

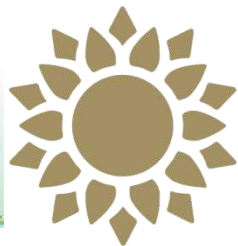


Agricultural Products Trade Facilitation in the Western Balkans

General info — Issues and barriers – Needs and Perspectives

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Sector for Quality of Agricultural Products (SQAP)
State Agriculture Inspectorate (SAI)**



Ministry of Agriculture, Forestry and Water Economy – Republic of Macedonia

Issues that refer to the country



TRADE

- Trade of agri-food products: **12.25%** of total trade
- Agriculture: 15% share of total GDP

Issues that refer to the country

TRADE - total

Table - Total trade and trade with agricultural and fishery products 2012-2016 (in mil €)

Data source: State Statistical Office

Year	Total trade with agricultural, processed and fisheries products	
2012	Export	478,93
	Import	679,36
	Balance	-200,43
2013	Export	504
	Import	654,5
	Balance	-150,5
2014	Export	486,24
	Import	649,02
	Balance	-162,78
2015	Export	486,7
	Import	700,6
	Balance	-213,9
2016	Export	530,52
	Import	718,01
	Balance	-187,49

Issues that refer to the country

TRADE BALANCE

- Beside the fact that Republic of Macedonia is significant producer of agri-food product still the trade balance is negative (-187.49 million EUR in 2016)
- Most imported: milk and milk products, meat and meat products, cereals, feed, flour, confectionary products
- Most exported: tobacco, wine, fresh fruit and vegetable and processed fruit and vegetable

Issues that refer to the country

TRADE in EU

- With the accession of the Republic of Croatia into the European Union, **EU-28** is definitely the most important partner of the Republic of Macedonia on trade with agri-food and fisheries products
- Total value of trade with EU-28 with agri-food and fisheries products in **2016 (export + import)** of **€613,8 million**. The share of agro-food and fishery products export to EU-28 in total export of these products in 2016 was 48,7%, while the share of import from EU-28 in total agro-food and fishery products import in 2016 was 49,5%.

Issues that refer to the country

TRADE within CEFTA

- Second important partner of the Republic of Macedonia in 2016 in trade with agro-food and fishery products, were **CEFTA country members**, with total value of trade (**export + import**) of **€376,9 million** (**€178,5 million export vs. €198,4 million import**)
- The share of agro-food and fishery products export to CEFTA country members in **total export** of these products in 2016 was **33,6%**, while the share of **import** from CEFTA country members in total agro-food and fishery products import in 2016 was **27,6%** (**17,86% is positive balance**)
- The most important CEFTA trade partner was **Serbia** with share of **13,8%** of total export of agro-food and fishery products and **21,7%** of total import, following by **Bosnia and Herzegovina** (with share of 5,2% in total export and 4,3% in total import), and
- Regarding export **Kosovo** is also important partner with share of **8,3%** of total export, while the contribution of other CEFTA members countries (**Montenegro, Moldova and Albania**) **is still insignificant**

Issues that refer to the country

Table - Overview of the trade with agro-food, fish and fishery products by countries in 2015 and 2016 (in mil €)

Country	Export				Import				Trade balance	
	2015		2016		2015		2016		2015	2016
	value	Share%	value	Share%	value	Share%	value	Share%		
Albania	21,4	4,4%	19,6	3,7%	4,1	0,6%	4,4	0,6%	17,3	15,2
Bosnia & Herzegovina	27,4	5,6%	27,6	5,2%	26,7	3,8%	30,6	4,3%	0,7	-3
Serbia	76,9	15,8%	73,5	13,8%	155,1	22,1%	155,8	21,7%	-78,2	-82,3
Kosovo	38,7	8,0%	44,2	8,3%	6,6	0,9%	5,3	0,7%	32,1	38,9
Montenegro	12,1	2,5%	13,1	2,5%	1,1	0,2%	1,2	0,2%	11	11,9
Moldova	0,5	0,1%	0,5	0,09%	0,9	0,1%	1,1	0,15%	-0,4	-0,6
CEFTA - total	177	36,4%	178,5	33,6%	194,5	27,8%	198,4	27,6%	-17,5	-19,9

