

# Emerging MACEDONIA

MAGAZINE

SUMMER 2013 ISSUE 38  
PRICE 300 MKD

WWW.AMCHAM.COM.MK

*of the American Chamber of Commerce  
in Macedonia*

## An American Investment Builds on Macedonia's Engineering Tradition



Also in this issue:

- Alliance One's sustainable investment in Kavadarci
- Views on the U.S.-EU Transatlantic Trade & Investment Partnership
- How international is public procurement in Macedonia?
- Youth unemployment is everyone's problem



# Запознајте го новиот Windows

**Windows 8**  
Прекрасен, брз, едноставен.

Во новиот Windows сè се врти околу тебе. Најважното те чека на твојот Start екран каде ќе ги најдеш сите твои контакти и апликации, за помалку да бараш, а повеќе да остваруваш.

**Windows 8 Pro**  
Подготвен за работа.

Со Windows 8 Pro добиваш сè што доаѓа со Windows 8, плус побогата функционалност за полесно да се поврзеш со деловни мрежи, да пристапиш до твоите документи во движење, да ги енкриптираш твоите податоци и многу друго.



Dear AmCham Macedonia members and friends –

Welcome to the summer edition of *Emerging Macedonia*. Despite the markedly slower pace in Skopje at this time of year, we've prepared a collection of interesting and timely articles for your perusal. It may not meet the strict definition of a "beach read", but I think you'll find it worthwhile, nonetheless!

In early June, I attended the AmChams in Europe annual Transatlantic Conference in Washington, D.C. This gathering provides a chance each year for AmChams all over the continent to touch base with one another as well as with policy makers and colleagues in the United States. By attending these high-level meetings with State Department, U.S. Trade Representative and U.S. Chamber of Commerce officials, I got a first-hand sense for Washington's current focus areas in general and the Transatlantic Trade and Investment Partnership (T-TIP) in particular. I've included an article on the trade deal to bring members up to speed on what this process means and how it will ultimately impact Macedonia.

Coming up this fall, I'll be excited to welcome Ms. Emily Fowler, Senior Vice President for Strategy & Business Development at Fix Challenges, Inc., and Mateja Forstnaric, Partner at Odgers Berndtson, for a seminar entitled, "Advantages of Gender Diversity in Organizational Leadership, Strategy & Innovation". These two presenters bring a fantastic mix of experience and passion on issues ranging from strategic human resources practices in southeastern Europe to the gender gap in business and from gender intelligence to business strategy development and innovation. Whether you are a man or a woman, an "HR person" or not, you will not want to miss this event!

Then in October we will hold our annual General Assembly, where members will need to fill 4 Board seats. I cannot understate the importance of Board service to our organization and encourage interested members to contact me for more information and/or visit our website: [www.amcham.com.mk](http://www.amcham.com.mk) under About -> Board of Directors.

With best wishes for a revitalizing summer break,  
**Michelle Osmanli**  
Executive Director

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American Chamber of Commerce in Macedonia • Ivo Lola Ribar 59A-1/15, 1000 Skopje, Macedonia  
Phone: (+389 2) 3216 714; Fax (389) 2 3246 950 • [info@amcham.com.mk](mailto:info@amcham.com.mk) [www.amcham.com.mk](http://www.amcham.com.mk)

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EDITOR-IN-CHIEF: Michelle Osmanli • PHOTOGRAPHER: Maja Janevska Ilieva • LAYOUT AND DESIGN: Emilija Haralampieva  
• PRINTING: Propoint Print House • JOURNALIST CONTRIBUTOR: Jane Dimeski • ADVERTISING INQUIRIES: [info@amcham.com.mk](mailto:info@amcham.com.mk) •



## Wabtec MZT Builds on Macedonia's Engineering Tradition

*Interview with Selim Simbil, General Manager of Wabtec MZT AD Skopje*

**EM:** Please tell us a bit about the company and your industry generally as well as Wabtec's investment in Macedonia.

**Simbil:** Wabtec Corporation is a leading supplier of value-added, technology-based products and services for rail, transit and other global industries such as heat-exchange equipment for off-highway equipment and industrial applications. The company is headquartered in Pittsburgh, Pennsylvania and has about 50 manufacturing plants, service centers and sales offices worldwide. This is because we have customers in 125 countries and hold 40% of the global market share in our industry. In total, we have about 8,500 employees worldwide. Our European operations are headquartered in Vienna.

Here in Macedonia, Wabtec MZT currently employs over 300 people, 65 of whom are engineers. As locals would know, MZT HEPOS was actually established in 1946, so it represents a long and proud engineering tradition familiar with both Eastern and Western equipment standards. Wabtec Corporation bought MZT's previous owner, POLI Srl. from Italy in 2008 and, by that's when we became Wabtec MZT. Just last year we were pleased to continue MZT's tradition of innovation and quality with the launch of production of the integrated bogie brake (IBB).

Wabtec MZT has a surface area of 13,000 square meters with more than 100 machines within 4 specialized processes. Here, we develop, produce and maintain complete braking systems for freight

wagons, passenger wagons, electromotor trains and metros, locomotives and special vehicles and test benches. We export to more than 100 customers in 50 countries.

**EM:** How important is innovation in an industry like yours? I imagine freight and passenger train standards don't evolve at the same pace passenger automobiles do.

**Simbil:** You're right that we maintain systems much longer, since rail investments are built to last generations. This means there is a huge amount of "after market" demand for parts, maintenance, etc. However, innovation is just as important in our industry as any other. The original Westinghouse Air Brake Company was founded in 1869 when George Westinghouse invented the straight air brake, revolutionizing the rail industry. Today, Wabtec remains focused on developing profitable new products

- on average, railroads are four times more fuel efficient than trucks and move a ton of freight 469 miles on a single gallon of fuel;
- public transportation in the U.S. saves 4.2 billion gallons of gasoline annually and reduces the nation's carbon emissions by 37 million metric tons per year; and

Population growth trends, urbanization, global trade expansion, and increasing environmental and sustainability awareness mean that developed and developing countries around the world will continue to invest in rail. This is good news for Wabtec MZT since we focus primarily on the freight industry, but are also transitioning our products toward the transit market. In fact, we've already more than doubled our sales since 2009. This is why Wabtec Corporation continues to invest in Wabtec MZT's CAPEX, personnel, and process reorganization. Wabtec MZT diversifies the corporation's product lines with more than 500 brake devices that cover all types of air brake wagons and helps even out business cycles. Our work is also great for the Macedonian economy, since we export of 99% of what we make and have almost 150 local suppliers and subcontractors who supply everything from fasteners, gas, tools and castings to machine processing services, heat treatment, forging and more.

**EM:** Your corporate website says that "Wabtec is the only NYSE company whose shares rose continuously during the past 10 years." What do you think explains this incredible achievement given the economic turbulence of the last decade?



and technologies that help our customers improve safety, quality, productivity and capacity. Wabtec Corporation holds 1,250 patents worldwide. In fact, two of our employees, won the State Industrial Property Office's 2012 Patent of the Year for their invention of the IBB.

I'd also like to point out that train travel is both traditional and will be a strong part of the future. Industry trade groups will tell you that:

**Simbil:** We provide highly engineered, value-added products and services to our customers and combine practical innovations with the best in modern manufacturing and business practices to generate above average, long-term returns for our shareholders, and to provide our employees with a safe, challenging and dynamic work environment.

*Continued on page 34*

# Investing in Sustainability

## *Interview with Stelios Grigoriadis, Country Manager of Alliance One in Macedonia*



**EM:** Many businesspeople in Skopje are not aware of the presence of a large U.S. company in Kavadarci, Macedonia. Please tell us a bit about the company and your industry generally as well as Alliance One's investment in Macedonia.

**Grigoriadis:** Alliance One Macedonia is an affiliate of Alliance One International, Inc. (AOI, traded on the New York Stock Exchange) a leading independent leaf tobacco merchant serving the world's cigarette manufacturers. AOI selects purchases, processes, packs, stores, and ships leaf tobacco, as well as provides agronomy expertise and financing for growing leaf tobacco. Our customers are cigarette manufacturers such as Phillip Morris International, Imperial Tobacco, Japan Tobacco International, Phillip Morris USA and Reynolds American Tobacco.

