

National Bank of the Republic of Macedonia
Research Department



Monthly Information
4/2009

May, 2009

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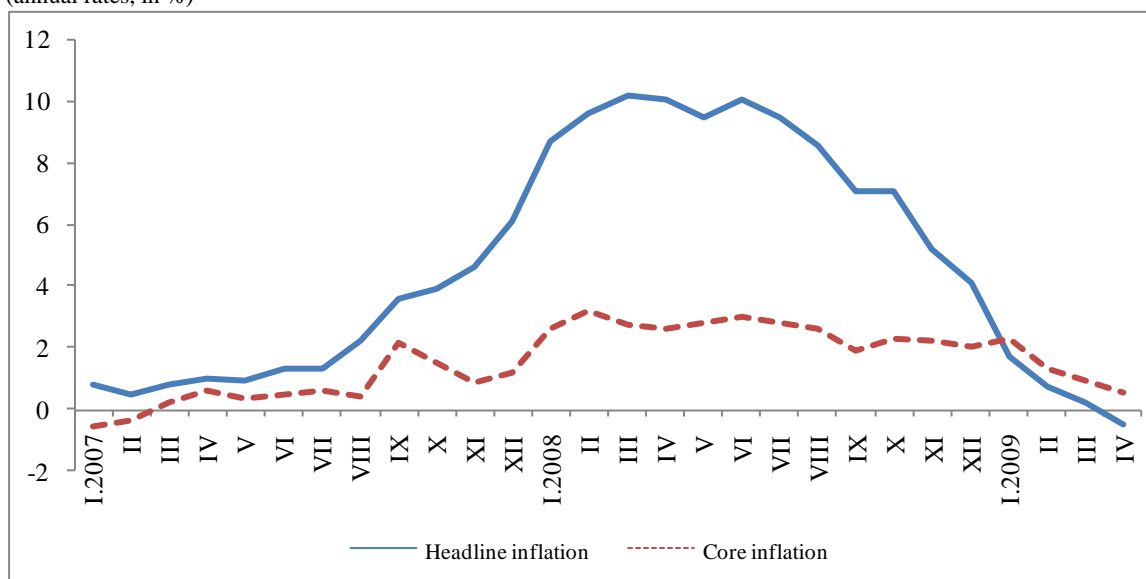
* The Monthly Information includes analysis based on the available data as of May 20, 2009.

1. PRICES

In April 2009, the level of the **consumer prices** was lower by 0.2% on monthly basis, which resulted generally from the fall in the price of certain food products, mainly of the fresh and processed milk and of the bread and pastries. The vegetable oils and wearing apparel and footwear registered drop in the prices, whereas the prices of oil derivatives and the fresh vegetables and fruits more significantly rose. On annual basis, in April deflation rate of 0.5% was registered (which was the first time after 4 years), mainly as a result of the high comparison basis which determined annual fall in the prices of the oil derivatives and the food. In the first 4 months of 2009, the cumulative dynamics of the average growth in the prices was slowing down constantly and the inflation amounted to 0.6%, on average. In the first 4 months, the increment in the prices of electricity for households influenced the average inflation (in November 2008), together with the higher prices of certain categories of food (meat and cereal products), and they were partially neutralized through the considerable deflationary effect of the lower prices of oil derivatives.

The core inflation (which excludes the prices of food and energy) was slowing down constantly and in April it amounted to 0.5% on annual basis (relative to 1.0% in March). Such downward dynamics of the core inflation was due to the slowing down in the prices of wearing apparel and footwear, to the decreased prices of telecommunication services, as well as to the lower growth in the prices of food and beverages in the restaurants. If only the influence of the food is excluded, the core inflation amounts to 0.2%.

Figure 1
Realized and core inflation
(annual rates, in %)



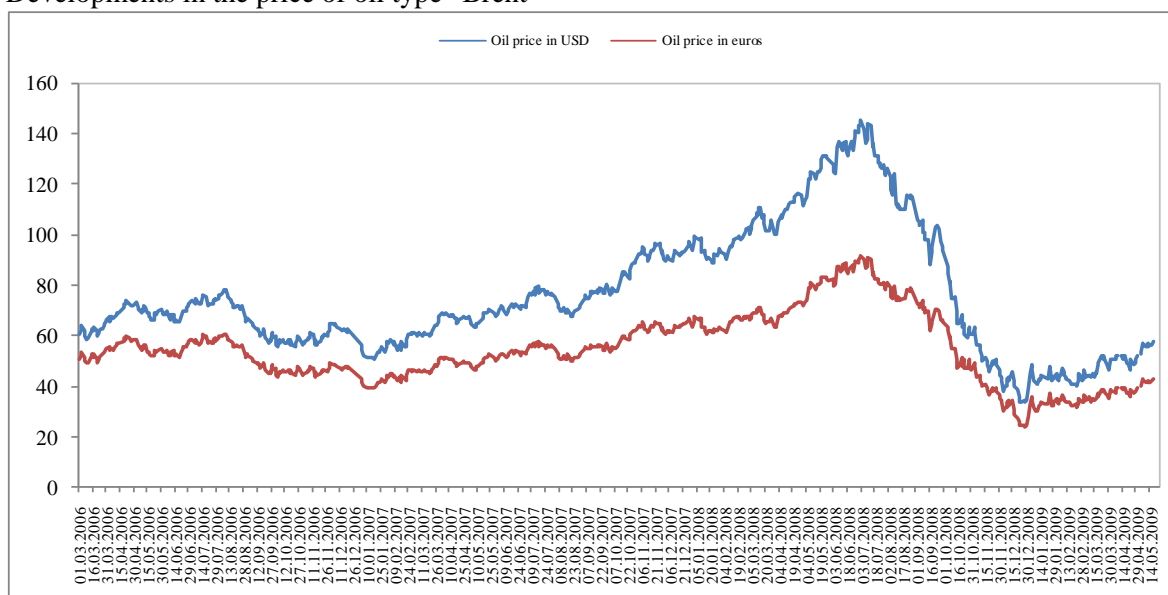
Source: State Statistical Office of the Republic of Macedonia and NBRM.

The realized annual inflation rate in April followed the trajectory of the projected rate according to the latest April revision of the inflation threshold of -0.4% on average in 2009. Thus, the projected annual inflation rate for April 2009 amounted to -0.4% and it diverged by marginal 0.1 percentage point from the realized rate (-0.5). For the second quarter of 2009 average annual deflation of -0.3% was anticipated (with included assumption for growth in the electricity price, the

realization of which is uncertain), presuming that the food price will register further downward developments, i.e. that the annual deflation rate will amount to -0.7% in June.

In April 2009, **the oil price** on the international stock exchanges had an upward trend, so the average price of the oil type "Brent" rose by 7.8% relative to the previous month (USA Dollar 50.2 relative to USA Dollar 46.5). Relative to April 2008, the oil price was lower by 54%. The upward trend in the oil price in April is considered one of the first signs that the world economy will start to recover slowly, which is indicated through the increment in the shares on the international stock exchanges, the slowing down in the unemployment in USA, the slowing down in the growth in the oil reserves¹. Such trend continued in May as well, so the price of the oil type "Brent" amounted to USA Dollar 56.7 in the last two weeks (May 11 - May 22), which was by 8.7% more relative to the previous two week period. The growth again was due to the rise in the prices of shares world wide, the improved condition on the market of real estate in USA, the growth in the industrial production in China, as well as to the lower oil reserves and fall in the USA Dollar (in the last two weeks, the Dollar depreciated relative to the Denar by 2.3%). In accordance with such developments, the Regulatory Energy Committee was expected to adopt a decision on increase in the refinery and retail prices of the oil derivatives on the session scheduled for May 26.

Figure 2
Developments in the price of oil type "Brent"



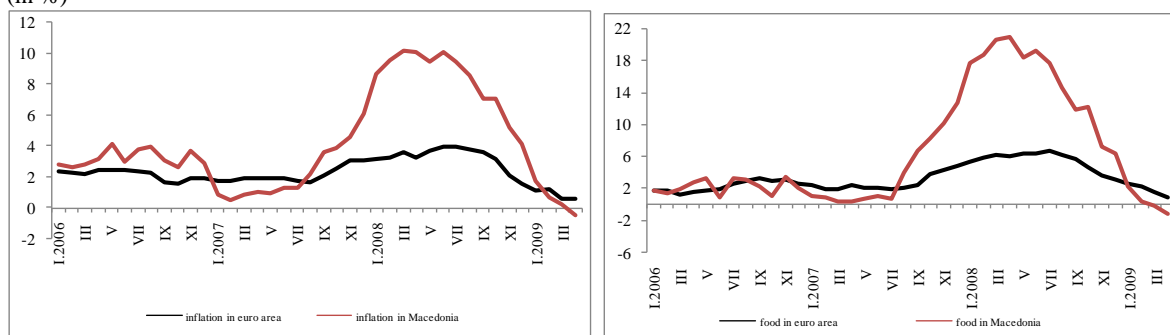
Source: The Energy Information Administration.

In April 2009, the annual **inflation rate in the Euro area**² remained at the level of 0.6%, which was unchanged relative to the inflation in March. The inflation growth resulted mainly from the higher prices of the catering services and electricity, which were partially neutralized by the deflationary effect of the transportation fuels and households oil. In April, the consumer prices in the Euro area rose by 0.4% relative to the previous month, which was solely due to the higher prices of the wearing apparel and transportation fuels. The core inflation rate, which excludes the prices of food and energy, amounted to 1.7%. In May 2009, the ECB additionally decreased the interest rates by 0.25 percentage points, reducing them to the historically lowest level of 1.0%, in order to stop the economy recession, as well to reduce the inflation pressures.

¹ Statistical Agency data on the USA oil, Energy Information Administration, Oil marketer, Oil market report and Bloomberg News.

² Previous data.

