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Report Name: Overview of North Macedonian Agricultural Market

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Report Highlights:

Agriculture in North Macedonia is an important contributor to the economic and social development of the country. The country has a negative agricultural trade balance that has expanded lately due to constraints on domestic agricultural production, and increasing demand driven by improving consumer incomes and developing tourism, food service, and retail trade. Rising agricultural imports present some new opportunities to U.S. stakeholders. Current trade prospects range from feed grains and protein meals to red and poultry meat, tree nuts, and whisky. Ongoing farm reforms also are opening doors for new crop and animal genetics and for introducing climate-smart agricultural practices.

Executive Summary

Agriculture in North Macedonia is an important contributor to the economic and social development of the country. The country has a negative agricultural trade balance that has expanded lately due to constraints on domestic agricultural production, and increasing demand driven by improving consumer incomes and developing tourism, food service, and retail trade. Rising agricultural imports present some new opportunities to U.S. stakeholders. Current trade prospects range from feed grains and protein meals to red and poultry meat, tree nuts, and whisky. Ongoing farm reforms also are opening doors for new crop and animal genetics and for introducing climate-smart agricultural practices.

Note: This is the first FAS/Sofia report on North Macedonia and provides background and a comprehensive overview of agriculture and agricultural trade in the country. The information in the report is based on official sources, including the [State Statistical Office](#): July Monthly Statistical Bulletin and 2023 Statistical Yearbook; as well as North Macedonia's Ministry of Agriculture's Forestry and Waters [Annual Report 2023](#). Other sources include the U.S. Embassy Skopje [Country Commercial Guides](#) for 2023, and the World Bank. and UN Food and Agricultural Organization (FAO) project documents.

General Overview

Geographic Location: The Republic of North Macedonia is located in southeastern Europe in the western part of the Balkan peninsula. It is a landlocked country which shares borders with Greece, Bulgaria, Albania, Kosovo, and Serbia. Its territory is 25,436 square kilometers divided into 80 municipalities. North Macedonia's location is at the crossroads of pan-European transport corridors Number 8 (East -West) and Number 10 (North-South). Number 8 Corridor connects the Adriatic Sea (Albania) – North Macedonia – Bulgaria (Black Sea), and Number 10 Corridor connects Athens/Greece to Salzburg, Austria, via Skopje, Belgrade, and Zagreb (Map 1).

Population and Languages: North Macedonia has a population of 1.83 million (2023). The population has been declining due to emigration and low fertility rates. As of 2024, the population was nearly four percent less than in 2018 and five percent less than in 2013 (official estimates). The population is also aging and the share of those above 65 years has increased from 13 percent to 18 percent between 2013 and 2023. This demographic situation creates the challenge of finding sufficient labor for agriculture. North Macedonia's official languages are primarily Macedonian and secondarily Albanian. Most of the population also speaks English as the primary foreign language.

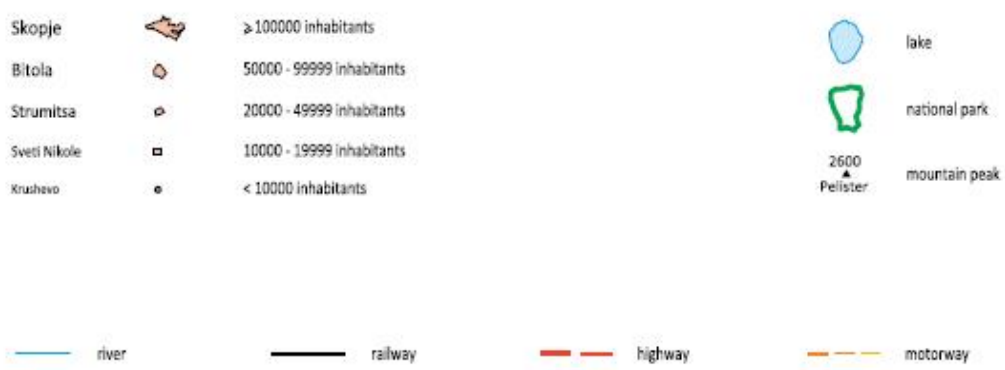
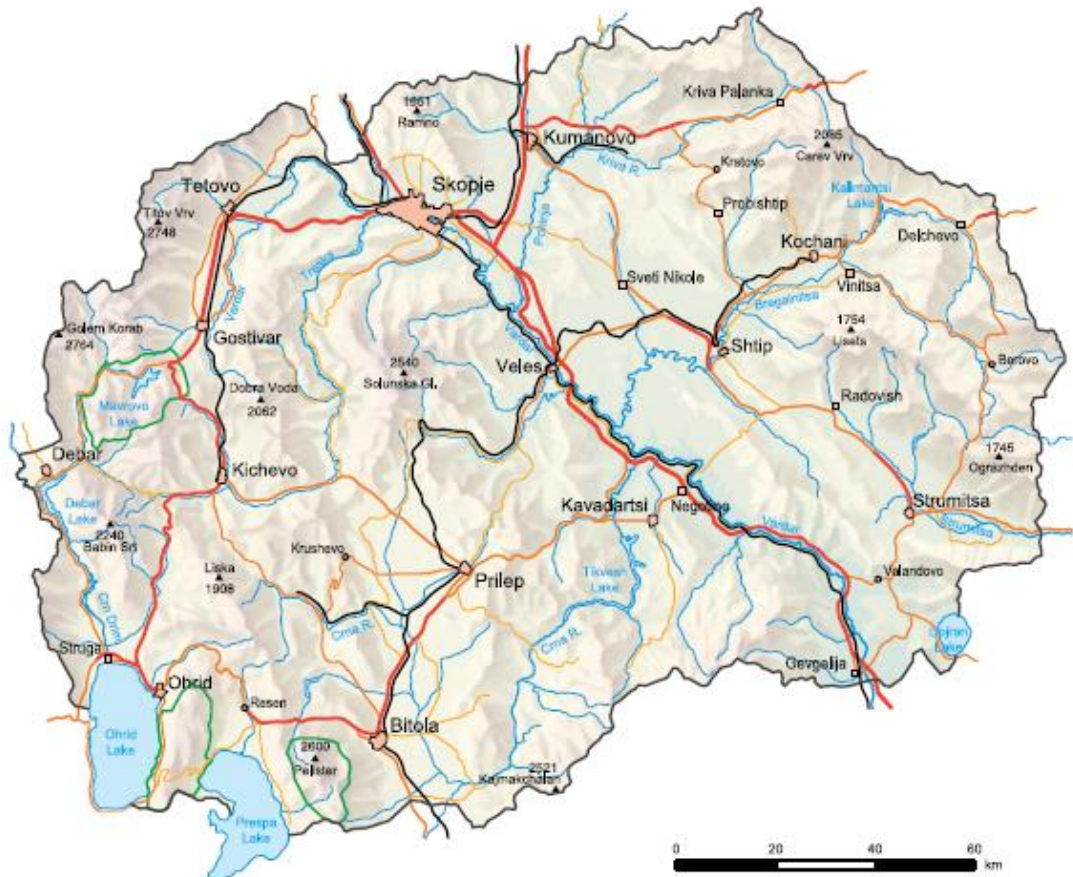
Historical and Political Background: Between 1945 and 1991, the country was part of the Socialist Federal Republic of Yugoslavia, and this had a strong impact on the structure of the agricultural and food industries and still impacts the agricultural sector today. This also created economic and cultural ties with Serbia, which is still the leading trade partner of the country.

