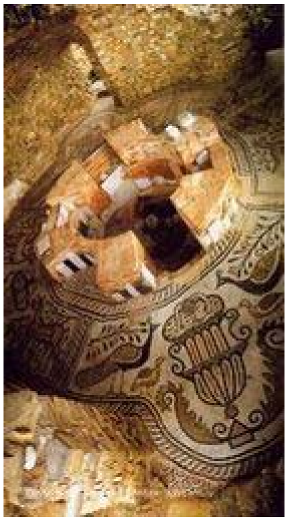
Privatization in the Republic of Macedonia

Transformation of ownership

Transformation of ownership was recognized as crucial for the transition towards free market economy, so privatization became priority to the newly independent State. Although the need for privatization was accepted without hesitation, the possible ways of its implementation became an issue of high interest and numerous public debates.

The choice of the privatization model depended a great deal on the characteristics of the economy, which previously had already experienced the phenomenon of privatization. Actually, the privatization in Macedonia was initially introduced in 1989 with the Law on Social Capital of the former Yugoslav Federation. At that time the government of the Prime Minister Ante Markovic introduced the concept of privatization through which internal shares were issued to all the employees of the socially owned enterprises (SOEs). In this process, over 600 enterprises in Macedonia were transformed into joint stock companies or limited liability companies.

Yet, a real boost to the process of privatization was given by the enactment of the new Law on Transformation of Enterprises with Social Capital in June 1993. The results of the previous privatization with internal shares were generally being recognized, but only after a prior audit of official supervisory institutions, authorized by the Law to control the privatization transactions made by the previous law.



Facts about Macedonia

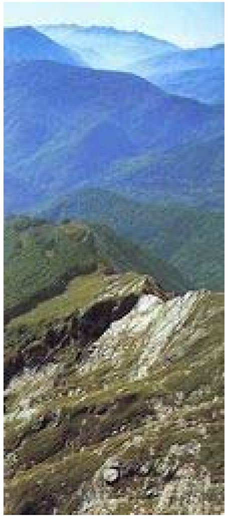
Macedonia is located in South Eastern Europe, and has a central position on the Balkan Peninsula. It is a small country of natural beauty, with a population of two million and a total area of 26.000 sq. km. Macedonia declared its independence on 8 September 1991, after the break-up of the former Yugoslavia. It is the only of the former Yugoslav republics that gained its independence in a peaceful way. In the turbulent times that followed, marked by wars and economic turmoil in the region, Macedonia kept its political stability and endured on the path of profound economic and social reforms.

Figures about Macedonia

As a country in transition, unlike the rest of the Central and East European countries, Macedonia was in a position not only to adapt to the introduction of the market reforms but also to struggle for its international recognition and to build a state organization and legislation of an independent country. The loss of the traditional markets and the wars and instability in its immediate neighborhood stood for additional objection to the economic development. As a result, Macedonian GDP per capita is relatively low (1.801 USD in 1999) and corresponds to those of the neighboring countries Yugoslavia and Albania. During the five-year period after the declaration of independence, the economy suffered a negative growth rate, and it was only after 1996 that this trend reversed. The economic growth rate in 1999 was 2,7%. The national currency (the denar) has been relatively stable in the last six years (1994-2000). Since devaluation in July 1997, the exchange rate to the German Mark has stabilized at around 31 denars. Inflation has been brought under control despite price liberalization. At the end of 1999, the average inflation rate of retail prices was -1,1%. A single figure inflation, and, moreover, periodical deflation movements are result of the restriction of the aggregate demand. Yet, on the other hand, this was a restriction to more intense economic activity. Low domestic production is supplemented by imports which contributes to a high foreign trade deficit of about 591million USD.

Social ownership

The Macedonian enterprises in the previous - socialist economic system, were not owned by the state, like in other communist countries. The equity belonged to "everybody and nobody", i.e. to all society, and was called "social capital". Hence, the enterprises were ruled by the workers' councils, that played the role of the owners, and the management had fair authorities for acting independently in the business environment. Similarly, the market wasn't fully restricted, as it was the case with the central planning in the other communist countries. All that contributed to the development of entrepreneurial spirit and managerial skills. However, the state ownership exists in the country as a kind of ownership as well, but it is different in its nature. Actually, the state capital, unlike the social capital, is considered as an equity that has a specified owner, which is the State.



