

# Emerging Macedonia



Magazine of the American Chamber of Commerce in Macedonia

Spring 2011 • Issue 29

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In this issue:

## Access to Funds



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Executive Director

**Sonja McGurk**

Dear Members and Friends,

Following our discussions with members, we decided to organize an event on Access to Finance in April 2011; and to dedicate the Spring Issue of Emerging Macedonia to Access to Funds. Given the recent world financial crisis, this is a very timely subject affecting all of the companies in Macedonia and the world. We all need fresh capital to inject in the businesses and to boost the economy, increase the public spending and reduce debts.

At the event in April, major banks in Macedonia, as well as alternative financial institutions, presented their funding options to our membership. You can read more about this throughout the magazine. For those of you who could not make it to our event, there are a few articles on sources of financing available in Macedonia, as well as interviews with experts in this field.

As a reminder to all of our members, due to the fact that the U.S. Ambassador to Macedonia, H.E. Philip Reeker will be leaving the country this summer, AmCham Macedonia is organizing a farewell reception in his honor on 27<sup>th</sup> of June 2011 at Vodenica- Mulino Restaurant. Invitations will be sent shortly.

I would like to use this opportunity to promote the changes with our advocacy activities. Following our CSR conference, we are establishing a CSR Committee. In addition, we are also introducing two new Task Forces – on EU integration and double taxation treaty with the U.S. If any of you are interested in participating in these working groups, please contact my colleague Ivana Naumovska (finance@amcham.com.mk), who will be now heading the policy work of AmCham Macedonia.

We would also like to announce special advertising rates for Emerging Macedonia magazine. Further information on types of advertising available, as well as advertising rates, can be found on page 13 of the magazine.

As always, our website is regularly updated and has the latest information on our activities and events. Feel free to check it out from time to time – [www.amcham.com.mk](http://www.amcham.com.mk).

Until the summer,  
**Sonja McGurk**

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# How to obtain fresh capital in this economy

## Banks and companies- same interest, different language

*Businessmen are complaining that they are asking for loans from the banks, but they are too expensive and with too strict criteria, while bankers have emphasized a lot of times that they are not charities*

"Cash money is most expensive! Especially when we don't have it." This saying is well known to Macedonian businessmen in search for new capital to expand their business. New investments are needed to all especially now, in an attempt to escape from, as they call it, "continuing effects of economic crisis". Banks, in the last two years, because of the fear from possible overflow of the world financial crisis, have tightened the criteria for approving credits, as expected. At the same time, enterprises have been facing a magic circle of mutual indebtedness. Payments are constantly extended down the chain of: producers, suppliers, processors, sellers, importers and exporters. The rule that a lot of businessmen use as a mantra is: "Everybody owes to everybody." As SME's are more than 90% of registered enterprises in the country, it is enough on company not to be able to pay goods or services on time, and this will result as a chain, like the one mentioned above. For various reasons this has been happening very often. Companies need new capital in order to stop this circle and invest. On the other side, banks have been managing the crisis successfully. Despite the events on the world financial market, they, with the promotion of savings among the population, and increased investment in government bonds, even increased their assets. They claim that in their safes now they have enough money to finance larger economy growth. But instead of both sides finding common ground, in order to increase their profits, they are arguing. Businessmen are complaining that they need loans from the banks, but that they are too expensive and with too strict criteria. They have the impression that the banks don't want



to accept any risks, instead they are more interested in buying government bonds from which they get guaranteed interest. The banks have emphasized a lot of times that they are not charities. According to them, the main problem is that enterprises are simply not offering good projects and business plans that will satisfy the main criteria for investing.

Public disagreement on why the business is not going in the proper direction has finally ended with a research made by USAID Competitiveness project. The truth, as always, lies somewhere in the middle.

"We have researched the obstacles that companies are facing while trying to get financing. We have discovered that business is missing essential things like strategy, business planning, and identification of projects, which are the main problems preventing banks to finance projects simply because the submitted loan applications were not good enough to get bank loans. There has been insufficient flow of information between banks and the private sector, even when banks were offering innovative financial products made according to the needs of the companies, the companies simply didn't understand them - stated the U.S.A Ambassador in Macedonia Phillip Reeker, during the closing ceremony of the project at the end of March.

"All companies were saying that banks don't want to give loans, instead they are just pretending. But, we discovered that banks are willing to give loans, and the problem was that they don't get good enough projects to approve loans for. When we looked at the projects we saw that companies are not paying attention to banks' restrictions and regulations. For example, they were not paying attention to developing specific business plans, defining the way the loan will be paid or developing a risk analysis strategy in case something goes wrong with their plans" specified Nimish Jhaveri, Chief of the Competitiveness Project.

### Financial education

“Companies and banks speak the same language, but different dialect.” This is the impression that Mr. Jovan Madjovski, Regional manager for CEED Macedonia, has had. In his opinion both sides have a lot to learn, so in the end they can understand each other. Leaving aside large domestic and foreign companies, only a small number of entrepreneurs are familiar with financial working and bank policies. When companies are focused on obtaining finances only through credits, it is time to learn something more about financing, comments Madjovski. The majority of companies believe that only accounting means dealing with finances, a task often outsourced outside the company.

“Put simply, small enterprises cannot afford to engage one more employee to manage their finances. “In order to prepare adequate information to access funds or finances, to lease, or invest, for any type of financial product besides accounting, one also needs projections usually done from a financial point of view” says Madjovski.

According to him, very few owners of SMEs invest in their financial skills. As a result, entrepreneurs often only offer their idea and a vision of their business to the banks, instead of projections and figures how they will invest and return the loan.

“It is true that financial institutions are inflexible and often forget an important function - education of their clients. Since they are in the business of profiting from companies, they need to invest in their education, although to be fair, they themselves also have restricted resources. Realistically, the primary goal of financial institutions is not to credit the private sector, they have private savers, as well as bonds and other means that are also very profitable. That is typical for Macedonia” says Madjovski. “Why bother investing in a company unable to explain their projections, investment plan, numbers and analysis, when you can invest in bonds with a fixed, predetermined, short-term return on your investment.

To start the process of dialogue, one will need translators to start with. For this reason, CEED has started organizing training sessions to increase the knowledge of entrepreneurs and managers on finances and financial regulations, middle management and marketing. Madjovski calls for massive participation in these training sessions so that results will be felt throughout the

business community. In his opinion, banks should also invest in the business management education of their employees, because currently they have insufficient knowledge of their clients’ businesses.

“From that point of view, we think that Macedonia could use a structure of trained financial councilors, brokers or people who understand both sides very well, who are familiar with the financial institutions, know how they work, how they analyze risk for every loan acquisition, and how to complete the required paperwork. On the other side they also understand how the private sector works. Together with the companies, their management and their accountant, they can prepare excellent projects that will satisfy the expectations of the financial institutions, according to the standards they need” says Madjovski.

### NBRM- End of the restraining phase

Data from the National Bank of the Republic of Macedonia for 2011 is more optimistic. The Governor whose mandate is ending, Mr. Petar Goshev, at the Bank’s semiannual assessment, announced that the prices of food and oil in the world have increased the rate of inflation, which is now assumed to reach 4, 5 to 5% annually, instead of 3% as expected in January. As domestic consumption is at a low level, additional domestic pressure is not expected on the prices; therefore there is no need to raise the basic interest rate which now stands at 4%. This is the rate banks are using to base their calculations of their interest rates. In surveys conducted by the National Bank, the commercial banks have stated that they have lowered the criteria for loans. On the other side, they have noticed that unlike earlier, they’ve started receiving better project applications. Last year, 17 banks have approved loans over 3 million euro to enterprises. The biggest loans offered were in the industry sector, followed by trade, construction, and then loans for the hospitality sector or food industry.

