



# *SHORT-TERM ECONOMIC TRENDS*



**October 2024**



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## SUMMARY

### OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

#### October 2024

- In October 2024, industrial production recorded a drop by 1.1% compared to the same month previous year.
- In October 2024, industrial producer prices on the domestic market were higher by 6.4% compared to the same month last year.
- In October 2024, the industrial turnover, compared to October 2024, recorded a drop by 1.4%.
- In October 2024, the inflation rate accounted for 3.5% on annual basis, once again recording acceleration of growth (2.6% in September 2024). On monthly basis, inflation recorded a drop of 0.7%.
- In the period January - October 2024, export recorded a drop of 5.5%, while import decreased by 0.5%, resulting in increase of the trade deficit by 14.9% compared to the same period in 2023.
- In the period January – October 2024, collection of total budget revenues of the Republic of North Macedonia’s budget amounted to Denar 251,134 million, accounting for 78.9% of the 2024 projections, i.e. increase of 11.9% compared to collected budget revenues during the corresponding period in 2023.
- Total budget expenditures were executed in the amount of Denar 275,146 million in the period January – October 2024, accounting for 75.8% of the annual projections, i.e. an increase of 10.3% compared to same period in 2023.
- Total credits of banks in October 2024 grew by 9.2% compared to October 2023, while total deposit potential of banks surged by 11.0%.



## 1. REAL SECTOR

### Industrial Production

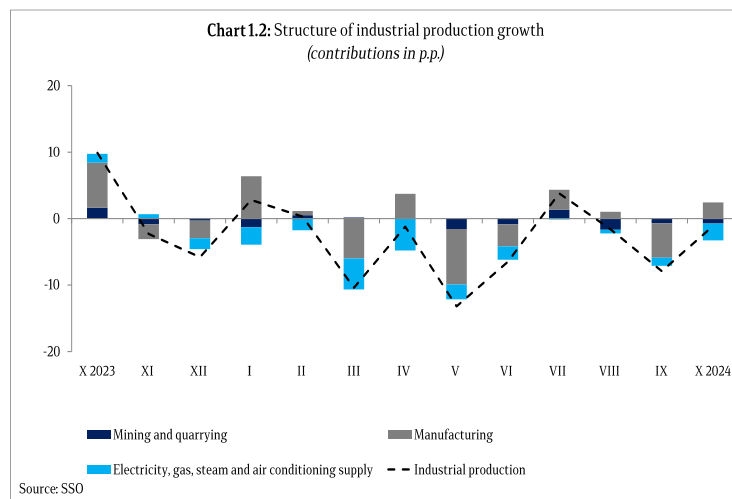
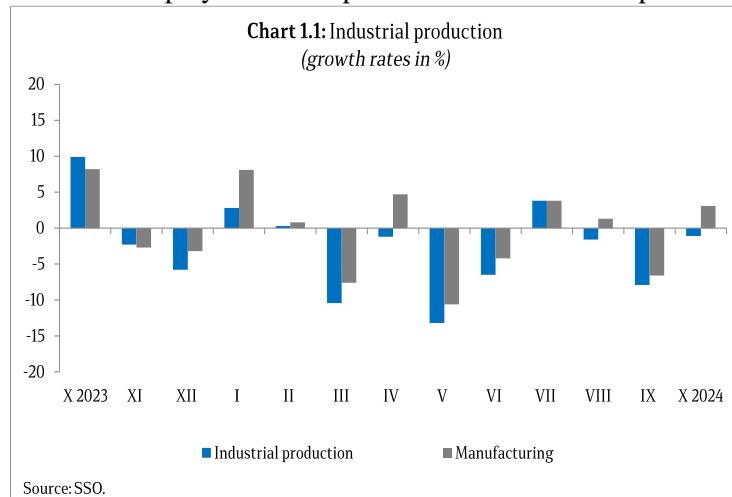
In October 2024, industrial production recorded a drop by 1.1% compared to the same month previous year. Drop was due to the reduced production at Mining and quarrying by 8.2%, and Electricity, gas, steam and air-conditioning supply by 20.9%, while at Manufacturing, it grew by 3.1%.

Increase in production in October 2024 compared to October 2023 was registered only at 14 out of total of 27 industrial branches, comprising 39.1% in the total industry.

In October 2024, with respect to branches with higher added value, growth was recorded as follows: Manufacture of motor vehicles, trailers and semi-trailers by 10.4% with contribution of 1.4 p.p., and Manufacture of electrical equipment by 19.6% with contribution of 1.0 p.p., Production of metals by 14.2% with contribution of 0.6 p.p., whereas drop was recorded in the Manufacture of machinery and equipment by 6.9% with contribution of -0.4 p.p..

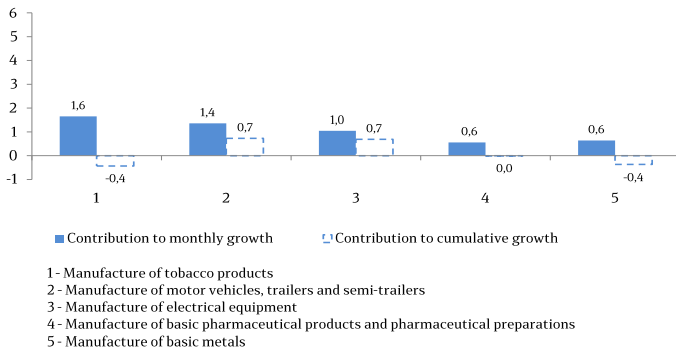
Traditional branches in October 2024 recorded growth in production throughout the following branches: Manufacture of tobacco products by 132.2% and contribution of 1.6 percentage points, Manufacture of leather by 6.2% and contribution of 0.0% percentage points, Manufacture of wood and wood and cork products by 67.0% and contribution of 0.5 percentage points, whereas reduction was recorded in Manufacture of wearing apparel by 19.2% with contribution of -1.2 percentage points, Manufacture of beverages by 1.2% with contribution of 0.0 percentage points, Manufacture of textile by 2.8% and contribution of -0.1 percentage points, Food industry by 4.3%, with contribution of -0.4 percentage points.

Industrial production with respect to purpose of production units in October 2024 compared to the respective month in 2023 decreased in the following groups: Energy (dropping by 22.5% and contribution of -2.9. p.p.) and Consumer non-durables (decreasing by 3.2% and contribution of -1.0 p.p.), while increase in the production was seen at the following branches: Intermediate goods, except for energy (increasing by 5.4% and contribution of 1,6 p.p.), Capital goods (increasing by 0.1% and contribution of 0.0 p.p.) and Consumer durables (increasing by 42.8% and contribution of 1.5 p.p.).



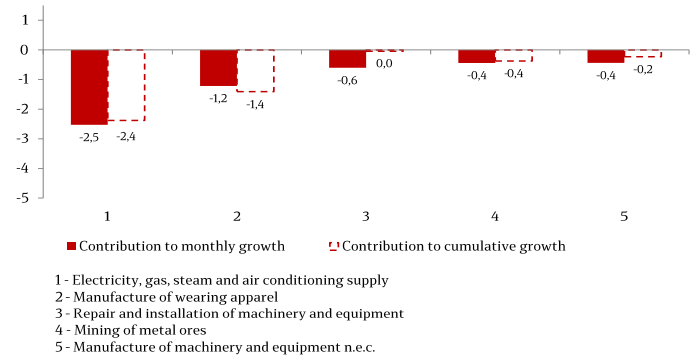


**Chart 1.3a: Branches with positive contribution to growth**  
(growth rates in %, October 2024)



Source: SSO

**Chart 1.3b: Branches with negative contribution to growth**  
(growth rates in %, October 2024)



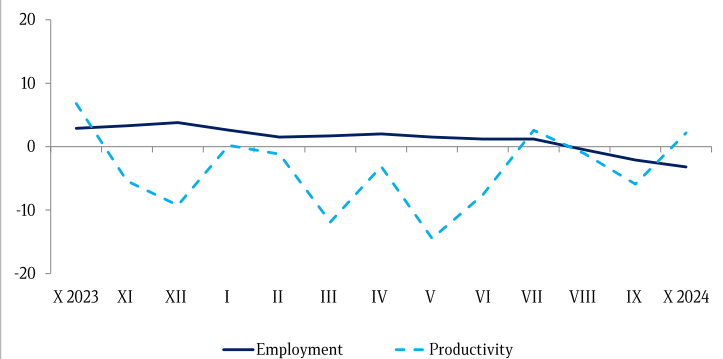
Source: SSO

As per the purpose of production units, in the period January - October 2024, growth was seen at the following groups: Capital goods (by 1.3%) and Consumer durables (by 7.8%), while drop was seen at the following branches: Energy (by 19.5%), Intermediate goods except energy (by 2.5), and Consumer non-durables (by 3.8%).

### Number of Employees in the Industry

In October 2024, number of employees in the industry decreased by 3.2% compared to the same month in the previous year. Drop was due to decreased number of employees in the Manufacturing sector by 3.9%, whereas growth was recorded at Mining and Quarrying by 4.6% and Electricity, gas, steam and air-conditioning supply by 1.1%. Increase in the number of employees was seen at the following branches: Manufacture of machinery and equipment, n.e.c. by 34.9%, Manufacture of beverages by 15.7%, and Coal and lignite quarrying by 12.2%.

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



Source: SSO; calculations by MF.

Data on the number of employees in the industry by target groups in October 2024, compared to the same period last year, showed increase in the number of employees at the following groups: Energy by 4.6%, Capital goods by 1.5% and Consumer durables by 24.3%.

Cumulative data indicate that the number of employers in the industry in the January - October 2024 period recorded growth of 0.6% due to the increased number of employees throughout all sectors: Mining and quarrying by 5.1%, Manufacturing by 0.3% and Electricity, gas, steam and air-conditioning supply by 0.9%.

As regards target groups, number of employees in the industry in the period January - October 2024 increased in the sectors as follows: Energy by 4.5%, Capital goods by 13.1% and Consumer durables by 15.2%.





## Industrial producer prices on the domestic market

In October 2024, industrial producer prices on the domestic market were higher by 6.4% compared to the same month last year. Increase was due to raised prices throughout the following sectors: Manufacturing by 4.9%, Electricity, gas, steam and air-conditioning supply by 15.9% and Water supply; Sewerage, waste management and remediation activities by 4.5%, whereas in the sector Mining and quarrying the sale prices decreased by 3.8%.

In October 2024 compared to the respective month in 2023, industrial producer prices on the domestic market were higher in the groups: Energy by 14.6%, Consumer goods by 9.2%, Consumer durables by 3.7% and Consumer non-durables by 9.4%.

