



KEY "PLAYERS" AND COMPETITION IN HEALTHCARE PUBLIC PROCUREMENT

RESEARCH

on corruption risks in healthcare
public procurement
in the period 2015-2024

Key "Players" and Competition in Healthcare Public Procurement

Research on corruption risks in healthcare public procurement in the period 2015-2024

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Истражување за корупциските ризици во јавните набавки во здравствениот сектор во периодот од 2015
до 2024 година

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Skopje, December 2025

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1. KEY FINDINGS

- In the last decade, the value of healthcare public procurement contracts has increased by more than double in amount from 135 million EUR in 2015 to 293 million EUR in 2024.¹ At the same time, the number of economic operators awarded such contracts was increased by only 12%, from 765 to 853 companies. This trend shows that growing public spending in the healthcare sector has not led to broader competition, but that – in continuation – funds are concentrated with a limited number of suppliers.
- It is observed that growing value of tender procedures in the period 2015-2024 was accompanied by minor change in terms of the structure of pharmaceutical companies with the highest share on the market of healthcare public procurement. In 2015, the top 10 companies with high-value contracts were awarded a total of 83 million EUR, accounting for a share of 62% in the total value of healthcare public procurement, while in 2024 their value share stood at 49% and amounted to 145 million EUR. At best, this is indicative of modest decrease in terms of market concentration. At the same time, the healthcare public procurement market is dominated by several big suppliers, which have further consolidated their position during the analysed period.
- In the last decade, two companies – Alkaloid Kons and D-r Panovski – strengthened their dominant position on the healthcare public procurement market and nowadays control one quarter of the total value of tender procedures in this sector. When analysed at the level of public procurements organized for medicines, medical supplies, medical equipment and maintenance thereof, i.e. when analysed only in terms of core public procurements in the healthcare sector, their combined share increases to one third.
- Over the last ten years, public procurement contracts awarded to only 10 companies account for a cumulative amount of more than 1 billion EUR, i.e. more than half of the total value of healthcare public procurement (53%).
- The value of public procurements performed by the biggest suppliers in the healthcare sector awarded under tender procedures where they appeared as the only bidder and without any competition has increased in the course of analysed years. On average, while the value share of contracts awarded to the biggest pharmaceutical companies in absence of any competition 5 years ago accounted for one third of the total value of healthcare public procurement (33%), today they account for more than half of the total value of contracts awarded (55%).
- At the level of individual programs, public procurement of medicines and medical supplies for treatment of diabetes has doubled in terms of public spending and continues to be dominated by one company.

¹ For more information on the scope of public procurement in the healthcare sector, please see the research titled “Public Healthcare Spends More, But Provides Less”.

- The public procurement market for vaccines is highly concentrated, whereby as much as 75% of the total value of such procurements is performed by one company. High 97% of the total value of contracts for immunization of the population for the period January 2024 to December 2026 were awarded under tender procedures presented with only one bid each.
- In 2024, public procurement contracts for rare disease medicines were awarded to 11 companies, whereby the value share of 4 of them accounted for 86% of the total value of all tender procedures. Half of the total value of such contracts was awarded under tender procedures marked by absence of any competition.
- In the case of reagents, laboratory tests and supplies, three companies alone control 86% of the public procurement market operated by public healthcare institutions.
- Use of the Bureau of Public Procurement's red flag defined as "collusion and arrangements" whose indicator concerns high concentration of contracts with one or small number of bidders, brings to the so-called red zone as many as 9 of the total of 10 public healthcare institutions with high volume public procurements.

2. CONTEXT AND METHODOLOGY APPROACH

Sustainable funding of the public healthcare sector that manages to address the needs of all citizens poses a key challenge to any country, irrespective of their level of economic development. In continuation, public healthcare systems are facing constant pressure to deliver quality services under conditions of limited resources, growing costs and the population's raising expectations. Therefore, vital importance is not assigned only to the amount of public funds allocated for that purpose, but also to efficient and transparent public spending. One of the most important means to improve efficacy of public spending is the system of public procurement, i.e. the mechanism used to secure medicines, medical equipment and services that are of vital importance for unhindered operation of the healthcare system. More efficient implementation of public procurements and maximizing the value of funds spent are important precondition for delivering better healthcare services without imposing an additional burden on the budget.

All knowledge available, both scientific and empirical, leads to the conclusion that low competition is one of the key factors that negatively affect efficiency and integrity of public procurement. Lack of competition in public procurement could result in attainment of higher prices, lower value for money invested and declining public trust in the system.

The purpose of this research is to determine the level of competition in healthcare public procurement over a 10-year period (2015-2024). The research analyses the level of public procurement market concentration with a number of companies, as well as the changes that could be detected in respect to competition during the analysed period. More specifically, competition in public procurement is not shown only at the level of the public healthcare sector as a whole, but also at the level of individual contracting authorities and economic operators in order to detect trends of increase/decrease in respect to dominant market positions of certain companies.

Special focus is put on tender procedures marked by absence of competition, i.e. tender procedures under which contracts are awarded to the only bid received. Given that the number of such contracts is increasing, the same is considered as one of the strongest indicators for high corruption risks and decreased transparency in healthcare public procurement.

The value of public procurements at the level of individual companies was calculated on the basis of the value of contracts awarded.

