

# U.S. Country Commercial Guides



North Macedonia

Year 2020

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## **Doing Business in North Macedonia**

### **Market Overview**

The Republic of North Macedonia is an emerging market. With a population of less than 2 million, this small, land-locked economy in South Eastern Europe has made great strides in reforming its economy over the past two decades, but remains one of Europe's poorest countries.

North Macedonia has been committed to securing and furthering its Euro-Atlantic path. In March 2020, the country became NATO's 30<sup>th</sup> ally and the European Union decided to open EU membership negotiations. While the COVID-19 pandemic has put much on hold, the government publically supported regional integration efforts and continued to issue procurement tenders.

- Stable currency pegged to the euro
- NATO Member and EU candidate
- Open economy that welcomes foreign direct investment and trade
- Sound macroeconomic fundamentals
- English-speaking workforce
- Ranked 17th best by the World Bank's Doing Business 2020 report
- Low taxes: 10 percent on corporate income
- Unemployment rate of 16.2 percent; youth unemployment of 34.9 percent in Q1 2020
- Largest sources of FDI are United Kingdom (13.9 percent), Austria (12.9 percent), Greece (9.2 percent), the Netherlands (8.0 percent), and Slovenia (6.8 percent)
- Competitive wages (average monthly salary of \$471 as of May 2020)
- First quarter 2020 GDP growth of 0.2 percent; 3.6 percent in 2019
- Middle-income country with per capita income of about \$6,100 in 2019
- Low inflation (0.8 percent in 2019; 0.5 percent in June 2020)
- Total 2019 trade (imports plus exports) of \$16.66 billion, or 131.2 percent of GDP
- Largest trading partners in 2019 were Germany (27.5 percent of total trade), UK (7.5 percent), Greece (5.8 percent), Serbia (5.7 percent), and Italy (4.3 percent)
- In 2019, the United States was North Macedonia's 13<sup>th</sup> largest trading partner. According to Government of North Macedonia statistics, U.S.-North Macedonia trade totaled \$360 million in 2019, of which exports to the United States were \$309 million. According to U.S. government statistics, U.S.-North Macedonia 2019 trade totaled \$322 million, of which U.S. exports were \$38.7 million.
- Member of European Free Trade Agreement (EFTA) and Central European Free Trade Agreement (CEFTA); bilateral Free Trade Agreements with Turkey and Ukraine.

### **Market Challenges**

- Slow moving judicial system
- Legislative and regulatory contradictions
- Inefficient bureaucracy
- Weak rule of law and corruption
- Opaque tendering process
- Inconsistent enforcement of intellectual property rights
- Delays in collecting payments from both public and private sector entities
- Need for improvements in transport infrastructure

## **Market Opportunities**

The most successful U.S. trade products during 2019 in North Macedonia were engine and engine parts, chemicals, vehicle parts and accessories, industrial supplies, mineral supplies, computers, excavating machinery, metalworking machine tools, and industrial machines.

- **Energy** – The government has privatized some energy assets and is providing concessions for other energy opportunities. The private electricity distribution company continues to make substantial infrastructure investments.
- **Transportation** – As North Macedonia upgrades its transportation infrastructure, there will be opportunities in this sector.
- **Information Technology and Computers** – This growing sector continues to provide opportunities for U.S. companies.
- **Construction** – There are both export and investment opportunities available for U.S. companies in the construction and building materials sector.
- **Tourism** – The country's geographical location, scenic areas, and historic and religious sites provide opportunities for tourism industry investment, development, and management.
- **Agriculture** – Agriculture is an important segment of the economy, and there are opportunities for trade and investment in agriculture and food processing equipment.

## **Market Entry Strategy**

- The best strategy to enter the market varies according to the product, service, industry, and the company's long-term strategy.
- Visiting the country to determine the best market entry strategy is recommended.
- Before choosing local agents or distributors, due diligence is crucial. Maintaining close contact with them is also important.
- Establishing qualified local legal services for contract negotiations is highly advised.

## **Leading Sectors for U.S. Exports and Investment**

### **Energy**

#### **Overview**

Energy market developments in North Macedonia in 2019 included further construction of almost 100 km of an internal gas distribution network, continued liberalization of the electricity market, and increased regional cooperation for electricity and gas interconnections. North Macedonia adopted a new Energy Law in June 2018, harmonizing its energy legislation with the EU Energy Community's Third Energy Package (TEP). In February 2020, the government adopted a new Energy Efficiency Law that fully met TEP requirements.

North Macedonia's state-owned power company was unbundled and partially privatized in the early 2000s. Austrian utility company EVN has been responsible for electricity distribution in North Macedonia since entering the market in 2006. Following the adoption of the new energy law and liberalization of the energy distribution market, new entrants have been active in North Macedonia's electricity market, including trading and supply company EDS Group, owned by Greece's state-owned Public Power Corporation. State-owned MEPSO is the country's electricity transmission system operator. ESM (Elektrani na Severna Makedonija/Power Generation Plants of North Macedonia; formerly ELEM) is North Macedonia's state-owned electricity producer.

The electric power production system in North Macedonia consists of two coal power plants with a total installed capacity of 800 MW and several hydro power plants with a total installed capacity of 650 MW. The two coal power plants produce 70 percent of the country's total electricity. The smaller coal power plant "REK Oslomej" remained dormant in 2019 and its obsolete equipment is in urgent need of modernization. ESM refurbished "REK Bitola" coal power plant boilers in 2017, but its equipment is still largely outdated. There are two open pitch lignite mines with a total capacity of 7 million tons/year and estimated deposits for the next 15 - 20 years. Domestic lignite has low-caloric value and the government has announced plans to import coal. Despite some investments in regular maintenance and minimal modernization, domestic production of electricity decreased by about 25 percent over the last ten years, and electricity imports have risen to 36 percent of total use. Total annual production of electricity in 2019 was 5,870 GWh, which provided 71 percent of total domestic electricity needs. North Macedonia is a full member of the Union for the Coordination of Production and Transmission of Electricity European Interconnection (UCPTE), which ensures interconnection compatibility with European electric power systems.

The government has offered a concession to private investors to construct the 333 MW Cebren hydro power plant (HPP). The required feasibility study was completed and the government issued a call for bidders on March 23, 2020. The investment is estimated at \$640 million.

ESM owns and operates the only wind power plant, a 36.5 MW wind park in the southern part of the country. It plans to increase capacity to 50 MW with a separate 14 MW capacity park.

A natural gas transportation pipeline operated by Gasification – Macedonia (GA-MA), jointly owned by the government and "Makpetrol," the largest oil distributor in North Macedonia, carries Russian gas from the Bulgarian border to Skopje. Gazprom provides 100 percent of the capacity within the pipeline. This pipeline primarily supplies industrial users in the cities of Skopje, Kumanovo, and Kriva Palanka. National Energy Resources (NER) was established by the government to oversee construction of an internal gas distribution network. The government negotiated with "Makpetrol" to buy out its shares in GA-MA for \$35 million, and Parliament is expected to adopt a law enabling a merger between NER and GA-MA to manage the country's gas distribution system. Efforts to build natural gas interconnections with Greece and Bulgaria to diversify the country's sources of natural gas are ongoing.

ESM began construction of a 10 MW photovoltaic power station next to the coal power plant Oslomej. EBRD has approved a loan of €5.9 million, and ESM will finance the remaining €1.1 million. In a competitive process, the government signed contracts with private investors to install 35 MW solar power plants on state-owned land and 21 MW on private land, committing to paying a premium tariff of €460,000 over the next 15 years.

A 213-km oil pipeline with a capacity of 2.5 million tons per year connects oil storage facilities at the Greek port of Thessaloniki with OKTA's aging oil refinery outside Skopje. The pipeline and refinery have not been in use for other than storage since 2013. The governments of North Macedonia and Greece are discussing re-opening the dormant oil pipeline. OKTA primarily operates as an oil trader in North Macedonia.

## **Leading Sub-Sectors**

Following privatization of the electricity distribution system, the government has liberalized part of the electricity generation market. The government is offering limited concessions for investment in small hydropower facilities.

Renewable energy generation project opportunities, such as investments in electricity generation from wind and solar, and in coal power generation systems are subject to quotas. There are also opportunities to promote more efficient use of electricity through home insulation and installation of more efficient heaters and electromechanical devices.

## **Opportunities**

North Macedonia welcomes investments in the energy sector. The government invites companies to design, build, and operate new large and small hydro power plants, and solar farms. Companies can also apply for tenders to construct sections of the national gas distribution network. ESM is interested in upgrading the existing "REK

“Oslomej” and “REK Bitola” coal power plants. In addition, the government is exploring the possibility of extending concessions for building small-scale hydro power plants along rivers across the country.

The government wants to increase installed solar energy capacity from the current 20 MW to 200 MW. However, it switched from offering a feed-in tariff to a premium tariff, while also offering free land and favorable connection fees to the electricity grid. In addition, the government intends to introduce a net metering system, allowing households to install solar panels on their residences and produce electricity for the grid.

In addition to adding 14 MW of capacity to the existing wind park, the government plans to increase the country’s wind power capacity to 100 MW by tendering projects to interested private investors.

The government is considering converting the mothballed heavy oil-fired “TEC Negotino” power plant to natural gas, as well as constructing new gas-fired power plants. To improve air quality, the government subsidized household purchases of cleaner wood pellet stoves for home heating. To provide energy efficiency, it provided subsidies for investments in home insulation and in energy efficient air conditioners.

