

AUTOMOTIVE INDUSTRY GAINS GROUND IN MACEDONIA

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Macedonia is experiencing an investment boom in the industry for manufacturing of car components for various types of vehicles, a segment which ten companies already works in or will soon launch their production. According to announcements from the Government, there will be investments in new factories of at least 250-300 million euro, which despite boosting the export, will open up to 10,000 new employments. The companies that already work in the Macedonian industrial zones are: "Johnson Controls", "Johnson Matthey", "Kromberg and Schubert", "TeknoKose", "KEMET Electronics", "Van Hool", "Dräxlmaier", and the arrival of three other companies from the United States and Germany was recently announced too.

The Government mentions the favorable conditions that the country offers foreign investors as the primary prerequisite for such entry of foreign investors in the country, as well as the promotion of Macedonia as a country with most favorable business-climate in the region and the frequent road-shows of the Government's economic team.

The quality and availability of the competitive labor force, the special location conditions, such as the free economic zones that offer set infrastructure, the possibility to reach the main European markets in less than three days are the advantages that companies consider when making a decision to invest.

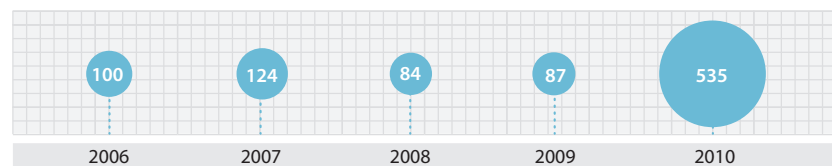
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Published monthly by MIC

With support of the
Macedonian Ministry of Foreign Affairs

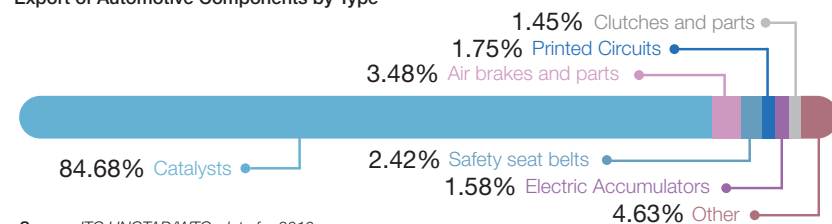


Growth Index of Automotive Components Export from Macedonia (2006=100)



Source: ITC calculations based on UN COMTRADE statistics

Export of Automotive Components by Type



Source: ITC UNCTAD/WTO, data for 2010



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No. 138, Vol. XIV, January 2014

MACEDONIAN BUSINESS MONTHLY

Founded in 2001

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Published monthly in the

Republic of Macedonia

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An initiative for introduction of an electronic system for preparation of building plans and granting approval was instigated in 2013 which will finalize and digitalize the entire process. The current average period of obtaining a building permit, based on the data for December 2013, is 20 days

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Aiming to tackle the consequences of climate changes better, the Government is to invest more than 18 million euro in modernization of a water-supply system in the next seven years. With this, around 96,000 hectares of arable land will be under irrigation systems and 90,000 hectares with drainage systems

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“Although the automotive industry in Europe was in crisis in the last few years, we managed to attract companies that searched for more competitive destinations”, assessed Viktor Mizo, Director of the Directorate of Technological Industrial Development Zones. Currently, there are around ten companies in Macedonia that are Greenfield investments from the automotive sector and some of them have

already decided to reinvest in new factories or expand their capacity.

“Stabilization of the automotive industry is expected, which is potentially an additional stimulus for companies to invest in new plants or relocate the existing plants from the non-competitive destinations in Europe”, Mizo said. He said that the cooperation with the state or the help it offers is very important for such investments.

As result of all this Macedonia is becoming more attractive to foreign investors from companies from the automobile industry. The recent examples of investments, as well as the announcements for entry of other such companies, show that the industrial structure in Macedonia is changing. If the country was once known for the textile factories, their spot is now taken over by the factories that manufacture car parts, such as “Johnson Controls” and “Johnson Matthey”. According to the experts, the investors are targeted according to analyses for sectors that are most suitable for the Macedonian market.

“The current interest of companies from the automobile industry is mainly due to the fact that it is a sector which is mobile, spreads fast and competitive destinations are therefore looked for. Macedonia is attractive for this industry due to the appropriate geographic location that enables companies to distribute in Central Europe or the neighborhood, where they already have their own factories, because in two or three days they are able to

transport parts to the final destination”, experts explains.

At the moment, home manufacturers export car parts to the markets of the former Yugoslav republics, Italy, Germany and Austria.

Macedonia has a history of automotive components manufacturing which started in the 1960s initially to supply the former Yugoslav automotive producer Zastava.

Today, the automotive components sector is compiled of a number of companies. Quality products being produced in these factories, in compliance with automotive standards TS 16949 and ISO 9001 assures that the production in the Macedonian automotive components sector is exported. The country is particularly suitable as a location for the manufacture of high value to weight and labor-intensive products such as safety

Investment Incentives in the FEZs and Technology Parks

0% VAT AND CUSTOMS DUTIES FOR EXPORT PRODUCTION

0% EXCISE AND PROPERTY TAX

0% CORPORATE TAX FOR THE FIRST 10 YEARS (10% THEREAFTER)

0% PERSONAL INCOME TAX FOR THE FIRST 10 YEARS (10% THEREAFTER)

€500,000 SUBSIDY OF UP TO TOWARDS BUILDING COSTS

FREE CONNECTION TO UTILITIES* (PIPED NATURAL GAS, WATER AND SEWAGE)

LAND LEASE 99 YEARS FOR UP TO AT ATTRACTIVE CONCESSIONARY RATES

BENEFIT PACKAGE WITHIN 10 BUSINESS DAYS APPROVAL FOR ELIGIBLE INVESTORS

GREEN CUSTOMS CHANNEL AVAILABLE AT BORDER FOR RAPID EXPORT FROM THE ZONES TO EU COUNTRIES

ADVANTAGEOUS LOCATION ACCESS TO PAN-EUROPEAN CORRIDORS 8 AND 10, RAILROAD AND INTERNATIONAL AIRPORT

systems (seat belts, airbags), electronics (controllers, sensors), precision engineered and plastic products, aluminum and zinc die-casting, and grey iron casting components. Macedonia’s closeness to the rapidly growing automotive manufacturing base in Central and Eastern Europe and Turkey, which have become a regional superpower in the automotive industry, makes it an ideal location. The geographical proximity to these markets allows low distribution costs and “just-in-time” product delivery from Macedonia.

SALESPERSONS AND HYGIENISTS MOST SOUGHT AFTER JOB POSITIONS

The analysis of the Employment Agency shows that the line of work with most vacancies is in retail and wholesale where the need of 1,338 workers is detected. It is followed by the processing industry where 878 workers are needed, 452 persons are needed in the vocational, scientific and technical professions and 388 persons in the construction sector

Salesperson, hygienist, tailor, waiter, storekeeper are most sought after professions in the country seen in the job advertisements offered by companies on the labour market of the Employment Agency. This is shown by the analysis conducted by this institution aimed at detecting vacancies in cities.

The checkup of companies' adverts showed that there are 4,350 vacancies in the country half of which or 2,598 in Skopje. The second city on the list of vacancies is Strumica but there is only a need of 268 persons or around 10 percent of the offered jobs in the metropolis. Around 222 vacancies are registered in Bitola and 100 to 150 workers are sought after in Ohrid, Kumanovo, Stip and Veles.

