



SHORT-TERM ECONOMIC TRENDS



June 2026



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SUMMARY

OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

June 2026

- In June 2026, industrial production increased by 6.5% compared to the same month last year.
- In June 2026, inflation rate accounted for 3.4% on annual basis, having decreased compared to the previous month (4.8% in May 2026). On monthly basis, inflation recorded a drop of 0.5%.
- Export in the period January - June 2026 increased by 7.9%, while import grew by 7.6%, resulting in increase of the trade deficit by 6.8% compared to the same period in 2025.
- In the period January – June 2026, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 169,929 million, accounting for 45.3% of the 2026 projections, i.e. an increase of 8.6% compared to collected budget revenues during the corresponding period in 2025.
- During the period January – June 2026, total budget expenditure execution amounted to Denar 206,102 million, representing 49.8% of the annual projections, reflecting an increase of 10.7% compared to same period in 2025.
- Total credits of banks in June 2026 grew by 13.1% compared to June 2025, while total deposit potential of banks surged by 9.9%.
- Average net wage paid in May 2026 amounted to Denar 49,544, recording a nominal increase of 8.2% on annual basis and a real growth of 3.2%. The highest average net wage, amounting to Denar 109,671, was recorded in the Computer programming activity.



1. REAL SECTOR

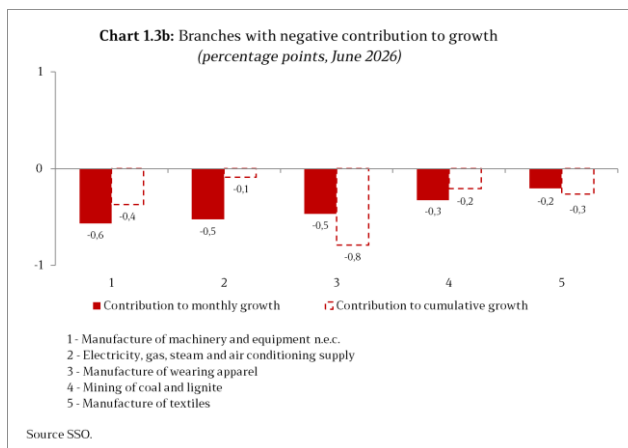
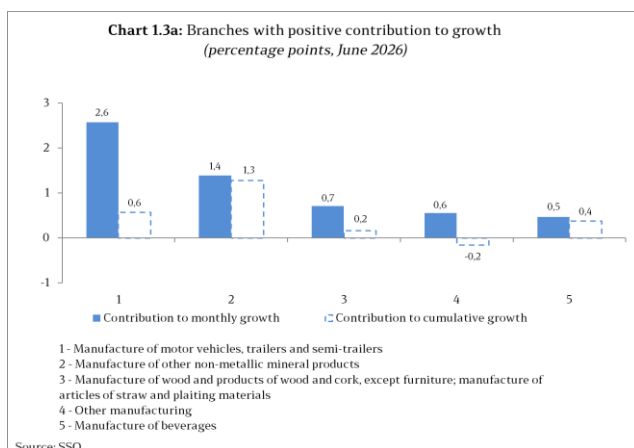
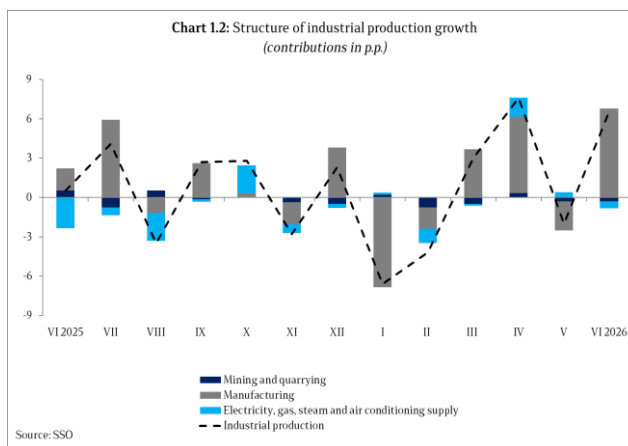
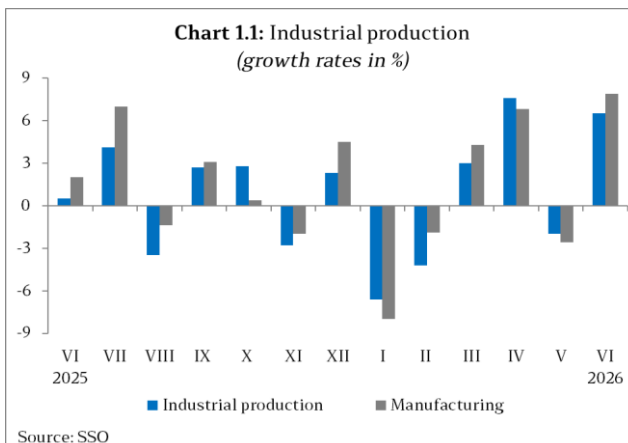
Industrial Production

In June 2026, industrial production increased by 6.5% compared to the same month last year. Growth was driven by a 7.9% increase in manufacturing production, while the mining and energy sectors recorded declines of 3.8% and 8.2%, respectively.

In June 2026, 15 out of 27 industrial branches recorded production growth, representing 52.5% of total industrial production.

As for branches with higher added value, in June 2026, growth was recorded with Manufacture of motor vehicles, trailers and semi-trailers by 15.9% with contribution of 2.6 p.p., Production of metals by 11.4% with contribution of 0.3 p.p., and Manufacture of electrical equipment by 3.8% with contribution of 0.3 p.p.. A decline was recorded only in the Manufacture of machinery and equipment, which decreased by 10.1%, contributing -0.6 percentage points.

Traditional branches in June 2026 recorded increase in manufacture throughout the following branches: Manufacture of wood and products of wood by 79.1%, contributing 0.7 percentage points, Manufacture of beverages by 11.7%, contributing 0.5 percentage points, Manufacture of tobacco products by 11.8%, contributing 0.3 percentage points and Manufacture of leather by 13.2%, contributing 0.1 percentage points. A decrease in production was recorded in Manufacture of clothing by 8.2%, contributing -0.5 percentage points; Manufacture of textiles by 5.0%, contributing -0.2 percentage points; and Manufacture of food products by 1.5%, contributing -0.2 percentage points.



Industrial production by purpose of the production units, in June 2026 compared with June 2025, increased in Intermediate goods, except energy (up by 11.7%, contributing 3.7 percentage points), Capital goods (up by 8.6%, contributing 2.1 percentage points), and Non-durable consumer goods (up

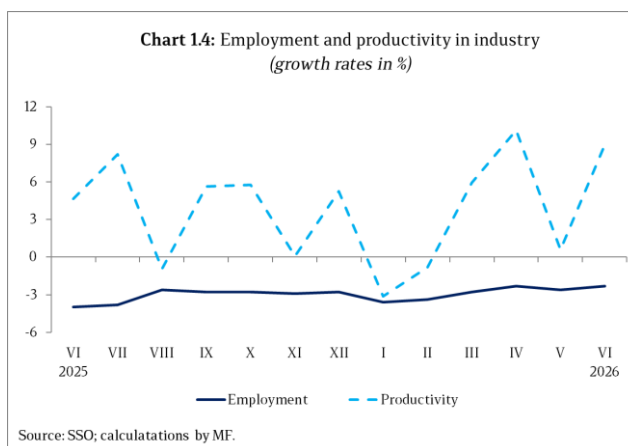


by 2.0%, contributing 0.6 percentage points) and Durable consumer goods (up by 8,6% contributing 0.3 percentage points). A decline was recorded only in Energy (down by 11.1%, contributing -0.8 percentage points).

In the period January – June 2026, industrial production increased by 0.9% compared to the corresponding period last year. The branches with the largest positive contributions to growth were Manufacture of other non-metallic mineral products (up by 32.8%, contributing 1.3 percentage points), Manufacture of motor vehicles, trailers and semi-trailers (up by 3.5%, contributing 0.6 percentage points) and Manufacture of tobacco products (up by 21.6%, contributing 0.5 percentage points). The strongest downward effects on growth were recorded in Manufacture of wearing apparel (down by 13.9%, contributing -0.8 percentage points), Manufacture of machinery and equipment n.e.c. (down by 6.6%, contributing -0.4 percentage points) and Manufacture of basic pharmaceutical products and pharmaceutical preparations (down by 9.1%, contributing -0.3 percentage points).

Number of Employees in the Industry

In June 2026, number of employees in the industry decreased by 2.3% compared to the same month in the previous year. The decrease reflected a reduction in the number of employees in the Mining and quarrying sector and Manufacturing, down by 7.7% and 2.1%, respectively, while employment in the energy sector increased by 0.2%. The branches with the largest decreases in the number of employees were: Manufacture of wearing apparel (11.1%), Mining and quarrying (8.7%), and Mining of coal and lignite (7.7%). Increases were recorded in Manufacture of computer, electronic and optical products (16.0%), Manufacture of tobacco products (11.9%), and Manufacture of beverages (2.6%).

