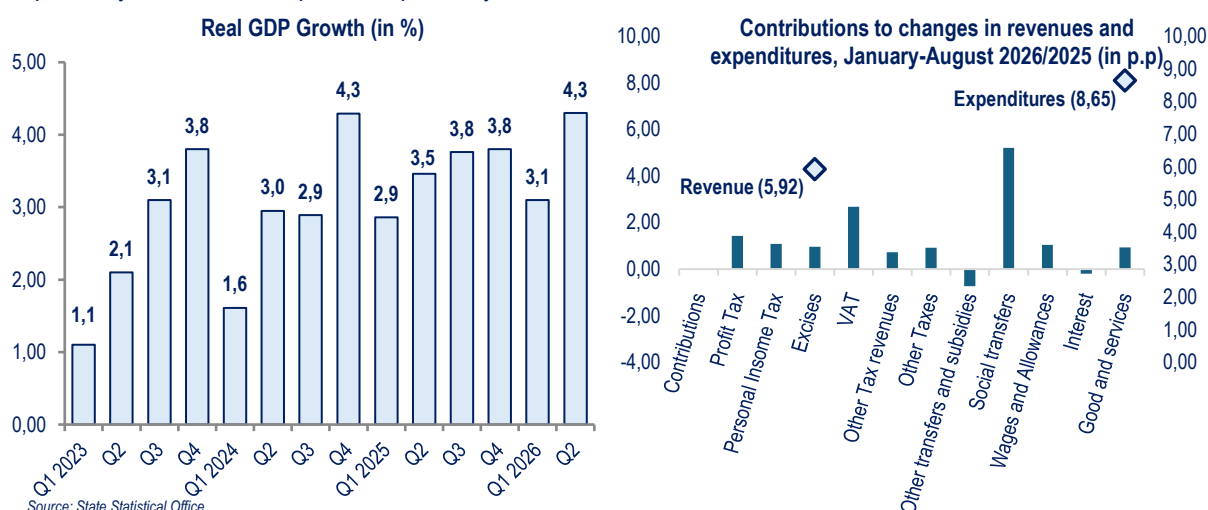




MONTHLY NEWSLETTER – August 2026

- The economic activity continued with its strong growth in the second quarter of 2026 as well, when real **GDP** registered an annual growth of 4,3%, thus reaching the joint highest growth in the post-covid period, i.e. in the last 5 years. The higher rate of economic growth is driven by the 2,4% growth in services (mostly as a result of the trade and transport), with construction recording a strong growth of 21,9% (as a result of high growth in civil engineering and specialized construction works), and industry increasing by 3,9%. From the expenditure approach, both private and public consumption had a positive contribution, as well as gross investment, which increased by 16,5%, while net export had a negative contribution. The growth in Q1 amounted to 3,1%, bringing the growth for the first half of the year to 3,7%.
- In Q2 2026, **unemployment rate** was 11,3% in the age category 15-74 and it has decreased by 0,2 p.p. compared to the same quarter last year. The **employment rate** was 46,6% in the age category 15-89, and compared to Q2 2025, it has increased by 0,4 p.p.
- Inflation** in August 2026 recorded a 2,6% annual growth, up from 2,3% in July 2026. In the first eight months of the year, the inflation rate was 3,7%.
- Industrial production** in July 2026 increased by 1,3% year-on-year, with the largest contribution coming from Manufacturing, which grew by 3,4%. In the first seven months of 2026, industrial production increased by 0,9%, while Manufacturing grew by 1,7%.
- Current account deficit** in Q2 2026 amounted to EUR 266 million, as a result of the deficit in trade of goods and in primary income, both of which widened compared to the same quarter last year. On the other hand, the services sector and the secondary income both recorded a surplus increase.
- FDI** in Q2 2026 amounted to EUR 56 million, decreasing by 29,0% compared to Q2 2025.
- In January-July 2026, **exports of goods** increased by 8,4%, while **imports** increased by 7,8%, which led to a 6,6% increase in the **trade deficit** compared with the same period in 2025.
- In January-June 2026, the **average net wage** recorded annual growth of 7,6% in nominal terms and 3,4% in real terms. In June, the average net wage amounted to Denar 48.381 (EUR 786), while the average gross wage amounted to Denar 72.785 (EUR 1.183).
- In July 2026, **credit activity** increased by 13,3% on an annual basis, with household lending up by 12,2% and lending to enterprises increasing by 14,5%. **Total deposits** were higher by 8,8% (y/y), reflecting growth in both household deposits by 11,1%, and corporate deposits by 2,9%.



