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MACEDONIAN COMMERCIAL OFFICE IN KOSOVO OPENED

Macedonian Prime Minister Vlado Buckovski opened the Macedonian Commercial Office in Pristina on March 2, 2005. Buckovski said that the office would represent the interests of Macedonian businessmen and would provide opportunities for economic-trade cooperation between Macedonia and Kosovo. "We could attract foreign investments with joint efforts, which would enable opening of new jobs for the citizens. We welcome this process and we will support the economic and trade cooperation in the frameworks of our authorizations", Buckovski said.

Head of UNMIK Soren Jessen Petersen and Kosovo's Prime Minister Ramus Hardinaj attended the opening ceremony and shared Buckovski's views on opening new perspectives for economic cooperation between Macedonia and Kosovo.

WORLD BANK SUPPORTS ESM PRIVATIZATION, BLOEMENKAMP SAYS

The World Bank supports the privatization of the energetic sector in the country, reads the written statement by the representative of the World Bank in Macedonia, Sandra Bloemenkamp. "This position is based on the experience from Western European countries, USA and transition economies. Productivity of the energetic sector in such circumstances is increased, while expected positive outcomes can be seen through lower electricity prices. Experiences are opposite when the energetic sector remains state-owned", Bloemenkamp said.

According to her, Macedonia shows constant progress in establishing institutional framework, which is the reason for permanent support by the World Bank. The energy sector in the country is high on the priority list of the World Bank Mission in Macedonia. "Regarding the industry's organization, the World Bank supports the GOM's decision to divide Macedonian Power Company (ESM) in two entities as of January 26, 2005". The team advised that it would be useful if potential investors are given the possibility to compete for the individual companies.

According to Bloemenkamp, "Depending on the situation and the signals during the tendering process, the GOM could make a decision on the post-privatization ownership structure. If the market signals that investors are only interested in purchasing the company as a whole, the World Bank would support the privatization of production and distribution to one investor", the written statement reads.

In regard to the privatization of hydro-plants, it is stated that although there is no evidence that it is crucial for improvement of the sector's performances, there is a possibility for potential benefits from the privatization of certain hydro-plants. As implied in the statement, the World Bank will continue to support the privatization of ESM, and continue to work along with the GOM meeting the needs of the consumers.

SOUTHEAST EUROPE SUMMIT FOR DEVELOPMENT OF COOPERATION

Countries in the region of South-East Europe share the goal of becoming part of the European Union. The fact that they are at different level in their rapprochement with the EU does not change the shared goal. On the contrary, this strengthens the need for comprehensive cooperation and partnership in making this journey even more, Macedonian President Branko Crvenkovski said on March 10, at the opening of the Southeast Europe Summit for Development of Cooperation.

"The economic efficiency of any of the countries in the region will improve if by way of regional economic cooperation, larger and more comprehensive market is created. Furthermore, the level of foreign investments in SEE will increase when the entire region will start functioning as a modern economic entity and a solid investment area," Crvenkovski said. Meeting of those goals requires the SEE political elites to create conditions for maximum stability and security.

"Intensifying cooperation and enhancing partnership among countries in SEE also involves cooperation among the business communities. This type of cooperation should be developed in both qualitative and quantitative terms. This is a task of businessmen in the region, to be accomplished by seeking new opportunities for lasting forms of economic cooperation, transfer of technology, joint appearance at third markets and long term business cooperation ventures. These are the forms, which prompt business competitiveness," Crvenkovski said.

He reiterated Macedonia's firm commitment to keep threading the way towards progress and integration with the European Union and NATO. "Macedonia has many times demonstrated and proven its belief in the European future," Crvenkovski said.

The regional cooperation has always been the essence of the EU policy towards Western Balkan, EC Enlargement Director General Fabrizio Barbaso said, adding that SEE countries have made significant progress for the last 10 years. "The economic development is one of the main aspects of the Euro-integration process. Further social and economic prosperity requires completion of structural reforms, judicial reforms and building of more efficient administration capacity," Barbaso said.

"The SEE region was the venue of many tragedies," Honorary Member of DEIK Sarik Tara said, pointing out the importance of tolerance and equality for all, because there are over 40 ethnic groups and many religions in this region. The regional economic development by intensive cooperation among the SEE countries is one of the main factors for their integration with the European Union, he added.

About 150 Heads of State and Government, senior officials and many European businessmen shared opinions on applying appropriate measures for supporting the region's peace and stability, democracy and economic prosperity.