*Continued on page 13*

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## Interview with Margareta Lipkovska Atanasov, Project Manager, USAID Mission in Macedonia

Entrepreneurs have good materials for export, but they need support



*"What some donor agencies are doing at the moment, what USAID is doing, and the support they provide to the private sector, all of this should be taken over by the government or other institutions such as the Agency for Support of Entrepreneurship".*

USAID's financial platform which is part of the five-year Competitiveness Project provided 135 Macedonian SMEs with access to US\$61 million in loans from banks and other financial institutions. The total investments in these companies, together with their own capital, reached the amount of US\$96.5 million in the past two years. During this period of recession due to the world financial crisis, these companies managed to export US\$45 million. Over 1,437 new jobs have been created, a considerable success having in mind the high unemployment rate in the country, which according to official statistics amounted to 30% in the last three months of 2010. The Competitiveness Project supports initiatives to stimulate foreign and domestic investments, conquer export markets for products with higher added value, and work force development. Margareta Lipkovska Atanasov works as a Project Manager at the USAID Mission in Macedonia, responsible for the Macedonia Competitiveness Project. According to her, assisting and guiding enterprises is only part of the

success of the project. Working for a couple of years with SMEs from all of the regions in Macedonia has provided considerable data and a positive image about the condition of this driving force of the national economy.

**AmCham:** During the course of the Competitiveness Project you had the opportunity to see how small and medium enterprises from different regions in Macedonia operate. What are your impressions of the enterprises, what are their major weaknesses and strengths?

**Margareta Lipkovska Atanasov:** Their weakness is definitely the lack of knowledge about corporate financing; finances are a big weakness of the companies. That is because all the key decisions are made by the owner, who is also the executive director; there is no finance director like in big companies, nor are there any other executives (mid level managers) for specific processes who would

help in the successful management of the company. Usually companies don't have enough money for such staff. Still, for the most part it seems that the owners don't trust other people to allow them to take care of these things, but at a time when companies are in ascent such a position is important. That's why through the Competitiveness Project we managed to develop these financial consultants who were working with the companies and somehow informally we named them "the CFO that you never had". From the companies that we were working with, and these are more than 200, maybe not all are going to choose to open up such a position in the company, but at least they saw the benefits from hiring such a consultant. They are hired not only to develop some project in order to secure funding through the banks, but rather they are consultants who have insight into the internal operations of the firm so with the help of financial advice he/she actually provides management consulting. This financial engineering, through which the company needs to identify where it can cut costs and where to invest its funds, for some of the companies, was really an eye opening experience for the owners. There were cases where at the moment there was not even a need to ask for a bank loan, because the company could have provided funding for a specific activity through its own funds. What is essential is the fact that Macedonian companies are not familiar with the type of financial products offered on the market, and that's why this financial platform played a huge role in educating companies and their matching with consultants and financial institutions. In Macedonia, traditionally you go to the bank in order to take a loan, without thinking that you can use leasing, or some other financial product. Leasing is usually associated only with buying a car, but in Macedonia through leasing you can also buy equipment, even a cow if you need one. There is also a leaseback option through which you can return the equipment that the company owns back to the leasing company which in turn provides fresh funding. There are different mechanisms that companies are unfortunately not aware of, and banks don't spend too much time explaining them.

*... We could notice that through the financial platform helping 135 firms gain access to financial assistance...*

*... A total of US\$96 million have been invested, of which \$61 were obtained from financial institutions. The result of 1,437 new employees in these 135 companies is really good, especially in times of crisis...*

*... The growth of small and medium size enterprises and foreign investment are equally important. Foreign investments bring not only capital but also know-how, practices, methods of operation, links with the markets...*

**AmCham:** Is there a difference in their operations and degree of development in terms of the region in Macedonia the company is working in?

**Margarita Lipkovska Atanasov:** No, it mainly depends on the person – the entrepreneur, not the region. It depends solely on the initiative of the company owner. We have the example from Kriva Palanka in northeast Macedonia. *Dema Stil* is a company that produces plastic balls for kids. The Project Chief of Party discovered that company in a Hong Kong fair, we knew nothing about it. The company is located in an old factory in Kriva Palanka and works great. It has a product which is in high demand on the world market, produces solely for export and operates perfectly,

but there were couple of things that we were able to help them with, too, in terms of securing funding and participation at other fairs. Another example is *Sideros*, a company producing pellet stoves. It was producing solely for the Italian market according to their franchise, and from the beginning of this autumn they launched their pellet stoves in the Macedonian market, too. We managed to help them through the financial platform to secure a loan and hire additional local companies as subcontractors in the part of the production and thus create more jobs. The product is being sold in Macedonian market, too, and that is very important bearing in mind that 70 percent of household use wood for heating. The switch to pellets increases the efficiency, not to mention the reduction of CO<sup>2</sup> emissions. In this project we worked with companies from the light manufacturing industry which includes companies like these two, but also companies who are part of the automotive industry. They work on certain components or sub components for car parts.

**AmCham:** Does this mean that in the near future we can expect more intense growth of small and medium size enterprises, thus becoming a kind of generator of growth for the overall economy?

**Margaret Lipkovska Atanasov:** Small and medium size companies need help. What some donor agencies are

doing at the moment, what USAID is doing, and the support they provide to the private sector, all of this should be taken over by the government or other institutions such as the Agency for Promotion of Entrepreneurship. These are the type of organizations that now need to support these companies. Normally, they should have adequate financial resources and skilled workforce. Chambers of commerce provide help to companies by providing contacts with foreign companies, but it usually happens once, and then companies are left on their own, more support is needed. You could say that just now, after 15 years, there is some visible growth of companies. We could notice that through the financial platform helping 135 firms gain access to financial assistance.



The loan was not provided by USAID but by banks and leasing companies, and we even had an equity investment from a Croatian venture capital fund which means that companies have what is needed. Although the project has a component for workforce development, providing internship opportunities and improving vocational programs in high schools, it is interesting that most employments were created through the Financial Platform's support. So if the company is provided with money to realize what has been intended, be it purchase of machinery, working capital or financing a particular order, it gives results. A total

of US\$96 million have been invested, of which \$61 were obtained from financial institutions. The result of 1,437 new employees in these 135 companies is really good, especially in times of crisis. The crisis prompted companies to be much more rational and aware of what to do. Companies that managed to see the crisis not as a risk, but as an opportunity to change their position were successful. In this period, Macedonia's automotive and textile industries, through the activities of the project, managed to break out. Many large international companies had to shut down plants and move production due to financial crisis, so that Macedonia suddenly emerged as a destination where they could source certain components. Secondly, regardless of stricter criteria by the Macedonian National Bank and the commercial banks, with the help of consultants, market interest rates may not be a problem for those who know what they seek and how to plan a project

to get a good return on the investment. Unfortunately, the number of such companies is small and we must work to increase the base of such companies by providing a greater range of favorable measures and activities.

**AmCham:** Do you have any idea how competitive are Macedonian small and medium size companies in foreign markets, primarily in the region?

