Republic of North Macedonia
Ministry of Finance

MoFRNM.F.8.5/9-2

SHORT-TERM ECONOMIC TRENDS

March 2026

Ministry of Finance
Republic of North Macedonia

Dame Gruev Street, No. 12, Skopje
Republic of North Macedonia

+389 2 3255 597
www.finance.gov.mk

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SUMMARY

OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

March 2026

- In March 2026, industrial production increased by 3,0%, compared to the same month last year.
- Inflation rate in March 2026 accounted for 4.9% on annual basis, marking a notable acceleration compared to previous month (2.9% in February 2026). Inflation recorded growth of 0.7% on monthly basis.
- Export in the period January - March 2026 increased by 3.6%, while import grew by 0.5%, resulting in decrease of the trade deficit by 6.7% compared to the same period in 2025.
- In the period January – March 2026, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 81,240 million, accounting for 21.7% of the 2026 projections, i.e. an increase of 5.6% compared to collected budget revenues during the corresponding period in 2025.
- During the period January – March 2026, total budget expenditure execution amounted to Denar 106,379 million, representing 25.7% of the annual projections, reflecting an increase of 18.5% compared to same period in 2025.
- Total credits of banks in March 2026 grew by 13.1% compared to March 2025, while total deposit potential of banks surged by 11.3%.
- Average net wage paid in February 2026 amounted to Denar 46,159, recording a nominal increase of 7.2% on annual basis and a real growth of 4.2%. The highest average net wage, amounting to Denar 107,417, was recorded in the Computer programming activity.

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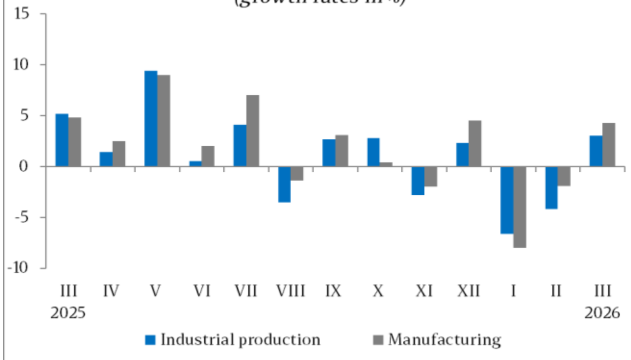
1. REAL SECTOR

Industrial Production

In March 2026, industrial production surged by 3.0%, compared to the same month last year. Growth was driven by a 4.3% increase in manufacturing production, while the mining and energy sector recorded a decline.

In March 2026, growth in production was registered at 17 out of total of 27 industrial branches, comprising 66.4% in the total industry.

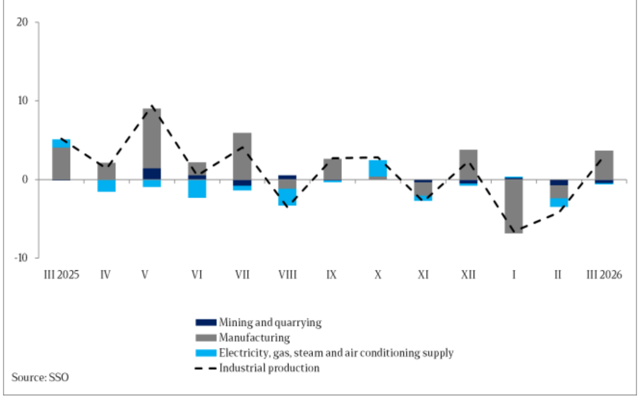
Chart 1.1: Industrial production
(growth rates in %)



Source: SSO

In March 2026, with respect to branches with higher added value, an increase was recorded at the following branches: Manufacture of motor vehicles, trailers and semi-trailers by 6.1% with contribution of 1 percentage points and Manufacture of machinery and equipment by 8% with contribution of 0.4 percentage points while drop was recorded at Production of metals by 12.9% and contribution of -0.4 percentage points and Manufacture of electrical equipment by 0.4%.

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

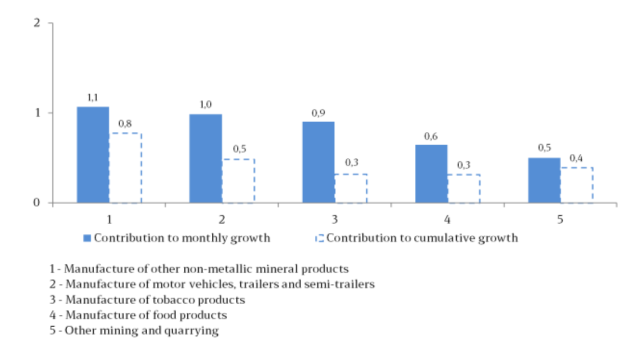


Source: SSO

Traditional branches in March 2026 recorded growth in production throughout the following branches: Manufacture of tobacco products by 39.4% and contribution of 0.9 percentage points, Manufacture of beverages by 5.8% and contribution of 0.6% percentage points, Manufacture of textile by 9.6% and contribution of 0.4 percentage points, Manufacture of beverages by 6.3% and contribution of 0.3% percentage points, and Manufacture of wood by 13.8% with contribution of 0.1 percentage points, whereas reduction was recorded in following branches: Manufacture of wearing apparel by 19.3% and contribution of -1.1 percentage points, and Manufacture of leather by 8.6%, with contribution of -0.1 percentage points.

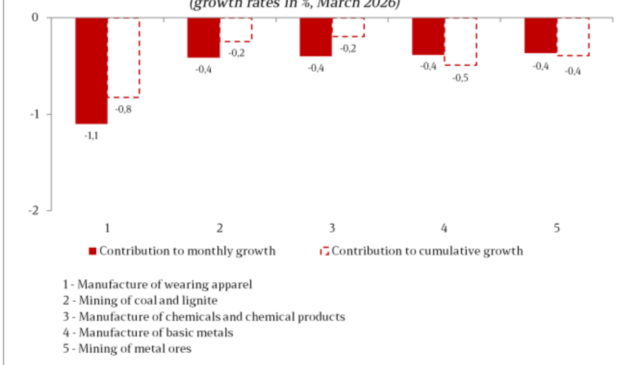
Industrial production with respect to purpose of production units in March 2026 compared to March 2025 increased in the following groups: Capital goods (up by 8.4% and contribution of 2.1 p.p.),

Chart 1.3a: Branches with positive contribution to growth
(growth rates in %, March 2026)



Source: SSO.

Chart 1.3b: Branches with negative contribution to growth
(growth rates in %, March 2026)



Source SSO.

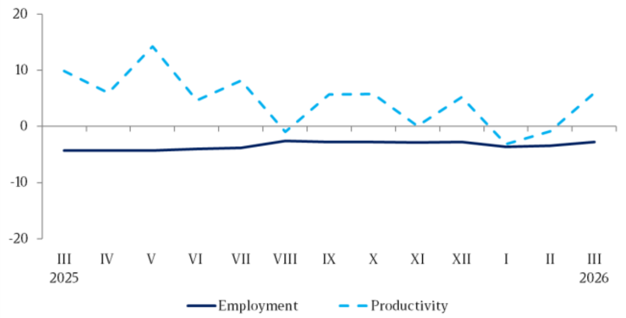
Intermediate goods industry, except energy (up by 5.0% and contribution of 1.6. p.p.), Non-durable consumer goods (up by 0.4% and contribution of 0.1 p.p.) and Durable consumer goods industry (up by 2.1% with contribution of 0.1 p.p.), while drop of production was seen at Energy (down by 7.8% with contribution of -0.6 p.p.).

In Q1 2026, industrial production recorded a drop of 2.3% compared to the same month previous year. Branches with largest negative contribution to growth are as follows: Manufacture of wearing apparel (down by 14.5%, contribution of -0.8 p.p.), Manufacture of metals (down by 16.4%, contribution of -0.5 p.p.) Manufacture of basic pharmaceutical products and pharmaceutical preparations (down by 13%, with contribution of -0.5 p.p.).

Number of Employees in the Industry

In March 2026, number of employees in the industry decreased by 2.8% 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 6.9%, and in the Manufacturing by 2.8%, while the number of employees in the Energy sector grew by 0.6%. Highest increase in the number of employees was seen at the following branches: Manufacture of tobacco products, up by 13.9%, Manufacture of computer, electronic and optical products, up by 8.8%, and Manufacture of beverages, up by 3.4%.

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



Source: SSO; calculatations by MF.

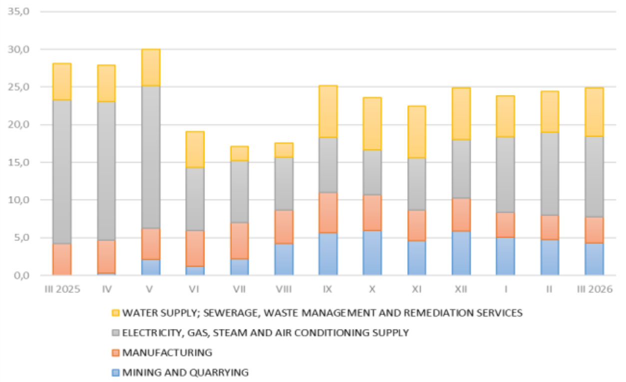
In March 2026, compared to the same period last year, data on the number of employees in the industry by target groups showed increase in the number of employees only at Consumer durables by 1,0%.

