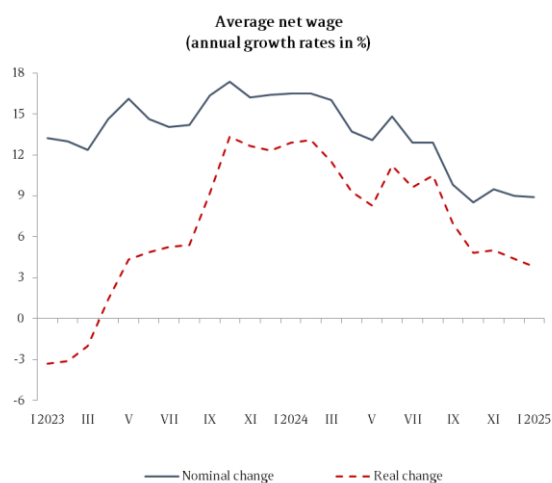


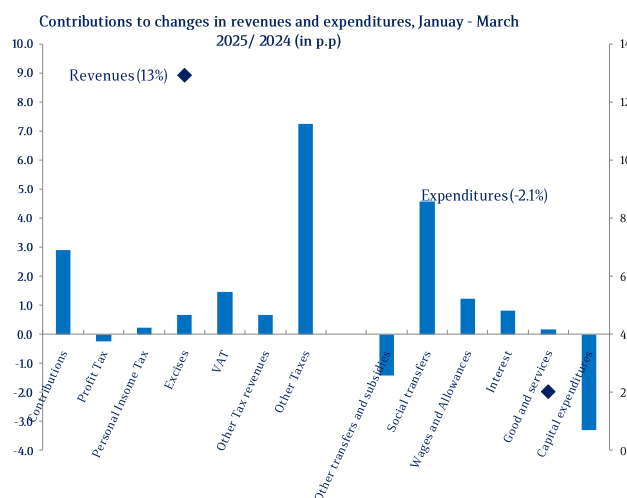


MONTHLY NEWSLETTER – MARCH 2025

- The minimum wage starting from March 2025 increased by 8.0% and amounts to Denar 24,379 (EUR 396).
- **Inflation** in February 2025 recorded a 5.0% annual growth, up from 4.9% in January 2025. The annual inflation results from the food component (5.9% growth) and the core inflation (5.8% annual growth). In January – February 2025, the inflation rate was 5.0%.
- **Industrial production** in February 2025 decreased by 0.8% annually. In the first two months of 2025, industrial production increased by 0.2%, as a result of a 2.9% growth registered in Manufacturing, while Mining and Electricity decreased.
- In January 2025, **exports** of goods grew by 5.1% on annual basis, while **import** of goods increase by 6.1%, which led to an increase of the **trade deficit** by 8.1% compared to the same month of 2024.
- In January 2025, **average net wage** recorded an annual growth of 8.9% in nominal terms and a 3.8% growth in real terms. The average net wage amounted to Denar 43,050 (EUR 699), with the average gross wage amounting to Denar 64,697 (EUR 1,050).
- In February 2025, **credit activity** increased by 11.5% on annual basis, with household lending up by 8.9% and lending to enterprises increasing by 14.3%. Total deposits were higher by 11.1% (y/y), reflecting growth in both household deposits by 13.1%, and corporate deposits by 7.4%.



Source:SSO



- In the first quarter of 2025, total budget revenues were realized 21.9% of the Budget for 2025. **Budget revenues** grew by 13% y/y, whereby tax revenues picked up by 4,9 y/y, while social contributions increased by 8.5% y/y. Higher tax revenues were driven by PIT, VAT, excises and import duties. Other tax revenues and profit tax recorded lower execution by 35.4% and 3% .
- Total expenditures in the first quarter of 2025 were realized 21.4% of the Budget for 2025. **Budget expenditures** increased by 2.1% y/y. Current expenditures surged by 5.8% y/y, while capital expenditures recorded lower execution by 39.6%. **Budget deficit** stood at 0.7% 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	16,611
Average annual inflation, %	-0.2	1.4	1.5	0.8	1.2	3.2	14.2	9.4	3.5	2.2
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	53.8****
Current account balance, % of GDP	-2.6	-0.8	0.2	-3.0	-2.9	-2.8	-6.1	0.4	-2.3	-1.8
Average unemployment rate, %	23.7	22.3	20.6	17.1	16.2	15.4	14.4	13.1	12.4	11.2
Average exchange rate MKD/EUR	61.6	61.6	61.5	61.5	61.7	61.6	61.6	61.6	61.5	61.6
Key monetary policy rate, %	3.73	3.27	2.92	2.29	1.65	1.29	2.46	5.84	6.13	5.42**
Foreign reserves, e.o.p., % of GDP	27.1	23.3	26.7	29.0	31.0	30.8	29.6	33.2	32.6	29.3**