One of AOI's predecessor companies entered the Macedonian market in 1998 by acquiring two local tobacco factories that became Alliance One Macedonia in 2005. Following a process of consolidation and

restructuring, in 2007 our headquarters and tobacco processing were moved into one facility in Kavadarci. In April 2011, we completed construction of our new storage and processing facilities. Our new state-of-the-art factory is equipped with the latest technology including tobacco soft-drying and storage facilities with 40,000 square meters for green tobacco and packed products.

We decided to invest in Macedonia because of the friendly business environment, good grower base, building customer demand, as well as an opportunity to implement new ideas and technology. Our total investment in buildings and factory machinery has exceeded USD \$18 million.

We have established a strong relationship with almost 9,000 farmers and developed a market reputation built on our socially responsible approach and transparent business practices – characteristics that define AOI globally. We employ 57 full time staff and about 400 seasonal workers in Macedonia, mostly from Kavadarci and some from neighboring villages.

For this year's crop, we have contracted more than 8,500 tons of Macedonian oriental tobacco that will be sold to customers around the world. We also plan to further develop worldwide market awareness of Macedonian oriental tobacco, given its quality and attractive smoking characteristics.

**EM:** Alliance One purchases tobacco in more than 35 countries from Argentina to Zimbabwe; process tobacco in 35 owned or third party facilities around the world; and sells in to approximately 90 countries. What have been some of the keys to your success as a multinational company?

**Grigoriadis:** AOI was created to meet the challenges of today's global business environment. Essential to our plan is a commitment to conduct business in a sustainable, compliant manner.

Agronomy investments and our well trained staff help farmers produce increased volumes with



improved quality on their land. Enhanced farm efficiency can improve a farmer's income, which is important to sustainability.

Additionally, we are more global, dynamic and customer driven than ever before. As such, our quest for competitive excellence and customer satisfaction is guided by our code of business conduct that clearly defines our expectations of how to do business the right way.

**EM:** Tell us about one of your successes working here in Macedonia.

**Grigoriadis:** Recently, my biggest challenge was to build our new factory and storage facilities and have them operational in 9 months. One of my primary goals was to avoid disturbing our normal operating cycle that includes buying, processing, packing and storing the new crop. My team spent many hours planning, designing, monitoring and following up on the project's progress. Thanks to their dedication and commitment, we met our timetable and budget.

We are now beginning to experience the outcome envisioned from this project that has enhanced our competitive position, improved product quality and allowed us to grow our business by 70% over the last 3 years.

**EM:** Tell us something about your career and what led you to become Country Manager of Alliance One in Macedonia.

**Grigoriadis:** I grew up on my parents' tobacco farm, so I clearly understand what it takes to be a successful tobacco grower, as well as the challenges our

producers face. In 1986, I entered the tobacco leaf merchant side of the business and have been here ever since. My background has given me a different and advantageous perspective on how to grow and drive this business.



Over the past 27 years I have worked in all the key areas of our business including management of leaf procurement, processing, planning, quality control and sales/customer relations. I left our Bulgarian subsidiary where I had been Operations and Sales Manager to become the Macedonian Country Manager, a position I gladly accepted as an opportunity to help build a world class operation. I have succeeded in building a great team and industry leading operations that provide value to all that we touch; from our suppliers to our factory team to our shareholders – everyone benefits.

Trust in your ideas and you'll feel free  
Create and be proud of your deeds  
Treasure your love and you'll be loved  
Cherish the spirit and be strong

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Blvd. Aleksandar Makedonski 12; 1000 Skopje; R. Macedonia  
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e-mail: [alkaloid@alkaloid.com.mk](mailto:alkaloid@alkaloid.com.mk)  
[www.alkaloid.com.mk](http://www.alkaloid.com.mk)

# What a Transatlantic Trade and Investment Partnership (TTIP) Should Mean for Macedonia



On Jun 17th this year, the United States and the European Union (EU) officially launched negotiations on the Transatlantic Trade and Investment Partnership (T-TIP). By creating the world's largest integrated market, the TTIP is meant to bring significant economic benefits to all parties. However, reaching agreement on the details of the T-TIP promises to involve a long and arduous process that will test the involved countries' determination to reach big picture, strategic goals. After all, the idea of a "US-EU free trade agreement" is not new; what is new is a public commitment to the initiative by the highest levels of government on both continents.

Given the very early stage of the negotiations, it is unclear how and in precisely what ways the T-TIP would impact non-EU member states such as Macedonia. As a candidate country, Macedonia has clearly signaled its desire to accede to the EU and is working to align itself with EU standards in many areas. However, with the economic downturn in Europe

and the country's failure for its 8th year to obtain a concrete date to kick-off negotiations, "euroscepticism" here is on the rise. The T-TIP should again boost the attractiveness of EU alignment and accession for Macedonia since it will mean becoming part of the world's largest free trade zone.

## Why the T-TIP?

The United States' trade and investment relationship with the countries of Europe is the world's largest and most complex. U.S. transatlantic economic ties are dominated by relations with the EU. The EU is a market of nearly 500 million consumers and U.S.-EU trade has been roughly balanced. Very high levels of mutual foreign investment make the transatlantic economy the most integrated one on earth. Thus, given the volume of existing trade flows, even minor improvements in the system would have enormous ripple effects.

The architects of the T-TIP estimate that it could increase global income by almost €100 billion, due to its enormous direct and indirect impact on the global trading system. This would occur as EU-US trading partners the world over align with T-TIP standards, cutting complexity and cost all along the supply chain. In other words, the standards set by the T-TIP negotiations are likely to be global standards for many years to come. Understanding this is critical for any economy wishing to increase exports, foreign direct investment and maintain the competitiveness of local firms.

Businesspeople on both sides of the Atlantic hope that the TTIP will go well beyond any trade agreement ever negotiated by either side and focus on reducing non-tariff barriers such as those posed by regulatory inconsistencies. Gunilla Almgren, President of European Association of Craft, Small and Medium-Sized Enterprises, recently explained that: "The European Union has a unique opportunity to boost economic growth by launching negotiations on a trade agreement with the United States... Done properly, the T-TIP will give European firms – especially small and medium sized enterprises – much greater access to a huge market, by reducing or even eliminating market access barriers and tariffs." After all, navigating diverse and complex regulatory environments puts big business at an advantage over small ones. Big companies can afford the legal counsel and high cost of localizing products and services for different markets; small to medium companies cannot.

*"The European Union has a unique opportunity to boost economic growth by launching negotiations on a trade agreement with the United States..."*

Aside from the obvious economic impacts of the T-TIP, many players on both continents pro-

mote the agreement from a geopolitical standpoint. Joseph Quinlan, author of *The Case for Investing Europe 2013: Why U.S. firms should stay the course*<sup>1</sup> points out that the deal "would also strengthen the U.S.-EU economic axis relative to the developing nations and key emerging powers like China." He goes on to say that "whatever the common standards and the harmonization and standardization of industry/

sector regulations [the T-TIP] could become the template by which the US and Europe negotiate with various emerging market economies, China included." Thus, the T-TIP has a lot to do with balancing the impacts of global economic trends that are sure to favor Asian economies down the road.

### Short Term Impacts on Macedonia as a non-EU Member

While Macedonia should keep its EU integration process a top priority, the T-TIP is likely to have positive impacts on the country even as a non-member for at least two reasons, including:

**A strong EU economy is good for Macedonia.** Macedonia's location in Europe logically ties it more closely to the EU as a trading partner than to the United States. Despite it not being a member, the country's main trading partners are all EU members; in 2011 28% of its exports went to Germany 7.2% to Italy, 5.4% to Bulgaria and 4.9% to Greece 4.9%. If these economies again begin to grow, Macedonia will likely increase its exports over time.

And strengthening the EU economy is one of the main objectives of negotiating the T-TIP from the EU perspective. Karel De Gucht, European Commissioner for Trade, has called the T-TIP "the cheapest stimulus package you can imagine," since mutual trade and investment will increase as these economies align, leading to the job creation needed to reverse current economic trends in these advanced economies.

