

EXTERNAL RELATIONS

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I. COMMON COMMERCIAL POLICY

A. Most Favoured Nation Trade

1. In order to have a complete picture of the differences between your import regime and the EU import regime, could you please provide us with:

- a) your national tariffs, World Trade Organisation (WTO) bound and applied, specifying ad valorem, specific and other types of duties, if any (both in one nomenclature; including initial negotiation rights [INRs]; preferably all in one excel document in electronic format. See also Chapter 25 on customs union);**
- b) quantitative restrictions applicable in your country, if any.**

a)

In accordance with Articles 4 and 5 of the Law on Customs Tariff ("Official Gazette of RM" Nos. 23/03 and 69/04), the Government of the Republic of Macedonia adopts the customs tariff for the following year at latest until 30 November of the current year. The customs tariff is harmonized with the obligations undertaken with the accession of the Republic of Macedonia to the World Trade Organization. The customs tariff of the Republic of Macedonia applied in 2005 is published in the Decision on Harmonising and Amending the Customs Tariff for 2005 ("Official Gazette of the RM" No. 86/04).

WTO Schedule of Concessions and Commitments on Goods of the Republic of Macedonia – See [26 Annex 01](#)

Decision on Harmonising and Amending the Customs Tariff for 2005 ("Official Gazette of the RM" No. 86/04) - See [26 Annex 02](#)

Excel table on WTO customs rates (bound and applied), initial negotiation rights and customs rates for 2005 - See [26 Annex 03](#)

b)

The Republic of Macedonia does not apply quantitative restrictions on export or import.

2. In case you are in possession of a comparative study between your and the EC import regime, please provide us with the summary findings of the study.

We are not in possession of any comparative study between the Macedonian and the EC import regime.

3. Please supply us with your latest trade data (import and export) in electronic format.**Macedonian exports:**

								Latest data for 2004		Index			2003 compared with 2004 (breakdown)	
Group	Country	2001 US\$	2001 EURO	2002 US\$	2002 EURO	2003 US\$	2003 EURO	01-08 2004 US\$	01-08 2004 EURO	2002 2001	2003 2002	01-08 2004 2003	01-08 2003 US\$	01-08 2003 EURO
Total		1.157.506.515	1.293.301.630	1.115.526.926	1.178.349.577	1.363.251.751	1.203.812.612	1.015.512.314	828.985.430	91,1	102,2	105,9	869.993.614	782.775.822
CEFTA Total		51.300.793	57.322.149	51.298.708	54.048.231	55.743.749	49.125.468	56.736.418	46.263.850	94,3	90,9	150,3	34.252.806	30.778.913
CEFTA	Poland	926.525	1.034.100	897.838	932.863	490.311	431.932	1.256.740	1.032.895	90,2	46,3	347,7	331.972	297.078
CEFTA	Hungary	2.582.206	2.880.243	2.683.976	2.783.068	2.832.815	2.466.573	1.179.556	958.861	96,6	88,6	84,7	1.275.131	1.132.218
CEFTA	Slovakia	1.870.160	2.087.333	1.345.137	1.414.407	839.949	725.361	1.843.321	1.526.067	67,8	51,3	656,5	261.286	232.440
CEFTA	the Czech Republic	3.184.077	3.565.818	1.983.784	2.097.697	3.072.087	2.712.304	3.144.670	2.553.778	58,8	129,3	131,7	2.167.833	1.938.493
CEFTA	Bulgaria	20.800.704	23.255.422	21.782.023	22.956.556	25.826.394	22.802.017	30.295.065	24.661.733	98,7	99,3	168,7	16.226.270	14.616.700
CEFTA	Slovenia	20.975.797	23.424.524	21.656.216	22.822.085	21.292.537	18.769.465	17.701.384	14.460.451	97,4	82,2	124,9	12.874.805	11.579.212
CEFTA	Romania	961.323	1.074.710	949.734	1.041.555	1.389.656	1.217.815	1.315.682	1.070.065	96,9	116,9	108,9	1.115.509	982.772
EFTA Total		39.034.388	43.386.144	27.722.847	29.233.603	19.509.215	17.593.711	4.066.679	3.306.104	67,4	60,2	23,0	15.802.269	14.391.842
EFTA	Switzerland	35.835.566	39.795.094	26.957.594	28.370.948	19.284.888	17.395.295	3.806.043	3.092.230	71,3	61,3	21,7	15.652.834	14.257.042
EFTA	Lichtenstein	3.093.100	3.474.075	661.117	756.120			205.783	168.344	21,8	0,0	0,0		
EFTA	Norway	105.722	116.975	100.608	102.931	224.327	198.417	26.879	21.994	88,0	192,8	16,3	149.435	134.800
EFTA	Iceland			3.528	3.604			27.974	23.535	0,0	0,0	0,0		
EU Total		566.492.577	632.924.088	570.230.230	603.748.730	745.132.103	658.803.561	557.710.692	454.849.885	95,4	109,1	105,0	481.433.688	433.369.539
EU	Austria	6.236.488	6.935.880	6.499.966	6.835.720	7.677.861	6.773.526	4.191.456	3.417.280	98,6	99,1	76,3	4.995.226	4.479.027
EU	Portugal	4.517.980	5.023.619	1.593.297	1.679.607	6.633.696	5.746.384	4.429.026	3.580.509	33,4	342,1	145,2	2.807.839	2.466.248
EU	Italy	91.195.834	101.875.592	81.874.503	87.456.668	95.365.580	84.828.608	79.726.034	65.112.180	85,8	97,0	107,5	67.035.219	60.575.353
EU	Ireland	71.764	78.690	74.231	76.898	66.820	59.526	6.924	5.675	97,7	77,4	118,5	5.284	4.790
EU	the Netherlands	45.406.865	50.779.818	44.711.542	47.490.801	46.788.456	41.408.075	30.606.351	24.919.777	93,5	87,2	89,7	30.875.149	27.780.891
EU	Greece	101.131.920	112.951.757	116.949.561	123.281.510	179.813.465	158.739.851	141.257.513	115.398.830	109,1	128,8	112,0	114.765.619	103.066.676
EU	France	15.964.107	17.945.807	24.788.707	25.537.642	54.725.094	48.363.945	47.702.639	38.845.020	142,3	189,4	130,0	33.098.955	29.870.209
EU	Belgium	7.492.605	8.370.825	10.364.130	10.997.411	9.641.446	8.406.918	10.400.592	8.376.514	131,4	76,4	142,8	6.625.416	5.867.414
EU	Finland	203.395	226.892	172.780	185.805	175.025	154.499	111.211	88.084	81,9	83,2	99,8	97.380	88.285

Chapter 26 External Relations

EU	Luxemburg	2.573.584	2.870.686	219.478	239.089	619.005	543.574			8,3	227,4	0,0	468.594	404.084
EU	Spain	21.450.641	24.150.034	14.576.033	15.787.202	21.275.456	18.802.154	6.562.505	5.295.607	65,4	119,1	42,0	14.004.208	12.605.126
EU	Sweden	2.765.119	3.087.193	3.595.420	3.801.051	5.645.693	4.977.764	3.844.659	3.141.977	123,1	131,0	103,1	3.396.147	3.047.886
EU	Denmark	2.059.793	2.308.632	1.900.090	2.077.197	3.253.723	2.863.335	1.888.922	1.539.957	90,0	137,8	94,1	1.822.672	1.637.356
EU	Germany	238.735.961	266.448.138	234.000.770	248.095.088	278.353.699	246.288.949	200.666.728	163.596.548	93,1	99,3	99,7	182.036.990	164.040.000
EU	The UK	26.686.521	29.870.527	28.909.720	30.207.040	35.097.084	30.846.454	26.316.131	21.531.926	101,1	102,1	123,5	19.398.989	17.436.193
Other countries														
Total		465.960.077	520.845.767	429.954.482	452.919.185	469.388.060	413.083.836	340.139.488	278.207.124	87,0	91,2	106,5	291.322.339	261.349.096
Other countries	Croatia	58.487.729	65.429.082	59.077.986	62.165.587	66.096.104	58.318.132	49.432.958	40.457.724	95,0	93,8	108,1	41.643.868	37.427.401
Other countries	Ukraine	781.718	866.267	480.389	517.153	1.783.685	1.560.099	1.317.869	1.079.600	59,7	301,7	126,0	952.037	856.488
Other countries	Russia	13.940.596	15.593.173	14.432.132	15.318.828	13.743.717	12.120.531	12.220.605	9.982.854	98,2	79,1	130,6	8.514.809	7.640.915
Other countries	Bosnia and Herzegovina	16.282.858	18.138.452	18.309.760	19.240.194	23.748.237	20.905.735	17.955.840	14.688.209	106,1	108,7	116,8	14.016.826	12.571.597
Other countries	Albania	10.019.241	11.161.628	13.871.254	14.446.977	17.420.937	15.335.951	12.068.461	9.851.792	129,4	106,2	108,5	10.087.428	9.076.965
Other countries	Serbia and Montenegro	267.012.516	298.627.794	246.384.262	259.691.257	273.802.507	241.096.480	204.445.849	167.367.204	87,0	92,8	107,5	173.891.901	155.712.155
Other countries	USA	99.435.419	111.029.372	77.398.697	81.539.190	72.792.873	63.746.907	42.697.906	34.779.742	73,4	78,2	91,4	42.215.470	38.063.575
Other countries														
Total		34.718.680	38.823.483	36.320.660	38.399.828	73.478.624	65.206.035	56.859.038	46.358.467	98,9	169,8	108,1	47.182.511	42.886.432
Source: State Statistical Office														

Export breakdown by sectors

EXPORT		2001	2002	2003	2004 (1-7)	2002 2001	2003	2002	01-07 2004 01-07 2003
code	sector/division	US\$	US\$	US\$	US\$	Index			
00	Live animals	498	354	275	121	71,1	77,7		173,7
01	Meat and meat preparations	15.242	14.671	19.149	16.349	96,3	130,5		124,4
02	Dairy products and bird's eggs	1.293	1.155	2.224	2.627	89,3	192,5		195,7
03	Fish, crustaceans and molluscs and preparations thereof	147	38	150	2.441	25,9	394,0		3238,5
04	Cereals and cereal preparations	4.051	4.179	7.070	5.093	103,2	169,2		166,9
05	Vegetables and fruit	30.063	36.010	42.390	30.152	119,8	117,7		143,6
06	Sugars, sugar preparations and honey	4.023	7.513	6.489	2.638	186,8	86,4		104,6
07	Coffee, tea, cocoa, spices, and manufactures thereof	5.323	4.965	5.800	3.191	93,3	116,8		120,5
08	Feeding stuff for animals (not including non-milled cereals)	427	123	181	177	28,8	147,1		216,6
09	Miscellaneous edible products and preparations	3.825	5.708	7.385	4.425	149,2	129,4		106,7
0	Food and live animals	64.892	74.716	91.112	67.213	115,1	121,9		139,8
11	Beverages	46.537	48.711	55.381	30.744	104,7	113,7		102,4
12	Tobacco and tobacco manufactures	74.966	76.215	81.325	37.134	101,7	106,7		89,6
1	Beverages and tobacco	121.504	124.926	136.705	67.878	102,8	109,4		95,0
21	Hides, skins and fur-skins, raw	7.188	5.542	5.481	3.353	77,1	98,9		82,8
22	Oil seeds and oleaginous fruits	296	1.541	786	386	520,5	51,0		126,7
23	Crude rubber (including synthetic and reclaimed)	0	0	21	0	0,0	7645,1		11,2
24	Cork and wood	3.559	2.995	4.032	2.664	84,1	134,7		119,3
25	Pulp and waste paper	73	38	61	333	51,7	162,7		802,5
26	Textile fibres (other than wool tops), wastes; not manufactured	1.118	955	1.273	853	85,5	133,2		91,4
27	Crude fertilizers and minerals (excl.coal, petrol, precious stones)	8.653	11.189	15.829	8.580	129,3	141,5		109,2
28	Metalliferous ores and metal scrap	14.462	10.029	7.206	5.250	69,3	71,9		131,3
29	Crude animal and vegetable materials, n.e.s.	2.102	3.154	5.201	3.240	150,1	164,9		115,7
2	Crude materials except fuels	37.451	35.443	39.890	24.660	94,6	112,5		111,0
32	Coal, coke and briquettes	0	20	267	144	0,0	1359,8		83,7
33	Petroleum, petroleum products and related materials	42.320	24.502	71.451	29.960	57,9	291,6		83,8
34	Gas, natural and manufactured	1.074	556	2.050	1.151	51,8	368,5		177,2
35	Electricity	0	0	0	0	0,0	0,0		0,0
3	Mineral fuels, lubricants and related materials	43.393	25.078	73.768	31.256	57,8	294,2		85,5
41	Animal oils and fats	34	35	48	18	101,9	138,8		60,5
42	Fixed vegetable fats and oils, crude, refined or fractionated	1.740	2.491	642	309	143,2	25,8		86,3
43	Animal or vegetable fats and oils, processed;	142	149	127	101	105,6	84,9		173,2