On cumulative basis, the number of employees in the industry in the January – March 2026 period recorded a drop of 3.3% due to the decreased number of employees throughout all sectors: Mining and quarrying by 6.5%, Manufacturing by 3.2% and Electricity, gas, steam and air-conditioning supply by 0.1%.

Industrial Producer Prices on the Domestic Market

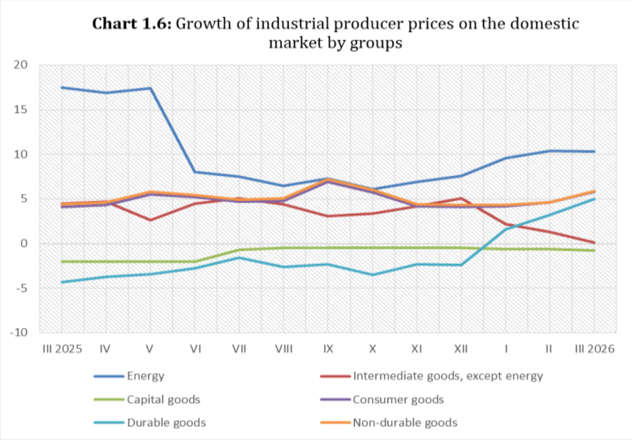
In March 2026, industrial producer prices on the domestic market were higher by 4.7% compared to the same month last year. Increase was due to increased prices throughout all sectors: Mining and quarrying by 4.3%, Manufacturing by 3.5%, Electricity, gas, steam and air-conditioning supply by 10.7% and Water supply; Sewerage, waste management and remediation activities by 6.4%.

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



In March 2026 compared to the same month in 2025, the industrial producer prices on the domestic market were higher in the groups as follows: Energy by 10.3%, Consumer non-durables by 5.9%, Consumer goods by 5.8%, Consumer durables by 5,0% and Intermediate goods, except energy by 0.1%.

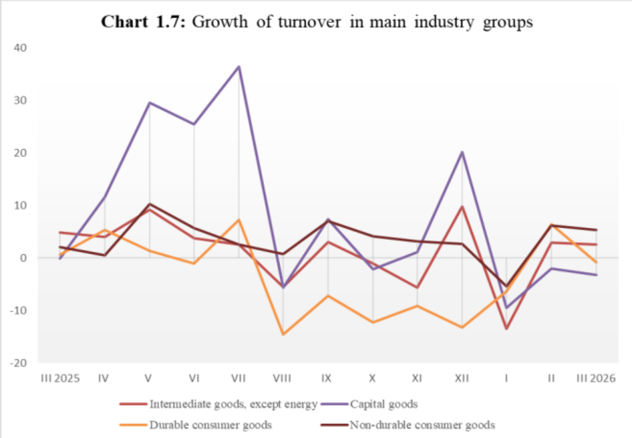
In Q1 2026 compared to the same period last year, industrial producer prices on the domestic market were higher by 4.6% on cumulative basis, due to increased prices throughout all sectors: Mining and quarrying by 4.7%, Manufacturing by 3.3%, Electricity, gas, steam and air-conditioning supply by 10.6 % and Water supply; Sewerage, waste management and remediation activities by 5.8%.



In Q1 2026 compared to Q1 2025, the industrial producer prices on the domestic market were higher compared to the same month in 2025 in the groups as follows: Energy by 10.1%, Consumer non-durables by 4.9%, Consumer goods by 4.9%, Consumer durables by 3.2% and Intermediate goods, except energy by 1.2%.

Industrial Turnover Index

In March 2026, the industrial turnover, compared to March 2025, recorded an increase of 0.6% as per the State Statistical Office's data. Growth was due to 1.0% increase in turnover in Manufacturing, while a 11.1% decline was observed in Mining and quarrying. By market segment, the increase in industrial turnover was driven by 7.3% rise in domestic market turnover, whereas turnover on foreign markets recorded a decline of 1.3%.



In March 2026 compared to March 2025, industrial turnover increased in the groups as follows: Consumer non-durables, up by 5.3% and Intermediate goods, except energy up by 2.6%, whereas industrial turnover decreased in Capital goods, down by 3.2% and Consumer durables, down by 0.8%.

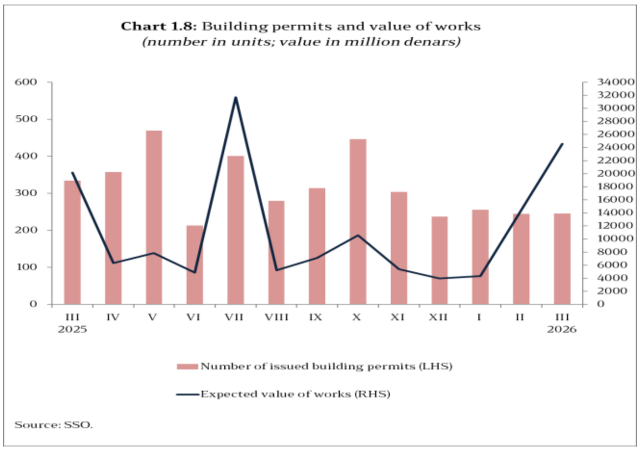
Branches with highest turnover growth in the industry in March 2026 compared to the same month last year were the following:

- Manufacture of tobacco products (recording growth of 52.8%),
- Manufacture of computer, electronic and optical products (growing by 26.4%) and
- Manufacture of rubber and plastic products (increasing by 20.1%).

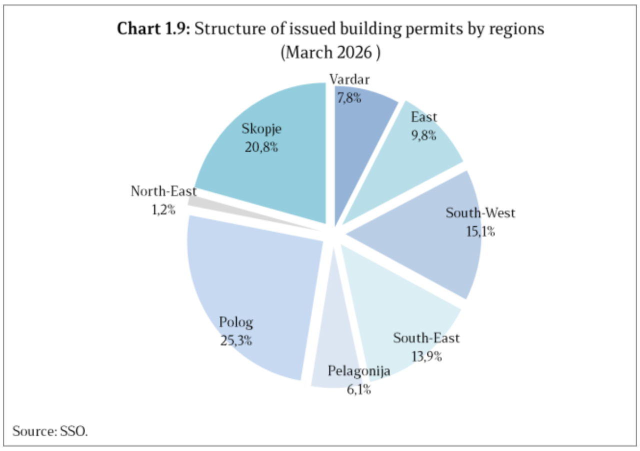
On cumulative basis, in the period January – March 2026, compared to the same period last year, turnover in industry recorded a drop of 2.2%, due to decline in turnover in both Mining and quarrying sector and Manufacturing sector by 5.0% and 2.1%, respectively. By market segment, during this period, turnover on foreign markets decreased by 3.1%, whereas domestic market turnover recorded 1.1% increase.

In the period between January and March 2026, compared to the same period in 2025, turnover decreased throughout the following groups: Capital goods – 4.8%, Intermediate goods, except energy – 2.2%, Consumer durables – 0,1%, whereas it increased only in Consumer non-durables – 2.2%.

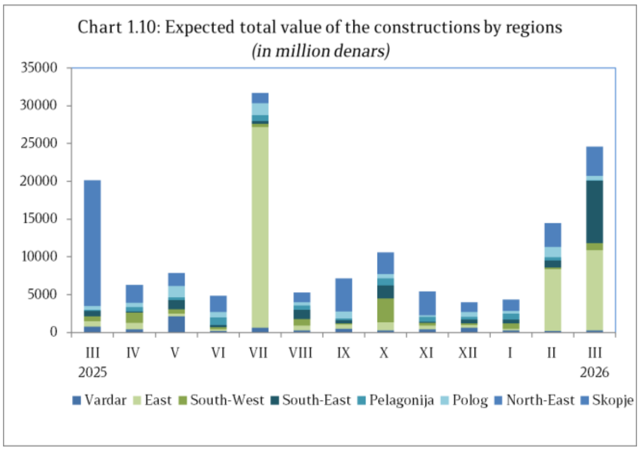
Number of Issued Building Permits and Expected Value of Constructions



In March 2026, compared to February 2025, an increase in the number of building permits was recorded (244 building permits in February 2026). In total, 245 building permits were issued, marking a 26.6% drop compared to the same month in 2025. This was due to 20.0% annual decline in the number of building permits issued for buildings (which accounted for 60.4% of the total number of permits issued), while permits issued for civil engineering structures and reconstruction facilities decreased by 51.6% and 22.4%, respectively. 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 is recorded in the Polog region.



Compared to February 2026, number of issued building permits increased by 0.4%. Expected value of works, according to the issued building permits in March 2026, picked up by 21.9% on annual basis, while compared to the previous month, it experienced growth by 69.8%. The increase in value was driven, during the reference period, by the issuance of building permits for high-value 128 MW wind farms intended for renewable electricity production, located in the municipalities of Shtip, Radovish, and Karbinci.