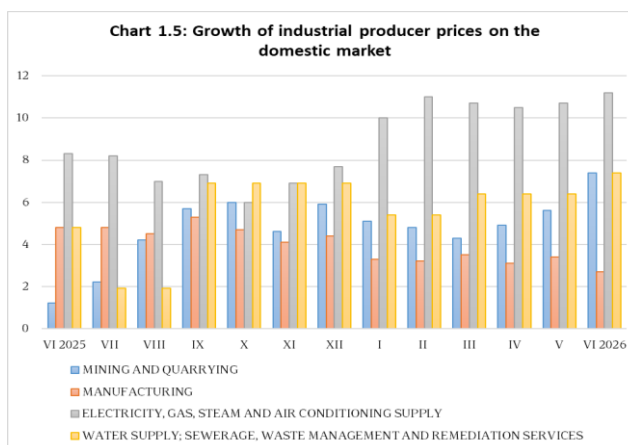


In June 2026, data on number of employees in the industry by target groups compared to the same month last year showed a slight drop of number of employees.

Cumulative data show that the number of employees in Industry during January – June 2026 decreased by 2.9%, as a result of decreases in the number of employees in Mining and quarrying (6.9%) and Manufacturing (2.8%), while the Energy sector recorded a slight increase of 0.3%.

Industrial producer prices on the domestic market

In June 2026, industrial producer prices on the domestic market were higher by 4.3% compared to the same month last year. Increase reflected higher prices across all sectors: Manufacturing by 7.4%, Manufacturing by 2.7%, Electricity, gas, steam and air-conditioning supply by 11.2%, Water supply; Sewerage, waste management and remediation activities by 7.4%.





In June 2026, industrial producer prices on the domestic market were higher compared to June 2025 in the groups as follows: Energy by 10.9%, Non-durable consumer goods by 4.8% and Durable consumer goods by 4.0%.

On a cumulative basis, in the period between January and June 2026 compared to the same period last year, sale prices of industrial product producers on the domestic market were higher by 4.5%, due to increased prices across all sectors: Mining and quarrying by 5.4%, Manufacturing by 3.2%, Electricity, gas, steam and air-conditioning supply by 10.7%, Water supply; Sewerage, waste management and remediation activities by 6.2%.

In the period from January to June 2026, industrial producer prices on the domestic market were higher compared to corresponding period in the previous year in the groups as follows: Energy, up by 10.3%, Non-durables, up by 5.0%, Consumer durables, up by 3.8% and Intermediate goods except energy, up by 0.7%.

Index in industrial turnover

In June 2026, the industrial turnover, compared to June 2025, recorded an increase by 11.5% as per the State Statistical Office's data. Growth was driven by increased turnover in the Manufacturing by 11.8% and the Mining and quarrying sector by 2.3%. By market segment, turnover in the domestic market increased by 11.0%, while turnover in foreign markets rose by 12.1%.

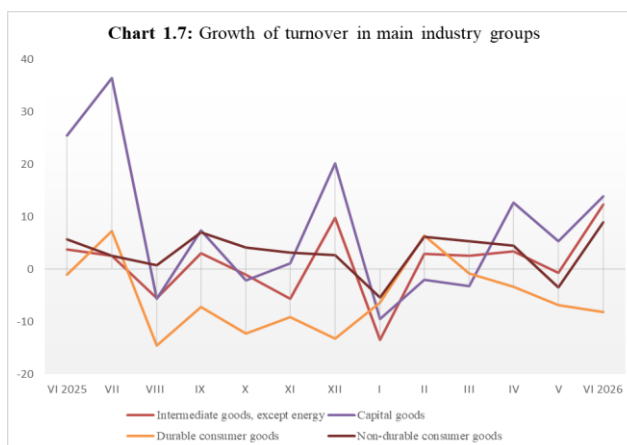
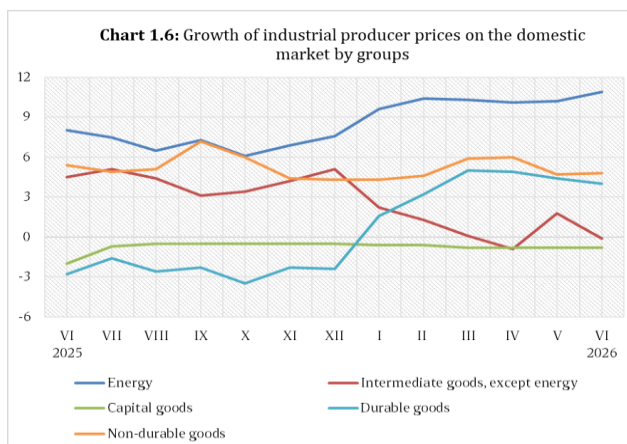
In June 2026, compared to June 2025, industrial turnover increased across the following groups: Capital goods (up by 13.9%), Intermediate goods except energy (up by 12.3%), and Consumer non-durables (up by 9.0%). Consumer durables were the only group to record a decline, falling by 8.2%.

Branches with highest turnover growth in the industry in June 2026 compared to the same month last year were the following:

- Manufacture of tobacco products (an increase of 52.4%);
- Manufacture of computer, electronic and optical products (an increase of 52.2%); and
- Other manufacturing (up by 48.0%).

On a cumulative basis, in the period January to June 2026, compared to the corresponding period of the previous year, industrial turnover increased by 2.3%, driven by a 2.4% increase in turnover in the Manufacturing sector, while turnover in the Mining and Quarrying sector decreased by 0.7%. By market segment, turnover increased by 2.2% on foreign markets and by 2.9% on the domestic market during the respective period.

In the period between January and June 2026, compared to the same period in 2025, turnover increased in the groups: Consumer non-durables, up by 2.8%, Capital goods, up by 2.7% and

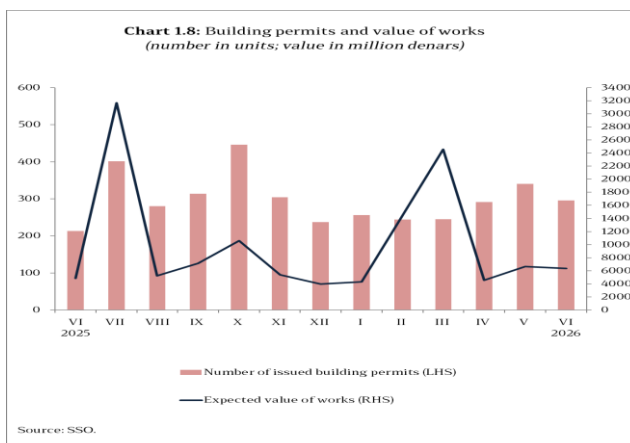




Intermediate goods except energy, up by 1.5%. A decline of 3.2% was recorded in the Consumer Durables group.

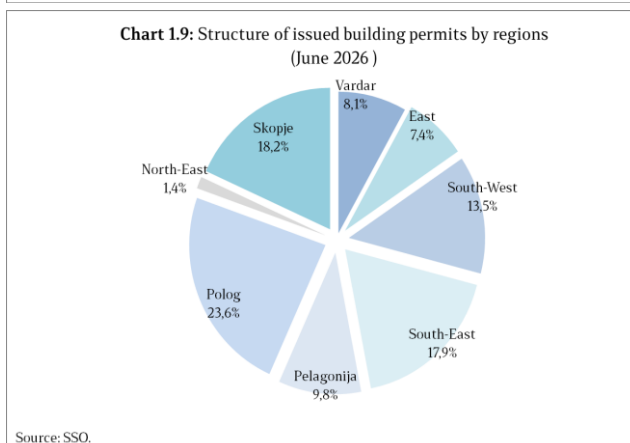
Number of Issued Building Permits and Expected Value of Constructions

In June 2026 compared to May 2026, a decline in building permits issued was recorded (340 building permits in May 2026). In total, 296 building permits were issued, marking a 39.0% increase compared to the same month in 2025. This was due to a 66.7% annual increase in the number of building permits issued for buildings (which accounted for 67.6% of the total number of permits issued), a 25.0% increase in permits issued for reconstruction works, while permits for civil engineering structures decreased by 29.7%. A decline was observed among



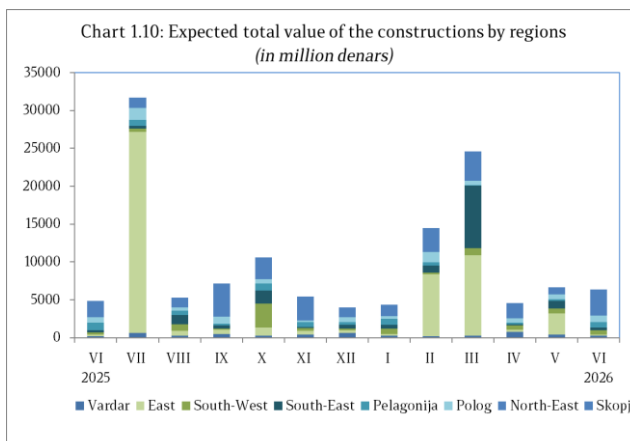
business entities as investors, whereas an increase was recorded among individual investors. By regional breakdown, a rise in the number of issued building permits was recorded in the Vardar, Eastern, Southwestern, Polog and Southeastern regions.

