



Macedonia Investment Development and Export Advancement Support Project

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Booz | Allen | Hamilton



- **Macedonia Investment Development and Export Advancement Support Project overview**
- Current Export Performance and Situation Analysis
- IDEAS Approach and objectives
- Description of the activities
- Key outcomes
- Questions?

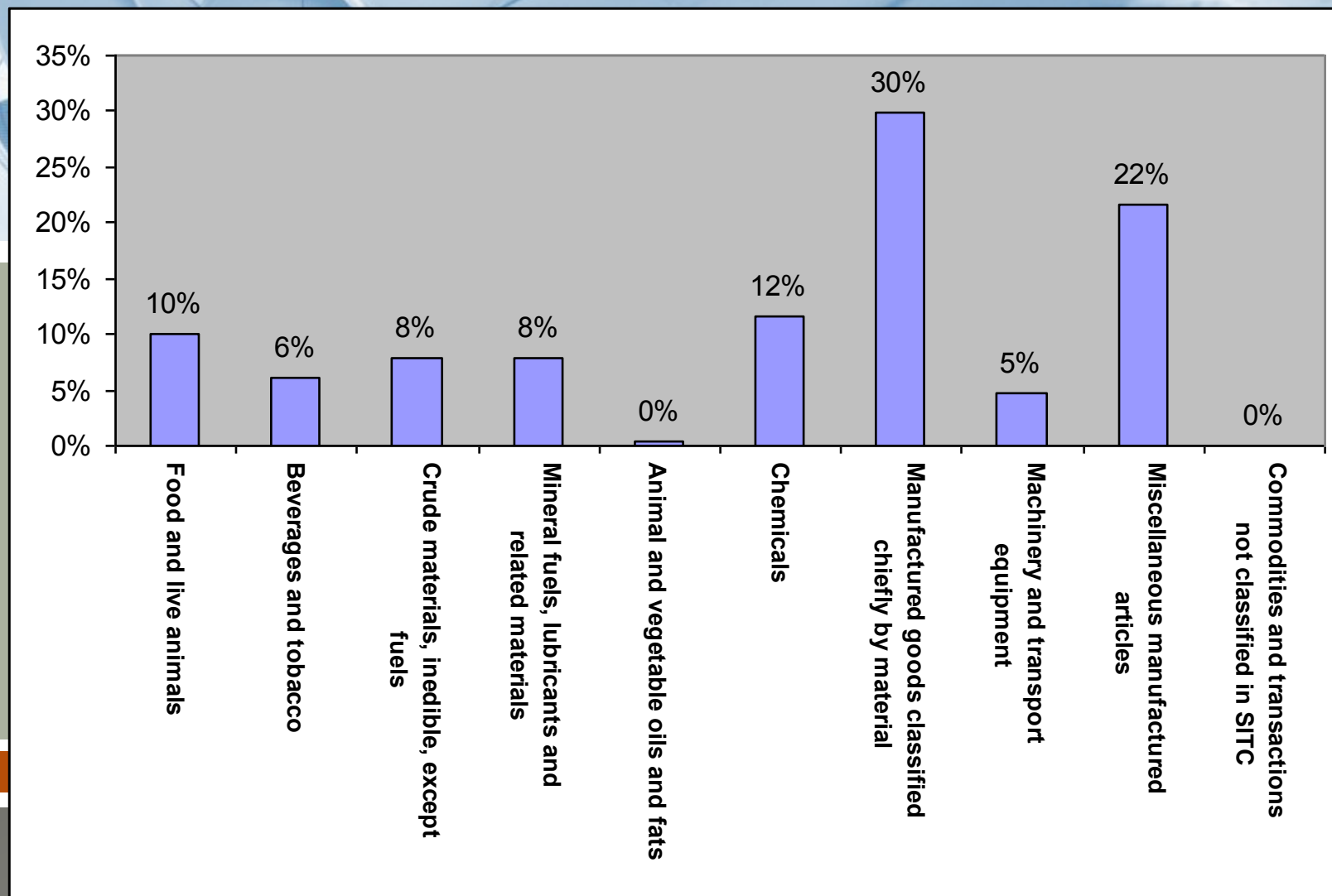
Investment Development and Export Advancement Support Project Overview

