

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



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

- ❖ *On October 1, according to the decision of the Regulatory Energy Committee, the refinery and retail prices of oil derivatives increased on average by 0.67% and 0.54%, respectively ("Official Gazette of RM" No. 117/2007), while according to the decision dated October 15, 2007, they went down on average by 0.57% and 0.37%, respectively ("Official Gazette of RM", No. 125/2007), and on October 29, the Regulatory Energy Committee adopted a decision on increasing the refinery and retail prices of oil derivatives by 6.10% and 4.20%, on average ("Official Gazette of RM" No. 131/2007) in conformity with the movement of the prices of crude oil and oil derivatives on the international market.*
- ❖ *On October 1, a conference on the subject of the "EU Funds - possibilities and perspectives" organized by the weekly newspaper "Capital" in partnership with the European Commission Delegation was held in Skopje, for the purpose of explaining the essence and the objectives of the new pre accession assistance to the candidate countries for membership to the European Union (IPA), as well as demonstrating the procedure for obtaining and utilization of funds.*
- ❖ *On October 1, the price of the tickets in the railway traffic decreased in line with the value added tax from 18% to 5%.*
- ❖ *On October 3, an Agreement for consultant services between the Ministry of Finance of the Republic of Macedonia and the British "Crown Agents" consulting company was signed, for the purpose of preparation of a project aimed at improving the efficiency and enhancing the institutional capacity of the Customs Service of the Republic of Macedonia, that will be implemented during the following two years and it amounts to Euro 7.6 million.*
- ❖ *On October 18, an agreement for joining of the Republic of Macedonia to the EU Competition and Innovation Program was signed in Brussels, thus, together with Croatia, becoming the first non-EU country included in the this Program.*
- ❖ *On October 18, the Energy Agency of the Republic of Macedonia was promoted, the establisher of which is the Ministry of Economy in conformity with the Law on Energy and the Law on Founding an Energy Agency adopted in 2005. The Agency has been established for the purpose of reforming the energy sector, as a part of the requirements of Macedonia towards the European Union.*
- ❖ *On October 25, the "Implek" company from Belgrade, a member of the "Danube foods" group, became a dominant owner of the Bitola dairy by purchasing the majority set of shares, i.e. 74.5% of the total number of shares from the IMB - Bitola. .*
- ❖ *On October 29, the "Toranica" mine restarted after a six year closure, after it had been taken under concession by the "Indominerali i metali" company, with 500 miners planning to be gradually engaged.*
- ❖ *On October 30, with the opening of the international forum on the subject of "Renewable energy sources and energy efficiency - municipalities and consumers" the "Energy week - Macedonia 2007" commenced, under the auspices of City of Skopje, the Ministry of Economy, the Ministry of Macedonia for Environment Physical Planning, the European Commission Delegation in Macedonia, Energy Agency of the Republic of Macedonia, Primary Education Project of USAID and the Association of the Units of Local Self-government of the Republic of Macedonia (ZELS).*
- ❖ *On October 30, the Republic of Macedonia signed two agreements with the European Union on the subject of utilization of the Instrument for Pre accession Assistance (IPA). The first agreement, in the amount of Euro 12 million, is financial one and it is aimed at transition assistance and institutional upgrading, and it refers to the so-called rapid program, which covers the projects such as the Police Reforms and the Programs Preparation Support. The second agreement is framework*



one, and it refers to the cooperation rules relating to the EU financial assistance within the implementation of the assistance according to IPA, and it defines the rules for utilization of finances from the funds in the following seven years, as well as the manners of reporting of Macedonia to the European Commission.



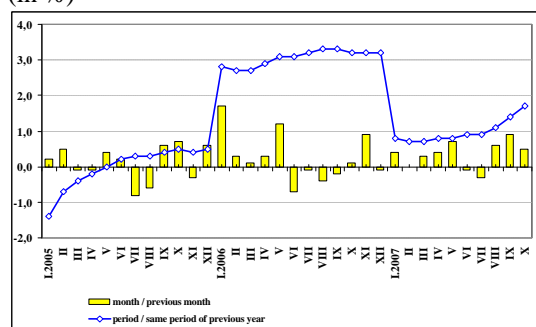
*New regulations:*

- *Decision on amending the Budget of the Republic of Macedonia for 2007 ("Official Gazette of RM" No. 121/2007);*
- *Decision on amending the Law on Payment of Wages in the Republic of Macedonia ("Official Gazette of RM" No. 121/2007);*
- *Decision on interim implementation of the Protocol of the Stabilization and Association Agreement between the Republic of Macedonia, from one, and the European communities and their member-states, from the other hand, for the purpose of taking the joining of the Republic of Bulgaria and Romania to the European Union into consideration ("Official Gazette of RM", No. 122/2007);*
- *Project for Stimulating the Agriculture Development in 2007("Official Gazette of RM", No. 125/2007);*
- *Program for amending the Project for stimulating and development of the organic agricultural production in 2007 ("Official Gazette of RM", No. 125/2007);*
- *Program for amending the Project for financing the activities in the primary tobacco production in 2007 ("Official Gazette of RM", No. 125/2007).*
- *Program for amending the Rural Development Project for 2007("Official Gazette of RM", No. 125/2007);*
- *Decision on revoking the import taxes for wheat ("Official Gazette of RM", No. 126/2007);*
- *Decision on amending the Decision on determining the goods and the services subjected to the privileged rate of the value added tax ("Official Gazette of RM", No. 126/2007);*
- *Decision on amending the Decision on average price of production, distribution and supply of heating energy for regulated period of "Toplifkacija" AD - Skopje ("Official Gazette of RM", No. 127/2007);*
- *Book of rules for the basic elements of the financial management and control and standards for the internal control in the public sector ("Official Gazette of RM", No. 130/2007);*
- *Decision on approving the Price list - tariff for delivery of heating energy to the tariff consumers of "Toplifkacija" AD - Skopje, for the period from October 01 to December 31, 2007("Official Gazette of RM", No. 132/2007).*

## I. Real sector development

In October 2007, the inflation rate registered an increase of 0.5% on a monthly basis, which is completely determined by the rise of the prices in the "food" category (of 1.5%). The increase in the prices of food is a reflection of the continuing negative influence of the dry period to the agricultural production. The analysis of this category shows that the inflation pressure mainly originates from the increase in the prices of grain products (due to the rise in the price of bread and baked goods), raw fruit and both, unprocessed and processed milk, and raw vegetables. The remaining categories of the inflation index registered divergent movements, with a growth in the prices of fuels being registered (increase of 4.8% from September 17, and of 0.5% from October 1, 2007)<sup>1</sup>, the prices of footwear and catering services, while the prices of transport and telecommunication services, as well as the prices of medicines<sup>2</sup>, took opposite turn.

Figure 1  
Consumer prices  
(in %)



Source: National Bank of the Republic of Macedonia

Analyzed on annual basis, the level of the consumer prices went up by 3.9% in October 2007, in environment of significant change with the prices of food, which register enhanced increase (of 8.2%), thus reflecting the higher prices of raw vegetables, grain products and vegetable oils. The average inflation rate continued intensifying (for additional 0.3 p.p. in October) and in the January - October 2007 period it reached 1.7%, conditioned by the increase in the general level of consumer prices on both monthly and annual basis. The average inflation rate is still influenced by the higher prices of food, electricity and heating energy, the means for education and catering services, in

environment of continuous deflation influence of the lower prices of telecommunication services and fuels.

