

Embassy of Switzerland in Skopje	
Country: Republic of North Macedonia	Last Updated: June 2020

## North Macedonia – Economic Report 2019

### 0. Executive Summary

In general terms, North Macedonia is a market of limited interest for Swiss exporters given its relatively small size. As a location to source from and invest in, the country offers however Swiss importers and investors targeted opportunities in selected sectors such as agriculture, textile, light manufacturing, tourism and ICT. Conditions for doing business are generally favourable and Swiss firms do not suffer any form of discrimination, though political uncertainties, excessive bureaucracy, and shortcomings in the rule of law remain challenges faced by many Swiss firms, as in other countries in the Western Balkans. Eighty percent of Swiss firms operating in North Macedonia assess their perspectives in the country as stable or positive, with membership in NATO and the expected start of EU accession negotiations expected to contribute to stability and prosperity of the country. In the short term, the impact of the COVID-19 crisis will result in an economic recession in 2020, with a significant impact on employment and bankruptcies in the informal and SME sectors, but analysts expect a rapid recovery from 2021. Among Swiss firms operating in North Macedonia, more than half consider the economic perspectives of the country as stable or positive, with two thirds planning to further invest and half planning to recruit additional staff over the next 12 months.<sup>1</sup>

### 1. Economic Problems and Issues<sup>2</sup>

#### *Overall situation*

After years of disruptive changes, 2019 was characterised by political developments overall conducive to economic growth in North Macedonia. The signing of the NATO accession protocol and the entry into force of the Prespa agreement in February 2019 represented two decisive steps towards NATO membership and the return on the EU accession path. Membership in NATO (in the meantime achieved in early 2020) and membership in the EU are two key foreign policy objectives of North Macedonia and are expected to contribute to the stability and prosperity of the country. The orderly election of Stevo Pendarovski as new President in April 2019 also contributed to a sense of return to a more stable context. The country continued to make progress in reforms in important areas, notably in investigating high level corruption and organised crime cases and reforming the intelligence sector, as acknowledged by the European Commission in its reports in May 2019 and March 2020,<sup>3</sup> in which it reiterated its unconditional recommendation to open accession negotiations. However, the lack of consensus among EU members with regard to the EU enlargement policy led the European Council to postpone its decision to start accession negotiations with North Macedonia in October 2019. This casted again a cloud over the prospects of the country and led then Prime Minister Zoran Zaev to call for early parliamentary elections and announce its resignation. A technical government led by Prime Minister Oliver Spasovski was sworn in in January 2020 and early parliamentary elections were scheduled for April 2020. These were eventually postponed due to the COVID-19 crisis, which gripped the country in March 2020.

Despite the political uncertainty in the last quarter of the year, the economy experienced robust growth with an estimated GDP growth of 3.6%, the highest rate since 2016. This increase was mainly driven by higher private and public investments as well as private consumption, fuelled by rising employment and higher wages. Job creation in the private sector and active labour market measures of the authorities contributed to a drop in unemployment to a new historical low of 17.3%, though youth unemployment remained one of the highest in Europe at 39.1%. As part of its efforts to reduce poverty, the government increased the minimum net wage to MKD 14'500 (CHF 262), a 14% increase. The minimum wage now represents 57.5% of the average net monthly salary of MKD 25'215 (CHF 455). Despite these

<sup>1</sup> Based on a survey of Swiss firms operating in North Macedonia conducted by the Embassy of Switzerland at the end of May 2020. More than two thirds of the Swiss firms known by the Embassy to operate in the country completed the survey.

<sup>2</sup> Data: [National Bank of the Republic North Macedonia](#) and [State Statistical Office](#)

<sup>3</sup> [North Macedonia 2019 Country Report](#) and [Update to North Macedonia 2019 Country Report](#)

achievements, North Macedonia still ranks amongst the poorest countries in Europe, with a GDP/capita estimated at USD 6'096 in 2019.

