



SHORT-TERM ECONOMIC TRENDS



July 2025



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SUMMARY

OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

July 2025

- In July 2025, industrial production surged by 4.1%, compared to the same month last year.
- In July 2025, inflation rate accounted for 4.8% on annual basis, resuming its upward trend compared to the previous month (4.5% in June 2025). Inflation recorded growth of 1.1% on monthly basis.
- In the period January – July 2025, export surged by 3.1%, while import grew by 2.6%, resulting in increase of the trade deficit by 1.5% compared to the same period in 2024.
- In the period January – July 2025, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 187,300 million, accounting for 51.7% of the 2025 projections, i.e. an increase of 8.2% compared to collected budget revenues during the corresponding period in 2024.
- Total budget expenditures were executed in the amount of Denar 213,407 million in the period January – July 2025, accounting for 52.9% of the annual projections, i.e. an increase of 9.6% compared to same period of 2024.
- Total credits of banks in July 2025 grew by 13.0% compared to July 2024, while total deposit potential of banks surged by 13.0%.
- Average net wage paid in June 2025 amounted to Denar 45,468, recording a nominal increase of 8.4% on annual basis and a real growth of 3.8%. The highest average net wage, amounting to Denar 103,716, was recorded in the Computer programming activity.



1. REAL SECTOR

Industrial Production

In July 2025, industrial production surged by 4.1%, compared to the same month last year. Growth was due to increased production of 7.0% in Manufacturing, while decrease in production was recorded in the sectors, as follows: Mining and quarrying by 10.4% and Electricity, gas, steam and air-conditioning supply by 7.5%.

In July 2025, growth in production was registered at 16 out of total of 27 industrial branches, comprising 58.9% in the total industry.

In July 2025, with respect to branches with higher added value, an increase was recorded at the following branches: Manufacture of electrical equipment by 15.3% with contribution of 1.1 percentage points, Manufacture of motor vehicles, trailers and semi-trailers by 26.5% with contribution of 4.5 percentage points, Manufacture of machinery and equipment by 4.6% with contribution of 0.3 percentage points, while drop was recorded only at Production of metals by 19.6% and contribution of -0.7 percentage points.

Traditional branches in July 2025 recorded growth in production throughout the following branches: Manufacture of tobacco products by 14.9% and contribution of 0.1 percentage points, Manufacture of leather by 24.2% and contribution of 0.1 percentage points, Manufacture of textile by 1.7% and contribution of 0.1 percentage points, Manufacture of wearing apparel by 1.1% and contribution of 0.1 percentage points, and Manufacture of wood and wood and cork products by 9.2% with contribution of 0.1 percentage points, whereas reduction was recorded in Food industry by 11.2% and contribution of -1.2 percentage points, and Manufacture of beverages by 11.9%, with contribution of -0.4 percentage points.

Industrial production with respect to purpose of production units in July 2025 compared to July 2024 increased in the following groups: Intermediate goods, except for energy (increasing by 12.5% and contribution of 3.7 p.p.), Capital goods (picking up by 18.6% and contribution of 4.8 p.p.) and Durable consumer goods industry (increasing by 2.9% and contributing 0.1 p.p.), while it decreased in the groups as follows: Energy (dropping by 6.5% with contribution of -0.6 p.p.) and Non-durable consumer goods industry (dropping by 8.5% and contribution of -2.7 p.p.). As per the purpose of production units, in the period January – July 2025, growth was recorded at the following groups: Intermediate goods, except energy (13.9%) and Durable consumer goods industry (1.3%), whereas drop was recorded at: Energy (by 8.2%), Capital goods (by 1.0%) and Consumer non-durables (by 0.5%).

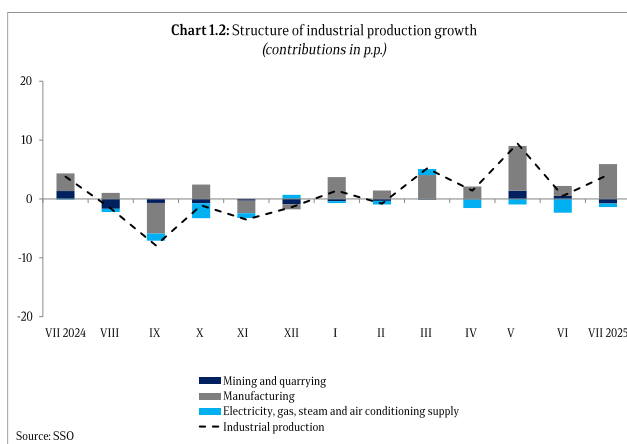
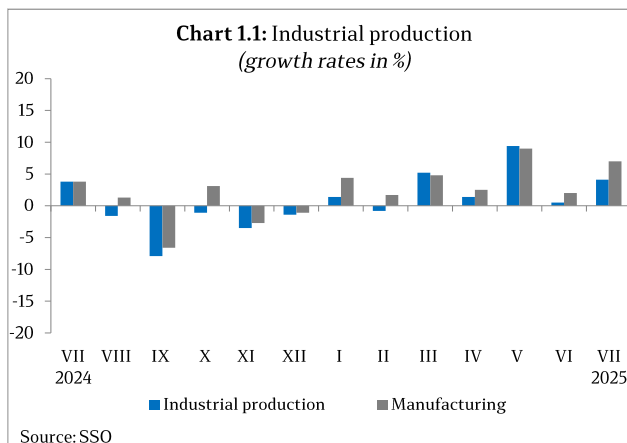
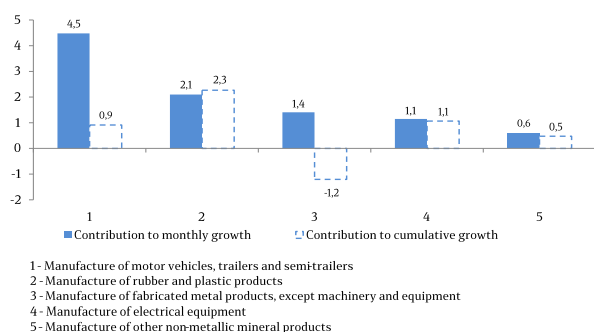


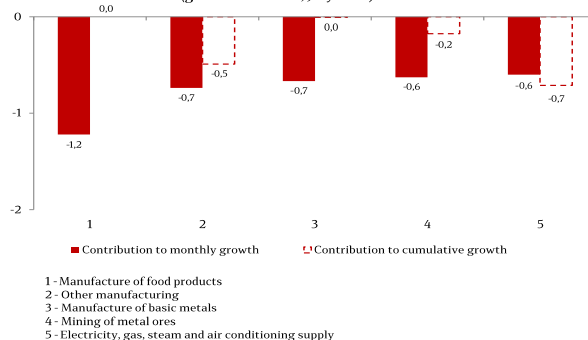


Chart 1.3a: Branches with positive contribution to growth
(growth rates in %, July 2025)



Source: SSO.

Chart 1.3b: Branches with negative contribution to growth
(growth rates in %, July 2025)

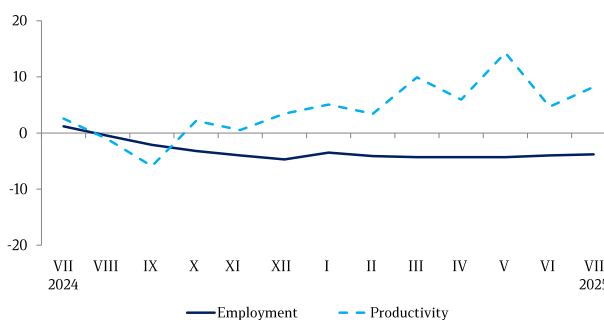


Source SSO.

Number of Employees in the Industry

In July 2025, number of employees in the industry decreased by 3.8% compared to the same month in the previous year. Such decline was due to the reduced number of employees throughout all sectors, as follows: Mining and quarrying by 2.4%, Manufacturing by 4.0% and Electricity, gas, steam and air-conditioning supply by 0.5%. Increase in the number of employees was seen at the following branches: Manufacture of machinery and equipment by 11.2%, Manufacture of tobacco products by 8.1% and Manufacture of rubber and plastic products by 5.4%.

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



Source: SSO; calculations by MF.

Data on the number of employees in the industry by target groups in July 2025, compared to the same month last year, showed increase in the number of employees at the following groups: Intermediate goods, except energy by 0.3% and Consumer durables by 9.6%.

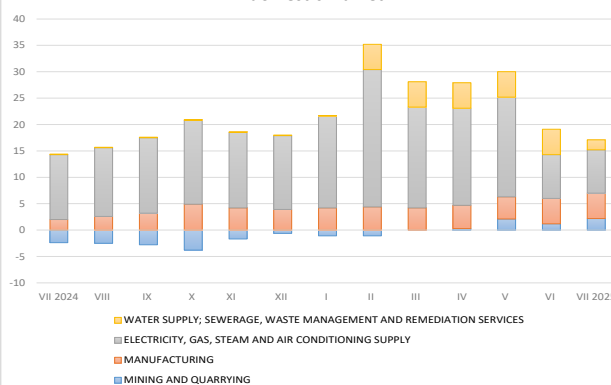
On cumulative basis, the number of employees in the industry in the period January – July 2025 recorded a drop of 4.1% due to the decreased number of employees across all sectors: Mining and quarrying by 2.2%, Manufacturing by 4.3% and Electricity, gas, steam and air-conditioning supply by 1.6%.

