



GUIDE FOR INVESTMENTS IN POLOG PLANNING REGION

with a map of free economic/industrial zones



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Gratitude to:

Guide for investments in Polog planning region is made under the project of the Ministry of Local Self Government „Enlargement of functions of the centers for development of planning regions towards the implementation of activities/services for support of the private sector”.

“E-guide for investors has been prepared and published with financial support of the Ministry of Local Self Government in the framework of the activities for the establishment of business centers in all of the eight regions”.

“Map / collection of free industrial zones at the level of planning region is prepared and published with financial support of the Ministry of Local Self Government in the framework of the activities for the establishment of Business Centres in all eight planning regions”.

The Center for Development of Polog planning region and municipalities in Polog planning region, for the cooperation in the process of collecting and analyzing data.

- **Ministry of Local Self-Government** is responsible for implementation of the policy for promotion of balanced regional development and in cooperation with other ministries, takes measures for stimulation of the development, defines and implements policies for promotion of balanced regional development in accordance with the objectives of the economic policy of the Government of Macedonia and with the program documents for integration of the Republic of Macedonia in the European Union.
- **Centre for Development of Polog Planning Region (CDSPPR)** is Regional Coordination Centre with the main task to accelerate growth and reduce regional disparities by strengthening the capacity of the networks in the local rural community, the business sector, stimulating the development of local and regional level, strengthening the principle of public private partnership, and action aimed at enhancing the quality of life.

It is a great honor and pleasure for me to present you the potentials of the Polog region through the guide for investments in Polog planning region.

Investments are a major factor for dynamic economic development. Access to information is the first step in attracting investors' interest in starting an economic activity in the region. The creation of available data on regional resources, potentials and benefits for investing is extremely important for the investors, domestic and foreign, who are facing major problems regarding the systematic review of relevant information for the Polog planning region.

The guidebook for investors present key information for starting and running a business in the region and allows domestic and foreign investors to perceive, analyze and compare the economic characteristics, business climate, and potential advantages of the region. The document transparently shows the readiness and willingness of the region's nine municipalities to assist the needs of domestic and foreign investors.

The main purpose of the presented information is to increase investment in the region through easier access to benefits for investors offered at regional and municipal level.

The guidebook which is prepared in printed and electronic form, offers two types of information: general information on the assessment of the feasibility of investment in the context of the environment in the region (the conditions for starting and running a business; the main economic branches; available workforce, social environment; tax incentives and access to additional sources for financing a business) and an overview of the industrial zones (free buildings and sites for construction with incentives for investment).

The guide for investments in Polog planning region is technically and financially made and supported under the project of the Ministry of Local Self Government : "Enlargement of functions of the centers for development of planning regions towards the implementation of activities/services for support of the private sector".

I am convinced that this document will meet the needs and desires of investors and will contribute to investment growth in the Polog planning region.

Fatmir Saiti-
Manager of the Polog planning region

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Abbreviations

AVRM – Employment Agency of the Republic of Macedonia
AD – Joint stock company (JCD)
GDP – Gross domestic product
VAT – Value added tax
DZS – State Statistical Office (SSO)
DOO – Limited liability company (LLC)
DOOEL – Limited liability company, sole proprietor (LLC(SP))
EMBG – Personal identification number (PIN)
EXIM – One stop shop system for import, export and transit of goods and tariff quotas
EU – European Union
ZTD – Company Law
IPA – Instrument for Pre-Accession Assistance
PE – Public entrepreneurship
MBS – Company registration number (CRN)
SSEs – Small and medium-sized enterprises
NBRMS – National Bank of the Republic of Macedonia
OECD – Organization for Economic Cooperation and Development
WTO – World Trade Organization
PRO – Public Revenue Office
CEFTA – Central-European Free Trade Agreement
CRM – Central Register of Macedonia
m.v. – place called
KO – Cadastral area
KP – Cadastral plot
GP – Building plot
G2 – Light and nonpollution industry
G3 – Services
G4 – Warehouses

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SUMMARY

A) General section

1. The Polog planning region covers the Polog valley, the Mavrovo plateau, the mountain range „Bistra“ and the valley of the river Radika. With an area of 2,416 sq km it occupies 9.7 percent of the territory of the Republic of Macedonia.
2. With 317,975 inhabitants the Polog planning region accounts for 15.4 percent of the total population in Republic of Macedonia, with 7.3 percent of the national GDP and 8.3 percent of total investments in the country.
3. Of the total number of active business subjects in 2014, (6,707) 92 percent are micro enterprises. Viewed from economic aspect, the business entities from the Polog planning region accounted for 3.3 percent of exports of Republic of Macedonia, and three percent of imports of goods and services¹.
4. The Polog planning region participates in the labor market in the country with a total of 258,413 persons of working age. In terms of employment rates and unemployment nationwide, the region is characterized by low employment rate, ie 32 percent and high unemployment rate of 30.7 percent.² The average net salary amounts 20,425 MKD, which is 4.5 percent lower than the average net salary in Republic of Macedonia.

A.1 Business climate

5. The Government of Republic of Macedonia adopted a policy of creating a favorable business climate for investors and encouraging business activities:³
 - 5.1. Macroeconomic stability and low inflation rate, about two percent
 - 5.2. Fast registration of company (one to two days) with the lowest cost of registering a company (50-100 euros)
 - 5.3. Quality and competitive labor
 - 5.4 Lowest flat tax on income and profits of 10 percent
 - 5.5 Exemption from tax on reinvested profits (zero percent)
 - 5.6 Excellent infrastructure and transport (roads, access to airports and ports, coverage of mobile telephony and Internet)
 - 5.7 Free access to a market of 650 million consumers

A.2 Benefits for investors

6. Clearly regulated relations with Collective agreements between social partners on the rights of workers and employers.⁴
7. Low cost of land for construction, zero denars for large industrial facilities in the TIDZ areas, up to 200 denars per square meter in municipal industrial zones.
8. Exemption from utility fees (fee for regulation of the land) for foreign investment in TIDZ⁵
9. Programs of active measures for employment and retraining of workers required.⁶

1 <http://makstat.stat.gov.mk/>

2 <http://avrm.gov.mk/>

3 <http://www.investinmacedonia.com/>

4 <http://mtsp.gov.mk/socijalno-partnerstvo.nspix>

5 <http://fez.gov.mk/benefits.html>

6 <http://avrm.gov.mk/programi-i-merki-za-pottiknuvanje-na-vrabotuvanje.nspix>

10. Access to EU IPA programs, especially IPARD program for agriculture and rural development. Fifty percent grant from IPARD program, extremely low utilities cost to build hotels in special tourist areas.
11. Investors have the opportunity to use the benefits of obtaining Macedonian citizenship for every investor who invests over 400,000 euros and employs at least 10 people.

A.3 Potential of the region

12. The Polog planning region as a region where the number of rural municipalities dominates is an ecologically clean region, rich in rivers and tributaries with clean water and diverse fish stocks, as well as mountain landscapes rich in forests and pastures, which are the main potential for investment.
13. Urban municipalities in the Polog planning region enables high quality of life for all municipalities in the region and investments in administrative and business entities, educational centers and business and residential complexes.
14. The region is one of the leading with a long tradition in the development of textile and wood industries, where you can find a number of working-age people with work experience related to these industries.
15. The Polog planning region is suitable for construction and investment in small industrial capacities from non-polluting industries, such as furniture manufacturing, production of sanitary ware and textiles, mountain and winter tourism, livestock and agriculture.
16. The location of the municipalities in the Polog planning region and the favorable traffic connections is one of the competitive advantages of the region which facilitates access to settlements and major transport hubs in the region and in the country.
17. The main feature of the region is young population with an average age of 35.5 years, with most of the residents in category from 20 to 24 years. The dominance of the young population is a potential for employment of young working population.
18. Potentials related to municipalities:
 - **Municipality of Bogovinje** is characterized by an extremely rare natural beauty. It is rich in pastures, watercourses and lakes and provides a great advantage for development and investment in rural, alternative and ecological tourism, as well as further development of agriculture and animal husbandry.
 - **The Municipality of Brvenica** situated in a fertile and ecologically pure valley has a potential for investment in the production of ecological food, while the water represent a possibility for utilizing the hydrological potential.
 - **The Municipality of Vrapchishte** with its good traffic connections and proximity to urban municipalities allows easy access and connectivity with other settlements in the region. Characterized by vast areas of grassland, forests and fertile land, is suitable for the development of livestock, agriculture and forestry.
 - **The Municipality of Gostivar** is distinguished by business and administrative nature that provides a high quality of living in the municipality, and excellent service for all administrative and business entities. As developed urban municipality it can be invested in opening new business facilities, educational centers and residential complexes.
 - **The Municipality of Zhelino** with its natural beauties, cultural and historical monuments and rural character creates favorable conditions for investment in the municipality. Good connection and free locations allows investments in commercial and public buildings, recreational centers and light and non-polluting industry.
 - **The Municipality of Jegunovce** has geo-strategic position which allows easy access to the surrounding municipalities, the state capital Skopje, airport „Alexander the Great“ and easy connection with the Republic of Kosovo. It is favorable for development of animal husbandry, livestock breeding and production of dairy and meat products, as well for development of agriculture and production of cereals, vegetables and fruit crops.
 - **The municipality of Mavrovo-Rostushe** is one of the most developed municipalities in terms of tourism as a sector, which is visited by domestic and foreign tourists throughout the year, mostly in winter. As an attractive tourist destination and a large number of visits throughout the year, it has the potential for construction of accommodation and catering facilities.

- **The municipality of Tearce** with its favorable location and proximity to regional and main roads offers advantages for investment in the municipality. The favorable investment conditions are confirmed by the presence of domestic and foreign investors and companies in the industrial zones in Municipality of Tearce, which together with the large areas of pasture and arable land are attractive for investment in animal husbandry and agriculture.
- **Municipality of Tetovo** is one of the largest and most developed municipalities in the Polog planning region. Municipality of Tetovo offers investment opportunities primarily in tourism, especially in the mountains, „Shar Planina“ and „Popova Shapka“, including ski centers which are located on this mountain. There's also a perfect opportunity for investment in agriculture, construction, food processing industry, wholesale and retail, and more. Of great importance is the proximity to the capital Skopje, airport „Alexander the Great“ and the technological industrial developing zone, TIRZ- Tetovo.

B- Collection of industrial zones

19. The Polog planning region has a total urbanized construction sites of 5,026,232 m², including 3,928,832 m² free-“brownfield” sites; 150,000 m² industrial zones; and 947,400 m²-TIDZ in Tetovo.
20. The majority of the sites are at Gostivar 2,060,660 m², Tetovo 1,497,591 m²; follows with Jegunovce 733,600 m²; Zhelino 200,000 m²; Mavrovo and Rostushe 196,000 m²; Brvenica 175,100 m²; Vrapchishte 150,000 m² and Tearce with 13,281 m².

Project description

Based on the Law on Regional Development („Official Gazette of the Republic of Macedonia“ No.63 / 2007, 187/2013 and 43/2014), and based on the program of the Government of the Republic of Macedonia for balanced regional development in 2014 („Official Gazette of the Republic of Macedonia“ No. 8/2014 and 22/2014), in order to increase the competitiveness of the planning regions by supporting SMEs and entrepreneurship, the formation of regional business centers in eight planning regions is based on the decision of the Government of the Republic of Macedonia on its eighth (thematic) session, held on August 29, 2011. The established Business Centers for Support and consultative services for small and medium enterprises will be implemented within the existing Centers for Regional Development. Such Business Center for support and consulting services for small and medium enterprises was set up in the Polog planning region within the Development Center of the Polog planning region - Tetovo, which should complement existing services aimed at the business sector.

The establishment of the Business Center for Support and consultative services for small and medium enterprises in the Polog planning region technically and financially is supported by the Ministry of Local Self-Government and United Nations Development Programme (UNDP).⁷

The project aims to meet the needs of potential investors at local and regional level, which are not fully informed about the potential of the Polog planning region.

The intention is to create efficient and effective institutional surroundings at the level of planning region for support and attraction of domestic and foreign investment.

In order to achieve this goal, the activity was undertaken for the preparation of „Guide for investments in the Polog planning region.“

⁷ **UNDP - United Nations Development Programme** is the original abbreviation and name for the UNDP, but due to extensive use in our language the abbreviation is generally accepted in Cyrillic transcription and as such will be used in the document

Methodology

Conceptual approach

The European approach for integral and sustainable development of planning regions implies identification of specifics (endogenous variables) that reflect the socio-demographic structure, the educational structure of the population, natural resources, economic development, road infrastructure and natural - climatic characteristics as a basic prerequisite for planned investment growth in the region. The Polog planning region in this respect is facing multiple challenges:

- Integration of urban with rural areas,
- Insufficiently developed regional approach toward potential investors.

Coping with the challenges requires a team approach from all parties concerned: institutions, administration, business community and local populations to achieve a common goal, attracting investment, and thus a faster economic growth, reduction of unemployment, increase of productivity and a general improvement of conditions for life. Integrated approach when mapping the investment potentials is the only possible way to achieve balanced and sustainable development verified in many cases in the development strategies of the European regions.

The competitiveness of the region compared to other regions in Macedonia and in the Balkans should result from the identification of the strengths of the region for the utilization of the most favorable investment opportunities.

Draft concept of regionally based development involves firstly mapping in order to optimize the utilization of the existing resources in terms of physical, human, natural, economic and financial resources available, as well as institutional and administrative capacity, and then identification of sectors or industries for which there are conditions for development and growth. Doing so will be paid special attention to the allocation of features that brings the region itself, which so far has not been allocated as important and impressive as potential investments. The culture, habits, values inherited in terms of preference towards investments in certain industrial sectors and possession of skills of the local population represent a significant element for identification not only of potential investments, but as “successful” or “well accepted regional investments”. The term successful represents business image on investment while comprising the profitability, high productivity and low risk and „regional well accepted“ represents the image of local population who should feel that the investment does not disturb the existing characteristics of the region, but merely complements and upgrades it.

To determine the profile of the region the mapping will be performed by 8 directions of priority:

- 1. Physical resources and their existing management** - natural resources, the most important buildings, infrastructure, cultural heritage, etc.,
- 2. Human resources** - number of population, concentration of population per municipalities, social structure, educational structure, unemployment rate and structure of the unemployed,
- 3. Business activities** - (companies, number of companies, representation of industry branch, participation of the industrial branch in total GDP) and jobs (stability of existing jobs, salary levels),
- 4. Knowledge and skills** - types of jobs, crafts, use of technology, research and number of licenses and patents issued for products produced in the region,
- 5. Culture and identity** - regionally accepted values, cultural monuments and cultural heritage, habits and behaviors according to the opinion of the local population,

- 6. Institutions and administrative capacity** - types of governing bodies, their association and participation in the planning of regional development,
- 7. Brand, image and perception** - recognition of the region by the population in the region and the outside,
- 8. External relations** - relations of the region with other regions of the country based on economic, cultural or other kind of cooperation.

The concept of mapping the investment potential of the Polog planning region shall include the internal and the external environment as dynamic activity. Through analyzing the history and the current conditions and movements of resources it will be achieved balanced and sustainable planning of the future on satisfaction of all concerned parties.

Utilization of positive experiences from other regions in Europe will be implemented in the proposal as possible scenarios and case studies to generate eventual ideas but without pretensions that their implementation would give the same results for investments in the Polog planning region.

The result is highlighting competitive advantages of the Region:

- natural geographical features of the region,
- the attractiveness of the prices of plots for construction of industrial facilities,
- favorable tax environment,
- favorable interest rates of investment loans,
- high level of computer knowledge of the population,
- a high percentage of population that knows more than one foreign language,
- availability of educated personnel,
- large number of unemployed,
- possibility of cooperation with research centers,
- access to higher education institutions.

This will lead to systematic review of:

- Information about industrial zones and locations suitable for certain types of investments available at the municipal level, mostly in departments of urban planning, which are not able to provide information from institutions like the Real Estate Cadastre Agency, companies that are dealing with surveying requirements, construction prices etc.,
- Information about available „greenfield“ and „brownfield“ locations at the municipal level, mostly in departments of urban planning,
- Information on grants, credit lines and similar financial support commonly segmented in several different institutions and publications with various sources of information, not provided together with an integral review,
- Missing the possibility for comparison of the conditions for such financial support, mastering the steps of how in the fastest and most effective way to provide the necessary funding from various sources,
- Information about unemployed persons and skilled labor are not available at the municipal level, with which the procedure of selection of employees takes time and capacity.

Methodological approach

The complexity of the task has generated a need for implementing a set of methodological tools implemented in function of quality collecting and processing data. Combination of qualitative and quantitative methods will ensure getting a better overview of the situation.

- As a basic structure it will be used LEADER methodology proposed by the European Commission as a means and method that provides good results in analyzing the potential for sustainable development of the regions. The investments as one of the main drivers of regional development will be processed according to the methodology, involving all parties concerned in the process.
- For collection and analysis of the data from State institutions, State Statistical Office, Ministry of Labor and Social Policy, Employment Agency and the Ministry of Economy, as well as the National Bank, the methods of examining the correlation and linear regression for the analysis of dependencies between individual variables that affect the potential investment will be used, especially employment, the availability of capital and the quality of physical resources in the region.
- To gather the views and opinions of the business community and the local population a research through focus groups with representatives from the parties concerned will be used.
- For analyzing legal regulation, although it is not on a regional but on a national level, however, it must be assessed, as an important factor for investment, whether to use RIA principles for assessing the impact of regulation in a business context.
- For capturing the successful examples of development in other regions of Europe methods of analysis of the case with the preparation of three case studies of countries with different levels of development of the economic environment will be used, an example of highly developed countries and regions, an example of the countries acquired with a candidate status in the last ten years and one example from region in a candidate country such as Macedonia.
- The methodology applied by the active participation of all parties concerned will provide not only for identification of the potentials for investments but at the same time will achieve other benefits.
- Sharing of analyzes and discussions lead to innovative approaches and ideas.
- It gives access of an integrated approach, in order to obtain cohesion and opportunities for prioritizing activities in terms of achieving consensus on projects that show a higher degree of success.
- Allocating new topics that may be proposed as suggestions for innovation with long-term perspective.
- Achieving a common vision, awareness of the strengths, weaknesses, opportunities and threats. Vision and awareness of all parties' concerned is a long-term benefit that shows positive affect in any further stages.



GENERAL INFORMATION ABOUT REPUBLIC OF MACEDONIA

1. General information about Republic of Macedonia

1.1 Introduction

Republic of Macedonia is located in Southeastern Europe in the central part of the Balkan Peninsula between 40° 50' and 42° 20' NGW and between 20° 27' 30" and 23° 05' EGL. It borders with Albania to the west (186 km), Greece in south (256 km), Bulgaria on east (173 km) and Serbia (102 km) and Kosovo on north (179 km). Total length of the border is 896 km with a total area of 25,713 km². Capital and also the largest is the city of Skopje. Geographical position of the Republic of Macedonia enables to pass the transit routes through which the shipment and delivery of products from the Balkans to Eastern, Western and Central Europe are performed. It is connected to airports and ports through which develops the possibility of large economic cooperation with neighboring countries. Because of these factors the Republic of Macedonia is one of the most desirable and most favorable countries for investment

1.2 Climate

Due to the specific natural and geographical features, there are two main types of climate in Macedonia: altered Mediterranean and temperate continental. Two seasons can be underlined: cold, wet winters and dry, hot summers, associated with the transitional seasons, spring and fall. The spring starts earlier and the autumn later. Autumn (especially in October) is warmer than spring (April). Additionally, on the high mountains the mountain climate is characterized by short and cold summers and cold significantly and moderately wet winters, where the precipitation is mostly snow. The average annual temperature is high (above 14-15 °C).

1.3 Hydrography

Macedonia is one of the richest countries with water, with 4,414 recorded and mapped springs, whose total annual capacity reaches 6.63 billion m³. In hydrological sense Republic of Macedonia is divided among three water basins on the Adriatic Sea (15% of the territory), with the main tributary is River Crn Drim; Aegean Sea (85% of the territory), with rivers Vardar and Strumica, as major watercourses and Black Sea, whose basin has insignificant territory.

As a country that is landlocked, Macedonia is proud of its natural and artificial lakes. Of the natural lakes, the most attractive are the tectonic lakes Ohrid, Prespa and Dojran. Lake Ohrid is the largest, with an area of 358.8 km² of which 229.9 km² belongs to Macedonia and the rest to Albania. The smallest Dojran, unlike the previous two which are located in the western part of the state, is located in the southeast and has an area of 42.7 km², divided with Greece.

1.4 Demographics

According to the last census of population, households and housing (2002), Republic of Macedonia numbers 2,022,547 inhabitants and according to the assessment of the population (as of 31.06.2013), in Republic of Macedonia there are 2,064,032 inhabitants, which is 0.3% more compared to 2011.

Table 1. Population and age structure in Republic of Macedonia

Age structure	Percentage of representation of the age structure		
0-14 years	17,3%	17,1%	16,9%
15-64 years	70,9%	71,0%	70,9%
65+ years	11,8%	11,9%	12,2%
Year	2011	2012	2013

► **Source: State Statistical Office (Situation on 30.06)**

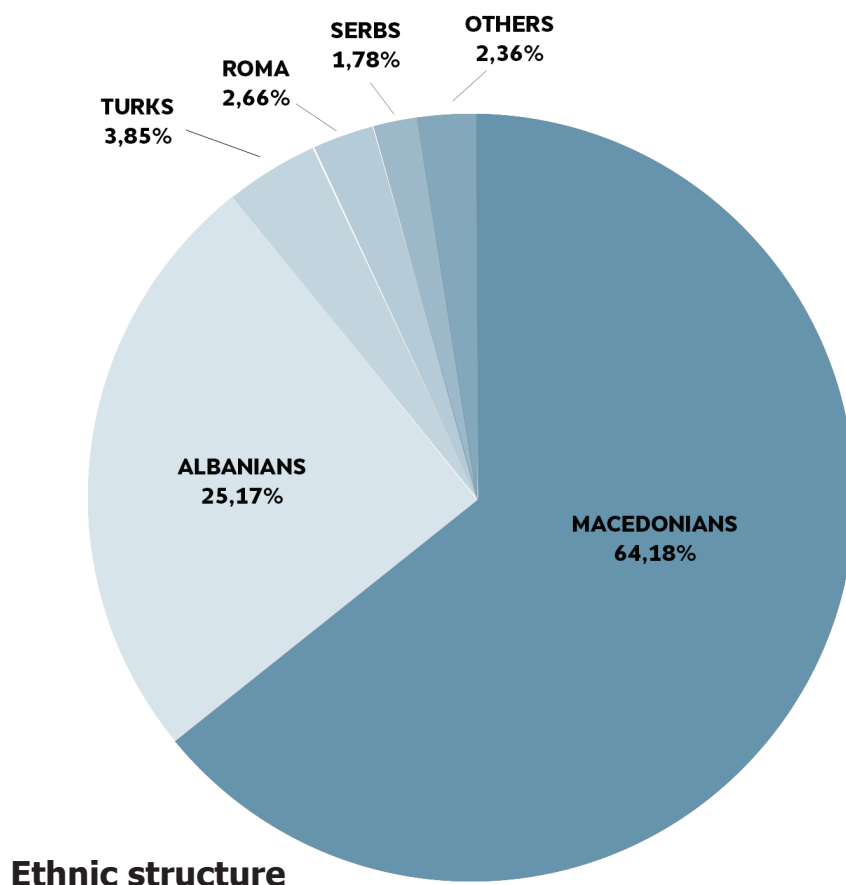
The structure of the population by age is one of the most important aspects of the population that affect its development. In terms of age structure, Macedonian population is aging. By age, the number of senior citizens is growing, as well as its share in the total population.

In the period from 2011 to 2013, the share of young population (0-14 years) in total population decreased from 17.3% to 16.9%, and the share of the elderly population (65 and over) increased from 11.8% to 12.2 %.

Life expectancy for the period 2010-2012 is 74.98 years, 72.97 years for men and 77.05 years for women. The average age of the country's population for 2013 is 38 years. Natural increase per 1,000 inhabitants in 2013 was 1.9 people. Mortality rate is 9.8 deaths per 1,000 inhabitants.

The average population density in 2002 was 78.7 inhabitants per km², and according to the population assessment for 2013 the density increased to 80.3 inhabitants per km².

On the territory of Macedonia most of the population are Macedonians, others are members of other ethnic groups.



► Source: State Statistical Office (Census 2002)

1.5 Political and judicial system

Republic of Macedonia following the state referendum in September 1991 established a sovereign state based on parliamentary democracy.

The national government is organized into:

- Assembly of the Republic of Macedonia
- President of the Republic of Macedonia
- Government of the Republic of Macedonia
- The judiciary
- Public Prosecution Office
- Constitutional Court of the Republic of Macedonia is an organ of the Republic protecting constitutionality and legality.
- The Judicial Council of Republic of Macedonia is an autonomous and independent institution of the judiciary that ensures and guarantees the independence of the judiciary.
- Local government

1.6 Economy

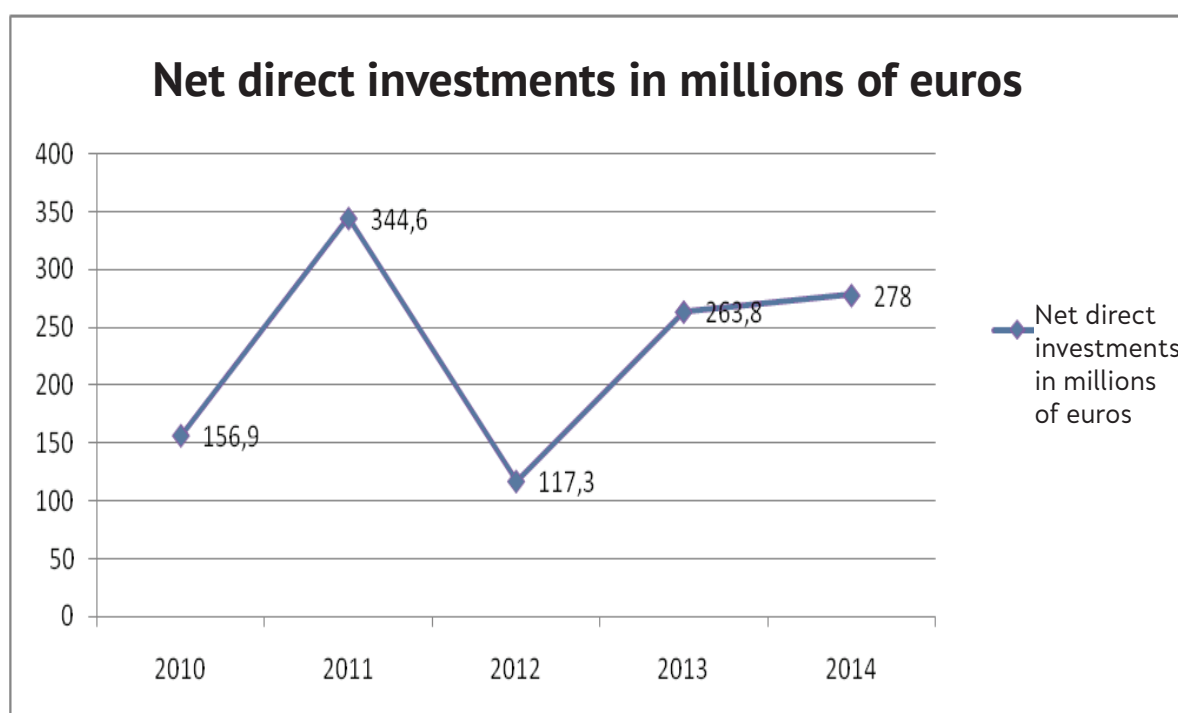
Gross Domestic Product. According to preliminary data, the real GDP growth in 2013 is 2.7%. The growth is driven by construction, which registered high growth of 32.2% as a result of capital budget expenditures in infrastructure projects and investment in technological and industrial development zones. Positive developments in 2013 were registered in most of the activities. Industrial production grew by 5.1%, mainly due to the growth of activity of domestic and foreign export-oriented capacities. The trend of growth of the economic activity continued in 2014, with higher intensity compared to the previous year. In the first quarter the real GDP growth rate was 3.5% and in the second quarter growth reached 4.3%, with average GDP growth in the first half of 2014 of 3.9%. These growth rates are among the highest compared with the EU countries and the region.

GDP growth in this period was broad-based, where all sectors recorded positive growth rates. It continues the high contribution to the economic growth in the construction industry with growth of 5.6% in the first half of 2014. Industrial production continues with positive developments, and in the first seven months of the year grew by 4.7% due to the growth in the processing industry (10.3%). Within its frames significant growth was registered in production of motor vehicles (multiple increase), machinery and devices (24%), electrical equipment (35.8%) and rubber and plastic products (31.5%), affected by the increased production of capacities in the free economic zones, and an additional positive contribution was the growth of the production of clothing (8.3%), textiles (18.1%), food products (5.6%), beverages (7, 5%), etc. The service sector in the first half of 2014 grew by 2.7%, within which the sectors Financial and insurance activities and information and communications recorded the highest growth rates of 4.2%, followed by trade sector, transport and catering with growth of (4%). Agriculture in this period grew by 1.1%.

Analyzed by expenditure side, the first half of 2014, growth was driven by exports, which recorded real growth of 13.3%. A positive contribution to the growth had the gross investment (5.9%) and consumption (3.1%). Growth in exports of goods is mainly a result of the increased export potential of the country. Export growth is accompanied by a change in the structure of exports towards products with higher technological value, according to the movements of industrial production, which is due to production and export capacities in technological-industrial development zones and industrial zones. The growth of gross investment corresponds with the growth of construction activity, ie the realization of capital projects in the public sector and increased foreign direct investment in the country. Consumption growth is driven by increased number of employees who in the first half of 2014 was 2% higher than the same period of 2013.

Inflation. In 2013 the rate of inflation is 2.8%. The quarterly dynamics shows that inflation in the last two quarters of the year had a downward trend, mainly reflecting the slower growth in food prices and the decrease in energy prices. Analyzed by categories, the highest growth in prices in 2013 was the prices of clothing and footwear (6.9%) and hygiene and health (4.7%). Food prices in 2013 rose by 3.6%, while a decrease of 0.8% was registered in the prices of transport equipment and services. The average inflation rate for the year 2014 amounted to - 0.3%.

External sector. The value of exports of goods in 2013 is higher by 2.8% compared to the previous year, while imports of goods registered a decline of 2.0%. As a result of such movements came to a narrowing of the trade deficit by 9.8%, which in 2013 amounted to 21.7% of GDP. The influx of foreign direct investment in the country in 2013 amounted to 3.3% of GDP, where the bulk is realized in the form of equity capital and reinvested earnings. In the seven months of 2014 the trade deficit decreased by 0.7% compared to the same period of 2013, in terms of nominal growth of exports of goods by 12.9% and import growth of 7.9%. The increase in exports is mainly due to the effect of the new production facilities in the technological-industrial development zones. The current account deficit in the first half of 2014 was 1.7% lower compared to the same period in 2013 and represents 2.6% of GDP. Gross foreign reserves are maintained at an adequate level and at the end of August 2014 amounted to 2,449 million euros, representing growth of almost 23% compared with the situation at the end of 2013.



► **Source:** *National Bank of the Republic of Macedonia*

Labor market. In 2013, positive trends were observed in the labor market. According to the Labour Force Survey, the number of employees in 2013 was higher by 4.3% compared to the previous year. Employment growth is accompanied by a decline in unemployment of 5.2%, while the total number of active population increased by 1.4%. Such trends on the labor market caused the employment rate in 2013 to increase to 40.6%. The unemployment rate in 2013 dropped to 29% from 31%, as it was in 2012.

The average net wage in 2013 was 1.2% higher in nominal terms compared to 2012. In 2014 the positive trends continued in the labor market. According to the Labour Force Survey, the number of employees in Q2 2014 was 1.3% higher than the same quarter in the previous year. Employment growth is accompanied by a decline in the number of unemployed persons, which on an annual basis decreased by 1.3%. Such trends on the labor market caused the unemployment rate in Q2 2014 to be reduced to 28.2% or 0.6 pp compared to the same quarter in the previous year. Namely, in Q2 2014 the unemployment was at its lowest level since the independence. The employment rate in Q2 2014 was 41.1% and in the same quarter of the previous year was higher by 0.4 pp. The active population in Q2 2014 represents 57.3% of the total working population. The average net salary in the first half of 2014 increased by 0.3% in nominal terms compared to the same period in 2013.

Monetary sector. In 2013 the price and the exchange rate stability was maintained. In terms of assessing the level of foreign reserves and the absence of major pressures on the exchange rate, the central bank reduced the maximum basic interest rate twice, by 0.25 pp in January and an additional 0.25 points in July 2013, which reduced it to 3.25%, the lowest level in history. Total deposits increased by 6.1% on an annual basis. New savings largely stems from the rise in household savings of 6.7%, and deposits of private enterprises that experienced growth of 4.1%. Analyzed according to the currency, deposits growth was almost entirely due to increased deposits in domestic currency which grew by 10.7% on annual basis, while foreign currency deposits increased by 0.6%. The growth of total loans in December 2013 was 6.4% in terms of growth in lending to households and private enterprises by 10.2% and 3.7%, respectively. In terms of maturity, long-term credits experienced annual growth of 6.4%, while short-term loans increased by 2.9%. In 2013 there was a decrease in interest rates. In fact, in December 2013 the interest rate on loans decreased to 7.4% from 7.9% in December 2012, while the interest rate on deposits decreased to 2.8% from 3.3% in the analyzed

period. In 2014, the Central Bank in terms of stable trends, decided to keep the interest rate on treasury bills at 3.25%. Total deposit potential in August 2014 increased by 8.1% on an annual basis. In terms of currency, in August 2014 there was growth of deposits in national currency by 11.5%, while foreign currency deposits rose by 3.8%. Household deposits grew by 7.9%, while corporate deposits increased by 12.3%. Annually, in August 2014, total loans grew by 8.7% in conditions of growth of loans to enterprises by 6.3% and growth of loans to households by 12%. According to maturity, long-term credits experienced annual growth of 9.3%, while short-term loans increased by 6.1%. Interest rates in the banking sector in 2014 saw further reductions. Thus, in July 2014 the interest rate on loans decreased to 7.1% from 7.6%, as it was in August 2013, while the interest rate on deposits decreased to 2.5% from 3% in the analyzed period.

The Global Competitiveness Report defines competitiveness as a set of institutions, policies and factors that determine the level of productivity of a country. The level of productivity represents level of prosperity that can be achieved with economy. A more competitive economy is the one that is likely to grow faster over time.

According to the Global Competitiveness Report (2014-2015), the global comparative index of the Macedonian economy is 4.3 and is located at 63 place out of 144 countries analyzed, according to 12 pillars of competitiveness divided in 3 categories:

1. Basic requirements (40.0%)

- institutions
- infrastructure
- macroeconomic environment
- health and primary education

2. Efficiency enhancers (50.0%)

- higher education and training
- efficiency of the commodities market
- efficiency of the labor market
- financial market development
- technological readiness
- market size

3. Innovation and sophistication (10.0%)

- Business sophistication
- innovation

1.7 Tourism

Table 2. **Number and structure of tourists in Republic of Macedonia**

Tourists in Republic of Macedonia						
	2013			2014		
	Total	Domestic	Foreign	Total	Domestic	Foreign
Republic of Macedonia	701,794	302,114	399,680	735,650	310,336	425,314

► **Source: State Statistical Office**

The total number of tourists in Macedonia in 2013 was 701,794, of which 302,114 domestic and 399,680 foreign. In 2014, there was an increase in the number of domestic and foreign tourists.

Table 3. **Number and structure of the overnight stays in Republic of Macedonia**

Overnight stays of tourists						
	2013			2014		
	Total	Domestic	Foreign	Total	Domestic	Foreign
Republic of Macedonia	2,157,175	1,275,800	881,375	2,195,883	1,273,370	922,513

► **Source: State Statistical Office**

The total number of overnight stays in Republic of Macedonia in 2014 was 2,195,883, of which 1,273,370 belong to domestic and 922,513 to foreign tourists. Compared with 2013, the number of overnight stays of tourists has increased, with a greater increase observed in the number of foreign tourists.

Types of tourism in Republic of Macedonia

Wine tourism

Macedonia has a long tradition of wine production, and wine is an important part of the Macedonian daily life and culture. The mountainous geography of Macedonia, the unique climate and rich fertile soils represented an ideal combination for growing high quality grapes and production of quality wines. The most famous local grape varieties are Vranec, Stanushina and Temjanika. Macedonia is a country with great potential for development of wine tourism. Some of Macedonian wineries are working intensively in this direction. The wineries in its tourist-related activities include familiarization with the process of growing grapes, winemaking, packaging, sorting, total understanding of the process of creation of wine, and some of them also include accommodation in their facilities.

Cultural tourism

Cultural tourism has the greatest potential in terms of variety and quality of cultural and historical treasures as well as archaeological sites.

There are 10,974 facilities registered as cultural heritage (3,261 archaeological sites, 1,726 churches and monasteries with over 150,000 m² of wall frescoes and 500,000 museum relics).

The churches and monasteries in Macedonia are among the most precious treasures on earth, where the spiritual and artistic heritage of the Byzantine Orthodox tradition is preserved. Macedonian churches share basic characteristics of all Byzantine churches throughout the Balkans in terms of construction, design and artwork. Also they have many unique items especially detailed

and precise carving that are part of many churches, particularly in the western part of Macedonia, created by well-trained masters of centuries-old Macedonian School of ecclesiastical art.

Lake tourism

Republic of Macedonia possesses hydrographic facilities for tourist purposes, such as springs, rivers, lakes and spas. Macedonia has several natural lakes (tectonic and glacial) and artificial lakes. Tectonic lakes are Ohrid, Prespa and Dojran. They cover an area of 655km² of the Republic of Macedonia. Several tourist villages have developed adequate facilities for summer tourism, as well as for recreational, congress and other types of tourism.

There are man-made lakes in almost all parts of Macedonia. Among the biggest are: Mavrovo Lake, Globochica and Debar Lake on the Crn Drim River, Matka on the river Treska, Strezhevo on the river Shemnica, Lipkovo lake on the river Lipkovska Reka, Mantovo on the river Kriva Reka, Lakavica, etc. The oldest among them is the Lake Matka, built in 1938, the biggest is Lake Tikvhes, and the best known tourist center is Lake Mavrovo.

