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COMPETITIVENESS OF THE TEXTILE INDUSTRY OF THE REPUBLIC OF SERBIA ON THE EU MARKET

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Abstract: The focus of research interest on the analysis of the competitiveness of the textile industry of the Republic of Serbia stems from the fact that, despite many years of negative indicators of development and objectively unsatisfactory status, the industry has maintained a recognizable and pronounced export potential. Namely, despite the marginal share in the production of gross domestic product, the textile industry is continuously, in terms of its export, among the top five most important exporters. The research should point to the trend and dynamics of changes in the competitiveness of the industry and the stability of the economic flows. For the purpose of complex analysis of the phenomena related to the competitiveness of this part of the national economy, the paper uses the methodology developed by the International Trade Centre UNCTAD/WTO (ITC), and in particular the Trade Performance Index group of indicators. The results of the research provide a basis for the conclusion that the textile industry can still be one of the stable pillars of self-sustainable growth, but also of the long-term production and trade integration of the Republic of Serbia with the European Union.

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Introduction

The need to define a new, long-term self-sustaining and autonomous growth model places the emphasis on dynamising growth and boosting competitiveness, especially for the manufacturing industry, as well as changing its export structure, which has been imposed independently of economic and development policies.

Textile and clothing production in the Republic of Serbia still has a modest share in global structural change. This is, to a large extent, a consequence of its marginalization in the structure of the national economy, which occurred during the transition processes. However, this branch of industry has maintained a recognizable export potential, as measured by the share of its exports in the country's total exports (Corovic, 2012). There is a positive trend in the growth of its export, which during most of the post-crisis period has been more dynamic in comparison with developments in international trade and the increase in the volume of imports of textile products into the EU market, as the most important export destinations.

The aim of the research in the paper is to determine the level of competitiveness of the textiles and clothing export to the EU market, using a methodology that is widely used in contemporary economic literature. At the same time, the analysis should indicate the trend and dynamics of changes in competitiveness, as well as the sectoral structure of competitiveness and the most significant product groups, as the bearer of established trends.

Based on the results obtained, the analysis should answer the question: To what extent can this industry be a stable support for self-sustaining growth, but also for the long-term production and trade integration of the Republic of Serbia within the European Union?

1. Competitiveness factors concerning the textile industry of the Republic of Serbia

During the transition processes, textile industry of the Republic of Serbia was left without some of the key factor conditions of competitiveness - a relatively complete and balanced structure of the technological stages of production. With the actual loss of the raw material sector in the failed privatization, this industry was largely reduced to processing capacities in the production of clothing (Ćorović, 2012).

In addition to the production of utensils and spare parts, licensed production of spinning equipment has also stoped. At the same time, with the disintegration of the common state of Yugoslavia, the domestic market was significantly narrowed: from 25 million inhabitants, it was reduced to just over seven million in the independent state of the Republic of Serbia. In addition, the long isolation and

seclusion of the Republic of Serbia, during international sanctions, adversely affected the competitive training of manufacturers for a sharper international game.

The decrease in international competitiveness of the textile industry of the Republic of Serbia, during the beginning of the transition period, was contributed by unsynchronised and expedited economic policy measures. The unilateral reduction of tariffs, to a lower level than the average in the European Union, with depreciation of foreign currencies, created an unfavourable competitive environment for the further development of the industry, which has just come out of a period of isolation. The imminent decline in business profitability has minimised domestic investment in the textile industry.

The evident growth of export competitiveness of the textile industry of the Republic of Serbia, after the end of the privatization shock wave, is related to the preservation and transformation of part of the classical determinants, serious improvement of external variables, especially the active role of the state and the change in the structure of export jobs.

The education system, which is the personnel base of the textile industry, is preserved in its secondary education as well as in the higher education sector. The current advancement of this system, through the development of dual education and its firmer attachment to the needs of the textile industry, provides a serious supply of highly educated and relatively cheap labour. However, there is a lack of specialised scientific and research institutions, which are the basis of intensive development, so that the business strategies of domestic producers are mostly adaptive and partly imitative.

