

**National Bank of the Republic of Macedonia**  
Research Department



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***Important economic events and amendments to the legal regulations  
in January 2007***

- ❖ *On January 1, the price of thermal energy delivered by Toplifikacija ad Skopje (District Heating of Skopje) surged by 16.66% ("Official Gazette of the Republic of Macedonia" no. 135/2006), the price of thermal energy delivered by the heating plant Skopje Sever ad Skopje surged by 25.71% ("Official Gazette of the Republic of Macedonia" no. 7/2007), and the price of thermal energy delivered by Toplifikacija Bitola doo Skopje dropped by 4.63% ("Official Gazette of the Republic of Macedonia" no. 11/2007).*
- ❖ *On January 1, the flat rate of 12% started being applied (in lieu of the rates of 15%, 18% and 24% of the personal income tax and 15% of the profit tax).*
- ❖ *According to the latest amendments to the Profit Tax Law, the profit tax releases of the listed companies ceased being valid in early 2007 (as specified by the old regulations, in 2006 the cut of the tax basis for the first year of listing equaled 30%, and in 2007, the cut of the tax basis for the second year of listing equaled 15%), so that the major incentive of the companies for listing on the capital market would be the business interest and the market principles. At the same time, the changes in the profit tax reduced the tax basis of the taxpayers by the amount of the profit invested (reinvested profit). On the other hand, the taxpayers that use the free economic zone, i.e. the technological industrial development zone will be released from paying profit tax for a period of ten years of the start of doing business in the zone.*
- ❖ *On January 4, the reinsurance company Sava RE from Slovenia became a dominant owner of Tabak osiguruvawe i reosiguruvawe Skopje (Tabak Insurance and Reinsurance Skopje) by purchasing shares in the amount of Denar 404.3 million (Euro 6.6 million).*
- ❖ *On January 5, the Austrian company EVN purchased another 19.9% of the capital of ESM Distribucija through a stock exchange block transaction (Denar 3.04 billion, or Euro 50 million), thus becoming an owner of 90% of the shares of this company.*
- ❖ *On January 9, the Regulatory Energy Committee made a decision on decreasing the refinery and retail prices of oil derivatives by 5.50% and 3.51%, on average, respectively ("Official Gazette of the Republic of Macedonia" no. 2/2007), and on January 22 it decided to have them further reduced by 8.50% and 5.55%, on average, respectively ("Official Gazette of the Republic of Macedonia" no. 7/2007).*
- ❖ *On January 11, the Macedonian Stock Exchange AD Skopje abolished the compensation for trade in government bonds (except for the bonds issued for settling the claims of the foreign exchange deposits of the households and the bonds for denationalization) and the compensation for trade in short-term treasury bills.*
- ❖ *On January 17, the lead and zinc mine Zletovo from Probistip was restarted.*
- ❖ *On January 19, the Government started the campaign Invest in Macedonia, so as to promote the Macedonian business capacities and attract foreign investors.*
- ❖ *On January 24, the public enterprise Makedonski Železnici (Macedonian Railways) and AD Makstil signed a business cooperation agreement in the area of transport for 2007, which means a continuation of the cooperation, observing the principles of profitability and protection of interests of both companies.*
- ❖ *On January 24, internet service provider On-net became a second fixed telephone operator offering telephone services in the national, international and mobile telephone networks. This was allowed by the amendments to the Reference Interconnection Offer that became effective on January 19, which cut*



*the interconnection prices by more than three times, thus creating conditions for liberalization of the telecommunication market.*

- ❖ On January 28 the first Rural Information Center in the country was opened in Gostivar for the purposes of informing the farmers and cattle breeders from the municipalities of Gostivar, Vrapciste and Mavrovo - Rostuse, thus contributing to the rural development of the region and to connecting of the citizens from the country and abroad with the rural areas and placing the agricultural and cattle-breeding products.*
- ❖ In January 30-31, the National Bank of the Republic of Macedonia hosted the high delegation of the Central Bank of Montenegro, where practical experience was exchanged in the area of regulatory framework and bank supervision in the both countries. Also, a Memorandum of Cooperation in the area of banking supervision was signed during this visit between the Central Banks of Macedonia and Montenegro.*
- ❖ On January 31, the Convention on AMBO Trans-Balkan Oil Pipeline was signed in Ohrid by Macedonia, Bulgaria and Albania. The construction of the oil pipeline is expected to start in 2008 and to become operational in 2011.*
- ❖ On January 31, a portion of the early repayment of the debt of the Republic of Macedonia to the Paris Club of Creditors was made at nominal value, by the debt repayment of US Dollar 58.1 million (Euro 44.8 million) to the USA and Kuwait. On January 16, the Government adopted the Information on early debt repayment in the amount of US Dollar 104 million (Euro 80.4 million) at nominal value, and on January 24, the Paris Club of Creditors accepted the offer.*
- ❖ In January, Prilepska pivarnica (Prilep Brewery) invested Euro 3 million in the reconstruction, expansion and automation of the basic beer production plant, thus enhancing its capacity by 582,000 hectoliters.*
- ❖ From January 23 to February 5, Macedonia hosted the IMF Mission for completing the second review of the Stand-By Arrangement.*
- ❖ New regulations:  
- Law on Guarantee of the Republic of Macedonia under the Loan and Financing Agreement intended for accelerating the development of the small and medium enterprises in the Republic of Macedonia (stage III), which will be concluded between the Macedonian Bank for Development Promotion and the Credit Reconstruction Bank from FR Germany ("Official Gazette of the Republic of Macedonia" no. 10/2007).*

## I. Economic Developments in the Republic of Macedonia<sup>1</sup>

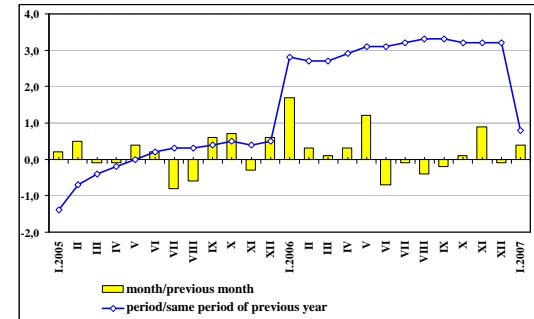
In January 2007, the monthly *inflation rate*, measured through the consumer price index<sup>2</sup> equals 0.4% owing to the higher prices of goods and services. Observing the major categories, the monthly growth is mostly due to the higher prices of the housing category (contribution of 0.2 percentage points) as a result of the higher prices of central heating (by 20.8%) and the rent (by 2.9%). Analyzing other major categories, the monthly inflation is partially due to the higher prices of the category of food (by 0.4%, owing to the higher prices of eggs, fruits, fresh vegetables and fish) and culture and entertainment, contributing with 0.2 percentage points, aggregately. On the other hand, the inflation was partially offset by the prices in the category of transport equipment and services (by 0.3% lower, primarily a result of the lower prices of oil derivatives, according to the decisions of the Regulatory Energy Committee dated January 9 and January 22, 2007).

In January 2007, the annual inflation rate equals 0.8%, primarily due to the higher prices of heating and electricity (lower comparison base) and the higher prices of food products (contribution of 0.8 and 0.4 percentage points, respectively). The inflation was reduced (by 0.8 percentage points) by the prices of the category of transport equipment and services. The prices of goods are by 1.4% higher, whereas the prices of services dropped by 1.2%.

<sup>1</sup> Source: State Statistical Office and NBRM calculations.

