













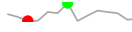



Trade and Competitiveness Monitoring Note



**Macedonia,
FYR**

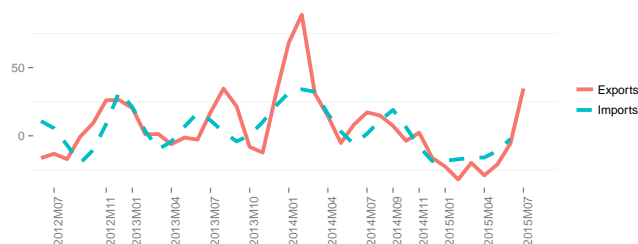
GDP (US\$ billions) (2015)	Population (millions) (2015)	Income per capita (current US\$) (2015)	Poverty rate (2008)	Unemployment rate (2015)	Ease of Doing Business Rank (2015)
9.3	2.1	4,457.0	1.3	27.3	14.0

Macro Indicators

	Avg 2002-2011	2012	2013	2014	2015	2016	
GDP growth (annual %)	2.95	-0.46	2.67	3.77	3.21	3.45	
Current account balance	-5.34	-3.06	-1.81	-1.45	-2.81	-3.10	
Cash surplus/deficit (% of GDP)	-1.24	-3.90	-4.01	-4.18	-3.94	-3.49	
Gross Fixed Investment (% GDP)	22.27	30.19	24.53	26.82	30.01	31.92	
Gross capital formation (% of GDP) [1]	22.98	28.93	28.51	30.57	—	—	
Foreign direct investment, net inflows (% of GDP) [2]	3.90	1.47	3.11	3.07	—	—	
Private capital flows, total (% of GDP) [2]	22.86	4.20	—	—	—	—	
Total Trade in Goods and Services (% of GDP, real terms)	84.38	104.76	94.90	105.72	109.71	114.06	
Trade balance (% GDP, real terms)	-16.35	-18.56	-13.19	-13.56	-13.72	-13.84	
Exports, Goods and Services, annual percent change (real terms)	5.78	1.95	-2.68	17.03	7.50	8.00	
Imports, Goods and Services, annual percent change (real terms)	5.41	8.24	-10.01	14.50	6.80	7.20	
Personal remittances, received (% of GDP) [1]	3.80	4.04	3.49	3.24	—	—	
General government gross debt [3]	29.85	33.68	34.16	38.23	37.13	39.57	
Total reserves in months of imports [1]	4.70	5.02	4.64	4.54	—	—	
Real Effective Exchange Rate (2010=100)	104.36	103.10	105.09	107.02	107.50	110.78	
Consumer Price Index, annual percent change	2.33	3.27	2.80	-0.13	0.40	1.40	

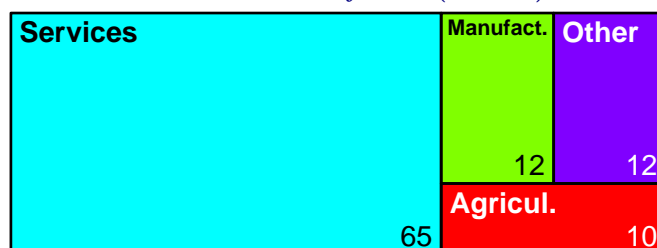
Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

Goods Export and Import volume growth, 2012-2015



Source: Development Prospects Group (DECPG)

Gross Value Added by Economic Activity 2013 (% GDP)



Source: World Development Indicators (WDI)

Top 5 Exports by % of Total Value, 2014

Catalysts and catalytic preparation	Filtering or purifying machinery an	Other ferro-alloys (excluding radio	Insulated (including enamelled or a
17	8	3	