Consequently, the adoption of new products and the widespread use of textiles in other industries are far behind the textile industry of developed countries, so that production is concentrated on products in their mature stages.

In such factor conditions, the textile industry of the Republic of Serbia is highly competitive in the most demanding finishing jobs, coming from Italy, Germany, France and smaller European countries. With labour costs of EUR 0.05-0.07 per standard minute, Serbia is more competitive than Romania (0.11-0.13), Bulgaria (0.10), and Croatia (0.14), Slovakia and Hungary (0.12), Poland and the Baltic countries (0.12). In terms of labour costs, Serbia is on par with Northern Macedonia and Ukraine. Higher production costs are also found in Morocco (0.12), Tunisia (0.10-0.11) and Turkey (0.10-0.15). In European Union countries, the cost of production minutes ranges from 0.19 euros in Greece, 0.28-0.38 in Italy, to 0.60 euros in Germany (USAID, 2014).

Changing the structure of export jobs in the textile industry of the Republic of Serbia, enabled by the rapid growth of clothing jobs and competitive state subsidies for foreign direct investment inflows - favourable long-term lease or free assignment of infrastructure-equipped land, direct incentives for new employment from 4,000 to

8,000 euros per worker, tax benefits in the first years of business (Official Gazette of the Republic of Serbia 61/2005, 1/2019). In this way, the problem of low domestic savings and lack of investment capital has been largely mitigated.

In addition to lower labour costs, the location of the textile industry of the Republic of Serbia gives a natural competitive advantage in terms of transportation costs. With an average cost of transportation of 0.9-1.0 euros per kilometre for one-way routes Serbia - Italy, Germany, France, by truck with a volume of 120 m3 Serbia, in this area, shows higher price competitiveness in comparison with Ukraine, Macedonia and Romania, which are the most favourable locations for finishing operations (Association of Carriers of the Republic of Serbia).

The global phenomenon of liberalization of commodities and cash flows began to have an active influence on economic trends in the Republic of Serbia at the end of 2000. Changing conditions in international trade, on the one hand, had an undeniable negative impact on the competitive environment of textile product placement in the narrowed domestic market. However, with the active role of state institutions in signing bilateral and multilateral free trade agreements, conditions have been created for the growth of export of Serbia's textile products to markets with far greater absorption potential. The ratification of the Free Trade Agreement with the Russian Federation (Official Gazette of FRY 1/2001) gave duty-free access to a wide range of goods in this large market and opened the way for the textile industry to export to the region, which by the early 1990s had absorbed much of its productions.

A more significant reflection of this Treaty, later, would manifest itself in the increased inflow of foreign direct investment and refinement from EU countries, for the duty-free export of well-known brands to this large market.

Multilateral flows of liberalization continued with the adoption of the Law on Ratification of the Agreement on Trade in Textile Products between the Republic of Serbia and the European Community (Official Gazette of the Republic of Serbia 45/2005). With this first Free Trade Agreement, the European Community has shown a clear interest in the placement of dressing operations in the Republic of Serbia, which in practice proved to be a key impetus for the growth of its textile industry's export to the largest world market for these products.

At the same time, with the expiry of the adjustment period and the beginning of duty-free import of textile products from the European Union, the Law on Confirmation of the Agreement on Amendment and Accession to the Free Trade Agreement in Central Europe - CEFTA 2006 (Official Gazette of the Republic of Serbia 88/2007), which was signed a year earlier. It was applicable in the territories of Serbia, Bosnia and Herzegovina, Croatia, Montenegro, Macedonia, Albania and Moldova and provided for the abolition of customs duties on textile products, which further expanded the possibilities of exporting textile products to known markets.

The positive effects on the determinants of competitiveness, lost during the transition period, are related to the beginning of implementation of the Free Trade Agreement with Turkey in September 2010 (Official Gazette of the Republic of Serbia 105/209). The full effect of this Agreement is related to duty-free import and the benefits of cumulating the origin of goods from trade with Turkey, in particular raw materials and auxiliaries, utensils and spare parts and sewing and washing equipment. The effects are visible in increasing the price competitiveness of regular export of finished goods, the growth of foreign direct investment from Turkey, as well as the refinement of export operations to third markets.

