

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



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***Important economic events and amendments to the legal regulations  
in December 2006***

- ❖ *On December 1, the second Ministerial Conference on development of the transportation network in the South East Europe was held under the auspices of the European Commission, at which the Ministers of Transport of the SEE countries signed a Resolution on development of the main regional transportation network in the SEE and a Declaration of the Ministers of Railway Transport.*
- ❖ *On December 8, an Agreement on avoiding double taxation was signed between Macedonia and Latvia in Riga, which is expected to contribute to the strengthening of the economic cooperation between the two countries and to encourage signing of other bilateral agreements from other areas of mutual interest.*
- ❖ *On December 11, according to the decision of the Regulatory Energy Committee, refinery and retail prices of oil derivatives went up by 3.72% and 2.31%, respectively on average ("Official Gazette of RM" No. 129/2006), while according to the decision of December 25, they dropped by 0.58% and 0.47%, respectively on average ("Official Gazette of RM" No. 134/2006).*
- ❖ *On December 13, the National Employment Strategy 2010 and the National Employment Action Plan 2006-2008 were introduced at the Conference on Employment Policies organized by the Ministry of Labor in cooperation with the KARDS project "Employment Policy 2", which was held in Skopje.*
- ❖ *On December 19, in Bucharest, the representatives of Macedonia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Albania, Moldova, Romania, Bulgaria and UNMIK (Kosovo) signed the expanded Central European Free Trade Agreement, which will intensify the trade among the countries in the region, it will assist in attracting foreign investments and it will facilitate the fulfillment of the conditions for accession to the European Union.*
- ❖ *On December 19, the Government adopted the information on the project "Support in the preparation of the National Strategy for sustainable development in the Republic of Macedonia" whose realization was financially supported by the Government of the Kingdom of Sweden and the Swedish International Cooperation and Development Agency (SIDA).*
- ❖ *On December 22, the World Bank approved the implementation of the Sustainable Energy Project for Macedonia in the amount of USD 5.5 million funded by a grant from the GEF Trust Fund. The objective of this project is to develop a sustainable market for energy efficient and renewable energy, which will help to make the Macedonian economy more competitive and reduce its dependence on energy imports.*
- ❖ *On December 27, the construction of the dairy plant "Swedmilk Makedonija" commenced.*
- ❖ *New regulations:*
  - *Decision on issuing coins in denominations of 10 and 50 denars ("Official Gazette of RM" No. 128/2006);*
  - *Law on amending and consolidating the Law on the National Bank of the Republic of Macedonia ("Official Gazette of RM. No. 129/2006). The amendments emphasize the significance of ensuring safe and stable banking system. Changes were made towards increased transparency and efficiency of the NBRM and in the part of allocation of the net gain and covering the loss;*
  - *Decision on introducing Regulatory Guillotine ("Official Gazette of RM" No. 129/2006), for the purpose of their simplification, i.e. minimization of the formalities and administrative obstacles, imposing unnecessary obligations for legal and natural persons;*
  - *Decision on amending Decision No. 02-1868/1 on the average price of production, distribution and supply of heating energy for a regulated period of Skopje Sever AD - Skopje ("Official Gazette of RM" No. 134/2006). According to this decision, in the regulated period from September 15 to December 31, 2006, the heating plant Skopje Sever AD - Skopje will apply the price of heating energy applied in the period prior to September 15, 2006;*



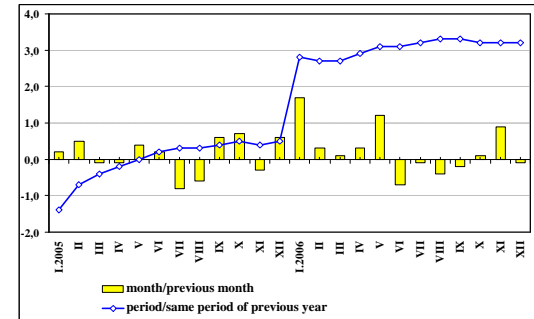
- *Decision on adopting the Energy balance of the Republic of Macedonia for 2007 ("Official Gazette of RM" No. 136/2006);*
- *Macroeconomic policy of the Republic of Macedonia for 2007 ("Official Gazette of RM" No. 136/2006);*
- *Decision on the monetary policy objectives for 2007 ("Official Gazette of RM" No. 138/2006);*
- *Financial plan of the National Bank of the Republic of Macedonia for 2007 ("Official Gazette of RM" No. 138/2006);*
- *Budget of the Republic of Macedonia for 2007 ("Official Gazette of RM" No. 139/2006);*
- *Law on amending and consolidating the Law on Personal Income Tax ("Official Gazette of RM. No. 139/2006). According to this Law, the personal income tax rate will equal 12% instead of 15%, 18% and 24%, valid so far;*
- *Law on amending and consolidating the Law on Profit Tax ("Official Gazette of RM. No. 139/2006). According to this Law, the profit tax rate will equal 12% instead of 15% valid so far.*

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

In December 2006, consumer prices registered minimum monthly decline of 0.1%, reflecting primarily the decline in the prices of services, in circumstances of minimum increase in the prices of goods. Analyzed from the viewpoint of the main categories, the lower prices in the category "housing", which were completely a result of the reduced price of central heating (by 18.2%), contributed the most to the negative change in the inflation index (of 0.2 percentage points). Lower prices of education means (by 1.6%) had a smaller additional contribution in the same direction. On the other hand, prices in the categories "transport equipment and services" and "food" acted toward increasing the inflation (aggregate positive contribution of 0.15 percentage points), under the influence of the higher prices of transport equipment, oil derivatives and raw vegetables.

On annual basis, the inflation rate in December 2006 equaled 2.9%. The average inflation rate in 2006 relative to 2005, equaled 3.2% (projected rate was 3.3%). Here, 93% of the average inflation was caused by the increase in the prices of goods, while the more moderate increase in the services caused the remaining portion of the inflation. Positive movements in the prices were registered in all categories within the inflation index, where the increase in the price of tobacco had the dominant effect (contribution of 38.5%), which was mainly a result of the increased excise and other duties. Higher prices of food products (primarily of raw vegetables, fresh and processed meat and sugar) explain 26% of the total average inflation. Increased prices of oil derivatives (due to the higher prices of crude oil on the world markets and their adjustment on the domestic market) and of the education means had an additional identical contribution of 8.1%. The increase in the prices of electricity and central heating had a share of only 5.8% and 1.5%, respectively, in the total inflation in 2006.

Figure 1  
Consumer prices  
(in %)



Source: State Statistical Office.

The four-month continuous downward trend in the *prices of the producers of industrial products*<sup>2</sup> on a monthly basis, was interrupted in December 2006, when they registered a monthly increase of 0.6%. The increase was mainly a result of the increased prices in the manufacturing (contribution of 0.8 percentage points) and of the minimum contribution of the mining sector, while the prices in the energy sector dropped thus contributing to the decline in the overall increase in the production prices by 0.2 percentage points. Analyzed by an individual group, the increase in the prices of the producers in the manufacturing sector was mainly a result of the higher prices of the producers of oil products (contribution of 0.7 percentage points to the total increase, in line with the rise in the refinery prices according to the decisions of the Regulatory Energy Committee of November 27, 2006 and December 11, 2006) and of the minimum increase in the prices of the food products and beverages.

