



SHORT-TERM ECONOMIC TRENDS



December 2025



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SUMMARY

OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

December 2025

- In December 2025, industrial production increased by 2.3% compared to the same month last year.
- Inflation rate in December 2025 accounted for 4.1% on annual basis, marking a slight acceleration compared to previous month (4.0% in November 2025). Inflation recorded growth of 0.4% on monthly basis.
- In 2025, exports increased by 2.9%, while imports rose by 4.4%. As a result, the trade deficit widened by 7.8% compared to 2024.
- In the period January – December 2025, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 335,774 million, accounting for 92.0% of the 2025 projections, i.e. increase of 9.9% compared to collected budget revenues during the corresponding period in 2024.
- Total budget expenditures were executed in the amount of Denar 377,613 million in the period January – December 2025, accounting for 93.0% of the annual projections, i.e. an 8.7% increase compared to same period of 2024.
- In December 2025, total credits of banks grew by 13.0% compared to December 2024, while total deposit potential of banks increased by 10.1%.
- Average net wage paid in November 2025 amounted to Denar 45,961, recording a nominal increase of 9.4% on annual basis and a real growth of 5.2%. The highest average net wage, amounting to Denar 104,181, was recorded in the Computer programming activity.



1. REAL SECTOR

Industrial Production

Industrial production increased by 2.3% in December 2025 compared to the same month last year. Growth was due to increased production of 4.5% in Manufacturing, while decrease in production was recorded in the sectors, as follows: Mining and quarrying by 6.6% and Electricity, gas, steam and air-conditioning supply by 3.9%.

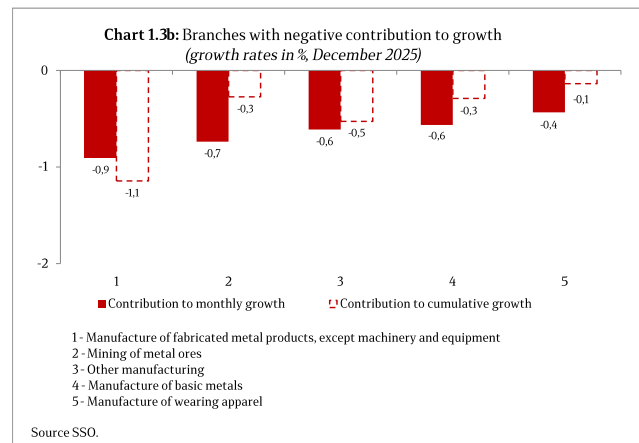
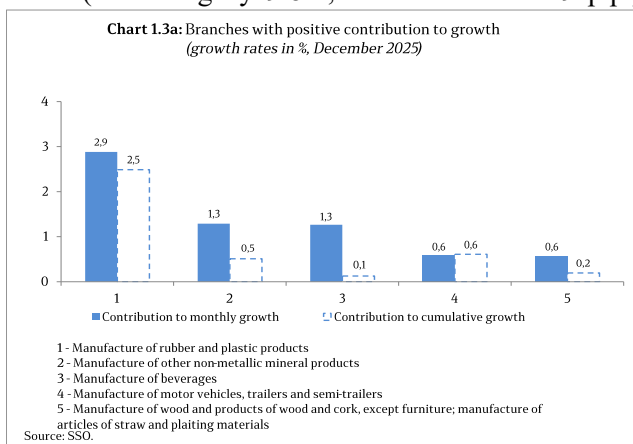
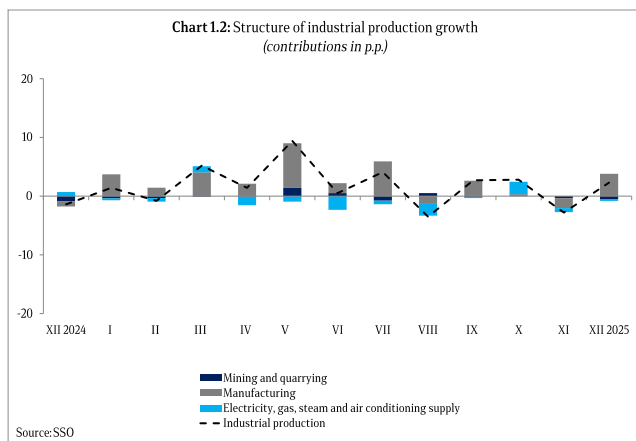
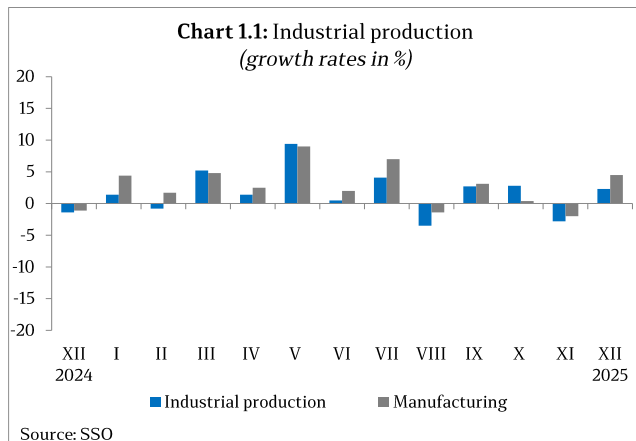
In December 2025, growth in production was registered at 12 out of total of 27 industrial branches, comprising 46.0% of the total industry.

In December 2025, with respect to branches with higher added value, growth was seen only in Manufacture of motor vehicles, trailers and semi-trailers by 3.5% and contribution of 0.6 p.p., whereas drop was recorded as follows: Production of metals by 16.6% with contribution of -0.6 p.p.,

Manufacture of machinery and equipment by 2.0% with contribution of -0.1 p.p., and Manufacture of electrical equipment by 1.2% with contribution of -0.1 p.p..

Traditional branches in December 2025 recorded growth of production, as follows: Manufacture of beverages grew by 34.2% and contribution of 1.3 p.p, Manufacture of wood and wood and cork products increased by 62% and contribution of 0.6 p.p., Food industry increased by 3.5% and contribution of 0.4 p.p. and Manufacture of leather increased by 31.4% and contribution of 0.1 p.p., while drop in production was seen at the branches: Manufacture of wearing apparel, down by 7.6% with contribution of -0.4 p.p., Manufacture of textile, down by 7.3% and contribution of -0.3 p.p. and Manufacture of tobacco goods, decreasing by 16.7% and contribution of -0.2 p.p..

In December 2025, industrial production, categorized by the purpose of production units, increased compared to the same month last year across the following groups: Intermediate goods, except energy (increasing by 9.8%, contribution of 2.9 p.p.)

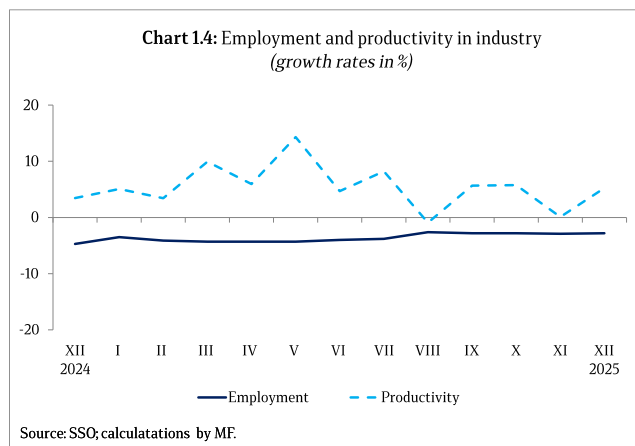




and Non-durable consumer goods (increasing by 2.4% and contributing 0.8 p.p.), while it decreased in the groups as follows: Energy (decreasing by 3,9% with contribution of -0,3 p.p.), Capital goods (dropping by 0.8% and contribution of -0.2 p.p.) and Durable consumer goods (dropping by 3.8% and contribution of -0.2 p.p.). As per the purpose of production units, in the period January – December 2025, growth was recorded only in the group Intermediate goods, except energy (by 12.1%), whereas decrease was recorded in the groups: Capital goods (by 2.4%), Energy (by 6.0%), Consumer non-durables (by 1.2%), and Consumer durables (by 4.2%).

Number of Employees in the Industry

In December 2025, number of employees in the industry decreased by 2.8% compared to the same month in the previous year. Such decline was due to the reduced number of employees throughout all sectors, as follows: Mining and quarrying by 6.0%, Manufacturing by 2.7% and Electricity, gas, steam and air-conditioning supply by 0.5%. Increase in the number of employees was seen at the following branches: Manufacture of computer, electronic and optical products, up by 10.7%, Manufacture of tobacco products, up by 4.1% and Manufacture of rubber and plastic products, up by 3.6%.



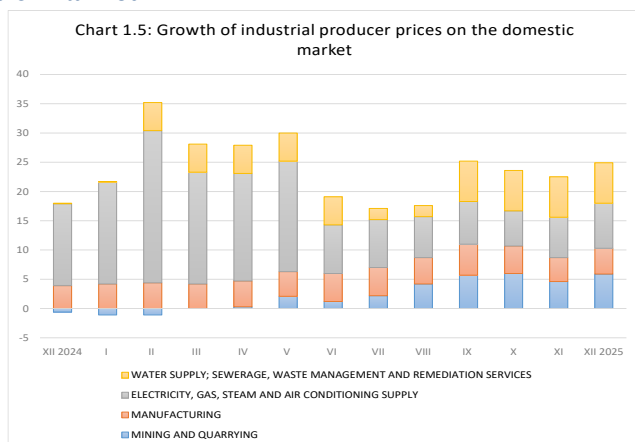
In December 2025, compared to the same month last year, data on the number of employees in the industry by target groups showed increase in the number of employees only at Consumer durables by 4.0%.