High-quality production of well-known European brands, in addition to the skilled and trained workforce available to the Republic of Serbia, also requires state-of-the-art technology in finishing operations, which is a condition of quality and high productivity. The process of technological modernization, in the Republic of Serbia, was implemented mainly in small and medium-sized enterprises, where the process of automation is highly represented in the design and technical preparation stages of production, as well as in many production phases. The very structure of capacity, where 99% of producers belong to micro, small and medium-sized enterprises and entrepreneurial businesses, is an obstacle to the production of large series (Ćorović, 2012, pp. 110-120).

The process of capacity consolidation has slowed down considerably and there are relatively few manufacturers capable of executing larger production orders in a short time.

At the same time, capacities in the Republic of Serbia are highly competitive in the production of smaller batches, rapid changes of work orders, supplement of already delivered large batches, which, with a short delivery time directly to the address of retail customers, is a special quality in modern conditions.

2. Research methodology

For the purpose of complex analysis of the phenomena related to the export competitiveness of a national economy, the International Trade Centre UNCTAD/WTO (ITC) has developed, within the Trade Competitiveness Map, the Trade Performance Index (International Trade Centre, 2000). Using this index, as in the case of the RCA index, competitiveness measurement is based on international reference data on export of particular goods, commodities, industries or sectors. However, unlike the comparative advantages revealed, TPI takes into account not only the absolute trade values, but also the size and specialization of each country, as well as any weaknesses arising from the excessive concentration of exports to several destination products or markets (Fortis, Corradini, Carminati, 2015).

The Trade Performance Index was developed by ITC's Market Analysis Division by M. Mimouni, L. Fontagne (Universite de Paris I) - Fontagné, L.,

Mimouni, M. (2001) as well as by F. von Kirchbach, with the help of Conte K., Freudenberg, M., and Pasteels, J. M. (2007) who contributed to technical solutions.

Detailed technical elaboration and application in numerous reports and academic publications followed the publication of The Trade Performance Index - Technical Notes (International Trade Centre UNCTAD/WTO, 2007). Given that it is a composite index, the indicators are divided into three groups. For each country and each sector, the TPI provides indicators: (1) on the country's general profile, (2) on the country's position, and (3) on the decomposition of the country's change in world market share. The TPI consists of 22 quantitative indicators of trade performance.

For ease of reference, these indicators are presented in absolute terms and, in addition, combined to form a cross-country ranking. All the information are grouped into three categories, which relate to "general profile", "immediate performance" and "decomposition of changes in trade performance" (International Trade Centre UNCTAD/WTO, 2007).

Out of the 22 quantitative indicators mentioned above, the authors opted for two, most commonly used in academic articles, which in the simplest way correct any shortcomings in measuring competitiveness using the RCA index. From the group of indicators related to the Current performance category, P3 - Share in world market was taken into account: the share of the world market for a particular country is the ratio of total country's export to total world export.

When measuring the competitiveness of an industry or sector in a particular regional market, this indicator takes into account the ratio of national export of an industry or sector in total exports of that industry or sector in the selected regional market - Jefferson Institute (2006), T., Xu, F. (2007).

From the group of indicators related to the General profile category was taken into account G8 - Change of world market share in % points: absolute and relative change in the market share of national export of a branch or sector in a regional or global market is taken into account from the group of indicators that relate to the General profile category - the absolute change in the world market ITC - International Trade Centre UNCTAD/WTO (2007); Corovic, Jovanovic and Ristic (2013).

As already noted, the implementation of the TPI index is linked to the reports of major international organizations: World Economic Forum (2002); Global Competitiveness Report (2001-2002); World Trade Organization (2014).

