

Republic of North Macedonia

This report does not constitute a new rating action for this issuer. It provides more detailed credit analysis than the previously published Rating Action Commentary, which can be found on www.fitchratings.com.

Key Rating Drivers

Ratings Affirmed: Republic of North Macedonia's 'BB+' rating is supported by more favourable governance indicators and higher GDP per capita than peer medians, commitment to an EU accession process that acts as a reform anchor over the medium term, and a record of credible and consistent monetary policies that underpin the long-standing de facto exchange-rate peg to the euro. Set against these factors are the economy's small size, high government debt/GDP and large current account deficits (CADs).

Sizeable Fiscal Deficits: Fitch Ratings projects the general government deficit at 4% of GDP in 2026 (current 'BB' median: 3.5%), with a gradual decline to 3.6% (still above the Organic Budget Law (OBL)-mandated 3% limit) by 2028. The authorities have raised the 2026 fiscal deficit target from 3.5% of GDP to 4.1%, reflecting higher commitments on public-sector wages and agricultural subsidies, as well as capex. Capex accelerated by a substantial 40% yoy (equivalent to 46% of the revised full-year target) in 7M26, reflecting strong execution of the flagship 8/10d corridor projects.

Weak Fiscal Anchor: The authorities have pushed back the full implementation of the OBL for a third successive year to 2028, citing high current and capex needs, as well as insufficient progress with technical preparations. The OBL imposes a limit of 3% of GDP on the fiscal deficit and 60% of GDP on gross general government debt (GGGD). Fitch expects reforms, including the use of e-invoicing, to only lead to moderate improvements in revenue in the medium term.

Significant Government Debt: GGGD was 51.6% of GDP at end-2025 and Fitch expects it to stabilise at 52.7% on average over 2026-2028. Borrowing will be dominated by external sources, with a mixture of Eurobond issuances and syndicated loans. About half of external government debt is owed to multilateral and bilateral creditors. As of 1H26, about 62% of GGGD was foreign-currency-denominated, almost entirely in euros, mitigating exchange-rate risks due to the North Macedonian denar's de facto peg with the euro, while 76% was at fixed interest rates.

Contingent Liabilities: Government guarantees were 6.8% of GDP at end-1H26, of which the state-owned Public Enterprise for State Roads (PESR) accounted for more than half, equivalent to 4.1% of GDP. Legislative changes from June 2026 mean that PESR can no longer rely on budgetary funds but must use its own revenues for completion of the 8/10d corridors. There have been at least four calls on sovereign guarantees of up to USD76.3 million (0.4% of GDP) for PESR's loan repayments in 2025. Arrears by state-owned enterprises and other government-related entities were 3.8% of GDP as of 1H26, further raising risks from contingent liabilities.

Inflationary Risks: Inflation averaged 3.7% yoy in 8M26, as the impact of the Middle East war resulted in higher energy import prices. Temporary cuts to VAT and excise on retail fuel sales provided some mitigation to energy costs. Demand pressures on prices also appear durable, with wages rising by 7.7% yoy on average in 1H26 and private-sector credit growth strong at 13.3% yoy as of July 2026. Fitch expects inflation to average 4% in 2026-2028. The central bank raised its policy rate by 25bp to 4.25% in June 2026.

Rising GDP Growth Prospects: The economy has largely been resilient to the impact of the US-Iran war. Real economic growth rose to 4.3% yoy in 2Q26, driven by robust performance in construction and manufacturing. Fitch expects growth of 3.2% in 2026 to be supported by strong public investment and private consumption, while net exports' contribution will be negative as external demand, mainly in the EU, remains weak. Continued execution of reforms under the EU's Reform and Growth Facility and infrastructure projects pose upside to the medium-term potential growth rate of 3%. The small size of the economy adds to the risk of shocks.

Large CADs: The CAD was 3.1% of projected 2026 GDP in 1H26 and Fitch expects the full-year outturn to reach 5.5% (current 'BB' median: 3.3%), given higher energy import costs and imports associated with capital investments. Net FDI will be insufficient to cover the CAD. However, external borrowing will be supportive of the international reserves position, which will average 3.9 months of current external payments in 2026-2028 (current 'BB' median: 5.2).

Rising Net External Debt: Net external debt will increase in the medium term, above the projected 'BB' median of 15.6%. Access to external liquidity will be boosted by the ECB's EUR50 billion permanent repo line, which will be operational from October 2026. There is also relatively high euroisation in the banking sector, although this has been decreasing in recent years.

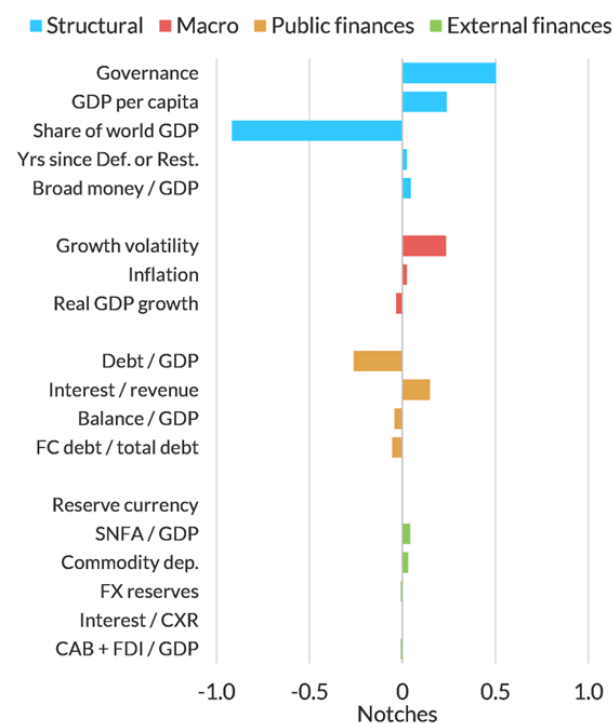
Rating Summary

Long-Term Foreign-Currency Issuer Default Rating: **BB+**

Sovereign Rating Model: BB+

Qualitative Overlay: 0

Contribution of variables, relative to BB Median



Adjustments relative to SRM data and output

Structural features: No adjustment.

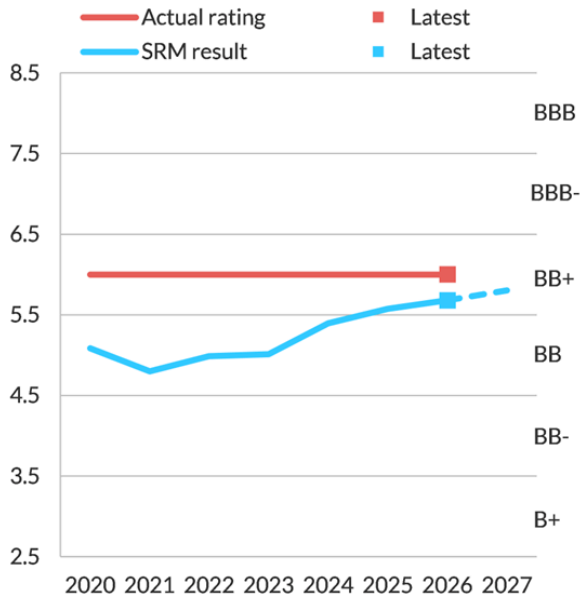
Macroeconomic outlook, policies and prospects: No adjustment.

Public finances: No adjustment.

External finances: No adjustment.

Note: See the *Peer Analysis* table for summary data, including rating category medians; see the *Full Rating Derivation* table for detailed SRM data.

