

## Introduction

North Macedonia is a small, landlocked country located in the central Balkan Peninsula in Southeastern Europe. It is bordered by Albania, Bulgaria, Greece, Kosovo, and Serbia.



North Macedonia is a major transportation corridor from Western and Central Europe to the Aegean Sea and Southern Europe to Western Europe. The government system is a parliamentary republic; the

chief of state is the president, and the head of government is the prime minister. North Macedonia has a small, open economy that is vulnerable to economic developments in Europe and dependent on regional integration for continued economic growth. North Macedonia is a member of the Central European Free Trade Agreement (CEFTA) and North Atlantic Treaty Organization (NATO).



**Location:** Southern Europe

**Capital City:** Skopje (+1 GMT)

**Chief of State:** President Stevo Pendarovski

**Head of Govt.:** Prime Minister Oliver Spasovski

**Currency:** Macedonian denar (MKD)

**Major Languages:** <p>Macedonian (official) 66.5%, Albanian (official) 25.1%, Turkish 3.5%, Roma 1.9%, Serbian 1.2%, other 1.8%</p>

**Primary Religions:** <p>Macedonian Orthodox 64.8%, Muslim 33.3%, other Christian 0.4%, other and unspecified 1.5%</p>

**Calling Code:** 389

**Voltage:** 220

## Key Websites

Main Government Page: [vlada.mk](http://vlada.mk)

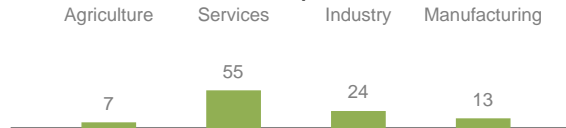
Export Promotion Agency: [investnorthmacedonia.gov.mk](http://investnorthmacedonia.gov.mk)

Investment Promotion Agency: [investnorthmacedonia.gov.mk](http://investnorthmacedonia.gov.mk)

## Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$34.63 billion (2018)
GDP growth (annual %):	2.66% (2018)
GDP per capita, PPP (current international \$):	\$16,624.86 (2018)
External debt stocks, total (DOD, current US\$):	\$8,744,240,007.70 (2018)
Manufacturing, value added (% of GDP):	12.85% (2018)
Current account balance (BoP, current US\$):	-\$0.03 billion (2018)
Inflation, consumer prices (annual %):	0.77% (2019)
Labor force, total:	959,187 (2019)
Unemployment, total (% of total labor force) (modeled ILO estimate):	17.76% (2019)
Imports of goods and services (current US\$):	\$9.24 billion (2018)
Exports of goods and services (current US\$):	\$7.65 billion (2018)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
Corruption Perceptions Index	93 / 180
Global Competitiveness Index	82 / 141
Global Enabling Trade Index	56 / 136
Index of Economic Freedom	32 / 179
International Logistics Performance Index (LPI)	81 / 160
Inward FDI Potential Index	105 / 139
KOF Index of Globalization	94 / 185
Networked Readiness Index (NRI)	46 / 139
Open Budget Index	74 / 115

## Risk Assessment (Provided by Coface)

**Country rating: B** - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

**Business Climate rating: B** - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

### Strengths

- Integrated into the German production chain
- Proximity to Central European factories
- Wage competitiveness
- Support from international donors
- High levels of immigrant workers' remittances (19% of GDP)
- Denar pegged to the euro

### Weaknesses

- High level of structural unemployment and training shortfalls
- Large informal economy
- Inadequate transport infrastructures
- Significant indebtedness of private sector (93% of GDP at end 2014)
- Conflictual political landscape
- Tensions between the Slavic majority and the Albanian minority

## U.S. Embassy

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