On cumulative basis, the number of employees in the industry in the period January – December 2025 recorded a drop of 3.5% due to the decreased number of employees across all sectors: Mining and quarrying by 2.8%, Manufacturing by 3.7% and Electricity, gas, steam and air-conditioning supply by 1.2%.

As regards target groups, number of employees in the industry in the period January – December in 2025 increased only at Consumer durables by 10.0%.

Industrial Producer Prices on the Domestic Market

In December 2025, industrial producer prices on the domestic market were higher by 5.0% compared to the same month last year. Increase was due to raised prices throughout all sectors: Mining and quarrying by 5.9%, Manufacturing by 4.4%, Electricity, gas, steam and air-conditioning supply by 7,7% and Water supply; Sewerage, waste management and remediation activities by 6.9%.

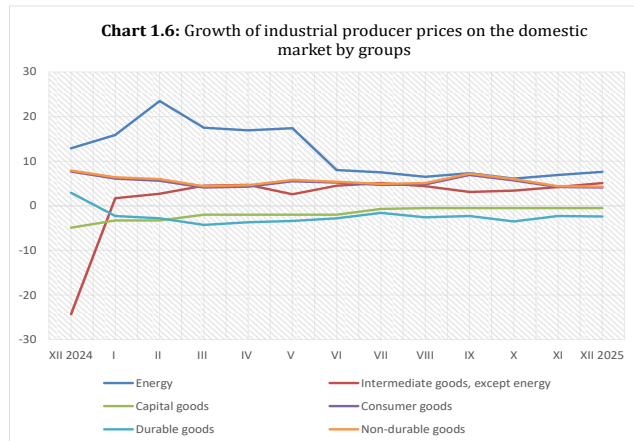


In December 2025, the industrial producer prices on the domestic market were higher compared to the same month in 2024 in the groups as follows: Energy by 7.6%, Intermediate goods, except energy by 5.1%, Consumer goods by 4.1% and Consumer non-durables by 4.3%.



In the period between January and December 2025 compared to the same period last year, industrial producer prices on the domestic market were higher by 5.7% on cumulative basis, due to increased prices throughout the following sectors: Mining and quarrying by 2.5%, Manufacturing by 4.5%, Electricity, gas, steam and air-conditioning supply by 12.2% and Water supply; Sewerage, waste management and remediation activities by 5.0%.

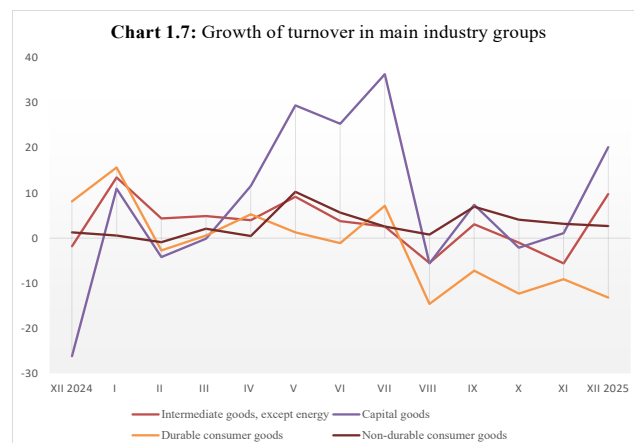
In the period between January and December 2025 compared to the same period in 2024, industrial producer prices on the domestic market were higher in the groups as follows: Energy by 11.4%, Intermediate goods, except energy by 3.8%, Consumer goods by 5.1% and Consumer non-durables by 5.4%.



Industrial Turnover Index

In December 2025, the industrial turnover, compared to December 2024, recorded a 10.3% increase as per the State Statistical Office's data. Growth was driven by a 10.9% increase in turnover in Manufacturing, while Mining and quarrying registered a 2.5% decline.

In December 2025 compared to December 2024, industrial turnover increased in the groups as follows: Intermediate goods, except energy – 9.8%, Capital goods – 20.2%, Consumer non-durables – 2.7%, whereas it decreased in Consumer durables – 13.2%.



Branches with the highest turnover growth in the industry during January–December 2025 compared with the same period of the previous year were the following:

- Manufacture of motor vehicles, trailers and semi-trailers (picking up by 35.6%),
- Manufacture of tobacco products (recording growth of 24.6%), and
- Manufacture of rubber and plastic products (increasing by 14.0%).

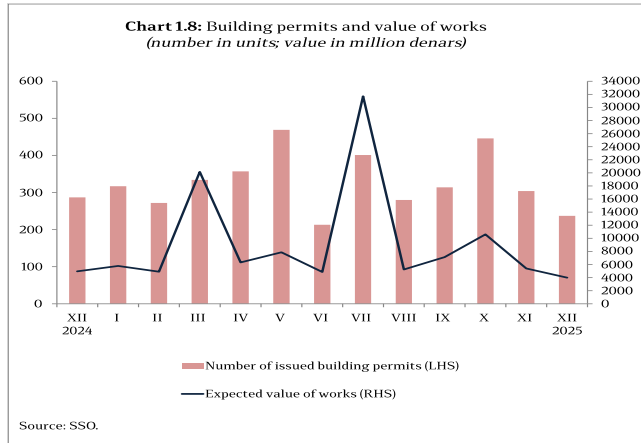
On cumulative basis, in the period between January – December 2024, compared to the same period last year, the industrial turnover recorded an increase of 5.6%, due to increase in turnover in Manufacturing by 5.8%, whereas turnover in the Mining and quarrying sector decreased by 0.4%.

In the period between January and December 2025, compared to the same period in 2024, turnover increased in the groups: Intermediate goods, except energy – 3.3%, Capital goods – 9.5%, Consumer non-durables – 3.3%, whereas it decreased in Consumer durables – 3.0%.

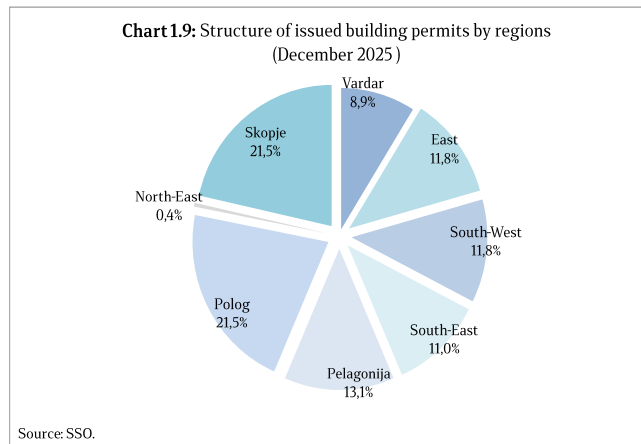


Number of Issued Building Permits and Expected Value of Constructions

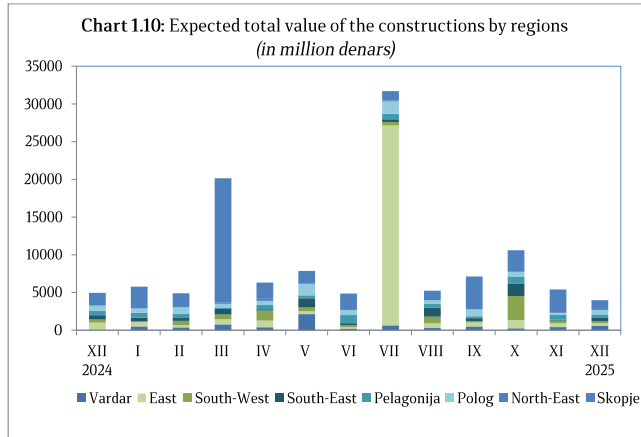
In December 2025, compared to last month, a decline in building permits issued was recorded (304 building permits in November 2025). In total, 237 building permits were issued, marking a 17.4% drop compared to the same month in 2024. This was due to a 20% annual decline in the number of building permits issued for buildings (which accounted for 59.1% of the total number of permits issued), while permits for civil engineering structures and reconstruction facilities decreased by 12.5% and 14.1%, respectively. Such drop was recorded with both investors as individuals and as business entities. When observed across regions, it is also notable that the number of issued building permits increased in the Vardar, Southwestern, and Pelagonija regions.



Compared to November 2025, number of issued building permits dropped by 22.0%. Expected value of constructions, according to the issued building permits in December 2025, dropped by 19,5% on annual basis, while compared to the previous month, it recorded a drop by 26.2%.



Analysed by types of constructions, out of the total number of issued building permits, 140 (or 59.1%) were intended for buildings, 42 (or 17.7%) with respect to civil engineering structures and 55 (or 23.2%) for reconstruction purposes.



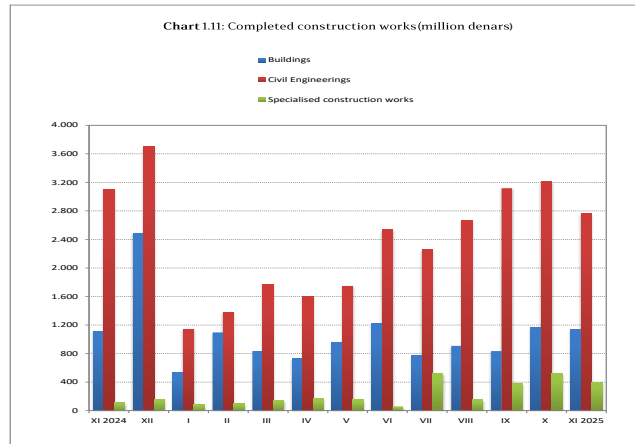
Analysed by types of investors, out of total 237 issued building permits, individuals were investors in 132 facilities (or 55.7%), while business entities were investors in 105 facilities (or 44.3%).

