

National Bank of the Republic of Macedonia



Quarterly Report

July, 2008

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* The quarterly report contains analysis of the macroeconomic developments mainly in the first quarter of 2008 and of the available data on the developments in the second quarter of 2008 as of 05.07.2008.

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

The trend of realizing solid rates of economic growth in the Macedonian economy continued also in the first quarter of 2008, when growth in GDP was registered which exceeded the projected one under the influence of the higher domestic consumption, the improved domestic business environment and higher investments. More significant recovery was registered in the primary and the secondary sector and its contribution to the GDP creation in the first quarter was almost equal with the contribution of the so far dominant service sector. The expectations for the second quarter were acting towards maintaining the continuity in the economic growth, considering the significant intensification in the growth in the industrial activity in the first two months of the quarter. The dependence of the economy of import of crude oil and the insufficient domestic output of electricity, when higher growth in their prices in the international stock exchanges (especially of oil) was registered, contributed for further deepening in the trade deficit on annual basis. The higher trade deficit and the lower inflows from the foreign exchange operations were the main driving forces for the significant broadening in the deficit in the current account of the balance of payment in the first quarter of 2008.

The inflation pressures continued also in the first two quarters of 2008, mainly determined by the higher prices of food and the intensified growth in the prices of oil derivatives, as global trends. Considering the total situation in the economy, in the first half of 2008 the monetary government undertook measures on several occasions for stabilizing the inflation expectations and the inflation. It is important to emphasize that the intensity of the inflation pressures was more moderate in the second quarter. Although higher relative to the previous year, the core inflation was relatively stable, which represented encouraging signal that the influence of the indirect effects on the inflation did not registered intensification so far. In conditions of stronger inflation expectations and lower net foreign currency inflows in the economy, lower growth in the deposits of the private sector with banks was registered (especially in the Denar deposits), whereas the intensive credit growth continued. Such developments imposed challenges for the monetary Government for the following period also.

1.1. International economic environment¹

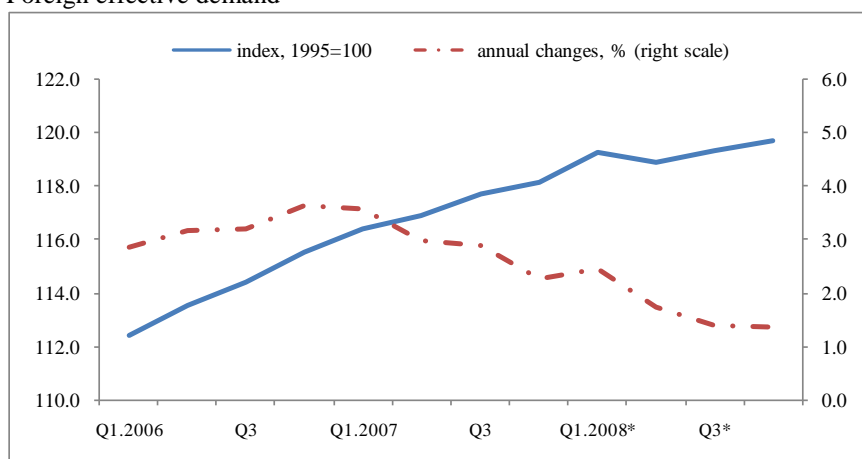
The situation in the financial markets in USA negatively influenced the global economic activity in the previous period. However, the global growth did not registered larger worsening, as a result of the growth in the fast growing economies, and although it slowed down, still it contributed considerably to the global economic growth, which is estimated to amount to 3.7% in 2008 (i.e. by 1.2 p.p. less than the registered growth in 2007). The global inflation pressures rose additionally in the second quarter of 2008, stimulated by the increase in the prices of oil and food. The inflation in the OECD countries kept the high level of 3.4% in the first four months of 2008. Excluding the food and energy, the consumer prices of these countries grew by 2.0%. The inflation pressures were higher in the fast growing economies, so in several countries in Asia the inflation was over 8% in the last months.

Slowing down in the economic growth in most of the developed economies, but sustainable growth in the fast growing economies

¹ The Analysis was mostly based on IMF World Economic Outlook, July 2008 update and the ECB Monthly Reports.



Figure 1
Foreign effective demand



*Projection.

Source: EUROSTAT, Consensus Forecast and NBRM calculations.

*Moderate economic growth
in the Euro-zone in the first
quarter of 2008*

After the slowing down in the economic activity in the last quarter of 2007, the intensified growth in the export and in the investments, as well as the higher private consumption enabled recovery in the economic growth in the Euro-zone in the first quarter of 2008. The real annual growth in GDP in the Euro-zone amounted to 2.2% in the first quarter of 2008. The growth in the financial services and business activities, in the industry, as well as the increase in the trade, transport and communications mostly contributed for such unexpected economic growth. Also, the unusually warm winter in most parts of Europe, contributed to increase in the construction activity. By the latest projections of the Euro-system (ECB and the central banks of the countries from the Euro-zone) such economic growth is expected to continue also in the following period, and for 2008 the average annual real GDP growth was assessed between 1.5% and 2.1%. The foreign effective demand², which represented potential indicator for the export demand for Macedonian products, in the second half of 2008 is expected to realize stabilization in the annual growth rates, which previously registered downward trend.

The moderate economic growth enabled continuing in the downward trend of the unemployment rate within the Euro-zone, and in the first quarter of 2008 it was at the historically lowest level of 7,1%³, which was by 0.5 percentage points lower relative to the same quarter of the previous year. Similar rates were registered also in the first two months of the second quarter (April and May 2008). The analysis in the other most developed economies showed that USA and Japan had lower unemployment rate than the Euro-zone, which in the first quarter of 2008 amounted to 4.9% and 3.8%, respectively (almost unchanged relative to the previous quarter).

² The foreign effective demand was 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 were calculated based on the participation of these countries in the Macedonian export. The data on the gross domestic products for the countries the trade partners of Macedonia are from the database of EUROSTAT (New Cronos database), whereas the projected data are from the publication „Consensus Forecast“, June 2008. In the calculation of the index Germany, Greece, Italy, Holland, Belgium and Spain are included.

³ The unemployment rate was adjusted for seasonal effects. Source: EUROSTAT, April 2008.

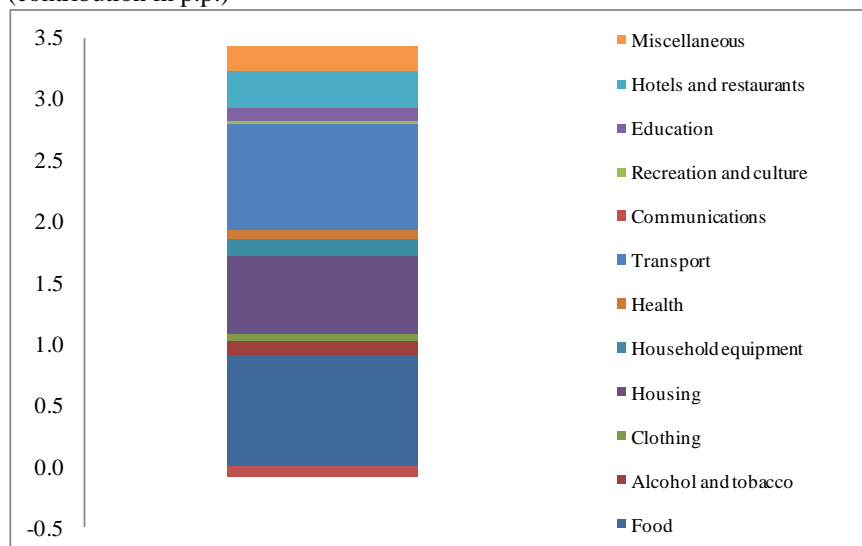


*Higher inflation pressures
than the growth in the prices
of energy and of food in the
Euro-zone*

The annual inflation rate in the Euro-zone reached up to the highest level of 3.4% in the first quarter of 2008, since introducing the common European currency, which was mainly due to the continuous growth in the prices of energy and higher prices of food. The further intensification in the inflation in the second quarter of the year to the level of 3.7%⁴, indicated the fact that the inflation pressures were not fully transferred to the consumer level in the first quarter and they were cumulated in the initial phases of the production chain. The core inflation rate, which excludes the influence of the unprocessed food and energy registered growth in the first quarter of 2008 (equaling 2.5% on average), as a result of the growth in the services and in the processed food. Considering the forward agreements (futures markets), the prices of oil and of food products, the inflation in the following period will probably keep the level of over 3%. By the latest projections of the Euro-system, the average annual inflation rate in the Euro-zone in 2008 is expected to range between 3.2% and 3.6%.⁵ In the beginning of July 2008, ECB, as a reaction to the stronger inflation tendencies, increased the reference interest rate by 0.25 percentage points, so it was positioned at 4.25%.

Figure 2

Contribution of certain categories of the harmonized index of the consumer prices in the Euro-zone to the annual inflation rate in the first quarter of 2008 (contribution in p.p.)



Source: EUROSTAT and NBRM calculations.

In the first quarter of 2008 the average nominal foreign exchange rate of the USA Dollar against the Euro equaled record 1.50, when the Euro appreciated by 3.4% relative to the fourth quarter of 2007. The intensification of the Euro reflected the weak position of the USA economy and the uncertainty concerning the financial crises, as well as the market expectations for further reducing the reference interest rate by FED in the first half of 2008. In April and May 2008, the Euro was exchanged by exchange rate of over USA Dollar 1.56, in conditions of variable market expectations concerning the reactions of the monetary policy of USA and Euro-zone.

⁴ In the calculation for the quarter, the data on inflation in June 2008 is an assessment from EUROSTAT.

⁵ Source: European Central Bank Bulletin, June 2008.



High economic growth in the countries of the region

Historically highest level of the world prices of crude oil

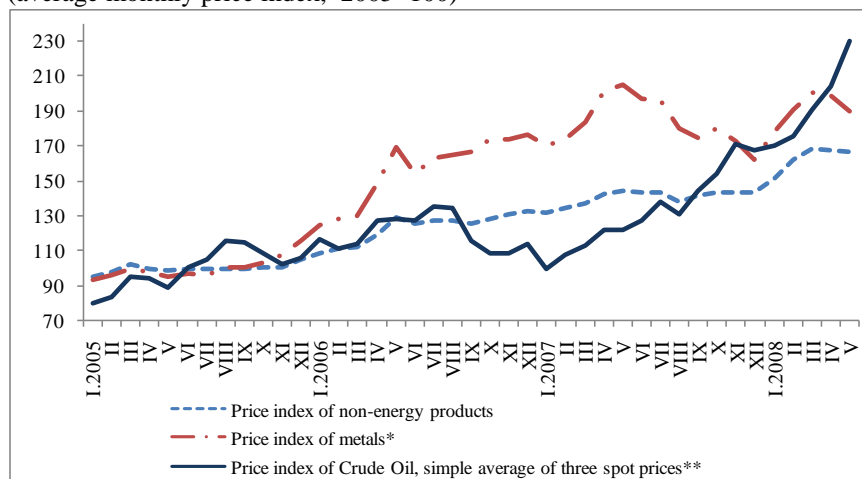
The intensification in the economic activity of the countries from West Balkans⁶ continued also in the first quarter of 2008, with high real growth rate of GDP of 6.5%, which is expected to keep the same level in the following period also. The global inflation pressures which rose additionally in the second quarter of 2008 reflected on the Balkan countries as well. The intensification in the annual inflation rate was mostly felt in Serbia, Turkey and Montenegro, mainly determined by the higher prices of food and energy.

The growth in the prices of the crude oil⁷ in the international stock exchanges continued also in the first quarter of 2008, reaching the historically highest level. Thus, relative to the previous quarter the prices of the crude oil went up by 9.0%, whereas relative to the same quarter of the previous year they rose by 66.9%. Such dynamics of the oil prices in the first quarter of the year was due to the limited supply of the countries from OPEK, relatively intensive demand for oil, as well as the continuous geopolitical tensions and risks on the side of the supply. The average price of oil type "brent" and "WTI" continued registering record levels also in the second quarter of 2008, registering record annual growth of 83.7% equalling USA Dollar 122.7 per barrel. The growth in the price resulted from the record fall in the value of the USA Dollar relative to the Euro, the geopolitical tensions prevailed in the western countries and in Iran, as well as the speculative trading.

Figure 3

Developments in the index of the world prices of the primary products and the crude oil

(average monthly price index, 2005=100)



* The price index of metals represents weighted average of the spot prices of copper, aluminum, iron ore, still sheet, nickel, zinc, lead and uranium.

** The spot-price of the crude oil represented average of the following types of oil: Dated Brent, West Texas Intermediate and Dubai Fateh.

Source: MMF, World Economic Outlook, monthly database, May 2008.

The prices of the primary products (excluding the energy) continued to grow also in the first quarter of 2008, when they registered annual growth of 19.6%, reaching its maximum in March. The growth in the prices of these products was determined by the higher prices of food, which was due to the higher demand by the fast growing economies and the higher output of bio-fuels. The larger wheat sown fields enabled lower price of the wheat, but the prices of the corn and soya also continued to grow in the first two months of the second quarter. Also, the aggregated index of the prices of metals registered annual

⁶ When calculating the average growth rate of GDP the following countries from West Balkans were considered: Republic of Macedonia, Serbia, Croatia and Montenegro and additionally Turkey. Source: State statistical offices and central banks of the adequate banks.

⁷ The prices of the crude oil represented an average of the following types of oil: Dated Brent, West Texas Intermediate and Dubai Fateh.



growth (7.9%) as a result of the upward pressure from the higher prices of the transportation which was due to the more expensive oil, because of the great significance of the transportation costs for the metals. Thus, the iron ore, lead, copper, and steel sheet metals realized annual growth in the prices of metals, whereas the nickel, zinc and the aluminum registered fall which continued falling also in April and May 2008.

1.2. Economic activity

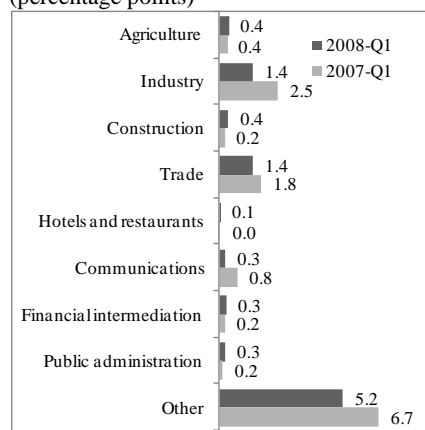
Domestic supply

The economic growth continued also in the first quarter of 2008 ...

The positive trend of the intensified economic activity continued also in the first quarter of 2008, under influence of the higher domestic demand (final and investment), which came as a result of the improved business environment in the economy. The gross domestic product registered growth of 5.2% in the first quarter, relative to the same period of the previous year. The realized growth rate exceeded the projection for the first quarter of about 4%. Although such rate is encouraging for the Macedonian economy, yet, it is still lower relative to the average economic growth of the countries of West Balkans in the same period (6.5%⁸).

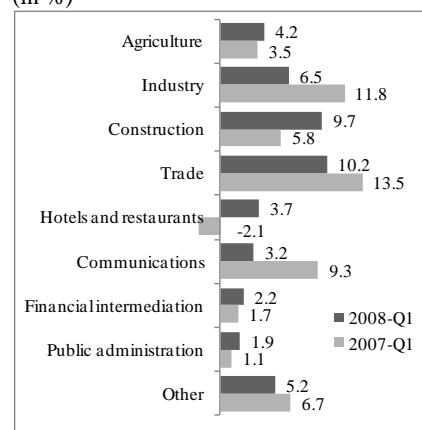
The trade and the industry were the main generators of the growth in the first quarter. The high growth in the construction activity, as well as the growth in the agriculture gave significant contribution. The growth in the transport and communications slowed down in the first quarter, and consequently its contribution to creation of the GDP. With that, the contribution of the services to the growth was almost equal with the contribution of the primary and the secondary sector.⁹ The growth in the economic activities was performed in conditions of moderate growth in the number of employees of 3.7% and exceptionally high (nominal) growth in the gross investments in the economy of 74.5%.

Figure 4
Contribution of the components to the GDP growth
(percentage points)



Source: State Statistical Office and NBRM calculations.

Figure 5
Annual growth rates of GDP and the components
(in %)



Source: State Statistical Office.

⁸ Footnote 6.

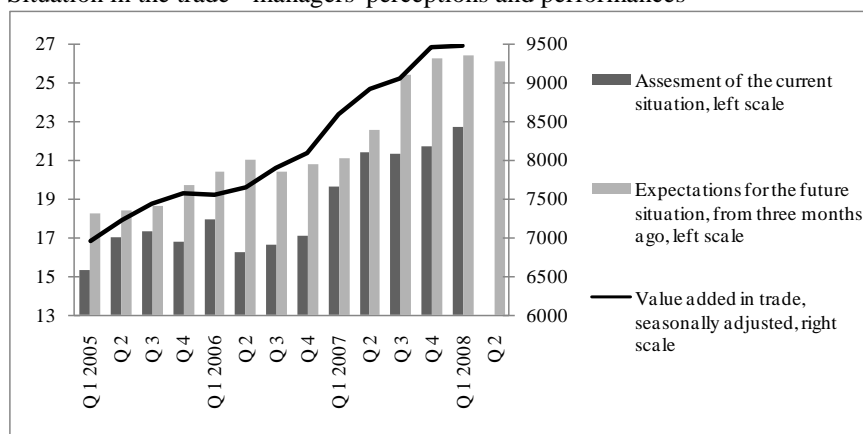
⁹ The contribution of services in the GDP growth in the first quarter of 2008 equaled 2.1 p.p., and of the primary and secondary sector - 2.2 p.p. In 2007, the adequate contributions were 3.3 and 1.1 percentage points.



...as a result of the growth in the trade...

Although the developments in the first quarter of 2008 indicated to small slowing down in the trade activity, relative to 2007, according to the contribution the *trade* still represents a leading activity in GDP creation. The slowing down in the growth may be interpreted as a consequence of the higher prices and consequently low slowing down in the personal consumption. However, the annual growth rate in the trade was still exceptionally high. The developments in the trade were in accordance with the improved situation in the sector, indicated by the managers' assessments¹⁰, and based on their expectations for the business situation in the future, similar developments can be expected also for the second quarter - small slowing down in the growth in the trade, although the growth rates are expected to remain high.

Figure 6
Situation in the trade - managers' perceptions and performances



The balances of the answers, on the left scale, show the development of the indicators and not the real size.

Source: State Statistical Office and NBRM calculations.

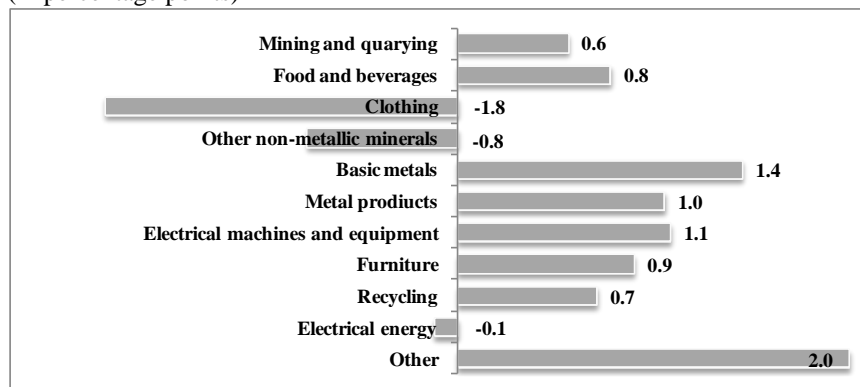
...and the growth in the industry

In the first quarter, the growth in the *industry* amounted to 6.5% and came as a result of the higher output growth in the *manufacturing activities* (6.6%), where 15 of the 20 branches (which created 72.8% of the manufacturing sector) had larger output volume. In the same time, the positive trend in the *mining* also continued, when the higher extraction of metal ores (growth of 44%) determined growth in the mining output of 11.9%. Only the situation in the *energy sector* was negative, registering fall of 0.8%, which was mainly due to the lower output volume in thermal power stations, (which was due to frequent defects), when small growth in the hydro power stations output was registered (in conditions of lower hydro potential)¹¹.

¹⁰ Survey on business tendencies in the trade, State Statistical Office of the Republic of Macedonia.

¹¹ Source: SSO.

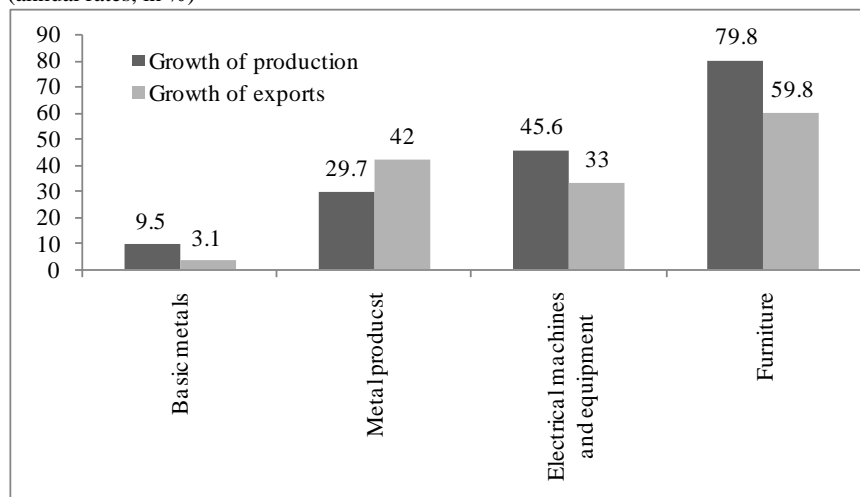
Figure 7
Contributions to the growth in the industrial output in the first quarter of 2008
(in percentage points)



Source: State Statistical Office and NBRM calculations.

The industry for *basic metals* most significantly influenced the growth in the industrial output in the first quarter also, which under the influence of the positive situation in the international markets, realized growth of 9.5%¹². In conditions of higher export, higher growth rates in the output of *metal products* (29.7%), of *electrical machines and apparatus* (45.6%) and of *furniture* (79.7%) were registered, and these were the branches which also significantly contributed to the growth in the industrial output. On the other hand, the negative trends in the output of wearing apparel and textile (fall of 16.5% and 10.9%) and in the building materials (fall of 10.9%) continued in the first three months of 2008.¹³

Figure 8
Annual growth rates in the output volume and export in individual industries in the first quarter of 2008
(annual rates, in %)



Source: State Statistical Office.

¹² Simultaneously, the export of this industry in the first quarter of 2008 registered moderate annual growth of 3.1% which was due to the transport problems one more significant enterprise was facing with.

¹³ Downward trend in the output of *wearing apparel and textile* was present for a quite time, when growth in the volume of export and of employees was registered. Thus, in 2007 the export registered growth of 13.4%, and in the employees of 14.8%, with fall in the output of 15.3% being registered, whereas for the first quarter of 2008 the volume of export registered growth of 8.9%, the employees growth of 3.5%, and the output fall of 16.5%. Such inconsistent developments indicated uncovered output of wearing apparel in the statistics for industrial output. The condition in the output of *building materials* was similar, where the volume of export in the first quarter registered growth of about 46% on annual basis.



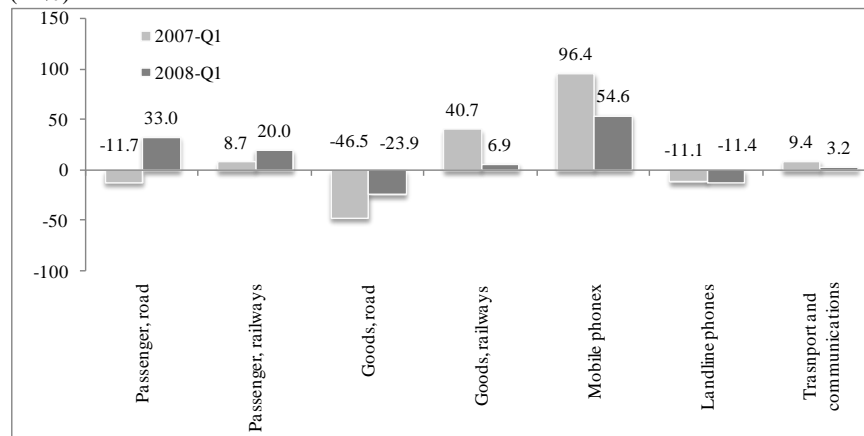
Lower growth in the transport and communication...

The sector "transport and communications" registered considerable slowing down in the growth in the first quarter, which in 2007 was especially significant for the overall growth. The lower growth rate in the first quarter of 2008 in this sector was due to the considerably lower growth rate in the cargo railway transport, with further intensive growth in the telecommunications.

Figure 9

Real growth rates in individual activities of the sector "transport and communications"

(in %)



Source: State Statistical Office.

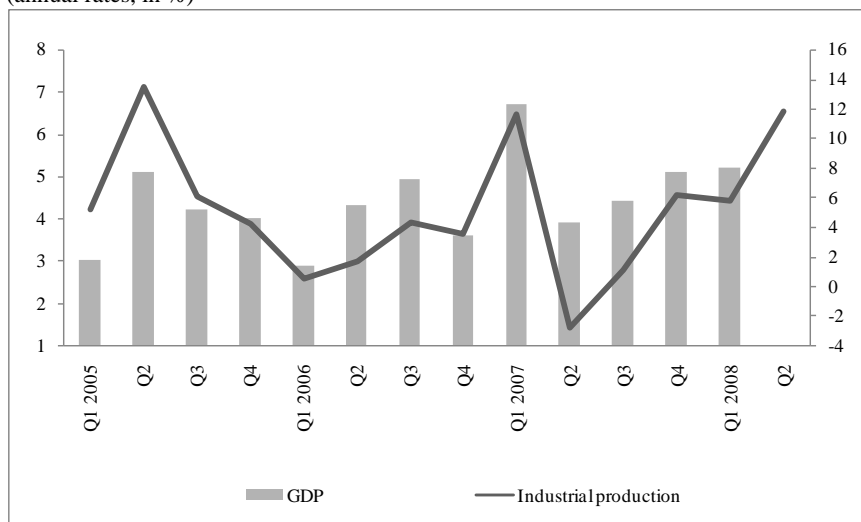
...and higher in the construction

The higher growth in the *construction* was characteristic for the first quarter, which came as a result of the higher demand for this activity, which was largely due to the higher Government capital investments. The managers answers to the Survey on business tendencies in construction reflected best the situation in this sector, and according to them "the lack of demand", as a factor which in the last years was most often indicated as the largest obstacle for higher activity, in the first quarter of 2008 was emphasized as the third most significant limiting factor. In the same time, the construction activity abroad, after the intensive growth in 2007, registered fall in the first quarter of 2008 of 24.6%, which was due lower volume of activities in Bulgaria and Croatia. The Macedonian enterprises were still present in the markets in Ukraine, Russia and Serbia, and the activity in Albania and Montenegro continued to grow.

The growth continued also second quarter of 2008 ...

Relative to the developments in the second quarter of 2008, the data on the industrial output in April and May generated expectations for exceeding the growth rate of GDP of about 5% projected for the second quarter. The volume of industrial output in April and May was higher than the respective one from the previous year by 11.8%, which indicated intensification in the industrial output in the second quarter of 2008. The high growth rate came as a result partially of the lower comparison basis, which was due to the fall in the industrial output in the second quarter of 2007.

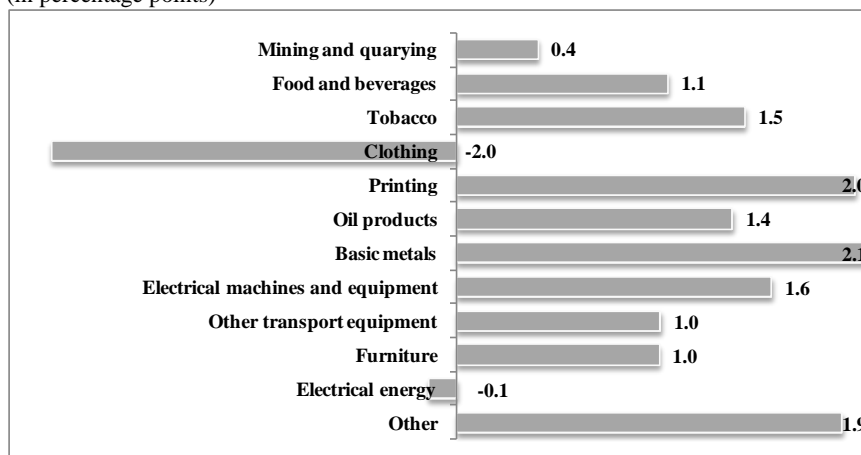
Figure 10
Real growth rates in the industrial output and GDP
(annual rates, in %)



Source: State Statistical Office.

In conditions of unchanged trends in the mining (growth of 8.9%) and in the energy (fall of 1.5%), the high growth came as a result of the performances of the manufacturing industries. Same as in the first quarter, 15 of the 20 branches (which created 73.6% of the manufacturing sector) registered increase in the output, and among them, the industry for basic metals, the printing, the output of electrical machines and apparatus, the tobacco industry (partially due to the time mismatch of the production of fermented tobacco relative to the previous year) and the oil industry (the lower comparison basis than in the last year due to the overhaul of the refinery and problems with the export to Kosovo) most significantly contributed.

Figure 11
Contribution of the most significant sectors to the annual growth in the industrial output in the period April - May 2008
(in percentage points)



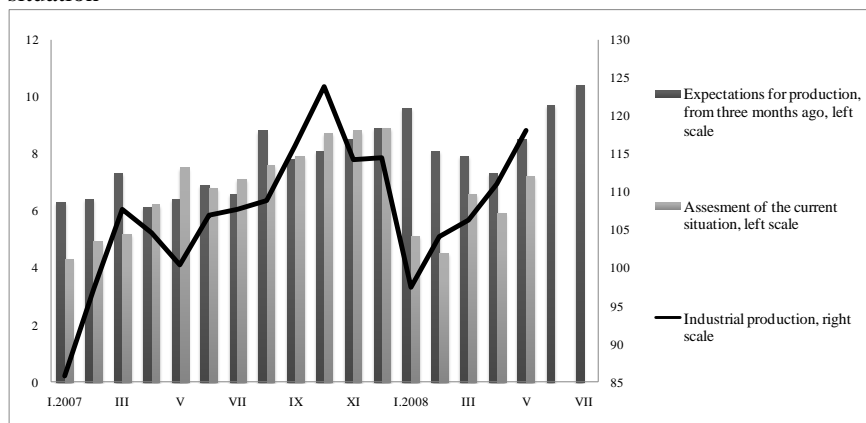
Source: State Statistical Office and NBRM calculations.

...with expectations for continuing in the third quarter also

Concerning the development in the industrial output in the next few months, the positive expectations of the managers from the manufacturing industry¹⁴ indicated possibility for continuing the upward trend in the output also in the following period.

¹⁴ Survey on business tendencies in the manufacturing industry, May 2008, State Statistical Office of the Republic of Macedonia.