Compared to May 2026, number of issued building permits dropped by 12.9%. Expected value of constructions, according to the issued building permits in June 2026, picked up by 31.0% on annual basis, while compared to the previous month, it declined by 4.6%.



Analysed by types of constructions, out of the total number of issued building permits, 200 (or 67.6%) were intended for buildings, 26 (or 8.8%) with respect to civil engineering structures and 70 (or 23.6%) for reconstruction purposes.

Analysed by types of investors, out of total 296 issued building permits, individuals were investors in 218 facilities (or 73.6%), while business entities were investors in 78 facilities (or 26.4%).

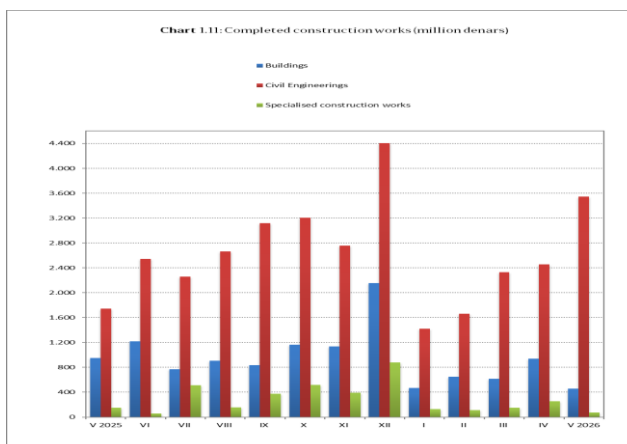


In June 2026, construction of 754 flats was envisaged, with total usable area of 64,266 m². Number of flats envisaged for construction declined by 10.2% on monthly basis, while surging by 190.0% on annual basis.



Number of Completed Construction Works by Types of Constructions

Total value of completed construction works in May 2026 amounted to Denar 4,079 million, representing an annual growth of 43.3% in nominal terms, whereby civil engineering structure grew by 103.1%, while specialised construction works and buildings declined by 51.7% and 49.6%, respectively. Compared with April 2026, the total value of construction work completed increased by 11.8%, reflecting a 44.2% rise in civil engineering activity, while building construction and specialised construction activities recorded declines of 51.1% and 69.6%, respectively. In cumulative terms, in the period January – May 2026, value of completed construction works amounted to Denar 15,276 million, being higher by 22.8% compared to the same period last year.

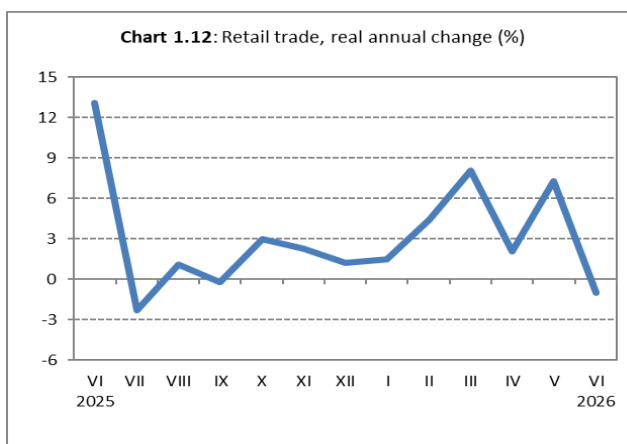


Most of the completed construction works related to civil engineering, with construction works amounting to Denar 11,419 million completed in the period from January to May 2026, which was 49.5% higher than in the corresponding period of the previous year. During this period, the value of completed specialised construction activities increased by 11.1%, amounting to Denar 724,217 million, while the value of completed building construction works amounted to Denar 3,133 million, representing a decrease of 24.5% compared with the same period of the previous year.

In real terms, in the period January – May 2026, value of completed construction works increased by 20.2%, with civil engineering structures (46.2%) and specialised construction (9.0%) recording growth, while recording a drop with buildings (25.9%).

Trade Sector Turnover

In June 2026, domestic trade data showed annual drop in turnover of 7.2% in nominal terms, following the 4.6% drop recorded in May 2026. In June 2026, value of turnover amounted to Denar 64,903. In cumulative terms, value of total turnover in trade amounted to Denar 365,484 million in the period January – June 2026, representing a decline of 7.1% lower compared to the corresponding period of last year.



In cumulative terms, in the period from January to June 2026, positive turnover growth was recorded only in the Retail trade sector. Retail trade turnover amounted to Denar 168,841 million, representing an increase of 6.3% compared with the corresponding period of the previous year. By contrast, turnover in the Motor vehicle trade and repair sector amounted to Denar 22,176 million, which was 8.6% lower than in the corresponding period of the previous year. Wholesale trade turnover amounted to Denar 174,467 million in the same period, representing a decline of 17.1% compared with the corresponding period of the previous year.

In real terms, Retail trade recorded an annual decline of 1.0% in June 2026. When analysed by groups and classes, Retail trade in food, beverages and tobacco decreased by 4.2% while Retail trade in non-food products and Retail trade in automotive fuels increased by 1.4% and 2.5%, respectively.



In June 2026, Wholesale trade (48.5%) accounted for the most in the Trade sector, followed by Retail trade (45.7%) and Trade in motor vehicles and motorcycles, repair and their maintenance (5.8%).

Inflation

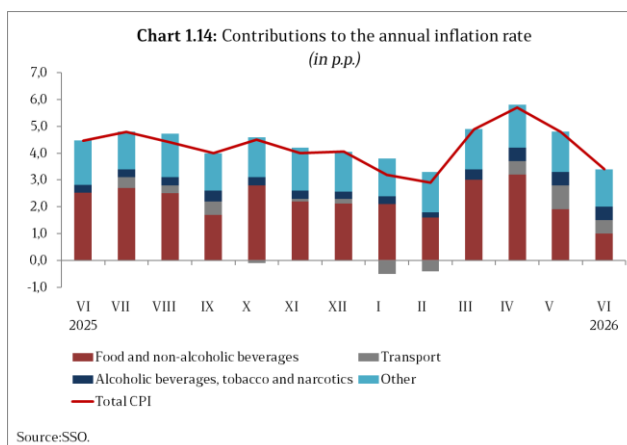
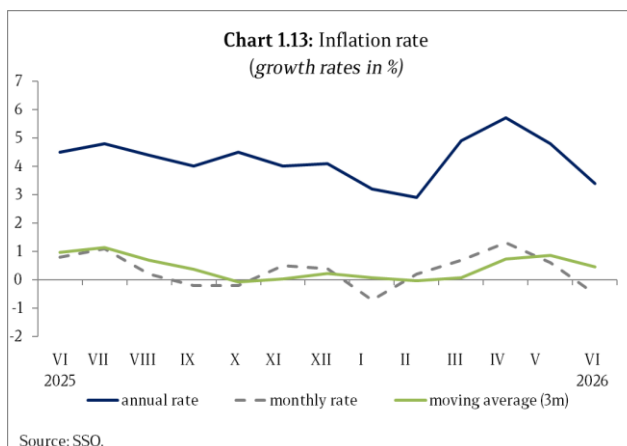
In June 2026, inflation rate accounted for 3.4% on annual basis, having decreased compared to the previous month (4.8% in May 2026). Core inflation and the food component remain the main drivers of price pressures. Food prices showed signs of moderation compared with the previous month, owing to the fading effect of the lower base of comparison, which had contributed to stronger growth in March and April following the introduction of measures capping margins on basic food products during the same period last year. Average inflation rate in the first half of 2026 accounted for 4.1%.

In June 2026, core inflation (inflation, wherefrom the impact of prices of food and energy products is excluded) recorded a slowdown compared to the previous month and accounted for 3.5% on annual basis (4.6% in May).

Prices in the Food and non-alcoholic beverages category increased by 2.5%, recording slowdown of growth compared to the previous month (4.8% in May), whereby contributing with 1.0 percentage points in the total inflation, while decreasing by 0.9 percentage points compared to the previous month.

Following sub-categories: Meat¹ (annual growth of 7.8% and contribution of 0.7 p.p.), Milk, other dairy products and eggs (annual growth of 4.8%, contribution of 0.4 p.p.), Oils and fats (annual growth of 7.2% and contribution of 0.1 p.p.) and Non-alcoholic beverages (annual growth of 2.9% and contribution of 0.1 p.p.) had the biggest contribution to growth in the Food and non-alcoholic beverages category.

Observed by components, price increase was also recorded across all categories: Alcoholic beverages, tobacco and narcotics (9.3%), Transport (6.2%), Recreation, sport and culture (5.1%), Restaurants and accommodation services (4.8%), Education services (4.6%), Furnishings, household equipment and routine household maintenance (4.2%), Housing, water, electricity, gas and other fuels (2.8%), Information and communication (2.8%), Food and non-alcoholic beverages (2.5%), Clothing and footwear (2.1%), Health (1.8%), Personal care, social protection and miscellaneous goods and services (1.6%).