On annual basis, in December 2006, the prices of the producers of industrial products went up by 3.2%, with an increase being registered in all three industrial sectors (manufacturing causes the largest part, i.e. 67% of the total annual increase). On average, in 2006, the prices of the producers of industrial products registered an increase of 4.5% relative to 2005, with an increase being registered in all three industrial sectors. Manufacturing industry has the largest contribution (94%) to the registered average growth of the production prices (increase in the prices of 4.8%), as a result of the dominant

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

<sup>2</sup> Preliminary SSO data.



influence of the increased prices of the producers of oil derivatives and tobacco products (contribution of 49.2% and 27.1%, respectively, in the total increase in the production prices). The remaining portion, i.e. 6% of the registered average increase of the production prices, derives from the higher prices in the mining and energy sectors (by 3.3% and 2.1%, respectively).

*The volume of the industrial output*<sup>3</sup> in December 2006 registered a monthly increase of 4%, with an increase in the production in all three industrial sectors being registered. The energy sector had the largest contribution (73%) to the accomplished monthly increment in the industrial output (monthly growth of production of 16%, as a result of the restarted production of a major energy plant and the resumed electricity production by one thermal power station after the completion of the one-month overhaul of the mechanization). Favorable movements in the manufacturing contributed with 23% to the monthly growth of the industrial production. From the viewpoint of the individual manufacturing branches, the increased production of food products and beverages, the increase in the publishing activity, in the production of basic metals and oil derivatives had the largest contribution towards increasing the industrial output. At the same time, activity decelerated in the production of tobacco products<sup>4</sup>, production of wearing apparel, dressing and dyeing of fur and products of other non-metal minerals. The accelerated activity in the sector "mining and quarrying" almost entirely comprises the monthly increment in the mining sector, which causes 4% of the increase of the overall industrial output.

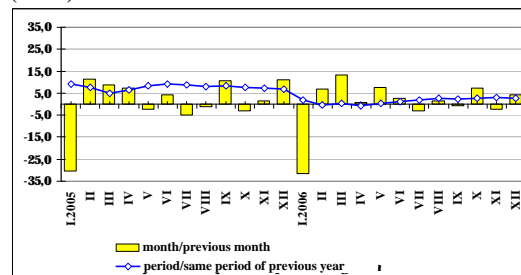
<sup>3</sup> Preliminary SSO data.

<sup>4</sup> Reduced production of tobacco products in December 2006, was a result of the temporary interruption of the production of one of the major tobacco plants in the Republic of Macedonia.

Relative to the same month of 2005, in December 2006 industrial output dropped by 2.2% due to the fall in the production in manufacturing and mining, which was only partially mitigated with the accelerated activity in the energy sector, on annual level.

In 2006, the industrial output increased moderately by 2.5% relative to 2005. The average increase is a result of the increased production in the manufacturing and mining (contribution of 2.0 and 0.6 percentage points, respectively in the total growth of the industrial output), while the fall in the energy sector had an adverse effect, reducing the increase of the industrial output by 0.1 percentage point. The manufacturing industry, which produces around 80% of the production of the total industry, registered an average increase of 2.4%, reflecting the increased output in 13 of 20 manufacturing branches, with a share of around 76% in the total manufacturing industry. Among them, production of products of other non-metal minerals, basic metals, oil derivatives, fabricated metal products, and tobacco products, had the largest contribution to the increase. The average annual growth in the mining sector (of 28%) was mostly a result of the increased production in the sector "mining and quarrying".

Figure 2  
Industrial output  
(in %)



Source: State Statistical Office.

## II. Monetary developments

In December 2006, in circumstances of increased budget spending and further purchasing of foreign exchange on the foreign exchange market by the NBRM, *banks' total liquid funds*<sup>5</sup> went up by 3.3% on a monthly basis and amounted to Denar 8,685 million. *Government Denar deposits*

<sup>5</sup> Includes cash in the vaults of the banks and the funds on the banks' account with the NBRM.

*with the NBRM*<sup>6</sup> dropped by Denar 3,837 million on a monthly basis, thus representing main flow of creating liquidity in the banking sector. Liquidity was created also through the *foreign exchange transactions of the NBRM* (realized net-purchase of foreign exchange on the foreign exchange market by the NBRM), while *currency*

<sup>6</sup> The analysis pertains to the Government Denar deposits with the NBRM, excluding the Treasury bills for monetary policy purposes.

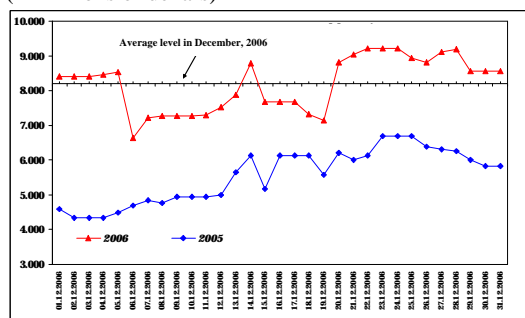


in circulation acted toward liquidity withdrawal (monthly increase of Denar 1,905 million). Besides New Year's and Christmas holidays, the overlapping of Kurban Bajram with these holidays and the payment of subsidies by the Ministry of Agriculture had an influence on the high seasonal growth of currency in circulation.

In December, monetary instruments represented a flow of liquidity withdrawal, which was entirely a result of the higher level of *CB bills* (by Denar 1,437 million), with a simultaneous decline in the amount of the *Treasury bills for monetary policy purposes*<sup>7</sup> (of Denar 437 million on a monthly basis). The average weighted interest rate on CB bills equaled 5.74% in December 2006 (5.66% in November), while the average weighted interest rate on Treasury bills (with three-month maturity) equaled 6.26% in December (6.13% in the preceding month).

The average daily liquidity of the banking system in December 2006 reached Denar 8,194.6 million, which is by 4.2% more relative to the preceding month. Analyzing the daily dynamics, during the month, banks' liquidity oscillated, mainly under the influence of the increased budget spending and the seasonally higher demand for currency in circulation. The excess liquidity of banks over the reserve requirement (in Denars)<sup>8</sup> equaled 22% in December (22.2% in November 2006)<sup>9</sup>.

Figure 3  
Daily dynamics of banks' liquidity  
(in millions of denars)



Source: National Bank of the Republic of Macedonia

<sup>7</sup> On March 7, 2006, the NBRM in cooperation with the Ministry of Finance started issuing three-month Treasury bills for monetary policy purposes.

<sup>8</sup> The period for maintaining (fulfilling) the banks' reserve requirement covers the period from the 11th in the current month to the 10th in the following month. The excess pertains to the excess funds on banks' accounts with the NBRM, over the reserve requirement.

<sup>9</sup> In November and December 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.