The need for workers is much smaller in other cities. There are cities as Demir Hisar where there are no vacancies while there are one to three vacancies in Make-

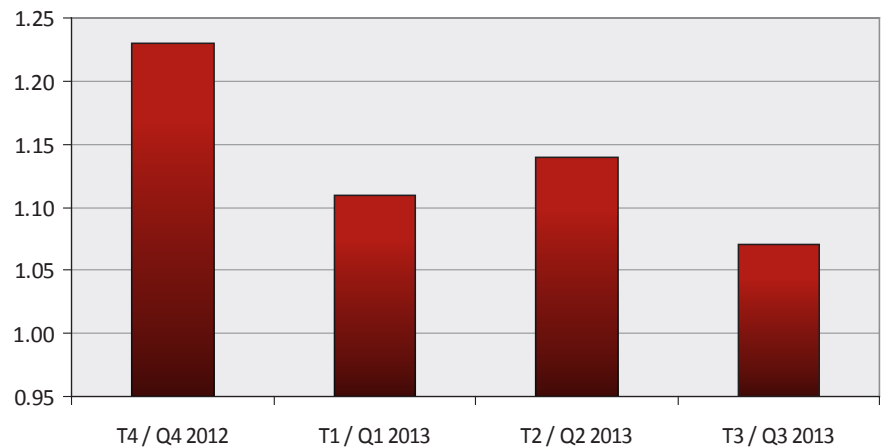
donski Brod, Radovis, Debar, Krusevo and Kriva Palanka.

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tected. It is followed by the processing industry where 878 workers are needed, 452 persons are needed in the vocational, scientific and technical professions and 388 persons in the construction sector.

Salespersons are definitely the most sought after job position on the labour market where 526 workers are needed, followed by hygienists of housing and business premises with 216 vacancies, 153 storekeepers, and 141 ordinary workers. On the bottom of the Employment Agency's list of most sought after professions are hostesses with 40 offers for vacancies and 41 offers for bartenders.

JOB VACANCY RATE IN THE LAST FOUR QUARTERS



Source: State Statistical Office

MANAGERS UNSATISFIED WITH DOMESTIC AND FOREIGN DEMAND

The factors that had the greatest influence on limiting the production volume in December 2013 were: insufficient foreign demand with 25.8 percent, insufficient domestic demand with 18.9 percent, uncertainty of the economic environment with 10.1 percent and financial problems with 9.6 percent

According to the data of the State Statistical Office, the managers assessed that the business situation in December 2013 is less satisfactory than in the previous month, and more satisfactory compared to December 2012.

The situation with the present volume of production orders is almost at the same level as it was in the previous month. The production volume of the business entities in December 2013 is less satisfactory compared to

the previous month; the expectations for the production volume are favourable for the next three months, while the number of employees is expected to decrease.

The stocks of raw materials and intermediate goods and the purchases of raw materials and intermediate goods in December 2013 are below and around the normal level. The stocks of finished products decreased compared to the previous month.

The average capacity utilization level of the business entities in December 2013, compared to the previous month, decreased to 60.1 percent of normal utilization. The factors that had the greatest influence on limiting the production volume in December 2013 were: insufficient foreign demand with 25.8 percent, insufficient domestic demand with 18.9 percent, uncertainty of the economic environment with 10.1 percent and financial problems with 9.6 percent.

TEXTILE COMPANIES WITH SECURED WORK

The textile factories have concluded agreements with foreign partners for this season. They will work with full capacity until April and they are expected to finish this year better than last year

Macedonian textile factories have concluded agreements with foreign partners for this season and they will work with full capacity at least until April. However, there is a danger of not having someone to complete the agreed quantities for export due to the lack of labour force.

“Young people do not want to have this as their job and up to 30 percent of employees in many factories are heading for retirement. The Trade Union of Textile Workers and the Ministry of

Labour and Social Policy are looking at options for overcoming this problem,” said President of the Trade Union of Textile Workers within the Macedonian Federation of Trade Unions, Angel Dimitrovski.

The minimum salary in the textile industry will this year increase by around 15 percent. Based on the cooperation with the partners and the recovery of the European economy, Dimitrovski expects 2014 to be better than last year. According to the concluded deals, this year

most of the export will be intended for Germany and partly for Great Britain.

In their plans for 2014, the textile workers have not created a Macedonian fashion brand and almost the entire production will continue to be according to the local operating network (LON). Forty-two percent of the total number of industrial employees is engaged in the textile industry while the branch realizes annual foreign exchange earnings of over 500 million euro.

According to a research aimed at determining how greatly this branch is struck by the European crisis and drop of orders, the export of textile from Macedonia dropped by one fourth in quantity in the period from 2007 to 2013. According to the latest statistical data, the LON-export increased by 2.8 percent and exceeded one billion US dollars in the period from January to November 2013.

ITEK OPENS 150 JOBS IN TIDZ-TETOVO

The zone in Tetovo is part of the Government's major project for opening such economic zones near all bigger cities across the country. Thus far, Skopje 1, Skopje 2 and Stip have been open while construction works are carried out in Kicevo, Gevgelija, Prilep and Strumica

Italian company “Itek” that produces composite material will soon launch the construction of the new plant in Tetovo’s industrial zone. This 5 million euro investment is expected to open 150 new jobs.

“This is the first investment that will be realized in the technological industrial development zone – Tetovo. This com-

pany will realize the investment through local company Pro Comp Advance Technologies and the facility will be placed on an area of 6,000 square meters,” said Director of the Agency for Foreign Investments and Export Promotion Visar Fida.

Director of Itek Company Roberto Oskiri voiced his satisfaction with this investment. According to announcements, the first phase of this investment is expected to be completed soon.

The construction works for the technological industrial zone in Tetovo began in November last year and according to representatives of Norwegian company Normac that manages the zone, investments worth 160 million euro should generate into the zone and according to the Government’s projections, 7,000 jobs are planned to be open in few years.

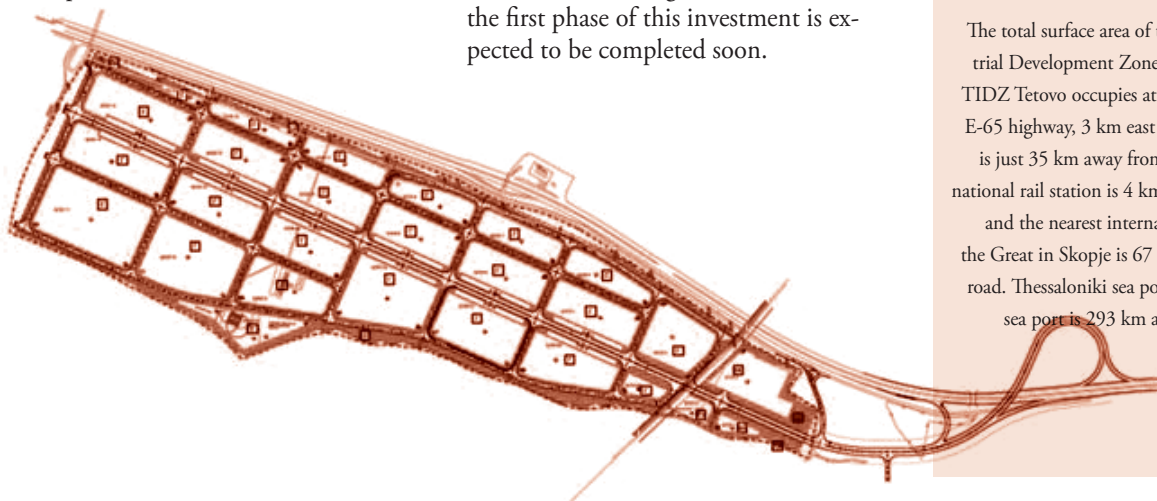
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TDIZ TETOVO

The total surface area of the Technological Industrial Development Zone Tetovo is 94.74 hectares. TIDZ Tetovo occupies attractive location - on the E-65 highway, 3 km east of Tetovo. TIDZ Tetovo is just 35 km away from the capital Skopje. The national rail station is 4 km away from the location and the nearest international airport Alexander the Great in Skopje is 67 km away via Skopje ring road. Thessaloniki sea port is 287 km and Durres sea port is 293 km away from TIDZ Tetovo.

Source: DTIZ



VALUE OF COMPANIES REDUCED BY EUR 167 MILLION IN ONE YEAR

Despite the general unfavorable situation on the capital market, the shares of several companies have still registered significant growth. This mainly refers to the shares of company Fersped which at the end of 2013 reached an average price of 175,651 denars, three times more than the average price one year earlier

The total value of all companies that are listed on the Macedonian Stock Exchange, as well as those that have the obligation to report, reduced by 167 million euro last year, shows the annual statistical bulletin of the Stock Exchange. Namely, in one year, the total value of the shares dropped by 9.11 percent, from 1.83 billion euro to around 1.67 billion euro. In the same period, the total turnover from the trading of shares and bonds on the stock exchange was nearly halved compared to 2012, that is to say, it was reduced by 42.24 and 9.14 percent less transactions were carried out. Despite these unfavorable indicators, the stock exchange index of the ten most traded shares MBI 10 still showed resilience and not only was it maintained but in 2012 last year it grew by 0.44 percent, data of the Stock Exchange show.

