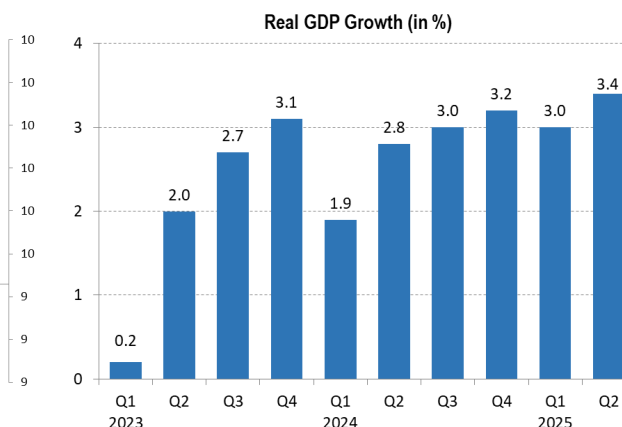
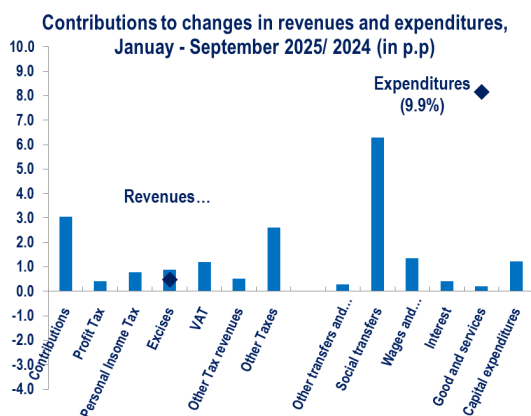




## MONTHLY NEWSLETTER – SEPTEMBER 2025

- The economic activity continued growing in the second quarter of 2025, when **real GDP** registered an annual growth of 3.4%, the highest growth rate in the last three years. The higher rate of economic growth is due to the growth in all sectors, including services (2,7%), industry (3,9%), construction (7,3%), and agriculture (1,8%). From the expenditure approach, private consumption and gross investment increased, while the net export and public consumption recorded a decrease. Previously, in the first quarter, GDP grew by 3.0%, bringing the GDP growth in the first half of the year to 3.2%.
- In Q2 2025, **unemployment rate** accounted for 11,5% in the age category 15-74 and it has decreased by 1.0 p.p. compared to the same quarter last year. The **employment rate** accounted for 46.2% in the age category 15-89, and compared to Q2 2024, it has increased by 0.6 p.p.
- Industrial production** in August 2025 decreased by 3.5% annually. In the first eight months of 2025, industrial production grew by 2.2%, as a result of the growth in Manufacturing (3.8%) and Mining (0.9%), while Electricity, gas, steam and air conditioning supply dropped by 11.3%.
- Inflation** in August 2025 recorded a 4.4% annual growth, down from 4.8% in July 2025. This month, annual inflation is driven by the core and food components. In January - August 2025, the inflation rate was 4.0%.
- In the first seven months of 2025, **exports** of goods grew by 3.1% on an annual basis, while **imports** of goods grew by 2.6%, which led to an increase of the **trade deficit** by 1.5% compared to the same period of 2024.



- The **current account** recorded a deficit of EUR 194 million in Q2 2025, increasing by 68.4% compared to the same quarter last year. The less favorable trend in the current account is a result of the reduced surplus on the services account (-24.3%) and secondary income account (-3.8%).
- Inward FDIs** amounted to EUR 75.9 million in Q2 2025, being lower by 69,6% compared to Q2 2024. However, Equity and reinvestment of earnings grew by 25,1%, amounting to EUR 145 million. On the other hand, debt instruments were in the negative zone, which led to the decline of total FDIs.
- In July 2025, **average net wage** recorded an annual growth of 10.5% in nominal terms and 5.5% growth in real terms. The average net wage amounted to Denar 45,276 (EUR 736), with the average gross wage amounting to Denar 68,102 (EUR 1,107).
- In August 2025, **credit activity** increased by 12.9% on an annual basis, with household lending up by 10.6% and lending to enterprises increasing by 15.4%. Total **deposits** were higher by 12.4% (y/y), reflecting growth in both household deposits by 12.4%, and corporate deposits by 14.5%.
- In the period January-September 2025, total budget revenues were realized 67,3% of the Budget for 2025. **Budget revenues** grew by 9.5% y/y, whereby tax revenues picked up by 6.5 y/y, while social contributions increased by 8.8% y/y. Higher tax revenues were driven by PIT, VAT, excises, profit tax and import duties. Only other tax revenues recorded lower execution by 2,1%.
- Total expenditures in the period January-September 2025 were realized 67,4% of the Budget for 2025. **Budget expenditures** increased by 9.9% y/y. Current expenditures surged by 9.3% y/y, while capital expenditures recorded higher execution by 17.5%. **Budget deficit** stood at 2.8% 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	51.1****
Current account balance, % of GDP	-2.6	-0.8	0.2	-3.0	-2.9	-2.8	-6.0	0.3	-2.2	-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	5.37**
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	28.6***