- IDEAS is a four year, \$5.168 million project targeting investment and exports in Macedonia
- High-level Project Objectives:
 - Improve the GoM's capacity and coordination related to increasing domestic investment, and attracting additional foreign investment under the framework of the GoM's new Industrial Policy
 - Support a comprehensive and effective export promotion strategy
 - Continue to support improvements in the public procurement capacity
 - Develop and institutionalize stronger mechanisms for public-private dialogue
- Primary Implementation Partners:
 - Deputy PM-Economic Affairs
 - Ministry of Economy
 - Invest Macedonia
 - Private sector organizations

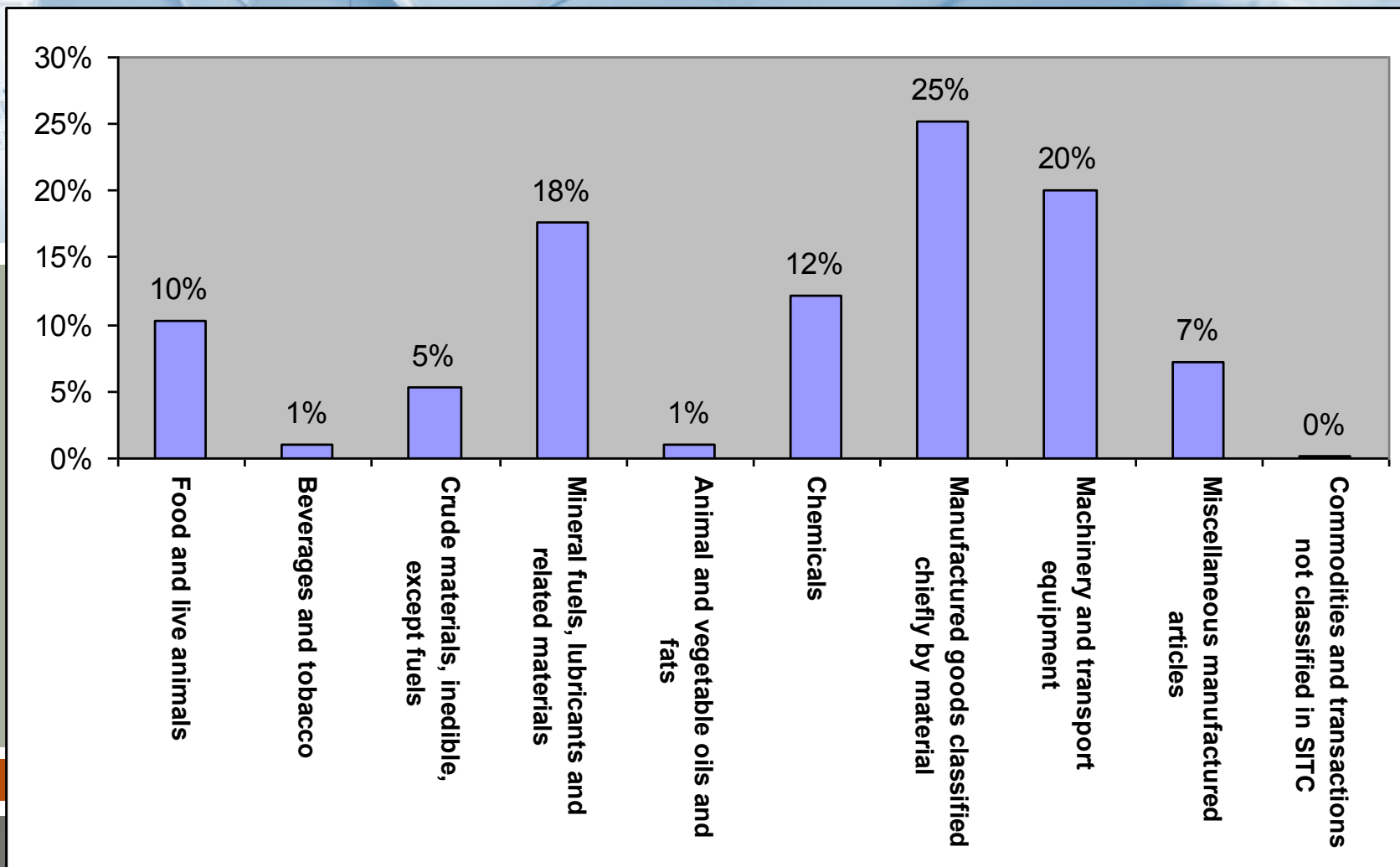


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Macedonia: Export of goods divided by sectors and sections according to the system of international trade classification 2010



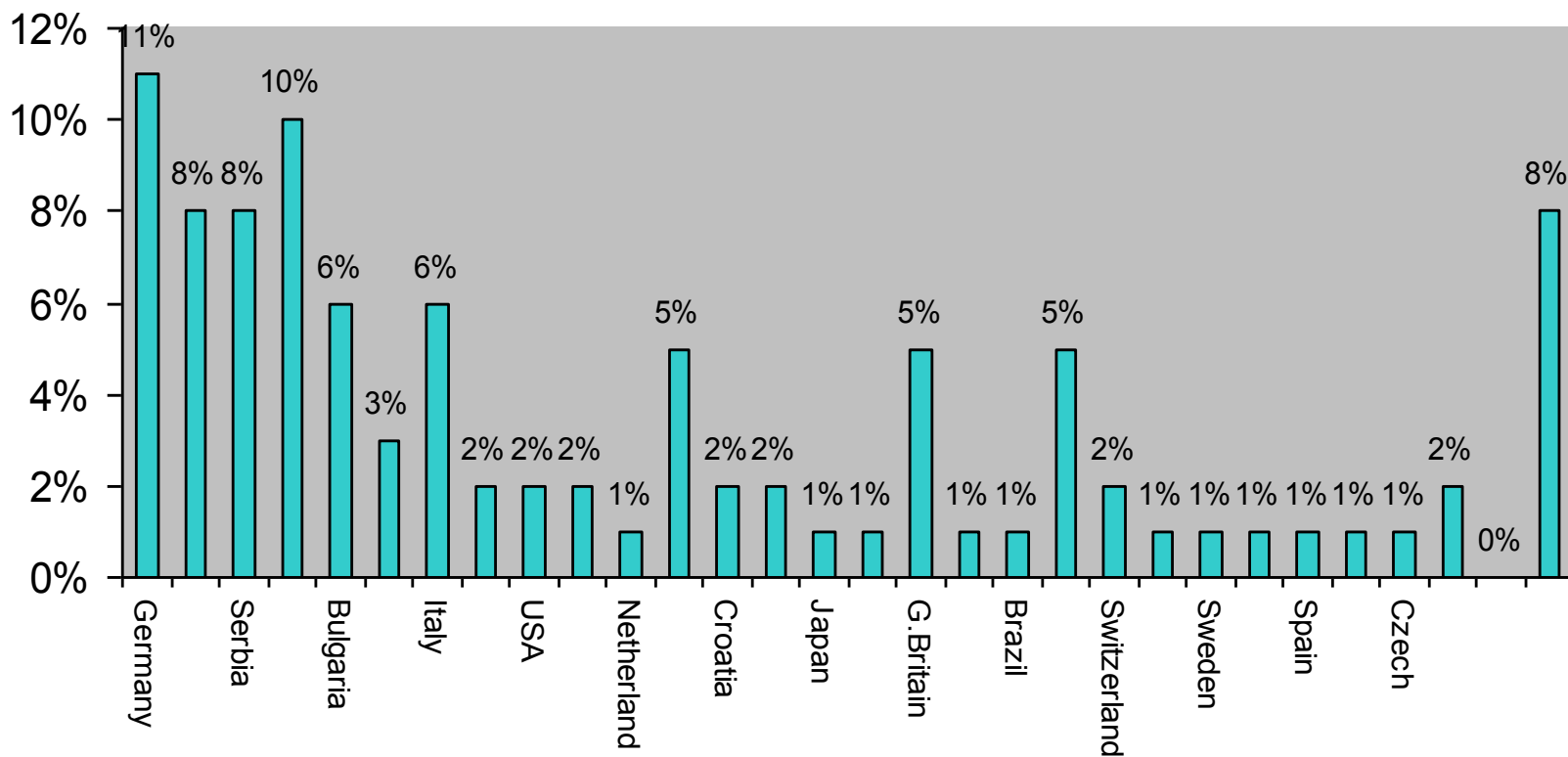
Macedonia: Import of goods divided by sectors and sections according to the system of international trade classification 2010



