

The Efficiency, Benefits and Profitability of Lohn Production in RN Macedonia for a German Textile Company

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Abstract – This paper shows the efficiency and profitability of the textile Lohn production in the Republic of North Macedonia as well as in other countries in the Western Balkans, the so-called third countries.

This geographical region is attractive because of the cheap labor, as well as the profitability that arises as a result of the economic system of work. The paper makes comparison with the production in Western European countries, where the wage for the labor is several times higher, and at the same time the taxes are also higher. In the global market, the third textile production option is the Far East, or for the most part China, as a favorable option, but with very long delivery times due to the physical distance from the European continent and the transport time for the final products.

In this paper we will show the results and analyses through an example of a German textile company oriented towards production of fashion textile products in RN Macedonia, including efficiency of the textile production in the Western Balkans, as the most acceptable option for Lohn production.

The solutions were based on the concept of improving the efficiency of operations, especially in the area of

organization of production operations, in a way that enabled complete elimination of errors, greater productivity and increased quality of the final product, within a precisely defined time frame.

Keywords – Cheap labor, Lohn system production, textile company, efficiency, textile products.

1. Introduction

Textile production is one of the oldest industrial branches on the territory of RN Macedonia, which underwent through a number of historical and economic phases and changes in terms of its development [1], [2], [3].

The beginnings of the development of this sector date back to the end of the 19th century when many small towns in Macedonia already had well-established trade relations. In that period there was a need to make clothes and uniforms for the Ottoman army and to make fashionable clothes for the people who lived in the urban areas.

At the end of 1880, in the Bitola region, the first small facilities were opened in the villages of Dihovo, Magarevo and Trnovo, where woolen products were mostly sewn. The period after the Second World War is followed by a negative impact on this sector, which finally comes to life with the formation of the 5-year plan of the then government of Socialist Federal Republic of Yugoslavia, which implements industrialization of handicrafts and the manual making. The two largest textile facilities on the territory of RN Macedonia are created: "Teteks" from Tetovo and "Makedonka" from Shtip [2], [3].

The previously planned production of woolen thread, fabrics and clothing is slowly growing into a production of cotton thread and fabric. All this contributes to the growth of jobs and employment in this sector, which increased from 5.3% textile workers (of the total number of employees) in 1947, to 32% of employees in the textile sector [2], [3].

In the years that followed, the textile industry underwent significant development in every aspect, going through various historical and economic

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stages. The production of garment of 175,000 metric tons per year in 1946 had an increase to 444,000 metric tons per year in 1953 and 12,776,000 meters of garment in 1984 [2], [3].

In the period after the independence of RN Macedonia, the garment production reaches up to 10% of the total industrial production of the country and already in the year of 2000 the percentage of export of final textile products is 26.8% [2], [3].

The subject of research in this paper is the diagnosis of a Macedonian textile company in terms of implementation of TQM (Total Quality Management) system in all segments of business [1].

2. Literature Review

Currently, the textile sector is the second largest export branch in RN Macedonia, which specifically contributes to its economic development [2], [3]. The country not only has the potential for new, foreign direct investment but also has an excellent foundation for outsourcing and partner operations with successfully established domestic companies. All this is a precondition for a growing number of Western European companies to focus their production right here and in the neighboring countries of the Western Balkans, which undoubtedly leads to profitability of such projects for both sides.

For the efficient operation of the quality system introduced by ISO 9001:20015 in the textile company, in order to access certain information such as plans and methodology for their implementation, the standard operating procedures (SOP) are required for all business processes, rules of operation, regulations, textile standards, matrix of duties and responsibilities, records for quality control of data, proposals for corrective actions, etc. Therefore, it is necessary to design a good information system [4], [5], [6].

3. Materials and Methods

Based on the analysis we have conducted of the existing quality system, an appropriate methodology has been designed for each feature of TQM philosophy. The effects of the changes in the environment of the company will trigger changes in its technology and production, as well as application of total quality management, by acquiring knowledge, skills and provision of knowledge-based development [5], [7], [8].

The subject of research in this paper is the diagnosis of a Macedonian textile company in terms of implementation of TQM (Total Quality Management) system in all segments of business. In order to obtain a clearer and more accurate picture of the textile production in RN Macedonia and to

conclude how profitable, cost-effective and efficient that is, detailed analytical methods will be applied [3]. With the help of the descriptive method, we shall provide descriptions of all relevant factors that contribute to it, while the comparative method is crucial for drawing a final conclusion on the topic which is the subject of analysis in this project paper.

