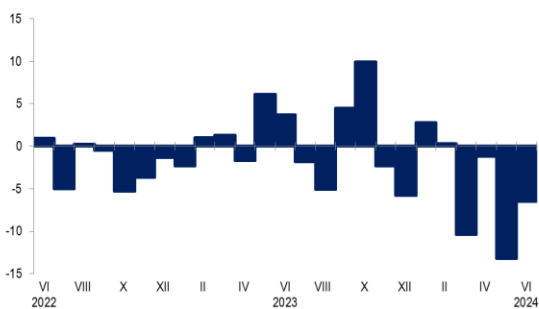




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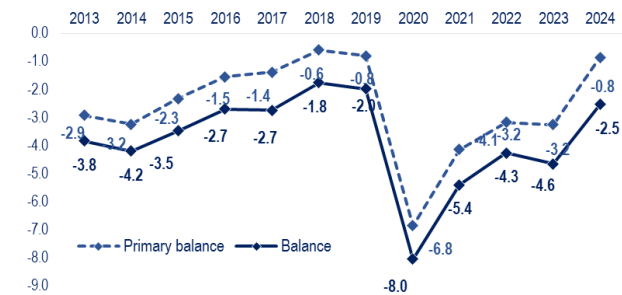
- **Industrial production** in June 2024 decreased by 6.5% annually, because of the drop in all sectors as follows: Mining (-9.5%), Manufacturing (-4.2%) and Electricity (-16.7%). In the first half of 2024, industrial production dropped by 5.1%.
- **Inflation** in June 2024 recorded a 3.2% annual growth, down from 4.5% in May 2024. This month, the annual inflation mainly results from the core inflation, while the food component registered a slow growth. In January - June 2024, the inflation rate was 3.7%. In the same period, the core inflation increased by 4.9% (y/y), prices of food increased by 3.0% (y/y) and the energy prices increased by 2.7% (y/y).
- In the first six months of 2024, **exports** of goods dropped by 7.6% on annual basis, while **import** of goods grew by 0.1%, which led to an increase of the **trade deficit** by 25.5% compared to the same period of 2023.
- In May 2024, **average net wage** recorded an annual growth of 13.1% in nominal terms and an 8.3% growth in real terms. The average net wage amounted to Denar 41,252 (EUR 671), with the average gross wage amounting to Denar 62,032 (EUR 1,009).
- In June 2024, **credit activity** increased by 6.4% on annual basis, with household lending up by 7.1% and lending to enterprises increasing by 5.8%. Total **deposits** were higher by 7.2% (y/y), reflecting growth in both household deposits by 8.9%, and corporate deposits by 4.7%.

Industrial production growth y/y (in %)



Source: State Statistical Office

Budget balance (in % of GDP)



*Ratios using MoF GDP forecast for July 2024

- In the period January-July 2024, total budget revenues were realized 55.9% of the Budget for 2024. **Budget revenues** grew by 12.5% y/y, whereby tax revenues picked up by 16,8% y/y, while social contributions increased by 15,7% y/y. Higher tax revenues were driven by other tax revenues, VAT, PIT import duties excises and profit tax.
- Total expenditures in the period January-July 2024 were realized 67.9% of the Budget for 2024. **Budget expenditures** grew by 8.2% y/y. Current expenditures surged by 17.4% y/y, while capital expenditures recorded lower execution by 47.8%. **Budget deficit** stood at 2.52% of MoF- projected GDP for 2024.
- The Supplementary Budget for 2024 is aimed at revising the initial fiscal projections in accordance with the macroeconomic trends in the first half of the year, restructuring the budget expenditures for servicing the most priority obligations, as well as optimizing the sources for financing the budget deficit.
- Total revenues in the amount of Denar 318.2 billion are projected, increasing by 2.6%, i.e. around Denar 8 billion higher compared to the initial 2024 Budget projections. Total expenditures are projected in the amount of Denar 362.8 billion, being higher by 5.6%, i.e. by Denar 19.2 billion, compared to the initial 2024 Budget projections. The deficit, on the basis of the revised revenue and expenditure projections, is projected in the amount of Denar 44.7 billion, increasing from the initially projected 3.4% to 4.9% of GDP.
- On 16th of July, Government of the Republic of North Macedonia, approved the Supplementary Budget for 2024 and submitted it to the Parliament of the Republic of North Macedonia, for further procedure.



