

# Economic potentials and prospects of EU membership for Macedonia

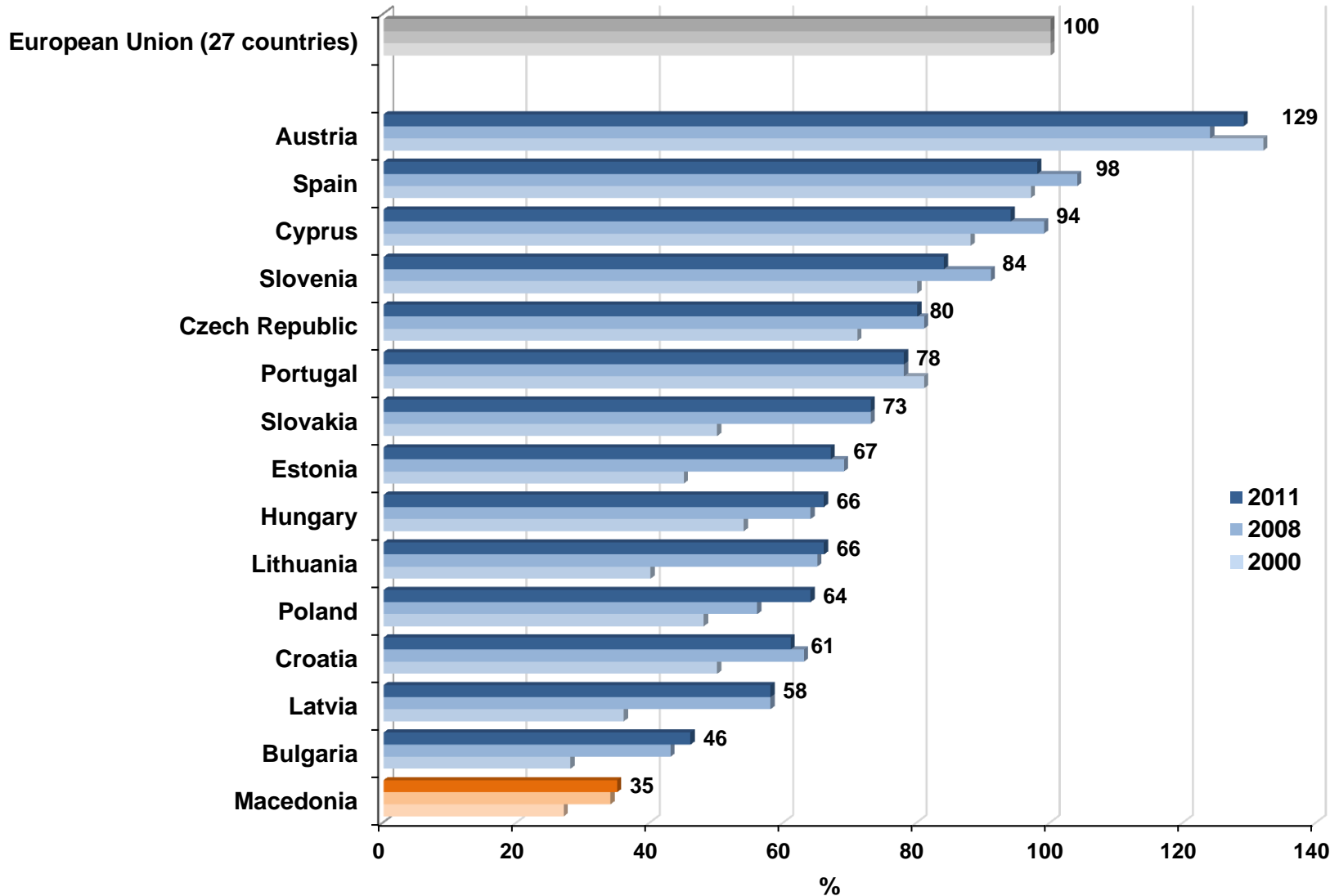
Prof. Dr. Bernhard Felderer

Ohrid, June 15<sup>th</sup>, 2013



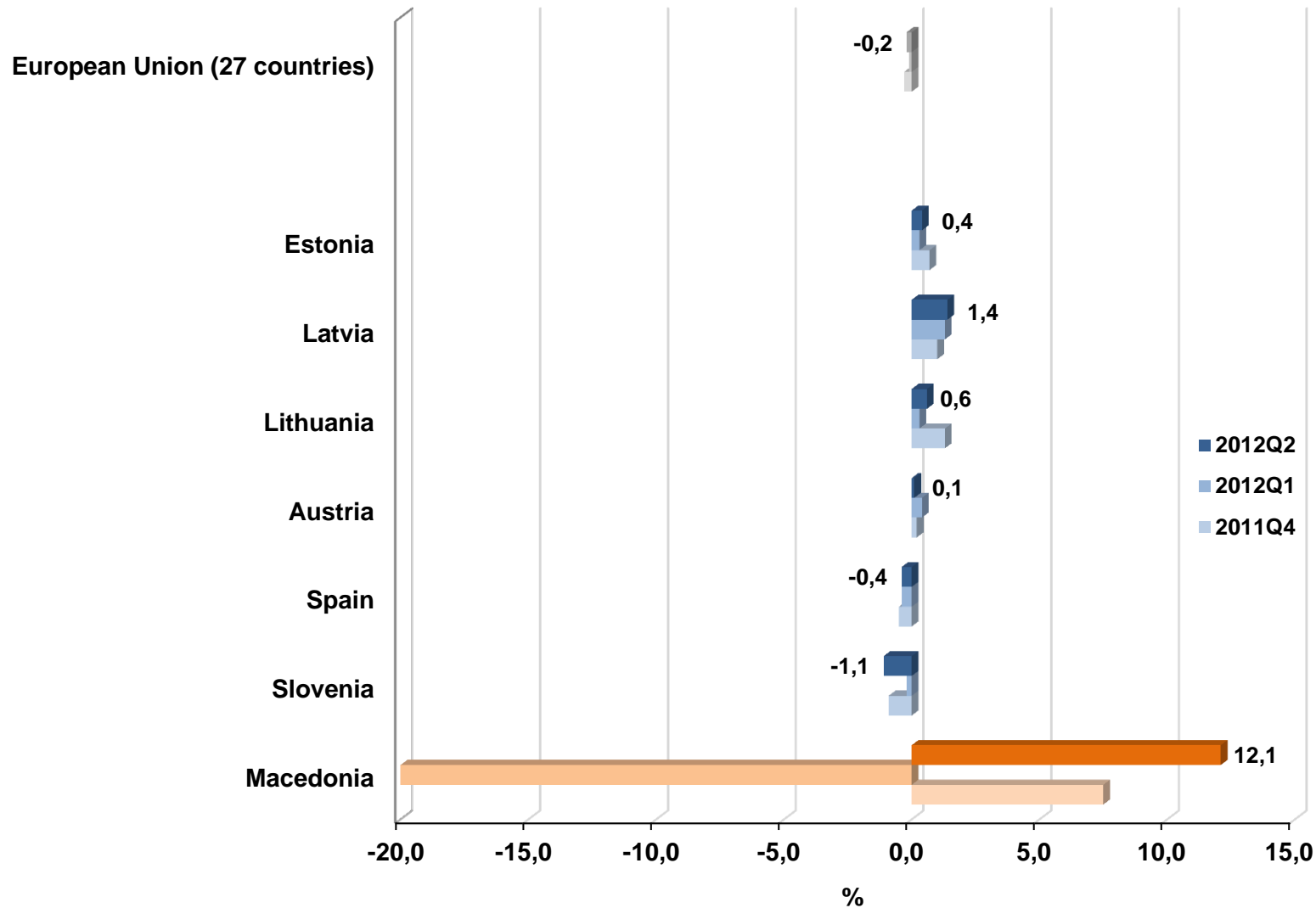
# Marcoeconomic position and potentials

# GDP per capita (PPS, % of EU27)



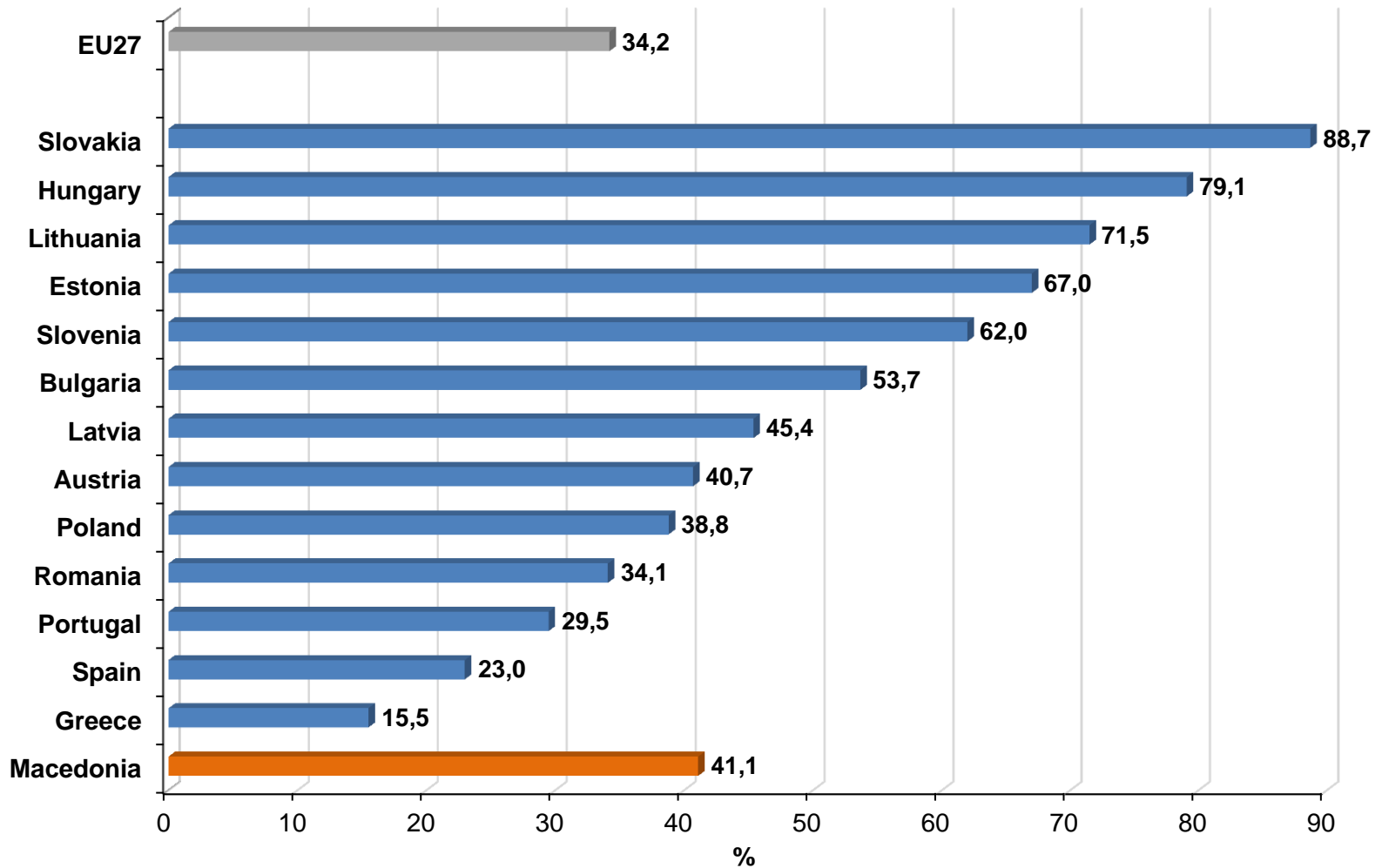