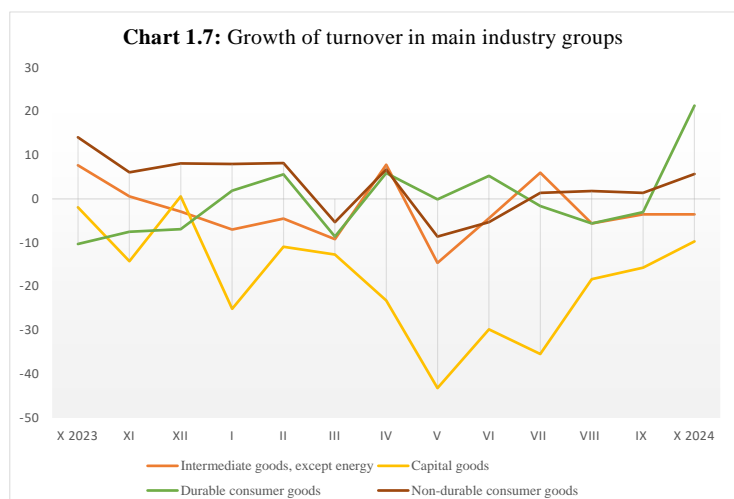
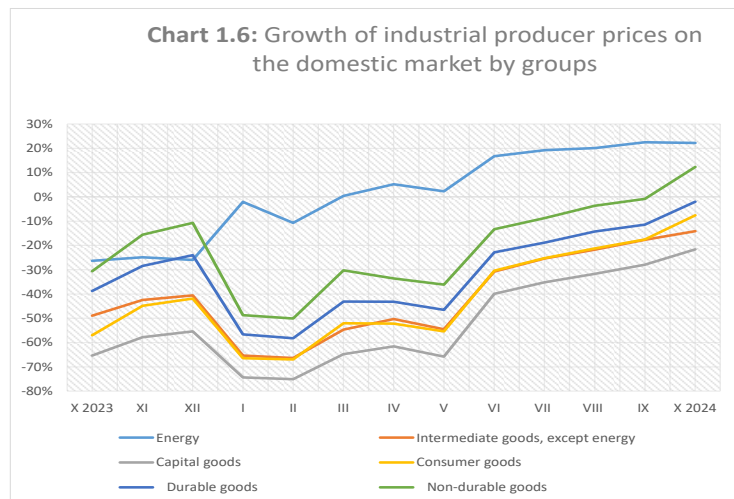
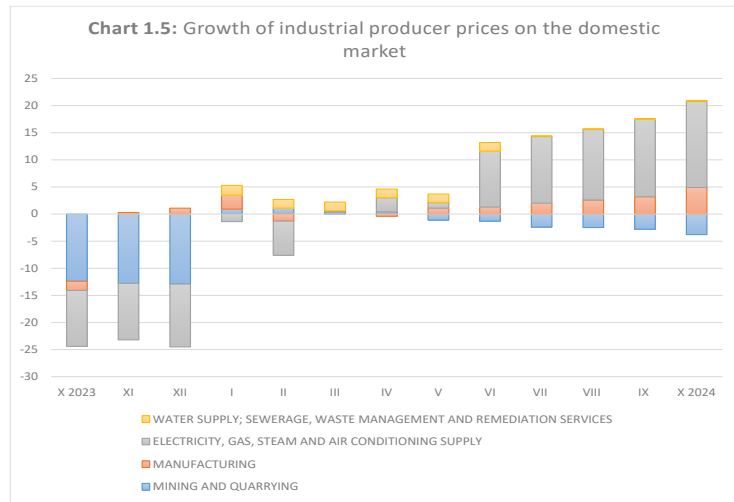
In the period January - October 2024 compared to the same period last year, industrial producer prices on the domestic market were higher by 1.8% on cumulative basis, due to increased prices throughout the following sectors: Manufacturing by 1.1%, Electricity, gas, steam and air-conditioning supply by 6.1% and Water supply; Sewerage, waste management and remediation activities by 2.8%, whereas in the sector Mining and quarrying, the sale prices decreased by 1.1%.

In the period January - October 2024 compared to the same period in 2023, the industrial producer prices on the domestic market were higher in the groups as follows: Energy by 5.7%, Consumer goods by 5.7%, Consumer durables by 4.2% and Consumer non-durables by 5.8%.

### Index in industrial turnover

In October 2024, the industrial turnover, compared to October 2023, recorded a drop by 1.4% as per the State Statistical Office's data. The drop was due to the decreased turnover in the Manufacturing by 1.6%, while a growth of 5.9% was observed in the Mining and quarrying sector.

In October 2024 compared to the





respective month in 2023, the industrial turnover increased in the Consumer durables by 21.3%, Consumer non-durables by 5.7% and Intermediate products except energy by 3.5%, whereas it decreased by 9.7% in Capital goods group.

Branches with highest turnover growth in the industry in October 2024 compared to the same month last year were the following:

- Manufacture of other transport equipment (recording growth of 95.3%);
- Manufacture of computer, electronic and optical products (growing by 37.6%) and
- Repair and installation of machinery and equipment (recording growth of 26.1%).

On cumulative basis, in the period January - October 2024, compared to the same period last year, turnover in industry recorded a drop by 11.1%, due to decline in turnover in both Mining and quarrying sector and Manufacturing sector by 0.1% and 11.5%, respectively.

In the period January – October 2024 compared to the respective period in 2023, the industrial turnover increased in the groups Consumer non-durables and Consumer durables by 0.9% and 1.9%, respectively.

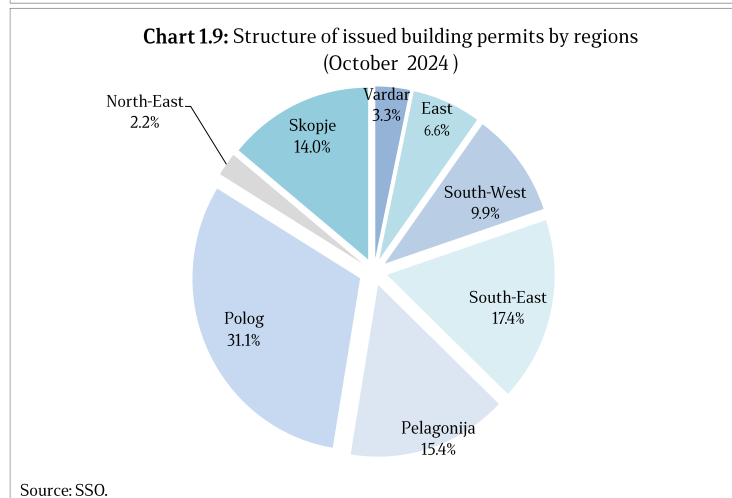
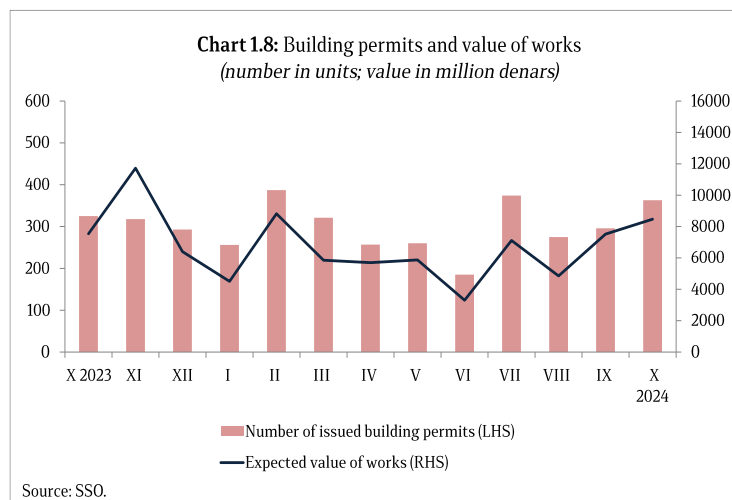
### Number of Issued Building Permits and Expected Value of Constructions

In October 2024, 363 building permits were issued, growing by 11.7% compared to the same month in 2023. This was due to the annual increase of issued building permits pertaining to buildings by 15.5% (participating with 59.5% in the total number of issued building permits) and reconstruction by 24.1%. Compared to September 2024, number of issued building permits surged by 22.6%. Expected value of works, according to the issued building permits in October 2024, picked up by 12.3% on annual basis,

while compared to the previous month, it increased by 12.7%.

Analyzed by types of constructions, out of the total number of issued building permits, 216 (or 59.5%) were intended for buildings, 75 (or 20.7%) for civil engineering structures and 72 (or 19.8%) for reconstruction.

Analyzed by types of investors, out of total 363 issued building permits, individuals were investors in 223 facilities (or 61.4%), while business entities were investors in 140 facilities (or 38.6%).





In October 2024, construction of 913 flats was envisaged, with total usable area of 81.247 m<sup>2</sup>. Number of flats envisaged for construction increased by 20.9% on monthly basis, surging by 15.6% on annual basis.

### Number of Completed Construction Works by Types of Constructions

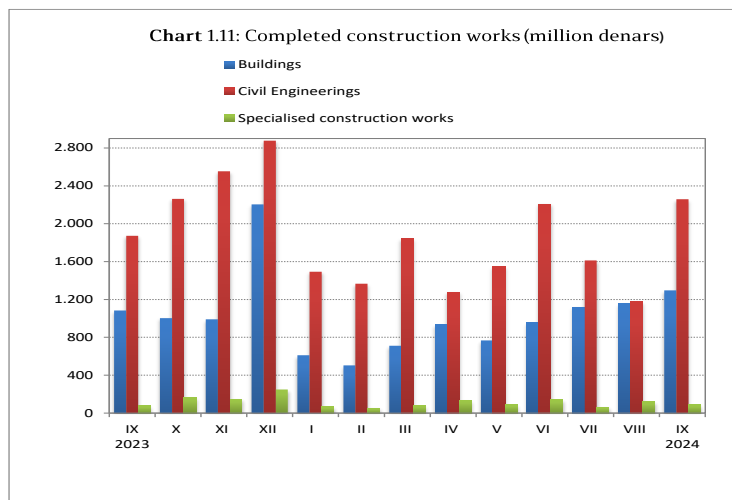
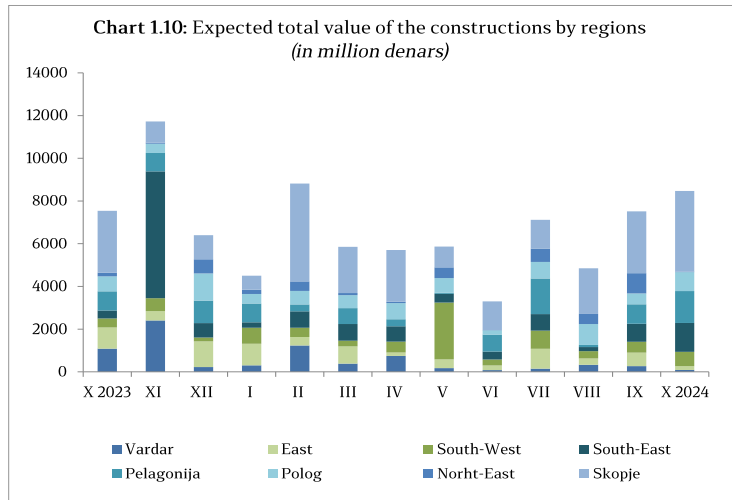
Total value of performed construction works in September 2024 amounted to Denar 3,640 million, representing an annual growth of 20.1% in nominal terms, whereby buildings, civil engineering structures and specialized construction works grew by 19.6%, 20.6% and 14.4%, respectively. Compared to August 2024, total value of completed construction works recorded growth by 48.2%, 91.6% at civil engineering structures, increasing by 11.8% as regards buildings while dropping by 28.2% as regards specialized construction works. In cumulative terms, in the period January – September 2024, value of performed construction works amounted to Denar 23,675 million, being higher by 8.0% compared to the same period last year.