After its independence in 1991, the country's official name changed to the Former Yugoslav Republic of Macedonia (FYROM), and following the Prespa Agreement with Greece in 2018, the name was changed again to Republic of North Macedonia. The country is a member of NATO (since 2020), the Council of Europe, the Organization for Security and Cooperation in Europe (OSCE), the Central European Free Trade Agreement (CEFTA), the Black Sea Economic Cooperation (BSEC), the World Bank and WTO

(since 2003). North Macedonia has bilateral Free Trade Agreements with Turkey and Ukraine, and it is a founding member of the Open Balkan Initiative, alongside Serbia and Albania. Currently, its leading trading partners are Germany, Italy, Greece, Serbia, and Bulgaria.

Map 1. North Macedonia Population and Road Infrastructure

Map of the Republic of North Macedonia



Source: State Statistical Office of North Macedonia

The EU gave its formal approval to begin accession talks with North Macedonia in March 2020 and launched the first phase of accession negotiations with the country in July 2022. This had a significant impact on the agricultural industry, since the country began to adopt EU regulations and food standards in its agricultural trade. This process allows EU funds to be available to North Macedonia's government for various agricultural reforms, domestic support subsidies, and investment in rural areas in farms and food processing facilities.

Economic Background: North Macedonia is an emerging market. The country has an open economy and makes efforts to develop stronger economic and trade ties in the region and with Europe. The GDP growth in 2023 is estimated at one percent compared to two percent in 2022 but has still been hampered by the consequences of COVID and the Russia's invasion of Ukraine (primarily due to higher energy costs). The unemployment rate is high at about 13 percent. Inflation, especially food inflation, was a challenge in 2023 at nine percent, but in the first half of 2024 it has gone down to around three percent.

The currency is Macedonian denar (MKD) and it is pegged to the Euro at a rate of one Euro equal to 61.3644 MKD. A value-added tax (VAT) of 18 percent is applied to most products and services. Taxes are low (10 percent on corporate income).

North Macedonia is considered to be a middle-income country with per capita income of \$8,219 in 2023 ([State Statistical Office](#)) with competitive wages (an average net monthly salary of \$762 as of June 2024, [State Statistical Office](#) of North Macedonia). The main economic challenges today are related to high energy prices, unemployment, and labor emigration to the EU.

Agriculture

Agriculture in the Economy: Agriculture has a long history and tradition in the country. Today, agriculture is an important economic sector that plays a key role in the economic and social development of the country. In recent years, agriculture, forestry, and fishing has been the third-largest contributor to GDP, after services and industry. This sector used to account for over 10 percent of GDP in 2013-2015 but declined to seven percent in 2022. If the food industry is added, their combined contribution to the GDP exceeds 10 percent of the national GDP.

Agriculture in North Macedonia historically has a dualistic structure. The country has a large number of small subsistence farms, and a small number of large commercial agricultural companies – often vertically integrated, connected with the food processing industry, and involved in international agricultural trade. These companies are typically conduits for introducing new agricultural innovations and are well positioned for improving efficiency. Another promising segment is market-oriented family farming which has the potential to expand and increase agricultural output and productivity.

Labor in Agriculture: According to official statistics, the full-time workforce in agriculture decreased from 82,000 people in 2021 to only 54,000 in 2023 (compared to the total workforce of 688,000 in 2023). If agricultural services and related industries are added, agricultural industry employs about 10 percent (69,000 people) of the total workforce (2022 data). The wages in agriculture are rising and at the end of 2023, the average monthly average wage was 30,000 MKD (490 Euro), comparable to wages in the hospitality industry, manufacturing, and administrative support services.

Agricultural Land: North Macedonia has a diverse landscape – from high mountains and mountain pastures to low river valleys with a Mediterranean climate. Land use for agriculture in the form of cropland and pastures is substantial and occupies about 50 percent of the surface area of the country, with forests constituting another 45 percent. (source: Public Enterprise National Forests)

Agricultural land is 1,251,000 hectares (HA) (2023), of which pastures are more than half – at 736,000 HA (59 percent) – and the rest is cultivated land (514,000 HA) (Map 2).

Map 2. North Macedonia Physical Map/Landscape



Source: <https://www.ezilon.com>

For historical, legal, and economic reasons, agricultural land in North Macedonia faces significant land fragmentation. Most land parcels are small, with over 55 percent of parcels consisting of two to five hectares. Less than one percent of agricultural land parcels are 50 HA or more. The agricultural land market is underdeveloped which creates a challenge for farms to expand. Underdeveloped land is most challenging for introducing modern, more-efficient farm equipment – to improve irrigation infrastructure, and the consistency and quality of agricultural products.