Analysed by types of constructions, out of the total number of issued building permits, 148 (or 60.4%) were intended for buildings, 31 (or 12.7%) with respect to civil engineering structures and 66 (or 26.9%) for reconstruction purposes.

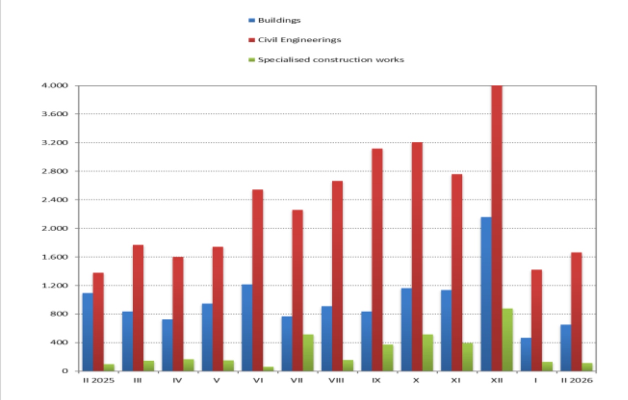
Analysed by types of investors, out of total 245 issued building permits, individuals were investors in 136 facilities (or 55.5%), while business entities were investors in 109 facilities (or 44.5%).

In March 2026, construction of 618 flats was envisaged, with total usable area of 53.718 m². Number of flats envisaged for construction increased by 100% on monthly basis, dropping by 9.8% on annual basis.

Number of Completed Construction Works by Types of Constructions

The total value of construction works completed in February 2026 amounted to Denar 2,428 million, representing a nominal year-on-year decrease of 5.9%. Within this total, the value of works on buildings declined by 40.6%, while the value of works on civil engineering structures and specialised construction activities increased by 20.4% and 12.1%, respectively. Compared to January 2026, the total value of completed construction works increased by 20.2%, with buildings rising by 36.8%, and civil engineering structures by 17%, while specialised construction works declined by 11.8%. In cumulative terms, in the period January – February 2026, value of completed construction works amounted to Denar 4,448 million, being 2.5% higher compared to the same period last year.

Chart 1.11: Completed construction works (million denars)



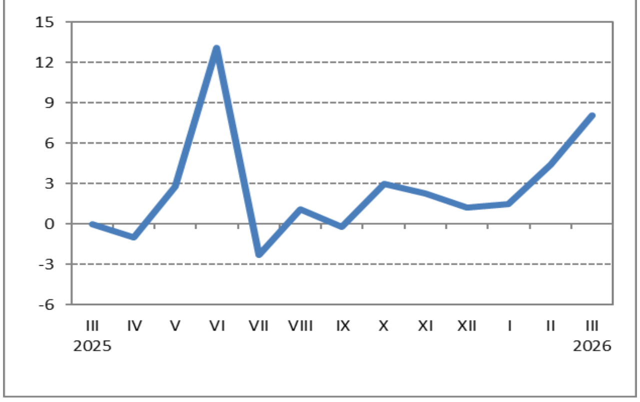
Most of the completed construction works pertained to civil engineering construction, with construction works amounting to Denar 3,085 million completed during January - February 2026, representing an increase of 22.3% compared to the same period last year. During this period, the value of completed works in specialised construction surged by 30.4%, amounting to Denar 241,828 million, while completed works in building construction amounted to Denar 1,121 million, being a 31.3% decrease compared to the same period last year.

In real terms, in the period January–February 2026, the value of completed construction works increased by 1.8%, with buildings rising by 21.6% and specialised construction works by 29.7%, while civil engineering structures declined by 31.8%.

Trade Sector Turnover

In March 2026, data on domestic trade demonstrated annual drop in the turnover by 7.0% in nominal terms, following 16.7% drop in February 2026. Value of turnover in March 2026 amounted to Denar 60,216 million, whereby in cumulative terms, in the period January - March 2026, value of total turnover in the trade amounted to Denar 174,297 million, being 8,0% higher compared to the same month in the previous year.

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



In the period January - March 2026, in cumulative terms, positive growth in turnover was also seen at the sectors: Retail trade, which turnover value amounted to Denar 81,506 million, i.e. higher by 7.8% compared to the same period last year, whereas drop was recorded at Trade in motor vehicles and repair, which turnover value amounted to Denar 10,575 million, being 3.8% lower compared to the same period last year, and Wholesale trade, which turnover value amounted Denar 82,216 million, being 20.0% lower compared to the same period last year.

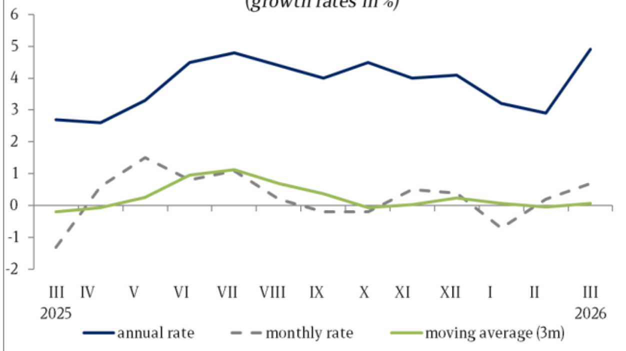
In real terms, retail trade in March 2026 recorded an annual increase of 8.1%. When analysed by groups and classes, growth was observed in the following groups: Retail trade in food products, beverages, and tobacco, which rose by 12.7% and Retail trade in non-food products, which increased by 8.2%. In contrast, Retail trade in automotive fuels declined by 0.1%.

In March 2026, Wholesale trade (46.9%) accounted for the most in the Trade sector, followed by Retail trade (46.3%) and Trade in motor vehicles and motorcycles, repair and their maintenance (6.9%).

Inflation

Inflation rate[1] in March 2026 accounted for 4.9% on annual basis, marking a notable acceleration compared to previous month (2.9% in February 2026). The increase in inflation this month was driven by a significant acceleration in the food component, while the core component recorded more moderate growth. The rise in food prices was due, among other factors, to the lower base effect, as last year in March, the Government introduced capping measures on basic food products.

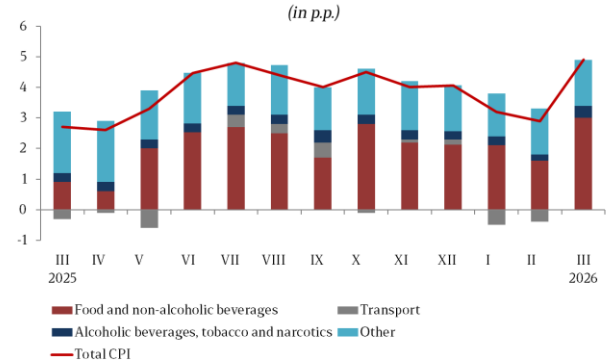
Chart 1.13: Inflation rate
(growth rates in %)



Source: SSO.

Average inflation rate in the period January - March 2026 stood at 3.7% on annual basis.

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



Source:SSO.

In March 2026, core inflation (inflation, wherefrom the impact of prices of food and energy products is excluded) recorded acceleration compared to the previous month and accounted for 3.9% on annual basis (3.2% in February).

Prices in the Food and non-alcoholic beverages category increased by 7.5%, recording slowdown of growth compared to the previous month (3.9% in February), whereby contributing with 3.0 percentage points in the total inflation, while increasing by 1.4 percentage points compared to the previous month.

Following sub-categories: Meat[2] (annual growth of 12.8% and contribution of 1.1 p.p.), Milk, other dairy products and eggs (annual growth of 8.1%, contribution of 0.6 p.p.), Non-alcoholic beverages (annual growth of 14.6% and contribution of 0.4% p.p.), Cereals and cereal products (annual growth of 3.7% and contribution of 0.3 p.p.) and Fruit (12.8% annual growth and contribution of 0.2 p.p.) had the biggest contribution to growth in the Food and non-alcoholic beverages category. This month, vegetables exerted a negative contribution of 0.1 percentage points to food price growth, reflecting a 2.6% decline on annual basis.

[1] Due to the entry into force of directly applicable European Union regulations and in line with Eurostat recommendations, as of January 2026, the Consumer Price Index (Cost of Living Index) and the Harmonised Index of Consumer Prices have been structured according to the new European Classification of Individual Consumption by Purpose (ECOICOP Version 2) Европска класификација на личната потрошувачка според намената, ECOICOP верзија 2, aligned with the United Nations Classification of Individual Consumption by Purpose UN COICOP 2018, without any changes to the methodology used for calculating the indices.

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

Observed by components, price increase was also recorded in the following categories: Alcoholic beverages, tobacco and narcotics (8.8%)[3], Food and non-alcoholic beverages (7.5%), Recreation, sports and culture (6.1%), Furnishings, household equipment and routine household maintenance (5.9%), Education services (4.3%), Restaurants and accommodation services (3.8%), Personal care, social protection and miscellaneous goods and services (2.9%), Housing, water, electricity, gas and other fuels (2.6%), Clothing and footwear (2.4%), Health (1.9%), Insurance and financial services (1.7%), Information and communication (1.5%) and Transport (0.6%).