- In the period January - August of 2026, total budget revenues were realized 60,8% of the Budget for 2026. **Budget revenues** increased by 8% y/y, whereby tax revenues increased by 8,7% y/y and social contributions increased by 7,4% y/y. Higher tax revenues were driven by PIT, profit tax, VAT and import duties. Lower tax revenues are observed in excises and other taxes.



- Total expenditures in the period January - August of 2026 were realized 63,2% of the Budget for 2026. **Budget expenditures** increased by 8,6% y/y. Current expenditures increased by 6,9% y/y and capital expenditures increased by 31,7% y/y. **Budget deficit** stood at 3,4% of MoF- projected GDP for 2026.

Key macroeconomic indicators and projections

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Real GDP growth, %	-0,5	2,9	3,6	3,9	2,8	1,1	2,9	3,9	-4,7	4,5	2,8	2,6	3,0	3,5	3,5
Nominal GDP, million EUR	7.585	8.150	8.562	9.072	9.657	10.038	10.744	11.262	10.852	11.836	13.243	14.668	15.668	16.950	18.239
Average annual inflation, %	3,3	2,8	-0,3	-0,3	-0,2	1,4	1,5	0,8	1,2	3,2	14,2	9,4	3,5	4,1	4,5
Budget balance, % of GDP	-3,8	-3,8	-4,2	-3,5	-2,7	-2,7	-1,8	-2,0	-8,0	-5,3	-4,4	-4,6	-4,4	-4,0	-3,5
General government debt, e.o.p., % of GDP	33,7	34,0	38,1	38,1	39,9	39,4	40,4	40,5	50,8	51,4	49,7	49,5	53,0	51,6	51,7***
Current account balance, % of GDP	-3,2	-1,6	-0,4	-1,8	-2,6	-0,8	0,2	-3,0	-2,9	-2,8	-6,1	0,3	-2,2	-4,4	-5,0
Average unemployment rate, %	31,0	29,0	28,0	26,1	23,7	22,3	20,6	17,1	16,2	15,4	14,4	13,1	12,4	11,5	11,0
Average exchange rate MKD/EUR	61,5	61,6	61,6	61,6	61,6	61,6	61,5	61,5	61,7	61,6	61,6	61,6	61,5	61,6	61,6
Foreign reserves, e.o.p., % of GDP	28,9	24,5	28,5	24,9	27,1	23,3	26,7	29,0	31,0	30,8	29,2	30,9	32,1	29,1	28,0**

*MoF projections, unless otherwise noted

**Actual for August 2026, ratio based on MoF projections

***As of June 30, 2026

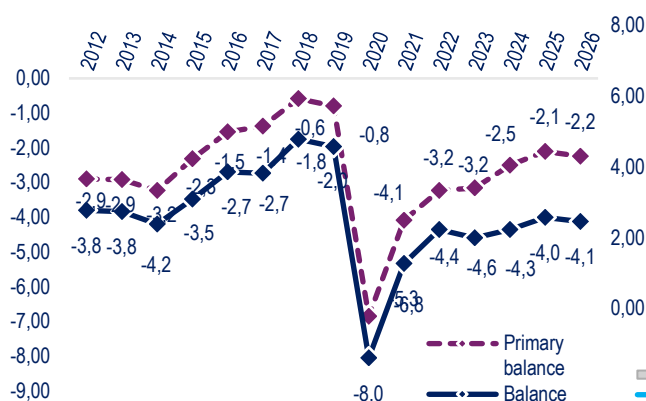
Latest GDP and inflation estimates and forecasts

	Real GDP growth, %		Average inflation, %	
	2026	2027	2026	2027
IMF, WEO (April 2026)	3.1	3.0	4.5	4.1
European Commission (May 2026)	3.2	3.1	4.4	3.1
World Bank (April 2026)	2.9	3.0	3.4	2.7
National Bank (April 2026)	3.5	3.8	4.0	3.0
MoF, North Macedonia (April 2026)	3.5	3.8	4.5	3.3

Credit rating, latest

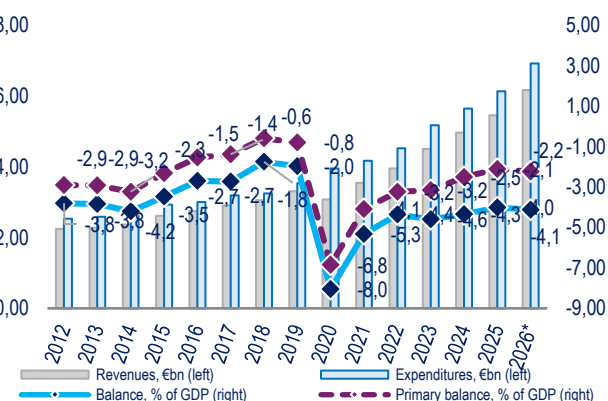
	Rating	Outlook
Standard & Poor's, April 2026	BB-	Stable
Fitch, September 2026	BB+	Stable

