

ARMENIA

5900 BC
CONQUERING NEW HEIGHTS



"IMPROVING COMPETITIVENESS OF
EXPORT-ORIENTED INDUSTRIES IN ARMENIA
THROUGH MODERNIZATION
AND MARKET ACCESS"

PHASE II



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION





**5900
BC**

UNIDO IN ARMENIA

-IMPROVING COMPETITIVENESS
OF EXPORT ORIENTED
INDUSTRIES IN ARMENIA
THROUGH MODERNIZATION AND
MARKET ACCESS-

MADE IN ARMENIA

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5900 BC

CONQUERING NEW HEIGHTS

After many years, Armenia is eventually able to enjoy notable success and economic improvement, specifically within the Light Industry.

Rapid development of productivity, market competitiveness and export links are set to vastly improve local livelihoods in the long term, due to the ongoing support of UNIDO, its partnerships with the Ministry of Economic Development and Investments of Armenia, Business Armenia and the financial support from the Donor, the Russian Federation.

Launched in 2014, Phase I of the UNIDO Project “Improving Competitiveness of Export-oriented Industries in Armenia through Modernization and Market Access” has produced substantial results in textile and garment sectors. This success led to the Project’s expansion to Phase II, allowing to conquer new heights and achieve wider macroeconomic gains in the textile/garment sector as well as addressing the needs of the footwear sector.

A country, facing economic decline and ensuing social hardships since its independence, is now showing tangible results in terms of boosting the country’s textile, garment, leather and footwear sectors and shows encouraging signs of doubling employment, particularly for women, and tripling exports of the garment sector.



PHASE I

The two-year pilot phase of the project was implemented in 2014–2016 and aimed to maintain and increase the local textile and clothing enterprises' domestic market share and contribute to Armenia's integration into regional and international markets. In particular, the project aimed at building local capacity to support the development and modernization of small- and medium-sized enterprises (SMEs), and to position Armenian products as high-end designer goods. Throughout, UNIDO supported pilot beneficiary companies on a wide range of technical and business issues, including product design and development, quality management, production planning systems, legal matters, human resources, finance, marketing and networking.

More than 440 individuals from the eight selected Armenian garment producers were trained extensively and a new brand, "5900BC", was created for collective marketing activities and the presentation of unique and innovative garment collections. Four 5900BC fashion collections with more than 250 new garments were produced and showcased at 4 international and 3 national exhibitions. A fashion school, "Atex-Burgo Fashion School", was established in Yerevan in conjunction with a leading fashion school based in Milan, "Istituto de Moda Burgo".

As a result of the first phase of the UNIDO project, Armenian garment manufacturers were able to increase their technical and production potential, improve the design and quality of their products, and even establish business partnerships with the largest garment manufacturers and retailers in the Russian Federation and other countries in the region.

PHASE II

In 2017, UNIDO and the Government of Armenia launched the second phase of this project with the financial support of the Russian Federation. The three-year second phase aims to boost the country's textile, garment, leather and footwear sectors through the development of industrial linkages between Armenian footwear and garment producers within regional value chains. It seeks to enhance local manufacturers' productivity and competitiveness, and promote business networking and institutional partnerships between designers and the producers of footwear and garments. It also strives to foster job creation, particularly for women. UNIDO experts support an additional 15 pilot garment producers and 10 footwear manufacturers in the areas of design and marketing, business networking, forming institutional partnerships and all export-related matters.



- HOW WE DO IT -

PHASE I + PHASE II

1

MULTIDISCIPLINARY TECHNICAL DIAGNOSIS

UNIDO undertook a thorough diagnosis of the pilot beneficiary garment and footwear manufacturers' functions and performance, thus to first identify bottlenecks and areas of intervention. Then based on the analysis, tailor made upgrading plans were developed and implementation of these plans was carried out with the support of highly qualified UNIDO experts.

2

COACHING PILOT SMES' UPGRADING

UNIDO conducted a series of capacity building activities for 23 pilot beneficiary enterprises in garment and footwear industries. Each workshop focused on a wide range of technical and business topics, to include product design and development, quality management, production planning systems, legal matters, human resources, finance, marketing and networking.

3

JOINT MARKETING AND BRANDING EFFORTS

A team of UNIDO experts worked closely with the pilot garment and footwear manufacturers to create the 5900BC joint brand. Under this brand, 8 garment collections and 2 footwear collections were created and presented at national, regional and international exhibitions and fairs.

- CAPACITY BUILDING -

OF NATIONAL EXPERTISE



Along with SMEs' upgrading, the project facilitates capacity building of national experts on the following technical and business development issues:





5900BC Fall-Winter 2018/2019



DEMAND DRIVEN

-INDUSTRY SUPPORT SERVICES-

UNIDO facilitated establishment of an institutional partnership between the ATEX Fashion Centre and the leading international fashion school, Istituto di Moda Burgo, in Milan, Italy. Four professionals from the ATEX Fashion Centre attended a training of trainers at Istituto di Moda Burgo. As a result, new courses on pattern making and fashion illustration were launched at the Atex-Burgo Fashion School to serve the local industry's needs in industrial design.

Four students from the Atex-Burgo Fashion School were selected to present their collections at the annual fashion show in Milan at the Istituto di Moda Burgo.

The students' garment collections were featured during the finals of the International Contest of Young Designers, entitled «Russian Silhouette», and were among awardees to receive prizes and certificates from the jury.

