

# TIDZ Construction grant

## General info

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### Economy name

North Macedonia

### ID

N5

### Incentive name

TIDZ Construction grant

### Brief description

The Government may participate in construction costs of the user in the TIDZ of up to EUR 500.000 depending on the number of the new employees and investment amount of the user, under criteria determined in the Law. (State Aid scheme element.)

## Legal reference

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### Legal reference name

Law on Technological Development Zones. "Official Gazette of Macedonia" 14/07, 103/08, 130/08, 139/09 156/10,127/12,41/14,160/14,72/15,129/15,173/15,192/15,217/15,30/16 and 83/18

### Legal reference (Law section / article)

Article 8

3) the Government of North Macedonia may participate in the costs for construction of a facility for the user within the zone in the amount of Euro 500.000 in Denar counter value, under the following criteria:

- Euro 100.000 in Denar counter value - for productive investments in the amount of Euro 1 to 2 million in Denar counter value, or 20 new jobs;
- Euro 200.000 in Denar counter value - for productive investments in the amount of Euro 2 to 5 million in Denar counter value, or 40 new jobs;
- Euro 300.000 in Denar counter value - for productive investments in the amount of Euro 5 to 10 million in Denar counter value, or 60 new jobs;
- Euro 400.000 in Denar counter value - for productive investments in the amount of Euro 10 to 15 million in Denar counter value, or 80 new jobs, and
- Euro 500.000 in Denar counter value - for productive investments in the amount of more than Euro 15 million in Denar counter value, or over 100 new jobs.

On a proposal of the Agency for Foreign Investments and Export Promotion of North Macedonia or to the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments., the Government of North Macedonia shall decide on the fulfillment of the conditions referred to in point 3 of this paragraph, in the procedure determined in Article 8-a of this Law.

## Incentive design

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### Incentive group

Financial

### Incentive category

In-kind transfer

**Economy-wide/Sector-specific**

Sector-specific

**Sector (Simplified)**

Manufacturing

**Sector (NACE)**

C MANUFACTURING

**Size of firm that can use incentive**

All sizes of firms

**Level at which incentive is available**

Economy-wide

**Ownership of firm that can use incentive**

Any

**Incentive location**

Free economic zone

**Main objective of the incentive**

Economic diversification

**In case of grant, share of grant in investment (in %)**

up to 500.000 EUR

**Access to information**

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**Contact Info**

Directorate for the Technological Industrial Development Zones

Address

Partizanski odredi 2 Blvd., P.O.Box 311

1000 Skopje

North Macedonia

Contact

Telephone: +389 (0)2 311 11 66

info@fez.gov.mk

**Weblink to Incentive information in English**

**Weblink to Incentive information in local language**

**Eligibility criteria**

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**Eligibility criteria (description)**

#### Article 4-a

(1) The users of the zones shall be granted state aid in the form of regional aid, under the conditions determined by this Law. The regional aid can be granted for initial investment in tangible and intangible assets.

Whereas under Article 4 (1) The terms used in this Law shall have the following meaning:

10. "Productive initial investment" means investment in tangible and/or intangible assets in relation to the:

- establishment of a new enterprise,
- expansion of the production capacity of the existing enterprise,
- diversification of the production of the enterprise by introducing new, additional products, or
- fundamental change in the overall production process of the existing enterprise.

#### **Eligibility criteria (weblink)**

### **Incentive administration**

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#### **Awarding Authority (Name)**

Directorate for the Technological Industrial Development Zones

#### **Application procedure + Weblink (where available)**

##### Article 8-a

(1) A contract for granting state aid can be concluded only if the enterprise to be granted state aid submits a letter of intention, an enterprise registration in Macedonia, and a business plan to the Agency for Foreign Investments and Export Promotion of North Macedonia or to the Directorate for Technological Industrial Development Zones or to the ministers without portfolio in charge of attraction of foreign investments.

(2) The business plan referred to in paragraph (1) of this Article shall consists of the following elements:

- description of the company, consolidated financial reports for the last three years, and overview of business activities planned to be carried out in the technological industrial development zones,
- location and area of the required land parcel,
- period for commencement and completion of the construction and period for commencement of production,
- total amount of the productive investments,
- total number of new jobs, qualifications of the employees, employment dynamics for a period of 10 years,
- projection of revenues and profits for a period of 10 years,
- plan for future expansion, and
- market location.

(3) The Agency for Foreign Investments and Export Promotion of North Macedonia or the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments. shall be obliged to submit the business plan referred to in paragraph (2) of this Article, within a time period of ten days from day of submission of the business plan by the enterprise to the Government of Macedonia, with a proposal for granting state aid.

(4) The Government of North Macedonia shall decide on granting of state aid to the enterprise within 30 days from the day of submission of the proposal of the Agency for Foreign Investments and Export Promotion of North Macedonia or the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments. referred to in paragraph (3) of this Article.

(5) The enterprise shall conclude a special agreement on awarding a state aid for each productive initial investment under the conditions and in the manner foreseen by paragraphs (1), (2), (3) and (4) of this Article.

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#### **Implementing Authority (Name)**

Directorate for the Technological Industrial Development Zones