



# Macedonia

Target market report for the  
export of GB seed potatoes

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## THE MARKET FOR SEED AND WARE POTATOES IN MACEDONIA

### 1. SIZE OF MARKET, POTENTIAL CUSTOMERS AND DEMAND:

- Potato (fresh and processed) consumption of Macedonian households is approximately 60,788 tons per year. The growth rate of the population from 1995 to 2000 was 4.5 % and the potato consumption growth rate for the same period was around 7 %. Government procurement quantities for the year 2001 were 3,609 tons of fresh potato and 71.6 tons of seed potato.
- The total surface area of arable land in Macedonia is 660,000 ha, of which potato farming accounts for 13,210 hectares. The total output of potatoes is around 160, 444 tons, (approximately 12,146 kg per hectare). The Macedonian potato industry has a need for high-grade imported seed.
- Around 3,764 tons of potatoes were imported and 3,761 tons exported from Macedonia in 2001. These import-export figures include fresh or half frozen potatoes, boiled potatoes, potato powder and jacket potatoes. The import of seed potato is around 2 - 3,000 tons. Macedonia's most important trade partners are Yugoslavia, Holland and Turkey.
- In correspondence with the World Bank instructions, most of the large state owned agricultural farms are now divided in smaller individual companies. These units have been partially or completely privatised according to a management buy out model. In some of them the state is still the dominant shareholder, but in the majority of the cases the privatisation process has been completed. The commercial sector includes numerous privately established small and medium sized agricultural companies. There are no restrictions on individual purchases.
- The potato processing industry is poorly developed in Macedonia. Local companies are more included in the packaging of potato products. Macedonian companies pack instant mash potatoes from imported potato flour. Also some locally produced corn snacks contain potato flour. There are no big international investments. Processed potatoes like chips, crisps etc are available through import.

## 2. TECHNICAL CONSIDERATIONS:

- Macedonia is not a signatory to any arrangement recognising Plant Breeders Rights. These rights are regulated according to the local Law on seed, seed materials, multiplication material, recognition, approval and protection of varieties.
- Multiplication of imported seed material is unorganised and uncontrolled. Macedonia does not have an organised production of certified potato plant material. Farmers are multiplying seed for personal use according to their own needs.
- The Ministry of Agriculture Forestry and Water Resource Management of Macedonia recently published a list of national varieties containing local and international recognised varieties that have been approved by the State Varieties Commission.
- Low virus levels in the tubers is considered to be a health imperative and high health status of the tubers is required for multiplication.
- Potato seed delivery in Macedonia starts in January. The greatest demand is between 15<sup>th</sup> February and 15<sup>th</sup> March. Import of potato seed material after 15<sup>th</sup> of April is considered to be risky.

## 3. TRANSPORT:

- Transport and delivery costs from UK are generally more expensive than the cost for the same from Holland, Turkey or Yugoslavia. Transport costs for delivery of 20 tons of potatoes (1 truck) from London to Skopje is approximately €3, 700. Amsterdam – Skopje costs are €2, 800 and Istanbul – Skopje costs are €1, 700. These figures (2002) were taken as a rough parameter but the real calculation depends on number of factors such as the means of transportation, the quantity of the goods, the transport company etc.

## 4. IMPORT RESTRICTIONS:

- Plant regulations in Macedonia do not prevent the import of potato seed as tubers. In fact multiplication from tubers is the only method of potato multiplication in Macedonia. Importing companies must register with the Ministry of Agriculture in Macedonia as phytosanitary certificates and documentation for the quality and the origin of the tubers (28 –55 mm) are required when importing. Phytosanitary certificates should confirm the absence of certain quarantine plant diseases and pests in the tubers (especially brown

rot, *Ralstonia solanacearum*). Macedonia is a member of EPPO (European Plant Protection Organisation).