Despite the general unfavorable situation on the capital market, the shares

of several companies have still registered significant growth. This mainly refers to the shares of company Fersped which at the end of 2013 reached an average price of 175,651 denars, three times more than the average price one year earlier, when it totaled 41,000 denars per share.

The shares of tobacco company "Tuntunski Kombinat - Prilep" whose value increased twofold, namely from 135 denars per share at the end of 2012, the price reached 450 denars per share at the end of 2013. A good investment were also the shares of Makpetrol which in one year increased from 12,000 to 25,280 denars, namely by 110.67 percent, followed by Vitaminka-Prilep, whose value increased from 3,000 to 5,010 per share (67 percent) and "Teteks"-Tetovo, from 319 to 460 denars, namely by 44.2 percent.

The investment last year in the shares of few other listed companies was profitable. This mostly refers to "Stopanska

Banka Bitola" whose shares acquired a value of 38.71 percent, namely from 124 denars reached 172 denars per share in one year.

The shares of Replek also increased by 11.9 percent, Makedonija Turist by 9.44 percent and Alkaloid by 8.31 percent. On the other hand, there is a significant fall with the shares of Telekom, by 24.97 percent.

The shares of OHIS registered the biggest drop, from 65 to 18 denars or by 72 percent, followed by Zito Luks-Skopje, from 159 to 90 denars (43 percent), Toplifikacija from 1,530 to 918,46 denars (drop of 39.97 percent), Komercijalna Banka from 2,414,26 to 1,789,87 denars (drop of 25.86 percent), and Skopski Pazar – from 4,100 to 3,200 denars (drop of 21.95 percent).

The most traded shares on the official market were those of "Komercijalna Banka," as well as of pharmaceutical giant Alkaloid and Fersped. Last year the withdrawal of foreign shareholders from Macedonian companies continued but smaller dynamic. The participation of foreign capital, according to the stock exchange bulletin, last year was solely increased with Alkaloid by 0.26 percent. Last year, the number of listed companies increased from 32 to 116.



MORE MONEY FOR BUSINESS VIA EUROPEAN CONSORTIUM

Domestic companies should change their approach in investing more EU funds by participating in European consortiums and research centers. This is proposed by Macedonia's Economic Chamber, saying that in this way there will be participation in realizing concrete projects but firms will have the opportunity to apply the innovations and researches for their own development and increase of competitiveness.

Nevertheless, the European Commission already presented the two key programs for the following seven years: programme for the Competitiveness of Small and Medium-sized Enterprises (COSME) – worth 2.3 billion euro aimed at stimu-

lating innovation, competitiveness and sustainability of small and medium-sized enterprises (SMEs) as well as encouraging an entrepreneurial culture and promoting the creation, and Horizon 2020 with projected 80 billion euro for connecting science with industry, financing researches, technological development.

"It is assumed that at least 3 billion euro will be allocated for small and medium-sized enterprises within the frames of these programmes. The challenge for applying will mainly be looked for in concrete scientific research, improvement of the industrial competitiveness, creating better products, implementing ICT, energy, nanotechnologies, creating

new materials, biotechnologies," stressed Jadranka Arizankovska from the Economic Chamber.

A total of 1.4 billion euro from the overall financial construction of COSME is envisaged for providing fresh capital. The other funds are intended for developing a network of enterprises and stimulating the entrepreneurship. Horizon 2020 with 24.4 billion euro will support scientific excellence, 29.7 billion euro for social challenges and 17 billion euro are intended for so-called industrial leadership. The limit of employees for small and medium-sized firms is increased from 250 to 500 which makes it possible for larger companies to apply.

LICENSES FOR INSPECTORS INTRODUCED

Vanco Kargov, former director of Macedonia's Customs Directorate, is appointed as president of the Inspection Council. The license for inspectors will not be life-long but they will be valid for five years. Following the expiration date on the licenses, inspectors will have to renew them

Standards for work quality of the inspection services, efficiency and diligence in the functioning of the inspection services, as well as their coordination and harmonization are planned to be set with the Law on Inspection Supervision.

The law will also regulate the rights and obligations of inspectors and supervisory entities. It will introduce inspector licens-

es, continuous education of inspectors, monitoring and assessing the successfulness and awards and sanctions. A special body is predicted to be set up that will evaluate the work of inspectors, determine fines for the president and member of the Inspection Council, as well as for officials, directors of the inspection services for violating the provisions of the Law.

The law envisages inspectors to obtain a special inspector license in the future. Taking a special computer software exam is also envisaged which will be transpired. The license for inspectors will not be life-long but they will be valid for five years. Following the expiration date on the licenses, inspectors will have to renew them. The inspectors will also have to take psychological tests and an integrity test which will test their conscience, trustiness and integrity. The inspectors will sanctioned be fined or sanctioned. Coordination of the work of the inspection services, namely coordinated supervisions, is included in the work of the Inspection Council.

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WHAT "INVISIBLE" DUTIES ARE TROUBLING MACEDONIAN BUSINESSES?

The business community is going to discuss with the Government the para-fiscal duties that companies need to pay, said Branko Azeski, President of the Economic Chamber of Macedonia.

In recent years business owners have commented that taxes in Macedonia are low yet there are many other duties creating a lot of operating difficulties.

The main para-fiscal duties include the charge for posting an outdoor sign paid to the local authorities and the cost for participation in tenders, which are not part of the tax responsibilities.

The charge for posting an outdoor sign in Skopje is between 2,700 and 7,800 denars per year depending on the size of the firm. Some municipalities

lifted this charge for certain categories of firms. The City of Skopje expected this charge to earn the local budget some 4.5 million euros in 2012, while in 2011 this duty generated approximately 2 million euros. In the territory of Skopje, about 44,630 firms have to pay this charge.

BUSINESSES TO BE REGISTERED ONLY ONLINE

Registration of new businesses will be done only online via registration agents and free of charge. This will be made possible under the modifications to the Company Law that the Ministry of Economy is going to provide to the Government for approval.

"Under these modifications, those who have not paid contributions, taxes and customs or have liabilities on other bases will not be allowed to buy stakes in a business or transfer stakes to another firm," said Economy Minister Valon Saraqini.

He emphasized that in cooperation with the Central Register, two new applications for online selection of bankruptcy trustees and sale of bankrupt businesses' assets will be introduced.

Vanco Kostadinovski, director of the Central Register, said that some 500 registration agents have so far been trained.

They are certified accountants authorized by the Ministry of Finance to perform electronic registration of firms.

Costs for registering a company

| Procedure | Time to complete | Limited Liability Company | Joint-Stock Company | Other |
|---|------------------|---------------------------|-------------------------|-------------------------|
| Notarization of the company deeds and other documents | 1 day | MKD 800 (€13) | MKD 1200 (€20) | MKD 800 (€13) |
| Registration with the Central Register | 1 – 2 days | MKD 2399 (€39) | MKD 3852 (€63) | MKD 2452 (€40) |
| Making a company seal | 1 day | MKD 800-2500 (€13 – 41) | MKD 800-2500 (€13 – 41) | MKD 800-2500 (€13 – 41) |
| Registering with the social security office | 1 day | MKD 100 (€2) | MKD 100 (€2) | MKD 100 (€2) |

Source: Agency for Foreign Investments and Export Promotion of the Republic of Macedonia

MACEDONIA TO GET ELECTRICITY FROM WIND BY APRIL!

The wind park began being built in May and meanwhile an overall infrastructure was made, as well as accompanying objects, command facility and 20/110 kilovolt transformer station. The investment is worth 55.5 million euro and the energy company participates with 7.6 million euro of its own funds while the remaining 47.9 million euro is provided from a loan of the Government of the Federal Republic of Germany through the KfW Bank

ENERGY

The teams of Macedonian Power Plants (ELEM) are rapidly working on mounting the turbines in the first wind park in Bogdanci. According to information, the project is in its final stage and the turbines will be put into use in April 2014 at the latest. This spring, Macedonia will get the first kilowatt-hour of electrical energy obtained from wind production. Simultaneously, the country will be part of the European countries

that use this “green” energy from production of electricity.

