

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



**Monthly Information**  
**12/2008**

January, 2009

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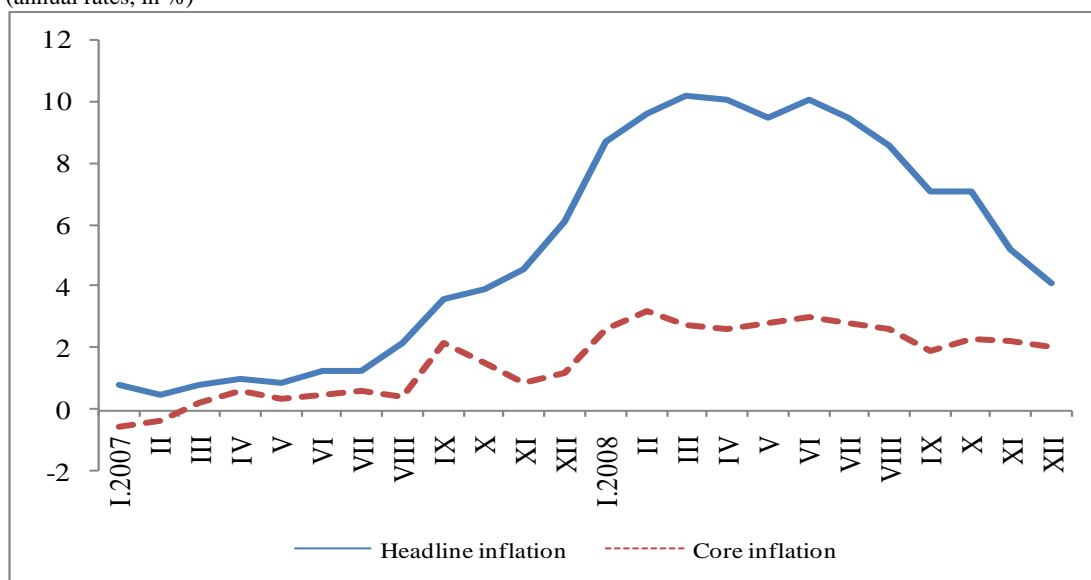
\* The Monthly Information includes analysis based on the available data as of January 22, 2009.

## 1. PRICES

In December 2008, the global level of consumer prices registered small increase of 0.3% relative to the previous month, which was largely due to the seasonally higher prices of the fresh vegetables (contribution of 0.9 p.p.), as well as to the higher prices of wearing apparel and footwear (contribution of 0.2 p.p.). On the other hand, the fall in the domestic prices of oil derivatives, the lower prices of oil for cooking and of the thermal energy<sup>1</sup> had deflationary effect of 0.8 p.p. on cumulative basis. The exhaustion of the effect from the low comparison basis, together with the decrease in the oil price in December reduced the annual **inflation** at the level of 4.1% (anticipated lowest registered rate in 2008). In 2008, the average inflation rate amounted to 8.3%. About 71% of the average price growth in 2008 was due to the higher food prices, whereas the joint contribution of the food and the energy equaled about 85%. The realized annual and average inflation rate were lower than the projection in August (5.9% were projected for the annual and 8.7% for the average rate), and they are within the assessment in November.

**The core inflation** (which excluded the prices of food and energy from the total inflation), registered slowing down in the growth in December, so the annual core inflation rate equaled 2.0% (opposite of 2.3% in November), which was due to the lower growth in the prices of food and beverages in the restaurants and to the lower prices of means of education. In 2008, the average core inflation rate amounted to 2.6%.

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



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

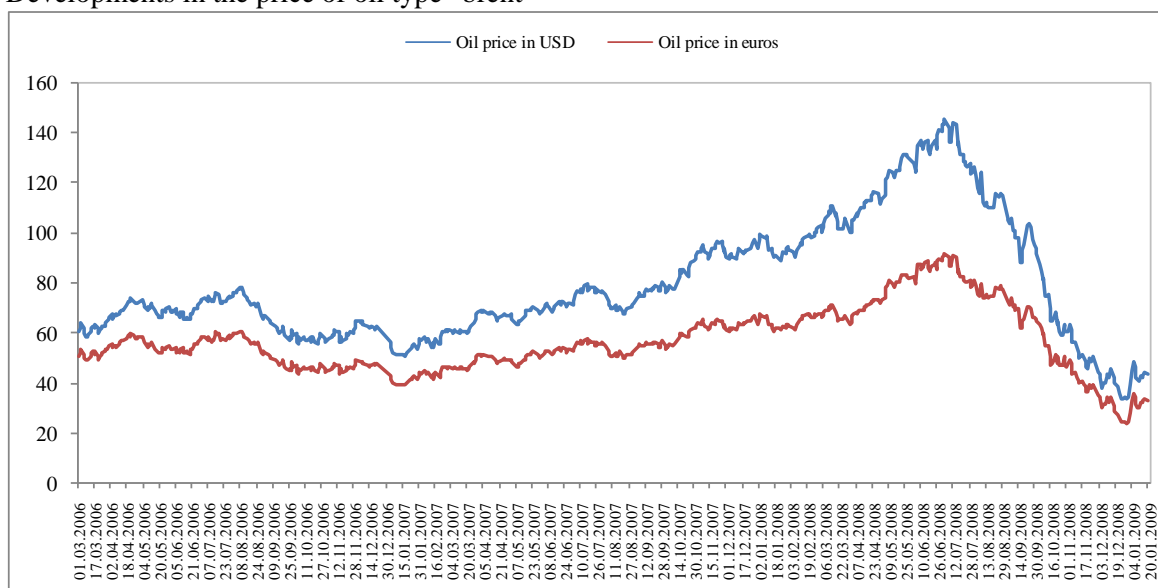
The fall in the **price of the crude oil** in the international stock exchanges continued also in December 2008. The average price of the oil type "brent" amounted to USA Dollar 41.58 per barrel and reduced to the level registered four years ago, registering monthly fall of 21.9%, and relative to the average price in December 2007, it was lower by 54.5%. The decline in the price can be explained with the world economic contraction, which resulted in drop in the world consumption of

<sup>1</sup> On December 4, 2008 REC adopted a decision on decreasing the prices of the central heating from Skopje -Sever by 15.88% for the period November-December 2008.

this energy source, as well as with the reports of the U.S. Department of Energy for continuous growth in the reserves of crude oil in USA<sup>2</sup>. In order to stop the further drop in the oil price, the OPEK member-states at the last extraordinary meeting dated December 17 in Oran, Alger, decided to reduce additionally the daily production of oil by 2.2 million barrels starting from January 1, 2009.

After the continuous growth since the middle of July 2008, the oil price rose and equaled USA Dollar 44.0 per barrel on average in the first two weeks of January 2009, so relative to the average form the last two weeks of December 2008 it grew up by 23%. Such development in the oil price since the beginning of January was due to the tensions in the Middle East, to the restrictive offer resulting from the implementation of the OPEK's Decision for reducing the daily production of oil, as well as the obstructions in the gas supply in Europe after the dispute between Russia and Ukraine. In the analyzed period, the Denar depreciated relative to the USA Dollar by 4.0% (Denar 45.56 per one USA Dollar relative to Denar 43.81 per one USA Dollar). In accordance with such developments in the oil and in the foreign exchange rate, the Regulatory Energy Commission (REC) on the session held on January 20, 2009 adopted a decision on increase in the refinery and retail prices of oil derivatives by 22.4% on average, i.e. by 13.1%. On the other hand, on January 22, 2009 REC adopted a decision on fall in the prices of the central heating from "Toplifikacija" a.d. Skopje by 35.94%, starting from January, acting towards fall in the inflation.

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



Source: The Energy Information Administration - statistical agency of the U.S. Department of Energy.

In December 2008, the **inflation rate in the Euro area**<sup>3</sup> reduce to the lowest level in the last two years equaling 1.6% on annual basis (relative to 2.1% in November), which was mainly due to the fall in the oil price. In 2008, the average inflation rate in the Euro area amounted to 3.3%, whereas the rate of the core inflation, which excludes the prices of food and energy equaled 1.8%. The consumer prices in the Euro area in December were lower by 0.1% relative to the previous month, which resulted mainly from the fall in the transport fuels, oil for cooking and wearing apparels. Considering the economy contraction in the Euro area and the fall in the energy costs

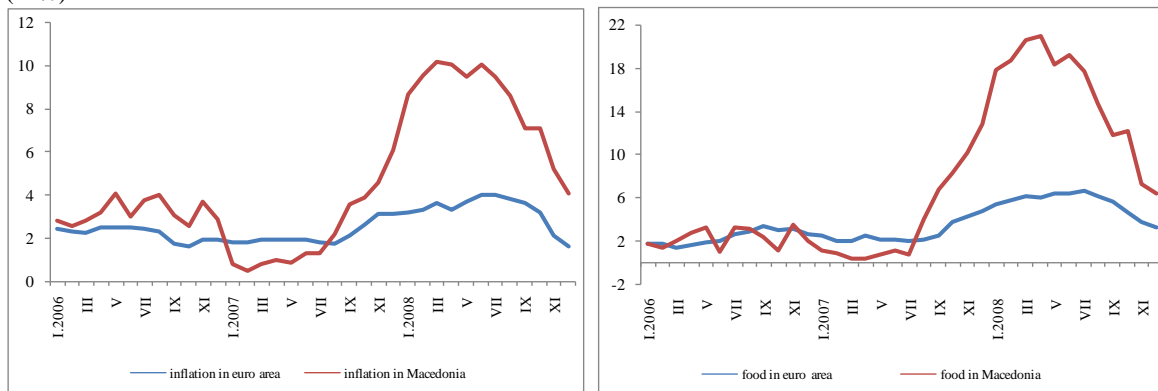
<sup>2</sup> Statistical Agency data on the USA oil, Energy Information Administration, Oil marketer and Oil market report.

<sup>3</sup> Previous data.

which was due to the lower demand, on January 15 ECB adopted a decision on additional reduce in the interest rate by 0.5 percentage points (starting from January 21, 2009).

