

National Bank of the Republic of Macedonia
Research Department



Monthly Report 3 / 2007

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CONTENTS

| | |
|---|-----------|
| Important economic events and amendments to the legal regulations in the Republic of Macedonia in March 2007 | 3 |
| I. Economic Developments in the Republic of Macedonia | 5 |
| II. Monetary developments in the Republic of Macedonia | 6 |
| III. Foreign Trade and Foreign Exchange Developments in the Republic of Macedonia | 8 |
| Appendix - tables | 11 |



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

- ❖ *The Regulatory Energy Committee took a decision on decreasing the thermal energy prices, from March 1 to December 31, 2007, as follows: "Toplifikacija" AD - Skopje reduced the prices by 12.63%, "Skopje Sever" AD - Skopje by 13.76%, and "Toplifikacija Bitola" DOO - Skopje by 10.26% ("Official Gazette of the Republic of Macedonia" no. 30/2007).*
- ❖ *On March 3, TEC "Negotino" stopped the production, because of the reduced needs for electricity for heating under favorable weather conditions.*
- ❖ *On March 5 and on March 19, The Regulatory Energy Committee took a decision on increasing the refinery and retail prices of oil derivatives by 3.38% and 1.79%, on average, respectively ("Official Gazette of the Republic of Macedonia", no. 26/2007), and by 1.85% and 1.50%, on average, respectively ("Official Gazette of the Republic of Macedonia no. 33/2007).*
- ❖ *On March 5, Electro-Communication Agency (AEK) announced lower interconnection prices by which "Macedonian Telecommunications" will charge the rest of the operators for connecting them to the network.*
- ❖ *On March 13, the Government of the Republic of Macedonia took a decision on issuing Sixth issue of denationalization bonds that encompass all the denationalization decisions, which became effective by December 31, 2006. The bonds issued amounted to Euro 18 million and they will be traded on the Macedonian Stock Exchange.*
- ❖ *On March 15, Macedonian and Slovenian Ministries of Transport signed a cooperation protocol, which will provide exchange of experiences on the process of Euro-integration and continuing cooperation in the transportation area for the purpose of developing the transportation infrastructure of both countries.*
- ❖ *On March 15, the European Bank for Reconstruction and Development (EBRD) paid in Denar 226.9 million (Euro 3.7 million) for recapitalization of TTK Banka, making its share in the capital of TTK Banka reach 25%.*
- ❖ *On March 16, SEC gave a permission to Societe Generale to give an offer for purchasing common shares of Ohridska Banka AD Ohrid, after previous approval for purchasing majority package of shares of the Bank, given by the Governor of the National Bank of the Republic of Macedonia (from March 9), which enabled starting with the realization of the agreed purchase / sale of the shares of Ohridska Banka AD Ohrid, by one of the largest banks in Europe.*
- ❖ *On March 21, the possibilities for investment in the energy sector in the country were presented to representatives of 20 Turkish companies that attended the meeting organized by the Macedonian Chamber of Commerce.*
- ❖ *On March 22, the Prime Minister of the Republic of Macedonia and one representative from the multinational company "Johnson Matthey", that intends to expand its production in Macedonia, signed a Memorandum of cooperation. The factory will be built in the Free Economic Zone of Bunardzik and they will start with production in 2009.*
- ❖ *On March 23, an Agreement for building 30 windmills for electricity production along the river of Vardar was signed with the Austrian firm "New Energy".*
- ❖ *On March 26, "Mobilcom Austria" obtained the license for third mobile operator in Macedonia, right after paying Euro 10 million on the Budget account, as outright compensation fee for obtaining the Approval for using radiofrequencies. "Mobilcom Austria" will start working as a third mobile operator by the end of September.*
- ❖ *On March 26, the Industrial Zone "Sever" in Strumica and the Swedish International Development and Cooperation Agency signed a Memorandum of mutual interest, which obligated them to achieve a strategic goal - providing sustainable development that includes the economic, social and ecological aspects. Thus Strumica became pilot-region for strategic planning of the sustainable development of the small and medium companies in the Republic of Macedonia.*
- ❖ *On March 27, the World Bank promoted the new Strategy for partnership with Macedonia which includes credit program up to Dollar 280 million for the period 2007-2010.*
- ❖ *On March 27, the World Bank granted USA Dollar 30 million loan to Macedonia within the Second Programmatic Development Policy Loan (PDPL 2), intended for improvement of the investment climate and for reforms in the public sector.*



- ❖ *On March 29, in Italy, in presence of the local authorities of Pescara and the chambers and tourist agencies of Macedonia, Bosnia and Herzegovina, Croatia, Serbia, Montenegro and Albania, a Project for tourism development of the Balkans was promoted along the corridors 5 and 10.*
- ❖ *On March 30, the Ministry of Transport and Communications presented the National Strategy for electronic communications development with information technologies aimed at creating progressive information society.*
- ❖ *New regulations:*
 - *Law on State Market Inspectorate ("Official Gazette of the Republic of Macedonia" no. 24/2007)*
 - *Law on Amending the Company Law ("Official Gazette of the Republic of Macedonia" no. 25/2007)*
 - *Law on Amending the Securities Law ("Official Gazette of the Republic of Macedonia" no. 25/2007)*
 - *Law on Amending the Law on Mandatory Fully Funded Pension Insurance ("Official Gazette of the Republic of Macedonia" no. 29/2007)*
 - *Law on Amending the Investment Funds Law ("Official Gazette of the Republic of Macedonia" no. 29/2007)*
 - *Law on Amending the Law on Energy Sources ("Official Gazette of the Republic of Macedonia" no. 36/2007)*
 - *Law on Amending the Law on Taking Over Joint Stock Companies ("Official Gazette of the Republic of Macedonia" no. 36/2007)*
 - *Law on Amending the Social Security Law ("Official Gazette of the Republic of Macedonia" no. 40/2007)*

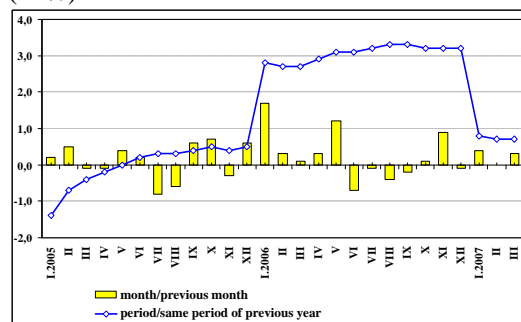
I. Economic Developments in the Republic of Macedonia¹

The inflation rate² in March 2007 equaled 0.3% on monthly basis, with faster increase in the service prices being registered. In March, most significant inflationary influence was that of the increased price of water for households across the city of Skopje (by 98% from the beginning of March) which resulted in growth of public utility and housing services by 11.4% and according to their small participation in the index they contributed to the monthly growth with 0.2 percentage point (p.p.). The increase in the price of electricity for households³ had the same influence, but with smaller intensity with contribution of about 0.1 p.p. in the overall monthly inflation. In accordance with such development, fastest price growth was registered in the category "housing" (by 1.4%) as the most significant determinant of the monthly inflation. The increased oil derivatives prices (REC decisions from March 5 and March 19, 2007) also had an additional contribution for the monthly growth of the consumer prices with contribution of about 0.1 p.p. On the other hand, the lower food prices (mainly of fresh vegetables) and prices for central heating⁴ (by 13.2%, with negative contribution of about 0.1 p.p.) partially offset the inflationary influences.

