

Baar – June 30, 2009

Relocation opportunity study

A Turkish Group was interested to relocate some textile factories with the double intent of reducing the industrial costs and to site the production closer to the strategic markets.

Rovetex was appointed to explore and investigate whether particular Countries could offer favourable opportunities for re-location investments.

The study focused on three Countries: Tunisia, Serbia and Bosnia-Herzegovina.

Tunisia for political stability, textile tradition (more than 2000 Companies) and convenient legislative treatments attracted already many Foreign Investments. Moreover it could be considered in some way a branch of the European Market; the quality of its production is on the line of the most sophisticated requirements.

The Textile Industry in Serbia and Bosnia-Herzegovina was affected first by privatisation, as it occurred generally in the former Socialist Countries, and later by the civil war.

When Governments reached peace and stability it was compulsory to revitalize their economy and they opted for measures to attract foreign investors.

Serbia and Bosnia-Herzegovina Governments, independently considering the too recent political difficulties, signed the Free Trade Agreement in the South-East-Europe providing free access to the consumer market with 60 million people, the Free Export Agreements with European Union and Turkey, as well as specific preferential export regimes with USA, Canada, Japan, Australia, New Zealand, Russia, Norway and Switzerland.

Rovetex Engineers contacted first the government agency to collect basic information and statistics; then they visited and interviewed the most representative Companies already active in the respective countries; at the end they summarized the collected data in a fully understandable way by means of synoptic tables.

The study considered:

- Political stability
- Taxation laws
- Macroeconomic parameters
- Energy, water, gas and labour costs
- Civil works costs
- Real Estate facilities
- Transportation and Custom peculiarities
- Market opportunities
- Competitors activity
- Potential Partners and Joint Ventures.

The results of this study were presented to the Turkish Group, supporting them to reach a decision, based on documented information and on **Rovetex** experts counselling.