Notable contributions from academic publications include: Fortis, M. (2009); Arrighetti, A., Ninni, A. (2012); Molate, C., van Seve, D. (2003); Halilbašić, M., Brkić, S., Bosić, V. (2015); Assadzadeh, A., Behbudi, D., Miyarkolaie, N. F., Moghadam, H. M. (2013); Gligorijević, Ž., Ćorović, E. (2019); Ćorović, E., Gligorijević, Ž., Manasijević, A. (2019).

3. Data sources for analysis

The paper analyzses the export competitiveness and export performance of textile products of the Republic of Serbia in the European Union market by calculating selected TPI index indicators using the world's largest trade database COMTRADE (United Nations Department of Statistics). The data were accessed via the ITC TRADE MAP website - Trade statistics for international business development. This statistical database covers 184 countries, including more than 95% of world trade, with 5,000 products reported at the 6-digit Harmonized System (HS) level (www.trademap.org). The Harmonized Commodity Description and Coding System (HS) is a nomenclature developed by the World Customs Organization (WCO).

HS includes product groups defined at the 6 digit level. In this case, tariff headings are four-digit codes in which the first two digits represent the head number and the other two numbers indicating the position of the heading within that head, and tariff sub-headings are six-digit headings in which two digits indicate the position of a subheading within that heading (WCO, 2017).

Trade data obtained from the UN COMTRADE database refer to the period 2007 to 2018. It should be noted that the Republic of Serbia restored state independence in 2006, and that from that year there are relevant statistical data from international sources. In order to objectively evaluate the results of the research, it should be borne in mind that the analysed period excludes relatively low initial values after the country left the economic blockade after 2000, as well as the restrictions that arose from the period of transition crisis from 2001 to 2006.

Taking into account the most recent International Standard Industrial Classification of All Economic Activities - ISIC Revision 4 (UN, 2008), the export data for subsector 13 - Manufacture of Textiles includes the following product groups, of headings: 50 - Silk, 51 - Wool, fine or coarse animal fure; horsehair yarn and woven fabric, 52 - Cotton, 53 - Other vegetable textile fibers; paper yarn and woven fabrics of paper yarn, 54 - Man-made filaments, 55 - Man-made staple fibers, 56 - Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof, 57 - Carpets and other textile floor coverings, 58 - Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery, 59 - Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use, 60 - Knitted or crocheted fabrics, 63 - Other made up textile articles; sets; worn clothing and textile articles; rags, 1505. 4304, 7019, 9404, 9616.

Data for subsector 14 - Manufacture of Wearing Apparel, covers the following product groups: 61 - Articles of apparel and clothing accessories, knitted or crocheted, 62 - Articles of apparel and clothing accessories, not knitted or crocheted, 65 - Headgear and parts thereof, 4203, 4303 and 961.

Considering the subject matter of the research, we have decided to use and analyze the results of the commonly used methodology for measuring the competitiveness of the TP Index, with wide application, both in the textile and clothing sector and in other areas of international trade.

4. Analysis instruments and procedures

The analysis of the competitiveness of Serbia's textile industry in the European Union market, using selected Trade Performance Index (TPI) instruments, is based on the calculation of national export market share for selected years, both for product groups within subsectors 13 and 14 separately, and for all product groups from both subsectors together, that is, for the entire textile industry. The formula for calculating the market share of a particular product group in the European Union market in one year is as follows:

$$MSijy = (\sum Ksij / \sum Ksnj), \text{ where}$$

MS = market share, **Ks** = exports, **i** = country - Serbia, **j** = commodity group, **n** = world exports to the EU market, **t** = year.

The absolute change in the market share of export of a given group of products on the EU market for a given period is calculated by subtracting the value of market share from the beginning of the period from the value at the end of the period, by the formula:

$$AcMS = MSijy+11 - Msijy1, \text{ where}$$

y1 = 2007, **y+11** = 2018.

In the case of a positive difference, it means that there has been an absolute increase in market share and competitiveness of export of the product group observed in the European Union market and vice versa.