Most of the completed construction works pertain to civil engineering construction, wherein construction works amounting to Denar 14,785 million were completed in the first nine months this year, being by 24.4% higher compared to the same period last year. During this period, the value of completed building construction works decreased by 13.9%, amounting to Denar 8,060 million, whereas the value of completed specialised construction works amounted to Denar 830 million, being higher by 21.3% as compared to the same period last year.

In real terms, in the period January - September 2024, value of completed construction works increased by 15.8%, with civil engineering structures (by 33.5%) and specialised construction (by 30.1%) recording growth, while recording a drop with buildings (by 7.6%).

### Trade Sector Turnover

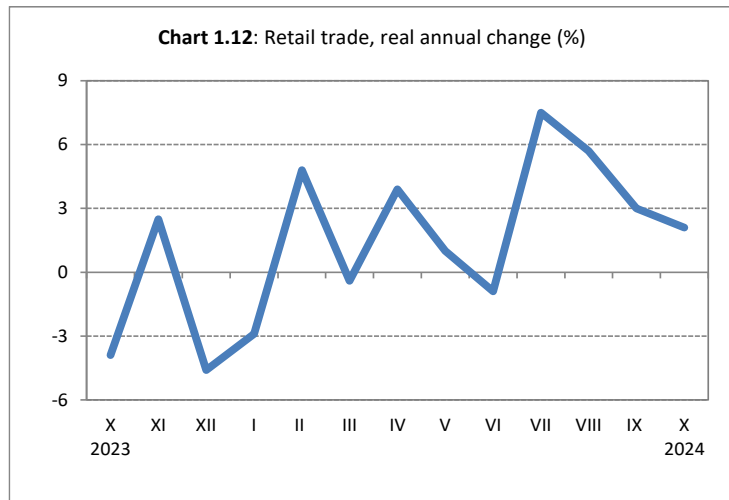
In October 2024, data on internal trade demonstrated nominal annual increase in the turnover by 5.7%, following the 2.7% growth in September. In October 2024, value of turnover amounted to Denar 67,254, whereby in cumulative terms, in the period January - October 2024, value of total turnover in the trade amounted to Denar 658,675 million, being by 4.7% higher compared to the same month last year.







In the period January - October 2024, in cumulative terms, positive growth in turnover was also seen at the sectors: Wholesale trade, which turnover value amounted to Denar 357,992 million, i.e. being higher by 6.3% compared to the same month last year, Retail trade, which turnover value amounted to Denar 261,824 million, being 3.3% higher compared to the same period in 2023, whereas drop was recorded at Trade in motor vehicles and repair, which turnover value amounted to Denar 38,859 million, being lower by 1.0% compared to the same period last year.



In real terms, retail trade in October 2024 recorded annual increase by 2.1%, while analyzed by groups and classes, increase was seen in the groups of Retail trade in non-food products by 5.8%, and the Retail trade in automotive fuels by 2.5%, whereas decrease was recorded in Retail in food products, beverages and tobacco by 2.5%.

In October 2024, Wholesale trade (54.0%) accounted for the most in the Trade sector, followed by Retail trade (39.5%) and Trade in motor vehicles and motorcycles, repair and their maintenance (6.5%).

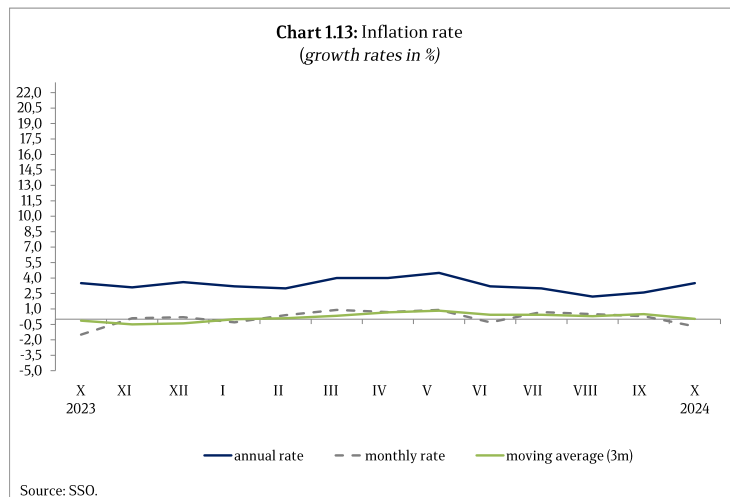
## Inflation

In October 2024, the inflation rate accounted for 3.5% on annual basis, once again recording acceleration of growth (2.6% in September 2024). Inflation increases mainly due to the base component. However, this month the food component growth contributed substantially to the total inflation, as it also grew on annual basis. Average inflation rate in the period January – October of 2024 amounted to 3.3%.

In October 2024, core inflation (inflation, wherefrom the impact of prices of food and energy products is excluded) recorded acceleration of growth, accounting for 6.0% on annual basis (5.7% in the previous month). Increased prices in the category Restaurants and hotels had most positive contribution this month (1.3 p.p.).

Prices in the Food and non-alcoholic beverages category recorded acceleration of growth of 3.3% (higher by 1.6 p.p. than the previous month), whereby contributing with 1.3 p.p. in the total inflation in October, representing an increase compared to the previous month.

Highest positive contribution to the price increase in the category Food and non-alcoholic beverages had the following subcategories: Vegetables (annual growth of 11.9% with contribution of 0.6 p.p.), Milk, cheese and eggs (annual growth of 5.7% with contribution of 0.4 p.p.) and Non-alcoholic beverages (annual growth of 11.9% and contribution of 0.3 p.p.).



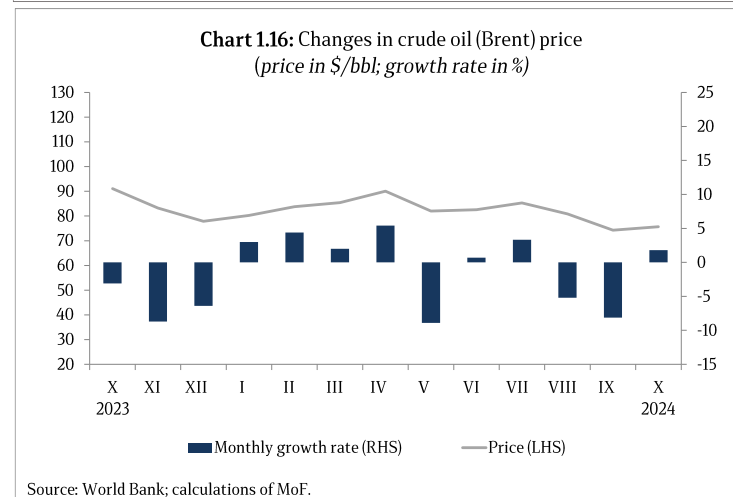
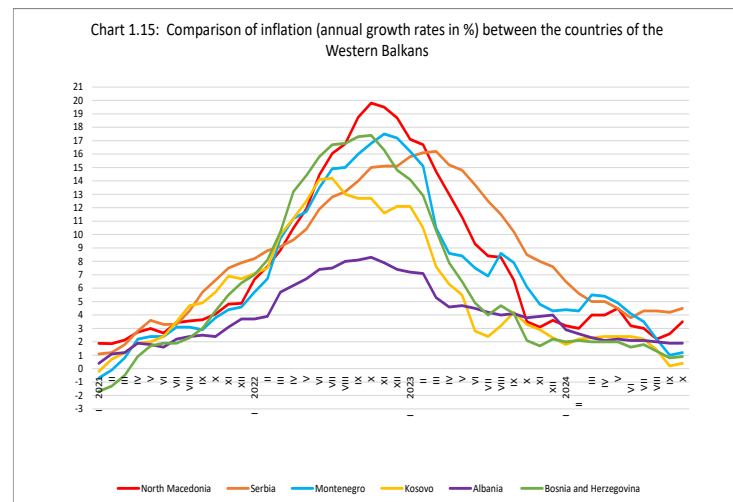
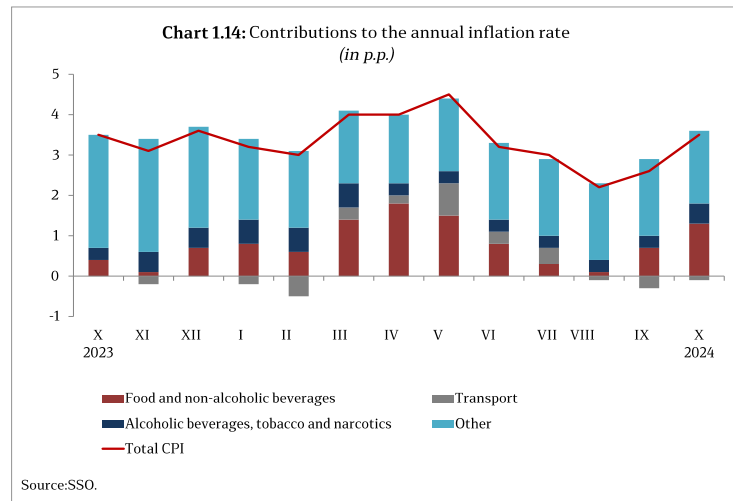


Observed by components, highest annual price growth in October 2024 was seen at the category Restaurants and hotels by 10.7% (contribution to the total inflation growth of 0.6 p.p.). Price increase was also recorded in the following categories: Alcoholic beverages, tobacco and narcotics by 9.4%<sup>1</sup>, Miscellaneous goods and services by 4.7%, Health protection by 5.1%, Communication by 4.6%, Recreation and culture by 4.5%, Furnishings, household equipment and routine maintenance of the house by 3.9%, Wearing Apparel and footwear by 2.7%, Housing, water, electricity, gas and other fuels by 0.8% and Education by 0.4%. Price drop was recorded in the Transport category by 1.8%.

