



# *SHORT-TERM ECONOMIC TRENDS*



**December 2024**



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**SUMMARY**  
**OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS**  
**December 2024**

- Industrial production dropped by 1.4% in December 2024 compared to the same month last year.
- In December 2024, industrial producer prices on the domestic market were higher by 5.3% compared to the same month last year.
- In December 2024, the industrial turnover, compared to December 2023, recorded a drop by 11.0%
- In December 2024, the inflation rate accounted for 4.4% on annual basis, once again recording slight acceleration of growth (4.3% in November 2024). On monthly basis, inflation recorded growth of 0.3%.
- Export in 2024 dropped by 6.5%, while import dipped by 0.8%, resulting in increase of the trade deficit by 16.1% compared to 2023.
- In the period January – December 2024, collection of total budget revenues of the Republic of North Macedonia amounted to Denar 305,622 million, accounting for 96.1% of the 2024 projections, i.e. being an increase of 10.3% compared to collected budget revenues for the same period in 2023.
- Total budget expenditures were executed in the amount of Denar 347,667 million in the period January – December 2024, accounting for 95.8% of the annual projections, i.e. an increase of 9.1% compared to same period of 2023.
- Total credits of banks in December 2024 grew by 11.2% compared to December 2023, while total deposit potential of banks surged by 12.4%.



## 1. REAL SECTOR

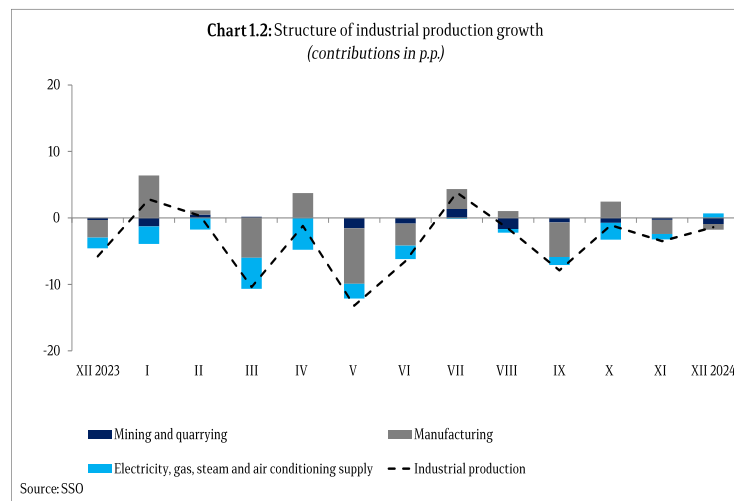
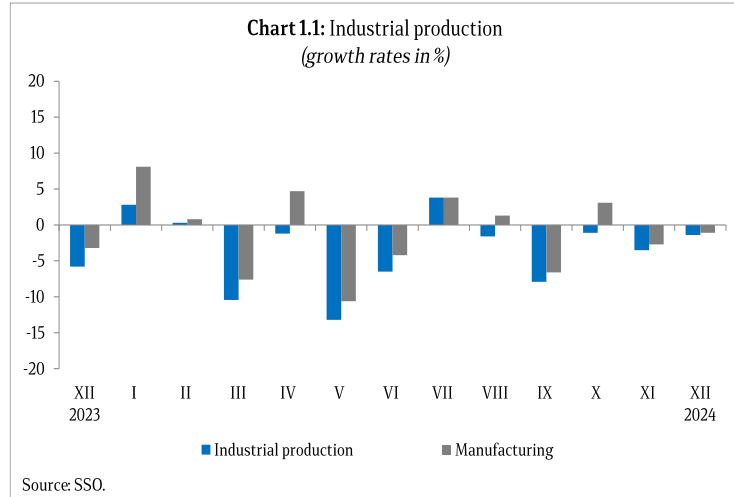
### Industrial Production

Industrial production dropped by 1.4% in December 2024 compared to the same month in the previous year. Such drop was due to the reduced production in the sectors, as follows: Mining and quarrying by 10.0% and Manufacturing by 1.1%, whereas Electricity, gas, steam and air-conditioning supply recorded an increase of 5.7%.

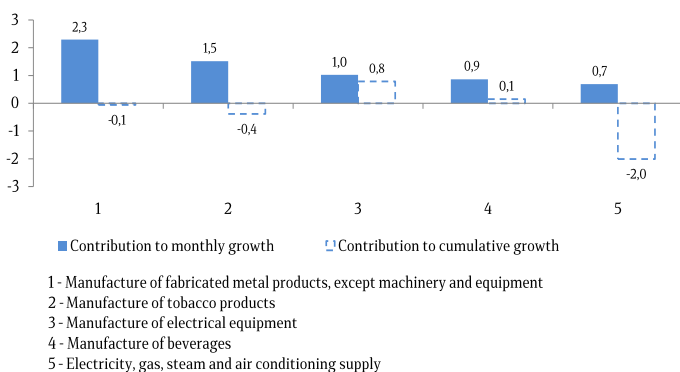
Increase in production in December 2024 compared to December 2023 was registered only at 15 out of total of 27 industrial branches, comprising 50.1% in the total industry.

Out of the branches with higher value added, increase in December 2024 was observed at the following branches: Manufacture of electrical equipment by 19.3% and contribution of 1.0 p.p. and Production of metals by 14.0% and contribution of 0.6 p.p., while Manufacture of motor vehicles, trailers and semi-trailers declined by 23.1% and contribution of -3.0 p.p., with Manufacture of machinery and equipment dropping by 26.9% and contribution of -1.7 p.p..

As for traditional branches, increase of production in December 2024 was observed at the following branches: Food Industry by 0.6% and contribution of 0.1 p.p., Manufacture of beverages by 26.2% and contribution of 0.9 p.p., Manufacture of leather by 6.7% and contribution of 0.0 p.p., and Manufacture of tobacco products by 121.6% and contribution of 1.5 p.p., whereas decrease in production was observed at: Manufacture of wood and

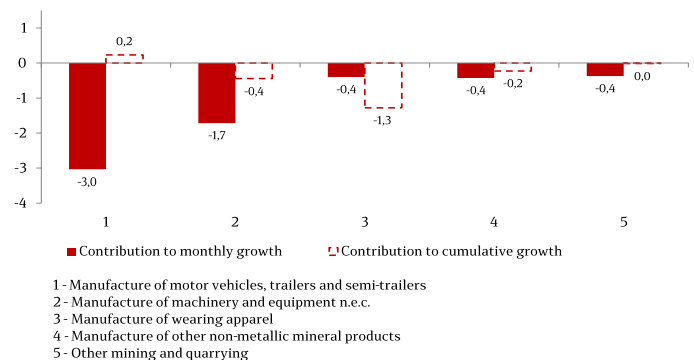


**Chart 1.3a: Branches with positive contribution to growth (growth rates in %, December 2024)**



Source: SSO

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



Source: SSO



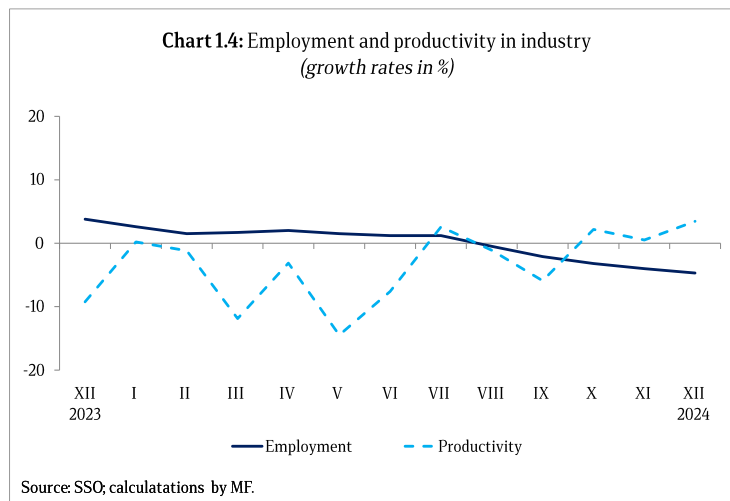
wood and cork products by 20.5% and contribution of -0.1 p.p., Manufacture of wearing apparel by 6.3% and contribution of -0.4 p.p., and Manufacture of textile by 2.7% and contribution of -0.1 p.p..

As per the purpose of production units, in December 2024, industrial production decreased only at Capital goods (drop by 20.1% and contribution of -4.6 p.p.) compared to December 2024, whereas production increased as follows: Energy (spike by 2.4% and contribution of 0.3 p.p.), Intermediate goods industry, except energy (increasing by 3.7% and contribution of 1.1 p.p.), Durable consumer goods industry (picking up by 14.7% and contribution of 0,5 p.p.) and Non-durable consumer goods industry growing by 4.9% and contribution of 1.5 p.p..

As per the purpose of production units, in the period January - December 2024, growth was only seen at the groups Durable consumer goods (by 10.5%), whereas drop was recorded in the branches: Energy (by 16.7%), Intermediate goods except energy (by 1.4%), Capital goods (by 1.6%), and Consumer non-durables (by 3.3%).

### Number of Employees in the Industry

In December 2024, number of employees in the industry decreased by 4.7% compared to the same month in the previous year. Such decline was due to the reduced number of employees in all sectors, as follows: Mining and quarrying by 1.6%, Manufacturing by 5.0% and Electricity, gas, steam and air-conditioning supply by 2.5%. Increase in the number of employees was seen at the following branches: Manufacture of machinery and equipment, n.e.c. by 36.0%, Manufacture of beverages by 8.7%, and Manufacture of basic pharmaceutical products and pharmaceutical preparations by 8.2%.



In December 2024, compared to the same period last year, data on the number of employees in the industry by target groups showed increase in the number of employees only at Capital goods by 25.7%.

Cumulative data indicate that the number of employees in the industry in the January - December 2024 period recorded drop of 0.3% due to the decreased number of employees in the Manufacturing by 0.6%, while growth was recorded in the sectors Mining and quarrying by 4.5% and Electricity, gas, steam and air-conditioning supply by 0.6%.

As regards target groups, number of employees in the industry in the period January - December 2024 increased in the sectors as follows: Energy by 3.8%, Capital goods by 10.3% and Consumer durables by 16.8%.

### Industrial producer prices on the domestic market

In December 2024, industrial producer prices on the domestic market were higher by 5.3% compared to the same month last year. Increase was due to raised prices throughout the following sectors: Manufacturing by 3.9%, Electricity, gas, steam and air-conditioning supply by 14.0% and Water supply; Sewerage, waste management and remediation activities by 4.5%, whereas in the sector Mining and quarrying the sale prices decreased by 0.6%.



In December 2024, industrial producer prices on the domestic market were higher at the groups: Energy by 12.9%, Consumer goods by 7.7%, Consumer durables by 2.9% and Consumer non-durables by 7.9%, compared to the respective month in 2023.