From the aspect of disaggregating of the prices of the producers of industrial products index<sup>3</sup>, according to the phases of the production cycle, the monthly increase in the index of 0.4% (in October compared to September 2007), is determined, to large extent, by the higher prices in the primary production (of energy by 2.1%), as well as the intermediary production (by 0.6%). Also, the final production, i.e. the capital goods and durable consumption goods by one, and non-durable products from the other hand, registered unchanged price levels, i.e. slight decrease in the prices, respectively. However, it can be expected that the increase in the prices in the primary production in this period, can reflect as inflation pressures in the following period also in form of inflation pressures in higher stages of the production cycle.

Disaggregating of the index from the aspect of the National classification of activities enables monitoring of the short-term price pressures the individual industries of the economy face with. Consequently, within the manufacturing industry (monthly price growth of 0.2%), the most evident increase in the prices was registered with the producers of coke and oil derivatives (of 2%), while the water, gas and electricity supply became more expensive by 2.3%. The production prices in mining sector went down by 1%.

Annually, the prices of the producers of industrial products increased by 3.3% in October, which is the highest growth rate since the beginning of the year, mostly as a result of the rise of 3% of the prices of production in the manufacturing industry, which comprises 87.7% of the output of all industrial sector. The intensive increase in the prices on annual basis resulted in moderate intensification of the cumulative growth rate of the production prices, which in the January - October 2007 period reached 1%. On cumulative basis, the inflation was greatly influenced by the higher prices of energy (due to the higher price of electricity and heating energy), food products and beverages, as well as the basic metals, while the prices of the domestic production of oil derivatives are still lower than the previous year.

<sup>1</sup> Source: Regulatory Energy Committee.

<sup>2</sup> It is due to the decrease in the value added tax on medicines, medical and orthopedic aids from 18% to 5%.

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

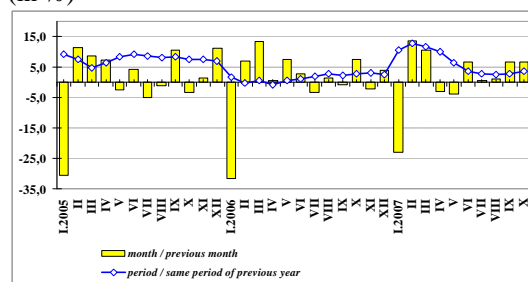


In October, *the total volume of the industrial output*<sup>4</sup> went up by 6.7% compared to September, which is mostly due to the increase in the manufacturing industry (5.4%) in terms of a growth in the 12 industries creating 57% of the industrial output. The electrical machines industry registered the most significant increase, the volume of which in October is larger by almost twice than that in September, as well as the metal manufacturing industry, which is a monthly increase of 22%. There is a significant increase in both food and basic metal industry, while reduced production was evidenced in clothing and building materials industries. Simultaneously, also the effect in the two remaining components of the industrial output - mining and energy sector, is positive. The extraction industry registers a monthly increase of 2.3%, while that in the energy sector, by remarkable 23.8%, which is due to the start of the heating period.

Parallel to the positive monthly growth rate, in October the industrial output also records an increase on an annual basis of 10.5%. In environment of a decline in mining and energy sector, the increase is determined by the manufacturing industry, primarily by the metal manufacturing and basic metals industry, with the cumulative growth rate of the manufacturing industry and the total industrial output reaching 5.4% and 3.6%, respectively. The main branch responsible for the cumulative increase is the metal industry which grows by rate of 36% (a contribution of 4 percentage points in the total

growth), with the similar growth rate being also registered by the metal manufacturing industry (the contribution of which for the average increase is 1.4 percentage points). Both food and the building materials industry register solid increase (7.3% and 7.8%, respectively), having a significant contribution to the total increase, as branches with high participation. Among the industries registering negative changes, the most significant decline is one registered with the clothing industry (14.1%), with the negative trends with the tobacco industry, which has lower cumulative production compared to 2006 by 8.2%, being also significant. Generally, the production volume in the first ten months of 2007 compared to the same period of 2006 is higher in half of the industries, comprising 58.9% of the manufacturing industry. The cumulative increase in mining reached 12.8%, given the growth with metal ore of 80%. On the other hand, the decline in the energy sector, still having the most evident negative influence on the volume of the industrial output, is less intensive and it equals 12.7%.

Figure 2  
Industrial output  
(in %)



Source: State Statistical Office

<sup>4</sup> Preliminary data of the SSO.

## II. Monetary developments

At the end of October 2007, *the reserve money*<sup>5</sup> totaled Denar 26,639 million, which is an increase of 5.3% on a monthly basis, as a result of the rise in the *banks' total liquid funds*<sup>6</sup>, given the reduced demand for *currency in circulation*.

In October the *foreign exchange transactions of the NBRM* were dominant flow of liquidity creation in the banking system (realized net purchase of foreign exchange on the foreign exchange market), which was partially sterilized through *the monetary instruments* (increase in the

level of CB bills, given the simultaneous drop in the Treasury bills for monetary purposes). Also the *government Denar deposits with the NBRM* contributed to the liquidity withdrawal. In October 2007, the banks allocated 9.1% above the reserve requirement (in Denars)<sup>7</sup>, which is an increase of 4.1 percentage point, compared to the previous calculation period.

<sup>5</sup> The analysis pertains to the government Denar deposits with the NBRM without the Treasury bills for monetary purposes

<sup>6</sup> It includes banks' account with the NBRM and the banks' cash in vault

<sup>7</sup> The period for maintaining (fulfilling) the banks' reserve requirement covers the 11th day of the current month to the 10th day of the following month. The excess pertains to the allocated funds on the banks' account with the NBRM over the reserve requirement



Table 1  
Flows of liquidity creation and withdrawal\*  
(in millions of Denars)

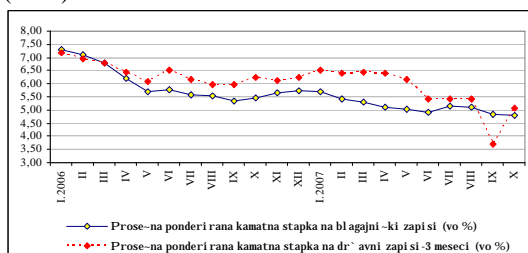
	30.09.2007	31.10.2007	31.10.2007/30.09.2007
	in millions of denars		changes in millions of denars
<b>Banks' liquidity (banks' accounts with NBRM)</b>	<b>6.790</b>	<b>8.344</b>	<b>1.554</b>
<b>Liquidity creation</b>			<b>1.987</b>
1. Net foreign assets	94.209	95.977	1.768
2. Banks' cash in vaults	1.768	1.720	48
3. Currency in circulation	16.746	16.575	171
<b>Liquidity withdrawal</b>			<b>-433</b>
1. Net domestic assets	-68.905	-69.338	-433
of which:			
Government Denar deposits with NBRM <sup>1)</sup>	-19.816	-19.994	-178
CB bills	-16.339	-17.786	-1.447
Treasury bills for monetary policy purposes	-6.312	-5.409	903
Other items, net	-22.665	-22.970	-305

<sup>1)</sup> Treasury bills for monetary purposes are excluded.

