

National Bank of the Republic of Macedonia



Quarterly Report

April, 2008

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* The quarterly report contains analysis of the macroeconomic developments mainly in the fourth quarter of 2007 and of the available data on the developments in the first quarter of 2008.

**I.****Macroeconomic developments**

The higher rate of economic growth in the fourth quarter of 2007 compared with the previous two quarters, was a result of the more intensive industrial activity, in case of an unchanged trend in the service sectors that continued to be the largest contributors to the overall growth in the economy. The high rate of industrial growth in the first quarter of 2008, the main generator of which was manufacturing industry, signalized continuity in the economic growth. Despite the strong performances of the metal processing industry and its export orientation, still, in conditions of high import dependence of the production, increased import of investment goods and increase in the prices of energy sources on the world stock exchanges, resulted in accelerated deepening of the trade deficit. The increased trade deficit and the significantly reduced inflows on the foreign exchange market from the exchange operations, in conditions of an increasing uncertainty in the region, resulted in a deficit in the current account of the balance of payments in the last quarter of 2007.

In the last quarter of 2007, the inflation was intensified under the influence of accelerated increase in the food prices which resulted into the highest realized annual inflation rate compared with the previous quarters of the year. The inflationary pressures continued in the first quarter of 2008 as well, being generated mainly by the further increase in the food prices and the record-high increase in the oil prices on the world stock exchanges. Taking into consideration the shifts in the basic inflation, too, NBRM undertook measures in February and March 2008 to stabilize the inflationary expectations in the economy. Along with the expectations for stabilization of the increase in the food prices, it was supposed to result in a gradual slowdown of the growth rate of the prices in the economy.

1.1. International economic environment¹

After the strong growth during the third quarter of 2007, the uncertainty created by the financial turbulence (crisis on the sub prime mortgage market and worsening of the balances of the US banks) contributed to a slowdown of the global economic expansion in the last quarter of the year. The estimated global growth for 2007 was 4.9% and was solely a reflection of the growth of the fast-growing economies, thus neutralizing the decelerated growth in the USA and Western Europe. The fast-growing economies, above all, China and India, were characterized by a high domestic demand, disciplined macroeconomic policy, as well as high exports due to the higher prices of food and energy. The projection of the global growth for 2008 indicates a slower intensification, expected to equal 4.1%. The main risk to the global economic growth is still the continuous crisis on the financial markets that reduces the domestic demand in the developed economies and may create more significant spill over into the fast-growing economies and developing countries.

The accelerated growth in the exports, as well as the increase in the investments, enabled GDP growth in the Euro-zone in the third quarter of 2007, compared with the same quarter of the previous year, of 2.7%, and in the EU of 3%. Analyzed according to the production side, GDP growth was generated from the increase in the financial services and business activities, the increased industrial output, as well as increase in the trade. According to the assessments of EUROSTAT, the real GDP growth in the Euro-zone in the last quarter of the year registered a slowdown on annual basis and it was expected to amount to

The crisis on the financial markets in the USA continued to be the main risk factor for the global growth in the short term

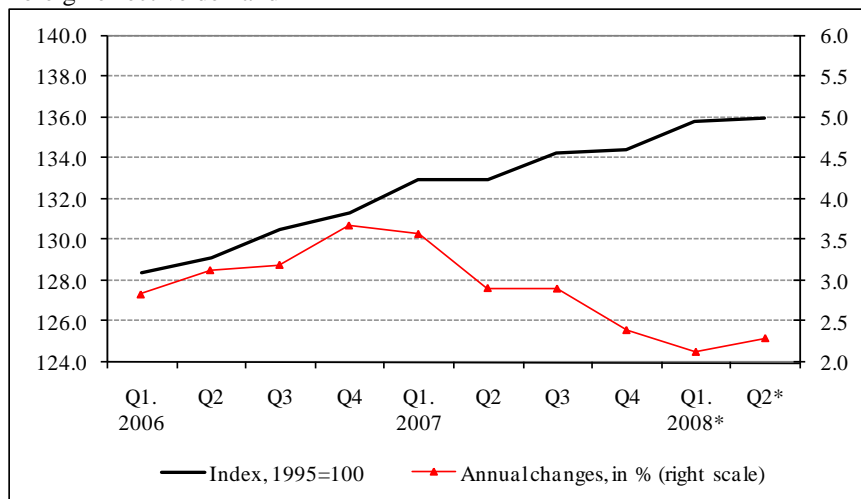
Slowed economic growth in the EU in the last quarter of 2007

¹ The analysis was largely based on IMF World Economic Outlook, October 2007; ECB Monthly Reports, EUROSTAT and European Commission D-G for Economic and Financial Affairs, Candidate countries and Pre-accession Countries' Economies Quarterly, January and April 2008.



2.3%. Such trend was also followed by the foreign effective demand², which was a possible indicator of the export demand for Macedonian products. The economic growth in the Euro-zone and EU for the whole 2007 will most probably be 2.7% and 2.9% respectively.

Figure 1
Foreign effective demand



*Projection.

Source: EUROSTAT, Consensus Forecast and calculations of the National Bank of the Republic of Macedonia.

Despite the decelerated economic growth, the Euro-zone registered a continuous decrease in the unemployment rate. Thus, historically the lowest unemployment rate in the Euro-zone of 7.2%³ was registered in the last quarter of the year, which compared with the same quarter in the previous year was lower by 0.7 percentage points (it was 6.9% in the EU). As opposed to the Euro-zone, the USA and Japan had lower unemployment rate and in the last quarter of the year it amounted to 4.8% and 3.9%, respectively.

Further inflationary pressures from the increase in the prices of energy and food in the Euro-zone

The higher prices of oil and food products, combined with the unfavorable comparison basis in the last quarter of the year, intensified the annual inflation rate in the Euro-zone that amounted to 2.9%. During the entire 2007, the average inflation was maintained at the level of 2.1% and was around the target. Such development of the average inflation was mainly due to the higher prices of food and energy (extra light oil and fuels). The basic inflation rate, that excluded the influence of the unprocessed food and energy, registered an increase in the last quarter (it was 2.2% on average), that derived from the increase in the services, non-energetic industrial goods, as well as processed food. The intensified global increase in the food prices and continuous increase in the prices of oil, as well as the unfavorable base effects (due to the low level of oil prices in the previous year), continuously intensified the inflation in the first quarter of 2008⁴, which reached the record-high annual level of 3.3%. According to the most recent projections by ECB, the inflation rate in the Euro-zone in 2008 would be between 2.6% and 3.2%.⁵

² The foreign effective demand is calculated as a sum of the weighted indices of the gross domestic product of the most significant trade partners of the Republic of Macedonia. The weights are calculated on the basis of the share of these countries in the Macedonian export. The data on the gross domestic product of the countries-trade partners of Macedonia are from EUROSTAT New Cronos database, except for the data on the fourth quarter for Belgium and Italy that are from Consensus Forecast publication, February 2008. Countries included in the index calculation were the following: Germany, Greece, Italy, the Netherlands, Belgium and Spain.

³ The unemployment rate was adjusted to seasonal influences. Source: Eurostat, December 2007.

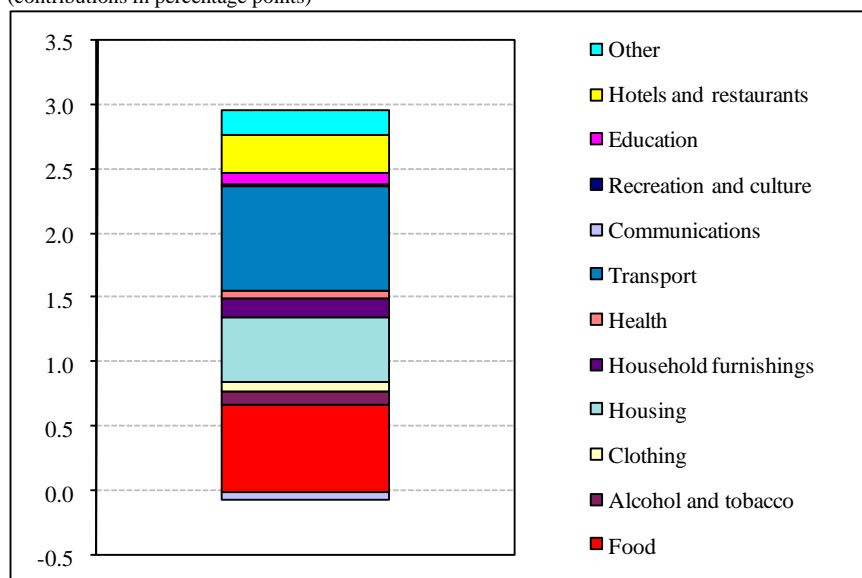
⁴ In the calculation for the quarter, the data on the inflation in March 2008 was an assessment by EUROSTAT.

⁵ Source: Bulletin of the European Central Bank, March 2008.



Figure 2

Contribution of the separate categories of the harmonized index of the consumer prices in the Euro-zone to the annual inflation rate in the fourth quarter of 2007 (contributions in percentage points)



Source: EUROSTAT and calculations of the National Bank of the Republic of Macedonia.

Taking into consideration global economic developments, the average nominal exchange rate US Dollar/Euro in the last quarter of the year reached record-high 1.45, the Euro appreciating with respect to the US Dollar by 5.4% compared with the third quarter of the year. The main factors that contributed to the appreciation of the Euro was the continuous turbulence on the financial markets, weak performances of the real-estate market, as well as weak macroeconomic performances of the US economy and reduction in the reference interest rate of FED. Furthermore, the appreciation of the Euro was influenced by the stable economic growth within the countries from the Euro-zone.

Continuous positive developments in the countries of the region

The high economic growth in the Western Balkan countries⁶ was also present in the third and fourth quarter of 2007, with an average real GDP growth of 5.5% and 5.3%, respectively. It was expected that the high and stable growth rates would be maintained in the first quarter of 2008 as well, reflecting the intensification of the industrial output and export in January and February in all countries from the group. The accelerated global trend of increase in the prices of food and oil affected the Balkan countries, as well, where more serious inflationary pressures were registered in the last quarter of the year. Moreover, the intensification of the annual inflation rates was mostly notable in Bosnia and Herzegovina, Serbia, Macedonia and in Montenegro. The increase in the inflation continued in the first two months of 2008 as well, in all countries of the region, as a result of the low comparison basis. Positive developments were registered on the labor market during the third quarter of the year almost in all countries of the region, with a simultaneous fall in the unemployment rate and significant salary increase. Such developments were mainly maintained during the last quarter of the year as well, except for the low increase in the unemployment in several countries.

⁶ When calculating the average GDP growth rates, the following countries from the Western Balkans were taken into consideration: the Republic of Macedonia, Serbia, Croatia and Montenegro and additionally, Turkey. Source: European Commission D-G for Economic and Financial Affairs, Candidate and Pre-accession Countries' Economies Quarterly, January and April 2008.

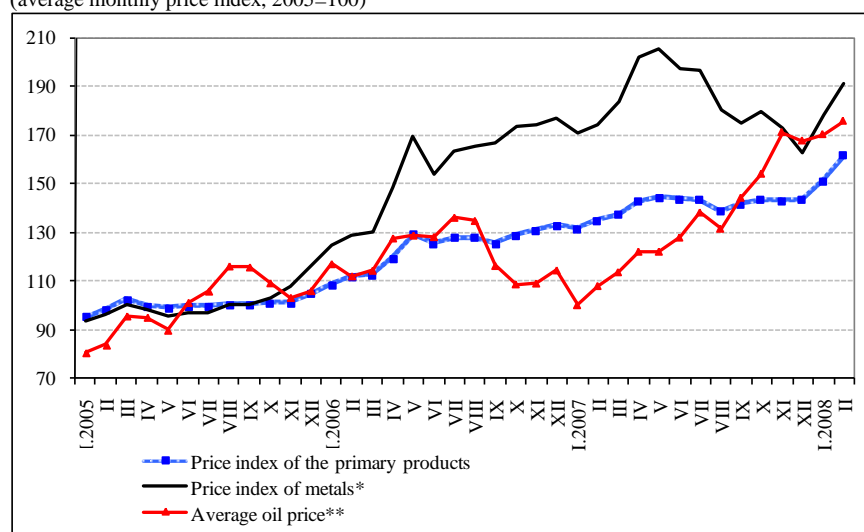


*Record-high increase
in the world price of
crude oil*

During the last quarter of the year, the prices of the crude oil on the world stock exchanges reached historically the highest increase. Thus, compared with the previous quarter, the prices of the crude oil were increased by 19.1%, whereas compared with the same quarter of the previous year, they were higher by 48.8% due to the low comparison basis. Such increase in the prices of the crude oil was a consequence of the limited supply by OPEC, strong demand by the fast-growing economies, as well as geopolitical tensions in the countries- oil producers. The price increase was further influenced by the weak US Dollar compared to the Euro. The high price level of the “Brent” type oil was also maintained during the first quarter of 2008, when it registered a record-high annual increase of 67.8% and amounted to 97 US dollars per barrel on average. The price increase was mainly a result of the strict unchanged policy of OPEC and limited increase in the supply, as well as the political tensions that prevailed in South America, mainly in the OPEC member countries.

Figure 3

Development of the international price index of primary products and crude oil (average monthly price index, 2005=100)



* The price index of the metals is a weighted average of the spot-prices of the copper, aluminium, iron ore, sheet metal, nickel, zinc, lead and uranium.

** Spot-price of the crude oil represents equally weighted average of the following types of oil: Dated Brent, West Texas Intermediate и Dubai Fateh.

Source: IMF, database of World Economic Outlook of IMF, March 2008.

The prices of the primary products on the world stock exchanges continued to increase during the last quarter of the year as well, when they registered a nominal annual increase of 9.5%. Such trend of increase in the primary product prices was mostly a result of the increase in the prices of the raw agricultural products, mainly as a result of the high demand and insufficient reserves. On the other hand, the aggregate index of the metal prices registered a slight annual drop, due to the decelerated economic growth of the OECD countries. Thus, annual reduction in the metal prices was registered in the case of aluminum, nickel and zinc, whereas increase was registered in the case of the prices of iron ore, lead and sheet metal. As opposed to the last quarter of 2007, annual increase of 7.1% of the aggregate index of metal prices was registered in the first two months of 2008, as a result of the intensive increase in the prices of iron ore, lead and copper.



1.2. Economic activity

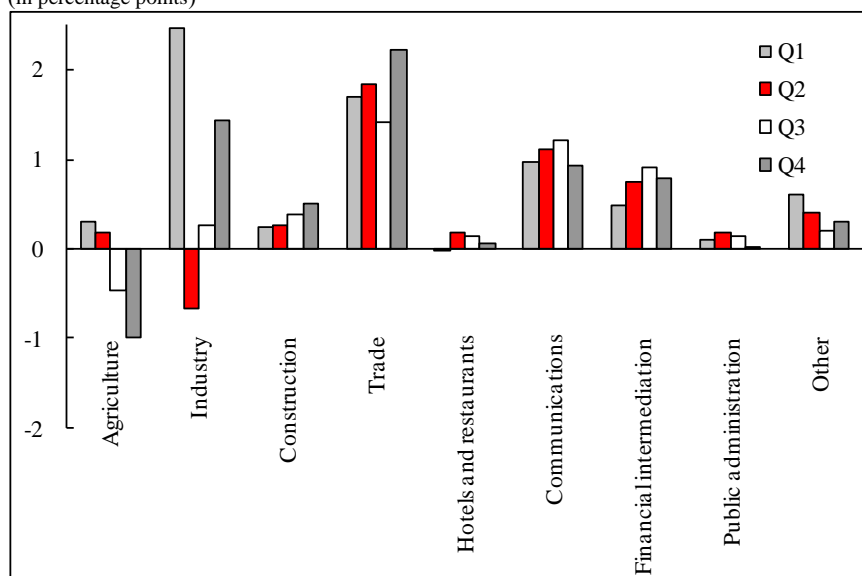
Domestic supply

Service sector still with the highest contribution to the total increase

The developments on the supply side in the third quarter of 2007 were to a great extent similar to those in the second quarter. Thus, the annual economic growth rate reached 4.2% and was almost identical to the growth in the second quarter. While the industrial activity revived, the growth was relativized by the developments in the agriculture where unfavorable weather conditions resulted in a decrease of the activity of 5.4%. On the other hand, trade, communications and financial intermediation continued with their positive dynamics and created as much as four fifths of the overall growth.

The new increase in the activity at the end of 2007, after the slight deceleration in the second and third quarter, resulted in an increase in the gross domestic product in the fourth quarter by 5.2%. In case of unchanged trend of the service sectors, the higher growth rate was a result of the revived industrial activity that registered an annual increase of 6.2%. At the same time, the effects of the unfavorable weather conditions on the agriculture were further intensified, and the activity in this sector registered a record-high annual drop in the last six years of 11.1%.

Figure 4
Contribution of the individual sectors to the GDP growth
(in percentage points)



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

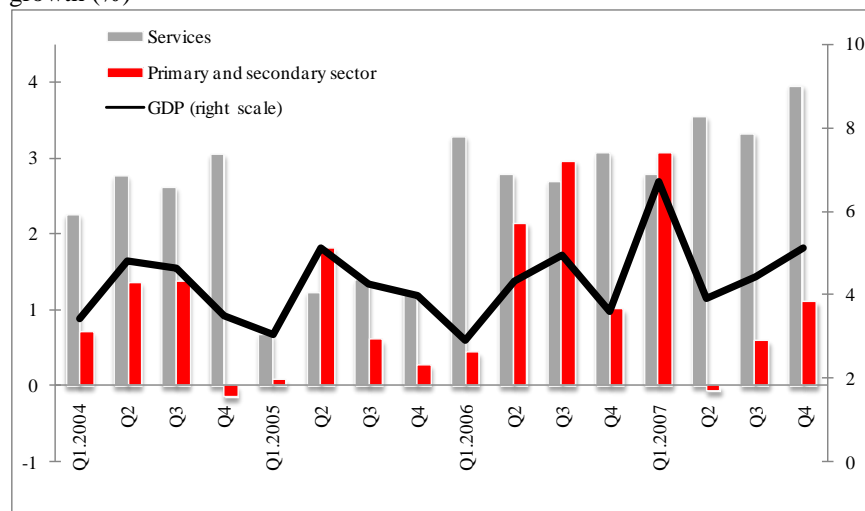
In accordance with the official assessment of the State Statistical Office, real GDP growth of 5.1 % was registered in 2007, which was within the expectations. Moreover, the lower performances of the industry (especially in the second and third quarter) and of the agriculture (in the last two quarters of the year) were compensated by the more intensive growth in the service sectors in the economy.

The significantly higher, compared with the previous years, share of the services in the GDP growth that during 2007 ranged between 3 and 4 percentage points, indicated positive qualitative changes in the economy. Although a part of the changes was due to the liberalization of the telecommunication market and the consecutive increase in the use of the telecommunication services, the improvements were primarily a reflection of the intensified personal consumption. The performances of the Macedonian economy, however, despite

the dynamic growth in the service sectors, remained mainly determined by the primary and secondary sector. Not only did these sectors lag behind according to the growth of services, but they were also much more variable, which conditioned a variability of the total gross domestic product.

Figure 5

Contribution of the sectors to the GDP growth (percentage points) and real GDP growth (%)

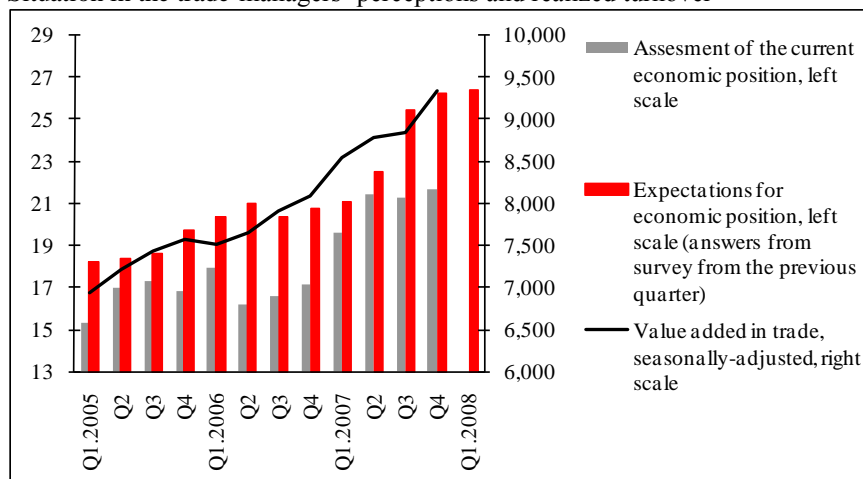


Source: State Statistical Office of Republic of Macedonia and calculations of the National Bank of the Republic of Macedonia.

The intensive growth in the *trade*, present during the whole year, continued in the fourth quarter as well, when the value added in this sector registered an increase of 15.6%, thus the total increase in 2007 reached 14.1%. The intensified activity of the sector that in 2007 had the greatest contribution to the economic growth was in accordance with the perceptions of the managers about the business situation in the sector⁷, that according to them was much more improved compared to last year. The expectations for the business climate in the future were significantly higher than the ones a year ago, referring to expectations for continuation of the growth in the trade. The fact that the increased supply in this sector was a consequence of the increased demand (above all, personal demand), was confirmed by the reduced significance of the demand as a limiting factor.

⁷ Survey on business tendencies in the trade, State Statistical Office.

Figure 6
Situation in the trade-managers' perceptions and realized turnover

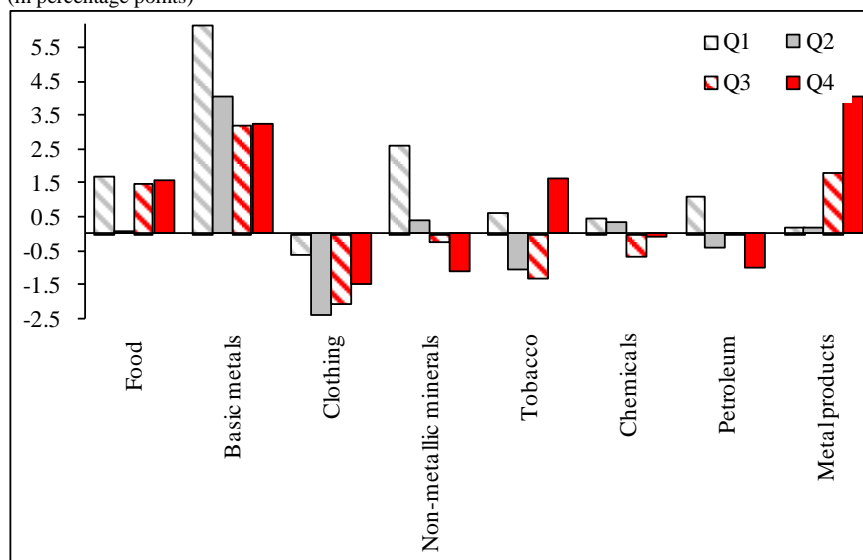


Source: State Statistical Office of Republic of Macedonia and calculations of NBRM.

New revival of the industrial activity at the end of the year

The high growth in the fourth quarter was, however, mostly a result of the increase in the sector with the largest share in GDP- *the industry*, that grew at a rate of 6.2% in the last quarter, resulting in an increase of 3.7% for the entire 2007. While there were minimum drop rates in the mining and energy sector, the increase was conditioned by the manufacturing industry that was growing intensively again as a result of the intensified activity in the metal-processing industry, basic metal industry, food and tobacco industry. The fall in the clothing industry continued in the fourth quarter, as well, along with the reduced output of the industry of non-metal minerals and oil industry.

Figure 7
Contributions of the largest industries from the manufacturing sector to the increase in the industrial output in 2007
(in percentage points)



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

The presented eight industrial branches create 64% of the industrial output, and are ranked according to the individual share.

Higher growth rates than usual were registered in the fourth quarter in the *construction sector*, as well, a sector that increased the productive potential of the economy and had exceptional significance for the long-term growth. In those terms, the value added in the construction sector registered an increase of 7.8% in the last quarter of the year, by which the total increase for 2007 reached 5.8%.



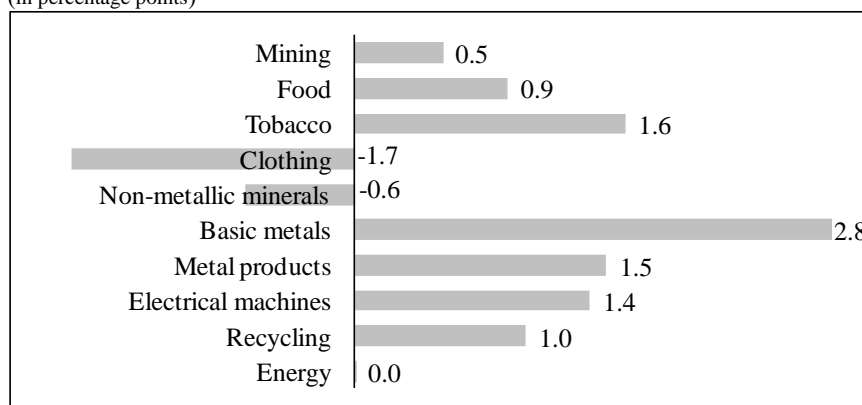
The improvements in this sector, too, were in accordance with the managers' assessments for the improved business environment⁸ and might be attributed to the increased demand, which was also indicated by the reduced significance of the insufficient demand as a limiting factor. The increased demand reflected in one part the higher capital investments by the government, although the effects of the government capital investments of the end of 2007 will be fully felt in 2008. Therefore, higher growth rates in the construction sector might be expected in the forthcoming periods. In parallel with the intensified construction activity in the country, the expansion of the construction activity of the Macedonian enterprises abroad continued as well, mainly on the markets in Ukraine, Croatia, Russia and Serbia. Thus, in the last quarter, the construction works performed abroad registered an annual increase of 2.4 times, and for the entire 2007, the value of the performed construction works was double higher than the one for 2006.

Signals for continuation of the growth in 2008 as well

The projected GDP growth for the first quarter of 2008 is around 4%. On the basis of the available data that refer to the industrial output for January and February, realization of the projection may be expected. Thus, the volume of the industrial output in the first two months of 2008 was higher by 10% than in the same period of the previous year. A generator of the growth was the manufacturing industry, and the mining and energy sectors had also positive contributions. The increase in the manufacturing industry was caused by the increase in the industry of basic metals, tobacco industry, metal processing industry, industry of electric machines and apparatuses and the recycling, as well as in eight other industries, and the production was reduced only in seven industries, among which the production in the clothing industry was mostly reduced. The realized rate of industrial growth exceeded the projected rate for the first quarter, but the effect of the time lag between the purchase of the tobacco and its processing during the quarter should be taken into consideration (lower comparison basis in the first two months of last year).

Figure 8

Contributions of the most significant sectors to the increase in the industrial output in the first two months of 2008
(in percentage points)



Source: State Statistical Office and calculations of the National Bank of the Republic of Macedonia.

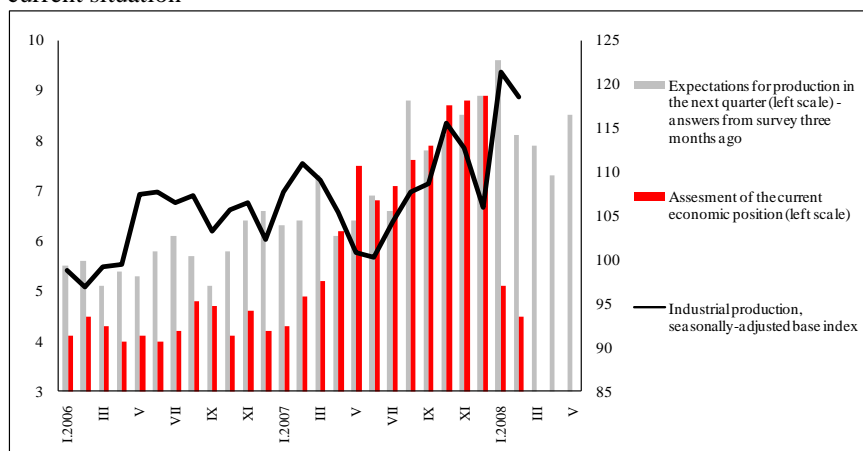
The developments of the expectations for the future output from the Survey on business tendencies in the manufacturing industry and the volume of the industrial output overlap. Since the expectations are significantly higher compared to those of a year ago, it is expected that the positive changes in the industry will continue. However, based on the dynamics, slight deceleration of the industrial output growth may be expected. Such conclusions ensue also from the managers' assessments of the current business situation that register a fall, too.

⁸ State Statistical Office, Survey on business tendencies in the construction.



Figure 9

Industrial output, expectations for the future production and assessment of the current situation



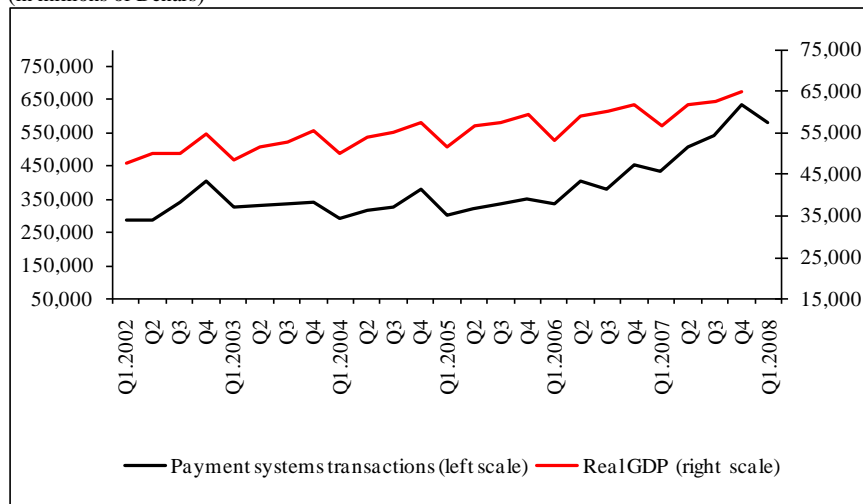
Source: State Statistical Office of the Republic of Macedonia.

In line with the intensified economic activity, the value of the transactions in the payment operations was also increased. Thus, payment operations in the fourth quarter rose at the same pace as in the third quarter (40.5%). The annual growth rate in the first quarter of 2008 was lower and was 34.1%, which indicated a possible slight deceleration of the growth in the economic activity in the first quarter of 2008.

Figure 10

Payment operations and GDP

(in millions of Denars)



Source: State Statistical Office and National Bank of the Republic of Macedonia.

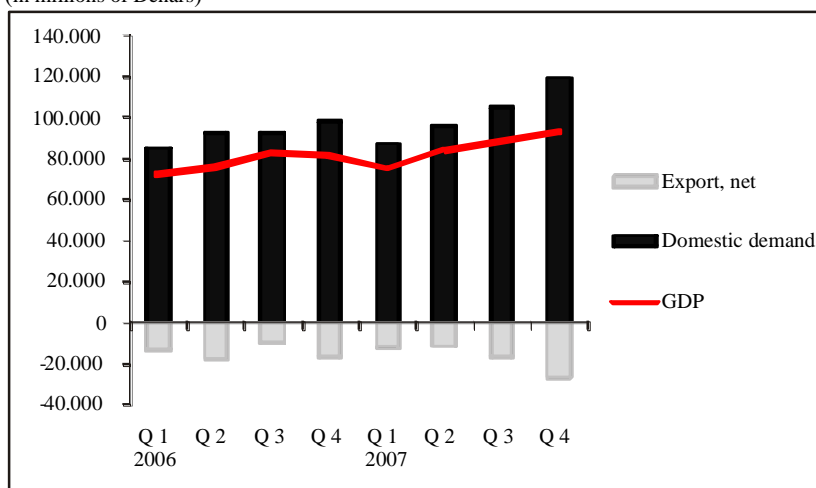
It is expected that the economic growth will be further intensified in the second quarter of 2008 (real GDP growth rate of around 5% was projected). As a limiting factor regarding the growth of the domestic economy, downward revisions of the global world growth may occur, implicitly meaning a reduced foreign demand for domestic products, which might have serious consequences on the growth of the small and open economies.

*Domestic demand⁹*

Intensification of the domestic demand in the third and fourth quarter of the year...

The most recent data on the expenditure side of GDP¹⁰ confirmed the prognosis for the increase in the aggregate demand in the last two quarters of 2007. Combined with factors of the supply side, which were more dominant, it contributed to an increase in the inflation in the Macedonian economy. At the same time, the significant increase in the personal consumption and revival of the private and public investment consumption created pressures in the external sector as well, where in the third quarter, and especially in the fourth quarter of the year, significant widening of the trade deficit was registered.

Figure 11
Absorption, deficit in the foreign trade and GDP
(in millions of Denars)



Source: State Statistical Office of the Republic of Macedonia.

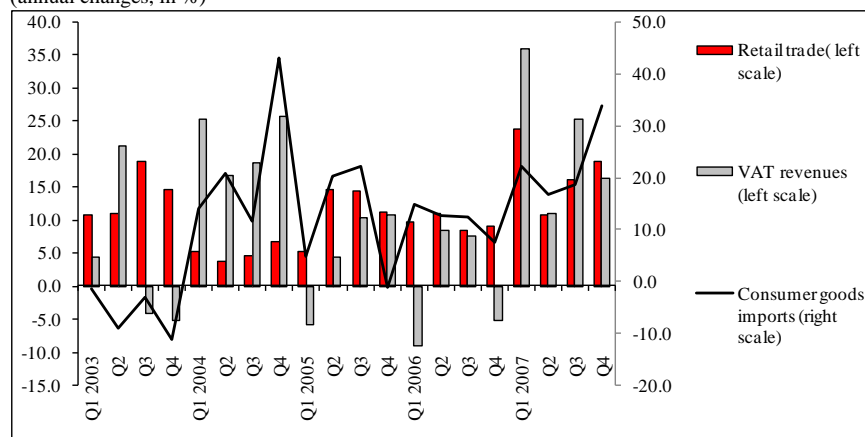
...when the personal consumption was dominant...

The domestic demand was mainly led by the final consumption, despite the strengthened investment consumption. Thus, the final consumption in the third and fourth quarter of the year was nominally increased at rates of 10% and 16% (on annual basis, respectively) as a result of the intensive personal consumption and increase in the public consumption. The dynamics of the personal consumption in the last two quarters was reflected in a high turnover in the retail trade (annual growth rates of 16% and 19%, respectively) and increased import of consumer goods (annual growth rates of 19% and 34%, respectively). In line with the above-mentioned developments, the level of VAT revenues in the third and fourth quarter of the year was increased on annual level by 25% and 16%, respectively.

⁹ In the absence of complete data on the expenditure side of the gross domestic product, the analysis of the domestic demand is largely based on calculations by the National Bank of the Republic of Macedonia.

¹⁰ Since March 2008, the State Statistical Office has started to publish for the first time data on the generated expenditure aggregates of GDP on quarterly basis. These data refer to the final consumption, gross-investments, export and import of goods and services for 2006 and 2007 and cover quarterly distribution and annual levels, while data on the personal consumption have not been published yet, and in the new data structure, data on the personal consumption and investment in machines and equipment lack. The assessments so far have been based on monitoring certain indicative variables that reflected the dynamics of spending the GDP.

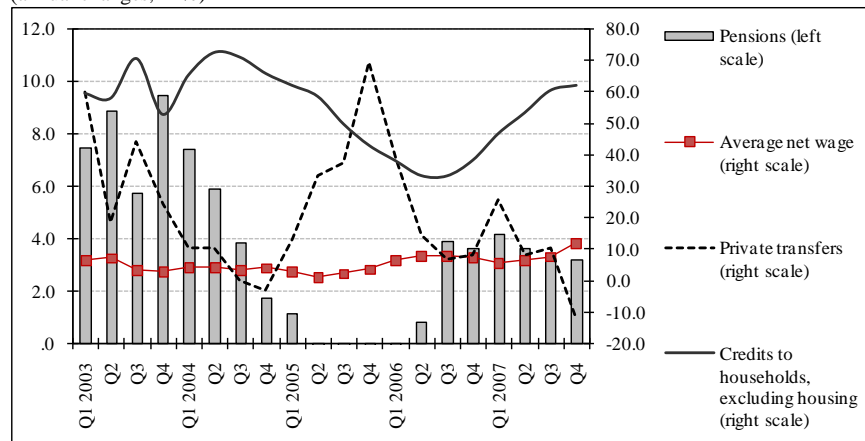
Figure 12
Indicative categories for the personal consumption
(annual changes, in %)



Source: State Statistical Office of the Republic of Macedonia and Ministry of Finance.

The personal consumption was supported by the net wage bill in the economy that registered an annual increase in the third and fourth quarter of 2007 of 9% and 12%, respectively. At the same time, the pensions in the last two quarters of the year registered an annual growth rate of 3.2%, whereas the inflows from private transfers were increased by 10% on annual basis in the third quarter, although they entered in the zone of negative growth rates in the last quarter (a fall of 12%). However, taking into consideration that the personal consumption was conditioned by the present value of the expected income, a large portion of the increase in the personal consumption might be attributed also to the expectations of the households for higher pensions and salaries in the public administration. On the other hand, the expectations for stable and higher income level were reflected in the increase in the indebtedness of the population that was increased in the last two quarters of the year at annual rates of 60% and 62%, respectively.

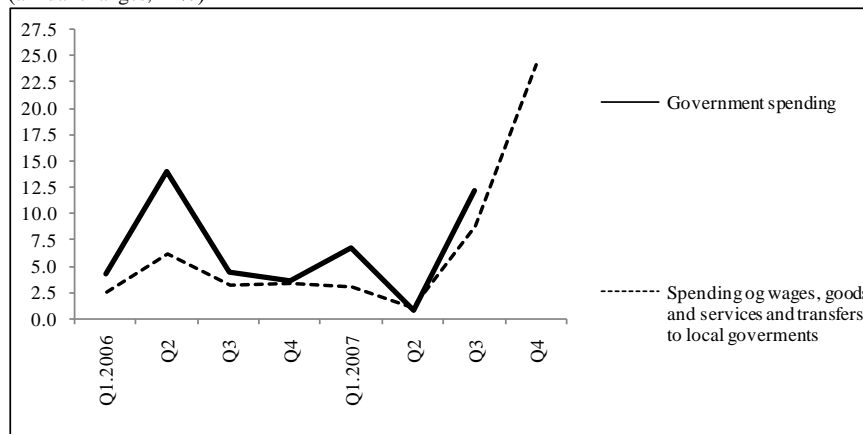
Figure 13
Sources of financing the personal consumption
(annual changes, in %)



Source: National Bank of the Republic of Macedonia and State Statistical Office.

The moderate dynamics of the personal consumption since the beginning of 2007 was intensified in the third quarter, when an annual growth rate of 12% was registered. In the last quarter of the year, in accordance with the decision on increase in the salaries of the public administration (by 10% since October 2007) and the higher spending on goods and services, the public consumption was assessed as having accelerated growth (around 19%).

Figure 14
Public consumption and costs for salaries and services
(annual changes, in %)

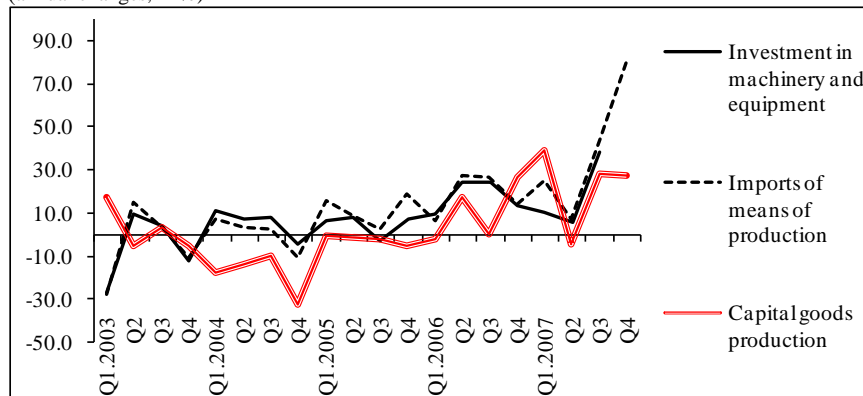


Source: State Statistical Office of the Republic of Macedonia and Ministry of Finance.
Assessment for the public consumption was made in the 4. quarter of 2007.

...and revival of the
investment activity

In the second half of 2007, in parallel with the personal consumption, the investment consumption also registered intensification. Thus, the gross investments were nominally increased at rates of 24% and 52% in the third and fourth quarter of the year. Such dynamics corresponded to the dynamics of the investments in machines and equipment that registered annual growth of 38% in the third quarter of the year (last available data). The increased pressures of the investment consumption affected the domestic production of capital products that registered an identical rate of annual growth of 28% in the last two quarters.

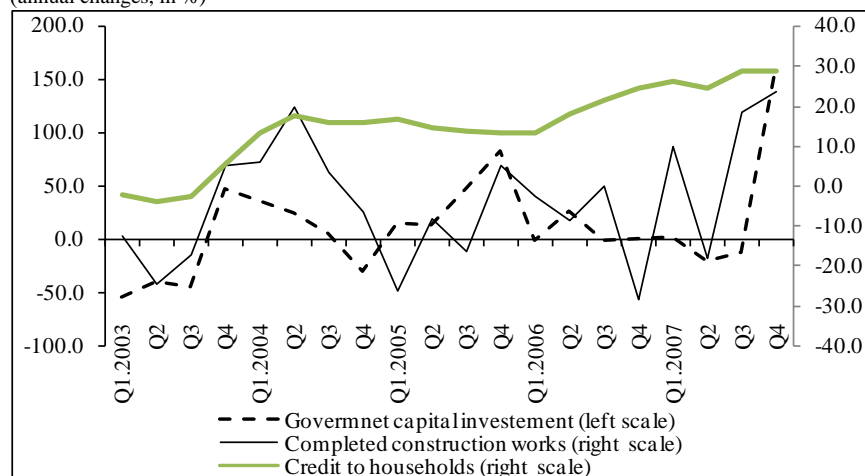
Figure 15
Investments in machines and equipment and import of means for operating
(annual changes, in %)



Source: State Statistical Office of the Republic of Macedonia.

In addition to the investments in machines and equipment, the indicators for construction activities also indicated a continuation of the positive tendencies. Thus, the value added in the construction in the third and fourth quarter of the year registered a real annual increase of 5.5% and 7.8%, respectively. The higher level of government capital expenditures for construction of residential and sports facilities and procurement of other fixed assets in the last quarter of the year (by 3 times compared with the same quarter of the previous year), signaled the commenced investment activity of the government and at the same time referred to its intensification in 2008. Simultaneously, the strong demand for banking credits by the firms both at the end of 2007 and the beginning of 2008 indicated increased demand for capital and more intensive economic activity.

Figure 16
Government capital investments and performed construction works
(annual changes, in %)



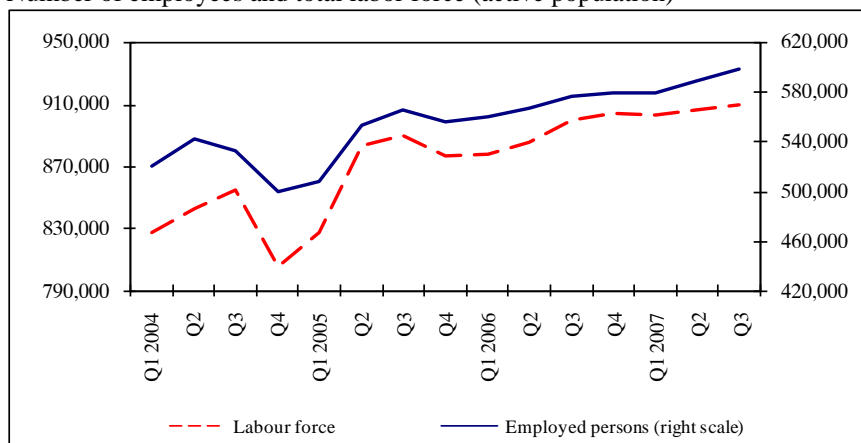
Source: State Statistical Office of the Republic of Macedonia and Ministry of Finance.

From the presented assessments of the developments of the separate components of GDP, it could be concluded that the domestic consumption, in addition to the personal consumption, was also increased by the strengthened investment activity and public consumption. In conditions of limited domestic production, such pressures conditioned an increase in the import and deepening of the current account deficit. Taking into consideration the significance of the investment consumption for the increase in the competitiveness of the economy in the medium term and achievement of a higher and sustainable economic growth, the pressure on the import created through this channel was of temporary character. Still, the data as of the beginning of 2008 indicated further intensification of the personal consumption. Thus, in the first two months of the year, the budget revenues from VAT were by 23% higher compared to the same period in 2007, which indicated the influence of the personal consumption on the realization of a higher turnover in the retail trade, however, in case of a significant price effect due to the increased prices. At the same time, the active banking support to the households continued during the first two months, too. Accordingly, it was necessary to follow cautiously the rate of acceleration of the personal consumption and its effects on the economy.

1.3. Employment and salaries

The favorable economic environment and intensive economic activity conditioned further improvement of the situation on the labor market. Thus, in the last quarter of the year, simultaneous increase in the demand for and supply of labor was registered. The more intensive increase in the number of employees, as an indicator of the demand for labor in the third and fourth quarter of 2007, as opposed to the increase in the overall labor force, as an indicator of the supply, indicated gradual reduction in the existing gap between the number of jobs and available labor force in the economy.

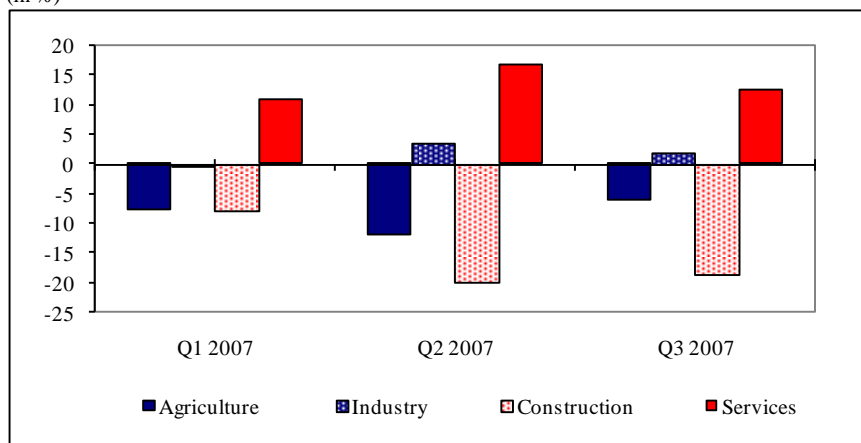
Figure 17
Number of employees and total labor force (active population)



Source: State Statistical Office of the Republic of Macedonia.

The increased economic activity in the service sector in the third quarter of 2007, conditioned directing of the demand for labor in this sector. The number of employees in the service sector was increased by 12.3%, on annual basis, whereas in the industry (except for the manufacturing industry), agriculture and construction sector, reduced number of employees was registered. As opposed to such developments, the number of employees in the last quarter of the year registered a moderate annual increase in all sectors of the economy, having the most intensive increase in the mining (22.5%) and communications (15.8%) sectors. Moderate increase was also registered in the agriculture, manufacturing industry, in the activity for supply of electricity, gas and water, construction and, to the greatest extent, in the service activities.

Figure 18
Annual rates of increase in the number of employees per sectors
(in %)



Source: State Statistical Office of the Republic of Macedonia.

The more intensive increase in the number of employees and minimal increase in the number of able-bodied population conditioned an annual increase in the employment rate, the unemployment rate registering a reduction at the same time. Thus, in the third quarter, the employment rate (36.7%) was increased by 1.1 percentage points, whereas the unemployment rate was reduced by 1.7 percentage points (34.2%). Such trend was typical for the last quarter of the year, too, although at a decelerated pace. Namely, the employment rate was higher by 0.7 percentage points (36.4%) on annual basis, whereas the unemployment rate was reduced by 1.2 percentage points (34.7%).



Figure 19
Rate of employment and
unemployment
(in %)

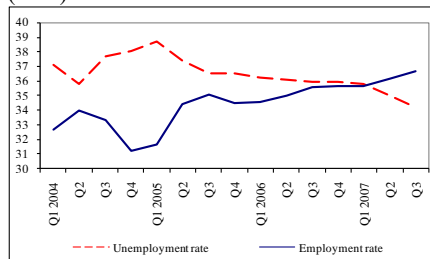
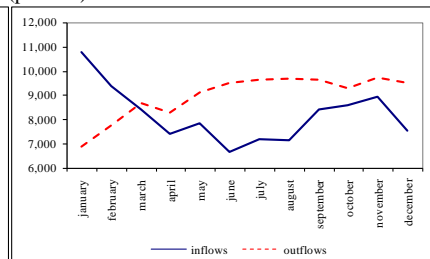


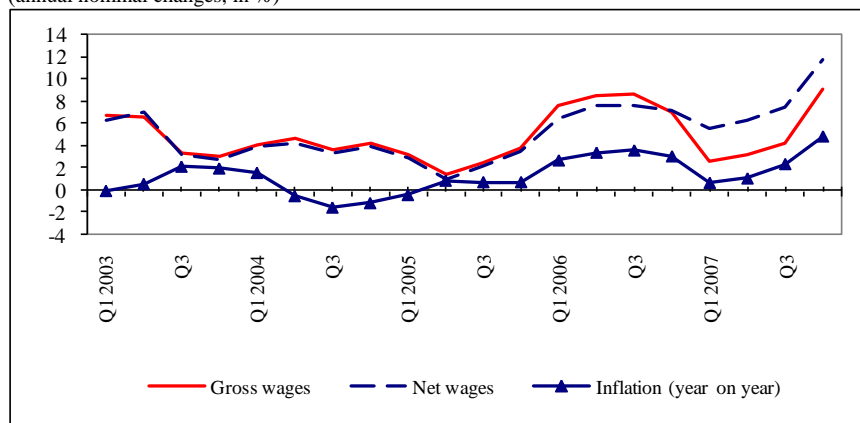
Figure 20
Inflows to and outflows from the
unemployment
(persons)



Source: State Statistical Office of the Republic of Macedonia and Employment Agency of the Republic of Macedonia.

Significant increase in the average paid salaries was registered in the last quarter of 2007. Thus, the paid nominal net and gross salaries¹¹ were increased by 11.8%, i.e. by 9.1% on annual basis. The effect of the inflation being isolated, the real increase in the net salaries was 7% and of the gross salaries, it was 4%. The salary increase was mainly a result of the increased salaries in the government sector in line with the salary increase of 10% in the public administration as of October.

Figure 21
Average paid gross and net salary and inflation rate
(annual nominal changes, in %)



Source: State Statistical Office of the Republic of Macedonia.

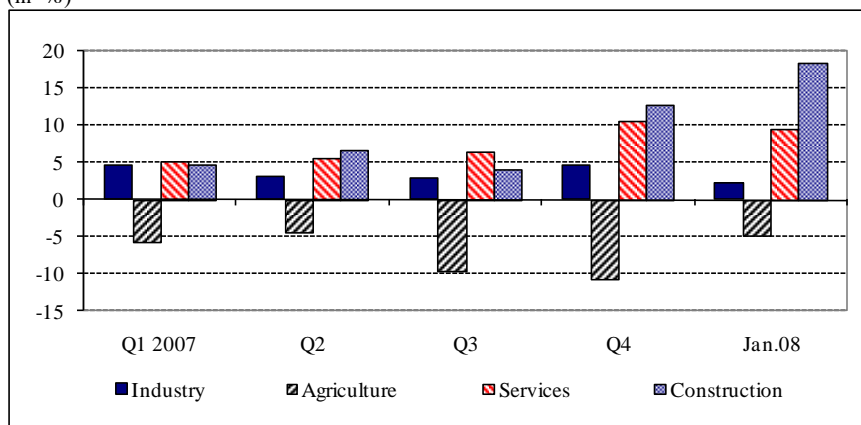
Increase in the average salaries was registered in all sectors of the economy, except for the fishery, having the most intensive increase in the activities that according to the ownership structure were mainly a part of the public sector. Thus, the nominal net salaries were increased by 14.1% in the public administration and defense, by 14% in the education and by 16.9% in the health sector. Still, the increase in the salaries in the public sector was accompanied by the increase in the salaries in the private sector, too, mainly in the manufacturing industry, construction, financial intermediation and in the sector-activities with real estate. Similar developments may be noted from the sector analysis of the gross salaries, too.

In January 2008, the nominal net and gross salaries were increased by 12%, that is, 10.2%, respectively on annual basis, which was mainly a reflection of the effect of the lower comparison basis. The lower increase in the gross salary reflected the reduced taxation of the income since the beginning of the

¹¹ Source: State Statistical Office. The total paid gross salaries cover: paid net salaries for the month that is subject to the report, paid personal income tax and paid contributions (for pension and disability insurance, health insurance, employment, professional disease and water economy).

year. The real salary increase, in conditions of more intensive increase in the price level was significantly lower, that is 3.1% of the net salaries and 1.4% of the gross salaries. On the other hand, it was expected that by the end of 2008, the growth would be strengthened again, in accordance with the announced further increase in the salaries in the public administration (by 10% in the last quarter of the year). In January 2008, as well as in the previous period, the paid salaries registered an increase in all sectors of the economy, except for the fishery. A significant increase in the salaries was also registered in the public sector (public administration and defense, education and health and social work), on one hand and in the agriculture, manufacturing industry and in the sector-activities with real estate, on the other hand.

Figure 22
Annual changes in the average paid net salary per sectors
(in %)



Source: State Statistical Office of the Republic of Macedonia.

The labor productivity, in conditions of a more intensive increase in the gross domestic product compared to the increase in the employees, was increased by 1.2% in the third quarter and by 3.4% in the fourth quarter of 2007. Despite the notable salary increase, the increase in the productivity conditioned a moderate effect on the labor unit costs. Thus, the labor unit costs were almost unchanged on annual basis (using the consumer price index as a deflator for the calculation of the real salaries), that is, they were by 1.9% higher in the third quarter and by 1.4% in the fourth quarter of 2007 (with the application of the production price index as a deflator).

Figure 23
Productivity
(indices, base average 2004)

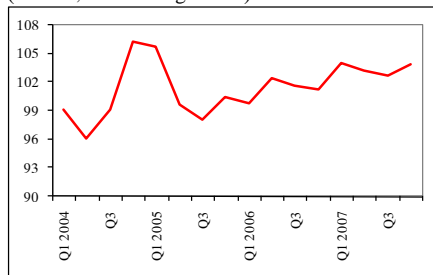
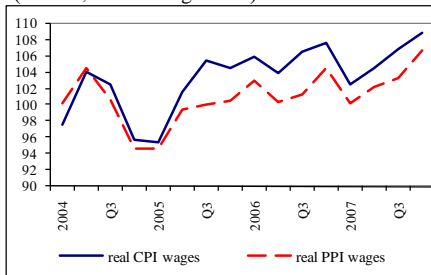


Figure 24
Labor unit costs
(indices, base average 2004)



Source: State Statistical Office of the Republic of Macedonia, calculations and analyses of the National Bank of the Republic of Macedonia.

