

ICE – AGENCY IN SKOPJE: SUPPORT TO ITALIAN SME'S IN MACEDONIAN MARKET

Milan, 10 December 2013

***Presentation of economic opportunities by the official
delegation of Macedonian Government***

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GENERAL INFORMATION



- **Area:** 25.713 km²
- **Capital:** Skopje (506.926 population)
- **Population:** 2.061.952 (50,2% men, 49,8% women)
- **Density:** 80,1 population / km²
- **Ethnic groups:** Macedonians (64,2%), Albanians (25,2%), Turks (3,9%), Roma (2,7%), Serbs (1,8%), others (2,2%)
- **Languages:** Macedonian (official languages); Other languages: Albanian, Turkish, Serbian
- **Religion:** Orthodox Christianity (64,7%), Muslim (33,3%), other (2%)
- **Member:** EBRD, CEFTA, CEI, FAO, IMF, IAEA, ILO, IPU, ITUC, UN, PFP, UPU, WHO, WTO
- **Candidate country** for EU and NATO.
- **Currency:** Macedonian denar (MKD)



WHY MACEDONIA



- **Strategic geographic position** (crossroad of pan European corridors VII and X) and good infrastructure
- **Investment incentives** (10% flat tax rate) and special incentives in the “free economic zones”
- **Free Trade Agreements** (EU-27, CEEFTA, Turkey and Moldova) providing access to a market of 650 million consumers
- **“Business friendly”** environment (rated 25th by World Bank “Doing business” report 2014 and best in the Balkan region
- **Young, educated and skilled workforce** at competitive costs (average gross monthly salary is € 497).

BUSINESS ENVIRONMENT

Fiscal incentives:

- ✓ Flat tax rate (10%) on corporate earnings and personal income tax
- ✓ Total tax exemption on reinvested or retained earnings

Incentives in the FEZ:

- ✓ Corporate and personal tax exemption for the first 10 years
- ✓ Exemption from VAT and customs duties
- ✓ State grant up to 500.000 euro on building costs
- ✓ Free connection to natural gas, water and electricity

VAT

18% (5%)

Average salary:

€497 (gross)

€320 (net)

FOREIGN TRADE

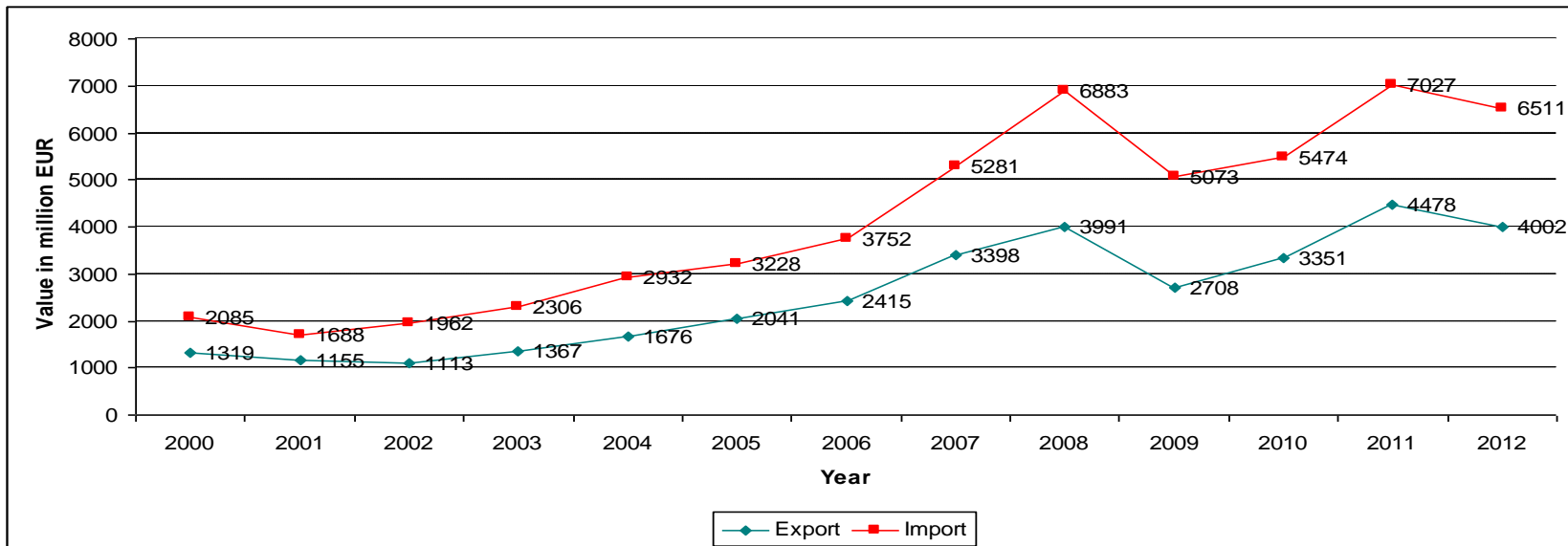
**Small economy,
 open to trade and
 investment**