**Margaret Lipkovska Atanasov:** The focus so far has been exporting and opening new markets in Western Europe. Particularly, links and initiatives exist in the automotive industry. Former Yugoslavia was a country with extensively developed supply chain in that industry. Part of the old industrial complexes of this industry still exists in Macedonia as smaller firms and if we can re-establish those links with the Bosnian production, Serbian *Zastava* it would be good. This will probably take longer, but contacts exist. The automotive cluster established contacts with Slovenia. However, our initial concern was how to access Western markets. The project's textile industry focused on the UK market, that is quite new as a contact and experience, and previous projects worked on Denmark, Italy and Spain. In future, a major role in this area should be played by the state agency "Invest in Macedonia" which is responsible for export promotion, and should receive adequate resources and experienced staff that can give such support to companies.

**AmCham:** Are Macedonian companies involved in the global economy, do they have contacts and information and do they build partnerships with foreign companies?

**Margaret Lipkovska Atanasov:** Part of the project focused on providing foreign investments - greenfield, brownfield, strategic partnerships or joint ventures. There is such an initiative, but the problem of ownership reappears. Much of the owners are unwilling to give up part of their companies in favor of a foreign investor. There are those who are enthusiastic about it, but it depends on the awareness of whether the entrepreneur is willing to share the risk to get the investment which will enlarge the company. The growth of small and medium size enterprises and foreign investment are equally important. Foreign investments bring not only capital but also know-how, practices, methods of operation, links with the markets. We have examples of people who work on our projects who have managed

*Continued on page 13*

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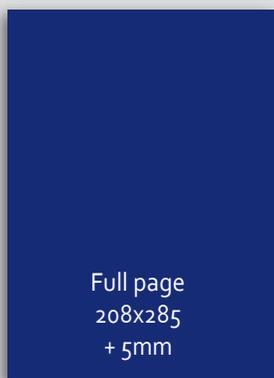
*Continued from page 8*

The bad loans difficult to collect, account for 9 percent of the total loans, and it is expected this figure to be reduced to 7,9 percents this year. According to the NBRM analysis, these figures place Macedonia somewhere in the middle; the amount of loans difficult to collect are similar to those of Russia and Greece. What are the banks planning? Fourteen of them are saying that they plan to lower the interest rates of loans for enterprises that are now somewhere between 7 and 9 percent. Motivated by the remarks given by the business community on the same credit lines being offered, financial institutions are planning new kinds of loans to satisfy the needs of their clients, but are also planning to expand the sectors. They have also announced an increase in staff to improve their efficiency, which, according to the calculations of the banking sector, will result in 35 presents increase on their profit compared to 2010. According to the available statistic data, the profit of the banks in first nine months of last year was 15.4 million Euros. As the National Bank says, these are signals that the phase of crediting restrain is coming to an end and the crediting support is beginning to grow.

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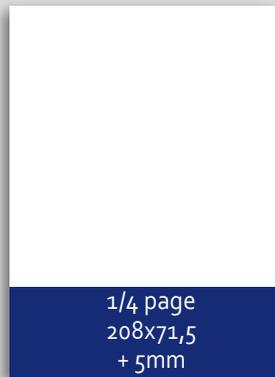
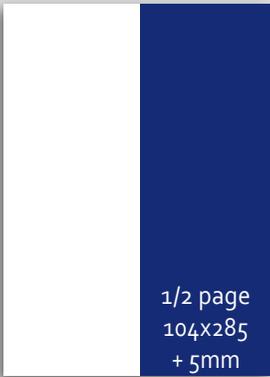
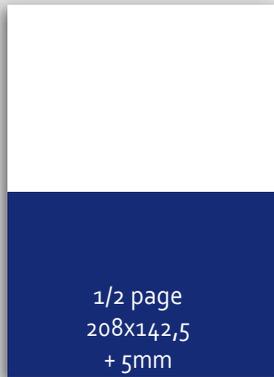
to bring companies to Macedonia through personal contacts. Investment from those contacts has not been realized yet, but negotiations are under way. Yet the knowledge that foreign companies bring with them is extremely important. The local company knows the local market, so if there is a synergy with the foreign company, then that growth would be a kind of quantum leap that would be achieved much faster. The innovations introduced by foreign companies, the experience of working in different countries, these are the things that would help Macedonia. On the other hand, the myth that foreign investment will solve the unemployment problem is fading. In the past there was no investment that employed many people, especially if it is a company that uses high technology and does not require extensive labor force. One cannot focus only on attracting foreign investments. Macedonian companies have the right to feel disenfranchised in terms of these measures and left aside by the institutions. We were able to show excellent results using our type of activities, with the companies' cost-share (financial participation) in the implementation.

### Emerging Macedonia Advertising Promotion



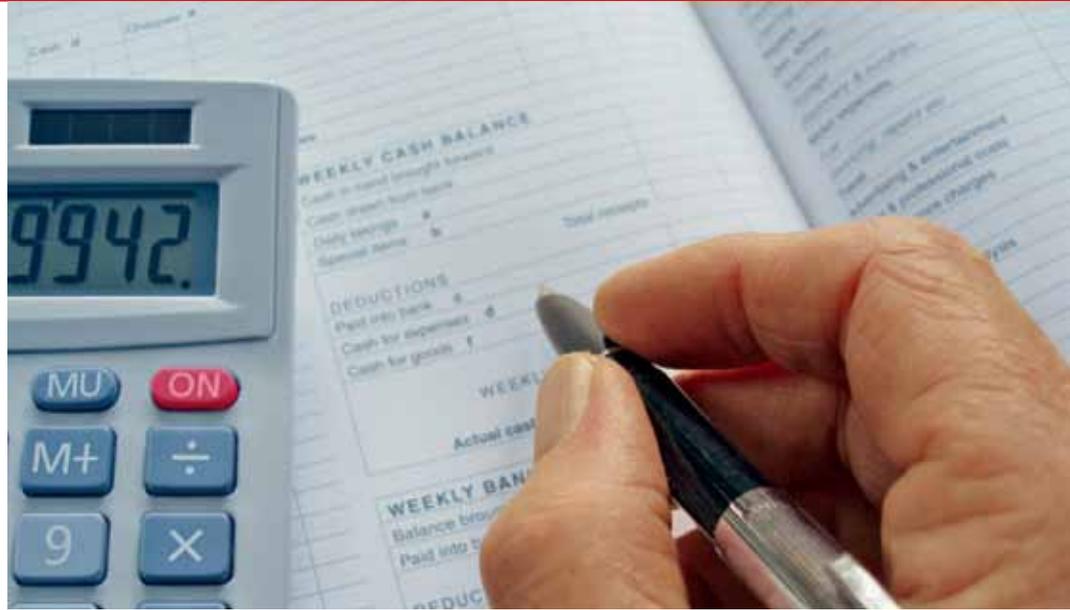
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M = Member; N = Non-Member

With the help of consultants, hundreds of SMEs develop new business strategies to deal with the recession



# How are small and medium enterprises

## Achieving growth through a development strategy

Lowering costs, standing still and carefully following the economic news and waiting for positive signals from the financial and economic authorities are ways to weather a crisis. At least this is how some Macedonian business managers spent last two years marked by economic instability, closed markets, very little cash flow, and higher bank interest rates. Still, for the ambitious ones returning the investments plans back into the drawers was not an acceptable solution. Actually, for some of them the possible delays meant the risk of falling into even bigger problems. Hibernation and losses for two years for many SMEs in the country may mean a key on the door. Toni Bozinovski co-founder of the company for furniture production "Technocoop" explains that the world financial crisis, which for the Macedonian companies mainly meant closure of the international markets to which they were exporting, caught them unprepared. The family company after 20 years of working started process of investment with which they needed to lower the loss and increase the profit, and that happened just before the recession started. They decided that it is time for a new phase in their development, cutting the costs for space rental in which two of their salons were placed in the middle of Skopje and allocating that money to building a new facility to house their production.

