

15:10-16:45 Webinar and ELF publication presentation
Tax competitiveness as a mechanism to promote or distort small economies:
The case of North Macedonia



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Online
event

ZOOM Webinar and roundtable

Tax competitiveness as a mechanism to promote or distort small economies - case of North Macedonia

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#ELFEvent #ThinkingAloud



European Liberal
Forum

EVENTS

Determinates to invest in developing/transition countries

- Geographical position and demographics (the capacity of human resources /ageing population) of the country;
- Promotions;
- Economic stimulus packages by the governments for foreign investments;
- One stop-shop registration in the trade register;
- Fiscal incentives;
- Low or zero tax rates;
- Custom reliefs.

Overarching priorities for developing tax competition in the small economies

- Tax autonomy
- Strategic interaction among tax policies in the region
- Should concerns all government levels
- Ability to shift the tax base
- Bilateral and multilateral trade and tax agreements.
(Free Trade Agreements)

Accelerating the tax competition though:

- Flat taxation;
- Free Technological Industrial Zones (Free Trade Zones);
- Fiscal incentives;
- Tax exemptions (Non-taxation of reinvested profit);
- Low personal and corporate tax rates (equal for residents and non residents) and VAT;
- Payroll taxes;
- State aid
- Social contributions

Recommendations

- The tax system should follow the functions.
- Flat taxation should continue to be part of the tax system, respecting the principles of flexibility and sufficiency of the tax system and *in favorem* of individual and trade company profits.
- To reduce the unemployment and allocate the capital.
- To enhance the business activities and investment initiatives among the domestic and cross-border companies.
- To adopt digital service tax.
- Monitoring of the implementation of the Strategy for managing public debt (2022-2024)

THANK YOU