- Tubers are laboratory analysed for the presence of the quarantine bacteria *Ralstonia solanacearum* which might slow down the export. In order to ensure correct procedure and avoid any additional delays it is important to contact Government Officials (listed below) before exporting. Inspection of the virus percentages is also required but no sophisticated equipment is provided for this purpose so these tests are not completed yet.
- There are no general import regulations that prevent the import of seed potatoes. However foreign exporters could only trade with a local company registered as a seed of ware importer. Import duty on seed potatoes is only around 2%. Official approval from the Ministry of Agriculture Forestry and Water Supply is required when importing seed potatoes. There are no season changes in import duties.
- Aid programmes are not favourably influencing trade in Macedonia. The best offer is decisive in winning a contract.

#### 5. COMPETITION:

- Competitors in sale of crisps (Turkey, Yugoslavia) are competing with the price and quality of products. Importers of seed potatoes are competing with the quality of products- Dutch seed potatoes have better quality than the Yugoslavian ones. Consultant services are mostly functioning in collaboration with the Government, however the use of consultant services by individual companies is not a common practise yet.

#### 6. LANGUAGE/ CULTURE:

- The majority of the working population is able to communicate in English, although some people are able to speak other foreign languages such as German, French and Italian. There are no cultural factors that have a considerable affect on the market. Although there are some indications of corruption in some spheres of business, bribery and corruption are not pre-requisite for conducting business in Macedonia.

Note: The Embassy's list of translators and English Speaking Lawyers are available (free of charge) to any British company that have any interest in this region.

## 7. CONTACT LISTS:

### APPROPRIATE MINISTRY AND PLANT HEALTH OFFICIALS

#### **Ministry of Agriculture, Forestry and Water Resource Management**

Leninova 2

1 000 Skopje

Macedonia

Contact person: Mr. Marijan Gorcev

Minister of Agriculture, Forestry and Water Resource Management

Tel: 00 389 (0) 2 113 307

Fax: 00 389 (0) 2 230 429

#### **Department for Seed and Seed Material**

Leninova 2

1 000 Skopje

Macedonia

Contact person: Dr. Elizabeta Angelova

Director of the Seed and Seed Material Department

Tel/fax: 00 389 (0) 2 111 174

Contact person: Mr. Hristo Ajanovski

Manager of the Seed and Seed material Department – Mr. Ajanovski has extensive knowledge of seed potato import regulations.

Tel/fax: 00 389 (0) 2 134 477 ext. 133

#### **Plant Health Department**

3ta Makedonska Udarna Brigada bb

Makedonija Tabak 2000

1 000 Skopje

Macedonia

Contact person: Ms. Vera Demirova

Director of the Plant Health Department

Tel: 00 389 (0) 2 144 320

Tel/fax: 00 389 (0) 2 144 319

## SEED IMPORTERS

### **Agromehanika**

Bul. Marks I Engels 3

1 000 Skopje

Macedonia

Contact person: Mr. Ljubomir Stojanovski

Commercial Manager

Tel: 00 389 (0) 2 116 022

Fax: 00 389 (0) 2 211 903

E-mail: [agromeh@mt.net.mk](mailto:agromeh@mt.net.mk)

Activities: Agromehanika is an established seed material importer. They are currently representing several Dutch companies for seed potatoes.

Comments: Mr. Stojanovski informed me that although they are happy with the already established foreign companies' contacts, they would be interested in hearing from British traders of seed potatoes. The company has no previous contacts with UK companies.

### **Agrounija**

Ilindenska bb, s. Marino

1 000 Skopje

Macedonia

Contact person: Mr. Ognen Orovcaneć

General Manager

Tel/fax: 00 389 (0) 2 231 120

E-mail: [agro@unet.com.mk](mailto:agro@unet.com.mk)

Web: [www.agrounija.com.mk](http://www.agrounija.com.mk)

Activities: Agrounija are traders and processors of seed. They import various seed from abroad and also produce their own varieties. The company already imports seed potatoes.

