

The majority of industrial production in the coming years will take place in free economic zones, which will affect the economy, economists said. For Southeast Europe, which has about 10 of the specially taxed zones throughout Macedonia, Albania and Serbia, this could mean more regional stability.

Macedonia currently has four technical industrial zones -- Zones 1 (Bunardzik) and TIRZ 2 in Skopje and one zone each in Stip and in Tetovo. Investors in the free zones do not pay VAT, and are exempt from income tax and personal income tax for 10 years from their launch. The foreign investors in the zones are also fully exempt from paying the 5 to 20 percent customs duties for the import of goods, raw materials and equipment. The total value of goods and services produced last year in Macedonia's free zones increased by 29.13 percent last year, reaching 1.3 million euros.

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