This research is conducted as part of the project "Combating Corruption in Healthcare Public Procurement", implemented by the Centre for Civil Communications with financial support from the National Endowment for Democracy (NED).

3. RESEARCH FINDINGS

In the last decade, the value of healthcare public procurement contracts has increased by more than double in amount, from 135 million EUR in 2015 to 293 million EUR in 2024.² At the same time, the number of economic operators awarded such contracts was increased by only 12%, from 765 to 853 companies. This trend shows that growing public spending in the healthcare sectors has not led to broader competition, but that -in continuation – funds are concentrated with a limited number of suppliers.

In the Republic of North Macedonia, all 110 public healthcare institutions organize public procurement for their own needs. In that, only the Ministry of Health and the Public Institution in the Field of Healthcare for the Needs of Public Healthcare Facilities – Skopje organize centralized public procurements on behalf of several healthcare institutions.

The total value of public procurements in the healthcare sector is marked by a higher increase compared to the overall public procurement. Namely, the value of overall public procurement in the period 2015-2024 has increased by 76%, but the corresponding increase in the healthcare sector accounts for 118%. In that, the value share of healthcare public procurement in the overall public procurement in the country stands at high 22%.

In addition to medicines, medical supplies and equipment, the total value of public procurement contracts in the healthcare sector also includes other public procurements necessary for normal operation of public healthcare institutions such as, for example, energy fuels, office supplies, hygiene maintenance, etc.

The issue of competition in healthcare public procurement is of vital importance as, in its absence, financial resources and powers are concentrated with a small number of companies. Decreased competition and high market concentration lead to higher prices of medicines and supplies, reduced variety and availability of products, delayed innovation and higher risk of corruption.



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For more information on the scope of public procurement in the healthcare sector, please see the research titled "Public Healthcare Spends More, But Provides Less".

The first parameter analysed under this research concerns the number of companies awarded public procurement contracts. In the 10-year period subject of this analysis, their number ranges from 765 in 2015 to 853 in 2024. It could be inferred that the growing value of healthcare public procurement is not accompanied by corresponding increase in terms of the number of companies. More specifically, while the value of such contracts has grown by 118%, the increase in the number of companies awarded contracts stood at only 12%. This shows that the increase in terms of budget funds to finance public healthcare needs has not led to entry of new bigger suppliers, but has further consolidated the market position of existing companies.

Hence, it turns out that, in 2024, every fourth company awarded public procurement contracts in the country has one contract in the field of healthcare. More specifically, a total of 3,551 companies appear as holders of public procurement contracts, while the corresponding number in the healthcare sector stands at 853.

Value of public procurement versus the number of companies awarded public procurement contracts

Year	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Number of companies awarded public procurement contracts
2015	8,297,320,752	134,915,785	765
2016	8,706,689,848	141,572,193	748
2017	7,951,489,927	129,292,519	739
2018	10,438,161,082	169,726,196	772
2019	10,652,420,224	173,210,085	895
2020	10,153,744,022	165,101,529	824
2021	16,764,439,295	272,592,509	782
2022	11,627,558,565	189,065,993	787
2023	19,087,345,180	310,363,336	869
2024	18,048,613,864	293,473,396	853

It is important to stress that the value of public procurement at the level of individual companies were calculated on the basis of the value of contracts awarded due to two key reasons. First, notifications on contract performance are submitted to the Electronic Public Procurement System only in the last six years, i.e. after adoption of the new Law on Public Procurement in 2019. Second, data on contract performance do not necessarily include complete and precise information, which further limits the possibility for systemic analysis.

It is observed that growing value of tender procedures in the period 2015-2024 was accompanied by minor change in terms of the structure of pharmaceutical companies with the highest share on the market of healthcare public procurement. In 2015, the top 10 companies with high-value contracts were awarded a total of 83 million EUR, accounting for a share of 62% in the total value of healthcare public procurement, while in 2024 their value share stood at 29% and amounted to 145 million EUR. At best, this is indicative of modest decrease in terms of market concentration. At the same time, the healthcare public procurement market is dominated by several big suppliers, which have further consolidated their position during the analysed period.

In 2015, the top 10 companies with high-value contracts in the healthcare sector accounted for a total amount of 83.4 million EUR, i.e. approximately two thirds of the total value of contracts (62%), with the remaining 38% of the total amount was distributed among the other 755 companies. The top of this list is occupied by Alkaloid Kons whose contracts account for total value of 14.7 million EUR and D-r Panovski, with- 11.7 million EUR. The value of contracts awarded to Biotek accounts for more than 10 million EUR. The list of top 10 companies with high-value contracts also included Phoenix Pharma, Zegin. Promedika, Avicena. Pharma Trade, Elbijor and Makedonijalek.