Chapter 26 External Relations

	animal or vegetable waxes							
4	Animal and vegetables oils, fats and waxes	1.915	2.675	817	428	139,7	30,5	95,8
51	Organic chemicals	2.973	3.448	2.846	603	116,0	82,5	28,1
52	Inorganic chemicals	4.089	5.483	4.482	2.721	134,1	81,7	101,7
53	Dyeing, tanning and colouring materials	3.477	4.539	5.989	4.349	130,5	131,9	118,8
54	Medical and pharmaceutical products	23.705	27.931	30.179	21.904	117,8	108,0	133,8
55	Essential oils and perfume materials; toilet, polish and cleaning preparations	6.464	6.846	6.944	4.396	105,9	101,4	103,1
56	Fertilizers , manufactured (other than those of group 272)	6.712	6.837	2.861	248	101,9	41,8	8,7
57	Plastics in primary forms	2.448	2.973	3.407	1.610	121,4	114,6	75,1
58	Plastics in non-primary forms	8.041	8.328	10.098	6.055	103,6	121,2	107,7
59	Chemical materials and products, n.e.s.	2.589	2.953	3.366	1.822	114,1	114,0	88,5
5	Chemicals and related products	60.499	69.338	70.172	43.706	114,6	101,2	104,6
61	Leather, leather manufactures, n.e.s. and dressed fur-skins	1.945	3.004	1.331	2.690	154,5	44,3	434,4
62	Rubber manufactures, n.e.s.	1.002	744	234	275	74,3	31,5	246,5
63	Cork and wood manufactures (excluding furniture)	812	791	975	925	97,4	123,2	207,6
64	Paper, paperboard and articles of paper pulp, of paper or of paperboard	5.700	5.709	6.168	3.512	100,2	108,0	95,8
65	Textile yarn, fabrics, made-up articles, n.e.s., and related products	37.318	35.803	42.409	28.048	95,9	118,5	131,7
66	Non-metallic mineral manufactures, n.e.s.	35.826	34.511	36.808	23.850	96,3	106,7	117,4
67	Iron and steel	195.736	156.138	250.531	180.600	79,8	160,5	117,1
68	Non-ferrous metals	73.351	61.973	40.697	4.450	84,5	65,7	14,2
69	Manufactures of metals, n.e.s.	20.880	17.497	18.032	12.510	83,8	103,1	134,8
6	Manufactured goods classified chiefly by material	372.571	316.170	397.185	256.860	84,9	125,6	106,4
71	Power generating machinery and equipment	1.478	1.327	1.136	547	89,8	85,6	101,3
72	Machinery specialized for particular industries	2.307	3.072	2.847	1.934	133,2	92,7	112,2
73	Metal working machinery	673	894	656	542	132,7	73,4	164,0
74	General industrial machines and equipment, n.e.s., machine parts, n.e.s.	3.418	3.916	4.755	3.167	114,6	121,4	107,4
75	Office machines and automatic data-processing machines	432	963	1.280	1.080	223,1	133,0	190,0
76	Telecommunication and sound recording and reproduction apparatus and equipment	723	1.211	1.095	699	167,4	90,4	131,8
77	Electric machines, apparatuses and appliances, n.e.s. and electric parts thereof	46.852	41.994	44.386	27.411	89,6	105,7	111,9
78	Road vehicles (including air-bag vehicles)	17.052	18.086	19.730	13.141	106,1	109,1	110,3
79	Other transport equipment	3.675	3.066	4.699	4.243	83,4	153,3	209,4
7	Machinery and transport equipment	76.611	74.528	80.583	52.764	97,3	108,1	117,1
81	Prefabricated buildings; sanitary plumb.	5.826	5.345	5.219	3.530	91,7	97,6	126,4
82	Furniture and parts thereof	5.534	5.023	5.392	4.176	90,8	107,3	148,8
83	Travel goods, handbags and similar containers (01/01/1988-)	301	328	296	70	109,1	90,2	24,6

Chapter 26 External Relations

84	Articles of apparel and clothing accessories (01/01/1988-)	320.524	334.146	409.344	288.291	104,3	122,5	124,8
85	Footwear	37.403	35.837	41.360	28.438	95,8	115,4	116,3
87	Professional, scientific and controlling instruments and apparatus, n.e.s.	1.572	2.617	917	811	166,4	35,0	132,6
88	Photographic camera, equipment and supplies and optical goods; watches	156	270	224	192	173,3	83,0	150,6
89	Miscellaneous manufactured articles, n.e.s.	4.961	5.298	7.592	6.801	106,8	143,3	171,5
8	Miscellaneous manufactured articles	376.277	388.865	470.343	332.309	103,3	121,0	124,9
93	Transactions and products - undivided	1.156	1.072	1.652	1.050	92,7	154,1	244,9
96	Coin (other than gold coin) not being legal tender	0	0	0	0	0,0	0,0	0,0
97	Gold, non-monetary (excluding gold, ores and concentrates)	205	0	126	15	0,0	0,0	147,9
98	Undivided	1.033	2.717	899	733	262,9	33,1	143,1
9	Transactions and goods NN	2.394	3.788	2.677	1.798	158,3	70,7	189,0
	TOTAL	1.157.507	1.115.527	1.363.252	878.873	96,4	122,2	113,6

Source: State Statistical Office

Macedonian imports:

Group	Country	2001 US\$	2001 EURO	2002 US\$	2002 EURO	2003 US\$	2003 EURO	Latest data on 2004		Index			2003 compared with 2004 (breakdown)	
								01-08 2004 US\$	01-08 2004 EURO	2002 2001	2003 2002	01-08 2004 01-08 2003	01-08 2003 US\$	01-08 2003 EURO
Total		1.693.600.813	1.893.372.214	1.995.155.885	2.105.963.765	2.299.920.098	2.032.611.290	1.787.346.937	1.460.359.472	111,2	96,5	109,5	1.480.576.019	1.334.133.854
CEFTA Total		283.591.572	316.624.245	332.281.583	351.074.793	375.641.740	331.515.247	335.290.535	274.152.646	110,9	94,4	131,5	231.646.410	208.506.851
CEFTA	Poland	15.396.147	17.136.317	21.780.802	23.107.357	26.422.649	23.465.841	25.575.306	20.859.778	134,8	101,6	130,4	17.668.409	15.998.707
CEFTA	Hungary	17.426.348	19.503.053	28.704.214	30.554.865	29.136.292	25.566.207	19.272.145	15.785.033	156,7	83,7	96,8	18.243.018	16.311.951
CEFTA	Slovakia	3.731.900	4.138.402	4.866.609	5.102.328	5.859.862	5.163.815	4.712.577	3.844.805	123,3	101,2	119,0	3.601.868	3.230.754
CEFTA	The Czech Republic	11.602.302	12.975.052	9.032.243	9.528.229	11.928.121	10.531.177	9.852.065	8.036.213	73,4	110,5	130,3	6.831.679	6.165.916
CEFTA	Bulgaria	103.333.675	115.423.089	128.475.454	136.118.998	148.979.828	131.848.651	133.117.828	108.791.797	117,9	96,9	126,0	95.840.571	86.352.850
CEFTA	Slovenia	118.908.065	132.736.341	129.672.827	136.500.708	138.941.549	122.339.588	95.226.675	77.917.034	102,8	89,6	106,8	81.151.802	72.978.704
CEFTA	Romania	13.193.135	14.711.991	9.749.435	10.162.308	14.373.439	12.599.968	47.533.940	38.917.987	69,1	124,0	521,1	8.309.063	7.467.969
EFTA Total		26.062.064	29.174.881	30.855.077	32.111.609	28.946.134	25.470.065	31.872.733	26.112.946	110,1	79,3	163,8	17.662.750	15.939.326
EFTA	Switzerland	23.254.106	26.038.188	28.272.516	29.339.450	27.132.849	23.882.168	31.478.524	25.792.005	112,7	81,4	172,6	16.542.042	14.945.469
EFTA	Lichtenstein	1.089.089	1.223.671	938.006	1.031.334	720.412	627.851	250.546	203.718	84,3	60,9	42,2	549.789	482.382
EFTA	Norway	1.655.458	1.842.252	1.560.285	1.652.277	761.896	664.624	116.380	95.155	89,7	40,2	38,7	276.595	246.187
EFTA	Iceland	63.411	70.770	84.271	88.548	330.977	295.423	27.283	22.068	125,1	333,6	8,3	294.323	265.287
EU Total		719.573.308	805.155.684	894.887.239	943.363.338	1.005.822.303	889.520.773	742.691.826	606.715.173	117,2	94,3	102,4	656.721.371	592.264.386
EU	Austria	43.878.841	49.083.174	53.308.895	55.849.978	56.181.976	49.393.462	41.580.054	34.018.690	113,8	88,4	116,0	32.660.503	29.317.105
EU	Portugal	1.244.199	1.380.400	246.511	257.539	460.233	405.833	484.348	394.038	18,7	157,6	144,4	304.578	272.895
EU	Italy	107.829.256	120.839.870	118.586.191	125.360.576	122.572.931	107.687.936	106.097.248	86.827.652	103,7	85,9	126,3	76.726.147	68.771.856
EU	Ireland	9.333.290	10.426.878	5.348.541	5.643.891	5.192.993	4.538.297	8.284.241	6.782.759	54,1	80,4	208,6	3.671.907	3.251.738
EU	the Netherlands	45.752.246	51.167.249	51.855.072	54.843.711	49.133.824	43.341.432	35.495.845	28.913.844	107,2	79,0	102,7	31.315.290	28.167.067
EU	Greece	184.634.043	206.522.454	237.883.452	250.732.880	300.205.654	267.919.100	181.366.539	148.189.680	121,4	106,9	76,7	212.586.471	193.287.362
EU	France	30.304.215	33.830.682	53.055.788	56.139.173	51.464.381	45.504.305	42.112.294	34.409.867	165,9	81,1	114,0	33.506.577	30.178.800
EU	Belgium	14.405.591	16.267.563	15.736.582	16.562.316	16.641.207	14.592.216	13.735.238	11.240.650	101,8	88,1	131,9	9.493.854	8.522.068
EU	Finland	2.700.007	3.064.071	3.155.756	3.327.725	4.803.229	4.212.912	2.355.373	1.910.313	108,6	126,6	75,7	2.825.775	2.524.205
EU	Luxemburg	500.414	554.951	569.540	596.872	715.984	629.008	441.758	360.423	107,6	105,4	101,1	396.831	356.668
EU	Spain	9.908.514	11.080.856	12.666.222	13.350.889	24.538.676	21.508.857	18.077.633	14.740.498	120,5	161,1	106,2	15.623.308	13.882.566
EU	Sweden	18.815.556	20.898.053	17.707.130	18.677.655	20.175.215	17.791.017	17.031.503	13.934.443	89,4	95,3	125,2	12.343.551	11.130.480
EU	Denmark	9.052.067	10.069.827	7.255.418	7.627.748	11.242.334	9.977.634	7.655.801	6.247.735	75,7	130,8	84,9	8.179.459	7.362.258
EU	Germany	214.964.635	240.595.485	284.734.302	299.879.554	303.872.527	267.932.089	229.680.876	187.428.761	124,6	89,3	108,6	191.818.709	172.576.268
EU	The UK	26.250.433	29.374.171	32.777.839	34.512.828	38.621.138	34.086.675	38.293.076	31.315.820	117,5	98,8	138,2	25.268.410	22.663.050
Other countries		487.391.070	544.309.129	512.663.142	542.321.665	613.436.485	541.458.029	444.516.589	362.890.866	99,6	99,8	103,1	391.424.527	351.937.010