Sovereign Rating Model Trend



Recent Rating Derivation History

Review Date	LT FC IDR	SRM Result ^{ab}	QO			
			S	M	PF	EF
Latest	BB+	BB+	0	0	0	0
13 Mar 2026	BB+	BB+	0	0	0	0
19 Sep 2025	BB+	BB+	0	0	0	0
21 Mar 2025	BB+	BB	0	+1	0	0
4 Oct 2024	BB+	BB	0	+1	0	0
5 Apr 2024	BB+	BB	0	+1	0	0
6 Oct 2023	BB+	BB	0	+1	0	0
14 Apr 2023	BB+	BB	0	+1	0	0
28 Oct 2022	BB+	BB	0	+1	0	0
29 Apr 2022	BB+	BB	0	+1	0	0

^a The latest rating uses the SRM result for 2026 from the chart. This will roll forward to 2027 in July 2027).

^b Historical SRM results in this table may differ from the chart, which is based on our latest data, due to data revisions.

Abbreviations: LT FC IDR = Long-Term Foreign-Currency Issuer Default Rating; SRM = Sovereign Rating Model; QO = Qualitative Overlay

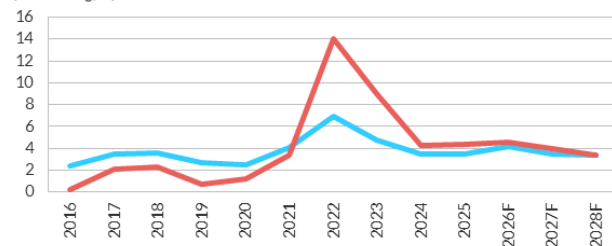
Source: Fitch Ratings

Peer Analysis

North Macedonia BB Median

Consumer Price Inflation

(annual avg, %)



Real GDP Growth

(%)



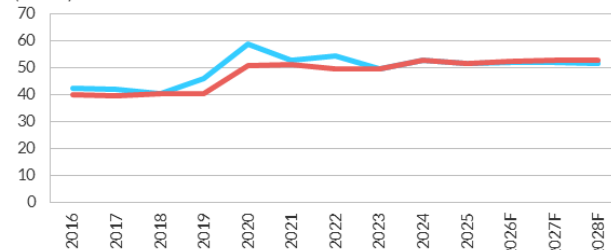
General Government Balance

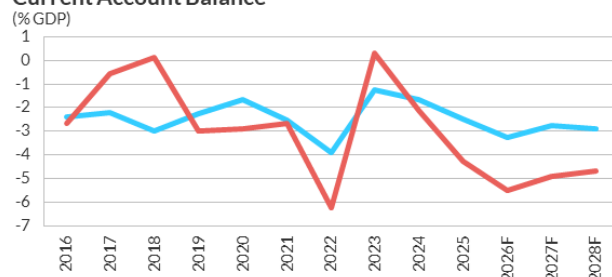
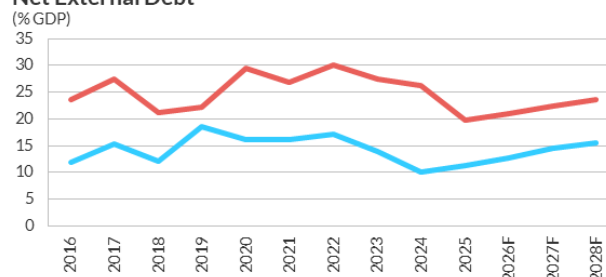
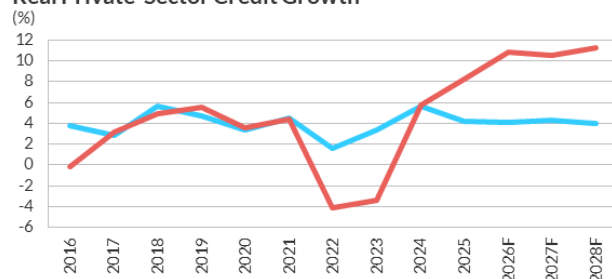
(% GDP)



Gross General Government Debt

(% GDP)



Current Account Balance

Net External Debt

Real Private-Sector Credit Growth

Governance Indicators


Source: Fitch Ratings, Statistical Office, Ministry of Finance, IMF, World Bank

Peer Analysis

2026F ^a	North Macedonia	BB median	BBB median	B median
Structural features				
GDP per capita (USD) [SRM]	11,854	10,171	20,350	3,455
Share in world GDP (%) [SRM]	0.0	0.1	0.2	0.0
Composite governance indicator (percentile, latest) [SRM] ^b	50.4	44.0	56.3	36.0
Human development index (percentile, latest)	65.1	53.9	67.5	34.9
Broad money (% GDP) [SRM]	68.6	50.5	62.0	37.1
Private credit (% GDP, 3-year average)	57.3	41.0	55.2	24.0
Dollarisation ratio (% bank deposits, latest)	38.0	35.4	16.3	30.7
Bank system capital ratio (% assets, latest)	19.5	16.7	16.1	17.5
Macroeconomic performance and policies				
Real GDP growth (% , 3-year average) [SRM]	3.4	4.0	3.2	4.3
Real GDP growth volatility (complex standard deviation) [SRM]	2.2	3.0	3.3	3.5
Consumer price inflation (% , 3-year average) [SRM]	4.3	4.7	3.4	5.6
Unemployment rate (%)	11.3	9.2	7.4	7.2
Public finances (general government)^c				
Balance (% GDP, 3-year average) [SRM]	-4.0	-2.9	-2.6	-3.4
Primary balance (% GDP, 3-year average)	-2.1	-0.4	-0.8	-1.2
Interest payments (% revenue, 3-year average) [SRM]	5.6	9.0	7.5	9.2

Gross debt (% revenue, 3-year average)	154.7	173.1	154.9	232.4
Gross debt (% GDP, 3-year average) [SRM]	52.3	41.0	38.3	51.6
Net debt (% GDP, 3-year average)	47.2	36.4	32.1	43.7
FC debt (% gross debt, 3-year average) [SRM]	63.8	57.1	36.1	62.8
External finances^c				
Current account balance (% GDP, 3-year average)	-4.9	-2.5	-1.6	-3.6
Current account balance + net FDI (% GDP, 3-year avg.) [SRM]	-2.0	0.6	0.6	-1.1
Commodity dependence (% CXR) [SRM]	11.0	19.8	19.5	30.8
Gross external debt (% GDP, 3-year average)	69.6	48.1	55.3	53.5
Net external debt (% GDP, 3-year average)	21.0	11.5	9.8	23.3
Gross sovereign external debt (% GXD, 3-year average)	36.3	43.6	31.2	60.7
Sovereign net foreign assets (% GDP, 3-year average) [SRM]	1.8	-2.2	2.0	-17.4
External interest service (% CXR, 3-year average) [SRM]	3.7	3.8	4.1	3.9
Foreign-exchange reserves (months of CXP) [SRM]	4.1	4.5	4.9	3.9
Liquidity ratio	139.2	145.5	135.8	149.0

^a 3-year averages are centred on this year. Fitch does not forecast indicators labelled 'latest', meaning data may be lagging.

^b Composite of all six World Bank Worldwide Governance Indicators (see chart on the previous page).

^c See Appendix 2: Data Notes and Conventions for details of data treatment for public finances and external finances.

Source: Fitch Ratings, Statistical Office, Ministry of Finance, IMF, World Bank, United Nations

Supplementary Information

BSI / MPI = - / 1. About the BSI and MPI: Fitch's bank systemic indicator (BSI) equates to a weighted average Viability Rating. The macro-prudential risk indicator (MPI) focuses on one potential source of financial stress, ranging from '3' (high potential vulnerability to financial stress over the medium term based on trends in credit expansion, equity and property prices and real exchange rates) to '1' (low likelihood). For more information, refer to Fitch's most recent Macro-Prudential Risk Monitor report.

Year cured from the most recent default or restructuring event, since 1980 = 2000.

The de facto exchange-rate regime, based on the latest IMF Annual Report on Exchange Arrangements and Exchange Restrictions report, is 'Stabilized arrangement'.

Rating Factors

Strengths

- A credible macroeconomic policy mix, consistent with a long-standing de facto exchange-rate peg to the euro.
- Governance and human development indicators are more favourable than the median of 'BB' category peers.
- The banking sector is stable, well capitalised, liquid and has sound asset quality.
- An EU accession process acts as a medium-term reform anchor.