In October, consumer prices grew by 0.3% on monthly basis (prices surged by 0.5% on monthly basis). Increase of prices on monthly basis was due to food price increase. Food prices increased by 1.7% on monthly basis, whereby vegetable prices contributed the most (contribution of 0.5 p.p.).

In October, consumer prices decreased by 0.7% on monthly basis (last month, prices increased by 0.3%). Drop of prices on monthly basis was due to decrease of food prices, whereby the measure of decreasing the margin cap of 73 food products – so called “autumn consumer basket” contributed thereto. „есенска кошничка“<sup>2</sup>.

In October, food prices decreased by 2.3% on monthly basis (negative contribution of 0.9 p.p.) with Meat, bread and vegetables contributing the most to the drop.



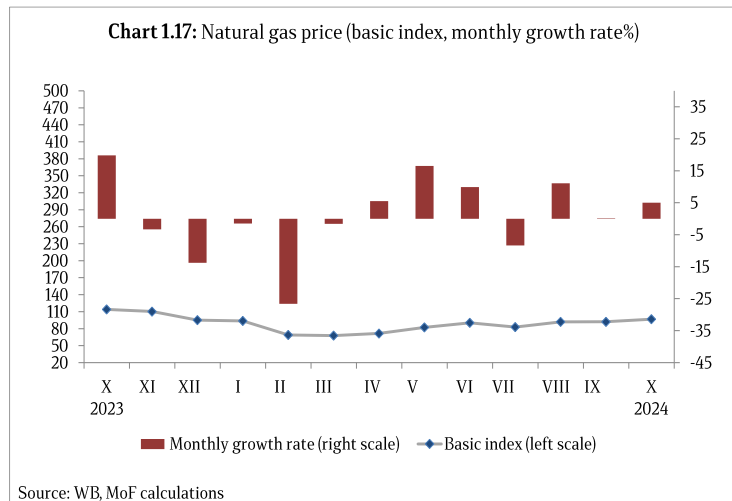
<sup>1</sup> Tobacco product prices is increased in accordance with the adopted amendments of the Law on Excise, cigarette excise duty is to increase by Denar 0.23 per piece each year until 2030. In October 2024, new tobacco price was introduced.

<sup>2</sup> On 20<sup>th</sup> September, the Government limited the gross profit margin of 73 products by 10%. Bread, baking and milk products, milk, meat and meat products, part of canned products, fruit, vegetables, rice, beans, pasta entered in the so-called “autumn consumer basket”. The measure was in force up until 31<sup>st</sup> October.



In October 2024, the Eurozone inflation rate increased by 0.3 p.p., accounting for 2.0%<sup>3</sup> compared to September.

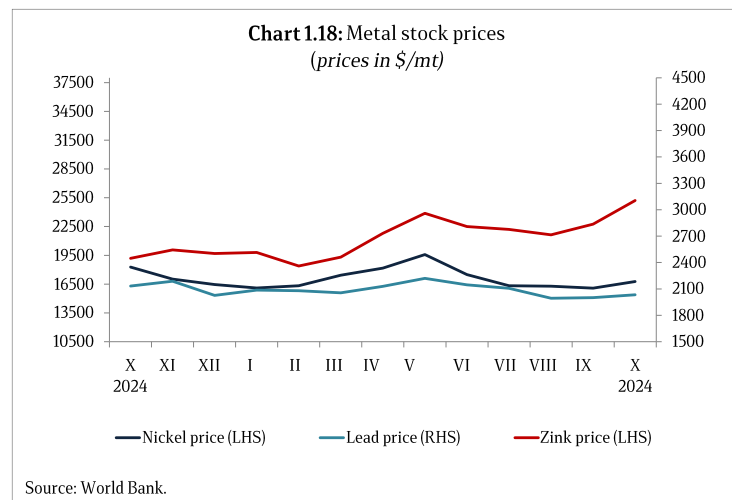
As per ECB projections, inflation rate would reach 2.5% in 2024, 2.2% in 2025 and 1.9% in 2026. The 2024 inflation rate is expected to range around 2.5% with a certain volatility due to the base effect of energy prices. Drastic inflation changes are not to be expected during 2024, being above the historical average reflecting the gradual decrease of services prices. Taking into account the anticipated prolonged decrease of food prices and the minor positive contribution of the energy component to the total inflation, slowed down disinflation and the 2% target are being anticipated in the fourth quarter of 2025.



### Stock Market Prices

In October 2024, the crude oil (Brent) price on the world stock markets increased by 1.8% on monthly basis, amounting to US Dollar 75.7 per barrel, reflection of the geopolitical tensions on the Middle East, interruption of the oil supply by Libya, as well the demand-supply dynamics. Oil price was lower by 16.9% on annual basis.

In October 2024, the natural gas price increased by 5% on monthly level. Gas price was due to several factors, among which geopolitical tensions, including escalation of the Middle East conflict and the concern regarding the potential supply disruptions on the Russian-Ukrainian border due to the current conflict. These factors contributed to the concerns regarding the gas market, leading to much bigger instability. In October 2024, the natural gas price decreased by 15.2% on annual level.



On the onset of 2024, the trend of stabilization and decrease of electricity prices continued. However, since May, prices have recorded growth for several consecutive months, which was interrupted in August with the prices recording a drop on monthly basis. In October 2024, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 92.2 per megawatt/hour, decreasing by 13.1% on monthly basis, while dropping by 12.1% on annual basis.

In October 2024, prices of many of the base metals recorded an increase compared to the previous month, thus the prices of zinc increased by 9.5%, aluminium by 5.9%, nickel by 4.3%, copper by 3.2%, and lead and tin by 1.7%, each. On monthly basis, the price of iron ore increased by 9.2%.

This month, the price of gold recorded increase of 4.6% on monthly basis, followed by the monthly growth trend of silver and platinum by 7.6% and 3.3%, respectively.

<sup>3</sup> The data is a Eurostat's estimate.



In October, corn and maize prices increased by 2.9% and 6.4% on monthly basis, respectively. The price of sunflower oil picked up by 12.9% 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
V	72.2	82.0	358.2
VI	91.7	82.6	384.6
VII	135.5	85.3	366.1
VIII	120.8	80.9	437.8
IX	106.1	74.3	416.94
X	92.2	75.7	457.1

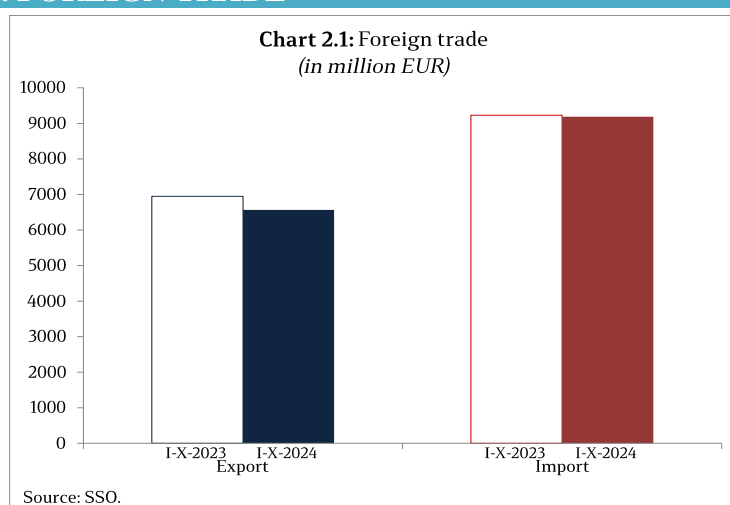
Source: World Bank, Hungarian Power Exchange

## 2. FOREIGN TRADE

Total foreign trade in the first ten months in 2024 amounted to EUR 15,753.5 million, declining by 2.6% compared to the same period last year.

In the period January - October 2024, share of trade with the European Union (EU 27), as the largest trading partner, decreased by 0.1 p.p. compared to the same period last year, accounting for 61.7%. Germany was the major trading partner of our country. As for total foreign trade structure of our country, share of the trade with Germany in

the first ten months of 2024, accounted for 23.3%, dropping by 1.6 p.p. compared to the same period in 2023.

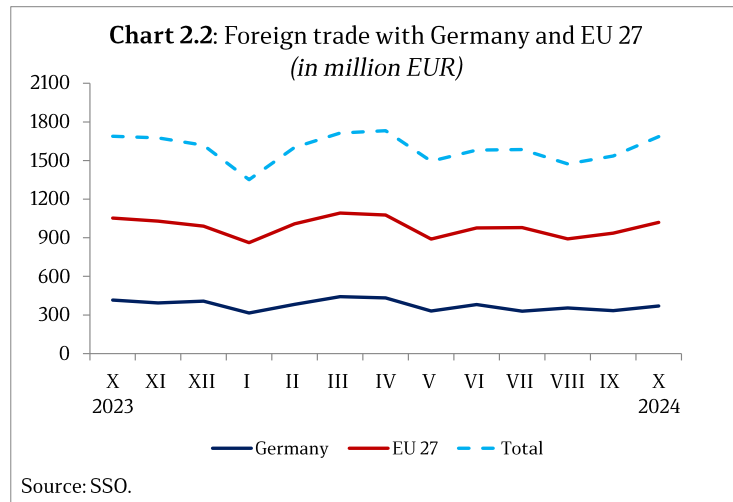




## Export

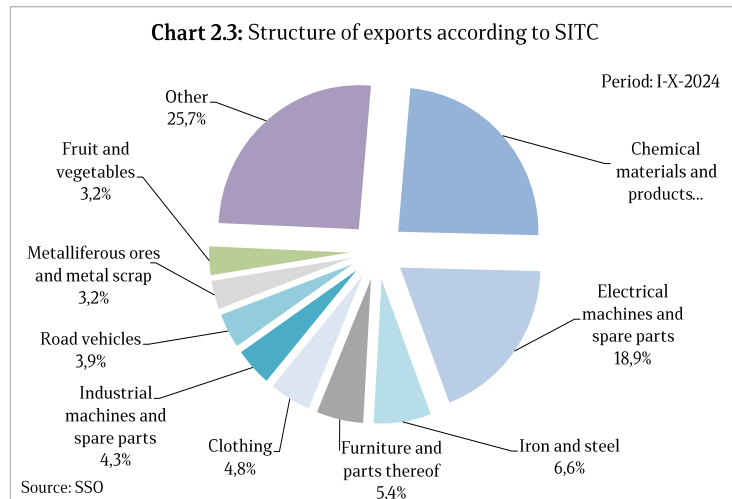
In the first ten months of 2024, value of exported goods amounted to EUR 6,564.1 million, dropping by 5.5% (EUR 382.0 million) compared to the same period in 2023, while physical output of export increased by 0.5%, compared to the same period last year.

Value of exported goods amounted to EUR 703.0 million in October 2024, dropping by 0.4% (EUR 2.6 million) compared to the same month of the previous year, while physical output of export increased by 0.3% compared to October 2023.



