



Republic of North Macedonia

GOVERNMENT OF THE REPUBLIC OF NORTH MACEDONIA

**EXPORT PROMOTION STRATEGY
OF THE REPUBLIC OF NORTH MACEDONIA 2024-2027,
WITH ACTION PLAN 2024-2025**

Ministry of Economy
Republic of North Macedonia

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Abbreviations

APP	Agency For Promotion Of Entrepreneurship
ASIPi	Agency for Foreign Investments and Export Promotion
GDP	Gross domestic product
SSO	State Statistics Office
DTIRZ	Directorate for Technological Industrial Development Zones
EU	European Union
LFSI	Law on financial support of Investments
ICT	Information and Communication Technology
CIF	Chamber Investment Forum
MAGHRE B	Algeria, Libya, Mauritania, Morocco and Tunisia (Northwest Africa)
MASIT	Chamber of Commerce for Information and Communication Technologies
ME	Ministry of Economy
MFA	Ministry of Foreign Affairs
EGP	Economic Growth Plan
DBNM	Development Bank of North Macedonia
FDI	Foreign Direct Investment
ECNM	Economic Chamber of North Macedonia
UCC	Union of Chambers of Commerce
ECNWM	Economic Chamber of North-West Macedonia
FITR	Innovation and Technological Development Fund

Summary

The internationalization and export-led economic development are key factors for achieving sustainable growth of the Republic of North Macedonia as a small open economy. Due to that at its very core, the Export Promotion Strategy 2024-2027 has a vision that refers to intensification of the process of internationalization of the Macedonian economy in order to diversify and increase exports, as well as increase the domestic added value of the exports and integration into the global value chains.

From the analysis of the export structure of the country in the past 10-15 years, it can be concluded that there is a certain upgrading and improvement of it. In the section of export of goods, the largest export potentials are the mechanical and the electrical industry, the automotive industry, fabricated metals, chemical and related industries, the food industry and beverages, and a small part of the clothing industry. In terms of foreign trade in services, a permanent trade surplus is recorded. From the analysis of the structure of the export of services, it can be seen that transport services have the largest share in the export of services, followed by telecommunications, computer and information services; the journey i.e. tourist services, etc.

Starting from the fact that there is a strong export concentration in only a few countries, a priority in the promotion and support of the Macedonian exports, parallel to the process of intensifying the export activity in the already established export markets, should also be the diversification of the exports to other countries, i.e., regions. It is also of great importance to increase the integration of the domestic enterprises in the supply chains of the foreign enterprises in the country and their regional connection.

The challenges such as improving the level of export complexity, upgrading the export structure, exports characterized by higher added value, greater competitiveness of the private sector and enterprises with greater export intensity, are the focus of the Export Promotion Strategy 2024-2027.

The current support of the enterprises that have export activity is provided through several Government programmes and programmes of Government and state institutions. With the Export Promotion Strategy 2024-2027, the support is advanced with policies and measures aimed at the following segments: 1) improved business environment for export promotion; 2) improved information and encouragement of the domestic enterprises to start exporting or to promote the exports; 3) building and strengthening the overall export capacities; 4) greater promotion and connection of domestic export capacities; and 5) facilitated and increased access to finance through favourable credit lines for exporters and export risk management.

1. Introduction

For a small open economy like the Republic of North Macedonia, the internationalization and the export-led development are key factors in achieving sustainable growth. Competitive manufacturing and service sectors are contributing to strong growth and performance, and increasing the productivity. The current integration of the Republic of North Macedonia in the world trade is largely based on a narrow export base, which includes little domestic value added. The COVID-19 pandemic has put additional pressure on the small and the medium-sized enterprises (SMEs), imposing new operating conditions and new demands on the market. Therefore, a wide range of well-coordinated policies, enhanced Government support for export promotion, sustainable integration into the global value chains and opening of digital sales channels are needed. With such support, SMEs can expand their international reach, improve productivity, competitiveness and introduce innovative practices.

The Republic of North Macedonia should strive to apply a growth model that will be based on the growth of export activity with a special focus on the growth of net exports and a focus on continuous increase of the domestic added value of the exports as the only way to reduce the trade deficit of the country and encouraging the economic growth in the medium and long term.

1.1 Summary of the policy areas covered by the Strategy and the key lines of action

The economic theory and the practical experiences of the fast-growing economies, successful examples, clearly indicate that the only strategy for long-term and sustainable economic growth and development of small open economies is an export-oriented growth model. The process of globalization in the past period allowed some countries such as China, South Korea, Ireland, Singapore and others to accelerate significantly their economic development by applying a strategy for export-led growth.

With the development of the Export Promotion Strategy 2024-2027 (hereinafter: the Strategy), a strategic framework and action plan with specific measures and instruments will be created, with the aim of greater support in the process of internationalization of the domestic enterprises. Simultaneously, the Strategy should ensure greater integration of the domestic enterprises in the regional and the global supply chains, with a special focus on increasing the cooperation with the foreign enterprises in the country.

At the core of the Export Promotion Strategy is building a systemic approach to support the export enterprises, in the direction of increasing their export competence and greater export promotion on the regional and the global markets. At the same instant, the Strategy should encourage the process of the structural changes in the export sector with a focus on the domestic export enterprises and

strengthening their export performance. The ultimate goal is greater exports with a special focus on increasing the domestic added value of exports i.e., increasing the country's net exports as a basis for achieving sustainable economic growth in the future.

This is extremely important because in the past period we have witnessed relatively high export growth rates, but without significant positive effects on the growth of the economy, which is due precisely to the fact of the low domestic added value of exports. Specifically, in the period from 2012 to 2022, the export of goods recorded an average growth rate of 10.6% (from EUR 3.1 billion in 2012 to EUR 8.3 billion in 2022), while the export of services grew by a significantly higher rate of 21% (from €316 million in 2012 to more than €1.3 billion in 2022). Concurrently, the average rate of economic growth in the same period is 2.2%, which indicates that the correlation between the exports and the economic growth is positive, but the strength of that relationship is not significant. This trend of low correlation between exports and economic growth continues in 2023. Particularly, in the first quarter of 2023, the economy recorded a growth rate of 2%, while the value of the exports recorded a growth of 9.9%.

In addition, the analyses of the country's export performance show a high export concentration in terms of number of export enterprises, number of export markets and number of export products. Namely, about 5% of the active enterprises in the Republic of North Macedonia export and this percentage has been constant in the last 10 years. 63% of the exporters have an export intensity (participation of exports in the company's turnover) of up to 24%. It is important to highlight that 74% of the value of commodity exchange on the export side is concentrated among 4% of exporters, i.e. in large enterprises with over 250 employees. On the other hand, micro, small and medium-sized enterprises (MSMEs), although they make up 96% of exporting enterprises, share 26% in the value of exports. 44% of the export is concentrated among the first 5 exporting enterprises, and almost 50% is realized through the exporters located in the technological-industrial development zones (TIRZ). 78% of Macedonian exports are made to EU member countries, i.e. the EU. Most of the Macedonian exporters (54%) effectuate export only with one partner country. Although the number of the exporters exporting to the Western Balkans is almost equal to the number of the exporters exporting to the EU, the value of the exports is 6 times lower. Five sub-sectors of the manufacturing industry account for 66% of the total value of the exports.

Concomitantly, the conducted analysis indicates a relatively unfavourable export structure at the national level, with the exception of the exports from TIRZ where there is a favourable export structure, with high added value, but the domestic added value is significantly lower.

For the purposes of the Strategy, an analysis of the export achievements of the Macedonian economy was made in order to determine the foreign trade tendencies at the level of individual product, sector and market. Special focus was

paid to the identification of the strategic export products and the export markets in the past period.

The analysis of the export sectors and the export markets with the greatest potential shows that the Republic of North Macedonia has comparative advantages, i.e., the Macedonian enterprises can expand and intensify their activities in several export sectors such as: primary agriculture and food industry; metal processing industry, mechanical and electrical industry; chemical industry including plastic and rubber products; furniture and textile industry. Despite the fact that the sector for automotive components has a growing relative share in the structure of the exports as a result of the investments and the growth of the exports from the foreign investors located in TIRZ, the Republic of North Macedonia does not have significant advantages in this sector. In addition, the export of services, especially ICT services, is of increasing importance and potential, which confirms the need to direct a part of the efforts to further strengthening the service export sector, which has an extremely high domestic added value. From the point of view of the export markets for our country, the EU market still remains a priority. However, efforts should be made to increase exports to several different EU member countries, where large exports are not realized, given the fact that at the moment there is a large export concentration in only a few EU markets (Germany, Hungary, Bulgaria, Italy and Greece). At the same time, it is necessary to work on a systemic approach for entering other markets such as the countries of the Southeast European region, the Maghreb countries, the countries of the Middle East and other markets.

Additional attention is devoted to the research of the regional trade opportunities for the intensification of the export activity of the Republic of North Macedonia in the countries of the region, by using the comparative advantages of domestic enterprises vis-a-vis the enterprises of the region. Also, the current possibilities for greater regional integration of the country together with other countries from the Western Balkans were analysed. Especially, the regional cooperation offers opportunities for the creation of new supplier chains and integration into global value chains and opportunities for greater integration of the region. Also, a significant opportunity is offered by the cooperation in the region in the areas of smart specialization, at a higher level of cooperation including the Universities and the business from the region.

The role of the free economic zones in the foreign trade of the Republic of North Macedonia was also analysed, in terms of the share of exports from the technological-industrial development zones (TIRZ) in the total export of the country, as well as the structure of the exports from the TIRZ. The degree of integration of the domestic economy in the supply chains of the foreign enterprises in the free economic zones, i.e. the intensity and the nature of cooperation between the domestic enterprises and the foreign direct investment (FDI) was also analysed. This is extremely significant in the direction of creating future better measures which will be aimed at achieving one of the goals of the Strategy, i.e., increasing the domestic

added value, by reducing the import component of the exports from TIRZ. The free economic zones have a significant share in the total exports (about 50%), with products with a higher added value. The opportunities lie in greater integration of SMEs into the supply chain of the enterprises active in the zones.

One of the key recommendations within the Strategy is greater involvement and active participation of chambers of commerce, clusters and other specialized bodies to support the exports, such as the National Council for Exports, the Exporter's Club at the Economic Chamber of North Macedonia (ECNM) and others, in the implementation of the Strategy, i.e., the proposed policies and measures aimed at supporting export enterprises.

The proposed measures and policies within the framework of the Strategy are aimed at strengthening the export readiness of the existing export enterprises, but at the same time building the export capacities of new enterprises. Furthermore, the focus of the Strategy is the formulation of measures for greater export promotion of the Macedonian export-oriented enterprises with the aim of accessing and conquering new markets.

For the improvement of the competitiveness of the Macedonian enterprises due to improved information, encouraging changes and preparation for the green transition, introducing digital solutions and innovative processes, implementing new forms of marketing tools, etc., more effective support and coordination of the Government measures and measures is of great importance, which are implemented through various donor projects.

The key policies and measures within the Strategy are aimed at the following segments:

- 1) Improved business environment for export promotion;
- 2) Improved information and encouragement of the domestic enterprises to start exporting or to promote the exports;
- 3) Building and strengthening overall export capacities;
- 4) Greater promotion and connection of the domestic export capacities;
- 5) Facilitated and increased access to finance through favourable credit lines for exporters and export risk management.

The first segment refers to an improved business climate for export promotion through the improvement of the legal-institutional framework for export promotion, efficient public-private dialogue, as well as the promotion of the trade policy.

The second segment refers to improved information and encouragement of the domestic enterprises to start exporting or to promote exports through policies and measures aimed at increasing the awareness of the domestic enterprises regarding starting exports, i.e., those who are already exporting, promoting and increasing it.

The third segment which refers to strengthening the export readiness of the enterprises includes policies and measures aimed at increasing the production and

the technological capabilities, as well as the managerial and marketing capacities of the enterprises, improving quality and innovation in order to build greater competitiveness for entering foreign markets.

The fourth segment which refers to greater export promotion provides policies and measures in the direction of supporting enterprises for the appearance at international fairs, B2B meetings, buyer missions, digital tools for promotion, e-commerce, programmes for the search of trade partners, and other forms of promotion and export facilitation.

The fifth segment refers to access to finance through favourable credit lines for exporters and export risk management and includes policies and measures aimed at increasing the number of users and utilization of the instruments of the Development Bank of North Macedonia (DBNM) relating to exports, as well as various forms of access to finance from several European programmes for competitiveness, innovation, research and development etc. (Horizon Europe¹, Single Market Programme² etc.).

Part of the Strategy is the proposed measures and activities systematized in an Action Plan that should enable the realization of the set goals for improving the export achievements of the Macedonian economy and greater promotion of the Macedonian exports as a basis for accelerating the economic growth and development of the country. The proposed measures and activities within the Action Plan are defined on the basis of: analysis of the existing export promotion through the set of instruments which are currently provided by the various institutions responsible for supporting the private sector in order to increase the competitiveness of the Macedonian economy; analysis of good practices from successful countries in the region and the world in the area of export promotion and promotion; analysed obstacles and barriers which limit the export of the domestic enterprises; identified comparative advantages and opportunities for Macedonian export enterprises; and based on the results of analyses for mapping strategic export sectors, products and markets.

1.2 Basis of obligation for preparing and proposing the strategy

Due to the need to improve the conditions in the area, and considering the fact that there is no strategic planning document in the specific policy area, the Ministry of Economy, in accordance with its competences, approached the preparation of an Export Promotion Strategy. The last adopted strategy, 'Export Promotion Strategy and recommendations for the reorganization and promotion of the Agency for Foreign Investments and Export Promotion - Invest Macedonia'³ is from 2011 and refers to the period 2011-2015, so it was necessary to approach the preparation of a new export promotion strategy, which will be a strategic framework

¹ <https://www.horizon-eu.eu/>

² https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/single-market-programme/overview_en

³ The Strategy does not have an action plan (see page 12 of the Competitiveness Strategy with Action Plan of the Republic of Macedonia 2016-2020, from January 2016)

for supporting the process of internationalization of the enterprises and will help to avoid duplication and possible inconsistency of district policies.

The obligation to prepare the Strategy derives from the conclusion of the Government of the Republic of North Macedonia, where the Ministry of Economy undertakes to develop an Export Promotion Strategy.⁴

The adoption of a Export Promotion Strategy and its importance is also determined in the reports of the European Commission on the progress of the Republic of North Macedonia, which highlight the importance of the strategy in terms of supporting the enterprises to move to activities with higher added value (Progress Report, 2022), then to improve the competitiveness and the integration of the domestic enterprises in global value chains (Joint conclusions of the Economic and Financial dialogue between the European Union and the Western Balkans and Turkey, May 2023), and therefore its adoption and start of implementation are recommended (Progress Report, 2023).

In addition to everything previously mentioned, the proposal and the preparation of the Strategy is determined in the long-term strategic document Industrial Strategy of the Republic of Macedonia 2018-2027⁵.

1.3 Description of the connection and compliance of the Strategy with other strategic planning documents, strategies and policies

In a large number of strategic planning documents in the past, the Republic of North Macedonia has determined policies to improve the country's export performance. Two documents specifically referred to the exports, namely the Export Strategy of the Republic of Macedonia (1999), prepared by the Macedonian Academy of Sciences and Arts (MANU) in agreement with the Ministry of Development, and based on the National Strategy for Economic Development of the Republic Macedonia (1997); as well as the Export Promotion Strategy and recommendations for the reorganization and promotion of the Agency for Foreign Investments and Export Promotion - Invest Macedonia (2011), prepared for the needs of the Ministry of Economy and the Agency for Foreign Investments and Export Promotion (ASIFI), with international technical assistance, with the aim of promoting the exports and strengthening the capacities of the ASIFI.

From the current strategic planning documents, and related to the support of the export activities, the Industrial Strategy 2018-2027 can be singled out, in which, through a series of measures and activities within the framework of one of the defined strategic goals (Strategic goal 4), it is envisaged to stimulate the export of the manufacturing industry, then the SME Strategy, the Smart Specialization

⁴ Conclusion of the 154th session of the Government of the Republic of North Macedonia from 16.05.2023, point 52, subsection 2.

⁵ Strategic goal 4 - Stimulating the export of the processing industry, i.e. Activity 4.1. Institutional strengthening of the export policy with a focus on the manufacturing industry. One of the key indicators of success for the activity is 'Approved Export Strategy'. The Industrial Strategy 2018-2027 was adopted at the 102nd session of the Government of the Republic of Macedonia held on 13.11.2018.

Strategy, etc. Additionally to the support for the export activities of the enterprises which derives from the strategic documents, concrete support to the business sector in encouraging and developing their competitiveness and internationalization is also provided through several Government programmes, as well as programmes of Government and state institutions.

In order to achieve greater synergistic effects and institutional compliance, the Strategy has been connected and coordinated with other strategic documents such as the Industrial Strategy 2018-2027, the Strategy for SMEs, then the Smart Specialization Strategy, as well as with strategic documents which are in the preparation phase (the National Development Strategy), and other national strategic documents. At the same instant, the Strategy proposes a greater connection and promotion of the existing measures that the state provides through various programmes and measures such as the Law on Financial Support of Investments, the measures of the Ministry of Economy, the Ministry of Agriculture, Forestry and Water Management, the ASIPI, the Fund for Innovation and Technological Development (FITR), the measures of the Agency For Promotion Of Entrepreneurship (APP), the Employment Agency, the Development Bank of North Macedonia and other institutions.

The Export Promotion Strategy of the Republic of North Macedonia 2024-2027 is connected and aligned with the established strategic priority of the Government of the Republic of North Macedonia for 2023⁶ 'ensuring accelerated, sustainable and inclusive economic growth, a higher standard of living and quality of life for citizens', i.e. with the established goal for its realization: 'advancement and facilitation of the investment climate and the internationalization of the businesses'.

1.4 Methodological approach in preparation of the Strategy

During the preparation of the Strategy, key documents for the implementation of the activities were the Guidelines for the structure, the content and method of preparation, implementation, monitoring, reporting and evaluation of the sectoral and the multi-sectoral strategies (Official Gazette of the Republic of North Macedonia No. 122/2022 of 30.05.2022), as well as the Methodology for the preparation, implementation, monitoring, reporting and evaluation of sector strategies (May, 2022). However, considering the fact that a large number of the activities related to the preparation of the Strategy were implemented and already started before the Guidelines and Methodology were adopted (the Ministry of Economy with local experts started activities for the preparation of the Strategy from February 2022), in the later phase maximum effort was made to comply as much as possible with the guidelines laid down in the specified documents.

In the process of preparing the Strategy, face-to-face interviews were conducted with representatives of export enterprises from different sectors;

⁶ Decision on determining the strategic priorities of the Government of the Republic of North Macedonia in 2023 - Official Gazette of the Republic of North Macedonia, No. 122/2022 of 30.05.2022

interviews with representatives of competent state institutions related to the exports and consultations with the largest chambers of commerce.⁷ Moreover, a focus group was organized with larger domestic export enterprises.

SWOT analysis of the export sector was carried out in order to identify the comparative advantages of the Macedonian export enterprises regarding the enterprises from the region and beyond. The SWOT analysis is the result of an electronic survey (semi-structured questionnaire) in which the exporting enterprises participated.

Throughout the process, several statistical analyses were made, and several export challenges were identified. A detailed analysis of the export achievements and analysis of the export structure of the Macedonian economy was carried out.

In addition to the direct communication with the key stakeholders, a mapping of current national documents of the Republic of North Macedonia was carried out, through which support is provided to the enterprises that have export activity. National sectoral and multi-sectoral strategies, strategic plans of state institutions, Government and state programmes for support and development, laws, ordinances, guidelines, etc., were analysed, in order to achieve greater coordination and compliance of the Strategy with them. On top of the national documents, in the process of preparing the Strategy, reports prepared by the international organizations were also analysed, which contained recommendations for improving the exports of the Republic of North Macedonia, as well as export strategies and programmes to support several countries of the world (the United Kingdom, Austria, Hungary, the Czech Republic, Poland, Turkey, etc.). Future regulatory requirements/conditions (such as CBAM, Eco-design, CSDDD) that may directly or indirectly affect exports to the EU and other target markets were also identified and analysed.

All information and data collected and processed during the Strategy preparation phase were sublimated and discussed with the actors of the export ecosystem. Close cooperation will facilitate the implementation of the Strategy, i.e. the implementation of the proposed policies and the measures to support the export enterprises, and will contribute to increased and more active involvement of all stakeholders, especially the chambers of commerce, clusters and other specialized bodies for export promotion.

1.5 Description of the process of involving the stakeholders in the preparation of the Strategy

In the strategy preparation phase, the Ministry of Economy undertakes a series of activities, all with the aim of greater involvement and contribution of the

⁷ In the process of developing the Strategy, a survey was conducted based on an online structured questionnaire (51), telephone and face-to-face interviews (19) with representatives of export enterprises and competent institutions, as well as an organized focus group with export enterprises. In this process, more than 70 export enterprises and more than 10 competent institutions, chambers of commerce and other stakeholders were consulted.

stakeholders of the export ecosystem, as well as building a generally acceptable concept for export promotion.

