

North Macedonia must ditch its unrealistic gas plans and cut to a clean energy future



Bogdanci wind farm, CEE Bankwatch Network

Summary

In 2021, the whole **Western Balkans used less than 1 per cent of the fossil gas used by the EU**.¹ But in recent years, North Macedonia has gradually increased its gas use, and has **ever-expanding – but unrealistic – plans** to increase it further still. In contrast, **the EU has spent the last two years trying to quickly cut its gas consumption**, as the high risks of dependence on imported gas have been crudely exposed.

North Macedonia's immediate gas infrastructure priority is the interconnector from Greece, with an initial capacity of 1.5 billion cubic metres (bcm) per year.² In 2021,

¹ Eurostat, [Supply, transformation and consumption of gas, nrg_cb_gas](#), Eurostat, last updated 26 January 2024.

² DESFA, '[DESFA awarded with supervision contract of the construction of the North Macedonia part of the Gas Interconnector Greece-North Macedonia](#)', DESFA, 28 September 2023.

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North Macedonia's highest gas-consuming year so far, the country used 426 million normal cubic metres (nm³),³ so **less than a third of the planned pipeline's capacity**.

Considering that the existing pipeline from Bulgaria has a capacity of close to 1 bcm annually⁴ and will also continue to operate, this raises a considerable risk – either of stranded assets or of large-scale gas lock-in.

Such plans **cannot be considered proportionate to North Macedonia's security of supply problems**, as their clear aim is to increase gas use. The government has **even been subsidising households to connect to the gas network**⁵ in a misguided attempt to justify its gasification plans.

Several new circumstances show a strong need for North Macedonia to reconsider its plans:

- **Pipeline construction costs have increased by around 35 per cent since 2020**, according to a new study.⁶ The study also found that **projected gas demand in North Macedonia has likely been seriously over-estimated**.
- **An agreement signed with the Bulgarian authorities in October 2022**⁷ paved the way for non-Russian gas to be transported via the existing Bulgaria-North Macedonia pipeline, as well as an expansion of the pipeline's capacity. It released 180 million cubic metres of non-Russian gas for North Macedonia, but this does not yet cover the country's whole demand.⁸ In late 2023 North Macedonia's state-owned utility **announced it was sourcing non-Russian gas** via a Bulgarian supplier.⁹ Encouraging Bulgaria to free up more unused capacity in the pipeline would be much more cost-effective and probably quicker than building a whole new pipeline.
- **Plans to build a gas pipeline from North Macedonia to Kosovo have been dropped** because Kosovo's government has decided not to build it,¹⁰ making the Greece - North Macedonia interconnector even more oversized. Plans for a gas pipeline from North Macedonia to Albania are not progressing either, and seem surplus to requirement considering that TAP is already present in Albania and that the country practically doesn't use gas in its energy mix at the moment.

³ Energy and Water Services Regulatory Commission of the Republic of North Macedonia (ERC), [Annual Report 2022](#), ERC, 2023.

⁴ Aura Sabadus, '[North Macedonia faces energy crisis if no interconnection agreement signed with Bulgaria](#)', ICIS, 28 June 2022.

⁵ For example, see: Ministry of Economy of the Republic of North Macedonia, [Листа на добитници по објавен Јавен оглас за надоместување на дел од трошоците за изработена проектна документација за приклучок на системот за дистрибуција на природен гас и/или за извршен приклучок на систем за дистрибуција на природен гас во државата](#), Ministry of Economy of the Republic of North Macedonia, 7 December 2023.

⁶ Péter Kotek et al., [Gasification Plans and Building Heating Options in North Macedonia](#), REKK/Eko-svest, January 2024.

⁷ Bulgartransgaz, [The gas transmission operators of Bulgaria and North Macedonia signed an Interconnection Agreement](#), Bulgartransgaz, 31 October 2022.

⁸ Xhelal Neziri, [Rexhepi: Tax is not the problem, but Bulgaria's contract with Gazprom, which forces us to buy Russian gas](#), The Geopost, 28 October 2023.

⁹ Dragana Petrushevska, '[N. Macedonia cuts Russian gas reliance with Bulgaria's Graystone deal](#)', SEENews, 7 December 2023.