Analyzed on monthly basis, in October 2024, export grew by 4.8% (EUR 32.1 million), compared to the previous month, and, in the event of seasonal adjustment, it registered monthly increase of 3.8%, showing positive effects of the seasonal factor (1.0 p.p.) on export this month.

Value of export of food in the first ten months of 2024 increased by EUR 44.5 million, picking up by 10.9% compared to the same period in 2023, while quantity of exported food increased by 11.6%. As for our country's total export, share of the food in first ten months in 2024, accounted for 6.9%, increasing by 1.0 p.p. compared to the same period in 2023. In the total food export, the following products were the most exported: Fruit and vegetable (46.5%), Cereals and cereal products (22.2%), Meat and meat products (7.9%), and Milk products and eggs (6.7%).



Analyzed by economic groups<sup>4</sup>, in the period between January - October 2024 compared to the same period of 2023, export recorded a drop in the following groups: EU 27, EFTA, Organization of Petroleum Exporting Countries, Asia-Pacific Economic Cooperation, while an increase was observed

<sup>4</sup> 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).



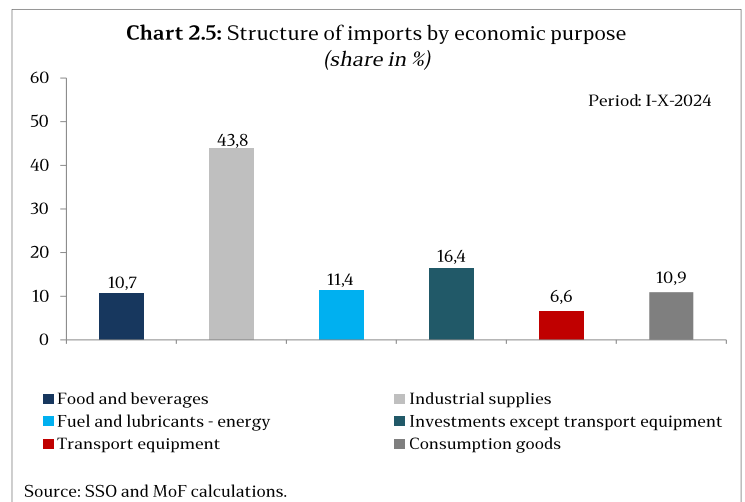
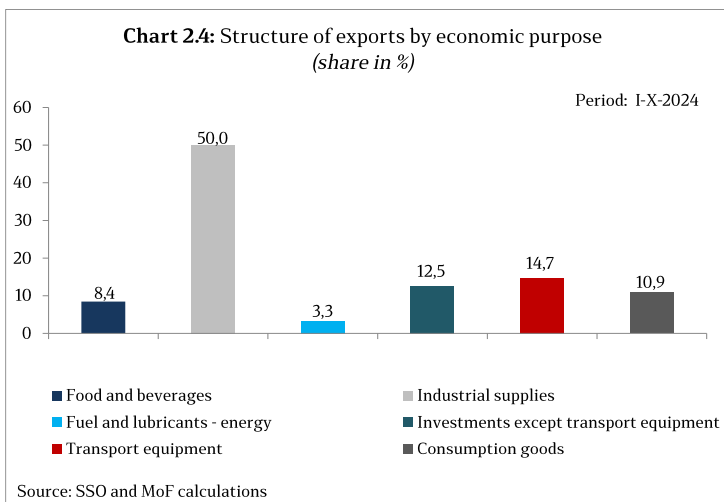


with the following groups: Western Balkans, North American Free Trade Zone and Commonwealth of Independent States. Export to EU 27 declined by 7.3% annually, with a share of 77.5% in the total export of the Republic of North Macedonia, while export to Western Balkan countries picked up by 7.7%, participating with 14.1% in our country's total export.

## Import

In the first ten months of 2024, value of imported goods amounted to EUR 9,189.4 million, decreasing by 0.5% (EUR 41.8 million) compared to the same period in 2023, while physical output of import dropped by 5.5%.

In October 2024, import value amounted to EUR 983.4 million, being at the same level compared to the corresponding month in 2023, while imported quantities of goods grew by 18.5% compared to October 2023.



Analyzed on monthly basis, in October 2024, import grew by 13.8% (EUR 119,4 million), compared to the previous month, and, in the event of seasonal adjustment, it registered monthly increase of 5.1%, showing positive effects of the seasonal factor (8.7 p.p.) on import this month.

Value of import of food in the first ten months of 2024 increased by EUR 77.0 million, picking up by 9.6% compared to the same period in 2023, while quantity of imported food increased by 7.5%. As for our country's total import, share of the food in first ten months in 2024, accounted for 9.6%, increasing by 0.9 p.p. compared to the same period in 2023. In the total food import, the following products were the most imported: Meat and meat products (21.6%), Fruit and vegetable (14.6%), Cereals and cereal products (13.4%), Coffee, tea, cocoa and spices (11.8%) and Milk products and eggs (10.4%).



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

Export of petroleum and petroleum products*)					Import of petroleum and petroleum products*)				
	I - X - 2023	I - X - 2024	Balance	% rate		I - X - 2023	I - X - 2024	Balance	% rate
000 T	111,8	100,6	-11,2	-10,0	.000 T	1.000,1	990,9	-9,2	-0,9
EUR mil.	89,1	71,0	-18,1	-20,3	EUR mil.	741,3	685,8	-55,5	-7,5
\$ mil.	96,3	77,1	-19,2	-20,0	\$ mil.	801,1	745,5	-55,6	-6,9

\*)Previous data

Export of chemical products*)					Import of chemical products*)				
	I - X - 2023	I - X - 2024	Balance	% rate		I - X - 2023	I - X - 2024	Balance	% rate
000 T	67,5	55,9	-11,6	-17,2	.000 T	24,7	26,3	1,6	6,5
EUR mil.	2.019,1	1.577,8	-441,3	-21,9	EUR mil.	154,4	147,4	-6,9	-4,5
\$ mil.	2.182,0	1.714,9	-467,1	-21,4	\$ mil.	166,8	160,2	-6,6	-4,0

\*)Previous data

Export of iron and steel*)					Import of iron and steel*)				
	I - X - 2023	I - X - 2024	Balance	% rate		I - X - 2023	I - X - 2024	Balance	% rate
000 T	550,7	564,1	13,4	2,4	.000 T	572,2	587,2	15,0	2,6
EUR mil.	492,1	434,9	-57,2	-11,6	EUR mil.	424,1	403,1	-21,0	-4,9
\$ mil.	531,8	473,0	-58,8	-11,1	\$ mil.	457,9	438,1	-19,8	-4,3

\*)Previous data

## Trade Balance

In the period January - October 2024, trade deficit increased by 14.9%, i.e. by EUR 340.2 million, compared to the same period last year.

In October 2024, trade deficit widened by 1.0%, i.e. EUR 2.8 million compared to October 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, 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 in oils and lubricants and in investment goods without transport equipment contributed to reduction of the negative balance.

On the other hand, reduction of the deficit in the trade in oils and lubricants and in investment goods without transport equipment contributed to reduction of the negative balance.

In the first ten months of 2024, 91.5% of the trade deficit of the country was realized in the trade with Great Britain, China and Greece, followed by: Türkiye, Poland, Italy, Serbia, Bulgaria, and others. Surplus was realized in the trade with Germany, Kosovo, Slovakia, the Czech Republic, Hungary, Belgium, and Spain.

## Currency Structure

Observed by currency structure, 91.8% of the trade in the period January - October 2024 was conducted in euros and remained unchanged as in the corresponding period in 2023. On export and import side, euro accounted for 94.5% and 89.8%, respectively, whereby share of the euro in export was lower by 0.3 p.p., while share of the euro in import increased by 0.4 p.p. compared to the period January – October 2023.

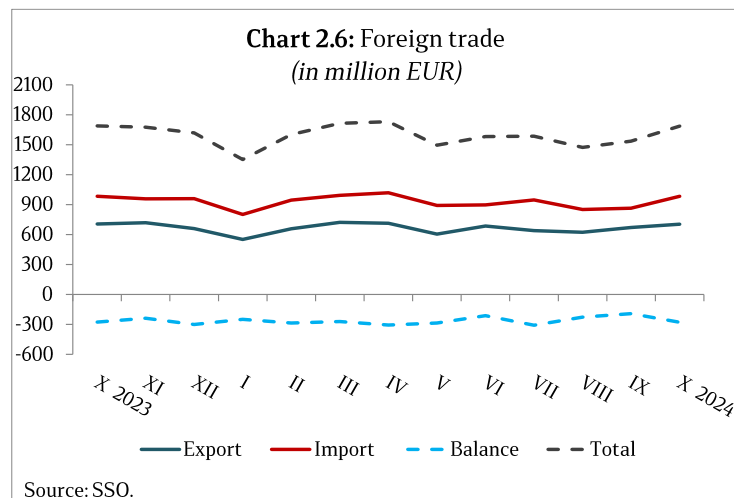




Table 2.2 Foreign trade of the Republic of North Macedonia (by currency); calculations: MoF

import	I - X - 2023					I - X - 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	4977.7	8,255,987,780	61,5695	508,317,039,605	89,4	4,983,6	8,255,897,020	61,5394	508,062,949,078	89,8	-90,760	0,0
USD	848,2	973,439,748	57,0004	55,486,454,992	9,8	514,8	926,036,727	56,6004	52,414,049,174	9,3	-47,403,020	-4,9
GBP	1,6	18,548,977	70,7461	1,312,267,817	0,2	2,2	19,231,236	72,4289	1,392,897,261	0,2	682,258	3,7
EUR+USD+GBP	5,827,5			565,115,762,414	99,2	5,500,6			561,869,895,514	99,4		
tot. import	5,841,9			568,391,810,198	100,0	5,517,9			565,528,691,974	100,0		-0,5

Source: SSO and NBRNM

### 3. FISCAL SECTOR

#### Budget Revenues and Expenditures according to the Economic Classification

In the period January – October 2024, collection of total budget revenues of the Republic of North Macedonia's budget amounted to Denar 251,134 million, accounting for 78.9% of the 2024 projections, i.e. increase of 11.9% compared to collected budget revenues for the same period in 2023. As regards total revenues, Denar 232,445 million was collected on the basis of tax revenues and social contributions, accounting for 81.7% of 2024 projected amount, being 14.9% increase in relation to the previous year. Thereby, tax revenues were collected in the total amount of Denar 145,396 million (i.e. 82.7% of the amount projected for 2024), while social contributions were collected in the amount of Denar 85,570 million (annual increase of 14.6%, i.e. 81.3% of the amount projected for 2024). As regards tax revenues, increased collection was recorded at personal income tax by 16.9%, followed by corporate income tax by 17.9%, VAT by 20.9%, excise duties increasing by 7.6%, import duties collection increase by 15.8% while other tax revenue collection experienced a drop by 71.2%. During this period, non-tax revenues recorded growth of 8.3%, and capital revenues increased by 9.3%, while foreign donation revenues experienced a drop by 65.8%.