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Transformation of ownership was recognized as crucial for the transition towards free market economy, so privatization became priority to the newly independent State. Although the need for privatization was accepted without hesitation, the possible ways of its implementation became an issue of high interest and numerous public debates. The choice of the privatization model depended a great deal on the characteristics of the economy, which previously had already experienced the phenomenon of privatization. Actually, the privatization in Macedonia was initially introduced in 1989 with the Law on Social Capital of the former Yugoslav Federation. At that time the government of the Prime Minister Ante Markovic introduced the concept of privatization through which internal shares were issued to all the employees of the socially owned enterprises (SOEs). In this process, over 600 enterprises in Macedonia were transformed into joint stock companies or limited liability companies. Yet, a real boost to the process of privatization was given by the enactment of the new Law on Transformation of Enterprises with Social Capital in June 1993. The results of the previous privatization with internal shares were generally being recognized, but only after a prior audit of official supervisory institutions, authorized by the Law to control the privatization transactions made by the previous law.

The Law on Transformation of Enterprises with Social Capital

The main objective of the Law on Transformation of Enterprises with Social Capital (the Law) – to transform the SOEs into companies with fully defined ownership rights, was associated with several others, such as:

• increasing the efficiency of the economy

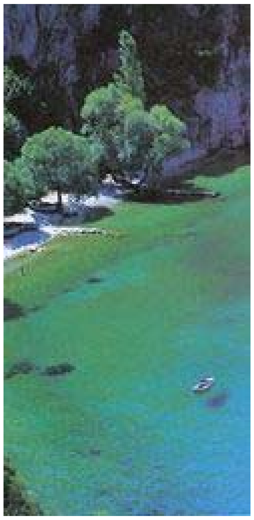
• attracting foreign capital

• developing a capital market

• providing new possibilities in servicing the internal and external debt of the country The accepted privatization model had a commercial, case-by-case approach, as opposed to the alternative, mass privatization approach, based on the distribution of vouchers. This means that every share acquired in the privatization process has to be paid, and every privatizing enterprise is considered as an individual case.

Scope of privatization

According to the Law, around 1200 enterprises from the commercial sector have been subject to privatization. In 1996 began the privatization of the agricultural sector, including approximately 350 companies. In 1997 the scope of the privatization program expanded to include the companies operating in the insurance sector and companies that organize games on chance, or altogether approximately 1600 legal entities. For the time being, excluded from



privatization are enterprises and organizations that conduct activities of special national interest or public services, utilities, enterprises and legal entities that conserve waters, forests, lands and other public goods. Banks are being transformed as a part of a wider financial sector reform. Their privatization is a passive one and it depends on the privatization of the enterprises which are their founders. However, looking for full capitalization, a number of Macedonian banks found foreign investors, supported by the EBRD and IFC. Meanwhile, enterprises of infrastructure and utilities (e.g. the Macedonian Power Utility) are currently being prepared for privatization, and the Macedonian telecom was sold to the Hungarian telecom company MATAV. The Privatization Agency is not in charge of the privatization of these sectors, as they are under the authority of the respective ministries.

Privatization procedure

The privatization process in Macedonia, generally, is decentralized, and the enterprises have been allowed a certain period of time to initiate their privatization autonomously. The final deadline for decentralized privatization was 26 June, 1999 and after that day all decisions for privatization are made by the Privatization Agency. The privatization procedure begins when the enterprise (or the Agency if the deadline has elapsed) decides to transform. It chooses the method, or combination of methods it wishes to apply, and it appoints a licensed appraiser to make a valuation of the enterprise. If the enterprise has already started the privatization according to the previous law, it has to be submitted to scrutiny by the Public Revenues Office. At the same time an announcement on the impending privatization has to be published in the Official Gazette or in one of the daily newspapers, in order to inform the restitution claimants. After procurement of all necessary documents, the enterprise submits them to the Agency. The Agency reviews them and gives an opinion to the Commission of the Government for Privatization, which makes the final decision, enabling the beginning of the transaction.