<sup>2</sup> Since January 2007, the consumer price index has been calculated on the basis of weights derived from the Survey of Household Consumption of 2005. Also, the index structure was modified from the aspect of the major categories, by adding two new items: Restaurants and Hotels and Other Services, making up 5.2% of the index. As a result, the share of categories of Food, Tobacco and Beverages, Wearing Apparel and Footwear and Transport Equipment and Services significantly dropped.

Figure 1  
Consumer prices  
(in %)



Source: State Statistical Office.

The *producer price index*<sup>3</sup> in January 2007 relative to the preceding month slightly reduced by 0.2%, reflecting the lower producer prices in all three industrial sectors (0.2 percentage points of the fall results from the lower production prices in the manufacturing sector). Analyzing by group, the largest negative contribution was made by the producer prices of oil derivatives (0.9 percentage points) that dropped by 6.6%, according to the decisions of the Regulatory Energy Committee dated December 25, 2006 and January 9, 2007 on decreasing the refinery prices. Also, the 1.4% higher food and beverages prices contributed to increase in the prices by 0.5 percentage points. Although the cigarette excise increased by 10% in January 2007, the producer prices of tobacco products remained unchanged.

On annual basis, January 2007 witnessed a growth in the producer price index of 1.3% compared to the same month of 2006, owing to the higher prices in all three industrial sectors. The increase (74.8%) primarily results from the higher prices in the energy sector due to the higher price in the electricity and the thermal energy.

In January 2007, the *actual volume of the industrial output*<sup>4</sup> fell by 23.1%<sup>5</sup> relative to the previous month. Such development is common for the first month of the year and is due to the

<sup>3</sup> Preliminary SSO data.

<sup>4</sup> Since January 2007, the State Statistical Office has applied the new National Nomenclature of Industrial Products 2005 - NNIP 2005 ("Official Gazette of the Republic of Macedonia" no. 43 of 2006) in the calculations of the index of actual volume of industrial output and developed a new weighting structure.

<sup>5</sup> Preliminary SSO data.



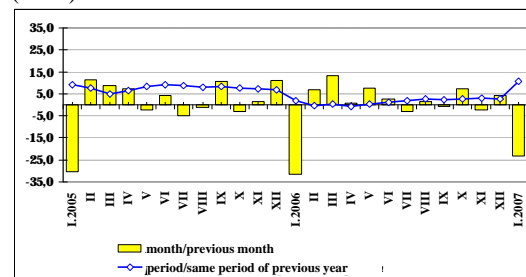
seasonal factor - lower number of business days in January, and the relatively high comparison base. The deceleration of the industrial activity is comprehensive, covering 22 of 24 industrial branches (or 87% of the total production). The sector-by-sector analysis shows dominant negative contribution of the manufacturing industry (23 p.p. in the total monthly fall in the industrial output) considering its dominant share of roughly 84% in the overall industrial output. Within the manufacturing branches, the highest negative contribution was made by the lower production of food products and beverages; textile industry; electric machines and appliances and the lower production of oil derivatives (total negative contribution of 13.1 p.p.). Additional marginal contribution to the overall fall in the industrial output was made by the mining sector, as well. Only the activity of the energy sector accelerated, having no significant offsetting effect on the overall fall in the industrial output.

Compared to the same month of the preceding year, in January 2007, the volume of industrial output considerably enhanced by 10.6%, with the activity accelerating in 16 of 24 industrial branches (63.1% of the total output). The manufacturing sector contributes the most to the increase, in environment of higher output in 75% of the manufacturing branches). The highest contribution was made by the following branches: production of other transport equipment, basic metals, products of other non-metal minerals and metal products in the metalworking stage. The

fast growth in the mining sector makes marginal contribution to the overall increase in the industry, taking into account its low share. The activity of energy sector decelerates, thus contributing to the lower total annual growth in the industrial output.

The new weighting structure of January 2007 made the share of the manufacturing sector and the mining sector in the total industrial output higher (by 4.5 p.p. and 2 p.p., respectively), whereas the share of the energy sector dropped by 6.5 p.p. Observing by industrial branch, larger significance is paid to the production of basic metals, wearing apparel and tobacco products (increase in the share of 5.3, 2.4 and 1.8 p.p., respectively), with the share of the production of food products and beverages registering the steepest drop in the total industrial output (by 4 p.p.).

Figure 2  
Industrial output  
(in %)



Source: State Statistical Office.

## II. Monetary developments

On January 31, 2007, the reserve money<sup>6</sup> stood at Denar 21,970 million, which is by Denar 2,921 million, or by 11.7% less compared to the end of December. Observing the components, the currency in circulation lowered (by Denar 1,679 million) after registering an increase in December, and the banks' total liquid funds<sup>7</sup> dropped (by Denar 1,242 million).

Analyzing the liquidity, the common seasonal decrease in the currency in circulation, along with the NBRM foreign currency transactions<sup>8</sup>

(net purchase of foreign currency on the foreign exchange market) acted towards creating liquidity in the banking system. Such created liquidity was solely sterilized through the Government Denar deposits with the NBRM and the monetary instruments (higher level of CB bills, and lower amount of treasury bills for monetary purposes). The lower liquidity level in January corresponds with the lower amount of allocated liquid funds over the reserve requirement. Thus, in January 2007, the banks allocated 5.7% over the reserve requirement (in Denars)<sup>9</sup>, which is a significant

<sup>6</sup> The analysis refers to the reserve money, excluding reserve requirement of foreign currency deposits.

<sup>7</sup> Includes cash in the vaults and banks' accounts with the NBRM.

<sup>8</sup> The lower NBRM net foreign assets in January 2007 (presented in Table 1) reflects the fall in the government foreign currency deposits with the NBRM due to the early payment of a portion of the debt to the Paris Club of Creditors.

<sup>9</sup> The period for maintaining (fulfilling) the banks' reserve requirement covers the period from the 11<sup>th</sup> in the current month to the 10<sup>th</sup> in the following month. The excess pertains to funds allocated to the banks' accounts with NBRM over the reserve requirement.



drop of 16.4 percentage points compared to the previous accounting period<sup>10</sup>.

Table 1  
Liquidity creation and withdrawal \*  
(in millions of denars)

	31.12.2006	31.01.2007	31.01.2007 / 31.12.2006
	in millions of denars		changes in millions of denars
<b>Liquidity of the banks <sup>1</sup></b>	8.685	7.443	-1.242
<b>Liquidity creation</b>			<b>1.679</b>
1. Currency in circulation	16.206	14.527	1.679
<b>Liquidity withdrawal</b>			<b>-2.921</b>
1. Net foreign assets	85.116	83.884	-1.232
2. Net domestic assets	-60.225	-61.914	-1.689
of which:			
Government Denar deposits with NBRM <sup>2</sup>	-10.753	-12.770	-2.017
CB bills	-9.456	-11.630	-2.174
Treasury bills for monetary policy purposes	-4.573	-4.391	182
Other items, net	-20.113	-20.491	-378

<sup>1</sup> Liquidity includes banks' account with the NBRM and banks' cash in vault.

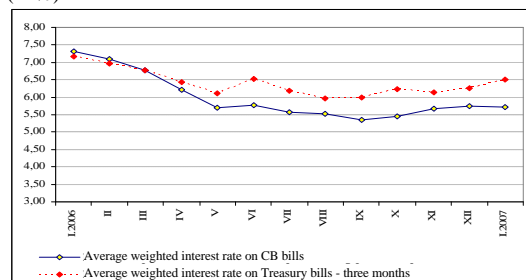
<sup>2</sup> Treasury bills for monetary policy purposes are excluded.

\* Positive change - liquidity creation; negative change - liquidity withdrawal.