Total budget expenditures were executed in the amount of Denar 275,146 million in the period January – October 2024, accounting for 75.8% of the annual projections, i.e. an increase of 10.3% compared to same period of 2023. Thereby, current expenditures were executed in the amount of Denar 256,385 million, i.e. 80.6% of the amount projected for the whole year, being an increase of 16.5% compared to the same period in 2023. Increase was recorded at expenditures related to wages and allowances by 20.3%, at goods and service-related expenditures by 14.9% and at interest-related expenditures a surge by 38.1%. Transfers, as the largest category of current expenditures, increased by 14.4%, driven by the high growth of social transfers by 15.0%, health care expenditures by 11.3%, block and earmarked grants by 11.2% and subsidies and transfers by 16.6%. Capital expenditures were executed in the amount of Denar 18,761 million, being lower by 35.9% compared to the same period in 2023. Execution rate of capital expenditures for the period January – October 2024 accounted for 42.0% compared to the projected amount.

**Table 3.1. State Budget Execution for the period January – October 2024**

	2024 Supplementary Budget	January – October 2024		
	(Denar million)	(Denar million)	Annual growth rate (%)	% of collection/execution rate (%)
<b>TOTAL REVENUES</b>	<b>318,150</b>	<b>251,134</b>	<b>11.9%</b>	<b>78.9%</b>

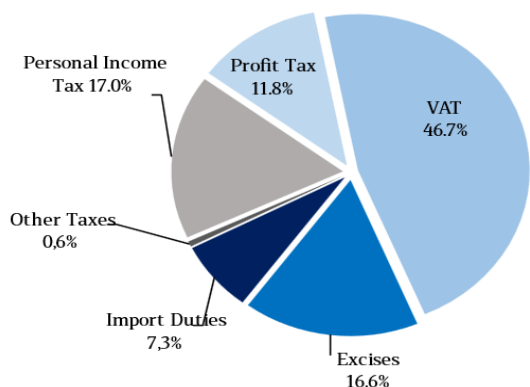


<b>Taxes and contributions</b>	<b>284,469</b>	<b>232,445</b>	<b>14.9%</b>	<b>81.7%</b>
Taxes	175,751	145,396	15.1%	82.7%
Personal Income Tax	31,542	24,754	16.9%	78.5%
Corporate Profit Tax	21,118	17,193	17.9%	81.4%
VAT	78,458	67,942	20.9%	86.6%
Excise duties	29,837	24,065	7.6%	80.7%
Import charges	13,556	10,637	15.8%	78.5%
Other tax revenues	1,240	805	-71.2%	64.9%
Contributions	105,212	85,570	14.6%	81.3%
<b>Non-tax revenues</b>	<b>22,541</b>	<b>14,708</b>	<b>8.3%</b>	<b>65.2%</b>
<b>Capital revenues</b>	<b>3,240</b>	<b>1,625</b>	<b>9.3%</b>	<b>50.2%</b>
<b>Foreign Donations</b>	<b>7,900</b>	<b>2,356</b>	<b>-65.8%</b>	<b>29.8%</b>
<b>Revenues from paid extended loans</b>	<b>0</b>	<b>0</b>	<b>/</b>	<b>/</b>
<b>TOTAL EXPENDITURES</b>	<b>362,816</b>	<b>275,146</b>	<b>10.3%</b>	<b>75.8%</b>
<b>Current expenditures</b>	<b>318,118</b>	<b>256,385</b>	<b>16.5%</b>	<b>80.6%</b>
Wages and allowances	44,537	35,668	20.3%	80.1%
Goods and services	25,509	17,885	14.9%	70.1%
Transfers	230,439	187,029	14.4%	81.2%
Social transfers	169,794	139,102	15.0%	81.9%
Pension and Disability Insurance Fund of North Macedonia	104,495	87,041	17.5%	83.3%
Pecuniary unemployment allowance	2,926	2,154	39.1%	73.6%
Social welfare	14,928	12,290	6.5%	82.3%
Health protection	47,445	37,617	11.3%	79.3%
Other transfers	58,215	46,495	13.9%	79.9%
Interest	17,632	15,803	38.1%	89.6%
<b>Capital expenditures</b>	<b>44,698</b>	<b>18,761</b>	<b>-35.9%</b>	<b>42.0%</b>
<b>BUDGET BALANCE</b>	<b>-44,666</b>	<b>-24,012</b>	<b>-4.3%</b>	<b>53.8%</b>

Source: Ministry of Finance

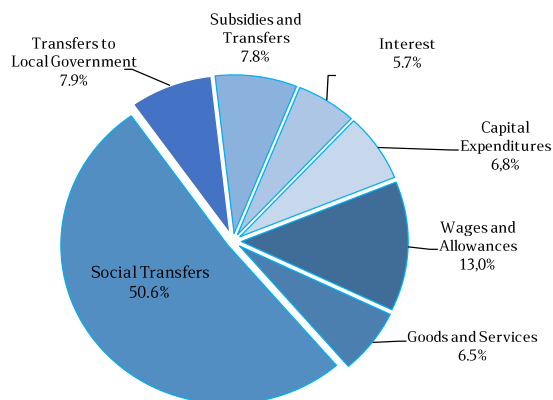


Chart 3.1: Structure of Collected Tax Revenues, January-October 2024



Source: MoF

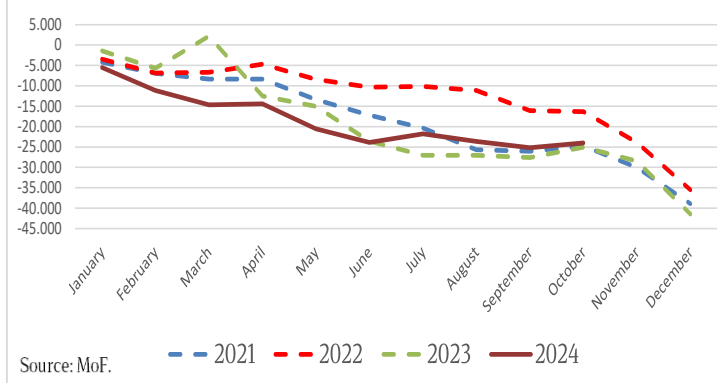
Chart 3.2: Structure of Executed Expenditures according to Economic Classification, January – October 2024



Source: MoF.

In the period January – October 2024, the state budget deficit amounted to Denar 24,012 million, accounting for 2.5% of the GDP projected for 2024, i.e. 53.8% of the budget deficit.

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



Source: MoF.

## Expenditures by Budget Users

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

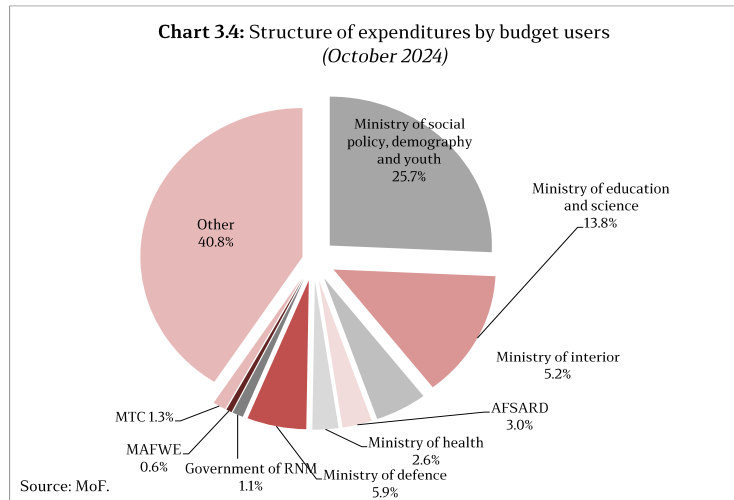
In the period January – October 2024, Ministry of Social Policy, Demographics and Youth executed funds in the amount of Denar 58,800 million or 91.1% of its total budget for the current year. Thereby, most of the expenditures (70.7%) were allocated for current transfers to extra-budgetary funds, for which Denar 41,563 million was spent, i.e. 95.0% of the funds allocated for 2024. The second highest expenditure category was the social benefits, participating with 20.5% in the total expenditures, whereby 85.1% (Denar 12.060 million) of the projected 2024 funds was executed for this purpose.





During the analyzed period, Ministry of Education and Science executed budget funds in the amount of Denar 31,551 million, representing 77.9% of its total 2024 Budget. Current transfers to LGUs accounted for the most of the expenditures (57.7%), Denar 18,195 million being spent therefore or 80.9% of total projected funds. Wages and allowances category was the second highest expenditure item, accounting for 20.0%, for which an amount of Denar 6,304 million, accounting for 80.1%, being executed out of total projected funds.

In the period January – October 2024, Ministry of Internal Affairs executed expenditures in the total amount of Denar 11,841 million, accounting for 81.8% of its 2024



budget. Wages and allowances was the highest expenditure category, participating with 67.6%, Denar 8,007 million being spent therefore, accounting for 81.1% of the projected ones. Second highest category was Goods and services, accounting for 19.4%, with Denar 2,297 million being spent therefore, accounting for 80.6% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 6,772 million, accounting for 70.2% of the funds projected for the current year. As for subsidies and transfers, accounting for 92.4% of the total expenditures, 76.5%, with Denar 6,257 million of the funds planned for the whole year, being spent therefore.

In the period January – October 2024, Ministry of Defense executed budget funds in the amount of Denar 13,541 million, accounting for 74.9% of its total budget for this year. Expenditures related to wages and allowances accounted for the most with 36.6%, Denar 4,959 million being spent therefore, (accounting for 78.8% of the total funds projected for the current year). Capital expenditures accounted for 31.2% of total expenditures, Denar 4,226 million being spent therefore during the analyzed period, i.e. 73.7% execution of the total projected funds.

Government of the Republic of North Macedonia spent Denar 2,505 million, i.e. 65.2% of the funds projected for 2024, in the period January – October 2024. Thereby, subsidies and transfers accounted for 59.8% of total expenditures of this budget user, Denar 1,499 million (71.4% of the projected funds) being spent therefore.

During the analyzed period, Ministry of Health executed budget funds in the amount of Denar 5,929 million, accounting for 78.5% of the total 2024 Budget. Current transfers to extra-budgetary funds accounted for the most of the expenditures with 52.2%, for which Denar 3,096 million were spent or 88.5% of the funds projected for 2024. Second highest item was Goods and services, Denar 2,304 million (73.8% of the projections for the year) being spent therefore, accounting for 38.9% of total expenditures.