Consultations with the stakeholders were carried out through meetings, as well as by submitting a request for written opinions, comments and suggestions. Meetings and public hearings were held with exporters, chambers of commerce and other relevant institutions (Exporters' Club, National Export Council...), as well as existing donors in the country working in the areas covered by the Strategy.

The stakeholders, i.e., actors of the export ecosystem, had the opportunity to contribute to the preparation of the Strategy through face-to-face and telephone interviews, answering a survey questionnaire, as well as through an organized focus group.

From the consultation process with the stakeholders, several constructive proposals emerged that were incorporated into the Strategy, which contributed to its further structural and content improvement.

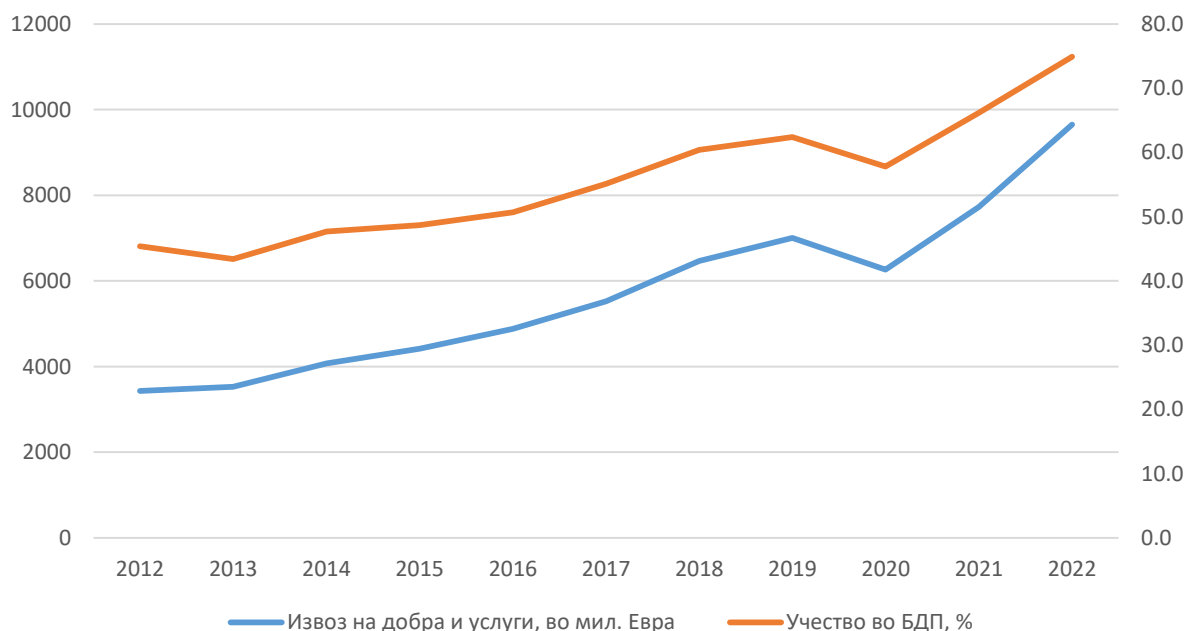
2. Analysis of the situation with the foreign trade of the Republic of North Macedonia

In the past period, the Macedonian economy recorded a significant increase in exports despite the world financial crisis 2007/2008, the European debt crisis in 2011/2012, the Covid-19 crisis in 2020, as well as the crisis with the military conflict in Ukraine in 2022, which had negative effects on the exports. Particularly, in the period from 2012 to 2022, the export of goods recorded an average growth rate of 10.6% (from EUR 3.1 billion in 2012 to EUR 8.3 billion in 2022), while the export of services grew by a significantly higher rate of 21% (from €316 million in 2012 to more than €1.3 billion in 2022).

Concurrently, the relative share of the export of goods and services as a percentage of the gross domestic product (GDP) recorded an increase from 45% in 2012 to more than 75% in 2022 (a growth of 30 percentage points), which represents a significant positive trend in the analysed period.

The trade exchange by products shows that in the export of goods, the largest share is the catalysts on carriers with precious metals or their compounds; ignition lead sets etc., for vehicles, aircraft or ships; parts of seats of subheading 821.1; and other carrier catalysts, while the ICT sector has the largest share in the export of services; transport and logistics; and tourism.

Figure 1. Value of exports and relative share of the exports in the GDP of the Republic of North Macedonia (2012-2022)

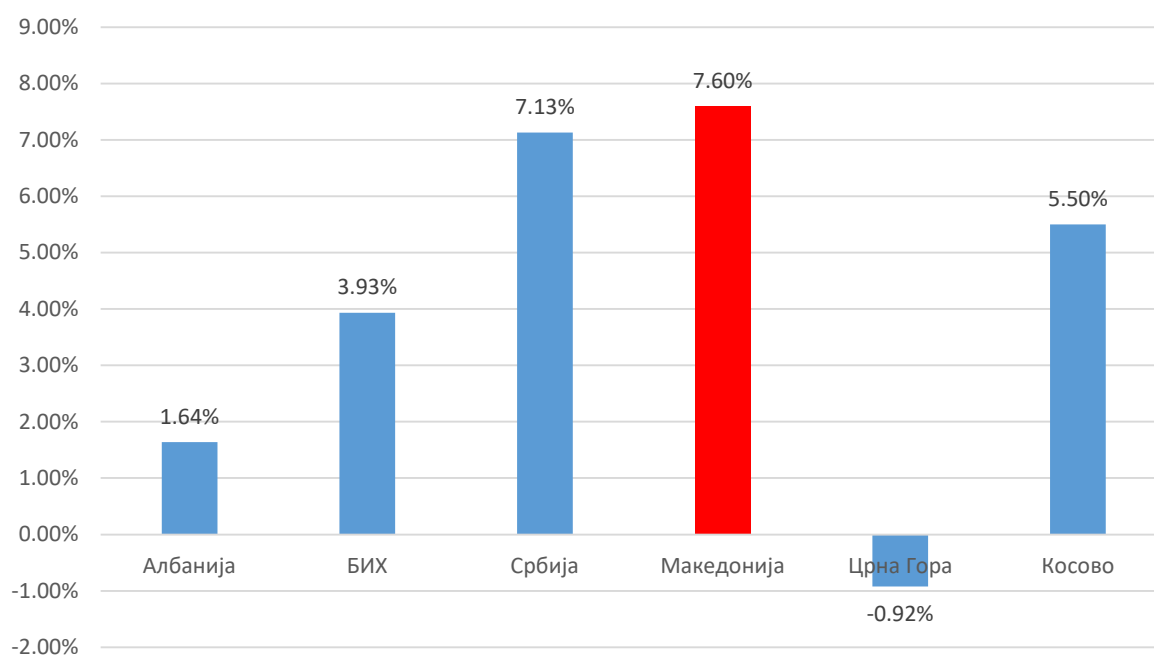


Source: Calculations based on a database from the SSO

These export achievements in the analysed period rank the Republic of North Macedonia in the group of countries with the highest export growth rate within the

Western Balkans region. For illustration, the Republic of North Macedonia has an average growth rate of exports of goods and services in the period from 2011 to 2020 of 7.6%, Serbia 7.13%, Albania 1.7%, Kosovo 5.5%, Bosnia and Herzegovina 3.9%. Montenegro records a negative average growth rate of -0.92% due to the drop in exports of goods and services in 2020 by as much as 47%.

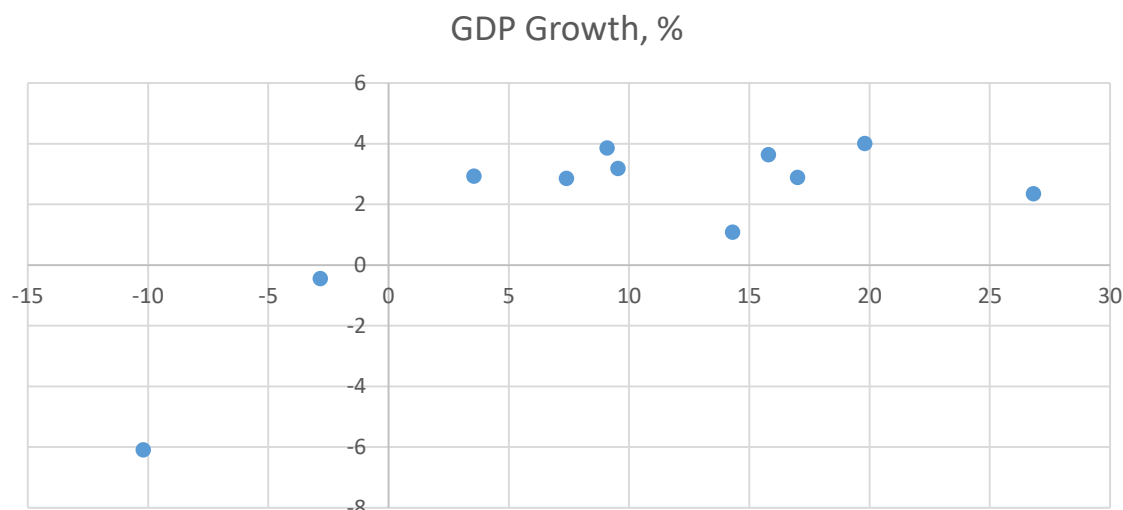
Figure 2. Value of exports and relative share of exports in GDP of the countries of the Western Balkans region



Source: Calculations based on a database from the World Bank

However, what remains unfavourable in the case of the Republic of North Macedonia is the fact that this increase of the exports, especially the export of goods, which has a dominant share in total exports, does not contribute to a significant growth of the economy. Specifically, the average rate of economic growth in the same period is 1.9%, which indicates that the correlation between the exports and the growth of the economy is positive, but the strength of that relationship is not significant.

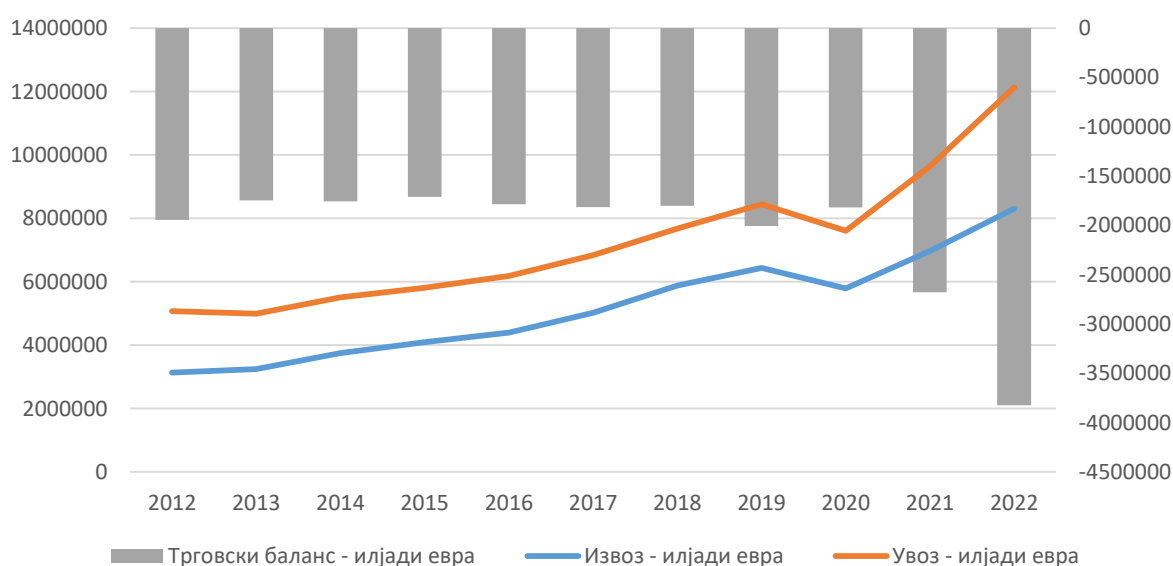
Figure 3. Correlation between exports and GDP growth of the Republic of North Macedonia



The explanation of the weak correlation between the exports and the growth of the Macedonian economy should be sought in the low added value, i.e. high 'import component' of the exports.

Namely, the data indicate that the import of goods grows at an average rate of 9.6% in the period from 2012 to 2022, which means that the dynamics of growth in the value of imports is greater than the dynamics of growth in the value of exports. This is reflected in a chronic trade deficit and an unfavourable trade balance of the country that deepens and worsens every year. To be specific, the trade deficit shows an increasing tendency from EUR 1,946 million in 2012 to EUR 3,825 million in 2022 (or an increase of EUR 1,879 million).

Figure 4. Trade balance of the Republic of North Macedonia, 2012-2022



Source. SSO

The biggest reason for the low added value of exports is the extremely high import component of the exports of foreign enterprises in TIRZ, which in turn is due to the insignificant integration of the domestic enterprises in supply chains of the

foreign enterprises as their suppliers. For illustration, the total export from the TIRZ zones in 2021 is EUR 3 billion, while the total import in the same period is EUR 2.9 billion, which means that the net export as domestic value added is not more than EUR 100 million (or less than 3% of total exports from TIRZ).

Furthermore, no less important reason for the low added value of exports is the unfavourable export structure of the domestic enterprises. Particularly, the majority of the domestic enterprises export products with little added value and a low degree of finalization.

For illustration, the dominant export products of the domestic enterprises are products from the textile industry, clothing, primary agriculture and food industry, ores and basic metals, while in the total export of goods the largest share is the catalysts of carriers with precious metals or their compounds, the ignition wire sets etc., for vehicles, aircraft or ships, parts of seats of subheading 821.1 and other carrier catalysts, manufactured mainly in free economic zones.

It is important to point out regarding the foreign trade cooperation that the Republic of North Macedonia is a signatory to three multilateral free trade agreements:

- 1) Stabilization and Association Agreement with EU member countries, Stabilization and Association Agreement between the Republic of Macedonia and the European Community;
- 2) Free Trade Agreement between the EFTA states and the Republic of Macedonia and
- 3) Agreement on Amendment of and Accession to the Central European Free Trade Agreement - CEFTA: Albania, Bosnia and Herzegovina, North Macedonia, Moldova, Montenegro, Kosovo and Serbia.

Moreover, the Republic of North Macedonia is part of the initiative for the Common Regional Market and the Open Balkans whose goal is to create a framework for free trade of goods, services, capital and people between the countries of the Western Balkans.

In addition to the multilateral ones, the Republic of North Macedonia has also signed three bilateral free trade agreements:⁸

- 1) Free Trade Agreement between the Republic of Macedonia and the Republic of Turkey, and
- 2) Free Trade Agreement between the Republic of Macedonia and Ukraine
- 3) Partnership, Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of North Macedonia

These above-mentioned agreements provide the Republic of North Macedonia with duty-free access to more than 650 million consumers.

⁸ <https://customs.gov.mk/index.php/mk/biznis-zaednica-mk/presmetka-na-davacki-mk/poteklo-mk/1304-poteklo-spogodbi-mk>

2.1 Analysis of the export structure of the Republic of North Macedonia

What is much more important than the analysis of the export achievements of the Republic of North Macedonia is the detailed study of the export structure. If we look at the structure of the export of the Republic of North Macedonia, from the aspect of relative participation of individual industries in the total export of the country, we will notice that the machine and electrical industry, the automotive industry, the chemical and related industries, the metal and metal processing industry, the textile industry and the clothing industry have a dominant share. A significant role in the export structure of the Macedonian economy is still played by primary agriculture and the food industry.

From the analysis of the structure of the export of goods, it can be concluded that the chemical and related industries (including the pharmaceutical industry and plastic mass products) with a total export value of EUR 1,928 million have 29.8% of the country's total exports, which makes them the most important export sectors.

Figure 5. Export structure of Macedonia by industries, 2021

Chemical and related industries 29.85%	Metal and metal processing industry 13.7%	Minerals and mineral products 5.8%	Wood, wood products and furniture 3.8%
Mechanical and electrical industry 20.48%	Motor vehicle and parts industry 10.5%	Primary agriculture 2.7%	OTHER INDUSTRIES 1.5%
	Textile industry, clothing and leather products 7.5%	Food industry 5.8 %	

Source: Calculation based on SSO database

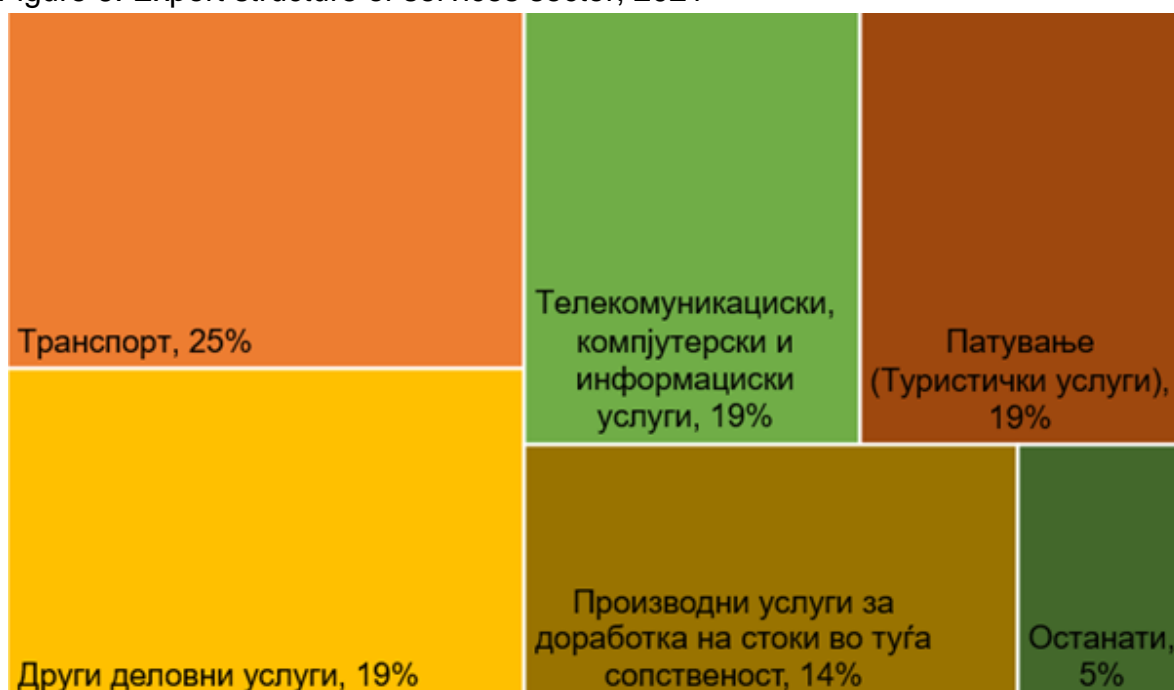
The second most important industry for the Macedonian exports is the mechanical and electrical industry. These industries have a total export value of EUR 1,415 million or 20.4% of the country's total exports. The third sector with the largest relative share in the total export of the country is the metal and metal processing industry with a total export value of EUR 946 million or 13.7% of the total export of the country, etc.

At first impression, the export structure is not so unfavourable, taking into account that the chemical and the related industries, as well as the mechanical and electrical industries, have a dominant share, which are considered as industries with a very high level of complexity. From the comparison of the export structure of the country in the past 10-15 years, it can be concluded that there is a certain upgrading

and improvement of it. Namely, the dominant export sectors in 2010 were metallurgy, basic metals, textile industry and clothing, while today the chemical and the related industries, the mechanical and electrical industry, the metal and metal processing industry, as well as the automotive industry, have a dominant share.

Regarding the export of services, the conclusion is that there is a permanent trade surplus. The analysis of the structure of the export of services shows that transport services account for 25%, followed by telecommunications, computer and information services; travel (i.e. tourist services) and other business services, all with 19%, and the production services for finishing goods owned by others are with 14% participation (Figure 6).

Figure 6. Export structure of services sector, 2021



Транспорт- Transport, 25 %
Телекомуникациски, компјутерски и информациски услуги -Telecommunications, computer and information services 19 %
Патување (туристички услуги) - Travel (tourist services) 19 %
Други деловни услуги - Other business services 19 %
Производствени услуги за доработка на стока во туѓа сопственост - Production services for the finishing of goods owned by others 14 %
Останати – The rest 5 %

Source: Calculation based on the NBRNM database - Balance of Payments

2.1.1 Agriculture and food industry

Primary agriculture and the food industry have always been strategic export sectors. Despite the fact that these export sectors have recorded a decrease in their relative participation in the total export of the Republic of North Macedonia in the past 10 years, which is due to the significant growth of the export of other sectors that are dominant in TIRZ, however, primary agriculture and food industry still remain important export sectors with great potential for further development. This is confirmed by the fact that they have a continuous growth, in absolute amount, in the past period. Specifically, in the past 10 years there has been a growth in the export

of agricultural and food products from EUR 267 million in 2011 to EUR 389 million in 2021, or on average the export of agricultural and food products recorded a growth of 4.25% per year. A smaller growth was observed in the export of beverages and tobacco. Especially, the export of beverages (alcoholic and non-alcoholic) has grown, from EUR 59 million in 2011 to EUR 67 million in 2021, while the export of tobacco and tobacco products has grown, from EUR 93.4 million in 2011 to EUR 128,1 million in 2021.

