



SHORT-TERM ECONOMIC TRENDS



April 2024



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SUMMARY

OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

April 2024

- In April 2024, industrial production recorded a drop by 1.2% compared to the same month previous year;
- Inflation rate in April accounted for 4.0%, remaining constant compared to last month. On monthly basis, inflation rate increased by 0.7%;
- Export in the period January - April 2024 recorded a drop of 5.3%, while import grew by 3.8%, resulting in increase of the trade deficit by 34.6% compared to the same period in 2023;
- In April 2024, total budget revenues amounted to Denar 98,319 million, i.e. 10.0% of GDP, representing collection higher by 12.7% in relation to April 2023;
- In April 2024, total budget expenditures amounted to Denar 112,728 million, i.e. 11.5% of GDP, which was higher by 13.0% compared to April of the previous year;
- In April 2024, total credits of banks grew by 6.8% compared to April 2023, while total deposit potential of banks surged by 9.3%.



1. REAL SECTOR

Industrial Production

In April 2024, industrial production recorded a drop by 1.2% compared to the same month previous year. Drop was due to decreased production at the sector Electricity, gas, steam and air-conditioning supply by 39.6%, whereas at sector Manufacturing and at sector Mining and Quarrying increased production by 4.7% and 0.3%, respectively.

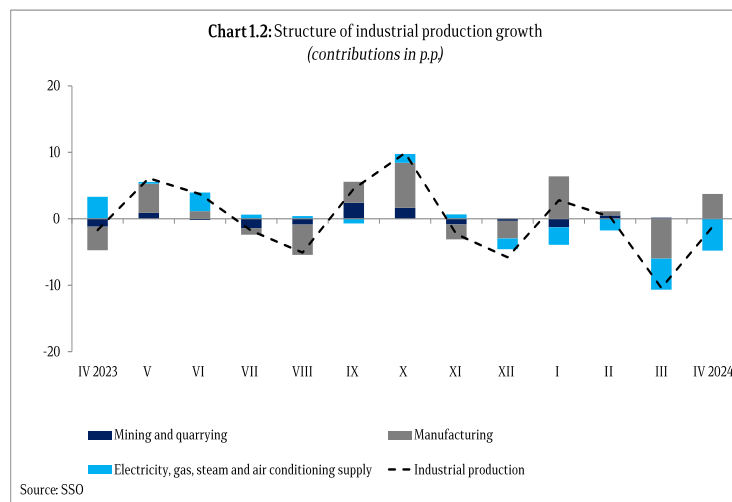
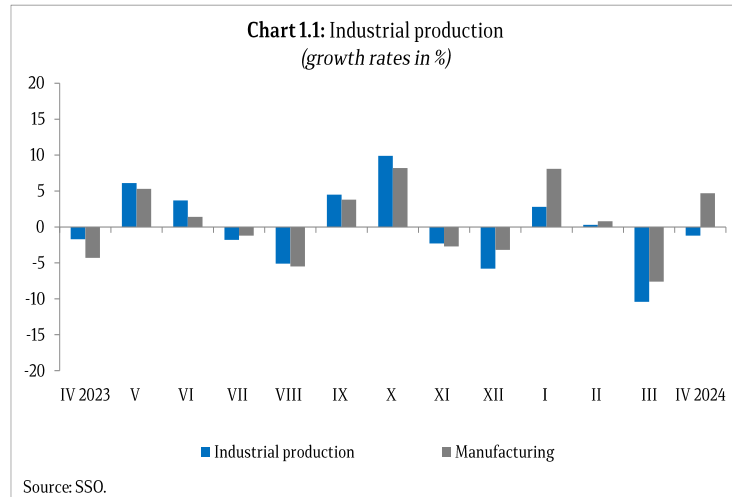
In April 2024, growth in production was registered at 14 out of total of 27 industrial branches, comprising 62.3% in the total industry.

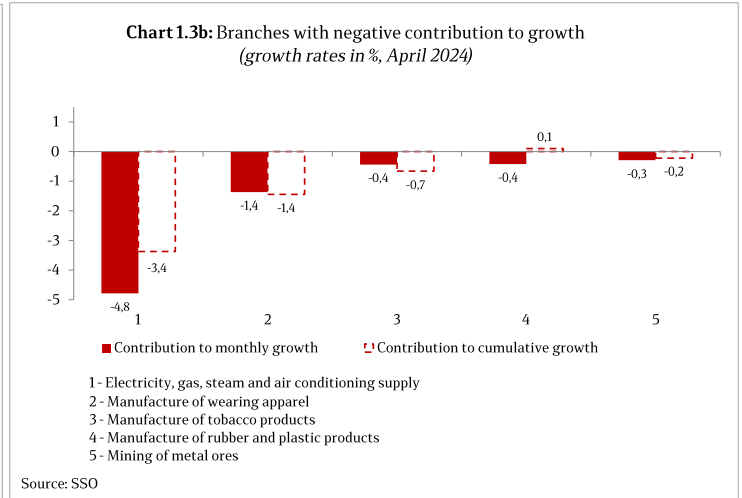
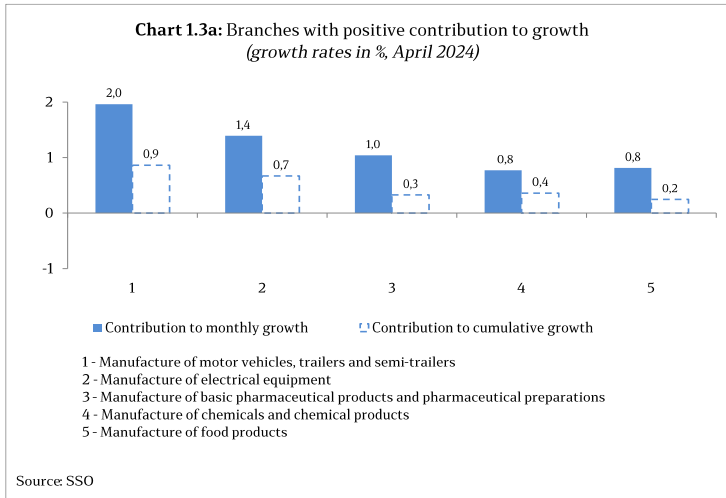
As for branches with higher added value, in April 2024 growth was recorded throughout all branches: Manufacture of machinery and equipment by 10.9% with contribution of 0.7 p.p., Manufacture of Electrical Equipment by 26.2% with contribution of 1.4 p.p., Manufacture of motor vehicles, trailers and semi-trailers by 14.9% with contribution of 2.0 p.p. and Manufacture of metals by 5.3% with contribution of 0.2 p.p..

As for traditional branches, increase of production in April 2024 was observed at the following: Manufacture of textile by 12.5% and contribution of 0.6 p.p., Manufacture of beverages by 11.4% and contribution of 0.4 p.p., Food Industry by 7.9% and contribution of 0.8 p.p., whereas decrease of production was observed at the branches: Manufacture of tobacco goods by 35.3% and contribution of -0.4 p.p., Manufacture of wearing apparel by 21.6% and contribution of -1.4 p.p., Manufacture of leather by 5.9% and contribution of 0.0 p.p. and Manufacture of wood and wood and cork products by 7.7% and contribution of -0.1 p.p..

Drop of industrial production, according to the purpose of production units in April 2024, was a result of the decreased production at the following groups: Energy (decreasing by 37.1% and contribution of -4.8 p.p.), Intermediary goods, except energy (dropping by 1.3% and contribution of -0.4 p.p.) and Durable consumer goods industry (decreasing by 3.5% and contribution of -0.1 p.p.), while increase in the production was seen at the following branches: Capital goods (growing by 17.2% with contribution of 4.0 p.p.), Non-durable consumer goods industry (surging by 1.9% and contribution of 0.6 p.p.).

On cumulative basis, in the period January - April 2024, industry decreased by 2.6% as a result of the decreased production throughout sectors, as follows: and Mining and quarrying by 1.7% (contribution of -0,2 p.p.) and Electricity, gas, steam and air-conditioning supply by 27.9% (contribution of -3,4 p.p.), while Manufacturing recorded growth of 0.8% (contribution of 0.6 p.p.).

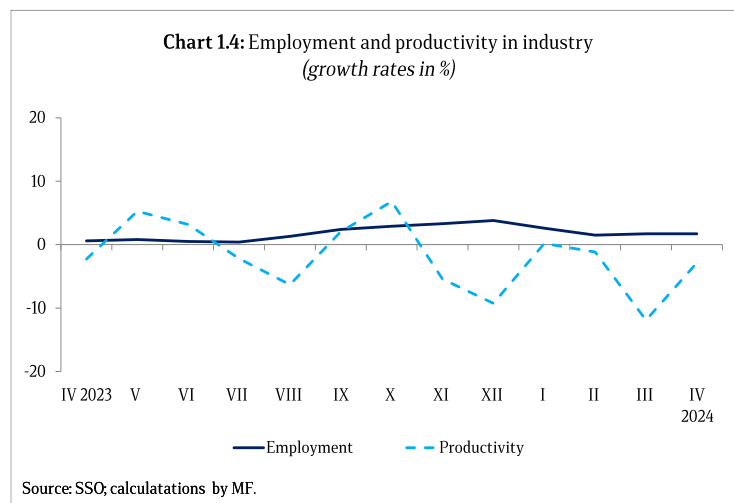




As per the purpose of production units, in the period January - April 2023, growth was only seen at the group Capital products (8.8%). No changes have been registered at the group Intermediary products except energy, whereas a drop was recorded at the following branches: Energy (by 26.3%), Consumer durables (by 2.2%), and Consumer non-durables (by 4.9%).

Number of Employees in the Industry

In April 2024, number of employees in the industry increased by 2.0% compared to the same month in the previous year. Growth was due to the increased number of employees throughout all sectors: Mining and quarrying by 5.1%, Manufacturing by 1.9%, and Electricity, gas, steam and air-conditioning supply by 0.9%. Increase in the number of employees was seen at the following branches: Repair and installation of machinery and equipment by 52.6%, Manufacture of machinery and equipment n.e.c. by 25.1% and Manufacture of motor vehicles, trailers and semi-trailers by 20.0%.



Data on the number of employees in the industry by target groups in April 2024, compared to the same period last year, showed increase in the number of employees at the following groups: Energy by 4.5%, Capital goods by 18.7% and Consumer durables by 13.7%.