In the period between January and December 2024 compared to the same period last year, industrial producer prices on the domestic market were higher by 2.4% on cumulative basis, due to increased

prices throughout the following sectors: Manufacturing by 1.6%, Electricity, gas, steam and air-conditioning supply by 7.4% and Water supply; Sewerage, waste management and remediation activities by 3.1%, whereas in the sector Mining and quarrying, the sale prices decreased by 1.1%.

In the period between January and December 2024 compared to the same period in 2023, industrial producer prices on the domestic market were higher in the groups as follows: Energy by 6.9%, Consumer goods by 6.1%, Consumer durables by 4.2% and Consumer non-durables by 6.1%.

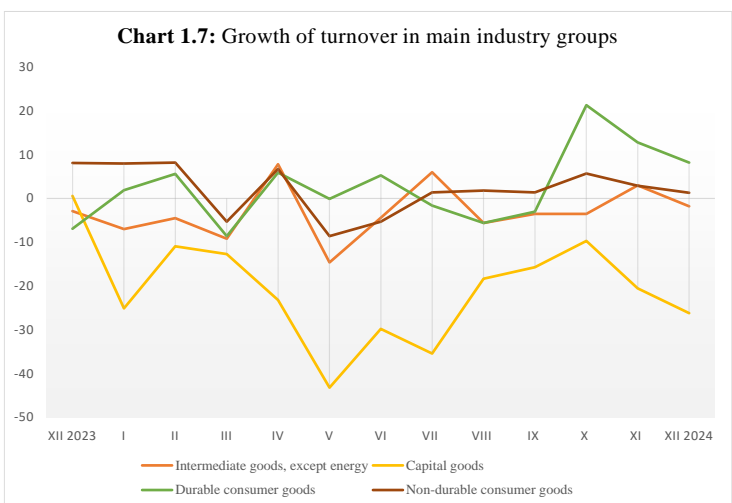
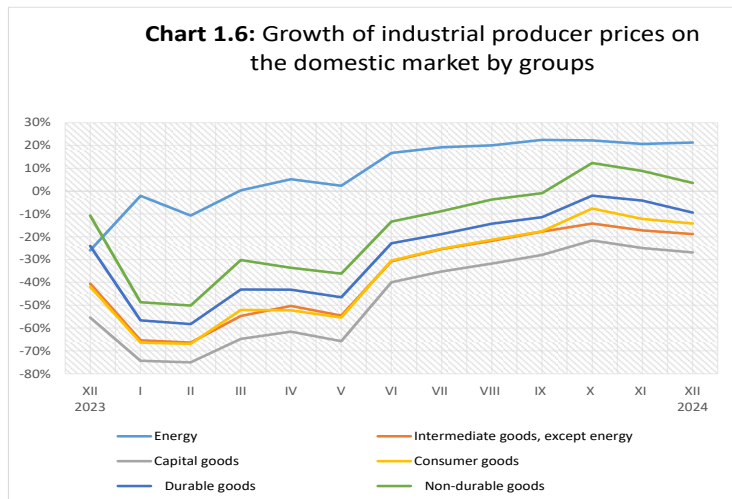
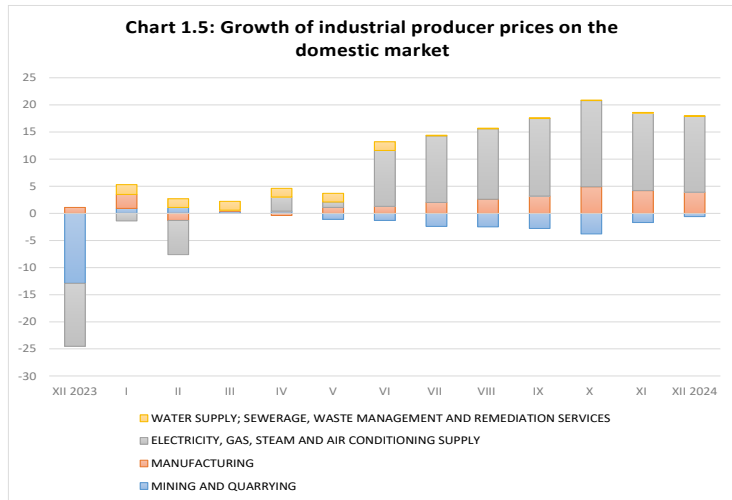
### Industrial turnover index

In December 2024, the industrial turnover, compared to December 2023, recorded a drop by 11.0% as per the State Statistical Office's data. The drop was due to the decreased turnover in the Manufacturing by 11.9%, while a growth of 15.9% was observed in the Mining and quarrying sector.

In December 2024 compared to December 2023, industrial turnover increased in the groups as follows: Durable consumer goods by 8.2% and Non-durable consumer goods by 1.3%.

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

- Manufacture of other transport equipment (recording growth of 64.3%),





- Mining of metal ores (increase of 37.2%), and
- Manufacture of computer, electronic and optical products (growing by 16.0%).

On cumulative basis, in the period between January - December 2024, compared to the same period last year, the industrial turnover recorded a drop by 10.8%, due to decline in turnover in Manufacturing by 11.2%, whereas turnover in the Mining and quarrying sector recorded an increase of 2.3%.

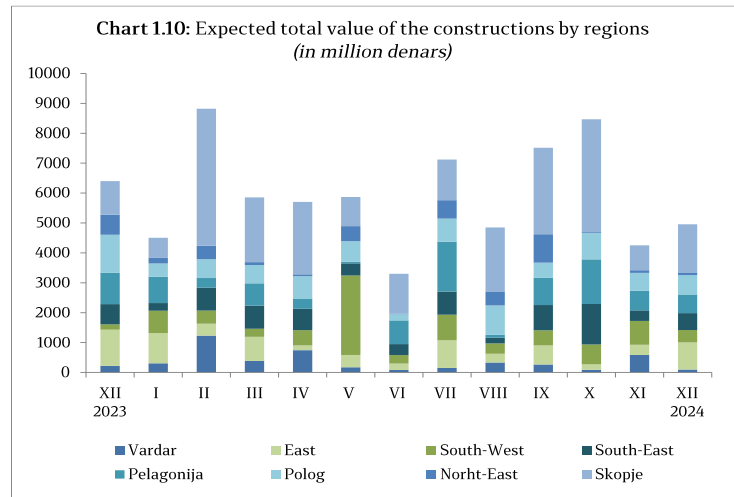
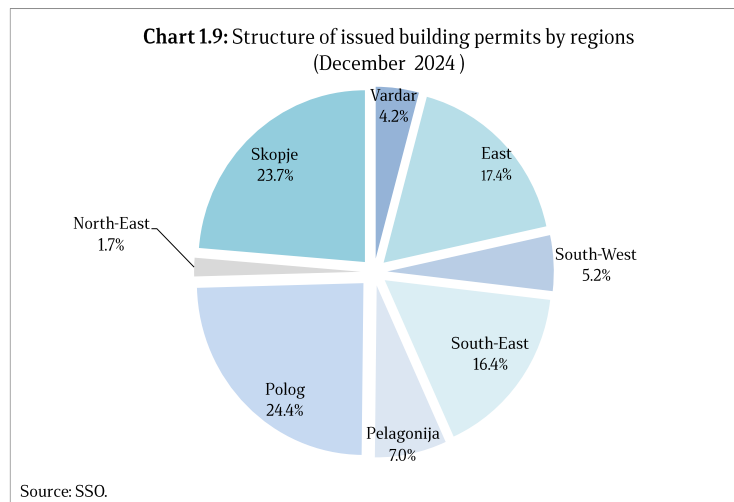
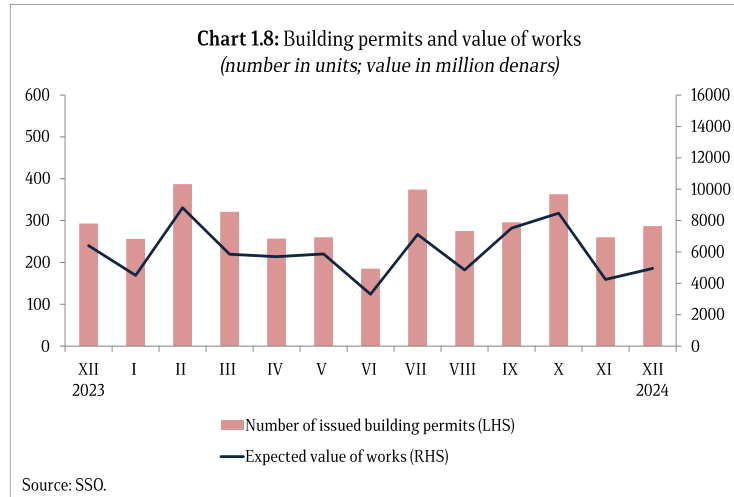
In January-December 2024 period compared to the respective period in 2023, industrial turnover increased at the groups Consumer durables by 3.4% and Consumer non-durables by 1.1%.

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

In December 2024, 287 building permits were issued, dropping by 2.0%, compared to the same month in 2023. This was due to the annual drop of issued building permits pertaining to reconstruction by 8.6% (participating with 22.3% in the total number of issued building permits), whereas at buildings, it recorded increase by 31.6%. Compared to November 2024, number of issued building permits surged by 10.4%. Expected value of constructions, according to the issued building permits in December 2024, dropped by 22.6% on annual basis, while compared to the previous month, it recorded a drop by 16.6%.

Analysed by types of constructions, out of the total number of issued building permits, 175 (or 61.0%) were intended for buildings, 48 (or 16.7%) with respect to civil engineering structures and 64 (or 22.3%) for reconstruction purposes.

Analysed by types of investors, out of total 287 issued building permits, individuals were investors in 157 facilities (or 54.7%), while business entities were investors in 130 facilities (or 45.3%).

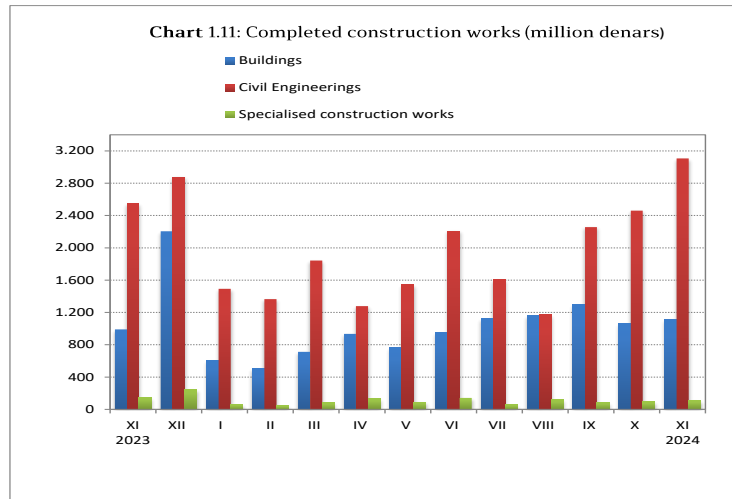




In December 2024, construction of 705 flats was envisaged, with total usable area of 59,557 m<sup>2</sup>. Number of flats envisaged for construction increased by 30.1% on monthly basis, surging by 60.6% on annual basis.

