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**PROJECT FOR INFORMATION LINKING OF MACEDONIAN AND  
LJUBLJANA STOCK MARKET**

The Macedonian Stock Exchange promoted the project for information linking of its trade systems with the ones of the Ljubljana stock market. Director of the Sector for trade of securities at the MSE Ivan Steriev emphasized that the agreement between the Governments of both countries for co-financing of this project was signed in February 2002. According to Steriev, the technical solutions were worked on up till now, a modified software application has been modified, linking through the Internet, as well as selection of data necessary for brokers from the Ljubljana stock market. Steriev stated that the trading would be carried out through a domicile broker, i.e. if some Macedonian broker shows interest for investment in "Lek" or "Krka", he would have to find a partner from Slovenia and invest through it.

Director on legal issues and public relations Milco Kupev presented data on September trading, adding that over 200 of the 700 shareholders companies fulfilled the legal conditions for obligatory listing at the Macedonian stock market. As he stated, management teams at a larger part of these shareholders companies have agreements with shareholders for renouncing the management rights and limitation of the rights for shares' acquisition. "The renounced rights should be precisely evidenced and mutually divided", Kupev stated, adding that the brokers have signed agreements with 40 out of the 200 companies.

**ANNOUNCEMENT FROM TRANSPARENCY MACEDONIA AND COALITION  
"CORRUPTION FREE MACEDONIA"**

The boards of the Transparency Macedonia organization and of the coalition Corruption Free Macedonia decided on October 7, 2002, that the Board of the coalition Corruption Free Macedonia should act as body that would publicly assess the staff policy and the individual staff solutions of the new Macedonian government. In this context, the Transparency Macedonia and the coalition Corruption Free Macedonia encourage Prime Minister of the new government Branko Crvenkovski and other officials,

which will be engaged in the decision-making regarding the staff policy of the state, to be led by the principles of professionalism and competence of the people who will take over the responsibility to lead the state. As the announcement states, they will especially insist on high level of personal integrity and honesty of the new officials, and transparency in the staff policy.

The Transparency Macedonia and the coalition Corruption Free Macedonia report that they will strongly react against the cases of nepotism and conflict of interests concerning the new holders of public functions. This especially refers to the new ministers, their deputies, state secretaries and state advisors, but also to the officials who will head the Customs Administration, the Fund for State Reserves, the Public Revenues Office, the Department for Property Relations, the Fund for Pension and Invalid Insurance, the Public Road Enterprise Makedonijapat, the Public Company for electricity supply Elektrostopanstvo, the Public enterprise for housing, the Veterinarian Administration, the Public enterprise for Airport Services, the Geodesy Administration, the Privatization Agency, the Agency for Banking Reconstruction, the Development Agency, the Directorate for money laundering prevention, all inspections, public enterprises and agencies.

According to the Anti-corruption Law, the deadline for appointment of state anti-corruption commission by the Macedonian government expires on November 3. Until that date all holders of public functions are obliged to report the property they or their closer family possess. The Transparency Macedonia and the coalition Corruption Free Macedonia hail the readiness of the next government to combat the corruption. At the same time they inform the public that the civil sector will closely monitor the appointment of the new holders of public functions and their work.

#### **INTERNATIONAL PRIVATE BANK STARTS ISSUING NO DEPOSIT CREDIT CARDS**

The International Private Bank at the press conference held on October 8, promoted its new credit card EUROCARD/MasterCard with no deposit required. As the Bank director Metodi Majnov said, the bank's capital at the moment is € 25 million, out of which 8 million in cash. Out of the overall assets, around 25 percent have been invested as loans envisaged for domestic and foreign individuals and legal entities, while 75 percent are

liquid assets in the National Bank of Macedonia and other banks in the country.

In Macedonia, as Majnov said, this card can be used in around 600 stores, and money can be withdrawn from the banks and ATM's throughout the country. The credit card is in Denar currency, and it can be obtained through a simplified procedure and under no strict terms. In order to obtain credit card, Majnov explained that a credit agreement has to be arranged and the necessary documentation submitted. The spent credit amount should be compensated within 60 days from the payment, which is 30 days after entrustment of the excerpt. By paying the monthly excerpts the debt towards the bank starts to decrease, while the user gets the opportunity to reuse his/her credit card.