¹⁰ Ministry of Economy of the Republic of Kosovo, [Energy Strategy of the Republic of Kosovo, 2022-2031](#), Ministry of Economy of the Republic of Kosovo, 28, March 2023. 'Achieving coverage of the (areas of) the country with a distribution network (e.g. for heating, cooking, industry) would take decades to build. Considering this, and the extremely high prices and the economic and geopolitical uncertainties over gas supply in the Europe aftermath of the war in Ukraine, domestic gas network development would be highly risky and costly as means of ensuring diversity of energy sources or system flexibility.'

- **Financing for new gas infrastructure is becoming harder to find.** In December 2023, the Energy Community Ministerial Council adopted the EU's updated TEN-E Regulation, which no longer allows gas projects to be designated as Projects of Energy Community Interest or Projects of Mutual Interest. This will have a knock-on effect on support for such projects by international financing institutions. Also in December 2023, the European Bank for Reconstruction and Development (EBRD) adopted a new lending strategy, which it claims will restrict gas lending to 'exceptional cases'.¹¹

These decisions should somewhat dampen plans for new gas infrastructure in the region.

- **The era of cheap gas is over.** Russian gas was widely used because it was relatively cheap. North Macedonia's gas expansion plans were made before Russia's full-scale invasion of Ukraine and no public evidence is available to prove that they are still feasible. Azerbaijan's pledge to double gas flows to the EU by 2027 will remain constrained by infrastructure capacity and rising domestic consumption,¹² thus pushing up prices. Liquefied gas (LNG) is more expensive than pipeline gas due to the transformation process and the fact it is subject to strong price fluctuations because it is traded globally.¹³

Although the North Macedonia government recognises the need to update the country's National Energy and Climate Plan (NECP), it has so far not started the process, nor shown any signs of reviewing its gas infrastructure plans.

The international community therefore needs to be much more active in **ensuring that it does not support the creation of stranded assets in the country, or, conversely, of an increased gas lock-in.**

North Macedonia – electricity overview

North Macedonia's electricity generation has traditionally been dependent on coal and to some extent, hydropower. Its coal reserves are running out and its power plants are suffering from increased technical problems, so coal-based generation has decreased. The government pledged to phase out coal by 2027,¹⁴ although its NECP leaves some flexibility to extend this until the end of 2029.¹⁵

Electricity imports have historically been high, but demand is decreasing, so imports are at least not increasing – with the exception of the energy crisis in 2021. Wind and solar development both stagnated for several years but installation has now picked up, especially for solar that has exhibited significant growth in 2022 and 2023. These sources do not yet make up a major share of electricity generation, but are expected to do so in the coming years.

¹¹ European Bank for Reconstruction and Development, [Energy Lending Strategy 2024-2028](#), EBRD, December 2023. It remains to be seen how stringently the Bank interprets the 'exceptional cases' clause, but as of early February 2023 it appears intent on continuing with the Greece - North Macedonia pipeline project.

¹² Economist Intelligence Unit, ['Azerbaijan's gas exports to the EU face challenges'](#), *Economist Intelligence Unit*, 13 July 2023.

¹³ Deloitte UK, ['A year on from the energy crisis, where does Europe stand?'](#), *Deloitte*, 18 September 2023.

¹⁴ Beyond Fossil Fuels, [Europe's Coal Exit – Overview of national coal phase out commitments](#), *Beyond Fossil Fuels*, last updated 28 September 2023.

¹⁵ Ministry of Economy of the Republic of North Macedonia, *National Energy and Climate Plan*, *Ministry of Economy of the Republic of North Macedonia*, 2022, [English version](#), 19 and [Macedonian version](#), 20.