Budget balance (in % of GDP)



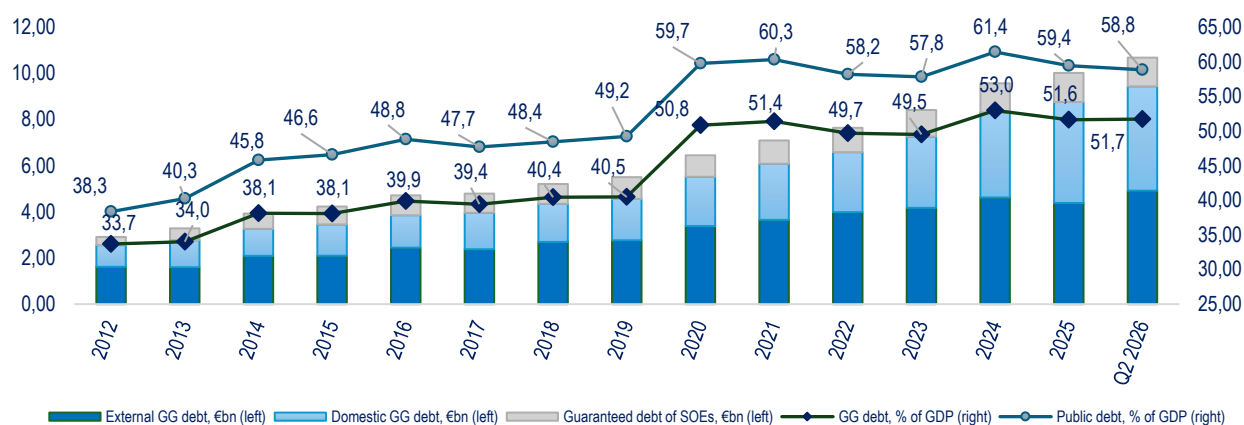
*Ratios using MoF GDP forecast for 2026

Budget revenues, expenditures and deficit



*2026 Budget data and MoF GDP forecast

General government and total public debt

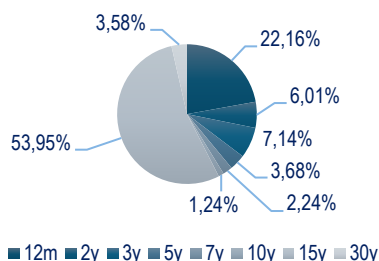


Starting Q2 2019, public debt also includes non-guaranteed debt of SOEs

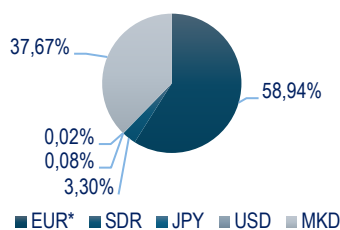
* Ratio using MoF - GDP forecast for 2025



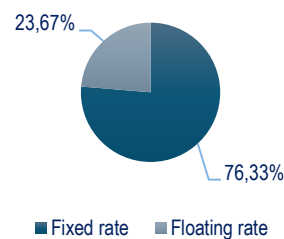
**Domestic government securities
- original maturity, August 2026**



**GG debt - Currency structure, Q2
2026**



**GG debt - Interest rate structure,
Q2 2026**



**Domestic government
securities, EUR m**

Outstanding, August 31st 2026	4.514,7
- Of which without FX clause	3.630,2
- Of which with FX clause	884,5
Total planned net issuance for 2026	380,0
Of which net issued by August 2026	312,5

Yields on domestic government securities issued on the primary market during August 2026

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			4,10						5,20	
With FX clause										

Republic of North Macedonia outstanding eurobonds, 31.08.2026

Maturity date	Rating		Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread		Bid z-Spread
	S&P	F					vs. BM	vs. MS	
Mar-28	BB-	BB+	€ 700	1,625%	95,97	4,425	158	133	
Mar-27	BB-	BB+	€ 500	6,960%	100,56	5,669	226	218	
Jan-30	BB-	BB+	€ 500	3,875%	98,14	4,471	153	130	
Jan-34	BB-	BB+	€ 500	4,750%	98,28	5,030	196	178	