

Promoting Economic Diversity in Macedonia: the role of skills in the food- processing sector

Skills Policies for Economic Diversification in Republic of Macedonia

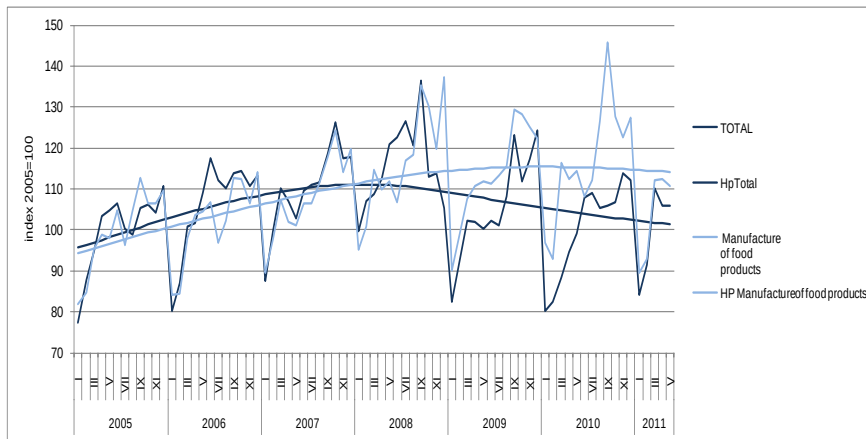
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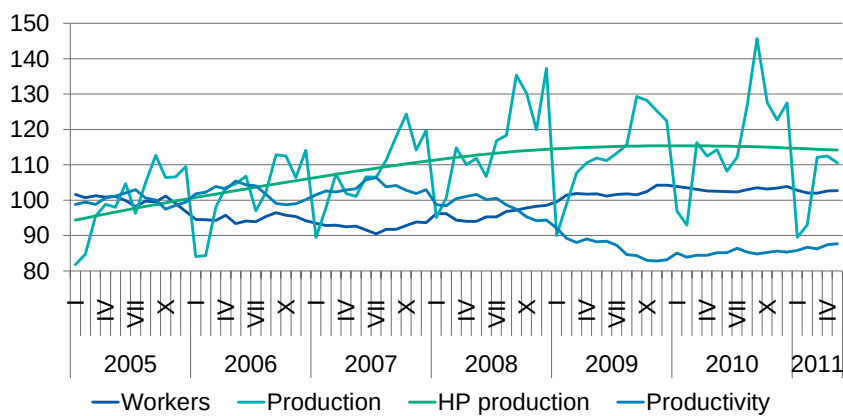
Developments and Characteristics

- Contribution of 11.5 per cent to the overall industrial production in 2010 and 10.3 per cent in country's exports
- Share of 3.1 per cent in total employment
- The structure of the industry is very diverse, with many branches, and relatively low profitability
- Micro and small enterprises dominate in the structure of firms
- Obligatory introduction of a HACCP from 2010

Industrial Production Index, Total and Food Processing



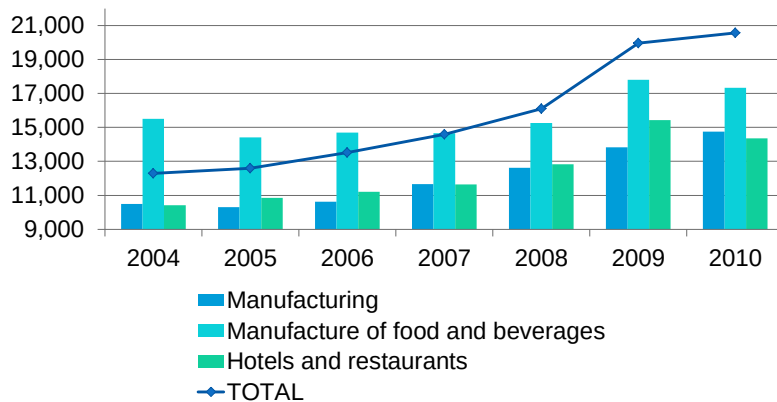
Production, Employment and Productivity Index for Food Industry



