

## Introduction

North Macedonia is a small, landlocked country located in the central Balkan Peninsula in Southeastern Europe. It borders 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 the North Atlantic Treaty Organization (NATO).



**Location:** Southern Europe

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

**Chief of State:** President Stevo Pendarovski

**Head of Govt.:** Prime Minister Dimitar Kovacevski

**Currency:** Macedonian denar (MKD)

**Major Languages:** <p>Macedonian (official) 61.4%, Albanian (official) 24.3%, Turkish 3.4%, Romani 1.7%, other (includes Aromanian (Vlach) and Bosnian) 2%, persons for whom data were taken from administrative sources and no language data was available 7.2% (2021 est.)</p>

**Primary Religions:** <p>Macedonian Orthodox 46.1%, Muslim 32.2%, other Christian 13.8%, other and non-believers 0.5%, unspecified 0.2%, persons for whom data were taken from administrative sources and no religious affiliation data was available 7.2% (2021 est.)</p>

**Calling Code:** 389

**Voltage:** 220

## Key Websites

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

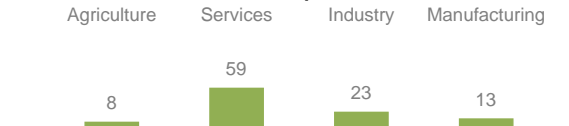
Export Promotion Agency: [investnorthmacedonia.gov.mk](http://investnorthmacedonia.gov.mk)

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## Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$41.49 billion (2022)
GDP growth (annual %):	2.15% (2022)
GDP per capita, PPP (current international \$):	\$20,161.75 (2022)
External debt stocks, total (DOD, current US\$):	\$10,839,504,439.00 (2021)
Manufacturing, value added (% of GDP):	13.10% (2022)
Current account balance (BoP, current US\$):	-\$0.84 billion (2022)
Inflation, consumer prices (annual %):	14.20% (2022)
Labor force, total:	940,107 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	15.08% (2022)
Imports of goods and services (current US\$):	\$13.01 billion (2022)
Exports of goods and services (current US\$):	\$10.16 billion (2022)

## 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	86 / 178
Global Competitiveness Index	82 / 141
Global Enabling Trade Index	56 / 136
Index of Economic Freedom	56 / 176
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	75 / 114

## Risk Assessment (Provided by Coface)

**Country rating: C** - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

**Business Climate rating: A4** - The business environment is acceptable. Corporate financial information is sometimes neither readily available nor sufficiently reliable. Debt collection is not always efficient and the institutional framework has shortcomings. Intercompany transactions may thus run into appreciable difficulties in the acceptable but occasionally unstable environments rated A4.

### Strengths

- Association and Stabilisation Agreement with the EU, candidate for membership since 2005 and ongoing negotiations since 2022
- NATO member since 2020
- Integration into the European manufacturing chain
- Wage competitiveness
- Support from European donors
- High remittances from expatriate workers (16% of GDP)
- Pegging of the denar to the euro

### Weaknesses

- Low employment rate (45.5%), high structural unemployment (13.5%) and lack of productivity
- Large informal economy (38% of GDP in 2022)
- Sustained emigration to the EU of young people facing a 25.5% unemployment rate
- High import content of exports, largely to Germany, and energy dependency
- High degree of euroisation (47% of bank deposits and 42% of credit)
- Insufficient transport, energy, health and education infrastructure
- Polarised and unstable political landscape against a backdrop of inter-ethnic strife
- Insufficient progress in the fight against corruption, organised crime, and improvement of the rule of law

## U.S. Embassy

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