The current account deficit widened to 2.8% of GDP, despite solid export performance and sizeable remittances. Yet, the goods and services trade deficit widened to EUR 2'039m in 2019 (2018: EUR 1'811m), or 14.4% of GDP, as a result of fast rising imports. The budget deficit widened to reach 2.1%. Revenues increased thanks to higher social contributions and VAT collection, the introduction of a progressive personal income tax (eventually abandoned in September 2019 under pressure of the private sector), and one-off nontax revenues. However, public spending grew rapidly among others due to an increase in employment subsidies. Against the background of low inflation (0.8%), solid deposit growth, and favourable foreign exchange market developments, the Central bank continued to accumulate international reserves and further cut its interest rate to 2.25%. As a result, credit continued its robust growth at 6.0% (2018: 7.3%), mostly driven by household credit growth of 10.5%.

Within its "Economic Reform Program 2019-2021" the government of North Macedonia remained committed to develop the economy and raise the living standard of its citizens by supporting domestic enterprises, above all small- and medium-sized enterprises (SMEs), increasing employment through the active employment measures, increasing the level of wages, as well as strengthening the social protection system.

#### *COVID-19: Impact on the Economy and Response<sup>4</sup>*

North Macedonia's economy is expected to go into a recession in 2020, driven by a significant drop in both foreign demand and domestic consumption and investment as a result of the COVID-19 pandemic. Forecasts with regard to the drop of GDP range from -4.0% according to the IMF (at the end of April 2020) to -3.4% according to the Ministry of Finance (at the end of May 2020). The baseline scenario is that the restrictive containment measures will be lifted by the end of June and that a gradual recovery will begin in the second half of 2020. In relative terms, North Macedonia lies in the lower range of expected drops in GDP of Western Balkan countries according to the World Bank (-3.0% to -5.6%). Manufacturing, along with tourism, trade, and real estate are expected to be the sectors worst affected, while travel restrictions and social distancing measures may have a protracted impact on services. Remittances are also expected to decline, as diaspora workers lose their jobs in destination country or are left with lower income. GDP growth is however expected to rebound strongly from 2021. The various measures announced by the government as well as the boost in both reforms and investor confidence brought by NATO membership and the likely start of EU accession negotiations should contribute to this rapid rebound. Forecasts with regard to the growth of GDP in 2021 range from 4.7% according to the National Bank (at end May 2020) to 5.5% according to the EBRD (at end of May 2020). However, much will depend on the pickup of foreign demand, given the significant share of exports in the GDP, the key vulnerability of the country to the crisis.

The impact of the crisis on employment has been immediate. According to the ILO, the equivalent of 85'550 full-time jobs will be lost in the second quarter of 2020 alone, wiping off more than two years of progress in terms of increase in the number of employed persons in the country. While certain jobs are curtailed only temporarily, others might be lost permanently, with 19% of micro firms having closed their businesses. Moreover, compared to more developed economies, relatively more people rely on self-employment, part-time work, and incomes from informal activities, making them particularly vulnerable to the crisis but difficult to support through conventional measures.

Despite the impact on GDP and employment, there is limited concerns that the crisis will lead to a destabilisation of the economy. The banking system has solid capital and liquidity buffers. The significant loans taken from the World Bank (EUR 140m), the IMF (EUR 176m) and the EU (EUR 160m) as well as the latest Eurobonds issue (EUR 700m) will increase the debt level of the country, but prudent debt policy in the past provides some room for manoeuvring to the country. Investors seem to remain confident in the creditworthiness of the country as testified by the strong demand for the latest Eurobonds issued in May 2020 at a relatively low interest rate (second lowest of all Eurobond issued by the country to date).

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<sup>4</sup> Sources: [World Bank](#); [IMF](#); [Ministry of Finance](#); [National Bank of the Republic of North Macedonia](#); [ILO](#); Survey of Swiss firms operating in North Macedonia.