Box 1 Analysis of the employment and salaries in the period 2001-2006

The labor market in the Republic of Macedonia is traditionally characterized by a lower demand for, compared to the supply of labor force and

consequently, by a high unemployment rate. On the other hand, the paid nominal net salaries in the economy have an upward trend. The objective of this analysis is to consider the developments of the employees, as an indicator of the demand for labor and of the salaries, as an indicator of the labor price in certain sectors of the economy.

The sectorial analysis of the demand for labor indicates a continuous increase in the demand for labor directed towards the service sector and consequently, increase in its share in the total number of employees from 40% in 2001 to 47% in 2006. Such development of the employees was followed by a salary increase, as well as increase in the value added in the service activities. The intensive increase in the value added of 19%, compared with the beginning of the period, led to an increase in the productivity in this sector, despite the registered increase in the number of the employees and in the salaries. Similar developments to those in the service sector could be also registered in the construction sector. In this sector, too, in parallel with the increase in the employment, increase in the salaries and value added was registered, which led to an increase of its share in the gross domestic product.

Figure 25
Share of the sectors
in the employment
(in %)

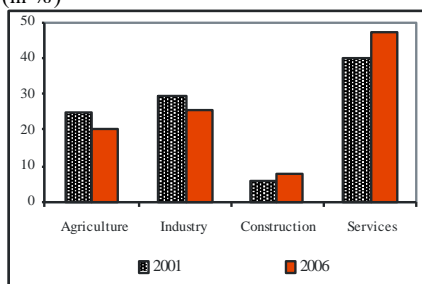
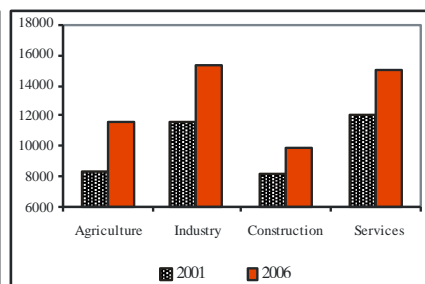


Figure 26
Average salary per sectors
(in Denars)



Source: State Statistical Office of the Republic of Macedonia, calculations and analyses of the National Bank of the Republic of Macedonia.

The increase in the average nominal net salaries was typical both for the agricultural and industrial sectors, with a greater intensity compared with the service sector. The notable increase in the salaries in the industry in 2006 derived from the increased salaries in the activity “supply of electricity, gas and water” which was connected with the privatization of the electricity company, as well as from the higher salaries in the mining sector as a result of the improvement of the performances of several mining capacities in the mentioned year. On the other hand, the share of the employees in these sectors in the total number of employees, as well as the share of these sectors in the creation of the value added registered a drop relative to 2001. Thus, the increase in the productivity in the industry and agriculture in the period 2001-2006 was mainly conditioned by the lower number of employees. The reduction in the labor demand in these sectors, notwithstanding the increase in the average salaries, was generally conditioned by the increased attractiveness of the service sector as easier adjustable in conditions of restructuring of the economy, as well as by the processes of transformation and privatization, that imposed rationalization of the employment in a large number of the industrial capacities.

1.4. Balance of payments

The last quarter of 2007 was characterized by a deepened trade deficit and government payments to abroad, that resulted in high foreign exchange outflows. On the other hand, the high outflows were financed by the foreign exchange inflows into the capitally financial account, that arose, to a greater

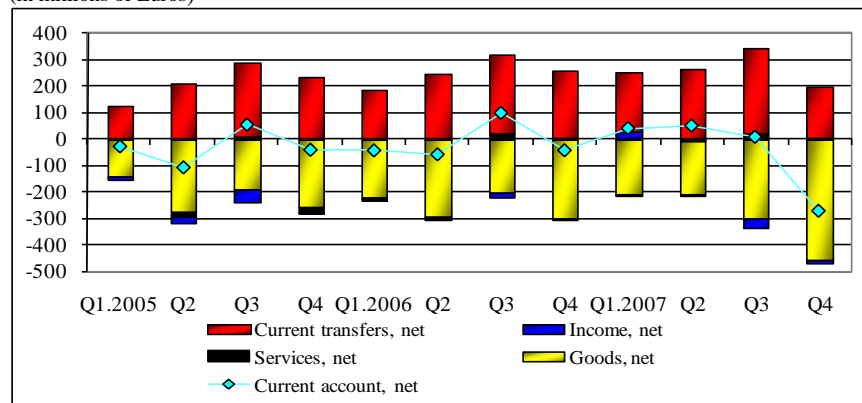


extent from the direct investments, so that at the end of the fourth quarter of 2007, the gross foreign exchange reserves registered a minimum increase.

High deficit in the current account in the last quarter

In the fourth quarter of 2007, the *current account* of the balance of payments registered high deficit in the amount of Euro 271.2, which represented deepening of the deficit by 6.4 times on annual basis. The unfavorable developments of the current account were, above all, conditioned by the increased trade deficit¹² (contribution of 67.7%), as well as by the reduced net inflows in the current transfers (contribution of 24.8%).

Figure 27
Components of the current account
(in millions of Euros)

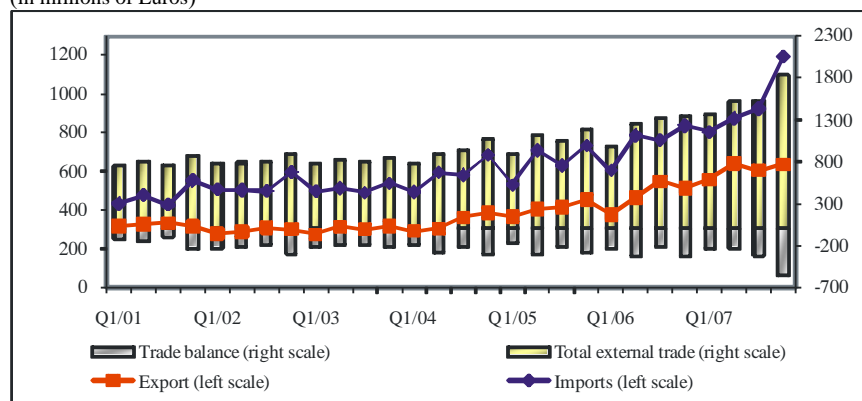


Source: National Bank of the Republic of Macedonia.

Expected expansion of the trade deficit in the last quarter of the year

During the last quarter of 2007, acceleration of the annual growth rate of the trade deficit was registered compared with the annual increase in the previous quarter (72.3%, as opposed to 51.2%, respectively), and the acceleration of the growth in the trade deficit adjusted to the energy exchange was much greater. Such quarterly worsening in the trade exchange was due to the more dynamic increase in the import (42.8%) compared to the export of goods (24.1%), to a great extent due to the import of raw materials and intermediate materials needed for the production and export activity in the forthcoming period and the increase in the prices of energy sources at the world markets. The rate of coverage of the import with export was 53.4%, which was an annual fall of 8 percentage points.

Figure 28
Foreign trade of the Republic of Macedonia
(in millions of Euros)



Source: State Statistical Office of the Republic of Macedonia.

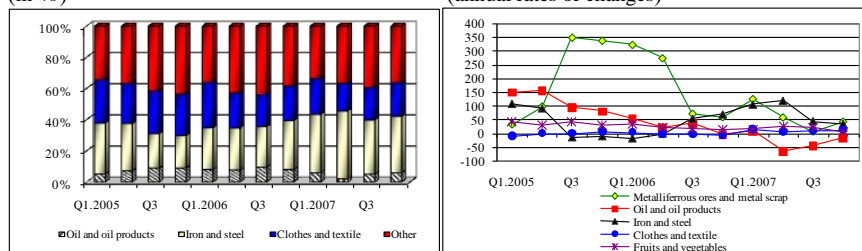
¹² The data on the import in the statistics of the balance of payments do not coincide with the data on the import by the State Statistical Office, due to the time adjustment of the electricity import.



Increase in the export of iron and steel

The intensive production activity of the metal processing industry resulted in an increase in the import of iron and steel (increase of 37.3% in the last three months of 2007), which determined 48.5% of the increase in the total export. Such annual change was a continuation of the tendency of slower growth, started in the previous quarter and partially corresponded with the reduction in the prices of ferronickel as the main export product. Significant contribution to the increase in the export of goods provided also the category “clothing and textile”, as well as category “metal ore and waste” (re-activation of a significant mining capacity). On the other hand, the reduced scope of exported quantities of oil derivatives led to a drop in the export of this product of 11.9% on annual basis.

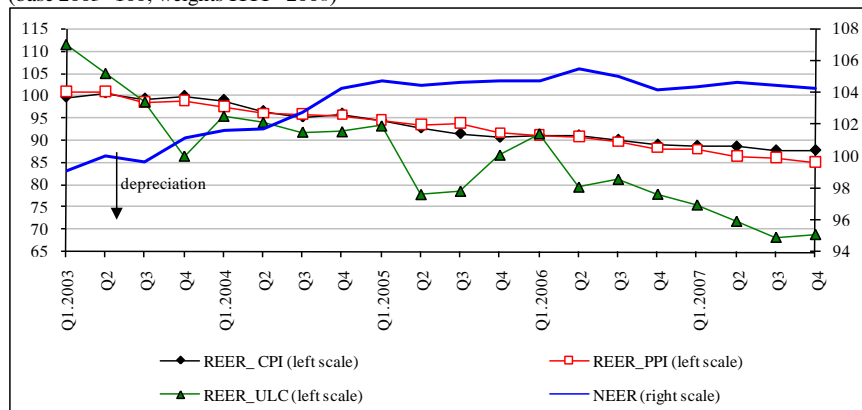
Figure 29
Structure and dynamics of the export per groups of products
(in %) (annual rates of changes)



Source: State Statistical Office of the Republic of Macedonia.

In the fourth quarter of 2007, the REER index of the Denar (with a deflator-consumer price index) depreciated by 1.4% compared with the same quarter of the previous year, in accordance with the increase in the index of the relative price, whereas the index of the nominal effective exchange rate (NEER) of the Denar registered a slight appreciation (appreciation of the Denar relative to the Russian Ruble and US Dollar). Simultaneously, REER, calculated according to the index of industrial producers' prices, registered depreciation of 3.7% on annual basis, as a reflection of the more intensive annual increase in the foreign prices of the industrial producers relative to the domestic prices. Likewise, in conditions of increase in the foreign costs, on one hand, and drop in the domestic costs, on the other hand, REER of the Denar, calculated according to the index of the costs of labor force per unit product¹³, significantly depreciated (by 11.7%).

Figure 30
REER* and NEER indices of the Denar
(base 2003=100, weights HTP=2006)



*Index under 100 indicates increased export competitiveness.

Source: National Bank of the Republic of Macedonia.

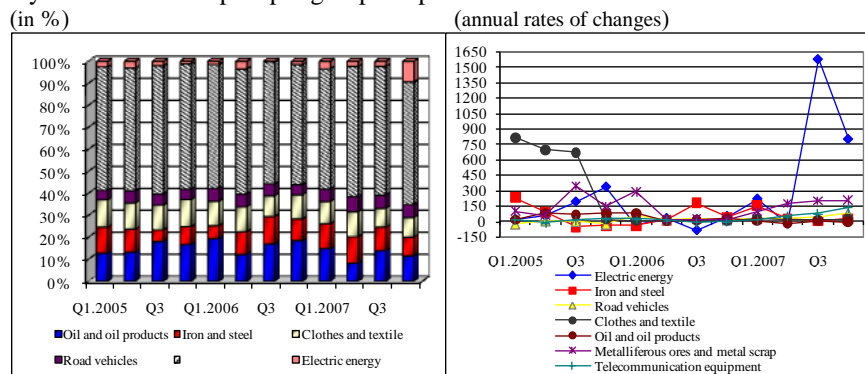
¹³ The index of the costs of labor force per unit product refers to the industry.



Intensification of the annual increase in the import in the last quarter

The high import dependence of the Macedonian export and intensified investment activity led to acceleration of the annual growth rate of the import in the fourth quarter of 2007. The higher import of electricity¹⁴, metal ore and metal waste, as well as food products (the dry period had an influence on the reduction in the domestic supply of food products, and thus the higher amount of imported quantities) had the greatest share in the growth (48.2%). Among the other categories, the group “machines and transport devices” had a significant contribution, whereas the import of oil and oil derivatives registered a slight drop due to the lower volume of imported quantities relative to the fourth quarter of 2006.

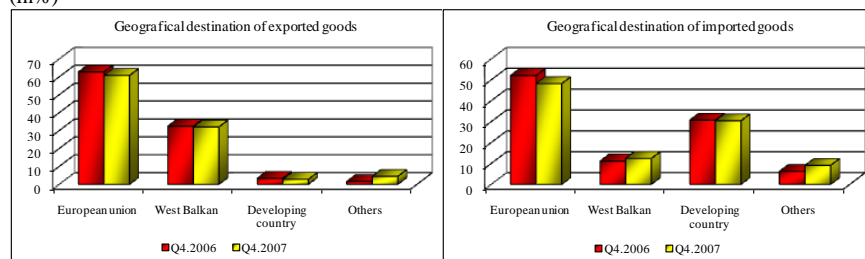
Figure 31
Dynamics of the import per groups of products
(in %)



Source: State Statistical Office of the Republic of Macedonia.

During the fourth quarter of 2007, the export of goods was still directed towards the European Union, as well as the Western Balkans, although the share of the export to the EU was reduced by 1.9 percentage points on annual basis. On the other hand, the export to the USA had an increased participation (of 1.7 percentage points), which was due, to the greatest extent, to the export of certain metals. Likewise, the major part of the import was from the EU, but on annual basis, it was evident that there was re-orientation towards the markets of Western Balkans and the other countries.

Figure 32
Geographic orientation of the export and import of goods
(in%)



Source: State Statistical Office of the Republic of Macedonia.

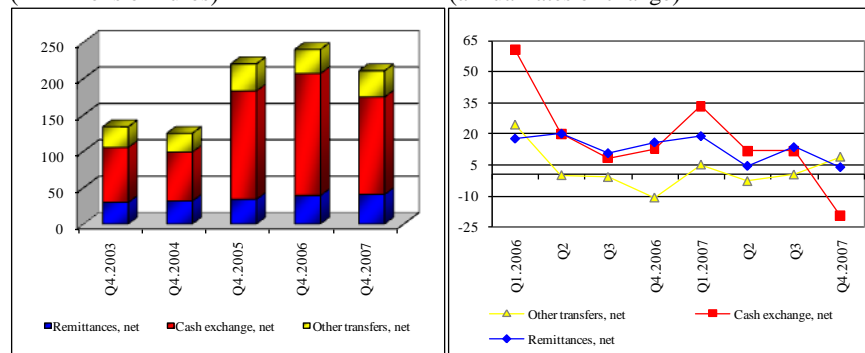
The reduced positive balance in the exchange of services, higher net outflows in the income sub-balance sheet and decrease in the private transfers

During the fourth quarter of 2007, the net inflows on the basis of traveling and investment works were the main generators of the surplus in the services. However, the increased import of goods conditioned higher transport costs, that along with the business services, had an influence on the annual reduction in the positive balance of the services (by Euro 3.9 million). The negative balance in the income sub-balance sheet was deepened on annual basis by Euro 13.4% million, which was due to the higher amount of paid income

¹⁴ In accordance with the manner of customs registration of the import of electricity in October and November 2007, large import of electricity was reported, which was, in fact, realized throughout the year.

from direct investments to non-residents, as well as payments on the basis of interest. A fall of 22.2% was registered in the balance of current transfers relative to the same quarter of the previous year, with almost the same contribution of the both items. Namely, the official transfers registered net-outflows¹⁵, whereas the private transfers registered reduction conditioned by the fall in the cash, which had registered a negative rate of change (of 20.1%) for the first time since 2005.

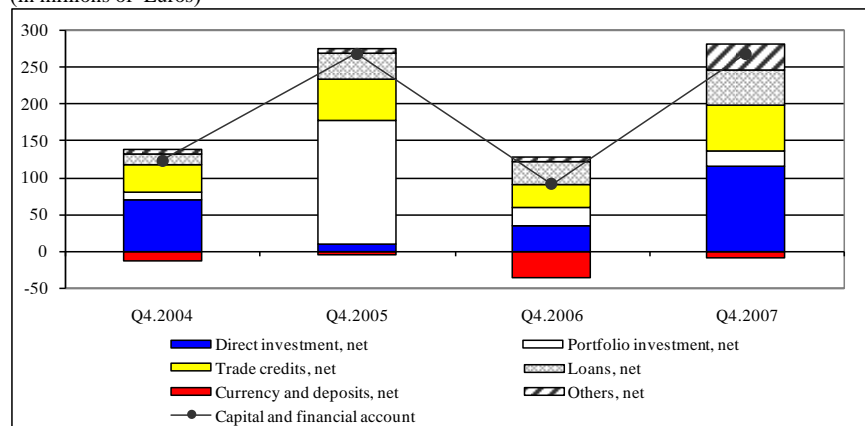
Figure 33
Dynamics of private transfers per components on net basis
(in millions of Euros) (annual rates of change)



Source: National Bank of the Republic of Macedonia.

During the fourth quarter of 2007, the *capital and financial account* registered a high net inflow of capital from abroad in the amount of Euro 269.6 million, which was mainly a result of the realized net-inflows on the basis of foreign direct investment (with almost 43% share in the total net inflows).

Figure 34
Components of the financial account
(in millions of Euros)



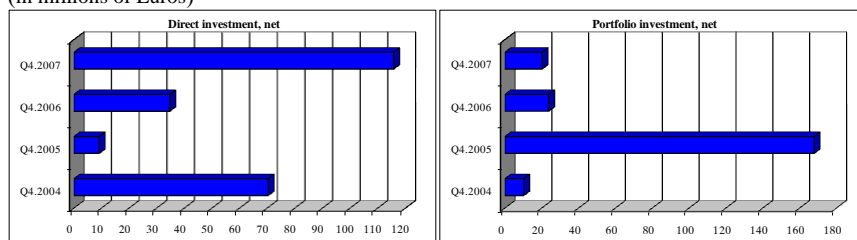
Source: National Bank of the Republic of Macedonia.

The foreign direct investment in the last quarter of 2007 reached Euro 115.7 million¹⁶, as opposed to Euro 34.7 million in the same quarter of 2006. The most interesting activities for investment in the country were the insurance and food activity and telecommunications, and respective countries-investors were Slovenia, Serbia and Austria. The net inflows from portfolio investment in the fourth quarter of 2007 registered a slight annual decrease of Euro 3.6 million, which was due mainly to the sale of domestic debt securities by foreign investors.

¹⁵ In December 2007, the Ministry of Finance paid to abroad funds on the basis of a completed court dispute.

¹⁶ In December 2007, the government repaid a part of the funds on the basis of a revision of the privatization of a public enterprise.

Figure 35
Direct and portfolio investment
(in millions of Euros)

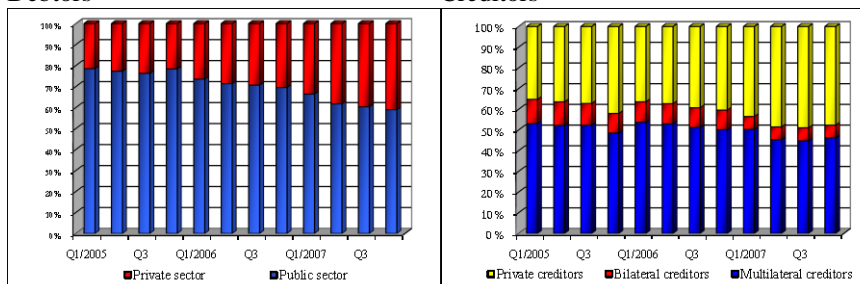


Source: National Bank of the Republic of Macedonia.

Higher net indebtedness on the basis of trade credits, loans and outstanding liabilities of the private sector was registered in the analyzed quarter. As opposed to this, the item “currencies and deposits” registered net-outflows which were due to the cash drawn out by the private sector.

During the fourth quarter of 2007, the trend of growth in the *total foreign debt* of the Republic of Macedonia continued. Thus, during the last quarter, its quarterly increase was 4.9%¹⁷, as a result of the increase in the long-term debt by 5.8% (in accordance with the higher amount of used funds from paid liabilities, as well as on the basis of exchange rate differences). In conditions of a stable credit rating and increased use of foreign capital by the private sector, quarterly increase of 7.7% of the total debt of the private sector was registered (the long-term debts of the private sector registering an increase of 9.4%). At the same time, the total debt of the public sector was increased by 2.6% relative to the end of the previous quarter, which was also stimulated by the indebtedness on the basis of Program Development Policy Loan II (PDPL II) (Euro 23.3 Million).

Figure 36
Structure of the long-term debt as of the end of the quarter *
Debtors Creditors



*Previous data.

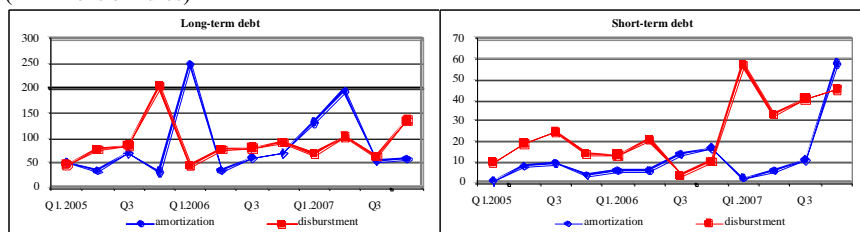
Source: National Bank of the Republic of Macedonia.

During the last quarter of 2007, the used funds registered a quarterly increase of 74.4% and amounted to Euro 180.9 million, the larger part of which (74.9%) were long-term credits and loans. On the other hand, an increase on quarterly basis (76%) was also registered by the total paid liabilities in the amount of Euro 115.9 million, 73.5% out of which were paid by the private sector (57.2% out of which refer to the commercial banks). The short-term liabilities paid by the public sector (Euro 7.6 million) referred entirely to the repayment of the re-scheduled debt to Italy.

¹⁷ The data on the debts outstanding as of 30.09.2007 has not been revised.



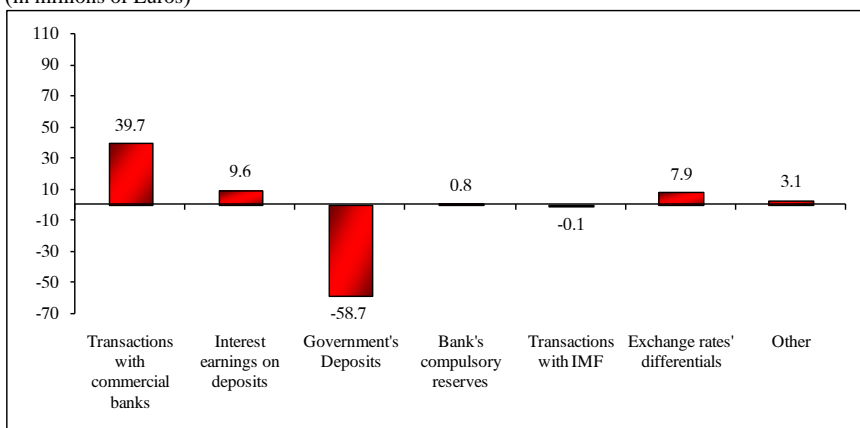
Figure 37
Used funds and paid liabilities of long-term and short-term debt
(in millions of Euros)



Source: Previous data of the National Bank of the Republic of Macedonia.

In spite of the net-purchase on the foreign exchange market by NBRM in the last quarter of the year, on 31.12.2007, the gross foreign exchange reserves amounted to Euro 1,524.4 million and relative to the end of the third quarter of 2007, they were increased by only Euro 2.3 million. Such change resulted from the high net-outflows from the foreign exchange deposits of the government, due to the payment on the basis of a court dispute and outflows on the basis of a revised value of a privatized company. The level of the gross foreign exchange reserves at the end of December enabled coverage of 3.8 months of import of goods (f.o.b.) and the outflow of services in the following year¹⁸.

Figure 38
Factors of change of the gross foreign exchange reserves in the fourth quarter of 2007
(in millions of Euros)



Source: National Bank of the Republic of Macedonia.

During the first two months of 2008, the trade deficit (on c.i.f. basis) amounted to Euro 281.7 million and compared to the same period of the previous year it was increased by 54.7% in conditions of a more intensive increase in the import and export (30.8% and 17.9%, respectively). Namely, the increased import of mineral oils in conditions of increase in the world prices of oil and a need for import of electricity due to an insufficient domestic production of this energy source, led to an increased import. On the other hand, the main factor of the increase in the export was still the export of iron and steel and their products and ores, in accordance with the increased production and export activity, as well as the export of oil derivatives, as a reflection of the developments on the side of the import. The developments in the foreign trade were in line with the projection, and there was a risk from the deteriorated conditions of exchange. In conditions of a further annual increase in the prices of the domestic economy, as well as political instability in the region, during the first quarter of 2008, the decreasing trend of the net purchase from the exchange operations continued

¹⁸According to the projection of the balance of payments prepared during the last IMF mission in November 2007.



(according to the preliminary data, by 20.03.2007 inclusive, annual drop of 32%). During the first quarter, a current account deficit of Euro 123 million was expected. In accordance with the presented developments, the gross foreign exchange reserves at the end of March amounted to Euro 1,519.3 million and were lower by Euro 12.1 million relative to the end of 2007.

In the course of the second quarter of 2008, a deficit of Euro 155 million is expected on the BOP current account, which is a result of the expected deficit in the trade balance and, possible, further reduction in the inflows from private transfers, that are the main source of financing of the trade deficit. The assessed negative trade balance is, to the greatest extent, due to the increased import of investment and intermediary products and the increased import of energy (increase in the world prices of oil and electricity). Deficit is also expected in the income sub-balance sheet, mostly due to the dividend payment to the foreign investors of a larger domestic company, whereas in the category “services”, surplus is envisaged. The current account deficit is expected to be financed from inflows on the basis of foreign direct investment and borrowing from abroad.

1.5. Inflation

*Average inflation of 2.3%
in 2007*

The global increase in the prices of food and unfavorable weather conditions that reduced the domestic supply of food, as well as the increased export of agricultural products, led to a fast growth in the prices of food and intensification of the inflation rate in the fourth quarter of 2007. However, the average inflation in 2007 amounted to 2.3% and was approximately the same with the inflation in the Euro-zone, where it amounted to 2.1%. The higher price of the electricity contributed towards inflation increase in 2007, as opposed to the lower prices of telecommunication services.

*Intensification of the food
prices in the last quarter of
2007*

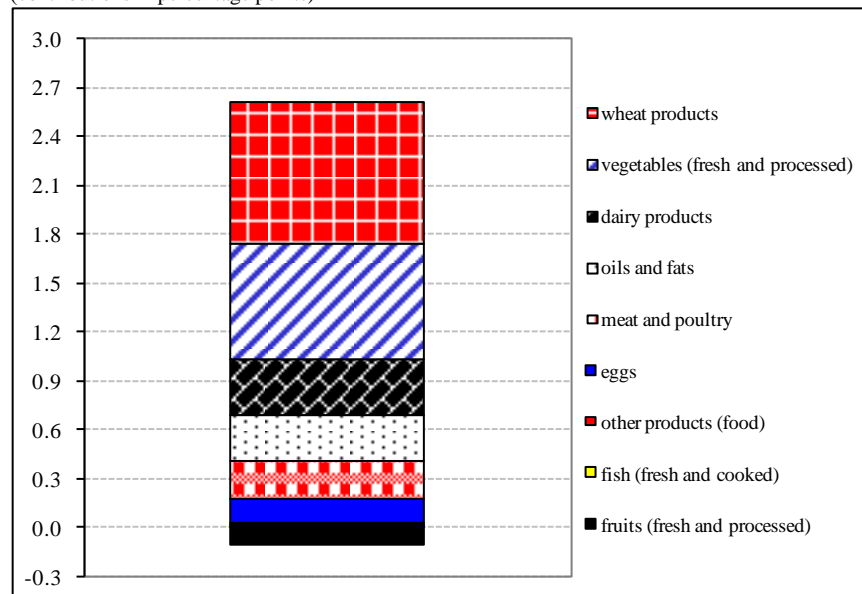
The general price level in the last quarter of the year was by 2.6% higher compared with the previous quarter which indicated a moderate inflation increase. Such quarterly increase in the consumer prices, was mainly a result of the increase in the prices of the grain products (increase in the price of bread and pastry) and of the fresh vegetable, within the category “food”. Likewise, within this category, an increase was registered in the prices of vegetable fats (increase in the price of eating oil), fresh and sour milk, as well as fresh meat. The increase in the crude oil price at the world stock exchanges was reflected on the domestic prices of the oils, too, and an increase was registered in the prices of clothes and footwear, as well as restaurant services (mainly due to the higher prices of the food and beverages in the catering facilities). The sole deflationary influence was the one of the prices of the telecommunication services (due to the increased competition in this sector), as well as the prices of the pharmaceuticals, due to the application of a lower VAT rate to the pharmaceuticals starting from September 2007¹⁹.

¹⁹ With a Government decision, reduction in the value added tax on pharmaceuticals, medical and orthopedic devices, as well as IT equipment and public transport, from 18% to 5%, was introduced applied as of October 2007.

Figure 39

Contribution of separate categories of food to the quarterly increase in the inflation rate in the fourth quarter of 2007

(contributions in percentage points)



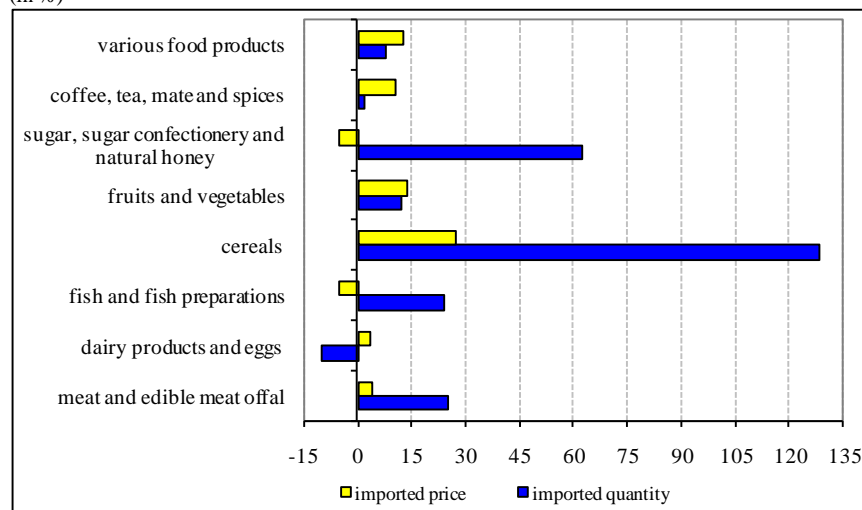
Source: State Statistical Office of the Republic of Macedonia and calculations of the National Bank of the Republic of Macedonia.

The reduced domestic supply of agricultural products, conditioned an annual increase in the import of these products in the fourth quarter of 2007. In condition of global growth in the food prices (especially grains, fruit and vegetable, meat, as well as dairy products), the increase in the import of these products conditioned a high spillover effect of the import prices of the food products on the domestic ones.

Figure 40

Annual change of the import prices and imported quantity of food products

(in %)



Source: State Statistical Office of the Republic of Macedonia.

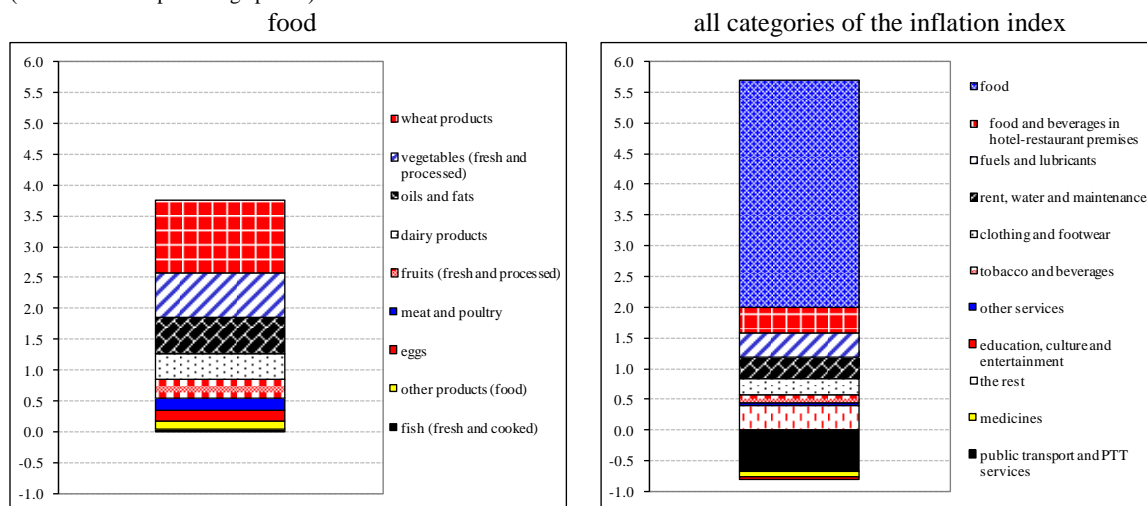
In line with such developments, the average annual inflation rate in the last quarter of the year reached 4.9%, which was the highest increase compared with the previous quarters. The highest contribution (3.7 percentage points) to the annual increase was the one of the higher food prices, including the increase in all sub-categories within the category “food”, among which, the increase in the prices of the grains, fresh vegetable and fruit and vegetable fats had the

greatest contribution. The higher prices of the oil, more expensive services in the restaurants, as well as the higher rent had an additional influence. As opposed to these inflationary developments, the lower prices of telecommunication services, prices of pharmaceuticals, as well as the decreased prices of educational items had deflationary influence.

Figure 41

Contribution of the food and separate categories of the inflation index to the annual inflation rate in the fourth quarter of 2007

(contributions in percentage points)

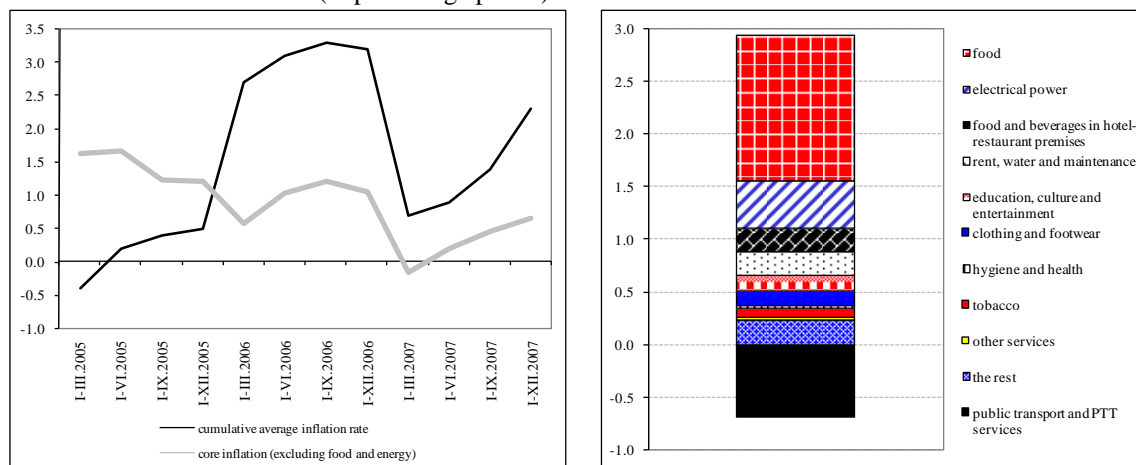


Source: State Statistical Office and calculations of the National Bank of the Republic of Macedonia.

Taking into consideration that the most significant determinant of the average inflation rate in 2007 were the prices of food and energy, the basic inflation rate (that excludes their influence) in 2007 was exceptionally low and was 0.7%, referring to an absence of any more serious inflationary pressures of monetary nature.

Figure 42

Inflation rate (in %) and contribution of the separate categories of the inflation index to the average annual inflation rate in 2007 (in percentage points).



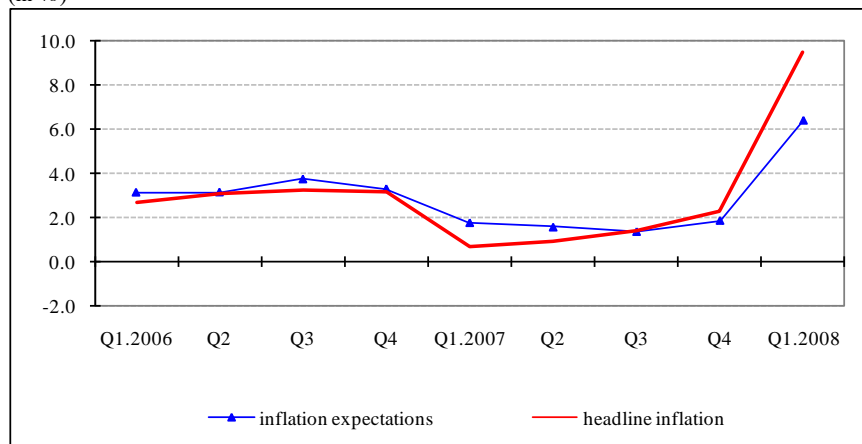
Source: State Statistical Office of the Republic of Macedonia and calculations of the National Bank of the Republic of Macedonia. The effect of the increase in the excise on the cigarettes is excluded.



The inflationary performances were in line with the inflationary expectations of the economic agents

The realized average inflation rate of 2.3% in 2007 was within the initial inflation projection of 3%. The acceleration of the inflation in the fourth quarter was in line with the inflationary expectations of the economic agents in the country for the corresponding period, since 78% expected an increase in the inflation (mainly with a slower intensity), and the remaining part expected for it to remain at the level of the third quarter. Still, the unexpected increase in the prices at the end of the year, determined realization of a slightly higher inflation rate than the expected one.²⁰

Figure 43
Inflationary expectations by the end of the year and realized inflation in the current quarter
(in %)



Source: Survey on the inflationary expectations and calculations of the National Bank of the Republic of Macedonia; State Statistical Office.

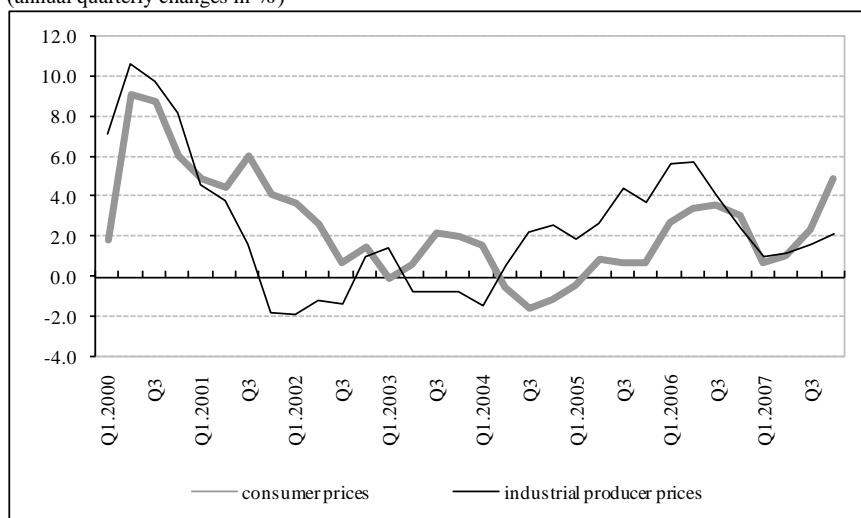
Possible inflationary pressures from the production prices in the forthcoming period

Increasing trend of the labor unit costs

In parallel with the intensification of the level of the consumer prices, increase in the prices of the industrial producers was registered. Thus, after the moderate average increase in the previous quarters of 2007, the production prices in the last quarter of the year reached a growth rate of 2.1%. When the producer prices were viewed from the viewpoint of their connection with the domestic component of the inflation, a significant annual increase in the last quarter of the year was registered in the prices of the consumer goods, prices of energy and of intermediary goods. Such developments of the prices of the domestic producers, and especially the prices of the consumer goods and energy, as an integral part of the household consumption, indicated possible more significant inflationary pressures in the forthcoming period.

²⁰ The data on the inflationary expectations are according to the results from the Survey on inflationary expectations of the entities in Macedonia, conducted in the fourth quarter of 2007.

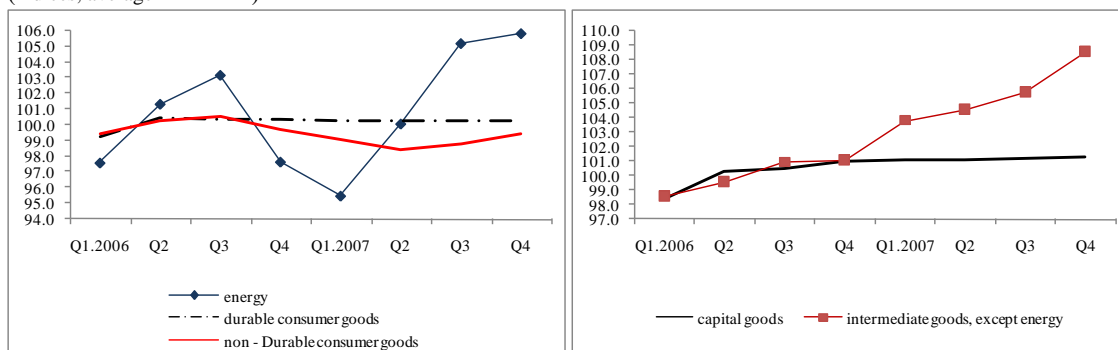
Figure 44
Consumer prices and producer prices of industrial products
(annual quarterly changes in %)



Source: State Statistical Office of the Republic of Macedonia.

The increase in the production prices in the last quarter of the year contributed to intensification of their average growth rate compared to the previous year, that reached, on average, 1.6% in 2007, mainly under the inflationary influences of the producers of electricity and of food products and beverages, as opposed to the annual fall in the prices of producers of oil derivatives.

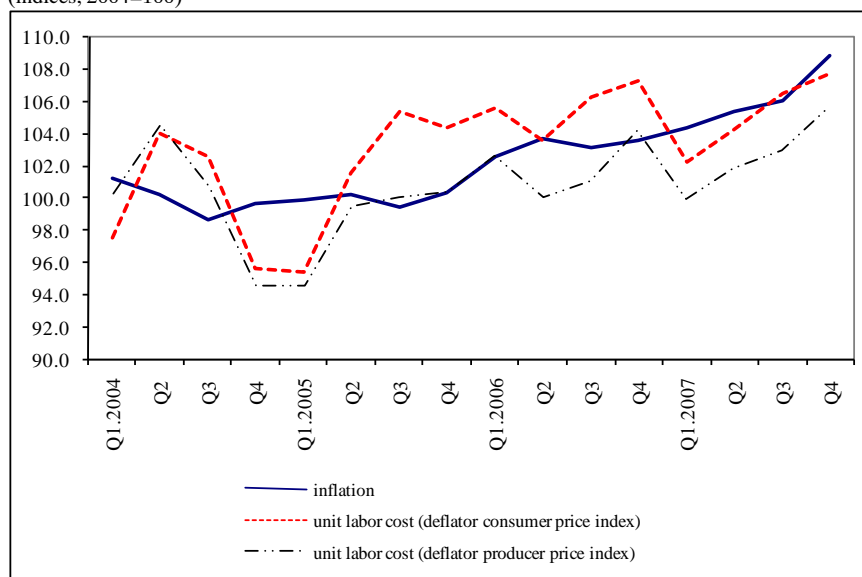
Figure 45
Development of the prices of domestic producers
(indices, average 2006=100)



Source: State Statistical Office of the Republic of Macedonia and calculations of the National Bank of the Republic of Macedonia.

The analysis of the influence of the costs per labor unit on the inflation indicated that the real sector of the economy, from this aspect, produced certain inflationary pressures. Namely, the trend of increase in the costs per labor unit that started in the first quarter of 2007, continued in the third and fourth quarter as well, when moderate annual increase was registered.

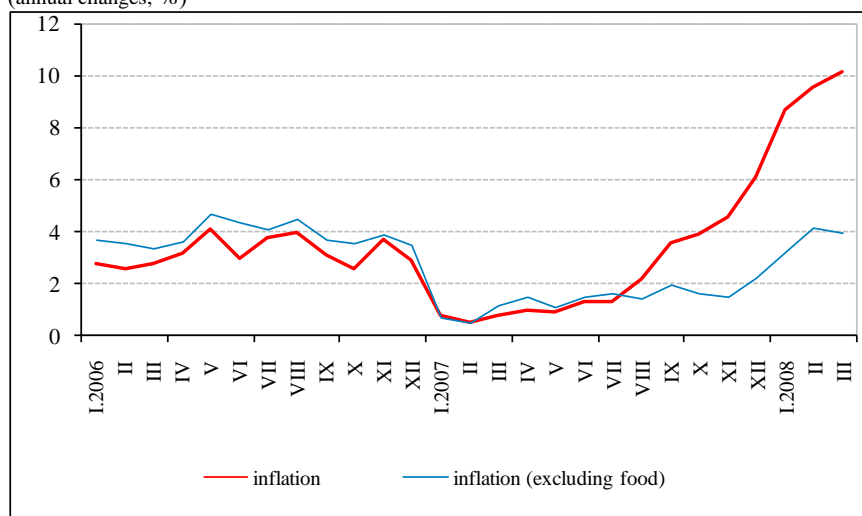
Figure 46
Inflation and costs per labor unit in the economy
(indices, 2004=100)



Source: Calculation of NBRM.

The inflationary pressures started from the last quarter of 2007, continued during the first quarter of 2008, as well, having at the same time a continuous trend of food price increase. Thus, the level of the consumer prices in the first quarter of 2008 was higher by 4.1% compared with the previous quarter, mainly due to the increase in the prices of the food products. Due to that, as well as due to the lower comparison basis, the annual inflation rate in the first quarter of 2008 was more intensive and reached 9.5% (76% of the increase was due to the increase in the food product prices). Within the category “food”, the increased prices of the grain products (bread and pastry), fresh vegetable, eating oil, fresh and sour milk as well as fresh fruit, had the greatest contribution. Due to the continued trend of increase in the food prices in the first months of 2008 as well, the Government of the Republic of Macedonia, had undertaken measures since the middle of February for reduction in the prices of bread, flour and milk and maintenance of the prices of eating oil, that, however, had a moderate effect.

Figure 47
Inflation rate and inflation without food
(annual changes, %)



Source: State Statistical Office of the Republic of Macedonia.



An additional inflationary pressure in the first quarter of 2008 was also created by the higher prices of the fuels, as a result of the historically high increase in the crude oil price on the world stock exchanges. The more expensive food in the restaurants, more expensive rent, as well as the increase in the prices of the thermal energy for heating had also an inflationary influence. On the other hand, the sole more significant deflationary influence was due to the cheaper telecommunication services (which was lower compared with the previous year). The influence of the food and energy being excluded, the annual inflation in the first quarter of 2008 was 2.9% (in the last quarter of 2007, it was 1.2%). The intensification of the basic inflation since the beginning of 2008 signaled that the intensification of the inflation was not any more only a result of the increase in the prices of food and energy, but also of the increase in the prices of the other products and services that referred to a presence of effects from the increased demand and possible indirect effect from the increase in the prices of energy and other inputs.

The realized inflation in the first quarter of 2008 was within the inflationary expectations of the economic agents surveyed at the beginning of the quarter that expected a decline of the inflation by the end of 2008 relative to the level registered at the beginning of the year and its reduction to around 6%²¹.

The inflation rate realized in the first quarter of 2008 significantly exceeded the expectations for the quarter covered in the initial projection, according to which the inflation in 2008 should have been 3%. In accordance with the latest assessments, based on what has been realized in the first quarter of 2008, and the expectations for stabilization of the increase in the food prices, gradual slowdown of the annual rate of the price increase is expected in the second quarter. Consequently, it is expected that the annual inflation rate at the end of the year will be normalized and come closer to the level typical of the last several years. Still, main risks for the inflation remain the possible further increase in the food prices and energy source prices on the world stock exchanges and their influence on the domestic prices.

During the first two months of 2008, intensive increase in the prices of the industrial products' producers was registered, that reached an annual growth rate of 9.9%. The high annual increase in these prices was mainly a result of the higher prices of the producers of oil derivatives and food products and beverages. The significant increase in the prices of the domestic producers registered in the groups of products that are an integral part of the household consumption (energy and non-durable consumer products), indicated further inflationary pressures by the domestic producers.

II.

Monetary policy

Slowdown in the increase in the foreign exchange inflows...

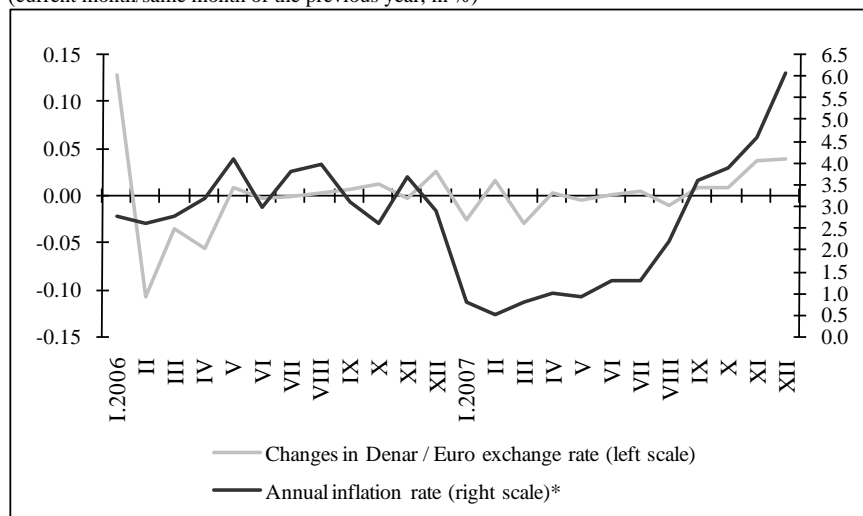
During the last quarter of 2007, the monetary policy was conducted in a significantly changed environment, characterized by reduction in the intensity of the foreign exchange inflows from abroad and high budget spending. Thus, the net purchase of foreign exchange in this quarter was lower by 34,1% compared to the fourth quarter of 2006 (during the last two months of the quarter, the interventions were in a direction of net-sale of foreign exchange), by which for the first time since the beginning of the year, more pronounced pressures for the depreciation of the domestic currency were registered on the foreign exchange market for the first time since the beginning of the year. Such developments were mainly a reflection of the worsened balance of the current account in the last quarter. The reduced portfolio investments in the Macedonian economy in this period corresponded also with the instability of the

²¹ The data on inflationary expectations were given according to the results of the Survey on the inflationary expectations of the entities in Macedonia, conducted in the first quarter of 2008.



global financial market, as a factor that reduced the demand for financial assets in the developing countries.

Figure 48
Inflation and exchange rate
(current month/same month of the previous year, in %)



Source: National Bank of the Republic of Macedonia and State Statistical Office.

...and intensification of the inflation rate...

During the last quarter of 2007, the inflation rate was intensified, mainly under the influence of the increasing trend of the food prices. Namely, the dry period generated a negative shock on the side of the aggregate supply by reduced supply of agricultural products. Further inflationary influence was the one of the events on the global market, connected with the increase in the oil price on the world stock exchanges, as well as the significantly higher prices of the food products on the world stock exchanges (as a result of the unfavorable climate conditions and increase in the world demand for this category of products) that were transferred to the domestic economy as well. Thus, the average inflation rate in 2007 was 2.3%, whereas the basic inflation rate without food and energy was significantly lower and was 0.7%.

Figure 49
Interventions on the foreign exchange market by NBRM
(cumulative amount in the quarter, in millions of Euros)

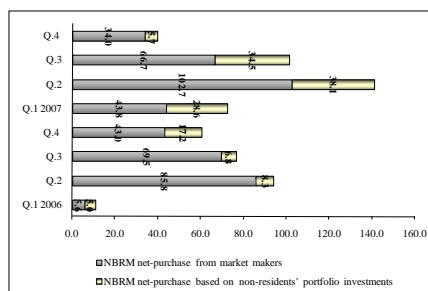
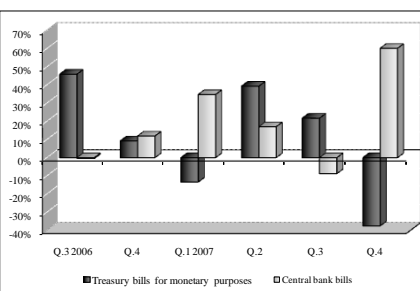


Figure 50
Quarterly change of the supply of Central Bank bills and Treasury bills for monetary purposes



Source: National Bank of the Republic of Macedonia.

Adequate management of the liquidity in the banking system...

At an operational level, during the last quarter of 2007, the monetary management was directed towards neutralization of the liquidity effects from the autonomous factors, in order to achieve an efficient management of the liquidity in the banking system. Typical for this quarter was the exceptionally high budget spending, concentrated in the last month of the year, which led to significant creation of liquidity in the banking system. The funds withdrawn from the Denar government account with NBRM were used to the greatest extent for realization of the capital expenditures and increased transfer payments, and at the same time



repayment was made of funds to a foreign investor after the revision of the value. The foreign exchange transactions of NBRM²², in accordance with the reduced net-purchase of foreign exchange on the foreign exchange market, had a lower liquidity effect compared to the three previous quarters, whereas the seasonally higher demand for currency in circulation was in a direction of withdrawal of the liquidity from the banking system.

Table 1
Creating and withdrawing liquidity*
(in millions of Denars)

	Balance as of 30.09.2007	Changes by months			Total	Balance as of 31.12.2007
		October	November	December		
Banks' liquidity (banks' account with the NBRM)	6,790	1,554	256	1,815	3,625	10,415
Liquidity creation					5,005	
1. Net foreign assets	94,209	1,768	-104	-1,530	134	94,343
2. Net domestic assets	-68,905	-433	47	5,257	4,871	-64,034
of which:						
CB bills	-16,339	-1,447	-1,389	-1,820	-4,656	-20,995
Treasury bills for monetary purposes	-6,312	903	848	1	1,752	-4,560
Government denar deposits with the NBRM ¹	-19,816	-178	568	9,580	9,970	-9,846
Government foreign currency deposits with the NBRM	-4,840	594	311	-1,658	-753	-5,593
Other items, net	-22,665	-305	-291	-845	-1,441	-24,106
Liquidity withdrawal					-1,380	
1. Currency in circulation	16,746	171	285	-1,637	-1,181	17,927
2. Banks' vault cash	1,768	48	28	-275	-199	1,967

¹ Treasury bills for monetary purposes are excluded.