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

Total value of performed construction works in November 2024 amounted to Denar 4,331 million, representing an annual growth of 17.3% in nominal terms, whereby buildings and civil engineering structures grew by 12.4% and 21.7%, respectively, while specialized construction works recorded a drop by 23.9%. Compared to October 2024, total value of completed construction works recorded growth by 19.6%, 4.3% at civil engineering structures, increasing by 26.2% as regards buildings, and picking up by 19.3% as regards specialized construction



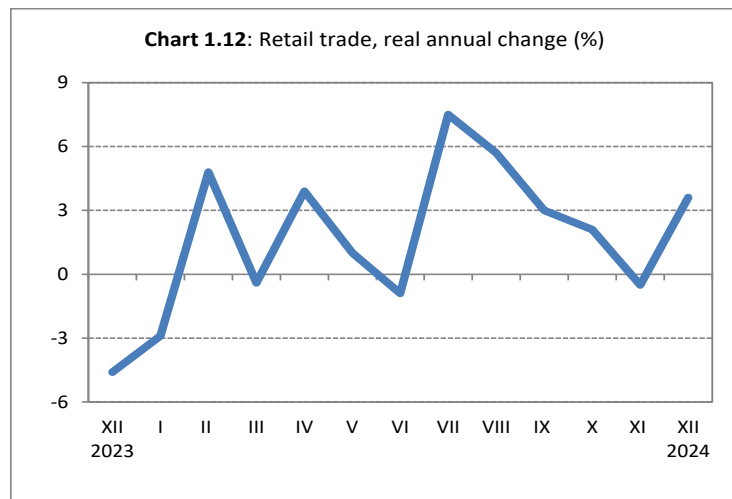
works. In cumulative terms, in the period January – November 2024, value of performed construction works amounted to Denar 31,627 million, being higher by 8.9% compared to the same period last year.

Most of the completed construction works pertain to civil engineering construction, wherein construction works amounting to Denar 20,352 million were completed in the first eleven months of the year, i.e. being higher by 21.9% compared to the same period last year. During this period, the value of completed building construction works decreased by 9.8%, amounting to Denar 10,240 million, whereas the value of completed specialised construction works amounted to Denar 1,036 million, being higher by 4.2% as compared to the same period last year.

In real terms, in the period January - November 2024, value of completed construction works increased by 17.5%, with civil engineering structures and specialised construction works recording growth by 31.6% and 12.5% respectively, while recording a drop with buildings (by 2.8%).

### Trade Sector Turnover

In December 2024, data on domestic trade demonstrated nominal annual increase in the turnover by 4.9%, following the 3.0% growth in November. In December 2024, value of turnover amounted to Denar 74.634, whereby in cumulative terms, in the period January - December 2024, value of total turnover in trade amounted to Denar 802,082 million, being by 4.5% higher compared to the same period in the previous year.







In the period January - December 2024, in cumulative terms, positive growth in turnover was also seen at the sectors: Wholesale trade, which turnover value amounted to Denar 434,507 million, i.e. being higher by 5.8% compared to the same month last year, Retail trade, which turnover value amounted to Denar 319,277 million, being 3.5% higher compared to the same period in 2023, and Trade in motor vehicles and repair, which turnover value amounted to Denar 48,298 million, being higher by 0.6% compared to the same period last year.

In real terms, retail trade in December 2024 recorded annual increase by 3.6%, while analysed by groups and classes, increase was also seen throughout all groups: Retail trade in non-food products by 8.4%, Retail trade in automotive fuels by 1.1%, and Retail trade in food products, beverages and tobacco by 0.1%.

In December 2024, Wholesale trade (53.9%) accounted for the most in the Trade sector, followed by Retail trade (40.0%) and Trade in motor vehicles and motorcycles, repair and their maintenance (6.1%).

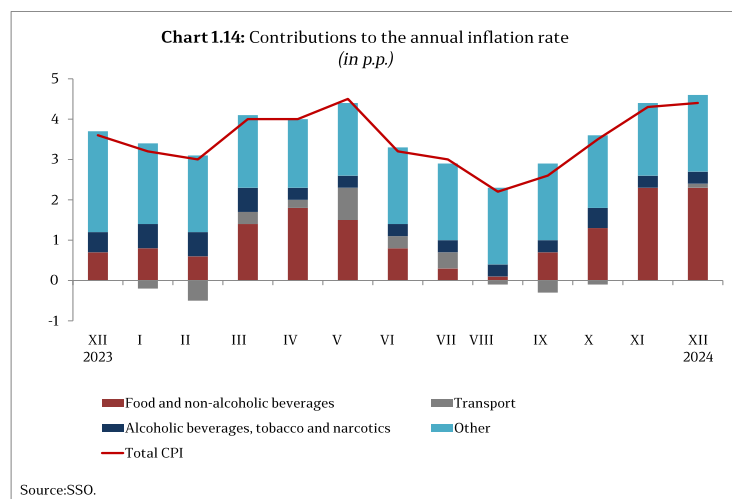
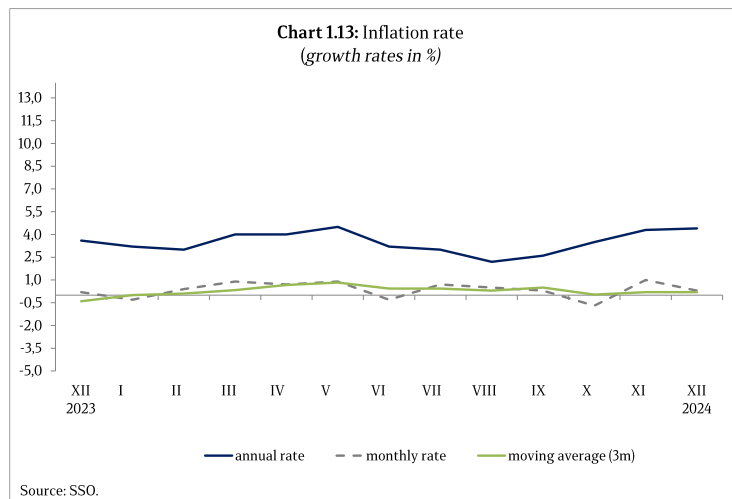
## Inflation

In December 2024, the inflation rate accounted for 4.4% on annual basis, once again recording slight acceleration of growth (4.3% in November 2024). Inflation growth this month was primarily due to the food component, which in the last two months recorded accelerated growth and increased contribution to the total inflation, while the base component in the respective month recorded a growth slowdown. Inflation rate in 2024 accounted for 3.5%.

In December 2024, core inflation (inflation, wherefrom the impact of prices of food and energy products is excluded) accounted for 5.5% on annual basis, being unchanged compared to the previous month (5.4% in November). Increased prices in the category Restaurants and hotels had most positive contribution this month (1.4 p.p.).

Prices in the Food and non-alcoholic beverages category accounted for 5.6% recorded slight slowdown of growth of 5.6% (5.7% in November), whereby contributing with 2.3 p.p. in the total inflation in December,

remaining unchanged compared to the previous month. Following sub-categories: Vegetables (annual growth of 12.7% and contribution of 0.6 p.p.), Milk, cheese and eggs (annual growth of 7.5%, contribution of 0.6 p.p.), Meat (annual growth of 4.0% and contribution of 0.4% p.p.), Non-alcoholic beverages (annual growth of 13.6% and contribution of 0.4 p.p.) with both Bread and cereals, and Oil

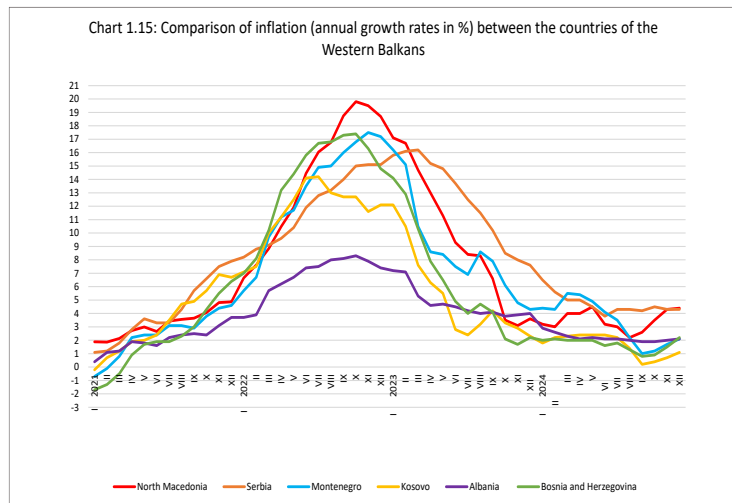




with contribution of 0.2 p.p. contributed most positively to the Food and non-alcoholic beverages category.

Observed by components, highest annual price growth in December 2024 was seen at the category Restaurants and hotels by 12.1% (contribution to the total inflation growth of 0.7 p.p.).

Price increase was also recorded in the following categories: Alcoholic beverages, tobacco and narcotics by 6.6%<sup>1</sup>, Recreation and culture by 5.7%, Health protection by 4.4%, Miscellaneous goods and services by 4.2%, Furnishings, household equipment and routine maintenance of the house by 2.7%, Wearing apparel and footwear by 2.4%, Communications by 2.0%, Transport by 1.6%, Housing, water, electricity, gas and other fuels by 0.6% and Education by 0.3%.



In December, consumer prices grew by 0.3% on monthly basis (prices surged by 1.0% in the previous month). Price increase on monthly basis was due primarily to the increase of prices in the Transport category, increasing by 4.8% and positive contribution of 0.4 p.p., and the increase in air traffic prices due to seasonal effects.

In December, food prices recorded decrease of 0.3% on monthly basis and negative contribution of 0.1 p.p., owing to the margin cap measure for certain food products, the so-called “New Year’s consumer basket”, applicable starting 15<sup>th</sup> December 2024.