**More U.S. investment in the EU is likely to increase U.S. investment in Macedonia.** Virtually without exception, the U.S.-based companies that have invested in Macedonia have done so as part of their investment in an EU country or to target the EU marketplace. A good example is Wabtec Corporation, a leading producer of high-tech equipment for locomotives, freight wagons and passenger railway vehicles based in Pittsburgh, Pennsylvania. In 2008, Wabtec acquired an Italian company, POLI Group, which included a significant production facility in Macedonia. Wabtec's continued investment in Macedonia (Wabtec MZT) has translated to a growing organization that exports 99% of its products to more than 50 countries.

*Continued on page 30*

1 ISBN 2-914685-64-5. New York: 2103.



## Upcoming Board of Directors Elections

At this year's AmCham's 13th Annual General Assembly, members will fill a total of four Board of Directors seats, vacated this year as follows:

- Ms. Liza Popovska (elected in 2011) is completing her first 2 year term and will run for re-election;
- Ms. Ruzica Filipceva (elected in 2009) and Mr. Stefan Plavjanski (elected in 2007) have served the maximum term allowed by our by-laws, thus are ineligible to run again; and
- Mr. Tibor Vidos (elected in 2012) prematurely resigned from his seat, effective July 1, 2013.

To comply with the U.S. Chamber of Commerce membership requirements, 2 of the four elected members must be U.S. citizens or employees of U.S. companies.

All interested candidates should review Board membership information on our website ([www.amcham.com.mk](http://www.amcham.com.mk), About -> Board) and submit a Board Membership application along with a short biography and Letter of Intent by 5:00 pm on September 15, 2013 to [communication@amcham.com.mk](mailto:communication@amcham.com.mk).

Applications received after this deadline will not be considered.

## Save the Date!

### Advantages of Gender Diversity in Organizational Leadership, Strategy & Innovation

Date: September 11, 2013

Time: 9.30 am – 2pm

Venue: Skopje

Speakers:



**Emily Fowler**, SVP, Strategy & Business Development at Fix Challenges, Inc.

**Mateja Forstnaric**, Partner at Odgers Berndtson



This interactive session will cover topics including:

- Understanding the gender gap in business:
- Myths around women in business
- Integrating gender intelligence and the impact on business strategy development and innovation
- How to close the gender gap in business: perspectives on strategic HR practices in southeastern Europe

.....  
Please confirm you'll join us by September 6, 2013 with an email to: [communication@amcham.com.mk](mailto:communication@amcham.com.mk).

# Public Procurement in Macedonia: Opportunities and Challenges

*Recent analyses show significant participation of international companies in government procurement bids, though concerns remain about process transparency and fairness.*

International companies sold products and services to the Macedonian government worth more than \$155 million in 2012. Today, international companies participate in public procurement bids in Macedonia for everything from waste management facilities to police vehicles. According to the annual reports of the Public Procurement Bureau, foreign companies won roughly 20% of all contracts in 2010 and 14% in 2009, 2011 and 2012.

The largest procurement awarded to an international player last year was the roughly \$16 million contract awarded to the Russian oil giant, Lukoil, for their sale of oil derivatives to ELEM Macedonian Power Plants, a state owned enterprise. The largest U.S. company win last year was TCI International, a Fremont, California-based subsidiary of SPX Corporation, which signed a contract in December 2012 with Macedonia's Agency for Electronic Communications. TCI is now supplying a national spectrum monitoring system in Macedonia, including its installation, integration, and testing. The company is also providing user training and a warranty for its operation. The total value of this procurement was \$12.5 million which TCI was awarded after competing with two German companies, Rohde & Schwarz and LS Telecom, for the contract.<sup>1</sup>

<sup>1</sup> Source: <http://trade.gov/press/press-releases/2013/us-department-of-commerce-helped-american-company-secure-12-million-deal-abroad-032213.asp>.

Companies from European Union (EU) member countries concluded contracts valued at more than \$24 million.

The following table shows the top 10 public institutions in terms of procurement contracts last year.

From a regional perspective, Macedonia appears to be a leader in foreign participation in government tenders. Serbia has awarded just 1% of its total

## Public Institutions with the Largest Total Procurements - 2012

Organization	Total value of 2012 procurement
AD ELEM – Macedonian Power Plants	\$194,256,591
General Government Affairs Service	\$85,999,684
Ministry of Health	\$82,495,201
City of Skopje	\$35,834,107
Ministry of the Interior	\$27,048,335
Municipality of Center	\$23,093,757
"Macedonian Forests" Public Enterprise	\$22,008,596
AD MEPSO – energy	\$18,067,484
State Roads Agency	\$17,424,455
Agency for Electronic Communications	\$16,755,722

public procurements from 2008-12 and Croatia awarded an average of 6.8% of total contracts to foreigners in the 2008-2011 period. The Government also recently announced that Macedonia became the first country in the region to fully implement the EU Directive for public procurement by introducing the requirement that e-auctions be used in 100% of bid procedures starting in 2012.

However, regular reports from the Center for Civil Communications (CCC), an NGO that monitors public procurements on a quarterly basis<sup>2</sup> with the support of USAID and the Open Society Foundation, cite consistent shortcomings with the procurement process and its outcomes. For example, in response to the government's claims that e-auctions were being used in 100% of tenders, the CCC's 2012 Q4 report counters that,

*E-auctions have been used in just 40% of the monitoring sample, while every fourth procedure conducted an auction to reduce the initial cost. Thus, budget savings were not realized in most cases. This is a direct consequence of limiting competition in tenders by applying exclusive criteria to determine which companies can compete.<sup>3</sup>*

The report also highlights the growing number of tender procedures that were launched only to be ultimately annulled for one reason or another down the line. Nationwide, the percentage of cancelled procurements grew to 24% in 2012, the highest the figure has been in the last four years. Tenders are primarily cancelled due to lack of a sufficient number of bids from interested companies to ensure competitiveness of the process; many bids receive just one response, others none at all. However, the same report cited 408 contracts worth about USD \$29 million were signed without prior public announcement and that roughly USD \$83 million are allocated in

<sup>2</sup> Many of these reports are available in English at: [http://www.ccc.org.mk/index.php?option=com\\_content&view=category&id=35&Itemid=117&lang=en](http://www.ccc.org.mk/index.php?option=com_content&view=category&id=35&Itemid=117&lang=en)

<sup>3</sup> [http://www.ccc.org.mk/images/stories/16\\_kvartalen\\_mak.pdf](http://www.ccc.org.mk/images/stories/16_kvartalen_mak.pdf). English translation provided by *Emerging Macedonia* staff.



this way on an annual basis. The CCC report explains that,

*This procedure is used more often due to the government's inability to schedule auctions since there would be insufficient competition. Weak competition, not using e-auctions, an increase in the number of cancelled procedures and contracts negotiated without prior public notice are only consequences. The reasons lie within the tender specifications and particularly in the criteria limiting bidder participation and the technical specifications.*

Process questions aside, public perception of the government procurement process in the country is certainly cause for caution. The OSCE, together with the Macedonian Anticorruption Commission, recently publicized the results from a survey they commissioned on private sector perceptions of corruption in the country, as well as the report of the qualitative analysis of the anti-corruption measures in the private sector.<sup>4</sup> The report, due to be published in the coming months, found that more than 72% of the nearly 800 private sector employees surveyed agreed that companies must bribe officials in order to win public tenders.

<sup>4</sup> <http://www.osce.org/skopje/103278>

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# Unemployed Youth: a Global Challenge

*One of every 4 people between the ages of 15-29 in Macedonia is neither attending school nor working but—perhaps most concerning—is also not actively looking for a job.*

While the double dip recession has exacerbated unemployment and underemployment globally, it is exacting a particularly punishing toll on young people. Recent graduates with little or no experience are waiting longer and longer for their first job and often only find below their expectations. The trend also feeds fears that Generation Z (born roughly 1995-2012) may not achieve a standard of living better than their parents, given that they will start building their skills – and therefore earning potential – much later. This puts a damper on both youth motivation and productivity but also means governments the world over are missing out on potential tax revenue, pension system contributions and more. Thus, urgency is building around the issue in many circles.