In December 2006, the turnover on the interbank money market<sup>10</sup> stood at Denar 980 million, which is by 1.9 times higher compared to the previous month. The average interest rate on the interbank money market in December equaled 4.9% (4.8% in the preceding month).

At the end of December 2006, reserve money<sup>11</sup> went up by 9.6% on a monthly basis, as a result of the increased demand for currency in circulation (by 13.3%) and higher level of banks' liquid funds. The increased demand for currency in circulation, combined with the higher level of demand deposits (by 4.6%) caused a high monthly increase in the M1 monetary aggregate (of 8.5%). The monthly increase in the broader monetary aggregates M2 and M4 equaled 4.2% and 4%, respectively. On annual basis (December 2006 / December 2005) broader monetary aggregates M2 and M4 went up by 24.6% and 24.9%, respectively.

Table 1  
Monetary aggregates and their components  
(in millions of denars)

	31.12.2006	Monthly changes	Annual changes
		in %	in %
Currency in circulation	16.206	13.3	12.2
Demand deposits	18.527	4.6	21.7
<b>Monetary aggregate M1</b>	<b>34.733</b>	<b>8.5</b>	<b>17.1</b>
Short-term Denar deposits	36.316	5.8	49.1
<b>Monetary aggregate M2-Denar component</b>	<b>71.049</b>	<b>7.1</b>	<b>31.5</b>
Short-term foreign exchange deposits	57.430	0.9	16.9
<b>Monetary aggregate M2</b>	<b>128.479</b>	<b>4.2</b>	<b>24.6</b>
Non-monetary deposits	6.638	0.4	31.7
-Denar	3.630	0.2	18.7
- foreign exchange	3.008	0.7	51.7
<b>Monetary aggregate M4</b>	<b>135.117</b>	<b>4.0</b>	<b>24.9</b>

Source: National Bank of the Republic of Macedonia

During December 2006, the total deposits of the private sector with the banks registered a monthly increase of 2.6% or of Denar 2,523 million. Observing the maturity structure, the increase in the total deposits is almost entirely due to the higher level of short-term deposits, with a share of 98.8% in the growth of total deposits. The analysis of the currency structure indicates a significantly faster growth in the Denar deposits relative to the growth in the foreign currency deposits, with the share of the Denar deposits in the growth of total deposits equaling 78.9%. Observed by sector, corporate deposits registered

<sup>10</sup> On May 15, 2006, the General Meeting of Shareholders adopted a Decision on termination of the Money and Short-Term Securities Market ("Official Gazette of the Republic of Macedonia" no. 74/2006). The electronic system for interbank trade in deposits and securities (TENFORE) started operating on May 8, 2006.

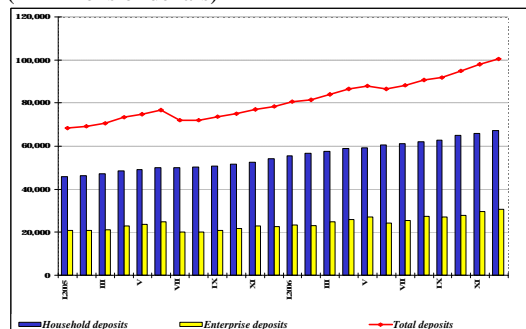
<sup>11</sup> The analysis refers to the reserve money excluding the reserve requirement on foreign currency deposits.





a monthly increment of 3.7%, which was primarily due to the increase in the short-term foreign currency deposits and Denar deposits with maturity of up to three months. Households' deposits went up by 2.1% on a monthly basis, with an increase being registered in all categories of deposits from the viewpoint of their maturity and currency structure. On annual basis (December 2006 / December 2005), the total private sector deposits with banks went up by 27.9%.

Figure 4  
Dynamics of deposits  
(in millions of denars)



Source: National Bank of the Republic of Macedonia

Total banks' placements with the private sector increased by Denar 2,566 million, or 2.9% on a monthly basis, primarily reflecting the increased lending in domestic currency. Thus, Denar credits<sup>12</sup> registered an increase of 3.6% on a monthly basis, contributing with 88.7% to the growth of the total credits. Observing the maturity structure, long-term credits had a more significant contribution of 76.2% to the increase in total credits. Analyzed by sector, positive monthly change was registered in the credits to households and in corporate credits (increase of 4.2% and 2.2%, respectively), with their contribution to the increase in total placements being almost identical. On annual basis (December 2006 / December 2005), the total banks' placements with the private sector went up by 30.5%.

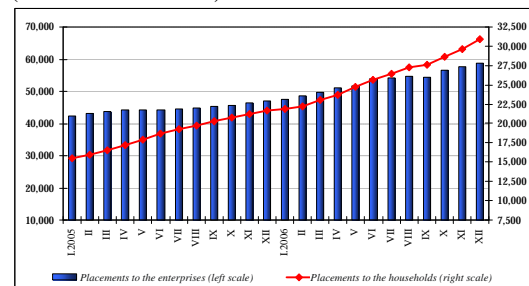
<sup>12</sup> Also include foreign currency indexed loans.

### III. Foreign trade and foreign exchange developments

The foreign trade<sup>13</sup> of the Republic of Macedonia in December 2006 stood at Euro 476.9 million, which

<sup>13</sup> Source: State Statistical Office. The export of goods is presented on f.o.b. basis, while the import of goods is presented on c.i.f. basis.

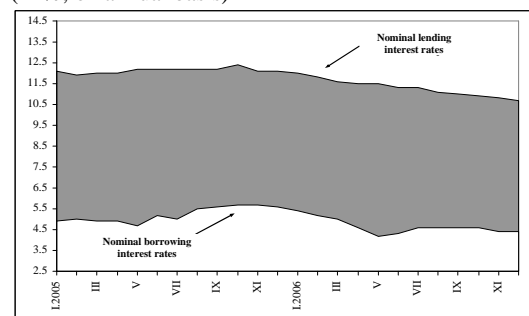
Figure 5  
Banks' placements by sector  
(in millions of denars)



Source: National Bank of the Republic of Macedonia

In December 2006, there were no significant movements in the banks' interest rate policy. Thus, the average weighted lending interest rate on Denar credits in any maturity and sector dropped by 0.1 percentage point and equaled 10.7% in December 2006. At the same time, the average weighted deposit interest rate on Denar deposits in any maturity and sector remained unchanged and equaled 4.4%.

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 any maturity and sector, including the foreign currency indexed loans and deposits.