Figure 3
Annual inflation rates and prices of food in the Euro area and Macedonia
(in %)



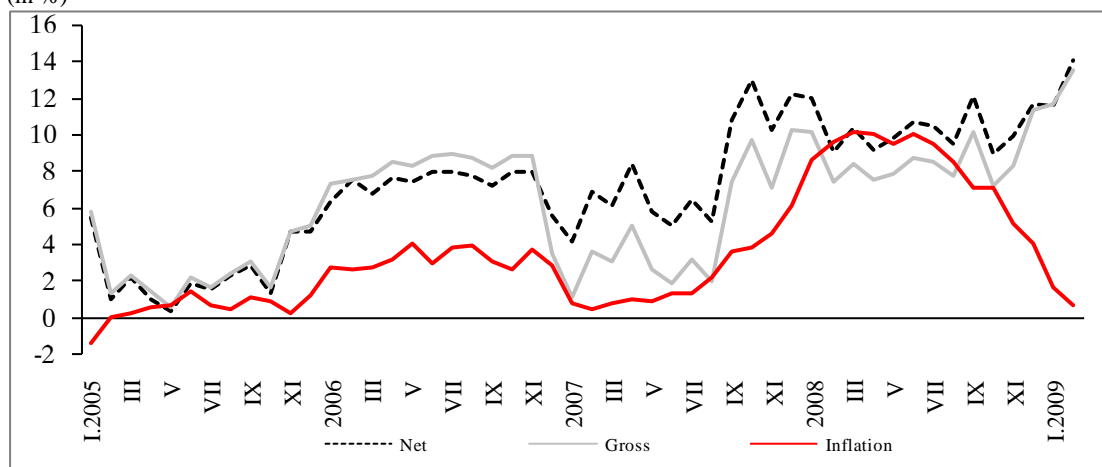
Source: Eurostat and SSO.

2. WAGES

In February 2009, the **average paid net wage** registered fall of 0.1% relative the previous month, whereas the drop in the gross wage equaled 0.5%. In conditions of monthly deflation of 0.2%, the net wage registered real growth of 0.1%, while the gross wage registered drop of 0.3%. The net wage in the agriculture and in the industry was lower relative to January by 3.2% and by 1.4%, whereas the wage in the sector "services" increased by 0.9%.

Relative to February 2008, both, the net and the gross wage registered nominal growth of 28.9% and of 18.7%³, respectively. However, the high growth rates mainly resulted from the change in the method of wage calculation, i.e. the fact that with the "gross wage" reform in January 2009, the wage includes also the payments that were not included before.

Figure 4
Annual growth rates in the wages and inflation*
(in %)

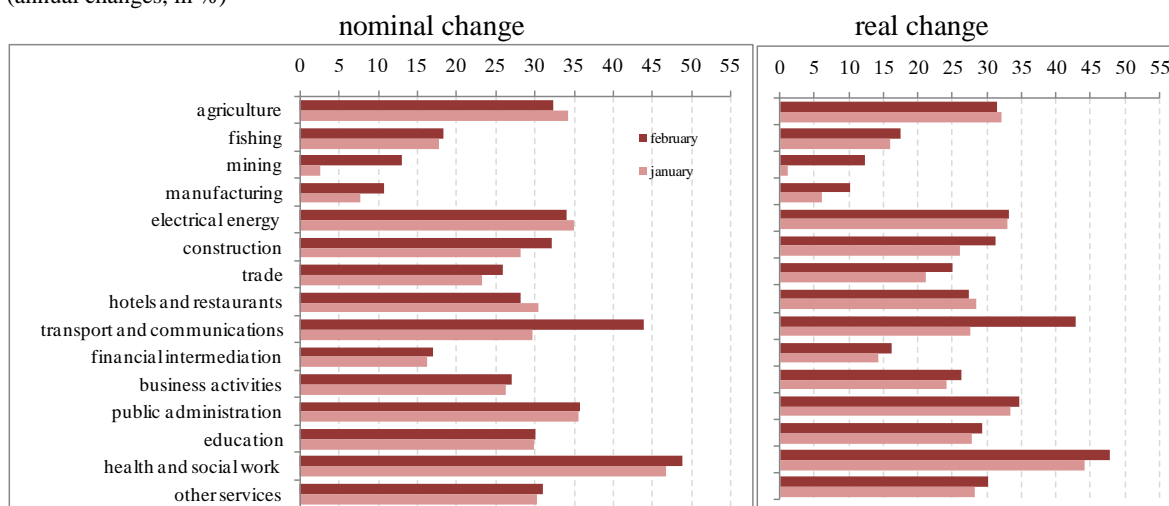


* Since January 2009, the corrected growth rates of NBRM are presented.
Source: State Statistical Office of the Republic of Macedonia.

³ The lower growth rate in the gross wage was due to the lower contribution for pension and disability insurance, health insurance and employment since January 2009.

All activities registered growth in the wages, on annual basis, with the most significant being registered in the services, and the least significant in the industry. Within the services, the health services and social work, transport and communications and public administration had most evident growth. The wages in the mining, manufacturing industry and financial intermediation registered lowest growth.

Figure 5
Average net wage by sectors*
(annual changes, in %)



* present uncorrected rates.

Source: State Statistical Office of the Republic of Macedonia.

3. ECONOMIC ACTIVITY

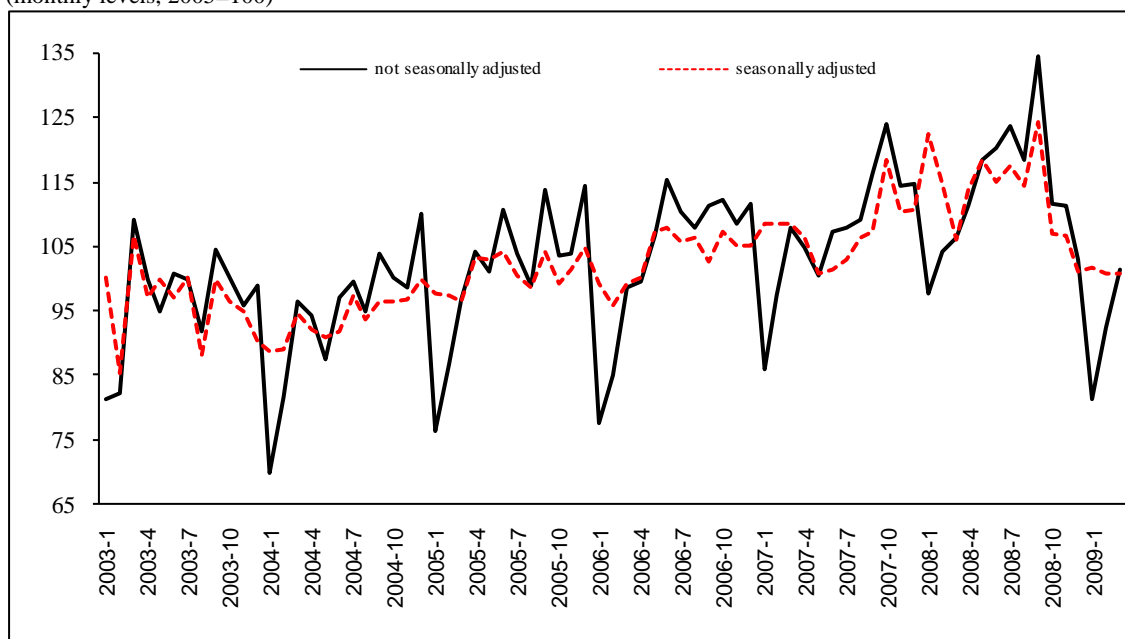
The volume of **the industrial output** registered monthly change rates, second month in a row since the beginning of the year, with growth in the output of 9.5% in March 2009. However, the data adjusted for seasonal effects showed monthly drop in the output of 0.2%. Relative to the same period of the previous year, the output went down by 4.8%, which compared with the fall in January and February (16.7% and 11.3%, respectively), represented slowing down in the dynamics of fall. At the level of the total index, 15 of 24 units (60% of the total industrial production) registered drop. In March higher diversity in the units with positive performances was registered, but still almost half of the positive effect resulted from single branch (the printing, the growth of which was partially related with the election process). Cumulatively, in the first three months of 2009, the annual fall in the industrial output equaled 10.8%.

Analyzed by sectors, in March the annual drop in the industrial output was caused solely by the fall in the *manufacturing sector* (fall of 7.2%). In favor of the above was the positive hydro-balance in the country, which enabled annual growth in the *electricity, gas and water supply* sector of 7% (annual growth for the first time since September 2008), as well as growth in the *mining* of 8.7%.

The intensive decrease in the output of basic metals (of 53.8% in March on annual basis) was still the main reason for the high fall in the output of the *manufacturing sector*. However, the other manufacturing activities registered negative tendencies, so in March, 12 of total 20 manufacturing units, or 67% of the manufacturing sector registered annual decrease in the output.

Of the manufacturing branches with higher participation in the index, besides the output of basic metals, the output of wearing apparel (28.3%) and the output of textile (21.7%) registered most significant fall. With respect to the size of the annual slowing down of the economic activity, in March the recycling process (70.3%) and the wood industry (49%) were most affected. On the other hand, more significant growth was registered in the output of tobacco products (66.4%) and the printing (1.2 times).

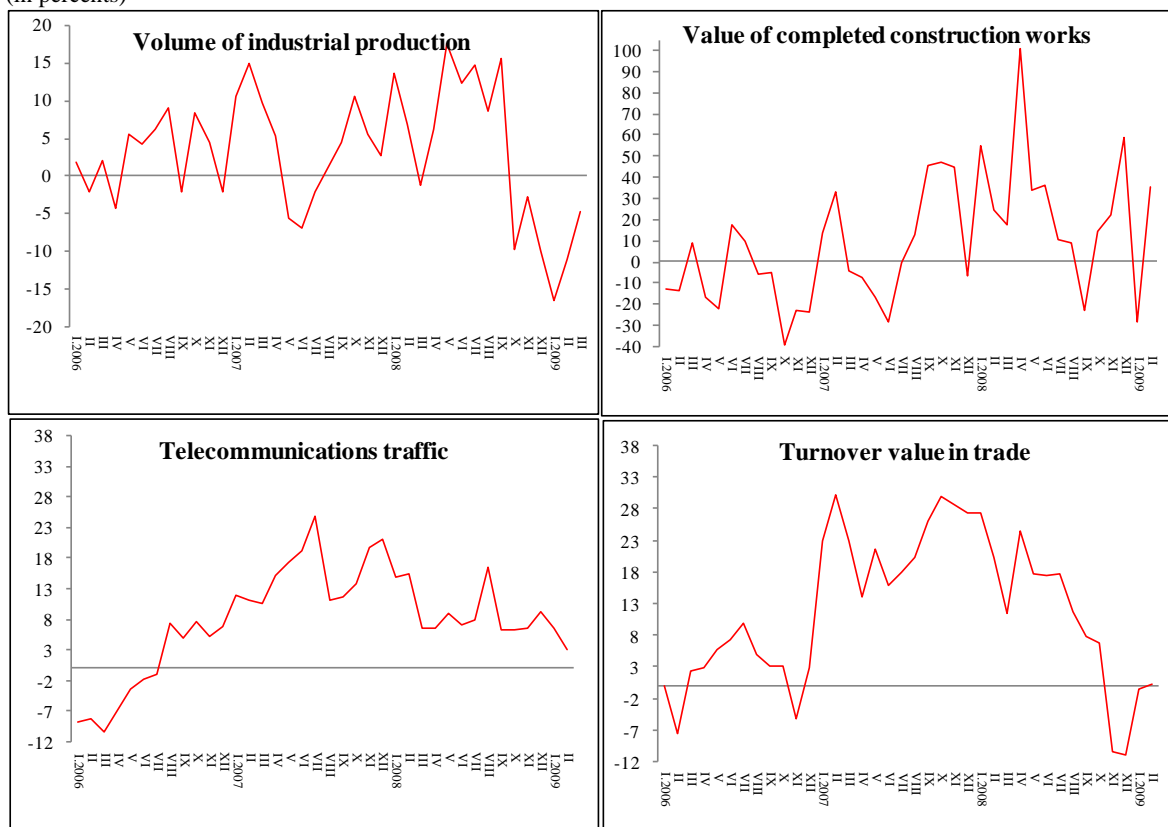
Figure 6
Index of the industrial output
(monthly levels, 2005=100)