Consumer prices increased by 0.7% on a monthly basis in March (following a 0.2% increase in the previous month), with the largest contribution coming from higher fuel prices, driven by the geopolitical situation, followed by increases in tobacco products and food prices.

Observed by categories, price increase was recorded, as follows: Transport (3.4%), Alcoholic beverages, tobacco and narcotics (3.2%), Furnishings, household equipment and routine household maintenance (0.6%), Recreation, sports and culture (0.5%), Education services, Personal care, social protection and miscellaneous goods and services and Food and non-alcoholic beverages (each by 0.4%), Clothing and footwear (0.3%), Housing, water, electricity, gas and other fuels (0.2%), Restaurants and accommodation services and Health (each by 0.1%). Prices in the insurance and financial services category remained unchanged.

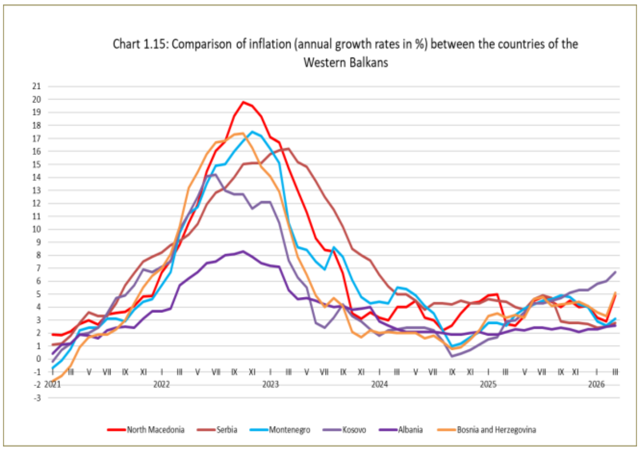


Chart 1.15: Comparison of inflation (annual growth rates in %) between the countries of the Western Balkans

In March 2026, the Eurozone inflation rate increased to 2.5%[4], up from 1.9% in February 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 short term, a gradual stabilization is expected; however, uncertainty related to energy prices and wage developments continues to play a significant role.

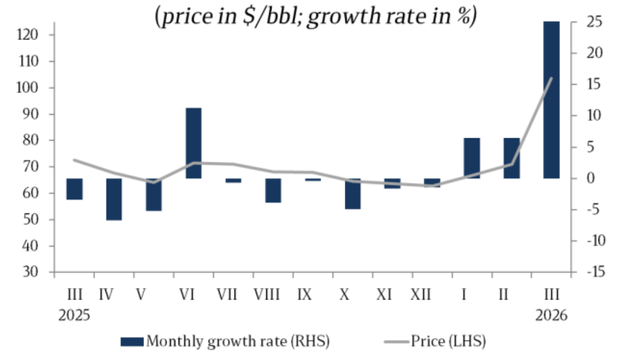
[3] In March 2026, prices of certain tobacco products increased, mainly as a result of the gradual rise in excise duties on tobacco products and alignment with EU standards.

[4] The data is estimated by Eurostat.

Stock Market Prices

In March 2026, crude oil price (Brent) on the global stock markets rose markedly by 45.8% on monthly basis, amounting to US$ 103.7 per barrel. Oil prices were driven by escalation of the conflict involving Iran, rising transportation risks through the Strait of Hormuz, and growing market uncertainty over potential disruptions to global oil supplies. Oil prices were 42.9% higher on an annual basis.In March 2026, natural gas prices[5] increased by 23.8% on a monthly basis, driven by heightened geopolitical tensions in the Middle East, concerns over potential disruptions to energy supply, as well as stronger demand and ongoing uncertainty in global energy markets. In March, the natural gas price increased by 7% on annual level.

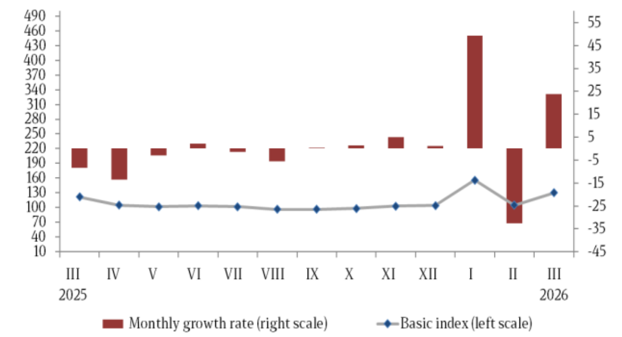
Chart 1.16: Changes in crude oil (Brent) price
(price in $/bbl; growth rate in %)



Source: World Bank; calculations of MoF.

In March 2026, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 117.40 per megawatt/hour, growing by 3.6% on monthly basis. In March, electricity prices increased by 7.7% on annual basis.

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

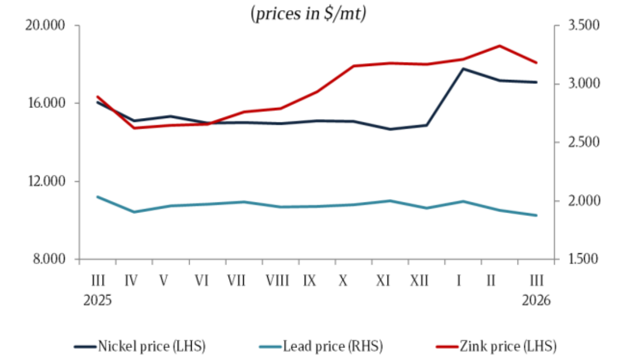


Source: World Bank; calculations of MoF.

Prices of most base metals recorded a decline on a monthly basis in March 2026, including: zinc by 4.3%, copper by 3.3%, tin by 2.8%, lead by 2.0%, and nickel by 0.6%. On monthly basis, zinc prices increased by 10%. Price of iron ore registered a monthly increase of 5.7%.

In March 2026, the prices of precious metals decreased on monthly basis: silver down by 5%, platinum down by 4.3%, and gold by 3.3%.

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



Source: World Bank

In March, price of maize increased by 1.5% on monthly basis, while price of wheat rose by 6.5%. The price of sunflower oil picked up by 1.4% 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)

[5]Natural gas index (2010=100)

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

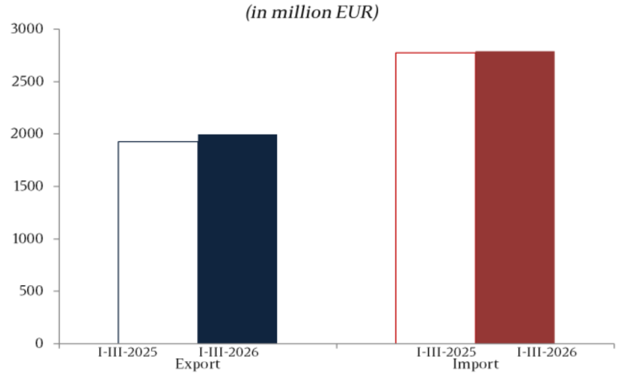
Source: World Bank, Hungarian Power Exchange

2. FOREIGN TRADE

Total foreign trade in Q1 2026 amounted to EUR 4,786.6 million, increasing by 1.8% compared to the same period last year.

In the period January – March 2026, share of trade with the EU (EU 27), as the largest trading partner, decreased by 1.5 p.p. compared to the same period last year, accounting for 58.6%. 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 first three months in 2026, accounted for 21.1%, remaining unchanged compared to the same period in 2025.

Chart 2.1: Foreign trade
(in million EUR)



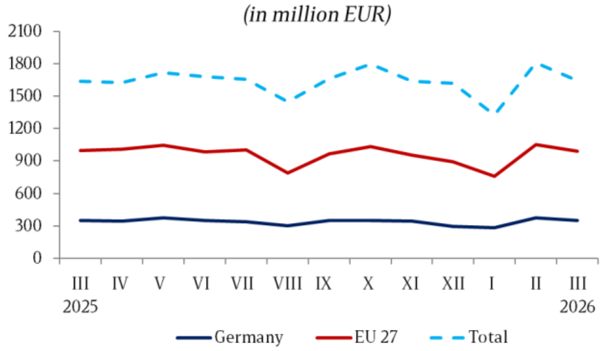
Source: SSO.

Export

In the period January - March 2026, value of exported goods amounted to EUR 1,998.3 million, surging by 3.6% (EUR 69.7 million) compared to the same period in 2025, while physical output of export dropped by 0.5%.

