Republic of North Macedonia
Ministry of Finance

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SHORT-TERM ECONOMIC TRENDS

May 2026

Republic of North Macedonia

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SUMMARY

OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

May 2026

- In May 2026, industrial production recorded a drop of 2.0% compared to the same month previous year.
- In May 2026, inflation rate accounted for 4.8% on annual basis, having decreased compared to the previous month (5.7% in April 2026). Inflation recorded growth of 0.6% on monthly basis.
- Export in the period January – May 2026 increased by 5.6%, while import grew by 5.8%, resulting in increase of the trade deficit by 6.3% compared to the same period in 2025.
- In the period January – May 2026, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 140,124 million, accounting for 37.4% of the 2026 projections, i.e. an increase of 5.7% compared to collected budget revenues compared to the corresponding period in 2025.
- Total budget expenditure execution amounted to Denar 2026 168,617 million during the period January – May, representing 40.7% of the annual projections, reflecting an increase of 8.5% compared to same period in 2025.
- In May 2026, total credits of banks grew by 13.4% compared to May 2025, while total deposit potential of banks increased by 8.6%.
- Average net wage paid in April 2026 amounted to Denar 48,779, recording a nominal increase of 7.3% on annual basis and a real growth of 1.6%. The highest average net wage, amounting to Denar 108,132, was recorded in the Computer programming activity.

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1. REAL SECTOR

Industrial Production

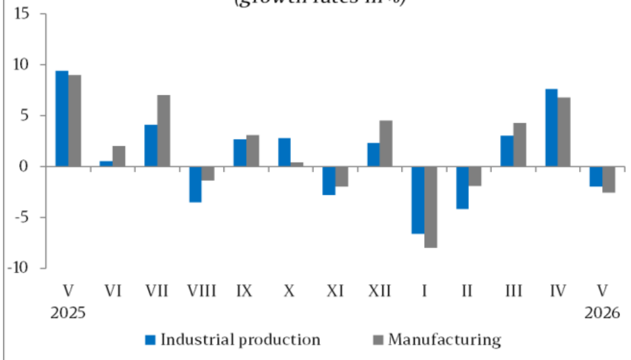
In May 2026, industrial production recorded a drop of 2.0% compared to the same month previous year. The decline was driven by lower output in Manufacturing, which fell by 2.6%, and in Mining and Quarrying, which contracted by 3.6%, while the Energy sector recorded growth of 6.1%.

In May 2026, growth in production was registered at 20 out of total of 27 industrial branches, comprising 81.6% in the total industrial production structure.

Among the industries with higher value added, a broad-based decline was recorded in May 2026. Manufacture of machinery and equipment declined by 12.9% and contribution: -0.7 p.p., Manufacture of electrical equipment decreased by 7.8%, with a contribution of -0.7 pp, Manufacture of motor vehicles, trailers and semi-trailers decreased by 2.3%, with a contribution of -0.2 p.p. and Production of metals decreased by 2.3%, with a contribution of -0.1 p.p..

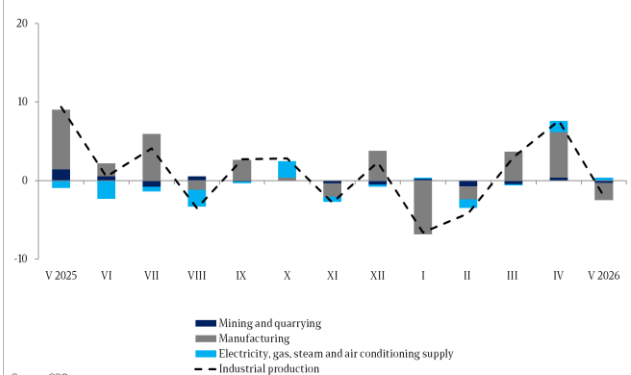
Traditional branches recorded a broad-based decline in May 2026: Manufacture of wearing apparel by 18.8% and contribution of -1.1 percentage points, Manufacture of textile by 17.3% and contribution of 0.7 percentage points, Manufacture of beverages by 12.7% and contribution of -0.5 percentage points, Manufacture of leather by 16.4% and contribution of -0.1% percentage points, and Manufacture of food products by 0.4%, Manufacture of tobacco products by 1.7%, and Manufacture of wood and wood products by 3.7%.

Chart 1.1: Industrial production
(growth rates in %)



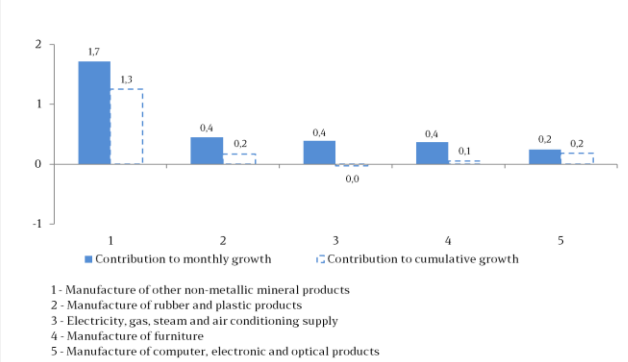
Source: SSO

Chart 1.2: Structure of industrial production growth
(contributions in p.p.)



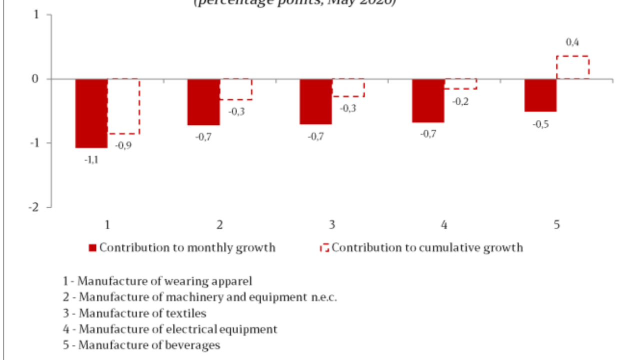
Source: SSO

Chart 1.3a: Branches with positive contribution to growth
(percentage points, May 2026)



Source: SSO.

Chart 1.3b: Branches with negative contribution to growth
(percentage points, May 2026)



Source SSO.

In May 2026, industrial production with respect to purpose of production units and compared to May 2025, increased with Intermediate products, except energy (growth of 3.4% and contribution of 1.1

percentage points) and Energy (growth of 6.5% and contribution of 0.5 percentage points). Decline was recorded in Consumer non-durables (dropping by 8.4% with contribution of -2.7 p.p.), Capital goods (dipping by 3.3% and contribution of -0.8 p.p.) and Consumer durables (dropping by 1.1%).

In the period January - May 2026, industrial production declined by 0.3%, compared to the corresponding period last year. Branches with largest positive contribution to growth are as follows: Manufacture of other non-metallic mineral products (growth of 32.1%, contribution of 1.3 percentage points), Manufacture of tobacco products (growth of 25.0%, contribution of 0.6 percentage points) and Manufacture of beverages (growth of 8.9%, contribution of 0.4 p.p.). The following branches had a negative impact on growth: Manufacture of wearing apparel (down by 15.0%, contribution of -0,9 p.p.), Manufacture of basic pharmaceutical products and pharmaceutical preparations (down by 10.4%, contribution of -0,4 p.p.) and Manufacture of machinery and equipment, nec (growth of 5.8%, contribution of -0.3 percentage points).

Number of Employees in the Industry

In May 2026, number of employees in the industry decreased by 2.6% compared to the same month in the previous year. The drop was due to the decrease in number of employees in the Mining and quarrying by 7.3%, and in the Manufacturing by 2.5%, while the number of employees in the Energy sector grew by 1.0%. The sharpest declines in employment were recorded in Manufacture of wearing apparel (11.9%), Mining of metal ores (8.8%), and Manufacture of leather and related products (7.5%). Increase in the number of employees was seen at the following branches: Manufacture of tobacco products, up by 16.9%, Manufacture of computer, electronic and optical products, up by 13.4%, and Manufacture of beverages, up by 3.5%.

Chart 1.4: Employment and productivity in industry
(growth rates in %)

Source: SSO; calculatations by MF.

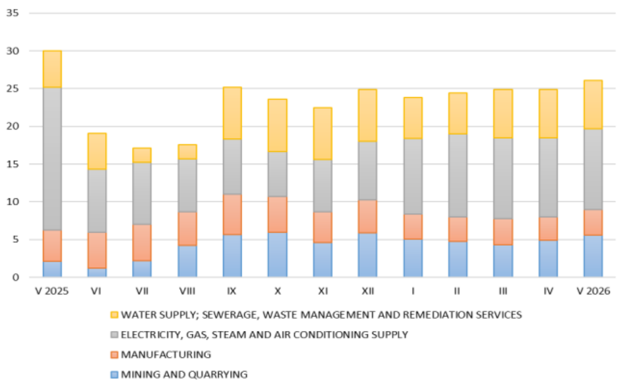
Data on the number of employees in the industry by target groups in May 2026, compared to the same period last year, showed decline in the number of employees.

