German Economic Team

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POLICY BRIEFING
NORTH MACEDONIA

Identifying promising target groups and promotional measures to attract FDI to North Macedonia

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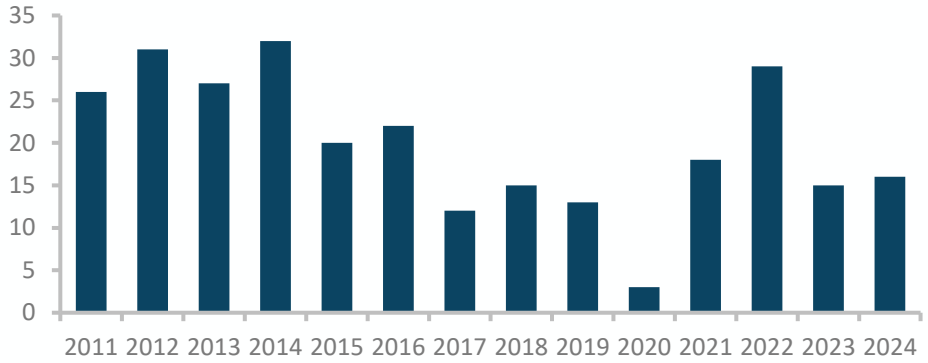
- Presentation of key findings and recommendations -

1. Introduction

Need to diversify the structure of FDI projects and tap the potential of new target groups

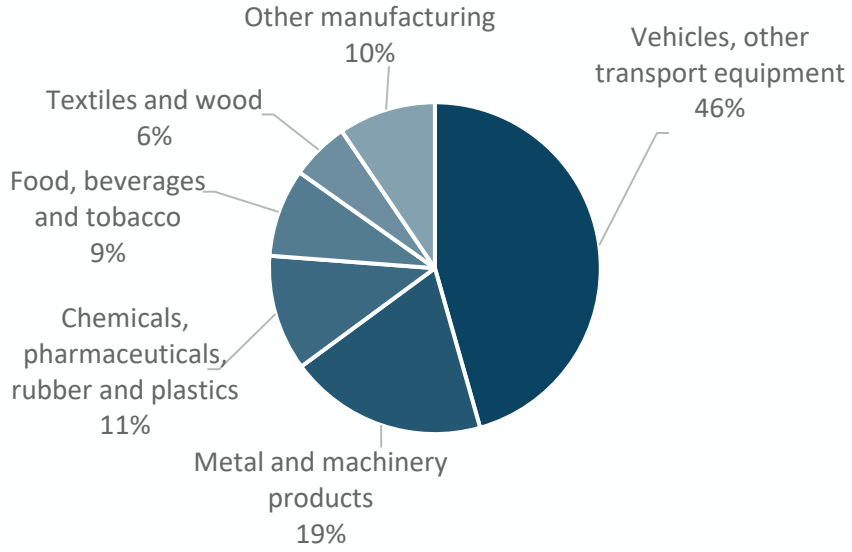
- Declining number of announced FDI greenfield projects
- Shift towards expansions and reinvestments
- Reliance on automotive supply and vehicle manufacturing industry
- Demographic trends limiting labour potential which can be tapped

Announced FDI greenfield projects in North Macedonia



Source: Own representation based on UN Trade and Development (UNCTAD, 2025)

Manufacturing FDI stock in North Macedonia (2024)



Source: Own representation based on National Bank of the Republic of North Macedonia (NBRNM, 2025)

1. Introduction

To support the development of the planned FDI strategy, this policy study analyses, prioritises and specifies promising target groups