I-VIII 2013
Total: 6,98 bil. US\$
Deficit: 1,57 bil US\$

IMPORT:
4,25 bil. US\$ (+1,9%)

EXPORT:
2,73 bil. US\$ (+5,7%)

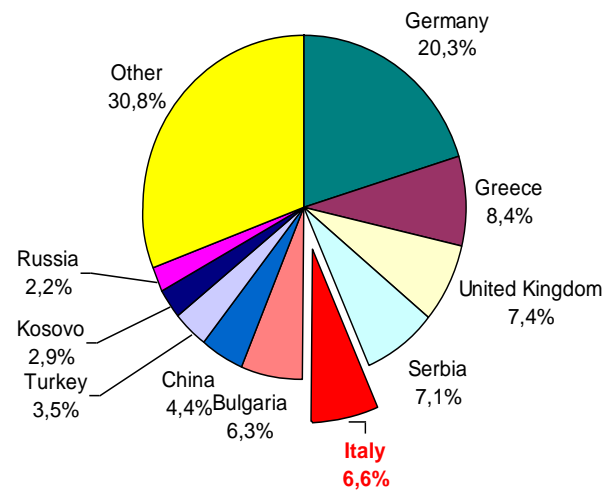
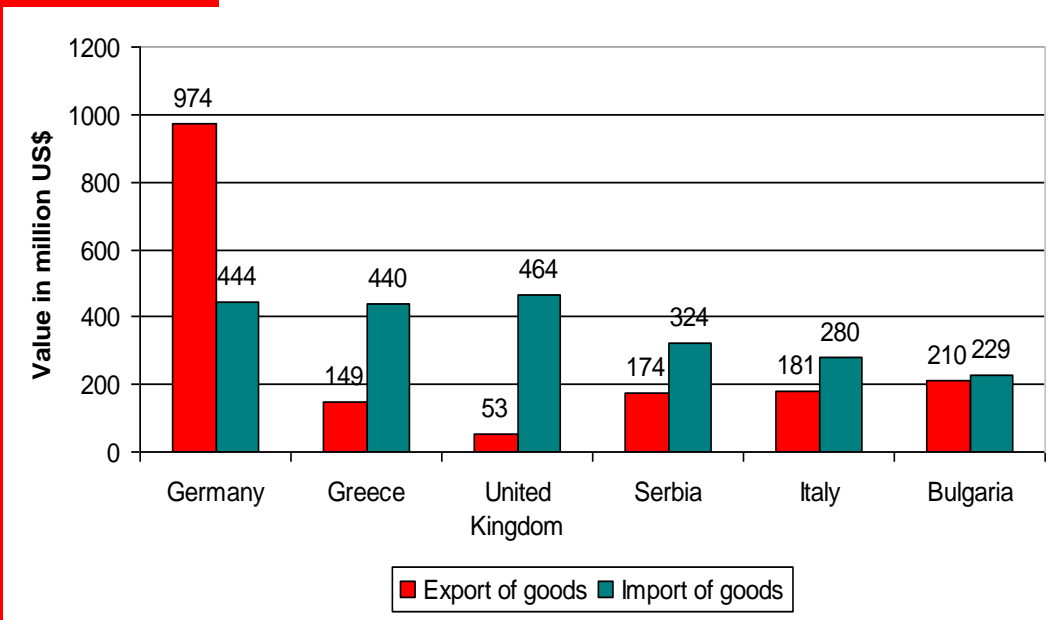
Macedonian foreign trade (commodities), series 2000 - 2012





MAIN TRADE PARTNERS

UE
57%



Macedonian commercial exchange (I-VIII 2013)

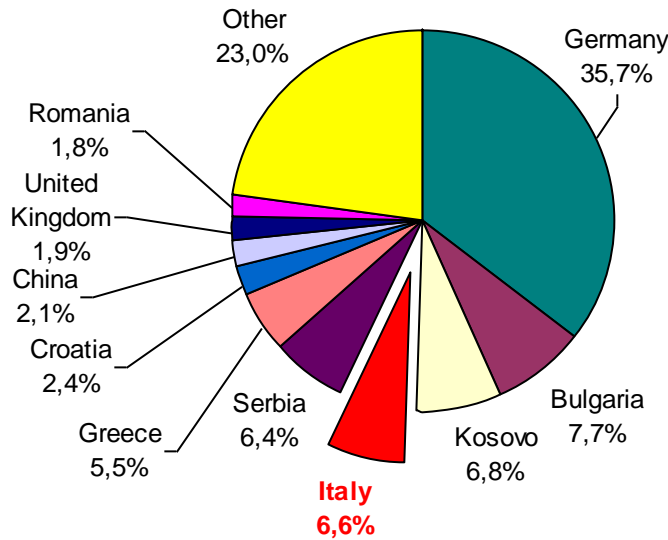
Data source: State Statistical Office of the Republic of Macedonia