"The crisis dealt a seriously blow to our sector so we had to make serious reallocation of funds. The constructions of the new facility for the new salon started to fall behind. The first question was how to continue with the construction. We decided to find the money needed to finish the construction, and at the same time we had a project for exporting to Serbia and Kosovo so we needed financial support to buy the raw materials and meet the conditions agreed with the partners" says Bozinovski who is responsible for the financial management of the company.

Surrounded by the smell of varnished wood, new fabric and leather in one of the company's stores, Bozinovski can now relax. With the help of financial advisors, *Tehno-koop* got the biggest loan, delayed part of the production line, restructured staff, streamlined its operations and managed to complete its investments.

"They prepared the project; we presented the business plan to the bank which approved the money for the purpose. This time the loan was bigger, about EUR100,000. Until now we haven't had any problems with the bank because they are monitoring our business, but this was an even better moment that brought us even more. Previously we had discussed with the advisor what would be the cheapest place to get money from, that was at the end

of 2009 - beginning of 2010, when loans were most expensive, but it was important to us for the new facility to start working. Interest rates have grown, the sources became scarcer, and lending criteria were too strict."

Today the company proudly markets its facility hosting the production and the biggest store. According to Bozinovski, sales are again on the rise, creating bigger profits for securing better position in the market and greater independence from the economic environment. He says that after this episode with the advisors, they had managed to reprogram a few old loans into new more favorable loans with half the interest rates. Now, his biggest concern is to find strategic investors or partners with whom he will continue to expand the company in the domestic and the regional market.

## coping with the crisis

### It is better to ask

*Tehnokoop* is one of the hundreds small and medium size enterprises that joined the financial platform of USAID's Competitiveness Project in Macedonia. As support for their business and investment plans, twenty financial councilors helped them formulate their strategies for development and present them to financial institutions. In the critical period of the recession, some enterprises managed to obtain favorable loans to continue their development. Others, instead of standing still restructured their operations and production and now they expect to end this period with new export deals to fend off international competition. For example, the company for production of stainless steel metal constructions for the industry and households *Zavar* launched a new production line of designer-made heaters. The company bought cranes, built a new production line and in the next three years expects to double its sales, jobs, and profit. On the other hand, due to the counseling, recycling paper factory *Hartija Co* decided to buy new machines for production of ribbed cardboard to make cheap boxes for packaging and transportation of agricultural products. They didn't get a loan from the banks, but they got a new partner from Croatia who invested US\$1million in the company. This investment is planned to bring export worth US\$1.6 million and over 150 new jobs. The whole process benefits both the

companies and the advisors. They got excellent insight into the way companies worked. Simon Avramovski from the consultant firm *Point-Pro* summarizes this: "In principle, SMEs in Macedonia have more barriers in access to external finance due to the following reasons compared to big firms: shorter relevant historical performance that banks can actually review, lower assets base that could serve as loan collateral; inadequate level and quality of financial management know-how and systems; SMEs rarely have a formally appointed CFO or Financial Controller. Thus, the real function of corporate finance analysis as a decision making tool is, by and large, a missing one. This has long-term strategic implications in one firm, reflecting their strategic choices. The real context really depends on the actual stage of the SME within the business life cycle; initial start-up period that includes first and second rounds of financing, or expansion stage that anticipates third or fourth financing rounds; commercial banks typically-and it is quite normal according to their mission-would finance a later i.e. expansion stage of the actual SME in question, and since it gives them a reasonable history to review with some relevant past performance based upon initial market success. This is the crucial issue with regard to SME finance in start-up phase in Macedonia given the venture or risk capital funds that would typically finance earlier rounds are almost non-existent in Macedonia. The same goes for the formal business angel network. Currently, there is an initiative from the Macedonia Innovation Center to formally establish a Business Angel Network in Macedonia. This is a great initiative"

Avramovski believes that small and medium size enterprises with some initial market presence, but with a sound business model and clear development strategy supported by the owners' vision and dedication should allow them to find new funds. Still, he believes that the financial market should change in the future. Banks should work on better understanding of business models and insights about different industries and use of professional advisors in screening and evaluating projects, experienced in certain industries and sectors of the economy. Increased flexibility in the definition of financial instruments and terms of loans adequate to the project financing needs, but also on accelerated and more transparent decision making process and feedback to proponents is needed. According to Avramovski, businesses should also evolve. They should concentrate efforts in formulating a long-term business strategy and corporate finance decisions and use of professional advisors experienced in management consulting and corporate finance field with relevant experience in the industry.

# ВКУСОТ НА МАКЕДОНИЈА



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# New sources of financing in Macedonia

## Fast export credits are shaking the market

*Capital from funds and foundations is used as turnover and it's easier to access than loans from banks*

*SMEs have clear cut needs, representing about 98% of the companies in the country; creating 67% of the employment and 55% of the Macedonian gross domestic product.*

Imagine the face of the loan clerk in bank when you are asking for a loan to collect blueberries, strawberries and raspberries. Businesses like these have been marginalized for quite some time, when we talk about standard loans from banks in Macedonia. This is partly due to the fact that people who live in rural communities and exist on collecting fruits of the forest are not well informed;

they don't even know how to present the profitability of their business as a business plan or valid loan application. The fashionable diet of such pure organic products, their richness with vitamins and their presence in almost every popular diet, is not a sufficiently strong argument when on the other side there is a strong dependence of this sector on the variations of weather changes and cleanliness of the environment. According to reports of the Macedonian Central Bank, in 2010 the sector of agriculture, forestry and fisheries is one of the last ones in approved loans, or it is often not a priority for loans. Nevertheless this is changing. New credit lines by various financial institutions are slowly shaking the financial market. SMEs have clear cut needs, representing about 98% of the companies in the country; creating 67% of the employment and 55% of the Macedonian gross domestic product. According to the national credit research, about 70% of these companies stated that they need short term loans, but have stated that are having huge problems accessing loans as large collaterals are often required. Perhaps the Development Foundation Crimson Capital can lead the way in which the market should evolve. Founded in 2003 with startup capital of 1, 5 million dollars donated by USAID, to-date it has managed to offer 259 loans with a total value of 19 million Euros to SMEs in Macedonia. As they state in the Fund, these loans generated about 2200 new jobs as well

as more than 75 million dollars in exports. Crimson has been self-sustainable Macedonia since 2007. A year later their capital had increased by one million dollars with a donation by NORFAND- Norwegian Investment Fund for Developing Countries. They expect to increase their fund with another million dollar donation by the same fund.

### Fast credits without collaterals

What is the difference in loans by Crimson Capital and traditional bank loans? They are used for financing specific business projects for known buyers in the country and abroad with whom the company (with 5-200 employees) has already signed a deal. The money is used as turnover or to cover costs of acquisition of raw materials, expenses on subcontractors, finished products, payment of taxes, packaging, testing, control, transport, insurance, customs and other export associated expenses.