* Positive change - creating liquidity; negative change – withdrawing liquidity.

Source: National Bank of the Republic of Macedonia.

...through sterilization of the
liquidity effects of the
autonomous factors...

On net basis, the autonomous factors contributed towards creation of liquidity, which imposed a need for further sterilization through monetary instruments. To that end, NBRM increased the supply of Central Bank bills by 60% on quarterly basis, by which Denar 4,656 in total were sterilized through this monetary instrument. The Treasury bills for monetary purposes had an influence towards issuance of liquid funds, partially due to the changes in the conditions for trading of Treasury bills²³, that led to a reduction in the attractiveness of these securities.

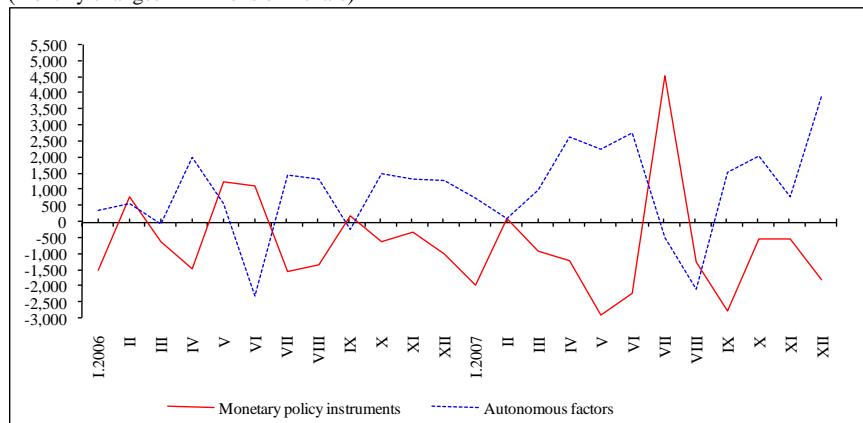
²² In October 2007, NBRM carried out net purchase of foreign exchange on the foreign exchange market, contributing towards liquidity creation, whereas in November, it carried out net sales on the basis of used rights for portfolio investments. In December, the foreign exchange transactions were directed towards liquidity withdrawal, which was due to the net sale of foreign exchange assets for the needs of the government (these transactions do not have liquidity effect), whereas net purchase of foreign exchange was realized in the transactions with the banks-supporters.

²³ In October 2007, the Ministry of Finance abolished the minimum interest rates and introduced speculative percentage point, that was determined at a level of 0.02 for the three-month Treasury bills and a limited share.



Figure 51

Instruments of the monetary policy and autonomous factors of creating and withdrawing liquidity *
(monthly changes in millions of Denars)



* Positive change - creating liquidity; negative change - withdrawing liquidity.

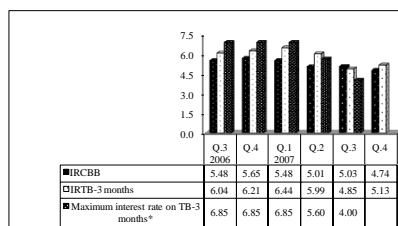
Source: National Bank of the Republic of Macedonia.

...retaining the trend of
reference interest rate
reduction

Consequently, the demand for monetary instruments by the banks was mainly concentrated on the auctions of Central Bank bills of NBRM, creating a pressure for interest rate reduction, that was lower by 0.3 percentage points on average in the fourth quarter compared with the previous quarter. Such developments, in conditions when the foreign interest rates registered an upward trend, were a reason for significant narrowing of the interest rate differential between the Central Bank bills and the one-month EURIBOR, that was 0.3 percentage points on average in the fourth quarter (0.7 percentage points in the previous quarter). The interest rate on the three-month Treasury bills had a quarterly increase of 0.3 percentage points compared to the average of the previous quarter.

Figure 52

Interest rates*
(in %, on annual level)



*Average for the quarter of the average weighted interest rate, except for the maximum interest rate, which refers to the interest of the last auction in the quarter. In October 2007, the Ministry of Finance abolished the maximum interest rates and introduced speculative percentage point, that was set at a level of 0.02 for the three-month Treasury bills.

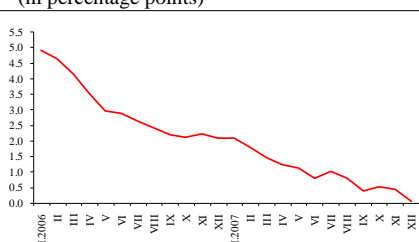
IRCBB (КCBЗ) – interest rate on the Central Bank bills.

IRTB – 3 months (КЦДЗ-3 месеци) - interest rate on the three-month Treasury bills.

Source: National Bank of the Republic of Macedonia, Ministry of Finance and Central Bank of the Netherlands (www.statistics.dnb.nl).

Figure 53

Interest rate differential between the
NBRM CB bills-28 days and
EURIBOR-one month
(in percentage points)



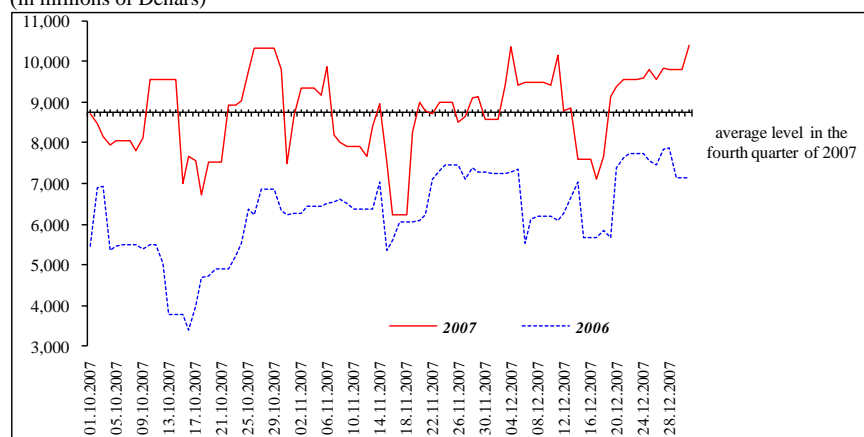
During the last quarter of 2007, the banks maintained higher liquidity position on average (by 4.6% compared with the previous quarter). During the fourth quarter, the banks provisioned 8.5% on average beyond the reserve



Higher average daily liquidity of the banks in the fourth quarter of 2007

requirement (in Denars)²⁴, which was a reduction in the excess over the obligation for provisioning by 2.9 percentage points compared with the average of the previous quarter (or by 7.3% percentage points less compared with the same period in 2006). In order to cover the temporary liquidity shortages, the banks traded actively on the inter-bank money market, within the frameworks of which average monthly turnover increased by 2.4 times compared with the previous quarter was realized.

Figure 54
Daily dynamics of banks' liquidity *
(in millions of Denars)

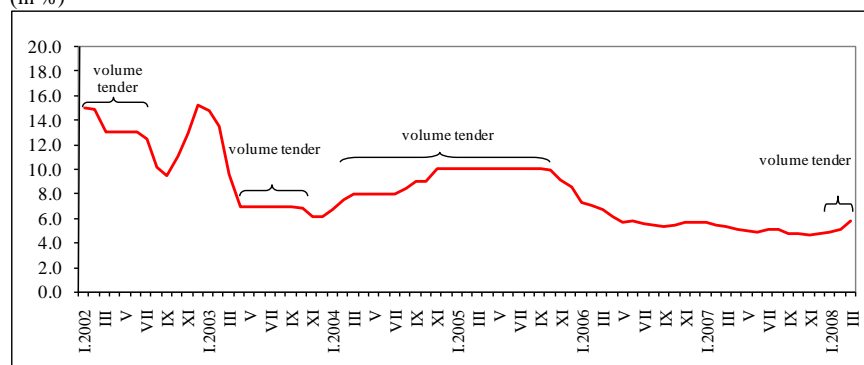


* Banks' accounts with the National Bank of the Republic of Macedonia.
Source: National Bank of the Republic of Macedonia.

At the beginning of 2008, NBRM changed the structure of the monetary instruments...

During the first quarter of 2008, in conditions of further intensification of the inflation rate, and especially of the basic inflation, NBRM made a change in the structure of the monetary instruments. Thus, on 19.02.2008, NBRM passed from "tender with interest rates" to auctions of Central Bank bills according to the principle "tender with amounts" and fixed interest rate of 5.25% (as opposed to 5.08%, which was its amount in the last auction before the change of the tender), which was further increased to 6% on 06.03.2008. Such measures were directed towards stabilization of the inflationary expectations of the market entities, in order to maintain the price stability in the medium term. During the first three months of 2008, Denar 691 million was sterilized through the Central Bank bills.

Figure 55
Interest rate on the NBRM CB bills (28 days)
(in %)



Source: National Bank of the Republic of Macedonia.

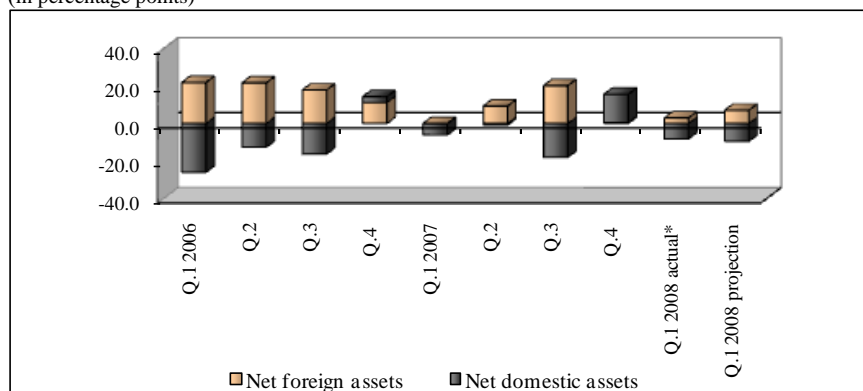
²⁴ As a period of meeting (fulfillment) of the obligation for reserve requirement of the banks the period of 11. day of the current month up to the 10. day of the following month is considered. The excess refers to the funds allocated in excess at the banks' account with NBRM beyond the obligation for reserve requirement.



...while the trend of reduced foreign exchange reserves from abroad continued

The unfavorable developments on the foreign exchange market continued, emphasized through pressures from the side of demand for foreign exchange. Thus, in January 2008, NBRM realized net-sale of foreign exchange at the foreign exchange market, whereas in February and March transactions with the banks-supporters were not realized. Still, the net foreign exchange assets of NBRM in February 2008, compared with the end of the previous year, had an influence towards creation of primary money, reflecting the effect of the increased obligation for reserve requirement of the banks in foreign exchange²⁵. Sterilization of the liquidity from the banking system was made on cumulative basis through the Denar government deposits. In February 2008, compared with the end of the previous year, the primary money²⁶ was reduced by 5.2%. On annual basis (February 2008/February 2007) the primary money was higher by 22.3% and relative to the projection for the end of the first quarter, it registered a downward deviation of 2.5 percentage points. Such dynamics of the primary money was mainly due to the developments on the foreign exchange market, where NBRM realized net sale of foreign exchange (in the first month of the year), as opposed to the projected net-purchase of foreign exchange for the first quarter.

Figure 56
Contribution to the quarterly increase in the primary money
(in percentage points)



* Change February 2008/December 2007.

Source: National Bank of the Republic of Macedonia.

In the course of the second quarter of 2008, NBRM will continue to follow carefully the developments in the economy, and depending on the realizations, it remains prepared to react appropriately and to adjust the monetary instruments in order to maintain the inflation at a tolerant level. At the end of the second quarter of 2008, annual increase in the primary money of 18.1% is expected.

2.1. Monetary and credit aggregates

Intensive increase in the money supply

The quarterly increase in the supply of money of 8.8% in the fourth quarter of 2007 was significantly more intensive compared with the previous quarter when an increase of 3.7% was registered. The acceleration of the quarterly rate of increase in the money supply, in addition to the increase in the economic activity and tendency to saving, could also be explained by the usual seasonal factors (increased spending of the private sector in the period of the New Year and Christmas holidays), intensive increase in the budget spending in

²⁵ On 11.02.2008, the Decision on Reserve Requirement of the Banks came into force (adopted on 27.12.2007), with which NBRM expanded the basis for calculation of the obligation for reserve requirement by including new categories of accounts from the banks' balances.

²⁶ It includes the reserve requirement of foreign exchange deposits. Without this component, the primary money was lower by 10.3% on cumulative basis, whereas it was higher by 20.2% on annual basis.



this period, as well as increase in the salaries of the employees in the public and state administration²⁷. The broadest money supply at the end of 2007 was higher by 29.4% on annual basis.

Viewed from the viewpoint of the monetary multiplication, the monetary multiplier of the money supply M4 retained almost the same level compared with the previous quarter and was 6 on average. The analysis of the components of the monetary multiplier in December 2007, referred to a conclusion that during the last month of the year, an increased tendency of the banks to keep liquidity funds with NBRM occurred, that led to a lower multiplication effect of the banks in the monetary creation (in December, the monetary multiplier was 5.8, as opposed to 6.4 in September 2007).

Figure 57
Contribution to the quarterly increase in the money supply M4 (in percentage points)

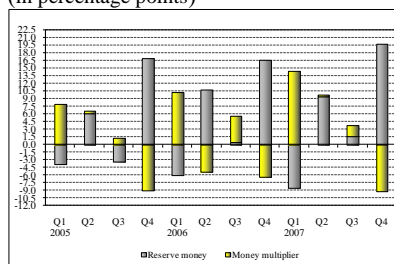
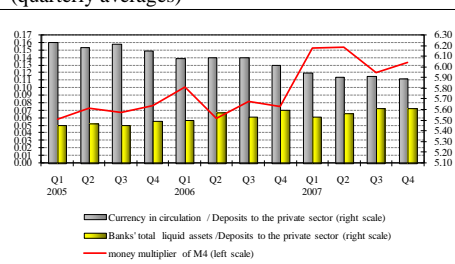


Figure 58
Monetary multiplier of the money supply M4 and its components (quarterly averages)



Source: National Bank of the Republic of Macedonia.

From the viewpoint of the structure, during the last quarter of 2007, all components of the money supply showed more intensive growth rate compared with the previous quarter. Still, main generators of the quarterly increase in the money supply M4 were the short-term deposits and deposit money (with a contribution to the increase in the money supply of 49.4% and 36.9%, respectively). In view of the developments of the most liquid monetary aggregate M1, the transaction deposits continued to have the greatest influence and their increase in the fourth quarter of the year reached 23.1%. The further trend of reduction in the share of the currency in circulation in the structure of the monetary aggregate M1 continued in the fourth quarter as well (41% on average, as opposed to 42.8% in the third quarter of 2007).

Figure 59
Components of the monetary aggregates (in millions of Denars)

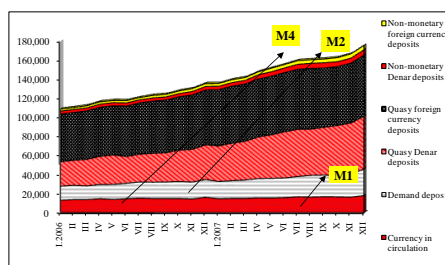
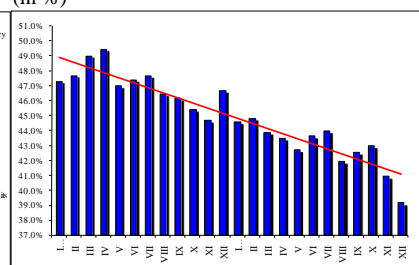


Figure 60
Share of the ready-money in circulation in the money supply M1 and a trend-line (in %)



Source: National Bank of the Republic of Macedonia.

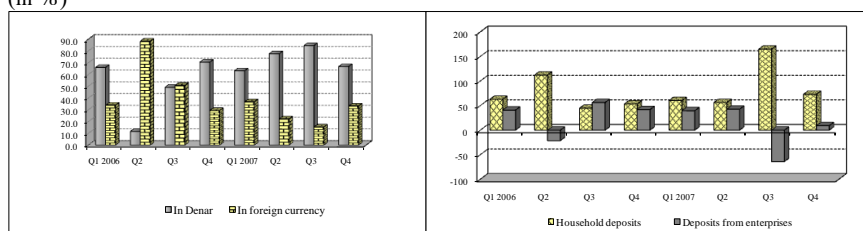
²⁷ With the Law on Amendments and Modifications to the Law on Payment of the Salaries in the Republic of Macedonia, adopted on 08.10.2007, increase in the salaries is anticipated in a period of three years (2007-2009) by 10% on annual level. The application started with the payment of the salary for September 2007.



*Quarterly increase in the
deposit potential of the
banks*

The deposit base²⁸ of the banks registered a more intensive quarterly increase (6.4%) in the fourth quarter of 2007 relative to the previous quarter when, under the influence of the outflow of deposits on the basis of payment of dividend to the government by a larger investor, the deposit potential of the banks was increased by 2.3%. Still, the comparison of the quarterly changes in the fourth quarter indicated a significantly lower increase in all types of deposits in 2007, compared with the previous year. Such developments may have been partially caused by the quarterly fall in foreign exchange inflows in the economy from private transfers and partially also by the intensification of the inflation, which created a greater uncertainty and increase in the inflationary expectations.

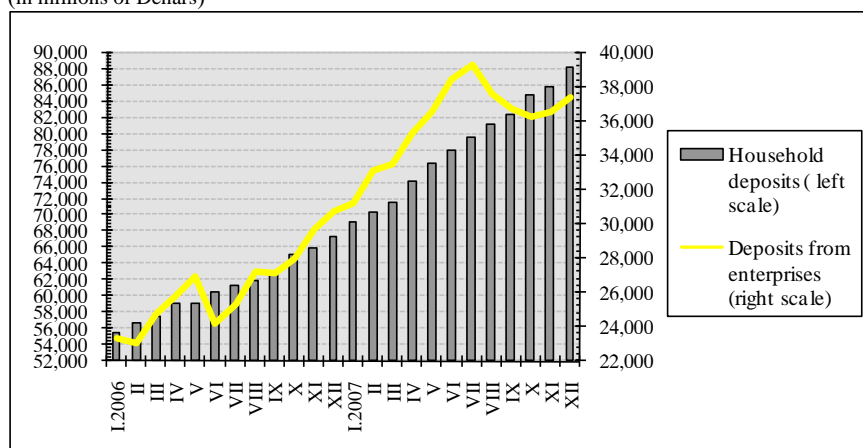
Figure 61
Contribution to the quarterly increase in the total deposits
(in %)



Source: National Bank of the Republic of Macedonia.

A dominant factor in the creation of the additional deposit potential of the banks, from the viewpoint of the maturity structure, were still the short-term deposits (with quarterly contribution of 90.9%), reflecting the tendency of the depositors to keep their free funds in the banks with shorter maturity. Observed from currency aspect, the strengthening of the position of the Denar deposits, at the expense of the reduction in the share of the foreign exchange deposits, continued in the fourth quarter of 2007, as well. Thus, the foreign exchange deposits reduced their share in the structure of the overall deposit potential and participated, on average, with 53.1%. (as opposed to the average participation of 56.9% in the previous quarters of 2007). On annual level, the total deposits of the private sector registered increase of 28.8% (December 2007/December 2006).

Figure 62
Deposits of the population and enterprises
(in millions of Denars)



Source: National Bank of the Republic of Macedonia.

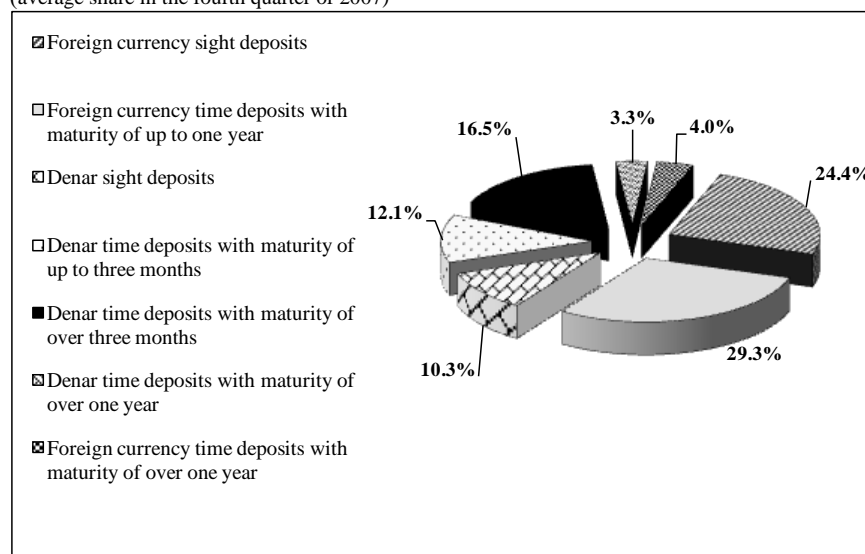
²⁸ Since October 2007, the data on the total deposits and credits of the banks, do not cover “Makedonska banka” AD Skopje, the license for founding and operations of a bank of which was abolished by NBRM on 16.10.2007.



Increase in the household deposits...

The household deposits in the fourth quarter of 2007 created 73.1 of the newly-created deposit base of the banks. Despite the higher participation of the foreign exchange deposits in the structure of the overall household deposits, 71.6% of their increase was due to increase in the saving of the population in Denars. From the viewpoint of the maturity structure, 92.7% of the structure of the overall saving of the population was on average in the short-term. Moreover, during the fourth quarter, there was the greatest interest in depositing the free money in a form of Denar deposits with a maturity of three months up to one year. The total deposits of the households were higher by 30.8% on annual basis (December 2007/December 2006).

Figure 63
Structure of the household deposits
(average share in the fourth quarter of 2007)



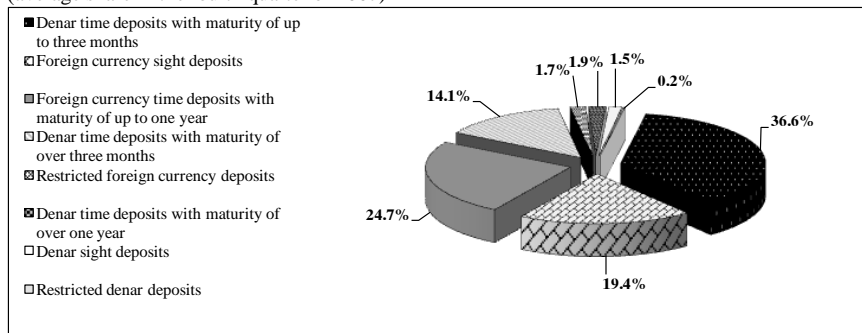
Source: National Bank of the Republic of Macedonia.

...at the same time, the increase in the deposits of the enterprises being moderate

After the registered quarterly reduction in the deposits of the corporate sector in the third quarter of 2007 (mainly as a result of the outflow of deposits for payment of dividend to the government by a larger company), a moderate growth rate of 1.9% was registered in the last quarter of the year. From the maturity aspect, the quarterly change of the overall deposits was fully a result of the increase in the short-term deposits, whereas from the viewpoint of the currency, what was typical was the significant increase in the contribution of the foreign exchange deposits to the increase in the total corporate deposits (83.3%, as opposed to 67%, 28.5% and 48.5% in the previous quarters of 2007). The enterprises deposited larger amount of money in a form of the most liquid financial assets (quarterly increase in the Denar sight deposits of 43,3%). The annual rate of increase in the deposits of the corporate sector was 21.7% (December 2007/December 2006).



Figure 64
Structure of the deposits of enterprises
(average share in the fourth quarter of 2007)

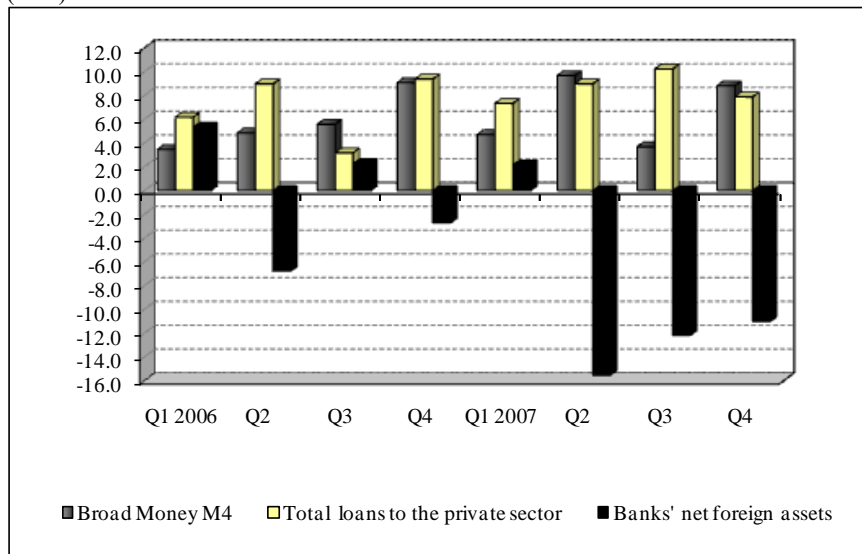


Source: National Bank of the Republic of Macedonia.

Quarterly increase in the credit activity of the banks of 7.9%

The credit portfolio of the banking system continued to grow in the fourth quarter of 2007, with which the banks continued to create additional sources of funds of the private sector. Thus, the quarterly increase in the overall credits was 7.9%, whereas on annual level (December 2007/December 2006) the credit portfolio was increased by 39.1%. The positive economic expectations of the banks, as well as the growing competition contributed towards an increase in the overall banking activities, expansion of the range of products and services, as well as facilitation of the crediting conditions, which further supported the demand for credits and created prerequisites for further credit growth.

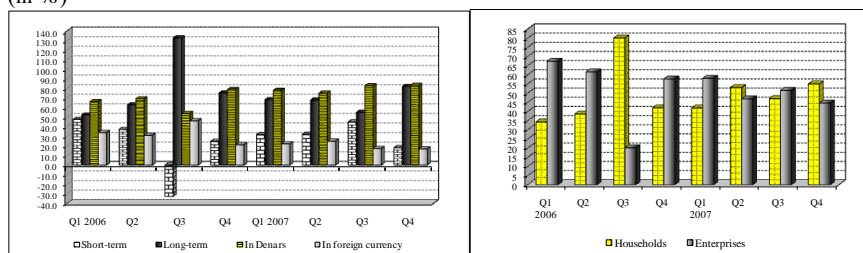
Figure 65
Quarterly changes
(in %)



Source: National Bank of the Republic of Macedonia.

During the fourth quarter of 2007, as well, the deposit potential of the banks was a solid basis for further credit expansion. From the viewpoint of the currency, the approved Denar credits were on average 75.6% of the banks' credit portfolio, with a contribution to the quarterly increase of the overall credits of 83.2%. From the viewpoint of the maturity, 61.3% of the credit structure was approved in the long-term, and their contribution to the registered increase was 81.9%. Regarding the sector structure of the placements, households were larger user of the bank credits (with a share in the quarterly increase in the overall credits of 55%).

Figure 66
Contribution to the quarterly increase in the total credits
(in %)

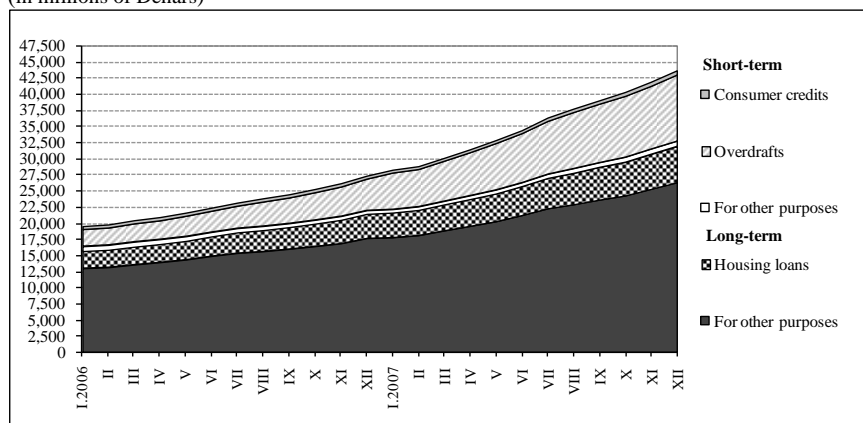


Source: National Bank of the Republic of Macedonia.

Quarterly increase in the household credits...

In the course of 2007, credit placements in the households were increased at a more intensive pace, achieving almost twice as high annual growth rate compared with the placements in the corporate sector (56.4%, as opposed to 29.7%, respectively). From the viewpoint of the quarterly dynamics, the increase in the credits to the households was 11.6%. Such tendency of an increased crediting of the households corresponded with the strengthened creditworthiness of the households, greater spending of durables, but also the increased capacity of the banks for extending credits and diversification of their credit portfolios. From the viewpoint of the maturity structure, the long-term credits had a dominant position, the quarterly increase of which explained 64.4% of the additionally placed amount of credits in the households. The largest part of these credits still covered credits for other purposes²⁹ (on average 82.2%). According to the currency distribution, the main factors of the increase in the overall credits to the households in the fourth quarter of 2007 as well, were the Denar credits (with a contribution of 92.7%). Framework credits had the most significant growth rate (25.4% on quarterly basis) within the overall Denar crediting of the households.

Figure 67
Distribution of the Denar household credits per separate types of credits
(in millions of Denars)



Source: National Bank of the Republic of Macedonia.

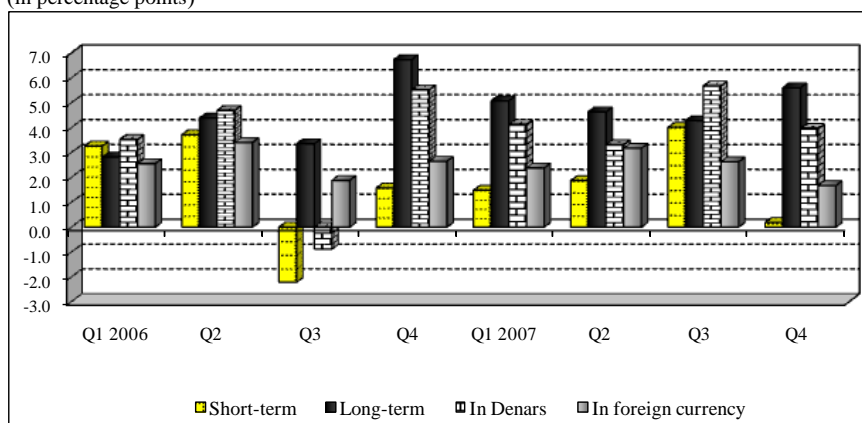
... in case of a further increase in the corporate crediting

In conditions of an increased economic activity and improvement of the conditions for crediting that generated a higher demand for corporate credits, the credit expansion of the banks directed to the enterprises was still directed towards supporting the development potentials of the economy, representing a stable source of financing of the corporate management. Thus, at the end of 2007, the annual growth rate of the overall corporate credits (December 2007/December 2006) was 29.7%. On quarterly basis, these credits were increased by 5.6%. Prevailing in the currency structure of the corporate credits

²⁹ Credits for other purposes include: consumer credits, mortgage credits, car credits, credits for education and credits for other purposes.

were the Denar credits³⁰ with around 63.3%, the contribution of which to the quarterly increase in the overall crediting of the enterprises was 70%. From the maturity aspect, 55.5% of the overall credits were on average approved in the long term, with a dominant contribution to the increase of 96.5%. The permanent expansion of the deposit base, the possibility for an increased external financing of the banks, as well as the increased competition, created prerequisites for further increase in the offer of credits for the corporate sector. On the other hand, its effectuation would depend to a great extent also on the quality of the demand for credits, that is, the quality of the projects for which financing through bank credits would be needed.

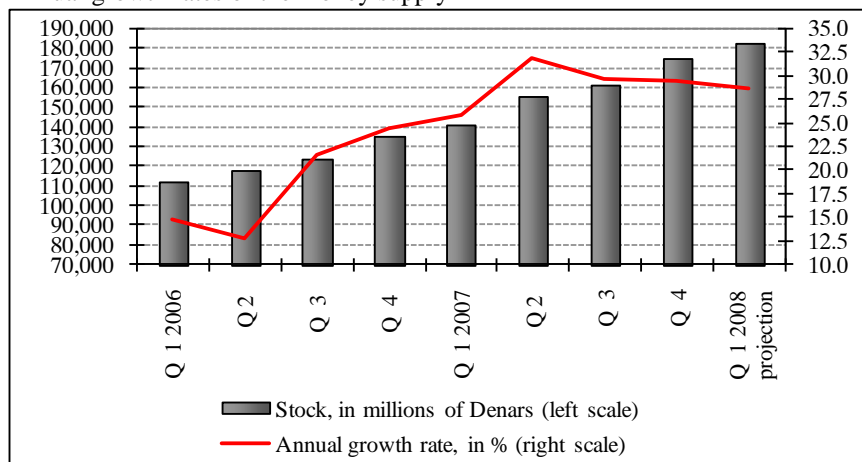
Figure 68
Contribution to the quarterly increase in the credits to enterprises
(in percentage points)



Source: National Bank of the Republic of Macedonia.

The monetary growth continued in the first two months of 2008 as well, but at a slower pace (annual growth rate of the money supply in February of 27.9%, as opposed to 28.6%, a projection for the end of March 2008), the short-term Denar deposit potential still being the dominant factor for creation of the money supply (67.9% of the annual increase in February). From the viewpoint of the deposit potential, in February 2008, the deposits in the banking system registered an increase of 26.8% on annual basis, while the Denar and foreign exchange deposits increased by 45.3% and 14.2%, respectively.

Figure 69
Annual growth rates of the money supply



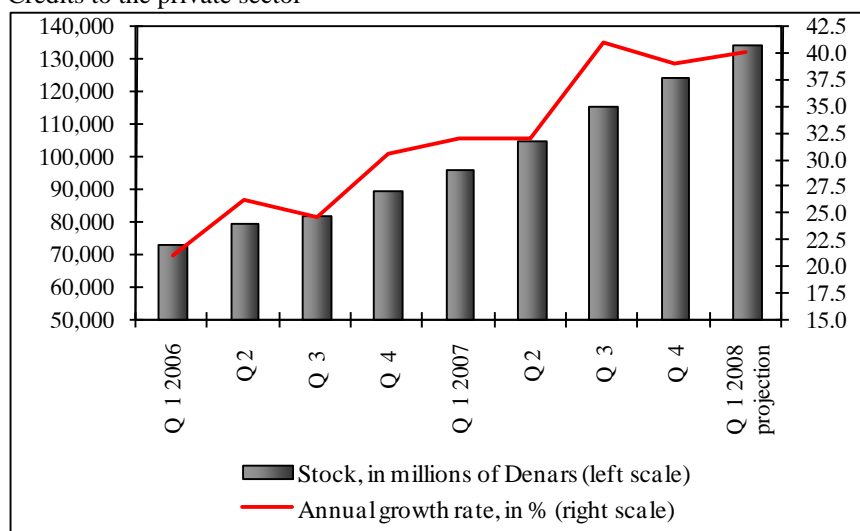
Source: National Bank of the Republic of Macedonia.

³⁰ Also include Denar credits with foreign exchange clause.



The trend of a slowed down increase in the Denar deposits and money supply was expected to continue in the second quarter as well, and the annual increase in the broadest money supply was assessed at around 19% at the end of June. The expectations for further moderate shifts in the currency structure of the deposit base may be partially explained by the increase in the inflationary pressures, the influence of which, although according to the expectations, would disappear to the greatest extent after 2008. Still, it would have a moderate influence on the choice of the currency in which the population will save. The repatriation of a larger amount of the dividend by a larger domestic company was expected to have an additional effect on the Denar deposit potential in the second quarter.

Figure 70
Credits to the private sector



Source: National Bank of the Republic of Macedonia.

The credit growth was additionally intensified in the first two months of the year, by which in February 2008, the annual growth rate was 41.4%, whereby the credits extended to the households were increased by 58.9%, while the funds placed in the corporate sector, had an annual increase of 31.8%. The expectations for a slower growth in the money supply, as well as the measures undertaken by NBRM with respect to the card operations³¹, were supposed to have an appropriate reflection on the credit activity of the banks, so that it was expected that the rate of the credit growth would be slowed down in the second quarter of 2008 (37%).

2.2. Interest rates

The reference interest rate of NBRM (interest rate on the Central Bank bills) registered an average quarterly drop of 0.3 percentage points in the last quarter of the year and was 4.7%. In conditions when the European Central Bank did not change its interest rate policy in the last three months of 2007, such change led to a narrowing of the interest rate differential in the Euro-zone. The reduction in the reference interest rate in the last quarter of 2007 was transferred to the inter-bank money market³², where the interest rate registered an insignificant average quarterly reduction of 0.1 percentage points. Notwithstanding the higher supply compared to the demand, the interest rates at

Quarterly drop in the average reference interest rate by 0.3 percentage points

³¹ During the first quarter of 2008, NBRM increased the reference interest rate, and it also adopted changes to the Decision on the methodology for determining the adequacy of the capital of the banks, with which it increased the weight for used overstepping on the current accounts and used credits based on credit cards by the physical persons.

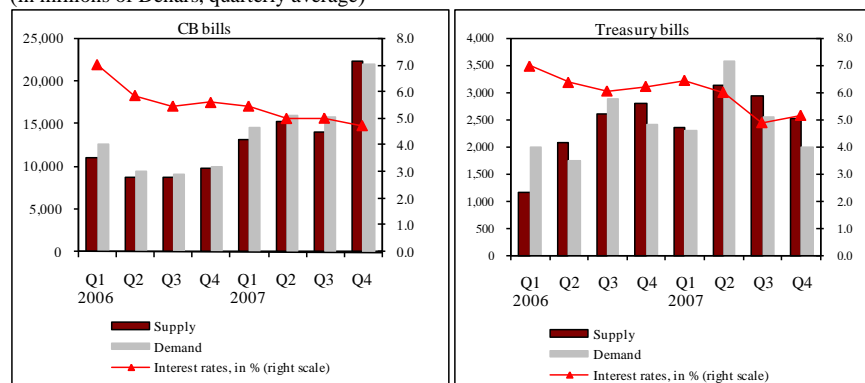
³² Bilateral transactions of the banks.



the market segment of Treasury bills had a growing trend, which was partially due to the abolishment of the maximum interest rate. Thus, the interest rates on the three-month and twelve-month Treasury bills registered a quarterly increase of 0.3 and 0.4 percentage points, respectively (and they were 5.1% and 5.5% respectively), whereas quarterly reduction was registered in the average interest rate of the six-month Treasury bills of 0.2 percentage points (by which it amounted to 5.3%).

Figure 71

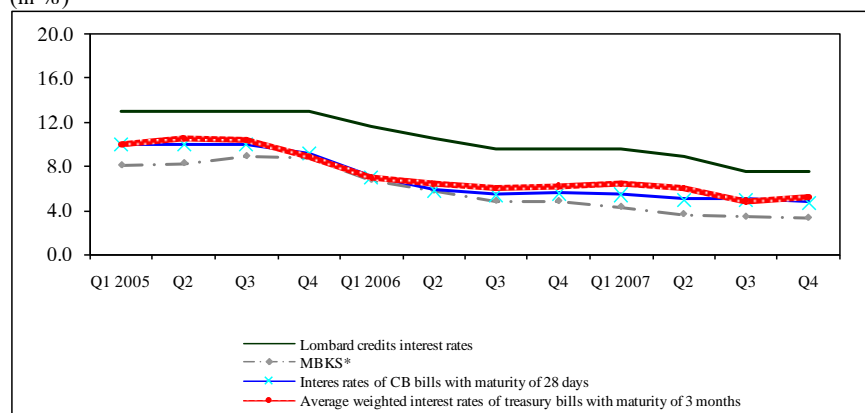
Auctions of Central Bank bills with a maturity of twenty eight days, auctions of three-month Treasury bills and development of the interest rates
(in millions of Denars, quarterly average)



Source: National Bank of the Republic of Macedonia.

Figure 72

Average short-term interest rates of NBRM, average interest rates on the inter-bank money market and on the market of Treasury bills
(in %)



*MBKS-Inter-bank interest rate.

Source: National Bank of the Republic of Macedonia and Ministry of Finance.

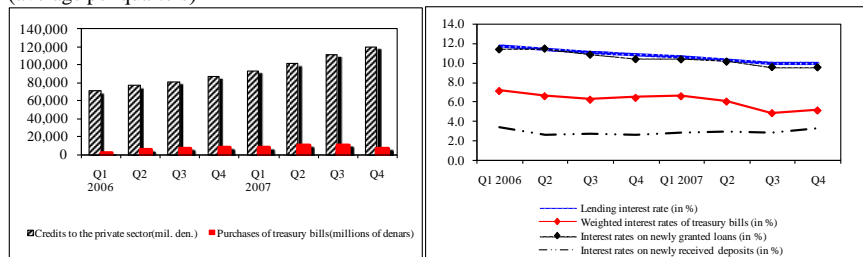
Quarterly reduction in the lending interest rate and increase in the deposit interest rate

The shifts in the interest rate policy of the banks in the last quarter of 2007 as well, signalized an increase in the competitive pressures in this sector. Thus, the average lending Denar interest rate registered a quarterly fall of 0.2 percentage points and was 9.9%, whereas the interest rate on the Denar deposits registered a quarterly increase of 0.3 percentage points and was 5.2%. Such divergent changes of the lending and deposit interest rate led to further narrowing of the interest margin, indicating an increase in the efficiency of the banking system. The long-term trend of reduction in the interest rates could be seen through the interest rates of the newly-approved Denar credits and newly-accepted Denar deposits that, in the last quarter of 2007 averaged 9.5% and 3.2%, respectively.



Figure 73

Credits of the banks to the private sector, investments of the banks in Treasury bills and interest rates
(average per quarters)



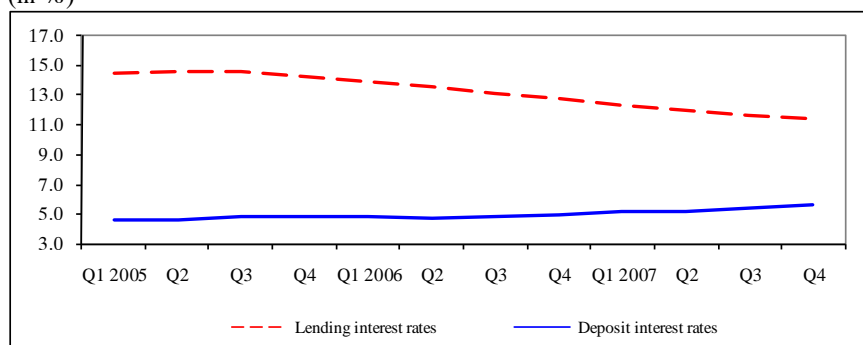
Source: National Bank of the Republic of Macedonia.

In the case of the households, reduction in the average price of the credits, and increase in the price of the deposits

Viewed from the sectorial aspect, quarterly drop in the average interest rate on the household credits of 0.2 percentage points was registered in the fourth quarter of 2007, whereas the average interest rate on the deposits registered an increase of 0.2 percentage points. Thus, the average price of the credits allocated to the sector “households” amounted to 11.4% in the analyzed period, whereas the interest rate on their deposits was 5.6%. The greatest change during the fourth quarter was registered in the average interest rate on the short-term credits without a currency clause from 15.2% in the third quarter to 13.9% in the last quarter of 2007. In the domain of the interest rates on the household deposits, no significant individual changes were registered.

Figure 74

Average weighted Denar lending and deposit interest rate of the households-
quarterly average
(in %)



Source: National Bank of the Republic of Macedonia.

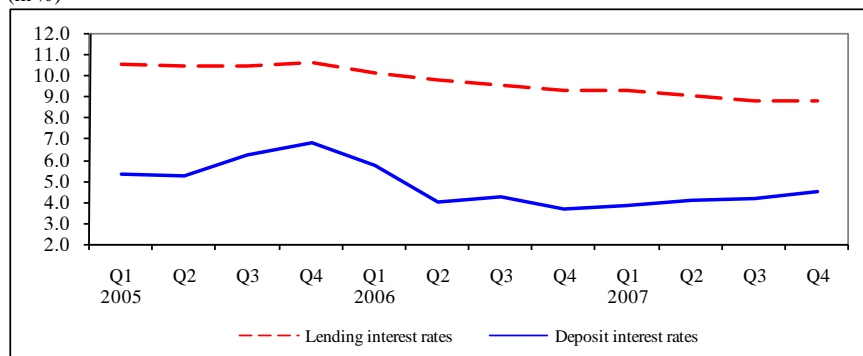
Increase in the interest rate of the deposits of the enterprises

At the market segment of crediting the corporate sector, the price of the credits remained unchanged compared with the previous quarter and it was 8.8%. On the other hand, quarterly increase in the average interest rate of the deposits of 0.3 percentage points was registered, thus amounting to 4.5%. Compared with the third quarter, more significant change was registered in the average interest rates on the long-term time deposits without currency clause, that were increased by 4.3 percentage points on quarterly basis.



Figure 75

Average weighted Denar lending and deposit interest rate of the corporate sector-
quarterly average
(in %)

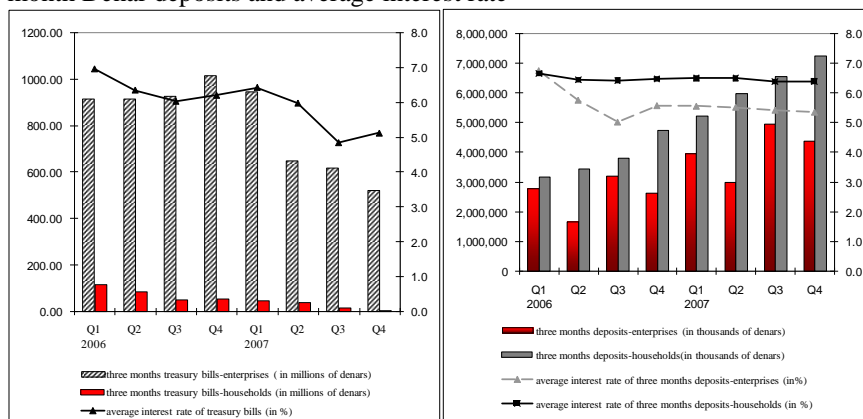


Source: National Bank of the Republic of Macedonia.

Observed from the viewpoint of the interest rate, as a yield generated by the private sector on this basis, during the fourth quarter of 2007, in spite of the unchanged interest rate on the time deposits (up to three months without currency clause), the saving of the population continued to register growth, whereas the investment in Treasury bills (three-month) registered a reduction. The unchanged interest rate of the Denar time deposits (up to three months without currency clause) in the corporate sector was followed by a reduced saving, with a simultaneous reduction in the investments of this sector in Treasury bills (three-month). The interest rate on the Denar time deposits (up to three months without a currency clause) of the enterprises approximated to the interest rate on the Treasury bills (three month), as opposed to the deposit interest rate of the households (for the three-month deposits) that was higher than the price of the Treasury bills (three-month).

Figure 76

Investments in three-month Treasury bills, accounting situation of the three-month Denar deposits and average interest rate



Source: National Bank of the Republic of Macedonia.

Increase in the interests on the foreign exchange deposits, while the price of foreign exchange credits remained unchanged

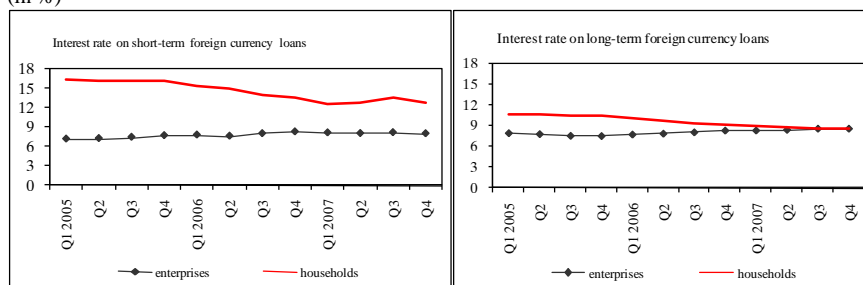
The average weighted lending foreign exchange interest rate³³ remained in the fourth quarter at the same level as in the previous period, that is 8.5%. More significant shift in the last three months of 2007 was registered in the average interest rates on the short-term foreign exchange credits. Thus, the average price at which the population used foreign currency credits registered a quarterly drop of 0.8 percentage points, being 12.7% in the fourth quarter. Reduction in the average interest rate on the foreign exchange credits intended for the enterprises was registered as well, from 8.2% in the third quarter to 8% in

³³ Average weighted lending interest rate on the foreign exchange credits for all maturities and for all sectors.

the last quarter of 2007. The analysis of the long-term average interest rates of the foreign exchange credits in the fourth quarter of 2007 did not show any significant changes. Thus, the average price of the foreign exchange credits to the enterprises was unchanged and was 8.6%, whereas minimal quarterly drop of 0.1 percentage points was registered in the price of the foreign exchange credits to the household and it was 8.7%.

Figure 77

Interest rate on short-term and long-term foreign exchange credits to the private sector-quarterly average
(in %)

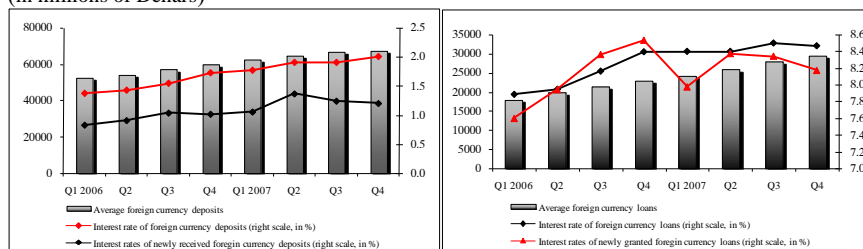


Source: National Bank of the Republic of Macedonia.

During the fourth quarter of 2007, moderate increase in the average interest rate on the foreign exchange deposits of 0.1 percentage points was registered, thus amounting to 2%. The average price of the foreign exchange deposits of the enterprises was increased to 2.3%, as opposed to 2.2% in the third quarter. The greatest change was noticed in case of the time deposits in US Dollars with a 1-month maturity, where quarterly drop in the average interest rate of 1.9 percentage points was registered (from 4.4% in the third quarter to 2.5% in the fourth quarter). In the sector “households” quarterly increase in the average interest rate on the foreign exchange deposits of 0.1 percentages point was registered (from 1.8% in the third quarter to 1.9% in the fourth quarter of 2007).

Figure 78

Foreign exchange deposits and credits to the private sector and interest rates-quarterly average
(in millions of Denars)



Source: National Bank of the Republic of Macedonia.

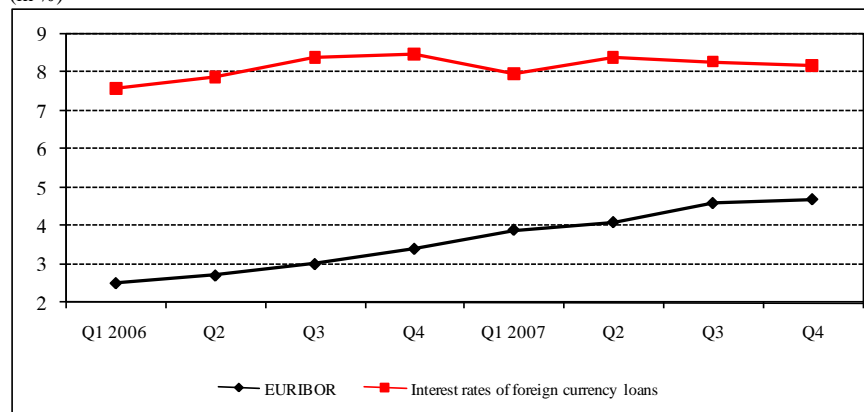
The comparative analysis of the three-month EURIBOR (Euro Interbank Offered Rate) with the interest rate on the foreign exchange credits indicated their divergent dynamics. Thus, during the entire 2007, the three-month EURIBOR registered a continuous average increase on quarterly level. On the other hand, increase in the average interest rate on foreign exchange credits was registered only in the second quarter of 2007, whereas it had a falling trend in the following quarters.



Figure 79

Interest rate on foreign exchange credits and international three-month interest rate EURIBOR-quarterly average

(in %)



Source: National Bank of the Republic of Macedonia.

During the first two months of 2008, gradual reduction in the interest rate on the three-month Treasury bills was registered, being reduced to 5.05% in February. The interest rates on the six-month Treasury bills registered an increase in January amounting to 5.4%, being reduced again in February to 5.3%. Increase in the interest rate on the twelve-month Treasury bills was registered in January, reaching 5.7%.³⁴ The developments of the lending and deposit Denar interest rate in the first two months of 2008, continued at the same pace as in the fourth quarter of 2007. Thus, the lending interest rate was gradually reduced, whereas increase was registered in the deposit interest rate, so that in February, it reached the level of 9.7% and 5.5%, respectively. More intensive reduction was registered in the interest rate on the foreign exchange credits, with a simultaneous increase in the interest rate on the foreign exchange deposits, being reduced to 8.1% and 2.2%, respectively, in the second month of 2008.

III.

Public finance

Second supplementary Budget for 2007 in October 2007

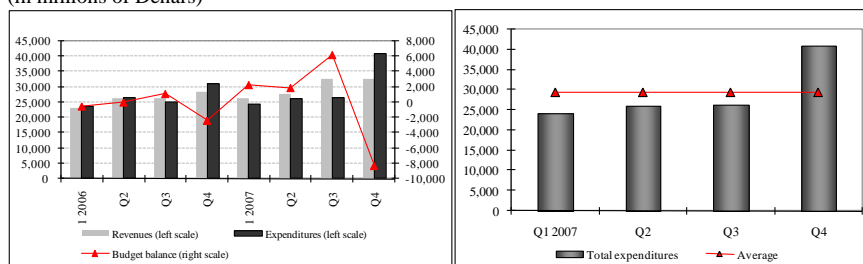
The trend of generating budget surplus in 2007 was terminated in the last quarter, when negative balance was registered in the consolidated government budget and when the current and capital costs were increasing intensively. In order to use more rationally and to reallocate the accumulated funds of the previous three quarters, additional amendments to the Budget for 2007³⁵ were adopted at the beginning of October 2007. The amendments were based on several assumptions, increased realization of all types of tax revenues, provision of funds for payment of the increased salaries in the public administration, provision of funds for payment of the liabilities from the Agreement on sales of "ESM distribution", provision of funds as a support of the financial consolidation of the energy sector and allocation of funds in a form of block subsidies to the local government units that passed into the second stage in the process of decentralization. The revised projections of the revenues and expenditures of the consolidated budget for 2007 did not lead to any shifts in the projected budget deficit of 1% of the projected GDP for 2007.

