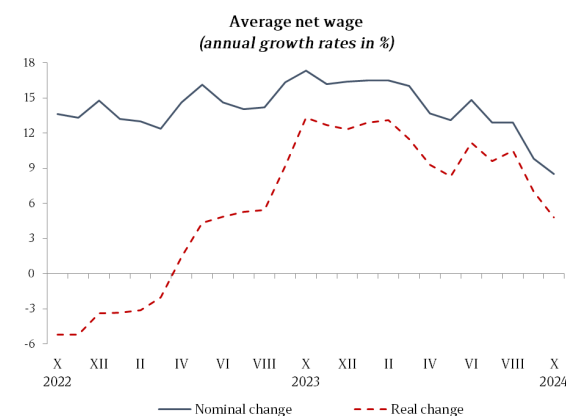


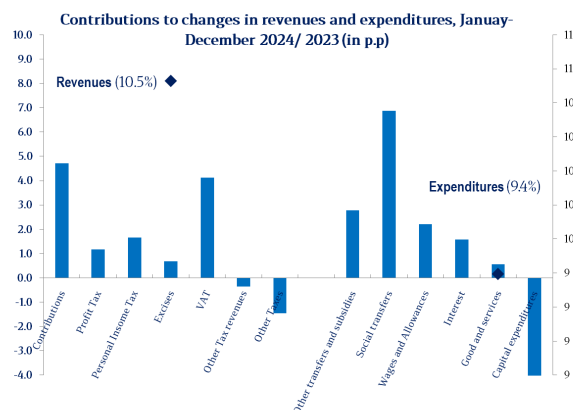


MONTHLY NEWSLETTER – DECEMBER 2024

- **Industrial production** in November 2024 decreased by 3.5% annually. In January - November 2024, industrial production dropped by 3.8%, due to the decline in all sectors, whereby Manufacturing decreased by 1.4% compared to the same period of 2023.
- **Inflation** in December 2024 recorded a 4.4% annual growth, up from 4.3% in November 2024. The annual inflation results from the food component (5.1% growth) and the core inflation (5.5% annual growth). In 2024, the inflation rate was 3.5%.
- In the first eleven months of 2024, **exports** of goods dropped by 5.8% on annual basis, while **import** of goods decreased by 0.6%, which led to an increase of the **trade deficit** by 15.3% compared to the same period of 2023.



Source: SSO



- In October 2024, **average net wage** recorded an annual growth of 8.5% in nominal terms and a 4.8% growth in real terms. The average net wage amounted to Denar 42,134 (EUR 684), with the average gross wage amounting to Denar 63,392 (EUR 1,029).
- In November 2024, **credit activity** increased by 9.7% on annual basis, with household lending up by 8.2% and lending to enterprises increasing by 11.5%. Total **deposits** were higher by 11.0% (y/y), reflecting growth in both household deposits by 7.0%, and corporate deposits by 13.3%.
- In 2024, total budget revenues were realized 96.3% of the Supplementary Budget for 2024. **Budget revenues** grew by 10.5% y/y, whereby tax revenues picked up by 12.8% y/y, while social contributions increased by 14.1% y/y. Higher tax revenues were driven by PIT, profit tax, VAT, excises and import duties. Only other tax revenues recorded lower execution by 73.5%.
- Total expenditures in 2024 were realized 96.1% of the Supplementary Budget for 2024. **Budget expenditures** grew by 9.4% y/y. Current expenditures surged by 16.3% y/y, while capital expenditures recorded lower execution by 34.1%. **Budget deficit** stood at 4.4% of MoF- projected GDP for 2024, while primary deficit is 2.5% of MoF- projected GDP for 2024.



Key macroeconomic indicators and projections

	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Real GDP growth, %	2.8	1.1	2.9	3.9	-4.7	4.5	2.8	2.1	2.1
Nominal GDP, million EUR	9,657	10,038	10,744	11,262	10,852	11,836	13,243	14,583	15,550
Average annual inflation, %	-0.2	1.4	1.5	0.8	1.2	3.2	14.2	9.4	3.5**
Budget balance, % of GDP	-2.7	-2.7	-1.8	-2.0	-8.0	-5.3	-4.4	-4.6	-4.7
General government debt, e.o.p., % of GDP	39.9	39.4	40.4	40.5	50.8	51.4	49.7	49.8	49.3****
Current account balance, % of GDP	-2.6	-0.8	0.2	-3.0	-2.9	-2.8	-6.1	0.4	-2.1
Average unemployment rate, %	23.7	22.3	20.6	17.1	16.2	15.4	14.4	13.1	12.5
Average exchange rate MKD/EUR	61.6	61.6	61.5	61.5	61.7	61.6	61.6	61.6	61.6
Key monetary policy rate, %	3.73	3.27	2.92	2.29	1.65	1.29	2.46	5.84	6.16***
Foreign reserves, e.o.p., % of GDP	27.1	23.3	26.7	29.0	31.0	30.8	29.6	33.2	32.3****