The government has negotiated a loan with EBRD to finance the construction of a gas distribution network in the ten largest cities in the country. A few of those cities, including the city of Skopje, have established public enterprises in charge of gasification at the local level. The city of Strumica already has a basic gas network, importing compressed gas from Bulgaria by truck. The government is also looking at options to connect the domestic network to alternative supply sources such as the Trans Adriatic Pipeline (TAP) and the liquefied natural gas (LNG) terminal in Greece. In February 2020, the government issued a public tender for a public-private-partnership (PPP) to finance, design, construct, manage, maintain, and develop the country’s secondary natural gas distribution system.

## **Transportation**

### **Overview**

North Macedonia is situated in the center of the Balkan Peninsula at the intersection of several road and railway links. Two Pan-European Transportation Corridors, Corridor 8 (east-west) and Corridor 10 (north-south) pass through North Macedonia. Corridor 8 consists of the E-65 road from Varna, Bulgaria to Durres, Albania via Sofia, Bulgaria and Skopje, North Macedonia. Corridor 10 consists of the E-75 road from Athens, Greece via Skopje, North Macedonia, Belgrade, Serbia, and Zagreb, Croatia to Munich, Germany.

Improvements in the past few years focused primarily on the elimination of bottlenecks and the completion of the infrastructure on both corridors.

### **Leading Sub-Sector**

North Macedonia aims to position itself as a key crossroad in pan-European Corridor 8 (east-west) and Corridor 10 (north-south) inland transportation routes across Southeastern Europe. When it comes to shipping goods by land versus by sea, these surface transportation corridors cannot compete with alternative maritime routes on price alone. However, North Macedonia believes it can capitalize on its advantage in terms of distance, compared to much longer sea routes, to be able to establish competitive transit routes across its territory. To date, the maintenance budget has been inadequate to keep roads in good condition. There are segments of the road network that require additional capacity because of traffic growth. This expansion of motorway segments would provide additional business opportunities for U.S. companies.

### **Opportunities**

U.S. companies can participate in infrastructure development in the areas of construction equipment and materials, tollbooth equipment, electronic data processing equipment, traffic monitoring, project management services, and telecommunications equipment.

With its centrally positioned geographical location, North Macedonia could easily serve as a distribution center for U.S. vendors operating in the Balkan region and beyond.

Several foreign airline companies (Adria Airways, Aegean, Air Serbia, Austrian Airlines, Croatia Airlines, FlyDubai, Pegasus, Swiss Air, Turkish Airlines, Wizz Air and Qatar Airways) fly into North Macedonia's main airport near Skopje. Foreign carriers fly to Skopje from Vienna, Zurich, Geneva, Ljubljana, Zagreb, Belgrade, Dubai, Doha, and Istanbul, among others. U.S. companies have bid for contracts in the field of air transportation services, airport equipment and construction, and air navigation and control systems.

The worldwide Covid-19 pandemic has affected airport operations in North Macedonia. The concession operator for the country's two international airports, Turkish TAV has adopted operations to meet the aviation industry and international civil air regulator's instructions and standards. Flights for all air carriers have been reduced, causing significant changes to air travel itineraries and capacity.

## **Computer and Information Technology Equipment**

### **Overview**

With an annual growth rate between 2 and 10 percent over the last several years, the Information and Communication Technology (ICT) sector in North Macedonia is a promising area for U.S. companies. The ICT sector in North Macedonia benefits from a skilled and cost-effective workforce with excellent English language skills, solid telecommunications infrastructure, and low corporate tax. ICT representatives expect the sector will continue to grow.

The total ICT market value in North Macedonia was an estimated \$700 million in 2019. Hardware is the largest segment (50 percent) of the ICT market in North Macedonia, followed by ICT services and software with 25 percent share each of country's ICT market. Many large ICT companies, such as Microsoft, Cisco, Oracle, Dell, Compaq, Hewlett Packard, IBM, Sun Microsystems, Apple, and Lotus, are present in North Macedonia via branch offices, distributors, dealers, resellers, solution providers, and business partners.

### **Leading Sub-Sectors**

The best prospects continue to be in information and communication technologies such as smart phones, tablets, cloud technology, Wireless Application Protocol services, and 4G and 5G network equipment and solutions. There are also opportunities for alternative telephone service operators, as well as services such as call centers, home-work services, and distance learning services. Good opportunities continue to exist in the telecommunications sector for innovative peripheral products and services. The largest customers in telecommunications are the two mobile operators in North Macedonia: [Makedonski Telekom](#) (part of the Deutsche Telekom Group through controlling owner Magyar Telekom) and [A1](#) (a member of A1 Telekom Austria Group).

### **Opportunities**

Several software development companies are creating applications for Western markets. These include banking, air traffic control, digital animation, and website development.

With the liberalization of the telecom industry in 2005 (with the [Law on Electronic Communications](#)), many opportunities exist to sell products and services in this market. In November 2019 Makedonski Telekom launched

the first real-time test of a 5G network by installing it at Skopje's city square. The Agency for Electronic Communications is preparing for an eventual 5G frequency auction in North Macedonia.

## **Construction and Building Materials**

### **Overview**

The construction industry has accounted for between five and eight percent of annual GDP for over a decade. According to data compiled from building materials manufacturers, building construction continued to increase rapidly from 2006–2016, but slowed dramatically in 2017. While the industry began to show signs of improvement in 2018-2019, with the COVID-19 pandemic outbreak in early 2020, the flow of activities and payments in the country's construction industry again slowed. Turnover in the construction industry was \$714 million in 2019, compared to \$846 million in 2018 (capital investments together with funds from the Public Enterprise for State Roads), almost 30 percent of which was spent on imported products, equipment, and fixtures. According to data from the Association of Construction, Building Materials, and Non-Metal Industries in 2019, the construction sector encompassed 6.9 percent of the total number of active business entities and employed 7.02 percent of total employees in the country.

### **Leading Sub-Sectors**

Many major infrastructure projects are underway in North Macedonia to improve connections with trading partners and increase economic growth. The World Bank and EBRD continue to finance building new transportation infrastructure, and North Macedonia is also investing in local roads. For rail infrastructure, North Macedonia's priority is to complete a rail link to Bulgaria and build one with Albania. Residential building construction has also picked up in the last several years and, until COVID-19 struck, it was expected to continue to grow in the coming period. North Macedonia welcomes foreign construction companies that bring new technologies and know-how and work with local firms as subcontractors. Companies interested in investing in construction and infrastructure need to be aware that North Macedonia is seismically active, especially in the capital of Skopje, and therefore has strict earthquake standards.

### **Opportunities**

There are both export and investment opportunities available for U.S. companies in the construction and building materials sector. Buildings in North Macedonia are energy inefficient and take a relatively long time to build. New construction is required to meet strict seismic construction requirements, particularly in Skopje, the country's most active seismic zone. Wood and steel frame buildings are almost completely unused, though builders in North Macedonia are exploring American-style platform-frame wood construction and prefabricated housing. This situation offers many opportunities to promote high-tech American building materials based on advanced U.S. technology. U.S. building products that may have good market prospects include wood and vinyl windows, doors, flooring and kitchen cabinets, suspended ceilings, insulation, adhesives, cements, roofing shingles, heating and ventilation equipment, air conditioning, refrigeration, and cooling systems. The domestic market in North Macedonia offers primarily cement, cement products, and gypsum products.

## **Hotel and Restaurant Equipment/Tourism**

### **Overview**

The tourism sector offers export and investment opportunities and has significant potential for future development. The country's geographical location, mild climate, and historic and religious sites provide favorable conditions for the development of the tourism industry. North Macedonia offers a full range of accommodations in 280 licensed hotels. North Macedonia has many tourist attractions, including three natural lakes (Lake Ohrid, Lake Prespa, and Lake Dojran), and high mountains suitable for camping, hiking, and winter sports. The most popular tourist destination, which accounts for almost 80 percent of North Macedonia's tourist revenues, is Lake Ohrid. The town of Ohrid is a UNESCO historical and cultural heritage site. Tourists primarily come from Turkey, Greece, Serbia, Bulgaria, the Netherlands, Albania, and Germany.

U.S. franchise hotels Holiday Inn, Best Western, Marriott, and Hilton are present in Skopje. Marriott is planning to open a second property in Skopje, a Courtyard by Marriott. DoubleTree by Hilton opened in Skopje January 1, 2019.

The tourism sector was significantly impacted by the COVID-19 pandemic. The State Statistical Office reported in May 2020 the number of tourists in North Macedonia decreased by 18.3 percent year-on-year in the first quarter of 2020.

### **Leading Sub-Sectors**

Since there has been very limited investment in tourism, legacy hotels need repair and upgrading. There has been an increase in the construction of smaller hotels, more suitable to the market in North Macedonia, primarily in Skopje and in areas around Lake Ohrid. There are no golf courses in North Macedonia, nor do the three largest lakes, Ohrid, Prespa, and Dojran, have any significant watersport centers.

### **Opportunities**

In order to attract visitors, the Value Added Tax (VAT) on tourism has been reduced from 18 percent to 5 percent. Investors in priority projects receive special benefits, such as zero percent personal income tax and zero percent VAT for the first 10 years of operation. USAID has supported the development of adventure tourism opportunities in North Macedonia, such as hiking, biking, and paragliding.