Source: National Bank of the Republic of Macedonia.

The CB bills auctions held in January 2007 registered average weighted interest rate of 5.71% (5.74% in December 2006), whereas the average weighted interest rate on (three-month) treasury bills equaled 6.51% in January (6.26% in the preceding month).

Figure 3  
Average interest rates on CB bills and Treasury bills  
(in %)



Source: NBRM and Ministry of Finance.

The monetary aggregate M1, registered a monthly fall of 6.2% in January 2007, due to the simultaneous decline in the demand for currency in circulation (by 10.4%) and the level of transaction deposits (by 2.5%). As a result of the increase in the total deposit potential, the broader monetary aggregates M2 and M4 registered a monthly increase of 0.2% and 0.1%, respectively. On annual basis (January 2007 / January 2006), the broader monetary aggregates M2 and M4 preserve the two-digit growth rates, thus being higher by 24.7% and 24.9%, respectively.

<sup>10</sup> In November 2006, a larger bank allocated higher amount of liquid funds over the reserve requirement, as a preparation for the potential payment of dividend of a larger company.

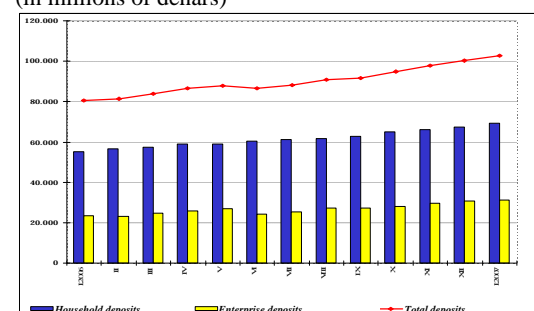
Table 2  
Monetary aggregates and their components  
(in millions of denars)

	31.01.2007	Monthly changes	Annual changes
		in %	in %
Currency in circulation	14.527	-10.4	10.9
Demand deposits	18.056	-2.5	23.7
<b>Monetary aggregate M1</b>	<b>32.583</b>	<b>-6.2</b>	<b>17.6</b>
Short-term Denar deposits	37.295	2.7	45.6
<b>Monetary aggregate M2-Denar component</b>	<b>69.878</b>	<b>-1.6</b>	<b>31.1</b>
Short-term foreign exchange deposits	58.885	2.5	17.9
<b>Monetary aggregate M2</b>	<b>128.763</b>	<b>0.2</b>	<b>24.7</b>
Non-monetary deposits	6.499	-2.1	28.0
- Denar	3.592	-1.0	15.3
- foreign exchange	2.907	-3.4	47.9
<b>Monetary aggregate M4</b>	<b>135.262</b>	<b>0.1</b>	<b>24.9</b>

Source: National Bank of the Republic of Macedonia.

The total deposit potential of the banks at the end of January 2007 compared to December 2006 went up by Euro 2,295 million, or 2.3%. Analyzing the maturity, the monthly growth in the total deposits is solely due to the higher level of short-term deposits, while the long-term deposits fell. Observing the currency of denomination structure, a monthly growth was registered in both the Denar and foreign currency deposits, with the foreign currency deposits contributing more to the monthly growth in the total deposits (59%). The sector-by-sector analysis points to the dominant contribution of the households' deposits to the increase in the banks' total deposit potential in January 2007 (80.1%). Of them, the greatest contribution to the monthly growth in the total deposits was made by the households' Denar deposits (of 43.4%), predominantly short-term, and the short-term foreign currency deposits (contribution of 25.8%). The total deposits of the private sector with the banks in January 2007 compared to the same month of the preceding year surged by 27.4%.

Figure 4  
Dynamics of deposits  
(in millions of denars)



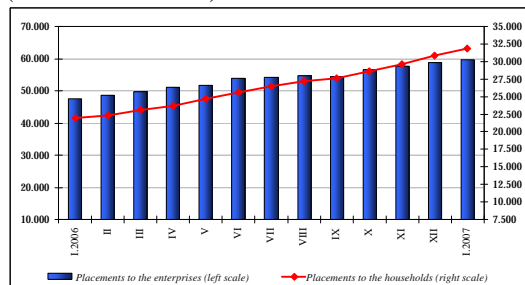
Source: National Bank of the Republic of Macedonia.

The total banks' placements to the private sector at the end of January 2007 relative to the end of the previous month went up by 1.8% or by Denar 1,642 million. Observing the currency of denomination, the increase in the overall credit activity of the banks is solely due to the credits in



domestic currency<sup>11</sup>, whereas with respect to the maturity structure, the short-term credits registered sharper increase compared to the long-term credits. In January, the banks also placed funds with both the households and the enterprises, with the placements to the households contributing more to the increase in the total bank credits in January 2007 (58.8%). On annual basis (January 2007 / January 2006), the total bank credits to the private sector rose by 31.5%, thus preserving the two-digit growth rates.

Figure 5  
Bank placements by sector  
(in millions of denars)



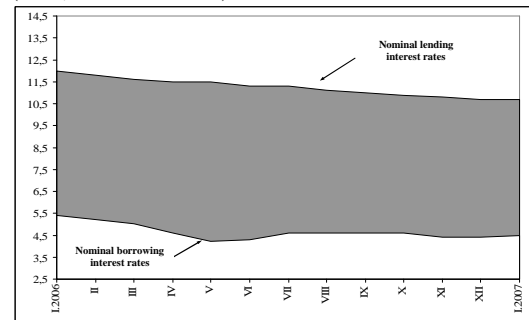
Source: National Bank of the Republic of Macedonia.

With respect to the *banks' interest rate policy*, no significant changes were registered in January 2007. The average weighted lending interest rate on Denar credits in all maturities and sectors remained at the level of the previous month,

<sup>11</sup> Also includes foreign currency indexed loans.

equaling 10.7% in January 2007. Simultaneously, the average weighted deposit interest rate on Denar deposits in all maturities and sectors increased by 0.1 percentage points on monthly basis, and equals 4.5%.

Figure 6  
Weighted interest rates and spreads of the banks  
\*  
(in %, on annual basis)



Source: National Bank of the Republic of Macedonia.

\*\*\*Pertain to Denar loans and deposits in all maturities and sectors, including the foreign currency indexed loans and deposits.

The average weighted lending interest rate on foreign currency credits in all maturities, sectors and currency of denomination equals 8.4% in January 2007 (8.5% in the previous month), and the average weighted deposit interest rate on foreign currency deposits in all maturities, sectors and currency of denomination remained unchanged on a monthly basis and equals 1.8%.

### III. Foreign trade and foreign exchange developments

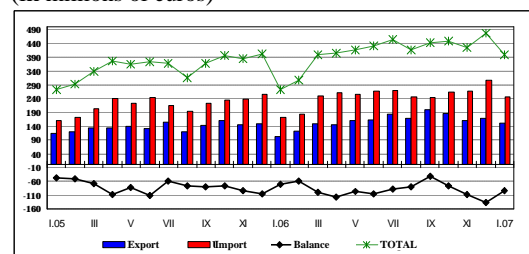
The *foreign trade*<sup>12</sup> of the Republic of Macedonia in January 2007 stands at Euro 398.4 million, which is by 16.5% lower on a monthly basis, given the fall in both trade items, due to seasonal factors. In January 2007, the *export of goods* is valued Euro 152.2 million, which is by 10.1% lower compared to December 2006, owing to the lower export of wearing apparel and textile, oil derivatives and stone, gypsum and cement. On annual basis, the export of goods went up by 49.6%, primarily owing to the higher export of iron and steel and products thereof<sup>13</sup>. In January 2007, the *import of goods* went down by 20% on a monthly basis and is valued at Euro 246.2 million. The fall is due to the lower import of mineral fuels, textile for further processing and electrical machines and appliances. Compared to

<sup>12</sup> Preliminary State Statistical Office data. The export of goods is presented on f.o.b. basis, while the import of goods is presented on c.i.f. basis.