Cumulative data indicate that the number of employees in industry during January–May 2026 declined by 3.0%, reflecting a decrease in employment in Mining and quarrying (down by 6.7%) and Manufacturing (down by 2.9%), while the Energy sector recorded a slight increase of 0.3%.

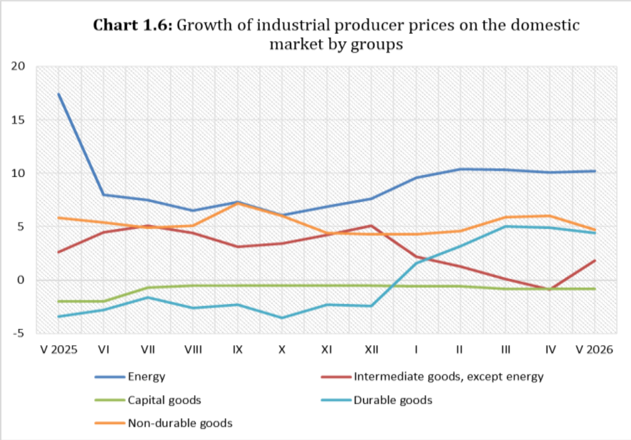
Industrial Producer Prices on the Domestic Market

In May 2026, the industrial producer prices on the domestic market were higher by 4.7% compared to the same month last year. Increase was due to increased prices throughout all sectors: Mining and quarrying by 5.6%, Manufacturing by 3.4%, Electricity, gas, steam and air-conditioning supply by 10.6 % and Water supply; Sewerage, waste management and remediation activities by 6.4%.

Chart 1.5: Growth of industrial producer prices on the domestic market



In May 2026, industrial producer prices on the domestic market were higher at the groups: Energy by 10.2%, Consumer non-durables by 4.7%, Consumer durables by 4.4% and Intermediate products, except energy by 1.8%, compared to the respective month in 2025.

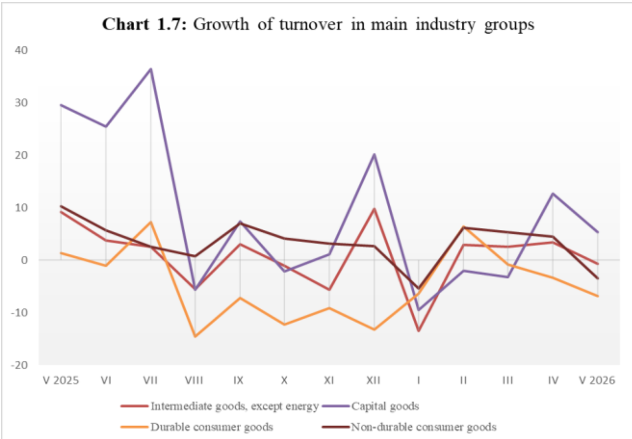


In the period January - May 2026 compared to the same period last year, industrial producer prices on the domestic market were higher by 4.6% on cumulative basis, due to increased prices across all sectors: Mining and quarrying by 5.0%, Manufacturing by 3.3%, Electricity, gas, steam and air-conditioning supply by 10.6 % and Water supply; Sewerage, waste management and remediation activities by 6.0%.

In the period January - May 2026 compared to the corresponding period in 2025, the sale prices of industrial product producers on the domestic market were higher in the groups as follows: Energy by 10.3%, Consumer non-durables by 5.1%, Consumer durables by 3.8%, and Intermediate goods, except energy by 0.9%.

Industrial Turnover Index

In May 2026, the industrial turnover, compared to May 2025, recorded an increase of 0.8% as per the State Statistical Office's data. Increase was due to increased turnover in Manufacturing, which increased by 0.8% and Mining sector, which grew by 3.0%. By market segment, turnover on domestic market increased by 1.8%, whereas foreign market turnover recorded 1.8% increase.



In May 2026, compared to May 2025, turnover in industry increased only in the group of Capital Goods, by 5.3%, while a decline was recorded in: Consumer durables – 6.9%, Consumer non-durables – 3.5%, and Intermediate goods, except energy – 0.7 %.

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

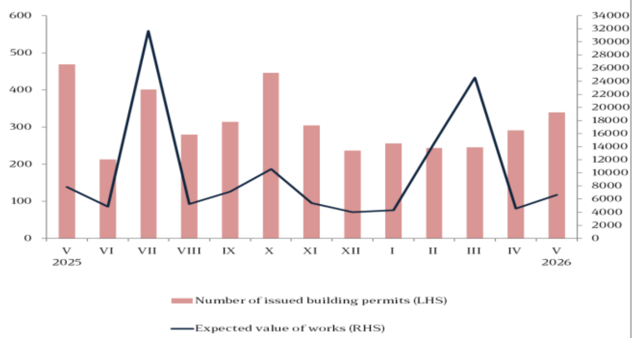
- Manufacture of computer, electronic and optical products (growing by 30.6%),
- Manufacture of wood and wood and cork products, except furniture, Manufacture of articles of straw and plaiting materials (increase of 26.0%), and
- Manufacture of machinery and equipment n.e.c. (up by 18.8%),

On cumulative basis, in the period between January – May 2026, compared to the same period last year, the industrial turnover recorded an increase of 0.3%, due to increase in turnover in Manufacturing by 0.4%, whereas turnover in the Mining and quarrying sector decreased by 1.4%. By market segment, during this period, turnover on foreign markets increased by 0.2%, while turnover on domestic market picked up by 1.2%.

In the period January - May 2026 compared to the respective period in 2025, the industrial turnover increased in the groups Consumer non-durables by 1.4% and Capital goods by 0.5%, while it decreased in the groups Consumer durables by 2.1% and Intermediate goods, except energy by 0.7%.

Number of Issued Building Permits and Expected Value of Constructions

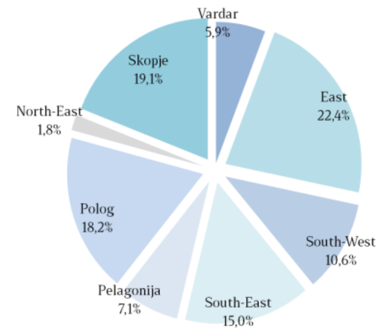
Chart 1.8: Building permits and value of works
(number in units; value in million denars)



Source: SSO.

In May 2026, compared to April 2026, an increase in the number of building permits was recorded (291 building permits in April 2026). In total, 340 building permits were issued, marking a 27.5% drop compared to the same month in 2025. The decline was primarily driven by a 78.8% annual decrease in the number of building permits issued for civil engineering structures (which accounted for 6.5% of the total number of building permits issued) and a 19.1% decline in permits issued for reconstruction projects, and 10.2% decrease in the number of permits issued for buildings. Such drop was recorded with both investors as business entities and as individuals. By regional breakdown, a rise in the number of issued building permits was recorded in the Eastern and Southeastern regions.

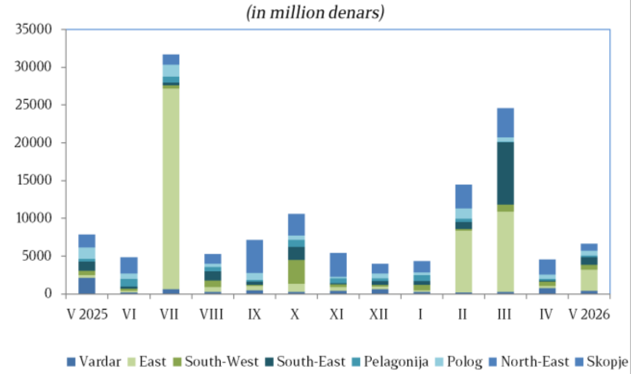
Chart 1.9: Structure of issued building permits by regions
(May 2026)



Source: SSO.

Compared to April 2026, number of issued building permits increased by 16.8%. Expected value of constructions, according to the issued building permits in May 2026, dropped by 15.2% on annual basis, while compared to the previous month, it recorded an increase of 45.7%.

Chart 1.10: Expected total value of the constructions by regions
(in million denars)



Analysed by types of constructions, out of the total number of issued building permits, 229 (or 67.3%) were intended for buildings, 22 (or 6.5%) with respect to civil engineering structures and 89 (or 26.2%) for reconstruction purposes.

Analysed by types of investors, out of total 340 issued building permits, individuals were investors in 214 facilities (or 62.9%), while business entities were investors in 126 facilities (or 37.1%).

In May 2026, construction of 840 flats was envisaged, with total usable area of 71,561м2 m². Number of flats envisaged for construction increased by 16.3% on monthly basis, while decreasing by 19.0% on annual basis.