Cumulative data indicate that the number of employers in the industry in the January - April 2024 period recorded growth of 1.9% due to the increased number of employees throughout sectors: Mining and quarrying by 5.6%, Manufacturing by 1.8% and Electricity, gas, steam and air-conditioning supply by 0.8%.

As regards target groups, number of employees in the industry in the period January – April 2024 increased in the sectors as follows: Energy by 4.4%, Capital goods by 16.7% and Consumer durables by 8.2%.



Number of Issued Building Permits and Expected Value of Constructions

In April 2024, 257 building permits were issued, declining by 22.1% compared to the same month in 2023. This is due to the annual drop of issued building permits pertaining to buildings by 6.2% (participating with 52.9% in the total number of issued building permits) and pertaining to reconstruction facilities by 1.5%. Compared to March 2024, number of issued building permits dropped by 19.9%. Expected value of works, according to the issued building permits in April 2024, dropped by 16.6% on annual basis, while compared to the previous month, it decreased by 2.6%.

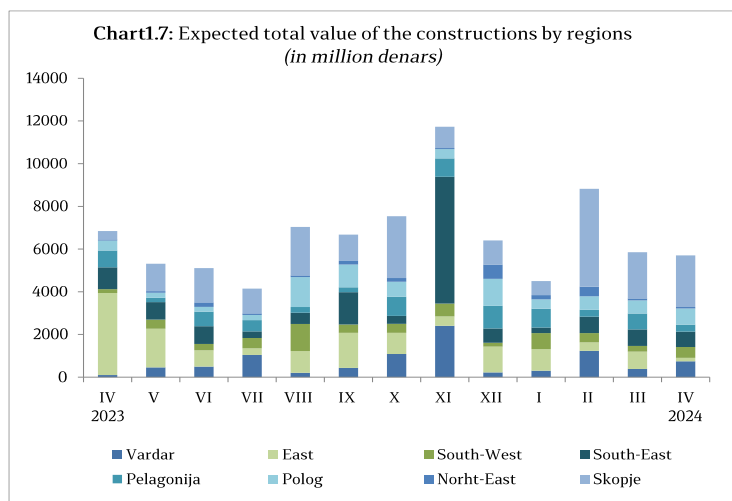
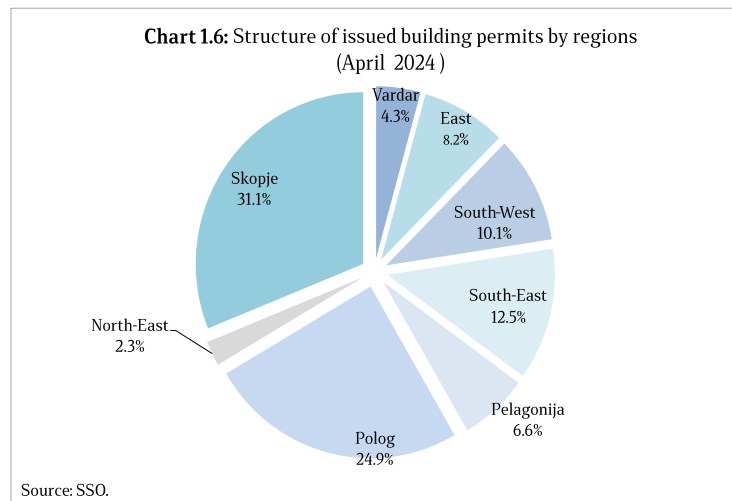
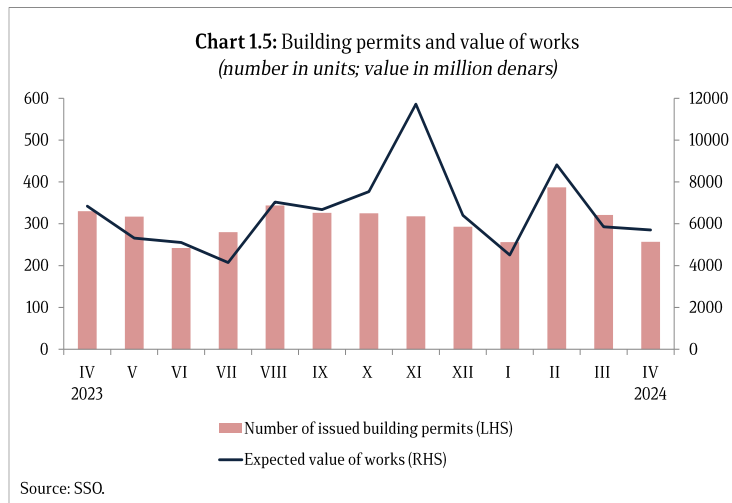
Analyzed by types of constructions, out of the total number of issued building permits, 136 (or 52.9%) were intended for buildings, 56 (or 21.8%) for civil engineering structures and 65 (or 25.3%) for reconstruction.

Analyzed by types of investors, out of total 257 issued building permits, individuals were investors in 121 facilities (or 47.1%), while business entities were investors in 136 facilities (or 52.9%).

In April 2024, construction of 710 flats was envisaged, with total usable area of 55,611 m². Number of flats envisaged for construction declined by 29.9% on monthly basis, while increasing by 80.7% on annual basis.

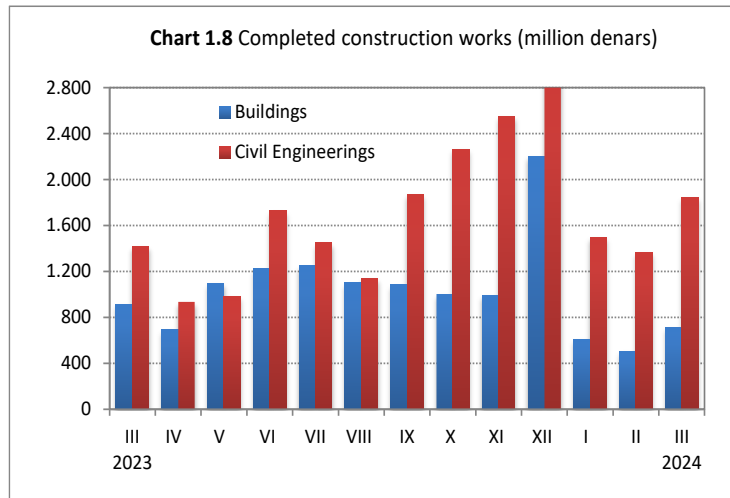
Number of Completed Construction Works by Types of Constructions

In March 2024, construction works were completed with total value of Denar 2,633 million, representing nominal annual growth of 13.0%, where as regards to buildings a





drop of 22.3%, and as regards to civil engineering structures a growth of 30.3% were observed. Compared to February 2024, total value of completed construction works picked up by 37.0%, with growth of 41.0% at civil engineering structures, and increase of 34.9% as regards the buildings. In cumulative terms, in the period January – March 2024, value of performed construction works amounted to Denar 6,724 million, being lower by 2.7% compared to the same period last year.

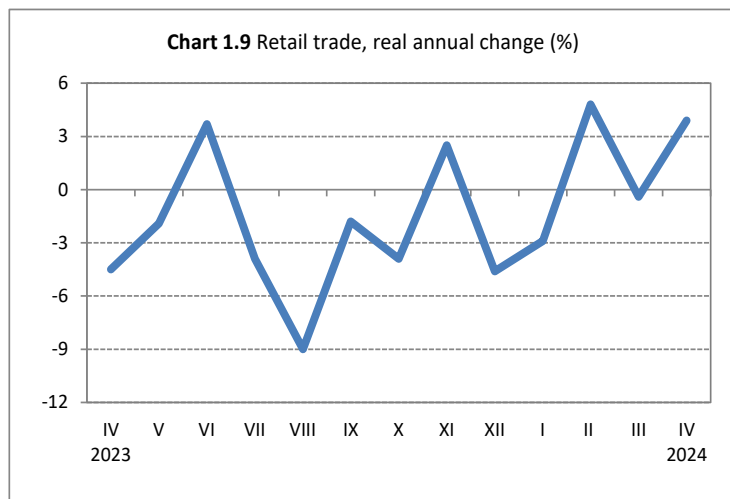


Most of the completed construction works pertain to civil engineering construction, wherein construction works amounting to Denar 4,702 million were completed in the first three months of the year, i.e. 24.5% higher compared to the same period last year. Value of completed works at buildings in this period decreased by 37.5%, amounting to Denar 1,826 million.

In real terms, in the period January - March 2024, value of completed construction works increased by 2.8%, with civil engineering structures (31.6%) recording growth and buildings (34.0%) recording a drop.

Trade Sector Turnover

In April 2024, data on domestic trade demonstrated nominal annual growth in the turnover by 19.6%, following the drop by 1.8% in March. In April 2024, value of turnover amounted to Denar 68,990 million, whereby in cumulative terms, in the period January - April 2023, value of total turnover in the trade amounted to Denar 254,286 million, being by 4.6% higher compared to the same period previous year.



In the period January - April 2024, in cumulative terms, positive growth in the turnover was also seen at the sectors: wholesale trade, which turnover value amounted to Denar 137,837 million, i.e. higher by 6.9% compared to the same month last year, trade in motor vehicles and repair, which turnover value amounted amounting to Denar 16,411 million, being higher by 7.7% compared to the same month last year, and Retail trade with turnover value amounting to Denar 100,038 million, being higher by 1.1% compared to the same month last year.

In real terms, retail trade in April 2024 recorded annual increase by 3.9%, while analyzed by groups and classes, increase was also seen in the groups of Retail trade in automotive fuels by 2.7%, Retail trade in food products, beverages and tobacco by 1.1%, and Retail trade in non-food products by 7.7%.

In April 2024, Wholesale trade (54.45%) accounted for the most in the Trade sector, followed by Retail trade (38.47%) and Trade in motor vehicles and motorcycles, repair and their maintenance (7.08%).



