of favourable source of financing and an increase of a level of self-financing.

Government subsidies are insufficient, but at the same time, they are not structurally adapted to this export-orented industry branch. Affirmatively, it should be decided in a favour of exporters and find a modus to support their manufacture activities, which means that subsidies should have development, not social component.

The survey shoved that the majority of manufacturers are relied on a combination of Lohn-businesses and development of their own product. Manufacturers are aware of short-term benefits from Lohn –businesses and they turn more and more to the manufacture of their own product.

Because of their disunity, domestic manufacturers have a weak bargaining position in relation to the competition in the region. Connection between manufacturers creates preconditions for penetration to available markets. Such associations of manufacturers need to be agents of development of domestic industry.

The FBiH Textile, Clothing, Leather and Footwear Industry employes over 20,000 workers, it is fragmented and has poor negotiating position in relation to foreign partners. It has expressed problems of distribution and collection of receivables that generate problems of insolvency, and structural problems with the personnel and lack of favourable conditions of financing additionaly burden their business and development.

It is the fact that, besides the mentioned, there are the problems in a policy of employment, regulation of labour market, structure of educational programs.

Therefore, it is necessary that the state and all stakeholders of this public policy, in a partnership manner, involve in the implementation of the restructuring process of this industrial branch, as its most important segment.

6.2. Concept of Long-Term Development and Key Strategic Orientations

In defining the concept of long-term development of this industrial branch, the determined position at the domestic and foreign market and their elements, key objections and directions in which this industrial branch should develope and organizational frames in which the process of restructuring can be achieved are taken as basic considerations.

in addition, the concept of long-term development and key strategic orientations should be focused on the answers to questions: What to keep from the inherited structure of manufacture, from what to give up and why; To what extent there is a serious orientation for the development restructuring of the domestic textile, clothing, leather and footwear industry; How to integrate the key actors of this policy; How to create the value added to the domestic products; Where to direct the state subsidies?

The answers to these questions are in the activities on the market and they reperesent the initial basis or characteristics of development strategy.

As it was previously pointed out, when it comes to the domestic market, the focus is on the growth of sale share of domestic products, while the performances on the foreign markets are determined for the purpose of increase of export. These efforts will be significant if we create the conditions for the operation of the basic manufacture and expantion of the existing range with new products and increase of the share of own product of recognisable brand.

The key objectives and directions in which this industrial branch should develop are defined as: Market repositioning in accordance with the abilities and skills of domestic manufacturers; The introduction of new technologies and application of innovations with greater use of domestic knowledge; Manufacture of specializations in accordance with demands of the market; Merging of domestic manufacturers in order to achieve greater negotiating skills; Adaptation of personnel to new market, technological and organizational conditions of business and development.

In terms of organizational frames within which the rectructuring process can be performed, the proposals are directed to the opening of the process of integration of domestic manufacturers on the cluster principles, wherein the performance of these processes should be institutionalized.

However, it is necessary to worn that the creation of this strategic document and its implementation is not a one-time job, but a continuous activity that is focused on the analysis of the proposed solutions, their implementation and check of the effect that they produced, and all this within a reasonable time.

6.3. Characteristics of Development Strategy

The current market position of the domestic textile, clothing, leather and footwear industry, its technical and technological equipment and structure of personnel makes the basis of its development strategy. In determining the basis of the strytegy the specific characteristics and expectations of this industrial branch, its possibilities and abilities and necessary organizational solutions which will facilitate coordination in the implementation of planned activities are taken into consideration.

By this opportunity, the strategic basis is not based on quantitative growth of manufacture, but it is directed to creation of products of higher value added, with determination of state authorities to this industrial branch, its addaption to the market demands, structural as well as technological and technical, organizational, personnel and other changes.

The realization of such stategic base is limited by the constant technological progress, specialization and realization of market – competitive manufacture over a long period of time and with measurable effects.

In implementation of development strategy, we have to take into account the requirements of the current global processes that need to be considered as the opportunities for success. In orther to activate in those processes more effective, the strategic repositioning of the FBiH Textile, Clothing, Leather and Footwear Industry needs to be done. It will not be easy to implement the process of repositioning, so it is necessary to apply a whole set of complementary strategic objectives for that purpose. Realization of these objectives demands creation in the basic manufacture, then technological upgrade, application of inovations and own knowledge in manufacture, with customized structure and number of workers, with the reaction of the state in the field of creation of favorable business conditions.

Realization of strategic objectives should provide certain results. This primarly referes to a market verification of defined structure of products that are competitive on the market. In orther to achieve that, it is necessary to base the manufacture on the constant investments in technology, knowledge and innovations which final resault is increased share of own products and brands on the market.

The process of structural adjuctment should be followed by appropriate financial elements that reflect in cheap and easily available financial resources, but also in government incentives. Merging of manufacture capacities and the creation of associations of manufacturers – clusters, as well as their partnership with the state institutions and unions, will give the additional strenght for realization of given tasks.

Preference of the state of Bosnia and Herzegovina towards the European Union sets as a condition harmonization of national legal and technical legislation with European legislation. In these terms, it is necessary to take into domestic legislation a series of directives and standard norms, so that manufactural and other processes could be set according to their requests, which is not easy at all. This task does not only change the manufacture processes and manner of their implementation, but this is, above all, the change in the way of thinking, and personal relationship of every individual that participates in them.

6.4. Organizational Elements of Realisation of the Strategy

For the realization of the basic elements of this document, it is necessary to determine the institution, in the terms of controle point, that would take care of the coordinated action of all stakeholders of this policy. In that way the coordination, organization, directing, encouraging, lobbying and active cooperation on development programs and projects would be performed from one place.

By its acting this institution would, to all interested, allow instant access to information: easier connection of busenessmen and easier identification of available projects and their elaboration; more available education and inovation of knowledge. It would enable cooperation with other institutions in country and abroad for the purpose of overall promotion, as well as the proposition of institutional solutions.

Activities of this institution would realize through active partnership of businessmen, state institutions and organizations, scientific and research and educational organizations, business banks, commercial chains, local comunity and other factors.

7. POLICIES AND MEASURES OF STRUCTURAL ADAPTATION OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY

7.1. The Role of the State in the Implementation of the Development Strategy

Policies and measures of structural adaptation of the FbiH Textile, Clothing, Leather and Footwear Industry can be achieved only with the help of government. Besides the businessmen that have the key role in this process, the state also has the active role in implementation of the development strategy of the textile, clothing, leather and footwear industry.

The role of the state is reflected in the creation of a stable macroeconomic environment; the appropriate selection of combination of consistent and complementary measures in the context of economic policy; coordinating and stimulating activities on foreign markets; improvement of education program and professional training; networking of scientific and all other potentials.

Stable macroeconomic environment and measures of economic policies should provide the decrease of fiscal and para-fiscal burdens, create conditions for fair play; stimulate development and employment; create conditions for business cooperation and realization of the new institutional solutions and accelerate the process of European integration.

Fiscal and para-fiscal burdens should move to their decrease, whereby the stability of existing funds must be taken into account, as well as finding the modes of settlement of liabilities that business organizations allready have with them.

Fair play implies the suppression of the black market and quality control of imported goods, where only state has the instruments for action.

Stimulation of development should be based on elaborated criteria that should favor programs aimed at export, creation of brands, introduction of new technologies, quality systems and development of distributive channals.

It is necessary to adjust the stimulation of employment to the system of professional education, and curricula and training of the personnel to the needs of the economy, gaining scholarships for the personnel for short supply in secondary and higher education institutions, as well as enable retraining of employees. These activities require a social dialogue between the state, employers and unions.

Connection of interested in clusters is achieved by business cooperatrion, and also their networking with scientific and research and educational institutions for the purpose of creating the new institutional forms, like a kind of centres, that would deal with the development of business comunity by developing design, brands and other.

Through the process of joinig the European Union, the general and specific policies in the area of this industrial branch will be taken, as well as appropriate standards and quality systems.

The government of the Federation of Bosnia and Herzegovina adopted on 157th session, held on September 21st, 2010, the Development Strategy of the Federation of Bosnia and Herzegovina for the period from 2010 to 2020, for the purpose of achieving the general development objectives.

Leaning on the medium-term strategic objectives of the Development Strategy of Bosnia and Herzegovina and the Social Inclusion Strategy of Bosnia and Herzegovina, the Development Strategy of the Federation of Bosnia and Herzegovina, and on the basis of the set vision and available factors of development, specifies activities at the federal level for the implementation of strategic decisions in the period 2010-2020 and sets into focus: Macro-stability, Competitiveness, Employment, Sustainable Development, EU Integration and Social Inclusion.

These starting points are taken into account in determining the policies and measures of structural adjustment of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina.

In order to achieve the role of government, businessmen have to follow the market and state of competition continuously; identify opportunities in the market and based on that approach to the preparation of development program; perform constant business planning; perform market, business and organizational repositioning; improve value chain from requirements of customers, over manufacture to distribution of final products, as well as to constantly update technical and managerial skills.

7.1.1. The Proces of Restructuration and Modernization of Manufacture and Business Processes

The process of restructuring is aimed at eliminating the main problems that the large number of domestic manufacturers have. That is, above all, insolvency or owning of a negative capital, redundant workers combined with low productivity, inadequate micro and macro organization of companies with under-integrated facilities and activities, technical-technological and physical obsolvence of manufacture means, where some of the companies have important regional and national significance. These factors usually have a cumulative effect and lead to bad market position, insolvency of the company, with the existance of manufacture programs that cannot stimulate the recovery. To overcome the problems, large and fundamental changes are needed, with the aim of converting unprofitable companies into a form that is more suitable to the market situation, with the intention to create a profitable company.

Finaly the process of privatization of the companies of the Textile, Clothing, Leather and Footwear industry should be completed, whereby the process of restructuring of the large systems is at the first place, in order to avoid previous bad cases of privatization. Any delay of the privatization of these systems makes their adjustment to new market and technological conditions difficult. And delays the arrival of a new investor.

In doing so, all disadvantages of previous privatization should be avoided, noting that privatization is not only a change of the owner, but above all a change of the technological status of the company.

Modern industrial manufacture requires constant innovation and improvement of the existing products, manufacturing processes and systems, the quality of work of which efficiency of application depends the survival of many manufactural and business systems. Basis for the development of modern industrial manufacture are: new manufacture technologies, techniques and manufacture systems, informational technologies, rapid development of products, application of knowledge and innovation.

7.1.2. Change of the Structure of Manufacture

The participation of government in the change of structure of manufacture is necessary and important, because it is about stimulation of development of the raw material base. As the main stream of investments have to be directed in this sector, the government has to be clear about it, whether it is necessary or not.

Table No. 68 Consumption of Basic Raw Materials and Materials

		2008			2007			2006		
		I	From import	Share of imp	I	From import	Share of imp	I	From import	Share of imp
Textile manufact.	Cotton yarn t	187	187	100	171	171	100	130	130	100
	Synth. yarn t	44	44	100	42	42	100	31	31	100
Clothing manufact. dressing and dying of fur	Woolen fabrics 000 m²	1,358	1,358	100	1,666	1,574	94.4	1,700	1,700	100
	Cotton. fabrics 000 m²	3,641	3,547	100	3,267	3,210	98.2	3,073	3,055	99.4
	Synth. fabrics 000 m²	1,135	1,127	99.3	1,662	1,573	94.6	1,200	1,200	100
	Tanned and dressed leather 000 m²	135	127	94.0	96	87	90.6	-	-	-
Footwear manufact. and leather processing	Raw leather t	4,339	1,307	30.1	5,478	1,476	26.9	-	-	-
	Tanned bovine leather 000 m²	61	59	96.7	53	51	96.2	235	232	98.7
	Sole leather t	2,997	2,997	100	3,008	2,968	98.6	3,339	3,339	100

However, most of the row materials and materials used in the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina are provided from the import. Their structure and comparative indexes, for the period 2006-2008, are shown in tables (Table No. 68 Consumption of Basic Raw Materials and Materials).

It is evident that most of the basic row materials that are being used in manufacture of textile, clothing and footwear are provided from the import. Import dependence ranges from 94.4% to 100% and it is maintained at the same level in the observed period.

Therefore, the revitalization and development of manufacture of yarn and fabrics is multiple important, in terms of meeting domestic demand from domestic manufacture, what leads to the decrease of high level of import dependence and has a positive effect on a foreign trade bilance of the country.
In this way, one of the strategic goals which is directed towards the manufacture of products of higher value added will be accomplished. Similarly, the use of domestic raw materials is a prerequsite for a reorientation to more advances and cost-effective forms of finishing work, as well as the classic export.

7.1.3. Strengthening the Competitive Position

On the turbulent and overbooked international market in which there is strong competition, only efficient business companies can survive. Because of that, domestic companies must strive to constant technological, organizational and cost improvements that will lead to the growth of productivity, the rational use of all manufactural resources and reduction of operating costs, for the purpose of strengthening of their competitive position.

Companies from this industrial branch should depend on resources of knowledge and intellectual capital which is the main source of capital strength, market competitiveness, profitability and intense growth. The ways of successful rising the level of competitiveness are: secured cash flow – capital, corporative management in conjunction of public and private sectors, and stimulation of introduction of new technologies.

Companies must rely their development strategy on re-engineering, manufacture improvement and increased productivity. In order to achieve that, the new radical solutions in the preparation and realization of manufacture with implementation of new technologies and procurement of the most modern manufacture equipment, including the informational systems, new techniques of management and design, as well as application of new techniques and methods in preparation of manufacture are necessary.

Domestic manufacturers of textile, clothing, leather and footwear should use technological inovations as one of the main levers in the creation of new models and the application of new manufacture processes, which should lead to their competitive advantage on the domestic and foreign market.

Strengthening of the competitive position can also be realized by different government measures in order to attract foreign investments, relating to the reduction of bureaucratic factors, introduction of financial incentives, introduction of tax allowances for investors, and allowing easier access to sources of financing. These measures have to be consistent, so that investors have the assurance of long-term investments the next 20 or 30 years.

7.1.4. Investment and Export Strengthening

Weak inflow of foreign capital for the development of manufacture result in low level of investment in the textile, clothing, leather and footwear industry. Because of that most of the companies have overdated technology and equipment, which is a brake on the development of modern and profitable industry.

When we know that the manufacturers significantly perfected manufacture equipment in the last 10-15 years in the direction of increased productivity and more efficiant use of energy products and raw materials, with the use of new materials, then there is the imperative before the domestic manufacturers to implement new productive manufacturing systems as soon as possible.

At the state level, adequate incentives should be provided, especially in order to initiate base manufacture and manufacture of supporting materials for the work of the textile, clothing, leather and footwear industry.

The export orientation is one of the most important characteristics of this manufacture and, in the future, it is necessary to increase the competitive ability of this sector, on the existing as well as on the new markets.

Increasing of manufacture in the textile, clothing, leather and footwear industry has to become the key condition of its survival on the globalized market. In order to achieve that, the manufacture has to be recognized as: highly innovative, highly adaptable – flexible, with the characteristic of fast reaction to changes, based on the knowledge and achievements of sciantific and research work. The manufacture that consists of the mentioned elements can be export-oriented with a tendency of constant growth in export, which is its main objective.

7.1.5. Establishment of Cooperation Between Manufacturers

The implementation of this strategy can be achieved by cooperation between various government and economic institutions, but also through the establishment of cooperation among the manufacturers.

The policy level is responsible for creation of economic conditions specificall for this sector of industrial manufacture, so that proposed concepts of development (technological, personnel, investments, market) could have favorable conditions for realization in all directions of action, in a minimal amount of time.

One way of achieving cooperation among manufacturers is the establishment of a separate cluster. Clusters are geographically concentrated groups of interconnected companies, specialized suppliers, providers of services and institutions connected within the certain areas present within the national market or region. By interconnecting in cluster, group of companies and organizations improve their appearance on the market by mutual networking and contacting and achieve competitive advantage, or create excess value - profit.