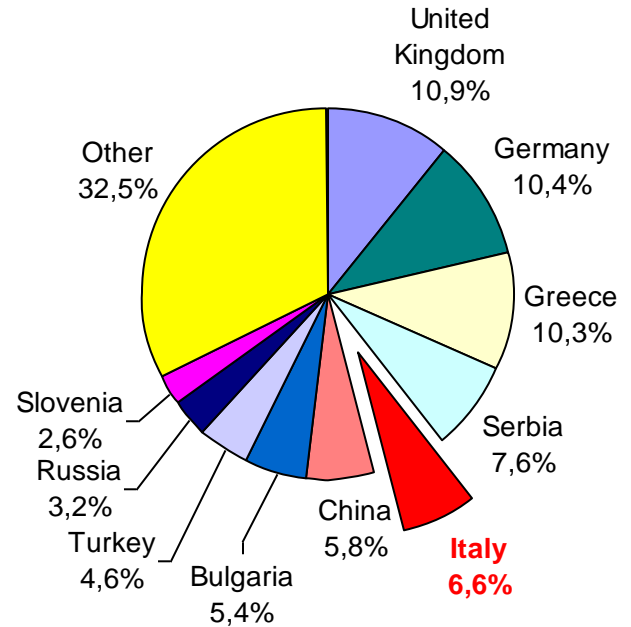
MAIN BUYERS AND SUPPLIERS



**Main BUYERS of Macedonia
 (I-VIII 2013)**



**Main SUPPLIERS of Macedonia
 (I-VIII 2013)**



TRADE BALANCE ITALY - MACEDONIA

ITALY

5° TRADE PARTNER

Import
Market share
6,6%

Export
Market share
6,6%



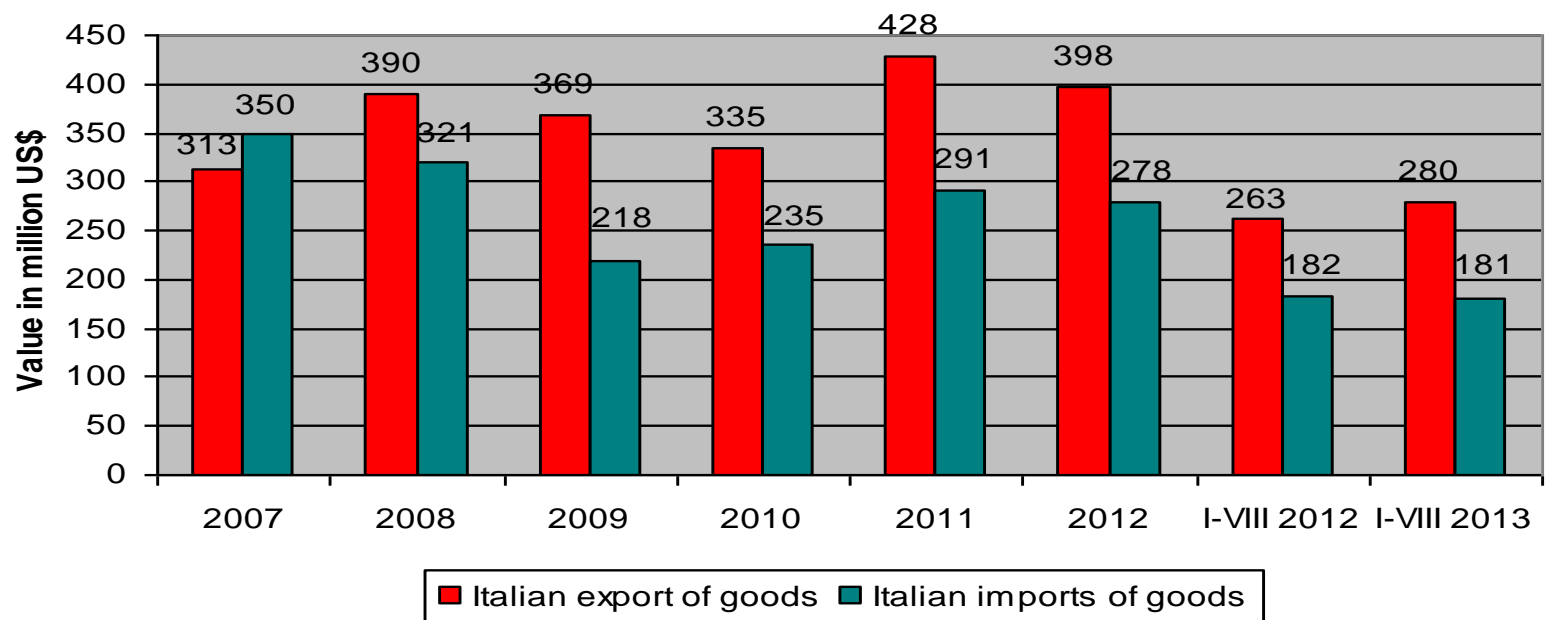
2012

I-VIII 2013

398 million US\$ (market share 6,11%)
 278 million US\$ (market share 6,95%)
 676 million US\$ (share 6,44%)