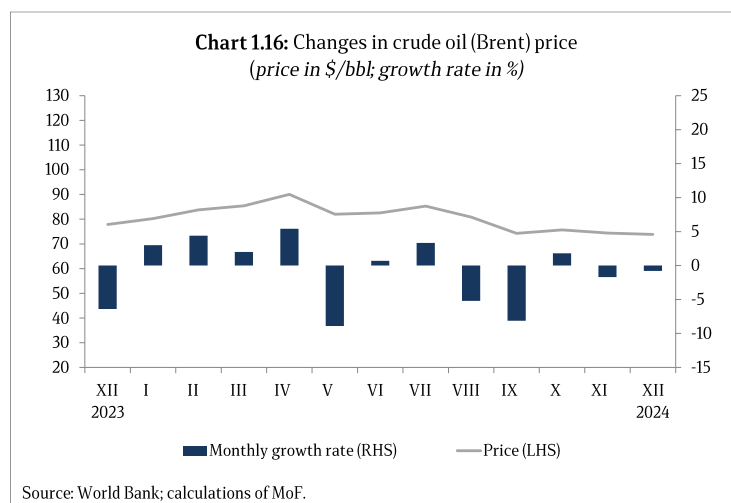
In December 2024, retail prices increased by 4.3% on annual basis, recording an acceleration of growth. On monthly basis, retail prices picked up by 1.2%. In 2024, retail prices increased by 3.8% on annual basis.

In December 2024, the Eurozone inflation rate accounted for 2.4%<sup>2</sup>, increasing by 0.2 p.p., compared to November.

As per the ECB’s projections last September, inflation rate would reach 2.5% in 2024, 2.2% in 2025 and 1.9% in 2026.

### Stock Market Prices

In December 2024, crude oil price (Brent) on the world stock markets reduced by 0.8% on monthly basis, amounting to Dollar 74.4 per barrel,



Source: World Bank; calculations of MoF.

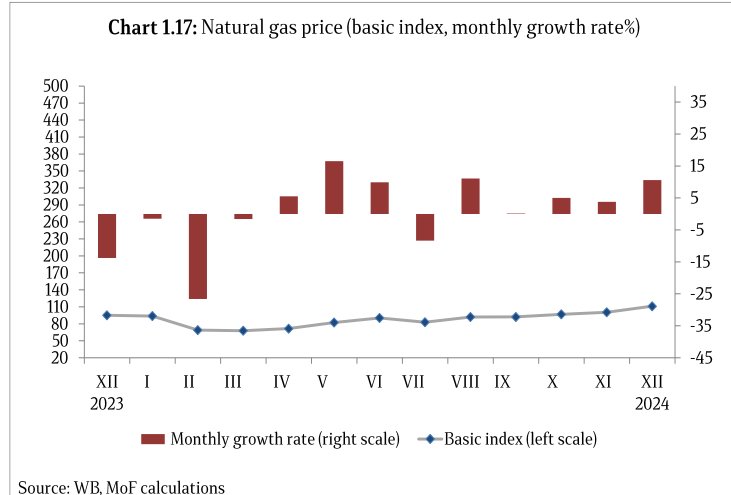
<sup>1</sup> Tobacco product prices increased in alignment with the adopted amendments and modifications to the Law on Excises. The excise duty on cigarettes will increase by Denar 0.23 per piece, each year, until 2030. New tobacco price was introduced in October 2024.

<sup>2</sup> The data is a Eurostat’s estimate.

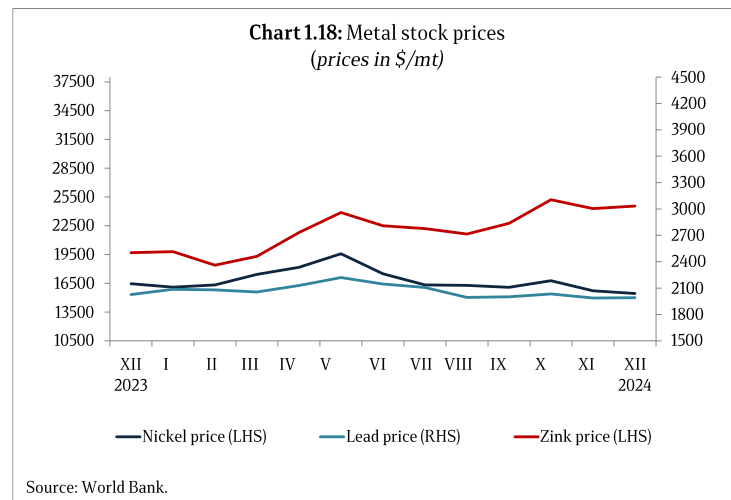


due to combining factors such as the increased supply coming from no OPEC+ member countries, the concern regarding the global economic growth, particularly in China, resulting in reduced oil demand, as well as the geopolitical factors. Oil price was lower by 5.2% on annual basis.

In December 2024, the natural gas price increased by 10.6% on monthly level. Gas price was driven by several factors, such as geopolitical tensions, including escalation of the Middle East conflict and the concerns regarding the potential supply disruptions on the Russian-Ukrainian border due to the current conflict. These factors and the ever present inflation pressures contributed to the concerns regarding the gas market, leading to much bigger instability. In December 2024, the natural gas price increased by 20.4% on annual level.



In December 2024, price of electricity, as per the Hungarian Power Exchange (HUPX), amounted to EUR 143.86 per megawatt/hour, decreasing by 12.1% on monthly basis. Energy prices decreased in December, following the increase in previous months, due to natural gas price increase, increased demand due to weather conditions and drop of renewable energy source production. In December, energy prices increased by 76.1% on annual basis.



In December 2024, basic metal prices recorded reduction compared to last month's prices, whereby prices of tin dropped by 2.7%, both nickel and copper by 1.8%, and aluminium by 1.6%. Prices of zinc and lead increased by 1.0% and 0.1%, respectively.

Drop in prices of precious metals was also observed this month, whereby, price of gold dropped by 0.1%, price of silver by 1.1% and price of platinum by 2.9%.

In December, corn and maize prices increased by 0.6% and 0.4%, respectively on monthly basis. The price of the sunflower oil dropped by 3.5% 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
XI	163.7	74.4	492.7
XII	143.9	73.8	490.3

Source: World Bank, Hungarian Power Exchange

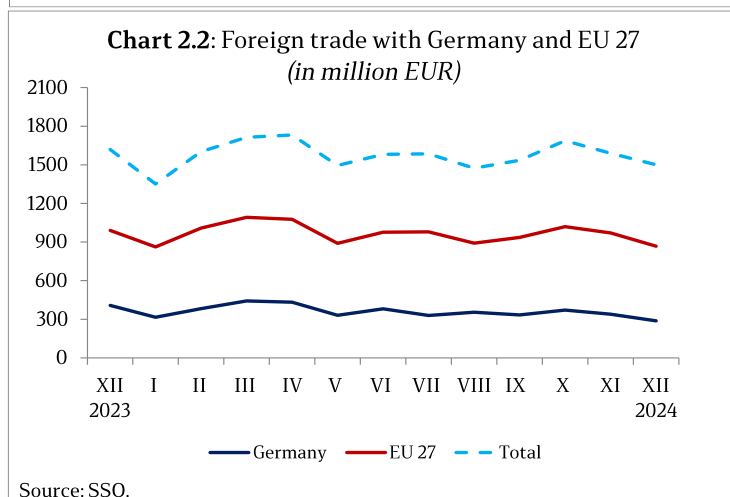
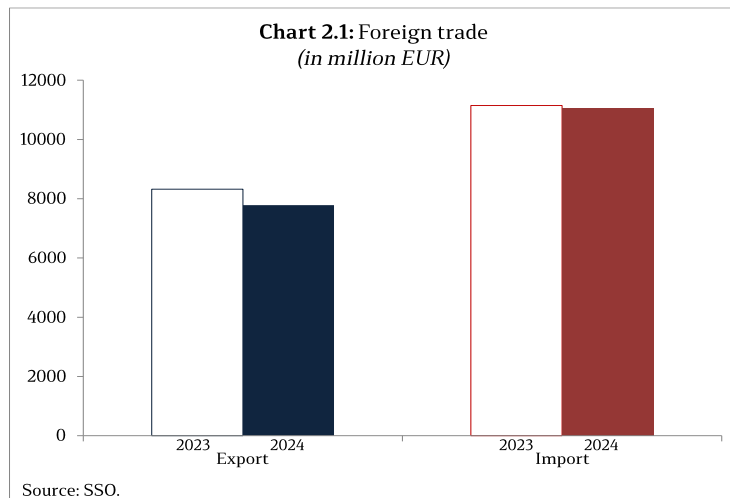
## 2. FOREIGN TRADE

In 2024, total foreign trade amounted to EUR 18,843.6 million, decreasing by 3.2% compared to 2023.

In 2024, share of trade with the EU (EU 27), as the largest trading partner, decreased by 0.4 p.p. compared to 2023, accounting for 61.4%. 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 2024, accounted for 22.8%, decreasing by 2.0 p.p. compared to 2023.

### Export

In 2024, value of exported goods amounted to EUR 7,781.2 million, dropping by 6.5% (EUR 541.6 million) compared to 2023, while physical output of export grew by 0.1%, compared to last year. Value of exported goods amounted to EUR 564.6 million in December 2024, dropping by 14.2% (EUR 93.7 million) compared to the same month in the previous year, while physical output of export decreased by 3.1% compared to December 2023.

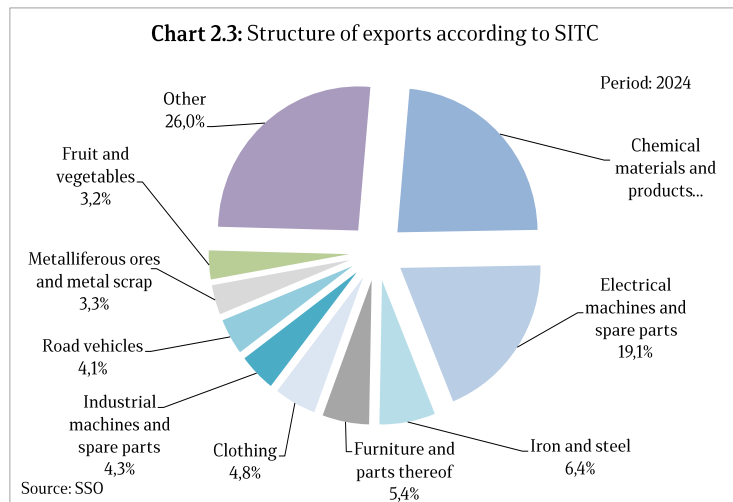




Analyzed on monthly basis, in December 2024, export dropped by 13.5% (EUR 88.0 million), compared to the previous month, and should export be seasonally adjusted, it registered monthly drop of 4.8%, showing negative effects of the seasonal factor (8.7 p.p.) on export this month.

Value of export of food in 2024 increased by EUR 52.3 million, picking up by 10.6% compared to 2023, while quantity of exported food increased by 11.7%. As for our country's total export structure, share of the food in 2024, accounted for 7.0%, increasing by 1.1 p.p. compared to the same period in 2023. As regards the total export of food, following products were the most exported: Fruit and vegetable (46.1%), Cereals and cereal products (22.8%), Meat and meat products (7.5%), and Coffee, tea, cocoa and herbs (6.8%).