Number of Completed Construction Works by Types of Constructions

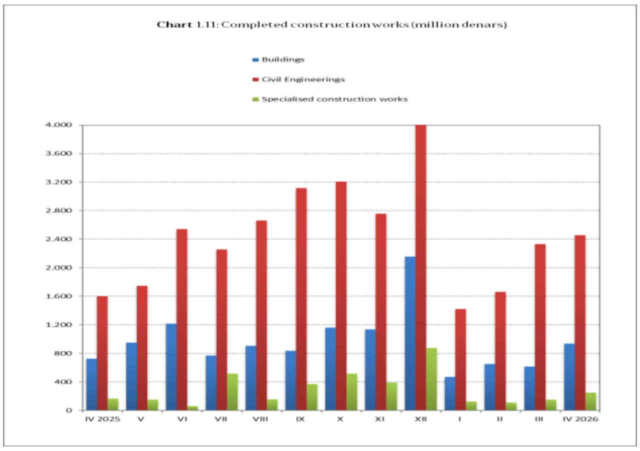


Chart 1.11: Completed construction works (million denars)

Total value of completed construction works in April 2026 amounted to Denar 3,648 million, representing an annual growth of 46.1% in nominal terms, whereby civil engineering structures, buildings and specialised construction works grew by 53.5%, 28,7% and 50.7%, respectively. Compared to March 2026, total value of completed construction works recorded growth of 17.7%, picking up by 52.2% at buildings, increasing by 65.9% as regards specialised construction works and rising by 5.4% as regards civil engineering structures. In cumulative terms, in the period January – April 2026, value of completed construction works amounted to Denar 11,196 million, being higher by 16.8% compared to the same period last year.

Most of the completed construction works pertained to civil engineering construction, with construction works amounting to Denar 7,874 million completed during January - April 2026, representing an increase of 33.7% compared to the same period last year. During this period, the value of completed works in specialised construction surged by 29.6%, amounting to Denar 647,341 million, while completed works in building construction amounted to Denar 2,675 million, being a 16.3% decrease compared to the same period last year.

In real terms, the value of completed construction works increased by 14.5% in the period January-April 2026. Growth was recorded in civil engineering structures (31.1%) and specialised construction works (27.1%), while buildings registered a decline of 18.0%.

Trade Sector Turnover

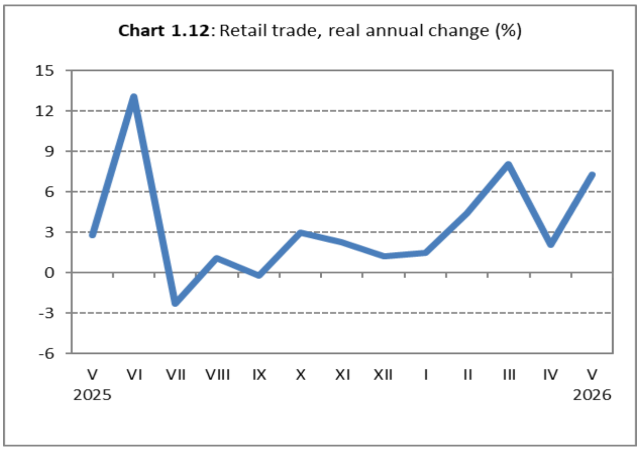


Chart 1.12: Retail trade, real annual change (%)

In May 2026, data on domestic trade demonstrated nominal annual growth in turnover of 4.6%, following the drop of 7.3% in April 2026. In May 2026, value of turnover amounted to Denar 63,954 million, whereby in cumulative terms, in the period January - May 2026, value of total turnover in the trade amounted to Denar 300,581 million, being 7.1% lower compared to the same period last year.

In the period January - May 2026, in cumulative terms, positive growth in turnover was also seen at the sectors: Retail trade, which turnover value amounted to Denar 139,187 million, i.e. 8.4% higher compared to the same period last year, whereas drop was recorded at Trade in motor vehicles and repair, which turnover value amounted to Denar 18,380 million, being 9.2% lower compared to the same period last year, and Wholesale trade, which turnover value amounted Denar 143,015 million, being 18.3% lower compared to the same period last year.

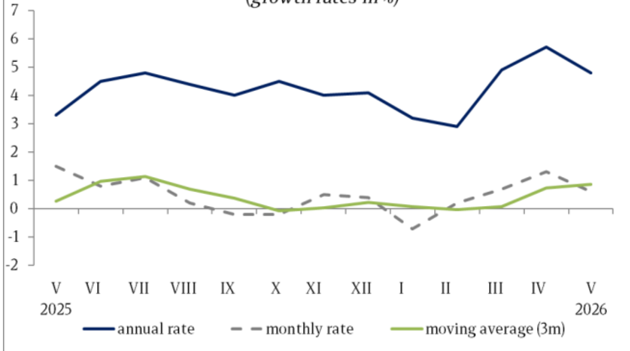
In real terms, Retail trade in May 2026 recorded an annual increase of 7.3%. When analysed by groups and classes, growth was observed in the following groups: Retail trade in food products, beverages, and tobacco, which rose by 9.1%, Retail trade in non-food products, which increased by 1.6%, and Retail trade in automotive fuels declined by 14.7%.

In May 2026, Wholesale trade (46.7%) accounted for the most in the Trade sector, followed by Retail trade (46.5%) and Trade in motor vehicles and motorcycles, repair and their maintenance (6.9%).

Inflation

In May 2026, inflation rate accounted for 4.8% on annual basis, having decreased compared to the previous month (5.7% in April 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. The transport category recorded a higher contribution to inflation as a result of higher fuel prices.

Chart 1.13: Inflation rate
(growth rates in %)

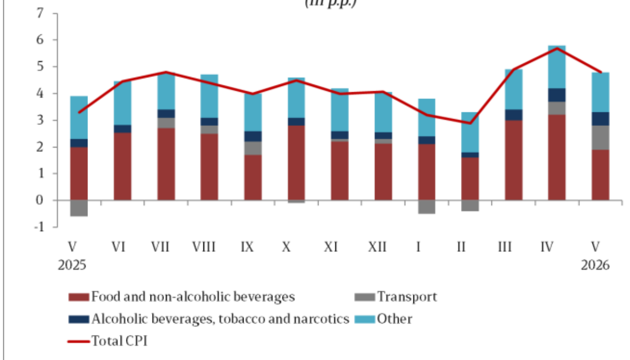


Source: SSO.

Average inflation rate in the period January – May 2026 stood at 4.3% on annual basis.

In May 2026, core inflation (inflation, wherefrom the impact of prices of food and energy products is excluded) recorded an acceleration compared to the previous month and accounted for 4.6% on annual basis (4.2% in April).

Chart 1.14: Contributions to the annual inflation rate
(in p.p.)



Source:SSO.

Prices in the Food and non-alcoholic beverages category increased by 4.7%, recording substantial slowdown of growth compared to the previous month (8.0% in April). The category contributed 1.9 percentage points to overall inflation, which was 1.3 percentage points lower than in the previous month.

Following sub-categories: Meat[1] (annual growth of 8.8% and contribution of 0.8 p.p.), Milk, other dairy products and eggs (annual growth of 5.8%, contribution of 0.5 p.p.), Non-alcoholic beverages (annual growth of 6.7% and contribution of 0.2 p.p.), Oil and fats (annual growth of 6.7% and contribution of 0.1 p.p.), Fruit (annual growth of 4.3% and contribution of 0.1 p.p.) and Cereals and cereal products (annual 1.6% growth and contribution of 0.1 p.p.) contributed most positively in the Food and non-alcoholic beverages category.

Observed by components, price increase was also recorded in the following categories: Transport (11%), Alcoholic beverages, tobacco and narcotics (9.3%), Recreation, sport and culture (5.5%), Restaurants and accommodation services (5.0%), Food and non-alcoholic beverages (4.7%), Furnishings, household equipment and routine household maintenance (4.6%), Education services (4.6%), Housing, water, electricity, gas and other fuels (2.9%), Information and communication

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

(2.8%), Clothing and footwear (2.2%), Personal care, social protection and miscellaneous goods and services (2.1%), Health (1.8%), and Insurance and financial services (1.7%).

In May, consumer prices increased by 0.6% on a monthly basis (following a 1.3% increase in the previous month), with food prices making the largest contribution to the increase. Food prices rose by 1.0%, contributing 0.4 percentage points to the monthly growth in consumer prices. On a monthly basis, in addition to food prices, passenger transport services, particularly air transport, also contributed to the increase in consumer prices, while fuel prices declined.

In May 2026, the Eurozone inflation rate increased to 3.2%[2], up from 3.0% in April 2026.

According to the latest macroeconomic projections of the European Central Bank, euro area inflation is expected to remain above the target in 2026, at around 2.6% before declining to approximately 2% in 2027 and gradually converging towards the ECB's 2% medium-term target. Higher inflation in the short term was mainly driven by energy prices and geopolitical risks, while core inflation remained relatively persistent due to rising wages and higher service prices. In the medium term, a gradual stabilization is expected; however, uncertainty related to energy prices and wage developments continues to play a significant role.