“Ten turbines have been completely installed and the eleventh is currently in the process of being installed,” ELEM said, explaining that on an average two turbines are transported from Thessaloniki’s port transported.

These turbines are produced by Siemens from Denmark and they are one of the best in their class. Each of these

84-meter high turbines has an installed power of 2.3 MW.

The wind park began being built in May and meanwhile an overall infrastructure was made, as well as accompanying objects, command facility and 20/110 kilovolt transformer station.

Project “Boganci” envisages construction of 16 wind power plants, planned to produce around 100 GWh of naturally sustainable energy which on an annual level is enough to supply households of 60,000 citizens in the country.

The investment is worth 55.5 million euro and the energy company participates with 7.6 million euro of its own funds while the remaining 47.9 million euro is provided from a loan of the Government of the Federal Republic of Germany through the KfW Bank.

WE IMPORT 33.3 PERCENT OF THE NEEDED ELECTRICITY

The precipitations give hope that the long period of drought will end and that the accumulations will be filled with enough water for next season. “Macedonian Power Plants”- (ELEM) points out that the hydro power plants are in a strong technical condition.

“However, the dryness practically lasts from July of last year and last autumn was one of the driest autumns in the last two decades,” ELEM said.

The artificial accumulation Tikves Lake has water that can produce additional 10 million kilowatt-hours of electrical energy, hydro-system Tikves stressed. The largest lake Kalimanci near Makedonska Kamenica, with capacity of 120 million cubic meters of water is filled up to 40 percent.

According to the data of the State Statistical Office, in October 2013, the gross national electricity consumption in the Republic of Macedonia was 668 003 MWh, which represents an increase of 5.4 percent compared to the same month of the previous year.

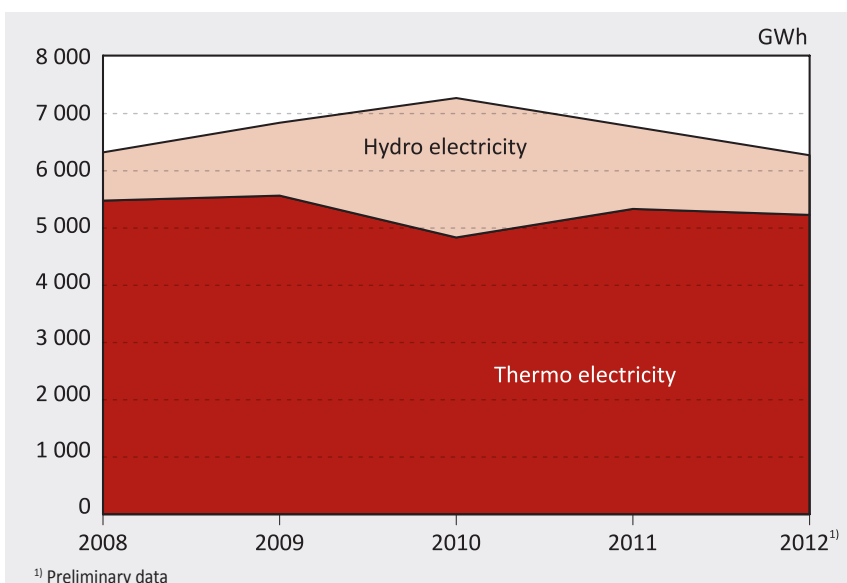
In the gross national electricity consumption, net import participated with

33.3 percent, while gross domestic production with 66.7 percent.

According to the data of the State Statistical Office, in October 2013, the import of natural gas in the Republic of Macedonia was 4,316 mil. mn³, which represents an increase of 16.7 percent

compared to the same month of the previous year.

In the total consumption of natural gas for energy transformation participated with 50.2 percent, while final consumption with 48.4 percent.



Source: State Statistical Office

OVERHAUL OF NOGAEVCI-NEGOTINO RAILWAY TRACK LAUNCHED

The Government has provided 9.4 million euro for the overhaul that will be finished in one year. The contractor is Bulgarian company "CK-13 Holding"

The Government has secured a loan of 9.4 million euro through the European Bank of Reconstruction and Development for the overhaul of 31 km-long railway track Nogaevci-Negotino that will be carried out by Bulgarian company CK-13 Holding. The activities are planned to be finished in one year.

"This project will significantly improve the railway traffic in this section of the railway track which has not been renewed in the past 40 years. Despite the overhaul of the track, next year, we will also secure funds for the reconstruction of 11 railway stations, including the one in Skopje," said Transport Minister Mile Janakieski.

Following the overhaul, trains in this section will be able to move with a speed of 120 km per hours.

"Macedonian Railways" gains plenty with the overhaul. Not only will it meet European standards, the trains will pass the road from border-crossing Tabanovce to Gevgelija in only 1.5 hour.

"Despite the track, the plants and stations will be reconstructed too," said Cvetanka Nesova, manager of the firm CK-13 Holding.

Nevertheless, Macedonian companies will also be involved in the overhaul of railway track Nogaevci-Negotino which is planned to be finished in one year.

ALMOST TWO MILLION PEOPLE CROSSED BLACE BORDER-CROSSING IN 2013

Reconstructed Blace border-crossing will provide for increased flow of passengers and goods and efficiency in the operations of the border-crossing authorities. The reconstruction, the completion of which was supported with financial assistance from the World Bank in the amount of EUR 1.8 million, encompassed increase in the number of lanes – four entry lanes instead of the previous two and three exit lanes instead of the previous two. The border crossing was put to use at the end of last year.

In the course of 2013, almost two million people crossed this border crossing in both ways. From January to November, goods in the amount of US\$ 280 million were exported through Blace border crossing, US\$ 277 million out of which were imported to Kosovo. As regards the import in the same period, it amounted to US\$ 51 million, US\$ 38 million out of which is imported to Kosovo. Trading through this border crossing for 11 months amounted to US\$ 330 million,

or around 10 percent of the total trade of the country.

As for Director of the World Bank Office in Macedonia, Tatiana Proskuryakova, the border crossing is of exceptional importance for the communication between Macedonia and Kosovo. - Modernization of this border crossing has provided for faster and cheaper movement of passengers and vehicles. Completion of customs procedures is now more efficient. Citizens used to wait for 10 minutes to cross the border, now they can cross it for only 2.5 minutes. When entering the country, six vehicles per hour in average crossed the border, now 24 vehicles cross the border in one hour, Proskuryakova said.

OVER ONE BILLION EUROS TO BE INVESTED IN ROADS

The many new and reconstructed roads are evidence that the building sector is a priority to the Government, Prime Minister Nikola Gruevski said. According to him, between 2006 and 2013, over a thousand kilometers of roads were built, reconstructed or repaired and together with the major planned projects – the construction of the three highways

and the reconstruction of regional and local roads – the infrastructure investment is going to peak at over a billion euros over the next few years.

Despite the crisis and the situation in the region, the Macedonian Government is implementing a major infrastructure investment, unseen thus far, Prime Minister Gruevski said.

"With the construction of these highways, which are part of the pan-European Corridors 8 and 10, we are also building the European roadmap, which enables us to make the most of our central position in the Balkans," PM Gruevski said.

He also added that the benefits of the road infrastructure investments are big considering that job is created for many domestic building firms as good infrastructure is highly important to both domestic and foreign investors.

228 FAMILIES HAVE RESOLVED THEIR HOUSING PROBLEM THROUGH “BUY A HOUSE, BUY A FLAT” PROJECT

CONSTRUCTION

The “Buy a House, Buy a Flat” project continues in 2014 as well, because, as time passes in terms of the project realization, more and more people perceive and use the benefits from this project, Deputy Prime Minister and Minister of Finance Zoran Stavreski said.

“To be real, buying a flat or a house is not an impulsive decision - such decision is made only several times in your lifetime so I would say that it is a matter of vital issue. When deciding about the housing issue, one should make a good consideration of the finances”, Stavreski underlined.

