



SHORT-TERM ECONOMIC TRENDS



March 2025



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SUMMARY

OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

March 2025

- In March 2025, industrial production surged by 5.2%, compared to the same month last year.
- In March 2025, industrial producer prices on the domestic market were higher by 6.3% compared to the same month last year.
- In March 2025, the industrial turnover, compared to March 2024, recorded an increase by 1.8%.
- In March 2025, the inflation rate accounted for 2.7% on annual basis, almost reduced by half this month, recording a slowdown of growth (5.0% in February 2025). On monthly basis, inflation recorded a drop of 1.3%.
- Between January and March 2025, export recorded a minimal drop of 0.04%, while import grew by 1.3%, resulting in increase of the trade deficit by 4.4% compared to the same period in 2024.
- In the period January – March 2025, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 76,917 million, accounting for 21.4% of the 2025 projections, i.e. increase of 10.8% compared to collected budget revenues for the same period in 2024.
- Total budget expenditures were executed in the amount of Denar 85,772 million in the period January – March 2025, accounting for 21.4% of the annual projections, i.e. an increase of 2.0% compared to same period of 2024.
- Total credits of banks in March 2025 grew by 12.3% compared to March 2024, while total deposit potential of banks surged by 12.7%.



1. REAL SECTOR

Industrial Production

In March 2025, industrial production surged by 5.2%, compared to the same month last year. Growth was due to increased production in the following sectors: Manufacturing by 4.8% and Electricity, gas, steam and air-conditioning supply by 12.9%, whereas reduction in production was recorded in Mining and quarrying by 1.5%.

In March 2025, growth in production was registered at 13 out of total of 27 industrial branches, comprising 50,2% in the total industry.

In March 2025, with respect to branches with higher added value, an increase was recorded at the following branches: Production of metals by 6.7% with contribution of 0.2 percentage points, and Manufacture of electrical equipment by 15.1% with contribution of 1.1 percentage points, Manufacture of motor vehicles, trailers and semi-trailers by 7.1% with contribution of 1.2 percentage points, while drop was recorded only at Manufacture of machinery and equipment and by 27.0% and contribution of -1.5 percentage points.

Traditional branches in March 2025 recorded growth in production throughout the following branches: Manufacture of tobacco products by 51.5% and contribution of 0.5 percentage points, Manufacture of leather by 14.3% and contribution of 0.1 percentage points, Manufacture of wood and wood and cork products by 90.0% and contribution of 0.8 percentage points, whereas reduction in production was recorded in Manufacture of wearing apparel by 3.3% with contribution of -0.2 percentage points, Manufacture of beverages by 0.4% with contribution of 0.0 percentage points, Manufacture of textile by 13.5% and contribution of -0.6 percentage points, and Food industry by 4.1%, with contribution of -0.4 percentage points.

In March 2025, industrial production, categorized by the purpose of production units, increased compared to the same month last year across the following groups: Energy (picking up by 13.8% and contribution of 1.2 p.p.) and Intermediate goods, except energy (increase by 24.3%, contribution of 7.3 p.p.), while decreased in the groups as follows: Capital goods (dropping by 8.4% with contribution of -2.2 p.p.), Durable consumer goods (dropping by 8.6% and contribution of -0.4 p.p.) and Non-durable consumer goods (dropping by 3.0% and contribution of -0.9 p.p.).

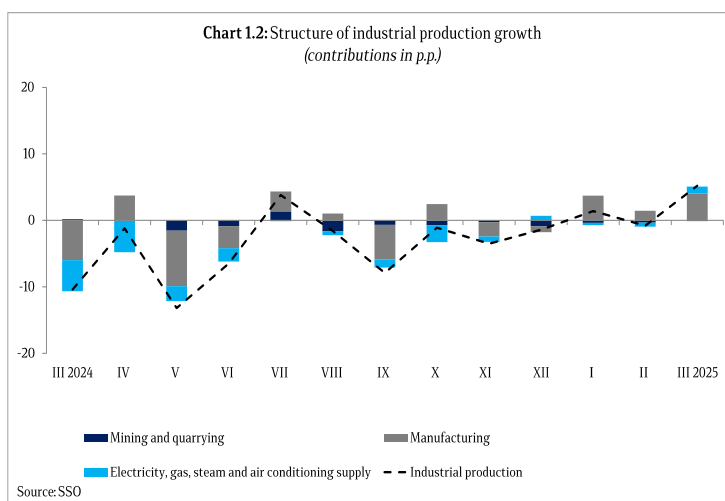
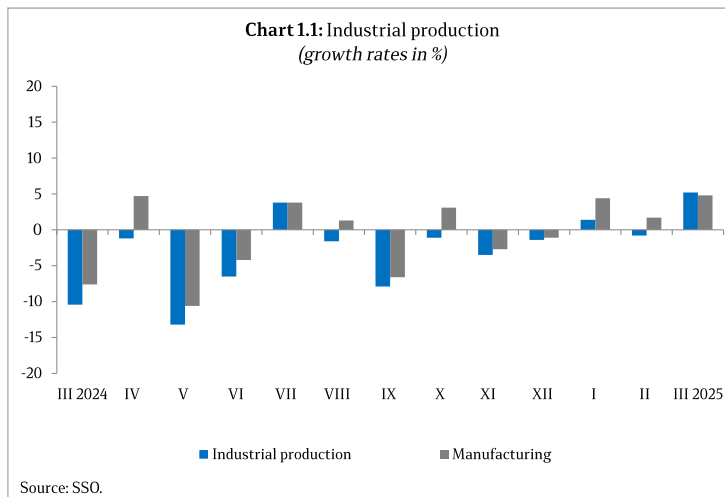
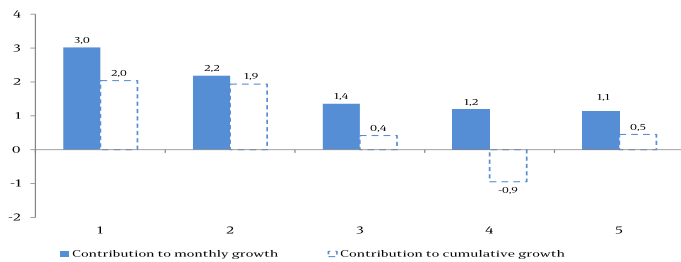




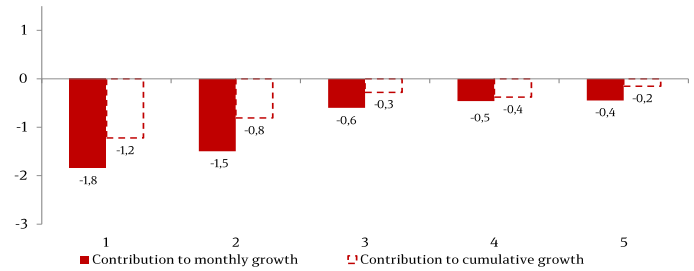
Chart 1.3a: Branches with positive contribution to growth
(growth rates in %, March 2025)



1 - Manufacture of other non-metallic mineral products
2 - Manufacture of rubber and plastic products
3 - Manufacture of chemicals and chemical products
4 - Manufacture of motor vehicles, trailers and semi-trailers
5 - Manufacture of electrical equipment

Source: SSO.

Chart 1.3b: Branches with negative contribution to growth
(growth rates in %, March 2025)



1 - Manufacture of fabricated metal products, except machinery and equipment
2 - Manufacture of machinery and equipment n.e.c.
3 - Manufacture of textiles
4 - Other manufacturing
5 - Manufacture of food products

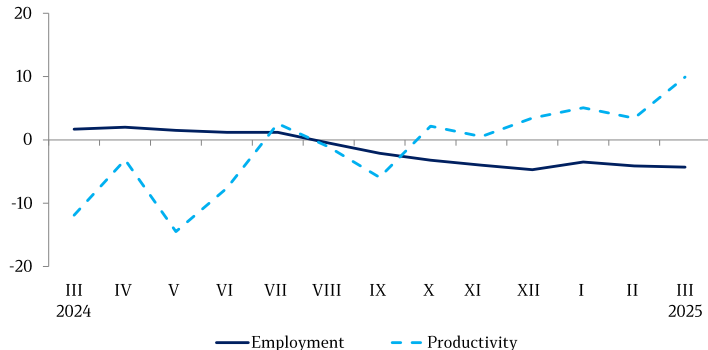
Source: SSO.

As per the purpose of production units, in the period January - March 2025, growth was recorded at the following groups: Intermediate goods except energy (by 17.8%), Consumer durables (by 7.2%), and Consumer non-durables (by 0.2%), whereas drop was recorded at groups: Energy (by 2.5%) and Capital goods (by 9.7%).

Number of Employees in the Industry

In March 2025, number of employees in the industry decreased by 4.3% compared to the same month in the previous year. Such decline was due to the reduced number of employees in all sectors, as follows: Mining and quarrying by 2.1%, Manufacturing by 4.5% and Electricity, gas, steam and air-conditioning supply by 1.8%. Increase in the number of employees was seen at the following branches: Manufacture of machinery and equipment, n.e.c. by 25.9%, Manufacture of basic pharmaceutical products and pharmaceutical preparations by 7.6%, and Manufacture of beverages by 4.4%.

Chart 1.4: Employment and productivity in industry
(growth rates in %)



Source: SSO; calculations by MF.

In March 2025, compared to the same month last year, data on the number of employees in the industry by target groups showed increase in the number of employees only at Consumer durables by 13.4%.

On cumulative basis, the number of employers in the industry in the period January – March 2025 recorded a drop of 3.9% due to the decreased number of employees throughout sectors: Mining and quarrying by 2.0%, Manufacturing by 4.2% and Electricity, gas, steam and air-conditioning supply by 1.6%.

As regards target groups, number of employees in the industry in the period January - March in 2025 increased only at Consumer durables by 17.8%.



Industrial producer prices on the domestic market

In March 2025, industrial producer prices on the domestic market were higher by 6.3% compared to the same month last year. Increase was due to raised prices throughout the following sectors: Manufacturing by 4.2%, Electricity, gas, steam and air-conditioning supply by 19.1% and Water supply; Sewerage, waste management and remediation activities by 4.8%. Sale prices in the Mining and quarrying sector remained unchanged.