The UN Food and Agricultural Organization (FAO) began working on agricultural land consolidation projects in North Macedonia in 2014 that are expected to be finalized by 2026. The projects have addressed privatization of state-owned agricultural land, agricultural land abandonment, and support for developing agricultural land markets. The abandonment of agricultural land in North Macedonia has been a pressing concern, because approximately 32 percent of arable agricultural land in the country has been abandoned. This is a much higher rate than in other European countries. The large amount of abandoned land has affected environmental degradation and makes the country more vulnerable to climate change risks, (for example, susceptible to more fires in the summer). The government is considering introducing legislation to promote a market for farmland transactions as well as for consolidation. The hope is that this will increase the use of agriculture machinery, enable farm expansion, provide new and young farmers with access to land, enhance land mobility, and offer opportunities to develop small farms into commercial family farms.

Agricultural Production

North Macedonia does not produce sufficient quantities of grain and feed crops to meet demand and is dependent on imports of dairy and meat products (except for lamb). The country is known for its horticultural produce, vineyards/wine, and tobacco. The growth potential of most of this production, however, is highly dependent on reforms in irrigation and the introduction of climate-smart practices due to consistently increasing climate change risks. In recent years, the country has suffered through prolonged summer heat and drought waves impacting crop yields and an increasing number of forest fires.

Crops

Grain Crops: The main field crops are wheat, barley, corn, and rice.

Wheat area and production had declined but has stabilized since 2019 at about 70,000 HA. Average yields are also relatively stable with a high dependence on weather conditions. In 2023, the average wheat yield was at 3.095 MT/HA. In line with planted area, production fell but has stabilized in recent years at about 220,000 MT.

Domestic wheat production is not sufficient to meet domestic demand and the country imports about one-third of its needs. Wheat and wheat flour imports have been stable since 2020 and amounted at 140,000 MT in 2023. Serbia, Bosnia and Herzegovina, Italy, and Hungary are the main sources of wheat. Due to insufficient domestic milling capacities, imports are split evenly between wheat and wheat flour. For example, wheat imports in 2023 were 55,000 MT and wheat flour at 77,000 MT, North Macedonia occasionally re-exports wheat to Albania and Greece.

Barley is the second most important field crop in terms of growing area and production. In 2023, barley area reached 46,000 HA (yields were at 3.182 MT/HA, and production at 140,000 MT). The country is a net exporter of barley, exporting between 12,000-15,000 MT annually to Greece and Albania. Barley is used domestically for feed and in the domestic brewing industry.

Corn area is relatively stable at about 30,000 HA (2022 and 2023). The average yields (4.74 MT/HA in 2022) are declining due to increasingly unfavourable weather conditions (hot and dry summers). As a result, production in 2022 was recorded at 143,000 MT compared to almost 190,000 MT in 2018. The country is a net importer of corn. In 2022 and 2023, annual imports were at 40,000 MT. North Macedonia exports about 15-16,000 MT of corn annually, mainly to Greece.

Rice is grown on 3,200 HA of land and traditionally its production is stable at 19-20,000 MT with average yields of 6.0-6.1 MT/HA. The country is a net exporter of rice with annual trade of about 8,000 MT mainly to Serbia, Kosovo, and Bulgaria.

Oilseed Crops: The main oilseed crop is sunflower. The county does not produce noticeable quantities of soybeans or rapeseed.

Sunflower is grown on 9,200 HA with production around 20,000 MT. Average yields are around 2.0 MT/HA. The country has limited crushing facilities and imports of sunflower seeds are small at 3-4,000 MT annually, mainly from Serbia. At the same time, sunflower oil is the main cooking oil and as a result, North Macedonia is a net importer of sunflower oil with about 40,000 MT annually, from Serbia, Ukraine, and Bulgaria. The country exports (and/or re-exports) about 10,000 MT of sunflower oil per year to Albania, Kosovo, and Greece.

North Macedonia also imports sunflower meal for animal feed with imports fluctuating, reaching a high of 24,000 MT in 2021, but falling to a quarter of that number in 2023. Bulgaria, followed by Greece, are the traditional suppliers.

North Macedonia is also a net importer of soybean meal. Imports are at 28-30,000 MT annually, sourced mainly from Argentina (delivered through Thessaloniki, Greece).

Industrial Crops: Tobacco

Tobacco is a traditional and economically important crop for the country. Tobacco is the number one exported product with 15 percent share in total agri-food exports (2023). The country has about 18,000 tobacco growers. Production has been relatively stable at around 24,000 MT. Nearly all raw tobacco production is contracted by multinational companies through registered branches in the country and exported as fermented tobacco. The largest export markets are in the EU: Greece, Belgium, Poland, and Bulgaria, followed by the United States, South Korea, and Morocco.

Horticulture

North Macedonia is known for its horticultural production and vineyards due to a favorable, Mediterranean climate in river valleys. Horticulture production is concentrated in the southern and eastern parts of the country.

The main fruits grown in the country and ranked by their share of total production are apples, plums, peaches, and cherries. More minor fruits are pears, apricots, melons, and watermelons. The main vegetable crops ranked in their share of total production are potatoes, peppers, and tomatoes. North Macedonia also produces smaller quantities of walnuts (6,200 MT in 2022) and almonds (800 MT in 2022).

Apples: Apple orchards are the most economically important horticulture crop, as its share in total fruit production of the country is 65 percent (2022). About 75 percent of apple production is located in the region of Ohrid/Resen lakes. Apple orchard area has slowly contracted over the past decade and is on a decline from 4.3 million trees in 2013 to 4.0 million trees in 2023. Apple production had a very good year in 2022 (165,000 MT) followed by a sharp decline in 2023 to about 75,000-80,000 MT, due to adverse weather conditions. Fresh apples are one of the top export products with exports around 90,000 MT annually, primarily to Bulgaria, Kosovo, Serbia, and Greece.

Table Grapes: The country has very good climate conditions for table grapes, and the leading production area is in the Vardar River region. North Macedonia is a net exporter of table grapes, with exports varying from 28,000 MT (2019) to 18,400 MT (2023), mainly to Serbia, Bosnia and Herzegovina, and Montenegro.

Potatoes: Potatoes are the main vegetable crop with a stable area of about 12,200 HA. The trend has been expanding potato production, reaching 195,000 MT in 2022.

