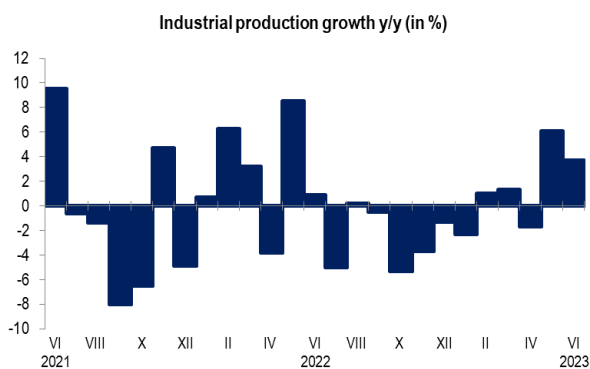


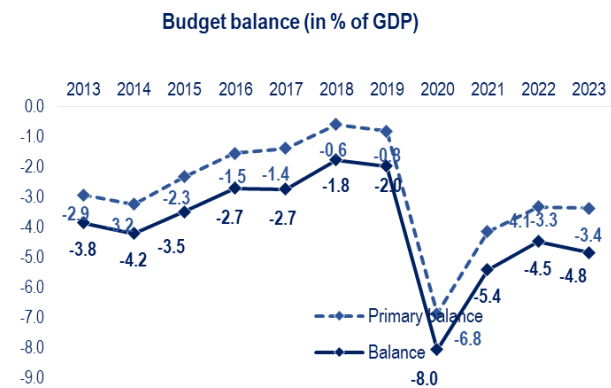


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- **Industrial production** in June 2023 increased by 3.7% annually, as a result of the growth in Manufacturing (1.4%) and Electricity (39.9%), while Mining registered a drop of 1.6%. In the first half of 2023, industrial production rose by 1.5%, with Manufacturing decreasing by 0.2%, compared to the same period of 2022.
- In January-June 2023, total budget revenues were realized 46.5% of the Budget for 2023. **Budget revenues** grew by 12.8% y/y, whereby tax revenues picked up by 5.1% y/y, while social contributions increased by 20.7% y/y. Higher tax revenues were driven by PIT, profit tax, excises, other tax revenues and import duties, while tax revenues from VAT decreased by 0.1%.
- Total expenditures in the period January-June 2023 were realized 47.7% of the Budget for 2023. **Budget expenditures** grew by 22.3% y/y. Current expenditures surged by 12.5% y/y, while capital expenditures recorded higher execution by 156.9%. Budget deficit stood at 2.7% of MoF-projected GDP for 2023, while primary deficit is 1.9% of the MoF- projected GDP for 2023.



Source: State Statistical Office



*Ratios using MoF GDP forecast for 2023

- **Inflation** in June 2023 re-entered the one-digit zone, by registering an annual growth of 9.3% (11.3% in May 2023), which represents a continuous slowdown in annual growth in recent months. In January - June 2023, the inflation rate was 13.6%. In the same period, prices of food increased by 18.9% (y/y).
- In the first five months of 2023, **export** of goods grew by 6.0% on annual basis, while **import** of goods dropped by 7.5%, which led to a decrease of the **trade deficit** by 35.6% compared to the same period of 2022.
- In May 2023, **average net wage** recorded an annual growth of 16.1% in nominal terms and a 4.3% growth in real terms. The average net wage amounted to Denar 36,465 (EUR 592), with the average gross wage amounting to Denar 54,675 (EUR 888).
- In June 2023, **credit activity** increased by 6.5% on annual basis, with household lending up by 6.4% and lending to enterprises increasing by 6.5%. Total **deposits** were higher by 11.5% (y/y), reflecting growth in both household deposits by 8.8%, and corporate deposits by 19.7%.
- On July 28th, 2023 the **S&P Credit Rating Agency** confirmed the credit rating of our country BB - Stable.



Key macroeconomic indicators and projections

	2016	2017	2018	2019	2020	2021	2022	2023*
Real GDP growth, %	2.8	1.1	2.9	3.9	-4.7	3.9	2.1	2.5
Nominal GDP, million EUR	9,657	10,038	10,744	11,262	10,852	11,690	12,898	14,396
Average annual inflation, %	-0.2	1.4	1.5	0.8	1.2	3.2	14.2	8.9
Budget balance, % of GDP	-2.7	-2.7	-1.8	-2.0	-8.0	-5.4	-4.5	-4.8
General government debt, e.o.p., % of GDP	39.9	39.4	40.4	40.5	50.8	52.0	51.0	50.4****
Current account balance, % of GDP	-2.6	-0.8	0.2	-3.0	-2.9	-3.1	-6.0	-4.2
Average unemployment rate, %	23.7	22.4	20.7	17.3	16.4	15.4	14.4	14.0
Average exchange rate MKD/EUR	61.6	61.6	61.5	61.5	61.7	61.6	61.6	61.6
Key monetary policy rate, %	3.73	3.27	2.92	2.29	1.65	1.29	2.46	5.45**
Foreign reserves, e.o.p., % of GDP	27.1	23.3	26.7	29.0	31.0	31.2	29.9	29.1***

