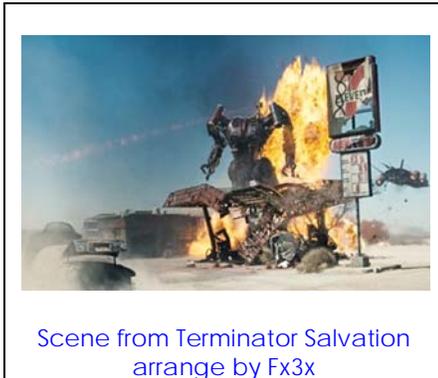




July NEWSLETTER

Macedonian Magic for Hollywood



Scene from Terminator Salvation
arrange by Fx3x

On June 11, a bit of Hollywood came to Macedonia in the form of an exclusive screening of "Terminator Salvation," the latest sequel of the blockbuster Terminator series, the night before its Macedonian premiere. The screening was arranged by Fx3x, a Macedonian company specializing in computer graphics (CG) that worked on the feature film. With support from USAID, Fx3x founded the Digital Media Park in Skopje, where they did their work for this film.

Fx3x, led by FX Producer Kristijan Danilovski, did the work for 42 shots of "Terminator Salvation," totaling over 3 minutes of the film. This was the first collaboration of Fx3x with Industrial Light & Magic (ILM), one of the biggest Hollywood companies creating special effects. The Fx3x team of 20 Macedonian artists worked on this project from November 2008 through January 2009. A significant focus of their work was doing "roto," which involves working on previously shot live action frames to allow computer graphics to overlap or interact convincingly with the live images. The team also did "wire and rig removal," which involves digitally removing from view the apparatus that support actors or manipulate objects.

"Fx3x contributed greatly to the success of a number of shots allowing our team to integrate our CG elements seamlessly into a variety of scenes within the tight production schedule" noted Industrial Light & Magic Roto & Paint Supervisor, Pat Jarvis. Aleksandar Vishemirski, the Fx3x roto/paint supervisor, said "At first it was a bit scary. We had the experience of working with big companies, even on Oscar winning projects, but we knew up front the ILM is in another league. And that proved 100 % right.... In the end, everything went well. The satisfaction is huge and now I'm kind of sorry that it's finished, so I'm looking forward to future projects with the great ILM team."

Fx3x has become a regional leader in the field of computer graphics. The company is already known in the industry for its work on the Martin Scorsese film "The Aviator" (for which Danilovski received an Emmy nomination), as well as on "The Golden Compass" (for which Fx3x shared the group Oscar for visual effects in 2008).

USAID has worked with Fx3x since 2005 to realize their vision for a Digital Media Park where small companies could benefit by co-location and cost-sharing. Through a Global Development Alliance Grant, USAID helped them transform an old military warehouse into a productive 21st century technology park. Though not yet fully completed, the facility already includes office space, two vast production studios, sound rooms, an editing and color correction suite, and a visual arts room with computer banks for the teams of animators and CG artists. It is expected that the Park will accelerate the development of Macedonia's film and media industry.

Fx3x is also working with the USAID Competitiveness Project to identify and develop specific activities to expand its business operations, get assistance with legal issues related to co-producing full-length films, and build needed managerial and operations capabilities. There is a particular focus on training a specialized workforce to strengthen Digital Media Park's capacity to fulfill the expanded pipeline coming from potential investors.

In the meantime, Fx3x's work is already well underway on another project: all production work on an animated feature-length film produced by Big Wonder Entertainment, for Build-a-Bear, a well-known U.S. toy company. At the same time, Digital Media Park is working to broaden the scope of their work by completing an extension to their visual arts room that will allow them to greatly increase the number of animators working on a project at any time, as well as a new training room which will allow them to ensure there are more artists available who have the specific skills needed in this highly technical industry.



