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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

NORTH MACEDONIA

Supplement

The following communication, dated 13 February 2020, is being circulated at the request of the delegation of the Republic of North Macedonia.

In accordance with Article 25 of the Agreement on Subsidies and Countervailing Measures, and in response to the document G/SCM/N/220/MKD, the Government of the Republic of North Macedonia notifies the Committee on Subsidies and Countervailing Measures data supplied by the authority in charge of the subsidy, as related in programs financed by the State Budget for 2020. The notification covers programs in the following categories: support and development of micro, small and medium sized enterprises and crafts, implementation of the industrial policy, support and development of the cluster association, social responsibility, support of self-employment, voucher system for consultation and system for standardized mentoring services. The notification provided in this notification is for transparency purposes. The amount of support is shown in Macedonian Denars (MKD).

A. SUPPORT AND DEVELOPMENT OF SMALL AND MEDIUM SIZED ENTERPRISES AND CRAFTS

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

"Programs for Competitiveness, Innovations and Entrepreneurship for 2020".

2. Period covered by the notification

2020.

3. Policy objective and/or purpose of the subsidy

The support is given for:

1. Support and development of entrepreneurship and SMEs:
 - 1.1 Support in procurement of equipment and tools
 - 1.2 Support for improvement of the value chains
 - 1.3 Support of entrepreneurs specializing in scientific research related to founding of fab-labs
 - 1.4 Support for female entrepreneurship

- 1.5 Projects for development and support of MSMs and promotion of entrepreneurship in the country
2. Development and support of internationalization of SMEs:
 - 2.1 Certification of quality system according to ISO standards
 - 2.2 Certification of HALAL system
 - 2.3 Participation at domestic and international fairs
3. Development and support of crafts:
 - 3.1 Projects of the Chambers of Crafts for development and promotion of the crafts
 - 3.2 Purchase of equipment and tools; arrangements and improvement of the business premises to artisans
4. Support for vocational training:
 - 4.1 Purchase of equipment, instruments and tools to be used for training, teaching of persons for acquiring skills and qualifications to private enterprises accredited by the Center for Adult Education
 - 4.2 Education of the employees in MSMEs
5. Study for draft-sustainable model of services for business development of MSME
4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Program for Competitiveness, Innovations and Entrepreneurship for 2020 is published in the Official Gazette of the Republic of North Macedonia No.277/2019. Authority responsible for the subsidy: Ministry of Economy.

The procedure for allocation of funds are carried out by launching public calls on the web-site of the Ministry of Economy
www.economy.gov.mk;
www.konkurentnost.mk.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

The subsidy is granted in the form of grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others: through what mechanism: whether a fixed or fluctuating amount per unit: if the latter, how determined)

The support is given in the form of compensation of part of the expenses of the companies and associations-applicants. The Ministry of Economy compensates the following by items:

- 50 percent of documented expenses but not more than 300.000 MKD for each company for item 1.1;
- 50 percent of documented expenses but not more than 200.000 MKD for each company for item 1.2;
- 50 percent of documented expenses but not more than 120.000 MKD for each company for item 1.4;
- 75 percent of documented expenses but not more than 150.000 MKD for each company for item 1.5;
- 50 percent of documented expenses but not more than 100.000 MKD for each company for item 2.1;
- 50 percent of documented expenses but not more than 200.000 MKD for each company for item 2.2;
- 50 percent of documented expenses but not more than 50.000 MKD for each company for item 2.3;
- 75 percent of documented expenses but not more than 250.000 MKD for each company for item 3.1;
- 50 percent of documented expenses but not more than 180.000 MKD for each company for item 3.3;

- 50 percent of documented expenses but not more than 250.000 MKD for each company for item 4.1;
 - 50 percent of documented expenses but not more than 200.000 MKD for each company for item 4.2;
7. Subsidy per unit or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

The annual amount budgeted for the subsidy is 34.740.000 MKD allocated by items:

1. Support and development of entrepreneurship and SMEs – 21.500.000 MKD;
 2. Development and support of internationalization of SMEs – 4.000.000 MKD;
 3. Development and support of crafts – 6.540.000 MKD;
 4. Support for vocational training – 1.700.000 MKD;
 5. Study for draft-sustainable model of services for business development of MSME – 1.000.000 MKD;
8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

One year – 2020.