Top 10 companies with high value healthcare public procurements in the year 2015

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
ALKALOID KONS LLC Skopje	903,832,011	14,696,455	11%
JSC D-R PANOVSKI Skopje	718,873,748	11,689,004	9%
BIOTEK LLC Skopje	670,032,082	10,894,831	8%
PHOENIX PHARMA LLP Skopje	581,022,244	9,447,516	7%
TC ZEGIN LLC Skopje	545,913,355	8,876,640	7%
PROMEDIKA LLC Skopje	468,417,270	7,616,541	6%
AVICENA LLP Skopje	404,995,027	6,585,285	5%
PHARMA TRADE LLP Skopje	295,313,429	4,801,844	4%
ELBIJOR LLC Skopje	272,370,529	4,428,789	3%
MAKEDONIJALEK LLP Skopje	268,976,972	4,373,609	3%
Total	5,129,746,667	83,410,515	62%

In 2024, Alkaloid Kons still holds the top position, with contracts in total value of 40.6 million EUR, which represents a value increase by 177% over the last 10 years. Next is D-r Panovski, a company marked by an even higher value growth of contracts by 212%, in total amount of 36.5 million EUR. The third position also remains unchanged and is held by Biotek, whose contracts are marked by value growth of 37% and account for cumulative amount of almost 15 million EUR. Phoenix Pharma is not featured on the fourth ranking position, only on the account of the dynamics for contract awarding.

Notably, the highest value contracts awarded to this company concern procurement of insulin and other medical supplies for treatment of diabetes. The contract awarded in 2023 covers a two-year period and includes the year 2024.

Top 10 companies with high value healthcare public procurements in the year 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
ALKALOID KONS LLC Skopje	2,499,440,229	40,641,305	14%
JSC D-R PANOVSKI Skopje	2,244,921,875	36,502,795	12%
BIOTEK LLP Skopje	917,185,956	14,913,593	5%
AVICENA LLP Skopje	691,887,697	11,250,206	4%
PHARMA TRADE LLC Skopje	619,145,187	10,067,401	3%
PROMEDIKA LLP Skopje	417,162,448	6,783,129	2%
MAKEDONIJA LEK LLP Skopje	397,010,981	6,455,463	2%
CARSO PHARM LLC Ilinden	384,370,951	6,249,934	2%
GALINOS PHARM LLP Ilinden	375,645,474	6,108,056	2%
SYNERGY MEDICAL LLP Skopje	372,770,804	6,061,314	2%
Total	8,919,541,602	145,033,197	49%

While the value share of the top 10 companies in the total value of all healthcare public procurements is marked by modest decrease from 62% in 2015 to 49% in 2024, market concentration remains high. The noted decrease is not a result of enhanced competition, but rather due to significant increase under the total value of healthcare public procurement which surpasses the growing value shares of individual companies. In essence, the market structure remains unchanged, which further confirms the fact that increasing budget funds spent in the field of healthcare have not led to expansion of the group of supplies.

Such state-of-affairs shows that, in spite of the growth noted under the total value of public procurement and the modest expansion of economic operators, the market concentration remains significant and competition is limited, setting up the context for in-depth analysis of leading companies elaborated below.

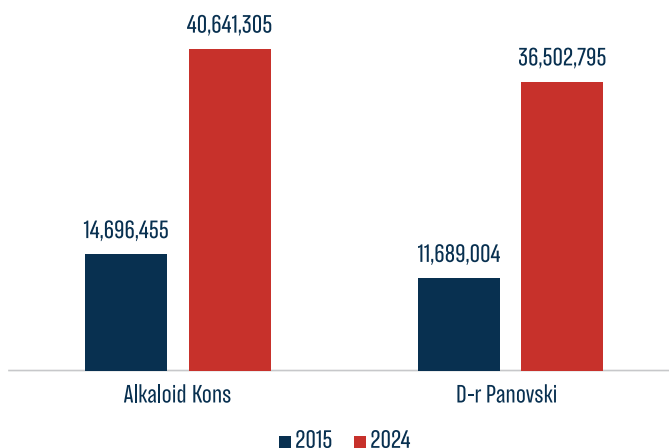
In order to gain a clearer image about the actual state-of-affairs, value shares of the top 10 companies were analysed only in terms of public procurements organized for medicines, medical supplies, medical equipment and maintenance thereof, but not in terms of other costs and needs related to operation of public healthcare institutions such as construction works, energy fuels, office supplies, hygiene maintenance, foods, uniforms, insurance, etc. In that respect, the value share of the top 10 companies in 2015 accounted for 76% and stands at 63% in 2024.

In the last decade, two companies - **Alkaloid Kons** and **D-r Panovski** – strengthened their dominant position on the healthcare public procurement market and nowadays control one quarter of the total value of tender procedures in this sector. When analysed at the level of public procurements organized for medicines, medical supplies, medical equipment and the like, i.e. when analysed only in terms of core public procurements in the healthcare sector, their combined share increases to one third.

It was observed that, in the period 2015-2024, two companies – Alkaloid Kons and D-r Panovski - have increased their value shares in healthcare public procurement much faster compared to the other companies.

In 2015, these two companies were awarded contracts in total value of 26.4 million EUR, while in 2024 the value of their contracts was tripled and amounted to 77.1 million EUR. 2015 contracts awarded to both companies accounted for a value share of 20% in all healthcare public procurements, while in 2024 this share was increased to 26%. At individual level, both companies are marked by value increase of 3 percentile points. Such growth under the value shares of these companies is of particular importance when combined with the knowledge that it is accompanied by significant increase of the value of public procurements.

**Value of public procurement contracts
(in EUR)**



The combined value of 26% held by Alkaloid Kons and D-r Panovski in the total value of public procurement contracts does not concern only medicines, medical supplies and equipment, but also includes other procurements necessary for normal operation of public healthcare institutions.