Krum Boshkov
(local expert, professor from Faculty of Agriculture Science and Foods in Skopje) faced the newest technologies in grapes nurseries

Making Macedonian Table Grapes More Competitive

In March 2009, ten representatives of six Macedonian table grape producers and marketers visited their counterparts in Southern and Central California, USA. For ten days, participants examined in-depth the modern, integrated production and post-harvest systems in use in California, one of the largest table grapes exporters in the world. They learned how those systems can be applied to their enterprises and existing table grapes varieties. They also gained knowledge of responsible agrichemical use and the stringent post-harvest residue requirements of sophisticated markets. This highly technical study tour was organized by the USAID Agribusiness Project (AgBiz).

The tour combined classroom training with on-site visits that allowed participants to observe and learn more about advanced pack-house operations and layouts for fresh grape handling, as well as the objectives and means of establishing table grape marketing and trade organizations. AgBiz, in partnership with the University of California,

Davis (UCD) College of Agricultural & Environmental Sciences, provided participants with learning experiences and extensive data to significantly enhance their knowledge and understanding of the production and post harvest handling technologies applicable to their operations which, if properly applied, will increase their competitiveness.

“We received detailed information about the whole process in the form of literature, practical experience and in-the-field demonstrations by UCD Advisors. We had an opportunity to follow the entire cycle from root stock for planting through to packaged products marketing.” said Dr. Krum Boshkov from the Macedonian Faculty of Food and Science.

Macedonia’s largest table grape exporters had the opportunity to visit one of the largest wholesale produce markets in Los Angeles, as well table grape operations in Palm Springs and Bakersfield, both well-known for their high standard of table grape production. Participants observed the application of modern table grape production methods with an emphasis on green pruning techniques. They recognized these measures as being especially important for transfer to Macedonia to increase grape quality and thus improve competitiveness and achieve better prices on export markets.

Jordancho Gjorchev of *GD Tikvesh* stated “We had numerous positive experiences in California that we must transfer and practice in our businesses. This knowledge will lead us to better organization of our work.”

Following the study tour, AgBiz conducted a one day roundtable gathering to present and discuss the lessons learned in California. Twenty-two individuals took part, including representatives of nine Macedonian table grape producers and traders, the Association of Fruit Producers, and academics. Roundtable participants identified opportunities to use the lessons learned from the study tour to enhance their table grape operations. AgBiz is planning a demonstration program to illustrate the application of these modern practices. This was the second international study tour organized by AgBiz for table grape producers. In 2008, AgBiz organized a similar tour to South Africa for managers involved in table grape production, consolidation and exporting. The lessons learned from both tours has resulted in accelerated and new investments in table grape production, post harvest handling, packaging and marketing technologies and practices by the Macedonian companies that participated in the tours.

The USAID AgBiz Project increases economic growth in Macedonia through expanded and environmentally sustainable production and sales of value-added agricultural products. It assists with Macedonia’s preparations for accession to the EU by enabling local producers and processors to compete regionally and globally.



Textile worker of one of the MCP Financial Platform assisted companies

Helping Macedonian Companies Get Through the Recession

Even in times of recession, when financial institutions have more conservative lending practices, it is possible for companies to get financial assistance to invest in improvements. The key is to have a well-developed business plan. This was the primary message of the “Access to Finance in Times of Recession” Conference held in Skopje on June 12.

Organized by the USAID Competitiveness Project (CP), the conference emphasized that Macedonian companies must invest in new technologies and improved business practices in order to stimulate their growth and ability to compete in the global market. Therefore, having access to a wide range of financial products could be the difference between the survival

and failure of a company. At the conference, leading Macedonian banks and financial institutions (including Invest Bank, Agriculture Fund, and Crimson Capital) presented their financial products and services in corporate financing.

The conference was part of the CP’s Financial Platform, which helps companies successfully meet capital needs for business growth at a time of low liquidity and difficulty in accessing credit. The Financial Platform engages a pool of Macedonian financial advisors who collaborate with companies to clearly formulate business expansion strategies and investment plans, and work to find a financial solution that best fits those strategies.

Bams Treid, a construction materials manufacturer/exporter in Bitola, is one company that has already received business expansion financing from local institutions through this collaboration. “With the assistance of the USAID Competitiveness Project financial consultant, we developed a comprehensive business and investment plan that enabled us to access a significant bank loan. This fresh capital will make possible for us to expand our activities and grow. Even in times of crisis, the Bank was willing to issue us a loan, once we presented them with comprehensive bankable investment project” said Blagojce Trpcevski, Director and owner of Bams Treid.