Mountain tourism

Republic of Macedonia is predominantly a mountainous country. About 50% of the territory of Republic of Macedonia is typical mountain area consisting of hills and mountains. This relief structure allows tourists to enjoy sports such as skiing, snowboarding, climbing and hiking, horse riding and so on. There are several winter resorts in Macedonia: Mavrovo, Popova Shapka on Shara Mountain and Kozhuf. Besides them there are three National parks: Mavrovo, Pelister and Galichica.

1.8 Financial system

The financial system in the Republic of Macedonia consists of: National Bank of the Republic of Macedonia (NBRM), commercial banks, savings banks, exchange offices, the Fund for Deposit Insurance, insurance companies, investment funds, pension funds, funds management companies, leasing companies, brokerage houses and the stock market.

Banking system

The banking system in the Republic of Macedonia consists of four savings banks and fifteen commercial banks as a result of the completion of the procedure for merger of one domestic bank to another in July 2014. In the Macedonian banking system the foreign capital prevails. From a total of fifteen banks, eleven are predominantly foreign-owned and one state-owned, Macedonian Bank for Support and Development. Seven of them are subsidiaries of foreign banks, whose market share totaled 59.0% (as of 30.09.2014).

The majority of the bank activities are concentrated in three largest banks that have 61% of total assets (as of 30.09.2014). Of the total number of banks, nine have a market share of less than 4%, and their joint share in total assets is 20.6%.

The interest rate on treasury bills in 2014 was 3.25% and the weighted interest rate on total denar loans granted in 2014 amounted to 7.5%.

The Banks must be established as a joint stock company with head office in the country, with an initial capital of 310 million dinars (5 million euro). The governor issues a license for establishment and operation of the Bank. Banks are obliged to adhere to the prescribed supervisory standards for solvency and capital adequacy, risk management, exposure limits, exposure, investments and liquidity.

In accordance with the Law on Banking, a foreign bank can enter the Macedonian market through a representative (with the consent of the Governor) and a subsidiary, or a branch (with the permission of the Governor).

Savings banks are limited in their banking services (savings and loans) to individuals, some of them offer financing in the form of micro loans.

Insurance market

Insurance company is a shareholding company with head office in Republic of Macedonia. The Insurance Supervision Agency according to the Law on Insurance Supervision conducts supervision on the insurance activities.

The Law on Insurance Supervision regulates the conditions for the activity of life and non-life insurance and reinsurance. Currently, insurance services may be provided only by licensed companies registered in Macedonia.

The insurance market consists of 15 insurance companies, 23 insurance brokerage companies and 11 representative agencies in insurance (as of end 2014) according to the Insurance Supervision Agency.

NBRM

The National Bank of the Republic of Macedonia is an independent institution. The main objective of the National Bank is achievement and maintenance of price stability and to contribute in maintaining stable, competitive and market-oriented financial system. National Bank shall support the general economic policies without endangering the achievement of the main objective and in accordance with the principle of an open market economy with free competition.

For achieving the intended objectives, National Bank performs the following tasks:

- determines and implements the monetary policy;
- participate in determination of the exchange rate regime;
- determines and implements the exchange rate policy;
- protects and manages the foreign reserves;
- issues and manages the banknotes and coins of the Republic of Macedonia;
- records and monitors the international credit operations and prepares the balance payments of the Republic of Macedonia;
- collects and produces statistical information in order to carry out the tasks in accordance with law;
- establishes, develop, register and supervise the safety, stability and efficiency of systems of payment, settlement and clearing;
- regulate, issue licenses and conduct supervision over banks, savings banks, companies for issuing electronic money and other financial institutions;
- supervises the application of regulations that govern the foreign exchange operations, currency exchange operations, the provision of services of fast money transfer, systems for preventing money laundering and consumer protection;
- acts as a fiscal agent of the Government of Republic of Macedonia;
- organize trading and conciliation services of securities on the OTC Markets

Leasing companies

The financial leasing market although represent a small segment of the financial system of the Republic of Macedonia, achieves satisfactory results and constantly continues its development trend.

The Ministry of Finance is responsible for issue and revocation of licenses for performing financial leasing, as well as the supervision of financial leasing providers.

According to the register of providers of financial leasing of the Ministry of Finance in Macedonia there are 8 financially leasing providers (as of 02.2015)

International financial market

The Macedonian Stock Exchange is a full member of the Federation of Euro-Asian Exchanges (FEAS) since 1996 and a corresponding member of the Federation of European Exchanges (FESE) since 2005. The Exchange currently consists of 10 members, 4 of which are banks and 6 brokerages.

The Macedonian stock exchange has signed a memorandum of cooperation with the stock exchanges in Ljubljana, Athens, Belgrade, Zagreb, Sofia, Vienna and Istanbul, and also signed a memorandum

of partnership with the exchanges of Belgrade, Skopje, Zagreb and Ljubljana in 2007, to which in February 2008 joined the stock exchanges of Sarajevo, Banja Luka and the two stock exchanges of Montenegro. The Memorandum regulates the level of cooperation between the two stock exchanges and exchange of information, as a first phase in building bilateral and regional relations.

The Law on Foreign Exchange Operations regulates that residents, other than authorized banks, may not purchase securities abroad. If the resident shall register, pay or trade securities abroad through an authorized participant in foreign exchange or through an organized market of securities, is obliged to submit the report to the National Bank of Macedonia. Authorized banks may buy and sell securities abroad in their name and for their account (the right applies to securities issued or guaranteed by governments of member states of OECD as well as from international financial institutions and other securities with investment rating assessed by at least one international rating agency).

The Deposit Insurance Fund, the insurance companies, pension funds and investment funds may purchase securities abroad in accordance with the laws that regulate their operation.

1.9 Transport

Macedonia has important strategic geographical position and is located at the crossroads of two major pan-European corridors (corridor 8 and 10) that connects Central Europe with the Adriatic, Aegean and Black Sea.

Through Macedonia pass the following international routes:

- E75 - Gdansk, Katowice, Bratislava, Budapest, Belgrade, Skopje, Athens, Cairo;
- E65 - Malmo, Shvinoushie, Prague, Brno, Bratislava, Zagreb, Rijeka, Dubrovnik, Podgorica, Pristina, Skopje, Tetovo, Ohrid, Bitola, Lamia, Kalamata, South Africa;
- E852 - Brindisi (Italy), Durres, Ohrid (connection with E65) and
- E871 - Sofia (connection with E79, E80 and E83), Kumanovo (connection with E75)

In the system of TEM - Trans-European Motorways, one of the most important places occupies the north-south motorway, or road section E-75.

Macedonia has an extensive network of paved and secondary roads. The main motorways are parallel of the railway line along the corridor north-south. With the construction and reconstruction of the road network on Corridor 10 (North - South) a connection of the Serbian and the Greek border with complete motorway network is expected. Republic of Macedonia has a road network of 14,157 km, ie in the Republic of Macedonia was built till now regional roads in length of about 3,800 km, trunk roads in length of about 910 km and local roads in length of 9,471 km. Republic of Macedonia has a road network of 14,157 km, i.e. in the Republic of Macedonia has so far been built regional roads in length of 3,800 km, trunk roads in length of about 910 km and local roads in length of 9,471 km.

Table 4. **Roads and categorization of roads (in kilometers)**

Category of roads	2009	2010	2011	2012	2013
Trunk	911	911	911	911	908
Regional	3,771	3,771	3,772	3,772	3,778
Local	9,258	9,252	9,300	9,355	9,471
Total	13,940	13,934	13,983	14,038	14,157

► **Source: State Statistical Office**

Macedonia has a railway network length of 900 km and 124 railway stations. The main railway and road network allows North-South connection from Belgrade to the port of Thessaloniki (Aegean Sea). In progress is building the railway Corridor 8, which will provide access of the railway transport to the ports of Durres and Vlora. The International air transport is carried out through two international airports, „Alexander of Macedonia” in Skopje and „St. Paul” in Ohrid. Since March 2010 the two airports were given under concession to the Turkish airport operator TAV for 20 years. The number of passengers recorded continuous growth of 834,958 in 2011, 912,691 in 2012 and 1,066,628 in 2013, of which approximately 1% transit.

Along the border, 15 border crossings are placed for road traffic, three for railway and two border crossings for air traffic.

There are three border crossings between Macedonia and Bulgaria:

- Deve Bair, on the road route Sofia-Skopje between Kyustendil and Kriva Palanka (13 km from Kriva Palanka);
- Delchevo on the road Blagoevgrad - Shtip, 10 km from Delchevo, and
- Novo Selo on the road Petrich - Strumica - Shtip (in valley of the river Strumica), 32 km away from Strumica.

Three border crossings are between Macedonia and Greece:

- Medjitlija 14 km from Bitola;
- Bogorodica, 4 km from Gevgelija in the valley of the Vardar River and
- Star Dojran, near Lake Dojran.

Border crossings between Macedonia and Albania:

- Kjafasan, on the road section Tirana - Struga - Ohrid, 13 km from Struga
- St. Naum, on the road Pogradec - Ohrid, 29 km from Ohrid.
- Stenje
- Blato

Border crossings between Macedonia and Serbia:

- Tabanovce, near Kumanovo, on the road Skopje - Nis - Belgrade
- Pelince

Border crossings between Macedonia and Kosovo:

- Blace near Skopje, on the road Skopje - Pristina and
- Jazhince near Tetovo.

1.10 Telecommunications

According to the records of the AEC in the third quarter of 2014, 38 entities were providing publicly available telephone services at a fixed location for national and/or international traffic. In the third quarter of 2015, a total of 2 entities provide publicly available telephone services in the public mobile communications network for national and/or international traffic, as follows:

1. Telekom Skopje,
2. One-Vip Skopje,

The number of fixed lines per 100 inhabitants in the second quarter of 2014 was 18.93% and the number of active mobile subscribers per 100 inhabitants amounted to 108.69%.

In the second quarter of 2014, 111 entities were providing service access to the Internet.

According to the State Statistical Office, in January 2014, broadband internet access (via fixed or mobile connection) had 93.1% of businesses with ten or more employees. Access to the Internet over a cellular connection (broadband or other mobile connection) had 59.3% of the business subjects.

According to the State Statistical Office, in the first quarter of 2014, 68.3% of households had access to Internet at home, which is 3.3 percentage points higher compared to the same period in 2013. The share of households with a broadband Internet in the total number of households increased from 65.0% in 2013 to 67.7% in 2014.

Almost all (99.1%) of households with Internet access had a broadband (fixed or mobile) Internet connection.

In the first quarter of 2014, of the total population age 15 to 74 years used a computer 67.6% and 68.1% used the Internet. Internet was most used by pupils and students, ie 96.3%. 55.2% of Internet users in the first quarter of 2014 used a mobile phone or smartphone to access the Internet away from home or work.

In the direction of developing „digital economy“ in Macedonia, from 2001 the Law on Electronic Data and Electronic Signature with its bylaws is in force, in which all necessary laws have been amended in order to allow the use of a valid electronic signature. At the same time, steps have been taken to establish his first certification body (CA) for the Government, individuals and companies.

2. Business environment in the Republic of Macedonia

The part on the business environment in the Republic of Macedonia will give a clearer picture of the business environment in which it operates. It will give an introduction to the economic potential and competition that is present and the importance to the economic potential investors in the country.

2.1 Starting a business

2.1.1 Establishment of the company

Macedonia's constitution guarantees equal treatment of all market participants and the right of foreign investors to freely transfer and repatriate investment, capital and profits.

According to the Companies Law in Republic of Macedonia it can be registered by two types of legal entities, as follows:

- Sole proprietor (natural person who as a profession performs some of commercial activities). The sole proprietor shall be liable for its obligations personally and unlimitedly with their entire property.
- Company (legal entity in which one or more people invest money, goods and/or rights to use for the joint operation and share the profit or loss from operations).

2.1.2 Form of a company (types of companies)

Company, according to the form, regardless of whether they carry out commercial or other activity, is:

1. general partnership;
2. limited partnership;
3. limited liability company;
4. joint stock company and
5. limited partnership by shares.

A general partnership is a company in which join two or more natural persons and legal entities that are jointly and severally liable to creditors for the company's liabilities with their entire property.

Limited partnership is a company in which join two or more natural or legal persons of which at least one partner is responsible for the company's obligations with all their personal property or jointly and severally if at least two partner (general partner) and at least one partner is responsible for the company's obligations only up to the amount of the subscribed contribution in the company (limited partner). Contribution of the limited partner cannot be labor and services. General partners shall participate with at least one fifth of the total amount of contributions.

Limited liability company is a company in which one or more natural persons and legal entities each subscribe to the pre-determined core capital of the company with a contribution. The contributions of the partners can be of different size, but cannot be in the form of labor or services. The members are not liable for the obligations of the company. A limited liability company may have at least one, and up to 50 members.

Joint Stock Company (JSC) is a company in which shareholders participate with contributions in the charter capital, which is divided into shares. Shareholders are not liable for the obligations of the joint stock company. The minimum nominal amount of the charter capital when the company is established simultaneously, without a public call for subscription of shares amounted to 25,000 euros in denar equivalent, according to the average rate of the National Bank of the Republic of Macedonia, released the day before the adoption of the statute, and when the company is established successively through a public call for subscription of shares, is at least 50,000 euros in denar equivalent. The nominal value of the share shall not be less than EUR 1, at the average exchange rate of that respective currency announced by the National Bank of R. Macedonia, the day before the adoption of the Statute.

Limited partnership by shares is a company with charter capital that is divided into shares and in which one or more partners jointly and severally liable for the liabilities of the company with their entire property (general partners) and several partners who have a status of shareholders and are liable to the amount of their contributions and are not liable for the liabilities of the company (limited partners). The number of shareholders can not be less than three.

2.1.3 Funds required for initial capital

In accordance with the Companies Law to register LLC(SP) or LLC must be submitted a minimum contribution of 5,000 euros in denar equivalent. Contributions that are invested or entered when establishing a company shall be made available to the company. Contributions may consist of cash, the property (movable and immovable) and rights which have property value, which can be assessed and quantified in cash (in-kind contributions) or only the money, only objects or only rights.

2.1.4 Method of establishment of companies by foreign entities

Any (foreign or domestic) natural or legal person wishing to carry on business in the Republic of Macedonia must necessarily be registered under the Companies Act.

A foreign natural or legal person who is the founder of a company in Republic of Macedonia, with completion of the registration procedure and obtaining the Decision of the Central Registry, acquire the status of a domestic entity which apply Macedonian legislation

A foreign company is any company incorporated under the law of the country in which it has its registered seat (foreign company).

Foreign sole proprietor is any natural person to whom that capacity has been recognized outside the territory of the Republic of Macedonia in the country of his nationality, in which it has its registered office and in which it leads the company's operations.

2.2 Legal framework for doing business

2.2.1 Legal framework for the activities and structure of legal entities

The current Company Law is the basic law regulating the activity in Macedonia. It defines the types of companies, procedures and regulations for their establishment and operation. All foreign investors are given the same rights and privileges as the Macedonian citizens, they also have the right to establish and operate all types of self-owned private companies or joint stock companies. Foreign investors are not required to have special permits from competent state institutions, except those required by law.

According to the Company Law commercial companies are formed as separate legal entities operating independently and are distinguished by their founders, managers and shareholders.

Company Law (Official Gazette of RM, no. 28/2004) is the basic law that regulates the activities and structure of legal entities. This Law regulates various types of companies, procedures of their establishment and registration, the amount of share capital, the duration of the company, the way of management and representation, rights, obligations and responsibilities of the founders and their relations, the manner of deployment profits and covering of any loss, liability to bookkeeping, the obligation to keep trade books, responsibility for preparation of the annual accounts and financial statements, keeping business books, accounting documents, termination of companies and other issues important to the organization and operation of companies.

2.2.2 Annual financial statements

In accordance with the Company Law, business entities are required to prepare annual financial statements at the end of each calendar year.

All large and medium business entities as well as, financial institutions, legal entities listed on the Macedonian Stock Exchange and entities whose financial statements are subject to consolidation, have an obligation to prepare annual financial statements in accordance with International Financial Reporting Standards IFRS published in the „Official Gazette of R. Macedonia“.

All other entities have an obligation to prepare annual financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized entities (IFRS IAS) published in the „Official Gazette of R. Macedonia“.

Under the Law on Accountancy adopted in 2012 only licensed accountants and accounting firms can perform bookkeeping for business entities based in Macedonia.

2.2.3 Auditing

Entities obliged to submit financial and accounting statements for statutory audit under company law are:

- Large and medium-sized joint stock companies;
- Companies whose securities are listed;
- Large and medium-sized limited liability companies.

The new Audit Law is effective from December 2014. Audit Law also allows business entities to undergo voluntary based audit.

Under the Audit Law, audit may be performed by an audit company registered under the Companies Act which has received a license to operate from the Council for Promotion and Supervision of the Audit of the Republic of Macedonia and is registered in the Register of audit companies or certified auditor-sole proprietor registered under the Companies Act who has received a license for authorized auditor and operating license from the Council for Promotion and Supervision of the Audit of the Republic of Macedonia and is registered in the Register of certified Auditors-sole proprietors,

Registers of authorized auditors and registered audit firms and certified auditors - sole proprietors can be found on Institute of Certified Auditors at <http://www.iorm.org.mk/reg.html>

2.3 Taxes

Companies are legally taxpayers on the basis of several types of taxes, mainly on: direct taxes (Personal Income Tax and Corporate Income Tax) and indirect taxes (Value Added Tax). The Public Revenue Office operationally implements tax policy and collection of taxes and other public charges, helps taxpayers to meet their tax obligations, monitor and analyze the functioning of the tax system and make suggestions for its improvement, collaborate with tax authorities from other countries and provides international legal assistance in tax matters.

2.3.1 Value Added Tax

2.3.1.1 VAT taxpayers

A taxpayer is a person permanently or temporarily performing an independent business activity, regardless of the purpose or results of that activity.

VAT taxpayers may be legal and natural persons and associations of persons who earn income within their business activity. Taxpayers whose turnovers in the previous calendar year exceed the amount of 1,000,000 denars or whose turnover is projected at the beginning of the business activity that will exceed or during the year exceeds the amount is required for registration tax VAT.

The small business entities are given the opportunity to choose whether they will be registered as VAT payers. If they choose to stay out of the VAT system, they are taxed as final consumers and not entitled to deduction of tax credit.

2.3.1.2 Period of payment of VAT

The period for which is calculated and paid value added tax is a tax period. The tax period shall be the calendar month or, if the total turnover in the previous calendar year did not exceed the amount of 25 million denars, the tax period shall be the calendar quarter.

The competent tax authority PRO with a decision changes the tax period of the taxpayers registered for VAT based on turnover data for the previous calendar year.

2.3.2 Corporate income tax

2.3.2.1 Taxpayers who pay corporate income tax

1. Taxpayer of the corporate income tax is a legal entity resident of the Republic of Macedonia realizing profit from an activity in the country and abroad. Resident is entity established or headquartered in the Republic of Macedonia.
2. The taxpayer of profit also is a permanent establishment of a foreign entity for realizing profit from performing activity in the territory of the Republic of Macedonia. Permanent establishment of a foreign person is permanent place of business through which or in which is performed, fully or partially, the economic activity of the foreign legal entity in the country, directly or through a dependent agent. Permanent establishment includes a place of management, a subsidiary, branch, office, factory, workshop, mine, sources of oil or gas, a quarry or any other place of extraction of natural resources. Construction site, project for construction, assembly or installation or supervisory activities and providing services related to them, that last longer than six months is considered a permanent establishment from the date of commencement of the activities including the preparatory work. For a permanent establishment is also considered the performance of services, including consulting services, but only if such activities relating to the execution of one or project associated with it last longer than 90 continuous days in any twelve-month period.

2.3.2.2 Tax period

The tax period for which corporate income tax is determined is one calendar year. If the taxpayer worked for less than one calendar year, the tax period is considered the period of the year in which he operated.

The advance tax period, is one calendar month. Monthly advance payments are paid within 15 days after the end of each calendar month.

2.3.2.3 Tax rate

The rate of corporate income tax is 10%.

2.3.2.4 Avoidance of double taxation

The taxpayer - resident of the country, who to the profit earned by working abroad has paid tax in another country shall be reduced by the calculated tax in the country for the amount of corporate income tax paid abroad, up to the amount of tax resulting from the applying the tax rate of 10%. The taxpayer, who earns revenue abroad, submits appropriate proof of payment or withholding tax, from the competent tax authority of the foreign country.

Macedonia has signed international agreements on avoidance of double taxation with 45 countries: Azerbaijan, Bosnia and Herzegovina, India, the Netherlands, France, Italy, Sweden, Denmark, Kosovo, Norway, Finland, Switzerland, Hungary, Croatia, Turkey, Yugoslavia (Effective in respect of Serbia and Montenegro), Poland, China, Taiwan, Russia, Ukraine, Slovenia, Bulgaria, Egypt, Albania, Iran, Romania, Belarus, Spain, Czech Republic, Slovakia, Moldova, United Kingdom of Great Britain and Northern Ireland, Ireland, Qatar, Austria, Latvia, Lithuania, Estonia, Belgium, Morocco, Germany, Kuwait, Luxembourg and Kazakhstan.

Six agreements are not entered into force (contracts signed with Bosnia and Herzegovina, India, Egypt, Kuwait, Kazakhstan and Belgium). Until the application of the Agreement with Belgium will apply the contract that former Yugoslavia has concluded with the Kingdom of Belgium.

2.3.3 Personal income tax

Personal income tax is payable on the total income earned by individuals from various sources in the country and abroad in during one calendar year.

Income subject to taxation consists of the following types of income:

- personal income;
- income from independent activities,
- income from property and property rights;
- royalties and industrial property rights,
- Revenue from capital;
- capital gains;
- winnings from games of chance and
- other income.

Subject of taxation shall be aforementioned income whether paid in cash, securities, kind or some other type.

2.3.3.1 Tax rate

Personal income tax is paid at the rate of 10%.

2.3.3.2 Tax Payment

Personal income tax in most of the revenues is paid in advance, or payer of income has an obligation under payment of income on behalf of the taxpayer to calculate and pay the tax. For some types of income tax is calculated and paid based on the decision of the Public Revenue Office.

The tax period for which income tax is determined is the calendar year. The different types of revenues during the year is calculated advance payment of income tax, which is paid after deduction of any revenue or based on a decision from the Public Revenue Office, unless otherwise determined by law. The amount of tax paid is deducted from the estimated annual income tax and exemptions are recognized in the amount approved with the advance estimation.

2.3.3.3 Avoidance of double taxation

In order to avoid double taxation, the taxpayer - resident shall be reduced by the estimated income tax on the amount of income tax paid in another country, up to the amount that would be obtained by applying the tax rates of 10%. Because of application of the exemption or relief arising from international agreements on avoidance of double taxation, The Public Revenue Office at the request of the taxpayer - resident issues a Notification for tax resident of the Republic of Macedonia.

When calculating the withholding tax on income in accordance with the law that accomplished natural person - non-resident, who is the beneficial owner of such income, the payer of income shall apply the provisions of the applicable agreement on avoidance of double taxation, if the individual prove the status of tax resident of the country with which the Republic of Macedonia has concluded an agreement.

If the recipient of taxable income with withholding tax is a tax resident of a foreign country with which the Republic of Macedonia have concluded an agreement on avoidance of double taxation, then the taxable income applicable tax rate shall not exceed the amount of the tax rate which is prescribed for that type of income pursuant to the Agreement. Tax exemption or lower rate set in the contract with a foreign country apply to taxable income in the tax withholding if the payer has specified forms certified by the Public Revenue Office and the competent tax authority of the foreign state, or approval of tax exemption issued by the Public Revenue Office.

2.3.3.4 Taxpayers of personal income tax

A taxpayer of personal income tax is any natural person resident of the Republic of Macedonia for his world income, or income realized in the country and abroad. The taxpayer is also a person resident for income realized from sources in the Republic of Macedonia.

As a resident is considered a natural person in the Republic of Macedonia who has permanent or temporary residence, or if it resides in the country continuously or intermittently 183 days or more within a 12 month period.

The payer of the income tax is a natural person who is not a resident of the Republic for income earned on the territory of the Republic of Macedonia.

2.3.3.5 Excise taxes

Excise taxes in the Republic of Macedonia are collected directly or indirectly on the consumption of mineral oil, alcohol and alcoholic beverages, tobacco products and passenger cars. Excisable goods become subject to excise tax in three cases: their production within the territory of the Republic of Macedonia with its importation into the country, and when goods are under customs supervision.

2.4 Foreign trade and taxes

2.4.1 External trade

In recent years, Macedonia aspires to achieve high levels of trade liberalization of foreign trade. For this purpose it concluded: Stabilisation and Association Agreement between Macedonia and the EU, Treaty amending and accession to the Central European Free Trade Agreement (CEFTA) and the Free Trade Agreements that the Republic of Macedonia has concluded with Turkey, Ukraine and EFTA States imports into the Republic of Macedonia on certain agricultural products originating in member countries of the European Union, Moldova (as the only member of the CEFTA agreement which has not yet fully liberalized), EFTA countries and Turkey is liberalized within tariff quotas on a „first come, first served“ principle, i.e. imports of certain agricultural products within the agreed annual amounts shall be made without payment or reduced payment of import duties.

As a WTO member, Macedonia has committed to three basic rules of trade transparency in the laws, equal rights and privileges for foreign and domestic firms and citizens, as well as the most-favored-nation treatment.

A number of products are subject to quality control by the market inspection officials of customs offices. These officials are employed by the Ministry of Economy to ensure that the imported goods are in accordance with national standards. Where applicable, products also have to pass sanitary, phyto-sanitary and veterinary control.

2.4.2 Institutions

The main institutions for coordination and implementation of the trade policy of the Republic of Macedonia are:

- Ministry of Economy with responsibility for the formulation and coordination of trade policy
- Customs Administration at the Ministry of Finance with responsibility for the implementation of customs law and customs policy
- Agency for Foreign Direct Investment and Export Promotion with jurisdiction for coordination and implementation of export promotion of the companies.

2.4.3 Export and Import

Exports and imports of goods to / from members of the free trade agreements (EU, EFTA, CEFTA 2006, Turkey and Ukraine) is generally free and without restriction. In certain cases, exporters and importers face so called quota (mainly agricultural products).

Imports of goods in Macedonia are subject to import duties and value added tax of 18% (full rate) or 5% (reduced rate for certain products). The customs rates for products are listed in the Guide for the clearance of goods.

Besides value added tax, certain products are subject to special duties through excise and special taxes. Excise goods include alcohol and alcoholic beverages, tobacco, energy products and electricity, cars, etc.

However, there are limitations in terms of measures to protect domestic production by a significant increase in imports of goods, anti-dumping measures, and measures against subsidized prices of imports.

Exports and imports of certain products is prohibited in order to provide protection:

- National security and public morality;
- Health of people, flora, fauna, endangered species and the environment;
- National treasures possessing artistic, historic or archaeological value;
- Intellectual property.

2.4.4 Amount of the general customs tariffs

Law on Customs Tariff is completely harmonized with the customs systems introduced by the World Customs Organization and the Combined Nomenclature of the European Union.

The customs duties specified in this Act and the regulations adopted pursuant this Law shall apply to goods originating from member states of the WTO, countries with which Macedonia has concluded agreements which contain clauses on most-favored nation or country that this clause apply to goods originating in the Republic of Macedonia. For goods originating from countries with which Republic of Macedonia has concluded agreements on preferential trade regimes apply customs duties specified in those contracts. For goods for which the Government prescribed autonomous measures for reduction or abolition of customs duties, they are displayed in the Customs Tariff with a footnote which refers to the decision to autonomous measures.

Customs duties prescribed as% rates are called customs duties by value (ad valorem).

Customs duties prescribed by a single measure, are called specific duties.

Goods for which may apply preferential tariff treatment by virtue of end use: When the customs duty applied under the rules for end-use of the goods for a specific end-use is not lower than that which would otherwise be applied to goods, said goods will be classified under tariff code where reference is made to end use.

Customs tariffs are published annually in accordance with the World Customs Organization (WCO) and are available in the Guide for clearance of goods that can be downloaded from the website of the Customs Administration.

2.4.5 EXIM

In Republic of Macedonia exists one-stop shop for import, export and transit of goods and tariff quota - EXIM, which connects 16 institutions with responsibilities in the area of foreign trade operations. (www.exim.gov.mk/EILWeb/).

What is obtained by the implementation of EXIM?

- Availability of service 24 hours, 7 days a week
- Saving time and cost for companies due to electronic filing requirements
- Increasing the efficiency of the process for issuing licenses
- Standardized and harmonized data in the requests that in the future will provide more comprehensive data exchange
- Electronic tracking of licenses
- Electronic submission of requests and transparent electronic distribution of tariff quotas

2.5 Workforce

2.5.1 The legal basis for employment

Labor relations and employment in Republic of Macedonia is regulated by the Law on Employment and Insurance Against Unemployment, Labor Law, Law on the Records in the Field of Labor, Law for Safety and Health at Work, Law on Employment and Work of Foreigners, Law on Collective Agreements and other legal acts.

With the legislation is regulated enforcement of rights, obligations and responsibilities of the employee and the employer, which refer to a conclusion; amendment and termination of employment contracts; working hours; absences and holidays; work discipline; compensation; special protection for certain categories of employees, etc.

2.5.2 Employment

Employment is regulated by the individual employment contract, in accordance with the Labor Law. The employment contract shall be concluded in writing and shall be kept in the office premises at the headquarters of the employer.

The employer is obliged to submit an application/deregistration (Form M1/M2) for the employee for compulsory social insurance (pension and disability, health insurance and unemployment) in accordance with special regulations, in the Employment Agency of the Republic of Macedonia, electronically or directly to the Agency, before the employee came to work. Certified photocopy of the registration or extract from the computer record of the information system of the Agency shall be handed to the employee within three days from the date of coming into work.

Through the electronic system of the Employment Agency of the Republic of Macedonia, private sector employers who own digital certificate can:

- Announce a vacancy (submit a PCD form)
- After previously submitted CPD Form, to report commencement of employment (submit M1 form)
- To terminate employment (submit M2 form)

2.5.3 Types of working arrangements

Employment contract is concluded for a period whose duration is not determined in advance (employment for an indefinite period). An employment contract may also be concluded for a time whose duration is determined in advance (employed part time). Employment contract in which is not set the time for which a contract was signed is considered an employment contract for an indefinite period.

2.5.4 Employment of foreign citizens

In terms of employment, foreign citizens and Macedonian citizens have equal rights in the workplace. While working in Macedonia at the foreign workers are guaranteed the same labor rights as the citizens of Macedonia. Foreign person can legally work in Macedonia only after obtaining a work permit and legal residence in the country. The employment of foreign nationals is regulated under the Law on Employment and Work of Foreigners.

2.5.5 Types of visas and permits

The choice of a work permit depends on the nature and duration of placements in Macedonia. The permit is issued by the Employment Agency of the Republic of Macedonia, and the procedure is conducted through the Macedonian Embassy in permanent country of the foreign applicant. Although according to the latest amendments procedure for issuing work permits can be implemented through the Employment Agency of the Republic of Macedonia, such an option is not available in practice until the bylaws regulating this procedure are adopted.

Three types of work permits are available:

- personal work permit is issued for a specified period of time or up to 1 to 3 years or for an indefinite period
- work permit for employment are generally issued for a period of one year, unless otherwise determined by law
- work permit to perform work without employment in the country is issued depending on the purpose for which it was issued.

Foreign citizen who establishes company in the Republic Macedonia could get a temporary residence permit, and after 5 years and fulfillment of other legal requirements can obtain a permanent residence permit.

2.5.6 Active employment measures

There active employment measures that provide incentives for companies. For more information you may consult the Employment Agency.

2.6 Managing state construction land

2.6.1 Information system e-building permit

This system provides efficient, transparent and consistent manner of acting of all competent bodies and entities by modern standards, as soon as possible and based on the submitted application.

Through the system can be filed:

1. Applications for issuance of a building permit, extension and upgrade;
2. Request for changes during construction;
3. Request for change of investor;
4. Request for issuing an approval for use of construction;
5. Request for issuing a permit for reconstruction;
6. Request for issuing approval for conversion;
7. Request for issuing approval for adaptation
8. Application for approval for preparatory work;
9. Request for approval of the preliminary design;
10. Applications for issuing a decision on performing buildings that do not require a construction approval.

The information system enables the procedures in all its stages only electronically starting from electronic filing and signing the required documentation by the developer, electronic preparation and adoption of the acts in the procedure, electronic reporting and the provision of necessary information and documentation from other involved entities and issuance of electronic acts in the proceedings.

2.7 Support to the companies

Banks are the main source of financing, capital market is generally underdeveloped with a relatively low level of market capitalization. While Macedonian companies are free to borrow from foreign banks without limitations, the inflow of foreign funds for this purpose is minimal.

There are a number of development funds and programs that support business development at the national level, especially the small and medium enterprises. Most of them are offered by development financial institutions, donors and a number of projects. The government supports the strategic subsectors with subsidies and export incentives.

Support for small and medium enterprises in the Republic of Macedonia is provided through various government activities, community activities, projects and donors. There are numerous programs to support in the form of training, investment, equipment, marketing and promotional activities that may be obtained as a grant or a long-term loan. Secretariat for European Affairs (SEA) as part of the government is responsible for keeping records of all kinds of assistance available.

2.7.1 Loans financed through commercial banks with sourced from MBSD

MBSD credits:

- small and medium enterprises registered in the Republic of Macedonia, through commercial banks i.e. participating banks
- export companies registered in the Republic of Macedonia, through commercial banks i.e. participating banks or directly through MBSD.
- Municipalities in the Republic of Macedonia.

In the procedure for obtaining a loan, companies apply in one of the participating banks, and export companies can also apply directly to MBSD. Duration of the procedure of submission of complete documentation in the bank participant or MBSD to final approval of the loan takes no more than one month.

Types of loans:

- **credit to support export** - working capital for the preparation of production for export and working capital to bridge the period between made exports to the collection of funds from the foreign buyer;
- **credit for small and medium enterprises** - working capital and investment from various sources: IKL-revolving, MBDP, Revolving EIB, EIB-50 million euro;
- **credit support to agriculture and agro-industry** - primary production, processing and export;
- **credit for micro companies** - micro and small companies, individual entrepreneurs, craft shops, private traders, market stalls and other micro and small business entities;
- **credit for energy** - Energy Efficiency and Renewable Energy;
- **credit for reducing unemployment** - creating and maintaining jobs and self-employment lending;
- **loan with guarantee scheme** - micro, small and medium sized companies that lack collateral when applying for commercial banks;
- **loans for accommodation facilities** - micro, small and medium enterprises based in RM for purchase, construction and adaptation of small accommodation facilities to 70 beds with standard no higher than three stars;
- **loans for nursing homes and gardens** - micro, small and medium enterprises based in RM for construction and equipping of facilities for the elderly and kindergartens;
- **loans to finance municipalities in Macedonia** - the implementation of projects from the IPA component of cross-border cooperation

2.7.2 Factoring

Factoring is a financial instrument that allows the sale of products and services on deferred payment, where part of the funds listed in the invoice is received immediately.

Factoring combines credit protection, registry of receivables, collection of receivables and financing for companies that sell products and services with deferred payment shorter than 180 days. Factor house purchase invoices and paid an advance on the basis of the invoice amounting to 80%.

Advance payment is offered with an interest rate that is calculated by the time of payment of the invoice by the customer. As a guarantee serves invoices for the sale of goods or services between Seller and Buyer, insurance claims and bills of exchange.

Benefits of factoring

- Improvement of cash flow and liquidity;
- Different options for investing available cash;
- Financing working capital without a mortgage as collateral;
- Possibility of increasing the period of suspension and conquer new customers on this basis;
- Better management of doubtful receivables;
- Higher quality of financial information for better management of the company

Factoring as a financial tool to improve liquidity and to overcome the gap between the collection of receivables and payment of liabilities is a relatively new tool in Macedonian practice.

The same is currently being offered through the supply of instruments of MBDP and FACTOR PLUS Skopje.

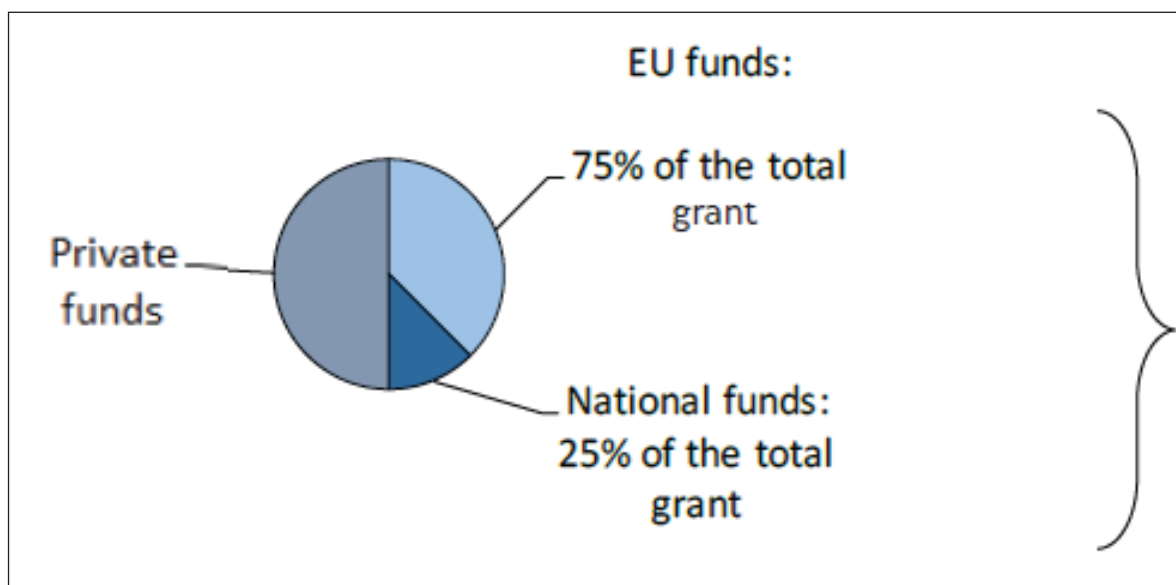
Usually is carried out purchase of realized and outstanding claims with a maturity of 30 to 90 days. Macedonian practice still predominantly uses factoring for the realization of receivables from export activities in a combination of export insurance policy.