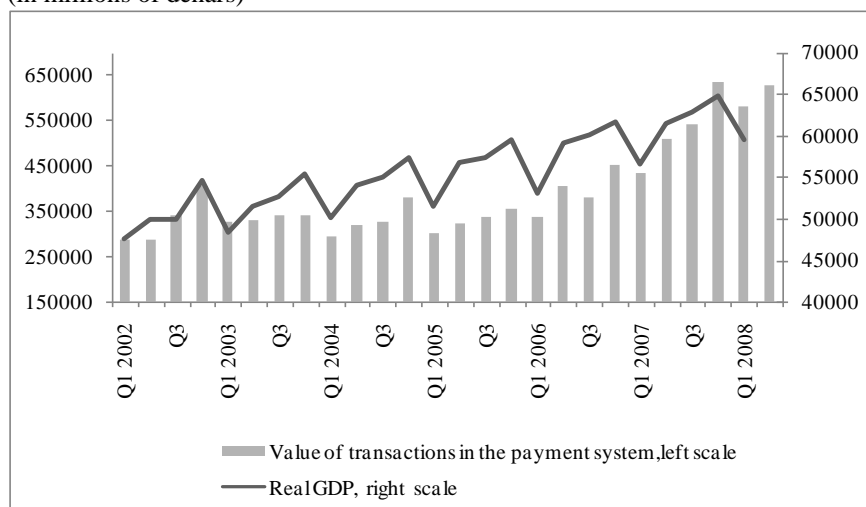
Figure 12
Industrial output, expectations for the future output and assessment of the current situation



Source: State Statistical Office of the Republic of Macedonia.

In accordance with the development in the economic activity, the transactions in the *payment operations* also registered growth, and they generally represented solid indication for the dynamics in the economic activity. In accordance with the projection for November, the upward trend in the economy is expected to continue also in the third quarter of 2008, with the projected real growth rate of GDP of 5.5%.

Figure 13
Payment operations and GDP
(in millions of denars)



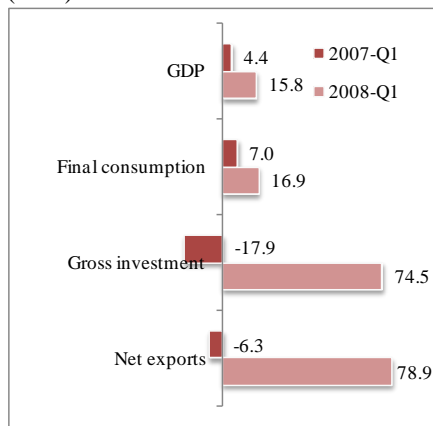
Source: State Statistical Office and National Bank of the Republic of Macedonia.

Domestic demand

Continuing of the upward trend in the domestic demand in the first quarter of 2008 also ...

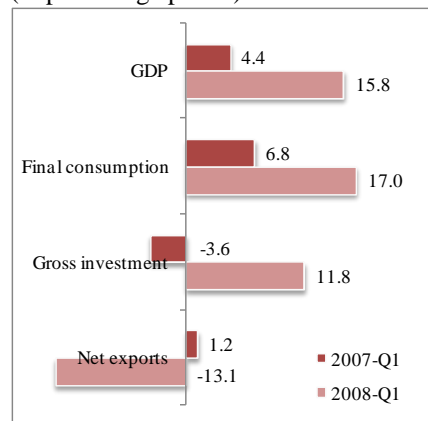
The upward trend in the domestic demand in the last quarter of 2007 continued without any significant changes in the first quarter of 2008 also. The high nominal growth rate of the gross domestic product was created in conditions of high growth in the final and investment consumption. The growth in the domestic demand resulted in growth in the domestic output, but also considering the high import dependence of the economy, in a growth in the import and deepening in the deficit in the foreign trade.

Figure 14
Annual nominal growth rates of the expenditure aggregates of GDP (in %)



Source: SSO.
The growth in the net export represents increase in the deficit.

Figure 15
Contributions to the nominal GDP growth (in percentage points)

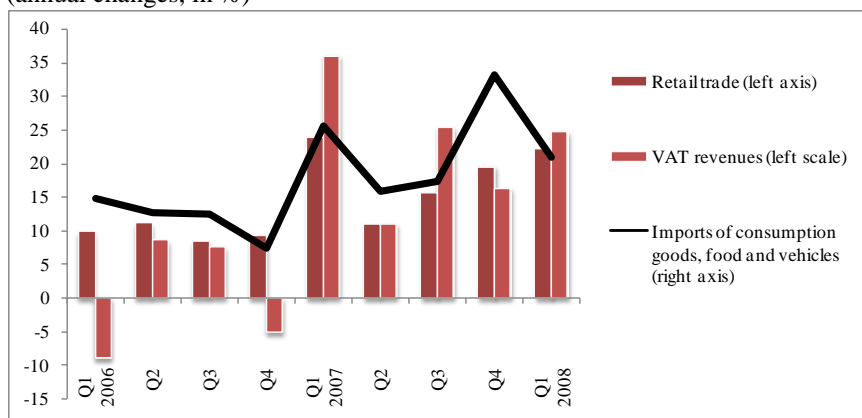


Source: SSO and NBRM calculations.

...when indications for growth in the personal consumption were registered...

The high nominal growth of 16.9% in the final consumption¹⁵ was mostly due to the growth in the dominant component - *the personal consumption*. In the first quarter of 2008, growth was registered in the retail trade (22.1%), import of consumer goods, food and vehicles (20.9%)¹⁶, and to a lower extent also in the domestic output of consumer goods (2.8%). In accordance with such developments, the income in the budget based on VAT registered high growth also (24.6%). With that, the nominal growth in the personal consumption in the first quarter of 2008 was estimated as similar with the one in the previous quarters, which regarding the higher prices in the first quarter of 2008, implied small real slowing down in the personal consumption.

Figure 16
Development in the indicative categories for personal consumption (annual changes, in %)



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

Indications for growth in the personal consumption were found also in the high growth in the *household income*. Thus, in the first quarter of 2008 the paid pensions rose by 11.7% (as a comparison, the annual growth in the previous quarter equaled 3.2%)¹⁷. Simultaneously, the growth in the wages kept the level

¹⁵ The assessments of the components of final consumption (mainly personal and public consumption) were made by the Research Department in NBRM.

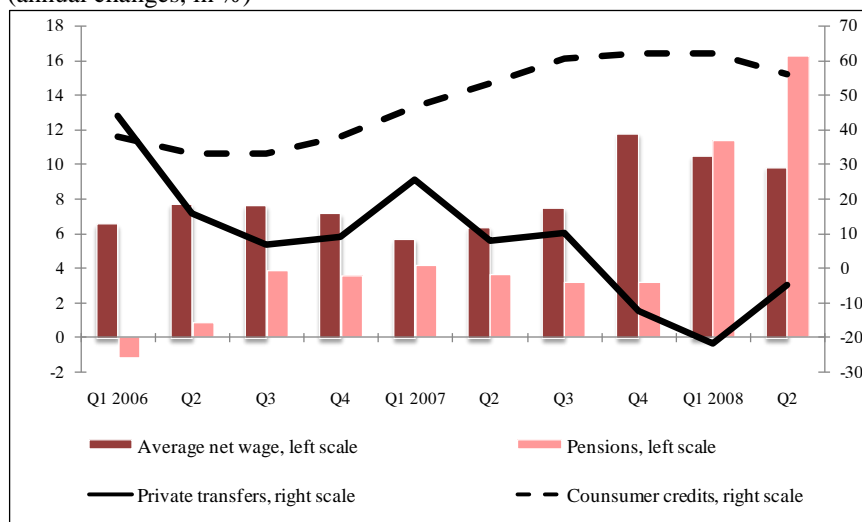
¹⁶ Since January 2008, SSO applied new classification in the foreign trade by the economic purpose.

¹⁷ The intensive growth in the pensions was due to the reconciliation of the growth in the pensions with the growth in the average wage in the economy and the growth in the consumer price index



of the previous quarter (10.5%), whereas the fall in the private transfers registered deepening (21.6%). The growth in the current income of households generated expectations for growth also in the future income, which resulted in growth in the indebtedness. Thus, the growth in the credits to households continued with the same dynamics (62%).

Figure 17
Sources of financing of the personal consumption
(annual changes, in %)

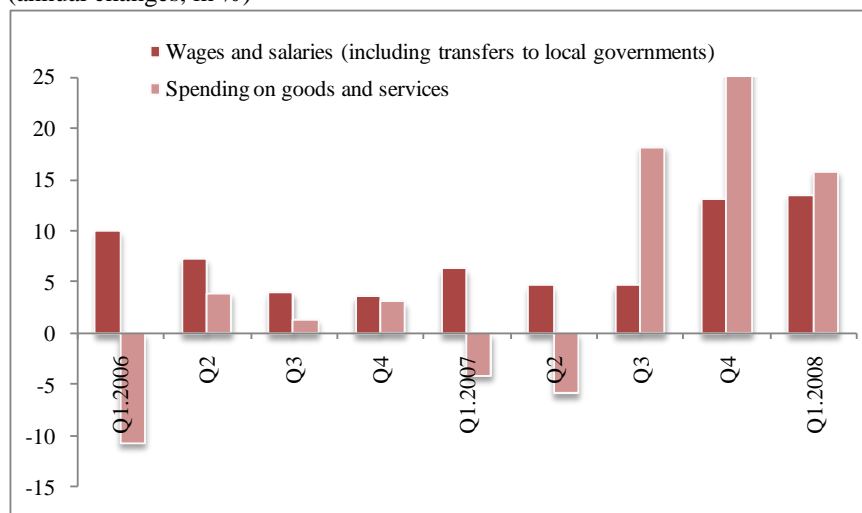


Source: State Statistical Office and National Bank of the Republic of Macedonia.

...high public consumption...

After the exceptional growth in the last quarter of 2007, the growth in the indicators for *public consumption* registered small slowing down in the first quarter of 2008, although it remained high, relative to the growth rates from the previous quarters. Growth was registered also equally in the wages of employed and in the public sector (13.4%, including the local Government) and in the costs for goods and services (15.8%).

Figure 18
Public consumption and costs for wages and goods and services
(annual changes, in %)



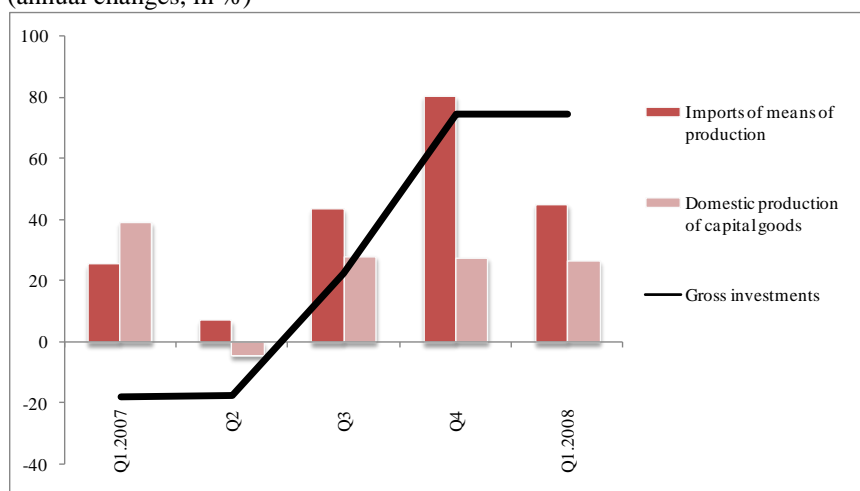
Source: Ministry of Finance.

which is made twice a year (since January 2008 the correlation of the reconciliation was 50 : 50 for the wages and the inflation, respectively, opposite of 20 : 80 previously), as well as to the one time increase in the pensions according to Decision of the Government of RM the largest part of which was realized in January 2008 (by the growth rates which are in inverse proportion to the amount of certain groups of pensions).

*...and higher investments*

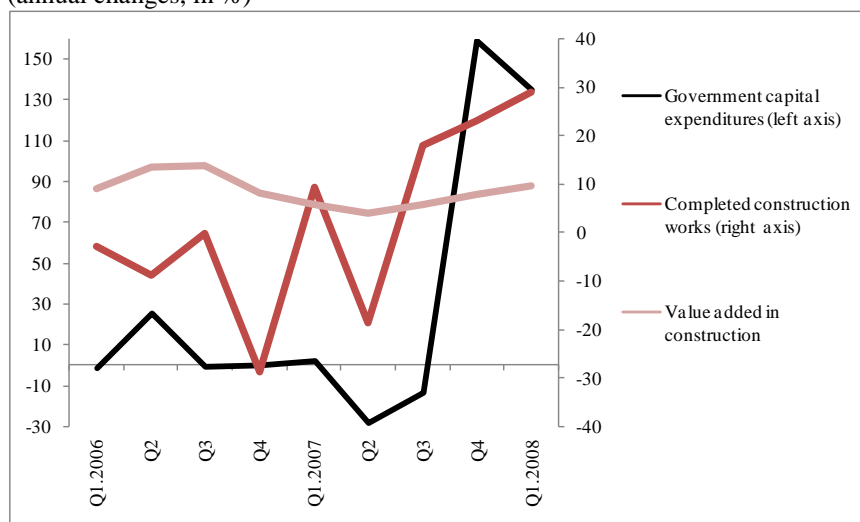
Most intensive changes were registered in the first quarter of 2008 in the investment consumption, as a continuing of the positive trend from the previous quarter. The nominal growth in the *gross investments* of 74.5% was not only directly contributing to the growth in the gross domestic product in the current period, but it also represented increase in the production potential of the economy, and with that also an upcoming growth in the activity. The higher investments resulted in growth in the import of means of operations of 45.1%, but also in the domestic output of capital goods of 26.5%. In the same time, the Government capital investments registered increase by 1.4 times and they were the main factor for intensified building investments, which reflected in the growth in the performed construction activities of 29.1% and in the added value in the construction of 9.7%.

Figure 19
Gross investments, import of means of operations and domestic output of means of operations
(annual changes, in %)



Source: State Statistical Office of the Republic of Macedonia.

Figure 20
Government capital investments, performed construction activities and added value in the construction
(annual changes, in %)



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

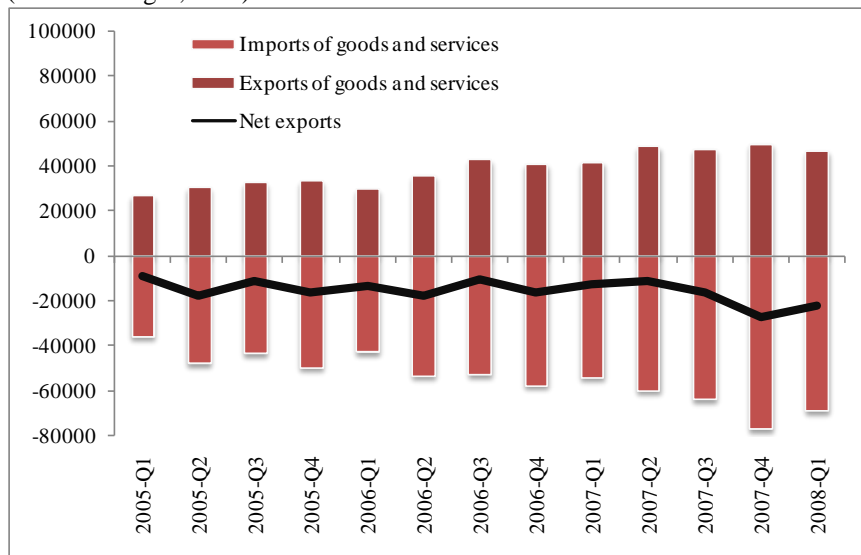


Deepening in the deficit in the foreign trade

Although part of the intensified domestic demand was ensured by the higher domestic output, it also created pressures on the external sector, so the *import* of goods and services in the first quarter registered high growth of 27.1%. In conditions of lower growth in the *export* of goods and services (11.7%), this resulted in deepening in the deficit in the foreign trade. It shall be taken in consideration that large part of the increase in the negative value in the nominal net export was due to the higher import prices, especially oil prices (import prices of oil rose by 50.3% on annual basis).

Figure 21

Developments in the export, import and the net export
(annual changes, in %)



* growth represents deepening in the deficit.

Source: State Statistical Office of the Republic of Macedonia.

Similar conditions also in the second quarter of 2008

By the initial data on the second quarter, the developments on the side of the demand continued without any significant changes. Namely, the income based on VAT in the first two months of the quarter went up by 12.4% relative to the same period of the previous year. Small slowing down was registered in the growth of wages (8.8%) and of credits to households, excluding the housing loans (57.8%), with higher growth in the pensions being registered (17.2%). In conditions of early parliamentary elections, higher public consumption was registered (annual growth in the costs for goods and services of 49% and in the costs for wages of 11.9% in the period April - May 2008). The investment activity continued, when double increase in the Government capital investments and growth in the domestic output of capital products of 24.7% being registered. The export of goods also registered high growth (17.9% in April and May), but still the more intensive growth in the import (39.3%) signalized further deepening in the negative balance in the net export.

Annex 1

Disposable income of households

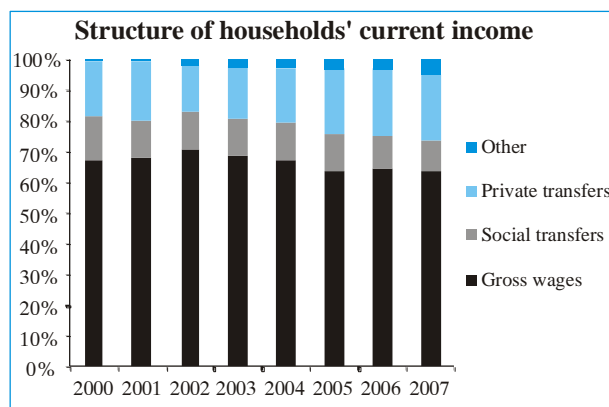
In theory and practice there are different definitions on the disposable income. The Organization for Economic Cooperation and Development (OECD) defined it as "income derived from the balance of primary incomes of an institutional unit or sector by adding all current transfers, except social transfers in kind (except social transfers in kind) and subtracting all current transfers (except social transfers in kind)". Generally, the disposable income represents the disposable assets remaining after taxation of the primary income. Our analysis was focused on the disposable income of the households

represented as a differential between the total current incomes and expenditures of households. This aggregate has multidimensional role: it enters as variable in the assessment of the equation of personal consumption, it is used for calculation of the household indebtedness, for calculating the household marginal preference for spending and saving, the rate of saving of households, the capability for debt repayment etc.

Regarding the significance of this indicator and its multifunctional use, NBRM started preparing time series of the disposable income of households in the Republic of Macedonia. This represented significant gain from analytic view, considering the fact that this data is lacking in the official statistics (certain calculations were made by SSO for the period 1994 -1996, in form of annual information, as well as certain internal NBRM calculations for the needs of the econometric modeling for the period 1994-1999, on monthly basis). The time series for the disposable income of the households pertains to the period since 2000 and it is with monthly dynamics. The series will be updated on regular basis, with annual dynamics, as a result of the nature (dynamics) of the data used for calculation. The calculation is mainly based on the methodology of the System of National Accounts (SNA-93) and it represents a differential between the *current income* and the *current expenditure* of the households.

It must be pointed out that for the needs of contraction of the series for disposable income, part of the data were constructed by NBRM, because they are not available as an actual data in the official statistics. Because of the various coverage period and the various dynamics of issuing the data, and for the purpose of obtaining monthly series of the disposable income, econometric techniques for extrapolation and interpolation of the series of some of the included variables were used. The data for 2007 are estimated so far.

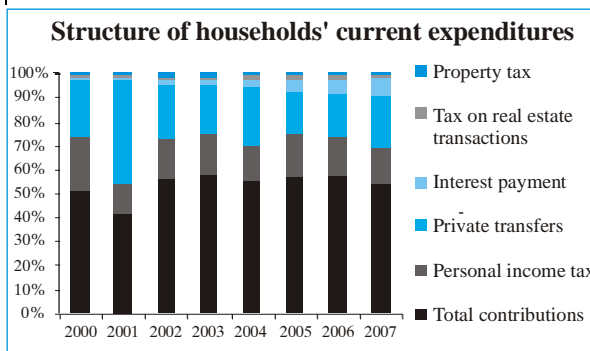
As **current incomes** of the households in the calculation of the disposable income the following values were included: gross wages, social transfers, private transfers, interest inflows from saving in banks and from investments in Treasury bills, income from dividends, income from copy rights, real estate income and property rights, income from old foreign currency savings and income from denationalization.



The largest part of the current income of households in the period from 2000 to 2007 came as a result of the gross wages (about 67% on average). **The gross wages** of households were based on annual amounts of funds of employees and added value in the sector "households" (from the

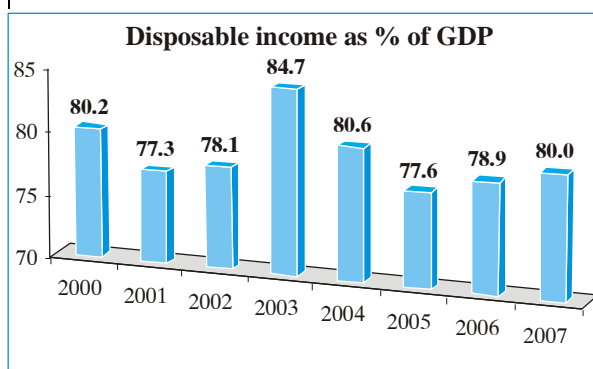
GDP statistics). The funds for employees includes the total compensation fees paid by the enterprise to the employees, as follows: net wage, personal income tax, social security contributions on wages, monthly monetary food allowance, travel allowance, field work allowance, vacation allowance and similar compensation fees. The value added in the sector "households" pertains to the inflows of self employed professionals and the inflows of individual agriculture producers, as a measure for the income of the stated agents. This is followed by the participation of the private transfers (19% on average) and of the social

transfers (12% on average). The inflows based on *private current transfers* pertains to the remittances, foreign exchange operations and other (rents, pensions, disability allowances), data emerging of the balance of payments. *The social transfers* pertains to pensions, transfers from the central budget for welfare, disability allowances, child allowance, as well as aid to the unemployed. Other categories of income have marginal participation in creating the income of households. However, in the last years a gradual upward trend in the capital investments of the households was registered, when the income from dividends also registered increase.



As **current expenditures** of the households the following items were considered: the amount of the paid personal income tax, the amount of the wage contributions for the pension fund - PIOM, for healthcare fund and employment fund, the

paid property tax and the real estate transaction tax, the interest payments to the banks and outflows based on private current transfers (remittances, foreign exchange operations and other). In accordance with the participations in the total current expenditures, the contributions were the dominant category in the analyzed period (54% on average), followed by the outflows based on private transfers (24% on average) and the personal income tax (about 17% on average).

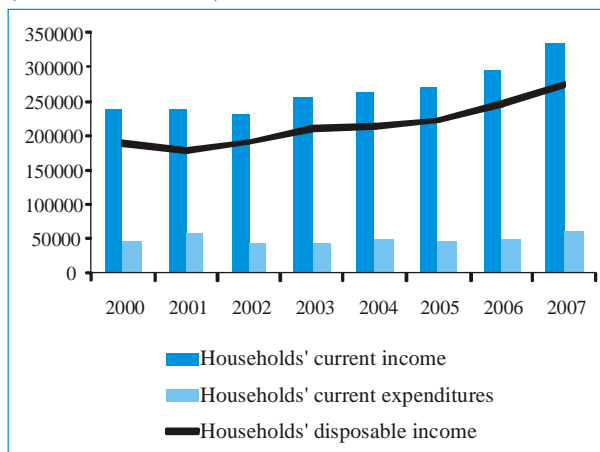


The disposable income of households in the Republic of Macedonia, in the period from 2000 to 2007 oscillated around the average value of about 80% from GDP. In conditions of stable level of gross wages and social transfers, the oscillations of the disposable income

were largely due to the variability of the private transfers. Thus, fall in the level of the disposable income was registered during the security crises (2001 and 2002) and after that, which was largely due to the lower inflows from private transfers, on one hand, and higher expenditures for private transfers, on the other, and to a lower extent from the lower social transfers. With the normalization of the situation and with returning the trust in the stability of the country, in 2003 high inflow of assets from private transfers and intensified growth in the inflows from gross wages were registered, so the level of the available income exceeded the average. However, in 2005 in conditions of lower inflows from gross wages (despite the more intensive inflow of assets from private transfers), the disposable income went down again. In the last two years of the analysis (2006 and 2007) in conditions of increase in the incomes based on gross wages¹⁸, the level of the disposable income registered growth again.

¹⁸ In the Republic of Macedonia the principle of net wages is applied. In 2007 decrease in the personal income rate was performed, but still the expenditures for personal tax were higher by 5.7% on annual basis, which was due to the growth in the net wage and the improved tax payment.

(in millions of denars)



However, observed in absolute values, the disposable income of households in the period from 2000 to 2007 registered continuous upward trend (excluding 2001 when it minimally decreased), indicating gradual strengthening of the households power for consumption.

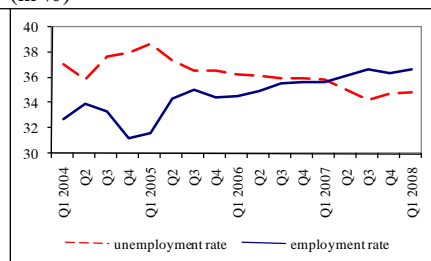
1.3. Employment and wages

The favorable developments in the labor market in the Macedonian economy continued also in the first quarter of 2008. Namely, as well as in the previous three quarters, also in the first quarter of 2008 higher number of employees was registered (by 3.7%) and lower number of unemployed persons (by 1%). The favorable developments in the labor market contributed to the growth in the employment rate by 1 percentage point (36.7%) and to identical fall in the unemployment rate (34.8%), on annual basis.

Figure 22
Active households, employed and unemployed
(annual growth rates)



Figure 23
Employment rate and unemployment rate
(in %)



Source: State Statistical Office of the Republic of Macedonia, Labor Force Survey.

The main generator of the growth in the employment in the first quarter of 2008 was the agriculture sector, where considerable annual growth in the employed of 27% was registered. As a comparison, in 2007 the employment in the agriculture registered fall, i.e. it gave negative contribution. The higher number of employed in the agriculture, as a sector which participated with almost 10% in creating the value added, was in accordance with the measures undertaken for development of this sector by the careers of the economic policy in form of higher subventions, lower taxes, as well as creating additional possibilities for financing the agriculture¹⁹. Such a positive environment, as well as the global growth in the prices of agriculture products increased the attractiveness of the agriculture sector, enabling growth in the employment, mostly in the individual agriculture producers. Namely, the number of persons

¹⁹ In the beginning of 2008 the Government of RM strengthened the financial potential of the Agriculture Credit Discount Fund and determinate positive conditions for extending credits to agriculturalists (through banks), so the interest rates were between 4% and 6.5% on annual basis. In the first half of 2008, about 800 credits were extended through this Fund, in total amount of about Euro 9 million.

employed for the personal account and the number of persons who declared themselves as non-paid family workers by 32.4% and 24.6%, respectively, on annual basis rose. It is significant to mention that the measures undertaken for support in the agriculture contributed also for higher registration of the employed in the agriculture (especially for the needs of subventions utilization), with the growth in the employed partially reflecting the decrease in the unregistered employment in this sector. Considering the fact that about 1/3 of the households in the Republic of Macedonia are agriculture households,²⁰ the improved registration of their activity is expected to contribute for reducing the grey economy.

Figure 24
Contribution of employed by the economic status in the growth of the employed in the agriculture
(in percentage points)

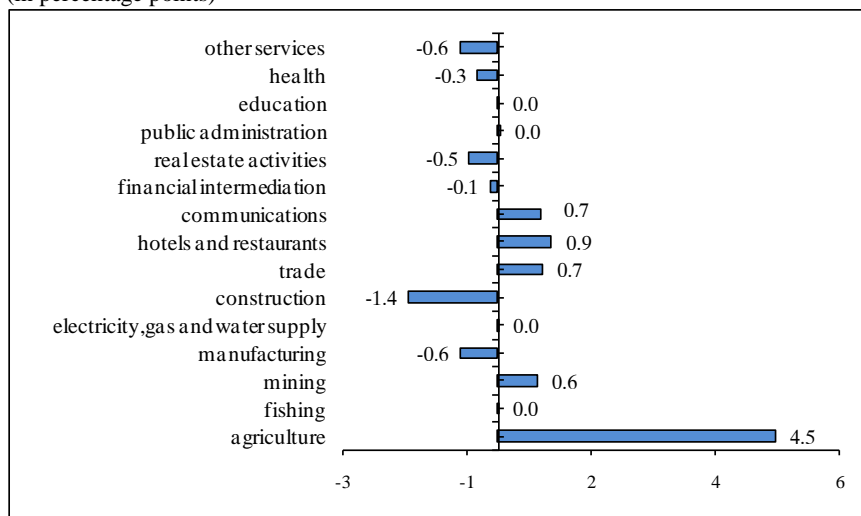


Source: Labor Force Survey, SSO.

The other sectors where the number of employees registered more considerable growth were the following: mining (86.3%), tourism (32.1%) and communications (11.9%). The higher number of employed in the mining and in communications in the first quarter of 2008 came as a result of the restarted and broadened, as well as to the newly opened facilities in these sectors in the second half of 2007, which determined higher demand of labor force. The growth in the employment in the tourism was in accordance with the higher demand for tourism services (quantified through the number of tourists which registered growth of 23.5% on annual basis), considering the improved winter tourist season in this year. The trade, transport, public sector, water supply and fishing registered moderate growth in the employed. In the rest of the sectors, the number of employed in the first three months of the year went down relative to the same period of the previous year, when most intensive fall in the employment in the construction was registered (21.3%).

²⁰ According to the Census of Agriculture in 2007, SSO.

Figure 24
Contribution of the most intensive sectors to the growth in the total number of employed in the first quarter of 2008
(in percentage points)



Source: State Statistical Office of the Republic of Macedonia.

The average wages in the economy in the first quarter still registered high nominal growth, which mainly represented transferred effect from the increase in the level of wages in the last quarter of 2007. However, the annual growth rates registered moderate slowing down. Thus, the average paid net and gross²¹ wages rose by 10.5%, i.e. by 8.7% on annual basis. The lower growth in the gross wages resulted from the lower rate of the personal income tax from 12% to 10% since the beginning of 2008. The deceleration on the growth is larger if the effect of the inflation is excluded. Namely, if the inflation of 9.5% registered the first quarter of 2008 is considered, the real growth in the net wage equals 0.9%, whereas the gross wages registers fall of 0.8%.

Figure 25
Average paid gross and net wage
(annual nominal changes, in %)

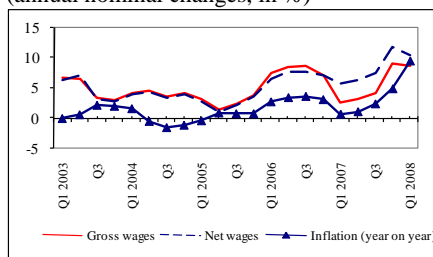
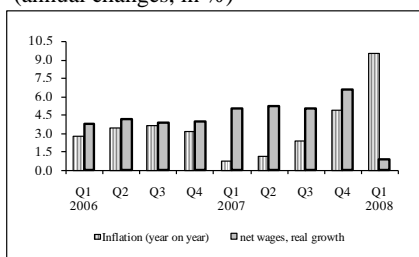


Figure 26
Real net wage
(annual changes, in %)



Source: State Statistical Office of the Republic of Macedonia.