Documents required

The complete set of documents which have to be submitted to the Agency, along with the Decision for Transformation, includes:

- Valuation of the enterprise
- Program on the proposed method of privatization
- Report on the audit of the implementation of the Law on Social Capital
- Court registration
- Evidence on ownership rights on the real estate of the enterprise

Privatization Scheme

The Macedonian privatization scheme is the following:

• 30% of the social capital (in a form of ordinary shares or stocks) are offered to the employees, under privileged purchasing terms (certain substitution to the voucher model);

• 15% of the social capital (in a form of ordinary shares or stocks) are automatically transferred, (free of charge) to the State Pension Fund. The Fund may, on a basis of an autonomous decision, sell those shares;

• 55% of the appraised value of the enterprise are available for sale as ordinary shares or stocks, under equal conditions both for domestic and foreign investors. Employees are offered a generous discount scheme. They have an initial discount of 30% plus 1% for each year of work in the enterprise. Employees can buy shares at a discount of up to an amount not higher than DM 25.000 in five-year installments without down payment and with a two-year grace period.

Discounts

According to the Law, for the purchase of shares or stocks by the employees under discount terms there is a separate procedure. The enterprise announces a public call for subscription of shares/stocks with discount in its advertising board and in one of the daily newspapers in the Republic of Macedonia. On the basis of the reports, submitted by the enterprise, the Agency verifies the calculation of the total and the individual discount, as well as the eligibility terms for purchase with discount.

Sales methods

In the beginning of the privatization in Macedonia there was no capital market, and further to the adopted privatization concept the Law provided for a wide range of different privatization models as a way of selling stocks. The privatization models apply with respect to the size of the enterprise. 1. Small enterprises may be privatized according to the following methods:

• Employees buy-out The employees have the opportunity of acquiring the enterprise, by purchasing a stake of at least 51% of its appraised value. They are obliged to purchase the remaining part of the enterprise, with a possibility for payment in 5 annual installments.

• Sale of a part of an enterprise (in a form of shares or stocks) Bids are collected through public tender, which is followed by a public auction, if there are more than one bidder. 2. Medium-sized enterprises apply the following privatization methods:

• Sale of a part of an enterprise (in a form of shares or stocks) This is the same method as the method applied for the small enterprises.

• Enterprise buy-out The procedure is organized by enterprises themselves, and the bidders only submit a copy of the bid to the Agency.

• Management buy-out The public tender, collection and evaluation of bids are administered by the Agency, through a committee formed for this purpose. A development program for the enterprise is the main part of the bid. The bidder that offers the most attractive program may take the control over the enterprise by a down payment of only 20% of its appraised value, with an obligation to purchase at least 51% stake over a period of not more than 5 years. There is a possibility for payment in 5 annual installments with no interest charge. The bidders may be either individuals or groups, and if they win the tender, they, as a management team sign an agreement with the Agency, that gives them the right to control the enterprise as if they had 51%. In the meantime, the Agency holds the shares that have to be paid by the management team, and they are treated as preferred, non-voting shares. However, if payment is not made or other agreed obligations are not fulfilled, the agreement may be terminated, and these shares are automatically converted into common shares.

• Issue of shares for raising additional equity The bidding procedure is identical to the one in the previous method, except that it is performed by the enterprise, while the Agency's authority is to approve the winning bid. According to this method, the enterprise may issue shares for raising additional equity. The new issue has to amount to at least 30% of the appraised value. The Agency concludes an agreement with the winning bidder for the sale of 51% stake of the enterprise, within a period not longer than 5 years, with a down payment of 30%, and a possibility for payment in 5 annual installments. The Agency receives preferred shares, with an option to convert them into common shares if the installments are not paid in time.

• Debt/equity swap This privatization method is applied when the creditors of the enterprise find it a viable option. The Agency has certain control over the process, as it evaluates the submitted transformation plan which proposes such conversion. 3. For large enterprises, the privatization methods are identical to the methods for the medium-sized, with only slight differences, such as the amount of the down payment, or the value of the new issue. Actually for large enterprises, in the case of management buy-out, the required down payment is 10%, and in the case of raising additional equity 15% of the appraised value. Furthermore, if a large enterprise is raising additional capital, the value of the new issue must be at least 15% of the appraised value. In addition, in a large enterprise transformation, constitution of a Transformation Board is required. The Transformation Board consists of representatives of the Agency and the enterprise and its function is to prepare and pass the Decision for Transformation and monitor the privatization process in the enterprise.