The relative change in the market share of export of a particular product group on the EU market for a given period is calculated by dividing the value of market share from the beginning of the period by the value from the end of the period, by the formula:

$$RcMS = MSijy+11 / Msijy1.$$

The positive value obtained is the percentage growth of market share and competitiveness of export of the observed product group in the European Union market and vice versa (Corovic, Jovanovic, & Ristic, 2013, pp. 8-9).

4. Analysis of the textile industry's competitiveness of the Republic of Serbia

Despite the loss of some key determinants of competitiveness, during the transition, and the tendency to reduce its share in the production of gross domestic product, the textile industry has, in the last decade, been continuously among the top five most important exporters in the Serbian industry.

The above estimates about its export potential are based on the following facts: the continuous dynamics of growth of export of the textile industry of the Republic of Serbia, especially to the European Union market in the analyzed period, faster growth of Serbian export of this industry compared to the total world export and export of textile products to the European Union market, changing the structure of its export business and regional export structure.

Table 1: Export of the textile industry of the Republic of Serbia to the European Union market in the period 2007-2018 (EUR million)

Products	2007	2009	2010	2012	2013	2014	2016	2018
Manufacture of textiles	33	31	38	65	80	114	144	194
Manufacture of clothing and leather goods	292	260	273	313	305	338	394	428
Textile industry - total	325	291	311	378	385	452	538	622

Source: www.intracen.org: *Trade statistics* - International trade center. Accessed 01/25/2020.

In the period 2007-2018, export of the textile industry of the Republic of Serbia to the European Union market increased from 325 million euros to 622 million euros, cumulatively by 91.3%. In the same period, world export of textile products increased by 22% and export of these products from all over the world to the European Union market by 24%.

At the same time, Serbian export of Sector 13 recorded a higher growth dynamics compared to Sector 14, both on the European and the world markets. Cumulatively, export of Sector 13 increased by 373% on the European Union market and by 178% on the world market, while this growth in Sector 14 increased by 27.7% and 60.5% respectively.[1]

In terms of manufacturing, by volume of exports to the European Union market in 2018, the textile industry ranks fifth, after exports of motor vehicles, electrical equipment, rubber and plastic products and electrical equipment. In the same period, world export of textile products increased by 22% and exports of these products from all over the world to the European Union market by 24%.

[1] Author's calculation based on website statistics: www.intracen.org: *Trade statistics* - International trade center.

In addition, Serbian export of subsector 13 recorded a higher growth dynamics compared to subsector 14, both in the European and world market. Cumulatively, exports of subsector 13 in the EU market increased by 373% and in the world market by 178%, while that growth in subsector 14 was 27.7% and 60.5% respectively.[2] In terms of regional export orientation, the dominant market for the textile industry of the Republic of Serbia is the countries of the European Union, which account for 73.4% of total export in 2018. Export of subsector 13 accounted for 79.5% of the European Union market in the same year, and export of subsector 14 for 68.8%.[3]

It is obvious that after the dynamic growth of export to the European Union market in the initial period of transition in the Republic of Serbia, the regional structure of export of this industry has stabilised, with the participation of this large market at over 70%. At the same time, there is a noticeable tendency for diversification towards faster growth of export of a wide range of products from subsector 13, which was symbolically represented during the transition.

The described flows in the export of the textile industry of the Republic of Serbia are the result of a change in the structure of export operations, in the direction of dynamic growth of dressing operations in both sectors of this industry, which are almost entirely directed towards the countries of the European Union.

Regular export, predominantly to CEFTA countries, was slowing down and declining due to the volatility and low absorption capacity of these countries' markets, as well as increased competition from supply from Turkey and China. An exception is the refined and regular export to the Russian Federation, the growth of which is the result of successful foreign direct investment from Italy, especially in the production of hula-hop women's socks.

Changing the regional structure of export of the textile industry of the Republic of Serbia since 2000 in the direction of domination of the European Union market and stabilization of the relative share of export to that market to over 70% of the total export, are the basic commitments to measure the competitiveness of this industry of the Republic of Serbia focus on export to that market. In addition, this market is the largest textile market in the entire analysed period, with 41.6% in 2007 and 36.5% in 2018 of the total world export of these products.[4]

High dynamics of growth of export of textile industry of the Republic of Serbia to the market of EU countries, resulted in continuous growth of market share in that market. Although these are marginal values for that market (0.30%), both TPI index indicators show growth in competitiveness.