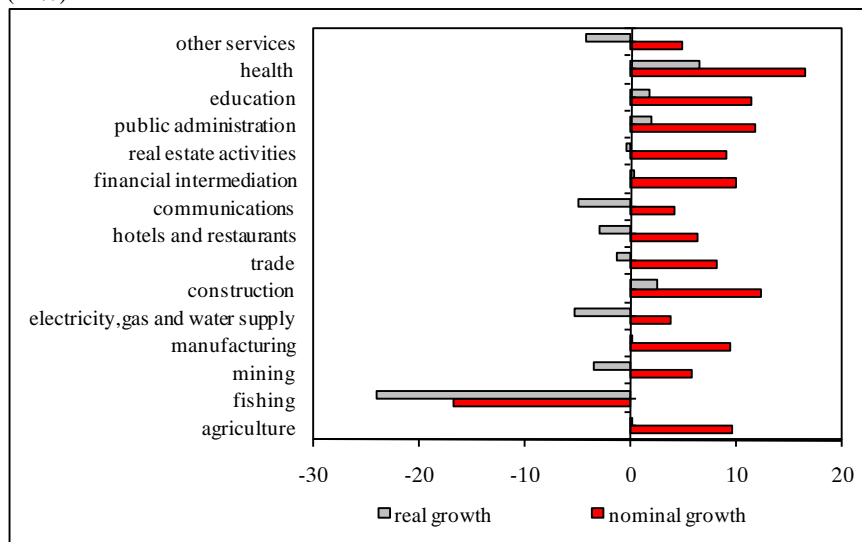
Nominal growth in the average paid wages was registered in all economic activities, except to fishing. Still most intensive growth in the wages was registered in the public sector (growth of 11.8% in the public administration and defense, 11.4% in education and 16.6% in the health care) which was mainly due to the increase in the wages in this sector realized in the last quarter of 2007. Significantly higher wages relative to the first quarter of 2007 were paid also in the agriculture (9.8%), manufacturing industry (9.4%), construction (12.6%) and in the financial intermediation (10%). Still, real growth in the wages was

²¹ Source for wages: State Statistical Office. The total paid gross wages are including: paid net wages for the reporting month, platen personal tax and paid contributions (for pension and disability insurance, for health insurance, for employment, for professional diseases and water supply). The date pertains to the paid wages, not depending on the month they refer to.



registered only in several activities (agriculture, construction, financial intermediation and in the public sector).

Figure 27
Annual changes in the average paid net wage by sectors in the first quarter of 2008
(in %)



Source: State Statistical Office of the Republic of Macedonia.

The labor productivity in the first quarter of 2008 rose by 1.2% on annual basis, in conditions of more intensive growth in the gross domestic product relative to the increment in the employees. On the other hand, the higher nominal growth in the gross wages relative to the growth in the productivity resulted in considerably higher nominal costs per labor unit (annual growth of 7.4%) which indicated increase in the costs of producers.

Figure 28
Productivity
(indices, base average 2004)

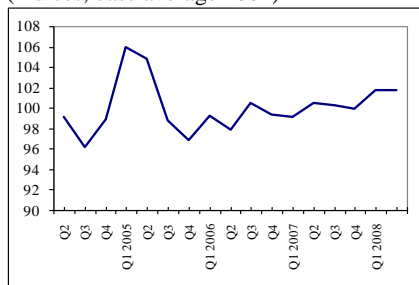
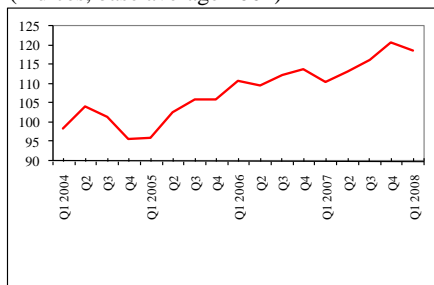


Figure 29
Nominal costs per labor unit
(indices, base average 2004)



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

The slowing down in the nominal annual growth of wages continued also in April 2008 when the average paid net and gross wages went up by 9.2% and 7.5%, respectively, on annual basis. The further decrease in the nominal growth in the wages, in conditions of maintaining high annual inflation rates, determined, for the first time this year, real annual fall in the nominal net wages of 0.8%, whereas the fall in the gross wages reached up to 2.3%. The sector analysis showed high nominal growth in the wages in all sectors, excluding the fishing. Thus, the paid net wages in the agriculture rose by 9.7%, in the mining by 21.8%, in the manufacturing industry by 7.7%, in the construction by 10.7% and in the service activities by 9.4%. Same as in the first three months in the year, in April also the real net wages increased only in several activities, with more intensive growth being registered in mining (10.7%) and in health care (4.7%).

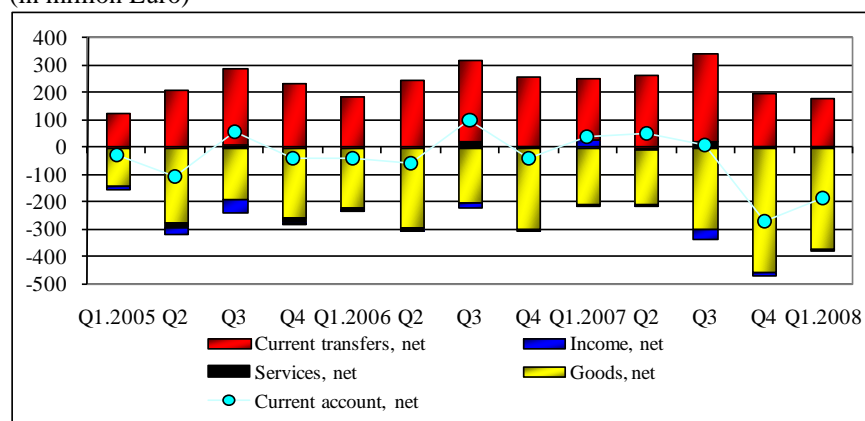
1.4. Balance of payments

The deepening in the trade deficit in the first quarter of 2008, in conditions of high growth in the world energy prices, as well as intensification in the decline in the private transfers, resulted in considerable broadening of the current account deficit, relative to the same period of the previous year. On the other hand, in the capital and financial account high surplus was realized, with the deviation in the investment structure being characteristic, acting towards relatively high inflows based on direct investments, net, opposite to the registered outflows based on portfolio investments.

In the first quarter of 2008, balance of payments' *current account* registered deficit in amount of Euro 188.1 million, relative to the surplus of Euro 41 million in the first quarter of 2007. Simultaneously, the current account deficit exceeded the projection for November (by 67%). The high current account deficit was due to the deepened foreign trade²² gap (contribution of 69.7%), as well as to the lower net inflows in the current transfers (contribution of 20.8%).

High deficit in the current account in the first quarter

Figure 30
Components in the current account
(in million Euro)

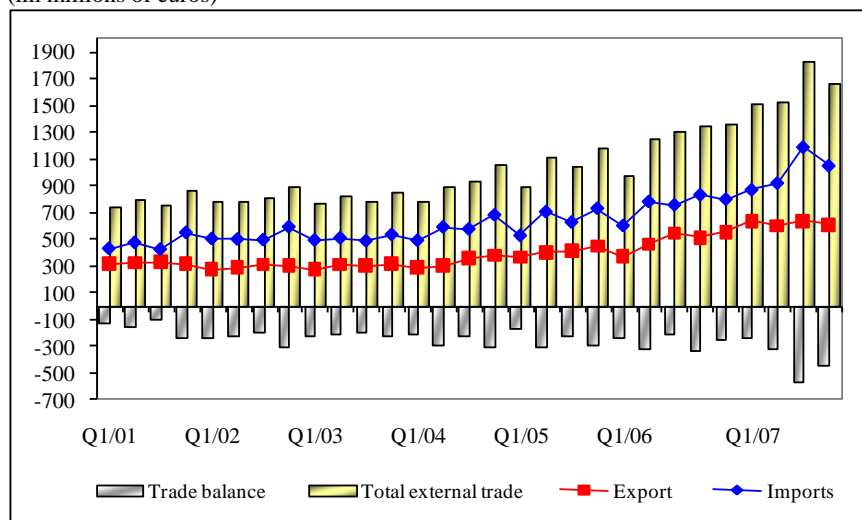


Source: National Bank of the Republic of Macedonia.

The dependence on import of crude oil and the insufficient domestic production of electricity, with simultaneous growth in the prices in the international stock exchanges of these two energy sources (which participated with 37.9% in the total import of goods) contributed to considerably higher growth in the import than in the export of goods in the first quarter of 2008. Thus, the annual growth rate of the import and the export of goods equaled 31.3% and 9.4%, respectively, which resulted in deepening in the deficit of the trade balance (growth of 81.5%, reaching up to Euro 442 million). Consequently, the export-import coverage ration registered considerable fall of 11.6 percentage points on annual basis equaling 58.1%.

²² The data on the import in the statistics of the balance of payments mismatch with the data on the import from the State Statistical Office, for showing the import on f.o.b. basis, as well as the time adjustment of the import of electricity in the balance of payments.

Figure 31
Foreign trade of the Republic of Macedonia
(in millions of euros)

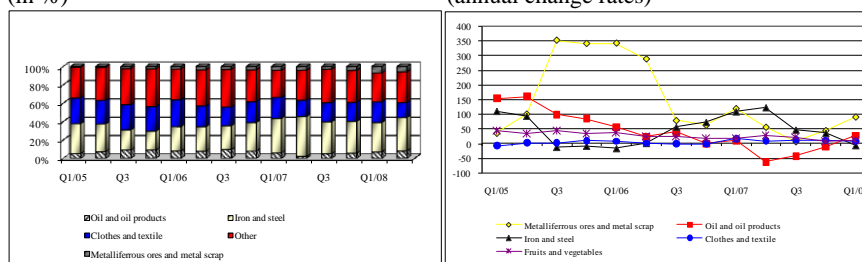


Source: State Statistical Office of the Republic of Macedonia.

The export of metal ores gave most significant contribution to the total growth in the export

The annual growth in the export of goods in the period January-March 2008 resulted mainly of the higher export of metal ore and waste, oil derivatives and wearing apparel and textile with contribution of 38.4%, 17.5% and 17.2%, respectively. The restart of one more significant mining facility (in the last quarter of 2007), contributed to increase in the industrial output in the sector "mining and quarrying" (by 11.9% on annual basis) and consequently higher export of metal ore and waste (by 91.3%). The export in this category of products was mainly addressed to the markets in the neighboring countries: Bulgaria and Greece (with about 70% and about 16%, respectively). The higher export of oil derivatives represented a combination of higher prices and quantities, where the price effect was more apparent which reflected the price growth in the international stock exchanges. On the other hand, the annual decline in the export of the most significant export category - "iron and steel" by 6.2% is significant to be noted, which was partially due to the transportation problems (which are expected to have short-term character), but also to the negative price effect.

Figure 32
Structure and dynamics of the export by groups of products
(in %) (annual change rates)

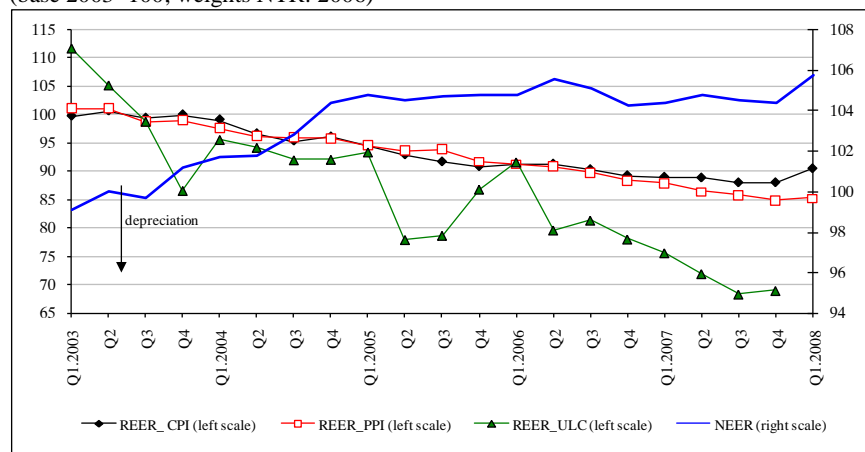


Source: State Statistical Office of the Republic of Macedonia.

The analysis of the competency position indicated maintenance of the competitiveness of the domestic producers in the foreign markets, in accordance with the depreciation in the real effective exchange rate (REER) of the Denar, by two of the calculated indicators. Namely, REER calculated by the producer price index registered depreciation of 3,1%, which was solely due to the more intensive annual growth in the foreign prices relative to the domestic producer prices. Also, in conditions of growth in the foreign costs, on one hand, and fall in the domestic costs, on the other, REER of the Denar calculated by the index of

labor force costs per product unit²³ significantly depreciated (by 14.7%). On the other hand, in the analyzed period, REER of the Denar calculated by the consumer price index, appreciated by 1.7%, on annual basis, mainly as a result of the appreciation of the nominal effective foreign exchange rate of the Denar (NEER), i.e. the appreciation of the Denar relative to the Russian Ruble and the USA Dollar, but also when more intensive growth in the domestic relative to the foreign consumer prices was registered.

Figure 33
Index of REER* and NEER of the Denar
(base 2003=100; weights NTR: 2006)

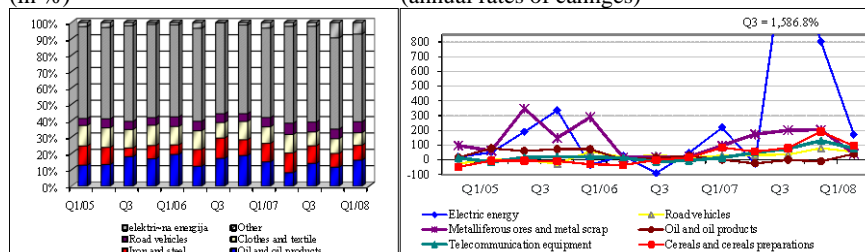


*Index under 100 represents higher export competitiveness.
Source: National Bank of the Republic of Macedonia.

Annual growth in the total import of goods which was due to the increase in the import of mineral fuels

The dependence on energy of the Macedonian economy and the growth in the prices of the energy sources were the main factors for intensification in the annual growth in the import of goods. Within the group "mineral fuels and lubricants", the electricity and the oil and oil products most significantly contributed to the rise in the total import (with 19.2% and 18.7%, respectively). In the electricity, the growth on annual basis was due to the simultaneous growth in the quantities and prices, whereas in the oil and oil products, in conditions of small decrease in the quantities, the increase was solely due to the growth in the prices (continuous upward trend in the international stock exchanges). In the other products, the group "machinery and transport equipment", especially the import of vehicles, significantly contributed (with 26.4%) to the total growth. The global upward trend in the prices of food was mostly felt in the import of cereal and cereal products, where the annual growth rate reached up to 93.8%.

Figure 34
Import dynamics by groups of products
(in %)



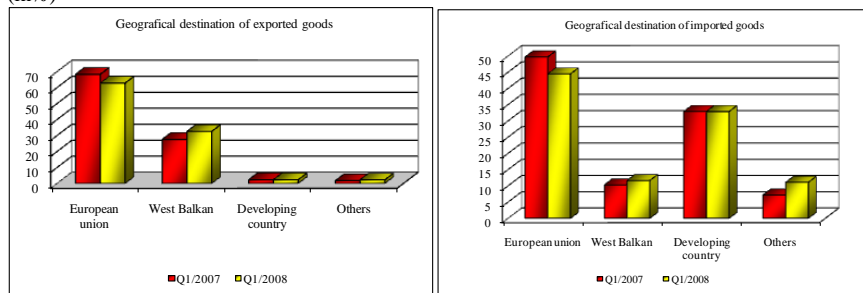
Source: State Statistical Office of the Republic of Macedonia.

The European Union (EU) remained the major trade partner of the Republic of Macedonia participating in the structure of the overall export and

²³ REER of the Denar by the labor cost index per product unit was calculated based on incomplete data for the foreign prices. The labor cost index per product unit pertains to the industry.

import of goods with 62.8% and 44.5%, respectively, in the period January-March 2008. But, relative to the same period of 2007, certain structure deviations emerged. Thus, in the export of goods, the structural participation of EU decreased by 5.5 percentage points for the account of the export in the Western Balkans, in the countries which signed the free trade agreement - CEFTA 2006. Serbia²⁴ registered the highest rate of annual growth (contribution to the growth in the export towards the group of 71.2%). In the import of goods, the structural participation of EU plunged (by 5.2 percentage points), when higher import in the member countries of EFTA was registered.

Figure 35
Geographic orientation of the export and the import of goods
(in%)



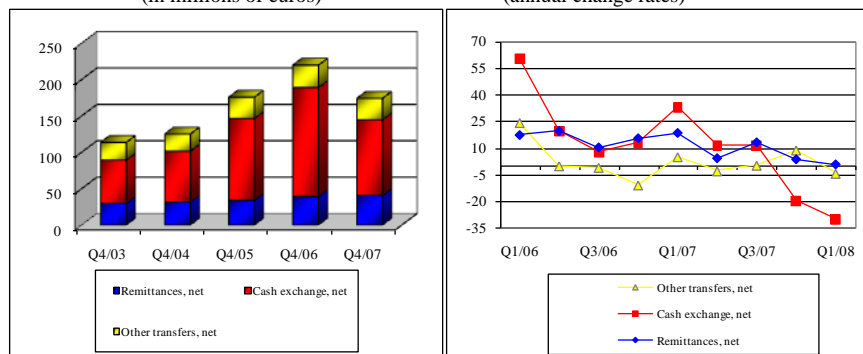
Source: State Statistical Office of the Republic of Macedonia.

Small deficit in the trade of services, lower net inflow in the income sub-balance pad of the private transfers

In the first three months, the sub-balance of services registered small deficit of Euro 0.6 million, which on annual basis represented decrease of almost 50%. With respect to the structure, the realized net outflows of services largely pertains to the net outflows based on transport services (about 50%), which were mainly neutralized by the net inflows from traveling and investment activities. In the income, the realized net inflow of Euro 7.4 million was lower relative to the same quarter of 2007 (by 75%), which was mainly due to the paid income from direct investments to nonresidents. In the first quarter of 2008, the positive balance of current transfers was lower by 21.3% relative to the same quarter in the previous year, which was solely due to the lower net inflows from private transfers. In conditions of relatively stable developments of the remittances and the other transfers through the formal channels, the decline was due to the fall in the private transfers through the informal channel assessed on the basis of net inflows from foreign exchange operations which were pouring in the banking sector. Such developments were reflecting the higher uncertainty to a certain extent, as well as the growing inflation and inflation expectations in this period, when the purchase of foreign currencies in the foreign exchange market registered fall, with simultaneous considerably higher sale (by 94.5% on annual basis), intensifying the annual fall in the net purchased assets (of 30.5%, opposite of 20.1% in the previous quarter).

²⁴ The foreign trade with Kosovo was not separately showed, it is a integral part of the trade with Serbia.

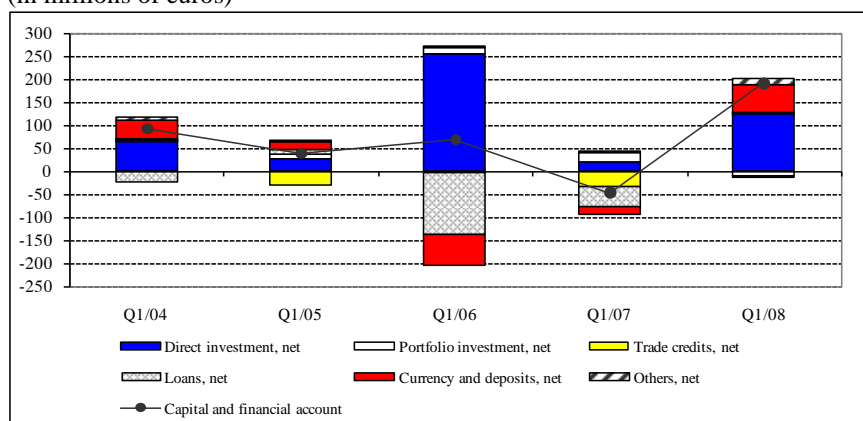
Figure 36
Dynamics of the private transfers by components on net basis
(in millions of euros)



Source: National Bank of the Republic of Macedonia.

In the first quarter of 2008, in the capital and financial account net inflows of foreign capital in amount of Euro 192.8 million were realized, out of which 66% resulted from the realized net inflows based on direct investments, net.

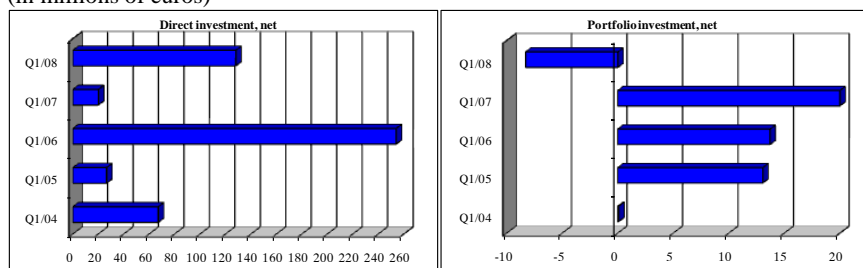
Figure 37
Components of the financial account
(in millions of euros)



Source: National Bank of the Republic of Macedonia.

In the first quarter of 2008, inflow of Euro 128 million based on direct investments was realized, on net basis (out of which about 52% were based on credits and loans of mutually connected entities), opposite of Euro 20.1 million in the same quarter of 2007. On the other hand, the trend of outflow of capital based on portfolio investments, which started in the last month of 2007, continued also in the first quarter of this year, when net outflows of Euro 8.3 million were realized.

Figure 38
Direct and portfolio-investments, net
(in millions of euros)

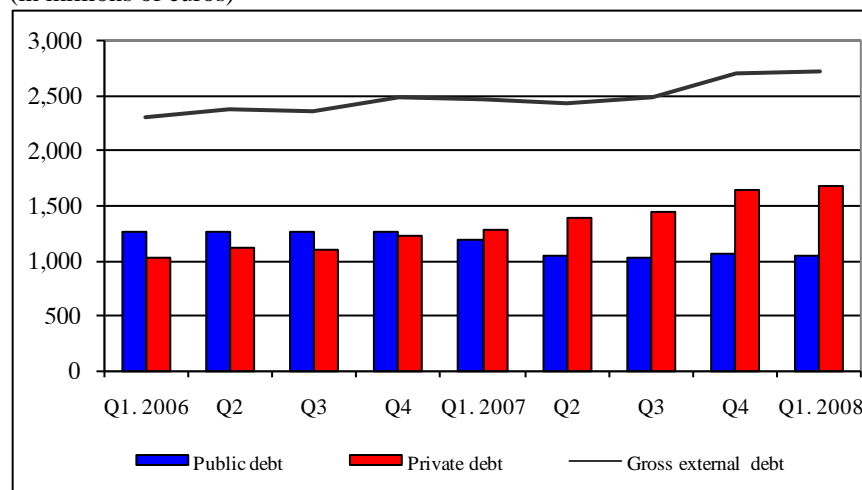


Source: National Bank of the Republic of Macedonia.

In the other components within the financial account, the currencies and the deposits were the higher financing items of the deficit on the current account (Euro 61 million), mainly as a result of the fall in the foreign exchange assets of foreign banks. Small net inflows were registered in the foreign indebtedness (different from the previous year when net outflows were registered), and increase in the overdue liabilities based on previous borrowings.

At the end of the first quarter of 2008, the gross external debt²⁵ realized small growth of Euro 18.4 million, relative to the previous quarter equaling Euro 2.730 million. Such change came as a result of the further upward trend in the private debt, more specifically in the external indebtedness based on loans among connected entities, as well as to the external debt of the other economy sectors²⁶. In the same time, the external debt of the banking sector went down, which was mainly due to the lower liabilities based on deposit of nonresidents and long-term loans, as well as the debt of the Government sector which resulted from the lower liabilities based on long-term loans.

Figure 39
Dynamics of the gross foreign debt
(in millions of euros)



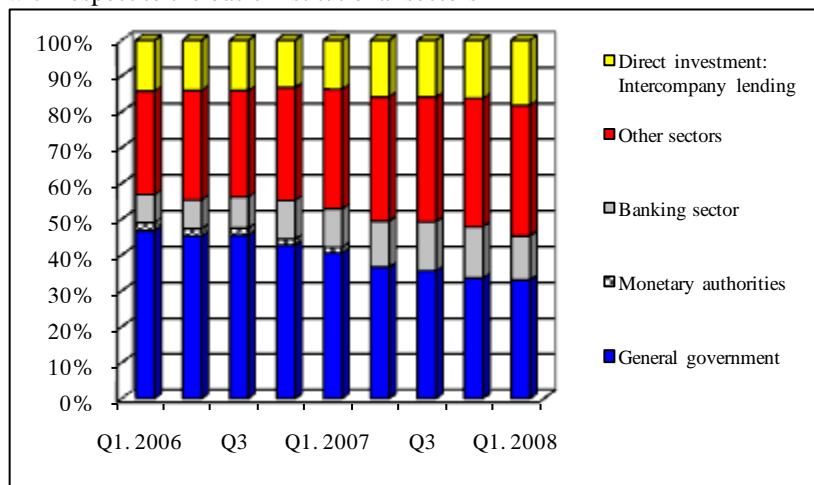
Source: NBRM.

Highest structural participation in the gross external debt (of 36.5%) was registered in the other economy sectors, as well as in the Government sector (of 33%) the participation of which on quarterly basis was slightly decreased with the payments of the long-term liabilities. On the other hand, the indebtedness based on loans among connected entities, which almost solely pertains to liabilities to direct investors, realized structural growth by 2 percentage points. Simultaneously, the indebtedness of the banking sector registered lower participation by 2 percentage points, which was largely resulting from the lower short-term liabilities based on deposits of non-residents.

²⁵ Since 2007, NBRM started preparing and issuing data on the gross external debt.

²⁶ According to methodology on the gross external debt, the other sectors include: non-banking financial intermediates, non-financial trade companies, households and non-profitable institutions.

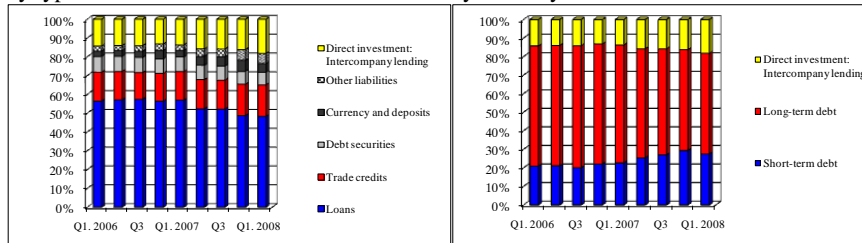
Figure 40
Structure of the gross foreign debt
with respect to the basic institutional sectors



Source: NBRM.

The analysis with respect to individual instruments showed that the loans were dominant (participation of 48.3%), and they were followed by the loans of the connected entities and the trade credits which participated with 18.2% and 16.7%, respectively. Analyzed by maturity, the indebtedness on long term still dominantly participated (54.3%), whereas the participation of the short-term debt realized decrease of 1.8 percentage points relative to the previous quarter.

Figure 41
Structure of the gross external debt
by type of the instrument



*The SDI category: Loans between connected agents is a composite category which includes liabilities for various instruments (loans, trade credits, securities).

Source: NBRM.

At the end of the first quarter of 2008, the gross foreign reserves equaled Euro 1.519,3 million and relative to 31.12.2007 they plunged by Euro 12.1 million. The decrease was mainly due to the net outflows of foreign Government deposits and the realized net sale of foreign currencies by NBRM in the foreign exchange market, in conditions of higher balance on the accounts for reserve requirement of banks in foreign currencies²⁷. At the end of March, the gross foreign reserves enabled coverage of 3.2 months of the projected import of goods (f.o.b.) and of the outflow for services from the next year²⁸.

In the period April-May 2008, the foreign trade was performed in conditions of more intensified annual growth in the import relative to the export of goods of 39.3% and 17.9%, respectively. The increase in the import of goods

²⁷ On 11.02.2008, the NBRM Decision on Reserve Requirements of Banks became effective, which broadened the scope of reserve requirements by including some new categories of accounts from the balances of banks.

²⁸ According to simulation of the balance of payments prepared during the last IMF mission in April 2008.



was largely due to the higher import of investment goods and intermediates (mainly iron and steel and products thereof, electrical machines, vehicles, equipment) with contribution of 47.5% of the total growth, also the higher import of energy sources, oil and oil derivatives and electricity, as a combined effect from the increased quantities and prices. On the side of the export of goods, the increase resulted mainly from the higher export of oil derivatives and ores. Considering the projected amounts for the second quarter, such developments in the foreign trade were within the projection for November, as well as within the simulation in April. Namely, by the projection for November, the trade deficit of Euro 311.2 million registered in this period, represented realization of 75.6% of the projected amount for the second quarter. The analysis by the simulation in April²⁹, showed that both components of the trade were in line with the projection realizing about 2/3 of the projected level (66% on the side of the export and 71% on the side of the import). In the period April - May 2008, relative to the same period of the previous year, continued the depreciation of REER of the Denar by the producer price index (by 0.8%), relative to REER of the Denar by the consumer price index which continued appreciating, although with lower dynamics (by 1.2%).

Relative to the further growth in the trade deficit, the last data on the foreign exchange operations for the period April-May indicated slowing down in their negative dynamics. Thus, in this period net purchase of foreign currency from the foreign exchange operations in amount of Euro 97.7 million was realized, which represented annual fall of 18.4% (annual rate of fall of 22% was projected for the second quarter). Although the time horizon of such positive developments was short for being enough to conclude whether the trend is changing, still these developments indicated gradual stabilization in the developments and decrease in the pressures in the foreign exchange market. At the end of May the gross foreign reserves registered fall of Euro 21.5 million relative to the end of 2007, but still the monthly change in May was positive, and NBRM realized net purchase of foreign currencies in the foreign exchange market.

Table 1
Selected balance of payments category and comparison with projections

	2008 Q1 actual	2008 April-May actual	2008 Q1 projection	2008 Q2 November 2007	2008 Q3 November 2007	2008 Q1 simulation April 2008	2008 Q2 simulation April 2008	2008 Q3 simulation April 2008
Current account	-188		-113	-79	11	-123	-155	-10
Goods (net)	-371	-278	-317	-367	-344	-344	-340	-314
Export	611	488	614	675	710	621	743	781
Import (f.o.b.)*	-982	-766	-931	-1,043	-1,054	-965	-1,083	-1,096
Services (net)	-1		5	2	15	5	18	26
Income (net; including net interest)	7		-37	12	5	31	-65	-29
Current transfers (net)	176		237	274	335	185	232	308
Private transfers	168	98	220	257	318	168	215	291
of which effective, net	104	98	153	182	240	100	139	210
Capital and financial account	180		156	159	149	117	155	98
Capital account (net)	-1		-5	-5	-5	-2	-3	-10
Financial account	181		161	164	154	119	158	108
Direct investments	128		80	64	71	115	50	70
Portfolio investments	-8		35	28	31	0	5	5
Long-term credits and loans, net	-2		28	80	68	3	75	73
Disbursements	38		78	121	122	88	115	110
Amortization	-40		-50	-40	-54	-85	-40	-37
Change in gross foreign reserves (increasing: -)	12	9	-43	-80	-160	7	0	-88

* The c.i.f. - f.o.b. factor, as a percent of the c.i.f. import, is 4.14%.