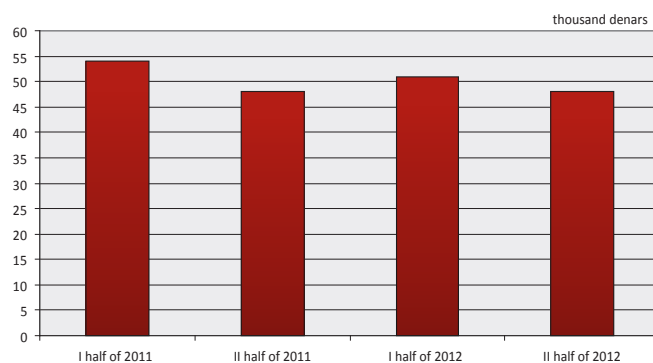
“Buy a House, Buy a Flat” project is even more present in the household budget of citizens. Government subsidy, which may amount up to EUR 10,000 for buying a flat or up to EUR 15,000 for buying a house, and which is a conditional grant, is certainly an incentive. Ad-

ditional incentive is the low interest rate on the subsidized Government loans. For instance, as for the “installment” model, where the Government subsidizes either 50 or 75 percent of the installment, the interest rate amounts to 4.99 percent for the first three years, while it accounts for 5.5 percent in the fourth and fifth year. As for the “participation” model, where the Government subsidizes either 50 or 75 percent of the participation in the housing loan, the interest rate amounts to 4.5 percent plus EURIBOR throughout the repayment period, being definitely the lowest interest rate on the

market at present. On the basis of interest rates alone, citizens who will apply for this project will save from EUR 2,000 to EUR 3,000.

So far, 228 families have resolved their housing issue through this project which would roughly mean around 1,000 people, however the expectations from this project are much greater. As trends on the capital market develop – supply increase indicates drop in the prices, and as time passes in terms of the project realization, number of loan users will be even higher and the interest will gain intensity.

PRICES OF DWELLINGS IN THE REPUBLIC OF MACEDONIA PER 1m²



Source: State Statistical Office

SELLING OR RENTING APARTMENTS WITHOUT ENERGY EFFICIENCY CERTIFICATES TO BE BANNED

In two or three years, selling or renting apartments will be banned unless they have been issued energy efficiency certificates. Upon aligning the Macedonian laws on trading in real estate with the legislation of the EU, not even advertising real estate without any energy efficiency certificates will be allowed. The same will apply to renting offices

to state institutions, and to state-owned buildings.

This responsibility, according to the paper, will most likely be put into effect in 2016. In the meantime, personnel will be trained to act as energy efficiency inspectors.

“Energy efficiency certificates will have to be taken out for the buildings

and building units being sold or rented. Those who sell or rent buildings or building units will be obliged to hand over to the buyers or lease holders the original energy efficiency certificate or a copy of it verified by a notary,” representatives of the Ministry of Economy told.

The issued energy efficiency certificates will have 10-year validity.

MOST CONSTRUCTION WORKS UNDERTAKEN IN SKOPJE AND POLOG

In November last year, 182 building permits were issued, which is by 21.6 percent less from the same month of last year, according to the State Statistical Office. The estimated cost of the buildings for which the permits have been issued

is 1.9 billion denars, which is a 31.2 percent decline from the same period of last year. Most permits were issued in the region of Skopje, 48, followed by the region of Polog, 44, and the region of eastern Macedonia, 30.

Of the total number of issued building permits, 160 are for high-rise buildings, six for low-rise buildings and 16 for reconstruction. Of a total of 182 buildings, 154, or 84.6 percent, will be built by natural persons, while 28, or 15.4 percent, by legal entities.

A total of 414 apartments will be built with a total useful area of 37,878 sq. meters.

OVER 40 MUNICIPALITIES CAN SELL BUILDING LAND

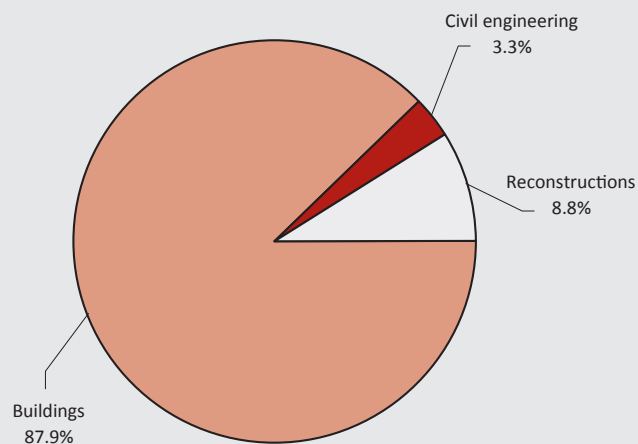
An initiative for introduction of an electronic system for preparation of building plans and granting approval was instigated in 2013 which will finalize and digitalize the entire process. The current average period of obtaining a building permit, based on the data for December 2013, is 20 days

The Ministry of Transport and Communications issues 35 public announcements for alienation of building land, in property of the Republic of Macedonia via public electronic auction which enables new investments, that is to say, construction of new housing and commercial objects. Reminding of the activities of the Ministry, Transport Minister Mile Janakieski mentioned that thus far a total of 42 municipalities gained the legal right to alienate and lease non-built building land. The Ministry of Transport and Communications, Janakieski added, is continuously monitoring the municipalities' meeting of legal obligations in this segment.

"I am proud of the electronic system for building permits which enabled additional facilitation of the procedure. This reform allows greater construction expan-

sion and construction, namely swifter launch of construction of new objects that are drawn in the city plans of the

NUMBER OF ISSUED BUILDING PERMITS BY TYPES OF CONSTRUCTIONS AND WORKS



Source: State Statistical Office

NURSING HOMES AND KINDERGARTENS AT ONE EURO PER SQ. METER

One euro per sq. meter to buy land for building a nursing home or a kindergarten, five percent utilities, cheap credits, and employment subsidies are the incentives that the government is offering to investors building private nursing homes and kindergartens, said government spokesman Aleksandar Gjorgjiev.

Two statutes relating to utilities have already been passed to provide legal justification for the incentives. In addition, via the Macedonian Bank for Development Promotion, the Government has provided four cheap financial instruments to be used by private entities as a source of funding for the effec-

tuation of their investments, including favorable credit lines at an interest rate of 5.5 percent subsidized by the Government.

Future investors in private nursing homes and kindergartens will also be aided in hiring people. Gjorgjiev informed that the Government and the municipalities secured 23 locations for the construction of private kindergartens and 30 locations for the building of private nursing homes.

MOST OF THE ILLEGALLY BUILT CONSTRUCTIONS ARE IN PRIVATE OWNERSHIP

According to the data of the State Statistical Office, a total of 1,403 illegally built structures were registered on the territory of the Republic of Macedonia in 2012.

According to the type, the number of illegally built structures is the following: 215 housing units (15.3 percent); 208 extensions, alterations and adaptations (14.8 percent); 148 business buildings

(10.5 percent); 163 garages (11.6 percent); 215 fences (15.3 percent); 13 stairs (0.9 percent); 34 terraces (2.4 percent); 48 summer terraces (3.4 percent); 107 canopies (7.6 percent); 115 temporary structures (8.2 percent) and 137 auxiliary structures (9.8 percent).

Most of the illegally built constructions are in private ownership (94.5 percent).

MACEDONIANS BUY ONLINE TOO

According to our laws, VAT is charged for shipments worth over 22 euro while tax is charged for shipments over 45 euro. The Postal Agency instigated an initiative – citizens who buy online to be able to make orders up to 150 euro without paying tax which is accordance with the European regulation

Sneakers, clothing and sport equipment, books, latest telephone models, computer components, hobby equipment, are mainly the objects that Macedonian citizens buy from foreign online stores. The online purchasing from abroad is on the rise, data from the Macedonian Customs Office show. Ac-

ording to the shipments that come from the customs control, the online-shopping last year registered growth of over 20 percent despite the many limitations with the payment due to the absence of “PayPal.”