# Dynamics of GDP

% change to last quarters, seasonally adjusted



# Exports 2013\*

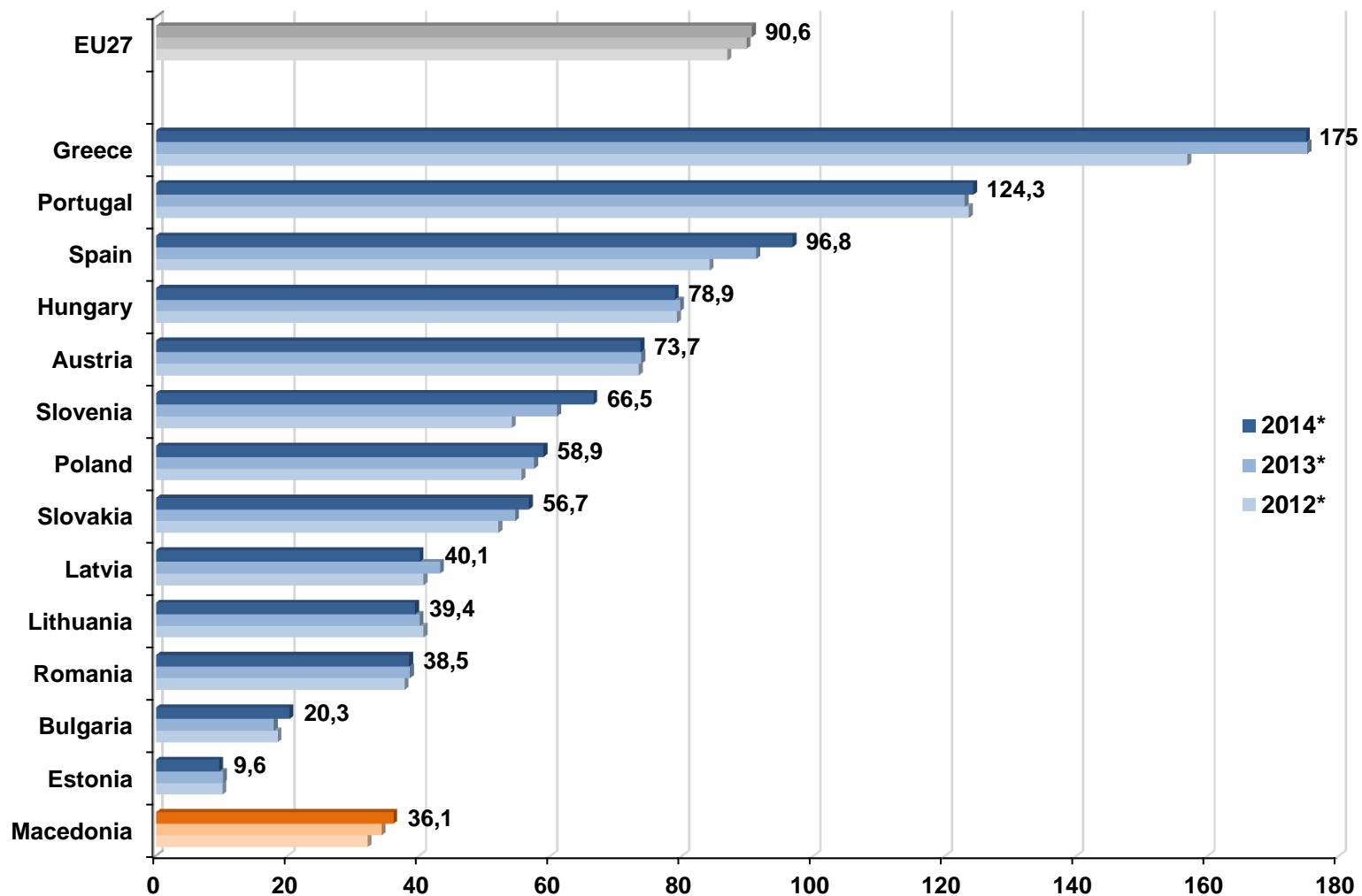
Exports of goods, ratio in % of GDP



\* Forecast

# Public debt

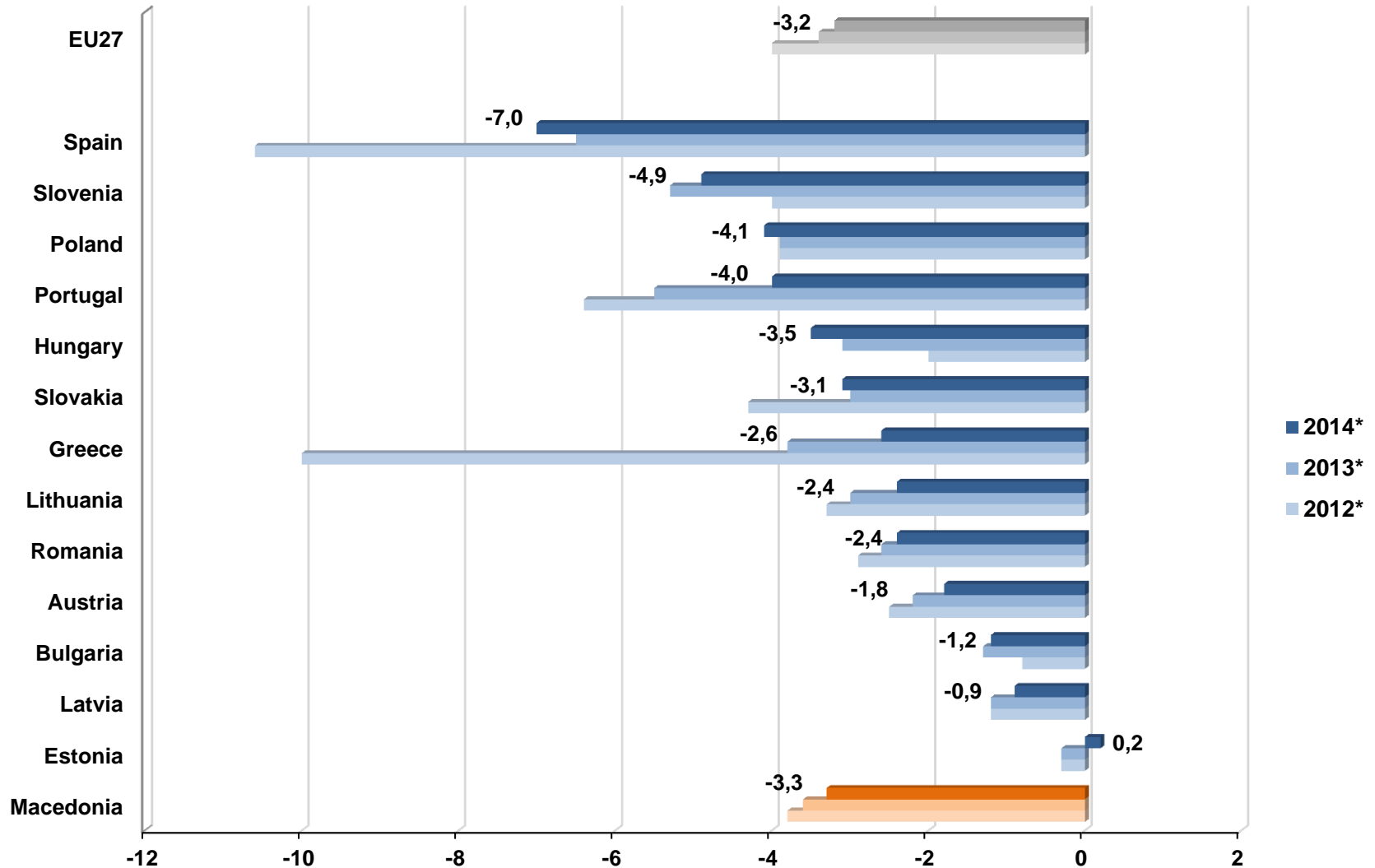
Ratio in % of GDP



