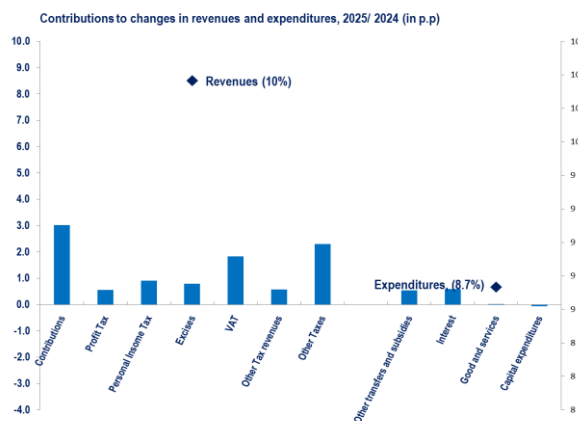
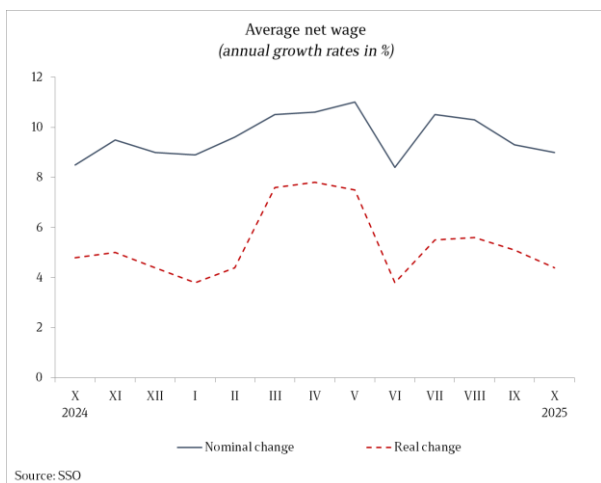




MONTHLY NEWSLETTER – December 2025

- **Industrial production** in November 2025 decreased by 2.8% annually. In January-November 2025, industrial production grew by 1.9%, as a result of the growth in Manufacturing (2.8%), while Electricity, gas, steam and air conditioning supply dropped by 7.4%.
- **Inflation** in December 2025 recorded a 4.1% annual growth, up from 4.0% in November 2025. In 2025 overall, the inflation rate was 4.1% as well.
- In January-November 2025, **exports** of goods grew by 2.5% on an annual basis, while **imports** of goods grew by 3.8%, which led to an increase of the **trade deficit** by 7.0% compared to the same period of 2024.



- In October 2025, **average net wage** recorded an annual growth of 9.0% in nominal terms and 4.4% growth in real terms. The average net wage amounted to Denar 45,943 (EUR 747), with the average gross wage amounting to Denar 69,089 (EUR 1,123).
- In November 2025, **credit activity** increased by 12.7% on an annual basis, with household lending up by 11.1% and lending to enterprises increasing by 14.5%. Total **deposits** were higher by 11.0% (y/y), reflecting growth in both household deposits by 12.4%, and corporate deposits by 9.3%.
- In December 2025, The National Bank changed the tenor of its key monetary instrument, the central bank (CB) bills, shortening it to seven days. This change is part of a broader move to a new monetary policy operational framework, whose objective is to enhance the signaling mechanism of the CB bills as the key monetary policy instrument, enabling a more direct transmission of the monetary signals of the changes of the key policy rate to the money market rates. The interest rate of the **CB bills** was set at 4%.
- In 2025, total budget revenues were realized 92,1% of the Revised Budget for 2025. **Budget revenues** grew by 10% y/y, whereby tax revenues picked up by 8% y/y, while social contributions increased by 8.7% y/y. Higher tax revenues were driven by all taxes.
- Total expenditures in 2025 were realized 93% of the Revised Budget for 2025. **Budget expenditures** increased by 8,7% y/y. Current expenditures surged by 9,6% y/y, while capital expenditures recorded lower execution by 0,9%. **Budget deficit** stood at 4% 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	29.1***