Weaknesses

- Deposit euroisation is relatively high, at 38% as of July 2026, although this has reduced from peak levels of over 53% in the past decade and a half.
- Gross and net external debt (as a percentage of GDP) are above peer medians, although about half of government debt is concessional as of end-1H26.
- Unemployment is structurally high, reflecting a large informal economy and skills mismatches.

Rating	Sovereign
BBB-	Azerbaijan
	India
	Mexico
	Oman
	Romania
BB+	North Macedonia
	Guatemala
	Morocco
	Panama
	Paraguay
	Serbia
	Vietnam
BB	Brazil
	Colombia
	Costa Rica
	Cote d'Ivoire
	Georgia
	Seychelles
	South Africa
	Uzbekistan, Republic of

Rating Sensitivities**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

- **Public Finances:** A material increase in general government debt/GDP in the medium term due, for example to failure to implement a credible fiscal consolidation strategy.
- **External Finances:** Pressure on foreign-currency reserves or the de facto currency peg against the euro, caused by a marked deterioration in the external position.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- **Public Finances:** A sharp and sustained decline in general government debt/GDP consistent with an improvement in fiscal management and policy credibility.
- **Structural/Macro:** Improvement in medium-term growth prospects or governance standards, for example, through demonstrated progress towards EU accession.

Forecast Summary

	2023	2024	2025	2026F	2027F	2028F
Macroeconomic indicators and policy						
Real GDP growth (%)	2.6	3.0	3.5	3.2	3.4	3.6

Unemployment (%)	13.1	12.3	11.5	11.3	11.3	11.3
Consumer price inflation (annual average % change)*	9.0	4.2	4.3	4.6	4.0	3.4
Policy interest rate (annual average, %)	5.8	6.2	5.3	4.2	4.0	4.0
General government balance (% GDP)	-4.3	-4.5	-4.0	-4.0	-3.9	-3.6
Gross general government debt (% GDP)	49.4	52.9	51.6	52.5	52.7	52.7
MKD per USD (annual average)	56.9	56.9	54.7	52.4	52.2	52.2
Real private credit growth (%)	-3.4	5.8	8.3	10.9	10.6	11.2
External finance						
Merchandise trade balance (USDbn)	-2.8	-3.3	-3.8	-3.9	-4.4	-4.8
Current account balance (% GDP)	0.3	-2.1	-4.3	-5.5	-4.9	-4.7
Gross external debt (% GDP)	79.1	76.9	71.6	69.2	68.1	67.1
Net external debt (% GDP)	27.5	26.2	19.7	21.0	22.3	23.6
External debt service (principal + interest, USDbn)	1.7	1.5	2.1	2.6	2.6	3.0
Official international reserves including gold (USDbn)	5.0	5.2	5.8	5.7	5.7	5.7
Gross external financing requirement (% int. reserves)	31.6	29.6	48.1	54.1	53.0	60.3
Real GDP growth (%)						
US	2.9	2.8	2.1	1.9	1.9	2.3
China	5.4	5.0	5.0	4.6	4.3	4.3
Eurozone	0.4	0.9	1.4	0.9	1.1	1.2
World	3.2	2.9	2.7	2.4	2.5	2.6
Oil (USD/barrel)	82.1	79.5	68.3	87.0	65.0	60.0

(* HICP)

Source: Fitch Ratings, IMF, national authorities

Sources and Uses

Public Finances (General Government)

(MKDbn)	2026	2027
Uses	120.4	119.3
Budget deficit	45.4	47.8
MLT amortisation	75.0	71.5
Domestic	20.0	23.0
External	55.0	48.5
Sources	120.4	119.3
Gross borrowing	129.8	119.0
Domestic	30.7	46.0
External	99.1	73.0
Privatisation	0.0	0.0
Other	0.0	0.0
Change in deposits (- = increase)	-9.4	0.3

Source: Fitch Ratings, national authorities

External Finances

(USDbn)	2026	2027
Uses	3.1	3.0
Current account deficit	1.2	1.1
MLT amortisation	1.9	1.9
Sovereign	1.0	0.9
Non-sovereign	0.9	0.9
Sources	3.1	3.0
Gross MLT borrowing	2.9	2.5
Sovereign	1.8	1.4
Non-sovereign	1.1	1.1
FDI	0.8	0.9
Other	-0.6	-0.3
Change in FX reserves (- = increase)	0.1	0.0

Source: Fitch Ratings, national authorities

Credit Developments

Budget Deficit Target for 2026 Raised; Sharply Higher Capex Execution

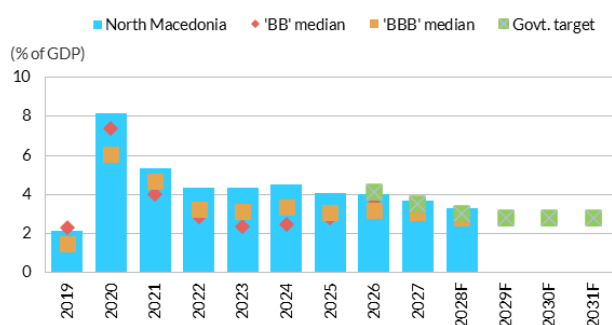
The government has raised the general government deficit target for 2026 from 3.5% of GDP to 4.1%, to accommodate higher public sector wages as well as an increase in several subsidies, as well as higher capex. Overall, projected expenditures have been revised higher by 2.8%, with higher planned current expenditure outlays for collective wage agreements, subsidies for agriculture, education, vulnerable citizens, railway transport and to municipalities. The government has also increased its budgeted capex by 14.5% from the initial budget to accommodate expenditure for rural infrastructure projects and water treatment plans.

The budget deficit was 2.9% of GDP in 7M26 (2025: 4%), with revenues rising by 9.3% yoy (and amounting to 54% of the revised 2026 budget target), driven by relatively stable growth and high inflation. Authorities estimate that about MKD1.6 million (0.1% of GDP) of excise duties were foregone due to the cut in fuel excise duty for six months this year. VAT revenues were slightly affected by a reduced VAT rate (10% instead of 18%) levied on some retail fuels for two months. Authorities have instituted a trial period in 2026 for e-invoicing which envisages digitalisation of government invoices. However, the capacity to fully implement this and realise revenue gains remains unclear.

Expenditures rose by 8.3% yoy in 7M26 (amounting to 56% of the revised 2026 budget target). While current expenditure rose by 6% yoy, capex rose by a substantial 40%, about a quarter of which was due to the drawdown of the entirety of the year's allocation for the flagship 8/10d corridors in 1H26. The share of capex in total expenditure has declined from a peak of 14.4% in 2023 to 9% in 2025, but Fitch expects it to increase ahead of the next scheduled parliamentary elections in 2028.

Authorities have postponed the full implementation of the OBL, passed in 2022, to 2028. Fitch understands that the government is in the final stage of obtaining a EUR25 million World Bank loan, alongside technical assistance, for contracting of information technology systems to implement the OBL, having passed the necessary by-laws. Fitch expects the deficit to moderate to 3.9% of GDP in 2027 and 3.6% in 2028 (still above the OBL-instituted limit).

