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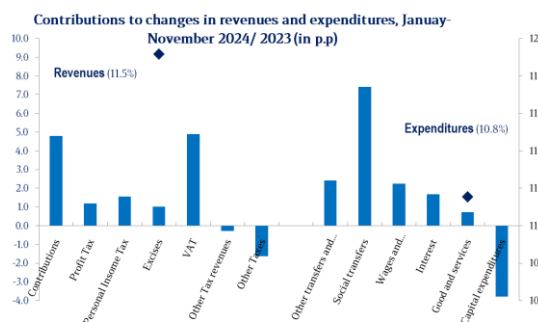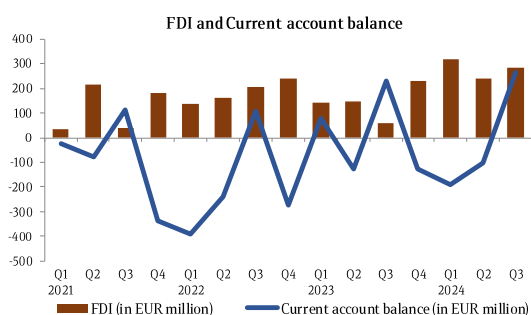![Republic of North Macedonia — Ministry of Finance]

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- The economic activity sped up in the third quarter of 2024, when **real GDP** registered an annual growth of 3.0%. The higher rate of economic growth is almost exclusively due to the growth in services (mainly as a result of the trade and transport), with construction and agriculture also registering a growth. On the other hand, the industry had a negative contribution to the GDP growth. From the expenditure approach, both private and public consumption had a positive contribution, with gross investment also increasing, though slightly. Both exports and imports stagnated in this quarter. Previously, in the first and the second quarter, GDP grew by 1.9% and 2.8%, bringing the average GDP growth in the first three quarters of the year to 2.6%.

- In Q3 2024, **unemployment rate** accounted for 12,3% in the age category 15-74 and it has decreased by 0.5 p.p. compared to the same quarter last year. The **employment rate** accounted for 46.1% in the age category 15-89, and compared to Q3 2023, it has increased by 0.4 p.p.

- **Inflation** in November 2024 recorded a 4.3% annual growth, up from 3.5% in October 2024. The annual inflation results from the food component (5.2% growth) and the core inflation (5.5% annual growth). In January - November 2024, the inflation rate was 3.4%.

- **Current account surplus** in Q3 2024 amounted to EUR 263.3 million (1.7% of MoF-projected GDP for 2024), as a result of the high amount of remittances and the trade in services surplus. In January - September 2024, the current account recorded a deficit of EUR 32.0 million, as opposed to the surplus recorded in the same period of the last year.

FDI and Current account balance

Contributions to changes in revenues and expenditures, January-November 2024/ 2023 (in p.p)

- The trend of strong FDIs continued in Q3 2024, when **inward FDIs** amounted to EUR 281.6 million, being almost 5 times higher compared to the same quarter last year. In January - September 2024, FDI amounted to EUR 838.2 million, increasing significantly by 140.6% compared to the same period in 2023.

- In the first ten months of 2024, **exports** of goods dropped by 5.5% on annual basis, while **import** of goods decrease by 0.5%, which led to an increase of the **trade deficit** by 14.9% compared to the same period of 2023.

- In September 2024, **average net wage** recorded an annual growth of 9.8% in nominal terms and a 7.0% growth in real terms. The average net wage amounted to Denar 41,585 (EUR 675), with the average gross wage amounting to Denar 62,573 (EUR 1,016).

- In the period January-November 2024, total budget revenues were realized 87.1% of the Supplementary Budget for 2024. **Budget revenues** grew by 11.5% y/y, whereby tax revenues picked up by 14.7% y/y, while social contributions increased by 14.4% y/y. Higher tax revenues were driven by PIT, profit tax, VAT, excises and import duties. Only other tax revenues recorded lower execution by 71.2%.

- Total expenditures in the period January-November 2024 were realized 84.5% of the Supplementary Budget for 2024. **Budget expenditures** grew by 10.8% y/y. Current expenditures surged by 16.4% y/y, while capital expenditures recorded lower execution by 32.9%. **Budget deficit** stood at 3.1% of MoF- projected GDP for 2024, while primary deficit is 1.3% of MoF- projected GDP for 2024.

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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	6,23**
Foreign reserves, e.o.p., % of GDP	27.1	23.3	26.7	29.0	31.0	30.8	29.6	33.2	31,6***

*MoF projections, unless otherwise noted
**Average monetary policy rate for January-October 2024
***Actual for November 2024, ratio based on MoF projections
****Actual for Q3 2024

Latest GDP and inflation estimates and forecasts

	Real GDP growth, % 2024	Average inflation, % 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

General government and total public debt

Budget revenues, expenditures and deficit

Starting Q2 2019, public debt also includes non-guaranteed debt of SoEs
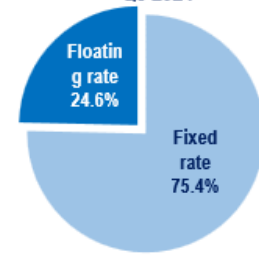* Ratio using MoF - GDP forecast for 2024

*2024 Budget data and MoF GDP forecast

GG debt - Currency structure, Q3 2024

GG debt - Interest rate structure, Q3 2024

Domestic government securities - original maturity, November 2024

*Includes FX-linked domestic government
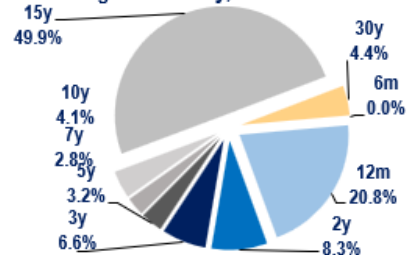
Domestic government securities, EUR m

Outstanding, 30th November 2024	3,656.7
- Of which without FX clause	2,775.8
- Of which with FX clause	880.9
Total planned net issuance for 2024	600.0
Of which net issued by November 2024	622.5

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

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

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			3.80	3.85	3.95				5.60	
With FX clause										

Republic of North Macedonia outstanding eurobonds, 30.11.2024

Maturity date	Rating S&P	Rating F	Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread vs. BM	Bid z-Spread vs. MS
Jan-25	BB-	BB+	€ 500	2.750%	99.36	7.706	512	493
Jun-26	BB-	BB+	€ 700	3.675%	98.37	4.814	272	259
Mar-28	BB-	BB+	€ 700	1.625%	89.74	5.115	326	301
Mar-27	BB-	BB+	€ 500	6.960%	103.84	5.114	293	277

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