2.1.2 Chemical and related industries

The chemical and related industries represent sectors with the highest export value and the highest relative share in the country's total exports. Namely, the value of the exports in 2021 reached 1 billion and EUR 928 million or 28% of the country's total exports. At one and the same time, this sector together with the automotive, metal and machine industries are the fastest growing export sectors. In the period from 2011 to 2021, the average growth rate of the exports of these sectors is 20% (increase in the value of exports from EUR 552 million in 2011 to EUR 1,928 million in 2021). What makes this sector significant is the fact that the Republic of North Macedonia exports 52 products with a comparative advantage within the chemical and related industries, which is more than 10% of the total number of products that the country exports with a comparative advantage.

Also, the results of the analysis that refers to the number of export enterprises and export products indicates that there is a strong export concentration. Specially, the total export value of the chemical and related industries of EUR 1,928 million in 2021 was created by 161 enterprises which export 101 products with a value greater than EUR 200,000, of which 9 products from inorganic chemistry, 3 products from organic chemistry, 34 products from the group of other chemical products, 11 pharmaceutical products and 44 plastic mass products. An even greater illustration of the strong export concentration is the parameter that the top 10 export products create more than 91.8% of the total export of these sectors.

2.1.3 Metal and metal processing industry

The metal and metal processing industry is one of the strategic export sectors for the economy of the Republic of North Macedonia. For illustration, in the past 10 years there has been an increase in the export of basic and fabricated metals from EUR 630 million in 2010 to EUR 863 million in 2021. Despite the fact that there are years when there is a decline in exports, nevertheless, the export of basic and fabricated metals in the analysed period recorded an average growth of 4.2% per year.

The analysis of the export performance indicates that the group of iron and steel products with an export value of EUR 635 million in 2021 are the dominant export products within the base metals sector, while fabricated iron and steel products with an export value of EUR 258 million are dominant export products within the fabricated metals sector. Non-ferrous metals and fabricated products from non-ferrous metals have a much smaller share, which with a total export of EUR 55

million in 2021 participate in the total export of the country with less than 1%. For comparison, the basic and the fabricated iron and steel products have a relative share of 12.9% in the country's total exports.

What makes this sector significant is the fact that the Republic of North Macedonia exports 51 products with a comparative advantage within basic and fabricated metals, which is more than 10% of the total number of products which the country exports with a comparative advantage. Additionally, the results of the analysis that refers to the number of export enterprises and export products indicates that there is a strong export concentration. Namely, the total export value of base and fabricated metals of EUR 946 million in 2021 was created by 178 enterprises which export 94 products with a value greater than EUR 200,000. An even greater illustration of the strong export concentration is the parameter that the top 10 export products create more than 85% of the total exports of these sectors.

2.1.4 Mechanical and electrical industry

The mechanical and electrical industry is also one of the strategic export sectors for the Macedonian economy in terms of the export value, the relative participation and the growth dynamics in the past period. In the past 10 years, there has been an increase in the export of the mechanical and electrical industry from EUR 253 million in 2010 to 1 billion and EUR 415 million in 2021, or on average the growth rate of exports in the analysed period is 25.5%, which makes these two industries one of the fastest growing export sectors.

The analysis of the export achievements indicates that the mechanical industry with an export value of EUR 857 million in 2021 has a 12.4% relative share in the total exports of the country, the export value of the electrical industry is EUR 504 million or 7.3% of the total exports of the country, while the export of computers, electronic and optical products has a significantly smaller relative share in the total export of the country of only 0.78% or in absolute amount export of EUR 54 million. What should also be emphasized is the fact that out of a total of 461 products that the country exports with a comparative advantage, 32 products (12 products from the machine industry and 20 products from the electrical industry) or 7% are products from the mechanical and electrical industry.

Moreover, the results of the analysis that refers to the number of export enterprises and export products indicates that there is a strong export concentration. Namely, the total export value of the mechanical and electrical industry, together with the export of computers, electronic and optical products, was created by 84 enterprises (48 export enterprises from the machine industry and 36 export enterprises from the electrical industry) that export 99 products (55 products from the machine industry and 44 products from the electrical industry) with a value greater than EUR 200,000. An even greater illustration of the strong export concentration is the parameter that the top 10 export products from the mechanical industry create more than 95% of the total export of the sector, while the top 10 export products from the electrical industry create 89% of the total export of the sector.

2.1.5 Automotive industry

With the entry of the foreign investors and enterprises in the country, as a result of active policies to attract FDI through the establishment of free economic zones and the active promotion of the Republic of North Macedonia as a favourable destination for investments, the automotive industry has become one of the most important export sectors. Those are enterprises which produce components for the automotive industry and thus contribute significantly to the country's total exports. Namely, the total export of this sector in 2021 reached a value of EUR 731 million or 10.55% relative share of the country's total export.

The sector has seen great growth since 2013, with the exception of 2020 and 2021, when stagnation and a drop in exports are observed due to the Covid-19 crisis, as well as decline of the world and the European demand for cars and disruptions in global supply chains. Namely, in the analysed period from 2011 to 2021, the average growth rate of the automotive industry's exports is 50%. Additionally, an analysis of the export performance of the automotive industry shows that total exports are generated by a small number of enterprises. To be specific, only 30 enterprises create the total export of EUR 730 million, which is a confirmation of the strong export concentration in terms of the number of export enterprises. Confirmation of the strong export concentration of this sector is the fact that the first top 10 export products account for over 90% of the total export of this sector, while the enterprises in this sector, export only 8 products with a comparative advantage and 30 products with a value greater than EUR 200,000.

What is also unfavourable for this sector, in addition to the high export concentration on all bases, is that almost all 30 export enterprises that export automotive parts and components are foreign enterprises located in and outside the TIRZ, while they have very little cooperation with the domestic enterprises. Therefore, the positive multiplier effects of the export of the automotive industry for the Macedonian economy are rather small in terms of the value of the domestic added value of that export (inclusion of domestic enterprises in the supply chains of foreign enterprises, encouraging employment, as well as the transfer of knowledge and technology to the domestic private sector).

2.1.6 The textile and the clothing and footwear industry

The textile industry and the clothing and footwear industry are sectors with a great export tradition in the Republic of North Macedonia, which is why the country is included in the group of countries in Europe that are recognizable for the export of textile products and clothing. However, despite the fact that the exports of textile products, clothing and leather products still have a relatively significant share of 7.5% in the country's total exports, the trends are quite unfavourable. Specifically, the average growth rate of the export of textile products, clothing and leather products in the last 10 years is negative and this is the result of the continuous decline in the entire past period. The export of these industries in 2014 amounted to EUR 642 million, while in 2021 the value of exports decreased by EUR 125 million

and amounted to EUR 517 million. In the context of the export achievements, there is greater export diversification in terms of the number of export enterprises and export products. Namely, the total export of these sectors was created by 253 export enterprises, of which 209 are enterprises from the textile industry and the clothing industry. The total number of products which are exported with a comparative advantage is 161 products, the majority of which are clothing and textile products, while 157 products are exported with a value greater than EUR 200,000.

A challenge for these sectors is the high export concentration in terms of markets and the number of trading partners. Namely, the largest export market for the Macedonian textile and clothing industry is Germany, while the leather products are mostly marketed in Italy. The analyses show that the largest number of the export enterprises of these sectors work with a small number of the trade partners which makes this industry quite sensitive to small negative changes in the key export markets and trade partners. The Republic of North Macedonia is already losing the competitive advantage of the concept of *lohn* production based on relatively cheap labour force, and an additional business model for the production and export of own marks and brands has not been created by the textile export enterprises which calls into question the further development of this industry in the coming period.

2.1.7 Non-metallic minerals and products of non-metallic minerals

The non-metallic minerals and products from non-metallic minerals represent a traditional export sector in the Republic of North Macedonia. The export value of this sector in 2021 was EUR 469 million (of which EUR 422 million were mineral exports, while EUR 47 million were mineral products) or 6.8% of the country's total exports. If we compare the export value of this sector with 2012, it can be noted that the cumulative growth for the analysed period from 2012 to 2021 is 20% (or 2% average growth rate over a period of 10 years) or in absolute terms the increase of exports is for EUR 79 million. That increase is due to an increase in the value of the export of minerals by EUR 60 million, while the export of mineral products is increased by EUR 19 million. This indicates that for this sector, despite the fact that it still has a significant relative share in the total export of the country, the dynamics of export growth is significantly lower than all other export sectors.

The analysis of the export achievements of this sector shows that there are a total of 116 export enterprises, 40 products which are exported with a comparative advantage and 46 export products with an export value greater than EUR 200,000.

What is also unfavourable for this sector is the high export concentration in terms of the participation of the first top 10 products in the total export of the sector. Namely, the first 10 export products for non-metallic minerals is 96%, while for mineral products the first top 10 export products share 91%.

2.1.8 Wood, paper and furniture products

This sector with its significant growth dynamics, especially the furniture industry is becoming one of the important export sectors. In other word, this sector

recorded a growth in the exports from EUR 38 million in 2011 to EUR 364 million in 2021, which means an average growth rate of 21% per year. The growth is due mostly to the increase in furniture exports from EUR 20 million in 2011 to EUR 231 million in 2021.

In 2021, the relative participation of this sector in the total export of the Republic of North Macedonia reached 3.8% due to the export of furniture. The exports are generated by 222 export enterprises, of which 116 are enterprises from the furniture industry. The total number of products which are exported with a comparative advantage is 23 products, the largest number of which is wood products, while 36 products are exported with a value greater than EUR 200,000.

One thing that remains as a general characteristic of all sectors is the high export concentration. Strictly speaking, the first top 10 export products from the furniture industry account for 98% of the total export of this sector, while the export concentration is somewhat lower in the wood industry, the cork industry and the paper industry, where the top 10 export products account for 74% of the total export of the sector.

2.1.9 ICT sector

The sector of information and telecommunication technology (ICT sector) represents the most significant and the fastest growing export sector in the Republic of North Macedonia. Particularly, the analyses show that the export of ICT services in the past few years has seen a significant growth from EUR 130 million in 2015 to EUR 330 million in 2021. The dominant segment in the export of ICT services are: IT software and other IT services, telecommunication services, as well as IT trade, especially in the period of Covid-19 when the pandemic accelerated the digitization process and changed the habits and behaviour of the consumers, where electronic shopping and e-commerce is gaining more and more importance in the world trade.

Based on the export achievements of the ICT sector in the past period, it can be concluded that this sector enters the group of export sectors with the highest growth. Specifically, in the last five years the ICT sector recorded an average annual growth rate of the export of 18%. In addition, out of the total number of registered ICT enterprises, as much as 52% are export-oriented, whereupon the majority of export ICT enterprises generate a large part of their revenues from sales in the foreign markets, which is confirmed by the data that as much as 80% of the total revenues of ICT enterprises in 2020 are generated from the ICT sale and other services in foreign markets⁹.

What is perhaps more important in the analysis of the export performance of the ICT sector is that this sector has the highest added value compared to other the export sectors in the Republic of North Macedonia. The ICT sector generates a significant trade surplus.

⁹ ICT Export Report Current Situation and Potentials, June 2020 | Skopje, North Macedonia

Not only in terms of the export of ICT services, this sector is strongly internationalized also in terms of FDI inflows. Namely, the number of foreign IT enterprises opening their branches and subsidiaries in the Republic of North Macedonia is increasing, which shows that the foreign ICT enterprises anticipate the potential and the opportunities for development offered by this sector in the country.

The enterprises export ICT services and supply ICT support to foreign customers, which shows that these enterprises in the country are strongly integrated into the global supply chains of this industry. Furthermore, the number of enterprises from the region that enter the Macedonian labour market in the outsourcing industry without officially having their own office or representative office in the country is growing, working on the concept of outsourcing or remote employment, which also represents the export of ICT services from the country.

The development opportunities of the ICT sector can also be analysed from the aspect of innovation potentials and the interest of young people to study ICT programmes. Namely, according to the FITR's reports on allocated funds to support innovation and commercialization, a significant part are projects from the ICT sector. On the other hand, the data on enrolled students¹⁰ in the country indicate that in 2019 the total number of students in the ICT programmes reached 6,870 students, while the number of students who graduated in the same year was 685 students. These tendencies will produce a new skilled workforce with higher education that will increase the development potential of the ICT sector in the future. Additionally, building an innovation eco-system and supporting innovation projects will allow upgrading the portfolio that the ICT enterprises will be able to deliver in the future in the segment of advanced ICT services based on: big databases, business analytics, IoT, Cloud, AI etc.

2.2 Analysis of the role of free economic zones

The Directorate for Technological Industrial Development Zones (TIRZ) was established by the Government of the Republic of North Macedonia, with a major role in the development of the technological industrial development zones, promotion and attraction of foreign investments in the zones, which have a particularly important role in supporting economic development of the country. Within TIRZ there are 14 zones with secured infrastructure and financing conditions.

In 2007, the first user of the Technological-Industrial Development Zone Skopje 1 completed the investment and put the factory into operation, which started the first export from TIRZ. As of 2022, there are a total of 14 TIRZs, with 40 enterprises users. The total realized exports in 2022 of these enterprises is EUR 3.7 billion, which represents 45% of the total export of the Republic of North Macedonia for 2022. Most of the enterprises located in TIRZ are enterprises that produce automotive parts and components for the automotive industry, where a large part of

¹⁰ State Statistical Office of RNM

the products that are exported are characterized by a high degree of complexity and a high level of sophistication.

The value of the total export of the enterprises in TIRZ, with the exception of 2020 due to the Covid-19 crisis, recorded a significant growth. Compared to 2018, the value of the exports from TIRZ increased by 54%. These tendencies clearly indicate that TIRZ occupy an increasingly important place in the Macedonian exports.

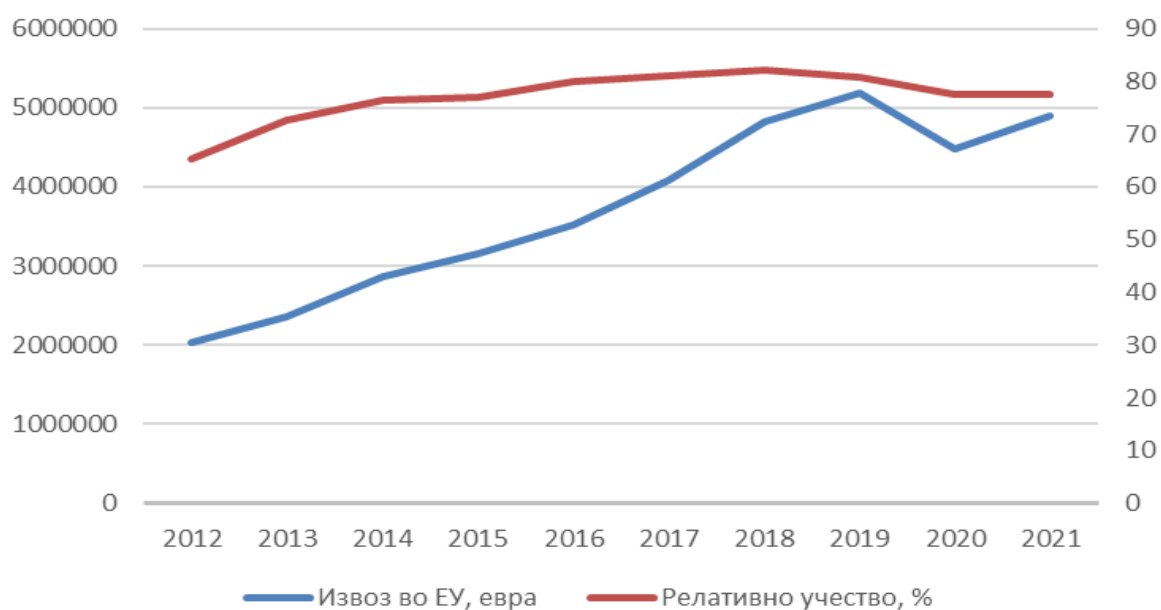
The thing that is distinctive of the exports from TIRZ is the low added value due to the high import component of the foreign export enterprises in TIRZ.

Regardless of the net exports, the number of employees in the enterprises located in TIRZ across the country shows a tendency of growth, and if we also take into account the employees in the foreign production facilities outside TIRZ that employ a large number of workers, it can be concluded that FDI in the country have a large relative share in the creation of jobs in the whole manufacturing and processing industry.

2.3 Analysis of strategic and potential export markets

The dominant market for the Macedonian exports is the EU market. The exports to the EU recorded continuous growth throughout the past period (from EUR 2 billion in 2012 to EUR 5.2 billion in 2019), reaching about 80% of the country's total exports. After the decline in the exports in 2020, which was mainly a result of the global pandemic and the slowdown of the world and European economy, in 2021 the exports to the EU returned to the growing path, reaching EUR 5.3 billion or 77% of the country's total exports. However, the export to the EU in 2021 is still lower than the export before the crisis, which means that the recovery of the demand from the EU is not going so fast, which has certain negative reflections on the Macedonian export and its recovery.

Figure 7. Value of exports to the EU and relative share in %



Source: SSO

What is unfavourable for the Macedonian economy is the high export concentration within the EU. Namely, the exports to the first top 5 exporting EU countries create 78% of the total exports of the Republic of North Macedonia to the EU, and 22% of the country's exports to the EU end up in the remaining 22 EU countries. Below are the top 5 EU export markets according to their value and relative share in the country's total exports.

Table 1. Top-5 EU export markets in 2021

Country	Export value, EUR	Relative participation in the total export of the country, %
Germany	3,234,156,803	46.72%
Bulgaria	335,594,284	4.85%
Hungary	212,451,039	3.07%
Italy	207,655,358	3.00%
Greece	205,962,229	2.98%
In total	4,195,819,713	60.61%

Source: SSO

Starting from the fact that there is a strong export concentration in only a few EU countries, priority in the promotion and the support of the Macedonian exports, in parallel with the process of intensifying the export activity in the already established trade EU partners, should be aimed at diversifying exports within the EU. At the beginning, it is necessary to map the export potentials in the rest of the EU countries, which are currently smaller trade partners of the Republic of North Macedonia, and to direct the focus towards encouraging exports to those countries.

Below are presented EU markets where the Macedonian economy has the greatest export potential in the future, in terms of the capacities of what the enterprises already export, established trade relations with individual markets/countries and certain projections for future demand in specific countries.¹¹

Table 2. Top 5 potential export markets in the EU

Country	Total export potential, US\$	Country	Untapped export potential, US\$
Germany	3,900,000,000	Germany	1,100,000,000
Czech Republic	315,000,000	Belgium	260,000,000
Belgium	299,000,000	Czech Republic	225,000,000
Hungary	232,000,000	Italy	180,000,000
Romania	216,000,000	Romania	170,000,000

Source: UN International Trade Centre, www.itc.org

In addition to EU countries, the Republic of North Macedonia should direct part of its priorities for intensifying export activities to other countries which are not part of the EU, such as Great Britain, Switzerland, Turkey, and other markets. Furthermore, as opportunities that exist for the export-oriented enterprises which should be seriously worked on are China, India, the USA and Canada and the countries of the Middle East (Iraq, Qatar, Saudi Arabia).

Table 3. Top 5 potential export markets outside the EU

Country	Total export potential, US\$	Country	Untapped export potential, US\$
USA	252,000,000	USA	209,000,000
China	231,000,000	China	156,000,000
Turkey	160,000,000	Turkey	131,000,000
Great Britain	120,000,000	Great Britain	85,000,000
Switzerland	81,000,000	Switzerland	54,000,000

Source: UN International Trade Centre, www.itc.org

As for the region of the Western Balkans, it is the second strategic export market for the Republic of North Macedonia, following the EU market. Specifically, the exports to the countries of the Western Balkans recorded a slight increase in the past period, reaching EUR 817.5 million in 2021. In relative terms, it is about 11% of the country's total export. In the last ten years, there has been a slight increase in the exports to the countries of the Western Balkans, but this increase is insignificant in relation to the growth of the exports to the EU. This process caused a decrease in the relative share of the exports to the Western Balkans in relation to the country's total exports (22% in 2012 to 11.8% in 2021). The largest regional export markets for the Macedonian economy are Kosovo and Serbia with an export value of EUR 292

¹¹ The analysis was carried out by the UN International Trade Centre based in Geneva.

million and EUR 302 million, respectively, in 2021, while the value of exports to the other three countries Albania, Montenegro and BiH is EUR 222 million.