Figure 3

Annual inflation rate and food prices in the Euro area and in Macedonia  
(in %)



Source: EUROSTAT and SSO.

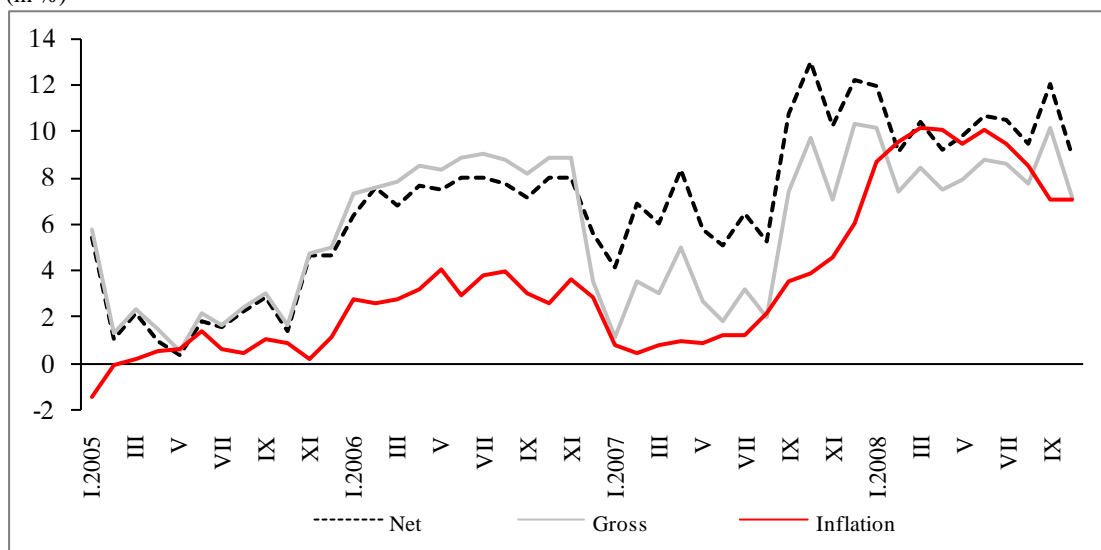
## 2. WAGES

In October, the average **net and gross wages**<sup>4</sup> were higher than in the previous month by 0.8% and 0.9%, respectively, which in conditions of monthly inflation of 0.7% in October, represented real growth of 0.1%, i.e. 0.2%, respectively, in the net and gross wages. Relative to the same month of the previous year, the net and the gross wages registered real growth of 1.8%, i.e. 0.1% (annual inflation of 7.1% in October), whereas the nominal annual growth equaled 9% and 7.2%, respectively.<sup>5</sup> In October 2008 the net wage rose by 9.5%, relative to December 2007.

<sup>4</sup> The data pertains to the *paid* wages in the month, not depending on the month they pertain to.

<sup>5</sup> The difference in the growth rates of the net and gross wage was due to the fall in the personal income tax rate, from 12% to 10%, in January 2008.

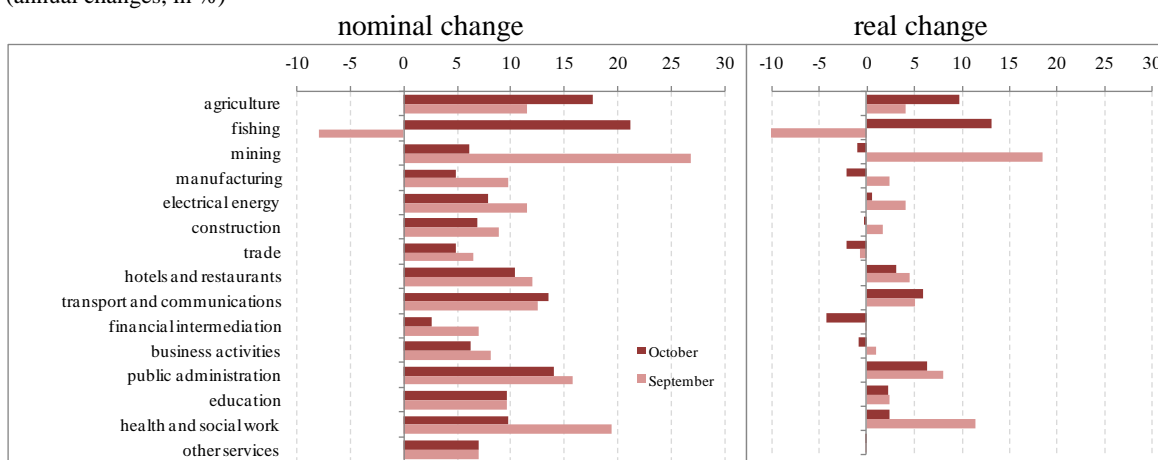
Figure 4  
Annual growth rates in the wages and inflation  
(in %)



Source: State Statistical Office of the Republic of Macedonia.

Highest annual growth in the average paid net wage in October was registered in the fishing (21.2%), agriculture (17.6%) and public administration (14%). Despite the most intensive growth, the net wages in the fishing and agriculture remained lowest, i.e. only 67.4% and 77.9% of the average. The growth in the wages in the public administration reflected the growth in the wages in the Government administration of 10% in the September wage. The announcements and the actual dismisses and compulsory leave, under pressure of the global economic crises, indicated the fact that the private sector will engage work force according to the needs of production, which is expected to reflect additionally on the developments in the wages acting towards slowing down in their growth.

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



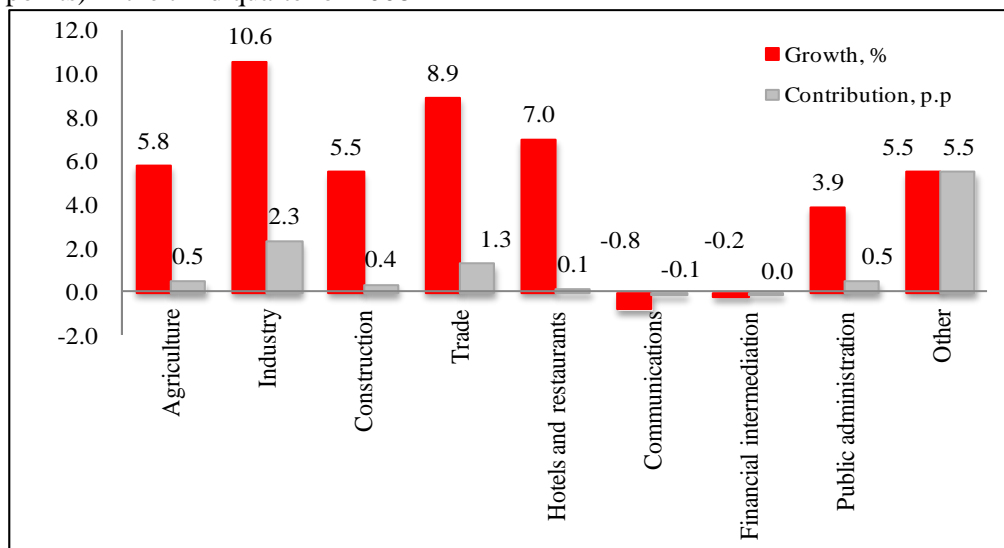
Source: State Statistical Office of the Republic of Macedonia.

### 3. ECONOMIC ACTIVITY

In the third quarter of 2008<sup>6</sup>, **the gross domestic product** maintained the solid upward trend, when under influence of the high growth in the value added in the industry (10.6%) and trade (8.9%), it rose by 5.5%. Up to 80% of the high growth in the industry was due to the increase in the production of metal products. On the other hand, the transport registered fall, as a result of the lower transportation of goods, as well as the financial intermediation.

Figure 6

Growth rates in individual sectors of GDP (%) and contributions to the total growth (percentage points) in the third quarter of 2008

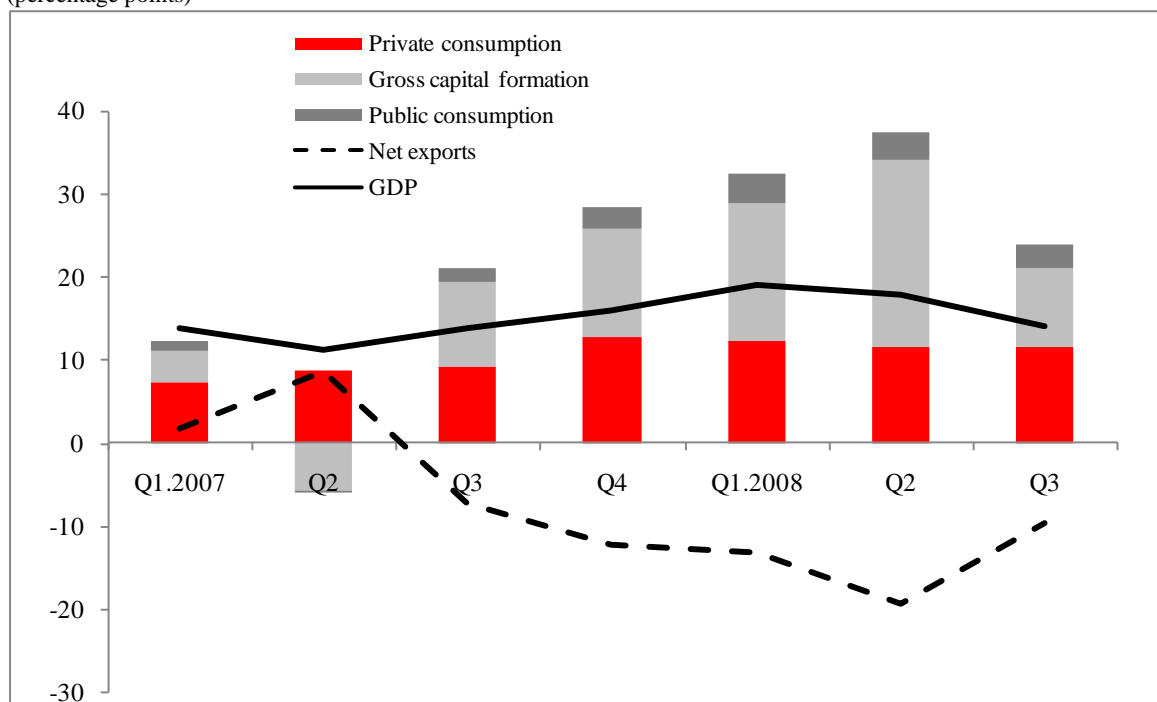


Source: State Statistical Office and NBRM calculations.