Despite the initial expectations (in November 2007) for deficit of about Euro 80 million in the current account in the second quarter of 2008, the higher import growth and the fall in the private transfers indicated significantly higher deficit in the current account in amount of Euro 155 million, which is expected

²⁹ In April 2008, in the macroeconomic projections made in November 2007 the newest macroeconomic data were included, for the purpose of perceiving their possible influences till the end of the year.



to be covered solely by the inflows in the capital and financial account, without expectations for quarterly change in the gross foreign reserves.

By the simulation in April, in the third quarter of 2008, the deficit on the current account was expected to drop significantly and to amount to Euro 10 million, in conditions of positive developments in all sub-balances relative to the previous quarter. Namely, in the trade deficit, decrease was expected as a result of the higher export in accordance with the seasonal dynamics, and when lower growth in the import of goods was expected in accordance with the import dynamics for further processing, although it should be considered that the eventual further growth in the price of the energy may negatively influence on the trade balance. Surplus was expected in the services, as a result of the tourist season, whereas in the income, negative balance was assessed again, which was mainly due to the expectations for payment of dividends based on foreign direct investments. In the private transfers, improvement was expected relative to the previous quarter, when lower annual rate of decrease in the net assets of 10% was projected, considering the fact that higher net purchase of foreign currencies was characteristic for this quarter, relative to the other quarters of the year. In the capital and financial account, foreign currency inflows of almost Euro 100 million were expected, mainly from the foreign indebtedness based on long-term credits and foreign direct investments. In conditions of such developments in the balance of payments, growth in the gross foreign reserves was expected for the third quarter.

1.5. Inflation

The inflation pressures which started in the last quarter of 2007, continued also in the first two quarters of 2008, mainly determined by the higher prices of the food and oil derivatives. Thus, in **the first quarter of 2008** the level of consumer prices was by 4.1% higher relative to the previous quarter, mainly because of the growth in the prices of food products. As a result of that, as well as due to the lower comparison basis, the average annual inflation rate in the first quarter of 2008 was more intensive reaching 9.5% (76% of the growth was due to the higher prices of the food products).

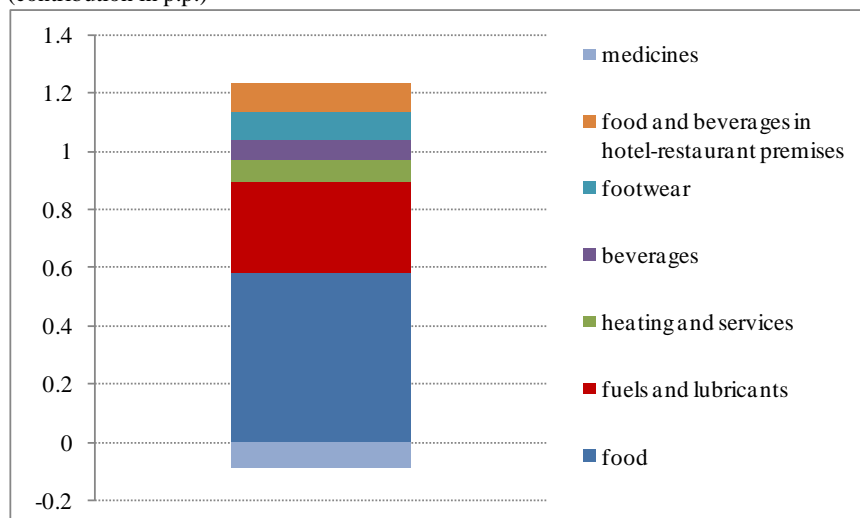
The global level of the prices in the Macedonian economy continued to grow also in the **second quarter of 2008**, but with considerably more moderate monthly growth rates relative to the intensity in the previous quarter. Thus, in the second quarter of 2008, the prices registered additional quarterly growth of 1.4%. The largest part, i.e. 40% of this growth was due to the higher prices of food (by 1.5% relative to the previous quarter), which in conditions of considerable fall in the prices of fresh vegetables (by 13%), which resulted predominantly from the higher prices of fresh vegetables (29%), vegetable oils (7.6%) and processed milk (5%). In the second quarter, the prices of fuels rose by 8.4% relative to the previous quarter (under influence of the continuous intensive growth in the prices of the crude oil in the international stock exchanges) and their growth determined significant 22% of the overall price growth in the quarter. Less significant growth was registered also in the prices of food and beverages in the catering facilities, the footwear and the retail prices of beverages, whereas the higher level of prices of heating was due to the lower comparison basis from the previous quarter³⁰. The decrease in the prices of remedies, in accordance with the introducing the single prices of remedies since February 2008, as part of the reforms in the healthcare, had more significant deflationary influence in the second quarter.

Slowing down in the quarter growth in the prices in the Macedonian economy in the second quarter of 2008

³⁰ The price of the thermal energy went up in February 2008.



Figure 42
Contribution of individual categories of products to the quarterly inflation rate in the second quarter of 2008
(contribution in p.p.)



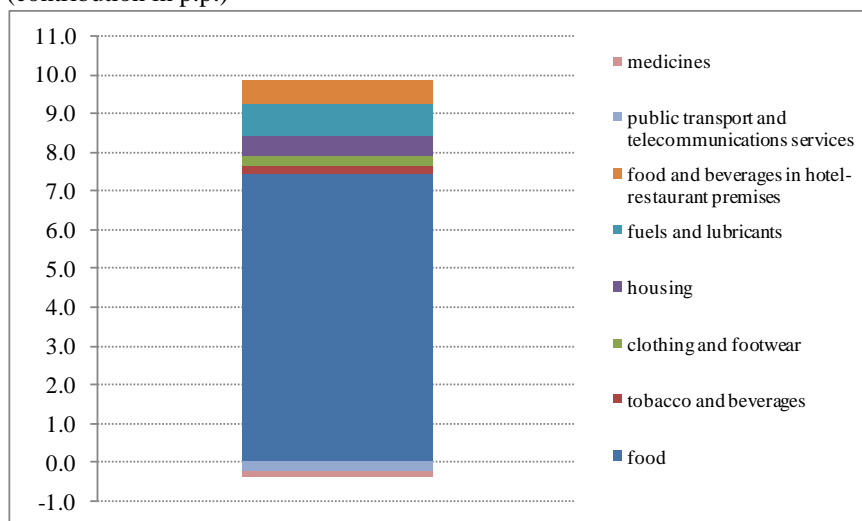
Source: SSO and NBRM calculations.

The annual inflation rate reached up to 10% in the second quarter of 2008

The further, although more moderate price growth, in conditions of low comparison basis from the previous year, determined slight intensification in the average growth rate of prices, which in the second quarter of 2008 reached up to 10%. The higher prices of food (by 19.5%) created 75% of the annual inflation in the quarter, and the contribution of the higher prices of fuels was significantly lower (8.4%), where the intensified growth in the fuels in the second quarter relative to the first quarter should be emphasized (22% relative to 18.4% on annual basis). Within the food products, the higher prices of cereal products (bread and pastries), of the fresh and processed milk, oil for cooking, fresh fruits and fresh vegetables gave the largest contribution. Lower level of prices was registered in the telecommunications (due to the higher competition in this sector), as well as in the transport services and the prices of remedies (which was due to the lower rate of VAT in October 2007³¹).

³¹ By the Government's Decision decrease in the value added tax of remedies, medical and orthopedic appliances, as well as of the computer equipment and public transportation was performed, from 18% to 5%, which shall be applied in October 2007.

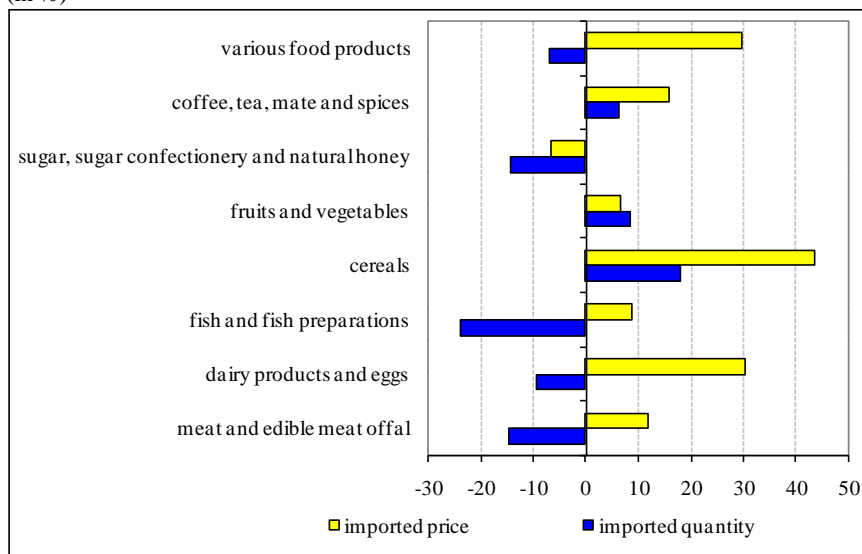
Figure 43
Contribution of certain categories from the inflation index to the annual inflation rate in the second quarter of 2008
(contribution in p.p.)



Source: SSO and NBRM calculations.

In the first five months of 2008 the imported quantities of food products registered slight growth (of 3.6%) relative to the same period of 2007, in conditions of higher domestic output and in the same time lower exported quantities of these products. The considerable slowing down in the annual growth rate in the imported quantities is significant to be emphasized, relative to the intensity registered in 2007. As a comparison, only in the last quarter of 2007 the imported quantities of food registered annual growth rate of about 50%. In conditions of lower growth in the import prices, the lower exported quantities indicated that the influence of the import prices on the domestic prices was lower in the beginning of the year.

Figure 45
Annual change in the import prices and imported quantity of the food products in the period January - May 2008
(in %)

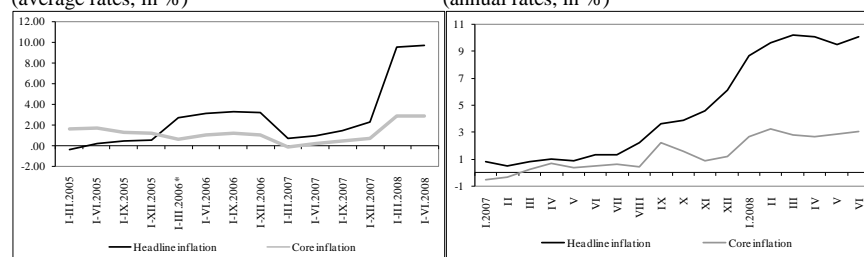


Source: State Statistical Office of the Republic of Macedonia.

With respect to the dynamics, it should be emphasized that in the second quarter of 2008 certain relaxing of the inflation was registered, which can be perceived mainly in the monthly dynamics. Namely, in the second quarter of 2008 the monthly changes in the inflation (adjusted for seasonal effects), on average, were at the same level as in the same quarter of the previous year, different from the average monthly change in the first quarter of 2008 which exceeded the respective change from the first quarter of 2007 for several times. The annual inflation rates in the first half of 2008 were under high influence of the low comparison basis from the last year and even in the second half of the year more significant decrease may be expected.

In the first half of 2008, the average inflation rate equaled 9.7%. The core inflation rate in the same period equaled 2.8%, with stable level of 2.8% in both quarters being registered. Although the higher core inflation registered in the beginning of the year³² indicated presence of effects from the higher demand and indirect effect from the growth in the prices of energy and other inputs on the inflation, its maintenance at the stable level represented encouraging signal that such influences did not registered intensification so far. The monetary policy with the measures undertaken is committed to stop the transfer of the initial effects from the food and energy on the inflation on middle term and on long term.

Figure 44
Realized and core inflation
(average rates, in %)



Source: SSO and NBRM calculations.

Higher inflation expectations of the economic subjects in RM till the end of 2008

The inflation registered in the second quarter of 2008 generally corresponded with the inflation expectations of the economic agents surveyed in the beginning of the quarter³³. Till the end of 2008, they expected for the inflation to amount between 9% and 10% on average (by the survey from the previous quarter, the expected inflation rate for 2008 equaled about 6%).

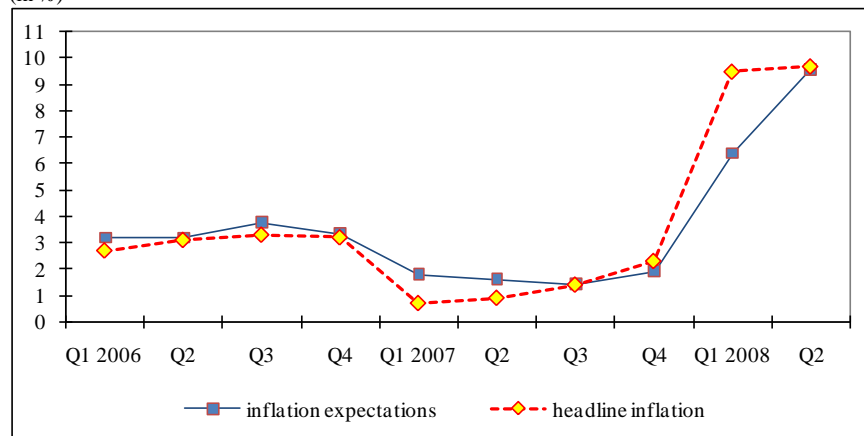
³² In 2007 the core inflation equaled only 0.7%.

³³ The data on the inflation expectations are by the result from the Survey on Inflation expectations of the agents in Macedonia conducted in the beginning of the second quarter of 2008.



Figure 45

Inflation expectations in the current quarter for the average inflation rate in the year and realized inflation for the year as of the current quarter
(in %)

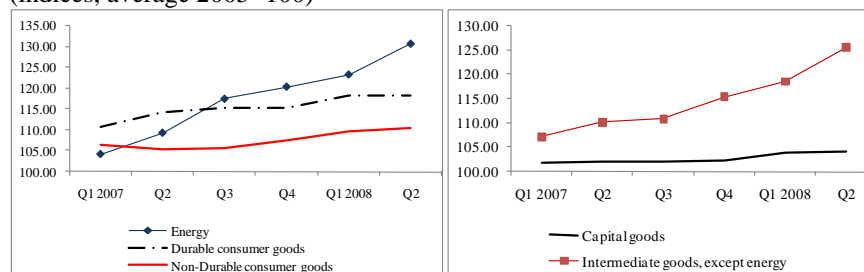


Source: Inflation Expectations Survey and NBRM calculations; SSO.

The inflation rate realized in the second quarter of 2008 was lower than the expected one (by the simulation in April), which was due to the lower performances in the prices of food in the last two months of the quarter, despite the higher realized prices of oil relative to the expected ones. During the next quarter, the level of prices of food is expected to fall on monthly basis, which would reflect with gradual decrease in the annual inflation. However, the uncertainty on the further price development in the food and the oil in the international stock exchanges and their influence on the domestic prices remained the main risk concerning the inflation.

Figure 46

Development in the prices of the domestic producers
(indices, average 2005=100)



Source: SSO and NBRM calculations. The data for the second quarter in 2008 pertain to the period April-May 2008.

Intensification in the inflation pressures by the domestic producers

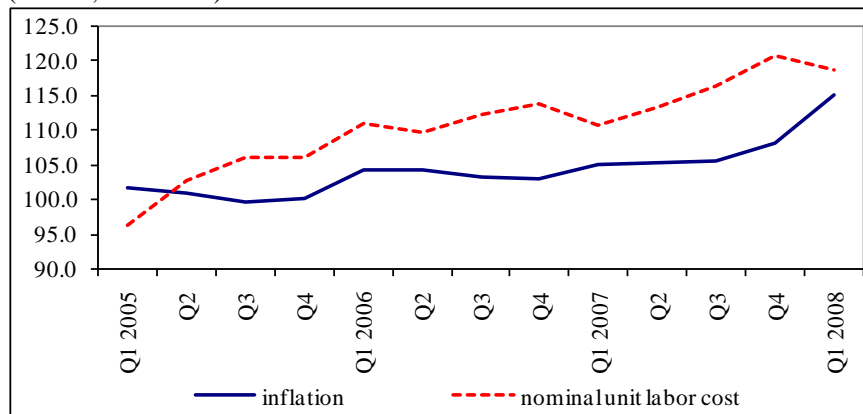
In the first quarter of 2008, the producer prices reached the highest annual growth rate of 10.5%. The high growth in these prices came mainly as a result of the higher prices of producers of oil derivatives and of food products and beverages. The considerable growth in the prices of domestic products registered in the groups of products which are an integral part of the household consumption (the energy and consumer products), indicated intensification in the inflation pressures from the domestic producers in the beginning of the year. Such trend in the prices of domestic producers continued also in the first two months of the second quarter of 2008, with high annual growth rate of 12.6%.

Growth in the costs per labor unit

On annual basis, in the first quarter of 2008 the nominal costs per labor unit registered growth, which was due to the presence of the basic effect resulting from the further high nominal growth in the gross wages. Such developments indicated to presence of inflation pressures from the real sector on the economy, having in mind the fact that the wages represented input in creating the price of the products of the domestic producers, but the fact that these

pressures did not intensify, considering the decrease in the nominal costs per labor unit on quarterly basis, is significant.

Figure 47
Inflation and costs per labor unit in the economy
(indices, 2004=100)



Source: NBRM calculations.

II.

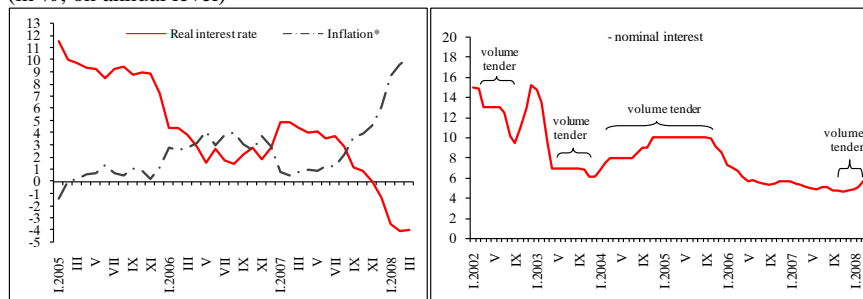
Monetary policy

Further intensification in the inflation in the first quarter of 2008 ...

...determined changes in the position of the monetary policy

The increasing inflation pressures and inflation expectations, as well as the higher external imbalance (in conditions of deepening in the trade deficit, fall in the private transfers and outflow in the portfolio investments), they created pressures in the foreign exchange market in the first quarter of 2008 also. Although the higher prices and the growth in the trade deficit were largely due to the factors on the side of the offer, still the growth in the wages and the credit expansion indicated contribution also of the domestic demand for deepening in the imbalance. Such pressures on the side of the demand, the risks from the secondary effects of inflation on short and middle term, as well as the expectations for further worsening in the external sector imposed a need for more significant changes in the monetary policy. Thus, on 19.02.2008, NBRM transferred from "interest rate tender" to auctions of CB bills by the principle "volume tender" (unrestricted) and fixed interest rate, through which the orientation of the monetary policy is signaled clearly. The reference interest rate of NBRM, of 5.08%, on the last auction before the change in the tender, rose to 5.25%, and on 06.03.2008 it additionally grew to 6%.

Figure 48
Interest rate of CB bills and inflation
(in %, on annual level)



*Current month relative to the same month of the previous year.

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



Figure 49
Interest rates*
(in %, on annual level)

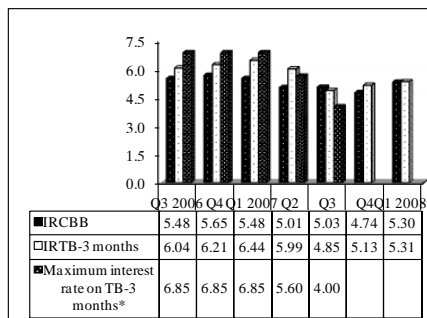
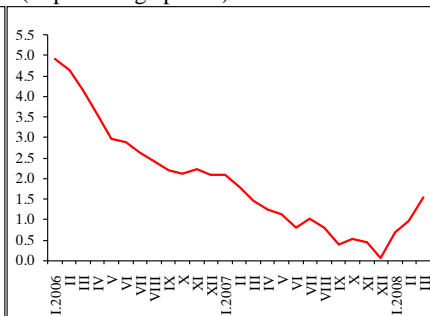


Figure 50
Interest differential between CB bills - 28 days and EURIBOR - one month
(in percentage points)



*Quarter average of the average weighted interest rate, except for the maximal interest rate, which pertains to the interest on the last auction in the quarter. In October 2007, the Ministry of Finance revoked the maximal interest rates and introduced speculative percentage points, which was determined at the level of 0.02 for the three month Treasury bills.

KSBZ - interest rate of CB bills

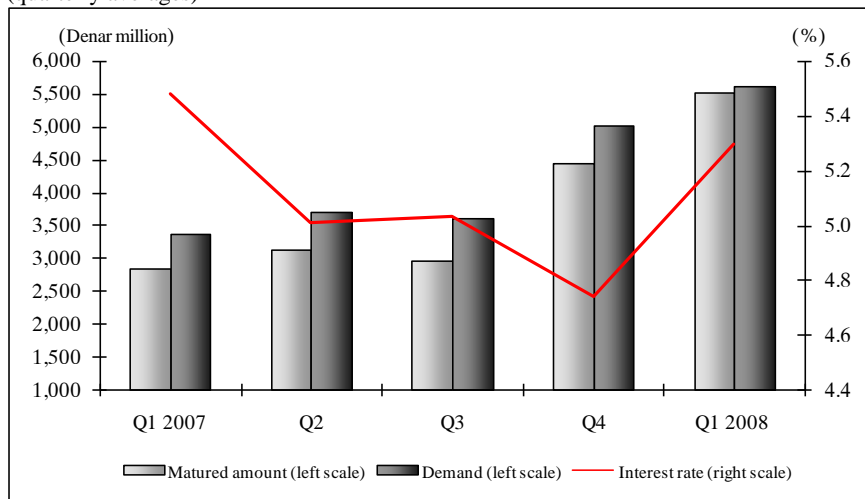
KSDZ - 3 months - interest rate of three month Treasury bills

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

*Significant broadening
in the interest
differential*

Relative to the previous quarter, the interest rate of CB bills rose by 0.6 percentage points on average in the first quarter of 2008. Such developments contributed to considerable broadening in the interest differential between the CB bills and one month EURIBOR (1.1 percentage point on average in the first quarter, relative to 0.3 percentage points in the previous quarter), which means higher attractiveness of the financial instruments in domestic currency. The interest rate of the three month Treasury bills realized quarterly growth of 0.2 percentage points relative to the average of the previous quarter.

Figure 51
Due amount, demand and interest rate of CB bills
(quarterly averages)



Source: National Bank of the Republic of Macedonia.

*Liquidity withdrawal through
the autonomous factors,
except for the currency in
circulation*

In the first quarter, the liquidity assets of banks with NBRM registered fall, relative to the end of the previous year. Such liquidity contraction was a combined effect of the NBRM net sale of foreign currencies in the foreign exchange market in January (in the next two months there were no interventions) and the high budget surplus, which resulted in cumulating of assets on the Government's Denar account with NBRM. Creating liquidity was performed only through the currency in circulation, in accordance with the usual seasonal stabilization of the demand of currency in circulation in the first month of the



year. Such withdrawn liquidity was partially compensated through the monetary instruments (CB bills and Treasury bills for monetary purposes), when in accordance with the gradual decline in the supply of the Treasury bills for monetary purposes, reallocation of assets towards investing in CB bills was performed within the instruments (on the auctions of CB bills held in the first quarter, the amount of the demand of banks was by 2.1% higher on average relative to the due amount).

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

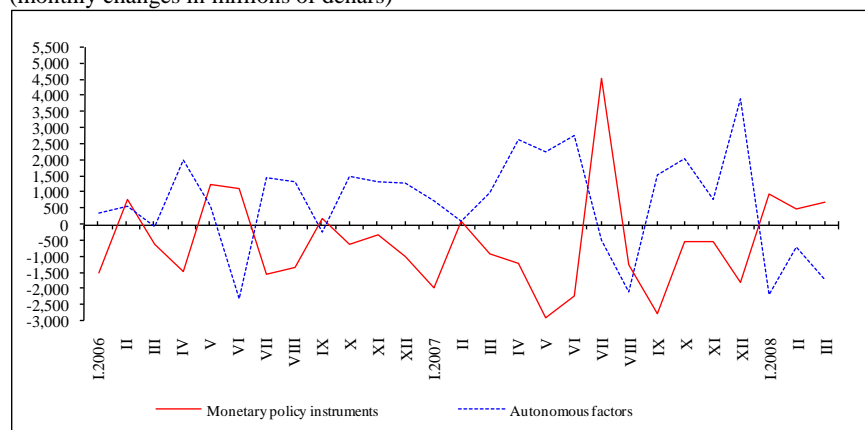
	Balance as of 31.12.2007	Changes by months			Total	Balance as of 31.12.2008
		January	February	March		
Banks' liquidity (banks' account with the NBRM)	10,415	-1,172	-176	-1,196	-2,544	7,871
Liquidity creation					2,190	
1. Currency in circulation	17,936	1,517	182	491	2,190	15,746
Liquidity withdrawal					-4,734	
1. Net domestic assets	-64,034	-3,329	-894	433	-3,790	-67,824
of which:						
CB bills	-20,995	-586	-597	492	-691	-21,686
Treasury bills for monetary purposes	-4,560	1,524	1,080	180	2,784	-1,776
Government denar deposits with the NBRM ^{1/}	-9,846	-2,469	-223	-3,019	-5,711	-15,557
Government foreign currency deposits with the NBRM	-5,593	51	155	230	436	-5,157
Other items, net	-24,105	-1,850	-1,309	2,550	-609	-24,714
2. Net foreign assets	94,343	596	509	-1,961	-856	93,487
3. Banks' vault cash	1,958	44	27	-159	-88	2,046

^{1/} The Treasury bills for monetary purposes are excluded.

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

Source: National Bank of the Republic of Macedonia.

Figure 52
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 - liquidity withdrawal.

Source: National Bank of the Republic of Macedonia.

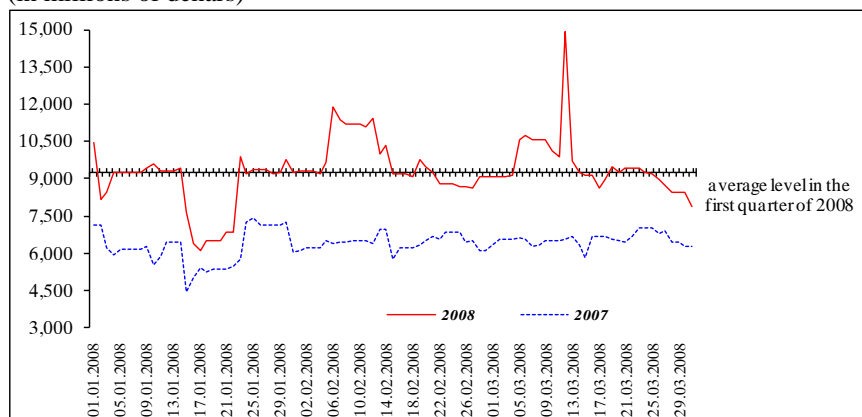
*Higher average daily
liquidity of banks in the first
quarter of
2008*

The excess of allocated liquidity assets over the reserve requirements (in denars)³⁴, in the first quarter of 2008 amounted to 3%, on average, relative to 8.5% in the previous quarter and 6.9% in the first quarter of 2007. On 11.02.2008, the Decision on reserve requirements became effective (adopted on 27.12.2007) with which broadening in the basis for calculation of reserve requirements was performed by including new categories of accounts from the balances of banks, when more significant increase was registered in the reserve requirements in foreign currencies. The volume of trade in the interbank money market registered growth in the first quarter and relative to the previous quarter it increased by 44.3% on average.

³⁴ The period for maintaining (fulfilling) the bank's reserve requirement covers the period from the 11th in the current month to the 10th in the following month. The excess pertains to funds allocated to the bank's accounts with NBRM over the reserve requirement.



Figure 53
Daily dynamics of the liquidity of banks*
(in millions of denars)



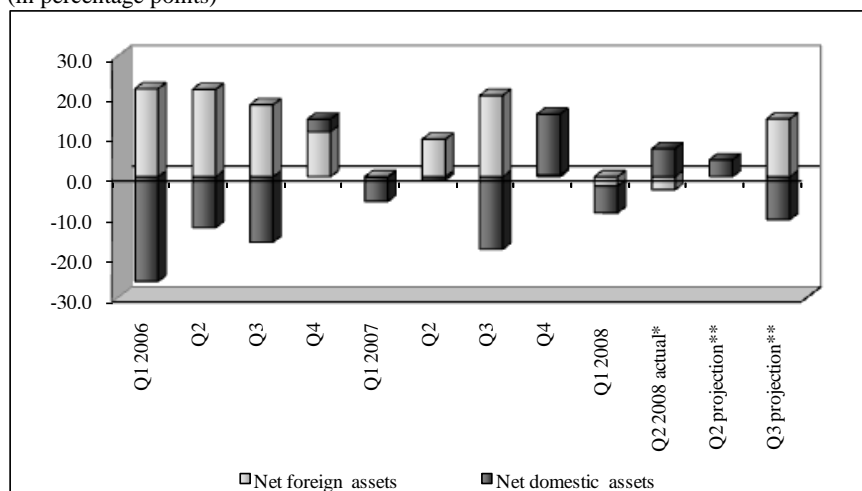
* Banks' account with NBRM.

Source: National Bank of the Republic of Macedonia.

Additional increase in the interest rate of CB bills in May 2008 ...

Maintaining the upward trend of the inflation, the inflation expectations and the interventions with net sale of foreign currencies in the foreign exchange market in April (after pause of two months), indicated risk of further intensification in the inflation, stimulation of the inflation expectations and pressures on the stability of the foreign exchange rate. Simultaneously the rapid growth in the consumer credits continued, which combined with the faster nominal wage growth relative to the productivity contributed to deepening in the external rebalances. Such developments imposed need for additional monetary reaction, so on May 7, 2008 NBRM increased the interest rate of CB bills from 6% to 7%.

Figure 54
Contribution to the quarter growth in the reserve money
(in percentage points)



* Change May 2008 / March 2008.

** Pertains to the simulation in April.

Source: National Bank of the Republic of Macedonia.

...and stabilization in the foreign exchange market

The effects from the changes in the monetary policy were mostly felt in May 2008. Thus, different from the previous two months, when the CB bills acted towards creating liquidity, in May 2008 total Denar 2.582 million were sterilized through this monetary instrument. Also, in this month there was a change in the situation in the foreign exchange market acting towards higher supply of foreign currencies, so for the first time since the beginning of the year,

NBRM realized net purchase of foreign currencies. However, in accordance with the realized higher net purchase of foreign currencies in April, the cumulative effect from the foreign currency transactions of NBRM acted towards withdrawal of reserve money. Creating liquidity was performed also through decrease in the Denar deposits of the Government with NBRM, so the reserve money³⁵ rose by 3.7% in May 2008, relative to the end of the previous quarter. On annual basis (May 2008 / May 2007) the reserve money went up by 16% and relative to the projection for November for the end of the second quarter registered downward deviation of 6.6 percentage points. Such dynamics of the reserve money represented combined effect from the lower net foreign currency assets of NBRM (projected net purchase of foreign currencies in the first half of the year) and higher net position of the Government with NBRM than the projected one, which determined net emission of liquidity through the monetary instruments (relative to the projected sterilization). Relative to the simulation in April, the deviation in the reserve money was lower. For the end of the third quarter, in accordance with the simulation in April, an annual growth in the reserve money of 19.9% was expected.