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

On the CB bills auctions held in October 2007, average weighted interest rate of 4.78% was realized (4.83% in September 2007), while the average weighted interest rate of the Treasury bills (with three-month maturity) went up by 1.4 percentage points on a monthly basis, and in October it equals 5.06%<sup>8</sup>.

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



Source: NBRM and the Ministry of Finance

In October 2007, the most narrow monetary aggregate M1 registered negative monthly change (decline of 2%), influenced by the lower demand for cash (by 1% on a monthly basis) and the decrease in the transaction deposits (of 2.7%). On the other hand, in terms of continuous increase in the total deposit potential of the banks, the broad monetary aggregates M2 and M4 augmented by 1% and 0.9%, respectively on a monthly basis. Annually (October 2007 / October 2006), the broad monetary aggregates M2 and M4 surged by 26% and 27.4%, respectively.

<sup>8</sup> The intensive monthly increase in the interest rate of the Treasury bills with three-month maturity is partially due to the changes in the conditions for trading with Treasury bills. Namely, in October 2007, the Ministry of Finance revoked the maximal interest rates and it introduced the speculative percentage point, which was set at the level of 0.02.

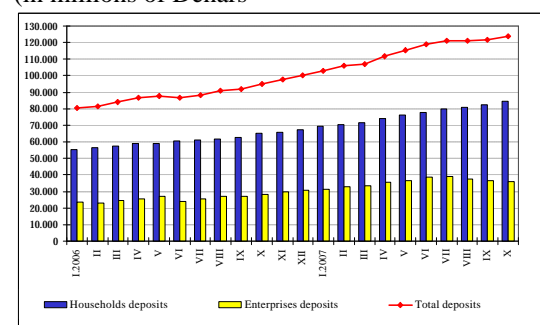
Table 2  
Monetary aggregates and their components  
(in millions of Denars)

	31.10.2007	Monthly change	Annual change
		in %	in %
Currency in circulation	16.575	-1,0	12,0
Demand deposits	21.991	-2,7	23,6
<b>Monetary aggregate M1</b>	<b>38.566</b>	<b>-2,0</b>	<b>18,3</b>
Short-term Denar deposits	52.787	5,5	60,4
<b>Monetary aggregate M2-Denar component</b>	<b>91.353</b>	<b>2,2</b>	<b>39,5</b>
Short-term foreign exchange deposits	61.546	-0,8	10,2
<b>Monetary aggregate M2</b>	<b>152.899</b>	<b>1,0</b>	<b>26,0</b>
Non-monetary deposits	9.435	0,3	54,3
-Denar	5.124	-6,8	54,4
-foreign exchange	4.311	10,2	54,2
<b>Monetary aggregate M4</b>	<b>162.334</b>	<b>0,9</b>	<b>27,4</b>

Source: National Bank of the Republic of Macedonia

At the end of October 2007, compared to the previous month, the total deposit potential<sup>9</sup> registered monthly increase of Denar 2.255 million, or 1.9%. From the aspect of the currency structure, the registered growth is completely a result of the positive change in the Denar deposits (of 4.3%), while from the aspect of maturity, the dominant contribution to the monthly increase in the total deposits accounts for the short-term time deposits. The analysis of the sector structure of the total deposits indicates an intensive monthly increase in the households' deposits of 2.9% (partially as a reflection of the payment of the regular instalment of the foreign exchange savings bonds), given the simultaneous decline in the deposits of the corporate sector. The annual growth rate of the total deposits of the private sector equals 30.5% in October 2007.

Figure 4  
Deposit dynamics  
(in millions of Denars)



Source: National Bank of the Republic of Macedonia

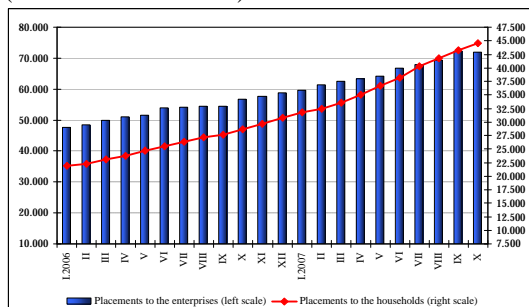
In October 2007, the total banks' placements with the private sector registered monthly increase of Denar 1,243 million, or 1.1%, as a reflection of the augmented lending on a long-term basis and in domestic currency.<sup>10</sup> Namely, decline in the short-

<sup>9</sup> Since October 2007, the data on the total deposits and credits of banks exclude Makedonska banka AD Skopje, at which on the October 16, 2007 the NBRM revoked the founding and operating license of a bank.

<sup>10</sup> It includes also the foreign exchange indexed loans

term Denar and foreign exchange loans to enterprises was registered during the month, which led to a decrease in the total short-term and in the total foreign exchange placements. In such conditions, the loans to the enterprises registered moderate monthly drop of 0.2%, given simultaneous increase in the placements to households of 3.2% on a monthly basis. Annually, (October 2007 / October 2006), the total banks' placements to the private sector surged by 37%.

Figure 5  
Bank placements by sectors  
(in millions of Denars)

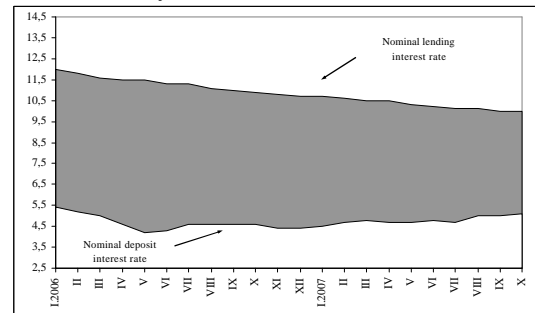


Source: The National Bank of the Republic of Macedonia

In October 2007, no significant changes within the banks' interest rate policy domain were registered. Thus the average weighted interest rate on the Denar loans for all maturities and sectors preserved the level registered in the previous month, and in October 2007 it equals 10%, while

the average weighted interest rate on Denar deposits for all maturities and sectors equaled 5.1% (5% in the previous month).

Figure 6  
Banks' weighted interest rates and spreads\*  
(in %, annually)



Source: National Bank of the Republic of Macedonia

\*Pertain to Denar loans and deposits for all maturities and sectors, with the foreign exchange indexed loans also being included

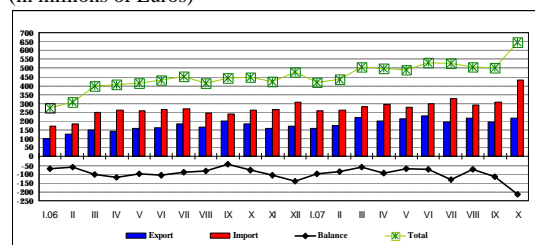
In October 2007, the average weighted interest rates on the foreign currency credits and deposits for all maturities, sectors and currencies equals 8.5% (8.6% in the preceding month), while the average weighted interest rate on foreign currency deposits for all maturities, sectors and currencies augmented by 0.1 percentage point on a monthly basis, and it equals 2%.

