



# Q-4-2025

## QUARTERLY ECONOMIC REPORT

### - fourth quarter of 2025 -

### Summary

- **Economic activity** grew by 3.8% in real terms in Q4 2025, while overall growth for 2025 stood at 3.5%. Growth was underpinned by the positive contribution of net exports and consumption, while gross investment had a negative contribution reflecting a high base effect. On the production side, growth was driven by services, construction and industry.
- Number of employed persons in Q4 2025 was higher by 1.3%, compared to the same quarter in 2024. The number of unemployed persons dropped by 3.6% in Q4 2025, which resulted in a reduction of the unemployment rate to 11.4%.
- In Q4 2025, **net wage** amounted to Denar 46,265, reflecting an 8.7% increase in nominal terms and a 4.3% increase in real terms compared to the net wage in Q4 2024.
- Total **budget revenues** were higher by 11% in Q4 2025, while total budget expenditures dropped by 0.4% compared to the same quarter in 2024.
- **Inflation rate** in Q4 2025 accounted for 4.2% on annual basis.
- Total **deposit potential** of banks in Q4 2025 grew by 5.2% on quarterly basis.
- In Q4 2025, **exports of goods** recorded an increase of 5.7%, while **imports of goods** an increase of 6.1% on annual basis, whereby total **foreign trade**, expressed in euro, increased by 5.9%.



## Contents:

<b>1. Economic Activity</b> .....	<b>3</b>
<b>2. Labour Market</b> .....	<b>7</b>
<b>3. Public Finances</b> .....	<b>8</b>
<b>3.1 Budget Revenues according to the Economic Classification</b> .....	<b>8</b>
<b>3.2. Budget Expenditures according to the Economic Classification</b> .....	<b>9</b>
<b>3.3 Expenditures by Budget Users</b> .....	<b>10</b>
<b>3.4. Budget Deficit and General Government Debt</b> .....	<b>12</b>
<b>4. Inflation and Monetary Trends</b> .....	<b>12</b>
<b>5. External Sector</b> .....	<b>15</b>
<b>5.1. Foreign Trade</b> .....	<b>15</b>
<b>5.2. Balance of Payments</b> .....	<b>17</b>



## 1. Economic Activity

In Q4 2025, **economic activity** increased by 3.8% in real terms compared to the corresponding period in 2024, while total growth for 2025 reached 3.5%, in line with the Ministry of Finance’s projections. Compared to the previous quarter, GDP growth, adjusted for seasonal and calendar effects, accounted for 0.9%.

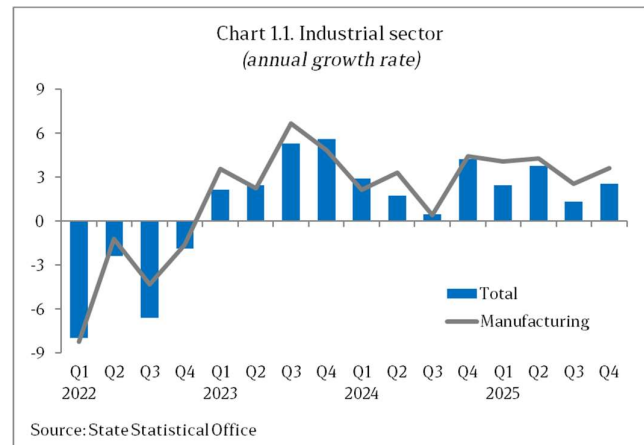
Analysed according to the GDP by production method, economic growth was primarily driven by the services sector, with notable contributions from construction and industry.

**The services sector** recorded a 3.5% increase in real terms, with all activities contributing positively to overall growth. Trade, transport and hospitality (4.4%), Professional, scientific and technical activities (8.1%) and Real estate activities (2.7%) contributed the most to growth. Positive performance was also observed across the following activities: Arts, entertainment and recreation (3.2%), Information and communication (2.4%), Public administration, defence, education and health (2%) and Financial and insurance activities (1.8%).

**Construction** maintained strong dynamics, recording double-digit growth of 14.6%, primarily reflecting intensified construction activities related to Corridors 8 and 10d. Growth was led by the civil engineering subsector, the main driver of the construction sector, which recorded a 12.5% increase in real terms. In addition, the specialised construction activities subsector increased fivefold compared to the same quarter of the previous year,

while the buildings subsector declined by 3.7%.

**Industrial sector** picked up by 2.5%, driven by increased production in manufacturing, which expanded by 3.7%. According to high-frequency data, in Q4 2025, the following branches made most notable contribution to the growth of the manufacturing industry: Manufacture of rubber and plastic products (increase of 89.2%, contribution of 2.7 percentage points), Manufacture of tobacco products (growth of 9.4%, contribution of 1.1 percentage points) and Manufacture of other non-metal mineral products (increase by 17.3%, contribution of 0.6 percentage points). Supply of electricity, gas, steam and air-conditioning sector increased by 4.7%, while Mining and quarrying sector dropped by 3.8%.



**Agriculture** recorded marginal growth of 0.4%, following growth of 4.0% in the previous quarter, thereby interrupting the positive trend that began in Q2 2024.

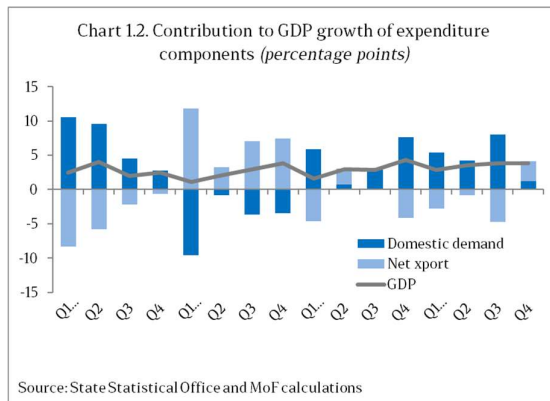


Table 1.1.: GDP and components by production method – annual growth rates (%) and contributions to GDP growth (percentage points)