EXPORT
IMPORT
EXCHANGE

280 million US\$ (+6,5%) **5^A SUPPLIER**
 181 million US\$ (-0,5%) **4^A BUYER**
 461 million US\$ (+3,6%)



Data source: State Statistical Office of the Republic of Macedonia

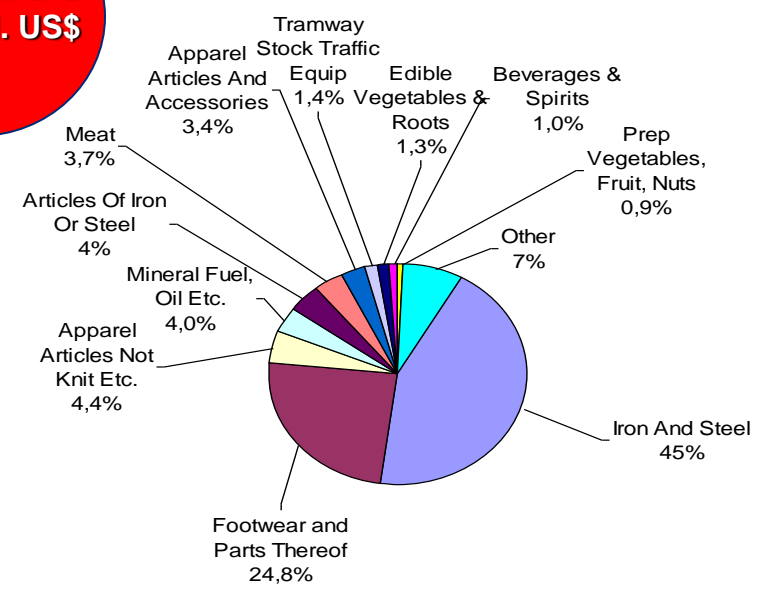
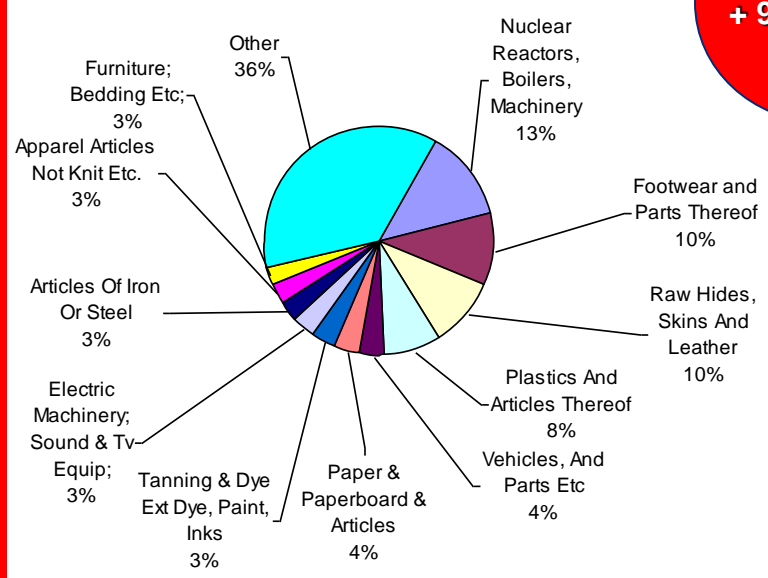


BILATERAL TRADE BALANCE BY COMMODITIES

ITALIAN EXPORT
 by commodities (I-VIII 2013)
 280 MIL. US\$ (+6,5%)

ITALIAN IMPORT
 By commodities (I-VIII 2013)
 181 MIL.US\$ (-0,5%)

SURPLUS
 + 99 Mil. US\$



Source: ISTAT



FDI IN MACEDONIA



FDI Stock:
3.746 mil.Euro

FDI Structure:
M & A (61%)
Greenfield inv.(38,7%)
Other (0,3%)