### III. Foreign trade and foreign exchange developments

In October 2007, the total foreign trade<sup>11</sup> reached the level of Euro 646.5 million, which is a monthly increase of 29.1%, primarily as a result of the increase in the imports. Namely, in October 2007, the import of goods reached the amount of Euro 430.5 million, which is an increment of 40.5% compared to September 2007 i.e. 63.6%, annually. Analyzed by products, such a dynamics of the import originates from the enhanced import of electricity<sup>12</sup>. In October the export of goods totals Euro 216 million, i.e. monthly increase of 11.1%, originating primarily from the enhanced export of iron and steel and products thereof. In comparison with the same month of the previous

year, the export incremented by 16.7% and mainly reflects the increased export of iron and steel and products thereof, as well as the export of clothing and textile.

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



Source: State Statistical Office of the Republic of Macedonia, while the calculations in Euro are made by the NBRM

Such a dynamics of both foreign trade categories resulted in a significant intensification of the trade deficit (of 91.7% on a monthly basis), which reached the amount of Euro 214 million.

<sup>11</sup> Source: State Statistical Office of the Republic of Macedonia. The export of goods is presented on f.o.b. basis, while the import of goods is presented on a c.i.f. basis.

<sup>12</sup> In conformity with the manner of the customs record of the import of electricity, high import of electricity is registered in October (of Euro 78.2 million), which is actually realized during the whole year.



However, in October 2007 the export - import coverage ratio went down by 13.3 percentage points compared to the preceding month and it equaled 50.2%.

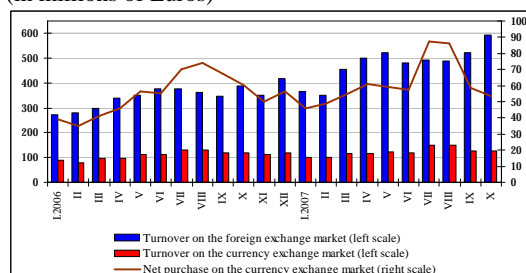
In the January - October 2007 period, the total foreign trade equals Euro 5,056.2 million, which is an increment of 26.7% relative to the same period of the previous year, given the simultaneous rise in both trade categories. Namely, the export of goods during the analyzed period recorded a cumulative increase of 28.3% and it equals Euro 2,024.9 million. However, the cumulative growth rate of the export slowed down in the last four months as a result of the deteriorated conditions in the trade compared to the beginning of the year, as well as the higher comparison base in September and October relative to the same months in the preceding year<sup>13</sup>. Such an increase mainly reflects the increased export of iron and steel and products thereof (a share of 81%), as well as the enhanced export of clothing and textile, ore and footwear. The total import of goods in the January - October 2007 period amounts to Euro 3,031.2 million, an increment of 25.6% compared to the same period of 2006, which is mainly due to the higher import of iron and steel and products thereof, mineral fuels, ore, electrical machines, equipment and vehicles. In the January - October 2007 period, trade deficit of Euro 1,006.3 million was evidenced (which is an increase of 20.4% on annual basis). Contemporaneously, the export - import coverage ratio rose by 1.4 percentage points and it equaled 66.8%.

In October 2007, total turnover in the amount of Euro 595.3 million was registered on the *foreign exchange market*, which is an increase of 14% relative to the previous month. The net sale of foreign exchange of the banks to the enterprises reduced by almost 94% compared to the previous month, given more intensive growth of the supply than the demand for foreign currency (of 21.8% and 2.3%, respectively). The NBRM realized net purchase on the foreign exchange market in the amount of Euro 39.4 million, which is by 19.8% more on a monthly basis, while in the January - October 2007 period the net purchase of foreign exchange on the foreign exchange market by the NBRM totals Euro 353.8 million. The realized net purchase by the NBRM on the foreign exchange market entirely neutralized the outflows made on the basis of the payment of the rescheduled debt to Italy and it contributed to the continuous

increase in the gross foreign reserves. Thus on October 31, 2007, the *gross foreign reserves* reached Euro 1,551.1 million, i.e. they rose by 1.9% compared to the previous month.

In October 2007, turnover in the amount of Euro 127 million was registered on the *currency exchange market*, which is an increase of 0.7% compared to the previous month. In environment of a decrease in the supply of foreign exchange (of 2.2%) and increase in the demand for foreign exchange (of 8.7%), net purchase in the amount of Euro 53.5 million was registered, which is a monthly drop of 8.5%. On a cumulative basis, in the January - October 2007 period, the net purchase carried out on the currency exchange market reached Euro 611.4 million, which is a rise of 12.3% relative to the same period of 2006.

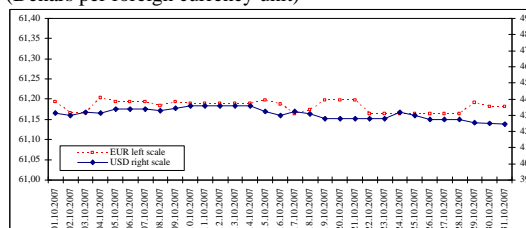
Figure 8  
Movement of the total turnover on the foreign exchange and currency exchange market  
(in millions of Euros)



Source: National Bank of the Republic of Macedonia

The *Denar exchange rate* against the Euro on the foreign exchange market was stable and on October 31, 2007 it equaled Denar 61.18 per one Euro. The Denar exchange rate relative to the US Dollar equaled Denar 42.47 per one US Dollar at the end of October, which is a monthly appreciation of 1.6% (Denar 43.17 per one US Dollar were traded at the end of September).

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



Source: National Bank of the Republic of Macedonia

<sup>13</sup> Enhanced export as a result of the significant increase in the production capacity of one larger export company.



*The external debt<sup>14</sup> of the Republic of Macedonia based on long-term credits and loans* equals Euro 1,640.2 million on October 31, 2007, which is a decline of Euro 6.3 million, due to the larger amount of paid liabilities than the newly concluded credits. Namely, the total paid liabilities in October 2007 amount to Euro 27.1 million (Euro 21.6 million of which are principal and Euro 5.5 million are interest). On the other hand, funds in the amount of Euro 15.5 million were used, the largest portion of which accounts for the private sector (68.9%). Simultaneously, the private sector realized a significant amount of

payments, thus on October 31, 2007, the total long-term debt of the private sector preserved the level registered in the previous two months of the year and it equaled Euro 652.2 million. On the other hand, in October 2007, the trend of increase in the *short-term external debt* continued (by Euro 11 million on a monthly basis), which equals Euro 171.3 million. Thus the funds in the amount of Euro 19.3 million were withdrawn, while the paid liabilities amounted to Euro 7.8 million (completely pertain to the repayment of the rescheduled debt to Italy). In October 2007, credits in the amount of Euro 66.6 million were concluded by the non-banking private sector, and they were completely the long-term ones.