The price movements in March resulted in acceleration of the annual inflation rate, while the average rate maintained the same level. Thus, the annual inflation rate in March 2007 reached 0.8%. The average inflation rate, in the period January-March 2007 remained at the level of 0.7%, when an increase in the prices of personal consumption goods and a decrease in the service prices was registered. The average inflation rate

mainly resulted from the growth of the prices in the category "housing" (contribution of 0.8 p.p.) that emanates from the higher heating and electricity prices. In addition, price growth was noticed in the categories "food" and "culture and entertainment", which contributed to the average inflation with 0.3 and 0.2 p.p., respectively. On the other hand, the lower prices in the category "transport equipment and services" had the largest offsetting effect of 5% (contribution of 0.8 p.p. acting towards decreasing of the average inflation) caused by the lower prices of transport and post and telecommunication services and of fuels.

Figure 1
Consumer prices
(In %)



Source: State Statistical Office.

The downward trend in the *producer prices*⁵ on monthly basis was interrupted in March 2007 when they registered monthly growth of 0.5%. The growth was determined mainly by the increased prices in the manufacturing sector (contribution of 0.5 p.p.) and by the minimal contribution of the energy sector⁶, while the producer prices in the mining sector remained unchanged. The growth of the prices in the manufacturing sector resulted from the higher prices in 9 activities, out of which the largest contribution had the higher prices of the oil derivatives producers (contribution of 0.4 p.p. in the overall growth, in line with the growth of the refinery prices according to the decisions of the Regulatory Energy Committee from February 19 and March 5, 2007), while in the rest of the activities the price level was stable.

⁵ Preliminary data of SSO.

⁶ The rise in the electricity prices of 2.48% for the period from March 1 to December 31 2007, according to the decision made by REC on February 27, 2007 will reflect in the producer prices in the energy sector in April (due to statistical-methodological reasons).

¹ Source: State Statistical Office and NBRM calculations.

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

³ The electricity price went up in March as a result of the decision made by REC on increasing the average retail consumer price from Denar 2.9577 to Denar 3.0311 per kw/h of electricity, i.e. by 2.48% higher for the period from March 1 to December 31, 2007.

⁴ The price of the thermal energy produced by the thermal power stations on the territory of Republic of Macedonia, at the beginning of March 2007 dropped with the REC decisions, based on the higher average temperature in the first two months of 2007 and on the lower prices of the crude oil.

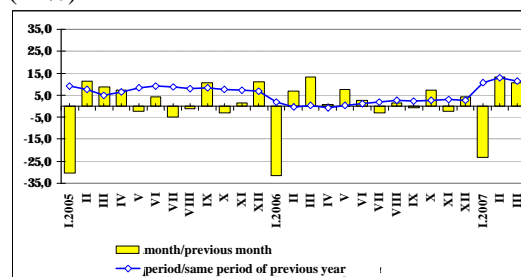
The higher prices of the producers of industrial products, on monthly basis accelerated their annual and cumulative growth. Thus, the annual growth rate in March 2007 equaled 1.4% and the average growth rate in the period January-March 2007 reached 1%. The cumulative price growth was caused by the higher producer prices in the energy sector (contribution of 1.2 p.p. owing to the higher electricity and thermal energy prices), also by the significantly smaller contribution of the price growth in the mining sector. The manufacturing prices acted towards mitigating the total growth of the producer prices due to the lower producer prices of the oil derivatives and their effect was partially offset by the higher producer prices of food products and beverages, other non-metallic minerals and basic metals.

The faster increase in *the actual volume of industrial output*⁷ continued in March 2007, when the monthly increase reached 10.6%. The higher output was entirely a result of the positive developments in the manufacturing sector (contribution of 12 p.p. in the total growth), where more than half of the manufacturing branches registered output growth. The industry for basic metals registered the best output performances, whose growth of 36% caused 4.0 p.p. of the total monthly growth in the industrial output. In this industry the activities usually intensify in March (partly also in February), but in the same time the current developments represent the continuation of the trend of growth in the activities of the manufacturing sector. The production of building materials (i.e. products of other non-metallic minerals), tobacco products and food products and beverages also contributed significantly (total contribution of 8.2 p.p.). The performances in the mining and energy sectors were weaker compared to the previous month, which was a result of the decreased extraction of energy and hard ores, i.e. shutting-down of the production of electricity in TEC "Negotino" because of the warm weather. That is the reason

⁷ Since January 2007, the State Statistical Office has applied the new National Nomenclature of Industrial Products 2005 - NNIP 2005 ("Official Gazette" no. 43/2006) in the calculations of the index for the actual industrial output volume and developed a new weighting structure.

why these sectors had a negative contribution to the overall industrial output in March.

Figure 2
Industrial output
(In %)



Source: State Statistical Office.

Compared to the same month of the last year, in March 2007 the volume of the industrial output went up by 9.6%, as a result of the growth in the manufacturing and the mining sectors. The cumulative growth of the industrial output in the first quarter of 2007 equaled significant 11.6% compared to the same period of 2006, which was considerably beyond the expected output volume. The driving force behind those positive developments was the increased production of basic metals (contribution of 6.5 p.p.), stimulated by the positive developments in the international metal exchanges, as well as the continuous fast increase in the production of building materials (products of other non-metallic minerals). The production of food products and beverages also gave respectable results and significantly contributed as a dominant branch. In the first quarter, the tobacco industry registered high growth rate and significantly contributed to the overall industry growth, in conditions of high monthly growth rates of the tobacco products production. Compared with the last year, the annual rise of the cigarette excise (since January 2007) did not have a negative effect on the output of this industry. The aforementioned branches are just part of the 14 manufacturing branches that registered output growth (out of 20 branches) and they make 75% of the overall manufacturing industry and contribute the most to the cumulative growth of the total industrial output. Within the mining sector, only the higher extraction of metal ores gave positive contribution (1 p.p. to the cumulative growth). However, the lower electricity output in the first quarter of 2007 of 9.1%, had a negative effect on the total industrial output with 1.1 p.p.

II. Monetary developments

At the end of March 2007, *the reserve money*⁸

stood at Denar 22.760 million and on monthly basis registered growth of Denar 132 million or of 0.6%. The rise of the reserve money resulted



from the simultaneous rise of the *currency in circulation* and of the *total liquid assets of the banks*⁹ (by 0.3% and 1.1%, respectively).