Exemption of construction works, energy fuels, office supplies, hygiene maintenance, foods, uniforms, insurance and the like from the total value of public procurements organized by healthcare institutions results in a combined value share of 33% for these two companies in healthcare public procurements related to medicines, all types of medical supplies, medical equipment and maintenance thereof.

Over the last ten years, public procurement contracts awarded to only 10 companies account for a cumulative amount of more than 1 billion EUR, i.e. more than half of the total value of healthcare public procurement (53%).

In the last 10 years, the cumulative value of contracts in the field of healthcare awarded to only 10 companies amounted to more than 1 billion EUR, which is more than half (53%) of the total value of all tender procedures in the analysed period. This piece of information clearly shows that the market of healthcare public procurement is highly concentrated and that the largest portion of budget funds are funnelled to a limited number of suppliers.

Top 10 companies with high value shares in healthcare public procurement (2015-2024)

Company	Total amount (in MKD)	Total amount (in EUR)	Value share
JSC D-R PANOVSKI Skopje	14,506,305,417	235,874,885	11.9%
ALKALOID KONS LLC Skopje	14,341,955,218	233,202,524	11.8%
PROMEDIKA LLP Skopje	5,816,978,806	94,585,021	4.8%
PHOENIX PHARMA LLC Skopje	5,489,872,959	89,266,227	4.5%
AVICENA LLC Skopje	5,678,616,405	92,335,226	4.7%
BIOTEK LLP Skopje	5,826,595,697	94,741,393	4.8%
PHARMA TRADE LLC Skopje	4,348,079,241	70,700,475	3.6%
MAKEDONIJALEK LLP Skopje	3,342,765,399	54,353,909	2.7%
ZEGIN LLP Skopje	2,929,979,541	47,641,944	2.4%
SYNERGY MEDICAL LLP Skopje	2,233,469,250	36,316,573	1.8%
Total		1,049,018,178	53.0%

In the analysed period 2015-2024, the structure of the top 10 companies remained exceptionally stable, with small changes in terms of composition and ranking positions. These data show that healthcare public procurement in the last 10 years have been organized under conditions of high market stability, but low competition, with several companies dictating the dynamics and the value of contracts signed. Such market structure brings about risks related to dependence from small number of suppliers, potentially weak market competition and decreased efficiency of public spending.

The value of public procurements performed by the biggest suppliers in the healthcare sector awarded under tender procedures where they appear as the only bidder and without any competition has increased in the course of analysed years. On average, while the value share of contracts awarded to the biggest pharmaceutical companies in absence of any competition 5 year ago accounted for one third of the total value of healthcare public procurement (33%), today they account for than half of the total value of contracts awarded (55%).

The trend of growing public procurements with only one bidder is among the strongest indicators of higher corruption risk in the healthcare sector. Instead of ensuring the most favourable price and quality through competition among several bidders, tender procedures are being turned into a mechanism for transfer of public funds to limited number of economic operators.

The value of contracts awarded to the biggest companies where they appeared as single bidders is marked by a continuous growth. More specifically, in 2020 the value share of contracts awarded to D-r Panovski where this company appeared as the only bigger accounted for 39.7% of all contracts, but in 2025 this share stands at 62.5%. In the case of Alkaloid Kons, this growth is more prominent and the value share of contracts awarded to this company without any competition has increased from 16.2% to 63.2% over the course of one decade.

Value share of public procurement contracts awarded without any competition

Company	2020	2021	2022	2023	2024
JSC D-R PANOVSKI Skopje	39.7%	43.0%	47.6%	53.1%	62.5%
ALKALOID KONS LLC Skopje	16.2%	37.4%	19.1%	55.9%	63.2%
PROMEDIKA LLP Skopje	29.3%	24.3%	39.0%	43.6%	48.0%
PHOENIX PHARMA LLC Skopje	29.7%	79.6%	22.9%	90.0%	42.4%
AVICENA LLP Skopje	78.4%	79.3%	73.9%	87.5%	80.5%
BIOTEK LLP Skopje	41.1%	44.9%	56.3%	62.3%	55.3%
PHARMA TRADE LLC Skopje	24.7%	60.9%	34.3%	68.9%	52.9%
MAKEDONIJA LEK LLP Skopje	13.4%	11.2%	10.3%	17.7%	21.7%
ZEGIN LLP Skopje	13.5%	21.2%	24.3%	43.2%	39.2%
SYNERGY MEDICAL LLP Skopje	47.1%	74.1%	62.4%	65.5%	84.2%

Synergy Medical and Avicena have the highest value share of contracts awarded under tender procedures where they appeared as the only bidder. More specifically, in the case of Synergy Medical this share ranged from 47.1% in 2020 to 84.2% in 2024, while Avicena's share was exceptionally high and stood at 78.4% in 2020 and rose to 80.5% in 2024.

In general, the continuously increasing value of healthcare public procurement is accompanied by increasingly lower number of bidders in tender procedures. Almost half of the value of contracts has been awarded under tender procedures with only one bidder. Absence of competition has the potential

to concentrate wealth and influence with a small group of dominant players and to lead to higher prices, lower quality of healthcare services for the patients and decreased variety of medicines available.