4. Results and Discussion

4.1. Textile-garment Production in RN Macedonia Lohn Textile Production

One of the key components why a well-established German company, with equally well-established reputation, well-developed brand and solid distribution of its products on the European, Russian and American markets, decided to entrust its production entirely to a Macedonian textile company are definitely the prices on the Lohn production and the prices of all additional textile operations such as washing, embroidery, dyeing, etc., [9], [10], [11], [12].

The German company decides to produce fashionable women's pants using the most basic simple cotton model without pockets, to the most complex model with many operations, with 5 pockets made of specific fabric. Apart from the sewing process, the price of which includes ironing and packaging operations, other additional operations are also included in the production of the pants, which are not included in the basic price. Such operations are: washing, dyeing, embroidery (on parts of the pants or only on the pockets), fitting of plaid material, work with very complex material (which is slippery, that gets stuck in the machines or is unstable), etc., [13].

Table 1 provides a price overview of all individual operations that will enable us to obtain a picture about an average price for making an item - women's fashion pants. The table is based on personal data.

Table 1. Prices of production operations for production of women's fashion pants

Operation	Price from – to, expressed in Euros (€)
Lohn production (sewing, ironing and packaging)	3.20 - 5.30 €
Dyeing	2.40 - 3.10 €
Washing	0.40 - 0.80 €
Embroidery	0.50 - 1.20 €
Fitting of plaid material	0.20 €
Material difficult to work with	0.20 €
Small quantities from an order	x 2 of the basic Lohn price
Making of the collection (between 10 to 40 pieces)	x 3 of the basic Lohn price

The conclusion from Table 1 shows the information on the basis of which the final price for production of a fashion item (in this case, women's pants) in a garment factory can be defined. The price will be established on the basis of the following: price for lohn production, additional operations, quality of fabric, and order quantity. Hence, the average price ranges from 4.20 to 7.50€ for 1 piece of textile product.

If we take into account the prices for lohn production in Western European countries, which are at least twice as high as these, it is understandable why most of their companies decide to do their production in the Western Balkans.

4.2. Supply with Basic Fabrics and Accessories for Textile Production

When it comes to defining of price for lohn production, the price of the basic fabrics and accessories used in the production process has no influence. In most cases, the basic fabrics and accessories are imported by the client who directly performs the procurement. Most often, the basic material is procured from manufacturers from Turkey, Portugal, Italy, PR China or Germany. In individual cases and for various reasons, the client may oblige the manufacturer to purchase those basic and auxiliary material. This is the second most important reason for choosing one of the countries of the Western Balkans as a country for production of textile products [14].

In this case, the German client procures its basic materials – fabrics, mainly from several renowned Turkish manufacturers: cotton, synthetic, viscose and woolen fabrics. A smaller part of the fabrics are imported from Portugal, Italy, Spain or PR China. The procedure of import of the fabric until its arrival in the garment facility for production in RN Macedonia is quite complex and takes a long time. After defining the items, the size, the price and the delivery time, what follows is the packaging, customs clearance and transport of the items to the warehouses of the German company. This process sometimes takes more than 2 months, and the costs of transport, storage, counting, selection and re-transportation towards Macedonia increase several times.

Due to all this, the Macedonian manufacturer decides to cede part of its well-organized warehouse space to its German partner and to directly import the necessary fabrics, to store them, count and use them immediately in the production process (Table 2). This procedure reduces the transport costs by several times, minimizes the delivery time (due to the geographical proximity of the countries) and, in case of defects or errors in the fabric, efficient replacement or addition is performed in the shortest possible time.

Table 2. Transport costs and customs duties on fabric imports

Transport costs and customs duties	Import of fabric in DE	Direct import of fabric in MK
From Turkey	1.41 - 1.56 € for 1 m of fabric with DHL air transport	0.52 - 0.93 € for 1 meter of fabric with aggregate truck transport
From Portugal	0.60 - 0.90 € for 1 meter of fabric with aggregate truck transport	0.70 € for 1 meter of fabric with aggregate truck transport
From Italy	0.50 - 0.80 € for 1 meter of fabric with aggregate truck transport	1.90 € for 1 meter of fabric with DHL air transport
From PR China	2,500-3,000 € for a whole container by ship	2400-2800 € for a whole container by ship

Source: Export invoices from fabric manufacturers from Turkey, Portugal, Italy, China, etc. owned by a German textile company and own sources.