Sectors	real growth (%)					contribution to growth (p.p.)				
	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025
Gross domestic product	2,9	3,5	3,8	3,8	3,5					
Agriculture	1,0	1,8	4,0	-0,4	1,8	0,1	0,1	0,3	0,0	0,1
Industry	2,4	3,8	1,3	2,5	2,5	0,4	0,6	0,2	0,5	0,4
Manufacturing	4,1	4,3	2,5	3,7	3,6	0,6	0,6	0,4	0,6	0,5
Construction	7,2	7,2	21,0	14,6	13,7	0,3	0,4	1,3	1,3	0,9
Services	2,6	2,9	2,9	3,5	3,0	1,6	1,7	1,6	1,8	1,7
Trade, transport and catering	3,2	6,0	2,6	4,4	4,1	0,6	1,1	0,5	0,7	0,7
Information and communication	4,5	3,6	7,4	2,4	4,5	0,2	0,2	0,4	0,1	0,2
Financial and insurance activities	-2,0	1,3	0,2	1,8	0,3	-0,1	0,0	0,0	0,0	0,0
Real estate activities	1,4	1,9	2,0	2,7	2,0	0,2	0,2	0,2	0,3	0,2
Professional, scientific and technical activities	7,2	3,6	6,1	8,1	6,2	0,4	0,2	0,3	0,3	0,3
Public administration and defence, education and health	0,7	0,3	1,3	2,0	1,1	0,1	0,0	0,2	0,2	0,1
Arts, entertainment and recreation	2,8	-4,2	-1,6	3,2	0,0	0,1	-0,1	0,0	0,1	0,0
Net taxes on products	2,9	4,1	4,5	3,3		0,3	0,6	0,6	0,5	0,5
Residual						0,1	0,1	-0,2	-0,2	-0,1

Source: State Statistical Office (notification of GDP in Q4 2025) and MoF calculations

On the expenditure side of GDP, economic growth in Q4 2025 was driven by the positive contributions of net exports and consumption.



**Exports of goods and services** increased significantly by 9.7%, marking the highest quarterly growth in the course of the year. Machinery and transport equipment (8.5%) and chemical products (8.8%) made the

largest contribution to the growth. **Imports of goods and services** increased by 3.3%, while the faster growth of exports relative to imports resulted in a positive contribution of net exports to economic growth.

**Final consumption** recorded real growth of 2.8%, with **private consumption** rising by 2.0% and **public consumption** by 6.4%. The growth is attributed to the increased household disposable income, supported by higher employment, wages and pensions, as well as intensified crediting to households. VAT revenues and retail trade increased by 13.1% and 2.2%, respectively, pointing to a further strengthening of private consumption.

**Gross investment** declined by 3.0%, primarily reflecting a base effect, namely the high comparison base in the same



period of the previous year, when investment recorded growth of 23.7%.

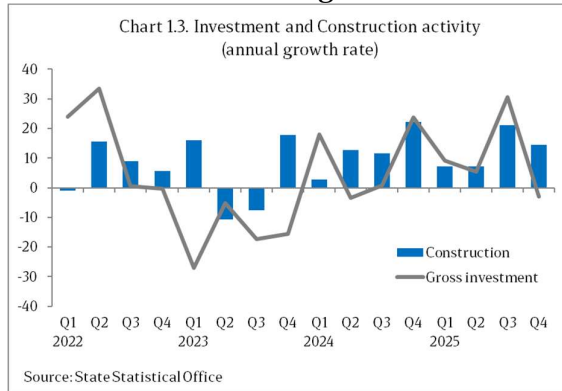
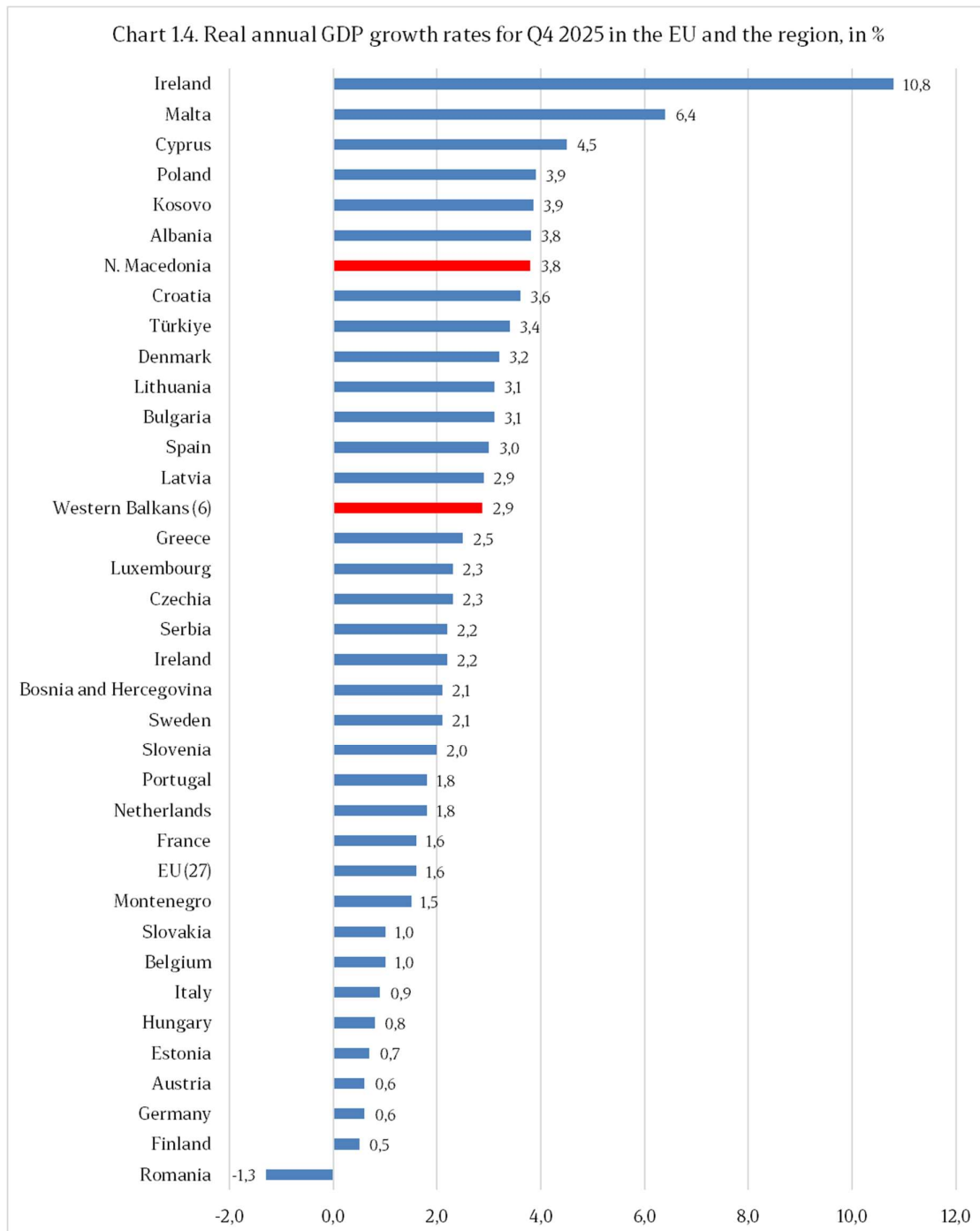