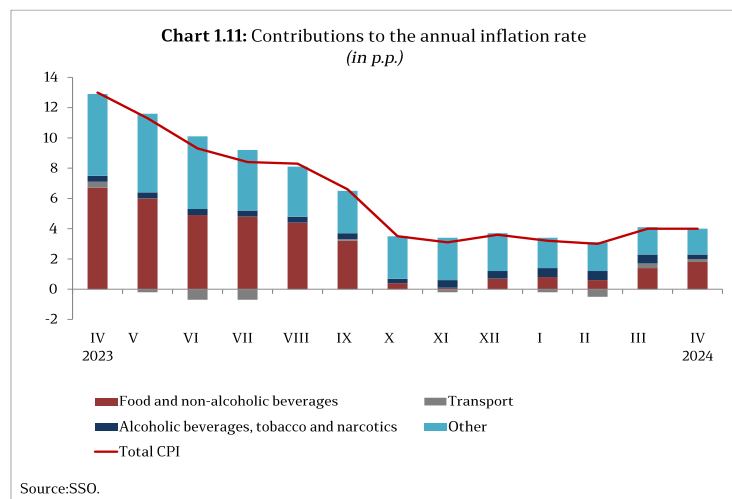
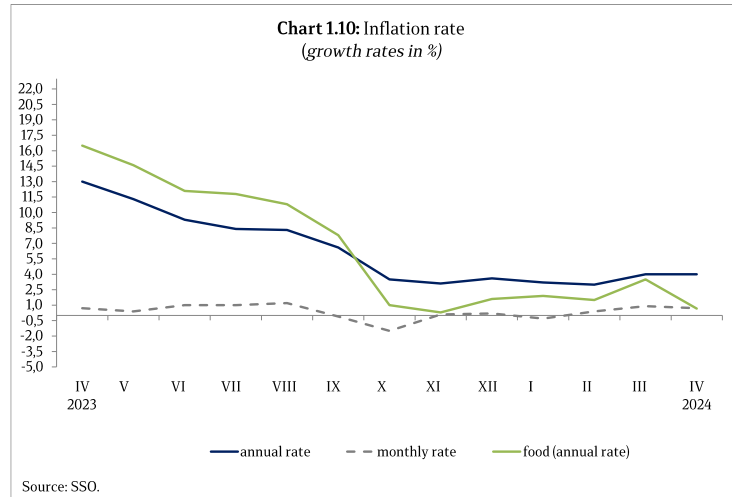
Inflation

Inflation rate in April accounted for 4.0%, remaining constant compared to last month. This month inflation was primarily due to the food and base component, whereas the food category recorded an acceleration, which was mainly due to increased prices of fruit and vegetable.

Core inflation (inflation, wherefrom the impact of prices of food and energy products is excluded) recorded a slowing down, accounting for 4.1% on annual basis (5.1% in the previous month). This month, the increased prices in the category Restaurant and hotels have contributed in most positive terms, followed by prices in the category Alcoholic beverages, tobacco and narcotics.

Prices in the category Food and non-alcoholic beverages¹ recorded growth of 4.7%, i.e. increase by 1.2 p.p. compared to the previous month, contributing with 1.9 p.p. in the total inflation in April. Following sub-categories in the Food and non-alcoholic beverages category have the highest positive contribution to growth: Vegetables (12.7% annual growth, and contribution of 0.6 p.p.), Fruits (26.4% annual growth and contribution of 0.5 p.p.), Bread and cereals (3.0%, with contribution of 0.2 p.p.) and Milk, cheese and eggs (3.2% increase, contribution of 0.2 p.p.). Oil (-0.1 p.p.) had negative contribution to food prices.

Observed by components, highest annual price growth in April 2023 was seen at the category Restaurants and hotels by 6.2% (contribution to the total inflation growth of 0.4 p.p.). Price increase was also recorded at the following categories, such as: Alcoholic beverages, tobacco and narcotics by 5.8%², Miscellaneous goods and services by 5.7%, Health protection by 5.5%, Furnishings, household equipment and routine household maintenance by 3.9%, Communication by 3.6%, Wearing Apparel and footwear by 3.2%, Recreation and culture by 3.1%, Transport by 2.3% and Housing, water, electricity, gas and other fuels by 1.5%. Reduction was observed in the category Education by 0.6%.



¹ Since March 2024, the measure for 10% reduction of basic food products which in the retail sector were selling under the label “guaranteed price” was revoked.

² Tobacco product prices is increased in accordance with the adopted amendments of the Law on Excise, cigarette excise is to increase by Denar 0.23 per pack each year until 2030.



In April, consumer prices grew by 0.7% on monthly basis (prices surged by 0.9% on monthly basis). Food prices increased by 0.9% whereby the categories Meat and Milk, cheese and eggs with 0.2 p.p. each and Fruits of 0.1 p.p., contributed the most thereto.

In April 2024, prices of oil increased by 3.5% on annual basis. On monthly basis, retail prices picked up by 1.1%. In the first four months of 2024, retail prices increased by 3.2%, on annual basis.

Inflation rate in April 2024 accounted for 2.4%, remaining constant compared to last month.

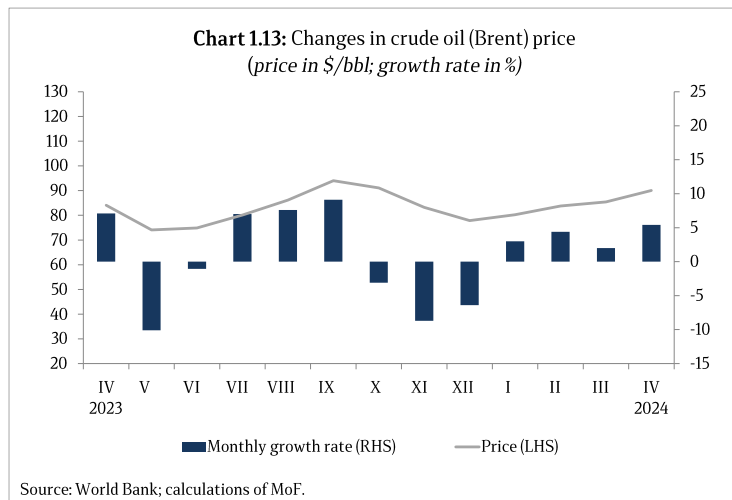
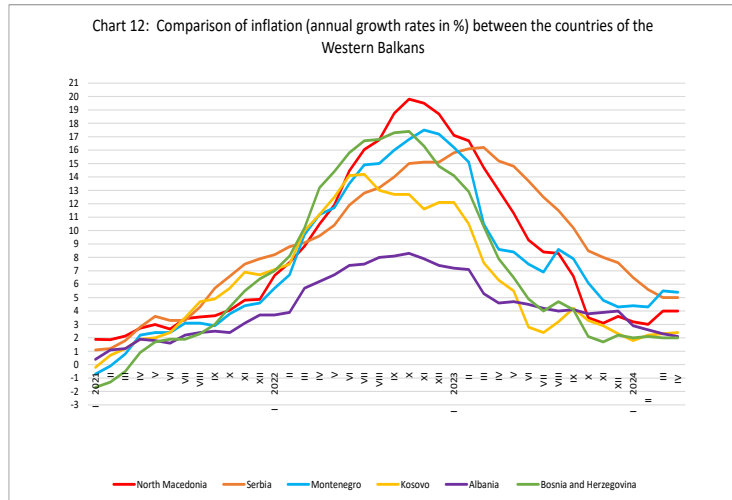
ECB revised the inflation rate for the Eurozone downwards by 0.5 p.p. in 2024, while inflation rate is to remain unchanged in 2025. As per the projections, inflation rate would reach 2.7% in 2024, 2.1% in 2025 and 1.9% in 2026. A steady downward inflation trend is expected in 2024, with reduction of main inflation components by the end of the year, reaching the ECB target of 2.0% in the second half of 2025.

Stock Market Prices

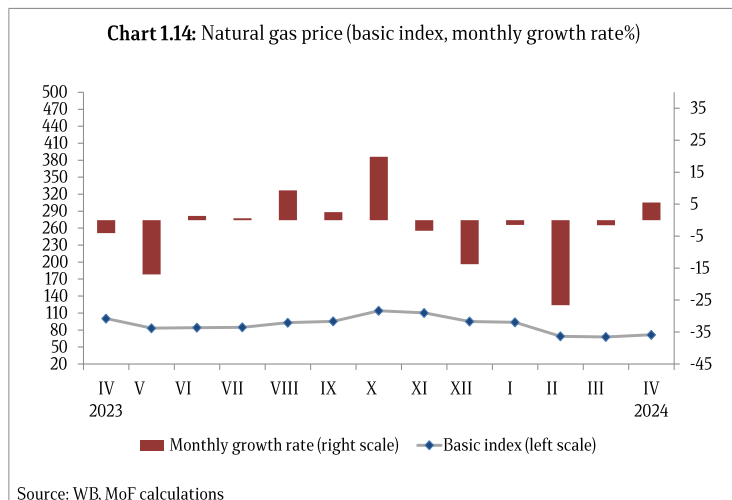
In April 2024, the price of crude oil (Brent) on the stock markets increased by 5.4% on monthly basis, amounting for US Dollar 90.1 per barrel, reflecting the heightened geopolitical tensions and potential risks imposed by the demand. On annual level the price of oil was higher by 7.1%.

In April 2024, the price of natural gas recorded growth of 5.5% on monthly basis. This month the prices increased as a result of heightened tensions between Iran and Israel, threatening to disrupt the global supply chain. Europe, likewise, became more sensitive to the global stock markets due to the almost complete halt of the gas flow from Russia to Europe owing to the ongoing war. The developments on the global markets increased the concerns regarding the supply, despite the finished winter season, being reflected with higher prices. In April 2024, the natural gas price increased by 7.1% on annual level.

In 2023, stabilization and reduction of energy product prices on the world and regional stock markets was brought



Source: World Bank; calculations of MoF.

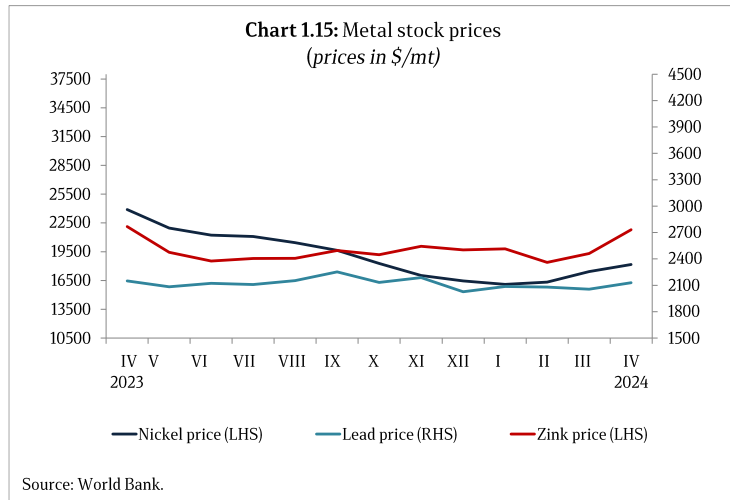


Source: WB, MoF calculations



about, following a considerable growth during 2021 and 2022. Price reduction trend continued into 2024. In April 2024, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 61.96 per megawatt/hour, decreasing by 4.9% on monthly basis, while dropping by 41.9% on annual basis.