In the mid 90s of the last century concept of clusters became the centrali idea in the competitiveness and economic development, and as such, widely accepted in the policie of economic development. Cluster inittiatives were accepted in tranzitional countries in the last 10 years.

We distinguish between horizontal clusters (partners on the same level in the chain of creating value added), vertical clusters (partners in the pyramid of suppliers), regional clusters (partners in the economy sector), clusters in the branch (partners in the specific operating area), business clusters (partners in the companies or with other companies), international clusters (partners in overlapping networks of clusters), etc.

Reasons that businessman find for participation in clusters are: securing new markets and easier appearance in them; better personal contacts; strengthening of the relationship between customers and suppliers; raising the level of knowledge through the exchange of experiences and examples of a good practice; easier transfer of new technologies and their implementation, use of new materials and processing procedures, etc.

The objective of forming clusters in the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina are: improvement of the competitiveness of manufacturers; securing the basic and ayxiliary materials; support to the businessmen in the promotion of their activities; support to the innovation of the members of clusters in order to satisfye general and collective needs; realization of positive influence on addaption of the laws and provisions; implementation of the new technologies , procedures and new materials for the purpose of getting the products by the standards of the European Union; raising the awareness of the importance of this industrial branch within the economy of the Federation of Bosnia and Herzegovina and economy of Bosnia and Herzegovina, easier access to foreign markets, etc.

7.2. Incentive System in the Development of the FBiH Textile, Clothing, Leather and Footwear Industry

Incentive system is important instrument of active industrial policy and as such has a significant contribution in realization of strategic objectives in development of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina.

7.2.1. System of State Incentives

The Law on State Aid System in Bosnia and Herzegovina (Official Gazette of BiH, No. 10/12) is in use in Bosnia and Herzegovina.

The Law on State Aid System in Bosnia and Herzegovina regulates the general conditions for allocation, control of allocation and usage, approval and return of illegaly allocated state aid, the list of state aid and reports on the state aid with the purpose of establishing and ensuring competitive market conditions, as well as the execution on the commitments under international agreements that contain provisions on state aid. Also the competent authorities responsible for application implementation of provisions are determined in accordance with the rules of the European Union on state aid, or the State Aid Council of Bosnia and Herzegovina.

The state ade is, in terms of this law, every real or potential public expenditure or net realization of public revenue, existing, planned or potential, that can be allocated or planned directly or indirectly from the provider of state aid, in any form, which disrupts or there is a risk of distortion of competition in the market by favoring certain business entities, manufacture or trade of certain products or providing of certain services, if that affects the fulfillment of international obligations of Bosnia and Herzegovina in this field.
Providers of the state aid are: Bosnia and Herzegovina, the Federation of Bosnia and Herzegovina, Republic of Srpska, Brčko District BiH, cantonal, city and municipal administrations via authorized legal persons, and any legal person that allocates and manage the state aid.

Users of the state aid are economic entities that perform business by participating on the market trough manufacture or trade of goods and /or services.
Program of state aid (scheme) means the act by which, without the need for further implementing measures, individual state aid is allocated to the users that are not determined in advance and act according to which the state aid , wich is not related in advance to special project, is allocated to one or more users of the state aid.

Individual state aid (ad hoc), means any state aid allocated to any user outside determened programs of state aid.

Pursuant to the Law on State Ade System in Bosnia and Herzegovina the Decision on criteria was adopted for the appointment of three members of State Aid Council of Bosnia and Herzegovina that are appointed by the Council of Ministers (Official Gazette of BiH, number 43/12).

The FBiH Government, on 52nd session from May 30th, adopted the Regulation on the management and the methodology of the census program of state aid in the Federation of Bosnia and Herzegovina Official Gazette of BiH, number 48/12).

The content of the document List of State Aid Program and methodology of the State Aid Program is determined by this Regulation.

State aid available to the whole economy represents state aid: for small and medium business entities; for repair and restructuring of the economic entity in difficulty; for employment; for environmental protection; for research, development and innovation; for professional training; in the form of risc capital; in the form of culture and cultural heritage protection; other horizontal state aid.

7.2.2. The Role of Incentives in the Development Strategy

In performance of the state incentives to the Textile, clothing, Leather and Footwear Industry and in the period of realization of this strategical document, European standards and regional objectives have to be taken into account, such as research and development, professional training and employment.

Considering the different types of incentives, it is necessary to consider criterias for development programs which would rely on the synergy effect by the types of incentives and would be consistent with the important development objectives.

The current level of incentive to this industrial branch can significantly increase by the systemic approach in the allocation of objectivly available resources of incentives, starting with municipalities, over cantons, to the level of the Federation of Bosnia and Herzegovina, and all for the purpose of realization of its sustainable development.
In that context the system of regional incentives, from the structural funds of the European Union, that significantly can contribute to the realization of the strategic objectives, should not be neglected.

In the implementation of incentive measures of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina, it is important to achieve a high level of integration of economic policies at the state level of Bosnia and Herzegovina, with economic policy in this industrial branch, whereby all its peculiarities must be taken into accout.

Only all of these common elements can lead to realization of strategic objestives set in the alternative scenario of successful restructuring of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina.

8. CONCLUSIONS

Results of the researches that were performed in the realizqation of set objectives on creation of this document emphasized the general characteristics and problems that the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina is facing, but also showed the measures and activities that should be taken so that every business organization or individual know its direction and where to go in its business intentions, with the aspiration of the final recovery of this industrial branch.

Analysis of the condition of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina
By analysing the condition, it is determined that the physical volume of manufacture, after recession year 2008, has a trend of growth in all three areas of processing that this industrial branch performs and that their values are above the values achieved by the Industry of the Federation of Bosnia and Herzegovina and its Processing Industry.

Constant increase is realized in the manufacture of upholstery, linen, sets for industrial and professional use, underwear, leather goods, slippers and footwear.

However, lack of basic manufacture shows that the majority of the raw materials, that are being used in the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina, are from import. Olmost identical situation is in the area of manufacture of auxiliary materials for this industry branch, so these two elements are limitating factors of its further development.

Spatially, areas of Textile Processing, Clothing Manufacture and Leather Processing and Footwear Manufacture are represented in Tuzla Canton, Zenica-Doboj Canton and Sarajevo Canton. There is no manufacture in observed areas in Canton 10, while in the other cantons some of the mentioned areas of this industrial branch are realized.

The number of employees in the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina is growing from 2006 when it was 16,822 uo to 20,214 in 2011. Percentage of increase of the number of employed is in the range of 1.78% in 2008 up to 10.12% in 2011.

Comparing to the total number of employees in the Industry of the Federation of Bosnia and Herzegovina, the Textile, Clothing, Leather and Footwear Industry absorbes 4.6% of employees. Comparing to the total number of employees in the Processing Industry of the Federation of Bosnia and Herzegovina, the Textile, Clothing, Leather and Footwear Industry absorbes 23.8% of employees.

Data on the number of employees within the Textile, Clothing, Leather and Footwear Industry show that the most of the employees 7,334 or 36.4% work in the Leather and Footwear Manufacture. 7,134 employees or 35.4% work in Clothing Manufacture, while 7,516 or 28.2% employees work in Textile Processing.

From the total number of employees in the Textile, Clothing, Leather and Footwear Industry, 70.7% are femail population. That is significantly more than the participation of women in the Industry of Federation of Bosnia and Herzegovina that amounts 40.4%, or more than participation of women in the Processing Industry of the Federation of Bosnia and Herzegovina that amounts 33.6%. Of that number 41.4% of employed women are in the interval to 35 years, 43.7% are in the interval from 35 to 50 years, and 14.7% of employed women is aged over 50 years.

In eight cantons of the Federation of Bosnia and Herzegovina (without West Herzegovina Canton and Canton 10) there are 16,005 unemployed persons in the records with occupations in the field of textile, clothing, leather and footwear. Comparing to 2010, in 2011 the increase of 174 unemployed persons or 1.09% is recorded. The increase of the number of unemployed persons in the field of textile, clothing, leather and footwear is evident in bigger cantons, while in Tuzla Canton, Herzegovina-Neretva Canton and Sarajevo Canton there was a decrease of the number of these persons.

The average wage in this industrial branch amounts 374.00 BAM. In the area of Textile Processing is 409.77, in Leather Processing and Clothing Manufacture it amounts 369.77, and in the area of Clothing Manufacture is 342.46 BAM. The average wage in the textile, clothing, leather and footwear industry has not yet reached the values from 2008 of 383.57 BAM and it is lower for 2.49%. In the period 2006-2011, the average wage of the Textile, Clothing, Leather and Footwear Industry is constantly decreasing and for 2011 it amounts 45.6% of the average wage of the Industry of the Federation of Bosnia and Herzegovina, or 64.2% of the average wage of the Processing Industry of the Federation of Bosnia and Herzegovina.

In the gross domestic product of the Federation of Bosnia and Herzegovina in 2010, the Textile, Clothing, Leather and Footwear Industry had a share of 1.21%. Comparing to the period of 2005-2010, the share of the Textile, Clothing, Leather and Footwear Industry in the gross domestic product records the constant growth from 1.07% in 2005 to 1.21% in 2010. The area of Textile Processing , in the gross domestic product realized in 2010 has a share of 0.42%. The largest share realizes the area of Clothing Manufacture with 0.47%, while the area of Leather and Footwear Manufacture is represented with 0.32%.

In the area of Textile Processing, the gross manufacture at basic prices participates with 0.39%, intermediate consumption with 0.28%, and gross value added at basic prices with 0.51%. In the area of Clothing Manufacture, the gross manufacture at basic prices participates with 0.49%, intermediate consumption with 0.42%, and gross value added at basic prices with 0.57%. In the area of Leather and Footwear Manufacture, the gross manufacture at basic prices participates with 0.59%, intermediate consumption with 0.78%, and gross value added at basic prices with 0.39%. Trend of growth, comparing to elements of the analysis, is evident in all three observed areas. The largest share of the gross manufacture at basic prices of 0.59% and intermediate consumption of 0.78% is recorded in the area of Leather and Footwear Manufacture, while the largest share of gross value added of 0.57% is at the area of Clothing Manufacture.

The share of the Textile, Clothing, Leather and Footwear Industry, comparing to the values of investments in the Industry of the Federation of Bosnia and Herzegovina amounts 1.0%, while, comparing to the Process Industry, it amounts 5.3%. The values of disbursements for investments in all observed segments of the Industry of the Federation of Bosnia and Herzegovina realize decrease. Only the Textile, Clothing, Leather and Footwear Industry realized increase of investments in the period 2009-2010 of 18.6%, but that amount is for 13.8% less comparing to the amount of investments realized in 2008.
2.8 billion BAM is invested in the Industry of the Federation of Bosnia and Herzegovina in 2010. Of that amount, 510 million BAM or 18.2% is invested in the Processing Industry, while approximately 29 million BAM or 0.96% is invested in the Textile, Clothing, Leather and Footwear Industry.

The largest amount of investments in the Textile, Clothing, Leather and Footwear Industry of 68.9% are own funds, 21.6% are used financial loans, and 9.5% are other financial sources.

The value of realized investments in the industry of the Federation of Bosnia and Herzegovina, after 2008, records decrease. Only the Textile, Clothing, Leather and Footwear Industry realized increase of investments in the period 2009-2010 of 21.2%, but that amount is for 17.5% lower from the amount of investments that are realized in 2008. Slightly less than 2.8 billion BAM is invested in the Industry of the Federation of Bosnia and Herzegovina in 2010. Of that amount, 508 million BAM or 18.3% was invested in the Processing Industry, while approximately 27 million BAM or 0.97% was invested in the Textile, Clothing, Leather and Footwear Industry. The largest amount of investments in the Textile, Clothing, Leather and Footwear Industry of 56.4% are construction works.Investments in machinery, equipment and transportation means amount 42.1%, while 1.5% are the other sources of financing.

Realized investments into new fixed assets by purpose of investment and technical structure in 2010 in the Industry of the Federation of Bosnia and Herzegovina are about 2.6 billion BAM. About 460 million BAM or 17.7% is invested in the Processing Industry, and about 23 million BAM was invested in the Textile, Clothing, Leather and Footwear Industry or 0.9% of the total value of investments in the industry, or 0.5% of the total investments in the Processing Industry. The largest amount of these investments in the Textile, Clothing, Leather and Footwear Industry of 58.9% are construction works. 39.3% are investments in machinery, equipment and transportation means, while 1.8% are the other sources of financing.

The Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina, according to the used capacities, cannot be classified as major energy consumer. The share of consumption of the Textile, Clothing, Leather and Footwear Industry in the total consumption of electricity of the Industry is 20,900 MWh or 0.54% and represents 0.69% from the total consumption of the Processing Industry. The largest consumption is realized in the area of Clothing Manufacture of 38.2%, than in Leather and Footwear Manufacture of 36.9% and Textile Manufacture of 24.9%. Significant consumption of energy products is recorded in terms of the quantities of high sulphur fuel oil of 732 t or 75% of the total amount spent in the Industry, and Processing Industry.

Impact on the environment is viewed through the segment of waters and waste generated in this branch of industry, through its manufacture activities. The Textile, Clothing, Leather and Footwear Industry annually consumes quantity of 815,000 m^3 of water, which represents 0.8% of consumed water in the Industry, or 1.5% of consumed water in the Processing Industry. The wate supply is provided from public waterworks 46.6% or from watercourse 43.0%. The largest amount of water is consumed in the area of Leather and Footwear Manufacture 58.1%, Clothing Manufacture 29.2% and Textile Processing 12.7%. From the total amount of consumed water, 52.6% is used for manufacture, 24.3% for sanitary purposes, 14.0% for cooling processes and 9.1% for other purposes. After use, from the drive of this industrial branch 775,000 m^3 or 95.0% from the total amount of used water is dropped. The largest amount of bound water, of 24,000 m^3, stays in the Leather and Footwear Manufacture and it is 60.0% from the total of bound water in the Textile, Clothing, Leather and Footwear Industry, while the rest of 40% or 16,000 m^3 goes to Textile Processing.

Based on the total amount of waste generating in the Industry, the amounts in this industrial branch are minimal and amount 0.1%, while comparing with the Processing Industry that amount is 2.1%. The largest amounts of 14,316 t or 97.8% are generated in the are of Leather and Footwear Manufacture. It is significant that from total amount of generated waste, of 14,639 t, there is no dangerous waste.

According to available data on December 31st, 2011, the total debt of taxpayers was 1,045,976,230.48 BAM. 187 taxpayers had the amount larger than 1 million BAM. Of that amount 94,271,464.36 BAM go to 14 entities from the branch textile, clothing, leather and footwear, which is 9.01% from the total recorded debt.

Data on foreign trade exchange of the Federation of Bosnia and Herzegovina for the period 2007-2009 are given in relation to the Activity Classification, while data for period 2008-2010 are given according to Sectors and Sections of the Standard International Trade Classification (SITC).

In relation to the areas of Textile, Leather and Footwear Industry, the effects of foreign trade exchange are following: Textile Manufacture in 2009 records export in the amount of 6,528,000 BAM and import of 285,187,000 BAM which represents enormous growth of both parameters comparing to 2008. Clothing Manufacture, Dressing and Dying of Fur realized export in the amount of 191,910,000 BAM or 3.58% less than in 2008 and import of 181,378,000 BAM which represents decrease of 8.03%. Manufacture of Leather and Leather Products realized export of 231,794,000 BAM which is decrease of 14.53% and import of 247,749,000 BAM or 11.89% less than in the previous year. Coverage of import by export in foreign trade exchange of this industrial branch is 60.2%, it amounts 2.3% in Textile Processing, 105.8% in Clothing Manufacture, and 93.5% in Leather Processing and Footwear Manufacture.

Export by Sectors and Sections of SITC indicates to data that comparing to 2008, in 2009 only in section Bags, Purses, Vanity Cases and Similar Products increase of export of 154.3% is realised. Slight decrease of export, up to 4%, is realized in the sections Unworked Leather and Unworked Fur, Leather, Fur and Products of Leather and Fur, Yarn, Fabrics and Textile Products. However, comparing to 2009, in 2010, in all observed sections, the growth of export is recorded, from 5.9% in the section Leather, Fur and Products of Leather and Fur to 223.1% in the section Unworked Leather and Unworked Fur.