As regards target groups, number of employees in the industry in the period January - July in 2025 increased only at Consumer durables by 13.9%.

Industrial producer prices on the domestic market

In July 2025, industrial producer prices on the domestic market were higher by 5.2% compared to the same month last year. Increase was due to raised prices throughout all sectors: Mining and quarrying by 2.2%, Manufacturing

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





by 4.8%, Electricity, gas, steam and air-conditioning supply by 8.2% and Water supply; Sewerage, waste management and remediation activities by 1.9%.

In July 2025, the industrial producer prices on the domestic market were higher compared to the same month in 2024 in the groups as follows: Energy by 7.5%, Intermediate products, except energy by 5.1%, Consumer goods by 4.7% and Consumer non-durables by 4.9%.

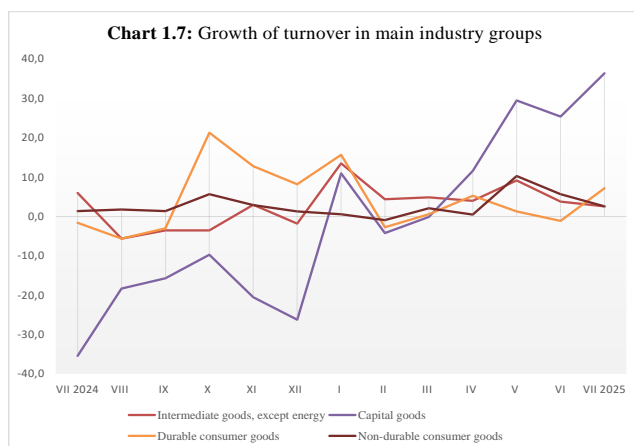
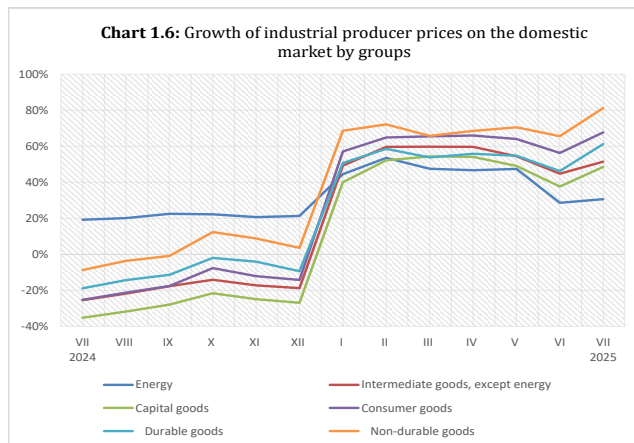
In the period between January and July 2025 compared to the same period last year, industrial producer prices on the domestic market were higher by 6.2% on cumulative basis, due to increased prices throughout the following sectors: Mining and quarrying by 0.5%, Manufacturing by 4.4%, Electricity, gas, steam and air-conditioning supply by 16.3% and Water supply; Sewerage, waste management and remediation activities by 4.4%.

Over the January - July 2025 period, compared to the same period in 2024, the industrial producer prices on the domestic market were higher in the groups as follows: Energy by 15.0%, Intermediate goods, except energy by 3.7%, Consumer goods by 5.1% and Consumer non-durables by 5.3%.

Industrial turnover index

In July 2025, the industrial turnover, compared to July 2024, recorded an increase of 13.8% as per the State Statistical Office's data. Growth was due to 15.2% increase in turnover in Manufacturing, while a 17.4% decline was observed in Mining and quarrying.

In July 2025, compared to July 2024, industrial turnover increased in the groups as follows: Intermediate goods, except energy – 2.6%, Capital goods – 36.4%, Consumer durables – 7.2%, and Consumer non-durables – 2.6%.



Branches with highest turnover growth in the industry in July 2025 compared to the same month last year were the following:

- Manufacture of motor vehicles, trailers and semi-trailers (picking up by 106.0%),
- Manufacture of other transport equipment (recording growth of 36.8%), and
- Repair and installation of machinery and equipment (recording growth of 33.4%).

On cumulative basis, in the period between January and July 2025, compared to the same period last year, turnover in industry recorded an increase of 8.1%, due to increase in turnover in both sectors - Mining and quarrying and Manufacturing by 0.9% and 8.4%, respectively.

In the period between January and July 2025, compared to the same period in 2024, turnover increased across all groups: Intermediate goods, except energy – 5.8%, Capital goods – 13.5%, Consumer durables – 3.4%, and Consumer non-durables – 3.1%.



Number of Issued Building Permits and Expected Value of Constructions

In July 2025, an increase in the number of building permits was recorded, following last month's drop (213 building permits issued in June 2025). 401 building permits were issued, marking a 7.2% increase compared to the same month in 2024. Such increase was due to the annual increase of issued building permits for buildings by 10.1% (participating with 56.9% in the total number of issued building permits) and reconstruction by 38.0%, whereas the number of permits issued for civil engineering structures recorded a drop of 38.7%. A notable rise was evident across both individuals and legal entities. When observed across regions, it is also notable that the number of issued building permits increased in most regions, with the most significant growth recorded in the Polog, South-East and Vardar, regions.

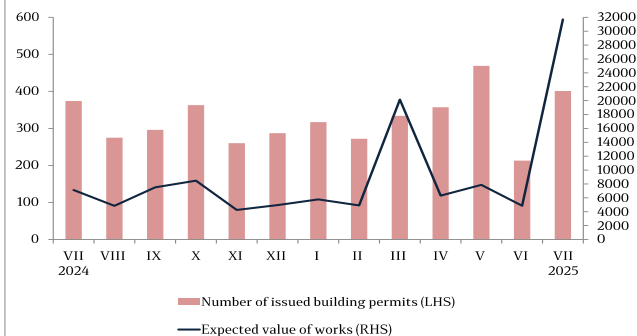
Compared to June 2025, number of issued building permits surged by 88.3%. Expected value of works, according to the issued building permits in July 2025, picked up by 345.3% on annual basis, while compared to the previous month, it experienced growth of 552.6%. Increased value was due to the issuance of a building permit for a windmill during the reference period (intended for production of electrical energy from renewable sources) in the municipalities of Shtip, Radovish and Karbinci, the project being valued at EUR 500 million.

Analysed by types of constructions, out of the total number of issued building permits, 228 (or 56.9%) were intended for buildings, 46 (or 11.5%) with respect to civil engineering structures and 127 (or 31.7%) for reconstruction purposes.

Analysed by types of investors, out of total 401 issued building permits, individuals were investors in 232 facilities (or 57.9%), while business entities were investors in 169 facilities (or 42.1%).

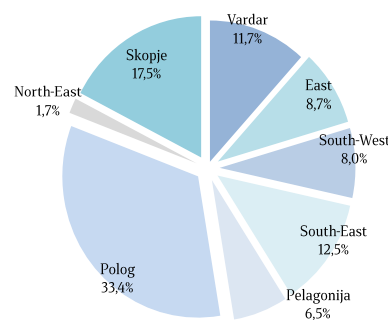
In July 2025, construction of 667 flats was envisaged, with total usable area of 60,676 m². Number of flats envisaged for construction increased by 156.5% on monthly basis, dropping by 17.5% on annual basis.

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



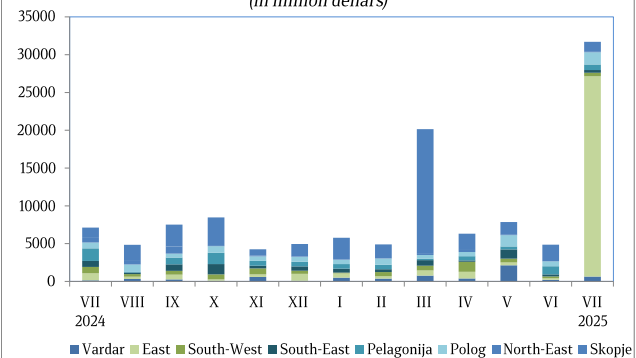
Source: SSO.

Chart 1.9: Structure of issued building permits by regions
(July 2025)



Source: SSO.

