

**MODIFICATIONS AND AMENDMENTS
TO 2021 BUDGET OF THE REPUBLIC OF NORTH MACEDONIA**

I GENERAL

Article 1

Following amendments shall be made to 2021 Budget of the Republic of North Macedonia ("Official Gazette of the Republic of North Macedonia", no.307/2020)

	Denar thousand	
	2021 Budget	2021 Supplementary Budget
I. Total Revenues	212.630.000	222.542.000
- source revenues	203.236.000	210.654.000
- capital revenues	3.187.000	3.187.000
- donations	6.207.000	8.701.000
II. Total expenditures	247.567.000	268.772.000
- determined purposes	247.367.000	268.572.000
- reserves	200.000	200.000
III. Deficit	34.937.000	46.230.000
of which		
Inflow	78.290.000	89.583.000
Outflow	43.353.000	43.353.000

INTRODUCTION

Current Macroeconomic Trends

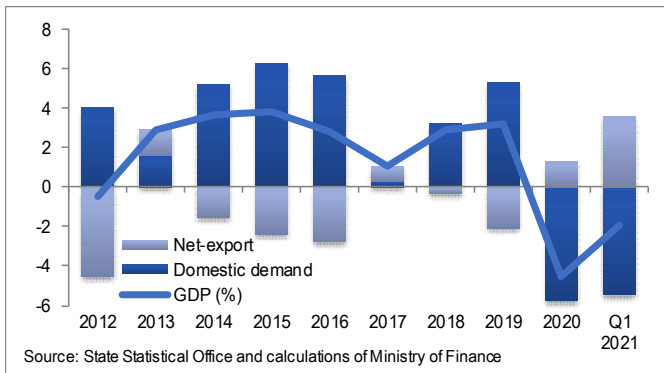
In 2020, GDP decreased by 4.5% in real terms on annual basis. Reduced economic activity is mostly a result of the unfavorable trends in the second quarter, when real GDP decreased by 14.9% on annual basis, being a result of the containment measures aimed at preventing the COVID-19 spread in the country, as well as the deteriorated international environment, thus affecting the activity of the majority of service activities, construction and industry. During the third and the fourth quarter, contraction of economic activity significantly slowed down, i.e. it decreased by 3.3% and 0.7%, respectively, amid slowed down dynamics of the activity in the industrial and services sectors, i.e. more favorable trends of export and investment activity, and continuous increase of public consumption to the end of coping with the pandemic.

According to the estimates, the drop of economic activity could have been deeper by almost twice, if it had not been for the government support via the four sets of economic measures, aimed at supporting companies and employees in the activities hit the most by the pandemic, as well as the vulnerable categories. Such responsiveness of the fiscal policy resulted, above all, in mitigating the drop of income, private consumption and employment caused by the pandemic, as well as substantial growth of public consumption.

Pandemic effects on the labor market were limited in 2020, i.e. employment was insignificantly reduced, while unemployment rate continued its downward trend, reaching 16.4%. Wages in 2020 increased by 7.8% on net basis, arising from the measures undertaken before the pandemic, while wage financial support measure to those most hit, contributed to mitigating the downward trend in the wage growth during the pandemic.

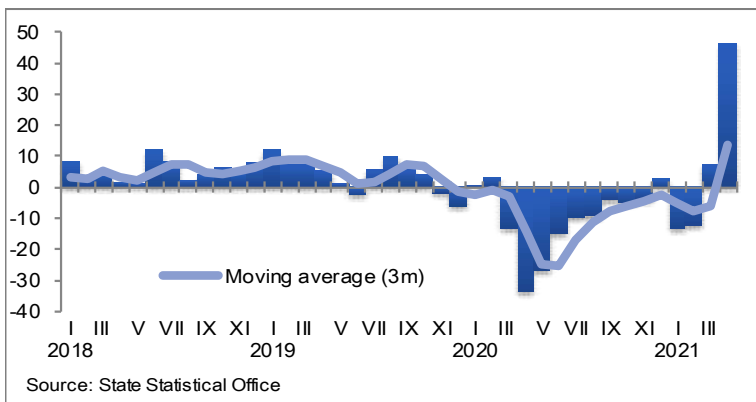
Gross domestic product experienced decline of 1.9% in real terms in the first quarter in 2021 on annual basis, as a result of the adverse effects of the pandemic on the domestic economy. Analyzed according to the expenditure side, contracted economic activity mostly arises from the drop of gross investments by 16.6% in real terms, in particular, drop of inventories, mitigated by the growth of investments in fixed assets, corresponding to the scaled-up investments in construction works and strong import of investments goods. Public consumption also declined by 2.2% in real terms, partly as a result of the high comparative basis, as well as the real reduction of public expenditures related to wages and allowances. Private consumption had a positive contribution to the economic activity, growing by 0.4%, as a result of the increase of foreign remittances, as well as the state aid for supporting the employees in the most severely affected sectors and the vulnerable categories, reflecting on increased sales of non-food products.