"The loans are intended for SMEs which have been working for at least 3 years with positive financial results. We also support start-up businesses if their management proves that the company is experienced in the given industry. Meaning, before the launch of their business, they should have prior experience in working in that sector. Experience is considered very important in order to be familiar with the market and how to structure the future activities" explains Simona Sosolceva, Loan Officer with Crimson Capital.



The most notable difference that applicants see is that for loans from the Fund, which range from 500,000 to 6 million denars, with monthly interest rates between 8 and 14%, no collateral is needed. According to Sosolceva, the

lack of collateral speeds up the loan application process, an important consideration for SMEs unable to offer large collaterals as they are still growing.

“This is faster than loans as we need only 2 weeks to process the first assessment. As companies don’t bank with us, we need slightly more time to finalize the assessment. After the initial loan is approved, we approach the companies before their last installment of the loan is due to check if they need a new loan which is then offered with less paperwork and quicker. By the time they pay the last installment, the loan is approved and we continue with the new project.”

Sectors in which loans are offered are food and drink production industry, textile, leather and accessories, heavy industries, production and trade of construction materials, wood products, production plants, electrical appliances and IT.

“These types of credit lines have proven to be very efficient, especially in the agricultural sector. Our commercial banks do not often offer loans for SMEs in the agricultural sector as this is expensive and risky for them. A lot of farmers still do not have land ownership documents which makes it difficult for them to offer their land as collateral.

This is the reason we do not require collateral, but rather finance a specific project. Analysis is based on the business activity, the need for finances and purchase orders.

Commercial banks do not participate enough in the agricultural sector to satisfy their needs; our participation is 34 % what is a fantastic figure” explains Darko Arsov, Project Manager with Crimson Capital.

Their policy priority is to finance export oriented companies which have not been able to access loans in the past, and which use the loans to increase employment and use domestic raw materials. The Fund says that their biggest advantage however, is in the personalized approach to companies. It often happens that managers run their companies based on instincts rather than strategic planning, and following a joint assessment with the Fund, they are often surprised of the fact that they waste money on unreasonable expenses.

“That is also an educational process for the companies as they often outsource their accounts, usually only to

*Founded in 2003 with startup capital of 1,5 million dollars donated by USAID, to-date it has managed to offer 259 loans with a total value of 19 million Euros to SMEs in Macedonia.*

prepare their annual company balance sheets. During the joint assessment, we review possibilities for future operational goals, identifying things to be improved the following year. Together we assess the capital flow of the company, an activity which very often is done by the businessmen themselves, resulting in common omissions and mistakes. This is also when we define the frequency of the repayment of the loan installments; all these activities are agreed in advance together with the company; we don’t only offer financing, but we also help with the total development of the company.” stated Simona.

According to Arsov, this type of fund is needed, as the financial market is not developed enough. Different products are not offered to different kinds of companies; and the choice of loans for SMEs is the most limited, as these often do not fulfill standard loan conditions of the commercial banks.

“I hope that financial institutions will see that different types of loans like this one we offer, works safely and with profit” says Arsov.

### *Safer export*

New credit lines are offered by the Macedonian Bank for Development Promotion. Their goal is to increase the export to Eastern Europe and Asia by making it safer. For companies that insure their assets with this governmental institution, the Bank will return 90% of the value of exported goods, should there be political conflict or war preventing the receipt of money. The Macedonian bank also offers another line, having received a lot of complaints from companies on the following issue. It allows companies to export goods without any bank guarantees or advance payments; should their partner bankrupts, or is unable to pay for the goods received, or does not comply with the agreement and doesn’t want to pay. It is very difficult for companies to secure payments for such debts, and they often give up on exporting to these countries, especially towards the East.

“We know that a lot of companies are making huge efforts to breakthrough on Eastern markets like Russia, Belarus, and Ukraine where the absorption power is huge. There are, however, large risks associated with promoting our





products on these markets. A large number of companies which are using the insurance of exports line are interested in using the same line on the domestic market because of problems with receivables" stated Darko Stefanovski, Head of Department for Loan Insurance with MBDP.

Stefanovski says that because export to these countries usually comprises of food products, the insurance covers only short term debts of up to 180 days. When repaying, the Bank deducts 10% of the total amount of debt. The Bank would also insure the sale Macedonian companies are conducting through their subsidiaries in third countries. There is also an option to check the financial liquidity and the history of the foreign company with which the export is arranged. In case the domestic company gives incorrect information on the foreign partner company, their payment request will be rejected by the Bank.

*New credit lines are offered by the Macedonian Bank for Development Promotion. Their goal is to increase the export to Eastern Europe and Asia by making it safer.*

### *It is time for eco-loans*

SMEs are facing new obligations to secure eco licenses in line with the laws on the environmental protection and implementation of EU regulations on decreasing pollution and increasing energy efficiency. In times when their financial capabilities are reduced due to slow growth and reduced solvency of the entire economy, managers

will need to find new additional financing sources. A new credit line of 15 million Euros from the European Bank for Reconstruction and Development is available through the consultant association AAG-Analysis and Advisory Group. Through AGG, companies can get support for improving their eco standards, health and safety standards at work, for improving the quality of products and services, as well for implementation of ISO standards. The interest rate is pre-determined.

"The European Bank and the European Commission have determined that this is a field in which SMEs will have

problems investing in, as this initially is a costly improvement rather than a direct return on their investment. At the moment, I think this is the most affordable or among the most affordable credit lines that exist in Macedonia. The enterprises are given two possibilities: to use technical support from consultants to prepare their loan applications and to receive a loan with a grant between 20 - 30% of the approved loan; which makes it to be the most affordable" stated Verica Hadji Vasileva Markovska, Managing Partner with AGG.



NLB Tutunska Banka has started offering a similar credit line financed by the European Bank, in the amount of 4 million Euros. The difference is that these funds are intended to improve the energy efficiency of companies. The companies which are successful in the implementation of the project, receive a 15% rebate on the loan.

"In this way, according our calculations, companies will pay an interest rate starting from 1,82%, stated the Director of the Bank Gjorgji Jancevski, adding that the inclusion of NLB Tutunska Banka in this credit line is in line with a global trend and the need for energy efficiency. The appearance of all these credit lines in the short term can be interpreted also as a sign that the financial market in Macedonia is slowly starting to expand and adapt to the needs of larger economic growth. Forecast are that competition among the financial institutions will increase following the implementation of the new law on financial companies, which has been adopted a couple months ago in the Parliament. This law allows more liberal establishment of non-banking financial institutions, with a basic deposit of 100.000 Euros. These will be able to offer loans, issue guarantees, payment and credit cards.



# Protection of Competition - Regulatory Framework

Author: Leonid Ristev Associate at Karanovic & Nikolic

## Overview

The protection of competition is prerogative for sustainable and functional economy of each country. In line with this, each EU member country today has its own separate law that protects the competition and under these laws, creates relevant state bodies (commissions, councils, etc) that ensure the appliance of these regulations.

The new Macedonian Competition Law that was enacted in 2010 and promotes the rules for fair and effective competition based on the general EU rules on protection of competition. In line with such general rules, the Macedonian Competition Law covers three main areas of potential competition concerns: prohibited agreements, abuse of dominant position in the markets and merger control (control of concentration of capital). The enforcement of the law is entrusted to the Macedonian Competition Commission (CC). The CC is composed of five members appointed by the Macedonian Parliament and a number of professionals case handlers. The CC has been conceived as an independent regulatory body with its seat in Skopje and is responsible for its work exclusively to the Macedonian Parliament.