In December 2025, construction of 411 flats was envisaged, with total usable area of 38,300 m². Number of flats envisaged for construction declined by 46% on monthly basis and 41.7 % on annual basis.



Number of Completed Construction Works by Types of Constructions

Total value of completed construction works in November 2025 amounted to Denar 4,289 million, representing a 1,0% annual decline in nominal terms. A decrease of 11.2% was recorded in civil engineering structures, while increases of 2.3% and 250.9% were observed in buildings and specialised construction works, respectively. Compared to October 2025, total value of completed construction works recorded drop of 12.2%. Within this total, the value of works on civil engineering structures declined by 14.0%, while the value of works on buildings and specialised construction works decreased by 2.2% and 23.9%, respectively. In cumulative terms, in the period January – November 2025, value of completed construction works amounted to Denar 37,031 million, being higher by 17.1% compared to the same period last year.

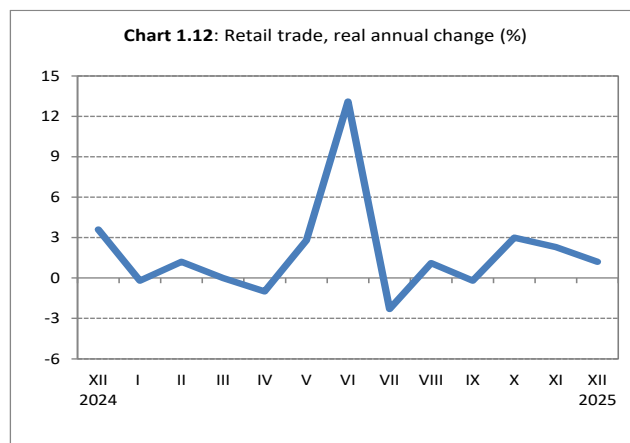


Most of the completed construction works pertained to civil engineering construction, with construction works amounting to Denar 24,183 million completed during January – November 2025, representing an increase of 18.8% compared to the same period last year. During this period, the value of completed works in specialised construction surged by 157.5%, amounting to Denar 2,667 million, while completed works in building construction amounted to Denar 10,181 thousand, a 0.6% decrease compared to the same period last year.

In real terms, in the period January – November 2025, value of completed construction works increased by 17.2%. Growth was recorded in buildings (19.0%) and specialised construction works (158.0%), while civil engineering structures registered a slight decline of 0.4%.

Trade Sector Turnover

In December 2025, data on domestic trade demonstrated nominal annual drop in the turnover by 14.7%, following the 2.6% growth in November 2025. In December 2025, value of turnover amounted to Denar 85,614, whereby in cumulative terms, in the period January - December 2025, value of total turnover in the trade amounted to Denar 829,261 million, being by 3.4% higher compared to the same period last year.



In cumulative terms, over the period January–December 2025, all sectors recorded positive turnover growth. Retail trade turnover value amounted to Denar 334,725 million, representing an increase of 4.8% compared with the corresponding period of the previous year. Turnover in motor vehicle trade and repair at the retail level amounted to Denar 51,714 million, rising by 7.1% year-on-year. Wholesale trade recorded turnover of Denar 442,822 million, marking a 1.9% increase relative to the same period last year.

In real terms, in December 2025, Retail trade recorded 1.2% increase, following its 2.3% increase in November 2025. When analysed by groups and classes, increase was recorded with the following groups: Retail trade in food products, beverages and tobacco, up by 4.6% and Retail trade in



automotive fuels, up by 1.5%, while decline was recorded solely in the Retail trade in non-food products, down by 3%.

In December 2025, Wholesale trade (56.2%) accounted for the most in the Trade sector, followed by Retail trade (36.6%) and Trade in motor vehicles and motorcycles, repair and their maintenance (7.2%).

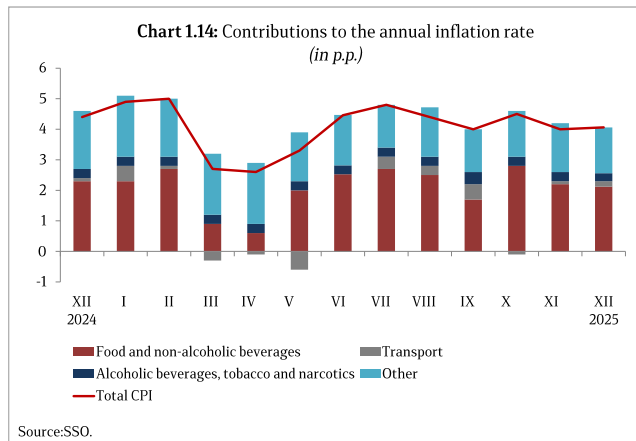
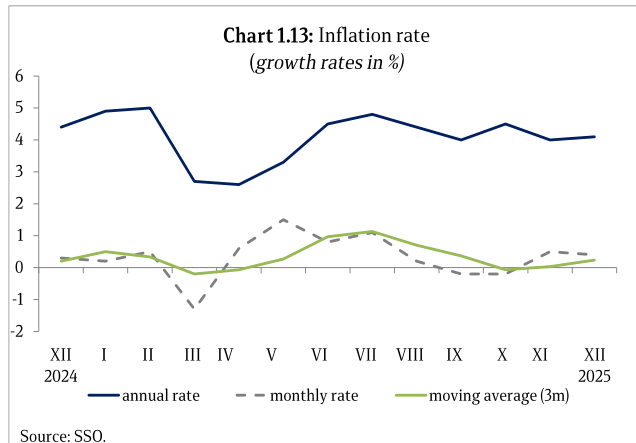
Inflation

In December 2025, inflation rate accounted for 4.1% on annual basis, resuming its upward trend, with a modest acceleration relative to the previous month (4.0% in November 2025). This month, inflation was mainly supported by the accelerating core component, while the food component slowed moderately but continued to contribute notably to overall inflation.

Average inflation rate in 2025 stood at 4.1%.

In December 2025, core inflation (inflation, wherefrom the impact of prices of food and energy products is excluded) recorded a moderate acceleration compared to the previous month and accounted for 4.7% on annual basis (4.4% in November).

Prices in the Food and non-alcoholic beverages category increased by 5.3%, recording moderate slowdown compared to the previous month's increase (5.4% in November), whereby contributing with 2.1 percentage points in the total inflation in December, while decreasing by 0.1 percentage points compared to the previous month.



Following sub-categories: Meat (annual growth of 7.4% and contribution of 0.7 p.p.), Milk, cheese and eggs (annual increase of 6.4% and contribution of 0.7 p.p.), Coffee, tea and cocoa (annual growth of 30.2%, contribution of 0.4 p.p.), Fruit (annual growth of 16.9% and contribution of 0.3 p.p.), and Bread and cereals (annual growth of 3.3% and contribution of 0.3 p.p.). This month, vegetables made a negative contribution of 0.3 percentage points to food price growth and declined by 7.2% on an annual basis.

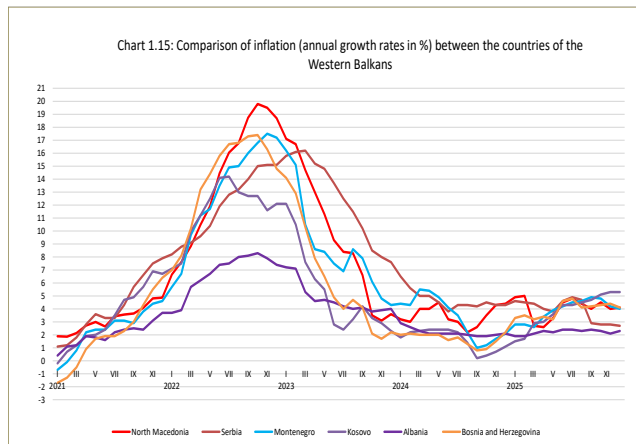
Observed by components, price increase was also recorded in the following categories: Furnishings, household equipment and routine maintenance of the house by 6.3%, Recreation and Culture, by 6.3%, Alcoholic beverages, tobacco and narcotics by 5.4%, Food and non-alcoholic beverages by 5.3%, Restaurants and hotels by 4.7%, Miscellaneous goods and services by 3.2%, Health protection by 2.1%, Clothing and footwear, Communications, and Transport by 2.2%, each, and Housing, water, electricity, gas and other fuels by 2%. Prices decreased by 0.3% in the Education category.

In December, consumer prices grew by 0.4% on monthly basis (prices increased by 0.5% in the previous month), mainly due to higher transport prices, which contributed the most to the growth.



Price increase was recorded at the following categories: Transport by 5.8%, Recreation and culture by 0.8%, Health protection by 0.7%, Furnishings, household equipment and routine maintenance of the house by 0.5%, Restaurants and hotels by 0.4%, Housing, water, electricity, gas and other fuels by 0.2%, and Alcoholic beverages, tobacco and narcotics and Miscellaneous goods and services by 0.1%, each.

Price reduction was registered at the following categories: Food and non-alcoholic beverages by 0.4% and Clothing and footwear by 0.3%. Prices remained the same at the categories Education and Communications.

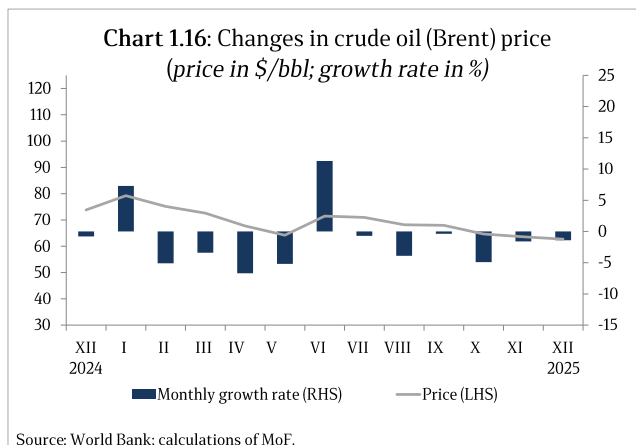


In December 2025, the Eurozone inflation rate decreased to 2.0%¹, down from 2.1% in November.