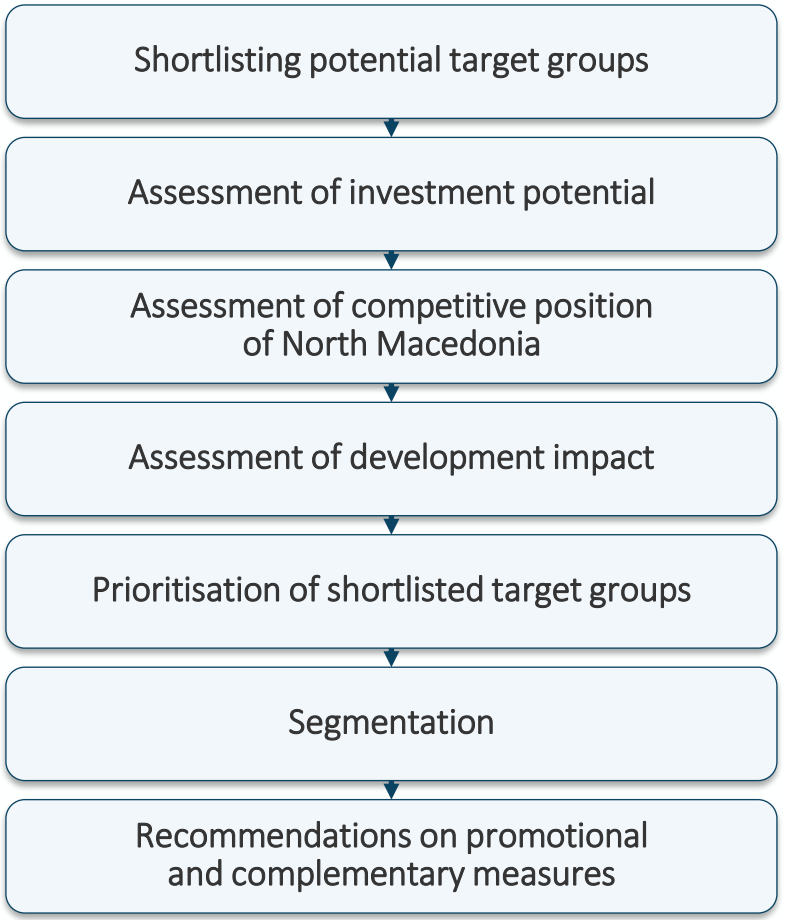
» Focus on target groups that:

- Can generate substantial effects in terms of permanent employment and value addition
- Are suitable for typical outreach activities considering the specifics of investment projects

» Recommendations comprising:

- Promising segments for promotional measures
- Outreach activities (incl. potential platforms such as trade fairs and strategic partners)
- Complementary measures (e.g. aftercare, incentive schemes, institutional structures)