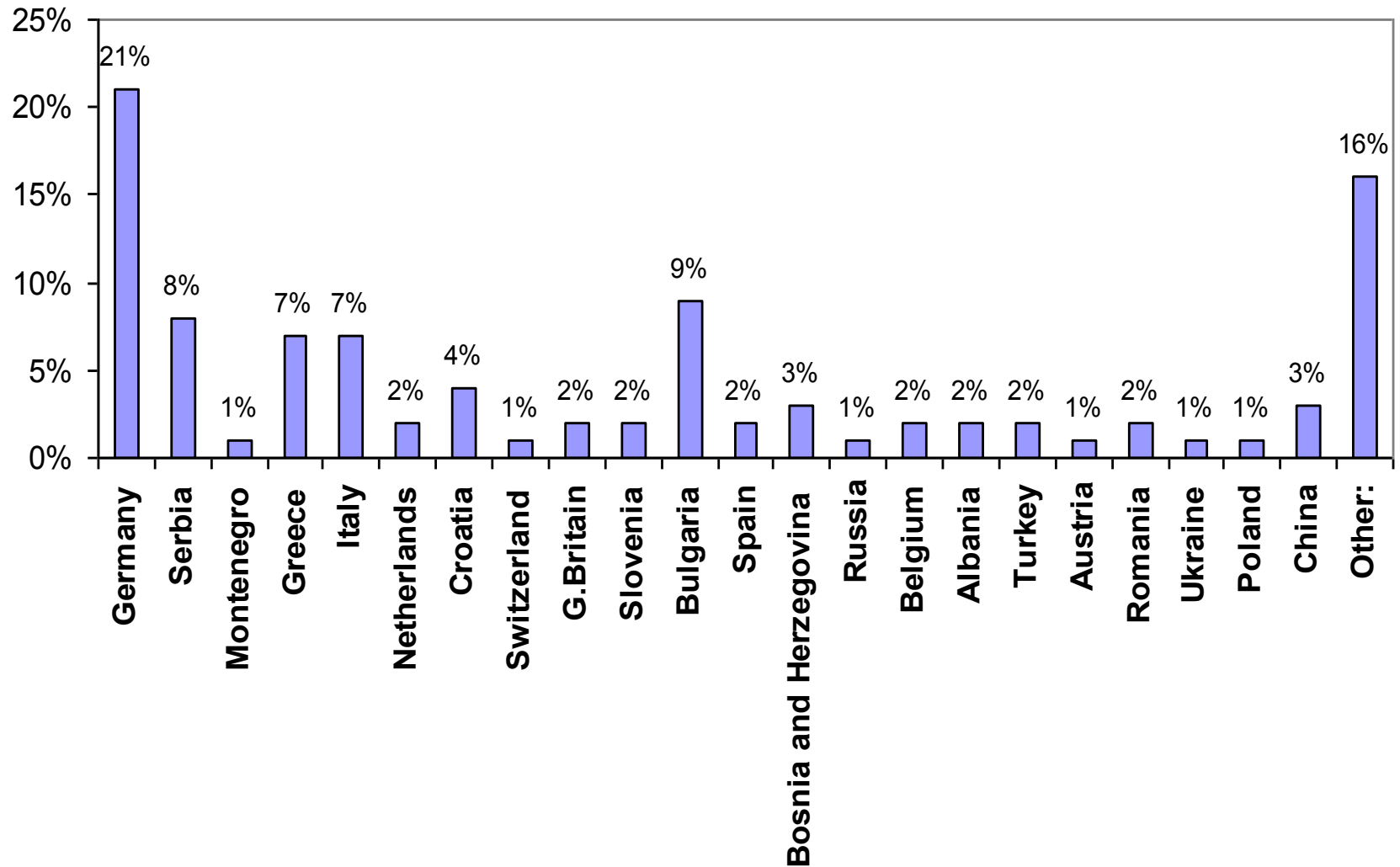
Trade deficit in Macedonia 2005-2010

in mil US\$	2005	2006	2007	2008	2009	2010
Import	3,232.84	3,752.26	5,280.58	6,882.65	5,043.11	5,450.67
Export	2,042.30	2,415.16	3,398.27	3,990.64	2,691.53	3,301.83
Trade deficit	1,190.5	1,337.1	1,882.3	2,892.0	2,351.6	2,148.8
% export coverage	63%	64%	64%	58%	53%	61%
of imports						

Macedonia: Export of goods by countries 2010



Macedonia: Import of goods by countries 2010