According to our laws, VAT is charged for shipments worth over 22 euro while

tax is charged for shipments over 45 euro. The record of the Customs shows that when citizens order online, they mainly pay attention to the amount up to 45 euro to avoid paying tax but at times they make much more valuable orders.

For this reason, the Postal Agency instigated an initiative – citizens who buy online to be able to make orders up to 150 euro without paying tax which is accordance with the European regulation and if it is realized, greater increase of e-shopping from abroad is anticipated.

Nevertheless, Macedonians definitely like online shopping and they mainly visit the stores: E-bay, Amazon, German Etsy... One of the cheapest types of transport is the airline transport – five dollars without insurance and without a number that helps follow the shipment's location, which by the way, is not subjected to customs control. Double the amount is charged for insured shipment and if it fails to arrive, damages are paid out. EMS shipping is 100 percent reliable but costs from 15 to 20 dollars and it is subjected to customs control. The most expensive and by far most reliable transport is with DHL, UPS, TNT.

Except for purchasing, Macedonian citizens also sell through foreign online stores. A girl from Skopje, who has been selling hand-made jewelry for many years through German Etsy, says that she knows many fellow citizens who are doing the same thing.

Most of the Macedonian products sold on Etsy are hand-knitted sweaters, hats, gloves, etc.

E-COMMERCE IN THE ENTERPRISES, ACCORDING TO THE NUMBER OF EMPLOYEES, 2012

| | Total | Enterprises according to the number of employees | | |
|---|------------|--|------------|-------------|
| | (10+) | (10-49) | (50-249) | (250+) |
| Enterprises that have e-commerce (e-sales or e-purchases) | 9.6 | 9.7 | 7.9 | 14.9 |
| E-sales: have received orders via computer networks (via web or EDI) | 6.1 | 6.1 | 4.9 | 10.1 |
| Web sales: received orders for products or services that were placed via a website | 5.7 | 5.8 | 4.9 | 6.7 |
| EDI-type sales: received orders via EDI-type messages in an agreed format, e.g. EDIFACT, UBL, XML | 0.5 | 0.4 | 0.7 | 3.4 |
| Received orders placed via a website by customers located in: | | | | |
| Own country | 5.2 | 5.4 | 3.9 | 6.7 |
| EU countries | 1.9 | 1.9 | 2.0 | 2.5 |
| Rest of the world | 1.3 | 1.2 | 1.5 | 1.7 |
| ePurchases: placed orders for products/services via computer networks – via a website or EDI-type systems | 4.6 | 4.5 | 3.9 | 9.0 |
| Placed orders via a website | 4.3 | 4.2 | 3.9 | 7.2 |
| Placed orders via EDI-type messages | 1.7 | 1.8 | 1.0 | 3.5 |
| Placed orders via a website or EDI-type messages to suppliers located in: | | | | |
| Own country | 1.6 | 1.5 | 1.6 | 3.9 |
| EU countries | 3.2 | 3.3 | 2.8 | 5.2 |
| Rest of the world | 2.0 | 2.0 | 1.5 | 3.3 |

Source: State Statistical Office

CHINA PRESENTS CANTON FAIRS 2014 IN SKOPJE

In order to help Macedonian companies, China granted them privileged conditions for participation in the largest Chinese trade fair, Canton Fair 2014, which was confirmed with the signing of the Memorandum of Cooperation between the Economic Chamber of Macedonia and the China Foreign Trade Center.

“We want to see as many Macedonian companies as possible at the fair which is going to be a stepping stone for their promotion in China and the world over.

Macedonia is famous for its agricultural products, especially wine,” said Wang Zhiping, Director of the China Foreign Trade Center.

Li Lianzhong, an economic and trade advisor to the Chinese Embassy said he was satisfied with the evident rise of economic and political cooperation between the two countries that began twenty years ago.

“Trade between the two countries is rising by the year. Both exports and imports are rising, while Macedonian prod-

ucts in China are becoming increasingly more popular,” Lianzhong stressed.

China is Macedonia's seventh largest trade partner. However, Macedonian companies have never before participated in the Canton Fair.

According to Elisaveta Georgievska from the Economic Chamber of Macedonia, the Chinese market is open to Macedonian companies, yet the participation in this fair is an opportunity for them to present themselves to the visitors and establish business contacts. She added that most of the Macedonian companies that have already showed interest in participation in the fair are from the wine, agriculture and metal industries.

MACEDONIA PRESENTED AT TOURISM FAIR IN UTRECHT

Tour-operators Corendon and TUI will this year again bring Dutch tourists. The Dutch visitors showed incredible interest and desire to learn more about Macedonia, which offers lake, rural, wine, hunting and cultural tourism

The Macedonian tourism potential was presented at the Tourism Fair in Utrecht, the Netherlands.

“The successful promotion in Utrecht represents start of a series of planned promotional activities for increasing the number of tourists from this exceptionally important European market. We realized successful meetings with the largest tour-operators that have for several years been offering Macedonia on this market. Dutch visitors show incredible interest and desire to learn more about Macedonia, which offers lake, rural, wine, hunting and cultural tourism,” said Director of the Agency for Promotion and Support of Tourism, Kristijan Dzambazovski.

Macedonian Ambassador to the Netherlands Nikola Dimitrov is satisfied with the excellent presentation of Macedonia’s tourist offer in Utrecht.

“At the meetings with tour operators Corendon and TUI, I was informed that booking for the upcoming season is significantly increased compared to the same period last year. With this trend, we can expect an extremely successful year for tourism,” said Dimitrov.

“From the meetings we had with the major tour operators, it was confirmed that for several years in a row they offer Macedonia as a tourist destination and the sale has increased. This means that Macedonia can expect growth, not only of the tourist industry, but of the overall economy,” said Economic Promoter in the Netherlands, Vedat Rushid.

NUMBER OF TOURISTS AND NIGHTS SPENT BY TYPES OF TOURIST RESORTS AND BY TYPES OF ACCOMMODATION ESTABLISHMENTS

| | Tourists | | | Nights spent | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | total | domestic | foreign | total | domestic | foreign |
| Total | 34 113 | 13 237 | 20 876 | 79 025 | 36 060 | 42 965 |
| Types of tourist resorts | | | | | | |
| Skopje | 12 009 | 1 488 | 10 521 | 22 856 | 2 348 | 20 508 |
| Spa resorts | 2 364 | 2 008 | 356 | 20 078 | 17 624 | 2 454 |
| Mountain resorts | 2 874 | 2 278 | 596 | 5 963 | 4 528 | 1 435 |
| Other tourist resorts | 7 134 | 3 707 | 3 427 | 12 136 | 5 839 | 6 297 |
| Other resorts | 9 732 | 3 756 | 5 976 | 17 992 | 5 721 | 12 271 |
| Types of accommodation establishments | | | | | | |
| Hotels - total | 28 154 | 9 235 | 18 919 | 52 069 | 15 318 | 36 751 |
| Hotels***** | 7 133 | 1 175 | 5 958 | 13 906 | 2 114 | 11 792 |
| Hotels**** | 9 522 | 3 434 | 6 088 | 15 332 | 4 867 | 10 465 |
| Hotels*** | 6 988 | 2 740 | 4 248 | 13 308 | 4 968 | 8 340 |
| Hotels** | 3 079 | 1 307 | 1 772 | 6 767 | 2 321 | 4 446 |
| Hotels* | 1 432 | 579 | 853 | 2 756 | 1 048 | 1 708 |
| Boarding houses | 151 | 59 | 92 | 292 | 154 | 138 |
| Motels | 670 | 250 | 420 | 1 409 | 440 | 969 |
| Overnight lodging houses | 402 | 212 | 190 | 563 | 315 | 248 |
| Spas | 2 311 | 2 005 | 306 | 20 017 | 17 621 | 2 396 |
| Mountain lodges and houses | 118 | 86 | 32 | 188 | 146 | 42 |
| Workers' vacation facilities | 448 | 344 | 104 | 719 | 472 | 247 |
| Children and youth vacation facilities | 221 | 146 | 75 | 719 | 267 | 452 |
| Youth hotels | 264 | 123 | 141 | 403 | 194 | 209 |
| Camps | 3 | - | 3 | 3 | - | 3 |
| Houses, vacation apartments and rooms for rent - total | 295 | 189 | 106 | 913 | 380 | 533 |
| Sleeping cars | 281 | 227 | 54 | 281 | 227 | 54 |
| Uncategorized accommodation establishments | 795 | 361 | 434 | 1 449 | 526 | 923 |

Source: State Statistical Office

MACEDONIA HAS A LOT TO OFFER TO NORDIC TOURISTS

The fair in Helsinki, Finland is the third international tourism fair of the planned 16 for this year at which the Agency for Promotion and Support of Tourism will present Macedonia’s tourist potentials

The Agency for Promotion and Support of Tourism presented Macedonia’s tourism potentials at the largest Nordic Fair for tourism “Matka” held in Helsinki, Finland from 16 to 19 January.