<sup>13</sup> The accelerated activity of a larger metallurgical plant at the end of the preceding year is a large contributor to the higher export.

January 2006, the import of goods surged by 43.4%, with the fastest growth being registered in the iron and steel and products thereof, mineral fuels, ores and vehicles.

Figure 7  
Foreign trade of the Republic of Macedonia  
(in millions of euros)



Source: State Statistical Office.

Having the fall in the imports exceeding the fall in the exports, the trade deficit in January 2007 was valued at Euro 94 million, which is by 32.1% lower relative to December 2006. The export



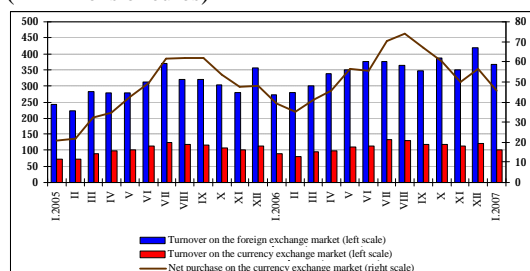


import coverage ratio increased by 6.8 percentage points on a monthly basis, and equals 61.8%. Compared to January 2006, the trade deficit went up by 34.4%.

The total turnover on the *foreign exchange market* in January 2007 was Euro 367.3 million, which is by 12.1% lower compared to the previous month, given the fall in both the supply of and the demand for foreign currency (by 11.8% and 8.3%, respectively). The faster fall in the supply of compared to the demand for foreign currency resulted in a monthly growth of 6.6% in the net sales of foreign currency by the banks to the enterprises. Simultaneously, the NBRM made a net purchase of foreign currency on the foreign exchange market in January 2007, which is by 60% higher on a monthly basis. Notwithstanding the net purchase of the NBRM, the *gross foreign reserves* on January 31, 2007 were valued at Euro 1,395.1 million, which is by Euro 21.6 million less on a monthly basis, due to the outflow of the government deposits used for repayment of the debt to the Paris Club of Creditors.

The turnover on the *currency exchange market* in January 2007 stands at Euro 101.8 million, thus reducing by 15.9% on a monthly basis, having a simultaneous fall in both the supply of and demand for foreign currency (by 16.8% and 13.5%, respectively). The currency exchange market witnessed a net purchase of foreign currency in the amount of Euro 45.7 million, which is an annual growth of 16.5%.

Figure 8  
Movement of the total turnover on the foreign exchange and currency exchange market  
(in millions of euros)

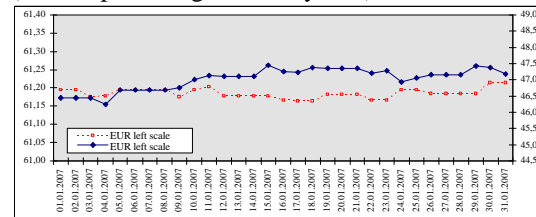


Source: National Bank of the Republic of Macedonia

The exchange rate of the Denar against the Euro on the *foreign exchange market* is stable, and on

January 31, 2007 it equals Denar 61.21 per one Euro. The exchange rate of the Denar against the US Dollar at the end of January 2007 equals Denar 47.19 per one US Dollar, with the Denar registering a monthly depreciation of 1.6% (on January 31, 2006, Denar 46.45 were traded per one US Dollar).

Figure 9  
Daily middle exchange rate of the Denar against the Euro and the US Dollar on the foreign exchange market  
(Denars per foreign currency unit)



Source: National Bank of the Republic of Macedonia.

The foreign debt of the Republic of Macedonia based on long-term credits and loans<sup>2</sup> at the end of January 2007 was valued at Euro 1,734.4 million, which is by Euro 24 million lower compared to the previous month, owing to the larger repayment of debts relative to funds used. In January 2007, Euro 9 million were used, whereas the total settled liabilities equaled Euro 57.2 million (Euro 52.1 million of principal and Euro 5.1 million of interest). Most of the repayments (Euro 45.1 million) are early repayment of a portion of the debt to the Paris Club of Creditors. The total long-term debt of the private sector is valued at Euro 558.3 million, which is a monthly increase of Euro 22.9 million, mainly as a result of the higher share of the non-banking private sector in the debt. The short-term foreign trade debt<sup>14</sup> at the end of January 2007 stands at Euro 69.8 million, which is a monthly fall of 22.7%. Funds worth Euro 12 million were used, and the liabilities repaid amount to Euro 0.2 million. The newly concluded credits in January 2007 amount to Euro 22.3 million, which is solely a private sector debt.

<sup>14</sup> Preliminary NBRM data.



## Appendix

### Developments in Real Sector in the Republic of Macedonia

**Table 1**  
Costs of living and retail prices

	I.2007 XII.2006	I.2007 I.2006	I-I.2007 I-I.2006
	in %		
<b>Consumer prices</b>	<b>0.4</b>	<b>0.8</b>	<b>0.8</b>
Food	0.4	1.1	1.1
Tobacco and beverages	0.0	0.1	0.1
Clothing and footwear	0.2	1.2	1.2
Housing	1.4	4.8	4.8
Flat (rent, water, services)	0.7	-0.7	-0.7
Fuel and lighting	2.2	9.3	9.3
Hygiene and health	-0.1	-0.1	-0.1
Culture and entertainment	1.0	3.5	3.5
Transport and communication services	-0.3	-4.8	-4.8
Restaurants and hotels	0.3	3.3	3.3
Other services n.e.c.	0.1	0.3	0.3
<i>Goods</i>	<i>0.3</i>	<i>1.4</i>	<i>1.4</i>
<i>Services</i>	<i>1.0</i>	<i>-1.2</i>	<i>-1.2</i>
<b>Retail prices</b>	<b>0.1</b>	<b>1.6</b>	<b>1.6</b>
Agricultural products	2.6	0.4	0.4
Non-food industrial products	0.0	2.4	2.4
Industrial food products	-0.4	0.8	0.8
Beverages	0.2	0.5	0.5
<i>Goods</i>	<i>0.1</i>	<i>1.8</i>	<i>1.8</i>
<i>Services</i>	<i>0.2</i>	<i>1.3</i>	<i>1.3</i>

Source: State Statistical Office of the Republic of Macedonia



**Table 2**  
Prices of producers of industrial products\*

	I.2007 XII.2006	I.2007 I.2006
	in %	
<b>Prices of producers of industrial products</b>	<b>-0,2</b>	<b>1,3</b>
Energy	-3,2	-1,6
Intermediary goods (except Energy)	2,2	4,3
Capital goods	0,0	5,9
Durable consumer goods	0,0	2,0
Non durable consumer goods	-0,4	0,5
<i>Mining and quarrying</i>	<i>-0,2</i>	<i>3,0</i>
<i>Manufacturing industry</i>	<i>-0,2</i>	<i>0,3</i>
Manufacture of food products and beverages	1,4	2,1
Manufacture of tobacco products	-0,1	0,7
Manufacture of textiles	0,0	-0,1
Manufacture of wearing apparel; dressing and dyeing of fur	0,6	-1,6
Publishing, printing and reproduction of recorded media	-0,1	-1,1
Manufacture of coke, refined petroleum products and nuclear fuel	-6,6	-10,3
Manufacture of chemicals and chemical products	-0,5	-0,8
Manufacture of rubber and plastic products	-0,1	4,9
Manufacture of other non-metallic mineral products	-0,3	3,2
Manufacture of basic metals	3,2	9,9
Manufacture of fabricated metal products, except machinery and equipment	-0,1	10,4
Manufacture of electrical machinery and apparatus n.e.c.	3,1	8,2
<i>Electricity, gas and water supply</i>	<i>-0,6</i>	<i>8,7</i>