Transport prices vary depending on the quantity of delivered fabric and on the type of transport (air, truck, ship or combined, including aggregate truck transport or complete from one manufacturer for one garment facility, etc.). Depending on the agreement between the manufacturer and the customer, the transport can be ex-factory, meaning it is paid to the final destination – garment facility, or it is paid only to a certain warehouse, storage facility, so that after the completion of the customs procedures, a local transport should be paid and organized. However, in both cases, the cost of delivery of the fabric from the manufacturer to the Macedonian garment facility is at least twice cheaper [15].

The biggest benefit in this process is the huge time saving, which in certain situations can be a key factor and even a prerequisite for very fast production of a certain amount of garment products. The total time period, from the moment of procurement of the basic fabric to the moment of its direct sending to the manufacturer in RN Macedonia, and until the production of the product and its delivery in Germany - can be from 3 to 4 weeks, which is a really short and very effective period. This is especially important when making new collections, or when presenting at fashion shows - where a short production time is required [15].

What is also added to the prices in Table 2 are the costs for renting warehouse's space in the part of the garment facility where the production is carried out (between 2,000€ and 3,000€ m/month). That price

includes unloading and distribution of the fabrics, after the customs clearance and procedures are completed, sorting of rolls by number of the import declaration, by model or number of order, by color, etc. If necessary, the fabric is re-measured and errors are identified so that it can be reported/ returned or replaced with a new one as soon as possible. Before the fabric is entered into the facility (the cutting unit), tests are performed in terms of washing of small pieces of fabric in order to know what percentage of the material will shrink in both length and width.

The supply of auxiliary material (zippers, buttons, drills, threads, hangers, bags, cardboard boxes, different types of labels, interlining, lining, etc.) by the manufacturer in Macedonia is also a facilitating and important process for the German client, but not crucial. In terms of price, there is no huge savings, but still there is a certain risk that the customer's requirements will not be fully met (inappropriate thickness, quality or color the of thread, poor quality label paper, packing bags that tear easily, hangers with teeth which can damage the lining from the inside, etc.). Therefore, the auxiliary material usually comes as import from the German client.

4.3. Use of Additional Benefits and Services from a Macedonian Textile Company

The tendency towards modern production plants according to all European standards, procurement of new, expensive and sophisticated machines for all textile production processes, as well as the possibility of making various additional elements with the help of modern software solutions, makes the Macedonian manufacturer competitive and attractive on the European textile market. Figure 1 shows a schematic representation of Macedonian textile-lohn production - from supply with basic and auxiliary material to delivery of final product.

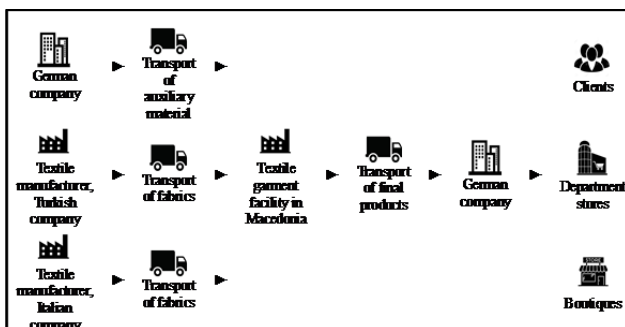


Figure 1. Schematic representation of textile-lohn production - from supply with basic and auxiliary material to delivery of final product

The application of the synthetic method results in a list of services that can be offered by the Macedonian manufacturer, which is a great benefit for the German client, such as:

Modernly built and modernly arranged production plants, divided into units according to the production flow include: warehouse, tailoring unit, sewing unit, ironing unit, unit for finishing processes, packaging unit and unit for finished products and their preparation for export. Depending on their function, the units are equipped with state-of-the-art filters for cleaning the textile dust, air conditioners for regulating temperature and air, as well as monitors for monitoring the production process, which is shown in Figure 2.



Figure 2. Sewing unit in a modern Macedonian production plant

The machine fleet is in accordance with the requirements and needs of the client, such as types of machines for making appropriate items, auxiliary machines, tailoring machines, embroidery machines, ironing machines, etc., which is shown in Figure 3.



Figure 3. Part of the machine fleet in a Macedonian garment facility

The possibility of making templates with the use of state-of-the-art plotter machines is especially important, because in that way the production time is significantly shortened and the required model is immediately cut. This includes logo making, product design, samples and counter samples, correction of errors in templates, and etc.

