

**Seminar on Regional Aspects of Enterprise Development and
Employment Generation in South Eastern Europe
Skopje, 9 November 2004
Introductory Remarks by HE Svecu Jakimovski, Minister of Economy**

Good morning

I am very pleased to have this opportunity to welcome you all to Skopje and to open this Stability Pact seminar on enterprise development and employment generation in South Eastern Europe. The Ministry of Economy is pleased to lend its support for this meeting and I would also like to thank the Governments of Norway and Germany for their support.

Enterprise development and employment generation are key topics under the EU's Lisbon Agenda - the "road map" that the EU is trying to following to ensure sustainable economic growth and social development. As all our countries are on the path to EU membership I think this event provides an excellent occasion to improve the level of awareness on these issues in the region.

Like all governments in South Eastern Europe, the Macedonian Government is anxious to improve the overall business climate both to attract foreign direct investment and to stimulate enterprise development and thereby provide much needed employment opportunities for our citizens.

As noted by the Stability Pact's Investment Compact, we have taken many steps to improve the economic environment such as introduction of new market friendly policies and legislation, privatisation of state industries and the creation of support institutions such as the Council for Entrepreneurship and Competitiveness.

While the implementation of these and other vital economic reforms will lead to better economic growth and therefore better employment opportunities, some of the immediate effects include redundancies and increased unemployment particularly in areas where large factories close down or dramatically reduce their labour force. The high level of unemployment also encourages emigration and many people speak about the risk of "brain drain" as highly qualified young people must leave to find employment. Thus we have the source of many of our socio-economic problems.

These are problems shared by all of South Eastern Europe and I welcome this initiative to provide a forum for the region to examine different aspects of SME development and employment generation particularly for those areas in our countries that are badly affected by industrial restructuring and, most importantly, to develop some practical measures to address these issues.

Macedonia is an active participant in the Stability Pact (in fact we will host the plenary meetings of the Working Tables and Regional Table of the Stability Pact here in this very hotel next week). We are involved in all of the initiatives under Working Table II including infrastructure, energy, trade, investment and

social cohesion and firmly believe in the benefits of regional co-operation in all of these areas.

Economic development has an enormous impact on social cohesion and vice versa – you cannot deal with these topics in isolation. Therefore, I would like to stress my support for the “umbrella” nature of this event as it brings together the different actors involved in the economic and social development fields to look at specific issues and to jointly agree on a way forward. Social partnership has proved to be a key factor in stimulating socio-economic development in many other European countries such as Ireland, Sweden and Finland and we should try to learn from these experiences.

I wish you a successful seminar and I look forward to reviewing your conclusions and recommendations.

Thank you