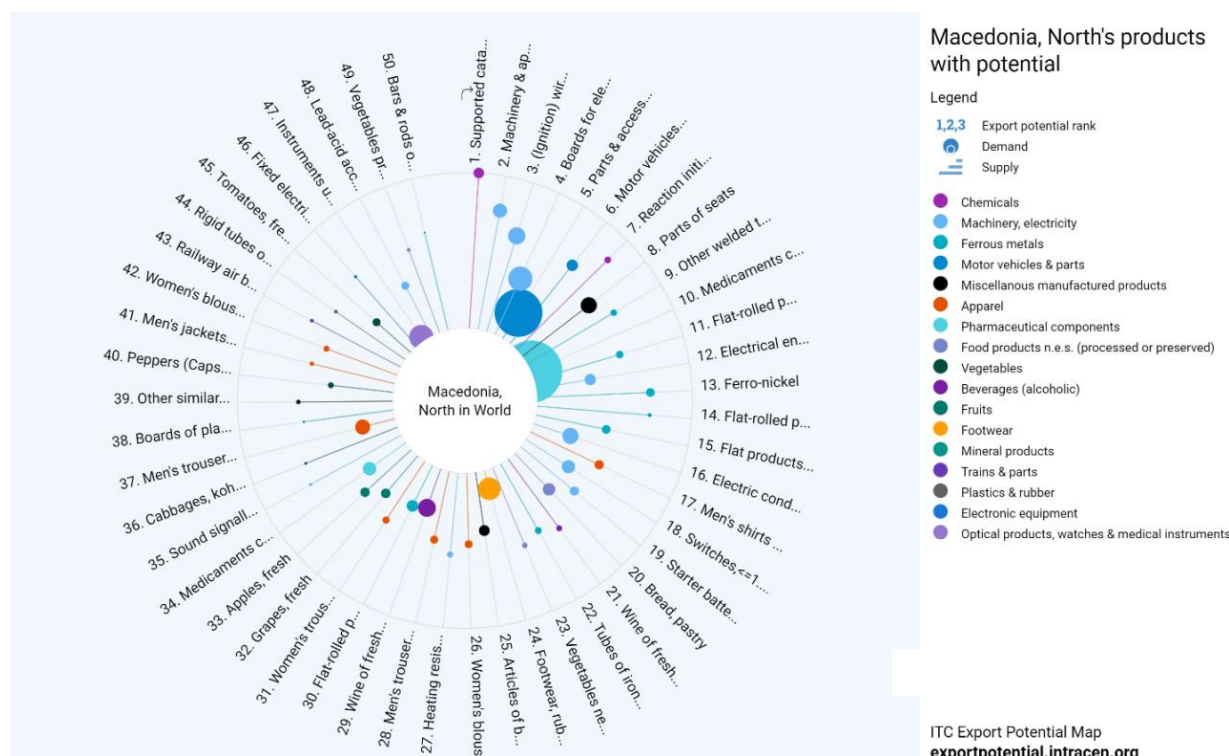
It is important to highlight that although the number of the Macedonian enterprises exporting to the Western Balkans region is almost equal to the number of the exporters exporting to the EU, the value of exports is 6 times lower than in the EU. This means that domestic enterprises are already present on the market in the Western Balkans region, it is only necessary to work on increasing their exports.

According to the results of the survey carried out within the framework of the process of preparing the Export Promotion Strategy, for some of the enterprises, especially from the food industry, the MAGREB countries (Tunisia, Morocco, Libya, Algeria) are countries with significant export potential and in that direction, work should be done on establishing better bilateral trade cooperation and better utilization of the potential opportunities in those countries.

2.4 Analysis of strategic and potential export sectors and products

Within the framework of the analysis for mapping the export potential of the Macedonian economy in terms of strategic and potential export sectors, a list of the top 50 products (Annex 2.) which have the greatest export potentials in terms of opportunities to increase the value of exports in the next period on existing or new markets.

Figure 8. Top-50 products with the greatest export potential



Source. UN International Trade Centre, www.itc.org

The results show that the following sectors have the greatest export potential: mechanical, electrical, automotive, fabricated metals, chemical and related industries, food and beverages, and a small part of the clothing industry.

2.5 Analysis of current support for enterprise exports

As a small and open developing economy, the Republic of North Macedonia can achieve sustainable economic growth only with policy and measures based on a strategy to increase exports. In the implementing of such a strategy, the country and the enterprises have complementary roles and responsibilities. Thus, the activities of the country in relation to the strategic planning of the exports are of special importance. In the past, in a large number of documents, the Republic of North Macedonia has established policies to improve the country's export performance (Industrial Strategy 2018-2027, SME Strategy, etc.), and two documents specifically refer to the exports.

The first document, 'Export Strategy of the Republic of Macedonia' (1999), in agreement with the Ministry of Development within the framework of a research project, was prepared by the Macedonian Academy of Sciences and Arts (MANU), based on the 'National Strategy for Economic Development of the Republic Macedonia' (1997). The document covers the conditions in the international trade, the characteristics of the export structure and the foreign trade partners of the Republic of North Macedonia, then the possibilities for the expansion of the exports (of industry, agro-complex and services), as well as the basic directions, priorities and key measures of the economic and the development policy for the expansion of exports as a key driver of the economic development of the national economy. The document also elaborates an exports scenario in the periods 1999-2003 and 2004-2020. The conditionality of the expected results from the restructuring and modernization of the export economy is also pointed out, as well as from the firm determination of the country to implement an active export policy with efficient macroeconomic and development measures.

The second document, 'Export Promotion Strategy and recommendations for the reorganization and promotion of the Agency for Foreign Investments and Export Promotion - Invest Macedonia' (2011), was prepared for the needs of the Ministry of Economy and Invest Macedonia, with international technical assistance. The strategy is focused on two goals:

- increasing the value of the exports created by the Macedonian enterprises by 30% over three years and
- promotion and strengthening of the institutional framework for export promotion with Invest Macedonia as the central institution for its implementation with dual powers in accordance with the Law on the establishment of the Agency for Foreign Investments and Export Promotion of

the Republic of Macedonia (Official Gazette of the Republic of Macedonia No. 57/2010 and No. 36/2011).

The Strategy is not only focused on a simple quantitative increase in the value of the exports, but also on changing the structure of the exports and improving export performance. Apart from the increase of the added value, a key desired outcome of the Strategy is the acceleration of the diversification of the Macedonian export structure. Several sectors have been identified that can accelerate the diversification of the Macedonian export structure. Tools, instruments and initiatives that should enable the realization of the established strategic goals have been proposed.

In addition to the mid-term strategic documents in which the general guidelines for the exports are determined, concrete support to the business sector in encouraging and developing their competitiveness and internationalization is realized through several institutions, programmes and measures.

Although the country does not have a special programme supporting only the export-oriented enterprises, the possibility of supporting the export sector i.e. support for enterprises that want to start exporting or enterprises that already have export activity, is provided within the framework of several Government programmes, as well as programmes of Government and state institutions.

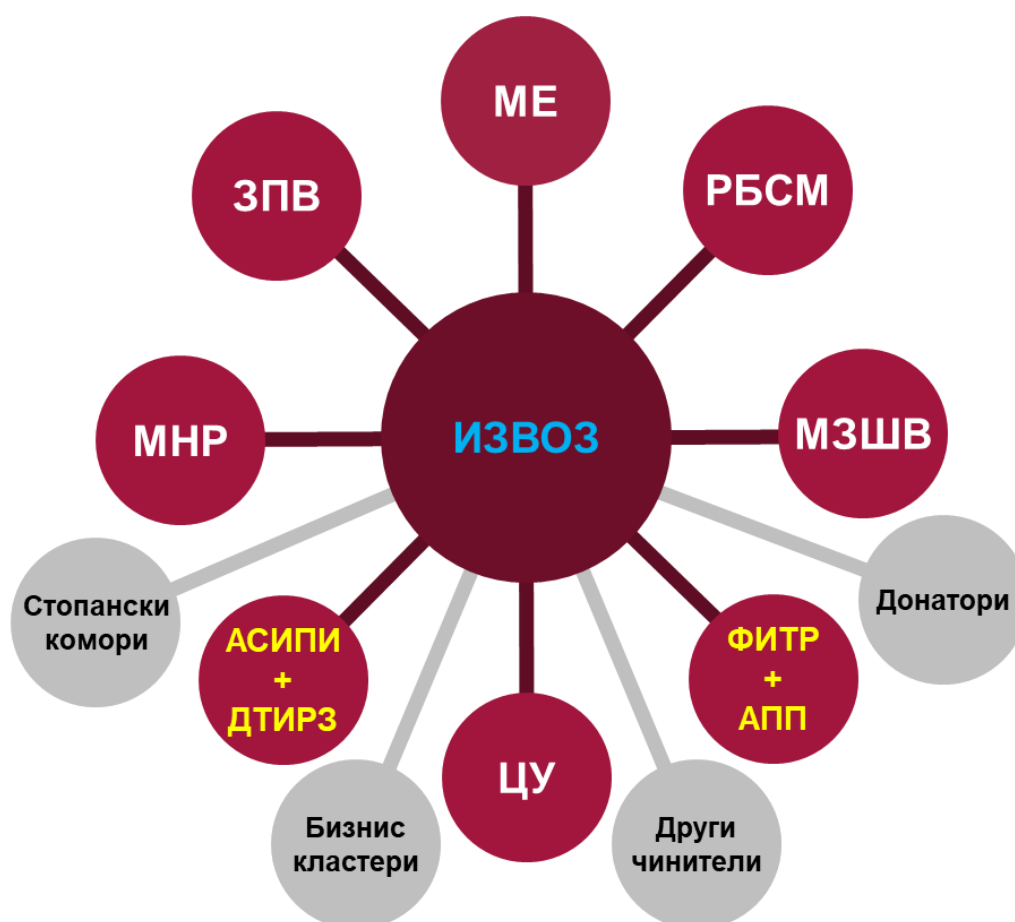
Key state institutions which through their programmes support enterprises, and with the aim of promoting their export activities, are:

- 1) The Ministry of Economy (ME) through the annual programmes and measures to increase the competitiveness and the support to the process of internationalization;
- 2) The Agency for Foreign Investments and Export promotion (ASIPi) through programmes for the promotion of the Macedonian exports and attracting foreign investments, which are mostly fully export-oriented;
- 3) The Directorate for Technological Industrial Development Zones (DTIRZ) by supporting foreign and domestic investments enterprises in the TIRZ zones;
- 4) The Agency for Promotion of Entrepreneurship of the Republic of North Macedonia (APP)
- 5) The Innovation and Technological Development Fund (FITR) through the SME support programmes;
- 6) The Development Bank of North Macedonia (DBNM) through a portfolio of instruments for encouraging exports;

In addition to the above-mentioned institutions, the Deputy Prime Minister in charge of economic issues, coordination of economic departments and investments, the Ministry of Foreign Affairs (MFA), the Customs Administration (CU), the Ministry of Agriculture, Forestry and Water Management (MAFWM) and the Agency for

Financial Support of Agriculture and Rural Development have their share in the export ecosystem through programmes and measures for technical support in agriculture and rural development, investments in basic assets for processing and marketing of agricultural and fishery products, as well as chambers of commerce, and other stakeholders (Figure 9).

Figure 9. The export ecosystem of the Republic of North Macedonia



Otherwise, with the Government Plan for the Reorganization and Restructuring of the Public Administration in the Republic of North Macedonia, the merger of several agencies is planned, namely ASIPI and DTIRZ, whose focus would be foreign investments, their attraction, promotion and aftercare, as well as export promotion, and on the other hand, with the merger of FITR and APP, support should be provided in increasing the capacities for innovation, entrepreneurship and development of the Macedonian enterprises.

The Economic Growth Plan (EGP) adopted in 2018¹² by the Government of the Republic of North Macedonia is one of the key programmes to support investments and the competitiveness of the Macedonian economy, which provides financial support for the enterprises, including export-oriented enterprises. Implementation of the measures from the first two pillars is carried out through the Law on Financial Support of Investments (LFSI)¹³, and on the third pillar through the Work Programme of the Innovation and Technological Development Fund. The activities of EGP provide support to investments and SMEs through:

- support for the creation of new job positions;
- establishment and promotion of cooperation with suppliers;
- establishment of departments for technological development and research;
- support for investment projects of significant economic interest;
- increase in capital investment and income;
- purchase of funds from enterprises in difficulties;
- additional financial support for micro enterprises;
- improving SME innovation;
- professional training and practice for newly employed young people.

In addition, the ASIPI supports the domestic export enterprises with the aim of their greater promotion on the foreign markets through support for the appearance at international trade fairs according to the principle of a common stand and support in the creation of promotional materials, catalogues and other marketing materials. In the implementation of the promotional activities, business to business (B2B) performances and international fairs, the ASIPI closely cooperates with the chambers of commerce, business associations, clusters and other stakeholders/international donors. At the same time, the ASIPI with its representatives is present at several international fairs and events where it presents the possibilities of the Macedonian economy and promotes the export capacities of the country.

DTIRZ in 2021 has granted state aid as support for investments of foreign enterprises in TIRZ in the amount of EUR 13 million on the basis of grants for the creation of new jobs, refund of a part of paid mandatory social contributions, support for the purchase of new machines and production facilities in the zones, special support after meeting special conditions, customs and tax exemptions, etc. The Government of the Republic of North Macedonia and the Cabinet of the Deputy President of the Government in charge of economic issues, coordination of

¹² EGP is supported by the Law on Financial Support of Investments (Law on Financial Support of Investments 'Official Gazette of RM' No. 83/2018 and 'Official Gazette of RNM' No. 98/2019, 124/2019 and 178/2021) for the first two Pillars, as well as with the Mid-Term Work Program of FITR for the third pillar. In 2021, the Law on Financial Support of Investments underwent certain changes in the direction of increasing the support for investments of enterprises.

¹³ the request for granting financial support for investment projects whose holders are domestic enterprises is submitted to ASIPI, and to DTIRZ for investment projects whose holders are foreign enterprises

economic departments and investments allocate funds to support investments and create new jobs for foreign enterprises.¹⁴

The Fund for Innovation and Technological Development (FITR) is the institution responsible for supporting innovation and implementing support for SMEs within the third pillar of PER. The measures through FITR are instruments for technological development and technological extension, improvement of SME innovation and commercialization of innovations, support of start-up and spin-off enterprises and other instruments published by the FITR. In the past period, FITR, through its portfolio of instruments, has supported a total of 784 projects in the amount of more than EUR 90 million. Part of the support was intended for projects of export-oriented enterprises from several industries, namely enterprises from the ICT sector, metal processing and machine industry, textile and clothing industry, agriculture and food industry, furniture and wood products and other sectors.

The Development Bank of North Macedonia AD Skopje (DBNM) has in its portfolio instruments related to export promotion. Key instruments of DBNM used by export enterprises are¹⁵:

- Insurance of export claims;
- Export factoring;
- Customs debt guarantees;
- Credit lines for investments and working capital for export enterprises;
- Guarantee fund.

Based on the annual report for 2021, it can be concluded that DBNM is an institution that provides significant support for export-oriented enterprises. Namely, in 2021, export receivables were insured, before or after delivery (from commercial or political risks), in a total volume of EUR 140 million for 650 foreign buyers/trade partners of 75 domestic exporters, while the total export factoring in 2021 is a total of EUR 7.5 million. In 2021, DBNM introduced a new instrument that refers to the issuance of a guarantee for customs debt during importation for refining and further export, which should enable a significant release of a part of the working capital of the export enterprises and improve their liquidity. Given the fact that this instrument was established in April 2021, a guarantee for import debt in the amount of EUR 730,000 euros was provided in a few months. In addition, a large number of the exporters use credit lines with favourable credit terms from DBNM to finance their investment projects. Part of the credit lines are realized through the commercial banks in the Republic of North Macedonia, while part of the credit lines to support the exports are realized directly through DBNM.

Through annual programmes, the Ministry of Economy (ME) provides support for increasing the competitiveness of the enterprises from the manufacturing industry, and support for SMEs. Through the programmes, the Ministry of Economy,

¹⁴ Annual report of the Commission for the Protection of Competitiveness of the RNM for 2021

¹⁵ Development Bank of North Macedonia AD Skopje (mbdp.com.mk)

among other things, provides support for the purchase of machines and equipment, preparation of technical documentation for the development of a new or improvement of an existing product; procurement, implementation, certification and training for international quality standards; development and implementation of digital transformation projects; development of export strategy, market research and marketing strategies; expert analysis and preparation of project technical documentation for the feasibility of an investment project for green transition; various specialized trainings and more.

The Ministry of Foreign Affairs (MFA) is focused on the realization of specific initiatives, including strengthening the reputation of the Republic of North Macedonia in foreign countries and promoting economic interests in order to advance economic cooperation with other countries, promotion of Macedonian products, attracting foreign investments, as well as attracting foreign tourists to the country. The Ministry of Foreign Affairs, through the Directorate for Economic and Public Diplomacy, works to affirm the economic interests of our country abroad, and the activities are carried out in cooperation with relevant ministries and agencies, the Macedonian diplomatic missions, embassies and consulates general, honorary consuls of the Republic of North Macedonia abroad, as well as the economic advisers.

The chambers of commerce, the clusters, the universities, as well as the donor projects, which can contribute to the creation of a better business environment, exchange of knowledge, development of skills, exchange of experiences, are important stakeholders in supporting the economy for increasing exports and successful export promotion. etc.

The chambers of commerce and the business associations/clusters are active stakeholders towards providing support for the export-oriented enterprises. In the past period, the Economic Chamber of North Macedonia (ECNM) has successfully implemented several projects to support the export-oriented enterprises, and within its framework there are also specialized bodies for the support of the exporters (for example, 'Exporters' Club', 'National Council for Exports' and 'Council of Foreign Investors'). In addition, ECNM, through its active participation in the regional Chamber Investment Forum (CIF), works actively to facilitate the regional trade and support the Macedonian enterprises with the aim of greater representation in the markets of the Western Balkans region and beyond.

On the other hand, the Chamber of Commerce for Information and Communication Technologies (MASIT), as an ICT chamber, works to provide concrete support to ICT enterprises that export ICT services to the foreign markets.

Simultaneously, other chambers of commerce (the Union of Chambers of Commerce and the Economic Chamber of North-West Macedonia), as well as several active business associations/clusters (MAMEI, the Textile Cluster, the Macedonian Association of Processors - MAP, the Wine Association of Macedonia - Wines of Macedonia and etc.) actively work in the direction of greater promotion of the Macedonian exports.

2.6 Environmental analysis and stakeholder analysis

Based on the detailed analysis of the export achievements and analysis of the export structure of the Macedonian economy, as well as on the basis of a survey conducted, interviews with representatives of relevant export enterprises from various sectors, interviews with representatives of competent state institutions and business organizations and an organized focus a group of representatives of domestic export-oriented enterprises, the advantages and the weaknesses of the export sector are identified, as well as the opportunities and the threats faced by the export enterprises.

Below in the table, a systematized overview of the results of the SWOT analysis of the export sector in the Republic of North Macedonia is shown. The results were taken as a basis for the determination of the proposed measures and policies for the achievement of the goals defined within the Export Promotion Strategy.

Table 4. Advantages, weaknesses, opportunities and threats of the Macedonian exports

Advantages	Weaknesses
<ul style="list-style-type: none"> - Tradition and knowledge in production and export within some sectors - Flexibility of production, possibility of small specialized series according to the customer needs and speed of delivery - Good quality of the products and the services compared to the price - Low taxes and favourable tax system - Stabilization and Association Agreement with the EU and status of a candidate country for EU membership, Member of the World Trade Organization, Central European Free Trade Agreement (CEFTA) and other free trade agreements - Favourable geographical position/proximity to the EU markets, ports in Greece and Albania - FDI attraction policy and functional free economic zones - Relatively cheaper labour force - An attractive and well-financed state aid package through the economic growth plan (EGP) and other programmes to increase the competitiveness of the private sector 	<ul style="list-style-type: none"> - Limited access to raw materials and dependence of the exports on imported raw materials - High export concentration of products, markets and export enterprises - Outdated production technology - High tariffs for the import of raw materials and tariffs for exports to other countries - Existence of non-tariff barriers when exporting to some countries due to lack of bilateral free trade agreements with those countries - Inadequate educational system and insufficient support of innovations and innovative ideas - Limited capacity to implement international standards, slow/expensive procedures for registering products abroad - Expensive quality certificates and lack of sufficient quality testing laboratories - Limited marketing capacities and insufficiently developed promotional network for export enterprises - Insufficient promotion of Macedonian exports (Macedonian enterprises and export products) - Lack of export services by specialized institutions

Opportunities	Threats
<ul style="list-style-type: none"> - Involvement of the country in the regional processes such as the Open Balkans - Advantages in terms of favourable climatic conditions for certain branches such as agriculture and food industry - Exploiting the diaspora and connections in other countries - Access to new markets for the country, such as the MAGHREB - Possibilities for the development of permanent and targeted exports 	<ul style="list-style-type: none"> - Inflationary movements in the global economy - The pandemic crisis and supply chain disruptions - Decrease in the European and the world demand due to geopolitical developments - The drastic increase in the price of energy - Slow process for accession to the EU integrations and slow dynamics in implementing structural reforms - Lack of qualified workforce due to outflow abroad and inconsistency of the educational system with the needs of the labour market - Insufficient capacity of the public administration and insufficient support for the export sector in the area of regulatory procedures - The brain drain from the country - the departure of highly skilled labour to other countries

2.7 Challenges

The Republic of North Macedonia is in the group of countries with a **low level of export complexity**, the index of export complexity¹⁶ of the country shows, which is based on the level of complexity of the individual products that are part of the export structure. Specifically, according to this index, the country is in 59th place out of a total of 127 countries for which this index is calculated, which is a lower level than the largest number of countries in the wider region. For example, the Czech Republic is ranked 6th, Hungary 10th, Slovenia 11th, Slovakia 15th, Croatia 30th, Serbia 37th, Bulgaria 41st. Only Albania is ranked lower, which is in the 75th place. The biggest reason for the low level of export complexity is the fact that a greater number of export products, with the exception of a few from the chemical industry, the mechanical and electrical industry, as well as the motor vehicle industry, are products characterized by low complexity. Most of the products for which the Republic of North Macedonia has a comparative advantage are products from the textile industry, basic metals and primary agriculture, which are characterized as products with low complexity. Which further poses a challenge is the fact that despite the improvement of the export complexity and the upgrading of the export structure, the Republic of North Macedonia has a drop in the ranking according to the index of economic complexity compared to 10 years ago. In order to illustrate, the country has fallen 8 places in this ranking (from 51st place in 2011 to 59th place in 2021).