\* Forecast and preliminary value

%

# Net lendings (% of GDP)



\* Forecast and preliminary value

%

# **Toward the European Union**

**New perspectives, new chances**



# Chances for growth

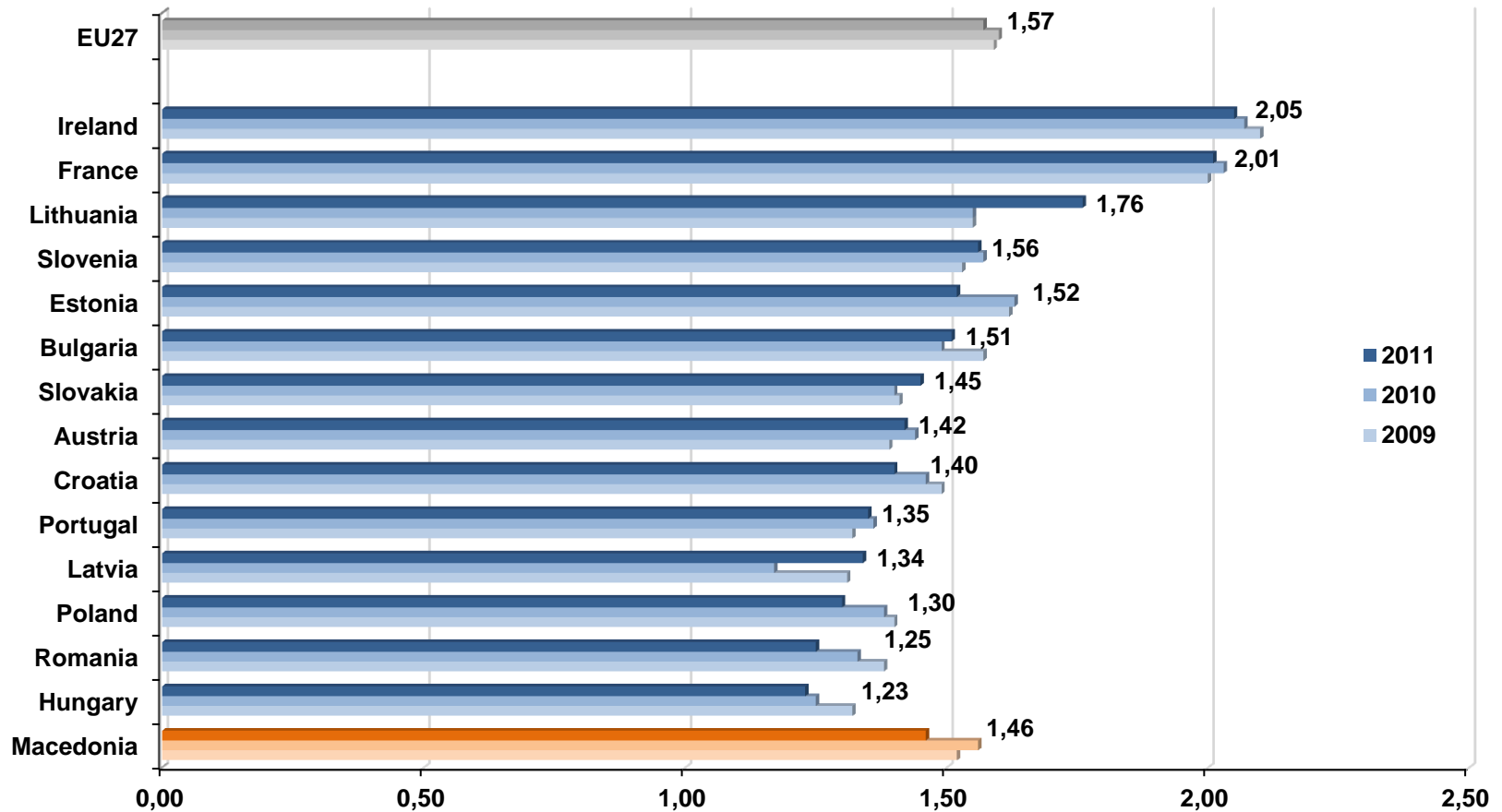
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## Consequences of EU membership

- Stable legal system (acquis communautaire: European legal system)
- Foreign direct investments
- „Domestic market“ of 500 m consumers
- Specialization of domestic industry → productivity increase
- Financial support of EU for investments
- Access to framework programme