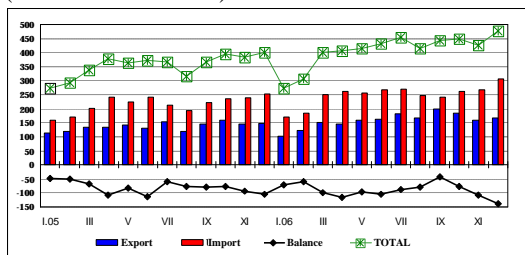
The average weighted lending and deposit interest rates on foreign currency credits and deposits in any maturity, sector and currency registered a monthly increase of 0.1 percentage point and in December 2006 they equaled 8.5% and 1.8%, respectively.

was an increase of 12.2% relative to the preceding month, as a result of the increase in both components of foreign trade. The total export of goods in December registered a monthly increase of 6.5% and totaled Euro 169.3 million, which was a result of the increased export of clothing and textiles, beverages and iron and steel and products thereof. Relative to



the same month of the previous year, the export of goods increased by 14.2%, mainly due to the increased export of iron and steel and products thereof. In December 2006, the *import of goods* registered a monthly increase of 15.6% and stood at Euro 307.6 million. Such an increase is a result of the increased import of mineral fuels and textile for goods for further processing. On annual basis (December 2006 / December 2005, the import of goods went up by 21.3%, which is due to the increased import of mineral fuels, iron and steel and products thereof and textile for goods for further processing.

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



Source: State Statistical Office; the calculations in Euro were made at the NBRM.

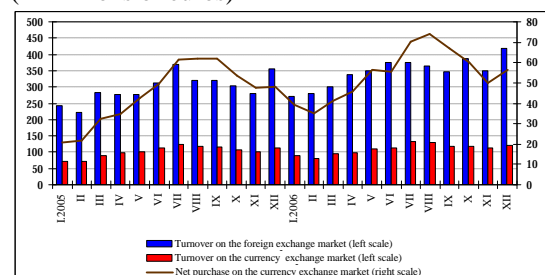
As a result of the faster increase in the imports relative to the exports, in December 2006 the trade deficit went up by 29% and amounted to Euro 138.4 million. At the same time, the import-export coverage ratio equaled 55% and relative to the preceding month it plunged by 4.7 percentage points.

On cumulative basis, in the January - December 2006 period, the total foreign trade reached Euro 4,893.9 million, and compared with the same period of the preceding year it was by 15.3% higher. In the observed period, the exports stood at Euro 1,906.2 million, and they were higher by 16% on annual basis. Analyzed by product, fastest increase was registered in the exports of iron and steel and products thereof, oil derivatives, food, beverages and ores, comprising 81% of the total increase. In the January - December period, goods in the amount of Euro 2,987.7 million were imported, which represents an annual rise of 14.9%, as a result of the increased imports of mineral fuels, iron and steel and products thereof, vehicles and equipment. The trade deficit reached Euro 1,081.5 million in the analyzed period, registering an increase of 13% relative to the January - December 2005 period. The import-export coverage ratio equaled 63.8%, which is an increase of 0.6 percentage points on annual basis.

In December 2006, the total turnover on the *foreign exchange market* amounted to Euro 417.8 million, which is by 19.2% higher relative to the preceding month. In circumstances of faster increase in the supply of relative to the demand for foreign exchange (by 26.6% and 12.3%, respectively), the net sale of foreign exchange by the banks dropped by 23.9% on a monthly basis. NBRM made net-purchase of foreign exchange on the foreign exchange market also in December 2006, so the cumulative net-purchase of foreign exchange on the foreign exchange market by the NBRM in the January - December period reached Euro 241.1 million. On December 31, 2006, *gross foreign reserves* reached Euro 1,416.7 million, which is an increase of Euro 2.9 million relative to the preceding month, mainly due to the realized net-purchase of NBRM on the foreign exchange market.

In December, the turnover on the *currency exchange market* stood at Euro 121.1 million, which was an increase of 8.3% on a monthly basis. In conditions of a significant increase in the supply (of 9.5%) and moderate increase in the demand (of 5.1%), a net-purchase of foreign exchange in total amount of Euro 56.2 million was realized on the currency exchange market (monthly increment of 12.2%). The net-purchase on the currency exchange market in the January - December 2006 period stood at Euro 651 million, and registered an increase of 21.2% relative to the same period of 2005.

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



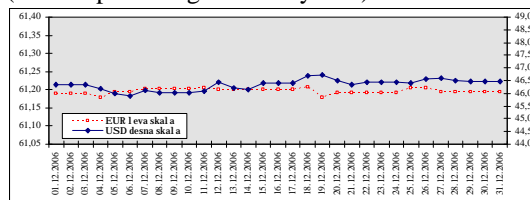
Source: National Bank of the Republic of Macedonia

The *exchange rate of the Denar* relative to the Euro on the *foreign exchange market* equaled Denar 61.19 per one Euro on December 31, 2006, and it was stable relative to the end of the preceding month (Denar 61.18 per one Euro). The exchange rate of the Denar against the US Dollar registered a monthly appreciation of 0.1%, equalling Denar 46.45 per one US Dollar at the



end of December 2006 (on November 30, 2006, Denar 46.50 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

In December 2006, the exchange rate of the Denar against the Euro on the currency exchange market was almost on the same level registered in the preceding month, and Denar 61.40 were traded per one Euro, on average. At the same time, the average ask and bid exchange rate of the Denar against the US Dollar equaled Denar 46.51 per one US Dollar, with the Denar registering appreciation of 2.5% (in November 2006, Denar 47.72 were traded per one US Dollar, on average).

The external debt of the Republic of Macedonia on the basis of long-term credits and loans<sup>14</sup> totaled Euro 1,758.4 million at the end of December 2006, which is by Euro 30.4 more relative to November 30, 2006, as a result of the higher amount of used funds relative to repaid principal. In December 2006, funds in the amount of Euro 45.6 million were withdrawn, while the repaid liabilities totaled Euro 20.6 million (Euro 16.3 million of principal and Euro 11.3 million of interest). In December 2006, new credits were concluded in the amount of Euro 95.3 million, which were extended solely to the private sector. The total long-term debt of the private sector went up by 31.4 million in December and totaled Euro 535.4 million, 74.4% of which pertain to the non-banking private sector, while the remaining portion is debt of the commercial banks. At the end of December 2006, the short-term external debt amounted to Euro 90.2 million, which was an increase of 6% relative to the preceding month. In December 2006, funds were used in the amount of Euro 6.1 million on the basis of extended short-term credits, and the total paid liabilities stood at Euro 1 million.