In the mid to long term, the crisis might also offer new opportunities for some sectors of North Macedonia's economy. The agriculture and light manufacturing sectors might experience growth given the proximity of the country to large markets which might increasingly source from geographically close locations. The IT sector might benefit from the push for digitalisation of services. Even the tourism sector, with its significant offering in adventure and individual travel, might be able to attract new and higher-paying clients. Moreover, while the closure of many businesses has an adverse effect in the short term, the disappearance of the least efficient firms and of many informal businesses might provide room for the most competitive companies to accelerate their growth.

To mitigate the effects of the crisis on the economy, the government of North Macedonia announced three sets of measures. The first two sets of measures announced in March and April 2020 addressed the needs of affected companies and aimed at protecting jobs. They included subsidies for salaries and social contributions, interest-free loans and liquidity protections, as well as tax deferral and relief. The third package of measures was announced in May 2020 and aimed at boosting consumption and supporting the most vulnerable citizens through the distribution of vouchers, and also included further support for affected companies and the modernisation of the agricultural sector. The total economic assistance from all measures taken by the Government is estimated at EUR 550m. Less than 15% of Swiss firms doing business in North Macedonia availed themselves of these measures, which they generally found rather inadequate to address their specific challenges. Most Swiss firms managed to adapt their operations to secure production or decided to forego government support.

## **2. International and Regional Economic Agreements**

### **2.1. Country's Policy and Priorities**

North Macedonia's main foreign policy objective remains its integration into European and Euro-Atlantic institutions. As such, full participation to the EU single market is a key priority when it comes to economic policy and priorities. The country's aspiration received a long-awaited boost with the March 2020 decision of the European Council to open accession negotiations, though the exact date of the start of negotiations remains to be defined.

To support the country's convergence process, the EU provides significant financial assistance to North Macedonia through its Instrument for Pre-Accession (IPA). The IPA II program for the period 2014 to 2020 foresees funding of EUR 664m, with the IPA III currently in preparation. Various multilateral financial institutions also financially support the country's efforts towards EU convergence. In 2019, the World Bank adopted its new "Country Partnership Framework 2019-2023", foreseeing lending of up to USD 420m and investments of up to USD 50m, while the European Bank for Reconstruction and Development (EBRD) adopted its new "Country Strategy 2019-2024".

Although full participation to the EU single market is a key priority for North Macedonia, the country has also concluded trade arrangements with a number of other countries, incl. free trade agreements with Ukraine, Turkey, and the European Free Trade Association (Switzerland, Norway, Iceland, and Liechtenstein). In January 2007, earlier bilateral agreements with Albania, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo and Moldova were replaced by membership in the Central European Free Trade Agreement (CEFTA). North Macedonia has been a member of the World Trade Organisation (WTO) since 2003. In the area of investments, North Macedonia has concluded agreements with 32 countries from Europe and Asia to promote and protect FDIs.

In October 2019, North Macedonia initiated discussions with Serbia and Albania to enhance the economic integration of the three countries based on the EU model of the freedom of movement of goods, services, people and capital (initiative dubbed the "mini-Schengen"). As of today, there has been only limited progress towards the implementation of concrete measures and a rapid deepening of regional economic integration based on this initiative appears unlikely.

### **2.2. Outlook for Switzerland**

North Macedonia's policy and priorities, in particular when it comes to EU accession, are aligned to the interests of Switzerland as convergence and eventually membership are expected to make a significant

contribution to the country's stability and prosperity, thereby improving the prospects for Swiss companies trading with and investing in the country.

The set of bilateral economic agreement provides favourable framework conditions for the further development of bilateral economic relations. Since May 2002, Switzerland's trade relations with North Macedonia are regulated by the North Macedonia - EFTA agreement. A second session of the Joint Committee, held in Geneva in November 2008, contributed to further improve framework conditions. Other important economic agreements between Switzerland and North Macedonia include:

- Bilateral trade and economic cooperation agreement (in force since 01.09.1996);
- Bilateral investment promotion and protection agreement (in force since 06.05.1997);
- Bilateral double taxation avoidance convention (in force since 27.12.2000);
- Bilateral arrangement related to trade in agricultural products (in force since 01.05.2002);
- Bilateral aviation agreement (in force since 01.03.2010).