\* Previous data

Source: State Statistical Office of the Republic of Macedonia



**Table 3**  
Industrial output\*

	Structure in %	I.2007 XII.2006	I.2007 I.2006
		in %	
<b>Total</b>	<b>100.0</b>	<b>-23.1</b>	<b>10.6</b>
Energy	<b>18.3</b>	<b>-12.4</b>	<b>-11.6</b>
Intermediate goods, except energy	<b>34.1</b>	<b>-21.2</b>	<b>31.8</b>
Capital products	<b>5.1</b>	<b>-16.6</b>	<b>102.3</b>
Durable consumer goods	<b>2.2</b>	<b>-38.6</b>	<b>53.3</b>
Non-durable consumer goods	<b>40.3</b>	<b>-30.6</b>	<b>3.5</b>
<b>Mining and quarrying</b>	<b>3.9</b>	<b>-15.9</b>	<b>11.7</b>
Mining of coal and lignite; extraction of peat	<b>1.6</b>	-10.1	-13.7
Mining of metal ores	<b>0.7</b>	-5.5	148.7
Other mining and quarrying	<b>1.5</b>	-29.1	-2.0
<b>Manufacturing</b>	<b>83.9</b>	<b>-27.6</b>	<b>16.4</b>
Manufacturing of food products and beverages	16.1	-39.3	4.2
Manufacturing of tobacco products	5.7	-25.5	27.1
Manufacturing of textiles	1.7	-22.9	16.0
Manufacturing of wearing apparel; dressing and dyeing of fur	11.1	-20.4	-3.7
Tanning and dressing of leather; manufacture of luggage, handbags, saddles, harness and footwear	1.5	-16.3	-18.4
Manufacture of wood and products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials	1.2	-18.5	131.7
Manufacture of pulp, paper and paper products	1.1	-34.5	14.8
Publishing, printing and reproduction of recorded media	3.1	-33.0	23.9
Manufacture of coke, refined petroleum products and nuclear fuel	4.5	-43.6	-16.6
Manufacture of chemicals and chemical products	4.6	-21.8	6.5
Manufacture of rubber and plastic products	1.9	-56.9	4.9
Manufacture of other non-metallic mineral products	7.3	-23.8	70.6
Manufacture of basic metals	11.2	-0.7	50.5
Manufacture of fabricated metal products, except machinery and equipment	3.3	-25.2	57.2
Manufacture of machinery and equipment n.e.c.	1.4	-51.6	38.1
Manufacture of electrical machinery and apparatus n.e.c.	3.5	-63.1	-52.5
Manufacture of motor vehicles, trailers and semi- trailers	1.1	-50.7	-15.1
Manufacture of other transport equipment	1.1	36.8	670.4
Manufacture of furniture, manufacturing n.e.c.	2.0	-29.3	10.3
Recycling	0.6	-54.2	14.7
<b>Electricity, gas and water supply</b>	<b>12.2</b>	<b>3.8</b>	<b>-9.8</b>

\* Previous data

Source: State Statistical Office of the Republic of Macedonia



## Monetary developments in the Republic of Macedonia

**Table 4**  
National Bank accounts  
(current exchange rate, in million denar)

	XII.05	I.06	II.06	III.06	IV.06	V.06	VI.06	VII.06	VIII.06	IX.06	X.06	XI.06	XII.06 <sup>1)</sup>	I.07
<b>I. Net Foreign Assets</b>	66282	57130	57297	71907	74145	75454	77256	79385	80535	82064	84044	84909	85116	83884
Assets	69504	60326	60519	75076	77213	78415	80181	82287	83412	84956	86863	87586	87761	86503
Liabilities	3222	3196	3222	3169	3068	2961	2925	2902	2877	2892	2819	2677	2645	2619
<b>II. Net Domestic Assets</b>	-40520	-33763	-32079	-47210	-47978	-48045	-50327	-51711	-53259	-54700	-55701	-55956	-53852	-55452
<b>Credit to banks, net</b>	-8880	-10372	-9612	-8862	-8743	-7504	-6697	-6990	-7357	-7385	-7526	-7982	-9422	-11596
<i>Credit to banks</i>	41	41	41	41	41	41	37	37	37	37	37	37	34	34
Credits extended at auction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repurchased agreement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credits based on securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long - term credits	31	31	31	31	31	31	27	27	27	27	27	27	24	24
Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	10	10	10	10	10	10	10	10	10	10	10	10	10	10
<b>Instruments</b>	-8921	-10413	-9653	-8903	-8784	-7545	-6734	-7027	-7394	-7422	-7563	-8019	-9456	-11630
Auctions of bills	-8921	-10413	-9653	-8903	-8784	-7545	-6734	-7027	-7394	-7422	-7563	-8019	-9456	-11630
<b>Net, Government</b>	-18989	-11024	-10167	-25762	-26157	-27733	-30847	-31396	-33022	-34154	-35140	-34976	-30690	-29827
1. Claims on Government	3290	3290	3290	3290	2983	2983	2983	2983	2983	2983	2983	2983	2267	2267
Use of Fund credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ordinary credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchased Government sec.	1039	1039	1039	1039	1039	1039	1039	1039	1039	1039	1039	1039	1039	1039
Other	2251	2251	2251	2251	1944	1944	1944	1944	1944	1944	1944	1944	1228	1228
2. Government Deposits	-22279	-14314	-13457	-29052	-29140	-30716	-33830	-34379	-36005	-37137	-38123	-37959	-32957	-32094
<b>A) In denar</b>	-6993	-7653	-6860	-8807	-9141	-11104	-14417	-16110	-17528	-18728	-19601	-19600	-15326	-17161
Demand deposits	-6993	-7653	-6860	-8807	-9141	-11104	-14417	-16110	-17528	-18728	-19601	-19600	-15326	-17161
- Budget account	-6562	-7214	-6417	-6965	-5717	-7678	-11342	-11816	-12247	-13656	-14038	-14143	-10303	-12307
- Other budget funds	-431	-439	-443	-1842	-3424	-3426	-3075	-4294	-5281	-5072	-5563	-5457	-5023	-4854
o/w - Government securities for monetary purpose	0	0	0	-1377	-2951	-2951	-2627	-3885	-4870	-4656	-5126	-5010	-4573	-4391
Fund for monetary policy support	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>B) In foreign currency</b>	-15286	-6661	-6597	-20245	-19999	-19612	-19413	-18269	-18477	-18409	-18522	-18359	-17631	-14933
Central Gov.dep.	-15139	-6516	-6450	-20098	-19851	-19468	-19267	-18125	-18333	-18261	-18378	-18213	-17515	-14820
o/w Telecom	0	0	0	0	0	0	0	0	0	0	0	0	0	0
o/w Road fund	-147	-130	-121	-102	-84	-56	-31	-31	-213	-213	-173	-151	-81	-81
Other Government deposits	-147	-145	-147	-147	-148	-144	-146	-144	-144	-148	-144	-146	-116	-113
3. External account	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Other items, net</b>	-12651	-12367	-12300	-12586	-13078	-12808	-12783	-13325	-12880	-13161	-13035	-12998	-13740	-14029
<b>Other assets</b>	5328	5247	5562	5486	5602	5840	5861	5851	5912	5986	5815	5790	5727	5746
<b>Other liabilities</b>	-5368	-4794	-5067	-4983	-5377	-5416	-5460	-5713	-5451	-5850	-5503	-5463	-5732	-5503
o/w Transitory account	-487	-14	-19	-36	-180	-44	-51	-352	-48	-300	-16	-11	-171	-25
<b>Capital account</b>	-11024	-11558	-11505	-11608	-11798	-11750	-11523	-11888	-11656	-11653	-11686	-11699	-11819	-12335
<b>Residual items</b>	-1587	-1262	-1290	-1481	-1505	-1482	-1661	-1575	-1685	-1644	-1661	-1626	-1916	-1937
<b>Reserve money</b>	25762	23367	25218	24697	26167	27409	26929	27674	27276	27364	28343	28953	31264	28432
Currency in circulation	14439	13100	13635	13700	14560	13900	14580	15319	14822	14810	14796	14301	16206	14527
Cash in vaults	1374	1068	1066	980	1052	965	1011	1112	1082	1058	1187	1117	1526	1397
Giro - accounts	9949	9199	10517	10017	10555	12544	11338	11243	11372	11496	12360	13535	13532	12508
o/w Reserve requirement	5323	5417	5413	5505	5572	5657	5662	5767	5875	6006	6115	6244	6373	6462