Import by Sectors and Sections of SITC shows that, comparing to 2008, in 2009, in all sections, except for the Leather, Fur and Products of Leather and Fur, there was decrease of import. When we talk about import in the period 2009-2010, in observed sections, we can see its increase of 4.9% in section Footwear, to 341.3% in section Unworked Leather and Unworked Fur. In the period 2008-2010, decrease of import is realised in sections Raw Textile Fibers and Their Waste and Clothing, while the rest of the sections realize increase of import.

The coverage of import by export in the total value of the sections of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina shows that these values are in the range from 61.2% in 2008, over 60.2% in 2009 to 61.5% in 2010.

Products of the Textile, Clothing, Leather and Footwear Industry are in the group of top 20 of the most important products that are being exported and imported to the Federation of Bosnia and Herzegovina in 2010. Export of upholstered seats with 1.4%, women` s other footwear with 1.1% and women` s other footwear with uppers of leather with 0.9% participate in the total export of the Federation of Bosnia and Herzegovina, while the import of textile materials covered or laminated with polyester with 0.6% and unworked leather of bovine and equine animals with 0.5% participates in the total import of the Federation of Bosnia and Herzegovina.

Condition of manufacture programs in the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina is still hard, with the exception of a few dominant domestic brands. This condition directly reflects the trade of products of this industrial branch in domestic retail stores, which is at the border of 3% comparing to the total traffic in the retail sale.

Domestic Textile, Clothing, Leather and Footwear Industry is conventional, based on the Lohn-businesses, which represents the lowest level of gaining profit. Technological systems that are being used in the domestic plants are old ten or more years and are not equal to the systems in developed textile industry abroad. Slight automation in clothing sector is being compensated through a large share of employees, for example in the process of cutting, ironing and other jobs. Technologies, machines and plants in facilities for manufacture of leather and partly footwear are outdated, except for rare exceptions. However, in general it can be said that existing technological processes and technologies do not provide acceptable productivity compared to the competition.

At the area of the Federation of Bosnia and Herzegovina (without the data for Central Bosnia Canton and Bosnian Podrinje Canton) there are 16 secondary education institutions that educate 1,916 students for the vocation of textile, clothing, leather and footwear profession. On higher education institutions in the Federation of Bosnia and Herzegovina, on the Faculty of Technical Sciences in Bihać and the Academy of Fine Arts in Sarajevo, the cadres for the design of textile are being educated. The number of students at the Faculty of Technical Sciences in Bihać in school year 2011/2012 is 143, that varies by year of study.

Analysis and evaluation of competitiveness is one of the most extensive indicators used in the modern economy. The report on the global competitiveness for 2012/2013, published in September 2012, gives data on the Global Competitiveness Index (GCI) for 144 countries. According to that report, comparing to the previous period, Bosnia and Herzegovina progressed for 12 positions and it is now at 88th place from the total of 144 ranked countries.

According to data obtained on the basis of the Questionnaire, quality certificates from the series of ISO 9000 is owned by 11 business organizations or 28%, while quality certificates from the series of ISO 14000 is not owned by any business organization. So far 226 of standards have been taken in the technical legislation of Bosnia and Herzegovina as BAS, and in 2012 taking over of 91 more standards from the area of textile, leather and footwear industry is planned.

After examining the EUR-Lex, within the Directives of European Union, on the area of textile, clothing, leather and footwear manufacture directly applies 8 of them. Directive on the Personal Protective Equipment 89/686/EC, as well as the Order on the Personal Protective Equipment is taken in the legislation of Bosnia and Herzegovina on September 21st, 2010 (Official Gazette of BiH, No. 75/10) and has a mandatory application from September 21st, 2012.

Within the process of privatization, fifty five companies that perform activities of textile, footwear and leather manufacture are privatized. The total capital of these companies amounted 373,332,272.90 BAM, from which the state capital is 344,336,759.68 BAM or 92.2% while the private capital amounted 28,995,513.22 BAM or 7.8%. In this companies worked 9,286 workers.

SWOT analysis of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina

The most important strenght of the FBiH Textile, Clothing, Leather and Footwear Industry is tradition in business, experienced workforce, product quality, cost of labour comparing to the region, geographical proximity of the market of European Union, manufacture flexibility, flexibility of delivery, safe supply of energy products, road infrastructure, lack of export quotas.

The most important weaknesses of this branch are the absence of base production, technological obsolescence, high rate of tax burden, lack of quality of working capital, long process of registration of business organizations, high price of energy products, customs tariffs, fragmented manufacture, inadequate vocational training, (education system), inadequate monitoring of competition, bad market pozition, low investments in the development of new technologies, large share of Lohn businesses, small number of domestic brands.

The most important opportunities are runing of base manufacture, development of domestic products and brands and their export, manufacture of products of higher additional value, better cooperation between manufacturers and government, scientific research and other institutions, strengthening of partnership between domestic manufacturers - clusters, transfer of knowledge and technologies through the work with foreign partners, the use of funds from projects financed by the European Union.

The most important threats are termination of cooperation with the partners in Lohn businesses, intense price competition especially in Lohn businesses, the deterioration of the relationship between price and quality of work, low purchase power of domestic customers, import of poor quality products, increase of manufacture costs, disappearance of the base manufacture, lack of qualified staff, increase of the price of energy products, requirements for using the specific standards.

Growth Projections and Expected Structural Adjustment of the FBiH Textile, Clothing, Leather and Footwear Industry

According to the latest available projections of the relevant international institutions, the improvement in economic activity in the world is expected during 2013. This improvement should have the positive effect on the whole region, as well as the Bosnia and Herzegovina.

In that way the improvement in export demand in 2013 should result first in normalization, and later with more marked recovery in industrial manufacture and export potentials of Bosnia and Herzegovina. If this improvement of income is added to the epected improvement of business environment in Bosnia and Herzegovina, projection of the Direction for Economic Planning is that during 2013 Bosnia and Herzegovina could achieve growth of industrial manufacture of about 3% comparing to the previous year.

Projection of Movement of the FBiH Textile, Clothing, Leather and Footwear Industry is observed based on three different scenarios.

The first, basic scenario includes the status quo projection, or projection that is placed on the asumption that nothing significant will change in the micro and macro economic environment comparing to the current business conditions.

The second, alternative scenario indicates to the combination of measures: rapid or short-term and permanent or continuous. By applying these measures the Industry of the Federation of Bosnia and Herzegovina will have an opportunity to overcome the existing problems and to create preconditions for its development.

The third, radical scenario assumes the commitment of the state that this industrial branch has no perspective and that its further existence is not necessary and it should be left to itself.

Market repositioning of the FBiH Textile, Clothing, Leather and Footwear Industry

The Textile, Clothing, leather and Footwear Industry of the Federation of Bosnia and Herzegovina, with application of appropriate development strategy, is capable, but also have to follow the movements on the market of European Union to which it is predominantly oriented and largely conected.

The concept of processes of market repositioning are moving to the creation of products of higher value added, forming the new structure of personnel with the higher level of knowledge and new investments in technologies, marketing and distribution of products.

The basic elements on which the domestic textile, clothing, leather and footwear industry should rely are: Financial Results – the increase of income from the sale and productivity, Customers – increase of the share of sale on the domestic market with the increase of export, Business Processes – increase of productivity, Innovation and Knowledge – development of the innovation and raising the level of knowledge.

Elements of Development Strategy of the FBiH Textile, Clothing, Leather and Footwear Industry

Elements of development strategy of the FBiH Textile, Clothing, Leather and Footwear Industry are based on the characteristics that this industry branch had in the past and its present conditions, as well as the analysis of objective opportunities for its development.

By this opportunity, the strategic basis is not based on quantitative growth of manufacture, but it is directed to creation of products of higher value added, with the determination of state authorities to this industrial branch, its addaption to the market demands, structural as well as technological and technical, organizational, personnel and other changes.

The key objectives and directions in which this industrial branch should develop are defined as: Market repositioning in accordance with the abilities and skills of domestic manufacturers; The introduction of new technologies and application of innovations with greater use of domestic knowledge; Manufacture of specializations in accordance with demands of the market; Merging of domestic manufacturers in order to achieve greater negotiating skills; Adaptation of personnel to new market, technological and organizational conditions of business and development.

The realization of such stategic base is limited by the constant technological progress, specialization and realization of market – competitive manufacture over a long period of time and with measurable effects. For the realization of the basic elements of this document it is necessary to determine the institution, in the terms of controle point, that would take care of the coordinated action of all key actors of this policy. In that way the coordination, organization, directing, encouraging, lobbying and active cooperation on development programs and projects would be performed from one place.

Policies and Measures of Structural Adaptation of the FBiH Textile, Clothing, Leather and Footwear Industry

Policies and measures of structural adaptation of the FbiH Textile, Clothing, Leather and Footwear Industry can be achieved only with the help of government.

The role of the state is reflected in the creation of a stable macroeconomic environment; the appropriate selection of combination of consistent and complementary measures in the context of economic policy; coordinating and stimulating activities on foreign markets; improvement of education program and professional training; networking of scientific and all other potentials.

The process of restructuring is aimed at eliminating the main problems that the large number of domestic manufacturers have. That is, above all, insolvency or owning of a negative capital, redundant workers combined with low productivity, inadequate micro and macro organization of companies with under-integrated facilities and activities, technical-technological and physical obsolvence of manufacture means, where some of the companies have important regional and national significance.

The participation of government in the change of structure of manufacture is necessary and important, because it is about stimulation of development of the raw material base. As the main stream of investments have to be directed in this sector, the government has to be clear about it, whether it is necessary or not.

Domestic companies must strive to constant technological, organizational and cost improvements that will lead to the growth of productivity, the rational use of all manufactural resources and reduction of operating costs, for the purpose of strengthening of their competitive position.

The export orientation is one of the most important characteristics of this manufacture and, in the future, it is necessary to increase the competitive ability of this sector, on the existing as well as on the new markets.

The implementation of this strategy can be achieved by cooperation between various government and economic institutions, but also through the establishment of cooperation among the manufacturers. One way of achieving cooperation among manufacturers is the establishment of a separate cluster.
Weak inflow of foreign capital for the development of manufacture results in low investments in the textile, clothing, leather and footwear industry and adequate incentives should be provided for that purpose on a state level. Incentive system is important instrument of active industrial policy and as such has a significant contribution in realization of strategic objectives in development of the Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina.

9. RECOMENDATIONS

Recomendations that are listed in this document have a character of a basic Action Plan and fundamental platform as an initial document for implementation of Development Strategy of The Textile, Clothing, Leather and Footwear Industry of the Federation of Bosnia and Herzegovina for the period 2013-2023.

As a basic assumption for all activites, for the purpose of survival and further development of the textile, clothing, leader and footwear industry, it is necessary that the authorities of the Federation of Bosnia and Herzegovina form an oppinion about this industrial branch. Otherwise, all the recommendations that follow in this document will have no meaning.

Expecting that the authorities of the Federation of Bosnia and Herzegovina will place the Textile, Clothing, Leather and Footwear Industry where it belongs, the following is proposed:

Creating conditions for the recovery of basic manufacture;
Creating guidelines for the development of basic manufacture and manufacture of ancillary materials,

Creating a favorable business environment;
Regulate the existing terms by legislation, create conditions for larger foreign investments and better promotion of domestic industry; prefer placement of domestic products in the store chain system, to put the Development Bank into operation for the purpose of economy; work on elimination of all forms of gray economy; stimulate exporters; form clusters;

Disburdening of economy;
Regulate the areas of fiscal and para-fiscal burden of domestic econom by legislation;

Increase the level of competitiveness of domestic manufacturers:
Modernization of manufacture; training the existing personnel; Adjustment of educational system to the needs of economy;

Creation of domestic brands:
Cooperation between economy and scientific and educational institutions;

Making initiatives to the Council of Ministers of Bosnia and Herzegovina:

Customs tariffs; Excises, bank guarantees for lohn-businesses; regulating the of Public Procurement System; taking the European Directives into domestic legislation;

Immediately after the adoption of the subject matter strategy, it is necessary to make a draft of the Action Plan that will contain individual measures and activities with its objectives, holders of these activities, dates of its realization, measurable indicators for the execution of activities and responsibles for implementation.

Monitoring the implementation of activities in the Action Plan will be performed periodically, for each calendar year, which will be regularly reported to the competent institutions of the Federation of Bosnia and Herzegovina.

LITERATURE

[1] ”Development of the Industrial Policy in the Federation of Bosnia and Herzegovina”, Faculty of Mechanical Engineering, University of Sarajevo, Faculty of Mechanical Engineering and Computing, University of Mostar, 2009

[2] ”Statistical Yearbook of the Federation of Bosnia and Herzegovina 2007”, FBiH Statistics Institute, Sarajevo, 2007

[3] ”Statistical Yearbook of the Federation of Bosnia and Herzegovina 2008”, FBiH Statistics Institute, Sarajevo, 2008

[4] ”Statistical Yearbook of the Federation of Bosnia and Herzegovina 2009”, FBiH Statistics Institute, Sarajevo, 2009

[5] ”Statistical Yearbook of the Federation of Bosnia and Herzegovina 2010”, FBiH Statistics Institute, Sarajevo, 2010

[6] ”Statistical Yearbook of the Federation of Bosnia and Herzegovina 2011”, FBiH Statistics Institute, Sarajevo, 2011

[7] ”Monthly Statistical Review of the Federation of Bosnia and Herzegovina, Year XV, March 2011”, FBiH Statistics Institute, Sarajevo, 2011

[8] ”Industrial Manufacture of the Federation of Bosnia and Herzegovina 2005, 2006, 2007”, FBiH Statistics Institute, Sarajevo, 2009

[9] ”Industrial Manufacture of the Federation of Bosnia and Herzegovina 2008”, FBiH Statistics Institute, Sarajevo, 2009

[10] ”Industrial Manufacture of the Federation of Bosnia and Herzegovina 2009”, FBiH Statistics Institute, Sarajevo, 2010

[11] ”Industrial Manufacture of the Federation of Bosnia and Herzegovina 2010”, FBiH Statistics Institute, Sarajevo, 2011

[12] ”Industrial Manufacture of the Federation of Bosnia and Herzegovina 2011”, FBiH Statistics Institute, Sarajevo, 2012

[13] ”Industrial Manufacture in Bosnia and Herzegovina in 2011”, Agency for Statistics of Bosnia and Herzegovina, Sarajevo, 2012

[14] ”Industrial Manufacture in Bosnia and Herzegovina in 2010”, Agency for Statistics of Bosnia and Herzegovina, Sarajevo, 2011

[15] ”Industrial Manufacture in Bosnia and Herzegovina in 2009”, Agency for Statistics of Bosnia and Herzegovina, Sarajevo, 2010

[16] ”Industrial Manufacture in Bosnia and Herzegovina in 2008”, Agency for Statistics of Bosnia and Herzegovina, Sarajevo, 2009

[17] ”Industrial Manufacture in Bosnia and Herzegovina in 2007”, Agency for Statistics of Bosnia and Herzegovina, Sarajevo, 2008

[18] ”Analysis of Foreign Direct Investments (FDI) 2011 and The First Half of 2012”, Foreign Investments Promotion Agency of Bosnia and Herzegovina (FIPA), Sarajevo, 2012

[19] ”DOING BUSINESS 2012”, Foreign Investments Promotion Agency of Bosnia and Herzegovina (FIPA), Sarajevo, 2011

[20] ”Analysis of Competitiveness Indicators for BiH” , ”, Foreign Investments Promotion Agency of Bosnia and Herzegovina (FIPA), Sarajevo, 2012

[21] ”Instructions on Major Certificates for Products and Systems Focused on Environmental Improvement of Textile Products”, TexEASTile: Sustainable Innovations for Textile in South East Europe, SERDA, Sarajevo, 2012

