

**LAPSE OF  
TIME**

SM/19/288  
Supplement 4

January 15, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Republic of North Macedonia—Staff Report for the 2019 Article IV Consultation—Supplementary Information**

Board Action:	Executive Directors' <b>consideration</b> on a lapse of time basis
Deadline to Request Board meeting:	<b>Friday, January 17, 2020 12:00 (noon)</b>
Publication:	Yes*
Questions:	Ms. Barkbu, EUR (ext. 38138) Mr. Poulain, EUR (ext. 39444) Mr. Mangov, EUR (ext. 36583)
Document Transmittal in the Absence of an Objection and in accordance with Board policy:	Forthwith—European Central Bank After Board Consideration—European Bank for Reconstruction and Development, Food and Agriculture Organization, United Nations Development Programme, World Trade Organization

**\*Unless an objection from the authorities is received prior to the conclusion of the Board's consideration, the document will be published.**





# REPUBLIC OF NORTH MACEDONIA

January 15, 2020

## STAFF REPORT FOR THE 2019 ARTICLE IV CONSULTATION—SUPPLEMENTARY INFORMATION

Prepared By

The European Department

This supplement provides information that has become available since the issuance of the staff report. The information does not alter the thrust of the staff appraisal.

*Monetary policy decision by the National Bank of the Republic of North Macedonia (NBRNM).* On January 15, the NBRNM reduced the policy rate by 25 basis points to 2 percent, amid continuous favorable developments in the foreign exchange market and lower-than-projected inflation. The rate cut does not materially alter the staff's assessment. The NBRNM accumulated more reserves than projected by staff in December 2019 (reserves stood at €3,263 million versus staff's projection of €3,123 million at end-December 2019) and is projected to continue accumulating reserves in 2020. Moreover, inflation, at 0.4 percent year-on-year in December 2019, has declined in past months, and is below euro area HICP inflation, estimated at 1.3 percent in the same period.