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MACEDONIA 6TH IN EUROPE, 12TH IN THE WORLD

Gruevski: Doing Business report is the result of reforms, commitment and work

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Pursuant to "Doing Business 2016", the most respected international report which measures the conditions for doing business, Macedonia is 12th in the competition of 189 countries. Macedonia is in 6th place in Europe for doing business where economies are most industrialized and where countries pay particular attention to improving the business climate.

According to Prime Minister Nikola Gruevski, dedication to work, honest and sincere approach, the reforms undertaken are steps which have led to the new significant success and great news for Macedonia.

-Of the European countries before us are only the Scandinavian countries (Denmark 3, Sweden 8, Norway 9 and Finland 10) and Great Britain (6), which confirms that Macedonia is not only a leader among the countries from South Eastern Europe, but also among the leaders in Europe and the world. On the list "Doing Business" this year, Macedonia found itself ahead of many established economies and developed countries such as Germany (15), Australia (13), Canada (14), Austria (21), France (27), the Netherlands (28), Japan (34) and others. Macedonia is ranked ahead of 24 EU Member States. Macedonia is far ahead of other countries in the region, Slovenia is 29th place, Romania is 37, Bulgaria 38, Croatia 40, Montenegro 46, Turkey 55, Serbia 59, Greece 60, 66 Kosovo, Bosnia and Herzegovina and Albania 79 97. Although this result may surprise many, we as Government believe in the reforms implemented in Macedonia, where we apply world best practices that analyze and adapt to our conditions. The high rank is only the result of the work done, the Prime Minister said.

Gruevski said that "Doing Business" is prepared by the biggest and most renowned global institution that works to strengthen and develop the private sector around the world - the International Finance Corporation (IFC) which is an independent member within the World Bank Group.

IFC cooperates and directly engages many domestic firms and consultants who according to a unified methodology to measure the situation on the ground, which only confirms the reliability and relevance of the report.

The fact is that the findings of this report are used as input in reports prepared by other international institutions and is a good tool that encourages countries to implement reforms to create better working conditions for the private sector. Macedonia has been highly ranked according to the report for a longer period, but this year for the first time in 12th place - as noted in the report. Macedonia 9 years ago, according to this same report was ranked in 94th place, but the strategic determination of the Government to improve the business climate as the best way to ensure sustainable economic growth, create new jobs and improve living standards, contributed to the country making a major step of 82 seats. Practically this means that the country in these 9 years painstakingly worked on the construction of modern institutions, which has taken a modern regulation and legislation, reduced bureaucracy and simplified administrative procedures, and introduced modern technologies for providing quality public services. Established are one-stop shops in the Central Registry, Cadastre, the Public Revenue Office, the Customs Administration and other institutions through which citizens and companies easier, faster and with much lower costs apply and receive required services, explained Gruevski.

Macedonia is the second country in the world, after New Zealand, where it is easiest to open company.

With a 4 hour legal deadline, and only two hours in practice, opening a company in Macedonia is fast and simple. By comparison, 10 years ago to open a company in Macedonia took 18 days and 10 procedures, now just two hours and one procedure.

-To Open a company initial capital is not required. The company can be registered electronically, at no cost and without notarization of documents. This is very important for the development of the entrepreneurial spirit, in that this is giving a chance to every one with good will and a good idea to open a business. Compared to ten years ago Macedonia under this indicator was ranked 76 in the world. Macedonia is the seventh in the world in terms of conditions for paying taxes, one of the lowest tax rates in the world. In 2006 we introduced a flat tax of 10% which is the lowest in Europe. The lowest tax rates were managed to be maintained during the global economic and European debt crisis. To support the business community a reduced rate of VAT was introduced on many goods and services. Paying taxes is conducted entirely electronically which significantly reduced the cost and administrative burden to companies. Ten years ago, companies were obliged to visit the counters of the Public Revenue Office 54 times a year, while the procedure is now reduced to only 7 procedures annually. The effective tax rate ten years ago would start at 43.5 percent of the profits, while today it is reduced by 4 times. With the small tax obligations, firms maintain greater available liquid assets. Compared to ten years ago Macedonia under this indicator was at 79th place. Macedonia is the tenth country in the world where you can easily take out a building permit. The introduction of an electronic system for obtaining building permits significantly facilitates the procedure and shortens the time for obtaining a license. So if ten years ago it took 18 procedures, that number has now halved. The time required to obtain a building permit has been reduced by three times. Macedonia is particularly well appraised Doing business in terms of quality of construction regulations, which ensures quality and reliability in carrying out construction activities. Compared to ten years ago Macedonia under this indicator was at 86th place, he said.