Stages of the target group analysis

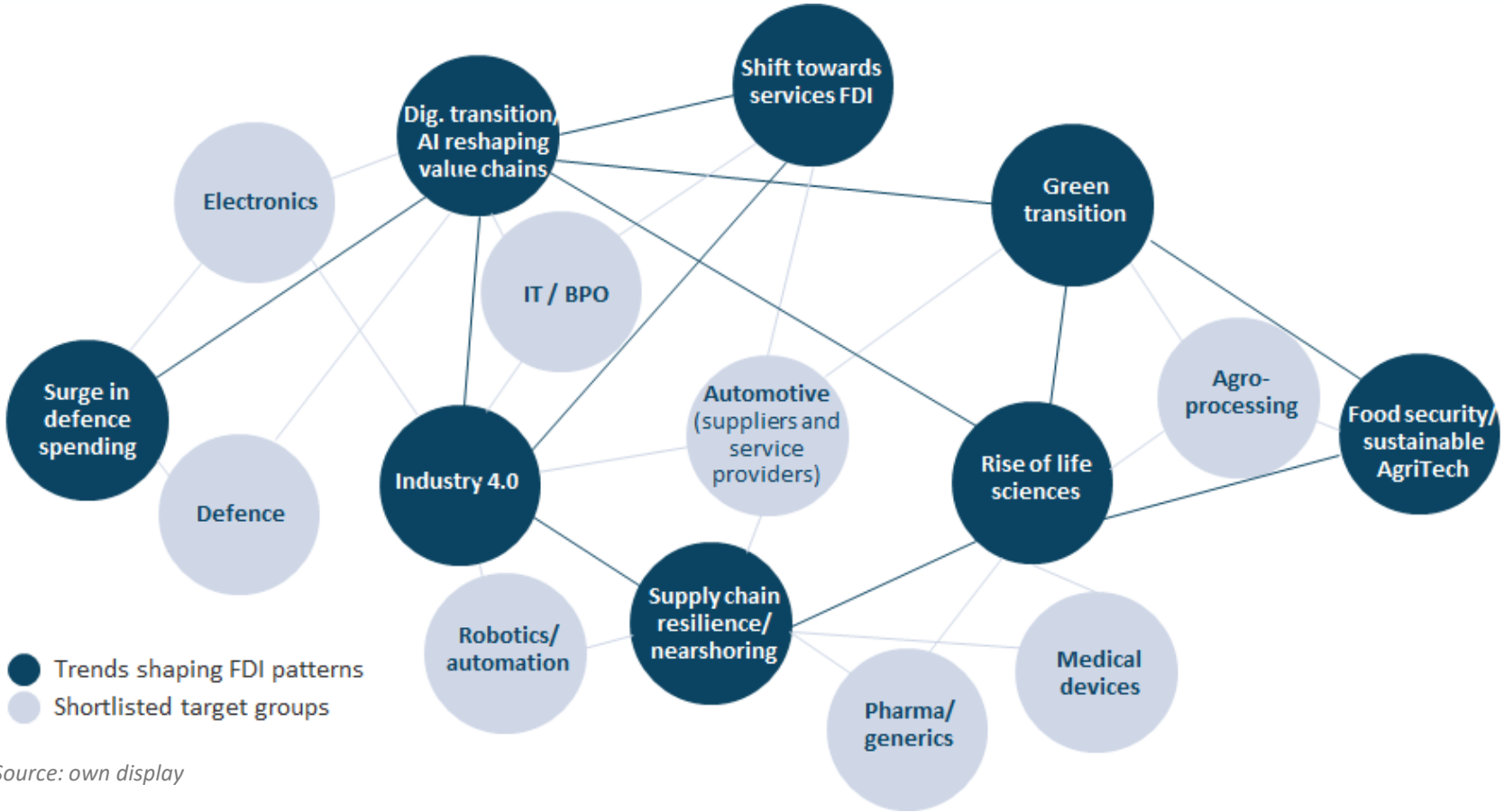


Source: own display

1. Introduction

As a starting point, eight potential target groups were shortlisted considering:

- Existing legal / strategic framework
- Established capabilities of the industrial ecosystem
- Recent investment promotion measures, FDI projects and trends