Comments: Mr. Orovcaneć was interested in hearing from the British Potato Council or UK companies trading with potato seed. He welcomes any new foreign business contacts and is interested for possible co-operation.

**Agropin**

Partizanski Odredi 18  
1 000 Skopje  
Macedonia  
Contact person: Mr. Riste Elenov  
General Manager

Tel: 00 389 (0) 2 227 953/ 117 407  
Fax: 00 389 (0) 2 164 721  
E-mail: [agropin@mt.net.mk](mailto:agropin@mt.net.mk)

Activities: Agropin is a company that trades with seed material and pesticides. They own several agricultural pharmacies and have also established agricultural production. Agropin has established contacts with foreign companies and already import seed potatoes.

Comment: Mr. Elenov told me that they would be interested in hearing from UK companies from the potato industry. He would also welcome UK interest in other agricultural spheres.

**Maganmak**

Orce Nikolov 71  
1 000 Skopje  
Macedonia  
Contact person: Ms. Kosara Postolovska  
General Manager

Tel/fax: 00 389 (0) 2 116 883/ 269  
E-mail: [postol@ukim.edu.mk](mailto:postol@ukim.edu.mk)

Activities: Maganmak are traders and distributors of seed material as well as pesticides. The company has already established foreign business contacts. They already import seed potatoes.

Comments: Ms. Postolovska explained that they are satisfied from their current foreign business contacts but that they would also appreciate contacts with UK traders with seed potato.



**Kobo**

Bozin Nikolovski 80  
1 000 Skopje  
Macedonia  
Contact person: Mr. Nikola Stojanovski  
General Manager

Tel/fax: 00 389 (0) 2 763 100

Contact person: Mr. Marjan Alzurovski  
International Trade Manager

Mobile: 00 389 (0) 70 33 88 42

Activities: Kobo trades with seed material and already import seed potatoes.  
They are currently representing several Dutch companies for seed potatoes.

Comment: Mr. Stojanovski has expressed an interest in hearing from UK companies from the potato industry especially since they haven't had any previous contacts or knowledge of the opportunities there.

**Agrohemija**

Ruzveltova 22  
1 000 Skopje  
Macedonia  
Contact person: Mr. Branko Baltovski  
General Manager

Tel: 00 389 (0) 2 297 840

Fax: 00 389 (0) 2 297 844

E-mail: [agrohem@mol.com.mk](mailto:agrohem@mol.com.mk)

Activities: Agrohemija is a company trading with seed material and pesticides. They already import seed potatoes.

Comments: Mr. Baltovski is interested in hearing from UK companies dealing in seed potatoes. He also welcomed other British agricultural companies exporting pesticides.

## SEED OR WARE BUYERS AND WHOLESALERS

### **Radomak**

Partizanski Odredi 18  
1 000 Skopje  
Macedonia  
Contact person: Leonit Dimovski  
General Manager

Tel: 00 389 (0) 2 119 085/113 081  
Fax: 00 389 (0) 2 112 278  
E-mail: [radomak@mol.com.mk](mailto:radomak@mol.com.mk)

Activities: Radomak is an importer and wholesaler of food and agricultural products. The company also has established agricultural production and fruit processing capacities. Radomak owns 2 discount stores. They are also importers of pesticide with established foreign contacts in number of European countries.

Comments: Mr. Dimovski informed me that he is interested in hearing from UK companies in the potato industry. Although Radomak is dealing with wider range of agricultural products he would welcome contacts from British companies trading with potatoes and potato products.

### **Vitaminka**

Lece Koteski 23  
7 500 Prilep  
Macedonia  
Contact person: Saso Naumovski  
Commercial Manager

Tel: 00 389 (0) 48 407 405/ 407  
Fax: 00 389 (0) 48 407 427  
E-mail: [vitamnet@unet.com.mk](mailto:vitamnet@unet.com.mk)  
Web: [www.vitaminka.com.mk](http://www.vitaminka.com.mk)

Activities: Vitaminka is a large producer and wholesaler of various food products. They also import potato flour and potato flakes. The company imports vegetables but does not imported any fresh potatoes. Vitaminka packs instant mash potatoes.