The need for professional and well-trained technical staff is extremely important. In the last decade, there is an increasing number of qualified Macedonian textile technicians with well-developed German and English language skills. Their role in the production process itself is essential, because they are in continuous communication with the German

customer and with the production in all its phases. They know well the wishes and ideas of the client, have directions on what the final product should look like and practically guide the course of the business processes with complete quality control. Based on all this, the client has full insight into the production process without being constantly present in RN Macedonia.

If conditions are created for signing of a long-term business contract between the German client and the Macedonian garment manufacturer, with guaranteed prices, terms and quantities, the opportunity for exclusive and long-term production opens up. This automatically means that the entire production will be adapted to the needs of the client, the machine fleet will be adapted exclusively to the needs of the items, and the sewing staff will be completely trained to make that assortment. In that way, maximum quality is achieved, all deadlines are met, including meeting of short-notice, urgent orders and substitution of the work orders according to the needs of the client. On the other hand, the Macedonian manufacturer expects uninterrupted and continuous supply by the client (in all calendar months, with no downtime in the transition periods - between the textile seasons), appropriate, pre-agreed production prices (with a fixed price for the basic model) and a full, transparent flow of raw materials, supplies and information. Such collaborations provide continuous and quality profit for both parties.

4.4. Import-export and Transport Services in the Macedonian Lohn-textile Production

The realization of the entire process of textile services requires the following:

- Agent - intermediary

In most cases, large garment manufacturers focus exclusively on the production itself and the related activities. However, for all activities before and after the production, there are agencies - intermediaries that completely process all the necessary documents, correspondence, customs requests and procedures. Their work enables complete and uninterrupted flow of import and export trucks carrying raw materials or final products, all necessary customs documents as well as mediation with translation and transfer of information during production.

Most often, their work starts at the big textile fairs in some of the European cities, where the biggest challenge is to find a potential client who would focus their production in one of the textile garment facilities in RN Macedonia. At the same time, the agents have the obligation to present all the benefits, conditions and opportunities for cooperation with the Macedonian producers. These are the first steps towards achieving successful cooperation for both

parties. In order to gain the trust of the German client, it is necessary to present the production but also the country with all their benefits, conveniences and positive sides, which will later lead to good cooperation, smooth and continuous production and profit for both parties.

The advantage of using the services of a textile agency is not only smooth preparation of the necessary documentation, but also the guarantee for both parties (the client and the manufacturer). The client, on one hand, should receive the desired product according to the predetermined time frame, with appropriate quantities and observed quality and the manufacturer, on the other hand, will receive the pre-agreed orders, prices and materials for work.

Once the contract is signed, the agency mediates in setting the prices of the production orders, controls the accuracy of the import invoices, proformas and other customs documents as well as the export invoices, EUR1 and the like. It completely coordinates the communication between the garment facility and the client, informing about shortcomings, mistakes, possible solutions, and etc. The agency monitors the delivery times of the orders according to the needs of the client and coordinates all that with the manufacturer. The most important factor for using agency services is the bank guarantee of the agency, which enables smooth and complete import of basic and raw materials for the production and, at the end, export of the final products to the Western European countries in accordance with the imported quantities.

- Transport services

There are currently a number of transport and logistics companies on the Macedonian market that provide integrated solutions in the field of transport, logistics, freight forwarding, warehousing and product distribution [5]. They do their work independently or as licensed representatives of well-known and reputable German companies. They have a large number of transport and delivery vehicles, adapted for transport of hanging or pallet-packed garment. Adaptation, modernization and implementation of appropriate standards is constantly performed, which meets all European criteria and customer requirements due to the specificity of the products.

In addition to transport, these companies also offer complete freight forwarding representation, which includes 24/7 import-export customs clearance, customs clearance of temporarily imported goods (which is extremely important in the case of textile production), transit customs clearance, warehousing of goods, simplified customs procedures, etc.

Due to the need for timely and fast customs clearance, customs warehouses and offices are opened at the border crossings and in the cities where

the textile industry is most present. Continuous customs clearance service is provided without time delay (24/7) by experienced and licensed freight forwarders.

After the completion of the import customs procedures, sometimes there is a need for local transport, reloading, rerouting, repackaging, labeling, re-export, etc. All these services are available to the German client according to his needs and requirements. All this makes Macedonia very competitive and accessible for cooperation in this sector.