Additional sales methods

In addition to these methods, there are other techniques that may be applied in the transformation of all enterprises, regardless of their size:

• Leasing The assets of an enterprise may be leased partly, with an option for purchase, and the lessee is paying both the leasing and the installments on the purchase of the assets over a period of maximum 7 years.

• Sale of all assets of the enterprise After the liquidation of an enterprise, its assets may be sold separately. If the sales price is not enough to cover all liabilities, the Agency is obliged to cover the remaining part.

• Transformation of enterprises under bankruptcy procedure In the transformation by this method, the creditors take active role, thus protecting their interests associated with their claims. This may be a very effective way of privatizing an enterprise, as it facilitates its financial consolidation, in addition to privatization. The consolidation program has to be submitted to the Agency for approval. During the procedure, the debts of the enterprise are first converted into equity, and the remaining social capital is sold by the Agency.

Sales methods – Searching alternative ways

The various privatization models apply equally to all investors in the privatizing enterprises – individuals and legal entities, both from the country and abroad. However, the fact that the Law allows managers and employees to propose the privatization method, give them, in a way a preferential treatment. Therefore, the most of the enterprises were privatized with a participation of the insiders. With the Privatization Agency they concluded agreements for purchasing stocks, and in case of default, the Law allowed the repeating of the whole procedure, with another privatization model. This became an obstacle to the smooth running of the privatization process, and at the same time was preserving the preferential status of the insiders. That was the reason for the first major amendments of the Law made in April, 1999. They provide for the equity that has not been duly paid-in to be transferred back to the Privatization Agency, in order to be sold through the Macedonian Stock Exchange, which had already been established in 1996. This, together with the amendments that authorized the Agency to sell both state and socially-owned capital, which allowed it to combine the capital for sale in more attractive stakes, was considered to reorient the process towards outsiders. In the same time was introduced the method of direct sale to strategic investor, such reducing the sales methods to the forms of: sale through stock exchange, direct sale to strategic investor or public invitations to bid. However, the implementation of the direct sale method arose the question of transparency, and was abolished with the law amendments, that followed in April, 2000. In June 2000, a new by-law was enacted, which regulates the sale of the state-owned and socially-owned capital to be performed either through the stock exchange or by public tender. Currently new amendments and addenda to the privatization legislative are being prepared, in order to accelerate the process and facilitate its finalization.

Residual shares

The basic common principle in all methods of privatization according to the Macedonian Law, is that the privatization is considered successful if at least 51% of the capital of the enterprise is sold. Therefore, only in "perfect" conditions it may be expected that the enterprise will be fully privatized in one turn, or that the buyers will be willing to purchase all

the available shares. Hence, a substantial part of the shares in the privatized enterprises have been transferred to the Agency as residual shares, in order to be sold afterwards. The other source of generation of the residual shares are the unsuccessfully implemented privatization models, i. e. shares that had not been paid by their buyers, and, therefore, (pursuant to the amendments to the Law made in 1999) had been returned to the Agency for further sale. Regarding their sources of generation, it is understandable that the major part of these shares make "minority stakes", but there are enterprises in which the Agency holds "strategic interest" in a form of residual shares as well. Nevertheless, there still are blocks of residual shares with rather high growth potential in their value, regardless of their volume and the Agency is selling them through the Macedonian Stock Exchange.

Portfolio of the Agency's residual shares

The portfolio of the Agency's residual shares is worth 1 billion DM, and is spread over 200 enterprises. The value of this portfolio fluctuates, on the one hand depending on the number of terminated contracts, and on the other on the sales volume.

Investment via privatization

Generally, investment via privatization is possible by purchasing on the Macedonian Stock Exchange and by public tender.