According to the latest macroeconomic projections of the European Central Bank, inflation in the euro area is expected to reach around 2.1% in 2025, reflecting a relative stabilization of prices and a gradual convergence toward the 2% target. In 2026, projected inflation is expected to decline to around 1.9%, reflecting a moderate easing of underlying inflationary pressures, particularly in services and food, as well as favourable base effects related to lower energy prices. For 2027, the ECB expects inflation to ease to around 1.8%, before rising again and gradually converging towards the 2% medium-term target in 2028, partly reflecting the temporary effects of climate-policy-related measures.

Stock Market Prices

In December 2025, crude oil price (Brent) on the global stock markets dropped by 2.3% on monthly basis, amounting to US\$ 62.7 per barrel. The decline was driven by the easing of pressures that had previously contributed to upward correction, specifically the de-escalation of tensions in the Middle East - the conflict between Israel and Iran, and the fluctuating supply and demand dynamics. Oil price was lower by 15.1% on annual basis.



In December 2025, the natural gas price² increased by 1.2% on monthly level. In December, gas prices in Europe rose, driven by increased seasonal demand, lower renewable energy generation, higher gas costs and persistent supply risks and a slower decline in energy prices. In December 2025, the natural gas price decreased by 6.1% on annual level.

¹ The data is estimated by Eurostat.

² Natural gas index (2010=100)



In December 2025, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 115.88 per megawatt/hour, decreasing by 7% on monthly basis. In November, electricity prices decreased by 18.1% on annual basis.

In December 2025, prices of most basic metals increased on monthly basis, as follows: tin by 11.5%, copper by 9%, aluminium by 2%, and nickel by 1.5%. On monthly basis, lead and zinc prices decreased by 2.9 and 0.3%, while the price of iron ore recorded a 2.1% increase.

In December 2025, price of gold grew by 5.4% on monthly basis. Silver and platinum prices continued their upward monthly trend, increasing by 23.6% and 21.0%, respectively.

In December, price of maize increased by 1.8% on monthly basis, while price of wheat dropped by 0.9%. The price of the sunflower oil dropped by 0.6% on monthly basis.

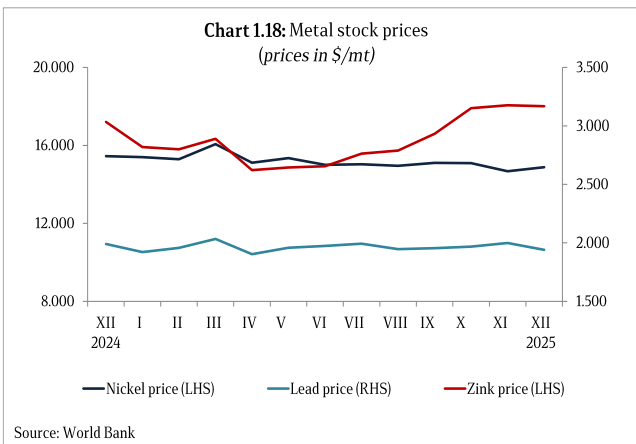
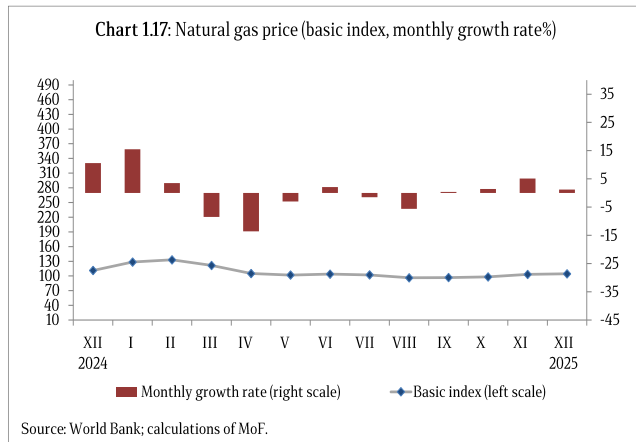


Table 1.1. Stock market prices of energy products (monthly data)

	Electricity (EUR/MWh)	Brent crude oil (\$/bbl)	Natural GAS, Europe (\$/1000 m ³)
2025 I	140.2	79.2	518.8
II	158.9	75.2	542.8
III	109.0	72.6	468.3
IV	85.5	67.6	410.1
V	80.9	64.2	412.7
VI	84.1	71.5	437.6
VII	103.3	71.0	411.2
VIII	80.5	68.2	394.4
IX	101.9	68.0	393.3
X	122.1	64.7	385.2
XI	124.4	63.6	368.7
XII	115.88	62.7	335.5

Source: World Bank, Hungarian Power Exchange



2. FOREIGN TRADE

In 2025, total foreign trade amounted to EUR 19,553.6 million, increasing by 3.8% compared to 2024.

In 2025, share of trade with the EU (EU 27), as the largest trading partner, decreased by 2.5 p.p. compared to 2024, accounting for 58.9%. Germany was the major trading partner of our country. As for total foreign trade structure of our country, share of the trade with Germany in 2025 accounted for 20.7%, decreasing by 2.1 p.p. compared to 2024.

Export

In 2025, value of exported goods amounted to EUR 8,008.2 million, increasing by 2.9% (EUR 227 million) compared to 2024, while physical output of export declined by 2.3% over the same period.

Value of exported goods amounted to EUR 612.6 million in December 2025, increasing by 8.5% (EUR 48.0 million) compared to the same month of the previous year, while physical output of export increased by 7.4% compared to December 2024.

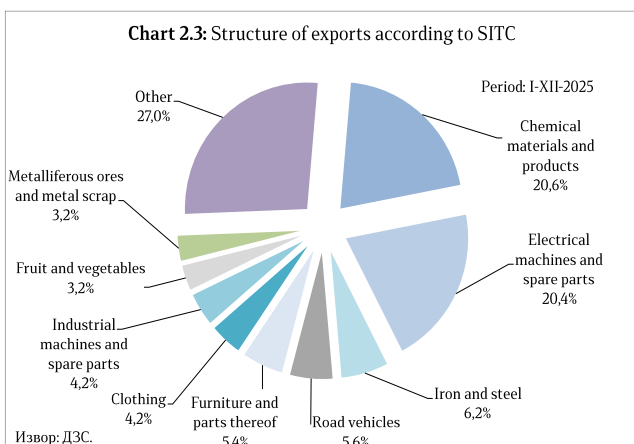
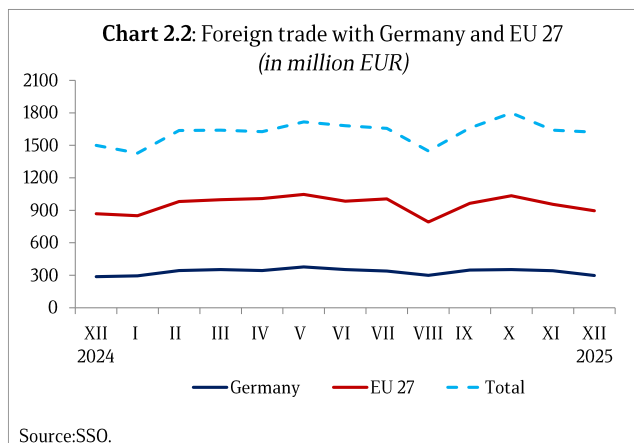
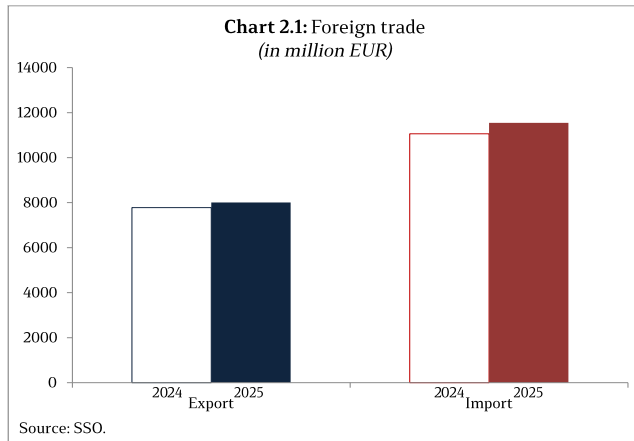
Analysed on monthly basis, in December 2025, export dropped by 11.2% (EUR 77.3 million), compared to the previous month, and after applying the seasonal adjustment to import, it registered monthly drop of 0.5%, showing negative effects of the seasonal factor (10.7 p.p.) on export this month.

Value of export of food in 2025 increased by EUR 18.7 million, picking up by 3.4% compared to 2024, while quantity of exported food decreased by 12.8%. As for our country's total export structure, share of the food in 2025 accounted for 7%, showing no change relative to 2024. In the total food export, the following products were the most exported: Fruit and vegetables (45.3%), Cereals and cereal products (22.0%), Milk products and eggs (8.6%), and Meat and meat products (7.3%).