Chart 1.15: Comparison of inflation (annual growth rates in %) between the countries of the Western Balkans

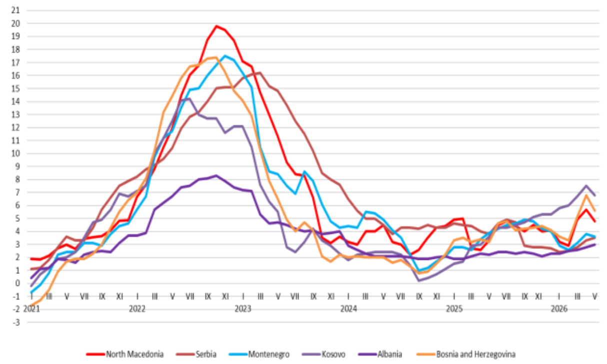
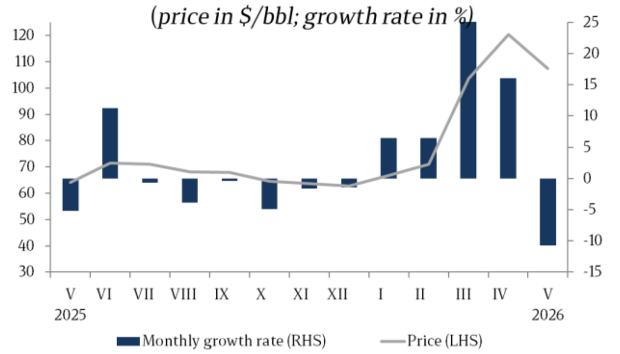


Chart 1.16: Changes in crude oil (Brent) price (*price in $/bbl; growth rate in %*)



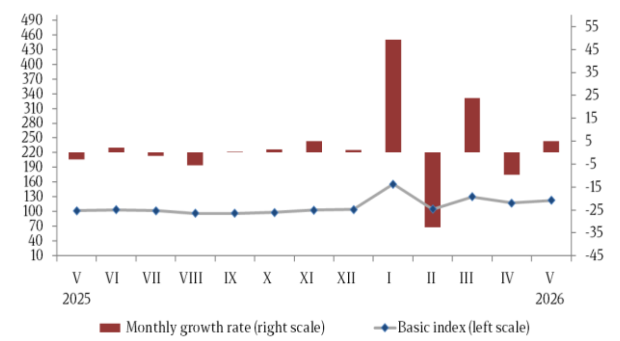
Source: World Bank; calculations of MoF.

Stock Market Prices

In May 2026, crude oil price (Brent) on the global stock markets declined by 10.7% on monthly basis, amounting to US$ 107.5 per barrel. The decline was the result of multiple contributing factors. Market expectations of increased supply have strengthened, particularly following signals of a more flexible supply stance by OPEC+, alongside weaker demand, especially in parts of the industrial and transport sectors. Furthermore, lower geopolitical risks relative to previous months contributed to the decrease in oil prices. On annual level the oil price was higher by 67.5%.

In May 2026, the natural gas price[3] increased by 4.7% on monthly basis. The price of natural gas increased, driven by higher

Chart 1.17: Natural gas price (basic index, monthly growth rate%)



Source: World Bank; calculations of MoF.

[2] The data is estimated by Eurostat.

[3] Natural gas index (2010=100)

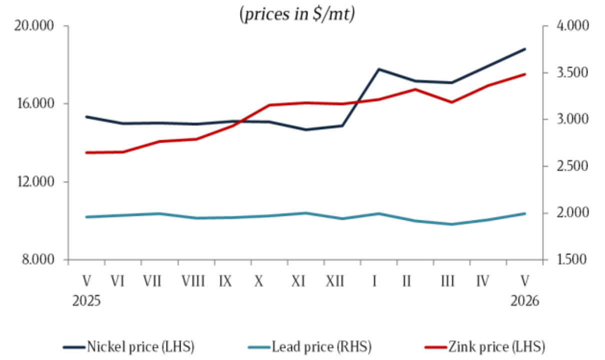
demand for electricity generation, coupled with lower inventory levels in European storage facilities. In May, natural gas prices recorded an annual increase of 38.7%.

In May 2026, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 106.51 per megawatt/hour, growing by 10.3% on monthly basis. In May, electricity prices increased by 31.7% on annual basis.

In May 2026, prices of most base metals increased on monthly basis, as follows: tin by 9.7%, nickel by 4.7%, copper by 4.6%, zinc by 3.5%, lead by 3.2% and aluminium by 1.8%. Price of iron ore registered a monthly increase of 2.4%.

On monthly basis, in May 2026, gold and platinum prices decreased by 2.8% and 1.4%, respectively. Among the precious metals, silver recorded a monthly increase of 2.8%.

Chart 1.18: Metal stock prices
(prices in $/mt)



Source: World Bank

In May, price of maize increased by 1.0% on monthly basis, while price of wheat rose by 5.3%. The price of sunflower oil picked up by 1.3% 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 m³)
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	106.51	572.11

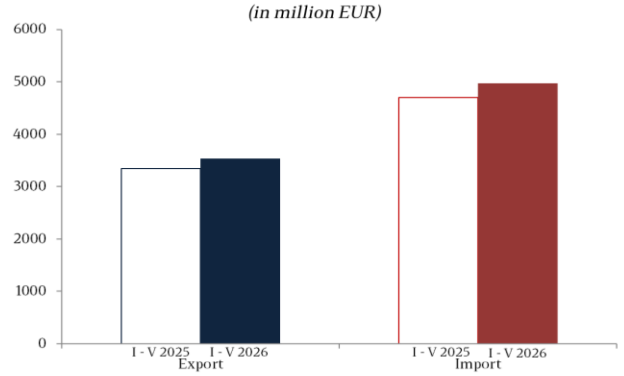
Source: World Bank, Hungarian Power Exchange

2. FOREIGN TRADE

Total foreign trade in the first five months in 2026 amounted to EUR 8,503.9 million, increasing by 5.7% compared to the same period last year.

In the period January – May 2026, share of trade with the European Union (EU 27), as the largest trading partner, decreased by 2.5 p.p. compared to the same period last year, accounting for 58.2%. 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 five months of 2026, accounted for 20.3%, dropping by 1.0 p.p. compared to the same period in 2025.

Chart 2.1: Foreign trade
(in million EUR)



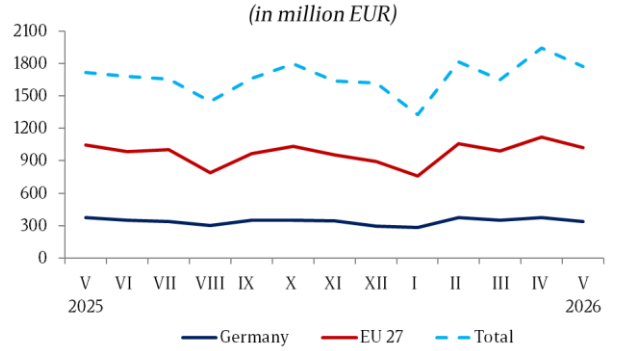
Source: SSO.

Export

In the period January - May 2026, value of exported goods amounted to EUR 3,534.1 million, increasing by 5.6% (EUR 186.3 million) compared to the same period in 2025, while physical output of export grew by 2.5%.

Value of exported goods amounted to EUR 751.8 million in May 2026, increasing by 0.8% (EUR 6.3 million) compared to the same month of the previous year, while physical output of export increased by 3.1% compared to May 2025.

Chart 2.2: Foreign trade with Germany and EU 27
(in million EUR)

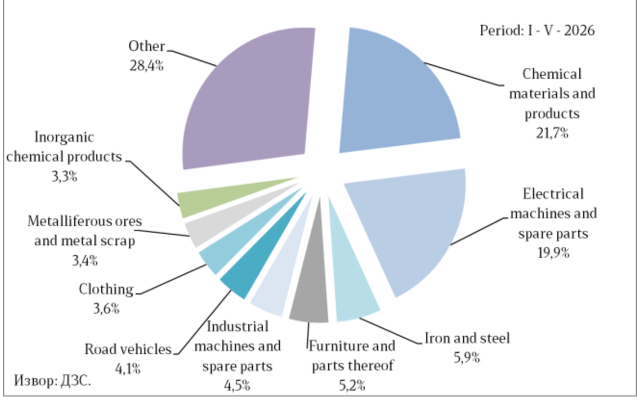


Source:SSO.

Analysed on monthly basis, in May 2026, export recorded a drop of 4.1% (EUR 32.2 million), compared to the previous month, and, after applying seasonal export adjustment, it registered a monthly drop of 9.3%, showing positive effects of the seasonal factor (5.1 p.p.) on export this month.

The value of food exports in the first five months of 2026 remained unchanged compared to the same period of 2025, while the quantity of exported food increased by 7.9%. As for our country's total export structure, share of the food in the first five months of 2026, accounted for 6.4%, decreasing by 0.4 p.p. compared to the same period in 2025. In the total food export, the following products were the most exported: Fruit and vegetables (38.2%), Cereals and cereal products (23.1%), Milk products and eggs (10.6%), and Meat and meat preparations (10.2%).