Observed on the side of the expenditures, the contribution of the personal consumption to the high nominal GDP growth was almost at the same level as in the previous three quarters, same as the contribution of the public consumption. The gross investments have considerably lower contribution (decrease by half of the amount relative to the average from the previous two quarter), whereas the net export registered improvement, i.e. decrease in the negative contribution. Hence, the slightly lower GDP growth rate in the third quarter, relative to the previous two quarters, came as a result of the lower growth in the investment activity.

<sup>6</sup> At the end of December 2008, SSO informed that the estimated real GDP growth in 2008 equaled 5.3%.

Figure 7  
Contribution of individual expenditure aggregates to the nominal GDP growth  
(percentage points)

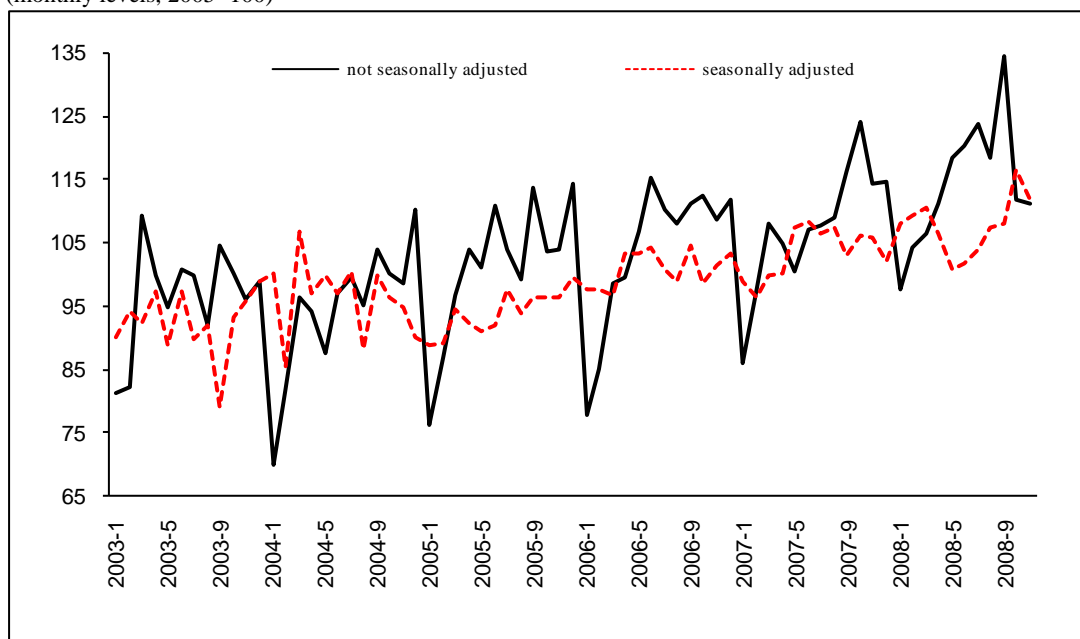


Source: State Statistical Office and NBRM calculations.

After the high fall in October, the **industrial output** in November registered moderate drop relative to the previous month of 0.5% (growth of 3.5% in the data adjusted for seasonal effects). Compared with the same month of the previous year, the volume reduced by 2.9%, mostly as a result of the lower production in the manufacturing activities (3%), as well as in the energy sector (9.7%), with favorable trends still being registered in the mining (growth of 20.9%). The worsened global situation in the industry, resulting from the world crises, the influence of which became apparent in October, continued also in November, when 12 of the 20 manufacturing activities registered fall in the output, and they created 55% of the output in the manufacturing industry. The output of basic metals registered annual fall of 42.4% (contribution of -6.1 p.p.), and simultaneously the tobacco industry (26.5%), the oil industry (25.5%), the metal manufacturing industry (18.4%) and the wearing apparel industry (16.4%) registered drop. On the other hand, the output of food (26.4%), as well as the output of building materials and the printing gave positive contribution to the total industrial output. In the period January-November, the industrial output registered growth of 7%.



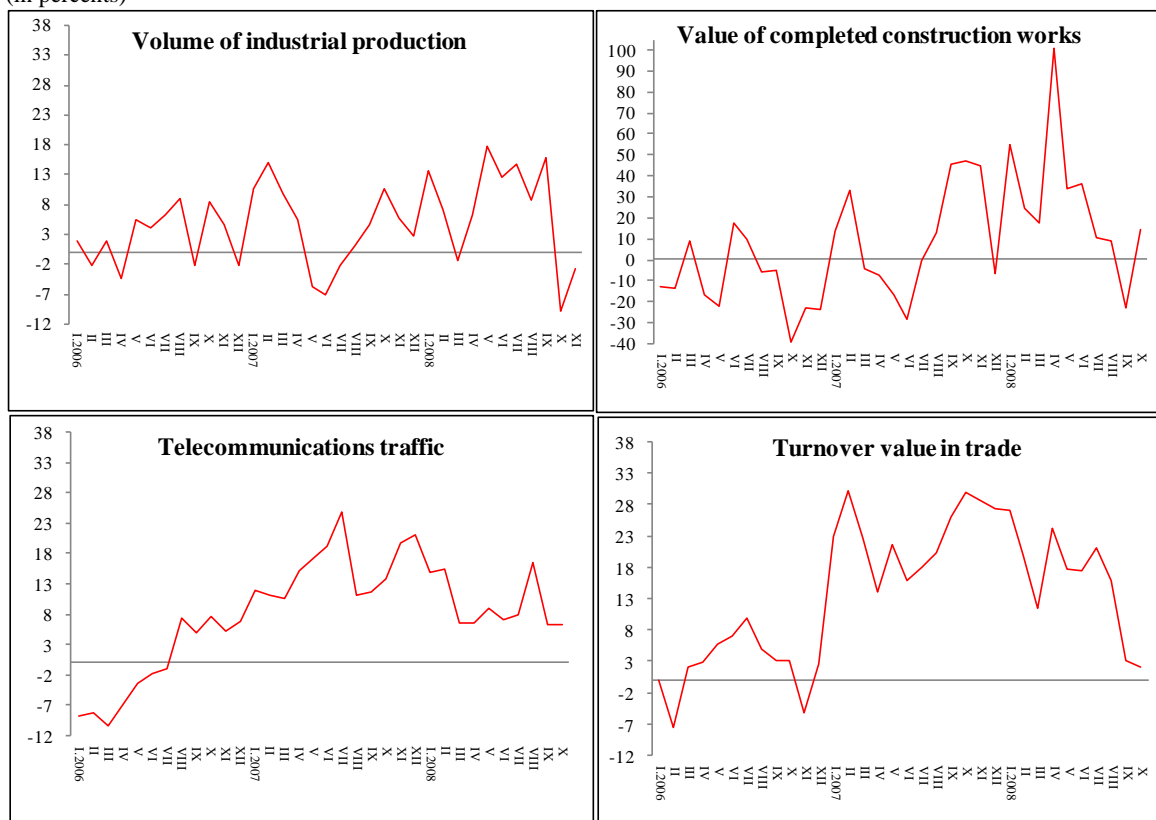
Figure 8  
Index of the industrial output  
(monthly levels, 2005=100)



Source: State Statistical Office and NBRM calculations.

The data on the **other economy sectors** showed that the turnover in the trade in October was higher than the turnover in September by 6.4%, and in the telecommunications by 4.8%. Different from these two activities, high monthly growth of 30.3% was registered in the value of the performed activities. Large part of the growth in all three activities was seasonal, indicated through the growth rates in the data adjusted for seasonal effects (2.3% in the trade, 1.3% in the telecommunications and 18.9% in the construction). On annual basis, in the period September-October slowing down in the economic activity was registered. Thus, in October the annual growth rate in the trade equaled 2.1%, 6.1% in the telecommunications and 14.3% in the construction. Based on the data from the Ministry of Urban Planning, construction licenses with value of Denar 1.727 million were issued in November, which was higher by Denar 480 million than in October, which indicated further intensification in the building activity.

**Figure 9**  
Annual growth rates in individual economy sectors  
(in percents)



Source: State Statistical Office and NBRM calculations.

#### 4. BALANCE OF PAYMENTS

In the first months of 2008, **the current account of the balance of payments** registered deficit of Euro 666.7 million, which in conditions of higher demand of foreign products, unfavorable foreign trade conditions and lower inflows based on private transfers, deepened by 4.7 times relative to the same period of 2007. The realized deficit on the current account equaled 10.7% of the envisaged GDP and for 2008 it is expected to exceed the projected amount of 12.3% of GDP according to the projection in August, and to be within the assessment of November 2008 of about 14% of the projected GDP.

Within the current account, in the analyzed period, the net inflows based on private transfers equaled Euro 816.7 million and on annual basis they reduced by 4.8%. In conditions of upward trade deficit, the coverage of the trade deficit by the private transfers amounted to 55.9% (opposite of the coverage of 100.4% in the same period of 2007). In accordance with the newest data from the currency exchange market, in 2008 net inflows of Euro 602.9 million were realized, which represented decrease of 12.3% on annual basis. The monthly dynamics of the net purchase on the currency exchange market in October and in November indicated positive change rates (18.8% and 4.9%, respectively), whereas in December considerable annual drop of almost 50% was registered. In the same time, positive balance was realized in the services, so the net inflows in the period of 10 months (of Euro 12.1 million) were lower by almost two thirds relative to the same period of the previous year, which mostly resulted from the higher net outflows based on

transportation services. In the income, net outflows of Euro 78.6 million were realized, and they registered annual fall of 63.7%, in conditions of lower outflows based on direct investments.