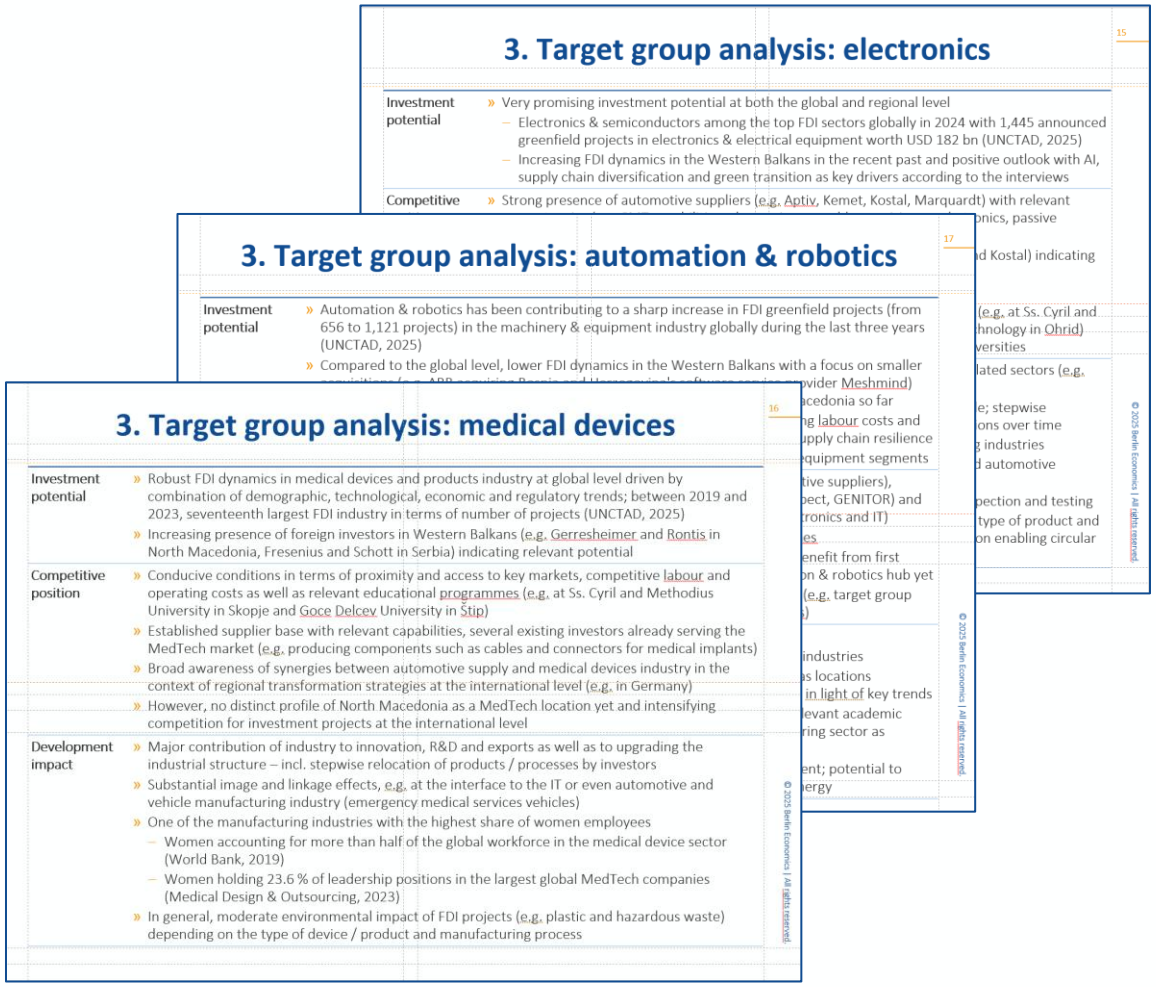


Source: own display

1. Introduction

The analysis of the shortlisted target groups included 20 face-to-face and online interviews (approx. 60 min each) in North Macedonia and at the int. level with:

- Investors
- Associations
- Ministries
- Agencies
- Embassies
- Industry & investment experts



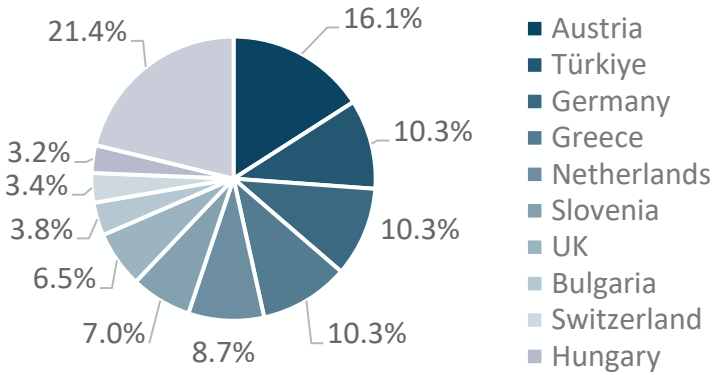
Source: own display based on Vogler (2025)

2. Priorisation of target groups & segmentation

The initial focus of investment promotion measures should be on electronics, medical devices, automation & robotics, automotive, IT & BPO (Priority 1)

- Agro-processing and defence with Priority 2
- No outreach activities recommended for pharma in the short term (Priority 3)
- Across the target groups, focus on segments and projects that:
  - Drive and scale innovation
  - Support the green transition and deliver products to reduce environmental footprint
  - Leverage digital technologies and AI solutions
- Need to enhance geographical diversification of target markets to strengthen resilience and fully unlock the investment potential
- The prioritisation should be implemented as soon as possible and regularly reviewed

FDI stock in North Macedonia (2024)



Source: Own representation based on National Bank of the Republic of North Macedonia (NBRNM, 2025)

Value of announced FDI greenfield projects by source (2024)

Rank	Country	Value (USD bn)	Share in total value
1.	US	229.5	17.2%
2.	China	85.6	6.4%
3.	Japan	79.0	5.9%
4.	UK	74.5	5.6%
5.	UAE	72.0	5.4%
6.	Germany	71.5	5.3%
7.	France	71.1	5.3%
8.	Republic of Korea	65.7	4.9%
9.	Taiwan	59.8	4.5%
10.	Netherlands	52.0	3.9%

Source: Own representation based on UN Trade and Development (UNCTAD, 2025)