Table 1.2.: GDP and components by expenditure method – annual growth rates (%) and contributions to GDP growth (percentage points)

Components	real growth (%)					contribution to growth (p.p.)				
	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025
Gross domestic product	2,9	3,5	3,8	3,8	3,5					
Final consumption	3,2	3,2	1,8	2,8	2,7	2,7	2,7	1,5	2,2	2,4
Private	2,6	3,1	0,9	2,0	2,1	1,8	2,1	0,6	1,3	1,5
Public	5,7	3,5	5,7	6,4	5,3	0,9	0,6	0,8	1,0	0,9
Gross capital formation	9,2	5,4	30,6	-3,0	8,0	2,8	1,6	7,6	-1,1	2,6
Export of goods and services	2,8	8,5	3,4	9,7	6,1	1,9	5,4	2,1	5,3	4,0
Import of goods and services	5,7	8,1	9,9	3,3	6,7	4,7	6,3	6,9	2,4	5,3
Net exports						-2,8	-0,8	-4,8	3,0	-1,3
<i>Residual</i>						0,2	0,1	-0,5	-0,3	-0,2

Source: State Statistical Office (notification of GDP in Q4 2025) and MoF calculations



Source: Eurostat and national statistical institutions:

\* Data for the Western Balkans (6) pertain to the following countries: Albania, Bosnia and Herzegovina, Kosovo, N. Macedonia, Serbia and Montenegro.



## 2. Labour Market

### Employment

In Q4 2025, as per the Labour Force Survey, **employment** increased by 1.3%, number of employed persons being higher by nine thousand persons compared to the same quarter in 2024. Highest employment was recorded in the Trade sector with 5.2 thousand persons or 5%, while substantial growth was also observed in Administrative and support service activities (3.9 thousand persons or 22%), Professional, scientific and technical activities (3.9 thousand or 19.6%) and Accommodation and food service activities (2.9 thousand persons or 10.9%). On the other hand, a decline in employment was observed in the Manufacturing sector (3.1% or 4.4 thousand people) and the Financial activities sector (23.8% or 4.1 thousand persons).

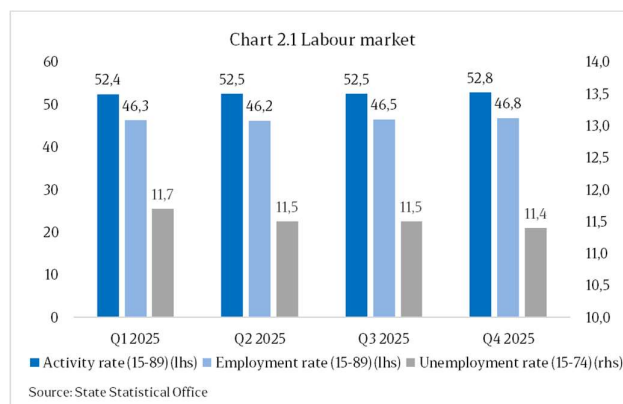
Out of the total number of employees, 543,990 were employed in entities in private ownership (76.7% of the total employees), whereas 165,533 people were employed in entities in mixed, collective or state ownership (23.3% of total employees).

**Employment rate** in Q4 2025 accounted for 46.8%, being higher by 0.6 p.p. compared to the same quarter in 2024.

### Unemployment

**Number of unemployed persons** decreased by 3.4 thousand persons, being lower by 3.6% compared to the same quarter in 2024.

**Unemployment rate** reduced to 11.4% in Q4 2025, representing a decline of 0.5 percentage points compared to the same quarter in 2024, and a decline of 0.1% relative to the previous quarter (Chart 2.1).



Unemployment rate in the age category 15 - 64 accounted for 11.6%, while with the youth population (age category 15 to 29), it accounted for 23.4%. With respect to Q4 2024, the unemployment rate for individuals aged 15-64 dropped by 0.4 percentage points, while the rate for the 15-29 age group decreased by 0.5 percentage points. Observed by gender, unemployment rate among the female population increased by 0.6 percentage points, accounting for 11.4%, matching the unemployment rate among the male population, which decreased by 1.4 percentage points.

### Active population

**Number of active population** was increased by 5.6 thousand persons, being higher by 0.7% on annual basis. In Q4 2025, active population accounted for 52.8% of the total working-able population,



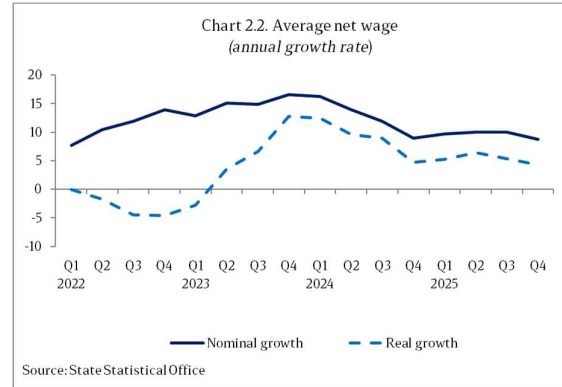
representing an increase of 0.3 p.p., compared to the same quarter in 2024.

### Wages

Average monthly **net wages** in Q4 2025 amounted to Denar 46,265, being higher by 8.7% in nominal terms compared to the same quarter in 2024, and 4.3% higher in real terms (Chart 2.2).