In terms of the number of exporters, this number is slowly increasing and is about 5% of the number of active enterprises. The enterprises located in TIRZ account for about 43% of the exports. One feature of the exports realized from the TIRZ is the **low added value** due to the high import component of the exports of the foreign enterprises located in the TIRZ. The net export from the TIRZ has certain oscillations over the years, but the conclusion is that this amount as a percentage of the total export is relatively small and that in addition there is a tendency to decrease. This clearly indicates that work should be done on strengthening the capacities of the domestic enterprises, on the one hand, and encouraging foreign investors for greater involvement of the domestic enterprises in their supply chains, in order to ensure the replacement of part of the import component of the export of enterprises from TIRZ as the only way to increase the added value of exports, i.e. growth of net exports from TIRZ. It is important to point out that the first 100 exporters in the country account for 84% of the exports. Among the domestic enterprises, the largest exporters are from the metal processing industry sector.

From the analysis of the overall data on the export of the Republic of North Macedonia, as well as the conditions for export, several challenges arise, which can be grouped into several groups:

- 1) Improved business environment to support the exports

¹⁶ This index was created by the Centre for International Development at Harvard University. This index measures the complexity of each individual product that is part of the country's export structure.

- improved legal-institutional framework for the exports
 - intensified dialogue between all stakeholders and new forms of cooperation
- 2) Increased information and encouragement of enterprises in order to start exporting or to promote exports
- increasing the number of information tools and encouraging domestic enterprises to export
 - increasing the number of information, available to the domestic enterprises, important for the exports, with which the state institutions have
 - more efficient use of information available on the regional opportunities and the EU (CEFTA¹⁷, EEN¹⁸, CIF¹⁹ etc.)
- 3) Increased support for building and strengthening overall export capacities
- increasing the number of domestic exporting enterprises
(only 5% of the active enterprises export, and considering the size of the enterprise according to the number of employees, only 3% of the micro enterprises export, 19% of the small, 26% of the medium and 42% of the large enterprises)
 - increasing the export intensity of the enterprises (participation of the exports in the turnover of the enterprise)
(63% of the exporters have an export intensity of up to 24%, and they participate with only 4% in the total value of exports)
 - increase in MSME exports
(97% of the exporters are MSMEs, and they participate with 26% in the total value of the exports)
 - increasing the number of products for export, with a special aspect of products with higher added value and innovation (link with smart specialization)
(in the period 2018-2022, the number of export products increased on average by 1.1% per year, i.e. only in 2022 the number of export products increased by 4.8%, and in all other years it is negative or does not exceed 1 %)
 - increasing the number of export products whose annual export value is over one million euros
(90% of the exported products have an annual export value below one million euros and participate only with 4% in total exports, or 73% of the exported

¹⁷<https://cefta.int/>

¹⁸<http://www.een.mk/> and <https://een.ec.europa.eu/>

¹⁹<https://www.wb6cif.eu/>

products have an annual export value below EUR 100,000 and participate only with 1% in total exports)

- increasing the number of export activities - focus on those with higher added value

(5 subsectors of the manufacturing industry account for 66% of the total value of exports)

4) Increased promotion and connection of the domestic export capacities to/with the foreign markets

- Increasing of the exports to the countries of the Western Balkans Region

(although the number of exporters exporting to the Western Balkans is almost the same as the number of exporters exporting to the EU, the value of exports is 6 times lower)

- increasing the number of partner countries to which an exporter realizes exports

(54% of the exporters have one partner country, and they participate with only 4% in the total value of exports)

- increasing the integration of the enterprises in global supply chains

5) Increased access to finance through favourable credit lines for the exporters and export risk management

- increasing the number of users of DBNM instruments related to export
- increasing the utilization of DBNM instruments related to exports per user
- increasing participation in European programmes and other donor programmes that finance and encourage greater competitiveness

Table 5. Export challenges and state support of the domestic enterprises for appearance and growth in the foreign markets

EXPORT CHALLENGES	ACTIVITIES				KEY GOVERNMENT RESOURCES
IMPROVED BUSINESS ENVIRONMENT FOR EXPORT PROMOTION <ul style="list-style-type: none"> improved legal-institutional framework for export promotion intensification of dialogue between all stakeholders and new forms of cooperation 	ADVANCEMENT of the overall business environment to export promotion				<ul style="list-style-type: none"> ASIFI (Sector for support and promotion of export activities) + DTIRZ MFA (Economic Diplomacy Department, Embassies and Liaison Offices, Economic Advisors) DBNM APP + FITR Customs Administration Ministry of Economy, Ministry of Finance...
IMPROVED INFORMATION AND AWARENESS RAISING <ul style="list-style-type: none"> increasing the number of information tools and encouraging domestic enterprises to export increasing the number of information, available to domestic enterprises, important for export, with which the state institutions have more efficient use of available information on regional opportunities and the EU (CEFTA, EEN, CIF, etc.) 	INFORMING and ENCOURAGING of enterprises to start exporting or to promote exports				<ul style="list-style-type: none"> ASIFI (Sector for support and promotion of export activities) + DTIRZ MFA (Economic Diplomacy Department, Embassies and Liaison Offices, Economic Advisors) DBNM APP + FITR Customs Administration Ministries of Economy
INCREASED EXPORT READINESS <ul style="list-style-type: none"> increasing the number of exporters increasing the export intensity of enterprises increasing the added value of export products (link with smart specialization) and diversification of exports 	BUILDING and STRENGTHENING of the overall export capacities				<p>State programmes for the development and support of the domestic export capacities, i.e. building and strengthening of:</p> <ul style="list-style-type: none"> production facilities; innovation capacities; human capacities; marketing facilities.
INCREASED EXPORT PROMOTION <ul style="list-style-type: none"> increase in exports to the countries of the Western Balkans region increasing the number of partner countries to which an exporter realizes exports increasing integration in foreign investors' supply chains and global value chains 	PROMOTING and CONNECTING of the domestic export capacities				<ul style="list-style-type: none"> international network: ambassadors, general consuls, honorary consuls, economic advisers of the MFA visits and missions of high Government officials to foreign countries international fairs, B2B meetings digital tools: export.investnorthmacedonia.gov.mk
IMPROVED ACCESS TO FINANCE <ul style="list-style-type: none"> increasing the number of users of DBNM instruments related to export increasing the utilization of DBNM instruments related to exports per user increasing participation in European programmes and other donor programmes that finance and encourage greater competitiveness 	FINANCING and INSURANCE access to finance through favourable credit lines for exporters and management of export risks				<p>Instruments/schemes of the Development Bank of North Macedonia (DBNM):</p> <ul style="list-style-type: none"> DBNM lending activities DBNM insurance of export claims DBNM export factoring DBNM guarantees
	micro(1-9)	small (10-49)	medium (50-249)	large(250+)	
Exporters as % of the active enterprises	3%	19%	26%	42%	

3. Strategic framework

3.1 Vision for the development of the area

In its very essence, the Export Promotion Strategy of the Republic of North Macedonia 2024-2027 has the following **Vision**:

Intensification of the process of internationalization of the Macedonian economy in order to diversify and increase the export of the enterprises, as well as increase the added value of the exports and integration into the global value chains.

3.2 Priority areas, general and specific objectives

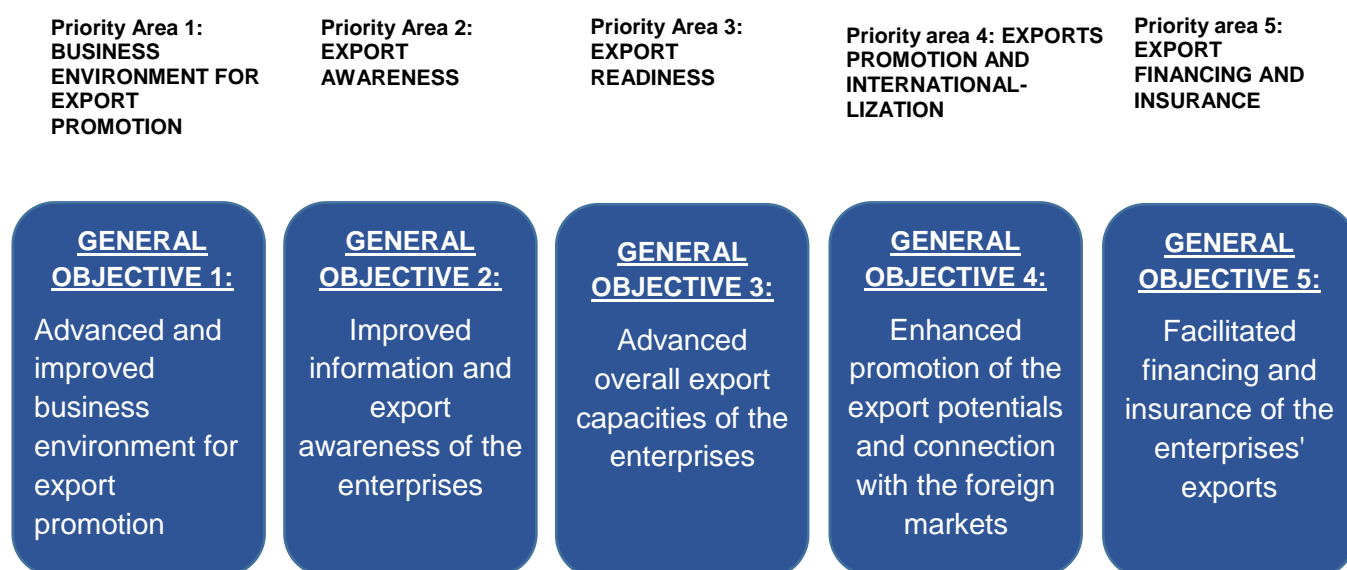
Based on the analysis of the conditions with the foreign trade of the Republic of North Macedonia, the challenges and the identified possible courses of action, the following five priority areas were determined:

- | | |
|------------------|--|
| Priority Area 1: | Business environment for export promotion; |
| Priority area 2: | Export awareness; |
| Priority area 3: | Export readiness; |
| Priority area 4: | Export promotion and internationalization, and |
| Priority area 5: | Export financing and insurance. |

For each of the priority areas, general and special goals were determined, taking into account the strategic priorities determined by the Government of the Republic of North Macedonia, then the various strategic planning documents hierarchically placed at a higher level, as well as related sectoral and multi-sectoral strategies. So, in order to achieve the vision of the Strategy, the following five general goals have been determined:

- | | |
|----------------------|--|
| General objective 1: | Advanced and improved business environment for export promotion; |
| General objective 2: | Improved information and export awareness of the enterprises; |
| General objective 3: | Advanced overall export capacities of the enterprises; |
| General objective 4: | Enhanced promotion of the export potentials and connection with the foreign markets; |
| General objective 5: | Facilitated financing and insurance of the enterprises' exports. |

Figure 10. Priority areas and general objectives of the Export Promotion Strategy of the Republic of North Macedonia 2024-2027



Regarding the general goals, corresponding special goals have been determined, namely:

General objective 1

Advanced and improved business environment for export promotion

Special objective 1.1. Advanced and effective trade policy

Special objective 1.2. Advanced legal framework for financing and insurance of enterprises' exports

Special objective 1.3. Efficient and functional system for institutional support of the exporters

Special objective 1.4. Intensified substantive dialogue and cooperation within the export eco-system

General objective 2

Improved information and export awareness of the enterprises

Special objective 2.1. Increased motivation of the enterprises to start exporting or promoting exports

Special objective 2.2. Availability of specialized digital solutions for easy access and sharing of information relevant to the export activities

Special objective 2.3. Increased familiarity with existing e-platforms and available information on export procedures and opportunities in the country, the region and the EU, as well as their more efficient use

General objective 3

Advanced overall export capacities of the enterprises;

Special purpose 3.1. Established system for assessing SME export readiness

Special objective 3.2. Established and improved basic export capacities, in SMEs with little or no export experience, through standardized mentoring services and programmes

Special purpose 3.3. Strengthened human capacities of the enterprises to carry out export activities

Special objective 3.4. Strengthened technical-technological and innovation capacities of enterprises for export-related activities

Specific objective 3.5. Increased willingness of the enterprises to apply for financing sources that support export competitiveness

General objective 4

Enhanced promotion of the export potentials and connection with the foreign markets

Special purpose 4.1. Increased visibility and recognition of the Macedonian export potential

Special purpose 4.2. Easier integration of the enterprises in the supply chains, as well as connection with the foreign markets

Special purpose 4.3. Optimized digital presence abroad (online marketing, e-commerce, trade databases, etc.)

General objective 5

Facilitated and increased financing and insurance of enterprises' exports

Special purpose 5.1. Reduced cost of the enterprises for financing export promotion activities

Special purpose 5.2. Improved management of the export risk financing

3.3 Summary of the policies i.e. the key courses of action

In order to achieve the general, i.e., the special goals set within this medium-term Export Promotion Strategy, several groups of measures have been defined, namely:

- measures to improve the business environment for export promotion;
- measures for improved information and encouragement of the domestic enterprises to start exporting or to promote exports;
- measures to support the building and strengthening of overall export capacities;
- measures to support the promotion and connection of the domestic export capacities to/with foreign markets, and
- financing and insurance - access to finance through favourable credit lines for exporters and export risk management.

The proposed measures are defined on the basis of an analysis of the current situation in the country in terms of the ongoing support of the export enterprises, an analysis of the addressed barriers and proposals by the stakeholders, including the exporters directly, as well as an analysis of the good practices and the successful examples from other countries.

The measures are aimed at supporting the internationalization of the enterprises with the aim of presence and realization of income in the foreign markets. They are aimed at enterprises that do not export yet, but have potential, i.e., they are interested in exporting, as well as at enterprises that have exported at least once.

The enterprises that do not export yet, but have potential, i.e. are interested in exporting, will receive support directly or indirectly through clusters, chambers of commerce, associations, faculties and institutes, organized independently or as members of a consortium, which will be direct beneficiaries of the measures for export promotion (Figure 11). Consortium members may also include other organizations that deal with supporting the economy, such as incubators, accelerators, innovation centres, etc., as well as business entities where consulting activities are a dominant activity. Planned project activities may refer to an individual enterprise or a group of enterprises.

On the other hand, the enterprises that have exported at least once, will be able to use direct or indirect support for the promotion of export capacities, and they will be able to receive it independently or jointly with other enterprises, depending on the type of export activities.

Providers of the export promotion are the ministries, the agencies, and other state institutions, and other institutions and donors can contribute if they support export promotion in their work programmes.

Figure 11. Direct and indirect beneficiaries of export promotion and support measures



3.4 Proposed measures for achieving the general and special goals

General objective 1: Advanced and improved business environment for export promotion

Establishing a favourable business environment for exporters implies its constant promotion and improvement. A favourable business environment is one in which the enterprises, i.e. the exporters, know what to expect during their operations and exports. This would imply the constant improvement and achievement of an effective trade policy, an appropriate legal framework for financing and insurance of the export of enterprises, then the existence of an efficient and functional system for institutional support of exporters, as well as the existence of an intensive essential dialogue and cooperation within the framework of the export eco- system.

General objective 1 will be achieved through the implementation of four specific objectives, with appropriate measures and activities:

Special objective 1.1. Advanced and effective trade policy

Measure 1. Continuous alignment of the national legislation with the relevant EU legislation

In order to ensure the free movement of the Macedonian products on the single European market, which is strategic for the Republic of North Macedonia, the continuous harmonization of the national legislation with the relevant EU legislation is of key importance. This implies, among other things, the advancement of the process of harmonizing national technical legislation with the transposition of the EU directives, as well as the preparation of analyses for a possible future additional reduction of customs rates to support domestic export enterprises.

Measure 2. Creation of conditions for intensification of trade cooperation and easier access to the international markets of goods and services

The measure includes activities related to identifying and reducing trade barriers within the framework of existing free trade agreements and trade and economic cooperation agreements. An analysis of the need and the possibilities for concluding new free trade agreements and commercial and economic cooperation agreements will also be made.

Measure 3. Facilitation and digitization of the export procedures in the cross-border e-commerce system

The facilitation and the digitization of the export procedures in the cross-border e-commerce system, i.e., the procedures that enterprises have to go through in order to sell and export their products online, will accelerate the appearance of SMEs in particular to the foreign markets. The regulation of the field of e-commerce implies, among other things, the drafting and adoption of rules and regulations on the internal market necessary for the further development of e-commerce. The implementation of a national e-commerce domain compliant with the Import Control System 2 (ICS2) of the EU is also important.

Measure 4. Identification of the future regulatory challenges for the exporters in the foreign markets

The greater readiness of the Macedonian exporters for future regulatory challenges in foreign markets is a priority. The untimely fulfilment of the future regulatory requirements and conditions in the export markets may limit or even completely stop the export of certain products. Therefore, it is necessary to prepare a study that will map possible future regulatory requirements or conditions for export to the EU and other specific target markets. Based on the mapping, the study shall also give a proposal of recommendations for action and priorities, for alignment and fulfilment, which enterprises must satisfy in the near future in order to be able to export to the foreign markets.

Special objective 1.2. The advanced legal framework for financing and insurance of enterprises' exports

Measure 5. Creation of a legal framework for the establishment of the export insurance system

In accordance with the general Economic Growth Acceleration Plan 2022-2026 of the Republic of North Macedonia, it is planned to pass a special law on insurance and financing of exports. Thus, a legal framework will be created for DBNM, the Ministry of Finance and the interdepartmental commission for export promotion (representatives from ministries, chambers, DBNM and/or others) to establish the export insurance system in the Republic of North Macedonia at the expense of the country.

Special objective 1.3. Efficient and functional system for institutional support of exporters

Measure 6. Rationalization of the institutional framework relevant to support the export activities of the enterprises

Better quality public services, with less costs and procedures, as well as an increased degree of professionalism and efficiency of the state administration, are of great importance for the business sector. The rationalization and the reorganization of some of the key state institutions with legal competences related to the exports should give a positive stimulus to the business environment for export. More specifically, the Ministry of Economy is in the process of reorganization, and mergers of FITR with APP, and ASIPI with DTIRZ are also being worked on.

Special objective 1.4. Intensified substantive dialogue and cooperation within the export eco-system

Measure 7. Increased communication and joint projects within the export eco-system

Strengthening the essential dialogue among the key stakeholders in the field of export, the Government, business chambers, clusters and other relevant entities, should contribute to the improvement and advancement of the business environment for export promotion. In addition to the strengthened dialogue, the Strategy also plans to provide support for the establishment of new partnerships and increased cooperation between the actors of the export eco-system. The increased communication and the exchange of experiences and challenges within the export eco-system will give a clearer picture of future necessary steps to achieve a more favourable business climate for export promotion, i.e., facilitated conditions for the enterprises to carry out export activities.

General objective 2: Improved information and export awareness of the enterprises

The enterprises that have the appropriate information needed to carry out export activities successfully and easily carry out the export procedures and cope with challenges. The size of the market in the Republic of North Macedonia requires constant raising of awareness among the enterprises regarding their export orientation. Hence, it is important to motivate the enterprises to start exporting or promote exports, as well as enabling specialized digital solutions for easy access and sharing of information relevant to export activities. In addition to the previous one, the priority is of course increased familiarity of the enterprises with existing e-platforms and available information on export procedures and opportunities in the country, the region and the EU, as well as their more efficient use.

General objective 2 will be achieved through the implementation of three specific objectives with appropriate measures and activities:

Special objective 2.1. Increased motivation of the enterprises to start exporting or promoting exports

Measure 8. Implementation of promotional and educational activities to highlight the importance of the exports and the matters important for the export promotion

In order to highlight the importance of the exports and share good practices, the 'Export Champions' project will be launched. The project will consist of organizing an annual award for announcing the best exporters, and within the award a conference at which experienced and successful managers of domestic exporters or export specialist persons in enterprises will provide informal advice related to export activities and inspire the enterprises to export.

Moreover, in addition to increased engagement of the relevant state institutions through direct visits to the enterprises to motivate them to start or increase exports, open meetings (of an informative nature) will be organized in the state institutions that are part of the export eco-system, for enterprises interested in exporting and existing exporters ("Open Day for Exporters" project) as regards issues related to the export procedure. We will work on getting to know and encouraging the enterprises to take advantage of the opportunities of certain platforms and initiatives for the region (for example CEFTA, Common Regional Market, Open Balkan, Berlin Process).

Activities will also be undertaken aimed at raising awareness among the enterprises concerning innovation, digitalization, then the necessity and opportunities arising from the correct use of the intellectual property rights, as well as the benefits and procedures of standardization that enterprises should follow/fulfil in order to market products to target export markets.

Several events (working meetings) will be organized to acquaint the enterprises with future regulatory requirements/conditions (CBAM, Eco-design...) regarding exporting to the EU and specific target markets.

Special objective 2.2. Availability of specialized digital solutions for easy access and sharing of information relevant to export activities

Measure 9. Development and introduction of e-mechanisms for easier obtaining and sharing of information relevant to the export activities

The simple, quick and easy obtaining and sharing of information important for the export activities of the enterprises will be realized through the development and introduction of various e-mechanisms.