In March 2025 compared to the same month in 2024, the industrial producer prices on the domestic market were higher in the groups as follows: Energy by 17.5%, Intermediate products, except energy by 4.5%, Consumer goods by 4.1% and Consumer non-durables by 4.4%.

In the period January – March 2025 compared to the same period last year, industrial producer prices on the domestic market were higher by 6.6% on cumulative basis, due to increased prices throughout the following sectors: Manufacturing by 4.2%, Electricity, gas, steam and air-conditioning supply by 20.7% and Water supply; Sewerage, waste management and remediation activities by 4.8%, whereas in the sector Mining and quarrying, the sale prices decreased by 0.7%.

In the period January – March 2025 compared to the same period in 2024, the industrial producer prices on the domestic market were higher in the groups as follows: Energy by 18.9%, Intermediate products, except energy by 3.0%, Consumer goods by 5.3% and Consumer non-durables by 5.6%.

Industrial turnover index

In March 2025, the industrial turnover, compared to March 2024, recorded an increase by 1.8% as per the State Statistical Office's data. Growth was due to the increased turnover in both Mining and quarrying by 4.3% and Manufacturing by 1.7%.

Chart 1.5: Growth of industrial producer prices on the domestic market

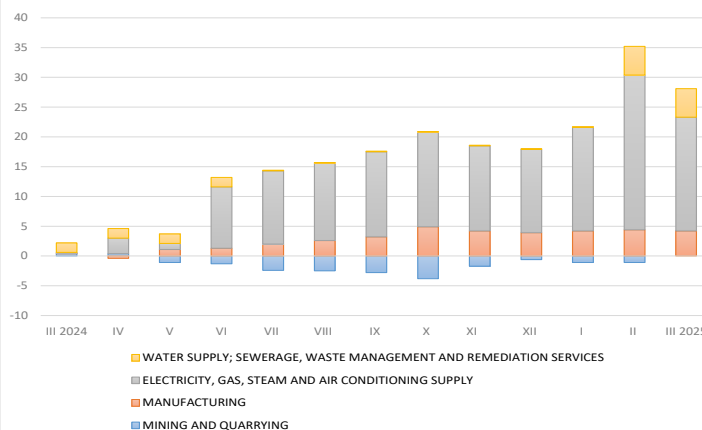


Chart 1.6: Growth of industrial producer prices on the domestic market by groups

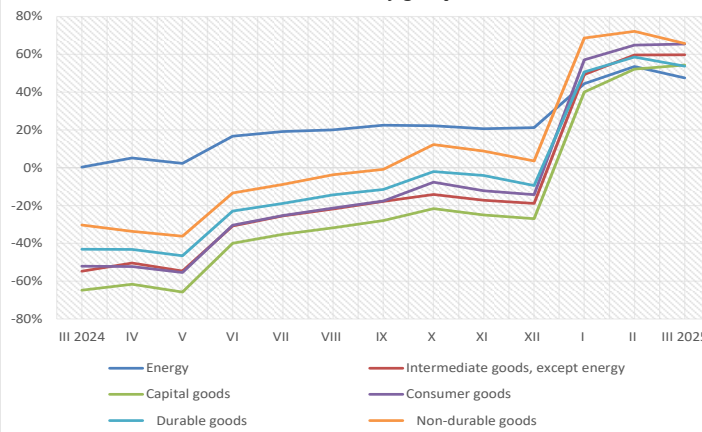


Chart 1.7: Growth of turnover in main industry groups





In March 2025 compared to the same month last year, industrial turnover increased in the groups as follows: Intermediate goods, except energy by 4.9%, Consumer durables by 0.6% and Consumer non-durables by 2.1%, while decline was registered only at the Capital goods group by 0.1%.

Branches with highest turnover growth in the industry in March 2025 compared to the same month last year were the following:

- Manufacture of other transport equipment (recording growth of 54.1%),
- Manufacture of tobacco products (recording growth of 39.8%) and
- Manufacture of electrical equipment (surging by 27.6%).

On cumulative basis, in the period between January and March 2025, compared to the same period last year, turnover in industry recorded an increase by 2.9%, due to increase in turnover in both sectors - Mining and quarrying sector and Manufacturing sector by 14.6% and 2.5%, respectively.

In the period between January and March 2025, compared to the same period in 2024, turnover increased throughout all groups: Intermediate goods, except energy – 7.2%, Capital goods – 1.6%, Consumer durables – 3.6%, and Consumer non-durables – 0.6%.

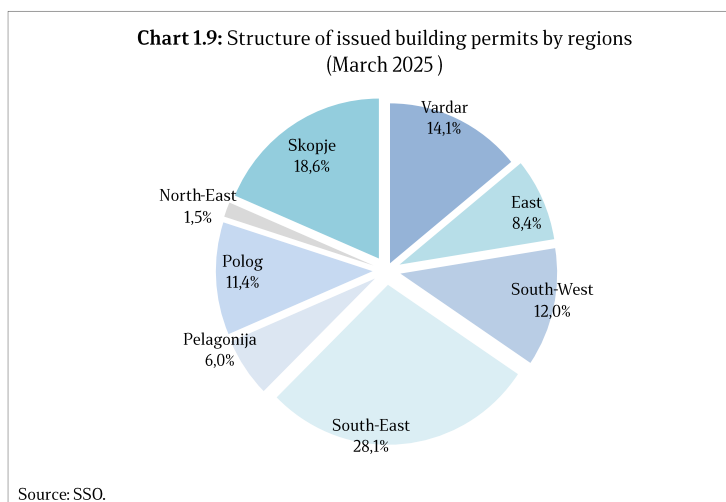
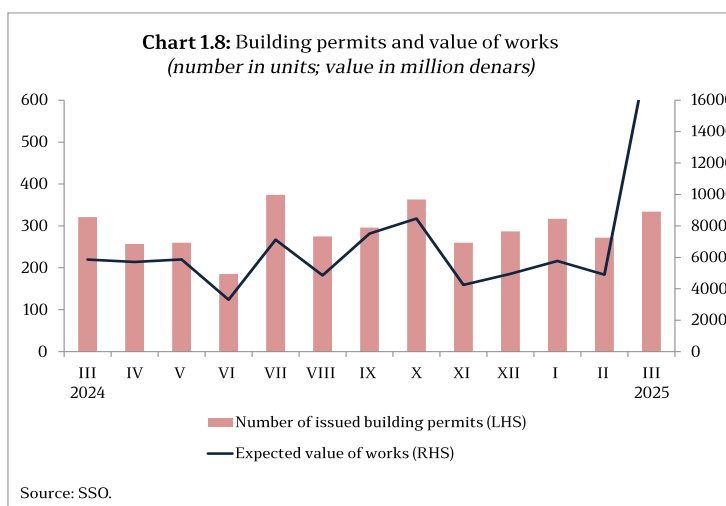
Number of Issued Building Permits and Expected Value of Constructions

In March 2025, 344 building permits were issued, increasing by 4.0% compared to the same month in 2024. This was due to the annual increase of issued building permits pertaining to reconstruction facilities by 18.1% (participating with 25.4% in the total number of issued building permits), while issued building permits pertaining to buildings dropped by 4.1%.

Compared to February 2025, number of issued building permits surged by 22.8%. Expected value of works, according to the issued building permits in March 2025, picked up by 244.2% on annual basis, while compared to the previous month, it experienced growth by 311.2%.

Analysed by types of constructions, out of the total number of issued building permits, 185 (or 55.4%) were intended for buildings, 64 (or 19.2%) with respect to civil engineering structures and 85 (or 25.4%) for reconstruction purposes.

Analysed by types of investors, out of total 334 issued building permits, individuals were investors in 149 facilities (or 44.6%), while business entities were investors in 185 facilities (or 55.4%).





In March 2025, construction of 685 flats was envisaged, with total usable area of 57,039 m². Number of flats envisaged for construction increased by 7.9% on monthly basis, dropping by 32.4% on annual basis.

Number of Completed Construction Works by Types of Constructions

Total value of performed construction works in February 2025 amounted to Denar 2,579 million, representing an annual growth of 34.1% in nominal terms, whereby buildings, civil engineering structures and specialized construction works grew by 117.3%, 1.1% and 94.4%, respectively. Compared to January 2024, total value of completed construction works recorded growth by 46.4%, picking up by 104.4% at buildings, increasing by 21.0% as regards civil engineering structures and picking up by 20.0% as regards specialized construction works. In cumulative terms, in the period January – February 2025, value of performed construction works amounted to Denar 4,341 million, being higher by 6.1% compared to the same period last year.

Most of the completed construction works pertain to civil engineering construction, wherein construction works amounting to Denar 2,522 million were completed during January – February 2025, i.e. being lower by 11.8% compared to the same period last year. During this period, the value of completed building construction works decreased by 46.5%, amounting to Denar 1,633 million, whereas the value of completed specialised construction works amounted to Denar 185 thousand, being higher by 59.8% as compared to the same period last year.

In real terms, in the period January – February 2025, value of completed construction works increased by 7.9%, with buildings and specialised construction works recording growth by 49.0% and 62.6% respectively, while recording a drop with civil engineering structures (by 10.3%).