Source: State Statistical Office and NBRM calculations.

In February 2009, on monthly basis, the **turnover in the trade** registered growth of 2.2% and the **performed building activities** of 82.9%, whereas the telecommunications registered monthly drop of 11.5%. According to the data adjusted for seasonal effects, the constructing activity registered monthly growth (of 31.2%), the trade had a monthly fall (of 0.3%), and the drop in the telecommunications was lot lower equaling 1.6%. Compared with the previous year in February, the turnover in the trade went up by 0.2% (positive annual change for the first time after three months continuously), the growth in the telecommunications slowed down the tempo from the previous months (growth of 2.9%), whereas the construction activity intensified (growth rate of 35.8%). Cumulatively, in the first two months of 2009, the turnover in the trade was lower by 0.1%, the performed construction activities rose by 3.4% and the telecommunications went up by 4.7%, relative to the same period of the previous year.

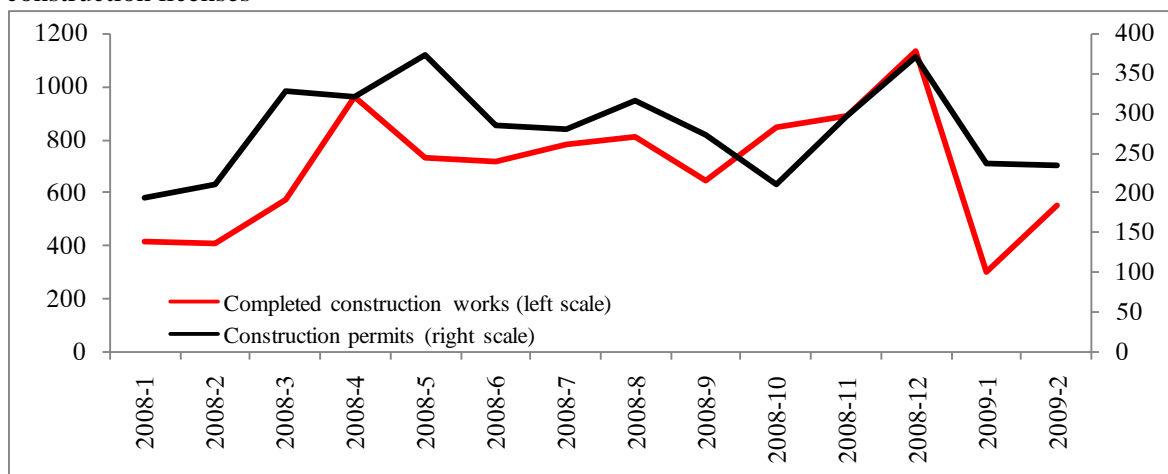
Figure 7
Annual growth rates in individual economy sectors
(in percents)



Source: State Statistical Office and NBRM calculations.

The issued **construction licenses** in February 2009 were with higher value by 16.6% than the construction licenses issued in February 2008, but their dynamics in the last few months showed slower trend.

Figure 8
Values of the performed construction licenses (millions of denars) and values of the issued construction licenses



Source: State Statistical Office.

The data on the development of **GDP in the countries of the Euro area** continued to worsen, indicating further presence of, but also deepening in the recession in this area. In the first quarter of 2009, the drop in the GDP in the Euro area was higher than the initially anticipated (anticipated drop of -2.8% on annual basis according to the projection of "Consensus Forecast" in March), which was mainly due to the especially "acute" situation in Germany, the manufacturing industry of which is massively based on foreign demand. Consequently, in the first quarter of 2009, GDP in the Euro area registered real annual and quarterly fall of 4.6%, i.e. of 2.5%, respectively. According to the projection of "Consensus Forecast" in May, in 2009 real drop of GDP in the Euro area of 3.7% was anticipated, which represented significant downward revision of the projections from December 2008 (-0.9%), March (-2.6%) and April (-3.4%). Such developments in the Euro area indicated to further small foreign demand for Macedonian products till the end of this year.

4. BALANCE OF PAYMENTS

In the first two months of 2009, *the current account of the balance of payments* registered negative balance of Euro 207.8 million, which on annual basis represents additional broadening of 2.1 times. Such condition of the deficit on the current account was largely due to the continuous rise in the trade deficit, realized in conditions of more intensive fall in the export than in the import of goods, when deficit in the category "income" was registered, opposite to the positive balance in the same period of the previous year and simultaneous decrease in the inflows from private transfers. The realized deficit in the period January - February 2009, registered high level of realization (72.9%) relative to the projection in April 2009 and it may be expected for the deficit on the current account to exceed the projected amount till the end of the first quarter.

Within the current account, the largest surplus item, the private transfers, realized positive balance of Euro 96.5 million, which on annual basis represents fall of 15.4%, and in conditions of stabile inflows from remittances and other transfers, resulted exclusively from the negative change rate of the net purchased assets of 27.2%. The last available data from the foreign exchange market, as of April 30, 2009, showed that the net turnover from foreign exchange operations, after the realized net sale of Euro 0.7 million in March, was gradually stabilizing and in April 2009 net purchase of Euro 46.3 million was registered, which on annual basis represents rise of 7.6%. However, cumulatively, as of April, the annual drop in the net inflows on the foreign exchange market of 29.3% remained the same. Besides the transfers, the sub-balance of services registered small positive balance as well in the amount of Euro 1.3 million, relative to the surplus of Euro 3.1 million registered in the same period of 2008. Such dynamics in the services, in conditions of higher net-inflows with the traveling, was mainly due to the lower net inflows from investments to abroad, as well as to the lower net outflows in the transportation services, as a reflection of the world economy crises. In the "income" category net outflows of Euro 16.8 million were realized, relative to the realized surplus of Euro 22.9 million in the same period of 2008, which mainly reflected the higher net outflows based on income from direct investments.

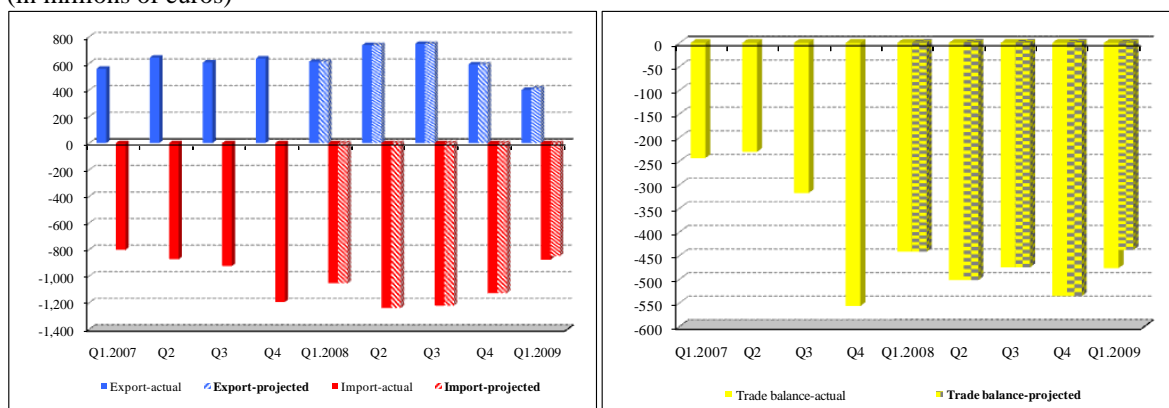
In the first two months of 2009, within the *capital and financial account* net inflows of Euro 68.5 million were realized, i.e. annual fall of 39.1%. Relative to the projection in April 2009, the realized net inflows already exceeded the projected amount for the first three months of Euro 29.1 million, which was mainly due to the exceeding of the projection for foreign direct investments. Namely, 78.4% of the total realized inflows were from the direct investments, which in the period January-February amounted to Euro 53.7 million and on annual basis they registered drop of 48.6%. The structure analysis of the direct investments showed that the net investments in form of capital largely participated (82.8%), followed by the reinvested gain. This category

registered net outflows based on credits and loans of inter-related entities. The trend of investing in securities, which started in 2008, in conditions of global uncertainty and international lack of liquidity, continued in the first two months of 2009 as well, when on the basis of portfolio investments net outflows of Euro 8.3 million were registered, and as a result of that the projected amount for the first quarter of 2009 (net outflows of Euro 5 million) was exceeded. According to the latest data from the Macedonian stock exchange, such dynamic continued in the following two months of the year as well, which indicated to further net outflows based on portfolio investments. In April 2009, the participation of foreign investors was higher on the side of the sale than on the side of the purchase (14.61% and 5.94%, respectively). Of the other components, the net indebtedness registered net outflows of Euro 14 million, which were realized in conditions of higher paid liabilities relative to the used assets based on long-term credits.