Payment

The shares purchased either by implementation of one of the privatization methods, or through the Macedonian Stock Exchange may be paid in domestic or foreign currency, and in bonds issued by the Macedonian Government. Payment through savings deposits blocked in the Macedonian banks is no longer possible, as these deposits have been converted to government bonds.

FDI via privatization

Foreign direct investment has been identified as a crucial component for supporting the transitional process of the Macedonian economy, and one of the objectives of privatization – to increase the efficiency of the newly privatized enterprises, was to be achieved through attraction of foreign capital in privatization. To this end, the Privatization Law provides for the same treatment of both domestic and foreign investors. The inflow of foreign investment through privatization has started modestly. The reasons for this may be grouped in two segments:

• The privatization program in Macedonia has been taking place amidst very unfavorable circumstances: in political sense, Macedonia is relatively unknown to foreign investors; in the

past period it has been connected mainly with the war-torn republics of the former Yugoslavia. In this very period, a number of other countries in transition were fiercely competing to absorb the available foreign capital.

• Macedonia did not have a distinguished, recognizable campaign for attracting foreign investments. The investment promotion activities intensified in 1997, after the risk factors associated with the country have substantially diminished. As a result, most of the privatizing companies were bought by the Macedonian residents, particularly by the former employees of such companies. However, privatizations with foreign capital, amount to about 185 million DM, which is an important boost to the Macedonian economy. Generally speaking, a positive trend in the inflow of foreign investment via privatization is very obvious. Several large-scale privatizations have been made by large foreign companies (see table: FDI via privatization) One should also take into account the inflow of foreign capital resulting from the sales of shares to foreign investors from companies which had initially been purchased by the employees. By end 2000, the total amount of foreign investments both through privatization and post-privatization sales was around 235 million USD (see table: Foreign investment through privatization and post-privatization in the Republic of Macedonia).

Rehabilitation of banks and privatization – Bank Rehabilitation Agency

The reform of the banking system commenced in the beginning of 1995, by auditing the largest banks and by establishing the Bank Rehabilitation Agency (BRA). BRA undertook the bad loans of the largest Macedonian bank - Stopanska Banka and in a number of cases converted them into equity in the indebted enterprises, thus constituting a substantial portfolio of stocks in a number of Macedonian enterprises. These stocks are also available for sale through the Privatization Agency, and following a certain procedure the shares of the State, BRA and Privatization Agency (and alternatively the Pension Fund) may be combined to make a larger stake.

Restitution

The enactment of the Restitution Law in the Republic of Macedonia lagged far behind the introduction of the privatization process. However, the Privatization Law addresses the rights of the former owners. When making the decision to privatize, the enterprise had to make a public announcement, to inform the general public and to invite the claims of the former owners. The former owners, or their legal heirs, had to submit their claims within 60 days of the announcement and the privatizing enterprise had to transfer to the Privatization

Agency shares in the amount claimed. The Agency holds these shares on behalf of the owners, until they receive a legal permission for exercising their ownership rights. The Restitution Law was enacted in 1998, but its implementation commenced with the amendments in April 2000. Property which still exists physically is being returned as it is, and the other property is substituted for government bonds.

Privatization and restructuring

The loss-making enterprises have been a heavy burden to the budget during the whole period of transition to a free market economy and constant efforts have been made in addressing this issue. Although the complete restructuring of these enterprises before privatization was considered as not acceptable, for being too costly in one and unpredictable in effect if made by the state in the other hand, it soon became obvious that a certain kind of restructuring was inevitable. Therefore, in 1994 were identified 25 loss-making enterprises, and in the beginning of 1995 they were included in a Special Restructuring Program. The Program envisaged a number of activities, among which: to impose strict budget constraints to the loss-making enterprises and to isolate them from the banking system, to break down the large and clumsy enterprises, liquidate the non-viable ones and privatize the viable enterprises or parts of enterprises, separate and privatize the non-core units, provide financial and other support for displaced workers, etc. This process resulted in a number of 125 enterprises, part of which were liquidated, other privatized, and a few still waiting for a proper solution. In a large number of them the State became the main owner due to debt/equity conversions, which did not prove to be the final solution. Actually, many of these enterprises were part of the next group of loss-makers (consisting of 12 enterprises) to be dealt with in 1999. Presently, a new group of loss-making enterprises has been identified, owing to the firm resolution to finally solve this problem. Their number is 40, and according to the officially adopted governmental Action Plan for Restructuring of the Loss Making Enterprises (Action Plan), analyses will be made in order to asses their viability, which will help make decisions whether they will be liquidated, or privatized, and if possible restructured. Reputable independent consulting firms with strong international technical, marketing and financial expertise in the respective industries and in providing privatization and financial restructuring advice will be given the task of making the analyses and finding strategic investors. These enterprises will be sold by public tenders, in condition as they are. According to the schedule, six of them, taking a major part in the total loss, are to be privatized by mid 2001, and the time-limit for all is 2003.

