

T&C

Snapshots

Data Note

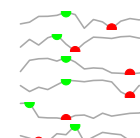


Macedonia, FYR

| GDP (US\$ billions) (2016) | Population (millions) (2016) | Income per capita (current US\$) (2016) | Poverty rate (2008) | Unemployment rate (2014) |
|-------------------------------|------------------------------------|---|------------------------|-----------------------------|
| 9.9 | 2.1 | 4,773.5 | 1.3 | 27.9 |

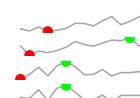
Macro Indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|--------|--------|--------|--------|--------|
| GDP growth (annual %) | 2.95 | -0.46 | 2.67 | 3.77 | 3.21 | 3.45 |
| Current account balance | -5.34 | -3.06 | -1.81 | -1.45 | -2.81 | -3.10 |
| Fiscal balance (% of GDP) | -1.24 | -3.90 | -4.01 | -4.18 | -3.94 | -3.49 |
| Remittances, received (% of GDP) [1] | 3.92 | 4.04 | 3.49 | 3.24 | — | — |
| Real Effective Exchange Rate (2010=100) | 104.36 | 103.10 | 105.09 | 107.02 | 107.50 | 110.78 |
| Consumer Price Index, annual percent change | 2.33 | 3.27 | 2.80 | -0.13 | 0.40 | 1.40 |



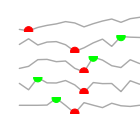
Investment indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|------|------|------|------|------|
| Gross domestic investment (% GDP) | 22.3 | 30.2 | 24.5 | 26.8 | 30.0 | 31.9 |
| Gross domestic investment, of w: Private investment (% GDP) [1] | 23.2 | 28.9 | 28.5 | 30.6 | — | — |
| Inward FDI (% of GDP) [2] | 3.9 | 1.5 | 3.1 | 3.1 | — | — |
| Inward FDI, % of private investment [2] | 22.9 | 4.2 | NA | — | — | — |



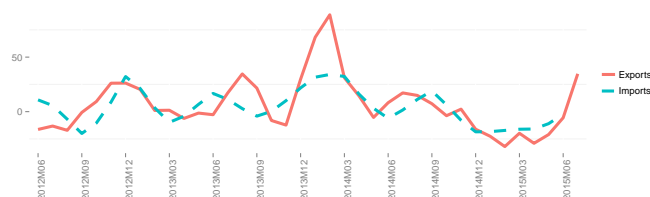
Trade Indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|-------|-------|-------|-------|-------|
| Total Trade in Goods and Services (% of GDP, real terms) | 84.4 | 104.8 | 94.9 | 105.7 | 109.7 | 114.1 |
| Trade balance (% GDP, real terms) | -16.4 | -18.6 | -13.2 | -13.6 | -13.7 | -13.8 |
| Exports, Goods and Services, annual percent change (real terms) | 5.8 | 2.0 | -2.7 | 17.0 | 7.5 | 8.0 |
| Imports, Goods and Services, annual percent change (real terms) | 5.4 | 8.2 | -10.0 | 14.5 | 6.8 | 7.2 |
| Total reserves in months of imports [1] | 4.7 | 5.0 | 4.6 | 4.5 | — | — |



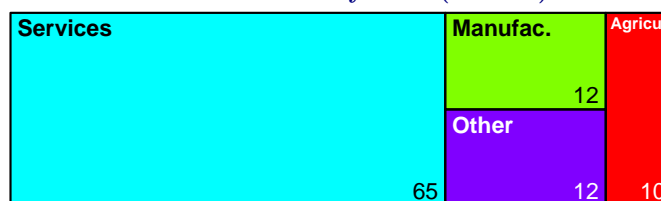
Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

Goods Export and Import volume growth, 2012-2015



Source: Development Prospects Group (DECPG)

Gross Value Added by Economic Activity 2013 (% GDP)



Source: World Development Indicators (WDI)

Top 5 Exports by % of Total Value, 2014

| | | | | |
|-------------------------------------|--------------------------------------|-------------------------------------|---|---|
| Catalysts and catalytic preparation | Filtering or purifying machinery and | Other ferro-alloys (excluding radio | Insulated (including enamelled or a Tobacco, not stemmed/stripped | 5 |
| 17 | 9 | 8 | 3 | |