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



## Appendix

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

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

	XII.2006 XI.2006	XII.2006 XII.2005	I-XII.2006 I-XII.2005
	in %		
<b>Costs of living</b>	<b>-0,1</b>	<b>2,9</b>	<b>3,2</b>
Food	0,1	2,0	2,2
Tobacco and beverages	0,0	18,0	17,8
Clothing and footwear	0,1	0,8	0,2
Housing	-1,2	3,4	2,0
Flat (rent, water, services)	0,1	-2,1	-0,7
Fuel and lighting	-2,0	6,6	3,7
Hygiene	0,0	2,6	2,0
Culture and entertainment	-0,7	4,4	6,4
Transport, communications, services	0,4	-0,8	1,8
<i>Goods</i>	<i>0,1</i>	<i>3,7</i>	<i>3,7</i>
<i>Services</i>	<i>-1,0</i>	<i>-0,5</i>	<i>1,3</i>
<b>Retail prices</b>	<b>-0,1</b>	<b>2,9</b>	<b>3,9</b>
Agricultural products	2,1	1,3	4,8
Non-food industrial products	0,3	5,0	5,5
Processed food products	-0,4	1,7	0,8
Beverages	0,0	0,1	-0,4
<i>Goods</i>	<i>0,2</i>	<i>3,7</i>	<i>4,0</i>
<i>Services</i>	<i>-0,6</i>	<i>1,7</i>	<i>3,7</i>

Source: State Statistical Office of the Republic of Macedonia


**Table 2**

Prices of producers of industrial products\*

	<b>XII.2006</b>	<b>XII.2006</b>	<b>I-XII.2006</b>
	<b>XI.2006</b>	<b>XII.2005</b>	<b>I-XII.2005</b>
	in %		
<b>Prices of producers of industrial products</b>	<b>0,6</b>	<b>3,2</b>	<b>4,5</b>
Energy	2,3	4,7	10,2
Intermediary goods (except Energy)	0,2	2,4	-0,2
Capital goods	0,0	6,0	4,9
Durable consumer goods	0,0	0,6	2,7
Non durable consumer goods	0,0	2,8	4,5
<i>Mining and quarrying</i>	<i>0,3</i>	<i>2,9</i>	<i>3,3</i>
<i>Manufacturing industry</i>	<i>0,9</i>	<i>2,4</i>	<i>4,8</i>
Manufacture of food products and beverages	0,3	-0,5	0,5
Manufacture of tobacco products	-0,1	22,9	21,6
Manufacture of textiles	0,0	-0,3	0,2
Manufacture of wearing apparel; dressing and dyeing of fur	0,0	-2,1	-2,5
Publishing, printing and reproduction of recorded media	0,0	-1,0	0,7
Manufacture of coke, refined petroleum products and nuclear fuel	5,6	1,1	16,7
Manufacture of chemicals and chemical products	0,0	-0,2	-0,2
Manufacture of rubber and plastic products	0,0	5,1	1,9
Manufacture of other non-metallic mineral products	-0,3	3,8	3,2
Manufacture of basic metals	0,0	6,0	-1,8
Manufacture of fabricated metal products, except machinery and equipment	0,0	10,5	8,7
Manufacture of electrical machinery and apparatus n.e.c.	0,0	8,7	7,6
<i>Electricity, gas and water supply</i>	<i>-1,4</i>	<i>9,4</i>	<i>2,1</i>

\* Previous data

Source: State Statistical Office of the Republic of Macedonia



**Table 3**  
Industrial output\*

	Structure in %	XII.2006 XI.2006	XII.2006 XII.2005	I-XII.2006 I-XII.2005
		in %		
<b>Prices of producers of industrial products</b>	<b>100,0</b>	<b>4,0</b>	<b>-2,2</b>	<b>2,5</b>
Energy	<b>21,9</b>	<b>15,8</b>	<b>14,0</b>	<b>1,5</b>
Intermediary goods (except Energy)	<b>33,8</b>	<b>0,4</b>	<b>2,7</b>	<b>7,3</b>
Capital goods	<b>4,8</b>	<b>-15,5</b>	<b>0,0</b>	<b>8,2</b>
Durable consumer goods	<b>1,4</b>	<b>22,6</b>	<b>-4,3</b>	<b>-5,0</b>
Non durable consumer goods	<b>38,1</b>	<b>2,0</b>	<b>-15,0</b>	<b>-2,2</b>
<i>Mining and quarrying</i>	<b>1,8</b>	<b>8,2</b>	<b>-3,8</b>	<b>28,0</b>
<i>Manufacturing industry</i>	<b>79,4</b>	<b>1,2</b>	<b>-4,5</b>	<b>2,4</b>
Manufacture of food products and beverages	20,0	8,9	-17,1	0,1
Manufacture of tobacco products	3,9	-41,3	-29,8	5,5
Manufacture of textiles	2,5	4,4	11,4	6,7
Manufacture of wearing apparel; dressing and dyeing of fur	8,6	-9,1	-6,2	-3,7
Publishing, printing and reproduction of recorded media	3,9	20,7	-12,0	-17,9
Manufacture of coke, refined petroleum products and nuclear fuel	3,0	15,2	42,6	12,3
Manufacture of chemicals and chemical products	5,9	3,0	-11,6	1,4
Manufacture of rubber and plastic products	2,6	-3,7	32,3	-5,9
Manufacture of other non-metallic mineral products	8,2	-6,5	-1,7	14,0
Manufacture of basic metals	6,0	11,9	23,3	11,8
Manufacture of fabricated metal products, except machinery and equipment	3,8	-14,6	37,1	5,7
Manufacture of electrical machinery and apparatus n.e.c.	3,2	-5,6	-23,4	3,7
<b>Electricity, gas and water supply</b>	<b>18,8</b>	<b>16,0</b>	<b>8,3</b>	<b>-0,6</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
I. Net Foreign Assets	66282	57130	57297	71907	74145	75454	77256	79385	80535	82064	84044	84909	85116
Assets	69504	60326	60519	75076	77213	78415	80181	82287	83412	84956	86863	87586	87761
Liabilities	3222	3196	3222	3169	3068	2961	2925	2902	2877	2892	2819	2677	2645
II. Net Domestic Assets	-40520	-33763	-32079	-47210	-47978	-48045	-50327	-51711	-53259	-54700	-55701	-55956	-53852
Credit to banks, net	-8880	-10372	-9612	-8862	-8743	-7504	-6697	-6990	-7357	-7385	-7526	-7982	-9422
<i>Credit to banks</i>	41	41	41	41	41	41	37	37	37	37	37	37	34
Credits extended at auction	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
Credits based on securities	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
Advances	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
<i>Instruments</i>	-8921	-10413	-9653	-8903	-8784	-7545	-6734	-7027	-7394	-7422	-7563	-8019	-9456
Auctions of bills	-8921	-10413	-9653	-8903	-8784	-7545	-6734	-7027	-7394	-7422	-7563	-8019	-9456
<i>Net, Government</i>	-18989	-11024	-10167	-25762	-26157	-27733	-30847	-31396	-33022	-34154	-35140	-34976	-30690
1. Claims on Government	3290	3290	3290	3290	2983	2983	2983	2983	2983	2983	2983	2983	2267
Use of Fund credit	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
Purchased Government sec.	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
2. Government Deposits	-22279	-14314	-13457	-29052	-29140	-30716	-33830	-34379	-36005	-37137	-38123	-37959	-32957
A) In denar	-6993	-7653	-6860	-8807	-9141	-11104	-14417	-16110	-17528	-18728	-19601	-19600	-15326
Demand deposits	-6993	-7653	-6860	-8807	-9141	-11104	-14417	-16110	-17528	-18728	-19601	-19600	-15326
- Budget account	-6562	-7214	-6417	-6965	-5717	-7678	-11342	-11816	-12247	-13656	-14038	-14143	-10303
- Other budget funds	-431	-439	-443	-1842	-3424	-3426	-3075	-4294	-5281	-5072	-5563	-5457	-5023
o/w - Government securities for monetary purpose	0	0	0	0	0	0	0	0	0	0	0	0	0
Fund for monetary policy support	-15286	-6661	-6597	-20245	-19999	-19612	-19413	-18269	-18477	-18409	-18522	-18359	-17631
B) In foreign currency	-15139	-6516	-6450	-20098	-19851	-19468	-19267	-18125	-18333	-18261	-18378	-18213	-17515
Central Gov.dep.	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
Other Government deposits	-147	-145	-147	-147	-148	-144	-146	-144	-144	-148	-144	-146	-116
3. External account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other items, net	-12651	-12367	-12300	-12586	-13078	-12808	-12783	-13325	-12880	-13161	-13035	-12998	-13740
Other assets	5328	5247	5562	5486	5602	5840	5861	5851	5912	5986	5815	5790	5721
Other liabilities	-5368	-4794	-5067	-4983	-5377	-5416	-5460	-5713	-5451	-5850	-5503	-5463	-5725
o/w Transitory account	-487	-14	-19	-36	-180	-44	-51	-352	-48	-300	-16	-11	-171
Capital account	-11024	-11558	-11505	-11608	-11798	-11750	-11523	-11888	-11656	-11653	-11686	-11699	-11819
Residual items	-1587	-1262	-1290	-1481	-1505	-1482	-1661	-1575	-1685	-1644	-1661	-1626	-1917
Reserve money	25762	23367	25218	24697	26167	27409	26929	27674	27276	27364	28343	28953	31264
Currency in circulation	14439	13100	13635	13700	14560	13900	14580	15319	14822	14810	14796	14301	16206
Cash in vaults	1374	1068	1066	980	1052	965	1011	1112	1082	1058	1187	1117	1526
Giro - accounts	9949	9199	10517	10017	10555	12544	11338	11243	11372	11496	12360	13535	13532
o/w Reserve requirement	5323	5417	5413	5505	5572	5657	5662	5767	5875	6006	6115	6244	6373

