



## **Weekly Briefing**

**North Macedonia external relations briefing:  
Germany's Presidency of the Council of the EU: Implications for EU-  
Macedonian relations in times of Covid 19**  
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## **Germany's Presidency of the Council of the EU: Implications for EU-Macedonian relations in times of Covid 19**

*Amidst the continuing Covid 19 pandemic, Germany will be taking over the six-month presidency of the Council of the EU on June 1st. The immediate management of the pandemic and the recovery will be at the heart of its programme for the Presidency. It will also lay the groundwork and the concrete steps that Germany will need to take in order to push forward its strategy for a European Union which takes more global responsibility and strengthens its role in the world. In line with this vision, it is likely that the Presidency will be consequential also for the Western Balkans region in general, and North Macedonia (hereinafter Macedonia) in particular. In turn it will impact on the country's handling of the pandemic and the recovery, its progress in terms of EU accession negotiations, as well as its regional relations.*

### **German-Macedonian bilateral relations**

German-Macedonian bilateral relations are strongly interconnected on an economic, social as well as political and diplomatic level. Annual bilateral trade is around EUR 3 billion, recording continuous growth. With 50% of Macedonian exports (\$3.27B in 2018) going to the German market and 14,3% of imports (\$1.37B in 2018) coming from Germany, the country is Macedonia's biggest trading partner. More than 200 companies with German capital operate in Macedonia, employing some 20,000 people, at the same time attaching the Macedonian economy to the German supply chains.<sup>1</sup> In this context, any severe corona-aftershocks to the German economy are likely to cause negative and immediate shocks to the Macedonian economy. In addition to economic connections, close links exist on a socio-economic level. 100,000 Macedonian nationals live in Germany, making it one of the most important countries of origin for remittances. As the ongoing pandemic affects the domestic German economy, it is likely to also result in the shrinking of the incomes of Macedonian migrants in Germany, affecting the remittances and the disposable income of recipient households, putting an upward pressure on the poverty rate.

On a political and diplomatic level, relations have intensified in recent years. In the past 3 years, German support for the country's integration into Euro-Atlantic structures has

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<sup>1</sup> <https://china-cee.eu/wp-content/uploads/2019/07/2019e0570%EF%BC%882-North-Macedonia.pdf>

translated into several top level visits. In September 2018, Angela Merkel paid the first ever official visit by a German chancellor to the country. German Minister of Foreign Affairs Heiko Maas, has paid two official visits, one in September 2018 and another in November 2019. On the occasion of the second meeting, which took place shortly after the European Council failed to agree on opening accession negotiations with Macedonia, the German Foreign Office issued the following statement: “Germany supports an EU perspective for the country and will canvass intensively among its EU partners for an imminent decision to open the accession process.”<sup>2</sup> Macedonian Minister of Foreign Affairs, Nikola Dimitrov, has maintained close contact and held numerous official and working meetings with top level German officials, including MFA Heiko Maas and German Minister of State for Europe, Michael Roth.

### **German Presidency of the Council of the EU**

Under the motto “Together for Europe’s recovery”, the German presidency of the Council of the EU will focus directly on overcoming the COVID-19 pandemic. Germany has established the focus areas: overcoming the consequences of the COVID-19 crisis for the long-term as well as economic and social recovery; a stronger and more innovative Europe; a fair Europe; a sustainable Europe; a Europe of security and common values; and a strong Europe in the world.<sup>3</sup> Enlargement is not listed as one of the key objectives of the Presidency. Instead the Programme for the Presidency mentions it in the subsection titled “other key projects”, stating: “We are calling for a credible prospect of EU accession for the countries of the Western Balkans. Drawing them closer to the European Union is in both the Western Balkans’ interests and the EU’s own strategic interest. Against this backdrop, we are actively flanking the ongoing accession negotiations with Serbia and Montenegro and preparing for the commencement of accession negotiations with Albania and North Macedonia by drafting the negotiating framework for these two countries, taking into account the new enlargement methodology.”<sup>4</sup>

### **The EU Corona economic-recovery support**

The impact of the coronavirus on the European economy, and the extent to which the EU German Presidency will be able to stabilize it or least mitigate its consequences, will have severe repercussions on the macedonian economy. Moreover, the support which the EU will be able to provide to the country will play an important role towards the containment and recovery

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<sup>2</sup><https://www.auswaertiges-amt.de/en/aussenpolitik/maas-skopje/2268940>

<sup>3</sup><https://www.consilium.europa.eu/en/council-eu/presidency-council-eu/>

<sup>4</sup><https://www.eu2020.de/blob/2360248/e0312c50f910931819ab67f630d15b2f/pdf-programm-en-data.pdf>

efforts taken in the second half of 2020 and 2021. So far, the EU has pledged EUR 4 million of immediate support for the Macedonian health sector and EUR 62 million of support for social and economic recovery. As an EU candidate country, Macedonia is also eligible to use the EU Solidarity Fund (of approximately EUR 800 million), which was extended to support COVID19 responses in April 2020. Any decisions for granting additional financial support for the country will be strongly dependent on Germany's assessment and influence as part of its EU Presidency.

