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KOSOVO

SUCCESS STORY

Wood Processors Build Strong Market

Controlling costs and lobbying for stronger harvesting standards gives wood processors a stronger business model



Photo: Karen Byrne, Chemonics International

Naim Gacaferi's kitchens range from simple to stunning.

Naim has made frequent trips to Italy with USAID support to stay on top of technology and design innovations.

The sweet air of the city of Peje/Pec (the town's Albanian/Serbian names), tucked beneath the "Albanian Alps" in western Kosovo, mixes with the fragrance of cut lumber on the top floor of Gacaferi's wood shop. Workers crisscross the spacious floor, carrying kitchen elements from station to station for sanding, drilling, assembly.

"It's good to work with wood," says one man. He has been here 12 years — one of 40 workers rehired when Naim Gacaferi rebuilt his business after Kosovo's 1999 war. Naim's workshop had been looted and burned, but left standing. He rented it to an organization and used the money to restart the business his father had founded 40 years earlier.

With 60 percent of its houses destroyed, Peje/Pec had little need for Naim's doors, windows and staircases, so he sold them in Gjilan/Gnjilane, 80 miles to the east, importing raw materials from Turkey. Today, business is better, but still far behind prewar levels. His markets in Macedonia and

Serbia are gone, and in Kosovo, his main product — kitchen systems — must compete with higher-quality, and sometimes cheaper, imports.

USAID is helping Naim's company, Gacaferi Furniture Makers, and 11 other mid-size wood processors recover their markets by reducing costs, improving quality and increasing employment.

Currently, 70 percent of the wood used by Kosovo processors is imported. With proper, efficient resource management, much of this could be replaced with domestic wood, so one USAID project is helping wood processors form an association to lobby for better forest management and sawmilling.

Naim's business looks like a survivor. His showrooms display kitchens ranging from simple to stunning. USAID is helping him control his costs by improving production, inventory control and product maintenance. He has also made frequent trips to Italy with USAID support to stay on top of technology and design innovations. Naim met equipment suppliers at a major trade show in Milan, Italy, and swapped showroom space with other Kosovar firms that make non-competing products.