Imports Categories by % of Total Value, 2014

| | | | |
|--------------------|----------------|---------------|---|
| Intermediate goods | Consumer goods | Capital goods | 7 |
| 41 | 37 | 15 | |

Source: World Integrated Trade Solution (WITS)

Doing Business 2015 Ranks (among all countries)

| | DB 2015 Rank | DB 2016 Rank | Change in Rank |
|-----------------------------------|--------------|--------------|----------------|
| Dealing with Construction Permits | 10 | 10 | 0 |
| Ease of Doing Business Rank | 14 | 12 | 2 |
| Enforcing Contracts | 25 | 26 | -1 |
| Getting Credit | 36 | 42 | -6 |
| Getting Electricity | 43 | 45 | -2 |
| Paying Taxes | 7 | 7 | 0 |
| Protecting Minority Investors | 18 | 14 | 4 |
| Registering Property | 50 | 50 | 0 |
| Resolving Insolvency | 34 | 37 | -3 |
| Starting a Business | 2 | 2 | 0 |
| Trading Across Borders | 26 | 26 | 0 |

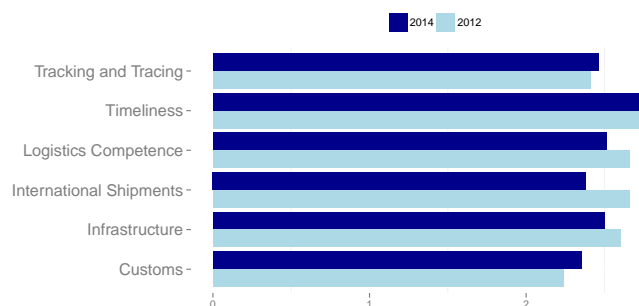
Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-5, 5=best)



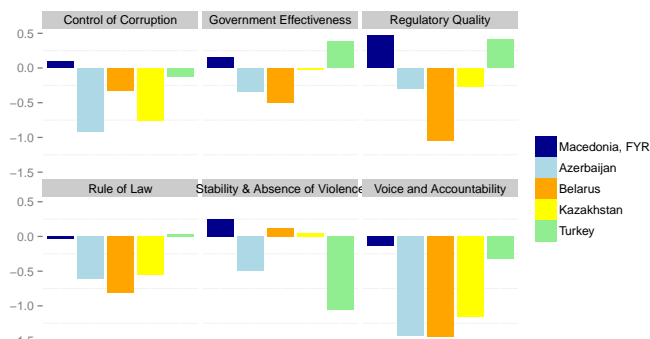
Source: WEF Global Competitiveness Report 2015

Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

Trade Policy

| | 2010 | 2014 |
|--|------|-------|
| Applied Tariff (Incl. Prefers. and Trade-Weighted) | 3.6 | 3.6 |
| Binding (%) | 100 | 100.0 |
| Dispersion (Standard Deviation) | 9.9 | 10.0 |
| Import duties collected (% , 2005-2007) [1] | — | 2.7 |
| MFN Tariff (Agriculture) | 12.2 | 12.0 |
| MFN Tariff (Non-Agriculture) | 6.2 | 6.0 |
| MFN Tariff (Simple Average) | 6.8 | 6.7 |
| Services sectors with GATS commitments [1] | — | 116.0 |

Sources: WITS, [1] WTO Trade Profiles

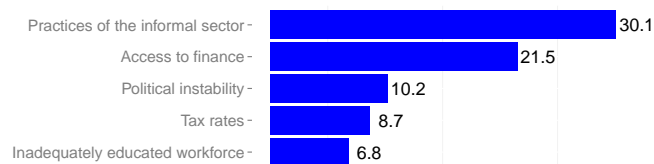
Private Sector's Views

Enterprise Survey 2013

| | Macedonia, FYR | Europe and Central Asia | All Countries |
|---|----------------|-------------------------|---------------|
| Number of electrical outages in a typical month | 1.20 | 2 | 6.30 |
| Percent of firms with a bank loan/line of credit | 45.40 | — | 34.30 |
| Proportion of investment financed by banks (%) | 11.10 | — | 14.30 |
| Proportion of investment financed internally (%) | 80.90 | — | 71.80 |
| Senior management time spent dealing with the requirements of government regulation (%) | 10.30 | — | 9.90 |