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Total														
Other countries	Croatia	46.391.019	51.946.937	55.229.152	57.999.400	63.543.097	55.969.425	40.046.575	32.768.418	111,7	96,5	94,3	38.634.209	34.757.389
Other countries	Ukraine	86.204.644	96.514.076	72.745.066	77.448.970	87.485.146	78.033.265	42.920.567	35.032.016	80,2	100,8	56,4	68.880.287	62.153.301
Other countries	Russia	139.712.072	155.469.133	125.365.471	132.590.230	177.827.868	155.877.099	164.632.661	134.001.225	85,3	117,6	161,4	92.643.824	83.032.507
Other countries	Bosnia and Herzegovina	4.149.964	4.638.277	14.298.722	15.101.979	11.753.421	10.354.467	8.681.592	7.104.990	325,6	68,6	107,7	7.355.711	6.596.814
Other countries	Albania	1.306.330	1.408.977	1.126.548	1.177.211	3.931.796	3.467.221	4.236.979	3.468.266	83,6	294,5	158,9	2.426.461	2.182.195
Other countries	Serbia and Montenegro	158.020.457	176.726.881	185.190.644	195.494.221	212.630.741	187.942.443	152.700.565	125.026.500	110,6	96,1	98,2	141.507.871	127.288.510
Other countries	USA	51.606.585	57.604.847	58.707.539	62.509.654	56.264.416	49.814.109	31.297.651	25.489.451	108,5	79,7	70,9	39.976.165	35.926.295
Other countries														
Total		176.982.799	198.108.275	224.468.843	237.092.360	276.073.436	244.647.175	232.975.255	190.487.841	119,7	103,2	115,1	183.120.961	165.486.280

Source: State Statistical Office

Import breakdown by sectors

IMPORT		2001	2002	2003	01-07 2004	2002 2001	2003 2002	01-07 2004 01-07 2003
code	Sector/division	US\$	US\$	US\$	US\$	Index		
00	Live animals	1.033	2.977	1.603	1.264	288,1	53,8	146,4
01	Meat and meat preparations	61.708	70.931	70.242	46.559	114,9	99,0	133,1
02	Dairy products and bird's eggs	10.712	12.718	16.559	12.437	118,7	130,2	125,4
03	Fish, crustaceans and molluscs and preparations thereof	6.407	8.823	9.885	6.006	137,7	112,0	124,7
04	Cereals and cereal preparations	31.292	45.700	46.082	48.301	146,0	100,8	170,3
05	Vegetables and fruit	16.355	24.930	34.299	25.859	152,4	137,6	136,6
06	Sugars, sugar preparations and honey	17.737	24.807	26.462	11.088	139,9	106,7	76,3
07	Coffee, tea, cocoa, spices, and manufactures thereof	19.271	22.642	27.617	18.094	117,5	122,0	124,3
08	Feeding stuff for animals (not including un-milled cereals)	16.356	15.612	14.008	8.995	95,4	89,7	117,3
09	Miscellaneous edible products and preparations	13.131	17.363	23.863	16.973	132,2	137,4	131,4
0	Food and live animals	194.004	246.503	270.620	195.577	127,1	109,8	132,6
11	Beverages	4.687	6.667	10.393	7.527	142,2	155,9	139,2
12	Tobacco and tobacco manufactures	13.387	11.327	13.803	8.780	84,6	121,9	117,5
1	Beverages and tobacco	18.074	17.994	24.196	16.307	99,6	134,5	126,6
21	Hides, skins and fur-skins, raw	2.525	1.734	1.886	2.877	68,7	108,8	306,8
22	Oil seeds and oleaginous fruits	4.689	5.691	4.848	4.458	121,4	85,2	141,6
23	Crude rubber (including synthetic and reclaimed)	1.219	1.190	1.052	929	97,6	88,4	198,5
24	Cork and wood	10.573	14.519	16.481	9.245	137,3	113,5	104,2
25	Pulp and waste paper	1.178	449	453	216	38,1	101,0	63,1
26	Textile fibres (other than wool tops), wastes; not manufactured	9.241	8.391	10.013	6.432	90,8	119,3	118,7
27	Crude fertilizers and minerals (excl.coal, petrol, precious stones)	7.632	9.057	8.221	3.857	118,7	90,8	78,6
28	Metalliferous ores and metal scrap	3.688	2.865	10.200	10.434	77,7	356,1	198,1
29	Crude animal and vegetable materials, n.e.s.	6.327	6.156	6.841	4.973	97,3	111,1	137,5
2	Crude materials except fuels	47.071	50.052	59.995	43.421	106,3	119,9	131,7
32	Coal, coke and briquettes	13.946	12.534	23.402	11.856	89,9	186,7	82,3
33	Petroleum, petroleum products and related materials	192.764	205.684	257.905	161.219	106,7	125,4	113,6
34	Gas, natural and manufactured	17.196	17.098	18.093	10.452	99,4	105,8	89,9
35	Electricity	10.336	27.905	22.592	31.308	270,0	81,0	260,9
3	Mineral fuels, lubricants and related materials	234.242	263.221	321.992	214.836	112,4	122,3	119,4
41	Animal oils and fats	617	880	572	304	142,7	65,0	95,8
42	Fixed vegetable fats and oils, crude, refined or fractionated	12.370	15.725	20.219	14.338	127,1	128,6	156,8
43	Animal or vegetable fats and oils, processed; animal or vegetable waxes	3.100	3.310	3.674	1.689	106,8	111,0	88,9
4	Animal and vegetables oils, fats and waxes	16.087	19.915	24.466	16.331	123,8	122,8	143,8
51	Organic chemicals	16.040	18.341	17.728	9.937	114,3	96,7	104,2
52	Inorganic chemicals	8.844	11.426	10.537	6.204	129,2	92,2	102,0

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53	Dyeing, tanning and colouring materials	8.023	10.664	14.204	10.471	132,9	133,2	137,2
54	Medical and pharmaceutical products	46.353	55.530	68.716	42.550	119,8	123,7	110,4
55	Essential oils and perfume materials; toilet, polish and cleaning preparations	33.217	40.303	52.437	31.715	121,3	130,1	107,6
56	Fertilizers , manufactured (other than those of group 272)	8.482	10.459	9.298	10.235	123,3	88,9	172,7
57	Plastics in primary forms	20.459	25.991	30.931	22.030	127,0	119,0	129,1
58	Plastics in non-primary forms	12.698	17.992	23.006	16.211	141,7	127,9	130,1
59	Chemical materials and products, n.e.s.	18.288	21.006	27.853	19.167	114,9	132,6	109,7
5	Chemicals and related products	172.404	211.712	254.710	168.520	122,8	120,3	116,9
61	Leather, leather manufactures, n.e.s. and dressed fur-skins	1.374	814	972	704	59,3	119,4	125,9
62	Rubber manufactures, n.e.s.	12.950	17.154	20.280	12.623	132,5	118,2	119,7
63	Cork and wood manufactures (excluding furniture)	14.326	20.193	23.627	16.145	141,0	117,0	134,7
64	Paper, paperboard and articles of paper pulp, of paper or of paperboard	41.411	50.332	58.625	39.999	121,5	116,5	126,1
65	Textile yarn, fabrics, made-up articles, n.e.s., and related products	23.018	24.509	27.000	17.065	106,5	110,2	111,6
66	Non-metallic mineral manufactures, n.e.s.	27.538	40.755	53.212	32.858	148,0	130,6	120,8
67	Iron and steel	34.813	44.551	75.819	100.694	128,0	170,2	248,8
68	Non-ferrous metals	16.068	23.587	20.929	19.535	146,8	88,7	168,0
69	Manufactures of metals, n.e.s.	35.479	42.908	52.362	27.560	120,9	122,0	97,8
6	Manufactured goods classified chiefly by material	206.975	264.803	332.825	267.183	127,9	125,7	150,4
71	Power generating machinery and equipment	4.994	8.678	15.421	9.475	173,8	177,7	149,4
72	Machinery specialized for particular industries	51.468	53.526	49.524	36.972	104,0	92,5	129,3
73	Metal working machinery	4.772	4.865	5.450	4.060	101,9	112,0	215,0
74	General industrial machines and equipment, n.e.s., machine parts, n.e.s.	44.177	49.173	60.022	48.669	111,3	122,1	149,3
75	Office machines and automatic data-processing machines	30.108	33.171	34.597	23.250	110,2	104,3	119,7
76	Telecommunication and sound recording and reproduction apparatus and equipment	36.253	50.639	89.393	37.612	139,7	176,5	77,4
77	Electric machines, apparatuses and appliances, n.e.s. and electric parts thereof	47.682	70.941	75.943	47.745	148,8	107,1	111,6
78	Road vehicles (including air-cushion vehicles)	62.207	130.970	101.856	98.485	210,5	77,8	152,9
79	Other transport equipment	1.653	6.009	1.202	669	363,5	20,0	102,5
7	Machinery and transport equipment	283.313	407.973	433.409	306.937	144,0	106,2	125,1
81	Prefabricated buildings; sanitary plumb.	10.144	7.768	6.976	4.324	76,6	89,8	139,9
82	Furniture and parts thereof	11.709	13.814	16.248	11.251	118,0	117,6	129,8
83	Travel goods, handbags and similar containers (01/01/1988-)	1.269	1.472	1.524	881	116,0	103,5	108,1
84	Articles of apparel and clothing accessories (01/01/1988-)	13.701	14.061	21.432	7.959	102,6	152,4	57,1
85	Footwear	5.747	6.924	8.738	4.927	120,5	126,2	108,1
87	Professional, scientific and controlling instruments and apparatus, n.e.s.	20.417	27.046	20.096	14.769	132,5	74,3	127,8
88	Photographic cameras, equipment and supplies and optical goods; watches	3.565	4.601	5.822	3.686	129,1	126,5	128,9
89	Miscellaneous manufactured articles, n.e.s.	42.995	37.586	47.627	30.837	87,4	126,7	114,9

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8	Miscellaneous manufactured articles	109.547	113.272	128.462	78.633	103,4	113,4	108,7
93	Transactions and products - undivided	407.141	395.699	446.580	260.307	97,2	112,9	92,3
96	Coin (other than gold coin) not being legal tender	0	0	0	0	0,0	0,0	0,0
97	Gold, non-monetary (excluding gold, ores and concentrates)	215	11	0	4	4,9	0,0	0,0
98	Undivided	4.529	4.001	2.667	1.494	88,4	66,7	109,5
9	Transactions and goods NN	411.885	399.711	449.247	261.806	97,0	112,4	92,4
	TOTAL	1.693.601	1.995.156	2.299.921	1.569.551	117,8	115,3	120,0

Source: State Statistical Office

B. Generalised System of Preferences (GSP)

Does your country apply a GSP scheme?

If yes:

- a) Please supply the date of the first GSP scheme implementation and of subsequent extensions or renewals, periodicity of validity, duration of the present scheme and the legal procedure for adoption/extension of schemes.**
- b) What is the product coverage and what are the preferential duties applied?**
- c) Please list the top 10 beneficiary countries.**
- d) Is there any graduation mechanism applied?**
- e) Can you please provide the list of beneficiaries and the text on the rules of origin applied to GSP imports?**
- f) Have you already excluded some countries, and if so, on which basis (sanction, level of development...)?**
- g) Do you have a specific GSP safeguard clause?**
- h) How many different GSP regimes (i.e. general arrangement, LDCs, ...) exist in your country's GSP scheme?**
- i) Do these regimes have specific incentives (like our labour/environmental clause)?**
- j) What is the share of GSP in the total of imports from third countries?**
- k) To the best of your knowledge, what are the main differences between your country's GSP scheme and the EC's scheme?**

If no:

- a) What would, in your opinion, be the impact on your country of the adoption of the EC's GSP scheme?**

The Republic of Macedonia does not apply a GSP scheme.

Taking into consideration the liberalisation undertaken by the Republic of Macedonia with the WTO accession (April 2003) and the conclusion of several free trade agreements (encompassing 37 European countries) in the period from 1996 to 2003, in this moment the introduction of the EC's GSP scheme would have negative effect on the Macedonian economy.

The Republic Macedonia with the WTO accession accepted 0% customs rates for major part of the raw materials (silk, wool, rubber and alike). The customs rates for finished textile goods will be reduced over a transitional period.

It is considered that the Republic of Macedonia would be prepared to apply the EC's GSP scheme by the time it becomes a member of the European Union.