With the approval of a 100,000 Euro loan from TTK Bank in April, 2009, Bams Treid was able to leverage a total of 200,000 Euro to construct a new warehouse and exhibition facility on the road to Ohrid, strategically positioned between Greece and Albania where the company exports most of its goods. With the new facility, Bams Treid expects to achieve exports of \$125,000 within the next eight to nine months—up 500% from previous years—and exceed \$250,000 in annual exports from 2010 onward. They also expect that, by tapping new markets, increased demand will generate eight full-time jobs.

The USAID CP, managed by the CARANA Corporation, aims to improve Macedonia’s competitive position in the global market place while maximizing job creation and bringing about systemic changes to accelerate sustained growth. The project works to promote foreign direct investment and to transform and upgrade targeted Macedonian information technology and design based industries and light manufacturing. Since the launch of the Financial Platform in September 2008, the CP has assisted 11 Macedonian companies to access over 2 million Euros of bank loans and leasing services, leveraging a total new investment value of nearly 4 million Euro.



Planetum raises awareness among Strumica students on waste selection

Planetum: A Role Model for Keeping Macedonia Beautiful

Wherever you go in Macedonia, you are likely to see the country's beautiful landscapes spoiled by piles of trash. Much of this trash is actually recyclable, but few Macedonian municipalities have formal recycling programs. Without a solid waste management system in place, plastic bottles and other recyclable waste end up on the side of the road. Planetum, a non-governmental organization (NGO) that participated in the USAID Civil Society Strengthening Project (CSSP), wants to change that.

Planetum is a Strumica-based environmental NGO. The goal of its CSSP-funded advocacy project was to establish a solid waste management system in Strumica. But Planetum has a bigger, bolder vision: to use its experiences from this process to help NGOs spearhead similar initiatives in other parts of the country, the ultimate goal being a cleaner, trash-free Macedonia. With support from the CSSP, Planetum has become a recognized national leader in the field of solid waste management, bringing the organization one step closer to achieving this goal.

Planetum established a nationwide network of 14 other environmental NGOs to share lessons learned from the CSSP-funded project. It provided the network with the two waste management models and other materials it had developed for the project. Planetum is also working to help prepare network members to initiate similar processes in their own communities, such as in Bitola, where the NGO *Biosfera* has now become part of the USAID-funded Plastic Recycling Project.

Planetum's reputation continues to grow. Its work appears in the Global Environmental Facility (GEF) database of environmental projects, and GEF regularly encourages its grant applicants to coordinate with Planetum. Increasingly, other NGOs across Macedonia contact Planetum directly for advice and technical assistance. Planetum has helped by introducing solid waste management models at meetings with mayors, giving presentations on recycling at local schools, and helping five municipalities to create 26 'eco-islands' for separating solid waste. According to Stojan Nasevski, President of the NGO *Soncev Rid* in Kratovo, "Planetum helped us a lot to start the process of selecting and collecting waste" in those municipalities.

With knowledge gained through participation in the CSSP, Planetum has established itself nationwide as an experienced resource in finding solutions to waste management. The NGO is also having an impact at the policy level, by leading the Working Group on the Law on Packaging Waste.

Planetum was among 17 Leader NGOs that participated in the first phase of the project from 2005-2008, that implemented local partnership, advocacy, and anti-corruption initiatives. In the second phase of the project from 2008-2010, 7 Leader NGOs have been awarded grants aimed at addressing a variety of issues, including advocating for improved public service provision on national and local level, monitoring government's programs and budget in the area of agriculture, introducing quality standards in non-formal education, monitoring media coverage of corruption, establishing mechanisms for youth participation in municipal decision-making, increasing citizen participation in shaping local programs and budgets, and monitoring of EU integration processes.

The CSSP is implemented by the Institute for Sustainable Communities (ISC), and seeks to make Macedonia's civil society a more effective, influential and permanent partner alongside government and businesses in shaping the country's present and future.

For more information about USAID programs on economic growth, education, democracy and governance please visit <http://macedonia.usaid.gov>