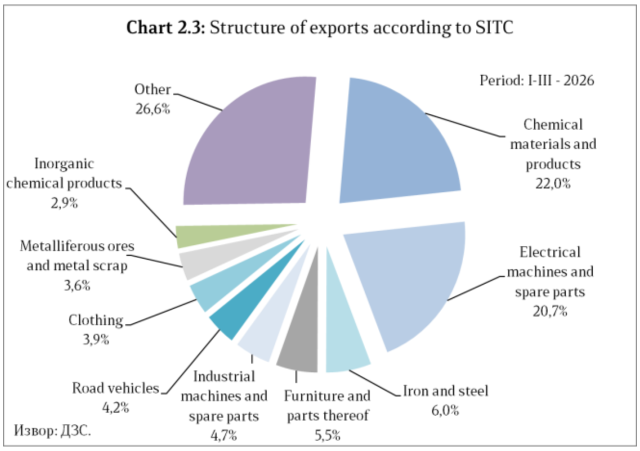
Value of exported goods amounted to EUR 739.7 million in March 2026, increasing by 5.8% (EUR 40.6 million) compared to the same month of the previous year, while physical output of export increased by 10.9% compared to March 2025.

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



Source:SSO.

Analysed on monthly basis, in March 2026, import grew by 1.7% (EUR 12.6 million), compared to the previous month and, after applying seasonal adjustment to export, it registered monthly decline of 3.6%.



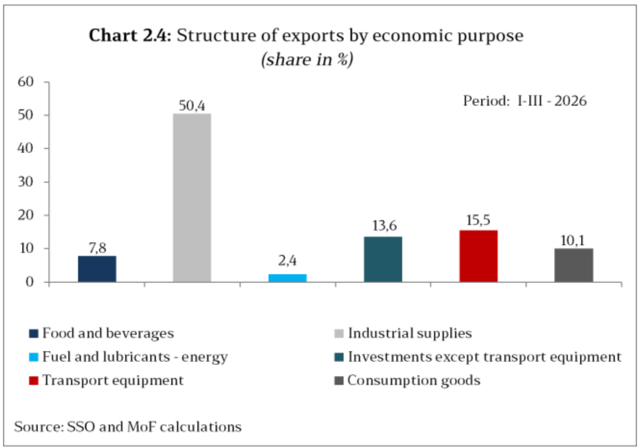
Value of export of food in the first three months in 2026 increased by EUR 3.6 million, picking up by 3% compared to the same period in 2025, while quantity of exported food increased by 1.3%. As for our country's total export structure, share of the food in the first quarter of 2026, accounted for 6.3%, remaining unchanged compared to the same period in 2025. In the total food export, the following products were the most exported: Fruit and vegetables (33.3%), Cereals and cereal products (25.5%), Meat and meat preparations (10.9%), and Milk products and eggs (10.8%).

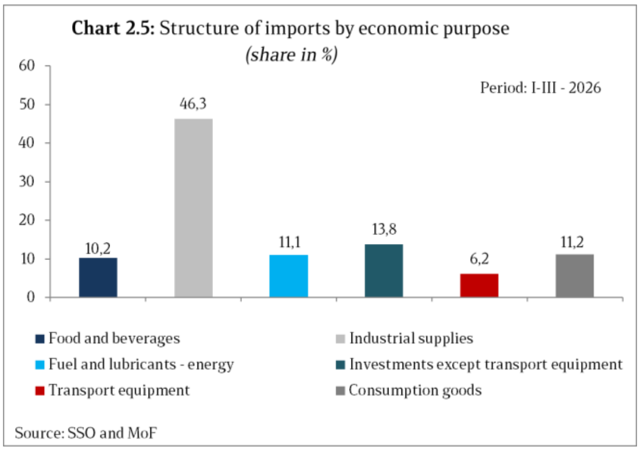
Import

In the first three months of 2026, value of imported goods amounted to EUR 2,788.3 million, increasing by 0.5% (EUR 13 million) compared to the same period in 2025, while physical output of import dropped by 19.3%.

In March 2026, import value amounted to EUR 906.7 million, dropping by 3.6% (EUR 33.5 million) compared to the same month in 2025, while imported quantities of goods dropped by 23.7% compared to March 2025.

Analysed on monthly basis, in March 2026, import dropped by 16.5% (EUR 179.4 million), compared to the previous month, and, after applying seasonal adjustment to import, it registered monthly decrease of 11.7%.





Value of import of food in the first three months of 2026 declined by EUR 6.5 million, being lower by 2.4% compared to the same period in 2025, while quantity of imported food decreased by 4.5%. As for our country's total export, share of the food in first three months in 2026, accounted for 9.3%, decreasing by 0.3 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 (21.1%), Fruit and vegetables (17.3%), Cereals and cereal products (13.8%), Miscellaneous edible products and preparations (13.3%), Coffee, tea, cocoa, spices and manufacturers thereof (11.8%) and Milk products and eggs (10.7%).

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

Export of petroleum and petroleum products*)				
	I-III 2025	I-III 2026	Balance	% rate
000 T	17,2	27,0	9,8	57,0
$ mil.	13,5	25,1	11,6	85,5
EUR mil.	12,9	21,6	8,6	66,6

*)Previous data

Import of petroleum and petroleum products*)				
	I-III 2025	I-III 2026	Balance	% rate
.000 T	240,5	269,4	28,9	12,0
$ mil.	177,5	194,4	16,9	9,5
EUR mil.	169,1	166,2	-2,9	-1,7

*)Previous data

Export of chemical products*)				
	I-III 2025	I-III 2026	Balance	% rate
000 T	16,1	16,1	0,0	0,0
$ mil.	434,5	514,2	79,7	18,3
EUR mil.	412,7	439,2	26,5	6,4

*)Previous data

Import of chemical products*)				
	I-III 2025	I-III 2026	Balance	% rate
.000 T	7,5	7,5	0,0	-0,6
$ mil.	47,3	47,1	-0,2	-0,4
EUR mil.	44,9	40,2	-4,7	-10,5

*)Previous data

Export of iron and steel*)				
	I-III 2025	I-III 2026	Balance	% rate
000 T	184,5	170,0	-14,5	-7,9
$ mil.	145,5	139,7	-5,8	-4,0
EUR mil.	138,3	119,4	-18,9	-13,7

*)Previous data

Import of iron and steel*)				
	I-III 2025	I-III 2026	Balance	% rate
.000 T	210,7	158,0	-52,7	-25,0
$ mil.	140,6	108,7	-31,8	-22,7
EUR mil.	133,4	92,9	-40,5	-30,4

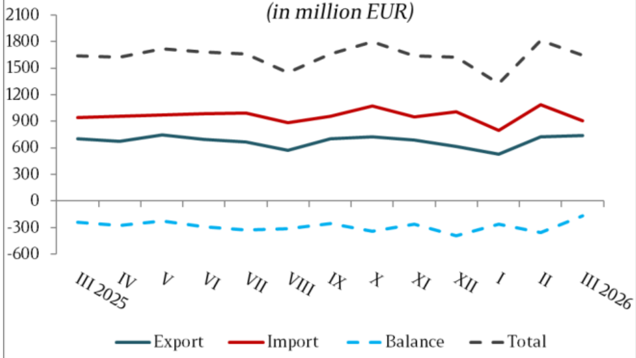
*)Previous data

Trade Balance

In March 2026, trade deficit decreased by 30.7% or EUR 74.1 million compared to March 2025.

In the period January - March 2026, trade deficit decreased by 6.7%, i.e. by EUR 56.7 million, compared to the same period last year.

Chart 2.6: Foreign trade
(in million EUR)



Source: SSO.

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

In the first three months of 2026, most of the trade deficit of the country was realized in the trade with Great Britain, followed by: China, Greece, Türkiye, the USA, Serbia, and others. The highest trade surplus was recorded in trade with Germany, followed by Kosovo, Hungary, the Slovak Republic, the Czech Republic, Belgium and others.

3. FISCAL SECTOR

Budget Revenues and Expenditures according to the Economic Classification

In the period January – March 2026, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 81,240 million, accounting for 21.7% of the 2026 projections, i.e. an increase of 5.6% compared to collected budget revenues during the corresponding period in 2025. As regards total revenues, Denar 71,945 million was collected on the basis of tax revenues and social contributions, accounting for 21.4% of 2026 projected amount, being 6.4% increase in relation to the previous year. Thereby, tax revenues were collected in the total amount of Denar 43,310 million (i.e. 20.5% of the amount projected for 2026 and 4.7% increase), while social contributions were collected in the amount of Denar 27,792 million (annual increase of 7.2%, i.e. 22.8% of the amount projected for 2026). As regards tax revenues, increased collection was recorded at personal income tax by 12.3%, followed by corporate income tax by 23.6%, VAT increasing by 3.5%, and import duties by 9.1%, while decreased collection was recorded at excise duties by 2.8% and other tax revenues by 462%. During this period, non-tax revenues grew by 16.3%, capital revenues increased by 36.7%, whereas foreign donation revenues dropped by 64.8%.

