



Context

The automotive supplier industry is of great importance to the Serbian economy. More than 160 companies, with over 38,000 employees, generate an annual turnover in excess of EUR 200 million. However, as the market pressure augments, pressure on the suppliers also increases, especially in terms of price, quality and services, as does the number of parts, components and systems that are outsourced by the vehicle manufacturers. Most often, such tendencies lead to a growing prominence of suppliers – an opportunity that not all suppliers can take advantage of.

Strategy

In 2007, UNIDO launched a two-year business partnership and cluster development programme to strengthen the automotive cluster in Serbia, which drew on the Slovenian automobile cluster set-up. The project aimed at enhancing the performance of suppliers in the automotive component industry, by upgrading the Serbian Automotive Cluster Organization through strengthening its institutional set-up, by building linkages to relevant industry support institutions, and by developing a pool of well-trained national engineers.

Over a period of 12 months, UNIDO carried out shop-floor training while also providing training to Serbian counselors and cluster development agents. In addition, staff of the companies received training on the methodologies, requirements and importance of continuous improvement. Furthermore, through regular cluster review meetings, participating companies learned how, through better communication, they could benefit from each other's experiences and identify best practices.

Results

- Improvements in product delivery time
- Reduction in machine downtime through preventive maintenance practices
- Enhanced environmental performance; savings in energy and water consumption
- Participating companies now communicate, share experiences, and identify best practices
- By January 2010, the Serbian Automotive Cluster Organization had 29 members, which is a growth of 100 % since its establishment in 2005

Impact/Outlook

After the successful implementation of the project, a second phase of the programme was launched in September 2010 to broaden and deepen the scope/outreach of the original programme services. In addition, the second phase will seek to further assist the small and medium-sized enterprises component suppliers in meeting international requirements. Ultimately, the cluster should be in a position to link to global supply chains and to access international markets, particularly in the European Union.

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At a glance:

Goal:	Market access for automotive component manufacturers
MDG:	8. Develop a Global Partnership for Development
Thematic area:	Trade Capacity-Building
Donor:	Government of Slovenia
Partners:	Serbian Ministry of Economy, Serbian Auto-Cluster, Auto-Cluster Slovenia
Budget:	EUR 400,000
Status:	completed
Duration:	Duration: 2007 – 2010