Import

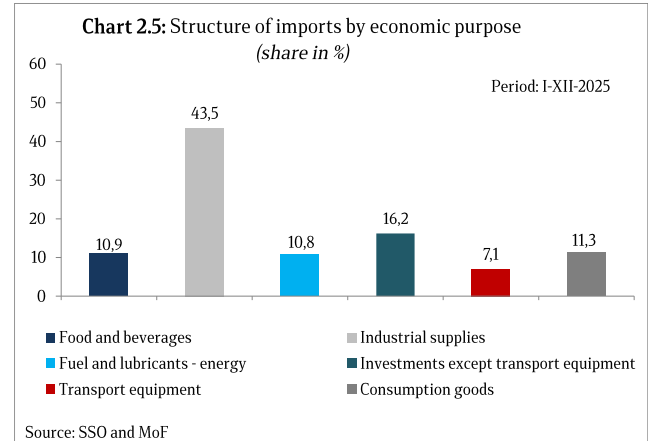
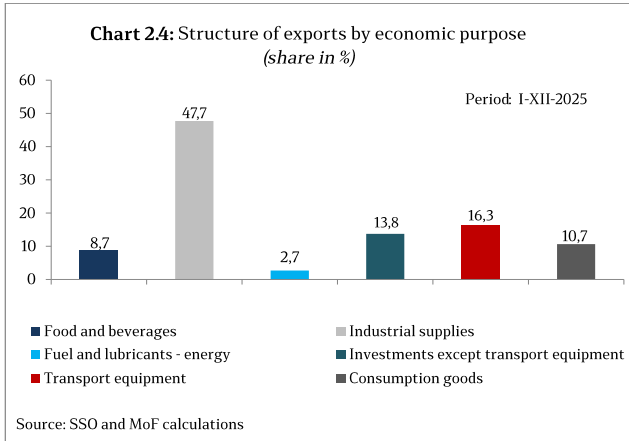
In 2025, value of imported goods amounted to EUR 11,545.4 million, increasing by 4.4% (EUR 483.0 million) compared to 2024, while physical output of import grew by 3.6%.

In December 2025, import value amounted to EUR 1,009.0 million, increasing by 7.9% (EUR 73.7 million) compared to the same month in 2024, while imported quantities of goods dropped by 3.6% compared to December 2024.





Analysed on monthly basis, in December 2025, import grew by 6.2% (EUR 58.8 million), compared to the previous month, and, after applying seasonal adjustment to import, it registered monthly increase of 4.0%, showing positive effects of the seasonal factor (2.1 p.p.) on import this month.



Value of import of food in 2025 increased by EUR 65.4 million, picking up by 6.1% compared to 2024, while quantity of imported food increased by 2.9%. As for our country's total import structure, share of the food in 2025, accounted for 9.8%, increasing by 0.2 p.p. compared to 2024. As per the total food import, the following products were the most imported: Meat and meat products (21.7%), Fruit and vegetables (15.8%), Cereals and cereal products (13.3%), Coffee, tea, cocoa and herbs (12.1%) and Milk products and eggs (10.6%).

Table 2.1. Review of export and import of selected groups of products

Export of petroleum and petroleum products*)				
	I-XII-2024	I-XII-2025	Balance	% rate
000 T	115,3	85,4	-29,9	-26,0
EUR mil.	81,3	58,7	-22,5	-27,7
\$ mil.	87,9	66,5	-21,4	-24,4

*)Previous data

Export of chemical products*)				
	I-XII-2024	I-XII-2025	Balance	% rate
000 T	65,6	70,9	5,3	8,1
EUR mil.	1.815,7	1.646,3	-169,4	-9,3
\$ mil.	1.966,6	1.858,8	-107,8	-5,5

*)Previous data

Export of iron and steel*)				
	I-XII-2024	I-XII-2025	Balance	% rate
000 T	653,9	662,6	8,7	1,3
EUR mil.	501,4	496,4	-5,1	-1,0
\$ mil.	543,4	558,2	14,7	2,7

*)Previous data

Import of petroleum and petroleum products*)				
	I-XII-2024	I-XII-2025	Balance	% rate
.000 T	1.165,8	1.146,3	-19,5	-1,7
EUR mil.	805,8	708,0	-97,8	-12,1
\$ mil.	872,3	800,1	-72,2	-8,3

*)Previous data

Import of chemical products*)				
	I-XII-2024	I-XII-2025	Balance	% rate
.000 T	32,6	34,6	2,0	6,2
EUR mil.	174,1	179,3	5,3	3,0
\$ mil.	188,4	202,6	14,2	7,5

*)Previous data

Import of iron and steel*)				
	I-XII-2024	I-XII-2025	Balance	% rate
.000 T	687,4	809,6	122,2	17,8
EUR mil.	472,0	496,2	24,3	5,1
\$ mil.	510,9	559,0	48,0	9,4

*)Previous data



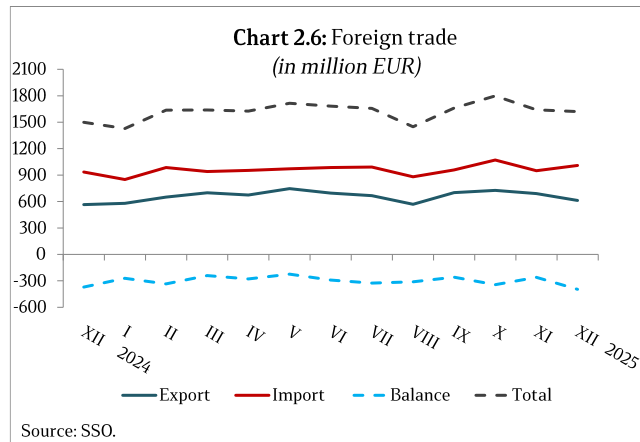
Trade Balance

In December 2025, trade deficit widened by 6.9% or EUR 25.7 million compared to December 2024.

In 2025, trade deficit increased by 7.8% or EUR 256 million compared to 2024.

If we analyse the balance of export and import of goods by economic purpose, deficit increase was a result of the widened deficit of the trade in industrial supplies, consumer goods, food and beverages, and fuels and lubricants. On the other hand, reduction of the deficit in the trade in investment goods without transport equipment, as well as increase of the positive balance in the trade in transport equipment, contributed to reducing the negative balance.

In the first twelve months of 2025, 91.2% of the trade deficit of the country was realized in the trade with Great Britain, China and Greece, followed by: Türkiye, Serbia, Italy, Poland, Bulgaria, and others. Surplus was realized in trade with Germany, Hungary and others.



Currency Structure

Observed by currency structure, 90.7% of the foreign trade in 2025 was realized in euros, and compared to 2024, it dropped by 1.0 percentage points. On export and import side, euro accounted for 93.2% and 88.9%, respectively, whereby share of the euro in export was lower by 1.0 percentage points, while share of the euro in import lower by 0.9 percentage points compared to 2024.

import	I - XII - 2024					I - XII - 2025					absolute change in currency value	relative change in currency value (in %)
	currency	.000 T	import in currency	average Denar exch. Rate in relation to currencies	import in Denar	structure in %	.000 T	import in currency	average Denar exch. Rate in relation to currencies	import in Denar		
EUR	6,012.5	9,934,927,336.8	61.5	611,314,955,396.0	89.8	6,073.5	10,261,888,844.6	61.6	632,005,105,404.2	88.9	326,961,507.8	3.3
USD	603.4	1,115,230,582.3	56.9	63,424,166,922.6	9.3	777.6	1,337,566,542.4	54.6	73,072,464,020.9	10.3	222,335,960.1	19.9
GBP	2.6	23,150,057.8	72.7	1,682,636,484.9	0.2	2.1	21,664,973.3	71.9	1,557,923,900.3	0.2	-1,485,084.4	-6.4
EUR+USD+GBP	6,618.6			676,421,758,803.5	99.1	6,853.2			706,635,493,325.4	99.4		
tot. import	6,639.7			680,709,145,616.3	100.0	6,877.2			711,069,625,008.4	100.0		4.5

Source: SSO and NBRNM

3. FISCAL SECTOR

Budget Revenues and Expenditures according to the Economic Classification

In the period January – December 2025, collection of total budget revenues of the Republic of North Macedonia amounted to Denar 335,774 million, accounting for 92.0% of the 2025 projections, i.e. being an increase of 9.9% compared to collected budget revenues for the same period in 2024. As regards total revenues, Denar 306,962 million was collected on the basis of tax revenues and social contributions, accounting for 96.2% of 2025 projected amount, increasing by 8.3% in relation to the previous year. Thereby, tax revenues were collected in the total amount of Denar 190,479 million (i.e. 95.9% of the amount projected for 2025 and 8.2% increase), while social contributions were collected in the amount of Denar 114,889 million (annual increase of 8.7%, i.e. 98.1% of the amount projected for 2025). As regards tax revenues, increased collection was recorded at personal income tax by 8.6%, followed by corporate income tax by 8.5%, VAT by 6.8%, excise duties increasing by 8.4%, import duties collection increase by 14.8% and other tax revenue collection picking up by 5.2%. During this



period, non-tax revenues grew by 13.7%, capital revenues increased by 22.5%, and foreign donation revenues surged by 126.5%.

Total budget expenditures amounted to Denar 377,613 million during the period January – December 2025, representing 93.0% of the annual projections, reflecting an increase of 8.7% compared to same period in 2024. Thereby, current expenditures were executed in the amount of Denar 349,161 million, i.e. 96.4% of the amount projected for the whole year, being an increase of 9.5% compared to the same period in 2024. Increase was recorded at expenditures related to wages and allowances by 10.3%, at goods and service-related expenditures by 0.5%, and at interest-related expenditures, increasing by 11.6%. Transfers, as the largest category of current expenditures, increased by 10.1% an increase mainly driven by a 12.6% rise in social transfers, a 6.1% increase in health care expenditures, and an 8.4% increase in block and earmarked grants. Expenditures related to subsidies and transfers saw a reduction of 21.5%. Capital expenditure execution amounted to Denar 28,452 million (64.6% of the projections).