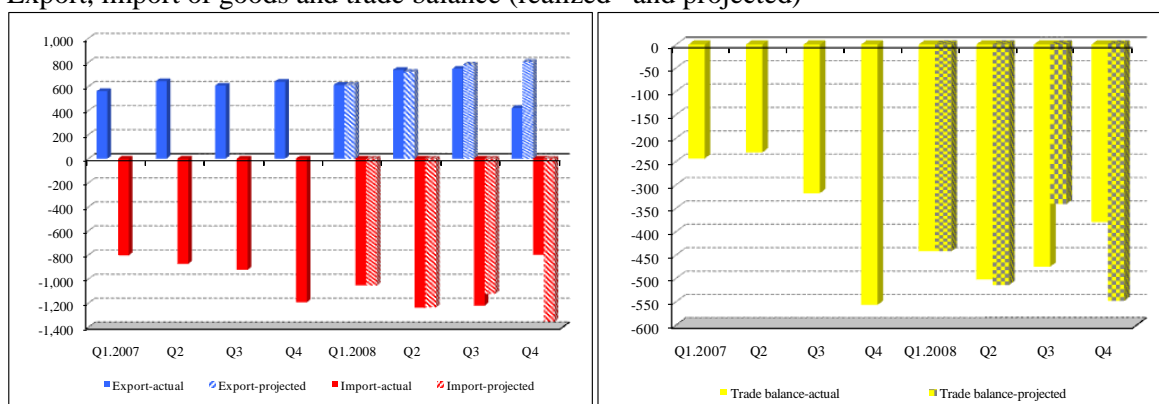
In the period January - October 2008, in the **capital and financial account** net inflows in amount of Euro 808.8 million, which exceeded the projected amount for 2008 of the projection in August. The largest part of the realized net inflows are from direct investments, which on cumulative basis amounted to Euro 443.6 million (out of which 40.6% pertains to capital and 38% to credits and loans of interconnected persons). Net outflows were registered also based on currencies and deposits, trade credits and net loans, which relative to the same period of 2007 registered positive changes. In the portfolio investments the trend of sale of securities continued, and in the period January-October 2008 net outflows of Euro 42.3 million were realized. By the latest available data of the Macedonian stock exchange, in December 2008 the participation of the foreign investors on the side of the purchase amounted to 12.07%, and on the side of the sale it was 21.6%.

In November 2008, the total foreign trade registered annual drop of 2%, in conditions of fall in the export and small growth in the import, so the trade deficit, which amounted to Euro 185.6 million, deepened by 13.9% relative to November 2007. Namely, the export registered annual drop of 8.3%, which was mainly due to the lower export of iron and steel and products thereof, which registered more intensive dynamics of annual decline (from 7.6% in October to 32.2% in November), as a reflection of the lower rate of foreign demand and lower domestic output. On the other hand, the annual growth in the import of 1.5% resulted mostly of the higher import of electrical machines (by 67.4% on annual basis), and for the first time this year the import of iron and steel and products thereof for the needs of the metal industry went down on annual basis (by 15.7%).

On cumulative basis, in the period January-November 2008, the **deficit in the foreign trade** rose by 53.3% on annual basis, with more intensive annual increase in the import than in the export being registered (of 26.7% and 12.7%, respectively). The higher export resulted mainly from the higher export of oil derivatives (with contribution of 35.6%), followed by the ores and wearing apparel and textile (contribution of 19.3% and 8.9%, respectively). In the export of iron and steel and products thereof, as most important export category, despite the growth on annual basis which was still present (of 1.1%), in the last two months the consequences from the global crises were more evident, expressed through the lower foreign demand and the fall in the nickel prices. On the side of the import, the higher import of energy mostly contributed to the annual growth in the import (contribution of 31.8%), within which the import of crude oil registered the highest increase (by 55.2%), which was mainly due to the higher prices (by 44.7%). Higher import prices in 2008 were registered also in the electricity (by 35.8% relative to the same period of the previous year), which represented the only factor which determined the higher import of this energy source, in conditions of fall in the imported amounts (of 2.4%) which was due to the lower output in significant industrial facilities in the last quarter of 2008. In the rest of the products, the higher import of iron and steel and products thereof (contribution of 17.7%), as well as the electrical machines vehicles and equipment (contribution of 9.9%, 8.3% and 6.4%, respectively) gave significant contribution. Such developments in the export and in the import of goods contributed to fall in the export-import coverage ratio of 7.2 percentage points and it equaled 58.3%. The realized trade deficit in the period January-November 2008 registered high percent of realization relative to the projection in August 2008 and till the end of the year it is expected to exceed the projected amount (of about 26% of the projected GDP), so with the projection in November for 2008 trade deficit of about 28% of GDP was assessed.

Figure 10

Export, import of goods and trade balance (realized\* and projected)



\* The realization for the fourth quarter of 2008 pertains only to October and November 2008.

Source: NBRM, internal classification.

In December 2008, the metal prices registered monthly decrease again, which was due to the sharp fall in the global demand, the further increase in the reserves and the strengthening of the USA Dollar. In the basic metals, the nickel price registered fall on monthly basis of 9.5%, which was due to the considerable fall in the output and growth in the reserves. On the other hand, the prices of gold and silver were the only prices which registered monthly growth of 7.3% and 4.5%, respectively.

Table 1

Metal prices

	2006	2007	2008	Jan-Mar 2008	Apr-Jun 2008	Jul-Sep 2008	Oct-Dec 2008	October 2008	November 2008	December 2008
<i>US dollars per ounce</i>										
Gold	604.3	696.7	871.7	926.8	896.0	869.6	794.5	806.6	760.9	816.1
<i>US cents per ounce</i>										
Silver	1,156.9	1,341.3	1,499.9	1,764.7	1,720.0	1,494.5	1,020.4	1,042.7	986.8	1,031.7
<i>US dollars per metric tons</i>										
Steel cr coil sheet	693.8	650.0	965.6	762.5	900.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
Steel hr coil sheet	600.0	550.0	883.3	700.0	833.3	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
<i>US dollars per metric tons</i>										
Nickel	24,254.4	37,229.8	21,110.6	28,956.8	25,682.4	18,960.8	10,842.6	12,139.8	10,701.5	9,686.4

Source: World Bank.

## 5. MONETARY AGGREGATES

At the end of December 2008, **the reserve money**<sup>7</sup> registered growth of 7.8% on annual basis (6.6% in the previous month), when growth in the total liquid assets of banks (by 16.6%) and lower demand of currency in circulation was registered (by 1.7% on annual basis). Relative to the previous month, in conditions of simultaneous growth in both components, the reserve money rose by 12.6%. More intensive growth was registered in the total liquidity assets of banks, which after the fall in the last month of 15.6%, in December increased by 13.7%, while the demand for currency in circulation grew with rate of 11.2% on monthly basis. Analyzed with respect to the flows of creating liquidity and liquidity withdrawal, more intensive costs of the Government in the last month of 2008 represented dominant flow of creating liquidity, which was partially neutralized through the NBRM transactions on the currency exchange market, where NBRM continued to

<sup>7</sup> Includes the compulsory reserve of foreign currency deposits. Without this component, the reserve money on annual basis are higher than 1.4%.

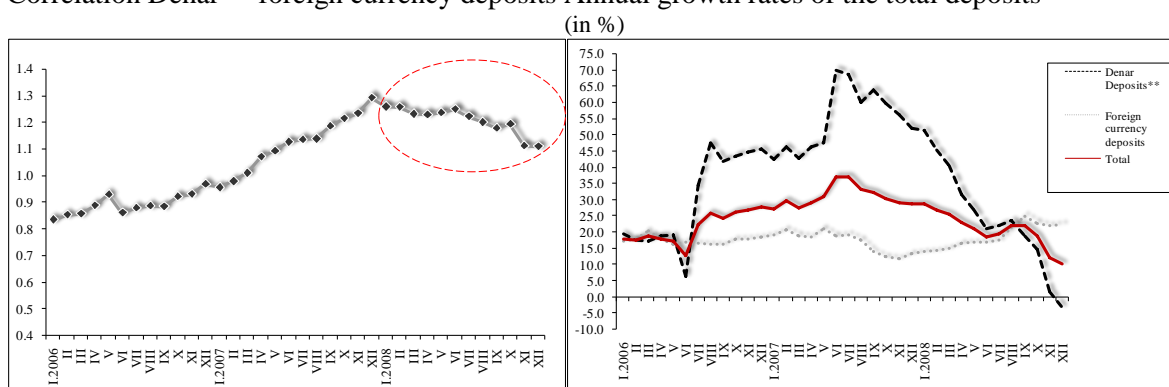
intervene with net sale of foreign assets. The CB bills also acted towards additional sterilization of the created liquidity (through which total Denar 599 million were sterilized).

On cumulative basis, the foreign currency transactions of NBRM were the basic factor which acted towards withdrawal of reserve money, which was fully supplemented through the change in the net position of the Government. In the same time, the monetary instruments (together with the compulsory deposit) in 2008 acted towards creating liquidity. Concerning the projection for the end of 2008, the reserve money went down by 23%. Such deviation from the projection came as a result of the lower net foreign currency assets of NBRM (planned net purchase of foreign currencies on cumulative basis), in conditions of intensified expenditure of the Government relative to the planned one (by 21.1%).

After the fall for two month period in the deposit potential of banks on monthly basis, in December 2008 **the total deposits of banks** (without the demand deposits) registered moderate growth of Denar 778 million, i.e. 0.5%. In conditions of almost unchanged situation in the deposits of enterprises, the monthly growth was solely due to the higher saving of the households (which went up by 0.6%, relative to the negative growth rates in the previous two months). The long-term component of the household deposits in December also represented generator of the total monthly change of these deposits, which may be related with the influence of the stimulating interest policy of the banks acting towards withdrawal of more stable deposit core for financing the credit activity. With respect to the currency structure, the household savings in December was fully denominated in foreign currency, whereas the Denar deposits reduced by 3.8% on monthly basis.