Trade Sector Turnover

In March 2025, data on domestic trade demonstrated annual drop in

Chart 1.10: Expected total value of the constructions by regions
(in million denars)

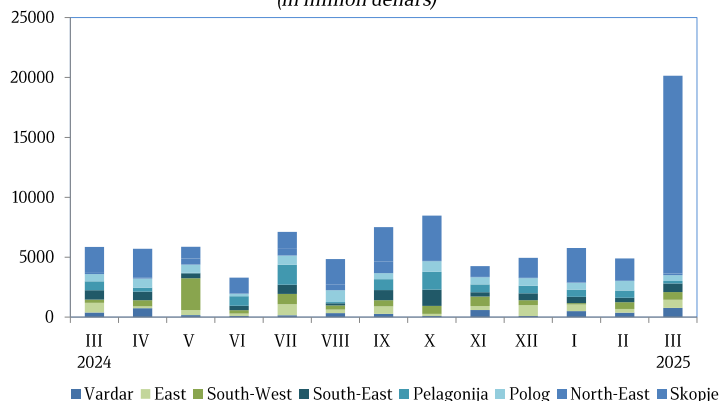


Chart 1.11: Completed construction works (million denars)

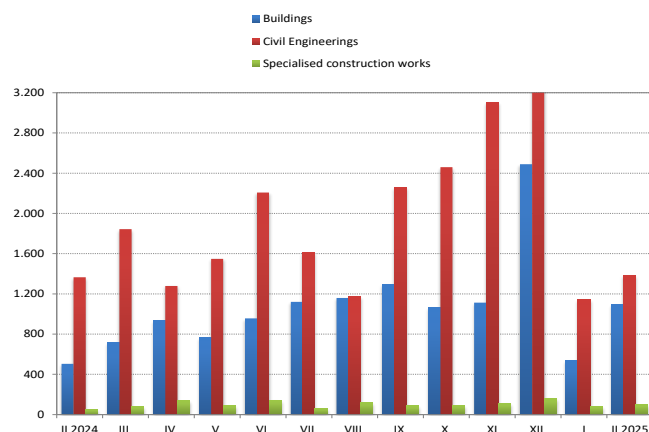
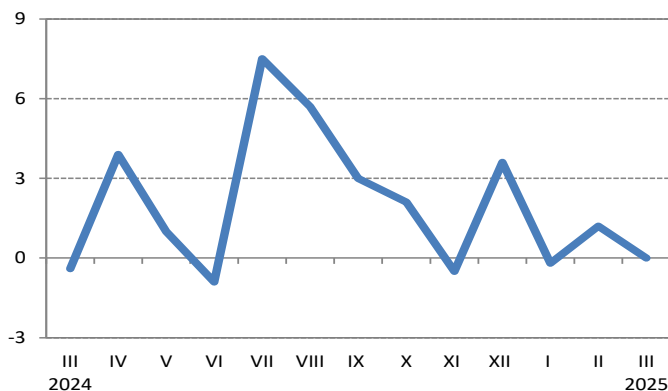


Chart 1.12: Retail trade, real annual change (%)





the turnover by 1.0% in nominal terms, following 4.1% growth in February 2025. Value of turnover in March 2025 amounted to Denar 64,757 million, whereby in cumulative terms, in the period January – March 2025, value of total turnover in the trade amounted to Denar 189,355 million, being by 2.2% higher compared to the same month in the previous year.

In the period January – March 2025, in cumulative terms, positive growth in turnover was also seen at the sectors: Wholesale trade, which turnover value amounted to Denar 102,728 million, i.e. higher by 2.4% compared to the same period last year, and Retail trade, which turnover value amounted to Denar 75,635 million, being 2.9% higher compared to the same period last year, whereas drop was recorded at Trade in motor vehicles and repair, which turnover value amounted Denar 10,992 million, being lower by 4.6% compared to the same period last year.

In real terms, retail trade in March 2025 has recorded no change, while analysed by groups and classes, increase was also seen in the groups: Retail in food products, beverages and tobacco by 1.3%, and Retail trade in automotive fuels by 0.4%, whereas decrease only in the Retail trade in non-food products by 2.3%.

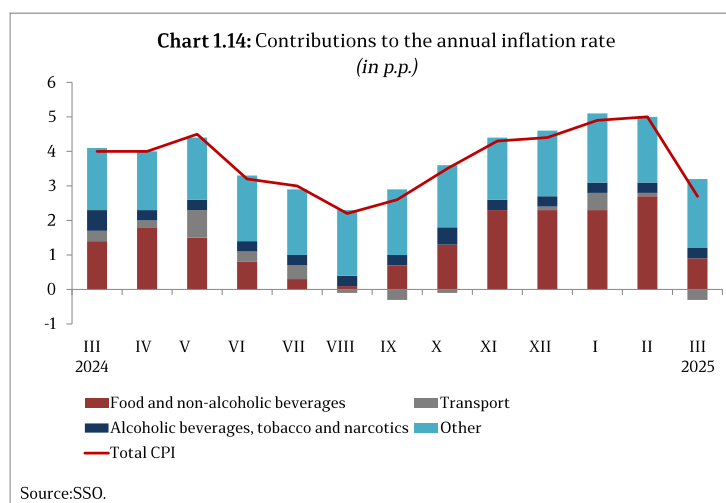
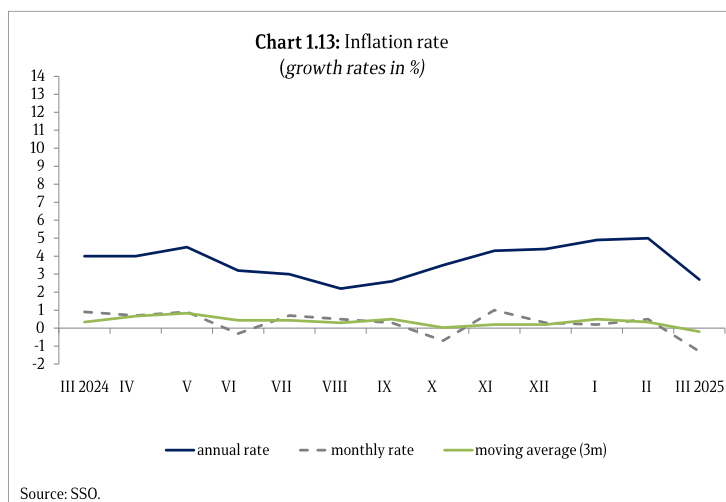
In March 2025, Wholesale trade (54.1%) accounted for the most in the Trade sector, followed by Retail trade (39.3%) and Trade in motor vehicles and motorcycles, repair and their maintenance (6.6%).

Inflation

In March 2025, the inflation rate accounted for 2.7% on annual basis, almost reduced by half this month (5.0% in February 2025). Inflation growth in March was primarily driven by the core component, with the food component showing a marked decrease in its influence this month. Average inflation rate in the period January - March 2025 amounted to 4.2% on annual basis.

In March 2025, core inflation (inflation, wherefrom the impact of prices of food and energy products is excluded) recorded acceleration compared to the previous month and accounted for 4.8% on annual basis (5.7% in February). Increased prices in the category Restaurants and hotels had most positive contribution this month (1.4 p.p.). Core inflation has recorded a slowdown of growth for two consecutive months.

In March 2025, prices in the Food and non-alcoholic beverages category accounted for 2.1%, recording substantial slowdown of growth compared to the previous month (6.6% in February), whereby contributing with 0.9 percentage points in the total inflation in March, decreasing by 1.8 percentage points compared to the previous month. Prices in the Food industry





category recorded a slowdown due to the new Government's measure¹ to cap margins on several groups of basic products. The following subcategories: Non-alcoholic beverages (annual growth of 12% with contribution of 0.3 p.p.), Vegetables (annual growth of 3.4% with contribution of 0.2 p.p.) and Milk, cheese and eggs (annual 2.6% increase, contribution of 0.2 p.p.) had the highest positive contribution to the price increase in the category Food and non-alcoholic beverages.

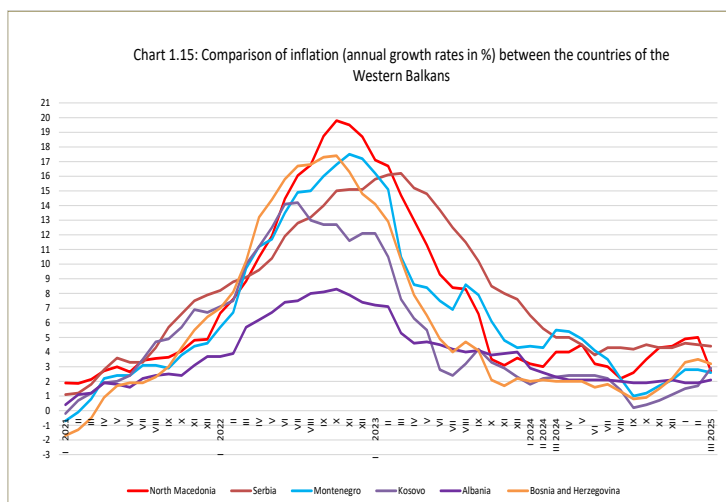
Observed by components, highest annual price growth in March 2025 was seen at the category Restaurants and hotels by 12.0% (contribution to the total inflation growth of 0.7 p.p.).

Price increase was also recorded in the following categories: Recreation and culture by 6.0%, Alcoholic beverages, tobacco and narcotics by 5.2%,² Miscellaneous goods and services by 3.8%, Health protection by 3.8%, Wearing apparel and footwear by 3.4%, Furnishings, household equipment and routine maintenance of the house by 3.3%, Housing, water, electricity, gas and other fuels by 2.0%, Communications by 1.8% and Education by 0.3%. Price drop was recorded in the Transport category by 3.8%.

In March, consumer prices decreased by 1.3% on monthly basis (last month prices increased by 0.5%). Price decrease on monthly basis was primarily due to the reduction of the food prices (contribution of 1.2 percentage points to overall drop in prices). This month, food prices dropped by 3.0% on monthly basis, as a result of the Government's margin cap measure, whereby the highest price declines were recorded with products under the measure, i.e. reduction of prices at Meat, Bread and cereals, Milk, cheese, eggs and Vegetables.

In March 2025, retail prices increased by 2.2% on annual basis, recording a slowing down of growth. On monthly basis, retail prices recorded a drop of 0.9%.

In March 2025, the Eurozone inflation rate accounted for 2.2%³, decreasing by 0.1 p.p., compared to February 2025. As per the ECB's projections, the inflation rate in 2025 is expected to decrease slightly to 2.3% in the short run, followed by further reductions to 1.9% in 2026 and 2.0% in 2027. A slight decrease in total inflation is anticipated in 2025. This is primarily due to higher food inflation and the upward base effects of energy prices,



¹ Since 20th February 2025, the Decision on the margin cap of 102 groups of basic food and hygiene products and price cap to 8 groups of most essential food products has been effective. Measures remained effective until 30th April 2025, inclusive. The decision to cap the gross profit margin in Wholesale and Retail Trade applies to 102 categories of products, in particular:

- 5% gross profit margin set for eight basic food products,
- 10% gross profit margin is applied to food products, covering a total of 55 food products (meat and meat products, sugar, milk products, margarine, butter, canned fruit and vegetables, beans, rice and pasta),
- 15% gross profit margin set for 39 food and hygiene products (fresh fruit and vegetables, detergents, baby food, diapers, soap, toilet paper, and others).