Electricity generation in North Macedonia, 2010-2022, GWh

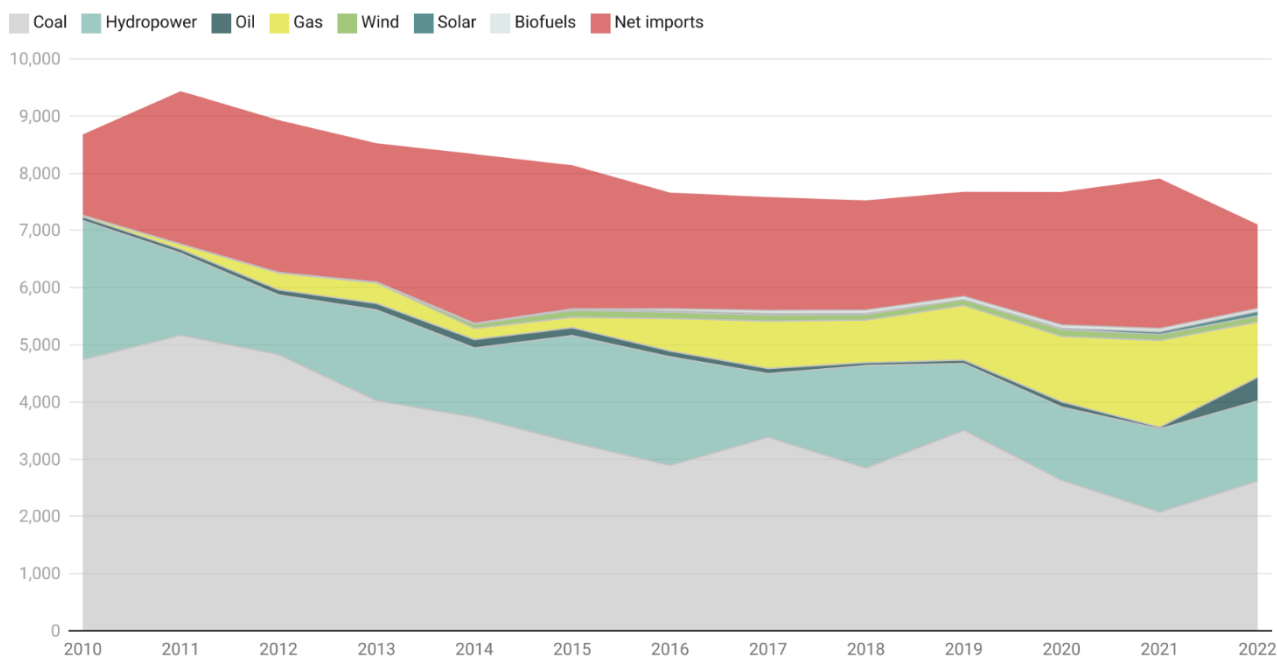


Chart: Bankwatch • Source: IEA statistics and energy regulatory office reports • Created with Datawrapper

Source: [IEA statistics](#) and [energy regulatory office reports](#)

Heating overview

The most common forms of heating in residential buildings are wood (nearly 62 per cent of households) and electricity (nearly 29 per cent), with 8.3 per cent of households connected to the district heating system in Skopje (running on gas, with fuel oil as a backup) and 1.5 per cent using other fuel types.¹⁶

Gas is mainly consumed by industrial customers and the combined heat and power plants in Skopje, whereas households have a negligible share of total consumption due to the very limited spread of distribution networks and a failure to connect individual households due to a lack of interest from consumers.

By 2022, it had taken more than 12 years¹⁷ to connect just 503 customers directly to the gas distribution network in Skopje, Kumanovo and Strumica.¹⁸ This is mainly because people find it expensive.

¹⁶ Ministry of Economy of the Republic of North Macedonia, [Strategy for energy sector development of the Republic of North Macedonia until 2040 - final draft for public consultations](#), Ministry of Economy of the Republic of North Macedonia, October 2019 version.

¹⁷ In 2010, Skopje had two customers connected, while connections in Kumanovo began in 2011 and in Strumica in 2012. Energy and Water Services Regulatory Commission of the Republic of North Macedonia (ERC), [Annual Report 2019](#), ERC, 2020.

¹⁸ Energy and Water Services Regulatory Commission of the Republic of North Macedonia (ERC), [Annual Report 2022](#), ERC, 2023.

Absurdly, the government has started to subsidise households to connect to the gas network,¹⁹ a practice which must be halted.

Import dependence

North Macedonia is the only country in the region with a higher dependence on imported energy than the EU average. This is because it imports all of its gas and oil, as well as some electricity and in recent years, even coal.²⁰

Energy import dependence, per cent, 2021

Energy import dependence	2021
European Union	56
Bosnia and Herzegovina	27
Montenegro	31
North Macedonia	68
Albania	24
Serbia	35
Kosovo	33

Table: Bankwatch • Source: Eurostat • Created with Datawrapper

Source: [Eurostat nrg_ind_id](#)

Fossil gas is imported to North Macedonia through a single entry point at the Bulgarian border, and until 2022 only Russian gas was imported by this route.