# Demography in Macedonia

## Fertility rate (born child/women)



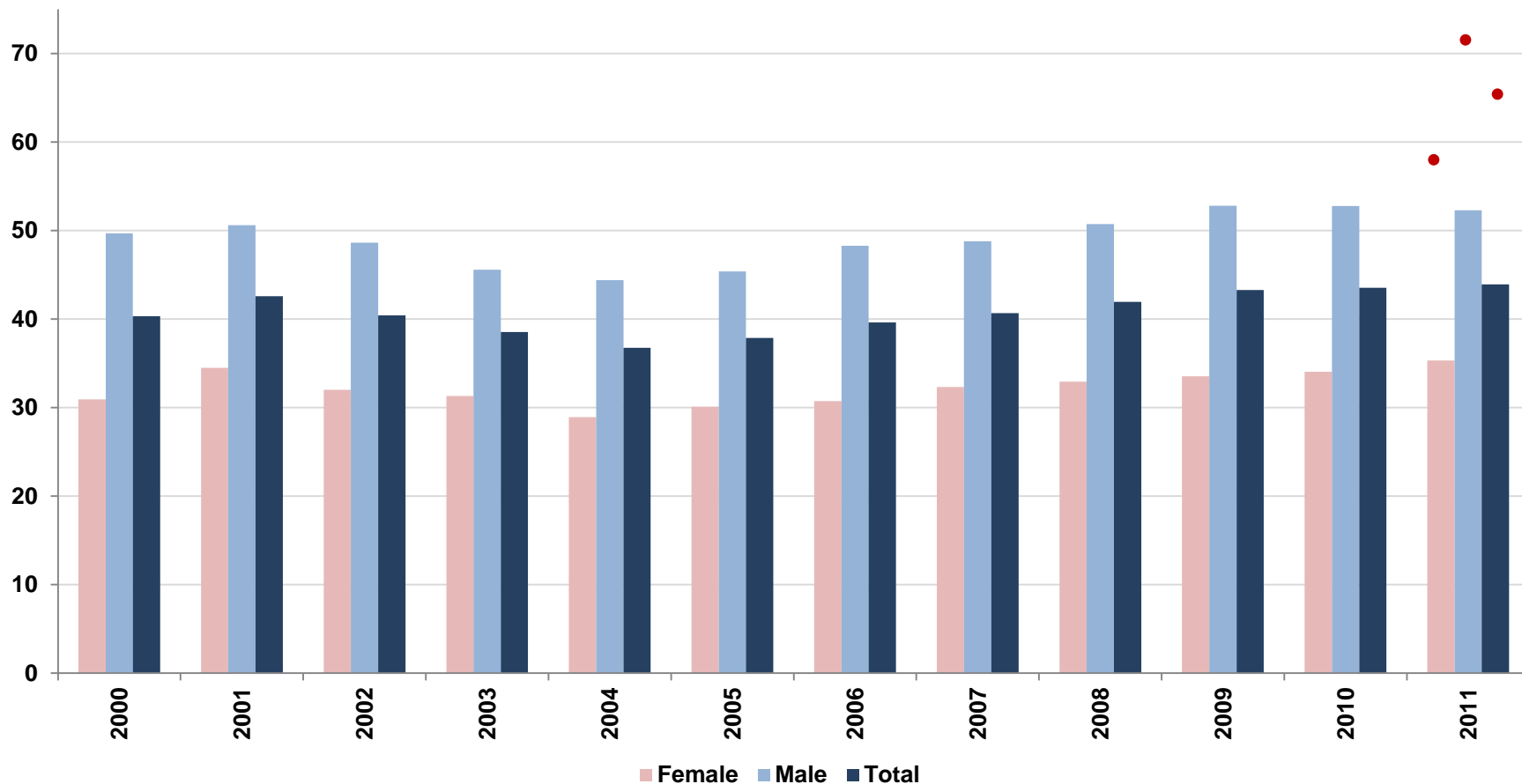
### Net migration

migrant(s)/1000 population  
Estimation for 2013

Macedonia: -0.48  
Germany: +0.89

# Employment rate (in %)

Below EU average, female participation as a potential

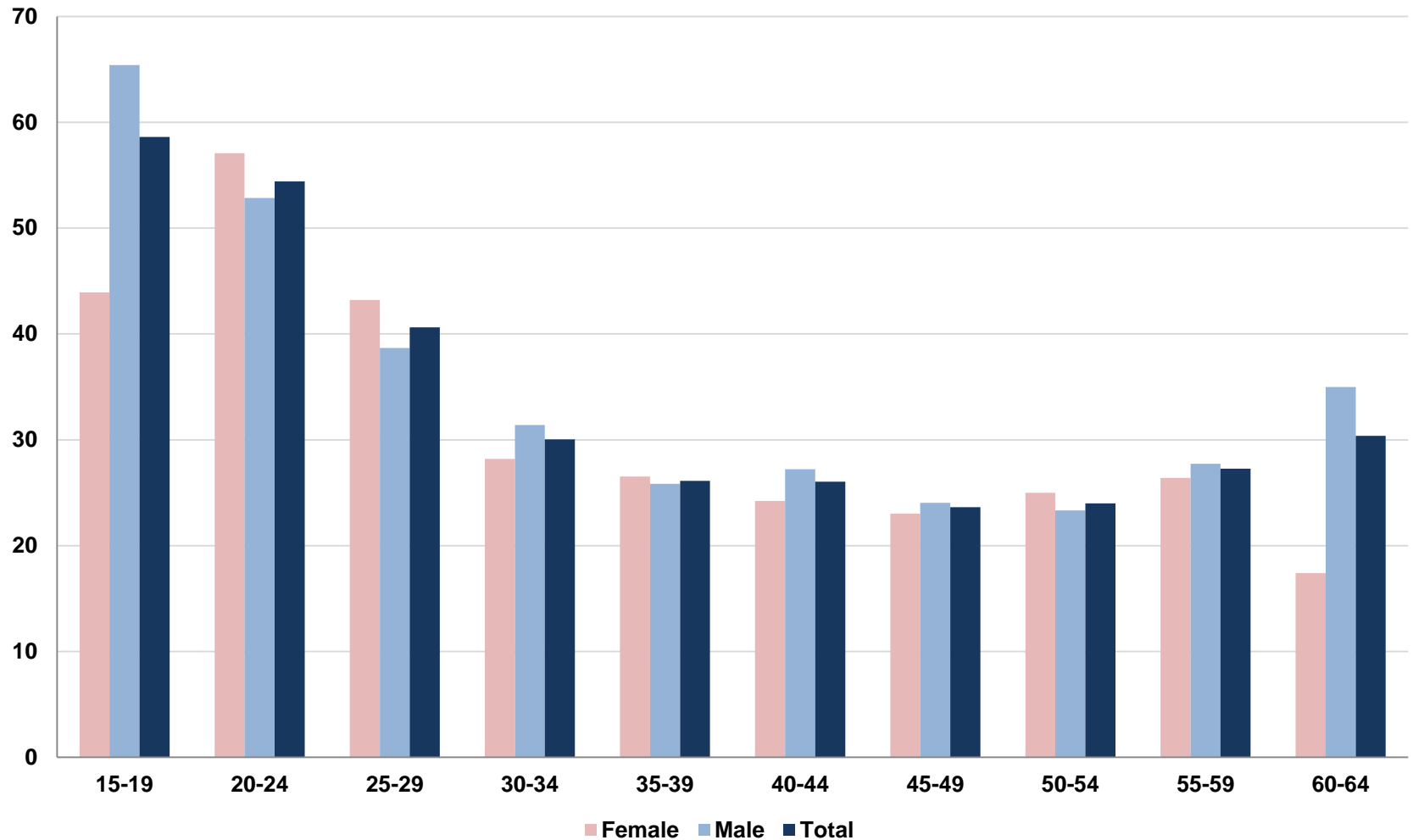


red dots are corresponding EU27 values

Source: Labor Force Survey State from Statistical Office of the Republic of Macedonia, Eurostat