C. Export Controls

1. Do you apply export controls on certain goods, in particular dual-use items and arms?

The Republic of Macedonia applies export controls in order to fulfil obligations under international agreements, as well as to protect the public security, the life and health of people, animals and plants, to protect the environment, the public moral, and to supervise the export of historic and works of art and precious metals.

The export control of certain goods, including dual-use goods and arms, is applied in compliance with the Decision on Classification of Goods into Forms of Export and Import published in the "Official Gazette of RM" No. 58/04. – See [26 Annex 04](#)

The Decision was adopted based on Article 34 of the Law on Trade (Official Gazette of RM No. 16/04). In accordance with this Decision, export or import of goods is done based on a licence issued by the line ministries. The control of the export of the relevant goods is carried out by the Customs Administration in accordance with the Decision in which the goods are listed according to their tariff codes contained in the Customs Tariff.

According to the Decision on Classification of Goods into Forms of Export and Import such goods are appropriately designated as goods requiring import or export licences issued by the Ministry of Defence with the purpose to encompass part of the goods that could be treated as dual-use goods and technologies, until the adoption of the relevant legislation regulating the export control of dual-use goods and technology.

Exports of arms, is carried out in accordance with the aforementioned decision on the basis of a licence issued by the Ministry of Defence or the Ministry of Interior.

The Ministry of Economy has prepared the Draft Proposal to adopt a Law on Export Control of Dual-Use Goods and Technology. – See [26 Annex 05](#)

After the adoption of this Law and of the accompanying by-laws in 2005, the import/export of dual-use goods and technology will be controlled according to this Law.

2. Please provide the Commission with the texts of the relevant legislation (in one of the official EU languages).

Please find attached copies of:

- a. Decision on Classification of Goods into Forms of Export and Import; - See [26 Annex 04](#)
- b. Draft Proposal to adopt a Law on Export Control of Dual-Use Goods and Technology. - See [26 Annex 05](#)

3. Has there been any global analysis by your national authorities of the differences between this legislation and that of the Community? If yes, please provide us with the findings of such analysis. If no, is such an analysis planned? Please provide any relevant details of such plans.

The provisions of the Council Regulation 1334/2000, which contains a List of Dual-Use Goods and Technology and its Amendments Nos. 149/2003 and 1504/2004 have been taken into consideration in drafting the Proposal to adopt a Law on Export Control of Dual-Use Goods and Technology. The Draft Proposal to adopt the Law envisages that the relevant List would be adopted within 90 days from the date of the adoption of the Law, in which respect the Council Regulation 1334/2000 and its Amendments would be fully implemented.

D. Trade Defence Instruments

1. Please provide copies (in one of the official EU languages) of the relevant legislation in force in your country concerning anti-dumping, anti-subsidy and safeguard measures.

The Law on Trade ("Official Gazette of RM" No. 16/2004) in its Part V on Safeguard Measures contains general provisions on safeguard measures and countervailing duties. – See [26 Annex 06](#)

The implementation of the provisions of the Law on Trade is conditioned by the adoption of specific secondary legislation. The related secondary legislation is prepared, but has not been adopted yet. (For more details see [26 I D 2](#)).

There are no provisions on anti-dumping measures in the Macedonian legislation.

2. If no such legislation exists yet, please describe the current plans to adopt it, if any.

Regarding the adoption of secondary legislation on safeguard and countervailing measures we inform you for the following:

The Ministry of Economy is preparing a Decision on the Procedures and Manner of Establishing Safeguard Measures for Increased Imports and a Decision on the Procedure and Manner of Introducing Countervailing Duty. They will be submitted for adoption by the Government of the Republic of Macedonia in the first quarter of 2005.

These Decisions basically establish the procedure and the manner following which, in conditions of increased import, the Commission on Safeguard Measures would establish whether the domestic industry has suffered serious injury, i.e. whether the subsidised imports caused or threatened to cause serious injury to the domestic industry.

E. Subsidies

1. Please confirm that the duty drawback scheme is operated in a manner consistent with Annex II of the WTO Agreement on Subsidies and Countervailing Measures (ASCM), in line with your WTO accession commitments.

The duty drawback scheme applied in the Republic of Macedonia does not represent an export subsidy within the meaning of paragraph (i) of Annex I to the WTO Agreement on Subsidies and Countervailing Measures. The Customs Administration of the Republic of Macedonia applies an investigation system and procedure which are in line with Annex II of the said Agreement, which on their part facilitate the Customs Administration bodies to secure that:

- the imported goods or inputs have been fully consumed in the production of the obtained product;
- the amounts of the inputs in respect of which customs duty drawback is requested are not higher than the amounts of obtained goods that are exported and
- the amount of customs duty remission is not higher than the amount of the initially paid customs duties.

The conditions for application of the duty drawback scheme, the limitations, the approval procedure and the manner of applying for customs duty drawback are prescribed in Articles 97 to 107 of the Customs Law ("Official Gazette of RM" Nos. 21/98, 26/98, 63/98, 86/99, 25/00, 109/00, 31/01, 4/02, 55/02 and 42/03) and are further elaborated by the more detailed provisions contained in Articles No. 43 to 55 and 73 to 81 of the Decree Establishing Detailed Criteria and Methods of Implementation of Procedures of Economic Impact (Official Gazette of RM No. 20/00).

Approval

The customs drawback system functions on the basis of previous approval for import of goods indented for production of exported goods. The approval is issued upon application by the entity that performs the production operations or that makes arrangements for their performance. The application for approval is usually filed along with the customs declaration for the imported goods at which it is stated that customs duty drawback is requested. The customs office to which the application has been filed is in charge of issuing the approval. The approval may be issued if it has been established that the imported goods have been incorporated in the obtained products. The measures to examine the presence of the imported goods in the obtained products are: taking samples, blueprints and detailed technical descriptions, analysis and detailed examinations, inspecting the records and other documents. The customs office approves the norms for use of the imported goods and the holder of the right is obliged to keep records of the norms applied in the production operations according to specific types of imported goods. The holder of the right must be able to present these records to the customs body in charge of additional controls at any time and must facilitate inspection of the goods in stock. The period for export of the obtained products is a year at most, and in specific justified cases it can be renewed, but not longer than 6 months. A copy of the approval is attached to the customs declaration for export of the obtained goods for purposes of additional examinations, if considered necessary.

Limitations

This system may not be used for fuel and other power resources, lubricants and equipment and tools. There is no possibility for coverage of the domestic like goods by the duty drawback system. The holder of the right may not apply for duty drawback for the customs duties paid for auxiliary products which have not been exported and for waste occurring in the course of the production operations. The duty drawback may not be applied for in its entirety or partially, in cases when in respect of the obtained products there has been an evidence issued confirming the preferential origin, based on the free trade agreements containing provisions prohibiting customs duty remission.

Customs duty drawback

The holder of the right may apply for customs duty remission if it proves that the obtained products have been exported. The customs duty drawback application is processed by the Customs Administration, following which a decision is issued in a general administrative procedure, in the course of which the Customs Administration may request additional documents for verification of the accuracy and correctness of data. The amount of the customs duty drawback is established by taking into account the share of the imported goods in the obtained products based on the approved and if necessary re-examined norms. The customs administration bodies do not pay interest on the refunded amount.

Commenced and planned activities

There are certain inconsistencies between the applicable regulations in Republic of Macedonia with the procedure prescribed in the Council Regulation No. 2913/92, dated 12.10.1992 establishing the Customs Code of the Community and the Council Regulation No. 2454/93, of 02.07.1993 for its implementation, primarily regarding the use of like domestic goods, the treatment of natural loss and the approval procedures in the customs duty drawback system. Those inconsistencies will be overcome with the new Custom Code and the regulation on its implementation which envisage full harmonization of this procedure with the procedure established in the above mentioned EU regulations. Furthermore, in 2005 there will be reorganization of the Customs Administration which will lead to the limitation of the number of customs administration bodies that are in charge of issuing approvals and examination of the aforementioned procedures. The reorganization is aimed at upgrading the skills of the relevant customs officers and strengthening the administrative control capacities in the context of these procedures, especially in respect of control of records of large clients. The activities for adoption of new regulations and for appropriate reorganization and improvement of the work are assisted by international experts of the EU CAFAO-MAC (Customs and Fiscal Assistance Office to Macedonia).

2. Does your country provide subsidies contingent upon the use of domestic over imported goods (local content subsidies)? Please note that such subsidies are prohibited by Art. 3 of the ASCM.

The Republic of Macedonia does not provide subsidies prohibited under Article 3 of the WTO Agreement on Subsidies and Countervailing Measures.

3. Please provide a detailed overview of all specific subsidy programmes presently applied or planned.

The Republic of Macedonia does not provide or apply subsidies within the meaning of Article 1.1 of the WTO Agreement on Subsidies and Countervailing Measures, which are specific in the context of Article 2 of the Agreement, and that have direct or indirect impact on the increase or decrease of imports on its territory, within the meaning of Article XVI :1 of the 1994 GATT.

F. Services

1. To what extent are your GATS commitments in line with those of the EC?

The intention of the Republic of Macedonia to become a member of the EU was taken into consideration during the WTO accession negotiations in services. In the course of these negotiations, due attention was paid that the process of undertaking commitments is in line with the obligations under the Stabilisation and Association Agreement between the Republic of Macedonia and the European Communities and their Member States..

The WTO Schedule of Specific Commitments on Services of the Republic of Macedonia, which is a result of the negotiations with the WTO members, based on their requests, if compared with the commitments of the EU member-states, shows higher level of liberalization in some of the service sectors and sub-sectors. These services sectors and sub-sectors include: professional services (accounting and bookkeeping services; taxation services; architectural, engineering and integrated engineering services), courier services, distribution services.

In large part of the service sectors and sub-sectors, the commitments that the Republic of Macedonia has assumed are the same as the commitments of the EU member-states: computer and related services, research and development services, other business services (advertising services, management consulting services, technical testing and analysis services, services incidental to fishing, advisory and consulting services relating to mining, investigation and security, maintenance and repair of equipment, building-cleaning services, photographic services, packaging services, printing, publishing), basic telecommunication services (upon completion of the transitional period, the exclusive rights of the JSC Macedonian Telecommunications were terminated on 31.12.2004), value-added telecommunication services, mobile telecommunications, construction and related engineering services, environmental services, tourism and travel related services, news agency services, sporting and other recreational services, financial services.

In certain service sectors and sub-sectors the commitments of the Republic of Macedonia are more restrictive compared with the commitments of the EU member-states: other business services (convention services, other translation services, interior design services), services provided by midwives, nurses, physiotherapists and para-medical personnel, health related and social services, educational services: primary education services.

WTO Schedule of Specific Commitments on Services of the Republic of Macedonia – See [26 Annex 07](#)

2. What consideration has been given to the work needed to bring your country's commitments in line with those of the Community? Please provide the summary findings of any work on this issue.

In the process of negotiating the WTO Schedule of Specific Commitments on Services, the Government of the Republic of Macedonia regularly consulted the relevant counterparts in the European Commission working on service sector liberalization. As a result of such consultations, the commitments that the Republic of Macedonia undertook in respect of the major part of the service sectors and sub-sectors have been brought in line with the commitments of the European Union member-states. Only in some cases the commitments of the Republic of Macedonia differ from those of the EU (See [26 I F 1](#)).

G. WTO Accession Commitments

Please provide details on commitments made during your country's accession to the WTO (commitment to join the plurilateral agreements before a certain date for example).

During accession to the WTO, the Republic of Macedonia made the following commitments:

Commitment given:

- To ensure the transparency of its ongoing privatization programme as long as it would be in existence.

Status:

The privatization program in the Republic of Macedonia is transparent and still ongoing. Status Report as of 31.12.2003 was submitted to the WTO.

Commitment given:

- In the application of price controls now or in the future the Republic of Macedonia would apply such measures in a WTO consistent fashion, and take account of the interests of exporting WTO Members as provided for in Article III.9 of the GATT 1994, and in Article VIII of GATS. Republic of Macedonia would publish the list of goods and services subject to State controls in its Official Gazette.

Status:

The Republic of Macedonia applies price controls in a WTO consistent manner. Compared to the situation in the period of accession to the WTO, the number of products and services subject to price control is gradually decreasing. The current list of such products and services appears in the Decision on Determining Highest Prices for Certain Products and Services published in the "Official Gazette of RM" No. 20/2004. According to the Decision, price controls are applied only for the production and distribution of raw water, production and distribution of drinking water, treatment and disposal of waste water, renovation services in towns, cities and settlements (collecting and depositing waste), other communal services and mandatory motor vehicle insurance.