Chart 2.3: Structure of exports according to SITC



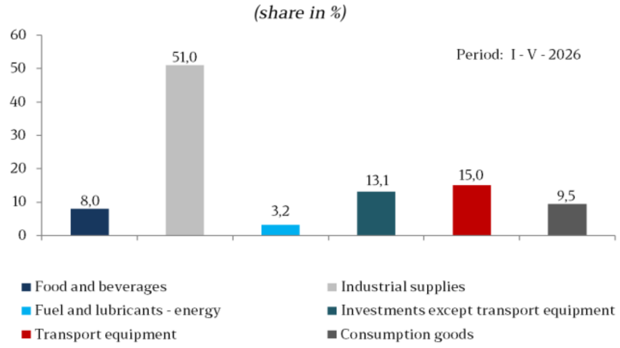
Извор: ДЗС.

Import

In the first five months of 2026, value of imported goods amounted to EUR 4,969.8 million, surging by 5.8% (EUR 271.0 million) compared to the same period in 2025, while physical output of import dropped by 15.7%.

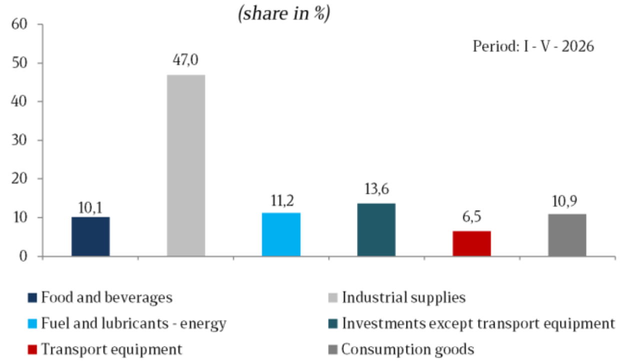
In May 2026, import value amounted to EUR 1,018.4 million, representing growth of 4.9% (EUR 48.0 million) compared to the same month in 2025, while imported quantities of goods decreased by 12.8% compared to May 2025.

Chart 2.4: Structure of exports by economic purpose
(share in %)



Source: SSO and MoF calculations

Chart 2.5: Structure of imports by economic purpose
(share in %)



Source: SSO and MoF

Analysed on monthly basis, in May 2026, import dropped by 12.3% (EUR 142.5 million), compared to the previous month, and, after seasonal import adjustment, it registered a monthly decline of 6.2%, showing negative effects of the seasonal factor (6.0 p.p.) on import this month.

Value of import of food in the first five months of 2026 declined by EUR 11.9 million, being lower by 2.6% compared to the same period in 2025, while quantity of imported food decreased by 3.5%. As for our country's total import, share of the food in first five months in 2026, accounted for 9.1%, 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 (21.2%), Fruit and vegetables (17.1%), Cereals and cereal products (13.5%), Coffee, tea, cocoa and herbs (11.9%) and Milk products and eggs (10.5%).

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

Export of petroleum and petroleum products*)				
	I-V 2025	I-V 2026	Balance	% rate
000 T	30,9	72,7	41,8	135,4
EUR mil.	21,7	77,9	56,2	258,7
$ mil.	23,4	90,9	67,5	288,5

*)Previous data

Import of petroleum and petroleum products*)				
	I-V 2025	I-V 2026	Balance	% rate
.000 T	455,0	479,1	24,1	5,3
EUR mil.	282,4	366,4	84,0	29,7
$ mil.	305,0	428,4	123,4	40,5

*)Previous data

Export of chemical products*)				
	I-V 2025	I-V 2026	Balance	% rate
000 T	31,4	28,7	-2,7	-8,7
EUR mil.	706,9	767,4	60,5	8,6
$ mil.	765,5	897,6	132,2	17,3

*)Previous data

Import of chemical products*)				
	I-V 2025	I-V 2026	Balance	% rate
.000 T	13,5	13,4	-0,2	-1,3
EUR mil.	75,3	67,7	-7,6	-10,1
$ mil.	81,5	79,2	-2,2	-2,7

*)Previous data

Export of iron and steel*)				
	I-V 2025	I-V 2026	Balance	% rate
000 T	309,1	295,8	-13,3	-4,3
EUR mil.	234,6	210,1	-24,5	-10,4
$ mil.	253,6	245,6	-8,0	-3,2

*)Previous data

Import of iron and steel*)				
	I-V 2025	I-V 2026	Balance	% rate
.000 T	354,6	314,4	-40,2	-11,3
EUR mil.	223,2	188,5	-34,7	-15,5
$ mil.	241,5	220,4	-21,0	-8,7

*)Previous data

Trade Balance

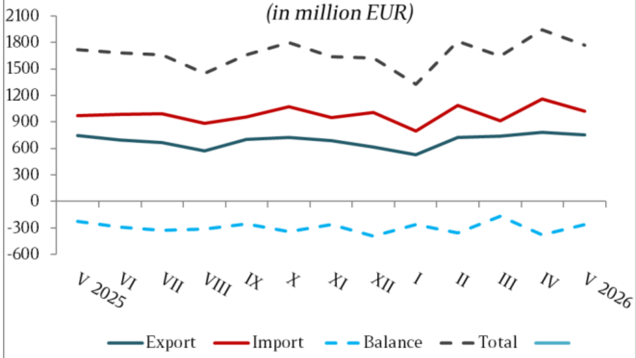
In May 2026, trade deficit increased by 18.5%, i.e. EUR 41.6 million compared to May 2025.

In the period January - May 2026, trade deficit increased by 6.3%, i.e. by EUR 84.7 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 five months of 2026, most of the trade deficit of the country was realized in the trade with Great Britain, followed by: China, Greece, Türkiye, Serbia, and others. The highest trade surplus was recorded in trade with Germany, followed by Hungary, Bulgaria, Poland and others.

Chart 2.6: Foreign trade
(in million EUR)



Source: SSO.

Currency Structure

Observed by currency structure, 91.6% of the trade in the period January – May 2026 was realized in euros and, compared to the period in 2025, it increased by 0.6 p.p.. On export and import side, euro accounted for 94.7% and 89.3%, respectively, whereby share of the euro in export was higher by 1.8 p.p., while share of the euro in import lower by 0.3 p.p. compared to the period January – May 2025.

Table 2.2 Foreign trade of the Republic of North Macedonia (by currency); calculations: MoF

import	I - V - 2025					I - V - 2026						
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 %	absolute change in currency value	relative change in currency value (in %)
EUR	2.711,1	4.208.923.315,0	61,6	259.229.270.541,3	89,6	2.218,0	4.439.047.531,8	61,7	273.748.071.003,6	89,3	230.124.216,8	5,5
USD	275,8	485.465.610,8	57,0	27.689.162.217,8	9,6	298,1	569.353.127,1	52,8	30.038.046.152,0	9,8	83.887.516,3	17,3
GBP	0,8	8.404.537,6	73,2	615.460.082,5	0,2	0,9	7.540.350,5	71,0	535.569.981,3	0,2	-864.187,1	-10,3
EUR+USD +GBP	2.987,7			287.533.892.841,6	99,1	2.517,0			304.321.687.136,9	99,3		
tot. import	2.997,0			289.415.078.700,5	100,0	2.525,9			306.513.661.704,8	100,0		5,9

Source: SSO and NBRNM

3. FISCAL SECTOR

Budget Revenues and Expenditures according to the Economic Classification

In the period January – May 2026, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 140,124 million, accounting for 37.4% of the 2026 projections, i.e. increase of 5.7% compared to collected budget revenues compared to the corresponding period in 2025. As regards total revenues, Denar 127,609 million was collected on the basis of tax revenues and social contributions, accounting for 38.0% of 2026 projected amount, being 6.3% increase in relation to the previous year. Thereby, tax revenues were collected in the total amount of Denar 78,220 million (i.e. 37.0% of the amount projected for 2026 and 5.6% increase), while social contributions were collected in the amount of Denar 48,251 million (annual increase of 6.5%, i.e. 39.6% of the amount projected for 2026). As regards tax revenues, increased collection was recorded at personal income tax by 9.9%, followed by corporate income tax by 14.9%, VAT increasing by 9.1%, and import duties by 6.1%, while decreased collection was recorded at excise duties by 6.5% and other tax revenues by 326.2%. During this period, non-tax revenues grew by 11.7%, capital revenues increased by 17.8%, whereas foreign donation revenues dropped by 56.1%.

Total budget expenditure execution amounted to Denar 168,617 million during the period January – May 2026, representing 40.7% of the annual projections, reflecting an increase of 8.5% compared to same period in 2025. Thereby, current expenditures were executed in the amount of Denar 153,264 million, i.e. 41.0% of the amount projected for the whole year, being an increase of 5.9% compared to the same period in 2025. Increase was recorded at expenditures related to wages and allowances by 8.4%, at goods and service-related expenditures by 21.5% and at interest-related expenditures, which grew by 1.3%. Transfers, as the largest category of current expenditures, increased by 4.6%, driven by the growth of social transfers by 10.4%, health care expenditures by 5.8%, and block and earmarked grants by 7.7%. Expenditures related to subsidies and transfers saw a reduction of 7.5%. Capital expenditures were executed in the amount of Denar 15,353 million, being higher by 44.8% compared to the same period in 2025. Execution rate of capital expenditures for the period January – May 2026 accounted for 38.3% compared to the projected amount.

