

**1.3.****Other macroeconomic developments**

In August 2003, monthly decrease in the number of employed persons of 0.5%...

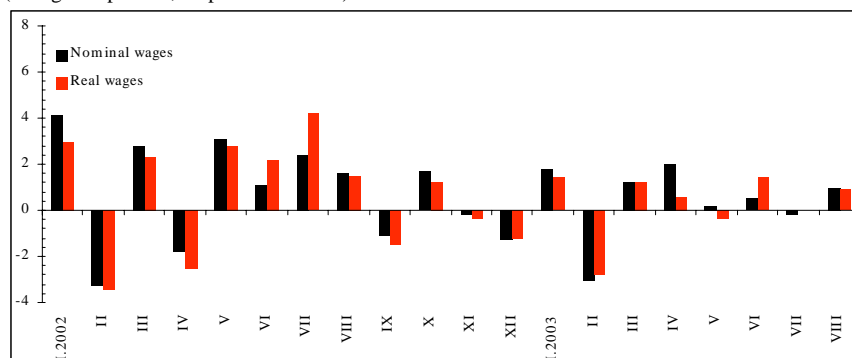
...and a cumulative decrease of 1.7% were registered

In August 2003⁴, the total number of employed persons equaled 273,816 persons, which is lower by 1,389 persons, or 0.5% compared to the previous month. On cumulative basis, in the January - August 2003 period, compared to the same period of 2002, the number of employed persons registered a decrease of 1.7%. Observed by activity, the largest cumulative decrease in the employment of 9.7% was registered in the agriculture, in the sector "agriculture, hunting and forestry", which comprises 4.1% of the total number of employed persons during the analyzed period. In the industry, the number of employed persons in the sector "processing industry" (the most important sector comprising 31.8% of the total number of employed persons) declined by 4.4%. On the other hand, in the services, an increase of 3.5%, 1.8% and 2.4% was registered in the sectors "retail sale and wholesale", "public administration and defense" and in the sector "education", respectively, (in which 28.0% of the total number of employed persons are employed).

In the January - August 2003 period, the average net paid wage increased in nominal and real terms by 5.7% and 4.9%, respectively

In August 2003⁵, the average net paid wage per worker in the Republic of Macedonia equaled Denar 11,961 which is an increase in nominal and almost an identical increase in real terms of 1.0% (taking into consideration the fact that the monthly rate of inflation in August was minimal and equaled 0.1%). The increase is a result of the increase in the average wage in services (by 1.1%), which equaled Denar 13,611. Within services, the highest wage of Denar 23,669 was registered in the sector "financial intermediation". On the other hand, the average wage in industry dropped by 0.3% and equaled Denar 11,860, with the highest wage being registered in the sector "supply of electricity, gas and water" by Denar 15,055 and the lowest in the sector "construction" in the amount of Denar 9,046. In the agriculture, the average wage was lower by 4.6% on a monthly basis and equaled Denar 8,642. Analyzed by average, in the January - August 2003 period, compared to the same period of 2002, the average net paid wage per worker registered an increase of 5.7% and 4.9% in nominal and in real terms, respectively (given the average rate of inflation of 0.8% in the first eight months of 2003). High average increase in the wages was registered in the "services" (of 6.8%) and in "industry" (of 3.1%), while in the "agriculture" the average wage was lower (by 1.2%).

Chart 8
Average net wages
(changes in percent, on previous month)



In August 2003, 26.0% of the total number of employees in the Republic of Macedonia did not receive wages for the respective month, which is by 0.7 percentage points more compared to the previous month.

⁴ Last available data of the State Statistical Office

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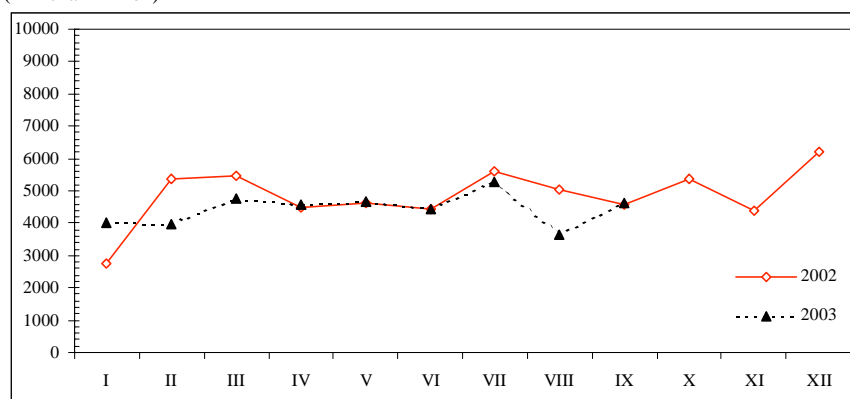


In September 2003, the total revenues of the central budget registered monthly increase of 28.0%...