In March 2019, Switzerland and North Macedonia agreed on various amendments to the bilateral double taxation avoidance convention, notably to align it to the latest international standards. Signing of the protocol containing the amendments is expected shortly.

### **3. Foreign Trade**

#### **3.1. Development and General Outlook<sup>5</sup>**

North Macedonia's exports have experienced continuous growth over the last few years, mainly driven by FDIs in global value chains, in particular in the automotive sector. In 2019, total exports stood at EUR 6'424m, an increase of 9.6% over the previous year (2018: EUR 5'860m). Germany was once more by far the most important destination for exports, receiving 48.7% of the country's total exports (EUR 3'129m). The importance of Germany as a destination for North Macedonia's exports reflects large FDIs of global producers of automotive components who export their products to Germany for final assembly. Other export destinations were Bulgaria (4.9%), Kosovo (4.6%), Serbia (3.9%), Belgium (3.3%), Italy and Greece (both 2.7%). Besides machinery and transport equipment, North Macedonia's export products included chemical material and products, iron and steel, clothing, food, tobacco and beverages.

On the import side, North Macedonia's imports stood at EUR 8'463m in 2019, an increase of 10.3% over the previous year (2018: EUR 7'671m). Great Britain was the most important country of origin with 11.5% of the total imports (EUR 969m), followed by Germany (11.4%), Greece (8.1%), Serbia (7.2%), China (5.8%), Italy (5.6%) and Turkey (4.8%). The main products imported by North Macedonia were non-ferrous metals, machines and transport equipment, chemicals, mineral fuels and lubricants as well as food.

With larger imports than exports, North Macedonia's year-end balance was a trade deficit of EUR 2'039m. EU countries remained by far the country's main trade partners, representing 80.8% of the country's total exports and 62.6% of its imports.

North Macedonia has significant potential to expand exports in selected sectors such as agriculture, textile, tourism, logistics, information technology, and healthcare. However, domestic firms will need to improve their offering and their productivity to be able to compete in global markets and integrate global value chains. The Swiss Cooperation programme in North Macedonia includes several projects to accelerate growth, increase exports, and create jobs in the agribusiness, tourism, textile, light manufacturing and IT sectors in North Macedonia. The country will also need to further enhance connectivity in terms of completion and maintenance of its transport infrastructure as well as streamlining of its custom procedures.

#### **3.2. Bilateral Trade<sup>6</sup>**

According to Swiss statistics, bilateral trade between North Macedonia and Switzerland stood at CHF 135m in 2019, which marks a slight decrease of 1.5% over the previous year (2018: 137m). Exports

<sup>5</sup> See Annex 3 for trade statistics from the statistical office of North Macedonia

<sup>6</sup> See Annex 4 for trade statistics from Swiss Customs Administration

from Switzerland to North Macedonia reached CHF 60m (+9.1%; 2018: CHF 55m), whereas imports to Switzerland from North Macedonia stood at CHF 75m (-8.5%; 2018: CHF 82m). For North Macedonia, Switzerland is a trade partner of modest importance. In terms of source of imports, Switzerland ranked 26<sup>th</sup>, keeping the same position as in the previous year, while in terms of export markets Switzerland ranked 25<sup>th</sup> (24<sup>th</sup> rank in 2018). For North Macedonia's exporters, the Swiss market remains difficult to access, among others because of the high requirements of Swiss importers. Some exporters from North Macedonia, notably in the agricultural sector, were however able to newly access the Swiss market after they upgraded their practices to meet the Bio Suisse standards in organic agriculture.

The main exports from Switzerland to North Macedonia were chemical products and pharmaceuticals (31% of the total exports), vehicles (25%), textile, clothing and shoes (13%), machines appliances and electronics (10%) as well as precision instruments, clocks/watches and jewellery (9%).