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
<b>I. Net Foreign Assets</b>	89738	80776	80899	96611	98526	99218	100288	102625	104646	105619	106406	107529	108031
<i>National Bank</i>	66282	57130	57297	71907	74145	75454	77256	79385	80535	82064	84044	84909	85116
Assets	69504	60326	60519	75076	77213	78415	80181	82287	83412	84956	86863	87586	87761
Liabilities	3222	3196	3222	3169	3068	2961	2925	2902	2877	2892	2819	2677	2645
<i>Deposit Money Banks</i>	23456	23646	23602	24704	24381	23764	23032	23240	24111	23555	22362	22620	22915
Assets	37786	37231	36986	36669	36249	35882	35526	35808	36862	36867	37044	36708	39707
Liabilities	14330	13585	13384	11965	11868	12118	12494	12568	12751	13312	14682	14088	16792
<b>II. Net Domestic Assets</b>	19545	28414	30070	16577	18786	19351	18220	18953	19123	19219	22021	23341	28285
<b>1.Domestic credit</b>	62382	71691	74396	62714	65567	66039	65763	67436	67795	65575	68949	70964	77025
of which: Claims on Gov.	-11791	-3271	-1913	-15747	-14773	-15925	-19421	-19004	-19875	-21017	-21098	-20904	-17337
a) Deposit Money Banks	81371	82715	84563	88476	91724	93772	96610	98832	100817	99729	104089	105940	107715
-in denar	64186	65363	66730	69847	72349	73937	75954	77766	79303	77855	81572	82726	84219
Government	7118	7672	8175	9930	11297	11722	11340	12300	13021	12998	13902	13937	13224
Credits	7115	7669	8171	9927	11274	11698	11317	12276	12996	12974	13879	13914	13202
a) Budget and Line Ministries	7033	7589	8013	9696	11071	11509	11015	12048	12843	12834	13651	13615	12942
b) Funds	82	80	158	231	203	189	302	228	153	140	228	299	260
c) Ins. of Central Gov.: Courts, etc.	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
Non Government sector	57068	57691	58555	59917	61052	62215	64614	65466	66282	64857	67670	68789	70995
Credits	51672	52255	53149	54473	55552	56621	58993	59766	60513	60349	63047	64135	66413
of which: Overdue claims	9807	10314	10323	10146	10509	10581	10538	10690	10908	9682	10344	10010	9797
Accrued interest	5396	5436	5406	5444	5500	5594	5621	5700	5769	4508	4623	4654	4582
-in foreign currency	17185	17352	17833	18629	19375	19835	20656	21066	21514	21874	22517	23214	23496
Government	80	81	79	85	87	86	86	92	126	139	140	135	129
of which: Overdue	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	23367
of which: Overdue	1748	1753	1587	1444	1476	1534	1693	1806	1723	1532	1717	1651	1646
b) Nat. Bank Claims on Government	-18989	-11024	-10167	-25762	-26157	-27733	-30847	-31396	-33022	-34154	-35140	-34976	-30690
<b>2.Other items, net</b>	-42837	-43277	-44326	-46137	-46781	-46688	-47543	-48483	-48672	-46356	-46928	-47623	-48740
of which: Claims on Gov.	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	-4604
Accrued interest	-37438	-37838	-38916	-40690	-41258	-41070	-41899	-42759	-42878	-41824	-42282	-42946	-44136
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
<b>M4Total</b>	109283	109190	110969	113188	117312	118569	118508	121578	123769	124838	128427	130870	136316
<b>M4 ( nonGovernment)</b>	108174	108320	109999	111912	116049	117406	117333	120461	122719	123869	127460	129875	135117
<b>M1(Total)</b>	30034	27933	28900	28431	29906	29954	31201	32503	32197	32419	32972	32416	35422
<b>M1 (nonGovernment)</b>	29663	27699	28596	27962	29459	29584	30768	32151	31905	32090	32587	32014	34733
<b>Currency in Circulation</b>	14439	13100	13635	13700	14560	13900	14580	15319	14822	14810	14796	14301	16206
<b>Demand deposits(total)</b>	15595	14833	15265	14731	15346	16054	16621	17184	17375	17609	18176	18115	19216
<b>Demand deposits(NonGov.)</b>	15224	14599	14961	14262	14899	15684	16188	16832	17083	17280	17791	17713	18527
Deposit Money Banks	15577	14752	15183	14519	15241	15940	16509	17072	17215	17482	17980	18046	19193
NonGov. Demand deposits	15206	14518	14879	14050	14794	15570	16076	16720	16923	17153	17595	17644	18504
Government Demand deposits	371	234	304	469	447	370	433	352	292	329	385	402	689
a) Budget and Line Ministries	236	55	91	132	145	73	158	98	84	92	156	194	551
b) Funds	135	179	213	323	302	297	275	253	207	236	228	207	138
c) Ins. of C.Gov.: Courts, etc.	0	0	0	14	0	0	0	1	1	1	1	1	0
Nation. Bank NonGov.Demand dep.	18	81	82	212	105	114	112	112	160	127	196	69	23
<b>M2 (Total)</b>	104195	104065	105734	107835	111559	113044	112772	115974	117823	118872	122265	124212	129629
<b>M2 (nonGovernment)</b>	103134	103243	104812	106607	110344	111929	111645	114906	116822	117952	121347	123266	128479
<b>Quasi money (Total)</b>	74161	76132	76834	79404	81653	83090	81571	83471	85626	86453	89293	91796	94207
<b>Quasi money (non Government)</b>	73471	75544	76216	78645	80885	82345	80877	82755	84917	85862	88760	91252	93746
Deposit Money banks	74161	76132	76834	79404	81653	83090	81571	83471	85626	86453	89293	91796	94207
Non Government sector	73471	75544	76216	78645	80885	82345	80877	82755	84917	85862	88760	91252	93746
Denar	24364	25614	26237	27889	29563	30864	28062	29059	30305	30638	32915	34331	36316
Foreign currency	49107	49930	49979	50756	51322	51481	52815	53696	54612	55224	55845	56921	57430
Government deposits	690	588	618	759	768	745	694	716	709	591	533	544	461
Denar	689	587	616	759	768	745	694	715	708	590	533	544	460
Foreign currency	1	1	2	0	0	0	0	1	1	1	0	0	1
NBM quasi deposits	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	6687
Denar nonm. deposits (total)	3105	3159	3184	3171	3305	3321	3303	3305	3327	3292	3367	3672	3679
F.C. nonm. deposits (total)	1983	1966	2051	2182	2448	2204	2433	2299	2619	2674	2795	2986	3008
<b>Nonmonetary Deposits (nonGov.)</b>	5040	5077	5187	5305	5705	5477	5688	5555	5897	5917	6113	6609	6638
Denar nonm. dep.(nonG)	3057	3111	3136	3123	3257	3273	3255	3256	3278	3243	3318	3623	3630
F.C. nonm. dep (nonG)	1983	1966	2051	2182	2448	2204	2433	2299	2619	2674	2795	2986	3008
-Deposit Money Banks	5088	5125	5235	5353	5753	5525	5736	5604	5946	5966	6162	6658	6687
Denar nonGov. nonmonetary dep.	3057	3111	3136	3123	3257	3273	3255	3256	3278	3243	3318	3623	3630
F. C. nonGov. nonmon. dep.	1983	1966	2051	2182	2448	2204	2433	2299	2619	2674	2795	2986	3008
Denar Gov. nonmon. deposits	48	48	48	48	48	48	48	49	49	49	49	49	49
F. C. Govern. nonmon. deposits	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
Denar	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
<b>Total Deposits</b>	94844	96090	97334	99488	102752	104669	103928	106259	108947	110028	113631	116569	120110
<b>Total Deposits (nonGov.)</b>	93735	95220	96364	98212	101489	103506	102753	105142	107897	109059	112664	115574	118911