Tomatoes: Tomato area is gradually expanding, with 5,700 HA in 2023. However, production yields are highly variable and between 120,000-150,000 MT per year.

The food processing industry consists of 50 companies with an annual processing capacity of approximately 180,000 MT of fruits and vegetables. The most used are red peppers, tomatoes, sour cherries, apples, and plums. The low amount of food processing is due to issues with quality and consistency of the supply of raw materials, as well as a lack of market knowledge among suppliers, the country's lack of skilled workers, and farmers' difficulty accessing financing. Most North Macedonian canning factories (85 percent) process only vegetables or combine vegetables and fruits. About 15 percent of companies process only fruits.

Vineyards and Wine Making

Grape production, along with wine manufacturing, contributes 15-20 percent of the gross agricultural product in North Macedonia. The country has about 23,000 hectares of vineyards, of which 80 percent grow wine grapes and the remaining 20 percent grow table grapes. In the structure of wine vines, 60 percent are red varieties and 40 percent are white varieties. About 25,000 farms have vineyards, of which 70 percent are small family farms and 30 percent commercial farms. Although vineyard area is stable at 23,500 HA, vines are reported to be on a decline, from 82.3 million vines in 2013 to 78.8 million vines in 2023. More than 60 percent of vines are older than 15 years of age and are due to be replaced with younger plantings. Average yields have decreased from 3 kg/vine in 2018 to 2 kg/vine in 2023. Production of grapes was recorded at 150,000 MT in 2023, compared to 265,000 MT in 2022 and over 317,000 MT in 2020. The sharp decline in 2023 was due to adverse weather conditions which impacted the yields. Lower crop yields had an impact on wine production as well. Nevertheless, the sector still generated increased revenue due to higher prices of bottled wine.

Wineries process about 100,000 MT to 130,000 MT of wine grapes into wine. About three-quarters of this quantity is produced by small farmers and the rest is produced by vineyards owned by wine makers. There are 160 registered wine makers (2022), a sharp growth from only 28 wineries in 2003, with a capacity for production of over 2.0 million hectoliters (hl) of wine. Total wine production reached over 100 million liters in 2018, but it has been decreasing since then to 84 million liters in 2022, mainly due to the decrease in the domestic grape supply. The most popular wine production region is Tikvesh.

With more than 85 percent sold on the foreign market, wine is a strategic export product for the country. Approximately 65 percent of wine exports are in bulk, and 35 percent are bottled. Over the last five years, wine exports were at 65-68 million liters, but it dropped to 54 million liters in 2023 (\$62 million). Leading export markets are Serbia, Germany, and Croatia with some exports to China, Canada, Japan, and the United States.

In 2023, the Government adopted a 10-year National Strategy for the Development of Winemaking and Viticulture (2023-2033) and outlined its key priorities as modernizing the sector, increasing exports of wine, developing wine tourism, and developing measures to address climate change to ensure sustainability and biodiversity conservation of vineyards.

Dairy and Livestock

Sheep and Lamb: North Macedonia is known for its high-quality lamb meat which is one of the leading export products. Sheep farms are usually small with 20-200 head per farm with larger farms having over 300 head. Most farms raise local and not breeds specialized for the production of meat, milk, or wool. Recently, bigger farms began to invest in specialized breeds for milk (Awassi) and for meat (Virtemberg).

The number of sheep has declined from 732,000 head in 2013 to 633,281 in 2022 but had a small recovery in 2023 by 2.1 percent to 646,488. Due to reduction of the national herd, North Macedonia stepped up imports of live sheep, mainly from Serbia. Imports peaked in 2021 at 47,000 head but declined to only 630 head in 2023. The country usually does not export live sheep, however, the first exports occurred in 2023 with 1,200 head exported to Kosovo.

Local lamb production is close to 4,000 MT (in 2022 and in 2023) of which half is consumed domestically and the other half is exported. Exports of lamb are around 2,000 MT per year. The main export destinations are Italy, Croatia, and Bulgaria.

Cattle and Beef: The number of cattle in North Macedonia has decreased sharply from 256,000 head in 2018 to 149,000 head in 2023. This trend was accompanied by higher demand for imports which peaked in 2023 to over 21,000 head, originating mainly from Croatia. North Macedonia also exports about 5,000 cattle per year to Albania.

Most cattle are dairy cattle, and the number has been declining. Most dairy farmers are small with 1-3 cows, with low milk productivity of about 3,000 liters of milk/year. Family farms with 5-20 cows have higher productivity of about 5,000 liters of milk/year and sell on the market. These farms have a very good potential for growth. High productivity dairy farms (over 5,000 liters/year) with more than 20 cows account for three percent of all dairy farms, and those with more than 50 cows are only one percent of dairy farms.

North Macedonia's beef production is limited to about 4-5,000 MT, which makes the country a net importer. Annual imports are around 14,000 MT/CWE (carcass weight equivalent, or \$62 million), sourced from Italy, Austria, Paraguay, and Brazil.

The country is a net importer of bovine genetics and makes efforts to improve its productivity and efficiency. Annually the country imports about 50-60,000 doses of bovine semen. The main suppliers are the United States, Canada, and France (by value).

Milk: Milk production in North Macedonia is declining in parallel with the decrease in the number of dairy cows. In 2022, milk production was at 325,000 liters compared to over 400,000 liters in 2018. This decline in production has resulted in imports of about 25-27,000 liters of fresh milk, mainly from Bosnia and Herzegovina, Serbia, and Slovenia. Imports of cheese are also growing to about 7,000 MT annually, sourced from Germany and Serbia.

Swine and Pork: While other livestock numbers have been declining, the number of swine in the country is growing, from 167,000 head in 2013 to 193,000 head in 2023 (19,000 sows). In addition, the country imports live swine for breeding and for fattening. In 2023, imports were at over 5,000 head. Reportedly, these imports are related with the repopulation of ASF/African Swine Fever hit farms. Live swine are sourced mainly from Denmark and some from Hungary.

Pork is the most preferred red meat. Domestic production in 2023 was at 12,000 MT. Over 90 percent of local production is consumed as fresh meat, and domestic production is not sufficient to meet the growing demand. The country is a net importer with imports at 17,700 MT/CWE (\$51 million) in 2023, which included mainly chilled/frozen pork for processing and smaller amount for fresh consumption. Spain, Canada, and Germany are the main suppliers of pork to the country.