Figure 1. Economic growth expenditure structure (contribution to growth, percentage points)



Export of goods and services surged by 8.6% in real terms in the first quarter, being mostly a result of the improved international economic environment, resulting primarily in growth of the export of machinery, transport equipment and chemical products. Import of goods and services picked up by 2%, driven by the import of Intermediary and capital goods, by which net export had positive contribution to the economic activity (Figure 1). In fact, even in the last several months of 2020, foreign trade has demonstrated signs of recovery, which significantly intensified in the first four months of 2021, i.e. export of goods increased by 40.7%, while import of good picked up by 34.4% in nominal terms.

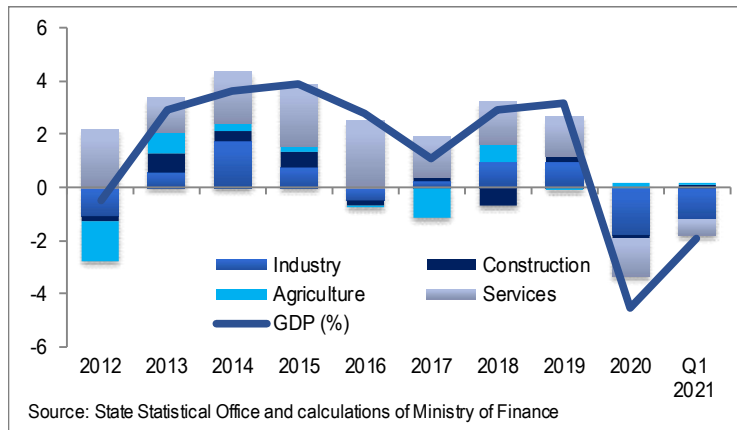
Figure 2. Annual Growth of Industrial Production (%)



Analyzed by sectors, Industry declined by 6.7% in the first quarter of 2021, amid reduced activity in Manufacturing. In line with high-frequency data on industry, drop of production recorded in the previous two months was halted in March, reaching 46.1% in April on annual basis (Figure 2), whereby growth acceleration was recorded at Manufacture of machinery, equipment and electrical equipment compared to the first two months, what was also recorded was shifting of Manufacture of motor vehicles, food products, textile, clothing, furnishings, etc., to the positive zone. Utilization of the

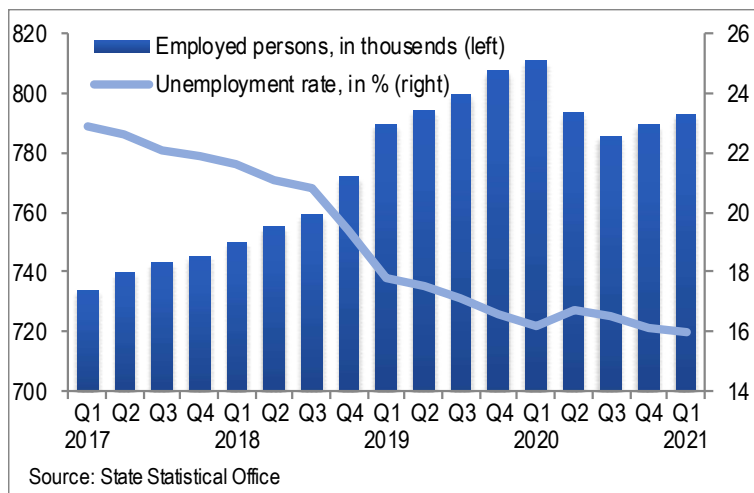
capacities in Manufacturing continued to grow during the first four months of 2021, thus reaching the pre-crisis level of 71.4% in April.

Figure 3. Economic Growth Structure According to Production Method (contribution to growth, percentage points)



Activity in the services sector dropped by 1% in the first quarter, mostly as a result of the unfavorable trends in the following activities: public administration, arts and recreation. As for Trade, transport and hospitality industry, the registered decline was minimal, whereby high-frequency data on domestic trade showed nominal growth of sales of 7.4% in the period January - April 2021, stemming from the favorable trends in wholesale and retail trade. Construction sector experienced 1.7% growth in real terms in the first quarter which, according to monthly data, was a result of the favorable trends as regards buildings. Agriculture sector registered 0.3% growth in real terms.

