

North Macedonia

Defence budget of North Macedonia has experienced a substantial increase since the country joined NATO in 2020. The increase is also a consequence of a long-term plan of modernisation of the Army. Despite the budget being underspent in the last two years, the 2024 budget comes with a 38% increase compared to the previous year. Defence expenditure as a share of GDP also increased from 1% in 2019 to over 2% planned in 2024.

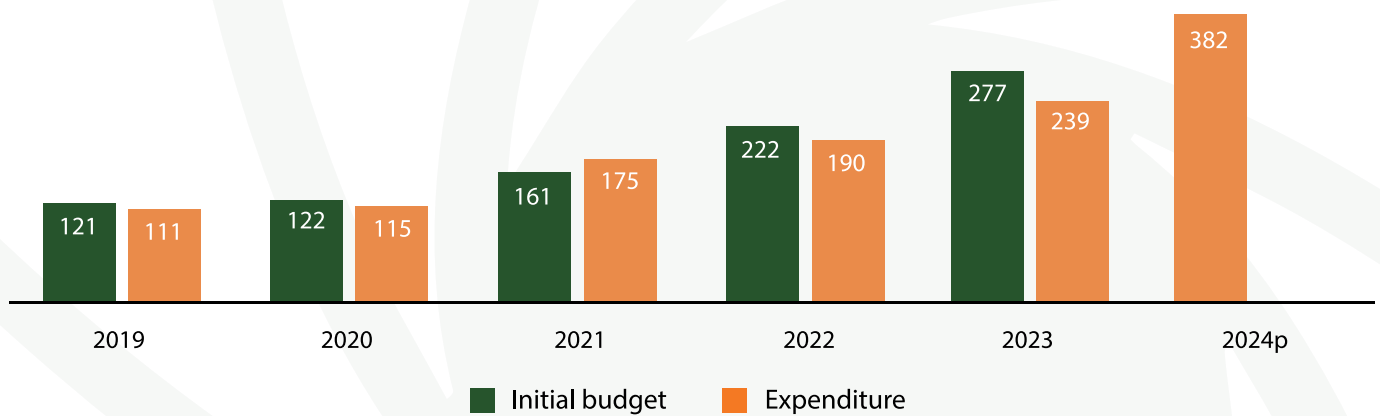
2023

Share of GDP **1.67%**

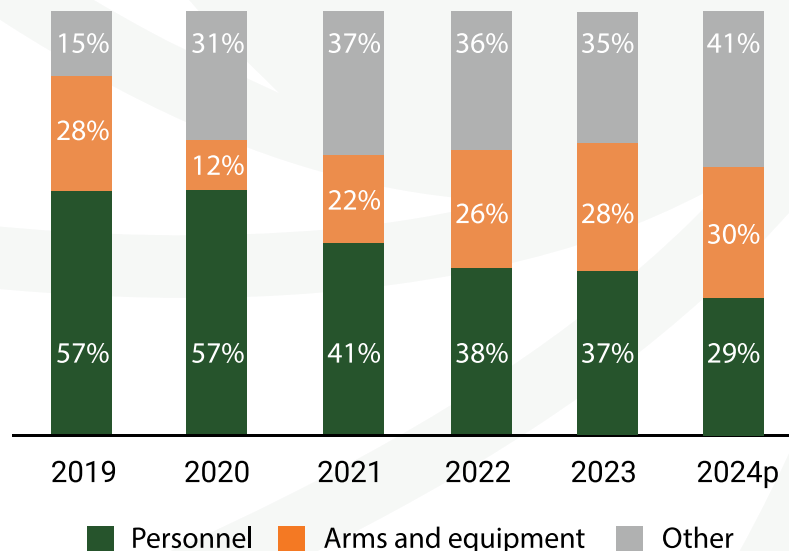
Share of total government expenditure **4.52%**

Budget laws for the upcoming year are regularly adopted by the Parliament of North Macedonia in late December. Balance sheets are usually adopted regularly as well. The Ministry of Defence publishes quartal budget realisation reports on its website.

Initial budgets and defence expenditure (in million EUR)



Budget structure



Until 2021, the largest percentage of the budget was spent on personnel. Following modernisation projects and equipment procurement, such as Stryker and Oshkosh armed vehicles, the share of arms and equipment budget started to slowly increase. By the 2023 budget, North Macedonia planned to spend 39% on this category, however it actually spent 11% less, or 28% of defence expenditure. In 2024 arms and equipment spending is expected to surpass personnel expenditure.

The large portion of other expenses accounts for goods and services excluding capital expenditure, and transfers to pension fund and local municipalities. The defence budget of North Macedonia is divided into programmes and its transparency and disaggregation could be improved.