2. Priorisation of target groups & segmentation

Target group	Target segments	Target countries / regions
	Priority 1	
Electronics	» Industrial and power electronics (e.g. for smart grids, PV systems) » Communication components (e.g. connectors) » High-reliability AI datacentre components » Electronics Manufacturing Services	» France, Germany, Sweden » Japan, Republic of Korea, Singapore, Taiwan » Canada, US
Medical devices	» Components for implants, CT and MRI scanners » Electromechanical assemblies (e.g. defibrillators) » Emergency medical services vehicle integration	» France, Germany, Switzerland, UK » Japan » US
Automation & robotics	» Precision components (e.g. smart sensors) » Engineering and test centres of integrators » Integration of further machinery segments depending on results	» France, Germany, Italy, Switzerland » Japan, Republic of Korea » US
IT & BPO	» Software development (e.g. industrial software, AI and data analytics) » ITO / delivery centres, Shared Service Centres ➢ Across segments, focus on interfaces to other target groups (e.g. MedTech)	» France, Germany, Ireland, Poland, Romania, Switzerland, UK » US
Automotive	» Suppliers of existing investors in the region » Automotive components focusing on electric / hybrid vehicle applications » Commercial / special purpose vehicle assembly	» France, Germany, Italy » Japan, Republic of Korea » US and further locations of suppliers
	Priority 2	
Agro-processing	» Processing of medicinal and aromatic plants » Processing of fruits and vegetables » Integration of further segments, incl. nuts and wine, depending on results	» France, Germany, Italy, Switzerland » Quatar, UAE » US
Defence	» Defence electronics » Small arms, ammunition » Structural components for armoured vehicles » MRO Maintenance, Repair & Overhaul	» Türkiye » Further NATO member states
	Priority 3	
Pharma	» Generics » Pharmaceutical packaging » Processing of medicinal plants (integrated into agro-processing)	» France, Germany, Switzerland, UK » India, Israel » US

3. Recommendations – investment promotion

Focus on measures that allow a direct communication with potential investors such as outreach campaigns, virtual investment seminars and trade fair visits

- Strengthening collaborations with intermediaries (incl. existing investors)
- Aligning Invest North Macedonia's social media engagement and website with target group focus
- Ad placement could complement the marketing mix
  - Depending on available budgets
  - Focusing on target group relevant media channels
- Developing a country branding to increase effectiveness of promotional measures

Target group	Recommended measures
	Priority 1
Electronics	» Targeted investor outreach
IT & BPO	» Follow-up and market intelligence at trade fairs » Online investment seminars
Medical devices	» Targeted investor outreach
Automation	» Follow-up and market intelligence at trade fairs
Automotive	» Targeted investor outreach in collaboration with existing investors
	Priority 2
Agro-processing	» Individual investor outreach in identified niches » Complementary market intelligence
Defence	» Individual investor outreach with political support (e.g. organised delegations) » Complementary G2G efforts
	Priority 3
Pharma	» No outreach measures in the short term – focus on systematic market intelligence

3. Recommendations – complementary measures

To tap the FDI potential, the entire investment attraction cycle and related policy tools should be addressed

- Intensifying aftercare
- Increasing the effectiveness of the institutional structures following a target group oriented approach
- Tapping the potential of economic diplomacy
- Refining the value proposition of TIDZs emphasising specialised zones
- Aligning incentive schemes with the needs of the prioritised target groups
  - Shifting the focus towards labour cost competitiveness and skills development and
  - Harmonising the definition of eligible expenditure for state aid purposes with international standards

Investment attraction cycle

Source: own display

3. Recommendations – complementary measures

Aftercare should be intensified based on a structured, customer- and partner-driven approach

- Realising its potential beyond pure investment retention
- Building up mutually beneficial relationships with existing investors
- Moving aftercare onto a proactive footing and emphasising individual engagements
- With a dedicated team, clearly allocated responsibilities and a realistic spectrum of services and customers

Key steps for designing an aftercare programme / function

Source: own display

3. Recommendations – complementary measures

The institutional set-up should also reflect the target group oriented approach

- Target group oriented models increasingly used offering several benefits:
  - Building up industry-specific expertise and networks
  - Facilitating the use of synergies
  - Transparent and easy to understand
  - Supporting efficient processes
- Adequate resources and industry-specific expertise needed to cover the target group spectrum
- Resources should be consolidated rather than fragmented across institutions to ensure efficiency

Reform model for the IPA of Moldova

Source: own display

References

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About the German Economic Team

Financed by the Federal Ministry for Economic Affairs and Energy, the German Economic Team (GET) advises the governments of Ukraine, Belarus*, Moldova, Kosovo, Armenia, Georgia* and Uzbekistan on economic policy matters. Berlin Economics has been commissioned with the implementation of the consultancy.

**Within the framework of project activities in Georgia, we are in contact solely with reform-oriented partners for the time being; in Belarus advisory activities are suspended*

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