1) Definite data

Source: National Bank of the Republic of Macedonia



**Table 5**  
**Monetary Survey**  
 (current exchange rate, in million denar)

	XII.05	I.06	II.06	III.06	IV.06	V.06	VI.06	VII.06	VIII.06	IX.06	X.06	XI.06	XII.06 1)	L.07
<b>I. Net Foreign Assets</b>	89738	80776	80899	96611	98526	99218	100288	102625	104646	105619	106406	107529	108042	106455
<i>National Bank</i>	66282	57130	57297	71907	74145	75454	77256	79385	80535	82064	84044	84909	85116	83884
Assets	69504	60326	60519	75076	77213	78415	80181	82287	83412	84956	86863	87586	87761	86503
Liabilities	3222	3196	3222	3169	3068	2961	2925	2902	2877	2892	2819	2677	2645	2619
<i>Deposit Money Banks</i>	23456	23646	23602	24704	24381	23764	23032	23240	24111	23555	22362	22620	22926	22571
Assets	37786	37231	36986	36669	36249	35882	35526	35808	36862	36867	37044	36708	39707	38257
Liabilities	14330	13585	13384	11965	11868	12118	12494	12568	12751	13312	14682	14088	16781	15686
<b>II. Net Domestic Assets</b>	19545	28414	30070	16577	18786	19351	18220	18953	19123	19219	22021	23341	28288	29824
<b>1.Domestic credit</b>	62382	71691	74396	62714	65567	66039	65763	67436	67795	65575	68949	70964	77176	79487
of which: Claims on Gov.	-11791	-3271	-1913	-15747	-14773	-15925	-19421	-19004	-19875	-21017	-21098	-20904	-17184	-16633
a) Deposit Money Banks	81371	82715	84563	88476	91724	93772	96610	98832	100817	99729	104089	105940	107866	109314
-in denar	64186	65363	66730	69847	72349	73937	75954	77766	79303	77855	81572	82726	84368	85822
Government	7118	7672	8175	9930	11297	11722	11340	12300	13021	12998	13902	13937	13377	13067
Credits	7115	7669	8171	9927	11274	11698	11317	12276	12996	12974	13879	13914	13355	13045
a) Budget and Line Ministries	7033	7589	8013	9696	11071	11509	11015	12048	12843	12834	13651	13615	13095	12762
b) Funds	82	80	158	231	203	189	302	228	153	140	228	299	260	283
c) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	3	3	4	3	23	24	23	24	25	24	23	23	22	22
Non Government sector	57068	57691	58555	59917	61052	62215	64614	65466	66282	64857	67670	68789	70991	72755
Credits	51672	52255	53149	54473	55552	56621	58993	59766	60513	60349	63047	64135	66410	68057
of which: Overdue claims	9807	10314	10323	10146	10509	10581	10538	10690	10908	9682	10344	10010	9810	9737
Accrued interest	5396	5436	5406	5444	5500	5594	5621	5700	5769	4508	4623	4654	4581	4698
-in foreign currency	17185	17352	17833	18629	19375	19835	20656	21066	21514	21874	22517	23214	23498	23492
Government	80	81	79	85	87	86	86	92	126	139	140	135	129	127
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Government sector	17105	17271	17754	18544	19288	19749	20570	20974	21388	21735	22377	23079	23369	23365
of which: Overdue	1748	1753	1587	1444	1476	1534	1693	1806	1723	1532	1717	1651	1650	1625
b) Nat. Bank Claims on Government	-18989	-11024	-10167	-25762	-26157	-27733	-30847	-31396	-33022	-34154	-35140	-34976	-30690	-29827
<b>2.Other items, net</b>	-42837	-43277	-44326	-46137	-46781	-46688	-47543	-48483	-48672	-46356	-46928	-47623	-48888	-49663
of which: Claims on Gov.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
for frozen f.c. deposits	-5399	-5439	-5410	-5447	-5523	-5618	-5644	-5724	-5794	-4532	-4646	-4677	-4603	-4720
Accrued interest	-37438	-37838	-38916	-40690	-41258	-41070	-41899	-42759	-42878	-41824	-42282	-42946	-44285	-44943
Others														



Monetary Survey (continuous)  
(current exchange rate, in million denar)