The United States also exports smaller quantities of pork to North Macedonia and has an approved veterinary protocol. This trade reached a high in 2020 of about 1,800 MT/CWE (\$3.7 million).

Poultry: The poultry industry in North Macedonia has seen a declining trend with the number of birds decreasing from 2.2 million in 2013 to 1.7 million in 2023. About 88 percent of farms are family farms and only two percent of poultry are raised at commercial poultry complexes.

Most local farms are focused on egg production. The number of layers in 2022 was reported at about 1.0 million birds (2022), with average annual productivity of 136 eggs/hen (2022). The annual egg production varies between 130 and 150 million eggs. The country is a net exporter of fresh eggs to Germany, Greece, Cyprus, and Kosovo.

Broiler meat is the most consumed meat in the country. The output, however, is very limited to only about 2,000 MT per year, which is only about five percent of consumption. Similar to other meats, the country is a net importer with growing trade that reached a record in 2023 with 43,400 MT (\$83 million). Brazil, Poland, and Greece are the leading suppliers.

U.S. chicken meat is approved for North Macedonia and in 2023 these imports reached a record high at 1,200 MT (\$1.7 million) and this trade has also increased so far in 2024.

Organic Agriculture

Organic production in North Macedonia is growing. In the past four years, the amount of land certified as organic has grown to 4,815 HA (2022). There are more than 930 registered small scale organic producers with the main focus on the production of meat (lamb, sheep, and goat dairy products), honey, cereals, industrial oilseed crops, wine, fruits, and vegetables. The Ministry of Agriculture has a National Organic Industry Strategy for 2021-2027. According to the strategy, the government is co-financing costs of certifying organic production by 50 percent, and costs of necessary soil and other laboratory analysis by 70 percent. Organic farmers also receive 30 percent higher subsidies per area for feed crops, 70 percent more for fruit and grape crops, and 100 percent more for vegetable crops, compared to conventional farming.

Forestry

Forests cover 45 percent of the territory of the country – 1,159,600 HA. Government-owned forests account for 89 percent and private forests account for 11 percent. The labor deficit in the forestry sector is serious with 1,555 employees in 2023, compared with over 2,200 in 2018. The number of forest fires – a significant concern for the country – has declined in 2023 to 2,993 compared to over 6,000 in 2018.

Large wildfires in 2024 are estimated to have destroyed about six percent of the territory under forests. The U.S. Forest Service is represented in the country and has worked with local stakeholders on issues such as sustainable forest management and forest fire protection.

Food and Drink Consumption

Expenses for food and non-alcoholic beverages have the highest share of consumers' disposable income. In the last three years, this share was around 50 percent. Household expenses for alcohol and tobacco were at six percent in 2023. This high share of expenses on food and beverages makes consumers more price sensitive and food inflation in the last two years became a challenge for many, leading to some rationing in consumption. In 2023, food inflation was reported at near 12 percent, above the overall average inflation of just over nine percent. However, improving incomes support more dining out. The share of household expenses on restaurants/hotels had growth from under three percent in 2021 to four percent in 2023.

North Macedonia's retail sector is dominated by small shops. There are a few shopping malls including Skopje City Mall which opened in 2012, East Gate Mall which opened in 2021, and Diamond Mall Skopje, which opened in October 2023. Two foreign retail chains are present in the market: Vero (part of the Greek Veropoulos Group) and Turkish Ramstore. German retailer Lidl is also in the process of establishing operations in the country. Local grocery retailers include Tinex, KAM Market, Stokomak and Kipper Market.

Tourism and the Hospitality Industry

The country's geographic location, scenic areas, and historical and religious sites provide opportunities for tourism and hotel/restaurant industry development, boosting local consumer demand. The number of tourists has been growing consistently to reach 1.2 million people in 2023, 37 percent more than in 2018. This includes both foreign tourists (63 percent) as well as locals (37 percent).

Higher tourist flows, along with longer stays, increased the occupancy at the hospitality facilities, including those in rural areas, and is contributing to higher consumer demand. According to official data (2022), the share of food and beverages sales in the turnover of the hospitality outlets was at 53 percent, followed by alcoholic drinks at 22 percent. The country has over 200 hotels and guesthouses of various types (2022) as well as approximately 1,000 food service outlets serving food/drinks.

Agricultural, Food, and Beverages Trade

Trade Regulations: As an EU candidate, North Macedonia is gradually harmonizing its trade and customs' laws with EU laws and regulations.

Labels of food products 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.

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 and licenses, if any. Service providers are not subject to customs regulations, but foreign trade transactions are subject to a documentation fee of one percent.

Excise duties apply to alcohol, cigarettes, and tobacco at variable levels. Excise duties are determined by the type and quantity of the product and are levied in addition to the customs tariff.

Customs duties 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), the European Free Trade Agreement (EFTA), and the Central European Free Trade Agreement (CEFTA).

Customs tariffs in 2023 ranged from 0–35 percent. Food, potable bottled water, raw materials and machinery for agriculture production, refined and crude vegetable oils for industrial use, and for foodstuffs for human consumption, and pellet stoves and boilers, are taxed at a preferential rate of five percent.

Customs tariffs are revised and amended on an annual basis, in compliance with the amendments to the Combined Nomenclature of the EU. Customs duties are determined by the Customs Tariff Law. As of July 1, 2015, [North Macedonia's Customs Administration](#) has been a part of the EU-EFTA customs system. Details on customs tariffs are available at <https://customs.gov.mk/en-GB/carinska-tarifa.nsp>.

A tax reform passed by Parliament in September 2023, moved a few hundred non-essential products to a new Value Added Tax (VAT) preferential rate of 10 percent. For imports into North Macedonia, the VAT is assessed on the customs value of the goods plus the customs duty and excises.

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.

Several products are subject to quality control by market inspection officials at customs offices. Products subject to quality control include most agriculture products, and products in which poor quality may pose a health risk to consumers. When applicable, products also must pass sanitary, phytopathology, or veterinary control. Import regulations are numerous and are not always available in English.