Figure 11

Correlation Denar\* - foreign currency deposits Annual growth rates of the total deposits



\* Includes the demand deposits.

\*\* Without the demand deposits.

Source: National Bank of the Republic of Macedonia.

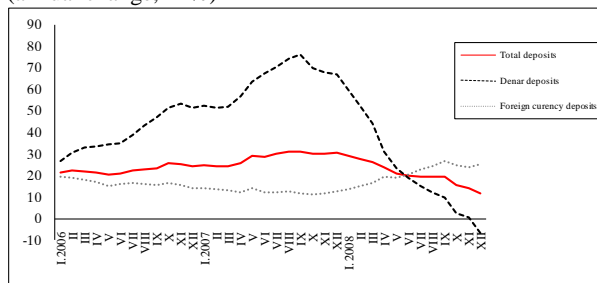
With respect to the annual dynamics of the deposit growth, the saving of the private sector still registers slow growth, which indicated that the high uncertainty and the psychological effect from the world economic crises and its influence on the domestic economy were still significant factors which determine the actions of the economic entities in this period. The uncertainty and the higher aversion to risks, contributed to contraction in the Denar deposits in December (for the first time after April 2002, the Denar deposits registered annual rate of fall of 3.2%), whereas the foreign currency deposits realized annual growth of 22.4% (relative to 21.9% in November). With respect to the sector distribution, the lower dynamics of growth continued in the sector "households" and in the corporative sector as well (11.7% and 5.9% respectively, opposite of 13.9% and 8.6% respectively, in November), which resulted in annual growth in the total deposits of 10.4% (12.3%

in the previous month). The annual growth rate of the total deposits equaled 12.7%, after including the demand deposits, relative to 15.2% in November 2008.

Figure 12

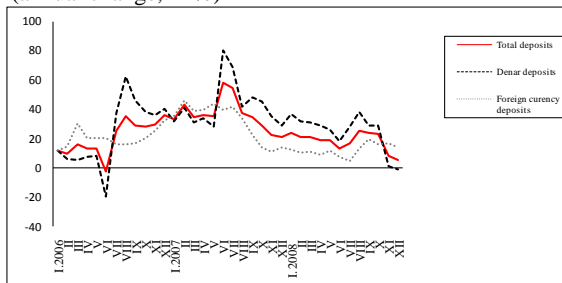
## Deposits of households

(annual change, in %)



## Deposits of enterprises

(annual change, in %)



Source: National Bank of the Republic of Macedonia.

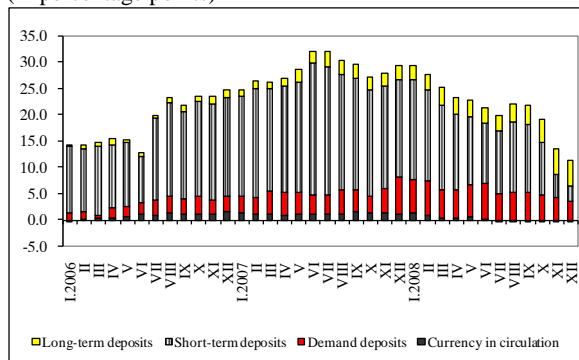
In December 2008, the **broadest money supply M4** registered rise of 11.4% on annual basis, which relative to the projection for the end of 2008 indicated lower monetary growth (according to the projection in August, the projected annual growth rate of the broadest money supply in December 2008 amounted to 16.3%). Such deviation of the money supply from the projection was anticipated, having in mind that the worsened global situation and the effects on the Macedonian economy became strongly apparent in the fourth quarter of 2008.

Figure 13

## Money supply M4

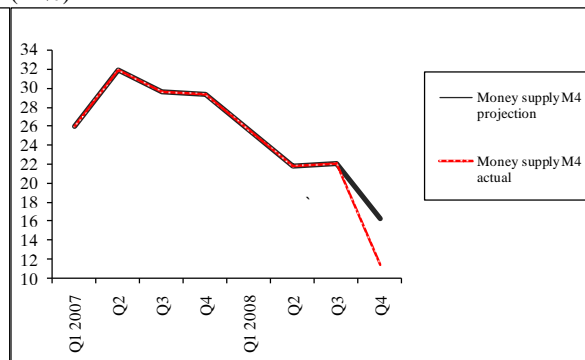
Contribution to the annual growth

(in percentage points)



Annual growth rates

(in %)



Source: National Bank of the Republic of Macedonia.

## 6. BANK CREDITS

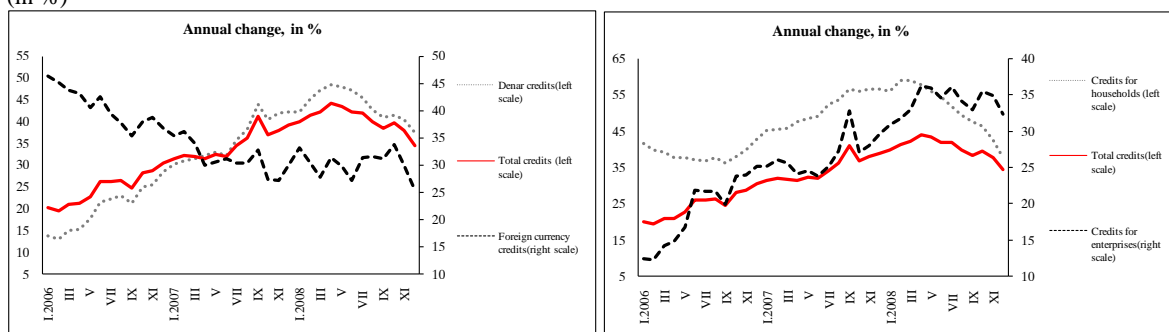
The crediting to the private sector by the banks in December registered slowing down in the monthly dynamics, which represented continuance of the situation in the previous two months. Namely, the **total bank credits to the private sector** in December went up by Denar 2.016 million, i.e. 1.2% relative to November, when the credit growth amounted to 1.6%. The perceptions of the banks concerning the risks, the further narrowing in the possibility for using alternative sources of financing, in conditions of continuous weakening in the deposit potential, were the factors which influenced the credit activity of banks in December 2008 as well. With respect to the currency

component of credit placements, the registered growth was solely due to the Denar crediting (which rose by 1.6%), whereas the foreign currency credits realized monthly fall of 0.1%.

With respect to the sector structure, the contribution of the credits allocated with the households continued to weaken, indicating intensified slowing down in the growth rate of these credits, relative to the corporative crediting (the contribution of which to the growth in the total credits reached up to 78.3% on monthly basis). Thus, in December 2008, the banks allocated by 1.6% more credits to the enterprises, relative to November, whereas the credits to households grew with monthly growth dynamics of 0.7%.

Figure 14

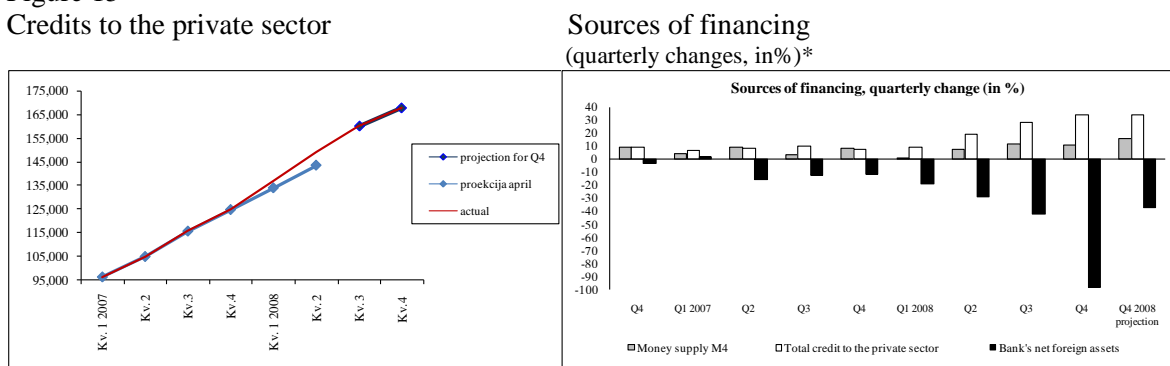
Annual growth rates in the credit to the private sector by the currency and sector structure  
(in %)



Source: National Bank of the Republic of Macedonia.

On annual basis, the total credit activity of the banking sector continued to slow down and in December it reduced to 34.4%, in conditions of intensified slowing down in the credits to the sector "households", relative to the credits to enterprises. Namely, at the end of 2008, the credits to households realized the lowest level of annual growth in the last two years of 37.6%, which in the same time indicated the fact that the banks placed lower amount of credits to this sector, relative to the credit growth envisaged in the Decision on compulsory deposit (where the annual growth in the credits to households was positioned at the level of 40%). Slowing down in the credit growth, but with more moderate dynamics, was registered in the corporative sector, where the annual growth rate reduced to 32.5% (opposite of 35% in November). Relative to the projections, the credit growth at the end of 2008 was within the anticipated growth of 34.6%, envisaged with the projection in August.

Figure 15  
Credits to the private sector



\* The realization for the fourth quarter, as well as the projections for the fourth quarter of 2008 are cumulative changes relative to the end of 2007.

Source: National Bank of the Republic of Macedonia.

**The net foreign currency assets of banks** in December 2008 continued to decrease with monthly fall rate of 72.7%, i.e. by Denar 755 million. The foreign currency assets realized intensified fall of Denar 3.089 million (or 11.5%) relative to the foreign currency liabilities, which reduced by Denar 2.334 million, or by 9%. Relative to the end of 2007, the net foreign currency assets of banks reduced by Denar 15.164 million, or by 98.2%.