Source: National Bank of the Republic of Macedonia

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

	31.12.2006	monthly changes		annual changes		structure
	in Denar million	in Denar million	in %	in Denar million	in %	in %
<b>Total deposits</b>	<b>100.384</b>	<b>2.523</b>	<b>2,6</b>	<b>21.873</b>	<b>27,9</b>	<b>100,0</b>
<b>1. According to maturity</b>						
- short-term	93.746	2.494	2,7	20.275	27,6	93,4
- long-term	6.638	29	0,4	1.598	31,7	6,6
<b>2. According to currency of denomination</b>						
- In denar	39.946	1.992	5,2	12.525	45,7	39,8
- In foreign currency	60.438	531	0,9	9.348	18,3	60,2

Source: National Bank of the Republic of Macedonia



**Table 7**  
Households and enterprises deposits

	structure in %	31.12.2006 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>67.352</b>	<b>1.390</b>	<b>2,1</b>	<b>13.270</b>	<b>24,5</b>
<b>1. According to maturity</b>						
- short-term	94,2	63.458	1.244	2,0	12.143	23,7
- long-term	5,8	3.894	146	3,9	1.127	40,7
<b>2. According to currency of denomination</b>						
- In denar	33,3	22.446	907	4,2	7.669	51,9
- In foreign currency	66,7	44.906	483	1,1	5.601	14,3
<b>Total enterprises deposits</b>	<b>100,0</b>	<b>30.774</b>	<b>1.108</b>	<b>3,7</b>	<b>8.215</b>	<b>36,4</b>
<b>1. According to maturity</b>						
- short-term	95,7	29.438	1.285	4,6	8.183	38,5
- long-term	4,3	1.336	-177	-11,7	32	2,5
<b>2. According to currency of denomination</b>						
- In denar	50,4	15.515	1.046	7,2	4.478	40,6
- In foreign currency	49,6	15.259	62	0,4	3.737	32,4

Source: National Bank of the Republic of Macedonia

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

	31.12.2006 in Denar million	monthly changes		annual changes	
		in Denar million	in %	in Denar million	in %
<b>Demand deposits</b>	<b>18.527</b>	<b>814</b>	<b>4,6</b>	<b>3.303</b>	<b>21,7</b>
- Demand deposits of households	3.702	329	9,8	530	16,7
- Demand deposits of enterprises	12.851	807	6,7	2.708	26,7

Source: National Bank of the Republic of Macedonia


**Table 9**

Placements to households and enterprises

	31.12.2006	monthly changes		annual changes	
	in Denar million	in Denar million	in %	in Denar million	in %
<b>Total placements</b>	<b>89.780</b>	<b>2.566</b>	<b>2,9</b>	<b>21.003</b>	<b>30,5</b>
<i>Denar placements</i>	<b>66.413</b>	<b>2.278</b>	<b>3,6</b>	<b>14.741</b>	<b>28,5</b>
<i>of which:</i>					
- enterprises	37.161	1.036	2,9	6.528	21,3
- households	29.149	1.204	4,3	8.265	39,6
<i>Foreign currency placements</i>	<b>23.367</b>	<b>288</b>	<b>1,2</b>	<b>6.262</b>	<b>36,6</b>
<i>of which:</i>					
- enterprises	21.659	247	1,2	5.305	32,4
- households	1.706	41	2,5	965	2,3 times

Source: National Bank of the Republic of Macedonia

**Table 10**

Maturity and sector structure of Denar and foreign currency placements

	Share on 31.12.2006 (in %)	Monthly change (in percentage points)	Annual change (in percentage points)
<b>Denar placements</b>	<b>100,0</b>		
maturity structure			
- short-term	46,2	-0,8	-4,9
- long-term	53,8	0,8	4,9
structure by sectors			
- enterprises	56,0	-0,3	-3,3
- households	43,9	0,3	3,5
- other	0,2	0,1	-0,1
<b>Foreign currency placements</b>	<b>100,0</b>	<b>0,0</b>	<b>0,0</b>
maturity structure			
- short-term	24,8	0,2	-1,5
- long-term	75,2	-0,2	1,5
structure by sectors			
- enterprises	92,7	-0,1	-2,9
- households	7,3	0,1	3,0
- other	0,0	0,0	-0,1