The main imports from North Macedonia to Switzerland continued to consist of textile, clothing and shoes (64%), followed by forestry, agricultural products and fisheries (11%) as well as leather, rubber and plastics goods (11%). Other important products include a variety of goods such as music instruments, home furnishings, toys, sports equipment, metals, machines, appliances and electronics.

## **4. Direct Investments**

### **4.1. Development and General Outlook**

North Macedonia's authorities have long had a positive attitude to FDIs. The country's legal and regulatory framework is generally favourable to foreign investors and the authorities provide various incentives to attract new investors in the Technological-Industrial Development Zones (TIDZs), such as tax exemptions and financial incentive towards building costs. As a result, the country has outperformed peer countries in attracting greenfield FDIs in recent years. At the end of 2018, the country had received a total stock of EUR 5,307m in FDIs. In 2018, FDIs inflows reached EUR 625m while in 2019 they stood at EUR 326m. One third of the investments were undistributed/reinvested earnings. According to state statistics, the countries of origin with the highest stock of investment were the United Kingdom, followed by Austria, Greece, the Netherlands and Slovenia. These five countries account for 51% of the total FDIs. In 2019, the largest FDI inflows came from Turkey (16% of total), the Bahamas (14%), Germany (14%), Bermuda (9%) and the Netherlands (8%). FDIs went to a broad range of sectors including manufacturing, agriculture, forestry and fishing, financial services, wholesale and retail trade, real estate and construction. To provide further incentives for large-scale foreign investments, the authorities issued in May 2020 a call for application for large scale strategic investment projects, which would grant a favourable status and possibly co-fund such investments. The deadline for application is 31 January 2021.

Although North Macedonia ranks 17<sup>th</sup> in the 2020 World Bank Doing Business report (2019: 10<sup>th</sup>), there remain shortcomings in the business environment in terms of competitiveness. These are reflected in the World Economic Forum's Global Competitiveness Report, where North Macedonia ranks 82<sup>nd</sup> out of 141 economies. For >70% of Swiss firms doing business in North Macedonia, uncertainties due to the political situation remains a key challenge in their operations in the country. Other key issues include administrative hurdles (>55% of firms), shortcomings in the rule of law (~50% of firms), and difficulties in finding qualified staff (~35% of firms). Corruption generally remains an issue, as highlighted in the 2019 Corruption Perceptions Index published by Transparency International putting North Macedonia at the 106<sup>th</sup> place out of 180 economies (2018: 93<sup>rd</sup>). The large informal economy – conservatively estimated at 17.2% of GDP – and a lack of entrepreneurial culture also continues to negatively impact the business environment and competitiveness of the economy. The Swiss Cooperation programme in North Macedonia includes several projects addressing some of these shortcomings, including projects to reform North Macedonia's Vocational Education and Training (VET) system, to foster North Macedonia's start-up ecosystem, and to improve the framework conditions (public finance management, tax administration, legal framework for insolvency and bankruptcy).

### **4.2. Bilateral Investment Flows**

According to state statistics, the stock of Swiss direct investments in North North amounted to EUR 176m at end 2018, placing Switzerland as the 9<sup>th</sup> largest source of FDIs in the country. In 2019,

Switzerland had a negative FDI inflow of EUR -3.62m in North Macedonia (2018: -5.55m). Flows are relatively volatile from year to year due to the limited number of Swiss investments in the country.

There are over 30 known Swiss companies<sup>7</sup> present in North Macedonia and an additional dozen companies that represent or distribute Swiss products. The largest Swiss investments in North Macedonia are in the steel (Duferco Makstil), tobacco (Socotab Frana), electro mechanic devices (Baumer), healthcare products (Rontis), transport services (Kuehne & Nagel, MSC), construction (Madal Bal) and construction materials (Ruchti Aerni, City Beton), banking (Silk Road Bank), and software services (Netcetera, Inside Solutions, DigiCube) sectors. Other Swiss companies are represented through either their representation offices or through third parties representing their interests. Over 3'400 people are directly employed by Swiss companies operating in North Macedonia, while an estimated 15'000 people are indirectly employed by Swiss companies (employed by suppliers of goods and services to Swiss companies in the country).