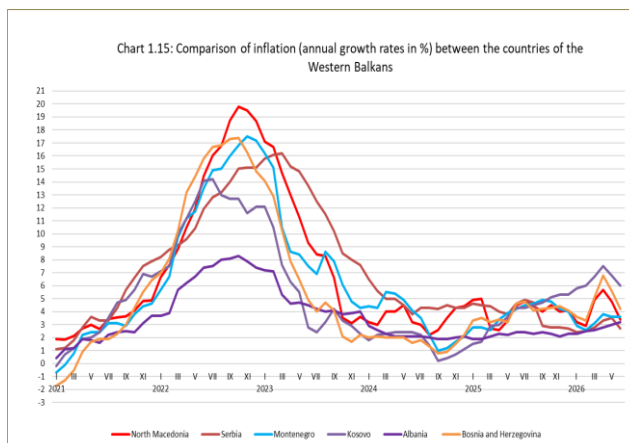


¹ Under the new classification, the meat subcategory is defined as Live animals, meat, and other parts of slaughtered terrestrial animals.



In June, consumer prices decreased by 0.5% on a monthly basis, (last month prices increased by 0.6%). The decline was primarily driven by food prices, which fell by 1.2% and contributed 0.4 percentage points to the overall decrease in consumer prices. On a monthly basis, in addition to food prices, passenger transport services, particularly air transport, also contributed to the decline in consumer prices, while fuel prices increased.

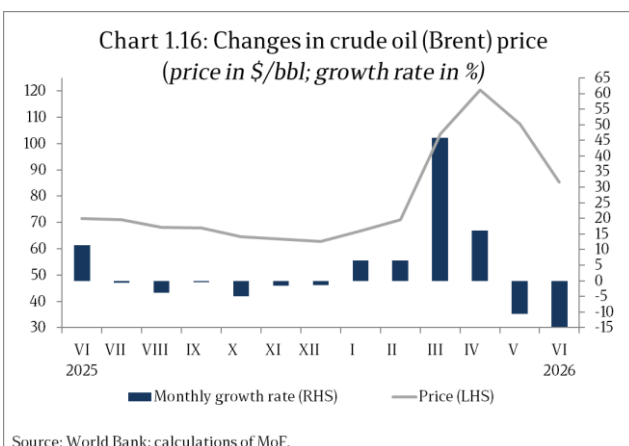
In June 2026, the Eurozone inflation rate decreased to 2.8%², down from 3.2% in May 2026.



According to the latest projections of the European Central Bank (ECB), inflation in the euro area has been revised up by 0.4 percentage points for 2026 and is expected to reach 3.0%. It is then expected to fall to 2.3% in 2027 and to 2.0% in 2028, converging towards the ECB's 2% medium-term target. The revision to the inflation projection mainly reflects higher energy price expectations, particularly for oil prices, as a result of heightened geopolitical tensions and supply disruptions.

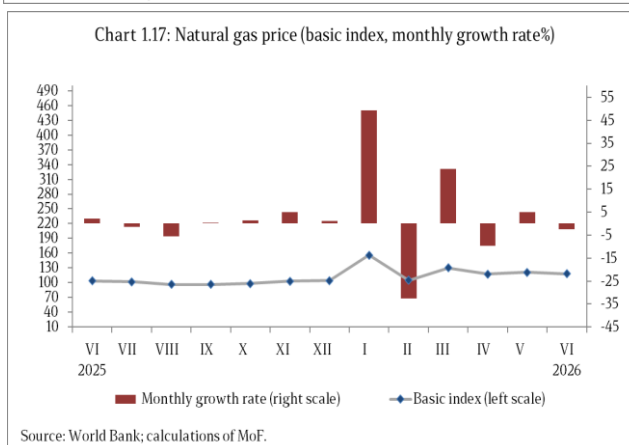
Stock Market Prices

In June 2026, crude oil price (Brent) on global stock exchange decreased by 20.6% on monthly basis, amounting to US Dollar 85.4 per barrel. The decline in prices was due to the easing of geopolitical tensions in the Middle East and reduced concerns about supply disruptions. Additional downward pressure on prices stemmed from expectations of weaker global demand and higher oil supply. Oil price was higher by 19.4% on annual basis.



Source: World Bank; calculations of MoF.

The price of natural gas declined by 2.4% on a monthly basis, primarily due to easing geopolitical risks and improved supply expectations. In June, natural gas prices recorded an annual increase of 14.1%.



Source: World Bank; calculations of MoF.

In June 2026, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 124.67 per megawatt/hour, growing by 17.1% on monthly basis. In June, electricity prices increased by 48.2% on annual basis.

² The data is estimated by Eurostat.



Prices of most base metals recorded a decline on a monthly basis in June 2026, including: nickel by 6.5%, aluminium by 6.2%, lead by 2.3%, and tin by 1.0%. Increased prices were seen at zinc by 1.6% and copper by 0.1%. Price of iron ore registered monthly drop of 7.2%.

In June 2026, the prices of precious metals decreased on monthly basis: silver down by 14.5%, platinum by 13.6%, and gold by 7.8%.

In June, corn and maize prices dropped by 8.8% and 8.5%, respectively, on monthly basis. The price of sunflower oil picked up by 0.3% on monthly basis.

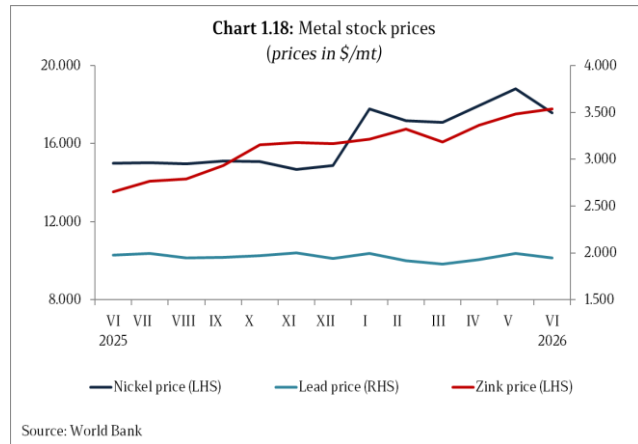


Table 1.1. Stock market prices of energy products (monthly data)

	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
2026 I	150.41	66.8	415.9
II	113.29	71.2	397.6
III	117.40	103.7	633.6
IV	96.55	120.4	545.2
V	107.54	106.5	572.1
VI	124.67	85.4	563.7

Source: World Bank, Hungarian Power Exchange

2. FOREIGN TRADE

Total foreign trade in the first six months in 2026 amounted to EUR 10,476.2 million, increasing by 7.7% compared to the same period last year.

In the period January – June 2026, share of trade with the EU (EU 27), as the largest trading partner, decreased by 1.8 p.p. compared to the same period last year, accounting for 58.5%. 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 the first six months of 2026, accounted for 20.0%, dropping by 1.2 p.p. compared to the same period in 2025.

Export

In the period January – June 2026, value of exported goods amounted to EUR 4,361.5 million, surging by 7.9% (EUR 318.1 million) compared to the same period in 2025, while physical output of export grew by 4.8%.

Value of exported goods amounted to EUR 827.3 million in June 2026, surging by 18.9% (EUR 131.8 million) compared to the same month of the previous year, while physical output of export increased by 16.2% compared to June 2025.

Analysed on monthly basis, in June 2026, export grew by 10.0% (EUR 75.5 million), compared to the previous month, and, after applying seasonal adjustment to export, it registered monthly increase of 4.5%, showing positive effects of the seasonal factor (5.5 p.p.) on export this month.