In the period January – October 2024, Ministry of Transport and Communications executed funds in the amount of Denar 3,010 million, i.e. 23.1% of the total budget for the current year. Execution of capital expenditures, as main item, accounted for 73.4% of the total spent funds of this budget user (Denar 2.210 million or 18.8% of total projected funds).

During this period, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 1,307 million, accounting for 74.2% of the funds projected for 2024. Wages and allowances (Denar 525 million) was, by far, the highest item in the total expenditures of this budget user, accounting for 40.2% of its total expenditures, with 81.0% of the projected expenditures, being



executed. As regards expenditures related to Subsidies and transfers, they accounted for 21.7% of the total expenditures, Denar 284 million being spent therefore, accounting for 86.0% of the total budget for this purpose.

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

## 4. SOCIAL SECTOR

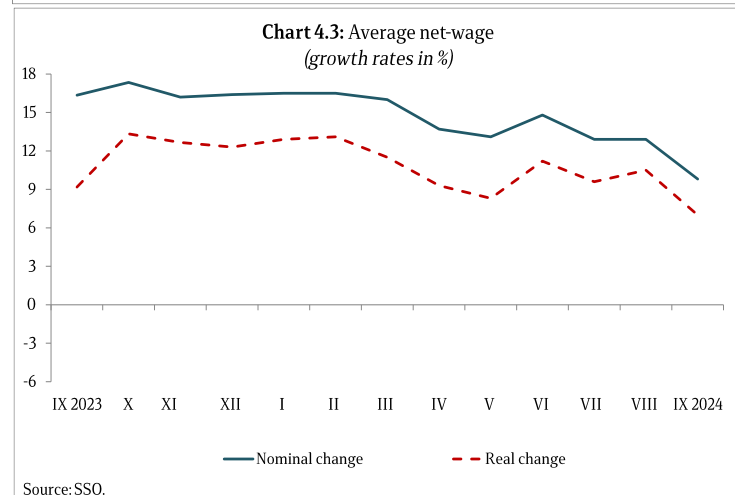
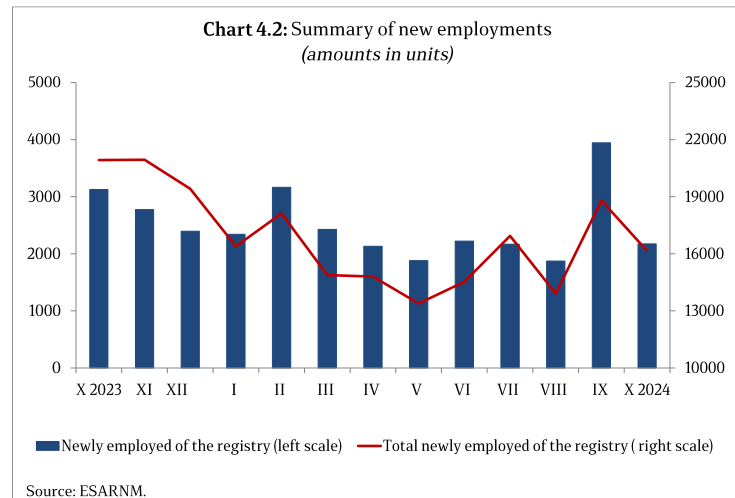
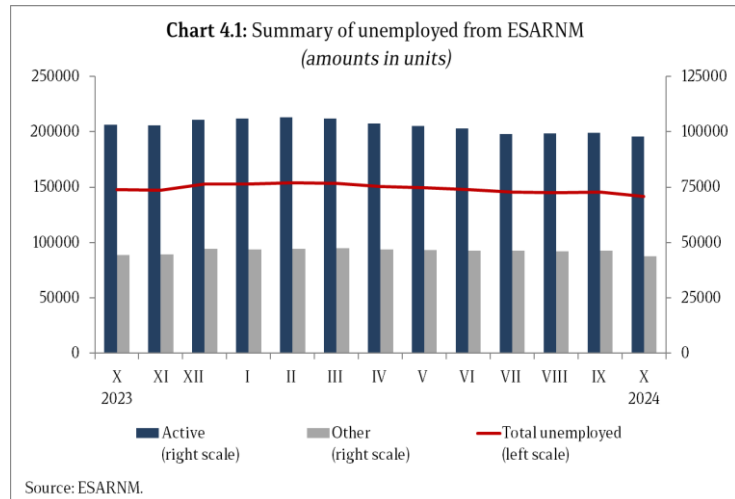
### Newly Employed and Registered Unemployed Persons in the Employment Service Agency

In the first ten months of 2024, Employment Service Agency registered total of 157,912 new employments. Total number of newly employed persons decreased by 6.9% compared to the same period in 2023.

As regards the total number of newly employed, 41.3% was engaged on permanent basis, while the remaining percentage was engaged on temporary basis and as seasonal workers. In October 2024, 13.5% out of the total number of newly employed persons was from the unemployed records.

Total number of unemployed persons in October 2024 was 141,606, 97,879 out of which persons were active job seekers, while 43,727 persons were from the category “other unemployed”. On annual basis, total number of unemployed persons decreased by 4.1%, whereas, starting from May 2021, it recorded a continuous annual reduction. Number of unemployed persons decreased by 4,162 people compared to September 2024.

Urban residents accounted the most (with 58.8%) among the active unemployed persons, whereas with respect to gender, men accounted for 47.8%. Analyzed by the level of education, majority, i.e. 68.9%, of the unemployed persons were with incomplete secondary education or less, 23.7% were with completed secondary education, while 7.4% of



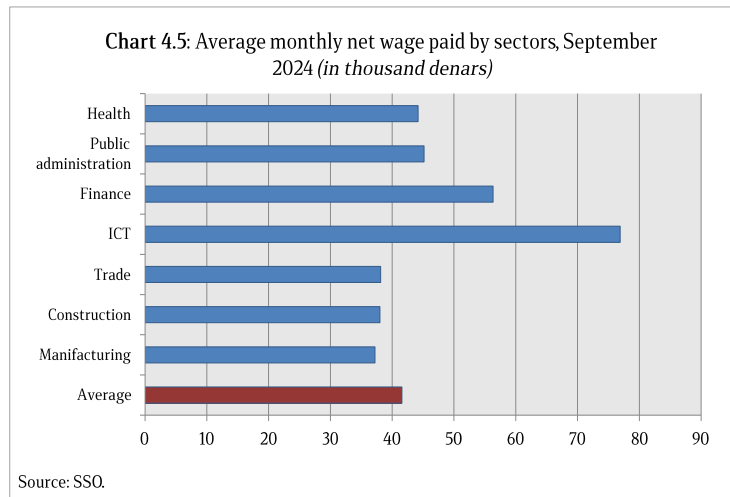
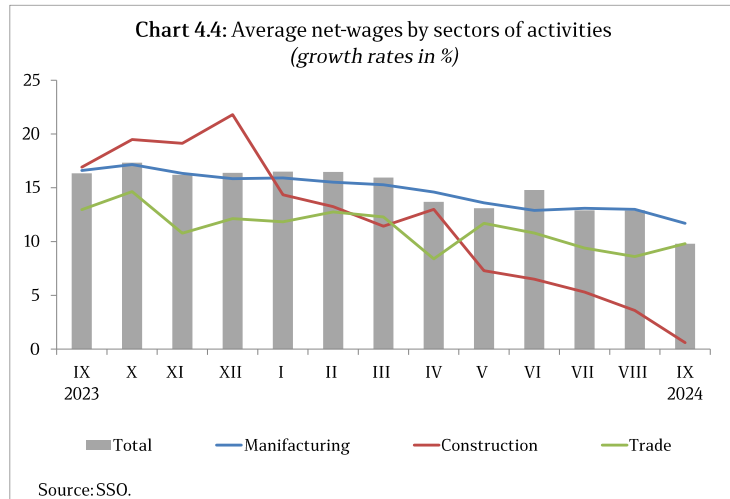


the unemployed persons were with completed community college or higher education level.

Analyzed by age structure, 49.5% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 59.4% of the unemployed persons wait for employment from 1 to 7 years, while 13.4% wait for employment for 8 years or more.

## Wages

As per the notification of the State Statistical Office, in September 2024, average net wage amounted to Denar 41,585, in nominal terms, being higher by 9.8% on annual basis, and being higher by 1.2% compared to August 2024. The highest increase of average net wage, in relation to September 2023, was observed at the following sectors: Administrative and support service activities (12.6%), Manufacturing (11.7%) and Arts, entertainment and recreation (11.4%). In September 2024, wages picked up by 7.0% in real terms on annual basis. Highest average net wage in September 2024 was paid in the sector Information and communications (Denar 76,904), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 96,455), followed by Financial and insurance activities with Denar 56,337, Mining and quarrying with Denar 54,455 and Electricity, gas, steam and air conditioning supply sector with Denar 53,744.



Average nominal gross wage in September 2024 amounted to Denar 62,573 and compared to the same month in 2023, increased by 10.0%, being higher by 1.2% on monthly basis. The highest increase of average gross wage in September 2024, compared to September in 2023, was recorded in the following sectors: Administrative and support service activities (12.8%), Arts, entertainment and recreation (12.0%) and Manufacturing (11.9%).

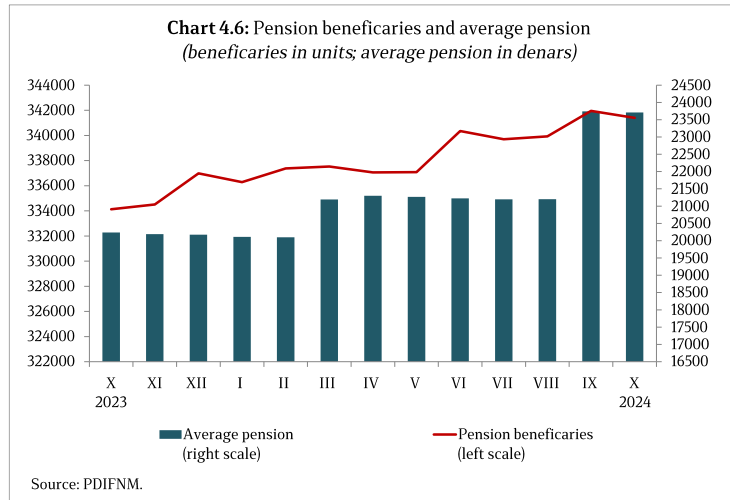
## Pensions

In October 2024, Pension and Disability Insurance Fund registered 341,393 pensioners. In September 2024, the Law on Pension and Disability Insurance was amended, according to which a linear increase of Denar 2,500 was introduced for all types of pensions, starting on 1<sup>st</sup> October 2024.

As regards the total number of pensioners, 70.7% are beneficiaries of old-age pension, amounting to 241,512 retirees, 21.7% of survivor pension, amounting to 74,172 pensioners and 7.5% of disability pension, amounting to 25,709 pensioners.



