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MACEDONIA

USAID/Macedonia Economic Growth Current and Future Activities

May 2010



Ongoing Projects

- **Business Environment Activity** - Training for public procurement specialists, start-up of a credit bureau, stimulating Public Private Dialogue, new active employment measures
- **AgBiz** – penetration to new markets of bottled wine, processed vegetables and processed fruits and vegetables value chains to penetrate new markets
- **Competitiveness Project** – Export support for apparel, light manufacturing and IT industries, Internship Platform, financial advisors
- **E-Gov** – e-procurement, on-line registration of employees and single window for export import licenses, capacity building of the Ministry of IS
- **Plastic Recycling** – capacity building of the informal collectors at the bottom of the supply chain



Remaining Key Challenges in Business Environment

- Lack of investment and export coordination
- Difficult to lease or purchase government-owned land and obtain construction permits deters investment.
- Lack of meaningful public-private sector dialogue
- Large gray economy.
- Further reforms in energy/electricity sector and underutilized renewable energy sources.
- Conservative and risk-averse financial sector, with limited offering of financial products for start-ups, innovation, agriculture.

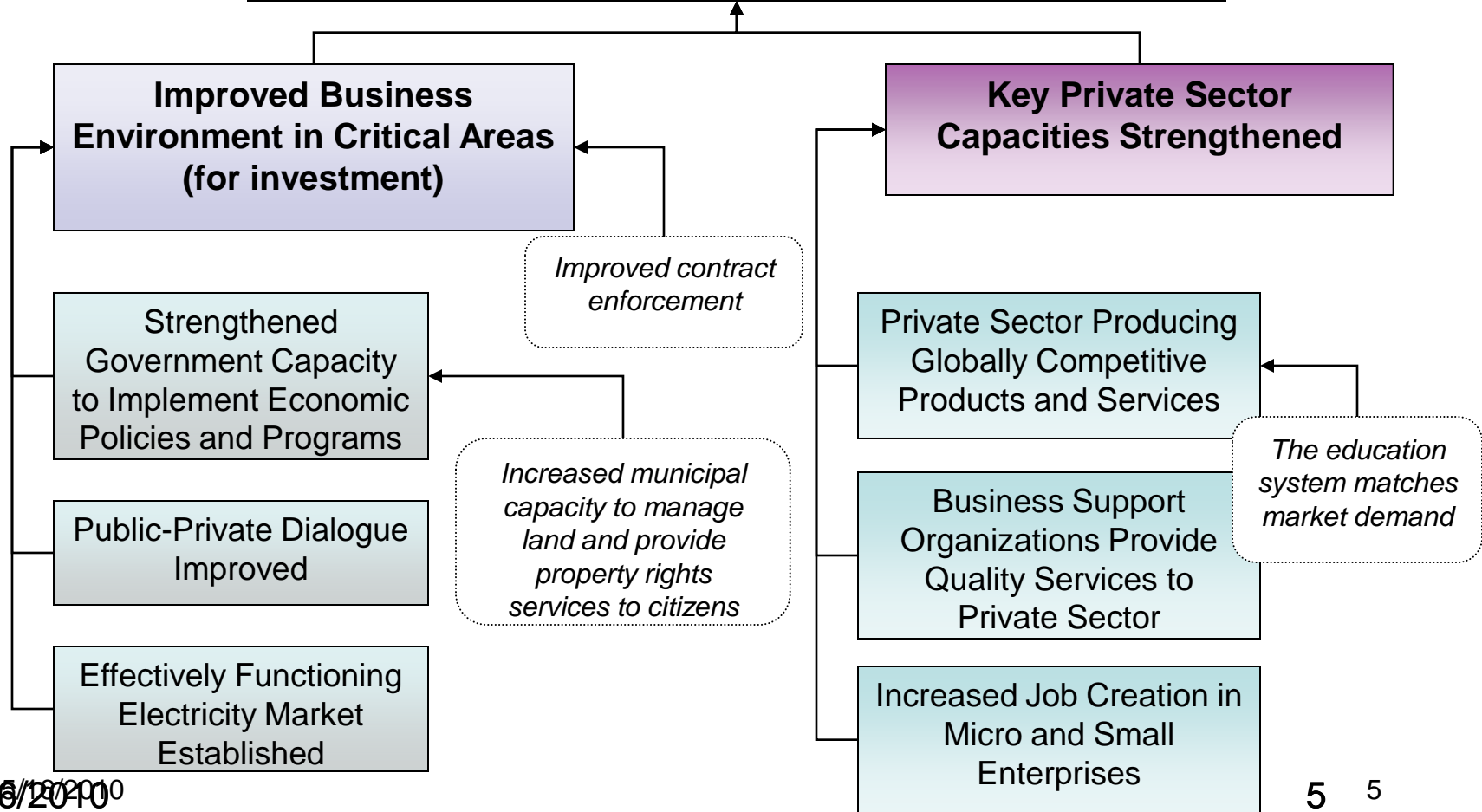


Remaining Key Challenges on Enterprises and Workforce

- Lack of International Competitiveness
 - Low level of investment in R&D, new technology, and innovation.
 - Limited range of product and service offerings.
 - Small number of companies with applied international standards and certifications.
- Lack of organized government support and incentives for SMEs, exporters, etc.
- Undeveloped professional middle management
- High unemployment rate with dominant long-term unemployment of people with low education level.
- Significant education supply and demand gap – skills mismatch.
- Lack of entrepreneurial, business/management and strategic planning skills.



Increased *Job Creating* Private Sector Growth in Targeted Sectors





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Discussion

Thank you