[22] ”Outlook of Prospects 2012-2015 - Autmn Edition”, Directorate for Economic Planning of Bosnia and Herzegovina (DEP), Sarajevo, 2012

[23] ”Strategic Guidelines for the Development of Textile And Clothing Industry in Croatia for the period from 2006 to 2015”, Institute of Economics, Zagreb, 2007

[24] Zelenika R., Kaurić-Grilec A. ” Evaluation of The Economic Situation of The Textile and Clothing Industry in The Republic of Croatia”, Economic Thought And Practice, Year XX, Number 2, Dubrovnik, 2011

[25] Vogler-Ludwig K., Valente A, ”Economix Research&Consulting; Skills scenarios for the textiles, wearing apparel and leather products sector in the European Union Final report LOT 2", Munich, 2009

[26] ”Devlet Planlama Teskilati Mustesarligi Dokuzuncu Kalkinma Plani (2007-2013)”, Ankara, 2006

[27] ”EUROPE 2020 Strategy for Smart, Sustainable and Inclusive Growth”, European Comission, Brussels, 2010

[28] ”European Technology Platform for the Future of Textile and Clothing Industry of Europe”, High European Group for Textile and Clothing, Brussels, 2006

[29] Gotovac V. ” Support Strategies for Recovery from the Crisis in South-East Europe: Evaluation of the Republic of Croatia / Gotovac V. International Labour Office, Decent Work Technical Support Team and Office for Central and Eastern Europe. - Budapest: ILO, 2011

ATTACHMENTS

Attachment No. 1 Project Task

FBiH Ministry of Energy Mining and Industry
Chamber of Economy of the Federation of Bosnia and Herzegovina
Working Group for Preparation of the Project Task

PROJECT TASK

”DEVELOPMENT STRATEGY OF THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY IN THE FEDERATION OF BOSNIA AND HERZEGOVINA FOR THE PERIOD 2013-2023”

INTRODUCTION

Basis of preparation of the Project Task ”Development Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the Period 2013-2023” is in the document ”Development of Industrial Policy in the FBiH” (Official Gazette of the Federation of BiH, number 40/10).
It should be noted that the Project ”Development of Industrial Policy in the FBiH 2011-2015” is constituent part of the FBiH Strategy of Economic Development.
FBiH Ministry of Energy Mining and Industry planned in its Work Programme for the period 2011-2014, in the Strategic Goal No. 3 that is related to Improvement of Conditions for Manufacture and the Increase of the Export Orientation of Industrial Manufacture, preparation of the Development Strategy of the FBiH Textile, Clothing, Leather and Footwear Industry. Planned activities are on the preparation: The Development Strategy of the FBiH Textile, Clothing, Leather and Footwear Industry (deadline 2012), Action Plan for realization of strategy (deadline 2012), Primary and Secondary Legislation Acts arising from the strategy (continuously), as well as the Implementation and monitoring the realization of Action Plan (continuously).
In cooperation with the FBiH Chamber of Economy, the Working group for preparation of the Project Task was formed.

OBJECTIVE AND PURPOSE OF THE PROJECT PREPARATION

The Textile, Clothing, Leather and Footwear Industry had very important role in economy of SFR Yugoslavia and SR Bosnia and Herzegovina, till 1990. In that period SR BiH had approximately 100,000 employed workers, from which about 80% were femail workforce, with industrial facilities in all parts of the country. Sectors of this industrila branch, by creating industrial plants, had a complete manufacture cycle: from manufacture and processing of raw materials to manufacture of the final products. Manufacture of domestic brands and classical Lohn business were in the range of 70-30%, and all world markets were opened for their placement.
Agression against Bosnia and Herzegovina has brought major changes in the operations of this industrial branch. Qualified workforce was lost, a large number of manufacturing facilities were devastated or totally destroyed, The market and ability of complying its demands were lost, a step forward in technological and any other development was lost.

FBiH Ministry of Energy Mining and Industry
Chamber of Economy of the Federation of Bosnia and Herzegovina
Working Group for Preparation of the Project Task

Considering present conditions of the economy of Bosnia and Herzegovina and the Federation of Bosnia and Herzegovina, and also the operations of business organizations from the area of textile, clothing, leather and footwear manufacture, it is necessary as soon as possible to create conditions that will enable normal market operations.The scenario of creation of these conditions is not very clear at this moment or rather precisely defined, although a lot of work was performed and many legal solutions were adopted that lead in this direction. Primarly, it is necessary to determine intention of the state in the area of textile, clothing, leather and footwear manufacture , so that each business organization and individual can know its direction and where to go in its business intentions.
The Textile, Clothing, Leather and Footwear Industry employes approximately 20,000 of workers, predominantly female workforce, of a lower qualificational structure, with a high share of personal work, where the cost of that work is less than in other branches of processing industry and with larg share of unfavourable Lohn businesses. And the very process of globalization has intensified competition and caused the need for modernization and restructuring of this industrial branch with respect to market, personnel, manufacture, organization and technology.

The objective of ”Development Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the Period 2013-2023” is to get the answers to these and other questions, considering the constant desire of our country to join the European Union even more gives the right to its realization.

RESEARCH METHODOLOGY

Basic principles of the project performance of preparation of the Development Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023 are:

1. Principle ”bottom up” in order to obtain real ideas and proposals of objectively feasible programs and activities.
2. Principle ”from individual to general” in order to reflect and accept competitive differences of individual sectors and portfolios of industrial products and to propose the overall Development Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina.

Starting from this principles, methodological basis of this project should be:

- Through the primary and secondary researches, as well as through the communication with interest entities an objective situation and assumptions for the development of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina.
- Industrial policy in manufacture of textile, clothing, leather and footwear, models of growth, investment plans and development plans are defined by applying the principle ”bottom up”, by evaluating different possibilities of building competitiveness in certain sectors.

FBiH Ministry of Energy Mining and Industry
Chamber of Economy of the Federation of Bosnia and Herzegovina
Working Group for Preparation of the Project Task

RESEARCH PROGRAMME

For the purposes of this project it is necessary to implement the standard and additional research in terms of surveys, interviews and round tables, that would be related with the need of colecting information and additional argumentation for the treatment of the area , and to check the applicability of the proposed solutions.

PROJECT TASK

The Development Strategy of the Tehtile, clothing, leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023 should include the following:

1. INTRODUCTION
2. ANALYSIS OF THE SITUATION OF THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY OF THE FEDERATION OF BOSNIA AND HERZEGOVINA
2.1. The Structure of Industrial Manufacture
2.1.1. The Physical Volume of Manufacture by Activities and Product units
2.1.2. Employment by Activities
2.1.3. The Average Net Salary Per Employee, by Activities
2.1.4. Foreign Trade Exchange of Bosnia and Herzegovina, by Activities
2.2. Condition of Manufacturing Programs, Technologies and Technological Systems
2.3. Competitive Situation
3. SWOT ANALYSIS OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY
3.1. Strenghts
3.2. Weaknesses
3.3. Opportunities
3.4. Threats
4. GROWTH PROJECTIONS AND EXPECTED STRUCTURAL ADJUSTMENT OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY
4.1. Prospects of Development of the FBiH Textile, Clothing, Leather and Footwear Industry on International Level
4.2. Starting Basis for Creation of Growth Projections and Structural Changes of the FBiH Textile, Clothing, Leather and Footwear Industry
4.3. Projections of Growth of the Economy of the FBiH With Special Emphasis on the Textile, Clothing, Leather and Footwear Industry
FBiH Ministry of Energy Mining and Industry
Chamber of Economy of the Federation of Bosnia and Herzegovina
Working Group for Preparation of the Project Task
4.4. Projection of Movement of the FBiH Textile, Clothing, Leather and Footwear Industry
4.4.1. The Basic Scenario- Status Quo Projection
4.4.2. The Alternative Scenario - Stimulating the Production With High Value Added
5. MARKET REPOSITIONING OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY
5.1. Positioning of BiH/FBiH In the International Division of Labor
5.2. Determinants of Success of the FBiH Textile, Clothing, Leather and Footwear Industry
5.3. Elements of Market Repositioning
6. ELEMENTS OF DEVELOPMENT STRATEGY OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY
6.1. Initial Facts on the FBiH Textile, Clothing, Leather and Footwear Industry
6.2. Concept of Long-Term Development and Key Strategic Orientations
6.3. Characteristics of Development Strategy
6.4. Organizational Elements of Realisation of the Strategy - How?
7. POLICIES AND MEASURES OF STRUCTURAL ADAPTATION OF THE FBiH TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY
7.1. The Role of the State in the Implementation of the Development Strategy
7.1.1. The Proces of Restructuration and Modernization of Manufacture and Business Processes
7.1.2. Change of the Structure of Manufacture

TIME OF PREPARATION OF THE PROJECT

Working Group for Preparation of the Project Task will also be the Working Group for the preparation of the ”Development Strategy of the Tehtile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023”.
The deadline for the Working Group for preparation of the the ”Development Strategy of the Tehtile, clothing, leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023” is on September 30th, 2012.

Working Group for Preparation of the Project Task AUDIT

The competent FBiH Minister of Energy Mining and Industry will appoint a Working Group that will performe the audit of the proposition of ”Development Strategy of the Tehtile, clothing, leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023”.

MANNER OF ADOPTION OF STRATEGY
Development Strategy of the Tehtile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023 will be realized according to following dynamics:

- Preparation of the Project Task - March 15th, 2012
- Approval of the Project Task ba the FBiH Ministry of Energy, Mining and Industry
- Preparation of proposal of the Strategy - September 30th, 2012
- Adoption of proposal of the Strategy in FBiH Government - October 31st, 2012
- Adoption of the Strategy in the FBiH Parliament - December 31st, 2012

Members of the Workung Group:

1. Hrvoje Brajković /handwritten signature/
2. Zvonimir Pavlović /handwritten signature/
3. Senad Zekić /handwritten signature/
4. Džemal Memagić /handwritten signature/
5. Enes Mešić /handwritten signature/
6. Haris M. Sejdić /handwritten signature/

Consentient
MINISTER
/handwritten signature/
Erdal Trhulj

/Seal: illegible/

Attachment No. 2 Realization of Activities from the Consultation Plan for Preparation of the Document Development Strategy of the Tehtile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023.

REALIZATION OF ACTIVITIES FROM THE CONSULTATION PLAN FOR PREPARATION OF THE DOCUMENT DEVELOPMENT STRATEGY OF THE TEHTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY IN THE FEDERATION OF BOSNIA AND HERZEGOVINA FOR THE PERIOD 2013-2023

FBiH Ministry of Energy, Mining and Industry, in cooperation with Chamber of Economy of the Federation of Bosnia and Herzegovina, formed the Working Group for preparation of proposal of the Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023 that is based on the document ”Development of Industrial Policy in FBiH” (Official Gazette of the Federation of Bosnia and Herzegovina, number 40/10), as an integral part of the Strategy of Economic Development of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina, No. 49/07 and 53/07).

Working Group based the Realization of approved Project Task for preparation of proposal of the Strategy of the Tehtile, Clothing, Leather and Footwear Industry for the period 2013-2023 on implementation of the Regulation on the method of preparation, impact assesment and selection of policy in the proces of drafting acts that are proposed and adopted by the Government of the Federation of Bosnia and Herzegovina and FBiH Ministries (Official Gazette of the Federation of the Bosnia and Herzegovina, number 27/11) and Regulation on the rules for participation of the public concerned for the procedure of preparation of FBiH legislations and other acts (Official Gazette of the Federation of the Bosnia and Herzegovina, number 51/12).

Based on mentioned regulations, the Working Group for preparation of this document prepared the Consultation Plan for preparation of the proposal of the Strategy of the Tehtile, Clothing, Leather and Footwear Industry for the period 2013-2023.

Consultation Plan is based on initial (general) analysis of stakeholders of this public policy and more detailed analysis of specific interests of its stakeholders and consideration of planned consultation and it is made for the purpose of collecting opinions, proposals, suggestions, objections related to this public policy, as well as informing the concerned public about its preparation (Table 1).

Realization of activities from the Consultation Plan (Table 2) is also recorded in the special forms: Summarized opinions collected on the basis of meetings with stakeholders (Form 1), Summarized opinions collected on the basis of the Questionnaire delivered to the business organzations (Form 2) and Summarized opinions collected on the basis of written observations of stakeholders (Form 3).

According to the Regulation on the rules for participation of the public concerned for the procedure of preparation of FBiH legislations and other acts (Official Gazette of the Federation of the Bosnia and Herzegovina, number 51/12), the working group members for coordination related to consultation are determined.

Consultation Plan is published in July 6th, 2012 on the website of the FBiH Ministry of Energy, Mining and Industry www.fmeri.gov.ba , while the Realization of Consultation Plan is published on November 16th, 2012 on the same website.

Table 1 Detailed Analysis of the stakeholders

Stakeholders		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Business organizations that perform manufacture of textile, leather and footwear		FBiH FBiH Cantons Municipalities Representatives of business organizations	F	3	Enabling competitive operations on domestic and foreign markets	P	Administration of business organizations	V	Adjustment of opinions on Strategy
FBiH Chamber of economy		Sarajevo/ Mostar Avdo Rapa/Jago kfbih.com	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Holder of the activity
Cantonal Chambers of Economy	Una-Sana Canton	Bihać Ismet Pašalić pkusk.com.ba	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	Posavin Canton	Orašje Zvonko Mišković -	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	Tuzla Canton	Tuzla Nedret Kikanović kpktz.ba	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	Zenica-Doboj Canton	Zenica Šefkija Botonjić pkzedo.ba	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	Bosnian Podrinje Canton	Goražde Dževad Terović -	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	Central Bosnia Canton	Jajce Asim Gradinčić -	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	Herzeg. Neretva Canton	Mostar Perica Jurković -	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	West Herzeg. Canton	Posušje Marinko Ramljak -	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	Sarajevo Canton	Sarajevo Kemal Grebo pksa.com.ba	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
	Canton 10	Livno Ivo Cavar -	F	3	Creation of competitive sector	P	Proponent of the Strategy	V	Monitoring views on Strategy
Foreign-trade chamber of BiH		Sarajevo Bruno Bojić komorabih.ba	N	2	Creation of positive business environment	P	Association of textile, leather footwear and o.a.	S	Monitoring views on Strategy

Stakeholders		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Cantonal Ministries	Una-Sana Canton	economy Bihać Hase Hajrulahović privreda@vladausk.ba	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	Posavina Canton	economy and spatial planning Orašje Marijan Oršolić	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	Tuzla Canton	industry energy and mining - Tuzla Željko Knežiček minier@tk.kim.ba	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	Zenica-Doboj Canton	for economy Zenica Jusuf Duraković min.privrede@zdk.ba	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	Bosnian Podrinje Canton	for economy Goražde Demir Imamović info@bpkg.gov.ba	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	Central Bosnia Canton	economy Travnik Sedžad Milanović	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	Herzeg - Neretva Canton	economy Mostar Amer Zagorčić minprivrede@gmail.com	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	West Herzeg Canton	economy Posušje Ivica Ćorić	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	Sarajevo Canton	economy Sarajevo Rusmir Sendić mp@mp.ks.gov.ba	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
	Canton 10	economy Livno mg@vladahbz.com	F	3	Solving problems in operations of industry sector	P	FBiHMEMI / FBiH Chamber of economy	M	Ask for opinion in the form of draft
University in Bihać Faculty of Technical Sciences		Bihać Atif Hodžić tfb@bih.net.ba	NF	2	Networking of economy with scientific and research institutions	P	FBiHMEMI / FBiH Chamber of economy	S	Draft form ask for opinion and monitor attitudes