2.7.3 Grants

Program for use of funds from instrument for pre-accession for rural development of the European Union (IPARD)

IPARD - It represents the fifth component of the Instrument for Pre-Accession Assistance of the EU relating to rural development for the programming period 2007 to 2013.

IPARD is a means to help the countries to implement EU rural development policy.



The principle of co-financing

The grant amounts to 50% of the total approved costs for investments

„Leading Thought“ of IPARD for Republic of Macedonia

„Improving the competitiveness of agricultural holdings and the food industry when it is brought into compliance with Community standards and thereby ensuring sustainable environmental and socio-economic development of rural areas through increased economic activities and employment opportunities.“

Measure 101

Investments in agriculture holdings to restructure and upgrade to EU standards

Purpose of the measure -Preparation of the agricultural sector for membership of the Republic of Macedonia in the EU

The goal will be achieved by upgrading the agricultural holdings to meet EU standards for:

- Environmental protection
- Quality and food safety
- The health of plants and animals
- Animal welfare
- Protection of the workplace

Investments that will lead to upgrading of agricultural holdings

The following sectors are covered by investments:

- Vineyards
- Fruit orchards
- Production of vegetables

- Breeding animals for production of milk
- Breeding animals for meat production

Measure 103

Investments in the processing and marketing of agricultural products for their restructuring and upgrade to EU standards

Groups of investments:

- Wine production
- Collection centers for fruits and vegetables
- Processing of fruits and vegetables
- Milk collection centers
- Milk processing
- Slaughter industry
- Processed meat

1031 Wine production

10311 Investments for the purchase of equipment for improvement the quality of wine

1032 Processing of fruits and vegetables

10321 Investments in construction and restoration of buildings for the establishment and modernization of collection centers for fruits and vegetables

10322 Investments for equipment approval and modernization of production technologies in capacities for fruits and vegetables (excluding fruit juices and jams)

1033 Milk and dairy products

10331 Investments in establishment and modernization of milk collection centers

10332 Investments for modernization and technological upgrade of specialized facilities for the processing of milk (excluding production of butter and milk powder)

1034 Meat Processing

10341 Investments in establishing facilities for slaughter poultry

10342 Modernization and technological upgrade of existing lines of slaughterhouses for cattle, pigs and poultry

10343 Investments in slaughterhouse facilities and equipment for processing of meat for environmental protection

Measure 302

Diversification and development of rural economic activities

Which projects are acceptable by measure 302

3021: Group of investments for the establishment and improvement of non-agricultural production activities in rural areas:

Types of investments:

30211: Creation of small capacities for food production,

30212: Creation of activities for non-food activities,

30213: Establishment and modernization of collection centers for forest products,

30214: Promotion of traditional crafts,

30215: Support services in rural services (non-agricultural services)

3022: Group of investments for diversification of agricultural incomes:

Types of investments:

30221: Introduction of alternative agricultural production systems,

3023: Group of investments for the provision of agricultural services in rural areas:

Types of investments:

30231: Investments for the establishment of „Machinery rings“,

30232: Establishment and promotion of private veterinary services,

3024: Group of investments for promotion of rural tourism:

Types of investments:

30241: Construction / reconstruction and modernization of facilities for rural tourism,

30242: Construction / reconstruction and modernization of facilities for outdoor accommodation

2.8 Directorate for Technological Industrial Development Zones

History of DTIDZ

Directorate for Technological Industrial Development Zones was established by the Government of the Republic of Macedonia in August 2000 and officially began operating in January 2002⁸. During 2006, the further implementation of the strategy for rapid economic development promoted by the Government of the Republic of Macedonia, the entry of foreign investment was placed as a top priority of the Government, thus technological - industrial development zones received historical role in accelerating global economic progress of the Republic of Macedonia. On 5 October 2006, was laid foundation stone of the new factory of Johnson Controls as the first beneficiary of the Technological Industrial Development Zone Skopje 1.

DTIDZ today

Directorate for Technological Industrial Development Zones, on behalf of Government of the Republic of Macedonia, manages the Technological Industrial Development Zones in the Republic of Macedonia. Government of the Republic of Macedonia has established four technological-industrial development zones: TIDZ Skopje 1, TIDZ Skopje 2, TIDZ Stip and TIDZ Tetovo. In parallel, Government of Macedonia works on the development of another seven technological-industrial development zones in the Republic of Macedonia in order to achieve balanced economic development in the region. In accordance with the concept and mission of the Directorate for Technological Industrial Development Zones we strive to grow into an international business hub of Southeast Europe by offering world-class infrastructure, 100% foreign ownership, 0% taxes and duties without restrictions in terms of workforce exemption from municipal taxes, a symbolic price for the lease of land and direct state aid of up to 500,000 euros are only one segment of the offered incentives package that stand out as the most competitive investment destination in the region. The duty of the Directorate for TIDZ is to establish a service center in each Technological Industrial Development Zone, through which administrative departments of the Directorate for TIDZ and offices throughout the Customs Administration provide administrative and consulting services and efficient customs clearance for users operating in the Zones.

⁸ LAW ON TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONES („Official Gazette of the Republic of Macedonia“ No. 14/2007, 103/2008, 130/2008, 139/2009, 156/10 and 127/12, 41/2014)

Benefits

Taxes, Customs and other incentives

- 10 YEARS TAX EXEMPTIONS – Investors in TIDZ are exempt for a period of 10 years from the payment of corporate income tax and 100% are exempt from personal income tax for a period of 10 years so that the effective rate of personal income tax is 0%.
- TIDZ land in the Republic of Macedonia is given under long-term lease for a period of 99 years.
- Investors are exempt from paying the fee for construction land to local governments, as well as fees for obtaining building permits.
- Free plug to a pipeline, water supply and sewerage network.
- Government of Macedonia participates in the construction costs of the users in the TIDZ up to 500,000 euros, depending on the number of jobs and amount of investment of the user.

Benefits and incentives

CUSTOMS		
COMMODITIES	RATE OUTSIDE THE ZONES	RATE IN THE ZONES
Raw materials	0% - 15%	0%
Equipment	5% - 20%	0%

TAXES		
COMMODITIES	RATE OUTSIDE THE ZONES	RATE IN THE ZONES
Value Added Tax	18%	0%
Corporate income tax	10%	0% 10 years
Personal income tax	10%	0% 10 years



GENERAL PART FOR POLOG PLANNING REGION

3. Polog planning region

3.1 Investment opportunities

Investment opportunities in Polog planning region

The dominance of rural municipalities in the Polog planning region gives it an epithet of environmentally clean region which adorns rare natural beauty, rivers and tributaries with clean water, rich with fish and mountain landscapes rich in pastures. These natural conditions make this region most attractive for future investments.

The fertile valley is inhabited by a total of 184 rural settlements, which are surrounded by large areas of grassland that are more than suitable for investment in growing crops, development of animal husbandry and production of livestock products. Big advantage when investing in rural areas is the possibility of using 50 percent grant from the Rural Development Program which is funded by the combined resources of Europe and the budget of the Republic of Macedonia-IPARD.

Both urban municipalities in this region offer a high quality of life not only to residents who live in them, but also for other municipalities that gravitate to the region. Their development allows investing in administrative and business entities, educational centers and commercial and residential complexes.

The location of the municipalities in the Polog planning region and the favorable traffic connections presents additional competitive advantage that facilitates access to the settlements and provides access to major transportation hubs in the region and the country.

Technological Industrial Development Zone in Municipality of Tetovo allows investment in construction of industrial facilities at extremely low cost of building land.

The Polog planning region is one of the leading with a long tradition in the development of textile and wood industry, which represents a basis for further development, because the region can be found a number of working-age people with experience in these industries.

The percentage of unemployed young workers, qualified and unqualified persons, represent a competitive advantage when it comes to investing and the need for manpower. Furthermore, not skilled unemployed people can be trained by employers through the utilization of measures for training from the Employment Agency of the Republic of Macedonia.

The national park „Mavrovo“, numerous cultural and historical monuments, traditional events, natural sights and ski centers, „Zare Lazarevski“ and „Popova Shapka“, which enable development of tourism throughout the year, classify the region in becoming a leading tourist destination. From that point the doors are open for investment in accommodation and catering facilities, and attraction of many domestic and foreign tourists.

The investments in tourism are supported by IPARD program and the national budget with major benefits:

- 50% grant from IPARD
- extremely low utilities costs for the construction of hotels

Investors have the opportunity to use the benefits of obtaining Macedonian citizenship for every investor who invests over 400,000 euros and employs at least 10 people.

The abundance of rare natural beauty with traditional events and manifestations, cultural and historical monuments, beautiful location and excellent traffic connections are competitive advantages of the Polog planning region and represent favorable conditions to choose exactly this region for investment.

3.2 General information

3.2.1 Introduction

Polog planning region is situated in the northwest of Macedonia, with an area of 2,416 km². It covers the Polog valley, Mavrovo plateau, Bistra mountain range and the valley of the river Radika. The region occupies 9.7 percent of the territory of Republic of Macedonia with high population density of 132 inhabitants per km².

Polog planning region consists of nine municipalities: Bogovinje, Brvenica, Vrapchishte, Gostivar, Zhelino, Jegunovce, Mavrovo – Rostushe, Tearce and Tetovo, 7 of which are rural municipalities and 2 are urban. The municipalities count 184 settlements, of which 182 are rural.

Table5. **Basic information on municipalities in Polog planning region**

Municipalities	Population Census 2002	Assessment of population, 2013	Area (m2)	Settlements
Bogovinje	28,997	30,503	143,44	14
Brvenica	15,855	16,491	264	10
Vrapchishte	25,399	27,224	157,96	15
Gostivar	81,042	83,129	517	35
Zhelino	24,390	27,329	201	18
Jegunovce	10,790	10,765	176,93	17
Mavrovo - Rostushe	8,618	8,894	682	42
Tearce	22,454	22,840	137	13
Tetovo	86,580	90,800	1,080	20
Total	304,125	317,975	2,180,41	184

► Source: State Statistical Office

Table6. **Basic data on municipalities in Polog planning region**

Basic information about Polog planning region	
Number of municipalities	9
Number of settlements	184
Total population, census 2002	304,125
Assessment of population 2013	317,975
Population density 2014	132.0
Total number of dwellings, census 2002	78,544
Average number of members per household, census 2002	4.4
Live Births in 2014	3,643
Deceased in 2014	2,237
Natural growth 2014	1,406
Immigrated from other countries 2014	209
Emigrated to other countries 2014	275
Literacy rate of the population age over 10 years, census 2002	96.1
Number of primary schools 2014/2015	144
Number of secondary schools 2014/2015	14
Pupils enrolled in primary education 2014/2015	31,441
Students enrolled in secondary education 2014/2015	14,018
Number of graduate students 2014	906
Activity rate 2014	46.1
Employment rate 2014	32.0
Unemployment rate 2014	30.7
Average monthly gross wage paid per employee 2014	29,952
Average net wage per employee 2014	20,425
Number of active business entities 2014	7,323
GDP per capita 2012	107,394
Number of beds 2014	3,330
Number of tourists 2014	29,143
Number of overnight stays 2014	54,419
Number of apartments built 2014	909
Value of completed construction works in 2014, in thousands of Denars	3,434,368
Number of issued building permits 2014	454

► **Source:** *State Statistical Office, Regions in Republic of Macedonia, 2015*

3.2.2 Demography

Table7. **Basic demographic indicators for Polog planning region**

	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region
	Situation on 30.06.2012		Situation on 30.06.2013		Situation on 30.06.2014	
Total population	2,061,044	317,003	2,064,032	317,975	2,067,471	318,995
Male	1,032,532	159,522	1,033,990	160,392	1,035,680	160,533
Female	1,028,512	157,481	1,030,042	157,951	1,031,791	158,462
Population density	82.7	131.2	80.3	131.6	83.0	132.0
Population at age 0-14 (%)	17.1	18.1	16.9	17.7	16.8	17.4
Population at age 65+ (%)	11.9	8.5	12.2	8.6	12.5	8.8
Age dependency ratio	40.9	36.4	41.1	35.8	41.6	35.5
Live births	11.4	11.2	11.2	11.5	11.4	11.4
Deceased	9.8	7.5	9.3	7.4	9.5	7.0
Marriages	6.8	8.5	6.8	8.3	6.7	7.9
Divorces	0.9	1.2	1.0	1.1	1.1	1.3
The rate of infant mortality	9.8	10.2	10.2	9.1	9.9	13.7
Total fertility rate	1.5	1.3	1.48	1.34	1.52	1.33
Average age						
Population	38	35	38.0	35.1	38.2	35.4
Mother at birth of first child	26	25	26.6	25.6	26.8	25.6
Bride at first marriage	26	25	25.8	24.5	26.0	24.6
Deceased	71	74	72.0	71.3	72.3	71.4

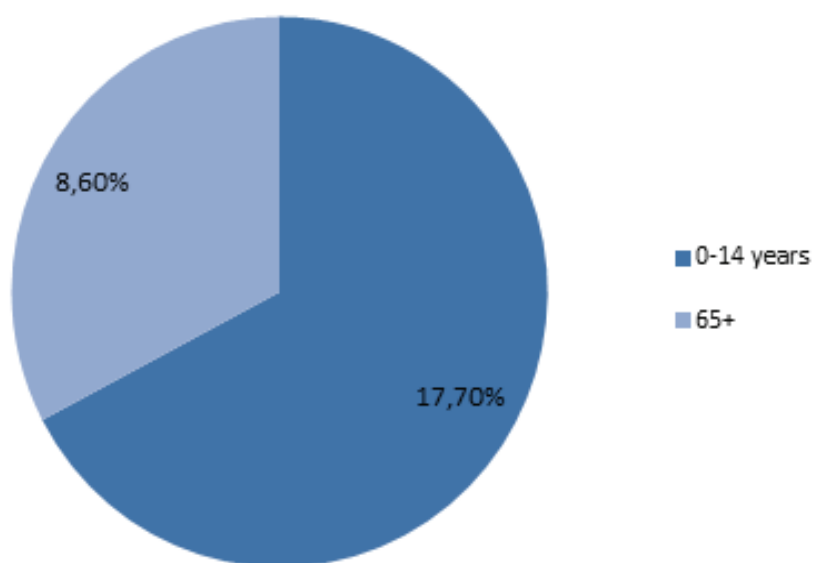
► **Source: State Statistical Office, Regions in Republic of Macedonia, 2015**

Polog planning region is one of the most densely populated regions in Macedonia. Although the population of the region accounts for 15 percent of the total population in the country, or 318,995 inhabitants, it is distinguished by a population density of 132.0 inhabitants / km² which is 1.6 times the average population density in Republic of Macedonia.

The bulk of the population is at age 14-65 years, or 73.8 percent, 17.4 percent is the population under the age of 14 years, and the population age of 65 and over is 8.8 percent.

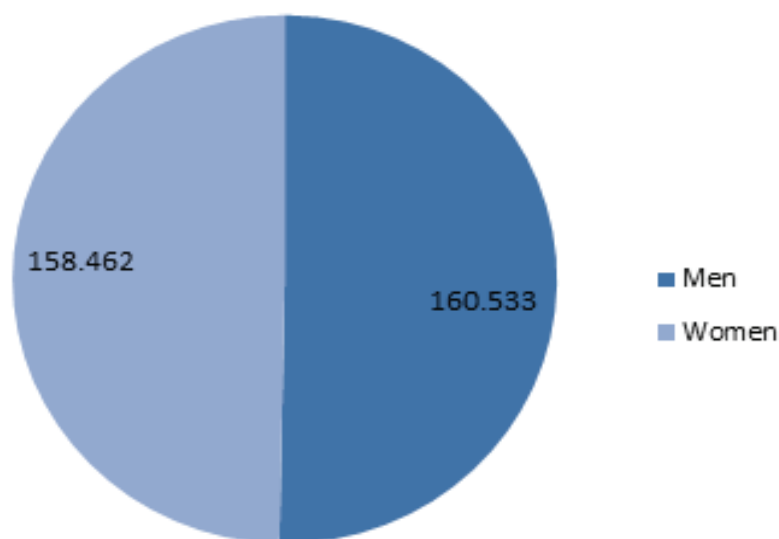
Age dependency ratio is 35.5 percent and is lower than the average national level, which confirms that in the region young population is dominating, which represents potential for exploiting a young labor force.

Pie Chart: Age structure of the population in Polog planning region



➤ *Source: Calculation of Target Communications based on data of the population by Regions, State Statistical Office of the Republic of Macedonia, 2015*

Pie Chart: Gender structure of the population in Polog planning region



➤ *Source: Calculation of Target Communications based on data on gender structure of population by Regions, State Statistical Office of the Republic of Macedonia, 2015*

3.2.3 Hydrographic features

The Polog planning region is a region known for its beautiful waters, icy lakes and artificial lakes, which with their beauty make it a region for relaxation, rest and a walk in nature. The region is characterized by a number of rivers that sloping down from „Shar Planina“ to Polog, one part, or the majority belong to the basin of the river Vardar, and the other part, that is the smaller one, belong to the basin of the river Radika. The largest rivers in Polog are Pena and Radika.

River Pena which springs out of „Shar Planina“ from locality Chabriolica and Borisloica up to Tetovo, is the largest tributary of the river Vardar, and with its wild mountain stream and beautiful waterfalls attracts many tourists.

River Radika springs from the peak „Vraca“ on „Šar Planina“ and flows into Lake Debar, as the most important tributary of Crn Drim. It is a typical mountain river known for its attractive canyon valley in which canyon „Barich“ is the most picturesque, with a length of nine kilometers and extends from the estuary of „Ribnichka River“, to the estuary of „Zhironichka River“.

The Rivers in Polog region despite being suitable for leisure, recreation and outing are also suitable for sport fishing.

Water resources in the Polog region consists of about 30 glacial lakes. Situated on the mountain range of „Shar Planina“, they make the mountain one of the richest in icy lakes on the Balkan Peninsula. Known icy lakes that are called „Sharski Ochi“ are: Dolno Dobroshko, Gorno Dobroshko, Karanikolichko, Krivoshijsko, Belo Ezero, Bogovinsko, Crno Ezero I Dedelbeshko.

There are also icy lakes in the National Park „Mavrovo“ of which most known are: Korapsko Ezero, Mal Korab, Bachilski Kamen, Lokuv, Turen Kamen, Sveta Nedela and Marusha.

The location of the lakes and their composition which are with very cold and clear water with extraordinary beauty, are a magnet for tourists and visitors to these natural pearls.

The artificial lake „Mavrovo“ located in the Municipality of Mavrovo-Rostushe is one of the most significant potentials for tourism development in the Polog region, because it is one of the most visited not only in the region, but also in Republic of Macedonia.

The Polog region abounds with underground waters which are used for water supply, industrial use, as well for additional supply of municipality of Tetovo.

3.2.4 Available raw materials and other resources

Polog planning region is rich in mineral resources that are found throughout its territory. Of great economic importance are the ore deposits of gray marble in Gostivar and dolomites in Jegunovce and Chajle. Other ores and minerals present in the region are: manganese, molybdenum, copper, arsenic, lead, chrome and marble.

3.2.5 Natural treasures

The Polog planning region is a tourist pearl which abounds in natural beauty, historical and cultural monuments, where large number traditional events are held for centuries, through which the tradition is cherished and transmitted that characterized the population in the region.

National Park „Mavrovo“ is one of the most important natural resources in the Polog planning region. Established and declared as a protected area due to the rare natural beauty, historical and scientific importance of forests and forest areas around the „Mavrovo Pole“. In the National Park „Mavrovo“ are located important archaeological sites, cultural and historical monuments, held important traditional events, sports and recreational events and a significant tourist destination visited by domestic and foreign tourists.

„Shar Planina“ - the symbol of Republic Macedonia, which is rich in mountain lakes, source of many rivers, rich in wildlife and forest birds, is one of the richest areas in Europe, and because of that is proposed for protected area in the National Park category.

Of natural monuments in the Polog planning region most significant are the monument Platan

in Tetovo, which is situated near the cultural and historical object „Arabati Baba Teke“ and the natural monument „Rechitsa“ which features a high dendrological importance.

When it comes to natural rarities in Republic of Macedonia and beyond, then it connects to The Polog planning region. Rich in natural beauty rarely found on other sites makes a region that offers rest and relaxation through unique places that possess.

3.2.6 Infrastructure

The favorable geographical position of Polog region offers easy access to transport infrastructure in the country and neighboring countries. The network of regional roads connect municipalities in the region with one another and with other settlements, while the motorways links the region with other regions in Macedonia as well as with neighboring countries. The proximity of the airport „Alexander the Great“ provides an additional benefit to the economic development of the region.

3.2.6.1 Road network

The system of road network enables the implementation of road traffic in Polog by highway, national, regional and local roads. The entire road infrastructure in the region consists of a total of 1,483 km of local roads, 65 km A state roads and 255 km of regional roads.

The Polog region connects to other regions through the state road A2 (Skopje-Tetovo-Gostivar-Kichevo) and the regional road R1202 (connection with A2 Mavrovi Anovi -Debar).

Because of the need to rehabilitate more roads in the region it is planned to complete the construction of the road Tetovo-Gostivar - Pirok in 2016 and 2017, while more local roads are built:

Mavrovo - Rostushe to village Nitrovo with a total length of 457 meters;

Zhelino to Zhelino 1, with a total length of 677 meters;

Mavrovo – Rostushe - P 409 to Monastery „Jovan Bigorski“ with a length of 798 meters;

Tetovo – Kale; junction with Tetovo - Selce with a total length of 1,364 meters;

Tearce to village Leshok and to the municipal building of Tearce with a total length of 1,360 meters;

Tetovo – Brodec (first and second part) with a total length of 711 meters.

It is important to mention the border crossing Jazhince through which the Polog region connects with the Republic of Kosovo.

The geostrategic position of the Polog region can be determined by the fact that it is located at the crossroads of international corridors, such as the „Corridor 8“ passing through the middle of the Polog region and „Corridor 10“, which is away from the region 10 km.

Table8. Overview of local roads in Republic of Macedonia and Polog planning region, condition 31.12.2014

LOCAL ROAD NETWORK					
	2014				
	Total	Asphalt and paved	Macadam	Earthen	Projected
Republic of Macedonia	9,513	4,935	845	2,510	1,223
Polog planning region	1,498	973	149	231	145

► **Source: State Statistical Office**

Table9. **Overview of local roads by municipalities in Polog planning region, condition 31.12.2014**

LOCAL ROAD NETWORK					
	2014				
	Total	Asphalt and paved	Macadam	Earthen	Projected
Bogovinje	187	117	9	39	22
Brvenica	110	68	26	16	-
Vrapchishte	130	69	40	18	3
Gostivar	279	270	3	6	-
Zhelino	147	105	15	10	17
Jegunovce	80	38	28	13	1
Mavrovo - Rostushe	186	61	19	56	50
Tearce	142	67	7	26	42
Tetovo	237	178	2	47	10

► **Source: State Statistical Office**

3.2.6.2 Railway infrastructure

In the Polog planning region there are railway stations in the municipalities of Tetovo, Gostivar and Jegunovce through which the railway line Skopje-Tetovo-Gostivar-Kichevo passes, it's characterized by a length of 83 km and is part of „Corridor 8“. In terms of service, the municipalities in the region have good access to railway transport.

Due to the need for investments in rehabilitation and modernization of the railway line Skopje-Kichevo, it is planned to launch a project for restoration of the railway line that passes through the municipalities in Polog.

3.2.6.3 Air traffic

In the Polog planning region air traffic is not directly developed, i.e. there is no international airport. The advantage of the region is the close connection to the Skopje airport „Alexander the Great“, which is located 65 km from Tetovo and 87 km from Gostivar.

3.2.7 Energy infrastructure

Because it is rich in water, Polog planning region has great potential for exploiting their power. The Mavrovo system is one of the largest and most complex hydro systems in Republic of Macedonia, which is comprised of three plants: HPP Vrutok, HPP Vrben and HPP Raven, with a total accumulation of 277 million m³ of water. The energy of water is used repeatedly in the region. The Mavrovo system accounts for 42 percent of the total installed hydro capacity in Republic of Macedonia. A construction of „Lukovo Pole“ accumulation is planned, which with HPP „Crn Kamen“ will contribute to additional production of energy of 18.71 GWh. The additional energy production from economic aspect will reduce imports of electricity in Republic of Macedonia, while in terms of tourism it will improve infrastructure and road connections to the natural beauty of the Polog Region, mountains „Korab“ and „Shar Planina“. It will also develop the mountain, recreational and rural tourism.

In the region are located several small hydropower plants, HPP „Popova Shapka“ on Shar Planina (four) and HPP „Pena“ (one).

Table10. **Facilities for the production of electricity (MW) in 2013**

Facilities for the production of electricity (MW)	
	2013
	Installed capacity in MW
Republic of Macedonia	1,938
Polog planning region	201

► Source: State Statistical Office

Table11. **Electricity consumption in the industry**

Electricity consumption in the industry (GWh)	
	2013
	Electricity in GWh
Republic of Macedonia	2,401
Polog planning region	658

► Source: State Statistical Office

3.2.8 Tourism

Tourism as an industry is not sufficiently developed in the Polog planning region, but there is a lot of unused potential that represent an opportunity for investments and with its exploitation to make the region one of the biggest tourist destinations in the country and in Europe.

The already existing ski centers „Mavrovo“ and „Popova Shapka“ offer the possibility to upgrade the development of ski tourism and an opportunity for promotion and visit of other natural beauties that this region possesses.

Statistical data on the number of domestic and foreign tourists, overnight stays and accommodation facilities possessed by the region suggest that the region is not enough visited in terms of all the natural beauty and rare localities it has. Only four percent of the total number of tourists in Republic of Macedonia in 2014 visited the Polog planning region. The number of overnight stays of domestic and foreign tourists in the region accounted for 2.4 percent of total national level.

Table12. Number of tourists in Republic of Macedonia and Polog planning region

Tourists in Republic of Macedonia and Polog planning region			
	2014		
	Total	Domestic	Foreign
Republic of Macedonia	735,650	310,336	425,314
Polog planning region	29,143	15,886	13,257

► **Source: State Statistical Office**

Table13. Number of nights spent by tourists in Republic of Macedonia and Polog planning region

Overnight stays of tourists in Republic of Macedonia and Polog planning region			
	2014		
	Total	Domestic	Foreign
Republic of Macedonia	2,195,883	1,273,370	922,513
Polog planning region	54,419	29,675	24,744

► **Source: State Statistic Office**

Table14. Accommodation facilities in Republic of Macedonia and Polog planning region

Accommodation facilities in Republic of Macedonia and Polog planning region		
	2014	
	Number of rooms	Number of beds
Republic of Macedonia	27,422	71,225
Polog planning region	1,111	3,330

► **Source: State Statistic Office**

Polog planning region is a special region when it comes to tourist destination. It is exceptionally rich in natural beauty and distinctive cultural and historical monuments. As a region that abounds with such characteristics, it is possible for a major development of cultural tourism, sports and recreational tourism and winter tourism.

3.2.8.1 Cultural tourism

Rich in traditions and customs, the region stands out for its uniqueness, which can be seen through the way of the population is living in it, and the historical landmarks. Tetovo as a big city in the Polog region is suitable for development of cultural tourism. Šarena Mosque, Arabati Baba Teke, Tetovo Kale, the Tetovo bazaar and Tetovo market, Museum of the Tetovo region, commemorates history, religion and culture in this part of the region and allows for development of cultural tourism by visits of domestic and foreign tourists. The large numbers of archaeological finds as cemeteries, early Christian buildings, churches, settlements from Roman times, all are a witness of the cultural heritage in the area of Jegunovce. The Monastery „Jovan Bigorski“ which is located in The Mavrovo part of the Polog region, presents a true cultural treasure with frescoes and iconostasis, and gives special feature of the region, because it is visited by many tourists throughout the year. As part of

this area of region is the bridge „Elen Skok“ located on river Garska. A significant hallmark of Mavrovo area and Polog region is the traditional manifestation „Galichka Svadba“, which is held every year on the religious holiday „Petrovdan“ for which foreign visitors come specifically.

Hunting and Fishing

Known by the forests rich with wildlife, the diversity of flora and fauna, as an exceptional factor for development of hunting tourism, the region attracts a number of tourists who are fond of hunting. On the other hand, the river Radika with its clear and clean water, by which the region is famous, and Mavrovo Lake, allows for development of fishing. In the village of Vrutok and the nearby settlements there are fish farms that allow the surrounding municipalities to promote themselves through restaurants with attractive locations and unique fish specialties.

Mountain tourism

The Ski centers, „Popova Shapka“ and „Mavrovo“ give a special form of the Polog planning region, i.e. they enable development of winter and mountain tourism in the region and in Republic of Macedonia.

„Popova Shapka“ is the most famous winter sports and recreation center in Republic of Macedonia that has a wonderful ski resorts, ski lifts, cable cars and 15 ski tracks. On the slopes of Shar Planina, just 18 km away from the town of Tetovo, the mountain lodge „Ljuboten“ is located, attractive for visit of domestic and foreign tourists interested in hiking in winter and summer.

The ski center „Zare Lazarevski“ located on the slopes of the mountain „Bistra“ is one of the most beautiful ski resorts in Republic of Macedonia. It has ski lifts, cable cars and ski tracks that attract large number of tourists during the winter period. Besides skiing, the ski resort is suitable for fans of other types of skiing such as snowboarding, tour and Free ride skiing.

Besides the development of winter tourism, these centers take part in the development of sports tourism in the Polog planning region. They organize several sports events of national and international character. Among the most famous are: Sharplaninski Cup skiing which is one of the finest sporting events in Republic of Macedonia, the summer cycling marathon „Sharski Vodi“ that begins at Popova Shapka and ends in Bunec, near Mavrovo, then „European Cup“ in snowboarding, and national and international competitions in slalom and giant slalom.

3.2.8.2 Hospitality industry

As a region in which tourism branch has great potential for development, there are investment opportunities in catering facilities. There are a number of restaurants, cafes and hotel facilities that offer services to visitors in the region, yet still exists a need for an upgrade of that number with tourism development and an increase in the number of tourists.

The business units and the seats registered in the Polog planning region, as well as the turnover in thousands of denars, according to statistics show a downward trend in their numbers in recent years, but the objectives of the Programme for development of Polog planning region in the 2015-2019 period, these figures, which are connected with the promotion and development of tourism in the region, would increase.

Table15. Number of business units in RM and Polog planning region

Business units	Republic of Macedonia	Polog planning region
2011	1,950	
2012	1,949	431
2013	1,957	424

► Source: State Statistic Office – Hospitality industry

Table16. Number of seats in RM and Polog planning region

Seats	Republic of Macedonia	Polog planning region
2011	117,006	
2012	118,755	15,452
2013	120,063	13,748

► Source: State Statistic Office – Hospitality industry

Table17. Turnover in thousands of denars by the business units in RM and Polog planning region

Turnover in thousands of denars	Republic of Macedonia	Polog planning region
2011	7,816,343	
2012	8,166,264	546,844
2013	8,419,069	525,683

► Source: State Statistic Office – Hospitality industry

3.2.9 Education

	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region
	2012/2013		2013/2014		2014/2015	
	Primary education					
Number of primary schools	991	145	988	145	986	144
Teachers in primary education (%)	100.0	17.0	100.0	16.9	100.0	17.0
Pupils enrolled in prima- ry education (%)	100.0	16.1	100.0	9.2	100.0	16.4
Number of pupils per school	197	217	193	208	195	218
Primary school pupils per teacher	11	11	11	10	11	10
	Secondary education					
Number of secondary schools	113	13	113	13	116	14
Teachers in secondary education (%)	100.0	17.5	100.0	17.9	100.0	18.8
Students enrolled in secondary education (%)	100.0	16.8	100.0	16.5	100.0	16.8
Finished education stu- dents (%)	100.0	16.9	100.0	16.9	100.0	16.8
Students in secondary education per teacher	12	12	12	11	11	10
	Higher education					
Number of graduate students	10,210	1,076	9,166	1,105	9,662	3,511
Graduate students per 1000	5.0	3.4	4.4	3.5	4.7	5.7

The Polog planning region is one of the most developed regions in terms of education, according to the number of primary and secondary schools, universities and the number of enrolled and completed, or graduate pupils and students.

The educational network in Polog planning region is best developed in the municipalities of Tetovo and Gostivar, which serve other municipalities in the region. In municipality of Tetovo there are 12 central elementary schools, nine regional primary schools, one state primary music school, five secondary schools and two universities. In the municipality of Gostivar are located 10 central primary schools, 20 regional primary schools, three secondary schools and more dispersed faculties of universities from Tetovo and Struga.

Secondary schools and universities in these two municipalities offer opportunities for enrollment in various specializations and faculties, thus meeting the needs of future generations of students in the Polog planning region.

3.2.10 Agriculture

Table18. Structure of agricultural land in Republic of Macedonia

Structure of agricultural land in Republic of Macedonia	Pastures	Farmland-total
2012	756,558	510,407
2013	751,187	508,546
2014	751,086	511,579

► *Source: State Statistic Office, Regions in Republic of Macedonia, 2015*

Table19. Structure of agricultural land in Polog planning region

Structure of agricultural land in Polog planning region	Pastures	Farmland-total
2012	126,047	42,898
2013	126,737	41,963
2014	128,433	41,876

► *Source: State Statistic Office, Regions in Republic of Macedonia, 2015*

Table20. Surface use by categories (in hectares)

Structure of agricultural land	Republic of Macedonia	Polog Region	Republic of Macedonia	Polog Region	Republic of Macedonia	Polog Region
	2012		2013		2014	
Agricultural area	1,267,869	168,946	1,260,336	168,701	1,263,155	170,310
Farmland - total	510,407	42,898	508,546	41,963	511,579	41,876
Arable land and gardens	414,075	30,539	412,972	30,702	413,249	30,565
Orchards	14,622	1,096	15,212	1,068	15,309	1,023
Vineyards	21,269	44	21,497	44	23,061	44
Meadows	60,441	11,219	58,865	10,149	59,960	10,244
Pastures	756,558	126,047	751,187	126,737	751,086	128,433

Polog planning region has 170,310 ha of agricultural land of which 41,876 ha is arable land and 128,433 ha are pastures. Of the total arable land 30,565 ha are arable land and gardens, 10,244 ha grassland, 1,023 ha of orchards and only 44 ha are vineyards.

Most of the agricultural area or even 75 percent in the Polog planning region are pastures; the remaining 25 percent is arable land. The region does not allow for intensive development of agricultural production, but it is known for products like Tetovo apple, Tetovo beans and cheese, which opens prospects for fostering and promoting products that would increase exports. On the other hand, the large percentage of grassland provides excellent preconditions for the development of animal husbandry in the region.

Table21. Production of some crops and horticultural crops in Republic of Macedonia and Polog planning region

2014								
	Wheat	Corn	Tobacco	Potato	Onion	Tomato	Peppers	Cucumbers
Republic of Macedonia	287,954	136,930	27,578	198,943	59,974	160,530	175,867	48,334
Polog planning region	19,333	36,484	1	40,374	7,478	12,675	13,376	917
% of R. of Macedonia	6,7 %	26,6%	0,003%	20,2%	12,4%	7,9%	7,6%	1,9%

► **Source: State Statistical Office**

Of the small percentage of arable land, which is used for the production of field and horticultural crops, dominate the production of corn (26.6 percent share in the production of corn in Republic of Macedonia), then potatoes and onions. The other crops are produced in very small quantities and thus have minimal participation in the total production in Republic of Macedonia.

Table22. Production of fruit and grapes in Republic of Macedonia and Polog planning region

	Cherries	Sour cherries	Apricots	Apples	Pears	Plums	Peaches	Nuts	Grapes
Republic of Macedonia	6,324	8,042	4,619	95,684	6,195	33,101	11,557	4,649	195,888
Polog Region	490	861	44	6,747	643	1,259	71	638	549
% of R. of Macedonia	7.7%	10.7%	0.95%	7%	10.3%	3.8%	0.6%	13.7%	0.3%

► **Source: State Statistical Office**

Fruit production is also minimally developed with very small share in the total production in the country. In 2014 the highest production with 13.7 percent participation was noted in the production of nuts, 10.7 percent cherries and 10.3 percent pears. Grape production has the smallest share of 0.3 percent in overall grape production in Republic of Macedonia.

3.2.11 Information and telecommunication technology

The information and communication technology in the Polog planning region is well developed. Through the development of information and communication technologies the efficiency and effectiveness in everyday life is increasing, that is, it accelerates and facilitates communication and availability of services.

Telecommunications industry in the Polog planning region and in Republic of Macedonia consists of a total of three companies:

T-Home Deutsche Telecom branch, One -Vip branch.

Table 23. Situation of the telecommunications market in RM

Year	Total number of fixed lines	Total number of mobile subscribers	Total number of household subscribers of fixed Internet *	Total number of subscribers to mobile Internet
2014, Q4	383,590	2,224,439	354,094	1,044,172

► **Source:** Agency for Electronic Communications; Report market development Q4, 2014

The high percentage of mobile phone users in relation to the total population in Macedonia, together with the quality of mobile networks operators that cover over 90 percent of the territory, offers the possibility of easy connection of the rural areas with the latest technological trends. According to the State Statistical Office, in the first quarter of 2014, 68.3 percent of households had access to Internet at home, which is 3.3 percentage points higher compared to the same period in 2013. The share of households with broadband Internet of the total number of households increased from 65 in 2013 to 67.7 percent in 2014. Almost all (99.1 percent) of households with Internet access had a large bandwidth (fixed or mobile) Internet connection. In the first quarter of 2014, of the total population age between 15 to 74 years, 67.6 percent used a computer, while 68.1 percent used the Internet. Internet was most used by students, or 96.3 percent. In the first quarter of 2014, 55.2 percent of Internet users used a mobile phone or smartphone to access the Internet away from home or work.

The Agency for Electronic Communications decided to determine the maximum prices of roaming services in public mobile communication networks, which came into force on 01.07.2015, adopted on the basis of the agreement to reduce prices and services when roaming on public mobile communications networks, concluded between ministries responsible for the operation of the electronic communications of Bosnia and Herzegovina, Montenegro, Serbia and Macedonia.

3.2.12 Economic activity of population

The Polog planning region as one of the most densely populated regions in Republic of Macedonia is characterized by a large percentage of the working population. Only 15.4 percent of the total working population in Republic of Macedonia belongs to the Polog planning region. The activity rate and employment showed minimal increase compared to the last three years, while the unemployment rate is decreasing, but it is still a region with a large number of unemployed.