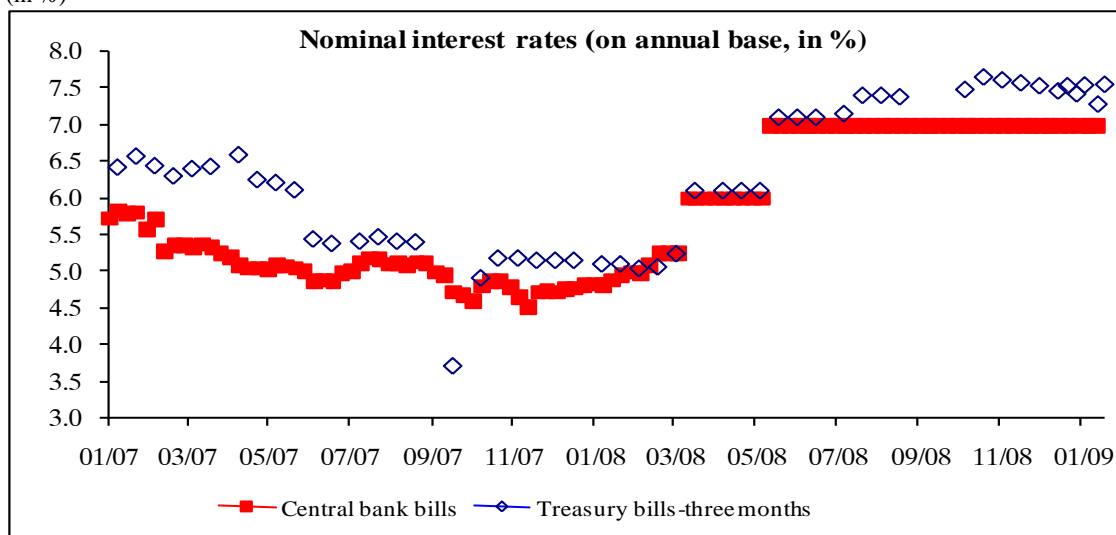
## 7. INTEREST RATES AND FOREIGN EXCHANGE RATE

On the last four **auctions of CB bills** (dated 31.12.2008, 08.01.2009, 14.01.2009 and 21.01.2009), with volume tender and fixed interest rate of 7% being applied, liquidity of Denar 1.027 million was withdrawn. As of December 31, 2008 the **gross foreign reserves** amounted to Euro 1.494,9 million and relative to the end of 2007 they decreased by Euro 36.4 million.

Within the analyzed period three **auctions of three-month Treasury bills** were held, dated January 5, 2009, January 15, 2009 and January 20, 2009. In conditions of higher supply than the demand interest rates of 7.54%, 7.28% and 7.55%, were realized, respectively (opposite of 7.42% on the last auction held in December 2008). Simultaneously, on January 5, 2009 an **auction of six-month Treasury bills** was held when, in conditions of higher supply than the demand, interest rate of 7.26% was realized (relative to 7.77% on the last auction). On January 20, 2009 an **auction of twelve-month Treasury bills** was held when in conditions of higher demand than the supply, interest rate of 7% was realized, maintaining the level registered on the previous auction. In the period 01-20.01.2009, the average interbank interest rate in the bilateral trading of banks (up to one day) equaled 5.05% on average (4.84% in December 2008).



Figure 16  
Interest rates  
(in %)



Source: National Bank of the Republic of Macedonia.

In the area of **banks' interest policy**, in November 2008 the upward trend continued, when the **average weighted interest rate of the Denar credits** for all maturities and sectors and the **average weighted interest rate of the Denar deposits** for all maturities and sectors went up by 0.1 and 0.3 p.p. on monthly basis equaling 9.8% and 6.5%, respectively. Within the sector **"enterprises"**, the largest growth on monthly basis was registered in the interest rate of the long-term credits with FX clause (by 0.3 p.p.), so it equaled 9.1%, whereas downward movement was registered in the interest rate of the short-term credits with FX clause which reduced by 0.2 p.p. and it equaled 7.5%. With respect to the deposit interest rates, with the deposits without FX clause, most significant growth (of 0.3 p.p.) was registered in the interest rates of the sight deposits (equaling 1.6%), whereas in the deposits with FX clause, more significant changes were registered in the long-term deposits the interest rate of which rose by 0.4 p.p. equaling 4.4%. Within the short-term deposits with FX clause, the interest rates of the deposits up to one month registered significant change (from 7.1% to 3%)<sup>8</sup>. In the sector **"households"**, in November 2008 no considerable monthly changes in the landing interest rates were registered. With respect to the deposit interest rates, in the household deposits without FX clause, the interest rates of the short-term deposits registered most significant monthly rise (of 0.4 p.p.). In the FX indexed time deposits, after the stable level of several months, in November decrease in the interest rates was registered (from 9.2% in October to 8.8%), which was solely due to the change in the short-term time deposits. **Within the foreign currency interest rates**, the interest rate of the foreign currency credits reduced by 0.6 p.p. equaling 7.8% (in conditions of fall in the interest rates on the foreign markets), while the interest rates of the foreign currency deposits grew by 0.2 p.p. equaling 2.9%.

In the area of the interest rates of the **newly extended credits** and the **newly received deposits**, in November 2008 no changes were registered, i.e. the landing and the deposit interest rates maintained the level of 9.3% and 4.5%, respectively. In the interest rates of the **foreign exchange newly extended credits** in November fall of 0.8 p.p. was registered, so the interest rate returned at the level of October equaling 7.8%, whereas the interest rate of the **foreign exchange newly received deposits** equaled 1.3%, opposite of 1.5% in November.

<sup>8</sup> Still, because of the very low participation of these deposits in the total received deposits with FX clause of enterprises, these deviations did not cause any change in the interest rate of the short-term Denar deposits of the enterprises.

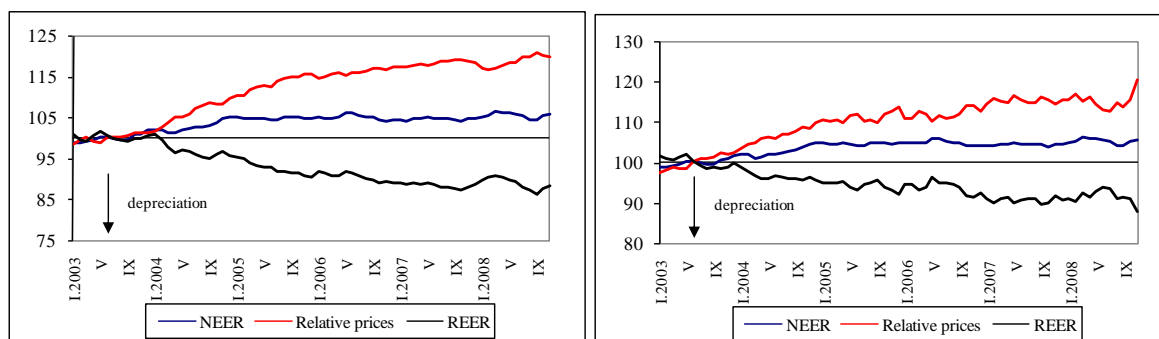
The index of the **real effective foreign exchange rate of the Denar** deflated with the consumer price index showed slowing down in the trend of appreciation, on monthly and annual basis. Thus, in November 2008, the monthly appreciation equaled 0.8% (1.6% in October), which was mainly due to the appreciation of the NEER of the Denar (by 0.5%), as well as to the relative prices (fall in the foreign prices of 0.1% and growth in the domestic prices of 0.2%), whereas the annual appreciation of 0.2% (0.5% in October was solely due to the appreciation of the NEER by 1.1% on annual basis, partially neutralized with the relative prices. On cumulative basis, REER registered appreciation of 0.5%, which was due to the appreciation of NEER (0.9%), when higher growth in the foreign than in the domestic prices was registered. On the other hand, in November 2008, the index of REER of the Denar deflated with the producer price index realized monthly and annual depreciation of 3.6% and 4.1%, respectively, which was solely due to the relative prices. On cumulative basis an appreciation of 0.9% was registered, which was due to the appreciation of NEER, in conditions of almost identical growth in the domestic and foreign prices.

Figure 17

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

deflator: consumer price index

deflator: producer price index



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

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

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

## ANNEX

**Table 1**  
Consumer Price

Consumer prices	change in %			contribution to change in percentage points		
	<u>XII.2008</u> XI.2008	<u>XII.2008</u> XII.2007	<u>2008</u> 2007	<u>XII.2008</u> XI.2008	<u>XII.2008</u> XII.2007	<u>2008</u> 2007
<b>Total</b>	<b>0.3</b>	<b>4.1</b>	<b>8.3</b>	<b>0.3</b>	<b>4.1</b>	<b>8.3</b>
<b>Food</b>	<b>1.5</b>	<b>6.3</b>	<b>15.3</b>	<b>0.59</b>	<b>2.40</b>	<b>5.85</b>
Grain products	-0.8	8.7	24.2	-0.06	0.65	1.79
Fresh and processed vegetables	16.6	13.0	15.2	0.93	0.73	0.85
Fresh and processed fruits	-3.2	-5.7	16.4	-0.10	-0.17	0.50
Meat and poultry	0.8	7.6	7.9	0.06	0.58	0.60
Fresh and cooked fish	2.9	14.6	7.4	0.03	0.14	0.07
Dairy products	-0.7	7.6	18.9	-0.04	0.44	1.09
Eggs	1.4	10.5	14.9	0.02	0.13	0.18
Oils and fats	-10.7	-14.4	28.2	-0.22	-0.30	0.59
<b>Tobacco and beverages</b>	<b>0.0</b>	<b>4.4</b>	<b>4.0</b>	<b>0.00</b>	<b>0.23</b>	<b>0.21</b>
<b>Clothing and footwear</b>	<b>3.0</b>	<b>-0.5</b>	<b>1.8</b>	<b>0.23</b>	<b>-0.04</b>	<b>0.14</b>
<b>Housing</b>	<b>-0.8</b>	<b>11.2</b>	<b>5.9</b>	<b>-0.13</b>	<b>1.69</b>	<b>0.90</b>
Flat (rent, water and other services)	0.3	6.0	6.1	0.01	0.22	0.22
Fuel and lighting	-1.6	15.7	7.2	-0.14	1.40	0.64
Heating and services	-4.2	20.5	16.0	-0.13	0.63	0.49
Electric power	0.0	13.1	2.6	0.00	0.77	0.15
<b>Hygiene and health</b>	<b>0.3</b>	<b>1.7</b>	<b>1.5</b>	<b>0.03</b>	<b>0.14</b>	<b>0.12</b>
<b>Culture and entertainment</b>	<b>-1.1</b>	<b>0.8</b>	<b>0.2</b>	<b>-0.06</b>	<b>0.04</b>	<b>0.01</b>
<b>Transport and communication services</b>	<b>-2.5</b>	<b>-5.4</b>	<b>3.2</b>	<b>-0.36</b>	<b>-0.77</b>	<b>0.46</b>
Fuels and lubricants	-10.4	-18.8	14.0	-0.40	-0.72	0.53
Public transport services & PTT	0.6	0.6	-3.9	0.03	0.04	-0.24
<b>Restaurants and hotels</b>	<b>0.0</b>	<b>6.8</b>	<b>11.4</b>	<b>0.00</b>	<b>0.35</b>	<b>0.58</b>
<b>Other services n.e.c.</b>	<b>0.0</b>	<b>-6.0</b>	<b>2.2</b>	<b>0.00</b>	<b>-0.02</b>	<b>0.01</b>