Therefore, an online register (database) of available instruments/schemes for financial and non-financial support of the export activities of the enterprises in the Republic of North Macedonia will be established. The database will contribute to increased visibility and easier access to information about SMEs, as well as greater and more successful use of available instruments/schemes. In addition to the state instruments, the database will also provide information on specialized credit lines of international financial institutions in cooperation with local commercial banks, as well as on the opportunities offered by several European projects that promote the competitiveness and cooperation of enterprises, in which the Republic of North Macedonia is a partner (Single Market Program, Horizon Europe, etc.) Also, the support provided by the donor projects, which are active in the country and aim to increase competitiveness, productivity, employment, etc., will be covered.

Together, all stakeholders of the export eco-system will work one-platform for facilitated export, i.e. on an e-platform for the promotion of products and services offered by Macedonian enterprises, and for networking of businesses.

The e-mechanism for complaints and reporting problems related to export activities (Export Ombudsman project) will be another tool useful for exporters. The exporting enterprises will be able to submit complaints to a specialized e-mail address, regarding specific obstacles to exports, at home and abroad. In response to complaints, the responsible institution for managing the 'Export Ombudsman' will propose improvement of the regulation and resolution of misunderstandings, and will forward complaints related to the foreign markets to the appropriate state institution for further action.

In a similar manner, through a specialized electronic inbox, i.e. a single point of contact, a system will be established for asking questions about administrative procedures related to export (export documentation and procedure, agreements on free trade and origin of goods, VAT during trade in goods and services...).

Special objective 2.3. Increased familiarity with existing e-platforms and available information on export procedures and opportunities in the country, the region and the EU, as well as their more efficient use

Measure 10. Encouraging the enterprises to make increased use of export information and data available through various national and international e-platforms and initiatives

Through the organization of promotional events, efforts will be made to improve the information of the enterprises about the possibilities offered by the various e-platforms and initiatives for support and promotion of exports, and to introduce the enterprises to new opportunities for trade cooperation. This primarily refers to e-platforms and initiatives such as regional and global networks to support SMEs that have international ambitions (for example Enterprise Europe Network Partnering Opportunities, then Supplier Development Program), then e-platforms for the promotion of products and services and for business contacts with potential buyers, as well as promoting the benefits of using e-payment and e-commerce.

In addition to the previous, within the framework of the activities for the implementation of the measure, work will be done on establishing a special group of services, on the existing national portal for e-services uslugi.gov.mk²⁰, in which exporters will be able to find information on public services related to exports in one place, and use e-services from competent authorities and other entities. Work will also be done on the introduction of new e-services related to export.

General objective 3: Advanced overall export capacities of the enterprises;

Considering the dynamic economic conditions in the countries of the world, it is necessary to constantly improve and advance the overall capacities of the enterprises if they want to export. A key moment in relation to the export capacities of the enterprises is the assessment of their export readiness, i.e., identifying where the enterprises need to improve. The improvement can range from the strengthening of human capacities in the enterprises themselves, to the strengthening of the technical-technological and innovation capacities of the enterprises, which should lead to increased added value of exports. The establishment of basic export capacities among SMEs with little or no export experience is of great importance because it will mean an increase in the number of exporting enterprises, as well as the number of export products. Because of the availability of various sources of financing that support export competitiveness, focus will also be placed on increased readiness of the enterprises to apply for financial resources.

The general objective 3 will be achieved through the implementation of five specific objectives with appropriate measures and activities:

²⁰ The national portal for e-services uslugi.gov.mk was established and managed by the Ministry of Information Society and Administration, which is responsible for the availability and technical functioning of the portal, as well as the systems with which it is connected.

Special purpose 3.1. Established system for assessing SME export readiness

Measure 11. Introducing a simple e-tool for SMEs to determine independently their export readiness

The assessment of the export readiness of SMEs is of crucial importance both for the enterprises themselves and for the state institutions with competences in the area of support for exporters. Exactly the introduction of a tool for initial assessment of the readiness of enterprises to export, can help in identifying the weak points of the enterprise, establishing a proposal of priority areas where the enterprise can receive state support (financial/non-financial), as well as determining which of the available Government instruments for support are most appropriate.

The measure envisages the development of an interactive e-tool for self-assessment of the export readiness of SMEs, i.e., for SMEs to be able to assess their export readiness in a simple and easy way.

Special objective 3.2. Established and improved basic export capacities, in SMEs with little or no export experience, through standardized mentoring services and programmes

Measure 12. Establishing basic capacities for export activities in SMEs with little or no export experience

This measure is intended especially for SMEs with little or no export experience. Support for the establishment of basic capacities for export activities is realized through standardized mentoring services for internationalization. The users of the mentoring services together with the mentor will work on analysing the current situation in which the company is, determining the key segments in which support is needed, transformed into an action plan to overcome them, as well as help in solving some of them.

In addition, for the enterprises with minimal export experience and high export potential, in order to increase as much as possible their export capabilities, i.e. their competitiveness, a specialized mentoring program 'Export Accelerator' will be developed and launched. The export accelerator will enable business analysis of the company's export opportunities, export training and technical readiness, new skills and knowledge for export, demonstration projects for export of selected products, practical support for export of certain products, etc.

Special purpose 3.3. Strengthened human capacities of the enterprises to carry out export activities

Measure 13. Encouraging development and promotion of skills and culture for the internationalization of the human resources in enterprises

The measure to encourage the development and advancement of skills and culture for the internationalization of the human resources in the enterprises will support the activities of the enterprises to strengthen the human capacities through specialized training for existing staff related to foreign trade operations, financial consulting and other issues related to export, use of electronic platforms and bases, improvement of existing and/or building of new marketing capacities, i.e. introduction of new modern online marketing techniques and methods of electronic sales.

Support will also be provided for training and development programmes for employees abroad in order to acquire new skills needed for the realization of production for export.

Special objective 3.4. Strengthened technical-technological and innovation capacities of enterprises for export-related activities

Measure 14. Advancement of the existing and establishment of new technical-technological and innovation capacities in the enterprises

This measure supports several aspects of the technical-technological and innovation capacities in the enterprises. So, support is for the introduction of new innovative products or processes, new organizational models and/or solutions; developing and implementing plans for green and digital transformation, and circular economy, as well as encouraging cooperation between science and business in research, development and innovation and smart specialization. Then support is given to the enterprises for the procurement of new and clean technology, machines and equipment, with the aim of increasing production capacities, export competitiveness and easier inclusion in global supply chains.

The enterprises will be able to receive support for activities related to decarbonization of production, then environmental aspects in all stages of the product development process, as well as activities related to sustainable and responsible corporate behaviour. The goal is to achieve compliance with the EU Carbon Border Adjustment Mechanism (CBAM), then eco-design regulations for sustainable products, and for in-depth analysis of corporate sustainability.

The measure also refers to the introduction of international standards or compliance with them, with the aim of entering foreign markets where those standards are necessary, as well as co-financing part of the costs for official fees for registration in international institutions (WIPPO, EPO, EUIPO and others) for international protection of industrial property rights.

If there is a lack or insufficient technical expertise among the exporters regarding certain issues, support is provided to the enterprises to hire domestic and/or foreign experts.

Specific objective 3.5. Increased willingness of the enterprises to apply for financing sources that support export competitiveness

Measure 15. Strengthening the capacities of the enterprises for the preparation of project applications for financial resources

Various sources of financing that support competitiveness, i.e. export competitiveness, are available to enterprises. For successful application and utilization of these opportunities, appropriate readiness of the enterprises is required. This measure enables expert support for the exporters to apply for financial resources for export competitiveness offered by various programmes, and also provides support for organizing workshops for the preparation of necessary documentation for applying for public calls for the allocation of financial resources provided by national and international programmes.

General objective 4: Enhanced promotion of the export potentials and connection with the foreign markets

The implementation of various promotional activities related to export contributes to increased visibility and recognition of the export potential of a country, i.e., recognition of products and enterprises from that country. Concerning the enterprises, easier integration into supply chains or value chains in certain aspects, as well as the ability to connect with foreign markets and new opportunities to increase sales.

When talking about the promotion of the export potentials, the increasing digitization and use of digital platforms in the world should also be taken into account. Therefore, it is necessary to provide adequate support for the optimized digital presence of the enterprises abroad, i.e., the use of online marketing, e-commerce, e-payment, then the presence of the products in electronic databases for trade, etc.

General objective 4 will be achieved through the implementation of three specific objectives with appropriate measures and activities:

Special purpose 4.1. Increased visibility and recognition of the Macedonian export potential

Measure 16. Enhanced promotion of the country as a favourable destination for investment, doing business and foreign trade

Due to the increased coordination of overall promotional activities, a national plan for the promotion of the country will be drawn up, which will represent a clear roadmap for the promotion of the country's economic and commercial interests, promotion of products, improvement of exports and attraction of FDI.

On the other hand, support will be provided at the enterprise level for the creation of strategies and marketing plans for export, branding, as well as the creation of research studies for entering new markets or better positioning in the existing markets.

Events will be organized for the promotion of Macedonian exports, B2B meetings and 'buying missions' for potential buyers from countries that have been identified as strategic markets, and the promotion of FDI will be strengthened in order to increase the international visibility of the Republic of North Macedonia, which in turn facilitates export efforts in the long term in a certain aspect.

Through the measure, support will be provided for the enterprises to participate in international trade fairs, through the concept of organizing a national stand and/or support for independent participation.

It will begin with the implementation of promotional activities in the format of success stories of importers/users of Macedonian products (legal or natural persons from abroad who will share success stories of cooperation with Macedonian exporters or positive experience of using Macedonian products). The concept will be used to encourage exports to target foreign markets, i.e. starting or increasing exports to specific countries ('Success stories of importers' project).

Special purpose 4.2. Easier integration of enterprises in supply chains, as well as connection with the foreign markets

Measure 17. Increased satisfaction/fulfilment of the requirements/conditions for international operation of enterprises and involvement in international markets

The measure provides support to small and medium-sized enterprises to increase their sophistication, to compete more effectively and integrate into the global and regional supply chains of large foreign enterprises located inside and outside the special economic zones (TIRZs and SEZs) in the Republic of North Macedonia. Advisory services for improved integration of the enterprises in European value chains will also be available.

For easier entry and connection with the foreign markets, the Strategy also plans support for the enterprises to hire expert-consultants (or consulting firms) working in foreign markets ('Destination Advisers' project), specialized in the area of trade promotion, to provide tips that can help domestic enterprises to enter a certain market, find buyers in the market and develop their own sales network. Experts-consultants (or consulting firms) may also be involved in certain organizational activities needed for Macedonian export enterprises.

Measure 18. Encouraging a cluster export approach of the SMEs

Considering that many SMEs lack the skills and resources to access effectively and perform in the international markets, as well as promotion and networking, resource pooling appears as a potential solution to reduce those barriers. That is why the encouragement and support for the formation of export consortia, i.e., the cluster export approach of the SMEs, is of great importance. The measure refers to the support and development of projects related to cluster association for easier performance in foreign markets.

Measure 19. Encouraging the sharing of spatial resources of the Macedonian entities abroad for the purpose of carrying out export activities

The purpose of the measure is to encourage the establishment of cooperation for the purpose of using existing free space facilities (offices, warehouses and other business space) abroad, i.e., their sharing. It is about free space capacities of the Macedonian enterprises abroad, as well as free space capacities of the DDP of the Republic of North Macedonia, which could be used by the Macedonian enterprises for work and meetings, during their stay in the respective foreign country. The sharing of these spatial resources would allow flexibility and support of the businesses, saving resources and easier integration of enterprises in foreign markets. Therefore, an activity will be carried out to create a base of available space facilities abroad that could be used by other interested domestic exporters to enter that market ('Co-working Space' concept).

Special purpose 4.3. Optimized digital presence abroad (online marketing, e-commerce, trade databases, etc.)

Measure 20. Increased promotion and trade of the Macedonian export potential through various e-platforms

In times of increasing digitization and e-commerce, some support is necessary for the enterprises to optimize their digital presence abroad. The Strategy plans to support activities related to online marketing, introduction and use of cross-border digital sales channels (e-commerce), in order to accelerate and increase sales, and spread activities abroad.

General objective 5: Facilitated and increased financing and insurance of the enterprises' exports

Establishing an export financing system adapted to the needs of the market is of great importance, due to the costs associated with both direct export and preparation for export, which can be significant especially for SMEs. That is why one segment of the portfolio to support the export sector refers to providing favourable credit lines for exporters and managing export risks.

In the Republic of North Macedonia, the state Development Bank of North Macedonia AD Skopje (DBNM) is a partner for financial support of micro, small and medium enterprises. DBNM's mission is to create an environment for improving

domestic competitiveness, supporting exports and economic growth and development through the promotion and offering of favourable financial products for micro, small and medium-sized enterprises.

General objective 5 will be achieved through the implementation of two special objectives with appropriate measures and activities:

Special purpose 5.1. Reduced cost to the enterprises for financing export promotion activities

Measure 21. Provision of favourable credit lines for the enterprises

The measure refers to the support of exporters through direct credit supply for the purchase of fixed and working capital, as well as lending through commercial banks for the purchase of fixed and working capital. In addition, support through favourable credit products for digitization and digital transformation, as well as financing of projects to improve energy efficiency, energy sustainability and renewable energy sources in the long term is also covered.

Special purpose 5.2. Improved management of export risk financing

Measure 22. Provision of favourable financial products for managing export risks

This measure refers to the support of the exporters for securing the credit risk through various products of the guarantee scheme. It is about an individual guarantee to support large enterprises that export, in order more easily to obtain the necessary financial means for functioning; then portfolio guarantees to support micro, small and medium-sized enterprises, including exporters, so that they can more easily obtain the necessary financial resources for their operation; as well as a general guarantee for customs debt during import for refining, intended for domestic enterprises that import materials for the purpose of refining and re-export.

4. The measure also includes support for the exporters for insurance of export receivables against commercial or political risks, i.e. insurance of the export receivables from commercial (bankruptcy, prolonged non-fulfilment of obligations-payments by the foreign buyer) or political risks (risk of war or similar, risk of license revocation, breach of contract), and a factoring service is also provided for sales of goods and services abroad on deferred payment.

4. Monitoring, evaluation and reporting framework

According to the Guidelines on the structure, content and method of preparation, implementation, monitoring, reporting and evaluation of sectoral and multi-sectoral strategies, monitoring the implementation of the Strategy is critical to ensure effective and efficient implementation as well as achieving a medium- and long-term impact on GDP export of the country.

A key institution for the Export Promotion Strategy is the Agency for Foreign Investments and Export Promotion, in cooperation with the Ministry of Economy and other relevant ministries, institutions and bodies.

In this regard, the Ministry of Economy should prepare a Monitoring and Evaluation Plan for implementing the Strategy with an accompanying methodology for consulting the stakeholders while evaluating the implementation. The Monitoring and Evaluation Plan should envisage:

- Annual plans for the implementation of measures and activities from the Strategy, including a coordination plan for the implementation, which will include ministries, institutions, chambers, clusters, projects, etc.;
- Annual implementation report regarding state administration bodies responsible for implementing the measures from the Strategy, which shall be submitted to the Ministry of Economy on a previously agreed form;
- Annual implementation report regarding the activities and fulfilment of the Strategy objectives submitted by the Ministry of Economy to the Government of the Republic of North Macedonia;
- External evaluation of the implementation of the Strategy.

The reports on the degree of realisation and achievement of the Strategy objectives shall be the basis for further revisions and additions to the Strategy, including the Action Plan.

In order to achieve a higher level of transparency and accountability, the annual reports and plans shall be available on the webpages of the Ministry of Economy.

Past experiences when it comes to implementing strategies in the Republic of North Macedonia show that a well-thought strategy based on specifically defined measures and policies is a solid foundation, but it is not always enough. The most important question posed as a prerequisite for the successful implementation of the Strategy is whether an effective implementation framework has been provided, which implies a precisely defined time frame (action plan), an adequate and stable budget for financing individual measures and policies, a dedicated engagement for mobilising donor funds, clear institutional responsibilities and solid capacities, effective coordination with other public bodies, regular public-private dialogues, as well as effective monitoring, evaluation and reporting systems. Hence, an

institutional framework is proposed within the Strategy framework for the efficient implementation of the proposed measures and activities, as well as a monitoring framework that represents the basis for measuring achieved results and determining the reasons for any potential deviation in the realisation of the planned outcomes. This enables traceability of the implementation process of the proposed measures and activities, assessment of the effects they produce and reporting on the progress in fulfilling the preset indicators within the Strategy itself.

The proposed measures within the Strategy are defined in an inclusive process together with all stakeholders, such as a large number of export enterprises from different sectors, chambers of commerce, state institutions and other stakeholders. However, that process should continue in the process of implementing the proposed policies and measures through a public-private dialogue in order to specifically define the conditions, the dynamics, the budgets, the application method and the selection of enterprises. Of course, based on the process of evaluating the effects of measures and any possible changes in global trade and financial flows, there is an opportunity to upgrade and/or supplement some of the measures in cooperation with all stakeholders, with a focus on the private sector.

The coordination between competent institutions in the implementation of measures and activities is also vital, since they should achieve synergistic effects in strengthening competitiveness and greater promotion of the export sector and export enterprises. For the sake of greater coordination in the implementation of the Strategy, a Coordinating Body composed of key stakeholders from the export ecosystem shall be established.

In addition, full synchronisation of this Strategy with the Industrial Strategy 2018-2027 and the Smart Specialisation Strategy 2023-2027, the National Development Strategy which is being developed, as well as with the Economic Reform Programme and the Economic Growth Plan, is even more important. In that respect, each institution should know its tasks in the implementation of activities, have a secured budget for each institution individually and each institution should have enough robust institutional capacities for effective implementation of such measures.

Performance Indicators

In order to ensure transparency and accountability regarding the achieved results and the possibility of comparing projected with actual results by years, a monitoring framework has been determined. The monitoring framework consists of performance indicators at different levels, initial, transitional and final values of indicators, the method of data collection and analysis of indicator values, as well as the procedures for reporting and evaluating the implementation of the Strategy.

The effect indicator is directly related to the general objectives of the Strategy and it measures the medium and long-term overall changes or effects in the area or related areas that may arise as a result of the implementation of the policies established in the Strategy. The indicators are quantitative and/or qualitative data used to measure, monitor and evaluate the general objectives in each of the priority areas covered by the Strategy.

The following performance indicators have been determined for the general objectives of the Export Promotion Strategy of the Republic of North Macedonia 2024-2027:

General objective related to the indicator	Enhanced and improved business environment to support exports (General objective 1)		
Indicator title	Average Trade Facilitation Performance²¹		
Data source	OECD Trade Facilitation Indicators http://www.compareyourcountry.org/trade-facilitation/en/0/default/datatable/		
Method and dynamics of data collection	Data collection is for two years, given the fact that the data source has established the referred time frame for updating data.		
State administration authority in charge of data collection	Agency for Foreign Investments and Export Promotion of the Republic of North Macedonia (ASIPi)		
Methodology of calculating indicator values	https://www.oecd.org/trade/topics/trade-facilitation/documents/trade-facilitation-indicators-methodology.pdf		
Indicator value	Initial value	Transition value	Final value
	2022	2025	2027
	1.386	> 1.5	> 1.6
General objective related to the indicator	Improved information and awareness of enterprise exports (General objective 2)		
Indicator title	Export Propensity Index²²		
Data source	State Statistics Office - Republic of North Macedonia (Gross		

²¹ The **Average Trade Facilitation Performance** is derived from eleven trade facilitation indicators that can have values from 0 to 2, whereby 2 indicates the best performance that can be achieved. The indicators are not only a reflection of the regulatory framework in a certain country, but also show, as far as possible, the implementation status of various trade facilitation measures.