*MoF projections, unless otherwise noted

**Actual for January-March 2025

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

****Actual for Q4 2024

Latest GDP and inflation estimates and forecasts

	Real GDP growth, %		Average inflation, %	
	2024	2025	2024	2025
IMF, WEO (October 2024)	2.2	3.6	3.3	2.3
European Commission (November 2024)	2.0	2.6	3.4	2.2
World Bank (January 2025)	2.4	3.0	3.5	2.8
National Bank (November 2024)	2.3	3.3	3.5	2.5
MoF, North Macedonia (September 2024)	2.1	3.7	3.5	2.2

Credit rating, latest

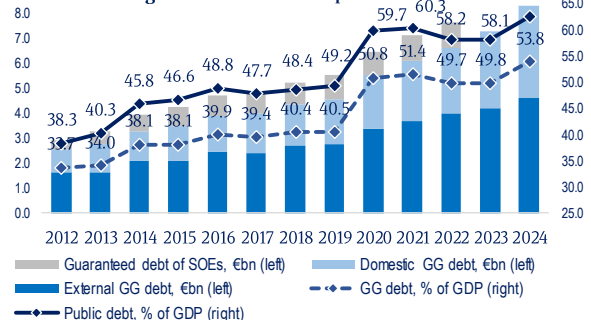
	Rating	Outlook
Standard & Poor's, January 2025	BB-	Stable
Fitch, October 2024	BB+	Stable

Budget revenues, expenditures and deficit



*2025 Budget data and MoF GDP forecast

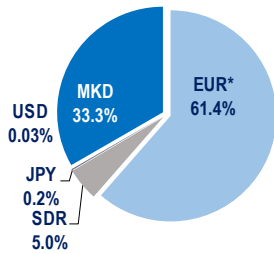
General government and total public debt



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

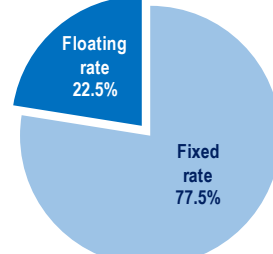
* Ratio using MoF - GDP forecast for 2024

GG debt - Currency structure, Q4 2024

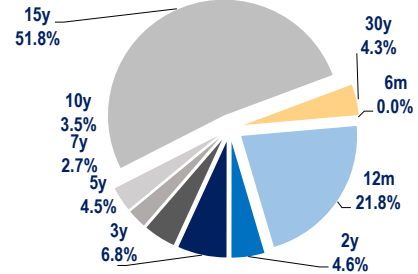


*Includes FX-linked domestic government

GG debt - Interest rate structure, Q4 2024



Domestic government securities - original maturity, March 2025



Domestic government securities, EUR m

Outstanding, 31st March 2025	3,747.6
- Of which without FX clause	2,864.9
- Of which with FX clause	882.7
Total planned net issuance for 2025	580.0
Of which net issued by March 2025	117.4

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

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

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

Republic of North Macedonia outstanding eurobonds, 31.03.2025

Maturity date	Rating		Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread	Bid z-Spread
	S&P	F					vs. BM	vs. MS
Jun-26	BB-	BB+	€ 700	3.675%	99.56	4.059	205	188
Mar-28	BB-	BB+	€ 700	1.625%	91.81	4.674	265	248
Mar-27	BB-	BB+	€ 500	6.960%	104.27	4.609	231	216