Table 3.1. State Budget Execution for the period January – December 2025

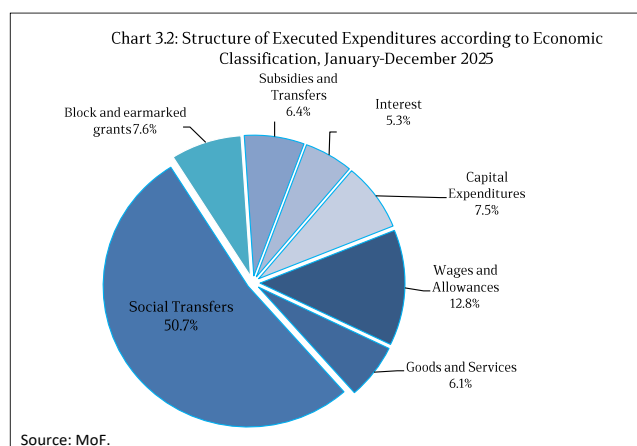
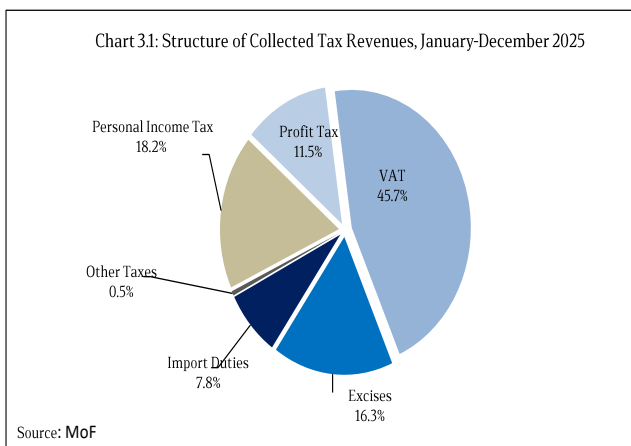
	2025 Budget	2025 Supplementary Budget	Reallocation	January - December 2025		
	(Denar million)	(Denar million)	(Denar million)	(Denar million)	Annual growth rate (%)	% of collection/execution rate (%)
TOTAL REVENUES	358,838	362,377	364,877	335,774	9.9%	92.0%
Taxes and contributions	319,234	319,196	319,196	306,962	8.3%	96.2%
Taxes	198,607	198,607	198,607	190,479	8.2%	95.9%
Personal Income Tax	35,676	35,676	35,676	34,602	8.6%	97.0%
Corporate Income Tax	23,287	23,287	23,287	21,893	8.5%	94.0%
VAT	86,692	86,692	86,692	87,043	6.8%	100.4%
Excise duties	35,388	35,388	35,388	31,104	8.4%	87.9%
Import duties	16,255	16,255	16,255	14,830	14.8%	91.2%
Other tax revenues	1,309	1,309	1,309	1,007	5.2%	76.9%
Contributions	117,095	117,096	117,096	114,889	8.7%	98.1%
Non-tax revenues	26,302	30,608	31,108	19,238	13.7%	61.8%
Capital revenues	3,510	2,830	2,830	2,268	22.5%	80.1%
Foreign Donations	9,792	9,743	11,743	7,306	126.5%	62.2%
TOTAL EXPENDITURES	400,188	403,728	406,228	377,613	8.7%	93.0%
Current expenditures	353,032	356,377	362,172	349,161	9.5%	96.4%



Wages and allowances	48,141	49,189	49,175	48,414	10.3%	98.5%
Goods and services	26,325	28,025	27,599	23,039	0.5%	83.5%
Transfers	257,721	258,546	265,441	257,835	10.1%	97.1%
Social transfers	191,046	193,296	197,796	191,443	12.6%	96.8%
Pension and Disability Insurance Fund of North Macedonia	119,995	122,515	125,515	122,735	17.0%	97.8%
Employment Agency	3,439	3,434	3,434	3,135	18.2%	91.3%
Social protection	15,080	14,831	14,831	14,909	1.0%	100.5%
Health protection	52,531	52,516	54,016	50,664	6.1%	93.8%
Other transfers	64,211	61,664	64,059	63,480	2.8%	99.1%
Interest payments	20,845	20,617	19,957	19,873	11.6%	99.6%
Capital expenditures*	47,156	47,351	44,056	28,452	/	64.6%
BUDGET BALANCE	-41,350	-41,350	-41,350	-41,839	-0.2%	101.2%

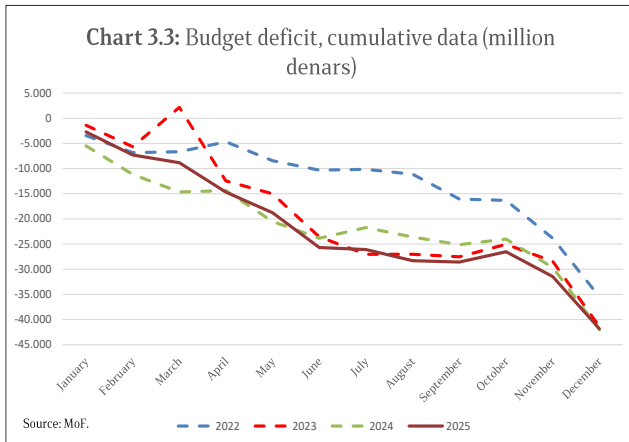
Source: Ministry of Finance

*The methodology for recording and reporting capital expenditures was revised in 2025, rendering direct comparisons with the capital expenditure figures for the corresponding period in 2024 invalid.





In the period January – December 2025, the state budget deficit amounted to Denar 41,839 million, accounting for 4.0% of the GDP projected for 2025, i.e. 101.2% of the annual projections.



Expenditures by Budget Users

Review of budget expenditures for the largest budget users is given below.

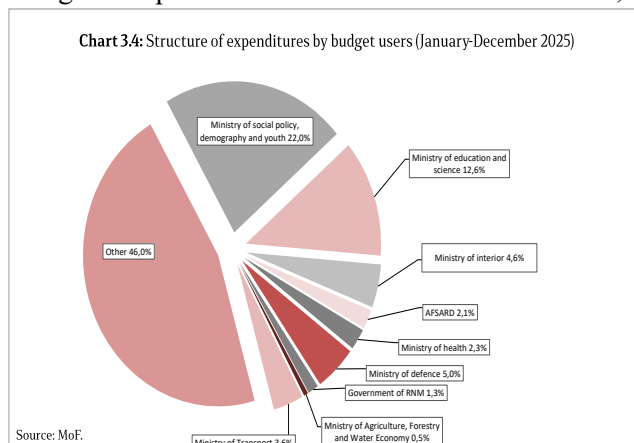
In the period January – December 2025, Ministry of Social Policy, Demographics and Youth executed funds in the amount of Denar 75,248 million or 99.7% of its total budget for the current year. Thereby, most of the expenditures (71.1%) were allocated for current transfers to Budget Funds, for which Denar 53,485 million was spent, i.e. 100% of the funds allocated for 2025. The second highest expenditure category were the social benefits, participating with 19.5% in the total expenditures, whereby 100% (Denar 14,672 million) of the projected funds was spent for this purpose in 2025.

During the analysed period, Ministry of Education and Science executed budget funds in the amount of Denar 42,878 million, representing 95.3% of its total 2025 Budget. Current transfers to LGUs accounted for the most of the expenditures (56.5%), Denar 24,247 million being spent therefore or 99.0% of total projected funds. Wages and allowances category was the second highest expenditure item, accounting for 22.9%, for which an amount of Denar 9,836 million, accounting for 99.7%, being executed out of total projected funds.

In the period January – December 2025, Ministry of Internal Affairs executed expenditures in the total amount of Denar 15,790 million, accounting for 95.5% of its 2025 budget. Wages and allowances was the highest expenditure item, participating with 68.7%, Denar 10,850 million being spent therefor, accounting for 99.8% of the projected ones. Second highest expenditure item was Goods and services, accounting for 15.3%, with Denar 2,412 million being spent therefore, accounting for 88.2% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 7,030 million, accounting for 87.6% of the funds projected for the current year. As for subsidies and transfers, with significant share of 92.2% of the total expenditures, 89.4% or Denar 6,481 million of the funds planned for the whole year, were spent therefore.

In the period January – December 2025, Ministry of Defence executed budget funds in the amount of Denar 17,032 million, accounting for 83.3% of its total budget this year. Expenditures related to wages and allowances accounted for the





most with 37.8%, Denar 6,437 million being spent therefore (accounting for 99.5% of the total funds projected for the current year). Capital expenditures accounted for 28.8% of total expenditures, Denar 4,913 million being spent therefore, i.e. 64.4% execution of the total projected funds.

Government of the Republic of North Macedonia spent total of Denar 4,380 million, i.e. 97.1% of the funds projected for 2025, in the period January – December 2025. Thereby, subsidies and transfers accounted for 54.6% of total expenditures of this budget user, Denar 2,393 million (96.1% of the projected funds) being spent therefore.

During the analysed period, Ministry of Health executed budget funds in the amount of Denar 7,757 million, accounting for 91.3% of its total 2025 Budget. Current transfers to Budget Funds accounted for the most of the expenditures with 52.6%, for which Denar 4,077 million were spent or 100% of the funds projected for 2025. Second highest item was Goods and services, Denar 3,180 million (87.0% of the projections for the year) being spent therefore, accounting for 41.0% of total expenditures.

In the period January – December 2025, Ministry of Transport and Communications executed funds in the amount of Denar 12,394 million, i.e. 73.7% of the total budget for the current year. Execution of capital expenditures, as highest item, accounted for 91.6% of the total spent funds of this budget user (Denar 11,356 million or 73.1% of total projected funds).

During this period, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 1,759 million, accounting for 89.9% of the funds projected for 2025. Wages and allowances (Denar 820 million) was, by far, the highest item in the total expenditures of this budget user, accounting for 46.6% of its total expenditures, with 94.9% of the projected expenditures being executed. As regards capital expenditures, they accounted for 25.1% of the total expenditures, Denar 442 million being spent therefore, accounting for 78.4% of the total budget for this purpose.