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<sup>14</sup> Preliminary data of the NBRM



## Appendix

## Developments in Real Sector in the Republic of Macedonia

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

	<u>X.2007</u> <u>IX.2007</u>	<u>X.2007</u> <u>X.2006</u>	<u>I-X.2007</u> <u>I-X.2006</u>
	in %		
<b>Consumer prices</b>	<b>0,5</b>	<b>3,9</b>	<b>1,7</b>
Food	1,5	8,2	2,3
Tobacco and beverages	0,2	2,5	1,6
Clothing and footwear	0,6	2,1	1,3
Housing	0,0	1,9	5,1
Flat (rent, water, services)	0,1	9,6	5,7
Fuel and lighting	0,1	-0,4	6,7
Hygiene and health	-1,2	-0,5	0,4
Culture and entertainment	-0,5	0,6	3,1
Transport and communication services	0,0	0,5	-3,5
Restaurants and hotels	0,6	6,3	3,8
Other services n.e.c.	0,4	13,5	7,8
<i>Goods</i>	<i>0,8</i>	<i>4,8</i>	<i>2,3</i>
<i>Services</i>	<i>-0,4</i>	<i>0,9</i>	<i>-0,4</i>
<b>Retail prices</b>	<b>0,2</b>	<b>3,0</b>	<b>2,4</b>
Agricultural products	0,1	16,1	3,3
Non-food industrial products	0,5	3,2	3,1
Industrial food products	1,4	6,3	1,9
Beverages	0,4	1,3	0,6
<i>Goods</i>	<i>0,7</i>	<i>4,6</i>	<i>2,7</i>
<i>Services</i>	<i>-0,5</i>	<i>0,6</i>	<i>1,8</i>

Source: State Statistical Office of the Republic of Macedonia



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

	<u>X.2007</u> <u>IX.2007</u>	<u>X.2007</u> <u>X.2006</u>	<u>I-X.2007</u> <u>I-X.2006</u>
	in %		
<b>Prices of producers of industrial products</b>	<b>0,4</b>	<b>3,3</b>	<b>1,0</b>
Energy	2,1	6,5	0,2
Intermediate goods, except energy	0,6	7,0	5,3
Capital products	0,0	0,8	1,4
Durable consumer goods	0,0	0,0	0,3
Non-durable consumer goods	-0,7	-0,9	-1,3
<i>Mining and quarrying</i>	<i>-1,0</i>	<i>-0,9</i>	<i>0,4</i>
<i>Manufacturing</i>	<i>0,2</i>	<i>3,0</i>	<i>-0,4</i>
Manufacturing of food products and beverages	0,7	5,9	1,8
Manufacturing of tobacco products	-7,0	-7,6	-0,9
Manufacturing of textiles	0,0	0,0	-0,3
Manufacturing of wearing apparel; dressing and dyeing of fur	0,0	-2,3	-2,2
Publishing, printing and reproduction of recorded media	0,0	-0,1	-0,4
Manufacture of coke, refined petroleum products and nuclear fuel	2,0	6,0	-9,9
Manufacture of chemicals and chemical products	1,1	-0,4	-0,9
Manufacture of rubber and plastic products	0,0	-3,1	0,0
Manufacture of other non-metallic mineral products	-0,3	0,4	1,9
Manufacture of basic metals	0,0	10,2	11,2
Manufacture of fabricated metal products, except machinery and equipment	0,0	2,2	3,0
Manufacture of electrical machinery and apparatus n.e.c.	0,0	3,3	4,7
<i>Electricity, gas and water supply</i>	<i>2,3</i>	<i>5,8</i>	<i>13,6</i>