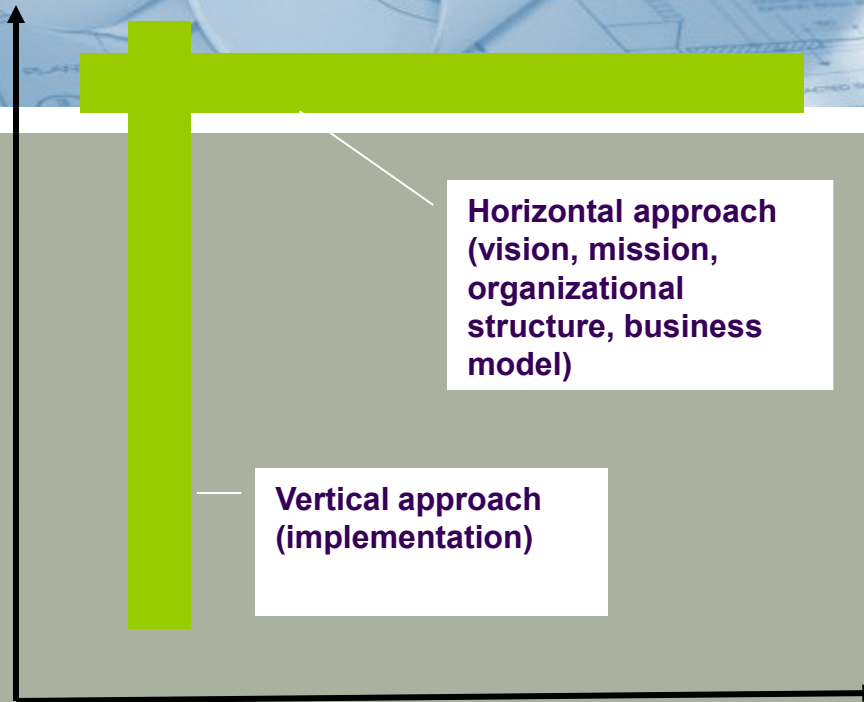
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Key Challenges

- To Increase the volume of the export
- Export coverage of imports expressed as a percentage;
- Employment generated and / or safeguarded as a consequence of increased exports;
- To successfully diversify the export structure with the value added goods and services;
- To increase the number of SMEs that will become 'export ready' over a given period in time.