Commitment given:

- From the date of accession the Republic of Macedonia would ensure that its laws and regulations relating to the right to trade in goods and all fees charges or taxes levied on such rights would confirm fully with WTO obligations, including Articles VIII:1(a), XI:1, and III:2 and 4 of the GATT 1994, Article III of GATS, and Article 63 of TRIPS Agreement and that the Republic of Macedonia would implement such laws and regulations in full conformity with these obligations.

Status:

All laws and regulations governing the right to trade in goods, as well as the fees and charges levied on such rights fully comply with Macedonia's WTO commitments and are implemented in full conformity with these obligations.

Commitment given:

- The Republic of Macedonia committed that it will not apply duties and charges on imports other than customs duties, with the exception of Export Promotion Fee of 0.1 percent which will be applied through 31.12.2005, as recorded in Macedonia's Schedule of Concessions and Commitments on Goods.

Status:

The Republic of Macedonia does not apply any duties and charges other than customs duties except for the Export Promotion Fee of 0.1 percent, which, as provided in its Schedule of Concessions and Commitments on Goods, is set to expire on 31.12.2005. The legal basis for the elimination of this fee

is the Law on Foreign Trade ("Official Gazette of RM" Nos. 45/02 and 31/03) and the new Law on Trade ("Official Gazette of RM" No.16/04).

Commitment given:

- From the date of accession the Republic of Macedonia would impose fees and charges for services rendered related to importation or exportation only in conformity with the relevant provisions of the WTO Agreements, in particular Articles VIII and X of the GATT 1994.

Status:

From the date of accession to the WTO, the Republic of Macedonia applies all fees and charges for services rendered related to importation or exportation in full compliance with Articles VIII and X of GATT 1994.

Commitment given:

- From the date of accession, the Republic of Macedonia would, with one exception, apply its domestic taxes on products in strict compliance with Article III of the GATT 1994, in a non-discriminatory manner to imports regardless of country of origin and to domestically produced goods. Macedonia's excise taxes applied to imported and domestic tobacco products would be equalized or otherwise brought into conformity with Article III of the GATT.

Status:

Macedonia's tax regime is in full compliance with article III of the GATT. The different excise taxes for imported and domestic tobacco products, which were the only measure observed as WTO inconsistent in the course of accession, are set for equalization over a transition period. Amendments to the Law on Excises ("Official Gazette of RM" No. 45/02) contain the timetable for equalization of excise taxes for imported and domestic tobacco products. According to the timetable, the excise taxes for tobacco products other than cigarettes will be equalized on 01.01.2005; the equalization of the excise taxes for cigarettes will start on 01.01.2005 and complete on 01.01.2007.

Commitment given:

- From the date of accession, no later than 31.12.2003, the Republic of Macedonia would eliminate and would not introduce, re-introduce or apply quantitative restrictions on imports, or other not-tariff measures such as licensing, quotas, bans, permits, prior authorization requirements, licensing requirements, and other restrictions having equivalent effect, that cannot be justified under the provisions of the WTO Agreement.

Status:

As committed in the course of accession, the Republic of Macedonia eliminated the last portion of its WTO inconsistent import licenses (for oil and oil derivatives) on 31.12.2003. The Republic of Macedonia's current import licensing regime is in full compliance with the WTO rules.

Commitment given:

- From the date of accession the Republic of Macedonia would apply fully the WTO provisions concerning customs valuation, including the Agreement on the Implementation of Article VII of the GATT 1994 and Annex I (Interpretative Note) and the provisions for the Valuation of Carrier Media Bearing Software for Data Processing Equipment (Decision 4.1), providing that valuation of the software was based on the value of the media.

Status:

From the date of accession the Republic of Macedonia fully applies the WTO provisions concerning customs valuation, incorporated in the Customs Law ("Official Gazette of RM" Nos. 21/98, 26/98, 63/98, 86/99, 25/00, 109/00, 31/01, 4/02, 55/02 and 42/03).

Commitment given:

- The rules of origin would comply fully with the WTO Agreement on Rules of Origin and it would be established in the Macedonia's legal framework prior to accession.

Status:

The Republic of Macedonia's legislation in the area of rules of origin fully complied with the WTO Agreement on Rules of Origin prior to accession and is applied in WTO consistent manner.

Commitment given:

- Any legislation in place at the time of accession or implemented in the future providing for the application of measures taken for safeguard, anti-dumping or countervailing duty purposes would be brought into conformity with the provisions of the WTO Agreements on Safeguards, on Anti-dumping and on Subsidies and Countervailing Measures. In absence of such conforming legislative authority in place at the time of accession, the Republic of Macedonia would not apply measures for safeguard, anti-dumping or countervailing duty purposes until legislation in conformity with the provisions of these WTO Agreements had been implemented.

Status:

The new Macedonian Law on Trade ("Official Gazette of RM" No.16/04) includes provisions regulating safeguard and countervailing measures that are in conformity with the WTO Agreements on Safeguards and Subsidies and Countervailing Measures. Regulations developing detailed procedures for introduction of such measures are being developed.

The Republic of Macedonia does not have provisions regulating the use of antidumping measures and such measures will not be applied.

Commitment given:

- The Republic of Macedonia did not maintain subsidies, including export subsidies, which met the definition of a prohibited subsidy within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures, and that it would not introduce such prohibited subsidies in the future. Any subsidy programs would be administered in line with the Agreement on Subsidies and Countervailing Measures and that all necessary information on programs to be notified, if such exist, would be provided to the Committee on Subsidies and Countervailing Measures in accordance with Article 25 of the Agreement upon entry into force of Macedonia's Protocol of Accession.

Status:

The Republic of Macedonia fully complies with its WTO commitments in the area of subsidies and it does not apply export subsidies as defined by the Agreement on Subsidies and Countervailing Measures.

Commitment given:

- Upon accession to the WTO, the Republic of Macedonia would comply with all the provisions of the Agreement on Technical Barriers to Trade without recourse to any transitional arrangements.

Status:

From the date of accession the Republic of Macedonia fully applies the provisions of the WTO Agreement on Technical Barriers to Trade, without recourse to any transitional period.

Commitment given:

- Upon accession to the WTO, the Republic of Macedonia would apply all its sanitary and phytosanitary requirements consistently with the requirements of the WTO, including the Agreements on the Application of Sanitary and Phytosanitary Measures and Import Licensing Procedures without recourse to any transitional arrangements.

Status:

From the date of accession the Republic of Macedonia fully applies the provisions of the WTO Agreement on Sanitary and Phytosanitary Measures and the Agreement on Import Licensing Procedures, without recourse to any transitional period.

Commitment given:

- The Government of the Republic of Macedonia would not maintain any measures inconsistent with the TRIMs Agreement and would apply the TRIMs Agreement from the date of accession without recourse to any transitional period.

Status:

The Republic of Macedonia does not maintain any measures inconsistent with the TRIMs Agreement.

Commitment given:

- The Government of the Republic of Macedonia would apply its laws and regulations governing the trading activities of state-owned enterprises with special or exclusive privileges in full conformity with provisions of the WTO Agreement, in particular Article XVII of the GATT 1994 and the Understanding on that Article and Article VIII of the GATS.

Status:

Regarding the trading activities of state trading enterprises, the Republic of Macedonia acts in consistence with its commitments under Article XVII of the GATT 1994 and the Understanding on that Article and Article VIII of the GATS.

Commitment given:

- The Government of the Republic of Macedonia would ensure enforcement of its WTO obligations in its free zones and free economic zones.

Status:

The Republic of Macedonia fully complies with its WTO obligations incorporated in the Law on Free Economic Zones ("Official Gazette of RM" Nos.56/99; 41/00 and 6/02).

Commitment given:

- Upon accession to the WTO, the Government of the Republic of Macedonia would initiate negotiations for membership in the Agreement on Government Procurement by tabling an entity offer.

Status:

The Republic of Macedonia has not yet initiated negotiations for membership in the plurilateral Agreement on Government Procurement.

Commitment given:

- The Republic of Macedonia would become a signatory to the Agreement on Trade on Civil Aircraft upon accession to the WTO.

Status:

The process for ratification of the plurilateral Agreement on Trade in Civil Aircraft is underway.

Commitment given:

- The Republic of Macedonia shall enact all necessary amendments to the Law on Copyright and Related Rights by 31.01.2003. The amendments will comply with the TRIPS Agreement and all other relevant conventions in the area of intellectual property ratified by the Republic of Macedonia.

Status:

The Republic of Macedonia amended the Law on Copyrights and Related Rights to provide for complete implementation of the TRIPS Agreement in 2002. The amendments were published in the "Official Gazette of RM" No. 98/02 of 27 December 2002.

Commitment given:

- The Government of the Republic of Macedonia would apply fully all the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights from the date of accession to the WTO, without recourse to any transitional period.

Status:

From the date of accession, the Republic of Macedonia fully applies all the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights.

Commitment given:

- At the latest upon entry into force of the Protocol of Accession, the Republic of Macedonia would submit all initial notifications required by any Agreement constituting part of the WTO Agreement. Any regulations subsequently enacted by the Republic of Macedonia, which gave effect to the laws enacted to implement any Agreement constituting part of the WTO Agreement, would also conform to the requirements of that Agreement.

Status:

The Republic of Macedonia has already submitted all initial notifications required by the WTO Agreements. All regulations enacted after the accession that give effect to the laws implementing any of the WTO Agreements are in conformity with the respective WTO Agreement.

Commitment given:

- The Government of the Republic of Macedonia would observe the provisions of the WTO including Article XXIV of the GATT 1994 and Article V of the GATS in its participation in trade agreements, and would ensure that the provisions of these WTO Agreements for notification, consultation and other requirements concerning free trade areas and customs unions of which the Republic of Macedonia is a member where met from the date of accession.

Status:

From the date of accession to the WTO, the Government of the Republic of Macedonia fully complies with its commitments under Article XXIV of the GATT 1994 and Article V of the GATS .

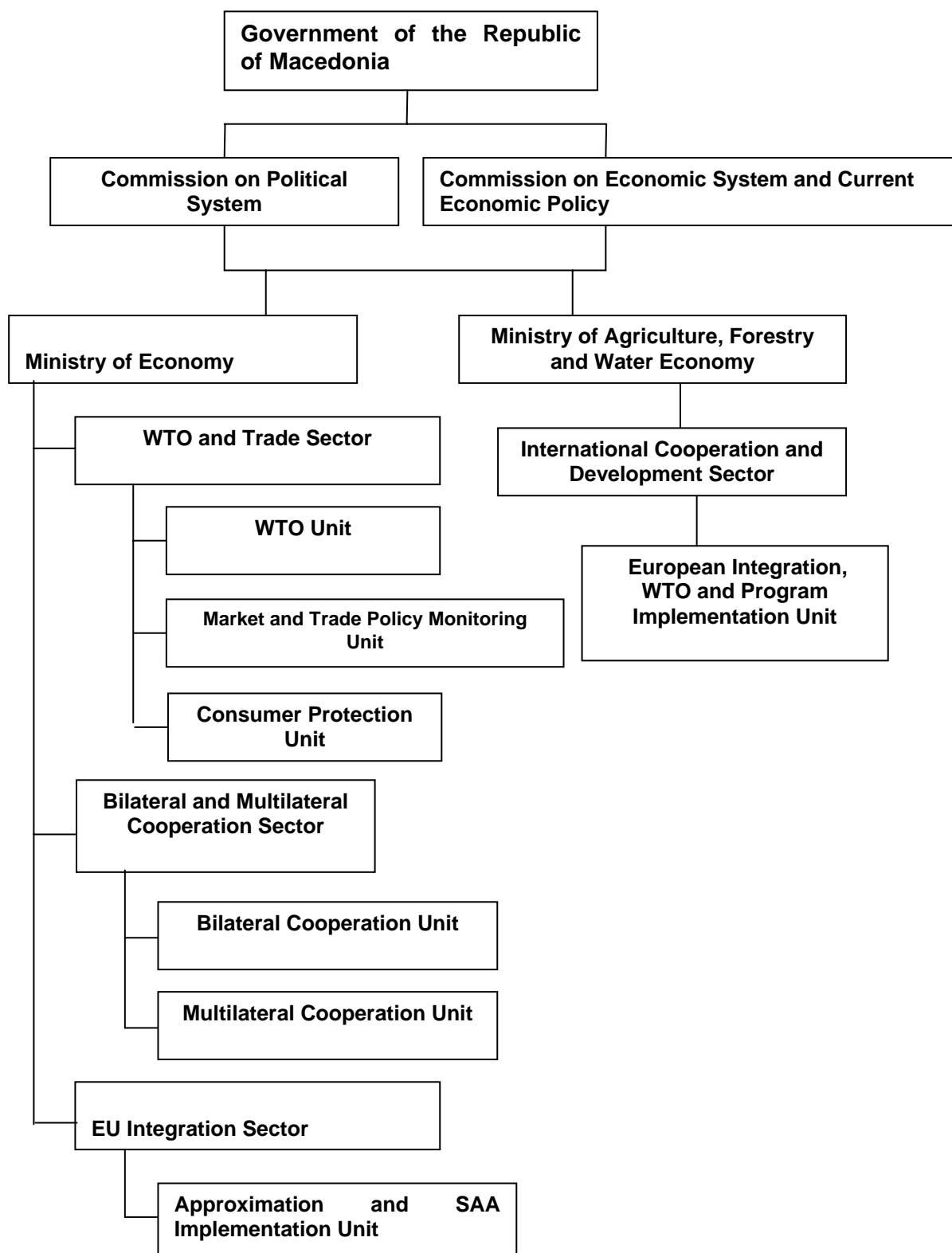
H. Administrative Capacity

Please provide information on administrative structure and functioning of your national authority dealing with Commercial Policy, describing i. a. the following:

- a. staffing numbers in the various departments, including, if possible, a detailed organisation chart,**
- b. measures to ensure co-ordination of actions across the various departments involved in the implementation of trade policy,**
- c. decision making mechanisms for instance concerning the introduction or modification of trade measures,**
- d. co-ordination mechanisms with the departments responsible for customs administration.**

a. At the Ministry of Economy, organizational units responsible for trade policy are: the WTO and Trade Sector with ten employees, the Bilateral and Multilateral Cooperation Sector with five employees, and the EU Integration Sector with six employees. At the Ministry of Agriculture, Forestry and Water Economy, the International Cooperation and Development Sector - European Integration, WTO and Program Implementation Unit has four employees.

Please find below the table describing the structure the Sectors dealing with trade policy at the Ministry of Economy and at the Ministry of Agriculture, Forestry and Water Economy:

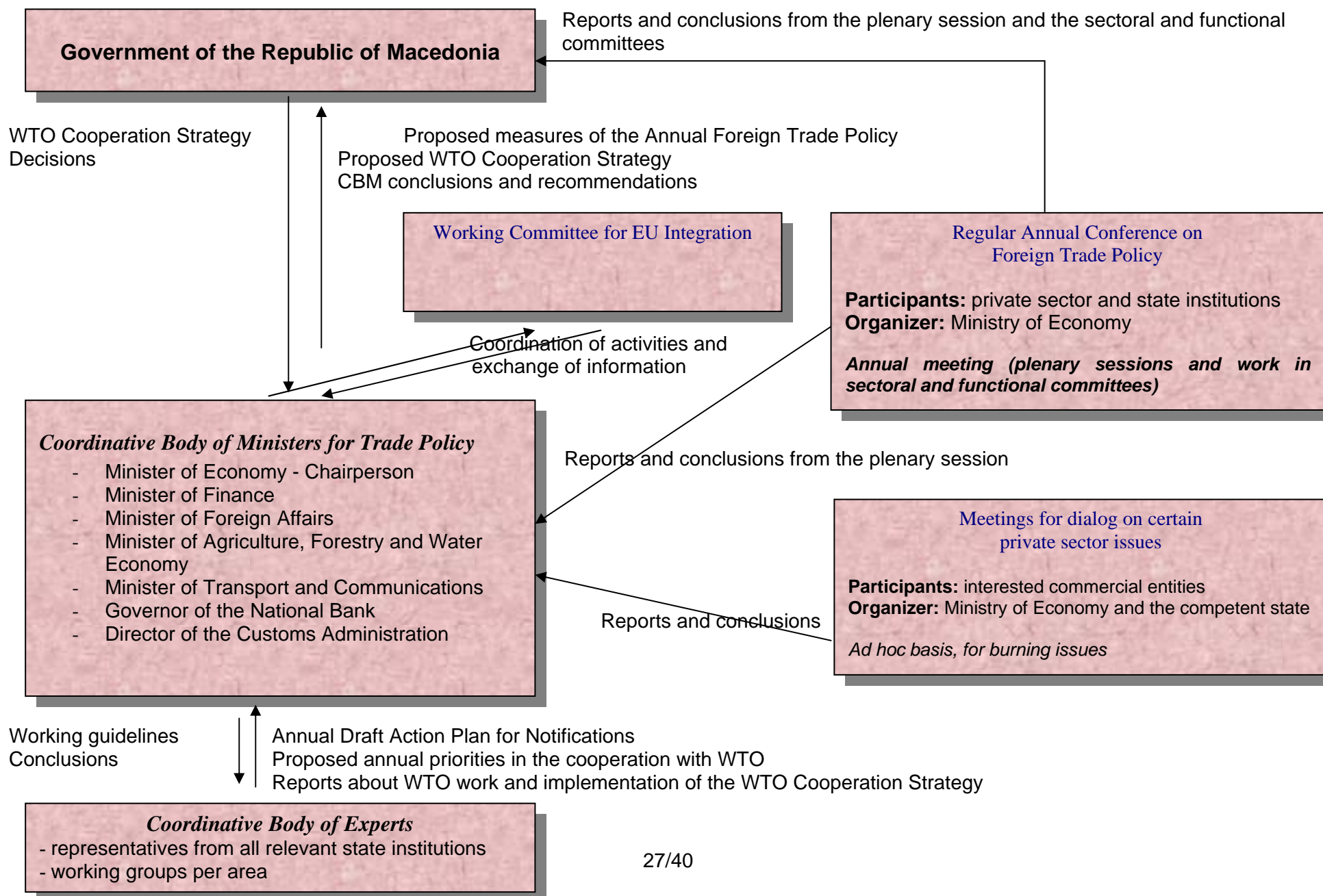


b. The WTO and Trade Sector, the Bilateral and Multilateral Cooperation Sector and the EU Integration Sector at the Ministry of Economy deal with the implementation of the trade policy of the Republic of Macedonia.

These sectors coordinate among themselves and propose and implement trade policy measures in connection with: measures to fulfil obligations arising from the membership of the Republic of Macedonia to the WTO and under other international treaties, such as free trade agreements, safeguard measures, measures aimed at harmonizing the Macedonian trade legislation with that of the EU, participation in negotiations for conclusion and implementation of bilateral agreements within the region and other international agreements, which are to be in accordance with the WTO rules and principles, measures for harmonization of the trade, market and consumer protection regulations with those of the EU.

The trade policy coordination process is complemented with the Coordinative Body of Ministers for Trade Policy and the Coordinative Body of Experts. The Coordinative Body of Ministers is composed of the Minister of Economy, who chairs this body, and the Ministers of Finance; Foreign Affairs; Agriculture, Forestry and Water Economy; Transport and Communications; the Governor of the National Bank and the Director of the Customs Administration of the Republic of Macedonia. The Coordinative Body of Experts is composed of experts from all government institutions with competencies for formulating the trade policy. As of spring 2004, the Coordinative Body of Experts' has held regular monthly meetings at which they harmonized positions regarding the draft decisions on trade policy submitted to the Government of the Republic of Macedonia, reviewed obligations under the WTO membership, coordinated positions regarding specific issues in connection with multilateral trade negotiations under the WTO, etc. The Coordinative Body of Experts may establish Working Groups to deal with specific trade related issues. Thus far, the following working groups have been established: for trade facilitation, for accession of other countries to the WTO, for intellectual property protection. In addition, there is a mechanism for coordination of trade policy measures related to the EU and the WTO, as well as mechanisms to pursue a dialogue with the private sector in formulating the trade policy. It is underlined that currently there is a process of gradual implementation of the horizontal coordinative mechanism segments, which is expected to be operational in the first quarter of 2005. The horizontal coordinative mechanism diagram is herewith attached.

COORDINATIVE MECHANISM FOR WTO AND FOR DIALOG BETWEEN THE PRIVATE SECTOR AND THE GOVERNMENT ON FOREIGN TRADE POLICY



c. The Government of the Republic of Macedonia adopts decisions on the implementation of the trade policy, upon proposal of the line ministries. The trade policy measures related to industrial products and processed agriculture and food products are proposed by the Ministry of Economy, while the Ministry of Agriculture, Forestry and Water Economy proposes measures related to agriculture products.

Before the Government of the Republic of Macedonia adopts the final decision, the Government bodies (Committee on Political System, Committee on Economic System and Current Economic Policy) consider the draft decision and then recommend the Government to adopt specific measures.

d. The Customs Administration cooperates with various bodies dealing with the implementation of the trade policy in terms of the following: keeping goods under customs surveillance and not approving the release of the goods for further customs clearance processing until all prescribed documents have been provided (approvals / certificates / licences) in evidence that the goods comply with the prescribed legal conditions.

There is also regular ongoing cooperation in terms of examining evidence, preparation of reports by customs administration bodies about the export/import submitted to various non-customs bodies and if necessary control by such bodies of the goods and sample taking prior to the import customs clearance issuance or in the course of the customs clearance activities.

II. PREFERENTIAL TRADE AGREEMENTS

1. What preferential trade agreements does your country have with third countries? Please provide copies (in one of the official EU languages) of such agreements.

The Republic of Macedonia currently applies eleven free trade agreements (FTAs).

Nine of these agreements are applied on bilateral basis with the following countries:

- Serbia and Montenegro, the FTA was concluded on 04.09.1996, implemented as of 16.10.1996 ("Official Gazette of RM" No. 59/96); - See [26 Annex 08 01](#)
- Republic of Croatia, the FTA was concluded on 09.05.1997, implemented as of 30.10.1997 ("Official Gazette of RM" Nos. 28/97; 51/02 and 100/02); - See [26 Annex 08 02](#)
- Republic of Bulgaria, the FTA was concluded on 13.10.1999, implemented as of 01.01.2000 ("Official Gazette of RM" Nos. 83/99 and 100/02); - See [26 Annex 08 03](#)
- Republic of Turkey, the FTA was concluded on 07.09.1999, implemented as of 01.09.2000 ("Official Gazette of RM" No. 83/99); - See [26 Annex 08 04](#)
- Ukraine, the FTA was concluded on 18.01.2001, implemented as of 10.09.2001 ("Official Gazette of RM" No. 53/01); - See [26 Annex 08 05](#)
- Bosnia and Herzegovina, the FTA was concluded on 24.04.2002, implemented as of 01.07.2002 ("Official Gazette of RM" No. 45/02); - See [26 Annex 08 06](#)
- Republic of Albania, the FTA was concluded on 29.03.2002, implemented as of 15.07.2002 ("Official Gazette of RM" No. 47/02); - See [26 Annex 08 07](#)
- Romania, the FTA was concluded on 07.02.2003, implemented as of 01.01.2004 ("Official Gazette of RM" No. 52/03); - See [26 Annex 08 08](#)
- Republic of Moldova, the FTA was concluded on 28.01.2004, implemented as of 01.01.2005 ("Official Gazette of RM" No. 77). - See [26 Annex 08 09](#)

Two of the FTAs are applied on multilateral basis:

- Free Trade Agreement with the EFTA states (Switzerland, Norway, Iceland and Lichtenstein), concluded on 19.06.2000, implemented as of 01.05.2002 (Official Gazette of RM" Nos. 89/01 and 62/03); and - See [26 Annex 08 10](#)
- Stabilisation and Association Agreement with the European Communities and their Member States (Interim Agreement on Trade and Trade Related Matters) implemented as of 01.06.2001.

The aim of the Republic of Macedonia is creation of an open market economy. The strategy is through free trade agreements to overcome the disadvantage of a small market economy and to obtain duty free access for goods originating from its territory. Among other with these agreements a regional trade integration of the countries in South-East Europe shall be achieved. This integration is with a purpose of preparing the economic entities easier to achieve integration in the EU.

The free trade agreements facilitate trade in industrial and agricultural products under preferential treatment. The preferential treatment in fact, envisages immediate or gradual decrease of customs duties for various groups of products, originating from the concerned country.

