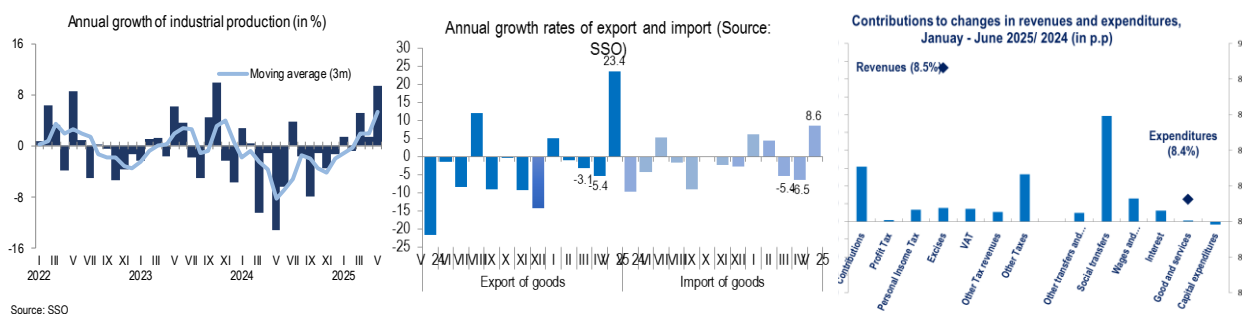




MONTHLY NEWSLETTER – JUNE 2025

- In the first five months of 2025, **export of goods** increased by 3.2% on annual basis, while **import of goods** grew by 1.0%, which led to a decrease of the **trade deficit** by 4.0% compared to the same period of 2024. The export is particularly strong in May 2025 (23.4% growth compared to the same month last year), suggesting a significant intensification of the export growth.
- Industrial production** in May 2025 increased by 9.4% annually. In the first five months of 2025, industrial production increased by 3.3%, mainly as a result of a 4.5% growth registered in Manufacturing. Mining grew by 1.2%, while Electricity decreased by 5.4%.



- Inflation** in May 2025 recorded a 3.3% annual growth. The annual inflation results from the increased food prices (4.9% annual growth), while the core inflation grew by 4.2%, which is a slowdown compared to previous month. In January – May 2025, the inflation rate was 3.7%.
- In the period January-April 2025, **average net wage** recorded an annual growth of 9.9% in nominal terms and a 5.9% increase in real terms. In April 2025, the average net wage amounted to Denar 45,452 (EUR 738), with the average gross wage amounting to Denar 68,294 (EUR 1,109).
- In May 2025, **credit activity** increased by 12.1% on an annual basis, with household lending up by 10.1% and lending to enterprises increasing by 14.3%. **Total deposits** were higher by 12.2% (y/y), reflecting growth in both household deposits by 13.0%, and corporate deposits by 12.4%.
- In the first half of the 2025, total budget revenues were realized 43,6% of the Budget for 2025. **Budget revenues** grew by 8.5% y/y, whereby tax revenues picked up by 4.7 y/y, while social contributions increased by 8.9% y/y. Higher tax revenues were driven by PIT, VAT, excises, profit tax and import duties. Only other tax revenues recorded lower execution by 16,2%.
- Total expenditures in the period January-June 2025 were realized 45.5% of the Budget for 2025. **Budget expenditures** increased by 8.4% y/y. Current expenditures surged by 9.3% y/y, while capital expenditures recorded lower execution by 2.4%. **Budget deficit** stood at 2.5% 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	2.1	2.8	3.7
Nominal GDP, million EUR	9,657	10,038	10,744	11,262	10,852	11,836	13,243	14,583	15,421	16,619
Average annual inflation, %	-0.2	1.4	1.5	0.8	1.2	3.2	14.2	9.4	3.5	2.8
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	49.8	53.8	50.1****
Current account balance, % of GDP	-2.6	-0.8	0.2	-3.0	-2.9	-2.8	-6.0	0.4	-2.3	-2.2
Average unemployment rate, %	23.7	22.3	20.6	17.1	16.2	15.4	14.4	13.1	12.4	11.1
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	5.38**
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	28.2****