“After last year’s success, this year once again we were able to show that Macedonia has much to offer to the Nordic tourists. The new design of the stand and the overall promotional material prepared in the Agency for Promotion and Support of Tourism was complimented by the potential tourists and the largest tour operators in Finland and the Nordic countries. Judging by the number of promotional material handed out at the Macedonian stand; we can boast that

the interest has increased. At the meeting with the local tour-operator which is present in Macedonia since 2007, the benefits our country gives “Naantalin Matkakauppa” were presented. It was also discussed about other large and important tour operators as Apollo, Compass Scandinavia, Aurinkomatkat, the representative of the Agency for Promotion and Support of Tourism, Nikola Kostadinov said.

The fair in Helsinki, Finland is the third international tourism fair of the planned 16 for this year at which the Agency for Promotion and Support of Tourism will present Macedonia’s tourist potentials.

NUMBER OF DOMESTIC TOURISTS DROPS

According to the data of the State Statistical Office, the number of tourists in November 2013 was 34, 113, and the number of nights spent by tourists was 79,025.

The number of tourists in November 2013, compared to November 2012, decreased by 1.9 percent, and the number of nights spent decreased by 1.9 percent.

The number of domestic tourists in November 2013, compared to November 2012, decreased by 7.1 percent, while the number of foreign tourists increased by 1.8 percent.

The number of nights spent by domestic tourists in November 2013, compared to November 2012, decreased by 6.3 percent, whereas the number of nights spent by foreign tourists increased by 2.0 percent.

MACEDONIA AMONG COUNTRIES THREATENED BY CLIMATE CHANGES

Aiming to tackle the consequences of climate changes better, the Government is to invest more than 18 million euro in modernization of a water-supply system in the next seven years. With this, around 96,000 hectares of arable land will be under irrigation systems and 90,000 hectares with drainage systems

ECOLOGY

According to the analysis of the World Bank, Macedonia is among the countries threatened by the consequences of global warming, said Agriculture Minister Ljupco Dimovski. He stressed that the Ministry of Agriculture has already conducted an analysis on the regions at most risk, while Pelagonija is among the three most endangered places in the country.

“Unfortunately, Macedonia is one of the most threatened countries according to the World Bank’s project, along with Albania, Moldavia, Uzbekistan and Tajikistan. Macedonia is defined as a high-risk country from the impacts of climate changes,” Dimovski said.

One of the cultures most subjected to the impacts of the global warming is the wheat. The proof for this is the autumn crops that have problems with the sprouting due to the extremely dry autumn and winter.

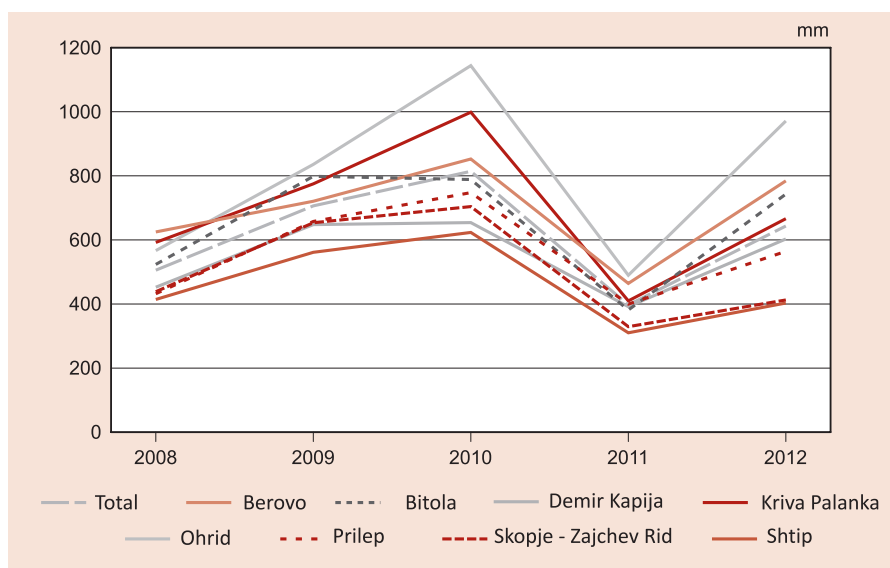
Aiming to tackle the consequences of climate changes better, the Government is to invest more than 18 million euro in modernization of water-supply system in the next seven years. With this, around

96,000 hectares of arable land will be under irrigation systems and 90,000 hectares with drainage systems.

“We want to rehabilitate the systems, do a complete reconstruction to take them back to the level they were twenty years ago,” Dimovski said.

Donations from the Turkish Ministry of Agriculture and Cooperation and Coordination Agency will be given for construction of ten mini- hydro accumulations.

PRECIPITATION, SOURCE: HYDROMETEOROLOGICAL DIRECTORATE



Source: Hydrometeorological Directorate

GEVGELIJA AND VALANDOVO – HOTTEST CITIES IN MACEDONIA

The territory of the Republic of Macedonia is under the influence of two zonal climates – Mediterranean and continental and one local – mountain climate. The zonal and the local climate influences combine with each other, which creates special, local climate characteristics in separate parts of the Republic of Macedonia.

The air temperature is the most important climate element for the formation of the weather and the climate. By compar-

ing the annual air temperatures in the Republic of Macedonia, from north to south, several thermal regions can be distinguished, the latest publication of the State Statistical Office, dedicated to the environment, shows.

The region with the highest average temperature is the southernmost part of the Republic of Macedonia along the valley of the river Vardar, i.e. the Gevgelija- Valandovo basin that spreads to Demir Kapija to the north. This re-

gion is under heavy thermal influence of the Aegean Sea, with mean annual air temperature of 13 to 14 C° and more.

On the other hand, the coldest regions with lowest average air temperatures are the high basins such as the Berovo basin and the high mountain areas under the heavy influence of the local mountain climate with mean annual air temperature under 10 C°.

PRODUCTION AND EXPORT OF HEALTHY FOOD – TOP PRIORITY

According to experts, with modernization of the production, Macedonia is becoming an important factor on the market of agricultural-food products. Domestic agricultural products are safe and of high quality

Macedonia has a good image on foreign markets as a producer of healthy and high-quality food and this image is its number one priority. With the modernization of the production, Macedonia is becoming a significant factor on the market, in the region especially, agricultural experts say.

Following the scandal with the export of agricultural products with forbidden amount of pesticides, experts contend that the domestic agricultural products are safe and known for their quality but they appeal that farmers should pay greater attention to the quality of the agricultural products.

“We are known as a country with agricultural products of high quality. We have a reputation of a country with recognizable taste of products and we need to maintain that. It is difficult to create an image but it is easy to lose it,” said Professor at the Faculty of Agricultural Sciences and Food, Dragi Dimitrievski.

According to him, cases of irresponsible conduct should be prevented from being generalized on a level of the entire agricultural production.

Director of the Agency for Food and Veterinary Dejan Runteovski claims that

we have safe food and a highly built level of production.

“The control of the primary agricultural production through seed material and fertilizers of high quality and their correct use is the basis for quality food. Therefore, I can say that there is safe food in the country and everyone involved in the control chain are doing their job properly,” Runteovski said.