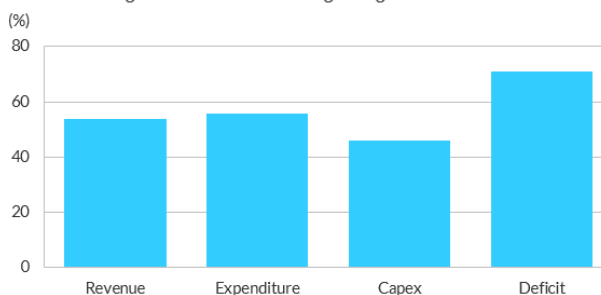
General Government Deficit



Source: Fitch Ratings, Haver Analytics

Budget Execution: Selected Items (7M26)

Performance against revised annual budget target



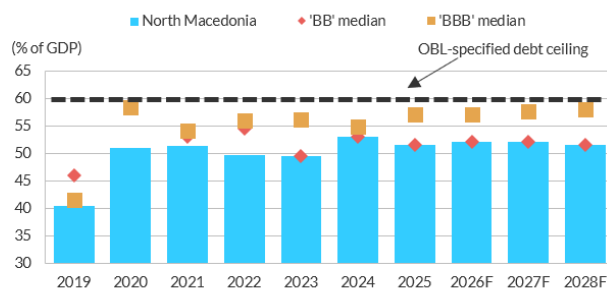
Source: Fitch Ratings, national authorities

Stable General Government Debt Trajectory; Rising Contingent Liabilities

GGGD was broadly flat at 51.7% of GDP as of 1H26 (2025: 51.6%). Given the revised deficit target, authorities have expanded borrowing requirements, which they partially met by borrowing EUR260 million (1.4% of GDP) through a syndicated loan from foreign banks. Additional financing is expected from the EU's Reform and Growth Facility as well as domestic issuances. Fitch expects GGD/GDP to be stable at 52.7% in 2027-2028.

Legislative changes from June 2026 mean that the state-owned PESR can no longer rely on budgetary funds but must use its own revenues for completion of the 8/10d corridors. In Fitch's view, given PESR's limited revenue-raising capacity in the near term, it will be highly reliant on government guarantees for borrowing to complete them. Government guarantees were 6.8% of GDP at end-1H26 (of which PESR accounted for the largest share, equivalent to 4.1% of GDP). There have been at least four calls on sovereign guarantees of up to USD76.3 million (0.4% of GDP) for PESR's loan repayments in 2025, and PESR is now repaying these to the government. Arrears by state-owned entities and other government-related entities were 3.8% of GDP at end-1H26, further raising risks from contingent liabilities.

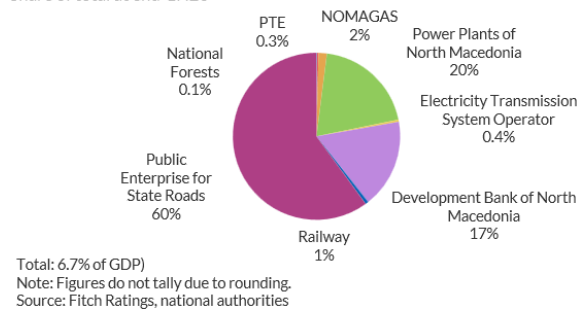
General Government Debt



Source: Fitch Ratings, national authorities

Government Guaranteed Debt: Breakdown by Debtor

Share of total at end-1H26



Strong Inflation Passthrough of Higher Energy Prices

Inflation averaged 3.7% in 8M26, peaking at 5.7% in April (food inflation: 7.6%), reflecting the passthrough of higher oil prices (estimated by authorities at 0.5pp), given North Macedonia imports all its oil needs. Temporary cuts to VAT (April-May) and excise (July-October) on retail fuel sales mitigated energy costs. Unlike in previous years, authorities appear to be eschewing temporary retail price freezes on essential products.

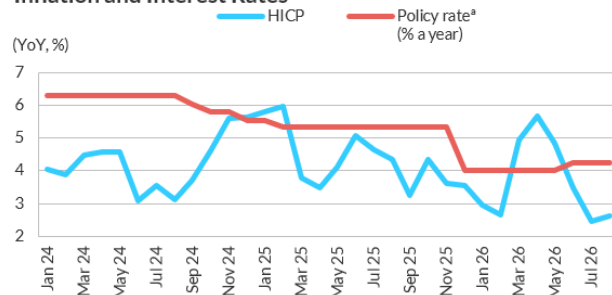
Demand pressures on prices also appear durable, with wages rising by 7.7% yoy on average in 1H26 and private-sector credit growth strong at 13.3%. Fitch expects inflation to average 4.6% in 2026 before moderating to 3.4% by 2028. The central bank raised its policy rate by 25bp to 4.25% in June 2026, and Fitch expects a moderate policy easing in 2027.

Energy Supply Diversification Underway

The government is taking steps to integrate its energy management and distribution rules with EU technical requirements. North Macedonia is also seeking to mitigate its exceptional (almost 100%) reliance on a single inter-connector from Bulgaria for meeting its 300 million cubic metres of annual import demand. A new gas interlink with Greece is under construction and is expected to be operational by 2Q27. North Macedonia is also joining the Vertical Corridor for gas supply connecting Greece with Serbia, which will provide access to Azerbaijani gas through the Trans Adriatic Pipeline (TAP).

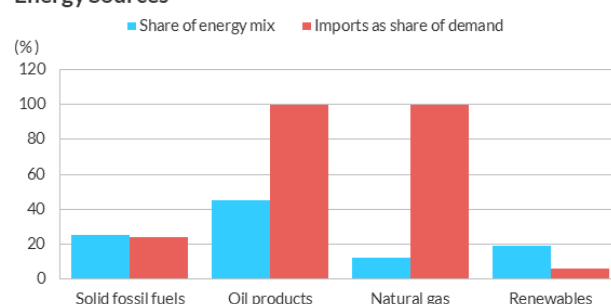
Authorities estimate that about 10% of the 1.1 million tons of oil fuels imported by the country transit the Strait of Hormuz. There has been no disruption to supply in North Macedonia since the Iran conflict started in February 2026, although North Macedonia has been affected by significant price volatility.

Inflation and Interest Rates



* From Dec 2025: 7-day T-bill rate. Previously, 49-day T-bill rate.
 Source: Fitch Ratings, Haver Analytics

Energy Sources



(Data for 2024)
 Source: Fitch Ratings, GET

Stable Growth in 2026; Investments to Boost Growth in 2027-2028

The economy has been largely resilient to the impact of the Middle East war. Real economic growth accelerated from 3.1% yoy in 1Q26 to 4.3% (2.8% qoq) in 2Q, as construction grew by a robust 21.9% yoy, and industry by 3.9%. Given the increase in public capex, gross investments recorded 16.5% yoy growth in 2Q (1Q: 1.5%), while private consumption also rose to 3.3%.

Fitch expects growth of 3.2% in 2026 to be supported by strong public investment and private consumption, while net exports' contribution will be negative as external demand (mainly in the EU) remains weak. Sustained capex execution as well as strong domestic consumption will drive growth of 3.4% in 2027 and 3.6% in 2028.

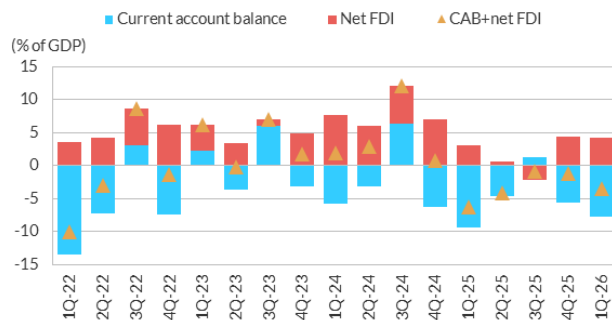
Wider Current Account Deficits; Stable International Reserve Coverage

The CAD was 3.1% of GDP in 1H26 (2025: 4.3%), with goods imports rising by 16.5% yoy, reflecting higher oil and other commodity prices. Net FDI rose by 51.5%, mainly driven by net debt investments. Fitch expects the CAD to reach 5.5% of GDP in 2026, a four-year high, before moderating slightly to an average of 4.8% in 2027-2028.

International reserves have been largely flat in 2026, amounting to EUR5.1 billion as of August 2026, equivalent to 4.2 months of current external payments. The value of monetary gold in international reserves reached an all-time high of EUR971.4 million (17.5% of reserves) in February, before falling to EUR875.6 million (17.2% of reserves by July). Authorities' commitment to the de facto exchange-rate peg with the euro is solid.