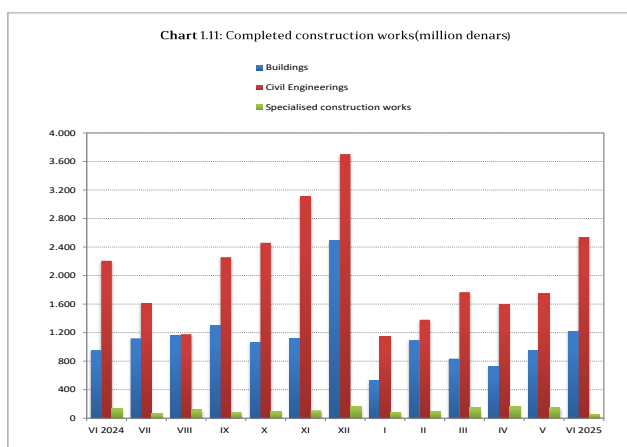
Chart 1.10: Expected total value of the constructions by regions
(in million denars)





Number of Completed Construction Works by Types of Constructions

Total value of performed construction works in June 2025 amounted to Denar 3,819 million, representing an annual growth of 15.5% in nominal terms, whereby civil engineering structures and buildings grew by 15.1% and 27.4%, respectively, while specialised construction works recorded a drop of 58.0%. Compared to May 2025, total value of completed construction works increased by 34.1%, with buildings rising by 28.3%, and civil engineering structures by 45.6%, whereas specialised construction works recorded a decline of 60.7%. In cumulative terms, in the period January – June 2025, value of completed construction works amounted to Denar 16,255 million, being higher by 10.0% compared to the same period last year.



Most of the completed construction works pertained to civil engineering construction, with construction works amounting to Denar 10,177 million completed during January - June 2025, representing an increase of 4.5% compared to the same period last year. During this period, the value of completed building construction works increased by 19.7%, amounting to Denar 5,365 million, whereas the value of completed specialised construction works amounted to Denar 712 thousand, being higher by 26.5% as compared to the same period last year.

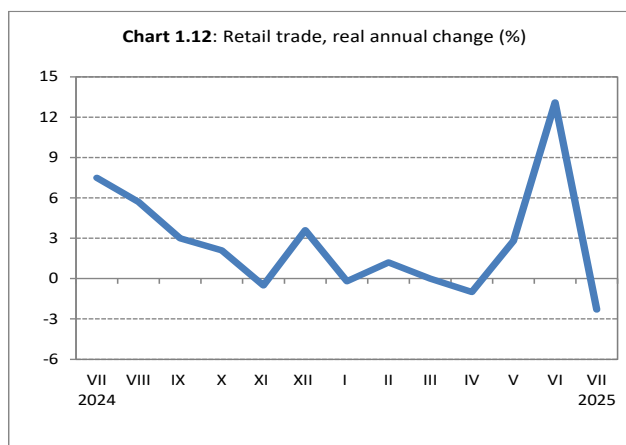
In real terms, in the period January - June 2025, value of completed construction works increased by 10.8%, with buildings (20.7%) specialised construction works (27.6%) and civil engineering structures (5.2%) recording growth.

Trade Sector Turnover

In July 2025, data on domestic trade showed an annual drop in turnover of 0.4% in nominal terms, following the 7.7% growth in June this year. In July 2025, value of turnover amounted to Denar 72,283 million, whereby in cumulative terms, in the period January - July 2025, value of total turnover in trade amounted to Denar 465,881 million, being by 2.0% higher compared to the same period last year.

In the period January - July 2025, in cumulative terms, positive growth in turnover was seen at the sectors: Retail trade, which turnover value amounted to Denar 188,169 million, being higher by 4.3% compared to the same period last year, Trade in motor vehicles and repair, which turnover value amounted to Denar 28,623 million, being 6.7% higher compared to the same period last year and at Wholesale Trade, which turnover value amounted to Denar 249,089 million, being lower by 0.2% compared to the same period last year.

In real terms, retail trade in July 2025 recorded a drop of 2.3%, following a 13.1% increase in June 2025. When analysed by groups and classes, decrease was also observed in the groups of Retail trade in non-food products by 6.6%, and Retail in food products, beverages and tobacco by 0.4%, whereas increase only in the Retail trade in automotive fuels by 2.2%.





In July 2025, Wholesale trade (53.4%) accounted for the most in the Trade sector, followed by Retail trade (40.6%) and Trade in motor vehicles and motorcycles, repair and their maintenance (6.0%).

Inflation

In July 2025, inflation rate accounted for 4.8% on annual basis, resuming its upward trend compared to the previous month (4.5% in June 2025). Inflation growth this month was primarily driven by the acceleration of the food component and the core component.

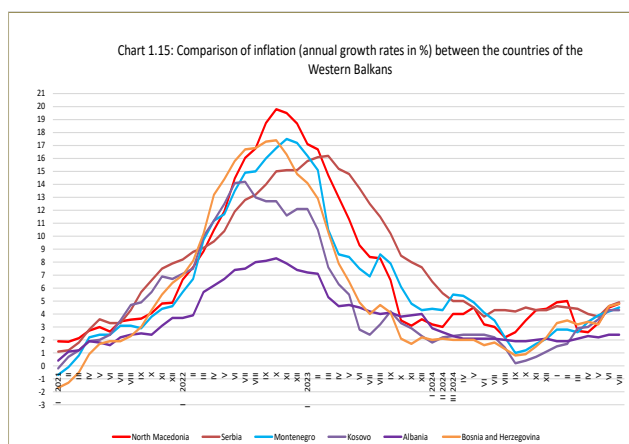
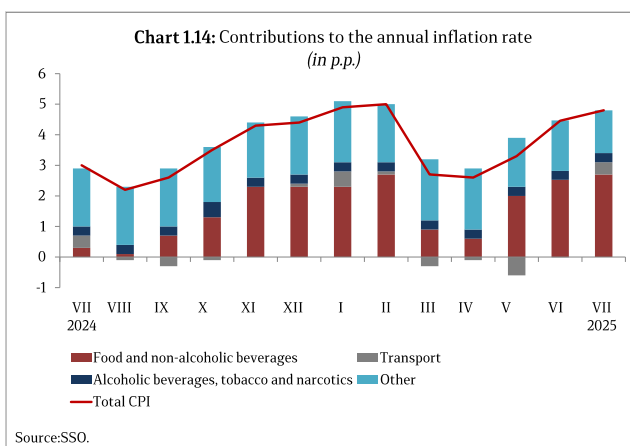
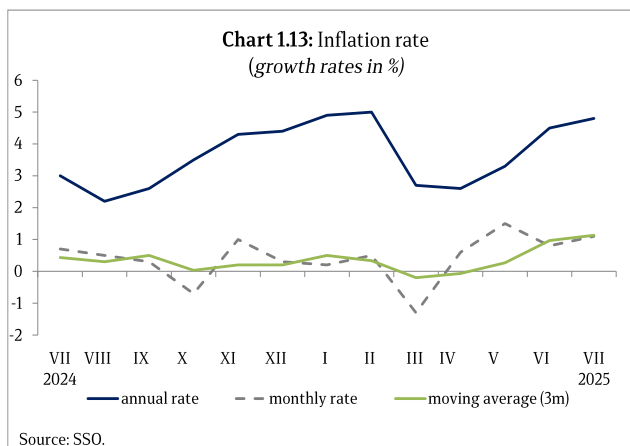
Average inflation rate in the period January - July 2025 accounted for 4.0% on annual basis.

In July 2025, 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 5.5% on annual basis (5.1% in June).

Prices in the Food and non-alcoholic beverages category accelerated to a 6.8% growth compared to the previous month (6.3% in June), whereby contributing with 2.7 percentage points to the total inflation in July, representing a 0.2 percentage point increase compared to the previous month. Highest positive contribution to the price increase in the category Food and non-alcoholic beverages had the following subcategories: Fruit (annual growth of 29.1% with contribution of 0.6 p.p.), Vegetables (annual growth of 11.4% with contribution of 0.6 p.p.), Non-alcoholic beverages (annual growth of 18.3% and contribution of 0.5 p.p.), and Meat (annual growth of 3.6% and contribution of 0.3 p.p.) had the biggest contribution to growth in the Food and non-alcoholic beverages category.

Observed by components, following the price increase in the Food and non-alcoholic beverages category, highest annual price growth in July 2025 was recorded at the category Recreation and culture, which increased by 6.6%.

Price increase was also recorded in the following categories: Alcoholic beverages, tobacco and narcotics by 5.8%, Furnishings, household equipment and routine maintenance of the house by 5.1%, Transport by 4.6%, Clothing and footwear by 3.6%, Miscellaneous goods and services by 3.1%, Health protection by 3.0%, Restaurants and hotels by 2.9%, Housing, water, electricity, gas and other fuels by 1.8%, Communications by 1.1%, and Education by 0.3%.





In July 2025, consumer prices increased by 1.1% on monthly basis (last month prices increased by 0.8%) driven by growth across multiple categories, with the Transport category contributing the most. This month, prices recorded growth in the following categories: Transport by 9.9%, Recreation and culture by 2.1%, Restaurants and hotels by 1.2%, Furnishings, household equipment and routine maintenance of the house by 0.7%, Health protection and Food and non-alcoholic beverages each by 0.3%, Clothing and footwear and Housing, water, electricity, gas and other fuels each by 0.1%. Prices in the Alcoholic beverages, tobacco and narcotics category decreased by 0.1%, while prices in the Communications and Education categories remained unchanged.

In July 2025, the Eurozone inflation rate accounted for 2.0%¹, remaining unchanged compared to June.