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

	2026 Budget	January - May 2026		
	(Denar million)	(Denar million)	Annual growth rate (%)	% of collection/execution rate (%)
TOTAL REVENUES	374,935	140,124	5.7%	37.4%
Taxes and contributions	335,971	127,609	6.3%	38.0%
Taxes	211,329	78,220	5.6%	37.0%
Personal Income Tax	38,797	14,399	9.9%	37.1%
Corporate Income Tax	26,572	12,043	14.9%	45.3%
VAT	92,506	34,900	9.1%	37.7%
Excise duties	35,838	11,380	-6.5%	31.8%
Import duties	16,597	6,317	6.1%	38.1%
Other tax revenues	1,019	-819	-326.2%	-80.4%
Contributions	121,822	48,251	6.5%	39.6%
Non-tax revenues	29,060	11,038	11.7%	38.0%
Capital revenues	2,510	484	17.8%	19.3%
Foreign Donations	7,394	993	-56.1%	13.4%
TOTAL EXPENDITURES	414,174	168,617	8.5%	40.7%
Current expenditures	374,052	153,264	5.9%	41.0%
Wages and allowances	52,628	20,846	8.4%	39.6%
Goods and services	28,177	10,636	21.5%	37.7%
Transfers	271,970	111,328	4.6%	40.9%
Social transfers	206,268	84,387	10.4%	40.9%
Pension and Disability Insurance Fund of North Macedonia	136,420	56,116	13.1%	41.1%

Pecuniary unemployment allowance	3,576	797	31.5%	22.3%
Social protection	12,459	6,334	0.9%	50.8%
Health protection	53,813	21,140	5.8%	39.3%
Other transfers	62,871	25,709	-11.5%	40.9%
Interest	21,277	10,454	1.3%	49.1%
Capital expenditures	40,122	15,353	44.8%	38.3%
BUDGET BALANCE	-39,239	-28,493	24.8%	72.6%

Source: Ministry of Finance

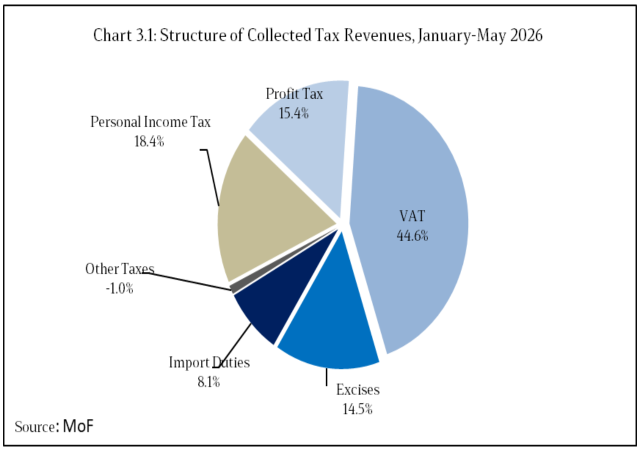


Chart 3.1: Structure of Collected Tax Revenues, January-May 2026

Source: MoF

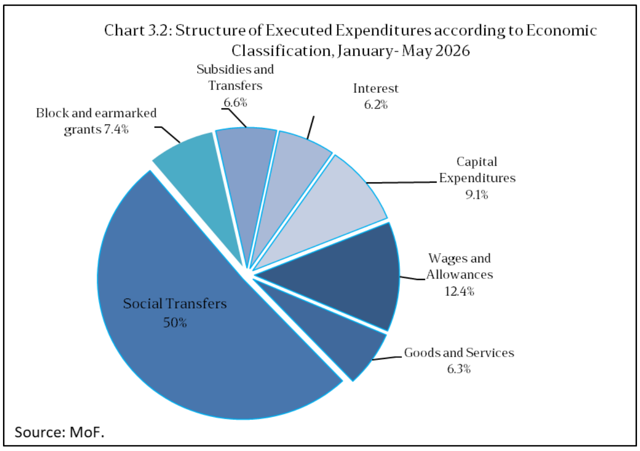


Chart 3.2: Structure of Executed Expenditures according to Economic Classification, January- May 2026

Source: MoF.

In the period January – May 2026, the state budget deficit amounted to Denar 28,493 million, accounting for 2.5% of 2026 projected GDP, i.e. 72.6% of the annual projections.

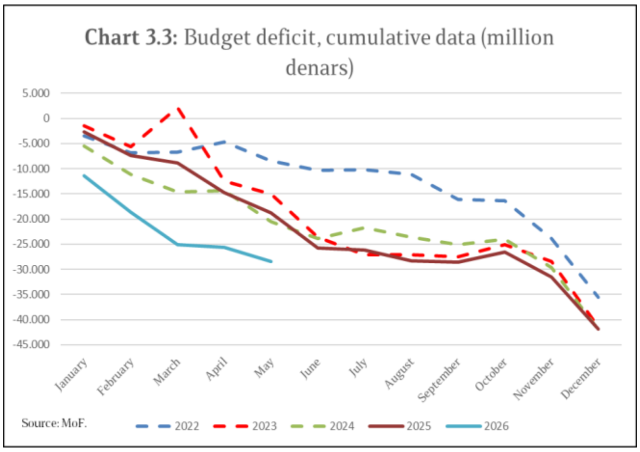


Chart 3.3: Budget deficit, cumulative data (million denars)

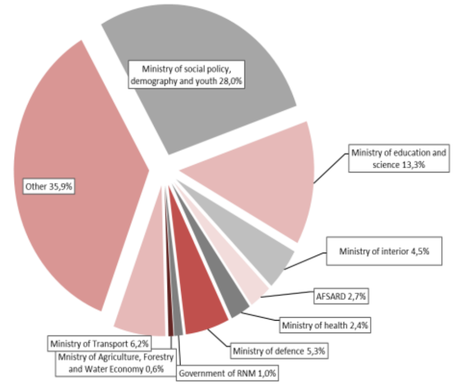
Source: MoF.

Expenditures by Budget Users

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

In the period January – May 2026, Ministry of Social Policy, Demographics and Youth executed funds in the amount of Denar 39,282 million or 48.3% of its total budget for the current year. Thereby, most of the expenditures (76.0%) were allocated for current transfers to Extra-budgetary funds, for which Denar 29,871 million was spent, i.e. 47.9% of the funds allocated for 2026. The second highest expenditure item was the social benefits, participating with 15.9% in the total expenditures, whereby 52.2% (Denar 6,243 million) of the projected 2026 funds was executed for this purpose.

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



Source: MoF.

During the analysed period, Ministry of Education and Science executed budget funds in the amount of Denar 18,612 million, representing 40.4% of its total 2026 Budget. Current transfers to LGUs accounted for the most of the expenditures (55.5%), Denar 10,339 million being spent therefore or 40.4% of total projected funds. Wages and allowances category was the second highest expenditure item, accounting for 23.8%, for which an amount of Denar 4,424 million, accounting for 40.4% being executed out of total projected funds.

In the period January – May 2026, Ministry of Internal Affairs executed expenditures in the total amount of Denar 6,371 million, accounting for 38.4% of its 2026 budget. Wages and allowances was the highest expenditure item, participating with 72.9%, Denar 4,643 million being spent therefor, accounting for 41.2% of the projected ones. Second highest expenditure item was Goods and services, accounting for 14.7%, with Denar 934 million being spent therefore, accounting for 32.0% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 3,749 million, accounting for 49.4% of the funds projected for the current year. As for subsidies and transfers, which accounted for 94.1% of the total expenditures, 51.5%, or Denar 3,528 million of the funds planned for the whole year, were spent therefore.

In the period January – May 2026, Ministry of Defence executed budget funds in the amount of Denar 7,379 million, accounting for 33.3% of this year's total budget. Expenditures related to wages and allowances accounted for the most with 34.8%, Denar 2,564 million being spent therefore (accounting for 38.5% of the total funds projected for the current year). Capital expenditures accounted for 31.4% of total expenditures, with Denar 2,320 million spent for this purpose, representing 25.5% of the total projected funds.

Government of the Republic of North Macedonia spent a total of Denar 1,449 million, i.e. 32.9% of the funds projected for 2026, in the period January – May 2026. Thereby, capital expenditures accounted for 54.9% of total expenditures of this budget user, with Denar 795 million (66.8% of the projected funds) being spent therefore.

During the analysed period, Ministry of Health executed budget funds in the amount of Denar 3,427 million, accounting for 45.0% of its total 2026 Budget. Goods and services accounted for the most in the expenditures with 45.5%, Denar 1,560 million being executed therefore, i.e. 47.0% of the funds allocated for 2026. Second most significant item were the current transfers to Extra-budgetary Funds, Denar 1,530 million (43.7% of the projections for the year) being spent therefore, accounting for 44.6% of total expenditures.