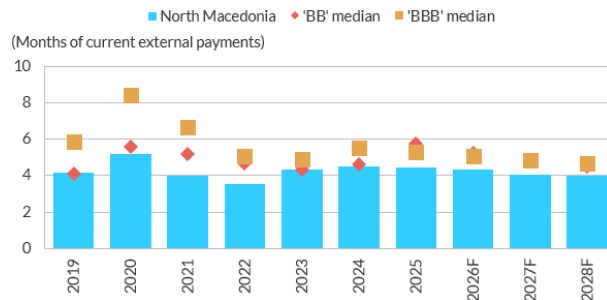
In August 2026, the ECB finalised a EUR50 billion repo line with North Macedonia, replacing a temporary EUR400 million facility agreed during the Covid-19 pandemic. The authorities are treating this facility as precautionary.

Balance of Payments



Source: Fitch Ratings, Haver Analytics

International Reserves



Source: Fitch Ratings, IMF

Credit Growth Remains Strong; Banking Sector Stable

Credit growth has slowed down from 2025 levels but still remains strong, with bank lending growing by 13.3% as of July 2026, outpacing deposit growth of 8.8%. Corporate credit growth grew by 14.5% in 7M26 (2025: 14%), while mortgage growth was 16.6% yoy in 7M26. The banking sector is profitable (2Q26: return on average equity of 13.8%), well capitalised (Tier 1 capital ratio of 18.8%), with sound liquidity, adequate asset quality (non-performing loan ratio of 2%) and adequate provision levels. Deposit euroisation is relatively high, at 38% as of July 2026, representing a decline from the 2022 peak of 46.1%, but this is partly countered by a broadly similar level of loan euroisation.

Public Debt Dynamics

Under the baseline, general government debt is expected to stabilise at around 55% of GDP by 2035. Debt dynamics are most notably exposed to sharp increases in interest rates as well as a slowdown in growth.

Debt Dynamics - Fitch's Baseline Assumptions

	2024	2025	2026	2027	2028	2029	2030
Gross general government debt (% of GDP)	52.9	51.6	52.5	52.7	52.7	53.2	53.6
Primary balance (% of GDP)	-2.6	-2.1	-2.2	-1.9	-1.6	-1.0	-0.9
Real GDP growth (%)	3.0	3.5	3.2	3.4	3.6	3.0	3.0
Average nominal effective interest rate (%)	4.0	3.9	3.8	4.1	4.2	4.2	4.2
MKD/USD (annual average)	56.9	54.7	52.4	52.2	52.2	52.1	52.1
GDP deflator (%)	3.7	4.6	4.8	4.1	3.5	2.3	2.0
Stock-flow adjustments (% of GDP)	0.0	0.0	0.9	0.0	-0.1	0.0	0.0

Source: Fitch Ratings

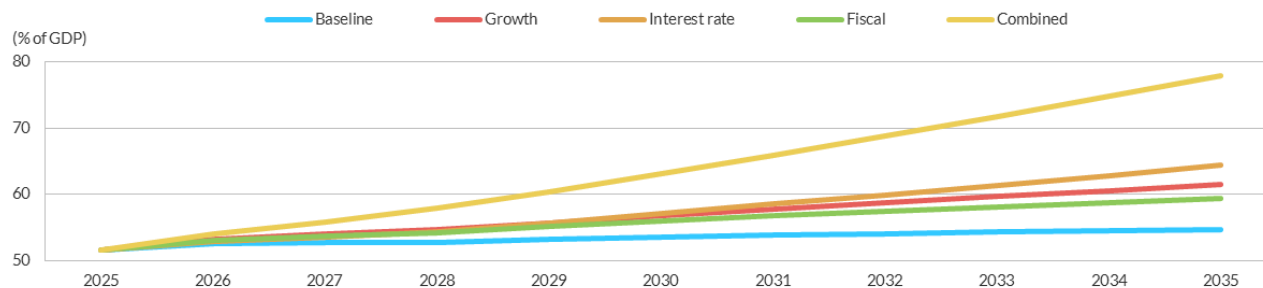
Debt Sensitivity Analysis: Fitch's Scenario Assumptions

Growth	Real GDP growth half standard deviation lower
Interest rate	Marginal interest rate 250bp higher
Fiscal	Primary balance 0.5pp of GDP below baseline
Combined	Combination of above shocks

Source: Fitch Ratings

Sensitivity Analysis

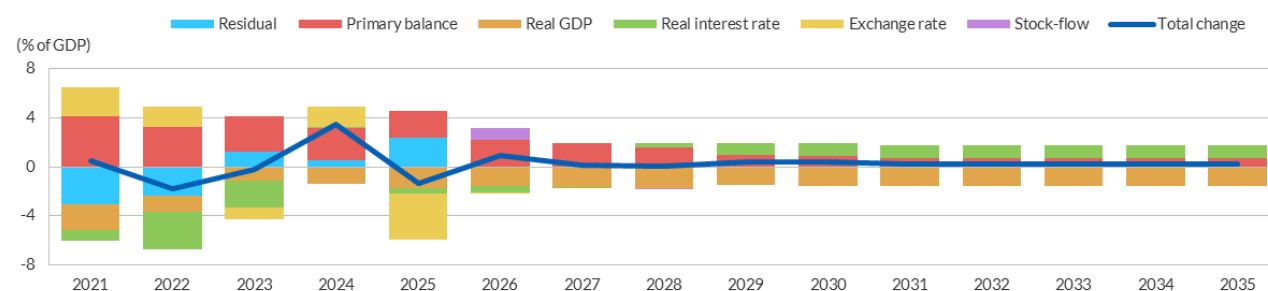
Gross general government debt



Source: Fitch Ratings, Fitch Debt Dynamics Model

Baseline Scenario: Debt Creating Flows

Change in gross general government debt



Source: Fitch Ratings, Fitch Debt Dynamics Model

About the Public Debt Dynamics

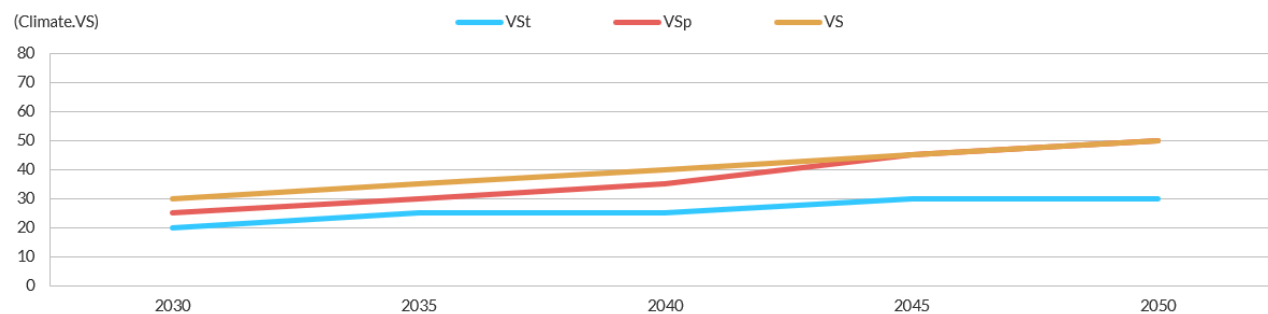
Fitch uses stylised projections for a sovereign's gross general government debt/GDP ratio to illustrate the sustainability of its debt burden and its sensitivity to economic growth, the cost of borrowing, fiscal policy and the exchange rate.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

The Climate.VS for North Macedonia for 2035 is 35 out of 100, which indicates a potential illustrative rating impact of 0.375 of a rating notch for a representative issuer, other things equal. This reflects a physical risk (VSp) component signal of 30 and a transition risk (VSt) component signal of 25. Any potential future impact on the rating may differ from the illustrative rating impact in the Climate.VS framework, reflecting the evolution of Fitch's assessment of the global risks, action the entity may take to adapt to or mitigate the exposure, and any other relevant factors. For more information on Climate.VS, see Fitch's *Sovereign Rating Criteria*.