Analysed according to economic groups of countries<sup>3</sup> in 2024, compared to 2023, export dropped at the following groups: EU 27, EFTA, Organization of Petroleum Exporting Countries, Asia-Pacific Economic Cooperation, while an increase was observed with the following groups: Western Balkans, North American Free Trade Zone and Commonwealth of Independent States. Export to EU 27 declined by 8.7% annually, with a share of 76.9% in the total export of the Republic of North Macedonia, while export to Western Balkan countries picked up by 6.0%, participating with 14.3% in our country's total export.



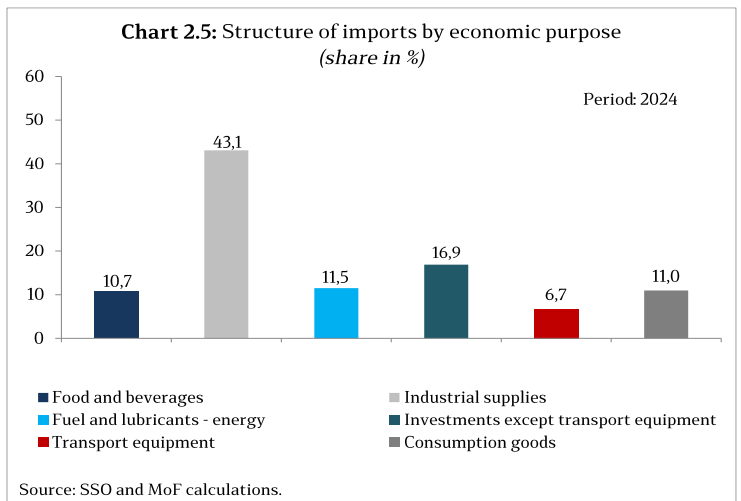
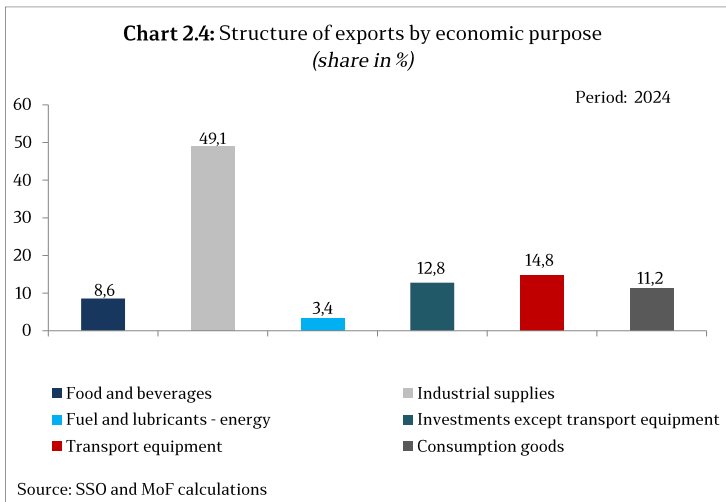
## Import

In 2024, value of imported goods amounted to EUR 11,062.4 million, declining by 0.8% (EUR 86.1 million) compared to 2023, while physical output of import dropped by 5.3%.

In December 2024, import value amounted to EUR 935.3 million, dropping by 2.6% (EUR 24.5 million) compared to the same month in 2023, while imported quantities of goods picked up by 0.1% compared to December 2023.

Analyzed on monthly basis, in December 2024, import grew by 0.2% (EUR 1.8 million), compared to the previous month, and, in the event of seasonal adjustment of the export, it registered monthly decrease of 1.6%, showing positive effects of the seasonal factor (1.4 p.p.) on import this month.

<sup>3</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).



Value of import of food in 2024 increased by EUR 91.5 million, picking up by 9.4% compared to 2023, while quantity of exported food increased by 6.5%. As for our country's total export structure, share of the food in 2024, accounted for 9.6%, increasing by 0.9 p.p. compared to 2023. As per the total food import, the following products were the most imported: Meat and meat products (21.6%), Fruit and vegetable (15.1%), Cereals and cereal products (13.3%), Coffee, tea, cocoa and herbs (11.8%) and Milk products and eggs (9.8%).

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

Export of petroleum and petroleum products*)				
	I - XII - 2023	I - XII - 2024	Balance	% rate
000 T	128,9	115,3	-13,6	-10,6
EUR mil.	101,2	81,3	-19,9	-19,7
\$ mil.	109,4	87,9	-21,5	-19,7

\*)Previous data

Export of chemical products*)				
	I - XII - 2023	I - XII - 2024	Balance	% rate
000 T	77,7	65,6	-12,2	-15,7
EUR mil.	2.392,5	1.815,7	-576,8	-24,1
\$ mil.	2.587,6	1.966,6	-621,0	-24,0

\*)Previous data

Export of iron and steel*)				
	I - XII - 2023	I - XII - 2024	Balance	% rate
000 T	654,3	653,9	-0,4	-0,1
EUR mil.	572,6	501,4	-71,2	-12,4
\$ mil.	619,1	543,4	-75,7	-12,2

\*)Previous data

Import of petroleum and petroleum products*)				
	I - XII - 2023	I - XII - 2024	Balance	% rate
.000 T	1.190,8	1.165,8	-25,0	-2,1
EUR mil.	876,1	805,8	-70,3	-8,0
\$ mil.	947,4	872,3	-75,1	-7,9

\*)Previous data

Import of chemical products*)				
	I - XII - 2023	I - XII - 2024	Balance	% rate
.000 T	30,8	32,6	1,8	5,7
EUR mil.	189,7	174,1	-15,6	-8,2
\$ mil.	205,1	188,4	-16,7	-8,2

\*)Previous data

Import of iron and steel*)				
	I - XII - 2023	I - XII - 2024	Balance	% rate
.000 T	673,8	687,4	13,5	2,0
EUR mil.	495,5	472,0	-23,6	-4,8
\$ mil.	535,3	510,9	-24,4	-4,6

\*)Previous data

## Trade Balance

In 2024, trade deficit increased by 16.1% or EUR 455.5 million compared to 2023.

In December 2024, trade deficit widened by 23.0%, i.e. EUR 69.2 million compared to December 2023.

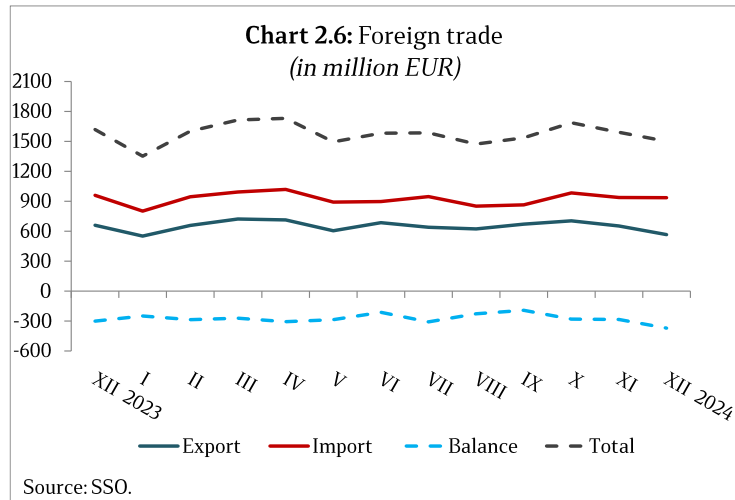
If we analyze the balance of export and import of goods by economic purpose, deficit increase was a result of widening of the deficit of the trade in industrial supplies, consumer goods and food and beverages, as well as narrowing of the positive balance in the trade of transport equipment. On the other 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.



In January 2024, 87.5% 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, the Czech Republic, Belgium, Hungary, and Spain.

### Currency Structure

Observed by currency structure, 91.6% of the foreign trade in 2024 was realized in euros, and compared to 2023, it dropped by 0.3 percentage points. On export and import side, euro accounted for 94.2% and 89.8%, respectively, whereby share of the euro in export was lower by 0.8 p.p., while share of the euro in import increased by 0.2 p.p. compared to 2023.



Source: SSO.

import	I - XII - 2023					I - XII - 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	6.031.8	9.985.564.739	61.5570	614.681.408.646	89,6	6.012.5	9.934.927.337	61.5319	611.314.955.396	89,8	-50.637.402	-0,5
USD	962,9	1.151.168.003	56,9426	65.550.499.133	9,6	603,4	1.115.230.582	56,8709	63.424.166.923	9,3	-35.937.421	-3,1
GBP	2,0	24.145.786	70,7835	1.709.123.270	0,2	2,6	23.150.058	72,6839	1.682.636.485	0,2	-995.729	-4,1
EUR+USD+GBP	6.996,7			681.941.031.049	99,1	6.618,6			676.421.758.803	99,4		
tot. import	7.014,9			686.299.500.351	100,0	6.639,7			680.709.145.616	100,0		-0,8

Source: SSO and NBRNM

## 3. FISCAL SECTOR

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

In the period January – December 2024, collection of total budget revenues of the Republic of North Macedonia amounted to Denar 305,622 million, accounting for 96.1% of the 2024 projections, i.e. being an increase of 10.3% compared to collected budget revenues for the same period in 2023. As regards total revenues, Denar 283,558 million was collected on the basis of tax revenues and social contributions, accounting for 99.7% of 2024 projected amount, being 13.3% increase in relation to the previous year. Thereby, tax revenues were collected in the total amount of Denar 176,081 million (i.e. 100.2% of the amount projected for 2024), while social contributions were collected in the amount of Denar 105,668 million (annual increase of 14.1%, i.e. 100.4% 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 19.2%, VAT by 16.3%, excise duties increasing by 7.0%, import duties collection increase by 14.9%, while other tax revenue collection dropping by 73.5%. During this period, non-tax revenues recorded growth of 0.7%, and capital revenues increased by 10.6%, while foreign donation revenues experienced a drop by 58.8%.

Total budget expenditures were executed in the amount of Denar 347,667 million in the period January – December 2024, accounting for 95.8% of the annual projections, i.e. an increase of 9.1% compared to same period of 2023. Thereby, current expenditures were executed in the amount of Denar 318,969 million, i.e. 98.0% of the amount projected for the whole year, being an increase of 16.0% compared to the same period in 2023. Increase was recorded at expenditures related to wages



and allowances by 19.0%, at goods and service-related expenditures by 8.6%, and at interest-related expenditures a surge by 37.6%. Transfers, as the largest category of current expenditures, increased by 14.8%, driven by the growth of social transfers by 14.3%, health care expenditures by 12.7%, block and earmarked grants by 11.2% and subsidies and transfers by 21.3%. Capital expenditures were executed in the amount of Denar 28,698 million, being lower by 34.1% compared to the same period in 2023. Execution rate of capital expenditures for the period January – December 2024 accounted for 76.8% compared to the projected amount.

