



“I would like to express my appreciation for truly worthy quality of the products that we received. We hope for continued cooperation in the future. Also, expressing our thanks the factory for fine quality tailoring.”

Evgenia Ivanova, Director of development, Dimanche S.r.l., Regional Apparel Retail Chain

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

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 project 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.

### UNIDO’S APPROACH

The two-phase project is implemented since 2014 and aimed to maintain and increase the local textile, clothing, leather and footwear enterprises’ domestic market share, and to 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 the project, UNIDO supported 23 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. Eight garment and two footwear 5900BC fashion collections were produced and showcased at national, regional and international 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”.

### IMPACT

Overall, since its launch in 2014, the UNIDO undertook a thorough diagnosis of manufacturers’ performance and jointly implemented the tailor made upgrading plans, thereby improving the products quality, as well as facilitating establishment of business networking and business partnerships. As a result, so far (by December 2018) as part of both project phases, garment and footwear manufacturing enterprises’ turnover increased by 92 per cent, exports of goods nearly tripled (+196%), whilst employment at the beneficiary SMEs almost doubled (+91%).

### WAY FORWARD

UNIDO 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. This public-private partnership model aims to enhance the competitiveness of garment and footwear sectors, allow the local SMEs to find qualified specialists, innovative methodologies and high quality technical services and jointly create products that are competitive at the international market. At the same time, this Centre will serve as a regional hub of technical high quality support services for national and international manufacturers and SMEs, which will enable the sustainability and the improvement of Armenia’s position in the light sector internationally.

### AT A GLANCE

<b>Project title</b>	“IMPROVING COMPETITIVENESS OF EXPORT-ORIENTED INDUSTRIES IN ARMENIA THROUGH MODERNIZATION AND MARKET ACCESS”
<b>Thematic area</b>	Advancing economic competitiveness
<b>Donor</b>	Russian Federation
<b>Project counterpart</b>	Ministry of Economic Development and Investments of Armenia, Business Armenia
<b>Budget</b>	USD 1,000,000 (Phase I) USD 1,977,500 (Phase II)
<b>Duration</b>	01.07.2014-01.07.2016 (Phase I) 01.07.2016-31.06.2019 (Phase II)