² Tobacco product prices have been increased in accordance with the adopted amendments of the Law on Excise, cigarette excise duty is to increase by Denar 0.23 per piece each year until 2030. New tobacco price was introduced in October 2024.

³ The data is a Eurostat's estimate.



which, to great extent, offset the downward pressures from declining inflation. As the base effects in energy inflation diminish, a reduction in total inflation is projected for the beginning of 2026.

Stock Market Prices

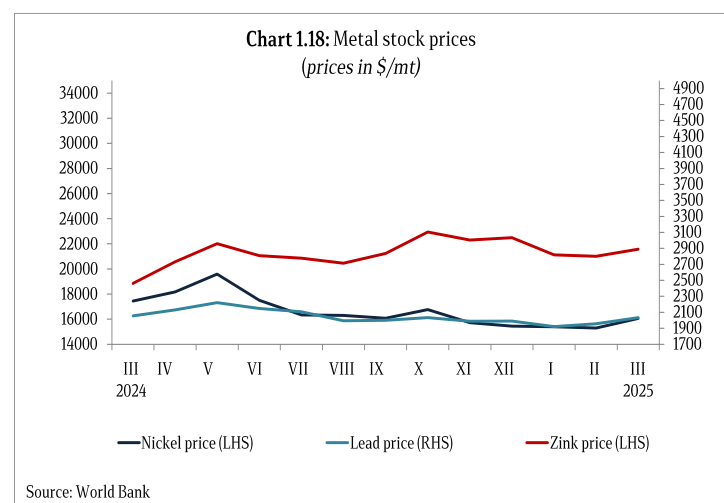
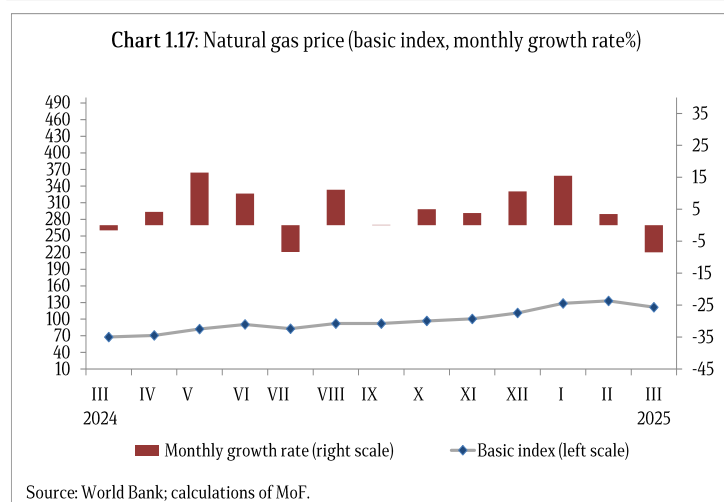
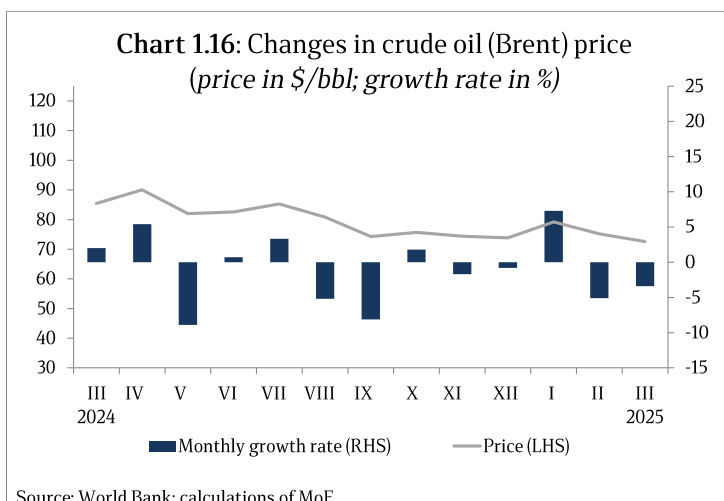
In March 2025, crude oil price (Brent) on the global stock markets dropped by 3.4% on monthly basis, amounting to US\$ 72.6 per barrel. The decline was attributed to several factors, such as the increased oil supply from non-OPEC+ countries and the introduction of trade tariffs, which have raised concerns about global economic growth and may lead to lower oil demand. Oil price was lower by 15.1% on annual basis.

In March 2025, price of natural gas dropped by 8.5% on monthly basis. The drop in gas prices was attributed to several factors, including weather conditions impacting the total demand of gas, as well as introduction of trade tariffs creating market uncertainty. In addition, domestic production remained stable, contributing to stabilization of prices. This month, the natural gas price increased by 54.7% on annual level.

In March 2025, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 109.02 per megawatt/hour, decreasing by 31.4% on monthly basis. This month, electricity prices decreased due to several factors. In Europe, prices dropped as a result of decreased demand, increased energy production of renewable sources and decrease of gas prices. This month, electricity price increased by 65.1% on annual basis.

In March 2025, prices of most basic metals recorded increase on monthly basis: tin grew by 7.0%, nickel by 5.1%, copper by 4.4%, lead grew by 3.9%, and zinc by 3.2%. The price of aluminium remained unchanged on monthly basis. Price of iron ore registered monthly drop of 4.7%.

In March 2025, the prices of precious metals increased on monthly basis: gold rose by 3.1%, silver by 3.2%, and platinum by 0.2%.





This month, corn and maize prices dropped by 6.1% and 6.6%, respectively. The price of sunflower oil picked up by 1.0% on monthly basis.

Table 1.1. Stock market prices of energy products (monthly data)

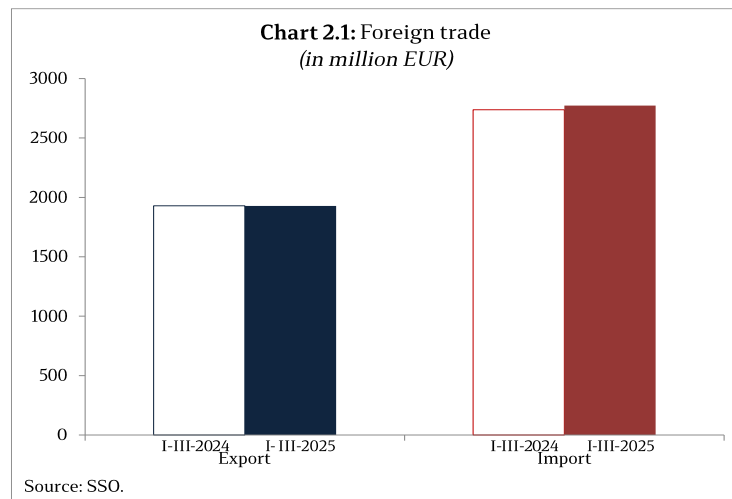
	Electricity (EUR/MWh)	Crude Oil, Brent (\$/bbl)	Natural GAS, Europe (\$/1000 m3)
2024 I	85.73	80.2	338.2
II	69.35	83.8	288.3
III	65.12	85.5	302.6
IV	61.96	90.5	321.4
V	72.2	82.0	358.2
VI	91.7	82.6	384.6
VII	135.5	85.3	366.1
VIII	120.8	80.9	437.8
IX	106.1	74.3	416.94
X	92.2	75.7	457.1
XI	163.7	74.4	492.7
XII	143.9	73.8	490.3
2025 I	140.2	79.2	518.8
II	158.9	75.2	542.8
III	109.0	72.6	468.3

Source: World Bank, Hungarian Power Exchange

2. FOREIGN TRADE

Total foreign trade in the first three months in 2025 amounted to EUR 4,701.1 million, increasing by 0.7% compared to the same period last year.

In the period January - March 2025, share of trade with the EU (EU 27), as the largest trading partner, decreased by 3.3 p.p. compared to the same period last year, accounting for 60.1%. Germany was the major trading partner of our country. As for total foreign trade structure of our country, share of the trade with Germany in the first three months of 2025, accounted for 21.2%, dropping by 3.0 p.p. compared to the same period in 2024.



Export

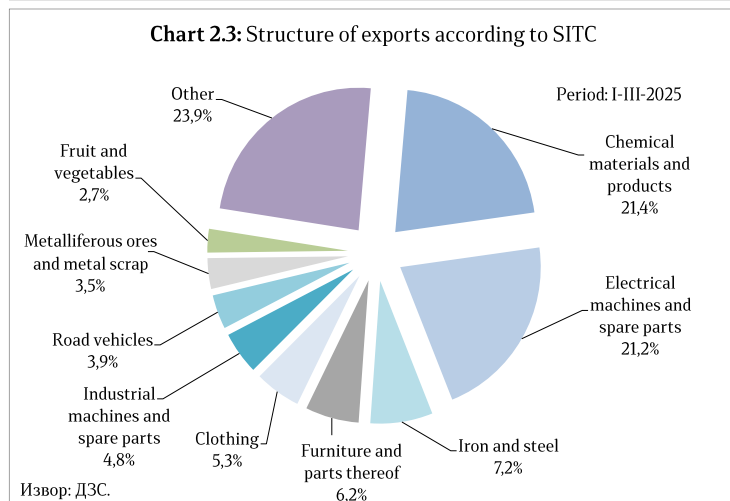
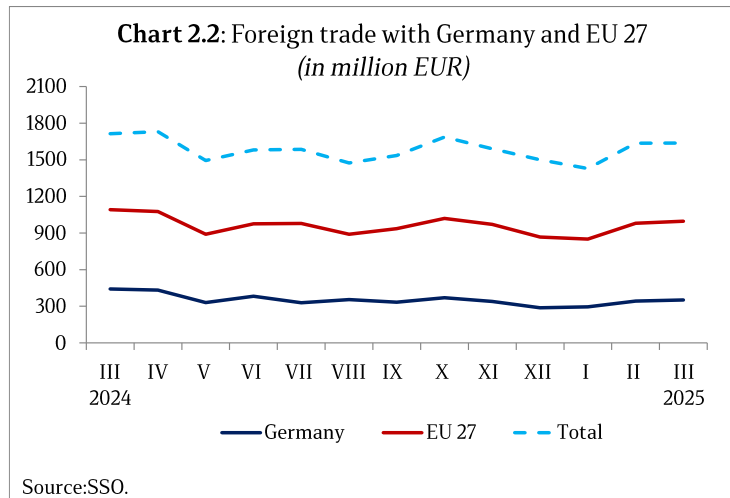
In the first three months of 2025, value of exported goods amounted to EUR 1,928.6 million, recording a slight drop of 0.04% (EUR 0.8 million) compared to the same period in 2024, while physical output of export decreased by 0.3%, compared to the same period last year.