With respect to the liquidity, in March 2007 *the NBRM foreign exchange transactions* were directed towards liquidity creation (net-purchase of foreign currency on the foreign exchange market), whereas the other autonomous factors (*Government Denar deposits and currency in circulation*) and the *monetary instruments* (simultaneous growth of the CB bills and the Treasury bills for monetary purposes) acted towards withdrawing liquidity. At the end of the accounting period in March the banks had a liquidity of 8% over the reserve requirement (in Denars)¹⁰ on their accounts, which is by 1 percentage point higher relative to the preceding accounting period.

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

| | 28.02.2007 | 31.03.2007 | 31.03.2007/28.02.2007 |
|---|-----------------------|------------|-------------------------------|
| | in millions of denars | | changes in millions of denars |
| Liquidity of the banks (banks' account with the NBRM) | 6.122 | 6.258 | 136 |
| Liquidity creation | | | 1.897 |
| 1. Net foreign assets | 83.221 | 85.066 | 1.845 |
| 2. Banks' cash in vault | 1.520 | 1.468 | 52 |
| Liquidity withdrawal | | | -1.761 |
| 1. Net domestic assets | -60.593 | -62.306 | -1.713 |
| of t o a: | | | |
| Government Denar deposits with NBRM ¹ | -12.891 | -14.569 | -1.678 |
| CB bills | -11.166 | -11.303 | -137 |
| Treasury bills for monetary policy purposes | -4.756 | -5.537 | -781 |
| Other items, net | -21.215 | -21.063 | 152 |
| 2. Currency in circulation | 14.986 | 15.034 | -48 |

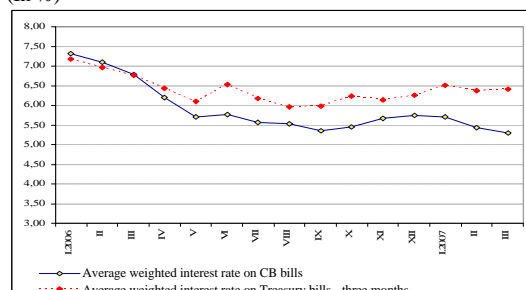
¹ Treasury bills for monetary policy purposes are excluded

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

Source: National Bank of the Republic of Macedonia.

The average weighted interest rate at the CB bills auctions equaled 5.30% in March 2007 (5.44% in February 2007), and the average weighted interest rate on three-month Treasury bills equaled 6.42% in March (6.38% in the previous month).

Figure 3
Average interest rate on CB bills and Treasury bills
(In %)



Source: NBRM and Ministry of Finance.

In March 2007, monetary aggregate M1 registered monthly increase of 2.5%, primarily as a result of the higher level of the transaction deposits (by 4.2%) and the moderate increase in

the demand for currency in circulation (monthly growth of 0.3%). Because of the increase in the total banks' deposits, the broader monetary aggregates M2 and M4 realized monthly growth rates of 1.7% and 1.6% respectively. On annual basis (March 2007 / March 2006), the broader monetary aggregates registered identical growth rates of 26.4%.

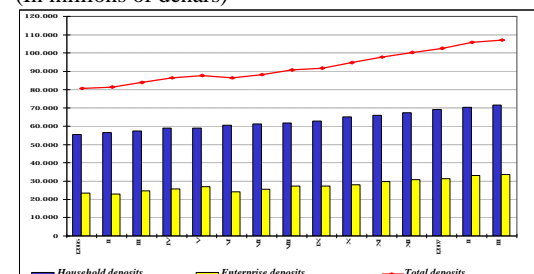
Table 2
Monetary aggregates and their components
(In millions of denars)

| | 31.03.2007 | Monthly changes | Annual changes |
|--|----------------|-----------------|----------------|
| | | in % | in % |
| Currency in circulation | 15.034 | 0.3 | 9.7 |
| Demand deposits | 19.220 | 4.2 | 34.8 |
| Monetary aggregate M1 | 34.254 | 2.5 | 22.5 |
| Short-term Denar deposits | 40.511 | 3.1 | 45.3 |
| Monetary aggregate M2-Denar component | 74.765 | 2.8 | 33.9 |
| Short-term foreign exchange deposits | 59.985 | 0.4 | 18.2 |
| Monetary aggregate M2 | 134.750 | 1.7 | 26.4 |
| Non-monetary deposits | 6.723 | -0.2 | 26.7 |
| -Denar | 3.749 | 1.6 | 20.0 |
| -foreign exchange | 2.974 | -2.4 | 36.3 |
| Monetary aggregate M4 | 141.473 | 1.6 | 26.4 |

Source: National Bank of the Republic of Macedonia.

At the end of March *the total banks' deposits* rose by Denar 1.436 million, i.e. by 1.4% compared to the previous month. With respect to the currency of denomination structure, the Denar deposits contributed dominantly in the monthly growth of the total deposits (89%), while observing the maturity, the long-term deposits registered fall (of 0.2%), so the total deposit growth came out solely from the increase in the short-term deposits. The sector-by-sector analysis shows that the household and corporate deposits also realized a monthly growth, with more important contribution of the household deposits (76.3%) being registered. The faster growth was registered in the households Denar deposits with maturity from six months up to one year. On annual basis (March 2007 / March 2006), the growth rate of the total banks' deposits equals 27.7%.

Figure 4
Dynamics of deposits
(In millions of denars)

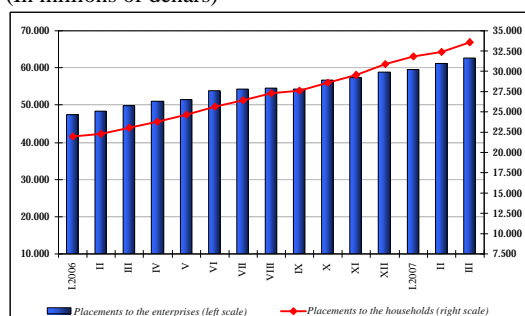


Source: National Bank of the Republic of Macedonia.

In March 2007, *the total banks' placements to the private sector* rose by Denar 2,615 million or by 2.8% on monthly basis. From the maturity

structure aspect, monthly growth of the total banks' placements comes out mainly from the higher level of long-term credits (with contribution of 80.1% in the total credit growth), while from the currency of denomination aspect, the Denar placements are dominant (75.3%). Observed by sectors, credits extended in March were almost equally distributed between the households and the corporate sector. In March 2007, the annual growth rate of the total banks' placements with the private sector went up by 32%.

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

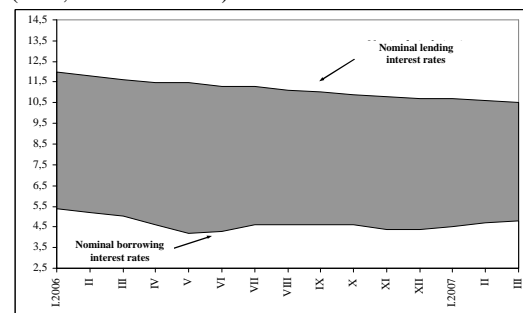


Source: National Bank of the Republic of Macedonia.