#### **RETAIL PRICES AND COSTS OF LIVING IN SEPTEMBER HIGHER BY 0.4 PERCENT**

According to the data from the State Statistics Bureau, the retail prices and costs of living in September 2002 are higher by 0.4 percent than in August. The prices of agricultural products increased by 6.6 percent mainly because of the higher prices of vegetables (by 16.5 percent) and fruits (by 1.8). In comparison to September 2001, the retail price index is higher by 0.8 percent. The cumulative retail index price for the period January - September is higher by 1.2 percent than the same period last year.

The costs of living index as a relevant measure of the inflation rate in September 2002 are by 0.4 percent higher than the previous month. On annual basis (September 2002 / September 2001) they are higher by 1.1 percent. The average inflation rate in the period January - September 2002 equaled 2.0 percent. The prices of goods are higher by 0.5 percent, while the price of services by 0.2 percent.

#### **PRESS CONFERENCE OF STABILITY PACT AND SECI COORDINATORS**

Macedonia is an important partner in the Stability Pact and therefore it is necessary for the existing cooperation to continue in the future, Stability Pact Special Coordinator Erhard Busek said on October 9, at a press conference. According to Busek, the talks with Macedonian President Boris Trajkovski and few other Macedonian state and political representatives were focused on the future cooperation between this regional initiative and Macedonia.

Busek also had a meeting with DUI leader Ali Ahmeti in Tetovo and with SDSM leader Branko Crvenkovski. They talked about the implementation of Ohrid Agreement and the goals of the future cooperation. "With Ahmeti we discussed about eventual operation for collection of small and light weapons," Busek said.

As priorities of the future cooperation, he has pointed out the process of signing free trade agreements in the region, implementation of CARDS programs and the programs for collection of small and light weaponry as well as prevention of organized crime and corruption through SEE Stability Pact regional offices and centers. The Pact will cooperate with the other regional initiatives, Busek said, announcing that meeting of the Southeast European Cooperation Initiative (SECI) will be held on December 11 in Skopje.

SECI coordinators presented the Economic and Business Report on Macedonia, thus recommending some initiatives to the new government for overcoming the investment problems and the business expansion. The Report was submitted to SDSM and to the other interested political parties. It objectively presents the current climate in Macedonia regarding the legislation and its practical application. The recommendations to the new government include direct foreign investments, adopting law on stimulation foreign investments, completing the privatization process in the industry and agriculture, support of macroeconomic and structural reforms, implementation of signed agreements, application of adopted laws, enhancement of banking system and judiciary and removing the obstacles for business operations.

#### **FIFTH CEI ECONOMIC FORUM TO BE HELD IN MACEDONIA**

The activities for the Fifth Economic Forum of the Central-European Initiative (CEI), which will take place November 13-15 in Skopje, was presented on October 10, 2002. The Forum will take place parallel with the traditional CEI Summit, which is due to be attended by the Prime Ministers of the 17 CEI member countries. Another manifestation that will take place simultaneously with the Summit is the Youth CEI Forum. All these meetings will take place in Skopje, in the framework of Macedonia's CEI presidency.

"The three-day economic forum represents sort of a 'mini Davos' and includes several panel discussions and roundtables focused on issues related with the transition

process - from privatization to information technology and human resources. This forum is to be attended by over 1,000 representatives of the CEI member countries, governmental delegations, businessmen, and representatives of financial institutions," Jon Ivanovski, state advisor in the Macedonian foreign ministry and national CEI coordinator said. The forum will end with a meeting of the ministers of economy of the CEI member countries. According to the agenda, the Prime Ministers of the CEI member countries, who will have separate meeting on November 15, will also attend this meeting.

The presentation was attended by Italian experts who referred to the Italian investments in Macedonia, both the current and the future, like the privatization of Tehnogas enterprise and the announced investments from FIAT company. Introductory speeches were given by the Head of the CEI Projects Secretariat Vincenzo Kalogero, Head of the European Commission Delegation in Macedonia Donato Chiarini, Chief of the Cabinet of the Macedonian President Zoran Jolevski and Trajko Slavevski from the Faculty of Economy in Skopje.