Comments: Mr. Naumovski explained that Vitaminka does not import fresh potatoes but they might be interested in contacts from British companies from the potato processing industry. They already import potato flour from foreign business partners and they would welcome any such British interest.

**PKB**

Suto Orizari bb  
1 000 Skopje  
Macedonia  
Contact person: Mr. Rozmari Georgievska  
Deputy General Manager

Tel: 00 389 (0) 2 650 572  
Fax: 00 389 (0) 2 650 569  
E-mail: [pkb@mpt.com.mk](mailto:pkb@mpt.com.mk)

Activities: PKB is an importer of various food products including processed potatoes. They had previous successful contacts with our sector and have already established business contacts with UK food companies. The General Manager Mr. Slobodan Kutrevski and the Deputy General Manager Ms. Rozmari Georgievska from PKB went on an inward mission to the UK in 2001.

Comments: Ms. Georgievska told me that PKB does not import fresh potatoes but that they would appreciate contacts from the British potato processing industry. They expressed an interest to hear from UK producers of half boiled frozen potatoes, which they already import and possible contacts with companies that produce fried potatoes (chips).

**Veropolus dooel (Vero)**

Mitropolit Teodosie Gologanov 70  
1 000 Skopje  
Macedonia  
Contact person: Ms. Mirjana Conkova

Tel: 00 389 (0) 2 373 747  
Fax: 00 389 (0) 2 347 747 ext. 201  
E-mail: [mirjana@vero.com.mk](mailto:mirjana@vero.com.mk)

Activities: Vero is a Greek company. They have successfully established one of the largest supermarket chains in Macedonia. The company is an importer and wholesaler of various food products and commodities. They import processed potatoes. The import of vegetables is mainly from Greece.

Comments: The management team of Vero explained that in general they are interested for foreign products including British. They already distribute several British food products and they would welcome companies from the potato industry.

**Eurotrade**

Gradski zid block 3 local 12  
1 000 Skopje  
Macedonia  
Contact person: Mr. Eftim Isisrov  
General manager

Tel/fax: 00 389 (0) 2 353 983  
E-mail: [eurtrad1@mt.net.mk](mailto:eurtrad1@mt.net.mk)

Activities: Eurotrade is an importer of food products.

Comments: Mr. Isirov told me that his company does not deal in fresh potatoes but he would welcome British contacts in the potato processing industry. He expressed an interest for offers from UK processors of potatoes especially British companies that produce half-boiled potatoes.

**Kolinska**

Belasica bb  
1 000 Skopje  
Macedonia  
Contact person: Mr. Blagoja Janevski  
General Manager

Tel: 00 389 (0) 2 127 048/ 057  
Fax: 00 389 (0) 2 114 050

E-mail: [info@kolinska.com.mk](mailto:info@kolinska.com.mk)

Activities: Kolinska is a producer of spices and soaps, which includes import of dried vegetables.

Comments: Mr. Janevski explained that Kolinska does not import fresh potatoes but would be interested to hear from British potato processing companies. They expressed an interest for British producers of dried potatoes and other potato components for processing of spices.

**Skopski Pazar**

Bul. Goce Delcev 11/2  
1 000 Skopje  
Macedonia  
Contact person: Mr. Saso Davidkovski  
Deputy General Manager

Tel: 00 389 (0) 2 114 832/ 294 477  
Fax: 00 389 (0) 2 211 302  
E-mail: info.skp.com.mk

Activities: Skopski Pazar is an importer and wholesaler of various food products. The company owns a successful supermarket chain in Macedonia.

Comments: Skopski Pazar might be interested in import of processed potatoes.