Results of the privatization process

After more than a decade of privatization in the Macedonian economy, 95% of the enterprises which entered the process have already been privatized. The small-scale privatization may be considered as completed, while the finalization of the large-scale privatization is currently being addressed by the implementation of the Action Plan for privatization and restructuring of the loss-makers, which mostly are large enterprises. However, 86% of the total revenues in the Macedonian economy have been produced in the private sector, i.e. 43,6% in the privatized and 42,4% in the originally private sector. Regarding the number of privatized enterprises by size, by sectors and by privatization models, as well as the volume of proceeds from privatization, please refer to the status reports and the privatization annual and semi-annual reports available on this website.

Difficulties in the privatization process

Macedonia has undergone deep structural reforms in a very hard period, marked by wars and economic turmoil in the region. The privatization, as one of the basic structural reforms, is a very complex and multidimensional process consisting of a variety of aspects, such as legal, political, economic, social and psychological. As it affects a large part of the population, e.g. the employees, the management, the previous owners, almost no one can stay indifferent. Even with a high transparency in implementing the privatization procedures, conflicts of interests cause a serious opposition, and lead to the opinion that the privatization is a basic reason to all evil in the society. The problems concerning the "small shareholders" (i.e. the holders of minority stakes, usually identified with the employees) is also worth of mentioning, especially for the reason that they may not always have access to detailed information regarding the privatization of their enterprise, as the management is not very often interested to provide them all required information. The solution to this problem is seen in the establishment of a Central Clearing House and uncompromising implementation of the Commercial Code. The sale of the enterprises to the employees leads to the diversification of the ownership, and therefore has negative impact on corporate governance. This happened to be the case in Macedonia, as the majority of the enterprises were bought by the employees. But in time, under the pressure of the market, things are changing in a positive way. Actually, there is a tendency towards aggregate sales of the shares of the individuals to strategic investors, that thus acquire the majority stakes in the enterprises, and undertake the control.

Foreign Investment In Macedonia Through Privatization And Postprivatization

(as of March 2002)

Company	Country of the Investor	Investor	Business Activity	Amount (USD)	%
Vinicanka-Vinica	Netherlands	Van Winkel Fashions B.V.	Textile	81.000	55,00
IFW-Kocani	Ireland	International Furniture&Wood	Furniture	512.700	33,89
Makedonija sport-Skopje	Germany	Westfra Trade GmbH-Frankfurt/M	Textile	1.046.300	80,87
Maktrans-Skopje	Marshall Islands	Energy Group AG, Majuro	Transport	1.744.700	51,00
Tehnogas-Skopje	Italy	SOL Spa-Monza	Technical gass	1.008.000	33,75
Total in 1995				**4.392.700**	
Moda-Sveti Nikole	Germany	Heinrich Katt GmbH-Oldenburg	Textile	287.000	19,46
Strumica tabak-Strumica	Greece	Leaf Tobacco A. Michailides	Tobacco	632.000	17,04