Table24. Working population, activity rate, employment rate and unemployment rate of population in Polog planning region, age 15 years and over

	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region
	2012		2013		2014	
Working age population	1,669,965	255,891	1,672,460	257,419	1,673,494	258,413
Activity rate	56.5	44.5	57.2	46.6	57.3	46.1
Employment rate	39.0	29.3	40.6	31.0	41.2	32.0
Unemployment rate	31.0	34.2	29.0	33.6	28.0	30.7

► Source: State Statistical Office, Regions in Republic of Macedonia, 2015

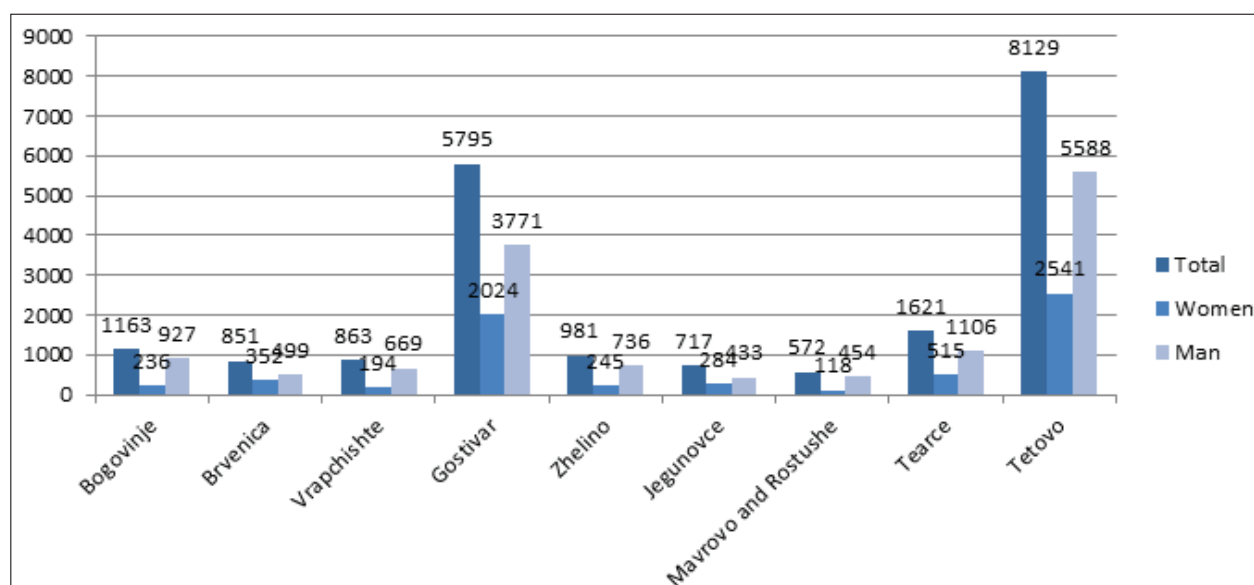
The Polog planning region in which of a total 184 settlements, 182 are rural and only two urban, notes higher unemployment in urban areas, where a higher proportion of unemployed according to gender are women. The rural part of the region is characterized by almost twice the rate of unemployment among women.

Table25. Unemployment rate according to gender in rural and urban areas in Republic of Macedonia and Polog planning region

	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region
	2012		2013		2014	
Total	31.0	34.2	29.0	33.6	28.0	30.7
Man	31.5	31.4	29.0	30.8	27.6	27.3
Women	30.3	42.6	29.0	41.2	28.6	40.9
Urban area	30.8	32.7	30.6	36.0	29.2	34.0
Man	31.5	31.0	30.8	36.1	29.0	32.7
Women	29.7	36.7	30.4	35.9	29.4	36.4
Rural area	31.4	35.0	26.7	32.5	26.5	29.5
Man	31.4	31.6	26.7	28.7	26.1	25.6
Women	31.4	47.1	26.6	44.5	27.3	43.5

► Source: State Statistic Office, Regions in Republic of Macedonia, 2015

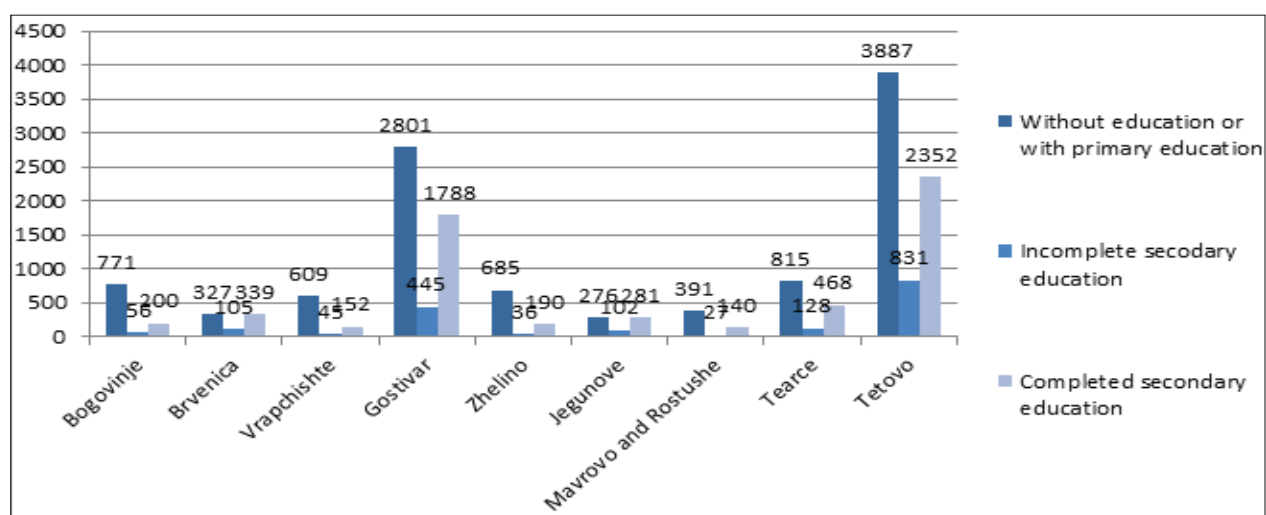
Graph: Number of unemployed by gender and municipalities in the Polog planning region, situation in 05.31.2015



► Source: Agency for Employment of RM

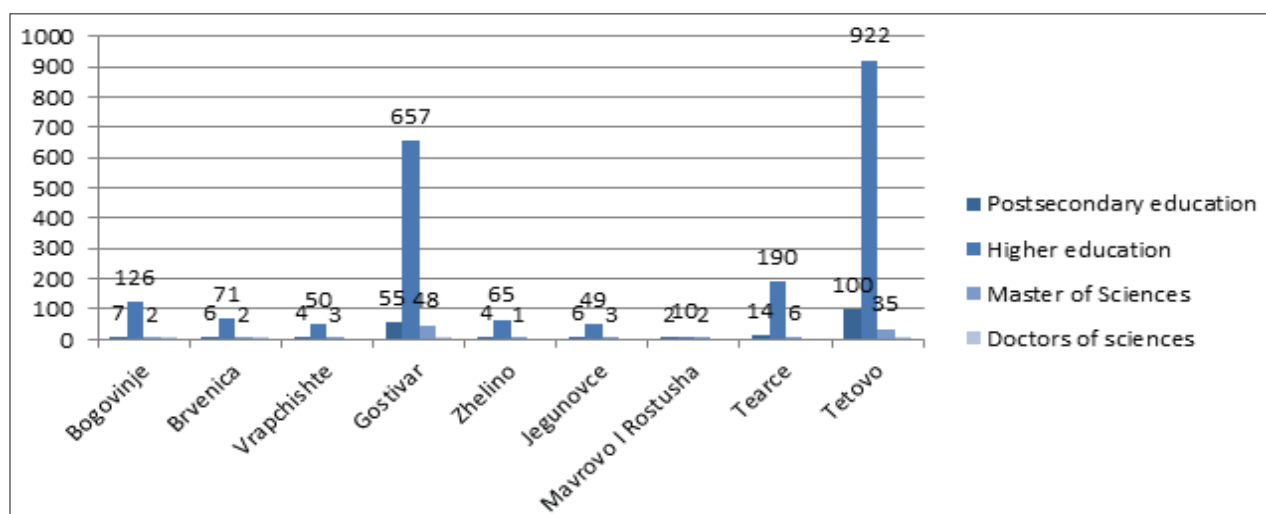
The most densely populated, at the same time urban municipalities in the Polog planning region has the largest number of unemployed persons who are actively seeking work. Municipality of Tetovo has a total of 8,129 unemployed persons, of which 5,588 were men and 2,451 women. Municipality of Gostivar has 5,795 unemployed persons, of which 3,771 were men and 2,024 women. The municipality with the lowest number of unemployed persons is Municipality Mavrovo – Rostushe, with a total of 572 unemployed persons, of which 118 are women and 454 men.

Graph: Number of unemployed in educational structure in the Polog planning region, situation on 05.31.2015



► Source: Agency for Employment of RM

Graph: Number of unemployed in educational structure in the Polog planning region, situation on 05.31.2015



► **Source:** Agency for Employment of RM

According to the educational structure, the largest percentage of the potential workforce in Polog planning region is in the category of unemployed persons without education, primary education and unemployed persons with secondary education. The lowest number of potential labor force under educational structure has in the categories of college, higher education, Master of Science and PhD.

NCA Rev.2	Republic of Macedonia	Polog planning region
Average net salary in denars	21,394	20,425
Agriculture, Forestry and Fisheries	15,843	20,847
Mining and quarrying	24,240	-
Processing industry	16,177	14,456
Electricity, gas, steam and air conditioning	36,740	-
Water supply; sewerage, waste management activities and remediation	18,959	16,699
Construction	18,589	14,708
Wholesale and retail trade; repair of motor vehicles and motorcycles	19,794	14,423
Transportation and warehousing	22,923	17,737
Accommodation facilities and food service activities	15,015	16,821
Information and communication	34,692	19,593
Financial and insurance activities	38,791	30,422
Activities related to real estate	26,489	-
Professional, scientific and technical activities	29,332	17,882
Administrative and support service activities	14,503	36,848
Public administration and defense; compulsory social insurance	25,325	22,721
Education	21,501	23,404
Activities of health and social care	23,736	21,469
Arts, entertainment and recreation	18,230	17,589
Other service activities	23,876	12,336

The average net salary in 2014 in the Polog planning region is 20,425 denars and is lower than the average net salary in Republic of Macedonia by 4.5 percent.

According to the State Statistical Office data, the sector of administrative and service activities have paid the highest average net salary of 36,848 denars, which is twice the average net wage nationally.

Second sector with the highest net salary is agriculture, forestry and fisheries where paid net salary is also higher than the average national level. The Polog planning region is developed in this sector due to the high prevalence of pastures which owns, forest resources and the large number of rivers, which together enable favorable development of agriculture, forestry and fisheries.

3.2.13 Economy

Table26. Gross domestic product at the level of Polog planning region, 2009-2011

Year	Gross domestic product in millions of denars	Share in GDP at the level of Republic of Macedonia (%)
2009	29,473	7.2
2010	31,118	7.2
2011	33,406	7.3

► **Source:** State Statistic Office of Republic of Macedonia

The Polog planning region accounts 7.3 percent to the GDP creation in Republic of Macedonia. Although not a large percentage of participation, it has a stable value of 7.2 percent from 2009 to 2010 and a slight increase in 2011 of 7.3 percent.

With the increasing number of investments the gross domestic product in the Polog planning region will increase and also its participation in national GDP.

Table27. Investments in fixed assets (in millions of denars)

Investments in fixed assets	Republic of Macedonia	Polog Region
2010	100,851	7,105
2011	109,219	7,708
2012	109,071	9,059

In terms of investments in fixed assets, Polog planning region accounts 8.3 percent at the level of Republic of Macedonia. It is important to note that in 2012, when the Republic of Macedonia has a slight decline in investment, the Polog planning region had an increase of 15 percent. This positive result indicates increased opportunities in the region for investments in fixed assets.

Table 28. Number of active business entities by number of employees

	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region
	2012		2013		2014	
Total	74,424	7,285	71,290	7,236	70,659	7,323
0 employees or without data	7,158	302	4,415	217	3,972	192
1-9	61,053	6,592	60,599	6,620	60,215	6,707
10-49	4,732	306	4,776	313	4,961	335
50-249	1,280	79	1,291	79	1,305	81
250+	201	6	209	7	206	8

► **Source:** State Statistical Office, regions in Republic of Macedonia, 2015

In Republic of Macedonia a total of 70,659 active business entities were registered in 2014, of which 7,323 or 10.4 percent belong to the Polog planning region. In percentages there is no major participation at national level, i.e. it does not contain a large number of active business entities, but the data for an increasing number of businesses in 2014 is significant, compared to 2013. The largest number, about 6,707 businesses or 92 percent of the total number of businesses in the Polog planning region, are characterized by a number of employees from one to nine, i.e. they are micro enterprises.

Table29. Active business entities by sectors of activity

Active business subjects by sectors of activity according to NCA Rev. 2	Polog planning region	% participation
Agriculture, Forestry and Fisheries	160	2.2%
Mining and quarrying	20	0.3%
Processing industry	905	12.4%
Electricity, gas, steam and air Conditioning	9	0.1%
Water supply; sewerage, waste management activities and remediation	37	0.5%
Construction	651	8.9%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,611	22%
Transportation and warehousing	496	6.8%
Accommodation facilities and food service activities	647	8.8%
Information and communication	79	1.2%
Financial and insurance activities	26	0.4%
Activities related to real estate	18	0.24%
Professional, scientific and technical activities	434	6%
Administrative and support service activities	104	1.4%
Public administration and defense; compulsory social insurance	19	0.25%
Education	98	1.3%
Activities of health and social care	378	5.2%
Arts, entertainment and recreation	68	0.9%
Other service activities	284	3.9%
Total	7,323	

► **Source: State Statistical Office**

Wholesale and retail trade, as well as repair of motor vehicles and motorcycles, are sectors of activity that are most present in the Polog planning region, with a total of 1,611 business entities registered and 22 percent share in the total economy. The second sector is the processing industry with a total of 905 business entities registered and 12.4 percent economic participation, and the construction sector with 651 business entities and 8.9 percent share. With this information the most important economic sectors are selected, such as production of building materials, processing and production of finished wood products, food processing, processing of plastic, aluminum processing and manufacturing of textile products.

Table 30. Export and Import in Republic of Macedonia and Polog planning region in the period 2012-2014

	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region	Republic of Macedonia	Polog planning region
	2012		2013		2014	
Export in millions of US dollars	4,015,416,864	108,416,255,328	4,298,771,673	159,054,551,901	4,933,844,549	162,816,870,117
% participation	100	2.7	100	3.7	100	3.3
Import in millions of US dollars	6,522,387,659	189,149,242,111	6,619,586,359	205,207,177,129	7,276,729,202	218,301,876,06
% participation	100	2.9	100	3.1	100	3.0

► **Source:** Target Communications calculation based on data from the National Statistical Office data, Regions in Republic of Macedonia, 2015

In 2014 in the Republic of Macedonia imports records a higher percentage than exports by 32.2 percent. The Polog planning region has a small share in the overall imports and exports carried out in the country, but it is of great significance the fact that in this region the exports are larger than imports. In 2014, imports decreased by 0.1 percent compared to 2013, but also exports decreased by 0.4 percent.

3.3 Directorate for Technological Industrial Development Zones

Directorate for Technological Industrial Development Zones manages the technological industrial development zones in Republic of Macedonia. Through the development of technological and industrial development zones the region can become an international business center offering world-class infrastructure, 100 per cent foreign ownership, zero percent tax and customs, without limitations in terms of labor, exemption from municipal taxes, symbolic price for lease of land and direct state aid amounting to 500,000 euros.

In the Polog planning region is located TIRZ Tetovo with total area of 94.74 hectares and is located on an extremely attractive location on the highway E-65, 3 km east of the city of Tetovo. The distance of TIDZ Tetovo from the City of Skopje is only 35 km. Four kilometers away is the railway station Tetovo. For the purposes of maritime traffic in TIRZ Tetovo there are two alternatives with approximately equal distances, that is the port of Thessaloniki at a distance of 287 km and the port of Durres at a distance of 293 km. There is an ongoing process of signing a contract for a public-private partnership between the Directorate for Technological Industrial Development Zones and a private company that would perform activities as a founder of the zone, i.e. construction, development and management of the zone.



MUNICIPALITIES IN POLOG PLANNING REGION

4. Municipalities in Polog planning region

4.1 Municipality of Bogovinje

Bogovinje is situated in the north-western part of Macedonia on the right side of the river Vardar and south-eastern part of „Shar Planina“. It was established in 2006 with an area of 143.44 km², covering 14 settlements. In it live 30,503 inhabitants, of which 15,547 men and 14,956 women. The municipality's population is Albanian, Macedonian and Turkish nationality.

Bogovinje is rich in natural beauty, to which gives a special glow the lake Bogovinje and therefore represents an attractive municipality to attract visitors.

Table 31. *Demographic structure of the Municipality of Bogovinje*

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	15,547	
Female	14,956	
Total	30,503	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate		
Master's degree		
Higher education		
Postsecondary education		
Secondary education		
Primary education		
Without education	990	
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age		
Employed		
Unemployed	767	

➤ Source: State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia

Access to competitive workforce

According to the assessment for the year 2013 compared to the total number of residents, the municipality is characterized by a small percentage of the unemployed who are active job seekers. In Employment Agency of the Republic of Macedonia there are a total of 1,163 unemployed persons, which is 3.8 percent of the total population.

The majority of the unemployed, 48 percent are aged 25 to 44 years, of which 36 percent are men.

According to the educational structure, the unemployed population is mostly with primary education or without education.

Data on unemployed persons in Bogovinje offer the possibility of taking advantage of a young workforce that future investors should bear in mind. On the other hand, Employment Agency of the Republic of Macedonia facilitated through collaboration with employers to use measures of employment, training and professional training of the potential young workforce.

Table 32. Structure of unemployed by age

Municipality	Situation on 31.05.2015		Registered unemployed persons			Percentage of registered persons of appropriate age by sex, from the total number of registered unemployed persons		
			Registered unemployed persons					
			Total	Female	Male	Total	Female	Male
	Bogovinje	Registered unemployed persons		1,163	236	927		20%
Bogovinje	Age 25 to 44		564	139	425	48%	12%	36%
Bogovinje	Age 15 to 24		127	45	82	11%	4%	7%
Bogovinje	Age 45 to 60 and more		472	52	420	41%	5%	36%

► Source: Target Communications, calculations based on data from the Employment Agency of the Republic of Macedonia

Table 33. Structure of unemployed by qualification

Registered unemployed persons and Assessment of the situation on 31.05.2015 by using % of representation of appropriate age and sex from the total number of registered persons	Level of education and sex																							
	Without education or with primary education						Incomplete secondary education			Completed secondary education			Postsecondary education			Higher education			Master of sciences			Doctor of sciences		
	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male
Registered unemployed persons	771	117	654	56	0	56	200	40	160	7	2	5	126	76	50	2	1	1	1	0	1			

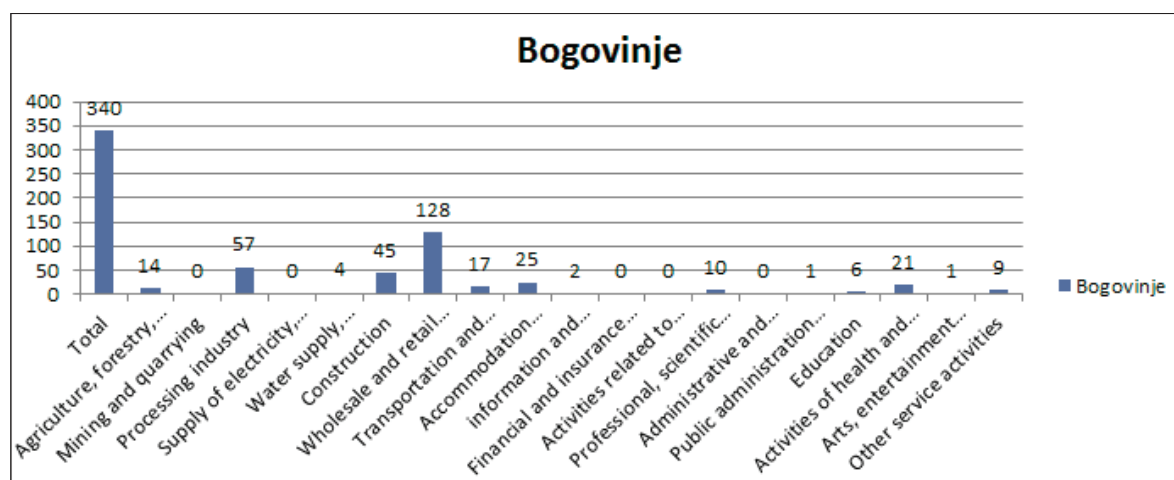
► Source: Target Communications, calculations based on the data from the Employment Agency of the Republic of Macedonia

Industries represented in this municipality:

Table 34. *Industries in the Municipality of Bogovinje*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry	✓		
Electrical Engineering Industry			
Processing of metals			
Textile industry	✓		
Tourism and hospitality			
Wholesale and retail trade	✓		Floar- Bogovina; Duraku- Palchishte; Beni-Pirok; Planet- Kamenjane
Processing of metals	✓		

Chart: *Active business entities by sector of activity in the municipality of Bogovinje*



► Source: State Statistical Office, 2014

Bogovinje municipality has a total of 340 active entities most of which are registered in :

- Wholesale and retail trade - a total of 128 business entities
- Processing industry - 57 business entities
- Construction industry - 45 business entities

Table 35. Agriculture, animal husbandry, forestry and fisheries in Municipality of Bogovinje

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		
ANIMAL HUSBANDRY	✓		
FORESTRY	✓		
FISHERIES			

In the area of this municipality prevails arable land, pastures and forests, which creates space for the development of agriculture, animal husbandry and forestry. The diversity of grasslands, mountains, forests and lakes enables the development of these branches and endeavoring towards agriculture and alternative tourism in this municipality.

Table 36. Quality of life in Municipality of Bogovinje

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES	✓		
BANKING	✗		
INSURANCE	✓		
SHOPPING CENTERS AND RETAIL	✓		
HEALTHCARE	✓		
SPORTS AND RECREATION	✓		
CULTURE	✓		
LOGISTICS			

Traffic connections

Municipality of Bogovinje has 16 settlements in which there are more than 50 local roads in length of 227.6 km. The municipality covers regional and national road Tetovo - Gostivar. For road maintenance is responsible the municipality itself. There is a railway station located in the settlement Zherovjane.

Investment opportunities in Municipality of Bogovinje

Municipality of Bogovinje offers locations that open the space for investment in services, manufacturing, light industry, commercial buildings, restaurants, etc., where plots for investment are outside the settlements: Kamenjane Gorno Sedlarce, Urvich and Novake. Investing in agriculture and animal husbandry, in order to improve and update would contribute to the development of agriculture and alternative tourism in the municipality. Bogovinsko lake opens up the possibility to build a hydroelectric plant that would contribute to the increase of jobs and quality of life.

4.2 Municipality of Brvenica

Municipality of Brvenica is situated in the central part of the most fertile valley, which in the South and Southwest reaches the tops of the mountains „Suva Gora“ and penetrates partially to the lake „Kozjak“. This municipality was established in 1996 and it includes 10 settlements. As a typical rural municipality, fascinates with the natural beauty and beautiful landscapes. In it lives a total of 16,491 citizens, of whom 8,225 were men and 8,266 were women. Most of the population are Albanians, Macedonians and then the rest are Bosniaks and Serbs.

Table 37. Demographic structure of the Municipality of Brvenica

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	8,225	
Female	8,266	
Total	16,491	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate	1	
Master's degree	1	
Higher education	75	
Postsecondary education	6	
Secondary education	435	
Primary education	307	
Without education	4	
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age	2,184	
Employed	1,361	
Unemployed	851	

► **Source:** *State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia*

Access to competitive workforce

In terms of available human resources, municipality of Brvenica has a total of 851 unemployed, of which the majority of unemployed, 499, based on gender are men and 352 are women. The largest percentage i.e. 42% of the unemployed, belong to the age group of 25 to 44 years, which includes the young working population in the municipality.

In terms of educational structure, 339 unemployed have completed secondary education and 327 people are without education or completed primary education.

Municipality of Brvenica as part of the Polog region, which is characterized by high unemployment, employers could exploit the workforce through most employment measures offered by the State, training and professional training and the opportunity for informal education of the same.

Table 38. Structure of unemployed by age

Municipality	Situation on 31.05.2015	Registered unemployed persons			Percentage of registered persons of appropriate age by sex, from the total number of registered unemployed persons		
		Total	Female	Male	Total	Female	Male
Brvenica	Registered unemployed persons	851	352	499		41%	59%
Brvenica	Age 25 to 44	355	169	186		20%	22%
Brvenica	Age 15 to 24	145	67	78		8%	9%
Brvenica	Age 45 to 60 and more	351	116	235		13%	28%

► Source: Target Communications, calculations based on data from the Employment Agency of the Republic of Macedonia

Table 39. Structure of unemployed by qualification

Registered unemployed persons and Assessment of the situation on 31.05.2015 by using % of representation of appropriate age and sex from the total number of registered persons	Level of education and sex																				
	Without education or with primary education			Incomplete secondary education			Completed secondary education			Postsecondary education			Higher education			Master of sciences			Doctor of sciences		
	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male
Registered unemployed persons	327	132	195	105	33	72	339	136	203	6	2	4	71	48	23	2	1	1	1	0	1

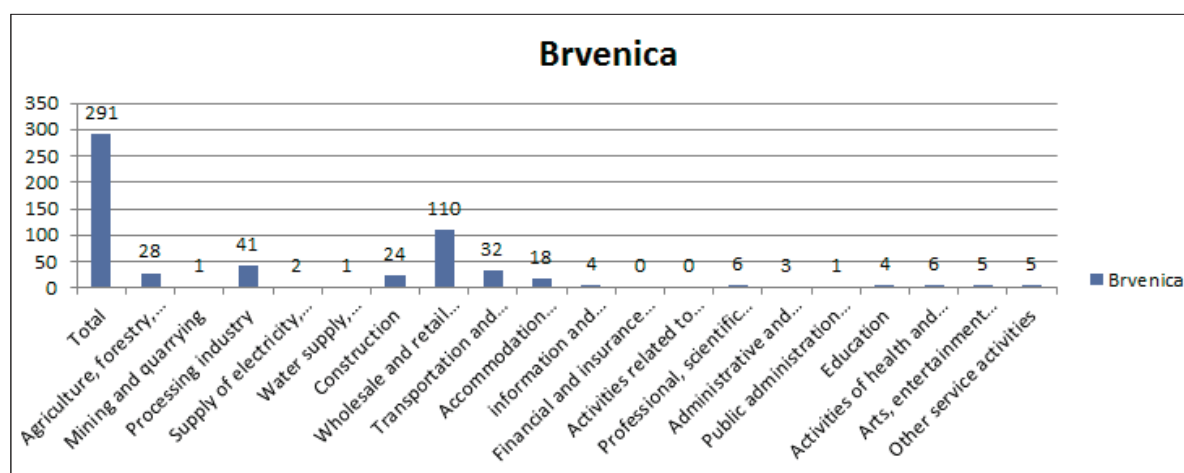
► Source: Target Communications, calculations based on the data from the Employment Agency of the Republic of Macedonia

Industries represented in this municipality:

Table 40. *Industries in the Municipality of Brvenica*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry	✓		
Agriculture	✓		
Food	✓		
Electrical Engineering Industry			
Processing of metals			
Construction	✓		
Textile industry	✓		
Tourism and hospitality		✓	Opportunities for development
Wholesale and retail trade	✓		

Chart: *Active business entities by sector of activity*



► Source: State Statistical Office, 2014

In the Municipality of Brvenica are registered a total of 291 active business entity most of which are registered in the following sectors:

- wholesale and retail - 110 businesses
- processing industry - 41 business entity
- Transport and warehousing - 32 business entities
- Agriculture - 28 business entities.

Table 41. *Agriculture, animal husbandry, forestry and fisheries in Municipality of Brvenica*

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		
ANIMAL HUSBANDRY	✓		
FORESTRY	✓		
FISHERIES	✓		Sports fishery

Municipality of Brvenica as rural municipality is rich in farmland, pastures and forests. Polog valley in which the municipality is located is very fertile and suitable for growing crops. Fertile soil and pastures are very little used by residents in the municipality, because many of them are focused on emigration and work abroad.

Table 42. *Quality of life in Municipality of Brvenica*

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES	✓		Post offices
BANKING	✓		
INSURANCE			
SHOPPING CENTERS AND RETAIL			
HEALTHCARE	✓		2 outpatient clinics
EDUCATION	✓		3 central elementary schools and 8 regional
SPORTS AND RECREATION	✓		There are football clubs but no special terrains for training and competitions
CULTURE	✗		

Quality of life in the Municipality of Brvenica is satisfactory, but with a wide area for investment and improvement of same.

Traffic connection

To the Municipality of Brvenica leads regional road R404, linking residential areas with the largest municipalities in the region of Tetovo and Gostivar. The road network has been developed to other settlements, which are part of the municipality and links with neighboring municipalities. It represents a direct communication with neighboring municipalities - Tetovo, Bogovinje, Gostivar.

The municipality is located two kilometers from the motorway and at a distance of 5.7 km from Tetovo and 23 km from Gostivar. The airport „Alexander the Great“ is 75.5 kilometers away from the municipality, while Ohrid Airport is located 120 km from the municipality.

The proximity of the motorway and the largest urban municipalities in the region create excellent conditions for development of the municipality through the utilization of its potentials.

Investment opportunities in Municipality of Brvenica

Municipality of Brvenica is predominantly rural municipality where most of the population is engaged in agriculture. The total agricultural area of the Municipality of Brvenica is 14,854 hectares, of which 4,779 hectares or 32 percent of fertile land, 4,138 hectares or 27.8 percent meadows and 5,937 hectares or 40 percent are forests. It is rich in natural beauty, arable land and pastures, so the municipality has the perspective of business facilities that would deal with processing of fruits, vegetables, milk and dairy products, meat products and other products from livestock breeding. Apart from agriculture in the Municipality of Brvenica dominant and present are the following business activities: construction, production of cement and bricks, clothing, production of wood products, trade and other businesses. Opportunity was opened for investment in the development of agriculture and animal husbandry, ecological food production, utilization of hydrological potential, construction of sports fields, mountain and rural tourism etc.

4.3 Municipality of Vrapchishte

Municipality of Vrapchishte has a wonderful geographical position in the region. Situated between the two largest municipalities Gostivar and Tetovo on an area of 157.98 km² and consists of 15 settlements with 27,224 inhabitants. The municipality is characterized by natural resources, which is an opportunity for tourism development, and on the other hand as a rural municipality with a large area of fertile soil is the potential for agricultural development.

Table 43. Demographic structure of the Municipality of Vrapchishte

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	13,530	
Female	13,694	
Total	27,224	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate		
Master's degree		
Higher education		
Postsecondary education		
Secondary education		
Primary education		
Without education		
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age		
Employed		
Unemployed	863	

► **Source:** State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia

Access to competitive workforce

In terms of available manpower, The Municipality Vrapchishte of has registered 863 unemployed persons, of which more than half or 552 persons are in the age group of 25 to 44 years. The young working population is potential for exploitation by investors and in relation to the fact that most are without education or completed primary education; the young working population can be trained and prequalified. As opportunities that assist in training and qualifying of necessary personnel for employers are the measures available through the Employment Agency of the Republic of Macedonia as well as the informal education.

Table 44. Structure of unemployed by age

Municipality	Situation on 31.05.2015		Registered unemployed persons			Percentage of registered persons of appropriate age by sex, from the total number of registered unemployed persons		
			Total	Female	Male			
						Total	Female	Male
Vrapchishte		Registered unemployed persons	863	194	669			77%
Vrapchishte		Age 25 to 44	552	100	452		64%	52%
Vrapchishte		Age 15 to 24	82	29	53		10%	6%
Vrapchishte		Age 45 to 60 and more	229	65	164		26%	19%

➤ Source: Target Communications, calculations based on data from the Employment Agency of the Republic of Macedonia

Table 45. Structure of unemployed by qualification

Registered unemployed persons and Assessment of the situation on 31.05.2015 by using % of representation of appropriate age and sex from the total number of registered persons	Level of education and sex																				
	Without education or with primary education			Incomplete secondary education			Completed secondary education			Postsecondary education			Higher education			Master of sciences			Doctor of sciences		
	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male			
Registered unemployed persons	609	105	504	45	1	44	152	55	97	4	3	1	50	29	21	3	1	2	0	0	

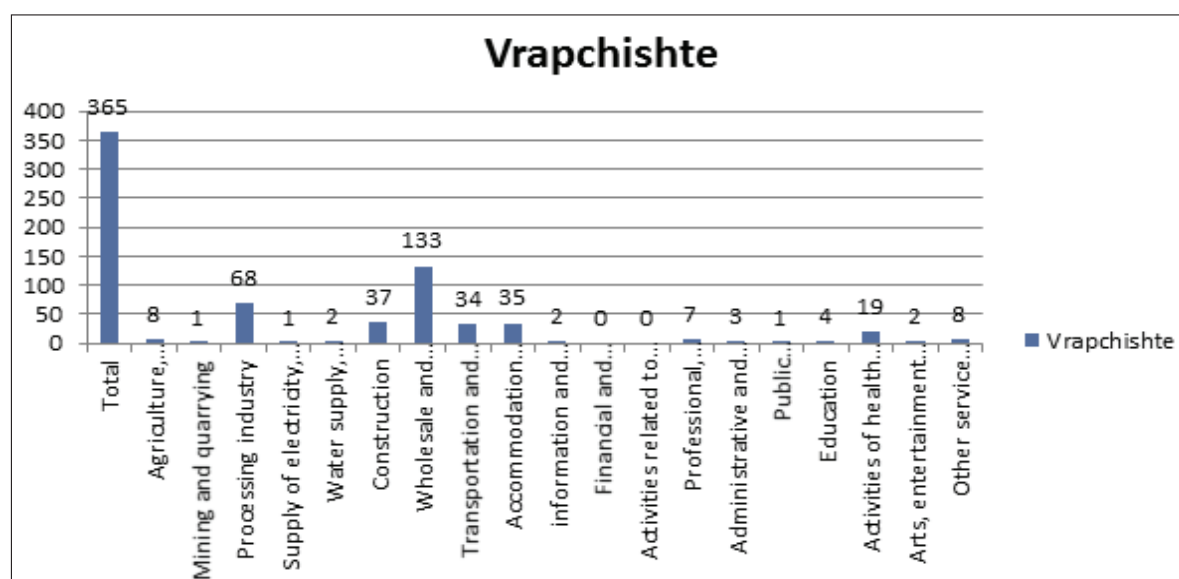
► Source: Target Communications, calculations based on the data from the Employment Agency of the Republic of Macedonia

Industries represented in this municipality:

Table 46. *Industries in the Municipality of Vrapchishte*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry	✓		
Wood processing	✓		
Electrical Engineering Industry			
Construction industry	✓		
Processing of metals	✓		
Textile industry			
Tourism and hospitality	✓	✓	Opportunities for development
Wholesale and retail trade	✓		

Chart: *Active business entities by sector of activity*



► Source: State Statistical Office, 2014

Municipality of Vrapchishte has registered a total of 365 active business entities. Most of them operate in the following sectors:

- Wholesale and retail trade -133 active business entities
- Processing industry - 68 active business entities
- Accommodation facilities - 35 active business entities
- Transportation and warehousing - 34 active business entities

Table 47. Agriculture, animal husbandry, forestry and fisheries in Municipality of Vrapchishte

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		Rich in fertile soil
ANIMAL HUSBANDRY	✓		Pastures
FORESTRY	✓		
FISHERIES			

The municipality is characterized by fertile soil of arable land and is therefore suitable for agricultural development. Pastures enable development of animal husbandry.

Table 48. Quality of life in Municipality of Vrapchishte

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES			
BANKING			
INSURANCE			
SHOPPING CENTERS AND RETAIL			
HEALTHCARE	✓		Health care institutions
SPORTS AND RECREATION	✓		Sports hall
CULTURE	✓		
LOGISTICS	✓		Culture center
SPORTS AND RECREATION			

Traffic connections

For this municipality, like most municipalities in Polog planning region can be said that has a favorable geographical position and good communication. Across the eastern part passes the motorway E-852 that leads to Skopje, Tetovo and Gostivar, and through which one can get to the tourist centers of Ohrid and Struga. Municipality of Vrapchishte is connected with the „Corridor 8“ which is located between the motorway Tetovo-Gostivar. The municipality has connections with almost all villages by highway. Also through the municipality Vrapciste passes the railway.

Investment opportunities in the Municipality of Vrapciste

The municipality of Vrapciste disposes of its facilities, natural resources and riches offered by Mountain „Shar Planina“. It is a rural municipality, concentrated in agriculture, manufacturing, trade and other activities, and all this is due to the fertile land which is somewhere 4,820 hectares in the fertile soil and pastures, so the municipality can invest in greater development of agriculture and animal husbandry.

Investment opportunities in the Municipality of Vrapciste open primarily in modernizing the conditions of life and work of the citizens of this municipality. In addition there is an opportunity for development and investment in cultural tourism, by organizing traditional events. It is registered a small percentage of small and medium businesses, as well as the Agro Stock Exchange which deals with the collection of fruit and vegetable products in this region. We should also mention the industrial zone of Zubovce, Galate, Dobridol and Vrapchishte, which extends on both sides of the motorway Gostivar - Tetovo and offers investment opportunities and opening new factories and firms in the Region.

4.4 Municipality of Gostivar

Municipality of Gostivar is situated in the upper Polog valley, in the southern part of the Gostivar area. The location of the municipality provides easy access to the cities of Tetovo, Skopje, Ohrid and Kichevo. The favorable location and good infrastructure links of the municipality provides the city of Gostivar to represent a developed administrative and cultural center in the Polog planning region.

On an area of 517 km², Gostivar comprise 35 settlements and 83,129 inhabitants. One of the two urban settlements in the Polog planning region is second in population and covers 26 percent of the total population living in this region.