Source: State Statistical Office of the Republic of Macedonia.

**Table 2**  
Basic inflation, productivity and wages

(annual rates, %)	2006	2007	2008	2007				2008				Latest months		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Oct-08	Nov-08	Dec-08
Inflation (CPI)	3.2	2.3	8.3	0.7	1.1	2.4	4.9	9.5	9.9	8.4	5.5	7.1	5.2	4.1
Core inflation (excluding food and energy)	1.1	0.6	2.6	-0.2	0.5	1.1	1.2	2.9	2.8	2.5	2.2	2.3	2.3	2.0
Regulated prices	5.7	3.3	9.3	4.2	3.0	2.0	4.1	7.4	9.2	12.5	8.3	9.6	10.1	5.3
Industrial producer prices	4.5	1.6	-	1.0	1.2	1.6	4.1	10.5	13.6	15.1	2.1	9.2	-0.8	-1.8
Productivity	-0.7	2.0	-	2.0	0.3	1.1	4.6	1.5	3.1	1.8	-	-	-	-
Nominal net-wage	7.3	7.9	-	5.7	6.4	7.5	11.8	10.5	9.9	10.7	-	9.0	-	-
Real net-wage	4.0	5.5	-	5.0	5.3	5.0	6.6	0.9	0.0	2.1	-	1.8	-	-

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

**Table 3**  
Industrial output and other economic activities

(annual rates, %)	2006	2007	2007				2008				Sep-08	Oct-08	Nov-08
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross domestic product	4.0	5.9	5.7	4.4	5.0	7.2	5.3	6.2	5.5	-	-	-	-
Industrial output	2.5	3.7	11.6	-2.8	1.1	6.2	5.8	12.0	13.0	15.7	-9.9	-3.9	-
Construction	-12.3	7.6	9.4	-18.6	18.0	23.3	32.5	57.3	-0.9	-22.5	14.3	-	-
Retail and wholesale trade	2.5	24.2	25.1	17.2	21.2	28.6	19.6	19.9	13.4	3.0	2.1	-	-
Telecommunications	-1.0	15.6	11.1	17.1	15.9	18.1	12.2	7.4	10.2	6.3	6.1	-	-

Source: State Statistical Office of the Republic of Macedonia.

**Table 4**  
Selected industrial branches

Selected industrial activities (annual rates, %)	2006	2007	2007				2008			Nov.08	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	% change	impact (p.p.)
Mining and quarrying	28.0	9.8	13.9	16.2	15.4	-3.3	11.9	13.6	3.4	20.9	0.8
Manufacture of food products and beverages	0.1	7.7	12.0	0.6	9.5	9.6	5.3	6.0	6.1	26.4	4.3
Manufacture of tobacco products	5.5	-0.8	19.0	-14.4	-16.8	41.1	13.8	15.4	1.0	-26.5	-1.4
Manufacture of wearing apparel	-3.7	-14.5	-4.6	-19.8	-17.9	-14.2	-16.5	-22.7	-23.4	-16.4	-1.5
Printing	-17.9	-12.2	13.3	-11.5	-18.2	-22.9	7.8	72.2	68.4	85.0	2.2
Manufacture of refined petroleum products	12.3	-2.4	20.6	-11.1	1.3	-16.8	3.3	50.9	1.1	-25.5	-1.2
Manufacture of other non-metallic mineral products	14.0	3.8	51.5	4.2	-2.6	-15.9	-10.9	-3.2	-9.9	23.8	1.3
Manufacture of basic metals	11.8	34.3	57.4	35.2	25.3	26.7	9.5	15.7	-3.3	-42.4	-6.1
Manufacture of fabricated metal products	5.7	45.6	6.0	5.4	51.7	112.0	29.7	11.8	3 times	-18.4	-1.4
Manufacture of electrical machinery and equipment	3.7	-24.4	-45.1	-37.4	-12.3	1.0	45.6	64.9	32.4	-14.6	-0.5
Manufacture of other transport equipment	-6.9	33.4	128.7	-48.6	74.6	50.5	9.8	143.1	-47.9	-66.0	-1.3
Recycling	12.8	-35.6	20.7	-57.5	-88.5	-4.2	105.6	262.2	12.5 times	-61.0	-0.5
Electricity, gas, steam and hot water supply	-0.6	-9.5	-9.1	-20.8	-8.7	-1.1	-0.8	1.9	1.9	-9.7	-1.1

Source: State Statistical Office of the Republic of Macedonia.

**Table 5**  
Balance of payments <sup>1,3</sup>  
(in millions of euros)

	2007				2007	2008										2008			2008
	Q1	Q2	Q3	Q4		I	II	III	IV	V	VI	VII	VIII	IX	X	Q1	Q2	Q3	
<b>I. Current Account</b>	-20.3	-10.2	-52.8	-331.5	-414.8	-37.6	-78.2	-79.5	-69.6	-61.0	-108.7	-51.8	-51.1	-27.5	-101.8	-195.3	-239.2	-130.4	-666.7
<b>GOODS, net</b>	-211.5	-208.2	-298.9	-456.3	-1,174.8	-115.1	-131.3	-124.7	-139.9	-140.6	-180.1	-174.4	-170.6	-109.6	-175.4	-371.0	-460.7	-454.6	-1,461.7
Exports, f.o.b.	558.7	641.7	605.1	635.9	2,441.5	181.7	214.9	214.9	228.0	259.3	248.5	265.0	199.2	242.7	228.8	611.6	735.8	707.0	2,283.2
Imports, f.o.b. / 2	-770.2	-849.9	-904.0	-1,092.2	-3,616.3	-296.8	-346.2	-339.6	-368.0	-399.9	-428.6	-439.4	-369.8	-352.3	-404.3	-982.6	-1,196.5	-1,161.5	-3,744.9
<b>SERVICES, net</b>	-1.2	1.1	23.3	2.4	25.5	8.7	-5.5	-4.0	-2.6	-0.9	-5.2	4.3	10.4	13.0	-6.2	-0.8	-8.6	27.7	12.1
<b>INCOME, net / 5</b>	-31.7	-70.5	-99.1	-76.4	-277.7	8.3	-0.6	-7.3	-2.5	-10.0	-17.2	-1.9	-4.9	-33.0	-9.3	0.3	-29.8	-39.9	-78.6
o/w: interest, net	-2.0	-5.1	-2.5	-8.3	-17.9	0.3	-2.0	-5.1	-4.0	-8.3	-7.3	-4.8	-2.8	-6.3	-7.0	-6.8	-19.6	-13.9	-47.3
<b>CURRENT TRANSFERS, net</b>	224.1	267.4	321.8	198.9	1,012.1	60.4	59.2	56.5	75.4	90.5	93.8	120.2	114.1	102.1	89.2	176.1	259.8	336.4	861.5
Official	8.6	17.1	10.7	-12.4	23.9	0.8	4.8	2.7	4.6	6.6	11.0	5.5	3.8	3.0	2.0	8.3	22.2	12.3	44.8
Private	215.5	250.3	311.1	211.3	988.2	59.6	54.5	53.8	70.8	83.9	82.8	114.8	110.3	99.1	87.2	167.9	237.6	324.1	816.7
<b>II. Capital and Financial Account</b>	20.6	18.7	71.0	337.3	447.6	42.7	79.6	85.6	73.1	63.6	113.8	56.1	43.4	22.1	99.6	207.9	250.4	121.6	679.5
<b>CAPITAL ACCOUNT, net</b>	-0.7	2.0	4.3	-1.9	3.7	-0.3	-0.3	-0.4	0.9	0.3	-3.8	0.2	0.1	-0.9	-0.6	-1.0	-2.7	-0.6	-4.9
Capital transfers, net	-0.7	2.1	1.2	-1.3	1.2	-0.3	-0.3	-0.4	0.9	0.3	-0.1	0.2	0.1	-0.9	-0.5	-1.0	1.0	-0.6	-1.2
Official	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.7	2.1	1.2	-1.3	1.2	-0.3	-0.3	-0.4	0.9	0.3	-0.1	0.2	0.1	-0.9	-0.5	-1.0	1.0	-0.6	-1.2
Acquisition/disposal of non-produced, <sup>4</sup>	0.0	0.0	3.1	-0.6	2.4	0.0	0.0	0.0	0.0	0.0	-3.7	0.0	0.0	0.0	-0.1	0.0	-3.7	0.0	-3.7
<b>FINANCIAL ACCOUNT, net</b>	21.3	16.7	66.7	339.3	444.0	43.0	79.9	85.9	72.3	63.3	117.6	56.0	43.3	23.0	100.1	208.9	253.2	122.2	684.4
Direct investment, net	88.0	151.5	100.4	166.9	506.9	46.7	73.4	32.9	31.6	67.6	51.2	29.5	57.2	25.6	27.7	153.0	150.5	112.4	443.6
Portfolio investment, net	20.5	45.6	28.0	20.2	114.4	-0.9	-3.4	-3.9	-4.4	-4.2	-2.6	3.1	-6.2	-4.7	-15.1	-8.3	-11.2	-7.7	-42.3
Other investment, net	-92.4	-109.2	39.6	146.5	-75.5	-9.3	21.8	43.5	25.9	12.9	98.6	37.3	32.2	75.7	73.7	56.1	137.4	145.2	412.4
Trade credits, net	-38.0	-75.9	-1.0	86.0	-29.0	-8.6	0.7	-6.7	25.7	-1.4	39.5	17.8	34.7	-29.0	11.2	-14.6	63.8	23.4	83.8
Loans, net	-42.1	-135.7	13.9	35.3	-128.7	-3.7	-0.7	1.9	2.8	-12.6	36.8	9.0	0.3	47.4	0.4	-2.5	26.9	56.7	81.6
Currency and deposits, net	-16.8	20.2	12.8	-10.3	5.9	-4.0	19.7	45.1	-8.3	0.0	16.0	7.0	-4.9	49.8	56.4	60.8	7.7	52.0	176.9
o/w: Monetary Authorities, net	0.0	0.0	0.0	-0.1	-0.2	7.4	0.1	3.2	-0.2	6.1	0.0	0.0	0.0	0.0	-0.1	10.7	5.9	0.0	16.5
o/w: Commercial Banks, net	-3.8	41.2	26.9	4.2	68.4	-9.4	19.4	37.2	-8.3	-1.8	19.4	2.7	-12.9	51.1	103.6	47.2	9.2	41.0	201.0
o/w: Individuals, net	-12.9	-20.9	-14.0	-14.5	-62.3	-1.9	0.1	4.7	0.2	-4.2	-3.4	4.3	8.0	-1.3	-47.0	2.9	-7.4	11.0	-40.5
Other, net	4.5	22.2	13.9	35.6	76.2	7.1	2.1	3.2	5.7	26.8	6.4	3.5	2.1	7.6	5.6	12.4	39.0	13.1	70.1
Gross official reserves (- = increase) / 4	5.3	-11.2	-101.4	5.6	-101.8	6.5	-11.9	13.4	19.2	-13.0	-29.7	-14.0	-39.9	-73.7	13.8	8.0	-23.5	-127.6	-129.3
<b>III. Errors and Omissions</b>	-0.3	-8.5	-18.1	-5.9	-32.8	-5.1	-1.5	-6.1	-3.5	-2.5	-5.1	-4.3	7.7	5.4	2.2	-12.6	-11.2	8.8	-12.8