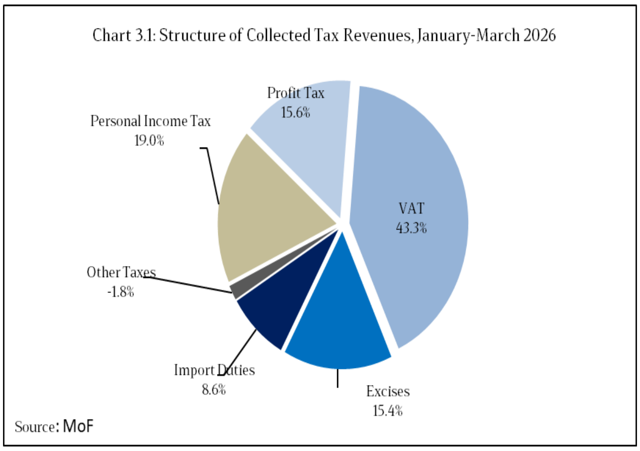
Total budget expenditure execution amounted to Denar 106,379 million during the period January – March 2026, representing 25.7% of the annual projections, reflecting an increase of 18.5% compared to same period in 2025. Thereby, current expenditures were executed in the amount of Denar 93,825 million, i.e. 25.1% of the amount projected for the whole year, being an increase of 9.6% compared to the same period in 2025. Expenditures related to wages and allowances increased by 8.7%, while expenditures on goods and services rose by 44.6%. In contrast, interest-related expenditures decreased by 3%. Transfers, as the largest category of current expenditures, increased by 8.8%, driven by growth of social transfers by 13.7%, health care expenditures by 8.2%, block and earmarked grants by 7.2% and subsidies and transfers by 38%. Capital expenditures were executed in the amount of Denar 12,554 million, being higher by 196.4% compared to the same period in 2025. Execution rate of capital expenditures for the period January – March 2026 accounted for 31.3% compared to the projected amount.

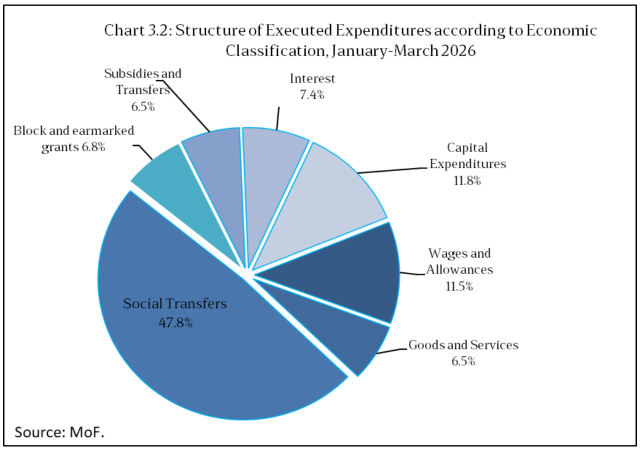
Table 3.1. State Budget Execution for the period January - March 2026

	2026 Budget	January - March 2026		
	(Denar million)	(Denar million)	Annual growth rate (%)	% of collection/executio n rate (%)
TOTAL REVENUES	**374,935**	**81,240**	**5.6%**	**21.7%**
Taxes and contributions	**335,971**	**71,945**	**6.4%**	**21.4%**
Taxes	211,329	43,310	**4.7%**	**20.5%**
Personal Income Tax	38,797	8,208	**12.3%**	**21.2%**
Corporate Income Tax	26,572	6,746	**23.6%**	**25.4%**
VAT	92,506	18,770	**3.5%**	**20.3%**
Excise duties	35,838	6,649	**-2.8%**	**18.6%**
Import duties	16,597	3,719	**9.1%**	**22.4%**
Other tax revenues	1,019	-782	**-462.0%**	**-76.7%**
Contributions	121,822	27,792	**7.2%**	**22.8%**
Non-tax revenues	**29,060**	**8,368**	**16.3%**	**28.8%**
Capital revenues	**2,510**	**268**	**36.7%**	**10.7%**
Foreign Donations	**7,394**	**659**	**-64.8%**	**8.9%**
TOTAL EXPENDITURES	**414,174**	**106,379**	**18.5%**	**25.7%**
Current expenditures	**374,052**	**93,825**	**9.6%**	**25.1%**
Wages and allowances	52,628	12,251	**8.7%**	**23.3%**

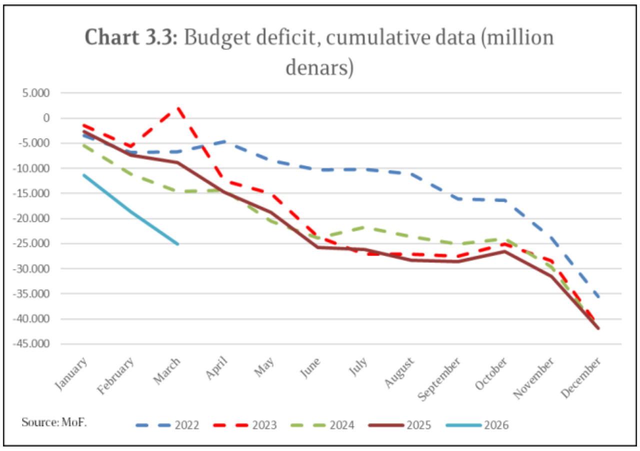
Goods and services	28,177	6,891	44.6%	24.5%
Transfers	271,970	66,819	8.8%	24.6%
Social transfers	206,268	50,818	13.7%	24.6%
Pension and Disability Insurance Fund of North Macedonia	136,420	33,460	17.1%	24.5%
Pecuniary unemployment allowance	3,576	576	51.6%	16.1%
Social protection	12,459	3,821	2.1%	30.7%
Health protection	53,813	12,961	8.2%	24.1%
Other transfers	62,871	15,278	-6.3%	24.3%
Interest	21,277	7,864	-3.0%	37.0%
Capital expenditures	**40,122**	**12,554**	**196.4%**	**31.3%**
BUDGET BALANCE	-39,239	-25,139	94.8%	64.1%

Source: Ministry of Finance





In the period January – March 2026, the state budget deficit amounted to Denar 25,139 million, accounting for 2.2% of the GDP projected for 2026, i.e. 64.1% of the annual projections.

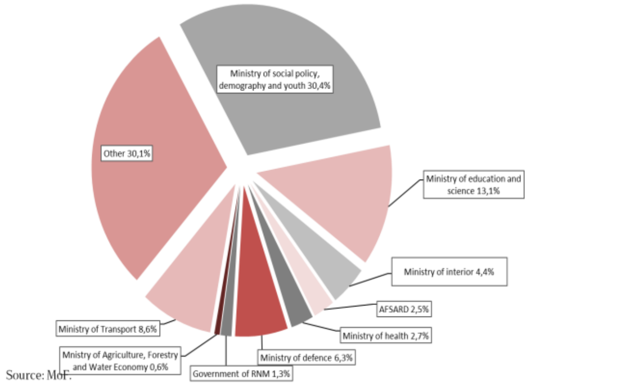


Expenditures by Budget Users

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

In the period January – March 2026, Ministry of Social Policy, Demographics and Youth executed funds in the amount of Denar 25,586 million or 31.4% of its total budget for the current year. Thereby, most of the expenditures (77.1%) were allocated for current transfers to Budget Funds, for which Denar 19,739 million was spent, i.e. 31.6% of the funds allocated for 2026. The second highest expenditure item was the social benefits, participating with 14.8% in the total expenditures, whereby 31.5% (Denar 3,774 million) of the projected 2026 funds was executed for this purpose.

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



Source: MoF.

During the analysed period, Ministry of Education and Science executed budget funds in the amount of Denar 11,005 million, representing 24.0% of its total 2026 Budget. Current transfers to LGUs accounted for the most of the expenditures (54.2%), Denar 5,965 million being spent therefore or 23.3% of total projected funds. Wages and allowances category was the second highest expenditure item, accounting for 23.5%, for which an amount of Denar 2,584 million, accounting for 23.6% being executed out of total projected funds.

In the period January – March 2026, Ministry of Internal Affairs executed expenditures in the total amount of Denar 3,701 million, accounting for 22.3% of its 2026 budget. Wages and allowances was the highest expenditure item, participating with 75.1%, Denar 2,779 million being spent therefor, accounting for 24.6% of the projected ones. Second highest expenditure item was Goods and services, accounting for 16.8%, with Denar 620 million being spent therefore, accounting for 20.9% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 2,131 million, accounting for 28.1% of the funds projected for the current year. As for subsides and transfers, which accounted for 94.1% of the total expenditures, 29.6%, or Denar 2,005 million of the funds planned for the whole year, were spent therefore.

In the period January – March 2026, Ministry of Defence executed budget funds in the amount of Denar 5,292 million, accounting for 23.9% of its total budget this year. Capital expenditures accounted for the most with 41.9%, Denar 2,215 million being spent therefore, accounting for 24.3% of the total funds projected for the current year. Wages and allowances accounted for 29.0% of total expenditures, Denar 1,533 million being spent therefore during the analysed period, i.e. 22.8% execution of the total projected funds.

The Government of the Republic of North Macedonia spent a total of Denar 1,095 million, representing 24.9% of the projected funds, during the period January–March 2026. Thereby, capital expenditures accounted for 70.0% of total expenditures of this budget user, with Denar 767 million (71.6% of the projected funds) being spent therefore.