The biggest advantage of transport services from the Western European countries to RN Macedonia and vice versa, is exactly the price of transportation, which, due to the geographical proximity is relatively low and favorable for customers. According to the quantities and needs of the clients, aggregate, collective or complete truck loads are organized, the price of which can vary from 1,500 to 2,500 euros, depending on the volume of the products in the trucks. This allows RN Macedonia to have a big advantage over other countries such as China, Tunisia or Bangladesh where the cost of transport is several times higher. The territorial proximity and the relatively low cost of transport are key to achieving a competitive advantage, which is especially important for the textile industry.

4.5. Regional Pan – Euro - Mediterranean Convention (PEM Convention)

The Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (PEM Convention) is a single document whose main purpose is to apply identical preferential rules for origin of goods traded between the contracting parties which are signatories to this document [10]. The PEM Convention enables more efficient management of the system of cumulation of origin in a way that enables the contracting parties to respond better and faster to the changes in the economic reality. In essence, the PEM Convention is a legal instrument, which can be more easily amended in a case of need for that, compared to amendment of a complex network of protocols of origin applicable between countries that have concluded free trade agreements. Additionally, this unique document also enables a simpler adaptation of the Pan-Euro-Mediterranean rules of origin to market conditions.

The Pan-Euro-Mediterranean system of cumulation of origin includes the member states of the European Union, the member states of EFTA (Iceland, Norway, Switzerland and Liechtenstein), the countries of the Barcelona Process (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey and Palestine) and the Faroe Islands, as well as the countries of the Western Balkans

participating in the process of stabilization and association with the EU (Albania, Bosnia and Herzegovina, the Republic of North Macedonia, Montenegro, Serbia and Kosovo) and Moldova. This system is composed of a number of treaties which include protocols of origin with identical rules of origin that allow diagonal cumulation between the countries of the zone.

The Contracting Parties that have ratified the PEM Convention have concluded a bilateral free trade agreement which contains provisions that the rules of origin are set out in the PEM Convention in terms of application of preferential origin and may apply this PEM Convention.

The Convention should replace the network of more than 60 bilateral protocols on rules of origin, with a single legal instrument.

The application of the diagonal cumulation within the Pan-Euro-Mediterranean system of cumulation of origin is based on a network of bilateral free trade agreements, whose protocols of origin are based on identical rules of origin of goods. This unique document enables all members participating in the PAM process, which have free trade agreements with each other, to be able to accumulate the origin of the goods, that is, to use raw materials from the member countries of the process and obtain the status of preferential origin of the goods which they produce, as well as application of preferential customs rates in the countries of the PEM process where they export.

The diagonal cumulation is an opportunity to acquire preferential origin of goods using materials and products originating in countries with which cumulation of origin is possible. Products originating in countries with which cumulation is possible, and which have not been subjected to any processing or refining, retain their origin if exported to one of the partner countries.

All this is extremely important for the status of RN Macedonia and its role towards its partner member states of the PEM Convention, and particularly important for the textile production and import-export processes of both basic fabrics and raw materials and the finished product, which are completely produced in the Republic of North Macedonia. If the entire process from ordering and delivery of fabric and auxiliary materials to production, packaging and delivery takes place within the PEM signatories, then there are many customs reliefs.

4.6. PEM Convention Membership Benefits for RN Macedonia

If the entire production of a German company takes place in a textile factory in RN Macedonia, the basic fabric is from Turkey, Italy or Portugal (which means the fabric is of preferential origin) and the

auxiliary material is supplied and imported from Germany by the client. In that case, when importing finished textiles back to Germany, no customs duty will be paid. All goods will receive a EUR1 document at export, proving the preferential origin, and there is no need to pay any customs duties. This is important not only for the German company, as a client, but also for all its partners to whom the textile products are then sold. By attaching the appropriate document of origin, they are also not required to pay customs duties either. However, all this applies only to the signatory countries of the PEM Convention.

This entire procedure of customs relief is impossible if the production takes place in China, Bangladesh and etc. In that case, the German company or its customers are required to pay customs duties, and which of them will pay the duties depends on their mutual agreement: whether the goods will be delivered to the final partner with customs duties included, or he will be required to pay the duties, and the price of the goods will exclude those cost [15], [16].