9. Statistical data

Such statistical data on trade effects of the Program for Competitiveness, Innovations and Entrepreneurship for 2020 are not available. The subsidy is given mostly to small and medium sized companies and associations, and there is a very small effect on trade.

B. IMPLEMENTATION OF INDUSTRIAL POLICY

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

"Program for Competitiveness, Innovations and Entrepreneurship for 2020".

2. Period covered by the notification

2020.

3. Policy objective and/or purpose of the subsidy

The support is given for:

1. Support for increasing the competitiveness of the manufacturing enterprises by reimbursement of part of expenses, for:
 - 1.1. Preparation of technical documentation for new product, improvement of existing product and/or preparation of industrial design/redesign of the product;
 - 1.2. Develop market research studies and/or marketing strategy and/or brand development activities;
 - 1.3. Procurement, implementation, certification and training of standards in the field of: horizontal standards (MKC EN ISO 50001; MKC EN ISO 14001; MKC EN ISO 45001; MKC EN ISO 31000); harmonized and other standards and standardization documents in the field of processing industry;
 - 1.4. Expert support for development/implementation of project for optimization of production;
 - 1.5. Development and implementation of projects for digital transformation of enterprises in processing industry;
 - 1.6. Expert analysis and preparation of technical-project documentation or technical feasibility study for: planned investment projects, preparation of the company to increase energy efficiency, introduction of the concept of circular economy; and

- 1.7. Preparation of project documentation for installation of photovoltaic panels for generation of electricity from renewable energy sources.
2. Organizing specialized trainings – in-depth and detailed technological trainings for the processing industry, in: automotive, textile, food and metal processing industry, leather and shoe industry; then in the concept of "greening" in several selected sectors of the processing industry, and in the circular economy.
3. Reimbursement of part of the expenses to entities for accreditation of laboratories or extension of the scope in accreditation of existing laboratories for testing of construction products;
4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Program for Competitiveness, Innovations and Entrepreneurship for 2020 is published in the Official Gazette of the Republic of North Macedonia No.277/2019. Authority responsible for the subsidy: Ministry of Economy.

The procedure for allocation of funds are carried out by launching public calls on the web-site of the Ministry of Economy
www.economy.gov.mk;
www.konkurentnost.mk.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

The subsidy is granted in the form of grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others: through what mechanism: whether a fixed or fluctuating amount per unit: if the latter, how determined)

The Ministry of Economy compensates 75 percent of documented expenses but not more than 300.000 MKD for each business entity for items 6.1; 6.2; 6.3; 6.4; 6.5; 6.6; 6.7; then 75 percent of documented expenses for organizing specialized trainings - in-depth and detailed technological trainings for the processing industry, in: automotive, textile, food and metal processing industry, leather and shoe industry; then in the concept of "greening" in several selected sectors of the processing industry, and in the circular economy for item 7 and 50 percent of documented expenses but not more than 300.000 MKD for each business entity for item 8.

7. Subsidy per unit or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

The annual amount budgeted for the subsidy is 7.200.000 MKD allocated by items:

1. Support for increasing the competitiveness of the manufacturing enterprises – 4.500.000 MKD;
 2. Organizing specialized trainings – in-depth and detailed technological trainings for the processing industry, in: automotive, textile, food and metal processing industry, leather and shoe industry; then in the concept of "greening" in several selected sectors of the processing industry, and in the circular economy – 1.200.000 MKD;
 3. Reimbursement of part of the expenses to entities for accreditation of laboratories or extension of the scope in accreditation of existing laboratories for testing of construction products – 1.500.000 MKD.
8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

One year – 2020.

9. Statistical data

Such statistical data on trade effects of the Program for Competitiveness, Innovations and Entrepreneurship for 2020 is not available.

C. SUPPORT AND DEVELOPMENT OF THE CLUSTER ASSOCIATION

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

"Program for Competitiveness, Innovations and Entrepreneurship for 2020".

2. Period covered by the notification

2020.