In April 2024, basic metal prices recorded increase compared to the previous month. On monthly basis, the price of the tin increased by 15.8%, aluminium by 12.6%, price of zinc was higher by 11.0%, price of copper by 8.9%, price of nickel increased by 4.2%, and price of lead by 3.6%. On monthly basis, the price of iron ore increased by 2.7% to the point.



Growth on monthly basis was also recorded in terms of precious metal prices. In April, the price of gold increased by 8.0%, while the upward trend was followed by other precious metals, with silver and platinum recording growth of 12.1% and 3.5%, respectively.

In April, the price of maize increased by 0.6%, while price of wheat decreased by 0.3% on monthly basis. The price of sunflower oil picked up by 2.1% 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)
2023 I	148.7	83.1	714.1
II	146.2	82.7	585.1
III	113.4	78.5	488.7
IV	106.7	84.1	478.4
V	88.2	75.7	357.7
VI	96.6	74.9	366.2
VII	94.5	80.1	337.2
VIII	100.4	86.2	396
IX	103.8	94.0	408.6
X	104.9	91.1	515.5
XI	99.38	83.2	512.5
XII	81.72	77.9	407.1
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

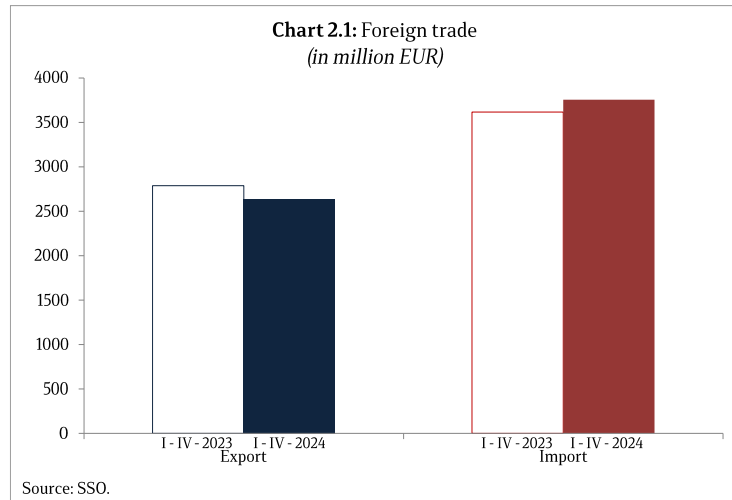
Source: World Bank, Hungarian Power Exchange

2. FOREIGN TRADE

Total foreign trade in the first four months of 2024 amounted to EUR 6,394.1 million, declining by 0.2% compared to the same period last year.



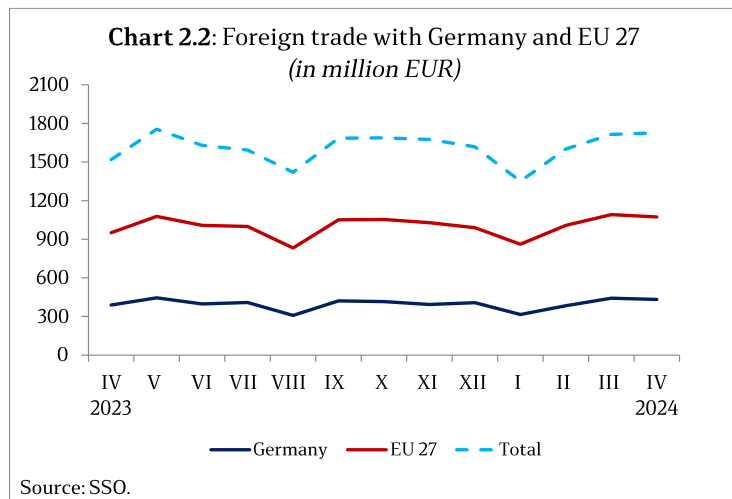
In the period January - April 2024, share of trade with the EU (EU 27³) as the largest trading partner, increased by 0.9 p.p. compared to the same period last year, accounting for 63.1%. Germany is the major trading partner of our country. As for total foreign trade structure of our country, share of the trade with Germany in the first four months of 2024, accounted for 24.6%, dropping by 0.8 p.p. compared to the same period in 2023.



Export

Value of exported goods amounted to EUR 2,639.1 million in the first four months of 2024, dropping by 5.3% (EUR 148.7 million) compared to the same period in 2023, as well as physical output of export increasing by 1.3%.

Value of exported goods amounted to EUR 709.2 million in April 2024, surging by 7.2% (EUR 47.5 million) compared to the same month of the previous year, while physical output of export increased by 12.4% compared to April 2023.



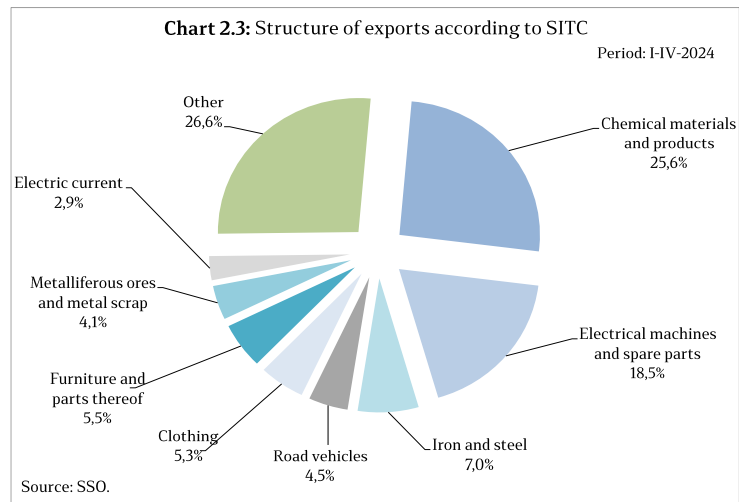
Analyzed on monthly basis, in April 2024, export recorded a drop by 1.8% (EUR 12.8 million), compared to the previous month, and, in the event of seasonal export adjustment, it registered monthly increase of 5.3%, showing negative effects of the seasonal factor (7.1 p.p.) on export this month.

Value of export of food in the first four months of 2024 increased by EUR 25.6 million, picking up by 17.4% compared to the same period in 2023, while quantity of exported food increased by 15.1%. Growth of value of food export was marked by increase of quantity of food export, mainly resulting from the specific reduction and stabilization of food prices on the international market. As for our country's total export structure, share of the food in the first four months of 2024, accounted for 6.5%, increasing by 1.3 p.p. compared to the same period in 2023.

³Starting April 2021, Great Britain is included in the economic group of countries - Miscellaneous countries



Analyzed by economic groups⁴, in the period between January and April 2024 compared to the same period of 2023, export recorded a drop in the following groups: EU 27, EFTA, Organization of Petroleum Exporting Countries, Commonwealth of Independent States, while growth was recorded at the following groups: North American Free Trade Agreement, Asia-Pacific Economic Cooperation and Western Balkan Countries. Export to EU 27 recorded a drop of 5.8% annually, with a share of 79.4% in the total export of the Republic of North Macedonia, while export to Western Balkan countries picked up by 8.1%, participating with 12.9% in our country's total export.



Import

In the period January - April 2024, value of imported goods amounted to EUR 3,754.9 million, surging by 3.8% (EUR 138.0 million) compared to the same period in 2023, while physical output of import dropped by 0.1%.

In April 2024, import value amounted to EUR 1,017.5 million, surging by 18.7% (EUR 160.2 million) compared to the same month in 2023, while imported quantities of goods grew by 22.7% compared to April 2023.

Analyzed on monthly basis, in April 2024, import picked up by 2.5% (EUR 25.0 million), compared to the previous month, and should import be seasonally adjusted, it registered monthly increase of 4.5%, showing negative effects of the seasonal factor (2.0 p.p.) on import this month.

Value of import of food in the first four months of 2024 increased by EUR 53.3 million, picking up by 17.1% compared to the same period in 2023, while quantity of imported food increased by 22.7%. Growth of the value of import of food was accompanied by increase of food import quantity, primarily due to certain reduction and stabilization of food prices on the international market. As for our country's

⁴ Economic groups cover the following countries: EU 27 (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, Greece, Hungary, Ireland, Italy, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Poland, Portugal, Romania, Sweden, Slovenia and Slovakia); EFTA (Switzerland, Island, Lichtenstein and Norway); Organization of Petroleum Exporting Countries (United Arab Emirates, Angola, Algeria, Ecuador, Iraq, Iran, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia and Venezuela); Western Balkans (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Kosovo and Serbia); North American Free Trade Agreement (Canada, Mexico and USA); Asia-Pacific Economic Cooperation (Australia, Brunei Darussalam, Canada, Chile, China, Hong Kong, China, Indonesia, Japan, Republic of Korea, Mexico, Malaysia, New Zealand, Peru, Papua New Guinea, The Philippines, Russia, Singapore, Thailand, Chinese Taipei, The United States and Viet Nam) and The Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Kyrgyzstan, Kazakhstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan).



total import, share of the food in first four months in 2024, accounted for 9.7%, increasing by 1.1 p.p. compared to the same period in 2023.