Table 49. Demographic structure of the Municipality of Gostivar

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	41,635	
Female	41,494	
Total	83,129	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate		
Master's degree		
Higher education		
Postsecondary education		
Secondary education		
Primary education		
Without education		
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age		
Employed		
Unemployed	5,795	

► **Source:** *State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia*

Access to competitive workforce

As administrative business and cultural center with many residents, Gostivar also features a large number of unemployed, 5,795 active job seekers, of which 2,730, or 47 per cent fall in the age group of 25 to 44 years.

According to the educational structure, most are persons without education or with completed education, but there are number of educated high school graduates, college and university education.

Uneducated segment of unemployed people in the community can be trained and qualified by employers through the use of training measures by the Employment Agency of the Republic of Macedonia, as well as informal education. Educational and already qualified staff can be utilized for the development of municipal cultural aspect of the business which will facilitate investments of that kind and reduce the unemployment rate in the municipality and the region in general.

Industries represented in this municipality:

Table 52. *Industries in the Municipality of Gostivar*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry	✓		
Electrical Engineering Industry			
Food industry	✓		
Processing of metals			
Textile industry	✓		
Tourism and hospitality	✓		
Wholesale and retail trade			

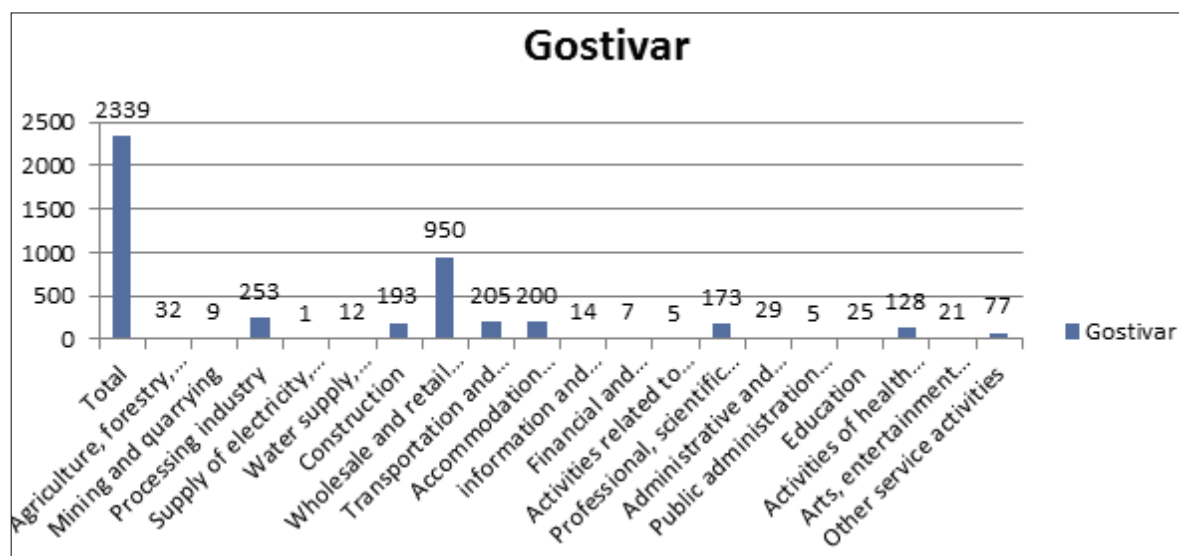
In food industry largest enterprises in Gostivar are:

- OP „Gorni Polog“ - installed capacity for production and trade of meat and meat products and livestock slaughter;
- POPP „Metor“ s. Debreshe - purchase and processing of mushroom;
- „Gudalat“ - factory for the production of fruit juices;
- MCRobin - factory for production of corn chips.

The textile industry has a long tradition in the region. Great contribution to the development of the textile industry has DOOEL „Medina Tex - Mega Trans“ - the capacity for production of apparel of a working and other types of clothes. Large areas covered with forests enable highly developed wood industry and production of furniture and other wood products.

Known factories in the wood-processing industry are:

- „FATINA“ - production of wood and furniture
- „JAVOR“ - processing of cut timber.

Chart: Active business entities by sector of activity

► Source: State Statistical Office, 2014

The Municipality of Gostivar has registered a total of 2,339 active business entities. Most of the companies are registered in the following sectors:

- Wholesale and retail trade - 950 active business entities
- Processing industry - 253 active business entities
- Transportation and warehousing - 205 active business entities
- Accommodation facilities - 200 active business entities
- Construction industry - 193 active business entities

Table 53. Agriculture, animal husbandry, forestry and fisheries in Municipality of Gostivar

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		
ANIMAL HUSBANDRY	✓		
FORESTRY	✓		
FISHERIES	✓		

Mountains „Suva Planina“ and „Shar Planina“ consists of the mountainous nature of the municipality and enable the development of animal husbandry and tourism. Polog valley with fertile soil is suitable for agricultural development, and rich hydrographic network enables the development of fishing. Forests that are part of the municipality comprise an oak, beech and spruce.

Agriculture as part of the primary sector is an important element in the overall economic structure and spatial organization of the Municipality of Gostivar. For Gostivar in relation to its location in the Upper Polog, agriculture is a major additional source of income, and limiting factor for the spatial expansion of the city on the arable land.

Of crops are extensively cultivated vegetable crops; while in animal husbandry are bred tiny and large cattle.

Table 54. **Quality of life in Municipality of Gostivar**

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES	✓		Post Office
BANKING	✓		Banks
INSURANCE	✓		Insurance companies
SHOPPING CENTERS AND RETAIL	✓		Shopping centers
HEALTHCARE	✓		Public health center
EDUCATION	✓		Central 10 primary schools, 20 peripheral, 3 secondary schools, 1 college
SPORTS AND RECREATION	✓		Sports centers and courts
CULTURE	✓		Cinema, Culture Center
LOGISTICS			

As a municipality which represents a business administrative center in the Polog planning region, the quality of life in the municipality of Gostivar is high. In the municipality there are all kinds of services that meet the needs of citizens.

Traffic connections

The location of the municipality is very favorable because it is located at the crossroads of important lines leading north towards the city of Tetovo, Skopje further to the south to the towns of Ohrid and Kichevo, and southwest to the town of Debar. The most important corridors for transit traffic are: trunk road, M-4 Skopje-Ohrid, the railroad Skopje-Kichevo and the regional road Gostivar-Debar-Ohrid. The municipality is located ninety kilometers from the airport in Skopje and a hundred kilometers from the airport in Ohrid.

Investment opportunities in the Municipality of Gostivar

Gostivar is one of the largest municipalities in the Polog planning region and one of the more developed. The relief in this municipality is very diverse and rich in natural heritage which offers space for various investments, consisting of mountains, valleys, rivers with pure spring water as well as spring of Vrutok, caves and national parks. By this municipality offers room for development of the industry, and especially for the light and non-polluting industry. The proximity of the mountains, streams and other natural resources also create space for the development of tourism and the construction of accommodation and catering facilities.

4.5 Municipality of Zhelino

Municipality of Zelino is located at the bottom of on Polog from the right side of the river Vardar on the slopes of „Suva Mountain“. The municipality spreads to the river Treska. Rich in natural beauty and cultural monuments together with the favorable location provide favorable conditions for investment and overall development of the municipality. Zhelino is a rural municipality and it has 18 settlements inhabited by a total of 27,329 inhabitants.

Table 55. Demographic structure of the Municipality of Zhelino

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	13,769	
Female	13,560	
Total	10,765	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate		
Master's degree		
Higher education		
Postsecondary education		
Secondary education		
Primary education		
Without education		
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age		
Employed		
Unemployed	981	

► *Source: State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia*

Access to competitive workforce

In the municipality of Zelino has recorded a total of 981 unemployed of which 533 or 54 percent are aged 25 to 44 years. The largest number of unemployed persons based on gender, 75 percent, is men.

According to the educational structure, the most of unemployed persons are registered as persons without education and those with completed primary education.

The number of unemployed persons by age and educational background indicates that the municipality has a young working population despite the lack of educational qualifications can be used for recruitment and pre-qualify through training and informal education. Employers can use subsidized training through the Employment Agency of the Republic of Macedonia, internships and the opportunity for employment of persons under 29 years that are exempt from paying tax. Non-formal education, on the other hand, enables attendance certified training, which also enable acquiring the necessary skills to work.

Table 56. **Structure of unemployed by age**

Municipality	Situation on 31.05.2015		Registered unemployed persons				Percentage of registered persons of appropriate age by sex, from the total number of registered unemployed persons			
			Total		Female		Total		Female	
			Total	Male	Total	Male	Total	Male	Total	Male
Zhelino	Registered unemployed persons		981	245	736			25%	75%	
Zhelino	Age 25 to 44		533	146	387		54%	15%	39%	
Zhelino	Age 15 to 24		134	61	73		14%	6%	8%	
Zhelino	Age 45 to 60 and more		314	38	276		32%	4%	28%	

► **Source:** Target Communications, calculations based on data from the Employment Agency of the Republic of Macedonia

Table 57. **Structure of unemployed by qualification**

Registered unemployed persons and Assessment of the situation on 31.05.2015 by using % of representation of appropriate age and sex from the total number of registered persons	Level of education and sex													
	Without education or with primary education			Incomplete secondary education			Completed secondary education			Postsecondary education			Higher education	
	Total		Female	Total		Female	Total		Female	Total		Female	Total	
	Male	Female	Male	Male	Female	Male	Male	Female	Male	Male	Female	Male	Male	Female
Registered unemployed persons	685	141	544	36	1	35	190	65	125	4	1	3	65	36
													29	1
													0	0
													0	0
													0	0

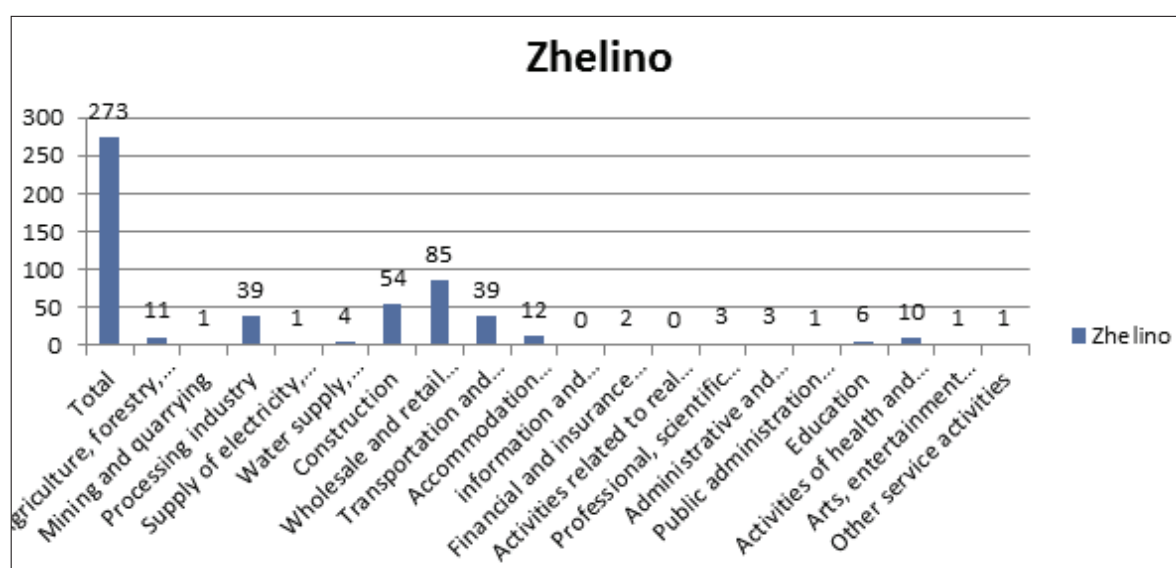
► **Source:** Target Communications, calculations based on the data from the Employment Agency of the Republic of Macedonia

Industries represented in this municipality:

Table 58. *Industries in the Municipality of Zhelino*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry	✓		
Construction industry	✓		
Wood industry	✓		Wood processors
Processing of metal	✓		Collectors and processors of scrap metal
Textile industry			
Tourism and hospitality		✓	
Wholesale and retail trade	✓		

Chart: *Active business entities by sector of activity*



► Source: State Statistical Office, 2014

The municipality has registered a total of 273 active business entities most of which are registered in the following sectors:

- Wholesale and retail trade - 85 active business entities
- Construction industry - 54 active business entities
- Transportation and warehousing - 39 active business entities
- Processing industry - 39 active business entities

Table 59. **Agriculture, animal husbandry, forestry and fisheries in Municipality of Zhelino**

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		A large area of arable land
ANIMAL HUSBANDRY	✓		
FORESTRY			
FISHERIES			

Table 60. **Quality of life in Municipality of Zhelino**

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES			
BANKING	✗		
INSURANCE	✓		
SHOPPING CENTERS AND RETAIL	✗		
HEALTHCARE	✓		Policlinic
SPORTS AND RECREATION	✓		Construction of the sports hall is in progress. Football field
CULTURE	✗		
LOGISTICS			

Traffic connections

The favorable location of the municipality of Zhelino, located on the right side of the main highway Skopje-Tetovo provides excellent traffic connections of the municipality with large urban municipalities and other transport hubs.

This municipality from Tetovo municipality is eight kilometers away, while from the municipality of Gostivar is 32.5 km away.

The nearest railway station is in the municipality of Jegunovce and is 14.7km away from the municipality of Zhelino.

The proximity of the main highway provides a direct connection to international airports in the country. From the airport in Skopje, the municipality is 64.8 km away, and from Ohrid airport is 130 km.

Investment opportunities in the Municipality of Zhelino

The Municipality of Zhelino is characterized by agricultural land structure which has a total of 15,561 hectares or 16 percent of the total area of the municipality. There is great potential for tourism development, based on the cultural heritage of this municipality as well as amenities offered. But many of the people focus on the economic activities such as the development of small and medium businesses. In this municipality operate a number of small and medium-sized businesses, where we could also mention the foreign company „Lecker“ that deals with the production of chickens, eggs and other products, then a few hotels, factories for the production, etc.

4.6 Municipality of Jegunovce

Jegunovce is located in the northwest of Dolni Polog among the western slope of the limestone mountain „Zheden“ and the southern slope of „Shar Planina“. It is a synonym of a blend of traditional and multi-ethnic entity in the Polog planning region. On a territory of 176.93 km² are situated 17 settlements in which are residing a total 10,765 inhabitants.

Table 61. Demographic structure of the Municipality of Jegunovce

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	5,539	
Female	5,226	
Total	10,765	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate		
Master's degree		
Higher education		
Postsecondary education		
Secondary education		
Primary education		
Without education		
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age		
Employed		
Unemployed	717	

► **Source:** State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia

Access to competitive workforce

Municipality of Jegunovce has a total of 717 unemployed persons active job seekers of which the largest percentage fall in the age structure of 45 to 60 years and over.

According to the educational structure, most of the unemployed persons are without education or with completed primary education.

In terms of gender structure, greater number of unemployed people is observed in men with a 60%.

The number of unemployed persons by age and educational background indicates that the municipality has a young working population despite the lack of educational qualifications can be used for recruitment and pre-qualify through training and informal education. Employers can use subsidized training through the Employment Agency of the Republic of Macedonia, internships and the opportunity for employment of persons under 29 years that are exempt from paying tax. Non-formal education, on the other hand, enables attendance certified training, which also enable acquiring the necessary skills to work.

Industries represented in this municipality:

Table 64. *Industries in the Municipality of Jegunovce*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry	✓		
Electrical Engineering Industry			
Processing of metals			
Textile industry	✓		Lijoteks from Vratnica and Riteks from Sirichino
Tourism and hospitality	✓	✓	Opportunities for development 5 restaurants, 4 rent a room and 1 mountain lodge in Ljuboten with 50 beds and 5 bungalows
Wholesale and retail trade	✓		

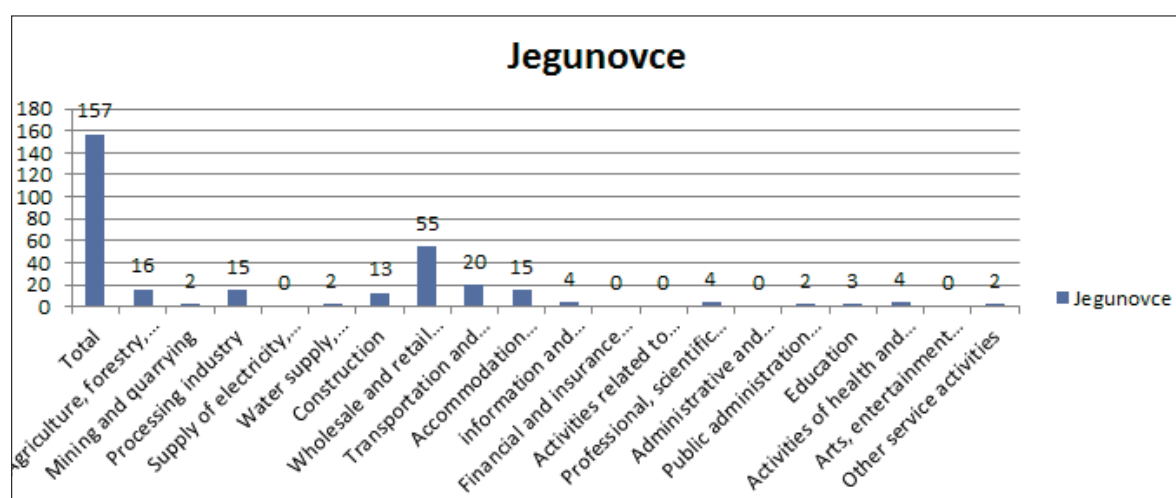


Chart: Active business entities by sector of activity

► Source: State Statistical Office, 2014

Municipality of Jegunovce has a total of 157 active business entities. Most of them are registered in the sectors:

- Wholesale and retail trade - 55 active business entities
- Transportation and warehousing - 20 active business entities
- Processing industry - 15 active business entities

Table 65. Agriculture, animal husbandry, forestry and fisheries in Municipality of Jegunovce

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		Dispose of arable land
ANIMAL HUSBANDRY	✓		Dispose of pastures
FORESTRY	✓		Has a rich forest fund
FISHERIES	✓		Sports fishery, raising fish in fish farms

Municipality of Jegunovce is rich in arable land in which is mostly grown crops like grain, maize, wheat and barley. Besides wheat, on arable land are cultivated vegetables and fruit crops. There are large areas of grassland, which are suitable for the development of animal husbandry. Of forests, the municipality has oak, beech, acacia, chestnut, alder, poplar, field spruce and willow.

In terms of the development of fisheries, the municipality is characterized by the Vardar River and several tributaries that provide recreation and sport fishing.

The municipality is characterized by the presence of natural raw material of biological fertilizer-peat, which is of great importance for the production of healthy food.

Table 66. Quality of life in Municipality of Jegunovce

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES	✓		four post offices
BANKING			
INSURANCE	✓		Insurance company
SHOPPING CENTERS AND RETAIL			
HEALTHCARE	✓		3 ambulances and 4 dental clinics
EDUCATION	✓		Three central primary schools with a total of 13 district schools Local institution public library „Svetlina Drita“
SPORTS AND RECREATION	✓		Football clubs and sporting events, fighting club
CULTURE	✓		Cultural and artistic association
LOGISTICS			

Traffic connections

Municipality of Jegunovce has a geo-strategic location in the Polog planning region. Through it leads the regional road R 1203 which has international importance because connects western Macedonia with Kosovo thru the border Jazhince. Through the territory of the Municipality also passes the railway line Skopje-Tetovo, Kichevo

The road network provides quality connection of the municipality and its complemented by the regional road R-2234 that connects the municipality Jegunovce through Radusa with the capital of the Republic of Macedonia - Skopje witch citizens gets an opportunity to effectively connect with the rest of the state.

The regional road R-2242 connects the municipal center Jegunovce with the highway Skopje-Gostivar.

The regional road R-29 274 connects one part of the municipality to the regional road Tetovo-border Jazhince.

Investment opportunities in Municipality of Jegunovce

Municipality of Jegunovce is rich in natural resources, pastures, agricultural land and waters, which provide an opportunity for investment:

- Utilization of pastures for development of animal husbandry
- Utilization of arable land for the development of agriculture
- Natural beauties to visit the municipality and tourism development
- Production of healthy and ecological food
- Utilization of renewable energy (sun and wind)
- Beekeeping

4.7 Municipality of Mavrovo and Rostushe

The Municipality of Mavrovo and Rostushe is one of the territorially largest municipalities the Republic of Macedonia and border municipality which in the west borders with Albania and with Kosovo to the northwest. It covers an area of 682 km² with a total of 42 settlements, which are characterized by very low population density per square kilometer. Head office is in the village Rostushe and there live a total 8,894 residents. It has a rich hydrographic network, favorable location and rich in many natural resources that make the municipality an attractive destination for visits by domestic and foreign tourists.

Table 67. Demographic structure of the Municipality of Mavrovo and Rostushe

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	4,436	
Female	4,458	
Total	8,894	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate		
Master's degree		
Higher education		
Postsecondary education		
Secondary education		
Primary education		
Without education		
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age		
Employed		
Unemployed	572	

► **Source:** State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia

Access to competitive workforce

The Municipality of Mavrovo and Rostuse in terms of human resources has a small number of unemployed persons who are actively seeking work. The total number of unemployed persons amounted to 572 of which 47 percent were people aged 45 to 60 and older, while 42 percent were people aged 25 to 44 years.

Of the total number of unemployed, based on gender, 79 percent are men and the remaining 21 percent are women.

According to the educational structure, 391 unemployed person is without education or with completed primary education.

Although is characterized by a small number of unemployed persons, there is a small segment of the young working population, which can be trained and qualified for the needs of future employers. Training and acquisition of necessary skills and knowledge employers can perform through the use of employment measures by the Agency for Employment or the use of informal education.

Table 68. **Structure of unemployed by age**

Municipality	Situation on 31.05.2015		Registered unemployed persons			Percentage of registered persons of appropriate age by sex, from the total number of registered unemployed persons		
			Total	Female	Male	Total	Female	Male
Mavrovo and Rostushe	Registered unemployed persons		572	118	454		21%	79%
Mavrovo and Rostushe	Age 25 to 44		240	55	185	42%	10%	32%
Mavrovo and Rostushe	Age 15 to 24		66	16	50	11%	3%	8%
Mavrovo and Rostushe	Age 45 to 60 and more		266	47	219	47%	8%	39%

► **Source:** Target Communications, calculations based on data from the Employment Agency of the Republic of Macedonia

Table 69. **Structure of unemployed by qualification**

Registered unemployed persons and Assessment of the situation on 31.05.2015 by using % of representation of appropriate age and sex from the total number of registered persons	Level of education and sex																					
	Without education or with primary education			Incomplete secondary education			Completed secondary education			Postsecondary education			Higher education			Master of sciences			Doctor of sciences			
	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	
	391	84	307	27	3	24	140	27	113	2	0	2	10	3	7	2	1	1	0	0	0	
Registered unemployed persons																						

► **Source:** Target Communications, calculations based on the data from the Employment Agency of the Republic of Macedonia

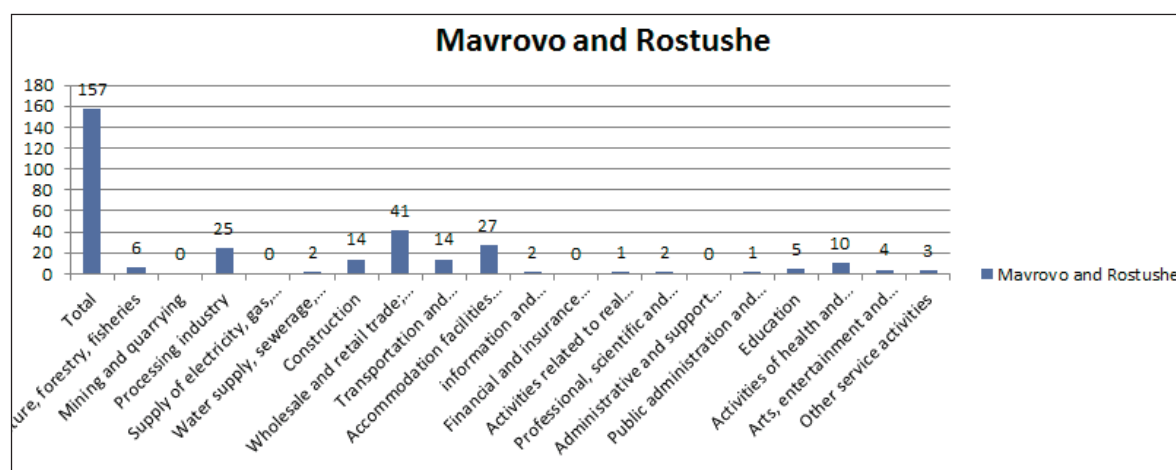
Industries represented in this municipality:

Table 70. *Industries in the Municipality of Mavrovo and Rostushe*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry	✓		
Electrical Engineering Industry			
Construction industry			
Processing of metals			
Textile industry	✓		
Tourism and hospitality	✓		

Tourism and hospitality are one of the most developed sectors in the municipality that have the potential to contribute even greater development of the municipality. Tourist attractions that are located in this section, and are suitable for rest and relaxation, attract a number of domestic and foreign tourists. The ski center „Zare Lazarevski“ enables developed winter tourism, while large expanses of mountain enable the development of mountain tourism.

Chart: *Active business entities by sector of activity*



► Source: State Statistical Office, 2014

The municipality has registered a total of 157 active business entities. Most of them are registered in the following sectors:

- Wholesale and retail trade -41 active business entity
- Accommodation facilities -27 active business entities
- Processing industry- 25 active business entities
- Construction industry -14 active business entities
- Transportation and warehousing -14 active business entities

Table 71. **Agriculture, forestry and fisheries in Municipality of Mavrovo and Rostushe**

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		
ANIMAL HUSBANDRY	✓		
FORESTRY	✓		
FISHERIES	✓		

Large areas of grassland allow representation of animal husbandry and the opportunity for greater development. Arable land is suitable for agricultural development which, together with the animal husbandry, represents the primary economy in the municipality.

The municipality is rich with forests that most falls under the Mavrovo National Park and are protected.

The waters in this area are significant natural resources and has large and in satisfactory quantities. The most important is the river Radika, which extends along the edge (center) of the Mavrovo National Park and features clean and clear water quite rich in fish, especially trout.

Table 72. **Quality of life in Municipality of Mavrovo and Rostushe**

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES			
BANKING	✗		
INSURANCE	✗		
SHOPPING CENTERS AND RETAIL			
HEALTHCARE	✓		Health care center and health services in settlements
SPORTS AND RECREATION	✓		
CULTURE	✓		
LOGISTICS			

Traffic connections

The municipality of Mavrovo and Rostushe has a favorable geostrategic position that allows connection to other municipalities in the region and the larger transportation hubs.

To the municipality leads the regional road R409, and also are passing through it the regional roads R413, R414 and R415 that connect the surrounding settlements with regional road R409. The regional road R409 is quite a busy road, because it is used as a shortcut for the arrival from Debar to Skopje, then the only way to deliver technical and firewood from Mavrovo National Park as well as delivery of gypsum products of the factory in Debar to the cities of Gostivar, Kichevo and Tetovo.

Of railway transport the nearest railway station is in Gostivar which is 32 km away from the municipality.

Air traffic is also developed through international airports in Skopje, located 125 km distance and from Ohrid, located 103 km from this municipality.

Investment opportunities in the Municipality of Mavrovo and Rostushe

In Mavrovo and Rostushe, taking into account the nature that surrounds this municipality and proximity to ski slopes, the biggest investment opportunities are opening up to tourism development and construction of the accommodation - catering complexes, since this municipality offers several types of tourism such as mountain, sports, winter and alternative tourism.

4.8 Municipality of Tearce

Municipality of Tearce was established in 1996 and consists of 13 settlements with 22,840 inhabitants. Situated in the valley of „Shar Planina“ is characterized by a large number of natural beauties and cultural values that make Municipality of Tearce attractive to visit and provide investment and development in rural tourism. Settlements in the municipality are divided into mountainous and of meadow and head office is located in Tearce which is the administrative, cultural and economic center.

Table 73. Demographic structure of the Municipality of Tearce

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	11,725	
Female	11,115	
Total	22,840	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate	2	0.01%
Master's degree	10	0.06%
Higher education	389	2.29%
Postsecondary education	245	1.44%
Secondary education	3,342	19.66%
Primary education	12,020	70.70%
Without education	993	5.845
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age	4,900	
Employed	1,825	37.24%
Unemployed	1,621	62.76%

► *Source: State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia*

Access to competitive workforce

The number of unemployed persons who are actively seeking work in the Municipality of Tearce is 1,621 of which 49 percent or 800 unemployed persons are in the age group of 25 to 44 years. This number indicates a large number of young working populations, which is an important resource for employers and future investors.

In terms of educational background, 815 unemployed persons are without education or with primary education. This group of unemployed persons can be pre-qualified through training of non-formal education or training and internships works subsidized by the Agency of Employment thus enabling faster and easier training and employment of selected candidates.

Municipality of Tearce has a large number of unemployed persons with secondary education, which is also important information to prospective employers that will require workforce.

Table 74. Structure of unemployed by age

Municipality	Situation on 31.05.2015		Registered unemployed persons			Percentage of registered persons of appropriate age by sex, from the total number of registered unemployed persons		
			Registered unemployed persons					
			Total	Female	Male	Total	Female	Male
Tearce		Registered unemployed persons	1,621	515	1,106		32%	68%
Tearce		Age 25 to 44	800	309	491	49%	19%	30%
Tearce		Age 15 to 24	250	113	137	16%	7%	9%
Tearce		Age 45 to 60 and more	571	93	478	35%	6%	29%

► Source: Target Communications, calculations based on data from the Employment Agency of the Republic of Macedonia

Table 75. Structure of unemployed by qualification

Registered unemployed persons and Assessment of the situation on 31.05.2015 by using % of representation of appropriate age and sex from the total number of registered persons	Level of education and sex																				
	Without education or with primary education			Incomplete secondary education			Completed secondary education			Postsecondary education			Higher education			Master of sciences			Doctor of sciences		
	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male
Registered unemployed persons	815	212	603	128	13	115	468	156	312	14	7	7	190	123	67	6	4	2	0	0	0

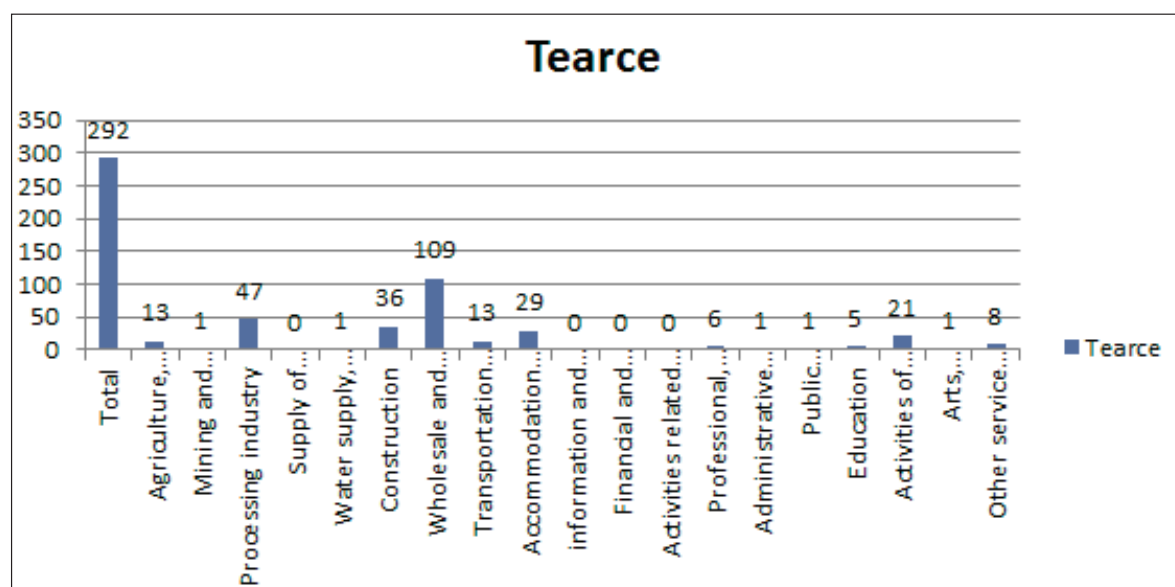
► Source: Target Communications, calculations based on the data from the Employment Agency of the Republic of Macedonia

Industries represented in this municipality:

Table 76. *Industries in the Municipality of Tearce*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry			
Electrical Engineering Industry			
Construction industry			
Processing of metals			
Textile industry			
Tourism and hospitality		✓	
Wholesale and retail trade			

Chart: *Active business entities by sector of activity*



► Source: State Statistical Office, 2014

In Municipality of Tearce are registered a total of 292 active business entities most of which are registered in the following sectors:

- Wholesale and retail trade -109 active business entities
- Processing industry - 47 active business entities
- Construction industry - 36 active business entities
- Accommodation facilities -29 active business entities

Table 77. *Agriculture, forestry and fisheries in Municipality of Tearce*

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		
ANIMAL HUSBANDRY	✓		
FORESTRY			
FISHERIES			

Table 78. *Quality of life in Municipality of Tearce*

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES	✓		Expansion of providing and service activities mostly in the envisaged industrial / economic zones in urban plans.
BANKING	✓		Subsidiaries of banks
INSURANCE			Due to the proximity of the city of Tetovo are used insurance companies located there
SHOPPING CENTERS AND RETAIL	✓	✓	Planned investments in shopping malls
HEALTHCARE	✓		Private clinics and pharmacies 12km. distance from Clinical Hospital Tetovo
SPORTS AND RECREATION	✓	✓	Gyms, tennis courts, construction and charting of mountain hiking trails, multipurpose sports fields and more.
CULTURE	✓	✓	Construction of a cultural center, museum, theater, public library
LOGISTICS			

Traffic connections

The favorable location the Municipality of Tearce provides good traffic connections to other municipalities in the region, as well as other major transportation hubs in the country.

Regional roads:

- Tetovo – Jazhince (R-1203 = 14 km)
- Prshovce – Jegunovce (R-2234 = 4,5 km)
- Leshok – Ratae (R-29274 = 2,5 km)

Municipality of Tearce is located 11 km north of Tetovo, fifty kilometers west of Skopje, and 80 from the airport „Alexander the Great“. From the railway station in Jegunovce is 15.1 km away. The border crossing „Jazhince“ is 25.8 km away.

Investment opportunities in the Municipality of Tearce

The municipality of Tearce offers favorable investment opportunities. Competitive advantages in terms of investments offered by this municipality are: low taxes, fees and utility charges, vicinity of regional and trunk roads, vicinity of railroad, natural beauty, multinationality, water supply etc. Proof of favorable conditions is already present domestic and foreign investors and companies and the foreign investors and companies in the industrial zones of the Municipality of Tearce.

4.9 Municipality of Tetovo

Surrounded by the „Shar Planina“ in the middle of Polog, the river Pena is situated the municipality of Tetovo. With an area of 1,080 km² and 90,800 inhabitants Tetovo is the most densely populated municipality in the Polog planning region.

Excellent geostrategic position, natural and cultural resources and fertile land, along with the city of Tetovo as developed business and administrative, educational and cultural center, enable the development of the municipality and the favorable conditions for investment in it.

Table 79. Demographic structure of the Municipality of Tetovo,

STRUCTURE BY SEX		
SEX	POPULATION	PERCENTAGE (%)
Male	45,618	
Female	45,182	
Total	90,800	
STRUCTURE BY EDUCATION		
LEVEL OF EDUCATION	POPULATION	PERCENTAGE (%)
Doctorate	27	
Master's degree	71	
Higher education	3,183	
Postsecondary education	1,765	
Secondary education	18,711	
Primary education	37,912	
Without education	2,963	
EMPLOYMENT	POPULATION	PERCENTAGE (%)
Working age		
Employed		
Unemployed	8,129	

► **Source:** State Statistical Office of the Republic of Macedonia of Census 2002, a situation of unemployed persons of 31.05.2015 – Employment Agency of the Republic of Macedonia

Access to competitive workforce

In the municipality of Tetovo are registered a total of 8,129 unemployed persons as active job seekers, of whom 50 percent are aged 25 to 44 years. This indicates that the municipality has a large number of young working population which represents a potential workforce for employers.

According to the data on unemployed population by educational structure, the municipality has registered 3,887 unemployed persons without education or with completed primary education in 2,352 and unemployed persons with completed secondary education. Through employment measures provided by the Employment Agency of the Republic of Macedonia and the opportunity for informal education, unqualified working population has the opportunity to acquire the necessary knowledge and skills needed by employers and will facilitate the way in selecting potential candidates' recruitment.

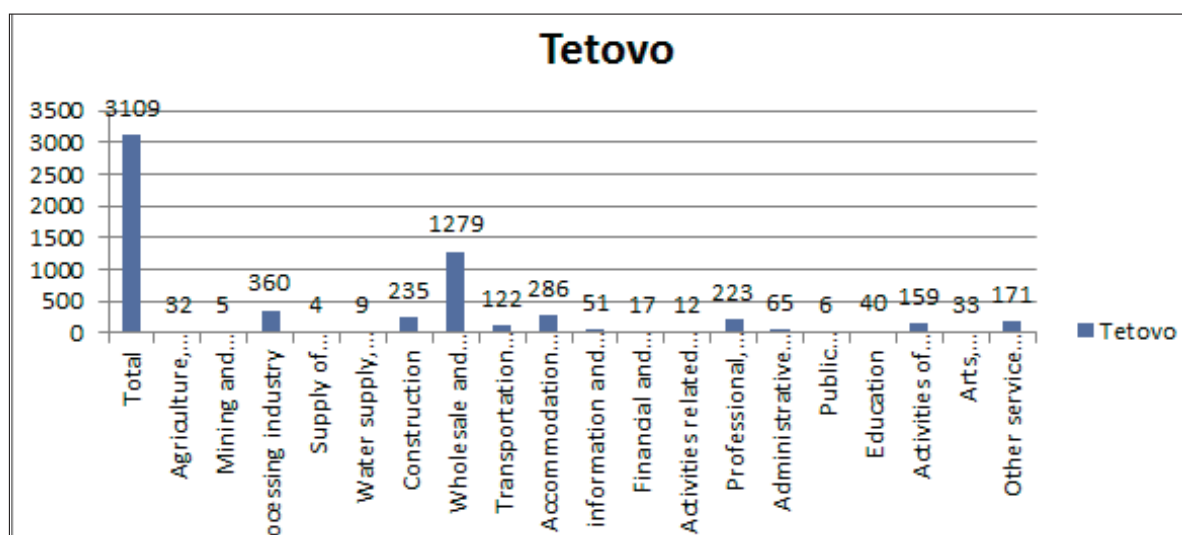
Industries represented in this municipality:

Table 82. *Industries in the Municipality of Tetovo*

INDUSTRIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
Processing industry	✓		
Construction industry and production of construction materials	✓		
Wood Industry	✓		
Electrical Engineering Industry			
Processing of metals			
Textile industry	✓		
Food industry	✓		
Tourism and hospitality	✓		
Wholesale and retail trade	✓		

The municipality of Tetovo is rich in natural and cultural monuments that contribute to have developed tourism and hospitality. The city is rich in historical and cultural monuments that convey the culture and tradition of the population and therefore are visited by many tourists. The largest contribution to the development of tourism has ski resort „Popova Shapka“ that contributes to the development of tourism and hospitality in the winter.