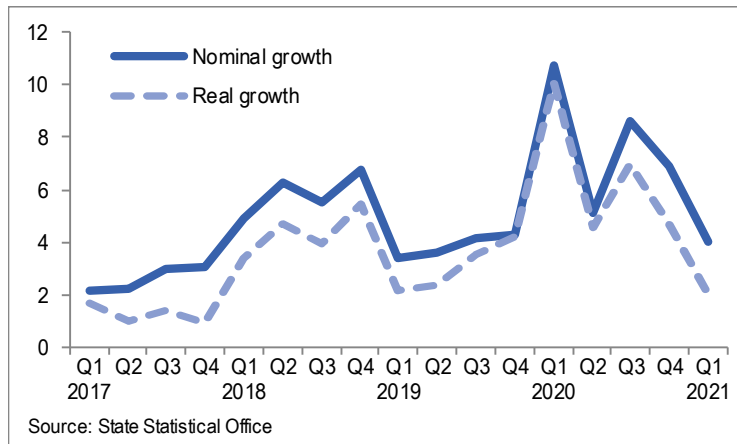
Figure 4. Number of Employed and Unemployment Rate



Unemployment decline continued in the first quarter of 2021 according to the Labor Force Survey, i.e. unemployment rate dropped to 16%, decreasing by 0.2 p.p. compared to the same quarter during the last year. During the first three months of 2021, average net wage

increased by 4% in nominal terms, mostly as a result of the increased wages in information and communication activity, health sector, arts and some of the activities in the industrial sector.

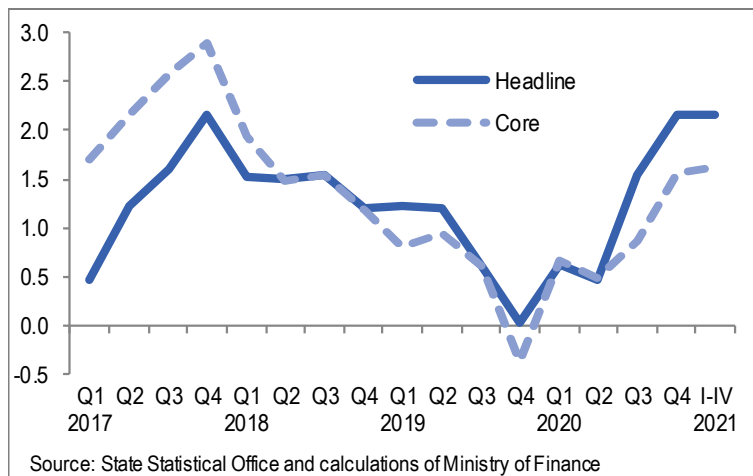
Figure 5. Increase of Average Net Wage (%)



BOP current account registered deficit in the amount of EUR 61 million in the first quarter of 2021 which, compared to the same period during the last year, significantly narrowed, due to the increased transfers from abroad and the narrowed deficit at the trade of goods and services. Inflow of foreign direct investments (FDIs) amounted to EUR 26 million, which was mostly on the basis of reinvested earnings, and to a lesser extent on the basis of equity, while debt instruments had a negative contribution to FDI flow. In March 2021, reserve assets provided for 6-month coverage of import of goods and services in the previous 12-month period, amounting to approximately EUR 4 billion.

In the period January - April 2021, inflation rate accounted for 2.2%, boosted by the increase of prices of food, electricity and tobacco, while the change of prices of oil derivative shifted to the positive zone in April. Core inflation accounted for 1.6% in this period.

Figure 6. Headline and Core Inflation (%)



In March 2021, by additionally reducing the policy rate by 0.25 percentage points, the National Bank continued to further loosen the monetary policy. Thus, its policy rate accounted for 1.25%, being at the lowest level so far. On annual basis, total credits grew by 5.7% in April 2021, amid growth of both credits to households of 8.9% and credits to enterprises of 2.3%. Total deposit potential in April 2021 grew by 6.9% on annual basis, whereby such acceleration of the deposit growth arises from the more dynamic increase of denar deposits.

Macroeconomic projections for 2021

The global economy in 2021 is expected to continue to be affected by the coronavirus pandemic. However, upon the economic activity contraction in 2020, which has never been seen in history before, due to its nature and speed of spread, global economy is expected to recover in 2021, which will greatly depend on the additional fiscal support in the advanced economies, as well as the speed of vaccination throughout the year. Global economic activity is expected to grow by 6% in 2021, according to the latest International Monetary Fund forecast, while the EU economic growth is projected at 4.4%, after the 6.1% decrease last year. In Germany, as the largest economy within the EU and our most important trading partner, the economic activity growth is projected at 3.6%.