The general antitrust rules are derived from articles 81 and 82 of the Treaty on European Communities (i.e. Rome Treaty). The main merger control principles are derived from the European Merger Control Regulation (ECMR) which represents basis for most of the national laws in the part of merger control in the EU.

## Merger Control

Merger control refers to the procedure of reviewing and approving of mergers and acquisitions of undertakings

(concentrations of capital) by the CC, in accordance with the provisions of the competition regulations.

Approval of concentration of capital, which occurs in mergers and acquisitions, joint ventures and other similar transactions is subject to certain conditions (i.e. merger thresholds). Because of the low merger control thresholds in Macedonia as detailed below, many global deals with little nexus to Macedonia have to be notified to the CC. Since its establishment, the CC has processed an average of 20 filings annually and more recently the CC has become more efficient and experienced in dealing with merger control and has tackled several groundbreaking dominant position abuse cases in 2010 and 2011.

As mentioned the same law envisages relatively low turnover thresholds decisive for the obligation to notify a concentration in Macedonia as follows:

- worldwide turnover of all undertakings concerned exceeds EUR 10 million of total worldwide turnover, and one of the undertakings is registered in Macedonia; and/or
- turnover from sales of goods and/or services in Macedonia of all undertakings concerned exceeds EUR 2.5 million in the year preceding the concentration.

The concentration is deemed to be approved if, within 30 days after filing, the Commission neither approves the concentration nor expressly decides to proceed with an investigation procedure. In addition, pursuant to the new Competition Law, in cases of problematic concentrations, the parties of the transaction will have the right to propose commitments/merger remedies. Finally, if the concentration has been implemented before approval is given or imposed merger remedies (transaction

structuring measures imposed by the CC) have been violated the Commission will be explicitly entitled to order a de-merger (annulment of transaction or similar) or other adequate measures.

## Abuse of dominant position

Dominant participants of the markets are not allowed to abuse their position. Namely according to the Macedonian Competition Law, undertakings that have no competitors or have dominant position in their markets (as a result: of significant market shares, financial power, access to supply sources, etc) have dominant position in the respective markets. The abuse of such position is strictly forbidden by the Competition Law and penalties for such abuses reach up to 10% of the undertaking's annual worldwide turnover realised in the previous financial year.

## Sanctions

When the CC establishes a violation of competition and identifies the undertaking responsible, it will commence misdemeanour proceedings against it. The largest fines defined by the law are reserved for undertakings that engage in prohibited agreements or concerted practices, abuse of dominant position or implement a concentration without approval.

The fines for competition violations are the highest in the Macedonian legal system, and range up to 10 per cent of the undertaking's annual worldwide turnover realised in the previous financial year. In addition, the undertaking may be prohibited from performing certain activities up to 30 days.

Furthermore, the Macedonian Criminal Code provides the possibility of imprisonment for the responsible person who committed violation of competition by virtue of concluding a restrictive agreement or by abuse of dominance.

The new Competition Law has introduced a leniency program that enables the CC to lower or abolish penalties for cartel participants that disclosed the cartel to the CC. The general conditions providing for immunity from fines which would otherwise have been imposed for conduct deemed to distort competition are similar to those conditions applicable in the EU (only the first applicant may be exempt, and such an applicant must provide proof that is strong enough to allow the Commission to make a ruling on an infringement). Appropriate leniency guidelines are

yet to be enacted by the Macedonian Government in form of Directive or other by-law to the Competition Law.

## The Macedonian competition law factsheet

- the Competition Law is generally harmonised with EC Competition Law, and the main concepts (anti-trust, the merger control) are either transcribed or based on the EC competition law;
- the maximum fines provided by law are up to 10 per cent of the worldwide annual turnover of undertakings that violate the law; imprisonment for the most severe of violations;
- rules on prohibited agreements and dominant position are taken from articles 81 and 82 of the Rome Treaty (Treaty on European Communities);

## Who are we?

*KN - Karanovic & Nikolic is the leading commercial law firm serving corporate clients in Macedonia, Serbia, Montenegro, and also in Bosnia and Herzegovina. With over 70 lawyers and 15 years of experience in these dynamic markets we are proud to have worked on some of the largest and most successful transactions. Today with over 70 service providers working throughout the region, the values of the firm remain an integral part of our philosophy and approach to work and our clients.*

*KN Competition, the team of specialised competition lawyers with extensive local experience and international training, regularly advises and assists clients on all aspects of competition and antitrust matters in Macedonia, Serbia, Montenegro, and Bosnia and Herzegovina. Ranked as the leading competition law practitioners we work closely with regional competition authorities to ensure that our advice is measured and structured effectively.*

- the parties to the so called "restrictive agreements" must seek individual exemption from application of law for each agreement, as neither block exemption regulation nor formal guidelines on self-assessment have been enacted;
- merger control thresholds are very low - a combined €10 million worldwide turnover of the parties of concentration and local presence of either of the undertakings concerned will trigger filing to the CC; alternatively, a filing is also triggered if the combined local turnover of the parties of the concentration exceeds €2.5 million;
- low fees for issuance of clearances - the fee for issuance of merger clearance in summary proceeding is approx. €600.

# Access, Finance and Tourism

By Thammy Evans

After almost a decade of observing tourism development in Macedonia it is heartening to read the 2009-2013 National Tourism Development Strategy (NTDS), which finally sets out a vision for tourism for Macedonia. This is:

*The Republic of Macedonia will by 2013 have established its image as a notable European destination for cultural and natural heritage-based tourism and be recognised for its environmentally sensitive and sustainable, high quality products and services developed in line with global best practice.*

This vision is something that the likes of Chris Deliso, who writes for the *Lonely Planet* (see previous travel articles in *Emerging Macedonia*) and myself have been saying for years. So, now that Macedonia has a vision for tourism, how does it go about establishing itself as notable and how does it strengthen its tourism offer and sustainability within the means available to the tourism industry today?

The NTDS cited four major barriers to entrepreneurship in the tourism sector in Macedonia:

- \_ Lack of Government direction or support for the tourism sector
- \_ Lack of destination marketing
- \_ Expensive air access
- \_ Cost and terms of finance

It is easy to decry the lack of Government leadership on tourism, including its poor marketing of Macedonia as a destination. The Government has worked hard though on removing the third barrier – expensive air access. Without cheap air flights to Macedonia, millions of Europeans were never going to be able to enjoy Macedonia for the low cost, relatively untouched and delightful area that it is, and it would be hard for the tourism industry to move forward. This year, however, Wizzair will be starting up flights from London Luton to Skopje on Sunday 19 June, with more cheap flights due from other European cities serviced by Wizzair via Skopje.

Access to finance is the topic of this issue's *Emerging Macedonia*. This is difficult enough in the tourism sector,

where competition and thereby innovation has been stifled by a long history of privileges to state enterprises. In addition, borrowing rates from local banks are still high, and despite recommendations in NTDS, there remain no special banking products for tourism. Tourist access to Macedonia itself though, through cheap flights (and eventually better rail links) as well as efficient road systems within Macedonia, is a prerequisite to presenting potential lenders with a viable business plan.