Chart: *Active business entities by sector of activity*



► Source: *State Statistical Office, 2014*

In the municipality of Tetovo has registered the highest number of active business entities i.e. 3,109 business entities compared to other municipalities in the Polog planning region. Most of them are registered in the following sectors:

- Wholesale and retail trade -1,279 active business entities
- Processing industry -360 active business entities
- Accommodation facilities - 286 active business entities
- Construction -235 active business entities
- Professional, scientific and technical activities - 223 business entities.

Table 83. Agriculture, animal husbandry, forestry and fisheries in Municipality of Tetovo

AGRICULTURE, FORESTRY, FISHERIES			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
AGRICULTURE	✓		
ANIMAL HUSBANDRY	✓		
FORESTRY	✓		
FISHERIES			

Municipality of Tetovo is rich in natural beauty of which one section constitute large areas of forests, pastures, fertile soil and lakes.

Already used arable lands are used for the production of quality vegetables and there is great not used area that is a potential for agricultural development. Large areas of grassland enable the development of animal husbandry through breeding of domestic animals and manufacturing various types of dairy products.

The forests in this region are rich with pines and beeches. Natural conditions such as climate, terrain and geological components of the country enabled in Tetovo region appear many water springs, and therefore Tetovo is one of the few cities in Macedonia which has drinking water, water for industrial needs and for irrigation.

Table 84. Quality of life in Municipality of Tetovo

SERVICES - QUALITY OF LIFE			
NAME	EXISTING	PLANNED DEVELOPMENT	COMMENT
SERVICES	✓		
BANKING	✓		
INSURANCE	✓		
SHOPPING CENTERS AND RETAIL	✓		
HEALTHCARE	✓		A number of health facilities with various types of health services from primary care. Public health institution Medical Center in Tetovo in which frames also works general hospital and medical center.
SPORTS AND RECREATION	✓		Seven stadiums and six gyms, football clubs, schools for football, futsal clubs
CULTURE	✓		Tetovo Theatre, National institution - Library „Kocho Racin“
EDUCATION	✓		12 elementary schools, five middle schools, two Universities
LOGISTICS	✓		

As urban and densely populated municipality Tetovo offers its citizens a high quality of living. Available are all types of services and services that make life easier, for the population as well as the tourists who visit this area. Both universities that are located in the city of Tetovo give the city a characteristic of developed university center that contributes to the professional training of future generations.

Traffic connections

Geostrategic position of Tetovo is characterized by being located at the crossroads of international busy corridors: Corridor 8 (passes through Tetova) and Corridor 10 (40 km away from Tetovo).

In Tetovo is also developed railway traffic, with the railway station located in the city and is part of the railway line Skopje-Tetovo-Gostivar-Kichevo.

Of international airports, the closest airport is „Alexander the Great“ which is 70 km away from Tetovo.

Investment opportunities in Municipality of Tetovo

As the most developed municipality in the Polog planning region there is room for investment in several areas. Business administrative, cultural and university center opens an opportunity for the development of entrepreneurship and investments in business facilities. There is a great opportunity for investment in the hotel - accommodation and catering facilities that will contribute greater development of tourism. Shar Planina enables the development of mountain tourism and large areas of meadows and arable land for development of agriculture and animal husbandry.

- Competitive advantages - tourism, agriculture, construction, food-processing industry, wholesale and retail trade
- Present domestic investors and companies – 6,874
- Subsidies from the municipality - Department of Finance in the Municipality of Tetovo

Also a large space for investment offers TIRZ Tetovo, where already begin construction major foreign firms such as ITEC Italian and American Lahr, which is a supplier of parts of the automotive industry.



COLLECTION OF INDUSTRIAL ZONES

5. Collection of industrial zones

5.1 Municipality of Bogovinje

5.1.1 General investment incentives

Municipality of Bogovinje is a municipality with modern infrastructure connection, since it is located at the crossroads of the trunk road Tetovo-Gostivar and nearby is also located the railway station in the village of Zherovjane. Crossroads where the municipality is situated enables it to be easily accessible and easy to connect with other municipalities in the region and with other cities in the country.

The development of the municipality and its proximity to urban municipalities provide good quality of life for the population in it and unhindered operation of the enterprises.

All these features represent benefits for existing and future investors in the municipality.

5.1.2 Competitive advantages

Extremely rare natural beauty in pastures, streams and inland lakes that Bogovinje has, gives a great advantage for development and investment in rural, alternative and ecological tourism as well as broad-based development of agriculture and animal husbandry. The large number of watercourses which features municipality offers utilization of the hydropower potential.

5.2 Municipality of Brvenica

5.2.1 General investment incentives

The location of the Municipality of Brvenica and its good infrastructure links with other municipalities in the region, the proximity of the main highway as well as proximity to the airport „Alexander the Great“, make the municipality a favorable and attractive for investment.

The proximity of the two largest urban municipalities, Tetovo and Gostivar and allows the municipality to offer good quality of life for residents in it and access to any kind of services they need as citizens and business entities.

5.2.2 Competitive advantages

Natural resources and amenities available to the municipality represent great potential for investment in agriculture, animal husbandry and rural and mountain tourism. As a rural municipality located in the fertile and ecologically clean valley, the municipality has a potential for investment in the production of ecological food, while its waters represent an opportunity for utilization of the hydrological potential.

It has young working age unemployed persons, skilled and unskilled, with opportunities for further qualification. It represents a municipality that has developed most of the industries and some of them represent the potential for development is being planned.

Free sites and zones in the Municipality of Brvenica are intended for investment in non-polluting and light industry G2, G3 and G4.

5.2.3 Utility costs

The fee for construction land is determined by the municipality, the cost of regulation are calculated per square meter of the new construction area which will be built (according to Decision no. 07-575 / 4 of 16.09.2005, the official municipal sheet no. 6 / 05).

Prices are shown in the table below:

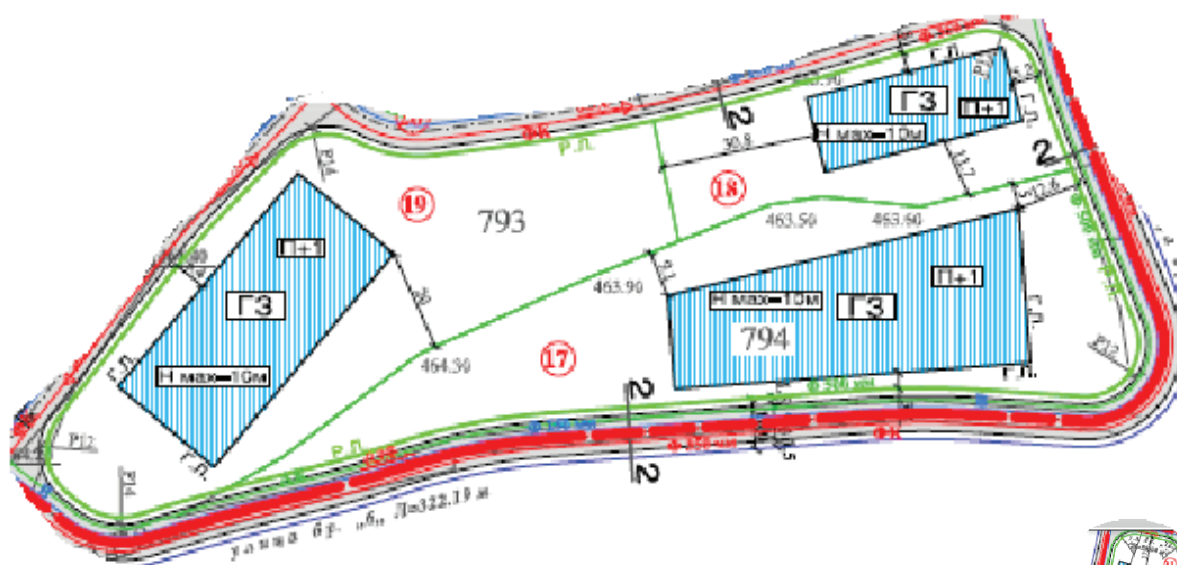
No.	Housing A- (A0, A1, A2, A3, A4)	Facilities of groups of purpose classes B (B1, B2, B3, B4, B5, B6)	Public facil- ities V (V1, V2, V3, V4, B5)	Facilities of groups of purpose classes – G	Facilities of group of pur- pose classes – D (D1, D2, D3, D4)	E-(E1, E2, E3) infrastructure
1	200 den.	400 den.	400 den.	400 den.	400 den.	400 den.

5.2.4 Investment opportunities

5.2.4.1 Free sites

Urban plan outside the settlement Tenovo for commercial complex MV DAPCHE of CO Tenovo, Municipality Brvenica, Draft Plan 2008-2018





Plot no.	Area of the plot	Area of land under construction		Maximum height of construction	Floors	Total built area	K	Purpose of build-ings	Compatible purposes	Percentage of comp. purposes
		m2	%							
1	3451	1561	45	10.00	P+1	1873	0.54	G2	B1, B2, G3, G4, D2, D4	30%
2	1990	836	42	10.00	P+1	1003	0.50	G2	B1, B2, G3, G4, D2, D4	30%
3	2984	1500	50	10.00	P+1	1800	0.60	G2	B1, B2, G3, G4, D2, D4	30%
4	1663	875	53	10.00	P+1	1050	0.63	G2	B1, B2, G3, G4, D2, D4	30%
5	1759	880	50	10.00	P+1	1056	0.63	G2	B1, B2, G3, G4, D2, D4	30%
6	1989	912	46	10.00	P+1	1094	0.60	G2	B1, B2, G3, G4, D2, D4	30%
7	4050	2640	65	10.00	P+1	3168	0.55	G2	B1, B2, G3, G4, D2, D4	30%
8	3944	2200	56	10.00	P+1	2640	0.67	G2	B1, B2, G3, G4, D2, D4	30%
9	2910	1788	61	10.00	P+1	2145	0.74	G2	B1, B2, G3, G4, D2, D4	30%
10	2476	1573	64	10.00	P+1	1887	0.76	G2	B1, B2, G3, G4, D2, D4	30%
11	2935	1366	47	10.00	P+1	1603	0.55	G2	B1, B2, G3, G4, D2, D4	30%
12	4270	2148	50	10.00	P+1	2578	0.60	G2	B1, B2, G3, G4, D2, D4	30%
13	78	16	20	3.00	P	16	0.20	E2		
14	3430	1835	53	10.00	P+1	2202	0.64	G2	B1, B2, G3, G4, D2, D4	30%
15	2825	1209	43	10.00	P+1	1451	0.51	G2	B1, B2, G3, G4, D2, D4	30%
16	4105	1842	45	10.00	P+1	2210	0.54	G2	B1, B2, G3, G4, D2, D4	30%
17	4752	1715	36	10.00	P+1	2058	0.43	G3	B1, B2, G3, G4, D2, D4	30%
18	2009	600	30	10.00	P+1	720	0.36	G3	B1, B2, G3, G4, D2, D4	30%
19	4818	1350	28	10.00	P+1	1620	0.34	G3	B1, B2, G3, G4, D2, D4	30%
20	56	16	29	3.00	P	16	0.28	E2		
21	1480	557	38	10.00	P+1	668	0.45	G3	B1, B2, G3, G4, D2, D4	30%
22	2046	825	40	10.00	P+1	990	0.48	G3	B1, B2, G3, G4, D2, D4	30%
23	5752	3088	54	10.00	P+1	3706	0.64	G3	B1, B2, G3, G4, D2, D4	30%
24	4908	2115	43	10.00	P+1	2538	0.52	G3	B1, B2, G3, G4, D2, D4	30%
25	4705	2488	53	10.00	P+1	2986	0.63	G3	B1, B2, G3, G4, D2, D4	30%
26	3438	1886	55	10.00	P+1	2263	0.66	G3	B1, B2, G3, G4, D2, D4	30%
27	3429	2093	61	10.00	P+1	2511	0.73	G3	B1, B2, G3, G4, D2, D4	30%
28	4535	1985	44	10.00	P+1	2382	0.52	G3	B1, B2, G3, G4, D2, D4	30%
29	2486	1262	51	10.00	P+1	1514	0.61	G3	B1, B2, G3, G4, D2, D4	30%
30	2830	817	29	10.00	P+1	980	0.35	G3	B1, B2, G3, G4, D2, D4	30%
31	2442	1094	45	10.00	P+1	1313	0.54	G4	B1, B2, G3, G4, D2, D4	30%
32	2905	1698	58	10.00	P+1	2038	0.70	G4	B1, B2, G3, G4, D2, D4	30%
33	2542	1004	39	10.00	P+1	1205	0.47	G4	B1, B2, G3, G4, D2, D4	30%
34	5389	3035	56	10.00	P+1	3642	0.68	G4	B1, B2, G3, G4, D2, D4	30%
35	4813	1905	46	10.00	P+1	2286	0.47	G4	B1, B2, G3, G4, D2, D4	30%
36	3735	1445	39	10.00	P+1	1734	0.46	G4	B1, B2, G3, G4, D2, D4	30%
37	4335	2195	51	10.00	P+1	2634	0.60	G4	B1, B2, G3, G4, D2, D4	30%
38	2593	1068	41	10.00	P+1	1282	0.49	G4	B1, B2, G3, G4, D2, D4	30%
39	3933	2264	58	10.00	P+1	2717	0.69	G4	B1, B2, G3, G4, D2, D4	30%
40	3078	1582	51	10.00	P+1	1898	0.62	G4	B1, B2, G3, G4, D2, D4	30%
41	2800	1296	46	10.00	P+1	1555	0.55	G4	B1, B2, G3, G4, D2, D4	30%

42	3030	1166	38	10.00	P+1	1399	0.46	G4	B1, B2, G3, G4, D2, D4	30%
43	2310	738	32	10.00	P+1	885	0.53	G4	B1, B2, G3, G4, D2, D4	30%
44	2390	1048	44	10.00	P+1	1258	0.71	G4	B1, B2, G3, G4, D2, D4	30%
45	2786	1648	59	10.00	P+1	1978	0.76	G4	B1, B2, G3, G4, D2, D4	30%
46	60	16	27	3.00	P	16	0.27	E2		
47	74	16	22	4.00	P			E3		

ZONE / SITE / FACILITIES	Urban plan outside settlement
Name	UPVNM
Address	Village of Tenovo
Ownership:	State and private
Private; State.	State and private
Area / GUP / DUP	UPVNM
Total area	175,100 m2
Building plot area	49 Building plots
Percentage of completion	30%
Purpose of free sites for construction	G1,G2,G3, G4 and D2.
Lease / Sale	Sales with alienation
Initial price for land owned	61,00 denars per m2
Infrastructure:	Medium infrastructure
Line infrastructure:	Medium infrastructure
Distance from main transport centers:	From Tetovo about 5-17 km
Distance from main motorway:	5-10 km to the motorway Tetovo Gostivar
Distance from railway station:	17 km to the City of Tetovo
Distance from international airports:	0.0
Distance from nearby cities:	From the city of Gostivar 12 km and from the city of Tetovo 17 km.
Enterprises already operating in the zone:	None
Features of free sites for construction:	Production, distribution and service-G2, G3, G4, D2-Greenery and Recreation.

5.3 Municipality of Vrapchishte

5.3.1 General investment incentives

Municipality of Vrapchishte is located in the northwestern part of the Republic of Macedonia; it is a rural municipality with an average size. Municipality of Vrapchishte as well as other municipalities in the Polog region has a favorable geographical position and good communication and it has 15 settlements. It disposes with pastures (5,336 ha), fertile land (4,820 ha) and forests (4,686 ha), which is a good basis for development of agriculture and forestry. An additional advantage is the good traffic connections and proximity to the larger and more developed cities such as the city of Gostivar. Of course, of great importance is also the industrial zone that spreads on a territory of approximately 15 hectares, which offers investment opportunities and develop new businesses petals, thereby is important for the development of this region and improving conditions and employment of citizens.

5.3.2 Competitive advantages

Municipality of Vrapchishte has developed a strategy for local economic development, whose main objectives are to amend the urban plan, development of the industrial zone and collaboration with the small and medium enterprises.

5.3.3 Utility costs

The fee for regulation of construction land is determined by the municipality, the costs of the regulation are calculated per square meter of new construction area.

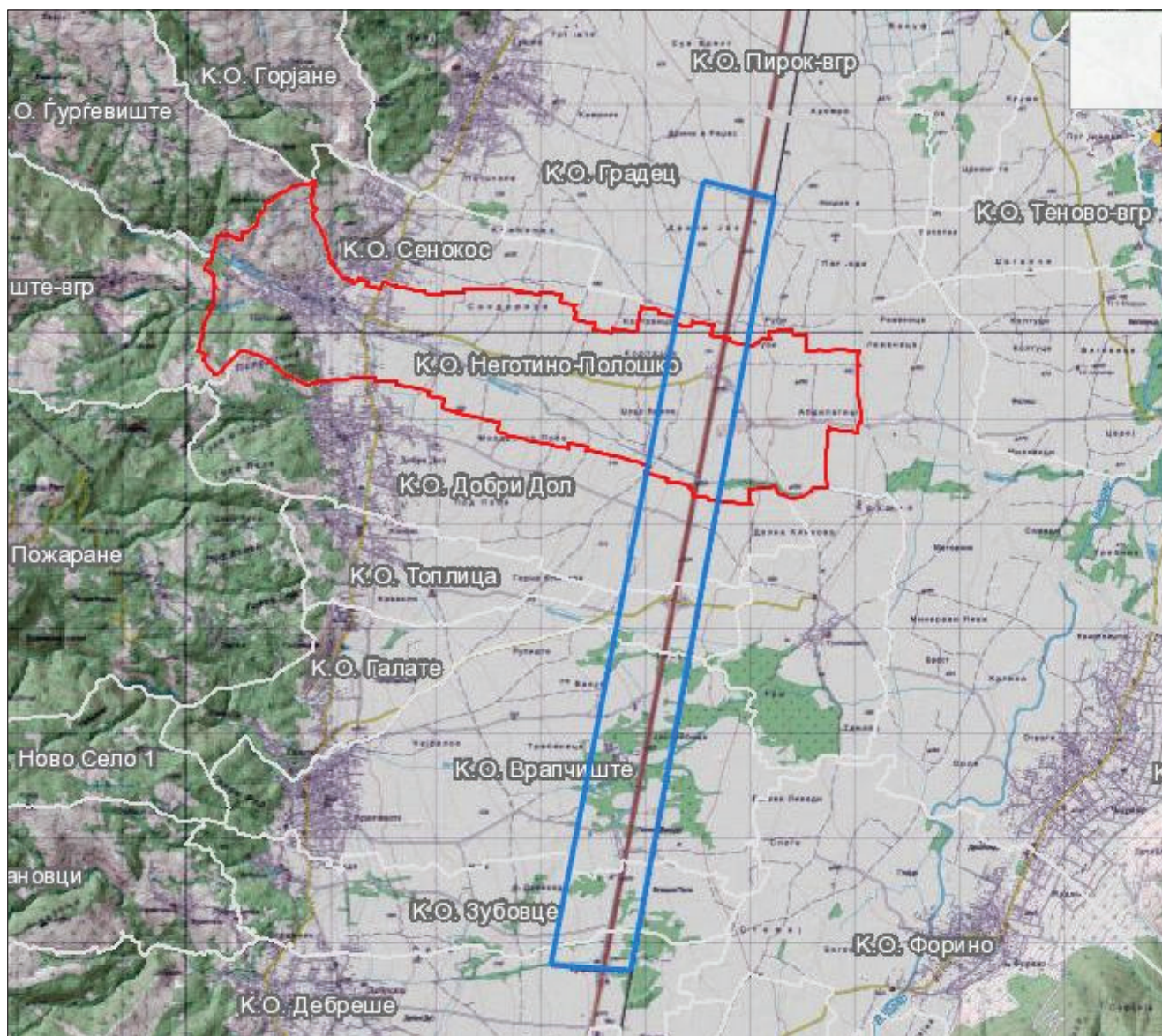
The amount of compensation of the utilities in the municipality of Vrapchishte is given in the table below:

Number	Residential facilities	Locals	Industrial facilities
1.	300 den. / m ²	600 den. / m ²	700 den. / m ²

5.3.4 Investment opportunities

5.3.4.1 Free sites

Industrial zone in the Municipality of Vrapchishte



ZONE / SITE / FACILITIES	
Name	Industrial zone in village of Zubovce
Address	Municipality of Vrapchishte
Ownership:	State
Area / GUP / DUP	Urban plan for the industrial area in the municipality of Vrapciste
Total area	About 150,000 m2
Building plot area	About 250 free building plots
Percentage of completion	/
Purpose of free sites for construction	Industrial production
Lease / Sale	Sales with alienation
Initial price for land owned	61,00 denars per m2
Infrastructure:	Good infrastructure
Line infrastructure:	Good infrastructure
Distance from main transport centers:	5,5 km from Gostivar, 25 km from Tetovo
Distance from main motorway:	On the highway itself Gostivar Tetovo
Distance from railway station:	7 km to the railway station in Gostivar
Distance from international airports:	95 km from the airport "Alexander the Great" Skopje
Distance from nearby cities:	5,5 km from Gostivar, 25 km from Tetovo
Enterprises already operating in the zone:	Meat industry „Karnem“
Features of free sites for construction:	Investment opportunity in light and heavy industry

5.4 Municipality of Gostivar

5.4.1 General investment incentives

Good location and business-administrative nature of the Municipality of Gostivar are excellent investment incentives. The location provides good traffic connections to other municipalities in the region, the cities of Skopje and Ohrid and the international airports located in their vicinity. Business and administrative character of Gostivar provides a high quality of living in the community and excellent handling of all administrative and business entities. As one of the most urban municipalities in the Polog region has great importance for other neighboring municipalities in the region that use a large part of the services of the Municipality of Gostivar.

5.4.2 Competitive advantages

As developed urban municipality, it can be invested in opening new business facilities, educational centers and residential complexes. Hilly and mountainous character, which makes up the mountains „Shar Planina“ and „Suva Gora“ is an asset for development and investment in animal husbandry, agriculture and tourism, while the developed textile and wood industries provide additional development. In terms of human resources municipality Gostivar as developed Education Centre has a number of young working populations that is qualified and is an important factor for future investors.

5.4.3 Utility costs

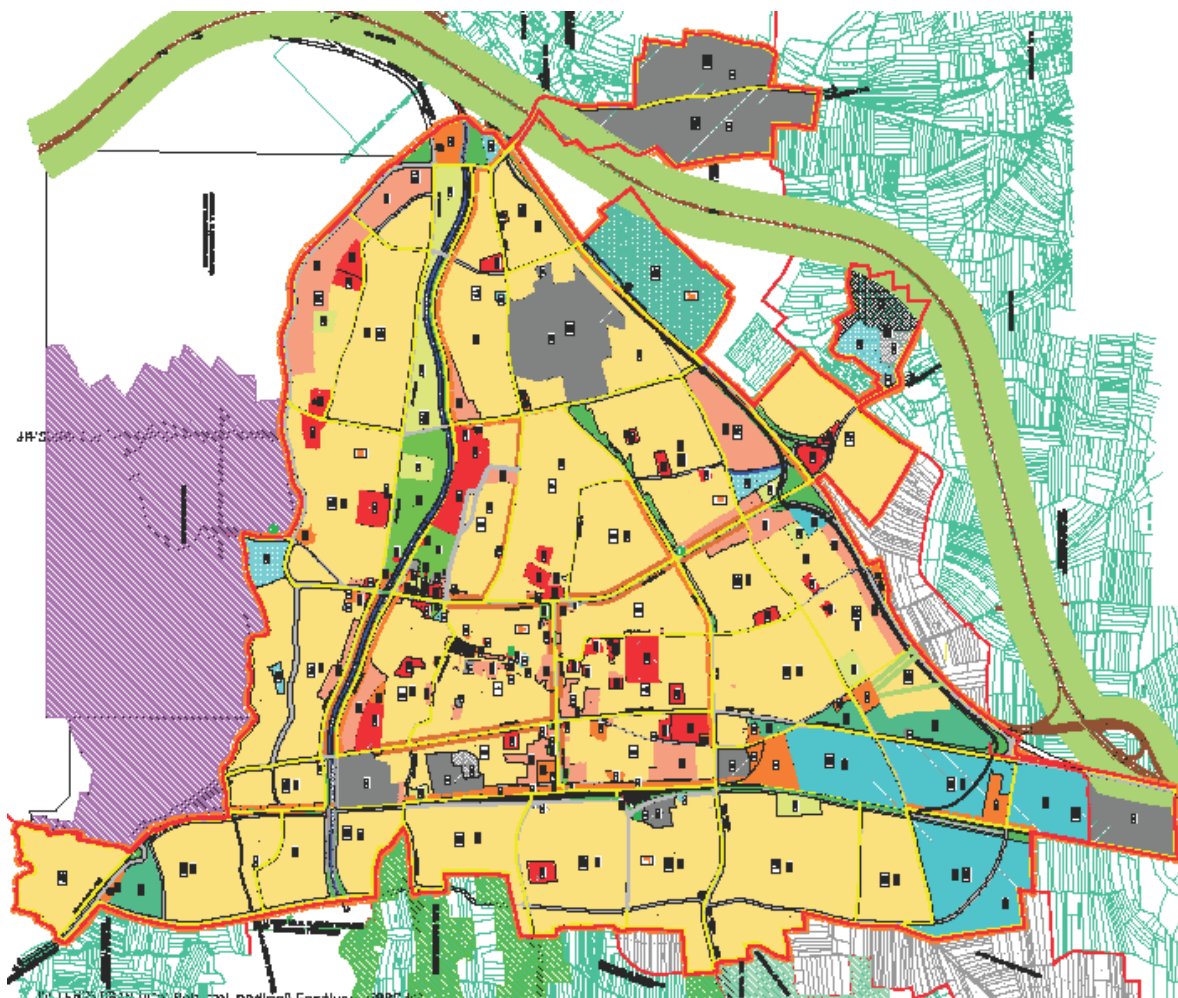
The costs of regulation of the construction land shall be determined by the municipality according to the degree of regulation of construction land with facilities of communal infrastructure. The costs of regulation are determined depending on the degree of order, which is calculated per square meter of new usable area which will be built, which is the sum of net floor area of all spaces in the building.

Prices are presented in the table below:

No.	Zones	Housing space	Commercial and public buildings	Other facilities	Production, distribution and services (G1, G2, G3, G4)	Petrol pump station and its supporting content	Facilities from groups of purpose classes -B5, A4
1	Zone 1 (first center)	Up to P +3 1,845 den. over P+3 1,537.5 den.	3,997.5 den.	4,612.5 den.	6,150 den.	3,075 den.	6,150 den.
2	Zone1 (first)	Up to P +3 1,660.5 den. over P+3 1,353 den.	3,690 den.	4,428 den.	5,904 den.	2,952 den.	5,904 den.
3	Zone 2 (second)	Up to P +3 1,414.5 den. over P+3 1,107 den.	2,767.5 den.	4,182 den.	5,535 den.	2,767.5 den.	5,535 den.
4	Zone 3 (third)	Up to P+3 1,107 den. over P+3 922.5 den.	2,460 den.	3,690 den.	4,920 den.	2,460 den.	4,920 den.
5	Zone 4 (fourth)	861 den.	1,537.5 den.	2,337 den.	3,075 den.	1,537.5 den.	3,075 den.
6	Zone 5 (fifth)	615 den.	922.5 den.	1,722 den.	1,845 den.	922.5 den.	1,845 den.
7	Zone 6 (sixth)	307.5 den.	615 den.	922.5 den.	1,230 den.	615 den.	1,230 den.

5.5 Investment opportunities

5.5.1 Free sites



Name	Purpose of the area	Area - Ha	%
Urban unit - Centar		174,525	21.707
Urban block 1		24,760	3.080
	Housing in common residential buildings	1,231	
	Public facilities	0,250	
	Commercial facilities	0,414	
Urban block 2		18,935	2.355
	Housing in common residential buildings	3,109	
	Public facilities	2,455	
	Commercial facilities	0,347	

Name	Purpose of the area	Area - Ha	%
Urban block 3		22,424	2.789
	Housing in common residential buildings	0,757	
	Public facilities	5,209	
	Commercial facilities	0,390	
	Sports and recreation	0,614	
Urban block 4		22,086	2.747
	Housing in common residential buildings	0,351	
	Public facilities	1,502	
Urban block 5		14,242	1.771
Urban block 6		13,094	1.629
	Housing in common residential buildings	0,334	
Urban block 7	Housing in common residential buildings	1,215	
	Public facilities	4,112	
Urban block 8		18,552	2.307
	Housing in common residential buildings	2,973	
	Public facilities	2,240	
	Commercial facilities	2,320	
Urban block 9		21,534	2.678
	Housing in common residential buildings	1,707	
	Public facilities	0,589	
	Commercial facilities	1,758	
	Industry	6,777	
	Sports and recreation	0,419	
Urban unit DUTLOK		142,854	17.768
Urban block 10		7,088	0.882
	Public facilities	0,049	
Urban block 11		29,332	3.648
	Housing in common residential buildings	1,359	
	Public facilities	0,082	
	Commercial facilities	0,137	
Urban block 12		26,755	3.328
	Housing in common residential buildings	0,178	
	Public facilities	3,086	
	Commercial facilities	0,353	
Urban block 13		19,907	2.476
Urban block 14			
	Housing in common residential buildings	6,651	
	Public facilities	2,645	
	Sports and recreation	0,813	
Urban block 15		13,601	1.691
	Housing in common residential buildings	3,949	
	Commercial facilities	1,500	

Name	Purpose of the area	Area - Ha	%
Urban block 16		28,854	3.589
	Commercial facilities	0,100	
	Sports and recreation	7,643	
Urban unit VI, VII and VIII Zone		227,172	28.255
Urban block 17		22,582	2.809
	Housing in common residential buildings	1,693	
	Public facilities	0,573	
Urban block 18		9,922	1.241
	Commercial facilities	0,164	
Urban block 19		31,867	3.963
	Commercial facilities	0,211	
	Industry - chemical	16,743	
Urban block 20		26,177	3.258
	Housing in common residential buildings	1,222	
	Public facilities	1,016	
Urban block 21		13,319	1.657
	Housing in common residential buildings	7,318	
	Sports and recreation	0,636	
Urban block 22		12,533	1.599
	Housing in common residential buildings	1,057	
	Public facilities	0,536	
Urban block 23		23,318	2.900
	Housing in common residential buildings	0,046	
	Commercial facilities	0,551	
Urban block 24		26,078	3.243
	Housing in common residential buildings	4,050	
	Public facilities	0,766	
	Production Zone- small businesses	0,820	
	Commercial facilities	0,538	
	Sports and recreation	1,734	
Urban block 25		14,771	1.837
	Commercial services	0,978	
	Industry	0,077	
Urban block 26		15,933	1.982
	Industry	1,655	
	Commercial facilities	5,519	
	Production Zone- small businesses	7,543	
Urban block 27		12,934	1.609
	Production Zone- small businesses	10,487	
	Commercial facilities	1,608	

Name	Purpose of the area	Area - Ha	%
Urban block 28		17,677	2.199
	Production Zone- small businesses	7,949	
	Industry	8,960	
Urban unit Pitarnica, Karaagach		177,624	22.093
Urban block 29		19,112	2.377
	Production Zone- small businesses	16,138	
Urban block 30		11,789	1.466
Urban block 31		34,276	4.263
Urban block 32			
	Industry	1,147	
	Public facilities	0,050	
Urban block 33		22,739	2.828
	Public facilities	0,918	
Urban block 34		15,144	1.884
Urban block 35		17,267	2.148
Urban block 36		24,475	3.044
	Commercial facilities	0,285	
Urban block 37		10,971	1.365
Urban unit Mlaki		81,825	10.177
Urban block 38		11,584	1.441
	Industry	11,324	
Urban block 39		21,371	2.658
	Industry	20,259	
Urban block 40		18,328	2.280
Urban block 41		20,442	2.542
	Public facilities	1,339	
	Commercial facilities	0,538	
Urban block 42		10,100	1.256

ZONE / SITE / FACILITIES	Urban unit- Center; Urban unit Dutlok; Urban unit VI, VII and VIII Zone; Urban unit Pitarnica. Karaagach, Urban unit Mlaki
Name	Urban block 1- 42
Address	Municipality of Gostivar
Ownership:	Private/ State
Area / GUP / DUP	GUP of the city of Gostivar – Municipality of Gostivar
Total area	2,060,660 m ²
Building plot area	490m ² - 10.487m ²
Percentage of completion	/
Purpose of free sites for construction	Housing in common residential buildings; Commercial facilities; Public facilities, sports and recreation, industry, Production Zone- small businesses
Lease / Sale	Lease and Sale
Initial price for land owned	according to the agreement
Infrastructure:	excellent infrastructure
Line infrastructure:	Water supply, PTT, Electricity
Distance from main transport centers:	2.5 km railway station in Gostivar, Tetovo 26 km
Distance from main motorway:	E-65 2.0 km
Distance from railway station:	2.5 km
Distance from international airports:	Airport "Alexander the Great" - 94,4 km
Distance from nearby cities:	65,3 km to Skopje, 26 km to Tetovo
Enterprises already operating in the zone:	
Features of free sites for construction:	Housing in common residential buildings; commercial buildings; public facilities, sports and recreation, industry, production zone- small businesses

5.6 Municipality of Zhelino

5.6.1 General investment incentives

The natural beauties that characterize the municipality, historical monuments and rural character create favorable conditions for investment in the municipality of Zhelino. The potential of natural resources should be availed through investments that will contribute to the greater development of the municipality. Additionally, the position of the municipality Zhelino and good traffic connections make the municipality attractive to visit and the opportunity for investment. By being located on the right side of the trunk road, Tetovo-Skopje, municipality is directly related to urban municipalities in the region, the capital of the Republic of Macedonia, Skopje and major transportation centers.

5.6.2 Competitive advantages

The development of the municipality and its proximity to business and administrative centers in the region provide a favorable quality of life for the population living in it. It features a young working population can pre-qualify for the needs of investors by means of measures for training of the Employment Agency of the Republic of Macedonia. Good connection and free sites allow investments in commercial and public buildings, recreational centers and light and non-polluting industry.