Data show that, over the period of only five years, the average number of bids per tender procedure in the healthcare sector has dropped from 3.30 bids (2020) to 2.64 bids per tender procedure (2024). Such drop under the average number of bidders means that increasingly lower number of companies compete in tender procedures which, in turn, hinders the effect of public procurement as mechanism for efficient public spending. In that, the decreased number of bids per tender procedure in the healthcare sector is much higher compared to the overall system of public procurement in the country, underlying the special vulnerability of the healthcare sector. Decreased competition means smaller choice of suppliers, less favourable conditions for price and quality and higher risk for creation of a so-called “closed market” dominated by one or a handful of companies.

One of key indicators for corruption risk assessment concerns competition and the share of tender procedures under which contracts are awarded to the only bidder.

Data on the average number of bids per tender procedure were calculated for the period 2020-2024, i.e. the period following adoption of the new Law on Public Procurement. As regards the previous period, such data cannot be fully extricated from EPPS because they were integral part of the so-called records on tender procedures with call for submission of bids.

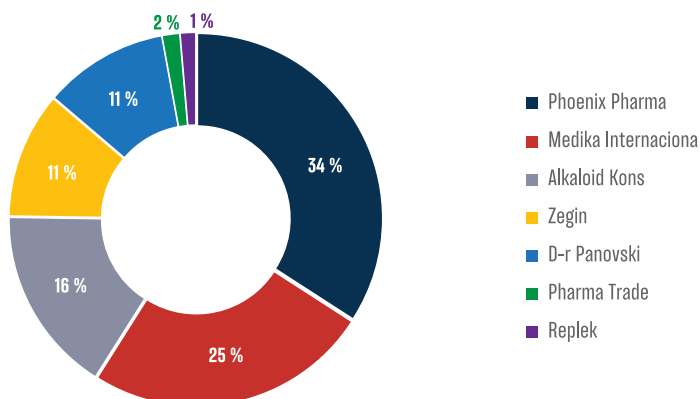
Competition in healthcare public procurement has always been lower compared to competition in overall public procurement in the country. Hence, the average number of bids per tender procedure in the period 2020-2024 ranged from 3.58 to 2.82 bids at the level of the Republic of North Macedonia and from 3.30 to 2.64 bids at the level of healthcare public procurement.



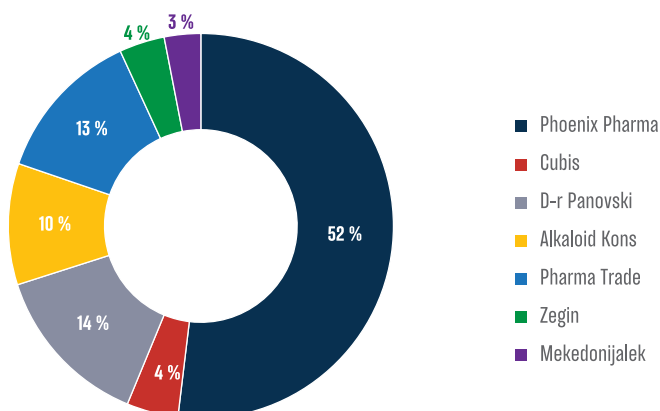
At the level of individual programs, public procurement of medicines and medical supplies for treatment of diabetes has doubled in terms of public spending and continues to be dominated by one company.

The value of public procurements for insulin and supplies for treatment of diabetes for the period 2015-2016 amounted to 22 million EUR and reached 39 million EUR for the period 2024-2025. Comparison of companies that appear as holders of such contracts over the analysed period allows the conclusion that 5 of the total of 7 companies performing these contracts remain one and the same for the entire period. Hence, the value share of Phoenix Pharma in this type of contracts accounted for 34% (7.5 million EUR), but the company's share in tender procedures organized for patients' need for the period 2023-2024 increased to 19.5 million EUR, i.e. 52%.

Companies holding public procurement contracts for insulin and supplies for treatment of diabetes 2015-2016



Companies holding public procurement contracts for insulin, glucagon, insulin needles and blood sugar test stipes, insulin pumps and supplies 2023-2024

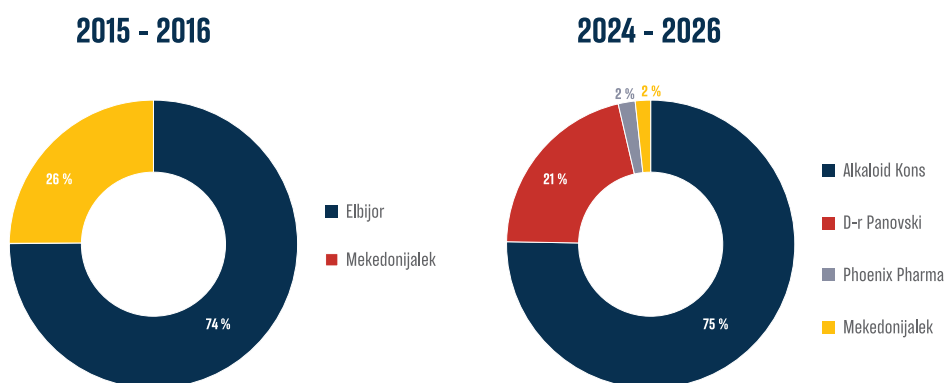


Seven from the total of 12 contracts for procurement of insulin, glucagon, insulin needles and blood sugar test stripes, insulin pumps with supplies and glucose monitoring sensors for the period January 2023 to December 2024 were awarded under tender procedures presented with only one bid for individual procurement lots. In that, the value of contracts awarded to the only bid amount to 1,998,052,593 MKD, accounting for 83.29% of the total value of all 12 contracts, which amounts to 2,398,973,793 MKD. Data on the number of bidders in the tender procedure implemented in 2014 are irrelevant given that, at that time, data on the number of bids per procurement lot were not published, but such information was provided only about the number of bids for the tender procedure as a whole.