**Investments
in the FEZ:**

results



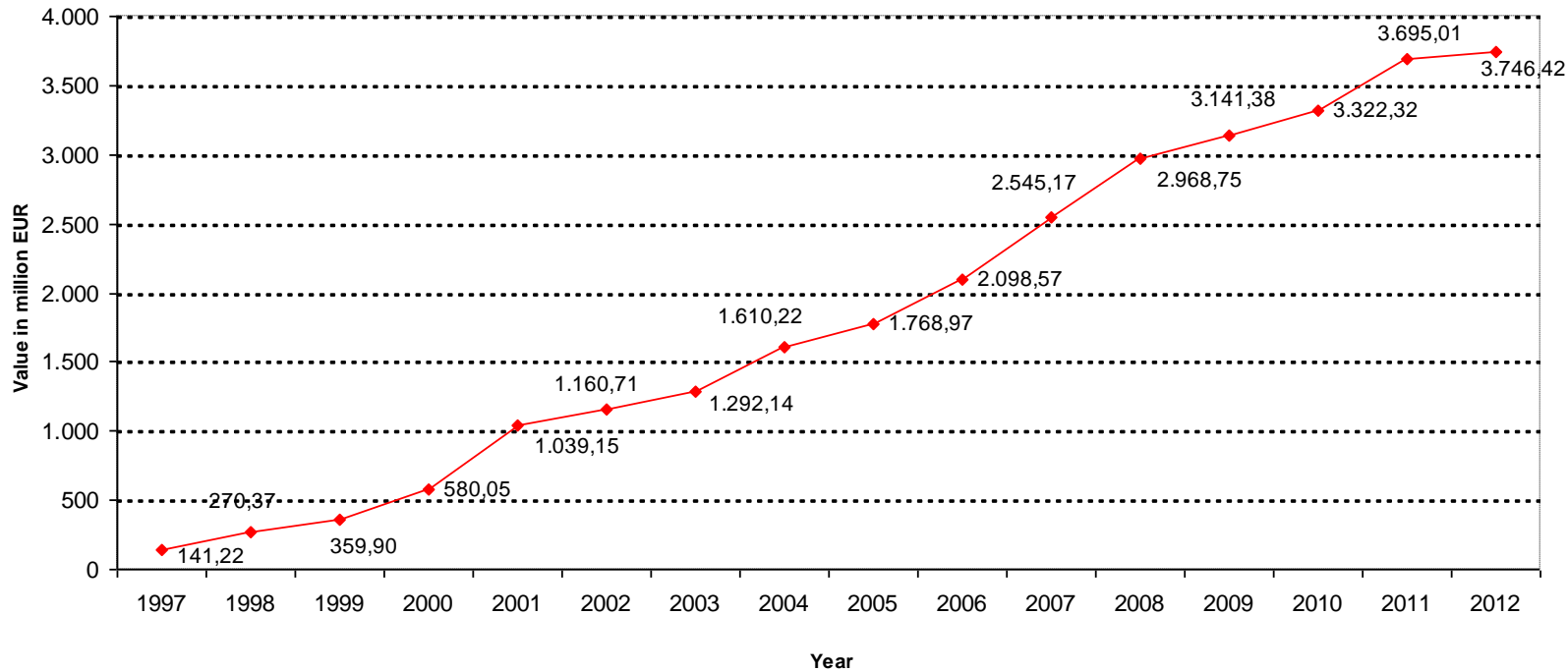
CREATED:
20% of total Exports
over 10.000 new jobs



FDI STOCK IN MACEDONIA



FDI in Macedonia 1997 - 2012 (stock end of period)



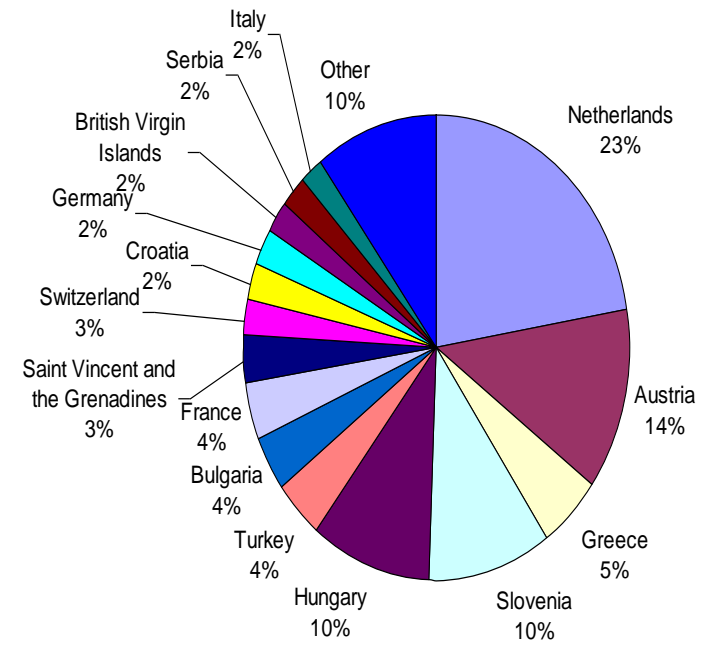
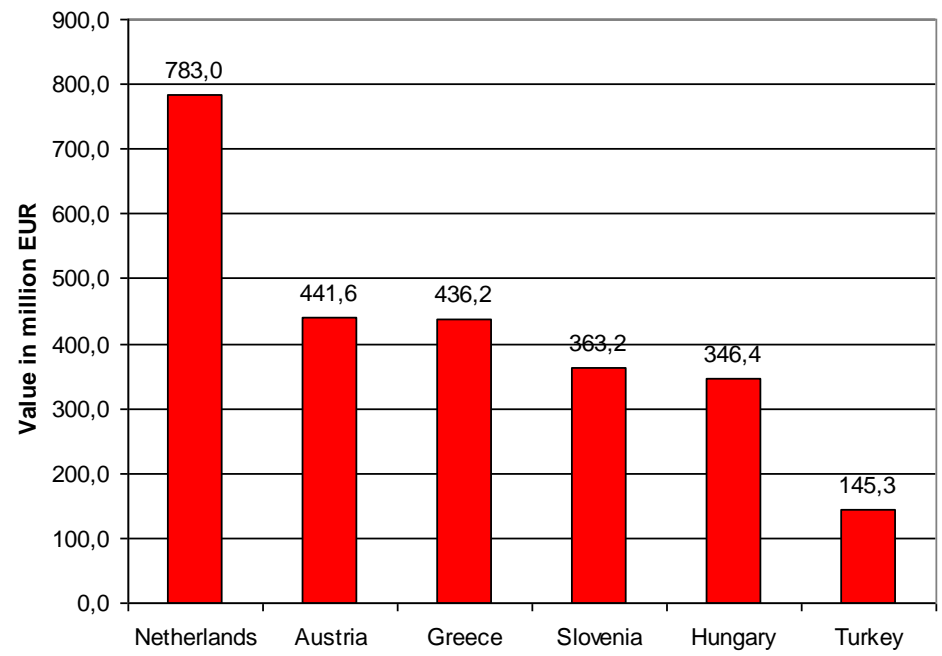