1/ Preliminary data

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

Calculation of cif / fob factor as % of imports cif is 4.14%

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

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

4/ Excluding monetary gold and exchange rate differences

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

**Table 6**  
Foreign trade

	XI.2008	I-XI.2008	XI.2008		XI.2008		I-XI.2008	
			X.2008		XI.2007		I-XI.2007	
	amount		amount	%	amount	%	amount	%
<b>Total trade</b>	<b>568.1</b>	<b>6,832.2</b>	<b>-83.7</b>	<b>-12.8</b>	<b>-11.8</b>	<b>-2.0</b>	<b>1,192.0</b>	<b>21.1</b>
Export	191.3	2,516.9	-37.8	-16.5	-17.3	-8.3	283.4	12.7
Import	376.9	4,315.3	-45.9	-10.9	5.4	1.5	908.6	26.7
<b>Balance</b>	<b>-185.6</b>	<b>-1,798.4</b>	<b>8.2</b>	<b>-4.2</b>	<b>-22.7</b>	<b>13.9</b>	<b>-625.2</b>	<b>53.3</b>

Source: State Statistical Office of the Republic of Macedonia.

**Table 7**  
Monetary developments in November 2008

	30.11.2007	31.12.2007	31.03.2008	30.06.2008	31.07.2008	31.08.2008	30.09.2008	31.10.2008	30.11.2008	31.12.2008	monthly changes (31.12.2008/ 30.11.2008)		annual changes (31.12.2008/ 31.12.2007)
	ostvareno	actual	actual	actual	actual	actual	actual	actual	actual	actual	in Denar million	in %	in %
<i>in Denar million</i>													
Brtoad money M4	166,614	175,562	178,277	189,663	192,116	196,689	197,053	194,634	189,592	195,624	6,032	3.2	11.4
Currency in circulation	16,290	17,936	15,746	16,180	16,763	16,376	16,552	16,608	15,856	17,628	1,772	11.2	-1.7
Denar deposits <sup>1</sup>	83,206	89,077	90,102	96,889	96,886	98,788	98,037	97,228	91,914	94,067	2,153	2.3	5.6
Foreign currency deposits	67,118	68,549	72,429	76,594	78,467	81,525	82,464	80,798	81,822	83,929	2,107	2.6	22.4
Total deposits	150,324	157,626	162,531	173,483	175,353	180,313	180,501	178,026	173,736	177,996	4,260	2.5	12.9
Reserve money <sup>2</sup>	33,780	37,586	34,223	38,854	40,115	37,214	38,844	40,470	35,997	40,531	4,534	12.6	7.8

<sup>1</sup>Including demand deposits, deposits of municipalities and public entities.

<sup>2</sup>Including reserve requirement in foreign currency.

	30.11.2007	31.12.2007	31.03.2008	30.06.2008	31.07.2008	31.08.2008	30.09.2008	31.10.2008	30.11.2008	31.12.2008	monthly changes (31.12.2008/ 30.11.2008)		annual changes (31.12.2008/ 31.12.2007)
	ostvareno	actual	actual	actual	actual	actual	actual	actual	actual	actual	in Denar million	in %	in %
<i>in Denar million</i>													
Credit to the private sector	120,370	124,875	137,050	149,206	153,918	156,121	160,222	163,307	165,871	167,887	2,016	1.2	34.4
In Denar	91,022	94,496	105,345	114,910	118,047	119,487	122,402	125,236	127,745	129,808	2,063	1.6	37.4
In Foreign currency	29,348	30,379	31,705	34,296	35,871	36,634	37,820	38,071	38,126	38,079	-47	-0.1	25.3
Banks' net foreign assets	16,409	15,459	12,550	10,991	10,649	11,946	8,956	2,745	1,039	284	-755	-72.7	-98.2

Source: National Bank of the Republic of Macedonia.

**Table 8**  
Monetary aggregates  
(in %)

in %	end of period to the end of previous period								y - o - y								
	2007				2008				2006	2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
M0	-6.1	8.5	2.2	15.5	-8.9	13.5	-0.02	4.3	21.4	18.9	18.2	18.9	20.2	16.6	22.0	19.4	7.8
M1	-1.4	6.0	8.3	16.3	-6.9	11.1	0.50	9.0	17.1	22.5	18.0	22.6	31.7	24.4	30.4	21	13.4
M4	4.7	9.7	3.7	8.8	1.3	6.3	4.0	-0.7	24.9	26.4	32.2	29.9	29.5	25.3	21.4	21.9	11.2
M4-denar	5.1	14.1	5.9	12.2	-1.5	6.6	1.6	-2.5	30.8	33.1	44.3	43.8	42.6	33.6	24.8	19.7	4

Source: National Bank of the Republic of Macedonia.

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

		Balance as of 31.12.2008	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
<b>Total deposits</b>		142,737	778	0.5	13,465	10.4
<b>In Denar</b>	Households	35,012	-1,366	-3.8	-2,549	-6.8
	Enterprises	19,770	-110	-0.6	-235	-1.2
	Total	58,808	-1,329	-2.2	-1,915	-3.2
<b>In Foreign currency</b>	Households	63,376	1,924	3.1	12,831	25.4
	Enterprises	19,884	94	0.5	2,451	14.1
	Total	83,929	2,107	2.6	15,380	22.4
<b>Total households deposits</b>		98,388	558	0.6	10,282	11.7
<b>Total enterprises deposits</b>		39,654	-16	0.0	2,216	5.9

\* the Denar deposits do not include the deposit money.

Source: National Bank of the Republic of Macedonia.

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

		Balance as of 31.12.2008	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
<b>Total credit to the private sector</b>		167,887	2,016	1.2	43,012	34.4
<b>In Denar</b>	Households	62,102	490	0.8	16,173	35.2
	Enterprises	67,321	1,581	2.4	19,047	39.5
	Total	129,808	2,063	1.6	35,312	37.4
<b>In Foreign currency</b>	Households	4,328	-45	-1.0	1,985	84.7
	Enterprises	33,734	-2	0.0	5,718	20.4
	Total	38,079	-47	-0.1	7,700	25.3
<b>Total credit to the households</b>		66,430	445	0.7	18,158	37.6
<b>Total credit to the enterprises</b>		101,055	1,579	1.6	24,765	32.5

Source: National Bank of the Republic of Macedonia.

**Table 11**  
Credits to the households

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

Source: National Bank of the Republic of Macedonia.

**Table 12**  
Credits to the enterprises

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

Source: National Bank of the Republic of Macedonia.

**Table 13**  
Interest rates

	December	monthly changes	annual changes
	in %	in percentage points	
<b>Average weighted interest rate on the CB bills auctions (28 days)</b>	7.0	0.0	2.2
<b>Average weighted interest rate on the Money Market</b>	5.31	-0.2	2.2
<b>Interest rate on three-month treasury bills</b>	7.48	-0.10	2.3
	November	monthly changes	annual changes
	in %	in percentage points	
<b>Banks' weighted lending interest rates</b>	9.8	0.1	-0.1
<b>Banks' weighted deposit interest rates</b>	6.5	0.3	1.3

\* Pertains to bilateral trading

Source: National Bank of the Republic of Macedonia.