However, in October 2022, Bulgaria and North Macedonia signed an agreement to expand the pipeline's capacity and allow non-Russian gas to be imported through it.²¹ This was followed in December 2023 by an announcement that **gas imported for the state-owned utility ESM would no longer come from Russia, but only from Azerbaijan or the United States of America.**²² Thus, if the goal of the new interconnector from Greece was to help North Macedonia avoid Russian gas, this is already being addressed to a large extent by other means.

¹⁹ For example, see: Ministry of Economy of the Republic of North Macedonia, [Листа на добитници по објавен Јавен оглас за надоместување на дел од трошоците за изработена проектна документација за приклучок на системот за дистрибуција на природен гас и/или за извршен приклучок на систем за дистрибуција на природен гас во државата.](#)

²⁰ Energy and Water Services Regulatory Commission of the Republic of North Macedonia (ERC), [Annual Report 2022](#).

²¹ Bulgartransgaz, '[The gas transmission operators of Bulgaria and North Macedonia signed an Interconnection Agreement](#)'.

²² MKD, '[Со новата такса во Бугарија, Македонија купува гас само од Азербејџан и САД](#)', MKD, 6 December 2023.

Unrealistic gas development plans

In 2021, the whole Western Balkans used less than 1 per cent of the gas used by the EU.²³ But in recent years, North Macedonia has gradually increased its fossil gas use, and has ever-expanding – but unrealistic – plans to increase it further still.

North Macedonia's immediate gas priority is the interconnector from Greece, with an initial capacity of 1.5 bcm per year.²⁴ In 2021, North Macedonia's highest gas-consuming year so far, the country used 426 million nm³,²⁵ so **less than a third of the planned pipeline's capacity**. Considering that the existing pipeline from Bulgaria will also continue to operate, this raises a **considerable risk – either of stranded assets or of locking in increased fossil gas use for decades to come**.

Gas plans within North Macedonia

Transmission and distribution network

The country's plans to form a circular main pipeline and a distribution network have existed for many years but are going forward very slowly. The **Skopje-Tetovo-Gostivar pipeline** was reported to be 53 per cent finished back in November 2019,²⁶ but four years later, it is still **nowhere near complete**, despite the government promising it would be done by 2020.²⁷ It is unclear whether the problems are related to expropriation, land erosion or something else.

A major focus now is on building the gas interconnector from **Greece to North Macedonia**.²⁸ However, the project is subject to three legal complaints, including a **complaint to the European Anti-Fraud Office (OLAF)**. Obligatory public consultations were not held, and the state loan guarantee was adopted without the approval of the Commission for the Protection of Competition.²⁹ Moreover, a visit by Bankwatch representatives in early December 2023 confirmed that **expropriation is at a very early stage**, with many people we spoke to along the route not having been informed or consulted about it yet.

High numbers of household connections unlikely

North Macedonia's gasification plans assume high connection rates of households to gas. For example, the EBRD's 2020 feasibility study³⁰ assumed rates of 55 to 105 per cent (105 per cent meaning all existing

²³ Eurostat, [Supply, transformation and consumption of gas, nrg_cb_gas](#).

²⁴ DESFA, '[DESFA awarded with supervision contract of the construction of the North Macedonia part of the Gas Interconnector Greece-North Macedonia](#)'.

²⁵ Energy and Water Services Regulatory Commission of the Republic of North Macedonia (ERC), [Annual Report 2022](#).

²⁶ Tetra Tech International Development Ltd, *Program for the realization of the Strategy for energy development 2021-2025*, [English version](#) (December 2020) and [Macedonian version](#) (March 2021), Ministry of Economy of the Republic of North Macedonia.

²⁷ Silvana Zezova, '[Заев: Гасоводот Скопје – Тетово – Гостивар ќе биде готов во 2020 година](#)', *Meta.mk*, 13 November 2019.

²⁸ Ivan Kolevski, '[NOMAGAS, DESFA reach final investment agreement on North Macedonia-Greece interconnector](#)', *MIA*, 25 October 2023.

²⁹ CEE Bankwatch Network, '[Legal challenges hit Greece – North Macedonia gas pipeline plans](#)', *CEE Bankwatch Network*, 19 September 2023.