Value of exported goods amounted to EUR 699.2 million in March 2025, dropping by 3.1% (EUR 22.3 million) compared to the same month previous year, as well as physical output of export dropping by 3.5% compared to March 2024.

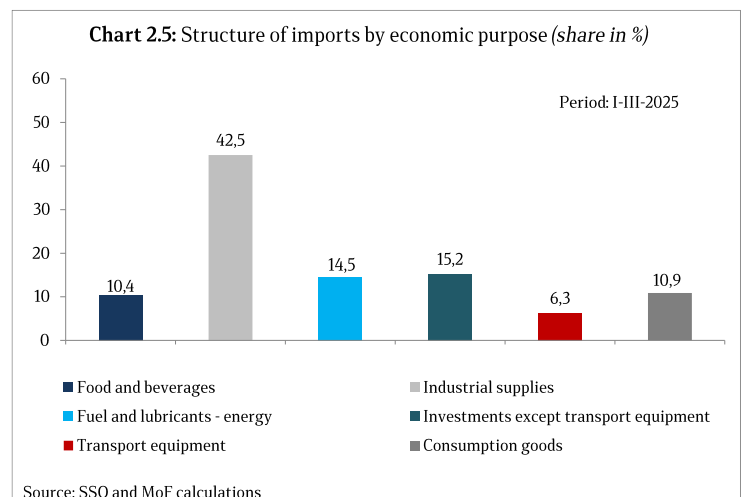
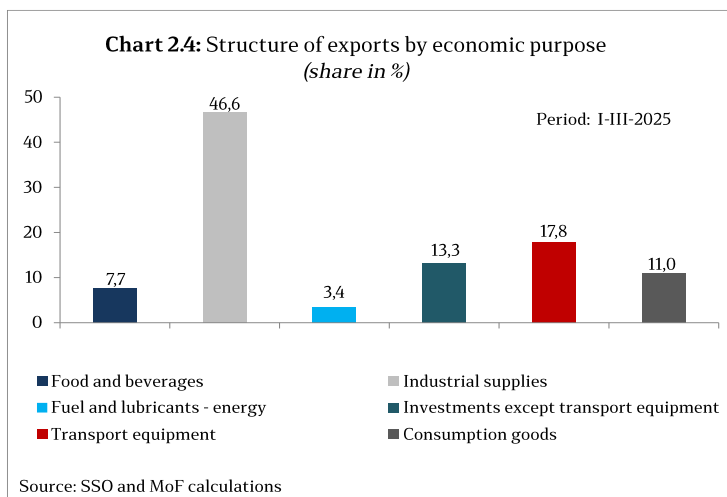
Analysed on monthly basis, in March 2025, export recorded growth of 7.5% (EUR 48.6 million), compared to the previous month, and, after applying seasonal adjustments to exports, it recorded a monthly drop of 1.0%, showing positive effects of the seasonal factor (8.4 p.p.) on export this month.

Value of export of food in the first three months in 2025 increased by EUR 5.0 million, picking up by 4.3% compared to the same period in 2024, while quantity of exported food increased by 0.8%. As for our country's total export structure, share of the food in the first three months of 2025, accounted for 6.3%, increasing by 0.3 p.p. compared to the same period in 2024. As regards the total export of food, following products were the most exported: Fruit and vegetable (41.5%), Cereals and cereal products (25.4%), Coffee, tea, cocoa and herbs (7.9%), and Milk products and eggs (7.5%).



Import

In the first three months of 2025, value of imported goods amounted to EUR 2,772.6 million, surging by 1.3% (EUR 35.0 million) compared to the same period in 2024, and the physical output of import increasing by 10.1%.





In March 2025, import value amounted to EUR 937.9 million, dropping by 5.5% (EUR 54,8 million) compared to the same month in 2024, while imported quantities of goods picked up by 0.4% compared to March 2024.

Analysed on monthly basis, in March 2025, import drop by 4.8% (EUR 47.4 million), compared to the previous month, and, after applying seasonal adjustment to import, it registered monthly drop of 7.9%, showing positive effects of the seasonal factor (3.1 p.p.) on import this month.

Value of import of food in the first three months of 2025 increased by EUR 8.9 million, picking up by 3.4% compared to the same period in 2024, while quantity of imported food decreased by 3.0%. As for our country's total import, share of the food in first three months in 2025, accounted for 9.6%, increasing by 0.2 p.p. compared to the same period in 2024. As per the total food import, the following products were the most imported: Meat and meat products (20.6%), Fruit and vegetable (17.3%), Cereals and cereal products (13.2%), Coffee, tea, cocoa and herbs (11.5%) and Milk products and eggs (10.1%).

Table 2.1. Review of export and import of selected groups of products

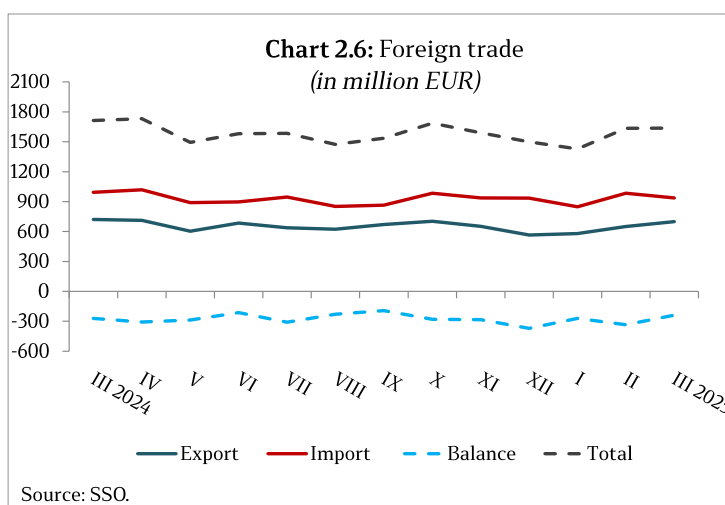
Export of petroleum and petroleum products*)					Import of petroleum and petroleum products*)				
	I-III-2024	I-III-2025	Balance	% rate		I-III-2024	I-III-2025	Balance	% rate
000 T	32,1	17,2	-14,9	-46,5	.000 T	262,1	240,5	-21,7	-8,3
EUR mil.	24,8	12,9	-11,8	-47,8	EUR mil.	201,0	169,1	-31,9	-15,9
\$ mil.	26,9	13,5	-13,3	-49,6	\$ mil.	218,3	177,5	-40,7	-18,7
*)Previous data					*)Previous data				
Export of chemical products*)					Import of chemical products*)				
	I-III-2024	I-III-2025	Balance	% rate		I-III-2024	I-III-2025	Balance	% rate
000 T	8,7	16,1	7,4	85,5	.000 T	7,6	7,5	-0,1	-1,1
EUR mil.	483,8	412,7	-71,1	-14,7	EUR mil.	47,1	44,9	-2,2	-4,7
\$ mil.	525,0	434,5	-90,5	-17,2	\$ mil.	51,1	47,3	-3,8	-7,5
*)Previous data					*)Previous data				
Export of iron and steel*)					Import of iron and steel*)				
	I-III-2024	I-III-2025	Balance	% rate		I-III-2024	I-III-2025	Balance	% rate
000 T	184,0	184,5	0,6	0,3	.000 T	7,6	7,5	-0,1	-1,1
EUR mil.	144,2	138,3	-5,9	-4,1	EUR mil.	47,1	44,9	-2,2	-4,7
\$ mil.	156,6	145,5	-11,1	-7,1	\$ mil.	51,1	47,3	-3,8	-7,5
*)Previous data					*)Previous data				

Trade Balance

In March 2025, trade deficit decreased by 12.0% or EUR 32.5 million compared to March 2024.

In the period January – March 2025, trade deficit increased by 4.4%, i.e. by EUR 35.8 million, compared to the same period last year.

If we analyse the balance of export and import of goods by economic purpose, deficit increase was a result of the widened deficit of the trade in industrial supplies, fuels and lubricants, consumer goods, and food and beverages. On the other hand, reduction of the deficit in the trade in investment





goods without transport equipment, as well as increase of the positive balance in the trade in transport equipment, contributed to reducing the negative balance.

In the first three months of 2025, 91.1% of the trade deficit of the country was realized in the trade with Great Britain, China and Greece, followed by: Türkiye, Serbia, Poland, Italy, Bulgaria, and others. Surplus was realized in trade with Germany, Hungary and others.

Currency Structure

Observed by currency structure, 90.9% of the trade in the period January – March 2025 was realized in euros and compared to the same period in 2024, it decreased by 2.0 p.p.. On export and import side, euro accounted for 92.6% and 89.7%, respectively, whereby share of the euro in export was lower by 3.3 p.p., while share of the euro in import decreased by 1.1 p.p. compared to the period January – March 2024.

import	I-III-2024					I-III-2025					absolute change in currency value	relative change in currency value (in %)
currency	.000 T	import in currency	average Denar exch. Rate in relation to currencies	import in Denar	structure in %	.000 T	import in currency	average Denar exch. Rate in relation to currencies	import in Denar	structure in %		
EUR	1.486,4	2.487.059.909	61,6205	153.253.875.108	90,8	1.627,5	2.487.818.633	61,5742	153.185.442.101	89,7	758.725	0,03
USD	121,8	240.355.291	56,7386	13.637.422.718	8,1	142,3	274.700.823	58,5759	16.090.847.932	9,4	34.345.532	14,3
GBP	0,9	7.725.216	71,9579	555.890.286	0,3	0,5	4.802.533	73,6918	353.907.312	0,2	-2.922.682	-37,8
EUR+USD+GBP	1.609,1			167.447.188.112	98,9	1.770,3			169.630.197.346	99,4		
tot. import	1.613,4			168.706.403.335	100,0	1.775,8			170.724.803.369	100,0		1,2

Source: SSO and NBRNM

Source: SSO and NBRNM

3. FISCAL SECTOR

Budget Revenues and Expenditures according to the Economic Classification

In the period January – March 2025, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 76,917 million, accounting for 21.4% of the 2025 projections, i.e. increase of 10.8% compared to collected budget revenues for the same period in 2024. As regards total revenues, Denar 67,635 million was collected on the basis of tax revenues and social contributions, accounting for 21.2% of 2025 projected amount, being a 6.2% increase in relation to the previous year. Thereby, tax revenues were collected in the total amount of Denar 41.366 million (i.e. 20.8% of the amount projected for 2025), while social contributions were collected in the amount of Denar 25,933 million (annual increase of 8.5%, i.e. 22.2% of the amount projected for 2025). As regards tax revenues, increased collection was recorded at personal income tax by 2.2%, followed by VAT by 6.0%, excise duties increasing by 7.3%, and import duties by 15.8%, while corporate income tax decreased by 3.0% and other tax revenue collection dropping by 23.4%. During this period, non-tax revenues recorded growth of 45.3%, and foreign donation revenues increased by 217.1%, while capital revenues experienced a drop of 2.0%.