The tendencies in the external sector, which begun in the last quarter of 2008, continued in the first three months of 2009 as well, reflecting the further deepening in the global crisis. Thus, in March 2009, *the foreign trade* dropped by 21.5% on annual basis, in conditions of intensified fall in the export than in the import of goods. Namely, the export of goods amounted to Euro 150.3 million registering annual drop of 30.1%, which relative to the previous months represented slowing down in the annual fall rate. Such development in the export, was mostly due to the lower export of iron and steel (contribution of 47.6%), which was expected considering the influence of the economic crisis on the metal industry, and than of the lower export of wearing apparel and textile, metal ores and oil derivatives. In the third month of the year, the import of goods amounted to Euro 310.1 million realizing annual rate of fall of 16.5%. This drop in the import was mainly due to the lower import of energy sources (contribution of 66.4%), as well as of iron and steel. Such dynamics of both foreign exchange components determined annual deepening in the trade deficit of 2.1%.

Figure 9

Export, import of goods and trade balance (realized and projected in April 2009)
(in millions of euros)



Source: NBRM.

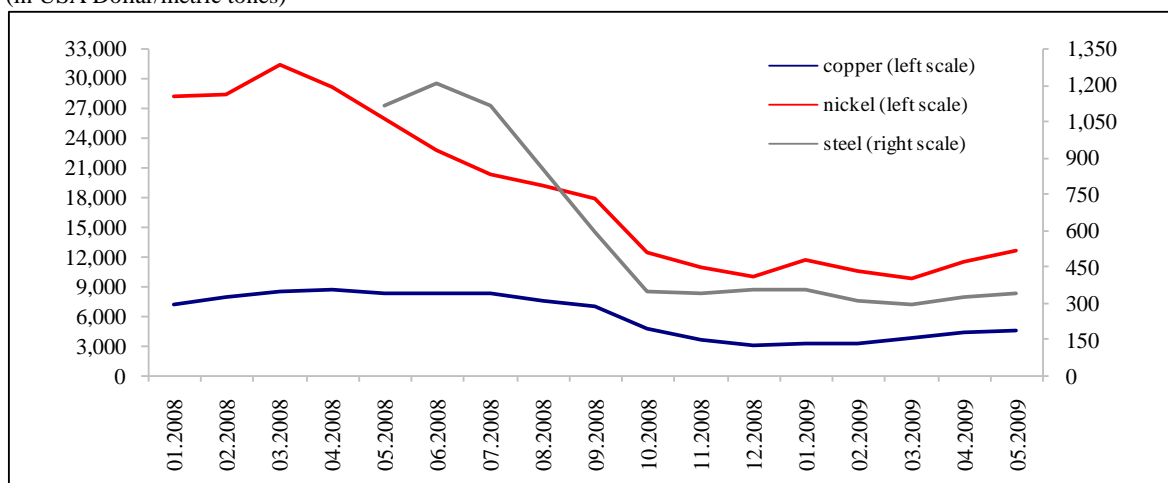
In the first quarter of 2009, the total export of goods amounted to Euro 401.2 million registering fall of 34.5% on annual basis. The annual fall in the export mostly reflected the implications from the world crises and the lower foreign effective demand on the metal industry, resulting in considerable drop in the export of iron and steel (by 63.3%), and than of metal ores and oil derivatives. The fall in the export, in conditions of import depended domestic output, became a reason for the drop on the side of the import as well. Thus, in the first three months of 2009, the import of goods amounted to Euro 877.7 million and relative to the same period of the previous year was lower by 16.7%, which was mostly due to the drop in the import of energy sources (contribution of 58.5%), iron and steel, metal ores and vehicles. The considerably lower import of

energy sources was due primarily to the lower import of oil and oil derivatives (contribution of 63.4% to the total drop in the import of energy sources), which in conditions of higher imported quantities, resulted from the fall in the oil price on the international stock exchanges. Simultaneously, the fall was registered also in the import of electricity (by 37.1%), which resulted mainly from the lower imported quantities, which was partially a consequence of the lower operating of the domestic manufacturing facilities, but also of the improved hydro-potential in the country. Consequently, in the analyzed period, the negative trade balance, on annual basis, additionally broadened by 7.8% equaling Euro 476.5 million, which was mostly due to the lower positive balance in the trade of iron and steel.

Relative to the projection in April 2009, the realized trade deficit in the first three months of the year was above the projected one, mainly as a result of the higher realized import of goods in conditions of realizing export within the expectations. Within the import of goods, the category of investment goods and semifinal products showed largest deviation, more specific, higher import mainly of equipment and vehicles, but also of consumption goods was realized, relative to the anticipated amount.

In April 2009, when the global economy showed initial signs of small improvement, the prices of the basic metals registered positive dynamics on monthly basis. Thus, the prices of one of the most significant metals for the Macedonian economy, the nickel, after two months period of fall, realized growth of 16.5% on monthly basis. Simultaneously, the world prices of the copper and steel realized monthly growth of 16.9% and 10.2%, respectively. The upward trend of the prices of metals continued also in the first half of May. However, such development of the prices of metals shall be taken with a grain, because of the fact that this change is more related with the need of renewing the reserves which maintained the low level, because of which these signs shall not be seen as start of upward trend of the world economy, but more as stabilization of the global economy at low level of activity⁴, which points to the conclusion that the process of recovery of the world economy will be slow. Thus, on annual basis, the prices of metals in April 2009 were still lower than the level in April 2008 (the prices of the copper by 48.2%, and of the nickel by 60.6%).

Figure 10
Prices of metals
(in USA Dollar/metric tones)



Source: Bloomberg.

⁴ Source: RGE Monitor.

5. MONETARY AGGREGATES⁵

In April 2009, **the reserve money**⁶ registered annual growth rate of 1.8% (6.4% in the previous month), which was solely due to the annual growth in the total liquid assets of banks⁷ (by 10.1%), with fall in the currency in circulation⁸ of 6.1% being registered. On monthly basis, the stock of the reserve money remained almost unchanged reflecting the divergent developments in both components (monthly growth in the currency in circulation of 0.7% and drop in the total liquid assets of banks of 0.5%, on monthly basis).

Analyzed with respect to the **flows of creating and withdrawing of liquidity**, the foreign currency transactions of NBRM had dominant effect in direction of reserve money withdrawal in April, considering the fact that the NBRM realized net sale of foreign assets on the foreign exchange market again, although with considerable lower volume (by 60%) relative to the previous month. The monetary instruments contributed in this direction as well. Namely, the performed increase in the reference interest rate of NBRM⁹ initiated higher demand for CB bills by the banks (by 42.2% on average, relative to the previous month), so through this monetary instrument total Denar 2.929 million were sterilized. The withdrawn liquidity on such basis was almost solely compensated through the Government's net position with NBRM, so the Government deposits with NBRM represented the main source of funding the budget deficit.

On cumulative basis (January-April 2009), the foreign currency transactions of NBRM acted towards reserve money withdrawal. About 69% of such withdrawn liquidity was compensated through the monetary instruments and the net position of the Government with NBRM, but still fall in the reserve money was registered on cumulative basis.

After the fall in the last month (of 1%, on monthly basis), in April 2009, **the total banks' deposit potential (with demand deposits included)**¹⁰ realized growth on monthly basis of Denar 1.924 million, or by 1.1%. In April, the households deposits¹¹ (with demand deposits included) went up by 2.3% (0.1% in the previous month), which was the highest rate of monthly growth since October 2008. Such developments can be explained with the realized additional inflows from the households based on payment of the regular installment of the bond for old foreign currency saving. Although the new households saving, again, was almost solely foreign currency denominated, still more specific transformation of the Denar to foreign currency deposits was not registered, which was confirmed with the realized positive monthly change in the Denar deposits of 0.2%. Considering the performances from the previous 5 months, when the households Denar deposits characterized with continuous downward trend on monthly basis (which reached its culmination in March 2009 realizing negative rate of monthly change of 6.6%), such deviations may indicate gradual stabilization of the expectations of the private entities. The total deposits of enterprises (with demand deposits included) decreased on monthly basis again, although with lower volume relative to the previous month (0.9%, relative to 2.7% in March 2009).

⁵ The analysis of monetary and credit aggregates is based on data from the new Methodology for preparing standard forms of monetary balance sheets and surveys and the new Chart of Accounts (effective from January 1, 2009).

⁶ Includes the currency in circulation (including the cash in the banks' vault), the reserve requirements in denars and in foreign currencies and the excess of liquid assets above the reserve requirements (in denars). Excluding the foreign currency reserve requirements, the reserve money in April 2009 were lower by 5.6%, on annual basis.

⁷ Pertains to the banks' accounts with NBRM, which include the reserve requirements in denars and in foreign currencies, as well as the excess of liquid assets held by the banks above the reserve requirements (in denars).

⁸ Includes the cash in the banks' vaults.

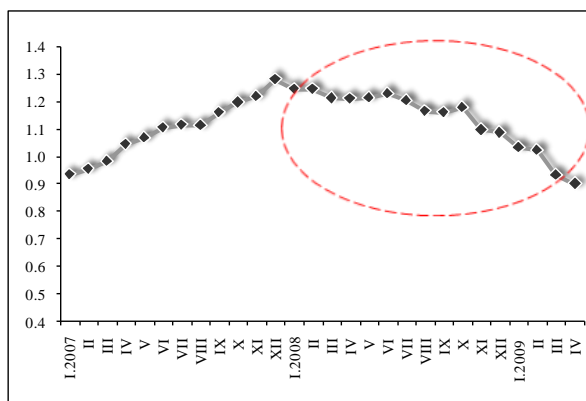
⁹ On March 26, 2009, NBRM increased the interest rate of CB bills from 7% to 9%, so the higher interest rate started to be applied since the first auction held in April 2009.

¹⁰ Since January 2009, the deposits include the accrued interest as well.

¹¹ Pertains to the natural persons and self employed professionals.