The public procurement market for vaccines is highly concentrated, whereby as much as 75% of the value of such procurements is performed by one company. High 97% of the total value of contracts for immunization of the population for the period January 2024 to December 2026 were awarded under tender procedures presented with only one bid each.

While the value of contracts signed for procurement of vaccines for a two-year period in 2015 and 2016 amounted to 3.9 million EUR, the cumulative value of public procurements for vaccines for a period of three years (January 2024 to December 2026) amounts to 17.5 million EUR. Key holders of such contracts have been dramatically changed in the course of the analysed period. Hence, 74% of the value of such contracts in 2015 was awarded to Elbijor, but 10 years later the highest value share of 74% (12.3 million EUR) belongs to Alkaloid Kons.

Companies holding public procurement contracts for vaccine to ensure continuous immunization per epidemiological indications of the population

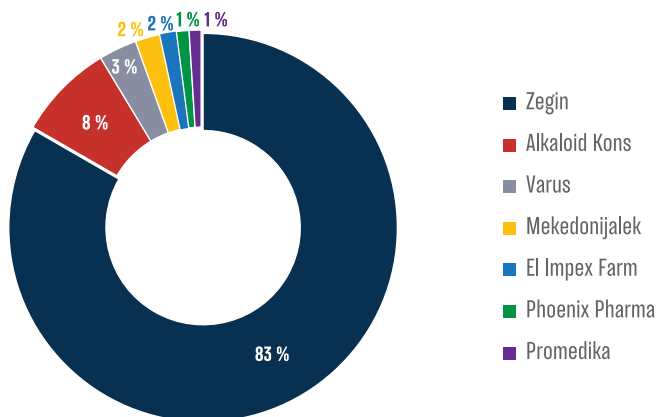


Back in 2015, the second highest value share belonged to Makedonijalek, but today that position is held by D-r Panovski.

In 2014, public procurement contracts for rare disease medicines were awarded to 11 companies, whereby the value share of 4 of them accounted for 86% of the total value of all tender procedures. Half of the value of such contracts was awarded under tender procedures marked by absence of any competition.

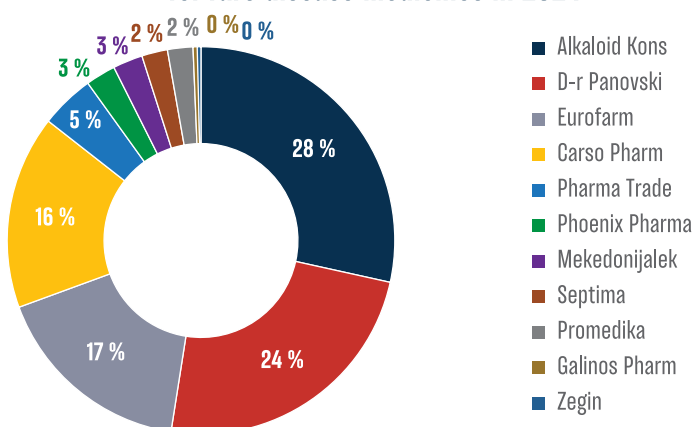
In the last decade, the costs for rare disease medicines have risen from 90 million MKD to 1 billion MKD (i.e. from 1.5 to 9 million EUR). In that period, the growth noted under the value of such public procurements was accompanied by changes to and increased number of suppliers. More specifically, the 2015 list of suppliers was comprised of 7 suppliers and was dominated by Zegin, while the situation in 2024 has changed with 4 companies accounting for higher shares in the total value of this type of contracts.

Companies holding public procurement contracts for rare disease medicines in 2015



The list of companies awarded contracts for procurement of rare disease medicines in 2024 featured 11 economic operators. However, a significant portion of the value of these contracts is held by only 4 companies. This is a trend observed in the past several years.

Companies holding public procurement contracts for rare disease medicines in 2024



In terms of competition, tender procedures presented with only one bid that was awarded the contract account for a cumulative value of 590,483,150 MKD (9.6 million EUR).

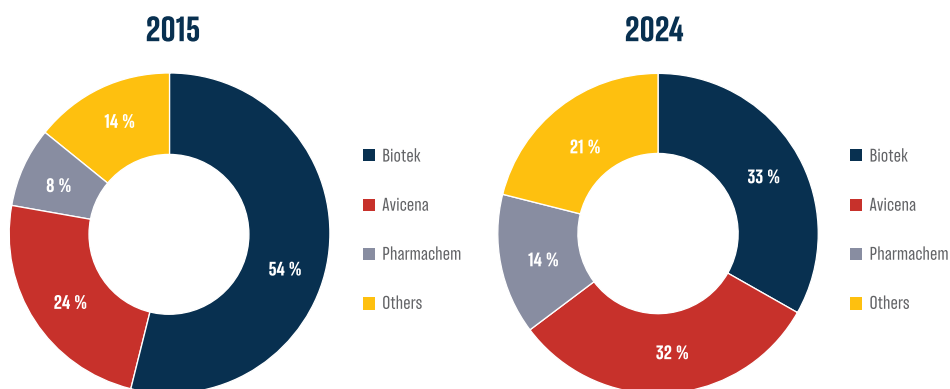
In the case of reagents, laboratory tests and supplies, three companies alone control 86% of the public procurement market operated by public healthcare institutions.