3. Policy objective and/or purpose of the subsidy

The support is given for:

1. Support and development of cluster association "Clusters for innovative and international oriented business"
 - purchase of specific equipment or technological solutions,
 - cluster collaboration with Universities and/or collaboration among clusters,
 - development of brand strategy and brand products within the frames of the cluster,
 - joint innovative projects of development related to research and development of new or improved products, processes or services,
 - improvement of the clusters and their members thru hiring of consultants, organizing of specialized trainings, workshops and seminars for exchange of knowledge, and
 - promotion activities for clusters (organizing and participation business events- as fairs, B2B meetings, trade and media missions, etc.).

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Program for Competitiveness, Innovations and Entrepreneurship for 2020 is published in the Official Gazette of the Republic of North Macedonia No.277/2019. Authority responsible for the subsidy: Ministry of Economy.

The procedure for allocation of funds are carried out by launching public calls on the web-site of the Ministry of Economy
www.economy.gov.mk;
www.konkurentnost.mk.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

The subsidy is granted in the form of grant.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others: through what mechanism: whether a fixed or fluctuating amount per unit: if the latter, how determined)

The Ministry of Economy compensates 75 percent of the project but not more than 1.000.000 MKD for each applicant individually per application, only for one request from the listed activities.

7. Subsidy per unit or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

The annual amount budgeted for the subsidy is 5.000.000 MKD for support and development of cluster association.

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

One year – 2020.

9. Statistical data

Such statistical data on trade effects of the Program for Competitiveness, Innovations and Entrepreneurship for 2020 is not available.

D. SOCIAL RESPONSIBILITY

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

"Program for Competitiveness, Innovations and Entrepreneurship for 2020".

2. Period covered by the notification

2020.

3. Policy objective and/or purpose of the subsidy

The support is given for:

1. Support for development, maintenance and implementation of social acceptable practices of business entities:
 - Reimbursement of partial costs of business subjects for establishing and certifying a corporate social responsibility system, in accordance with SA 8000/Report: BSCI/SMETA/FAIRWARE, which provide ethical management in the production of goods and services.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Program for Competitiveness, Innovations and Entrepreneurship for 2020 is published in the Official Gazette of the Republic of North Macedonia No.277/2019. Authority responsible for the subsidy: Ministry of Economy.

The procedure for allocation of funds are carried out by launching public calls on the web-site of the Ministry of Economy
www.economy.gov.mk;
www.konkurentnost.mk.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

The subsidy is given in the form of grants.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others: through what mechanism: whether a fixed or fluctuating amount per unit: if the latter, how determined)

The Ministry of Economy compensates 70 percent of documented expenses but not more than 120.000 MKD individually for each applicant.

7. Subsidy per unit or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

The annual amount budgeted for the subsidy is 1.000.000 MKD.

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

One year – 2020.

9. Statistical data

Such statistical data on trade effects of the Program for Competitiveness, Innovations and Entrepreneurship for 2020 is not available.

E. PROGRAM FOR SUPPORT OF ENTREPRENEURSHIP AND COMPETITIVENESS OF SMES FOR 2020

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

"Program for support of entrepreneurship and competitiveness of SMEs for 2020".

2. Period covered by the notification

2020.

3. Policy objective and/or purpose of the subsidy

The support is given for:

1. Support of self-employment
2. Implementation of voucher system for consultation
3. Introduction of system for standardized mentoring services

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Program for support of entrepreneurship and competitiveness of SMEs for 2020 is published in the Official Gazette of the Republic of North Macedonia No.18/2020. Authority responsible for the subsidy: Agency for Support of Entrepreneurship.

The procedure for allocation of funds are carried out by launching public calls on the web-site of the Agency for Support of Entrepreneurship and/or printed media
www.apprm.gov.mk;
www.konkurentnost.mk.

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

The subsidy is given in the form of grants.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others: through what mechanism: whether a fixed or fluctuating amount per unit: if the latter, how determined)

Agency for Support of Entrepreneurship for each objective shall focus on higher participation of woman entrepreneurs.

7. Subsidy per unit or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

The annual amount budgeted for the subsidy is the following:

- Support of self-employment – 15.000.000 MKD;
- Implementation of voucher system for consultation – 1.500.000 MKD;
- Introduction of system for standardized mentoring services – 2.300.000 MKD.

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

One year – 2020.

9. Statistical data

Such statistical data on trade effects of the Program for support of entrepreneurship and competitiveness of SMEs for 2020 is not available.