Key macroeconomic indicators and projections

	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Real GDP growth, %	2.8	1.1	2.9	3.9	-4.7	4.5	2.2	1.0	2.1
Nominal GDP, million EUR	9,657	10,038	10,744	11,262	10,852	11,836	13,033	13,656	14,661
Average annual inflation, %	-0.2	1.4	1.5	0.8	1.2	3.2	14.2	9.4	3.5
Budget balance, % of GDP	-2.7	-2.7	-1.8	-2.0	-8.0	-5.3	-4.4	-4.9	-4.9
General government debt, e.o.p., % of GDP	39.9	39.4	40.4	40.5	50.8	51.4	50.5	53.1	52.1****
Current account balance, % of GDP	-2.6	-0.8	0.2	-3.0	-2.9	-2.8	-6.1	0.7	-2.2
Average unemployment rate, %	23.7	22.4	20.7	17.3	16.4	15.4	14.4	13.1	12.6
Average exchange rate MKD/EUR	61.6	61.6	61.5	61.5	61.7	61.6	61.6	61.6	61.6
Key monetary policy rate (average), %	3.73	3.27	2.92	2.29	1.65	1.29	2.46	5.80	6.30**
Foreign reserves, e.o.p., % of GDP	27.1	23.3	26.7	29.0	31.0	30.8	29.6	33.2	29.6***

*MoF projections, unless otherwise noted

**Average monetary policy rate for January-June 2024

***Actual for June 2024, ratio based on MoF projections

****Actual for June 2024

Latest GDP and inflation estimates and forecasts

	Real GDP growth, %	Average inflation, %
	2024	2024
IMF, WEO (April 2024)	2.7	4.0
European Commission (May 2024)	2.9	3.0
World Bank (April 2024)	2.5	3.0
National Bank (May 2024)	2.6	3.5
MoF, North Macedonia (July 2024)	2.1	3.5

Credit rating, latest

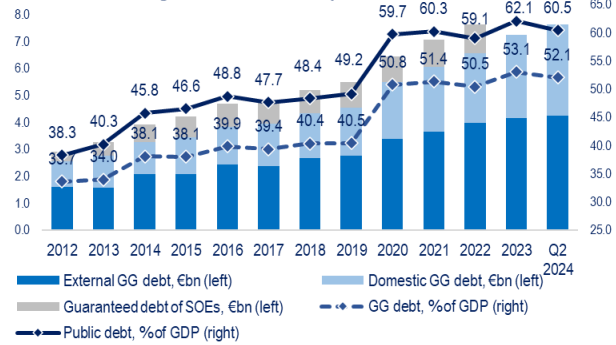
	Rating	Outlook
Standard & Poor's, July 2024	BB-	Stable
Fitch, April 2024	BB+	Stable

Budget revenues, expenditures and deficit



*2024 (July) Budget data and MoF GDP forecast

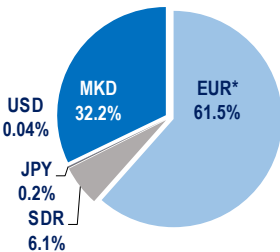
General government and total public debt



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

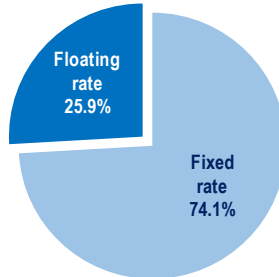
* Ratio using MoF - GDP forecast for 2024

GG debt - Currency structure, Q2 2024

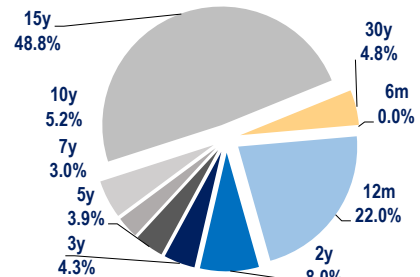


*Includes FX-linked domestic government

GG debt - Interest rate structure, Q2 2024



Domestic government securities - original maturity, July 2024



Domestic government securities, EUR m

Outstanding, 31st July 2024	3,384.5
- Of which without FX clause	2,487.6
- Of which with FX clause	896.9
Total planned net issuance for 2024	600.0
Of which net issued by July 2024	349.6

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

Yields on domestic government securities issued on the primary market during July 2024

in %	3m	6m	12m	2y	3y	5y	7y	10y	15y	30y
Without FX clause			3.80						5.60	
With FX clause										

Republic of North Macedonia outstanding eurobonds, 29.07.2024

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%	98.55	5.862	262	226
Jun-26	BB-	BB+	€ 700	3.675%	97.01	5.417	271	243
Mar-28	BB-	BB+	€ 700	1.625%	87.41	5.572	327	287
Mar-27	BB-	BB+	€ 500	6.960%	103.66	5.401	268	240