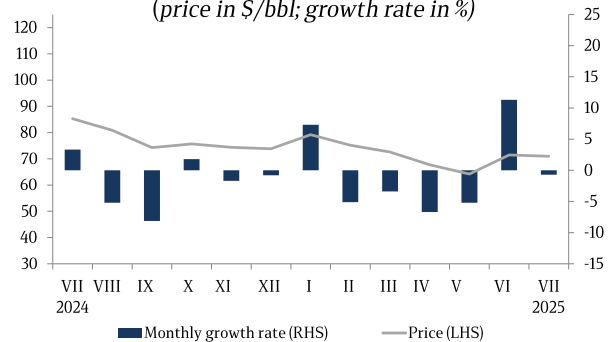
As per the ECB's projections, the inflation rate in 2025 is expected to decrease slightly to 2.0% in the short run, followed by further reductions to 1.6% in 2026 and 2.0% in 2027. Total inflation is expected to fall below 2% in the second quarter of 2025 and continue its downward trend, reaching a minimum of approximately 1.4% in early 2026. The increase in total inflation to 2.0% in 2027 reflects the temporary upward movement in energy prices, resulting from measures related to the energy transition.

Stock Market Prices

In July 2025, crude oil price (Brent) on the global stock markets dropped by 0.7% on monthly basis, amounting to US\$ 71.0 per barrel. The slight decline was driven by the easing of pressures that had previously contributed to last month's upward correction, specifically the de-escalation of tensions in the Middle East - the conflict between Israel and Iran, and the fluctuating dynamics of supply and demand dynamics. Oil price was lower by 16.8% on annual basis.

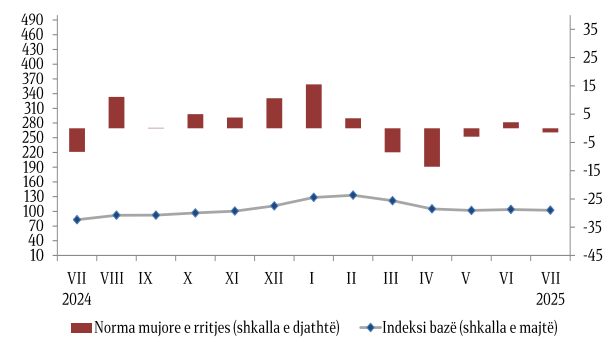
Price of natural gas² in July 2025 decreased by 1.5% on monthly basis. The decrease in gas prices was driven by several factors, including lower demand due to weather conditions and high level of reserves in European storage facilities, as well as increased supply and easing of geopolitical tensions. In July 2025, the natural gas price increased by 23.4% on annual level.

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



Source: World Bank; calculations of MoF.

Grafiku 1.17: Ndryshimi i çmimit të gazit natyror
(indeksi bazë; norma e rritjes në %)



Burimi: Banka Botërore; përllogaritjet e MF-së

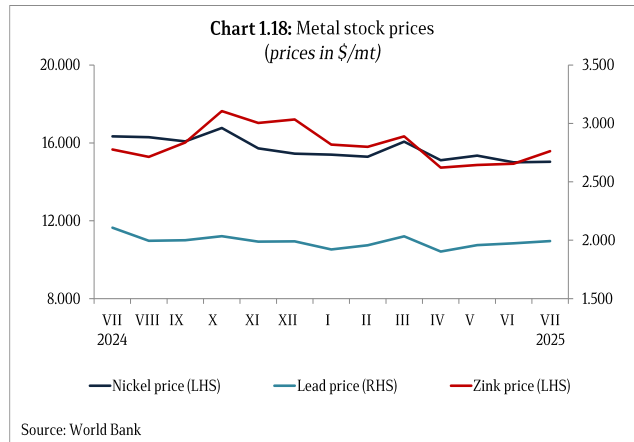
¹ The data is estimated by Eurostat.

² Natural gas index (2010=100)



In July 2025, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 102.56 per megawatt/hour, growing by 22% on monthly basis. This month's increase in electricity prices was driven by several factors, including weather conditions – specifically higher temperatures, reduced production from renewable energy sources and rising gas prices. In July, electricity prices decreased by 23.8% on annual basis.

This month, prices of most basic metals increased on monthly basis, as follows: zinc by 4.1%, tin by 3.3%, aluminium by 3.2%, lead by 1.0% and nickel by 0.2%. The price of copper recorded a reduction of 0.7% on monthly basis. Price of iron ore registered a monthly increase of 5.3%.



In July 2025, the price of gold decreased by 0.4%, while the prices of the remaining precious metals recorded an increase, whereby platinum and silver prices increased by 11.1% and 4.7%, respectively.

In July, prices of maize and wheat dropped by 2.1% and 3.1%, respectively, on monthly basis. The price of the sunflower oil dropped by 0.1% on monthly basis.

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

	Electricity (EUR/MWh)	Crude Oil, Brent (\$/bbl)	Natural GAS, Europe (\$/1000 m3)
2024 I	85.73	80.2	338.2
II	69.35	83.8	288.3
III	65.12	85.5	302.6
IV	61.96	90.5	321.4
V	72.2	82.0	358.2
VI	91.7	82.6	384.6
VII	135.5	85.3	366.1
VIII	120.8	80.9	437.8
IX	106.1	74.3	416.94
X	92.2	75.7	457.1
XI	163.7	74.4	492.7
XII	143.9	73.8	490.3
2025 I	140.2	79.2	518.8
II	158.9	75.2	542.8
III	109.0	72.6	468.3
IV	85.5	67.6	410.1
V	80.9	64.2	412.7
VI	84.1	71.5	437.6
VII	103.3	71.0	411.2

Source: World Bank, Hungarian Power Exchange



2. FOREIGN TRADE

Total foreign trade in the first seven months in 2025 amounted to EUR 11,372.4 million, increasing by 2.8% compared to the same period last year.

In the period January - July 2025, share of trade with the EU (EU 27), as the largest trading partner, decreased by 1.8 p.p. compared to the same period last year, accounting for 60.4%. 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 seven months of 2025, accounted for 21.1%, dropping by 2.5 p.p. compared to the same period in 2024.

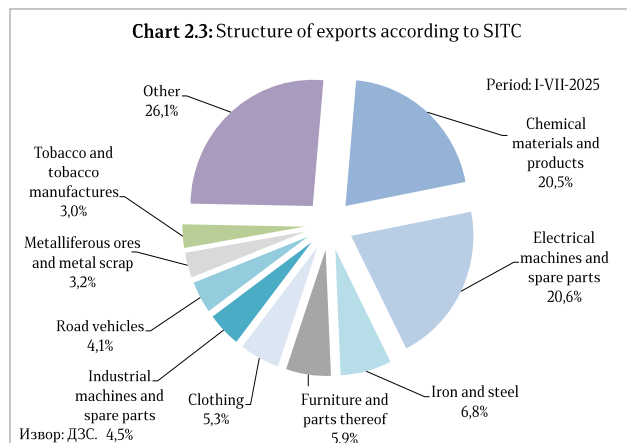
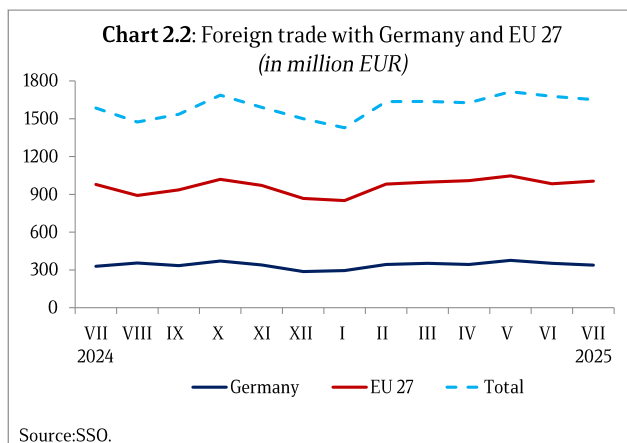
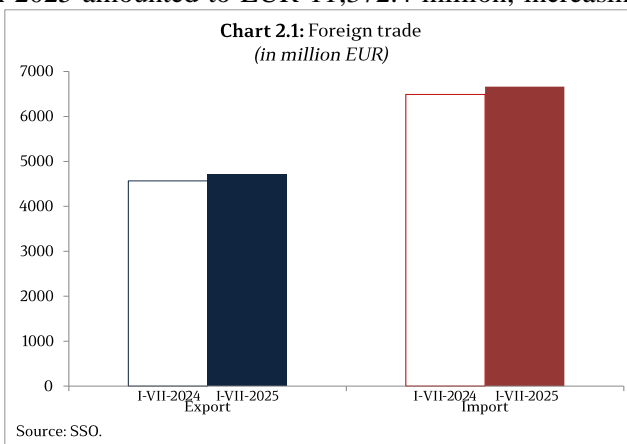
Export

In the first seven months of 2025, value of exported goods amounted to EUR 4,709.7 million, surging by 3.1% (EUR 142.0 million) compared to the same period in 2024, while the physical output of export decreased by 2.4%, compared to the same period last year.