³⁴ In March, the auction of the three-month and twelve-month Treasury bills was carried out by means of a tender with amounts (limited price).

³⁵ Source: "Official Gazette of the Republic of Macedonia" No. 121/2007.



Figure 80
Total budget revenues and expenditures and budget balance
(in millions of Denars)

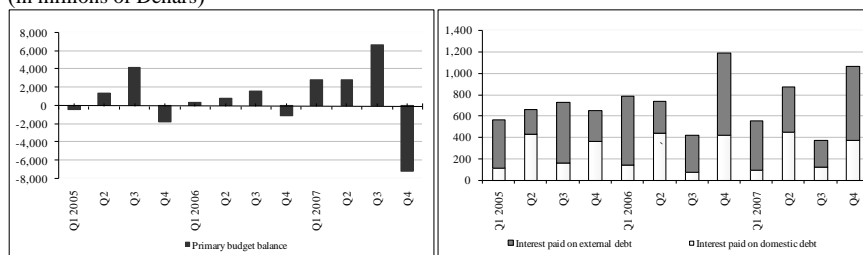


Source: Ministry of Finance of the Republic of Macedonia.

*Realized high budget deficit
in the central government
budget*

In conditions of a more intensive increase in the overall public expenditures than the total public revenues (32.8% and 14.8%, respectively), in the last quarter, for the first time in 2007, budget deficit was registered (in the amount of Denar 8,270 million), that was mostly realized in the course of December. With the budget balance being adjusted to the interest payments, the primary budget deficit was lower by 12.9% of the total budget balance.

Figure 81
Budget balance and interest payments on the basis of external and domestic indebtedness
(in millions of Denars)



Source: Ministry of Finance of the Republic of Macedonia.

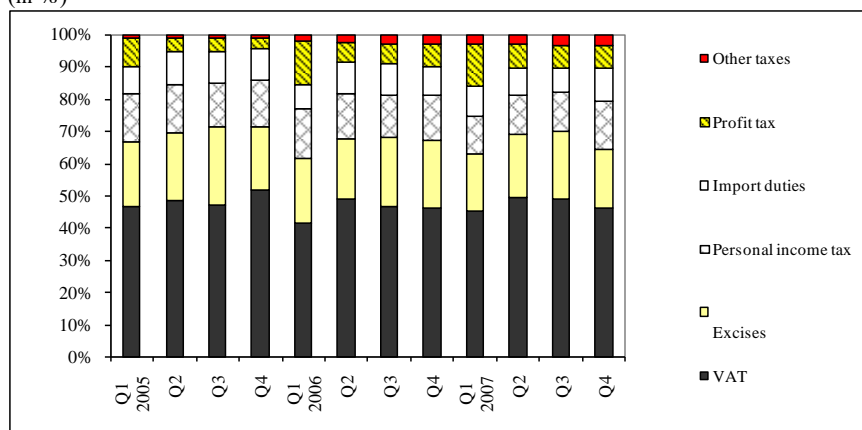
*Annual increase in the total
public revenues...*

*...when there was increased
collection of tax and non-tax
revenues*

During the last three months of 2007, the total revenues registered an annual increase of 14.8%, and 63.3% of the increase was generated by the increase in the tax revenues. 45.9% of the increase in the tax revenues was due to the high realization of the value added tax, 17.4% of the personal income tax and 17.1% of the customs duties, which referred to an increased turnover in the domestic trade, increased import of goods (seasonal effect of the New Year holidays), more efficient collection of the taxes and intensification of the economic activity. The collection of the contributions participated with 24% in the total increase in the public revenues and the revenues from the contributions for pensions had a dominant share, being increased by 15.3% on annual basis. Significant increase on annual basis by 2.9 times was also registered in the capital revenues, which was due to the sale of the socially-owned apartments and the state-owned construction land.



Figure 82
Structure of tax revenues
(in %)

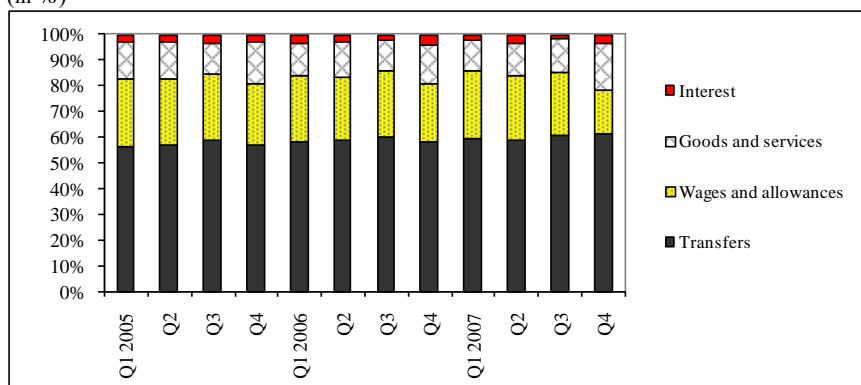


Source: Ministry of Finance of the Republic of Macedonia.

Annual increase in the public expenditures, when there was increased realization of capital and current expenditures

The total expenditures in the fourth quarter of 2007 registered an annual increase of 32.8%, and their level was historically the highest quarterly amount, that indicated certain relaxation of the fiscal policy. The more intensive government spending in the last quarter of the year derived from the simultaneous increase in the capital and current expenditures, the contribution of which to the total increase in the expenditures was 52.1% and 47.9%, respectively. After the moderate capital government spending in the first three quarters of the year, during the last quarter of the year, the capital expenditures were significantly increased and higher by 2.6 times than the ones in the last quarter of 2006. In case of the current expenditures, that structurally took 79% of the overall expenditures, the costs for goods and services and the costs for transfers registered a high annual increase of 41.2% and 23.7%, respectively. The analysis of the cost for salaries and contributions showed that during the last quarter of the year, they registered an annual reduction of 9.1% that did not correspond with the increase in the salaries of the public administration. However, taking into consideration the commencement of the second stage of the process of fiscal decentralization and thus, the payment of the salaries of the public administration through the local government, it could be concluded that the reduction was completely compensated with the annual increase in the transfers to the local authorities by 6 times. Namely, with the decision adopted in July 2007, the costs for contributions and salaries of the employees in four sectors of the local public administration (education, social policy and child care, culture and health) were financed with block subsidies in the municipalities that met the applicable criteria. Significant increase was also registered in the item "other transfers", the most part of which referred to the subventions allocated to the farmers.

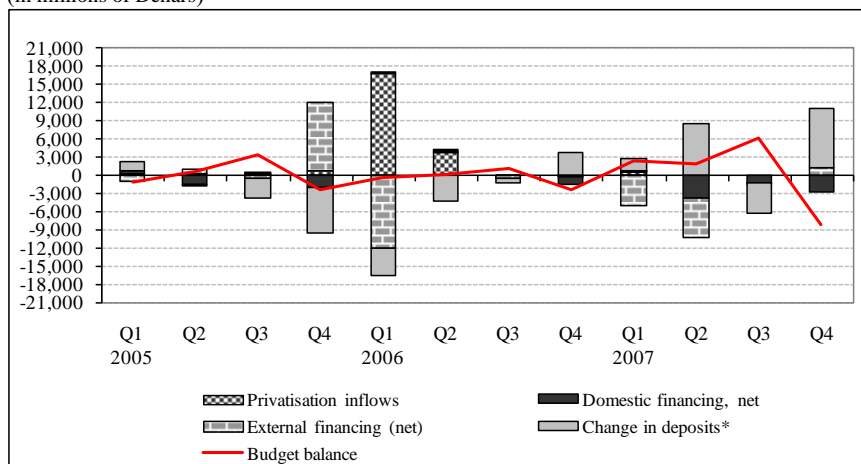
Figure 83
Structure of the current government spending
(in %)



Source: Ministry of Finance of the Republic of Macedonia.

Basic sources of financing of the budget deficit in the fourth quarter of 2007 were the deposits of the government with NBRM, as well as the loans from foreign creditors (above all, inflows on the basis of the Program Development Policy Loan II from the IBRD in the amount of Euro 23.3 million). Simultaneously, on the side of the outflows, payment of a part of the domestic debt was made, that is, payment of the regular installment of the bond for old foreign exchange saving and outflows on the basis of repayment of a part of the funds (Euro 22.5 million) from the privatization of ESM (electricity company) to a foreign investor after the performed audit.

Figure 84
Financing of the budget balance
(in millions of Denars)



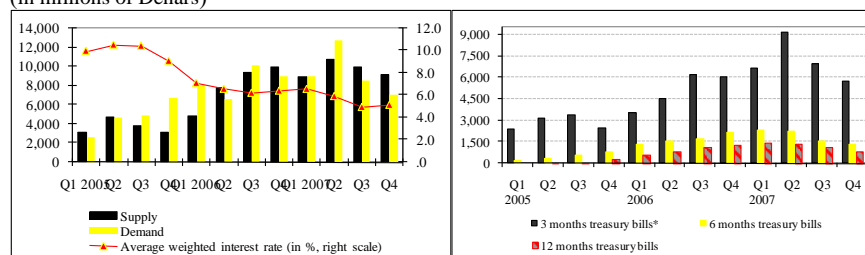
* Positive changes-withdrawal of deposits, negative changes-accumulation of deposits.

Source: Ministry of Finance of the Republic of Macedonia.

A part of the budget deficit financing was made also by borrowing at the domestic financial market, the realized net inflows amounting to Denar 530 million. Greater supply than demand was registered on the primary market of Treasury bills (by 28.4%) and an average weighted interest rate of 5.2% (as opposed to 5% in the third quarter). Viewed from the viewpoint of the maturity, the most present were the three-month Treasury bills (86.5% of the totally realized Treasury bills), and the stock of the three-month Treasury bills for fiscal purposes was increased by Euros 595.5 million compared with the previous quarter.

Figure 85

Total supply of and demand for Treasury bills (in millions of Denars) and average weighted interest rate and conditions of investments in Treasury bills (according to the maturity)
(in millions of Denars)



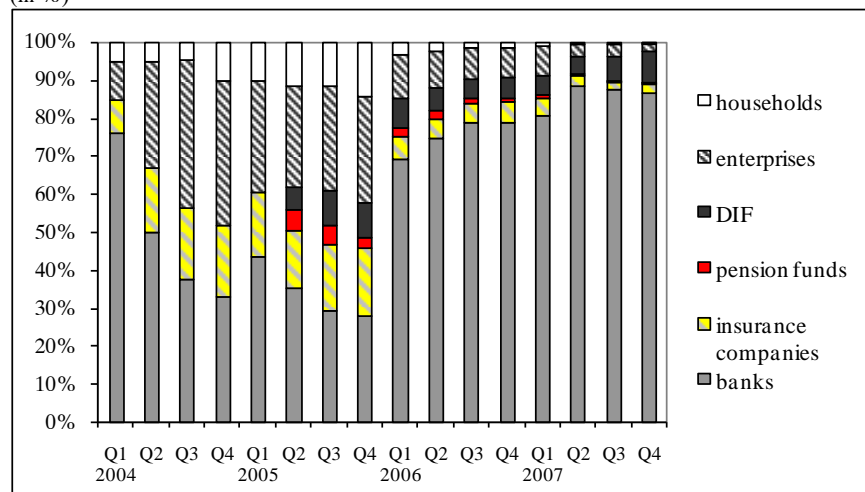
*It includes Treasury bills for monetary purposes.

Source: National Bank of the Republic of Macedonia and Ministry of Finance of the Republic of Macedonia.

Despite the quarterly increase in the foreign public debt (mainly due to the Program Development Policy Loan II), the total public debt³⁶ was reduced on quarterly basis by 1.5%. The quarterly fall referred to the domestic public debt, that is, the reduced issue of continuous Treasury securities and the reduction in the debt on the basis of the structural bonds (above all, the bond for an old foreign exchange saving).

Figure 86

Structure of the investments in Treasury bills pet investors*
(in %)



* On 07.03.2006, National Bank of the Republic of Macedonia, in cooperation with the Ministry of Finance, started with an issue of Treasury bills for monetary purposes, with a maturity of 3 months.

Source: National Bank of the Republic of Macedonia and Ministry of Finance of the Republic of Macedonia.

According to the latest available data, during the first two months of 2008, higher total revenues than total expenditures were realized in the Budget of the Republic of Macedonia, which resulted in a surplus. The most significant component within the total revenues was still tax revenues, that is, above all, the high realization of the value added tax (49.8% of the total tax revenues). On the side of the total expenditures, the largest part of the government expenditures referred to the current expenditures, that is, social transfers (share of 78.2% in the total transfers).

³⁶ Due to a consistency of the analysis, the public debt is based on the central debt of the government and the funds (the consolidated debt of the government without the debt of NBRM, municipalities and public enterprises). Namely, such analysis does not correspond with the national methodology for calculation of the public debt that includes the debt of the municipalities and public enterprises (without the debt of NBRM) and the statistical data on the government finance (by IMF) that includes the debt of NBRM. On the other hand, the domestic debt of the central government refers to the structural and continuous securities.



From the viewpoint of financing, the funds from the realized budget surplus were reflected to the greatest extent on the Denar account of the government with NBRM, and significant net inflows were realized by extending a concession for use of 3G technology and financing by the government on the domestic financial market. The supply on the primary market of Treasury bills (for all maturities) exceeded the demand by 29.7%.

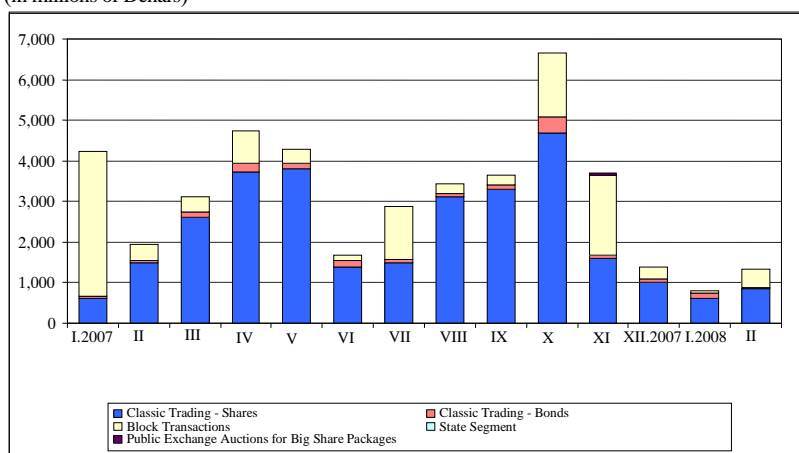
IV.

Capital market

Increase in the total stock exchange turnover in the last quarter of 2007

After the fall in the previous quarter, during the last quarter of 2007, the total turnover on the stock exchange registered quarterly increase of 17.7%. The increase between two quarters was mainly a result of the takeover of an insurance company by a foreign investor by means of a block transaction in November. The turnover realized by classic trading (without block-transactions) registered a quarterly drop of 4%, reflecting the lower interest in trading with the securities listed on the official market of the stock exchange (reduction in the turnover by 36.2%). The reduced turnover was effectuated despite the announcement of the data on the annual increase in the profit of the listed companies³⁷, which confirmed the greater sensitiveness of the demand of the small investors to current price changes, as opposed to the reaction of the company potential and the potential future development of the prices.

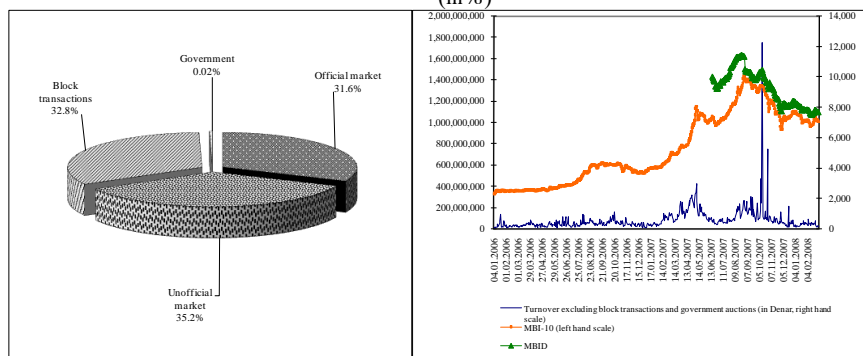
Figure 87
Stock exchange turnover
(in millions of Denars)



Source: Macedonian Stock Exchange AD Skopje.

³⁷ On the basis of not audited balance sheets for the period from 01.01-31.12.2007 of all listed companies, 29 out of which reported profit, and 9 companies reported loss. The total announced profit of the listed companies for the first nine months of 2007 was higher by 123% compared with the same period in the previous year. The total announced profit of the listed companies for 2007 was increased by 37.04% compared with the announced profit for the first nine months of the year.

Figure 88
Structure of the stock exchange
turnover in the fourth quarter of 2007

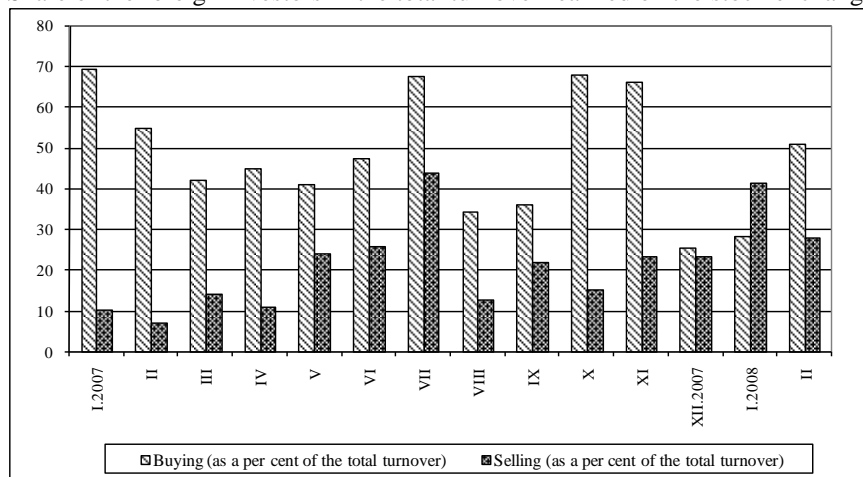


Source: Macedonian Stock Exchange AD Skopje.

Fall in the value of the stock exchange index MBI-10

The value of MBI-10 index³⁹ was 7,740.79 index points at the end of 2007, or average reduction in the prices of the shares of the ten companies comprising the index of 16.6%, compared with 30.09.2007. During the last quarter of 2007, the development of the index was characterized by a rapid downwards trend, with short periods of stagnation and moderate increase in the level in the last two decades of December. The reduction in the index value was mostly due to the low turnover with the securities of the listed companies, in conditions of a drop in the interest for investment both by the domestic and foreign investors. The value of the index of the publicly-owned companies-MBID⁴⁰, was 8,413.56 at the end of the quarter, which was a reduction of 14.2% compared with 30 September 2007.

Figure 89
Share of the foreign investors in the total turnover realized on the stock exchange



Source: Macedonian Stock Exchange AD Skopje.

³⁸ The Figure shows the daily stock exchange turnover realized with classic trading, that in addition to the block transactions, excludes also the transactions realized on the government segment, as well as the transactions with other securities (certificates issued for the deposits in the failed savings houses).

³⁹ The price index weighted with the market capitalization, prepared on the basis of the ordinary shares of the companies listed on the official market.

⁴⁰ Price non-weighted index, the integral elements of which are chosen on the basis of the number of trading days and realized turnover between two revisions of the index. In accordance with the revision of the index as of 18.12.2007, elements of MBID are the ordinary shares issued by fourteen joint stock companies traded on the regular market, and that constituted in the previous quarter around 93% of the total turnover on the Market of publicly-owned companies.

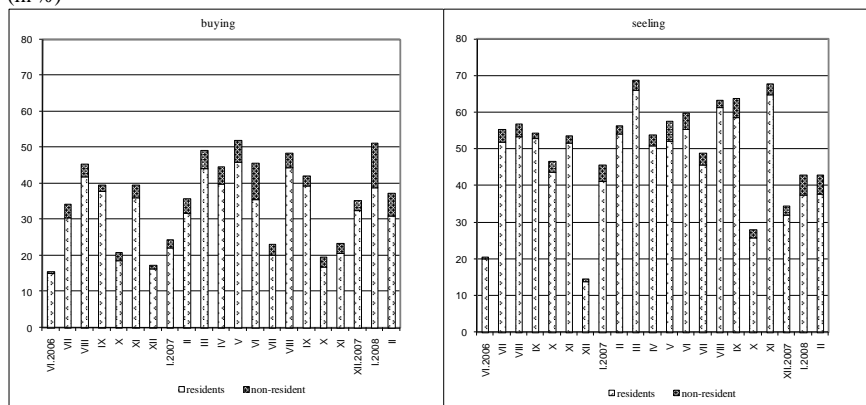
After the historically highest amount of net investment by foreign investors in October, during the next two months of the quarter, they registered rapid reduction. The reduction continued in January and the foreign investors were withdrawing larger amount of funds on net basis than they were investing. In February, the foreigners invested on net basis, however, still in a very low amount. Such upturn in the trend may be explained by several factors: restraining from investing due to political risks, slowing down of the global growth, as well as sales of the shares of the Croatian “Telecom” as an attractive investment for the regional investors⁴¹. At the end of 2007, the non-residents participated with 21.8% in the total capital of the listed companies and in the total nominal value of the listed bonds⁴², cumulatively, (as opposed to 22.0% at the end of September 2007). Out of the total investments of shares at the stock exchange, 30.9% were by foreign investors, whereas the share of the non-residents in the government bonds was 8.4%.

In the fourth quarter, the total amount of foreign exchange bought out by NBRM on the basis of foreign portfolio investment exceeded by 23.8% the amount of the sold foreign exchange on the basis of withdrawal of the funds invested by the non-residents.

Reduced stock exchange activity of the physical persons

The analysis of the interest in the stock exchange transactions by the domestic physical persons in the fourth quarter showed that the resident physical persons continued to have a greater share in the sales, rather than in the purchase side. The domestic physical persons participated in the stock exchange purchases with 23.3% on average within the quarter, which was a reduction of 11.4 percentage points compared with the previous quarter, whereas on the sale side they participated with 40.7% on average, which was by 14.4 percentage points less analyzed on the same comparison basis.

Figure 90
Share of purchases and sales by the domestic and foreign physical persons in the total stock exchange turnover
(in %)



Source: Macedonian Stock Exchange AD Skopje.

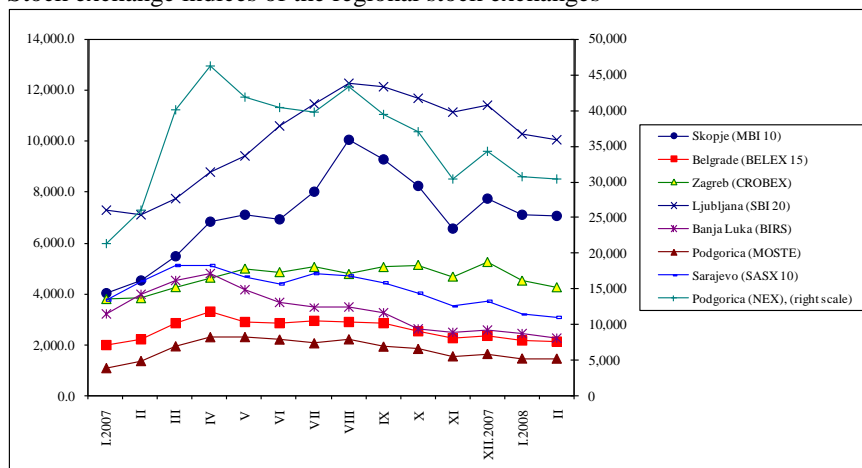
The analysis of the stock exchange indices in the region, except for the index of the shares listed at the stock exchange in Zagreb, that registered an increase of 4% at the end of December compared with the end of September 2007, indicated that the average prices of the shares comprising all other indices at the regional stock exchanges registered a reduction.

⁴¹ In October, on the Stock Exchange in Zagreb, trading with the shares of Croatian Telecommunications started-privatization through public offer of shares with a value of US\$ 1.38 billion and seventh according to its size in Europe, according to the report of Thomson Financial, that attracted a large number of institutional investors in the region.

⁴² According to the data from the Central Securities Depository.



Figure 91
Stock exchange indices of the regional stock exchanges

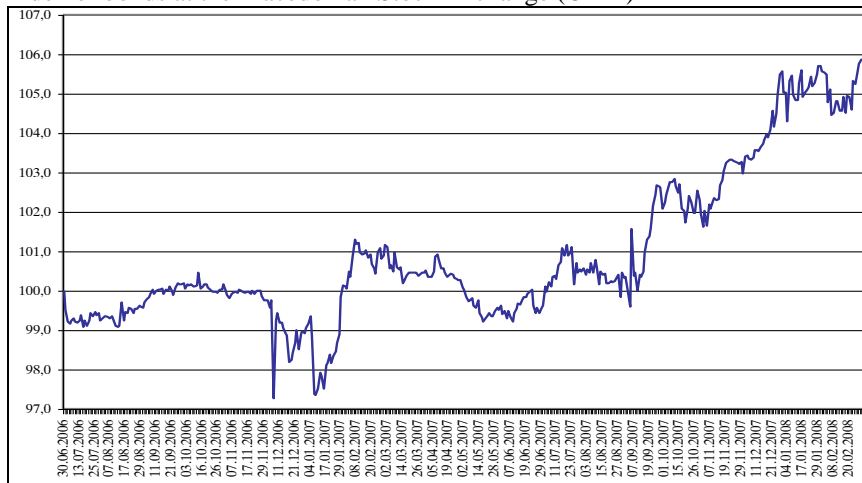


Source: Official web sites of the respective regional stock exchanges.

*Increasing trend of the index
OMB with short periods of
stagnation and decrease in the
values*

During the last quarter of 2007, the turnover with *government bonds* at the official stock exchange market registered doubling of the value compared with the previous quarter. The increase could be also interpreted as a re-direction of the investors towards risk-free securities. The turnover at this market segment was realized through the transactions with the bonds of the old foreign exchange saving and bonds for denationalization. The prices of the government bonds ranged from 78% (the bond for denationalization from the sixth issue) up to 89.4% of the nominal value⁴³ (the bond for the old foreign exchange saving). In the course of the quarter, OMB⁴⁴ registered a growing trend with short periods of stagnation and falling of the value, and at the end of 2007, it was positioned at 105.58 index points (an increase of 3.4% compared with the end of September 2007).

Figure 92
Index of bonds at the Macedonian Stock Exchange (OMB)



Source: Macedonian Stock Exchange AD Skopje.

During the fourth quarter of 2007, the realized turnover with short-term government securities on the over-the-counter market was only Denar 10 million, as a result of the sole transaction in October where the buyer was a legal

⁴³ The interval is determined in accordance with the achieved latest average prices of trading with the bonds, and the data originate from the weekly trading lists announced by the Stock Exchange.

⁴⁴ The OMB index is composed of the bonds for old foreign exchange saving and bonds for denationalization from the first, second, third, fourth and fifth issues, and the initial value of OMB is 100. OMB is price index weighted with the turnover, with a limitation that the share of any bond within the index must not exceed 30%.



entity, the seller was a bank and the government bond was with residual and original maturity of three years. Only one transaction was made with Treasury bills as well, taking place in November in the amount of Denar 5.5 million, whereas the Central Bank bills were traded on the over-the counter-market in the amount of Denar 650 million, realized through 20 transactions.

As of 01.01.2008, the Decision on the Manner and Conditions for Operations of Non-residents with Securities in the Republic of Macedonia ceased to be valid, thus enabling full liberalization of purchasing securities by non-residents. At the same time, the abolishment of the regulation on the rights meant also a reduction in the administrative burden for the entry of the portfolio-investments, as well as equalization of the conditions for the foreign portfolio-investors with the other countries in the region, without a risk to jeopardize the macroeconomic stability.

The turnover realized by classic trading on the stock exchange in the first two months of 2008 was only around one fifth of the amount traded with classic trading in the last quarter of 2007, and the drop was mostly connected with the political situation in the country and the region. During the first two months of 2008, Denar 506 million were traded in block transactions, most part of which referring to a sale of a part of the capital of an insurance company to a foreign investor. At the end of February 2008, compared with the end of 2007, both MBI-10 and MBID showed loss in the value of 8.85% and 8.87%, respectively. Similar developments were also registered on the stock exchanges in the region, that could be interpreted as a consequence of the global problem with the liquidity of the financial markets. Namely, the average drop in the prices of the shares in the first two months of 2008 ranged from 8.3% in Serbia to 16.7% in Croatia.

Since the beginning of 2008, the shares of the domestic physical persons on the side of the purchases, that is, sales, were relatively balanced (in January, the domestic physical persons invested on net basis, and in February they were withdrawing more than they were investing funds, still in a relatively low amount). The non-residents still registered low shares in the purchase and sales transactions of "Macedonian Stock Exchange".



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Methodological explanations

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Table 1
Gross domestic product
In millions of denars (1997=100) and annual real growth rates (in %)

	GDP total	%	Agriculture, hunting, forestry and fishing	%	Mining and quarrying, manufacturing and electricity, gas and water supply	%	Construction	%	Wholesale and retail sales	%	Hotels and restaurants	%	Transport, storage and communications	%	Financial intermediation	%	Public administration and defence	%
National classification of activities ¹			A+B		C+D+E		F		G		H		I		J+K+L		M+N+O+P	
1997	186018	1.4	20411		45317		9867		21297		2819		11372		26002		27067	
1998	192308	3.4	21083	3.3	45969	1.4	10626	7.7	21377	0.4	3025	7.3	14385	26.5	26002	0.0	27395	1.2
1999	200669	4.3	21273	0.9	46750	1.7	11732	10.4	22025	3.0	3771	24.7	16854	17.2	26499	1.9	28519	4.1
2000	209777	4.5	21489	1.0	51122	9.4	12037	2.6	22695	3.0	3345	-11.3	18282	8.5	27215	2.7	28546	0.1
2001	200284	-4.5	19169	-10.8	48786	-4.6	10300	-14.4	22505	-0.8	3195	-4.5	16761	-8.3	27783	2.1	27876	-2.3
2002	201993	0.9	18779	-2.0	48390	-0.8	10364	0.6	23725	5.4	3726	16.6	16467	-1.8	26758	-3.7	28843	3.5
2003	207690	2.8	19686	4.8	50845	5.1	11741	13.3	24146	1.8	4085	9.6	16539	0.4	25787	-3.6	30262	4.9
2004	216164	4.1	20908	6.2	50439	-0.8	12610	7.4	27933	15.7	3623	-11.3	15745	-4.8	28817	11.8	30068	-0.6
2005	225035	4.1	20941	0.2	51803	2.7	12725	0.9	29243	4.7	3675	1.4	17387	10.4	28283	-1.9	31476	4.7
2006	231849	3.0	21069	0.6	53657	3.6	12674	-0.4	30854	5.5	3674	0.0	18633	7.2	28719	1.5	32115	2.0
2005 Q1	51487	3.0	5064	1.2	11358	0.6	2003	-4.1	6500	2.7	783	-1.3	3988	10.7	7010	-2.9	7847	3.7
Q2	56655	5.1	5251	0.7	13210	8.7	3337	-3.3	7328	5.0	905	3.2	4343	11.8	7042	-2.4	7834	3.4
Q3	57353	4.2	5341	-0.1	13112	1.8	3684	3.0	7225	5.4	1056	3.2	4517	12.4	7058	-1.9	7847	5.1
Q4	59540	4.0	5285	-1.0	14123	0.0	3701	6.0	8190	5.4	931	0.1	4539	7.1	7173	-0.3	7948	6.5
2006 Q1	52973	2.9	5319	5.0	11148	-1.8	2185	-2.4	7029	8.1	854	9.1	4428	11.0	7656	9.2	7956	1.4
Q2	59104	4.3	5502	4.8	13726	3.9	3783	13.4	7759	5.9	963	6.4	4754	9.5	7713	9.5	8044	2.7
Q3	60176	4.9	5579	4.5	14064	7.3	4191	13.8	7664	6.1	1132	7.2	4846	7.3	7755	9.9	8044	2.5
Q4	61679	3.6	5512	4.3	14192	0.5	4005	8.2	8778	7.2	1003	7.7	5066	11.6	7807	8.8	8151	2.6
2007 Q1 ²	56584	6.8	5490	3.2	12443	11.6	2314	5.9	7987	13.6	856	0.2	4917	11.0	7894	3.1	8006	0.6
Q2	61628	4.3	5601	1.8	13337	-2.8	3934	4.0	8913	14.9	1071	11.2	5381	13.2	8124	5.3	8154	1.4
Q3	62727	4.2	5278	-5.4	14222	1.1	4423	5.5	8567	11.8	1253	10.7	5546	14.4	8274	6.7	8131	1.1
Q4	64917	5.2	4900	-11.1	15074	6.2	4318	7.8	10151	15.6	1041	3.8	5637	11.3	8290	6.2	8157	0.1

Source: State Statistical Office.

¹ National classification of activities.

² Estimated data



Table 2
Prices
Annual rates (in %)

	Consumer price index ^{1/} (growth rates)															Producer price index (growth rates)	
	Total	Goods	Services	By categories													
				Food	Tobacco and beverages	Clothing and footwear	Housing				Hygiene and health	Culture and entertainment	Transport means and services	Restaurants and hotels ^{2/}	Other services ^{2/}		
							Total	Flat (rent, water, services)	Fuel and lighting	Household appliances							
1997	2.6	2.2	3.8	4.2	-3.9	-1.6	1.7	0.3	3.8	1.6	-0.5	-8.6	19.4			4.2	
1998	-0.1	0.0	-0.4	-0.2	3.6	2.4	0.4	0.0	0.4	2.0	0.1	-10.3	2.4			4.0	
1999	-0.7	-1.1	0.5	-1.6	0.2	1.2	0.3	0.1	1.1	-1.9	-1.4	-2.2	-0.8			-0.1	
2000	5.8	5.2	8.9	-0.4	13.9	-2.3	19.3	8.8	27.4	1.7	-1.7	-1.6	22.4			8.9	
2001	5.5	4.5	10.9	6.9	2.3	1.3	5.5	11.3	3.9	0.1	-0.7	1.9	9.5			2.0	
2002	1.8	1.2	5.0	1.8	1.0	6.8	1.7	4.1	1.0	-0.6	-3.8	3.6	2.1			-0.9	
2003	1.2	0.3	5.9	-1.4	3.4	2.2	3.9	3.9	4.4	1.1	3.9	2.2	4.2			-0.3	
2004	-0.4	-1.1	3.3	-3.1	1.1	0.9	2.2	-0.3	3.0	4.2	0.4	1.3	4.0			0.9	
2005	0.5	0.3	1.3	-1.2	5.5	2.2	0.4	0.3	1.0	-1.2	-3.5	0.9	3.7			3.2	
2006	3.2	3.7	1.3	2.2	17.8	0.2	2.0	-0.7	3.7	-0.8	2.0	6.4	1.8			4.5	
2006 Q1 ^{3/}	2.7	3.2	0.9	1.6	17.7	-0.5	0.9	-0.2	1.6	-0.5	0.3	6.0	2.6			5.6	
Q2	3.4	3.8	2.0	2.3	17.5	0.3	1.1	0.2	1.9	-0.5	1.9	6.8	3.8			5.7	
Q3	3.6	4.0	1.9	2.9	17.9	0.5	1.7	-0.6	3.2	-0.9	2.7	6.9	2.3			4.1	
Q4	3.1	3.7	0.4	2.1	17.9	0.6	4.2	-2.2	7.9	-1.1	2.9	5.7	-1.5			2.4	
2007 Q1	0.7	1.3	-1.1	0.7	0.1	1.8	5.1	1.6	8.8	-1.8	0.0	3.5	-5.0	3.0	-2.8	1.0	
Q2	1.1	1.6	-0.5	0.7	2.2	1.0	5.9	6.6	7.8	-0.9	0.5	3.1	-4.3	3.6	11.6	1.2	
Q3	2.4	3.0	0.2	3.8	2.3	1.1	5.2	7.5	6.0	-0.1	0.9	3.6	-3.1	3.9	12.5	1.6	
Q4	4.9	6.2	0.4	10.4	2.4	3.5	2.8	9.6	1.1	0.0	0.0	-0.5	-0.6	8.0	13.0	2.1	
January	0.8	1.4	-1.2	1.1	0.1	1.2	4.8	-0.7	9.3	-1.9	-0.1	3.5	-4.8	3.3	0.3	1.3	
February	0.5	1.1	-1.3	0.8	0.0	1.8	4.5	-0.6	8.7	-1.9	0.1	3.5	-5.8	3.3	-1.1	0.3	
March	0.8	1.3	-0.9	0.3	0.1	2.2	6.0	6.2	8.3	-1.4	0.1	3.6	-4.4	2.5	-1.1	1.4	
April	1.0	1.4	-0.2	0.3	2.3	1.2	6.0	7.0	8.0	-1.5	0.2	3.5	-4.0	4.2	11.7	1.0	
May	0.9	1.4	-0.8	0.7	2.2	0.9	5.8	6.4	7.7	-1.1	0.1	3.4	-5.1	3.5	11.7	-1.0	
June	1.3	1.9	-0.6	1.1	2.1	0.8	6.0	6.3	7.9	-0.2	1.0	2.4	-3.7	3.1	11.7	1.0	
July	1.3	1.9	-0.8	0.7	2.3	0.8	6.1	6.4	7.9	-0.2	0.8	4.2	-3.8	3.0	11.7	0.0	
August	2.2	3.3	-1.3	3.9	2.4	0.6	6.2	6.5	8.1	-0.2	1.1	4.3	-4.9	3.1	12.9	1.2	
September	3.6	3.9	2.6	6.7	2.4	1.7	3.5	9.7	2.1	0.2	0.9	2.3	-0.6	5.7	13.0	2.0	
October	3.9	4.8	0.9	8.2	2.5	2.1	1.9	9.6	-0.4	0.0	-0.5	0.6	0.5	6.3	13.5	3.3	
November	4.6	6.1	-0.5	10.2	2.4	2.8	2.5	9.7	0.5	-0.1	-0.2	-0.8	-0.8	7.6	13.5	4.8	
December	6.1	7.6	0.7	12.8	2.4	5.6	4.1	9.5	3.3	0.0	0.6	-1.2	-1.6	10.0	12.2	4.2	
2008 Q1	9.5	11.0	3.9	19.0	4.2	1.6	3.6	8.5	2.7	0.4	1.5	-0.3	4.4	11.8	16.7		
January	8.7	10.3	2.6	17.8	2.5	2.2	3.0	9.5	1.4	0.3	1.9	-0.7	3.4	10.6	14.8	9.5	
February	9.6	11.0	4.4	18.7	4.7	1.2	4.5	11.7	2.9	0.6	1.8	-0.4	4.7	12.3	17.5	10.2	
March	10.2	11.7	4.7	20.6	5.3	1.4	3.3	4.4	3.7	0.3	0.9	0.3	5.2	12.6	17.7		

Source: State Statistical Office.

^{1/} CPI-consumer price index.

^{2/} Since 2007, the structure of the consumer price index (CPI) includes also the following categories: restaurants and hotels and the category of other services which are not mentioned anywhere else.

^{3/} Quarterly calculations are made in the Research Department in NBRM.



Table 3
Industrial production
Annual growth rates (in %)

	Total	By sectors			By group of products					Productivity ^{/1}
		Mining and quarrying	Manufacturing industry	Electricity, gas and water	Energy	Intermediary goods, except energy	Capital goods	Durable consumer goods	Non-durable consumer goods	
2002	-5.3	-24.5	-4.7	-3.8	-16.8	-8.0	53.3	-22.6	-2.4	-
2003	4.7	-39.1	5.9	9.8	28.7	-12.1	-9.0	36.9	19.0	-
2004	-2.2	-5.0	-2.1	-2.6	-1.8	0.9	-20.1	9.1	-3.4	-
2005	7.0	40.4	7.3	2.5	4.6	14.2	-3.2	-14.9	3.8	10.6
2006	2.5	28.0	2.4	-0.6	1.5	7.3	8.2	-5.0	-2.2	9.2
2005 Q1/2	5.2	-18.9	6.4	3.8	2.3	14.8	-0.9	-18.2	1.8	1.9
Q2	13.5	17.0	16.3	-0.5	6.5	24.6	-1.2	4.8	8.9	17.9
Q3	6.0	62.9	5.5	2.0	4.0	9.8	-2.5	-11.1	5.4	16.3
Q4	4.2	97.1	2.5	4.3	7.4	9.5	-5.3	-24.8	-0.1	6.4
2006 Q1	0.5	111.6	-0.9	-0.9	3.0	5.6	-2.5	10.5	-6.1	8.3
Q2	1.7	53.2	1.3	-2.0	-3.0	5.1	17.0	-6.5	-0.3	7.6
Q3	4.3	13.1	4.9	0.1	0.7	12.0	0.1	2.1	-0.7	5.5
Q4	3.5	4.8	4.0	1.9	5.7	6.3	26.3	-12.5	-1.1	15.6
2007 Q1	11.6	13.9	16.0	-9.1	-2.1	25.0	39.0	10.3	6.2	18.7
Q2	-2.8	16.2	-1.5	-20.8	-16.6	7.9	-4.4	25.3	-7.8	3.6
Q3	1.1	15.4	1.5	-8.7	-4.5	7.5	27.3	-3.0	-5.8	11.5
Q4	6.2	-3.3	7.8	-1.1	-6.2	15.3	24.7	6.5	1.8	6.4
January	10.6	11.7	16.4	-9.8	-11.6	31.8	102.3	53.3	3.5	-
February	14.9	29.9	17.8	-4.2	13.4	23.7	33.3	-8.8	7.6	-
March	9.6	0.8	14.2	-12.7	-5.5	21.6	14.9	6.1	7.0	-
April	5.3	10.1	6.8	-6.8	18.1	18.9	-11.9	39.5	-9.7	-
May	-5.8	25.0	-4.6	-25.6	-37.2	3.6	16.2	15.1	-5.5	-
June	-7.1	14.6	-5.4	-32.1	-29.6	2.9	-13.0	23.1	-8.3	-
July	-2.2	56.1	-2.1	-18.9	-11.1	6.9	4.0	8.4	-7.0	-
August	1	3.3	2.2	-11.6	-8.9	14.3	2.5	4.0	-7.8	-
September	4.5	0.6	4.3	9.5	9	1.9	77.6	-15.4	-2.4	-
October	10.5	-4.0	14.6	-13.5	-8.3	22.5	70.0	10.7	0.0	-
November	5.5	-11.3	7.3	-1.0	-8.2	21.1	9.1	17.4	-1.8	-
December	2.6	4.8	1.4	9.8	-2.8	1.3	3.6	-6.2	7.0	-
2008 January	13.6	15.3	16.1	1.6	9.6	21.4	19.7	84.3	4.3	-
February	6.9	6.2	8.4	-1.6	-2.8	11.0	56.0	70.9	-1.6	-

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

^{/1} The calculations are made in the Research Department in NBRM.

^{/2} Quartile calculations are made in the Research Department in NBRM.



Table 4
Employment and productivity in the whole economy

Employment and productivity in the whole economy									
	Total population fit for work	Active population			Number of employees by economic activities:			Productivity ^{/1}	
		Total	Employees	Unemployed	Agriculture	Industry	Services		
1996	1,436,602	789,081	537,591	251,489	100,067	193,975	243,548	-	
1997	1,489,625	800,513	512,301	288,213	84,256	163,988	264,056	-	
1998	1,503,365	823,826	539,762	284,064	107,249	190,674	241,839	-	
1999	1,518,250	806,674	545,222	261,452	115,361	185,283	244,580	-	
2000	1,534,256	811,557	549,846	261,711	119,971	187,066	242,809	-	
2001	1,554,420	862,504	599,308	263,196	131,094	190,458	277,755	-	
2002	1,566,953	824,824	561,341	263,483	134,293	186,917	238,868	-	
2003	1,579,450	860,976	545,108	315,868	120,132	184,855	238,583	-	
2004	1,594,557	832,281	522,995	309,286	88,050	171,390	261,810	-	
2005	1,607,997	869,187	545,253	323,934	106,533	175,868	261,523	0.8	
2006	1,618,482	891,679	570,404	321,274	114,777	186,085	268,117	0.3	
2005	Q1	1,603,675	827,428	507,397	320,030	76,546	181,450	251,307	6.8
	Q2	1,606,833	883,522	552,797	330,724	126,194	174,588	251,112	3.8
	Q3	1,609,071	889,725	564,880	324,845	135,712	170,157	257,804	-1.1
	Q4	1,612,410	876,074	555,938	320,136	87,921	180,089	286,837	-5.6
2006	Q1	1,615,584	877,798	559,702	318,096	103,319	190,355	264,550	-5.7
	Q2	1,617,423	885,609	566,293	319,316	128,519	189,630	246,842	2.7
	Q3	1,619,447	899,732	576,813	322,919	125,322	187,760	262,480	3.7
	Q4	1,621,475	903,576	578,810	324,766	101,948	176,592	298,599	0.7
2007	Q1	1,624,611	902,588	579,301	323,287	95,384	186,975	293,629	4.3
	Q2	1,627,216	906,199	589,254	316,944	112,982	184,622	288,104	0.8
	Q3	1,630,010	909,466	598,327	311,139	117,531	181,993	294,863	1.2
	Q4	1,632,702	910,301	594,054	316,247	104,975	186,122	300,622	3.4

Source: State Statistical Office, (survey on work force), calculations and analyses of the NBRM.

^{/1} Annual growth rates (%). NBRM staff calculations.



Table 5

Salaries

Amount in denars, annual rate in (in %)

	Gross salaries:						Net salaries:					
	Average, total	Nominal change	Real change	By economic activities:			Average, total	Nominal change	Real change	By economic activities:		
				Agriculture	Industry	Services				Agriculture	Industry	Services
1999	16,941	3.6	-	12,944	16,306	19,684	10,029	2.9	3.6	8,667	8,380	10,720
2000	17,958	6.0	-	15,733	17,785	20,968	10,526	5.5	-0.3	9,294	8,883	11,354
2001	17,893	-0.4	-5.6	14,739	18,304	20,467	10,592	3.5	-1.9	8,754	10,348	11,852
2002	19,030	6.4	4.5	14,437	19,243	21,648	11,550	6.9	5.0	8,833	11,415	12,791
2003	19,957	4.9	3.7	14,100	19,854	22,955	11,955	4.8	3.6	8,522	11,782	13,549
2004	20,779	4.1	4.5	17,287	20,692	23,748	12,534	4.0	4.4	10,337	12,290	13,999
2005	21,335	2.7	2.2	19,128	21,450	24,737	13,125	2.5	2.0	11,419	12,738	14,548
2006	23,037	8.0	4.6	19,485	23,570	25,624	13,854	7.3	4.0	11,660	13,983	15,036
2006 Q1	22,559	7.6	4.9	19,179	22,969	25,184	13,207	6.9	3.7	11,466	13,606	14,757
Q2	22,923	8.5	5.1	19,600	23,340	25,444	13,428	7.7	4.2	11,681	13,820	14,910
Q3	23,214	8.7	5.1	19,719	23,967	25,835	13,584	7.7	3.9	11,779	14,184	15,125
Q4	23,451	7.1	4.0	19,440	24,003	26,035	13,854	7.2	4.0	11,712	14,321	15,351
2007 Q1	23,139	2.6	1.9	17,809	23,414	25,635	13,962	5.7	5.0	10,802	14,230	15,516
Q2	23,651	3.2	2.1	18,396	23,569	26,020	14,287	6.4	5.3	11,161	14,335	15,746
Q3	24,193	4.2	1.8	17,524	24,043	26,510	14,604	7.5	5.1	10,652	14,608	16,086
Q4	25,574	9.1	4.2	17,291	24,836	27,917	15,490	11.8	6.9	10,451	15,167	16,971
January	23,003	1.1	0.3	18,113	23,811	25,604	13,884	4.2	3.4	10,980	14,475	15,509
February	23,088	3.6	3.1	17,559	22,803	25,515	13,934	6.9	6.4	10,610	13,860	15,442
March	23,327	3.0	2.2	17,755	23,628	25,786	14,067	6.1	5.3	10,816	14,356	15,595
April	23,632	5.1	4.0	17,789	22,945	25,922	14,291	8.4	7.3	10,836	13,968	15,698
May	23,733	2.7	1.8	19,379	23,949	26,165	14,328	5.8	4.9	11,586	14,564	15,819
June	23,589	1.9	0.5	18,019	23,813	25,972	14,242	5.1	3.8	11,063	14,473	15,722
July	23,701	3.2	1.9	16,284	24,053	26,219	14,300	6.5	5.1	9,963	14,600	15,900
August	23,907	2.0	-0.2	19,480	24,486	26,227	14,447	5.3	3.0	11,760	14,885	15,906
September	24,971	7.4	3.7	16,807	23,589	27,086	15,066	10.8	6.9	10,233	14,340	16,453
October	25,889	9.8	5.6	17,089	25,671	28,060	15,608	13.0	8.8	10,369	15,599	16,996
November	25,397	7.1	2.4	18,319	24,622	27,658	15,320	10.3	5.4	11,037	14,983	16,748
December	25,435	10.3	4.0	16,465	24,200	28,034	15,543	12.2	5.7	9,947	14,920	17,170
2008 January	25,349	10.2	1.4	17,355	25,456	27,398	15,555	12.0	3.1	10,453	15,757	16,918

Source: State Statistical Office of the Republic of Macedonia.



Table 6
Budget of the Republic of Macedonia
(in millions of denars)

	2005				Jan.-Dec. 2005	2006				Jan.-Dec. 2006	2007				Jan.-Dec. 2007	2008	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		January	February
TOTAL BUDGET REVENUES	21,721	24,618	27,920	26,617	100,877	23,070	26,288	26,216	28,470	104,044	26,445	27,882	32,599	32,683	119,609	9,998	9,536
Revenues base on taxes and contributions	18,972	21,172	21,285	23,151	84,580	19,848	22,782	23,080	24,829	90,540	23,478	24,648	26,586	28,507	103,219	8,816	8,440
Tax revenues (SRA)*	68	75	70	91	304	79	50	35	35	199	59	45	46	97	247	37	68
Tax revenues	12,314	13,944	14,107	15,316	55,681	12,658	15,098	15,459	16,360	59,575	15,755	16,514	18,282	18,964	69,515	6,309	5,152
personal income tax	1,834	2,052	1,951	2,260	8,097	1,933	2,098	2,025	2,358	8,414	1,844	2,006	2,220	2,823	8,893	654	710
profit tax	1,080	600	623	534	2,837	1,725	914	950	1,119	4,708	2,035	1,237	1,278	1,348	5,898	431	564
value added tax	5,745	6,767	6,652	7,918	27,082	5,228	7,342	7,155	7,514	27,239	7,106	8,150	8,968	8,738	32,962	3,529	2,231
excises	2,461	2,937	3,385	2,965	11,748	2,542	2,840	3,373	3,419	12,174	2,780	3,234	3,788	3,463	13,265	1,121	965
custom duties	1,026	1,441	1,335	1,464	5,266	993	1,494	1,474	1,459	5,420	1,502	1,380	1,403	1,914	6,199	324	463
other	168	147	161	175	651	237	410	482	491	1,620	488	507	625	678	2,298	250	219
Contributions	6,590	7,153	7,108	7,744	28,595	7,112	7,635	7,586	8,434	30,766	7,664	8,089	8,258	9,446	33,457	2,470	3,220
Pension and Disability Insurance Fund of Republic of Macedonia	4,230	4,569	4,553	4,949	18,300	4,620	4,969	4,893	5,467	19,948	4,971	5,219	5,444	6,302	21,936	1,674	2,173
Employment Biro	312	325	322	353	1,313	322	336	337	375	1,371	343	364	372	444	1,523	89	185
Health Fund	2,048	2,259	2,233	2,442	8,982	2,170	2,330	2,356	2,592	9,447	2,350	2,506	2,442	2,700	9,998	707	862
Non-tax revenues	2,484	3,079	5,376	2,928	13,867	2,333	2,816	2,715	2,842	10,706	2,521	2,844	5,517	3,080	13,962	948	963
Non-tax revenues (SRA)*	1,414	1,683	1,549	1,676	6,322	1,279	1,231	1,605	1,656	5,771	1,501	1,455	1,286	1,670	5,912	479	532
Profit from public financial institutions	83	260	2,837	139	3,319	103	406	56	258	824	72	368	3,032	60	3,532	22	16
National Bank of the Republic of Macedonia	10	0	0	0	10	0	8	0	0	8	0	258	0	0	258	0	0
Asset Management Agency	32	200	0	120	352	0	315	0	210	525	49	15	100	0	164	0	0
Other property revenues	40	14	62	0	116	75	43	6	0	124	7	0	5	0	12	4	0
Interests from assets deposited in NBRM	0	38	16	19	73	23	31	43	47	144	16	94	50	58	218	18	13
Dividend	1	8	2,759	0	2,768	5	9	7	1	23	0	1	2,877	2	2,880	0	3
Administrative taxes	387	459	358	453	1,657	395	426	308	364	1,493	419	384	406	474	1,683	155	165
Participation for health services	127	122	69	116	434	79	75	65	67	286	70	78	81	138	367	30	46
Other administrative taxes	47	61	47	41	196	48	51	38	26	163	72	68	67	117	324	38	40
Other non-tax revenues	87	53	53	71	264	109	175	209	98	591	78	72	220	157	527	75	21
Compensations for the Road Fund	340	442	463	431	1,675	320	451	434	374	1,580	309	419	425	464	1,617	149	143
Capital revenues	112	107	587	127	933	143	390	143	272	948	167	151	301	778	1,397	155	67
Donations from abroad	152	259	672	411	1,494	727	299	166	231	1,423	259	200	180	267	906	40	65
Revenues of recovered loans	1	1	0	0	2	18	1	112	296	427	20	39	15	51	125	39	1
TOTAL BUDGET EXPENDITURES	22,766	23,876	24,482	29,095	100,219	23,562	26,264	25,085	30,832	105,744	24,144	25,968	26,376	40,948	117,436	8,384	10,321
Current expenditures	21,657	22,180	21,707	24,482	90,027	22,475	24,144	22,334	27,525	96,478	23,038	24,296	23,995	32,366	103,695	8,023	9,127
Wages and salaries	5,640	5,736	5,566	5,894	22,835	5,750	5,878	5,707	6,086	23,421	6,025	6,112	5,940	5,530	23,607	1,723	1,727
Goods and services	3,197	3,139	2,620	4,028	12,984	2,856	3,264	2,655	4,152	12,927	2,739	3,074	3,138	5,862	14,813	750	1,200
Transfers	12,252	12,639	12,795	13,911	51,597	13,079	14,266	13,167	16,094	56,607	13,715	14,235	14,545	19,906	62,401	5,454	6,094
Transfers (SRA)*	160	220	192	341	913	167	209	165	240	781	191	164	106	176	637	46	136
Social transfers	11,582	11,671	11,533	12,085	46,870	11,565	12,727	12,072	12,397	48,762	12,336	12,449	12,769	12,437	49,991	4,356	4,818
Pension and Disability Insurance Fund of Republic of Macedonia	6,294	6,241	6,150	6,284	24,969	6,397	6,640	6,751	6,947	26,735	6,880	6,968	7,066	7,271	28,185	2,388	2,678
Employment Agency	783	767	715	675	2,940	599	521	488	450	2,058	417	437	411	389	1,654	123	123
State benefit	965	1,026	1,113	1,034	4,138	1,008	945	1,115	1,080	4,148	1,026	876	1,118	1,027	4,047	310	316
Public health	3,539	3,637	3,556	4,092	14,823	3,562	4,620	3,718	3,921	15,821	4,013	4,168	4,174	3,750	16,105	1,535	1,701
Other transfers	487	703	1,037	1,453	3,679	1,326	1,308	911	3,450	6,994	1,171	1,603	1,658	7,267	11,699	1,052	1,131
Refugees	24	45	33	33	135	21	22	20	7	70	17	19	12	26	74	0	9
Interest payments	569	666	727	648	2,611	790	736	418	1,193	3,137	559	875	372	1,068	2,874	96	106
Interest on domestic debt	116	433	163	362	1,074	140	444	79	419	1,082	94	455	126	378	1,053	18	34
Interest on external debt	453	233	564	286	1,537	650	292	339	774	2,055	465	420	246	690	1,821	78	72
Guaranties	0	0	0	0	0	0	0	387	0	387	0	0	0	0	0	0	0
Capital expenditures	1,108	1,695	2,775	4,613	10,192	1,087	2,120	2,751	3,308	9,266	1,106	1,672	2,381	8,582	13,741	361	1,194
Investments in fixed assets	975	1,123	986	2,256	5,340	829	1,342	1,707	1,980	5,857	846	1,078	1,127	5,766	8,817	283	1,007
Capital transfers	134	479	1,764	2,084	4,461	258	592	1,008	1,205	3,063	260	590	1,254	2,816	4,920	78	187
BUDGET DEFICIT / SURPLUS	-1,045	742	3,438	-2,478	658	-492	24	1,131	-2,362	-1,700	2,301	1,914	6,223	-8,265	2,173	1,614	-785
Financing	1,045	-742	-3,438	2,478	-658	492	-24	-1,131	2,362	1,700	-2,301	-1,914	-6,223	8,265	-2,173	-1,614	785
Inflow	2,432	1,986	-1,955	4,577	7,040	12,779	3,075	-211	5,387	21,031	3,039	8,944	-5,230	12,542	19,295	-1,491	848
Revenues based on privatisation	276	239	155	763	1,433	16,765	3,867	21	44	20,697	662	0	0	0	662	0	617
Foreign loans	139	1,219	838	11,716	13,913	159	550	496	527	1,732	273	375	804	2,191	3,643	0	117
Deposits	1,495	-380	-3,398	-7,588	-9,872	-4,653	-4,197	-773	3,746	-5,877	1,985	8,503	-4,848	9,814	15,454	-2,418	467
Treasury bills	521	905	427	-315	1,538	484	422	43	1,070	2,019	118	58	-1,232	530	-526	927	-353
Sale of shares	1	3	23	1	28	24	2,433	2	0	2,459	1	8	46	7	62	0	0
Outflow	1,387	2,728	1,483	2,099	7,697	12,287	3,099	920	3,024	19,331	5,340	10,858	993	4,277	21,468	123	63
Repayment of principal	1,387	2,728	1,483	2,099	7,697	12,287	3,099	920	3,024	19,331	5,340	10,858	993	4,277	21,468	123	63
External debt	1,255	331	1,305	404	3,295	12,156	381	920	486	13,944	5,340	7,021	862	977	14,200	123	63
Domestic debt	132	2,397	178	1,695	4,402	131	2,718	0	2,538	5,387	0	3,837	131	3,300	7,268	0	0

*Specific Revenue Accounts.

