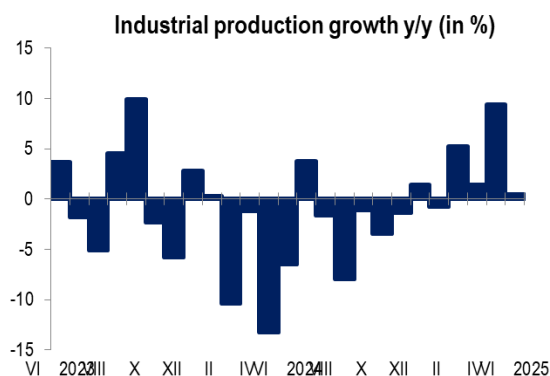


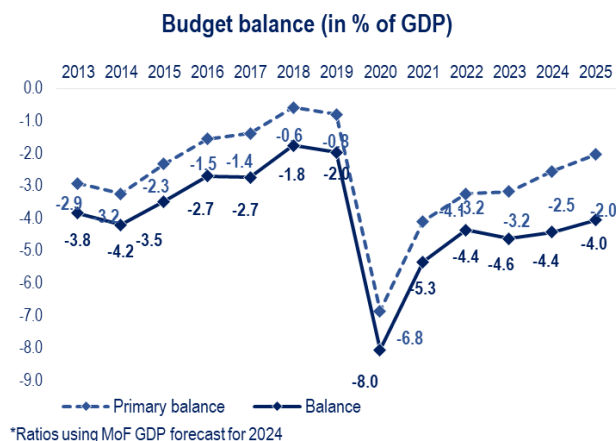


## MONTHLY NEWSLETTER – JULY 2025

- **Industrial production** in June 2025 increased by 0.5% annually. In the first half of 2025, industrial production grew by 2.8%, as a result of the growth in Manufacturing (4.0%) and Mining (2.2%), while Electricity, gas, steam and air conditioning supply dropped by 9.2%.
- **Inflation** in June 2025 recorded a 4.5% annual growth, up from 3.3% in May 2025. This month, annual inflation is driven by the core and food components, both of which recorded an acceleration. In January - June 2025, the inflation rate was 3.8%. In the same period, the core inflation increased by 5.2% (y/y), prices of food increased by 3.8% (y/y) and energy prices increased by 1.2% (y/y).
- In the first six months of 2025, **exports** of goods grew by 2.9% on an annual basis, while **imports** of goods grew by 2.4%, which led to an increase of the **trade deficit** by 1.1% compared to the same period of 2024.
- In May 2025, **average net wage** recorded an annual growth of 11.0% in nominal terms and 7.5% growth in real terms. The average net wage amounted to Denar 45,796 (EUR 743), with the average gross wage amounting to Denar 68,859 (EUR 1,117).
- In June 2025, **credit activity** increased by 13.0% on an annual basis, with household lending up by 10.3% and lending to enterprises increasing by 16.0%. Total **deposits** were higher by 12.9% (y/y), reflecting growth in both household deposits by 13.0%, and corporate deposits by 14.6%.



Source: State Statistical Office



- In the period January-July 2025, total budget revenues were realized 51,7% of the Budget for 2025. **Budget revenues** grew by 8.2% y/y, whereby tax revenues picked up by 5.1 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 15,2%.
- Total expenditures in the period January-July 2025 were realized 52.9% of the Budget for 2025. **Budget expenditures** increased by 9.6% y/y. Current expenditures surged by 10.3% y/y, while capital expenditures recorded higher execution by 1.1%. **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	2.1	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	0.4	-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	28.3***

\*MoF projections, unless otherwise noted

\*\*Actual for January-July 2025

\*\*\*Actual for June 2025, ratio based on MoF projections

\*\*\*\*Actual for June 2025

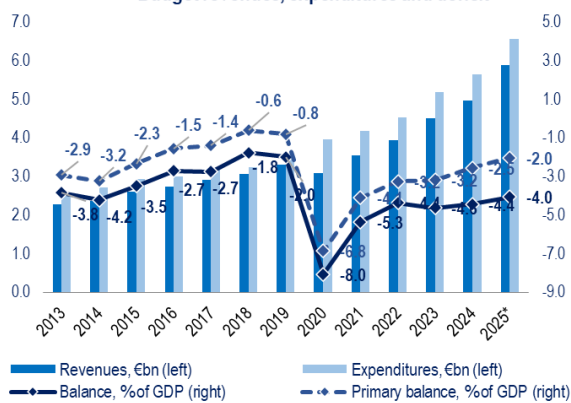
#### Latest GDP and inflation estimates and forecasts

	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, March 2025	BB+	Stable

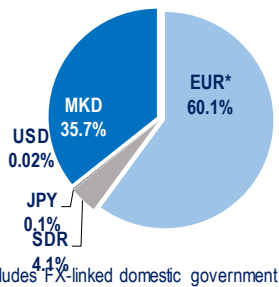
#### Budget revenues, expenditures and deficit



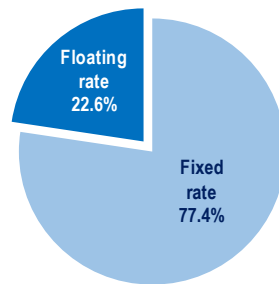
#### General government and total public debt



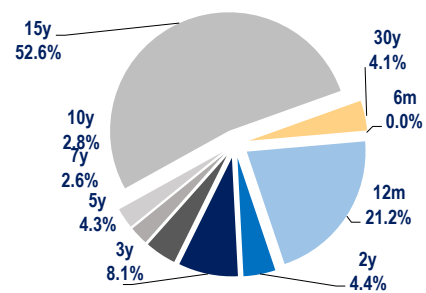
#### GG debt - Currency structure, Q2 2025



#### GG debt - Interest rate structure, Q2 2025



#### Domestic government securities - original maturity, July 2025



#### Domestic government securities, EUR m

Outstanding, July 31st 2025	3,939.5
- Of which without FX clause	3,054.1
- Of which with FX clause	885.4
Total planned gross issuance for 2024*	610.0
Total planned net issuance for 2025	580.0
Of which net issued by July 2025	305.5

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

#### Yields on domestic government securities issued on the primary market during July 2025

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

#### Republic of North Macedonia outstanding eurobonds, 31.07.2025

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%	99.85	3.834	198	180
Mar-28	BB-	BB+	€ 700	1.625%	93.64	4.262	230	210
Mar-27	BB-	BB+	€ 500	6.960%	104.45	4.023	154	149