Value of exported goods amounted to EUR 666.3 million in July 2025, surging by 4.4% (EUR 28.1 million) compared to the same month of the previous year, while physical output of export decreased by 0.4% compared to July 2024.

Analysed on monthly basis, in July 2025, export recorded a drop of 4.2% (EUR 29.2 million), compared to the previous month, and, after applying seasonal export adjustment, it registered a monthly increase of 0.3%, showing negative effects of the seasonal factor (4.5 p.p.) on export this month.

Value of export of food in the first seven months of 2025 increased by EUR 21.4 million, picking up by 7.1% compared to the same period in 2024, while quantity of exported food decreased by 11.6%. As for our country's total export structure, share of the food in the first seven months of 2025, accounted for 6.8%, increasing by 0.3 p.p. compared to the same period in 2024. In the total food export, the following products were the most exported: Fruit and vegetable (42.4%), Cereals and cereal products (22.6%), Milk products and eggs (9.3%), and Meat and meat products (8.8%).

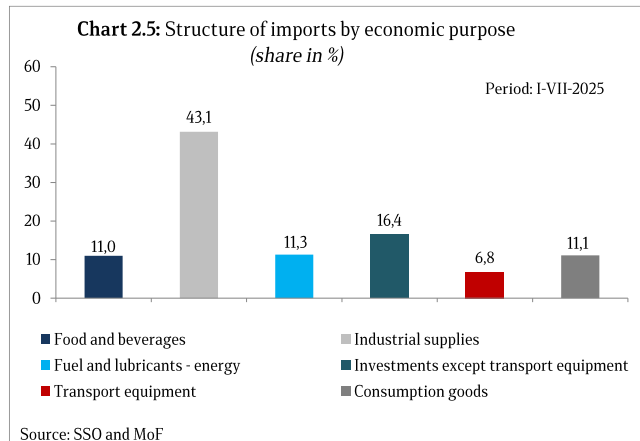
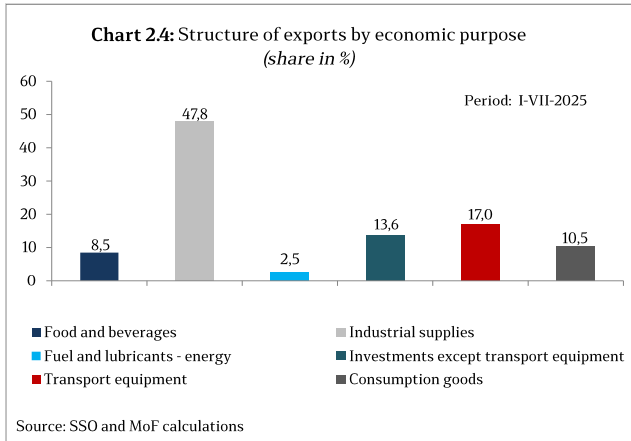




Import

In the first seven months of 2025, value of imported goods amounted to EUR 6,662.7 million, surging by 2.6% (EUR 171.6 million) compared to the same period in 2024, while the physical output of import increased by 6.6%.

In July 2025, import value amounted to EUR 985.4 million, surging by 4.1% (EUR 38.6 million) compared to the same month in 2024, while imported quantities of goods declined by 5.5% compared to July 2024.



Analysed on monthly basis, in July 2025, import picked up by 0.3% (EUR 3.1 million), compared to the previous month, and after applying seasonal adjustment of import, it registered a monthly increase of 1.1%, showing negative effects of the seasonal factor (0.8 p.p.) on import this month.

Value of import of food in the first seven months of 2025 increased by EUR 37.7 million, picking up by 6.1% compared to the same period in 2024, while quantity of imported food increased by 2.6%. As for our country's total import, share of the food in first seven months in 2025, accounted for 9.9%, increasing by 0.3 p.p. compared to the same period in 2024. As per the total food import, the following products were the most imported: Meat and meat products (21.2%), Fruit and vegetables (16.1%), Cereals and cereal products (13.1%), Coffee, tea, cocoa and herbs (11.7%) and Milk products and eggs (11.4%).

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

Export of petroleum and petroleum products*)				
	I-VII-2024	I-VII-2025	Balance	% rate
000 T	80,0	47,3	-32,7	-40,9
EUR mil.	56,8	32,9	-23,9	-42,0
\$ mil.	61,4	36,4	-25,0	-40,7

*)Previous data

Export of chemical products*)				
	I-VII-2024	I-VII-2025	Balance	% rate
000 T	36,4	43,9	7,5	20,5
EUR mil.	1.109,7	967,7	-142,0	-12,8
\$ mil.	1.199,7	1.067,9	-131,7	-11,0

*)Previous data

Export of iron and steel*)				
	I-VII-2024	I-VII-2025	Balance	% rate
000 T	396,4	420,1	23,7	6,0
EUR mil.	309,2	318,1	8,9	2,9
\$ mil.	334,7	350,6	16,0	4,8

*)Previous data

Import of petroleum and petroleum products*)				
	I-VII-2024	I-VII-2025	Balance	% rate
.000 T	675,1	656,9	-18,1	-2,7
EUR mil.	488,9	408,2	-80,7	-16,5
\$ mil.	528,8	450,9	-77,9	-14,7

*)Previous data

Import of chemical products*)				
	I-VII-2024	I-VII-2025	Balance	% rate
.000 T	18,0	19,4	1,4	7,9
EUR mil.	105,2	104,6	-0,7	-0,6
\$ mil.	113,8	115,4	1,7	1,5

*)Previous data

Import of iron and steel*)				
	I-VII-2024	I-VII-2025	Balance	% rate
.000 T	412,0	495,0	82,9	20,1
EUR mil.	284,3	309,3	25,0	8,8
\$ mil.	307,5	341,5	33,9	11,0

*)Previous data

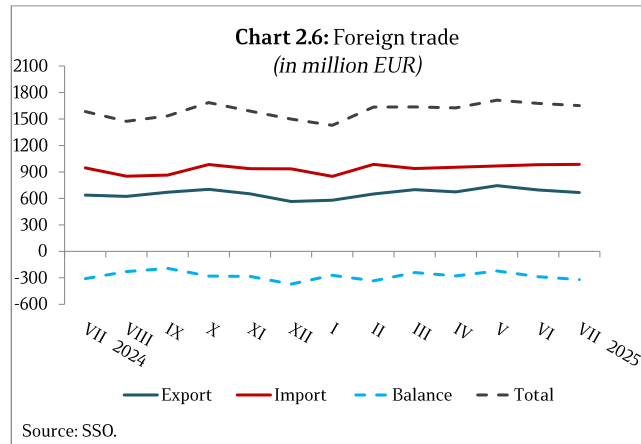


Trade Balance

In July 2025, trade deficit increased by 3.4%, i.e. by EUR 10.5 million compared to July 2024.

In the period January - July 2025, trade deficit increased by 1.5%, i.e. by EUR 29.5 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 industrial supplies, consumer goods, fuels and lubricants, and food and beverages. On the other hand, reduction of the deficit in the trade in investment goods without transport equipment, as well as increase of the positive balance in the trade in transport equipment, contributed to reducing the negative balance.



In the first seven months of 2025, 89.4% of the trade deficit of the country was realized in the trade with Great Britain, China and Türkiye, followed by: Greece, Serbia, Italy, Poland, Bulgaria, and others. Surplus was realized in trade with Germany, Hungary and others.

Currency Structure

Observed by currency structure, 90.8% of the trade in the period January - July 2025 was realized in euros and, compared to the same period in 2024, it decreased by 1.3 p.p.. On export and import side, euro accounted for 93.0% and 89.2%, respectively, whereby share of the euro in export was lower by 2.0 p.p., while share of the euro in import decreased by 0.9 p.p. compared to the period January – July 2024.

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

import	I - VII - 2024					I - VII - 2025					absolute change in currency value	relative change in currency value (in %)
currency	.000 T	import in currency	average Denar exch. Rate in relation to currencies	import in Denar	structure in %	.000 T	import in currency	average Denar exch. Rate in relation to currencies	import in Denar	structure in %		
EUR	3,501.5	5,851,645,568.7	61.6	360,223,205,054.7	90.1	3,679.2	5,945,743,228.7	61.6	366,289,889,903.6	89.2	94,097,660.1	1.6
USD	342.6	626,267,160.9	56.9	35,640,363,110.4	8.9	418.0	727,106,487.6	55.9	40,657,540,759.1	9.9	100,839,326.8	16.1
GBP	1.7	14,561,553.4	72.2	1,050,844,692.9	0.3	1.2	12,571,606.1	72.9	915,923,219.0	0.2	-1,989,947.3	-13.7
EUR+USD+GBP	3,845.8			396,914,412,858.0	99.1	4,098.3			407,863,353,881.7	99.4		
tot. import	3,858.3			399,603,727,405.7	100.0	4,111.9			410,470,404,395.1	100.0		2.7

Source: SSO and NBRNM

3. FISCAL SECTOR

Budget Revenues and Expenditures according to the Economic Classification

In the period January – July 2025, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 187,300 million, accounting for 51.7% of the 2025 projections, i.e. an increase of 8.2% compared to collected budget revenues during the corresponding period in 2024. As regards total revenues, Denar 171,388 million was collected on the basis of tax revenues and social contributions, accounting for 53.7% of 2025 projected amount, being a 6.5% increase in relation to the previous year. Thereby, tax revenues were collected in the total amount of Denar 105,921 million (i.e. 53.3% of the amount projected for 2025), while social contributions were collected in the amount of Denar 64,603 million (representing an 8.8% annual increase, i.e. 55.2% of the amount projected for 2025). As regards tax revenues, increased collection was recorded at



personal income tax by 7.2%, followed by corporate income tax by 4.2%, VAT by 2.6%, excise duties and import duties increasing by 7.7% and by 16.6%, respectively, while other tax revenue collection dropped by 15.2%. During this period, non-tax revenues grew by 24.6%, capital revenues increased by 49.9%, and foreign donation revenues surged by 71.9%.