Source: Ministry of Finance.



	XLI03	XL104	XL105	2006				2007											
				III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ASSETS																			
1. Foreign assets	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102	97381	98142	95116	97067	99342	101561	102733	102699	100505
1.1. Gold and foreign currencies	45854	44637	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209	95977	95873	94343
1.1.1. Gold and foreign currencies	2131	4101	5855	6487	6480	6428	6652	6850	7024	6826	6786	6667	6538	6645	6676	7053	7362	7299	7696
1.2. SDR portfolio and reserve position with IMF	19	38	41	11	53	13	139	104	13	431	259	86	86	86	75	67	66	60	60
1.3. Deposits with foreign banks	39175	39157	61556	66548	68769	70685	71001	64054	63326	65245	62725	63638	60850	57230	59481	61554	57771	58027	55832
1.4. Securities	4284	1116	1793	1777	4635	7588	9737	15259	15082	14794	20117	20180	20149	25533	25497	25319	30566	30279	30547
1.5. Other foreign assets	245	225	259	253	244	242	232	236	231	230	224	228	226	224	225	216	212	208	208
2. Claims on the Government	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854	1626	1626	1626	1626	1626	1626	1626	1591	1591
2.1. In Denar	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854	1626	1626	1626	1626	1626	1626	1626	1626	1591
2.2. In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Other assets	2686	3402	5370	5528	5899	6027	5761	5782	5790	5722	5644	5717	5641	5723	5762	5726	5130	5200	4571
B. LIABILITIES	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102	97381	98142	95116	97067	99342	101561	102733	102699	100505
1. Reserve money	21022	21111	25762	24697	26929	27364	31264	28432	29137	29355	31355	30604	31838	36765	33299	32533	33956	33780	37586
1.1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575	16290	17936
1.2. Cash in the vaults	833	909	1374	980	1011	1058	1526	1397	1520	1468	1567	1644	1590	1741	1816	1768	1720	1692	1958
1.3. Banks' accounts with NBRM	6012	6040	9949	10017	11338	11496	13532	12508	12631	12853	14257	13601	14404	18351	15103	14019	15661	15798	17692
1.3.1. Allocated reserve requirement in foreign currency	2770	3366	5323	5505	5662	6006	6373	6462	6509	6595	6675	6740	6949	6987	7144	7229	7317	7198	7277
2. Sold CB bills on auction	4379	4552	8921	8903	6734	7													

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Table 8
Deposit money banks - balance sheet
(in millions of denars)

	2007												2006											
	XII.03	XII.04	XII.05	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	XI	XII						
A. ASSETS	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454	222428	228346	234583	236516	240760	239660	240733	245609	255838					
1. Liquid assets	4103	3645	6040	5558	6764	6597	8806	7586	7813	7905	9326	8647	9214	13220	9920	8654	9343	10484	12531					
1.1. Cash in the vaults	833	909	1374	980	1011	1058	1526	1397	1520	1468	1567	1644	1590	1741	1816	1768	1720	1692	1958					
1.2. Banks' account with NBRM	3270	2736	4666	4578	5753	5539	7280	6189	6293	6437	7759	7003	7624	11479	8104	6886	7623	8792	10573					
2. Deposits with NBRM	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095	10110	10460	16339	17786	19175	20995					
2.1. CB bills	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095	10110	10460	16339	17786	19175	20995					
3. Foreign assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175	38541	36865	38412					
3.1. Gold, foreign currencies and checks	1629	1549	2029	1673	1900	1868	2441	1855	1908	1899	2148	2075	2068	2353	2363	1967	1897	1704	2885					
3.2. Foreign currency accounts abroad	30588	34641	34834	34024	32829	34176	36576	35422	35986	36125	35683	35763	35376	35410	37059	34655	34505	33061	33416					
3.3. Other claims	864	915	923	972	797	823	690	980	943	1590	1588	1586	1556	1419	1574	1553	2139	2100	2111					
4. Claims on the Government	6708	7157	7195	10012	11403	13113	13484	13172	13662	14433	15261	16132	16996	16896	17700	14172	12994	13062	13018					
4.1. Claims on credits	2	158	83	289	375	264	357	377	388	347	296	267	247	262	258	253	281	299	318					
4.2. Placements in securities	6706	6999	7112	9723	11028	12849	13127	12795	13274	14086	14965	15865	16749	16654	17442	13919	12713	12763	12700					
5. Claims on non-financial and non-banking sector	45791	57097	68777	73017	79563	82084	89779	91422	93747	96362	98452	101057	105012	108465	111559	115754	116997	120370	124862					
5.1. In denars	38544	45750	51672	54473	58993	60349	66410	68057	69569	71537	73380	75288	78031	81138	83694	86908	88517	91022	94484					
5.2. In foreign currency	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981	27327	27865	28846	28480	29348	30378					
6. Other assets	37654	40587	46236	47000	47926	48332	45988	46294	46445	47837	48215	49302	49266	48643	50125	46566	45072	45653	46020					
B. Liabilities	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454	222428	228346	234583	236516	240760	239660	240733	245609	255838					
1. Deposits	65653	78801	92887	97211	101864	108172	117813	119562	122818	124931	130388	134425	138011	141247	142193	142609	143993	148273	155626					
1.1. Demand Deposits	13018	13370	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269	21020	22194	22129	21563	23251	27674					
1.2. Denar sight deposits	4883	5143	5793	6148	6829	6365	7226	7330	7758	7668	9147	9150	9253	9272	8998	9282	9808	8978	9405					
1.3. Time deposits up to 1 year	43872	56144	67678	72497	74048	79497	86521	88850	91289	92828	95069	97779	101136	102957	102999	102818	104524	107741	109685					
1.4. Restricted deposits	631	806	782	781	930	877	998	832	912	760	717	1066	852	1156	826	900	849	883	892					
1.5. Time deposits over 1 year	3249	3338	3428	3735	3981	4280	4550	4590	4743	4878	5752	6212	6501	6842	7176	7480	7249	7420	7970					
2. Credits of non-banking organizations	905	921	834	787	778	756	1089	1077	1081	1085	1075	1079	1090	1064	1051	1031	1337	1341	1312					
3. Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
4. Liabilities to Government	1655	1169	1109	1276	1175	969	1199	1017	1097	1540	1070	1076	1126	1036	1011	1044	1106	961	965					
4.1. Demand Deposits	936	335	371	469	433	329	689	519	589	1027	456	530	545	532	505	516	612	501	443					
4.2. Denar sight deposits	25	27	0	0	0	1	1	1	1	1	1	0	0	0	0	0	0	1	1					
4.3. Time deposits up to 1 year	538	703	689	759	694	590	460	448	457	462	563	496	531	454	456	477	443	408	408					
4.4. Time deposits over 1 year	156	104	48	48	48	49	49	49	50	50	50	50	50	50	50	51	51	51	113					
5. Foreign liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806	20572	20456	22964					
6. Borrowings from NBRM	374	779	937	2179	2291	2238	2301	2256	2489	2610	2201	2185	2130	2074	2075	2023	1637	1619	1560					
7. Capital accounts	30889	33299	34922	36185	36412	35283	35831	36070	36706	37226	37402	38236	38605	38395	38564	39824	38973	39147	39034					
8. Other liabilities	22450	25110	29936	31556	32902	33685	32206	32693	32561	33857	33967	34900	34397	34490	35926	32323	33115	33812	34377					

1) In October 2007 started the procedure for liquidation of one Macedonian bank, therefore this bank is excluded from the Monetary statistic's reports

Source: National Bank of the Republic of Macedonia.



Table 9
Saving houses - balance sheet
(in millions of denars)

in millions of denars)

		2006					2007											
	XII.05	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
A. ASSETS	2199	2231	2311	2389	2622	2674	2696	2810	2850	2917	2947	2979	3010	3040	3094	3183	3215	
1. Liquidity assets	15	16	22	18	19	22	23	23	23	24	25	25	27	28	27	29	28	
1.1. Cash in the vaults	15	16	22	18	19	22	23	23	23	24	25	25	27	28	27	29	28	
2. Deposits with NBRM	76	76	41	44	49	61	74	74	55	63	57	62	62	80	76	127	76	
3. Claims on the Government	62	57	63	72	155	135	64	64	71	66	71	71	65	42	41	31	37	
3.1. Claims on credits																		
3.2. Placements in securities	62	57	63	72	155	135	64	64	71	66	71	71	65	42	41	31	37	
4. Claims on non-government sector	1718	1747	1823	1886	2048	2091	2145	2254	2332	2366	2416	2436	2454	2487	2532	2574	2615	
4.1. Claims on credits	1716	1745	1820	1884	2046	2089	2143	2252	2330	2364	2415	2435	2453	2485	2531	2574	2615	
4.2. Placements in securities	2	2	3	2	2	2	2	2	2	2	1	1	1	2	1	0	0	
5. Other assets	328	335	362	369	427	408	444	504	369	398	378	385	402	403	418	422	459	
B. LIABILITIES	2199	2231	2311	2389	2622	2674	2696	2810	2850	2917	2947	2979	3010	3040	3094	3183	3215	
1. Deposits	455	479	525	558	588	607	615	638	647	651	660	672	678	686	688	699	686	
1.1. Denar sight deposits	24	22	23	25	24	23	23	30	27	28	30	30	28	27	29	30	37	
1.2. Time deposits up to 1 year	289	313	346	373	401	420	428	443	449	452	457	466	472	482	484	498	505	
1.3. Time deposits over 1 year	142	144	156	160	163	164	164	165	171	171	173	176	178	177	175	171	144	
2. Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3. Borrowings from NBRM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4. Capital accounts	1103	1112	1165	1162	1157	1178	1188	1203	1214	1226	1243	1252	1259	1257	1264	1275	1267	
5. Other liabilities	641	640	621	669	877	889	893	969	989	1040	1044	1055	1073	1097	1142	1209	1262	

Source: National Bank of the Republic of Macedonia.



Table 10
Monetary survey (without saving houses)
(in millions of denars)

	2006						2007												
	XII.03	XII.04	XII.05	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
A. Net foreign assets	65792	68865	89738	96611	100288	105619	108042	106455	107140	108475	110951	113778	107566	110631	113010	111578	113946	112282	109791
<i>National Bank</i>	42501	41824	66282	71907	77256	82064	85116	83884	83221	85066	87857	90799	87790	89659	91954	94209	95977	95873	94343
Assets	45854	44686	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209	95977	95873	94343
Liabilities	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59	59	0	0	0	0	0
Deposit Money Banks	23291	27041	23456	24704	23032	23555	22926	22571	23919	23409	23094	22979	19776	20972	21056	17369	17969	16409	15448
Assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175	38541	36865	38412
Liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806	20572	20456	22964
B. Net domestic assets	16676	26206	19545	16577	18220	19219	28288	29824	33173	34538	37587	38540	48712	49613	48103	50327	49494	54833	66205
<i>I. Domestic credits</i>	50616	61356	62382	62714	65763	65575	77176	79487	83921	85601	88305	89928	100434	101445	100551	104481	105738	110889	123140
of which: Claims on Gov.	288	-916	-11791	-15747	-19421	-21017	-17184	-16633	-14556	-15513	-14956	-15969	-9477	-11370	-15450	-15736	-15595	-13800	-5921
a) Deposit Money Banks	57666	69431	81371	88476	96610	99729	107866	109314	112162	115570	118545	122052	126931	129735	133725	134410	134348	137772	142100
-in denar	44528	52575	64186	69847	75954	77855	84368	85822	87861	90626	93354	96169	99837	102258	105693	105391	105658	108192	111467
Government	1447	1650	7118	9920	11340	12998	13377	13067	13562	14337	15165	16041	16907	16770	17557	14020	12805	12851	12784
Credits	1437	1648	7115	9927	11317	12974	13355	13045	13539	14314	15142	16018	16683	16746	17533	13999	12784	12830	12763
a) Budget and Line Ministries	687	1403	7033	9696	11015	12834	13095	12762	13241	14052	14994	15893	16777	16661	17469	13946	12739	12788	12724
b) Funds	750	245	82	231	302	140	260	283	298	262	148	125	106	85	64	53	45	42	39
v) Ins. of Central Gov.; Courts, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	10	2	3	3	23	24	22	22	23	23	23	23	24	24	24	21	21	21	21
Non-Government sector	43081	50925	57068	59917	64614	64857	70991	72755	74299	76289	78189	80128	82930	85488	88136	91371	92853	95341	98683
Credits	38430	45750	51672	54473	58993	60349	66410	68057	69569	71537	73380	75288	78031	81138	83694	86908	88517	91022	94484
of which: Overdue claims	9499	9160	9807	10146	10538	9682	9810	9737	9721	9560	9848	10180	10049	9653	9756	10125	9725	9825	8966
Accrued interest	4651	5175	5396	5444	5621	4508	4581	4698	4730	4752	4809	4840	4899	4350	4442	4463	4336	4319	4199
-in foreign currency	13138	16856	17185	18629	20656	21874	23498	23492	24301	24944	25191	25883	27094	27477	28032	29019	28690	29580	30633
Government	5891	5509	80	85	86	139	129	127	123	119	119	114	113	150	167	173	210	232	255
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Government sector	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981	27327	27865	28846	28480	29348	30378
of which: Overdue	1502	1600	1748	1444	1693	1532	1650	1625	1473	1511	1566	1630	1611	1591	1748	1763	1691	1631	1516
b) Nat. Bank Claims on Government	-7050	-8075	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969	-30240	-32124	-26497	-28290	-33174	-29929	-28610	-26883	-18960
<i>Other items, net</i>	-33940	-35150	-42837	-46137	-47543	-46356	-48888	-49663	-50748	-51063	-50718	-51388	-51722	-51832	-52448	-54154	-56244	-56056	-56935

Source: National Bank of the Republic of Macedonia.



Source: National Bank of the Republic of Macedonia.



Table 11
Monetary survey (with saving houses)
(in millions of denars)

	XII.05	2006					2007										
		III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
A. Net foreign assets	89738	96611	100288	105619	108042	106455	107140	108475	110951	113778	107566	110631	113010	111578	113946	112282	109791
<i>National Bank</i>	66282	71907	77256	82064	85116	83884	83221	85066	87857	90799	87790	89659	91954	94209	95977	95873	94343
Assets	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209	95977	95873	94343
Liabilities	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59	59	0	0	0	0	0
Deposit Money Banks	23456	24704	23032	23555	22926	22571	23919	23409	23094	22979	19776	20972	21056	17369	17969	16409	15448
Assets	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175	38541	36865	38412
Liabilities	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806	20572	20456	22964
B. Net domestic assets	20000	17056	18745	19777	28877	30431	33789	35176	38234	39191	49372	50285	48781	51013	50182	55532	66891
<i>Domestic credits</i>	64162	64518	67649	67533	79379	81713	86130	87919	90708	92360	102921	103952	103070	107010	108311	113494	125792
of which: Claims on Gov.	-11729	-15690	-19358	-20945	-17029	-16498	-14492	-15449	-14885	-15903	-9406	-11299	-15385	-15694	-15554	-13769	-5884
a) Deposit Money Banks	83151	90280	98496	101687	110069	111540	114371	117888	120948	124484	129418	132242	136244	136939	136921	140377	144752
<i>-in denar</i>	65966	71651	77840	79813	86571	88048	90070	92944	95757	98601	102324	104765	108212	107920	108231	110797	114119
Government	7180	9987	11403	13070	13532	13202	13626	14401	15236	16107	16978	16841	17622	14062	12846	12882	12821
Credits	7177	9984	11380	13046	13510	13180	13603	14378	15213	16084	16954	16817	17598	14041	12825	12861	12800
a) Budget and Line Ministries	7095	9753	11078	12906	13230	12897	13305	14116	15065	15959	16848	16732	17534	13988	12780	12819	12761
b) Funds	82	231	302	140	260	283	298	262	148	125	106	85	64	53	45	42	39
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	3	3	23	24	22	22	23	23	23	23	24	24	24	21	21	21	21
Non Government sector	58786	61664	66437	66743	73039	74846	76444	78543	80521	82494	85346	87924	90590	93858	95385	97915	101298
Credits	53371	56199	60793	62212	68435	70124	71687	73765	75684	77625	80418	83545	86119	89365	91017	93565	97070
of which: Overdue claims	9915	10267	10666	9813	9939	9872	9861	9701	9993	10326	10208	9809	9920	10291	9896	9990	9135
Accrued interest	5415	5465	5644	4531	4604	4722	4757	4778	4837	4869	4928	4379	4471	4493	4368	4350	4228
-in foreign currency	17185	18629	20656	21874	23498	23492	24301	24944	25191	25883	27094	27477	28032	29019	28690	29580	30633
Government	80	85	86	139	129	127	123	119	119	114	113	150	167	173	210	232	255
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Government sector	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981	27327	27865	28846	28480	29348	30378
of which: Overdue	1748	1444	1693	1532	1650	1625	1473	1511	1566	1630	1611	1591	1748	1763	1691	1631	1516
b) Nat. Bank Claims on Government	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969	-30240	-32124	-26497	-28290	-33174	-29929	-28610	-26883	-18960
2. Other items, net	-44162	-47462	-48904	-47756	-50502	-51282	-52341	-52743	-52474	-53169	-53549	-53667	-54289	-55997	-58129	-57962	-58901

Source: National Bank of the Republic of Macedonia.



Monetary survey (with saving houses)
(in millions of denars)

	XII.05	2006					2007											
		III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
M4 Total	109738	113667	119033	125396	136919	136886	140929	143651	149185	152969	156938	160916	161791	162591	164128	167814	176682	
M4 (non-government sector)	108629	112391	117858	124427	135720	135869	139832	142111	148115	151893	155812	159880	160780	161547	163022	166853	175717	
M1 (Total)	30034	28431	31201	32419	35436	33102	34022	35281	36164	36484	36864	38448	39556	39864	39178	40290	46201	
M1 (non-government sector)	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319	37916	39051	39348	38566	39789	45758	
Currency in circulation	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575	16290	17936	
Demand Deposits (total)	15595	14731	16621	17609	19230	18575	19036	20247	20633	21125	21020	21775	23176	23118	22603	24000	28265	
Demand Deposits (non-government sector)	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475	21243	22671	22602	21991	23499	27822	
- Deposit Money Banks	15577	14519	16509	17482	19207	18479	18705	19824	20159	20748	20814	21552	22699	22645	22175	23752	28117	
Non-government sector	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269	21020	22194	22129	21563	23251	27674	
Government	371	469	433	329	689	519	589	1027	456	530	545	532	505	516	612	501	443	
a) Budget and Line Ministries	236	132	158	92	551	234	262	226	219	227	232	304	243	276	269	255	271	
b) Funds	135	323	275	236	138	284	327	801	236	302	312	227	261	239	342	245	172	
v) Ins. of Central Gov.: Courts, etc.	0	14	0	1	0	1	0	0	1	1	1	1	1	1	1	1	0	
- National Bank (non-government sector)	18	212	112	127	23	96	331	423	474	377	206	223	477	473	428	248	148	
M2 (Total)	104508	108170	113141	119270	130069	130174	133978	136713	141420	144391	148272	151628	152510	152952	154467	157948	166251	
M2 (non-Government sector)	103447	106942	112014	118350	128919	129206	132931	135223	140400	143365	147196	150642	151549	151959	153412	157038	163399	
Short-term deposits (total)	74474	79739	81940	86851	94633	97072	99956	101432	105256	107907	111408	113180	112954	113088	115289	117658	120050	
Short-term deposits (non-government sector)	73784	78980	81246	86260	94172	96623	99498	100969	104692	107411	110877	112726	112498	112611	114846	117249	119641	
Deposit Money Banks	74474	79739	81940	86851	94633	97072	99956	101432	105256	107907	111408	113180	112954	113088	115289	117658	120050	
Non-Government sector	73784	78980	81246	86260	94172	96623	99498	100969	104692	107411	110877	112726	112498	112611	114846	117249	119641	
- in denar	24677	28224	28431	31036	36742	37738	39744	40984	44016	46128	48876	49849	48934	50554	53300	54589	55599	
- in foreign currency	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001	62877	63564	62057	61546	62660	64042	
Government	690	759	694	591	461	449	458	463	564	496	531	454	456	477	443	409	409	
- in denar	689	759	694	590	460	448	457	462	563	496	531	454	456	477	443	408	408	
- in foreign currency	1	0	0	1	1	1	1	1	1	0	0	0	0	0	0	1	1	
- National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Long-term deposits (total)	5230	5497	5892	6126	6850	6712	6951	6938	7765	8578	8666	9288	9281	9639	9661	9866	10431	
- in denar	3247	3315	3459	3452	3842	3805	3904	3964	4707	4905	5111	5393	5585	5726	5350	5408	5927	
- in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	
Long-term deposits (Non-government sector)	5182	5449	5844	6077	6801	6663	6901	6888	7715	8528	8616	9238	9231	9588	9610	9815	10318	
- in denar	3199	3267	3411	3403	3793	3756	3854	3914	4657	4855	5061	5343	5535	5675	5299	5357	5814	
- in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	
-Deposit Money Banks	5230	5497	5892	6126	6850	6712	6951	6938	7765	8578	8666	9288	9281	9639	9661	9866	10431	
Non-Government sector - in denar	3199	3267	3411	3403	3793	3756	3854	3914	4657	4855	5061	5343	5535	5675	5299	5357	5814	
Non-Government sector - in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	
Government - in denar	48	48	48	49	49	49	50	50	50	50	50	50	50	51	51	51	113	
Government - in foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
- National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total deposits	95299	99967	104453	110586	120713	122359	125943	128617	133654	137610	141094	144243	145411	145845	147553	151524	158746	
Total deposits (non-government sector)	94190	98691	103278	109617	119514	121342	124846	127077	132584	136534	139968	143207	144400	144801	146447	150563	157781	

Source: National Bank of the Republic of Macedonia.



Table 12
Credits to non-government sector
(in millions of denars)

	XII.03	XII.04	XII.05	2006				2007											
				III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Credits to non-government sector	45677	57094	68777	73017	79565	82083	89774	91417	93743	96362	98448	101057	105019	108453	111551	115751	117000	120366	124858
1. By currency																			
1.1. in denars	38430	45747	51672	54473	58994	60350	66408	68055	69567	71539	73381	75290	78035	81130	83683	86908	88519	91020	94479
1.2. in foreign currency	7247	11347	17105	18544	20571	21733	23366	23362	24176	24823	25067	25767	26984	27323	27868	28843	28481	29346	30379
2. By maturity																			
2.1. short-term	27448	29764	30915	32942	35376	34554	36460	37438	38029	38554	39134	40205	41335	42298	43597	46159	45838	46573	47798
2.2. long-term	18229	27330	37862	40075	44189	47529	53314	53979	55714	57808	59314	60852	63684	66155	67954	69592	71162	73793	77060
3. By sector																			
3.1. households	9405	15276	21625	23079	25602	27625	30864	31817	32389	33607	35040	36628	38199	40231	41785	43251	44621	46336	48263
3.2. enterprises	36058	41681	46987	49842	53874	54377	58805	59498	61239	62647	63299	64307	66704	67950	69493	72226	72072	73711	76281
3.3. other	214	137	165	96	89	81	105	102	115	108	109	122	116	272	273	274	307	319	314
annual growth rate																			
Credits to non-government sector		25,00	20,46	21,05	26,28	24,70	30,53	31,49	32,22	31,97	31,55	32,33	31,99	34,33	36,21	41,02	36,96	38,01	39,08
1. By currency																			
1.1. in denars		19,04	12,95	14,90	21,47	21,26	28,52	30,24	30,90	31,33	32,10	32,97	32,28	35,75	38,29	44,01	40,40	41,93	42,27
1.2. in foreign currency		56,58	50,74	43,64	42,46	35,39	36,60	35,27	36,19	33,86	29,96	30,47	31,17	30,28	30,31	32,72	27,28	27,14	30,01
2. By maturity																			
2.1. short-term		8,44	3,87	6,26	17,59	15,38	17,94	18,37	18,16	17,04	15,85	18,20	16,84	20,09	23,18	33,59	26,60	29,93	31,10
2.2. long-term		49,93	38,54	36,68	34,22	32,49	40,81	42,43	43,92	44,25	44,46	43,67	44,12	45,34	46,12	46,42	44,59	43,66	44,54
3. By sector																			
3.1. households		62,42	41,56	39,31	37,04	36,24	42,72	45,20	45,52	45,62	47,48	48,38	49,20	52,32	53,46	56,56	55,88	56,49	56,37
3.2. enterprises		15,59	12,73	14,30	21,86	19,91	25,15	25,22	26,18	25,69	24,20	24,67	23,81	25,27	27,31	32,82	27,13	28,11	29,72
3.3. other		-35,98	20,44	-34,69	-23,93	-58,67	-36,36	0,99	7,48	12,50	-2,68	19,61	30,34	227,71	232,93	238,27	184,26	376,12	199,05

Source: National Bank of the Republic of Macedonia.



Table 13
Monetary aggregates and components thereof (non-government sector)
(in millions of denars)

	XII.03	XII.04	XII.05	III.06	VI.06	IX.06	XII.06	I.07	II.07	III.07	IV.07	V.07	VI.07	VII.07	VIII.07	IX.07	X.07	XI.07	XII.07
1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575	16290	17936
2. Demand Deposits	13096	13433	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475	21243	22671	22602	21991	23499	27822
3. (1+2) Money supply M1	27273	27595	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319	37916	39051	39348	38566	39789	45755
4. Short-term deposits	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390	112230	111998	112102	114333	116721	119099
4.1. in denars	15568	20483	24364	27889	28062	30638	36317	37295	39293	40511	43540	45648	48389	49353	48434	50045	52787	54061	55057
4.2. in foreign currency	33187	40808	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001	62877	63564	62057	61546	62660	64042
5. (3+4.1.) Money supply M2 - Denar	42841	48078	54027	55851	58830	62728	71064	69878	72726	74765	79248	81602	84708	87269	87485	89393	91353	93850	100815
6. (5+4.2.) Money supply M2 - total	76028	88886	103134	106607	111645	117952	128494	128763	132480	134750	139924	142885	146709	150146	151049	151450	152899	156510	164857
7. Long-term deposits	4785	5061	5040	5305	5688	5917	6637	6499	6736	6723	7544	8357	8443	9062	9053	9411	9435	9644	10174
7.1. in denars	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749	4486	4684	4888	5167	5357	5498	5124	5186	5670
7.2. in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504
8. (6+7) Money supply M4 - total	80813	93947	108174	111912	117333	123869	135131	135262	139216	141473	147468	151242	155152	159208	160102	160861	162334	166154	175031
annual growth rates																			
1. Currency in circulation		-0.11	1.96	3.73	8.89	9.79	12.24	10.89	9.91	9.74	6.67	10.50	8.67	8.84	10.51	13.07	12.02	13.91	10.68
2. Demand Deposits		2.57	13.33	3.79	17.71	19.87	21.79	23.68	23.30	34.76	35.43	31.31	26.48	26.21	32.71	30.80	23.61	32.67	50.06
3. Money supply M1		1.18	7.49	3.76	13.36	14.99	17.14	17.63	16.91	22.50	21.21	21.53	18.04	17.93	22.40	22.62	18.35	24.29	31.69
4. Short-term deposits		25.71	19.87	19.46	12.65	24.67	27.60	27.32	29.96	27.78	28.84	29.86	36.49	35.62	31.89	30.56	28.81	27.91	27.04
4.1. in denars		31.57	18.95	19.51	6.56	47.78	49.06	45.60	49.76	45.26	47.28	47.90	72.44	69.84	59.82	63.34	60.37	57.47	51.60
4.2. in foreign currency		22.96	20.34	19.44	16.17	14.71	16.95	17.94	19.56	18.18	18.23	19.04	17.39	17.10	16.39	12.37	10.21	10.08	11.51
5. Money supply M2 - denar		12.22	12.37	11.07	10.01	28.97	31.53	31.07	32.63	33.87	34.27	35.00	43.99	42.57	40.63	42.51	39.47	41.46	41.87
6. Money supply M2 - total		16.91	16.03	14.90	12.84	21.88	24.59	24.72	26.40	26.40	26.81	27.66	31.41	30.67	29.30	28.40	26.00	26.97	28.30
7. Long-term deposits		5.77	-0.41	14.23	16.03	21.47	31.69	28.01	29.86	26.73	32.23	52.58	48.44	63.13	53.52	59.05	54.34	45.92	53.29
7.1. in denars		-3.92	-9.02	0.39	5.24	3.61	18.71	15.46	17.63	20.04	37.73	43.11	50.17	58.69	63.42	69.53	54.43	43.14	56.24
7.2. in foreign currency		32.07	16.58	42.34	34.49	53.59	51.69	47.86	48.56	36.30	24.92	66.65	46.12	69.42	41.12	46.34	54.24	49.30	49.73
8. Money supply M4 - total		16.25	15.14	14.87	12.99	21.86	24.92	24.87	26.56	26.41	27.07	28.82	32.23	32.17	30.46	29.86	27.36	27.93	29.53

Source: National Bank of the Republic of Macedonia.



Table 14
Total claims on deposit money banks
(in millions of denars)

I. NON-GOVERNMENT SECTOR															
- Enterprises															
Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements						
	By currency		By maturity		By maturity		Bu currency		By maturity						
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term	In denars	In foreign currency	Short-term	Long-term					
	1	2	3	4	11	12	13	14	15	16					
XII.03	19643	5582	14555	10670	92	596	8713	1454	93	0					
XII.04	22104	9312	16334	15082	69	519	8058	1571	48	0					
XII.05	21911	14636	15581	20966	63	449	8167	1710	51	0					
2006	III	23335	16142	17172	22305	57	442	8412	1406	48	0				
	VI	25549	17561	18653	24457	60	455	8566	1653	27	0				
	IX	25691	18717	18213	26195	56	456	7948	1485	27	0				
2007	XII	28718	20058	19017	29759	60	459	7890	1601	25	0				
	I	29508	20073	19374	30207	51	460	7805	1576	27	0				
	II	30492	21050	19995	31547	48	459	7744	1417	28	0				
	III	31338	21607	20236	32709	43	441	7723	1456	35	0				
	IV	31588	21724	19977	33335	39	427	7980	1510	30	0				
	V	31745	22317	20084	33978	36	415	8198	1576	23	0				
	VI	33125	23482	20986	35621	33	395	8092	1549	20	0				
	VII	34554	23817	21669	36702	24	446	7561	1530	26	0				
	VIII	35641	24210	22133	37718	16	446	7521	1646	18	0				
	IX	37196	25144	23939	38401	11	445	7748	1652	30	0				
	X	37937	24786	23593	39130	5	429	7307	1579	25	0				
	XI	38732	25605	23938	40399	0	448	7375	1522	30	0				
XII	41322	26612	25612	42322	0	442	6484	1402	15	0					
- Households															
Period	Credits										Securities		Overdue and doubtful and contested claims		
	By currency		By maturity		By purposes						By maturity		By currency		
	In denars	In foreign currency	Short-term	Long-term	Consumption	Comitments	For housing construction	For business premises	For performing independent activity	For other purposes	Short-term	Long-term	In denars	In foreign currency	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
XII.03	8603	3	1739	6867	319	1186	1465	13	202	5421	0	0	781	18	
XII.04	13819	341	2519	11641	396	1507	1963	13	456	9825	0	0	1098	18	
XII.05	19339	705	3612	16432	443	2366	2734	12	933	13556	0	0	1545	36	
2006	III	20395	952	4031	17316	484	2737	2862	11	1087	14166	0	0	1697	35
	VI	22344	1308	4386	19266	468	3195	3123	9	1388	15469	0	0	1913	39
	IX	24423	1479	5028	20874	496	3905	3451	6	1508	16536	0	0	1675	46
2007	XII	27290	1660	5864	23086	455	4828	3832	6	1781	18048	0	0	1866	47
	I	28228	1666	6586	23308	438	5594	3908	5	1814	18135	0	0	1878	48
	II	28779	1650	6727	23702	443	5720	3988	5	1895	18378	0	0	1910	55
	III	30074	1701	7164	24611	439	6164	4104	17	1990	19061	0	0	1783	53
	IV	31403	1775	7670	25508	451	6619	4231	18	2065	19794	0	0	1814	53
	V	32829	1817	8240	26406	460	7156	4363	18	2149	20500	0	0	1928	52
	VI	34356	1883	8622	27617	453	7569	4550	18	2201	21448	0	0	1903	59
	VII	36318	1910	9328	28900	518	8156	4754	19	2237	22544	0	0	1948	58
	VIII	37703	1898	9922	29679	529	8661	4914	20	2304	23173	0	0	2088	99
	IX	38989	1929	10281	30637	523	9036	5115	20	2352	23872	0	0	2227	109
	X	40289	1993	10787	31495	608	9413	5263	19	2452	24527	0	0	2233	108
	XI	41880	2094	11143	32831	642	9704	5464	21	2563	25580	0	0	2262	104
XII	43638	2233	11687	34184	656	10229	5656	21	2669	26640	0	0	2292	104	

Source: National Bank of the Republic of Macedonia.



Total claims on deposit money banks
(in millions of denars)

I. NON-GOVERNMENT SECTOR										
- Other										
Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements	
	By currency		By maturity		By maturity		By currency		By maturity	
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term	In denars	In foreign currency	Short-term	Long-term
	1	2	3	4	11	12	13	14	15	16
XII.03	23	156	83	96	0	0	5	30	0	0
XII.04	32	93	37	88	0	0	4	11	0	0
XII.05	60	8	53	15	0	0	95	2	0	0
2006 III	51	5	44	12	0	0	37	3	0	0
VI	26	2	19	9	0	0	59	1	0	0
IX	20	1	14	7	0	0	59	1	0	0
XII	49	0	43	6	0	0	54	2	0	0
2007 I	47	0	42	5	0	0	54	1	0	0
II	47	0	42	5	0	0	67	1	0	0
III	48	4	6	46	0	0	54	2	0	0
IV	48	4	9	43	0	0	54	3	0	0
V	56	4	9	51	0	0	54	2	5	0
VI	54	4	9	49	0	0	54	3	0	0
VII	118	8	13	113	0	0	144	3	0	0
VIII	115	8	13	110	0	0	147	3	0	0
IX	114	8	13	109	0	0	150	2	0	0
X	109	8	12	105	0	0	185	4	0	0
XI	110	15	12	113	0	0	188	5	0	0
XII	103	15	7	111	0	0	190	5	0	0
II. GOVERNMENT										
Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements	
	By currency		By maturity		By currency					
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term				
	1	2	3	4	11	12	13		14	
XII.03	0	2	0	2	0	6706	0		0	
XII.04	151	7	151	7	539	6460	0		0	
XII.05	3	80	11	72	790	6322	0		0	
2006 III	204	85	162	127	3393	6330	0		0	
VI	289	86	250	125	4821	6207	0		0	
IX	125	139	89	175	6703	6146	0		0	
XII	228	129	206	151	7103	6024	0		0	
2007 I	250	127	229	148	6828	5967	0		0	
II	265	123	243	145	7151	6123	0		0	
III	228	119	151	196	7990	6096	0		0	
IV	177	119	104	192	8963	6002	0		0	
V	153	114	83	184	9869	5996	0		0	
VI	134	113	67	180	10872	5877	0		0	
VII	112	150	51	211	10895	5739	0		0	
VIII	91	167	32	226	11741	5701	0		0	
IX	80	173	26	227	8138	5781	0		0	
X	71	210	20	261	6814	5899	0		0	
XI	67	232	14	285	6458	6305	0		0	
XII	63	255	12	306	6530	6170	0		0	

Source: National Bank of the Republic of Macedonia.



Table 15
Total claims on deposit money banks
(in millions of denars)

Period	Deposits										Securities		Other Denar credit liabilities	
	In denars						In foreign currency							
	demand deposits	sight deposits	with maturity up to 3 months	with maturity over 3 months up to 1 year	with maturity over 1 year	restricted deposits	sight deposits	with maturity up to 1 year	with maturity over 1 year	restricted deposits	short-term	long-term	up to 1 year	over 1 year
	1	2	3	4	11	12	13	14	15	16	17	18	19	20
I. NON-GOVERNMENT SECTOR														
- Enterprises														
XII.03	8507	391	5830	899	231	90	4892	1481	0	463	0	0	0	0
XII.04	8988	259	7813	1905	449	111	5020	4088	0	561	0	0	0	0
XII.05	10143	218	7756	2294	635	107	4487	6500	0	535	0	0	0	27
2006 III	9226	132	9279	2621	712	104	5138	6221	6	542	0	0	0	25
VI	10515	147	8235	2071	739	114	5445	6766	7	675	0	0	0	22
IX	11550	207	10185	2241	614	114	5280	7869	7	625	0	0	0	19
XII	12851	309	12317	2316	478	77	6007	8489	7	756	0	0	0	17
2007 I	12342	382	12265	2273	444	71	6373	8794	7	596	0	0	0	16
II	12366	447	13286	2248	481	82	7044	8845	7	666	0	0	0	16
III	12849	435	13870	2059	458	72	9716	6327	7	522	0	0	0	15
IV	13377	489	14349	2045	1093	85	7321	9483	7	466	0	0	0	14
V	13856	450	15184	2058	1142	66	6887	9923	7	833	0	0	0	13
VI	13798	386	16566	2232	1185	70	7846	9519	7	615	0	0	0	12
VII	14419	455	16750	2287	1196	71	8361	9257	7	917	0	0	0	12
VIII	15581	436	15046	2488	1291	70	7778	9897	7	588	0	0	0	12
IX	15341	374	15358	2690	1382	71	7498	8676	7	659	0	0	0	11
X	14937	678	16174	2462	708	67	6760	8765	16	611	0	0	0	0
XI	15391	389	12038	6507	590	75	7261	8983	34	637	0	0	0	0
XII	19786	536	12070	6508	830	61	7304	9431	44	654	0	0	0	0
- Households														
XII.03	2712	4492	2683	900	2082	0	15774	10899	815	0	0	0		
XII.04	2710	4884	3055	2224	1718	0	16890	14529	1137	0	0	0		
XII.05	3172	5575	3940	3943	1319	0	19276	18581	1448	0	0	0		
2006 III	3074	6016	4606	4684	1359	0	19561	19639	1634	0	0	0		
VI	3428	6682	5010	5201	1398	0	20291	20103	1751	0	0	0		
IX	3318	6158	5546	5782	1492	0	20777	20970	2042	0	0	0		
XII	3716	6917	7260	6621	1649	0	20791	21870	2245	0	0	0		
2007 I	3787	6948	7551	7284	1660	0	20980	22463	2304	0	0	0		
II	3883	7311	7639	7772	1696	0	21030	22573	2374	0	0	0		
III	4045	7233	7944	8392	1754	0	20758	22965	2445	0	0	0		
IV	4341	8658	8399	9021	1844	0	20717	22927	2585	0	0	0		
V	4424	8700	8986	9677	1998	0	21097	23132	2833	0	0	0		
VI	4454	8867	9259	10487	2067	0	21030	23374	2933	0	0	0		
VII	4517	8817	9452	11006	2346	0	21422	23609	2971	0	0	0		
VIII	4334	8562	9640	11681	2436	0	21657	24018	3101	0	0	0		
IX	4415	8908	9875	12231	2487	0	21550	24140	3247	0	0	0		
X	4386	9130	10321	13383	2788	0	21061	24779	3327	0	0	0		
XI	5430	8589	10484	14286	2857	0	20979	25222	3440	0	0	0		
XII	5773	8869	10554	15135	3007	0	21210	25872	3460	0	0	0		

Source: National Bank of the Republic of Macedonia.



Total claims on deposit money banks
(in millions of denars)

in millions of denars)

Period	Deposits										Securities		Other Denar credit liabilities	
	In denars						In foreign currency							
	demand deposits	sight deposits	with maturity up to 3 months	with maturity over 3 months up to 1 year	with maturity over 1 year	restricted deposits	sight deposits	with maturity up to 1 year	with maturity over 1 year	restricted deposits	short-term	long-term	up to 1 year	over 1 year
	1	2	3	4	11	12	13	14	15	16	17	18	19	20
I. NON-GOVERNMENT SECTOR														
- Other														
XII.03	1799	0	202	171	111	78	141	0	10	0	0	0	0	905
XII.04	1672	0	172	167	31	134	281	0	3	0	0	0	4	921
XII.05	1891	0	446	192	26	136	261	0	0	0	0	0	0	807
2006	III	1750	0	345	206	24	137	197	0	0	0	0	0	762
	VI	2133	0	475	241	86	140	208	0	0	0	0	0	756
	IX	2285	0	263	256	125	142	326	0	0	0	0	0	737
2007	XII	1951	0	274	303	171	165	272	0	0	0	0	0	1072
	I	1831	0	271	321	175	165	274	0	0	0	0	0	1061
	II	1867	0	289	301	185	164	261	0	0	0	0	0	1065
	III	1903	0	249	329	214	166	219	0	0	0	0	0	1070
	IV	1985	0	238	341	223	166	228	0	0	0	0	0	1061
	V	1938	0	221	370	232	167	244	0	0	0	0	0	1066
	VI	2017	0	219	372	309	167	229	0	0	0	0	0	1078
	VII	2084	0	212	373	322	168	225	0	0	0	0	0	1064
	VIII	2279	0	218	362	341	168	211	0	0	0	0	0	1051
	IX	2373	0	209	398	357	170	193	0	0	0	0	0	1031
	X	2240	0	227	411	410	171	178	0	0	0	0	0	1337
	XI	2430	0	1354	412	499	171	209	0	0	0	0	0	1341
XII	2115	0	957	419	629	177	219	0	0	0	0	0	1312	
II. GOVERNMENT														
XII.03	936	0	372	166	156	0	25						0	0
XII.04	335	0	379	324	104	0	27						0	0
XII.05	371	0	539	150	48	0	1						0	0
2006	III	469	0	502	257	48	0	0					0	0
	VI	433	0	433	261	48	0	0					0	0
	IX	329	0	434	156	49	0	1					0	0
2007	XII	689	0	362	98	49	0	1					0	0
	I	519	0	353	95	49	0	1					0	0
	II	589	0	352	105	50	0	1					0	0
	III	1027	0	351	111	50	0	1					0	0
	IV	456	0	452	111	50	0	1					0	0
	V	530	0	415	81	50	0	0					0	0
	VI	545	0	444	87	50	0	0					0	0
	VII	532	0	370	84	50	0	0					0	0
	VIII	505	0	368	88	50	0	0					0	0
	IX	516	0	389	88	51	0	0					0	0
	X	612	0	353	90	51	0	0					0	0
	XI	501	0	317	91	51	0	1					0	0
XII	443	0	323	85	113	0	1					0	0	

Source: National Bank of the Republic of Macedonia.



Table 16
Report on weighted interest rates on deposits and borrowings
(in %, on annual level)

	XII.05	III.06	VI.06	IX.06	XII.06	I.07	II.07	III.07	IV.07	V.07	VI.07	VII.07	VIII.07	IX.07	X.07	XI.07	XII.07
A. DENAR INTEREST RATES																	
1. INTEREST RATES ON DENAR CREDITS	12.1	11.6	11.3	11.0	10.7	10.7	10.6	10.5	10.5	10.3	10.2	10.1	10.1	10.0	10.0	9.9	9.9
1.1. Interest rates on credits without FX clause	12.6	11.9	11.6	11.2	10.9	10.9	10.8	10.8	10.7	10.6	10.5	10.4	10.4	10.2	10.2	10.3	10.2
<i>Interest rates on short-term credits without FX clause</i>	11.4	10.6	10.3	9.9	9.9	9.9	9.9	9.9	9.8	9.4	9.4	9.3	9.2	9.1	9.0	8.9	8.9
- on short-term credits on enterprises	10.7	10.0	9.8	9.4	9.5	9.5	9.5	9.5	9.4	9.1	9.1	8.9	8.9	8.8	8.7	8.7	8.6
- on short-term credits on households	19.4	18.4	17.7	17.2	16.9	17.6	17.6	17.1	16.1	15.9	16.3	15.6	15.2	14.9	14.8	13.5	13.4
<i>Interest rates on long-term credits without FX clause</i>	13.5	13.0	12.8	12.3	11.7	11.7	11.6	11.4	11.4	11.4	11.3	11.3	11.2	11.1	11.2	11.4	11.3
- on long-term credits on enterprises	10.0	9.2	9.2	8.6	8.4	8.5	8.5	8.5	8.3	8.2	8.2	8.2	8.2	8.1	8.2	8.4	8.4
- on long-term credits on households	15.3	15.0	15.0	14.8	14.3	14.2	14.2	13.9	13.9	13.8	13.7	13.6	13.5	13.4	13.4	13.3	13.3
1.2. Interest rates on credits with FX clause	11.1	11.0	10.7	10.7	10.3	10.3	10.2	10.2	10.1	10.0	9.8	9.8	9.7	9.7	9.6	9.6	9.5
<i>Interest rates on short-term credits with FX clause</i>	9.0	8.4	8.2	8.2	8.1	8.1	8.0	7.8	7.7	7.7	7.7	7.4	7.4	7.3	7.4	7.4	7.2
- on short-term credits on enterprises	9.1	8.7	8.4	8.3	8.3	8.2	8.2	8.0	7.9	8.0	7.9	7.6	7.6	7.4	7.5	7.4	7.2
- on short-term credits on households	8.1	7.1	7.1	7.5	7.0	7.0	7.0	6.8	6.6	6.3	6.3	6.4	6.6	6.6	7.0	7.1	7.1
<i>Interest rates on long-term credits with FX clause</i>	11.5	11.4	11.0	11.0	10.6	10.6	10.5	10.4	10.3	10.2	10.0	9.9	9.9	9.9	9.8	9.7	9.6
- on long-term credits on enterprises	11.0	10.9	10.6	10.6	10.4	10.4	10.3	10.2	10.0	9.8	9.6	9.6	9.6	9.5	9.5	9.4	9.3
- on long-term credits on households	11.9	11.7	11.3	11.1	10.8	10.7	10.6	10.5	10.4	10.4	10.3	10.2	10.1	10.1	10.0	9.9	9.8
2. INTEREST RATES ON DENAR DEPOSITS	5.6	5.0	4.3	4.6	4.4	4.5	4.7	4.8	4.7	4.7	4.8	4.7	5.0	5.0	5.1	5.2	5.3
2.1. Interest rates on Denar deposits without FX clause	5.7	5.1	4.3	4.8	4.5	4.6	4.8	4.9	4.8	4.8	4.9	4.8	5.2	5.3	5.4	5.4	5.6
<i>Interest rates on Denar deposits without FX clause on enterprises</i>	7.2	5.6	3.8	4.5	3.4	3.5	4.2	4.2	4.1	4.1	4.4	3.9	4.9	4.9	5.0	4.8	5.4
- on sight deposits	0.6	0.5	0.6	0.4	0.7	0.5	0.4	0.4	0.5	1.8	2.7	2.7	2.9	2.9	2.3	3.2	2.3
- on short-term deposits	7.3	5.6	3.7	4.5	3.4	3.5	4.3	4.3	4.4	4.3	4.5	4.0	5.1	5.1	5.0	4.8	5.4
- on long-term deposits	7.3	7.0	6.8	6.5	6.7	6.6	6.4	6.4	2.5	2.8	2.9	3.0	3.4	3.6	7.4	7.9	7.5
<i>Interest rates on Denar deposits without FX clause on households</i>	4.8	4.7	4.6	4.9	5.0	5.1	5.1	5.2	5.1	5.2	5.2	5.3	5.4	5.4	5.5	5.6	5.7
- on sight deposits	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1
- on short-term deposits	7.0	6.7	6.6	6.6	6.7	6.7	6.7	6.8	6.8	6.8	6.8	6.8	6.8	6.9	6.9	6.9	6.9
- on long-term deposits	8.0	8.0	8.0	8.1	8.0	8.0	8.0	7.9	8.1	8.0	8.2	8.1	8.0	8.1	8.2	8.2	8.3
2.2. Interest rates on Denar credits with FX clause	4.4	4.4	4.9	3.5	3.4	3.9	3.7	3.6	3.7	3.7	3.7	3.6	3.4	3.4	3.5	3.7	3.9
<i>Interest rates on Denar deposits with FX clause on enterprises</i>	4.4	4.4	4.9	3.5	3.3	3.8	3.6	3.5	3.6	3.5	3.6	3.5	3.3	3.3	3.4	3.7	3.9
- on short-term deposits	4.5	4.4	4.9	3.4	3.2	3.7	3.5	3.5	3.6	3.5	3.6	3.4	3.3	3.3	3.4	3.7	3.9
- on long-term deposits	3.7	4.9	4.9	5.8	5.8	5.8	5.0	3.4	3.4	3.5	3.9	3.9	3.9	4.0	4.0	4.0	4.0
<i>Interest rates on Denar deposits with FX clause on households</i>					8.8	8.8	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.4	8.4	8.4	8.3
- on short-term deposits					8.8	8.8	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.4	8.4	8.4	8.3
- on long-term deposits														8.0	8.0	8.0	8.0
B. FOREIGN CURRENCY INTEREST RATES																	
1. INTEREST RATES ON FOREIGN CURRENCY CREDITS	7.8	7.9	8.0	8.2	8.5	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.5	8.6	8.5	8.4	8.5
1.1. Interest rates on foreign currency short-term credits	8.1	7.8	7.8	8.1	8.4	8.2	8.3	8.1	8.1	8.1	8.1	8.1	8.2	8.2	8.1	7.9	8.1
<i>Interest rates on foreign currency short-term credits on enterprises</i>	8.0	7.7	7.7	8.1	8.4	8.1	8.2	8.1	8.0	8.0	8.1	8.1	8.2	8.2	8.1	7.9	8.0
- in Euros	8.1	7.8	7.7	8.0	8.4	8.1	8.3	8.1	8.0	8.1	8.1	8.1	8.2	8.2	8.1	7.9	8.1
- in USA Dollars	7.4	7.7	9.4	9.3	8.0	7.9	7.8	7.2	7.6	7.1	7.1	7.3	7.5	7.5	7.2	7.0	6.8
<i>Interest rates on foreign currency short-term credits on households</i>	16.2	15.2	14.7	13.8	13.3	13.1	12.9	11.6	11.7	12.9	13.5	13.5	13.5	13.7	13.3	12.5	12.4
- in Euros	16.2	15.2	14.7	13.8	13.3	13.1	12.9	13.1	11.7	12.9	13.5	13.5	13.5	13.7	13.3	12.5	12.4
- in USA Dollars								3.8									
1.2. Interest rates on foreign currency long-term credits	7.8	8.0	8.1	8.2	8.5	8.4	8.4	8.5	8.4	8.4	8.5	8.5	8.6	8.7	8.6	8.5	8.7
<i>Interest rates on foreign currency long-term credits on enterprises</i>	7.6	7.8	7.9	8.1	8.4	8.3	8.3	8.4	8.4	8.4	8.5	8.5	8.6	8.7	8.5	8.5	8.7
- in Euros	7.6	7.8	7.9	8.1	8.5	8.4	8.3	8.4	8.4	8.4	8.5	8.5	8.6	8.7	8.6	8.5	8.7
- in USA Dollars	6.9	7.5	7.4	7.3	7.6	7.6	7.6	7.5	7.5	7.5	7.5	7.5	7.6	7.9	7.4	7.0	7.1
<i>Interest rates on foreign currency long-term credits on households</i>	10.4	10.0	9.6	9.4	9.2	9.1	9.1	9.0	9.0	8.8	8.9	8.8	8.8	8.7	8.8	8.7	8.6
- in Euros	10.4	10.0	9.6	9.4	9.2	9.2	9.1	9.0	9.0	8.8	8.9	8.8	8.8	8.7	8.8	8.7	8.6
- in USA Dollars	4.2	4.6	4.4	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	3.9	3.9	9.1	1.9	4.8	4.7
2. INTEREST RATES ON FOREIGN CURRENCY DEPOSITS	1.4	1.4	1.5	1.6	1.8	1.8	1.8	1.7	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.0
2.1. Interest rates on foreign currency deposits on enterprises	1.7	1.6	1.8	2.0	2.1	2.1	2.1	1.7	2.2	2.3	2.2	2.1	2.2	2.2	2.3	2.3	2.3
- on sight deposits	0.5	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.6
- in Euros	0.5	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.6
- in USA Dollars	0.5	0.4	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.6	0.7	0.7	0.6	0.6
- on short-term deposits	2.5	2.5	2.7	3.0	3.2	3.2	3.2	3.2	3.3	3.3	3.4	3.4	3.5	3.6	3.6	3.6	3.6
- in Euros	2.1	2.1	2.3	2.6	2.8	2.8	2.8	2.9	3.0	3.1	3.1	3.2	3.3	3.4	3.4	3.6	3.6
- in USA Dollars	3.3	3.4	3.8	4.2	4.3	4.3	4.3	4.3	4.2	4.1	4.1	4.1	4.4	4.5	4.6	3.8	3.8
- on long-term deposits		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.9	3.4	2.7
- in Euros		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.9	3.4	2.7
- in USA Dollars																	
2.2. Interest rates on foreign currency deposits on households	1.3	1.3	1.4	1.5	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9
- on sight deposits	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
- in Euros	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
- in USA Dollars	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6
- on short-term time deposits	1.8	1.8	1.8	2.0	2.3	2.3	2.3	2.3	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.6	2.6
- in Euros	1.8	1.8	1.9	2.0	2.3	2.3	2.3	2.3	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.6	2.6
- in USA Dollars	1.7	1.6	1.7	2.0	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
- on long-term time deposits	2.9	3.0	3.1	3.4	3.7	3.8	3.8	3.6	3.8	3.7	3.7	3.7	3.9	3.7	3.7	3.8	3.7
- in Euros	2.9	3.1	3.2	3.5	3.8	3.9	3.9	3.7	3.9	3.8	3.8	3.9	4.0	3.7	3.8	3.9	3.9
- in USA Dollars	2.5	2.5	2.5	2.8	3.1	3.1	3.1	3.1	3.2	3.0	3.0	3.0	3.0	3.3	3.0	3.0	3.0

Source: National Bank of the Republic of Macedonia.