²² **Export Propensity Index - EPI** is an indicator that shows the share of exports of goods and services in the country's GDP structure. It ranges from 0 to 100%, whereby a higher value means a greater propensity of domestic enterprises to export to a foreign market versus selling to the domestic market.

	domestic product of the Republic of North Macedonia)		
Method and dynamics of data collection	Data is collected on an annual basis and the same is published once a year.		
State administration authority in charge of data collection	Agency for Foreign Investments and Export Promotion of the Republic of North Macedonia (ASIPi)		
Methodology of calculating indicator values	https://www.stat.gov.mk/MetodoloskiObjasSoop.aspx?id=32&rbrObl=7 (Export of goods and services/GDP) x 100		
Indicator value	Initial value	Transition value	Final value
	2021	2025	2027
	66.2%	70%	75%
Indicator title	Number of exporting enterprises		
Data source	State Statistics Office - Republic of North Macedonia (MaxStat Database - Trade in goods according to the type and sectors of activity of exporters and importers, by years)		
Method and dynamics of data collection	Data is collected on an annual basis and the same is published once a year.		
State administration authority in charge of data collection	Agency for Foreign Investments and Export Promotion of the Republic of North Macedonia (ASIPi)		
Methodology of calculating indicator values	https://www.stat.gov.mk/MetodoloskiObjasSoop.aspx?id=124&rbrObl=23		
Indicator value	Initial value	Transition value	Final value
	2021	2025	2027
	3,836	> 4,000	> 4,220
General objective related to the indicator	Enhanced overall export capacities of enterprises (General objective 3)		
Indicator title	Economic Complexity Index - ECI (ranking)²³		
Data source	Harvard Growth Lab https://atlas.cid.harvard.edu/rankings		
Method and dynamics of data collection	Data is collected on an annual basis and the same is published once a year.		
State administration authority in charge of data collection	Agency for Foreign Investments and Export Promotion of the Republic of North Macedonia (ASIPi)		
Methodology of calculating	https://growthlab.hks.harvard.edu/sites/projects.ig.harvard.edu/files/growthlab/files/harvardmit_atlasofeconomiccomplexity.pdf		

²³ The **Economic Complexity Index - ECI** shows the diversity and sophistication of a country's productive capacities through its exports. The highest rank is 1 and corresponds to the country with the highest Economic Complexity Index in that year.

indicator values			
Indicator value	Initial value	Transition value	Final value
	2021	2025	2027
	54	< 48	< 40
Indicator title	Number of exporters with export intensity 25%-49% ²⁴ (% of the total number of exporters)		
Data source	Source: State Statistics Office - Republic of North Macedonia (MaxStat Database - Trade and number of enterprises according to sectors of activity and export intensity, by years)		
Method and dynamics of data collection	Data is collected on an annual basis and the same is published once a year.		
State administration authority in charge of data collection	Agency for Foreign Investments and Export Promotion of the Republic of North Macedonia (ASIPi)		
Methodology of calculating indicator values	https://www.stat.gov.mk/MetodoloskiObjasSoop.aspx?id=124&rbrObl=23		
Indicator value	Initial value	Transition value	Final value
	2021	2025	2027
	7.7%	18%	30%
General objective related to the indicator	Enhanced promotion of export potentials and connection with foreign markets (General objective 4)		
Indicator title	Index of Export Market Penetration²⁵		
Data source	World Integrated Trade Solution (WITS) – United Nations Statistics Division (UNSD) Comtrade https://wits.worldbank.org/CountryProfile/en/Country/MKD/Year/2021		
Method and dynamics of data collection	Data is collected on an annual basis and the same is published once a year.		
State administration authority in charge of data collection	Agency for Foreign Investments and Export Promotion of the Republic of North Macedonia (ASIPi)		
Methodology of calculating indicator values	http://wits.worldbank.org/WITS/docs/TradeOutcomes-UserManual.pdf (2-7 Index of Export Market Penetration, p.34)		
Indicator value	Initial value	Transition value	Final value
	2021	2025	2027
	4.19	> 6	> 8
Indicator title	Number of exporters with more than one partner country (% of the total number of exporters)		
Data source	Source: State Statistical Office - Republic of North Macedonia		

²⁴ Participation of exports in the enterprise's turnover

²⁵ The **Index of Export Market Penetration** is an indicator that measures the extent to which a country's exports reach already proven markets. It is calculated as the number of countries to which a country exports a particular product divided by the number of countries that report imports of the product that year. A higher Export Market Penetration Index indicates a presence in a greater number of markets.

	(MaxStat Database - Trade and number of enterprises by activity according to NKD Rev. 2 and number of partner countries, by years)		
Method and dynamics of data collection	Data is collected on an annual basis and the same is published once a year.		
State administration authority in charge of data collection	Agency for Foreign Investments and Export Promotion of the Republic of North Macedonia (ASIPi)		
Methodology of calculating indicator values	https://www.stat.gov.mk/MetodoloskiObjasSoop.aspx?id=124&rbrObl=23		
Indicator value	Initial value	Transition value	Final value
	2021	2025	2027
	44%	> 50%	> 55%
General objective related to the indicator	Facilitated and increased financing and insurance of enterprise exports (General objective 5)		
Indicator title	Percent of enterprises²⁶ identifying access to finance as a major constraint		
Data source	World Bank Enterprise Surveys https://www.enterprisesurveys.org/en/data/exploreeconomies/2019/north-macedonia#finance		
Method and dynamics of data collection	Data collection is on a four-year basis, given the fact that the data source conducts research every 3 to 4 years.		
State administration authority in charge of data collection	Agency for Foreign Investments and Export Promotion of the Republic of North Macedonia (ASIPi)		
Methodology of calculating indicator values	https://www.enterprisesurveys.org/content/dam/enterprisesurveys/documents/methodology/Indicator-Description.pdf (Percent of enterprises identifying access to finance as a major constraint, p. 90)		
Indicator value	Initial value	Final value	
	2019 ²⁷	2027	
	11.9%	< 4%	

²⁶ direct exports are 10% or more of sales

²⁷ if data for 2023 are published before the adoption of the Strategy, those will be updated

5. Risk management

Starting from the fact that it is a multi-sectoral approach that includes representatives from several institutions as well as the private sector, it is necessary to identify assumptions and risks, so that preventive measures can be taken in a timely manner and negative impacts can be minimised.

One of the basic assumptions for continuous and comprehensive implementation of the Export Promotion Strategy is political stability. The business sector informs about the negative impacts **political instability** has on its operations, the reduction of exports and oscillations of financial flows. Export promotion should be at the top of the list of institutional priorities, and as such should be an integral part of the National Development Strategy.

In addition, the **insufficient dialogue and cooperation between the stakeholders of the export eco-system**, i.e. the readiness of all stakeholders to listen to and cooperate, especially in the formulation and implementation of favourable and stimulating regulations and programmes to support exports, is a possible risk for the implementation of the Strategy objectives. It is of particular importance to maintain the commitment and regular meetings for the assessment of the process, because otherwise, the implementation of the Strategy may come to a complete standstill.

New market circumstances, i.e. **the lack of labour on the labour market and the growth of wages**, may, in the forthcoming period, lead to an increased need for digitisation of enterprises.

Risk	Probability of risk occurrence	Impact of risk on objective achievement	Risk management measures
Political instability	low	medium	Establishment of a functional system for supporting export activities of enterprises
Insufficient dialogue and cooperation between the stakeholders of the export eco-system	low	medium	Establishing a continuous dialogue within the export eco-system
Labour shortage in the labour market	medium	medium	Increased support for enterprises for digitisation and innovation

6. Action Plan

General and specific objectives shall be realised through a total of 22 measures and 47 activities during a four-year period, for which an Action Plan has been drawn up (Annex 1). The Action Plan defines the leading institutions, the initial and projected execution date, and it also provides an estimate of the necessary funds and financing sources. It further determines the indicators for the expected results related to the measures/activities.

7. Indicative Financial Plan

The necessary funds for the implementation of the Export Promotion Strategy 2024-2027 will be provided by the Budget of the Republic of North Macedonia, i.e. part of existing programmes and part through the expansion of existing programmes of the Ministry of Economy and other state institutions with competences related to export support activities of enterprises.

Given that Strategy measures and activities are projected to be implemented in cooperation with other stakeholders, primarily the business sector and their representatives, it is expected that in addition to funds from the Budget of the Republic of North Macedonia, funds will also be provided from the donor community, including EU funds.

The Strategy Action Plan also contains an estimate of the necessary funds for the implementation of proposed measures and activities.

Table 7. Indicative Financial Plan

INDICATIVE FINANCIAL PLAN FOR THE VALIDITY PERIOD OF THE ACTION PLAN 2024-2025 ²⁸						
General and specific objective, measure	Funding structure (in %)	Total (MKD)		Budget of the institution (MKD)	Other funding sources	
		2024	2025		(MKD)	Name of the potential funding source
1. General objective 1	0.7 %	700,000	700,000	1,400,000		
1.1. Specific objective						
Measure 1		-	-	-		
Measure 2		-	600,000	600,000		
Measure 3		-	-	-		
Measure 4		600,000	-	600,000		
1.2. Specific objective						
Measure 5		-	-	-		
1.3. Specific objective						
Measure 6		-	-	-		
1.4. Specific objective						
Measure 7		100,000	100,000	200,000		
2. General objective 2	2.8 %	4,200,000	1,200,000	2,400,000	3,000,000	
2.1. Specific objective						
Measure 8		1,150,000	1,150,000	2,300,000		
2.2. Specific objective						
Measure 9		3,000,000	-	-	3,000,000	
2.3. Specific objective						
Measure 10		50,000	50,000	100,000		
3. General objective 3	47.9 %	46,800,000	46,500,000	93,000,000	300,000	
3.1. Specific objective						
Measure 11		300,000	-	-	300,000	
3.2. Specific objective						
Measure 12 ²⁹		3,000,000	3,000,000	6,000,000		
3.3. Specific objective						
Measure 13		1,000,000	1,000,000	2,000,000		
3.4. Specific objective						
Measure 14		34,500,000	34,500,000	69,000,000		
3.5. Specific objective						
Measure 15 ³⁰		8,000,000	8,000,000	16,000,000		
4. General objective 4	48.6 %	73,330,000	21,400,000	42,800,000	51,930,000	
4.1. Specific objective						
Measure 16		4,000,000	4,000,000	8,000,000		
4.2. Specific objective						
Measure 17 ³¹		57,030,000	5,100,000	10,200,000	51,930,000	DTIDZ / IFC
Measure 18		10,000,000	10,000,000	20,000,000		
Measure 19		-	-	-		
4.3. Specific objective						
Measure 20		2,300,000	2,300,000	4,600,000		

(continues)

²⁸ Most of the funds in the Indicative Financial Plan come from the Draft Budget for 2024 for Subprogramme 11 - Industrial Policy, from Section 10001 - Ministry of Economy.

²⁹ A potential funding source, i.e. provision of part of the funds for the measure, is the annual Program for Promoting Entrepreneurship, Competitiveness and Innovation of SMEs of the Agency for Promotion of Entrepreneurship of the Republic of North Macedonia.

³⁰ A potential funding source, i.e. providing part of the funds for the measure, is the annual Program for the Development of Entrepreneurship and Competitiveness of SMEs of the Ministry of Economy.

³¹ A potential funding source, i.e. providing part of the funds for the measure, is the Project of DTIDZ and IFC to improve the integration of local enterprises in national, regional and European value chains.

INDICATIVE FINANCIAL PLAN FOR THE VALIDITY PERIOD OF THE ACTION PLAN 2024-2025						
General and specific objective, measure	Funding structure (in %)	Total (MKD)		Budget of the institution (MKD)	Other funding sources	
		2024	2025		(MKD)	Name of the potential funding source
5. General objective 5						
5.1. Specific objective						
Measure 21		[DBNM]	[DBNM]	[DBNM]		
5.2. Specific objective						
Measure 22		[DBNM]	[DBNM]	[DBNM]		
TOTAL FOR THE STRATEGY DOCUMENT	100%³²	125,030,000	69,800,000	139,600,000	55,230,000	

³² Financial resources for General objective 5, which should be provided by DBNM, are not included.

ANNEX 1. Action Plan

Table 6. Action plan for the period 2024-2025 for the implementation of the Export Promotion Strategy of the Republic of North Macedonia 2024-2027

PRIORITY AREA 1: EXPORT BUSINESS ENVIRONMENT							
General objective 1: Enhanced and improved business environment to support exports							
Specific objective 1.1. Enhanced and effective trade policy							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M1. Continuous harmonisation of national legislation with the relevant EU legislation	A1. Harmonising the national technical legislation with the transposition of EU Directives	Ministry of Economy, Bureau of Metrology, Standardization Institute	I/2024	IV/2025	No funds are required to implement the activity		Improved national technical legislation
	A2. Analysing a possible future additional reduction of customs rates to support domestic export enterprises	Ministry of Finance, Customs Administration	III/2024	IV/2025	No funds are required to implement the activity		Prepared analysis for future additional reduction of customs rates to support domestic export enterprises
M2. Creation of conditions for intensification of trade cooperation and easier access to international markets of goods and services	A3. Promoting existing free trade agreements and agreements for trade and economic cooperation	Ministry of Economy	I/2024	IV/2025	No funds are required to implement the activity		Enhanced free trade agreements and trade and economic cooperation agreements
	A4. Analysing the needs and opportunities for concluding new free trade agreements and agreements for trade and economic	Ministry of Economy, ASIPI, Chambers of Commerce	I/2025	IV/2025	600,000 MKD	Budget of the institution + other funding sources	Prepared detailed analysis of the needs and opportunities for concluding new free trade agreements and trade and economic cooperation agreements

	cooperation						
M3. Facilitation and digitisation of export procedures in the cross-border e-commerce system	A5. Drafting and adoption of internal market rules and regulations ³³ necessary for further development of e-commerce	Ministry of Economy, Customs Administration	I/2024	IV/2025	No funds are required to implement the activity		Improved internal market conditions for e-commerce needs
	A6. Implementing a national e-commerce domain compliant with Import Control System 2 (ICS2)	Customs Administration	I/2023	IV/2028	-	Budget of the institution + other funding sources	Import Control System 2 compliant national e-commerce domain implemented
M4. Identifying future regulatory challenges for exporters in foreign markets	A7. Preparation of a study for mapping future regulatory requirements/conditions for export to the EU and specific target markets, with proposed recommendations for action	Ministry of Economy, ASIPI, Chambers of Commerce, International donors and programmes	I/2024	IV/2024	600,000 MKD	Budget of the institution/s + other funding sources	Elaborated study mapping and analysing future requirements/conditions for exporting to the EU and specific target markets, with recommendations for action
Specific objective 1.2.							
Enhanced legal framework for financing and insurance of enterprise exports							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M5. Creation of a legal framework for the establishment of the export insurance system	A8. Adoption of a special Law on Export Insurance and Financing	Development Bank of North Macedonia, Ministry of Finance, Ministry of Economy	I/2024	IV/2025	No funds are required to implement the activity		Adopted Law on Export Insurance and Financing
Specific objective 1.3.							
Efficient and functional system for institutional support of exporters							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date	Estimate of required funds	Funding source	Performance indicator (related to the

³³ a set of regulations for digital services relating to delivery rules, groundless geo-blocking rules, consumer protection rules and VAT rules.

				(quarter)			measure/activity)
M6. Streamlining the institutional framework regarding the support of export activities of enterprises	A9. Reorganising the Ministry of Economy	Ministry of Economy	I/2024	IV/2025	No funds are required to implement the activity		Reorganised Ministry of Economy
	A10. Merging DTIDZ and ASIPI, and FITR and APE	Ministry of Economy, Ministry of Education and Science, DTIDZ, ASIPI, FITR, APE	I/2024	IV/2025	No funds are required to implement the activity		Established new institution for investment and export promotion Established new institution for entrepreneurship, innovation and technological development

Specific objective 1.4.

Intensified substantive dialogue and cooperation within the export eco-system

Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M7. Increased communication and joint projects within the export eco-system	A11. Organizing work meetings with stakeholders of the export eco-system to improve the export business environment	Ministry of Economy, ASIPI, Chambers of Commerce	I/2024	IV/2025	100,000 MKD (2024) + 100,000 MKD (2025)	Budget of the institution/s + other funding sources	Number of work meetings held Number of enterprises participating in work meetings
	A12. Supporting new partnerships and cooperation between the stakeholders of the export eco-system	Ministry of Economy	I/2026	IV/2027			Number of supported partnerships and cooperation projects

PRIORITY AREA 2: EXPORT AWARENESS							
General objective 2: Improved information and export awareness of enterprises							
Specific objective 2.1. Increased motivation of enterprises to start exporting or promoting exports							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M8. Implementing promotional and educational activities to highlight the importance of exports and the aspects essential for export promotion	A13. Organising an annual award and conference - 'Export Champions'	ASIPI, Ministry of Economy, Chambers of Commerce	I/2024	IV/2025	500,000 MKD (2024) + 500,000 MKD (2025)	Budget of the institution/s + other funding sources	Organised event for an annual award and conference 'Export Champions'
	A14. Visits to enterprises to encourage them to start exporting/increase exports	Chambers of Commerce, ASIPI, Ministry of Economy	I/2024	IV/2025	50,000 MKD (2024) + 50,000 MKD (2025)	Budget of the institution/s + other funding sources	Number of exporting enterprises visited
	A15. Organising open meetings (of an informative nature) in state institutions part of the export eco-system, for enterprises inserted in exporting and existing exporters ('Open Day for Exporters')	ASIPI, APE, DTIDZ, Customs Administration, DBNM, Ministry of Economy	I/2024	IV/2025	50,000 MKD (2024) + 50,000 MKD (2025)	Budget of the institution/s	Number of organised visits to state institutions Number of organised online meetings with representatives of state institutions
	A16. Support for organising trainings for SMEs to raise awareness of innovations, digitalisation, standards, patents, intellectual property rights	Ministry of Economy, APE	I/2024	IV/2025	200,000 MKD (2024) + 200,000 MKD (2025)	Budget of the institution/s	Number of enterprises participating in the workshops/trainings

	A17. Organising events (working meetings) to acquaint enterprises with future regulatory requirements/conditions (CBAM, Eco-design...) for exporting to the EU and specific target markets	Ministry of Economy, Ministry of Finance, Customs Administration, Chambers of Commerce	I/2024	IV/2025	50,000 MKD (2024) + 50,000 MKD (2025)	Budget of the institution/s + other funding sources	Number of working meetings held Number of enterprises participating in working meetings
Specific objective 2.2. Availability of specialised digital solutions for easy access and sharing of information relevant to export activities							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M9. Development and introduction of e-mechanisms for easier obtaining and sharing of information important for export activities	A18. Establishing an online register (database) of available instruments for financial and non-financial support of export activities	ASIPI, Ministry of Economy	I/2024	IV/2024	No funds are required to implement the activity		Activated online register of available instruments/ schemes to encourage export activities
	A19. Creating an e-platform for facilitated export, i.e. for the promotion of products and services and for business networking	Chambers of Commerce, International donors and programmes, ASIPI	I/2024	IV/2024	3,000,000 MKD	Budget of the institution/s + other funding sources	Activated e-platform to facilitate exports i.e. for the promotion of products and services and for business networking
	A20. Establishing an e-mechanism for complaints and reporting problems related to export activities - 'Export Ombudsman'	ASIPI, Chambers of Commerce, Ministry of Economy	I/2025	IV/2025	No funds are required to implement the activity		Activated e-mechanism 'Export Ombudsman'
	A21. Establishing a system for asking questions about administrative	ASIPI, APE, Ministry of Economy,	I/2025	IV/2025	No funds are required to implement the activity		Established system for asking questions about administrative procedures related to exports

	procedures related to export (export documentation and procedures, agreements on free trade and origin of goods, VAT during trade in goods and services...) through specialised electronic mailboxes	Customs Administration					
Specific objective 2.3: Increased familiarity with existing e-platforms and available information on export procedures and opportunities in the country, the region and the EU, as well as their more efficient use							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M10. Encouraging enterprises to make increased use of export information and data available through various national and international e-platforms and initiatives	A22. Organising events to present the opportunities offered by various platforms and initiatives for export support and promotion (EEN, ITC, SDP, ...)	ASIPI, DTIDZ, Chambers of Commerce, Ministry of Economy	I/2024	IV/2025	50,000 MKD (2024) + 50,000 MKD (2025)	Budget of the institution/s + other funding sources	Number of organised events Number of enterprises that attended the events
	A23. Introducing a special group of e-services, on the national portal www.uslugi.gov.mk for e-services related to export	MISA, ASIPI, Ministry of Economy	I/2026	IV/2026			A special group of e-services related to export was introduced at www.uslugi.gov.mk

PRIORITY AREA 3: EXPORT READINESS							
General objective 3: Improved overall export capacities of enterprises							
Specific objective 3.1. Established system for assessing SME export readiness							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M11. Introducing a simple e-tool for SMEs to self-determine export readiness	A24. Development of an interactive e-tool for self-assessment of SME export readiness	APE, ASIPi	I/2025	IV/2025	300,000 MKD	Budget of the institution/s + other funding sources	Activated e-tool for SME export readiness assessment
Specific objective 3.2. Established and improved basic export capacities, in SMEs with little or no export experience, through standardised mentoring services and programmes							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M12. Establishing basic capacities for export activities in SMEs with little or no export experience	A25. Supporting SMEs through mentoring services for improved export readiness and internationalisation	APE, FITR	I/2024	IV/2025	3,000,000 MKD (2024) + 3,000,000 MKD (2025)	Budget of the institution/s	Number of SMEs supported through mentoring services
	A26. Developing and launching a specialised mentoring programme 'Export Accelerator'	International donors and programmes, Chambers of Commerce	I/2026	IV/2027			'Export Accelerator' programme launched

Specific objective 3.3.							
Strengthened human capacities of enterprises to carry out export activities							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M13. Encouraging development and promotion of skills and culture for the internationalisation of human resources in enterprises	A27. Supporting organising specialised trainings for foreign trade operations, financial consulting and other issues related to export	Ministry of Economy, Chambers of Commerce, Customs Administration, Educational-training centres	I/2024	IV/2025	1,000,000 MKD (2024) + 1,000,000 MKD (2025)	Budget of the institution/s + other funding sources	Number of organised trainings Number of enterprises participating in the trainings
	A28. Supporting programmes for training and improvement of employees abroad in order to acquire new skills needed for the realisation of production for export	Ministry of Economy	I/2026	IV/2027			Number of training programmes supported Number of enterprises participating in the trainings
Specific objective 3.4.							
Strengthened technical-technological and innovation capacities of enterprises for export-related activities							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M14. Advancement of existing and establishment of new technical-technological and innovation capacities in enterprises	A29. Supporting enterprises for the introduction of new innovative products or processes, new organisational models and/or solutions ³⁴	Ministry of Economy, FITR, DTIDZ, APE, Government of RNM	I/2024	IV/2025	25,000,000 MKD (2024) + 25,000,000 MKD (2025)	Budget of the institution/s	Number of supported enterprises
	A30. Supporting enterprises to hire experts for technical expertise	Ministry of Economy	I/2024	IV/2025	4,500,000 MKD (2024) + 4,500,000 MKD (2025)	Budget of the institution/s	Number of supported enterprises