Bargala-Stip	San Marino	Maripel S.A. San Marino	Shoes	1.441.000	77,56
Centro-Skopje	Austria	East West Trade-Vienna	Trade	11.004.000	60,00
Jugotutun-Bitola	USA	Socotab Leaf Tobacco NY	Tobacco	553.000	51,41
Total in 1996				**13.917.000**	
Transkop-Bitola	Germany	BALTH.PAPP-Munich	Transport	1.058.000	51,03
Radika-Debar	Austria	KNAUF Gmb	Gypsum	3.483.000	51,06
Jugotutun-Krivogastani	Greece	A.T.I.C.A.E.	Tobacco	47.000	59,15
Bibrok-Kumanovo	USA	Retrospettiva INC-Beverly Hills	Textile	340.500	56,26
Ladna valalnica-Skopje	Liechtenstein	Balcan steel-Liechtenstein	Black metallurgy	21.000.000	33,52
Jugotutun-Kavadarci	Netherlands	Intabex Netherlands	Tobacco	2.413.000	82,44
Mokel-Bitola	British Virgin Islands	Eastern Europe Investments Inc	Textile	276.500	61,54
Makstil-Skopje	Liechtenstein	Duferco Skop Investment LTD	Black metallurgy	11.500.000	54,00
Total in 1997				**40.118.000**	
Usje-Skopje	Greece, Switzerland	Titan, Holderbank Financiere Glaris	Cement	30.000.000	94,00
Pivara-Skopje	Greece	Balkanbrew Holding LTD	Brewery	34.000.000	51,00
Total in 1998				**64.000.000**	
RZ Skopje-FAMORD	USA	Engineering Technology Services	Machinery	253.000	37,19
Tutunski kombinat-Skopje	Slovenia	Tobacna-Lubjljana	Tobacco	3.000.000	95,00
Transkop-Bitola	Germany	BALTH.PAPP-Munich	Transport	141.000	21,75
RZ KPOR-Skopje	British Virgin Isl.	Repro one LTD.	Admini. services	199.116	26,85
OKTA-Skopje	Greece	Hellenic Petroleum	Oil refinery	32.000.000	54,00
Total in 1999				**35.593.116**	
RZ Skopje-FAMORD	USA	Engineering Technology Services	Machinery	349.670	49,52
Fabrika za kabli-Negotino	Germany	Alskop GmbH-Frankfurt/M	Cables	2.865.590	45,50
Pivarnica-Bitola	Switzerland	Kenrich GmbH	Brewery	1.330.000	76,00
Konzeks-Skopje	Slovenia	Fructal-Ajdovshchina	Fruit juices	589.050	64,00
ADOR Makedonija	United Kingdom	QBE Inter.Insurance LTD-London	Insurance	14.822.900	54,96
Stopanska banka-Skopje	Greece, EBRD, IFC	National bank of Greece (65%), EBRD (10%), IFC (10%)	Banking	46.422.710	85,00
FZC Kumanovo	Germany	KUPP.BALL und Transthandel Frankfurt/D	Metal pipes	3.345.120	47,69
MHK Zletovo-Veles	Panama	FILO Business INC.	Lead/zinc smelter	1.016	13,48
Learnica-Ohrid	Switzerland	KID Kapital, Imobilien ZUG	Foundry	111.600	81,79

Komuna-Skopje	Slovenia	Valkarton-Logatec	Paper	1.051.850	66,95
Feni-Kavadarci	France	SCMM	Ferro-nickel mine/smelter	2.250.000	100,00
KIK- Kumanovo	Cyprus	Tihama Overseas LTD, Nicosia	Ceramics	333.584	18,68
Mermeren kombinat-Prilep	Greece	FHL Kirijakidis S.A.	Marble	9.607.800	78,00
Bucim-Radovis	USA	EurAm Partners LLC, Washington DC	Copper mine	1.616.364	82,09
Total in 2000				**75.331.455**	
EMO-Ohrid	Yugoslavia	KD Aparat-Niksik	El. transformers	791.75	36,16
RZ Institut-Skopje	British Virgin Isl.	Repro One LTD.	Research institute	179.64	45,15
IGM Proleter-Vinica	Austria	ZVG GmbH	Building materials	80.95	87,00
Zito Luks-Skopje	Greece	Elbisko SA Atika	Baked foods	14.009.000	51,91
Skopski saem-Skopje	Slovenia	ERA Velenje	Trade fair	2.890.000	50,79
Total in 2001				**17.951.340**	
Porcelanka - Veles	Austria	Esclusiva GmbH - Vienna	China and ceramics	135.143	63,61
Total up to 22.02.2002				260.554.558	