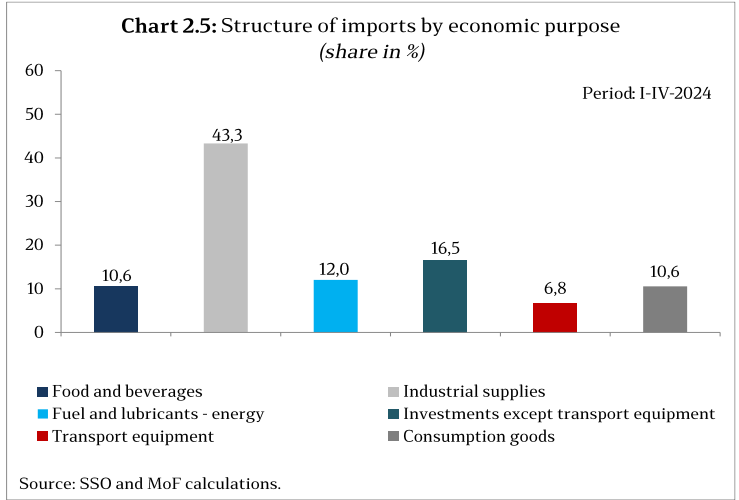
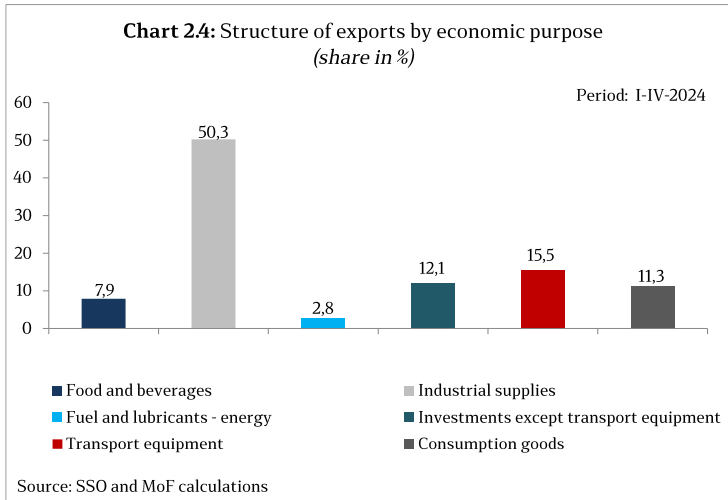


Table 2.1. Review of export and import of selected groups of products

Export of petroleum and petroleum products*)				
	I - IV - 2023	I - IV - 2024	Balance	% rate
000 T	40,0	49,6	9,6	24,0
EUR mil.	33,9	36,6	2,6	7,8
\$ mil.	36,5	39,6	3,0	8,3

*)Previous data

Export of chemical products*)				
	I - IV - 2023	I - IV - 2024	Balance	% rate
000 T	24,7	16,3	-8,4	-33,8
EUR mil.	822,0	675,2	-146,8	-17,9
\$ mil.	886,4	730,2	-156,2	-17,6

*)Previous data

Export of iron and steel*)				
	I - IV - 2023	I - IV - 2024	Balance	% rate
000 T	239,6	236,1	-3,4	-1,4
EUR mil.	204,5	184,6	-19,8	-9,7
\$ mil.	220,5	199,9	-20,5	-9,3

*)Previous data

Import of petroleum and petroleum products*)				
	I - IV - 2023	I - IV - 2024	Balance	% rate
.000 T	389,2	352,5	-36,8	-9,5
EUR mil.	290,6	273,0	-17,7	-6,1
\$ mil.	313,1	295,4	-17,7	-5,7

*)Previous data

Import of chemical products*)				
	I - IV - 2023	I - IV - 2024	Balance	% rate
.000 T	8,3	10,7	2,5	29,7
EUR mil.	59,1	63,9	4,8	8,1
\$ mil.	63,7	69,1	5,4	8,4

*)Previous data

Import of iron and steel*)				
	I - IV - 2023	I - IV - 2024	Balance	% rate
.000 T	218,8	210,4	-8,4	-3,8
EUR mil.	166,4	147,0	-19,4	-11,6
\$ mil.	179,6	159,2	-20,4	-11,4

*)Previous data

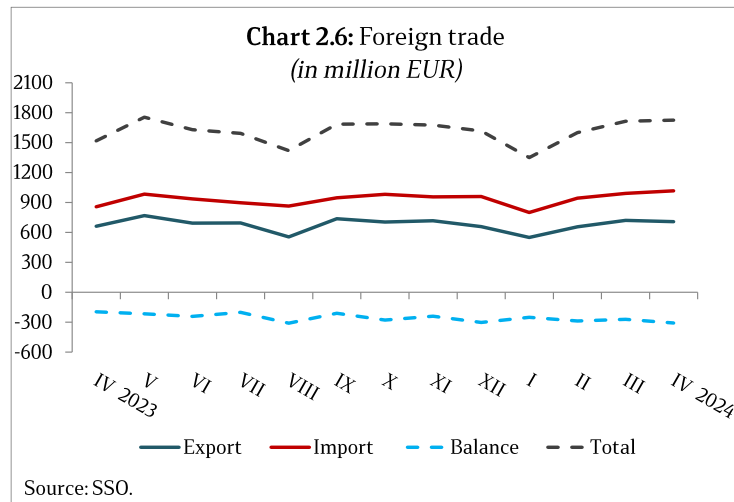


Trade Balance

In the period January - April 2024, trade deficit increased by 34.6%, i.e. by EUR 286.7 million, compared to the same period last year.

In April 2024, trade deficit increased by 57.7% or EUR 112.8 million compared to April 2023.

If we analyze the balance of export and import of goods by economic purpose, deficit increase was a result of widening of the deficit of the trade in industrial supplies, investment goods without transport equipment, consumer goods and food and beverages, as well as narrowing of the



positive balance in the trade of transport equipment. On the other hand, reduction of the deficit in the trade of fuels and lubricants contributed to narrowing of the negative balance.

In the period January - April 2024, 87.9% of the trade deficit of the country was realized in the trade with Great Britain, China and Greece, followed by: Türkiye, Poland, Serbia, Italy, Bulgaria, and others. Surplus was realized in the trade with Germany, Kosovo, Slovakia, the Czech Republic, Belgium, Hungary, and Spain.

Currency Structure

Observed by currency structure, 92.7% of the trade in the period January - April 2024 was realized in euro and, compared to the same period in 2023, it decreased by 0.2 p.p.. On export and import side, euro accounted for 95.6% and 90.7%, respectively, whereby share of the euro in export was higher by 0.3 p.p., while share of the euro in import decreased by 0.4 p.p. compared to the period January – April 2023.

Table 2.2 Foreign trade of the Republic of North Macedonia (by currency); calculations: MoF

import	I - IV - 2023					I - IV - 2024					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		
EUR	2.052.4	3.296.572.133	61.6574	203.258.066.650	91.1	2.058.1	3.406.294.764	61.5892	209.790.969.469	90.7	109.722.631	3.3
USD	173.3	316.598.479	57.2133	18.113.643.741	8.1	163.5	335.623.094	56.8844	19.091.718.337	8.3	19.024.615	6.0
GBP	0.6	7.229.561	69.8762	505.174.276	0.2	1.1	9.751.483	71.9191	701.317.848	0.3	2.521.921	34.9
EUR+USD+GBP	2.226.4			221.876.884.668	99.3	2.222.8			229.584.005.654	99.3		
tot. import	2.231.5			223.043.779.823	100.0	2.229.4			231.266.458.662	100.0		3.7

Source: SSO and NBRNM

3. FISCAL SECTOR

Budget Revenues according to the Economic Classification

In the period January – April 2024, total budget revenues amounted to Denar 98,319 million, i.e. 10.0% of GDP, showing higher performance by 12.7% in relation to the same period in 2023. Compared to April last year, budget revenues increased by 36.3%, arising from the positive contribution of tax revenues, social contributions, as well as non-tax revenues to a lesser extent (contribution of 22.2 p.p., 11.4 p.p. and 1.7 p.p. respectively). Thereby, in April 2024, tax revenues picked up by 38.9% on annual basis, resulting from the increase of revenues on the basis of all taxes.



The period January – April 2024 recorded a collection of tax revenues in the amount of Denar 56,323 million. Tax revenues were higher by 18.1%, compared to the period January – April 2023, as a result of the increase of revenues on the basis of PIT, Corporate Income Tax, VAT, excise duties, import duties and other tax revenues.

VAT revenues predominate by accounting for 43.1% of total tax revenues, the collection of which amounted to Denar 24,264 million, increasing by 16.1% in relation to the

period January – April in the previous year. Thereby, this year VAT collection amounted to Denar 38,368 million on gross basis, out of which Denar 14,104 million was refunded to taxpayers (gross collection was higher by 9.1%, while VAT refund was lower by 1.3% compared to 2023). As for VAT structure, collection of VAT when importing accounted for the most, increasing by 9.9%, while VAT revenues collected on the basis of sales in the country picked up by 7.2%. Revenues on the basis of excises were collected in the amount of Denar 8,751 million (participating with 15.5% in the tax revenues), surging by 8.6% compared to the period January – April 2023. Hence, revenues collected on the basis of these two indirect taxes amounted to Denar 33,015 million, representing 58.6% of total tax revenues in the period January – April 2024.

PIT revenues were collected in the amount of Denar 10,123 million, increasing by 25.7% on annual basis, whereby revenues on the basis of tax on wages and other personal earnings accounted for 62.4%, capital revenues accounted for 9.1%, tax revenues on the basis of contractual service agreement accounted for 8.2%, revenues on the basis of games of chance and award games accounted for 6.9%, and revenues on the basis of other types of income tax accounted for 13.4%.

In the period January – April 2024, profit tax revenues amounted to Denar 8,699 million, increasing by 23.4% compared to the same period in the previous year, as a result of the positive performance of monthly advance payments, surging by 9.3%, and tax balances by 40.2%.

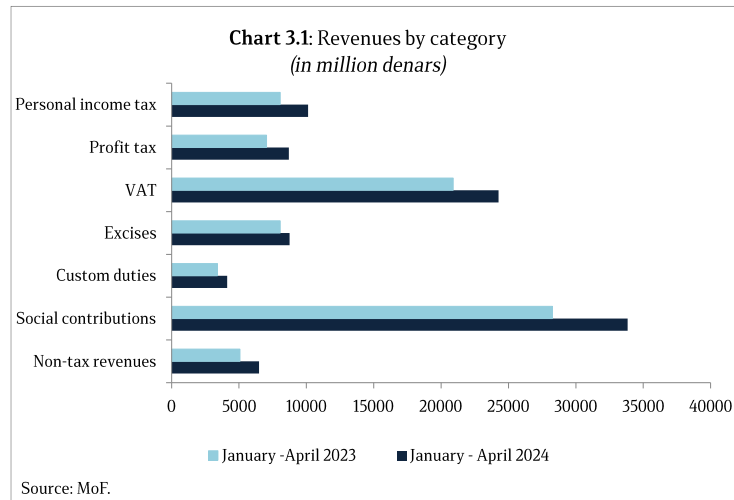
Revenues on the basis of customs duties were collected in the amount of Denar 4,124 million, increasing by 21.3%. Collection of revenues on the basis of other taxes, amounting to Denar 362 million, grew by 58.1% compared to same period last year.

Revenues on the basis of social contributions were collected in the amount of Denar 33,842 million, which was higher by 19.7% compared to last year. Thereby, collection of pension and disability insurance contributions surged by 19.7%, while collection of employment contributions was higher by 19.6%, with health insurance contributions growing by 19.9%.