### **Agriculture Sector**

Agribusiness is one of North Macedonia's most promising sectors. Agribusiness (including agriculture, forestry, and fisheries) accounted for 6.7 percent of GDP (2019 data), 10.4 percent of total trade and 14 percent of the total number of persons employed in the country (2019 data).

Exports of agricultural and food products in 2019 constituted 9.72 percent of North Macedonia's total exports. The top markets for agriculture and food products are the EU (49.7 percent of total exports, including Greece 14.8, Bulgaria 14.12, Germany 12.6, and Croatia 10.8 percent), and CEFTA countries (35.1 percent). The main export products from North Macedonia are tobacco, sweet biscuits (including waffles and wafers), wine, lamb, and processed and fresh vegetables and fruit. The main import products are meat (poultry, beef, and pork accounted for 20 percent of total agriculture imports), sunflower oil, chocolates and confectionary, cheese, processed foods, and grains.

North Macedonia-U.S. trade in agricultural products dropped slightly from \$39.5 million in 2018 to \$37.8 million in 2019, which continues the decrease from \$40.5 in 2017. The U.S. share of North Macedonia's agricultural imports increased by 0.1 percent of total imports, while the share of North Macedonia's agricultural exports to the United States decreased by 1 percent compared to 2018 and was 3.88 percent.

Food and beverage processing are significant industries in North Macedonia, as well as fresh fruit and vegetable processing. Processed foods include both semi-finished products (frozen, dried, and concentrates) and finished products (canned and preserved). Over 75 percent of processed foods are exported, mostly to the EU and neighboring

countries. Most food-processing facilities are private companies. Although there was a 12 percent decrease in wine exports in 2019 due to increased prices, the value of exported products did not drop significantly.

The six-year National Strategy for Agriculture and Rural Development 2014 - 2020 aims to strengthen the ability of North Macedonia's agricultural sector to compete in the EU and other regional markets and to promote sustainable and balanced rural development, while retaining the youth population through creating better living conditions. The strategy, which was a pre-requisite for receiving the EU Instrument for Pre-accession Assistance (IPA) II in agriculture, also aims to improve the marketing of agricultural products and implementation of minimum quality standards so they are aligned with EU laws on the quality of agricultural products and competitive on the EU market. Consequently, the total agriculture budget (including financial support to agricultural development and subsidies to farmers) has increased from \$49.3 million in 2007 to \$214.8 million in 2018 (exchange rate USD 1 = 54.6 MKD), and slightly decreased to \$198 in 2019 and again to \$175 million in 2020, accounting for approximately 3.4 percent of the national budget. The largest portion of the agriculture budget (\$135 million in 2020) continues to be support and direct payments for agriculture production and rural development. The government is working to prepare a new Strategy and Action plan that will reflect changes in the sector influenced by the increased direct support given to farmers in the past five years. Top government priorities for agriculture development in the next period are consolidation of agricultural land, irrigation, and an increase in farmer cooperatives. The government has promoted agriculture as one of the most important sectors for economic development in North Macedonia and adopted and amended several agriculture-related laws to comply with EU requirements. As a result of financial support to the agricultural sector, the total number of registered farm holdings in the State Farm Register in 2019 was 173,900 (160,000 in 2017). The biggest problem for farming in North Macedonia remains that parcels are very small and fragmented, with over 55 percent of them consisting of 2 (or fewer) to 5 hectares, and only 0.14 percent with 50 hectares or more.

As of January 1, 2009, in accordance with the Law on Veterinary Public Health and the Rule Book on sanitary and hygiene conditions for food production, every establishment that is involved in production and/or trade of food products has to implement HACCP standards in order to be able to operate.

	2016	2017	2018	2019
Total Local Production	1.532 bl\$	n/a	n/a	
Total Exports	583.86 ml\$	630.56 ml\$	613.43 ml\$	696 ml\$
Total Imports	790 ml\$	905.26 ml\$	890 ml\$	933 ml\$
Imports from the US	507 ml\$	8.6 ml\$	9.4 ml\$	10.8 ml\$
<b><u>Total Market Size</u></b>	n/a	n/a	n/a	
Exchange Rates	55.7	50	54.6	55

$$(total\ market\ size = (total\ local\ production + imports) - exports)$$

## Leading Sub-Sectors

*Wine production:* North Macedonia has nearly 30,000 hectares of vineyards, of which 30 percent grow table grapes and the rest grow wine grapes. Total wine production is between 1 and 1.1 million hectoliters of wine annually for 76 wineries, and approximately 1 million hectoliters of beer, mostly for domestic consumption. With more than 60 percent sold on the foreign market, wine is a strategic export for the country. Approximately 65 percent of wine exports are in bulk and 35 percent are bottled. In 2017 wine production dropped slightly compared to previous years, as a result of wineries' shift to focus on producing high-quality bottled wines. Changes in the Law on Wine in 2019 relaxed registration requirements in the Register of Wine Producers of small/family wineries, and it is expected the number of such wineries will increase. Over 60 percent of domestic wine was exported in 2019, mainly to the EU, former Yugoslavia countries, China, Canada, Japan, and the United States. Export opportunities exist for U.S. companies for equipment that will increase the volume of wine bottled in North Macedonia, and technology and supplies to stimulate grape production.

*Tobacco production:* Tobacco was the top industrial crop again in 2018, planted on 16,582 hectares or almost 83 percent of the total area for industrial crops. The production of tobacco (25.547 tons) increased by 11.8 percent compared to 2017, and the purchase price increased due to improved quality of the final product and financial support given by the government. Nearly all raw tobacco production is contracted by multinational companies through registered branches in the country and exported as fermented tobacco. The largest export market is the EU, followed by the United States and neighboring countries.

*Organic production:* Organic farming is an area for development. Over the past three years the amount of arable land certified for organic production and the number of companies involved grew, as a result of an increase in government support for the sector. In 2019, there were 847 registered small scale organic agricultural production entities in the country and the area under organic production, 5,206 hectares, is double 2017 figures. Organic farms produce primarily meat and dairy (lamb, sheep, and goat dairy products), honey, cereals, industrial oil crops, wine, fruits, and vegetables.

*Fresh fruit and vegetable production:* Fresh fruit and vegetable production comprises 45.8 percent of agriculture output in the country and is export oriented. Almost 80 percent of production is exported as fresh, preserved, or processed. Crop production is concentrated in the southern and eastern parts of the country, due to the favorable climate. Over 75 percent of vegetable production is in open fields, 20 percent in plastic tunnels, and the rest in glass greenhouses. Top vegetable crops are potatoes, beans, peppers, and tomatoes, while top fruit crops are apples, plums, peaches, and pears.

*Preserved fruits and vegetables:* The food processing industry in North Macedonia consists of 50 companies with a processing capacity of approximately 180,000 tons of fruits and vegetables per year. The most significant raw materials are red peppers, industrial tomatoes, sour cherries, apples, and plums. The industry is export oriented, with over 80 percent of production going to the EU and neighboring markets as fresh produce for further processing. The low amount of food processing in North Macedonia is due to issues with quality and consistency of the supply of raw materials, as well as a lack of supplier sophistication, lack of skilled workers, and difficulty accessing financing.

## Opportunities

U.S. food exporters should focus on establishing their business relationships with reliable and efficient importers and distributors, with access to appropriate distribution and sales channels.

The Government of North Macedonia considers agriculture a target area for future investment, growth, and development, including increased foreign direct investment. Although the government provided significant financial support to farmers over the past ten years, the lack of modern equipment and investment in processing facilities remains a key weakness of the agriculture sector.

Domestic production of agricultural machinery is minimal, and the market relies on imports. There are substantial agribusiness opportunities for U.S. companies which provide equipment that will add value to the food processing sector, such as bottling, packaging, and refining equipment. Experts have also identified problems in waste treatment and disposal, hygiene, and meeting environmental standards.

*Meat:* North Macedonia is net importer of meat, as it has insufficient meat production, and the number of farm animals continues to decrease. North Macedonia meets over 50 percent of its meat consumption through imports. The poultry industry is focused on egg production. There is a surplus of eggs, but poultry meat production is insufficient to satisfy the local fresh meat market. The domestic pork industry satisfies almost 90 percent of the market for fresh meat, while all meat processing industry needs come from imports. There is a significant lack of beef, as most of the cattle in country are dairy cows. Lamb meat is the only net exported livestock product. Around 85 percent of North Macedonia's lamb production is exported to EU countries, mainly to Greece and Italy around Christmas and Easter.

*Grain market:* North Macedonia imports most of its grain. There is insufficient domestic production of corn to meet domestic consumption. The country imports one-third of its wheat annually. There is no production of soya beans; most soybean meal is purchased from Serbia and Hungary by large farms and concentrate producers, and U.S.-origin soybean meal comes through Greece and Bulgaria. Higher protein meal is in demand, but the market is highly price sensitive. In 2013 North Macedonia changed its legislation to prevent use of genetically engineered commodities in animal feed.

## Customs, Regulations and Standards

### Trade Barriers

Several products are subject to quality control by market inspection officials at customs offices. These officials are employed by the Ministry of Economy to ensure that imported goods are in compliance with domestic standards. Products subject to quality control include most agriculture products, cars, electrical appliances, and products in which poor quality may pose a health risk to consumers. When applicable, products also must pass sanitary, phytopathology, or veterinary control. (Additional information on sanitary requirements can be obtained from the Ministry of Health, and phytopathology and veterinary requirements can be obtained from the Ministry of Agriculture, Forestry, and Water Resource Management.)