*MoF projections, unless otherwise noted

**Actual for 2024

***Average monetary policy rate for January-November 2024

****Actual for November 2024, ratio based on MoF projections

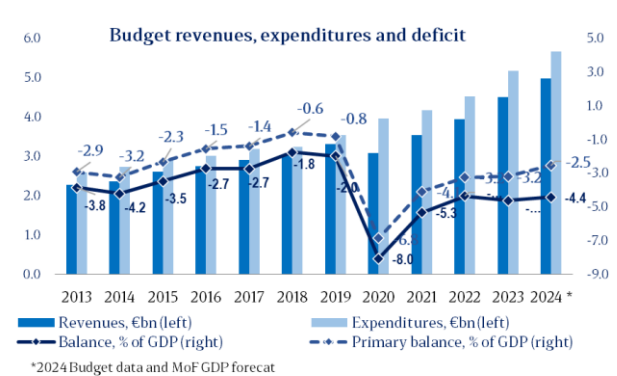
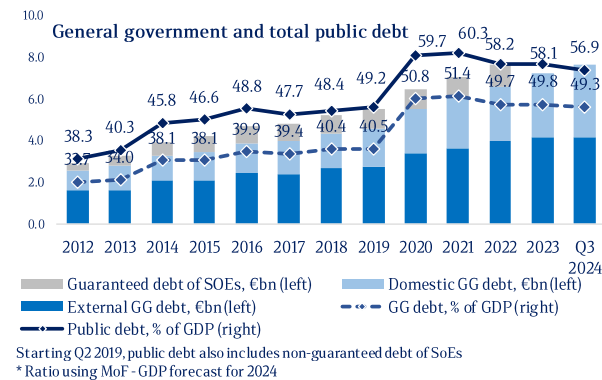
*****Actual for Q3 2024

Latest GDP and inflation estimates and forecasts

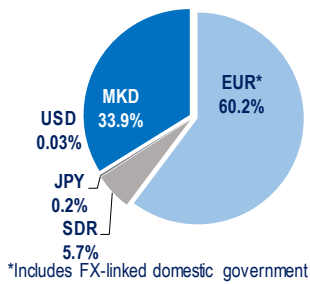
	Real GDP growth, %	Average inflation, %
	2024	2024
IMF, WEO (October 2024)	2.2	3.3
European Commission (November 2024)	2.0	3.4
World Bank (October 2024)	1.8	3.5
National Bank (November 2024)	2.3	3.5
MoF, North Macedonia (September 2024)	2.1	3.5

Credit rating, latest

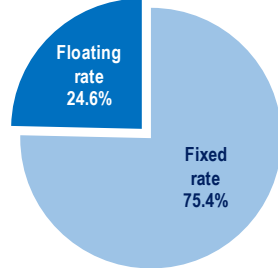
	Rating	Outlook
Standard & Poor's, July 2024	BB-	Stable
Fitch, October 2024	BB+	Stable



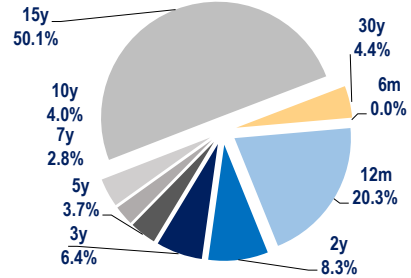
GG debt - Currency structure, Q3 2024



GG debt - Interest rate structure, Q3 2024



Domestic government securities - original maturity, December 2024



Domestic government securities, EUR m

Outstanding, 31st December 2024	3,642.3
- Of which without FX clause	2,757.3
- Of which with FX clause	885.0
Total planned net issuance for 2024	608.3
Of which net issued by December 2024	608.1

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

Yields on domestic government securities issued on the primary market during December 2024

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			3.80		3.95	4.20				
With FX clause										

Republic of North Macedonia outstanding eurobonds, 31.12.2024

Maturity date	Rating	Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread vs. BM	Bid z-Spread vs. MS
	S&P	F					
Jan-25	BB-	BB+	€ 500	2.750%	99.40	7.163	512
Jun-26	BB-	BB+	€ 700	3.675%	98.42	4.845	272
Mar-28	BB-	BB+	€ 700	1.625%	90.19	5.038	326
Mar-27	BB-	BB+	€ 500	6.960%	103.95	4.999	293