There were no considerable changes in the banks' interest rate policy in March 2007. The average weighted lending interest rate on Denar credits in all maturities and sectors in March 2007 equaled 10.5% (10.6% in the previous month), whereas

the average weighted deposit interest rate on Denar deposits in all maturities and sectors rose by 0.1 percentage point on a monthly basis, reaching 4.8%.

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



Source: National Bank of the Republic of Macedonia.

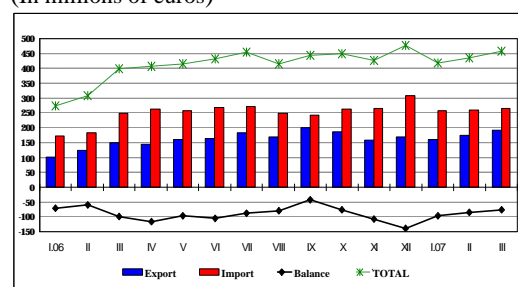
*Pertain to Denar loans and deposits in all maturities and sectors, including the foreign currency indexed loans and deposits.

The average weighted lending interest rate on foreign currency credits in all maturities, sectors and currencies remained at the level of the previous month, and equaled 8.4% in March 2007, while the average weighted deposit interest rate on foreign deposits in all maturities, sectors and currencies was lower by 0.1 percentage point on monthly basis and equaled 1.7%.

III. Foreign trade and foreign exchange developments

The total foreign trade¹¹ in March 2007 equaled Euro 457.5 million and on monthly basis registered an increase of 4.7%, which in the first place was a result of the higher export of goods (contribution of 73.5% in the total growth). The export of goods in March 2007 compared to February 2007 rose by 8.6%, reaching Euro 191 million, as a result, in the first place, of the higher export of iron and steel and products thereof, meat and beverages. Annual export growth stood at 27.6% as a result mainly of the higher export of iron and steel and products thereof¹². In March 2007 the import of goods equaled Euro 266.4 million and compared to the previous month rose by 2.1%. The analysis of the import by product shows that the import growth results from the higher import of iron and steel, vehicles, pharmaceutical products, nuclear reactors (equipment) and plastic products. On annual basis, the import rose by 6.7%, with higher import of iron and steel, electrical machines and equipment and plastics.

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



Source: State Statistical Office of the Republic of Macedonia.

Such developments in both of the components of foreign trade contributed to a decrease in the trade deficit by 11.3% on monthly basis (Euro 75.4 million trade deficit in March 2007). In the same time, the import-export coverage ratio went up by 4.3 percentage points on monthly basis, reaching 71.7%.

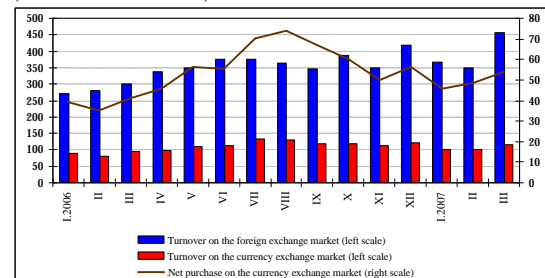


Cumulatively, in the first three months of 2007, the total foreign trade equaled Euro 1,312.9 million which is annual growth of 33.9%, as a result of the increase in the both trade categories. Thus, the export of goods in the period January-March 2007 registered cumulative growth of 40.6% reaching Euro 527.8 million. Analyzing individual products, it shows that the increase is a result of the higher export of iron and steel and products thereof, wearing apparel and textile, ores and footwear. In the first three months, the total import of goods went up by 29.7% reaching Euro 785.2 million which was a result mostly of the higher import of iron and steel, mineral fuels and ores. The negative trade balance rose by 12% compared to the same period of 2006, reaching Euro 257.4 million. The import-export coverage ratio went up by 5.2 percentage points, reaching 67.2%.

The total turnover on the *foreign exchange market* registered in March 2007 considerably rose by 30,5% on a monthly basis, reaching Euro 457,4 million. In conditions of higher supply of foreign currency compared with the demand (by 22,5% and 13,9%, respectively), the net-sale of foreign currency by the banks was by 29,1% lower. NBRM made monthly net-purchase of foreign currency of Euro 38,5 million on the foreign exchange market, and on cumulative basis in the first three months of 2007, NBRM made net-purchase of foreign currency on the foreign exchange market of Euro 72,4 million. The net-purchase of foreign currency by the NBRM completely offset the outflow in the government currency deposits due to the repayment of a portion of the debt to the Paris Club of Creditors and contributed to further growth of the gross foreign reserves. Thus, on March 31, 2007 *gross foreign reserves* reached Euro 1,413.1 million and on monthly basis rose by Euro 30.5 million, while compared to December 31, 2006 they decreased by Euro 3.6 million.

In March 2007, the total turnover on the *currency exchange market* amounted to Euro 115.7 million and on monthly basis, it represents an increase of 13.7%. Given the faster monthly growth of the supply over the demand for foreign currency (by Euro 9.8 million and Euro 4.2 million, respectively), in March 2007 higher net-purchase of foreign currency was registered (by Euro 5.6 million), reaching Euro 54.3 million. On cumulative basis, in the first three months of 2007, the net-purchase on the currency exchange market went up by 28.6% compared to the same period in 2006, reaching Euro 148.8 million.

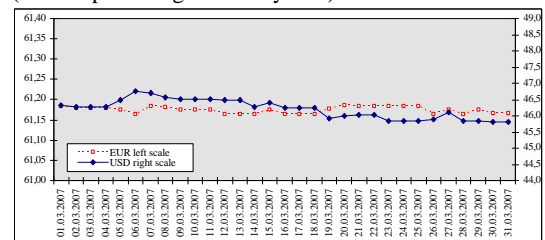
Figure 8
Movement of the total turnover on the foreign exchange and currency exchange market
(in millions of euros)



Source: National Bank of the Republic of Macedonia.

The exchange rate of the Denar against the Euro was stable and on March 31, 2007, the middle exchange rate of the NBRM was Denar 61.17 per one Euro (at the end of February it equaled Denar 61.18 per one Euro). The exchange rate of the Denar against the US Dollar at the end of March 2007 equaled Denar 45.81 per one US Dollar and compared to the end of the previous month it appreciated by 0.9% (at the end of February Denar 46.24 were exchanged 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.

On March 31, 2007, the external debt¹³ of the Republic of Macedonia based on long-term credits and loans went down by Euro 16.3 million, compared to the previous month, and amounted to Euro 1,710.1 million. In March 2007 repaid liabilities totaled Euro 32.4 million (Euro 28.4 million of principal and Euro 4 million of interest) and within it a payment has been made of the rescheduled debt to the Paris Club of Creditors from 1995 to France, Denmark, Switzerland and Austria. In the same time, Euro 12.6 million were used (Euro 4.7 million less than in the previous month), most of which (82.3%) goes for the private sector. The total long-term debt of the private sector remained unchanged on monthly basis (Euro 561.9 million), where the debt of the non-banking private sector dominates



(75.9%). At the end of March 2007, the *short-term external debt* went up by Euro 16.2 million, compared to February, reaching Euro 84.8 million. On the basis of extended short-term credits, Euro 11.8 million were used, while the repaid liabilities amounted to Euro 0.2 million.