2.1. Monetary aggregates

Slowing down in the growth in the monetary aggregates

In the first quarter of 2008 the quarter growth rate of the **money supply M4** slowed down, which represented usual quarterly dynamics and it corresponded with the seasonally significantly lower economic activity in the first quarter, relative to the last quarter of the previous year. However, the slowing down in the quarter growth from 8.8% in December 2007 to 1.3% in March 2008 was unusually intensive and partially it can be explained with the decrease in the net foreign currency exchange inflows in the economy in this period (which created additional money supply) and high budget surplus. On annual basis, the money supply M4 rose by 25.3%, which represented the lowest annual growth since the beginning of 2007 (opposite of the projection in November for the end of March of 30,7%).

Figure 55
Monetary multiplier of the money supply M4 and its components
(quarter averages)

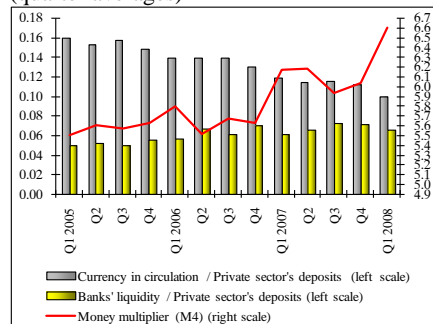
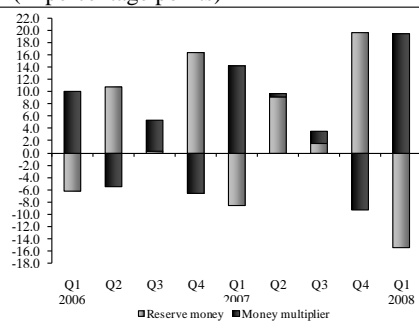


Figure 56
Contribution to the quarter growth in the money supply M4
(in percentage points)



Source: National Bank of the Republic of Macedonia.

³⁵ Includes the reserve requirements of foreign currency deposits. Without this component, the reserve money, on cumulative basis rose by 4%, whereas on annual basis went up by 11.8%.



Figure 57
Components of the monetary aggregates
(in millions of denars)

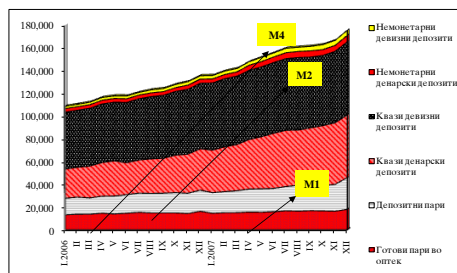
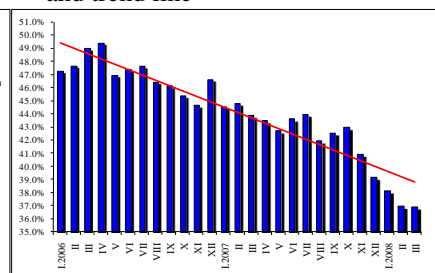


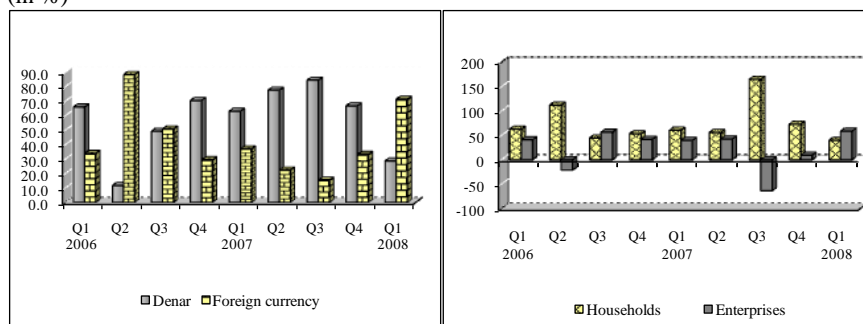
Figure 58
Participation of the currency in
circulation in the money supply M1
and trend line



Source: National Bank of the Republic of Macedonia.

Analyzed with respect to the structure, the moderate broadening in the broadest money supply in the first quarter was mainly a result of the growth in the short-term deposits, as its dominant component. The long term deposits realized growth on quarter basis, whereas the currency in circulation and the deposit money negatively contributed. The currency in circulation registered more intensive fall, which contributed for further reducing in their participation in the structure of the monetary aggregate M1 (37.4% on average, opposite of 41% in the fourth quarter of 2007 and 44.4% in the first quarter of 2007).

Figure 59
Contribution to the quarter growth in the total time deposits
(in %)



*Sight deposits are included.

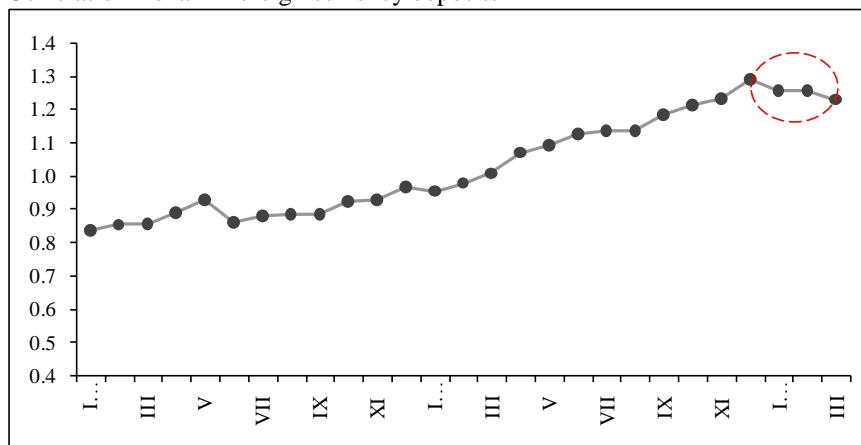
Source: National Bank of the Republic of Macedonia.

*Quarter growth in the total
deposits in banks, without
the deposit money*

In the first quarter of 2008, the total deposits with the banks (without the deposit money) realized quarter growth of 4.2% (6.4% in the previous quarter). The considerably lower growth in the Denar deposits was the main characteristic of the developments in the saving deposits in this quarter, relative to the growth in the foreign currency deposits. Thus, the foreign currency deposits participated with 71.3% in the newly created deposit base in the first quarter, which represented considerable deviation relative to the previous year, when the Denar deposits were explaining 71.9% of the annual growth (December 2007 / December 2006) in the total deposits. The change in the currency preferences can be partially explained with the growth in the inflation and in the inflation expectations, as well as with the uncertain environment in this period, as factors which increase the demand for foreign currency.



Figure 60
Correlation Denar*- foreign currency deposits

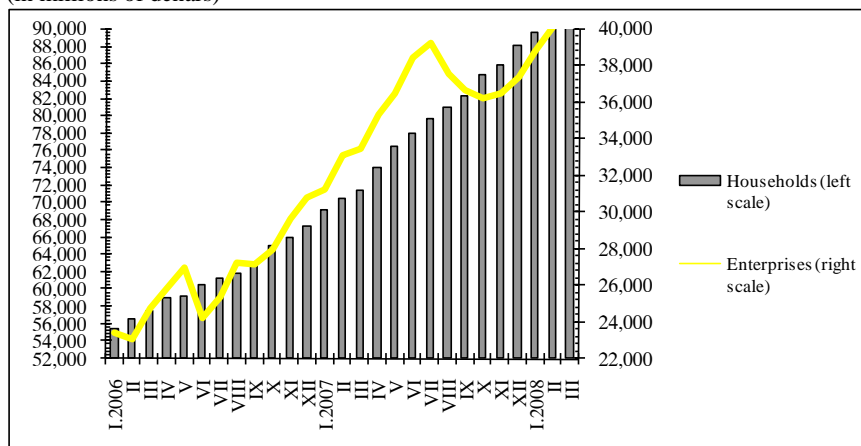


* Includes the deposit money.

Source: National Bank of the Republic of Macedonia.

With respect to the maturity structure of the deposits, in the first quarter of 2008 no considerable changes were registered. Thus, the short-term deposits dominantly contributed to their growth, the quarter dynamics of which explained 76.5% of the growth. The participation of the long-term deposits was still low, but with tendency to grow (8.1% on average in the first quarter of 2008, relative to 7.7% in the previous quarter), which corresponded with the attractive interest rates of the saving instruments. On annual basis (March 2008 / March 2007)³⁶, the total deposits of the private sector with banks rose by 25.6%.

Figure 61
Deposits of households and of enterprises
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

*Slowing down in the growth
in the deposit of
households...*

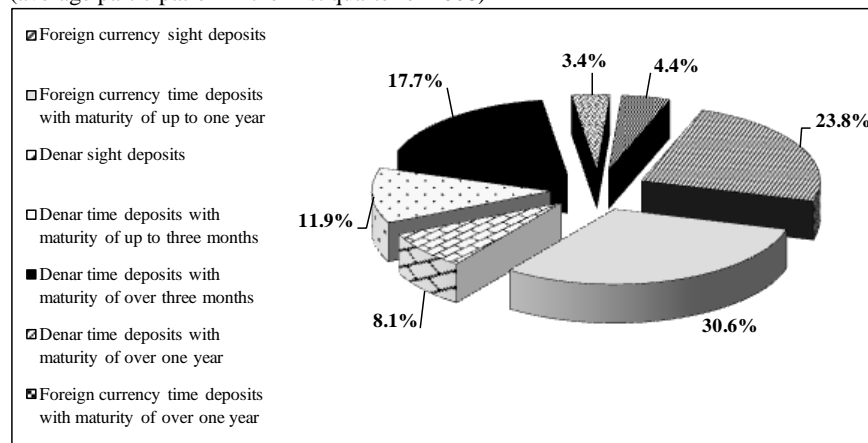
In conditions of increased uncertainty and growth in the inflation and in the inflation expectations, in the first quarter of 2008 in the sector "households" considerable decline in the preferences for saving in the banking sector were registered, which may be partially a result of the flow of creation of money supply and the inflation pressures in the economy. Thus, the total household deposits realized quarter growth of 2.5%, relative to 6.9% in the previous quarter and 6.1% in the first quarter of 2007. Despite the lower dynamics of growth in the new deposits, reorientation towards foreign currency deposits was also

³⁶ Since October 2007, the data on the total deposits and credits of banks excludes the "Makedonska banka" AD Skopje (to which, on 16.10.2007, NBRM suspended the founding and operating license), which reflected on the annual comparisons.



registered in this quarter, which was confirmed by the quarterly fall in the deposits in domestic currency. Most intensive quarter growth (in absolute amount) was registered in the short term time deposits from six months up to one year and the foreign currency deposits over one year. The total deposits (together with the sight deposits) of the households rose by 26.3% on annual basis (March 2008 / March 2007).

Figure 62
Deposit structure of the households
(average participation in the first quarter of 2008)

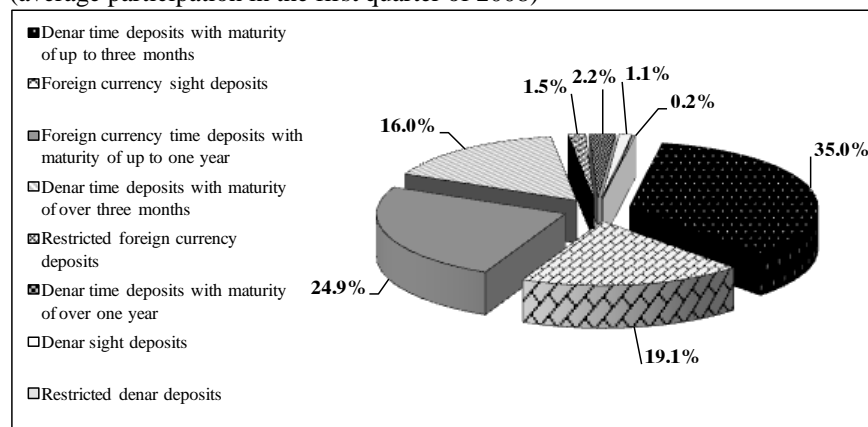


Source: National Bank of the Republic of Macedonia.

...with simultaneous intensified growth in the deposits of enterprises

In the first quarter of 2008, the deposits of households registered intensive quarterly growth of 8.5% (opposite of 1.9% in the previous quarter), which represented 58.5% of the growth in the total deposits and partially reflected the more intensive economic activity, as well as the cumulating of assets of companies before payment of dividends to the shareholders. In conditions of insufficiently developed financial market and undiversified offer of financial instruments, the banking deposits still represented attractive option for investing of the uncommitted funds of the enterprises. The largest share of the funds were deposited in form of time Denar deposits up to three months and up to one month, and the time foreign currency deposits up to one year also registered more significant growth. The annual growth rate of the deposits of the corporate sector amounted to 21.3% in March 2008.

Figure 63
Deposit structure of enterprises
(average participation in the first quarter of 2008)



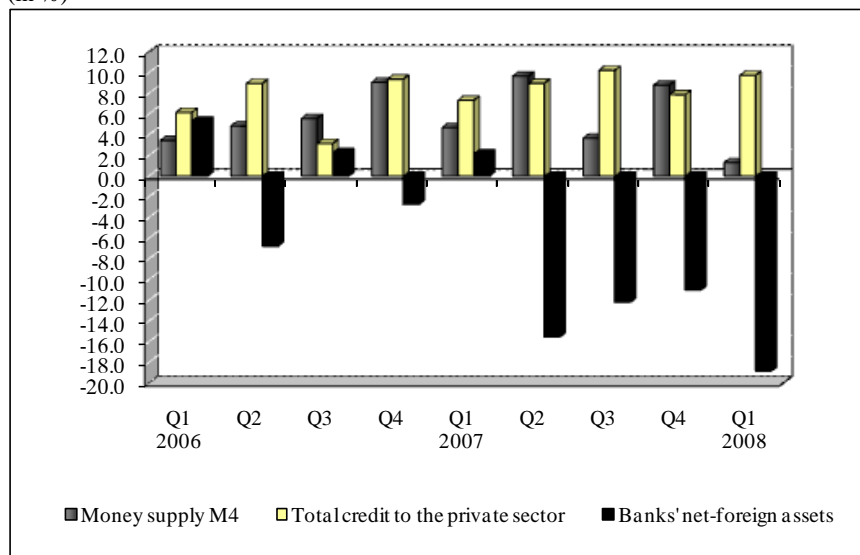
Source: National Bank of the Republic of Macedonia.



Intensive quarter growth in the total credits of banks in the private sector

In the first quarter of 2008, the growth rate of the **total credits of banks** to the private sector accelerated up to 9.7% on quarterly basis (7.9% in the previous quarter), whereas on annual basis (March 2008 / March 2007) it reached up to 42.2%, which represented exceeding of the projection for November (37,5%). With that, the credit growth remained one of the basic factors with expansive effects on the supply of money in the economy, which may be a potential generator of the macroeconomic rebalances on middle term and long term. Namely, although the business sector remained the main user of the bank credits in the 2007, as well as in the first three months of 2008, the credits to households continuously realized high growth rates, increasing its participation in the total credit portfolio. In conditions when the largest part of the crediting of the sector "households" was due to the growth in the consumer credits, such financing of the personal consumption additionally stimulated the inflation pressures, and contributed also to the worsening in the current account in the balance of payments.

Figure 64
Quarterly changes in selected monetary instruments
(in %)

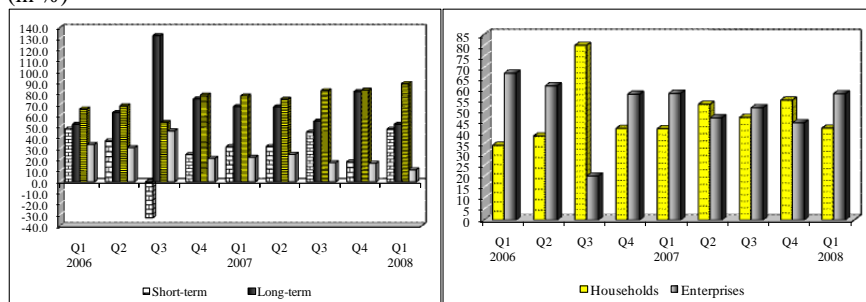


Source: National Bank of the Republic of Macedonia.

The banks were prepared for satisfying the credit demand of the private sector for the first quarter of 2008, which can be perceived through decomposing the balance of the banking sector. Thus, in conditions of lower intensity of growth in the deposit potential, considerable reducing in the foreign currency position of the banking sector was registered in favor of growth in the credit portfolio. Also in this quarter, the crediting in domestic currency was most intensive (including the Denar credits with FX clause), the growth of which explained 89.1% of the quarter change in the total credits. Within the maturity structure, the contribution of the short term and long term credits was almost balanced. Such performances deviated from the development in the previous year, when the crediting on long term dominated. With respect to the sector allocation of the granted credits, in the first quarter, the banks placed financial assets both to the households and to the corporate sector (contribution to the growth of the 42.1% and 57.9%, respectively).



Figure 65
Contribution to the quarter growth of the total credits
(in %)

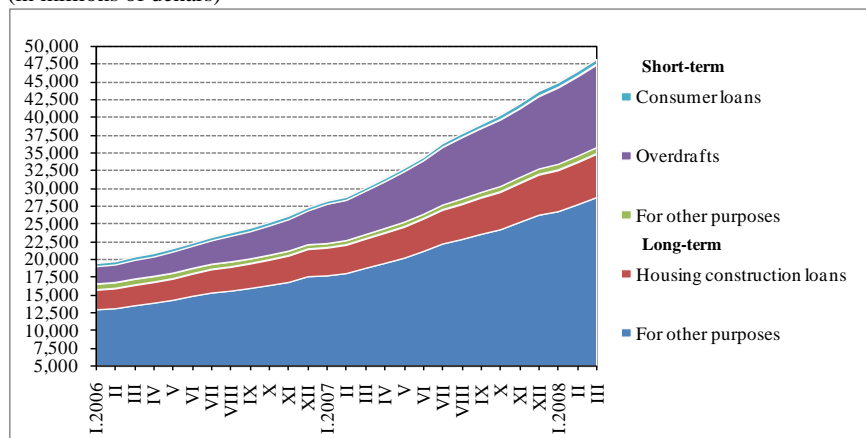


Source: National Bank of the Republic of Macedonia.

*Quarter growth in the credits
of households...*

At the end of March 2008, the total credits to households went up by 10.6%, relative to the end of the previous year, which represented small slowing down relative to the growth in the previous quarter (11.6%). The analysis of the maturity structure showed domination of the long-term crediting of the households, which was confirmed by the contribution of the long-term credits of 63.6% to the growth in the total credits to households in the first quarter. The Denar credits for other purposes³⁷ represented the basic component of the growth in the long-term credits to the households, which simultaneously contributed with 48.5% to the growth in the total credits to households. The short term credits to the households realized growth, which was largely generated by the higher level of granted framework credits³⁸ (with contribution of 77.7% to the growth in the total credits to households). The annual growth in the credits to households in March 2008 equaled 58.9%, when their participation reached up to 39%, i.e. 4.1 percentage point more relative to March 2007.

Figure 66
Distribution of the Denar credits to the households by individual types of credits
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

*... with further growth in the
corporate crediting being
registered*

In the first quarter of 2008, the total placements of the enterprises registered quarter growth of 9.2%, contributing with 57.9% to the growth in the total placements. The higher need for financing the investments in fixed assets and investments in reserves and working capital, as well as the need of restructuring of the debt represented the main factors with contribution acting towards to increase in the demand for credits on the side of the corporate sector³⁹. Analyzed with respect to the maturity and currency structure, the largest

³⁷ The credits for other purposes includes: consumption credit, housing loans, credits for car vehicles, credits for education and credits for other purposes.

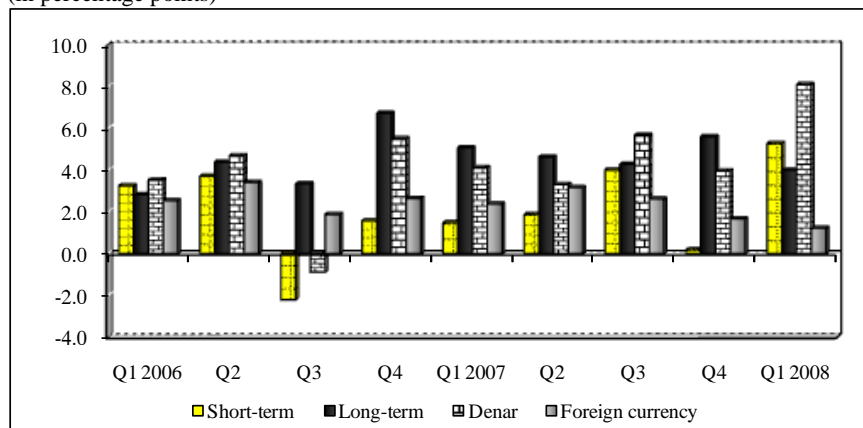
³⁸ Negative balances on current account.

³⁹ In accordance with the results from the Survey on the credit activity of banks for April 2008.



part of the placed credits with the corporate sector were allocated in form of Denar credits⁴⁰ and credits on short-term, the growth of which explained 86.4%, i.e. 55.9% of the growth in the total credits to enterprises, respectively. On annual basis (March 2008 / March 2007), total credits to enterprises rose by 33%.

Figure 67
Contribution to the quarter growth in the credits to enterprises
(in percentage points)



Source: National Bank of the Republic of Macedonia.

The growth in the monetary aggregates continued also in the second quarter of 2008, but with lower dynamics....

The lower dynamics of growth of the money supply M4 continued also in the first two months of the second quarter of 2008, when the annual rate of the monetary growth in May slowed down to 22.9% which represented negative deviation of 6.6 percentage points relative to the projection for November for the second quarter. With respect to the simulations in April, in conditions of unrealized assumption for payment of dividend of one larger company to the Government and repatriation of the late dividend to one foreign investor, such monetary growth was higher than the projected one by 4.5 percentage points. Concerning the structure, the growth in the money supply was still derived by short term Denar component⁴¹, the participation of which in the growth of the money supply equaled 58.2% in May. At the end of the third quarter of 2008, by the simulations in April, the monetary growth would amount to 21% on annual level.

Table 2
Selected monetary indicators and comparison with the projections

	2008	2008	2008	Q. 1 2008	Q. 1 2008	Q. 2 2008	Q. 2 2008	Q. 3 2008	Q. 3 2008
	Q.1	April	May	projection	simulation	projection	simulation	projection	simulation
	actual	actual	actual	November 2007	April 2008	November	April	November	April
				difference (in %)					
Money supply M4	177,329	181,838	185,804	-4.5	-0.8	201,598	184,416	215,217	195,849
Total private sector's deposits	162,531	166,501	170,381	-3.4	0.0	183,652	167,682	197,111	178,965
In Denar / 1 / 2	90,102	92,227	94,482	-8.1	0.2	111,156	91,658	122,388	98,984
In Foreign currency	72,429	74,274	75,899	3.0	-0.3	72,495	76,024	74,723	79,982
Total credits to the private sector	137,050	141,870	144,910	3.5	2.2	144,193	143,654	158,829	157,339
In Denar	105,345	108,946	111,484	3.9	2.6	111,006	110,467	123,926	122,436
In Foreign currency	31,705	32,924	33,426	2.2	0.9	33,187	33,187	34,904	34,904
Banks' net foreign assets	12,550	13,288	13,388	-7.8	-18.7	12,809	13,700	10,618	11,408

1. Including demand deposits.

2. Including deposits of municipalities and public entities.

The deviations in the currency structure of the deposit base acting towards more intensive growth in the foreign currency deposits, which was characteristic for the first three months of 2008, continued also in the second quarter, mainly under the influence of the uncertainty of the expectations for the future development of the inflation. In May, the annual growth in the deposits in

⁴⁰ Includes the Denar credits with FX clause.

⁴¹ The short Denar component includes the short term Denar deposits and transaction deposits.



domestic currency reduced to 26.8%, which represented the lowest growth registered in the last 12 months.

Figure 68
Money supply M4*

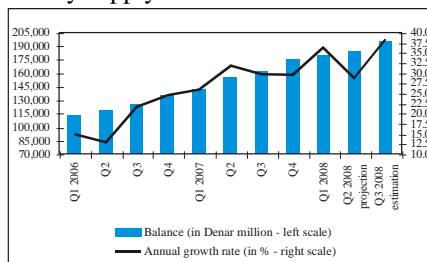
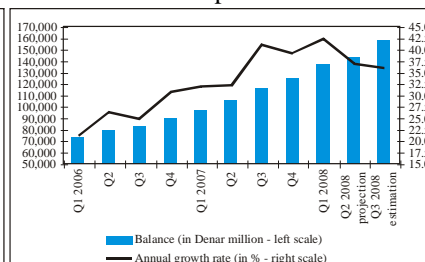


Figure 69
Total credits to the private sector*



*April simulation.

Source: National Bank of the Republic of Macedonia.

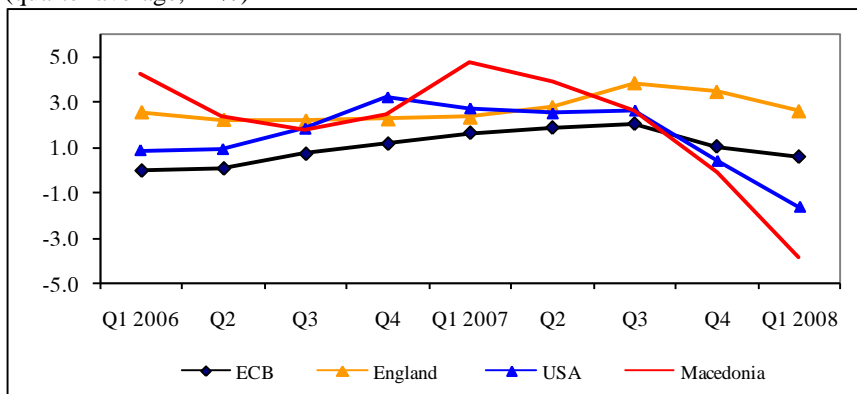
...with registered further growth in the credit offer

The continuous credit expansion characteristic for the first quarter of 2008 additionally intensified also in April, when the annual credit growth accelerated to 44.1%. In May, small decline in the growth rate of the credit placements was registered (43.4%) which relative to the projection for November for the end of the second quarter rose by 0.5% (and in the same time it went up by 0.9% relative to the simulations in April). Considering such developments, on 12.06.2008, NBRM undertook measure acting towards inhibiting the excessive credit growth of banks. NBRM adopted a Decision on Compulsory Deposit with NBRM, by which the banks are obliged to allocate compulsory deposits if they, at the end of every month, relative to 31.05.2008, realize higher credit growth of the households than the allowed growth rates prescribed with this decision. This decision is expected to contribute for slowing down in the credit growth rate in the third quarter.

2.2. Interest rates

In the first quarter, the growing inflation pressures and the external rebalances in the economy imposed a need for monetary reaction realized through introducing the "volume tender" in the auctions of CB bills in February and simultaneously with increase in the interest rate of CB bills (to 5.25% and 6% in February and March, respectively). The changes in the reference interest rate had transitional effects also on the market of Government securities. On the other hand, the fall in the lending and the growth in the deposit interests of banks indicated the competition pressures as dominant factor which reflected on the interest policy of banks.

Figure 70
Real reference interest rates by countries
(quarter average, in %)



Source: web-pages of the central banks.



Quarter growth in the
reference interest rate by
0.6 percentage points

In accordance with the changes, the interest rate of CB bills on quarterly basis realized growth of 0.6 percentage points equaling 5.3% in the first quarter. However, considering the high inflation growth, the real average interest rate was negative on quarter basis (3.8%).

Annex 2

Measures undertaken by the central banks for maintaining the price stability and liquidity regulation

The continuous intensification in the inflation pressures, as well as the instability of the international financial market imposed a need of undertaking certain measures by the central banks for stopping the spillover of the negative international economic trends in their countries. The reactions of the central banks concerning the maintenance of the price stability and the stability of the banking systems mainly effectuated through the changes in the reference interest rates, the rate of reserve requirements, introducing of new instruments for providing liquidity, as well as through prudent measures concerning the credit growth. The type of the measures undertaken and the intensity of the change were determined by the actual macroeconomic situations and consequently they are differing from one country to another.

The countries from **Central and Southeast Europe**, in the first half of the year were mainly affected by the inflation pressures of the prices of food and oil. The analysis of the reference interest rates of the central banks of part of the countries from this group, since the middle of 2007, which represented a period characterized with the higher inflation pressures determined by the growth in the prices of food and oil in the international markets, indicated that the largest number of countries increased the reference interest rates (Romania, Bulgaria, Czech Republic, Hungary, Serbia, Croatia, Albania), excluding Slovakia and Latvia, the reference interest rates of which remained unchanged. Additionally, the central banks of Bulgaria and Bosnia and Herzegovina decided to increase the rate of the reserve requirements, from 8% to 12% and from 15% to 18%, respectively. In Montenegro some prudent measures were undertaken acting towards decrease in the credit risk of banks, as well as a measure for restriction of the credit growth. Measures concerning the credit growth were undertaken also in Croatia, pertaining the protection from liquidity risk and change in the decision on the subscription of CB bills by which the credit growth is monitored apart from the growth in the other claims of banks, as a basis for investments in CB bills.

Figure 71
Reference interest rates of central banks
(in %)

	VI.2007	VII	VIII	IX	X	XI	XII	I.2008	II	III	IV	V	VI	VII*
Romania	7.00	7.00	7.00	7.00	7.50	7.50	7.50	7.50	8.00	9.00	9.03	9.5	9.75	10
Bulgaria	3.84	4.01	4.10	4.09	4.24	4.26	4.58	4.68	4.75	4.83	4.85	4.93	4.96	5.06
Czech Republic	2.75	3.00	3.25	3.25	3.25	3.50	3.50	3.50	3.75	3.75	3.75	3.75	3.75	3.75
Hungary	7.75	7.75	7.75	7.50	7.50	7.50	7.50	7.50	7.50	7.50	8.25	8.5	8.5	8.5
Slovakia	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Latvia	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Serbia	9.50	9.50	9.56	9.75	9.72	9.50	9.57	10.00	11.50	14.50	15.25	15.75	15.75	15.75
Croatia	3.50	3.50	3.50	3.50	3.51	3.86	4.06	4.13	4.63	4.96	4.95	5.05		
Albania	5.75	5.75	5.75	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Macedonia	4.90	5.13	5.11	4.83	4.78	4.66	4.77	4.89	5.15	5.85	6.00	6.80	7.00	7.00

*The data for the reference interest rates in July pertains to the beginning of the month.