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

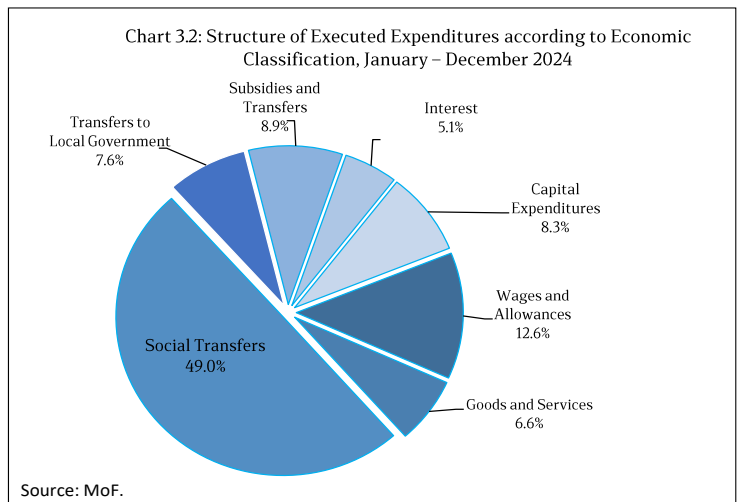
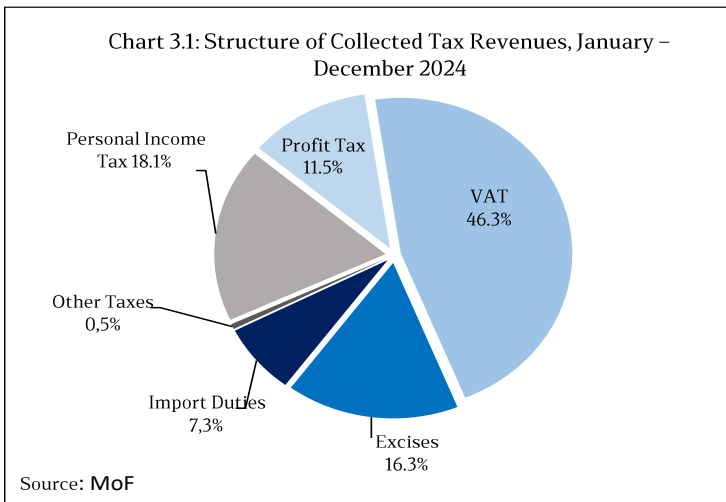
	2024 Reallocation	January - December 2024		
	(Denar million)	(Denar million)	Annual growth rate (%)	% of collection/executio n rate (%)
<b>TOTAL REVENUES</b>	<b>318,151</b>	<b>305,622</b>	<b>10.3%</b>	<b>96.1%</b>
<b>Taxes and contributions</b>	<b>284,469</b>	<b>283,558</b>	<b>13.3%</b>	<b>99.7%</b>
Taxes	175,751	176,081	12.9%	100.2%
Personal Income Tax	31,542	31,852	16.9%	101.0%
Corporate Profit Tax	21,118	20,185	19.2%	95.6%
VAT	78,458	81,465	16.3%	103.8%
Excise duties	29,837	28,705	7.0%	96.2%
Import charges	13,556	12,917	14.9%	95.3%
Other tax revenues	1,240	957	-73.5%	77.2%
Contributions	105,212	105,668	14.1%	100.4%
<b>Non-tax revenues</b>	<b>22,541</b>	<b>16,988</b>	<b>0.7%</b>	<b>75.4%</b>
<b>Capital revenues</b>	<b>3,240</b>	<b>1,851</b>	<b>-10.6%</b>	<b>57.1%</b>
Foreign Donations	7,900	3,225	-58.8%	40.8%
Revenues from paid extended loans	0	0	/	/
<b>TOTAL EXPENDITURES</b>	<b>362,816</b>	<b>347,667</b>	<b>9.1%</b>	<b>95.8%</b>
<b>Current expenditures</b>	<b>325,443</b>	<b>318,969</b>	<b>16.0%</b>	<b>98.0%</b>
Wages and allowances	44,361	43,889	19.0%	98.9%
Goods and services	26,043	22,923	8.6%	88.0%
Transfers	237,408	234,345	14.8%	98.7%
Social transfers	173,432	170,203	14.3%	98.1%
Pension and Disability Insurance Fund of North Macedonia	106,615	104,997	16.5%	98.5%
Pecuniary unemployment allowance	2,926	2,653	9.1%	90.7%
Social welfare	15,314	14,761	6.4%	96.4%



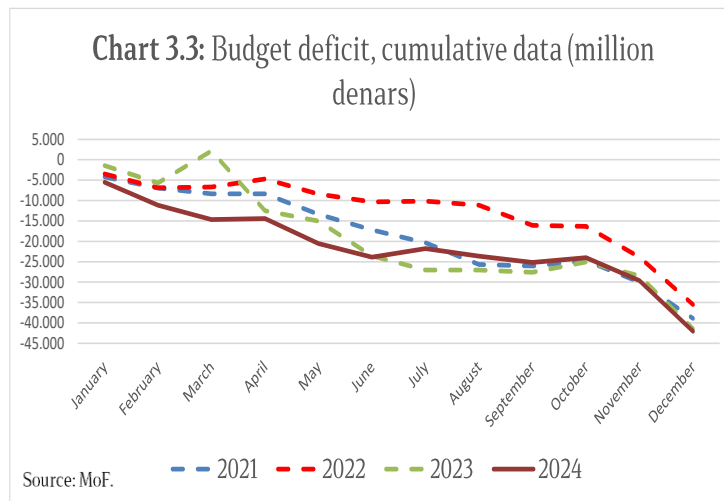


Health protection	48,576	47,792	12.7%	98.4%
Other transfers	61,546	61,784	16.5%	100.4%
Interest	17,632	17,812	37.6%	101.0%
Capital expenditures	37,374	28,698	-34.1%	76.8%
<b>BUDGET BALANCE</b>	<b>-44,666</b>	<b>-42,045</b>	<b>1.4%</b>	<b>94.1%</b>

Source: Ministry of Finance



In the period January – December 2024, the state budget deficit amounted to Denar 42,045 million, accounting for 4.4% of the GDP projected for 2024, i.e. 94.1% of the budget deficit.



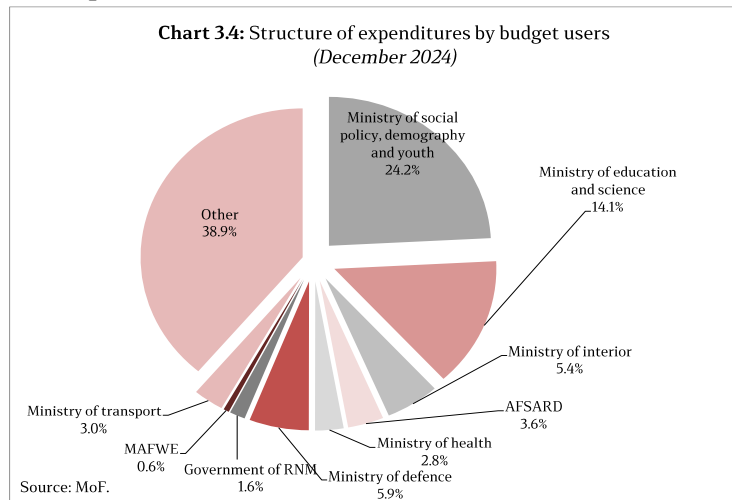
### Expenditures by Budget Users

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



In the period January – December 2024, Ministry of Social Policy, Demographics and Youth executed funds in the amount of Denar 67,695 million or 99.4% of its total budget for the current year. Thereby, most of the expenditures (68.6%) were allocated for current transfers to extra-budgetary funds, for which Denar 46,411 million was spent, i.e. 99.9% of the funds allocated for 2024. The second highest expenditure category was the social benefits, participating with 21.4% in the total expenditures, whereby 99.6% (Denar 14,496 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 39,351 million, representing 96.5% of its total 2024 Budget. Current transfers to LSGUs accounted for the most of the expenditures (57.1%), Denar 22.452 million being spent therefore or 99.9% of total projected funds. Wages and allowances category was the second highest expenditure item, accounting for 19.7%, for which an amount of Denar 7,754 million, accounting for 98.7%, being executed out of total projected funds.



In the period January – December 2024, Ministry of Internal Affairs executed expenditures in the total amount of Denar 15,054 million, accounting for 98.4% of its 2024 budget. Wages and allowances were the highest expenditure category, participating with 64.9%, Denar 9,762 million being spent therefore, accounting for 100.0% of the projected ones. Second highest category was Goods and services, accounting for 19.6%, with Denar 2,955 million being spent therefore, accounting for 94.1% of the annual projections.

During this period, the Agency for Financial Support in Agriculture and Rural Development executed expenditures in the amount of Denar 10,008 million, accounting for 96.9% of the funds projected for the current year. As for subsidies and transfers, accounting for 92.0% of the total expenditures, 98.3%, with Denar 9,206 million of the funds planned for the whole year, being spent therefore.

In the period January – December 2024, Ministry of Defense executed budget funds in the amount of Denar 16,649 million, accounting for 93.7% of its total budget this year. Expenditures related to wages and allowances accounted for the most with 37.8%, Denar 6,288 million being spent therefore, (accounting for 99.9% of the total funds projected for the current year). Capital expenditures accounted for 26.8% of total expenditures, Denar 4,468 million being spent therefore during the analyzed period, i.e. 84.3% execution of the total projected funds.

Government of the Republic of North Macedonia spent total of Denar 4,368 million, i.e. 98.3% of the funds projected for 2024, in the period January – December 2024. Thereby, subsidies and transfers accounted for 64.3% of total expenditures of this budget user, Denar 2,810 million (98.8% of the projected funds) being spent therefore.

During the analyzed period, Ministry of Health executed budget funds in the amount of Denar 7,935 million, accounting for 96.3% of the total 2024 Budget. Current transfers to extra-budgetary funds accounted for the most of the expenditures with 51.4%, for which Denar 4,080 million were spent or 100.0% of the funds projected for 2024. Second highest item was Goods and services, Denar 3,011 million (93.2% of the projections for the year) being spent therefore, accounting for 37.9% of total expenditures.



In the period January – December 2024, Ministry of Transport and Communications executed funds in the amount of Denar 8,504 million, i.e. 81.9% of the total budget for the current year. Execution of capital expenditures, as main item, accounted for 86.0% of the total spent funds of this budget user (Denar 7,312 million or 80.3% of total projected funds).