³⁰ Grant Thornton, [Gas distribution network in North Macedonia. Update of Feasibility study. Final Report](#), *European Bank for Reconstruction and Development*, April 2020.

buildings plus some not yet built), depending on the municipality. But this was based on the experience from Thessaloniki in Greece, not on North Macedonia's own experience, and many of these connections were enabled by waiving the connection fees for households, though the costs were subsequently recovered via system use tariffs.

A recent study by REKK³¹ shows that **projected household connection rates have likely been seriously overestimated.**

Not only have gas prices in recent years become highly volatile, but **pipeline construction costs have also risen.** REKK estimates that an increase of at least 35 per cent is to be expected compared to the government's plans, leading to a total construction cost of EUR 791 million to 1.086 billion for the gas network, without land use costs and additional compressor investments.

Assuming that system users pay for the development and operation of the network, this would have a major knock-on effect on consumers, with an estimated network tariff of 12-26.6 EUR per megawatt hour (MWh). **Current gas network tariffs applicable for households make up 6 EUR/MWh, so the tariffs would be 100 to more than 300 per cent higher than now.**

According to current regulations, network costs are under-estimated. But if network users have to pay for the network development – which would be only fair – the end-user price of gas may be 55 to 79 EUR/MWh, depending on the gasification scenario.

Based on a detailed model of household decision-making, REKK's modelling revealed that if households and other users are to pay the total cost of investment in the network, **the network tariffs would be so high that none of the households would switch to gas.**

REKK also confirmed that the heating equipment and installation may be prohibitively high for many households in North Macedonia, which has a significant impact on demand. The EBRD's 2020 feasibility study estimated maximum gas demand in the country after 35 years of a hypothetical concession contract as reaching 4 to 9 terawatt hours (TWh) per year, but **REKK estimates it would reach only the lower end of this range (4.5 TWh)**, unless a 250 MW gas power plant is built at Bitola as well (see below), in which case it might reach 7.3 TWh.

Although household gas connections can to some extent be influenced by subsidies, this is a very poor use of public money. North Macedonia needs to be completely decarbonised by 2050, so it cannot aim at continually increasing gas consumption for the next 35 years. **If incentives are to be provided to households, these must be for non-fossil technologies such as heat pumps and solar thermal.**

Power plants

North Macedonia's plans for new gas power plants are constantly expanding but have not progressed in reality. The National Energy and Climate Plan³² says that North Macedonia should consider building a

³¹ Péter Kotek et al., [Gasification Plans and Building Heating Options in North Macedonia](#).

³² Ministry of Economy of the Republic of North Macedonia, National Energy and Climate Plan, [English version](#) and [Macedonian version](#).

(i.e. **one**) gas power plant **if** the Cebren hydropower plant is **not** built.³³ However, the government is both moving forward with Cebren *and* expanding its gas plans.

- The energy strategy³⁴ says between 0 MW and 245 MW of new gas plants will be built, depending on the scenario.
- But the draft energy strategy implementation programme³⁵ – which is supposed to *implement* the energy strategy, not re-write it, and which was never officially adopted – says the country should build **450 MW** of new gas power plants in any case, and mentions **plants in both Negotino and Bitola**. Plans for an **800 MW** plant in Bitola have also been disclosed,³⁶ but don't appear in any strategic documents. The capacity of the planned gas plant in Negotino is not known.

The government often talks of 'converting' the Bitola and Negotino coal plants to gas, but this is misleading. Gas power plants use significantly different technology than coal ones and the most important parts of the plants would have to be built anew, which would take many years. Neither project has taken concrete steps forward in the last two years, and according to local sources, several kilometres of pipeline are still missing between Bitola and the site of the planned power plant.

- Since then, plans for an additional fossil **gas power and heat plant in Skopje** (with a **capacity of 90-105 MW**), to be built by Greek company Mytilineos, have also appeared and been declared 'strategic' by the government,³⁷ despite not even being in any strategic documents.

In early 2024, the government submitted a law to the Parliament under an urgent procedure which would allow a **long list of unjustified privileges** for the project, including an exemption from public procurement rules, a power/heat purchase agreement with relatively high offtake prices, exemption from future CO₂ payments, provision of land at below-market-value, and legal disputes to be resolved in Paris rather than through North Macedonia's courts.³⁸ These have been publicly criticised by experts and in our understanding constitute illegal State aid.