In March 2007, credits in the amount of Euro 13 million were concluded solely by the private sector, 68% of which were short-term credits.



Appendix

Developments in Real Sector in the Republic of Macedonia

Table 1
Costs of living and retail prices

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

Source: State Statistical Office of the Republic of Macedonia



Table 2
Prices of producers of industrial products*

| | <u>III.2007</u> <u>II.2007</u> | <u>III.2007</u> <u>III.2006</u> | <u>I-III.2007</u> <u>I-III.2006</u> |
|--|-----------------------------------|------------------------------------|--|
| | in % | | |
| Prices of producers of industrial products | 0,5 | 1,4 | 1,0 |
| Energy | 1,7 | -0,3 | -2,2 |
| Intermediate goods, except energy | 0,6 | 6,1 | 5,3 |
| Capital products | 0,0 | 0,9 | 2,7 |
| Durable consumer goods | 0,0 | 1,0 | 1,1 |
| Non-durable consumer goods | -0,1 | -0,8 | -0,3 |
| <i>Mining and quarrying</i> | <i>0,0</i> | <i>0,5</i> | <i>2,1</i> |
| <i>Manufacturing</i> | <i>0,6</i> | <i>0,1</i> | <i>-0,3</i> |
| Manufacturing of food products and beverages | 0,1 | 2,1 | 2,0 |
| Manufacturing of tobacco products | 0,0 | 0,6 | 0,6 |
| Manufacturing of textiles | 0,0 | -0,5 | -0,4 |
| Manufacturing of wearing apparel; dressing and dyeing of fur | 0,0 | -2,3 | -2,0 |
| Publishing, printing and reproduction of recorded media | 0,0 | -0,8 | -0,9 |
| Manufacture of coke, refined petroleum products and nuclear fuel | 3,3 | -10,6 | -12,8 |
| Manufacture of chemicals and chemical products | -0,1 | -0,2 | -0,3 |
| Manufacture of rubber and plastic products | 0,8 | 0,4 | 1,9 |
| Manufacture of other non-metallic mineral products | 0,3 | 2,4 | 2,8 |
| Manufacture of basic metals | 1,4 | 16,0 | 13,4 |
| Manufacture of fabricated metal products, except machinery and equipment | 0,3 | 2,3 | 5,0 |
| Manufacture of electrical machinery and apparatus n.e.c. | 0,0 | 7,2 | 7,6 |
| <i>Electricity, gas and water supply</i> | <i>0,2</i> | <i>12,8</i> | <i>11,3</i> |

Source: State Statistical Office of the Republic of Macedonia



Table 3
Industrial output*

| | Structure in % | <u>III.2007</u> <u>II.2007</u> | <u>III.2007</u> <u>III.2006</u> | <u>I-III.2007</u> <u>I-III.2006</u> |
|--|-------------------|-----------------------------------|------------------------------------|--|
| | | in % | | |
| Total | 100,0 | 10,6 | 9,6 | 11,6 |
| Energy | 18,3 | -7,0 | -5,5 | -2,1 |
| Intermediate goods, except energy | 34,1 | 23,0 | 21,6 | 25,0 |
| Capital products | 5,1 | 10,3 | 14,9 | 39,0 |
| Durable consumer goods | 2,2 | 11,0 | 6,1 | 10,3 |
| Non-durable consumer goods | 40,3 | 10,2 | 7,0 | 6,2 |
| Mining and quarrying | 3,9 | -17,0 | 0,8 | 13,8 |
| Mining of coal and lignite; extraction of peat | 1,6 | -10,2 | -8,1 | -3,2 |
| Mining of metal ores | 0,7 | 11,8 | 159,8 | 141,0 |
| Other mining and quarrying | 1,5 | -39,0 | -31,3 | -5,3 |
| Manufacturing | 83,9 | 14,4 | 14,2 | 16,0 |
| Manufacturing of food products and beverages | 16,1 | 14,6 | 17,0 | 12,0 |
| Manufacturing of tobacco products | 5,7 | 50,9 | 7,9 | 19,0 |
| Manufacturing of textiles | 1,7 | -17,8 | -13,3 | -2,4 |
| Manufacturing of wearing apparel; dressing and dyeing of fur | 11,1 | 2,7 | -8,3 | -4,6 |
| Tanning and dressing of leather; manufacture of luggage, handbags, saddles, harness and footwear | 1,5 | 3,4 | -3,9 | -10,4 |
| Manufacture of wood and products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials | 1,2 | 50,2 | 22,2 | 61,2 |
| Manufacture of pulp, paper and paper products | 1,1 | 25,2 | -0,5 | 4,4 |
| Publishing, printing and reproduction of recorded media | 3,1 | 0,6 | 5,2 | 13,3 |
| Manufacture of coke, refined petroleum products and nuclear fuel | 4,5 | -17,1 | 16,9 | 20,5 |
| Manufacture of chemicals and chemical products | 4,6 | 3,6 | 20,7 | 10,6 |
| Manufacture of rubber and plastic products | 1,9 | -8,2 | 15,9 | 30,1 |
| Manufacture of other non-metallic mineral products | 7,3 | 40,8 | 33,2 | 51,5 |
| Manufacture of basic metals | 11,2 | 35,9 | 74,0 | 57,4 |
| Manufacture of fabricated metal products, except machinery and equipment | 3,3 | -5,1 | -9,4 | 6,1 |
| Manufacture of machinery and equipment n.e.c. | 1,4 | 60,8 | 131,1 | 76,4 |
| Manufacture of electrical machinery and apparatus n.e.c. | 3,5 | 13,4 | -45,4 | -45,2 |
| Manufacture of motor vehicles, trailers and semi-trailers | 1,1 | 37,4 | -23,3 | -21,7 |
| Manufacture of other transport equipment | 1,1 | -37,5 | -25,9 | 128,7 |
| Manufacture of furniture, manufacturing n.e.c. | 2,0 | 12,4 | -12,6 | -12,0 |
| Recycling | 0,6 | 68,9 | 59,0 | 20,7 |
| Electricity, gas and water supply | 12,2 | -1,1 | -12,7 | -9,1 |