**POTATO PACKERS AND PROCESSORS**

**Alkaloid**

Bul. Aleksandar Makedonski 12  
1 000 Skopje  
Macedonia  
Contact person: Mr. Nikola Dimovski  
Manager of the Botanicals Profit Centre

Tel: 00 389 (0) 2 104 057  
Fax: 00 389 (0) 2 104 036  
E-mail: n.dimovski@unet.com.mk  
Web: [www.alkaloid.com.mk](http://www.alkaloid.com.mk)

Activities: Alkaloid is a joint stock company with 1 400 employees. The company is divided into 4 profit centres (PCs): PC pharmaceuticals, PC Chemicals and Cosmetics, PC Botanicals and PC Coatings (paints, lacquers). PC botanicals import potato flour and pack instant mash potato. They also import potato flakes.

Comments: Alkaloid does not process potatoes or any another vegetables but they pack imported potato flour. They would be interested in hearing from UK companies in the potato processing industry.

**Vitaminka**

Lece Koteski 23  
7 500 Prilep  
Macedonia  
Contact person: Saso Naumovski  
Commercial Manager

Tel: 00 389 (0) 48 407 405/ 407  
Fax: 00 389 (0) 48 407 427  
E-mail: [vitamnet@unet.com.mk](mailto:vitamnet@unet.com.mk)  
Web: [www.vitaminka.com.mk](http://www.vitaminka.com.mk)

Activities: Vitaminka is a large producer and wholesaler of various food products. They also import potato flour and potato flakes. The company imports vegetables but had not imported any fresh potatoes. Vitaminka packs potato instant mash potato.

Comments: Mr. Naumovski explained that Vitaminka does not import fresh potatoes but they might be interested in contacts from British companies from the potato industry. They already import potato flour from foreign business partners and they would welcome any such British interest.

**Mak Progres**

Ilindenska bb  
2 310 Vinica  
Macedonia  
Contact person: Mr. Gligor Cvetanov  
Deputy General Manager

Tel/fax: 00 389 (0) 33 362 299/ 289  
E-mail: [makprog@mt.net.mk](mailto:makprog@mt.net.mk)

Activities: Mak Progres imports and packs agricultural products. Their programme includes packed rice, popcorns instant mash potato and other food products. They import potato flour and potato flakes.

Comments: Although Mak Progress does not have established potato processing capacities, Mr. Cvetanov was interested in hearing from the British Potato Council or UK companies in the potato industry. He welcomes new foreign business contact and expressed an interest for British producers of potato flour.

**SEED OR WARE ORGANISATIONS**

There are no specific potato (seed or ware) organisations in Macedonia.

## 8. MACEDONIA GENERAL INFORMATION



### Location and Terrain

The Republic of Macedonia is situated in the central part of the Balkan Peninsula covering an area of 25.713 sq. km. It is a land-locked mountain territory with deep valleys and basins, and has 3 large natural lakes. The river Vardar bisects the country.

### Population

Latest figures indicate that slightly over 2 million people live in Macedonia. 800,000 of these live in the capital, Skopje. Other major cities are Bitola, Tetovo, Gostivar, Veles, Kumanovo, Ohrid and Stip. Macedonia is Multi-ethnic State with the two main groups being Macedonians (66%) and Albanians (23%).

## **Parliamentary System**

Macedonia became independent on 8 September 1991, and is a multi-party parliamentary democracy.

## **Climate and Land**

The climate in Macedonia is mainly continental, with some regions having a Mediterranean climate (Gevgelija and Strumica). The average temperature is above 10 C and the average rainfall is 742mm (450 mm in Skopje). The number of sunny days per annum is 200 – 240 which enables cultivation of various agricultural crops, a process helped by an irrigation system that covers 120,000 hectares of land.

## **Key Industries**

Agriculture and food industries are key sectors of the Macedonian economy producing significant earnings, particularly from early vegetables, fruit and the export of lamb. Another important industrial sector is the metal industry.

