



THE
COMPETITIVENESS
PROJECT

Role of Appraisers in Increasing Competitiveness of Macedonian Economy

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Overview

- MCP Mission
- Macedonia Financial Sector
- MCP Financial Platform Achievements
- Appraisers Profession in Macedonia
- Next Steps

MCP Mission

The Macedonia Competitiveness Project mission is to improve Macedonia economy and competitive position within the global market place. It supports catalytic initiatives to stimulate foreign and domestic investment, capture higher value export markets, alleviate supply chain bottlenecks, and generate significant numbers of new jobs for Macedonia.

Macedonian Financial Sector

- More than a decade of in-depth reforms of the financial sector significantly strengthened the sector and made it resilient to external shocks.
- According to the latest IMF report (May 2010): “Banking system remains in healthy shape with strong capital and liquidity buffers. ... Macedonian banks are well positioned to support growth through expanded lending”.
- Yet, the level of financial intermediation is still among the lowest in the region, with 42.1 percent loans to GDP ratio in 2009, compared to 74.3 percent in Bulgaria, or 154.1 percent in EU.
- In 2008 BEEPS report Macedonian businesses ranked access to finance the #1 problem

Macedonia BEEPS At a Glance 2008

Ranking of Problems 2005 and 2008

Relative rank of problems measured by the mean score. The most severe problem ranks number 1, the least 14.

	Rank in 2005	Rank in 2008
■ Tax rates	3	3
■ Corruption	1	4
■ Electricity	10	7
■ Skills and education of workers	12	10
■ Access to finance	4	1
■ Crime, theft and disorder	8	5
■ Tax administration	5	6
■ Telecommunications	11	12
■ Courts	2	2
■ Access to land	14	9
■ Business licensing and permits	6	8
■ Transport	13	13
■ Labor regulations	9	14
■ Customs and trade regulations	7	11

Financial Platform Achievements

Innovative way of helping companies obtain the financing needed to expand or upgrade, while improving internal financial management and business planning. Investments result in *new exports, jobs, and more competitive companies* able to weather difficult economic periods and thrive in a recovery market

- 20 Financial advisors, cost share client interventions, paid for performance
- 10 Match-making events & capacity building for advisors
- New products (equity financing, export financing, leasing, USAID's DCA)
- 59 Macedonian companies successfully accessed \$12.27 million in external financing, leveraging total new investments worth \$20.8 million. These companies have created 583 new jobs and increased exports by \$11 million
- Partnerships with banks and other financial institutions

Appraisers Profession in Macedonia

- Macedonia does not have certified appraisers competent to apply International Valuation Standards (IVS) when appraising real estate, assets, businesses and/or equipment
- There is no legal and regulatory framework related to appraisers profession
- There are no valuation standards officially adopted and enforced
- This gap is a significant obstacle for private sector development

Appraisers Profession in Macedonia - Next Steps

Start implementing a comprehensive program aimed at institutionalization of appraisers profession and introduction of International Valuation Standards including:

- Assisting the Ministry of Justice in developing a legal and regulatory framework for appraisers profession that would, inter alia, mandate the use of International Valuation Standards in Macedonia
- Assisting the profession to establish an association of appraisers that would be authorized to provide certification and training for appraisers, continuous education, quality assurance, disciplinary procedures and other instruments for regulating the profession
- Assisting the new professional association of appraisers to become a full member of International Valuation Standard Council

Discussion

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