*MoF projections, unless otherwise noted

**Actual for January-June 2025

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

****Actual for Q1 2025

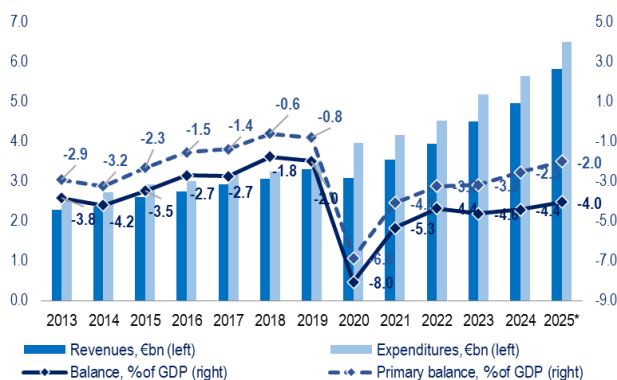
Latest GDP and inflation estimates and forecasts

	Real GDP growth, %		Average inflation, %	
	2024	2025	2024	2025
IMF, WEO (April 2025)	2.8	3.2	3.5	3.4
European Commission (May 2025)	2.8	3	3.5	2.7
World Bank (April 2025)	2.8	2.6	3.5	2.5
National Bank (June 2025)	2.8	3.0	3.5	3.0
MoF, North Macedonia (April 2025)	2.8	3.7	3.5	2.8

Credit rating, latest

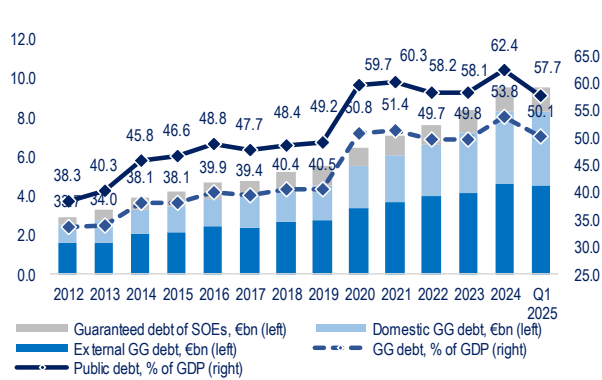
	Rating	Outlook
Standard & Poor's, January 2025	BB-	Stable
Fitch, March 2025	BB+	Stable

Budget revenues, expenditures and deficit



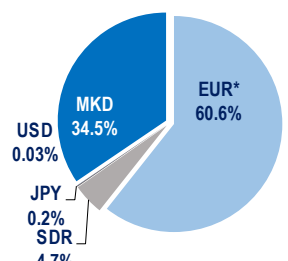
*2025 Budget data and MoF GDP forecast

General government and total public debt



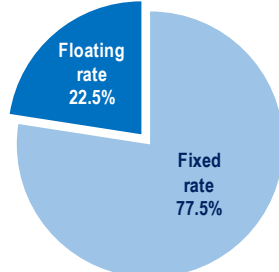
Starting Q2 2019, public debt also includes non-guaranteed debt of SOEs

GG debt - Currency structure, Q1 2025

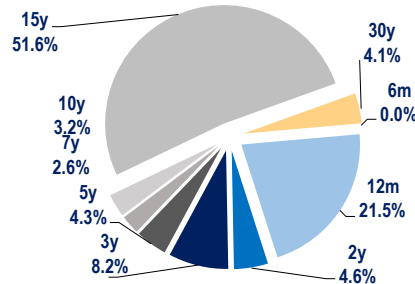


*Includes FX-linked domestic government

GG debt - Interest rate structure, Q1 2025



Domestic government securities - original maturity, June 2025



Domestic government securities, EUR m

Outstanding, June 30th 2025	3,914.2
- Of which without FX clause	3,023.7
- Of which with FX clause	890.5
Total planned net issuance for 2025	580.0
Of which net issued by June 2025	282.1

* includes roll-over of T-Bonds + net issuance of GS

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

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			3.25	3.40	3.50				5.10	
With FX clause									4.85	

Republic of North Macedonia outstanding eurobonds, 30.06.2025

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%	99.95	3.720	190	174
Mar-28	BB-	BB+	€ 700	1.625%	93.47	4.242	237	218
Mar-27	BB-	BB+	€ 500	6.960%	104.58	4.093	172	169