

CONCLUSIONS AND RECOMMENDATIONS

From the round table on the topic „Large Enterprise in the Economy in the Republic of Macedonia“

The participants at the round table, at which they have exchanged views on the position and the significance of the large enterprises in the economy in the Republic of Macedonia, after presenting the prepared reports and conducting abundant discussions, have adopted the following final observations and recommendations:

1. The large enterprises are drivers of the modern technical and technological achievements, have disposition of expert personnel and strong research power, own the capital indispensable for promotion of the technological processes and satisfaction of the consumers' requests, have management teams that can cope with the development challenges. It is on these bases that the large firms create conditions for more successful competitive struggle on the market, as well as GDP growth in the national economies.
2. The transitional processes at the large firms evolve with a slowed down pace, and thereby they lose the position and the significance in the national economy. The post-privatization processes, which are related to the staffing, the financial consolidation and the production restructuring, and demanded by the market, move at especially decreasing speed.
3. What is of great importance for the development in the Republic of Macedonia is the creation of conditions to rehabilitate and strengthen the large enterprises the problems of which can be resolved. Thereby, in addition to the

efforts by the management teams governing the large enterprises, the support by both the macroeconomic and the development policies is also of special significance. This support is of broader scope given the fact the large firms are drivers of both the GDP growth and the export, and they also contribute to the productive engagement by the working-age population.

4. The consolidation and the restructuring of the large enterprises require synchronized activity by the management teams and the advocates of the development and the macroeconomic policies. This is also pointed out by the experience by the advanced countries in transition, where joint efforts are made for not a single enterprise, in which problems are solvable, to go bankrupt. Assets of the banks and funds from the state budgets are directed to this end, and strategic partners are also sought for, as well as other conditions and assumptions are created to enable consolidation and functioning of the large enterprises.
5. The efforts by the management teams in the large enterprises need to be aimed at consolidation, staffing, commencement of production restructuring processes pursuant to the international standards and the market demands. In doing this, the stress should be placed on promotion of the technological processes with emphasized export-oriented production, greater finalization of the products, and on that basis, increase of the competitive ability, expansion of the cooperation with foreign partners, etc.
6. Both the macroeconomic and development policy measures should be directed towards support to the efforts by the large enterprises to be consolidated and restructured in accordance with the market conditions and demands. This especially covers the reduction of the state taxes, creation of conditions for utilization of both domestic and foreign credits, implementation of more efficient reforms in the scope of the social funds, promotion of the economic cooperation with the countries in the region, the European Union and broader, and similar.
7. Regarding the consolidation and the restructuring of the large enterprises, what is of great significance is the creation of conditions to increase the investment activity in the country. With respect to this, it is indispensable to establish institutions immanent for the market economy and to create conditions that will not only increase the forms of saving and investing, but also lead to greater success in allocating the financial resources. To that end, it is considered that the state should build and achieve more favourable own investment climate.
8. For the purpose of creating more favourable conditions for investments, it is necessary to consolidate the banking sector and to create conditions for reduction of the interest rates to the level that is usual in the developed market

economies, as well as to create conditions and assumptions for attracting foreign capital, first of all, via direct investments.

It is estimated that in order to increase the investments one should increase the saving in all areas, including the state, make efforts to establish the Macedonian economy, prepare investment guidelines, promote the large enterprises, eliminate the systemic and other obstacles for entrance of capital in the country, and similar.

9. The large enterprises, apart from their direct influence on the development, will also contribute to deepening of the cooperation among the small and medium-size enterprises. This is due to the fact that the large and the small enterprises complement each other and contribute to the development of the enterprises and of the national economy as a whole.
10. The observations, related to the mid- and long-term development of the Republic of Macedonia, point out to the fact that by revitalizing and production restructuring of the existing enterprises and constructing of new ones, mainly processing and export-oriented facilities, will create conditions to exit the economic crisis and lead to upward trends in the national economy.
11. Taking into account the complexity of the issues related to the consolidation and the restructuring of the large enterprises, it is estimated that special programme needs to be prepared. The program should define the development tendencies, the production restructuring, the facilities revitalization, the conditions and assumptions for construction of new facilities, the special measures and activities both on macro and micro level, and similar.