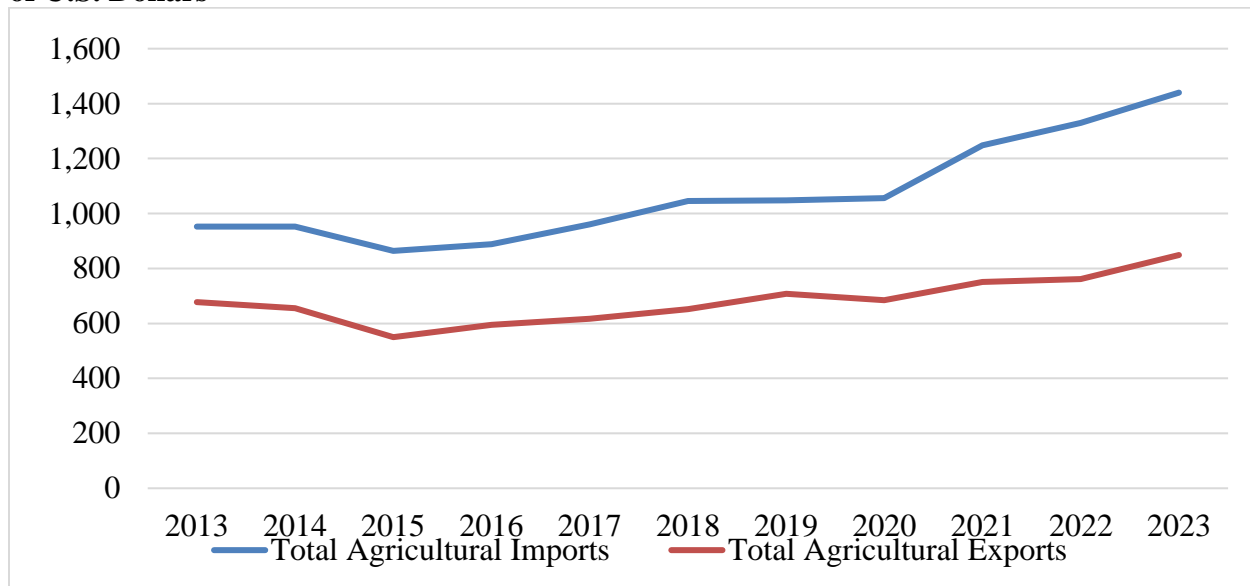
Since North Macedonia is a land-locked country, sea freight arrives primarily from the port of Thessaloniki in Greece, and less frequently from the ports in Piraeus (Greece) and Durres (Albania). Air freight arrives at one of North Macedonia's two airports in Skopje and Ohrid. Goods also arrive overland mostly by truck and more rarely by rail.

Trade Data and Trading Partners: The main agricultural export products from North Macedonia are tobacco, lamb meat, fresh and processed vegetables and fruits, wine, and confectionery products. The main imported agricultural products are red meat, milk and dairy products, grains, sunflower oil, fruits and vegetables, processed foods.

In 2023, North Macedonia agricultural exports increased to \$849 million, by 12 percent over 2022. The top export products were tobacco (\$127 million), bakery products (\$62 million), processed vegetables (\$56 million), wine (\$59 million), waters (\$35 million), fresh fruits (\$55 million), and lamb (\$16

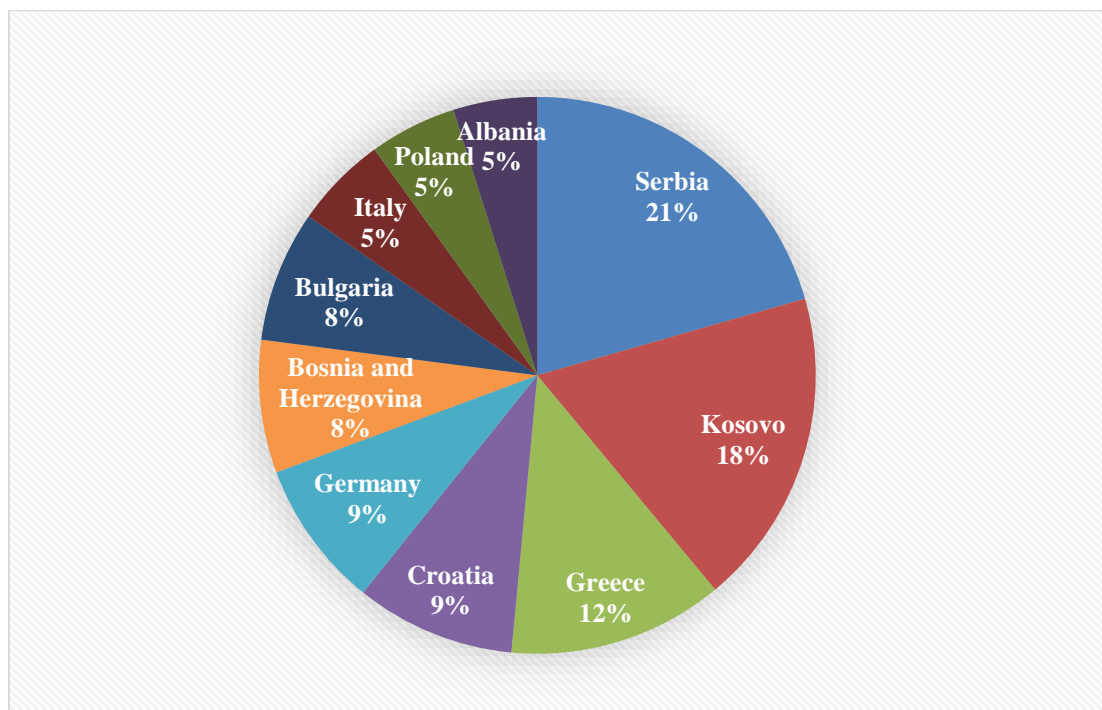
million). The leading export markets were Serbia, Kosovo, Greece, Croatia, and Germany (Graphs 1, 2, 4).