As Ivanovski reported, in the framework of the Economic Forum Macedonia will make a presentation of the projects realized during its presidency with CEI, first of all the opening of the Center for business advices for small and medium sized enterprises. The CEI has approved funds for two other projects, for reconstruction of the Ohrid airport and for improvement of the air-navigation in Macedonia, worth Euro 500,000, i.e. Euro 200,000.

#### **MACEDONIA BECOMES WTO MEMBER**

Macedonia signed the Protocol for Accession to the World Trade Organization (WTO) in Geneva ON October 15, 2002, thus taking over the obligation to ratify the final documents in the Macedonian Parliament no later than March 31, 2003. The law of accession of Macedonia to WTO will be put into effect in one month, thus making the country 145<sup>th</sup> full-fledged WTO member.

National coordinator and chief negotiator for accession of the country to WTO Besnik Fetai and WTO Director General Supachai Panitchpakdi signed the Protocol. "If one makes a comparison among countries that are not WTO members and ones that are, it can be concluded that the member countries have a greater growth in relation to the ones that are isolated and are not included in the world global trends", Fetai stated for MIA. He said that the

advantages of Macedonia's entrance in WTO would mean, "great prosperity due to the increase of investments". "The system will become transparent, secure and predictable, there wouldn't be any sudden changes, which is of exceptional significance for foreign direct investments in the country", Fetai said.

According to him, "foreign investors always ask whether Macedonia is a WTO member, because every foreign company wants to do trade based on WTO regulations and principles". "That is why I expect an increase of foreign direct investments in the country", Fetai stated. "With its entrance in WTO, Macedonia becomes the most privileged nation, meaning that it would have a preferential status towards all 144 member countries. This means that the Republic of Macedonia will have the rights that WTO member countries have towards third countries", Fetai said.

According to Fetai, "Macedonia can also use the concessions issued by WTO member-countries towards third countries". As Fetai stated, this means that, "when entering WTO, each country gives in certain concessions that are to be used by other countries. Macedonia gave in certain concessions according to the Uruguay round of negotiations". Asked whether WTO membership would compensate our absence from the EU, Fetai stated that WTO membership was one of the conditions for EU membership.

"Macedonia will not decrease the customs tariffs at zero rate with WTO accession, which would not be the case if the country became EU member", he said. According to Fetai, part of the negotiations over the customs tariffs is very important, where the development component has been preserved, in relation to the fiscal one".

"Raw materials that are not produced in Macedonia are custom free. Furthermore, this concept also enables assistance to the food industry, which will produce goods at a low price, which will have a positive influence on the increase of export and competitiveness at the foreign markets. The Macedonian products are protected to the maximum, except for certain products, which customs have been decreased between 5-10 percent. In the middle term, Macedonia will face the competition of the Western European companies, but the period of 5-6 years will help the country in adjustment of the economy towards the world global trends", Fetai said.

Member of the negotiating team for Macedonia's accession in WTO and outgoing Vice-Premier Zoran Krstevski said

that today was a great day for Macedonia, having in mind the fact that the WTO General Council admitted the country as a full-fledged member in the organization". According to him, "with the entrance in WTO, Macedonia becomes a part of the integral economic trade hierarchy, while the handicap that existed has now been removed". "Furthermore, the development concept of the Macedonian economy has also been preserved, because in the following 7 years there will be a decrease of customs tariffs and return of subventions in the agriculture that were abolished in 1996", Krstevski stated.

The General Council Chairman, Canadian Ambassador to WTO Sergio Marchi addressed the audience at today's signing of the Protocol, emphasizing the great success of the Macedonian negotiating team for "the quick and quality approach". Chairman of the Working Group for Macedonia's accession in WTO, Norwegian Ambassador Kare Bryn, recommended all member countries to adopt the final documents for Macedonia's entrance in the organization. Bulgaria, Turkey and FR Yugoslavia officially declared that they accepted and supported Macedonia's constitutional name.