Highest net wage in Q4 2025 was paid in the sector Information and communication (Denar 85,117), followed by Financial and insurance activities with Denar 62,877, Mining and quarrying with average net wage paid in the amount of Denar 57,499 and Electricity, gas, steam

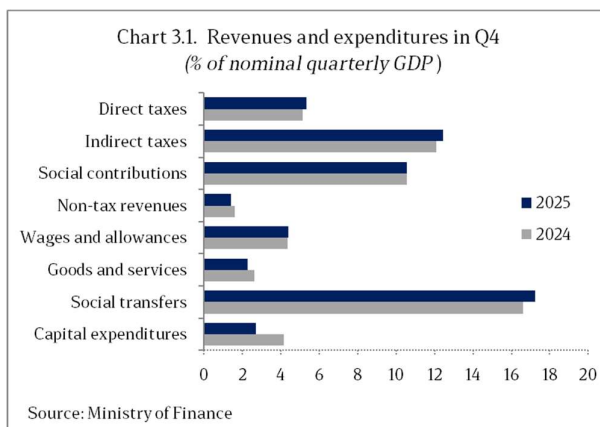
and air-conditioning supply in the amount of Denar 56,452.



## 3. Public Finances

### Budget Revenues according to the Economic Classification

In Q4 2025, **total budget revenues** accounted for 31% of the quarterly GDP, being higher by 11% compared to fourth



quarter of 2024, amid higher collection of taxes by 12.1%, contributions by 8.4%, while non-tax revenue collection decreased by 4.6%. Tax revenues observed a higher

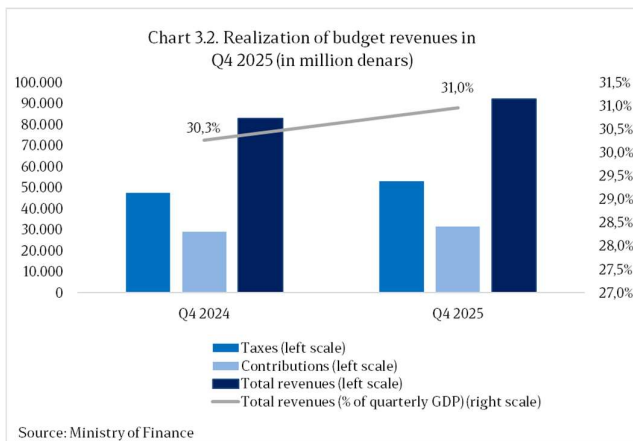
collection rate in all segments, i.e. the segments of personal income tax, corporate income tax, VAT, excise, import duties and other tax revenues.

Collection of indirect taxes in Q4 2025 compared to Q4 2024 increased by 11.5%, whereas the collection of the direct taxes picked up by 12.8%. In terms of GDP structure, the share of direct tax revenues rose to 5.3% in Q4 2025, up 0.2 percentage points from 5.1% in Q4 2024. In Q4 2025, share of indirect tax revenues in GDP accounted for 12.4%, marking a 0.3 percentage point increase compared to 12.1% in Q1 2024.

With respect to **indirect taxes**, VAT revenues were predominant, accounting for 47.6% of total tax revenues in Q4 2025,



recording a 13.1% increase compared to the same quarter of the previous year. Pertaining to the VAT structure, VAT on import accounted for the most, followed by VAT on domestic supply. Compared to the corresponding quarter of the previous year, excise revenues were higher by 5.6%, while collection of customs duties grew by 14.0%.



With respect to **direct taxes**, a PIT revenue collection recorded an increase of 10.6%,

### 3.2. Budget Expenditures according to the Economic Classification

**Total budget expenditures** in Q4 2025, with participation of 33.5% of quarterly GDP, were lower by 0.4% compared to the same quarter of 2024.

**Current expenditures**, accounting for 30.8% of quarterly GDP, represented 91.9% of total expenditures and increased by 3.3% on an annual basis. As for current expenditures, wage and allowance expenditures increased by 9.9%, whereas goods and services expenditures decreased by 6% compared to the same quarter previous year.

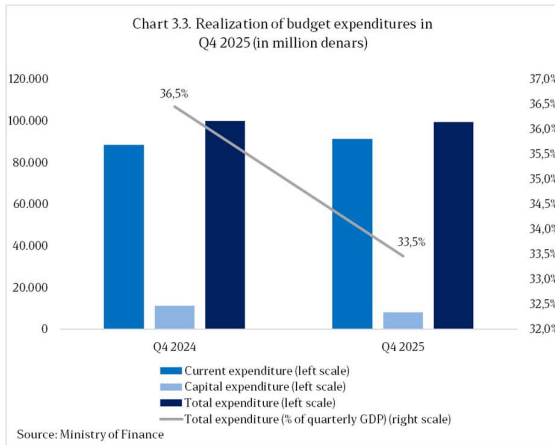
while the corporate income tax revenue collection an increase of 17.5%, compared to the same quarter of the previous year.

Collection of **social contributions** was higher by 8.4%, whereby increased collection was recorded with all contributions, i.e. with pension and disability insurance contributions by 8.4%, employment contributions by 8.5% and health insurance contributions by 8.4%.

In Q4 2025, **non-tax revenue collection**, accounting for 1.4% of the quarterly GDP, was 4.6% lower compared to the same quarter in 2024.

**Capital revenues** including revenues on the basis of construction land lease, sale of flats, as well as revenues on the basis of dividends, were lower by 39.2% on annual basis in Q4 2025. Revenues on the basis of **foreign donations** were higher by 94.2% compared to the same quarter of 2024.

Transfer funds, accounting for 68.2% of total expenditures, increased by 2.3% on an annual basis. Social transfers recorded growth of 12.6%, participating with 51.5% in the total expenditures. Pension expenditures, which account for the majority of social transfers, increased by 17.6%, representing 32.4% of total expenditures. Share in other transfers category, also incorporating the transfers to LGUs, accounted for 15.4% in the total expenditures, marking a 22.7% drop compared to the fourth quarter of 2024. Block and earmarked grants to local government units increased by 2.3%, while



subsidies and transfers were lower by 43.6% compared to Q4 2024.