Graph 1. North Macedonia Total Agricultural and Related Products Trade, 2013-2023, in millions of U.S. Dollars



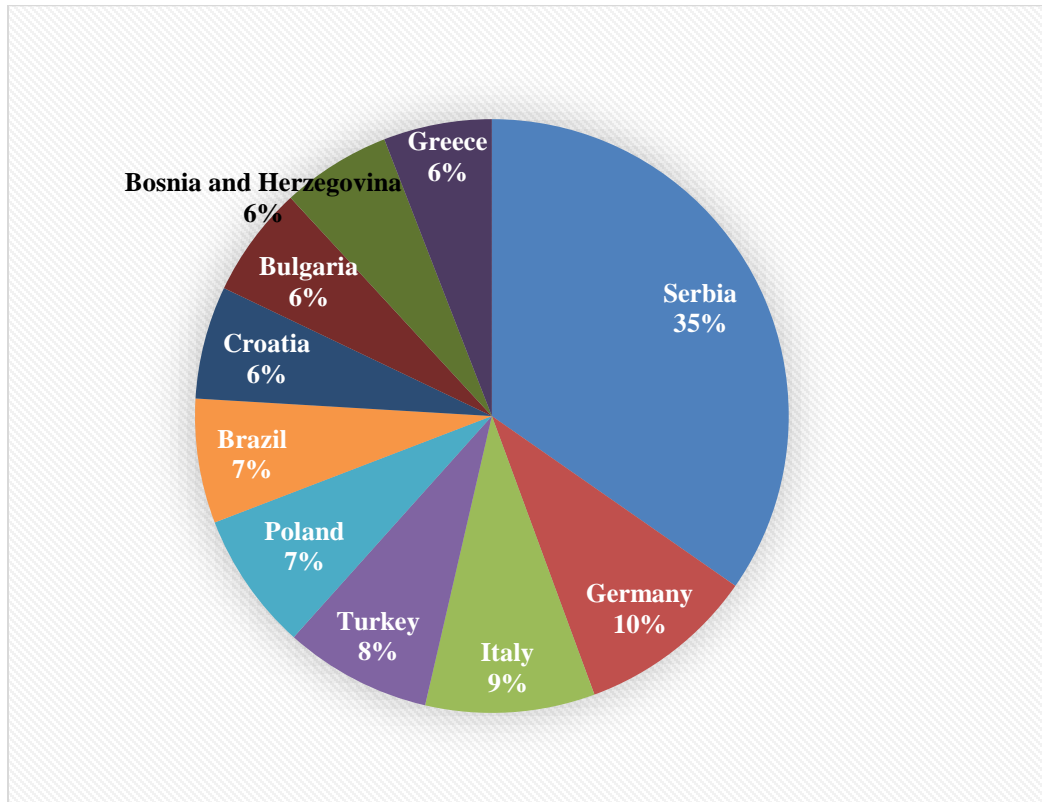
Source: Trade data Monitor (TDM)/BICO – Agricultural and Related Products Trade

Graph 2. North Macedonia Main Agricultural Export Markets, 2023



Source: Trade data Monitor (TDM)/BICO – Agricultural and Related Products Trade

Graph 3. North Macedonia Main Agricultural Imports Partners, 2023



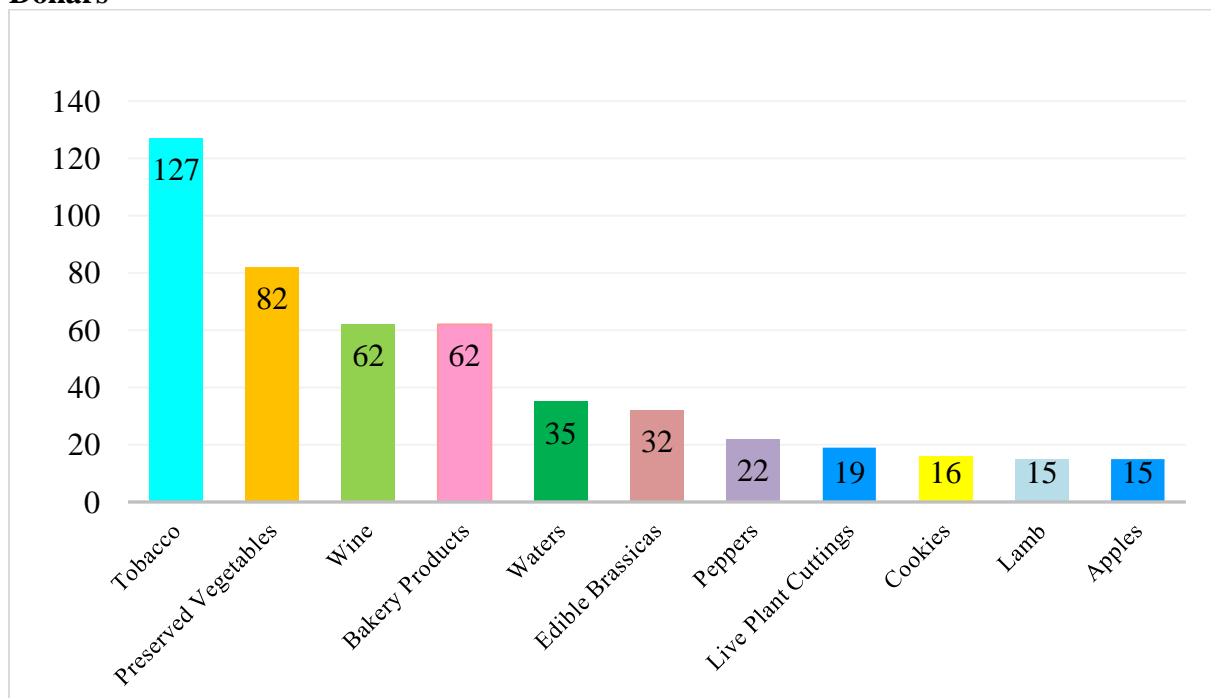
Source: Trade data Monitor (TDM)/BICO – Agricultural and Related Products Trade

The United States ranked #24 as an export market for North Macedonia. The country's agricultural exports to the United States were at \$24 million. North Macedonia exports to the United States are mainly tobacco (\$8.8 million), processed vegetables (\$3.3 million), confectionary products (\$3.3 million), and food preparations (\$1.0 million).