*MoF projections, unless otherwise noted

**Average monetary policy rate for January-June 2023

***Actual for June 2023, ratio based on MoF projections

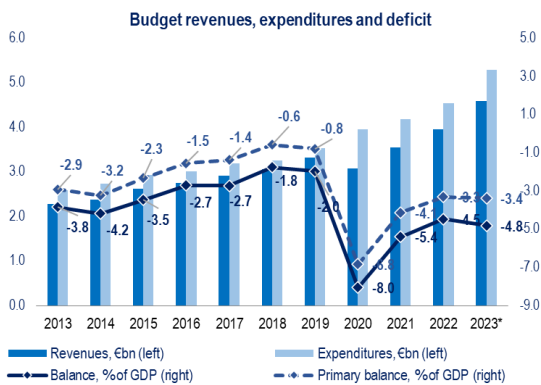
****Actual for Q2 2023

Latest GDP and inflation estimates and forecasts

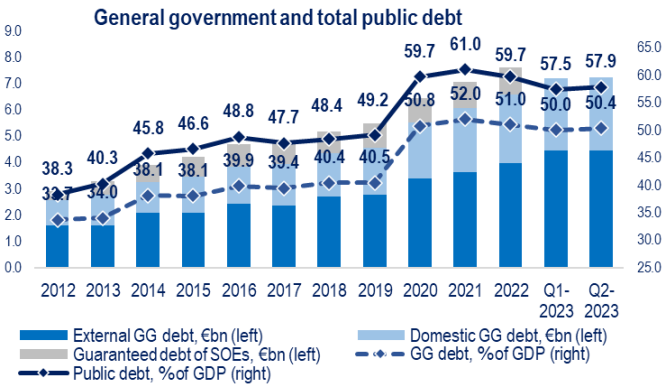
	Real GDP growth, %	Average inflation, %
	2023	2023
IMF, Staff Visit (June 2023)	2.1	9.2
European Commission (May 2023)	2.0	7.9
World Bank (April 2023)	2.4	9.2
National Bank (May 2023)	2.1	8.0 - 9.0
MoF, North Macedonia (April 2023)	2.5	8.9

Credit rating, latest

	Rating	Outlook
Standard & Poor's, July 2023	BB-	Stable
Fitch, April 2023	BB+	Stable



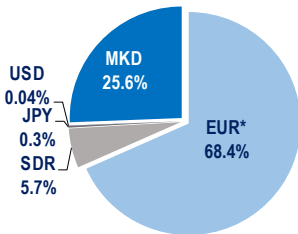
*2023 Budget data and MoF GDP forecast



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

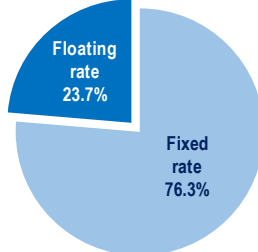
* Ratio using MoF - GDP forecast for 2023

GG debt - Currency structure, Q2 2023

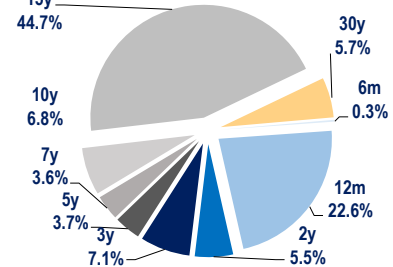


*Includes FX-linked domestic government

GG debt - Interest rate structure, Q2 2023



Domestic government securities - original maturity, July 2023



Domestic government securities, EUR m

Outstanding, 31st July 2023	2816.7
- Of which without FX clause	1900.6
- Of which with FX clause	916.1
Total planned gross issuance for 2023*	546.8
Total planned net issuance for 2023	350.0
Of which net issued by July 2023	323.4

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

Yields on domestic government securities issued on the primary market during July 2023

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			4.25	5.00					6.15	
With FX clause										

Republic of North Macedonia outstanding eurobonds, latest

Maturity date	Rating		Original/outstanding size (mn)	Coupon	Price	Yield	Bid Spread	
	S&P	F					vs. BM	vs. MS
Jan-25	BB-	BB+	€ 500	2.750%	95.53	5.971	319	232
Jun-26	BB-	BB+	€ 700	3.675%	93.70	6.141	358	284
Mar-28	BB-	BB+	€ 700	1.625%	81.46	6.376	419	343
Mar-27	BB-	BB+	€ 500	6.960%	102.41	6.186	370	301