### 3.3 Expenditures by Budget Users

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

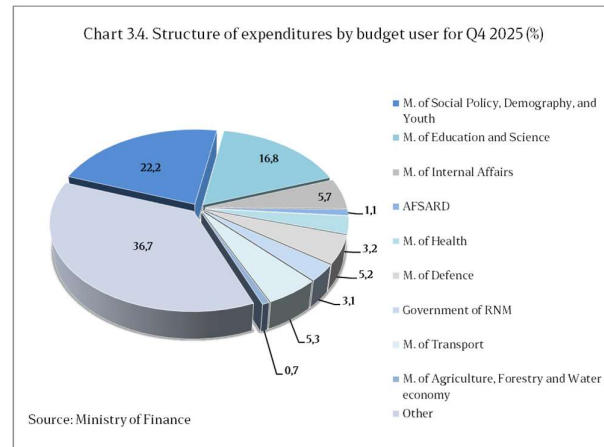
In Q4 2025, **Ministry of Social Policy, Demographics and Youth** executed funds in the amount of Denar 15,814 million or 21.0% of its total budget for the current year. Thereby, most of the expenditures (63.2%) were allocated for current transfers to Budget Funds, for which Denar 9,987 million was spent, i.e. 18.7% of the funds allocated for 2025. The second highest expenditure category was the social benefits, participating with 23.5% in the total expenditures, whereby 25.4% (Denar 3,721 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 11,933 million, representing 26.5% of its total 2025 Budget. Current transfers to LGUs accounted for the most of the expenditures (53.2%), Denar 6,343 million being spent

Interest-related expenditures increased by 19.8% on annual basis, where both domestic debt and foreign debt interest-related expenditures recorded an increase of 25.4% and 11.5%, respectively.

In Q4 2025, **capital expenditure execution**, accounted for 2.7% of the quarterly GDP, and their share in the total expenditures accounted for 8.1%.

therefore or 25.9% of total projected funds. Wages and allowances was the second most significant category, accounting for 22.4%, with Denar 2.674 million being spent therefore, i.e. 27.1% of the total projections.



In Q4 2025, **Government of Republic of North Macedonia** spent Denar 2,202 million, i.e. 48.9% of the funds projected for 2025. Thereby, subsidies and transfers accounted for 60.1% of total expenditures of this budget user, Denar 1,324 million (53.2%



of the projected funds) being spent therefore.

During the analysed period, **Ministry of Internal Affairs** executed expenditures in the total amount of Denar 4,049 million, accounting for 24.5% of its budget for 2025. Wages and allowances was the highest expenditure item, participating with 72.9%, Denar 2,950 million being spent therefor, accounting for 27.2% of the projected ones. The second highest expenditure category was Goods and services, participating with 12.8%, with funds in the amount of Denar 519 million being spent therefore, accounting for 19% of the annual projections.

In Q4 2025, **Ministry Agency for Financial Support in Agriculture and Rural Development** executed expenditures in the amount of Denar 781 million, accounting for 9.7% of the funds projected for the current year. As for subsidies and transfers, with a share of 90.1% of the total expenditures, 9.7% or Denar 704 million of the funds planned for the whole year, were spent therefore.

During Q4 2025, **Ministry of Health** executed budget funds in the amount of Denar 2,288 million, accounting for 26.9% of its 2025 total budget. Current transfers to Budget Funds accounted for the most of the expenditures with 47.1%, for which Denar 1,079 million were spent, accounting for 26.5% of the funds projected for 2025. Second highest item was Goods and services, Denar 959 million (26.3% of the projections for the year) being spent therefore, accounting for 41.9% of total expenditures.

During this period, **Ministry of Defence** executed budget funds in the amount of Denar 3,698 million, accounting for 18.1% of this year's total budget. Expenditures related to wages and allowances accounted for the most with 47.6%, Denar 1,758 million being spent therefore (accounting for 27.2% of the total funds projected for the current year). Goods and services accounted for 27.6% of total expenditures, Denar 1,021 million being spent therefore during the analysed period, i.e. 25.5% execution of the total projected funds.

In Q4 2025, **Ministry of Transport** executed funds in the amount of Denar 3,776 million, i.e. 22.5% of its total budget for the current year. Execution of capital expenditures, as main item, accounted for 93% of the total spent funds of this budget user (Denar 3,512 million or 22.6% of total projected funds).

During the analysed period, **Ministry of Agriculture, Forestry and Water Economy** executed funds in the amount of Denar 528 million, accounting for 27% of the funds projected for 2025. Wages and allowances (Denar 223 million) was convincingly the main category in the total expenditures of this budget user, accounting for 42.2% of its total expenditures, with 25.8% of the projected expenditures, being executed. As regards capital expenditures, they accounted for 27.4% of the total expenditures, Denar 145 million being spent therefore, accounting for 25.6% of the total budget for this purpose.

In this period, **Public Revenue Office** executed Denar 1,254 million, accounting



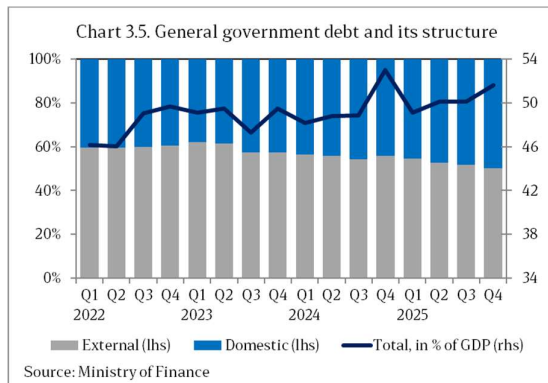
for 24.6% of the total budget for the current year. As for subsidies and transfers, as major item, 75.2% or Denar 942 million of the funds planned for the whole year, were spent therefore.

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

### 3.4. Budget Deficit and General Government Debt

In Q4 2025, the **consolidated budget deficit** amounted to Denar 7,438 million or 2.5% of GDP realized in this quarter, while central budget deficit amounted to Denar 3,818 million, i.e. 1.3% of quarterly GDP.

At the end of Q4 2025, the total **government debt** stood at 51.6% of GDP, showing an increase from its share of GDP compared to Q3 2025. Share of external debt in the total general government debt reduced by 1.7 p.p. compared to Q3 2025, accounting for 50.1%, while share of domestic debt increased correspondingly, accounting for 49.9% of the total government debt.



## 4. Inflation and Monetary Trends

**Inflation rate** was 4.2% in Q4 2025, measured according to CPI. Inflation moderately decreased by 0.2 percentage points compared to the previous quarter (4.4% in Q3 2025).

In Q4 2025, core inflation showed a slowdown in growth, although it remained the main contributor to overall inflation. The food component continued to make a significant contribution to inflation, with a moderate acceleration observed over the period.