As a result, gradual stabilization of the global supply chains is expected and an increase of foreign demand, which when compared to the autumn forecasts is expected to be somewhat lower. Such expectations, coupled by reduced pressures from pandemic globally, amid intensification of the vaccination process, is expected to have a positive impact on domestic economic trends, both on export activity, as well as investment and consumption.

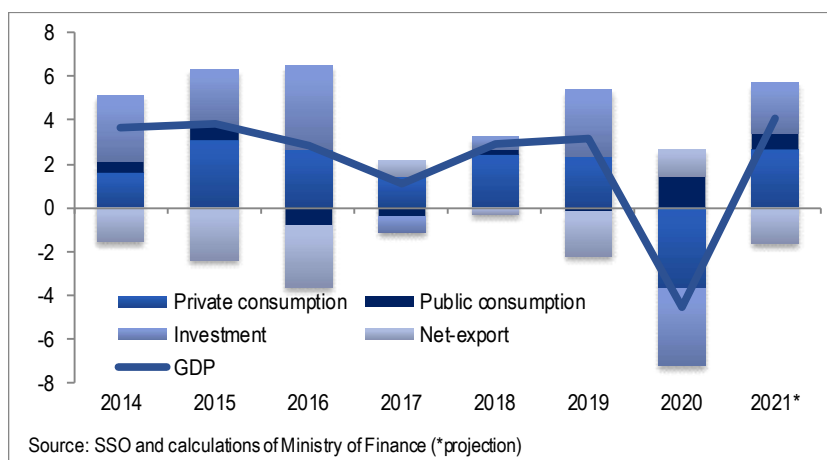
Favorable international environment and the process of intensive immunization in the country are expected to have positive effects on the expectations and the confidence of domestic economic entities, as well as the propensity to invest and consume. Fiscal policy and redesigned public expenditures, with an emphasis on the public investment cycle, as well as the measures geared towards accelerated, inclusive and sustainable economic growth, will have significant impact on both investment demand and potential growth.

State aid through various economic measures will continue in 2021, both through measures that were taken last year and continued to be implemented during this year and through new sets of measures, also including the announced credit lines as support for enterprises, aimed at mitigating the effects of the pandemic on the most vulnerable and support the faster recovery of domestic economy.

For the purpose of intensifying economic growth and increasing employment, in the longer term, as well as boosting the competitiveness of the economy, thereby remaining on the path of fiscal consolidation, Economic Recovery and Growth Acceleration Financing Plan was prepared, providing for new manners of access to capital, via projects

in both the public and the private sector, applying new mechanisms, instruments, Funds and sources of financing, which will generate multiplier effects on the economic activity. Following the decline in 2020, the economy is expected to recover in 2021, with growth projected at 4.1%, as per the initial Budget projections, however with certain adjustment as regards the growth structure, i.e. higher positive contribution of domestic demand, amid upward revision of projections on consumption and investment growth, as well as higher negative contribution of net export to the economic growth.

Figure 7. GDP growth expenditure structure (contribution to growth, percentage points)



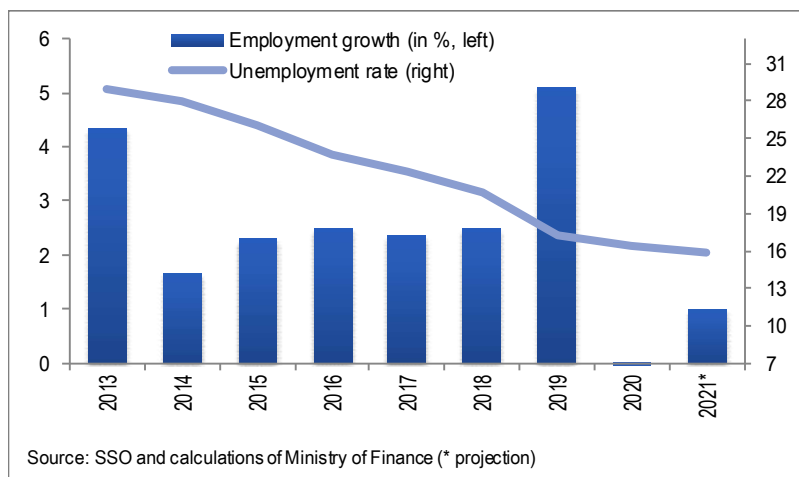
Decomposition of economic growth shows that investments will play a significant role in the recovery of the economy and its gradual intensification. Gross investments are projected to experience real growth of 8% in 2021, with both private and public investments expected to contribute positively. Consumption is also envisaged to support domestic demand growth. Private consumption is expected to grow by 4% in real terms, amid a gradual return of confidence and optimism with the start of mass vaccination, the recovery of remittances, also supported by the fiscal measures undertaken to deal with the economic repercussions of the pandemic. Positive effects on private consumption are also expected by the credit support of banks. Growth of public consumption is projected at 4.3% in real terms in 2021, being partially a result of the higher expenditures for coping with the health crisis.