Climate Vulnerability Signals for North Macedonia



Source: Fitch Ratings

Data Tables

General Government Summary

% GDP	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F
Revenue	29.9	32.0	31.6	32.5	33.4	33.9	33.7	33.8	34.4
Expenditure	38.1	37.4	35.9	36.8	37.9	37.9	37.7	37.8	38.0
o/w interest payments	1.2	1.3	1.1	1.4	1.9	1.9	1.8	2.0	2.0
Interest payments (% revenue)	4.0	3.9	3.6	4.4	5.6	5.6	5.3	6.0	5.8
Primary balance	-7.0	-4.1	-3.2	-2.9	-2.6	-2.1	-2.2	-1.9	-1.6
Overall balance	-8.2	-5.4	-4.3	-4.3	-4.5	-4.0	-4.0	-3.9	-3.6
Gross government debt	50.8	51.4	49.6	49.4	52.9	51.6	52.5	52.7	52.7
% of government revenue	169.9	160.5	157.1	152.2	158.4	152.2	156.0	155.8	153.3
Issued in domestic market	19.7	20.5	19.6	21.0	23.5	25.8	24.8	24.9	25.1
Issued in foreign markets	31.2	30.8	30.0	28.4	29.5	25.8	27.8	27.8	27.6
Local currency	12.3	12.6	12.0	14.4	17.6	19.6	19.1	19.6	20.2
Foreign currency	38.6	38.8	37.6	35.0	35.3	31.9	33.4	33.1	32.5
Central government deposits	6.3	6.2	4.7	4.2	6.5	4.9	5.3	4.9	4.6
Net government debt	44.5	45.2	44.9	45.2	46.4	46.7	47.2	47.8	48.2
Financing		5.4	4.3	4.3	4.5	4.0	4.0	3.9	3.6
Domestic borrowing		2.5	1.2	3.3	3.8	4.1	0.9	1.9	1.9
External borrowing		-0.1	0.8	2.3	1.3	1.7	4.0	2.0	1.7
Other financing		3.0	2.3	-1.3	-0.6	-1.7	-0.9	0.0	0.0
Change in deposits (- = increase)		-0.4	0.8	0.0	-2.6	1.2	-0.8	0.0	0.0
Privatisation		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		3.4	1.5	-1.3	2.0	-2.9	-0.1	0.0	0.0

Source: Fitch Ratings, Ministry of Finance, IMF

Balance of Payments

(USDbn)	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F
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Current account	-0.4	-0.4	-0.9	0.1	-0.4	-0.8	-1.2	-1.1	-1.2
% GDP	-2.9	-2.7	-6.2	0.3	-2.1	-4.3	-5.5	-4.9	-4.7
Goods	-2.1	-2.8	-3.7	-2.8	-3.3	-3.8	-3.9	-4.4	-4.8
Services	0.5	0.6	0.8	0.8	1.1	1.2	1.3	1.6	1.7
Primary income	-0.5	-0.6	-0.6	-0.8	-0.9	-0.9	-1.0	-0.9	-0.9
Secondary income	1.7	2.4	2.6	2.9	2.7	2.7	2.5	2.6	2.8
Capital account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial account	-0.5	-0.7	-1.0	-0.5	-0.6	-0.4	-1.1	-1.2	-1.2
Direct investment	-0.2	-0.5	-0.7	-0.5	-1.1	-0.3	-0.8	-0.9	-0.9
Portfolio investment	-0.3	-0.1	0.0	0.1	0.3	0.9	-0.2	-0.1	-0.1
Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	-0.1	-0.3	-0.1	0.2	-1.0	-0.1	-0.2	-0.2
Net errors and omissions	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0
Change in reserves (+ = increase)	0.1	0.4	0.2	0.6	0.3	-0.4	-0.1	0.0	0.0
International reserves, incl. gold	4.1	4.1	4.1	5.0	5.2	5.8	5.7	5.7	5.7
Liquidity ratio (%)	173.7	165.7	195.6	126.8	158.3	149.6	139.2	136.8	123.8
Memo									
Current external receipts (CXR)	9.2	11.9	13.0	14.0	13.6	14.7	15.7	16.5	17.7
Current external payments (CXP)	9.5	12.3	13.9	13.9	14.0	15.5	16.9	17.6	18.9
CXR growth (%)	-9.3	29.8	9.4	7.3	-2.7	8.0	6.6	5.2	7.2
CXP growth (%)	-9.2	28.9	13.1	0.3	0.2	11.1	8.6	4.6	6.8
Gross external financing requirement	1.4	1.7	1.6	1.3	1.5	2.5	3.1	3.0	3.5
% International reserves	37.0	41.9	39.5	31.6	29.6	48.1	54.1	53.0	60.3
Net external borrowing	0.8	1.3	1.7	0.6	0.5	0.6	1.2	0.9	0.9

Source: Fitch Ratings, IMF, national authorities

External Debt and Assets

(USDbn)	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F
Gross external debt	10.5	10.9	11.5	12.5	13.0	13.7	14.9	15.9	16.7
% GDP	84.8	77.5	82.6	79.1	76.9	71.6	69.2	68.1	67.1
% CXR	114.1	91.0	88.2	89.6	95.7	92.9	95.1	96.1	94.7
Short-term debt (% GXD)	13.0	14.2	18.6	17.3	15.3	17.4	16.9	16.6	16.5
By debtor									
Sovereign	4.1	4.3	4.4	4.9	5.1	4.7	5.5	5.9	6.4
Monetary authorities	0.1	0.4	0.7	0.7	0.5	0.3	0.2	0.2	0.2

General government	4.0	3.8	3.7	4.2	4.6	4.4	5.3	5.7	6.2
Banks	0.9	0.9	1.0	1.1	1.0	1.3	1.4	1.4	1.5
Other sectors	5.5	5.6	6.1	6.6	6.9	7.7	8.1	8.5	8.9
Gross external assets (non-equity)	6.9	7.1	7.3	8.2	8.6	9.9	10.4	10.7	10.8
Sovereign	4.1	4.2	4.3	5.0	5.3	5.9	5.8	5.8	5.8
International reserves, incl. gold	4.1	4.1	4.1	5.0	5.2	5.8	5.7	5.7	5.7
Other sovereign assets	0.0	0.0	0.2	0.0	0.1	0.1	0.1	0.1	0.1
Banks	0.8	0.8	0.8	0.9	0.9	1.1	1.2	1.3	1.3
Other sectors	2.0	2.1	2.3	2.3	2.4	3.0	3.5	3.7	3.9
Net external debt	3.6	3.7	4.2	4.4	4.4	3.8	4.5	5.2	5.9
% GDP	29.4	26.8	30.1	27.5	26.2	19.7	21.0	22.3	23.6
Sovereign	0.0	0.1	0.1	-0.2	-0.3	-1.1	-0.2	0.2	0.6
Banks	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.2
Other sectors	3.5	3.5	3.8	4.3	4.6	4.7	4.6	4.8	5.1
International investment position									
Assets	7.6	8.0	8.2	9.3	9.8	11.6	12.1	12.5	12.7
Liabilities	16.1	16.2	16.8	18.4	18.9	21.9	23.9	25.4	26.8
Net	-8.5	-8.2	-8.7	-9.2	-9.0	-10.3	-11.7	-12.9	-14.1
Net sovereign	0.0	-0.1	-0.1	0.2	0.3	1.1	0.2	-0.2	-0.6
% GDP	0.0	-0.8	-0.9	1.0	1.5	5.5	0.9	-1.0	-2.6
External debt service (principal + interest)	1.2	1.6	1.0	1.7	1.5	2.1	2.6	2.6	3.0
Interest (% CXR)	2.3	2.0	1.7	2.6	3.1	2.6	4.2	4.2	4.0