Table 17
Interest rates of the National Bank of the Republic of Macedonia
(in %)

Period	Discount rate	Lending interest rates - creating liquidity		Deposit interest rates - withdrawing liquidity	
		Over night credits-Lombard credit	Auction repo- transactions*	CB bills - basic maturity**	
				volume tender	interest rate tender
2003 XII	6,5	14,0			6,2
2004 I	6,5	14,0			6,8
II	6,5	14,0		7,5	
III	6,5	14,0		8,0	
IV	6,5	14,0		8,0	
V	6,5	14,0		8,0	
VI	6,5	14,0		8,0	
VII	6,5	11,0		8,0	
VIII	6,5	11,0		8,3	
IX	6,5	11,0		8,6	
X	6,5	11,0		9,0	
XI	6,5	11,0		9,7	
XII	6,5	13,0		10,0	
2005 I	6,5	13,0		10,0	
II	6,5	13,0		10,0	
III	6,5	13,0		10,0	
IV	6,5	13,0		10,0	
V	6,5	13,0		10,0	
VI	6,5	13,0		10,0	
VII	6,5	13,0		10,0	
VIII	6,5	13,0		10,0	
IX	6,5	13,0		10,0	
X	6,5	13,0			10,0
XI	6,5	13,0			9,1
XII	6,5	13,0			8,5
2006 I	6,5	13,0			7,3
II	6,5	11,0			7,1
III	6,5	11,0			6,8
IV	6,5	11,0			6,2
V	6,5	11,0			5,7
VI	6,5	9,5			5,8
VII	6,5	9,5			5,6
VIII	6,5	9,5			5,5
IX	6,5	9,5			5,4
X	6,5	9,5			5,5
XI	6,5	9,5			5,7
XII	6,5	9,5			5,7
2007 I	6,5	9,5			5,7
II	6,5	9,5			5,4
III	6,5	9,5			5,3
IV	6,5	9,5			5,1
V	6,5	9,5			5,0
VI	6,5	7,5			4,9
VII	6,5	7,5			5,1
VIII	6,5	7,5			5,1
IX	6,5	7,5			4,8
X	6,5	7,5			4,8
XI	6,5	7,5			4,7
XII	6,5	7,5			4,8

* The auction repo-transactions are introduced in December and they represent replacement of the auctions of credits, which were used for the last time in 2000.

** 28 days

Source: National Bank of the Republic of Macedonia.



Table 18
Reserve requirements of banks and saving houses
(in millions of denars)

Period	Reserve requirements of banks in Denar						Reserve requirements of banks in foreign currency			Reserve requirements of saving houses in Denar		
	Reserve requirement rate (%)	Liability on reserve requirement	Average fulfillment	Excess/Shortage	Fulfillment in percents (%)	Renumeration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Renumeration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Renumeration rate (%)
2003 XII	7,5	2.488	3.467	980	139,4	4,0	7,5	2.763	1,0	2,5	7	4,0
2004 I	7,5	2.519	3.005	486	119,3	4,0	7,5	2.768	1,0	2,5	7	4,0
II	7,5	2.559	3.053	494	119,3	4,0	7,5	2.869	1,0	2,5	7	4,0
III	7,5	2.558	3.069	511	120,0	4,0	7,5	2.895	1,0	2,5	8	4,0
IV	7,5	2.574	2.961	387	115,1	4,0	7,5	2.934	1,0	2,5	8	4,0
V	7,5	2.610	3.150	540	120,7	4,0	7,5	2.970	1,0	2,5	8	4,0
VI	7,5	2.632	3.016	383	114,6	4,0	7,5	3.089	1,0	2,5	8	4,0
VII	7,5	2.729	3.102	373	113,7	4,0	7,5	3.137	1,0	2,5	8	4,0
VIII	7,5	2.741	3.052	312	111,4	2,0	7,5	3.149	1,0	2,5	8	2,0
IX	7,5	2.827	3.139	375	111,1	2,0	7,5	3.190	1,0	2,5	8	2,0
X	7,5	2.843	3.100	256	109,0	2,0	7,5	3.218	1,0	2,5	8	2,0
XI	7,5	2.854	3.126	265	109,5	2,0	7,5	3.279	1,0	2,5	8	2,0
XII	7,5	2.855	3.309	454	115,9	2,0	7,5	3.374	1,0	2,5	8	2,0
2005 I	10,0	3.844	4.214	370	109,6	2,0	10,0	4.492		2,5	9	2,0
II	10,0	3.837	4.212	375	109,8	2,0	10,0	4.670		2,5	9	2,0
III	10,0	3.926	4.288	362	109,2	2,0	10,0	4.721		2,5	9	2,0
IV	10,0	4.074	4.400	326	108,0	2,0	10,0	4.772		2,5	10	2,0
V	10,0	4.237	4.728	491	111,6	2,0	10,0	4.770		2,5	10	2,0
VI	10,0	4.311	4.574	263	106,1	2,0	10,0	4.845		2,5	10	2,0
VII	10,0	4.450	4.757	306	106,9	2,0	10,0	4.946		2,5	10	2,0
VIII	10,0	4.098	4.399	300	107,3	2,0	10,0	5.000		2,5	11	2,0
IX	10,0	3.877	4.184	307	107,9	2,0	10,0	5.214		2,5	11	2,0
X	10,0	3.931	4.335	404	110,3	2,0	10,0	5.294		2,5	10	2,0
XI	10,0	4.086	4.464	378	109,3	2,0	10,0	5.241		2,5	11	2,0
XII	10,0	4.242	5.267	1.025	124,2	2,0	10,0	5.325		2,5	11	2,0
2006 I	10,0	4.352	4.573	220	105,1	2,0	10,0	5.396		2,5	11	2,0
II	10,0	4.434	5.000	566	112,8	2,0	10,0	5.433		2,5	12	2,0
III	10,0	4.542	4.944	403	108,9	2,0	10,0	5.507		2,5	12	2,0
IV	10,0	4.674	5.162	488	110,4	2,0	10,0	5.572		2,5	12	2,0
V	10,0	4.934	5.550	616	112,5	2,0	10,0	5.655		2,5	13	2,0
VI	10,0	5.058	5.433	375	107,4	2,0	10,0	5.663		2,5	13	2,0
VII	10,0	4.931	5.263	332	106,7	2,0	10,0	5.768		2,5	13	2,0
VIII	10,0	5.030	5.435	405	108,1	2,0	10,0	5.874		2,5	14	2,0
IX	10,0	5.213	5.549	336	106,4	2,0	10,0	6.003		2,5	14	2,0
X	10,0	5.304	5.618	314	105,9	2,0	10,0	6.117		2,5	14	2,0
XI	10,0	5.460	6.674	1.214	122,2	2,0	10,0	6.243		2,5	14	2,0
XII	10,0	5.618	6.705	1.087	119,3	2,0	10,0	6.373		2,5	14	2,0
2007 I	10,0	5.883	6.219	336	105,7	2,0	10,0	6.458		2,5	15	2,0
II	10,0	6.057	6.479	422	107,0	2,0	10,0	6.513		2,5	15	2,0
III	10,0	6.194	6.688	494	108,0	2,0	10,0	6.596		2,5	16	2,0
IV	10,0	6.431	6.900	469	107,3	2,0	10,0	6.675		2,5	16	2,0
V	10,0	6.803	7.401	597	108,8	2,0	10,0	6.736		2,5	16	2,0
VI	10,0	7.082	7.343	261	103,7	2,0	10,0	6.952		2,5	16	2,0
VII	10,0	7.433	8.763	1.330	117,9	2,0	10,0	6.988		2,5	17	2,0
VIII	10,0	7.579	8.428	849	111,2	2,0	10,0	7.143		2,5	17	2,0
IX	10,0	7.553	7.933	380	105,0	2,0	10,0	7.225		2,5	17	2,0
X	10,0	7.722	8.425	703	109,1	2,0	10,0	7.303		2,5	17	2,0
XI	10,0	7.952	8.611	659	108,3	2,0	10,0	7.185		2,5	17	2,0
XII	10,0	8.436	9.125	689	108,2	2,0	10,0	7.288		2,5	17	2,0

* Reserve requirement for banks in denars kept the average level, whereas the reserve requirement for banks in foreign currency and the reserve requirement for saving houses in denars kept the fixed level.

Source: National Bank of the Republic of Macedonia.



Table 19
Interest rates on government securities
(in %)

Period	3 months	6 months	12 months	2 years	3 years
2004 I	7,5				
II	7,4				
III	8,8				
IV	8,9				
V	8,3				
VI	8,4				
VII	8,4				
VIII	8,4				
IX	8,5				
X	8,9				
XI	9,2	9,5			
XII	9,2	10,4			
2005 I	9,3	10,8			
II	10,0	10,8			
III	10,5	11,2			
IV	10,4	9,8			
V	10,8	10,5			
VI	10,4	10,5	11,1		
VII	10,4	10,6			
VIII	10,5	10,9			
IX	10,3	11,2			
X	9,8	10,1			
XI	8,9	9,9		10,0	
XII	8,0	8,8	9,6		
2006 I	7,2	7,6			
II	7,0	7,1			
III	6,8	7,3	8,6		
IV	6,4	6,8		9,4	
V	6,1	7,1			
VI	6,5	6,9	8,7		
VII	6,2	6,7			
VIII	6,0	6,6			
IX	6,0	7,0	8,7		
X	6,2	6,9		9,3	
XI	6,1	6,8			9,6
XII	6,3	7,0	8,9		
2007 I	6,5	6,8	8,8		
II	6,4	6,8		8,9	
III	6,4	7,0	8,4		8,0
IV	6,4	6,8			
V	6,2	6,6		5,7	
VI	5,4	5,5	5,8		
VII	5,4	5,6			
VIII	5,4	5,5			
IX	3,7		5,1		
X	5,1	5,4			
XI	5,2	5,4		6,5	
XII	4,8				

Source: National Bank of the Republic of Macedonia.



Table 20
Republic of Macedonia: balance of payments
(in USD Million)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
I. Current Account	-82.5	-262.9	-298.9	-339.8	-286.6	-278.8	-65.3	-97.6	-236.1	-377.6	-184.1	-452.8	-157.9	-56.4	-238.0
GOODS, net	42.8	-184.9	-222.8	-314.7	-386.3	-515.6	-495.9	-690.8	-526.7	-805.6	-851.0	-1,139.0	-1,063.0	-1,285.0	-1,627.0
Exports, f.o.b.	1,055.3	1,086.3	1,204.0	1,147.4	1,236.8	1,291.5	1,190.0	1,320.7	1,155.4	1,112.1	1,362.7	1,674.9	2,040.6	2,396.3	3,349.5
Imports, f.o.b.	-1,012.5	-1,271.3	-1,426.8	-1,462.1	-1,623.1	-1,807.1	-1,685.9	-2,011.6	-1,682.2	-1,917.7	-2,213.7	-2,813.8	-3,103.6	-3,681.2	-4,976.5
SERVICES, net	-154.5	-155.1	-200.5	-156.2	-137.8	-59.8	38.9	48.7	-19.2	-22.1	-6.6	-54.4	-33.6	28.3	35.0
Inflow	84.0	172.0	185.2	154.3	138.1	149.3	272.8	316.7	244.6	253.1	380.3	452.5	515.5	601.2	818.1
Outflow	238.5	327.1	385.7	310.4	275.8	209.1	234.0	268.0	263.8	275.3	386.9	506.9	549.1	573.0	783.1
INCOME, net	-56.7	-46.6	-39.6	-51.3	-54.5	-52.3	-71.8	-64.5	-28.0	-44.3	-62.4	-39.2	-113.5	-36.6	-25.7
Inflow	4.3	10.0	20.8	22.8	17.5	23.6	24.2	41.6	52.6	50.8	60.4	84.6	97.5	134.9	213.1
Outflow	61.0	56.6	60.4	74.2	72.0	75.8	96.1	106.2	80.5	95.2	122.8	123.8	211.0	171.6	238.8
CURRENT TRANSFERS, net	85.8	123.7	163.9	182.3	292.0	348.9	463.6	609.0	337.8	494.4	735.9	779.7	1,052.2	1,237.0	1,379.7
Inflow	115.0	197.0	293.5	341.3	433.3	541.4	618.4	782.1	720.6	655.0	910.4	1,028.8	1,237.7	1,437.0	1,743.5
Outflow	29.2	73.3	129.5	158.9	141.3	192.5	154.8	173.1	382.8	160.6	174.5	249.1	185.5	200.0	363.7
II. Capital and Financial Account	-12.9	162.3	280.6	318.2	349.6	296.3	-91.4	40.2	236.6	388.0	218.3	434.1	165.5	48.5	276.7
CAPITAL ACCOUNT, net	0.0	30.0	1.7	0.0	0.0	-1.8	0.0	0.3	1.4	8.3	-6.7	-4.6	-2.0	-1.1	1.7
FINANCIAL ACCOUNT, net	-12.9	132.3	278.9	318.2	349.6	298.1	-91.4	39.9	235.2	379.7	225.0	438.7	167.5	49.7	275.0
Direct investment, net	0.0	24.0	9.5	11.2	58.0	150.5	88.1	215.7	446.3	105.5	117.5	321.9	94.2	424.0	320.7
Inward direct investment	0.0	24.0	9.5	11.2	58.1	150.5	88.4	215.1	447.1	105.6	117.8	323.0	97.0	424.2	319.7
Outward direct investment	0.0	0.0	0.0	0.0	-0.1	0.0	-0.3	0.6	-0.9	-0.1	-0.3	-1.2	-2.8	-0.2	1.1
Portfolio investment, net	0.0	0.0	2.7	0.3	1.3	0.0	0.0	-0.1	0.4	0.3	5.5	12.5	237.9	92.9	150.7
Assets	0.0	0.0	1.4	-0.5	1.7	0.3	0.0	0.0	0.0	0.3	0.1	0.2	0.1	0.1	-2.3
Liabilities	0.0	0.0	1.3	0.8	-0.4	-0.4	0.0	-0.1	0.4	0.1	5.3	12.4	237.8	92.8	153.1
Other investment, net	44.0	150.2	367.4	300.8	294.1	200.9	-36.2	88.8	-134.4	134.2	153.0	123.7	250.5	-91.4	-53.4
Assets	32.0	34.7	39.9	77.7	-66.1	-59.1	-184.0	-63.7	-109.0	227.7	58.3	82.3	-97.9	-234.8	-81.3
Liabilities	12.0	115.5	327.5	223.1	360.3	260.0	147.8	152.6	-25.4	-93.4	134.7	116.3	296.8	58.6	27.9
Gross official reserves (- = increase) /3	-56.8	-41.9	-100.6	5.9	-3.8	-53.3	-143.3	-264.5	-77.0	139.7	-51.0	-19.5	-415.1	-375.8	-143.0
III. Errors and Omissions	95.4	100.6	18.3	21.6	-63.1	-17.5	156.7	57.4	-0.5	-10.4	-34.2	18.8	-7.6	7.8	-38.7

Source: National Bank of the Republic of Macedonia.

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 equals: 1993-20%, 1994-20%, 1995-20%, 1996-14%, 1997-10%, 1998-5,02%, 1999-4,86%, 2000-3,9%, 2001-4,2%, 2002-3,8% 2003-4,06%, 2004 , 2005, 2006 and 2007-4,14%.

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

3/ Excluding monetary gold and exchange rate differences.



Table 21
Republic of Macedonia: balance of payments
(in EUR Million)

	I. Current Account												II. Capital and Financial Account															III. Errors and Omissions			
	Goods			Services			Income			Current Transfers			Capital Account			Financial Account															
	Net	Exports, f.o.b.	Imports, f.o.b. /2	Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Capital transfers	Acquisition /disposal of non-produced, non-	Net	Direct investment			Portfolio investment			Other investment				Gross official reserves (= increase) /3				
																	Net	Inward	Outward	Net	Assets	Liabilities	Net	Trade credits	Loans	Currency and deposits			Other		
2003	-168.2	-753.0	1203.2	-1956.2	-6.0	335.3	341.4	-55.3	53.2	108.5	646.1	799.6	153.5	193.9	-5.8	-5.8	-0.1	199.7	100.1	100.4	-0.3	4.9	0.1	4.8	133.3	67.4	50.3	5.9	9.8	-38.6	-25.7
2004	-362.7	-914.3	1345.0	-2259.3	-43.4	363.7	407.1	-33.2	67.9	101.1	628.2	828.0	199.8	347.1	-3.8	-3.8	0.0	350.9	259.7	260.7	-0.9	9.5	0.1	9.3	97.6	71.0	6.1	-2.3	22.8	-15.9	15.6
2005	-121.3	-858.5	1642.9	-2501.4	-24.7	416.2	440.8	-91.5	79.0	170.5	853.3	1002.6	149.3	127.7	-1.7	-1.7	0.0	129.4	74.9	77.2	-2.3	200.2	0.1	200.1	202.2	105.9	100.2	-20.3	16.5	-347.9	-6.4
2006	-44.9	-1020.4	1902.6	-2923.1	22.2	477.2	455.1	-28.4	107.2	135.7	981.8	1140.6	158.8	38.0	-0.8	-0.8	0.0	38.8	344.6	344.8	-0.1	73.1	0.0	73.1	-81.4	2.9	-22.3	-83.7	21.7	-297.6	6.9
I	-18.5	-71.5	101.3	-172.8	1.2	32.9	31.7	-3.5	8.1	11.6	55.4	66.0	10.7	15.6	-0.1	-0.1	0.0	15.8	11.3	11.3	0.0	3.8	0.0	3.8	-157.0	-1.3	-151.6	-4.9	0.8	157.6	2.8
II	-7.9	-61.2	123.5	-184.7	-2.7	30.0	32.6	0.0	7.4	7.5	56.0	64.7	8.6	6.0	0.2	0.2	0.0	5.9	7.8	7.8	0.0	3.4	0.0	3.4	-1.3	-21.4	21.6	-1.7	0.2	-4.0	1.9
III	-16.8	-89.0	149.5	-238.5	-3.1	36.2	39.4	2.0	9.1	7.2	73.4	85.9	12.5	18.4	0.3	0.3	0.0	18.1	234.9	235.0	0.0	6.5	0.0	6.5	-41.2	21.3	-4.0	-60.2	1.7	-182.2	-1.6
IV	-34.0	-105.8	144.1	-249.9	-1.4	32.0	33.4	-2.7	5.8	8.5	75.9	88.1	12.2	32.9	-0.2	-0.2	0.0	33.1	10.2	9.5	0.7	5.2	0.0	5.2	52.9	16.7	40.8	-6.0	1.4	-35.2	1.0
V	-7.9	-87.0	159.3	-246.3	-1.8	39.0	40.8	-4.5	8.3	12.8	85.4	98.6	13.2	7.2	-0.3	-0.3	0.0	7.5	8.6	8.7	-0.1	14.7	0.0	14.7	7.0	2.4	8.2	-4.0	0.3	-22.9	0.7
VI	-16.1	-100.0	163.0	-262.9	-0.6	39.3	40.0	-0.9	10.2	11.1	85.4	99.3	14.0	13.8	0.0	0.0	0.0	13.8	12.9	12.9	0.0	6.8	0.0	6.8	25.8	5.8	7.6	6.8	5.7	-31.8	2.3
VII	17.7	-85.0	182.2	-267.3	11.0	47.1	36.1	-4.5	7.9	12.3	96.2	110.7	14.5	-23.1	0.7	0.7	0.0	-23.8	6.8	7.4	-0.6	2.1	0.0	2.1	-1.6	-10.1	23.9	-16.5	1.2	-31.2	5.4
VIII	28.0	-78.1	167.8	-245.9	4.6	44.9	40.4	0.2	9.1	8.8	101.3	115.8	14.4	-26.7	-0.8	-0.8	0.0	-25.9	6.4	6.4	0.0	4.0	0.0	4.0	38.9	0.7	-2.7	39.5	1.3	-75.2	-1.3
IX	53.0	-41.7	199.4	-241.1	8.7	42.2	33.5	-11.8	9.2	21.0	97.8	110.5	12.7	-49.7	-0.1	-0.1	0.0	-49.7	10.8	10.8	0.0	2.8	0.0	2.8	-38.6	-43.0	3.3	-0.4	1.4	-24.7	-3.2
X	29.6	-67.9	185.0	-252.8	5.8	44.8	39.0	0.8	10.8	10.0	91.0	106.3	15.4	-30.9	-0.1	-0.1	0.0	-30.8	7.3	7.3	-0.1	4.0	0.0	4.0	-9.3	-11.4	-1.9	2.4	1.8	-32.8	1.3
XI	-20.9	-104.9	158.8	-263.7	2.4	38.8	36.3	5.2	11.9	6.8	76.3	91.5	15.2	23.2	0.1	0.1	0.0	23.1	8.2	8.3	-0.1	8.6	0.0	8.6	20.7	17.2	13.0	-10.0	0.5	-14.4	-2.3
XII	-51.2	-128.3	168.9	-297.2	-2.0	50.0	52.0	-8.7	9.4	18.1	87.8	103.1	15.4	51.2	-0.6	-0.6	0.0	51.8	19.2	19.2	0.0	11.2	0.0	11.2	22.3	25.9	19.6	-28.7	5.4	-0.9	-0.1
Q1	-43.2	-221.8	374.3	-596.1	-4.6	99.1	103.7	-1.6	24.7	26.2	184.8	216.6	31.8	40.1	0.4	0.4	0.0	39.7	254.0	254.1	-0.1	13.7	0.0	13.7	-199.4	-1.3	-134.1	-66.8	2.7	-28.6	3.1
Q2	-58.0	-292.8	466.3	-759.1	-3.8	110.4	114.1	-8.1	24.3	32.4	246.7	286.1	39.4	53.9	-0.4	-0.4	0.0	54.4	31.8	31.1	0.7	26.7	0.0	26.7	85.7	24.9	56.6	-3.2	7.4	-89.9	4.0
Q3	98.7	-204.9	549.4	-754.3	24.3	134.2	109.9	-16.0	26.1	42.1	295.3	337.0	41.7	-99.6	-0.2	-0.2	0.0	-99.4	24.1	24.6	-0.6	8.9	0.0	8.9	-1.3	-52.4	24.5	22.6	4.0	-131.1	0.9
Q4	-42.5	-301.0	512.7	-813.7	6.2	133.6	127.3	-2.7	32.2	34.9	255.0	300.9	45.9	43.6	-0.6	-0.6	0.0	44.1	34.7	34.9	-0.2	23.8	0.0	23.8	33.7	31.7	30.7	-36.4	7.7	-48.1	-1.1
2007	-164.0	-1172.8	2441.5	-3614.3	25.5	594.2	568.7	-26.4	155.2	181.7	1009.8	1270.9	261.2	194.3	1.3	-1.1	2.4	192.9	240.1	239.3	0.9	110.8	-1.7	112.5	-56.3	-33.5	-107.7	5.9	78.9	-101.8	-30.3
I	-4.4	-81.1	160.5	-241.6	-2.0	37.7	39.7	10.2	11.7	1.5	68.5	83.2	14.7	3.4	-1.2	-1.2	0.0	4.7	3.8	3.8	0.0	12.2	0.0	12.2	-38.4	-3.1	-42.3	5.9	1.2	27.1	1.0
II	6.0	-74.5	175.7	-250.2	1.0	39.7	38.8	8.6	10.0	1.4	70.9	83.2	12.3	-8.9	0.1	0.1	0.0	-9.0	7.8	5.9	1.9	-7.6	0.0	-7.6	-21.7	6.9	-15.8	-14.3	1.4	12.6	2.9
III	39.4	-55.5	222.5	-277.9	-0.1	41.0	41.1	10.9	12.6	1.7	84.0	100.6	16.6	-37.5	-0.2	-0.2	0.0	-37.3	8.4	8.5	-0.1	16.0	0.0	16.0	-27.3	-37.5	15.9	-8.3	2.6	-34.4	-1.9
Q1	41.0	-211.0	558.7	-769.7	-1.2	118.4	119.6	29.7	34.2	4.6	223.5	267.1	43.6	-42.9	-1.3	-1.3	0.0	-41.6	20.1	18.2	1.9	20.5	0.0	20.5	-87.5	-33.6	-42.3	-16.8	5.2	5.3	2.0
IV	-0.2	-83.6	200.5	-284.1	1.3	41.8	40.6	-7.3	12.5	19.8	89.4	105.0	15.6	2.8	0.6	0.6	0.0	2.3	44.5	44.1	0.4	25.9	0.0	25.9	-21.9	5.0	-23.0	-10.7	6.7	-46.3	-2.6
V	45.9	-56.1	212.0	-268.1	-0.6	46.2	46.7	13.2	14.5	1.3	89.4	107.6	18.2	-41.1	0.3	0.3	0.0	-41.4	21.0	20.7	0.3	16.7	0.0	16.8	-69.4	-56.9	-14.8	-0.6	2.8	-9.8	-4.8
VI	5.3	-68.0	229.3	-297.3	0.4	48.2	47.9	-15.0	11.7	26.7	87.9	105.3	17.3	-8.6	0.6	0.6	0.0	-9.2	-1.6	-0.5	-1.0	3.0	-0.3	3.3	-55.4	-13.2	-87.0	31.4	13.3	44.8	3.3
Q2	51.0	-207.7	641.7	-849.4	1.1	136.2	135.2	-9.2	38.6	47.8	266.8	317.9	51.2	-46.9	1.4	1.5	0.0	-48.3	63.9	64.3	-0.3	45.6	-0.3	46.0	-146.7	-65.0	-124.7	20.2	22.9	-11.2	-4.1
VII	-21.1	-125.1	196.4	-321.5	5.5	57.0	51.6	-21.0	14.1	35.1	119.5	137.9	18.4	30.3	4.3	1.1	3.1	26.1	25.2	25.2	0.0	6.2	-0.2	6.4	25.2	45.3	7.0	-29.0	1.9	-30.5	-9.2
VIII	67.7	-64.5	214.4	-278.9	7.6	54.8	47.2	11.7	15.2	3.5	112.9	132.2	19.3	-59.8	-0.2	-0.2	0.0	-59.6	-5.6	-5.7	0.1	8.8	0.0	8.8	-27.5	-34.4	6.4	-2.7	3.2	-35.3	-7.9
IX	-38.2	-108.8	194.3	-303.1	10.3	53.8	43.5	-28.4	12.3	40.7	88.7	108.7	20.0	38.3	-0.3	-0.3	0.0	38.6	20.8	20.8	0.0	9.5	-0.2	9.6	44.0	-9.3	-0.8	44.5	9.5	-35.6	-0.1
Q3	8.4	-298.4	605.1	-903.5	23.3	165.6	142.3	-37.7	41.5	79.2	321.2	378.8	57.6	8.9	3.7	0.6	3.1	5.2	40.4	40.3	0.1	24.5	-0.4	24.8	41.7	1.7	12.6	12.8	14.6	-101.4	-17.2
X	-37.2	-136.1	215.5	-351.6	9.9	57.6	47.7	5.0	12.8	7.8	84.1	110.1	26.0	38.6	-0.1	0.0	-0.1	38.7	34.9	35.7	-0.8	24.3	-0.4	24.7	5.2	18.9	22.2	-40.0	4.1	-25.7	-1.5
XI	-99.6	-152.5	208.1	-360.6	-0.6	54.3	55.0	-17.0	14.1	31.1	70.5	96.5	26.0	102.1	-0.8	-0.3	-0.5	102.9	55.6	55.7	-0.1	0.3	-0.1	0.3	46.4	20.0	11.8	11.9	2.7	0.6	-2.5
XII	-127.5	-167.2	212.4	-379.5	-6.9	62.1	69.0	2.8	13.9	11.1	43.8	100.5	56.8	134.5	-1.6	-1.6	0.0	136.1	25.3	25.1	0.1	-4.4	-0.5	-3.9	84.5	24.5	12.7	17.9	29.5	30.7	-6.9
Q4	-264.3	-455.8	635.9	-1091.7	2.4	174.0	171.6	-9.2	40.8	50.0	198.3	307.1	108.8	275.2	-2.5	-1.9	-0.6	277.7	115.7	116.5	-0.7	20.2	-0.9	21.2	136.1	63.4	46.7	-10.3	36.3	5.6	-10.9

Source: National Bank of the Republic of Macedonia

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 for 2003-4.06%, 2004, 2005, 2006 and 2007-4.14%

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

/ 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



Table 22
Republic of Macedonia: balance of payments - services
(in EUR Million)

	SERVICES																													
	Services, net	Inflow	Outflow	1. Travel			2. Transportation			3. Other services			Inflow								Outflow									
				Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Total, inflow	Communica- tions	Constructio n	Insurance	Business services				Governmen t services	Other	Total, outflow	Communica- tions	Constructio n	Insurance	Business services				Governme nt services	Other
															o/w Agency commission	o/w Forwarding services									o/w Agency commission	o/w Forwarding services				
2003	-6.0	335.3	341.4	7.6	49.9	42.3	-34.6	106.2	140.7	20.9	179.3	48.7	36.5	2.0	61.6	5.2	4.8	18.0	12.4	158.4	17.6	3.6	9.5	87.7	4.9	2.9	14.8	25.1		
2004	-43.4	363.7	407.1	14.0	57.9	43.9	-55.3	109.6	164.9	-2.1	196.3	38.6	45.4	3.7	71.7	5.6	5.5	19.1	17.8	198.4	16.8	2.4	10.9	119.1	6.9	2.9	18.1	31.2		
2005	-24.7	416.2	440.8	22.4	72.3	49.9	-47.9	123.2	171.1	0.8	220.6	36.2	47.8	3.9	86.9	8.4	6.1	21.3	24.6	219.8	16.6	7.2	13.1	128.2	7.4	3.3	17.7	37.0		
2006	22.2	477.2	455.1	46.3	102.4	56.2	-38.5	141.2	179.8	14.4	233.6	48.5	38.3	4.7	93.5	8.8	6.8	15.8	32.9	219.1	22.0	2.3	16.5	108.7	5.5	2.4	22.2	47.6		
I	1.2	32.9	31.7	2.5	5.8	3.4	-2.1	9.1	11.2	0.8	17.9	3.7	4.4	0.5	6.4	0.6	0.4	1.2	1.8	17.1	1.6	0.1	0.7	8.2	0.5	0.3	3.5	3.1		
II	-2.7	30.0	32.6	2.6	6.4	3.8	-4.4	10.0	14.4	-0.9	13.6	3.3	0.6	0.2	6.3	0.7	0.6	1.2	2.0	14.5	1.5	0.6	0.4	7.5	0.6	0.2	1.7	2.8		
III	-3.1	36.2	39.4	2.1	6.9	4.8	-4.9	12.1	17.0	-0.3	17.2	3.6	1.2	0.3	8.1	0.8	0.7	1.8	2.2	17.6	1.4	0.3	1.3	9.6	0.4	0.1	1.7	3.3		
IV	-1.4	32.0	33.4	2.2	6.5	4.3	-4.7	8.9	13.7	1.1	16.6	3.8	2.8	0.8	6.3	0.6	1.0	1.0	1.9	15.5	1.8	0.1	2.3	7.9	0.5	0.3	1.4	2.0		
V	-1.8	39.0	40.8	3.6	8.8	5.2	-4.5	10.8	15.4	-0.8	19.4	4.0	1.9	0.3	9.2	0.6	0.7	1.0	2.9	20.2	1.7	0.2	1.4	9.9	0.3	0.2	1.9	5.2		
VI	-0.6	39.3	40.0	3.6	8.4	4.8	-4.0	11.3	15.4	-0.2	19.6	3.9	4.1	0.2	7.9	0.6	0.5	1.3	2.2	19.8	1.8	0.1	1.0	11.2	0.6	0.2	1.7	3.9		
VII	11.0	47.1	36.1	6.4	11.8	5.4	0.5	14.1	13.6	4.1	21.2	5.0	2.3	0.3	9.8	0.7	0.4	1.1	2.6	17.1	1.9	0.0	1.2	7.8	0.5	0.2	1.6	4.5		
VIII	4.6	44.9	40.4	7.6	13.2	5.6	-3.7	12.2	15.9	0.7	19.5	4.4	3.8	0.3	8.1	0.7	0.4	1.0	1.9	18.8	2.0	0.0	1.5	9.9	0.6	0.1	1.4	4.1		
IX	8.7	42.2	33.5	4.3	9.1	4.8	-2.1	13.0	15.1	6.6	20.1	3.6	3.4	0.3	8.3	0.8	0.3	1.2	3.3	13.6	2.1	0.7	0.7	6.2	0.2	0.1	1.2	2.6		
X	5.8	44.8	39.0	3.7	8.4	4.6	-0.7	14.1	14.8	2.7	22.4	4.2	3.8	0.4	8.0	0.8	0.5	2.1	3.9	19.6	2.0	0.0	0.6	9.8	0.4	0.3	1.4	5.8		
XI	2.4	38.8	36.3	3.6	8.1	4.4	-2.9	12.0	14.9	1.7	18.7	4.4	4.1	0.3	5.9	0.8	0.5	1.0	3.0	17.0	1.4	0.1	3.4	6.6	0.4	0.2	2.5	3.1		
XII	-2.0	50.0	52.0	3.9	9.1	5.2	-4.8	13.6	18.4	-1.0	27.4	4.5	6.0	0.8	9.1	1.1	0.8	1.9	5.1	28.4	2.9	0.0	2.0	14.0	0.5	0.2	2.2	7.2		
Q1	-4.6	99.1	103.7	7.2	19.1	11.9	-11.4	31.3	42.7	-0.4	48.7	10.6	6.1	0.9	20.8	2.1	1.7	4.2	6.0	49.1	4.4	0.9	2.4	25.3	1.4	0.6	6.9	9.2		
Q2	-3.8	110.4	114.1	9.5	23.7	14.2	-13.3	31.1	44.4	0.1	55.6	11.7	8.7	1.4	23.4	1.8	2.2	3.4	7.0	55.5	5.3	0.4	4.7	29.1	1.4	0.6	5.0	11.1		
Q3	24.3	134.2	109.9	18.3	34.1	15.8	-5.4	39.3	44.7	11.4	60.8	13.0	9.6	0.9	26.2	2.2	1.1	3.2	7.8	49.5	6.0	0.8	3.4	23.9	1.3	0.4	4.2	11.2		
Q4	6.2	133.6	127.3	11.3	25.5	14.3	-8.4	39.6	48.0	3.4	68.5	13.2	13.8	1.4	23.0	2.7	1.8	5.0	12.0	65.1	6.3	0.2	6.0	30.4	1.3	0.6	6.1	16.1		
2007	25.5	594.2	568.7	61.0	134.9	73.9	-48.3	175.2	223.4	12.8	284.2	50.9	54.9	4.2	114.6	12.2	8.5	13.8	45.8	271.4	23.1	1.7	16.0	145.1	15.8	3.1	28.0	57.4		
I	-2.0	37.7	39.7	3.5	8.0	4.5	-3.9	11.2	15.1	-1.7	18.5	3.9	2.5	0.2	8.3	0.9	0.4	1.0	2.5	20.2	1.6	0.0	0.7	8.0	0.4	0.3	4.5	5.4		
II	1.0	39.7	38.8	3.6	8.2	4.6	-5.1	10.7	15.9	2.5	20.8	3.4	2.8	0.3	8.2	0.9	0.5	1.2	4.9	18.2	1.0	0.2	1.3	8.1	2.2	0.2	2.0	5.6		
III	-0.1	41.0	41.1	2.2	7.8	5.6	-3.6	12.6	16.2	1.3	20.6	4.2	3.1	0.6	9.6	1.1	0.6	1.2	2.1	19.3	1.7	0.3	1.4	10.7	2.2	0.3	2.1	3.1		
Q1	-1.2	118.4	119.6	9.3	24.0	14.7	-12.6	34.5	47.1	2.2	59.9	11.5	8.4	1.1	26.1	2.8	1.5	3.4	9.4	57.7	4.4	0.5	3.3	26.8	4.9	0.7	8.5	14.2		
IV	1.3	41.8	40.6	3.1	8.5	5.3	-3.5	13.0	16.5	1.7	20.4	4.1	2.9	0.6	9.2	0.9	0.4	1.0	2.7	18.7	1.5	0.1	1.1	9.5	1.2	0.3	1.9	4.6		
V	-0.6	46.2	46.7	3.2	9.4	6.2	-5.7	13.0	18.7	2.0	23.8	4.6	4.8	0.3	9.8	1.0	0.8	1.1	3.3	21.8	1.9	0.1	1.2	12.7	1.6	0.2	2.1	3.8		
VI	0.4	48.2	47.9	4.3	10.5	6.1	-2.8	14.5	17.3	-1.2	23.2	3.8	6.5	0.5	6.2	0.9	0.6	0.9	5.3	24.4	2.0	0.1	1.5	14.6	1.6	0.4	1.9	4.3		
Q2	1.1	136.2	135.2	10.6	28.3	17.7	-12.0	40.5	52.5	2.5	67.4	12.5	14.3	1.4	25.1	2.8	1.8	2.9	11.3	65.0	5.3	0.3	3.8	36.9	4.4	1.0	6.0	12.7		
VII	5.5	57.0	51.6	7.0	14.5	7.5	-2.1	18.0	20.1	0.6	24.6	5.6	3.0	0.2	10.9	1.0	0.8	1.1	3.8	24.0	2.1	0.2	1.4	12.5	1.2	0.2	2.4	5.4		
VIII	7.6	54.8	47.2	8.8	16.3	7.5	-2.2	16.0	18.1	0.9	22.5	4.4	4.7	0.2	9.1	0.9	0.9	1.0	3.1	21.6	2.6	0.1	1.2	12.6	0.7	0.2	1.5	3.5		
IX	10.3	53.8	43.5	7.9	14.3	6.4	-3.1	15.6	18.7	5.4	23.9	4.7	6.2	0.3	8.0	0.9	0.9	1.2	3.5	18.4	2.0	0.0	0.7	9.9	0.9	0.2	2.1	3.7		
Q3	23.3	165.6	142.3	23.7	45.0	21.3	-7.4	49.6	56.9	7.0	71.0	14.7	13.9	0.7	28.0	2.7	2.6	3.3	10.4	64.1	6.8	0.3	3.3	35.1	2.7	0.6	6.0	12.6		
X	9.9	57.6	47.7	6.7	13.6	6.9	-4.2	17.1	21.2	7.4	26.9	3.9	5.9	0.4	10.4	1.0	0.8	1.6	4.7	19.5	2.1	0.3	2.1	9.3	1.2	0.2	1.9	3.9		
XI	-0.6	54.3	55.0	3.9	10.4	6.5	-6.7	16.6	23.4	2.2	27.3	4.5	7.1	0.3	9.0	1.1	0.7	1.2	5.3	25.1	1.8	0.1	1.6	14.4	0.9	0.2	2.6	4.6		
XII	-6.9	62.1	69.0	6.8	13.6	6.7	-5.3	16.9	22.3	-8.4	31.6	3.9	5.3	0.3	16.1	1.8	1.0	1.4	4.6	40.0	2.8	0.2	1.9	22.6	1.6	0.4	3.0	9.4		
Q4	2.4	174.0	171.6	17.4	37.5	20.2	-16.2	50.6	66.9	1.2	85.8	12.3	18.3	1.0	35.4	3.8	2.5	4.2	14.7	84.6	6.7	0.6	5.6	46.3	3.7	0.8	7.5	17.9		

Source: National Bank of the Republic of Macedonia.



Table 23
Republic of Macedonia: balance of payments - income
(in EUR Million)

		INCOME													
		Income, net	1. Compensation of employees			Investment income, net	2. Investment income								
			Net	Inflow	Outflow		2.1. Direct investment			2.2. Portfolio investment			2.3. Other investment		
							Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Interest receipts	Interest payments
2003	-55.3	24.0	24.5	0.5	-79.3	-54.4	0.8	55.2	2.8	4.8	1.9	-27.7	23.2	50.9	
2004	-33.2	40.6	41.7	1.1	-73.8	-56.3	0.3	56.7	3.4	2.2	-1.2	-20.8	23.6	44.5	
2005	-91.5	44.9	46.3	1.4	-136.4	-113.1	0.5	113.5	-2.7	0.9	3.6	-20.7	31.3	52.0	
2006	-28.4	53.1	54.9	1.8	-81.5	-48.2	0.4	48.7	-13.9	2.3	16.3	-19.4	49.6	69.0	
I	-3.5	3.8	3.9	0.1	-7.3	-1.6	0.0	1.6	-0.7	0.0	0.7	-5.0	4.2	9.2	
II	0.0	4.4	4.5	0.1	-4.4	-2.0	0.0	2.0	-0.7	0.1	0.8	-1.7	2.9	4.6	
III	2.0	5.1	5.2	0.2	-3.1	-1.5	0.2	1.7	-0.7	0.1	0.8	-0.9	3.6	4.5	
IV	-2.7	3.0	3.1	0.1	-5.7	-2.3	0.0	2.3	-0.7	0.1	0.8	-2.6	2.6	5.2	
V	-4.5	4.6	4.7	0.1	-9.1	-8.9	0.0	8.9	-0.6	0.1	0.8	0.4	3.4	3.0	
VI	-0.9	5.2	5.3	0.2	-6.1	-4.9	0.0	4.9	-0.5	0.3	0.8	-0.7	4.5	5.2	
VII	-4.5	3.2	3.3	0.1	-7.7	-2.5	0.1	2.6	-0.7	0.0	0.8	-4.5	4.4	8.9	
VIII	0.2	5.1	5.2	0.1	-4.9	-3.1	0.0	3.2	-0.6	0.2	0.8	-1.1	3.6	4.7	
IX	-11.8	3.4	3.5	0.2	-15.2	-15.1	0.0	15.2	-0.4	0.3	0.8	0.3	5.3	4.9	
X	0.8	5.6	5.8	0.1	-4.9	-2.1	0.0	2.1	-0.7	0.1	0.9	-2.0	4.9	6.9	
XI	5.2	6.5	6.6	0.2	-1.3	-2.2	0.0	2.2	-0.5	0.2	0.7	1.5	5.1	3.6	
XII	-8.7	3.3	3.6	0.3	-12.0	-1.9	0.0	1.9	-7.0	0.7	7.7	-3.0	5.1	8.2	
Q1	-1.6	13.2	13.6	0.4	-14.8	-5.1	0.2	5.3	-2.0	0.2	2.3	-7.6	10.7	18.3	
Q2	-8.1	12.8	13.2	0.4	-20.9	-16.1	0.0	16.1	-1.8	0.5	2.4	-2.9	10.6	13.5	
Q3	-16.0	11.7	12.1	0.4	-27.8	-20.7	0.2	20.9	-1.8	0.6	2.3	-5.3	13.3	18.5	
Q4	-2.7	15.4	16.0	0.6	-18.1	-6.3	0.0	6.3	-8.3	1.0	9.3	-3.6	15.1	18.7	
2007	-26.4	75.1	77.0	1.8	-101.6	-92.5	1.8	94.3	8.8	9.4	0.6	-17.9	67.0	84.9	
I	10.2	5.3	5.5	0.2	4.9	4.7	0.0	-4.7	0.3	0.3	0.0	-0.2	5.8	6.0	
II	8.6	4.9	5.0	0.1	3.7	5.1	0.0	-5.0	0.3	0.3	0.0	-1.7	4.6	6.3	
III	10.9	5.8	6.0	0.1	5.1	4.3	0.0	-4.3	0.8	0.9	0.0	-0.1	5.7	5.8	
Q1	29.7	16.1	16.5	0.4	13.6	14.1	0.1	-14.1	1.5	1.5	0.1	-2.0	16.1	18.1	
IV	-7.3	6.3	6.5	0.1	-13.6	-12.5	0.0	12.5	0.3	0.4	0.1	-1.5	5.6	7.1	
V	13.2	7.4	7.5	0.1	5.8	5.2	1.1	-4.1	0.5	0.5	0.0	0.1	5.3	5.2	
VI	-15.0	4.0	4.1	0.1	-19.0	-16.5	0.2	16.7	1.3	1.3	0.0	-3.8	6.1	9.9	
Q2	-9.2	17.7	18.1	0.4	-26.9	-23.9	1.3	25.1	2.1	2.2	0.2	-5.1	17.0	22.1	
VII	-21.0	7.5	7.6	0.1	-28.5	-29.4	0.2	29.6	0.9	1.0	0.0	0.0	5.3	5.3	
VIII	11.7	8.3	8.4	0.1	3.4	1.8	0.0	-1.8	0.6	0.6	0.0	1.1	6.1	5.1	
IX	-28.4	3.9	4.1	0.2	-32.4	-30.1	0.2	30.3	1.4	1.4	0.0	-3.6	6.6	10.1	
Q3	-37.7	19.7	20.2	0.5	-57.4	-57.8	0.4	58.1	2.9	3.0	0.1	-2.5	18.0	20.5	
X	5.0	7.6	7.8	0.2	-2.6	-0.5	0.0	0.5	0.1	0.2	0.1	-2.2	4.9	7.0	
XI	-17.0	9.1	9.3	0.2	-26.1	-26.4	0.1	26.4	0.5	0.5	0.0	-0.2	4.2	4.4	
XII	2.8	4.9	5.1	0.2	-2.2	1.9	0.0	-1.9	1.8	2.0	0.2	-5.9	6.8	12.7	
Q4	-9.2	21.7	22.2	0.5	-30.8	-25.0	0.1	25.1	2.4	2.7	0.3	-8.3	15.9	24.1	

Source: National Bank of the Republic of Macedonia.



Table 24
Republic of Macedonia: balance of payments - current transfers
(in EUR Million)

	Current transfers, net	CURRENT TRANSFERS																
		Net	1. Official transfers						Net	2. Private transfers								
			Inflow			Outflow				2.1. Remittances			2.2. Cash exchange			2.3. Other transfers		
			Total, inflow	Goods	Financial assets	Total, outflow	Goods	Financial assets		Remittances, net	Inflow	Outflow	Cash exchange, net	Cash exchange inflow	Cash exchange outflow	Other transfers, net	Inflow	Outflow
2003	646.1	89.4	92.9	24.2	68.7	3.5	1.5	2.1	556.7	115.2	128.9	13.6	347.0	467.1	120.1	94.5	110.7	16.2
2004	628.2	55.5	60.1	26.3	33.9	4.7	2.0	2.7	572.7	117.9	129.8	11.9	346.1	510.0	163.9	108.7	128.2	19.4
2005	853.3	53.4	60.9	28.2	32.8	7.6	4.0	3.5	799.9	125.3	136.6	11.3	546.9	662.1	115.1	127.7	143.0	15.3
2006	981.8	58.7	66.2	36.8	29.4	7.4	2.8	4.6	923.1	144.7	157.1	12.4	649.5	774.9	125.4	128.9	142.4	13.5
I	55.4	1.5	1.7	1.7	0.0	0.2	0.1	0.1	53.9	8.4	9.2	0.8	37.1	45.8	8.7	8.4	9.4	1.0
II	56.0	3.7	4.1	1.2	3.0	0.4	0.2	0.2	52.3	8.9	9.8	0.9	34.3	40.9	6.6	9.1	9.8	0.7
III	73.4	8.8	9.6	5.9	3.7	0.8	0.1	0.7	64.6	11.8	12.8	1.1	41.0	50.2	9.3	11.8	13.2	1.3
IV	75.9	7.1	7.6	4.3	3.3	0.5	0.4	0.1	68.8	11.9	12.7	0.8	46.2	56.3	10.0	10.7	11.5	0.8
V	85.4	4.2	5.3	4.2	1.1	1.1	0.1	1.0	81.2	13.2	14.2	1.0	56.6	66.9	10.3	11.4	12.3	0.9
VI	85.4	4.5	5.2	3.6	1.5	0.7	0.2	0.5	80.9	12.6	13.5	0.9	57.0	67.9	10.9	11.3	12.7	1.4
VII	96.2	3.3	3.8	2.6	1.2	0.5	0.4	0.1	92.9	11.8	12.8	1.0	69.7	81.9	12.2	11.3	12.2	0.9
VIII	101.3	3.6	3.9	2.1	1.8	0.3	0.2	0.1	97.7	12.9	14.1	1.2	74.1	85.6	11.5	10.7	12.2	1.5
IX	97.8	7.0	7.4	1.3	6.1	0.4	0.4	0.1	90.8	13.9	15.1	1.2	65.8	75.4	9.6	11.1	12.5	1.5
X	91.0	5.8	6.5	3.1	3.4	0.7	0.4	0.3	85.2	14.4	15.6	1.2	60.5	73.1	12.6	10.3	11.1	0.9
XI	76.3	3.0	3.5	2.8	0.7	0.4	0.2	0.3	73.3	13.7	14.8	1.2	49.1	61.6	12.5	10.5	11.6	1.1
XII	87.8	6.1	7.5	3.9	3.7	1.4	0.2	1.2	81.7	11.3	12.5	1.2	58.1	69.3	11.2	12.3	13.8	1.5
Q1	184.8	14.1	15.5	8.8	6.7	1.4	0.4	1.0	170.7	29.0	31.8	2.8	112.4	137.0	24.6	29.3	32.3	3.0
Q2	246.7	15.8	18.0	12.1	5.9	2.3	0.6	1.6	230.9	37.7	40.5	2.7	159.8	191.0	31.2	33.4	36.6	3.2
Q3	295.3	14.0	15.1	6.1	9.0	1.2	0.9	0.2	281.4	38.6	42.0	3.4	209.6	242.9	33.3	33.1	37.0	3.9
Q4	255.0	14.9	17.5	9.7	7.8	2.6	0.8	1.8	240.1	39.3	42.9	3.5	167.7	204.0	36.3	33.1	36.6	3.5
2007	1009.8	23.9	60.6	40.9	19.7	36.7	4.7	32.0	985.8	158.1	174.3	16.2	695.4	886.0	190.6	132.3	150.0	17.7
I	68.5	3.2	3.5	1.8	1.7	0.3	0.2	0.1	65.3	10.1	11.3	1.2	46.4	58.5	12.0	8.8	9.9	1.1
II	70.9	1.5	2.0	1.1	0.9	0.5	0.3	0.2	69.5	10.8	11.8	1.1	47.9	58.0	10.1	10.8	11.4	0.6
III	84.0	3.9	4.6	3.1	1.4	0.6	0.3	0.4	80.1	13.5	14.9	1.3	55.4	67.8	12.4	11.2	13.4	2.2
Q1	223.5	8.6	10.0	6.0	4.0	1.4	0.8	0.6	214.9	34.4	38.0	3.6	149.7	184.2	34.5	30.8	34.8	4.0
IV	89.4	5.4	6.5	5.2	1.2	1.1	0.4	0.7	84.0	12.0	13.3	1.3	61.1	73.2	12.1	10.9	12.0	1.2
V	89.4	5.9	6.5	4.8	1.7	0.6	0.4	0.1	83.5	14.2	15.4	1.1	59.2	74.6	15.4	10.1	11.1	1.1
VI	87.9	5.8	6.7	5.1	1.6	0.9	0.6	0.3	82.2	13.0	14.4	1.4	57.7	71.7	14.0	11.4	12.6	1.1
Q2	266.8	17.1	19.6	15.1	4.5	2.5	1.4	1.1	249.7	39.3	43.1	3.8	178.1	219.5	41.5	32.4	35.7	3.4
VII	119.5	5.2	5.6	4.1	1.5	0.4	0.2	0.1	114.3	14.8	16.1	1.3	87.6	102.4	14.7	11.9	13.9	2.0
VIII	112.9	2.2	3.8	2.4	1.4	1.6	0.6	1.0	110.7	14.1	15.4	1.3	87.1	102.1	15.0	9.5	10.9	1.3
IX	88.7	3.3	3.8	2.0	1.8	0.5	0.3	0.2	85.5	14.8	16.2	1.4	58.9	76.3	17.4	11.7	12.4	0.7
Q3	321.2	10.7	13.2	8.5	4.7	2.5	1.1	1.3	310.5	43.7	47.7	4.0	233.6	280.8	47.2	33.1	37.2	4.0
X	84.1	3.1	3.6	3.0	0.6	0.5	0.4	0.1	81.0	15.6	17.4	1.8	54.1	74.9	20.8	11.3	14.2	2.9
XI	70.5	8.1	9.1	6.4	2.7	0.9	0.2	0.8	62.3	12.5	14.1	1.6	38.8	60.6	21.7	11.0	12.7	1.7
XII	43.8	-23.6	5.1	1.9	3.2	28.8	0.7	28.0	67.4	12.6	14.0	1.4	41.1	66.0	24.9	13.7	15.4	1.7
Q4	198.3	-12.4	17.8	11.3	6.5	30.2	1.3	28.9	210.7	40.7	45.5	4.8	134.0	201.5	67.4	36.0	42.3	6.3

Source: National Bank of the Republic of Macedonia.