Export of goods and services is projected to grow by 10.6% in real terms, amid exhaustion of the unfavorable economic effects of the pandemic, recovery of global value chains and external demand, and therefore higher utilization of production facilities in the country. The growth of the export activity and the recovery of the domestic demand in 2021 imply an increase of import of goods and services, which is projected at 11% on a real basis.

Following the reduced pressures from the health crisis, the gradual return of investor confidence and improving of business entities' expectations, resumption of labor demand growth is projected, encouraged through active employment measures and programs, as well as the state support for creating new jobs. In 2021, the number of employed is

projected to increase by 1%, which will contribute for the average employment rate to increase to 47.5% and bring the unemployment rate down to 15.8%.

Figure 8. Increase in the number of employees and unemployment rate



Inflation rate in 2021 is projected at 2.1%, which represents a certain intensification of inflation compared to 2020, being revised upwards compared to the initial projection (1.5%), amid upward revision of the commodity prices forecast on world markets, such as oil, wheat and maize, and upward movement of foreign effective inflation.

The current account deficit is expected to narrow to 3% of GDP in 2021, mainly due to the projected increase of private transfers from abroad, amid a gradual reduction of the adverse impact of the pandemic.

Baseline macroeconomic scenario is accompanied by risks, which are mainly related to the duration and consequences of the health crisis. Risks as regards the projected inflation dynamics are mainly related to the high uncertainty regarding the price trends of the primary products on the global stock markets.

Execution of the Budget of the Republic of North Macedonia

2021 Budget of the Republic of North Macedonia was prepared in the second half of 2020, amid significant impact of the health and the economic crisis caused by the Coronavirus. As a response to coping with the consequences of the economic crisis, the Government undertook all necessary comprehensive measures aimed at protecting the jobs, servicing the highest-priority liabilities, as well as reducing all less productive budget expenditures to the minimum.

What was taken into account in the assumptions concerning the 2021 fiscal projections, was the still present unpredictability related to the duration and the intensity of the COVID-19 pandemic, its implications on the budget and the economy as a whole, and its impact on the economic recovery, as well as ensuring accelerated growth thereafter.

Total revenues of the 2021 Budget of the Republic of North Macedonia are projected at Denar 212.6 billion, being higher by 8.3% in relation to the second 2020

Supplementary Budget, while expenditures are projected at Denar 247.5 billion, being lower by 2.1% in relation to the second 2020 Supplementary Budget.

Such projected revenues and expenditures result in budget deficit of 4.9% of the projected GDP or Denar 34.9 million in absolute terms, thus providing for regular and undisrupted settlement of the liabilities of budget users.

In the period January - June 2021, total revenues were collected in the amount of Denar 101.1 billion, accounting for 47.5% in relation to the 2021 projections, increasing by 15.6% or Denar 13.7 billion in absolute terms, compared to the same period last year. Tax revenues and social contributions amounted to Denar 91.5 billion, accounting for 90.6% of the total revenues. Tax revenues in this period collected in the amount of Denar 57.8 billion, being by 21% higher compared to the analyzed period last year, or a collection higher by Denar 9.9 billion. Revenues collected on the basis of VAT accounted for the most in the collected tax revenues, accounting for 46%, i.e. collection was higher by Denar 6.5 billion or by 32.3%.

Revenues on the basis of social contributions, as genuine revenues of the Pension and Disability Insurance Fund, the Health Insurance Fund, and the Employment Agency, were collected in the amount of Denar 33.7 billion in the analyzed period, accounting for 49.4% in relation to the annual projected amount, i.e. by 6.2% higher than the last year's performance. Denar 22.8 billion was collected on the basis of pension insurance, while revenues collected on the basis of health insurance contributions amounted to Denar 9.5 billion.