Source: Fitch Ratings, IMF, national authorities

External Debt Service Schedule on Medium- and Long-Term Debt

(USDm)	2026	2027	2028	2029	2030
Sovereign: Total debt service	1,054.9	958.8	1,237.3	565.0	1,092.4
Amortisation	893.1	756.5	1,026.2	308.4	800.0
Official bilateral	9.4	15.3	98.8	97.7	100.5
Multilateral	183.6	241.1	227.3	189.2	156.5
Bonds	700.0	500.0	700.0	0.0	500.0
Other private creditors	0.1	0.1	0.1	21.6	43.0
Interest	161.8	202.3	211.1	256.6	292.4
o/w bonds	66.8	89.3	54.5	43.1	43.1
o/w loans	95.0	113.0	156.6	213.5	249.3

Source: Fitch Ratings, national authorities

Full Rating Derivation

Long-Term Foreign-Currency Issuer Default Rating (SRM + QO)

BB+

Sovereign Rating Model							Applied Rating ^d	BB+
							Model Result and Predicted Rating	5.68 = BB+
Input Indicator	Weight (%)	2025	2026	2027	Adjustment to Final Data	Final Data	Coefficient	Output (notches)
Structural features								3.58
Governance indicators (percentile)	22.1	n.a.	50.4	n.a.	—	50.4	0.079	3.98
GDP per capita (USD)	11.7	n.a.	11,854	n.a.	Percentile	43.0	0.037	1.58
Nominal GDP (% world GDP)	14.5	n.a.	0.02	n.a.	Natural log	-4.0	0.645	-2.60
Most recent default or restructuring	4.3	n.a.	2000	n.a.	Inverse 0-1 ^a	0.0	-1.744	-0.01
Broad money (% GDP)	1.1	n.a.	68.6	n.a.	Natural log	4.2	0.148	0.63
Macroeconomic performance, policies and prospects								-0.66
Real GDP growth volatility	4.5	n.a.	2.2	n.a.	Natural log	0.8	-0.704	-0.55
Consumer price inflation	3.6	4.3	4.6	4.0	3-yr avg. ^b	4.3	-0.068	-0.29
Real GDP growth	1.7	3.5	3.2	3.4	3-yr avg.	3.4	0.054	0.18
Public finances								-2.16
Gross general govt debt (% GDP)	9.2	51.6	52.5	52.7	3-yr avg.	52.3	-0.023	-1.22
General govt interest (% revenue)	4.6	5.6	5.3	6.0	3-yr avg.	5.6	-0.044	-0.25
General govt fiscal balance (% GDP)	2.1	-4.0	-4.0	-3.9	3-yr avg.	-4.0	0.039	-0.16
FC debt (% of total general govt debt)	3.2	64.7	64.0	62.8	3-yr avg.	63.8	-0.008	-0.54
External finances								0.04
Reserve currency (RC) flexibility	7.1	n.a.	0.0	n.a.	RC score 0 - 4.5 ^c	0.0	0.484	0
SNFA (% of GDP)	7.5	5.5	0.9	-1.0	3-yr avg.	1.8	0.010	0.02
Commodity dependence	1.0	n.a.	11.0	n.a.	Latest	11.0	-0.003	-0.04
FX reserves (months of CXP)	1.2	n.a.	4.1	n.a.	n.a. if RC score > 0	4.1	0.021	0.09
External interest service (% CXR)	0.2	2.6	4.2	4.2	3-yr avg.	3.7	-0.004	-0.02
CAB + net FDI (% GDP)	0.4	-2.8	-2.0	-1.3	3-yr avg.	-2.0	0.004	-0.01
Intercept Term (constant across all sovereigns)								4.88

^a Inverse 0-1 scale, declining weight; ^b of truncated value (2%-50%); ^c Declining weight; ^d Sovereign rating committee can override SRM Predicted Rating if a marginal change in the Model Result leads to a notch change which is judged to be temporary or caused by a re-estimation of the SRM, a process that Fitch undertakes on at least an annual basis. Please refer to the Rating Action Commentary for further information when the Applied Rating differs from the Predicted Rating.

Note: This table contains data as at the date of the most recent rating action. There may be minor differences to data presented elsewhere in this report, which may have been updated where appropriate, for example in the event of subsequent data releases.

Source: Fitch Ratings

Qualitative Overlay (notch adjustment, range +/-3)	0
Structural features	0
Macroeconomic outlook, policies and prospects	0
Public finances	0
External finances	0

About the SRM and QO

Fitch's SRM is the agency's proprietary multiple regression rating model that employs 18 variables based on three-year centred averages, including one year of forecasts, to produce a score equivalent to a LT FC IDR. Fitch's QO is a forward-looking qualitative framework designed to allow for adjustment to the SRM output to assign the final rating, reflecting factors within our criteria that are not fully quantifiable and/or not fully reflected in the SRM.

Supplementary Ratings

Local-Currency Rating

North Macedonia's Long-Term Local-Currency IDR is in line with the Long-Term Foreign-Currency IDR. In Fitch's view, neither of the key factors cited in the criteria that would support an upward notching of the Long-Term Local-Currency IDR above the Long-Term Foreign-Currency IDR is present: strong public finance fundamentals relative to external finances, or previous preferential treatment of local-currency creditors.

Debt Instrument Ratings

Senior Unsecured Debt Equalised: The senior unsecured long-term debt ratings are equalised with the applicable Long-Term IDR, as Fitch assumes recoveries will be 'average' when the sovereign's Long-Term IDR is 'BB-' and above. No Recovery Ratings are assigned at this rating level.

Country Ceiling

North Macedonia's Country Ceiling is 'BBB-', one notch above its Long-Term Foreign-Currency IDR. This reflects moderate constraints and incentives, relative to the IDR, against capital or exchange controls being imposed that would prevent or significantly impede the private sector from converting local currency into foreign currency and transferring the proceeds to non-resident creditors to service debt payments.

Fitch's Country Ceiling Model produced a starting point uplift of zero notches above the IDR. Fitch's rating committee applied a one-notch qualitative upward adjustment to this, under the Long-Term Institutional Characteristics pillar, reflecting the importance of FDI to North Macedonia's open economy and the EU accession process.

Overall Country Ceiling Uplift (CCM + QA, notches)			+1
Country Ceiling Model (CCM, notches)			0
Pillar I = Balance of payments restrictions			0
Current account restrictions (% of 40)	Latest	45.0	+1
Capital account restrictions (% of 69)	Latest	55.1	0
Combined pillar II & III incentives score			+1
Pillar II = Long-term institutional characteristics			+1
Governance (WB WGI)	Latest	50.4	+2
International trade			+2
Trade openness	2022-26 avg	84.2	+3
Volatility of change in CXR (across 10yrs)	2026	11.1	+1
Export share to FTA partners	2022-26 avg	95.7	+3
International financial integration ^a	2022-26 avg	34.1	+1
Pillar III = Near-term risks			+1
Macro-financial stability risks			+1
Composite inflation risk score			+1
Volatility of CPI (across 10yrs)	2026	4.1	+1

Recent CPI peak	2022-26 max	14.0	+2
Cumulative broad money growth	2021-26 chg %	48.7	+2
Volatility of change in REER (across 10yrs)	2026	1.8	+3
Dollarisation	Most recent	38.0	+1
Exchange rate risks			+1
Net external debt (% of CXR)	2024-26 avg	29.0	+2
Exchange rate regime	Latest	Stabilized arrangement	+1

Qualitative Adjustment (QA, notches)	+1
Pillar I = Balance of payments restrictions	0
Pillar II = Long-term institutional characteristics	+1
Pillar III = Near-term macro-financial stability risks	0

^a Data for international financial integration are the average of private external assets (% of GDP) and private external debt (% of GDP).