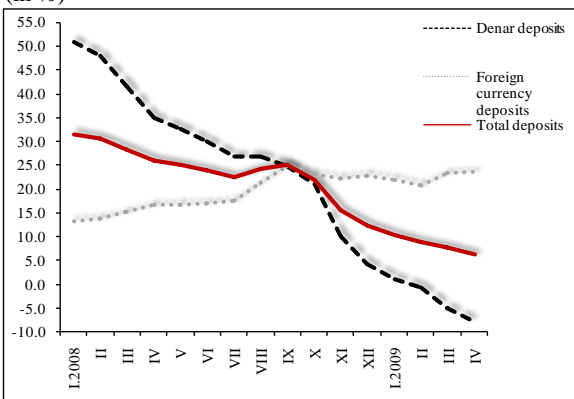
Figure 11

Correlation Denar - foreign currency deposits



Annual growth rates of the total deposits

(in %)



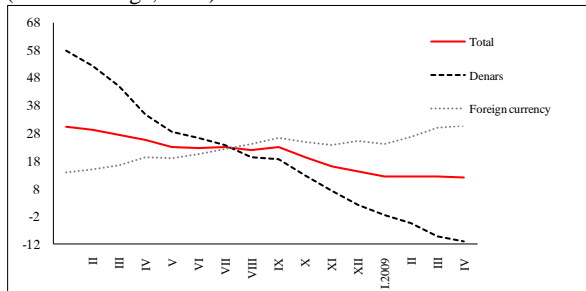
Source: National Bank of the Republic of Macedonia.

On annual basis (April 2009 / April 2008), the total deposits with the banks (with the demand deposits) rose by 6.3% (7.7% in the previous month), reflecting the annual growth in the foreign currency deposits of 23.6% (23.2% in March 2009). The Denar deposits continued to fall more intensively on annual basis, so in April 2009 they were lower by 8% relative to the same month of the previous year (opposite to the annual drop of 5.1% in March 2009). With respect to the sector structure, the annual growth rate of the deposits of households amounted to 12.4% in April 2009 (12.6% in the previous month), with annual fall in the deposits of enterprises (private and public) of 9.5%¹² being registered (relative to the registered drop of 5.7% in March 2009).

Figure 12

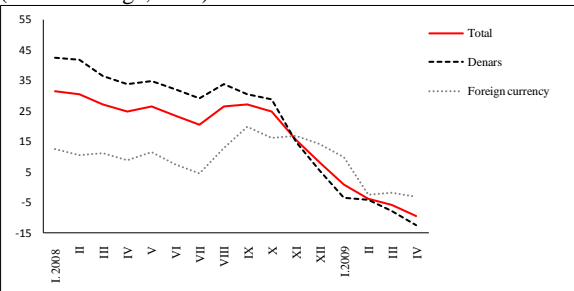
Deposits of households

(annual change, in %)



Deposits of enterprises

(annual change, in %)



Source: National Bank of the Republic of Macedonia.

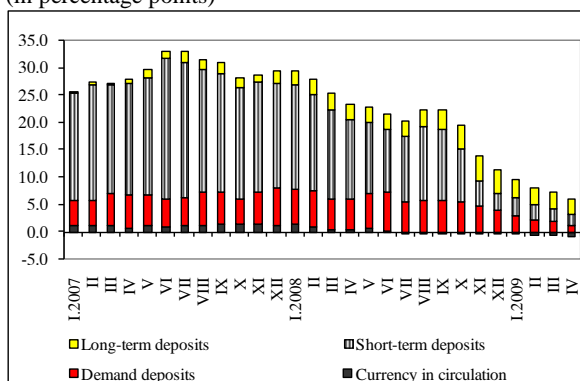
The performances in the total deposits adequately reflected on the dynamics of the **broadest money supply M4**¹³, which in April 2009 went up by 5.1% on annual basis (relative to 6.6% in the previous month). Till the end of the second quarter, in accordance with the expectations for payment of dividend of one large company to the Government, additional slowing down in the monetary growth to 2.4% is projected for June 2009.

¹² The deposits of enterprises from the private sector are lower by 15.4%.

¹³ The analysis pertains to the money supply M4 with the accrued interest being included.

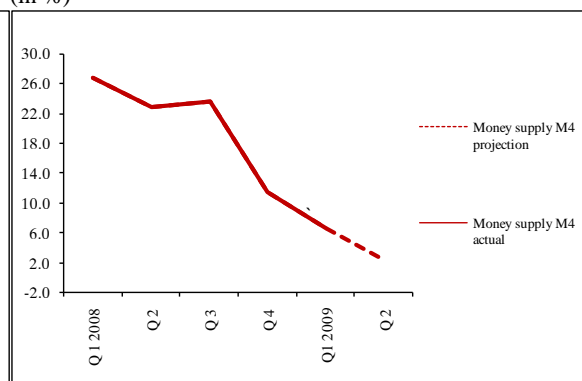
Figure 13

Money supply M4

Contribution to the annual growth
(in percentage points)

Annual growth rates

(in %)



Source: National Bank of the Republic of Macedonia.

6. BANK CREDITS

In April 2009 the total bank credits to the private sector registered monthly growth of Denar 460 million, or by 0.3% which represents moderate slowing down in the dynamics relative to the previous month (when the credit growth amounted to 0.5%). Analyzed with respect to the currency, largest share (55.7%) of the growth in the total credits resulted from the higher Denar crediting¹⁴ which realized monthly growth of 0.2%, while the credits extended in foreign currency rose by 0.5% on monthly basis. Within the Denar credits, more intensive monthly growth was registered in the Denar credits with FX clause, which rose by 6.3% (1.7% in March), with drop in the Denar credits without FX clause by 4.7% being registered on monthly basis (opposite to the more moderate fall of 0.5% in March). Such developments indicated almost halved contribution of the Denar credits to the monthly growth in the total credits, relative to their contribution in the previous month, where in conditions of almost unchanged foreign currency credits, the monthly growth in the total credits was solely due to the Denar component. With respect to the maturity¹⁵, the short-term credits registered monthly rise (1.6%, relative to 0.1% in March 2009), with fall in the long-term credits of 0.7% on monthly basis being registered. According to the sector distribution, in April 2009 86.9% of the growth in the total credits resulted from the higher crediting to the corporate sector, which went up by 0.4% on monthly basis, different from the moderate growth in the crediting of the households¹⁶ (of 0.1%).

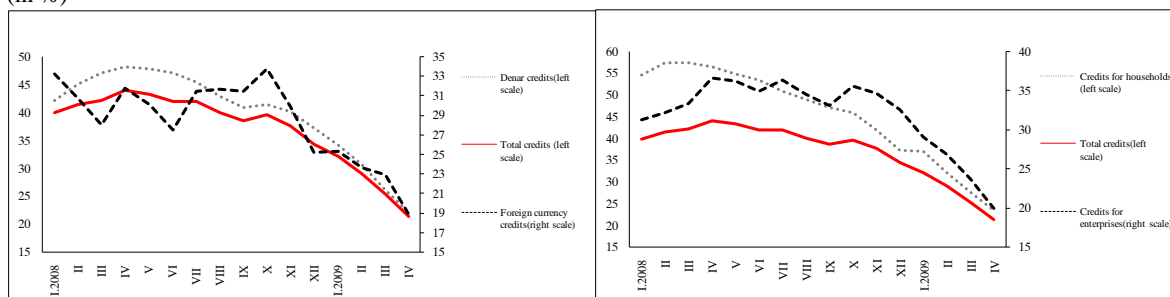
¹⁴ Includes the Denar credits with FX clause.

¹⁵ The maturity analysis does not include the disputed and contested claims and the accrued interest.

¹⁶ Pertains to the natural persons and self employed professionals.

Figure 14

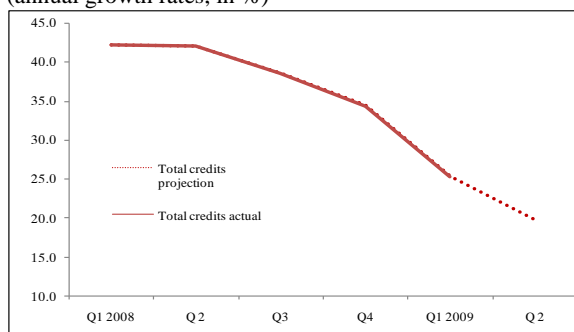
Annual growth rates in the credit to the private sector by the currency and sector structure
(in %)



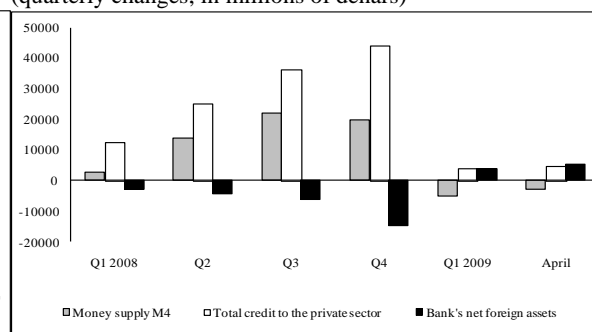
The annual dynamics of the credit growth indicated further slowing down in the credit activity of the banking sector. Thus, in April 2009 the crediting of the domestic economy went up by 21.4% (April 2009 /April 2008), relative to 25.3% in March 2009. The Denar credits and the credits granted in foreign currency registered constant slowing down in the credit growth as well, which in April 2009 rose by 22.1% and 18.9%, respectively (26.1% and 22.9% respectively in March). The contribution of the Denar credits to the annual growth in the total credits remained at the level of the previous month (79.8%), so they still represent dominant component of the growth in the total credits. With respect to the maturity¹⁷, the credits placed on long term grew with lower dynamics relative to the short-term credits and they realized growth of 18.9% (opposite to 24.2% in March), with simultaneous growth in the short-term credits by 22.8% being registered (26.2% in March). The largest share of the growth in the total credits was still due to the long-term crediting, the contribution of which amounted to 54.1% in April 2009. With respect to the sectors, the annual growth rate of the credits to households slowed down more intensively, so their growth equaled 23.4%, relative to 27.6% in March. The corporate credits grew with annual growth rate of 20%, relative to 23.8% in March 2009, whereas their contribution to the growth in the total crediting maintained almost the same level as in March (of 56.1%). According to the projection for the second quarter of 2009, it is expected for the credit growth to continue to slow down, reducing to 19.8% in June.

Figure 15

Credits to the private sector
(annual growth rates, in %)



Sources of financing
(quarterly changes, in millions of denars)*



* The realization for the individual quarters of 2008 are cumulative changes relative to the end of 2007, while the performances for the first quarter and April 2009 are cumulative changes relative to the end of 2008.

Source: National Bank of the Republic of Macedonia.

¹⁷ The maturity analysis does not include the disputed and contested claims and the accrued interest.