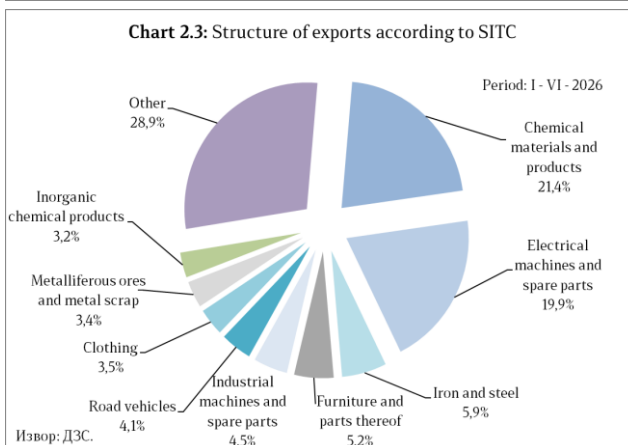
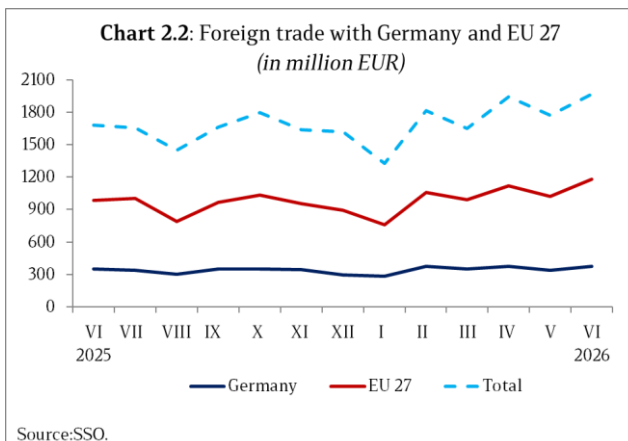
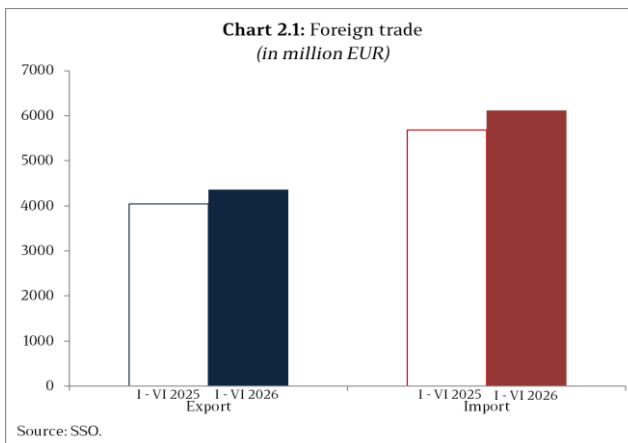
Value of export of food in the first six months of 2026 increased by EUR 2.1 million, picking up by 0.7% compared to the same period in 2025, while quantity of exported food increased by 8.2%. As for our country's total export structure, share of the food in the first six months of 2026, accounted for 6.4%, decreasing by 0.5 p.p. compared to the same period in 2025. In the total food export, the following products were the most exported: Fruit and vegetables (39.6%), Cereals and cereal products (22.6%), Milk products and eggs (11.0%), and Meat and meat preparations (9.4%).

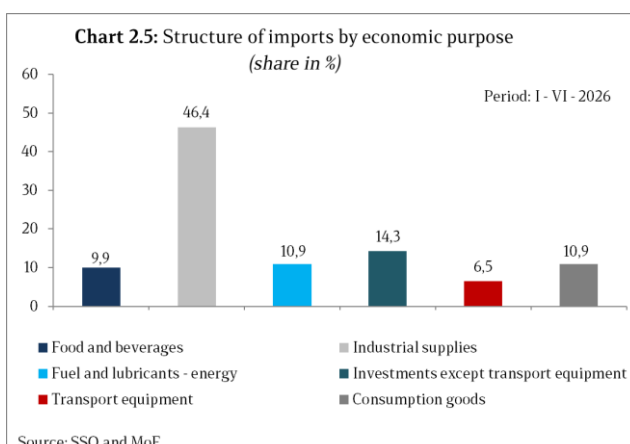
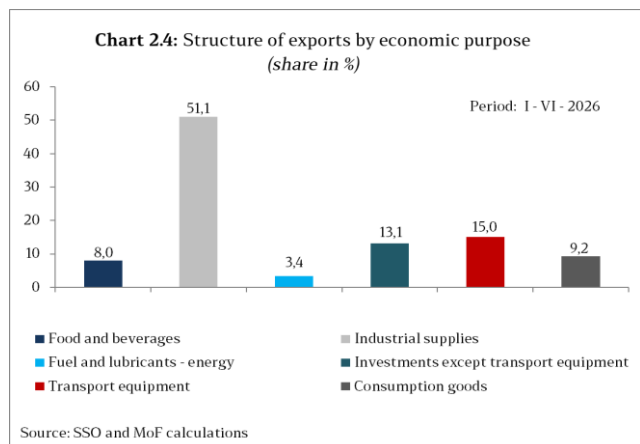
Import

In the first six months of 2026, value of imported goods amounted to EUR 6,114.8 million, increasing by 7.6% (EUR 429.7 million) compared to the same period in 2025, while physical output of import dropped by 11.0%.

In June 2026, import value amounted to EUR 1,142.7 million, representing growth of 15.9% (EUR 156.5 million) compared to the same month in 2025, while imported quantities of goods increased by 15.4% compared to June 2025.

Analysed on monthly basis, in June 2026, import grew by 12.0% (EUR 122.5 million), compared to the previous month, and, after applying seasonal adjustment to import, it registered monthly increase of 7.6%, showing positive effects of the seasonal factor (4.4 p.p.) on import this month.





Value of import of food in the first six months of 2026 declined by EUR 4.9 million, being lower by 0.9% compared to the same period in 2025, while quantity of imported food decreased by 2.5%. As for our country's total import, share of the food in first six months in 2026, accounted for 8.9%, decreasing by 0.8 p.p. compared to the same period in 2025. As per the total food import, the following products were the most imported: Meat and meat preparations (21.5%), Fruit and vegetables (16.8%), Cereals and cereal products (13.5%), Coffee, tea, cocoa and herbs (11.7%) and Milk products and eggs (10.4%).

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

Export of petroleum and petroleum products*)				
	I-VI 2025	I-VI 2026	Balance	% rate
000 T	38,6	100,5	61,9	160,3
EUR mil.	26,7	105,0	78,3	292,9
\$ mil.	29,2	122,3	93,1	319,1

*)Previous data

Export of chemical products*)				
	I-VI 2025	I-VI 2026	Balance	% rate
000 T	38,5	35,6	-2,9	-7,5
EUR mil.	855,8	933,9	78,1	9,1
\$ mil.	936,9	1.089,7	152,8	16,3

*)Previous data

Export of iron and steel*)				
	I-VI 2025	I-VI 2026	Balance	% rate
000 T	357,7	359,3	1,6	0,4
EUR mil.	271,6	257,0	-14,6	-5,4
\$ mil.	296,2	299,6	3,4	1,1

*)Previous data

Import of petroleum and petroleum products*)				
	I-VI 2025	I-VI 2026	Balance	% rate
.000 T	556,7	585,7	29,0	5,2
EUR mil.	340,5	461,1	120,6	35,4
\$ mil.	371,8	537,7	165,9	44,6

*)Previous data

Import of chemical products*)				
	I-VI 2025	I-VI 2026	Balance	% rate
.000 T	16,5	16,1	-0,4	-2,5
EUR mil.	89,1	82,0	-7,2	-8,0
\$ mil.	97,4	95,7	-1,7	-1,7

*)Previous data

Import of iron and steel*)				
	I-VI 2025	I-VI 2026	Balance	% rate
.000 T	413,8	386,0	-27,8	-6,7
EUR mil.	260,5	234,7	-25,7	-9,9
\$ mil.	284,3	273,7	-10,6	-3,7

*)Previous data

Trade Balance

In June 2026, trade deficit increased by 8.5% or EUR 24.7 million compared to June 2025.

In the period January - June 2026, trade deficit increased by 6.8%, i.e. by EUR 111.7 million, compared to the same period last year.

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 consumer goods and industrial supplies, coupled with a narrowing surplus in transport equipment. On the other hand, the reduction in the deficit in trade in investment goods, fuels and lubricants, and food and beverages contributed to a narrowing of the negative trade balance.



In the first six months of 2026, most of the trade deficit of the country was realized in the trade with Great Britain, followed by: China, Greece, Türkiye, Italy, Serbia, and others. The highest trade surplus was recorded in trade with Germany, followed by Hungary, Bulgaria and others.

Currency Structure

Observed by currency structure, 91.5% of the trade in the period January – June 2026 was realized in euros and, compared to the same period in 2025, it surged by 0.6 percentage points. On export and import side, euro accounted for 94.7% and 89.3%, respectively, whereby share of the euro in export was higher by 1.7 p.p., while share of the euro in import lower by 0.2 p.p. compared to the period January – June 2025.

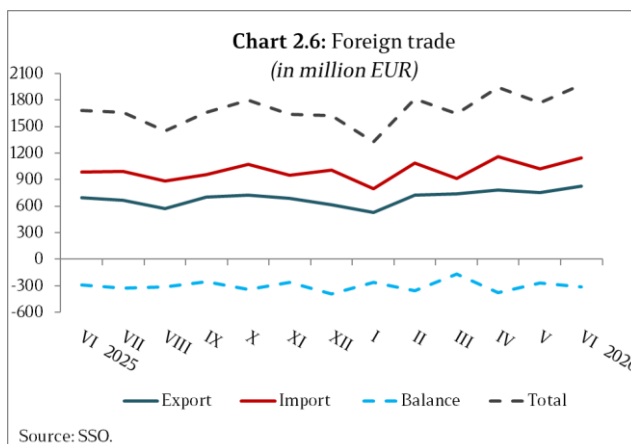


Table 2.2 Foreign trade of the Republic of North Macedonia (by currency); calculations: MoF													
import	I - VI - 2025					I - VI - 2026					absolute change in currency value	relative change in currency value (in %)	
currency	.000 T	import in currency	average Denar exch. Rate in relation to currencies	import in Denar	structure in %	.000 T	import in currency	average Denar exch. Rate in relation to currencies	import in Denar	structure in %			
EUR	3.173,8	5.085.202.906,9	61,6	313.221.547.491,6	89,4	2.785,0	5.460.589.862,0	61,7	336.739.287.136,1	89,3	375.386.955,0	7,4	
USD	349,4	600.459.898,8	56,5	33.902.626.389,4	9,7	351,1	699.247.536,8	52,9	36.977.538.313,7	9,8	98.787.638,0	16,5	
GBP	1,0	10.313.939,5	73,1	754.170.725,0	0,2	1,0	9.563.341,3	71,1	679.800.554,4	0,2	-750.598,2	-7,3	
EUR+USD +GBP	3.524,1			347.878.344.606,0	99,1	3.137,1			374.396.626.004,2	99,3			
tot. import	3.535,7			350.177.530.345,7	100,0	3.147,9			377.116.489.150,0	100,0		7,7	