Source: Fitch Ratings

Full Rating History

Date	Foreign-Currency Rating			Local-Currency Rating			Country Ceiling
	Long-Term	Short-Term	Outlook/Watch	Long-Term	Short-Term	Outlook/Watch	
14 Apr 2023	BB+	B	Stable	BB+	B	Stable	BBB-
15 May 2020	BB+	B	Negative	BB+	B	Negative	BBB-
14 Jun 2019	BB+	B	Stable	BB+	B	Stable	BBB-
02 Feb 2018	BB	B	Positive	BB	B	Positive	BB+
19 Aug 2016	BB	B	Negative	BB	B	Negative	BB+
22 Jul 2016	BB+	B	Negative	BB+	B	Negative	BBB-
21 Aug 2015	BB+	B	Negative	BB+	—	Negative	BBB-
27 Oct 2010	BB+	B	Stable	BB+	—	Stable	BBB-
21 May 2009	BB+	B	Negative	BB+	—	Negative	BBB-
04 Nov 2008	BB+	B	Stable	BB+	—	Stable	BBB-
14 Aug 2007	BB+	B	Positive	BB+	—	Positive	BBB-
17 Aug 2006	BB+	B	Stable	BB+	—	Stable	BBB-
13 Jun 2006	BB+	B	Stable	BB+	—	Stable	BB+
01 Nov 2005	BB	B	Positive	BB	—	Positive	BB

Source: Fitch Ratings

Appendix 1: Environmental, Social and Governance (ESG)

Credit Relevance Scores

General Issues	Key Sovereign Issues	SRM	QO	Score ^a
Environmental (E)				
GHG Emissions and Air Quality	Emissions and air pollution as a constraint on GDP growth	2	2	2

Energy Management	Energy resource management, including potential for 'stranded assets', affecting exports, government revenues and GDP	3	2	3
Water Resources and Management	Water resource availability and management as a constraint on GDP growth	2	2	2
Biodiversity and Natural Resource Management	Natural resource management, including potential for 'stranded assets', affecting exports, government revenues and GDP	3	2	3
Natural Disasters and Climate Change	Impact of adverse climate trends, and likelihood of and resilience to shocks	3	2	3
Social (S)				
Human Rights and Political Freedoms	Social stability, voice and accountability, regime legitimacy	4	2	4+
Human Development, Health and Education	Impact of human development, health and education on GDP per capita and GDP growth	3	2	3
Employment and Income Equality	Impact of unemployment and income equality on GDP per capita, GDP growth and political and social stability	3	2	3
Public Safety and Security	Impact of public safety and security on business environment and/or economic performance	3	2	3
Demographic Trends	Population decline or aging, rapidly rising youth population; pensions sustainability	3	2	3
Governance (G)				
Political Stability and Rights	Political divisions and vested interests; geo-political risks including conflict, security threats and violence; policy capacity: unpredictable policy shifts or stasis	5	2	5+
Rule of Law, Institutional & Regulatory Quality, Control of Corruption	Government effectiveness, control of corruption, rule of law, regulatory quality	5	2	5
International Relations and Trade	Trade agreements, membership of international organizations, bilateral relations; sanctions or other costly international actions	3	2	3
Creditor Rights	Willingness to service and repay debt	4	2	4+
Data Quality and Transparency	Availability, limitations and reliability of economic and financial data, including transparency of public debt and contingent liabilities	3	2	3

Source: Fitch Ratings

About ESG Credit Relevance Scores

The scores signify the credit relevance of the respective E, S and G issues to the sovereign entity's credit rating, according to the following scale:

- 5 – Highly relevant to the rating, a key rating driver with a high weight.
- 4 – Relevant to the rating, a rating driver.
- 3 – Relevant, but only has an impact on the entity rating in combination with other factors.
- 2 – Irrelevant to the entity rating but relevant to the sector (sovereigns).
- 1 – Irrelevant to the entity rating and irrelevant to the sector (sovereigns).

The score for each 'General Issue' is comprised of a component SRM and QO score, and is simply the higher of the two. SRM scores are fixed across all sovereigns as the weights in the SRM are the same for all sovereigns; QO component scores vary across all sovereigns.

All scores of '4' or '5' result in a negative impact on the rating, unless indicated otherwise. Where a positive impact is occurring, the score of '4' or '5' is appended with a '+' symbol. Scores of '3', '2' and '1' do not have a direction of impact assigned.

Please refer to [ESG Relevance Scores for Sovereigns](#) for further information on the framework, including 'Sovereign Rating Criteria References' (which identify specific potentially related SRM variables and QO factors for each 'General Issue').

Credit-Relevant ESG Derivation

North Macedonia has an ESG Relevance Score of '5[+]' for Political Stability and Rights as WBGI have the highest weight in Fitch's SRM and are therefore highly relevant to the rating and a key rating driver with a high weight. As North Macedonia has a percentile rank above 50 for the respective Governance Indicator, this has a positive impact on the credit profile.

North Macedonia has an ESG Relevance Score of '5' for Rule of Law, Institutional & Regulatory Quality, and Control of Corruption as WBGI have the highest weight in Fitch's SRM and are therefore highly relevant to the rating and are a key rating driver with a high weight. As North Macedonia has a percentile rank below 50 for the respective Governance Indicators, this has a negative impact on the credit profile.

North Macedonia has an ESG Relevance Score of '4[+]' for Human Rights and Political Freedoms as the Voice and Accountability pillar of the WBGI is relevant to the rating and a rating driver. As North Macedonia has a percentile rank above 50 for the respective Governance Indicator, this has a positive impact on the credit profile.

North Macedonia has an ESG Relevance Score of '4[+]' for Creditor Rights as willingness to service and repay debt is relevant to the rating and is a rating driver for North Macedonia, as for all sovereigns. As North Macedonia has a record of more than 20 years without a restructuring of public debt and is captured in our SRM variable, this has a positive impact on the credit profile.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Appendix 2: Data Notes and Conventions

Acronyms

Acronyms used in the above table and elsewhere in report are: Gross Domestic Product (GDP), Current External Receipts (CXR), Current External Payments (CXP), Current Account Balance (CAB), Foreign Direct Investment (FDI), World Bank Worldwide Governance Indicators (WBGI), Sovereign Rating Model (SRM), Qualitative Overlay (QO). For a full list of indicator definitions, please refer to the most recent Sovereign Data Comparator.

Medians

Medians underlying the SRM relative to rating category chart on the Rating Summary page and as reported in the Peer Analysis table on page 4 are long-term historical medians. These are based on actual data since 2000 for all sovereign-year observations when the sovereign was in the respective rating category at year-end. Current year ratings and data are excluded.

Chart medians on page 3 are based on data for sovereigns in the respective rating category at the end of each year. Latest ratings are used for the current year and forecast period.

Notes for North Macedonia, Republic of

All data are on a calendar-year basis, which aligns with the domestic fiscal year for this sovereign.

Public finances data referenced in this report relate to the consolidated general government, as per our principal approach, unless specifically noted otherwise where cited.

The external balance-sheet data referenced in this report are derived from the international investment position dataset, as per our principal approach.

Ratings

Foreign Currency

Long-Term IDR	BB+
Short-Term IDR	B

Local Currency

Long-Term IDR	BB+
Short-Term IDR	B

Country Ceiling	BBB-
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Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable

Highest ESG Relevance Scores

Environmental	3
Social	4
Governance	5

Climate Vulnerability

2035 Climate Vulnerability Signal	35
Transition (Climate.VSt)	25
Physical (Climate.VSp)	30

Rating Derivation

Sovereign Rating Model (SRM)	BB+
Qualitative Overlay (QO)	0
Structural features	0
Macroeconomic	0
Public finances	0
External finances	0
Long-Term Foreign-Currency IDR	BB+

Data

	2026F
GDP (USDbn)	22
Population (m)	1.8
Source: Fitch Ratings	

Applicable Criteria

[Country Ceiling Criteria \(July 2023\)](#)
[Sovereign Rating Criteria \(April 2026\)](#)

Related Research

[Fitch Affirms North Macedonia at 'BB+'; Outlook Stable \(September 2026\)](#)
[Global Economic Outlook \(September 2026\)](#)
[Interactive Sovereign Rating Model](#)
[Fitch Fiscal Index - Analytical Tool](#)
[Click here for more Fitch Ratings content on Republic of North Macedonia](#)

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