\* Previous data

Source: State Statistical Office of the Republic of Macedonia



**Table 3**  
Industrial output\*

	Structure in %	<u>X.2007</u> <u>IX.2007</u>	<u>X.2007</u> <u>X.2006</u>	<u>I-X.2007</u> <u>I-X.2006</u>
		in %		
<b>Total</b>	<b>100,0</b>	<b>6,7</b>	<b>10,5</b>	<b>3,6</b>
Energy	18,3	17,2	-8,3	-7,3
Intermediate goods, except energy	34,1	13,1	22,5	13,3
Capital products	5,1	-9,6	70,0	22,8
Durable consumer goods	2,2	7,0	10,7	9,8
Non-durable consumer goods	40,3	0,0	0,0	-2,9
<b>Mining and quarrying</b>	<b>3,9</b>	<b>2,3</b>	<b>-4,0</b>	<b>12,8</b>
Mining of coal and lignite; extraction of peat	1,6	3,6	-2,9	0,4
Mining of metal ores	0,7	21,9	14,0	80,9
Other mining and quarrying	1,5	-11,7	-16,8	-5,2
<b>Manufacturing</b>	<b>83,9</b>	<b>5,4</b>	<b>14,6</b>	<b>5,4</b>
Manufacturing of food products and beverages	16,1	7,1	10,0	7,3
Manufacturing of tobacco products	5,7	-6,8	16,7	-8,2
Manufacturing of textiles	1,7	4,6	23,5	-6,2
Manufacturing of wearing apparel; dressing and dyeing of fur	11,1	-6,6	-10,1	-14,1
Tanning and dressing of leather; manufacture of luggage, handbags, saddles, harness and footwear	1,5	0,7	11,0	0,3
Manufacture of wood and products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials	1,2	-32,7	-28,4	3,8
Manufacture of pulp, paper and paper products	1,1	-20,8	0,1	-1,2
Publishing, printing and reproduction of recorded media	3,1	-3,1	-27,3	-10,0
Manufacture of coke, refined petroleum products and nuclear fuel	4,5	9,5	2,4	4,2
Manufacture of chemicals and chemical products	4,6	-5,5	-14,1	-1,0
Manufacture of rubber and plastic products	1,9	-26,2	-16,7	3,9
Manufacture of other non-metallic mineral products	7,3	-9,9	-9,7	7,8
Manufacture of basic metals	11,2	8,4	27,1	36,0
Manufacture of fabricated metal products, except machinery and equipment	3,3	22,0	228,5	42,4
Manufacture of machinery and equipment n.e.c.	1,4	21,0	73,3	48,2
Manufacture of electrical machinery and apparatus n.e.c.	3,5	95	4,9	-29,3
Manufacture of motor vehicles, trailers and semi- trailers	1,1	0,5	-8,7	-27,5
Manufacture of other transport equipment	1,1	13,1	149,0	38,6
Manufacture of furniture, manufacturing n.e.c.	2,0	23,7	-12,9	-15,8
Recycling	0,6	395,5	12,6	-40,7
<b>Electricity, gas and water supply</b>	<b>12,2</b>	<b>23,8</b>	<b>-13,5</b>	<b>-12,7</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.06 <sup>1)</sup>	I.07	II.07	III.07	IV.07	V.07	VI.07	VII.07	VIII.07	IX.07	X.07
<b>I. Net Foreign Assets</b>	85116	83884	83221	85066	87857	90799	87790	89659	91954	94209	95977
Assets	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209	95977
Liabilities	2645	2619	2455	2460	2254	0	59	59	0	0	0
<b>II. Net Domestic Assets</b>	-53852	-55452	-54084	-55711	-56502	-60195	-55952	-52894	-58655	-61676	-62021
<b>Credit to banks, net</b>	-9422	-11596	-11137	-11274	-11726	-13755	-15067	-10082	-10432	-16311	-17758
<i>Credit to banks</i>	34	34	29	29	29	29	28	28	28	28	28
Credits extended at auction	0	0	0	0	0	0	0	0	0	0	0
Repurchased agreement	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
Long - term credits	24	24	19	19	19	19	18	18	18	18	18
Advances	0	0	0	0	0	0	0	0	0	0	0
Other	10	10	10	10	10	10	10	10	10	10	10
<b>Instruments</b>	-9456	-11630	-11166	-11303	-11755	-13784	-15095	-10110	-10460	-16339	-17786
Auctions of bills	-9456	-11630	-11166	-11303	-11755	-13784	-15095	-10110	-10460	-16339	-17786
<b>Net, Government</b>	-30690	-29827	-28241	-29969	-30240	-32124	-26497	-28290	-33174	-29929	-28610
1. Claims on Government	2267	2267	2267	2267	1039	1039	1039	1039	1039	1039	1039
Use of Fund credit	0	0	0	0	0	0	0	0	0	0	0
Ordinary credit	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
Other	1228	1228	1228	1228	0	0	0	0	0	0	0
2. Government Deposits	-32957	-32094	-30508	-32236	-31279	-33163	-27536	-29329	-34213	-30968	-29649
<b>A) In denar</b>	-15326	-17161	-17647	-20106	-19997	-21803	-21807	-23940	-29221	-26128	-25403
Demand deposits	-15326	-17161	-17647	-20106	-19997	-21803	-21807	-23940	-29221	-26128	-25403
- Budget account	-10303	-12307	-12416	-14093	-13228	-14135	-13209	-14923	-19309	-19302	-19467
- Other budget funds	-5023	-4854	-5231	-6013	-6769	-7668	-8598	-9017	-9912	-6826	-5936
o/w - Government securities for monetary purpose	-4573	-4391	-4756	-5537	-6284	-7166	-8082	-8520	-9412	-6312	-5409
Fund for monetary policy support	0	0	0	0	0	0	0	0	0	0	0
<b>B) In foreign currency</b>	-17631	-14933	-12861	-12130	-11282	-11360	-5729	-5389	-4992	-4840	-4246
Central Gov.dep.	-17515	-14820	-12745	-12015	-11168	-11247	-5599	-5261	-4861	-4709	-4116
o/w Telecom	0	0	0	0	0	0	0	0	0	0	0
o/w Road fund	-81	-81	-81	-81	-81	-81	-81	-81	-81	-81	-81
Other Government deposits	-116	-113	-116	-115	-114	-113	-130	-128	-131	-131	-130
3. External account	0	0	0	0	0	0	0	0	0	0	0
<b>Other items, net</b>	-13740	-14029	-14706	-14468	-14536	-14316	-14388	-14522	-15049	-15436	-15653
<b>Other assets</b>	5727	5746	5760	5691	5612	5689	5610	5692	5732	5697	5101
<b>Other liabilities</b>	-5732	-5503	-5512	-5554	-5593	-5605	-5605	-5514	-5624	-5749	-5030
o/w Transitory account	-171	-25	-66	-58	-46	-25	-68	-33	-41	-107	-21
<b>Capital account</b>	-11819	-12335	-12463	-12257	-12137	-12046	-11994	-12169	-12376	-12590	-12959
<b>Residual items</b>	-1916	-1937	-2491	-2348	-2418	-2354	-2399	-2531	-2781	-2794	-2765
<b>Reserve money</b>	31264	28432	29137	29355	31355	30604	31838	36765	33299	32533	33956
Currency in circulation	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575
Cash in vaults	1526	1397	1520	1468	1567	1644	1590	1741	1816	1768	1720
Giro - accounts	13532	12508	12631	12853	14257	13601	14404	18351	15103	14019	15661
o/w Reserve requirement	6373	6462	6509	6595	6675	6740	6949	6987	7144	7229	7317

1) Definite data

Source: National Bank of the Republic of Macedonia



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

	XII.06 <sup>1)</sup>	I.07	II.07	III.07	IV.07	V.07	VI.07	VII.07	VIII.07	IX.07	X.07
<b>I. Net Foreign Assets</b>	108042	106455	107140	108475	110951	113778	107566	110631	113010	111578	113946
<i>National Bank</i>	85116	83884	83221	85066	87857	90799	87790	89659	91954	94209	95977
Assets	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209	95977
Liabilities	2645	2619	2455	2460	2254	0	59	59	0	0	0
<i>Deposit Money Banks</i>	22926	22571	23919	23409	23094	22979	19776	20972	21056	17369	17969
Assets	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175	38541
Liabilities	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806	20572
<b>II. Net Domestic Assets</b>	28288	29824	33173	34538	37587	38540	48712	49613	48103	50327	49494
<i>1.Domestic credit</i>	77176	79487	83921	85601	88305	89928	100434	101445	100551	104481	105738
of which: Claims on Gov.	-17184	-16633	-14556	-15513	-14956	-15969	-9477	-11370	-15450	-15736	-15595
a) Deposit Money Banks	107866	109314	112162	115570	118545	122052	126931	129735	133725	134410	134348
-in denar	84368	85822	87861	90626	93354	96169	99837	102258	105693	105391	105658
Government	13377	13067	13562	14337	15165	16041	16907	16770	17557	14020	12805
Credits	13355	13045	13539	14314	15142	16018	16883	16746	17533	13999	12784
a) Budget and Line Ministries	13095	12762	13241	14052	14994	15893	16777	16661	17469	13946	12739
b) Funds	260	283	298	262	148	125	106	85	64	53	45
c) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	22	22	23	23	23	23	24	24	24	21	21
Non Government sector	70991	72755	74299	76289	78189	80128	82930	85488	88136	91371	92853
Credits	66410	68057	69569	71537	73380	75288	78031	81138	83694	86908	88517
of which: Overdue claims	9810	9737	9721	9560	9848	10180	10049	9653	9756	10125	9725
Accrued interest	4581	4698	4730	4752	4809	4840	4899	4350	4442	4463	4336
-in foreign currency	23498	23492	24301	24944	25191	25883	27094	27477	28032	29019	28690
Government	129	127	123	119	119	114	113	150	167	173	210
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0
Non Government sector	23369	23365	24178	24825	25072	25769	26981	27327	27865	28846	28480
of which: Overdue	1650	1625	1473	1511	1566	1630	1611	1591	1748	1763	1691
b) Nat. Bank Claims on Government	-30690	-29827	-28241	-29969	-30240	-32124	-26497	-28290	-33174	-29929	-28610
<i>2.Other items, net</i>	-48888	-49663	-50748	-51063	-50718	-51388	-51722	-51832	-52448	-54154	-56244
of which: Claims on Gov.	0	0	0	0	0	0	0	0	0	0	0
for frozen f.c. deposits	-4603	-4720	-4753	-4775	-4832	-4863	-4923	-4374	-4466	-4484	-4357
Accrued interest	-44285	-44943	-45995	-46288	-45886	-46525	-46799	-47458	-47982	-49670	-51887
Others											