During the period January - June 2021, non-tax revenues amounted to Denar 6.6 billion, whereby non-tax revenues of budget users on the special revenue accounts predominated, which were collected in the amount of Denar 3.2 billion. Capital revenues were collected in the amount of Denar 430 million, whereby revenues on the basis of dividends, sale of land and flats participated in the structure thereof. Budget users generated Denar 2.5 billion on the basis of donations on the basis of international multilateral and bilateral cooperation, accounting for 39.8% in relation to the projected ones.

During this period of 2021, total budget expenditures were executed in the amount of Denar 116.8 billion, accounting for 47.2% in relation to the annual projected amount, i.e. experiencing 3% growth compared to the same period last year. In fact, expenditures in this period of the year experienced growth on annual basis, mostly as a result of the higher collection of capital expenditures and higher social transfers. Thereby, current expenditures amounted to Denar 110.2 billion (49.3% in relation to the annual projection, i.e. 1.2% growth compared to the same period last year). During this period, Denar 15.2 billion was paid for wages and allowances to the employees in the institutions, being budget users, while expenditures related to goods and services were executed in the amount of Denar 8.4 billion.

Transfers-related expenditures accounted for the most in the current expenditures, amounting to Denar 82.4 billion in this period, accounting for 51.1% in relation to the annual projected amount. Government liabilities on the basis of payments related to

exercising the rights to guaranteed social protection of the citizens were settled on regular basis, amounting to Denar 6 billion. Most of these funds are financial benefits with respect to social and permanent financial assistance, child allowance and parenting payments, as well as other allowances for the vulnerable categories of the citizens. Denar 30.7 billion was intended for payment of pensions, while expenditures in the amount of Denar 861 billion were executed through the Employment Agency, aimed at paying unemployment benefit and active measures. Denar 16.9 billion was paid for financing health services and benefits. Denar 9.5 billion was transferred from the Budget of the Republic of North Macedonia to the municipalities as block grants for financing the transferred competences, as well as for financing the operating costs in local public institutions. In addition, Denar 1.2 million was transferred on the basis of VAT revenues.

Denar 4.2 billion was allocated for servicing of liabilities on the basis of interest, according to the repayment schedules on domestic and foreign borrowing. Denar 2.9 billion out of this amount was intended for paying interest on foreign borrowing and Denar 1.3 billion on the basis of domestic borrowing.

Capital expenditures in the January - June 2020 period were executed in the amount of Denar 6.6 billion or 27.3% in relation to the annual projected budget, being higher by 48.2% compared to the same period last year.

In the period January - June 2021, budget deficit was realized in the amount of Denar 15.7 billion or 2.2% of the projected GDP.

Modifications and Amendments to the 2021 Budget of the Republic of Macedonia

By the end of 2021, the priorities will be geared towards coping with the consequences from the COVID-19 pandemic, by scaling up investments through direct support of activities of companies, job creation through active employment measures, as well as support and development of micro, small- and medium-sized enterprises. This means that such support will be realized by establishing development funds and similar instruments for support of export-oriented companies, small- and medium-sized enterprises, as well as social enterprises.

Government will remain committed to supporting the economy with investments in infrastructure projects, redesigning the public finance structure by increased share of capital expenditures, as well as strengthening the process of planning, executing and reporting as regards the public finance.

For the purpose of realizing the objectives when coping with COVID-19 pandemic, under these modifications and amendments to the 2021 Budget of the Republic of North Macedonia pertaining to the expenditures, certain planned spending at budget users was limited, not being essentially and directly related to the coping with health crisis, thus reducing all non-productive budget spending to a minimum.

Taking into account the revenue performance in the period January - June 2021, as well as the need to provide funds for carrying out the activities envisaged under the fifth

and sixth set of measures, changes were made to the initial projections on the 2021 budget revenues and expenditures.

According to the amendments and modifications to the 2021 Budget of the Republic of North Macedonia, total revenues are projected at Denar 222.5 billion, amounting to around Denar 10 billion or by 4.7% higher in relation to the initial Budget projections. Revenue projections are based upon the revenue performance during the current year, expectations for the economic performance in 2021, certain changes in tax area, greater tax coverage, fair and streamlined administrative processes.

Tax revenues accounted for 55.7% of total revenues, being projected at Denar 123.9 billion i.e. higher by around Denar 6 billion compared to the initial Budget. Main priorities as regards the tax system are increased fairness in taxation, increased efficiency and effectiveness of revenue collection, enhanced tax transparency, improved quality of services rendered by tax system institutions, by simplifying and speeding up procedures and reducing the administrative burden through many digital services, as well by introducing environmental (green) taxation, in order to stimulate taxpayers to contribute, through duties and fees, to pollution reduction.