\*MoF projections, unless otherwise noted  
 \*\*Actual for January-September 2025  
 \*\*\*Actual for August 2025, ratio based on MoF projections  
 \*\*\*\*Actual for Q2 2025

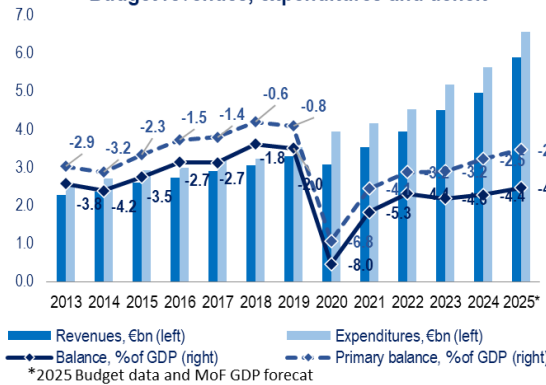
Latest GDP and inflation estimates and forecasts

	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	3.0	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

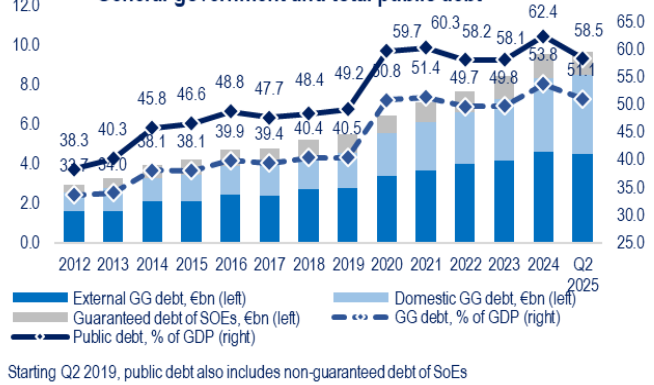
Credit rating, latest

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

Budget revenues, expenditures and deficit

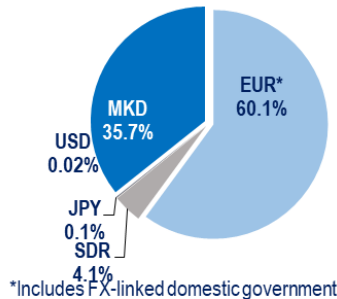


General government and total public debt

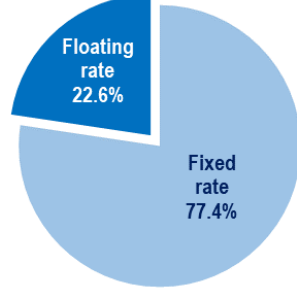


Starting Q2 2019, public debt also includes non-guaranteed debt of SOEs

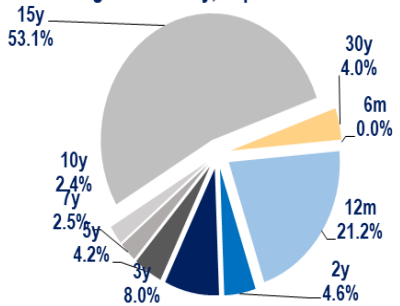
GG debt - Currency structure, Q2 2025



GG debt - Interest rate structure, Q2 2025



Domestic government securities - original maturity, September 2025



Domestic government securities, EUR m

Outstanding, July 31st 2025	3,836.0
- Of which without FX clause	2,956.5
- Of which with FX clause	879.5
Total planned gross issuance for 2024*	610.0
Total planned net issuance for 2025	580.0
Of which net issued by September 2025	369.6

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

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			3.33*	3.75					5.10	
With FX clause										

\*weighted average interest rate

Republic of North Macedonia outstanding eurobonds, 30.09.2025

Maturity date	Rating		Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread	
	S&P	F					vs. BM	vs. MS
Jun-26	BB-	BB+	€ 700	3.675%	99.83	3.895	199	179
Mar-28	BB-	BB+	€ 700	1.625%	94.15	4.198	219	199
Mar-27	BB-	BB+	€ 500	6.960%	103.97	4.050	144	138