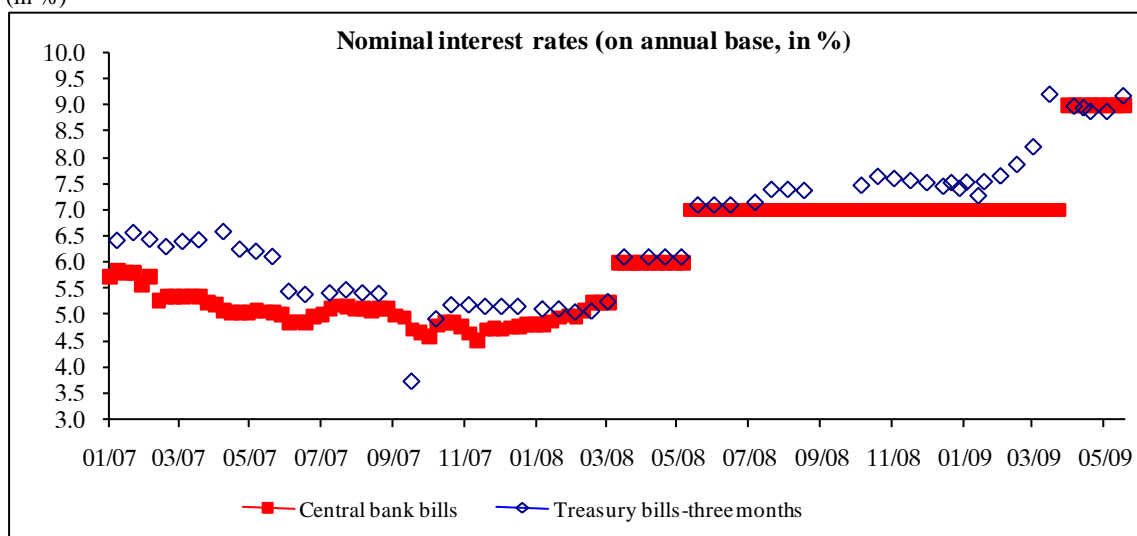
The stock of the **net foreign assets of banks** in April 2009 reached the level of Denar 5.421 million, which indicated to more intensive growth, relative to the previous few months. Thus, relative to the previous month, the net foreign assets of banks rose by Denar 1.719 million, or by 46.4%, in conditions of more intensive growth in the foreign assets (of Denar 2.162 million, or 7.9%) relative to the foreign liabilities (Denar 443 million, or 1.9%). Relative to the end of 2008, the net foreign assets rose by Denar 5.394 million (or by 201 times).

7. INTEREST RATES AND EXCHANGE RATE

On the last three **auctions of CB bills** (on May 6, 2009, on May 13, 2009 and on May 20, 2009), with volume tender and fixed interest rate of 9%, liquidity in amount of Denar 1.755 million was created. As of April 30, 2009, the gross foreign reserves equaled Euro 1.203,8 million and they were lower by Euro 291.1 million relative to the end of 2008.

Within the analyzed period, two **auction of three month Treasury bills** were held as well, (on May 5, 2009 and on May 19, 2009) with interest rate tender, so in conditions of higher supply than the demand, interest rate of 8.9% and 9.2% was realized. Simultaneously, on May 5, 2009, **an auction of six month Treasury bills** was held when in conditions of higher supply than the demand, interest rate of 8.8% was realized (relative to 9.1% on the last auction). In the period 01-20.05.2009 **the average interbank interest rate** in the bilateral trading of banks (up to one day) amounted to 6.29% on average (6.48% in April 2009). In the period from May 1, 2009 till May 21, 2009, the average interbank interest rate for selling deposits, **SKIBOR**, amounted to 6.23% (over night), 7.27% (one week), 9.07% (one month) and 9.49% (three months), so it registered moderate increment relative to the previous month. In the same time, the average interbank interest rate, **MKDONIA**, amounted to 6.27% in the analyzed period (relative to 6.34% in April 2009).

Figure 16
Interest rates
(in %)



Source: National Bank of the Republic of Macedonia.

In the area of the **banks' interest policy**, in March 2009 the average weighted interest rate of the Denar credits and the average weighted interest rate of the Denar deposits amounted to 9.9% and 6.6%, respectively, relative to 9.7% and 6.8%, respectively in the previous month. Within the

sector of **households** within the lending interest rates without FX clause, the short-term credits registered moderate monthly growth by 0.2 percentage points. Simultaneously, within the credits with FX clause, the short-term and the long-term credits dropped by 0.1 and 0.2 percentage points, respectively. With respect to the deposit interest rates, the sight deposits without FX clause registered monthly fall of 0.2 percentage points was registered the deposits. Within the **corporate** sector, within the lending interest rates, the interest rate of the long-term credits without FX clause registered monthly growth by 0.3 percentage points. Simultaneously, the interest rates with FX clause of the short-term and the long-term credits went up by 0.4 and 0.3 percentage points, respectively. Within the deposit interest rates, the short-term time deposits with FX clause of the enterprises registered considerable change, i.e. they dropped by 0.4 percentage points (some banks reported these deposits for the first time), so considering the higher amount of these deposits, this category was the main generator of the fall in the aggregate Denar deposit rate. **Within the foreign currency interest rates**, the interest of the foreign currency credits rose by 0.4 percentage points and it amounted to 7.4%, while the interest rate of the foreign currency deposits maintained at the level of the previous month, amounting to 3.2%.

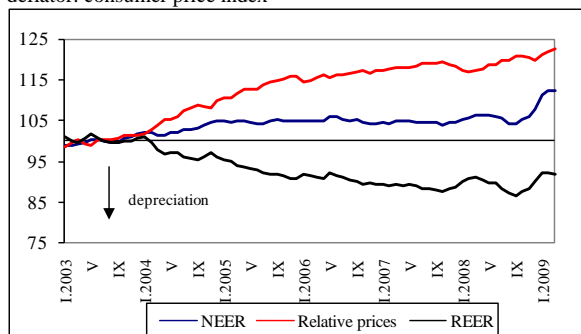
The interest rates of the **Denar newly extended credits** went up by 0.3 percentage points and it amounted to 9.7%, while the interest rate of **the Denar newly received deposits** registered drop of 0.2 percentage points equaling 4.6%. In March, the interest rate of **the foreign currency newly extended credits** registered fall of 0.9 percentage points, equaling 7%, whereas the interest rate of **the foreign currency newly received deposits** rose by 0.3 percentage points and it amounted to 1,9%.

The analysis of **the Denar interest rates by groups of banks** showed that the Denar lending interest rates registered growth of 0.2 percentage points within the group of large banks, so the interest rate amounted to 9.2%, while the interest rates in the medium-size and small-size banks remained at the level of the previous month of 11.2% and 10.5%, respectively. The deposit interest rate in the large, medium-size and small size-banks registered drop by 0.1, 0.4 and 0.3 percentage points, respectively, reducing to the level of 6.8%, 6.2% and 5.9. **The foreign currency interest rates** in the group of large banks rose by 0.5 percentage points reaching 7.1%, in the medium-size banks - drop of 0.1 percentage point, so it amounted to 8%, whereas the interest rate in the small-size banks remained the same level as in the previous period of 9%. The large banks did not register monthly change in the deposit foreign currency interest rates, which maintained the level of 3.2%, while the medium-size and the small-size banks grew by 0.1 percentage point, reaching 3.4% and 1.9%.

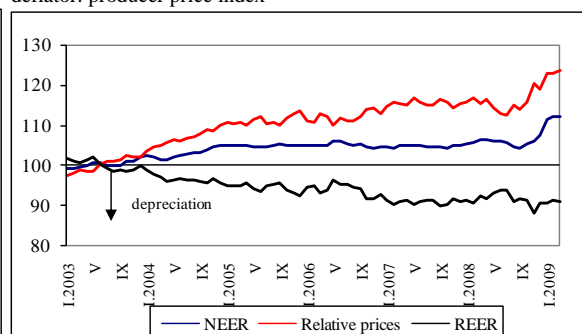
Figure 17

Index of NEER, relative prices and REER of the Denar *

deflator: consumer price index



deflator: producer price index



* The mark for the depreciation of REER and NEER. In the relative prices, the upward trend is in favor of the depreciation of REER (and reverse).

Source: NBRM, IMF-IFS for December 2008 and SSO of the Republic of Macedonia.

For those countries for which there are no IFS data, the information are from the web sites of the adequate central banks, statistical offices and EUROSTAT.

In March 2009, the real effective exchange rate of the Denar (REER) calculated by the consumer price index registered intensified monthly depreciation of 0.3%, relative to 0.1% in the previous month. Such dynamics, in conditions of monthly appreciation of NEER of 0.1%, resulted from the more intensive monthly growth in the foreign than in the domestic prices. On the other hand, on annual and on cumulative basis, REER by the same deflator, registered appreciation, but with slower trend. Thus, the annual and the cumulative appreciation of 0.8% and 1.6%, respectively, resulted from the appreciation of the NEER of the Denar of 5.4% and 5.8% on annual and on cumulative basis, respectively, partially neutralized by the higher growth in the foreign than in the domestic prices. In March 2009, the REER of the Denar deflated with the producer price index registered monthly depreciation of 0.4% as well, which resulted from the fall in the domestic price index with simultaneous rise in the foreign prices being registered. Better competitiveness was registered both, on annual and on cumulative basis, i.e. depreciation of 1.6% and 0.4%, respectively, so the appreciation of the NEER of the Denar was compensated with the growth in the relative prices (larger drop in the domestic prices relative to the foreign).