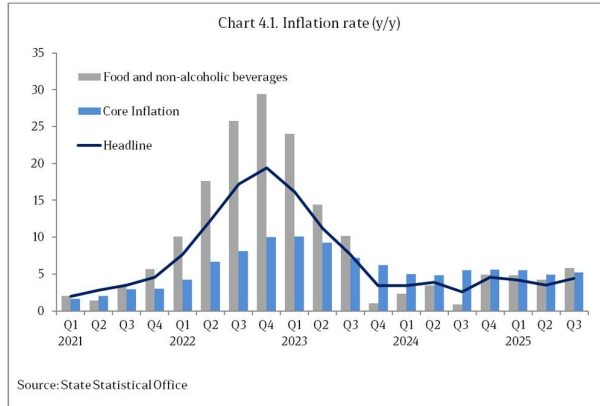
Core inflation decelerated by 0.8 percentage points compared to Q3 2025,

reaching 4.4% (from 5.2% in Q3 2025). The deceleration was primarily driven by lower air transport prices, while prices of coffee, tobacco, and hospitality services exerted upward pressures. Energy prices recorded moderate growth, while oil derivatives prices were following a downward trend.

Observed by categories, price growth in the Food and non-alcoholic beverages category in Q4 2025 accelerated marginally, reaching 5.9% (5.8% in the previous quarter). The increase in food prices resulted from upward movements



across all subcategories, with particularly pronounced rises in meat and egg prices.



Consumer price growth in Q4 2025 was also recorded in the categories, as follows: Recreation and culture by 7.1%, Alcoholic beverages, tobacco and narcotics by 5.8%, Furnishings, household equipment and routine maintenance of the house by 5.5%, Restaurants and hotels by 4.8%, Miscellaneous goods and services by 3.1%, Clothing and footwear by 2.6%, Health protection by 2.4%, Housing, water, electricity, gas and other fuels and Communication by 1.9%, each. Prices in the Education category decreased by 0.3%.

In Q4 2025, retail prices recorded a slowdown in growth, accounting for 3.2%.

Starting in December 2025, the National Bank introduced a new operational monetary framework, designating 7-day central bank bills with a 4% interest rate as the primary monetary policy instrument in

the fourth quarter of this year, replacing the previous seven-week instrument with a 5.35% interest rate. Under the new framework, banks were given the opportunity to place their excess liquidity with the National Bank at a seven-day maturity at a predetermined interest rate, within a clearly defined interest rate corridor for short-term operations. This measure enhances the clarity of monetary policy signalling, improves monetary transmission, and contributes to maintaining the stability of the financial system.

**Primary money**<sup>1</sup> recorded a growth of 6.4% on quarterly basis (a 1.2% drop was recorded in the previous quarter) as a result of increase of the total liquid assets by 7.2% and increase of currency in circulation by 5.5%.

In the fourth quarter of this year compared to Q4 2024, the primary money increased by 8.8% (in Q3 2025 an increase of 7.2% was recorded), due to increase of total liquid assets and currency in circulation growth by 6.8% and 10.8%, respectively.

In Q4 2025, the narrowest money supply M1<sup>2</sup> grew by 7.4% compared to the previous quarter. Monetary aggregate M2 increased by 6%, while the widest monetary aggregate M4 by 4.9% on quarterly basis.

Total **deposit potential**<sup>3</sup> of banks in Q4 2025 increased by 5.2% on quarterly basis,

<sup>1</sup> It incorporates currency in circulation (including cash in hand of banks), Denar and foreign currency reserve requirements and surplus of liquid assets over the reserve requirement (in Denars).

<sup>2</sup> Money supply M1 comprises currency in circulation and

deposit money. Monetary supply M2 comprises the money supply M1 and short-term deposits, whereas money supply M4 is comprised of money supply M2 and long-term deposits.

<sup>3</sup> Deposits also incorporate the calculated interest.



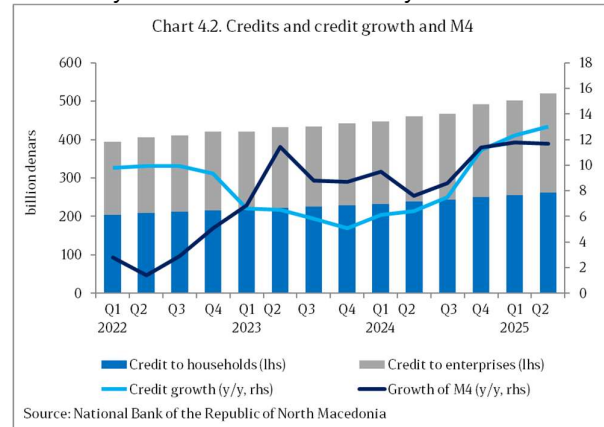
following the growth of 2.3% in the previous quarter. Analysed by sectors, deposits of enterprises increased by 5.3%, while deposits of households grew by 5.2%. From currency point of view, Denar and foreign currency deposits, compared to the previous quarter, increased by 7% and 2.3%, respectively.

Level of euroization picked up by 1.1 p.p. compared to the previous quarter, accounting for 38.5%, measured via the share of foreign currency deposits in the total deposit potential.

As regards maturity, in Q4 2025, share of long-term deposits in total deposit potential decreased by 0.9 p.p. compared to the previous quarter, accounting for 23.9% (accounting for 24.8% in Q3 2025). During the analysed period, short-term deposits increased by 4.2% on quarterly basis.

**Credit activity** of banks in Q4 2025 picked up by 4.9% on quarterly basis (credits increased by 1.9% in the previous quarter), driven by growth of credits to enterprises (7.1%) and credits to households (2.9%). From currency point of view, in Q4 2025, Denar credits picked up by 6.6%, and foreign

currency credits by 1.8%.

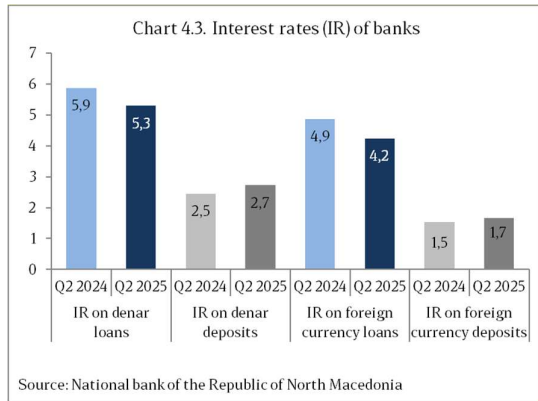


From maturity point of view, long-term credits experienced 4.5% growth, while short-term credits were higher by 9.4%, compared to the previous quarter.

In Q4 2025, **interest rate**<sup>4</sup> on Denar credits stood at 5.17%, decreasing by 0.12 p.p. compared to the previous quarter. Interest rate on foreign currency credits was 4.17% in Q4 2025, dropping by 0.05 p.p. compared to the previous quarter.