* Previous data

Source: State Statistical Office of the Republic of Macedonia



Monetary developments in the Republic of Macedonia

Table 4

National Bank accounts

(current exchange rate, in million denar)

| | XII.06 ¹⁾ | I.07 | II.07 | III.07 |
|--|----------------------|--------|--------|--------|
| I. Net Foreign Assets | 85116 | 83884 | 83221 | 85066 |
| Assets | 87761 | 86503 | 85676 | 87526 |
| Liabilities | 2645 | 2619 | 2455 | 2460 |
| II. Net Domestic Assets | -53852 | -55452 | -54084 | -55711 |
| Credit to banks, net | -9422 | -11596 | -11137 | -11274 |
| <i>Credit to banks</i> | 34 | 34 | 29 | 29 |
| Credits extended at auction | 0 | 0 | 0 | 0 |
| Repurchased agreement | 0 | 0 | 0 | 0 |
| Credits based on securities | 0 | 0 | 0 | 0 |
| Long - term credits | 24 | 24 | 19 | 19 |
| Advances | 0 | 0 | 0 | 0 |
| Other | 10 | 10 | 10 | 10 |
| Instruments | -9456 | -11630 | -11166 | -11303 |
| Auctions of bills | -9456 | -11630 | -11166 | -11303 |
| Net, Government | -30690 | -29827 | -28241 | -29969 |
| 1.Claims on Government | 2267 | 2267 | 2267 | 2267 |
| Use of Fund credit | 0 | 0 | 0 | 0 |
| Ordinary credit | 0 | 0 | 0 | 0 |
| Purchased Government sec. | 1039 | 1039 | 1039 | 1039 |
| Other | 1228 | 1228 | 1228 | 1228 |
| 2. Government Deposits | -32957 | -32094 | -30508 | -32236 |
| A) In denar | -15326 | -17161 | -17647 | -20106 |
| Demand deposits | -15326 | -17161 | -17647 | -20106 |
| - Budget account | -10303 | -12307 | -12416 | -14093 |
| - Other budget funds | -5023 | -4854 | -5231 | -6013 |
| o/w - Government securities for monetary purpose | -4573 | -4391 | -4756 | -5537 |
| Fund for monetary policy support | 0 | 0 | 0 | 0 |
| B) In foreign currency | -17631 | -14933 | -12861 | -12130 |
| Central Gov.dep. | -17515 | -14820 | -12745 | -12015 |
| o/w Telecom | 0 | 0 | 0 | 0 |
| o/w Road fund | -81 | -81 | -81 | -81 |
| Other Government deposits | -116 | -113 | -116 | -115 |
| 3.External account | 0 | 0 | 0 | 0 |
| Other items, net | -13740 | -14029 | -14706 | -14468 |
| Other assets | 5727 | 5746 | 5760 | 5691 |
| Other liabilities | -5732 | -5503 | -5512 | -5554 |
| o/w Transitory account | -171 | -25 | -66 | -58 |
| Capital account | -11819 | -12335 | -12463 | -12257 |
| Residual items | -1916 | -1937 | -2491 | -2348 |
| Reserve money | 31264 | 28432 | 29137 | 29355 |
| Currency in circulation | 16206 | 14527 | 14986 | 15034 |
| Cash in vaults | 1526 | 1397 | 1520 | 1468 |
| Giro - accounts | 13532 | 12508 | 12631 | 12853 |
| o/w Reserve requirement | 6373 | 6462 | 6509 | 6595 |

1) Definite data

Source: National Bank of the Republic of Macedonia



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

| | XII.06 ¹⁾ | I.07 | II.07 | III.07 |
|---------------------------------------|----------------------|--------|--------|--------|
| I. Net Foreign Assets | 108042 | 106455 | 107140 | 108475 |
| <i>National Bank</i> | 85116 | 83884 | 83221 | 85066 |
| Assets | 87761 | 86503 | 85676 | 87526 |
| Liabilities | 2645 | 2619 | 2455 | 2460 |
| <i>Deposit Money Banks</i> | 22926 | 22571 | 23919 | 23409 |
| Assets | 39707 | 38257 | 38837 | 39614 |
| Liabilities | 16781 | 15686 | 14918 | 16205 |
| II. Net Domestic Assets | 28288 | 29824 | 33173 | 34538 |
| 1.Domestic credit | 77176 | 79487 | 83921 | 85601 |
| of which: Claims on Gov. | -17184 | -16633 | -14556 | -15513 |
| a) Deposit Money Banks | 107866 | 109314 | 112162 | 115570 |
| -in denar | 84368 | 85822 | 87861 | 90626 |
| Government | 13377 | 13067 | 13562 | 14337 |
| Credits | 13355 | 13045 | 13539 | 14314 |
| a) Budget and Line Ministries | 13095 | 12762 | 13241 | 14052 |
| b) Funds | 260 | 283 | 298 | 262 |
| c) Ins. of Central Gov.: Courts, etc. | 0 | 0 | 0 | 0 |
| Accrued interest | 22 | 22 | 23 | 23 |
| Non Government sector | 70991 | 72755 | 74299 | 76289 |
| Credits | 66410 | 68057 | 69569 | 71537 |
| of which: Overdue claims | 9810 | 9737 | 9721 | 9560 |
| Accrued interest | 4581 | 4698 | 4730 | 4752 |
| -in foreign currency | 23498 | 23492 | 24301 | 24944 |
| Government | 129 | 127 | 123 | 119 |
| of which: Overdue | 0 | 0 | 0 | 0 |
| Non Government sector | 23369 | 23365 | 24178 | 24825 |
| of which: Overdue | 1650 | 1625 | 1473 | 1511 |
| b) Nat. Bank Claims on Government | -30690 | -29827 | -28241 | -29969 |
| 2.Other items, net | -48888 | -49663 | -50748 | -51063 |
| of which: Claims on Gov. | | | | |
| for frozen f.c. deposits | 0 | 0 | 0 | 0 |
| Accrued interest | -4603 | -4720 | -4753 | -4775 |
| Others | -44285 | -44943 | -45995 | -46288 |



