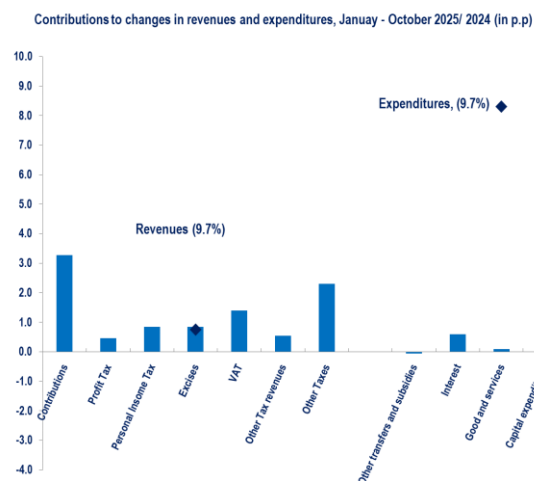
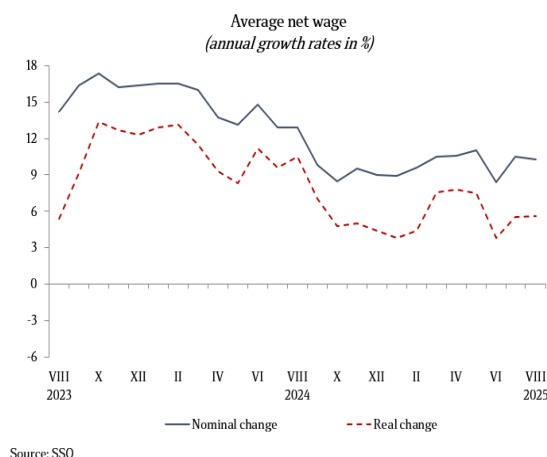




MONTHLY NEWSLETTER – OCTOBER 2025

- **Industrial production** in September 2025 increased by 2.7% annually. In the first nine months of 2025, industrial production grew by 2.3%, as a result of the growth in Manufacturing (3.7%) and Mining (0.6%), while Electricity, gas, steam and air conditioning supply dropped by 10.4%.
- **Inflation** in October 2025 recorded a 4.5% annual growth, up from 4.0% in September 2025. In January - October 2025, the inflation rate was 4.1%.
- In the first nine months of 2025, **exports** of goods grew by 2.0% on an annual basis, while **imports** of goods grew by 3.5%, which led to an increase of the **trade deficit** by 7.3% compared to the same period of 2024.



- In August 2025, **average net wage** recorded an annual growth of 10.3% in nominal terms and 5.6% growth in real terms. The average net wage amounted to Denar 45,310 (EUR 737), with the average gross wage amounting to Denar 68,180 (EUR 1,109).
- In September 2025, **credit activity** increased by 13.5% on an annual basis, with household lending up by 10.8% and lending to enterprises increasing by 16.5%. Total **deposits** were higher by 13.2% (y/y), reflecting growth in both household deposits by 13.6%, and corporate deposits by 12.8%.
- In the period January-October 2025, total budget revenues were realized 75.9% of the Revised Budget for 2025. **Budget revenues** grew by 9.7% y/y, whereby tax revenues picked up by 7 y/y, while social contributions increased by 9.6% y/y. Higher tax revenues were driven by PIT, VAT, excises, profit tax and import duties. Only other tax revenues recorded lower execution by 4%.
- Total expenditures in the period January-October 2025 were realized 74.6% of the Revised Budget for 2025. **Budget expenditures** increased by 9.7% y/y. Current expenditures surged by 9.3% y/y, while capital expenditures recorded higher execution by 15%. **Budget deficit** stood at 2.6% of MoF- projected GDP for 2025.