Interest rate on Denar deposits accounted for 2.71% in Q4 2025, dropping by 0.01 p.p. compared to the previous quarter, while interest rate on foreign currency deposits accounted for 1.66%, dropping by 0.01 p.p. compared to the previous quarter.

<sup>4</sup>Denar credits and deposits with a Forex clause are included in foreign currency credits and deposits.

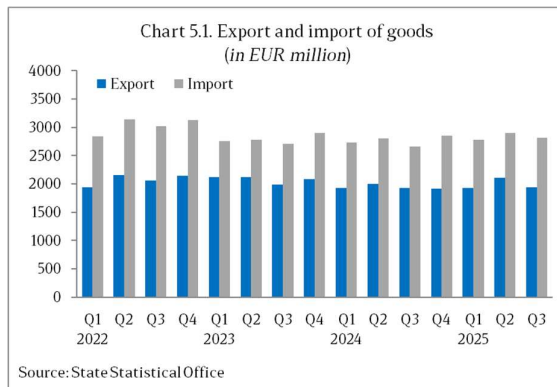


Interest rate on newly granted Denar credits in Q4 2025 accounted for 4.59%, while interest on newly granted foreign currency credits accounted for 3.78%. Interest rates of newly received Denar and foreign currency deposits accounted for 2.56% and 1.93%, respectively.

## 5. External Sector

### 5.1. Foreign Trade

According to the data of the State Statistical Office, total foreign trade amounted to EUR 5,059.8 million in Q4 2025, increasing by 5.9% compared to the same quarter in 2024.



**In Q4 2025, exports of goods** amounted to EUR 2,029.5 million, whereby compared to Q4 2024, it increased by 5.7%, while compared to the previous quarter, it grew by 4.9%.

Analysed by **SITC sectors** (Standard International Trade Classification), increases in export in Q4 2025, compared to

the same quarter in 2024, were registered across the following sectors:

- chemical products by 8.8% (wherein highest growth was seen at the category: non-organic chemical products by EUR 46.9 million, increased multiple times);
- machinery and transport equipment by 8.5% (electrical machines, devices and spare parts by EUR 33.5 million or 8.7%; road vehicles by EUR 13.2 million or 14.5%);
- beverages and tobacco by 43.4% (tobacco and tobacco products by EUR 17.9 million or 109.0%);
- miscellaneous manufactured articles by 0.3% (furniture and parts thereof by EUR 8.5 million or 8.0%);
- products classified by material growing by 2.6% (metal products increased by EUR 6.7 million or 25.4%) and
- animal and vegetable oils by 11.2% (fixed vegetable oils and fats, crude, refined or fractioned by EUR 0.5 million, accounting for 9.1%).



Declines in export were recorded across the following sectors:

- mineral oils and lubricants by 12.9% (within which highest drop was seen at the category electricity by EUR 11.4 million or 21.0%);
- food products by 4.4% (fruit and vegetables by EUR 7.7 million or 10.8%) and
- crude materials, except fuel, by 0.6% (Metal ore and metal scrap by EUR 1.8 million or 2.6%).

Observed by **economic purpose**, in Q4 2025, increase in exports was recorded at the following groups of products:

- industrial supplies by EUR 72.8 million, accounting for 8.3%;
- investment products without transport equipment by EUR 32.8 million, i.e. 12.7%, and
- transport equipment by EUR 19.2 million or 6.4%.

Decline of export was seen at the following groups of products:

- oils and lubricants by EUR 9.6 million, i.e. 13.8%;
- food and beverages by EUR 4,7 million, i.e. 2.6%; and
- consumer goods picking up by EUR 4.2 million, i.e. 1.8%.

**Import of goods** in Q4 2025 amounted to EUR 3,030.3 million, growing by 6.1% compared to Q4 2024, while, in relation to the previous quarter, it increased by 7.1%.

Analysed by **SITC sectors**, growth of import in Q4 2025, compared to Q4 2024 was seen at the following sectors:

- manufactured goods classified by material growing by 18.7% (wherein highest growth was seen at non-ferrous metals by EUR 162 million or 63%);
- machinery and transport equipment by 2.1% (road vehicles by EUR 23.3 million or 15.5%; office machines by EUR 19 million or 15.5%);
- miscellaneous manufactured articles by 2.7% (shoes by EUR 14.6 million or 134.4%);
- chemical products increasing by 8.1% (medical and pharmaceutical products surging by EUR 10.9 million or 15.2% and non-organic chemical products picking up by EUR 7.2 million or 13.2%),
- beverages and tobacco by 13.7% (tobacco and tobacco products by EUR 6.1 million or 51.5%);
- food products growing by 4.7% (meat and meat preparations increasing by EUR 5.3 million or 8.4% and dairy products and eggs increasing by EUR 4.4 million or 17.8%) and
- animal and vegetable oils by 5.2% (fixed vegetable oils and fats, crude, refined or fractioned by EUR 0.7 million, accounting for 3.6%).

Decline of import was seen at the following sectors:

- mineral oils and lubricants by 11.6% (wherein highest drop was recorded at the categories: electricity by EUR 27.6 million or 30.9%; petroleum and



- petroleum products by EUR 9.6 million or 5.2%) and
- o crude materials, except fuel, by 10% (metal ore and metal scrap by EUR 7.7 million or 32.1%).

Observed by **economic purpose**, in Q4 2025, growth of import was recorded at the following groups of products:

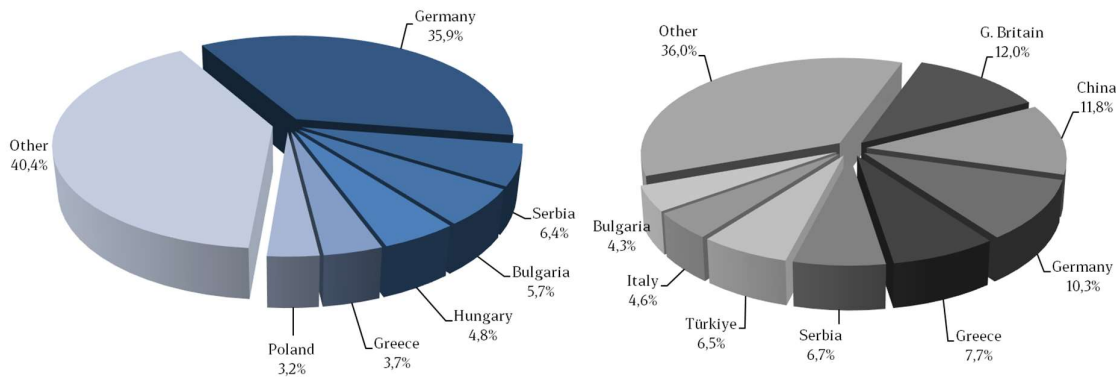
- o goods for industrial supplies by EUR 164.6 million or 14.2%;
- o transport equipment by EUR 37.9 million, accounting for 20.0%;
- o consumer goods by EUR 22.2 million or 6.9% and
- o food and beverages by EUR 14.7 million, i.e. 4.5%.