Total budget expenditures were executed in the amount of Denar 213,407 million in the period January – July 2025, accounting for 52.9% of the annual projections, i.e. an increase of 9.6% compared to same period of 2024. Thereby, current expenditures were executed in the amount of Denar 198,156 million, i.e. 55.6% of the amount projected for the whole year, being an increase of 10.3% compared to the same period in 2024. Increase was recorded at expenditures related to wages and allowances by 10.3%, at goods and service-related expenditures by 8.2%, and at interest-related expenditures, surging by 8.3%. Transfers, as the largest category of current expenditures, increased by 10.7%, driven by the growth of social transfers by 12.8%, health care expenditures by 10.4%, and block and earmarked grants by 10.0%. Expenditures related to subsidies and transfers saw a reduction of 3.5%. Capital expenditures were executed in the amount of Denar 15,251 million, accounting for 32.2% of the projected amount.

Table 3.1. RNM's Budget Execution for the period January – July 2025

	2025 Budget	2025 Supplementar y Budget	January-July 2025		
	(Denar million)	(Denar million)	(Denar million)	Annual growth rate (%)	% of collection/executi on rate (%)
TOTAL REVENUES	358,838	362,377	187,300	8.2%	51.7%
Taxes and contributions	319,234	319,196	171,388	6.5%	53.7%
Taxes	198,607	198,607	105,921	5.4%	53.3%
Personal Income Tax	35,676	35,676	18,703	7.2%	52.4%
Corporate Income Tax	23,287	23,287	13,831	4.2%	59.4%
VAT	86,692	86,692	46,740	2.6%	53.9%
Excise duties	35,388	35,388	17,647	7.7%	49.9%
Import duties	16,255	16,255	8,486	16.6%	52.2%
Other tax revenues	1,309	1,309	514	-15.2%	39.3%
Contributions	117,095	117,096	64,603	8.8%	55.2%
Non-tax revenues	26,302	30,608	12,438	24.6%	40.6%
Capital revenues	3,510	2,830	820	49.9%	29.0%
Foreign Donations	9,792	9,743	2,654	71.9%	27.2%
TOTAL EXPENDITURES	400,188	403,728	213,407	9.6%	52.9%
Current expenditures	353,032	356,377	198,156	10.3%	55.6%
Wages and	48,141	49,189	27,301	10.3%	55.5%

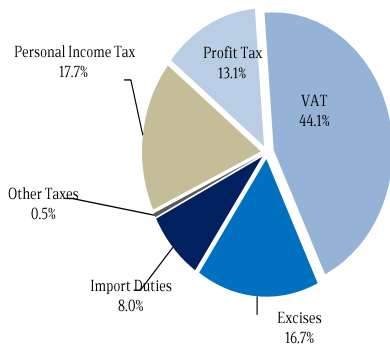


allowances					
Goods and services	26,325	28,025	12,856	8.2%	45.9%
Transfers	257,721	258,546	144,872	10.7%	56.0%
Social transfers	191,046	193,296	109,412	12.8%	56.6%
Pension and Disability Insurance Fund of North Macedonia	119,995	122,515	70,811	16.4%	57.8%
Employment Agency	3,439	3,434	852	-23.7%	24.8%
Social protection	15,080	14,831	8,747	-0.1%	59.0%
Health protection	52,531	52,516	29,002	10.4%	55.2%
Other transfers	64,211	61,664	34,179	3.5%	55.4%
Interest payments	20,845	20,617	13,127	8.3%	63.7%
Capital expenditures*	47,156	47,351	15,251	/	32.2%
BUDGET BALANCE	-41,350	-41,350	-26,107	20.2%	63.1%

Source: Ministry of Finance

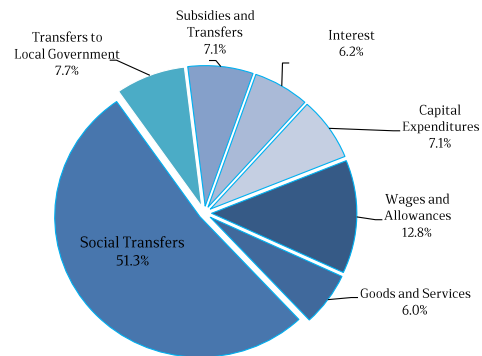
The methodology for recording and reporting capital expenditures was revised in 2025, rendering direct comparisons with the capital expenditure figures for the corresponding period in 2024 invalid.

Chart 3.1: Structure of Collected Tax Revenues, January-July 2025



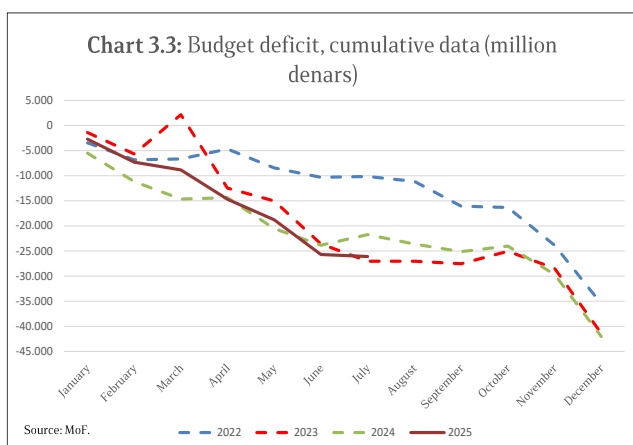
Source: MoF

Chart 3.2: Structure of Executed Expenditures according to Economic Classification, January-July 2025



Source: MoF.

In the period January – July 2025, the state budget deficit amounted to Denar 26,107 million, accounting for 2.6% of 2025 projected GDP, i.e. 63.1% of the annual projections.



Expenditures by Budget Users

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

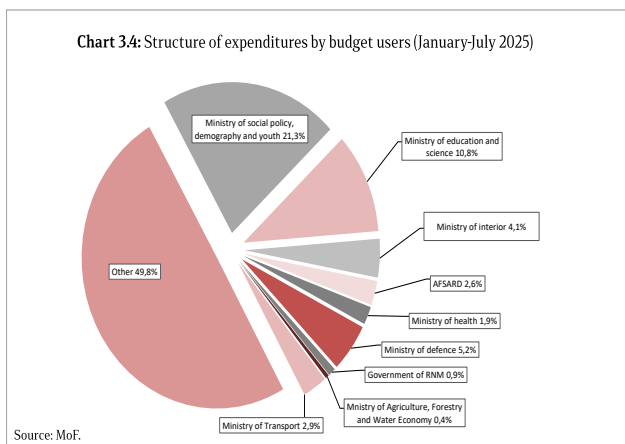
In the period January – July 2025, Ministry of Social Policy, Demographics and Youth executed funds in the amount of Denar 47,093 million or 65.5% of its total budget for the current year. Thereby, most of the expenditures (74.3%) were allocated for current transfers to Budget Funds, for which Denar 34,968 million was spent, i.e. 69.3% of the funds allocated for 2025. The second highest expenditure item was the social benefits, participating with 18.2% in the total expenditures, whereby 60.4% (Denar 8,594 million) of the projected 2025 funds was executed for this purpose.

During the analysed period, Ministry of Education and Science executed budget funds in the amount of Denar 23,937 million, representing 53.4% of its total 2025 Budget. Current transfers to LGUs accounted for the most of the expenditures (57.8%), Denar 13,838 million being spent therefore or 57.8% of total projected funds. Wages and allowances category was the second highest expenditure item, accounting for 23.0%, for which an amount of Denar 5,501 million, accounting for 56.2%, being executed out of total projected funds.

In the period January – July 2025, Ministry of Internal Affairs executed expenditures in the total amount of Denar 9,154 million, accounting for 55.1% of its 2025 budget. Wages and allowances were the highest expenditure item, participating with 66.6%, Denar 6,100 million being spent therefore, accounting for 56.1% of the projected ones. Second highest expenditure item was Goods and services, accounting for 17.2%, with Denar 1,576 million being spent therefore, accounting for 57.6% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 5,762 million, accounting for 70.3% of the funds projected for the current year. As for subsidies and transfers, which account for 93.0% of the total expenditures, 74.8%, or Denar 5,357 million of the funds planned for the whole year, being spent therefore.