Social revenues as genuine revenues of the Funds, are projected at Denar 69.2 billion or by around Denar 1 billion higher compared to the 2021 projections. Other revenues (non-tax, capital and foreign donations) are projected at Denar 29.5 billion.

Total expenditures are projected at Denar 268.8 billion or by 8.6% or around Denar 21.2 billion higher compared to the projections. The deficit, on the basis of such projected revenues and expenditures, is projected in the amount of Denar 46.2 billion, i.e. 6.5% of GDP.

Expenditures for payment of wages are projected at Denar 31.6 billion, including the impact from the strict control over new employments for the purpose of optimizing the public administration and payment of vacation allowance in line with the Sector Collective Agreement for State Administration Bodies, expert services of the Government of the Republic of North Macedonia, courts, public prosecutor's offices, penitentiary institutions and the correctional-educational institutions, State Attorney's Office, municipalities, City of Skopje and the municipalities in the City of Skopje, agencies, Funds and other bodies established by the Parliament of the Republic of North Macedonia.

Expenditures related to goods and services are projected at approximately Denar 22 billion or by Denar 0.6 billion higher compared to the 2021 Budget, including the effect of reducing the less productive budget expenditures, not being essentially and directly related to the process of coping with Coronavirus crisis, without thereby disrupting the regular settlement of the liabilities of budget users. Under this category, additional funds were provided in the health sector, for activities directly contributing to the fight against the health crisis, pertaining to the procurement of pharmaceuticals and vaccines for immunization of the population.

Current transfers are projected at Denar 176 billion or by Denar 14.7 billion higher compared to the 2021 projections, pertaining above all to the funds necessary for implementing the economic measures aimed at coping with the COVID-19 induced crisis.

To the end of extending the measures under the previous four sets of measures, so as to recover/restart the economy, as well as return the economic growth rates to the pre-crisis level, the fifth and the sixth set of measures were designed with direct support to the business sector and the companies, out of which the following are more important:

- Wage financial support for employees, scalable support from Denar 14,500 to Denar 21,776 in the months of February and March 2021;
- Support for export-oriented companies by revising the Customs Tariff and harmonizing with the rules of the EU market and the markets of the WTO Member States.
- Simplified requirements for 245 companies under active contracts and new potential investors, which will make investments in line with the Law on Financial Support of Investments;
- Co-financed assistance for micro, small- and medium-sized enterprises geared towards technologic development;
- Financial support for hospitality facilities, categorized restaurants for weddings, event planning industry, kids' play areas, night clubs, private child resorts, fitness centers, photographers and photo studios, categorized travel agencies, musicians, members of associations of musicians, as well as licensed tourist guides through several modalities;
- As for companies having reinvested their 2020 profit, the interest rates will be subsidized by realizing a measure through the Development Bank,
- Media broadcasting radio and TV programs will be supported with interest-free credit line through the Development Bank.
- Foreign tourists, visiting the country, will get free PCR tests as additional support and assistance for the domestic tourist and hospitality industry sectors.

With respect to expenditures for subsidies and transfers, support for the agriculture sector was planned, by providing additional Denar 3 billion, as well as funds for students' meals, whereby additional funds have also been provided for the broadcasting activity.

Capital expenditures were projected in the amount of around Denar 30 billion or by Denar 5.7 billion higher compared to the 2021 projections, i.e. these modifications and amendments to the 2021 Budget provided for redesigning the expenditures with higher share of the capital expenditures in the total expenditures. Capital expenditures being higher by 24% was a result of providing the funds necessary for implementing some of the Government's measures, pertaining to the following:

- Loans with 0% interest, made available through the Development Bank geared towards the most severely hit sectors in the field of tourism, craftsmanship, hospitality industry, transport, event planning industry, private health institutions, etc.;
- Credit guarantee scheme through the Development Bank in the period April-October 2021;
- Establishment of Fund for Support of Export Oriented Companies through the Development Bank.