CONSTITUTION OF GOVERNMENT CONSULTING COUNCIL OF INVESTORS

GOM's Consulting Council of Investors was established on March 14, 2005, at the initiative from the European Bank for Reconstruction and Development (EBRD). The council should inform the GOM of the main obstacles to investing in private sector, propose measures for overcoming them and give advice for the GOM's policy and regulations related to this sector. Ministers of economy, finance, local businessmen and representatives of international financial institutions are members of the council, chaired by Prime Minister Vlado Buckovski.

"The GOM is strongly committed to proceed with the economic reforms in order to build modern and democratic society with free market," Buckovski said, pointing out that only by more dynamic growth, investments and sustainable development Macedonia may realize its strategic goals - the European Union and NATO membership. The GOM's objective is to improve the business climate,

thus intensifying the economic activities that will result in opening new jobs and better living standard, Buckovski emphasized.

EBRD SEMINAR ON SEE PRIVATE AND FINANCIAL SECTOR

On March 14, Skopje hosted a one-day seminar, organized by the European Bank for Reconstruction and Development (EBRD), on development of the South East Europe (SEE) private sector and regional integration of its financial sector.

"Western Balkan and Macedonia have great potential for development, growth and investments. The region is a huge market with 60 million consumers, offering a possibility for attracting investments " EBRD President Jean Lemierre said opening the event. He underlined the necessity of reviewing both concrete and potential problems that SEE countries had been facing, adding that progress has been registered in free flow of goods and trans-border business activities. However, political stability and judicial reforms are also important, Lemierre said.

Lemierre also pointed out that EBRD annual investments in Macedonian were at Euro 70-100 million for supporting infrastructure projects and private sector development. Macedonia would have to improve its banking sector, making the banks strong enough to take a risk, Lemierre said, expressing the EBRD readiness to grant assistance in this respect.

Macedonian Prime Minister Vlado Buckovski expressed hope that the seminar would contribute to boosting the cooperation among SEE countries, giving credit to EBRD role in this respect. He presented the GOM's priorities in completing the reforms and creating favorable business environment. "We are committed to creating harmonized legal frame and to improving the institutional capacity, particularly in the combat against organized crime and corruption," Buckovski said.

TWO MACEDONIAN COMPANIES AT WORLD'S BIGGEST IT FAIR

Macedonian companies "Neocom" and "Peksim" took part in the world's biggest Information Technology Fair "CeBIT" being held in Hanover, Germany on March 10-16. The fair has gathered over 6,000 companies from 60 countries, displaying their latest technical achievements.

"This is Neocom's second year at CeBIT, presenting its latest software products, fully developed by Neocom experts. The company presents its product NeoDoc, a complex information infrastructure, which covers all aspects of the management of various documents, applicable for the entire working process," Neocom sales manager Dame Cvetkovski said. Opening the show, German Chancellor Gerhard Schroeder said his government planned to invest about Euro 100 billion in IT by 2010.

CONSUMER BASKET IN FEBRUARY HIGHER BY 1.4 PERCENT

The value of the consumer basket for food and beverages for four-member household in February 2005, based on a retail prices index was 9,971 denars and compared with the previous month was higher for 1.4 percent, State Statistical Office reports.

Structurally, index increase of 1.0 percent was registered in food products, as a result of a higher index of vegetables by 7.2 percent, fruits by 2.8 percent, fresh meet by 0.5 percent and other food products by 1.0 percent. Increase in consumer price index is also registered in transport and communication by 1.1 percent, clothing and footwear by 0.3 percent and housing by 0.2%.

Consumer price index in February 2005 in relation to the same month in previous year remained stable, while in relation to December 2004 was higher by 0.7 percent. Cumulative consumer price index for the period January-February 2005, compared to the same period of 2004 was lower by 0.7 percent.

WORLD BANK APPROVES US\$ 14 MILLION FOR MACEDONIA'S CADASTRE

The World Bank (WB) approved on March 14, a US\$ 14 million loan for the Real Estate Cadastre and Registration Project (RECRP) for Macedonia, WB Skopje Office said in a press release. This project will assist the GOM in its effort to improve the business environment and facilitate foreign and domestic investment. The objective of the project is to accelerate the establishment of the real estate cadastre system and the registration of rights; improve institutional processes and procedures to provide efficient registration services; and help developing capacity to formulate policies in order to achieve efficient property markets.

The uncertainty of property rights is one of the major constraints to investment and overall economic development in Macedonia. Confidence in registration and cadastre records is low as the records are significantly out-of-date, and 60 to 70 percent of apartments are not registered at all. The foremost task of RECRP is to reverse this negative trend by building an efficient real estate cadastre and registration system, contributing to the development of efficient land and real estate markets.

"Everyone agrees that an efficient cadastre system and developed land markets belong to the group of basic factors in attracting foreign and domestic investments," Wael Zakout, Head of WB team designing the project said. This operation would help completing the real estate cadastre system and build institutional capacity of the national cadastre and registration agency to be able to complete transactions in one day.