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[2] Author's calculation based on website statistics: www.intracen.org: *Trade statistics* - International trade center.

[3] Author's calculation based on website statistics: www.intracen.org: *Trade statistics* - International trade center.

[4] Author's calculation based on website statistics: www.intracen.org: *Trade statistics* - International trade center.

In the analysed period, the entire textile industry recorded an absolute growth of market share by 0.8 percentage points, from 0.22% in 2007 to 0.30% in 2018, or a relative increase of 36.36%. At the same time, the market share of subsector 13 has grown by 350.9%, while the market share of subsector 14 has stagnant tendencies due to the increasing competition from the world.

Table 2: Indicators of the competitiveness of the textile industry of the Republic of Serbia in the EU market in the period 2007-2018

	2007	2012	2014	2015	2016	2017	2018
Market share div. 13, %	0,05	0,10	0,15	0,17	0,18	0,20	0,23
Market share div. 14, %	0,38	0,27	0,33	0,32	0,34	0,35	0,33
Market share 13+14, %	0,22	0,21	0,25	0,26	0,27	0,30	0,30
Absolute change of the market share div. 13 2007/2018							+0,18
Absolute change of the market share div. 14 2007/2018							-0,04
Absolute change of the market share div. 13+14 2007/2018							+ 0,08
Change in EU-28 market share %, div. 13 2007/2018							+350,9
Change in EU-28 market share %, div. 14 2007/2018							- 11,80
Change in EU-28 market share %, div. 13+14 2007/2018							+36,36

Source: Statistical Budget of the Author. from www.intracen.org: *Trade statistics* - International trade center. Accessed 02/21/2020.

In the observed period, the total export of the Republic of Serbia to this market increased by 143%,[5] which is twice the growth of the textile industry by 65.5%. As a consequence of the process of diversification of Serbian export to this market, the share of export of textile products decreased from 8.49% in 2007, to 5.72% in 2018. In the same period, the cumulative growth of export of textile products from all over the world to the European Union market was 24.6%, while the cumulative growth of world exports was 22.3%.

Positive growth in market share is continuously recorded by subsector 13, although initial lows should be taken into account. This subsector has only begun to show comparative advantages since 2015. Poor indicators in sub-sector 14, in addition to a decrease in the relative share of export of this group of textile products in total Serbian export to the EU market, is a consequence of faster growth of export of products of this sub-sector from all over the world to EU countries, cumulatively by 45.01%, while cumulative export growth of this group of Serbian products was 27.7%. To this should be added that the growth of world

[5] Author's calculation based on website statistics: www.intracen.org: *Trade statistics* - International trade center.

export of textile products to the European Union market from 2007 to 2018 rests almost entirely on the growth of subsector 14, while the export of subsector 13 has stagnant trends throughout the period.

Prior to the onset of the global economic crisis, due to the relatively rapid absolute growth of export, and the market share of the textile industry of the Republic of Serbia in its dominant market, it recorded continuous growth. The decline in market share from 2009 to 2012 is noticeable in subsector 14, in line with the absolute decline in export of this product group.

Conclusion

The analysis of the economic trends of the Republic of Serbia in the post-crisis period gives the basis for the conclusion that the positive flows and a slight increase in the share of the manufacturing industry in the creation of gross domestic product were not accompanied by similar dynamics of growth of textile and clothing production. The modest results from the implementation of the new growth model in the textile industry are, to a large extent, the result of insufficient volume of investment, which is the first condition for eliminating its structural imbalances. However, in the sphere of foreign trade relations, this sector of the economy of the Republic of Serbia maintained a recognizable export potential, measured by the share of its export in the total exports of the country, despite the negative production indicators in this period. A positive upward trend in its export has been observed, which for most of the last decade has been more dynamic in comparison with developments in international trade and the volume of import of textile products into the EU market. In terms of manufacturing in the Republic of Serbia, in terms of export to the European Union market in 2018, the textile industry is in the fifth place.