*MoF projections, unless otherwise noted

**Actual for January-November 2025

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

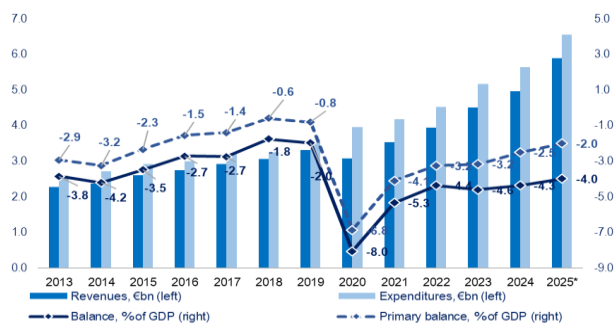
Latest GDP and inflation estimates and forecasts

	Real GDP growth, % 2025	Average inflation, % 2025
IMF, WEO (October 2025)	3.4	3.9
European Commission (November 2025)	3.2	3.9
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

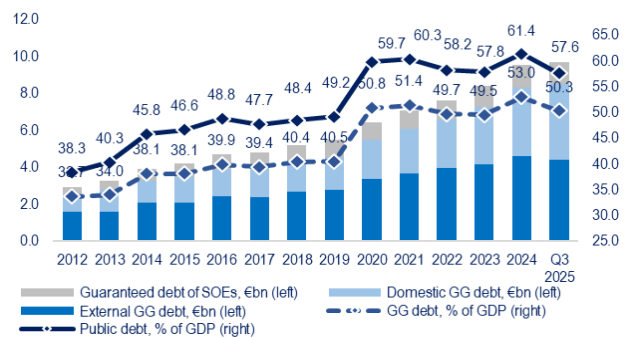
	Rating	Outlook
Standard & Poor's, July 2025	BB-	Stable
Fitch, September 2025	BB+	Stable

Budget revenues, expenditures and deficit



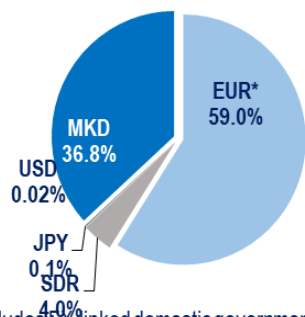
*2025 Budget data and MoF GDP forecast

General government and total public debt



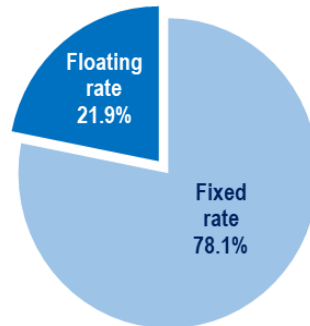
Starting Q2 2019, public debt also includes non-guaranteed debt of SOEs

GG debt - Currency structure, Q3 2025

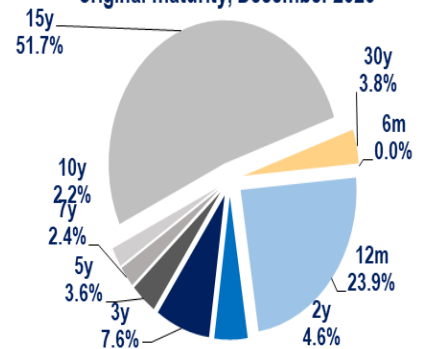


*Includes FX-linked domestic government

GG debt - Interest rate structure, Q3 2025



Domestic government securities - original maturity, December 2025



Domestic government securities, EUR m

Outstanding, December 31st 2025	4,201.8
- Of which without FX clause	3,321.5
- Of which with FX clause	880.3
Total planned net issuance for 2025	560.0
Of which net issued by December 2025	559.4

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

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			4.00	4.50						
With FX clause									4.85	

Republic of North Macedonia outstanding eurobonds, 31.12.2025

Maturity date	Rating S&P F	Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread vs. BM	Bid z-Spread vs. MS
Jun-26	BB- BB+	€ 700	3.675%	99.86	3.928	183	186
Mar-28	BB- BB+	€ 700	1.625%	95.11	4.014	191	173
Mar-27	BB- BB+	€ 500	6.960%	103.41	3.938	111	106