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

| | XII.06 ¹⁾ | I.07 | II.07 | III.07 |
|---------------------------------------|----------------------|--------|--------|--------|
| M4Total | 136330 | 136279 | 140313 | 143013 |
| M4 (nonGovernment) | 135131 | 135262 | 139216 | 141473 |
| M1(Total) | 35436 | 33102 | 34022 | 35281 |
| M1 (nonGovernment) | 34747 | 32583 | 33433 | 34254 |
| Currency in Circulation | 16206 | 14527 | 14986 | 15034 |
| Demand deposits(total) | 19230 | 18575 | 19036 | 20247 |
| Demand deposits(NonGov.) | 18541 | 18056 | 18447 | 19220 |
| Deposit Money Banks | 19207 | 18479 | 18705 | 19824 |
| NonGov. Demand deposits | 18518 | 17960 | 18116 | 18797 |
| Government Demand deposits | 689 | 519 | 589 | 1027 |
| a) Budget and Line Ministries | 551 | 234 | 262 | 226 |
| b) Funds | 138 | 284 | 327 | 801 |
| c) Ins. of C.Gov.: Courts, etc. | 0 | 1 | 0 | 0 |
| Nation. Bank NonGov.Demand dep. | 23 | 96 | 331 | 423 |
| M2 (Total) | 129644 | 129731 | 133527 | 136240 |
| M2 (nonGovernment) | 128494 | 128763 | 132480 | 134750 |
| Quasi money (Total) | 94208 | 96629 | 99505 | 100959 |
| Quasi money (non Government) | 93747 | 96180 | 99047 | 100496 |
| Deposit Money banks | 94208 | 96629 | 99505 | 100959 |
| Non Government sector | 93747 | 96180 | 99047 | 100496 |
| Denar | 36317 | 37295 | 39293 | 40511 |
| Foreign currency | 57430 | 58885 | 59754 | 59985 |
| Government deposits | 461 | 449 | 458 | 463 |
| Denar | 460 | 448 | 457 | 462 |
| Foreign currency | 1 | 1 | 1 | 1 |
| NBM quasi deposits | 0 | 0 | 0 | 0 |
| Nonmonetary Deposits (Total) | 6686 | 6548 | 6786 | 6773 |
| <i>Denar nonm. deposits (total)</i> | 3678 | 3641 | 3739 | 3799 |
| <i>F.C. nonm. deposits (total)</i> | 3008 | 2907 | 3047 | 2974 |
| Nonmonetary Deposits (nonGov.) | 6637 | 6499 | 6736 | 6723 |
| <i>Denar nonm. dep.(nonG)</i> | 3629 | 3592 | 3689 | 3749 |
| <i>F.C. nonm. dep (nonG)</i> | 3008 | 2907 | 3047 | 2974 |
| -Deposit Money Banks | 6686 | 6548 | 6786 | 6773 |
| Denar nonGov. nonmonetary dep. | 3629 | 3592 | 3689 | 3749 |
| F. C. nonGovern. nonmon. dep. | 3008 | 2907 | 3047 | 2974 |
| Denar Gov. nonmon. deposits | 49 | 49 | 50 | 50 |
| F. C. Govern. nonmon. deposits | 0 | 0 | 0 | 0 |
| -NBM NonGov. nonm. deposits | 0 | 0 | 0 | 0 |
| Denar | 0 | 0 | 0 | 0 |
| Foreign currency | 0 | 0 | 0 | 0 |
| Total Deposits | 120124 | 121752 | 125327 | 127979 |
| Total Deposits (nonGov.) | 118925 | 120735 | 124230 | 126439 |

1) Definite data

Source: National Bank of the Republic of Macedonia



Table 6
Total deposits of the non-government sector

| | 31.03.2007 | monthly changes | | annual changes | | structure |
|---|---------------------|------------------------|-------------|-----------------------|-------------|------------------|
| | in Denar million | in Denar million | in % | in Denar million | in % | in % |
| Total deposits | 107.219 | 1.436 | 1,4 | 23.269 | 27,7 | 100,0 |
| 1. According to maturity | | | | | | |
| - short-term | 100.496 | 1.449 | 1,5 | 21.851 | 27,8 | 93,7 |
| - long-term | 6.723 | -13 | -0,2 | 1.418 | 26,7 | 6,3 |
| 2. According to currency of denomination | | | | | | |
| - In denar | 44.260 | 1.278 | 3,0 | 13.248 | 42,7 | 41,3 |
| - In foreign currency | 62.959 | 158 | 0,3 | 10.021 | 18,9 | 58,7 |

Source: National Bank of the Republic of Macedonia

Table 7
Households and enterprises deposits

| | structure | 31.03.2007 | monthly changes | | annual changes | |
|---|------------------|---------------------|------------------------|--------------|-----------------------|--------------|
| | in % | in Denar million | in Denar million | in % | in Denar million | in % |
| Total households deposits | 100,0 | 71.491 | 1.096 | 1,6 | 13.992 | 24,3 |
| 1. According to maturity | | | | | | |
| - short-term | 94,1 | 67.292 | 967 | 1,5 | 12.786 | 23,5 |
| - long-term | 5,9 | 4.199 | 129 | 3,2 | 1.206 | 40,3 |
| 2. According to currency of denomination | | | | | | |
| - In denar | 35,4 | 25.323 | 905 | 3,7 | 8.658 | 52,0 |
| - In foreign currency | 64,6 | 46.168 | 191 | 0,4 | 5.334 | 13,1 |
| Total enterprises deposits | 100,0 | 33.481 | 359 | 1,1 | 8.701 | 35,1 |
| 1. According to maturity | | | | | | |
| - short-term | 96,8 | 32.407 | 537 | 1,7 | 9.016 | 38,5 |
| - long-term | 3,2 | 1.074 | -178 | -14,2 | -315 | -22,7 |
| 2. According to currency of denomination | | | | | | |
| - In denar | 50,5 | 16.909 | 349 | 2,1 | 4.036 | 31,4 |
| - In foreign currency | 49,5 | 16.572 | 10 | 0,1 | 4.665 | 39,2 |

Source: National Bank of the Republic of Macedonia



Table 8
Demand deposits of households and enterprises

| | 31.03.2007 | monthly changes | | annual changes | |
|----------------------------------|---------------------|---------------------|------------|---------------------|-------------|
| | in Denar million | in Denar million | in % | in Denar million | in % |
| Demand deposits | 19.220 | 773 | 4,2 | 4.958 | 34,8 |
| - Demand deposits of households | 3.702 | 162 | 4,2 | 971 | 31,6 |
| - Demand deposits of enterprises | 12.849 | 483 | 3,9 | 3.623 | 39,3 |

Source: National Bank of the Republic of Macedonia

Table 9
Placements to households and enterprises

| | 31.03.2007 | monthly changes | | annual changes | |
|------------------------------------|---------------------|---------------------|------------|---------------------|-------------|
| | in Denar million | in Denar million | in % | in Denar million | in % |
| Total placements | 96.362 | 2.615 | 2,8 | 23.345 | 32,0 |
| <i>Denar placements</i> | 71.537 | 1.968 | 2,8 | 17.064 | 31,3 |
| <i>of which:</i> | | | | | |
| - enterprises | 39.578 | 812 | 2,1 | 7.285 | 22,6 |
| - households | 31.857 | 1.168 | 3,8 | 9.765 | 44,2 |
| <i>Foreign currency placements</i> | 24.825 | 647 | 2,7 | 6.281 | 33,9 |
| <i>of which:</i> | | | | | |
| - enterprises | 23.065 | 593 | 2,6 | 5.516 | 31,4 |
| - households | 1.754 | 49 | 2,9 | 767 | 1,8 times |

Source: National Bank of the Republic of Macedonia



Table 10

Maturity and sector structure of Denar and foreign currency placements

| | Share on 31.03.2007 (in %) | Monthly change (in percentage points) | Annual change (in percentage points) |
|------------------------------------|----------------------------------|---|---|
| Denar placements | 100,0 | | |
| maturity structure | | | |
| - short-term | 45,1 | -1,0 | -6,0 |
| - long-term | 54,9 | 1,0 | 6,0 |
| structure by sectors | | | |
| - enterprises | 55,3 | -0,4 | -4,0 |
| - households | 44,5 | 0,4 | 4,0 |
| - other | 0,1 | 0,0 | 0,0 |
| Foreign currency placements | 100,0 | 0,0 | 0,0 |
| maturity structure | | | |
| - short-term | 25,5 | 0,6 | -2,3 |
| - long-term | 74,5 | -0,6 | 2,3 |
| structure by sectors | | | |
| - enterprises | 92,9 | 0,0 | -1,7 |
| - households | 7,1 | 0,0 | 1,7 |
| - other | 0,0 | 0,0 | 0,0 |