The fact that export of the Republic of Serbia, especially to the EU market, is still based on low-and medium-high-tech products suggests that the new economic growth model must take into account the current state of the national economy and that the contributions of all export-oriented industries must not be rejected, even those with low technological levels, such as the textile industry.

The results of the analysis of the competitiveness of the textile industry can be summarised in the following facts: the continuous dynamics of growth of export of the textile industry of the Republic of Serbia to the EU market in the analysed period was determined, faster growth of export of this industry compared to the total world export and export of textile products to the EU market, changing the structure of its export business and regional export structure. Based on the results of the analysis, it can be concluded that this industry can be a stable support for self-sustaining growth, but also for long-term production and trade integration with the European Union.

High dynamics of growth of export of the textile industry of the Republic of Serbia to the market of EU countries, resulted in continuous growth of market share in that market. Although marginal values for that market (0.30%), both indicators of the TPI index showed growth in competitiveness. In doing so, the relative faster growth of the market share of sub-sector 13 was 350%, while the market share of the sub-sector 14 has stagnant tendencies due to the increasing competition from the world. Stagnant tendencies in subsector 14, in addition to a decrease in the relative share of export of this group of textile products in total Serbian export to the EU market, is a consequence of faster growth of export of products of this sector from all over the world to EU countries.

The evident growth of export competitiveness of the textile industry of the Republic of Serbia, after the end of the privatization shock wave, is related to the preservation and transformation of part of the classical determinants, the serious improvement of external variables, especially the active role of the state, and the change in the structure of export jobs. The education system is preserved in secondary and higher education. In this part of the factor conditions, the textile industry of the Republic of Serbia is highly competitive, with lower labour costs than other competing industries. It should be added that location gives the textile industry of the Republic of Serbia a natural competitive advantage in terms of transportation costs.

Changing conditions in international trade, on the one hand, had an undeniable negative impact on the competitive environment for the marketing of textile products in the narrowed domestic market. However, with the active role of state institutions in signing bilateral and multilateral free trade agreements, there have been created conditions for the growth of Serbia's export of textile products to the markets, with far greater absorption potential.

The analysis of the interrelated determinants of competitive advantages and external variables give grounds for claiming that the detected increase in competitiveness is, to a large extent, based on changes in the structure of export jobs and the regional structure of export of this part of the industry of the Republic of Serbia.

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KONKURENTNOST TEKSTILNE INDUSTRIJE REPUBLIKE SRBIJE NA TRŽIŠTU EVROPSKE UNIJE

Apstrakt: Fokusiranje istraživačkog interesa na analizu konkurentnosti tekstilne industrije Republike Srbije proizilazi iz činjenice da je ova industrijska grana, i pored dugogodišnjih negativnih pokazatelja razvoja i objektivno nezadovoljavajućeg stanja, zadržala prepoznatljiv i izražen izvozni potencijal. Naime, i pored marginalnog učešća u stvaranju bruto domaćeg proizvoda tekstilna industrija se u kontinuitetu, po ostvarenom izvozu u poslednjih deset godina, nalazi među prvih pet najznačajnijih izvoznika u industriji Republike Srbije. Istraživanje treba da ukaže na trend i dinamiku promena konkurentnosti ove industrijske grane i stabilnost tih ekonomskih tokova. Za potrebe kompleksne analize fenomena vezanih za konkurentnost ovog dela nacionalne ekonomije, u radu je korišćena metodologija koju je razvio International Trade Centre UNCTAD/WTO (ITC), a posebno grupa indikatora Trade Performance Index. Rezultati istraživanja daju osnovu za zaključak da tekstilna industrija, još uvek, može biti jedan od stabilnih oslonaca samoodrživog rasta, ali i dugoročne proizvodne i trgovinske integracije Republike Srbije sa Evropskom unijom?

Ključne reči: Konkurentnost, tektilna industrija, tržište, TPI indeks, Republika Srbija, Evropska unija.

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