Total budget expenditures were executed in the amount of Denar 85,772 million in the period January – March 2025, accounting for 21.4% of the annual projections, i.e. an increase of 2.0% compared to same period of 2024. Thereby, current expenditures were executed in the amount of Denar 81,537 million, i.e. 23.1% of the amount projected for the whole year, being an increase of 5.8% compared to the same period in 2024. Increase was recorded at expenditures related to wages and allowances by 10.2%, at goods and service-related expenditures by 3.6% and at interest-related expenditures, which surged by 9.2%. Transfers, as the largest category of current expenditures, increased by 4.7%, driven by the growth of social transfers by 9.4%, health care expenditures by 10.8%, block and earmarked grants by 6.9%. Expenditures related to subsidies and transfers saw a reduction of 25.5%. Capital expenditures were executed in the amount of Denar 4,235 million, being lower by 39.6% compared to the same period in 2024. Execution rate of capital expenditures for the period January – March 2025 accounted for 9.0% compared to the projected amount.



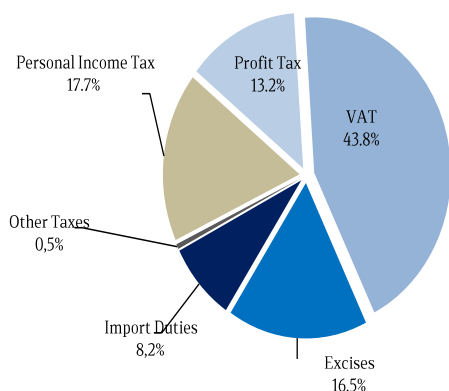
Table 3.1. State Budget Execution for the period January – March 2025

	2025 Budget	January - March 2025		
	(Denar million)	(Denar million)	Annual growth rate (%)	% of collection/execution rate (%)
TOTAL REVENUES	358,838	76,917	10.8%	21.4%
Taxes and contributions	319,234	67,635	6.2%	21.2%
Taxes	198,607	41,366	4.8%	20.8%
Personal Income Tax	35,676	7,310	2.2%	20.5%
Corporate Income Tax	23,287	5,458	-3.0%	23.4%
VAT	86,692	18,130	6.0%	20.9%
Excise duties	35,388	6,843	7.3%	19.3%
Import charges	16,255	3,409	15.8%	21.0%
Other tax revenues	1,309	216	-23.4%	16.5%
Contributions	117,095	25,933	8.5%	22.1%
Non-tax revenues	26,302	7,216	45.3%	27.4%
Capital revenues	3,510	195	-2.0%	5.6%
Foreign Donations	9,792	1,871	217.1%	19.1%
Revenues from paid extended loans	0	0		
TOTAL EXPENDITURES	400,188	85,772	2.0%	21.4%
Current expenditures	353,032	81,537	5.8%	23.1%
Wages and allowances	48,141	11,275	10.2%	23.4%
Goods and services	26,325	4,746	3.6%	18.0%
Transfers	257,721	57,785	4.7%	22.4%
Social transfers	191,046	44,705	9.4%	23.4%
Pension and Disability Insurance Fund of North Macedonia	119,995	28,603	10.3%	23.8%
Pecuniary unemployment allowance	3,439	381	-1.6%	11.1%
Social welfare	15,080	3,742	-0.1%	24.8%
Health protection	52,531	11,979	10.8%	22.8%
Other transfers	64,211	12,644	-8.7%	19.7%
Interest	20,845	7,731	9.2%	37.1%
Capital expenditures	47,156	4,235	-39.6%	9.0%
BUDGET BALANCE	-41,350	-8,855	-39.6%	21.4%

Source: Ministry of Finance

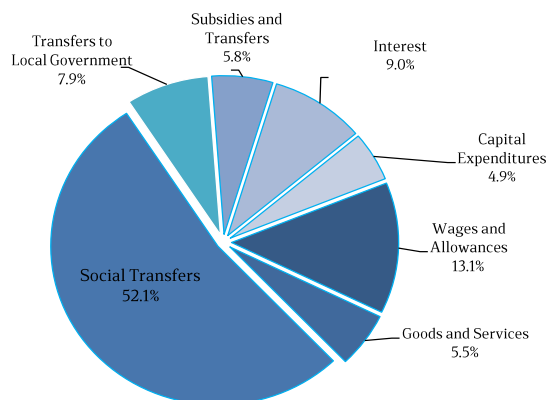


Chart 3.1: Structure of Collected Tax Revenues, January-March 2025



Source: MoF

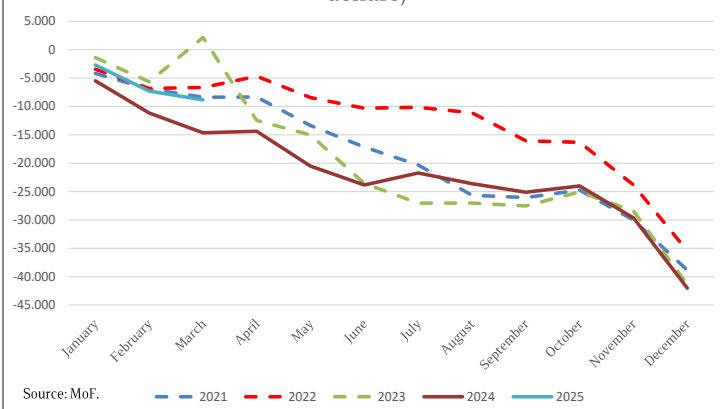
Chart 3.2: Structure of Executed Expenditures according to Economic Classification, January-March 2025



Source: MoF.

In the period January – March 2025, the state budget deficit amounted to Denar 8,855 million, accounting for 0.9% of the GDP projected for 2025, i.e. 21.4% of the budget deficit.

Chart 3.3: Budget deficit, cumulative data (million denars)



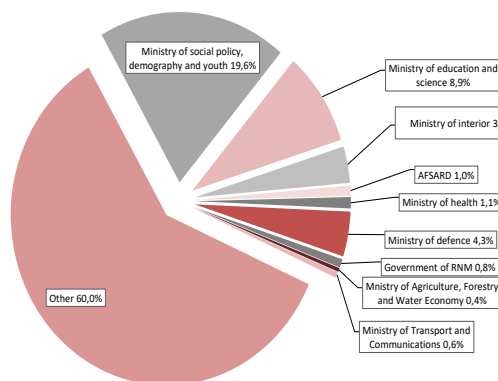
Source: MoF.

Expenditures by Budget Users

Review of budget expenditures for the largest budget users is given below.

In the period January – March 2025, Ministry of Social Policy, Demographics and Youth executed funds in the amount of Denar 21,729 million or 31.7% of its total budget for the current year. Thereby, most of the expenditures (76.4%) were allocated for current transfers to extra-budgetary funds, for which Denar 16,603 million was spent, i.e. 34.6% of the funds allocated for 2025. The second highest expenditure category was the social benefits, participating with 16.9% in the total expenditures, whereby 25.9% (Denar 3,680 million) of the projected 2025 funds was executed for this purpose.

Chart 3.4: Structure of expenditures by budget users (January-March 2025)



Source: MoF.



During the analysed period, Ministry of Education and Science executed budget funds in the amount of Denar 9,931 million, representing 22.9% of its total 2025 Budget. Current transfers to LGUs accounted for the most of the expenditures (57.4%), Denar 5,705 million being spent therefore or 23.8% of total projected funds. Wages and allowances was the second most significant category, accounting for 22.3%, with Denar 2,211 million being spent therefore, i.e. 23.7% of the total projections.

In the period January – March 2025, Ministry of Internal Affairs executed expenditures in the total amount of Denar 3,846 million, accounting for 24.0% of its 2025 budget. Wages and allowances was the highest expenditure category, participating with 63.3%, Denar 2,434 million being spent therefore, accounting for 24.7% of the projected ones. Second highest category was Capital expenditures, accounting for 19.5% with Denar 749 million being spent therefore, accounting for 32.3% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 1,079 million, accounting for 13.2% of the funds projected for the current year. As for subsidies and transfers, with significant share of 89.5% of the total expenditures, 13.7% or Denar 966 million of the funds planned for the whole year, were spent therefore.

In the period January – March 2025, Ministry of Defence executed budget funds in the amount of Denar 4,740 million, accounting for 23.2% of its total budget this year. Capital expenditures accounted for the most with 37.8%, Denar 1,791 million being spent therefore, accounting for 21.0% of the total funds projected for the current year. Wages and allowances accounted for 33.0% of total expenditures, Denar 1,566 million being spent therefore during the analysed period, i.e. 23.1% execution of the total projected funds.

Government of the Republic of North Macedonia spent a total of Denar 903 million, i.e. 13.1% of the funds projected, in the period January – March 2025. Thereby, subsidies and transfers accounted for 55.3% of total expenditures of this budget user, Denar 499 million (9.6% of the projected funds) being spent therefore.

During the analysed period, Ministry of Health executed budget funds in the amount of Denar 1,195 million, accounting for 15.3% of the total 2025 Budget. Current transfers to extra-budgetary funds accounted for the most of the expenditures with 48.1%, for which Denar 575 million were spent or 16.4% of the funds projected for 2025. Second highest item was Goods and services, Denar 519 million (14.8% of the projections for the year) being spent therefore, accounting for 43.4% of total expenditures.