Average pension in October 2024 amounted to Denar 23,709, being higher by 17.2% compared to the same month in 2023<sup>5</sup>. Increase in pensions was, among the other, a result of the March pension indexation as per the 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 wage in September 2024 (the most recent available data) was 57.1%.

In October 2024, average old-age pension amounted to Denar 25,366, average disability pension amounted to Denar 21,269, while average survivor pension amounted to Denar 19,157. This month, Denar 8,036 million was spent for payment of pensions, accounting for 55.3% of the total social transfers.

Chart 4.1 October 2024 Pension Data			
Pension beneficiaries	Number	Structure	Average pension
Old age pension	241,512	70.7%	25,366.00
Disability pension	25,709	7.5%	21,269.00
Survivors pension	74,172	21.7%	19,157.00
<b>Total</b>	<b>341,393</b>	<b>100.0%</b>	<b>23,709.00</b>
<b>Minimal agricultural pension beneficiaries</b>	<b>38</b>		<b>13,413.00</b>
<b>Beneficiaries of military pensions</b>	<b>739</b>		<b>32,403.00</b>
<b>Total</b>	<b>342,170</b>		<b>23,727.00</b>

Source: Pension and Disability Insurance Fund of North Macedonia

## 5. MONETARY AND FINANCIAL SECTOR

In October 2024, the National Bank reduced the policy rate by 0.26 percentage points, from 6.05% down to 5.80%, following several months of maintaining a steady policy rate to achieve long-term inflation stabilization. This reduction was in alignment with ECB's monetary policy, whereby interest rates have been cut starting from September 2024.

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

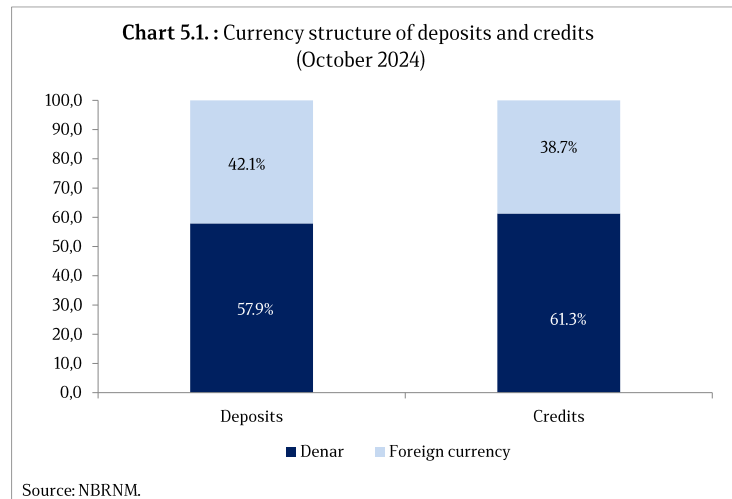


In October 2024, the National Bank kept the available overnight and seven-days deposits at 4.20% and 4.25%, respectively.

### Primary Money

In October 2024, primary money<sup>6</sup> grew by 0.9% on monthly basis. Growth of primary money was a result of increase of total liquid assets by 1.6%, while currency in circulation had an insignificant increase of 0.1%.

In October 2024, primary money grew by 31.9% on annual basis, as a result of both increased total liquid assets of banks and currency in circulation by 59.8% and 10.3%, respectively.



### Deposit Potential<sup>7</sup>

In October 2024, total deposits of banks grew by 1.7% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of households increased by 0.7%, and deposits of enterprises by 3.2%.

Analyzed by currency, in October 2024, compared to the previous month, Denar deposits and foreign currency deposits recorded growth of 2.4% and 0.8%, respectively.

Total deposit potential in October 2024 grew by 11.0% on annual basis.

Analyzed by currency, domestic currency deposits increased by 16.1%, and foreign currency deposits by 4.8%.

From sectoral point of view, deposits of enterprises grew by 10.0%, and deposits of households increased by 11.7% on annual basis.

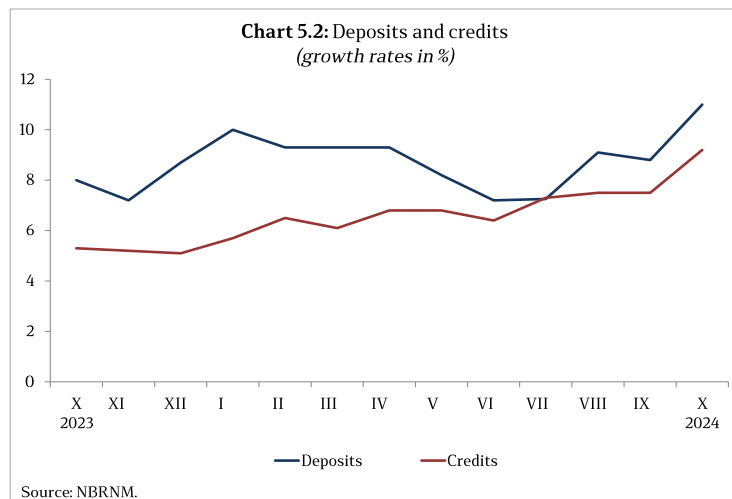


Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (October 2024)	In Denar million	Monthly change	Annual change
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<sup>6</sup>Primary 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.

<sup>7</sup>NBRNM 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.





Deposit Potential	564,962	1.7%	11.0%
By currency:			
Denar	327,133	2.4%	16.1%
Foreign currency	237,829	0.8%	4.8%
By maturity:			
Short-term	215,478	1.2%	-0.3%
Long-term	142,875	2.7%	25.4%
Credits to private sector	477,837	1.8%	9.2%
By currency:			
Denar	292,729	2.9%	15.8%
Foreign currency	185,108	0.2%	0.1%
By maturity:			
Short-term	70,021	1.0%	9.2%
Long-term	391,304	2.1%	9.8%

Source: NBRNM

According to maturity, short-term deposits declined by 0.3%, while long-term deposits surged by 25.4%, on annual basis.

Currency structure of deposits kept being stable, whereby share of domestic currency deposits in the deposit base was dominant and accounted for 57.9%, being increased this month.

### Bank Credits

In October 2024, total credits of banks to the private sector surged by 1.8% on monthly basis, as a result of the growth of both credits to households by 0.9%, and credits to enterprises by 2.8%.

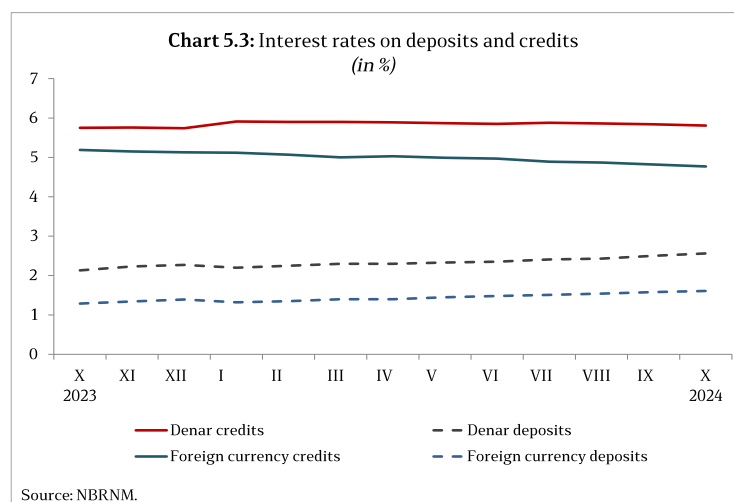
Analyzed by currency, Denar credits picked up by 2.9%, and foreign currency credits by 0.2% on monthly basis.

On annual basis, in October 2024, total credits grew by 9.2%, in conditions of growth of both credits to enterprises and credits to households of 10.4% and of 8.2%, respectively. Denar credits surged by 15.8%, while foreign currency credits grew by 0.1%.

As regards maturity, long-term credits experienced annual growth of 9.8% and short-term credits picked up by 9.2%.

### Interest Rates of Deposit Banks

In October 2024, total interest rate on credits dropped by 0.03 p.p. compared to the previous month,





accounting for 5.38%. Interest rate on Denar credits dropped by 0.03 p.p., accounting for 5.81%, while interest rate on foreign currency credits decreased by 0.05 p.p. on monthly basis, accounting for 4.77%.

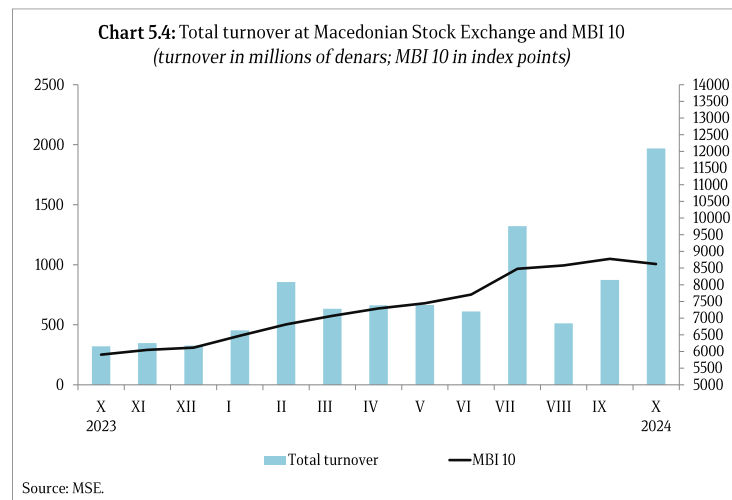
Total interest rate on deposits grew by 0.06 p.p. in October 2024, compared to last month, accounting for 2.07%. Interest rate on Denar deposits increased by 0.06 p.p., accounting for 2.56%, while interest rate on foreign currency deposits grew by 0.03 p.p., accounting for 1.61%.

Interest rate on newly granted Denar credits accounted for 5.03%, while interest rate on newly approved foreign currency credits accounted for 4.07%. Interest rates on newly received Denar and foreign currency deposits accounted for 3.13% and 2.35%, respectively.

## Capital Market

As for the capital market, in October 2024, total turnover on the stock exchange increased by 125.3% on monthly basis, as a result of the increase of turnover from block transactions by 193.7%, while the turnover from classical trading by 62.2%.

Total turnover on the stock exchange amounted to Denar 1.968,8 million in October 2024, representing an increase of 513.2% on annual basis.



Macedonian Stock Exchange Index MSEI - 10 amounted to 8,621.6 index points at the end of October 2024, whereby the index decreased by 1.8% on monthly basis, while, compared to the same month last year, the index was higher by 46.0%.

## Reserve Assets

At the end of October 2024, gross reserve amounted to EUR 4,975.6 million, being higher by 12.9% compared to the previous month and higher by 26.9% compared to October 2023.