In September 2019, Swiss companies present in the country gathered to create the Switzerland – North Macedonia Business Club to foster exchange of information among them, promote their interest towards the authorities, and support new Swiss companies interested in investing in the country. The Business Club was established within the [Macedonian Chambers of Commerce](#). Swiss companies interested in investing in North Macedonia can also obtain information from the government agency [Invest in North Macedonia](#) and the [Free Zones Authority](#). In Switzerland, [Switzerland Global Enterprise \(S-GE\)](#) and the [Swiss-Central Europe Chamber of Commerce \(SEC\)](#) are the relevant organisations supporting Swiss companies interested in investing in North Macedonia.

## **5. Trade, Economic and Touristic Promotion**

### **5.1. Foreign Economic Promotion Instruments**

Switzerland enjoys an excellent reputation in North Macedonia, among others thanks to its substantial cooperation programme in the country and the strong human links through North Macedonia's important diaspora in Switzerland. Through the various projects of the Swiss cooperation programme funded by the Swiss Agency for Development and Cooperation (SDC) and the Swiss State Secretariat for Economic Affairs (SECO), the Swiss Embassy has developed an extensive network of contacts in the public and private sectors of direct relevance to Swiss companies interested in trading with or investing in North Macedonia. Public events in the framework of the various Swiss-funded projects usually receive significant media coverage, thereby contributing to enhancing the visibility of Switzerland as an economic partner.

The Swiss Embassy invites Swiss companies operating in North Macedonia and companies from North Macedonia with a link to Switzerland to relevant events and has supported their networking as well as the creation of the Switzerland – North Macedonia Business Club within the [Macedonian Chambers of Commerce](#). The Embassy is actively fostering opportunities for cooperation between Swiss companies and projects of the Swiss Cooperation Programme, among others in the area of VET or in the co-financing of new projects in North Macedonia. The Embassy is also engaged in facilitating contacts with the authorities of North Macedonia and, to a limited extent, to local counterparts. When made aware of specific opportunities, the Swiss Embassy informs [Switzerland Global Enterprise \(S-GE\)](#) and specialized associations of public tenders issued by North Macedonia's authorities. Promotion material from [Switzerland Tourism](#) and [Presence Suisse](#) is available at the Embassy for display to visitors or distribution at specific events, and shared on the Embassy's Facebook page when relevant.

In addition to the Switzerland – North Macedonia Business Club within the [Macedonian Chambers of Commerce](#) and the [Swiss-Central Europe Chamber of Commerce \(SEC\)](#), [Switzerland Global Enterprise \(S-GE\)](#) can also support Swiss companies interested in trading with or investing in North Macedonia.

### **5.2. North Macedonia's Interest for Switzerland**

Given the importance of EU countries in its trade and investment relations, North Macedonia's interest is mainly geared toward the deepening of its economic relations with the EU.

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<sup>7</sup> See Annex 6.

Switzerland is of modest importance as a tourism destination for North Macedonia's tourists. Accordingly, Switzerland Tourism is not present locally. The main destinations for tourists from North Macedonia are the neighbouring countries (Greece, Albania, Bulgaria, and Serbia) or countries in the region (Turkey). The daily flights operated by Edelweiss, Chair Airlines and Wizz Air as well as the regular bus-lines connecting North Macedonia and Switzerland are mostly used by members of the diaspora of North Macedonia in Switzerland visiting North Macedonia, or their relatives living in North Macedonia and visiting them in Switzerland. There is however increasing interest among Swiss tourists for North Macedonia as a destination for cultural and adventure tourism. Wizz Air and Edelweiss are both operating a flight connection from Basel respectively Zurich to Ohrid, an important tourist destination in North Macedonia.

Significant interest for Swiss expertise exists in various sectors, including agribusiness, tourism and hospitality, entrepreneurship and innovation, disaster risk reduction, waste water management, and nature conservation. The transfer of such expertise is facilitated, among others, in the framework of projects of the Swiss cooperation programme in North Macedonia. The transfer of Swiss expertise is also sought after through the establishment of cooperation between Swiss education institutions and their counterparts in North Macedonia. Such cooperation exists notably in the forestry sector.