Decline of import was seen at the following groups of products:

- o oils and lubricants by EUR 37.0 million, i.e. 11.0%;
- o investment products without transport equipment by EUR 26.4 million, accounting for 5.1%.

In Q4 2025, foreign trade with the European Union (EU 27), in relation to Q4 2024, increased by 0.9%, whereby share of trade with the EU in the total foreign trade accounted for 57%, decreasing by 2.8 p.p. compared to the fourth quarter in 2024. Thereby, in Q4 2025 export of goods accounted for 74.5%, while import of goods accounted for 45.3%.

Chart 5.2. Countries with the largest share in the export (left) and import (right) in Q-4-2026



## 5.2. Balance of Payments

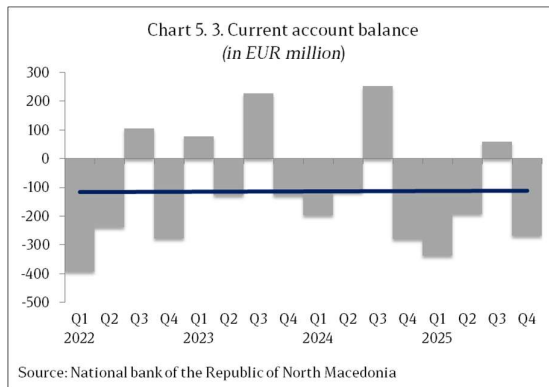
According to the data from the National Bank of the Republic of North Macedonia, deficit in the amount of EUR 268.1 million was recorded on the balance of payments **current account** in Q4 2025, accounting

for 5.5% of quarterly GDP, as opposed to the deficit of 6.3% of GDP, recorded in the same quarter of 2024.

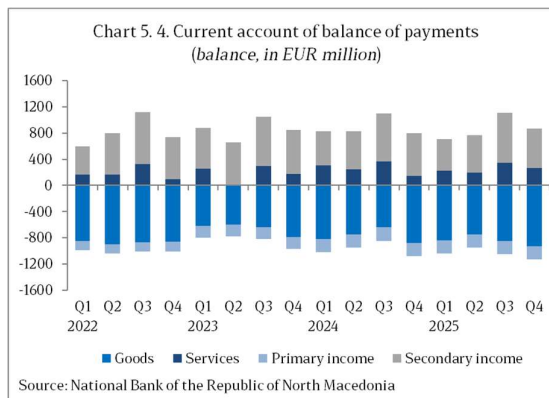
Analysed on annual basis, the current account deficit in Q4 2025 narrowed by



EUR 11.7 million, or 4.2%, entirely reflecting a substantial increase of 83.9% in the surplus of the services account. A widening of the deficits on the goods (by 5.8%) and primary income accounts (by 1.1%), as well as a narrowing of the surplus on the secondary income account (by 8.3%), had an offsetting effect.



In Q4 2025, **trade deficit** dropped by EUR 51.2 million on annual basis, narrowing by 0.5 percentage points on annual basis, i.e. accounting for 19.3% of quarterly GDP.



Surplus on **services account** amounted to EUR 262.6 million in Q4 2025 and compared to the same quarter of 2024, it

surged by EUR 119.9 million. **Trade openness** of the Republic of North Macedonia in Q4 2025 accounted for 122.9% of quarterly GDP, being lower by 3.3 percentage points compared to Q4 2024.

**Primary income** account experienced EUR 200.7 million deficit in Q4 2025, increasing by EUR 2.3 million on annual basis.

Surplus on **secondary income** account in Q4 2025 amounted to EUR 602.3 million, being lower by EUR 54.6 million on annual basis. The decline was due to a narrowing across all transfer categories, with the most significant decrease recorded in current transfers, by EUR 45 million, or 7.2%.

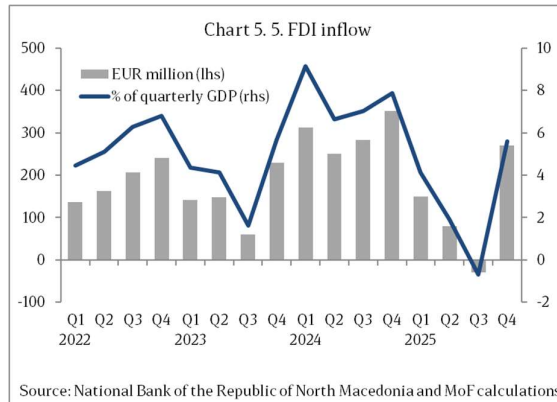
Surplus on the **capital account** in Q4 2025 amounted to EUR 1.2 million, as opposed to the surplus of EUR 10.6 million generated in Q4 2024. The deterioration of the capital account balance was mainly due to lower inflows of capital transfers.

In Q4 2025, **foreign direct investments (FDI)** in the country amounted to EUR 269.9 million, being lower by EUR 81.4 million compared to Q4 2024. The outflow of FDI in this period stems from outflows related to debt instruments and the reinvestment of profit of foreign capital companies, as well as on the basis of equity capital.

**Portfolio investments** in Q4 2025 amounted to EUR 129.5 million and,



compared to the same quarter in the previous year, they grew by EUR 60.1 million.



**Other investments** in Q4 2025 were negative, amounting to EUR 269.5 million. As regards the category other investments, currency and deposit account and the loans account amounted to EUR -182.6 million and EUR 47.2 million, respectively, while the trade credit and advance payments account recorded a negative balance of EUR 156.7 million.

**Reserve assets** amounted to EUR 4.9 billion at the end of the fourth quarter of 2025, decreasing by 2.1% compared to Q4 2024. At the end of Q4 2025, reserve assets provided for 4.8-month coverage of imports of goods and services in the previous 12-month period.