

KEY FINDINGS AND RECOMMENDATION

None of the actors with a business engagement in Macedonia accepts the given framework in the country. They suggest that the Macedonian government needs to stress its utmost importance to implement further reforms in order to attract FDI.

CONCLUSION 1

The basis of the described results is the survey "Macedonia and its economic and investment potentials" which was conducted by the Committee on Eastern European Economic Relations in cooperation with the Gesellschaft fuer Technische Zusammenarbeit (GTZ) in spring 2009. The target group of the survey were the members of the Committee on Eastern European Economic Relations (app. 100 members) and the recipients of the Committees' specific list of South East Europe (at least 1.000 actors). Due to the GTZ IEP project focus on the IT/ telecommunication, textile and garments industry and automotive industry, the associations BITKOM, German Fashion and the Association of the Automotive Industry have also passed on the questionnaire to their members. A total of 50 actors returned the questionnaire. Furthermore, 36 companies let the researcher know that they were not going to answer the questionnaire due to different reasons.

The Committee on Eastern European Economic Relations is convinced that all actors interested in Macedonia have returned their answers. In order to that the presented analysis can be regarded as tendency concerning the interest in the country.

CONCLUSION 2

Most of the respondents concentrate themselves on the countries of the European Union. The states of SEE get very little attention in this context. Within the countries of the SEE Non-EU states Macedonia does not attract much interest.

CONCLUSION 3

In spite of the global financial and economic crisis 50 percent of the respondents of the German business community are still interested in international investments. Most of them are planned for the EU countries of SEE, Slovenia, Bulgaria and Romania. Some respondents take also an interest in specific Non-EU countries of SEE, especially Serbia and Croatia. There is only a very limited amount of actors who might make investments in Macedonia.

CONCLUSION 4

Companies engaged in Macedonia (or the broader region of SEE in general) feel comfortable with their extent of knowledge regarding the country. But a great amount of actors are not aware about the economic possibilities and chances of the country. Additionally, a lot of actors consider the effects of the global financial and economic crisis on the current economic situation and its prospects as very negative.

CONCLUSION 5

The branches of IT/ telecommunications, textile industry and automotive industry are usually considered as areas with higher export potential. The survey has shown that companies which have economic commitments in Macedonia are rarely engaged in these branches. It might be interesting to put more emphasis on branches like energy, tourism and agriculture which might be financially and economically rewarding. Additionally, there is a geographical concentration on the main towns and the Western part of the country. Despite of that there should be laid more attention to the Eastern part of the country and its specific potentials such as for the branch of agriculture and food business.

CONCLUSION 6

The economic forecast for companies engaged in Macedonia can be described as mixed as some

actors are convinced about their economic improvement and other enterprises are negative about their economic future in Macedonia.

CONCLUSION 7

The Macedonian business environment has improved in the last few years. It is suggested that there is a strong link between progress in transition and economic growth but the results show that Macedonia still needs to address certain fundamental structural reforms.

The Macedonian authorities need to be committed to further improving the business environment, especially those factors which could attract more investors. The main obstacles of the Macedonian labour market are structural problems connected with inefficient privatisation and administration, weak institutions, especially a weak judiciary and a lack of adequate education.

CONCLUSION 8

Macedonia's economic framework compared to the markets of the other SEE countries is referred to in neutral terms. But it is suggested to promote and implement further national as well as regional strategies to develop a market more attractive to further FDI.