Non-tax revenues were collected in the amount of Denar 6,487 million and, in relation to January – April 2023, they were higher by 28.0% (these revenues include revenues on the basis of profit generated by the public institutions, revenues collected on the basis of administrative fees and fines, concessions, etc.).

Capital revenues realized on the basis of sale of construction land, flats and dividends reached Denar 289 million, increasing by 2.5% compared to last year.

Revenues collected on the basis of foreign donations from international and bilateral cooperation amounted to Denar 936 million, being reduced by 83.0% compared to the same period in 2023.





Budget Expenditures according to the Economic Classification

Total budget expenditures amounted to Denar 112,728 million in the period January – April 2024, i.e. they accounted for 11.5% of GDP, being higher by 13.0% compared to the same period previous year. Compared to April last year, budget expenditures decreased by 5.1%, being a result of the reduced current expenditures by 86.6%, while capital expenditures increased by 24.2%.

With respect to the structure of total executed expenditures, in the period January – April 2024, current expenditures, amounting to Denar 104,646 million, accounted for 92.8% and they increased by 21.1% in relation to the period January – April 2023.

Expenditures related to wages and allowances were executed in the amount of Denar 13,815 million, increasing by 24.3% in relation to the same period previous year, accounting for 12.3% of the total budget expenditures.

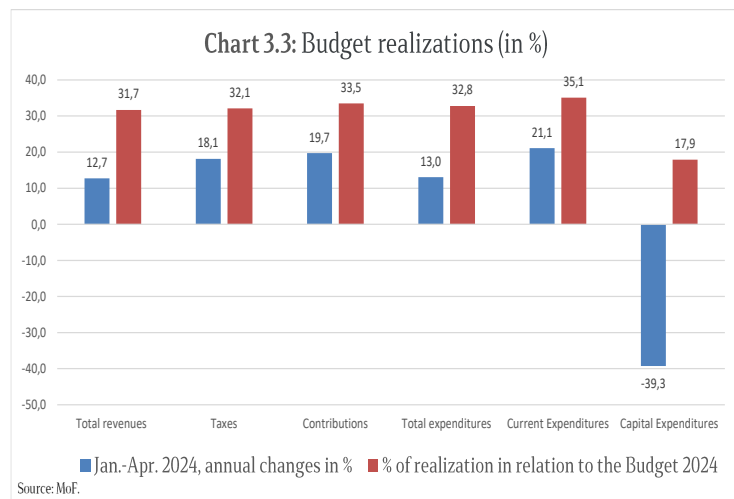
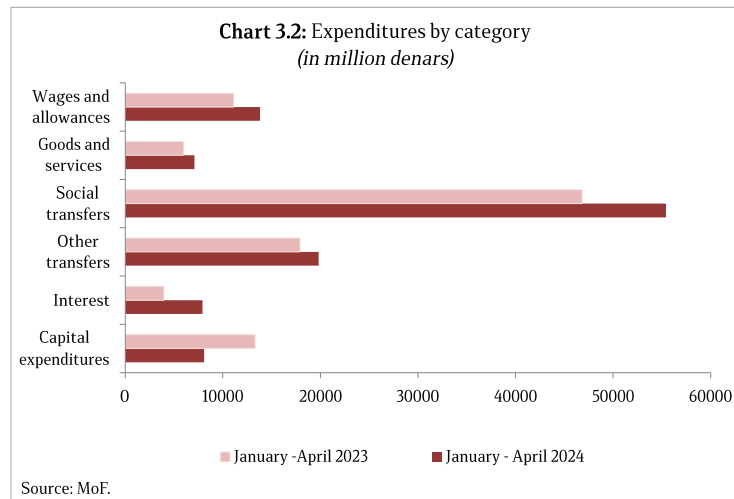
Expenditures related to goods and services amounted to Denar 7,092 million, increasing by 18.9% compared to the period January – April 2023.

Funds allocated for transfers amounting to Denar 75,816 million

accounted for the most in the current expenditure items. Transfers increased by 16.0% compared to the period January – April 2023, participating with 67.3% in the total expenditures.

As regards transfers, social transfers grew by 18.4%, amounting to Denar 55,422 million, accounting for 49.2% of total expenditures. Transfers towards the Pension and Disability Insurance Fund, accounting for the most of the social transfers, amounted to Denar 35,232 million, increasing by 22.0% compared to the period January – April 2023. Transfer share accounted for 31.3% of total expenditures. Category Other transfers increased by 10.7%, whereby Subsidies and transfers amounted to Denar 10,135 million, increasing by 10.5%. Block grants to local self-government units, amounting to Denar 8,483 million, grew by 12.0% compared to the same period previous year.

During the analyzed period, funds for capital expenditures were executed in the amount of Denar 8,082 million, participating with 7.2% in the total expenditures, thereby decreasing by 39.3% compared to the period January – April 2023.





Expenditures by Budget Users

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

In the period January – April 2024, Ministry of Labour and Social Policy executed funds in the amount of Denar 27,914 million or 47.5% of its total budget for the current year. Thereby, most of the expenditures (74.3%) were allocated for current transfers to extra-budgetary funds, for which Denar 20,739 million was spent, i.e. 52.9% of the funds allocated for 2024. The second highest expenditure category were the social benefits, participating with 17.9% in the total expenditures, whereby 36.7% (Denar 4,997 million) of the projected funds was spent for this purpose in 2024.

During the analyzed period, Ministry of Education and Science executed budget funds in the amount of Denar 12,808 million, representing 34.0% of its total 2024 Budget. Current transfers to LGUs accounted for most of the expenditures (55.9%), for which an amount of Denar 7,161 million, i.e. 33.4% was spent of the total projections. Wages and allowances were the second highest expenditure category, participating with 18.2%, Denar 2,332 million being spent therefore, i.e. 35.4% of the total projected funds.

In the period January – April 2024, Ministry of Internal Affairs executed expenditures in the total amount of Denar 4,923 million, accounting for 37.7% of its 2024 budget. Wages and allowances were the highest

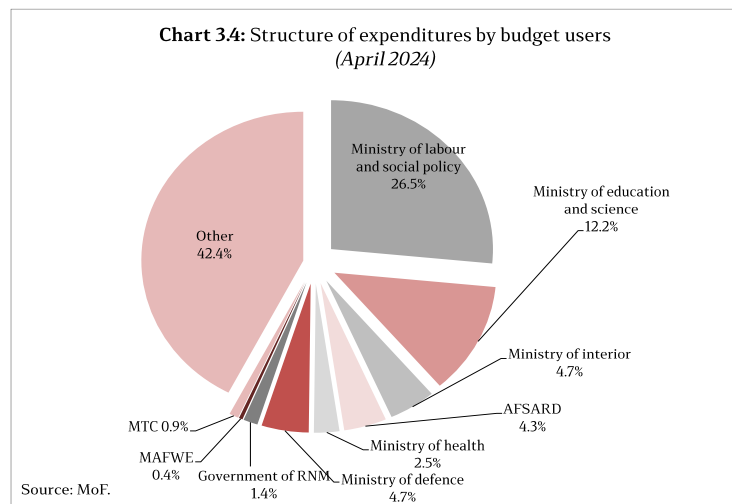
expenditure category, participating with 64.9%, Denar 3,196 million being spent therefore, accounting for 34.9% of the projected ones. Second highest category was Goods and services, accounting for 18.0%. Amount of Denar 885 million were being spent therefore, accounting for 40.4% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 4,477 million, accounting for 53.4% of the funds projected for the current year. As for subsidies and transfers, with significant share of 94.2% of the total expenditures, 60.9% or Denar 4,216 million of the funds planned for the whole year, were spent therefore.

In the period January – April 2024, Ministry of Defence executed budget funds in the amount of Denar 4,956 million, accounting for 24.6% of its total budget this year. Expenditures related to wages and allowances accounted for the most with 38.7%, Denar 1,917 million being spent therefore, (accounting for 32.8% of the total funds projected for the current year). Capital expenditures accounted for 28.9% of total expenditures, Denar 1,433 million being spent therefore during the analyzed period, i.e. 21.7% execution of the total projected funds.

Government of the Republic of North Macedonia spent Denar 1,517 million, i.e. 29.3% of the funds projected for 2024 during the analyzed period. Thereby, subsidies and transfers accounted for 55.0% of total expenditures of this budget user, Denar 834 million (25.8% of the projected funds) being spent therefore.

In the period January – April 2024, Ministry of Health executed budget funds in the amount of Denar 2,664 million, i.e. 34.7% of its total 2024 budget. Current transfers to extra-budgetary funds accounted for the most of the expenditures with 58.1%, for which Denar 1,547 million were spent or 44.2% of the





funds projected for 2024. Second most significant item was Goods and services, Denar 854 million (27.0% of the projections for the year) being spent therefore, accounting for 32.1% of total expenditures.

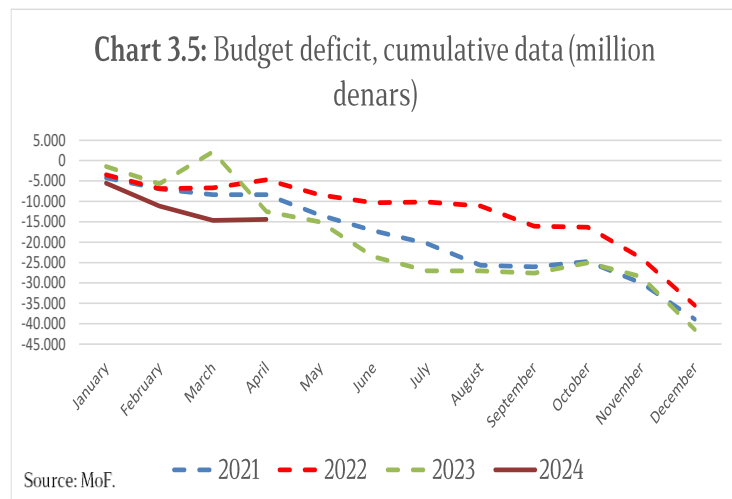
During this period, Ministry of Transport and Communications executed funds in the amount of Denar 985 million, i.e. 4.8% of its total budget for the current year. Execution of capital expenditures, as main item, accounted for 64.3% of the total spent funds of this budget user (Denar 633 million or 3.3% of total projected funds).

Between January and April 2024, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 385 million, accounting for 22.4% of the funds projected for 2024. Wages and allowances (Denar 203 million) was convincingly the main category in the total expenditures of this budget user, accounting for 52.8% of its total expenditures, with 34.2% of the projected expenditures, being executed. As regards capital expenditures, they accounted for 26.3% of the total expenditures, Denar 101 million being spent therefore, accounting for 16.4% 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/>).

