



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Country factsheet

North Macedonia

An initiative of the European Union





Contents

Introduction	3
1. National cluster policy, programmes and initiatives	5
2. State of play of cluster policy	12
Bibliography.....	16
Annex.....	17



Introduction



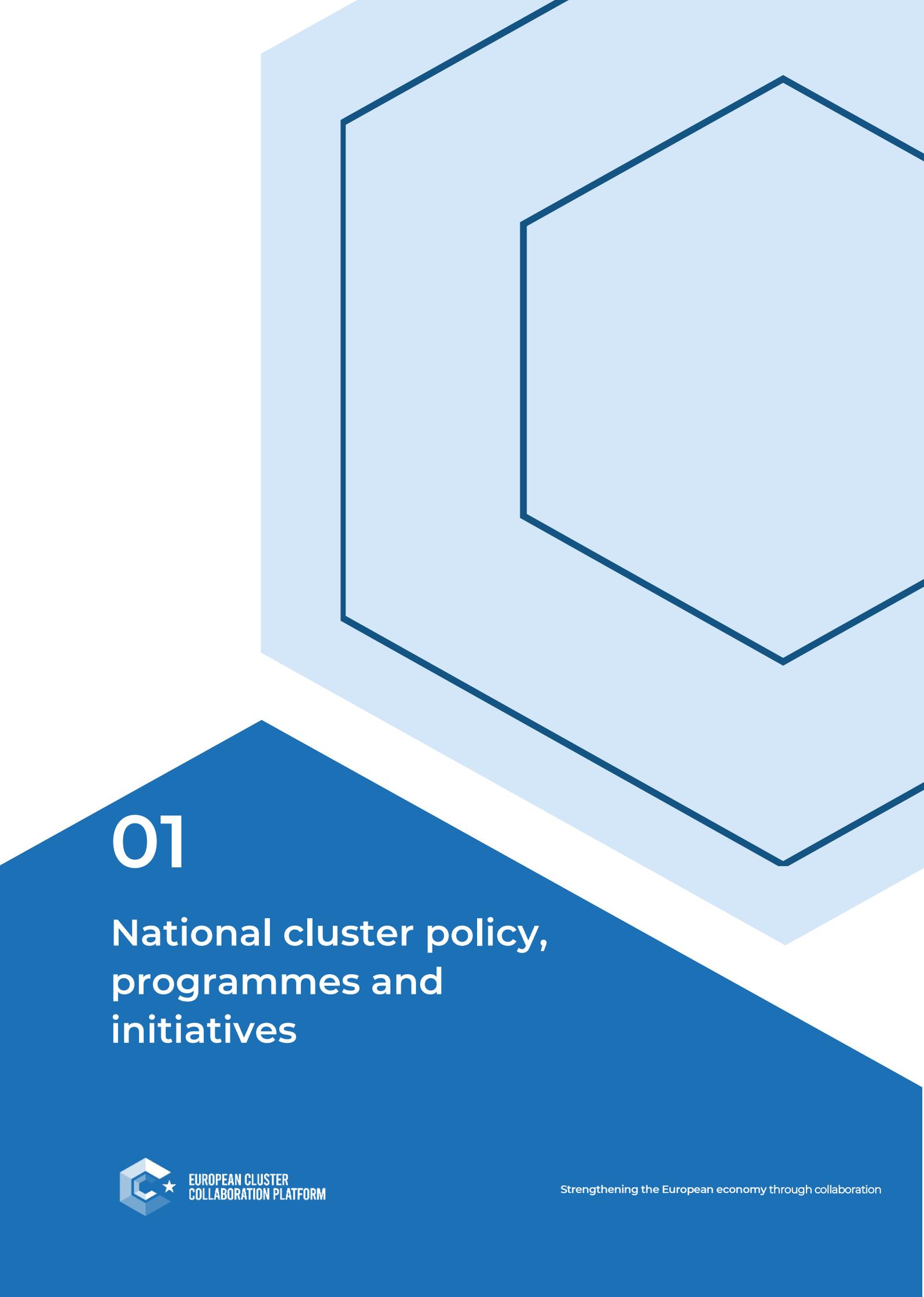
This document presents an overview of the cluster policy in North Macedonia. Given the importance to contextualise the cluster policies (and related) analysed in the factsheets, a comprehensive outlook of the country can be consulted in the [North Macedonia 2021 Report](#) and the [North Macedonia Factograph](#). The documents highlight the country's recent developments, economic outlook, and the state of play of its relations with the EU.