Stakeholders	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
FBiH Association of Employers	Sarajevo Mladen Pandurević upfbih.ba	F	3	Creation of positive business environment	P	Businessman members of association	V	Adjustment of opinions on Strategy
BiH Union of Textile, Leather, Footwear and rubber	Sarajevo Ramiz Omanović sindikatbih.ba	NF	2	Preservation of existing rights of employees and its increasing	P	Employees	S	Ask for opinion in the form of draft
BiH Union of Textile Footwear and Leather	Sarajevo Adnan Smailbegović info@utok.ba	F	3	Creation of positive business environment	P	Businessman members of association	V	Adjustment of opinions on Strategy
FBiH Employment Institute	Sarajevo Kenan Rešo	NF	2	Decreasing the number of unemployed persons	P	FBiH Government	M	Ask for opinion in the form of draft
FBiH of Education and Science	Mostar Damir Mašić info@fmon.gov.ba	NF	2	Conecting economy with educational institutions	P	FBiH Government	M	Ask for opinion in the form of draft
FBiH Ministry of Finances	Sarajevo Ante Krajina fmf.gov.ba	NF	2	Sustainability of planned revenues and expenditures in the FBiH Budget	P	FBiH Government	S	Monitoring the opinion of this stakeholder
FBiH Ministry of Development, Enterpr. and Craft	Mostar Sanjin Halimić fmrpo.gov.ba	NF	2	Resolving issues related to the area of businessman	P	FBiH Government	S	Praćenjem stavova ovog aktera
FBiH Ministry of Labour and Social Policy	Sarajevo Vjekoslav Čamber fmrsp.gov.ba	NF	2	Resolving issues related to the area of labour and law status	P	FBiH Government	S	Ask for opinion in the form of draft
Agency for Privatization in FBiH	Sarajevo Šuhret Fazlić apf.com.ba	NF	2	Resolving the issues in the area of privatization	P	FBiH Government	S	Ask for opinion in the form of draft
Institute for Standardization of BiH	I Sarajevo Aleksandar Cincar bas.gov.ba	NF	2	Resolving the issues in the area of standardization	P	BiH Council of Ministers	S	Ask for opinion in the form of draft
Institute for Accreditation of BiH	Sarajevo Žarko Petrović bata.gov.ba	NF	2	Resolving the issues in the area of accreditation	P	BiH Council of Ministers	S	Ask for opinion in the form of draft
FBiH Gender Center	Sarajevo Ana Vuković fgenderc.com.ba	NF	1	The fulfillment of the obligations under the Law on Gender Equality in BiH	P	FBiH Government	M	Monitoring the opinion of this stakeholder
FBiH Health Insurance and Reinsurance Institute	Sarajevo Novka Agić for.com.ba	NF	1	Resolving the issues of contributions for health insurance	P	FBiH Government	M	Ask for opinion in the form of draft

Stakeholders	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
FBiH Pension and Disability Insurance Institute	Mostar Zijad Krnjić fzpiomio.ba	NF	1	Resolving the issues of contribution of Pension and Disability Insurance	P	FBiH Government	M	Ask for opinion in the form of draft
The Directorate for European Integration BiH	Sarajevo Nevenka Savić dei.gov.ba	NF	1	The fulfillment of obligations under the Stabilization and Association Process	P	BiH Council of Ministers	M	Ask for opinion in the form of draft
FBiH Economic and Social Council	Sarajevo Edhem Biber fmrsp.gov.ba	F	3	Resolving the issues of operation of industry sector	P	FBiH Government	V	Coordination, adjustment and realization of opinion
ERI Committee Representative of FBiH Parliament	Sarajevo Slaviša Šućur parlamentfbih.gov.ba	NF	3	Resolving the issues from area of economic and other activities	P	FBiH Government	V	Draft form ask for opinion and monitor attitudes

LEGEND:

(1) Name of stakeholders, contact and website
(2) Relationship of stakeholders = F-Formal Stakeholder; IF - Informal Stakeholder
(3) Level of knowledge of stakeholders = 3 - Large; 2 - Medium but sufficient; 1 - Small and insufficient
(4) The main interest of stakeholder
(5) Opinion of stakeholders = P - pozitive; NT - neutral; N - negative
(6) The allies of stakeholders
(7) The level of influence of stakeholders = V - large; S - medium; M - small

Table 2 Realization of Activities from the Consultation Plan

Order number	Stakeholder	Consultation Type	Date Meeting/Declaration	Statement (+ / -)	Remark
1.	Business organization that perform textile clothing leather and footwear manufacture	Meeting / written declarations	31 May 2012 Sarajevo, 13 June 2012 Olovo, 19 June 2012 Tuzla, 21 June 2012 Mostar, 27 September 2012 .Bihać 23 October 2012 Zenica 23 October 2012 Visoko 14 November 2012Tešanj	+	Questionnaire with survey questions send to 70 addresses (Attachment form No. 2)
2.	FBiH Chamber of Economy/ Cantonal Chambers of Economy	Meetings	31 May 2012 Sarajevo, 19 June 2012 Tuzla 21 June 2012 Mostar, 27 September 2012 Bihać	+	-EC FBiH -CEC Tuzla - CEC Mostar - CEC Bihać - CEC Zenica
3.	Foreign trade chamber of BiH	Meeting	15 June 2012 Sarajevo	+	Round table "Future of the text industry in EU Experience of Croatia"
4.	FBiH Association of Employers	Meeting /written declarations			Without declaration
5.	BiH Alliance of Independent Unions	Meetings Writt.	31 May 2012 Sarajevo 21 June 2012 Mostar 24 April 2012-	+	Meetings written declaration
6.	Association of textile, footwear and leather in BiH	Meeting	23 October 2012 Zenica 14 November 2012 Tešanj	+	Meetings
7.	FBiH Employment Institute	Written declaration	27April12-	+	Written declaration
8.	FBiH of Education and Science	Written declaration	30 May 12 -	+	Written declaration
9.	Cantonal ministries of economy and industry	Meetings / written declarations	31 May 2012 Sarajevo, 19 June 2012 Tuzla 21 June 2012 Mostar, 27 September 2012 Bihać	+	- CBC Travnik - HNC Mostar PC Odžak
10	University in Bihać Faculty of Technical Sciences	Written declaration	20 April12 -	+	Written declaration
11.	FBiH Ministry of Finances	Written declaration	07May12-	+	Written declaration
12.	FBiH Ministry of Development, Enterpr. and Craft	Written declaration	30 April 12-	+	Written declaration
13.	FBiH Ministry of Education and Science	Written declaration	04 May 12 30 May 12-	+	Written declaration
14.	Cantonal Ministry of Education Science, Culture and Sport	Written declaration	09 May 12 09 May 12 14 May 12 18 May 12 21 May 12-	+	-ZDC Zenica - PC Orašje -USC Bihać -TC Tuzla -HNC Mostar

Order number	Stakeholder	Consultation Type	Date Meeting/Declaration	Statement (+ / -)	Remark
15.	FBiH Ministry of Labour and Social Policy	Written declaration	18 April 12-	+	Written declaration
16.	Agency for Privatization in FBiH	Written declaration	23 April 12-	+	Written declaration
17.	Institute for Standardization of BiH	Written declaration	25 April 12-	+	Written declaration
18.	Institute for Accreditation of BiH	Written declaration	-	-	Without declaration
19.	Directive for European Integrations	Written declaration	30 April 12-	+	Written declaration
20.	FBiH Health Insurance and Reinsurance Institute	Written declaration	20 April 12-	+	Written declaration
21.	Cantonal Institutes of Health Insurance	Written declaration	09 May 12 10 May 12 14 May 12 17 May12 22 May 12 23 May 12-	+	- HNC Mostar -C 10 Livno -ZDC Zenica -SBC Travnik -USC Bihać -TC Tuzla
23.	FBiH Pension and Disability Insurance Institute	Written declaration	27 April 12-	+	Written declaration
24.	FBiH Gender Center	Written declaration	24 April 12-	+	Written declaration
25.	Secondary Educational Institutions in FBiH	Meeting	21 June 12 Mostar	+	-Textile School Mostar
26.	Foreign Investment Promotion Agency in BiH (FIPA)	Meeting	03 October12 Mostar	+	Meeting
27.	Agency for foreign trade for Ministry of economy of Germany	Information exchange	01 October 12-	+	Information exchange
28.	Economic and social council for the terit. of FBiH	Written declaration			After preparation of document
29.	ERI Committee Representative of FBiH	Meeting			After preparation of document

Attachment No. 3 Consultation Plan, Form 2 - Summarized Opinions Collected on the Basis of Meetings with the Stakeholders

Order number	Date and place of meeting	Participants of meeting	The relevant parts of the minutes
1.	31 May 2012 Sarajevo	-FBiHMEMI Mostar, -EC FBiH Sarajevo, -EC CS Sarajevo, -EC USC Bihać, -EC TC Tuzla, -EC HNC Mostar, -EC SBC Jajce, -EC ZDC Zenica, -ETC BiH Sarajevo, -ME HNC Mostar, -UTLFR BiH Sarajevo, -Sanitex V.Kladuša, -Olip Bosna Travnik, -Uslužnost Sarajevo, -Kotex Tešanj, -Alam Ras Olovo,	-The activities of FBiH Ministry of Energy, Mining and Industry and Chamber of Economy of the Federation of Bosnia and Herzegovina are supported for the purpose of continuing the preparation of the Development Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period 2013-2023, and based on defined Project Task, the FBiH Ministry of Energy, Mining and Industry and Chamber of Economy of the Federation of Bosnia and Herzegovina are in charge for performing consultations with business organizations which did not answered to the delivered Questionnaire, -The Working Group is in charge of continuing the work on the preparation of the subject strategy through the meetings with cantonal structures of the executive authority and economic entities, where the branch of textile, leather and footwear industry is developed.
2.	13 June 2012 Olovo	-FBiHMEMI Mostar, -EC FBiH Sarajevo, -Uslužnost Sarajevo, -Kotex Tešanj, -Alam Ras Olovo,	-The implementation of current activities is in accordance with planned deadlines set out in the project task on the preparation of the Development Strategy of the Textile, Clothing, Leather and Footwear in the Federation of Bosnia and Herzegovina for the period 2013-2023, -The relevant number of information, that are basis for preparation of the dociment, are collected, but it is necessary to intensify activities to gether information from the business organizations through Questionnaires (so far 30 business organization have answered). FBiH Chamber of Economy will perform additional consultations with business organizations that did not answered the Questionnaire, - The Activity Plan was proposed, based on conclusions from the meeting held on May 31th, 2012, with presentation of current work on preparation of the Strategy and consultation with stakeholders as follows: Chamber of Economy Tuzla, June 19th, 2012, FBiHMEMI Mostar, June 21th, 2012, Chamber of Economy Bihać, the last week of the 6th month.

Order number	Date and place of meeting	Participants of meeting	The relevant parts of the minutes
3.	15 June 2012 Sarajevo	-Embassy of R Croatia Sarajevo, -HGC Zagreb, -FTC BiH Sarajevo, -EC FBiH Sarajevo, -METER BiH, - FBiHMEMI Mostar, -MEMI RS Banja Luka, -ULUPUD BiH Sarajevo, -Komas Sarajevo, -Mitex Sarajevo, -MK Zlatka Vuković Mostar, -Olimp Gračanica, -Kula Gradačac,	- Submit proposals to relevant institutions in BiH/entities in order to initiate or intensify the work on the preparation of development strategy of the textile, clothing and leather processing branch for the period 2012-(illegible). - It is recomended that this document should include analysis of the present state (mission, vision, SWOT, objectives for the future, sustainable production segments). - The document should use as basis for preparation of operationl program for the encouragement of this industry branch.
4.	19 June 2012 Tuzla	- FBiHMEMI Mostar, -EC FBiH Sarajevo, -PC TC Tuzla, -Ministarstvo privrede TC Tuzla, -Kula Gradačac, -Aida Tuzla, -Rentex-com Tuzla,	-Activities on the preparation of the Strategy are completely supported with the constation that such a document should be prepared earlier, - The Association of Textile Processing Industry TC Tuzla is in charge to more actively work on the animation of economic entities who did not submit Questionnaires about their companies, as well as their proposals for measures to improve the situation in mentioned industrial branches, - It is recomended to the Cantonal Ministry for Industry to actively participate in finding opportunities to help business organizations of this industrial branch on the cantonal level. - The Working Group is in charge to proceed with all necessary actions on preparation of the strategy so it can be finished.
5.	21 June 2012 Mostar	- FBiHMEMI Mostar -EC FBiH Sarajevo, -PC HNK Mostar, -UTLER BiH Sarajevo, -Ministry of Economy HNC Mostar, -Textile school Mostar, -MC Zlatka Vuković Mostar,	-Realization of the activities from the Project Task is in accordance with the planned deadlines for preparation of the Strategy, - The relevant number of information, opinions and recomendations, that will serve as a good basis and guideline for preparation of a quality document, are collected, - Representatives of educational institutions have expressed their support to the opinion that needs of economy should comply with the educational cycle, - It is necessary to continue cooperation with the stakeholders of public policy through meetings, round tables, etc.

Order number	Date and place of meeting	Participants of meeting	The relevant parts of the minutes
6.	27 September 2012 Bihać	- FBiHMEMI Mostar, -EC FBiH Sarajevo, -PC USC Bihać -Ministarstvo privrede USC Bihać -Municipality Bihać -Agency for Development Cazin -Lenatex Velika Kladuša -Teranova Bihać, -Bihać-triko Bihać, -Vedo-tex Cazin -Bihać BBS Bihać -Sanitex Velika Kladuša -BS -kobra Bosanska Otoka,	- Preparation of the Proposal of Strategy is progressing in accordance with planned activities and dynamics, - The relevant number of information, opinions and recomendations, that are collected, contribute to the preparation of a quality document, - Continue work on the preparation of the Strategy focusing on the harmonization of the same with the document of the European Council "Europe 2020 - The Scenario for Textile, Clothing and Leather Processing Industry", according to the orientation of the BiH European integration.
7.	03 October 2012 Mostar	- FBiHMEMI Mostar, -FIPA Mostar,	Information exchange: - Work on the Development Strategy of the FBiH Textile, Clothing, Leather and Footwear for the period 2013-2023, - The state of competitiveness of the BiH economy, FBiH focusing on the textile, clothing, leather and footwear industry.
8.	23 October 2012 Zenica	- FBiHMEMI - Mostar, -EC FBiH -PC ZDC - Zenica, -UTOK - Sarajevo -Delibašić Poliuretani - Kakanj, -Contessa - Tešanj, -Zenko - Zenica, -Tref - Visoko -ProTextil - Zenica -Prevent Sarajevo - Visoko, -Nerzz Bešlagić - Visoko -KTK Visoko - Visoko, -Elchy-tex - Zepče.	- The relevant number of information, opinions and recomendations, that are collected, contribute to the preparation of a quality document, -The document provides answers to many questions that are of importance for this industrial branch, -Based on document, it is necessary to prepare Action/Operative Plan of the activities, with clerely defined objectives, where, for each activity, the new competent holder and deadline will be determined and measurable indicators that will be responsible for monitoring the execution of every activity, or Action Plan as a whole. - Representative of UTOK proposes the similar meeting with the members of this association
9.	23 October 2012 Visoko	- FBiHMEMI -Mostar -KTK Visoko	-Analysis of the condition in FBiH leather industry, in documents, presented objectively

Order number	Date and place of meeting	Participants of meeting	The relevant parts of the minutes
10.	14 November 2012 Tešanj	- FBiHMEMI-Mostar -UTOK-Sarajevo -Alpina Bromy-Tešanj -Unikom Promet -Begov Han -Koteks -Tešanj, -KTK Visoko-Visoko, -Contessa-Tešanj, -VinTex-Uskoplje -Thema -Gradačac -Olimp-Gračanica -Sinerga-Visoko -Mekom-Visoko, -Kismet-Doboj Istok -Komas Komerc-Sarajevo -Napredak -Tešanj -Art-Tešanj, -Lara S-Gradačac -Ena Tex-Zavidovići	- Businessman give full support to the preparation of this document - Work on creating the preconditions through the preparation of the Condition Analysis and needs of the economy in this field for running: basic manufacture, manufacture of supporting materials for this industrial branch (packaging, accessories, supporting materials, etc.), preparation and realization of the projects of Anthropological Measurements in BiH/FBiH - Also to put in the focus: more involvement of the state in establishing contacts with businessmen and their associations outside the borders of our country, adjusting the school system to the needs of economy, enabling conditions for the significant strategic investments in this industrial branch.