Source: SSO and NBRNM

3. FISCAL SECTOR

Budget Revenues and Expenditures according to the Economic Classification

In the period January – June 2026, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 169,929 million, accounting for 45.3% of the 2026 projections, i.e. an increase of 8.6% compared to collected budget revenues during the corresponding period in 2025. As regards total revenues, Denar 155,462 million was collected on the basis of tax revenues and social contributions, accounting for 46.3% of 2026 projected amount, being 9.2% increase in relation to the previous year. Thereby, tax revenues were collected in the total amount of Denar 95,425 million (i.e. 45.2% of the amount projected for 2026 and 9.7% increase), while social contributions were collected in the amount of Denar 58,752 million (annual increase of 7.5%, i.e. 48.2% of the amount projected for 2026). As regards tax revenues, increased collection was recorded at personal income tax by 11.7%, followed by corporate income tax by 14.5%, VAT increasing by 16.4%, and import duties by 8.3%, while decreased collection was recorded at excise duties by 4.1% and other tax revenues by 278.1%. During this period, non-tax revenues grew by 11.5%, capital revenues increased by 20.5%, whereas foreign donation revenues dropped by 41.9%.

Total budget expenditure execution amounted to Denar 206,102 million during the period January – June 2026, representing 49.8% of the annual projections, reflecting an increase of 10.7% compared to same period in 2025. Thereby, current expenditures were executed in the amount of Denar 186,731 million, i.e. 49.9% of the amount projected for the whole year, being an increase of 7.6% compared to the same period in 2025. Increase was recorded in expenditures on wages and allowances (8.5%) and on goods and services (27.2%), while interest expenditures declined by 4.8%. Transfers, as the largest category of current expenditures, increased by 7.0%, driven by growth of social transfers by 9.8%, health care expenditures by 6.1%, block and earmarked grants by 8.2 and subsidies and transfers by 11.2%. Capital expenditures were executed in the amount of Denar 19,371 million, being by 53.5%



higher compared to the same period in 2025. Execution rate of capital expenditures for the period January – June 2026 accounted for 48.3% compared to the projected amount.

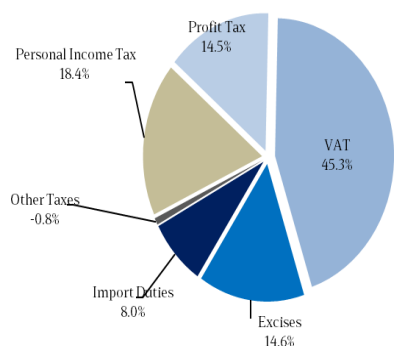
Table 3.1. State Budget Execution for the period January - June 2026

	2026 Budget	January-June 2026		
	(Denar million)	(Denar million)	Annual growth rate (%)	% of collection/execution rate (%)
TOTAL REVENUES	374,935	169,929	8.6%	45.3%
Taxes and contributions	335,971	155,462	9.2%	46.3%
Taxes	211,329	95,425	9.7%	45.2%
Personal Income Tax	38,797	17,539	11.7%	45.2%
Corporate Income Tax	26,572	13,809	14.5%	52.0%
VAT	92,506	43,258	16.4%	46.8%
Excise duties	35,838	13,949	-4.1%	38.9%
Import duties	16,597	7,652	8.3%	46.1%
Other tax revenues	1,019	-782	-278.1%	-76.7%
Contributions	121,822	58,752	7.5%	48.2%
Non-tax revenues	29,060	12,441	11.5%	42.8%
Capital revenues	2,510	575	20.5%	22.9%
Foreign donations	7,394	1,451	-41.9%	19.6%
TOTAL EXPENDITURES	414,174	206,102	10.7%	49.8%
Current expenditures	374,052	186,731	7.6%	49.9%
Wages and allowances	52,628	25,235	8.5%	47.9%
Goods and services	28,177	13,345	27.2%	47.4%
Transfers	271,970	136,149	7.0%	50.1%
Social transfers	206,268	101,467	9.8%	49.2%
Pension and Disability Insurance Fund of North Macedonia	136,420	67,457	12.1%	49.4%
Pecuniary unemployment allowance	3,576	907	21.7%	25.4%
Social protection	12,459	7,616	1.7%	61.1%
Health protection	53,813	25,487	6.1%	47.4%
Other transfers	62,871	33,093	-1.7%	52.6%
Interest	21,277	12,002	-4.8%	56.4%
Capital expenditures	40,122	19,371	53.5%	48.3%
BUDGET BALANCE	-39,239	-36,173	21.7%	92.2%

Source: Ministry of Finance

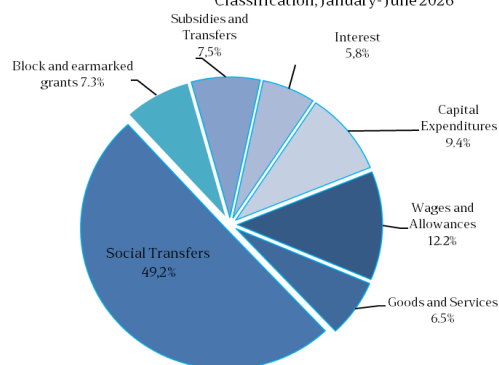


Chart 3.1: Structure of Collected Tax Revenues, January-June 2026



Source: MoF

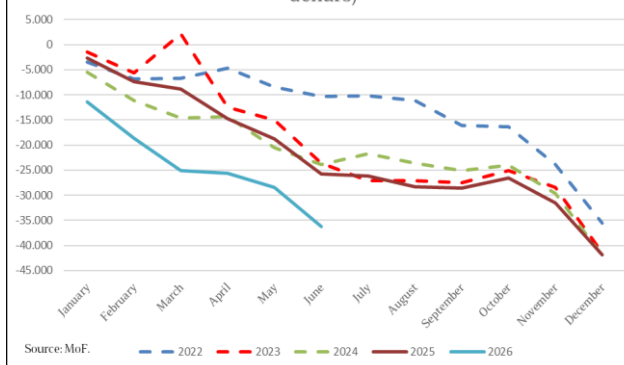
Chart 3.2: Structure of Executed Expenditures according to Economic Classification, January-June 2026



Source: MoF.

In the period January – June 2026, the state budget deficit amounted to Denar 36,173 million, accounting for 3.2% of 2026 projected GDP, i.e. 92.2% of the annual projections.

Chart 3.3: Budget deficit, cumulative data (million denars)



Source: MoF.

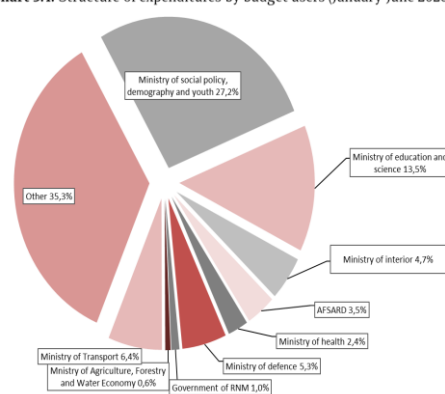
Expenditures by Budget Users

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

In the period January – June 2026, Ministry of Social Policy, Demographics and Youth executed funds in the amount of Denar 46,026 million or 56.5% of its total budget for the current year. Thereby, most of the expenditures (75.4%) were allocated for current transfers to Budget funds, for which Denar 34,686 million was spent, i.e. 55.6% of the funds allocated for 2026. The second highest expenditure item was the social benefits, participating with 16.2% in the total expenditures, whereby 62.5% (Denar 7,478 million) of the projected 2026 funds was executed for this purpose.

During the analysed period, Ministry of Education and Science executed budget funds in the amount of Denar 22,914 million, representing 49.7% of its total 2026 Budget. Current transfers to LGUs accounted for the most of the expenditures (54.7%), Denar 12,525 million being spent therefore or 49.0% of total projected funds. Wages and allowances category was the second highest expenditure item, accounting for 23.3%, for which an amount of Denar 5,347 million, accounting for 48.9% being executed out of total projected funds.

Chart 3.4: Structure of expenditures by budget users (January-June 2026)



Source: MoF.