Switzerland is not the most common destination chosen by students from North Macedonia for higher education. Research, doctoral and post-doctoral fellowships granted by the Federal Commission for Scholarships encounter limited interest among students from North Macedonia.

Large businesses and wealthy individuals from North Macedonia are well aware of Switzerland as a location offering competitive financial services. It is in fact likely that some of the FDIs in North Macedonia originating from Switzerland are actually funds from North Macedonia channelled through Swiss financial institutions.

**Economic Structure of North Macedonia<sup>8</sup>**

<b>Distribution of GDP (%)</b>	<b>2018</b>	<b>2019<sup>est</sup></b>
Primary Sector	7.24%	n.a
Industry	23.56%	n.a
Services	55.15%	n.a
<b>Distribution of Employment</b>		
	<b>2018</b>	<b>2019</b>
Primary Sector	15.7%	15.4%
Industry	31.4 %	31.4%
Services	52.9 %	53.2 %

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<sup>8</sup> [World Bank](#)

**Key Data<sup>9</sup>**

	<b>2019</b>	<b>2020<sup>proj</sup></b>	<b>2021<sup>proj</sup></b>	<b>CH 2019</b>
<b>GDP (USD bn)</b>	12.7	n.a	n.a	715
<b>GDP/capita (USD)</b>	6'096 <sup>est</sup>	n.a	n.a	70'485
<b>Growth (% GDP)</b>	3.6	-4.0	7	0.9
<b>Inflation (%)</b>	0.8	-0.9	0.8	0.4
<b>Unemployment (%)</b>	17.3	20.4	19.0	2.3
<b>Budget Balance (% GDP)</b>	-2.1	n.a	n.a	n.a
<b>Public Debt (% GDP)</b>	40.7	n.a	n.a	n.a
<b>Current Account Balance (% GDP)</b>	-2.8	-2.2	-1.3	12.3

<sup>9</sup> [International Monetary Fund World Economic Outlook April 2020](#); [International Monetary Fund World Economic Outlook October 2019](#); [National Bank of the Republic of North Macedonia](#);

Note: less predictions made by the IMF in the April 2020 World Economic Outlook due to the higher uncertainty in relation to the Covid-19 crisis.

Trade Partners<sup>10</sup>

Exports				
Rank	Country	Value (EUR m)	Share (%)	Change (%)
1	Germany	3'128.85	48.71	1.69
2	Bulgaria	313.88	4.89	-0.32
3	Kosovo	297.62	4.63	0.77
4	Serbia	248.42	3.87	-0.15
5	Belgium	213.06	3.32	-0.43
6	Italy	173.83	2.71	-0.43
7	Greece	172.83	2.69	-0.56
8	Hungary	163.96	2.55	0.49
9	Romania	153.69	2.39	-0.42
10	China	149.05	2.24	1.37
25	<b>Switzerland</b>	<b>35.59</b>	<b>0.55</b>	<b>-0.13</b>
39	<b>Liechtenstein</b>	<b>0.08</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total EU-28</b>	<b>5'188.32</b>	<b>80.77</b>	<b>-0.01</b>
	<b>Total CEFTA</b>	<b>734.07</b>	<b>11.43</b>	<b>0.41</b>
	<b>Total</b>	<b>6'423.70</b>	<b>100</b>	

Imports				
Rank	Country	Value (EUR m)	Share (%)	Change (%)
1	Great Britain	969.10	11.45	1.94
2	Germany	960.91	11.35	-0.25
3	Greece	683.71	8.08	-0-39
4	Serbia	606.31	7.16	0.40
5	China	486.90	5.75	-0.03
6	Italy	471.13	5.57	-0.04
7	Turkey	404.80	4.78	0.08
8	Bulgaria	324.49	3.83	-0.47
9	USA	276.78	3.27	0.56
10	Poland	237.17	2.80	0.17
26	<b>Switzerland</b>	<b>56.31</b>	<b>0.67</b>	<b>-0.17</b>
40	<b>Liechtenstein</b>	<b>0.11</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total EU-28</b>	<b>5'264.22</b>	<b>62.20</b>	<b>1.37</b>
	<b>Total CEFTA</b>	<b>775.57</b>	<b>9.16</b>	<b>0.32</b>
	<b>Total</b>	<b>8'463.2</b>	<b>100</b>	