Bloomberg's Senior Economist Joseph Brusuelas pointed out recently that the United States could lose \$18 billion in wages over the next decade as a result of its 1.3 million unemployed 16- to 24-year-olds; he also noted that these are conservative estimates. He says that if America's unemployed youth remain jobless for an extended period, the economy will suffer to the tune of \$44 billion over the next decade.

A recent report by public policy organization, Demos, entitled "Stuck: Young America's Persistent Jobs Crisis"<sup>1</sup> noted that "there are more than 5.6 million 18 to 34-year-olds who are willing and able to take a job and actively looking for work, but shut out of opportunities for employment....An additional 4.7 million young people were underemployed—either working part time when they really wanted full-time positions or marginalized from the labor market altogether. Last year, the unemployment and underemployment rates for people under 25 were more than double those for workers over 35."

To add insult to injury, graduates from U.S. universities most often carry student loan debt, which means they start off their careers with debt and won't begin saving for a home or retirement until much later. And tuition inflation in the country is unlikely to slow, given that many young people go back to school when the job market cools. This means that young people without college degrees will be in an even worse situation as the job market picks up. After all, if no one has any job experience, those with degrees will be employed first.

*The EU's rate of youth unemployment has risen by 8% since the crisis began and now stands at 23%. According to Eurostat, nearly 5.6 million people between the ages of 15-24 are jobless. However, countries like Greece and Spain are already reaching 50%.*

The EU's rate of youth unemployment has risen by 8% since the crisis began and now stands at 23%. According to Eurostat, nearly 5.6 million people between the ages of 15-24 are jobless. However, countries like Greece and Spain are already reaching 50%. Many young people in these countries are coming to terms with the necessity of living with their parents until they are 30; some of them have moved back home after years on their own. In early July, EU leaders met in Berlin to discuss possible anti-youth unemployment measures, given their recognition that it is one of the most dangerous trends of the current economic climate. It appears that at least initially, the summit will result in increased cooperation between members' employment agencies.<sup>2</sup>

<sup>1</sup> <http://www.demos.org/publication/stuck-young-americas-persistent-jobs-crisis>

<sup>2</sup> [http://www.nytimes.com/2013/07/04/world/europe/eu-leaders-discuss-ways-to-tackle-youth-unemployment.html?\\_r=0](http://www.nytimes.com/2013/07/04/world/europe/eu-leaders-discuss-ways-to-tackle-youth-unemployment.html?_r=0)

Given the relatively high level of youth unemployment in the Balkans before the crisis hit, the youth unemployment problems faced here are far beyond those seen in more affluent regions.

### The Case in Macedonia

At midday during the work week in Skopje, you'll find cafes overflowing with young people drinking coffee and smoking cigarettes. That's because every second young person on age between 15 and 24 is jobless. High unemployment in the country – purported to be over 30% for the last decade – has become a basic fact of life. But recently, several reports and public statements by government officials have spurred a new debate.

*According to the latest official statistics from Macedonia's State Employment Agency, the total number of unemployed in the country is 243,403 while 55,560 of them are young people.*

According to the latest official statistics from Macedonia's State Employment Agency, the total number of unemployed in the country is 243,403 while 55,560 of them are young people. The State Statistical Office declared in June that the rate of unemployment in the first quarter of 2013 for the first time in years decreased slightly, but still remains above 30 percent.<sup>3</sup> Despite this trend, the percentage of unemployed youth is still 53.5%. Almost simultaneously the World Bank published its latest Economic Report for

<sup>3</sup> We should note that the Agency is currently carrying out a comprehensive review, verification and correction of its roles for the first time. This process includes separating those who are actively looking for work from those who are not, thus the lower numbers are – at least in part – explained by this process. Further, formal enrollment of students in State university programs is currently relatively high and university studies tend to last much longer than before.

south eastern European countries where Macedonia – along with its northern neighbor Serbia – are declared the region's leaders in youth unemployment.

The latest data indicate that young people start their first job long after graduation. An official survey<sup>4</sup> published in July covering 15-29 year olds (23% of the total population) show that they typically wait more than 2 years for their first job after graduation. The Director of the State Statistical Office, Blagica Novkovska, notes that,

*For more than 50 percent of young people who have completed their education and want to find a decent job, the transition lasts more than two years, which is considered too long by the survey's standard. There are also interesting indicators showing significant participation of young people in informal [grey] employment, which means that those who have made the transition from school to work are, in fact, most often working in [the grey economy].*

Spiro Ristovski, then Minister of Labor and Social Policy, drew a huge public reaction for his comment in May on the problem, "I can't accept the premise that it is hard to find a job in Macedonia; the problem is getting some people to agree to work at all. It is a fact that many citizens refuse jobs and are too picky about where they will work. I'm not saying that everyone should just take any job they can find but I expect more engagement - especially from young people - in the struggle to find better jobs." Mr. Ristovski has since been appointed Minister of Education and Science.

Similar sentiment was also heard recently from the Director of the State Employment Agency, Vlatko Popovski, with his impression that young people in Macedonia lack ambition and self-motivation. He recently advised

<sup>4</sup> *School to Work Transition of Young Men and Women in the Republic of Macedonia* by the State Statistical Office and the International Labor Organization.



*Continued on page 31*

# Direct Line

## *For American Business*

Direct Line lets U.S. business people hear directly from U.S. Ambassadors and economic and commercial experts at over 260 Embassies and Consulates in over 190 countries. Ambassadors or Principal Officers of U.S. missions overseas host Direct Line webinars or conference calls, often including local government officials, to discuss emerging sectors or new developments.

Any U.S. business can register for a Direct Line call at <http://www.state.gov/e/eb/directline>. The website provides a full list of past and upcoming calls.

Direct Line is a service provided by the U.S. Department of State and is free of charge.

## Gordana's 10 Year Anniversary with AmCham Macedonia



AmCham Macedonia's Membership and Finance Officer, Gordana Karanfiloska Dimoska, is celebrating 10 years with AmCham Macedonia this month. Gordana has been the backbone of AmCham Macedonia's administrative operations throughout her tenure. As its longest serving employee, she is an invaluable part of the AmCham team.

*Thanks for all of your hard work and dedication, Gordana!  
From the AmCham's Board of Directors and Executive Director*



Author:

**Nikica Kusinikova,**  
Konekt

## Local Companies Take CSR to the Next Level

Corporate social responsibility (CSR) is not a fad. Macedonian companies have kept pace with the global trend of viewing their CSR programs as a key part of their strategies for long-term sustainability and growth. In recent years, we've seen more and more companies moving from one-off CSR activities with limited scopes to more strategic initiatives. Some of the best practices of AmCham Macedonia member companies are described here. Each of these examples:

a) demonstrates long-term, voluntary commitments, b) is focused on sustainable and equitable development and c) seeks to create synergies with the company's core operations.

For years, **Cementarnica Usje AD Skopje** has proved its commitment to minimizing the negative impact of its operations on the environment and improving the habitats where it operates. In 2010, as part of its commitment to protecting biodiversity, the company commissioned a biodiversity study of ~30 year old artificial lakes that had formed in areas where it had mined. The study confirmed that company operations don't affect the lakes' flora and fauna and that there are no endangered species in the lakes. It did, however, reveal an excess of phytoplankton which could create an ecosystem imbalance. In response, the company began regularly cutting reeds and stocking the lakes with fish to eat the surplus phytoplankton toward preventing an imbalance.

**EVN Macedonia's** employees generated the idea to raise young people's awareness of efficient energy usage. The resulting project embodies a core company priority and was developed and implemented via

cooperation with five Macedonian NGOs. Its goal is to educate students aged 9-12 about reasonable and cautious use of electrical energy through interactive classes, games, quizzes, camps and small projects. The project proves that the combination of company resources and operational goals with the expertise and community connections of civil society can bring about significant social change. In 6 years, the project has been carried out in 320 primary schools and has touched 35,000 children.