In the period January – March 2025, Ministry of Transport executed funds in the amount of Denar 612 million, i.e. 3.4% of the total budget for the current year. Execution of capital expenditures, as main item, accounted for 70.5% of the total spent funds of this budget user (Denar 431 million or 2.6% of total projected funds).

During this period, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 402 million, accounting for 21.8% of the funds projected for 2025. Wages and allowances (Denar 193 million) was, by far, the highest item in the total expenditures of this budget user, accounting for 47.9% of its total expenditures, with 22.6% of the projected expenditures, being executed. As regards capital expenditures, they accounted for 33.4% of the total expenditures, Denar 134 million being spent therefore, accounting for 21.8% of the total budget for this purpose.

In-depth data on each budget user are presented in the statistical annex attached at the following link (<http://finance.gov.mk/краткорочни-економски-движења-кед-ме/>).



4. SOCIAL SECTOR

Newly Employed and Registered Unemployed Persons in the Employment Service Agency

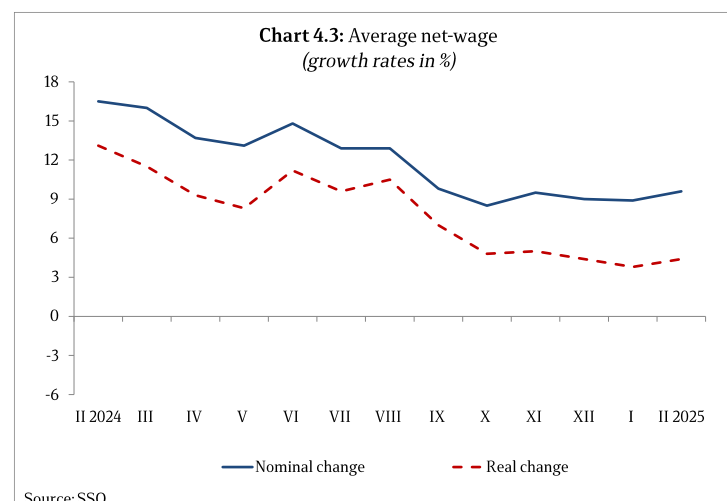
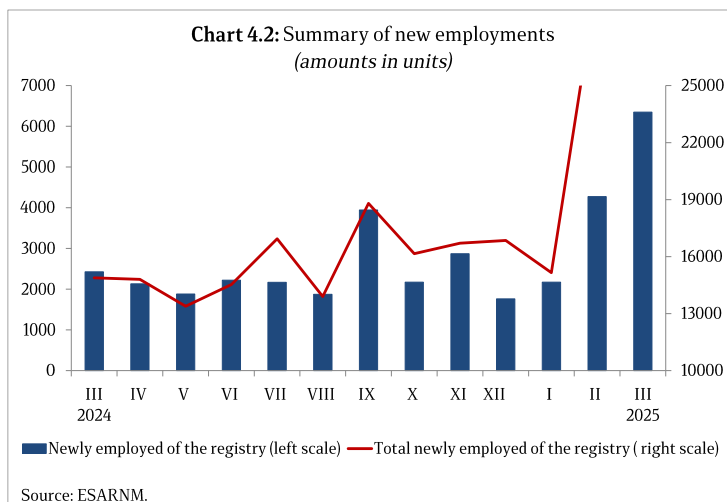
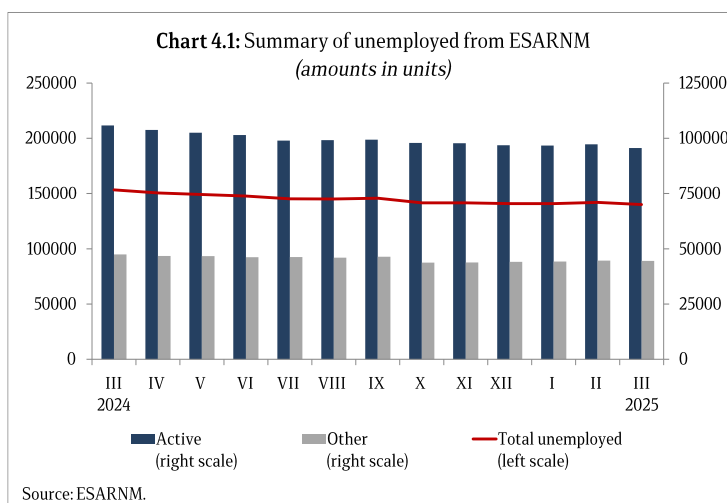
In March 2025, Employment Service Agency registered total of 46,197 new employments. Total number of newly employed persons decreased by 6.5% compared to the same period in 2024.

As regards the total number of newly employed, 44.3% was engaged on permanent basis, while the remaining percentage was engaged on temporary basis and as seasonal workers. In March 2025, 13.7% out of the total number of newly employed persons was from the unemployed records.

Total number of unemployed persons in March 2025 was 140,079, 95.575 persons out of which were active job seekers, while 44,504 persons were from the category “other unemployed”. On annual basis, total number of unemployed persons decreased by 8.6%, whereas, starting from May 2021, it recorded a continuous annual reduction. Number of unemployed persons decreased by 1,900 people compared to February 2025.

Urban residents accounted the most (with 59.1%) among the active unemployed persons, whereas with respect to gender, men accounted for 48.2% of the total. Analysed by the level of education, majority, i.e. 68.7%, of the unemployed persons were with incomplete secondary education or less, 23.7% were with completed secondary education, while 7.6% of the unemployed persons were with completed community college or higher education level.

Analysed by age structure, 50.0% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 59.9% of the



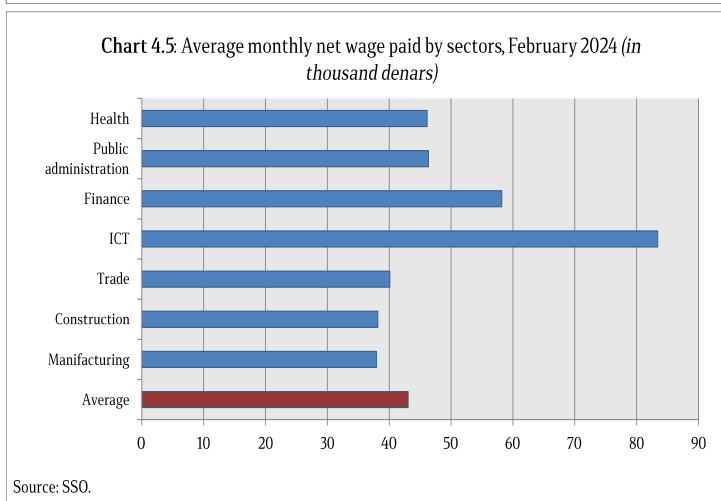
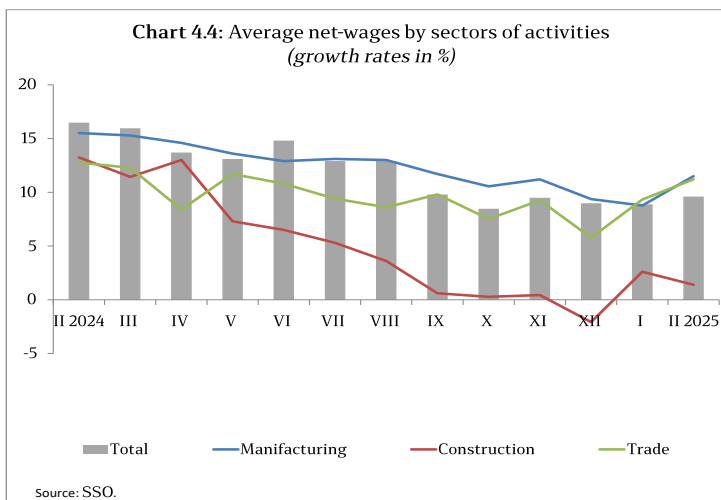


unemployed persons wait for employment from 1 to 7 years, while 13.8% wait for employment for 8 years or more.

Wages

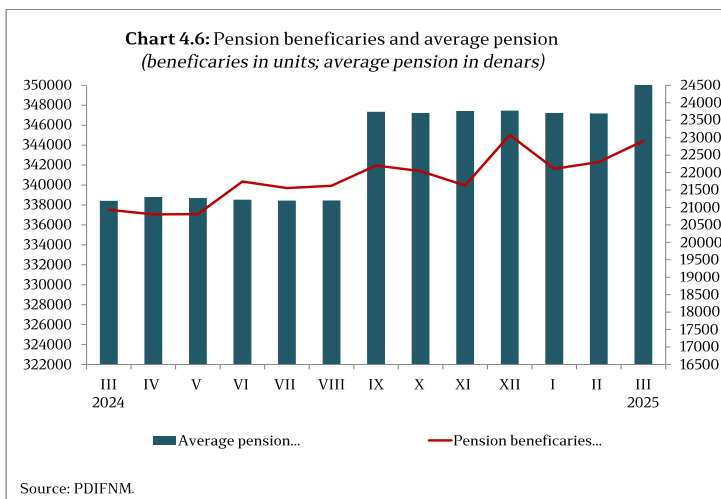
As per the notification of the State Statistical Office, in February 2025, average net wage amounted to Denar 43,053, in nominal terms, being higher by 9.6% on annual basis, and remaining unchanged compared to January 2025. The highest increase of average net wage, in relation to February 2024, was observed at the following sectors: Real estate activities (16.6%), Manufacturing (11.5%) and Education (11.4%). In February 2025, wages in real terms recorded an annual growth of 4.4%. Highest average net wage in February 2025 was paid in the sector Information and communications (Denar 83,409), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 104,721), followed by Financial and insurance activities with Denar 58,219, Electricity, gas, steam and air conditioning supply sector with Denar 56,199, and Mining and quarrying with average net wage in the amount of Denar 51,799.

Average nominal gross wage in February 2025 amounted to Denar 64,634, increased by 9.6%, compared to the same month in 2024, whereas being lower by 0.1% on monthly basis. The highest increase of average gross wage in February 2025, compared to February 2024, was recorded in the following sectors: Real estate activities (16.1%), Manufacturing (11.5%) and Education (11.1%), and Wholesale and Retail Trade; Repair of motor vehicles and motorcycles (11.1%).