- Informal and seasonal employment

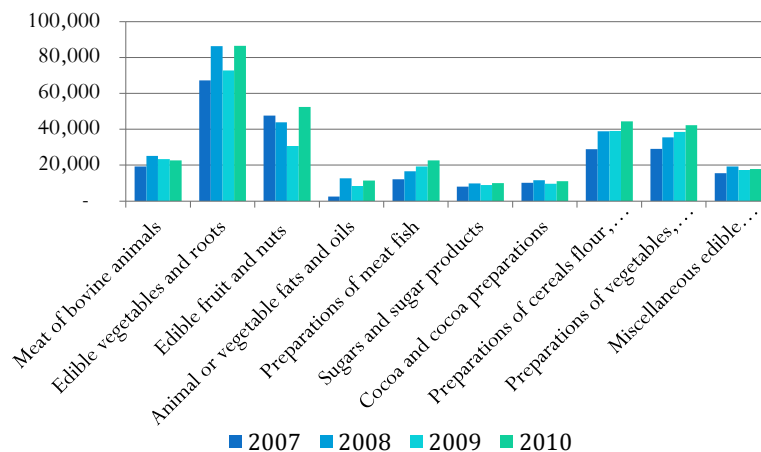
Wage Developments

- In 2010, average wage in Food-processing industry was above the national average, but in 2010 stood below it

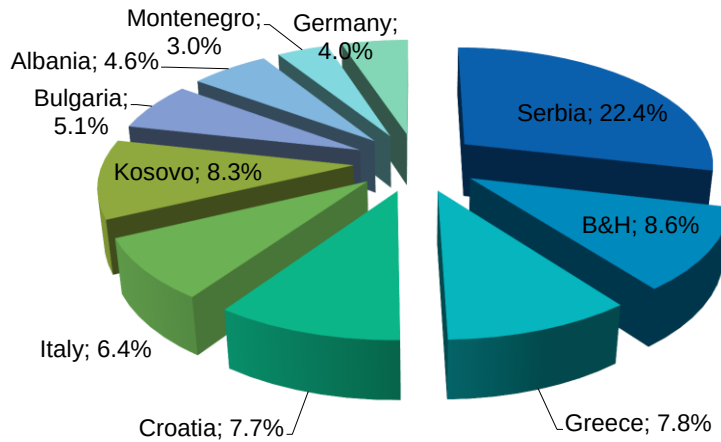


Food Exports

- Macedonia is a net importer of food – negative trade balance of 263 US\$ in 2010



Main Exporting Destinations, 2010

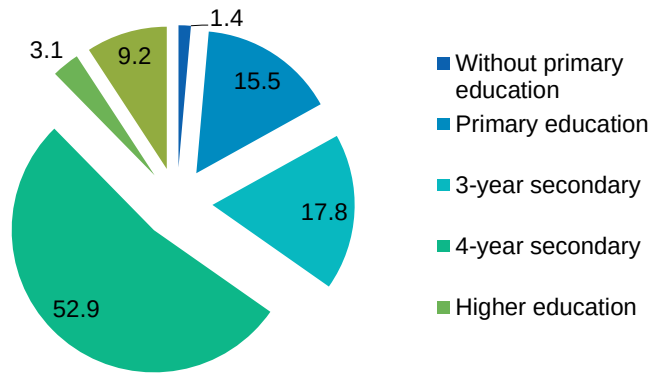


- Regional concentration – Standards? Borders? Business partners?

The Companies and Constraints

- Insufficient supply of raw materials and inadequate warehousing – AgBiz (subsidies)
- Increasing investments – new companies, no data on capacity utilization
- Trade relations?
- Free Trade Agreements, future EU accession?

Educational Structure of Employees in Manufacturing



- Larger companies tend to employ more educated and qualified staff

Education and Skills

- Graduates from secondary schools represent about 1.3% of total employment in the industry
- Large decline of the number of graduated students (63%)
- Three-year VET dominates (80%)
- Employees with other educational background dominate in the employment (to what extent?)
- Supply of related training programs – Certified courses?
- Reforms in the 4-year VET – greater involvement of employers

Issues for Discussion

- To what extent the food-processing industry demands skilled labour? What are the skills in need?
- Forecasting future skill needs - focus groups or surveys with the trend-setting employers? Sectoral skills committee?
- Reforms of the VET – involvement of employers (cooperation)
- Certified training courses?
- International value chains? Developing brands?
- Make use of economic promoters for penetrating international markets

Issues for Discussion

- Standardisation and regionalisation
- Possible changes in national legislation related to employing seasonal worker
- Improve infrastructure?