The COVID-19 pandemic has caused an unprecedented economic shock to North Macedonia and the global economy. North Macedonia's [Plan for Accelerated Economic Growth 2022-2026](#) recognizes the need to counter these economic challenges but does not mention cluster development as an explicit means to handle them. In addition to the COVID-19 pandemic, the ongoing Russian military aggression against Ukraine the ensuing international market disruptions reaffirm the importance of cluster development in order to strengthen North Macedonia's economic resilience.

At the same time, the [Common Regional Market \(CRM\) 2021-2024 Action Plan](#) for the West Balkans Six countries will promote North Macedonia's international economic integration and emphasize the advantages of a structured approach to cluster development strategy to back North Macedonian businesses' integration into regional and global value chains.

In the following, a succinct overview of the cluster policy in North Macedonia will be provided. The structure of this factsheet encompasses:

- 1) an overview of the sectoral (industria) policy in North Macedonia,
- 2) an assessment of the state of play of the national cluster policy.



01

National cluster policy, programmes and initiatives



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Strengthening the European economy through collaboration



1. National cluster policy, programmes and initiatives

In this section we provide an overview of the existing North Macedonian cluster policies on a national level.

The breakdown is presented in the form of a table, with the first column showcasing information on the aspects which constitute the policy (beginning with 'Policy Objectives', following with 'Policy Focus', etc.). The second column represents the case of North Macedonia's Industrial Strategy 2018-2027, as this policy both promotes the general collaboration of different actors from business and society to foster regional development and explicitly supports cluster development.

Within the table the text presented in bold (black) depicts standardised categories across country factsheets (56 in total for 2022), which are applied for comparative purposes. This is followed by a complementary descriptive text to provide more insights about the cluster policy in North Macedonia.

Policy type:	Sectoral policy
Policy name:	Industrial Strategy of the Republic of Macedonia 2018-2027
POLICY OBJECTIVES 	<ul style="list-style-type: none"> Strengthening cooperation between companies or industry and RTDI actors Increasing competitiveness and boosting scale up of SMEs Supporting internationalisation activities Enhancing the visibility of clusters Fostering R&D activities, technology development and implementation Fostering innovation and strengthening innovation ecosystems Supporting the consolidation of existing cluster organisations Supporting the creation of new cluster organisations Promoting entrepreneurship, start-ups and spin-offs Promoting social and sustainable economy and other solidarity-based initiatives Promoting employment and upgrading skills and competences Increase supply chain resilience



Policy type:	Sectoral policy
Policy name:	Industrial Strategy of the Republic of Macedonia 2018-2027
	<p>The “Industrial Strategy of the Republic of Macedonia 2018-2027”¹ (ISRM) outlines the national strategy for increasing competitiveness. In contrast to its predecessor, the “Industrial Policy of the Republic of Macedonia 2009-2020”, it does not have cluster development among its explicit headline targets. Measure 1.6, though, is focused on the “Further development of industrial clusters with a focus on innovation and competitiveness”. The goal is to develop existing clusters from mere business organisations into true hubs of innovation. As first steps, the Strategy proposes to “develop demonstration industrial/manufacturing clusters as a best practice of innovation clustering through a ‘Pilot Integrated Cluster Programme for Immature Clusters’ involving a mixture of capacity building, awareness raising, consultancy and grant funding”. Beyond that dedicated cluster development measure, a broad range of the other objectives and measures are designed to support SMEs and, implicitly, clusters regarding the integration into global value chains, skill development, innovation, scaling-up, research cooperations, and many more. On top of that, there is a strengthened emphasis on sustainability and the green economy.</p>
<p>POLICY FOCUS</p> 	<p>Sectoral</p> <p>The ISRM 2018-2027 has a dedicated focus on the manufacturing sector. The reasoning is that there are a range of other broad policies in the field of innovation and competitiveness, which obviates the need for another broad and generic industrial strategy, like the previous version had been. A stronger focus on the manufacturing sector, thus, helps to reduce overlaps and redundancies.</p>
<p>RESPONSIBLE AUTHORITIES</p> 	<p>In charge of drafting</p> <p>In charge of implementation</p> <p>Provides funding</p> <p>Oversees the implementation</p> <p>The Ministry of Economy is the “key ministry” for industrial policy and has the leading role in drafting, implementation, funding as well as monitoring and evaluation. A great many other ministries, agencies, offices, chambers, NGOs, etc. are involved in the implementation of the individual measures. Funding comes from different sources beyond the state budget like private investment and international donors, but the Ministry of Economy is in charge of coordinating all funds.</p>