<sup>1)</sup> Final data



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

	XII.06 <sup>1)</sup>	I.07	II.07	III.07	IV.07	V.07	VI.07	VII.07	VIII.07	IX.07	X.07
<b>M4Total</b>	136330	136279	140313	143013	148538	152318	156278	160244	161113	161905	163440
<b>M4 ( nonGovernment)</b>	135131	135262	139216	141473	147468	151242	155152	159208	160102	160861	162334
<b>M1(Total)</b>	35436	33102	34022	35281	36164	36484	36864	38448	39556	39864	39178
<b>M1 (nonGovernment)</b>	34747	32583	33433	34254	35708	35954	36319	37916	39051	39348	38566
<b>Currency in Circulation</b>	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575
<b>Demand deposits(total)</b>	19230	18575	19036	20247	20633	21125	21020	21775	23176	23118	22603
<b>Demand deposits(NonGov.)</b>	18541	18056	18447	19220	20177	20595	20475	21243	22671	22602	21991
Deposit Money Banks	19207	18479	18705	19824	20159	20748	20814	21552	22699	22645	22175
NonGov. Demand deposits	18518	17960	18116	18797	19703	20218	20269	21020	22194	22129	21563
Government Demand deposits	689	519	589	1027	456	530	545	532	505	516	612
a) Budget and Line Ministries	551	234	262	226	219	227	232	304	243	276	269
b) Funds	138	284	327	801	236	302	312	227	261	239	342
c) Ins. of C.Gov.: Courts, etc.	0	1	0	0	1	1	1	1	1	1	1
Nation. Bank NonGov.Demand dep.	23	96	331	423	474	377	206	223	477	473	428
<b>M2 (Total)</b>	129644	129731	133527	136240	140944	143911	147785	151132	152010	152443	153954
<b>M2 (nonGovernment)</b>	128494	128763	132480	134750	139924	142885	146709	150146	151049	151450	152899
<b>Quasi money (Total)</b>	94208	96629	99505	100959	104780	107427	110921	112684	112454	112579	114776
<b>Quasi money (non Government)</b>	93747	96180	99047	100496	104216	106931	110390	112230	111998	112102	114333
Deposit Money banks	94208	96629	99505	100959	104780	107427	110921	112684	112454	112579	114776
Non Government sector	93747	96180	99047	100496	104216	106931	110390	112230	111998	112102	114333
Denar	36317	37295	39293	40511	43540	45648	48389	49353	48434	50045	52787
Foreign currency	57430	58885	59754	59985	60676	61283	62001	62877	63564	62057	61546
Government deposits	461	449	458	463	564	496	531	454	456	477	443
Denar	460	448	457	462	563	496	531	454	456	477	443
Foreign currency	1	1	1	1	1	0	0	0	0	0	0
NBM quasi deposits	0	0	0	0	0	0	0	0	0	0	0
<b>Nonmonetary Deposits (Total)</b>	6686	6548	6786	6773	7594	8407	8493	9112	9103	9462	9486
Denar nonm. deposits (total)	3678	3641	3739	3799	4536	4734	4938	5217	5407	5549	5175
F.C. nonm. deposits (total)	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311
<b>Nonmonetary Deposits (nonGov.)</b>	6637	6499	6736	6723	7544	8357	8443	9062	9053	9411	9435
Denar nonm. dep.(nonG)	3629	3592	3689	3749	4486	4684	4888	5167	5357	5498	5124
F.C. nonm. dep (nonG)	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311
-Deposit Money Banks	6686	6548	6786	6773	7594	8407	8493	9112	9103	9462	9486
Denar nonGov. nonmonetary dep.	3629	3592	3689	3749	4486	4684	4888	5167	5357	5498	5124
F. C. nonGovern. nonmon. dep.	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311
Denar Gov. nonmon. deposits	49	49	50	50	50	50	50	50	50	51	51
F. C. Govern. nonmon. deposits	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
Denar	0	0	0	0	0	0	0	0	0	0	0
Foreign currency	0	0	0	0	0	0	0	0	0	0	0
<b>Total Deposits</b>	120124	121752	125327	127979	133007	136959	140434	143571	144733	145159	146865
<b>Total Deposits (nonGov.)</b>	118925	120735	124230	126439	131937	135883	139308	142535	143722	144115	145759

1) Final data

Source: National Bank of the Republic of Macedonia



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

	<b>31.10.2007</b>	<b>Monthly changes</b>		<b>Annual changes</b>		<b>structure</b>
	in Denar million	in Denar million	in %	in Denar million	in %	in %
<b>Total deposits</b>	123.768	2.255	1,9	28.895	30	100,0
<b>1. According to maturity</b>						
-short-term	114.333	2.231	2,0	25.573	29	92,4
-long-term	9.435	24	0,3	3.322	54	7,6
<b>2. According to currency of denomination</b>						
- In denar	57.911	2.368	4,3	21.678	60	46,8
- In foreign currency	65.857	-113	-0,2	7.217	12	53,2

Source: National Bank of the Republic of Macedonia

**Table 7**  
Households and enterprises deposits

	<b>structure in</b>	<b>31.10.2007</b>	<b>Monthly changes</b>		<b>Annual changes</b>	
	%	in Denar million	in Denar million	in %	in Denar million	in %
<b>Total households deposits</b>	100,0	84789	2351	2,9	19717	30,3
<b>1. According to maturity</b>						
-short-term	92,8	78674	1970	2,6	17257	28,1
-long-term	7,2	6115	381	6,6	2460	67,3
<b>2. According to currency of denomination</b>						
- In denar	42,0	35622	2121	6,3	14702	70,3
- In foreign currency	58,0	49167	230	0,5	5015	11,4
<b>Total enterprises deposits</b>	100,0	36241	-485	-1,3	8281	29,6
<b>1. According to maturity</b>						
-short-term	96,1	34839	243	0,7	8324	31,4
-long-term	3,9	1402	-728	-34,2	-43	-3,0
<b>2. According to currency of denomination</b>						
- In denar	55,4	20089	203	1,0	6316	45,9
- In foreign currency	44,6	16152	-688	-4,1	1965	13,9

Source: National Bank of the Republic of Macedonia



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

	<b>31.10.2007</b>	<b>Monthly changes</b>		<b>Annual changes</b>	
	in Denar million	in Denar million	in %	in Denar million	in %
<b>Demand deposits</b>	21.991	-611	-2,7	4.200	23,6
- Demand deposits of households	4.386	-29	-0,7	850	24,0
- Deman deposits of enterprises	14.937	-404	-2,6	3.219	27,5

Source: National Bank of the Republic of Macedonia

**Table 9**  
Placements to households and enterprises

	<b>31.10.2007</b>	<b>Monthly changes</b>		<b>Annual changes</b>	
	in Denar million	in Denar million	in %	in Denar million	in %
<b>Total placements</b>	116.997	1.243	1,1	31.573	37,0
<i>Denar placements</i>	88.517	1.609	1,9	25.470	40,4
<i>of which:</i>					
-enterprises	45.701	273	0,6	9.775	27,2
-housholds	42.522	1.306	3,2	15.506	57,4
<i>Foreign currency placements</i>	28.480	-366	-1,3	6.103	27,3
<i>of which:</i>					
-enterprises	26.367	-431	-1,6	5.602	27,0
-housholds	2.101	63	3,1	492	30,6