4.7. Ecological Aspects of the Production Process in RN Macedonia

In addition to the need for cheap and quality production, quick delivery times, fast, convenient and cheap transport of the final textile products, there are also several other aspects that are being considered and are equally important. The rapid technical-technological development, raising of awareness of the people about the environment, the environmental changes and the continuous destruction of the nature and its resources, imposes the need for greater emphasis on the ecological aspects in the production process [16]. This means that certain European standards and principles have to be met. First, an analysis is made of the production plants where there have to be a proper structure that consists of the machine plant, air conditioning systems and air purifiers from textile dust. Then, it is important to make proper selection of the textile waste, which will be divided into fabric waste, interlining waste, lining waste, etc. Other types of waste will be selected from plastic parts and accessories used in textile production: parts of buttons, zippers, hangers, bags, etc. There is also the paper waste consisting of scraps of labels, packaging paper, cardboard boxes, etc. and, of course, the metal part of the waste which is composed of drills, metal buttons, needles, and etc. In accordance with the prescribed customs protocols, this waste should be declared and documented with the customs institutions and then make proper disposal of it or destroy it. The German client follows all these

procedures with its Macedonian manufacturer, in order to ensure that all environmental protocols that are equally important for the reputation of his company before its partners and clients around the world will be implemented.

The Macedonian manufacturers are increasingly aware of this aspect and the number of those garment facilities that are really trying to comply with the environmental norms and invest part of their capital in additional equipment, air conditioners, textile dust purifiers, is growing. This increases their reputation with the German companies and they can respond appropriately to their requests. At the same time, the protection of the environment and nature is assured and the level of environmental awareness of all employees and of those who are part of the production process is increased.

5. Conclusion

RN Macedonia is a well-developed location with excellent spatial distribution of textile production. Due to the geographical proximity to Western European countries, the costs of importing raw materials, transporting finished products and marketing of those products are minimized. The modernly built plants and facilities as well as the modernization of the machine fleet meet the requirements of the clients from Western Europe, in accordance with all standards. Professional technical staff, agency intermediary and logistics-transport team are in charge of the smooth implementation of the entire production process. Once all the necessary

parameters for all cycles of the textile production are established, opportunities are created for exclusive and long-term production at the customer-manufacturer relationship. The membership in the PEM Convention provides many benefits and advantages for RN Macedonia, which altogether facilitate the textile production.

If we take into account all the above-analyzed factors, we come to the conclusion that the benefits, efficiency and profitability of the lohn production in RN Macedonia are quite significant. An increasing number of (primarily) German companies are interested in investing and directing their production in RN Macedonia, which is a testimony of the quality they receive in production as well as the profitability as a result of the low prices for labor and transport and logistics services.

With the help of SWOT analysis (Tab. 3), the pros and cons of the textile lohn production in RN Macedonia will be shown, including opportunities and benefits as well as the negative external influences or threats.

Table 3. SWOT analysis of the textile lohn production in RN Macedonia

Strengths	Weaknesses	Opportunities	Threats
Low prices of lohn production and low prices of all additional operations: embroidery, washing, dyeing, etc.	Gradual increase of the prices for the textile lohn production (with the entry of MK in the EU they would increase significantly)	Possibility for exclusively branded lohn production	The competition in terms of prices for lohn production in the neighboring countries may reduce prices in RN Macedonia
Competitive, low prices for transport and logistics services	Lack of specific, sophisticated machines	Complete product - from a template to a final product	The lack of sophisticated production machines may deter potential customers from focusing their production to RN Macedonia
Direct import of fabrics from European and Turkish manufacturers	Inability to perform complex textile operations such as embroidery, washing, etc.	Opening the European market and enriching the machine fleet will enable modern production according to all European standards	Increase of tax liabilities in MK may affect the increase of prices of the textile lohn production, which will lead to competitive disadvantage in the market
Intermediary agency as a guarantee for the products, production and payments	Possible delays in delivery deadlines due to work overload at the peak of the textile season	Organized trainings abroad for the technical staff for acquiring new and better skills in their work	Distrust or lost trust in Macedonian textile manufacturers by new or existing customers from Western Europe
The geographical proximity to Western Europe allows for quick orders, collection making and fast delivery of everything needed.	Possible deliveries of defect products due to the complexity of some model or due to the specificity of the fabric	Additional motivating of the staff through promotion and higher salaries, which will lead to greater productivity	Global, regional or local changes that may lead to a loss of interest in lohn textile production in RN Macedonia
Modern and properly equipped garment facilities	Lack of proper filters or improper disposal of textile waste - can cause environmental problems	Organized presentation of the Macedonian textile production potential at textile fairs throughout Europe and the world	New environmental regulations that do not comply with existing ones may be an obstacle to further production in RN Macedonia
Well-trained professional and technical staff			
MK is a member of the PEM Convention, the products are exported with preferential origin			
Care for the environment and compliance with environmental standards and rules			
No child labor is used and there are no inhumane working conditions			

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