¹ The documents „Industrial Strategy of the Republic of Macedonia 2018-2027” and “Industrial Strategy with a focus on Manufacturing”, both dating from Octobre 2018, are identical in content as far as one can tell. This analysis is based on the latter as it was available in English. See the bibliography for both documents.



Policy type:	Sectoral policy	
Policy name:	Industrial Strategy of the Republic of Macedonia 2018-2027	
<p>BENEFICIARIES</p> 	<p>SMEs</p> <p>Cluster organisations</p> <p>Research organisations</p> <p>Academic institutions</p> <p>Start-ups</p> <p>Business associations</p> <p>Large firms</p> <p>NGOs</p> <p>Technology centres</p> <p>General population</p>	<p>SMEs and large firms profit from a broad range of measures including technology transfer support, supply chain integration and innovation funding. Fast growing SMEs (“gazelles”), micro firms, Start-ups receive special funding and other services like a “MakerSpace” (also “FabLab”) – essentially a technology centre – or entrepreneurial training. Cluster organisations shall be modernized to be more focused on innovation. Research and academic institutions benefit from linkages to industry and sponsored PhD positions. Business associations are key partners and, like NGOs, as stakeholders involved in the implementation of the programme. The general population benefits from the increased focus on sustainable production in general, and skill development programmes in particular.</p>
<p>INSTRUMENTS</p> 	Financial	<p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Application to labelling schemes and similar initiatives</p> <p>Subsidies to hire personnel</p> <p>Supporting market entry (e.g. testing, proof-of concept, prototyping, demonstration projects)</p> <p>Financing start-ups</p>



Policy type:		Sectoral policy
Policy name:		Industrial Strategy of the Republic of Macedonia 2018-2027
		Innovation: voucher, support to hire PhDs, cooperation with R&I actors
	Technical assistance	<p>Infrastructure: coworking spaces, offices, incubation and accelerator spaces, research centres, technology parks etc.</p> <p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p>
	Explanation	<p>Financial instruments provide mainly support to R&D projects that bring together different companies along the supply chain in addition to research and academic institutions. Labelling schemes and standards shall promote internationalisation and visibility. Further support is given for early stage product development and market entry. Special funding is provided for start-ups. Sponsored PhDs and part-time schemes support the hiring of scientific personnel and exchange with academic institutions.</p> <p>Technical assistance is provided broadly in the form of technology centres, technology transfer, export advice and market analysis through agencies and platforms like InvestMacedonia, management training, upskilling, economic diplomacy, and international marketing.</p>
HISTORY 	Period	Limited period
	Ending year (for policies with limited period)	2027



