

Trade and Competitiveness Monitoring Note

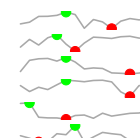


**Macedonia,
FYR**

GDP (US\$ billions) (2016)	Population (millions) (2016)	Income per capita (current US\$) (2016)	Poverty rate (2008)	Unemployment rate (2014)
9.9	2.1	4,773.5	1.3	27.9

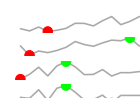
Macro Indicators

	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
Fiscal balance (% of GDP)	-1.24	-3.90	-4.01	-4.18	-3.94	-3.49
Remittances, received (% of GDP) [1]	3.92	4.04	3.49	3.24	—	—
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



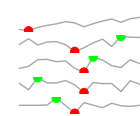
Investment indicators

	Avg 2002-2011	2012	2013	2014	2015	2016
Gross domestic investment (% GDP)	22.3	30.2	24.5	26.8	30.0	31.9
Gross domestic investment, of w: Private investment (% GDP) [1]	23.2	28.9	28.5	30.6	—	—
Inward FDI (% of GDP) [2]	3.9	1.5	3.1	3.1	—	—
Inward FDI, % of private investment [2]	22.9	4.2	NA	—	—	—



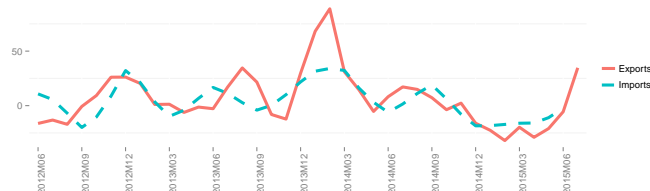
Trade Indicators

	Avg 2002-2011	2012	2013	2014	2015	2016
Total Trade in Goods and Services (% of GDP, real terms)	84.4	104.8	94.9	105.7	109.7	114.1
Trade balance (% GDP, real terms)	-16.4	-18.6	-13.2	-13.6	-13.7	-13.8
Exports, Goods and Services, annual percent change (real terms)	5.8	2.0	-2.7	17.0	7.5	8.0
Imports, Goods and Services, annual percent change (real terms)	5.4	8.2	-10.0	14.5	6.8	7.2
Total reserves in months of imports [1]	4.7	5.0	4.6	4.5	—	—



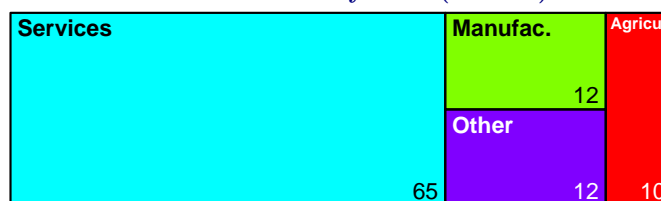
Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

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 and	Other ferro-alloys (excluding radio	Insulated (including enamelled or a Tobacco, not stemmed/stripped	5
17	9	8	3	

Imports Categories by % of Total Value, 2014

Intermediate goods	Consumer goods	Capital goods	7
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

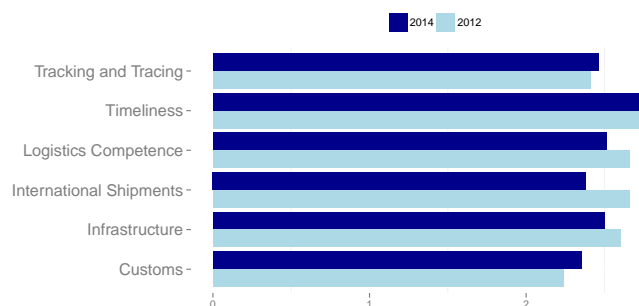
Source: Doing Business Report 2015

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



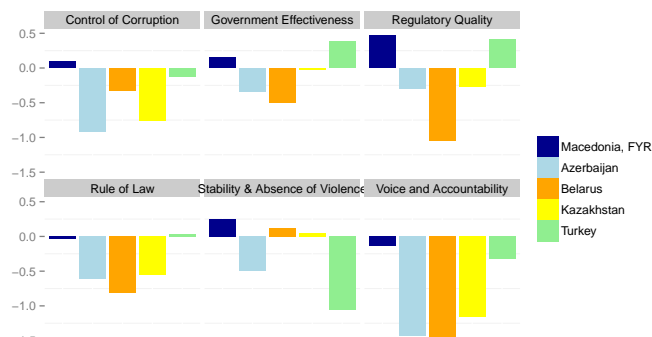
Source: WEF Global Competitiveness Report 2015

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 (Agriculture)	12.2	12.0
MFN Tariff (Non-Agriculture)	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

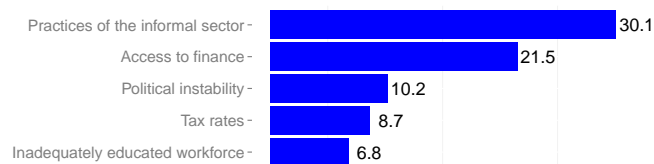
Private Sector's Views

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