Targeted support of vulnerable groups is a key element of all equitable societies. Following its CSR strategy, **Komercijalna banka AD Skopje**, started an initiative to support female victims of domestic violence. In cooperation with the Macedonian Platform Against Poverty, the company provides much needed resources needed to provide psychological and professional support of victims, including equipping shelters and producing a treatment handbook. The company's employees also visit the shelters to spend time with the women and thereby assist in their socialization and confidence building. Moreover, the bank participates in awareness raising activities including public appearances and lobbying for broader action, thereby lending its influence and reputation to this social issue.

**Nextsense** shows that best CSR practices are not reserved for large companies. For years, the company has invested in the practical education of future engineers and managers through its mentoring and internship program. Students who participate in the internship program become part of a real-life project where they can apply what they've learned in the classroom and build soft skills like team work, business communication and client service. Each student is assigned a mentor who follows a detailed methodology. The company often hires the best interns, but all participants increases their labor market competitiveness. In 2012, the company hosted 52 total internship months, a significant achievement for a small organization.

# Lengthy and Complex Path to Working as a Foreign National in Macedonia

The process of obtaining permission to work as a foreign citizen in Macedonia can be very long and complex, since it involves approvals from several State institutions (Ministry of foreign affairs, Ministry of Interior, National Employment Agency) and involves the production and processing of a lot of paperwork. There is no official data available on the length of the procedure, though it has been the target of several projects aiming to reduce its rather Draconian complexity. The Macedonian Government has recently made minor adjustments to the Law on Foreigners in response to these reports, including some exceptions for employees who are of "crucial importance to foreign investments" (though it's still unclear who might meet this definition).

The supporting documents required at each stage in the process vary, so applicants should pay close attention to the directions provided and leave plenty of time for unexpected delays or multiple trips to the institutions involved.

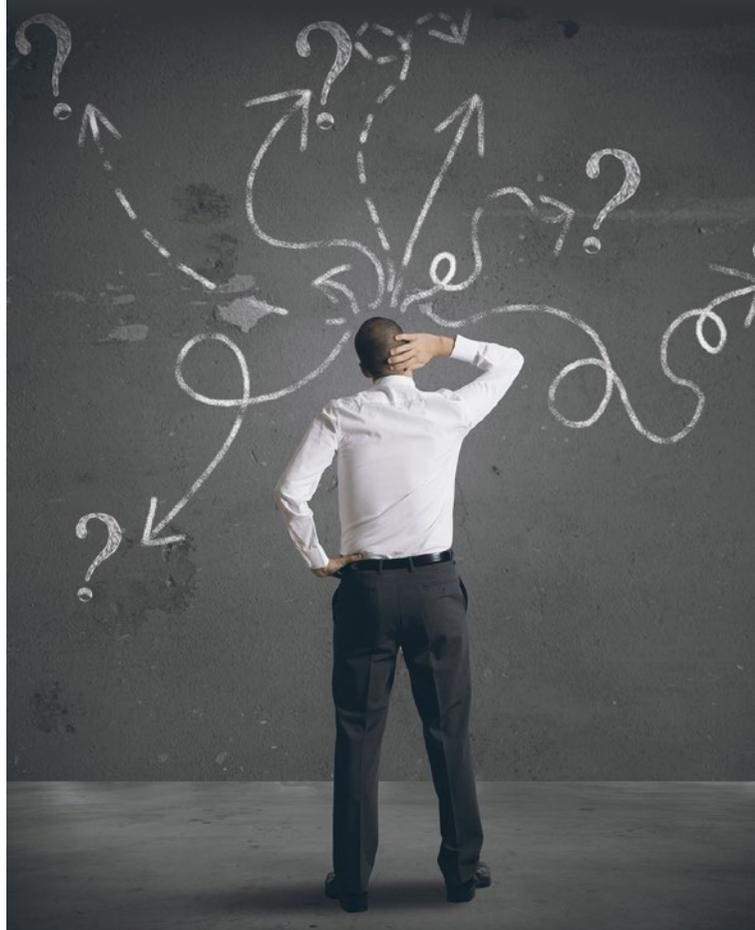
## Best Case Scenario: Assigning a Current Employee to Macedonia (>100 days total processing time)

The most straightforward case is the assignment of a current employee to the company's operations in Macedonia. In these cases, the employer in Macedonia must first apply for a work permit on their employee's behalf. The work permit process involves submission of 9 original, hard copy documents, plus translations of several copies (e.g., passport data page) into Macedonian by a court-certified translator and finally notarized by a local notary public. The work permit should be certified within 45 days of application.

Next, the employer must send the hard copy, certified work permit application to their employee abroad. The employee then submits the certified work permit application along with 10 documents

required for their visa and temporary residence permit application at the Macedonian consulate nearest them in person.<sup>1</sup> Unfortunately, we have no official data on processing times for visas and temporary residence permit application approvals.

*The process of obtaining permission to work in Macedonia can be very long and complex,....*



<sup>1</sup> Macedonia has only about 45 diplomatic missions around the world, so this can mean additional travel and expense, depending on your country of origin.

Finally, once the employee receives their approved visa and temporary residence permit application, the employee can travel to Macedonia but must again submit 7 documents to complete the temporary residence permit issuance process within 5 days of their arrival. These documents include official certification that the applicant has not been convicted of a crime issued by their national court system as well as official certification that the applicant is not under criminal investigation in his/her home country issued by a national police authority. The employee should receive a National Temporary Residence Identity Card within 25 days of application.

## Renewals

Initial work permits usually last just 6 months and can be extended for up to one year, then renewed on an annual basis. Companies must apply for their renewal *at least 60 days prior their expiration* (i.e., just a few months after obtaining the initial permit).

The foreign employee must also be careful to apply for renewal of their temporary residence permit *at least 30 days prior to its expiration*. If this deadline is missed, the renewal application will be rejected and the foreign employee will be required to return to their home country to start the entire process from the beginning. This outcome is particularly disruptive to one's work, thus great care should be taken to avoid this scenario.

## Did you know?

According to the U.S. Census Bureau, the United States has run a trade deficit with Macedonia for at least the past 20 years. Here is a look at the last 10 years:

Year	U.S. Exports to Macedonia	U.S. Imports from Macedonia	U.S. Trade Balance
2012	21.1	86.8	-65.6
2011	29.4	52.5	-23.1
2010	33.3	37.0	-3.7
2009	34.8	44.3	-9.5
2008	36.1	77.7	-41.6
2007	33.6	72.6	-39.1
2006	22.4	42.2	-19.8
2005	31.6	48.1	-16.6
2004	21.2	78.2	-57.0
2003	26.1	60.8	-34.7
2002	18.7	73.2	-54.5

Note: all figures stated in millions of USD

Source: <http://www.census.gov/foreign-trade/balance/c4794.html>

## Other Scenarios

In cases where the company based in Macedonia wants to hire a new employee who happens to be a foreigner, they must first request approval from the Employment Services Agency (ESA), then apply for a certified work permit, etc. The ESA approval should add no more than 15 days to the overall process. Thus, we estimate that this process takes 115 or more processing days in total.

You can learn more about short term residence visas, visas and temporary residence permits for accompanying family members, work permits for foreigners working in branch offices of foreign companies, work permits for consultants and personal work permits in AmCham Macedonia's *Visa and Work Permit Guide for Foreign Nationals Working in Macedonia*, available on our website: [www.amcham.com.mk](http://www.amcham.com.mk).

# Macedonia's Innovation Policy for a New Era

## Authors:

**Bratislav Stankovic**, Science & Technology Advisor to the President of Macedonia and Vice-Rector at the University for Information Science & Technology in Ohrid; and

**Mirjana Stankovic**, Ministry of Education and Science of the Republic of Macedonia

For the first time in Macedonia, a law resembling the U.S. Bayh-Dole Act (Pub. L. 96-517, December 12, 1980) will regulate the ownership of intellectual property created with public funds (e.g., in State universities, public research institutes, and NGOs). The Law on Innovation Activity is likely to be adopted this month and will broadly regulate inventions and innovation activities related to State funding and institutions. It will also provide a legal framework for the establishment of an "Innovation and Technological Development Fund" administered by the Ministry of Education and Science. Specifically, the Law will provide:

- A definition of and regulations for "innovation activities";
- Regulation of measures designed to foster research and development (R&D), application and commercialization of research activities, establishment and cultivation of university start-ups and spin-offs, including incentives to stimulate these activities; and
- Formalization of the Government's Entrepreneurship and Innovations Committee, an inter-institutional coordinative body which has existed for more than a year and will now monitor projects fostered by the State's Innovation and Technological Development Fund. The Prime Minister presides over this committee.