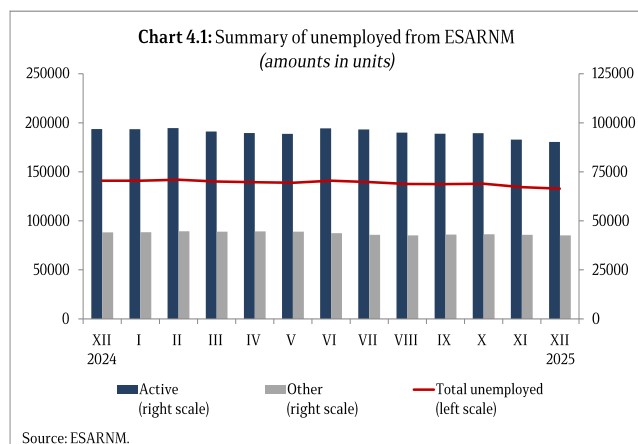
In-depth data on each budget user are presented in the statistical annex attached at the following link (<http://finance.gov.mk/краткорочни-економски-движења-кед-ме/>).

4. SOCIAL SECTOR

Newly Employed and Registered Unemployed Persons in the Employment Service Agency

In December 2025, Employment Service Agency registered total of 191.276 new employments³. Total number of newly employed persons was higher by 2.5% compared to the same period in 2024.

As regards the total number of newly employed, 43.3% was engaged on permanent basis, while the remaining percentage was engaged on temporary basis and as seasonal workers. In December 2025, 12.4% out of the total number of newly employed persons were previously listed in the unemployment records.



Total number of unemployed persons in December 2025 was 132,892, out of which 90,278 persons were active job seekers, while

³ During the reporting period, it is possible for multiple employment registration forms (M-1) to be submitted for a single individual. Each submission is recorded and included in the total count of registered employment declarations (according to the Employment Agency).



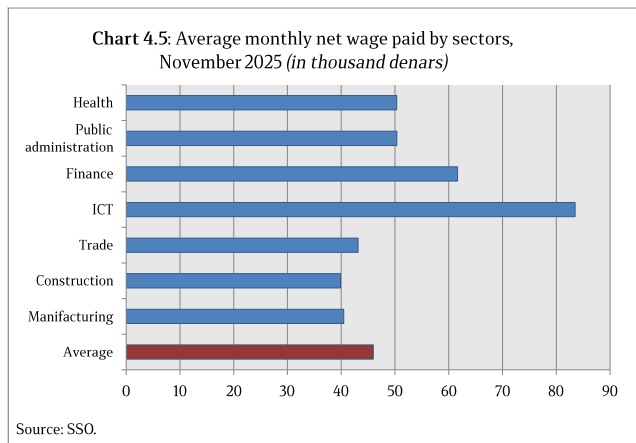
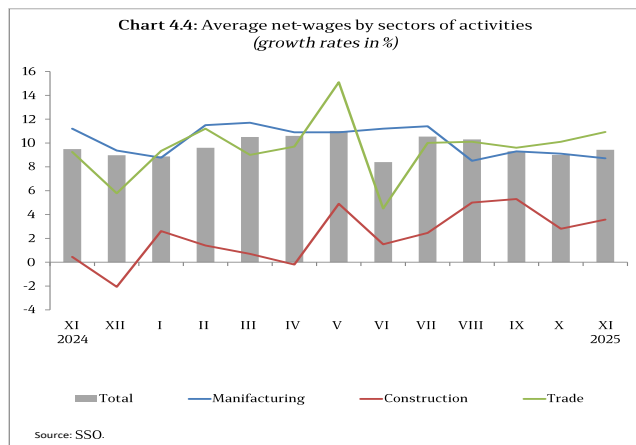
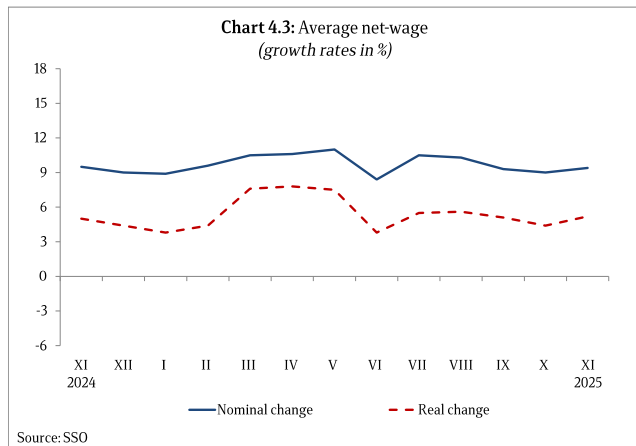
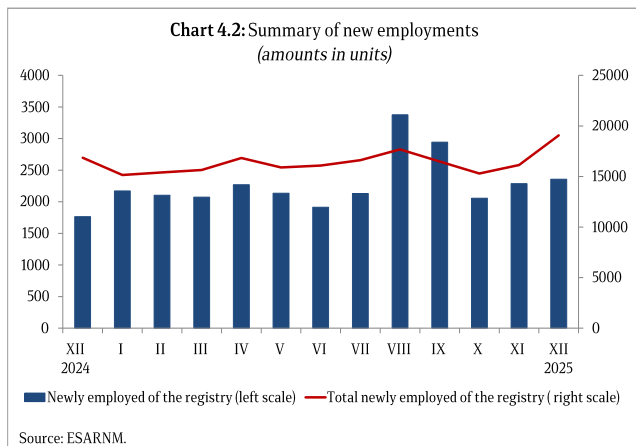
42,614 persons were from the category “other unemployed”. On annual basis, total number of unemployed decreased by 5.7%, and has shown a continuous annual decline since May 2021. Number of unemployed persons decreased by 1,446 people compared to November 2025.

Urban residents accounted the most (with 59.0%) among the active unemployed persons, whereas with respect to gender, men accounted for 47.5% of the total. Analysed by the level of education, majority, i.e. 68.5% of the unemployed persons were with incomplete secondary education or less, 24.3% were with completed secondary education, while 7.3% of the unemployed persons were with completed community college or higher education level.

Analysed by age structure, 49.6% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 56.8% of the unemployed persons wait for employment from 1 to 7 years, while 14.3% wait for employment for 8 years or more.

Wages

As per the notification of the State Statistical Office, in November 2025, average net wage amounted to Denar 45,961, in nominal terms, being higher by 9.4% on annual basis, and remained at the same level as in October 2025. The highest increase of average net wage, in relation to November 2024, was observed at the following sectors: Administrative and support service activities (16.5%), Human health and social work activities (11.1%) and Wholesale and Retail Trade; repair of motor vehicles and motorcycles (10.9%). In November 2025, wages in real terms recorded an annual growth by 5.2%. Highest average net wage in November 2025 was paid in the Information and communications sector (Denar 83,496), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 104,181), followed by Financial and insurance activities sector with an average net wage of Denar 61,623, and Electricity, gas, steam and air conditioning supply sector with

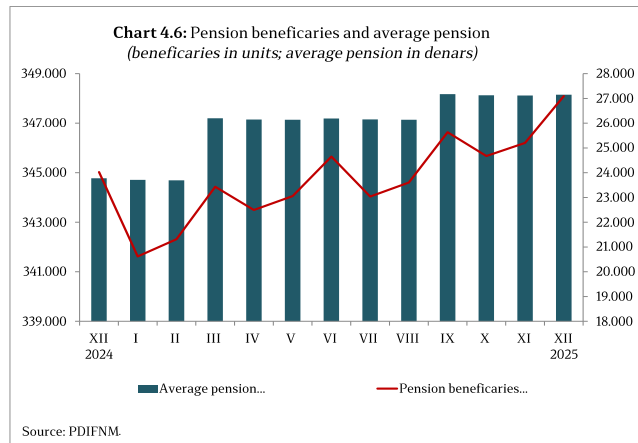




Denar 56,350, Mining and quarrying sector with average net wage in the amount of Denar 54,847. Average nominal gross wage in November 2025 amounted to Denar 69,141, increased by 9.5%, compared to the same month in 2024, whereas being higher by 0.1% on monthly basis. The highest increase of average gross wage in November 2025, compared to November 2024, was recorded in the following sectors: Administrative and support service activities (16.7%), Human health and social work activities (11.3%), and Water supply; Sewerage, waste management and remediation activities (10.8%).

Pensions

In December 2025, Pension and Disability Insurance Fund registered 348,093 pensioners. In July 2025, amendments to the Law on Pension and Disability Insurance were adopted, providing for a linear increase in all pensions, effective from 1st October 2025, with a Denar 1,000 increase in autumn 2025 and an additional Denar 1,000 in spring 2026, indicating that in the coming months, pensions for all pensioners will increase by a total of Denar 2,000. As regards the total number of pensioners, 71.9% are beneficiaries of old-age pension, amounting to 250,278 pensioners, 21.2% of survivor pension, amounting to 73,817 pensioners and 6.9% of disability pension, amounting to 23,998 pensioners.



In December 2025, the average pension amounted to Denar 27,151, being higher by 14.2% compared to the same month in 2024⁴. In December 2025, average old-age pension amounted to Denar 28,749, average disability pension amounted to Denar 24,704, while average survivor pension amounted to Denar 22,528. This month, Denar 9,251 million was spent for payment of pensions, accounting for 49.4% of the total social transfers.

Ratio between the average pension in December 2025 and the average paid wage in November 2025 (the most recent available data) was 59%.