Source: Enterprise Survey 2013

Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015



T&C Snapshots Operations Note



Macedonia, FYR

WB Lending Pipeline

| Project ID | Project Name | Team Leader | Approval Date | Lending Inst. Type | Begin Appraisal | Commitment (US\$M) | Latest Sort Overall Risk Rating | FY Expenses (US\$K) | Cum Expenses (US\$K) | FY Prob |
|------------|-------------------------------|----------------------|---------------|--------------------|-----------------|--------------------|---------------------------------|---------------------|----------------------|---------|
| P149804 | Macedonia Competitiveness DPL | John Gabriel Goddard | 2017-07-11 | DPF | 2017-04-13 | 68 | — | 50 | 107 | C |

WB Portfolio Active

| Project ID | Project Name | Team Leader | Approval Date | Lending Inst. Type | Closing Date | Commitment (US\$M) | Undisbursed Balance (US\$M) | Project Rating DO | Project Rating IP | Overall Risk | Months in Problem Status |
|------------|------------------------------------|---------------------------|---------------|--------------------|--------------|--------------------|-----------------------------|-------------------|-------------------|--------------|--------------------------|
| P154263 | Local and Regional Competitiveness | Gordana Popovikj Friedman | 2016-01-12 | IPF | — | 19 | 0 | — | — | S | 0 |

Closed

| Project ID | Project Name | Team Leader | Approval Date | Lending Inst. Type | Closing Date | Commitment (US\$M) | Project Rating DO | Project Rating IP | IEG Outcome Rating |
|------------|--------------------------|----------------------|---------------|--------------------|--------------|--------------------|-------------------|-------------------|--------------------|
| P130847 | MK Competitiveness DPL 2 | John Gabriel Goddard | 2014-03-13 | DPF | 2014-10-30 | 50 | S | S | — |

WB ASA
Active

| Task ID | Task Name | Team Leader | Management Approval Date | Product Line | RAS (Y/N) | Current Expenditure BB (US\$K) | Current Expenditure Total (US\$K) | Lifetime Expenditure BB (US\$K) | Lifetime Expenditure Total (US\$K) |
|---------|-----------|-------------|--------------------------|--------------|-----------|--------------------------------|-----------------------------------|---------------------------------|------------------------------------|
| None | | | | | | | | | |

Closed

| Task ID | Task Name | Team Leader | Management Approval Date | Product Line | RAS (Y/N) | Current Expenditure BB (US\$K) | Current Expenditure Total (US\$K) | Lifetime Expenditure BB (US\$K) | Lifetime Expenditure Total (US\$K) |
|---------|-----------|-------------|--------------------------|--------------|-----------|--------------------------------|-----------------------------------|---------------------------------|------------------------------------|
| None | | | | | | | | | |

IFC ASA
Active

| Project ID | Project Name | Team Leader | IP Approval Date | Expected End Date | Approval Value (in US\$K) | Current Expenditure (in US\$K) |
|------------|--|----------------------|------------------|-------------------|---------------------------|--------------------------------|
| 575587 | Renewable Energy Macedonia Small Hydro Power | Arsenijevic, Nebojsa | 2011-12-27 | 2016-06-30 | 451 | 14 |

Closed

| Project ID | Project Name | Team Leader | IP Approval Date | Expected End Date | Approval Value (in US\$K) | Current Expenditure (in US\$K) |
|------------|--|---------------------|------------------|-------------------|---------------------------|--------------------------------|
| 563667 | ADR Macedonia Phase II | Matijevic, Igor | 2009-02-20 | 2011-09-30 | 491 | 0 |
| 543428 | ADR PEPSE MK | Perunovska, Marina | 2006-01-20 | 2008-12-31 | 563 | 0 |
| 555365 | Macedonia FYR Regulatory Reform | Thomas, Margo Tessa | 2007-04-23 | 2008-12-01 | 75 | 0 |
| 538790 | Implementation and Monitoring II: Phases 1 and 2 (Revised) | Thomas, Margo Tessa | 2005-08-22 | — | 0 | 0 |