In the period January – June 2026, Ministry of Internal Affairs executed expenditures in the total amount of Denar 8,042 million, accounting for 48.5% of its 2026 budget. Wages and allowances was the highest expenditure item, participating with 69.8%, Denar 5,611 million being spent therefor, accounting for 49.8% of the projected ones. Second highest expenditure item was Goods and services, accounting for 13.5%, with Denar 1,089 million being spent therefore, accounting for 37.3% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 5,969 million, accounting for 78.7% of the funds projected for the current year. As for subsidies and transfers, which accounted for 94.8% of the total expenditures, 82.6%, or Denar 5,659 million of the funds planned for the whole year, were spent therefore.

In the period January – June 2026, Ministry of Defence executed budget funds in the amount of Denar 8,961 million, accounting for 40.4% of this year's total budget. Expenditures related to wages and allowances accounted for the most with 34.6%, Denar 3,099 million being spent therefore (accounting for 46.5% of the total funds projected for the current year). Capital expenditures accounted for 30.0% of total expenditures, with Denar 2,691 million spent for this purpose, representing 29.6% of the total projected funds.

In the period January – June 2026, Government of the Republic of North Macedonia spent total of Denar 1,632 million, i.e. 37.1% of the funds projected for 2026. Thereby, capital expenditures accounted for 48.9% of total expenditures of this budget user, with Denar 799 million (67.1% of the projected funds) being spent therefore.

During the analysed period, Ministry of Health executed budget funds in the amount of Denar 4,098 million, accounting for 53.8% of its total 2026 Budget. Current transfers to Budget Funds accounted for the most of the expenditures with 48.0%, for which, Denar 1,966 million was spent or 56.2% of the funds projected for 2026. Second highest item was Goods and services, Denar 1,731 million (52.2% of the projections for the year) being spent therefore, accounting for 42.3% of total expenditures.

In the period January – June 2026, Ministry of Transport executed funds in the amount of Denar 10,893 million, i.e. 81.4% of its total budget for the current year. Execution of capital expenditures, as highest item, accounted for 93.8% of the total spent funds of this budget user (Denar 10,220 million or 83.7% of total projected funds).

During this period, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 1,074 million, accounting for 57.5% of the funds projected for 2026. Wages and allowances (Denar 456 million) was, by far, the highest item in the total expenditures of this budget user, accounting for 42.5% of its total expenditures, with 47.8% of the projected expenditures being executed. As regards capital expenditures, they accounted for 28.1% of the total expenditures, Denar 302 million being spent therefore, accounting for 63.7% 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

Registered Applications for Employment and Registered Unemployed Persons in the Employment Service Agency

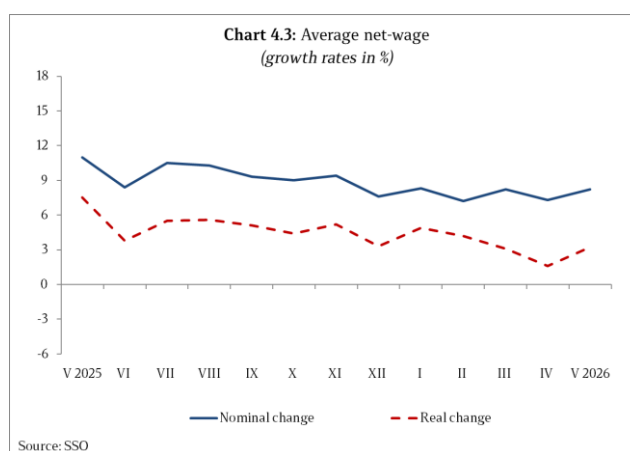
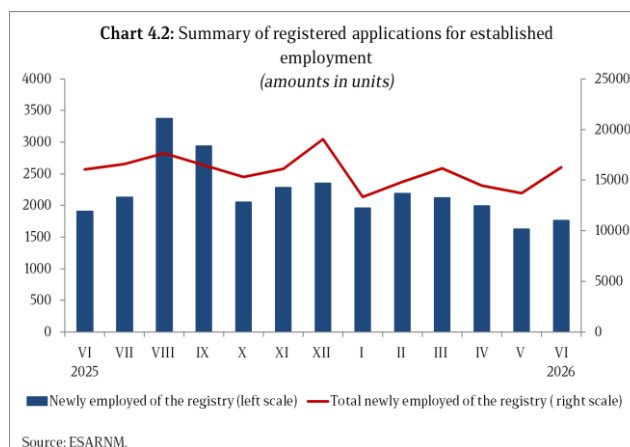
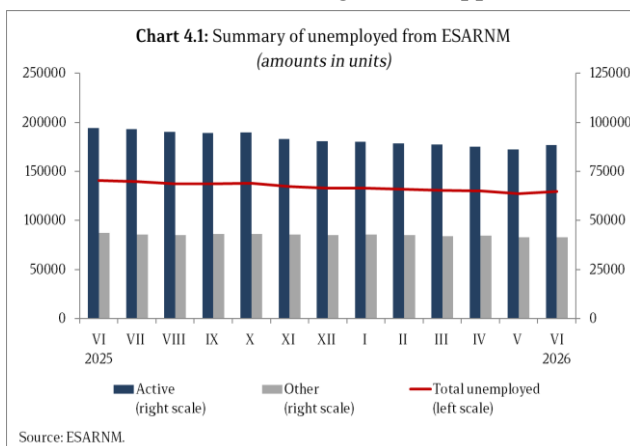
In June 2026, Employment Service Agency registered a total of 16,253 registered applications for employment³. Compared to the same period in 2025, number of registered applications for employment decreased by 6.6%.

Of the total number of registered applications for employment, 41.5% relate to permanent employment, while the remainder comprised fixed-term and seasonal employment. Of the total number of registered applications for employment in June 2026, 10.8% were previously registered as unemployed.

Total number of unemployed persons in June 2026 was 129,822, 88,541 persons out of which were active job seekers, while 41,281 persons were from the category “other unemployed”. On annual basis, total number of unemployed decreased by 7.9%, and has shown a continuous annual decline since May 2021. Compared to May 2026, number of unemployed persons was higher by 2,374.

Urban residents accounted the most (with 59.2%) among the active unemployed persons, whereas with respect to gender, men accounted for 48.5% of the total. Analysed by the level of education, majority, i.e. 67.3% of the unemployed persons were with incomplete secondary education or less, 25.1% were with completed secondary education, while 7.6% of the unemployed persons were with completed community college or higher education level.

Analysed by age structure, 50.4% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 56.1% of the unemployed persons wait for employment from 1 to 7 years, while 14.6% wait for employment for 8 years or more.



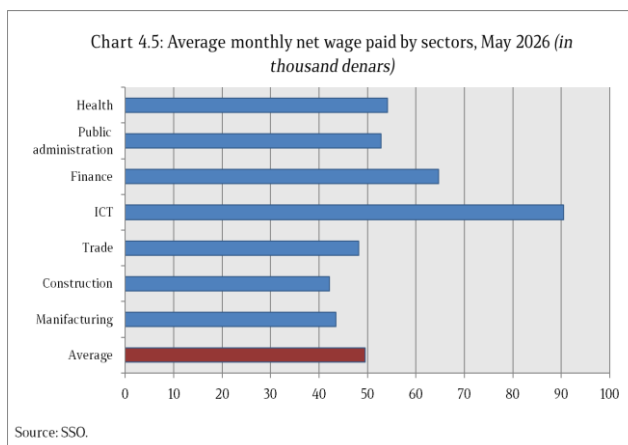
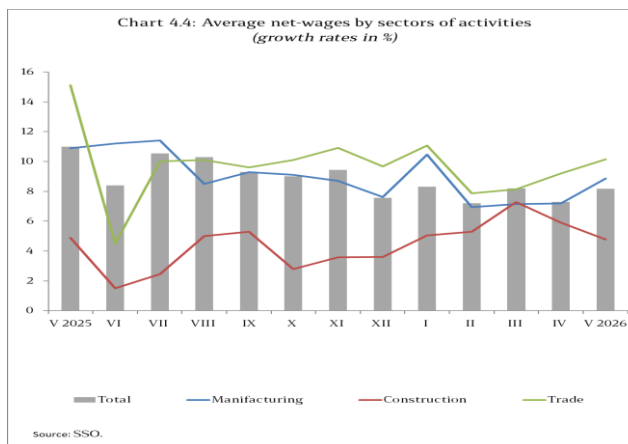
³ During the reporting period, it is possible for multiple employment registration forms (M-1) to be submitted for a single individual. Each submission is recorded and included in the total count of registered employment declarations (according to the Employment Service Agency).