In the period January – May 2026, Ministry of Transport executed funds in the amount of Denar 8,698 million, i.e. 65.0% of the total budget for the current year. Execution of capital expenditures, as highest item, accounted for 94.0% of the total spent funds of this budget user (Denar 8,179 million or 67.0% of total projected funds).

During this period, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 835 million, accounting for 44.7% of the funds projected for 2026. Wages and allowances (Denar 373 million) was, by far, the highest item in the total expenditures of this budget user, accounting for 44.7% of its total expenditures, with 39.1% of the projected expenditures being executed. As regards capital expenditures, they accounted for 31.7% of the total expenditures, Denar 265 million being spent therefore, accounting for 55.8% of the total budget for this purpose.

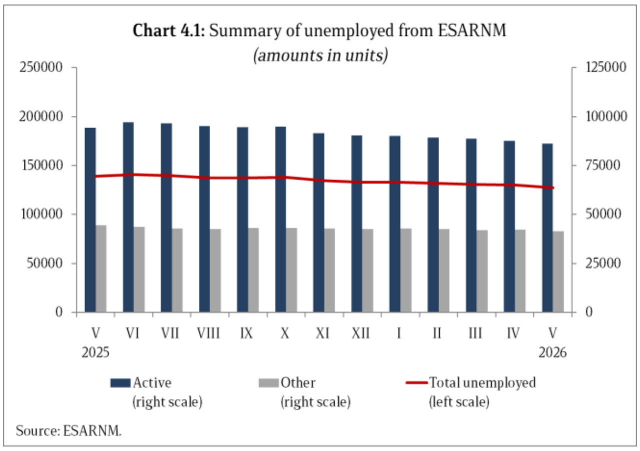
In-depth data on each budget user are presented in the statistical annex attached at the following link (*http://finance.gov.mk/краткорочни-економски-движења-кед-ме/*).

4. SOCIAL SECTOR

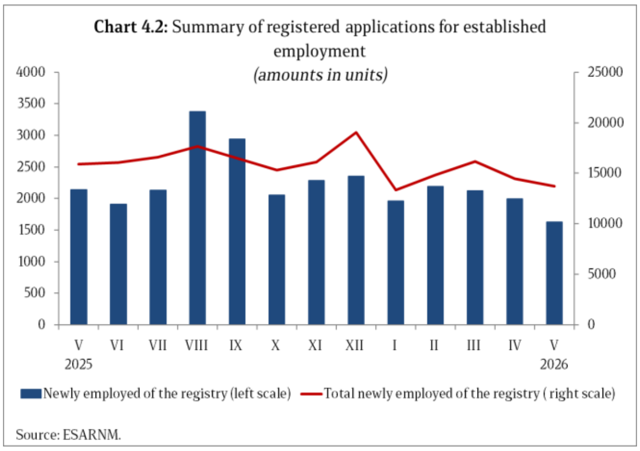
Registered Applications for Employment and Registered Unemployed Persons in the Employment Service Agency

In May 2026, Employment Service Agency registered a total of 13,742 registered applications for employment[4]. Compared to the same period in 2025, number of registered applications for employment decreased by 8.1%.

Of the total number of registered applications for employment, 42.1% relate to permanent employment, while the remainder comprised fixed-term and seasonal employment. Of the total number of registered applications for employment in May 2026, 11.8% were previously registered as unemployed.



Total number of unemployed persons in May 2026 was 127,448, 86,116 persons out of which were active job seekers, while 41,332 persons were from the category "other unemployed". On annual basis, total number of unemployed decreased by 8.2%, and has shown a continuous annual decline since May 2021. Number of unemployed persons decreased by 2,507 people compared to April 2026.



Urban residents accounted the most (with 58.8%) among the active unemployed persons, whereas with respect to gender, men accounted for 48.0% of the total. Analysed by the level of education, majority, i.e. 69.1% of the unemployed persons were with incomplete secondary education or less, 23.6% 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, 50.0% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 57.3% of the unemployed persons wait for employment from 1 to 7 years, while 15.0% wait for employment for 8 years or more.

[4] 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

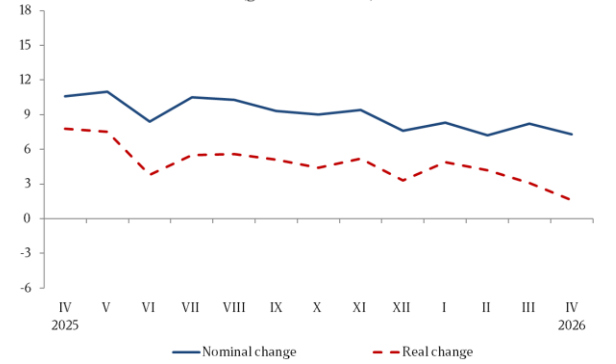
As per the notification of the State Statistical Office, in April 2026, average net wage amounted to Denar 48,779, in nominal terms, being higher by 7.3% on annual basis, and being higher by 0.7% compared to March 2026. The highest increase of average net wage, in relation to April 2025, was observed at the following sectors: Financial and insurance activities (up by 27.0%), Water supply; Sewerage, waste management and remediation activities (up by 9.4%), and Wholesale and retail trade; Repair of motor vehicles and motorcycles (up by 9.2%). In April 2026, wages increased by 1.6% in real terms on annual basis. Highest average net wage in April 2026 was paid in the Information and communications sector (Denar 87,272), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 108,132), followed by Financial and insurance activities sector with an average net wage of Denar 77,716, Mining and quarrying sector with Denar 57,864, and Electricity, gas, steam and air conditioning supply sector with average net wage in the amount of Denar 57,542.

Average nominal gross wage in April 2026 amounted to Denar 73,366 and compared to the same month in 2025, increased by 7.4%, being higher by 0.8% on monthly basis. The highest increase of average gross wage in April 2026, compared to April 2025, was recorded in the following sectors: Financial and insurance activities (27.5%), Water supply; Sewerage, waste management and remediation activities (up by 9.5%), and Wholesale and retail trade; Repair of motor vehicles and motorcycles (up by 8.9%).

Pensions

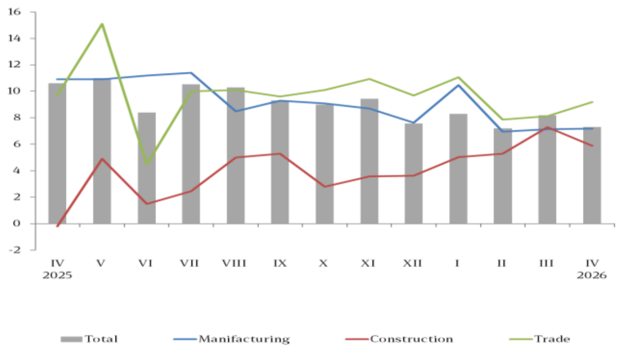
In May 2026, Pension and Disability Insurance Fund registered 348,341 pensioners. In July 2025, amendments to the Law on Pension and Disability Insurance were adopted, providing for a linear increase in all pensions, effective from 1st October 2025, with a Denar 1,000 increase in autumn

Chart 4.3: Average net-wage
(growth rates in %)



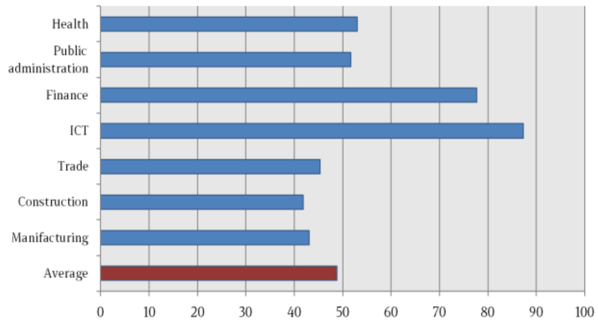
Source: SSO

Chart 4.4: Average net-wages by sectors of activities
(growth rates in %)



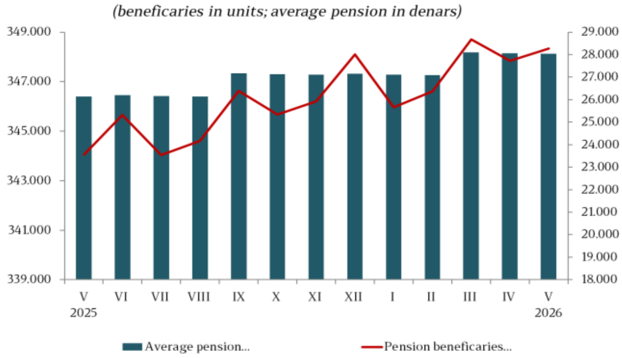
Source: SSO.

Chart 4.5: Average monthly net wage paid by sectors, April 2026 *(in thousand denars)*



Source: SSO.

Chart 4.6: Pension beneficaries and average pension
(beneficaries in units; average pension in denars)



Source: PDIFNM.

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, 72.2% are beneficiaries of old-age pension, amounting to 251,346 pensioners, 21.1% of survivor pension, amounting to 73,661 pensioners and 6.7% of disability pension, amounting to 23,334 pensioners.