During this period, Ministry of Agriculture, Forestry and Water Economy executed funds in the amount of Denar 1,575 million, accounting for 91.9% of the funds projected for 2024. Wages and allowances (Denar 644 million) was, by far, the highest item in the total expenditures of this budget user, accounting for 40.9% of its total expenditures, with 99.2% of the projected expenditures, being executed. As regards expenditures related to Goods and services, they accounted for 21.4% of the total expenditures, Denar 338 million being spent therefore, accounting for 93.8% 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

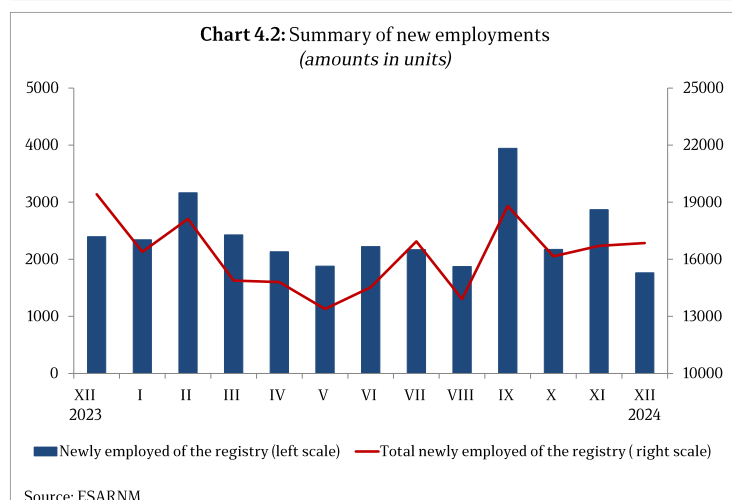
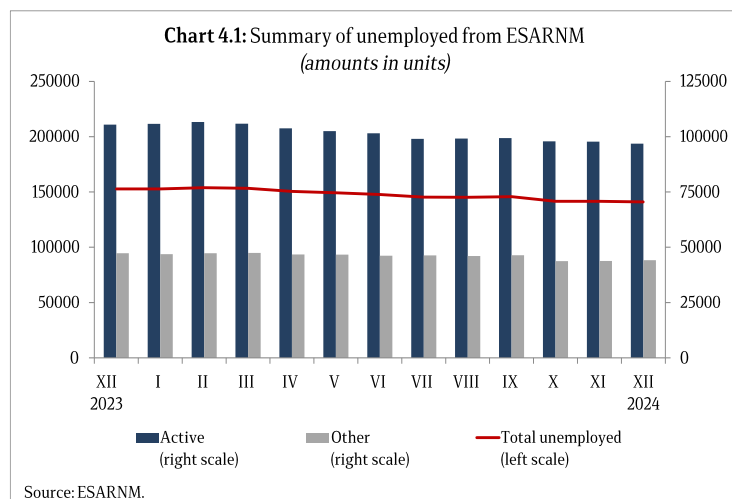
### Newly Employed and Registered Unemployed Persons in the Employment Service Agency

In December 2024, Employment Service Agency registered total of 191,468 new employments. Total number of newly employed persons decreased by 8.8% compared to the same period in 2023.

As regards the total number of newly employed, 41.4% was engaged on permanent basis, while the remaining percentage was engaged on temporary basis and as seasonal workers. In December 2024, 10.5% out of the total number of newly employed persons were previously listed in the unemployment records.

Total number of unemployed persons in December 2024 was 140,946, out of which 96,828 persons were active job seekers, while 44,118 persons were from the category “other unemployed”. On annual basis, total number of unemployed persons decreased by 7.7%, whereas, starting from May 2021, it recorded a continuous annual reduction. Number of unemployed persons decreased by 593 people compared to November 2024.

Urban residents accounted the most (with 58.9%) among the active unemployed persons, whereas with respect to gender, men accounted for 47.9% of the total. Analyzed by the level of education, majority, i.e. 69.0%, of the unemployed persons were with incomplete secondary education or less, 23.6% were with completed secondary





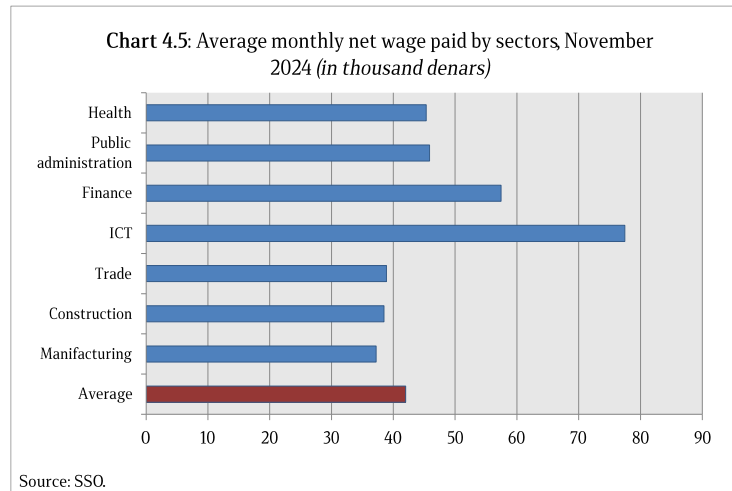
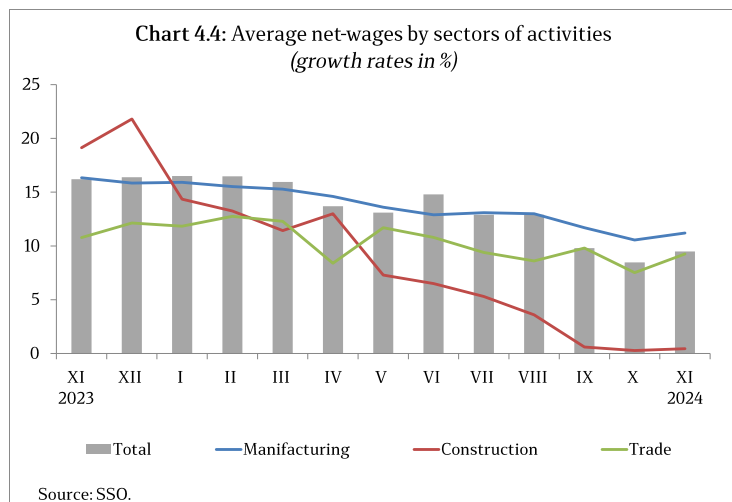
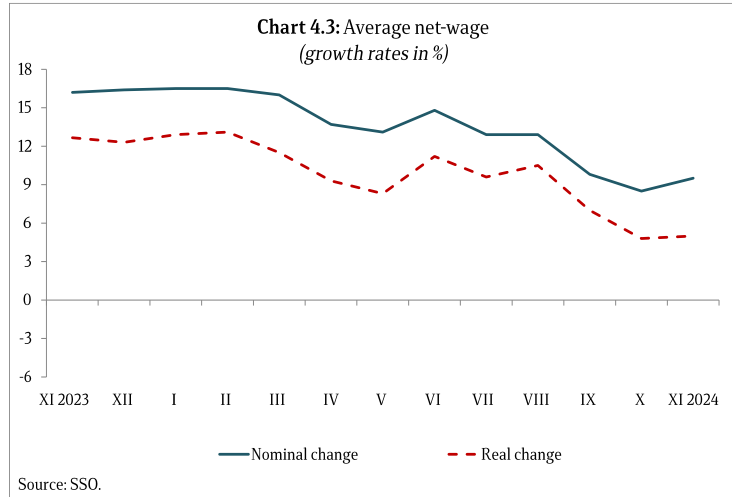
education, while 7.4% of the unemployed persons were with completed community college or higher education level.

Analyzed by age structure, 49.7% of the unemployed people belonged to the group aged 25-49 years. With respect to waiting time for employment, 60.3% of the unemployed persons wait for employment from 1 to 7 years, while 13.5% wait for employment for 8 years or more.

### Wages

As per the notification of the State Statistical Office, in November 2024, average net wage amounted to Denar 41,999, in nominal terms, being higher by 9.5% on annual basis, and being lower by 0.3% compared to October 2024. The highest increase of average net wage, in relation to November 2023, was observed at the following sectors: Arts, entertainment and recreation (15.3%), Transport and storage (12.7%) and Manufacturing (11.2%). In November 2024, wages in real terms recorded an annual growth by 5.0%. Highest average net wage in November 2024 was paid in the sector Information and communications (Denar 77,475), wherein highest amount of net wage was paid in the activity Computer programming, consulting and related activities (Denar 96,576), followed by Financial and insurance activities with Denar 57,443, Electricity, gas, steam and air conditioning supply sector with Denar 53,418, and Mining and quarrying with average net wage in the amount of Denar 49,924.

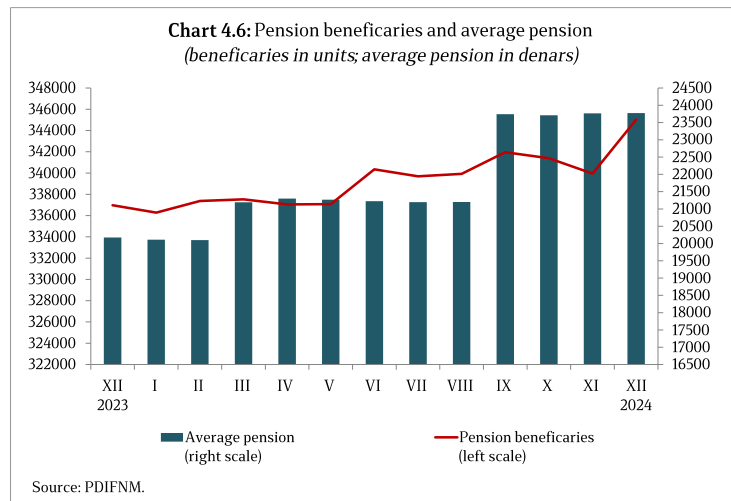
Average nominal gross wage in November 2024 amounted to Denar 63,154, increased by 9.6% compared to the same month in 2023, whereas being lower by 0.4% on monthly basis. The highest increase of average gross wage in November 2024, compared to November 2023, was recorded in the following sectors: Arts, entertainment and recreation (15.4%), Transport and storage (12.3%) and Manufacturing (11.4%).





## Pensions

In December 2024, Pension and Disability Insurance Fund registered 340,028 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 1st October 2024. As regards the total number of pensioners, 71.2% are beneficiaries of old-age pension, amounting to 245,744 pensioners, 21.4% of survivor pension, amounting to 73,389 pensioners and 7.4% of disability pension, amounting to 25,445 pensioners.



In December 2024, the average pension amounted to Denar 23,774, being higher by 17.8% compared to the same month in 2023<sup>4</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.

In November 2024, the ratio of the average pension to the average paid wage was 56.6%, based on most recent available data.

In December 2024, average old-age pension amounted to Denar 25,404, average disability pension amounted to Denar 21,301, while average survivor pension amounted to Denar 19,200. This month, Denar 7,945 million was spent for payment of pensions, accounting for 49.2% of the total social transfers.

