

U.S. Embassy - Skopje
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UK TO TASTE "NEW WAVE" MACEDONIAN WINES

The Macedonian Fine Wine Exports Group presented a diverse selection of wines in a three-day wine tasting event in London from September 5-8. The Group includes six leading small and medium-sized wineries: Bovin, Cekorovi, Fonko, Pivka, Popov and Skovin. The winemakers are targeting educated wine consumers who appreciate quality wines and are open to trying new wines.

CITIGROUP TO ISSUE EURO BONDS

In a competition of nine interested bidders, the GOM has selected and signed an agreement with Citigroup to be the agent for selling a debut issue of eurobonds worth at least 150 million euros, by presenting Macedonia's opportunities in a number of European financial centers. The money from the eurobonds will be used for refinancing Macedonia's old debt, and not for investment projects. The eurobonds are expected to bring cheap capital and make the country less dependent on the IMF's and the World Bank's credits. The price of the eurobonds will depend on their interest rate, maturity date, the country's rating and the investors' trust in the issuing country.

TENDER FOR ESM AND TEC "NEGOTINO" SALE IN OCTOBER

The GOM has decided to sell 90 percent of shares of the power distribution company ESM and 100 percent of the thermo power plant TEC "Negotino", Minister of Economy Fatmir Besimi said on September 10 at a press conference. Two separate tenders will be announced in end-October, Besimi said, adding that the process is to be carried out in two stages, and has been approved by the European Bank for Reconstruction and Development. The company in charge of the power production "ELEM" will be privatized in the second stage.

WORLD BANK SUPPORTS MACEDONIAN RAILWAYS REFORMS

On September 14, the World Bank has approved Euro 15 million loan to support the GOM's reform efforts to improve productivity and efficiency of the Macedonian

Railways. This will be done in four steps, which include separation of operations from infrastructure, privatization of Macedonian Railways-Transport, procurement and installment of new equipment, rehabilitation of locomotives and wagons, and maintenance of rails and other equipment. Macedonian Railways' debt totaled Euro 143 million at the end of 2004. Any delay in reforms can increase company's debt for additional Euro 100 million in the next 10 years.

MACEDONIA 81ST FOR DOING BUSINESS

Macedonia is 81st out of 155 countries on the World Bank's rating on the conditions for doing business in 2006. According to the World Bank's report, starting a new business in Macedonia requires 13 operations, takes on average 48 days, and costs about 11.3 percent of GDP per capita. Macedonia has relatively good grades regarding protection of investors, receiving loans, manner and time of paying tax, issuing licenses and registering property, and rather poorer grades concerning the procedures of employing and laying off employees, the procedures for starting business, implementing agreements, closing businesses and exporting.

PRESIDENT CRVENKOVSKI AND AMBASSADOR MILOVANOVIC ADDRESS AMERICAN CHAMBER OF COMMERCE ASSEMBLY

"Regardless of the real economic growth at the end of 2005, the conclusion stands that despite the GOM's stable macroeconomic policy, projected economic activity is lacking", President Branko Crvenkovski said on September 23 at the annual General Assembly of the American Chamber of Commerce in Macedonia. Crvenkovski appealed for businesses' criticism, but also suggestions for solutions. He expressed hopes that the American businessmen will find opportunities for cooperation at this market. Ambassador Milovanovic said the U.S. supports government and private businesses in their efforts to increase the transparency, openness and competitiveness of Macedonian economy.

UNEMPLOYMENT DROPPING SLIGHTLY

According to the State Statistical Office, the Labor Force Survey results for the second quarter of 2005 show that 552,797 persons or 62.6 percent are employed and 330,724 persons or 37.4 percent are unemployed. This is by 1.2 percentage points less unemployment than in the first quarter of 2005.