# Unemployment rate (in %)

## Youth as the grand challenge



# Tourism in Macedonia

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Weak level of development, big opportunities

**Table 1.** GDP in the hotel and restaurant sector (mil. MKD in 1997 prices)

| Year | Hotels and Restaurants | Annual Growth (%) | % of GDP |
|------|------------------------|-------------------|----------|
| 1997 | 2 819                  | -                 | 1.5      |
| 1998 | 3 025                  | 7.3               | 1.6      |
| 1999 | 3 771                  | 24.7              | 1.9      |
| 2000 | 3 345                  | -11.3             | 1.6      |
| 2001 | 3 195                  | -4.5              | 1.6      |
| 2002 | 3 726                  | 16.6              | 1.8      |
| 2003 | 4 085                  | 9.6               | 2.0      |
| 2004 | 3 623                  | -11.3             | 1.7      |
| 2005 | 3 675                  | 1.4               | 1.6      |
| 2006 | 3 951                  | 7.5               | 1.7      |
| 2007 | 4 382                  | 10.9              | 1.8      |
| 2008 | 4 642                  | 5.9               | 1.8      |

*Source: National Bank of Macedonia, Quarterly Report III/2009, Skopje, 2009, p. 2.*

*Note: Estimated data.*

# Tourism in Macedonia

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Weak level of development, big opportunities

**Table 2. Employees in the tourism sector in Macedonia**

| Year              | Employees | Growth % | % of total employment |
|-------------------|-----------|----------|-----------------------|
| 1999              | 9 998     | -        | 1.8                   |
| 2000              | 10 403    | 4.1      | 1.9                   |
| 2001              | 10 070    | -3.2     | 1.7                   |
| 2002              | 9 982     | -0.9     | 1.8                   |
| 2003              | 9 880     | -1.0     | 1.8                   |
| 2004              | 12 672    | 28.2     | 2.4                   |
| 2005              | 13 558    | 7.0      | 2.5                   |
| 2006              | 19 034    | 40.4     | 3.3                   |
| 2007 <sup>1</sup> | 18 995    | -0.2     | 3.2                   |

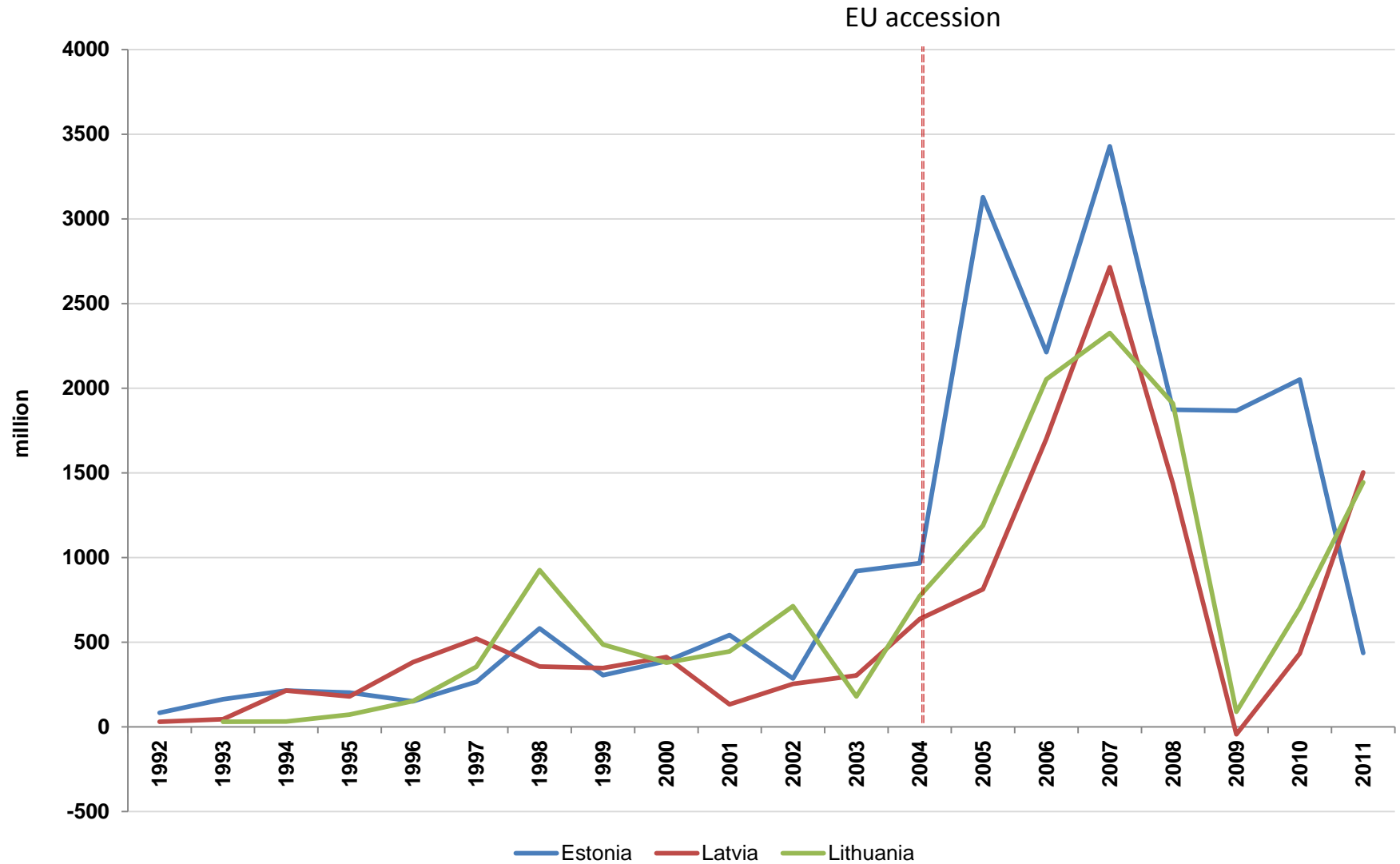
*Source: State Statistical Office, Statistical Yearbook of Macedonia, 2008.*