	XII.05	I.06	II.06	III.06	IV.06	V.06	VI.06	VII.06	VIII.06	IX.06	X.06	XI.06	XII.06 1)	I.07
<b>M4Total</b>	109283	109190	110969	113188	117312	118569	118508	121578	123769	124838	128427	130870	136330	136279
<b>M4 (nonGovernment)</b>	108174	108320	109999	111912	116049	117406	117333	120461	122719	123869	127460	129875	135131	135262
<b>M1(Total)</b>	30034	27933	28900	28431	29906	29954	31201	32503	32197	32419	32972	32416	35436	33102
<b>M1 (nonGovernment)</b>	29663	27699	28596	27962	29459	29584	30768	32151	31905	32090	32587	32014	34747	32583
<b>Currency in Circulation</b>	14439	13100	13635	13700	14560	13900	14580	15319	14822	14810	14796	14301	16206	14527
<b>Demand deposits(total)</b>	15595	14833	15265	14731	15346	16054	16621	17184	17375	17609	18176	18115	19230	18575
<b>Demand deposits(NonGov.)</b>	15224	14599	14961	14262	14899	15684	16188	16832	17083	17280	17791	17713	18541	18056
Deposit Money Banks	15577	14752	15183	14519	15241	15940	16509	17072	17215	17482	17980	18046	19207	18479
NonGov. Demand deposits	15206	14518	14879	14050	14794	15570	16076	16720	16923	17153	17595	17644	18518	17960
Government Demand deposits	371	234	304	469	447	370	433	352	292	329	385	402	689	519
a) Budget and Line Ministries	236	55	91	132	145	73	158	98	84	92	156	194	551	234
b) Funds	135	179	213	323	302	297	275	253	207	236	228	207	138	284
c) Ins. of C.Gov.: Courts, etc.	0	0	0	14	0	0	0	1	1	1	1	1	0	1
Nation. Bank NonGov.Demand dep.	18	81	82	212	105	114	112	112	160	127	196	69	23	96
<b>M2 (Total)</b>	104195	104065	105734	107835	111559	113044	112772	115974	117823	118872	122265	124212	129644	129731
<b>M2 (nonGovernment)</b>	103134	103243	104812	106607	110344	111929	111645	114906	116822	117952	121347	123266	128494	128763
<b>Quasi money (Total)</b>	74161	76132	76834	79404	81653	83090	81571	83471	85626	86453	89293	91796	94208	96629
<b>Quasi money (non Government)</b>	73471	75544	76216	78645	80885	82345	80877	82755	84917	85862	88760	91252	93747	96180
Deposit Money banks	74161	76132	76834	79404	81653	83090	81571	83471	85626	86453	89293	91796	94208	96629
Non Government sector	73471	75544	76216	78645	80885	82345	80877	82755	84917	85862	88760	91252	93747	96180
Denar	24364	25614	26237	27889	29563	30864	28062	29059	30305	30638	32915	34331	36317	37295
Foreign currency	49107	49930	49979	50756	51322	51481	52815	53696	54612	55224	55845	56921	57430	58885
Government deposits	690	588	618	759	768	745	694	716	709	591	533	544	461	449
Denar	689	587	616	759	768	745	694	715	708	590	533	544	460	448
Foreign currency	1	1	2	0	0	0	0	1	1	1	0	0	1	1
NBM quasi deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Nonmonetary Deposits (Total)</b>	5088	5125	5235	5353	5753	5525	5736	5604	5946	5966	6162	6658	6686	6548
Denar nonm. deposits (total)	3105	3159	3184	3171	3305	3321	3303	3305	3327	3292	3367	3672	3678	3641
F.C. nonm. deposits (total)	1983	1966	2051	2182	2448	2204	2433	2299	2619	2674	2795	2986	3008	2907
<b>Nonmonetary Deposits (nonGov.)</b>	5040	5077	5187	5305	5705	5477	5688	5555	5897	5917	6113	6609	6637	6499
Denar nonm. dep.(nonG)	3057	3111	3136	3123	3257	3273	3255	3256	3278	3243	3318	3623	3629	3592
F.C. nonm. dep (nonG)	1983	1966	2051	2182	2448	2204	2433	2299	2619	2674	2795	2986	3008	2907
-Deposit Money Banks	5088	5125	5235	5353	5753	5525	5736	5604	5946	5966	6162	6658	6686	6548
Denar nonGov. nonmonetary dep.	3057	3111	3136	3123	3257	3273	3255	3256	3278	3243	3318	3623	3629	3592
F. C. nonGov. nonmon. dep.	1983	1966	2051	2182	2448	2204	2433	2299	2619	2674	2795	2986	3008	2907
Denar Gov. nonmon. deposits	48	48	48	48	48	48	48	49	49	49	49	49	49	49
F. C. Gov. nonmon. deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-NBM NonGov. nonm. deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Denar	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Deposits</b>	94844	96090	97334	99488	102752	104669	103928	106259	108947	110028	113631	116569	120124	121752
<b>Total Deposits (nonGov.)</b>	93735	95220	96364	98212	101489	103506	102753	105142	107897	109059	112664	115574	118925	120735

1) Definite data

Source: National Bank of the Republic of Macedonia

**Table 6**  
Total deposits of the non-government sector

	31.07.2007	monthly changes		annual changes		structure
	in Denar million	in Denar million	in %	in Denar million	in %	in %
<b>Total deposits</b>	<b>102.679</b>	<b>2.295</b>	<b>2,3</b>	<b>22.058</b>	<b>27,4</b>	<b>100,0</b>
<b>1. According to maturity</b>						
- short-term	<b>96.180</b>	<b>2.434</b>	<b>2,6</b>	<b>20.636</b>	<b>27,3</b>	<b>93,7</b>
- long-term	<b>6.499</b>	<b>-139</b>	<b>-2,1</b>	<b>1.422</b>	<b>28,0</b>	<b>6,3</b>
<b>2. According to currency of denomination</b>						
- In denar	<b>40.887</b>	<b>941</b>	<b>2,4</b>	<b>12.162</b>	<b>42,3</b>	<b>39,8</b>
- In foreign currency	<b>61.792</b>	<b>1.354</b>	<b>2,2</b>	<b>9.896</b>	<b>19,1</b>	<b>60,2</b>

Source: National Bank of the Republic of Macedonia





**Table 7**  
Households and enterprises deposits

	structure in %	31.01.2007 in Denar million	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
<b>Total households deposits</b>	<b>100,0</b>	<b>69.190</b>	<b>1.838</b>	<b>2,7</b>	<b>13.790</b>	<b>24,9</b>
<b>1. According to maturity</b>						
- short-term	94,3	65.226	1.768	2,8	12.652	24,1
- long-term	5,7	3.964	70	1,8	1.138	40,3
<b>2. According to currency of denomination</b>						
- In denar	33,9	23.443	997	4,4	8.062	52,4
- In foreign currency	66,1	45.747	841	1,9	5.728	14,3
<b>Total enterprises deposits</b>	<b>100,0</b>	<b>31.221</b>	<b>447</b>	<b>1,5</b>	<b>7.843</b>	<b>33,5</b>
<b>1. According to maturity</b>						
- short-term	96,4	30.087	649	2,2	7.999	36,2
- long-term	3,6	1.134	-202	-15,1	-156	-12,1
<b>2. According to currency of denomination</b>						
- In denar	49,5	15.451	-64	-0,4	3.720	31,7
- In foreign currency	50,5	15.770	511	3,3	4.123	35,4

Source: National Bank of the Republic of Macedonia

**Table 8**  
Demand deposits of households and enterprises

	31.01.2007 in Denar million	monthly changes		annual changes	
		in Denar million	in %	in Denar million	in %
<b>Demand deposits</b>	<b>18.056</b>	<b>-471</b>	<b>-2,5</b>	<b>3.457</b>	<b>23,7</b>
- Demand deposits of households	3.702	85	2,3	950	33,5
- Demand deposits of enterprises	12.342	-509	-4,0	2.627	27,0

Source: National Bank of the Republic of Macedonia


**Table 9**

Placements to households and enterprises

	31.01.2007	monthly changes		annual changes	
	in Denar million	in Denar million	in %	in Denar million	in %
<b>Total placements</b>	<b>91.422</b>	<b>1.642</b>	<b>1,8</b>	<b>21.896</b>	<b>31,5</b>
<i>Denar placements</i>	<b>68.057</b>	<b>1.644</b>	<b>2,5</b>	<b>15.802</b>	<b>30,2</b>
<i>of which:</i>					
- enterprises	<b>37.850</b>	<b>689</b>	<b>1,9</b>	<b>6.809</b>	<b>21,9</b>
- households	<b>30.106</b>	<b>957</b>	<b>3,3</b>	<b>8.984</b>	<b>42,5</b>
<i>Foreign currency placements</i>	<b>23.365</b>	<b>-2</b>	<b>0,0</b>	<b>6.094</b>	<b>35,3</b>
<i>of which:</i>					
- enterprises	<b>21.650</b>	<b>-9</b>	<b>0,0</b>	<b>5.178</b>	<b>31,4</b>
- households	<b>1.714</b>	<b>8</b>	<b>0,5</b>	<b>924</b>	<b>2,2 times</b>