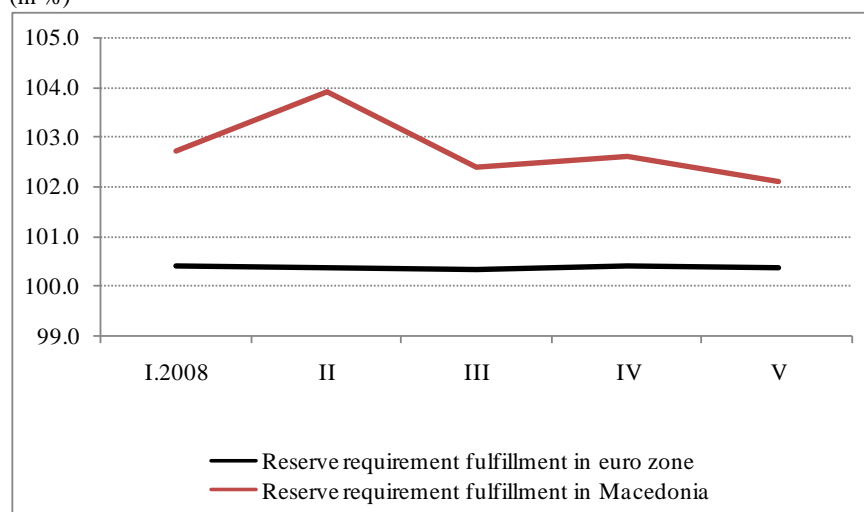
Source: web-pages of the central banks.

With respect to the changes in the reference interest rate, the reactions of the central banks of the **developed economies** were various. The European central bank, after a year, in the beginning of July 2008 decided to increase the reference interest rate by 0.25 percentage points (equaling 4.25%), as a reflection to the

continuous inflation pressures, and in conditions of realization of inflation rate in the first half of the year which exceeded the middle term target. On the other hand, the USA central bank continuously decreased the reference interest rate (in the last change in April it reduced to 2%). In the same time, the reference interest rate of the Bank of England registered decrease on several times (which in April equaled 5%). The monetary reactions in these countries reflected mostly the expectations for negative effects from the turbulences in the financial market on the real sector, i.e. the expectations for considerable slowing down in the economic growth.

In conditions of turbulences in the international financial markets, one of the main challenges of the central banks was the maintenance of an adequate liquidity level in the banking system. According to the Survey on the risks rating of the in the banking system⁴², for the first quarter of 2008, the first place belongs to the liquidity risk, followed by the credit risk. In the same time, the liquidity risk was for the first time in the last 10 years presented on this ranking. The increased significance of the liquidity risk was due to the lower value of the structured financial products which directly effected the banks with such type of exposure, and it produced indirect effect on the other financial subjects of increased precaution concerning the liquidity position and restraining from borrowing. Such condition determined unequally allocated liquidity and need of interventions of the monetary governments.

Figure 72
Rate of fulfillment of the reserve requirements
(in %)



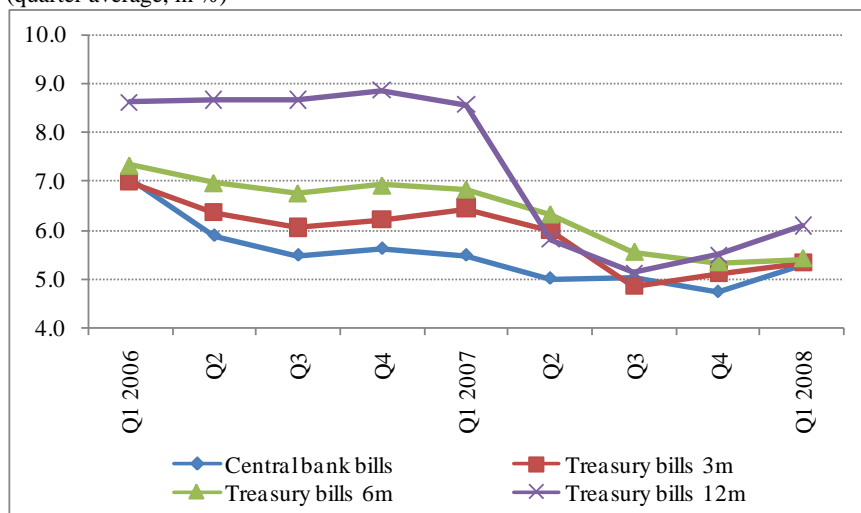
Source: National Bank of the Republic of Macedonia and European Central Bank.

In the last few months, depending on the level of development of the financial system, as well as the level of exposure to the international economic trends, the central banks of the developed countries undertook divergent measures, for the purpose of maintaining the liquidity at the projected level, but also for decrease in the credit expansion in the country. Thus, the central banks of USA and England introduced "Special Liquidity Scheme" which enables occasionally exchange of non-liquid assets of banks with securities of the central banks. The European Central Bank through the policy of "Frontloading" insists to ease the fulfillment of the reserve requirements of banks in the beginning of the maintenance period.

⁴² "Banking Banana Skins 2008", Centre for the Study of Financial Innovation, in association with PriceWaterHouseCoopers. The Survey pertains to the period from February and March 2008, and it was conducted in 38 countries.



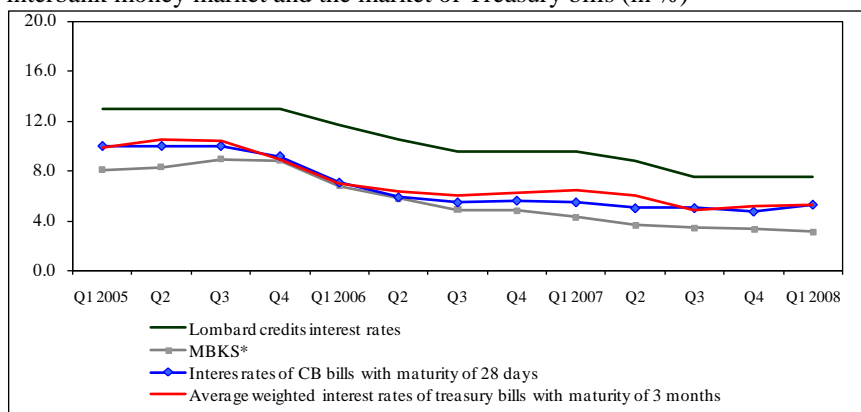
Figure 73
Interest rates
(quarter average, in %)



Source: National Bank of the Republic of Macedonia.

The continuous growth in the reference interest rate influenced also the interest rates of the Treasury bills in all maturities. Thus on quarter basis, growth in the average interest rates of the three month, six month and twelve month Treasury bills of 0.2, 0.1 and 0.6 percentage points was registered, equaling 5.3%, 5.4% and 6.1%, respectively. In the middle of March, the Ministry of Finance changed the interest rates tender of Treasury bills to volume tender (with fixed interest rate and restricted amount). In the interbank money market, in the first three months of 2008, higher average quarterly turnover was realized (by 44.3%). The average interest rate in the interbank money market, after several month decrease, it went up to 3.1% in March 2008, as a reaction to the growth in the reference interest rate, and the upward trend was present also in the first two months of the second quarter.

Figure 74
Average short-term interest rates of NBRM, average interest rates on the interbank money market and the market of Treasury bills (in %)



*MBKS - interbank interest rates.

Source: NBRM and Ministry of Finance.

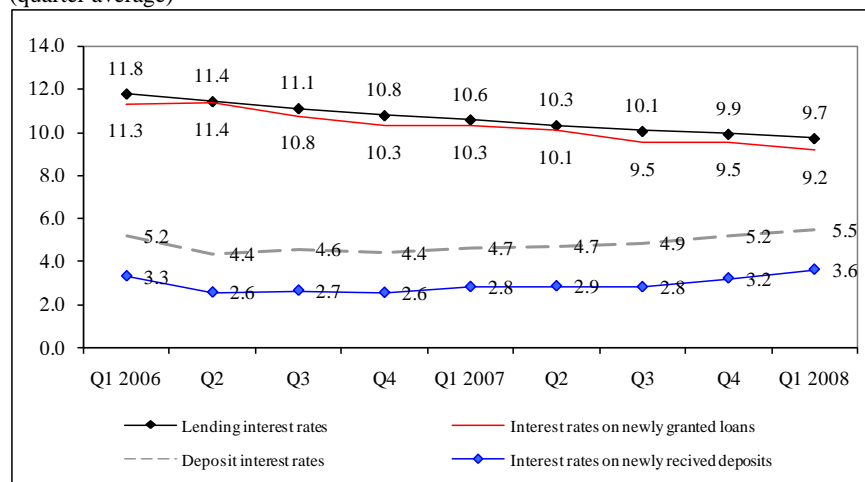
Quarter slowing down in the lending interest rate of banks, and growth in the deposit interest rate

The growing competitiveness in the banking system, as well as the higher efficiency in the operating of banks, in the first quarter of 2008 contributed to narrowing in the interest margin of banks, through further fall in the lending interest rates (by 0.2 percentage points equaling 9.7%) and growth in the deposit interest rates in the banking system (by 0.3 percentage points, reaching up to 5.5%). Such interest policy reflected the business strategy of banks for increase in their market participation both, on the credit market, and in



the area of mobilization of the additional primary sources for financing of their activities. In the same time, the fall in the prices of the credits represented also a support of the investment activity of enterprises, which was a key precondition for growth in the productivity of the economy and for creating conditions for more dynamic and sustainable rates of economic growth.

Figure 75
Lending and deposit interest rate in denars
(quarter average)

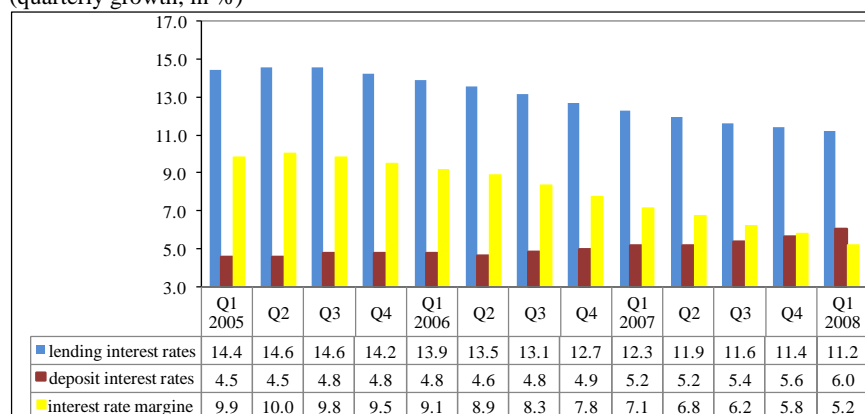


Source: National Bank of the Republic of Macedonia.

Fall in the lending interest rate and growth in the interest rate of the deposits with the households

The exceptionally high growth in the volume of credits to households, as well as the aggressive policy of part of the banks for increase in their market participation resulted in further narrowing in the interest margin in this segment and its approximation to the interest margin in the corporate sector. This conclusion was confirmed with the results of the Survey on credit activity⁴³, by which the largest number of banks assessed that in the first quarter of 2008 decrease in the interest rate of the consumer and housing credits was registered, when the competition of the other banks and the costs for the financial assets and restrictions of the balance sheet were the factors which partially contributed to relaxing the credit terms.

Figure 76
Average weighted lending and deposit interest rate of the households in denars and interest margin
(quarterly growth, in %)



Source: National Bank of the Republic of Macedonia.

⁴³ Survey on credit activity, April 2008, NBRM.



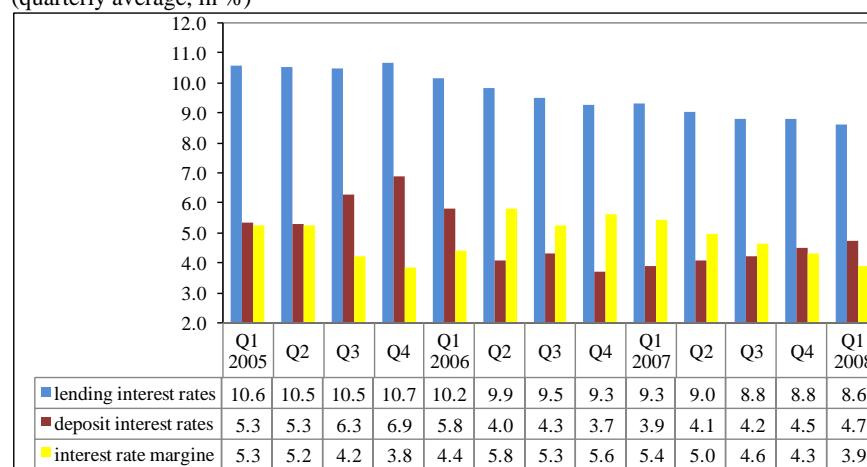
Decrease in the interest rate of credits for enterprises, and growth in the interest rate of their deposits

In conditions of quarterly fall in the average interest rate of the Denar credits to households by 0.2 percentage points, with growth in the average interest in the Denar deposits of 0.4 percentage points, narrowing in the interest spread of the credits to households of 0.6 percentage points was registered in the first quarter. Although this trend is present since 2005, still it did not spillover in decrease in the net interest income of banks from crediting the households, which registered continuous growth, mainly as a result of the more intensive growth in the volume of credits placed with the households, opposite of the growth in the deposits of households with banks. The largest change in the first quarter was registered in the average interest rate of short-term credits to households without FX clause, from 13.9% in the last quarter of 2007 to 12.9% in the first quarter of 2008. In the area of the deposit interest rates, the largest change was registered in the Denar deposits of households with FX clause over 1 year, from 8% in the last quarter of 2007, to 9.3% in the first quarter of 2008.

The policy of banks for attracting additional savings, with simultaneous offering lower prices of credits, in the first quarter of 2008 was characteristic also concerning the corporate segment. Relative to the last quarter of 2007, higher change was registered in the interest rate of the long term credits to households with FX clause (average quarter fall of 0.4 percentage points), when it equaled 9%. By the Survey on credit activity⁴⁴, the liquidity position of the bank, the competition of other banks, as well as the lower risk of non-realization of the collateral were the factors which partially contributed for relaxation of the credit terms for crediting the enterprises.

Figure 77

Average weighted lending and deposit interest rates of the corporate sector in denars and interest margin
(quarterly average, in %)



Source: National Bank of the Republic of Macedonia.

In the first quarter of 2008, lower investment of the private sector in three months Treasury bills was registered, with simultaneous increase in their deposits in banks. Concerning the worsening in the Treasury bills (three month) it should be considered that in the first three months of 2008 a continuous fall in the supply of Treasury bills was registered (which was mainly due to the lower supply of the Treasury bills for monetary purposes, which since March are no longer offered at the market), and on the other hand, the Ministry of Finance increased the interest rate of the three month Treasury bills in March. In accordance with the last changes, the interest rate of the time Denar deposits (up to three months without FX clause) of the enterprises approximated to the interest rate of Treasury bills (three month), different from the deposit interest

Higher savings of the households and further investing in Treasury bills

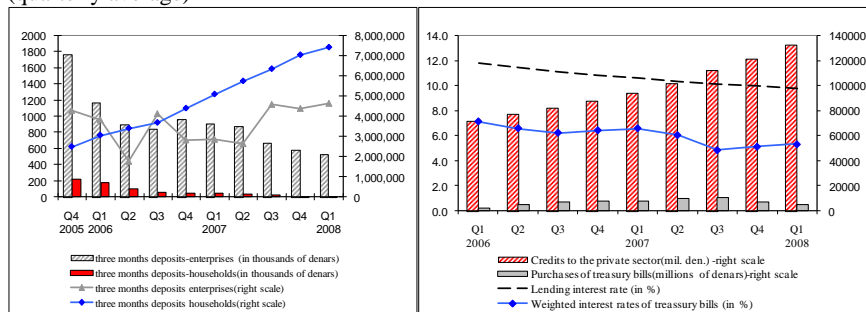
⁴⁴ Survey on credit activity, April 2008, NBRM.



rate of the household (for the three month deposits) which was higher than the prices of the Treasury bills (three month).

Figure 78

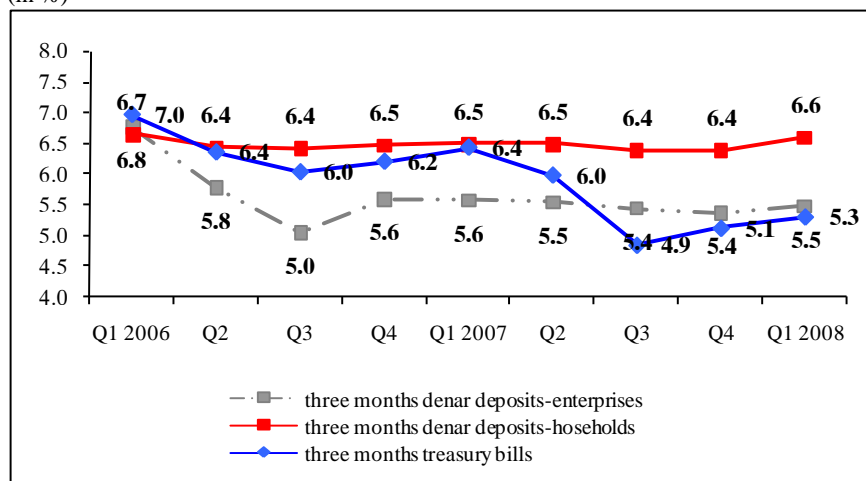
Credits to the private sector, investment in three month Treasury bills, the Denar deposits with maturity of three months and their interest rates (quarterly average)



Source: National Bank of the Republic of Macedonia.

Figure 79

Average interest rates of three month Denar deposits of enterprises and of households and average interest rates of three month Treasury bills (in %)



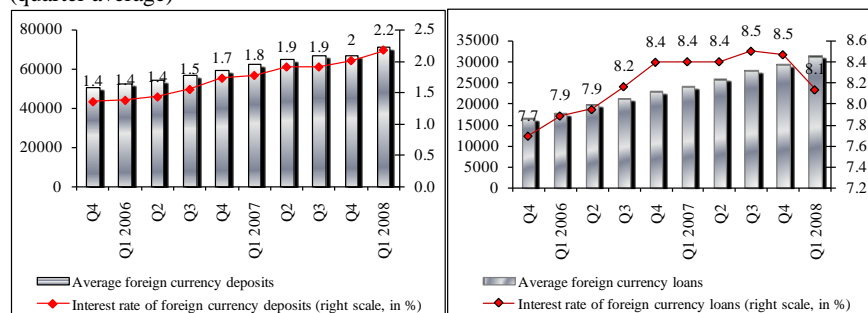
Source: National Bank of the Republic of Macedonia.

Higher narrowing in the interest margin of foreign currency interest rates

The developments in the foreign exchange interest rates complied with those in the Denar interest rates, where the lower price of the foreign currency credits relative to the Denar credits was partially due to the lower costs of sources of assets. Thus, the average foreign currency interest rate registered quarterly fall of 0.4 percentage points equaling 8.1%, whereas the average foreign currency interest rate was 2.2% (quarter growth of 0.2 percentage points). The fall in the foreign currency lending interest rate was parallel with the development trend in the international interest rate of the three month EURIBOR (Euro Interbank Offered Rate) in the first quarter of 2008. In the same time, in the analyzed period, decrease in the margin between the lending and the deposit interest rate was registered (the highest in the last two years) in conditions of parallel growth in the foreign currency credits and deposits of the banking system.

Figure 80

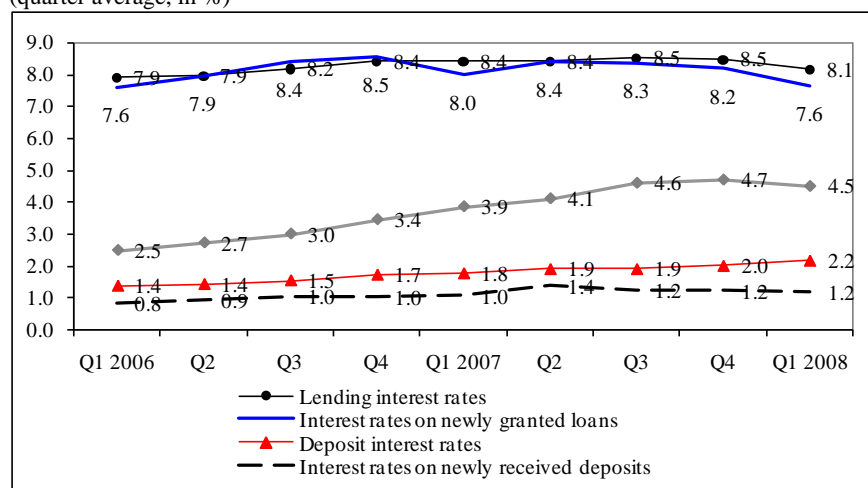
Quarterly dynamics of the foreign currency credits and deposits of the private sector and of lending and deposit interest rate (quarter average)



Source: National Bank of the Republic of Macedonia.

Figure 81

Lending and deposit interest rate in foreign currency and international three month interest rate EURIBOR (quarter average, in %)

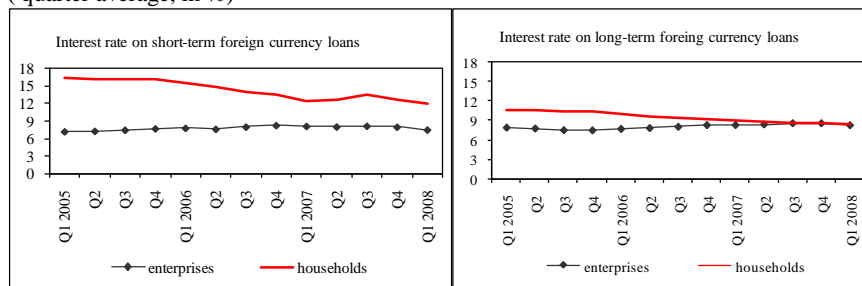


Source: National Bank of the Republic of Macedonia.

The analysis of the foreign currency interest rates by sectors showed decrease in the average interest rate of the short term credits (in euros) intended for the **households** of 0.7 percentage points in the first quarter, when it equaled 12%. In the same time, the average interest rate of the long term foreign currency credits (in dollars) registered growth of 0.7 percentage points, reducing to 4.5%. In the deposit foreign currency interest rates, higher quarter change was registered in the time deposits of households in euros, with maturity up to 6 months and up to 12 months, the average interest rates of which rose by 0.4 percentage points, equaling 2.9% and 3.5%, respectively.

In the lending interest rates of the sector **enterprises** larger quarterly changes were registered in the short term foreign currency credits (in dollars) the average interest rate of which decreased from 7% to 5%. Simultaneously the average interest rate of long term foreign currency credits (in dollars) registered quarterly fall of 1.3 percentage points, reducing to a level of 5.8%. In the deposit foreign currency interest rate for enterprises, the time deposits in dollars with maturity from 1 to 3 months registered larger change, the average price of which reduced by 1.1 percentage point equaling 3.1% in the first quarter 2008.

Figure 82
Interest rate of the short term and long term foreign currency credits to the private sector
(quarter average, in %)



Source: National Bank of the Republic of Macedonia.

In the second quarter, the auctions of CB bills continued to be conducted on the basis of volume tender, so in May their interest rate was additionally increased by one percentage point, to 7%. For reconciliation with the reference interest rate, NBRM in June adopted a decision on increasing the interest rate of the Lombard credit from 7.5% to 8.5%. Also, in the second quarter of 2008, the Ministry of Finance maintained the continuity of increase in the interest rates of Treasury bills through volume tender, when the interest rates of three month, six month and twelve month Treasury bills reached up to 7.1%, 7.2% and 7.3%, respectively, in June. In the period April - May, the developments in the lending and deposit interest rate of banks continued with the same tempo as in the previous period. Thus, the lending interest rate on monthly basis went down by 0.1 percentage point and in May it equaled 9.6%, whereas the deposit interest rate registered growth equaling 5.7%. The interest rate of foreign currency credits remained unchanged and in May it equaled 9.1%, whereas the deposit foreign currency interest rate rose by 2.3%.

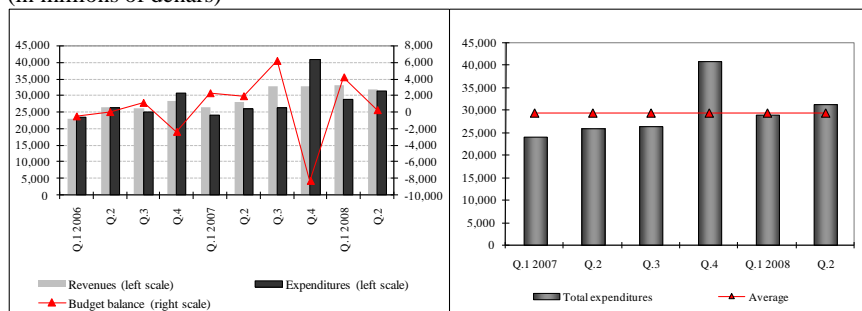
III.

Public finances

High budget surplus in the first quarter of 2008

In the first quarter of 2008, in the budget of the central Government a surplus of Denar 4.230 million was realized, i.e. 1.2% of the projected GDP for 2008⁴⁵. Surplus on the budget balance was realized also in the first quarter of the previous year, but with much lower volume, i.e. 55% of the surplus realized in the first three months of 2008. If the budget balance is corrected for the interest payments, the primary budget surplus would equal 1.3% of the projected GDP for 2008.

Figure 83
Total budget income and expenditures and budget balance
(in millions of denars)

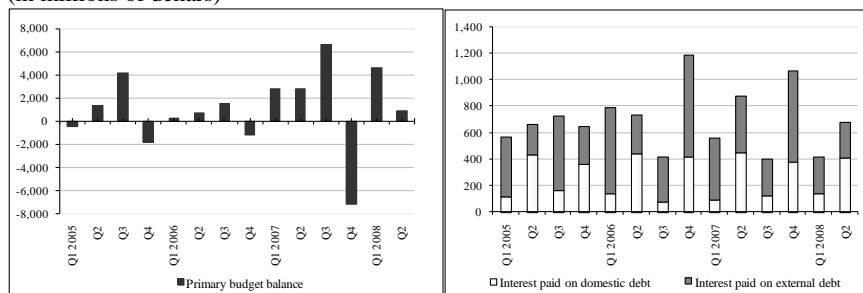


Source: Ministry of Finance of the Republic of Macedonia.

⁴⁵ The projection of GDP by which the budget for 2008 is prepared was considered.



Figure 84
Budget balance and interest payment based on external and domestic indebtedness
(in millions of denars)



Source: Ministry of Finance of the Republic of Macedonia.

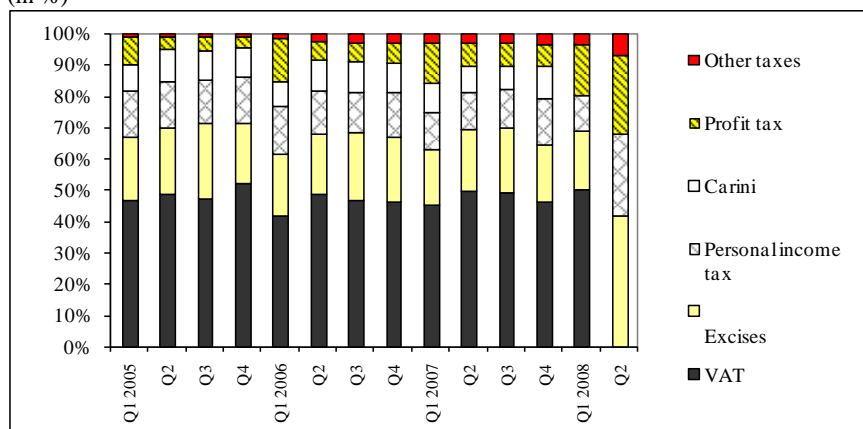
In the first quarter of 2008, annual growth in the total public income...

...and growth in the tax and non-tax income

In the first three months of 2008, the collected funds from taxes and contributions equaled 25.8% of the planned for 2008. Relative to the same period of 2007, the payment of taxes rose by 20.9%, and of contributions by 15.1%. Within the taxes, the income tax registered the largest annual growth (of 38.7%, reflecting besides improved efficiency in collecting, also a growth in the profitability of enterprises), followed by the value added tax (of 24.6%, in accordance with the higher price level and the larger turnover in the trade), and the excises. In the first three months of 2008, the largest part of non-tax income of the budget pertains to the transferred income from NBRM, and also foreign donations were realized in amount of 191 Denar million (donations based on bilateral arrangements of the budget users for financing certain projects and activities). The capital income registered considerable increase on annual basis, which was mainly due to the sale of state owned apartments and state owned building land.

In accordance with the changes in the sphere of tax legislation, since January 1, 2008 the prescribed lower tax rate in the flat tax from 12% to 10%, i.e. in the profit tax and in the personal income tax started being applied. The collected higher tax income in conditions of lower tax rates, partially indicated to more efficient system of collecting taxes and more efficient controls, i.e. stronger technical and institutional capacity of the tax administration, as well as higher motivation of the economic agents for more real presentation of the financial results.

Figure 85
Structure of tax incomes
(in %)

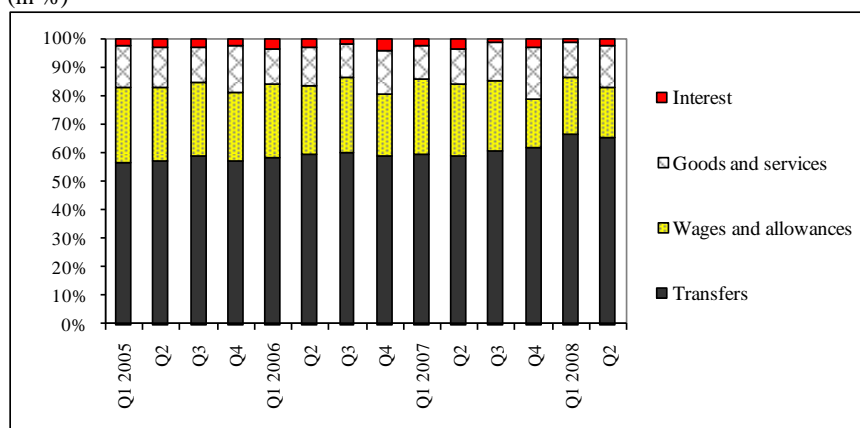


Source: Ministry of Finance of the Republic of Macedonia.

In the first quarter of 2008, annual growth in the public expenditures was realized, when higher capital and current expenditure was registered

The total expenditures in the first quarter of 2008 registered annual growth of 19.8%. The more intensive Government expenditures resulted from the simultaneous growth in the capital and in the current expenditures. In the current expenditures, which structurally cover 91% of the total expenditures realized in the first quarter of 2008, the costs for goods and services for transfers registered annual growth of 15.8% and 27.7%, respectively. If the costs for wages and compensations are analyzed, they registered annual fall of 13.3%. Such change, in conditions of growth in the wages in the public administration, was due to the start of the second phase of the process of fiscal decentralization⁴⁶, i.e. of payment of wages to employees in the public administration through local Government. Consequently, the transfers to local governments registered annual growth by four times higher (i.e. amount of Denar 2.246 million in the first quarter of 2008, relative to 560 Denar million in the same period of the previous year). The item "other transfers" registered considerable increase (in amount of 947 Denar million in the first quarter of 2008, relative to Denar 410 million in the same period of the previous year), which included the granted subventions to agriculturalists.