Policy type:		Sectoral policy
Policy name:		Industrial Strategy of the Republic of Macedonia 2018-2027
	Starting year	2018
	Explanation	The Industrial Strategy is designed for the 2018-2027 period to lead up to and cover the EU budget period of 2021-2027.
BUDGET 	Overall	The overall budget for the Industrial Strategy is not publicly available. However, according to Annex B, the budget for measure 1.6 ("Further development of industrial clusters") was projected at EUR 2 Million for the 2019-2022 period, to be provided by a donor.
	Annual	There are no annual budget numbers available.
	Source of funding	The budget is to be covered by the government, the use of EU funds and donor programs by EUD, GIZ, USAID, UNDP, Swiss Contact, EBRD, World Bank, and others.
POLICY EVALUATION 	Pre-defined	In-itinerere
	Results	<p>The Strategy foresees annual self-evaluations of the implementation of the action plan by the Ministry of Economy. Furthermore, independent evaluations shall be commissioned every three years, with the first at the end of 2020 to evaluate the first action plan (2018-2020) and two more at the end of 2023 and in 2026/27 to evaluate subsequent action plans and finally the whole Strategy.</p> <p>Monitoring and evaluation reports shall be published on https://konkurentnost.mk/, however, the report section was still empty at the time of the research for this factsheet (as of 03.10.2022).</p> <p>Evaluations of the previous Industrial Policy 2009-2020 were foreseen and are referred to in the new Strategy but appear to be not publicly available. The Strategy provides a short summary in the introduction.</p>



Policy type:	Sectoral policy
Policy name:	Industrial Strategy of the Republic of Macedonia 2018-2027
<p>POLICY</p> <p>ALIGNMENT WITH</p> <p>THE EU PRIORITIES</p> 	<p>Green economy</p> <p>Resilience</p>

02

State of play of cluster policy



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Strengthening the European economy through collaboration



2. State of play of cluster policy

This section presents an overview of the state of play of North Macedonia's cluster policy in the form of a quantitative and qualitative assessment. The data below illustrates how the country ranks in terms of **maturity of cluster policy at the national level**. The maturity assessment is based on a combination of factors presented in Chapter 2, which receive a score based on the existence or absence of a given element in the cluster policy.

Note: the maturity assessment does not reflect the performance of a country, but only the degree of development of their national cluster policy at the moment of data collection (Q3 2022). The assessment illustrates how the country scores for each of the four criteria (policy scope, continuity of cluster policies, evidence of performance, cluster support instruments) compared to the maximum score that they can reach. Please refer to the Annex for a detailed overview of the categories and the scoring system.

The table below presents an overview of the **maturity assessment for North Macedonia** for 2022. The total score of North Macedonia is 2 point out of 8.