Source: National Bank of the Republic of Macedonia

**Table 10**

Maturity and sector structure of Denar and foreign currency placements

	Share on 31.01.2007 (in %)	Monthly change (in percentage points)	Annual change (in percentage points)
<b>Denar placements</b>	<b>100,0</b>		
maturity structure			
- short-term	<b>46,4</b>	<b>0,2</b>	<b>-5,4</b>
- long-term	<b>53,6</b>	<b>-0,2</b>	<b>5,4</b>
structure by sectors			
- enterprises	<b>55,6</b>	<b>-0,4</b>	<b>-3,8</b>
- households	<b>44,2</b>	<b>0,3</b>	<b>3,8</b>
- other	<b>0,1</b>	<b>-0,1</b>	<b>0,0</b>
<b>Foreign currency placements</b>	<b>100,0</b>	<b>0,0</b>	<b>0,0</b>
maturity structure			
- short-term	<b>25,0</b>	<b>0,2</b>	<b>-1,3</b>
- long-term	<b>75,0</b>	<b>-0,2</b>	<b>1,3</b>
structure by sectors			
- enterprises	<b>92,7</b>	<b>0,0</b>	<b>-2,7</b>
- households	<b>7,3</b>	<b>0,0</b>	<b>2,8</b>
- other	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>

Source: National Bank of the Republic of Macedonia



**Table 11**  
Interest rates

	January, 2007	Monthly changes	Annual changes
	in %	in percentage points	
Average weighted interest rate on the CB bills auctions (28 days)	5,7	0,0	-1,6
Average weighted interest rate on the Money Market*	4,8	-0,1	-2,3
Banks' weighted lending interest rates	10,7	0,0	-1,3
Banks' weighted deposit interest rates	4,5	0,1	-0,9

Source: National Bank of the Republic of Macedonia and Money and Short-term Securities Market

\* Pertains to the official Money Market and the bilateral trading between banks.

**Table 12**  
Auctions of Treasury bills

	Supply	Demand	Realized	Weighted interest rate
	in Denar million			in %
<b>Treasury bills auctions, 3 month</b>				
09.01.2007	1,150.0	887.4	887.4	6.42
23.01.2007	1,200.0	1,343.0	1,200.0	6.57
<b>Treasury bills auctions, 6 month</b>				
09.01.2007	400.0	674.4	400.0	6.76
<b>Treasury bills auctions, 12 month</b>				
23.01.2007	300.0	128.3	128.3	8.79

Source: Ministry of finance

## Foreign Trade and Foreign Exchange Developments in the Republic of Macedonia

**Table 13**  
Foreign trade of the Republic of Macedonia  
(in EURO million)

	I.2007	I.2007 XII.2006		I.2007 I.2006	
	amount	amount	%	amount	%
<b>Foreign trade</b>	<b>398,4</b>	<b>-78,5</b>	<b>-16,5</b>	<b>124,9</b>	<b>45,7</b>
Exports	152,2	-17,1	-10,1	50,4	49,6
Imports	246,2	-61,5	-20,0	74,5	43,4
<b>Balance</b>	<b>-94,0</b>	<b>44,4</b>	<b>-32,1</b>	<b>-24,1</b>	<b>34,4</b>

Source: State Statistical Office of the Republic of Macedonia.


**Table 14**

Ten most important trading partners of the Republic of Macedonia, January, 2007  
(in EURO million)

	Foreign trade	Share	Exports	Share	Imports	Share	Import- export coverage ratio
	amount	%	amount	%	amount	%	%
<b>Republic of MACEDONIA</b>	<b>398,4</b>	<b>100,0</b>	<b>152,2</b>	<b>100,0</b>	<b>246,2</b>	<b>100,0</b>	<b>61,8</b>
<i>out of which:</i>							
Germany	49,0	12,3	24,6	16,1	24,5	9,9	100,4
Serbia and Montenegro	46,3	11,6	27,2	17,9	19,1	7,8	142,1
Russia	38,3	9,6	1,1	0,7	37,2	15,1	2,9
Greece	32,9	8,3	18,1	11,9	14,8	6,0	122,6
Italy	32,4	8,1	19,6	12,9	12,8	5,2	153,0
Bulgaria	19,9	5,0	8,4	5,5	11,5	4,7	72,8
Spain	13,3	3,3	10,5	6,9	2,8	1,1	372,3
Croatia	12,9	3,2	7,7	5,1	5,2	2,1	149,0
Romania	12,4	3,1	1,1	0,7	11,2	4,6	10,0
Slovenia	10,4	2,6	3,3	2,2	7,2	2,9	45,7
<b>Total (10 largest trading partners)</b>	<b>267,8</b>	<b>67,2</b>	<b>121,5</b>	<b>79,9</b>	<b>146,3</b>	<b>59,4</b>	<b>83,1</b>

Source: State Statistical Office of the Republic of Macedonia.

**Table 15**

External long-term debt of the Republic of Macedonia, used credits and paid liabilities  
(in EURO million)

	External debt		Credits used		Paid liabilities	
	31.12.2006	31.01.2007	XII 2006	I 2007	XII 2006	I 2007
<b>Long-term debt</b>	<b>1.758,4</b>	<b>1.734,4</b>	<b>45,6</b>	<b>9,0</b>	<b>27,6</b>	<b>57,2</b>
<b>Public sector</b>	<b>1.223,0</b>	<b>1.176,1</b>	<b>5,7</b>	<b>0,8</b>	<b>15,7</b>	<b>53,5</b>
Official creditors	987,8	944,3	5,7	0,8	8,0	50,9
Multilateral creditors	837,7	837,0	4,2	0,7	6,6	5,1
Bilateral creditors	150,1	107,3	1,4	0,2	1,4	45,9
Private creditors	235,2	231,8	0,0	0,0	7,7	2,6
Eurobonds	150,0	150,0	0,0	0,0	6,9	0,0
Other private creditors	85,2	81,8	0,0	0,0	0,7	2,6
<b>Other private creditors</b>	<b>535,4</b>	<b>558,3</b>	<b>40,0</b>	<b>8,2</b>	<b>11,9</b>	<b>3,7</b>
Private sector	137,0	141,9	25,3	5,2	5,0	0,2
Private banks	398,4	416,4	14,6	3,0	6,9	3,5
<b>Short-term debt</b>	<b>90,2</b>	<b>69,8</b>	<b>6,1</b>	<b>12,0</b>	<b>1,0</b>	<b>0,1</b>
<b>Public sector</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
<b>Privaten sektor</b>	<b>90,2</b>	<b>69,8</b>	<b>6,1</b>	<b>12,0</b>	<b>1,0</b>	<b>0,1</b>
Private banks	1,6	11,4	0,0	9,8	0,0	0,0
Non-banking private sector	88,7	58,4	6,1	2,2	1,0	0,1
<b>TOTAL</b>	<b>1.848,7</b>	<b>1.804,2</b>	<b>51,7</b>	<b>21,0</b>	<b>28,6</b>	<b>57,4</b>

Source: National Bank of the Republic of Macedonia

**National Bank of the Republic of Macedonia Balance sheet****Table 16**

NBRM Balance sheet on 31.01.2007

(in million Denars)

<b>Assets</b>	<b>Amount</b>	<b>Liabilities</b>	<b>Amount</b>
Foreign assets	<b>86,503</b>	Reserve money	<b>21,970</b>
Claims on Government	<b>2,854</b>	NBRM instruments	<b>11,630</b>
Claims on banks and other financial institutions	<b>1,354</b>	Restricted deposits	<b>416</b>
Other assets	<b>4,428</b>	Foreign liabilities	<b>2,619</b>
		Government deposits	<b>34,303</b>
		Capital accounts	<b>12,335</b>
		Other liabilities	<b>11,866</b>
<b>Total</b>	<b>95,139</b>	<b>Total</b>	<b>95,139</b>

Source: National Bank of the Republic of Macedonia