Imports Categories by % of Total Value, 2014

Intermediate goods	Consumer goods	Capital goods
41	37	15

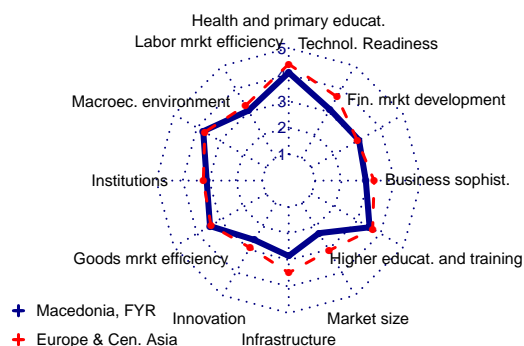
Source: World Integrated Trade Solution (WITS)

Doing Business 2015 Ranks (among all countries)

	DB 2015 Rank	DB 2016 Rank	Change in Rank
Dealing with Construction Permits	10	10	0
Ease of Doing Business Rank	14	12	2
Enforcing Contracts	25	26	-1
Getting Credit	36	42	-6
Getting Electricity	43	45	-2
Paying Taxes	7	7	0
Protecting Minority Investors	18	14	4
Registering Property	50	50	0
Resolving Insolvency	34	37	-3
Starting a Business	2	2	0
Trading Across Borders	26	26	0

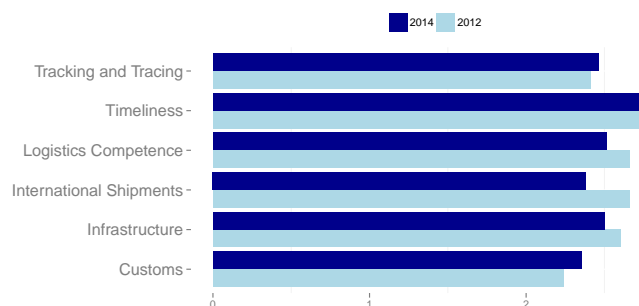
Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-5, 5=best)



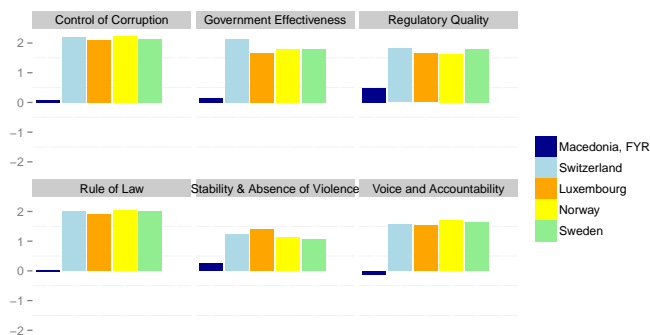
Source: WEF Global Competitiveness Report 2015

Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

Trade Policy

	2010	2014
Applied Tariff (Incl. Prefers. and Trade-Weighted)	3.6	3.6
Binding (%)	100	100.0
Dispersion (Standard Deviation)	9.9	10.0
Import duties collected (% , 2005-2007) [1]	—	2.7
MFN Tariff (Agricul.)	12.2	12.0
MFN Tariff (Non-Agricul.)	6.2	6.0
MFN Tariff (Simple Average)	6.8	6.7
Services sectors with GATS commitments [1]	—	116.0

Sources: WITS, [1] WTO Trade Profiles

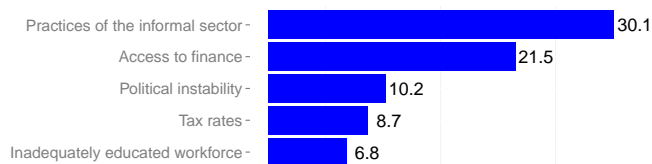
Private Sector's Views

Enterprise Survey 2013

	Macedonia, FYR	Europe and Central Asia	All Countries
Number of electrical outages in a typical month	1.20	2	6.30
Percent of firms with a bank loan/line of credit	45.40	—	34.30
Proportion of investment financed by banks (%)	11.10	—	14.30
Proportion of investment financed internally (%)	80.90	—	71.80
Senior management time spent dealing with the requirements of government regulation (%)	10.30	—	9.90

Source: Enterprise Survey 2013

Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015