Import regulations are numerous and are not always available in English. In order to learn about customs duties, taxes, and quality requirements for a specific product, U.S. exporters should consult the Customs Administration [web page](#) or contact freight forwarders or business consultants in North Macedonia.

*For more information and help with trade barriers please contact:*

International Trade Administration

[Enforcement and Compliance](#)

(202) 482-0063

<https://legacy.trade.gov/contact.asp>

## **Import Tariffs**

North Macedonia joined the World Trade Organization (WTO) in 2003. As a WTO member, North Macedonia has committed itself to the three basic rules of trade conduct: transparency in laws, equal rights, and privileges for foreign and domestic firms and citizens, and most-favored nation treatment. As an EU aspirant, North Macedonia continues to harmonize its customs' laws with EU laws and regulations.

Customs duties generally apply to most products imported into North Macedonia. Preferential tariffs apply to countries with which North Macedonia has signed a bilateral Free Trade Agreement, as well as to countries participating in multilateral trade agreements, such as the EU Stabilization and Association Agreement (SAA), European Free Trade Agreement (EFTA), and Central European Free Trade Agreement (CEFTA). Customs tariffs in 2019 ranged from 0–35 percent. Customs tariffs are revised and amended on an annual basis, in conformity with the amendments to the Combined Nomenclature of the European Union. Amendments refer to the system of designations of the goods, system of numeric marking, unit prices, as well as notes concerning particular sections and chapters. Customs duties are determined by the Customs Tariff Law (Official Gazette of the Republic of Macedonia No. 23/2003, 69/2004, 10/2008, 35/2010, 11/2012, 93/2013, 44/2015 and 81/2015). Details on customs tariffs are available [here](#).

There are no tariffs applied on most raw materials. Excise duties apply to alcohol, cigarettes, mineral oils, tobacco, petroleum coke, and passenger vehicles. Excise duties are determined by the type and quantity of the product and are levied in addition to the customs tariff. The customs tariff on new and used automobiles is five percent. However, there is no tariff on automobiles produced in EU countries. Likewise, there are no duties for industrial products originating from EU, EFTA, CEFTA countries, Turkey and Ukraine. There are variable levies for agricultural and food products. Other products, like tobacco, wine, and various fruits, are subject to import tariff quotas. Import quotas are provided on a first-come, first-served basis, and are distributed at the single window portal, [EXIM](#).

A Value Added Tax (VAT) of 18 percent is applied to most products and services. Food; potable bottled water; some printed materials such as newspapers, magazines, and educational books; raw materials and machinery for agriculture production; medicines; medical and orthopedic equipment; public transportation; computer hardware and software solar energy systems; and refined and unrefined oils for industrial use and for foodstuffs for human consumption are taxed at the preferential rate of 5 percent. For imports into North Macedonia, VAT is assessed on the customs value of the goods plus the customs duty and excises.

## **Import Requirements and Documentation**

An importer/exporter in North Macedonia is responsible for providing the required import/export documentation, which consists of common trade, transport and customs documentation, as well as certificates of origin and certificates of quality control and licenses. Service providers are not subject to customs regulations, but foreign trade transactions are subject to a documentation fee of one percent.

As of July 1, 2015, [North Macedonia's Customs Administration](#) has been a part of the EU-EFTA customs system.

## **Labeling and Marking Requirements**

Labels must contain the following information: quality, ingredients, quantity, manner of storage, transport, use, maintenance, country of origin, and a "best before" date. The above information must be written in the Macedonian and Albanian languages.

## **U.S. Export Controls**

The United States imposes export controls to protect national security interests and promote foreign policy objectives. The U.S. Department of Commerce's Bureau of Industry and Security's (BIS) Office of Export Enforcement (EE) is responsible for enforcing the Export Administration Regulations (EAR). BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure. In accordance with the EAR, BIS officials conduct site visits, also known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR, to verify compliance.

An EUC is an on-site verification of a party to a transaction to determine whether it is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of recipient(s) of items subject to the EAR, to include: confirming their legitimacy and reliability relating to the end use and end user; monitoring their compliance with license conditions; and ensuring such items are used and/or re-exported or transferred (in-country) in accordance with the EAR.

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from carrying out an EUC, the company may receive, for example, more regulatory scrutiny during license reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "[red flags](#)", or warning signs, intended to discover possible violations of the EAR.

BIS offers "[Know Your Customer](#)" guidance.

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars and focus on the basics of exporting as well as more advanced topics. Check the [list of upcoming seminars and webinars](#).

BIS also provides [online training](#).

The EAR does not regulate transactions involving all U.S. goods, services, and technologies. Other U.S. Government agencies regulate more specialized exports. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations).

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports, or transfers of items. The CSL's

## **Temporary Entry**

Products may be imported into North Macedonia on a temporary basis. Information about the rules on temporary imports can be found at [North Macedonia Customs Administration](#).

Products allowed temporary import status include raw materials processed in North Macedonia for re-export, infrastructure equipment produced by foreign contractors, and office equipment for foreign firms.

North Macedonia is a party to the Customs Convention on Carnet (ATA) for Temporary Import of Goods. Presentation of an ATA carnet, or TIR carnet, facilitates the process. An entry carnet may be obtained from a local chamber of commerce in the United States. Carnets are usually valid for 1 year and list the products to be imported on a duty-free basis. The carnet must be presented upon entry into North Macedonia. Customs will stamp the carnet, thereby validating it. Upon departure, the carnet must again be presented for validation, confirming that the product is being transported out of North Macedonia. Failure to re-export the goods results in application of the corresponding duties. For more information on ATA Carnets, contact the [U.S. Council for International Business](#) at 1-800-538-8937 or e-mail at [atacarnet@uscib.org](mailto:atacarnet@uscib.org).

### **Prohibited and Restricted Imports**

Chemicals, weapons, ammunition, pesticides, agricultural products, and some other categories of products may require import licenses from the responsible ministry. See the Customs Administration website for details.

### **Customs Regulations**

#### [Customs Administration of the Republic of North Macedonia](#)

Lazar Licenski 13

1000 Skopje

Republic of North Macedonia

Phone: +389 2 322 4342

Fax: +389 2 323 7832

E-mail: [info@customs.gov.mk](mailto:info@customs.gov.mk)

### **Standards for Trade**

#### **Overview**

The process of developing, certifying, and enforcing standards is undergoing reform in North Macedonia, and the government's standards bodies have adopted the Code of Good Practice for the preparation, adoption, and application of standards.

#### **Standards**

In accordance with WTO/TBT Agreement (Agreement to Technical Barriers to Trade), standards are regulated and developed by the following institutions:

##### *Regulatory functions:*

Ministry of Economy, acting as a coordinator;

Other Ministries for specific topic areas.

##### *Controlling functions:*

Customs Administration;

State Market Inspectorate (Consumer Product Safety Authority).

### **Testing, inspection and certification**

[Standardization Institute of the Republic of North Macedonia](#)

[Bureau of Metrology](#)

[Institute for Accreditation of the Republic of North Macedonia](#)

Laboratories, certification and controlling offices.

#### **Publication of technical regulations**

Each of the standardization and accreditation organizations issues bulletins on its procedures. Also, sector-regulating laws are published in the [Official Gazette](#) as adopted or amended.

#### **Contact information**

U.S. Embassy – Skopje

Mr. Arben Gega, Commercial Specialist

Samoilova 21

1000 Skopje, North Macedonia

Tel: 389-2-310-2403

E-mail: [gegaa@state.gov](mailto:gegaa@state.gov)

“Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. [Notify U.S.](#) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.”

#### **Trade Agreements**

North Macedonia became a member of the [Central European Trade Agreement \(CEFTA\)](#) in 2000. In December 2006 CEFTA expanded to include Albania, Bosnia and Herzegovina, Croatia (Note: in 2013 Croatia joined the EU and left CEFTA), Kosovo, North Macedonia, Moldova, Montenegro, and Serbia. North Macedonia has additional Free Trade Agreements (FTAs) with Turkey and Ukraine. In February 2001 North Macedonia signed a Stabilization and Association Agreement (SAA) with the European Union (EU), and in December 2005 the European Union granted candidate status to the country. A critical component of the SAA is a preferential trade agreement that allows products from North Macedonia to enter the European Union duty free. The agreement also provides for a gradual reduction of duty rates for European Union products entering North Macedonia. The EU gave its formal approval to begin accession talks with North Macedonia in March 2020.

## **Licensing Requirements for Professional Services**

Many occupations require a professional license (e.g., architects, engineers, doctors, dentists, pharmacists, lawyers, and auditors). To apply for North Macedonia's recognition of U.S. degrees and professional credentials, submit a copy of your U.S. diploma and license along with a translated copy prepared and notarized by an authorized court translator to the relevant North Macedonia government institution, such as the Ministry of Education and Science, which should then prepare and issue a notification (recognition of a degree or credential obtained abroad).

## **Selling US Products and Services**

### **Distribution & Sales Channels**

U.S. companies seeking to distribute and sell their goods will find a considerable number of merchants, agents, middlemen, wholesalers, and retailers available in North Macedonia. Most of the typical distribution channels are available, although they often lack the sophistication found in EU markets.