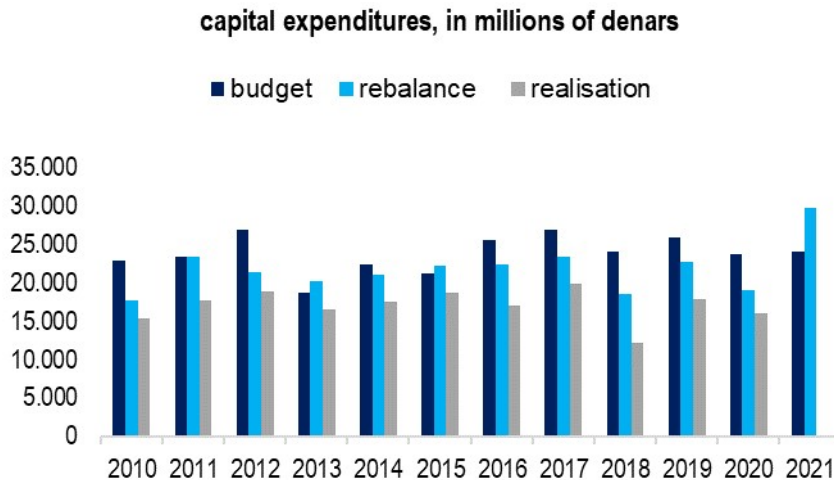
At the same time, additional funds are planned to be provided for budget users, to be geared towards capital investments for reconstructing the public health institutions, capital investments in the field of child care and social protection, the road infrastructure, as well as higher amount of funds for the rural development.

Table 1. Budget of the Republic of North Macedonia

	Budget 2021	Rebalance 2021	difference Rebalance 2021-Budget 2021	R 2021 / B 2021 (%)
TOTAL REVENUES	212.630	222.542	9.912	4,7
Tax revenues and contributions	186.282	193.068	6.786	3,6
Tax revenues	117.982	123.873	5.891	5,0
Contributions	68.300	69.195	895	1,3
Non-tax revenue	16.954	17.586	632	3,7
Capital income	3.187	3.187	0	0,0
Donations	6.207	8.701	2.494	40,2
TOTAL EXPENDITURES	247.567	268.772	21.205	8,6
Current expenditures	223.512	238.968	15.456	6,9
Salaries and allowances	31.394	31.594	201	0,6
Goods and services	21.322	21.965	643	3,0
Transfers to LSGUs	21.315	21.329	14	0,1
Subsidies and transfers	19.351	32.075	12.724	65,8
Social transfers	120.653	122.627	1.974	1,6
Interest payments	9.478	9.378	-100	-1,1
Capital expenditures	24.055	29.804	5.749	23,9
BUDGET BALANCE	-34.937	-46.230	-11.293	32,3
FINANCING	34.937	46.230	11.293	32,3
Inflow	78.290	89.583	11.293	14,4
Domestic sources	23.437	25.449	2.012	8,6
Foreign sources	53.542	63.731	10.189	19,0
Deposits ("- " is account accumulation)	1.311	403		
Outflow	43.353	43.353	0	0,0
Repay home loans	6.119	6.119	0	0,0
of which continuous government securities	4.679	4.679	0	0,0
Repay foreign debt	37.234	37.234	0	0,0
MEMORANDUM				
Net home borrowing	17.008	17.010		
Net domestic borrowing (continuous government	18.448	18.450		
Net foreign borrowing	15.808	25.997		
Primary budget balance	-25.459	-36.852		
Primary budget balance, % of GDP	-3,6	-5,2		
Budget balance, % of GDP	-4,9	-6,5		

Source: Ministry of Finance

Figure 9



Source: Ministry of Finance

2021 projected deficit, repayment of foreign debt principal in the amount of Denar 37.2 billion and domestic debt repayment in the amount of Denar 6.1 billion will be financed by external borrowing and borrowing on the domestic government securities market. Repayment of foreign debt principal includes the regular servicing of liabilities on the basis of foreign debt, also including the repayment the Eurobond issued in 2014, amounting to EUR 500 million, while domestic debt repayment covers repayments of government bonds in the amount of Denar 4.68 billion and repayment of structural bonds in the amount of Denar 1.44 billion.

Domestic borrowing, being projected at Denar 23.13 billion, was realized by borrowing on the domestic government securities market via simultaneous repayment of government bonds in the amount of Denar 4.68 billion, whereby maximum amount of net borrowing will be realized through government securities in the amount of Denar 18.45 billion, which will be used for financing the needs throughout the current 2020, as well as for partial financing in 2022. Foreign borrowing may be realized via disbursement of funds from loans under favorable terms and conditions from foreign financial institutions intended for financing certain projects also including IMF loan, second tranche of the EU loan for macro -financial assistance in the amount of EUR 80 million, as well as through Eurobond in the amount of EUR 700 million.

On 31st March 2021, General Government debt of the Republic of North Macedonia amounted to EUR 6,207.8 million, i.e. 54.1% of GDP, while public debt amounted to EUR 7,173.6 million, i.e. 62.5% of GDP.