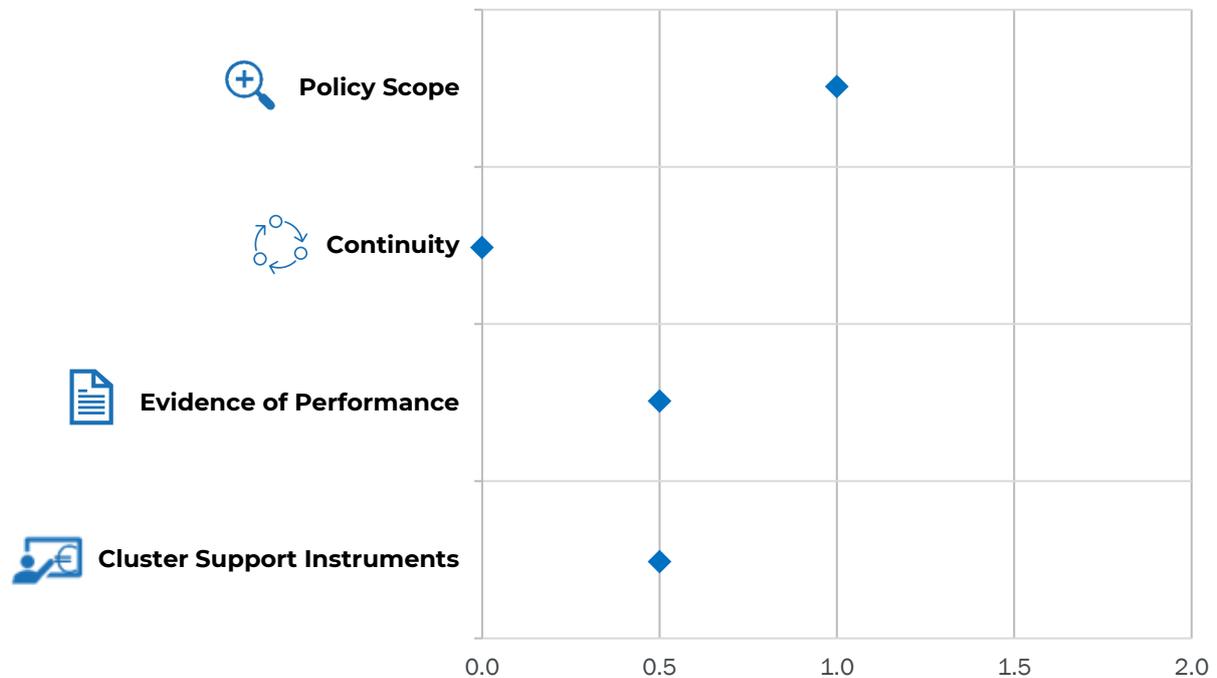
North Macedonia	MATURITY ASSESSMENT	Max score	Actual score
POLICY SCOPE	Absence of cluster policy	0	
	Broad policy	0,5	
	Sectoral policy	1	1
	National and/or regional cluster policy	2	
CONTINUITY	No cluster policy available	0	0
	Cluster policy established recently	0,5	
	Cluster policy established between over 2 and 10 years	1	
	Cluster policy established over 10 years ago	2	
EVIDENCE OF PERFORMANCE	No evaluation and / or monitoring available	0	
	Existence of evaluations of past policies	0,5	0,5
	Existence of monitoring or an ongoing / interim evaluation	1	
	Existence of monitoring and ex-ante or ongoing / interim evaluation	2	
CLUSTER SUPPORT INSTRUMENTS	No instruments for cluster development	0	
	Financial support for cluster development in the broader and / or sectoral policy	0,5	0,5
	Financial or technical support for cluster development in dedicated cluster policy	1	
	Financial and technical support for cluster development in dedicated cluster policy	2	
TOTAL (8)			2

Source: ECCP (2022)



Drawing from the table above that showcases the scored points in North Macedonia's cluster policy, the Figure below portrays the **degree of maturity** across four categories related to the national level cluster policy.

Figure 1: Maturity of cluster policy – North Macedonia



Source: ECCP (2022)

The text below provides a **qualitative description** of the state of play of the cluster policy in North Macedonia, which is complementary to the maturity assessment presented above.

Policy Scope

The Industrial Strategy 2018-2027 has a dedicated manufacturing focus. The reasoning is twofold. First, there is already a range of broad policies promoting competitiveness and innovation (e.g. the SME policy). Therefore, another broad industrial policy would produce numerous redundancies, while a more focused approach reduces them. Second, recent developments in European and international thinking about industrial policy and economic development have reemphasized the importance of manufacturing for the national economy. Targeting the manufacturing sector specifically is therefore justified by the positive spill-over effects it has on the rest of the economy.

Continuity

There is no dedicated cluster policy in North Macedonia. A cluster development programme was intended in the previous Industrial Policy 2009-2020 but has not been further developed. The current Industrial Strategy 2018-2027 envisions more limited measures for cluster development. A “Cluster Development Strategy 2018-2025” mentioned in some places could not be verified.



Evidence of Performance

The Strategy foresees annual self-evaluations of the implementation of the action plan by the Ministry of Economy. Furthermore, independent evaluations shall be commissioned every three years, with the first at the end of 2020 to evaluate the first action plan (2018-2020) and two more at the end of 2023 and in 2026/27 to evaluate subsequent action plans and finally the whole Strategy.

Monitoring and evaluation reports shall be published on <https://konkurentnost.mk/>, however, the report section was still empty at the time of the research for this factsheet (as of 03.10.2022).

Evaluations of the previous Industrial Policy 2009-2020 were foreseen and are referred to in the new Strategy but appear to be not publicly available. The Strategy provides a short summary in the introduction.

