

5.29 Chapter 29: Customs union

All Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity and access to the common computerised customs systems.

North Macedonia has maintained a **good level of preparation** on the customs union. **Good progress** was made in the reporting period. The country has completed, applied and maintained a new electronic system for processing customs declarations and excise documents. The newly built customs terminal with Albania became operational. One-stop border control operations were established with Serbia.

Last year's recommendations were implemented. In the coming year, the country should:

- continue consolidation and full application of its IT systems, ensure their upgrade and maintenance, and ensure business continuity;
- fully implement CEFTA Protocol 5 on Trade Facilitation.

The **customs legislation** is highly aligned with the EU *acquis*. The 2019 customs tariff was adopted to correspond with the latest changes in the EU combined nomenclature. The Customs Administration intensively promoted the concept of authorised economic operators (AEO) and 15 companies were AEO-certified. The country signed an agreement with Serbia to mutually recognise AEO certificates. North Macedonia is a member of the Common Transit Convention, applying the EU rules on transit movements and has chaired the annual joint committee meeting. The country needs to finalise the procedure for ratifying the Protocol on Elimination of Illicit Trade in Tobacco Products.

On **administrative and operational capacity**, the standards of professional integrity and quality controls were applied. Revenue collected by the Customs Administration rose by 5.4% in 2019 compared with 2018, largely thanks to the systematic application of automated risk management with more targeted controls and better inter-agency cooperation. This also facilitated the seizures of drugs and counterfeit goods.

The newly-built customs terminal at the main border crossing with Albania started operations. Progress was made on establishing a one-stop border control with Serbia in August 2019, at Tabanovce-Presevo crossing point. Preparations began on establishing a one-stop control with Albania, a measure that has received the official endorsement of both governments. Good progress was made with the finalisation of the new 'paperless' electronic system for processing customs declarations and excise documents and its application on 1 June 2019. The use of the integrated tariff environment (ITE) system increased. The number of declarations processed through the new computerised transit system (NCTS) rose by 25% in 2019. The Customs Administration signed maintenance contracts for the NCTS and ITE systems.

The Customs Administration took part in 14 international operations to combat illicit trade in drugs, counterfeit goods and medicines, excise goods, weapons, explosives, dangerous waste and chemicals, wildlife and plants, cultural goods, and to combat trafficking in people. Cooperation and exchange of intelligence with the customs agencies in the wider region continued. The country has so far concluded 24 bilateral agreements for customs cooperation, of which 12 are with EU Member States. North Macedonia hosted the 14th World Customs Organisation's 'Partnership in customs academic research and development' conference.