In May 2026, the average pension amounted to Denar 28,049, being higher by 7.3% compared to the same month in 2025[5]. In May 2026, average old-age pension amounted to Denar 29,631, average disability pension amounted to Denar 25,602, while average survivor pension amounted to Denar 23,429. This month, Denar 9,701 million was spent for payment of pensions, accounting for 59.2% of the total social transfers.

Ratio between the average pension in May 2026 and the average paid wage in April 2026 (the most recent available data) was 57.5%.

Chart 4.1 May 2026 Pension Data

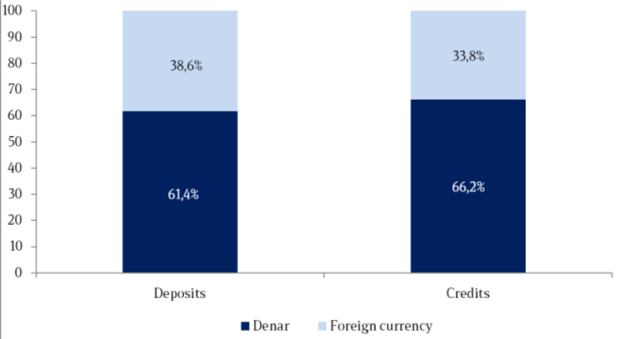
Pension beneficiaries	Number	Structure	Average pension
Survivor pension	73,661	21.1%	23,429.00
Disability pension	23,334	6.7%	25,602,00
Old age pension	251,346	72.2%	29,631.00
Total	348,341	100,0%	28,049.00
Minimal agricultural pension beneficiaries	24		17,891.00
Beneficiaries of military pensions	650		36,322.00
Total	349,015		28,064.00

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. In May 2026, the policy rate remained unchanged at 4%.

Chart 5.1: Currency structure of deposits and credits (May 2025)



Source: NBRNM.

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

Primary Money

In May 2026, primary money[6] decreased by 0.3% on monthly basis. Such drop of primary money was a result of decrease of total liquid assets of banks by 1.6%, while currency in circulation increased by 1.0%.

In May 2026, primary money grew by 17.8% on annual basis, as a result of both increased total liquid assets of banks and currency in circulation by 25% and 11.1%, respectively.

Deposit Potential[7]

In May 2026, total deposits of banks grew by 0.8% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of private enterprises increased by 2.5%, while deposits of households remained unchanged.

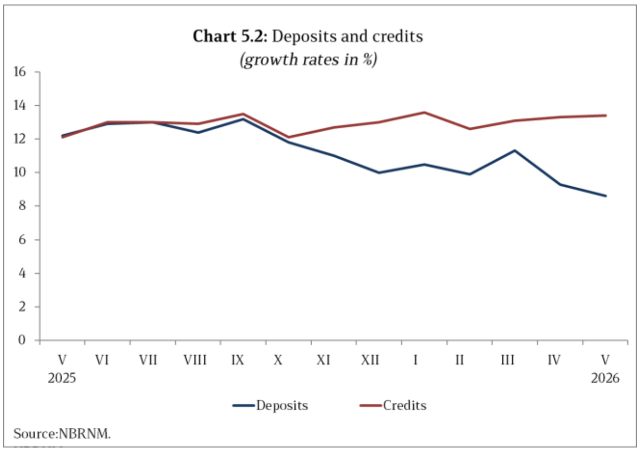


Chart 5.2: Deposits and credits
(growth rates in %)

Analysed by currency, compared to the previous month, Denar deposits increased by 1.1%, while foreign currency deposits picked up 0.2%.

Total deposit potential in May 2026 grew by 8.6% on annual basis. Analysed by currency, domestic currency deposits increased by 11.5%, whereas foreign currency deposits grew by 4.3%.

From sectoral point of view, deposits of enterprises grew by 5.8%, and deposits of households increased by 9.7% on annual basis.

Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (May 2026)	In Denar million	Monthly change	Annual change
Deposit Potential	***661,815***	***0.8%***	***8.6%***
By currency:			
Denar	*407,769*	*1.1%*	*11.5%*
Foreign currency	*254,046*	*0.2%*	*4.3%*
By maturity:			
Short-term	*237,756*	*0.3%*	*4.3%*
Long-term	*165,763*	*2.0%*	*9.5%*

[6]Primary 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.

[7]NBRNM 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.

Credits to private sector	***582,736***	***1.2%***	***13.4%***
By currency:			
Denar	*385,633*	*1.6%*	*19.6%*
Foreign currency	*197,103*	*0.4%*	*3.0%*
By maturity:			
Short-term	*89,257*	*1.5%*	*12.4%*
Long-term	*478,513*	*1.0%*	*14.1%*

Source: NBRNM

According to maturity, short-term deposits increased by 4.3%, while long-term deposits rose by 9.5% on annual basis.

Currency structure of deposits remained stable, with the share of domestic currency deposits in the deposit base dominant at 61.6% this month.

Bank Credits

In May 2026, total credits of banks to the private sector increased by 1.2% on monthly basis, as a result of the growth of both credits to enterprises by 0.9%, and credits to households by 1.3%.

Analysed by currency, both Denar and foreign currency credits increased by 1.6% and 0.4% on monthly basis.

On annual basis, in May 2026 total credits grew by 13.4%, in conditions of growth of both credits to enterprises and credits to households of 15.0% and 12.0%, respectively. Denar credits increased by 19.6%, while foreign currency credits grew by 3.0%.

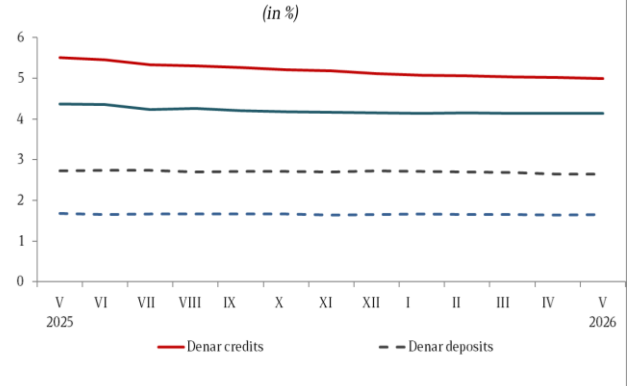
As regards maturity, long-term credits grew by 14.1% on annual basis, and short-term credits picked up by 12.4%.

Interest Rates of Deposit Banks

In May 2026, total interest rate on credits dropped by 0.01 p.p. compared to the previous month, accounting for 4.69%. Interest rate on Denar credits dropped by 0.03 p.p., accounting for 4.99%, while interest rate on foreign currency credits remained unchanged on monthly basis, accounting for 4.14%.

Total interest rate on deposits grew by 0.01 p.p. in May 2026, compared to last month, standing at 2.17%. Interest rate on Denar deposits decreased by 0.01 p.p. to 2.64%, while interest rate on foreign currency deposits grew by 0.02 p.p. to 1.66%.

Chart 5.3: Interest rates on deposits and credits
(in %)



Source: NBRNM.

Interest rate on newly granted Denar credits was 4.63%, while interest rate on newly granted foreign currency credits stood at 3.74%. Interest rates on newly received Denar and foreign currency deposits stood at 2.21% and 2.21%, respectively.

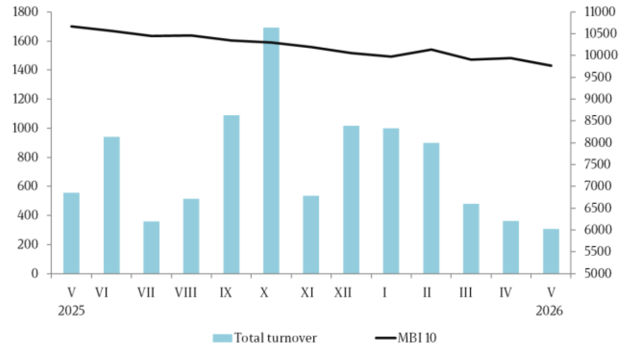
Capital Market

As for the capital market, in May 2026, total turnover on the stock exchange dropped by 14.7% on monthly basis, mainly as a result of the decline in turnover from classical trading by 20.1%, while an increase in turnover from block transactions by 221.4%.

Total turnover on the stock exchange amounted to Denar 308.1 million in May 2026, being a decline of 44.7% on annual basis.

Macedonian Stock Exchange Index MSEI - 10 amounted to 9,766.03 index points at the end of May 2026, whereby the index dropped by 1.8% on monthly basis, while, compared to the same month last year, the index was lower by 8.5%.

Chart 5.4: Total turnover at Macedonian Stock Exchange and MBI 10
(turnover in millions of denars; MBI 10 in index points)



Source: MSE.

Reserve Assets

At the end of May 2026, gross reserves amounted to EUR 5,209.7 million, remaining broadly unchanged compared to the previous month, with a marginal increase of 0.04%, while standing 11.1% higher than in May 2025.
Total foreign trade in the first five months in 2026 amounted to EUR 8,503.9 million, increasing by 5.7% compared to the same period last year.