In the period January – July 2025, Ministry of Defence executed budget funds in the amount of Denar 11,529 million, accounting for 56.4% of this year's total budget. Capital expenditures accounted for the most with 39.9%, Denar 4,605 million being spent therefore, accounting for 54.7% of the total funds projected for the current year. Wages and allowances accounted for 31.6% of total expenditures, Denar 3,641 million being spent therefore during the analysed period, i.e. 55.9% execution of the total projected funds.





Government of the Republic of North Macedonia spent total of Denar 1,978 million, i.e. 42.8% of the funds projected for 2025, in the period January –July 2025. Thereby, subsidies and transfers accounted for 52.9% of total expenditures of this budget user, Denar 1,047 million (40.3% of the projected funds) being spent therefore.

During the analysed period, Ministry of Health executed budget funds in the amount of Denar 4,265 million, accounting for 53.3% of its total 2025 Budget. Current transfers to Budget Funds accounted for the most of the expenditures with 50.1%, for which Denar 2,136 million were spent or 61.0% of the funds projected for 2025. Second highest item was Goods and services, Denar 1,924 million (52.5% of the projections for the year) being spent therefore, accounting for 45.1% of total expenditures.

In the period January – July 2025, Ministry of Transport executed funds in the amount of Denar 6,404 million, i.e. 35.6% of the total budget for the current year. Execution of capital expenditures, as main item, accounted for 90.8% of the total spent funds of this budget user (Denar 5,812 million or 34.9% of total projected funds).

During this period, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 936 million, accounting for 49.5% of the funds projected for 2025. Wages and allowances (Denar 461 million) was, by far, the highest item in the total expenditures of this budget user, accounting for 49.2% of its total expenditures, with 53.5% of the projected expenditures, being executed. As regards capital expenditures, they accounted for 27.3% of the total expenditures, Denar 255 million being spent therefore, accounting for 39.8% of the total budget for this purpose.

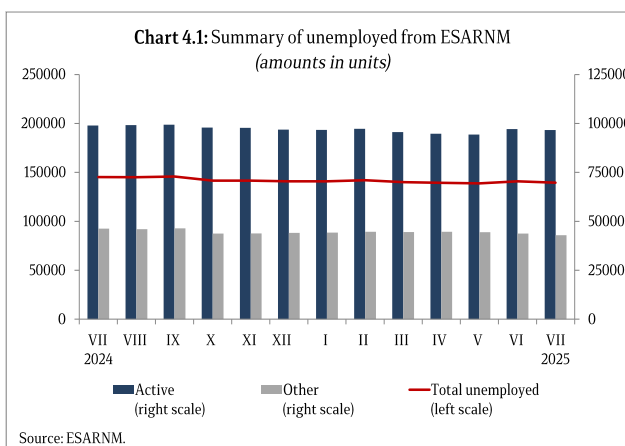
In-depth data on each budget user are presented in the statistical annex attached at the following link (<http://finance.gov.mk/краткорочни-економски-движења-кед-ме/>).

4. SOCIAL SECTOR

Newly Employed and Registered Unemployed Persons in the Employment Service Agency

In July 2025, Employment Service Agency registered a total of 111,620 new employments³. Total number of newly employed persons was higher by 2.4% compared to the same period in 2024.

As regards the total number of newly employed, 44.5% was engaged on permanent basis, while the remaining percentage was engaged on temporary basis and as seasonal workers. In July 2025, 13.3% out of the total number of newly employed persons was from the unemployed records.



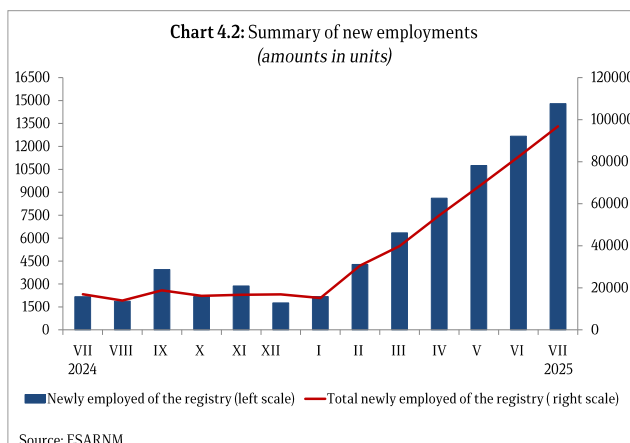
³ During the reporting period, it is possible for multiple employment registration forms (M-1) to be submitted for a single individual. Each submission is recorded and included in the total count of registered employment declarations (according to the Employment Agency).



Total number of unemployed persons in July 2025 was 139,521, 96,618 out of which were active job seekers, while 42,903 persons were from the category “other unemployed”. On annual basis, total number of unemployed persons decreased by 4.0%, whereas, starting from May 2021, it recorded a continuous annual reduction. Number of unemployed persons decreased by 1,375 people compared to June 2025.

Urban residents accounted the most (with 59.6%) among the active unemployed persons, whereas with respect to gender, men accounted for 48.5% of the total. Analysed by the level of education, majority, i.e. 66.8% of the unemployed persons were with incomplete secondary education or less, 25.4% were with completed secondary education, while 7.8% of the unemployed persons were with completed community college or higher education level.

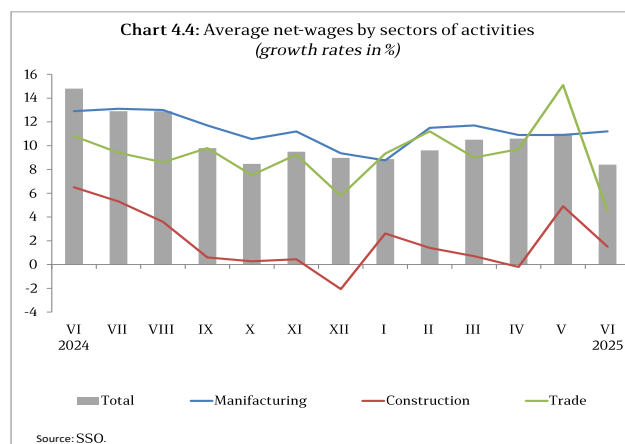
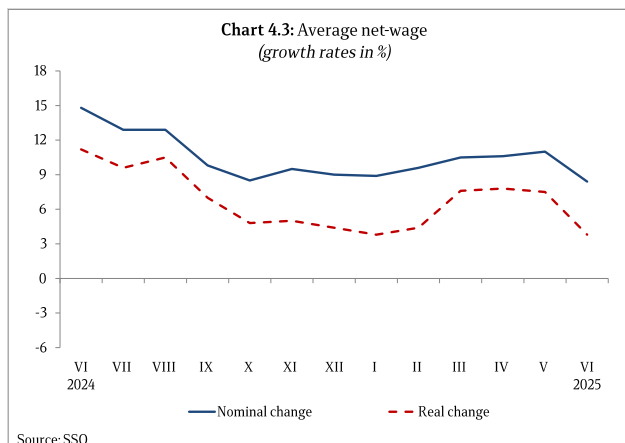
Analysed by age structure, 50.1% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 56.4% of the unemployed persons wait for employment from 1 to 7 years, while 13.3% wait for employment for 8 years or more.



Wages

As per the notification of the State Statistical Office, in June 2025, average net wage amounted to Denar 45,468, in nominal terms, being higher by 8.4% on annual basis, while being lower by 0.7% compared to May 2025. The highest increase of average net wage, in relation to June 2024, was observed at the following sectors: Education (14.7%), Human health and social work activities (12.7%) and Mining and quarrying (12.2%). In June 2025, wages picked up by 3.8% in real terms on annual basis. Highest average net wage in June 2025 was paid in the Information and communications sector (Denar 84,912), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 103,716), followed by Financial and insurance activities sector with an average net wage of Denar 64,200, Mining and quarrying sector with Denar 56,746, and Electricity, gas, steam and air conditioning supply sector with average net wage in the amount of Denar 55,830.

Average nominal gross wage in June 2025 amounted to Denar 68,340, increasing by 8.5%, compared to the same month in 2024, whereas being lower by 0.8% on monthly





basis. The highest increase of average gross wage in June 2025, compared to June 2024, was recorded in the following sectors: Education (14.9%), Human health and social work activities (13.0%) and Mining and quarrying (12.3%).

Pensions

In July 2025, Pension and Disability Insurance Fund registered 344,036 pensioners. In September 2024, the Law on Pension and Disability Insurance was amended, according to which a linear increase of Denar 2,500 was introduced for all types of pensions, starting on 1st October 2024. As regards the total number of pensioners, 71.5% are beneficiaries of old-age pension, amounting to 245,971 pensioners, 21.4% are beneficiaries of survivor pension, amounting to 73,653 pensioners and 7.1% of disability pension, amounting to 24,412 pensioners.

In July 2025, the average pension amounted to Denar 26,150, being higher by 23.4% compared to the same month in 2024⁴. In July 2025, average old-age pension amounted to Denar 27,773, average disability pension amounted to Denar 23,680, while average survivor pension amounted to Denar 21,549. This month, Denar 8,993 million was spent for payment of pensions, accounting for 52.9% of the total social transfers.