Source: National Bank of the Republic of Macedonia



**Table 10**

Maturity and sector structure of Denar and foreign currency placements

	<b>31.10.2007</b>	<b>Monthly changes</b>	<b>Annual changes</b>
	(in %)	(in percentage points)	
<b>Denar placements</b>	100,0	0,0	0,0
maturity structure			
-short-term	43,5	-0,8	-4,6
-long-term	56,5	0,8	4,6
structure by sectors			
- enterprises	51,6	-0,6	-5,4
- households	48,0	0,6	5,2
- other	0,3	0,0	0,2
<b>Foreign currency placements</b>	100,0	0,0	0,0
maturity structure			
-short-term	25,7	-0,8	-0,6
-long-term	74,3	0,8	0,6
structure by sectors			
- enterprises	92,6	-0,3	-0,2
- households	7,4	0,3	0,2
- other	0,0	0,0	0,0

Source: National Bank of the Republic of Macedonia

**Table 11**

Interest rates

	<b>October, 2007</b>	<b>Monthly changes</b>	<b>Annual changes</b>
	in %	in percentage points	
<b>Average weighted interest rate on the CB bills auctions (28 days)</b>	4,8	0,0	-0,7
<b>Average weighted interest rate on the Money Market</b>	3,5	0,2	-1,4
<b>Interest rate on three-month treasury bills</b>	5,1	1,4	-1,2
<b>Banks' weighted lending interest rates</b>	10,0	0,0	-0,9
<b>Banks' weighted deposit interest rates</b>	5,1	0,1	0,5

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>				
09.10.2007	1.395	1.273	1.071	4,91
22.10.2007	1.900	1.264	1.244	5,18
<b>Treasury bills auctions, 6 month</b>				
09.10.2007	200	363	200	5,40

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)

	X.2007	I-X.2007	X.2007		X.2007		I-X.2007	
			IX.2007		X.2006		I-X.2006	
			amount	%	amount	%	amount	%
Foreign trade	<b>646,5</b>	<b>5.056,2</b>	<b>145,6</b>	<b>29,1</b>	<b>198,8</b>	<b>44,4</b>	<b>1.064,4</b>	<b>26,7</b>
Export	216,0	2.024,9	21,5	11,1	30,9	16,7	447,0	28,3
Import	430,5	3.031,2	124,1	40,5	167,9	63,9	617,4	25,6
Balance	<b>-214,4</b>	<b>-1.006,3</b>	<b>-102,6</b>	<b>91,7</b>	<b>-137,1</b>	<b>177,1</b>	<b>-170,5</b>	<b>20,4</b>

Source: State Statistical Office.

**Table 14**  
Ten most important trading partners of the Republic of Macedonia, January-October, 2007  
(in EURO million)

							Import-export coverage ratio
	Foreign trade	Share	Exports	Share	Imports	Share	
	amount	%	amount	%	amount	%	%
Republic of MACEDONIA	5.056,2	100,0	2.024,9	100,0	3.031,2	100,0	66,8
out of which:							
Serbia	640,2	12,7	380,0	18,8	260,2	8,6	146,1
Germany	592,0	11,7	288,8	14,3	303,1	10,0	95,3
Greece	508,3	10,1	258,0	12,7	250,3	8,3	103,1
Italy	385,2	7,6	208,7	10,3	176,5	5,8	118,3
Russia	374,1	7,4	14,2	0,7	359,9	11,9	4,0
Bulgaria	307,2	6,1	142,8	7,1	164,5	5,4	86,8
Croatia	160,3	3,2	93,8	4,6	66,4	2,2	141,3
Spain	146,5	2,9	116,1	5,7	30,4	1,0	382,0
Turkey	144,8	2,9	32,4	1,6	112,4	3,7	28,8
Slovenia	133,9	2,6	43,4	2,1	90,5	3,0	47,9
Total (10 largest trading partners)	3.392,4	67,1	1.578,2	77,9	1.814,2	59,8	87,0

Source: State Statistical Office.


**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	
	30.09.2007	31.10.2007	IX 2007	X 2007	IX 2007	X 2007
<b>Long-term debt</b>	<b>1.646,4</b>	<b>1.640,2</b>	<b>12,8</b>	<b>15,5</b>	<b>15,6</b>	<b>27,1</b>
<b>Public sector</b>	<b>993,9</b>	<b>987,9</b>	<b>2,1</b>	<b>4,8</b>	<b>6,3</b>	<b>9,6</b>
Official creditors	771,1	766,0	2,1	4,8	5,5	9,5
Multilateral creditors	686,3	681,4	1,9	2,2	5,3	6,8
Bilateral creditors	84,8	84,6	0,2	2,6	0,2	2,7
Private creditors	222,8	222,0	0,0	0,0	0,7	0,1
Eurobonds	150,0	150,0	0,0	0,0	0,0	0,0
Other private creditors	72,8	72,0	0,0	0,0	0,7	0,1
<b>Private sector</b>	<b>652,5</b>	<b>652,2</b>	<b>10,7</b>	<b>10,7</b>	<b>9,4</b>	<b>17,5</b>
Private banks	150,6	149,9	3,5	0,0	6,6	4,5
Non-banking private sector	501,8	502,3	7,2	10,7	2,7	13,0
<b>Short-term debt</b>	<b>160,3</b>	<b>171,3</b>	<b>5,6</b>	<b>19,3</b>	<b>1,8</b>	<b>7,8</b>
<b>Public sector</b>	<b>7,6</b>	<b>0,0</b>	<b>0,0</b>	<b>7,7</b>	<b>0,0</b>	<b>7,6</b>
<b>Private sector</b>	<b>152,6</b>	<b>171,3</b>	<b>5,6</b>	<b>11,6</b>	<b>1,8</b>	<b>0,2</b>
Private banks	43,3	43,3	0,0	0,0	0,0	0,0
Non-banking private sector	109,3	127,9	5,6	11,6	1,8	0,2
<b>TOTAL</b>	<b>1.806,7</b>	<b>1.811,4</b>	<b>18,3</b>	<b>34,7</b>	<b>17,4</b>	<b>34,9</b>

Source: National Bank of the Republic of Macedonia

## National Bank of the Republic of Macedonia Balance sheet

**Table 16**

NBRM Balance sheet on 31.10.2007

(in million Denars)

Assets	Amount	Liabilities	Amount
Foreign assets	95.977	Reserve money	26.639
Claims on Government	1.626	NBRM instruments	17.786
Claims on banks and other financial institutions	1.346	Restricted deposits	581
Other assets	3.784	Foreign liabilities	0
		Government deposits	32.114
		Capital accounts	12.959
		Other liabilities	12.654
<b>Total</b>	<b>102.733</b>	<b>Total</b>	<b>102.733</b>

Source: National Bank of the Republic of Macedonia