Budget Balance

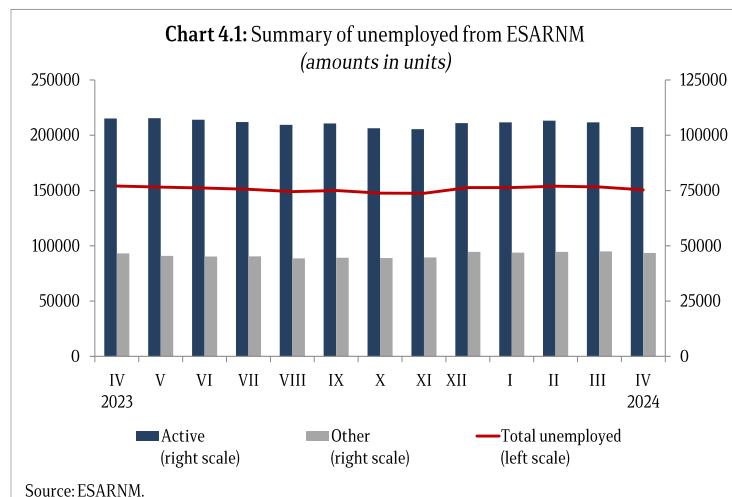
In the period January – April 2024, state budget deficit reached the amount of Denar 14,409 million, accounting for 1.5% of GDP, while central budget deficit amounted to Denar 20,549 million and accounted for 2.1% of GDP. Budget deficit in the period January – April 2024 accounted for 43.0% of total budget deficit projected for this year.



4. SOCIAL SECTOR

Newly Employed and Registered Unemployed Persons in the Employment Service Agency

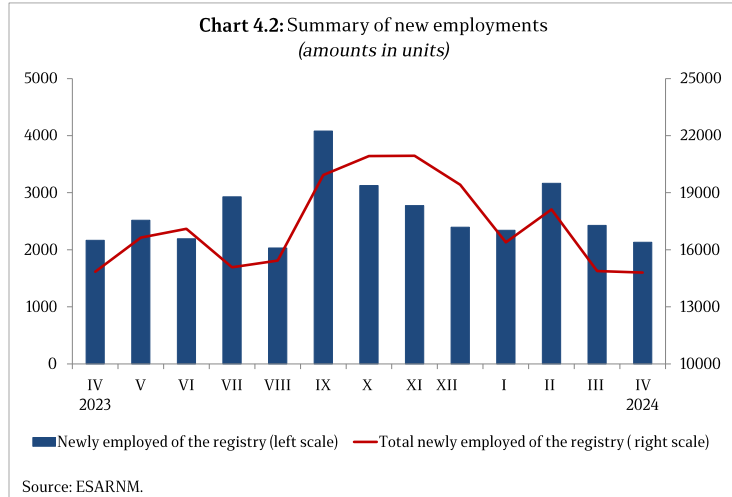
In the first four months of 2024, Employment Service Agency registered total of 64,200 new employments. Total number of newly employed persons decreased by 0.5% compared to the same period in 2023. Number of new employments, starting April 2021 until mid-2022, recorded a trend of substantial annual growth, followed by its relatively stable level. Upward trend was, among the other, a result of the base effect, after the employment dynamics slowed down in April 2020 due to the adverse effects of the pandemic.





As regards the total number of newly employed, 42.9% was engaged on permanent basis, while the remaining percentage was engaged on temporary basis and as seasonal workers. In April 2024, 14.4% out of the total number of newly employed persons was from the unemployed records.

Total number of unemployed persons in April 2024 was 150,522, out of which 103,767 persons were active job seekers, while 46,755 persons were from the category “other unemployed”. On annual basis, total number of unemployed persons decreased by 2.4%, whereas, starting from May 2021, it recorded a continuous annual reduction. Number of unemployed persons decreased by 2,774 people compared to March 2024. Number of unemployed persons throughout 2020 until February 2021 was generally on the rise, while starting March 2021, a monthly downward trend was recorded.

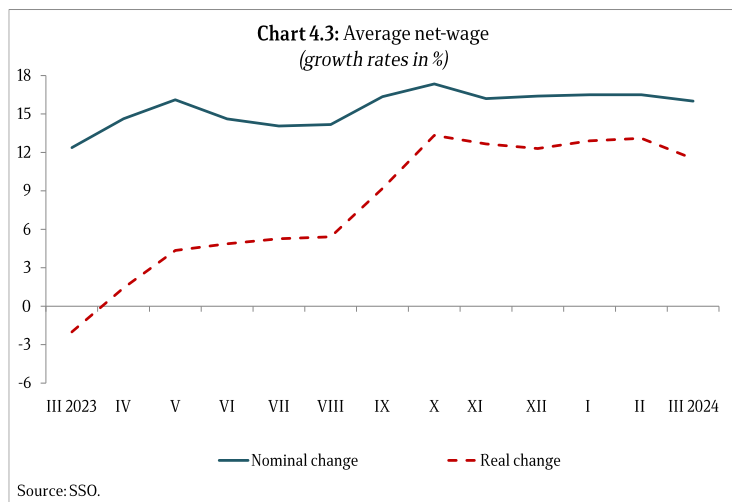


Urban residents accounted the most (with 59.0%) among the active unemployed persons, whereas with respect to gender, men accounted for 48.6%. Analyzed by the level of education, majority, i.e. 68.2%, of the unemployed persons were with incomplete secondary education or less, 24.3% were with completed secondary education, while 7.5% of the unemployed persons were with completed community college or higher education level.

Analyzed by age structure, 50.3% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 58.6% of the unemployed persons wait for employment from 1 to 7 years, while 12.7% wait for employment for 8 years or more.

Wages

In March 2024, average net wage amounted to Denar 40,496, in nominal terms, being higher by 16.0% on annual basis, and being higher by 3.1% compared to February 2024. The highest increase of average net wage, in relation to March 2023, was observed at the following sectors: Electricity, gas, steam and air-conditioning supply (21.9%), Public administration and defence; Compulsory social insurance (21.3%) and Education (20.5%). In March 2024, wages increased by 11.5% in real terms on annual basis.





Highest average net wage in March 2024 was paid in the sector Information and communications (Denar 75,828), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 96,573), followed by Financial and insurance activities with Denar 55,315, Electricity, gas, steam and air conditioning supply sector with Denar 52,795, and Mining and quarrying with average net wage in the amount of Denar 50,997.

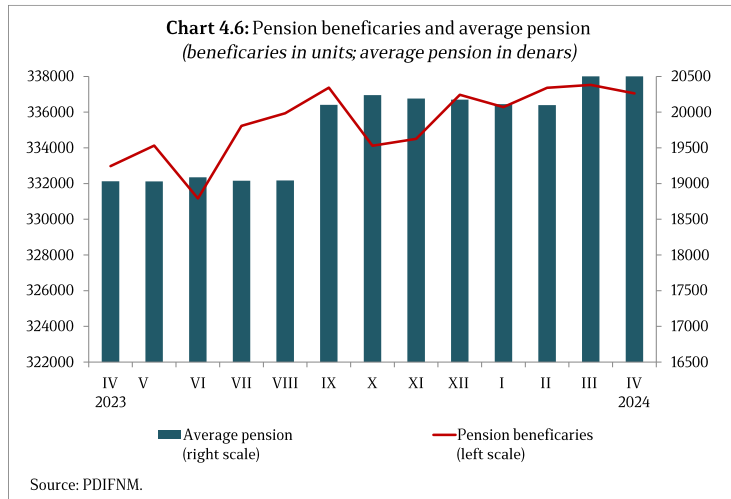
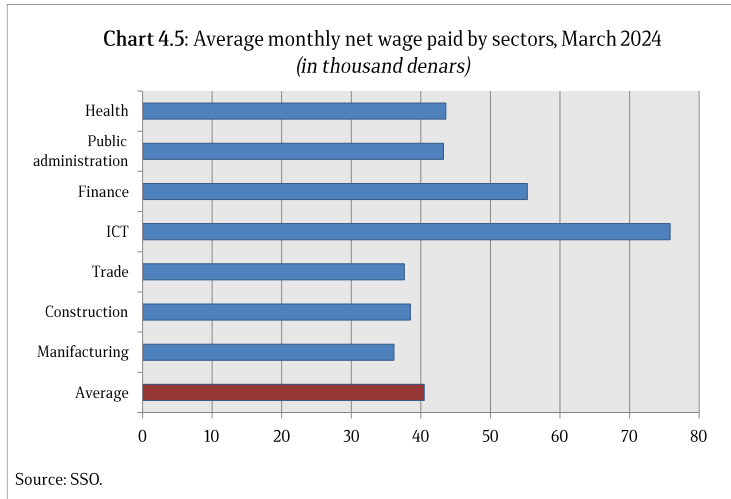
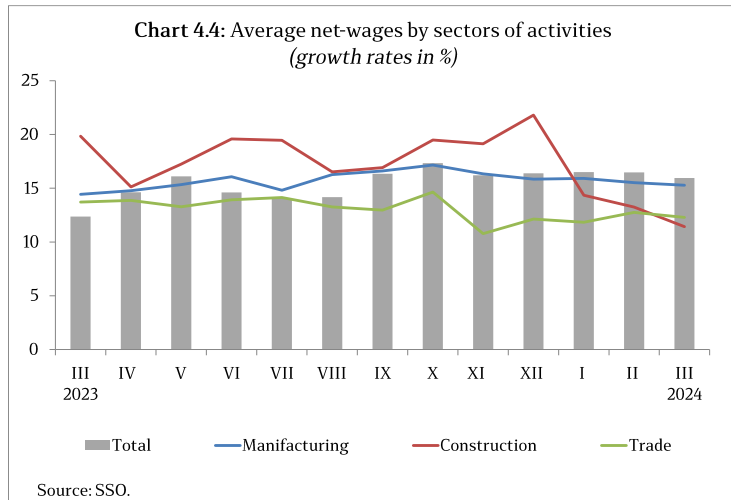
Average nominal gross wage in March 2024 amounted to Denar 60,803 and compared to the same month in 2023, increased by 16.2%, being higher by 3.1% on monthly basis. The highest increase of average gross wage in March 2024, compared to March 2023, was recorded in the following sectors: Electricity, gas, steam and air-conditioning supply (22.2%), Public administration and defence; Compulsory social insurance (21.7%) and Education (20.9%).

