

Mr. Steriev,

Ladies and Gentlemen,

Thank you for inviting me to speak today. On behalf of Ambassador Reeker and United States Embassy in Macedonia, I would like to extend to you and the entire Macedonian Stock Exchange our best wishes for further success.

Together with Ambassador Reeker, I visited the Stock Exchange last December. We were very impressed with the facility, the progress made in expanding markets, and all that has been achieved since trading began in March, 1996, when the Exchange Bell rang for the first time.

In fact, the Stock Exchange, and indeed the Macedonian capital market as a whole, has made impressive gains in recent years. These achievements were the result of reforms that deepened the market, modernized its infrastructure, and streamlined the regulatory framework, bringing it in line with more developed markets.

But at its core, the Stock Exchange has prospered because people see the value and opportunities in Macedonian companies, their workers, and their products.

At the same time, the Macedonian Stock Exchange modernized the trading system by applying advanced technology, such as the Bourse Electronic System of Trading (BEST). This helped to create an efficient, transparent, and trustworthy environment for trading. The Stock Exchange also has raised the disclosure requirements for listed companies, helping to build investor confidence.

Over the past year, we have seen dramatic changes in the global market. World leaders spoke at length at the London G20 summit about the interconnectedness of today's economy. They emphasized that this crisis will be overcome only through what President Obama called action "with a common sense of purpose, persistence, and the optimism that the moment demands."

Unfortunately, Macedonia is not immune to this crisis. It is true that the country ducked the first wave of financial shocks in the fall of last year. However, securities markets have weakened, coming down after impressive gains in 2007 and 2008. Demand for Macedonia's exports has dropped, as have inputs such as remittances. The government just this week responded to reduced revenues by adjusting the state's budget.

Macedonia is not being left to confront the crisis alone. You have many supportive friends in the region. Additionally, international financial institutions also have offered their help. And the United States will continue to

work hard to support economic growth and to help develop a healthy and attractive environment for business and investment.

We all know that 2009 will be challenging. But now is the time to prepare for the more prosperous times that we know will come. The smart money recognizes this and is already looking for opportunities.

The investment market is and will continue to be competitive. For Macedonia to succeed in attracting foreign investment, further steps must be taken to strengthen the rule of law and to reform the judiciary. There has been recent progress – Transparency International raised Macedonia's ranking in its 2008 Corruption Perceptions Index from 84 to 72, out of 180 countries. Unfortunately, that's not good enough, and not even sustainable without continued serious action.

Both foreign and domestic investors and businesspeople need the predictability and stability that comes from knowing that courts will decide cases base on the merits, and not on improper pressures. They need to have transparency and a level playing field – the kind of things the Stock Exchange encourages through its own requirements for listed companies.

Other pieces, such as full implementation of the Ohrid Framework Agreement and decentralization also need to fall into place. We stand ready to support Macedonia as the country takes on these tough issues.

As Ambassador Reeker said earlier this week at the Presidential Roundtable, the United States is invested in Macedonia and its success. We have provided over \$500 million in assistance since the country's independence – including in technical and advisory assistance for the Stock Exchange. In fact, we have worked to support the Stock Exchange through a variety of projects aimed at building an efficient framework of legislation, good corporate governance, and increased capacity. Looking to the future, the United States will continue to provide assistance to improve corporate governance and to increase the access Macedonian companies have to needed financing.

This investment backs up what we believe – that Macedonia has great potential, and its people deserve to live in a country that is fully integrated into NATO and Europe.

I look forward to hearing from the distinguished speakers and panelists that you have assembled today.

From all of us who have the great honor to represent the United States here in Macedonia, we wish you all continued success.

Thank You.