Wages

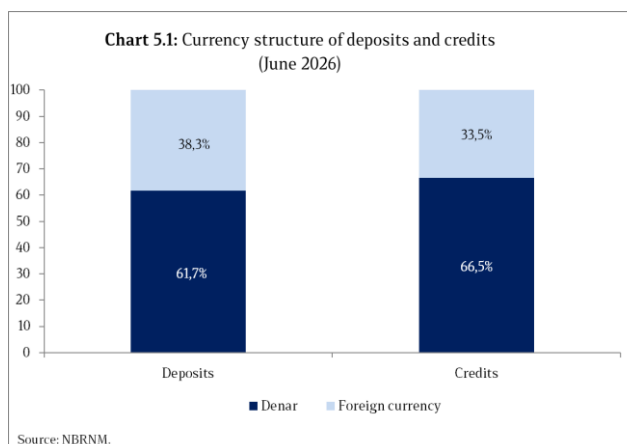
As per the notification of the State Statistical Office, in May 2026, average net wage amounted to Denar 49,544, in nominal terms, being higher by 8.2% on annual basis, and being higher by 1.6% compared to April 2026. The highest increase of average net wage, in relation to May 2025, was observed at the following sectors: Water supply; Sewerage, waste management and remediation activities (up by 11.9%), Arts, entertainment and recreation (up by 11.3%) and Transport and storage (up by 10.9%). In May 2026, wages picked up by 3.2% in real terms on annual basis. Highest average net wage in May 2026 was paid in the Information and communications sector (Denar 90,485), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 109,671), followed by Financial and insurance activities sector with an average net wage of Denar 64,715, Mining and quarrying sector with average net wage in the amount of Denar 61,228 and Electricity, gas, steam and air conditioning supply sector with Denar 59,401.

Average nominal gross wage in May 2026 amounted to Denar 74,482 and compared to the same month in 2025, increased by 8.2%, being higher by 1.5% on monthly basis. The highest increase of average gross wage in May 2026, compared to May 2025, was recorded in the following sectors: Water supply; Sewerage, waste management and remediation activities (up by 12.1%), Arts, entertainment and recreation (up by 11.5%) and Administrative and support service activities (up by 10.7%).



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. In June 2026, the National Bank increased the policy rate by





0.25 percentage points, from 4.0% to 4.25%, as an additional monetary tightening measure in response to growing inflationary pressures and heightened uncertainty.

Primary Money

In June 2026, primary money⁴ grew by 0.8% on monthly basis. Increase of primary money was a result of increase of both total liquid assets by 1.3% and currency in circulation by 0.2%.

In June 2026, primary money grew by 8.2% on annual basis, as a result of both increased total liquid assets of banks and currency in circulation by 6.0% and 10.7%, respectively.

Deposit Potential⁵

In June 2026, total deposits of banks grew by 2.1% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of private enterprises grew by 5.2%, while deposits of households increased by 0.7%.

From currency point of view, compared to the previous month, Denar deposits and foreign currency deposits increased by 2.2% and 1.9% respectively.

Total deposit potential in June 2026 surged by 9.9% on annual basis. Analysed by currency, domestic currency deposits increased by 11.6%, whereas foreign currency deposits grew by 7.3%.

From sectoral point of view, deposits of enterprises grew by 8.0%, and deposits of households increased by 10.5% on annual basis.

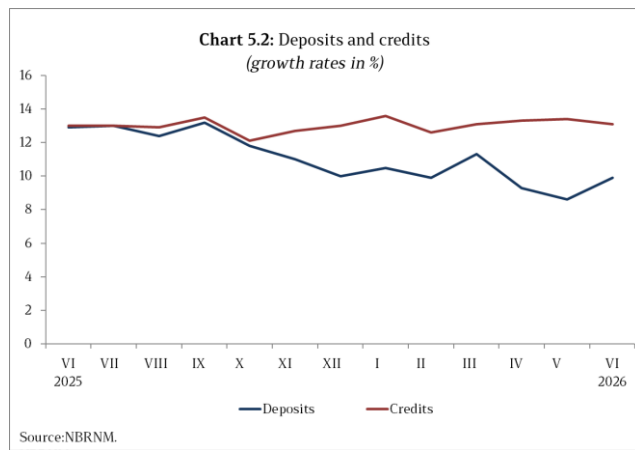


Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (June 2026)	In Denar million	Monthly change	Annual change
Deposit Potential	675,593	2.1%	9.9%
By currency:			
<i>Denar</i>	<i>416,686</i>	<i>2.2%</i>	<i>11.6%</i>
<i>Foreign currency</i>	<i>258,908</i>	<i>1.9%</i>	<i>7.3%</i>
By maturity:			
<i>Short-term</i>	<i>241,906</i>	<i>1.7%</i>	<i>6.7%</i>

⁴Primary 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.

⁵NBRNM 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.



<i>Long-term</i>	<i>168,449</i>	<i>1.6%</i>	<i>11.2%</i>
Credits to private sector	590,849	1.4%	13.1%
By currency:			
<i>Denar</i>	<i>392,632</i>	<i>1.8%</i>	<i>18.7%</i>
<i>Foreign currency</i>	<i>198,217</i>	<i>0.6%</i>	<i>3.3%</i>
By maturity:			
<i>Short-term</i>	<i>89,648</i>	<i>0.4%</i>	<i>11.3%</i>
<i>Long-term</i>	<i>486,859</i>	<i>1.7%</i>	<i>14.1%</i>

Source: NBRNM

According to maturity, short-term deposits increased by 6.7%, while long-term deposits rose by 11.2% on annual basis.

Currency structure of deposits remained stable, with the share of domestic currency deposits in the deposit base dominant at 61.7% this month.

Bank Credits

In June 2026, total credits of banks to the private sector increased by 1.4% on monthly basis, as a result of the growth of both credits to enterprises by 1.4%, and credits to households by 1.3%.

Analysed by currency, both Denar and foreign currency credits increased by 1.8% and 0.6% on monthly basis.

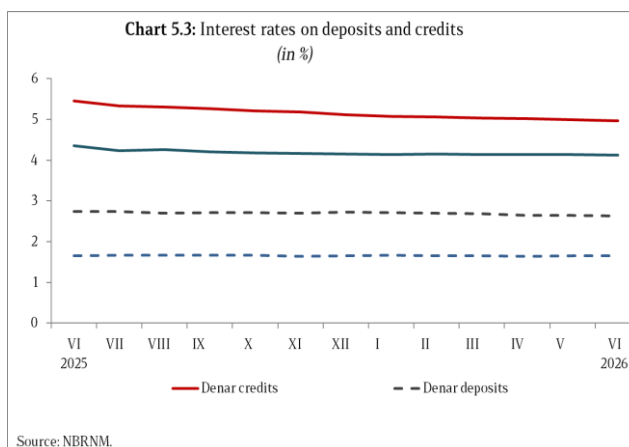
On annual basis, total credits grew by 13.1% in June 2026, in conditions of growth of credits to enterprises of 14.2% and credits to households of 12.1%. Denar credits increased by 18.7%, while foreign currency credits grew by 3.3%.

As regards maturity, long-term credits grew by 14.1% on annual basis, and short-term credits picked up by 11.3%.

Interest Rates of Deposit Banks

In June 2026, total interest rate on credits dropped by 0.02 p.p. compared to the previous month, accounting for 4.67%. Interest rate on Denar credits dropped by 0.02 p.p., accounting for 4.97%, while interest rate on foreign currency credits decreased by 0.1 p.p. on monthly basis, accounting for 4.13%.

Total interest rate on deposits in June 2026 accounted for 2.17%, remaining unchanged compared to last month. Interest rate on Denar deposits decreased by 0.01 p.p. to 2.63%, while interest rate on foreign currency deposits grew by 0.02 p.p. to 1.68%.



Interest rate on newly granted Denar credits was 4.46%, while interest rate on newly granted foreign currency credits stood at 3.85%. Interest rates on newly received Denar and foreign currency deposits stood at 2.69% and 2.32%, respectively.

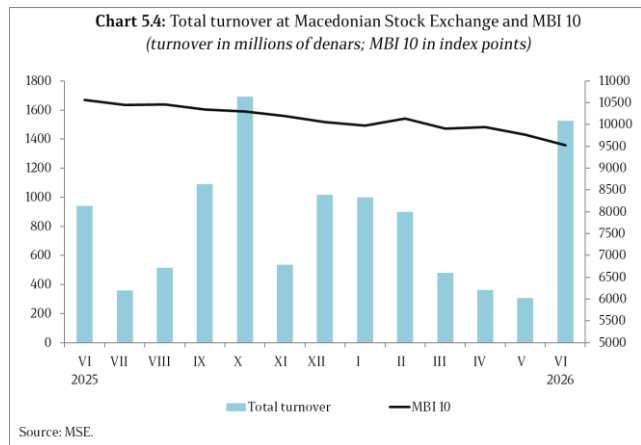


Capital Market

As for the capital market, in June 2026, total turnover on the stock exchange surged by 395% on monthly basis, as a result of the increase of turnover from block transactions by 4310.4%, and turnover from classical trading in BEST by 34.2%.

Total turnover on the stock exchange amounted to Denar 1,525.2 million in June 2026, being a 62.1% increase on annual basis.

At the end of June 2026 Macedonian Stock Exchange Index MSEI – 10 amounted 9,521.52 index points, whereby the index dropped by 2.5% on monthly basis, while, compared to the same month last year, the index was lower by 9.9%.



Reserve Assets

At the end of June 2026, gross reserves amounted to EUR 4,936.35 million, being lower by 5.2% compared to the previous month, while being higher by 5.2% compared to June 2025.