Issues that refer to the country

TRADE by products

Meat sector

- Export is oriented mainly of lamb meat
- Production of fresh meat of swine and bovine are mainly for domestic consumption, so there is significant quantity of frozen meat imported for meat processing industry
- Poultry meat (fresh and frozen) is also mainly from import
- The main reason for limited production of meat are high production costs due to lack of production of domestic feed (imported feed is expensive and influences negative on production costs)



Issues that refer to the country

TRADE by products

Milk sector

- Production is mainly for domestic consumption
- Significant import of milk and milk products
- The reason is same like the meat sector including - high production costs due to lack of production of domestic feed but also many small individual breeders with traditional non- cost effective production



Issues that refer to the country

TRADE by products

Cereals and flour



- Macedonia is import depending country in this sector
- Mainly because climate, agro-technical, lack of irrigation
- Production per hectare is below average in the Balkan region
- Because of CEFTA agreement there is no protection from the big import of cheap flour from Serbia that destroys domestic production of wheat

TRADE by products

Fresh and processed fruit and vegetable

- Export oriented sector and Macedonian products are popular in the region
- But big number of small individual farmers (average 2,5ha)
- Improved production technology/increased yields
- High investments (domestic and regional) in post-harvesting practices
- Increased standardization and improved GAP
- Still competitive beside the increase market penetration of products in the Balkan region from Albania and Turkey
- Positive trend of export of processed fruit and vegetable