The Innovations and Technological Development Fund will sponsor the preparation, execution and development of programs foreseen by the innovation policy (including public-private partnerships). Co-financed grants and loans should also be offered to newly established innovative companies (start-ups

and spin-offs), to help with commercialization of innovation, technology transfer, and general technical assistance.

The Law further promotes the establishment of new entities for rendering infrastructural support to innovation activity, such as business and technology incubators, accelerators, science & technology parks, and technology transfer centers. Public universities will be required to establish technology transfer offices, which will help commercialize the fruits of university research. These measures should help raise public awareness of intellectual property rights and invigorate the entrepreneurial spirit of university professors and researchers in the public sector.



Low Government and private sector funding for R&D has been a great weakness in Macedonia. Budgetary constraints and weak institutional capacity remain major impediments to developments in this area. Hopefully, the new Law will help remedy this deficiency and provide an enabling environment to grow the country's economy from within as successfully as it has been in attracting foreign investors. Being fairly ambitious, the Law is complex and is likely to undergo changes over time; however, it is a good step in the right direction.



## WHO IS USING ALL OF THAT LIGHT?

.....

While your family is in the living room, lights shouldn't be on in the bedrooms, the hallway, the bathroom ...

## USE ELECTRICITY WISELY!

Significantly reduce your energy consumption at home by just remembering to **turn off the lights when you leave a room.** Don't pay 25% more each month for lighting no one uses!

**EVN**

## 31% Execution of Plans to Better Protect IPRs

According to an AmCham Macedonia analysis, only 31% of Macedonia's plans set to strengthen the effective and efficient protection of intellectual property rights (IPRs) in the 2009-2012 period were completed. These plans were detailed in the country's *National Intellectual Property Strategy (2009-2012)* and formally assessed by independent experts in June 2012.

Strategy areas where the most gains were assessed to have been made during this period include:

- Improvement in the protection of IPRs at border crossings (Customs Administration);
- Strengthening of the institutional and administrative capacities of the State Office of Industrial Property;
- Improvement of legal education; and
- Strengthening of institutional and administrative capacities of the Sector for Science and Technical Development in the Ministry of Education and Science.

The Strategy areas in which least improvement activity appears to have been undertaken during the past 5 years include:

- Strengthening the institutional and administrative capacity of the Sector for Copyrights and Related Rights in the Ministry of Culture;
- Increasing the efficiency and effectiveness of court protection of IPRs;
- Improving the pursuit of perpetrators of criminal acts against IPRs;
- Creation of a functional system of coordination and communication;
- Strengthening of collective rights societies for copyrights and related rights;
- Strengthening of the role of IPR right holder representatives; and
- Formation of a second instance commission of the Republic of Macedonia to handle complaints

submitted against decisions made by the State Industrial Property Office before the Law on Industrial Property entered into force.

These findings align consistently with responses AmCham received when it formally requested feedback from each IPR-related institution on the implementation of the Strategy in early 2013. Several institutions cited budget constraints as the primary barrier to continuing the implementation of the strategy. For example, the Government's "anti-crisis measures" taken in 2010 essentially cancelled the already meager funds allocated to IPR-related efforts within the Ministry of Economy. In 2013, for example, there were reportedly no funds to cover the annual public spectacle of destroying seized counterfeits for television cameras marking World IP Day! The State Market Inspectorate replied that it still lacked basic technical equipment to carry out its work (e.g., such as computers for each inspector and vehicles big enough to carry out some seizures of counterfeits), the same issue identified more than 5 years ago during the creation of the Strategy.

While the relevant budgets appear to have been dominated by competing government priorities, institutions such as the Macedonian Customs Administration, have managed to prioritize IPR protection in their annual work plans and make obvious and tangible progress during this period. Clearly, the amount of counterfeit products trafficked across Macedonia's borders outnumber those produced locally, however there is still an important role to be played by other institutions (e.g., police, market inspectors).

It is also important to note that the areas of least improvement cited above are not entirely the responsibility of government institutions.

*Several institutions cited budget constraints as the primary barrier to continuing the implementation of the strategy.*

*Continued on page 34*



# Employee Engagement: Proof of Effective Leadership Seminar



On June 12th, over 100 top executives and line managers from companies and public institutions attended a joint AmCham Macedonia-LinkAcross seminar entitled, "Employee Engagement: Proof of Effective Leadership". Our speaker, Ms. GeGe Beall, is a business consultant from the United States with over 20 years of experience in human resources, organizational and leadership development.



During the sessions, attendees explored the difference between employee satisfaction and engagement, the link between overall company performance and engagement, how to quantify engagement in an organization and examples of initiatives that can help strengthen employee engagement. Her presentations for Top Executives and Line Managers are available on our website: [www.amcham.com.mk](http://www.amcham.com.mk) as well as a translation of the Gallup "Q12 Survey" on employee engagement Ms. Beale recommended by used to gauge the level of engagement in any organization.





## Cocktail in Honor of DAS Reeker

On June 17, 2013 AmCham Macedonia hosted a cocktail in honor of Phillip Reeker, Deputy Assistant Secretary and former U.S. Ambassador to Macedonia. During his stay in Macedonia, DAS Reeker met with President Ivanov, Prime Minister Gruevski, Deputy Prime Minister for European Integration Fatmir Besimi, SDSM President Zoran Zaev, and other government and community leaders. His interaction with AmCham Macedonia's key leaders and supporters provided him with a more candid and holistic picture of the current state of affairs in the country. The gathering was another sign of support from both Macedonia's current Ambassador Wohlers and DAS Reeker, who have been great backers of AmCham Macedonia and U.S. business interests in the country generally over the years.



WE GROW AND DEVELOP.  
THE SUCCESS MOTIVATES  
US TO STAY ON THE TOP.



# Intellectual Property Curriculum for 9-14 year olds in Local Languages

AmCham Macedonia recently completed the translation of two World Intellectual Property Organization (WIPO) publications targeting 9-14 year olds entitled, "Learn from the Past, Create the Future: Inventions and Patents" and "Learn from the Past, Create the Future: The Arts and Copyright". These publications are designed to foster young people's creativity and inventiveness while raising their awareness about the value of intellectual property.

Both the Macedonian and Albanian versions are available on our website: [www.amcham.com.mk](http://www.amcham.com.mk) under Other Resources.



The topic of the second NEXPO 2013 is **EU Integration**. The Fair will also provide opportunities for local governments to meet representatives of the business sector and attract potential investors for their projects in **energy efficiency and renewable energies**.



Participants:

- **4000 visitors**
- **500 local governments** from South-East Europe and beyond
- **100 investors:** businesses, banks, vendors of municipal services
- **Development agencies, civil society**

NEXPO 2013 is organized under the auspices of the President of the Republic of Croatia, His Excellency Ivo Josipovic



## NALAS International Municipal Fair WHERE IDEAS COME TO MEET

Rijeka & Opatija, Croatia 25-27 September 2013 [nexpo.nalas.eu](http://nexpo.nalas.eu)

## The Long Road Ahead

No one in Brussels or Washington, DC believes that the T-TIP negotiations will go quickly and without serious challenges. In fact, no major trade agreement has ever fit this description<sup>2</sup>. However, the number and economic weight of the involved countries in the T-TIP promises to create a particularly arduous process. In fact, even before official trade negotiations began, experts began referring to the many “red lines” that threatened to derail the entire process and postulated that many parallel negotiations would be advisable.

*Already, the fallout from the exposure of the U.S. government’s “Prism” internet surveillance program has brought calls in Brussels to delay or cancel T-TIP negotiations.*

A recent study sponsored by the Atlantic Council and Bertelsmann Foundation cited three possible T-TIP negotiation scenarios: “an ambitious but achievable agreement that leaves some contentious issues aside; a missed opportunity, a la Doha, after a long, contentious, and inconclusive negotiation; and a comprehensive agreement creating a true transatlantic market.”