Since North Macedonia is a land-locked country, sea freight arrives primarily from the port of Thessaloniki in Greece, and less frequently from the ports in Piraeus (Greece) and Durres (Albania). Air freight arrives at one of North Macedonia's two airports in Skopje and Ohrid. Information about cargo operations at Skopje's airport can be found [here](#). Goods also arrive overland by truck and by rail.

Most consumer goods are imported by distributors who resell to retailers. A few retailers import goods directly for sale in their own outlets.

North Macedonia's retail sector is dominated by small shops. There are a few shopping malls in North Macedonia, including Skopje City Mall, which opened in 2012.

Two large foreign supermarket chains are present in the market: Vero (part of the Greek Veropoulos Group) and Turkish Ramstore. Local grocery retailers include Tinex, Kam Market and Kipper Market.

### **Using an Agent or Distributor**

Use of an agent or distributor is not legally required. When doing business in North Macedonia with agents and distributors, U.S. companies are strongly encouraged to identify reliable, vetted, and proven individuals. Typically, one agent or distributor can cover the entire country effectively. Because of the relatively small size of North Macedonia, potential partners may want to cover other countries in the region.

U.S. companies can consult business associations such as the American Chamber of Commerce (AmCham) in North Macedonia for advice on identifying a trustworthy agent or distributor.

### **Establishing an Office**

U.S. companies wishing to establish a presence in North Macedonia have several options. The Trading Company Law authorizes local and foreign individuals or companies to establish the following types of business entities: general partnership (JTD), limited partnership (KD), limited liability company (DOO or DOOEL), joint-stock company (AD), limited partnership by shares (KDA), and sole proprietorship (TP). In addition, foreign-domiciled companies and foreign sole proprietors can open branch offices.

The [Central Registry](#) registers new local companies and branch offices of foreign companies. It has a single window (one-stop-shop) system, simplifying the process of establishing business entities.

A foreign company may also establish a representative office to conduct market research and gather information by registering with the Central Registry. A representative office is not a legal entity in North Macedonia and may not carry out commercial activities.

It is highly advisable to work with a reputable local business consultant, attorney, and accountant.

## **Franchising**

Franchising is legally permitted but continues to be a relatively unexploited concept in North Macedonia. Several international franchises are present, especially in the retail, hotel, and food and beverage sectors. Given North Macedonia's small size, investors may wish to buy franchise licenses for several markets in the region and not just for North Macedonia.

## **Direct Marketing**

Direct marketing is not well developed in North Macedonia. Facebook advertising is the most successful channel; techniques such as direct mail, telemarketing, and television sales are less popular. Home demonstrations and door-to-door sales are not used; however, Avon has reported success with direct sales.

Direct marketing and sales from the United States to North Macedonia is still quite difficult due to North Macedonia's low purchasing power, the high cost of shipping, and lack of security for packages. Citizens in North Macedonia still prefer to pay with cash; debit and credit card usage is growing yet lags behind other European countries. North Macedonia is behind in access to electronic payment systems and innovative payment solutions.

North Macedonia's Law on Personal Data Protection requires that customers be given the opportunity to object to processing their personal details and to opt-out of having their personal data used for direct marketing purposes.

## **Joint Ventures/Licensing**

North Macedonia permits, but does not require joint ventures. Joint ventures, including between foreign and local investors, are increasingly common. Joint ventures are subject to the provisions of Law on Protection of Competition, which regulates the concentration of economic activity.

Licensing is not widely used in North Macedonia outside of the pharmaceutical industry.

## **Express Delivery**

Major express delivery service providers, such as FedEx, UPS, DHL, and EMS (operated by Macedonian Post) serve North Macedonia. Express shipping from large U.S. cities generally takes from three or four business days (FedEx, UPS, and DHL) to a week (EMS).

International postal traffic is subject to customs supervision in accordance with local customs and postal laws and international postal regulations. Customs procedures are sometimes unduly burdensome. Goods that pass-through customs are released only after required duties are paid. Currently, the *de minimis* threshold for goods that pass through customs is about 1,350 denars (per National Bank of the Republic of North Macedonia [NBRNM – the Central Bank] July 2020 average exchange rate: US\$25.00).

## **Due Diligence**

Few companies in North Macedonia have Dunn & Bradstreet or other internationally recognized business ratings. There are some credit rating agencies in the country. The best source of in-depth analysis of a business partner in North Macedonia is through one of the professional associations listed under Principal Business Associations. This should not be considered an exhaustive list. U.S. companies selling to companies in North Macedonia for the first time should consider using instruments such as irrevocable letters of credit until a solid relationship of mutual trust is established. Contract enforcement and court judgments remain slow. Collecting delinquent payments from customers in North Macedonia is difficult and expensive due to complex collection processes and the overloaded court system.

## **eCommerce**

The [eCommerce Innovation Lab \(EIL\)](#) is a national office within the Department of Commerce that positions the U.S. Commercial Service as a pacesetting resource for U.S. businesses through empowering client-facing staff with a baseline understanding of digital trade, enabling quicker response to client needs by providing value added digital client counseling. This helps ITA to adapt alongside industry to remain ahead of the curve on client service, trade promotion, and trade policy development through more knowledgeable and effective collaboration.

Our office has created a client-based digital strategy counseling process that focuses on these key concepts:

- [\*\*eCommerce is a sales channel\*\*](#) that crosses all industries that sell or promote brand awareness online. eCommerce as a sales channel is part of a businesses' B2B and/or B2C digital strategy;
- [\*\*A digital strategy\*\*](#) addresses the basic needs of a business required to succeed in cross-border ecommerce sales channels. Our counseling process focuses on identifying these needs;
- [\*\*eCommerce Key Performance Indicators\*\*](#) allows businesses to understand where their digital efforts are paying off;
- [\*\*eCommerce Business Service Provider Directory \(BSP\)\*\*](#) provides the much-needed follow-up to our digital strategy recommendations that will help the client to succeed in overseas markets.

eCommerce is growing in North Macedonia, but is still relatively limited, both in terms of local merchants selling and consumers shopping online. A 2019 UNCTAD report measuring the B2C e-commerce index of countries ranked North Macedonia 51 out of 152 countries.

By the end of December 2019 internet penetration was 79.3 percent, compared to 46 percent in 2010.

The number and value of completed online orders and purchases in recent years, shows that eCommerce in North Macedonia is on the rise. According to the State Statistical Office, in 2019, 96.4 percent of business entities used a computer in their work and 85.8 percent of business entities with ten or more employees had broadband internet access via fixed connection. Moreover, 55.6 percent of business entities had a website or homepage. Regarding eCommerce, 3.6 percent of business entities with e-sales received orders through personal computers, and 3.4 percent of business entities received orders for goods or services through web sales.

Due to the COVID-19 outbreak, North Macedonia has seen online sales growth increasing in recent month, though almost exclusively for grocery shopping.

### **Assessment of Current Buyer Behavior in Market**

About 80 percent of online purchases in 2019 in North Macedonia were made via AliExpress retail service and other foreign websites, mostly in the UK, Luxemburg, Hungary, the United States, and Ireland. Users mostly ordered consumer goods such as clothes and sports equipment. For specific needs, eBay is used, although on a much smaller scale. Major consumer buying holidays in North Macedonia are Orthodox Christmas, Orthodox Easter, and Ramadan. Because of the start of the traditional summer holiday period, the end of June and beginning of July are also popular among shoppers.

Shopping through mobile devices still lags, in part due to delays in implementing technologies to facilitate mobile eCommerce.

Consumers are extremely price sensitive, and price is usually the decisive factor in purchase decisions. The most popular domestic eCommerce site is Grouper.mk, an eCommerce marketplace connecting consumers with merchants.

### **Local eCommerce Sales Rules & Regulations**

Many local consumers have low levels of digital literacy and purchase cheap fakes online believing they are genuine. North Macedonia's Customs Administration is aware of the potential for intellectual property right (IPR) infringement in eCommerce. The Customs Administration inspects packages arriving from foreign online retailers and holds IPR infringing goods. Since 2015 local law has prohibited the online sale of medications that are available only by prescription in North Macedonia to protect consumers from fake drugs sold over the internet.

B2B eCommerce is under-developed in North Macedonia. B2B eCommerce is most common in the Information Communications and Technology (ICT) sector.

### **Local eCommerce Business Service Provider Ecosystem**

Are you tracking digital/e-commerce service providers in your market that enable online sales, which a U.S. business may need to access? (e.g. Digital Marketing firms, last mile logistic firms, payment gateways, etc.) See [eCommerce BSP](#) that is currently aggregating the U.S. based ecosystem of service providers.

There are not any in-country events focused on ecommerce.

### **Selling Factors & Techniques**

Sales materials, labels, usage instructions, and declarations (e.g., information about what the product is made of, who produced it, who imported it, expiry date) must be in the Macedonian and Albanian languages.

Selling techniques vary according to the industry and product. Companies should research North Macedonia's market before implementing promotional activities, as strategies used in the United States may not be equally effective in North Macedonia.

Price is usually the decisive selling factor since disposable income in North Macedonia remains low compared to Western European countries. Brand image is also increasingly important, leading some consumers to purchase cheap knockoff merchandise and counterfeits online and at local shops, often believing they are buying genuine items.