Issues that refer to the country

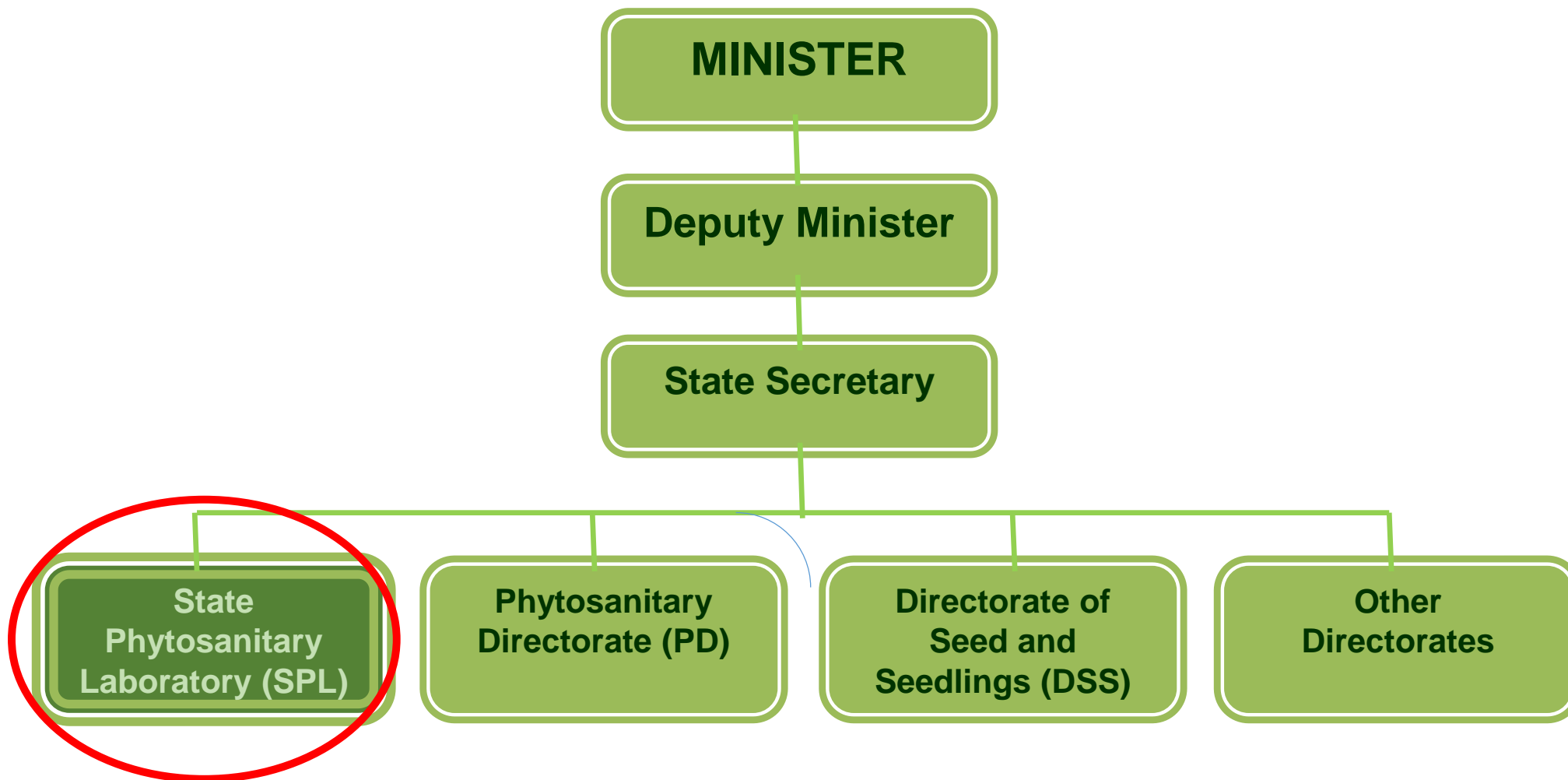
TRADE by products

Wine sector

- Export oriented sector
- Positive trend of export of bottled wine
- Macedonia is became recognized wine country



SPL within MAFWE



SPL - Organization structure

State Phytosanitary Laboratory (SPL) is a body within the Ministry of Agriculture, Forestry and Water Management of the Republic of Macedonia. In its constitution operate three sectors:

I. Sector of Analytical Chemistry and analysis of fertilizers (includes two units)

- 1) Department of Analytical Chemistry
- 2) Department for Analysis of Fertilizers

II. Sector of Plant Diseases and Harmful Organisms (includes two units)

- 1) Department of Plant Diseases (DPD)
- 2) Department of Harmful Organisms (DHO)

III. Sector of seed and planting material testing and variety purity (includes two units)

- 1) Department for testing of seed and planting material and variety purity
- 2) Department for administrative technical support

SPL – Organogram

DIRECTOR

Quality Manager

Sector for Plant Disease and Pests

Department for Plant Disease

Bacteriology Lab

Micology Lab

Virology Lab

Molecular Diagnostic Lab

Department for Pests

Nematology Lab

Entomology Lab

Sector for Seed, Seedlings and Variety Purity

Department for Seed, Seedlings and Variety Purity

Lab for Seed Germination, Purity and AM

Lab for Seed Moisture

Department for Administrative and Technical Support

Sector for Analytical Chemistry and Fertilizer Analysis

Department for Analytical Chemistry

Lab for PPPs Conformity and Food Contaminants

Lab for Pesticide Formulation Preparation

Department for Fertilizer Analysis

Lab for Fertilizer Analysis



Portfolio of SPL

SPL is testing laboratory LT – 036 (total accredited methods 141)

(http://www.iarm.gov.mk/index.php?option=com_content&view=article&id=388%3Alt-001&catid=69%3Aaccr-lab-test-cat&Itemid=119&lang=en)

Classification according to testing areas:

- 2 Biology, Biochemistry
 - 2.1 molecular methods
 - 2.5 immunological tests
- 3 Chemistry
 - 3.1 classical analytical methods
 - 3.3 chromatography

Classification according to types of products/materials for testing:

- 1 Biological samples & Isolats from microorganisms
- 7 Food
 - 7.4 Fruit and Vegetables
- 18 Agricultural products
 - 18.2 Plant material
 - 18.4 Seed and 20 (other) plant protection products (phytopharmacy).

Barriers that refer to the country

- Phytosanitary Certificate (PhC)
- Recognition of PhC (standardization, method/s)
- Certificate of Conformity (CCy)

Incentives

(in the last 3 years)

- ❑ More frequent controls
- ❑ Larger number of controls on regular basis
- ❑ Customs procedure are facilitated (shorter & cheaper than earlier)
- ❑ Strengthening of the SPL facilities, enhanced cooperation with the SAI and FVA, low prices (only real material costs) → **significantly better control and safer products**

Thank you
on your
attention!