Avicena and Biotek are dominant in tender procedures for procurement of reagents and laboratory tests. It is a matter of tender procedures which, to a large extent, are organized as mere formality as they are implemented for pre-chosen apparatus, meaning that the company winning the contract is known even before the procedure's initiation. The apparatus in question have been previously received as donations, leased from companies that sell relevant reagents or have been purchased. At annual level, procurement of reagents and tests reaches up to 29 million EUR. In the 10-year period, the costs for this type of procurements have increased by 81%.³

In the last five years, for which relevant data on competition are available, the value share of tender procedures presented with only one bid each ranged from 70% to 80%.

As shown on the diagram below, in 2015 Biotek dominated this market segment with a value share of 8.6 million EUR, accounting for 54% of the total value of such contracts. Next was Avicena, whose contracts accounted for value share of 24%. Ten years later, i.e. in 2024, Biotek maintains its top position, marked by value growth up to the amount of 9.5 million EUR, but with a lower share of 33%. Avicena holds the second position, with a share of 32% and total value of contracts awarded in the amount of around 9.1 million EUR.

Companies holding public procurement contracts for reagents and laboratory test



³ For more information on corruption risks in healthcare public procurement for the period 2015-2024, please see the research titled "Public Healthcare Spends More, But Provides Less".

Use of the Bureau of Public Procurement's red flag defined as "collusion and arrangements" whose indicator concerns high concentration of contracts awarded to one or small number of companies, brings to the so-called red zone as many as 9 of the total of 10 public healthcare institutions with high volume tender procedures.

In 2024, the **Ministry of Health** awarded contracts in total value of 42.8 million EUR with only six companies accounting for a value share of 64%. The corresponding value share is much higher in 2023 when this contracting authority organized a two-year public procurement for insulin and medical supplies for treatment of diabetes. The value share of the top six companies (Alkaloid Kons, Phoenix Pharma, D-r Panovski, Pharma Trade, Carso Pharm and Makedonijalek) in 2023 accounted for high 80%.

Market concentration of contracts awarded by the Ministry of Health in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
ALKALOID KONS LLC Skopje	568,476,773	9,243,525	21.6%
JSC D-R PANOVSKI Skopje	286,318,206	4,655,581	10.9%
STENTON GRADBA LLP Bitola	282,610,000	4,595,285	10.7%
EURO-FARM LLC Bitola	200,375,488	3,258,138	7.6%
CARSO PHARM LLC Ilinden	191,296,014	3,110,504	7.3%
EXPEKTA MEDICAL LLC Skopje	162,288,350	2,638,835	6.2%
Total	1,691,364,831	27,501,867	64.3%



In 2024, the **Clinic of Radiotherapy and Oncology** has awarded contracts in total value of 31.8 million EUR. In that, the top six companies with high value shares were awarded a total of 28 million EUR, accounting for high 89% of the total value. In this case as well, the top two companies on this list have a very high value share in all contracts (JSC D-R PANOVSKI Skopje and ALKALOID KONS LLC Skopje).

Market concentration of contracts awarded by the Clinic of Radiotherapy and Oncology in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
JSC D-R PANOVSKI Skopje	1,024,863,802	16,664,452	52.3%
ALKALOID KONS LLC Skopje	424,182,541	6,897,277	21.7%
CARSO PHARM LLC Ilinden	101,536,766	1,651,004	5.2%
VARUS LLC Skopje	85,859,786	1,396,094	4.4%
BI-MEK LLP Skopje	54,445,705	885,296	2.8%
GALINOS PHARM LLC Skopje	51,052,085	830,115	2.6%
Total	1,741,940,685	28,324,239	89.0%

Contracts awarded by the **Clinic of Children Diseases** in 2024 amounted to almost 16 million EUR. In this case, the top six companies with high value contracts account for cumulative amount of 12.3 million EUR and value share of 76.8%. The value share of only one company, i.e. ALKALOID KONS, stood at high 56.8%.

Market concentration of contracts awarded by the Clinic of Children's Disease in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
ALKALOID KONS LLC Skopje	557,061,929	9,057,918	56.8%
JSC D-R PANOVSKI Skopje	48,371,912	786,535	4.9%
BIOTEK LLP Skopje	41,394,905	673,088	4.2%
EUROFARM LLC Skopje	41,057,308	667,599	4.2%
PHARMA TRADE LLC Skopje	33,765,505	549,033	3.4%
PHARMACHEM LLC Skopje	32,441,367	527,502	3.3%
Total	754,092,926	12,261,674	76.8%

The structure of public procurements organized by the **Public Institution in the Field of Healthcare for the Needs of Public Healthcare Facilities, University Clinics, Institute and Emergency Centre** is highly varied and the top position among companies with high value contracts is held by ESM SALES LLC Skopje and concerns procurement of electricity. Otherwise, the value share of the top six companies awarded contracts by this institution accounted for 58.3%.