Financing and payment terms play a key role in sales. Many buyers prefer to pay for purchases in monthly installments. Quality and support services attract more sophisticated customers with higher incomes.

Strong local contacts are important for success. Companies should be prepared to spend time cultivating relationships with buyers and finding motivated and skilled local sales representatives.

All forms of advertising are used in North Macedonia: online, television, radio, newspapers, magazines, outdoor billboards and signs, direct marketing, trade shows, event sponsorship, and social media brand ambassadors.

### **Trade Promotion and Advertising**

#### **Broadcast Media**

Television has the broadest media reach but is often too expensive for local companies. Foreign companies might need to cover the cost of television commercials for their representatives in North Macedonia.

In addition to state-owned broadcaster National Radio Television (MRT), which is funded from the national budget and advertisements, there are a number of private television stations with national coverage, national television stations broadcasting via satellite, private regional, and private local television stations. Cable TV is increasingly popular with a growing number of regional stations. The most-watched national television stations are Alsat M, Kanal 5, MRT Albanian Language TV, MRT Macedonian language TV, Sitel, Telma, and TV 21. There are also number of radio stations broadcasting throughout North Macedonia.

#### **Print Media**

There are Macedonian language daily newspapers (Nova Makedonija, Sloboden Pecat, Vecer) and an Albanian-language newspapers (Koha, Lajm) in North Macedonia. Several specialty magazines are also published in the Albanian and Macedonian (e.g., Fokus, Kapital, Republika, Shenja, Ekonomija i Biznis).

### **Internet**

All major broadcast and print media offer up-to-date web editions, and the number of online media outlets in the country continues to grow. Social media networks, especially Facebook, are exceptionally popular in North Macedonia.

Business directories include [Yellow Pages](#) and [Zlatna Kniga](#).

### **Outdoor Advertising**

Most outdoor advertising is limited to billboards, buses, and large signs. There are some electronic displays in larger cities.

### **Direct Mail**

As postal service improves, direct mail advertising is slowly increasing.

### **Retail/Point-of-Sale Advertising**

Point of sale promotions are not common but are growing in popularity. Retail stores often treat retail and/or point-of-sale advertising as a secondary activity. Likewise, merchandise is stocked on shelves with little consideration for appearance. Unless there is assistance from a producer or distributor, retailers will rarely try to enhance point-of-sale advertising. Coca-Cola, for example, has pursued a visible point-of-sale (shops, bars, restaurants, hotels, gas stations) marketing campaign that involves posters and coolers with company logos.

### **Sponsorships and Special Promotions**

Special events offer an excellent avenue to launch new products. Because event promotion is relatively new to North Macedonia, it offers an opportunity for a company's products or services to stand out.

### **Advertising Agencies**

Advertising and marketing agencies have developed over the years and offer a full range of services.

To attract foreign investment and tourists, '[Invest North Macedonia](#)', an Agency for Foreign Investments and Export Promotion, and the Agency for Promotion and Support of Tourism's, '[Macedonia Timeless](#)' advertising campaigns were promoted in the United States and Europe for approximately eight years on CNN (Cable News Network).

### **Pricing**

According to official May 2020 data, average monthly income in North Macedonia is 26,390 denars (per NBRNM July 2020 middle exchange rate: \$ 495). Consumers are extremely price sensitive. Imported products tend to be priced substantially higher than locally produced goods. Favorable financing may be a critical selling factor for big-ticket items. An 18 percent value added tax (VAT) is charged on most goods and services.

### **Sales Service/Customer Support**

Although sales service and customer support are relatively undeveloped, more local businesses are attempting to provide quality service to their customers. Firms selling capital equipment and technology may wish to emphasize product quality and after sales service. Foreign companies will need to train their local distributors and agents to communicate their firms' distinctive customer service policies and standards.

### **Local Professional Services**

[U.S. Embassy Skopje List of Attorneys](#)

[Macedonian Lawyers Association](#)

E-mail: [mla@mla.org.mk](mailto:mla@mla.org.mk)

### **Accounting and Business Consulting Services**

[Analysis and Advisory Group](#)

E-mail: [aag@aag.com.mk](mailto:aag@aag.com.mk)

[Deloitte](#)

E-mail: [linanus@deloittece.com](mailto:linanus@deloittece.com)

[Ernst & Young](#)

E-mail: [vladimir.sokolovski@mk.ey.com](mailto:vladimir.sokolovski@mk.ey.com)

[Grant Thornton](#)

E-mail: [ruzica.filipceva@mk.gt.com](mailto:ruzica.filipceva@mk.gt.com)

[KPMG](#)

E-mail: [mk-office@kpmg.com](mailto:mk-office@kpmg.com)

[ND-Balkan](#)

E-mail: [abdylmenaf.bexheti@nd-balkan.com](mailto:abdylmenaf.bexheti@nd-balkan.com)

[PricewaterhouseCoopers \(PwC\)](#)

E-mail: [office@mk.pwc.com](mailto:office@mk.pwc.com)

### **Advertising**

[McCann Skopje](#)

E-mail: [mccann@mccann.mk](mailto:mccann@mccann.mk)

[Media Solutions](#)

E-mail: [marketing@mediasolutions.mk](mailto:marketing@mediasolutions.mk)

[New Moment](#)

E-mail: [info@newmoment.mk](mailto:info@newmoment.mk)

[Publicis Groupe](#)

E-mail: [office@publicis.com.mk](mailto:office@publicis.com.mk)

### **Principal Business Associations**

- American Chamber of Commerce in Macedonia
- Business Confederation of Macedonia

- Economic Chamber of Macedonia
- Economic Chamber of North-West Macedonia
- European Business Association
- Foreign Investors Council
- Macedonian Chambers of Commerce
- MASIT - ICT Chamber of Commerce

All of these business associations accept U.S. companies as members.

### **Limitations on Selling U.S. Products and Services**

Foreign investors can invest directly in all sectors. Investors in some sectors (such as the production of weaponry and medicinal narcotics, banking, financial services, insurance, and gaming) must meet certain licensing requirements that apply equally to both domestic and foreign investors.

## **Trade Financing**

### **Methods of Payment**

Standard international methods of payment are used in North Macedonia. For shipments of goods, advance payment is the most commonly used method; credit terms are usually used in long-established relations with known customers. Credit is allocated on market terms and usually ranges from 30 to 90 days. Letters of credit and bills of exchange are used in shipment payments. As with any international transaction, the method of payment is determined by the degree of trust in the buyer's ability and willingness to pay. Full payment in advance is highly recommended for the first few transactions and deliveries while the importer is still unknown.

The debt collection process is time-consuming, expensive, and complex. There are a number of collection agencies. A creditor may choose to sue the debtor in court; if the court rules in favor of the creditor, the creditor may engage a licensed enforcement agent to collect its due receivables.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at [www.Export.gov/TradeFinanceGuide](http://www.Export.gov/TradeFinanceGuide).

### **Banking Systems**

The financial system in North Macedonia consists of the National Bank of the Republic of North Macedonia (NBRNM), commercial banks, financial companies, savings houses, exchange offices, the Deposit Insurance Fund, insurance companies, pension funds, investment funds, brokerage firms, and a stock exchange. The banking system itself is two-tiered, based on the Banking Law and the National Bank Law. NBRNM is the independent money-issuing institution responsible for price stability, stability of the national currency (denar), stability of the financial system, liquidity of payments within the country and abroad, and the conduct of monetary policy and foreign exchange policy. The Supervision Department at NBRNM serves as the main regulatory body responsible for the supervision of all banking institutions and savings houses.

The main goal of NBRNM's monetary policy is to maintain price stability. This objective is achieved by an exchange rate targeting strategy, whereby the denar is pegged against the euro as a nominal anchor for the economy. Twice a year, NBRNM prepares monetary and foreign exchange projections and reports, which are publicly available.

The banking system in North Macedonia consists of 14 private banks, one state-owned bank (Development Bank of North Macedonia), and two savings houses. According to the Banking Law, banks observe the principles of profit maximization, liquidity, safety, and profitability. A foreign bank can have a presence either as a legal entity or by opening a branch or a representative office. In 2019, foreign capital was present in 14 and was dominant in 11 banks, controlling 71.8 percent of total banking sector assets, 80.3 percent of total loans, and 70.2 percent of total deposits.

The operations of non-bank financial institutions are regulated by the provisions of the previous Banking Law and appropriate sub-laws.

The three largest banks, Komercijalna Banka, NBG Stopanska Banka Skopje, and NLB Bank, hold 56.6 percent of total assets, 48.6 percent of total loans, and collect 51 percent of total deposits. The ten smallest banks, which have individual market share of less than six percent, account for 25.3 percent of total banking sector assets. The savings houses' shares in total assets of deposit-taking institutions in 2019 was 0.4 percent, in total loans 0.5 percent, and in total household deposits 0.4 percent.