UNIDO upgraded the technical capacities of the "Atex-Burgo Fashion School" through the transfer of technologies and know-how for innovative industrial product design, pattern-making, grading and provision of other services to local operators.



EXPORT PROMOTION

- GARMENT -

INTERNATIONAL EXHIBITIONS AND BUSINESS FORUMS

Since August 2016, the pilot beneficiary garment and footwear manufacturers presented 5900BC garment collections at specialized international exhibitions and business forums:

- **“CPM Premium”:** The International Fashion Trade Show and order event “Collection Premiere Moscow” brought together more than 25,000 trade visitors to see about 1,350 collections by international exhibitors from more than 30 countries.

2015:	02.09-05.09	(+ fashion show)
2016:	23.02-26.02	
	31.08-03.09	(+ fashion show)
2017:	22.02-25.02	
	30.08-02.09	(+ fashion show)
2018:	04.09-07.09	
2019:	25.02-28.02	

- **“Bee-Together”:** The International Business Platform for Outsourcing in Light Industry, provided an interactive business tool for manufacturers from more than 20 countries to establish business partnerships for sourcing of light industry products. 5900BC display booths served as a showroom for the pre-arranged meetings with buyers, who could examine the quality of the garments and footwear.

2016:	25.10-26.10
2017:	31.05-01.06
	28.08-31.08
	15.11-16.11
2018:	04.06-09.06
	14.11-15.11

Presenting the 5900BC Spring/Summer Collection 2017 at the CPM Exhibition (31.08-03.09.2016)



CPM

CPM

CPM

CPM

CPM

EXPORT PROMOTION

- FOOTWEAR -

INTERNATIONAL EXHIBITIONS AND BUSINESS FORUMS

- **“Mos Shoes”**, the International Exhibition for Footwear, Accessories and Materials, is the biggest B2B platform in Eastern Europe, which takes place four times a year. It brings together more than 1000 global brands and has around 15 000 visitors from more than 30 countries. In the framework of the exhibition, manufacturers meet with potential buyers and discuss collaboration opportunities.
- **“Lineapelle” and “SIMAC Tanning Tech”** are leading international exhibitions dedicated to leather, accessories, components, synthetics and models for footwear, and leather goods. The UNIDO Project facilitated the participation of the pilot beneficiary footwear manufacturers in these leading international exhibitions to become familiarized in the latest advancements in machinery and technologies available to the footwear, leather goods and tanning industries.
- **Export Consortium:** 17 August 2018 marked the establishment of Light Industry Export Consortium, first of its kind in Armenia, to facilitate access to foreign markets through promotion of long-term strategic cooperation among garment and footwear manufacturers.





5000 BC Fall-Winter Collection 2017/2018



Presenting the 5900BC Spring/Summer Collection 2018 at the CPM Exhibition (30.08-02.09.2017)

-PROJECT RESULTS- AND MACRO-IMPACT



23

MANUFACTURERS

Technical support extended to 23 pilot garment and footwear manufacturers

+91%

NEW JOBS CREATED

Particularly for women, as a result of improved performance of the garment and footwear manufacturers receiving UNIDO's technical assistance

8

EXPORT CONTRACTS

Sustainable export contracts with 8 large retail chains in the region

USD \$6.2 MLN

INCREASE IN EXPORTS

+196% or +USD 6.2 million in total increase in exports at the pilot 23 garment and footwear manufacturers

360

NEW PRODUCTS

2 footwear and 8 garment collections developed under the 5900BC joint brand, + 360 new garment and footwear products

USD \$8.3 MLN

TURNOVER GROWTH

+USD 8.3 million increase in turnover of value-added garment produce and +USD 2 million increase on local sales at the pilot garment manufacturers

+200

NEWLY TRAINED EXPERTS

from the pilot garment and footwear manufacturers, including Atex-Burgo Fashion School instructors

USD \$71 MLN

WORTH INVESTMENT PROJECTS

generated on the basis of demonstrated higher productive performance and competitiveness of garment producers, and projecting about 1800 new jobs in the sector

TRAININGS

FASHION DESIGN

PATTERN MAKING

PRODUCTION PLANNING



PLANNED ACTIVITIES

- PRIVATE-PUBLIC PARTNERSHIPS -

- **Establishment of light industry support centre:** UNIDO project facilitated a public-private partnership model jointly with the Ministry of Economic Development and Investments of Armenia, which envisions establishment of a Light Industry Support Centre.

Based on the survey conducted by industry operators and the Government of Armenia, to acknowledge the primary needs in the textile/garment and footwear/leather industries and to ensure the sustainability of the UNIDO project achievements, a public-private partnership model that includes the establishment of a regional Light Industry Support Center was developed and presented by UNIDO to the national counterparts. The public-private partnership model aims to meet the following goals:

- Enhance competitiveness of textile/garment and footwear/leather sectors through modernization, training and access to new markets;
- Allow the local SMEs to find qualified specialists, study innovative methods, make use of high quality technical services, receive relevant professional consultancy and jointly create a product that competes on the international market;
- Serve as a regional center thanks to the quality and comprehensiveness of its technical support services and textbooks. The national, regional and international customers will receive high quality services, which will enable the sustainability of the center and the improvement of Armenia's position in the light sector internationally.



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BRANDING
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AND SUSTAINABLE GROWTH



TRADE
INVESTMENT
INNOVATION



business
armenic

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