These FTA's contain articles that regulate issues under specific WTO agreements such as: safeguard measures, antidumping measures, intellectual property, public procurements etc.

To date, the Republic of Macedonia has achieved a high degree of trade liberalization, which is a result of the long term, continuous application of the free trade agreements.

The Republic of Macedonia has concluded symmetrical free trade agreements with: Serbia and Montenegro, Republic of Croatia, Republic of Albania, Republic of Bulgaria, Romania, and with the Republic of Moldova. There are also asymmetrical Free Trade Agreements in favour of the Republic of Macedonia concluded with: the Ukraine, Republic of Turkey, EFTA states and EU member-states.

The only asymmetrical free trade agreement that the Republic of Macedonia has concluded in favour of the other contracting party is the FTA with Bosnia and Herzegovina.

At present, the Republic of Macedonia has 95% liberalization of the trade in industrial and agricultural products with: Serbia and Montenegro, Republic of Croatia and Bosnia and Herzegovina. This level of liberalization of the trade in industrial products with Serbia and Montenegro and with the Republic of Croatia was achieved in 2000.

In fact, the achieved level of liberalization in the trade with Serbia and Montenegro is 99%. Only 1% of the industrial (non-ferrous metallurgy exclusively) and agricultural products in the trade with Serbia and Montenegro is subject to annual quantitative restrictions.

The trade liberalization level with the Republic of Croatia is 95%. Only 5% of the trade with the Republic of Croatia in agricultural products are subject to reduced or full customs duties without quantitative restrictions.

The trade liberalization level with the Republic of Croatia as of 01.01.2005 is 97%.

The entire imports of industrial and agricultural products from Bosnia and Herzegovina to the Republic of Macedonia have been liberalized upon entry into force of the Agreement i.e. as of 01.07.2002. Macedonian industrial and agricultural product exports to this country are gradually liberalized. Hence, as of 01.01.2005, Macedonian exports in these products will be under the 0% regime.

The trade liberalization level with the Republic of Albania is 60%. The liberalization level in the trade with industrial products is 70%, while the liberalization level in the trade with agricultural products is 50%. The other 50% of the agricultural products are traded under annual quotas without customs duties, while those outside the quotas and those not under the quota system, are under the MFN treatment. As of 01.01.2007, the level of liberalization of the trade in industrial products between the two countries will be 100%.

The Republic of Macedonia has about 90% liberalization level of the trade only in industrial products with: the Republic of Bulgaria, Romania, and the Republic of Moldova. This liberalization percentage was achieved in 2004. The remaining 10% will be liberalized on 01.01.2005 with the Republic of Bulgaria, on 01.01.2008 with Romania and on 01.01.2009 with Moldova. Only the most sensitive industrial products are subject to customs duties in the above referred to transitional periods.

The Free Trade Agreements of the Republic of Macedonia with the Republic of Turkey and with the EFTA countries facilitate full liberalization of the Macedonian exports of industrial products to the markets of these countries, upon entry into force of the respective Free Trade Agreements. On the other hand, as of 01.01.2008 there will be full liberalization of the Turkish exports of industrial products to the Macedonian market, and as of 01.01.2011 there will be such liberalization for the EFTA countries.

The Free Trade Agreement between the Republic of Macedonia and the Ukraine facilitates full liberalization of the Macedonian exports of industrial products as of 2005, as well as full liberalization of import of the sensitive Ukrainian industrial products as of 2007 and as of 2010 for the most sensitive industrial products.

The liberalization of the trade in agricultural products with the Republic of Bulgaria, Republic of Turkey, the Ukraine, Romania and Moldova is applied under annual tariff quotas. After the quotas have been used, as is the case of other agricultural products which are not subject to tariff quotas, the trade in these products is subject to full customs duties.

The multilateral Free Trade Agreement with the EFTA countries regulates the trade in agricultural products in separate Protocols on Agriculture with each country, which facilitate liberalization by setting forth quota or quota free regime with customs duties lower than the regularly applied ones. Upon the amendments and supplements to the Agreement with the EFTA countries (2003), Switzerland, Iceland, Lichtenstein and Norway facilitate greater liberalization of the Macedonian exports of agricultural products.

In April 2004, the Republic of Macedonia officially presented its application for accession to the CEFTA. In June 2004, the application of the Republic of Macedonia was officially accepted by the CEFTA countries,. The first multilateral meeting of the expert groups on the negotiations for membership of the Republic of Macedonia to CEFTA was held on 13-14.09. 2004. Furthermore two rounds of bilateral negotiations were held.

The negotiations of the Republic of Macedonia with the CEFTA member-countries (Romania, Republic of Bulgaria, and the Republic of Croatia) are aimed at facilitating greater liberalization than the one currently applied under bilateral Free Trade Agreements with these countries.

Upon accession of the Republic of Macedonia to the CEFTA, the bilateral Free Trade Agreements with the Republic of Bulgaria, Republic of Croatia and Romania will be replaced with the CEFTA Agreement.

2. Has there been any global analysis by your national authorities of the differences between these agreements and those that the Community might have with the same third countries? If yes, please provide us with the findings of such analysis. If no, is such analysis planned? Please provide any relevant details of such plans.

A global comparative analysis of the Macedonian preferential trade agreements and the preferential trade agreements that EU has with third countries has not been conducted thus far. There is certain information about the contents of some of these agreements of EU with third countries. The Republic of Macedonia plans to conduct a global analysis after acquiring a formal status of a candidate country.

3. How far have you progressed in the renegotiation of your Free Trade Agreement with Serbia and Montenegro?

Trade between the Republic of Macedonia and Serbia and Montenegro is governed by the Free Trade Agreement concluded in 1996, in accordance with the respective national legislations of the two countries. In June 2001, both parties to the Agreement agreed to amend and supplement the Agreement in compliance with the rules and provisions of the WTO and the EU regulations.

In June 2001, the Joint Committee in charge of the unimpeded implementation of the Trade Agreement between the Government of the Republic of Macedonia and the Federal Government of the Federal Republic of Yugoslavia established a Joint Sub-Committee to prepare the amendments and supplements to the Trade Agreement between the Government of the Republic of Macedonia and the Federal Government of the Federal Republic of Yugoslavia.

The Sub-Committee for amendments and supplements to the Trade Agreement fully harmonized the text of the Free Trade Agreement between the Republic of Macedonia and Serbia and Montenegro, including the text of the Protocol on Origin of Goods by February 2003. The only remaining open issues are related to the Annexes that regulate the quantitative restrictions of small number of industrial (ferrous metallurgy only) products and agriculture-food products.

The Sub-Committee already held four meetings and it continues to work intensively on the harmonization of the Annexes on goods that are under quantitative restrictions according to the existing trade agreement.

The Macedonian side has been continuously proposing full liberalization of the trade in ferrous metallurgy products upon entry into force of the harmonized text of the Agreement, proposing also further liberalization of the agriculture-food products subject to quotas in a transitional period of three years, starting with 2004. By this, the entire trade with Serbia and Montenegro would be customs duty free as of 2006.

These Macedonian proposals have not been accepted by Serbia and Montenegro that has insisted on two proposals: 1. setting up quotas for new agricultural products (grapes, tomatoes, cucumbers and gherkins, wine, watermelons and peppers); or 2. drafting a new text of the Agreement with entirely new lists of customs quotas for the most sensitive agricultural and industrial products.

Considering that the trade liberalization level in accordance with the applicable Trade Agreement is 99% as of 2000, the Republic of Macedonia has underlined that both parties to the Agreement should be aimed at further enhancing the trade liberalization, in the spirit of the implementation of the Memorandum on Trade Facilitation and Liberalization under the Stability Pact, which stipulates that, the countries in the Region should attain 90% trade liberalization level in the industrial and agricultural sectors by 2007.

Since, due to such opposed positions no agreement could be reached within the Sub-Committee, it was proposed that the Joint Committee for the Implementation of the Trade Agreement, headed by the Ministers of Economy of both countries, decide on the proposals.

In July 2004, at the session of the Joint Committee, Serbia and Montenegro proposed several alternatives:

1. Full liberalization of the lists of agricultural and industrial products, which are currently under quantitative restrictions as of 01.01.2005 and
2. Introduction of quotas for Macedonian: 1. grapes, tomatoes, cucumbers, gherkins, wine, watermelons and peppers with 0% in-quota customs duty and 50% of MFN duty outside the quota; and 2. apples, fresh baking yeast, vermouth, and other wines and tobacco with duty-free access for quantities inside the quota and gradual reduction of the out-of-quota MFN rate over a four-year transition period.

The Macedonian side pointed out that introducing quotas for agriculture products would be possible only if they are allocated on 'first come - first served' basis, which would help avoid any administrative delays caused by the licensing procedures. The Republic of Macedonia has been applying this principle as of 2001, in the trade with all countries with which it has free trade agreements, including Serbia and Montenegro.

The import quotas in Serbia and Montenegro are distributed by a quota distribution committee, which could hinder the timely exports of Macedonian products subject to such quotas.

4. How far have you progressed in the negotiation of a Free Trade Agreement with UNMIK/Kosovo?

After UNMIK's involvement in the work of the Stability Pact Task Force on Trade Liberalization and Facilitation in September 2003, later in December the same year, UNMIK raised the initiative for

conclusion of a Free Trade Agreement between the Republic of Macedonia and the UNMIK for the territory of Kosovo. This initiative is based on UNMIK's endeavours for economic integration of the territory of Kosovo in the region.

The trade between the Republic of Macedonia and Kosovo is currently governed by the Free Trade Agreement with the Government of the Federal Republic of Yugoslavia, under which 99% of the products are traded duty-free.

The negotiations with UNMIK for the conclusion of an Interim Free Trade Protocol started in the second half of December 2004.

III. BILATERAL INVESTMENT TREATIES

With which countries has the Republic of Macedonia concluded bilateral investment agreements? Please provide for each agreement the following information: nature of the agreement (e. g. bilateral investment treaties, commercial co-operation agreements, other types of agreements ...), date of ratification, date of entry into force, initial term of agreement, automatic renewal procedure, period for which acquired rights exist? Please provide copies (in one of the official EU languages) and indicate clearly what are the modalities foreseen in those agreements for their amendment or termination, to bring them in line with the Community acquis. Do such agreements include a regional economic integration organisation clause (possibility to grant privileged access to investors or investments of other countries, which belong to the same regional integration organisation as the contracting party)? Which sectors are normally excluded (e.g. aviation, maritime transport, fishing, audiovisual, etc.) from such agreements?

The Republic of Macedonia, so far has concluded 26 bilateral agreements on promotion and reciprocal protection of investments that have entered into force, 3 agreements that have been ratified by the Assembly of the Republic of Macedonia, but still have not entered into force and 5 agreements which have been initialled by the expert teams, but have not been signed by the official state representatives.

In terms of the validity periods of the agreements, the periods vary from 10 to 20 years, which offers the opportunity for automatic renewal of the application of the agreements for another 10 to 20 years, unless a year or in some agreements six months prior to the expiry of the validity of the agreement one of the contracting parties informs the other party of its intention to cancel the agreement. The communication on the cancellation of the agreement enters into force and the agreement shall be considered cancelled upon expiry of a year and in some cases six months, from the day the other contracting party has received the communication on the cancellation of the agreement, via diplomatic channels.

In accordance with the agreements, each contracting party must provide for fair and equal treatment of investments of the investors from the other contracting party coming to its territory.

Bilateral agreements on promotion and reciprocal protection of investments in terms of their contents do not list the sectors in which there is a prohibition for non-resident entities to invest. Namely, the agreements refer to the national legislations, i.e. respect the legal restrictions applicable for certain sectors in the respective countries. The legislation of the Republic of Macedonia excludes certain sectors/activities from such agreements, such as for example the military industry, transfer and trade in arms, movement and trade in narcotics, protection of historical monuments and cultural treasures, protection of the health of people, protection of forests and waters. For more details on the existing restrictions on investments by non-resident entities, see the Table contained in [04 I 1](#).

The Agreements do not contain a clause on regional economic integration, i.e. they do not provide a possibility for granting privileged access to investors or investments of other countries, which belong to the same regional integration organization.