5.6.3 Utility costs

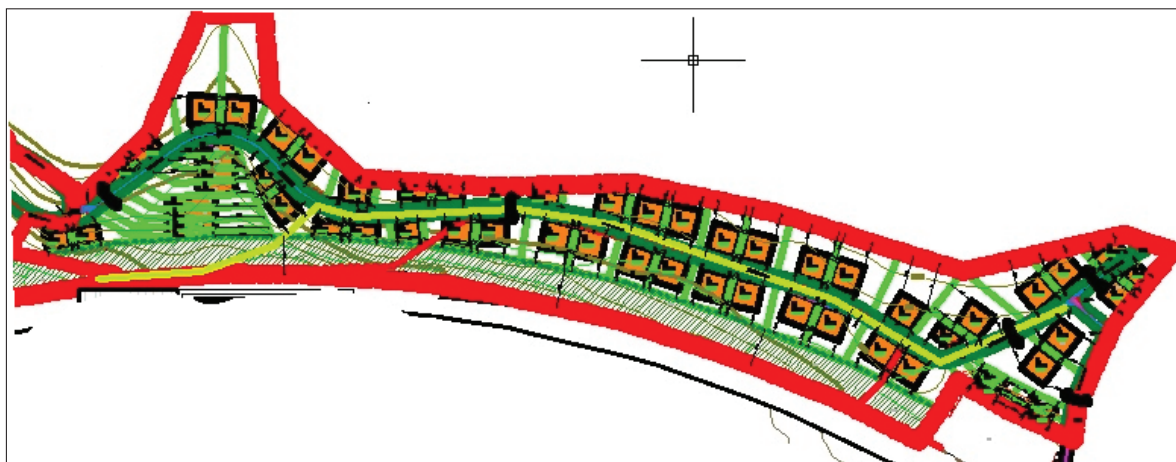
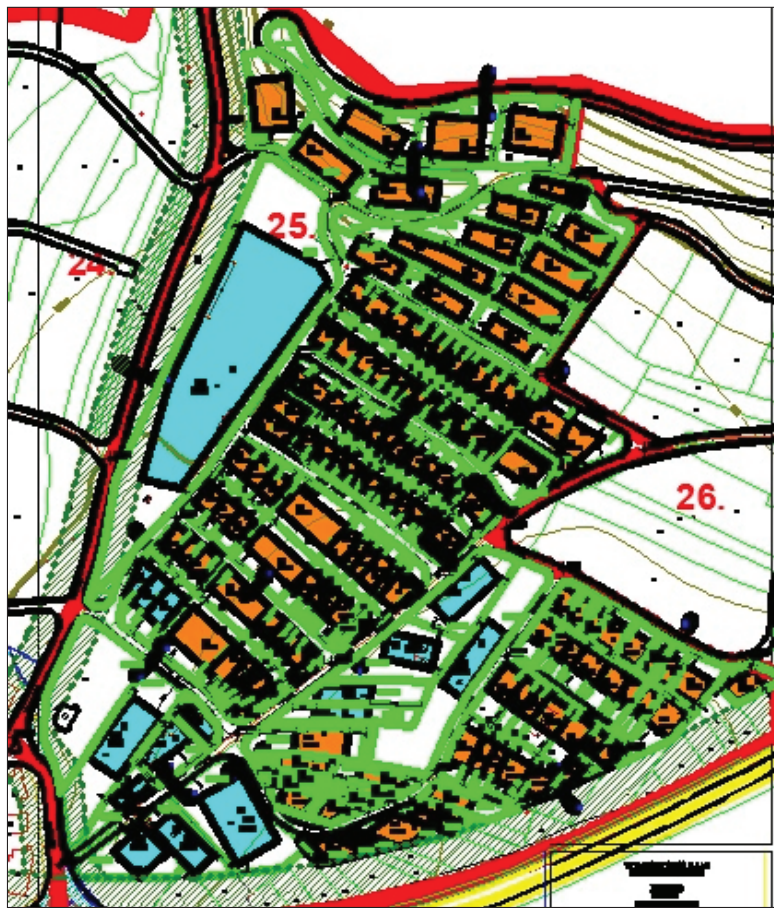
The costs of regulation of the constructional land shall be determined by the municipality and relate to business and industrial spaces for free sites for investments. Prices are presented in MKD per square meter and are shown in the table below:

No.	Business facilities	Facilities of groups of purpose classes – G
1.	369 den. m ²	369 den. m ²

5.7 Investment opportunities

5.7.1 Free sites





Block 23

Numeration of the plot	Purpose class and compatible purpose Classes	Construction plot area	Planned construction area	Total storey area for building	Height of planned facilities - m1	Height in floors	Construction plot accessibility	Required parking places	type and manner of parking	Percent of construction %	Coefficient of construction
.23.1	G2/B1,B2,D2,D4,G3,G4 to 49%.	3224	764	1528	9,2	p+1.	ul."2"	according to Regulation	in plot	23,70	0,47
.23.2	B1/A1,A3,B4 to 40%.	9065	4477	13431	10,2	p+2.	ul."3krak"	according to Regulation	in plot	49,39	1,48
.23.3	B2/A2,A3,B5,B3,B4,V3,V4 to 40%	5686	3849	11547	10,2	p+2.	ul."3"	according to Regulation	in plot	67,69	2,03
.23.4	D1/B1,D3 to 10%.	8383	5912	11824	9,2	p+1.	ul."3krak"	according to Regulation	in plot	70,52	1,41
.23.5	B3/A3,B5,V4,V3,D3 to 40%	3146	2021	6063	10,2	p+2.	ul."3krak"	according to Regulation	in plot	64,24	1,93
.23.6	D3/A4,B1,B2,B3,B4,B5,B6,V3,D1 to 40%.	4145	2174	4348	9,2	p+1.	ul."1krak"	according to Regulation	in plot	52,45	1,05
.23.7	D4/V5 to 40%.	674	561	561	4,2	p	ul."1"	according to Regulation	in plot	83,23	0,83
.23.8	B3/A3,B5,V4,V3,D3 to 40%	4062	1345	4035	10,2	p+2.	ul."1krak"	according to Regulation	in plot	33,11	0,99
.23.9	B1/A1,A3,B4 to 20%.	3250	1365	4095	10,2	p+2.	ul."1krak"	according to Regulation	in plot	42,00	1,26
.23.10	E2.	45	25	25	4,5	p	ul."3"			55,56	0,56

Block 22

No.	Numeration of the plot	Purpose class and compatible purpose class	Construction plot area	Planned construction area	Total storey area for building	Height of planned facilities - m1	Height in floors	Construction plot accessibility	Required parking places	type and manner of parking	Percent of construction %	Coefficient of construction
1	.22.1	G2/B1,B2,B4,V2,D2,D3,D4,G3,G4 to 49%.	19653	13050	26100	9,2	p+1.	ul."12"	according to Regulation	in plot	66,4	1,33
3	.22.2	G2/B1,B2,B4,V2,D2,D3,D4,G3,G4 to 49%.	12792	3247	6494	9,2	p+1.	ul."3"	according to Regulation	in plot	25,4	0,51
4	.22.3	G2/B1,B2,B4,V2,D2,D3,D4,G3,G4 to 49%.	9570	3402	6804	9,2	p+1.	ul."3"	according to Regulation	in plot	35,5	0,71
5	.22.4	B1/A1,A3,B4 to 40%.	6004	2250	6750	10,2	p+2.	ul."3a Krak"	according to Regulation	in plot	37,5	1,12
6	.22.5	B1/A1,A3,B4 to 40%.	2165	1002	3006	10,2	p+2.	ul."3a Krak"	according to Regulation	in plot	46,3	1,39
7	.22.6	B1/A1,A3,B4 to 40%.	1479	579	1737	10,2	p+2.	ul."3a Krak"	according to Regulation	in plot	39,1	1,17
8	.22.7	B1/A1,A3,B4 to 40%.	2366	850	2550	10,2	p+2.	ul."3"	according to Regulation	in plot	35,9	1,08
9	.22.8	B1/A1,A3,B4 to 40%.	7176	2100	6300	10,2	p+2.	ul."3"	according to Regulation	in plot	29,3	0,88
10	.22.9	B1/A1,A3,B4 to 40%.	5018	1800	5400	10,2	p+2.	ul."3"	according to Regulation	in plot	35,9	1,08
11	.22.10	B1/A1,A3,B4 to 40%.	2513	900	2700	10,2	p+2.	ul."3"	according to Regulation	in plot	35,8	1,07
12	.22.11	B1/A1,A3,B4 to 40%.	3272	1250	3750	10,2	p+2.	ul."3"	according to Regulation	in plot	38,2	1,15
13	.22.12	B1/A1,A3,B4 to 40%.	3724	1650	4950	10,2	p+2.	ul."3"	according to Regulation	in plot	44,3	1,33
14	.22.13	B1/A1,A3,B4 to 40%.	2546	1200	3600	10,2	p+2.	ul."3"	according to Regulation	in plot	47,1	1,41
15	.22.14	B1/A1,A3,B4 to 40%.	5991	3333	9999	10,2	p+2.	ul."3"	according to Regulation	in plot	55,6	1,67
16	.22.15	B1/A1,A3,B4 to 40%.	9829	5350	16050	10,2	p+2.	ul."3"	according to Regulation	in plot	54,4	1,63
17	.22.16	B1/A1,A3,B4 to 40%.	6765	3900	11700	10,2	p+2.	ul."3"	according to Regulation	in plot	57,6	1,73
18	.22.17	D3/A4,B1,B2,B3,B4,B5,B6,V3,D1 to 40%.	9534	4270	12810	10,2	p+2.	ul."3"	according to Regulation	in plot	44,8	1,34



19	.22.18	D3/A4,B1,B2,B3,B4,B5, B6,V3,D1 to 40%.	13173	8400	25200	10,2	p+2.	ul.“3”	according to Regulation	in plot	63,8	1,91
20	.22.19	V1/A3,B1,B4,V3,D3 to 20%.	13768	8000	24000	10,2	p+2.	ul.“3”	according to Regulation	in plot	58,1	1,74
21	.22.20	V2/B5,B1,D3,B4 to 40%.	4487	2400	7200	10,2	p+2.	ul.“3”	according to Regulation	in plot	53,5	1,60
22	.22.21	V2/B5,B1,D3,B4 to 40%.	9620	5780	17340	10,2	p+2.	ul.“3”	according to Regulation	in plot	60,1	1,80
23	.22.22	B1/A1,A3,B4 to 40%.	6910	3250	9750	10,2	p+2.	ul.“3”	according to Regulation	in plot	47,0	1,41
24	.22.23	B1/A1,A3,B4 to 40%.	5286	2475	7425	10,2	p+2.	ul.“3”	according to Regulation	in plot	46,8	1,40
25	.22.24	E2.	78	25	25	4,5	p	ul.“1”			32,1	0,32
26	.22.25	E2.	108	25	25	4,5	p	ul.“1”			23,1	0,23

Block 20

Numeration of the plot	Purpose class and compatible purpose class	Construction plot area	Planned construction area	Total storey area for building	Height of planned facilities - m1	Height in floors	Construction plot accessibility	Required parking places	type and manner of parking	Percent of construction %	Coefficient of construction
.20.1	B1/A1,A3,B4 to 40%.	15141	8524	25572	10,2	p+2.	street 3a	according to Regulation	in plot	56,30	1,69
.20.2	B1/A1,A3,B4 to 40%.	11000	6400	19200	10,2	p+2.	street 3a	according to Regulation	in plot	58,18	1,75
.20.3	B1/A1,A3,B4 to 40%.	4495	1500	4500	10,2	p+2.	street 3a	according to Regulation	in plot	33,37	1,00
.20.4	B1/A1,A3,B4 to 40%.	7847	4260	12780	10,2	p+2.	street 3a	according to Regulation	in plot	54,29	1,63
.20.5	B1/A1,A3,B4 to 40%.	4939	2960	8880	10,2	p+2.	street 3a	according to Regulation	in plot	59,93	1,80
.20.6	B1/A1,A3,B4 to 40%.	5260	2800	8400	10,2	p+2.	street 3a	according to Regulation	in plot	53,23	1,60
.20.7	B1/A1,A3,B4 to 40%.	5059	2800	8400	10,2	p+2.	street 3a	according to Regulation	in plot	55,35	1,66
.20.8	B1/A1,A3,B4 to 40%.	4397	2600	7800	10,2	p+2.	street 3a	according to Regulation	in plot	59,13	1,77



.20.9	B1/A1,A3,B4 to 40%.	4075	2400	7200	10,2	p+2.	street 3a	according to Regulation	in plot	58,90	1,77
.20.10	B1/A1,A3,B4 to 40%.	4001	2400	7200	10,2	p+2.	street 3a	according to Regulation	in plot	59,99	1,80
.20.11	B1/A1,A3,B4 to 40%.	3708	1925	5775	10,2	p+2.	street 3a	according to Regulation	in plot	51,91	1,56
.20.12	G2/ B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	3847	1840	3680	9,2	p+1.	street 3a	according to Regulation	in plot	47,83	0,96
.20.13	G2/ B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	3780	1573	3146	9,2	p+1.	street 3a	according to Regulation	in plot	41,61	0,83
.20.14	G4/B1,B2,B4,D2,D3,D4,G3 to 49%.	6499	3000	6000	9,2	p+1.	street 3a	according to Regulation	in plot	46,16	0,92
.20.15	A1/B1,V1,D3,B5 to 30%.	1474	255	1020	10,2	p+2+pk.	street 3a	according to Regulation	in plot	17,30	0,69
.20.16	A1/B1,V1,D3,B5 to 30%.	1108	238	952	10,2	p+2+pk.	street 3a	according to Regulation	in plot	21,48	0,86
.20.17	A1/B1,V1,D3,B5 to 30%.	1092	221	884	10,2	p+2+pk.	street 3a	according to Regulation	in plot	20,24	0,81
.20.18	A1/B1,V1,D3,B5 to 30%.	1307	221	884	10,2	p+2+pk.	street 3a	according to Regulation	in plot	16,91	0,68
.20.19	A1/B1,V1,D3,B5 to 30%.	1858	224	896	10,2	p+2+pk.	street 12	according to Regulation	in plot	12,06	0,48
.20.20	A1/B1,V1,D3,B5 to 30%.	2223	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	10,80	0,43
.20.21	A1/B1,V1,D3,B5 to 30%.	2182	256	1024	10,2	p+2+pk.	street 3a	according to Regulation	in plot	11,73	0,47
.20.22	A1/B1,V1,D3,B5 to 30%.	1965	256	1024	10,2	p+2+pk.	street 3a	according to Regulation	in plot	13,03	0,52
.20.23	A1/B1,V1,D3,B5 to 30%.	2041	255	1020	10,2	p+2+pk.	street 3a	according to Regulation	in plot	12,49	0,50
.20.24	A1/B1,V1,D3,B5 to 30%.	1625	238	952	10,2	p+2+pk.	street 3a	according to Regulation	in plot	14,65	0,59
.20.25	A1/B1,V1,D3,B5 to 30%.	1397	252	1008	10,2	p+2+pk.	street 3a	according to Regulation	in plot	18,04	0,72
.20.26	A1/B1,V1,D3,B5 to 30%.	1878	255	1020	10,2	p+2+pk.	street 3a	according to Regulation	in plot	13,58	0,54
.20.27	A1/B1,V1,D3,B5 to 30%.	1561	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	15,37	0,61
.20.28	A1/B1,V1,D3,B5 to 30%.	1364	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	17,60	0,70



.20.29	A1/B1,V1,D3,B5 to 30%.	1547	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	15,51	0,62
.20.30	A1/B1,V1,D3,B5 to 30%.	1624	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	14,78	0,59
.20.31	A1/B1,V1,D3,B5 to 30%.	1442	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	16,64	0,67
.20.32	A1/B1,V1,D3,B5 to 30%.	1238	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	19,39	0,78
.20.33	A1/B1,V1,D3,B5 to 30%.	1229	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	19,53	0,78
.20.34	A1/B1,V1,D3,B5 to 30%.	1267	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	18,94	0,76
.20.35	A1/B1,V1,D3,B5 to 30%.	1493	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	16,08	0,64
.20.36	A1/B1,V1,D3,B5 to 30%.	2706	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	8,87	0,35
.20.37	A1/B1,V1,D3,B5 to 30%.	2875	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	8,35	0,33
.20.38	A1/B1,V1,D3,B5 to 30%.	2683	240	960	10,2	p+2+pk.	street 3a	according to Regulation	in plot	8,95	0,36
.20.39	A1/B1,V1,D3,B5 to 30%.	2580	256	1024	10,2	p+2+pk.	street 3a	according to Regulation	in plot	9,92	0,40
.20.40	A1/B1,V1,D3,B5 to 30%.	3137	288	1152	10,2	p+2+pk.	street 3a	according to Regulation	in plot	9,18	0,37
.20.41	A1/B1,V1,D3,B5 to 30%.	3310	288	1152	10,2	p+2+pk.	street 3a	according to Regulation	in plot	8,70	0,35
.20.42	A1/B1,V1,D3,B5 to 30%.	2667	288	1152	10,2	p+2+pk.	street 3a	according to Regulation	in plot	10,80	0,43
.20.43	E2	53	14	14	4,5	p				26,42	0,26
.20.44	E2	62	14	14	4,5	p				22,58	0,23

Block 19

Numeration of the plot	Purpose class and compatible purpose class	Construction plot area	Planned construction area	Total storey area for building	Height of planned facilities - m1	Height in floors	Construction plot accessibility	Required parking places	type and manner of parking	Percent of construction %	Coefficient of construction
.19.1	B1/A1,A3,B4 to 40%.	6492	3631	10893	10,2	p+2.	ul."15"	according to Regulation	in plot	55,9	1,68
.19.2	B1/A1,A3,B4 to 40%.	2892	1227	3681	10,2	p+2.	ul."15"	according to Regulation	in plot	42,4	1,27
.19.3	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	2910	1340	2680	9,2	p+1.	ul."15"	according to Regulation	in plot	46,0	0,92
.19.4	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	2947	1271	2542	9,2	p+1.	ul."15"	according to Regulation	in plot	43,1	0,86
.19.5	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	3377	990	1980	9,2	p+1.	ul."15"	according to Regulation	in plot	29,3	0,59
.19.6	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	3868	1320	2640	9,2	p+1.	ul."15"	according to Regulation	in plot	34,1	0,68
.19.7	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	1482	604	1208	9,2	p+1.	ul."15"	according to Regulation	in plot	40,8	0,82
.19.8	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	825	520	1220	9,2	p+1.	ul."15"	according to Regulation	in plot	63,0	1,48
.19.9	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	2038	649	1258	9,2	p+1.	ul."15"	according to Regulation	in plot	31,8	0,62
.19.10	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	3201	1200	2400	9,2	p+1.	ul."15"	according to Regulation	in plot	37,5	0,75
.19.11	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	1492	531	1062	9,2	p+1.	ul."15"	according to Regulation	in plot	35,6	0,71
.19.12	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	1195	580	1160	9,2	p+1.	ul."15"	according to Regulation	in plot	48,5	0,97
.19.13	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	1170	668	1336	9,2	p+1.	ul."15"	according to Regulation	in plot	57,1	1,14
.19.14	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	791	512	1024	9,2	p+1.	ul."15"	according to Regulation	in plot	64,7	1,29
.19.15	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	955	375	750	9,2	p+1.	ul."15"	according to Regulation	in plot	39,3	0,79
.19.16	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	309	117	234	9,2	p+1.	ul."15"	according to Regulation	in plot	37,9	0,76



.19.17	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	441	266	532	9,2	p+1.	ul.“16“	according to Regulation	in plot	60,3	1,21
.19.18	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	974	619	1238	9,2	p+1.	ul.“16“	according to Regulation	in plot	63,6	1,27
.19.19	B1/A1,A3,B4 to 40%.	4123	1800	5400	10,2	p+2.	ul.“16“	according to Regulation	in plot	43,7	1,31
.19.20	B1/A1,A3,B4 to 40%.	3095	1050	3150	10,2	p+2.	ul.“16“	according to Regulation	in plot	33,9	1,02
.19.21	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	1324	659	1318	9,2	p+1.	ul.“16“	according to Regulation	in plot	49,8	1,00
.19.22	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	1070	630	1260	9,2	p+1.	ul.“16“	according to Regulation	in plot	58,9	1,18
.19.23	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	2082	740	1480	9,2	p+1.	ul.“16“	according to Regulation	in plot	35,5	0,71
.19.24	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	2227	559	1118	9,2	p+1.	ul.“16“	according to Regulation	in plot	25,1	0,50
.19.25	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	1721	885	1770	9,2	p+1.	ul.“16“	according to Regulation	in plot	51,4	1,03
.19.26	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	602	390	780	9,2	p+1.	ul.“16“	according to Regulation	in plot	64,8	1,30
.19.27	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	969	605	1210	9,2	p+1.	ul.“16“	according to Regulation	in plot	62,4	1,25
.19.28	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	1350	818	1636	9,2	p+1.	ul.“16“	according to Regulation	in plot	60,6	1,21
.19.29	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	1253	606	1212	9,2	p+1.	ul.“16“	according to Regulation	in plot	48,4	0,97
.19.30	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	2069	960	1920	9,2	p+1.	ul.“16“	according to Regulation	in plot	46,4	0,93
.19.31	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	1320	643	1286	9,2	p+1.	ul.“16“	according to Regulation	in plot	48,7	0,97
.19.32	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	1142	451	902	9,2	p+1.	ul.“16“	according to Regulation	in plot	39,5	0,79
.19.33	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	6952	3114	6228	9,2	p+1.	ul.“17“	according to Regulation	in plot	44,8	0,90
.19.34	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	2654	1488	2976	9,2	p+1.	ul.“17“	according to Regulation	in plot	56,1	1,12



.19.35	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	2575	1445	2890	9,2	p+1.	ul.“17“	according to Regulation	in plot	56,1	1,12
.19.36	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	7862	3250	650	9,2	p+1.	ul.“17“	according to Regulation	in plot	41,3	0,08
.19.37	B1/A1,A3,B4 to 40%.	2616	1498	4494	10,2	p+2.	ul.“17“	according to Regulation	in plot	57,3	1,72
.19.38	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	1300	612	1224	9,2	p+1.	ul.“17“	according to Regulation	in plot	47,1	0,94
.19.39	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	1076	612	1224	9,2	p+1.	ul.“17“	according to Regulation	in plot	56,9	1,14
.19.40	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	2351	900	1800	9,2	p+1.	ul.“17“	according to Regulation	in plot	38,3	0,77
.19.41	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	2967	1200	2400	9,2	p+1.	ul.“17“	according to Regulation	in plot	40,4	0,81
.19.42	B1/A1,A3,B4 to 40%.	4539	1700	5100	10,2	p+2.	ul.“17“	according to Regulation	in plot	37,5	1,12
.19.43	B1/A1,A3,B4 to 40%.	10046	4800	14400	10,2	p+2.	ul.“17“	according to Regulation	in plot	47,8	1,43
.19.44	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	2179	713	1426	9,2	p+1.	ul.“17“	according to Regulation	in plot	32,7	0,65
.19.45	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	3187	906	1812	9,2	p+1.	ul.“17“	according to Regulation	in plot	28,4	0,57
.19.46	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	3310	120	240	9,2	p+1.	ul.“17“	according to Regulation	in plot	3,6	0,07
.19.47	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	3615	1200	2400	9,2	p+1.	ul.“17“	according to Regulation	in plot	33,2	0,66
.19.48	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	10423	4800	5600	9,2	p+1.	ul.“17“	according to Regulation	in plot	46,1	0,54
.19.49	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	4511	2001	4002	9,2	p+1.	ul.“17“	according to Regulation	in plot	44,4	0,89
.19.50	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	2856	1188	2376	9,2	p+1.	ul.“17“	according to Regulation	in plot	41,6	0,83
.19.51	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	4755	1800	3600	9,2	p+1.	ul.“17“	according to Regulation	in plot	37,9	0,76
.19.52	G2/B1,B2,B4,V2D2,D3, D4,G3,G4. to 49%.	4801	2528	5056	9,2	p+1.	ul.“18“	according to Regulation	in plot	52,7	1,05



.19.53	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	10473	3901	7802	9,2	p+1.	ul.“18“	according to Regulation	in plot	37,2	0,74
.19.54	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	19481	5600	11200	9,2	p+1.	ul.“18“	according to Regulation	in plot	28,7	0,57
.19.55	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	5093	2000	4000	9,2	p+1.	ul.“18“	according to Regulation	in plot	39,3	0,79
.19.56	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	2393	1000	2000	9,2	p+1.	ul.“18“	according to Regulation	in plot	41,8	0,84
.19.57	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	630	200	400	9,2	p+1.	ul.“18“	according to Regulation	in plot	31,7	0,63
.19.58	E2	3264	1671	3342	9,2	p+1.	ul.“1“	according to Regulation	in plot	51,2	1,02
.19.59	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	5307	2962	5924	9,2	p+1.	ul.“19“	according to Regulation	in plot	55,8	1,12
.19.60	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	873	371	742	9,2	p+1.	ul.“19“	according to Regulation	in plot	42,5	0,85
.19.61	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	869	420	840	9,2	p+1.	ul.“19“	according to Regulation	in plot	48,3	0,97
.19.62	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	1555	600	1200	9,2	p+1.	ul.“19“	according to Regulation	in plot	38,6	0,77
.19.63	G2/B1,B2,B4,V2D2,D3, D4,G3,G4, to 49%.	499	150	300	9,2	p+1.	ul.“19“	according to Regulation	in plot	30,1	0,60
.19.64	E2	70	36	36	4,5	p.	ul.“15“			51,4	0,51
.19.65	E2	170	25	25	4,5	p.	ul.“2“			14,7	0,15
.19.66	E2	71	16	16	4,5	p.	ul.“2“			22,5	0,23

Block 18

Numeration of the plot	Purpose class and compatible purpose class	Construction plot area	Planned construction area	Total storey area for building	Height of planned facilities - m1	Height in floors	Construction plot accessibility	Required parking places	type and manner of parking	Percent of construction %	Coefficient of construction
.18.1	B5/B1,B2,B3,B4,B6,V2,V3,D3 to 40%.	5059	3484	17420	18,2m	P+4.	street 2	according to Regulation	in plot	68,9	3,44
.18.2	B1/A1,A3,B4 to 40%.	6277	2868	8604	10,2m	P+2.	street 2	according to Regulation	in plot	45,7	1,37
.18.3	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1920	1150	2300	9,2m	P+1.	street 2	according to Regulation	in plot	59,9	1,20
.18.4	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	2018	1250	2500	9,2m	P+1.	street 2	according to Regulation	in plot	61,9	1,24
.18.5	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	4246	2039	4078	9,2m	P+1.	street 2	according to Regulation	in plot	48,0	0,96
.18.6	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1099	624	1248	9,2m	P+1.	street 2	according to Regulation	in plot	56,8	1,14
.18.7	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	2101	1487	2974	9,2m	P+1.	street 2	according to Regulation	in plot	70,8	1,42
.18.8	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1606	950	1900	9,2m	P+1.	street 2	according to Regulation	in plot	59,2	1,18
.18.9	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	654	361	722	9,2m	P+1.	street 2	according to Regulation	in plot	55,2	1,10
.18.10	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	502	201	402	9,2m	P+1.	street 2	according to Regulation	in plot	40,0	0,80
.18.11	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	719	312	624	9,2m	P+1.	street 2	according to Regulation	in plot	43,4	0,87
.18.12	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1883	861	1722	9,2m	P+1.	street 2	according to Regulation	in plot	45,7	0,91
.18.13	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	2696	1606	3212	9,2m	P+1.	street 2	according to Regulation	in plot	59,6	1,19
.18.14	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1913	1282	2564	9,2m	P+1.	street 13	according to Regulation	in plot	67,0	1,34
.18.15	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1753	877	1754	9,2m	P+1.	street 13	according to Regulation	in plot	50,0	1,00



.18.16	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	3182	1421	2842	9,2m	P+1.	street 13	according to Regulation	in plot	44,7	0,89
.18.17	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	2132	1172	2344	9,2m	P+1.	street 13	according to Regulation	in plot	55,0	1,10
.18.18	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1963	1336	2672	9,2m	P+1.	street 13	according to Regulation	in plot	68,1	1,36
.18.19	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1969	1154	2308	9,2m	P+1.	street 13	according to Regulation	in plot	58,6	1,17
.18.20	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	3975	2002	4004	9,2m	P+1.	street 13	according to Regulation	in plot	50,4	1,01
.18.21	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	4709	3442	6884	9,2m	P+1.	street 13	according to Regulation	in plot	73,1	1,46
.18.22	B1/A1,A3,B4 to 40%.	4830	2290	6870	10,2m	P+2.	street 14	according to Regulation	in plot	47,4	1,42
.18.23	B1/A1,A3,B4 to 40%.	5893	2752	8256	10,2m	P+2.	street 14	according to Regulation	in plot	46,7	1,40
.18.24	B1/A1,A3,B4 to 40%.	1495	747	2241	10,2m	P+2.	street 14	according to Regulation	in plot	50,0	1,50
.18.25	B1/A1,A3,B4 to 40%.	1588	752	2256	10,2m	P+2.	street 14	according to Regulation	in plot	47,4	1,42
.18.26	B1/A1,A3,B4 to 40%.	3059	1465	4395	10,2m	P+2.	street 14	according to Regulation	in plot	47,9	1,44
.18.27	B1/A1,A3,B4 to 40%.	2761	1374	4122	10,2m	P+2.	street 14	according to Regulation	in plot	49,8	1,49
.18.28	B1/A1,A3,B4 to 40%.	3227	2100	6300	10,2m	P+2.	street 14	according to Regulation	in plot	65,1	1,95
.18.29	B1/A1,A3,B4 to 40%.	5888	2927	8781	10,2m	P+2.	street 14	according to Regulation	in plot	49,7	1,49
.18.30	B1/A1,A3,B4 to 40%.	2870	1209	3627	10,2m	P+2.	street 14	according to Regulation	in plot	42,1	1,26
.18.31	B1/A1,A3,B4 to 40%.	3008	2406	7218	10,2m	P+2.	street 14	according to Regulation	in plot	80,0	2,40
.18.32	B1/A1,A3,B4 to 40%.	2406	915	2745	10,2m	P+2.	street 14	according to Regulation	in plot	38,0	1,14
.18.33	B1/A1,A3,B4 to 40%.	7775	3751	11253	10,2m	P+2.	street 14	according to Regulation	in plot	48,2	1,45
.18.34	B1/A1,A3,B4 to 40%.	6606	3385	9405	10,2m	P+2.	street 14	according to Regulation	in plot	51,2	1,42



.18.35	B1/A1,A3,B4 to 40%.	6450	3135	10155	10,2m	P+2.	street 14	according to Regulation	in plot	48,6	1,57
.18.36	B1/A1,A3,B4 to 40%.	10653	5250	15750	10,2m	P+2.	street 14	according to Regulation	in plot	49,3	1,48
.18.37	B1/A1,A3,B4 to 40%.	1706	848	2544	10,2m	P+2.	street 15	according to Regulation	in plot	49,7	1,49
.18.38	B1/A1,A3,B4 to 40%.	1528	769	2307	10,2m	P+2.	street 15	according to Regulation	in plot	50,3	1,51
.18.39	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	967	434	868	9,2m	P+1.	street 2	according to Regulation	in plot	44,9	0,90
.18.40	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	6517	2805	5610	9,2m	P+1.	street 14	according to Regulation	in plot	43,0	0,86
.18.41	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	2962	1496	2592	9,2m	P+1.	street 2	according to Regulation	in plot	50,5	0,88
.18.42	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1289	859	1718	9,2m	P+1.	street 2	according to Regulation	in plot	66,6	1,33
.18.43	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1225	860	1720	9,2m	P+1.	street 2	according to Regulation	in plot	70,2	1,40
.18.44	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1358	848	1656	9,2m	P+1.	street 2	according to Regulation	in plot	62,4	1,22
.18.45	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1667	846	1652	9,2m	P+1.	street 2	according to Regulation	in plot	50,7	0,99
.18.46	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	689	330	660	9,2m	P+1.	street 2	according to Regulation	in plot	47,9	0,96
.18.47	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	399	113	226	9,2m	P+1.	street 2	according to Regulation	in plot	28,3	0,57
.18.48	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	8224	3145	6290	9,2m	P+1.	street 15	according to Regulation	in plot	38,2	0,76
.18.49	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	2217	722	1744	9,2m	P+1.	street 15	according to Regulation	in plot	32,6	0,79
.18.50	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1941	638	1276	9,2m	P+1.	street 2	according to Regulation	in plot	32,9	0,66
.18.51	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1829	609	1218	9,2m	P+1.	street 2	according to Regulation	in plot	33,3	0,67
.18.52	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1621	568	1136	9,2m	P+1.	street 2	according to Regulation	in plot	35,0	0,70



.18.53	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	2028	727	1454	9,2m	P+1.	street 2	according to Regulation	in plot	35,8	0,72
.18.54	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1259	522	1044	9,2m	P+1.	street 2	according to Regulation	in plot	41,5	0,83
.18.55	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	2851	1349	2698	9,2m	P+1.	street 2	according to Regulation	in plot	47,3	0,95
.18.56	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1090	614	1228	9,2m	P+1.	street 2	according to Regulation	in plot	56,3	1,13
.18.57	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	1023	656	1312	9,2m	P+1.	street 2	according to Regulation	in plot	64,1	1,28
.18.58	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	939	529	1058	9,2m	P+1.	street 2	according to Regulation	in plot	56,3	1,13
.18.59	G2/B1,B2,B4,V2D2,D3, D4,G3,G4 to 49%.	601	345	690	9,2m	P+1.	street 2	according to Regulation	in plot	57,4	1,15
.18.60	E2.	73	9	9	4,2m	P.				12,3	0,12
.18.61	E2.	81	25	25	4,2m	P.				30,9	0,31
.18.62	E2.	333	25	25	4,2m	P.				7,5	0,08

ZONE / SITE / FACILITIES	
Name	Economic zone
Address	village of Zhelino
Ownership:	Municipality of Zhelino
Private; State.	State owned
Area / GUP / DUP	UP for the village
Total area	200,000 m2
Building plot area	5,000 m2.
Percentage of completion	70%
Purpose of free sites for construction	B1, G2, D3
Lease / Sale	Sales
Initial price for land owned	540 den.
Infrastructure:	The municipality is obliged to provide the investor road, sewer and water infrastructure.
Line infrastructure:	Water supply, PTT, Electricity
Distance from main transport centers:	8 km from Tetovo, 35 km from railway station Gostivar
Distance from main motorway:	Tetovo – Skopje
Distance from railway station:	35 km from railway station Gostivar
Distance from international airports:	65 km
Distance from nearby cities:	8 km from Tetovo, 30 km from Skopje
Enterprises already operating in the zone:	Murana, Florence 1, Mill Tetovo, Zhe-Teks, Besha Trans, Golec Transa etc.
Features of free sites for construction:	Good communication links

5.8 Municipality of Jegunovce

5.8.1 General investment incentives

The geostrategic position of Jegunovce allows easy access to the surrounding municipalities, the state capital Skopje, the airport „Alexander the Great“ and connection with the Republic of Kosovo.

The municipality offers all kinds of services that are needed for residents in the settlements of the municipality, thus representing a municipality with a high quality of life. The proximity of Tetovo allows access to a greater number of services.

5.8.2 Competitive advantages

Jegunovce as rural municipality is rich in pastures, agricultural farmland, forests and waters.

Large areas of grassland in this municipality are suitable for development of animal husbandry, livestock breeding and dairy and meat products. The arable area enables the development of agriculture and the production of cereal, vegetable and fruit crops.

The river Vardar allows recreational and sport fishing.