ANNEX

Table 1
Consumer Price

Consumer prices	change in %			contribution to change in percentage points		
	IV.2009 III.2009	IV.2009 IV.2008	I-IV.2009 I-IV.2008	IV.2009 III.2009	IV.2009 IV.2008	I-IV.2009 I-IV.2008
Total	-0.2	-0.5	0.6	-0.2	-0.5	0.6
Food	-0.5	-1.2	0.3	-0.2	-0.5	0.1
Grain products	-2.5	2.7	4.9	-0.2	0.2	0.4
Fresh and processed vegetables	2.0	-1.0	-5.3	0.1	-0.1	-0.3
Fresh and processed fruits	2.7	-17.8	-12.0	0.1	-0.6	-0.4
Meat and poultry	1.3	10.0	9.2	0.1	0.8	0.7
Fresh and cooked fish	0.2	15.1	15.0	0.0	0.1	0.1
Dairy products	-4.2	-8.4	-2.5	-0.3	-0.5	-0.2
Eggs	-0.8	6.7	10.0	0.0	0.1	0.1
Oils and fats	-2.6	-26.2	-20.8	-0.1	-0.7	-0.5
Tobacco and beverages	0.0	4.1	4.4	0.0	0.2	0.2
Clothing and footwear	-0.7	0.0	1.2	-0.1	0.0	0.1
Housing	0.0	6.8	7.2	0.0	1.0	1.1
Flat (rent, water and other services)	0.4	2.6	3.5	0.0	0.1	0.1
Fuel and lighting	-0.1	9.6	9.8	0.0	0.8	0.9
Heating and services	-0.3	3.4	4.0	0.0	0.1	0.1
Electric power	0.0	13.1	13.1	0.0	0.7	0.7
Hygiene and health	0.2	2.3	2.2	0.0	0.2	0.2
Culture and entertainment	0.4	-2.7	-2.0	0.0	-0.1	-0.1
Transport and communication services	0.4	-9.7	-9.3	0.1	-1.3	-1.3
Fuels and lubricants	3.4	-24.9	-26.3	0.1	-1.0	-1.1
Public transport services & PTT	-0.3	-0.2	0.6	0.0	0.0	0.0
Restaurants and hotels	0.3	3.8	4.8	0.0	0.2	0.3
Other services n.e.c.	-0.5	-8.2	-7.5	0.0	0.0	0.0

Source: State Statistical Office of the Republic of Macedonia.

Table 2
Basic inflation, productivity and wages

(annual rates, %)	2007	2008	2007				2008				2009	Latest months			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q1	Feb-09	Mar-09	Apr-09
Inflation (CPI)	2.3	8.3	0.7	1.1	2.4	4.9	9.5	9.9	8.4	5.5	1.0	0.7	0.2	-0.5	
Core inflation (excluding food and energy)	0.6	2.6	-0.2	0.5	1.1	1.2	2.9	2.8	2.5	2.2	1.5	1.3	1.0	0.5	
Regulated prices	3.3	9.3	4.2	3.0	2.0	4.1	7.4	9.2	12.5	8.3	-1.6	-1.0	-1.7	-1.2	
Industrial producer prices	2.5	10.3	1.0	1.2	1.6	4.1	10.5	13.6	15.1	2.1	-6.2	-5.1	-7.6	-	
Productivity	2.3	1.8	2.3	0.7	1.2	4.9	1.7	3.6	2.1	-0.1	-	-	-	-	
Nominal net-wage	7.9	10.4	5.7	6.4	7.5	11.8	10.5	9.9	10.7	10.3	-	28.9*	-	-	
Real net-wage	5.5	1.9	5.0	5.3	5.0	6.6	0.9	0.0	2.1	4.5	-	28.0	-	-	

Source: State Statistical Office of the Republic of Macedonia and NBRM.

Table 3
Industrial output and other economic activities

(annual rates, %)	2007	2008	2007				2008				2009	Latest months			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q1	Jan-09	Feb-09	Mar-09
Gross domestic product	5.9	5.0	6.1	4.8	5.2	7.3	5.6	6.7	5.8	2.1	-	-	-	-	
Industrial output	3.7	5.5	11.6	-2.8	1.1	6.2	5.8	12.0	13.0	-7.7	-10.8	-16.7	-11.3	-11.3	
Construction	7.6	25.6	9.4	-18.6	18.0	23.3	29.1	55.7	-2.0	31.5	-	-28.1	35.8	-	
Retail and wholesale trade	23.1	10.5	25.1	17.2	21.2	28.6	19.1	19.8	12.4	-0.5	-	-0.5	0.2	-	
Telecommunications	15.6	8.9	11.1	17.1	15.9	18.1	12.1	7.4	10.1	6.4	-	6.4	2.9	-	

Source: State Statistical Office of the Republic of Macedonia.

Table 4
Selected industrial branches

Selected industrial activities (annual rates, %)	2006	2007	2008	2008				2009	map.09	
				Q1	Q2	Q3	Q4	Q1	change, %	contribution, p.p.
Mining and quarrying	28.0	9.8	0.4	11.9	13.6	3.4	11.2	-12.6	8.7	0.4
Manufacture of food products and beverages	0.1	7.7	1.2	5.3	6.0	6.1	11.9	-2.5	-4.1	-0.6
Manufacture of tobacco products	5.5	-0.8	0.1	13.8	15.4	1.0	-18.1	-2.1	66.4	2.0
Manufacture of wearing apparel	-3.7	-14.5	-2.0	-16.5	-22.7	-23.4	-18.8	-23.7	-28.3	-2.4
Printing	-17.9	-12.2	1.6	7.8	72.2	68.4	85.3	2,6 times	2,2 times	4.2
Manufacture of refined petroleum products	12.3	-2.4	0.1	3.3	50.9	1.1	-30.9	9.2	15.4	0.8
Manufacture of other non-metallic mineral products	14.0	3.8	-0.3	-10.9	-3.2	-9.9	15.0	-17.0	-2.5	-0.2
Manufacture of basic metals	11.8	34.3	-1.0	9.5	15.7	-3.3	-45.7	-61.6	-53.8	-8.3
Manufacture of fabricated metal products	5.7	45.6	2.6	29.7	11.8	3 times	-22.0	35.0	40.8	1.5
Manufacture of electrical machinery and equipment	3.7	-24.4	0.6	45.6	64.9	32.4	-10.6	1.0	0.9	0.0
Manufacture of other transport equipment	-6.9	33.4	-0.3	9.8	143.1	-47.9	-70.6	-60.5	-46.6	-0.7
Recycling	12.8	-35.6	0.5	105.6	262.2	12.5 times	-34.9	-74.2	-70.3	-0.7
Electricity, gas, steam and hot water supply	-0.6	-9.5	-0.3	-0.8	1.9	1.9	-12.2	-1.6	7.0	0.8

Source: State Statistical Office of the Republic of Macedonia.

Table 5
Balance of payments ^{1,3}
(in millions of euros)

in millions of euros)

	2008												2008				2009			
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Q1	Q2	Q3	Q4	2008	I	II	2009
I. Current Account	-30.3	-71.1	-71.7	-62.0	-47.2	-101.0	-34.3	-14.4	-18.3	-93.8	-188.4	-118.8	-173.0	-210.1	-67.0	-401.0	-851.2	-112.5	-95.3	-207.8
GOODS, net	-115.1	-131.3	-124.6	-139.9	-140.6	-179.9	-164.4	-142.2	-109.6	-175.9	-161.2	-152.0	-371.0	-460.3	-416.2	-489.1	-1,736.7	-142.2	-151.1	-293.4
Exports, f.o.b.	181.7	214.9	214.9	228.0	259.3	248.5	274.9	227.6	242.7	228.8	190.9	171.9	611.6	735.8	745.2	591.6	2,684.2	113.7	136.6	250.3
Imports, f.o.b. /2	-296.8	-346.2	-339.5	-367.9	-399.9	-428.3	-439.3	-369.8	-352.3	-404.8	-352.1	-323.9	-982.6	-1,196.1	-1,161.4	-1,080.7	-4,420.9	-255.9	-287.8	-543.7
SERVICES, net	8.7	-5.6	-3.9	-2.7	-0.9	-5.3	4.4	11.1	12.8	-6.3	1.7	-14.0	-0.8	-8.9	28.3	-18.7	0.0	-1.8	3.1	1.3
INCOME, net /5	16.0	6.8	0.3	5.6	3.8	-9.4	5.9	2.9	-23.1	-0.8	-98.6	-2.9	23.2	0.0	-14.3	-102.3	-93.4	-10.6	-6.2	-16.8
o/w: interest, net	0.7	-1.8	-4.7	-3.2	-1.8	-6.8	-4.3	-2.2	-3.7	-5.8	-3.5	-9.2	-5.8	-11.7	-10.2	-18.5	-46.2	-8.3	-5.4	-13.7
CURRENT TRANSFERS, net	60.1	58.9	56.5	74.9	90.5	93.6	119.9	113.8	101.5	89.2	69.8	50.1	175.5	259.1	335.2	209.1	978.9	42.1	58.9	101.0
Official	0.5	4.4	2.7	4.1	6.6	10.8	5.1	3.4	2.3	2.0	2.0	3.8	7.7	21.5	10.9	7.9	47.9	3.0	1.5	4.5
Private	59.6	54.5	53.8	70.8	83.9	82.8	114.8	110.3	99.2	87.2	67.8	46.3	167.9	237.6	324.3	201.3	931.0	39.2	57.4	96.5
II. Capital and Financial Account	34.8	72.3	77.7	64.4	49.5	105.6	38.1	5.7	14.0	88.2	184.7	117.6	184.9	219.5	57.8	390.5	852.6	100.3	92.6	192.9
CAPITAL ACCOUNT, net	-0.3	-0.3	-0.4	0.9	0.3	-3.8	0.2	0.1	-0.9	-0.4	-0.5	-7.6	-1.0	-2.7	-0.6	-8.5	-12.8	0.1	0.4	0.4
Capital transfers, net	-0.3	-0.3	-0.4	0.9	0.3	-0.1	0.2	0.1	-0.9	-0.4	-0.5	-0.1	-1.0	1.0	-0.6	-1.0	-1.6	0.1	0.4	0.4
Official	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.3	-0.3	-0.4	0.9	0.3	-0.1	0.2	0.1	-0.9	-0.4	-0.5	-0.1	-1.0	1.0	-0.6	-1.0	-1.6	0.1	0.4	0.4
Acquisition/disposal of non-produced,	0.0	0.0	0.0	0.0	0.0	-3.7	0.0	0.0	0.0	0.0	0.0	-7.5	0.0	-3.7	0.0	-7.5	-11.2	0.0	0.0	0.0
FINANCIAL ACCOUNT, net	35.2	72.6	78.1	63.5	49.2	109.5	37.9	5.6	14.9	88.6	185.2	125.2	185.9	222.2	58.4	399.0	865.5	100.2	92.3	192.5
Direct investment, net	39.2	65.2	25.6	24.2	60.3	43.9	21.6	47.5	20.8	19.8	18.6	35.2	130.0	128.4	90.0	73.6	422.0	25.3	28.4	53.7
Portfolio investment, net	-0.9	-3.4	-3.9	-4.4	-4.2	-2.6	3.1	-6.2	-4.7	-15.1	-3.9	-4.5	-8.3	-11.2	-7.7	-23.4	-50.6	-4.7	-3.7	-8.3
Other investment, net	-9.6	22.7	43.0	24.5	6.1	97.8	27.2	4.2	72.5	70.0	65.4	18.6	56.1	128.5	103.8	154.1	442.4	-8.1	30.8	22.7
Trade credits, net	-8.6	0.7	-6.7	25.5	-1.6	39.2	8.5	7.7	-28.6	9.0	4.6	-25.2	-14.6	63.1	-12.4	-11.5	24.6	3.7	26.3	30.1
Loans, net	-3.8	0.4	1.8	3.7	5.6	38.7	10.2	0.2	49.2	3.0	68.7	-5.4	-1.5	47.9	59.7	66.4	172.4	-11.3	-2.7	-14.0
Currency and deposits, net	-4.0	19.7	45.1	-8.3	0.0	16.0	7.0	-4.9	49.8	56.4	-10.6	41.1	60.8	7.7	52.0	86.9	207.5	-3.8	4.2	0.5
o/w: Monetary Authorities, net	7.4	0.1	3.2	-0.2	6.1	0.0	0.0	0.0	0.0	-0.1	-0.6	0.1	10.7	5.9	0.0	-0.5	16.0	-4.0	-0.3	-4.3
o/w: Commercial Banks, net	-9.4	19.4	37.2	-8.3	-1.8	19.4	2.7	-12.9	51.1	103.6	5.6	28.0	47.2	9.2	41.0	137.2	234.6	-9.8	-3.5	-13.2
o/w: Individuals, net	-1.9	0.1	4.7	0.2	-4.2	-3.4	4.3	8.0	-1.3	-47.0	-15.7	13.0	2.9	-7.4	11.0	-49.7	-43.2	10.0	8.0	18.0
Other, net	6.8	1.9	2.7	3.7	2.1	3.9	1.3	1.1	2.1	1.5	2.7	8.1	11.4	9.7	4.5	12.3	37.9	3.2	2.9	6.1
Gross official reserves (= increase) /4	6.5	-11.9	13.4	19.2	-13.0	-29.7	-14.0	-39.9	-73.7	13.8	105.1	75.9	8.0	-23.5	-127.6	194.8	51.6	87.7	36.7	124.4
III. Errors and Omissions	-4.6	-1.2	-6.0	-2.4	-2.3	-4.6	-3.8	8.7	4.3	5.6	3.7	1.1	-11.8	-9.3	9.2	10.5	-1.5	12.2	2.7	14.9