Figure 86
Structure of current expenditures of the Government
(in %)

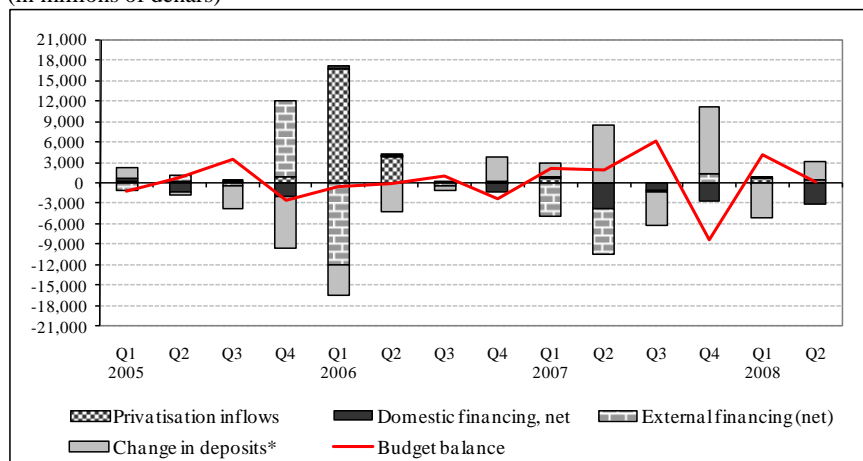


Source: Ministry of Finance of the Republic of Macedonia.

The structure of financing in the first quarter of 2008 showed minimal net outflows based on external financing (Denar 37 million) and net inflows based on domestic indebtedness of Denar 248 million. Additional inflows were realized also based on issuing concessions (in amount of Denar 617 million, and it pertains to the concession for using "3G" technology in the mobile telephony). In conditions of realized surplus, a growth in the balance on the Government account with NBRM was registered.

⁴⁶ By the decision adopted in July 2007, the costs for compensation fees and wages for employees in four sectors of the local public administration (education, social policy and child protection, culture and health care) were financed through block-donations in the municipalities which fulfilled the required criteria.

Figure 87
Financing of the budget balance
(in millions of denars)

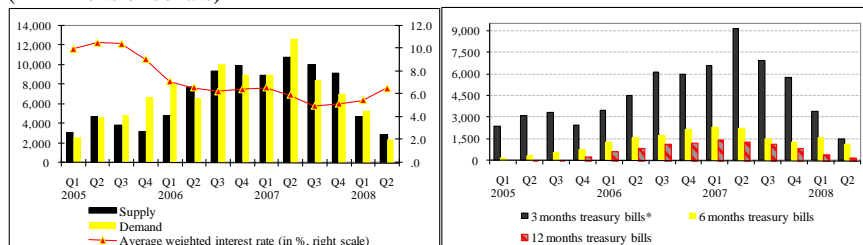


* Positive change - withdrawing deposits; negative change - cumulating deposits.

Source: Ministry of Finance of the Republic of Macedonia.

In the first quarter of 2008, in the primary market of Treasury bills, 90.3% of the total offered amount of short term securities were realized (i.e. amount of Denar 4.168 million were realized). The demand exceeded the supply by 15.6%, whereas the average weighted interest rate of short term Treasury bills (cumulatively for all maturities) reached up to 5.47% in the first quarter of 2008 (relative to 5.15% in the fourth quarter of 2007). In the first quarter of 2008, the payment of short term securities in the amount of Denar 6.631,6 million matured (out of which Denar 4.618,7 million were Treasury bills for monetary purposes), relative to the realized amount of Denar 4.168 million. Consequently, through the primary market of short term securities, net liquidity in amount of Denar 2.463,6 million was created. With respect to the maturity, the three month treasury bills were mostly present (81.9% of the total realized Treasury bills), when the amount of the three month treasury bills (with included Treasury bills for monetary purposes in amount of Denar 1.799 million) equaled Denar 3.412,5 million on 31.03.2008, relative to Denar 5.714,2 million on 31.12.2007 (out of which Denar 4.618,7 million were Treasury bills for monetary purposes).

Figure 88
Total supply and demand of Treasury bills (in millions of denars) and average weighted interest rate and amount of the investments in treasury bills (by maturity)
(in millions of denars)



*Includes the Treasury bills for monetary purposes.

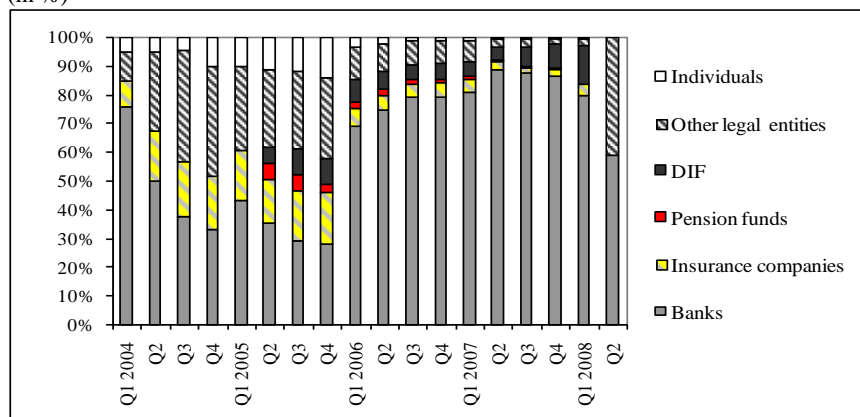
Source: NBRM and Ministry of Finance of the Republic of Macedonia.

At the end of the first quarter of 2008, the total public debt⁴⁷ registered decline of 3.7%, i.e. Euro 52.3 million, relative to the end of 2007. The quarterly fall

⁴⁷ For consistency of the analysis, the public debt was based on the debt of the central Government and the funds (consolidated debt of the Government without the debt of NBRM, municipalities and public enterprises). Namely, such analysis does not comply with the national methodology for calculation of the public debt which includes also the debt of municipalities and public enterprises (excluding the debt of NBRM) and statistics of the Government finances (of IMF) which includes the

was due to the simultaneous fall both, in the external and in domestic public debt by Euro 9 million, i.e. Euro 43.3 million, respectively. The decrease in the domestic public debt was solely a result of the lower emission of continuous Government securities and of the lower debt based on structural bonds (mainly the privatization bond of "Stopanska banka" a.d. Skopje⁴⁸).

Figure 89
Structure of investments in the Treasury bills by investors*
(in %)



* On March 7, 2006, NBRM in cooperation with the Ministry of Finances started with emission of Treasury bills from monetary purposes with maturity of 3 months.

Source: NBRM and Ministry of Finance of the Republic of Macedonia.

By the latest available data, in the first two months of the second quarter of 2008, positive budget balance was realized again but with significantly lower volume (Denar 273 million). Within the overall realized incomes, the tax income still represented the most significant component, predominantly the high realization of the value added tax (49.9% of the total tax income). On the side of the overall expenditures, the largest part of the Government expenditures pertains to the current costs, i.e. to the social transfers within them (participation of 75.5% in the total transfers).

Despite the realized budget surplus, outflow was registered on the Denar account of the Government with NBRM, which was mainly due to the payment of the regular installment for the bond for old foreign currency saving in April, as well as due to the payments based on due Government securities. On the auctions of Treasury bills (of all maturities) held in April and May 2008, higher demand than the supplied amount, on average was registered by 9.3%.

IV.

Capital market

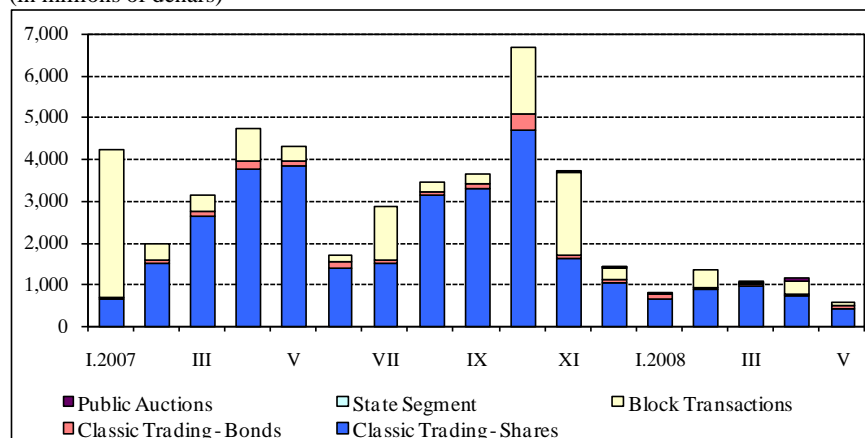
Considerable growth in the stock exchange turnover and in the MBI-10 in the first quarter

In the first quarter of 2008 significant fall in the stock exchange trade was registered relative to the previous quarters. The total turnover in the stock exchange markets (including the block transactions and the Government segment) in the first quarter 2008 equaled Denar 3.2 billion, which represented decline of 72.9% relative to the first quarter. Within the total stock exchange turnover realized in the first quarter of 2008 the classical trading with shares dominated, which relative to the previous quarter went down by 66.8%. The average daily stock exchange turnover amounted to Denar 49.9 million, which was considerably lower than the average turnover in the previous year (Denar 123.1 million).

debt of NBRM also. The domestic debt of the central Government pertains to structural and continuous securities.

⁴⁸ The long-term Government bond with which the Government took over the claims of this Bank from loss making companies as of the end of 1999.

Figure 90
Structure of the stock exchange turnover
(in millions of denars)

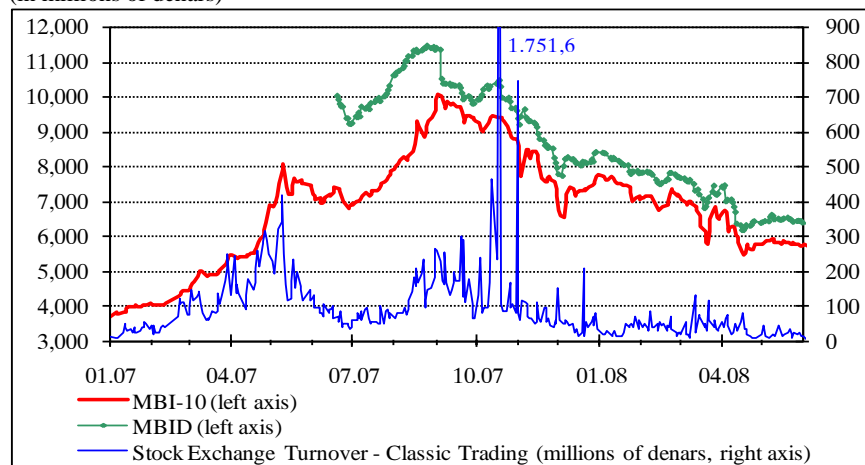


Source: Macedonian Stock Exchange AD Skopje.

On March 31, 2008, the value of the MBI-10⁴⁹ equaled 6.707,4 index pints, which represented fall of 13.3% relative to the end of 2007. Such developments of this index were due to the considerable drop in the stock exchange turnover, as well as to the fall in the prices of most of the shares. The lower demand and the fall in the prices resulted mainly from the uncertainty concerning the political situation, which determined the investors' restrain to invest in securities, as well as to sell them in order to avoid potential capital losses.

The publically owned company index - MBID⁵⁰, followed the development of MBI-10, with its value at the end of the first quarter being equaled 7.421,5 index points, which represented fall of 11.8% relative to the end of 2007.

Figure 91
MBI-10, MBID and stock exchange turnover realized with classical trading⁵¹
(in millions of denars)



Source: Macedonian Stock Exchange AD Skopje.

⁴⁹ The price index weighted with the market capitalization, constructed on the basis of common shares of 10 listed companies on the official market.

⁵⁰ Price non-weighted index, the components of which are chosen considering the number of days of trade and the realized turnover between two index revisions.

⁵¹ The Figure shows the daily stock exchange turnover through classical trading, which includes only the classical trading with shares and bonds, whereas it excludes all other types of transactions. For better presentation, the Figure does not show fully the classical trading on 16.10, which amounted to Denar 1.751,6 million (which was due to the taking over of one domestic company by a foreign investor).

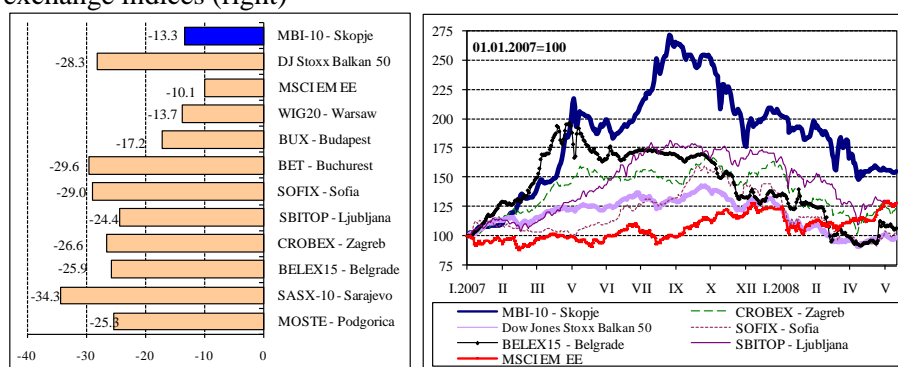


Downward development in the stock exchange indices in the region mainly because of the political uncertainty

The comparison with the stock exchange indices in the region and in the countries from Central and East Europe showed that in the first quarter of 2008 they all registered downward movements. For the countries of Central and East Europe, this was mainly due to the consequences of the financial instability at the end of 2007 and the beginning of 2008, as well as the uncertainty concerning the future economic developments. Regarding the stock exchanges in the South-East Europe, the influence of the political uncertainty was more apparent, so combined, these factors influenced towards investors' restrain of the from higher investments in these stock exchanges and consequently on fall in the stock exchange indices also in the second quarter of 2008.

Figure 92

Quarter change rates of the national and composite regional stock exchange indices⁵² (left) comparison of the development in the stock exchange indices (right)



Continued domination of the residents in the stock exchange turnover

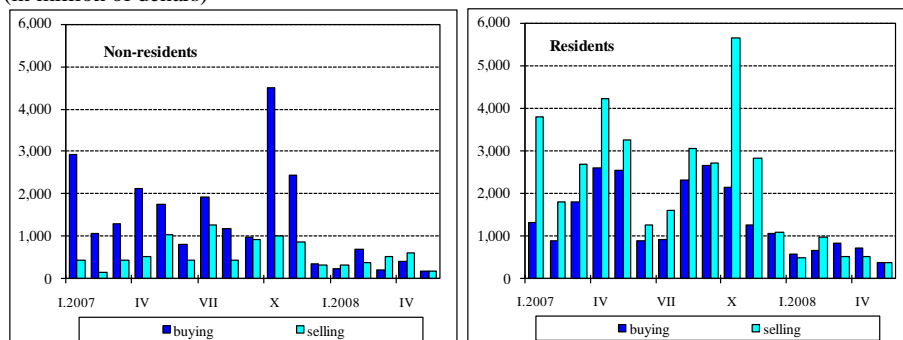
With respect to the participation in the stock exchange turnover, the dominance of the residents continued on both, the side of the purchase and the side of the sale. Thus, in the first quarter of 2008, the residents participated with 64.9% in the purchase of securities and with 61.3% in the sale of securities in the stock exchange. The domestic natural persons participated with 38.4% in the purchase and with 36% in the sale of securities in the stock exchange. On the other hand, different from the previous quarters, the non-residents participated more on the side of the sale (by 38.7%), than on the side of the purchase (with 35.1%), as a consequence of the uncertainty in this period. As a result of these developments, at the end of the first quarter, the foreign investors participated with 30.9% in the total principal of the companies and 8.4% in the total nominal value of the bonds⁵³, which was the same as at the end of 2007.

⁵² Dow Jones Stoxx Balkan 50 included shares from 50 largest and most liquid companies of 8 Balkan stock exchanges. Morgan Stanley Capital International - Emerging Markets Eastern Europe (MSCI EM EE), is an index which is weighted by the market capitalization and it includes shares from four Central and East European stock exchanges.

⁵³ By the data of the Central Securities Depository.



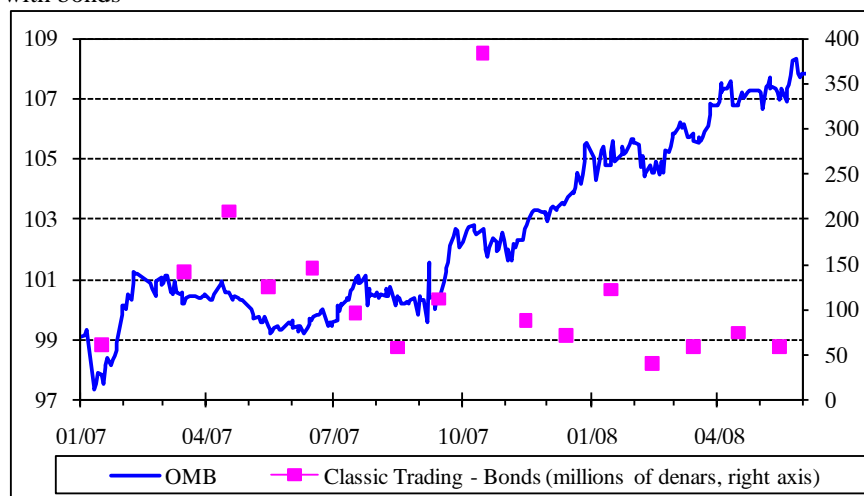
Figure 93
Stock exchange turnover structure, by investors and orientation of the transactions
(in million of denars)



Source: Macedonian Stock Exchange AD Skopje, NBRM calculations.

In the first quarter of 2008, the realized turnover with bonds in the official stock exchange market equaled Denar 222.3 million and registered quarterly fall of 59.2%. The prices of bonds ranged between 81.9% (denationalization bond from the sixth issue) and 101.2% (Corporate bond of "Prokredit banka") of the nominal value⁵⁴. During the quarter, OMB⁵⁵ registered mainly positive developments, so at the end of March it reached 106.81 index points (growth of 1.2% relative to the end of 2007).

Figure 94
Index of bonds in the Macedonian stock exchange (OMB) and classical trading with bonds



Source: Macedonian Stock Exchange AD Skopje.

In the first quarter of 2008, in the Over the Counter Market, one transaction with Treasury bills in amount of Denar 1 million (in February) was realized as well as 17 transactions with CB bills in the total value of Denar 545 million. Compared to the previous quarter, the secondary trading of the stated securities in this market segment went down by 16.7%.

The downward trade in the stock exchange turnover and in MBI-10 continued also in the first two months of the second quarter, so at the end of May the value of MBI-10 was lower by 25.7% than at the end of 2007. In April 2008

⁵⁴ The interval was determined in accordance with the maximal and minimal prices of trade of bonds, and the data is from the monthly bulletins published by the Stock Exchange.

⁵⁵ OMB is price index weighted with the turnover, and it is compiled from the bonds for old foreign currency savings and Denationalization Bond from the first, second, third, fourth, fifth and sixth emission, where the initial value of OMB is 100.



in the stock exchange turnover structure the participation of non-residents again was more significant on the side of sale of securities (53.49%, relative to 35.94% on the side of the purchase), while in May certain normalization was registered and their share on the side of the purchase (31.45%) rose by one percentage point relative to the participation in the sale. The OMB index continued to grow and at the end of May 2008 it reached the record high level of 107.89 index points.



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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%)

National classification of activities ¹	GDP total	%	Agriculture, hunting, forestry and fishing	%	Mining and quarrying, manufacturing and electricity, gas and water supply	%	Construction	%	Wholesales and retail sales	%	Hotels and restaurants	%	Transport, storage and communications	%	Financial intermediation	%	Public administration and defence	%
			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	56522	6.7	5505	3.5	12463	11.8	2312	5.8	7978	13.5	836	-2.1	4840	9.3	7786	1.7	8044	1.1
Q2	61409	3.9	5419	-1.5	13616	-0.8	3934	4.0	9039	16.5	1071	11.2	5277	11.0	7890	2.3	8092	0.6
Q3	62824	4.4	5445	-2.4	14317	1.8	4430	5.7	8768	14.4	1253	10.7	5306	9.5	8065	4.0	8036	-0.1
Q4	64825	5.1	5093	-7.6	14987	5.6	4313	7.7	10270	17.0	1060	5.7	5725	13.0	8033	2.9	8184	0.4
2008 Q1 ²		5.2		4.2		6.5		9.7		10.2		3.7		3.2		2.2		1.9

Source: State Statistical Office.

¹ National classification of activities.

² Estimated data



Table 2
Prices
annual rates (%)

Annual Rates (%)		Consumer price index (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	Fiat (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	
2007	2.3	3.0	-0.3	3.9	1.8	1.8	4.7	6.3	5.8	-0.7	0.3	2.4	-3.1	4.7	8.6		1.6	
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		10.5	
Q2	9.9	11.4	4.5	19.5	3.5	3.6	3.4	4.7	3.7	1.0	1.1	0.5	5.8	12.0	1.9		-	
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		11.7	
April	10.1	11.7	4.4	21.0	3.4	2.7	3.4	4.2	3.8	1.0	1.1	1.2	4.1	11.4	1.6		10.7	
May	9.5	11.0	4.3	18.4	3.6	4.1	3.3	4.6	3.5	0.9	1.1	0.0	5.7	11.9	2.0		14.4	
June	10.1	11.6	4.8	19.2	3.6	3.9	3.6	5.3	3.7	1.0	1.0	0.3	7.5	12.8	2.0		-	

Source: State Statistical Office.

^{/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 (%)

	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
2007	3.7	9.8	5.2	-9.5	-6.9	12.9	19.7	8.8	-2.0	10.1
2005 Q1/2	5.2	-18.9	6.4	3.8	2.3	14.8	-0.9	-18.2	1.8	1.8
Q2	13.5	17.0	16.3	-0.5	6.5	24.6	-1.2	4.8	8.9	18.2
Q3	6.0	62.9	5.5	2.0	4.0	9.8	-2.5	-11.1	5.4	16.4
Q4	4.2	97.1	2.5	4.3	7.4	9.5	-5.3	-24.8	-0.1	5.9
2006 Q1	0.5	111.6	-0.9	-0.9	3.0	5.6	-2.5	10.5	-6.1	8.0
Q2	1.7	53.2	1.3	-2.0	-3.0	5.1	17.0	-6.5	-0.3	7.8
Q3	4.3	13.1	4.9	0.1	0.7	12.0	0.1	2.1	-0.7	5.6
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	18.5
Q2	-2.8	16.2	-1.5	-20.8	-16.6	7.9	-4.4	25.3	-7.8	3.7
Q3	1.1	15.4	1.5	-8.7	-4.5	7.5	27.3	-3.0	-5.8	11.6
Q4	6.2	-3.3	7.8	-1.1	-6.2	15.3	24.7	6.5	1.8	6.5
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	1.0	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 Q1	5.8	11.9	6.6	-0.8	1.7	8.8	26.6	77.3	-1.3	7.6
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	-
March	-1.4	15.3	-2.0	-2.8	-1.6	-2.0	5.4	77.4	-5.3	-
April	6.2	9.0	7.5	-5.2	-7.1	9.4	15.6	73.6	4.2	-
May	17.6	8.8	19.5	3.4	40.4	16.8	33.4	80.1	7.2	-

^{/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

	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	-0.1
2006	1,618,482	891,679	570,404	321,274	114,777	186,085	268,117	-0.7
2007	1,628,635	907,138	590,234	316,905	107,717	184,928	294,305	1.5
2005 Q1	1,603,675	827,428	507,397	320,030	76,546	181,450	251,307	5.7
Q2	1,606,833	883,522	552,797	330,724	126,194	174,588	251,112	2.8
Q3	1,609,071	889,725	564,880	324,845	135,712	170,157	257,804	-2.1
Q4	1,612,410	876,074	555,938	320,136	87,921	180,089	286,837	-6.3
2006 Q1	1,615,584	877,798	559,702	318,096	103,319	190,355	264,550	-6.7
Q2	1,617,423	885,609	566,293	319,316	128,519	189,630	246,842	1.7
Q3	1,619,447	899,732	576,813	322,919	125,322	187,760	262,480	2.6
Q4	1,621,475	903,576	578,810	324,766	101,948	176,592	298,599	-0.2
2007 Q1	1,624,611	902,588	579,301	323,287	95,384	186,975	293,629	2.8
Q2	1,627,216	906,199	589,254	316,944	112,982	184,622	288,104	-0.2
Q3	1,630,010	909,466	598,327	311,139	117,531	181,993	294,863	0.6
Q4	1,632,702	910,301	594,054	316,247	104,975	186,122	300,622	2.7
2008 Q1	1,635,058	920,512	600,593	319,919	121,238	178,848	298,110	1.2

Source: State Statistical Office. Labour Force Survey.

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



Table 5
Salaries
amount in denars, annual rate 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
2007	24,139	4.8	2.4	17,755	23,965	26,520	14,586	7.9	5.5	10,766	14,585	16,080
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 Q1	25,146	8.7	-0.8	16,983	24,571	27,429	15,430	10.5	0.9	10,315	15,220	16,934
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
February	24,799	7.4	-2.0	16,599	24,265	27,165	15,207	9.1	-0.4	10,169	15,019	16,771
March	25,289	8.4	-1.6	16,994	23,993	27,724	15,529	10.4	0.2	10,325	14,884	17,114
April	25,412	7.5	-2.3	16,379	24,735	27,808	15,605	9.2	-0.8	10,042	15,315	17,176

Source: State Statistical Office of the Republic of Macedonia.



Table 6
Budget of the Republic of Macedonia

	Jan.-Dec. 2005	2006				Jan.-Dec. 2006	2007				Jan.-Dec. 2007	2008			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		January	February	March	Q1
TOTAL BUDGET REVENUES	100,877	23,070	26,288	26,216	28,470	104,044	26,445	27,882	32,599	32,683	119,609	10,011	9,562	13,583	33,156
Revenues base on taxes and contributions	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	10,748	28,004
Tax revenues (SRA)*	304	79	50	35	35	199	59	45	46	97	247	37	68	30	135
Tax revenues	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	7,585	19,046
personal income tax	8,097	1,933	2,098	2,025	2,358	8,414	1,844	2,006	2,220	2,823	8,893	654	710	711	2,075
profit tax	2,837	1,725	914	950	1,119	4,708	2,035	1,237	1,278	1,348	5,898	431	564	1,828	2,823
value added tax	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	3,097	8,857
excises	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	1,205	3,291
custom duties	5,266	993	1,494	1,474	1,459	5,420	1,502	1,380	1,403	1,914	6,199	324	463	533	1,320
other	651	237	410	482	491	1,620	488	507	625	678	2,298	250	219	211	680
Contributions	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	3,133	8,823
Pension and Disability Insurance Fund of Republic of Macedonia	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	2,109	5,956
Employment Biro	1,313	322	336	337	375	1,371	343	364	372	444	1,523	89	185	142	416
Health Fund	8,982	2,170	2,330	2,356	2,592	9,447	2,350	2,506	2,442	2,700	9,998	707	862	882	2,451
Non-tax revenues	13,867	2,333	2,816	2,715	2,842	10,706	2,521	2,844	5,517	3,080	13,962	948	989	2,631	4,568
Non-tax revenues (SRA)*	6,322	1,279	1,231	1,605	1,656	5,771	1,501	1,455	1,286	1,670	5,912	479	532	871	1,882
Profit from public financial institutions	3,319	103	406	56	258	824	72	368	3,032	60	3,532	22	16	1,319	1,357
National Bank of the Republic of Macedonia	10	0	8	0	0	8	0	258	0	0	258	0	0	1,289	1,289
Asset Management Agency	352	0	315	0	210	525	49	15	100	0	164	0	0	0	0
Other property revenues	116	75	43	6	0	124	7	0	5	0	12	4	0	0	4
Interests from assets deposited in NBRM	73	23	31	43	47	144	16	94	50	58	218	18	13	13	44
Dividend	2,768	5	9	7	1	23	0	1	2,877	2	2,880	0	3	17	20
Administrative taxes	1,657	395	426	308	364	1,493	419	384	406	474	1,683	155	165	152	472
Participation for health services	434	79	75	65	67	286	70	78	81	138	367	30	46	45	121
Other administrative taxes	196	48	51	38	26	163	72	68	67	117	324	38	40	43	121
Other non-tax revenues	264	109	175	209	98	591	78	72	220	157	527	75	47	22	144
Compensations for the Road Fund	1,675	320	451	434	374	1,580	309	419	425	464	1,617	149	143	179	471
Capital revenues	933	143	390	143	272	948	167	151	301	778	1,397	155	67	118	340
Donations from abroad	1,494	727	299	166	231	1,423	259	200	180	267	906	40	65	86	191
Revenues of recovered loans	2	18	1	112	296	427	20	39	15	51	125	52	1	0	53
TOTAL BUDGET EXPENDITURES	100,219	23,562	26,264	25,085	30,832	105,744	24,144	25,968	26,376	40,948	117,436	8,384	10,474	10,068	28,926
Current expenditures	90,027	22,475	24,144	22,334	27,525	96,478	23,038	24,296	23,995	32,366	103,695	8,023	9,280	9,023	26,326
Wages and salaries	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	1,771	5,221
Goods and services	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	1,222	3,172
Transfers	51,597	13,079	14,266	13,167	16,094	56,607	13,715	14,235	14,545	19,906	62,401	5,454	6,247	5,813	17,514
Transfers (SRA)*	913	167	209	165	240	781	191	164	106	176	637	46	136	138	320
Social transfers	46,870	11,565	12,727	12,072	12,397	48,762	12,336	12,449	12,769	12,437	49,991	4,356	4,821	4,561	13,738
Pension and Disability Insurance Fund of Republic of Macedonia	24,969	6,397	6,640	6,751	6,947	26,735	6,880	6,968	7,066	7,271	28,185	2,388	2,674	2,730	7,792
Employment Agency	2,940	599	521	488	450	2,058	417	437	411	389	1,654	123	123	122	368
State benefit	4,138	1,008	945	1,115	1,080	4,148	1,026	876	1,118	1,027	4,047	310	323	371	1,004
Public health	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	1,338	4,574
Other transfers	3,679	1,326	1,308	911	3,450	6,994	1,171	1,603	1,658	7,267	11,699	1,052	1,281	1,106	3,439
Refugees	135	21	22	20	7	70	17	19	12	26	74	0	9	8	17
Interest payments	2,611	790	736	418	1,193	3,137	559	875	372	1,068	2,874	96	106	217	419
Interest on domestic debt	1,074	140	444	79	419	1,082	94	455	126	378	1,053	18	34	88	140
Interest on external debt	1,537	650	292	339	774	2,055	465	420	246	690	1,821	78	72	129	279
Guaranties	0	0	0	387	0	387	0	0	0	0	0	0	0	0	0
Capital expenditures	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	1,045	2,600
Investments in fixed assets	5,340	829	1,342	1,707	1,980	5,857	846	1,078	1,127	5,766	8,817	283	1,007	846	2,136
Capital transfers	4,461	258	592	1,008	1,205	3,063	260	590	1,254	2,816	4,920	78	187	199	464
BUDGET DEFICIT / SURPLUS	658	-492	24	1,131	-2,362	-1,700	2,301	1,914	6,223	-8,265	2,173	1,627	-912	3,515	4,230
Financing	-658	492	-24	-1,131	2,362	1,700	-2,301	-1,914	-6,223	8,265	-2,173	-1,627	912	-3,515	-4,230
Inflow	7,040	12,779	3,075	-211	5,387	21,031	3,039	8,944	-5,230	12,542	19,295	-1,504	975	-3,178	-3,707
Revenues based on privatisation	1,433	16,765	3,867	21	44	20,697	662	0	0	0	662	44	617	0	661
Foreign loans	13,913	159	550	496	527	1,732	273	375	804	2,191	3,643	75	138	142	355
Deposits	-9,872	-4,653	-4,197	-773	3,746	-5,877	1,985	8,503	-4,848	9,814	15,454	-2,550	573	-3,144	-5,121
Treasury bills	1,538	484	422	43	1,070	2,019	118	58	-1,232	530	-526	927	-353	-195	379
Sale of shares	28	24	2,433	2	0	2,459	1	8	46	7	62	0	0	19	19
Outflow	7,697	12,287	3,099	920	3,024	19,331	5,340	10,858	993	4,277	21,468	123	63	337	523
Repayment of principal	7,697	12,287	3,099	920	3,024	19,331	5,340	10,858	993	4,277	21,468	123	63	337	523
External debt	3,295	12,156	381	920	486	13,944	5,340	7,021	862	977	14,200	123	63	206	392
Domestic debt	4,402	131	2,718	0	2,538	5,387	0	3,837	131	3,300	7,268	0	0	131	131

*Specific Revenue Accounts

Source: Ministry of Finance.