Source: National Bank of the Republic of Macedonia



**Table 11**  
Interest rates

	Decembar, 2006	Monthly changes	Annual changes
	in %	in percentage points	
Average weighted interest rate on the CB bills auctions (28 days)	5,7	0,1	-2,8
Average weighted interest rate on the Money Market*	4,9	0,1	-3,8
Banks' weighted lending interest rates	10,7	-0,1	-1,4
Banks' weighted deposit interest rates	4,4	0,0	-1,2

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>				
05.12.2006	1.250,0	977,0	977,0	6,15
19.12.2006	1.600,0	1.114,0	1.114,0	6,36
<b>Treasury bills auctions, 6 month</b>				
05.12.2006	400,0	413,0	400,0	7,02
<b>Treasury bills auctions, 12 month</b>				
19.12.2006	350,0	324,2	324,2	8,86

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)

	XII.2006	I-XII.2006	XII.2006		XII.2006		I-XII.2006	
			XI.2006		XII.2005		I-XII.2005	
	amount		amount	%	amount	%	amount	%
<b>Foreign trade</b>	<b>476.9</b>	<b>4.893.9</b>	<b>51.7</b>	<b>12.2</b>	<b>75.1</b>	<b>18.7</b>	<b>649.4</b>	<b>15.3</b>
Exports	169.3	1,906.2	10.3	6.5	21.1	14.2	262.7	16.0
Imports	307.6	2,987.7	41.4	15.6	54.0	21.3	386.7	14.9
<b>Balance</b>	<b>-138.4</b>	<b>-1,081.5</b>	<b>-31.1</b>	<b>29.0</b>	<b>-32.9</b>	<b>31.2</b>	<b>-124.0</b>	<b>13.0</b>

Source: State Statistical Office of the Republic of Macedonia, and the calculations in Euro were made at the National Bank of the Republic of Macedonia.


**Table 14**

Ten most important trading partners of the Republic of Macedonia, January-December, 2006  
(in EURO million)

	Foreign trade	Share	Exports	Share	Imports	Share	Import- export coverage ratio
	amount	%	amount	%	amount	%	%
<b>Republic of MACEDONIA</b>	<b>4,893.9</b>	<b>100.0</b>	<b>1,906.2</b>	<b>100.0</b>	<b>2,987.7</b>	<b>100.0</b>	<b>63.8</b>
<i>out of which:</i>							
Serbia and Montenegro	666.4	13.6	442.3	23.2	224.1	7.5	197.4
Germany	592.0	12.1	298.7	15.7	293.3	9.8	101.8
Greece	540.6	11.0	286.6	15.0	254.0	8.5	112.8
Russia	472.7	9.7	20.3	1.1	452.4	15.1	4.5
Italy	368.5	7.5	188.5	9.9	180.1	6.0	104.7
Bulgaria	302.0	6.2	103.1	5.4	198.9	6.7	51.8
Croatia	161.6	3.3	98.9	5.2	62.7	2.1	157.9
Turkey	142.3	2.9	44.0	2.3	98.3	3.3	44.8
Slovenia	135.7	2.8	32.7	1.7	103.0	3.4	31.8
China	111.9	2.3	1.2	0.1	110.7	3.7	1.1
<b>Total (10 largest trading partners)</b>	<b>3,493.8</b>	<b>71.4</b>	<b>1,516.3</b>	<b>79.5</b>	<b>1,977.5</b>	<b>66.2</b>	<b>76.7</b>

Source: State Statistical Office of the Republic of Macedonia, and the calculations in Euro were made at the National Bank of the Republic of Macedonia.


**Table 15**

External long-term debt of the Republic of Macedonia  
(in EURO million)

	External debt		Credits used		Debt payments	
	30.11.2006	31.12.2006	XI -2006	XII -2006	XI -2006	XII -2006
<b>Official creditors</b>	<b>1.045,9</b>	<b>1.048,0</b>	<b>8,1</b>	<b>8,8</b>	<b>5,8</b>	<b>9,2</b>
out of which:						
<b>Multilateral</b>	<b>879,6</b>	<b>881,6</b>	<b>7,1</b>	<b>7,1</b>	<b>5,4</b>	<b>7,4</b>
MMF	43,6	42,4	0,0	0,0	2,2	1,3
IBRD	201,3	200,3	1,2	0,5	1,6	2,7
IFC	3,2	3,2	0,0	0,0	0,0	0,0
IDA	292,1	291,9	0,1	0,0	0,1	0,4
EIB	122,4	125,1	3,5	2,8	1,2	0,2
EUROFIMA	6,1	5,0	0,0	0,0	0,0	1,2
Council of EDB	23,2	22,9	0,0	0,0	0,2	0,3
EBRD	85,6	88,3	2,2	3,3	0,0	0,8
EU	90,0	90,0	0,0	0,0	0,0	0,5
IFAD	12,0	12,5	0,0	0,5	0,0	0,0
European Agency for Reconstruction	0,0	0,0	0,0	0,0	0,0	0,0
<b>Bilateral</b>	<b>166,2</b>	<b>166,4</b>	<b>1,0</b>	<b>1,8</b>	<b>0,4</b>	<b>1,8</b>
Paris club (rescheduled 1995)	78,7	78,5	0,0	0,0	0,0	0,0
Non-rescheduled debt	6,6	6,6	0,0	0,0	0,0	0,0
New credits	80,9	81,2	1,0	1,8	0,4	1,8
<b>Private creditors</b>	<b>682,2</b>	<b>710,4</b>	<b>15,2</b>	<b>36,8</b>	<b>6,0</b>	<b>18,4</b>
out of which:						
<b>Eurobonds</b>	<b>150,0</b>	<b>150,0</b>			<b>0,0</b>	<b>6,9</b>
<b>Other private creditors</b>	<b>532,2</b>	<b>560,4</b>	<b>15,2</b>	<b>36,8</b>	<b>6,0</b>	<b>11,4</b>
Banks and financial institutions	258,9	284,5	14,7	31,0	1,9	6,1
Private non -financial sector	273,3	275,8	0,5	5,8	4,2	5,4
<b>TOTAL</b>	<b>1.728,1</b>	<b>1.758,4</b>	<b>23,3</b>	<b>45,6</b>	<b>11,8</b>	<b>27,6</b>

Source: National Bank of the Republic of Macedonia

## National Bank of the Republic of Macedonia Balance sheet

**Table 16**

NBRM Balance sheet on 31.12.2006  
(in million Denars)

Assets	Amount	Liabilities	Amount
Foreign assets	87,761	Reserve money	24,891
Claims on Government	2,854	NBRM instruments	9,456
Claims on banks and other financial institutions	1,352	Restricted deposits	493
Other assets	4,404	Foreign liabilities	2,645
		Government deposits	35,177
		Capital accounts	11,819
		Other liabilities	11,890
<b>Total</b>	<b>96,371</b>	<b>Total</b>	<b>96,371</b>

Source: National Bank of the Republic of Macedonia