



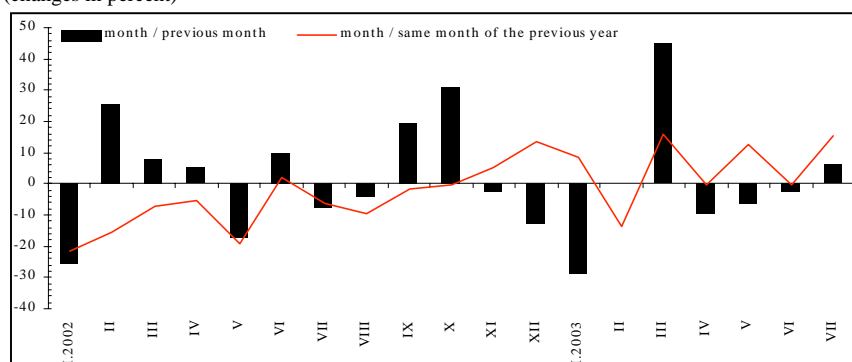
1.2.

Economic activity

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In July 2003, the volume of the industrial output registered a monthly increase of 6.2%, despite the seasonal factor present in the summer period (reduced volume of working activities due to the summer vacations). An increase in the industrial output was registered in most of the main groups of products, with the most significant increase (of 2.7 times) being registered in the production of energy, which is partially due to the low comparison base registered in the previous month. Exception is only the production of intermediary products (except energy), where a drop on a monthly basis was registered. Analyzed by sectors, an increase in the industrial output was registered in the three industrial sectors, with the output in the sector "mining and quarrying" registering high seasonally determined increase (of 3.9 times compared to the previous month). Among the branches with higher share in the processing industry (which registered an increase of 3.0%), the production of oil derivatives increased by 7.9 times on a monthly basis, which partially originates from the low comparison base in the previous month (when the stocks of oil derivatives were used).

Chart 4
Industrial output
(changes in percent)



...with the highest average growth rate since the beginning of the year being registered

Having in mind that the industrial output is one of the basic driving forces of the Macedonian economy, the growth rates registered in July 2003 on annual and cumulative basis (15.3% and 5.2%, respectively) are encouraging. The increased volume of the industrial output in the first seven months of 2003 in comparison with the same period of the previous year is due to the increased production of energy and durable consumption goods, while among the more important branches in the processing industry, the largest contribution accounts for the production of basic metals.