In 2019, total deposits increased by 9.2 percent, 0.2 percent points less than the growth in 2018. Household deposits grew by 7.6 percent, while enterprise deposits increased by 13.8 percent. Total loans to enterprises and households grew by 6.1 percent on an annual basis, mostly due to a 10.6 percent increase in loans to households, while loans to enterprises increased by 2.4 percent. Banks' liquid assets in 2019 were 32 percent of total assets, 1.8 percentage points higher compared to the previous year. The structure of liquid assets remained the same, as banks tend to keep most of their liquidity safe by purchasing treasury bills and bonds, Central Bank bills, or keeping accounts abroad. The capital adequacy ratio of the banking sector went from 16.5 percent at the end of 2018 to 16.3 percent at the end of 2019, with all banks maintaining a ratio above the required minimum. The overall non-performing loan (NPL) ratio was 4.8 percent, dropping 0.4 percentage points from the previous year. The NPL ratio of the household and corporate sectors further dropped to 2 percent and 7.6 percent respectively.

In 2019 NBRNM conducted different stress-tests on banking sector sensitivity to increase credit risk, liquidity shocks, and insolvency shocks, all of which showed that the banking sector is healthy and resilient to such shocks, with its capital adequacy ratio remaining above the legally required minimum of eight percent. Banking supervision is in full compliance with BASEL 2 recommendations, and it is currently implementing provisions of BASEL 3 standards.

In 2019, total assets of North Macedonia's banking sector reached \$9.8 billion, a 9.2 percentage point increase over 2018. The banking sector's overall profitability reached \$119.4 million, which was 20 percent lower compared to 2018. Profitability indicators in 2019 worsened over the previous year. ROE (return on equity) reached 11.7 percent, 4.3 percentage points less than in 2018, while ROA (return on assets) was 1.3 percent dropping by 0.4 percentage points. At the end of 2019, the banking sector employed 5,932 people, which is almost unchanged (a drop of one employee) compared to 2018.

Although considerably improved over the past several years, North Macedonia's financial system is still relatively underdeveloped compared to Western standards. Banking is very conservative, offering traditional banking services only. Credit is available to private companies, but is still subject to significant collateral in the form of real estate, which often is appraised by the banks at lower than market value, and presents an impediment for start-ups, micro-, small-, and medium-sized companies in their access to financing. Overall customer service does not meet Western standards. However, the use of credit cards is widespread and most companies and shops accept credit cards as a payment instrument.

The reference rate (interest rate on 28-day Central Bank bills) was further cut in 2019 and in the first half of 2020 stands at a historic low of 1.5 percent. The weighted average lending rate of the banking system in 2019 dropped to 5.2 percent, while the weighted average deposit rate remained at 1.4 percent.

For more detailed information about various aspects of the banking system and its performance, NBRNM publishes annual and quarterly reports on banking supervision as well as other data and information on its [website](#).

### **Foreign Exchange Controls**

North Macedonia does not restrict reinvestment or repatriation of profits and investment capital. Foreign investors are entitled to transfer profits and income without a transfer tax. Investment returns are generally remitted within three working days. There are also no legal limitations on private financial transfers, foreign exchange transactions,

and capital movements. Local companies can pay for imported goods or services in foreign currencies, as they are allowed to hold a foreign exchange account in one or more banks.

### **U.S. Banks and Local Correspondent Banks**

There are no U.S. banks present in North Macedonia.

### **Major Banks in North Macedonia**

#### Komercijalna Banka AD

Orce Nikolov 3

P. O. Box 563

1000 Skopje, Republic of North Macedonia

Tel: 389-2-316-8168

Fax: 389-2-322-0975

#### NBG Stopanska Banka AD Skopje

11 Oktomvri 7

1000 Skopje, Republic of North Macedonia

Tel: 389-2-329-5295

Fax: 389-2-311-4503

#### NLB Bank

Mother Teresa 1

1000 Skopje, Republic of North Macedonia

Tel: 389-2-15-600

Fax: 389-2-310-5681

#### Ohridska Banka - Societe Generale Group

Orce Nikolov 54

1000 Skopje, Republic of North Macedonia

Tel: 389-2-316-7600

Fax: 389-2-311-7164

#### Halkbank

Mito Hadzivasilev Jasmin bb

1000 Skopje, Republic of North Macedonia

Tel: 389-2-324-0800

Fax: 389-2-329-6330

ProCredit Bank

Manapo bb

1000 Skopje, Republic of North Macedonia

Tel: 389-2-324-6000

Fax: 389-2-321-9901

Sparkasse Bank

Makedonija 9 – 11

1000, Skopje, Republic of North Macedonia

Tel: 389-2-320-0501

Fax: 389-2-320-0515

Development Bank of North Macedonia

Dimitrie Cupovski 26

1000 Skopje, Republic of North Macedonia

Tel: 389-2-311-5844

Fax: 389-2-323-9688

### **Protecting Intellectual Property**

North Macedonia's legal regime for intellectual property rights (IPR) is generally in line with international standards. Government agencies, such as the Industrial Property Office and the Customs Administration in particular, generally cooperate with rights holders. Companies that proactively seek protection of their brands in North Macedonia are usually satisfied with institutional responsiveness. The longest running IPR issue for U.S. companies has been the use of unlicensed software in public institutions.

Office of Intellectual Property Rights does not have an IP Snapshot for North Macedonia at [www.STOPfakes.gov](http://www.STOPfakes.gov)

Any foreign company should consider several general principles for effective management and protection of their intellectual property. For background on these principles please link to our article on [Protecting Intellectual Property](#) and also [Corruption](#).

### **IP Attaché Contact**

Susan F. Wilson

U.S. Mission to the European Union

Boulevard du Regent 27

BE – 1000

Brussels, Belgium  
Telephone: 32-2-811-5308  
E-mail: [susan.wilson@trade.gov](mailto:susan.wilson@trade.gov)

## **Selling to the Public Sector**

### **Selling to the Government**

Selling to government entities in North Macedonia is not an easy process. North Macedonia has a decentralized public procurement system, with each government entity carrying out its own procurements.

North Macedonia's lack of transparency, political favoritism, corruption, and mismanagement are historically serious obstacles for companies bidding on public tenders. Some local and foreign companies report that some government tenders were clearly written with a specific, politically connected company in mind and that those politically connected firms sometimes tried to deter competitors from bidding. Businesses also reported late payments by the central and municipal governments for works, goods, and services. While the European Union's April 2018 report recommended that member states open accession negotiations with North Macedonia, it also suggested the country needs to do more to prevent irregularities and corruption in the procurement cycle and to ensure a transparent, efficient, and effective public procurement regime.

Addressing these historic obstacles, the reformed Law on Public Procurement entered into force on April 1, 2019. It regulates public procurement in North Macedonia. The central government, municipalities, and any entity receiving public funds must follow public procurement procedures outlined in that law. The law guarantees equal treatment to local and foreign economic operators in public procurement; only a handful of tenders (especially in defense) are restricted to domestic companies.

The law authorizes different types of public procurement procedures: open procedure, restricted procedure, competitive dialogue, negotiated procedure (with or without prior publication of a contract notice), and simplified competitive procedure. A simple tender, a two-phase tender, a silent auction, or negotiations with three or more potential contractors (one in exceptional cases) must precede an award, and the law mandates the use of electronic auctions. The award procedure is divided. There is a simplified procedure for small value procurements, up to €10,000 or €20,000 for construction projects. A separate, more complex procedure applies to goods valued up to €70,000 and for construction projects up to €500,000. The law does not specifically address other project values.

The law mandates that the main criterion for award decisions is the most economically advantageous tender, rather than the lowest bid. U.S. companies producing higher quality, and initially more expensive, products (e.g., medical equipment) should benefit from this model. The Public Procurement Bureau within the Ministry of Finance operates the [e-procurement system](#). Prior registration with the electronic system for public procurement (ESPP) is mandatory to participate in public tenders. Economic operators can appeal procurement decisions with the State Committee for Appeals of Public Procurement Procedures.

North Macedonia's public procurement suffers from low competition and frequent annulments of tenders. Any bidder can contest the bid evaluation process. The Second Instance Commission reviews prospective tenders to ensure contracting authorities were not reducing competition through technical specifications. This has made public procurements slower and more expensive for contracting authorities without increasing competition.

Many governments finance public works projects through borrowing from Multilateral Development Banks. Please refer to the "Project Finance" section below for more information.

Tenders financed by international financial institutions such as the World Bank must be conducted pursuant to the organization's procurement guidelines. The U.S. Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the [World Bank](#) and the [European Bank for Reconstruction](#)

[and Development](#). Requests for assistance regarding World Bank and EBRD tendering processes can be addressed to those liaison offices.

North Macedonia is in the process of acceding to the WTO Agreement on Government Procurement (GPA).

### **Project Finance**

Financing and insurance for exports, investment, and development projects are possible through U.S. agencies such as the U.S. Trade and Development Agency (USTDA), the U.S. Export-Import Bank (EX-IM), the U.S. International Development Finance Corporation (DFC), the European Bank for Reconstruction and Development (EBRD), the International Bank for Reconstruction and Development (World Bank), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the Southeast Europe Equity Fund (SEEF).

Most major project funding is achieved through co-financing agreements, especially for transportation, telecommunication and energy projects.

### **Multilateral Development Banks**

*U.S. Commercial Service Liaison Offices at the Multilateral Development Banks (European Bank for Reconstruction and Development, World Bank)*

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the European Bank for Reconstruction and Development and the World Bank. These institutions lend billions of dollars in developing countries to projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to [the European Bank for Reconstruction and Development](#) and the [World Bank](#).