Table 25
Republic of Macedonia: balance of payments - capital and financial account (without official transfers)
(in EUR Million)

		Capital and Financial Account, excluding reserve assets																						
		A. Capital account, net				B. Financial account, excluding reserve assets																		
		Net	Capital transfers, net	Acquisition/disposal of non-produced, non-fin. assets	Financial account, net	1. Direct investment			2. Portfolio investment			3. Other investment										3.4. Other, net		
						Net	Inward	Outward	Net	Assets	Liabilities	3. Other investment, net	3.1. Trade credits, net	3.2. Loans			3.3. Currency and deposits							
														Loans, net	Assets	Liabilities			Currency and deposits, net	Monetary Authorities, net	General government, net		Banks, net	Other sectors, net
Total	Long-term	Short-term																						
2003	232.3	-6.1	-6.0	-0.1	238.3	100.1	100.4	-0.3	4.9	0.1	4.8	133.3	67.4	50.3	-15.9	51.4	48.4	3.0	5.9	15.5	0.0	-44.7	35.1	9.8
2004	362.6	-4.2	-4.2	0.0	366.8	259.7	260.7	-0.9	9.5	0.1	9.3	97.6	71.0	6.1	0.0	4.6	25.7	-21.1	-2.3	23.2	0.0	-84.4	58.9	22.8
2005	475.6	-1.7	-1.7	0.0	477.3	74.9	77.2	-2.3	200.2	0.1	200.1	202.2	105.9	100.2	-37.8	104.4	89.0	15.4	-20.3	0.0	0.0	22.4	-42.7	16.5
2006	335.7	-0.7	-0.7	0.0	336.4	344.6	344.8	-0.1	73.1	0.0	73.1	-81.4	2.9	-22.3	0.0	-26.4	-59.4	33.0	-83.7	-5.7	0.0	-10.4	-67.6	21.7
I	-142.0	-0.1	-0.1	0.0	-141.9	11.3	11.3	0.0	3.8	0.0	3.8	-157.0	-1.3	-151.6	0.0	-151.8	-154.7	3.0	-4.9	0.0	0.0	-3.6	-1.3	0.8
II	10.0	0.2	0.2	0.0	9.9	7.8	7.8	0.0	3.4	0.0	3.4	-1.3	-21.4	21.6	0.0	21.4	11.3	10.2	-1.7	0.0	0.0	4.4	-6.1	0.2
III	200.6	0.4	0.4	0.0	200.2	234.9	235.0	0.0	6.5	0.0	6.5	-41.2	21.3	-4.0	0.0	-4.1	-6.1	2.0	-60.2	-56.7	0.0	5.3	-8.8	1.7
IV	68.1	-0.1	-0.1	0.0	68.3	10.2	9.5	0.7	5.2	0.0	5.2	52.9	16.7	40.8	0.0	40.7	26.2	14.5	-6.0	0.0	0.0	-0.9	-5.1	1.4
V	30.1	-0.3	-0.3	0.0	30.4	8.6	8.7	-0.1	14.7	0.0	14.7	7.0	2.4	8.2	0.0	8.2	7.1	1.1	-4.0	0.0	0.0	7.5	-11.4	0.3
VI	45.6	0.0	0.0	0.0	45.6	12.9	12.9	0.0	6.8	0.0	6.8	25.8	5.8	7.6	0.0	4.5	3.1	1.4	6.8	0.0	0.0	12.8	-6.0	5.7
VII	8.0	0.7	0.7	0.0	7.3	6.8	7.4	-0.6	2.1	0.0	2.1	-1.6	-10.1	23.9	0.0	23.8	21.9	1.9	-16.5	0.0	0.0	-12.7	-3.8	1.2
VIII	48.5	-0.8	-0.8	0.0	49.3	6.4	6.4	0.0	4.0	0.0	4.0	38.9	0.7	-2.7	0.0	-2.7	-1.1	-1.6	39.5	51.1	0.0	-12.2	0.7	1.3
IX	-25.0	-0.1	-0.1	0.0	-24.9	10.8	10.8	0.0	2.8	0.0	2.8	-38.6	-43.0	3.3	0.0	3.2	2.4	0.8	-0.4	0.0	0.0	7.3	-7.7	1.4
X	1.9	-0.1	-0.1	0.0	2.0	7.3	7.3	-0.1	4.0	0.0	4.0	-9.3	-11.4	-1.9	0.0	-2.0	-0.4	-1.6	2.4	0.0	0.0	8.0	-5.7	1.8
XI	37.6	0.1	0.1	0.0	37.5	8.2	8.3	-0.1	8.6	0.0	8.6	20.7	17.2	13.0	0.0	12.9	10.7	2.2	-10.0	0.0	0.0	-3.3	-6.7	0.5
XII	52.1	-0.6	-0.6	0.0	52.7	19.2	19.2	0.0	11.2	0.0	11.2	22.3	25.9	19.6	0.0	19.6	20.3	-0.8	-28.7	0.0	0.0	-23.1	-5.6	5.4
Q1	68.7	0.4	0.4	0.0	68.3	254.0	254.1	-0.1	13.7	0.0	13.7	-199.4	-1.3	-134.1	0.0	-134.5	-149.6	15.1	-66.8	-56.7	0.0	6.1	-16.2	2.7
Q2	143.8	-0.4	-0.4	0.0	144.2	31.8	31.1	0.7	26.7	0.0	26.7	85.7	24.9	56.6	0.0	53.4	36.4	17.0	-3.2	0.0	0.0	19.4	-22.6	7.4
Q3	31.5	-0.2	-0.2	0.0	31.7	24.1	24.6	-0.6	8.9	0.0	8.9	-1.3	-52.4	24.5	0.0	24.3	23.2	1.1	22.6	51.1	0.0	-17.6	-10.8	4.0
Q4	91.7	-0.6	-0.6	0.0	92.2	34.7	34.9	-0.2	23.8	0.0	23.8	33.7	31.7	30.7	0.0	30.5	30.6	-0.1	-36.4	0.0	0.0	-18.3	-18.0	7.7
2007	296.0	1.3	-1.1	2.4	294.7	240.1	239.3	0.9	110.8	-1.7	112.5	-56.3	-33.5	-107.7	-10.6	-107.1	-127.7	20.6	5.9	-0.2	0.0	68.4	-62.3	78.9
I	-23.7	-1.2	-1.2	0.0	-22.4	3.8	3.8	0.0	12.2	0.0	12.2	-38.4	-3.1	-42.3	0.0	-42.3	-44.4	2.1	5.9	0.0	0.0	3.7	2.2	1.2
II	-21.5	0.1	0.1	0.0	-21.6	7.8	5.9	1.9	-7.6	0.0	-7.6	-21.7	6.9	-15.8	0.0	-15.8	-19.2	3.4	-14.3	0.0	0.0	-8.2	-6.1	1.4
III	-3.0	-0.2	-0.2	0.0	-2.9	8.4	8.5	-0.1	16.0	0.0	16.0	-27.3	-37.5	15.9	0.0	15.9	6.5	9.4	-8.3	0.0	0.0	0.7	-9.0	2.6
Q1	-48.2	-1.3	-1.3	0.0	-46.9	20.1	18.2	1.9	20.5	0.0	20.5	-87.5	-33.6	-42.3	0.0	-42.3	-57.1	14.9	-16.8	0.0	0.0	-3.8	-12.9	5.2
IV	49.1	0.6	0.6	0.0	48.5	44.5	44.1	0.4	25.9	0.0	25.9	-21.9	5.0	-23.0	-0.1	-22.9	-23.4	0.5	-10.7	0.0	0.0	-1.6	-9.1	6.7
V	-31.3	0.3	0.3	0.0	-31.6	21.0	20.7	0.3	16.7	0.0	16.8	-69.4	-56.9	-14.8	-3.7	-14.5	-16.2	1.7	-0.6	0.0	0.0	4.9	-5.4	2.8
VI	-53.4	0.6	0.6	0.0	-53.9	-1.6	-0.5	-1.0	3.0	-0.3	3.3	-55.4	-13.2	-87.0	-5.9	-86.9	-85.6	-1.3	31.4	0.0	0.0	37.9	-6.4	13.3
Q2	-35.6	1.4	1.5	0.0	-37.1	63.9	64.3	-0.3	45.6	-0.3	46.0	-146.7	-65.0	-124.7	-9.7	-124.3	-125.3	0.9	20.2	0.0	0.0	41.2	-20.9	22.9
VII	60.8	4.3	1.1	3.1	56.6	25.2	25.2	0.0	6.2	-0.2	6.4	25.2	45.3	7.0	-0.7	7.7	2.6	5.0	-29.0	0.0	0.0	-22.1	-6.9	1.9
VIII	-24.6	-0.2	-0.2	0.0	-24.3	-5.6	-5.7	0.1	8.8	0.0	8.8	-27.5	-34.4	6.4	-0.2	6.4	7.9	-1.5	-2.7	0.0	0.0	-1.6	-1.1	3.2
IX	74.0	-0.3	-0.3	0.0	74.3	20.8	20.8	0.0	9.5	-0.2	9.6	44.0	-9.3	-0.8	0.0	-0.8	-8.3	7.5	44.5	0.0	0.0	50.6	-6.0	9.5
Q3	110.2	3.7	0.6	3.1	106.5	40.4	40.3	0.1	24.5	-0.4	24.8	41.7	1.7	12.6	-0.9	13.3	2.3	11.0	12.8	0.0	0.0	26.9	-14.0	14.6
X	64.3	-0.1	0.0	-0.1	64.4	34.9	35.7	-0.8	24.3	-0.4	24.7	5.2	18.9	22.2	0.0	22.1	29.3	-7.2	-40.0	-0.3	0.0	-34.2	-5.6	4.1
XI	101.5	-0.8	-0.3	-0.5	102.3	55.6	55.7	-0.1	0.3	-0.1	0.3	46.4	20.0	11.8	0.0	11.7	11.8	-0.1	11.9	0.2	0.0	19.8	-8.2	2.7
XII	103.8	-1.6	-1.6	0.0	105.4	25.3	25.1	0.1	-4.4	-0.5	-3.9	84.5	24.5	12.7	0.0	12.5	11.3	1.2	17.9	0.0	0.0	18.6	-0.7	29.5
Q4	269.6	-2.5	-1.9	-0.6	272.1	115.7	116.5	-0.7	20.2	-0.9	21.2	136.1	63.4	46.7	0.0	46.3	52.5	-6.2	-10.3	-0.1	0.0	4.2	-14.5	36.3

Source: National Bank of the Republic of Macedonia.



Table 26
Merchandise trade by sections of SITC and by end use
(in USD Million)

	EXPORT								IMPORT								EXPORT								IMPORT							
	2003	2004	2005	2006				2003	2004	2005	2006				2007				2007				2007									
	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total						
TOTAL	1,367.0	1,675.9	2,042.3	451.0	586.8	701.5	661.5	2,400.7	2,306.4	2,931.6	3,232.8	727.5	985.9	969.5	1,079.8	3,762.7	733.6	866.8	832.7	923.2	3,356.2	1,052.0	1,177.73	1,269.67	1,728.17	5,227.58						
SITC																																
Food and live animals	92.0	125.6	167.2	30.3	55.7	51.4	53.8	191.1	271.2	337.5	343.2	74.4	95.5	94.8	104.3	369.0	44.2	64.3	70.9	68.8	248.1	109.9	120.35	114.34	169.33	513.94						
Beverages and tobacco	137.1	127.8	163.1	35.2	49.8	64.8	42.1	192.0	24.2	28.0	31.1	5.5	7.7	9.1	9.8	32.1	39.4	54.7	54.1	59.1	207.3	7.3	10.14	10.45	9.99	37.87						
Crude materials, inedible, except fuels	39.9	44.1	67.8	18.4	30.0	29.6	33.8	111.8	60.0	77.4	106.7	31.1	28.6	34.3	39.6	133.6	39.4	46.4	35.3	49.0	170.1	57.6	54.93	80.06	100.89	293.53						
Mineral fuels, lubricants and related materials	73.7	78.3	163.6	37.7	47.9	84.4	55.1	225.1	323.1	397.8	619.2	171.3	172.5	181.5	234.8	760.1	44.6	19.3	46.8	54.3	165.1	211.7	143.71	229.62	394.47	979.47						
Animal and vegetable oils and fats	0.8	7.0	2.9	0.4	0.7	0.8	0.2	2.2	24.5	52.9	30.0	6.5	7.8	9.1	7.2	30.6	0.2	0.3	0.5	1.6	2.6	5.6	9.63	14.75	16.87	46.88						
Chemical products	70.2	73.4	90.8	18.7	26.3	28.3	27.1	100.5	254.9	281.0	334.0	72.5	98.7	94.6	99.5	365.3	26.4	34.4	33.0	38.5	132.2	102.4	124.99	121.23	134.21	482.81						
Manufactured goods classified chiefly by material	398.1	552.7	682.8	147.3	200.8	247.0	257.5	852.6	333.2	740.8	950.5	181.0	309.2	312.6	316.0	1,118.8	326.5	437.6	352.3	386.3	1,502.7	307.4	388.23	364.76	422.68	1,483.07						
Machinery and transport equipment	80.6	92.6	109.9	23.9	32.7	31.3	30.0	117.9	434.2	504.5	563.1	133.6	197.0	168.4	189.7	688.6	29.9	33.5	36.7	49.7	149.8	181.5	239.48	242.97	366.84	1,030.83						
Miscellaneous manufactured articles	471.8	570.8	590.5	137.2	142.0	163.1	161.7	604.1	128.7	171.9	252.9	50.3	68.4	64.3	77.9	260.9	182.7	176.0	202.7	215.2	776.5	67.7	85.27	90.44	111.07	354.45						
Commodities and transactions not classified in SITC	2.7	3.5	3.7	1.8	0.9	0.7	0.2	3.5	452.4	340.1	2.1	1.1	0.7	0.7	1.1	3.6	0.4	0.3	0.5	0.8	1.9	0.9	1.00	1.04	1.82	4.72						
END USE																																
Production materials	669.2	816.2	1,110.4	241.7	334.7	425.8	391.4	1,393.7	1,492.5	1,904.7	2,099.0	469.3	625.5	642.9	715.6	2,453.3	448.1	561.5	503.5	559.4	2,072.5	705.5	737.94	824.85	1,121.67	3,389.94						
Capital goods	22.3	30.6	39.9	8.6	9.4	19.0	14.4	51.5	285.9	312.8	348.5	79.0	126.8	100.2	113.6	419.7	15.8	16.7	17.3	25.7	75.5	108.1	146.65	155.26	229.76	639.74						
Consumption goods	674.5	827.7	891.2	200.6	242.3	255.9	255.5	954.3	525.2	711.8	783.2	178.1	232.9	225.6	249.5	886.1	269.7	288.6	311.9	337.9	1,208.0	237.6	292.15	288.56	374.98	1,193.27						
Unknown	0.9	1.3	0.8	0.1	0.3	0.7	0.2	1.3	2.7	2.3	2.1	1.1	0.7	0.7	1.1	3.6	0.0	0.0	0.0	0.2	0.2	0.9	0.98	1.01	1.77	4.62						

Source: State Statistical Office of the Republic of Macedonia.



Table 27
Foreign trade by countries
(in USD Million)

	EXPORT								IMPORT								EXPORT								IMPORT																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
	2003		2004		2005		2006				2003		2004		2005		2006				2003		2004		2005		2006				2003		2004		2005		2006				2003		2004		2005		2006																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
TOTAL	1,366.99	1,675.88	2,042.30	451.00	586.78	701.47	661.47	2,400.71	2,306.35	2,931.63	3,232.84	727.55	985.90	969.47	1,079.79	3,762.72	733.62	866.76	832.71	923.15	3,356.25	1,052.01	1,177.73	1,269.67	1,728.17	5,227.58																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							



Table 28
Stock of foreign direct investment in Republic of Macedonia by country
(in EUR Million)

Country	1997		1998		1999		2000		2001		2002		2003		2004		2005		2006	
FDI in Republic of Macedonia	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
Afghanistan	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
Albania	0.0	0	0.0	0	0.0	0	0.1	0	0.6	0	2.1	0	2.0	0	4.4	0	3.6	0	11.6	1
Australia	-0.1	0	0.2	0	0.3	0	0.3	0	0.4	0	1.8	0	2.1	0	2.1	0	2.1	0	2.3	0
Austria	17.6	12	30.1	11	39.5	11	33.0	6	36.8	4	37.7	3	42.8	3	62.3	4	57.7	3	219.4	10
Bahamas	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
Belgium	0.1	0	0.1	0	0.0	0	0.1	0	0.4	0	0.5	0	1.3	0	1.3	0	1.3	0	0.9	0
Bermudas	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
Bosnia and Hercegovina	1.6	1	2.9	1	2.8	1	2.7	0	2.4	0	2.4	0	2.4	0	0.7	0	0.2	0	1.0	0
Belize	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
British Virgin Islands	0.1	0	0.1	0	0.5	0	1.4	0	3.9	0	7.0	1	11.3	1	8.7	1	11.8	1	15.8	1
Bulgaria	2.6	2	3.4	1	2.9	1	3.5	1	6.6	1	11.7	1	23.3	2	24.3	2	27.4	2	42.8	2
Byelorussia	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
Canada	0.0	0	0.0	0	0.0	0	0.3	0	0.1	0	0.1	0	0.3	0	0.4	0	0.5	0	1.1	0
Cayman Islands	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
China	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.2	0	0.9	0	1.1	0	1.4	0
Taiwan	0.0	0	0.0	0	0.0	0	2.8	0	4.2	0	3.5	0	3.3	0	2.5	0	0.8	0	2.2	0
Croatia	5.8	4	6.4	2	7.6	2	8.2	1	10.3	1	12.3	1	10.9	1	15.7	1	20.3	1	30.6	1
Cyprus	1.2	1	77.1	29	92.8	26	117.9	20	138.7	13	141.6	12	141.1	11	150.5	9	160.8	9	182.2	9
Czech Republic	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.2	0	0.2	0	0.3	0	0.3	0	0.3	0
Denmark	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.0	0	0.5	0
Dominican Republic	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
Finland	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
France	0.2	0	0.4	0	0.4	0	8.0	1	5.9	1	10.7	1	15.2	1	19.6	1	1.5	0	0.3	0
Germany	9.3	7	14.1	5	15.9	4	50.2	9	54.6	5	52.5	5	57.3	4	70.6	4	64.1	4	64.1	3
Gibraltar	0.3	0	0.4	0	0.5	0	0.9	0	0.8	0	1.0	0	0.4	0	0.4	0	0.5	0	0.7	0
Greece	9.7	7	12.8	5	20.5	6	105.3	18	174.2	17	213.0	18	223.0	17	264.1	16	279.2	16	320.4	15
Hong Kong	0.0	0	0.0	0	0.3	0	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Hungary	0.0	0	0.0	0	0.0	0	0.0	0	300.6	29	300.1	26	313.4	24	354.4	22	350.0	20	350.4	17
Iceland	0.9	1	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
India	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
Iran	0.1	0	0.1	0	0.1	0	0.0	0	0.1	0	0.0	0	0.0	0	0.1	0	0.0	0	0.0	0
Iraq	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.0	0	0.0	0	0.0	0
Ireland	0.0	0	-0.1	0	-0.1	0	0.1	0	0.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Israel	0.0	0	0.2	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Italy	9.9	7	11.0	4	11.4	3	11.4	2	13.9	1	16.5	1	15.0	1	32.1	2	37.7	2	44.4	2
Japan	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
Johanson Island	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
Jordan	0.0	0	0.0	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Lebanon	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
Libya	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
Liechtenstein	0.2	0	3.8	1	10.2	3	4.8	1	6.5	1	4.1	0	22.0	2	1.5	0	2.5	0	6.7	0
Luxembourg	0.2	0	1.8	1	1.9	1	2.3	0	2.3	0	2.3	0	2.2	0	10.8	1	15.2	1	25.4	1
Malaysia	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
Malta	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	-0.1	0	-0.2	0	-0.1	0
Mexico	0.0	0	-0.9	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Moldova, Republic of	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
Netherlands	1.4	1	4.6	2	10.2	3	14.7	3	15.6	2	61.1	5	69.7	5	103.2	6	213.3	12	212.0	10
Netherlands Antilles	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	98.9	6	69.5	4	54.7	3
Nigeria	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
Norway	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.0	0	-0.1	0	0.0	0	0.0	0
Marshall Island	1.3	1	0.6	0	0.7	0	0.1	0	0.2	0	0.2	0	0.3	0	0.3	0	0.0	0	0.0	0
Pakistan	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
Panama	2.0	1	2.9	1	3.1	1	3.5	1	12.9	1	13.3	1	13.3	1	3.0	0	3.2	0	4.1	0
Poland	0.0	0	0.0	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.5	0
Portugal	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	1.8	0
Romania	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.3	0	0.3	0	0.5	0	0.4	0	0.1	0
Russia	3.5	3	5.5	2	2.5	1	0.0	0	0.0	0	1.3	0	1.3	0	1.4	0	1.3	0	1.3	0
Saint Vincent and the Grenadines	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	36.1	2	17.6	1
San Marino	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.8	0	0.7	0	0.7	0	0.8	0	0.9	0
Sevchelles	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	-0.1	0	2.1	0	0.0	0	0.1	0
Singapore	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
Slovenia	16.4	12	21.2	8	43.7	12	56.2	10	58.8	6	66.4	6	84.7	7	101.8	6	106.8	6	126.7	6
South Africa	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
Spain	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
Sweden	1.4	1	1.6	1	1.7	0	2.2	0	1.1	0	2.3	0	2.0	0	2.5	0	2.5	0	2.6	0
Switzerland	32.1	23	40.8	15	45.8	13	61.3	11	79.2	8	85.2	7	101.9	8	143.9	9	164.2	9	150.8	7
Syria	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.2	0	0.2	0	0.1	0	0.2	0	0.0	0
United Arab Emirates	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.0	0	0.0	0
Turkey																				



Table 29
Stock of foreign direct investment in Republic of Macedonia by activity
(in EUR Million)

Activity	1997		1998		1999		2000		2001		2002		2003		2004		2005		2006	
	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %
FDI in Republic of Macedonia																				
AGRICULTURE, HUNTING AND FISHING	1.1	1	0.6	0	0.9	0	0.8	0	2.7	0	3.7	0	9.8	1	23.1	1	23.0	1	23.1	1
MINING AND QUARRYING	0.3	0	0.4	0	0.7	0	9.9	2	13.6	1	16.9	1	15.5	1	22.4	1	39.3	2	45.3	2
Extraction of petroleum and gas	0.0	0	0.0	0	0.0	0	0.3	0	1.4	0	1.4	0	1.3	0	1.3	0	1.3	0	1.3	0
Mining and quarrying n.i.e.	0.3	0	0.4	0	0.7	0	9.6	2	12.2	1	15.6	1	14.2	1	21.1	1	38.0	2	44.0	2
MANUFACTURING	67.5	48	165.3	61	222.1	62	294.8	51	396.2	38	457.7	39	490.4	38	664.9	41	775.3	44	801.9	38
Food products	16.3	12	61.5	23	85.8	24	112.4	19	138.8	13	164.9	14	173.7	13	182.6	11	187.1	11	189.0	9
Textiles and wearing apparel	3.4	2	5.6	2	8.0	2	10.9	2	9.7	1	14.0	1	15.0	1	18.2	1	21.9	1	36.7	2
Wood, publishing and printing	2.2	2	2.8	1	3.5	1	9.6	2	10.8	1	9.8	1	9.1	1	9.6	1	10.3	1	8.6	0
Refined petroleum products and other treatments	0.0	0	0.4	0	0.2	0	-11.5	-2	1.4	0	31.0	3	25.9	2	55.0	3	64.3	4	75.2	4
Manufacture of chemicals & chemicals products	8.3	6	9.3	3	10.2	3	11.0	2	16.3	2	19.9	2	26.4	2	35.7	2	37.7	2	46.7	2
Rubber and plastic products	0.2	0	0.3	0	0.3	0	0.7	0	0.6	0	1.0	0	1.4	0	1.8	0	2.8	0	3.1	0
Metal products	25.4	18	31.6	12	46.7	13	74.7	13	98.6	9	96.5	8	115.1	9	188.2	12	287.4	16	258.1	12
Mechanical products	0.3	0	0.3	0	0.2	0	0.3	0	0.4	0	0.4	0	0.3	0	0.5	0	0.9	0	2.1	0
Office machinery and computers	0.2	0	0.3	0	0.5	0	0.5	0	0.5	0	1.0	0	1.0	0	1.0	0	0.9	0	2.5	0
Radio, TV, communication equipments	0.0	0	0.0	0	0.1	0	0.2	0	0.2	0	0.2	0	-0.5	0	-0.4	0	2.1	0	1.9	0
Motor vehicles	2.7	2	1.5	1	1.5	0	1.2	0	0.9	0	4.0	0	5.2	0	12.3	1	12.6	1	12.8	1
Other transport equipment	0.0	0	-0.9	0	0.0	0	0.0	0	0.0	0	1.5	0	2.0	0	7.2	0	7.8	0	9.4	0
Manufacturing n.i.e.	8.5	6	52.6	19	64.9	18	84.7	15	118.2	11	113.6	10	115.8	9	153.1	10	139.5	8	155.6	7
ELECTRICITY, GAS AND WATER																				
CONSTRUCTION	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.7	0	5.2	0	6.2	0	157.1	7
CONSTRUCTION	0.6	0	0.8	0	5.6	2	32.9	6	47.0	5	56.1	5	65.9	5	64.5	4	61.1	3	70.5	3
TOTAL SERVICES	68.3	48	98.1	36	124.9	35	236.9	41	574.4	55	619.6	53	702.5	54	822.0	51	854.2	48	984.5	47
TRADE AND REPAIR	48.4	34	67.9	25	82.7	23	88.7	15	91.6	9	103.7	9	106.2	8	113.7	7	118.9	7	182.0	9
Trade and repair of motor vehicles	3.3	2	5.7	2	5.7	2	7.0	1	8.7	1	8.7	1	8.9	1	12.2	1	11.6	1	18.8	1
Wholesale trade	25.0	18	35.3	13	45.8	13	53.2	9	51.8	5	65.5	6	66.0	5	63.4	4	64.1	4	98.9	5
Retail trade	20.2	14	27.0	10	31.2	9	28.5	5	31.1	3	29.4	3	31.2	2	38.1	2	43.2	2	62.7	3
HOTELS AND RESTAURANTS	2.4	2	3.0	1	4.7	1	7.4	1	8.2	1	11.8	1	21.6	2	23.8	1	27.7	2	39.6	2
TRANSPORT AND COMMUNICATION	2.9	2	5.5	2	4.5	1	11.4	2	34.2	33	350.4	30	372.8	29	445.4	28	425.5	24	422.5	20
Land transport	4.0	3	6.2	2	8.4	2	9.5	2	9.2	1	9.6	1	8.4	1	8.1	1	7.1	0	8.0	0
Sea transport	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
Air transport	-1.7	-1	-1.7	-1	-5.3	-1	0.2	0	0.2	0	0.2	0	0.1	0	0.3	0	0.4	0	0.0	0
Telecommunications	0.0	0	0.0	0	0.1	1	0.4	0	330.8	32	337.7	29	361.1	28	433.7	27	414.4	23	406.2	19
Transport and communication n.i.e.	0.7	0	0.9	0	1.3	0	1.3	0	2.2	0	2.9	0	3.2	0	3.3	0	3.5	0	8.1	0
FINANCIAL INTERMEDIATION	11.5	8	15.8	6	24.9	7	118.9	21	115.0	11	136.1	12	174.6	14	202.3	13	232.8	13	268.2	13
Monetary intermediation	11.4	8	15.5	6	24.7	7	100.1	17	94.6	9	118.0	10	143.5	11	147.6	9	166.8	9	189.1	9
Other financial intermediation	0.0	0	0.3	0	0.2	0	0.1	0	2.9	0	3.5	0	10.4	1	26.3	2	38.4	2	47.7	2
Insurance & activities auxiliary to insurance	0.0	0	0.0	0	0.0	0	18.7	3	17.5	2	14.6	1	20.6	2	28.1	2	27.1	2	30.4	1
Financial intermediation n.i.e.	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.4	0	0.9	0
REAL ESTATE & BUSINESS ACTIVITIES	1.8	1	2.4	1	4.1	1	6.0	1	11.2	1	11.8	1	20.0	2	29.0	2	40.1	2	57.5	3
Real estate	0.0	0	0.0	0	0.6	0	0.6	0	0.6	0	0.6	0	0.6	0	5.9	0	16.6	1	16.6	1
Computer activities of which	0.2	0	0.3	0	0.3	0	0.4	0	0.6	0	0.7	0	0.6	0	1.2	0	1.6	0	6.6	0
Other business activities	1.2	1	1.8	1	2.8	1	4.6	1	9.5	1	10.1	1	18.4	1	21.3	1	21.6	1	32.8	2
Real estate and business activities n.i.e.	0.3	0	0.3	0	0.4	0	0.4	0	0.5	0	0.4	0	0.5	0	0.6	0	0.3	0	1.2	0
OTHER SERVICES	1.3	1	3.6	1	4.1	1	4.4	1	6.0	1	5.9	1	7.3	1	7.9	0	9.4	1	14.6	1
NOT ALLOCATED	3.6	3	5.1	2	5.7	2	4.7	1	5.3	1	6.7	1	7.3	1	8.1	1	9.9	1	16.2	1
SUB - TOTAL	141.2	100	270.4	100	359.9	100	580.1	100	1,039.2	100	1,160.7	100	1,292.1	100	1,610.2	100	1,769.0	100	2,098.6	100
TOTAL	141.2	100	270.4	100	359.9	100	580.1	100	1,039.2	100	1,160.7	100	1,292.1	100	1,610.2	100	1,769.0	100	2,098.6	100

Source: National Bank of the Republic of Macedonia.
1/Preliminary data.



Table 30

International investment position of the Republic of Macedonia, as of the end of the period
(in USD Million)

	2003	2004	2005	2006
International Investment Position, net	-1,999.0	-2,498.5	-2,333.9	-2,474.0
Assets	1,868.5	2,162.2	2,455.8	3,256.5
<i>Direct investment abroad</i>	42.0	54.2	62.1	39.7
Equity capital and reinvested earnings	35.7	43.9	43.6	37.7
Other capital	6.3	10.3	18.5	2.0
<i>Portfolio investment</i>	3.8	4.1	3.6	4.2
Equity securities	3.8	4.1	3.6	4.2
Banks	3.0	3.3	2.9	3.4
Other sectors	0.8	0.8	0.7	0.8
Debt securities	-	-	-	-
<i>Other investment</i>	929.3	1,128.6	1,065.4	1,346.9
Trade credits	194.3	267.2	299.0	441.8
Other sectors	194.3	267.2	299.0	441.8
Loans	25.5	27.4	26.0	2.3
Banks	24.0	25.7	25.6	2.0
Long-term	15.2	16.5	15.0	1.4
Short-term	8.8	9.2	10.6	0.5
Other sectors	1.5	1.7	0.4	0.3
Long-term	-	1.7	0.1	0.3
Short-term	1.5	-	0.2	-
Currency and deposits	706.0	827.7	733.3	868.4
Monetary authorities	41.4	16.2	15.5	23.6
Banks	664.6	811.5	717.8	844.8
Other assets	3.5	6.3	7.1	34.4
<i>Reserve assets</i>	893.4	975.3	1,324.7	1,865.8
Liabilities	3,867.5	4,660.7	4,789.7	5,730.5
<i>Direct investment abroad</i>	1,614.7	2,190.6	2,086.9	2,763.8
Equity capital and reinvested earnings	1,477.0	1,858.5	1,863.5	2,454.0
Other capital	137.7	332.1	223.4	309.8
<i>Portfolio investment</i>	107.2	71.7	273.9	366.5
Equity securities	80.5	40.0	52.8	114.0
Banks	12.6	19.1	29.5	106.2
Other sectors	67.9	20.9	23.3	7.8
Debt securities	26.8	31.7	221.2	252.5
<i>Other investment</i>	2,145.6	2,398.5	2,428.9	2,600.2
Trade credits	398.2	485.6	457.0	486.2
Other sectors	398.2	485.6	457.0	486.2
Long-term	61.8	46.7	29.3	25.8
Short-term	336.4	438.9	427.6	460.4
Loans	1,657.2	1,814.4	1,852.2	1,853.3
Monetary authorities	68.4	62.5	62.1	55.8
General government	1,256.5	1,351.2	1,292.2	1,152.6
Banks	90.9	89.1	131.0	192.7
Long-term	80.0	78.4	128.3	192.7
Short-term	10.9	10.7	2.7	-
Other sectors	241.4	311.6	366.9	452.2
Long-term	219.9	293.6	293.5	436.8
Short-term	21.5	18.0	73.4	15.4
Currency and deposits	69.0	70.5	86.9	148.6
Banks	69.0	70.5	86.9	148.6
Other liabilities	21.4	27.9	32.8	112.1

Source: National Bank of the Republic of Macedonia.



Table 31

International investment position of the Republic of Macedonia, as of the end of the period
(in EUR Million)

	2003	2004	2005	2006
International Investment Position, net	-1,599.7	-1,836.6	-1,978.4	-1,878.5
Assets	1,495.3	1,589.3	2,081.7	2,472.7
<i>Direct investment abroad</i>	33.6	39.9	52.6	30.1
Equity capital and reinvested earnings	28.6	32.3	37.0	28.6
Other capital	5.0	7.6	15.6	1.5
<i>Portfolio investment</i>	3.0	3.0	3.1	3.2
Equity securities	3.0	3.0	3.1	3.2
Banks	2.4	2.4	2.5	2.6
Other sectors	0.6	0.6	0.6	0.6
Debt securities	-	-	-	-
<i>Other investment</i>	743.7	829.5	903.1	1,022.7
Trade credits	155.5	196.4	253.5	335.5
Other sectors	155.5	196.4	253.5	335.5
Loans	20.4	20.1	22.0	1.7
Banks	19.2	18.9	21.7	1.5
Long-term	12.2	12.2	12.7	1.1
Short-term	7.0	6.7	9.0	0.4
Other sectors	1.2	1.2	0.3	0.3
Long-term	-	1.2	0.1	0.3
Short-term	1.2	-	0.2	-
Currency and deposits	565.0	608.4	621.6	659.4
Monetary authorities	33.2	11.9	13.2	17.9
Banks	531.8	596.5	608.4	641.5
Other assets	2.8	4.6	6.0	26.1
<i>Reserve assets</i>	715.0	716.9	1,122.9	1,416.7
Liabilities	3,095.0	3,426.0	4,060.1	4,351.2
<i>Direct investment abroad</i>	1,292.1	1,610.2	1,769.0	2,098.6
Equity capital and reinvested earnings	1,182.0	1,366.1	1,579.6	1,863.4
Other capital	110.2	244.1	189.4	235.2
<i>Portfolio investment</i>	85.8	52.7	232.2	278.3
Equity securities	64.4	29.4	44.7	86.6
Banks	10.1	14.0	25.0	80.7
Other sectors	54.3	15.4	19.7	5.9
Debt securities	21.4	23.3	187.5	191.7
<i>Other investment</i>	1,717.1	1,763.1	2,058.9	1,974.3
Trade credits	318.6	356.9	387.3	369.2
Other sectors	318.6	356.9	387.3	369.2
Long-term	49.4	34.3	24.9	19.6
Short-term	269.2	322.6	362.5	349.6
Loans	1,326.2	1,333.8	1,570.1	1,407.2
Monetary authorities	54.7	46.0	52.7	42.4
General government	1,005.5	993.2	1,095.4	875.2
Banks	72.8	65.5	111.1	146.3
Long-term	64.0	57.6	108.8	146.3
Short-term	8.7	7.9	2.3	-
Other sectors	193.2	229.1	311.0	343.3
Long-term	175.9	215.8	248.8	331.6
Short-term	17.2	13.3	62.2	11.7
Currency and deposits	55.2	51.9	73.7	112.8
Banks	55.2	51.9	73.7	112.8
Other liabilities	17.1	20.5	27.8	85.1

Source: National Bank of the Republic of Macedonia.



Table 32
Republic of Macedonia: gross external debt / 1
(in USD Million)

	31.12.2004	31.12.2005	31.12.2006	31.03.2007	30.06.2007	30.09.2007	31.12.2007
General Government	1,016.46	1,282.82	1,066.92	1,003.13	894.08	887.29	910.45
Short-term	0.01	0.00	0.00	0.00	0.00	7.64	0.00
Money market instruments	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	7.63	0.00
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1,016.45	1,282.82	1,066.92	1,003.13	894.08	879.65	910.45
Bonds and notes	23.25	187.47	191.74	191.04	187.07	185.00	183.03
Loans	993.20	1,095.36	875.19	812.09	707.01	694.65	727.41
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monetary Authorities	45.97	52.66	42.39	38.09	0.00	0.00	0.00
Short-term	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	45.97	52.66	42.39	38.09	0.00	0.00	0.00
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	45.97	52.66	42.39	38.09	0.00	0.00	0.00
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Banks	123.24	192.02	269.88	266.70	312.94	340.70	387.92
Short-term	67.32	81.41	115.44	111.15	144.87	165.51	175.93
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	7.04	1.30	0.00	24.22	30.76	41.67	16.50
Currency and deposits	51.71	69.46	104.70	77.56	104.54	114.30	152.26
Other debt liabilities	8.57	10.66	10.74	9.37	9.56	9.55	7.17
Arrears	8.57	10.66	10.74	9.37	9.56	9.55	7.17
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	55.93	110.60	154.44	155.55	168.07	175.19	211.99
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	55.79	106.40	146.31	147.36	159.90	166.73	202.07
Currency and deposits	0.14	4.20	8.13	8.20	8.17	8.47	9.92
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	600.40	721.01	786.69	823.94	846.00	868.99	973.37
Short-term	370.02	475.84	435.42	448.80	473.29	501.86	619.50
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	4.78	53.03	11.65	26.15	19.93	34.60	31.70
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	322.58	362.86	349.59	359.78	364.52	371.00	442.89
Other debt liabilities	42.66	59.95	74.17	62.87	88.84	96.26	144.92
Arrears	42.66	58.40	74.17	62.87	88.84	96.26	144.92
Other	0.00	1.54	0.00	0.00	0.00	0.00	0.00
Long-term	230.39	245.18	351.27	375.14	372.71	367.13	353.87
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	207.63	234.14	331.68	357.18	358.06	354.13	341.67
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	22.76	11.04	19.59	17.96	14.65	13.00	12.20
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct investment: Intercompany lending	284.52	269.57	329.30	337.70	386.11	394.89	439.80
Debt liabilities to affiliated enterprises	3.70	5.68	13.16	13.16	13.16	13.16	13.16
Debt liabilities to direct investors	280.82	263.89	316.14	324.54	372.95	381.73	426.63
Gross External Debt	2,070.61	2,518.09	2,495.18	2,469.56	2,439.14	2,491.88	2,711.54

Source: National Bank of the Republic of Macedonia.

1/ Preliminary data.



Table 33
Republic of Macedonia: gross external claims / 1
(in EUR Million)

	31.12.2004	31.12.2005	31.12.2006	31.03.2007	30.06.2007	30.09.2007	31.12.2007
General Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monetary Authorities	664.66	1,040.51	1,326.97	1,315.13	1,329.96	1,424.84	1,445.48
Short-term	664.66	1,040.51	1,167.82	1,073.26	1,000.55	1,011.09	951.50
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency and deposits	664.66	1,040.51	1,167.82	1,073.26	1,000.55	1,011.09	951.50
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.00	0.00	159.16	241.87	329.41	413.75	493.99
Bonds and notes	0.00	0.00	159.16	241.87	329.41	413.75	493.99
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Banks	619.59	635.87	668.26	667.61	658.57	644.64	648.05
Short-term	618.75	634.56	667.17	650.53	641.73	627.88	631.33
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	2.17	0.39	0.39	0.01	0.00	0.00
Currency and deposits	596.54	608.45	641.45	624.38	615.25	601.14	604.19
Other claims	22.21	23.93	25.33	25.75	26.46	26.73	27.14
Arrears	22.21	23.93	25.33	25.75	26.46	26.73	27.14
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.84	1.31	1.10	17.08	16.84	16.77	16.72
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.84	1.31	1.10	1.08	0.84	0.82	0.74
Currency and deposits	0.00	0.00	0.00	16.00	16.00	15.95	15.98
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	197.77	253.94	336.54	373.79	443.54	450.47	460.65
Short-term	196.55	253.46	335.63	372.68	442.52	448.95	458.31
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.20	0.00	0.00	0.10	0.65	0.31
Currency and deposits	0.00	0.00	0.21	0.22	0.38	0.12	0.39
Trade credits	196.12	252.79	334.82	371.82	441.24	447.37	456.74
Other claims	0.43	0.46	0.60	0.64	0.80	0.81	0.87
Arrears	0.43	0.46	0.60	0.64	0.80	0.81	0.87
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1.23	0.49	0.91	1.11	1.02	1.51	2.34
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	1.23	0.10	0.25	0.38	0.41	0.74	1.57
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.39	0.66	0.73	0.61	0.77	0.77
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct investment: Intercompany lending	47.98	95.87	95.60	111.65	129.29	130.06	126.87
Claims from affiliated enterprises	11.28	21.33	14.69	14.69	14.69	14.69	14.69
Claims from direct investors	36.70	74.54	80.91	96.96	114.60	115.37	112.18
Gross External Claims	1,530.00	2,026.19	2,427.38	2,468.17	2,561.36	2,650.01	2,681.05

Source: National Bank of the Republic of Macedonia.

1/ Preliminary data.



Table 34
Republic of Macedonia: net external debt position / 1
(in EUR Million)

	31.12.2004	31.12.2005	31.12.2006	31.03.2007	30.06.2007	30.09.2007	31.12.2007
General Government	1,016.46	1,282.82	1,066.92	1,003.13	894.08	887.29	910.45
Short-term	0.01	0.00	0.00	0.00	0.00	7.64	0.00
Money market instruments	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	7.63	0.00
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1,016.45	1,282.82	1,066.92	1,003.13	894.08	879.65	910.45
Bonds and notes	23.25	187.47	191.74	191.04	187.07	185.00	183.03
Loans	993.20	1,095.36	875.19	812.09	707.01	694.65	727.41
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monetary Authorities	-618.69	-987.85	-1,284.58	-1,277.04	-1,329.96	-1,424.84	-1,445.48
Short-term	-664.66	-1,040.51	-1,167.82	-1,073.26	-1,000.55	-1,011.09	-951.50
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency and deposits	-664.66	-1,040.51	-1,167.82	-1,073.26	-1,000.55	-1,011.09	-951.50
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	45.97	52.66	-116.77	-203.78	-329.41	-413.75	-493.99
Bonds and notes	0.00	0.00	-159.16	-241.87	-329.41	-413.75	-493.99
Loans	45.97	52.66	42.39	38.09	0.00	0.00	0.00
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Banks	-496.34	-443.85	-398.38	-400.90	-345.63	-303.94	-260.13
Short-term	-551.43	-553.14	-551.72	-539.38	-496.86	-462.37	-455.39
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	7.04	-0.87	-0.39	23.83	30.75	41.67	16.50
Currency and deposits	-544.82	-539.00	-536.75	-546.82	-510.71	-486.84	-451.93
Other debt liabilities	-13.64	-13.27	-14.59	-16.38	-16.90	-17.19	-19.97
Arrears	-13.64	-13.27	-14.59	-16.38	-16.90	-17.19	-19.97
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	55.09	109.29	153.34	138.47	151.23	158.42	195.27
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	54.95	105.09	145.21	146.28	159.06	165.91	201.33
Currency and deposits	0.14	4.20	8.13	-7.80	-7.83	-7.48	-6.06
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	402.63	467.07	450.15	450.16	402.46	418.53	512.72
Short-term	173.47	222.38	99.79	76.12	30.77	52.91	161.19
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	4.78	52.83	11.65	26.15	19.83	33.95	31.39
Currency and deposits	0.00	0.00	-0.21	-0.22	-0.38	-0.12	-0.39
Trade credits	126.47	110.07	14.77	-12.04	-76.73	-76.37	-13.86
Other debt liabilities	42.23	59.48	73.57	62.23	88.05	95.44	144.05
Arrears	42.23	57.94	73.57	62.23	88.05	95.44	144.05
Other	0.00	1.54	0.00	0.00	0.00	0.00	0.00
Long-term	229.16	244.69	350.36	374.04	371.69	365.62	351.53
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	206.40	234.04	331.43	356.81	357.65	353.38	340.10
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	22.76	10.65	18.93	17.23	14.04	12.23	11.43
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct investment: Intercompany lending	236.54	173.71	233.70	226.05	256.83	264.83	312.93
Debt liabilities to affiliated enterprises	-7.57	-15.65	-1.53	-1.53	-1.53	-1.53	-1.53
Debt liabilities to direct investors	244.11	189.36	235.23	227.58	258.35	266.36	314.46
Net External Debt Position	540.60	491.90	67.80	1.39	-122.22	-158.13	30.48

Source: National Bank of the Republic of Macedonia.

1/ Preliminary data.



Table 35
Reserve assets
(in EUR Million)

	1. Reserve Assets					Other foreign assets
	Monetary gold	SDRs	Reserve Position in the Fund	Foreign Exchange	TOTAL	
2003	29.7	0.3	0.0	685.0	715.0	33.2
2004	63.6	0.6	0.0	652.8	716.9	11.9
2005	94.9	0.7	0.0	1,027.3	1,122.9	13.2
2006	105.4	2.3	0.0	1,309.0	1,416.7	17.9
I	102.9	0.7	0.0	865.8	969.4	13.0
II	102.5	0.2	0.0	873.3	976.0	13.1
III	105.4	0.2	0.0	1,052.2	1,157.8	69.7
IV	111.1	2.6	0.0	1,079.3	1,193.1	69.4
V	111.2	0.9	0.0	1,100.3	1,212.5	69.2
VI	104.6	0.9	0.0	1,135.9	1,241.3	69.4
VII	109.8	0.8	0.0	1,165.5	1,276.1	69.3
VIII	105.9	0.3	0.0	1,239.4	1,345.6	18.1
IX	103.8	0.2	0.0	1,266.1	1,370.1	18.2
X	103.1	2.8	0.0	1,295.8	1,401.7	18.2
XI	105.9	0.5	0.0	1,307.3	1,413.8	17.9
XII	105.4	2.3	0.0	1,309.0	1,416.7	17.9
Q1	105.4	0.2	0.0	1,052.2	1,157.8	69.7
Q2	104.6	0.9	0.0	1,135.9	1,241.3	69.4
Q3	103.8	0.2	0.0	1,266.1	1,370.1	18.2
Q4	105.4	2.3	0.0	1,309.0	1,416.7	17.9
2007	117.7	1.0	0.0	1,428.3	1,547.0	17.1
I	108.7	1.7	0.0	1,284.7	1,395.1	18.1
II	111.7	0.2	0.0	1,276.4	1,388.3	12.1
III	108.7	7.0	0.0	1,297.3	1,413.1	17.9
Q1	108.7	7.0	0.0	1,297.3	1,413.1	17.9
IV	108.5	4.2	0.0	1,343.0	1,455.7	17.7
V	106.8	1.4	0.0	1,357.8	1,466.0	17.8
VI	104.8	1.4	0.0	1,312.2	1,418.4	17.8
Q2	104.8	1.4	0.0	1,312.2	1,418.4	17.8
VII	106.6	1.4	0.0	1,341.1	1,449.1	17.7
VIII	107.1	1.2	0.0	1,377.1	1,485.4	17.8
IX	113.6	1.1	0.0	1,407.4	1,522.1	17.4
Q3	113.6	1.1	0.0	1,407.4	1,522.1	17.4
X	118.6	1.1	0.0	1,431.4	1,551.1	17.6
XI	117.7	1.0	0.0	1,428.3	1,547.0	17.1
XII	124.3	1.0	0.0	1,399.1	1,524.4	17.2
Q4	117.7	1.0	0.0	1,428.3	1,547.0	17.1

Source: National Bank of the Republic of Macedonia.



Table 36
Exchange rates (average for the period)

	100 ATS	100 FRF	100 ITL	100 DEM	100 CHF	1 GBP	1 USD	1 EUR	100 JPY
1993 /1	2.0127	4.1226	1.4832	14.1617	15.9867	35.3541	23.5722	-	
1994	3.7833	7.7828	2.6792	26.6162	31.5905	66.0911	43.2351	-	
1995	3.7722	7.6206	2.3369	26.5390	32.1770	60.0303	38.0354	-	
1996	3.7787	7.8183	2.5929	26.5848	32.3948	62.4691	39.9935	-	
1997	4.0780	8.5259	2.9225	28.6980	34.3423	81.6392	49.8299	-	
1998	4.3993	9.2329	3.1357	30.9525	37.5788	90.2462	54.4506	-	
1999	4.4052	9.2409	3.1306	30.9927	37.8747	92.0413	56.8964	-	
2000	4.4131	9.2575	3.1362	31.0482	38.9892	99.6905	65.8856	60.7250	61.1533
2001	4.4267	9.2862	3.1459	31.1445	40.3381	97.9875	68.0421	60.9133	56.0157
2002	-	-	-	-	41.5689	97.0365	64.7341	60.9783	51.6839
2003	-	-	-	-	40.3117	88.6405	54.3031	61.2639	46.8292
2004	-	-	-	-	39.7337	90.4298	49.4105	61.3377	45.6661
2005	-	-	-	-	39.5872	89.6186	49.2919	61.2958	44.7895
2006	-	-	-	-	38.8981	89.7611	48.7854	61.1885	41.9345
2007	-	-	-	-	37.2534	89.4324	44.7184	61.1838	37.9705
2005 Q1	-	-	-	-	39.6393	88.4807	46.8029	61.4032	44.7904
2005 Q2	-	-	-	-	39.7513	90.4176	48.6819	61.3730	45.2948
2005 Q3	-	-	-	-	39.4147	89.5738	50.1566	61.2196	45.1496
2005 Q4	-	-	-	-	39.5461	89.9864	51.4655	61.1906	43.9286
2006 Q1	-	-	-	-	39.2848	89.2867	50.9665	61.2334	43.5954
2006 Q2	-	-	-	-	39.1077	88.8832	48.7465	61.1661	42.5425
2006 Q3	-	-	-	-	38.7979	89.9489	48.0042	61.1697	41.3318
2006 Q4	-	-	-	-	38.4127	90.9055	47.4714	61.1856	40.3109
2007 Q1	-	-	-	-	37.8609	91.2615	46.6974	61.1809	39.1234
2007 Q2	-	-	-	-	37.1487	90.0730	45.3961	61.1741	37.6175
2007 Q3	-	-	-	-	37.1335	90.0013	44.5585	61.1750	37.8021
2007 Q4	-	-	-	-	36.8825	86.4403	42.2718	61.2053	37.3601
2005 1	-	-	-	-	39.7112	87.8420	46.6876	61.4287	45.1666
2005 2	-	-	-	-	39.5700	88.9779	47.1916	61.359	44.9537
2005 3	-	-	-	-	39.6300	88.6702	46.5671	61.4176	44.2666
2005 4	-	-	-	-	39.6527	89.8171	47.4544	61.3886	44.1968
2005 5	-	-	-	-	39.7529	89.8212	48.2674	61.4171	45.2970
2005 6	-	-	-	-	39.8482	91.6345	50.3377	61.3120	46.3906
2005 7	-	-	-	-	39.2967	89.0983	50.8157	61.2015	45.4303
2005 8	-	-	-	-	39.4266	89.3141	49.7871	61.2329	45.0299
2005 9	-	-	-	-	39.5245	90.3334	49.8574	61.2245	44.9833
2005 10	-	-	-	-	39.4880	89.7278	50.8468	61.1880	44.3459
2005 11	-	-	-	-	39.6099	90.1112	51.8977	61.1789	43.8416
2005 12	-	-	-	-	39.5424	90.1243	51.6661	61.2046	43.5954
2006 1	-	-	-	-	39.5447	89.3827	50.7503	61.2839	43.8820
2006 2	-	-	-	-	39.3020	89.6578	51.2317	61.2179	43.4344
2006 3	-	-	-	-	39.0093	88.8557	50.9433	61.1970	43.4544
2006 4	-	-	-	-	38.8317	88.0838	49.9694	61.1625	42.5913
2006 5	-	-	-	-	39.2724	89.4229	47.9649	61.1686	42.8457
2006 6	-	-	-	-	39.2134	89.1251	48.3312	61.1670	42.1803
2006 7	-	-	-	-	39.0015	88.9010	48.2135	61.1671	41.7135
2006 8	-	-	-	-	38.7629	90.3501	47.7888	61.1688	41.2355
2006 9	-	-	-	-	38.6238	90.6172	48.0105	61.1732	41.0371
2006 10	-	-	-	-	38.4876	90.9394	48.4970	61.1815	40.8833
2006 11	-	-	-	-	38.4257	90.8063	47.5741	61.1799	40.5425
2006 12	-	-	-	-	38.3251	90.9675	46.3465	61.1954	39.5143
2007 1	-	-	-	-	37.8973	92.1831	47.0635	61.1802	39.1269
2007 2	-	-	-	-	37.7300	91.6664	46.8414	61.1905	38.8048
2007 3	-	-	-	-	37.9428	89.9742	46.2014	61.1729	39.4077
2007 4	-	-	-	-	37.3937	90.0173	45.3304	61.1754	38.1562
2007 5	-	-	-	-	37.0661	89.7285	45.2464	61.1729	37.5017
2007 6	-	-	-	-	36.9892	90.4847	45.6166	61.1739	37.1983
2007 7	-	-	-	-	36.9193	90.7086	44.6560	61.1771	36.6735
2007 8	-	-	-	-	37.3499	90.3063	44.9242	61.1713	38.4779
2007 9	-	-	-	-	37.1313	88.9552	44.0798	61.1767	38.2698
2007 10	-	-	-	-	36.6500	87.9323	43.0387	61.1820	37.1373
2007 11	-	-	-	-	37.1130	86.4482	41.7364	61.2049	37.5533
2007 12	-	-	-	-	36.8919	84.9406	42.0230	61.2290	37.3960

Source: National Bank of the Republic of Macedonia.