In 2023, North Macedonia agricultural imports also increased to \$1.44 billion, or by 8.3 percent over 2022. The country had a negative trade balance of \$591 million. The agricultural trade deficit has been expanding since 2018 when it was at \$340 million (Graphs 1, 3, 5).

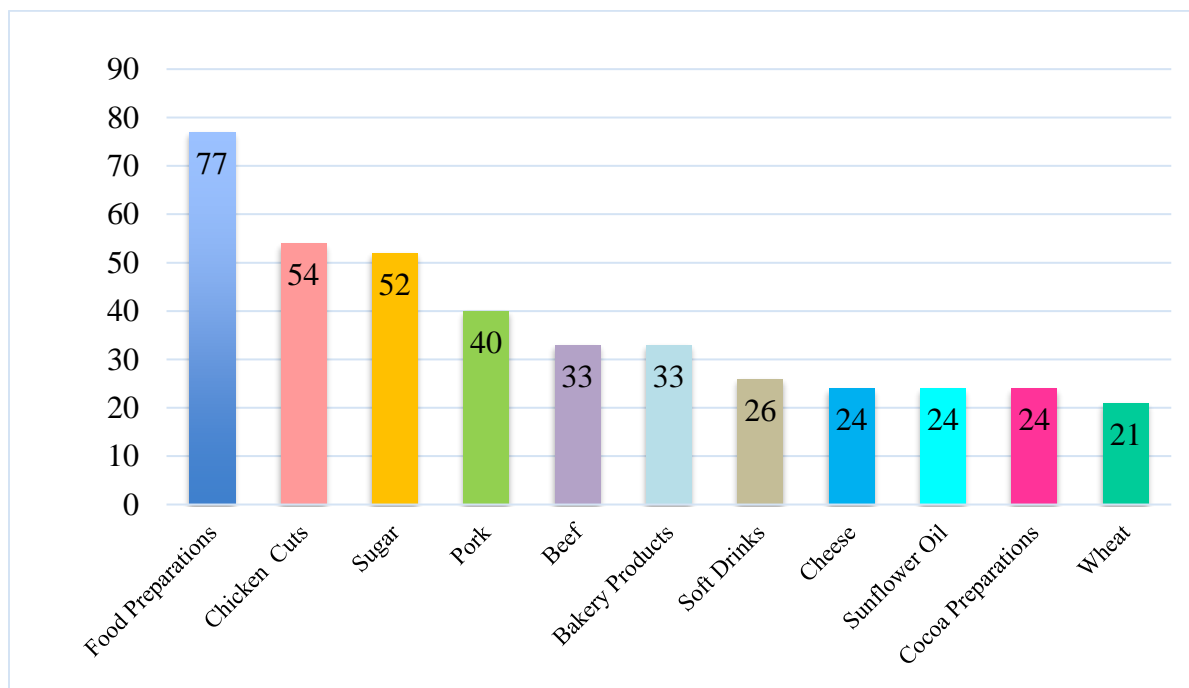
The top import products were food preparations (\$77 million), chicken cuts (\$54 million), sugar (\$53 million), pork (\$40 million), beef (\$33 million), bakery products (\$33 million), cheese (\$24 million), and sunflower oil (\$24 million). The leading suppliers were Serbia, Germany, Italy, Turkey, Poland, and Brazil (Graph 5).

Graph 4. North Macedonia Leading Agricultural Export Products, 2019-2023, in millions of U.S. Dollars



Source: Trade data Monitor (TDM)/BICO – Agricultural and Related Products Trade

Graph 5. North Macedonia Leading Agricultural Import Products, 2019-2023, in millions of U.S. Dollars



Source: Trade data Monitor (TDM)/BICO – Agricultural and Related Products Trade

The United States ranked as the #25 import partner for North Macedonia. The country's agricultural imports from the United States were at \$14 million. North Macedonia imports from the United States mainly food preparations (\$2.6 million), almonds (\$2.4 million), chicken cuts (\$1.7 million), pistachios (\$1.6 million), and peanuts (\$1.6 million), followed by whiskey (\$800,000).

Prospects for U.S. Agricultural and Food Products

Best prospects for U.S. exports include feed commodities, in particular soybean meal. North Macedonia is a net importer of oil meals and currently the prevailing imported origin of soybean meal is from Argentina. As local users, mainly poultry and pork operations, expand and grow the demand could increase. Also expanding availability of U.S. soybean meal is expected to present improved opportunities for trade. U.S. peanuts and tree nuts are estimated to enjoy excellent import opportunities. Import procedures and requirements are relatively smooth, and U.S. origin nuts are appreciated by local consumers. Strong import dependence for beef and poultry meat, and agreed veterinary protocols with the United States, also present potential for trade in these products to increase. Opportunities for these products exist at both the retail level and at foodservice level. U.S. distilled spirits also have a good import potential since they are considered as high-quality products with not much local competition. There are also no import tariffs on U.S. distilled spirits. The best prospects for these products are at the retail level and at select high-end hospitality outlets at tourist destinations.

Agricultural Policy

Currently, the authorities and the agricultural industry of North Macedonia have highlighted the economic and social role of agriculture for the country's development and food security. Commonly agreed agricultural reforms include significant improvement of agricultural productivity through modern technology and digitalization, more commercialization and modernization of subsistence farms, improved investments in farming and food processing facilities, as well as adaptation to climate changes.

The National Strategy for Agriculture and Rural Development 2021 – 2027 has key strategic goals to improve competitiveness, economic sustainability, and incomes by improving food supply security and strengthening of the sector's market orientation. It also aims to promote sustainable and balanced rural development while retaining the youth population through creating better living conditions. The Strategy focuses on the application of sustainable environmental practices to mitigate and adapt to climate changes. Consequently, the total agriculture budget (including financial support to agricultural development and subsidies to farmers) has increased from \$49.3 million in 2007 to \$211 million in 2022, accounting for approximately 3.14 percent of the national budget. Approximately 4.9 percent of the agriculture budget (\$106 million in 2021) was used for direct payments for agriculture production and for rural development.

Attachments:

No Attachments.