- Our approach combines horizontal activities that set the framework and apparatus of Invest Macedonia (i.e., vision, mission, organizational structure, business model) with vertical activities that will root the framework in the realities of the current environment (i.e., implementation). Such an approach will enable us to accomplish two objectives: (1) define the long-term concept of the agency, and (2) create immediate and visible results.





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Breakdown of activities

- **Design Phase:** Develop the Strategic framework and action plans for the Agency for Foreign Direct Investments and Export Promotion
- **Implementation Phase:** Implementing Invest Macedonia's export programs
- **Sustainability Phase:** develop Customer relation Management web platform for Invest Macedonia and training activities
- **Cross Cutting Initiatives**



Design Phase: Develop the Strategic framework and action plans for the Agency for Foreign Direct Investments and Export Promotion

- Conduct analysis of the existing export sectors and select two sectors with the highest export potential.
- Conduct market study to identify the markets/products that are most relevant to the two selected industries.
- Design Invest Macedonia's Export Programs to support the top two selected sectors.
- Set up Invest Macedonia's organizational structure and develop actions/operational plans to effectively implement the strategy.

Phase 1: Organizational and Strategic Design

- ▶ Complete baseline and review of the legal framework of the Agency.
- ▶ Propose any additional implementing regulations or authorities that might be needed for organizations to carry out its mission
- ▶ Propose organizational alternatives based on assessment of international best practice models and recommend organizational structure for Invest Macedonia
- ▶ Define the export promotion metrics and methods of attribution of return on investment and develop action plan.



Phase 2: Sector Selection and Typology of Firms

- ▶ Complete a selector selection analysis and recommend those that have the greatest ability to increase exports, drive production and increase jobs.
- ▶ Develop a “Typology of Enterprises” in the key export sectors to identify those that have the highest potential for export growth according to sectors identified for the highest potential growth.



Phase 3: Service Offerings and Support for Exporters

- ▶ Describe the products, services development programs offered by the Agency to exporting companies.
- ▶ Recommend business processes that will assure organizational effectiveness of the key departments in Invest Macedonia
- ▶ Review the cost sharing grant schemes that were administered by the Ministry of Economy, as well as international best practices and description of the proposed grant scheme or other co-financing arrangements for the exporters.



Implementation Phase: Implementing Invest Macedonia's export programs

- Building Export Readiness through Targeted Training Programs for Exporters.
- Selecting Target Markets.
- Identifying Sales Opportunities and Export Market Potentials.
- Closing the Export Deals.

Building export
readiness

Selecting target
market

Identifying sales
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Closing the
export deals



Sustainability Phase: Develop Customer Relation management web platform for Investment Macedonia and training activities

- Conduct preliminary analysis for the potential creation of an Export Promotion e-portal.
- Improve the Collection, Analysis, and Dissemination of Trade Statistics.
- Develop the briefing pack for promoters from Invest Macedonia featuring all the GOM and donor sponsor studies, strategies and SWOT's.
- Training Promoters on Value Chain Analysis, Trade Policy Analysis and Competitive Market analysis, project management and customer service; Training of the promoters on how to develop an Export Promotion Operating and Marketing Plan.



CROSS CUTTING INITIATIVES

- Establish a Monthly Export Promotion Working Group as a part of the IMEG (members of the group: Invest Macedonia, DPM Cabinet, MoE, donors, USAID projects, Macedonian Bank for Development Promotion).
- Establish Regular Coordinative Meetings with the Private Sector to Develop a Competitive Export Infrastructure.



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Key Outcomes

- Finalize Export Strategic Framework for Invest Macedonia and Organizational Structure
- Build capacity of the Agency to identify and analyze industries with export and job creation potential
- Build capacity in the Agency for trade policy analysis
- Assist the Agency to develop and implement detailed action plans
- Develop Monitoring and Evaluation Capacity
- Assist the Agency to coordinate and maximize assistance provided by other donors



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THANK YOU

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