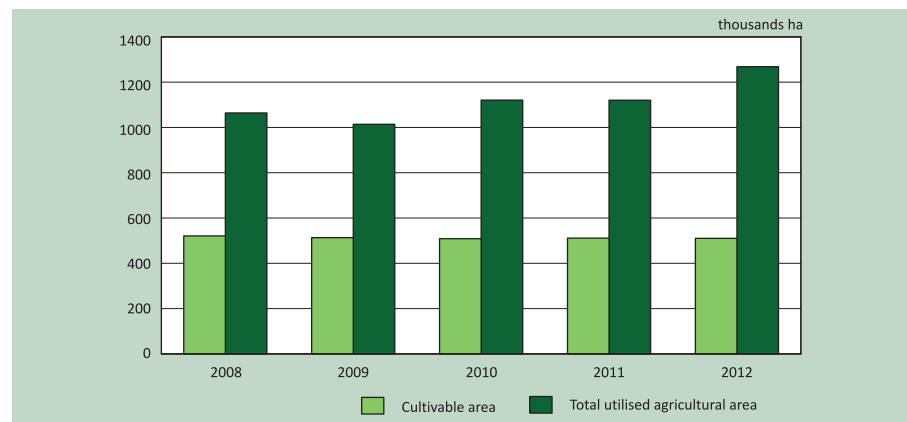
Proof that the domestic products are wanted on foreign markets is statistical data which register increase of the export. In the first nine months of 2013, the ex-

port totaled 266.3 million euro and this is 10 percent more compared to 2012. There was also an increase of export with tobacco and tobacco products by over 20 million dollars and 6 million dollars in the export of cereals and cereal products.

According to official data, the most important trade partners in export are Serbia, Croatia and Bosnia and Herzegovina where 52 percent is distributed while 41 percent of agricultural and food products are exported to the EU. According to expectations of experts and relevant institutions, the value of the export of vegetable and fruit for 2013 should reach a record of 400 million dollars.

Aiming to provide greater food safety for this year, the punitive policy is reinforced too. The fines thus far were minimal and mainly referred to the education but now the fines will be much higher for producers, traders and distributors of food products, who will fail to abide by the rules for safe food.

AREAS UNDER ORGANIC AGRICULTURE



Source: Ministry of Environment and Physical Planning

WINE EXPORT TO CHINA INCREASED

Namely, for two years the Ministry of Agriculture, Forestry and Water Economy has actively participated in agricultural and wine fairs in China and this has helped enhance the cooperation between the two countries

The Ministry of Agriculture and the Republic of Macedonia pay great attention to relations with the People's Republic of China, said Macedonian Agriculture Minister Ljupco Dimovski at the meeting with the Ambassador of the People's Republic of China to the Republic

of Macedonia, Mr. Cui Zhiwei. Namely, for two years the Ministry of Agriculture, Forestry and Water Economy has actively participated in agricultural and wine fairs in China and this has helped enhance the cooperation between the two countries. Ambassador Zhiwei informed Minister

Dimovski that Chinese companies from the Sichuan Province are interested in investing in the agricultural sector and announced that they will soon visit Macedonia to get informed about the requirements for investment in livestock.

To deepen trade cooperation and promote the export of Macedonian agricultural and food products in China, a Memorandum of Understanding has been signed between the two countries and a protocol for phytosanitary requirements for tobacco export from Macedonia to China. Export of wine to the Chinese market in 2013 increased by 4.5 times compared to 2012, which is an additional incentive for Macedonia.

SUTAS TO DOUBLE ITS MILK PRODUCTION

Dairy company "Sutas" will build a 40-hectare farm and is planning to double the production and number of employees. Efforts are already being made to obtain permits and licenses, Prime Minister Nikola Gruevski announced

Nearly double increase of the number of employees, increase of the production capacity from 180 to 400 tons and opening a 40-hectare farm are the plans of dairy company Sutas on the Macedonian market.

After the Turkish investor undertook the plants of the bankrupted dairy factory Swedmilk two years ago, today it is one of the most modern capacities in the region, said PM Nikola Gruevski. He added that currently utmost efforts were made to find a location for construction of the farm which will make this dairy company one of the most successful businesses in the country.

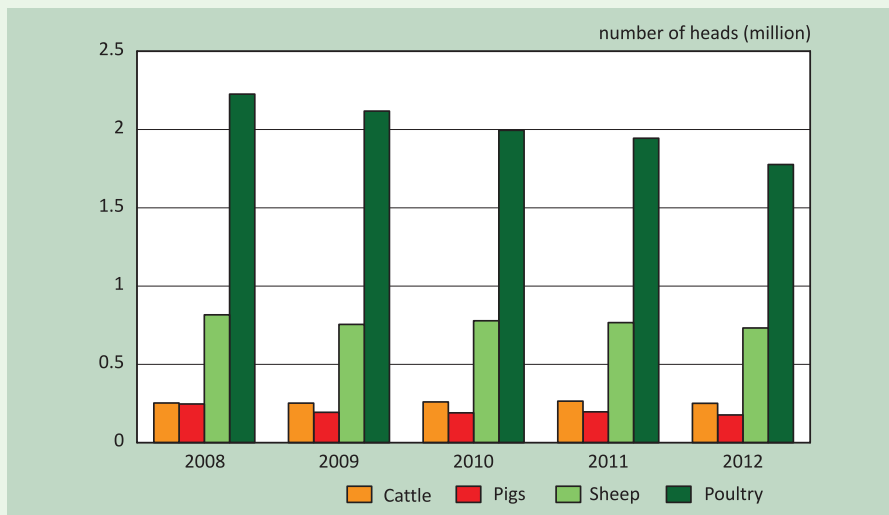
PM Gruevski informed that in addition to the Macedonian market, Sutas also intends to enter the markets in the region and beyond.

The facility in the vicinity of Skopje is the company's first investment outside Turkey as Sutas is investing simultaneously in Romania as well.

"Utmost efforts were made to find an investor to help the farmers who collaborated with the former dairy plant "Swedmilk". The company has invested 13 million euro so far, it has employed 80

persons and plans to double the number of employees to 150. It invested in the facility which produces 180 tons daily with a tendency to be drastically increased to 400 tons," Gruevski stated.

NUMBER OF LIVESTOCK BY SPECIES AND CATEGORIES



Source: State Statistical Office

SUPPORT FOR PROMOTION OF AGRICULTURAL PRODUCTS WORLDWIDE

In the first nine months of 2013, the export of agricultural produces totaled 369.7 million euros, which is a 5.9 percent increase from the first nine months of the previous year. Imports, on the other hand, dropped by 3.9 percent

The Macedonian Government is going to support the promotion of the Macedonian agricultural exports at world renowned fairs this year with 415,000 euros.

"The promotions will be directed at increase of sales mainly on markets which are fast-growing and with a population that has large purchasing power, like countries in Asia, especially China and promotional activities will also be held at the fair in the US," stated Government spokesman Aleksandar Georgiev.

The Government will support the presentation at a wine fair in Beijing and it will review opportunities for promotion of Macedonian products in Hong Kong and Guangzhou. In Europe it will

support presentations at Fruit Logistica trade show in Berlin, one of the biggest world fairs of fruit and vegetable and fairs in Vilnius, Poland, Lithuania, the Netherlands, Switzerland and Slovenia. The wine and fruit will be supported at two fairs in Moscow.

"For the first time this year, presentation of wine, fruit and vegetable will be organized with financial assistance in North America, namely at the food and wine fairs in New York," Gjeorgiev said.

In the first nine months of 2013, the export of agricultural produces totaled 369.7 million euros, which is a 5.9 percent increase from the first nine months of the previous year. Imports on the other hand dropped by 3.9 percent.

ONE AGRICULTURAL HOLDING USES 1.85 ha OF AGRICULTURAL AREA

According to the Farm Structure Survey data, there are 170,885 agricultural holdings in the Republic of Macedonia. In average, one agricultural holding uses 1.85 ha of agricultural area and breeds 2.14 LSU (livestock units).

Total utilised agricultural area by agricultural holdings is 315,863 ha and from the total number of holdings, 58.2 percent used up to 1 ha of agricultural area.

Agricultural holdings have a total of 365,868 LSU, while 56.5 percent from the total number of holdings breed livestock, poultry and beehives.

In the Republic of Macedonia, in average, there are 0.5 tractors per agricultural holding, of which bigger part are two-axle tractors. number of nights spent by foreign tourists increased by 2.0 percent.