Attachment No. 4 Consultation Plan, Table No. 3 The Listo of Business Organizations that Participated in the Meetings

Order number	Name of the business organization	Place
1.	Kotex	Tešanj
2.	Alam Ras	Olovo
3.	Uslužnost	Sarajevo
4.	Kula	Gradačac
5.	Aida	Tuzla
6.	Rentex-com	Tuzla
7.	MK Zlatka Vuković	Mostar
8.	Lenatex	Velika Kladuša
9.	Teranova	Bihać
10.	Bihać-triko	Bihać
11.	Vedo-tex	Cazin
12.	Bihać BBS	Bihać
13.	Sanitex	Velika Kladuša
14.	BS -kobra	Bosanska Otoka
15.	Delibašić Poliuretani	Kakanj
16.	Contessa	Tešanj
17.	Zenko	Zenica
18.	Tref	Visoko
19.	ProTextil	Zenica
20.	Prevent Sarajevo	Visoko
21.	Nerzz Bešlagić	Visoko
22.	KTK Visoko	Visoko
23.	Elchy-tex	Zepče
24.	Alpina Bromy	Tešanj
25.	Unikom Promet	Begov Han
26.	VinTex	Uskoplje
27.	Thema	Gradačac
28.	Olimp	Gračanica
29.	Sinerga	Visoko
30.	Mekom	Visoko
31.	Kismet	Doboj Istok
32.	Komas Komerc	Sarajevo
33.	Napredak	Tešanj
34.	Art	Tešanj
35.	Ena Tex	Zavidovići
36.	Lara S	Gradačac

QUESTIONNAIRE

Development Strategy of the Textile, Clothing, Leather and Footwear Industry in the Federation of Bosnia and Herzegovina for the period of 2012-2023

A. BASIC INFORMATION ON BUSINESS ORGANIZATION		
1.	Name of the business organization:	
2.	Address:	
3.	Place:	
4.	Telephone number:	
5.	Fax number:	
6.	E-mail:	
7.	Website:	

B. INFORMATION ON AUTHORIZED PERSON		
7.	Name and surname:	
8.	Occupation:	
9.	Function:	
10.	GSM:	
11.	E-mail	

C. OTHER INFORMATION ON BUSINESS ORGANIZATION		
12.	Code and name of activity:	
13.	Ownership:	1-public; 2-public/private, 3-d.d.; 4-private
14.	Year of the first registration:	
15.	Year of reregistration:	

D. FINANCIAL INDICATORS				
Show data in BAM per year		2009	2010	2011
16.	Total revenue:			
17.	Financial indicators of operations		realizes profit	realizes lost
18.	Total export:			
19.	Total import:			

E. INFORMATION ON PERSONNEL			
Show data per years	2009	2010	2011
26. Total number of workers			
27. Qualification structure at the end of 2011			

dr	mr	university degree	college degree	higher vocationsl qualification	secondary school qualification	vocational qualification	semi vocational qualification

28. Organizational structure	executives	administration	workers
total			

29. Gender structure

	dr/mr	univ./college degree	higher voc. qualification	second. school qalification	vocational qualification	semi vocational qualification	Total
men							
women							

30.	Age structure						
	dr/mr	univ./college degree	higher voc. qualification	second. school qalification	vocational qualification	semi vocational qualification	Total
from 30 years							
from 30 to 40							
from 40 to 50							
over 50							

31.	Employment plan for the next five years						
201				2			
dr/mr	university degree	college degree	higher vocationsl qualification	second. school qalification	vocational qualification	semi vocational qualification	Total
201				3			
dr/mr	university degree	college degree	higher vocationsl qualification	second. school qalification	vocational qualification	semi vocational qualification	Total
201				4			
dr/mr	university degree	college degree	higher vocationsl qualification	second. school qalification	vocational qualification	semi vocational qualification	Total
201				5			
dr/mr	university degree	college degree	higher vocationsl qualification	second. school qalification	vocational qualification	semi vocational qualification	Total
201				6			
dr/mr	university degree	college degree	higher vocationsl qualification	second. school qalification	vocational qualification	semi vocational qualification	Total

32.	What are the elements needed to fulfill your Employment Plan

33.	The qualification structure of personnel missing for faster development of business organization
Qualification	number

34.	Do you grant scholarships for pupils or students and for which occupations?

35.	Do you plan to grant scholarships in the next five years and for which occupations ?

36.	Do you invest in specialization, training and further education of personnel? Indicate the dates of the training that you have performed in the last three years.

F. MANUFACTURE PROGRAM		
36. Specify the installed capacities for manufacture and % of their utilization		
Name of the product	Projected capacity	% of the utilization
37. What is the physical volume of manufacture of the most important articles realized in 2011		
Quantity	Article	
37. Utilization of manufacture capacities in 2011 in %		
38. Do you own certificates of quality	YES	NO
39. Specify which one		

40.	Do you have an Improvement Plan of manufacture processes		YES	NO
41.	Improvement Plan of manufacture processes will be realized:			
	a)Independently (how?)			
	b)In cooperation with higher education institutions (which one?)			
	c)Trough licenses or in other way			
42.	What is the average age of equipment that you use?			
43.	Did you perform modernization of equipment in the last three years?			
YES		NO		
44.	From which funds did you performe the modernization of equipment			
Loan		Donations and other		
45.	In how many shifts do you work			
one	two	three		
Do you think you have the right equipment with regard to manufacture volume and assortment				
YES		NO		
Own				

G.			
55.	Is there a department for development and research?	YES	NO
56.	Did yuo invest in development and research in the last three years?	YES	NO
57.	For which programs and in which amount (BAM)		

H. EXPORT/IMPORT OF ROW MATERIALS AND FINAL PRODUCTS		
58.	Which type of export do you perform	
	Lohn-businesses	
	Classical export	
	We do not export	
59.	What are the financial effects of export	
	Lohn-businesses	
	Classical export	
60.	Placement of final products (in %):	
	x domestic market	
	x EU market	
	x market outside EU	
61.	Financial effects of the placement of final products:	
	x domestic market (BAM)	
	x EU market (EURO)	
	x market outside EU (adequate currency)	
62.	Specify the most significant products that you export:	
63.	Raw materials for manufacture you purchase in (in%)	
	x domestic market	
	x EU market	
	x market outside EU	
64.	Specify the most important raw materials that you import and in what amount:	
65.	Which amount of funds is allocated in 2011 for import of raw materials	

I.	ECONOMIC POLICY MEASURES
66.	What are the limiting factors for the prosperity of your business organization and its development?
67.	Which urgent measures the FBiH Government should take in order to improve business conditions?
68.	Which measures should be taken by FBiH Government and the BiH Council of Ministers in order to strategically improve business conditions in the period 2013-2018?
69.	Have you used the incentives of the FBiH Government, in what period and what amount?
70.	What is your opinion regarding the Development Strategy of the Textile, Clothing, Leather and Footwear Industry for the period 2013-2023?
71.	What are your proposals and suggestions?
72.	We thank you for the submitted answers!

Attachment No. 6 Consultation Plan, Form 2 - Summarized Opinions Collected on the Basis of Questionnaire Delivered to the Business Organizations

Order number	Date of delivery of opinion	Name of business organization	The relevant parts from the Questionnaire
1.	19 April 2012	DONNIA TRADE d.o.o- Bugojno	- Strong state of BiH (arranged a unique system in BiH that enables easier and more simple regulation of property right issues), - Foreign investments (introduce subsidies for foreign investors), - Reduce taxes and contributions, - Increase the incentives of the FBiH Government (invest in development of industrial manufacture).
2.	19 April 2012	ELAN-ROSS d.o.o - Zenica	- We are late with the Strategy at least 10 years, - Introduce incentives for exporters, - Control the import of goods, especially from the east - The Government should adopt the measures quickly, othervise it will not have anyone to make the strategy for.
3.	19 April 2012	Komas-Komerc d.o.o.-Sarajevo	- The most important move of the FBiH Government is the preparation of the strategy, - Enable employers working on Lohn-businesses not to pay the guarantee on materials imported for processing, - Stimulate employers through favourable loans and incentives for purchase of new machines and equipmen with new-hiring, -Stimulate export with the certain percentage, which is the same for every company, - Expend the network of higher education institutions, to form the department for textile, leather and footwear in some of the technical faculties, - Lobby via BiH Embassies in the world for businesses in our country, - Create a climate for secure foreign investments in BiH, - Solve the problem of claims in domestic traffic, Protect domestic manufacture from unfair competition.
4.	19 April 2012	Konfekcija Borac d.d.-Travnik	- Decrease taxes and contributions on wages, - Decrease averages for calculation of minimal wages, - Set cheaper loan funds (short and long term), -Stimulate export, - Disabling sale on the black market

Order number	Date of delivery of opinion	Name of business organization	The relevant parts from the Questionnaire
5.	19 April 2012	ALMA-RAS d.o.o.-Olovo	- Positive attitude in terms of preparation of the strategy, - Follow global trends in terms of the organization of manufacture and movement of the textile industry, - Contributions on the wage of workers in this branch should remain at the current level, - Abolish guarantees on the lohn-businesses because the customers do not require that, - To stimulate the economy through loans under favorable conditions through the FBiH Development Bank, -Conjoing the system of the textile and leather industry in BiH, - Create conditions to manufacture basic and auxiliary materials in our country, - Strategically stimulate manufacture of what we do not have and what we lack, - Improve cooperation between FBiH Government and textile industry, -Plan training and education of personnel on higher and secondary education institutions, that are ready for challenges and steps in accordance with global trends, -Establish cooperation between manufacturers in the country in order to complete the process of manufacture (to invest in basic manufacture), - Improve competitiveness of domestic products by controling the import of the poor quality products from the other countries.
6.	20 April 2012	B F M d.o.o.-Travnik	- Lack of incentives for modernization of equipment and employment - FBiH Government should establish a quality framework for the conduct of business and order in business, - Decrease incentives and other fiscal and para-fiscal burden, forgive tax debts and unpaid contributions, - Stimulate export, research and development, - Create the conditions for growth of competitiveness, - Introduce measures of assistance, coordination and stimulation of promotional activities on foreign market, - Allow obtaining favorable bank loans

Order number	Date of delivery of opinion	Name of business organization	The relevant parts from the Questionnaire
7.	20 April 2012	A R T d.o.o.-Jelah	- Supports preparation of the strategy, providing that it does not remain a dead letter, - Insufficient incentives for manufacturers and exporters, stimulate companies that have results, - Lack of trained workforce on the labour market and isufficiant incentives for employment and retraining, encourage first employment, - Create favorable climate and environment for operations of business organization from this branch, - Attract foreign investors, maintain the current foreign partners,
8.	20 April 2012	Alpina FOGS d.d.-Sarajevo	- Pozitive attitude on the preparation of strategy should be done earlier, - The work is performed in a bad atmosphere for business, without incentives from the FBiH Government, with a deficit of the personnel for this branch, high interests rates on loans and and high rates on wages, - Reduce the contribution rate on wages, interest rates on loans, bank commissions, - Educate personnel necessary to the economy, - Influence the change of decision of the Cantonal Health Institute related to refund of net sick leave and right to wage compensation during temporary inability to work, - Abolish the bank guarantees on Lohn - businesses, - Introduce stimulation on export, - Change the law on VAT in the area of VAT refund on invoices for goods purchased and used in the restaurants of companies, as well as the invoices for the public transportation of workers,
9.	20 April 2012	SICON SAS d.o.o.-Tuzla	- The introduction of ISO standards that will improve business operations and give comparative advantages to our companies on foreign market, stimulate this activity, - Simplify procedures for the introduction of the CE Marking, - Enable free professional help for preparation of project and other documentation.

Order number	Date of delivery of opinion	Name of business organization	The relevant parts from the Questionnaire
10.	23 April 2012	KTK Visoko d.d.-Visoko	- Limiting factors are: lack of working assets, judical executions and tax blockage of property, - Ban the export of raw leather, - Encourage the revival of basic leather industry, - Find strategic partner through privatization that will modernize the company, machine park, solve social problems, expand market
11.	23 April 2012	PIMS d.o.o.-Odžak/Sarajevo	- Stopped with activity in this industrial branch
12.	23 April 2012	POSITIVE GROUP d.o.o.Bugojno	- Support the opinion on creation of strategy, - Increase the number of companies in this field by increasing the incentives for employment and expanding production, - Introduce customs and other privileges
13.	23 April 2012	MAKAP d.o.o.-Bugojno	- Support the opinion on creation of strategy, - Introduce tax breaks for this branch, as well as incentives for development and increase of manufacture, -To work on increase of competitiveness of domestic economy
14.	23 April 2012	Globus konfekcija d.o.o. Kiseljak	- Improve the economic situation in BiH
15.	24 April 2012	NERZZ Bešlagić d.o.o. Visoko	- To decrease taxes and contributions, - Suppress unfair competition, - Stimulate increase of manufacture capacities, - Educate personnel necesary to the economy, - To stimulate opening of new markets in terms of export, - Decrease the number of necessary documentation for expansion of manufacture and sale
16.	24 April 2012	THEMA d.o.o.-Gradačac	- It is necessary to create the strategy that will determine directions and objectives of development of this industrial branch, - high burden, high interest rates on loans limitate the branch, position of exporters is unfavorable (fix exchange rate of the domestic currency), inability to monitor technological developments, - Unload this industrial branch, - To create own brand on the national level through establishment of one Agency, - Determine the place and position of exporters, - Find a more favorable loan conditions in order to improve competitiveness, - Provide conditions for education of personnel

Order number	Date of delivery of opinion	Name of business organization	The relevant parts from the Questionnaire
17.	24 April 2012	AIDA d.d. Tuzla	- Limiting factors of the company are: outdated machinery park, low productivity, low manufacture, unfavorable age and qualification structure, low prices in Lohn-businesses, burdened with bank guarantees and customs, unconnected service period, unresolved health insurance, blockade of account, - Proposals: - Introduction of unique account in calculation and collection of taxes, contributions and fees, - Introduction of export stimulations, - Bridging of service period of employees, - Changes in calculation of wages and contributions for low-accumulation branches, - Write-off of interests on arrears of contributions and taxes, - Reversal of decision on providing bank guarantees for Lohn-businesses, customs for duty on the temporary import of machinery with harmonization of tariff rates with rates in the EU, - Create conditions for gradual transition from lohn-businesses to own manufacture, unload the propertu that is not in the function of manufacture, - Stimulate the change of existing machinery park, - Strenghten the Development bank to grant preferential loans with minimal interest and adequate grace period, - Introduce stimulations to exporters, - Free the exporters from or decrease their payments based on calculation on consumed electricity, - Writte off debts for health insurance, - Wrutte- off default interests on unpaid contributions, - Implement the law on financila consolidation of the business organizations, - Prefer domestic manufacture.