Bilateral Agreements on Promotion and Mutual Protection of Investment that are in force

Country	Date of conclusion (signature)	Date of ratification in the Republic of Macedonia	Date of entry into force	Validity period, that is automatically renewed	Published in "Official Gazette of RM" No.
1 Republic of Croatia - See 26 Annex 09 01	06.07.1994	15.03.1995	04.11.1995	10 years	17/95

2. Republic of Turkey - See 26 Annex 09_02	14.07.1995	30.01.1997	27.10.1997	10 years	5/97
3. Republic of Slovenia - See 26 Annex 09_03	05.06.1996	26.09.1996	21.09.1999	10 years	55/96
4. Federal Republic of Yugoslavia - See 26 Annex 09_04	04.09.1996	18.12.1996	22.07.1997	10 years	69/96
5. Federal Republic of Germany - See 26 Annex 09_05	10.09.1996	19.02.1997	17.09.2000	10 years	8/97
6. Switzerland - See 26 Annex 09_06	26.09.1996	19.02.1997	06.05.1997	10 years	8/97
7. Republic of Poland - See 26 Annex 09_07	28.11.1996	02.04.1997	22.04.1997	10 years	17/97
8. Italian Republic - See 26 Annex 09_08	26.02.1997	09.07.1997	28.05.1999	10 years	34/97
9. People's Republic of China - See 26 Annex 09_09	09.06.1997	18.09.1997	01.11.1997	10 years	49/97
10. Russian Federation - See 26 Annex 09_10	21.10.1997	03.02.1998	09.07.1998	10 years	7/98
11. Malaysia - See 26 Annex 09_11	11.11.1997	05.02.1999	17.03.1999	10 years	7/99
12. Republic of Albania - See 26 Annex 09_12	04.12.1997	18.03.1998	03.04.1998	10 years	15/98
13. Democratic People's Republic of Korea - See 26 Annex 09_13	15.12.1997	18.03.1998	30.04.1998	10 years	15/98
14. French Republic - See 26 Annex 09_14	29.01.1998	25.03.1998	31.03.2000	10 years	16/98
15. Ukraine - See 26 Annex 09_15	02.03.1998	28.04.1998	25.03.2000	10 years	21/98
16. Kingdom of Sweden - See 26 Annex 09_16	07.05.1998	25.06.1998	01.10.1998	20 years	31/98
17. Kingdom of the Netherlands - See 26 Annex 09_17	07.07.1998	25.08.1999	01.06.1999	15 years	13/99
18. Belgian-Luxembourg Economic Union - See 26 Annex 09_18	16.02.1999	15.04.1999	04.11.2002	10 years	23/99
19. Republic of Bulgaria - See 26 Annex 09_19	22.02.1999	15.04.1999	05.06.1999	10 years	23/99
20. Republic of China - See 26 Annex 09_20	09.06.1999	14.07.1999	09.06.1999	10 years	44/99
21. Romania - See 26 Annex 09_21	12.06.2000	23.01.2002	13.02.2002	10 years	7/02
22. Republic of Finland - See 26 Annex 09_22	25.01.2001	23.01.2003	22.03.2002	10 years	7/02
23. Bosnia and Herzegovina - See 26 Annex 09_23	15.02.2001	23.01.2002	25.10.2001	20 years	7/02

24. Republic of Austria - See 26 Annex 09 24	28.03.2001	23.01.2002	14.04.2002	10 years	7/02
25. Republic of Hungary - See 26 Annex 09 25	13.04.2001	24.01.2002	14.03.2002	10 years	12/02
26. The Czech Republic - See 26 Annex 09 26	21.06.2001	23.01.2002	20.09.2002	10 years	7/02

Bilateral Agreements on Promotion and Mutual Protection of Investments ratified but still not in force

Country	Date of conclusion (signature)	Validity period that is automatically renewed	Date of ratification in the Republic of Macedonia	Published in the "Official Gazette of RM" No.
1. Republic of Egypt - See 26 Annex 09 27	22.11.1999	10 years	27.01.2000	07/00
2. Islamic Republic of Iran - See 26 Annex 09 28	12.07.2000	10 years	23.01.2002	7/02
3. Belarus - See 26 Annex 09 29	20.06.2001	10 years	20.06.2002	47/02

Initialed, but not yet signed Bilateral Agreements on Promotion and Mutual Protection of Investments

Country	Date and place of initialling
1. Hellenic Republic	18 March 1997, Athens
2. United Kingdom of Great Britain and Northern Ireland	14 – 15 October 1999, London
3. Republic of Uzbekistan	27 - 28 October 1999, Tashkent
4. Kingdom of Denmark	13 July 2000, Skopje
5. Kuwait	12 June 2003, Skopje

IV. DEVELOPMENT CO-OPERATION

1. Is your country bound by co-operation, trade, or other agreements with developing countries (whether African, Caribbean and Pacific, Latin American, Asian or Mediterranean countries)?

On 31.05.1995, the Republic of Macedonia concluded an Agreement on Trade and Economic Cooperation with the Government of the People's Republic of China ("Official Gazette of RM" No. 60/95) implemented as of 14.04.1996. The agreement stipulates provision of MFN treatment in trade by both parties.

2. Does your country apply a preferential trade policy (irrespective of the agreements mentioned above) vis-à-vis certain developing countries? If so, what are the form and details of such policy/policies?

The Republic of Macedonia does not apply preferential trade policy vis-à-vis developing countries.

3. Is there a policy framework or any kind of regulation on aid assistance or development cooperation?

In general terms, the Republic of Macedonia is committed to cooperating with and assisting developing countries, within its possibilities and in accordance with the achieved level of its development. However, currently there is no political framework or legal provisions that regulate this matter. The possibility to allocate funds from the country's Budget for assistance or for development cooperation with other countries is not excluded, although thus far, there have been no funds allocated for such purposes under the Budget of the Republic of Macedonia. The last engagements in this respect have been aimed at enhancing the cooperation with Afghanistan (and lately with Iraq) by finding ways of providing direct assistance in the field of agriculture, training personnel in specific areas and alike.

4. Does your country have a developing country aid budget? What is the size of the budget and how is it allocated? Which amount, if any, was spent for humanitarian aid projects during the last 3 years?

The Republic of Macedonia does not have developing country aid budget.

In the last two years, the Republic of Macedonia allocated the following humanitarian assistance:

- 10 million MKD in medicines and medical expendables for the victims in the Bam earthquake (Iran); and
- 20 million MKD in medicines and medical expendables and 93 million MKD in medicines from the stock reserves for the victims from the countries in South East Asia struck by tsunami.

5. What are the projects, if any, on aid assistance or humanitarian aid carried out by your country during the last two years?

In the last two years, the Republic of Macedonia has allocated the following humanitarian assistance:

1. Iran: medicines and medical expendables for the victims in the Bam earthquake;
2. Albania: school kits and clothes for persons belonging to the Macedonian minority in the municipalities of Gorna and Dolna Gorica, Tuminec and Globocani. The assistance was organized by Journalists for Women's and Children's Rights and for Environmental Protection, the Red Cross, the State Blood Transfusion Institute and by the Macedonian Telecommunications; and

3. South East Asia - 20 million MKD in medicines and medical expendables and 93 million MKD in medicines from the stock reserves for the victims from the countries struck by tsunami. Beside this aid granted by the Government of the Republic of Macedonia, the Macedonian Red Cross donated medicines and other items, and also sent two experts in the area. The NGO's, the citizens, the companies and other entities in the action that continues in January 2005 donated funds amounting up to 130. 000 EUR.

6. Administrative capacity: is there a Ministerial service/Agency for development co-operation, or are there specific projects of assistance to third countries managed by Ministries other than the Ministry of Foreign Affairs? If yes, how are they organised?

The Republic of Macedonia does not have a separate ministry or agency for development cooperation with third countries or a separate service for development cooperation.

7. Has your country participated in any international conference on sustainable development (UNCTAD XI, WSSD), financing for development or sectoral issues (HIV/AIDS, Education for ALL) during the last three years? Is there any official statement on those conferences?

1. The Republic of Macedonia participated in the following international conferences on sustainable development and financing for development:

Regional Ministerial Meeting, 24-25 September 2001, Geneva

- The delegation of the Republic of Macedonia was headed by the Minister of Environment and Physical Planning who addressed the general debate of the Meeting;

International Conference on Financing for Development, 18-22 March 2002, Monterrey, N.L., Mexico

- The delegation of the Republic of Macedonia was headed by the President of the country who addressed the plenary session and the round table for heads of states and governments, as well as by the Minister of Foreign Affairs and the Minister of Economy who took part in the working sessions;

WSSD -Preparatory Committees (PREPCOM), New York, III Preparatory Session for the World Summit on Sustainable Development (New York, 25 March - 5 April 2002)

- The delegation of the Republic of Macedonia was headed by the Permanent Representative to the UN;

OECD Global Forum on Sustainable Development Conference on Financing the Environmental Dimension of Sustainable Development, Paris, 24-26 April 2002

- Representatives of the Ministry of Environment and Physical Planning and of the Ministry of Finance took part in this event;

WSSD Preparatory Committees (PREPCOM), Bali –IV Ministerial Meeting of the Preparatory Committee for the Work Summit on Sustainable Development, 27 May - 7 June 2002,Bali

- The Republic of Macedonia was represented by its Delegation;

EASY-ECO 2 Euro-Conference on "Evaluation of Sustainability" May 15 -17, 2003, Vienna

- A representative of the Ministry of Environment and Physical Planning took part in this Conference;

World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002

- The Republic of Macedonia was a vice-chairman of the Summit. The delegation was headed by the President of the country who addressed the plenary;

ECOSOC - Special high-level meeting with the Bretton Woods institutions and the World Trade Organization, New York, 26 April 2004

- The delegation of the Republic of Macedonia attended this event with an observer status;

UNCTAD

- Participation in several thematic conferences at various levels (expert and state level);

The United Nations Commission on Sustainable Development (CSD)

- The Republic of Macedonia is an active member. UN Economic Commission for Europe (UNECE);

Economic Commission for Europe (ECE)

- Macedonia as a member is continually and actively involved in the work of this Commission.

2. The Republic of Macedonia has participated in the following international conferences on the issue of HIV/AIDS:

"Problem of Human Immunodeficiency Virus (HIV/AIDS) in All Its Aspects" New York, 25-27 June 2001

- The Republic of Macedonia actively participated in the work of the 26 th. Special Session of the United Nations General Assembly represented by the Permanent Representative of the Republic of Macedonia to the UN, New York and the National AIDS Coordinator;

First International Conference "HIV/AIDS: prevention and care among mobile groups in the Balkans", held in Rome, June 2001

- The Republic of Macedonia was represented by its Delegation;

UNGASS on Children, Special Session of the United Nations General Assembly on Children, New York, June 2002

- Address by the President of the Republic of Macedonia;

South Eastern Europe conference on HIV/AIDS - implementing the global declaration of commitment on HIV/AIDS, Bucharest, Romania, 6-8 June 2002

- The Republic of Macedonia was represented by its Delegation;

High-level plenary meeting devoted to the follow-up to the outcome of the twenty-sixth special session and the implementation of the Declaration of Commitment on HIV/AIDS)

58-th. Session of the UN GA in New York, 22 September 2003

- Address by the Minister of Foreign Affairs of the Republic of Macedonia;

Ministerial Conference in Dublin, Ireland, February 2004 "Breaking the Barriers-Partnership to fight HIV/AIDS in Europe and Central Asia"

- The Delegations agreed to issue a Binding Declaration;

Second International Conference "HIV/AIDS: prevention and care among mobile groups in South Eastern Europe", Skopje, Republic of Macedonia, April 2004

- The Republic of Macedonia was represented by its Delegation.

3. The Republic of Macedonia has also participated in the following international conferences in the field of education:

"Quality education for all young people: challenges, trends and priorities", UNESCO 8-11 September 2004, Geneva

- In the framework of the UNESCO Campaign ("Education for All"), the Minister of Education and Science of the Republic of Macedonia delivered an address at the 47th session at the International Conference on Education (ICE), elaborating the issue of "Quality of Education of Young People, Challenges, Trends and Priorities".

8. In which International Agreements dealing with development are you participating?

The Republic of Macedonia actively participates in several international agreements dealing with specific development related issues. The activities of Macedonia under these Agreements are implemented by the line ministries such as the Ministry of Economy, the Ministry of Environment and Physical Planning, the Ministry of Agriculture, Water Economy and Forestry, as well as the Foreign Economic Policy Sector at the Ministry of Foreign Affairs. The Republic of Macedonia participates in the activities of multilateral international organizations such as the UNDP, UNCTAD and UNIDO cooperating within these organizations on development related issues.