³³ There is also an addition on page 85 (English version) / page 92 (Macedonian version) which does not match the rest of the text and was not included in the [draft submitted to the Energy Community Secretariat](#) (page 76): 'If by 2025 there is no conversion of TPP Bitola and/or TPP Negotino on natural gas or build a new power plant on natural gas, TPP Bitola needs to continue for some time so as not to disrupt the security of electricity supply, but this will be reflected in increasing GHG emissions and potentially failing to meet the targets set out in the National Climate Change Contributions. If it happens that there is no coal for TPP Bitola, and the gas power plant does not start operating, the need for electricity import will increase, which will directly affect the GDP and the security of electricity supply.'

³⁴ Ministry of Economy of the Republic of North Macedonia, [The Strategy for Energy Development of the Republic of North Macedonia until 2040](#), 92-96.

³⁵ Tetra Tech International Development Ltd, Program for the realization of the Strategy for energy development 2021-2025, [English version](#) (December 2020) and [Macedonian version](#).

³⁶ Vladimir Spasić, '[North Macedonia. General Electric in talks to build gas power plant](#)', *Balkan Green Energy News*, 21 December 2020.

³⁷ Vladimir Spasić, '[Greek Mytilineos awarded strategic investment status for gas CHP in North Macedonia](#)', *Balkan Green Energy News*, 18 October 2022.

³⁸ MKD, '[Се бара заштита на јавниот интерес во случајот Митилинеос](#)', *MKD*, 11 February 2024.

North Macedonia needs to update its NECP, in line with the 2030 targets adopted in December 2022 under the Energy Community Treaty. It remains to be seen whether its new NECP will be more realistic than the plans mentioned above.

Further pipelines to other Western Balkan countries

Plans for a gas pipeline to Kosovo are also mentioned in North Macedonia's strategies, but in the meantime **the Kosovo government has decided not to build it**.³⁹ This renders the planned interconnector from Greece even more oversized than it was originally.

Plans for a gas pipeline from **North Macedonia to Albania** are also not progressing and seem surplus to requirement considering that TAP is already present in Albania.

The only project which might take gas from Greece further than North Macedonia is a planned **interconnector between North Macedonia and Serbia**. However, it is not clear why this is needed, as a new gas pipeline between Bulgaria and Serbia has just been opened⁴⁰ with the goal of diversifying away from Russian gas, and Serbia has recently signed a supply agreement with Azerbaijan.⁴¹

New circumstances require new plans

As well as the issues above, i.e. the cancellation by Kosovo of plans to build gas pipelines to the country, and the signing of the North Macedonia – Bulgaria deal on the existing gas pipeline, North Macedonia has not yet taken into consideration other new circumstances regarding its gas development plans.

Simply put, the era of cheap gas is over. One of the reasons Russian gas has been so widely used is because it was relatively cheap. North Macedonia's gas expansion plans were made before Russia's full-scale invasion of Ukraine and no public evidence is available to prove that they are still feasible.

The main potential alternative gas sources for North Macedonia are Azerbaijan or liquified gas (LNG).

LNG is more expensive than pipeline gas because it has to be made into liquid, transported and regasified. It is also subject to strong price fluctuations because it is traded globally.⁴²

In 2023, the United States was the largest source of LNG at Greece's Revithoussa terminal,⁴³ but if President Biden's recent pause on new permits for LNG export terminals⁴⁴ continues in the medium term or becomes

³⁹ [Energy Strategy of the Republic of Kosovo, 2022-2031](#), 28: 'Achieving coverage of the (areas of) the country with a distribution network (e.g. for heating, cooking, industry) would take decades to build. Considering this, and the extremely high prices and the economic and geopolitical uncertainties over gas supply in the Europe aftermath of the war in Ukraine, domestic gas network development would be highly risky and costly as means of ensuring diversity of energy sources or system flexibility.'

⁴⁰ Western Balkans Investment Framework, '[Serbia – Bulgaria gas pipeline opened to diversify energy supplies](#)', *WBIF*, 12 December 2023.

⁴¹ Vladimir Soldatkin, '[Serbia signs gas supply deal with Azerbaijan](#)', *Reuters*, 15 November 2023.