## **Business Travel**

### **Business Customs**

North Macedonia's business customs are similar to Western business customs. Shaking hands is the standard form of greeting and introduction, albeit due to the COVID-19 pandemic people might reserve handshakes for those closest to them. People have developed new hands-free greetings that don't require physical contact. Business cards are exchanged without much protocol. Business attire for professionals in North Macedonia is like that in the United States. Establishing a good business relationship in North Macedonia requires the creation of trust. Meetings over coffee, lunch, and dinner are important for getting acquainted and developing trust.

Traditional businesses hours are 8:30 AM to 4:30 PM, but an increasing number of businesses are adopting Western working hours, including weekend hours.

### **Travel Advisory**

Prior to travel, U.S. citizens should check the [U.S. Embassy Skopje website](#) and the [State Department's Travel, State.gov site](#) for the latest travel warnings and advisories. Travelers may also contact the Consular Section at the U.S. Embassy in Skopje.

Phone: + 389-2-310-2000

Email: [consularskopje@state.gov](mailto:consularskopje@state.gov)

Fax: + 389-2-310-2299

Protests have occasionally devolved into localized violent incidents. Public protests, demonstrations, and strikes occur sporadically in North Macedonia, often resulting in disruptions, particularly near the center of Skopje. You should avoid demonstration areas and exercise caution if traveling near demonstrations.

Violent crime against U.S. citizens is rare. Theft and other petty street crimes do occur, particularly in areas where tourists and foreigners congregate. Do not leave anything of value in plain view in unattended vehicles. ATM use is generally safe; however, take standard safety precautions and be aware of your surroundings.

### **Visa Requirements**

U.S. citizens need a valid U.S. passport for travel to North Macedonia. Visas are not required for tourist or business trips of less than 90 days within a six-month period. You must have a visa to work, study, or stay longer than 90 days, and North Macedonia's Border Police strictly enforce the 90-day limit.

U.S. companies that require foreign businesspersons to travel to the United States are advised that security evaluations are handled via an interagency process. Visa applicants should go to the following link(s):

- [State Department Visa Website](#)
- [U.S. Embassy – Skopje, North Macedonia](#)

Currently, U.S. citizens are advised to avoid all international travel due to the global impact of COVID-19. They are strongly advised to use trusted sources for information and updates on COVID-19. For all related information visit: <https://www.state.gov/coronavirus/>

### **Currency**

The denar (MKD) is the official currency of North Macedonia; euros, U.S. dollars and other foreign currencies are not accepted as payment outside of tourist areas. You can change money at banks or official exchange offices. ATMs are widespread in Skopje and major towns. Almost all ATMs accept international bank cards and have an English language option.

Credit cards are accepted in hotels, larger stores, and restaurants; you will need denar for purchases in smaller establishments.

Travelers checks are not used in North Macedonia.

### **Telecommunications/Electronics**

Fixed telephone lines are available in all towns. Visitors may rent a cell phone on arrival. GSM phones will work in North Macedonia. There is cell phone coverage in all populated areas and in most unpopulated areas as well.

Fixed lines are provided by the dominant telecommunication service provider - Makedonski Telekom, and a range of other VoIP providers of telephony services. There are two cell phone service providers: Makedonski Telekom (owned by Magyar/ Deutsche Telekom and the Government of North Macedonia) and A1 (owned by the Telekom Austria Group). Both telecom service providers use 3G and 4G mobile telecommunications technology.

North Macedonia's international calling code is +389 when dialing North Macedonia from outside the country. The international call prefix for calls from North Macedonia to other countries is 00. Most hotels offer Wi-Fi. Public Wi-Fi hotspots in urban areas are also available, especially in coffee shops and restaurants.

There are several Internet access service companies that provide telecommunications services including data communications access and telephone connection. See Travel Related Web Resources.

Electricity in North Macedonia is 230 V, with a frequency of 50 Hz. European plug types C and F are used.

## **Transportation**

There is no direct commercial air service between the United States and North Macedonia.

North Macedonia has two commercial airports. Turkish company TAV operates both airports on contract: <http://www.airports.com.mk/default.aspx?ItemID=345>

Between November and February, thick smog can limit visibility at Skopje's airport, causing flight delays, diversions, and cancellations. The Skopje airport website provides flight information, including delays and cancellations due to weather conditions.

Several airlines fly to North Macedonia. Please check the airport websites for the most current list. As there is no direct commercial air service to the United States by carriers registered in North Macedonia, the U.S. Federal Aviation Administration (FAA) has not assessed the Government of North Macedonia's Civil Aviation Authority for compliance with International Civil Aviation Organization (ICAO) aviation safety standards. Further information may be found on the [FAA's safety assessment page](#).

### [Adria Airways](#)

Tel: 389-2-311-7009

### [Aegean Airlines](#)

### [Alitalia](#)

### [Air Serbia](#)

Tel: 389-2-311-8306

### [Austrian Airlines](#)

Tel: 389-2-314-8372

### [Croatia Airlines](#)

Tel: 389-2-256-1850

### [Czech Airlines](#)

### [flydubai](#)

### [Pegasus Airlines](#)

### [Qatar Airways](#)

### [Swiss Air](#)

### [Turkish Airlines](#)

Tel: 389-2-311-6149

### [Wizz Air](#)

## **Road Travel**

Most major highways are in good repair, but many secondary urban and rural roads are poorly maintained and poorly lit. Driving safely in North Macedonia requires excellent defensive driving skills. Secondary mountain roads can be narrow, poorly marked, and lack guardrails, and can quickly become dangerous in inclement weather. Horse-drawn carts, livestock, dead animals, rocks, or other objects are sometimes found in the roadway. In case of emergency,

drivers may contact the police at 192, the ambulance service at 194, and roadside assistance at 196. Driving at night in rural mountainous areas is not advised due to poor or nonexistent lighting.

*Rent a Car Agencies:*

[AVIS Rent a Car](#)

Tel: 389-2-256-1847

[EUROPCAR](#)

Tel: 389-70-205-546

[HERTZ](#)

Tel: 389-70-217-881

**Public Transportation**

Public transportation such as buses and trains is available and inexpensive, but may be unreliable, dilapidated, and may not meet U.S. safety standards.

North Macedonia has a limited rail network that is not typically used by visitors. North Macedonia's railroad system is connected to Serbia and Kosovo to the north and to Greece in the south. A railway link with Bulgaria is under construction. Train travel, while inexpensive, is not advisable in North Macedonia.

Taxis are widely available in Skopje and are generally inexpensive and reliable. Passengers should always wear seat belts. Use legitimate, metered taxis to avoid conflicts about the fare.

**Walking**

Always take care while on foot. Pedestrians should be very cautious when crossing the street, even when using crosswalks, as local drivers often do not slow down or stop for pedestrians.

**Language**

Many of North Macedonia's citizens speak foreign languages in addition to Macedonian or Albanian. English is the predominant foreign language, followed by German and French. Although many companies in North Macedonia have English speakers among their managers, U.S. business representatives should be prepared to do business through locally hired interpreters.

**Health**

We recommend purchasing comprehensive insurance that covers overseas medical expenses and medical evacuation costs before travelling. Most care providers overseas only accept cash payments. U.S. embassies do not pay medical bills and U.S. Medicare does not apply overseas.

Many physicians in North Macedonia are trained to a high standard, and some well-equipped private clinics are available, especially in Skopje. However, most public hospitals and clinics are not well equipped nor are they maintained at U.S. or Western European standards. Basic medical supplies are usually available, but specialized treatment may not be obtainable. Travelers with previously diagnosed medical conditions may wish to consult their physician before travel. Health risks associated with air pollution exist, especially during the winter months, and tick-borne diseases are prevalent in the spring and summer.

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for Disease Control and Prevention's info line at 1-800-CDC-INFO (1-

800-232-4636) or via the [CDC's internet site](#). Visitors should obtain routine immunizations recommended by the CDC prior to entering the country.

For travel health notices during the COVID-19 pandemic, please check the CDC's Travel page via [https://wwwnc.cdc.gov/travel/destinations/traveler/none/north-macedonia?s\\_cid=ncezid-dgmq-travel-single-001](https://wwwnc.cdc.gov/travel/destinations/traveler/none/north-macedonia?s_cid=ncezid-dgmq-travel-single-001)

### **Local Time, Business Hours, and Holidays**

Time: GMT + 1 hour

Business Hours: 08:30 – 16:30

#### **2020 Holidays:**

January 1	New Year's Day
January 7	Orthodox Christmas
April 20	Orthodox Easter
May 1	Labor Day
May 25	Saints Cyril and Methodius Day and Ramadan Bajram (Eid al-fitr)
August 3	Ilinden Uprising Day
September 8	Independence Day
October 12	People's Uprising Against Fascism
October 23	Revolutionary Struggle Day
December 8	Saint Clement of Ohrid Day

If a holiday falls on a weekend, the government will generally issue a decision shortly before the holiday declaring the preceding Friday or following Monday an official holiday. In some cases, the government may declare an extended holiday.

Consistent with European practice, business activity in North Macedonia slows during late July and August, when many people take extended summer holidays.

### **Temporary Entry of Materials and Personal Belongings**

For information on customs regulations for departing from and arriving in North Macedonia, please refer to the [Customs Administration of the Republic of North Macedonia](#).

### **Investment Climate Statement (ICS)**

The CCGs on trade.gov will link directly to the State Department's [Investment Climate Statement website](#).

## **Political Environment**

The CCGs on trade.gov will link to the State Department's [Countries & Areas](#) website.