³⁴ processes, models and solutions related to green and digital transformation, circular economy, smart specialisation, energy efficiency

	A31. Supporting enterprises for harmonisation/ introduction of international standards/ regulations, as well as for issues related to the protection of industrial property	Ministry of Economy, Standardization Institute, State Office of Industrial Property, Institute for Accreditation	I/2024	IV/2025	5,000,000 MKD (2024) + 5,000,000 MKD (2025)	Budget of the institution/s	Number of supported enterprises
Specific objective 3.5.							
Increased willingness of enterprises to apply for financing sources that support export competitiveness							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M15. Strengthening the capacities of enterprises for preparation of project applications for financial resources	A32. Expert support for exporters to apply for financial means for export competitiveness offered by various national and international programs	ASIPI, Ministry of Economy, International financial institutions and projects	I/2024	IV/2025	1,000,000 MKD (2024) + 1,000,000 MKD (2025)	Budget of the institution/s + other funding sources	Number of supported enterprises Number of applications prepared
	A33. Organising workshops for the preparation of documentation for applying for financial resources provided by national and international programs	Ministry of Economy, ASIPI, Chambers of Commerce	I/2024	IV/2025	7,000,000 MKD (2024) + 7,000,000 MKD (2025)	Budget of the institution/s + other funding sources	Number of organised workshops Number of participating enterprises

PRIORITY AREA 4:							
EXPORT PROMOTION AND INTERNATIONALISATION							
General objective 4:							
Enhanced promotion of export potentials and connection with foreign markets							
Specific objective 4.1.							
Increased visibility and recognition of the Macedonian export potential							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M16. Enhanced promotion of the country as a favourable investment destination, doing business and foreign trade	A34. Developing a national plan for the promotion of the country	MFA, ASIPI, Ministry of Economy	I/2024	IV/2024	No funds are required to implement the activity		Adopted National Plan for the promotion of the country
	A35. Supporting enterprises for the development of strategies and marketing plans for export	Ministry of Economy, ASIPI, APE	I/2024	IV/2025	300,000 MKD (2024) + 300,000 MKD (2025)	Budget of the institution/s + other funding sources	Number of supported enterprises
	A36. Organising meetings and events (at home and abroad) for the promotion of Macedonian exports and the investment potential of the country	ASIPI, MFA (Economic Diplomacy Agents), MAFWM, Chambers of Commerce	I/2024	IV/2025	1,850,000 MKD (2024) + 1,850,000 MKD (2025)	Budget of the institution/s	Number of organised meetings and events Number of enterprises participating in the events
	A37. Supporting enterprises to participate in international trade events	ASIPI, MFA (Economic Diplomacy Agents), MAFWM, Chambers of Commerce	I/2024	IV/2025	1,850,000 MKD (2024) + 1,850,000 MKD (2025)	Budget of the institution/s	Number of enterprises that received support for independent participation at international trade fairs
	A38. Promotional activities in the format of success stories of importers/users of Macedonian products - Project 'Success Stories'	ASIPI, MFA (Economic Diplomacy Agents), Chambers of Commerce	I/2026	IV/2027			Number of prepared 'success stories'
Specific objective 4.2.							

Easier integration of enterprises in supply chains, as well as connection with foreign markets							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M17. Increased satisfaction/ fulfilment of requirements/ conditions for international operations of enterprises and involvement in international markets	A39. Supporting SMEs to increase sophistication to integrate into global supply chains	Ministry of Economy	I/2025	IV/2025	2,000,000 MKD (2025)	Budget of the institution/s	Number of supported enterprises
	A40. Advisory services for improved integration of enterprises in European value chains	DTIDZ	I/2024	IV/2024	28,850,000 MKD ³⁵ + 23,080,000 MKD ³⁶	Budget of the institution/s + other funding sources	Number of supported enterprises
	A41. Supporting enterprises by hiring foreign expert consultants for entering foreign markets - Project 'Destination Advisors'	ASIPI, Ministry of Economy	I/2024	IV/2025	5,100,000 MKD (2024) + 3,100,000 MKD (2025)	Budget of the institution/s	Number of supported enterprises
M18. Encouraging a cluster export approach for SMEs	A42. Supporting and developing projects related to cluster association for easier performance in foreign markets	Ministry of Economy	I/2024	IV/2025	10,000,000 MKD (2024) + 10,000,000 MKD (2025)	Budget of the institution/s	Number of supported projects

³⁵ funds from the institution's budget (DTIDZ))

³⁶ funds from another financing sources (IFC)

M19. Encouraging the sharing of spatial resources of Macedonian entities abroad for the purpose of carrying out export activities	A43. Developing a database of spatial facilities abroad (offices, warehouses and other business space) of Macedonian enterprises or within the DCP for use under the 'Co-working Space' concept	ASIPI, Chambers of Commerce	I/2026	IV/2026			Created database with spatial capacities available for exporters
Specific objective 4.3. Optimised digital presence abroad (online marketing, e-commerce, trade databases, etc.)							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M20. Increased promotion and trade of Macedonian export potentials through various e-platforms	A44. Supporting enterprises to optimise their digital presence abroad (starting with online marketing, e-commerce...)	ASIPI, Ministry of Economy, Ministry of Agriculture, Forestry and Water Management	I/2024	IV/2025	2,300,000 MKD (2024) + 2,300,000 MKD (2025)	Budget of the institution/s	Number of supported enterprises

PRIORITY AREA 5:							
EXPORT FINANCE AND INSURANCE							
General objective 5:							
Facilitated and increased financing and insurance of enterprises' exports							
Specific objective 5.1.							
Reduced cost to enterprises for financing export support activities							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M21. M21. Provision of favourable credit lines for enterprises	A45. Supporting exporters through credit products for the purchase of fixed and working capital, standards and marking services, research and development, as well as financing projects for energy efficiency and sustainability	Development Bank of North Macedonia	I/2024	IV/2025	[DBNM]	Borrowing in the country and abroad and by issuing debt securities	Number of supported enterprises
Specific objective 5.2.							
Improved management of export risk financing							
Measures	Activities	Leading authority Other authorities	Initial date (quarter)	Projected execution date (quarter)	Estimate of required funds	Funding source	Performance indicator (related to the measure/activity)
M22. Provision of favourable financial products for export risks management	A46. Supporting exporters for securing credit risk through various guarantee scheme products	Development Bank of North Macedonia	I/2024	IV/2025	[DBNM]	Borrowing in the country and abroad and by issuing debt securities	Number of supported enterprises
	A47. Supporting exporters to insure export receivables against commercial or political risks	Development Bank of North Macedonia	I/2024	IV/2025	[DBNM]	Borrowing in the country and abroad and by issuing debt securities	Number of supported enterprises

ANNEX 2. Top 50 products with the greatest export potential

The table below shows the top 50 products with the greatest export potential according to the 6-digit Harmonised System, HS-6.

Table 8. Top 50 products with the greatest export potential

No.	Heading HS-6	Product Description	Unused export potential, in EUR
1	381512	Reaction initiators, reaction accelerators and catalytic preparations, unspecified or included elsewhere: precious metal or precious metal compounds as the active substance	965,000,000
2	842139	Centrifuges, including dryer centrifuges; machinery and apparatus for filtering or purifying liquids or gases: other	463,000,000
3	854430	Ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	287,000,000
4	853710	Boards, panels, consoles, desks and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading no. 8517: for a voltage not exceeding 1000 V	97,000,000
5	8708	Parts and accessories of the motor vehicles of headings 8701 to 8705	200,000,000
6	8702	Motor vehicles for the transport of ten or more persons, including the driver	229,000,000
7	381590	Catalyst in the form of grains of which 90 % or more by weight have a particle-size not exceeding 10 micrometres, consisting of a mixture of oxides on a magnesium-silicate support	123,000,000
8	940190	Parts of seats	91,000,000
9	7306	Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel:	56,000,000
10	3004	Medicaments (excluding goods of heading 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses or in forms or packings for retail sale	72,000,000
11	720851	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated - other, not in coils, not further worked than hot rolled: of a thickness exceeding 10 mm	54,000,000
12	271600	Electrical energy	57,000,000
13	720260	Ferronickel	16,000,000
14	720852	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated: simply hot-rolled on four faces or in a closed box pass, of a width not exceeding 1250 mm	38,000,000
15	721070	Flat products of iron or non-alloy steel, of a width of ≥ 600 mm, hot-rolled or cold-rolled 'cold-reduced',	34,000,000

		painted, varnished or coated with plastics:	
16	854442	Insulated (including enamelled or anodized) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors	46,000,000
17	620520	Men's or boys' shirts of cotton	26,000,000
18	853650	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp-holders, junction boxes), for a voltage not exceeding 1000 volts; connectors for optical fibres, optical fibre bundles or cables: other switches	23,000,000
19	850710	Electric accumulators; lead-acid, of a kind used for starting piston engines, including separators, whether or not rectangular (including square)	33,000,000
20	190590	Bread, pastry, cakes, biscuits and other bakers wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products: other	25,000,000
21	2204	Wine of fresh grapes	27,000,000
22	730630	Precision piping with wall thickness: exceeding or not exceeding 2 mm	22,000,000
23	2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006	26,000,000
24	6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather	35,000,000
25	940490	Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered: other	30,000,000
26	620640	Blouses, shirts and shirt-blouses; women's or girls', of man-made fibres (artificial or synthetic)	17,000,000
27	851680	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro-thermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of heading 8545: other	34,000,000
28	620343	Men's or boys suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear) - trousers, bib and brace overalls, breeches and shorts : of synthetic fibres	15,000,000
29	220421	Wine of fresh grapes: in containers holding <= 2 l	21,000,000

30	721049	Iron or non-alloy steel; flat-rolled, width 600mm or more, plated or coated: other	22,000,000
31	620463	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear): of synthetic fibres	13,000,000
32	080610	Fresh grapes	22,000,000
33	080810	Fresh apples	26,000,000
34	300420	Medicaments (excluding goods of heading 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale: other containing antibiotics	24,000,000
35	851230	Electrical lighting or signalling equipment (excluding articles of heading 8539), windscreen wipers, defrosters and demisters, of a kind used for cycles or motor vehicles: other	13,000,000
36	070490	Cabbages, kohlrabi, kale & similar edible brassicas, fresh or chilled: other	22,000,000
37	620342	Men's or boys suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear) - trousers, bib and brace overalls, breeches and shorts : of cotton	13,000,000
38	680911	Building blocks of cement concrete	20,000,000
39	7321	Stoves, ranges, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas-rings, plate warmers and similar non-electric domestic appliances, and parts thereof, of iron or steel	24,000,000
40	070960	Peppers of the genus Capsicum or of the genus Pimenta	19,000,000
41	620333	Men's or boys suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear) - jackets and blazers: of synthetic fibres	12,000,000
42	620630	Women's or girls' blouses, shirts and shirt-blouses of cotton	11,000,000
43	860721	Parts of railway or tramway locomotives or rolling stock: Air brakes and parts thereof of cast iron or cast steel	19,000,000
44	391721	Tubes, pipes and hoses, and fittings therefor (for example, joints, elbows, flanges), of plastics: of polymers of ethylene	15,000,000
45	070200	Tomatoes, fresh or chilled:	15,000,000
46	853225	Electrical capacitors, fixed, variable or adjustable (pre-set): dielectric of paper or plastics	16,000,000
47	901890	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments: other instruments and appliances	11,000,000
48	850720	Electric accumulators, including separators therefor;	17,000,000

		whether or not rectangular (including square): other lead accumulators	
49	200190	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid	12,000,000
50	721491	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling	12,000,000

Source. UN International Trade Centre, www.itc.org

Table 9. Top 50 new potential export products by individual sectors

No.	HS-6 heading	Product Description	Sector
1	441890	Wood; builders' joinery and carpentry of wood, Glue-laminated timber	Paper, cork and wood
2	760429	Bars, rods and solid profiles, of aluminium alloys	Metals
3	860800	Railway or tramway track fixtures and fittings; mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields;	Motor vehicle industry
4	853810	Boards, panels, consoles, desks, cabinets and other bases for the goods of heading 8537, not equipped with their apparatus	Electrical industry
5	841090	Hydraulic turbines, water wheels and regulators therefor: Parts, including regulators, Hydraulic turbines, water wheels and regulators therefor: Parts, including regulators: of cast iron or cast steel	Machine industry
6	40610	Fresh (unripened or uncured) cheese, including whey cheese, and curd: of a fat content, by weight, not exceeding 40%, Fresh (unripened or uncured) cheese, including whey cheese, and curd	Primary agriculture
7	440310	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared): Treated with paint, stains, creosote or other preservatives	Paper, cork and wood
8	441872	Wood, assembled flooring panels, other multilayer	Paper, cork and wood
9	940510	Chandeliers and other electric ceiling or wall lighting fittings, excluding those of a kind used for lighting public open spaces or thorough fares: of base metals or plastics, for civil aircraft use, Chandeliers and other electric ceiling or wall lighting fittings, excluding those of a kind used for lighting public open spaces or thorough fares: of plastics	Other manufacturing industries
10	440710	Wood, coniferous or exotic species, sawn or chipped lengthwise, Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm	Paper, cork and wood
11	843420	Milking machines and dairy machinery: Dairy machinery, Milking machines and dairy machinery: Dairy machinery	Machine industry
12	830990	Capsules of lead for bottles and capsules of aluminium for bottles of a diameter > 21 mm, Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers), capsules for bottles, threaded bungs, bung	Metals

		covers, seals and other packing accessories, of base metals	
13	731021	Food cans, beverage cans of iron or steel, of a capacity of < 50 l; Cans, which are to be closed by soldering or crimping, of a kind used for preserving drink, of a capacity of < 50 l	Metal processing industry
14	392290	Baths, shower-baths, sinks, wash-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics	Rubber and plastic
15	761290	Rigid tubular containers of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal aluminium equipment, Containers for aerosols of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal aluminium equipment, Aluminium drums, cans, boxes and similar containers, manufactured from foil of a thickness ≤ 0,2 mm	Metals
16	731210	Stranded wire, ropes and cables: furnished or ready for civil aircraft use, Stranded wire, ropes and cables: of stainless steel, Stranded wire, ropes and cables	Metal processing industry
17	442110	Wood: Clothes hangers	Paper, cork and wood
18	381400	Organic composite solvents and thinners, not elsewhere specified or included; prepared paint or varnish removers: based on butyl acetate	Chemical and related industries
19	732599	Other cast articles of iron or steel: Other: of non-malleable cast iron, Other cast articles of iron or steel: Other: Other, container rim fittings cast of iron or steel, Other cast articles of iron or steel	Metal processing industry
20	440121	Plywood, veneered panels and similar laminated wood: of conifers	Paper, cork and wood
21	560749	Twine and similar of polyethylene or polypropylene, Twine, cordage, ropes and cables, including plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics: of polyethylene or polypropylene	Textile industry and apparel
22	681091	Articles of cement, of concrete/artificial stone, whether or not reinforced: Other products: Prefabricated building elements: Other, Prefabricated flooring elements, Prefabricated building elements: Other	Glass and stone
23	940179	Other seats, with metal frames: Other	Other manufacturing industries
24	843290	Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers: parts, Plow parts, Parts for agricultural or forestry machinery, fields, other	Machine industry
25	730240	Fish plates and sole plates, iron or steel, Fish plates and sole plates: Rolled, Fish plates and sole plates: Other	Metal processing industry
26	890200	Fishing vessels, factory ships and other vessels for processing or preserving fishery products, Seagoing: of a gross tonnage >250	Motor vehicle industry
27	392190	Other plates and similar of plastics, other plates, sheets, film, foil and strip, of plastics: Other: of condensation or rearrangement polymerisation products, whether or not	Rubber and plastic

		chemically modified: Of phenolic resins	
28	441192	Medium density fibreboard (MDF): Other: of a density exceeding 0.8g/cm ³ : not mechanically worked or surface covered, Fibreboard (MDF) laminate flooring, other	Paper, cork and wood
29	320890	Paints and varnishes, synthetic polymers, other, Polyurethane mixture of 2,2'-(tert-butylimino)diethanol and 4,4'-methylenedicyclohexyl diisocyanate, dissolved in N,N-dimethylacetamide, with a polymer content of 48.8% or more, Copolymer of p-cresol and divinylbenzene, in the form of a solution in N,N-dimethylacetamide, containing by weight 48 % or more of polymer, Paints and varnishes.	Chemical and related industries
30	210420	Homogenised composite food preparations, Infant food in containers of a net weight not over 250 g, Dietetic food in containers of a net weight not over 250 g	Food industry
31	680800	Panels, boards, tiles, blocks and similar articles of vegetable fibre, of straw or of shavings, chips, particles, sawdust or other waste of wood, agglomerated with cement, plaster or other mineral binders	Glass and stone
32	853720	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, for a voltage exceeding 1000 V but not exceeding 72.5 kV	Electrical industry
33	540231	Textured yarn of nylon or other polyamides, with a linear density of ≤ 50 tex per single yarn, Textured yarn of nylon or other polyamides, with a linear density of ≤ 5 tex per single yarn	Textile industry and apparel
34	854460	Other electric conductors, for a voltage exceeding 1000 V: With copper conductors, Other electric conductors, for a voltage exceeding 1000 V: With other conductors	Electrical industry
35	40110	Milk and cream of a fat content by weight of ≤ 1 %, not concentrated nor containing added sugar or other sweetening matter, in immediate packings of a net content > 2 l, Milk and cream of a fat content by weight of ≤ 1 %, not concentrated nor containing added sugar or other sweetening matter by weight: Other	Primary agriculture
36	842481	Other appliances: Agricultural or horticultural sprayers, Other appliances: Agricultural or horticultural sprayers, Other appliances: For agriculture or horticulture: portable, Other appliances for agriculture, portable, no engine, Other appliances for agriculture, portable, with engine	Machine industry
37	700721	Laminated safety glass of size and shape suitable for incorporation in aircraft, spacecraft, vessels or other vehicles, multilayered safety glass	Glass and stone
38	711411	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal: Of precious metal whether or not plated or clad with precious metal: Of silver, whether or not plated or clad with other precious metal	Glass and stone
39	441114	Medium density fibreboard (MDF): of a thickness exceeding 9 mm. not mechanically worked or surface covered, Medium density fibreboard (MDF): of a thickness exceeding 9 mm. Other	Paper, cork and wood
40	700800	Multiple-walled insulating units of glass, Multiple-walled	Glass and stone

		insulating units of glass: coloured throughout the mass, opacified, flashed or having an absorbent or reflective layer, Multiple-walled insulating units of glass: consisting of two panels of glass sealed around the edges by an airtight joint and separated by a layer of air, other gases or a vacuum, Multiple-walled insulating units of glass: Other	
41	870899	Other motor vehicle parts and accessories for industrial assembly, Other motor vehicle parts and accessories, Motor vehicle parts and accessories of headings 8701 to 8705, other, for industrial assembly of: motor vehicles of heading 8703; motor vehicles of heading 8704, with either a compression-ignition internal combustion piston engine (diesel or semi-diesel) of a cylinder capacity not exceeding 2500 cm ³ or with a spark-ignition internal combustion piston engine of a cylinder capacity not exceeding 2800 cm ³ , Safety airbags with inflator system	Motor vehicle industry
42	830160	Padlocks and locks (key, combination or electrically operated), of base metal; clasps and frames with clasps, incorporating locks, of base metal; keys and parts of any of the foregoing articles, of base metal: parts	
43	851190	Electrical ignition or starting equipment of a kind used for spark-ignition or compression-ignition internal combustion engines; generators (for example, magneto-dynamos and alternators) and regulators thereof: parts	Electrical industry
44	100410	Oats seed for sowing	Primary agriculture
45	120922	Clover and forage 'Trifolium spp.' seed for sowing, red clover 'Trifolium pratense L.' seed for sowing, clover 'Trifolium spp.' seed for sowing: other	Primary agriculture
46	450310	Corks and stoppers of natural cork, natural cork products: Corks and stoppers cylindrical, natural cork products: Corks and stoppers: other	Paper, cork and wood
47	846692	Parts and accessories suitable for use solely or principally with the machines of headings 8465: of cast iron or cast steel, Parts and accessories suitable for use solely or principally with the machines of headings 8465: Other, Parts and accessories suitable for use solely or principally with the machines of headings 8465	Machine industry
48	731431	Other grill, netting and fencing, welded at the intersection: Plated or coated with zinc	Metal processing industry
49	630622	Tents of synthetic fibres	Textile industry and Apparel
50	392620	Articles of apparel and clothing accessories (including gloves, mittens and mitts)	Rubber and plastic

Chamber of Commerce of North Macedonia