Order number	Date of delivery of opinion	Name of business organization	The relevant parts from the Questionnaire
18.	26 April 2012	Sanitex d.d.-Velika Kladuša	- Preparation of this document is necesary and very important, - Implement measures that are defined in the Plan of reconstruction, sustainability and development of economy and industry in the FBiH that Working Group of FBiHMEMI prepared
19.	26 April 2012	RENTEX-com d.o.o.-Tuzla	-Reduce obligations on wages and from wages, -Provide grants for trainees and older than 45 years, -Reduce interest rates on loans, -Stimulate companies that export over 95% of their products,
20.	27 April 2012	ZIKO d.d.- Zavidovići	- Support to preparation of this document
21.	07 May 2012	M E N d.o.o. -Travnik	- Support to preparation of this document
22.	07 May 2012	Fortuna d.d.-Gračanica	-Provide financial funds for stimulation and support to this industrial branch, -Stimulate export, -Solve the problem of bridging the service period, -The loans with most favorable conditions are needed, -The release of import duties on the import of materials and equipment, - Financial support for new employment,
23.	10 May 2012	DD za proizvodnju kože-Bugojno	-Lower the prices of energy products, -Stop the export of row leather
24.	10 May 2012	Uslužnost d.o.o.-Sarajevo	- A positive attitude on the preparation of this document, -Pleasure because FBiH Government and FBiHMEMI are interested in this industrial branch
25.	18 May 2012	Tekstilna industrija d.o.o. -Mostar	- A positive attitude on the preparation of this document, - Abolish all customs duties on Lohn-businesses, - Limit and customs protect the import of final articles of clothing, -Reduce customs duty on basic materials and equipment which are not manufactured in BiH, -Tighten quality testing of imported materials
26.	30 May 2012	Antilop d.o.o.-Zepče	-Provide real character to this industrial branch, -Reduce the total load of the economy, - Stimulate export and employment, -Reduce excise duty on energy products and electricity price

Order number	Date of delivery of opinion	Name of business organization	The relevant parts from the Questionnaire
27.	14 June 2012	Koteks -Tešanj	- Preparation of the strategy is a good move, -State has to monitor and recognize the needs of economy, -Provide incentives for export and import substitution, as well as low-cost loan funds, - Introduce protective measures for domestic manufacture, - Work on professional training of personnel necessary to the economy, -Work on promotion of export,
28.	21 June 2012	MK Zlatka Vuković d.d. - Mostar	- Resolve the issues related to tenders: Who and how checks materials that are installed in textile products, -Introduction of domestic preferential 25%, -Incentives for the implementation of Quality System and the extensions of the validity of already obtained certificates
29.	27 September 2012	BS-kobra d.o.o. Bosanska Otoka	-Preparation of the strategy of needs, -Stimulation of export, -Provide favorable loans

Attachment No. 7 Consultation Plan, Form 3 - Summarized Opinions Collected on the Basis of Written Observations of the Stakeholders

Order number	Date of delivery of opinion	Stakeholders of public policy	The relevant parts of written observations of stakeholders of public polocy
1.	19 April 2012	Agency for Privatization in FBiH - Sarajevo	-Data on number and name of privatized business companies in the Federation of Bosnia and Herzegovina that perform activities of textile, clothing and footwear manufacture
2.	19 April 2012	FBiH Health Insurance and Reinsurance Institute - Sarajevo	Data on structure, number and financiall obligations of the unpaid contributions for unpaid health insurance of the business organizations in dispose of cantonal health insurance fund
3.	20 April 2012	University in Bihać Faculty of Technical Sciences , textile department	Data on the number of students according to the years of study in academic 2011/2012 year
4.	20 April 2012	FBiH Ministry of Labour and Social Policy - Sarajevo	The relevant ministry supports preparation of this document
5.	23 April 2012	Ministry of Economy of Central Bosnia Canton - Travnik	Delivery of data on business organizations from the area of: Manufacture of textile and products of textile, and manufacture of leather and products of leather from CBC, The proposal to organize a meeting of relevant factors of the present strategy
6.	24 April 2012	FBiH Gender Center - Sarajevo	-Improve the strategy from the aspect of gender equality, -The strategy may increase the economic empowerment of women in two directions: "Let the labour market works for women" and "empower women to be competent in the labor market" -The strategy can have a direct positive impact on poverty reduction and sustainable economic growth, processes on the labour market, as well as positive impact on the welfare of children
7.	24 April 2012	BiH Union of Textile, Leather, Footwear and Rubber - Sarajevo	-Gives a full support to the preparation of this document, -Proposes a meeting in which the stakeholders of this policy would put forward its proposals for a given strategy.
8.	25 April 2012	Ministry of Economy Herzegovina- Neretva canton - Mostar	Delivery of data on a number of economic entities, number of employees and analysis of incomes of economic entities from the area of HNC, Resolving of issues of this industrial branch can result in multiple benefits
9.	25 April 2012	Institute for Standardization of BiH - I.Sarajevo	Delivery of data on taken standards from the area of textile, leather, clothing and footwear as BAS

Order number	Date of delivery of opinion	Stakeholders of public policy	The relevant parts of written observations of stakeholders of public polocy
10.	27 April 2012	FBiH Pension and Disability Insurance Institute - Mostar	Data on the structure, number and financial obligations upon unpaid contributions for Pension and Disability Insurance can only be obtained from the Tax Administration of the FBiH
11.	27 April 2012	FBiH Employment Institute - Sarajevo	Delivery of data on the number of unemployed persons in the area of textile, leather and footwear profession in FBiH by cantons.
12.	30 April 2012	The Directorate for European Integrations BiH - Sarajevo	Delivery of data on directives of old and new aproach relating on activities of textile, clothing, leather and footwear manufacture
13.	30 April 2012	FBiH Ministry of Development, Enterpr. and Craft - Mostar	The relevant ministry supports preparation of this document, there are no objections or suggestions
14.	04 May 2012	FBiH Ministry of Education and Science - Mostar	Delivery of data on secondary school networks in the FBiH and number of students for occupations in textile, leather and footwear area
15.	07 May 2012	Ministry of Economy and Physical Planning of Posavina Canton - Odžak	Expresses satisfaction and supports these activities, Posibility of self employment of women work force, The necessary support of the academic community, The necessary support and subsidies by the state
16.	09 May 2012	Health Insurance Institute HNC - Mostar	Delivery of data on business organizations, from the area of Herzegovina-Neretva Canton, that have debts for unpaid contributions for health insurance closed at March 31st, 2012
17.	10 May 2012	Health Insurance Institute Canton 10 - Livno	Delivery of data on business organizations, from the area of Canton 10, that have debts for unpaid contributions for health insurance closed at December 31st, 2011.godine
18.	11 May 2012	FBiH Ministry of Finances - Sarajevo	Supports preparation of the strategy, Opinion, comments and suggestions will be given to the text which is made
19.	14 May 2012	The Ministry of Education, Science, Culture and Sport of Una-Sana Canton - Bihać	Delivery of data on secondary schools on the area of Una Sana Canton and number of students for occupation in textile, leather and footwear area

Attachment No. 8 Manufacture of Textile Activities Classification 17

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in 2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
17.10.42.50.00	Yarn of combed wool or fine animal hair	kg	389,000	23,000	398,000	60,000	51,000	5.91	1,730,43	15.07	85.00
17.10.43.55.00	Yarn of combed cotton, unpacked for retail sale, for other purposes	kg	0	455,000	22,000	1,000	6,000	0	4.83	4.54	600.00
17.10.52.30.00	Yarn containing 85% by weight of synthetic staple fibres	kg	19,000	13,000	1,000	0	0	68.42	7.69	0	0
17.10.53.50.00	Yarn containing 85% by weight of synthetic staple fibres mixed combed wool or fine animal hair	kg	0	4,000	3,000	2,000	2,000	0	75.00	66.66	100.00
17.20.20.19.00	Cotton fabrics, not of yarn of different color,weight 200 g/m², for technical and industrial use	m²	186,000	105,839	103,324	73,538	150,582	56.90	97.62	71.17	204.76
17.20.20.20.00	Cotton fabrics, waight 100 g/m², for medival gauzes, bandages and dressing	m2	5,676,000	5,155,190	4,088,796	5,242,642	4,988,699	90.82	79.31	128.21	95.15
17.30.10.10.00	Dyeing of fibres	kg	0	0	0	0	0	0	0	0	0
17.30.10.23.00	Dyeing of cotton yarn	kg	30,000	83,000	81,000	44,000	37,000	276.66	97.59	54.32	84.09
17.40.11.50.00	Blankets and travelling rugs of synthetic fibres	piece	0	2,000	0	0	0	0	0	0	0
17.40.12.53.00	Bed linen of cotton	kg	7,000	9,746	13,135	13,218	19,054	139.22	134.77	100.63	144.15
17.40.13.59.00	Table linen of wovensynth. or man-made fibres and of other fabrics or non-woven fabrics	kg	3.000	5,626	7,729	6,667	6,267	187.53	137.38	86.25	94.00
17.40.15.50.00	Curtains and draperies, curtains of woven materials	m²	0	0	0	0	3,142	0	0	0	0
17.40.16.59.01	Vehicle upholstery	m²	0	6,180,548	7,129,339	7,740,047	11,247,383	0	115.35	108.56	145.31
17.40.22.10.00	Awnings, shutters, blinds	kg	0	17,223	2,814	0	0	0	16.33	0	0
17.40.22.30.00	Tents (incl. tent awnings)	kg	0	1,870	0	0	0	0	0	0	0

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in 2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
17.54.11.30.00	Narrow fabrics,exept for stickers, badges, etc	kg	27,658	21,120	10,036	14,971	13,610	76.36	47.51	149.17	90.90
17.54.13.50.00	Cotton embrodery in the piece, in strips or motifs	m2	313,000	292,455	73,623	546	0	93.43	25.17	0.74	0
17.54.38.30.00	Textile hoses, etc impregnated or nonimpregnated with or without lining protection and equipment	kg.	0	0	0	0	3,896	0	0	0	0
17.71.10.33.00	Panty-socks, of knitted or crocheted synthetic fib. fineness of fibre < 67	piece	83,000	106,347	143,586	69,890	127,166	128.12	135.01	48.67	181,95
17.71.10.90.01	Men`s socks and other socks, knitted or crocheted, d.n., of natural fabrics	pair	421,000	323,451	170,633	223,874	154,815	76.82	52.75	131.20	69,15
17.71.10.90.05	Children`s socks and other socks knitted or crocheted, d.n., of natural fabrics	pair	717,000	203,751	69,836	54,844	61,159	28.41	34.27	78.53	111,51
17.72.10.31.00	Men`s or boys` jerseys, pullovers, sweatshirts, waistcoats and cardigans , of wool or fine animal hair	piece	0	0	0	0	0	0	0	0	0
17.72.10.33.00	Jerseys and pullovers that contain 50% of wool and weight 60g	piece	5,000	0	229,485	231,625	304,688	0	0	100.93	131.54

Attachment No. 9 - Manufacture of Clothing, Dressing and Dyeing of Fur (Activities Classification 18)

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in 2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
18.10.10.00.03	Jackets and blazers of leather	piece	2,359	299	28,199	4,298	7,131	12.67	94.31	15.24	165.91
18.10.10.00.04	Trousers and skirts of leather	piece	0	0	5,136	18	13	0	0	0.3	72.22
18.10.10.00.05	Other clothing articles of leather	piece	19,015	19,945	12,261	1,395	0	104.89	61.47	11.37	0
18.21.11.20.01	Male ensembles of cotton for industrial or professional use	piece	19,000	34,262	38,467	44,075	80,272	180.32	112.27	114.57	182.12
18.21.11.20.02	Male ensembles of synthetic or man-made fabrics for industrial or professional use	piece	37,000	455	750	1,298	840	1.22	164.83	173.06	64.71
18.21.11.30.01	Man`s jackets and blazers, of cotton, for industrial or professional use	piece	107,000	169,115	180,538	167,467	183,910	158.05	106.75	92.75	109.81
18.21.11.30.02	Man`s jackets and blazers, of synthetic or man-made fabrics for industrial or professional use	piece	0	0	0	0	9,319	0	0	0	0
18.21.12.40.01	Mail trousers and breeches, of cotton, for industrial or professional use	piece	195,000	189,268	242,142	205,984	227,114	97.06	127.93	85.06	110.25
18.21.12.40.02	Mail trousers and breeches, of synthetic or man-made fabrics for industrial or professional use	piece	0	0	0	0	16,233	0	0	0	0
18.21.12.50.01	Men`s pants with suspenders, of cotton, for industrial or professional use	piece	14,000	0	0	0	0	0	0	0	0
18.21.21.20.01	Women`s ensembles, of cotton, for industrial or professional use	piece	14,000	2,840	7,836	7,002	5,715	20.28	275.91	89.35	81.61
18.21.21.30.01	Women`s jackets and blaizers, of cotton, for industrial or professional use	piece	2,000	0	0	0	0	0	0	0	0
18.21.21.30.02	Women`s jackets and blaizers of synthetic or man-made fabrics for industrial or professional use	piece	0	0	0	3,399	0	0	0	0	0
18.21.22.40.01	Women`s trousers, of cotton, for industrial or professional use	piece	1,000	0	0	2,601	2,688	0	0	0	103.34

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in 2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
18.21.22.40.02	Women`s trousers, of synthetic or man-made fabrics for industrial or professional use	piece	0	0	0	0	2,550	0	0	0	0
18.21.30.13.01	Men`s other clothing of cotton for industrial or professional use	piece	62,000	111,724	121,121	93,033	151,478	180.20	108.41	76.8	162.82
18.21.30.23.01	Women`s other clothing, of cotton for industrial or professional use	piece	19,000	104,869	175,467	213,059	256,900	551.94	167.32	121.42	120.57
18.22.11.10.00	Men`s coats, overcoats, raincoats, capes and similar products , of knitted or crocheted fabrics (discl.jackets and blazers)	piece	21,000	29,655	27,127	29,461	37,686	141.21	91.47	108.6	127.91
18.22.12.30.00	Men`s jackets and blazers of knitted or crocheted fabrics	piece	36,000	65,987	10,000	6,000	5,458	183.29	15.15	60.0	90.96
18.22.12.60.00	Man`s suits and ensembles, blazers of knitted or crocheted fabrics	piece	31,000	0	16	0	0	0	0	0	0
18.22.12.70.00	Mail trousers and breeches, shorts, of knitted or crocheted fabrics	piece	3,000	1,000	0	0	0	33.33	0	0	0
18.22.14.30.00	Women`s jackets and blazers of knitted or crocheted fabrics	piece	5,000	1,932	9,170	1,863	2,227	38.64	475.63	20.31	119.53
18.22.14.70.00	Women`s dresses of knitted or crocheted fabrics	piece	0	0	1,511	121	0	0	0	8.00	0
18.22.14.90.00	Women`s trousers and breeches, shorts of knitted or crocheted fabrics	piece	0	2,247	4,026	6,782	6,217	0	179.17	168.45	91.66
18.22.21.20.01	Men`s coats, overcoats, raincoats, capes and similar products of wool or fine animal hair	piece	11,000	915	1,048	0	3,184	8.31	114.53	0	0
18.22.21.20.02	Men`s coats, overcoats, raincoats, capes and similar products of other textile materials	piece	76,000	137,690	88,376	72,487	87,482	181.17	64.18	82.02	120.68
18.22.21.30.00	Men`s anoraks, ski jackets, wind-jackets and similar products	piece	7,000	56,750	87,231	45,000	22,000	810.71	153.71	51.58	48.88
18.22.22.10.01	Men`s suits of wool or fine animal hair	piece	11,000	1,422	4,939	8,886	11,801	12.92	347.32	179.91	132.80
18.22.22.10.02	Men`s suits of other fabrics	piece	8,000	94,208	52,110	48,150	66,000	1,177.60	55.31	92.40	137.07
18.22.23.00.01	Men`s jackets and blazers of wool or fine animal hair	piece	182,000	89	2,144	0	241	0.005	2,408.98	0	0