# **Experiences with EU accession**

**Evidence for CEE countries**

# Foreign direct investments

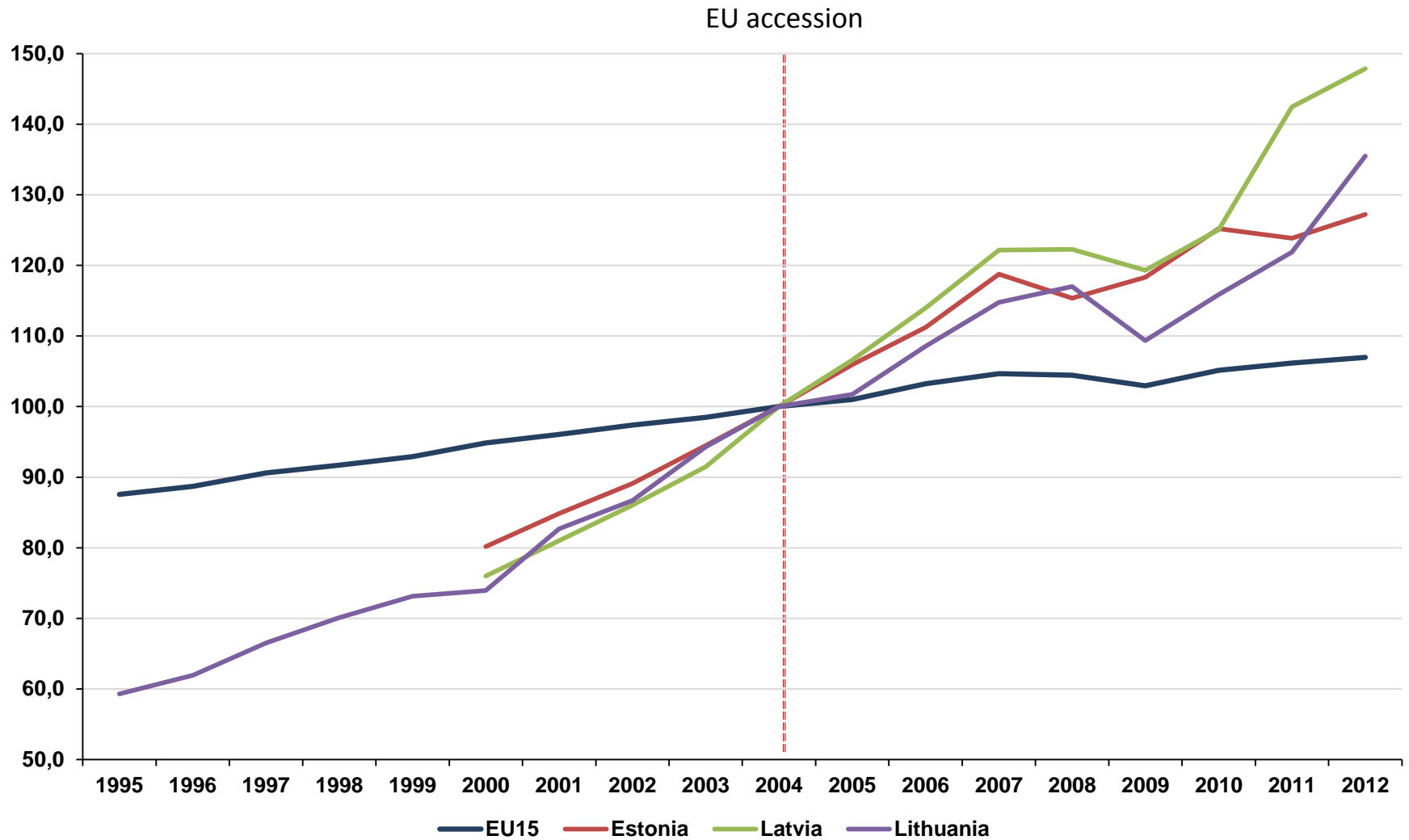
BoP, current US\$





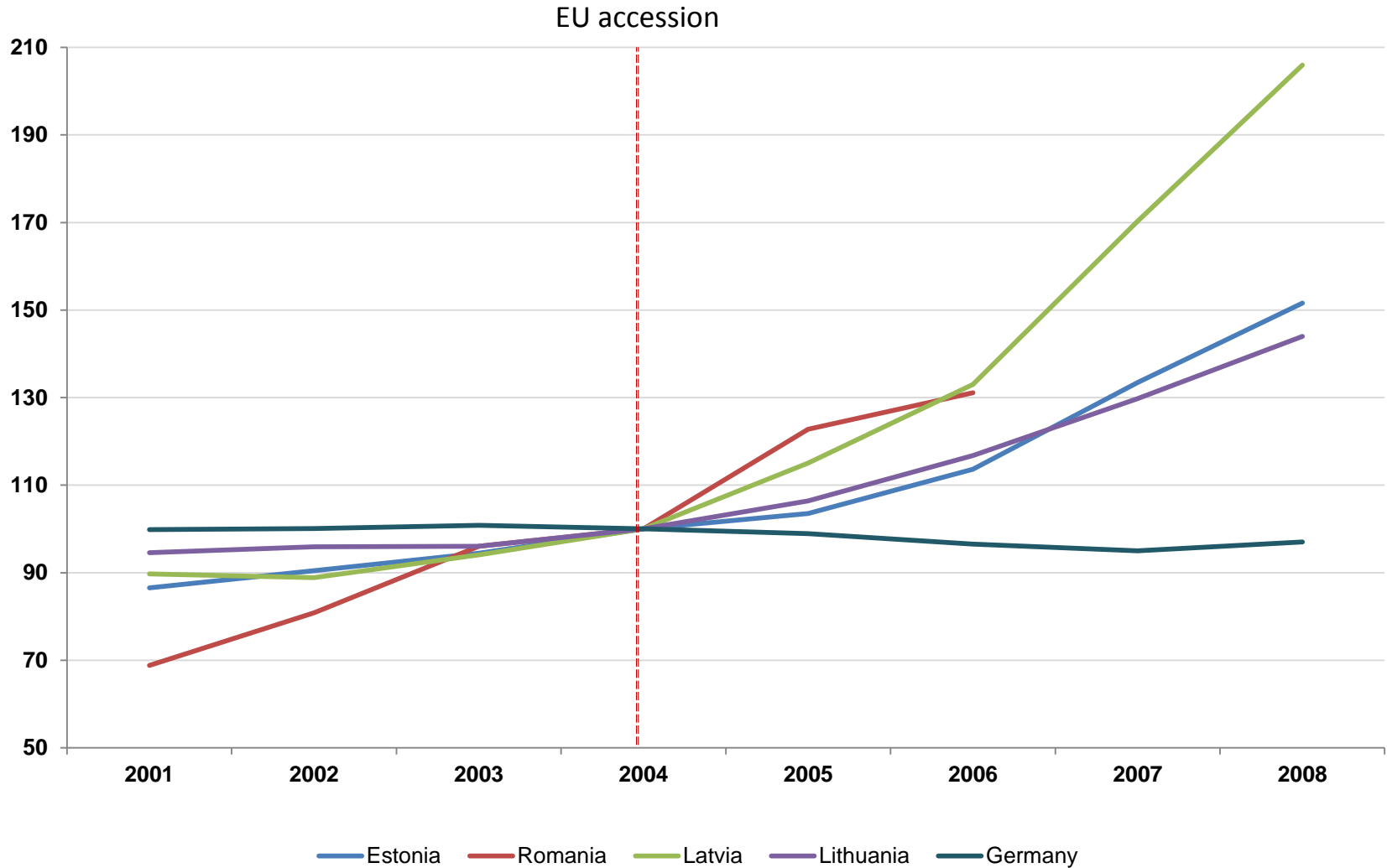
# Real Labor productivity

per hour worked, 2004=100