FOREIGN INVESTORS



UE
82,7%

**Main foreign investors in Macedonia in 2012
 (FDI stock, end of period)**





ITALIAN FDI IN MACEDONIA



15°

FDI INVESTOR



2011

65,2 million EUR stock

market share 1,8%

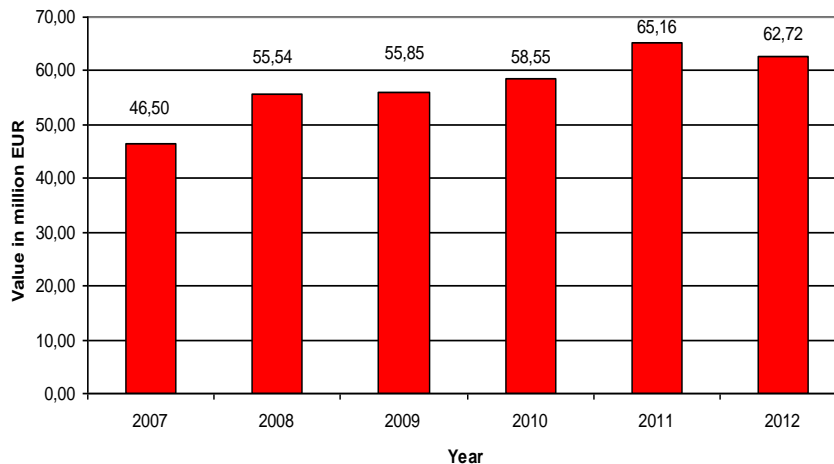
2012

62,7 million EUR stock

market share 1,7%

- **Main entrance strategies:** privatizations, acquisitions, Greenfield investments, JV
- **Destination:** Skopje, Kumanovo, Kavadarci, Stip
- **Origin:** Tuscany (25%), Campania (25%), Lombardy (17%), FVG (17%)

Italian FDI in Macedonia



Italian FDI in Macedonia in by sectors

- Steelworks
- Chemical (gas)
- Footwear
- Automotive
- Renewable energies
- Urban waste management
- Agribusiness