### **The EU negotiations framework for Macedonia**

On July 1st, the day when Germany assumed the presidency of the EU, the European Commission also presented to the Council the draft negotiating frameworks for Macedonia (and Albania), laying out the guidelines and principles for their accession talks. Commissioner for Neighbourhood and Enlargement Olivér Várhelyi commented: "Our proposals build on the revised enlargement methodology we put forward in February to make the accession process more credible, with a stronger political steer, more dynamic and predictable. I look forward to the discussions with Member States and to holding as soon as possible the first intergovernmental conferences."<sup>5</sup> On the same occasion, Macedonian Minister of Foreign Affairs has stated: "I think there is beautiful symbolism that the EC completed its task based on the decision of March on 1 July specifically, the day when Berlin takes over the presidency with the Council of the EU, and I am convinced that in the same manner that the Croatian presidency was historic for us, German presidency will be as well as well, and that with German support we will open the first Intergovernmental Conference in the following months".<sup>6</sup>

The established procedures for adopting the final negotiation frameworks require them to be adopted by all member states. Only then can the rotating Presidency of the Council of the EU be agreed and the first intergovernmental conference to be held marking the formal start of the accession negotiations. Indeed, German support may prove to be decisive in whether or not the first Intergovernmental Conference, which marks the official start of EU negotiations, will take place before the end of 2020. In addition to the broader challenge posed by the pandemic, a significant obstacle on this path will be the reservations held by Bulgaria. The country has threatened to block the first intergovernmental conference, "if it fails to see "real progress" by

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<sup>5</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_20\\_1021](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1021)

<sup>6</sup> <https://mfa.gov.mk/en/page/1699/post/2318/dimitrov-%E2%80%9Ctoday-we-mark-an-important-step-forward-%E2%80%93-the-european-commission-adopted-the-draft-negotiating-framework-and-as-of-today-the-document-is-in-the-hands-of-the-member-states-good-luck-to-all-of-us%E2%80%9D>

North Macedonia in implementing their 2017 bilateral friendship treaty”.<sup>7</sup> In addition to the Presidency, Germany will have the Berlin Process as a platform that it can use to mediate in the relations between Bulgaria and Macedonia. Launched by Chancellor Merkel in 2014, the Berlin Process is an initiative aimed at stepping up regional cooperation in the Western Balkans and aiding the integration of these countries into the EU. In 2020, the Presidency of the Berlin Process is held jointly by the Republic of Bulgaria and the Republic of North Macedonia. The Berlin Process Summit, the main event in the Calendar for the Process, is expected to take place in autumn 2020. It is likely to serve as an important platform for Germany to influence macedonian-bulgairan bilateral relations in the context of EU negotiations, but also to offer new financial and support mechanisms for the region as it battles the Covid 19 pandemic. Finally, in light of the regional and geopolitical consequences which the Pristina-Belgrade dialogue is likely to have, it is expected that Germany will also play a pivotal role in this process.<sup>8</sup>

The German Presidency of the EU Council is likely to translate into an even more active and dynamic German presence in the Western Balkan region during the autumn and winter period. The trajectory of close Macedonian-German relations is likely to continue under the framework of the German Presidency of the Council of the EU. In turn it is likely that it will be consequential towards key aspects of EU-Macedonian relations: its negotiations framework with the EU, the economic support that the country will be receiving as part of the broader EU Covid 19 recovery support mechanism, as well as its regional relations. Finally, Germany is likely to play an important role in the way in which the Kosovo-Serbia dialogue plays out and what regional implications it will have, as another one in the series of complex international and regional developments taking place against the backdrop of the pandemic.

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<sup>7</sup> <https://balkaninsight.com/2019/10/10/bulgaria-sets-tough-terms-for-north-macedonias-eu-progress/>

<sup>8</sup> [https://europeanwesternbalkans.com/infographic\\_dialogue/](https://europeanwesternbalkans.com/infographic_dialogue/)