<sup>10</sup> Source: [National Bank of the Republic of North Macedonia](#)

Trade between Switzerland and North Macedonia<sup>11</sup>

	Exports (CHF m)	Change from Previous Year	Imports (CHF m)	Change from Previous Year	Balance (CHF m)
2012	55	8%	74	62%	-19
2013	51	-6%	74	1%	-23
2014	44	-13%	76	3%	-32
2015	41	-7%	66	-14%	-25
2016	41	-1%	68	3%	-27
2017	48	18%	72	7%	-24
2018	55	14%	82	13%	-27
<b>2019</b>	<b>60</b>	<b>9%</b>	<b>75</b>	<b>-8.5%</b>	<b>-15</b>

Main Swiss Exports	2018 (CHF m)	2019 (CHF m)	Change from Previous Year	Share of Total
Chemical products and pharmaceuticals	16.84	18.61	10.5%	31.2%
Vehicles	12.70	14.67	15.5%	24.6%
Textiles, clothing, shoes	7.97	7.97	0%	13.3%
Machines, appliances, electronics	5.07	6.11	20.5%	10.2%
Precision instruments, clocks/watches & jewellery	4.92	5.33	8.3%	9%
Leather, rubber, plastics	2.34	1.63	-30.3%	2.7%
Metals	1.57	1.54	-1.8%	2.6%

Main Swiss Imports	2018 (CHF m)	2019 (CHF m)	Change from Previous Year	Share of Total
Textiles, clothing, shoes	52.35	48.09	-8%	64%
Forestry and agricultural products, fisheries	6.67	8.25	24%	11%
Leather, rubber, plastics	10.81	7.92	-27%	11%
Various goods such as music instruments, home furnishings, toys, sports equipment, etc.	2.66	4.18	57%	6%
Machines, appliances, electronics	1.78	2.53	42%	3%
Metals	2.06	2.1	2%	3%
Vehicles	1.03	0.67	-35%	1%

<sup>11</sup> Source: [Swiss Customs Administration](#)

**Main Investing Countries<sup>12</sup>**

Rank	Country	Net Inward Direct Investments Flow (EUR m)	Share of Total	Previous Year Net Inward Direct Investment Flow (EUR m)
1	Turkey	52.43	16.1	36.20
2	Bahamas	45.63	14.0	31.67
3	Germany	44.34	13.6	38.68
4	Bermuda	29.81	9.1	36.04
5	Netherlands	27.11	8.3	48.92
6	Slovenia	21.16	6.5	37.51
7	United States	19.77	6.1	3.72
8	Italy	15.79	4.8	17.57
9	Bulgaria	13.92	4.3	11.54
10	Kosovo	7.50	2.3	1.20
	Lichtenstein	-0.38	-0.1	1.14
	Switzerland	-3.62	-1.1	-5.55
	Austria	-14.9	-4.6	16.13
	United Kingdom	-65.83	-20.2	113.77
<b>Total</b>		<b>224.42</b>	<b>68.8</b>	<b>336.81</b>
<b>Undistributed-Reinvested Earnings and Part of Other Capital</b>		<b>101.84</b>	<b>31.2</b>	<b>220.20</b>
<b>Total Inward DI Flows</b>		<b>326.26</b>	<b>100</b>	<b>624.49</b>
<b>Total Inward DI Flows (EU-28 only)</b>		<b>44.16</b>	<b>13.5</b>	<b>266.94</b>

<sup>12</sup> Source: [National Bank of the Republic of North Macedonia](#)