During the analysed period, Ministry of Health executed budget funds in the amount of Denar 2,265 million, accounting for 29.7% of its total 2026 Budget. Current transfers to Budget Funds accounted for the most of the expenditures with 48.4%, for which Denar 1,097 million were spent, accounting for 31.3% of the funds projected for 2026. Second highest item was Goods and services, Denar 1,006 million (29.4% of the projections for the year) being spent therefore, accounting for 44.4% of total expenditures.

In the period January – March 2026, Ministry of Transport executed funds in the amount of Denar 7,253 million, i.e. 54.2% of the total budget for the current year. Execution of capital expenditures, as highest item, accounted for 95.7% of the total spent funds of this budget user (Denar 6,940 million or 56.9% of total projected funds).

During this period, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 532 million, accounting for 28.5% of the funds projected for 2026. Wages and allowances (Denar 213 million) was, by far, the highest item in the total expenditures of this budget user, accounting for 40.2% of its total expenditures, with 22.3% of the projected expenditures being executed. As regards capital expenditures, they accounted for 31.2% of the total expenditures, Denar 166 million being spent therefore, accounting for 34.8% 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

Newly Employed and Registered Unemployed Persons in the Employment Service Agency

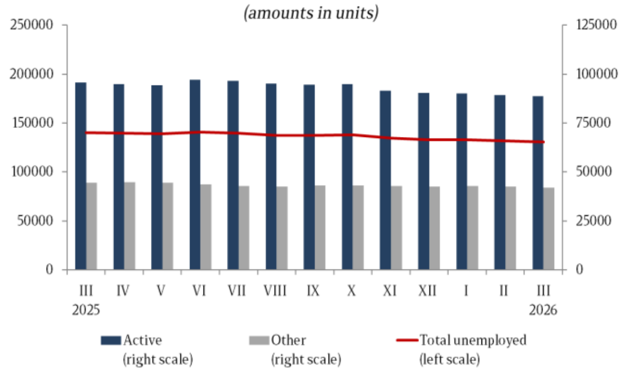
In March 2026, Employment Service Agency registered total of 16,151 new employments[6]. Total number of newly employed persons decreased by 4% compared to the same period in 2025.

As regards the total number of newly employed, 42.5% was engaged on permanent basis, while the remaining percentage was engaged on temporary basis and as seasonal workers. In March 2026, 13.1% out of the total number of newly employed persons was from the unemployed person records.

Total number of unemployed persons in March 2026 was 130,688, 88.661 persons out of which were active job seekers, while 42,027 persons were from the category "other unemployed". On annual basis, total number of unemployed decreased by 6.7%, and has shown a continuous annual decline since May 2021. Number of unemployed persons decreased by 1,236 people compared to February 2026.

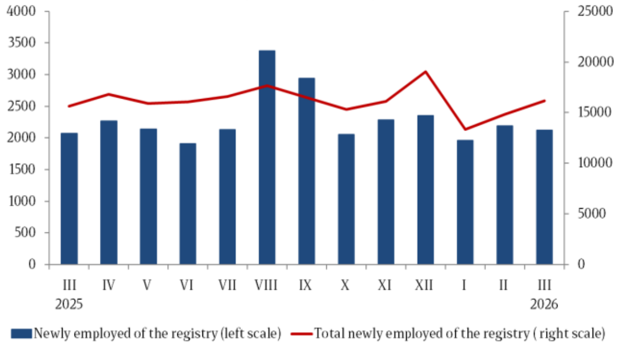
Urban residents accounted the most (with 59%) among the active unemployed persons, whereas with respect to gender, men accounted for 47.8% of the total. Analysed by

Chart 4.1: Summary of unemployed from ESARNM
(amounts in units)



Source: ESARNM.

Chart 4.2: Summary of new employments
(amounts in units)

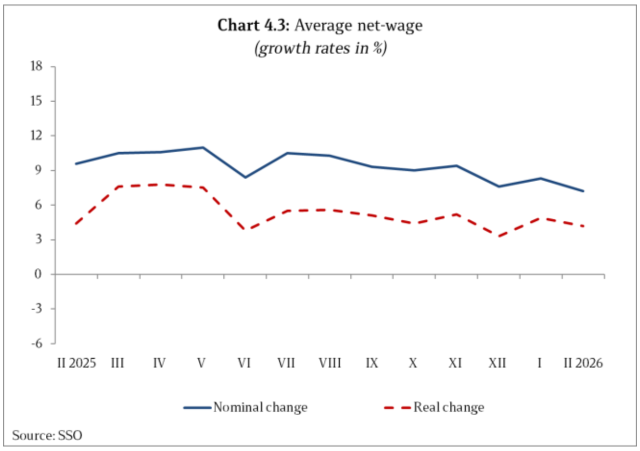


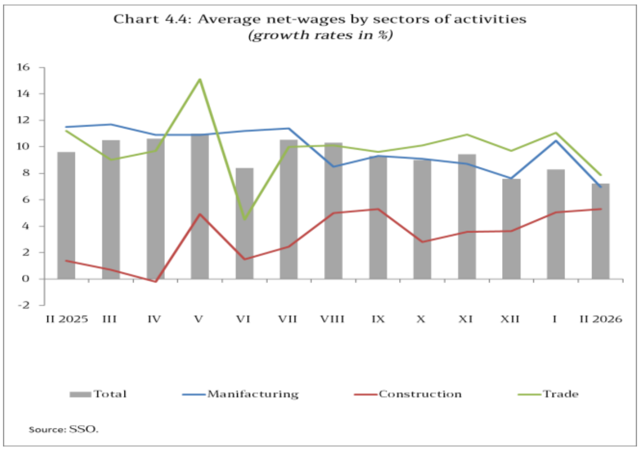
Source: ESARNM.

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

the level of education, majority, i.e. 68.8% of the unemployed persons were with incomplete secondary education or less, 23.8% were with completed secondary education, while 7.4% of the unemployed persons were with completed community college or higher education level.

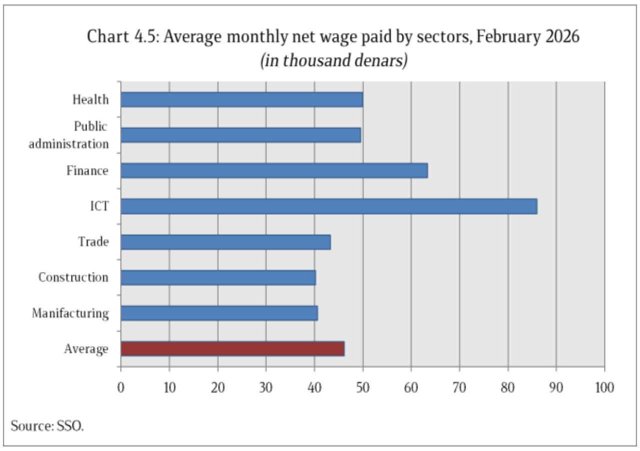
Analysed by age structure, 50.0% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 57.1% of the unemployed persons wait for employment from 1 to 7 years, while 14.7% wait for employment for 8 years or more.





Wages

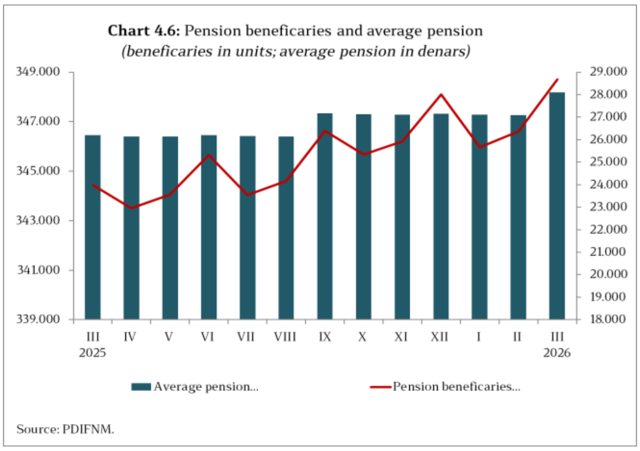
As per the notification of the State Statistical Office, in February 2026, average net wage amounted to Denar 46,159, in nominal terms, being higher by 7.2% on annual basis, and being lower by 1.0% compared to January 2026. The highest increase of average net wage, in relation to February 2025, was observed at the following sectors: Administrative and support service activities (12.3%), Mining and quarrying (10.6%), and Water supply; Sewerage, waste management and remediation activities (9.4%). In February 2026, wages in real terms recorded an annual growth of 4.2%. Highest average net wage in February 2026 was paid in the sector Information and communications (Denar 86,013), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 107,417), followed by Financial and insurance activities with Denar 63,300, Electricity, gas, steam and air conditioning supply sector with Denar 57,745, and Mining and quarrying with average net wage in the amount of Denar 57,309.



Average nominal gross wage in February 2026 amounted to Denar 69,371, increased by 7.3%, compared to the same month in 2025, whereas being lower by 1.0% on monthly basis. The highest increase of average gross wage in February 2026, compared to February 2025, was recorded in the following sectors: Administrative and support service activities (12.5%), Mining and quarrying (10.2%), and Water supply; Sewerage, waste management and remediation activities (9.5%).