Pensions

In April 2024, Pension and Disability Insurance Fund registered 337,054 pensioners. As regards the total number of pensioners, 70.2% are beneficiaries of old-age pension, 0.2% of survivor pension, 0.01% of agriculture pension and 7.8% of disability pension.

Average pension in April 2024 amounted to Denar 21,299, being higher by 11.9% compared to the same month in 2023⁵. Increase in pensions is, among the other, a result of the March pension indexation as per the new methodology, foreseeing pension indexation with a combined model of 50% increase of the average wage and 50% increase of costs of living, as per the official data of the State Statistical Office. According to this methodology, indexation is carried out twice a year, i.e. in March and September, starting March 2022.

Ratio between the average pension and the average paid salary in March 2024 (the most recent available data) was 52.3%.



⁵ Military and agricultural pensions are not included when calculating the average pension.



In April 2024, average old-age pension amounted to Denar 22,951, average disability pension amounted to Denar 18,880, while average agricultural pension amounted to Denar 10,991, average military pension amounted to Denar 29,907, and average survival pension amounted to Denar 16,772. Total social transfers amounted to Denar 14,498 million.

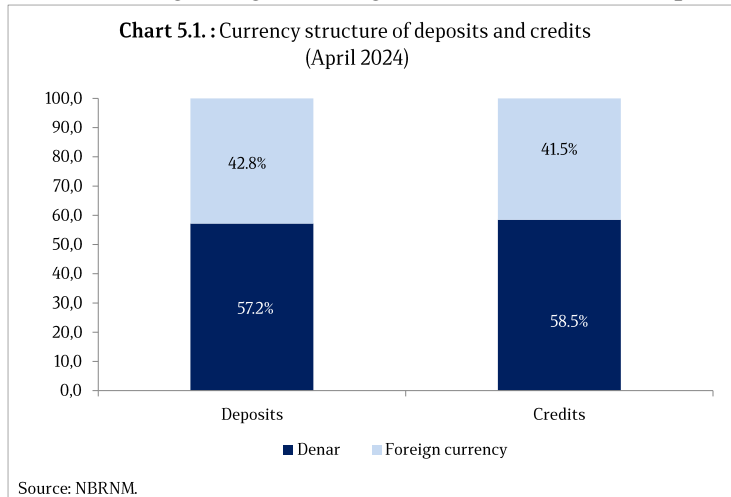
5. MONETARY AND FINANCIAL SECTOR

In April 2024, the National Bank retained its policy rate at 6.30%. In the first half of 2023, the upward policy rate trend continued all the way to the end of maintaining foreign exchange rate and medium-term price stability amidst increased prices, despite the policy rate being unchanged at 6.30% for seven months straight.

In April 2024, available overnight and seven-day deposits accounted for 4.20% and 4.25%, respectively.

Primary Money

In April 2024, primary money⁶ grew by 12.6% on monthly basis. Increase of primary money was a result of increase of both total liquid assets by 22.8% and currency in circulation by 3.9%.

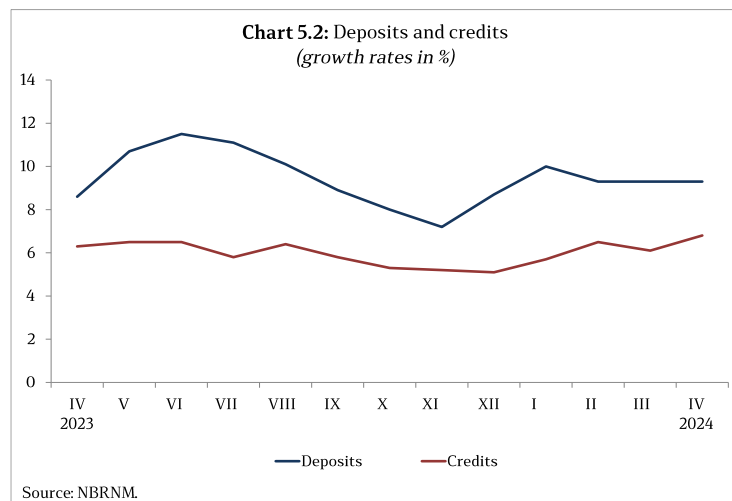


On annual basis, primary money recorded growth of 22.1%, as a result of increase of total liquid assets of banks and currency in circulation by 37.2% and 9.9%, respectively.

Deposit Potential⁷

In April 2024, total deposits of banks grew by 1.3% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of households picked up by 2.7%, while deposits of households dropped by 1.3%.

Analyzed by currency, in April 2024, compared to the previous month, Denar deposits increased by 2.6%, while foreign currency deposits decreased by 0.3%.



Total deposit potential in April 2024 surged by 9.3% on annual basis. Analyzed by currency, domestic currency deposits and foreign currency deposits surged by 13.3% and 4.5%, respectively on annual basis.

⁶Primary 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.

⁷NBRNM 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.



From sectoral point of view, deposits of enterprises grew by 8.0%, and deposits of households increased by 10.8% on annual basis.

Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (April 2024)	Denar million	Monthly change	Annual change
Deposit Potential	538,272	1.3%	9.3%
By currency:			
<i>Denar</i>	307,823	2.6%	13.3%
<i>Foreign currency</i>	230,449	-0.3%	4.5%
By maturity:			
<i>Short-term</i>	213,833	-0.8%	0.0%
<i>Long-term</i>	126,549	1.7%	23.9%
Credits to private sector	454,676	1.2%	6.8%
By currency:			
<i>Denar</i>	265,987	1.3%	9.3%
<i>Foreign currency</i>	188,689	1.1%	3.4%
By maturity:			
<i>Short-term</i>	67,712	-2.1%	-2.1%
<i>Long-term</i>	371,046	1.9%	8.6%

Source: NBRNM

According to maturity, short-term deposits remained unchanged, while long-term deposits surged by 23.9%.

Currency structure of deposits kept being stable, whereby share of domestic currency deposits in the deposit base was dominant and accounted for 57.2%, being increased this month.

Bank Credits

In April 2024, total credits of banks to the private sector surged by 1.2% on monthly basis, as a result of the growth of both credits to households by 0.5%, and credits to enterprises by 2.0%.

Analyzed by currency, Denar and foreign currency credits surged by 1.3% and 1.1% respectively, on monthly basis.

On annual basis, in April 2024, total credits grew by 6.8% in conditions of growth of both, credits to enterprises and credits to households by 6.6% and 7.0%, respectively. Denar credits surged by 9.3%, while foreign currency credits grew by 3.4%.

As regards maturity, long-term credits experienced annual growth of 8.6%, while short-term credits dropped by 2.1%.

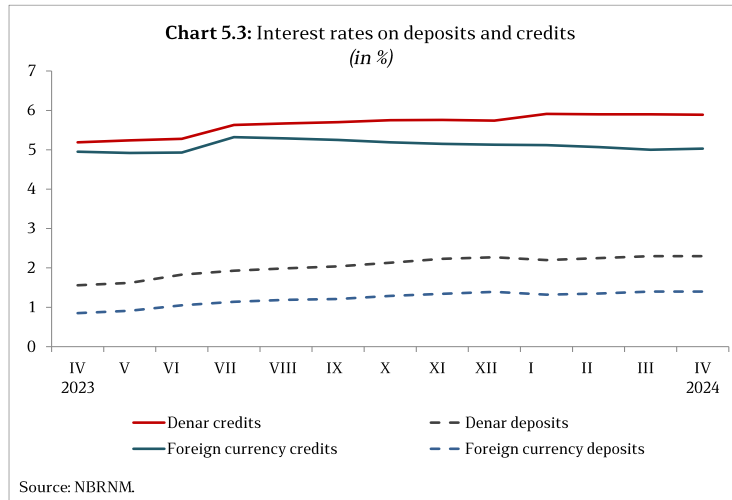


Interest Rates of Deposit Banks

In April 2024, total interest rate on credits increased by 0.01 p.p. compared to the previous month, accounting for 5.51%. Interest rate on Denar credits dropped by 0.01 p.p., accounting for 5.89%, while interest rate on foreign currency credits increased by 0.01 p.p. on monthly basis, accounting for 5.03%.

Total interest rate on deposits grew by 0.02 p.p. in April 2024, compared to last month, accounting for 1.82%. Interest rate on Denar deposits increased by 0.02 p.p., accounting for 2.30%, while interest rate on foreign currency deposits grew by 0.02 p.p., accounting for 1.40%.

Interest rate on newly granted Denar credits accounted for 5.49%, while interest rate on newly approved foreign currency credits accounted for 5.43%. Interest rates on newly received Denar and foreign currency deposits accounted for 2.94% and 2.01%, respectively.

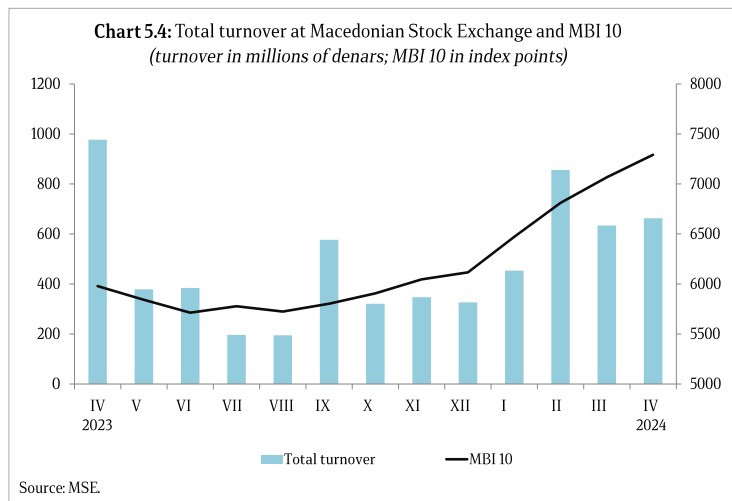


Capital Market

As for the capital market, in April 2024, total turnover on the stock exchange surged by 4.6% on monthly basis, as a result of the increase of turnover from block transactions by 63.7%, and turnover from classical trading decreased by 17.4%.

Total turnover on the stock exchange amounted to Denar 662.8 million in April 2024, decreasing by 32.2% on annual basis.

Macedonian Stock Exchange Index MSEI - 10 amounted to 7,292.01 index points at the end of April 2024, whereby the index grew by 3.2% on monthly basis, while, compared to the same month last year, the index was higher by 22%.



Reserve Assets

At the end of April 2024, gross reserve amounted to EUR 4,329 million, being higher by 1.0% compared to the previous month and by 5.0% compared to April 2023.