Ratio between the average pension in July 2025 and the average paid wage in June 2025 (the most recent available data) was 57.6%.

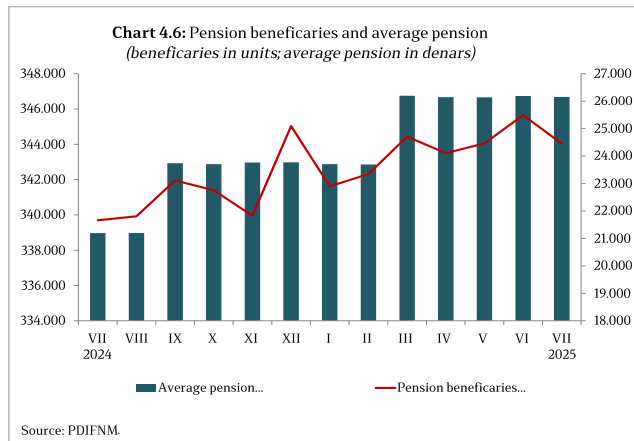
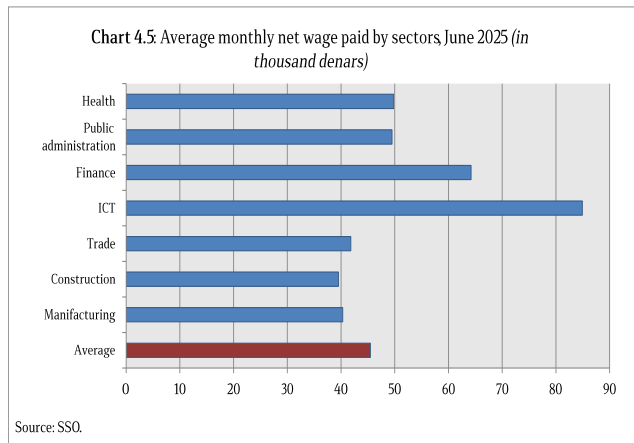


Chart 4.1 July 2025 Pension Data			
Pension beneficiaries	Number	Structure	Average pension
Old age pension	245,971	71.5%	27,773.00
Disability pension	24,412	7.1%	23,680.00
Survivor pension	73,653	21.4%	21,549.00
Total	344,036	100.0%	26,150.00
Minimal agricultural pension beneficiaries	32		15,915.00
Beneficiaries of military pensions	698		34,641.00
Total	344,766		26,166.00
Source: Pension and Disability Insurance Fund of North Macedonia			

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



5. MONETARY AND FINANCIAL SECTOR

In July 2025, the National Bank retained its policy rate at 5.35%, amid ever more present risks brought about by external factors. The decision on gradual loosening of the monetary policy was based on assessment of inflation and favourable trends on the foreign exchange market.

In July 2025, the National Bank kept the policy rate for the available overnight deposits and the seven-day deposits at the level of 3.95% and 4.00%, respectively.

Primary Money

In July 2025, primary money⁵ grew by 0.6% on monthly basis. Growth of primary money was a result of increase of currency in circulation by 4.3%, while total liquid assets of banks decreased by 2.8% on monthly basis.

In July 2025, primary money grew by 11.5% on annual basis, as a result of both increased total liquid assets of banks by 10.5% and currency in circulation by 12.5%.

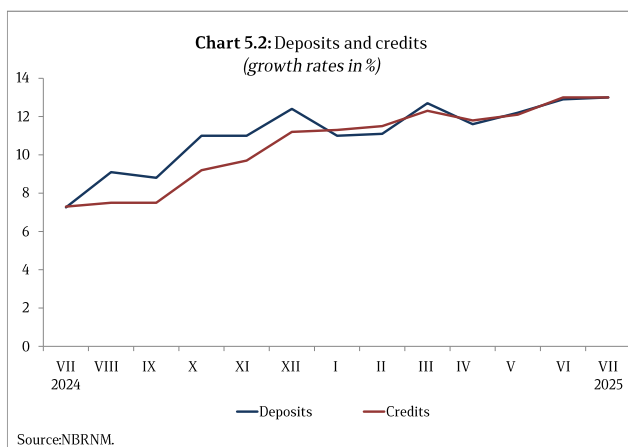
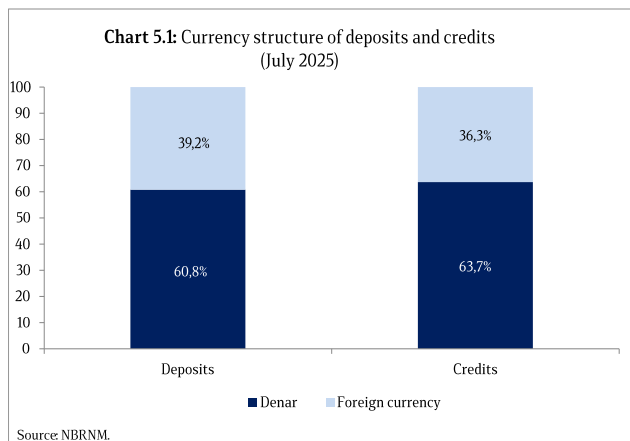
Deposit Potential⁶

In July 2025, total deposits of banks grew by 0.6% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of enterprises remained relatively unchanged, while deposits of households increased by 1.1%.

Analysed by currency, in July 2025, compared to the previous month, Denar deposits and foreign currency deposits surged by 0.7% and 0.6%, respectively.

Total deposit potential in July 2025 grew by 13.0% on annual basis. Analysed by currency, domestic currency deposits increased by 20.0%, and foreign currency deposits by 3.7%.

From sectoral point of view, deposits of enterprises grew by 14.5%, and deposits of households increased by 13.3% on annual basis.



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

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



Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (July 2025)	In Denar million	Monthly change	Annual change
Deposit Potential	618,596	0.6%	13.0%
By currency:			
<i>Denar</i>	375,887	0.7%	20.0%
<i>Foreign currency</i>	242,709	0.6%	3.7%
By maturity:			
<i>Short-term</i>	226,285	-0.2%	5.0%
<i>Long-term</i>	151,521	1.2%	16.3%
Credits to private sector	525,622	0.6%	13.0%
By currency:			
<i>Denar</i>	334,589	1.2%	19.9%
<i>Foreign currency</i>	191,033	-0.4%	2.7%
By maturity:			
<i>Short-term</i>	78,529	-2.5%	13.9%
<i>Long-term</i>	431,697	1.2%	13.7%

Source: NBRNM

According to maturity, short-term deposits surged by 5.0%. while long-term deposits grew by 16.3%, on annual basis.

Currency structure of deposits remained stable. with the share of domestic currency deposits in the deposit base still dominant at 60.8% this month.

Bank Credits

In July 2025, total credits of banks to the private sector surged by 0.6% on monthly basis, as a result of growth of both credits to enterprises by 0.4%, and credits to households by 0.8%.

Analysed by currency, Denar credits picked up by 1.2%, and foreign currency credits decreased by 0.4% on monthly basis.

On annual basis, in July 2025 total credits grew by 13.0%, in conditions of growth of both credits to enterprises and credits to households by 15.9% and of 10.4%, respectively. Denar credits surged by 19.9%, while foreign currency credits grew by 2.7%.

As regards maturity. long-term credits grew by 13.7% on annual basis, and short-term credits picked up by 13.9%.



Interest Rates of Deposit Banks

In July 2025, total interest rate on credits dropped by 0.12 p.p. compared to the previous month, accounting for 4.91%. Interest rate on Denar credits dropped by 0.13 p.p., accounting for 5.33%, while interest rate on foreign currency credits decreased by 0.12 p.p. on monthly basis, accounting for 4.24%.

Total interest rate on deposits grew by 0.01 p.p. in July 2025, compared to last month, accounting for 2.21%. Interest rate on Denar deposits remained unchanged, accounting for 2.74%, while interest rate on foreign currency deposits increased by 0.02 p.p., accounting for 1.67%.

Interest rate on newly granted Denar credits was 4.58%, while interest rate on newly approved foreign currency credits was 3.70%. Interest rates on newly received Denar and foreign currency deposits accounted for 2.58% and 2.03%, respectively.

Capital Market

On the capital market, the total turnover on the stock exchange in July 2025 decreased by 61.8% on a monthly basis, as a result of the turnover from classical trading and public offering of securities dropping by 18.9% and 99.8%, respectively, and the block transactions turnover increasing by 321.9%.

In July 2025, total turnover on the stock exchange amounted to Denar 359.3 million, decreasing by 72.8% on annual basis.

At the end of July 2025, Macedonian Stock Exchange Index MSEI –10 amounted to 10,454.36 index points, whereby the index decreased by 1.1% on monthly basis, while compared to the same month last year, the index was higher by 23.3%.

Reserve Assets

At the end of July 2025, gross reserves amounted to EUR 4,669.94 million, being lower by 0.6% compared to the previous month, while being higher by 5.5% compared to July 2024.