Cluster Support Instruments

The Industrial Strategy 2018-2027 provides both financial and technical assistance to large firms, SMEs and other relevant actors in the manufacturing sector, but without a dedicated focus on cluster development. There are, however, measures to develop a new pilot cluster and to reorient existing cluster organizations towards innovation and competitiveness.

Bibliography



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Strengthening the European economy through collaboration



Bibliography

- Republic of Macedonia, Ministry of Economy (n.d.). Industrial Policy for the Republic of Macedonia 2009-2020. Available at: <https://www.economy.gov.mk/Upload/Documents/FINALNA%20INDUSTRIAL%20POLICY%20OF%20THE.pdf> (accessed 30.09.2022).
- Republic of Macedonia, Ministry of Economy (2018). Announcement – Support for development of cluster association in Republic of Macedonia. Available at: <https://www.economy.gov.mk/en-GB/ns-newsarticle-soopstenija-2365.nspX> (accessed 03.10.2022).
- Republic of Macedonia, Ministry of Economy (2018). National Small and Medium Enterprise Strategy 2018-2023. Available at: www.economy.gov.mk/Upload/Documents/SME%20Strategy%20EN%20FINAL.pdf (accessed 30.09.2022).
- Republic of Macedonia, Ministry of Economy (2018). Industrial Strategy of the Republic of Macedonia 2018-2027 with Action Plan. Available at: <https://konkurentnost.mk/index.php/download/Индустриска-стратегија-на-Република/?wpdmdl=4659&refresh=633a9492283191664783506> (Macedonian language version; accessed 03.10.2022).
- Republic of Macedonia, Ministry of Economy (2018). Industrial Strategy with a focus on the Manufacturing Sector. Available at: <http://www.pintoconsulting.de/Images/pdf/ENG%20Macedonian%20Industrial%20Strategy%202018%20full.pdf> (English language version); <https://konkurentnost.mk/index.php/download/strategjia-industriale-me-fokus-mpi-industrine-perpunuese/?wpdmdl=4697&refresh=633a92077b7db1664782855> (Albanian language version; both accessed 03.10.2022).
- NCDIEL (2018). Synergy of clusters – spark for change towards innovative development and sustainable economic prosperity. National Centre for Development of Innovation and Entrepreneurial Learning. Available at: http://ncdiel.mk/wp-content/uploads/2019/01/BILTEN_KLASTERI_final.pdf (accessed 30.09.2022).



Annex

Criterion of maturity assessment	Description	Scoring (points between 0 and 2)
Policy scope	assessment whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies, e.g. foreign trade policies, labour and social policies or specific sectoral policies, e.g. industrial policy tourism policies, agriculture policies	<p>absence of cluster policy = 0</p> <p>existence of broader policies = 0,5</p> <p>existence of specific sectoral policies = 1</p> <p>existence of targeted cluster policies = 2</p>
Continuity of cluster policies	assessment of the duration and experience of the country in carrying out cluster policies. This criterion assesses only existence of targeted cluster policies and not broader policies or sectoral policies	<p>absence of policies supporting cluster development = 0</p> <p>cluster policy established recently (within the last 2 years) = 0,5</p> <p>cluster policy established between over 2 and 10 years = 1</p> <p>cluster policy established over 10 years ago = 2</p>
Evidence of performance	assessment whether there are evaluations of past and ongoing policies and a monitoring system in place. The existence of monitoring and evaluation mechanisms determines the degree of policy development in the country	<p>no evaluation and / or monitoring available = 0</p> <p>existence of evaluations of past policies, e.g. ex-ante = 0,5</p> <p>existence of monitoring or an ongoing / interim evaluation =1</p> <p>existence of monitoring and ex-ante or ongoing / interim evaluation =2</p>
Cluster Support Instruments	assessment whether the policies provide any instruments to support the policy implementation, being these financial and/or technical support	<p>no instruments for cluster development =0</p> <p>financial support for cluster development in the broader and / or sectoral policy = 0,5</p> <p>financial or technical support for cluster development in dedicated cluster policy = 1</p> <p>financial and technical support for cluster development in dedicated cluster policy = 2</p>

Source: ECCP (2022)