The same study ranked “potential sticking points” in the negotiations according to the degree of difficulty perceived to be involved in reaching an agreement and the degree of importance to the perceived success of the negotiations.<sup>3</sup> Those issues deemed most important and most difficult included:

- GMOs and Agriculture
- Regulatory Process Convergence
- Data Protection/Privacy (precipitated in large part by the cloud computing trend)
- Regulation of Manufactured Goods

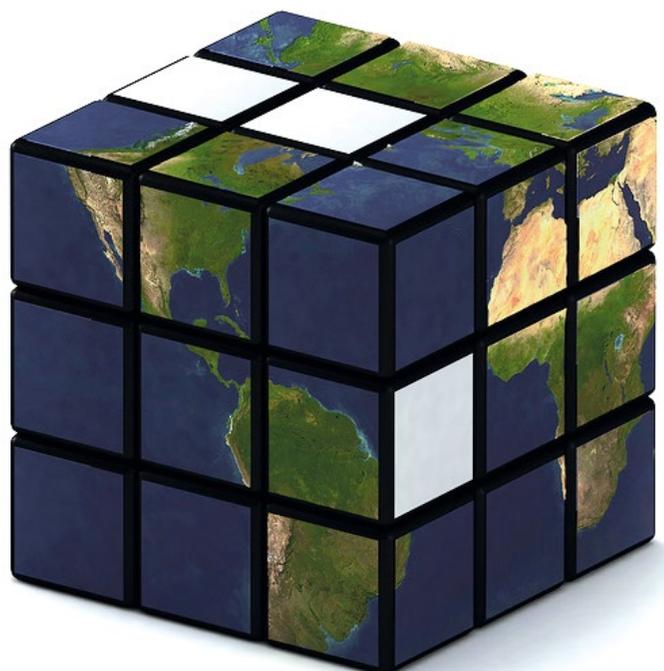
<sup>2</sup> The U.S. has already completed 17 rounds of negotiations on its Trans-Pacific Partnership (TPP) involving 11 countries over the past 2 years.

<sup>3</sup> Barker, Tyson and Garrett Workman. *The Transatlantic Trade and Investment Partnership: Ambitious but Achievable*. ISBN: 978-1-61977-032-4. April 2013.

- SPS Measures
- Financial Services; and
- Pharmaceuticals.

A recent World Bank report also critical to note that once an agreement has been negotiated, it still must be ratified at the EU member state level as well as by both houses of the U.S. Congress. The outcome of this process is by no means guaranteed, given that it has as much to do with national politics in the run up to the vote as it does with the contents of the agreement in question. Already, the fallout from the exposure of the U.S. government’s “Prism” internet surveillance program has brought calls in Brussels to delay or cancel T-TIP negotiations. On July 4<sup>th</sup>, the European Parliament actually voted on whether to amend its resolution on Prism to include delaying T-TIP negotiations, though the legislative body does not have the power to influence such matters. The proposed amendment failed and instead the resolution, “Calls on the Commission to ensure that EU data protection standards, and the negotiations on the current EU data protection package, are not undermined as a result of the Transatlantic Trade and Investment Partnership (TTIP) with the US.”

Thus, the first chapter of the T-TIP story is just now being written. It promises to be a real page turner!



*Unemployed Youth  
continued from page 18*

Ideal job	% of respondents
Start own business	30%
Work for public administration/ public sector	32%
Work for a private company	10%
Work for family business	10%
Work for a multinational corporation	6%
Not sure	6%
Work for own/family farm	3%
Work for a NGO/non-profit org	2%
Other	2%
No work at all	1%

unemployed college graduates to accept any job they are offered. "I recommend that they not insist on a position in line with their education but to start wherever jobs are available; they can look for a job in line with their education later," he said.

The Macedonian-based think-tank "Reactor" published their "Youth and the Labor Market" report and partially confirmed these suspicions. It shows that one of every 4 young people aged 15-29 in Macedonia is economically inactive. This means they are neither attending school, nor working, nor even actively looking for work. The study explains that some of the fault for this lies in the economic crisis (i.e., young people assume they will not find anything given the generally poor condition of the economy) as well as State policies that do not properly address the problem. However, a good part of the fault may lie with the mentality of youths themselves. As seen in the following table taken from the report<sup>5</sup>, young people in the country would rather work in the public administration than anywhere else. Working for themselves (i.e., starting their own business) follows in second place and working for a company comes in a distant third place.

<sup>5</sup> Reactor report, Table 37- Ideally, which of the following type of work would you prefer?

The recent World Bank report<sup>6</sup> highlighted this situation as particularly worrisome. The Bank stated that neither Macedonia nor Serbia creates jobs fast enough to absorb new workers and that creating such places requires a multi-sector political agenda to move beyond traditional solutions (e.g., unproductive and unsustainable job creation by government agencies).

*All of the SEE6 countries used fiscal stimulus, but Macedonia and Montenegro also implemented policies to stimulate labor demand through limited wage subsidies, credit support, and some public work programs.*

Željko Bogetic, the World Bank's Lead Economist and Country Sector Coordinator for Economic Policy, Poverty and Gender for the Western Balkans, wrote that SEE countries used a variety of policies in an attempt to mitigate the double dip recession's impact on jobs. All of the SEE6 countries used fiscal stimulus, but Macedonia and Montenegro also implemented policies to stimulate labor demand through limited wage subsidies, credit support, and some public work programs. He notes that Macedonia and Montenegro also invested in skills and employment services. He concludes that,

*Despite these efforts, the unemployment rate is not budging. So what more needs to be done? Unfortunately, there is no easy fix. Key to reducing unemployment will be a more robust growth. To achieve it, countries will need to sustain smart fiscal adjustment and substantially improve their investment climates and competitiveness, and continue strengthening their financial systems to support recovery of saving, investment, and credit. Beyond that, more aggressive policy is needed on several fronts: fostering entrepreneurship and small business development; investing in skills; removing barriers to mobility and hiring of workers. Simply put, countries will need to work much harder at the large structural reform agenda to achieve "escape velocity" from this low-growth, high-unemployment path."*

<sup>6</sup> South East Europe Regular Economic Report |No.4, June 2013, Report No. 78505-ECA, page 23

# AmCham Macedonia Member List 2013

## **PATRON**

Alkaloid  
 EVN Macedonia  
 Makedonski Telekom Skopje  
 Microsoft Macedonia  
 Okta Skopje  
 Pivara Skopje  
 PI Vitaminka Prilep  
 Skopski Pazar

## **CORPORATE**

Alliance One Macedonia  
 Arcelormittal CRM Skopje  
 ASSECO SEE  
 Avon Cosmetics Macedonia  
 Avto Moto Sojuz na Makedonija  
 Cementarnica Usje - Titan Group  
 CISCO Systems Skopje  
 Deloitte  
 DHL Express Macedonia  
 Diners Club Macedonia  
 EY Macedonia  
 European Bank for  
 Reconstruction and  
 Development  
 Eurostandard Banka Skopje  
 Fersped  
 Gemak Trade  
 GD Granit  
 Grant Thornton Macedonia  
 HALK BANK Skopje  
 Hewlett Packard IT BV Branch  
 Office Skopje  
 IBM Representative Office  
 Macedonia  
 IMB Mlekara Bitola  
 Johnson Controls Macedonia  
 Johnson Matthey Macedonia  
 KN Karanovic & Nikolic

Komercijalna Banka Skopje  
 KPMG Macedonia  
 Makedonijaturist  
 Makpetrol  
 Makstil Dufeco Group  
 McCann Erickson Group Skopje  
 Merck Sharp and Dohme, MSD  
 Neocom  
 ONE Telecommunication  
 Services  
 Oracle East Central Europe  
 Representative Office Skopje  
 Philip Morris Skopje  
 PricewaterhouseCoopers  
 Macedonia  
 ProCredit Bank Macedonia  
 Savings House Moznosti  
 Seavus  
 Soravia Group  
 Stopanska Banka Skopje  
 TAB MAK  
 Tinex-MT  
 TechnoLogica Macedonia  
 The Coca Cola Company  
 Unija Finansiska Skopje  
 Valeant  
 Veropulos  
 Wabtec MZT Skopje