In September 2003, compared to the previous month, the total budget revenues increased by 28.0% and equaled Denar 4,647 million. An increase was registered in all main revenue categories, with the most significant one being registered in the non-tax revenues (by 3.1 times due to the high inflow of dividends originating from state-owned property), thus contributing their share in the total revenue structure to increase by 6.5 percentage points (leading to a decrease in the structural share of the tax revenues). Despite the reduced structural share, the tax revenues are the largest revenue category which participates with 87.9% in the total revenue structure during the analyzed month. They registered an increase of 19.2%, which is a result of the increase in the revenues in almost all taxes (except the revenues originating from excises which decreased by 1.8%). The largest increase of 47.8% was registered in the revenues originating from the value-added tax (taking the low comparison base registered in the previous month into consideration), the structural share of which increased by 5.0 percentage points.

Chart 9

Total revenues of the Central Government budget
(in Denar million)



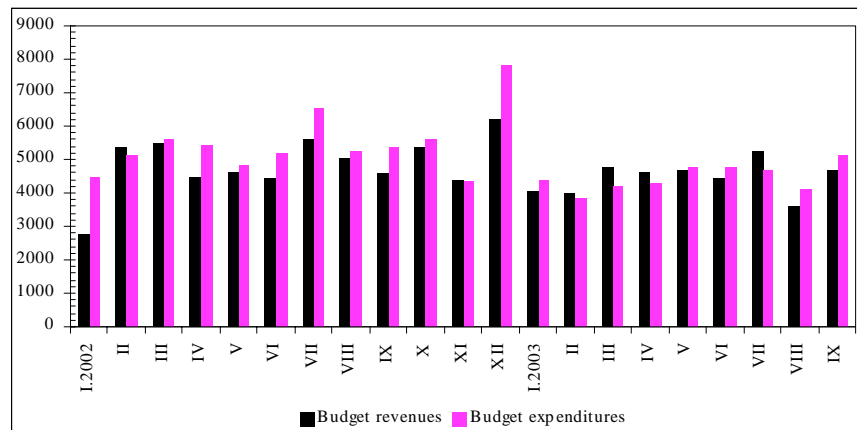
...and a decrease of 5.5% on cumulative basis

On cumulative basis, in the January - September 2003 period, the total budget revenues equaled Denar 40.010 million, which is a decrease of 5.5% compared to the same period of the previous year. This decrease is primarily due to the lower tax and capital revenues by 7.4% and 64.2%, respectively, while the non-tax revenues increased by 73.5%. Regarding the tax revenues, despite the registered increase in most of the revenue categories, the different comparison base registered in the previous year (when the tax on financial transaction was collected) is still the reason for the cumulative decrease in the total amount of the tax revenues. The decrease in the capital revenues is due to the lower amount of revenues originating from selling state-owned land and non-tangible investments. On the other hand, the cumulative increase in the non-tax revenues is a result of the high inflow of dividends from state-owned property, which caused an increase in the structural share of non-tax revenues in the total revenue structure by 3.7 percentage points.



Chart 10

Total Central Government budget revenues and expenditures
(in Denar million)

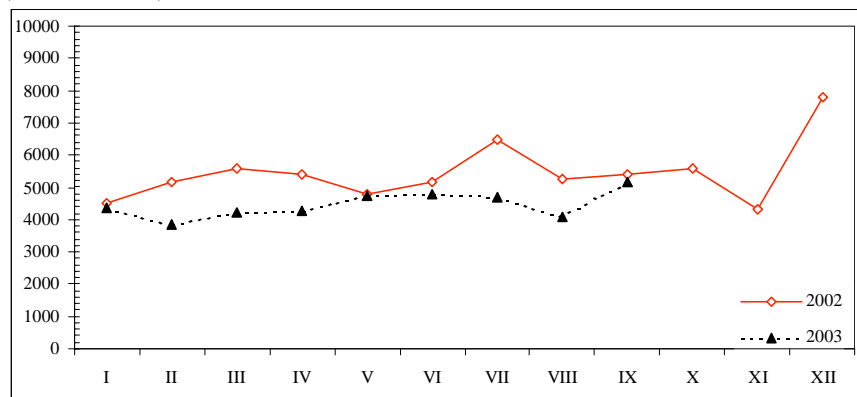


In September 2003 the total budget expenditures registered monthly increase of 26.7%...

Together with the monthly increase in the total budget revenues, in September 2003 an increase was also registered in the total expenditures of the central budget (of 26.7% and equaled Denar 5,161 million). The increase is a result of the increased current expenditures (by 11.8%), and the remarkable increase in the capital expenditures (by 3.5 times, mainly originating from the increased capital transfers), which caused the increase of their structural share in the total expenditure structure to equal 11.2 percentage points. Within the current expenditures (the expenditure category with the largest structural share in the total budget expenditures of 82.3% in this month), almost all expenditure categories registered monthly increase, except for the expenditures for goods and services which decreased by 22.6% on a monthly basis.

Chart 11

Total expenditures of the Central Government budget
(in Denar million)



...while they were lower by 15.8% on a cumulative basis

In the January - September 2003 period, the total budget expenditures equaled Denar 40,208 million, which is a decline of 15.8% compared to the same period of the previous year. The decrease is mainly due to the decrease in the capital expenditures (by 59.8%). An increase of 0.6% was registered in the current expenditures (the share of which in the total expenditure structure is the most significant and equaled 92.2% in the analyzed period), which is mainly due to the increased expenditures for wages, rents and transfers, while the expenditures for goods and services registered a decrease on cumulative basis.