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
18.22.23.00.02	Men`s jackets and blazers of other fabrics	piece	207,000	316,506	403,469	360,666	413,366	152.90	127.47	89.39	114.61
18.22.24.42.00	Men`s trousers and breeches of denim and ribbed cotton	piece	11,000	12,305	18,699	8,217	5,211	111.86	151.96	43.94	63.41
18.22.24.44.00	Men`s trousers and breeches and shorts of wool or fine animal hair	piece	0	4,786	1,377	3,664	1,281	0	28.77	266.08	34.96
18.22.24.48.00	Men`s trousers and breeches , of cotton	piece	8,000	24,973	99	583	4,284	312.16	0.39	588.88	734.81
18.22.24.49.00	Men`s trousers and breeches and shorts , of other materials	piece	182,000	115,539	148,166	142,111	171,863	63.48	128.23	95.91	120.93
18.22.31.20.01	Women`s coats, overcoats and similar, blazers of wool or fine animal hair	piece	0	1,847	3,060	931	0	0	165.67	30.42	0
18.22.31.20.02	Women`s coats, overcoats and similar, of other textile materials	piece	7,000	26,684	46,588	64,258	78,440	380.68	174.59	137.92	122.07
18.22.31.30.00	Women`s anoraks, ski jackets, wind-jackets and similar products	piece	0	0	0	0	0	0	0	0	0
18.22.32.10.01	Women`s suits of wool or fine animal hair	piece	0	7,453	15,835	26,569	18,159	0	212.46	167.78	68.34
18.22.32.10.02	Women`s suits of other fabrics	piece	2,000	2,145	1,824	2,880	2,799	107.25	85.03	157.89	97.18
18.22.33.30.01	Women`s jackets and blazers of wool or fine animal hair	piece	0	2,662	6,377	1,714	378	0	239.55	26.87	22.05
18.22.33.30.02	Women`s jackets and blazers , of other fabrics	piece	7,000	145,661	124,333	95,808	78,836	2,080.87	85.35	77.05	82.28
18.22.34.70.03	Women`s dresses of cotton	piece	1,000	3,311	4,964	927	17,977	331.10	149.92	18.67	1,939.26
18.22.34.70.04	Women`s dresses , of other fabrics	piece	0	0	0	0	204	0	0	0	0
18.22.34.80.01	Women`s skirts and divided skirts, of wool or fine animal hair	piece	0	44,266	68,381	81,549	65,116	0	154.47	119.25	79.84
18.22.34.80.03	Women`s skirts and divided skirts of cotton	piece	5,000	350	0	0	798	7.00	0	0	0
18.22.34.80.04	Women`s skirts and divided skirts of other fabrics	piece	1,000	3,000	6,130	1,704	1,666	300.00	204.33	27.79	97.76
18.22.35.42.00	Women`s trousers and breeches , of denim and ribbed cotton	piece	12,000	18,058	12,781	11,719	1,960	150.48	70.77	91.69	16.72
18.22.35.46.00	Women`s trousers and breeches , of synth. m.	piece	0	0	0	798	4,382	0	0	0	549.12

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in 2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
18.22.35.48.00	Women`s trousers and breeches, of cotton	piece	15,000	8,156	1,198	3,064	768	54.37	14.68	255.75	25.06
18.22.35.49.00	Women`s trousers and breeches	piece	0	2,000	13,000	0	0	0	650.00	0	0
18.22.35.51.00	Women`s trousers with suspenders, of cotton	piece	0	4,455	2,988	0	0	0	67.07	0	
18.22.35.69.00	Women`s trousers and breeches and trousers with suspenders, of other fabrics	piece	21,000	25,419	34,855	7,931	11,785	121.04	137.12	22.75	148.59
18.23.14.20.00	Women`s slips and other panties, knitted or crocheted	piece	1,112,000	625,878	386,779	382,686	461,567	56.28	61.79	98.94	120.61
18.23.21.00.01	Men`s shirts of cotton	piece	0	9,604	5,882	6,994	78,433	0	61.24	118.90	1,121.43
18.23.22.20.01	Men`s or boy`s slips of cotton spec.. knitted or crocheted	piece	0	0	836,217	944,041	1,405,553	0	0	112.89	148.88
18.23.22.20.02	Men`s or boy`s slips of other materials spec.. knitted or crocheted	piece	0	0	23,570	153,765	107,426	0	0	652.37	69.86
18.23.22.30.01	Men`s nightshirts and pyjamas, of cotton	piece	0	0	0	940	4,191	0	0	0	445.85
18.23.22.40.01	Men`s singlets, bathrobes, dressing gowns of cotton	piece	0	0	423,950	393,721	297,259	0	0	92.86	75.49
18.23.22.40.02	Men`s singlets, bathrobes, dressing gowns of other materials	piece	0	0	0	0	0	0	0	0	0
18.23.23.00.01	Women`s blouses, shirts and shirt-blouses, of silk or silk waste	piece	2,000	13,978	2,694	6,268	5,935	698.90	19.27	232.66	94.68
18.23.23.00.02	Women`s blouses, shirts and shirt-blouses, of cotton	piece	4,000	4,012	4,093	1,211	604	100.30	102.01	29.58	49.87
18.23.24.30.01	Women`s nightgowns and pyjamas of cotton	piece	0	0	0	0	11,813	0	0	0	0
18.23.24.60.00	Women`s negligees,bathrobes, dressing gowns and similar products of cotton	piece	268,000	401,044	437,988	561,825	591,100	140.22	109.21	128.27	105.21
18.23.24.80.00	Women`s negligees,bathrobes, dressing gowns of men-made or synth. fibres	piece	0	0	146,600	414,095	408,084	0	0	282.46	98.54
18.23.25.30.00	Brassieres	piece	0	0	20,593	32,822	9,620	0	0	159.38	29.30

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in 2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
18.24.12.50.00	Bathing suits, for women, knitted	piece	0	0	0	211,742	0	0	0	0	0
18.24.14.90.00	Other clothing accessories and their parts, knitted or crocheted	piece	13,000	2,390	15,970	4,000	2,300	18.38	668.20	25.04	57.50
18.24.22.10.02	Men`s short sport jackets,sweatshirts and special sportswear, of other fabrics	piece	4,000	565,003	404,387	288,237	245,639	1,412.51	71.57	71.27	85.22
18.24.22.20.01	Women`s short sport jackets,sweatshirts and special sportswear, of wool or fine animal hair	piece	0	29,794	10,153	0	0	0	34.07	0	0
18.24.22.20.02	Women`s short sport jackets,sweatshirts and special sportswear, of other fabrics	piece	63,000	106,288	95,800	33,489	19,000	168.71	90.13	34.95	56.73
18.24.23.38.00	Shawls, scarves, veils and the like of silk or silk waste	piece	0	140	70	0	0	0	50.00	0	0
18.24.23.58.00	Neckties and the like, of silk or silk waste	piece	0	1,061	1,429	146	1,417	0	134.68	10.21	970.54
18.24.31.73.00	Protective gloves for all trades of leather or composition leather	pair	33,000	68,097	77,100	26,034	54,893	206.35	113.22	33.76	210.85
18.24.31.75.00	Other gloves of leather or composition leather	pair	61,000	32,753	15,769	1,025	1,029	53.69	48.14	6.50	100.39
18.24.31.80.00	Belts and straps of leather or composition leather	piece	0	0	1,000	411	582	0	0	41.1	141.60
18.24.32.33.00	Clothing of felt	piece	0	1,000	0	0	0	0	0	0	0
18.24.43.35.00	Hats and other headgear	piece	0	0	0	1,212	0	0	0	0	0
18.30.11.30.00	Tanned or dressed fur, whole and not assembled, of a rabbit or a lamb	m^2	6,000	8,578	4,177	4,521	4,220	142.96	48.69	108.23	93.34
18.30.12.30.02	Other clothing and clothing accessories of natural fur	piece	474	196	1,051	2,404	100	41.35	536.22	228.73	4.15

Atachment No. 10 Tanning and Dressing of Leather;Manufacture of Luggage, Handbags, Saddlery, Harness and Footwear Activities Classification 19

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in 2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
19.10.21.00.00	Leather of bovine animals, without hair, whole	kg	13,000	15,614	17,199	16,215	23,259	120.10	110.15	94.27	143.44
19.10.23.00.00	Leather of equine animals, without hair	kg	1,294,000	140,599	789,923	21,340	104,257	10.86	561.82	2.70	488.55
19.10.31.30.00	Sheep and lamb leather without wool, tanned but not further prepared	kg	60,000	116,243	146,450	67,490	0	193.73	125.98	46.08	0
19.10.31.50.00	Sheep and lamb leather without wool; parchment-dressed or prepared after tanning	m^2	176,000	170,823	161,755	140,494	84,058	97.05	94.69	86.85	59.83
19.20.12.10.00	Handbags of leather, composition leather, patent leather,plastic sheeting, textile and other materials, without a handle	piece	0	0	19	420	2,118	0	0	2,210.50	504.28
19.20.12.20.00	Handbags of leather, composition leather, patent leather,plastic sheeting, textile and other materials, incl.without a handle	piece	3,000	5,379	4,508	6,745	24,494	179.30	83.80	149.62	363.14
19.20.12.30.00	Articles normally carried in pocket or handbag	piece	8,144	5,436	2,055	5,448	8,377	66.74	37.80	265.10	153.76
19.20.12.50.00	Cases and containers and the like	piece	819	523,912	635,955	259,578	379,474	63,969.71	121.38	40.81	146.18
19.20.13.00.00	Bracelets, belts, etc., for watches and their parts	piece	436	119	1,545	3,434	3,536	27.29	1,298.31	222.26	102.97
19.30.11.00.00	Waterproof footwear with uppers of rubber or plastic	pair	26,000	0	0	0	0	0	0	0	0
19.30.13.51.00	Men`s footwear for street with uppers of leather	pair	227,000	858,596	466,537	360,900	366,092	378.23	54.33	77.35	101.43
19.30.13.52.00	Women`s footwear for street with uppers of leather	pair	2,159,000	2,384,196	2,233,102	2,368,418	2,764,678	110.43	93.66	106.05	116.73
19.30.13.53.00	Children`s footwear for street with uppers of leather	pair	302,000	339,000	259,200	95,000	34,000	112.25	76.46	36.65	35.78
19.30.13.62.00	Women`s sandals, with uppers of leather	pair	0	22,113	0	0	0	0	0	0	0
19.30.13.70.00	Slippers and other indor foorwear with soles of rubber, plastic and leather with uppers of leather	pair	180,000	374,072	597,029	670,297	516,216	207.81	159.60	112.27	76.89

Product code	Name of product	Measure unit	Manufacture in 2006	Manufacture in 2007	Manufacture in 2008	Manufacture in 2009	Manufacture in 2010	Index 2007/06	Index 2008/07	Index 2009/08	Index 2010/09
19.30.13.80.00	Footwear with uppers of leather, cork or wood soles	pair	0	151,980	197,830	223,120	213,050	0	130.16	112.78	95.48
19.30.21.50.00	Ski boots and shoes for cross-country skiing and snowbording, with uppers of leather	pair	296,000	0	0	0	0	0	0	0	0
19.30.23.50.00	Sports footwear with uppers of leather and and sole of rubber, plastic or leather	pair	0	30,660	0	0	0	0	0	0	0
19.30.31.50.00	Footwear with outer soles of rubber, plastic or leather and uppers of leather; and protective metal toe-cap	pair	5,000	0	0	0	0	0	0	0	0
19.30.32.90.00	Footwear (excl.with uppers of leather or man-made leather and textile)	pair	13,000	23,680	0	0	0	182.15	0	0	0
19.30.40.65.00	Uppers of footwear and parts of leather	pair	690,00	808,817	683,589	575,660	754,880	117.21	84.51	84.21	131.13

Attachment No. 11 The List of Privatized Companies that Perform Manufacture of Textile Footwear and Leather

Order No.	Name	Place	Number of workers	State capital	Private capital	Total capital
1.	1. Septembar	Goražde	-	3,229,326.00	-	3,229,326.00
2.	Alhos	Sarajevo	432	2,438,705.00	-	2,438,705.00
3.	Amratex		161	7,545,737.00	-	7,545,737.00
4.	Borac Katarina	Jajce	102	161,603.63	-	161,603.63
5.	Borac Obuća	Bosansko Grahovo	30	370,112.00	-	370,112.00
6.	Borac Obuća	Travnik	-	10,899,293.00	-	10,899,293.00
7.	Borac	Uskoplje	105	787,089.00	-	787,089.00
8.	Bosnafolklor	Sarajevo	42	890,521.00	-	890,521.00
9.	Bretex	Breza	-	2,052,405.38	-	2,052,405.38
10.	Butex	Bužim	-	2,347,386.00	-	2,347,386.00
11.	Cazinka	Cazin	-	854,462.00	-	854,462.00
12.	DD za proizvodnju kože	Bugojno	-	6,827,875.00	-	6,827,875.00
13.	Export-Import Bosnatex	Zivinice	-	1,518,850.00	-	1,518,850.00
14.	FOGS	Sarajevo	309	10,214,585.00	-	10,214,585.00
15.	Fortuna	Gračanica	1.097	12,839,279.23	-	12,839,279.23
16.	Frotea	Citluk	-	1,304,626.00	2,486,665.00	3,791,291.00
17.	Globus konfekcija	Kiseljak	-	540,628.00	487,773.22	1,028,401.22
18.	SIK	Sarajevo	90	2,186,975.00	-	2,186,975.00
19.	Inkos	Stolac	-	4,028,113.00	-	4,028,113.00
20.	Kalatex	Kalesija	95	1,935,661.00	-	1,935,661.00
21.	Kombitex	Bihać	554	43,526,054.00	-	43,526,054.00
22.	Konfekcija Borac	Travnik	2,458	52,629,102.00	64,720.00	52,693,822.00
23.	Konfekcija Konjic	Konjic	-	709,816.00	357,384.00	1,067,200.00
24.	Vitina	Ljubuški	68	468,000.00	-	468,000.00
25.	Kula	Gradačac	735	6,254,950.00	-	6,254,950.00
26.	Modna konfekcija	Sarajevo	-	1,538,099.00	571,967.00	2,110,066.00
27.	Mostarka	Mostar	51	987,506.00	428,176.00	1,415,682.00
28.	Modna odjeća	Livno	170	1,169,244.00	-	1,169,244.00
29.	Novitet	Bosanski Petrovac	200	5,703,368.00	-	5,703,368.00
30.	Obuća	Odžak	18	737,000.00	-	37,000.00
31.	Ola	Olovo	-	230,364.80	-	230,364.80
32.	Tepsa-Holding	Sarajevo	-	2,716,000.00	-	2,716,000.00

Order No.	Name	Place	Number of workers	State capital	Private capital	Total capital
33.	Kras	Sarajevo	388	1,706,868.00	-	1,706,868.00
34.	Sana-ekskluziv		-	477,665.00	131,540.00	609,205.00
35.	Sanitex	Velika Kladuša	530	29,096,409.00	17,140,272.00	46,236,681.00
36.	Satex	Sarajevo	50	1,851,118.00	-	1,851,118.00
37.	Spilex	Livno	35	2,136,000.00	-	2,136,000.00
38.	Sport Form	Fojnica	276	2,136,000.00	-	2,136,000.00
39.	Tekstilni kombinat	Mostar	215	46,121,357.00	-	46,121,357.00
40.	Vitex	Visoko	-	21,819,708.00	493,451.00	22,313,159.00
41.	TIM	Mostar	-	46,121,357.00	-	46,121,357.00
42.	TIP Dekorativa	Prozor	-	1,966,474.00	1,696,745.00	3,663,219.00
43.	Tkaonica	Ljubuški	380	1,914,386.00	-	1,914,386.00
44.	Topala	Drvar	75	983,164.00	182,393.00	1,165,557.00
45.	Tuzko	Tuzla	266	4,426,630.00	106,681.00	4,533,311.00
46.	Tvornica čarapa	Tešanj	-	1,115,720.00	3,993,841.00	5,109,561.00
47.	Ključ	Sarajevo	-	3,940,902.00	82,843.00	4,023,745.00
48.	Alhos	Prača	2	196,087.50	-	196,087.50
49.	Tvornica konfekcija	Vareš	-	1,597,467.00	341,832.00	1,939,299.00
50.	Tvornica kožne obuće	Bugojno	-	19,786,186.00	-	19,786,186.00
51.	BIO	Siroko Brijeg	-	242,924.00	429,230.00	672,154.00
52.	Tvornica trikotaže	Capljina	-	738,742.00	-	738,742.00
53.	Tvornica trikotaže	Međugorje	52	1,514,642.96	-	1,514,642.96
54.	VIS Konfekcija	Gornji Vakuf	-	436,749.00	-	436,749.00
55.	Vuntex	Odžak	300	845,042.00	-	845,042.00
TOTAL			9,286	344,336,759.68	28,995,513.22	373,332,272.90

[2] The processed data for 8 cantons

[4]AC - Activities Classification

[5]School year 2011/2012