Source: National Bank of the Republic of Macedonia

Table 11

Interest rates

| | March, 2007 | Monthly changes | Annual changes |
|---|----------------|----------------------|----------------|
| | in % | in percentage points | |
| Average weighted interest rate on the CB bills auctions (28 days) | 5,3 | -0,1 | -1,5 |
| Average weighted interest rate on the Money Market | 4,0 | -0,2 | -2,6 |
| Interest rate on three-month treasury bills | 6,4 | 0,0 | -0,4 |
| Banks' weighted lending interest rates | 10,5 | -0,1 | -1,1 |
| Banks' weighted deposit interest rates | 4,8 | 0,1 | -0,2 |

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 % |
| Treasury bills auctions, 3 month | | | | |
| 06.03.2007 | 1.400 | 1448,2 | 1.400 | 6,40 |
| 20.03.2007 | 1.550,0 | 1.485,9 | 1.485,9 | 6,43 |
| Treasury bills auctions, 6 month | | | | |
| 06.03.2007 | 400,0 | 558,9 | 400,0 | 6,96 |
| Treasury bills auctions, 12 month | | | | |
| 20.03.2007 | 400 | 389,1 | 389,1 | 8,37 |

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)

| | III.2007 | I-III.2007 | III.2007 | | III.2007 | | I-III.2007 | |
|----------------------|--------------|----------------|-------------|--------------|-------------|--------------|--------------|-------------|
| | amount | amount | II.2007 | | III.2006 | | I-III.2006 | |
| | | | amount | % | amount | % | amount | % |
| Foreign trade | 457,5 | 1.312,9 | 20,5 | 4,7 | 58,0 | 14,5 | 332,5 | 33,9 |
| Exports | 191,0 | 527,8 | 15,1 | 8,6 | 41,4 | 27,6 | 152,5 | 40,6 |
| Imports | 266,4 | 785,2 | 5,4 | 2,1 | 16,6 | 6,7 | 180,0 | 29,7 |
| Balance | -75,4 | -257,4 | 9,6 | -11,3 | 24,7 | -24,7 | -27,5 | 12,0 |

Source: State Statistical Office.

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

| | Foreign trade | | Exports | | Imports | | Import- export coverage ratio |
|--|----------------|--------------|--------------|--------------|--------------|--------------|-------------------------------|
| | amount | Share | amount | Share | amount | Share | ratio |
| | | | | | | | |
| Republic of MACEDONIA | 1.312,9 | 100,0 | 527,8 | 100,0 | 785,2 | 100,0 | 67,2 |
| <i>out of which:</i> | | | | | | | |
| Germany | 155,0 | 11,8 | 79,4 | 15,0 | 75,6 | 9,6 | 105,0 |
| Serbia | 152,1 | 11,6 | 95,4 | 18,1 | 56,7 | 7,2 | 168,4 |
| Greece | 142,8 | 10,9 | 70,8 | 13,4 | 72,0 | 9,2 | 98,3 |
| Russia | 123,9 | 9,4 | 3,7 | 0,7 | 120,2 | 15,3 | 3,0 |
| Italy | 91,7 | 7,0 | 52,1 | 9,9 | 39,6 | 5,0 | 131,7 |
| Bulgaria | 74,7 | 5,7 | 35,1 | 6,7 | 39,6 | 5,0 | 88,7 |
| Spain | 47,7 | 3,6 | 39,1 | 7,4 | 8,6 | 1,1 | 455,8 |
| Croatia | 41,0 | 3,1 | 23,5 | 4,5 | 17,5 | 2,2 | 134,5 |
| Turkey | 33,7 | 2,6 | 6,7 | 1,3 | 27,0 | 3,4 | 24,8 |
| China | 33,5 | 2,5 | 0,0 | 0,0 | 33,4 | 4,3 | 0,1 |
| Total (10 largest trading partners) | 896,1 | 68,2 | 405,9 | 76,9 | 490,2 | 62,4 | 82,8 |

Source: State Statistical Office.


Table 15

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

| | External debt | | Credits used | | Paid liabilities | |
|----------------------------|----------------|----------------|--------------|-------------|------------------|-------------|
| | 28.02.2007 | 31.03.2007 | II 2007 | III 2007 | II 2007 | III 2007 |
| Long-term debt | 1.726,4 | 1.710,1 | 17,3 | 12,6 | 38,5 | 32,4 |
| Public sector | 1.166,3 | 1.148,2 | 4,1 | 2,2 | 9,7 | 21,5 |
| Official creditors | 935,4 | 918,3 | 4,1 | 2,1 | 9,6 | 20,7 |
| Multilateral creditors | 830,4 | 828,1 | 2,3 | 1,7 | 5,7 | 5,4 |
| Bilateral creditors | 105,0 | 90,1 | 1,8 | 0,4 | 3,9 | 15,3 |
| Private creditors | 230,9 | 229,9 | 0,0 | 0,1 | 0,0 | 0,7 |
| Eurobonds | 150,0 | 150,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Other private creditors | 80,9 | 79,9 | 0,0 | 0,1 | 0,0 | 0,7 |
| Private sector | 560,1 | 561,9 | 13,2 | 10,4 | 28,8 | 10,9 |
| Private banks | 129,6 | 135,1 | 10,4 | 7,9 | 23,8 | 3,5 |
| Non-banking private sector | 430,5 | 426,8 | 2,8 | 2,4 | 5,1 | 7,5 |
| Short-term debt | 68,6 | 84,8 | 12,7 | 11,8 | 0,1 | 0,2 |
| Public sector | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Private sector | 68,6 | 84,8 | 12,7 | 11,8 | 0,1 | 0,2 |
| Private banks | 16,0 | 25,8 | 4,6 | 9,8 | 0,0 | 0,0 |
| Non-banking private sector | 52,6 | 59,0 | 8,2 | 2,0 | 0,1 | 0,2 |
| TOTAL | 1.795,0 | 1.794,9 | 30,1 | 24,4 | 38,6 | 32,6 |

Source: National Bank of the Republic of Macedonia

National Bank of the Republic of Macedonia Balance sheet

Table 16

NBRM Balance sheet on 31.03.2007
(in million Denars)

| Assets | Amount | Liabilities | Amount |
|--|---------------|---------------------|---------------|
| Foreign assets | 87.526 | Reserve money | 22.760 |
| Claims on Government | 2.854 | NBRM instruments | 11.303 |
| Claims on banks and other financial institutions | 1.346 | Restricted deposits | 458 |
| Other assets | 4.376 | Foreign liabilities | 2.460 |
| | | Government deposits | 34.425 |
| | | Capital accounts | 12.257 |
| | | Other liabilities | 12.439 |
| Total | 96.102 | Total | 96.102 |

Source: National Bank of the Republic of Macedonia