Market concentration of contracts awarded by the Public Institution in the Field of Healthcare for the Needs of Public Healthcare Facilities... in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
ESM SALES LLC Skopje	165,200,000	2,686,179	22.5%
ALKALOID KONS LLC Skopje	70,886,791	1,152,631	9.7%
TGS TECHNICAL GASES LLP Skopje	64,244,230	1,044,622	8.8%
MEDICAL ADVANCE LLC Skopje	53,337,581	867,278	7.3%
VIZIOMED GBG LLC Skopje	42,925,188	697,971	5.8%
EKOURBAN LLC SKOPJE	31,695,952	515,381	4.3%
Total	428,289,742	6,964,061	58.3%

In 2024, the **Clinic of Haematology** has awarded contracts in total value of 11 million EUR. In that, the top six companies with high value contracts were awarded 9.2 million EUR and account for value share of 83.6%. Again, only one company accounts for an exceptionally high value share of 58.9% (JSC D-R PANOVSKI Skopje).

Market concentration of contracts awarded by the Clinic of Haematology in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
JSC D-R PANOVSKI Skopje	398,830,294	6,485,045	58.9%
MEDITRADE 94 LLC Skopje	56,578,768	919,980	8.4%
MAKEDONIJA LEK LLP Skopje	38,571,869	627,185	5.7%
ALKALOID KONS LLC Skopje	29,803,030	484,602	4.4%
GALINOS PHARM LLP Skopje	25,249,126	410,555	3.7%
PHARMA TRADE LLC Skopje	17,226,697	280,109	2.5%
Total	566,259,784	9,207,476	83.6%

The cumulative value of contracts awarded by **the Clinic of Cardiology** in 2024 amounted to 9.6 million EUR, of which almost 6.9 million EUR, i.e. 71.4%, belong to the top six companies with high value contracts.

Market concentration of contracts awarded by the Clinic of Cardiology in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
ALKALOID KONS LLC Skopje	129,222,816	2,101,184	21.8%
BIO MEDIKA LLC Skopje	80,160,413	1,303,421	13.5%
PHARMA TRADE LLC Skopje	74,220,775	1,206,842	12.5%
MAKMONT LLC Skopje	49,796,000	809,691	8.4%
SYNERGY MEDICAL LLP Skopje	45,855,717	745,621	7.7%
JSC D-R PANOVSKI Skopje	43,585,208	708,703	7.4%
Total	422,840,929	6,875,462	71.4%

The **Clinic of Neurology** has undoubtedly the highest market concentration in terms of public procurements, whereby the top six companies account for high 91.1% of the total value of contracts. This is a result of the fact that the top six companies with high value contracts account for as much as 6.5 million EUR of the total of 7.2 million EUR distributed under public procurements. In the case of this clinic, even the top three companies account for high market concentration with individual shares in the range from 32.9% to 16.4%.

Market concentration of contracts awarded by the Clinic of Neurology in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
PHARMA TRADE LLC Skopje	144,991,476	2,357,585	32.9%
VARUS LLC Skopje	124,657,344	2,026,949	28.3%
EUROFARM LLC Bitola	72,175,052	1,173,578	16.4%
ZEGIN LLP Skopje	35,754,554	581,375	8.1%
ALKALOID KONS LLC Skopje	13,106,888	213,120	3.0%
PROMEDICA LLC Skopje	10,199,166	165,840	2.3%
Total	400,884,480	6,518,447	91.1%

In the year 2024, the **Institute of Transfusion Medicine** has awarded contracts in total value of 6.7 million EUR. In that, the top six companies with high-value contracts account for a total amount of around 5.5 million EUR and value share of 81.7%. Individual value shares of the top six companies are exceptionally high as well, with the top two accounting for almost half of the total value of all contracts.

Market concentration of contracts awarded by the Institute of Transfusion Medicine in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
AVICENA LLP Skopje	117,654,434	1,913,080	28.5%
BIOTEK LLP Skopje	87,634,910	1,424,958	21.2%
DIAHEM LLP Skopje	50,017,649	813,295	12.1%
PHARMACHEM LLC Skopje	38,180,841	620,827	9.2%
JSC D-R PANOVSKI Skopje	30,929,107	502,912	7.5%
BIOMEDICA DIAGNOSTICS LLC Skopje	13,150,515	213,830	3.2%
Total	337,567,456	5,488,902	81.7%

The ten biggest public healthcare institutions with high concentration of public procurement contracts awarded to limited number of companies also includes the **Health Centre Skopje**. In 2024, this institution has awarded public procurement contracts in total value of 6.3 million EUR, whereby the top six companies account for 61.7% of the total value, i.e. 3.9 million EUR.

Market concentration of contracts awarded by the Healthcare Centre Skopje in 2024

Company	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value share of contracts
EXPECTA MEDICAL LLC Skopje	99,851,600	1,623,603	25.8%
AVICENA LLP Skopje	77,467,000	1,259,626	20.0%
SPIDER GROUP LLC Skopje	21,240,000	345,366	5.5%
MAKS FLAM LLC Skopje	14,160,000	230,244	3.7%
TEHNOKOMERC JSC Skopje	14,124,600	229,668	3.6%
BIOTEK LLC Skopje	12,213,000	198,585	3.2%
Total	239,056,200	3,887,093	61.7%

This level of market concentration is indicative of the fact that public healthcare institutions heavily rely on limited number of supplies, which hinders their negotiating powers and increases the probability for occurrence of coordinated actions on the part of companies or submission of less competitive bids.