The Real Estate Cadastre and Registration Project has three main components: completing the real estate cadastre - this component will support the completion of real estate cadastre and registration of rights in the country by the end of 2009; institutional development and improving service delivery - the objective of this component is to transform SAGW into a modern and efficient national cadastre and registration agency and improve service delivery of all local and regional offices with a goal to complete the registration of transactions in one day by the end of the project; development of land policy - this component will support the GOM's capacity to formulate and develop policies that needed to ensure the completion of the real estate cadastre and the full functioning of the land and real estate.

GTZ PRESENTS RESULTS OF PROJECT FOR PUBLIC SERVICES

On March 16, the Deutsche Gesellschaft für Technische Zusammenarbeit / German Technical Cooperation (GTZ) presented the results of its project "Improvement of the Economic Efficiency of Public Services" realized in cooperation with the Macedonian Ministry of Local Self-Government and the Association of Units of Local Self-Government (ZELS). The presentation marked a completion of the second phase of the project, supported by the German Government with euro 2 million.

The project, realized in 10 municipalities in Macedonia, is aimed to support the decentralization process by

improving economic efficiency of public services. In the past two years of the project, significant improvement has been registered in the work of public utility enterprises. The project also included training, seminars, workshops, round tables and studies in Germany. "The experiences Germany has been sharing with us through GTZ are very significant and we should take the advantage and choose the most appropriate model," Deputy Minister of Local Self-Government Tanja Altandzieva said at the promotion. ZELS Chairman Goran Angelov expressed hope that the cooperation would proceed in the next 2.5 years.

MACEDONIAN-RUSSIAN ECONOMIC CHAMBER OPENED

The Macedonian-Russian Economic Chamber was officially opened on March 21, in Skopje. "The aim of the Chamber is to improve the economic conditions of the domestic and Russian market, to mediate between business partners and to support their contacts and negotiations. The Association will open new possibilities for Macedonian economy and will facilitate the disposal of Macedonian products", Gjorgji Dika, Chairman of Macedonian-Russian Economic Chamber Assembly said.

Vice Prime Minister for Economic Affairs Minco Jordanov said that in the frameworks of the project all conditions were created for using historical, economic and political possibilities for improving the positions of both countries. Vladimir Arashchenko, representative of Inter-Governmental Commission for Trade, Economic and Scientific-Technical Cooperation said that the Russian side would invest maximum efforts for intensifying the cooperation between businessmen of both countries. According to him, the commercial exchange between Russia and Macedonia increased last year by 50 percent and ranges at about US\$ 200 million.

So far 30 companies are members of the Chamber, among which Macedonian and Russian firms that work in Macedonia, such as "Beton", "Hepos", "Makstil" and some textile companies.

MINISTER BESIMI ADDRESSES DOHA INTERNATIONAL FORUM

Macedonian Minister of Economy Fatmir Besimi had a presentation on March 23, at the international forum for democracy and free trade in Doha, within the session "Trade Between National Policy and Globalization". Minister Besimi referred to the challenges of globalization and free trade for small and open economies such as Republic of Macedonia.

Besimi emphasized that in conditions of strengthened competition, small economies in transition and developing countries should harmonize national commercial policies and implement accelerated structural reforms, in order to create favorable business ambience and make their countries an attractive destination for investments.

Within the Doha forum, the Macedonian Minister of Economy had a bilateral meeting with his Qatar counterpart Sheik Mohammed Bin Ahmed Bin Jassim Al-Thani. The meeting focused on the interest of both countries for strengthening and enlargement of economic cooperation. Furthermore, both interlocutors agreed on the visit of a larger group of Qatar businessmen to Macedonia.

MACEDONIA TO USE LATVIAN DECENTRALIZATION EXPERIENCE

Macedonian Minister of Local Self-Government Rizvan Sulejmani met his host, Latvian Minister for Regional Development and Local Governments Maris Kucinskis on March 24, reads the press release from the Macedonian Ministry of Local Self-Government. Minister Sulejmani informed his counterpart about the GOM's preparations for the beginning of the decentralization process.

"The transfer of competencies will begin on July 1, but nobody can say when it will end, because decentralization is a lasting process. We will be satisfied with the reform of the local self-government when we prepare the municipalities to be the generator and promoter of development", Sulejmani stated.

On the other hand, the Latvian Minister stressed the readiness of his country to convey its experience, taking into consideration the numerous similarities between the two countries such as the population number and disparity among certain areas, which are very important for the regional development. "When creating regional development, one has to take into account the state's strategic development plans, but also the people's needs and wishes. The important thing is to inform citizens and their involvement in the state's development plans", Minister Kucinskis stated.