1/ Preliminary data

2/ Imports data are on fob basis in accordance with IMF V Balance of Payments Manual

Calculation of cif / fob factor as % of imports cif is 4,14%

Imports for 2006, 2007 and 2008 have been additionally adjusted with time adjustments for imports of electricity.

3/ Methodological changes: The BOP data for 2007 include estimations for certain elements in the items on direct investment and income - based on actual data from the newly introduced data source (FDI Survey DI 22) available as with end 2006

4/ Excluding monetary gold and exchange rate differences

5/ Accrued interest on foreign securities is included under income since January 2008.

Table 6
Foreign trade

	III.2009	I-III.2009	III.2009		III.2009		I-III.2009	
			II.2009		III.2008		I-III.2008	
	amount		amount	%	amount	%	amount	%
Total trade	460.4	1,278.9	23.0	5.3	-126.0	-21.5	-387.5	-23.3
Export	150.3	401.2	13.4	9.8	-64.7	-30.1	-211.1	-34.5
Import	310.1	877.7	9.7	3.2	-61.4	-16.5	-176.4	-16.7
Balance	-159.8	-476.5	3.7	-2.3	-3.3	2.1	-34.6	7.8

Source: State Statistical Office of the Republic of Macedonia.

Table 7
Monetary developments in April 2009

	30.04.2008	31.01.2009	28.02.2009	31.03.2009	30.04.2009	monthly changes (30.04.2009/ 31.03.2009)		annual changes (30.04.2009/ 30.04.2008)
<i>in Denar million</i>	actual	actual	actual	actual	actual	in Denar million	in %	in %
Brtoad money M4	183,125	192,681	192,775	190,377	192,479	2,102	1.1	5.1
Currency in cirrculation	16,317	15,915	15,341	14,646	14,760	114	0.8	-9.5
Denar deposits ¹	92,493	91,330	91,239	86,435	85,885	-550	-0.6	-7.1
Foreign currency deposits	74,315	85,435	86,195	89,296	91,834	2,538	2.8	23.6
Total deposits	166,808	176,766	177,434	175,731	177,719	1,988	1.1	6.5
Reserve money ²	36,074	38,835	39,034	36,713	36,735	22	0.1	1.8

¹Including demand deposits, deposits of municipalities and public entities.

²Including reserve requirement in foreign currency.

	30.04.2008	31.01.2009	28.02.2009	31.03.2009	30.04.2009	monthly changes (30.04.2009/ 31.03.2009)		annual changes (30.04.2009/ 30.04.2008)
<i>in Denar million</i>	actual	actual	actual	actual	actual	in Denar million	in %	in %
Credit to the private sector	145,635	173,300	175,397	176,298	176,758	460	0.3	21.4
In Denar	112,318	133,924	135,992	136,900	137,156	256	0.2	22.1
In Foreign currency	33,317	39,376	39,405	39,398	39,602	204	0.5	18.9
Banks' net foreign assets	12,404	1,029	1,177	3,702	5,421	1,719	46.4	-56.3

Source: National Bank of the Republic of Macedonia.

Table 8
Monetary aggregates
(in %)

in %	end of period to the end of previous period										y - o - y									
	2007					2008					2007					2008				
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
M0	-6.1	8.4	2.1	15.6		-8.8	13.5	-0.02	4.4		-10.2	0.1	18.8	18.0	18.7	20.2	16.6	22.2	19.6	8.0
M1	-1.1	6.2	8.1	15.0		-5.9	11.2	1.50	7.8		-13.5	0.1	22.8	20.0	24.5	30.7	24.3	30.2	22.2	14.5
M4	4.8	9.7	3.8	8.4		1.6	6.3	4.3	-1.2		-2.6	1.1	26.4	32.6	30.3	29.3	25.3	21.4	22.0	11.2
M4-denar	5.3	14.1	6.0	11.9		-1.4	6.6	2.0	-3.2		-9.5	-0.4	33.0	44.8	44.4	42.5	33.5	24.7	20.0	3.9

Source: National Bank of the Republic of Macedonia.

Table 9
Deposits of the private sector*
(in millions of denars)

		Balance as of 30.04.2009	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
Total deposits		174,713	1,924	1.1	10,279	6.3
In Denar	Households	39,095	90	0.2	-4,853	-11.0
	Enterprises	36,921	-597	-1.6	-5,205	-12.4
	Total	82,879	-614	-0.7	-7,240	-8.0
In Foreign currency	Households	72,420	2,429	3.5	17,128	31.0
	Enterprises	18,225	97	0.5	-570	-3.0
	Total	91,834	2,538	2.8	17,519	23.6
Total households deposits		111,515	2,519	2.3	12,275	12.4
Total enterprises deposits		55,146	-500	-0.9	-5,775	-9.5

* the Denar deposits do not include the deposit money.

Source: National Bank of the Republic of Macedonia.

Table 10
Credits to the private sector
(in millions of denars)

		Balance as of 30.04.2009	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
Total credit to the private sector		176,758	460	0.3	31,123	21.4
In Denar	Households	67,381	126	0.2	12,358	22.5
	Enterprises	69,565	120	0.2	12,522	22.0
	Total	137,156	256	0.2	24,838	22.1
In Foreign currency	Households	4,196	-75	-1.8	1,216	40.8
	Enterprises	35,262	279	0.8	4,942	16.3
	Total	39,602	204	0.5	6,285	18.9
Total credit to the households		71,577	51	0.1	13,574	23.4
Total credit to the enterprises		104,827	399	0.4	17,464	20.0

Source: National Bank of the Republic of Macedonia.

Table 11
Credits to the households

		2006				2007				2008			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Maturity structure of households credit portfolio (in %)	Short-term	25.0	24.8	24.4	25.1	26.8	27.7	29.2	29.2	29.9	30.2	30.5	29.8
	Long-term	75.0	75.2	75.6	74.9	73.2	72.3	70.8	70.8	70.1	69.8	69.5	70.2
Credit to households, y-o-y growth rate, in %	Housing	37.1	33.5	35.4	40.1	43.4	45.7	48.2	47.7	48.4	53.3	55.7	55.4
	Overdrafts	63.9	68.1	84.9	103.7	125.2	136.9	131.4	112.3	89.6	72.1	56.2	40.2
	Credits for other purposes	32.6	26.8	26.0	31.0	33.9	38.8	45.5	48.7	53.2	45.8	36.6	27.4

Source: National Bank of the Republic of Macedonia.

Table 12
Credits to the enterprises

		2006				2007				2008			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Maturity structure of enterprises credit portfolio (in %)	Short-term	54.4	53.8	51.0	48.6	47.1	46.0	46.2	43.9	44.9	44.6	44.9	44.7
	Long-term	45.6	46.2	49.0	51.4	52.9	54.0	53.8	56.1	55.1	55.4	55.1	55.3
Credit to enterprises, y-o-y growth rate, in %	Short-term	0.8	13.0	11.1	11.9	8.9	5.9	20.4	17.2	27.0	30.7	29.2	34.9
	Long-term	36.1	34.0	30.8	41.1	45.7	44.6	45.8	41.6	38.4	38.2	36.2	30.5
	In Denar	3.4	14.3	14.2	21.3	22.6	20.2	32.9	29.9	37.4	42.2	37.7	39.5
	In Foreign currency	42.0	38.5	31.0	32.4	31.4	30.2	32.6	29.4	25.6	22.2	24.9	20.4

Source: National Bank of the Republic of Macedonia.

Table 13
Interest rates

	April	monthly changes	annual changes
	in %	in percentage points	
Average weighted interest rate on the CB bills auctions (28 days)	9.00	2.0	3.0
Average weighted interest rate on the Money Market	6.48	1.1	2.8
Interest rate on three-month treasury bills	8.97	0.2	2.9
	March	monthly changes	annual changes
	in %	in percentage points	
Banks' weighted lending interest rates	9.9	0.2	0.2
Banks' weighted deposit interest rates	6.6	-0.2	1.0

* Pertains to bilateral trading

Source: National Bank of the Republic of Macedonia.