## **Foreign Trade**

The main trade partners of Macedonia are the EU countries, amounting to 42.4 % of all imports and 48.7 % of all exports. The Central & Eastern European countries and the former Soviet Union countries are also important trade partners. Imports from these countries amounted to 23.3 % of all imports. The former Yugoslav republics accounted for 31.4 % of all exports. Another significant trade partner is the USA. Separated by its economic purpose 66.4 % of all imports in Macedonia are reproduction materials. Import of consumer goods accounts for 20.7 % of all imports. Reproduction materials are the most important export, accounting for 49.5 % of all exports. The export of consumer goods accounts for 47.9 % of all exports.

Note: The statistics (exports/imports) presented in this report are based on the information from Statistical Bureau of Macedonia data for the period of January to December 2001.

UK export to Macedonia in 2001 amounted to £ 26.2 million, and import £ 17.6 million in 2001 (Jan-Dec). Exports of invisibles (constancy, software etc.) are not accounted in this report.



## **Export - Import regulations**

Goods can be exported or imported in Macedonia according to 2 basic regimes:

- Liberal export and import. – No licences are required when exporting or importing, however official approvals from the appropriate ministry accordingly to the nature of the goods might be required.
  
- Export and import of goods that need official licence. – These goods require a licence and approval from the appropriate ministry accordingly to the nature of the goods.

## **Foreign Direct Investments (FDIs)**

The adverse external environment, the abrupt loss of markets, and the low visibility of Macedonia as a possible investment site, resulted in Macedonia receiving a very small inflow of foreign capital compared to other Central and Eastern European countries over the past few years. Another segment of this problem was that Macedonia did not have a distinguished, recognisable campaign for attracting foreign capital. Investment activity has been intensified since the end of 1997, and in the year 2000 significant FDIs have been attracted in the insurance and banking sectors. Latest figures from the Privatisation Agency of Macedonia shows accumulation of \$ 260, 419,415 from foreign investment through privatisation and post-privatisation. This figure does not include the privatisation of the Macedonian Telecom, which accounts for another €343, 314 million.

Top investors, through privatisation and post privatisation transactions, include:

Balkanbrew Holding (Greece), Hellenic Petroleum (Greece), Titan/Holderbank Financiere Glaris (Greece/Switzerland), Balkan Steel (Liechtenstein), Duferco Skop Investment (Liechtenstein), SCMM (France), Knauf GmbH (Austria), Tobacna (Slovenia), QBE Ltd. (UK), National Bank of Greece (Greece), Matav Telecom (Hungary).

Foreign-trade, foreign exchange and customs systems in Macedonia are liberalised. There is also a strong determination to acquire membership of the EU and World Trade Organisation and wider integration generally. Foreign investors enjoy ownership rights guaranteed by the law, and the inflow of foreign capital, including the reinvestment of profits, as well as investments in securities, are stimulated by tax reductions. Incentives are also provided for import of equipment, in the form of customs relief.

## Current exchange rate

The local currency in Macedonia is the Denar

1 GBP (£)	=	91.31 MKD
1 EURO (€)	=	61.49 MKD
1 USD(\$)	=	48.50 MKD

Please Note: Figures above from September 2006.

## Useful websites

Ministry of Agriculture Forestry and Water Resource Management	<a href="http://www.msztv.gov.mk">www.msztv.gov.mk</a>
State Statistical Office	<a href="http://www.stat.gov.mk">www.stat.gov.mk</a>
National Bank of Macedonia	<a href="http://www.nbrm.gov.mk">www.nbrm.gov.mk</a>
Macedonian Chamber of Commerce	<a href="http://www.mchamber.org.mk">www.mchamber.org.mk</a>

The information in this report was supplied by Maja Protuger, Commercial Assistant, British Embassy, Macedonia.

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