Chart 4.1 December 2025 Pension Data			
Pension beneficiaries	Number	Structure	Average pension
Old age pension	250,278	71.9%	28,749.00
Disability pension	23,998	6.9%	24,704.00
Survivor pension	73,817	21.2%	22,528.00
Total	348,093	100.0%	27,151.00
Minimal agricultural pension beneficiaries	29		16,952.00
Beneficiaries of military pensions	673		35,748.00
Total	348,795		27,167.00

Military and agricultural pensions are not included when calculating the average pension.

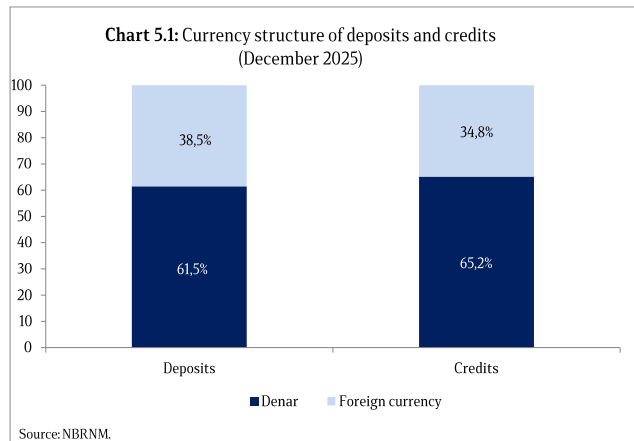


Source: Pension and Disability Insurance Fund of North Macedonia

5. MONETARY AND FINANCIAL SECTOR

In December 2025, the National Bank introduced a new operational monetary framework, designating 7-day central bank bills with a 4% interest rate as the primary monetary policy instrument, replacing the previous instrument of a seven-week maturity and a 5.35% interest rate.

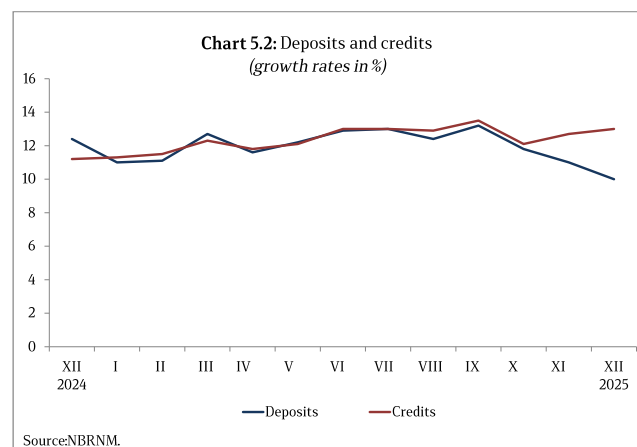
Under the new framework, banks were given the opportunity to place their excess liquidity with the National Bank at a seven-day maturity at a predetermined interest rate, within a clearly defined interest rate corridor for short-term operations. This measure enhances the clarity of monetary policy signalling, improves monetary transmission, and contributes to maintaining the stability of the financial system.



Primary Money

In December 2025, primary money⁵ increased by 5.0% on monthly basis. Increase of primary money was a result of increase of both total liquid assets and currency in circulation by 4.0% and by 6.1%, respectively.

In December 2025, primary money grew by 8.9% on annual basis, as a result of both increased total liquid assets of banks and currency in circulation by 7.0% and 10.8%, respectively.



Deposit Potential⁶

In December 2025, total deposits of banks grew by 4.4% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of private enterprises grew by 6.0%, while deposits of households increased by 3.6%.

Analysed by currency, in December 2025, compared to the previous month, Denar deposits and foreign currency deposits increased by 6.0% and 2.0%, respectively.

⁵Primary money is calculated as a sum of currency in circulation (including cash in hand), denar and foreign currency reserve requirement and the surplus of liquid assets over the reserve requirement.

⁶NBRNM published data from monetary statistics, statistics of other financial corporations and statistics of interest rates according to the new methodology. Methodologic changes were made for the purpose of harmonization with the recommendations under the newly published IMF Monetary and Financial Statistics Manual and Compilation Guide as of 2016 (MFSMCG – IMF, 2016) and the IMF Technical Mission in the field of monetary and financial statistics in NBRNM as of 2015.



Total deposit potential in December 2025 surged by 10.1% on annual basis. Analysed by currency, domestic currency deposits increased by 14.1%, whereas foreign currency deposits grew by 4.4%.

From sectoral point of view, deposits of enterprises grew by 6.5%, and deposits of households increased by 12.1% on annual basis.

Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (December 2025)	In Denar million	Monthly change	Annual change
Deposit Potential	661,209	4.4%	10.1%
By currency:			
<i>Denar</i>	<i>406,561</i>	<i>6.0%</i>	<i>14.1%</i>
<i>Foreign currency</i>	<i>254,648</i>	<i>2.0%</i>	<i>4.4%</i>
By maturity:			
<i>Short-term</i>	<i>241,535</i>	<i>3.4%</i>	<i>8.2%</i>
<i>Long-term</i>	<i>157,742</i>	<i>-0.4%</i>	<i>6.7%</i>
Credits to private sector	558,612	3.0%	13.0%
By currency:			
<i>Denar</i>	<i>364,222</i>	<i>3.7%</i>	<i>19.7%</i>
<i>Foreign currency</i>	<i>194,390</i>	<i>1.6%</i>	<i>2.2%</i>
By maturity:			
<i>Short-term</i>	<i>85,775</i>	<i>8.0%</i>	<i>12.9%</i>
<i>Long-term</i>	<i>458,717</i>	<i>2.3%</i>	<i>14.0%</i>

Source: NBRNM

According to maturity, short-term deposits increased by 8.2%, while long-term deposits rose by 6.7% on annual basis.

Currency structure of deposits remained stable, with the share of domestic currency deposits in the deposit base consistently dominant at 61.5% this month.

Bank Credits

In December 2025, total credits of banks to the private sector increased by 3.0% on monthly basis, as a result of the growth of both credits to enterprises by 5.1%, and credits to households by 0.9%.

Analysed by currency, Denar and foreign currency credits increased by 3.7% and 1.6% respectively, on monthly basis.

On annual basis, in December 2025, total credits grew by 13.0%, in conditions of growth of both credits to enterprises and credits to households of 15.3% and 10.9%, respectively. Denar credits increased by 19.7%, while foreign currency credits grew by 2.2%.

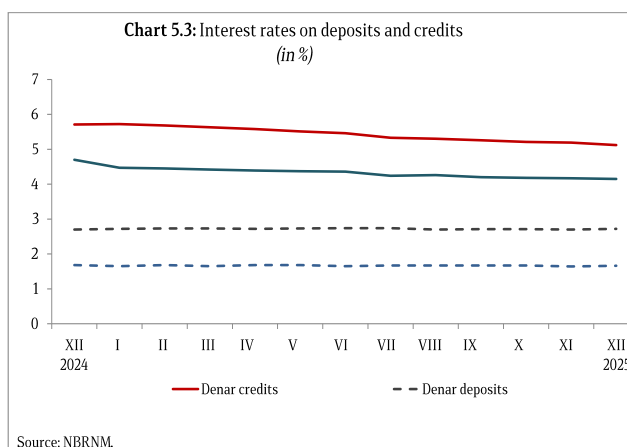
As regards maturity, long-term credits grew by 14.0% on annual basis, and short-term credits picked up by 12.9%.



Interest Rates of Deposit Banks

In December 2025, total interest rate on credits dropped by 0.04 p.p., accounting for 4.76% compared to the previous month. Interest rate on Denar credits dropped by 0.07 p.p., accounting for 5.12%, while interest rate on foreign currency credits decreased by 0.02 p.p. on monthly basis, accounting for 4.15%.

In December 2025, total interest rate on deposits grew by 0.03 p.p., compared to previous month, accounting for 2.21%. Interest rate on Denar deposits increased by 0.02 p.p., accounting for 2.72%, while interest rate on foreign currency deposits grew by 0.02 p.p., accounting for 1.66%.



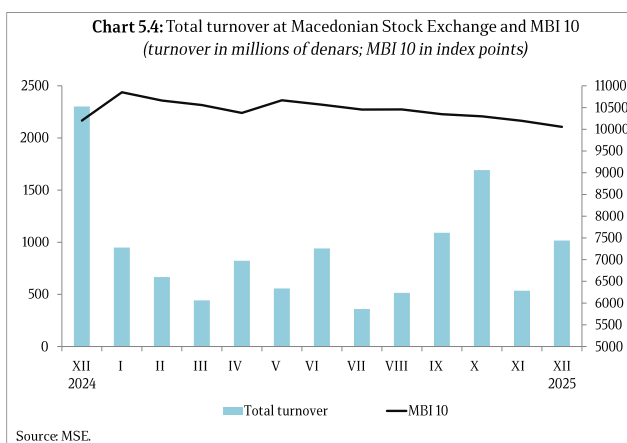
Interest rate on newly granted Denar credits was 4.40%, while interest rate on newly approved foreign currency credits stood at 3.66%. Interest rates on newly received Denar and foreign currency deposits accounted for 2.62% and 1.93%, respectively.

Capital Market

As for the capital market, in December 2025, total turnover on the stock exchange surged by 90.1% on monthly basis, as a result of the increase of turnover from block transactions by 394.6%, while the turnover from classical trading in best decreased by 27.5%.

Total turnover on the stock exchange amounted to Denar 1,017 million in December 2025, being a decline of 55.8% on annual basis.

Macedonian Stock Exchange Index MSEI – 10 amounted 10,054.59 index points at the end of December 2025, whereby the index dropped by 1.4% on monthly basis, while, compared to the same month last year, the index was lower by 1.4%.



Reserve Assets

At the end of December 2025, gross reserve amounted to EUR 4,928.16 million, being higher by 1.3% compared to the previous month and lower by 2.1% compared to December 2024.