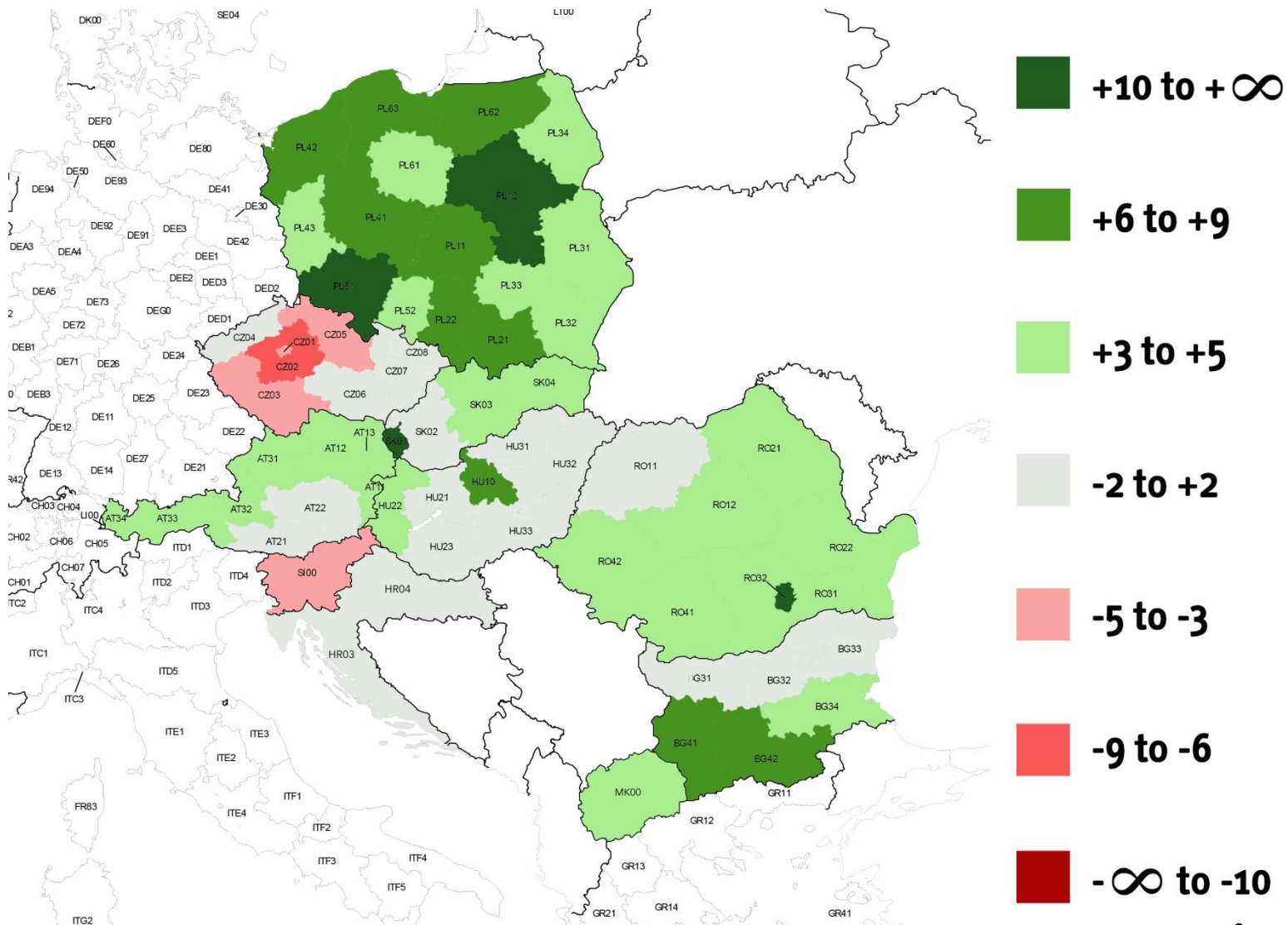
# Unit Labor Cost

OECD Index (2004=100)



# Regional growth

2007-2010, change of regional GDP towards EU-mean in percentage points



Thank you for your attention!