EXPORT OPPORTUNITIES

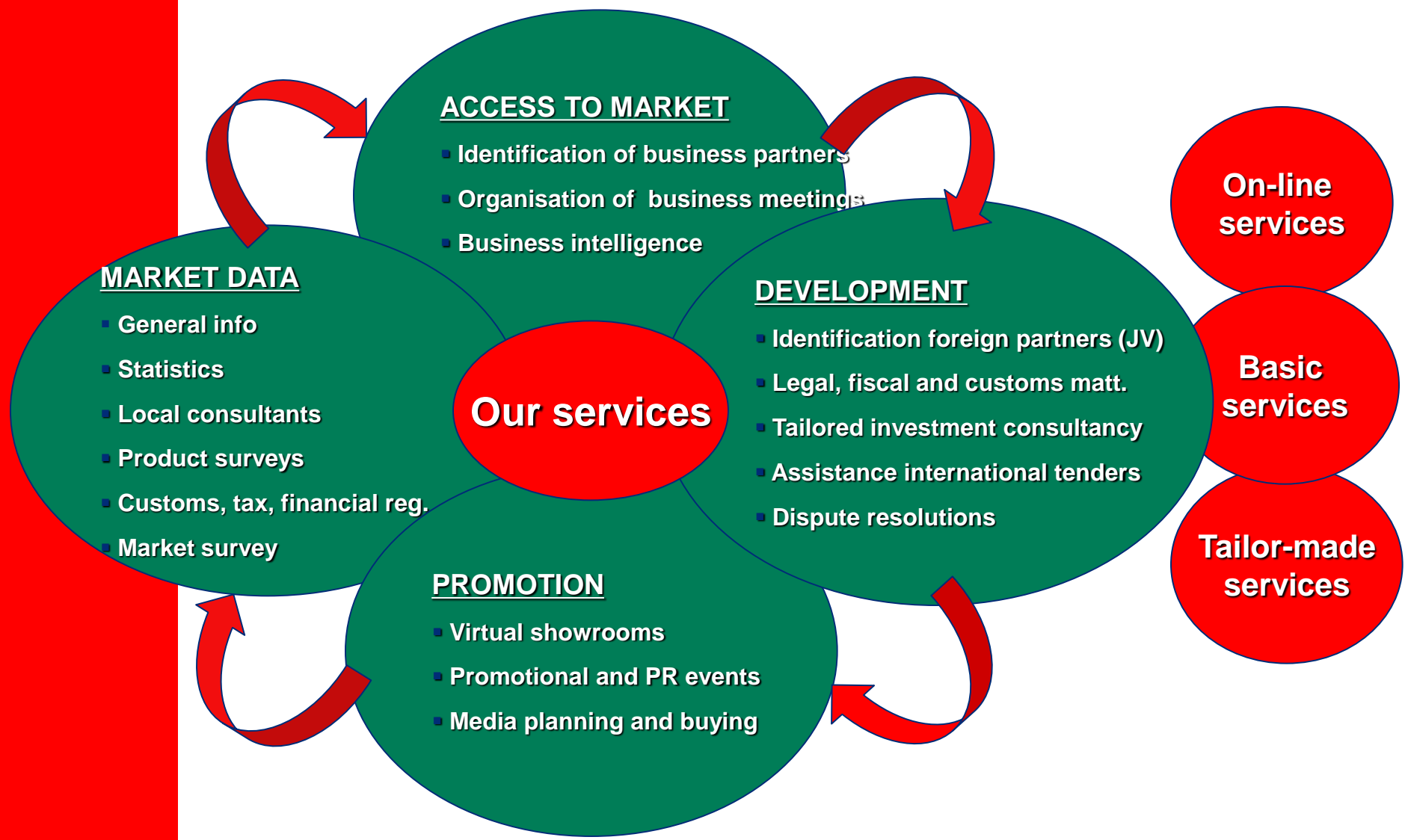
- Machinery and equipment
- Foodstuffs
- Clothes and fashion accessories
- Furniture
- Pharmaceutical, health and personal care products
- Chemical products
- Home appliances
- Electric and electronic devices
- Services

INVESTMENT OPPORTUNITIES

- Automotive components
- Information and Communications Technology
- Healthcare products
- Agribusiness and Food Processing Industry
- Clothing, Textiles and Leather
- Metals and Metal products
- Energy Sector
- Chemicals
- Construction
- Tobacco and Cigarettes



ICE AGENCY SERVICES

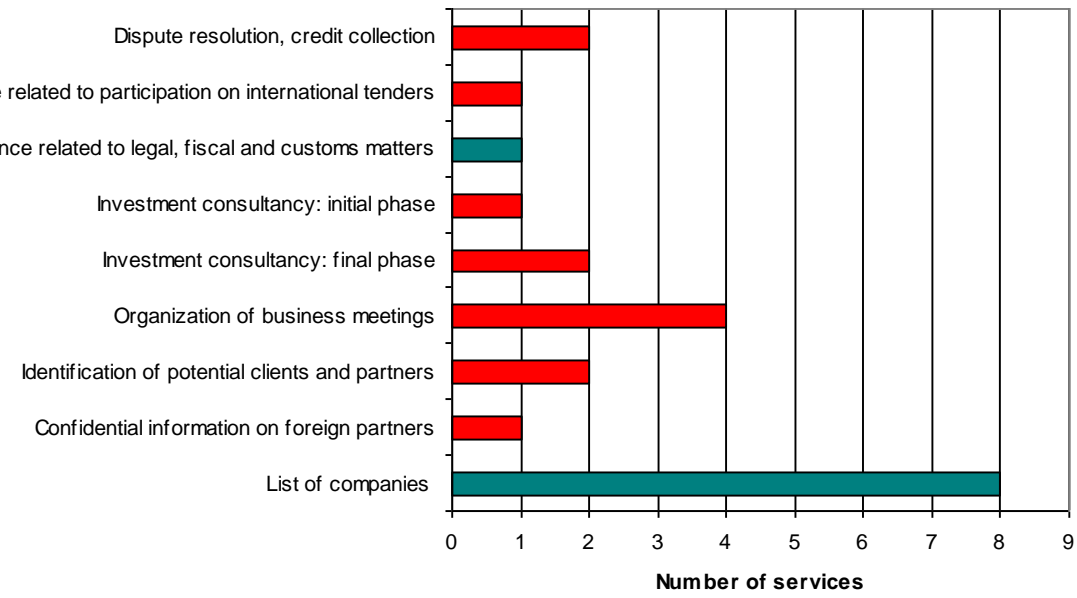
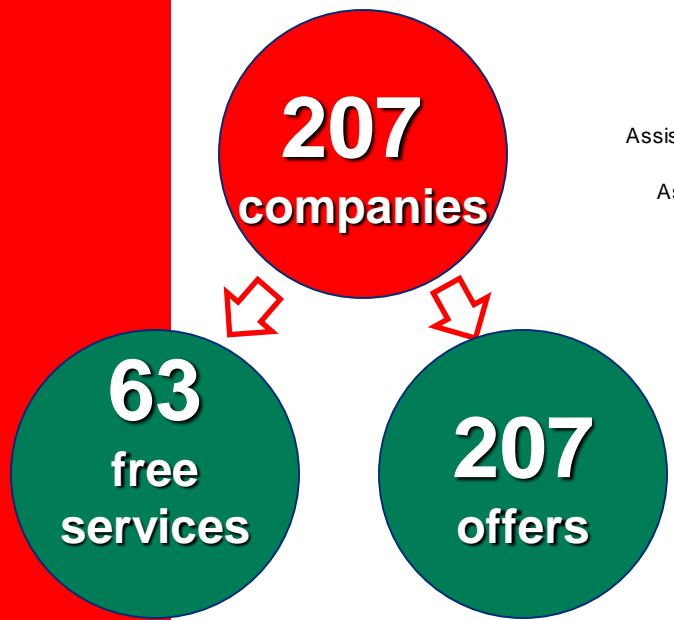