Key macroeconomic indicators and projections

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Real GDP growth, %	2.8	1.1	2.9	3.9	-4.7	4.5	2.8	2.6	3.0	3.5
Nominal GDP, million EUR	9,657	10,038	10,744	11,262	10,852	11,836	13,243	14,668	15,668	16,897
Average annual inflation, %	-0.2	1.4	1.5	0.8	1.2	3.2	14.2	9.4	3.5	3.9
Budget balance, % of GDP	-2.7	-2.7	-1.8	-2.0	-8.0	-5.3	-4.4	-4.6	-4.4	-4.0
General government debt, e.o.p., % of GDP	39.9	39.4	40.4	40.5	50.8	51.4	49.7	49.5	53.0	50.3****
Current account balance, % of GDP	-2.6	-0.8	0.2	-3.0	-2.9	-2.8	-6.1	0.3	-2.2	-4.0
Average unemployment rate, %	23.7	22.3	20.6	17.1	16.2	15.4	14.4	13.1	12.4	11.2
Average exchange rate MKD/EUR	61.6	61.6	61.5	61.5	61.7	61.6	61.6	61.6	61.5	61.5
Key monetary policy rate, %	3.73	3.27	2.92	2.29	1.65	1.29	2.46	5.84	6.13	5.37**
Foreign reserves, e.o.p., % of GDP	27.1	23.3	26.7	29.0	31.0	30.8	29.2	31.1	32.6	28.7***

*MoF projections, unless otherwise noted

**Actual for January-October 2025

***Actual for October 2025, ratio based on MoF projections

**** Actual for Q3 2025

Latest GDP and inflation estimates and forecasts

	Real GDP growth, % 2025	Average inflation, % 2025
IMF, WEO (October 2025)	3.4	3.9
European Commission (May 2025)	3.0	2.7
World Bank (October 2025)	3.1	3.8
National Bank (November 2025)	3.5	3.9
MoF, North Macedonia (November 2025)	3.5	3.9

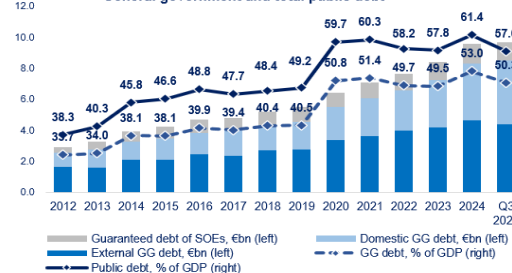
Credit rating, latest

	Rating	Outlook
Standard & Poor's, July 2025	BB-	Stable
Fitch, September 2025	BB+	Stable

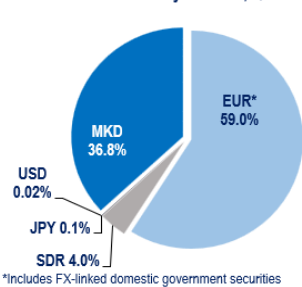
Budget revenues, expenditures and deficit



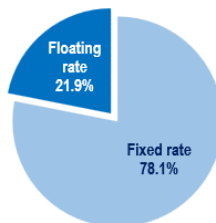
General government and total public debt



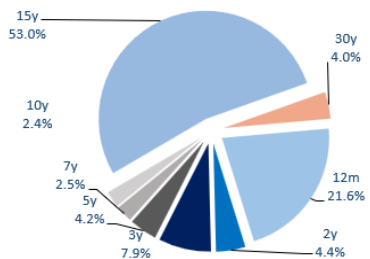
GG debt - Currency structure, Q3 2023



GG debt - Interest rate structure, Q3 2023



Domestic government securities - original maturity, October 2025



Domestic government securities, EUR m

Outstanding, October 31st 2025	4,031.3
- Of which without FX clause	3,150.2
- Of which with FX clause	881.1
Total planned net issuance for 2025	580.0
Of which net issued by October 2025	394.0

Yields on domestic government securities issued on the primary market during October 2025

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			3.86*	3.95					5.10	
With FX clause										

*weighted average interest rate

Republic of North Macedonia outstanding eurobonds, 31.10.2025

Maturity date	Rating		Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread vs. BM	Bid z-Spread vs. MS
	S&P	F						
Jun-26	BB-	BB+	€ 700	3.675%	99.99	3.643	179	155
Mar-28	BB-	BB+	€ 700	1.625%	95.02	3.883	192	172
Mar-27	BB-	BB+	€ 500	6.960%	103.99	3.856	117	112