⁴² Deloitte UK, '[A year on from the energy crisis, where does Europe stand?](#)', *Deloitte UK*, 18 September 2023.

⁴³ LNG Prime, '[Greek LNG imports drop in 2023](#)', *LNG Prime*, 17 January 2024.

⁴⁴ The White House, '[Fact sheet: Biden-Harris Administration Announces Temporary Pause on Pending Approvals of Liquefied Natural Gas Exports](#)', *The White House*, 26 January 2024.

a ban, it may tighten the market by the end of the decade.⁴⁵ Ironically, Russia was the second largest source of LNG at Revithoussa in 2023,⁴⁶ which clearly does not contribute to the goal of diversifying away from Russian gas.

But Azerbaijan's pledge to double gas flows to the EU by 2027 will remain constrained by infrastructure capacity and rising domestic consumption,⁴⁷ thus pushing up prices.

EU relations with Azerbaijan may not be close forever. The EU's increasingly close relations with Azerbaijan have been causing unease for years, due to the authoritarian nature of the Azeri regime, its high levels of corruption, and concerns about the involvement of Russian companies in its gas fields development.⁴⁸ In October 2023, the issue went a step further when the European Parliament demanded that the EU adopt targeted sanctions against Azerbaijani government officials responsible for ceasefire violations and human rights abuses in Nagorno-Karabakh and to suspend any negotiations on a renewed partnership and current energy memorandum with Baku.⁴⁹

Financing for new gas infrastructure is becoming harder to find. On 14 December, the Energy Community Ministerial Council adopted the EU's updated TEN-E Regulation, which no longer allows fossil gas projects to be designated as Projects of Energy Community Interest or Projects of Mutual Interest. This will have a knock-on effect on the level of priority given to such projects by international financing institutions.

On the same day, the EBRD adopted a new lending strategy restricting gas lending to 'exceptional cases'. These developments are likely to dampen plans for further gas infrastructure in the region, raising the likelihood of the interconnector from Greece becoming a stranded asset if built.

As an EU candidate country, North Macedonia will need to reach net zero greenhouse gas emissions by 2050 at the latest. The experience with coal in the Western Balkans shows it is not realistic to expect that the country can complete two transitions by then, and it needs to concentrate directly on moving to renewables and electrification of the transport and heating sectors.

North Macedonia must urgently reassess its gas plans in light of the new developments outlined above.

Conclusion: the international community must not be complicit in creating stranded assets or increased gas lock-in in North Macedonia

In 2021, the last year for which Eurostat data is available, the whole Western Balkans used less than one per cent of the fossil gas used by the EU,⁵⁰ putting it in a favourable position to avoid further gas lock-in.

⁴⁵ Myles McCormick, '[A closer look at Joe Biden's LNG export freeze](#)', *The Financial Times*, 1 February 2024.

⁴⁶ LNG Prime, '[Greek LNG imports drop in 2023](#)'.

⁴⁷ Economist Intelligence Unit, '[Azerbaijan's gas exports to the EU face challenges](#)', *Economist Intelligence Unit*, 13 July 2023.

⁴⁸ Gligor Radečić, '[The EU-Azerbaijan gas deal is a repeat mistake](#)', *Politico*, 17 August 2022.

⁴⁹ European Parliament, '[Nagorno-Karabakh: MEPs demand review of EU relations with Azerbaijan](#)', *European Parliament*, 5 October 2023.

⁵⁰ Eurostat, '[Supply, transformation and consumption of gas, nrg_cb_gas](#)'.

Although North Macedonia has short- to mid-term supply difficulties due to years of underinvestment in electricity grids and renewable energy, the region's low gas dependency is an advantage to be maximised, not a problem to be solved.

The government must urgently review its overblown plans for gas and the outdated assumptions they are based on. It must scrap all subsidies encouraging households to connect to the gas network and instead direct them to ramping up investments in solar, wind, geothermal, heat pumps and electricity grids instead.

The international community, particularly the European Commission, EBRD, European Investment Bank (EIB) and Western Balkans Investment Framework (WBIF) also need to play their part. Instead of continuing to bankroll North Macedonia's gasification out of blind inertia, they need to acknowledge the rapidly changing circumstances and be ready to develop a new plan that will help the country's decarbonisation instead of preventing it.



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