SERVICES PROVIDED IN 2013



Types of services provided



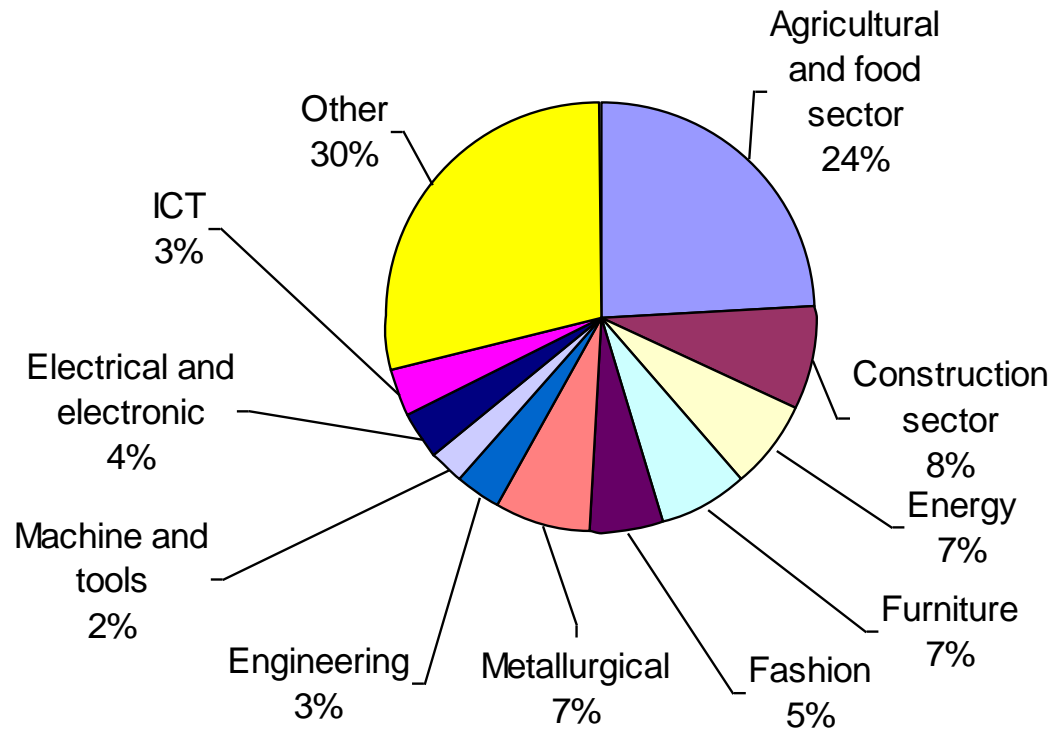
Source: ICE Skopje

■ Standard

■ Custom tailor



ASSISTANCE PROVIDED BY SECTORS



Source: ICE Skopje



PROMOTION IN 2014



Events:

- Business forum on business opportunities: infrastructure, energy, environment
- Italian festival in Skopje
- Technology multisector days (May 2014): workshops and B2B

Sectors

- Energy
- Infrastructure
- Automotive
- Environment
- Machinery and equipment
- Fashion
- Agribusiness

ITALIAN INSTITUTIONS IN MACEDONIA

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Thank you!



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