## **BUSINESS**

Alpha Bank Skopje  
 Analysis and Advisory Group  
 Bauart Group  
 Cakmakova Advocates  
 CEED Macedonia  
 Crimson Capital  
 Duna Computers  
 Futura 2/2  
 Infinite Solutions

Kapital Media Group  
 M6  
 Macedonian Stock Exchange  
 Skopje  
 Mepring Engineering  
 Netra  
 Nextsense  
 Nova International Schools  
 Pasoski Tobacco Dealer  
 Polenak Law Firm  
 Savings House FULM  
 Savings House Mladinec  
 Sinpeks Bitola  
 SJ Company McDonald's  
 Skopje Jazz Festival  
 Skopski Saem  
 Teteks Tetovo  
 Tim Point  
 University American College  
 Skopje  
 Veze Sharri  
 Vivaks  
 Vinarska vizba - Tikvesh  
 Vino-M  
 Vitalia  
 Z-SoftNet

## **ENTREPRENEUR**

Beta Consulting  
 Meloski Consulting  
 Monevski Law Firm  
 Motiva  
 Ultranet

## **NGO's**

Habitat for Humanity Macedonia  
 Konekt  
 LinkAcross

# AmCham Advantage Program

## Member to Member Discounts

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). If you are interested in participating in this program, please email [info@amcham.com.mk](mailto:info@amcham.com.mk)



*Selim Simbil interview  
continued from page 7*

There are huge barriers to entry in our industry and Wabtec Corporation is truly global at this stage.

But it's not enough to have been first; we implement a lean manufacturing philosophy, striving toward continuous improvement in all of our processes. This reduces costs while increasing the quality and safety of our products. As a sort of center of excellence within the Wabtec Corporation, Wabtec MZT's engineers contribute to standards and best practices development for the entire corporation. Their knowledge of both the Russian and EU marketplaces is paramount to the corporation's growth in these key markets. We are very proud to employ some of the best engineers in our industry, worldwide. Our employees in every area of our operations in Macedonia are highly skilled and maintain a great work attitude.

**EM:** Tell us something about your career and what led you to become General Manager of Wabtec MZT in Macedonia.

**Simbil:** I actually spent 20 years in the automotive industry, a good part of which was with Delphi and Johnson Controls and only recently joined Wabtec Corporation. I've been in Macedonia just 5 months. I am a Turkish citizen and really appreciate being relatively close to Istanbul while still being able to take on this new, international challenge. My forefathers were from this region, so I naturally feel quite at home here!

*31% Execution... continued  
from page 25*

Right holders and their representatives are partially to blame for the pace of improvement in IPR enforcement, given their lack of organization and failure to regularly engage the system to seek protection of their rights. At least anecdotally, the few organizations that have fought for protection of their property in the country have been generally satisfied with the outcomes. While a stakeholder's lack of direct engagement shouldn't be an excuse to allow rampant abuse of IPRs, it does partially explain the rather low priority the issue has been given by many institutions (e.g., courts).

On the whole, however, the Government's focus on IPR protection can be said to have blurred over time. Without a commitment of funds, most IPR-related initiatives are left to enthusiastic individuals within each institution whose engagement goes unrecognized and even at their personal expense. Thus a Government commitment – in word and in deed – is needed to prevent further dampening of the country's innovation potential.

Source: June 2012. *Evaluation Report: National Intellectual Property Strategy (2009-2012) in The former Yugoslav Republic of Macedonia*. Prepared by Mr. Ron Marchant, CB FRSA, IP Consultant, Torfaen, United Kingdom, and Mrs. Jadranka Dabovic-Anastasovska, PhD, Professor, Faculty of Law "Iustinianus Primus", Skopje, with the contribution of Ms. Neda Zdraveva, PhD, Assistant Professor, Faculty of Law "Iustinianus Primus", Skopje. World Intellectual Property Organization.



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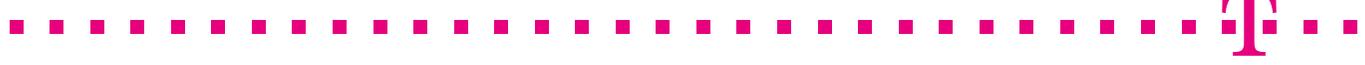
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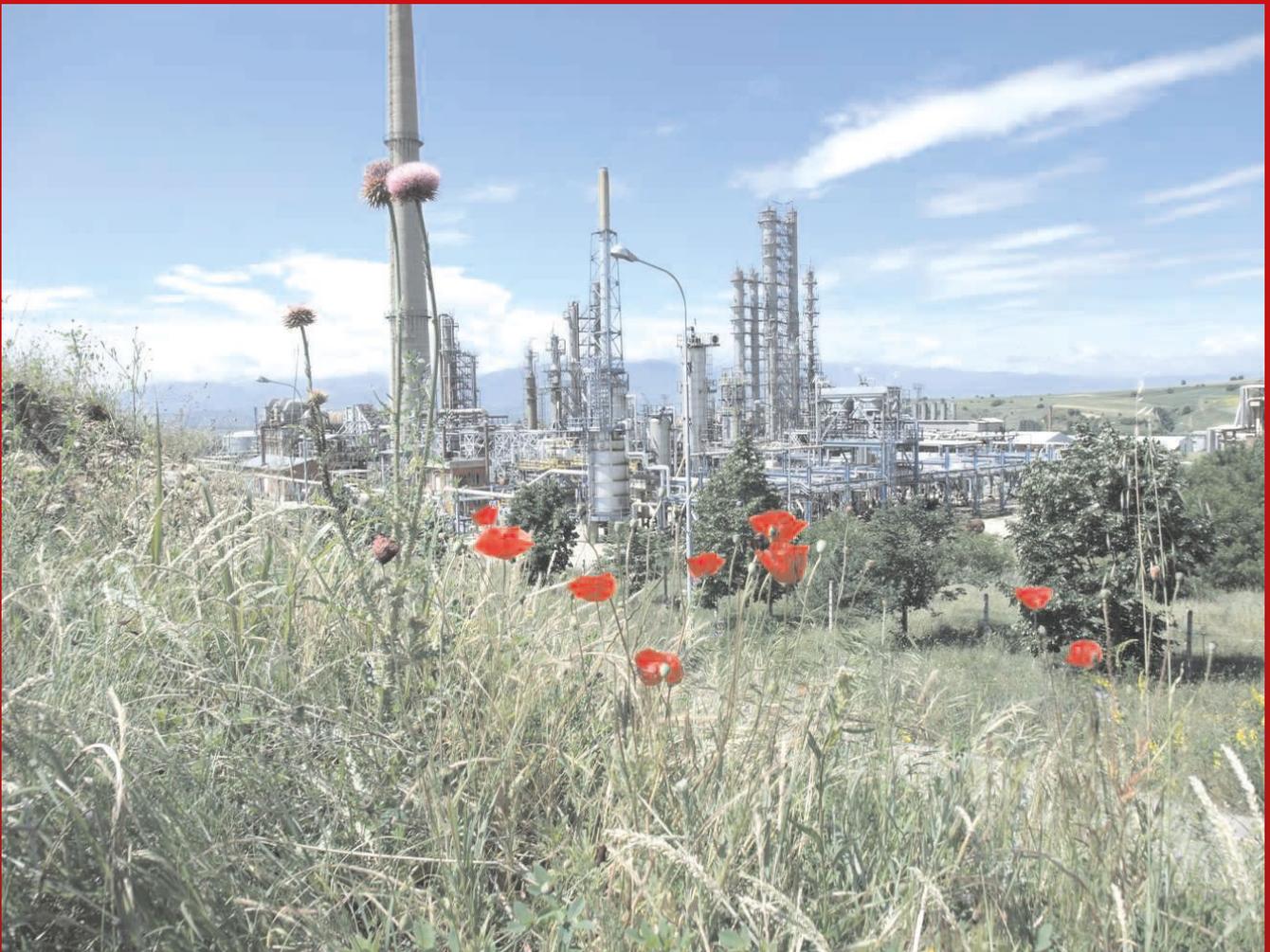
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