As pointed out by the Prime Minister, the ranking of the country is particularly high under the protection of minority investors, where Macedonia is 14th in the world. The High Rank is a good signal to investors that Macedonia has a modern legislation that protects their rights. The security for investors is strengthened through amendments to the Companies Act and the Securities to prevent irregularities by major

shareholders, which provides that agreements between stakeholders undergo special inspections by an independent auditor.

To improve transparency, said the Prime Minister, an obligation is imposed to publish contracts with stakeholders in the annual reports of the companies, and to strengthen the judicial proceedings and advance the Code of Civil Procedure. Comparing, 10 years ago Macedonia was ranked 83rd according to this indicator.

-The conditions for Export and import in the country over the past 10 years have also greatly improved as noted in the Doing Business report where progress was noted from 101st place in this indicator. The progress is due to serious and continuous reforms in the Customs Administration, the significant reduction of customs rates which are 40% lower compared to 2006, the introduction of the single window system for import and export licenses, 24-hour import-export customs clearance at border crossings etc. All these reforms along with policies to attract foreign investment have resulted today in exports exceeding twice the amount from ten years ago. Compared to ten years ago Macedonia under this indicator was at 127th place, Gruevski said.

He listed where we see high rankings and progress in remaining indicators; whereupon Macedonia in enforcing contracts indicator has advanced 46 places from 10 years ago, the indicator Handling Solvency Macedonia has advanced 86 places from 10 years ago, the indicator Access to electricity Macedonia noted a 76 place progress, according to terms of registering property Macedonia has advanced 37 places from a decade ago.

-The progress in ranking in the report "Doing Business 2016" besides verification of government efforts to create a better business climate in the country, is an excellent signal to foreign and domestic investors. The report is valued among investors and taken as a relevant indicator in making a decision where to invest their assets. Practice confirms this. As the ranking of Macedonia on the list improves, so too does the number of foreign companies coming into the country increase, opening new factories and jobs. I would like to thank the World Bank, with which for years we have a great cooperation and we get great support in the creation and implementation of reforms. I would like to thank all institutions whose hard work contributed to these excellent results, every employee in the institution with which their own effort and commitment contributed to this result and of course the ministries with whom we together made these meaningful reforms for evaluating this score. I want to tell everyone that this recognition will boost Macedonia to continue to work on improving the business climate in the country. This result is an example of how the dedicated work jointly work can achieve a lot. This report is an evaluation of that work, and implemented reforms and concrete steps are undertaken primarily for the citizens. Not one of the reforms has been implemented for itself, but for a specific purpose and intention. Our major goal is to improve the standard of living, create better living conditions, and we are working on it. It requires the development of the economy, regulatory atonement and taking concrete steps. This report and the valuation, is part of those steps. Yet another proof that success is possible. This is a success for all citizens, each individual, success of the Republic of Macedonia, the Prime Minister added.

According to Gruevski, this way all barriers and dilemmas crumble, and it confirms that Macedonia has the capacity to work hard to achieve top results. The Government continues unabated to build and create values, to invest up to create the conditions for progress, investments and the creation of new jobs, the confidence of the citizens, and their work to be measured through such and other concrete action.

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