Pensions

In March 2025, Pension and Disability Insurance Fund registered 344,435 pensioners. In September 2024, the Law on Pension and Disability Insurance was amended, according to which a linear increase of Denar 2,500 was introduced for all types of pensions, starting on 1st October 2024. The payment of the March pension, which included a Denar 2,500 increase, marked the completion of the linear pension adjustment cycle. As regards the total





number of pensioners, 71.2% are beneficiaries of old-age pension, amounting to 245,404 pensioners, 21.5% of survivor pension, amounting to 74,050 pensioners and 7.3% of disability pension, amounting to 24,981 pensioners.

Average pension in March 2025 amounted to Denar 26,199, being higher by 23.6% compared to the same month in 2024⁴. In March 2025, average old-age pension amounted to Denar 27,841, average disability pension amounted to Denar 23,722, while average survivor pension amounted to Denar 21,592. This month, Denar 7,930 million was spent for payment of pensions, accounting for 50.5% of the total social transfers.

Ratio between the average pension in March 2025 and the average paid wage in February 2025 (the most recent available data) was 55.0%.

Chart 4.1 March 2025 Pension Data			
Pension beneficiaries	Number	Structure	Average pension
Old age pension	245,404	71.2%	27,841.00
Disability pension	25,981	7.3%	23,722.00
Survivor pension	74,050	21.5%	21,592.00
Total	344,435	100.0%	26,199.00
Minimal agricultural pension beneficiaries	34		15,932.00
Beneficiaries of military pensions	721		34,929.00
Total	345,190		26,216.00
Source: Pension and Disability Insurance Fund of North Macedonia			

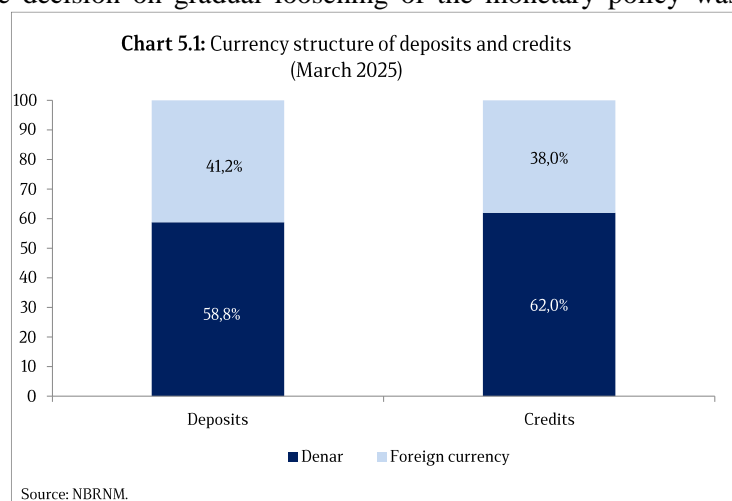
5. MONETARY AND FINANCIAL SECTOR

In March 2025, the National Bank retained its policy rate at 5.35%, amid ever more present risks brought about by external factors. The decision on gradual loosening of the monetary policy was based on assessment of inflation and favourable trends on the foreign exchange market.

In March 2025, the National Bank kept the policy rate at the level of 3.95% for the available overnight deposits and 4.00% for the seven-day deposits.

Primary Money

In March 2025, primary money⁵ grew by 2.5% on monthly basis. Increase



Military and agricultural pensions are not included when calculating the average pension.

⁵Primary money is calculated as a sum of currency in circulation (including cash in hand), denar and foreign currency reserve requirement and the surplus of liquid assets over the reserve requirement.



of primary money was a result of increase of both total liquid assets by 4.6% and currency in circulation by 0.4%.

In March 2025, primary money grew by 20.9% on annual basis, as a result of both increased total liquid assets of banks by 30.7% and currency in circulation 12.6%.

Deposit Potential⁶

In March 2025, total deposits of banks grew by 0.6% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of enterprises picked up by 3.0%, while deposits of households declined by 0.1%.

Analysed by currency, in March 2025, compared to the previous month, Denar deposits decreased by 1.0%, while foreign currency deposits increased by 2.9%.

Total deposit potential in March 2025 surged by 12.7% on annual basis. Analysed by currency, domestic currency deposits increased by 17.3%, and foreign currency deposits by 6.7%.

From sectoral point of view, deposits of enterprises grew by 13.3%, and deposits of households increased by 12.9% on annual basis.

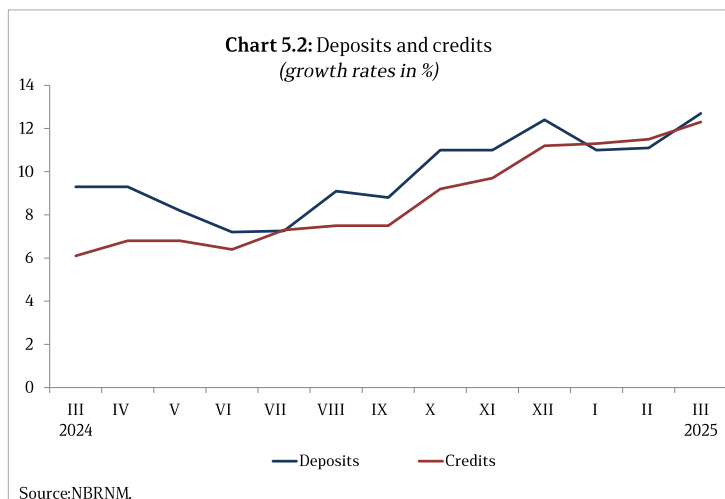


Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (March 2025)	In Denar million	Monthly change	Annual change
Deposit Potential	598,590	0.6%	12.7%
By currency:			
<i>Denar</i>	351,971	-1.0%	17.3%
<i>Foreign currency</i>	246,619	2.9%	6.7%
By maturity:			
<i>Short-term</i>	228,806	3.8%	6.1%
<i>Long-term</i>	149,846	-0.7%	20.5%
Credits to private sector	504,507	1.0%	12.3%
By currency:			
<i>Denar</i>	312,856	1.5%	19.1%

⁶NBRNM published data from monetary statistics, statistics of other financial corporations and statistics of interest rates according to the new methodology. Methodologic changes were made for the purpose of harmonization with the recommendations under the newly published IMF Monetary and Financial Statistics Manual and Compilation Guide as of 2016 (MFSMCG – IMF, 2016) and the IMF Technical Mission in the field of monetary and financial statistics in NBRNM as of 2015.



<i>Foreign currency</i>	<i>191,651</i>	<i>0.1%</i>	<i>2.7%</i>
By maturity:			
<i>Short-term</i>	<i>79,423</i>	<i>1.4%</i>	<i>14.8%</i>
<i>Long-term</i>	<i>409,584</i>	<i>1.1%</i>	<i>12.5%</i>

Source: NBRNM

According to maturity, short-term deposits surged by 6.1%, while long-term deposits grew by 20.5%, on annual basis.

Currency structure of deposits remained stable, whereby share of domestic currency deposits in the deposit base was dominant and accounted for 58.8%.

Bank Credits

In March 2025, total credits of banks to the private sector surged by 1.0% on monthly basis, as a result of the growth of both credits to enterprises by 0.9%, and credits to households by 1.1%.

Analysed by currency, Denar and foreign currency credits surged by 1.5% and 0.1% respectively, on monthly basis.

On annual basis, in March 2025 total credits grew by 12.3%, in conditions of growth of both credits to enterprises and credits to households of 15.3% and of 9.6%, respectively. Denar credits surged by 19.1%, while foreign currency credits grew by 2.7%.

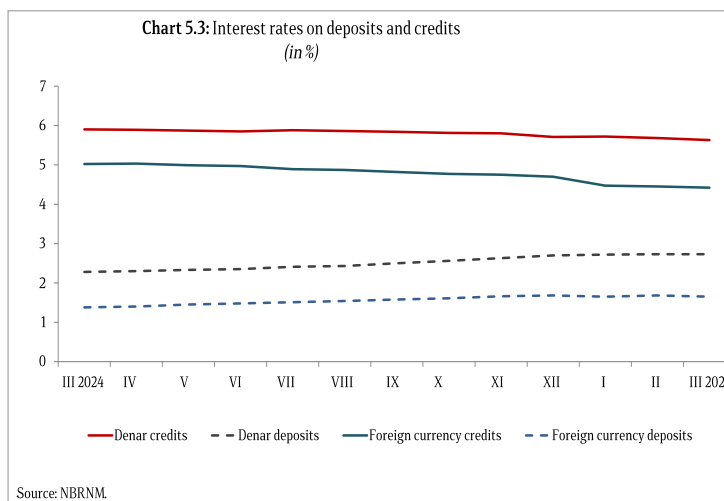
As regards maturity, long-term credits experienced annual growth of 12.5% and short-term credits picked up by 14.8%.

Interest Rates of Deposit Banks

In March 2025, total interest rate on credits dropped by 0.03 p.p. compared to the previous month, accounting for 5.15%. Interest rate on Denar credits dropped by 0.05 p.p., accounting for 5.63%, while interest rate on foreign currency credits decreased by 0.03 p.p. on monthly basis, accounting for 4.42%.

In March 2025, total interest rate on deposits decreased by 0.01 p.p., compared to last month, accounting for 2.18%. Interest rate on Denar deposits remained unchanged, accounting for 2.73%, while interest rate on foreign currency deposits decreased by 0.03 percentage points, accounting for 1.65%.

Interest rate on newly granted Denar credits was 4.37%, while interest rate on newly approved foreign currency credits was for 3.82%. Interest rates of newly received Denar and foreign currency deposits accounted for 2.57% and 1.76%, respectively.





Capital Market

As for the capital market, in March 2025, total turnover on the stock exchange decreased by 33.6% on monthly basis, as a result of both drop of turnover from block transactions by 85.1%, and turnover from classical trading in BEST by 19.6%.

Total turnover on the stock exchange amounted to Denar 443 million in March 2025, decreasing by 30.1% on annual basis.

Macedonian Stock Exchange Index MSEI – 10 amounted to 10.558,4 index points at the end of March 2025, whereby the index decreased by 1.0% on monthly basis, while, compared to the same month last year, the index was higher by 49.4%.

Reserve Assets

At the end of March 2025, gross reserve amounted to EUR 4,788.1 million, being lower by 1.5% compared to the previous month and higher by 11.7% compared to March 2024.