1/ Denomination of the denar for 100 in may 1993.



Table 37
Mid exchange rates (end of period)

	EUR	DEM	ITL	USD	ATS	FRF	GBP	CHF
	1	100	100	1	100	100	1	100
31.12.1993		2,575.2100	2.6000	44.4600	366.3000	757.7600	65.8200	3,029.4800
31.12.1994		2,621.1400	2.5000	40.6000	372.4900	759.5300	63.4500	3,098.1900
31.12.1995		2,649.4300	2.4000	37.9800	376.5900	775.0400	58.6500	3,299.6000
31.12.1996		2,663.4000	2.7100	41.4100	378.4961	789.1662	69.9596	3,062.9100
31.12.1997		3,092.4800	3.1500	55.4200	439.5300	924.1300	92.2200	3,811.4800
31.12.1998		3,098.3900	3.1294	51.8400	440.4100	923.8800	86.6900	3,786.2300
31.12.1999	60.6173	3,099.3136	3.1306	60.3400	440.5231	924.1000	97.5000	3,776.5400
31.12.2000	60.7878	3,108.0300	3.1400	65.3300	441.7600	926.7000	97.4000	3,990.8000
31.12.2001	60.9610	3,116.8844	3.1484	69.1716	443.0206	929.3438	100.1824	4,110.9286
31.12.2002	61.0707			58.5979			93.9549	4,197.8760
31.12.2003	61.2931			49.0502			87.1136	3,930.5566
31.12.2004	61.3100			45.0676			86.4983	3,970.8549
31.12.2005	61.1779			51.8589			89.2717	3,934.0171
31.12.2006	61.1741			46.4496			91.1007	3,806.9637
31.01.2007	61.2139			47.1893			92.7062	3,770.2575
28.02.2007	61.1773			46.2413			90.8079	3,780.3436
31.03.2007	61.1675			45.9284			89.9787	3,764.8489
30.04.2007	61.1621			44.8304			89.6476	3,722.3602
31.05.2007	61.1920			45.5976			90.0545	3,716.0381
30.06.2007	61.1692			45.2973			90.7555	3,695.3543
31.07.2007	61.1658			44.7806			90.5757	3,721.2265
31.08.2007	61.1716			44.9461			90.2236	3,729.5208
30.09.2007	61.1940			43.1582			87.8215	3,686.1635
31.10.2007	61.1821			42.4669			87.7540	3,652.4446
30.11.2007	61.2935			41.5888			85.7552	3,713.6322
31.12.2007	61.2016			41.6564			83.2901	3,685.9552

Source: National Bank of the Republic of Macedonia.

Table 38
Indices on effective exchange rate of the Denar*
base period 1995=100, ponders FT 2003

year	quarter	Nominal Effective Exchange Rate of Denar	Real Effective Exchange Rate of Denar		
			Consumer Price Index	Producer Price Index	Unit Labor Cost
1995	Q4	41.2	132.1	117.6	
1996	Q4	48.5	118.4	105.9	
1997	Q4	49.9	97.0	93.2	
1998	Q4	66.6	105.7	112.5	
1999	Q4	82.7	113.0	118.8	
2000	Q4	90.0	107.1	109.8	
2001	Q4	94.1	101.7	101.6	
2002	Q4	97.6	99.9	100.7	
2003	Q4	101.2	100.1	99.1	86.7
2004	Q4	104.4	96.1	95.8	92.2
2005	Q4	104.8	90.8	91.7	86.9
2006	Q4	104.2	89.2	88.3	78.1
2007	Q4	104.4	88.0	85.1	69.0
2005	Q1	104.8	94.6	94.6	93.5
	Q2	104.5	92.9	93.6	78.0
	Q3	104.7	91.7	93.9	78.7
	Q4	104.8	90.8	91.7	86.9
2006	Q1	104.8	91.3	91.3	91.7
	Q2	105.6	91.3	90.9	79.7
	Q3	105.1	90.3	89.8	81.4
	Q4	104.2	89.2	88.3	78.1
2007	Q1	104.4	89.0	88.1	75.6
	Q2	104.8	88.8	86.6	71.9
	Q3	104.5	88.0	86.1	68.3
	Q4	104.4	88.0	85.1	69.0

Source: National Bank of the Republic of Macedonia.

* Index below 100 indicates increased export competitiveness.



METHODOLOGICAL EXPLANATIONS

REAL SECTOR

Table 1. Gross domestic product

The data for the gross domestic product (GDP) are produced by the State Statistical Office of the Republic of Macedonia (SSO). GDP is computed on the basis of the annual accounts data from the Central Registry, SSO statistical research, data from the Ministry of Finance, Public Revenue Office and other sources.

Gross domestic product (GDP) at current prices, computed by the production approach, is the final result of the production activity of the resident production units. GDP is a sum of the gross value added of the institutional sectors or activities, expressed in basic prices, plus the turnover tax (i.e. value added tax) and import duties, less subsidies on products (which are not allocated to activities).

Quarterly GDP data are available since 1997. Quarterly GDP, calculated by the production approach, is expressed in constant prices. The data are presented by sector according to the National classification of economic activities (NACE).

Table 2. Prices

The price data are from the SSO.

The average monthly retail prices and the structure of the personal consumption are used as a base for computing the *Consumer price index (CPI)*.

The selection of the products whose prices are to be monitored is made on the basis of the products with a significant share in the retail turnover. Retail prices are the prices at which the products are sold in the retail trade and by the individual producers and service providers. Retail prices include VAT.

Consumer price index is based on a specific list of products and services for personal consumption of non-agricultural households and on the average monthly retail prices of those products and services. In other words, the individual price indices of specific products and services are weighted with their respective share in the personal consumption. In January 2007 two new categories are added to the CPI structure- "hotels and restaurants" and "miscellaneous services n.e.c".

Producer prices are monitored in the Monthly survey of producer prices of industrial products, C.41 in 200 industrial enterprises in the Republic of Macedonia. Enterprises are selected on the basis of their importance in the production.

The producer price of the industrial products is the price at which the producer sells the products to the regular buyers on the domestic market, loaded free on rail or truck where the producer is located, or it is the price based on which the producer deals with other producers in the sphere of trade. This price includes producers subsidies, but excludes commercial rebates, discounts, cash discounts and similar reductions offered by the seller. VAT is also excluded from the price.

Starting from January 2001 the Producer Price Index is computed in accordance with the NACE classification.

Table 3. Industrial production and productivity in the industry

Industrial production data is from the SSORM. The industrial production data is collected by monthly reports delivered by the enterprises in the industrial sector, as well as by their units.

The production indices are computed on the basis of the monthly reports.

The data was collected according to the Uniform Classification of Economic Activity (UCEA) with the Annual Industrial Report till 1998 and with the Monthly Industrial report till 1999, whereas starting from 1999 and 2000, respectively, the data from the same reports is collected according to the National Classification of Economic Activities (NACE).

Production volume index is calculated on the base of production, by allocation of the specific products in appropriate industry, using:

- average monthly final production and production structure in the base year;
- total monthly production in the current year;
- nomenclature of industrial products for the monthly industrial production report;
- weighting coefficients for each product;
- weighting factors which show the structure of production, i.e. the share of each branch in the total industrial production in the Republic of Macedonia.

The *productivity of the industry* is calculated in the NBRM and it is based on data from the SSORM for the volume of the industrial output and the number of the employees in the industry (according to the LFS), on a quarterly basis.

Table 4. Employment

The source of the presented data for the *employment* is the Labour Force Survey (LFS) of the SSORM.

The LFS is the most extensive research of the economic activity of the population and its demographic, educational and other characteristics, after the Census research. The survey is conducted on the whole territory of the Republic of Macedonia and it is based on a sample of 10.000 households (7.200 households till the 2003) or 1,8% of the total number of households in the country. Until 2003, the LFS was conducted annually, whereas starting from 2004 it is conducted as a continuous weekly survey throughout the year and the processing of the data is on quarterly and on annual basis. The units under observation are persons aged from 15 to 79 years and the households. The LFS is prepared in accordance with international recommendations (ILO and Eurostat). Classifications applied: National classification of activities and National classification of occupations.

Working age population is consisted of all persons aged 15 years and over. Working age population is divided into active population and inactive population.

Active population (labour force) comprises the employed and the unemployed persons.

Inactive population comprises of:

- pupils and students
- retired persons
- housewives
- supported persons (by others or by the state or with a different kind of income such as rents or interests).

The employed in the *agriculture* comprise sectors A and B; the employed in the *industry* comprise sectors C, D, E and F; the employed in the *services* comprise sectors from G to O according to the NACE classification.

The *productivity in the economy* is calculated in the NBRM and it is based on data from the SSORM for the total GDP and the total number of employees in the economy (according to the LFS), on a quarterly basis.

Table 5. Wages

The data for the paid net and gross wages per employee are based on monthly reports provided by the business entities that are in private and other (social, state, collective and mixed) ownership with different activities in the Republic of Macedonia. The data are prepared by the SSORM.

Net wages refer to the monthly average incomes per employee, for fulltime work, shorter or longer than full-time (overtime) work. The total amount of paid net wages also comprise a compensation of the net wage



from the company's assets (or other legal entity) for vacation, state holidays, paid absence no longer than 7 days, paid absence for additional training, for sick-leave no longer than 21 days, compensation for time spent in practice by invitation by a state authority, public protection etc.

Gross wages comprise the paid net wages for the reporting month, the paid personal income tax and the paid contributions for pension, disability and health insurance, for employment, professional illness and for water supply.

Starting from May 2001 the data for the wages are published according to the National classification of activities-NACE.

The wages in the *agriculture* comprise sectors A and B; the wages in the *industry* comprise sectors C, D, E and F; the wages in the *services* comprise sectors from G to O according to the NACE classification.

Table 6. Budget of the Republic of Macedonia (the Central government budget and the budgets of the funds)

The data for the budget are prepared by the Ministry of Finance of the Republic of Macedonia.

The Budget of the Republic of Macedonia comprises the Central budget and the budgets of extra-budgetary funds.

The Central budget, that refers to the Central government, comprises the base budget, the budget of the self-financed activities and the budgets of loans and donations.

The extra-budgetary funds are: the Pension and Disability Insurance Fund, the Health Insurance Fund, the Employment Service Agency and the Road Fund.

MONETARY SECTOR

Data in the aggregated Deposit Money Banks' and National banks' (NBRM) balance sheets are desegregated according to sectoral and currency criteria, as well as according to the financial instrument on the base of which certain assets and liabilities occur. Data in the presented balance sheets refer to the latest balance sheets at the end of the referent period. Amounts that are denominated in foreign currency are converted by using the middle exchange rate of Denar at the end of the referent period, according to the indicative foreign exchange list of NBRM.

In the sectoral classification, clients are classified in two basic groups: residents and nonresidents. In the residents group, there are five sectors: non-financial legal entities, Government, banks and other financial institutions, other clients and households.

- The sector of non-financial legal entities is consisted of three sub-sectors: public non-financial corporations, corporations which are not organized as public, but are state owned in more than 50%, and private corporations.

- The Government sector is desegregated to Central Government (Budget and Central Government bodies); institutions of Central Government (Courts, Public Prosecutor etc.); Funds (Social security funds and other funds and agencies); Local Government; Public sector institutions (schools, hospitals etc.). The last two sub-sectors are money holders.

- The sector of Banks and other financial institutions is consisted of five sub-sectors:
 - National Bank of the Republic of Macedonia (monetary authority);
 - Deposit Money Banks;
 - Savings houses;
 - Insurance companies in which associations and institutions involved in insuring and reinsuring operations, Deposits insurance fund, investment funds, financial institutions that are involved in financial leasing and other financial services, are included.

- Other financial institutions in which are included institutions involved with intermediation on the Capital market, Brokerage Houses, Clearing Houses, Stock exchange.



- The sector of other clients includes nonprofit and non-financial organizations (organizations of social-humanitarian character, Chambers of Commerce, Political parties, Citizens religious associations, Unions, Red Cross).
- The sector of households includes: households and individuals with registered activity.

The National Bank of the Republic of Macedonia, deposit banks and saving houses are consisting the banking system of the Republic of Macedonia.

The assets and the liabilities of the banking sector are classified in the following aggregated categories: monetary gold and special drawing rights (SDR), currencies and deposits, securities except for shares, credits, shares and other equity securities, technical reserves for security, financial derivatives, other accounts of inflows/outflows and non-financial assets. Parts of these aggregated categories are additionally desegregated according to various criteria.

Table no. 7 National Bank of Republic of Macedonia - Balance Sheet

The Balance Sheet of NBRM is prepared regarding the accounting records of all assets and liabilities of NBRM to other sectors in the economy, including the sector "non-residents". The Balance Sheet of NBRM is issued at the end of the month and contains data on the previous month.

A. Balance Sheet of NBRM - Assets include the following categories: foreign currency assets, claims on Government and other assets.

Foreign currency assets of NBRM consists of: monetary gold, the reserve position in IMF, holding of Special Drawing Rights (SDR), foreign assets in form of cash foreign currency, checks, NBRM deposits with foreign banks, placements in securities issued by non-residents (in foreign currency), placements in foreign currency with international financial institutions and other foreign assets (foreign currency nostro covered letters of credit and guarantees).

NBRM claims to the Government refer to the relations with IMF (allocation of SPV and claims based on replaced credits to IMF), as well as claims based on placements in securities. The placements in securities are a specific category. The emission of these securities is one of the mechanisms in the process of rehabilitation of banks, through which the bad placements are taken over in the portfolio of one bank. These securities are in possession of the Agency for Rehabilitation of Banks. Their amortization is in accordance with the concluded agreement between the Government and the central bank.

Other NBRM assets include: basic assets, assets for special purposes and by special regulations, reserves, income based on interest, doubtful and contested claims based on interest and compensations.

B. Balance Sheet of NBRM - Liabilities include: reserve money, CB bills sold at auctions, Government deposits, deposits on other financial institutions, foreign currency liabilities to abroad and other NBRM liabilities.

Reserve money include: currency in circulation, cash in the vaults and on the accounts with NBRM. Currencies in circulation are a NBRMs' liability and they refer to the currencies in circulation which are held by the non-banking entities. The cash in the vaults refers to the cash in the vaults of the deposit money banks. Banks' accounts with NBRM refer to the accounts of the deposit money banks with NBRM (including the saving houses), which also include the reserve requirement (in denars and in foreign currency) of banks deposited with NBRM (including the saving houses). The reserve requirement is calculated by fixed reserve requirement rates which are applied to the average monthly stock of the adequate deposits. An average system for maintaining the reserve requirement is in use, according to which the banks can use the assets from the reserve requirements for keeping the daily liquidity to a level not exceeding 80% of the liability. The data on the currency in circulation are taken over from the Cash Management Department of NBRM, while the data on the daily liquidity of banks and saving houses are based on their daily reporting to NBRM.

Auctions of CB bills represent basic instrument of the NBRM monetary policy, which is used for regulating the global liquidity level and the interest rates in the banking system, as well as for signaling the directions of the monetary policy. They are introduced in February 1994 for the first time and by definition they are intended for withdrawing liquidity from the banking system. The interventions with this instrument, with a



maturity up to 28 days, are performed through making auctions which can be organized as "volume tender" or "interest rate tender" (American type). The auctions of CB bills are positioned on market and flexible basis, which enables their continuous changing, with an intention of increasing their flexibility, efficiency and successful realization of their basic goals.

Government deposits include the Government demand deposits in Denars (vault account of the Government and other budget funds) and in foreign currency (deposits for special purposes on central and local level of the Government and other deposits). Since March 2006, the funds mobilized through the emission of **Treasury bills for monetary purposes**, which are deposited on a special account, are also included within the Denar deposits. On 07.03.2006, NBRM and the Ministry for Finance started emission of Treasury bills for monetary purposes with maturity up to three months. The Treasury bills for monetary purposes are issued on the regular auctions of Government securities and they have the same characteristics as the regular Government securities. According to the Law on Public Debt, the Treasury bills for monetary purposes are not part of the public debt, because they are issued for the needs of the monetary policy. Also, the Government does not have right to operate with the withdrawn assets through issuing Treasury bills for monetary purposes. NBRM pays the interest rate on the Treasury bills for monetary purposes, according to the average interest rate achieved on the auctions of the three month Treasury bills. The Ministry for finance and the NBRM concluded an Agreement on Treasury bills for monetary purposes aiming to regulate the mutual relationship.

Foreign currency liabilities to abroad include the NBRM liabilities to non-residents based on checks and letters of credit in foreign currencies, as well as the liabilities on used credits from the International Monetary Fund.

Other liabilities of NBRM includes: capital accounts, outflows based on interest - with sector distribution of the outflows based on due interest, non-performed payments based on payments to abroad, temporary payments, liabilities to the Government Budget, liabilities to obtainers, liabilities based on foreign currency reserves, other liabilities for other purposes, as well as liabilities for special purposes and in accordance with special regulations and contingent accounts.

Table no. 8 and 9 Balance sheets of the deposit money banks and saving houses

Balance sheet of the deposit money banks and the Balance sheet of the saving houses are prepared based on the accounting records by the deposit money banks and the saving houses (the banks' report on the deposit money banks book keeping stock) and they represent aggregated balance sheets of assets and liabilities of all deposit money banks and saving houses. The monthly survey of the deposit money banks and the saving houses is issued at the end of the month and it consists of data on the previous month. The Balance sheet contains data on claims and liabilities (carriers of the monetary aggregates, according the national definition) of the banking sector (with exception of NBRM) to other sectors in the economy, including the sector "non-residents". The data are classified in standardized components by sectors, financial instruments and accounting principles.

A. Balance sheet of the deposit money banks and saving houses - assets include: liquidity assets, deposits with NBRM, foreign currency assets, Claims on Government and claims on non-financial and non-banking sector.

Liquidity assets include the accounts of the banks and saving houses with NBRM (which include their Denar reserve requirement deposited with NBRM) and the cash in the vaults.

Deposits of banks and saving houses with NBRM refer to the effects of the monetary policy instruments (CB bills purchased from NBRM).

Foreign assets refer only to the deposit money banks because the saving houses are not authorized for performing international foreign currency operations and payment operations and they represent claims on non-residents including: gold (gold in the vault of the bank and gold deposited abroad), foreign currencies and checks, foreign currency accounts abroad (regular foreign currency assets abroad and time foreign assets abroad), other claims (claims based on foreign currency nostro covered letters of credit and guarantees and based on extended credits and overdue claims).



The claims of banks and saving houses are classified by the sector they refer to (claims on Government and claims on non-financial and non-banking sector). **The claims on Government are classified** by the type of: claims based on granted credits and claims based on securities. **The claims on non-financial and non-banking sector** are divided into Denar and foreign currency claims by the currency.

Other assets of the deposit money banks and saving houses include inter-banking claims, basic assets, calculated undue and due interests, doubtful and contested claims based on interest, fees and commissions and other. Inter-bank claims include the interactions between the banking institutions, i.e.: credits extended to other banks, deposits with other banks, claims of parts of banks, claims based on issued securities by other banks or other financial institutions, other claims and overdue claims.

B. Liabilities of deposit money banks and saving houses include the liabilities based on: deposits, borrowings, issued securities, capital accounts and other liabilities.

Deposits are differentiated into: demand deposits (giro and current accounts only with the deposit money banks), sight deposits, time deposits with maturity up to one year, restricted deposits and time deposits with maturity over one year.

Credits refer to assets which only the deposit money banks borrow from non-banking institutions.

Securities refer to the commercial securities issued by the financial institutions for strengthening the total financial potential. In the banking system of the Republic of Macedonia so far are issued only deposit certificates.

Liabilities to Government (refer only the deposit money banks because the saving houses do not accept deposits from the sector "Government") include the deposit money, sight deposits, time and restricted Government deposits.

Liabilities to non-residents (refer only to deposit money banks because the saving houses are not authorized for operating with international foreign currency and payment operations) include the liabilities based on deposits, credits or instruments of international payment operations.

Borrowings from NBRM refer to credits, deposits purchased on auction, other liabilities based on accepted advances for purchase of cash foreign currency, overdue liabilities.

The capital accounts include the funding capital of the bank (in monetary and non-monetary form), the reserve fund of the bank, special funds (assets for joint consumption), as well as the overall income and expenditure of the financial institution.

Other liabilities include: inter-bank claims (loans from other banks, deposits from other banks, liabilities to part of banks, liabilities based on issued securities), outflows of assets based on calculated undue interest, due interest and other outflows. Other liabilities include also the contingent accounts (banks; activities on behalf and for the account of others). Also, the categories "income", "expenditures", "gain for redistribution" and the corrections of different types in the balance sheet positions are treated as "other liabilities". The liabilities to banks from former Yugoslavia, which aroused before the monetary independence (26.04.1992), are a special category of liabilities and they are denominated in foreign currency, based on foreign currency giro accounts of banks from former Yugoslavia.

Table no. 10 and 11 Monetary survey with and without saving houses

The monetary survey represents consolidated survey of the accounts of the deposit money banks, saving houses and NBRM, showing the combined assets and liabilities of the monetary system relative to the non-banking residential and non-residential entities. The monetary survey is formed with adequate reclassification of the items from the surveys of the deposit money banks and NBRM, in a format which simplifies the analysis of the monetary developments. The basic sources for the monetary survey are the NBRMs' survey and the surveys of the deposit money banks and saving houses.



As a consolidated balance sheet of the monetary system, it represents basis for its continuous monitoring. Simultaneously, the monetary survey also enables the analysis of the interactions among basic macroeconomic sectors: real, fiscal, external and monetary sector.

The Monthly monetary survey is issued at the end of the month and contains data on the previous month.

Main items in the Monetary survey are: Net foreign assets, Net domestic assets and Money supply (monetary aggregates), and their components are being previously described within the Balance Sheet of the National Bank of the Republic of Macedonia and in the Balance Sheet of the deposit money banks and saving houses (Table no. 1 and Table no. 2 and 3).

Net foreign assets represent a remainder of the foreign assets of NBRM and the deposit money banks and foreign currency liabilities of NBRM and the deposit money banks. All foreign assets and liabilities of NBRM and the deposit money banks are aggregated and presented as net foreign currency assets of the monetary system.

Net domestic assets include the domestic credits and other items, net, where the domestic credits include the claims of deposit money banks and saving houses on the Government and non-government sector (domestic credits in the deposit money banks' survey) and NBRM claims from the Government on net basis (net position of the Government with NBRM in the NBRMs' survey). Other items, net, include all items (on net basis) in the NBRMs' survey and the deposit money banks' survey, which are not included in other components of the monetary survey.

Money supply includes different definitions of the money supply, i.e. the monetary aggregates M1, M2 and M4. In defining the monetary aggregates, the characteristics of the monetary instruments were taken in consideration (maturity, liquidity level, and motives for holding). Simultaneously, for ensuring international comparability and compatibility, the methodology which NBRM use is compatible with the international standards and criteria on defining the financial instruments and sectors (issuer and holder of money supply).

Monetary aggregate M1 represents the narrower definition for the money supply and includes the currency in circulation and the demand deposits (current accounts, transaction deposits).

Monetary aggregate M2, besides the currency in circulation and the demand deposits (M1), includes also the short-term deposits of the Government and non-government sector (defined before).

Monetary aggregate M4 represents the broadest definition of the money supply and it includes the monetary aggregate M2 and the long-term deposits of the Government and non-government sector (defined before).

Table no.12 Credits to non-government sector

Credits which the deposit money banks extend to the non-government sector are classified by the currency: credits in denars and credits in foreign currency, by maturity aspect: short-term and long-term credits and by the sub-sector: credits to households, enterprises and to other sub-sectors.

Denar credits to non-government sector includes credits and placements in securities (to corporations, to households and to other clients - local government, public sector institutions), overdue claims based on credits and placements in securities. Denar credits include also the Denar credits with FX clause.

Foreign currency credits to non-government sector include claims on securities from the enterprises (based on used foreign credits, credit lines, deposits, etc.), households, other clients, overdue claims on credits and placements in foreign currency from enterprises, households and other clients.

Table no.13 Monetary aggregates and components thereof

Monetary aggregates, as group of financial instruments classified by their liquidity level, are defined on a way which is compatible to the internationally accepted definitions and criteria (according to the methodology



for monetary and financial statistics of IMF, based on the System of National Accounts, 1993). The deposits in the monetary aggregates refer to the following sectors: non-financial legal entities, households, other financial institutions, local Government and the public sector institutions and other clients - non-profitable non-financial institutions.

Money supply M1 includes currency in circulation and the demand deposits. The demand deposits refer to the current accounts.

Currency in circulation represents a remainder of the total amount of banknotes and minted coins and the amount of currency in circulation in the vault of the deposit money banks, in the NBRM vault and in the dispersed vaults.

Money supply M2 (liquid assets) includes the monetary aggregate M1 and the short-term deposits. The short-term deposits are defined as deposits which include: sight deposits, time deposits up to one year, short-term liabilities on issued securities and short-term credits from non-banking institutions.

Money supply M4 (total deposit potential of the monetary system), includes the monetary aggregate M2 and the long-term deposits, i.e. time deposits over 1 year, long-term securities, long-term credits from non-banking institutions and restricted deposits (deposits with restricted usage for certain purpose set in regulation - for coverage of open letters of credit in the international payment operations, guarantees, banking remittances, etc.).

Table no. 14 Total claims of deposit money banks

Total claims of banks refer to credits, placements in securities, other placements and overdue claims based on placements. The placements of the deposit money banks are sectoral, time and currency decomposed. According to the accepted standards in the area of monetary and financial statistics on consolidation, i.e. excluding the mutual claims and liabilities within a sector, placements exclude the inter-bank claims.

Claims of deposit money banks on enterprises refer to claims based on credits, securities, other placements and overdue liabilities. The deposit money banks extend credits from different sources of assets: deposits, own sources, foreign credits, received credit lines and other sources. Claims based on securities represent claims on short-term securities (checks and bills of exchange) and claims on long-term securities, i.e. participation or investments of the banks in securities of non-financial legal entities with management right and in priority shares, as well as specific investments according to Law on restructuring part of enterprises which are showing loss in their own operating. The claims in the category "other placements" refer to given advances in foreign currency, claims based on backing guarantees and guarantees, as well as advances related to regular operating of banks. Overdue claims are differentiated on overdue claims based on short-term and long-term credits, as well as doubtful and contested claims.

Claims of deposit money banks on households refer to claims based on credits, securities and overdue credits, differentiated by currency, time limit and purpose. By the purpose, short-term credits are desegregated to: consumption credits, credits for performing independent activity (granted to natural entities which are performing registered activity), credits on checking account (credit commitments or negative balance on current accounts) and credits for other purposes. Long-term credits, with respect to the purpose, can be: credits on housing construction, for business premises, for performing independent activity and credits for other purposes.

Claims of deposit banks on other clients - non-profitable and non-financial organizations, local government and public sector institutions refer to claims on short-term and long-term credits (credits up to and over one year) and claims on securities. The claims are categorized by the maturity and the currency structure, by the type (credits, securities, other claims and overdue claims), as well as by the source based on which the credits were granted. Short-term credits in foreign currency are based on the assets from received foreign credits, depending on the banks' deposit potential which is based on used foreign credit lines. Other claims of deposit money banks from other clients represent the claim of the bank by given backing guarantees on securities and guarantees.

Total claims of the deposit money banks on the Government refer to claims based on credits, securities and overdue claims. For extending short-term credits to Government the following sources are being used: foreign credits, credit lines, deposit potential and other sources.



Claims on Government based on securities represent claims based on specific securities. Thus, these are the categories of claims based on securities:

1. Long-term placements in foreign currency securities to public sector - according to the Law on guaranteeing the investment to strategic investors and assuming certain claims from final users by the Republic of Macedonia, the Government assumed the claims of Stopanska banka a.d. - Skopje from group of firms - loss making companies of the banks' balance sheet, as of 31 December 1999 and due to that the bank issued long-term bonds;

2. Claims on the public sector based on bonds - payment instruments with deadline for payment over one year. The claims on frozen foreign currency savings of the households are basis for issuing these bonds. After the falling apart of Yugoslavia, the banks in the Republic of Macedonia ended with claims to NBY based on re-deposited currencies and based on negative exchange rate differentials by which the banks were given guarantee from NBJ. According to the law regulations, the Government assumed from the balance sheets of banks the claims on that basis, and issued bonds to the banks;

3. Claims on bonds issued by the Agency for Rehabilitation of Bank - it is about bonds issued by the Republic of Macedonia based on assumed claims from the balance sheet of Stopanska banka in the process of individual rehabilitation. In function of rehabilitation of the largest bank and returning the trust in the banking system, the Government assumed the claims on bad placements of this bank.

Table no.15 Total liabilities on deposit money banks

According to the dominant classical deposit and credit activity of banks in the Republic of Macedonia, **liabilities of the deposit money banks to enterprises** include deposits of non-financial legal entities and credits from non-financial legal entities. The deposits are desegregated by their maturity, currency and purpose structure. Credits are categorized by their currency and maturity structure.

Liabilities of the deposit money banks to households include current accounts, sight deposits, time deposits (up to three months, over three months, up to one year and over one year) and restricted deposits for coverage of letters of credit in the domestic payment operations.

Liabilities of the deposit money banks to other clients - non-profitable and non-financial organizations, Government, other financial organizations, as well as liabilities to local government and public sector institutions, respectively. These liabilities are based on different types of deposits categorized by their maturity and currency structure, as well as liabilities to non-profitable and non-financial organizations and to other financial organizations and short-term and long-term credits.

Table no. 16 Report of weighted interest rates on granted loans and received deposits of deposit money banks

Based on a Report on weighted interest rates on deposits and borrowings, which the deposit money banks submit to NBRM on regular monthly basis, aggregated survey on weighted interest rates of deposits and borrowings in Denar and in foreign currencies is prepared.

Interest rates on Denar credits include: interest rates on Denar credits without FX clause and interest rates on Denar credits with FX clause.

Interest rates on Denar deposits include: interest rates on Denar deposits without FX clause and interest rates on Denar deposits with FX clause.

Denar credits/deposits are further categorized by two criteria: sectoral classification and maturity. By sectoral classification, they are divided to: credits/deposits which refer to enterprises, credits/deposits which refer to the households. By maturity, the credits are divided to: short-term and long-term; and the deposits: sight deposits, short-term and long-term time deposits.

Foreign currency credits/deposits are classified by three criteria: by sector, by currency and by maturity. By sector classification, they are divided to: credits/deposits which refer to enterprises, credits/deposits referring to households. By maturity, credits are divided to: short-term and long-term; and the deposits to: sight deposits, short-term and long-term time deposits. By currency, they are divided to: credits/deposits in euros and in USA dollars.



Interest rates on credits and deposits are in percents on annual level.

Table no. 17 Interest rates of the National Bank of the Republic of Macedonia

1. Discount rate is valid interest rate in the current month.
2. Interest rate on credits over night - Lombard credit is the valid interest rate in the current month.
3. Interest rate on repo transactions for creating liquidity in the banking system is shown as average weighted interest rate achieved at the auctions in that month.
4. Interest rate on CB bills is shown as average weighted interest rate achieved at the auctions with maturity of 28 days in that month. The interest rate is differentiated by the type of tender which can be: volume tender or interest rate tender.
5. Interest rate on repo transactions for liquidity withdrawal from the banking system is shown as average weighted interest rate achieved at the auctions in that month.

Table no. 18 Reserve requirement of banks and saving houses

Banks and saving houses allocate reserve requirement based on the average deposit stock in the previous month. The period of maintaining the reserve requirements covers the period from the 11th in the current month to the 10th in the following month. The fulfilling of the banks' reserve requirement in denars is on average basis, whereas the saving houses' reserve requirement in denars and the banks' reserve requirement in foreign currency are on fixed basis.

Table no.19 Interest rates on Government securities

Interest rates on Government securities are shown as average weighted interest rate achieved on the auctions in the adequate month with fixed maturity.

FOREIGN EXCHANGE SECTOR

Table no. 20-25 BALANCE OF PAYMENTS

Balance of payments is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of the Republic of Macedonia with the rest of the world.

According to the Law on the National Bank of the Republic of Macedonia and the regulations in the area of foreign exchange operations, the National Bank of the Republic of Macedonia (NBRM) is responsible for compiling and monitoring of the execution of the Balance of payments.

Statistics of the Balance of payments of the Republic of Macedonia is prepared basically in accordance with the methodology of the International Monetary Fund (Balance of Payments Manual, fifth edition - BPM 5). The data are disseminated (issued) on monthly basis, in millions of euros and USA dollars. The transactions which are denominated in other currencies are converted in euros and USA dollars equivalent to the exchange rate on the day of the transaction.

The main sources of data for compiling the balance of payments are the following:

- the single administrative document (SAD) for the foreign trade of the Republic of Macedonia;
- the system for reporting on the banks' international payment operations (ITRS);
- the system for reporting on the external debt (from the credit indebtedness);
- the banks' reports on the stock of assets and liabilities (the banks' report on the deposit money banks book keeping stock);



- the monthly reports on stocks and flows (changes and stocks) on the accounts abroad of the residents which are not authorized banks and the stock and flow on settlement accounts (monthly reports-MR);
- additional NBRM's reports on the realized turnover in exchange offices and on the official foreign exchange reserves stock of the Republic of Macedonia;
- data from the annual direct investment survey - DI 22.

BALANCE OF PAYMENTS: SEPARATE ITEMS

CURRENT ACCOUNT

Goods

The source of data on the foreign trade of the Republic of Macedonia is the SAD, which is prepared by the Customs Administration of the Republic of Macedonia, and it is processed and published by the State Statistical Office of the Republic of Macedonia and the NBRM.

In accordance with the methodology on recording the foreign trade in the trade statistics, the State Statistical Office is publishing the data for the exports on the f.o.b. basis, while regarding the imports, on the c.i.f. basis.

Adjustment for the coverage and classification are made for good's item in the balance of payments in line with the recommendations given in the BPM5, especially regarding the following:

- coverage: regarding the return of goods and the invoiced value of the performed service for the repair of goods;
- classification: regarding the c.i.f./f.o.b. factor and processing of goods. In the balance of payments, both the exports and the imports are presented on f.o.b. basis, because of which an adjustment of the c.i.f. imports for c.i.f./f.o.b. factor is necessary. In the period from 1993 to 1997, the c.i.f./f.o.b. factor was determined on the basis of the average internationally set rates for calculation of these expenses. Since 1998, the c.i.f./f.o.b. factor is calculated on the basis of established methodology based on the SAD data on transport and insurance of the parities with a destination in the Republic of Macedonia adjusted to the overall imports.

The item import of goods in ports by carriers is based on data from the monthly reports - MR.

Services

Transportation: The data that refer to the transportation are taken from the ITRS and the monthly reports MR. There is a possibility for making a desegregation by the type of transport (air, sea, railway and road), and on the basis of the category of services (freight, passengers and other). The adjustment is made for the outflow of transportation services (transport of goods) regarding the c.i.f./f.o.b. factor that refers to the costs of transport of goods provided by non-residents.

Travel: The data originate from the ITRS and the monthly reports-MR.

Other services: The data are taken from the ITRS for the receipts from and payments to non-residents on the basis of type of services: telecommunication, construction, insurance, business, government and other services. The adjustment is made for the insurance outflow regarding the c.i.f./f.o.b. factor that refers to the costs insurance of the transport of goods. Additional source on data for certain types of services are the data from the monthly reports – MR.

Income

The income as a balance of payments' component originates from: compensation of employees (residents employed with non-residents and vice versa) and investment income. Investment income represents a capital gain from the direct investment, portfolio investment and other investment (dividends, loan and credit interests, etc.).

Direct investment income: The data include dividends and distributed branch profits, as well as reinvested earnings and undistributed branch profits. Major data source for the receipts and payments of dividends is the ITRS. For the previous years a basic data source for reinvested earnings is the annual direct investment survey, while for the current year estimates are based on data from the previous years.



Other investment income: The data include received and paid interest on the deposits, short-term, medium-term and long-term loans and credits. The received interest consists of the inflows of interest on foreign currency deposits on the foreign accounts (interest on the foreign exchange reserves and on the foreign exchange assets of the banks). The data sources are the ITRS and the NBRM's reports on the official foreign exchange reserves stock. The paid interests refer to the due current liabilities on disbursed medium-term and long-term foreign loans and credits. The source of data is external debt reports, which are obligatorily recorded in the NBRM (credit indebtedness).

Current transfers

The official transfers mainly refer to the assistance in financial assets and goods received by foreign governments and international organizations. The source of the data for the transfers in financial assets is the ITRS, while regarding the transfers in goods is the customs administration documents.

The private transfers consist of: remittances, cash exchanged and other transfers of which the most are compensations of employees. The source of data is the ITRS. Cash exchanged on the exchange market in accordance with the BPM5 should be classified in the capital and financial account of the balance of payments. However, regarding the fact that the largest part of these assets originates from the residents' receipts from non-residents on the basis of provided goods and services (unrecorded transactions) and transfers received in cash foreign currency, these transactions are recorded as a part of the balance of payments' current account (private transfers).

CAPITAL AND FINANCIAL ACCOUNT

CAPITAL ACCOUNT

This account encompasses the capital transfers for which source of data is the ITRS.

FINANCIAL ACCOUNT

Direct investment: The direct investment include equity, reinvested earnings and other capital. Trade credits, long-term and short-term loans between affiliates are recorded under other capital. Basic data source for the previous years is the annual direct investment survey DI 22. The source of data for the investment in financial assets is the ITRS, while regarding the investment in goods is the customs administration documents. For the current year data on reinvested earnings and other capital are estimates based on data from the previous years.

Portfolio investment: The source of data for the portfolio investment is the ITRS.

Other investment:

Trade credits: The trade credits (extended to and received from foreign countries) represent a differential between the exports/imports of goods and the corresponding settlements. The estimated data for the trade credits are derived from the foreign trade data in the administration customs documents and corresponding settlements from the ITRS. If the value of the exported goods is higher than the value of receipts on exports, the difference is recorded as an extended trade credits (with a negative sign). If the value of imported goods is higher than the payments on the imports, the difference is recorded as a received trade credits (with a positive sign). Additional source of data are the data from the monthly reports – MR.

Loans: Within the "loans" category, disbursements and amortization on medium-term and long-term loans and credits are recorded. Principal and interest arrears are also recorded as a counter-entry in the category other investment – other. The data are based on the reports on medium-term and long-term public and private external debt prepared by the NBRM, which are obligatory recorded in the NBRM.

Currency and deposits: The data primarily refer to the changes in the foreign exchange assets and foreign exchange liabilities of the banks. The sources of data are the monthly bank's reports on the deposit money banks' book-keeping stock and the ITRS. The changes of foreign exchange assets and foreign exchange liabilities of the banks are showing with partly excluding of valuation changes. The changes of foreign exchange assets of individuals include net cash deposited on foreign exchange accounts with the banks, reduced for the imports of goods by the individuals. The source of data for net cash deposited on foreign exchange accounts with



the banks is the ITRS and for imports of goods is the SAD. Additional source of data on currency and deposits for other sectors are the data from the monthly reports – MR.

Gross official reserve assets: The data refer to the changes in the stock of the official foreign exchange reserves. The source of data are the reports of the NBRM regarding the foreign exchange reserves stock calculated according to the exchange rate on the date of the reporting period.

Tables 26 and 27 Foreign trade

The source of the data regarding the foreign trade is the State Statistical Office of the Republic of Macedonia. The data on the international trade of goods of the Republic of Macedonia is prepared in accordance with the main statistical standards, definitions and recommendations of the UN regarding the concepts and definitions of the foreign trade statistics. The data relating to the exports are published on f.o.b., while those relating to the imports, on c.i.f. basis.

Table no. 28 and 29 Stock of foreign direct investment

The calculation and dissemination of foreign direct investment (FDI) data worldwide is based on the methodological recommendations of the Balance of Payments Manual-fifth edition, IMF 1993 and The OECD Benchmark Definition of Foreign Direct Investment-third edition, OECD 1996. In accordance with these recommendations, FDI include:

- equity and reinvested earnings;
- claims on direct investors/affiliates abroad;
- liabilities to direct investors/affiliates abroad.

Methodologically, the reinvested earnings include:

- part of the profit distributed in equity;
- part of the profit distributed in reserves;
- part of the profit distributed for loss coverage from the previous period;
- undistributed earnings;
- uncovered losses;
- losses from previous periods, transformed into claims on the investors;
- earnings from previous periods, transformed into liabilities to the investors.

According to the recommendations of the Balance of Payments Manual-fifth edition, the criterion for classifying a transaction as a direct investment is a minimum 10% of equity participation on the right to vote. Accordingly, the distinction between a portfolio and direct investor is based on the percentage of owned shares in the company.

The methodology applied to calculate foreign direct and portfolio investment in the Republic of Macedonia corresponds fully with the methodologies applied by the member countries of the IMF and OECD.

The FDI data in the Republic of Macedonia are disseminated by the country of the investor and the type of activity of the direct investment company.

Tables no. 30 and 31 International investment position

The international investment position is a statistical report which presents the position and the structure of the financial claims (assets) of residents on non-residents and the financial liabilities of residents to non-residents arising from their operations. In other words, the international investment position is a balance sheet of the international financial assets and liabilities of a country on a certain date, often at the end of the year.

International financial assets of the country comprise of the direct and portfolio investments of resident legal entities and natural persons in other countries including the investments in financial derivatives, other investments of residents abroad in the form of extended loans and credits, foreign assets of resident banks with foreign commercial banks, as well as the official foreign reserves. International financial liabilities of the country comprise of the liabilities based on direct and portfolio investments of non-resident legal entities and natural

persons in the country including the investments in financial derivatives, liabilities on the basis of other investments of non-residents in the country in the form of used loans and credits, and liabilities on the basis of deposits of foreign legal entities and natural persons with resident banks.

The difference between the total international financial assets and liabilities presents the net-international investment position of a country. This means that the international investment position of the Republic of Macedonia is a difference between the investments of residents with non-residents (its international assets) and the investments of non-residents with residents (its international liabilities).

Direct investments are investments by which the investor intends to establish a permanent economic link and/or to exercise right to manage the legal entity it invests in. In line with the international recommendations and standards, a minimum share of 10% in the capital or voting right in the legal entity the investment is made in, is used as a criterion for defining direct investments. Direct investments include shareholders' capital, reinvested gain and the debt of connected entities. Source of data on direct investments for compiling the international investment position of the Republic of Macedonia are the questionnaires - reports on the condition and the turnover of the connected entities which all resident legal entities submit to the NBRM on annual basis, and are related to the investments to and from other countries.

Portfolio investments include the investments in debt securities and in equity instruments, where the investor owns less than 10% of the shareholders' capital or does not have voting right. Source of data on the investments in equity instruments for compiling the international investment position of the Republic of Macedonia are the annual questionnaires - reports on the condition and the turnover of the connected entities, while for the investment in debt securities data are used on the international payment operations of commercial banks (in line with the Reporting system for international transactions), reports on operations with securities from the authorized participants in the Macedonian Stock exchange, as well as the data base of the Central Securities Depository. For calculation of the market value of the securities, data on the market prices from the Macedonian Stock Exchange are used.

Other investments include the assets and the liabilities on the basis of short-term and long-term financial and trade credits and loans, currencies and deposits and other assets and liabilities. In line with the Balance of Payments Manual of the IMF, trade credits denote claims and liabilities arising from international commercial operations of residents (on the basis of import/export of goods and services, advance payment, etc.) Source of data on the trade credits for compiling the international investment position of the Republic of Macedonia are the quarterly reports on the claims and liabilities on the basis of international commercial operations of residents (KIPO Form), while for the financial credits and loans records of registered foreign credits are used (KZ and KO Forms). Currencies and deposits include the deposits which resident banks keep abroad, i.e. liabilities of resident banks to non-residents. Sources of data for this item are the monthly balance sheet of the commercial banks and international payment operations of banks.

Tables no. 32-34 Gross external debt, Gross external claims and Net external debt

General methodological notes

The National Bank of the Republic of Macedonia (National Bank) is the institution responsible for recording and monitoring of the external debt of the Republic of Macedonia in accordance with the legislation i.e. the Law on the National Bank of the Republic of Macedonia and the Foreign Exchange Law.

The external debt statistics is prepared in accordance with the External Debt Statistics Guide⁴⁵ (Guide).

Gross external debt

Gross external debt, at any given time, is the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of principal and /or interest by the debtor at some point(s) in the future and that are owed to nonresidents by residents of an economy. According to this definition, gross external debt at a certain date is the stock of all future liabilities of residents to nonresidents, future installments of principal, arrears in principal and interest, as well as late (default) interest, regardless of the type of instrument and maturity.

⁴⁵ External Debt Statistics: Guide for compilers and Users, IMF, 2003



Gross external claims

Gross external claims are the stock of all current, not contingent claims based on debt instruments, of residents from nonresidents. Basically, the definition of gross external claims is identical with the definition of gross external debt, having in mind that the claims of one economy are liabilities for other.

Net external debt

Net external debt is defined as the difference between the stock of gross external debt and gross external claims. In its structure, net external debt is identical with the gross external debt, where the standard presentations contains classification by institutional sectors, maturity and debt instruments.

According to the Guide, the basic classification of debt is among the four basic institutional sectors of an economy:

- general government (government units that exist at each level—central and local—of government within the national economy and all social security funds operated at each level of government);
- monetary authorities - (the central bank or other institution carrying out the operations of a monetary authority);
- banking sector (financial intermediaries carrying out activities of taking deposits and extending credits);
- other sectors (non-bank financial intermediaries, non-financial corporations, households and non-profit institutions serving households).

Furthermore, within each of the sectors, debt is classified by maturity, on short term (with original maturity of one year or less) and long term (maturities of more than one year). On the third level of disaggregation, debt is distributed amongst the standard types of debt instruments, such as:

- trade credits - consist of claims or liabilities arising from the direct extension of credit by suppliers for transactions in goods and services, and advance payment by buyers for goods and services and for work in progress (or to be undertaken);
- loans - include those claims or liabilities created through the direct lending of funds by a creditor (lender) to a debtor (borrower) based on a credit agreement;
- debt securities - creation of debt or a claim through the issuance/purchasing of securities as part of the portfolio investment in the country, being traded on organized markets or over-the-counter;
- currency and deposits - currency (notes and coins) are claims on a central bank or a government that have issued them, from the nonresident holders. Liabilities on deposits are liabilities of the financial institutions that take deposits to nonresident depositors, while claims on deposits arise from the funds deposited with nonresident financial institutions; and
- other - other claims and liabilities, not included under previous debt instruments. An important category within this item are arrears, that have a treatment of short-term claims/liabilities, as they are considered to be immediately due and are a cumulative amount of arrears on all previously mentioned instruments.

Direct investment - intercompany lending claims or liabilities are shown separately. The separation of these claims/liabilities within net external debt is significant in view of the necessary compatibility with the IIP statement, where these claims/liabilities are incorporated within the item Direct investment (Other capital).

From the aspect of valuation, the Guide recommends the nominal value to be used for all debt instruments, except debt securities, where it is recommended to use the market value of debt. This is entirely consistent with the methodological recommendations for the compilation of the IIP of a country.

Stock data, repayment schedules, arrears and new commitments are converted into the unit of account using the mid exchange rate of the National Bank at the cut-off date. Flow data, disbursements and repayments, are converted into the unit of account using the mid exchange rate of the National Bank on the day of the transaction.

The stock of debt is a result of disbursements, decreased for the amortization (repayments of principal), increased for the amounts of capitalized interest in arrears and default interest. Having in mind the fact that stock data are converted using the end period exchange rate, while the flow data are converted using the transaction date exchange rate, discrepancies between debt stock at end-period and beginning of period differ from the net flows, as they include the exchange rate differentials as well.

Data sources and methodology for compiling net external debt of the Republic of Macedonia***Data sources for the net external debt of the General Government sector***

-for the category debt securities (bonds and money market instruments) - for debt securities issued abroad and bought by nonresidents, data from the reporting system on external debt (CI);

-for the category debt securities (bonds and money market instruments) - for debt securities issued domestically and bought by nonresidents, data from the reports on operations with securities from the authorized participants in the Macedonian Stock exchange, as well as the data base of the Central Securities Depository are used, while for calculation of the market value of the securities, data on the market prices from the Macedonian Stock Exchange are used. For the current year, the calculation of this item is based on the stock of debt at the end of the previous year increased for the flows from the balance of payments in the item portfolio investment - debt securities.

- for the category loans the data are used from the reporting system on external debt (CI) -the credit records statistics is conveyed by the NBRM and is based on a loan-by-loan data base containing various elements. Various data can be obtained from this data base on the stock of external debt, disbursement, repayments, arrears etc.; and the reporting system on external claims (CC) -the credit records statistics is conveyed by the NBRM and is based on a loan-by-loan data base containing various elements. Various data can be obtained from this data base on the stock of external claims, disbursement, repayments, arrears etc.;

Data sources for the net external debt of the Monetary Authority sector

-for the category debt securities (bonds and money market instruments) - data from reports of the NBRM on the official foreign reserves of the Republic of Macedonia;

- for the category currency and deposits - data from reports of the NBRM on the official foreign reserves of the Republic of Macedonia;

- for the category loans the data are used from the reporting system on external debt (CI)

Data sources for the net external debt of the Banking sector

- for the category loans the data are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);

- for the category currency and deposits - data from reports of the banks on assets and liabilities - monthly balance sheet of the commercial banks;

- for the category other - the data on arrears are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);

Data sources for the net external debt of the Other sectors

- for the category loans the data are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);

- for the category currency and deposits - data from the monthly reports of resident accounts held abroad (MR);

-for the category short-term trade credits - data are used from the quarterly reports on the claims and liabilities on the basis of international commercial operations of residents (KIPO Form). An exception is made for 2007, where due to the introduction of a new survey still in its testing period, data on liabilities/claims based on the stock of debt/claims at the end of the previous year increased for the flows from the balance of payments in the item other investment - trade credits.

- for the category long-term trade credits the data are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);

- for the category other - the data on arrears are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);

Data sources for the net external debt Intercompany lending (Direct investment)

- a basic data source for the claims and liabilities based on intercompany lending data are used from the annual direct investment survey - inward (DI 22) and outward (DI 11), which all resident legal entities submit to the NBRM on annual basis, and are related to the investments to and from other countries. For the current year, due to lack of data from the basic data source, for intercompany lending in the form of loans data are used from the reporting system on external debt (CI) and the reporting system on external claims (CC), that contain



information on relations between creditors and debtors with regard to ownership; for intercompany lending in the form of trade credits data are used from the quarterly reports on the claims and liabilities on the basis of international commercial operations of residents (KIPO Form), where the participation of claims/liabilities of connected entities is estimated based on the participation recorded in previous years.

Data for the period 2004-2005 are disseminated annually, while starting with 2006 data are disseminated quarterly, in Euro and US Dollars.

Table no. 35 Reserve assets

The data reflect the stock of reserve assets and other foreign assets.

Reserve assets being those external assets that are readily available to and controlled by the monetary authorities, consist of: monetary gold, SDRs, reserve position in the Fund and foreign exchange assets.

The components of reserve assets are defined in accordance with the methodology of the International Monetary Fund (Balance of Payments Manual, fifth edition).

The stock of reserve assets is calculated using the mid exchange rate of NBRM on the day for which the data are disseminated.

Monetary gold

Gold: The category monetary gold encompasses gold handled by the NBRM, consisting of gold in the NBRM's treasury, gold granulates, monetary gold deposited in foreign banks and monetary gold in transport.

Gold deposits: Gold deposits consist of term deposits in gold with foreign banks for a longer period of time.

Foreign exchange

Deposits with foreign banks: This category comprises of foreign exchange on nostro accounts with foreign banks, assets with foreign banks used as coverage for opened letters of credit and guarantees, placements in subordinated deposits in foreign currencies with non-residents, as well as term foreign exchange deposits abroad.

Cash in treasury: Cash in treasury consists of cash foreign tenders of payment within the treasury, foreign exchange cheques received at the counter, cheques sent abroad for settlement, as well as cheques received for settlement by domestic banks.

Securities: This category includes the foreign exchange assets placed in debt coupon and discount securities issued or guaranteed by foreign governments, central banks, multilateral development banks and international financial institutions, as well as foreign exchange assets placed in collateralized and agencies' bonds.

Other foreign assets

This category consists of placements in subordinated foreign currency deposits with non-residents, foreign exchange assets with foreign banks used as collateral for issued guarantees, foreign exchange assets received on accounts of the government, as well as placements in equity securities issued by non-residents (BIS equity shares) in foreign currency readily available for sale.

Table no. 36 and 37 Denar exchange rate - average in the period and in the end of the month

The average annual exchange rates are calculated as an arithmetical average of the monthly average rates.



The average quarterly exchange rates are calculated as an arithmetical average of the average monthly exchange rates in the given quarter.

The average monthly rates are calculated as an arithmetical average of the average daily exchange rates.

The exchange rates at the end of the month represents the daily middle exchange rate at the exchange rates list of the NBRM for the last day of the month.

Table no. 38 Indices on effective exchange rate of the Denar

The real effective exchange rate represents an index number which is a quotient of index of the nominal effective exchange rate of the Denar and the relative price index.

The index of the nominal effective exchange rate (NEER) of the Denar is calculated as weighted geometrical mean of bilateral average monthly exchange rates of 12 larger external trade partners of the Republic of Macedonia (Austria, France, Germany, Greece, Italy, Holland, Switzerland, Great Britain, USA, Slovenia, Turkey and Serbia) with base period 1995=100 and ponders based on foreign trade in 2003.

The relative price index is ration between the average weighted index of the indices of foreign prices of countries, which corresponds with the choice of the countries on currencies which are used for calculating the NEER of the Denar and the index of domestic prices, with base period 1995=100 and ponders based on foreign trade in 2003. The Consumer Price Index (CPI) and the Producer Price Index (PPI) are being used as deflators.