Metaphorically speaking then, the floodgates have



just opened. Macedonia as a destination has been difficult to market in the past because for many Europeans it has been expensive to get to. That has now changed and Macedonia as a destination will start to market itself. There is an element of demand and supply at work here. Up until now, the demand for information on Macedonia has been low, and this is exemplified in the number



of independent English-language travel guidebooks that are dedicated solely to Macedonia – there is still only one, *The Bradt Guide to Macedonia*. Slovenia has nine independently published guidebooks available in English, the Czech Republic has over a dozen. With the start of cheap flights to Skopje, Macedonia is now likely to see other publishing houses write stand-alone guidebooks, and this will be a sure sign that Macedonia is 'open for business' as an increasingly popular destination.

Another example on the supply side is the requests I've received from trekking and walking magazines who have asked me to write an article on weekend trip possibilities to Macedonia. Up until now, I have not been able to supply these, because it has not been possible to do just a weekend (even a long one) in Macedonia from anywhere other than a neighboring country. Wizzair changes that for Brits now at least.

"I bicycled Macedonia from April 17 through May 5 and wrote many notes.

The worst problem is that many hotels were 'broken'.

Although I loved the Macedonia people, the environment was filthy. JJ."

So with access to Macedonia now less of a barrier, access to financing the tourism industry and the marketing of

Macedonia as a destination should start to open up. Now it is up to the tourism industry in Macedonia itself to ensure that the tourism experience once in Macedonia is notably positive and becomes the unparalleled multiplier force for marketing Macedonia. Clearing away rubbish, erecting suitable signage (both further aspects of access) and regulating unsightly building are three issues that need to be tackled as a matter of priority, and for which I receive the greatest number of complaints from my readers. Whilst, again, it is easy to say that this should be a matter for local government, if it is not, then local business initiative should find a way to rise to the occasion – it is after all in their interest.

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*Thammy Evans is the author of The Bradt Guide to Macedonia, the first and only English travel guide dedicated to the Republic of Macedonia, now in its third edition – [www.bradtguides.com](http://www.bradtguides.com). She can be contacted at [bradtmacedonia@yahoo.co.uk](mailto:bradtmacedonia@yahoo.co.uk)*





We grow and develop.  
The success motivates us  
to stay on the top.

## AmCham Business Forum “Education vs. Business Needs”



In cooperation with the Workforce Development Committee, the American Chamber of Commerce in Macedonia organized the first Business Forum “Education vs. Business needs in Macedonia”. At the event, the Executive Director of the Chamber presented the data collected from a Workforce Development survey, which AmCham conducted with its members.

This was a great opportunity to hear the needs and suggestions of the business community, various experts analyzed the current situation and universities officials presented their future plans on this very important issue.

The event was held in hotel Holiday Inn, on 24<sup>th</sup> of February 2011.

## AmCham Workshop “Access to Funds”

On April 5, 2011 the American Chamber of Commerce organized a **Workshop on “Access to Funds”**.

The purpose of the event was to inform AmCham members on the credit lines available in Macedonia, to advise and educate as well as to offer new opportunities for the expansion of their business. To achieve this we invited the **Macedonian Bank for Development Promotion, Analysis and Advisory Group (AAG), WebSEFF and OPIC - America’s development finance institution**. AAG presented the Facility for SME competitiveness support, while WebSEFF presented Sustainable Energy Financing Facility Program, both part of the EBRD credit line. The workshop provided useful information on opportunities both readily available in the country, but also on some “alternative” financing options for a niche market.

Following the three presentations, guests were able to receive information from banks – members of the Chamber, about their credit lines for business customers in Macedonia.



# AmCham Conference on Intellectual property Rights in Macedonia

To mark the celebration of Intellectual Property Rights Day, 26<sup>th</sup> of April, AmCham Macedonia, in cooperation with its IPR Committee, organized a Conference on Intellectual Property Rights. The conference gathered all the parties involved in IPR issues, such as company representatives, innovators, governmental and judicial institutions, as well as university professors.

Our goal was to raise awareness on the role of intellectual property rights in the business environment development, and to celebrate the contribution made by innovators and artists to the development of society.

AmCham Macedonia and its IPR Committee believe that activities and events connected to this very important issue will contribute to the positive changes in IPR protection and its enforcement in the country.

The conference included three panel sessions.

The first panel session focused on - "Recognizable brand – key to the success of the local economy". It started with the Head of patent and technology watch department of the State Industrial Property Office, Ms. Irena Jakimovska. She gave information on Macedonia's legal framework and registration process for trademarks. Ms. Jakimovska highlighted the importance of the trademarks as one of the main factors in the economic development of the country. For the importance of a recognizable brand we had a representative of Superbrands. The end of the first panel session was marked by Mr. Milos Radulovic, Manager of Alkaloid. He gave an excellent presentation about the best Macedonian recognizable brand – Kafetin. Moderator of this session was Ms. Biljana Janeva, OEM Partner Account Manager of Microsoft Macedonia.

The second panel session "Macedonia – a country of counterfeiters of innovators" gave an opportunity to successful

innovators of Macedonia and the U.S. to compare their views of patents and innovations protection and their mass market. In this session, panelists tried to give answers to some questions: How high is the level of culture in terms of innovations and patents in Macedonia? How important is their role for the businesses? Moderator of this session was Mr. Bratislav Stankovic PhD, Professor at University American College Skopje.

From a legislative perspective Macedonia is ahead of other countries in the Balkans. With respectable institutional and human resources the country created optimal conditions for efficient legal processes. The key question of the third panel session was "How to a successful court case?"

For that matter we invited a guest from the Appellate Court in Bitola, Ms. Tatjana Susuleska, Judge as well as a Member of the Council of Public Prosecutors, Mr. Momir Marcic. They shared their views on the reasons behind ineffective court cases, and at the same time they explained the protocols needed to be followed to get to a successful court case. The conference gave an opportunity to hear about several successful court cases as well. They were presented by Mr. Bojan Stefkovski, SNB React Representative. SNB React is a not-for-profit organization with long experience in fighting with counterfeit trade. The final panellist in the third panel session was Ms. Vera Samardzieva, Senior Regulatory Affairs and Law Manager with Makedonski Telekom AD Skopje. She presented a new monitoring project involving cable operators who illegally re-broadcasts program packets of Makedonski Telekom AD Skopje. The goal of her presentation was to raise awareness on the protection of copyrights. Moderator of the third panel session was Ms. Maja Jakimovska, IP Layer of Cakmakova Advocates. All conference presentations are available on our website: [www.amcham.com.mk](http://www.amcham.com.mk)



# AmCham Conference

## “Strategic Approaches to Corporate Social Responsibility”

On May 10, the American Chamber of Commerce organized a Conference on Strategic Approaches to Corporate Social Responsibility. This was an excellent chance to discuss the issue of Corporate Social Responsibility as an integral part of the business strategy rather than an add-on to regular business operations.

The event gave a chance to look at CSR beyond philanthropy on how it contributes to companies’



Company, and Ms. Emma Garcia Pawley, Marketing Senior & HR Manager of Procter & Gamble Europe (Middle East and Africa). They had an opportunity to share their strategic approaches to Corporate Social Responsibility and interactively discussed with participants about the main drivers and challenges for their companies in terms of integrating CSR into their business.

Speakers had also referred to their key priorities in the area of CSR and their inter-relation to the business strategy.