Chart 4.1 December 2024 Pension Data			
Pension beneficiaries	Number	Structure	Average pension
Old age pension	245,744	71.2%	25,404.00
Disability pension	25,445	7.4%	21,301.00
Survivor pension	73,839	21.4%	19,200.00
<b>Total</b>	<b>345,028</b>	<b>100.0%</b>	<b>23,774.00</b>
<b>Minimal agricultural pension beneficiaries</b>	<b>37</b>		<b>13,429.00</b>
<b>Beneficiaries of military pensions</b>	<b>729</b>		<b>32,581.00</b>
<b>Total</b>	<b>345,794</b>		<b>23,785.00</b>

**Source: Pension and Disability Insurance Fund of North Macedonia**

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



## 5. MONETARY AND FINANCIAL SECTOR

In December 2024, National Bank reduced the policy rate by 0.25 p.p. to the level of 5.55% since gradually began reducing it starting from September. The decision on loosening the monetary policy was based on assessment of inflation, recent developments in key macroeconomic indicators and favourable trends on the foreign exchange market. This reduction was in alignment with ECB's monetary policy, whereby interest rates have been gradually decreasing starting from September 2024.

In December 2024, the National Bank lowered the policy rate by 0.25 percentage points to the level of 3.95% for the available overnight deposits and 4.00% for seven-day deposits.

### Primary Money

In December 2024, primary money<sup>5</sup> increased by 12.9% on monthly basis. Increase of primary money was a result of increase of both total liquid assets by 18.3% and currency in circulation by 7.8%.

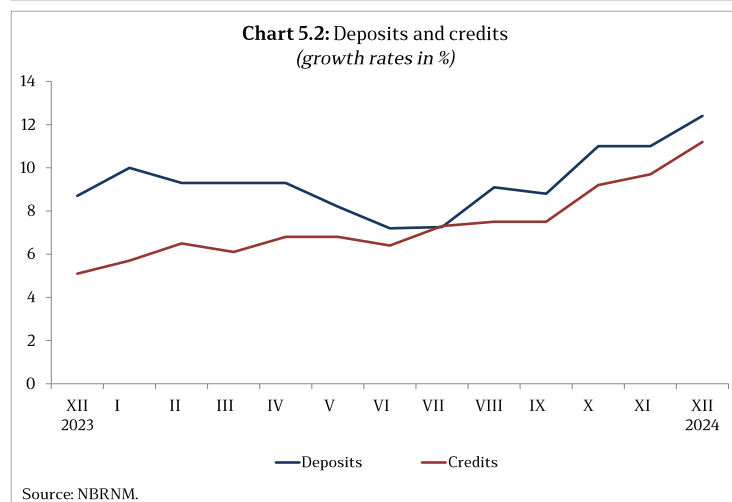
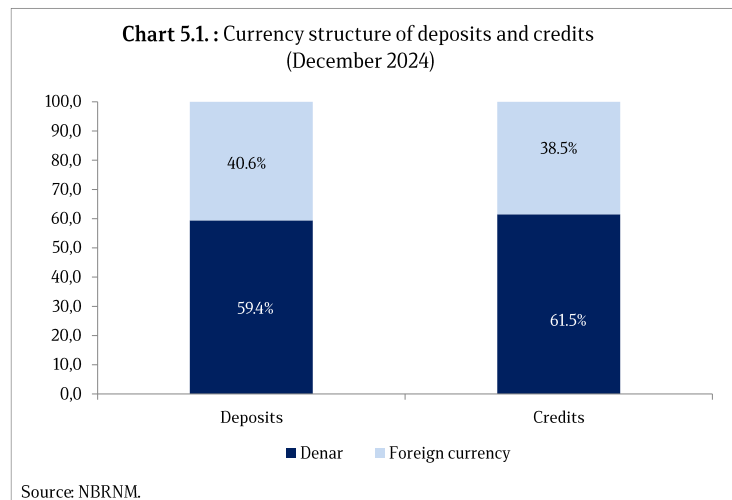
In December 2024, primary money grew by 24.2% on annual basis, as a result of both increased currency in circulation and total liquid assets of banks by 16.0% and 33.0%, respectively.

### Deposit Potential<sup>6</sup>

In December 2024, total deposits of banks grew by 5.3% on monthly basis. Sector analysis showed that, compared to the previous month, deposits of households and deposits of private enterprises picked up by 3.9% and 8.7% respectively.

Analyzed by currency, in December 2024, compared to the previous month, Denar deposits and foreign currency deposits decreased by 7.2% and 2.5%, respectively.

Total deposit potential in December 2024 surged by 12.4% on annual basis. Analyzed by currency, domestic currency deposits increased by 17.2%, and foreign currency deposits by 6.1%.



<sup>5</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>6</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.



From sectoral point of view, deposits of enterprises grew by 9.2%, and deposits of households increased by 13.8% on annual basis.

Table 5.1. Deposit potential and credits to the private sector

Deposit potential and credits to private sector (December 2024)	In Denar million	Monthly change	Annual change
Deposit Potential	<b>600,382</b>	<b>5.3%</b>	<b>12.4%</b>
By currency:			
<i>Denar</i>	<i>356,412</i>	<i>7.2%</i>	<i>17.2%</i>
<i>Foreign currency</i>	<i>243,971</i>	<i>2.5%</i>	<i>6.1%</i>
By maturity:			
<i>Short-term</i>	<i>223,165</i>	<i>4.0%</i>	<i>3.4%</i>
<i>Long-term</i>	<i>147,382</i>	<i>1.3%</i>	<i>25.4%</i>
Credits to private sector	<b>494,449</b>	<b>2.7%</b>	<b>11.2%</b>
By currency:			
<i>Denar</i>	<i>304,158</i>	<i>3.1%</i>	<i>18.0%</i>
<i>Foreign currency</i>	<i>190,291</i>	<i>2.1%</i>	<i>1.8%</i>
By maturity:			
<i>Short-term</i>	<i>75,975</i>	<i>9.2%</i>	<i>13.4%</i>
<i>Long-term</i>	<i>402,528</i>	<i>1.9%</i>	<i>10.9%</i>

Source: NBRNM

According to maturity, short-term deposits increased by 3.4%, 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 59.4%, being increased this month.

### Bank Credits

In December 2024, total credits of banks to the private sector surged by 2.7% on monthly basis, as a result of the growth of both credits to households by 1.1%, and credits to enterprises by 4.4%.

Analyzed by currency, Denar credits picked up by 3.1%, and foreign currency credits by 2.1% on monthly basis.

On annual basis, in December 2024, total credits grew by 11.2%, in conditions of growth of both credits to enterprises and credits to households of 13.9% and of 8.8%, respectively. Denar credits surged by 18.0%, while foreign currency credits increased by 1.8%.

As regards maturity, long-term credits experienced annual growth of 10.9% and short-term credits picked up by 13.4%.

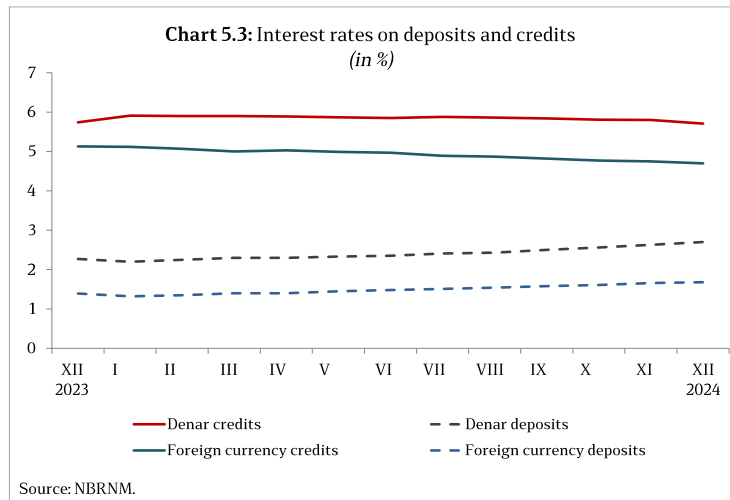


## Interest Rates of Deposit Banks

In December 2024, total interest rate on credits dropped by 0.06 p.p., accounting for 5.30% compared to the previous month. Interest rate on Denar credits dropped by 0.09 p.p., accounting for 5.71%, while interest rate on foreign currency credits decreased by 0.05 p.p. on monthly basis, accounting for 4.70%.

In December 2024, total interest rate on deposits grew by 0.05 p.p., compared to previous month, accounting for 2.17%. Interest rate on Denar deposits increased by 0.07 p.p., accounting for 2.70%, while interest rate on foreign currency deposits grew by 0.02 p.p., accounting for 1.68%.

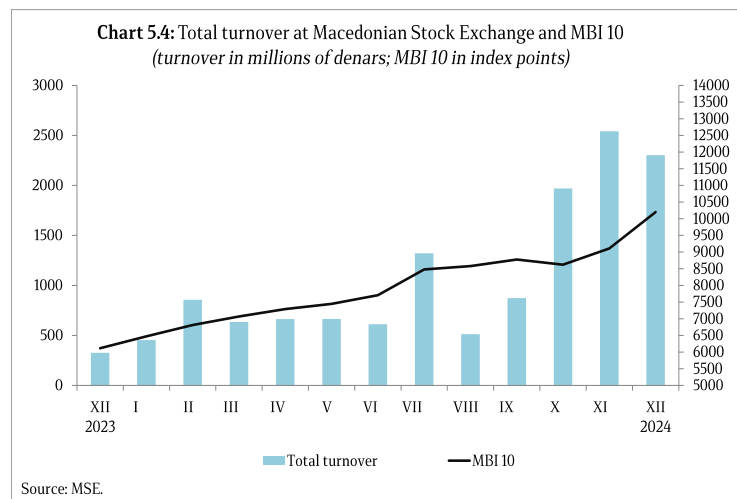
Interest rate on newly granted Denar credits accounted for 4.62%, while interest rate on newly approved foreign currency credits accounted for 3.94%. Interest rates on newly received Denar and foreign currency deposits accounted for 3.19% and 2.19%, respectively.



## Capital Market

As for the capital market, in December 2024, total turnover on the stock exchange decreased by 9.4% on monthly basis, as a result of both increase of turnover from block transactions by 5.4%, and turnover from classical trading in BEST by 19.5%. Drop was due to public stock exchange auctions not being held in December, as opposed to previous month.

Total turnover on the stock exchange amounted to Denar 2,302 million in December 2024, increasing by 605.5% on annual basis.



Macedonian Stock Exchange Index MSEI-10 amounted to 10,200.9 index points at the end of December 2024, whereby the index grew by 12.0% on monthly basis, while, compared to the same month previous year, it was higher by 66.8%.

## Reserve Assets

At the end of November 2024, gross reserve amounted to EUR 5,020.03 million, being higher by 2.0% compared to the previous month and higher by 10.6% compared to December 2023.