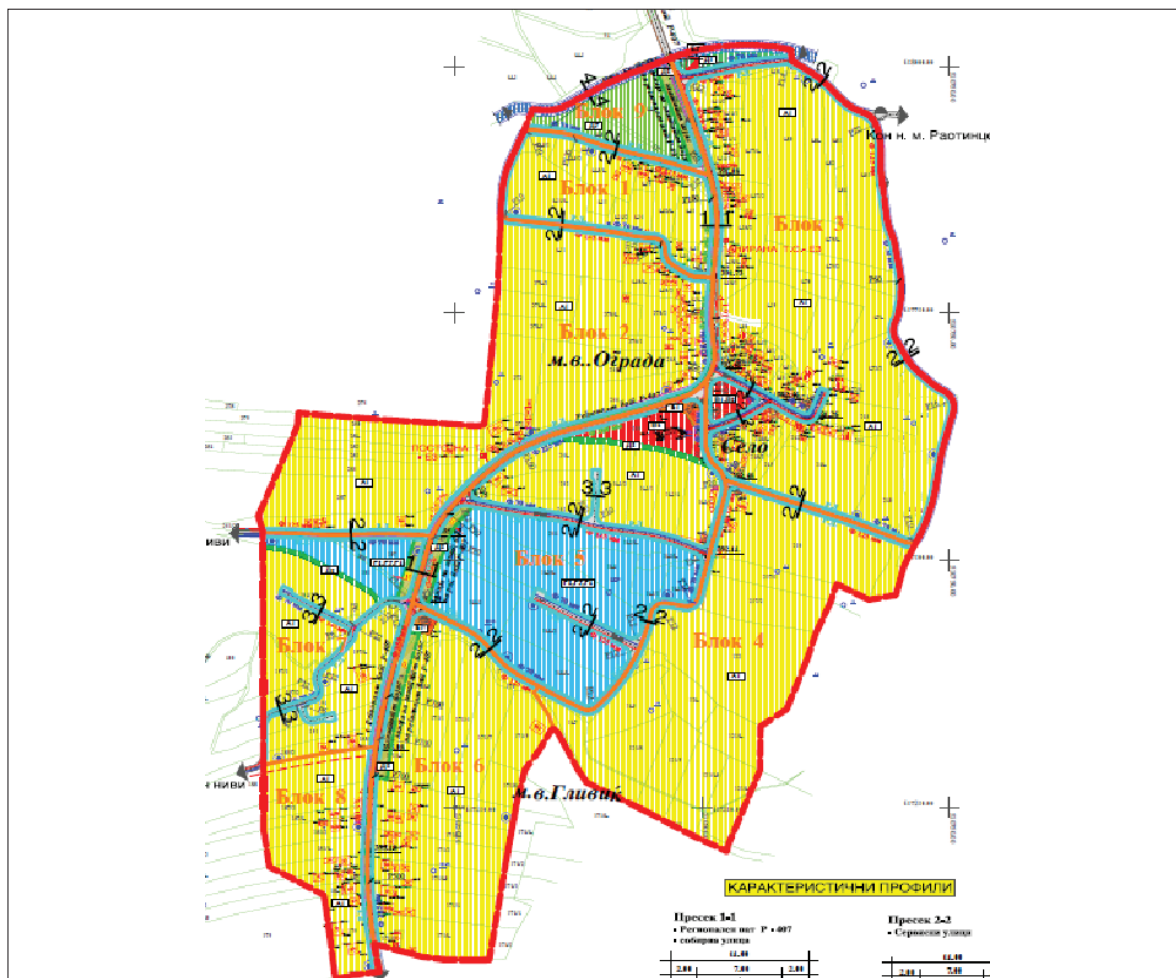
5.8.3 Utility costs

The costs of regulation of the construction land shall be determined by the municipality (Official Gazette of the Municipality of Jegunovce No.21 / 03) and are shared regarding the purpose of the facility in the free investment locations. Prices are presented in MKD per square meter in the table below:

No.	Housing	Business and public facilities	Storey garages, heavy and polluting industries, light and non-polluting industry, services, warehouses	Catering and tourist complexes, hotels and motels, Mountain Houses	For the construction of hunting, hiking and other facilities owned by nonprofit organizations
1	150 den/m ²	225 den/m ²	6,000,00 den/m ²	3,500,00 den/m ²	2,000,00 den/m ²

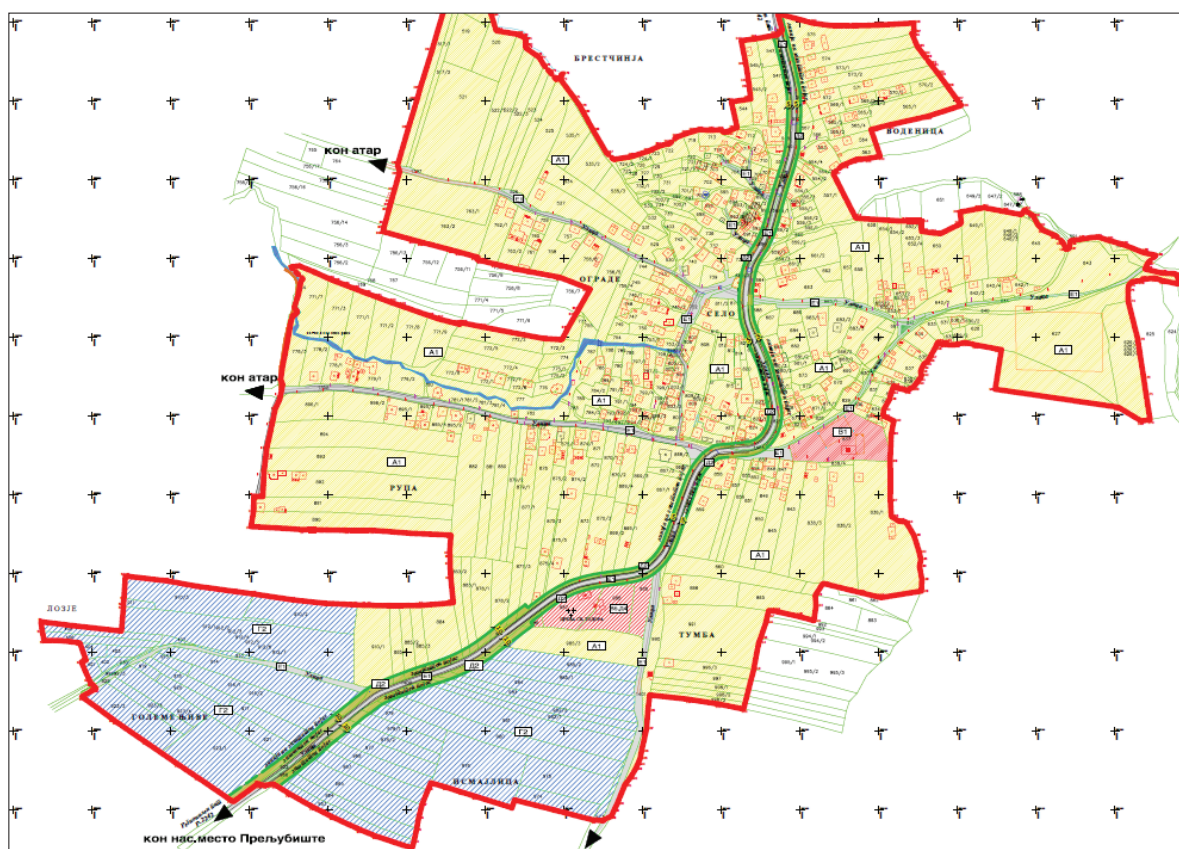
5.8.4 Investment opportunities

5.8.4.1 Free sites



Number of block	Housing (A1) ha	Production, distribution and services (G2, G3, G4)	Public institutions, education and health (B4, B2) ha	Public institutions-religious buildings (B5)	Commercial and business purposes (B1)	Parks and Greenery (D1) - ha	protective greenery (D2)	Sports and recreation (D3)	Streets with asphalt, with sidewalks (E1)	Reg. Riverbed of the river Bistrica	The surface of the block
1	1.64								0.28		1.92
2	4.95								0.40		5.35
3	6.39		0.13			0.11			0.83	0.07	7.53
4	5.59								0.24		5.83
5	1.66	3.00		0.32	0.05		0.19		1.01		6.23
6	3.46				0.04		0.15		0.26		3.91
7	2.16	0.47					0.12		0.35		3.10
8	1.65								0.12		1.77
9							0.10	0.70	0.15	0.09	1.04

ZONE / SITE / FACILITIES	
Name	Urban plan for village Podbregje
Address	Village of Podbregje, municipality of Jegunovce
Ownership:	Private/ State
Area / GUP / DUP	UP for Village of Podbregje, municipality of Jegunovce
Total area	366,800 m ²
Building plot area	/
Percentage of completion	/
Purpose of free sites for construction	A1, B1, V1, V2, V5, G2, G3, G4, D1, D2, D3, E1
Lease / Sale	Lease and Sale
Initial price for land owned	according to the agreement
Infrastructure:	Good infrastructure
Line infrastructure:	Water supply, PTT, Electricity
Distance from main transport centers:	21.7 km to Tetovo, 45 km to Gostivar, 36,6 km to Skopje
Distance from main motorway:	E65- 22 km
Distance from railway station:	1.6 km from the railway station Jegunovce
Distance from international airports:	Airport "Alexander the Great" - 77.4 km
Distance from nearby cities:	21.7 km to Tetovo, 45 km to Gostivar, 36,6 km to Skopje
Enterprises already operating in the zone:	/
Features of free sites for construction:	A1,B1,V1,V2,V5,G2,G3,G4,D1,D2,D3,E1



Balance of existing areas								
Limit of the range - ha	Commercial and business purposes	Public institutions	Sports and recreation	Undeveloped land	Water area	Earthen street	Street of asphalt	Street of paving
36.68	0.14	0.37	1.19	18.74	0.09	0.20	0.34	0.01

Balance of planned areas										
Limit of the range	Production, distribution	Commercial and business activities	Education and health	Public institutions	Parks and greenery	Protective greenery	Sports and recreation	Protective greenery of regional road	Streets with asphalt and sidewalks	Regulated riverbed of the river Bistrica
36.68	3.47	0.09	0.13	0.32	0.11	1.24	0.70	0.32	2.64	0.16

ZONE / SITE / FACILITIES	
Name	Settlement village of Janchishte
Address	v. Janchishte
Ownership:	Private/ State
Area / GUP / DUP	UP for populated place village Janchishte, municipality of Jegunovce
Total area	704,400 m ²
Building plot area	/
Percentage of completion	/
Purpose of free sites for construction	A1, B1, V1, V2, V5, G2, G3, G4, D1, D2, D3, E1
Lease / Sale	Lease and Sale
Initial price for land owned	according to the agreement
Infrastructure:	Good infrastructure
Line infrastructure:	Water supply, PTT, Electricity
Distance from main transport centers:	19 km to Tetovo, 42 km to Gostivar, 45 km to Skopje
Distance from main motorway:	E65- 12 km.
Distance from railway station:	3 km from the railway station Jegunovce
Distance from international airports:	Airport "Alexander the Great" - 75 km
Distance from nearby cities:	19 km to Tetovo, 42 km to Gostivar, 45 km to Skopje
Enterprises already operating in the zone:	/
Features of free sites for construction:	A1, B1, V1, V2, V5, G2, G3, G4, D1, D2, D3, E1

5.9 Municipality of Mavrovo and Rostushe

5.9.1 General investment incentives

Municipality of Mavrovo and Rostushe is one of the most developed municipalities in terms of tourism, which is visited by domestic and foreign tourists throughout the year, mostly in winter. The municipality has good road connections that are easily accessible and well connected with other municipalities in the region. It is situated near the trunk road that provides equal connection with the two international airports in Skopje and Ohrid, and Kjafasan border crossing with Albania.

5.9.2 Competitive advantages

National Park „Mavrovo“, ski resort „Zare Lazarevski“, Mavrovo Lake, Monastery „John the Baptist“, are a blend of nature with culture, tradition and winter tourism, which is a general feature of the Municipality of Mavrovo and Rostuse. Many of the settlements that make up the municipality are rich in pasture and arable land suitable for agriculture and animal husbandry. The river Radika, which is clean and rich with fish, is conducive to the development of sport fishing. As an attractive tourist destination and a number of visits throughout the year has the potential for the construction of accommodation and catering facilities.

5.9.3 Utility costs

The costs of construction land shall be determined by the municipality for useful built area of buildings with different purposes. The payment is determined for the following categories of buildings

Prices are presented in the table below:

No.	Zones	Individual housing	Weekend facilities	Business and public facilities	Sports facilities (x0,5 or x0,3)	Facilities from groups of classes of uses -G (multiplied by k-0.05)	Petrol pump station and its supporting content	Hotel complexes (multiplied by k-0,05)
1	Zone 1	307.5 den.	1,239 den.	1,845 den	1,845 den*	1,845 den*	1,845 den	1,845 den*
2	Zone 2	307.5 den.	922.5 den.	1,537.5 den.	1,537.5 den.*	1,537.5 den.*	768.75 den.	1,537.5 den.*
3	Zone 3	246 den.	615 den.	922.5 den.	922.5 den.*	922.5 den.*	461.25 den.	922.5 den.*
4	Zone 4	30.75 den.	184.5 den.	307.5 den.	307.5 den.*	307.5 den.*	76,875 den.	307.5 den.*

** prices that are marked with an asterisk were previously reduced according to the Rules of the MTV, therefore some of them are further multiplied by certain coefficients to get more realistic prices.*

Zone 1– Village of Mavrovo – center with limits ranging from the canal after the school in the village of Mavrovo, to the end of the village towards Nikiforovo and the Ski resort, with the whole territory and towards Mavrovi Anovi to „Kakachka river“ Then the parts that extend below the regional road, above the regional road and between the regional road and the „old road“ to the village of Mavrovo and over it. Above the old road to the village of Mavrovo only the plots that have direct access to it. - Mavrovi Anovi, Urban block „6“

Zone 2 -The rest of the village of Mavrovo and settlements: Mavrovi Anovi, Leunovo and Nikiforovo.

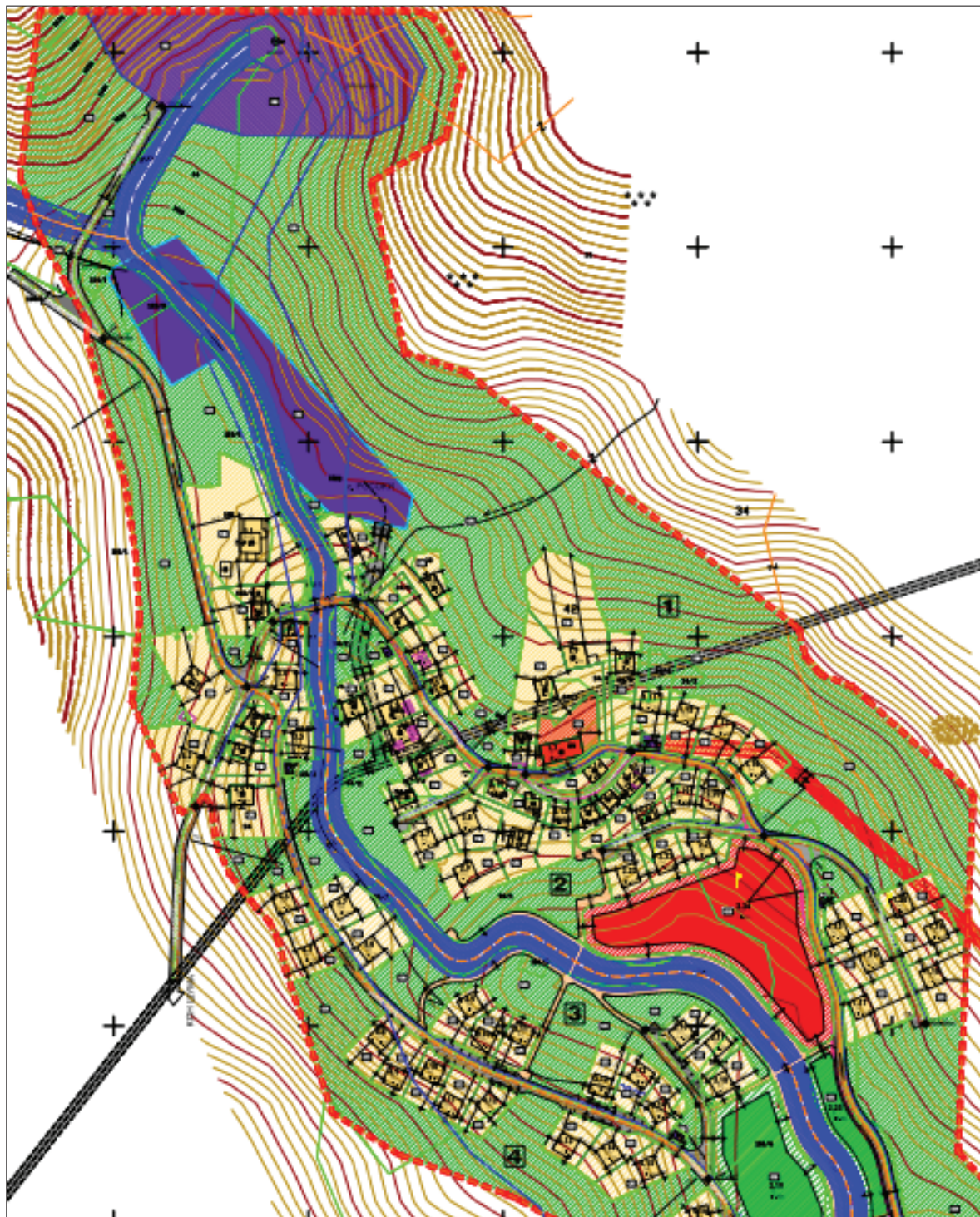
Zone 3 - Settlements: Adjievci, Velebrdo, Galichnik, Zhirovica, Janche, Lazaropole, Prisojnica, Rostushe, Skudrinje, Trebishte, Boletin, Vidushe and Trnica and all building plots (defined by LUPD or UPVNM) that are located along the regional or local road routes that pass through the Municipality.

Zone 4 - Settlements: Vrbjani, Rosoki, Selce, Sushica, Tresonche, Belicica, Bibaj, Bogdevo, Vrben, Grekaj, Duf, Zhuzhnje, Kichinica, Krakornica, Nistrovo, Nichpur, Novo Selo, Orkjushe, Ribnica, Sence, Sretkovo, Tanusha and Cerovo, and all building plots (defined by LUPD or UPVNM) not found along regional or local road routes that pass through the Municipality.

5.9.4 Investment opportunities

5.9.4.1 Free sites

Urban plan for the village Rosoki (2012- 2022 planning documents)



Urban block 1

plot no.	area of the building plot	area under construction	gross developed area	basic purpose class	compatible purpose classes with the basic purpose class	maximum allowable% share of the sum of compatible purpose classes in relation to the basic purpose class in the plan	maximum height of construction	number of storeys
1.15	703 m2	100 m2	200 m2	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
1.16	603 m2	100 m2	200 m2	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
1.17	881m2	100 m2	200 m2	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
1.18	800m2	100 m2	200 m2	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
1.19	620m2	100 m2	200 m2	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
1.20	620m2	100 m2	200 m2	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
1.21	4984m2	4207 m2	4207 m2	D4 memorial spaces	V5	40	5.00	P
1.22	56m2	15 m2	15 m2	E2 communal superstructure/substation /	-	-	3.50	P
1.23	84m2	23 m2	23 m2	E2 communal superstructure/substation /	-	-	3.50	P
	5143m2			E1 communal infrastructure (water intakes)	-	-		
	8280m2			E1 communal infrastructure (protection zone of the source)	-	-		
	54462m2			D2 protective greenery	-	-		

ZONE / SITE / FACILITIES	
Name	Urban block 1
Address	Village of Rosoki
Ownership:	MUNICIPALITY OF MAVROVO AND ROSTUSHE
Area / GUP / DUP	UP for the village
Total area	94,000 m2
Building plot area	77,236 m2.
Percentage of completion	32.81%
Purpose of free sites for construction	A4, D2, D4, E1, E2
Lease / Sale	Sale
Initial price for land owned	according to the agreement
Infrastructure:	Good infrastructure
Line infrastructure:	Water supply, PTT, Electricity
Distance from main transport centers:	68 km from Gostivar, 93 km from Tetovo, 85 km from Ohrid
Distance from main motorway:	54.7 km from motorway E-65
Distance from railway station:	83.4 km from the railway station Gostivar
Distance from international airports:	161 km.
Distance from nearby cities:	68 km from Gostivar, 93 km from Tetovo, 85 km from Ohrid
Enterprises already operating in the zone:	/
Features of free sites for construction:	Good communication links in A4, D2, D4, E1, E2

Urban block 2

plot no.	area of the building plot	area under construction	gross developed area	basic purpose class	compatible purpose classes with the basic purpose class	maximum allowable% share of the sum of compatible purpose classes in relation to the basic purpose class in the plan	maximum height of construction	number of storeys
2.25	1297 m ²	813 m ²	813 m ²	D3 sports and recreation	A4, B1, B2, B3, B4, B5, B6, V3 and D1	40	8.00	P
2.26	1447 m ²	905 m ²	905 m ²	D3 sports and recreation	A4, B1, B2, B3, B4, B5, B6, V3 and D1	40	8.00	P
	4638 m ²			D2 protective greenery				

ZONE / SITE / FACILITIES	
Name	Urban block 2
Address	village of Rosoki
Ownership:	MUNICIPALITY OF MAVROVO AND ROSTUSHE
Area / GUP / DUP	UP for the village
Total area	32,900 m ²
Building plot area	7,382 m ² .
Percentage of completion	32.81%
Purpose of free sites for construction	D2, D3
Lease / Sale	Sale
Initial price for land owned	according to the agreement
Infrastructure:	Good infrastructure
Line infrastructure:	Water supply, PTT, Electricity
Distance from main transport centers:	68 km from Gostivar, 93 km from Tetovo, 85 km from Ohrid
Distance from main motorway:	54.7 km from motorway E-65
Distance from railway station:	83.4 km from the railway station Gostivar
Distance from international airports:	161 km
Distance from nearby cities:	68 km from Gostivar, 93 km from Tetovo, 85 km from Ohrid
Enterprises already operating in the zone:	/
Features of free sites for construction:	Good communication links

Urban block 3

plot no.	area of the building plot	area under construction	gross developed area	basic purpose class	compatible purpose classes with the basic purpose class	maximum allowable% share of the sum of compatible purpose classes in relation to the basic purpose class in the plan	maximum height of construction	number of storeys
3.6	48 m ²	15 m ²	15 m ²	E2 communal superstructure / substation /	-	-	3.50	P
3.7	608 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.8	742 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.9	573 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.10	402 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.11	427 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.12	479 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.13	469 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.14	482 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.15	49 m ²	15 m ²	15 m ²	E2 communal superstructure / substation /	-	-	3.50	P
3.16	410 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.17	444 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.18	495 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
3.19	3,935 m ²	2,633 m ²	2,633 m ²	D3 sports and recreation	A4, B1, B2, B3, B4, B5, B6, V3 and D1	40	8.00	P
3.20	2,329 m ²	1,364 m ²	1,364 m ²	D3 sports and recreation	A4, B1, B2, B3, B4, B5, B6, V3 and D1	40	8.00	P
	9,285 m ²			D2 protective greenery	-	-	-	-
	2,272 m ²			E1 communal infrastructure (water intakes)	--	-	-	-
	4638 m ²			Д2 защитно зеленило				

ZONE / SITE / FACILITIES	
Name	Urban block 3
Address	Village of Rosoki
Ownership:	MUNICIPALITY OF MAVROVO AND ROSTUSHE
Area / GUP / DUP	UP for the village
Total area	38,700 m ²
Building plot area	23,449 m ² .
Percentage of completion	32.81%
Purpose of free sites for construction	A4, E1, E2, D2, D3
Lease / Sale	Sale
Initial price for land owned	according to the agreement
Infrastructure:	Good infrastructure
Line infrastructure:	Water supply, PTT, Electricity
Distance from main transport centers:	68 km from Gostivar, 93 km from Tetovo, 85 km from Ohrid
Distance from main motorway:	54.7 from motorway E-65
Distance from railway station:	83.4 km from the railway station Gostivar
Distance from international airports:	161 km
Distance from nearby cities:	68 km from Gostivar, 93 km from Tetovo, 85 km from Ohrid
Enterprises already operating in the zone:	/
Features of free sites for construction:	Good communication links in A4, E1, E2, D2, D3

Urban block 4

plot no.	area of the building plot	area under construction	gross developed area	basic purpose class	compatible purpose classes with the basic purpose class	maximum allowable% share of the sum of compatible purpose classes in relation to the basic purpose class in the plan	maximum height of construction	number of storeys
4.6	580 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.7	626 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.8	565 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.9	505 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.10	449 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.11	436 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.12	479 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.13	520 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.14	570 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.15	668 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.16	471 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.17	506 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.18	556 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
4.19	538 m ²	100 m ²	200 m ²	A4 temporary accommodation (holiday homes)	B1, B3, V2 and D3	30	7.20	P+1
	16076 m ²			D2 protective greenery				

ZONE / SITE / FACILITIES	
Name	Urban block 4
Address	Village of Rosoki
Ownership:	MUNICIPALITY OF MAVROVO AND ROSTUSHE
Area / GUP / DUP	UP for the village
Total area	30,400 m ²
Building plot area	23,545 m ² .
Percentage of completion	32.81%
Purpose of free sites for construction	A4, D2
Lease / Sale	sale
Initial price for land owned	according to the agreement
Infrastructure:	Good infrastructure
Line infrastructure:	Water supply, PTT, Electricity
Distance from main transport centers:	68 km from Gostivar, 93 km from Tetovo, 85 km from Ohrid
Distance from main motorway:	54.7 from motorway E-65
Distance from railway station:	83.4 km from the railway station Gostivar
Distance from international airports:	161 km
Distance from nearby cities:	68 km from Gostivar, 93 km from Tetovo, 85 km from Ohrid
Enterprises already operating in the zone:	/
Features of free sites for construction:	Good communication links

5.10 Municipality of Tearce

5.10.1 General investment incentives

The good traffic connections of Tearce provide access to the neighboring municipalities and other major transportation hubs.

Tearce represents developed rural municipality that offers a favorable quality of life with the possibility of using the basic services and utilities. The proximity of Tetovo enables additional use of many kinds of services needed by the residents of the municipality.

Favourable investment conditions confirm the presence of domestic and foreign investors and companies in the industrial zones of the Municipality of Tearce.

5.10.2 Competitive advantages

Besides the favorable location and proximity to regional roads, Tearce Municipality offers favorable conditions, ie significant competitive advantages, like low taxes, fees and utility charges for future investors. The numerous benefits investors can take advantage of along with large areas of pasture and arable areas for investment in agriculture and animal husbandry.

5.10.3 Utility costs

The fee for regulation of the construction land is determined by the municipality. The costs of regulation are calculated per square meter of new usable area which will be built.

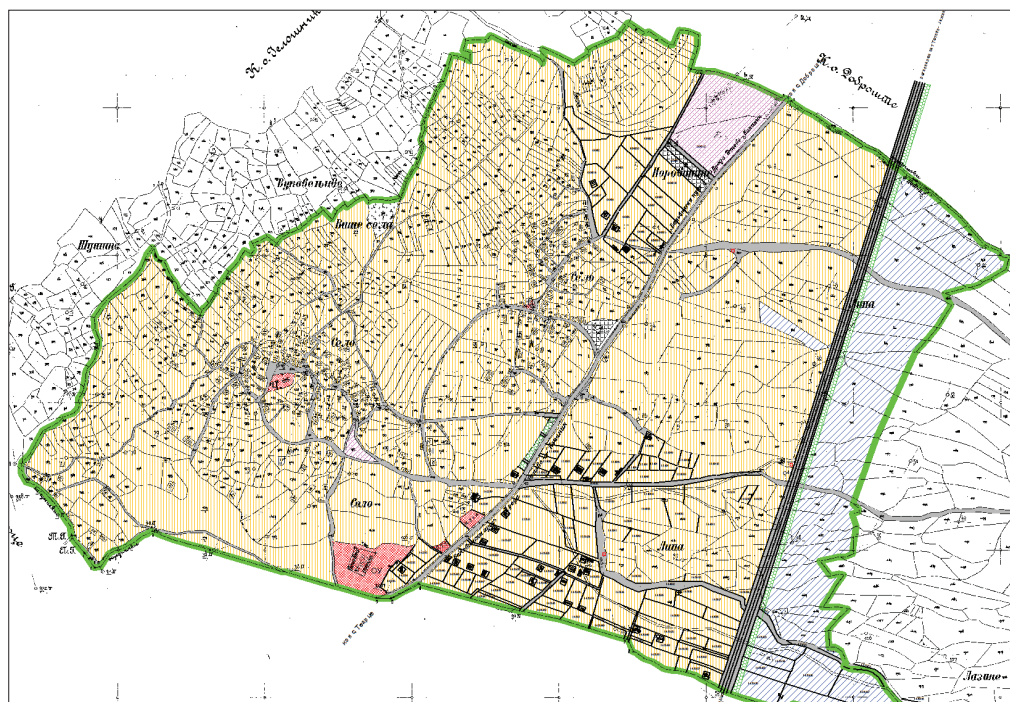
The amount of compensation to utilities in the Municipality of Tearce is as follows:

Costs and expenses	price/den	unit
Extract from the construction zone	300	m2
Extract from plans	550	m2
Approval for construction of residential building	1,550	m2
Approval for construction of office building	1,550	m2
Utility fees	price/den	unit
Regulation of land for residential building	250	m2
Regulation of land for office building	375	m2
Regulation of land for infrastructure facilities	450	M

5.10.4 Investment opportunities

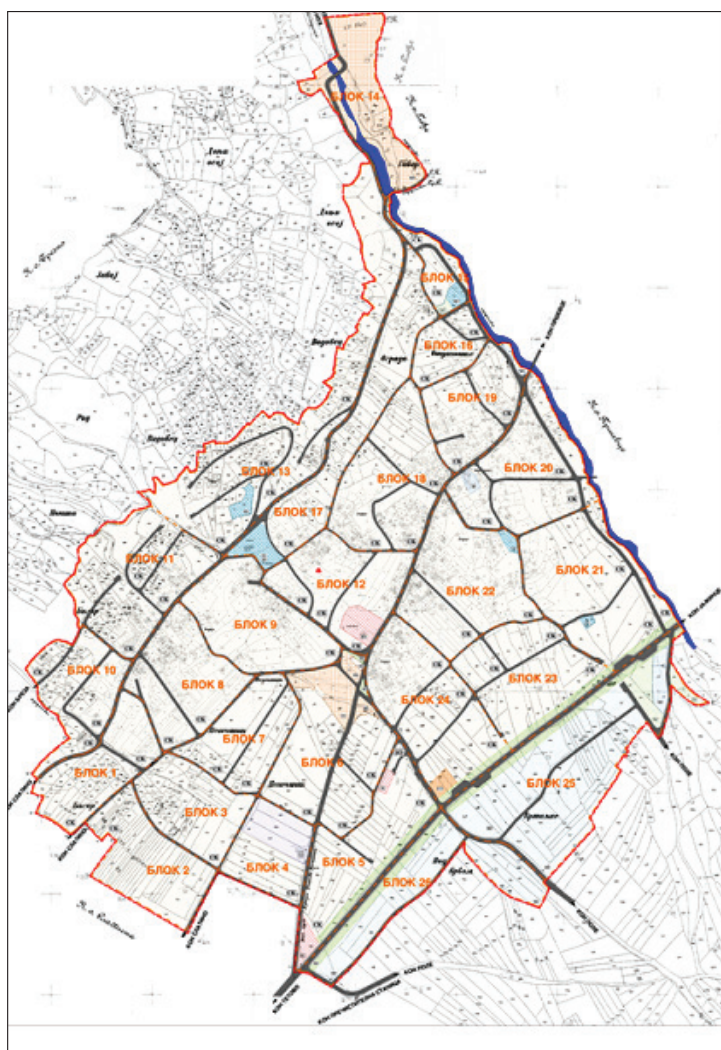
5.10.4.1 Free sited

For the settlement Glogji

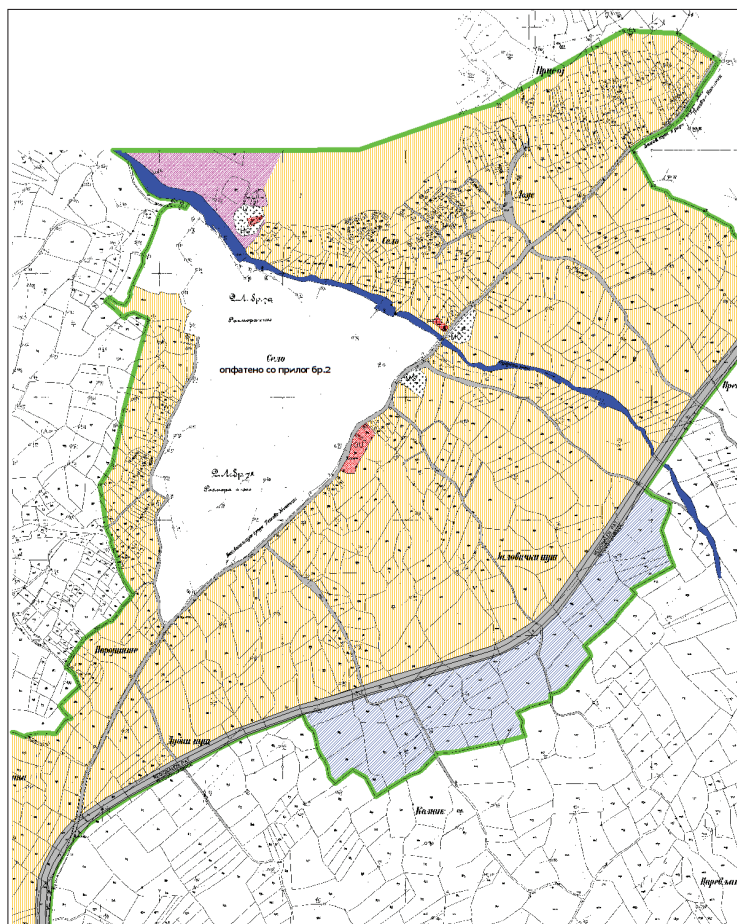
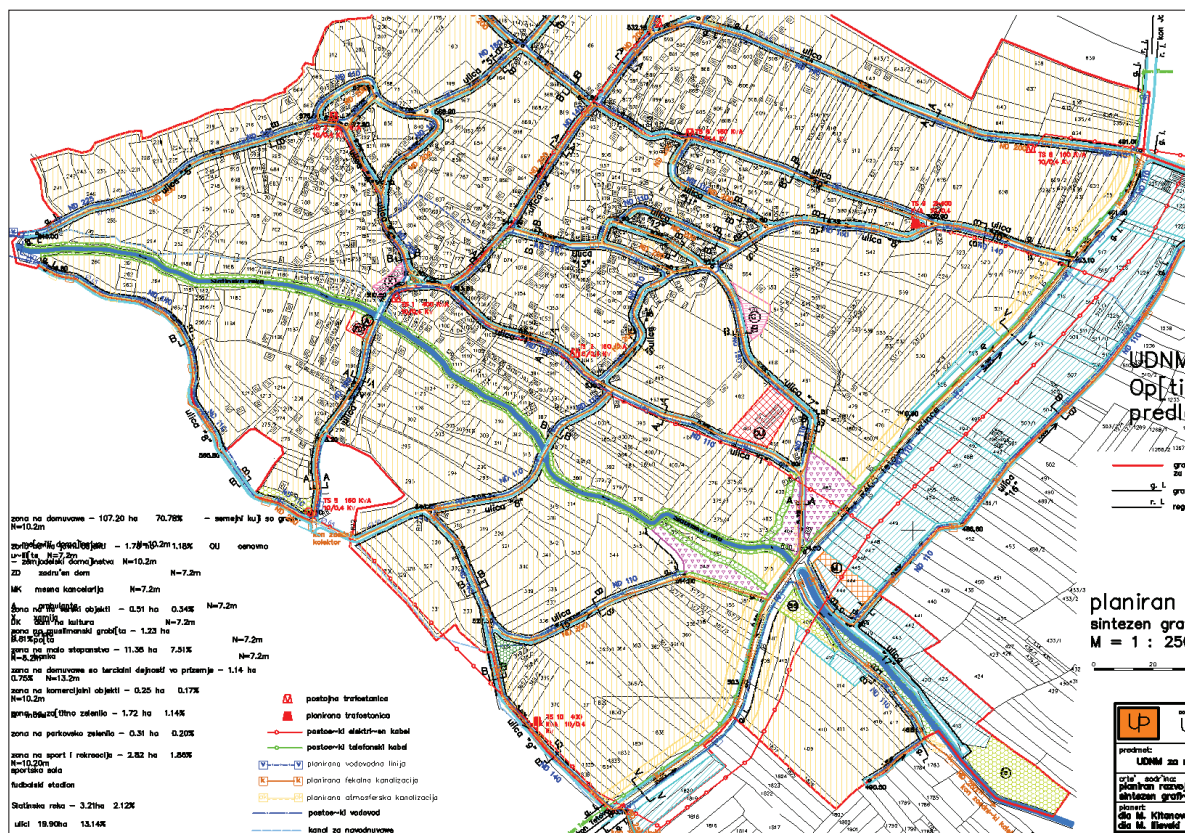


ZONE / SITE / FACILITIES	
Name	General act for village Glogi, municipality of Tearce
Address	village of Glogji
Ownership:	Municipality of Tearce
Private; State.	State owned
Area / GUP / DUP	General Act
Total area	13,281 m ²
Building plot area	/
Percentage of completion	/
Purpose of free sites for construction	/
Lease / Sale	/
Initial price for land owned	/
Infrastructure:	None
Line infrastructure:	/
Distance from main transport centers:	Regional road R-1203 distance 1 km
Distance from main motorway:	Trunk road Skopje - Tetovo -15 km
Distance from railway station:	10 km
Distance from international airports:	airport „Alexander the Great “ 60 km
Distance from nearby cities:	15 km from the city of Tetovo
Enterprises already operating in the zone:	None
Features of free sites for construction:	No other facilities built, clean space. In parts there is a building rubble

Industrial zone “Leshok”



Slatina- 151. 45 ha



Dobroshte



5.10.4.2 Other investment information

resources that are offered, and investment opportunities,	Private locations, urban (along the regional road Tetovo - Jazhince and part of old home in Prshovce-Municipality of Tearce
opportunities for using the municipally owned facilities for business purposes;	part of old home in Prshovce-Municipality of Tearce
Opportunities to municipalities to offer long-term lease of facilities for business purposes by investors;	part of old home in Prshovce-Municipality of Tearce

5.11 Municipality of Tetovo

5.11.1 General investment incentives

Municipality of Tetovo is one of the largest and most developed municipalities in the Polog region, surrounded by beautiful scenery rich with mountains and rivers, historical buildings and museums. In addition, Tetovo municipality has a developed road and transport infrastructure, which connects the municipality with other cities and municipalities of the country, making it an interesting destination for investment in several sectors. Of great importance is the proximity to the capital Skopje, the airport „Alexander the Great“ and developed technological industrial zone TIDZ - Tetovo. Evidence of all this are already present investors and companies.

5.11.2 Competitive advantages

Municipality of Tetovo offers investment opportunities primarily in tourism, especially in the mountains, „Shar Planina“ and „Popova Shapka“ including the ski resorts which are located on this mountain. However, interesting for new investments are agriculture, construction, food processing industry, wholesale and retail and other business activities. Also, for the development in these areas of great importance are the subsidies offered by the municipality. Municipality of Tetovo in terms of human resources as developed educational center has qualified young working population, which is an important factor for future investors.

5.11.3 Utility costs

The fee for regulation of the constructional land for construction of facilities in the area of Tetovo is regulated by zones and system purpose classes calculated in denars per square meter on the payment date as follows:

No.	Zones	Housing (A0, A1, A2, A4, A3)	Commercial and business purposes (B1, B2, B3, B4, B5, B6)	Other public institutions (V1, V2, V3, V4, V5)	Production, distribution and services (G1, G2, G3, G4)	Greenery, Sports, Recreation and memorials etc. (D1, D2, D3, D4)	Infrastructure (E1, E2, E3)
1	Zone 1	2,952 den.	4,428 den.	3,690 den.	4,428 den.	3,690 den.	2,952 den.
2	Zone 2	1,968 den.	2,952 den.	2,460 den.	2,952 den.	2,460 den.	5,904 den.
3	Zone 3	1,476 den.	2,214 den.	1,845 den.	2,214 den.	1,845 den.	2,214 den.
4	Settlements Golema Rechica, Falishte, Sarashino, Poroj, Dzepchiste and non-urbanized part of Mala Rechica	295,2 den.	442,8 den.	369 den.	442,8 den.	369 den.	442,8 den.
5	Locality Popova Shapka		922,5 den.	1,383,75 den.	1,153,125 den.	4,458,75 den.	1,383,75 den.

Zone 1-it covers the area between the bottom aforementioned streets on both sides of the streets, „Borche Kochoski“, „Saat Mosque“, „Nikola Tesla“, „Eski Mosque“ (Probistip), „Jane Sandanski“, „Dervish Cara“ and „Abdul Frasheri „.

Zone 2- it covers the area between the streets listed in Zone 1 and the following streets: „Ilindenska“, „Shtipska“, „B. Miladinovi“, „Vodenska“, „Gorna Charshije“, „Krushevska Republika“, „B. Tosca“, „M. A. Chento“, „V. S. Bato“.

Zone 3- It covers the entire remaining space in Tetovo starting from the border of streets covered in Zone 2.

5.11.4 Investment opportunities

5.11.4.1 Free sites



TIDS TETOVO

Location	3 km east of the city of Tetovo
Size	947,400 m ²
Ownership	100% state owned
Municipality	Tetovo
Type of the land	Construction Land / Greenfield

In the Polog planning region is located TIRZ Tetovo with total area of 94.74 hectares and is located on an extremely attractive location on the highway E-65, 3 km east of the city of Tetovo. The distance of TIDZ Tetovo from the City of Skopje is only 35 km. Four kilometers away is the railway station Tetovo. For the purposes of maritime traffic in TIRZ Tetovo there are two alternatives with approximately equal distances, that is the port of Thessaloniki at a distance of 287 km and the port of Durres at a distance of 293 km. There is an ongoing process of signing a contract for a public-private partnership between the Directorate for Technological Industrial Development Zones and a private company that would perform activities as a founder of the zone, i.e. construction, development and management of the zone.

Promoters

The Promoters presented in the table below are engaged in order to promote the positive conditions for investment in Macedonia. Their main task is to bring potential investors in the country, ie to promote Macedonia as a best potential investment and business destination.

Name	Position	e-mail	Country
Fatos Mustafa	Tirana	fatos.mustafa@investinmacedonia.com	Albania, Kosovo
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Radosh Vukichevich	Sofia	rados.vukicevic@investinmacedonia.com	Bulgaria, Serbia
Angel Cvetkov	Guangzhou	angel.cvetkov@investinmacedonia.com	China
Mirjana Naumoska	Copenhagen	mirjana.naumoska@investinmacedonia.com	Denmark, Sweden
Igor Nikolov	Paris	igor.nikolov@investinmacedonia.com	France
Afrodita Kermichieva Panovska	Bonn	afrodita.panovska@investinmacedonia.com	Germany
Ogden Kao	Munich	ogden.kao@investinmacedonia.com	Germany
Bojan Milinovic	Stuttgart	bojan.milinovic@investinmacedonia.com	Germany
Gjorgji Jovanovski	Hamburg	gjorgji.jovanovski@investinmacedonia.com	Germany
Tanja Belchovska	Frankfurt	tanja.belchovska@investinmacedonia.com	Germany
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