Acknowledging the importance of CSR, AmCham announced the establishment of a CSR Committee within the Chamber.

For more information regarding the conference, visit our website: [www.amcham.com.mk](http://www.amcham.com.mk) where you can find the presentations from the event.

competitiveness, productivity, public image, risk management etc. Moreover, it emphasized the importance of CSR for the sustainable business development.

For this purpose we invited guest speakers, senior managers from global well known companies: Ms. Jaklin Tzocheva, PR and Advertising Manager of Avon Cosmetics, Ms. Mary Anne Saunders, Executive Director of the Kent State University in the U.S., Mr. Sandro Baricevic, Head of PR and Communications for the Adriatic Region of The Coca Cola



# AmCham Macedonia Member List 2011

## **Construction, Real Estate and Interior Design**

Bauart Group  
Civil Engineering Institute Macedonia AD  
GD Granit – AD Skopje  
Soravia Group

## **Consumer Goods & Textiles**

Alliance One Macedonia  
Avon Cosmetics Macedonia  
EuroTrade doo  
Gemak Trade  
Ist Komerc Ltd  
Mak Autostar Ltd  
Mepring  
Pashoski Tobacco Dealer Ltd. Skopje  
Philip Morris Skopje dooel  
Skopski Pazar AD Skopje  
Teteks AD Tetovo  
Tim Point  
Tinex-MT  
\*Veropoulos

## **Transport & Logistics**

DHL Express Macedonia Ltd Skopje  
FedEx GSP-RSE Optima  
Fersped AD Skopje

## **Education & Training**

NOVA International Schools  
University American College Skopje

## **Financial Institutions**

CEED Macedonia  
Diners Club Macedonia  
European Bank for Reconstruction and Development  
Eurostandard Banka AD Skopje  
Export & Credit Bank Inc Skopje  
Komerrijalna Banka AD Skopje  
Makedonska berza AD Skopje  
NLB Tutunska Banka AD Skopje  
ProCredit Bank Macedonia  
Savings House Fulm  
Savings House Mladinec  
Savings House Moznosti  
Stopanska Banka AD Skopje  
Unija Finansiska Skopje

## **Food & Beverages**

IMB Mlekara Bitola

PI Vitaminka AD Prilep  
Pivara Skopje AD  
SJ Company McDonald's  
The Coca Cola Company Macedonia  
Tikves AD Skopje – Vinarska vizba  
Vino-M  
Vivaks Ltd

## **Hospitality, Travel & Event Centers**

Makedonijaturist AD Skopje  
Skopje Jazz Festival  
Skopski Saem DOO

## **Industrial Suppliers, Energy & Manufacturing**

EVN Macedonia AD, Skopje  
Johnson Controls  
Makpetrol AD Skopje  
Makstil Dufenco Group  
Okta Crude Oil Refinery  
Shareholding Company  
Protect M  
Sinpeks Bitola  
Vesna SAP doo  
Wabtec MZT Skopje

## **Information Technology**

ASSECO SEE dooel  
Cisco Systems Macedonia  
Duna Computers  
Hewlett Packard IT BV Branch Office Skopje  
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Infinite Solutions  
Microsoft Macedonia  
Neocom AD  
Nextsense Ltd.  
Oracle East Central Europe Representative Office Skopje  
S&T Macedonia dooel  
Seavus dooel Skopje  
Semos Group Skopje  
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USA MAK Computers  
Z-SoftNet LLC

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Analysis and Advisory Group (AAG)  
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Ernst & Young  
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Grant Thornton  
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Motiva doo  
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PointPro Consulting  
Polenak Law Firm  
PricewaterhouseCoopers dooel Skopje

## **NGO's**

Habitat Macedonia  
Konekt  
LinkAcross

## **Pharmaceutical & Medical**

Alkaloid AD Skopje  
MSD IDEA Inc. Affiliate Merck & Company Inc.  
PharmaSwiss  
Viola Trade

## **Public Services**

Avto Moto Sojuz na Makedonija (AMSM)  
JP Vodovod i Kanalizacija - Skopje

## **Publishing & Advertising**

Futura 2/2 dooel Skopje  
Kapital Media Group  
McCann Erickson Group Skopje

## **Telecommunications & Related**

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Makedonski Telekom AD-Skopje  
Netra Ltd Skopje  
One Telekommunikation Services doo Skopje  
T-Mobile Macedonia

## **Without Company Affiliation**

Ms. Bosilka Rizovska

\_\_\_\_\_  
\*New Member

# AmCham Advantage Program

## Member to Member Discount

The AmCham Advantage Program offers valuable discounts to members in good standing at AmCham member establishment. Detailed information about the program and updated information on discounts is available on the AmCham Macedonia website: [www.amcham.com.mk](http://www.amcham.com.mk) (under Membership>Advantage Program). A monthly e-Newsletter will also be sent to the members listing participating companies and discounts available. If you are interested in participating in this program, please email [info@amcham.com.mk](mailto:info@amcham.com.mk)



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**Crimson Capital Corp**

Crimson Capital Corp. (Crimson) is a leading international development and management consulting

firm, dedicated to emerging market and private sector development. Crimson specializes in access to finance, trade and investment facilitation, SME development, value chain enhancement including agriculture, privatization, and legal, regulatory and policy reform aimed to improve the business environment for private sector growth. Crimson's work in developing countries has resulted in over \$7 billion in foreign direct investment (FDI), exports, debt and equity financing, Public Private Partnerships (PPP), and privatization. Besides Macedonia, Crimson also has offices in USA, Peru, the Czech Republic, and Kosovo.

In addition, Crimson designed and manages the SME Commercial Finance Fund - Crimson Development Foundation (CDF) in Macedonia, a \$3 million fund developed to provide innovative, short-term working capital finance products to SMEs in Macedonia. CDF is the principal provider of short-term trade finance in Macedonia and plays a key role in the expansion of Macedonian SMEs. CDF is supported by Norfund, USAID, the Norwegian Ministry of Foreign Affairs, and Crimson Capital Corp. To date, the Fund has made 261 loans totaling more than \$19.5 million to Macedonian SMEs, supporting over \$77 million in new exports, and creating more than 2,225 new and permanent jobs, including over 1,093 jobs for women and 295 for minorities.

For more information on Crimson Capital Corp., please visit us at: [www.crimson-capital.org](http://www.crimson-capital.org)



**Veropulos Group**

Veropulos Group has started its business in the Peloponnese. The business activities of the company included wholesale, import, export as well as branch offices.

At the end of 1960, it changed its activity into the retail business, in order to fulfill the idea of a self-service store. With great support and technical assistance of international Spar, we finally managed to create a concept of a supermarket. The first start and most important for Veropulos was in 1973 by opening a large store of 2.000 m2 under the name Veropulos Spar. In 1997, Veropulos opens its first supermarket outside of Greece - in Skopje. This is one of the first foreign investments outside Greece. After a long battle and hard work, in September 2010 we opened a shopping mall and our largest store of the Veropulos group that experienced a rating as an object that is contemporary with its construction and content offered by everyday activities. The large number of services and professionalism which apply to this center makes it an urban institution visited by all groups of people. Hypermarket in this center is without doubt a wonderful space for a family outing both at weekends and during the week, things can be found even for those with the most sophisticated taste. Therefore, in order to feel the spirit of all European centers where most people spend the afternoon, we propose the Vero center to satisfy all of your needs with its rich contents.



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