Pensions

In March 2026, Pension and Disability Insurance Fund registered 348,707 pensioners. In July 2025, amendments to the Law on Pension and Disability Insurance were adopted, providing for a linear increase in all pensions, effective from 1st October 2025, with a Denar 1,000 increase in autumn 2025 and an additional Denar 1,000 in spring 2026, indicating that in the coming months, pensions for all pensioners will increase by a total of Denar 2,000. As regards the total number of pensioners, 72.1% are beneficiaries of old-age pension, amounting to 251,418 pensioners, 21.1% of survivor pension, amounting to 73,704 pensioners and 6.8% of disability pension, amounting to 23,585 pensioners.



In March 2026, the average pension amounted to Denar 28,105, being higher by 7.3% compared to the same month in 2025[7]. In March 2026, average old-age pension amounted to Denar 29,692, average disability pension amounted to Denar 25,655, while average survivor pension amounted to Denar 23,475. This month, Denar 9,207 million was spent for payment of pensions, accounting for 52.8% of the total social transfers.

Ratio between the average pension in March 2026 and the average paid wage in February 2026 (the most recent available data) was 58.7%.

Chart 4.1 March 2026 Pension Data

Pension beneficiaries	**Number**	**Structure**	**Average pension**
Survivor pension	73,704	21.1%	23,475.00
Disability pension	23,585	6.8%	25,655.00
Old age pension	251,418	72.1%	29,692.00
Total	348,707	100.0%	28,105.00
Minimal agricultural pension beneficiaries	25		17,870.00
Beneficiaries of military pensions	658		36,672.00
Total	349.390		28,120.00
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. This measure enhances the clarity of monetary policy signalling, improves monetary transmission, and contributes to maintaining the stability of the financial system.

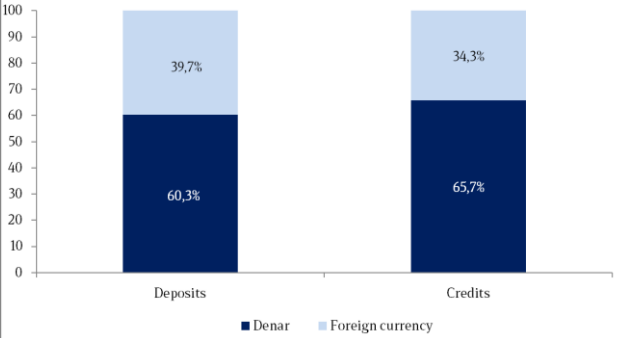
[7] Military and agricultural pensions are not included when calculating the average pension.

Primary Money

In March 2025, primary money[8] grew by 7.0% on monthly basis. Growth of primary money was a result of increase of total liquid assets of banks by 22.1%, while currency in circulation picked up by 0.8%.

In March 2026, primary money grew by 13.0% on annual basis, as a result of both increased total liquid assets of banks and currency in circulation by 31.6% and 12.8%, respectively.

Chart 5.1: Currency structure of deposits and credits (March 2026)



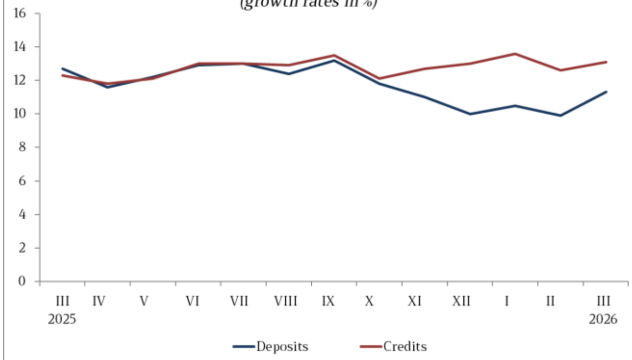
Source: NBRNM.

Deposit Potential9

In March 2026, total deposits of banks grew by 1.8% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of enterprises picked up by 7.5%, while deposits of households declined by 0.4%.

Analysed by currency, in March 2026, compared to the previous month, Denar deposits increased by 0.1%, whereas foreign currency deposits increased by 4.6%.

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



Source:NBRNM.

Total deposit potential in March 2026 surged by 11.3% on annual basis. Analysed by currency, domestic currency deposits increased by 14.2%, whereas foreign currency deposits grew by 7.2%.

From sectoral point of view, deposits of enterprises grew by 13.7%, and deposits of households increased by 11.0% on annual basis.

Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (March 2026)	In Denar million	Monthly change	Annual change
Deposit Potential	***666,404***	***1.8%***	***11.3%***
By currency:			
Denar	*402,078*	*0.1%*	*14.2%*
Foreign currency	*264,326*	*4.6%*	*7.2%*
By maturity:			

[8] 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.
[9] 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.

Short-term	*246,548*	*4.4%*	*7.8%*
Long-term	*162,546*	*1.0%*	*8.5%*
Credits to private sector	***570,409***	***1.4%***	***13.1%***
By currency:			
Denar	*374,806*	*1.9%*	*19.8%*
Foreign currency	*195,603*	*0.4%*	*2.1%*
By maturity:			
Short-term	*87,316*	*1.1%*	*9.9%*
Long-term	*469,197*	*1.5%*	*14.6%*

Source: NBRNM

According to maturity, short-term deposits increased by 7.8%, while long-term deposits rose by 8.5% on annual basis.

Currency structure of deposits remained stable, with the share of domestic currency deposits in the deposit base consistently dominant at 60.3% this month.

Bank Credits

In March 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 1.5%, and credits to households by 1.3%.

Analysed by currency, both Denar and foreign currency credits increased by 1.9% and 0.4% on monthly basis.

On annual basis, in March 2026 total credits grew by 13.1%, in conditions of growth of both credits to enterprises and credits to households of 15% and of 11.5%, respectively. Denar credits increased by 19.8%, while foreign currency credits grew by 2.1%.

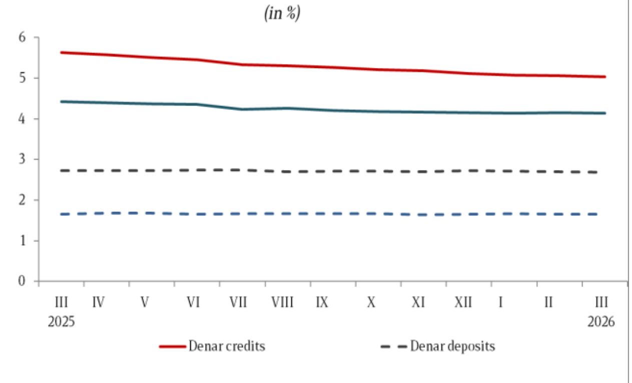
As regards maturity, long-term credits grew by 14.6% on annual basis, and short-term credits picked up by 9.9%.

Interest Rates of Deposit Banks

In March 2026, total interest rate on credits dropped by 0.03 p.p. compared to the previous month, accounting for 4.70%. Interest rate on Denar credits dropped by 0.03 p.p., accounting for 5.03%, while interest rate on foreign currency credits decreased by 0.01 p.p. on monthly basis, accounting for 4.14%.

In March 2026, total interest rate on deposits decreased by 0.01 p.p., compared to last month, accounting for 2.18%. Interest rate on Denar deposits decreased by 0.02 percentage points, accounting for 2.68%, while interest rate on foreign currency deposits remained unchanged, accounting for 1.65%.

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



Source: NBRNM.

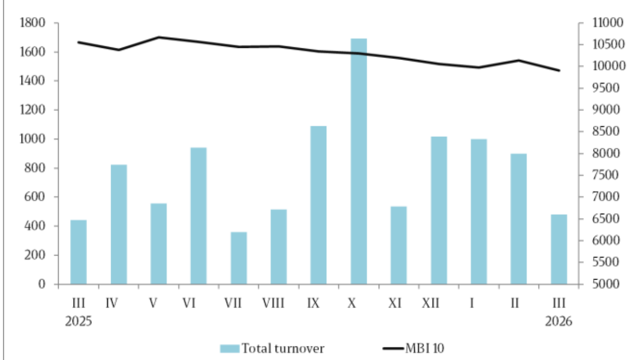
Interest rate on newly granted Denar credits was 4.55%, while interest rate on newly granted foreign currency credits stood at 3.71%. Interest rates on newly received Denar and foreign currency deposits accounted for 2.53% and 1.98%, respectively.

Capital Market

As for the capital market, in March 2026, total turnover on the stock exchange dropped by 46.5% on monthly basis, as a result of the decrease of turnover from trading in best and turnover from block transactions by 12.0% and 73.4%, respectively.

Total turnover on the stock exchange amounted to Denar 480.2 million in March 2026, being an increase of 8.4% on annual basis.

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



Source: MSE.

Macedonian Stock Exchange Index MSEI - 10 amounted 9,908.68 index points at the end of March 2025, whereby the index dropped by 2.3% on monthly basis, while, compared to the same month last year, the index was lower by 6.2%.

Reserve Assets

At the end of March 2026, gross reserve amounted to EUR 5,249.39 million, being lower by 5.6% compared to the previous month and higher by 9.6% compared to March 2025.