

# Macedonia



Region: **Eastern Europe & Central Asia**

Income category: **Lower middle income**

Population: **2,037,833**

GNI per capita (US\$): **3,060.00**

<b>Ease of...</b>	<b>Doing Business 2008 rank</b>	<b>Doing Business 2007 rank</b>	<b>Change in rank</b>
Doing Business	75	96	+21
Starting a Business	21	82	+61
Dealing with Licenses	76	102	+26
Employing Workers	128	127	-1
Registering Property	91	88	-3
Getting Credit	48	45	-3
Protecting Investors	83	81	-2
Paying Taxes	99	104	+5
Trading Across Borders	72	98	+26
Enforcing Contracts	84	83	-1
Closing a Business	127	127	0

*Note: Doing Business 2007 rankings have been recalculated to reflect changes to the methodology and the addition of three new countries.*

## Starting a Business

The challenges of launching a business are shown below. Included are: the number of steps entrepreneurs can expect to go through to launch, the time it takes on average, and the cost and minimum capital required as a percentage of gross national income (GNI) per capita.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Procedures (number)	9	8.8	6.0
Duration (days)	15	26.2	14.9
Cost (% GNI per capita)	6.6	11.1	5.1
Paid in Min. Capital (% of GNI per capita)	0.0	45.3	32.5

## Dealing with Licenses

Shown below are the procedures, time, and costs to build a warehouse, including obtaining necessary licenses and permits, completing required notifications and inspections, and obtaining utility connections.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Procedures (number)	19	24.0	14.0
Duration (days)	192	251.3	153.3
Cost (% of income per capita)	109.3	628.4	62.2

## Employing Workers

The difficulties that employers face in hiring and firing workers are shown below. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The Rigidity of Employment Index is an average of the three indices.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Difficulty of Hiring Index	61	36.3	25.2
Rigidity of Hours Index	60	51.4	39.2
Difficulty of Firing Index	30	32.1	27.9
Rigidity of Employment Index	50	40.0	30.8
Nonwage labor cost (% of salary)	33	25.4	20.7
Firing costs (weeks of wages)	26	26.1	25.7

## Registering Property

The ease with which businesses can secure rights to property is shown below. Included are the number of steps, time, and cost involved in registering property.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Procedures (number)	6	6.2	4.9
Duration (days)	98	92.4	28.0
Cost (% of property value)	3.5	2.4	4.6

## Getting Credit

Measures on credit information sharing and the legal rights of borrowers and lenders are shown below. The Legal Rights Index ranges from 0-10, with higher scores indicating that those laws are better designed to expand access to credit. The Credit Information Index measures the scope, access and quality of credit information available through

public registries or private bureaus. It ranges from 0-6, with higher values indicating that more credit information is available from a public registry or private bureau.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Legal Rights Index	6	5.6	6.4
Credit Information Index	3	3.4	4.8
Public registry coverage (% adults)	4.0	2.4	8.6
Private bureau coverage (% adults)	0.0	15.4	59.3

## **Protecting Investors**

The indicators below describe three dimensions of investor protection: transparency of transactions (Extent of Disclosure Index), liability for self-dealing (Extent of Director Liability Index), shareholders' ability to sue officers and directors for misconduct (Ease of Shareholder Suits Index) and Strength of Investor Protection Index. The indexes vary between 0 and 10, with higher values indicating greater disclosure, greater liability of directors, greater powers of shareholders to challenge the transaction, and better investor protection.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Disclosure Index	5	4.9	6.4
Director Liability Index	6	3.8	5.1
Shareholder Suits Index	4	6.3	6.5
Investor Protection Index	5.0	5.0	6.0

## **Paying Taxes**

The data below shows the tax that a medium-size company must pay or withhold in a given year, as well as measures of the administrative burden in paying taxes. These measures include the number of payments an entrepreneur must make; the number of hours spent preparing, filing, and paying; and the percentage of their profits they must pay in taxes.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Payments (number)	52	46.3	15.1
Time (hours)	96	451.5	183.3
Profit tax (%)	13.1	11.2	20.0
Labor tax and contributions (%)	33.2	28.7	22.8
Other taxes (%)	3.5	10.8	3.4
Total tax rate (% profit)	49.8	50.8	46.2

## Trading Across Borders

The costs and procedures involved in importing and exporting a standardized shipment of goods are detailed under this topic. Every official procedure involved is recorded - starting from the final contractual agreement between the two parties, and ending with the delivery of the goods.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Documents for export (number)	7	7.0	4.5
Time for export (days)	19	29.3	9.8
Cost to export (US\$ per container)	1,130	1,393.4	905.0
Documents for import (number)	7	8.3	5.0
Time for import (days)	17	30.8	10.4
Cost to import (US\$ per container)	1,130	1,551.4	986.1

## Enforcing Contracts

The ease or difficulty of enforcing commercial contracts is measured below. This is determined by following the evolution of a payment dispute and tracking the time, cost, and number of procedures involved from the moment a plaintiff files the lawsuit until actual payment.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Procedures (number)	39	35.9	31.3
Duration (days)	385	443.0	443.3
Cost (% of claim)	33.1	22.7	17.7

## Closing a Business

The time and cost required to resolve bankruptcies is shown below. The data identifies weaknesses in existing bankruptcy law and the main procedural and administrative bottlenecks in the bankruptcy process. The recovery rate, expressed in terms of how many cents on the dollar claimants recover from the insolvent firm, is also shown.

<b>Indicator</b>	<b>Macedonia</b>	<b>Region</b>	<b>OECD</b>
Time (years)	3.7	3.2	1.3
Cost (% of estate)	28	13.7	7.5
Recovery rate (cents on the dollar)	15.8	28.9	74.1