Table 7
National bank of the Republic of Macedonia - balance sheet
in millions of denars

	XII.03	XII.04	XII.05	2006			2007							2008								
				III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
A. ASSETS																						
1. Foreign assets																						
1.1. Gold and foreign currencies	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102	97381	98142	95116	97067	99342	101561	102733	102699	100505	100583	101332	99566
1.2. SDR portfolio and reserve position with IMF	45854	44637	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209	95977	95873	94343	94939	95448	93487
1.3. Deposits with foreign banks	2131	4101	5855	6480	6428	6428	6652	6850	7024	6826	6786	6667	6538	6645	6676	7053	7362	7299	7696	8441	8614	7986
1.4. Securities ^{b)}	19	38	41	11	53	13	139	104	13	431	259	86	86	86	75	67	66	60	60	61	55	54
1.5. Other foreign assets	39175	39157	61556	66548	68769	70685	71001	64054	63326	65245	62725	63638	60850	57230	59481	61554	57771	58027	55832	17439	17931	17084
	4284	1116	1793	1777	4635	7588	9737	15259	15082	14794	20117	20180	20149	25533	25497	25319	30566	30279	30547	68791	68646	68363
	245	225	259	253	244	242	232	236	231	230	224	228	226	224	225	216	212	208	208	207	202	0
2. Claims on the Government																						
2.1. In Denar	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854	1626	1626	1626	1626	1626	1626	1626	1626	1591	1591	1591	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	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	4053	4293	4488
B. LIABILITIES																						
1. Reserve money																						
1.1. Currency in circulation	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102	97381	98142	95116	97067	99342	101561	102733	102699	100505	100583	101332	99566
1.2. Cash in the vaults	21022	21111	25762	24697	26929	27364	31264	28432	29137	29355	31355	30604	31838	36765	33299	32533	33956	33780	37586	34997	35620	34223
1.3. Banks' accounts with NBRM	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575	16290	17936	16419	16237	15746
1.3.1. Allocated reserve requirement in foreign currency	833	909	1374	980	1011	1058	1526	1397	1520	1468	1567	1644	1590	1741	1816	1768	1720	1692	1958	1914	1887	2046
	6012	6040	9949	10017	11338	11496	13532	12508	12631	12853	14257	13601	14404	18351	15103	14019	15661	15798	17692	16664	17496	16431
	2770	3366	5323	5505	5662	6006	6373	6462	6509	6595	6675	6740	6949	6987	7144	7229	7317	7198	7277	7421	8429	8560
2. Solid CB bills on auction																						
	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095	10110	10460	16339	17786	19175	20995	21581	22178	21686
3. Government deposits																						
3.1. In denars	10317	10956	22279	29052	33830	37137	32957	32094	30508	32236	31279	33163	27536	29329	34213	30968	29649	27922	19999	20892	19880	22489
3.1.1. Government securities for monetary purposes	2337	4696	6993	8807	14417	18728	15326	17161	17647	20106	19997	21803	21807	23940	29221	26128	25403	23987	14406	15351	14494	17333
3.2. In foreign currency	7980	6260	15286	20245	19413	18409	17631	14933	12861	12130	11282	11360	5729	5389	4992	4840	4246	3935	5593	5541	5386	5156
4. Deposits of other financial institutions																						
	78	18	18	212	113	127	23	96	331	423	474	377	206	223	477	473	428	248	148	191	239	175
5. Foreign liabilities																						
	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59	59	0	0	0	0	0	0	0	0
6. Other liabilities																						
	13269	12007	18583	18482	19153	19645	20031	20268	20723	20325	20264	20214	20382	20581	20893	21248	20914	21574	21777	22922	23415	20993

1/ Revised data: The accrued interest on foreign securities is included in the item foreign assets started from January 2008.

Source: NBRM.



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

	2006					2007					2008				
	XII.03	XII.04	XII.05	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII
A. ASSETS															
1. Liquid assets	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454	222428	228346	234583	236516	240760
1.1. Cash in the vaults	4103	3645	6040	5558	6764	6597	8806	7586	7813	7905	9326	8647	9214	13220	9920
1.2. Bank's account with NBRM	3270	909	1374	980	1011	1058	1526	1397	1520	1468	1567	1644	1590	1741	1816
		2736	4666	4578	5753	5539	7280	6189	6293	6437	7759	7003	7624	11479	8104
2. Deposits with NBRM	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095	10110	10460
2.1. CB bills	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095	10110	10460
3. Foreign assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996
3.1. Gold, foreign currencies and checks	1629	1549	2029	1673	1900	1868	2441	1855	1908	1899	2148	2075	2068	2353	2363
3.2. Foreign currency accounts abroad	30588	34641	34834	34024	32829	34176	36576	35422	35986	36125	35683	35763	35376	35410	37059
3.3. Other claims	864	915	923	972	797	823	690	980	943	1590	1588	1586	1556	1419	1574
4. Claims on the Government	6708	7157	7195	10012	11403	13113	13484	13172	13662	14433	15261	16132	16996	16896	17700
4.1. Claims on credits	2	158	83	289	375	264	357	377	388	347	296	267	247	262	258
4.2. Placements in securities	6706	6999	7112	9723	11028	12849	13127	12795	13274	14086	14965	15865	16749	16634	17442
5. Claims on non-financial and non-banking sector	45791	57097	68777	73017	79563	82084	89779	91422	93747	96362	98452	101057	105012	108465	111559
5.1. In denars	38544	45750	51672	54473	58993	60349	66410	68057	69569	71537	73380	75288	78031	81138	83694
5.2. In foreign currency	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981	27327	27865
6. Other assets	37654	40587	46236	47000	47926	48332	45988	46294	46445	47837	48215	49302	49266	48643	50125
B. Liabilities	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454	222428	228346	234583	236516	240760
1. Deposits	65653	78801	92887	97211	101864	108172	117813	119562	122818	124931	130388	134425	138011	141247	142193
1.1. Demand Deposits	13018	13370	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20569	21020	22194
1.2. Denar sight deposits	4883	5143	5793	6148	6829	6365	7226	7330	7758	7668	9147	9150	9253	9272	8998
1.3. Time deposits up to 1 year	43872	56144	67678	72497	74048	79497	86521	88850	91289	92828	95069	97779	101136	102957	102999
1.4. Restricted deposits	631	806	782	781	930	877	998	832	912	760	717	1066	852	1156	826
1.5. Time deposits over 1 year	3249	3338	3428	3735	3981	4280	4550	4590	4743	4878	5752	6312	6501	6842	7176
2. Credits of non-banking organizations	905	921	834	787	778	756	1089	1077	1081	1085	1075	1079	1090	1064	1051
3. Securities	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
4.1. Demand Deposits	936	335	371	469	433	329	689	519	589	1027	456	530	545	532	505
4.2. Denar sight deposits	25	27	1	0	0	1	1	1	1	1	1	0	0	0	0
4.3. Time deposits up to 1 year	538	703	689	759	694	590	460	448	457	462	563	496	531	454	477
4.4. Time deposits over 1 year	156	104	48	48	48	49	49	49	50	50	50	50	50	50	51
5. Foreign liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940
6. Borrowings from NBRM	374	779	937	2179	2291	2238	2301	2256	2489	2610	2201	2185	2130	2074	2075
7. Capital accounts	30889	33299	34922	36185	36412	35283	35831	36070	36706	37226	37402	38236	38605	38395	38564
8. Other liabilities	22450	25110	29936	31556	32902	33685	32206	32693	32561	33857	33967	34900	34397	34490	35926

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: NBRM.



Table 9
Saving houses - balance sheet
in millions of denars

	XII.05	2006				2007												2008		
		III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
A. ASSETS	2199	2231	2311	2389	2622	2674	2696	2810	2850	2917	2947	2979	3010	3040	3094	3183	3215	3263	3428	3407
1. Liquidity assets	15	16	22	18	19	22	23	23	23	24	25	25	27	28	27	29	28	34	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	34	29	28
2. Deposits with NBRM	76	76	41	44	49	61	74	74	55	63	57	62	62	80	76	127	76	75	61	57
3. Claims on the Government	62	57	63	72	155	135	64	64	71	66	71	71	65	42	41	31	37	38	38	38
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	38	38	38
4. Claims on non-government sector	1718	1747	1823	1886	2048	2091	2145	2254	2332	2366	2416	2436	2454	2487	2532	2574	2615	2677	2788	2878
4.1. Claims on credits	1716	1745	1820	1884	2046	2089	2143	2252	2330	2364	2415	2435	2453	2485	2531	2574	2615	2677	2788	2878
4.2. Placements in securities	2	2	3	2	2	2	2	2	2	2	1	1	1	2	1	0	0	0	0	0
5. Other assets	328	335	362	369	427	408	444	504	369	398	378	385	402	403	418	422	459	439	512	406
B. LIABILITIES	2199	2231	2311	2389	2622	2674	2696	2810	2850	2917	2947	2979	3010	3040	3094	3183	3215	3263	3428	3407
1. Deposits	455	479	525	558	588	607	615	638	647	651	660	672	678	686	688	699	686	697	702	683
1.1. Denar sight deposits	24	22	23	25	24	23	23	30	27	28	30	30	28	27	29	30	37	34	32	35
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	519	527	525
1.3. Time deposits over 1 year	142	144	156	160	163	164	164	165	171	171	173	176	178	177	175	171	144	144	143	123
2. Securities	0	0	0	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	0	0	0
4. Capital accounts	1103	1112	1165	1162	1157	1178	1188	1203	1214	1226	1243	1252	1259	1257	1264	1275	1267	1290	1291	1292
5. Other liabilities	641	640	621	669	877	889	893	969	989	1040	1044	1055	1073	1097	1142	1209	1262	1276	1435	1432

Source: NBRM.



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

	XII.03	XII.04	XII.05	2006				2007												2008		
				III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
A. Net foreign assets	65792	68865	89738	96611	100288	105619	108042	106455	107140	108475	110951	113778	107566	110631	113010	111578	113946	112282	109791	111208	110638	106037
National Bank	42501	41824	66282	71907	77256	82064	85116	83884	83221	85066	87857	90799	87790	89659	91954	94209	95977	95873	94343	94939	95448	93487
Assets	45854	44686	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209	95977	95873	94343	94939	95448	93487
Liabilities	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59	59	0	0	0	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	16269	15190	12550
Assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175	38541	36865	38412	36425	35590	33580
Liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806	20572	20456	22964	20156	20400	21030
B. Net domestic assets	16676	26206	19545	16577	18220	19219	28288	29824	33173	34538	37587	38540	48712	49613	48103	50327	49494	54833	66205	65576	68969	72830
1.Domestic credits	50616	61356	62382	62714	65763	65575	77176	79487	83921	85601	88305	89928	100434	101445	100551	104481	105738	110889	123140	124935	129178	130614
of which: Claims on Gov.	288	-916	-11791	-15747	-19421	-21017	-17184	-16633	-14556	-15513	-14956	-15969	-9477	-11370	-15450	-15736	-15595	-13800	-5921	-7312	-7716	-10877
a) Deposit Money Banks	57666	69431	81371	88476	96610	99729	107866	109314	112162	115570	118545	122052	126931	129735	133725	134410	134348	137772	142100	144788	148019	152064
-in denar	44528	52575	64186	69847	75954	77855	84368	85822	87861	90626	93354	96169	99837	102258	105693	105391	105658	108192	111467	113471	116249	120101
Government	1447	1650	7118	9930	11340	12998	13377	13067	13562	14337	15165	16041	16907	16770	17557	14020	12805	12851	12784	12310	10867	10315
Credits	1437	1648	7115	9927	11317	12974	13355	13045	13539	14314	15142	16018	16883	16746	17533	13999	12784	12830	12763	12289	10845	10294
a) Budget and Line Ministries	687	1403	7033	9696	11015	12834	13095	12762	13241	14052	14994	15893	16777	16661	17469	13946	12739	12788	12724	12254	10813	10266
b) Funds	750	245	82	231	302	140	260	283	298	262	148	125	106	85	64	53	45	42	39	35	32	28
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	0	0	0
Accrued interest	10	2	3	3	23	24	22	22	23	23	23	23	24	24	24	21	21	21	21	21	22	21
Non-Government sector	43081	50925	57068	59917	64614	64857	70991	72755	74299	76289	78189	80128	82930	85488	88136	91371	92853	95341	98683	101161	105382	109786
Credits	38430	45750	51672	54473	58993	60349	66410	68057	69569	71537	73380	75288	78031	81138	83694	86908	88517	91022	94484	96822	101008	105345
of which: Overdue claims	9499	9160	9807	10146	10538	9682	9810	9737	9721	9560	9848	10180	10049	9653	9756	10125	9725	9825	8966	9379	9493	9744
Accrued interest	4651	5175	5396	5444	5621	4508	4581	4698	4730	4752	4809	4840	4899	4350	4442	4463	4336	4319	4199	4339	4374	4441
-in foreign currency	13138	16856	17185	18629	20656	21874	23498	23492	24301	24944	25191	25883	27094	27477	28032	29019	28690	29580	30633	31317	31770	31963
Government	5891	5509	80	85	86	139	129	127	123	119	119	114	113	150	167	173	210	232	255	231	258	258
of which: Overdue	0	0	0	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	31086	31512	31705
of which: Overdue	1502	1600	1748	1444	1693	1532	1650	1625	1473	1511	1566	1630	1611	1591	1748	1763	1691	1631	1516	1982	2112	1610
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	-19853	-18841	-21450
2. Other items, net	-33940	-35150	-42837	-46137	-47543	-46356	-48888	-49663	-50748	-51063	-50718	-51388	-51722	-51832	-52448	-54154	-56244	-56056	-56935	-59359	-60209	-57784

Source: NBRM.



Monetary survey (without saving houses)
in millions of denars

	XII.03	XII.04	XII.05	2006				2007												2008		
				III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
M4 Total	82468	95071	109283	113188	118508	124838	136330	136279	140313	143013	148538	152318	156278	160244	161113	161905	163440	167115	175996	176784	179607	178867
M4 (non-government sector)	80813	93947	108174	111912	117333	123869	135131	135262	139216	141473	147468	151242	155152	159208	160102	160861	162334	166154	175031	175288	178051	177329
M1 (Total)	28209	27885	30034	28431	31201	32419	35436	33102	34022	35281	36164	36484	36864	38448	39556	39864	39178	40290	46201	43551	44484	43210
M1 (non-government sector)	27273	27595	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319	37916	39051	39348	38566	39789	45758	43025	43895	42620
Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575	16290	17936	16419	16237	15746
Demand Deposits (total)	14032	13723	15595	14731	16621	17609	19230	18575	19036	20247	20633	21125	21020	21775	23176	23118	22603	24000	28265	27132	28247	27464
Demand Deposits (non-government sector)	13096	13433	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475	21243	22671	22602	21991	23499	27822	26606	27658	26874
- Deposit Money Banks	13954	13705	15577	14519	16509	17482	19207	18479	18705	19824	20159	20748	20814	21552	22699	22645	22175	23752	28117	26941	28008	27289
Non-government sector	13018	13415	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269	21020	22194	22129	21563	23251	27674	26415	27419	26699
Government	936	290	371	469	433	329	689	519	589	1027	456	530	545	532	505	516	612	501	443	526	589	590
a) Budget and Line Ministries	104	115	236	132	158	92	551	234	262	226	219	227	232	304	243	276	269	255	271	304	266	243
b) Funds	821	171	135	323	275	236	138	284	327	801	236	302	312	227	261	239	342	245	172	221	322	346
v) Ins. of Central Gov.: Courts, etc.	11	4	0	14	0	1	0	1	0	0	1	1	1	1	1	1	1	1	0	1	1	1
- National Bank (non-government sector)	78	18	18	212	112	127	23	96	331	423	474	377	206	223	477	473	428	248	148	191	239	175
M2 (Total)	77527	89906	104195	107835	112772	118872	129644	129731	133527	136240	140944	143911	147785	151132	152010	152443	153954	157420	165709	166498	168569	167307
M2 (non-government sector)	76028	88886	103134	106607	111645	117952	128494	128763	132480	134750	139924	142885	146709	150146	151049	151450	152899	156510	164857	165115	167126	165882
Short-term deposits (total)	49318	62021	74161	79404	81571	86453	94208	96629	99505	100959	104780	107427	110921	112684	112454	112579	114776	117130	119508	122947	124085	124097
Short-term deposits (non-government sector)	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390	112230	111998	112102	114333	116721	119099	122090	123231	123262
Deposit Money Banks	49318	62021	74161	79404	81571	86453	94208	96629	99505	100959	104780	107427	110921	112684	112454	112579	114776	117130	119508	122947	124085	124097
Non-Government sector	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390	112230	111998	112102	114333	116721	119099	122090	123231	123262
- in denar	15568	20483	24364	27889	28062	30638	36317	37295	39293	40511	43540	45648	48389	49353	48434	50045	52787	54061	55057	56108	56458	55902
- in foreign currency	33187	40808	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001	62877	63564	62057	61546	62660	64042	65982	66773	67360
Government	563	730	690	759	694	591	461	449	458	463	564	496	531	454	456	477	443	409	409	857	854	835
- in denar	538	703	689	759	694	590	460	448	457	462	563	496	531	454	456	477	443	408	408	855	852	834
- in foreign currency	25	27	1	0	0	1	1	1	1	1	1	0	0	0	0	0	0	1	1	2	2	1
- National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term deposits (total)	4941	5165	5088	5353	5736	5966	6686	6548	6786	6773	7594	8407	8493	9112	9103	9462	9486	9695	10287	10286	11038	11560
- in denar	3653	3464	3105	3171	3303	3292	3678	3641	3739	3799	4536	4734	4938	5217	5407	5549	5175	5237	5783	5898	6089	6491
- in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	4388	4949	5069
Non-government sector	4785	5061	5040	5305	5688	5917	6637	6499	6736	6723	7544	8357	8443	9062	9053	9411	9435	9644	10174	10173	10925	11447
- in denar	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749	4486	4684	4888	5167	5357	5498	5124	5186	5670	5785	5976	6378
- in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	4388	4949	5069
-Deposit Money Banks	4941	5165	5088	5353	5736	5966	6686	6548	6786	6773	7594	8407	8493	9112	9103	9462	9486	9695	10287	10286	11038	11560
Non-Government sector - in denar	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749	4486	4684	4888	5167	5357	5498	5124	5186	5670	5785	5976	6378
Non-Government sector - in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	4388	4949	5069
Government - in denar	156	104	48	48	48	49	49	49	50	50	50	50	50	50	50	51	51	51	113	113	113	113
Government - in foreign currency	0	0	0	0	0	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	0	0	0	0	0
Total deposits	68291	80909	94844	99488	103928	110028	120124	121752	125327	127979	133007	136959	140434	143571	144733	145159	146865	150825	158060	160365	163370	163121
Total deposits (non-government sector)	66636	79785	93735	98212	102753	109059	118925	120735	124230	126439	131937	135883	139308	142535	143722	144115	145759	149864	157095	158869	161814	161583

Source: NBRM.



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

	XII.05	2006				2007												2008		
		III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
A. Net foreign assets	89738	96611	100288	105619	108042	106455	107140	108475	110951	113778	107566	110631	113010	111578	113946	112282	109791	111208	110638	106037
National Bank	66282	71907	77256	82064	85116	83884	83221	85066	87857	90799	87790	89659	91954	94209	95977	95873	94343	94939	95448	93487
Assets	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209	95977	95873	94343	94939	95448	93487
Liabilities	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59	59	0	0	0	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	16269	15190	12550
Assets	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175	38541	36865	38412	36425	35590	33580
Liabilities	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806	20572	20456	22964	20156	20400	21030
B. Net domestic assets	20000	17056	18745	19777	28877	30431	33789	35176	38234	39191	49372	50285	48781	51013	50182	55532	66891	66273	69671	73513
I.Domestic credits	64162	64518	67649	67533	79379	81713	86130	87919	90708	92360	102921	103952	103070	107010	108311	113494	125792	127650	132004	133530
of which: Claims on Gov.	-11729	-15690	-19358	-20945	-17029	-16498	-14492	-15449	-14885	-15903	-9406	-11299	-15385	-15694	-15554	-13769	-5884	-7274	-7678	-10839
a) Deposit Money Banks	83151	90280	98496	101687	110069	111540	114371	117888	120948	124484	129418	132242	136244	136939	136921	140377	144752	147503	150845	154980
-in denar	65966	71651	77840	79813	86571	88048	90070	92944	95757	98601	102324	104765	108212	107920	108231	110797	114119	116186	119075	123017
Government	7180	9987	11403	13070	13532	13202	13626	14401	15236	16107	16978	16841	17622	14062	12846	12882	12821	12348	10905	10353
Credits	7177	9984	11380	13046	13510	13180	13603	14378	15213	16084	16954	16817	17598	14041	12825	12861	12800	12327	10883	10332
a) Budget and Line Ministries	7095	9753	11078	12906	13250	12897	13305	14116	15065	15959	16848	16732	17534	13988	12780	12819	12761	12292	10851	10304
b) Funds	82	231	302	140	260	283	298	262	148	125	106	85	64	53	45	42	39	35	32	28
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	0
Accrued interest	3	3	23	24	22	22	23	23	23	23	24	24	24	21	21	21	21	21	22	21
Non Government sector	58786	61664	66437	66743	73039	74846	76444	78543	80521	82494	85346	87924	90590	93858	95385	97915	101298	103838	108170	112664
Credits	53371	56199	60793	62212	68435	70124	71687	73765	75684	77625	80418	83545	86119	89365	91017	93565	97070	99468	103764	108191
of which: Overdue claims	9915	10267	10666	9813	9939	9872	9861	9701	9993	10326	10208	9809	9920	10291	9896	9990	9135	9555	9664	9913
Accrued interest	5415	5465	5644	4531	4604	4722	4757	4778	4837	4869	4928	4379	4471	4493	4368	4350	4228	4370	4406	4473
-in foreign currency	17185	18629	20656	21874	23498	23492	24301	24944	25191	25883	27094	27477	28032	29019	28690	29580	30633	31317	31770	31963
Government	80	85	86	139	129	127	123	119	119	114	113	150	167	173	210	232	255	231	258	258
of which: Overdue	0	0	0	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	31086	31512	31705
of which: Overdue	1748	1444	1693	1532	1650	1625	1473	1511	1566	1630	1611	1591	1748	1763	1691	1631	1516	1982	2112	1610
b) Nat. Bank Claims on Government	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969	-30240	-32124	-26497	-28290	-33174	-29929	-28610	-26883	-18960	-19853	-18841	-21450
2. Other items, net	-44162	-47462	-48904	-47756	-50502	-51282	-52341	-52743	-52474	-53169	-53549	-53667	-54289	-55997	-58129	-57962	-58901	-61377	-62333	-60017

Source: NBRM.



Monetary survey (with saving houses)
in millions of denars

	XII.05	2006				2007												2008		
		III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
M4 Total	109738	113667	119033	125396	136919	136886	140929	143651	149185	152969	156938	160916	161791	162591	164128	167814	176682	177481	180309	179550
M4 (non-government sector)	108629	112391	117858	124427	135720	135869	139832	142111	148115	151893	155812	159880	160780	161547	163022	166853	175717	175985	178753	178012
M1 (Total)	30034	28431	31201	32419	35436	33102	34022	35281	36164	36484	36864	38448	39556	39864	39178	40290	46201	43551	44484	43210
M1 (non-government sector)	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319	37916	39051	39348	38566	39789	45758	43025	43895	42620
Currency in circulation	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575	16290	17936	16419	16237	15746
Demand Deposits (total)	15595	14731	16621	17609	19230	18575	19036	20247	20633	21125	21020	21775	23176	23118	22603	24000	28265	27132	28247	27464
Demand Deposits (non-government sector)	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475	21243	22671	22602	21991	23499	27822	26606	27658	26874
- Deposit Money Banks	15577	14519	16509	17482	19207	18479	18705	19824	20159	20748	20814	21552	22699	22645	22175	23752	28117	26941	28008	27289
Non-government sector	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269	21020	22194	22129	21563	23251	27674	26415	27419	26699
Government	371	469	433	329	689	519	589	1027	456	530	545	532	505	516	612	501	443	526	589	590
a) Budget and Line Ministries	236	132	158	92	551	234	262	226	219	227	232	304	243	276	269	255	271	304	266	243
b) Funds	135	323	275	236	138	284	327	801	236	302	312	227	261	239	342	245	172	221	322	346
v) Ins. of Central Gov.: Courts, etc.	0	14	0	1	0	1	0	0	1	1	1	1	1	1	1	1	0	1	1	1
- National Bank (non-government sector)	18	212	112	127	23	96	331	423	474	377	206	223	477	473	428	248	148	191	239	175
M2 (Total)	104508	108170	113141	119270	130069	130174	133978	136713	141420	144391	148272	151628	152510	152952	154467	157948	166251	167051	169128	167867
M2 (non-Government sector)	103447	106942	112014	118350	128919	129206	132931	135223	140400	143365	147196	150642	151549	151959	153412	157038	165399	165668	167685	166442
Short-term deposits (total)	74474	79739	81940	86851	94633	97072	99956	101432	105256	107907	111408	113180	112954	113088	115289	117658	120050	123500	124644	124657
Short-term deposits (non-government sector)	73784	78980	81246	86260	94172	96623	99498	100969	104692	107411	110877	112726	112498	112611	114846	117249	119641	122643	123790	123822
Deposit Money Banks	74474	79739	81940	86851	94633	97072	99956	101432	105256	107907	111408	113180	112954	113088	115289	117658	120050	123500	124644	124657
Non-Government sector	73784	78980	81246	86260	94172	96623	99498	100969	104692	107411	110877	112726	112498	112611	114846	117249	119641	122643	123790	123822
- in denar	24677	28224	28431	31036	36742	37738	39744	40984	44016	46128	48876	49849	48934	50554	53300	54589	55599	56661	57017	56462
- in foreign currency	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001	62877	63564	62057	61546	62660	64042	65982	66773	67360
Government	690	759	694	591	461	449	458	463	564	496	531	454	456	477	443	409	409	857	854	835
- in denar	689	759	694	590	460	448	457	462	563	496	531	454	456	477	443	408	408	855	852	834
- in foreign currency	1	0	0	1	1	1	1	1	1	0	0	0	0	0	0	1	1	2	2	1
- National Bank	0	0	0	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	10430	11181	11683
- in denar	3247	3315	3459	3452	3842	3805	3904	3964	4707	4905	5111	5393	5585	5726	5350	5408	5927	6042	6232	6614
- in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	4388	4949	5069
Long-term deposits (Non-government sector)	5182	5449	5844	6077	6801	6663	6901	6888	7715	8528	8616	9238	9231	9588	9610	9815	10318	10317	11068	11570
- in denar	3199	3267	3411	3403	3793	3756	3854	3914	4657	4855	5061	5343	5535	5675	5299	5357	5814	5929	6119	6501
- in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	4388	4949	5069
-Deposit Money Banks	5230	5497	5892	6126	6850	6712	6951	6938	7765	8578	8666	9288	9281	9639	9661	9866	10431	10430	11181	11683
Non-Government sector - in denar	3199	3267	3411	3403	3793	3756	3854	3914	4657	4855	5061	5343	5535	5675	5299	5357	5814	5929	6119	6501
Non-Government sector - in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	4388	4949	5069
Government - in denar	48	48	48	49	49	49	50	50	50	50	50	50	50	51	51	51	113	113	113	113
Government - in foreign currency	0	0	0	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	0	0	0
Total deposits	95299	99967	104453	110586	120713	122359	125943	128617	133654	137610	141094	144243	145411	145845	147553	151524	158746	161062	164072	163804
Total deposits (non-government sector)	94190	98691	103278	109617	119514	121342	124846	127077	132584	136534	139968	143207	144400	144801	146447	150563	157781	159566	162516	162266

Source: NBRM.



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

	XII.03	XII.04	XII.05	2006				2007												2008		
				III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Credits to non-government sector	45677	57094	68777	73017	79565	82083	89774	91417	93743	96362	98448	101057	105019	108453	111551	115751	117000	120366	124858	127907	132518	137039
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	96819	101014	105337
1.2. in foreign currency	7247	11347	17105	18544	20571	21733	23366	23362	24176	24823	25067	25767	26984	27323	27868	28843	28481	29346	30379	31088	31504	31702
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	49748	52138	53610
2.2. long-term	18229	27330	37862	40075	44189	47529	53314	53979	55714	57808	59314	60852	63684	66155	67954	69592	71162	73793	77060	78159	80380	83429
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	49651	51481	53390
3.2. enterprises	36058	41681	46987	49842	53874	54377	58805	59498	61239	62647	63299	64307	66704	67950	69493	72226	72072	73711	76281	77903	80725	83337
3.3. other	214	137	165	96	89	81	105	102	115	108	109	122	116	272	273	274	307	319	314	353	312	312
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	39.92	41.36	42.21
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	42.27	45.20	47.24
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	33.07	30.31	27.71
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	32.88	37.10	39.05
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	44.80	44.27	44.32
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	56.05	58.95	58.87
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	30.93	31.82	33.03
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	246.08	171.30	188.89

Source: NBRM.



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

				2006				2007												2008		
	XII.03	XII.04	XII.05	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746	16575	16290	17936	16419	16237	15746
2. Demand Deposits	13096	13433	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475	21243	22671	22602	21991	23499	27822	26606	27658	26874
3. (1+2) Money supply M1	27273	27595	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319	37916	39051	39348	38566	39789	45758	43025	43895	42620
4. Short-term deposits	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390	112230	111998	112102	114333	116721	119099	122090	123231	123262
4.1. in denars	15568	20483	24364	27889	28062	30638	36317	37295	39293	40511	43540	45648	48389	49353	48434	50045	52787	54061	55057	56108	56458	55902
4.2. in foreign currency	33187	40808	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001	62877	63564	62057	61546	62660	64042	65982	66773	67360
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	99133	100353	98522
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	165115	167126	165882
7. Long-term deposits	4785	5061	5040	5305	5688	5917	6637	6499	6736	6723	7544	8357	8443	9062	9053	9411	9435	9644	10174	10173	10925	11447
7.1. in denars	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749	4486	4684	4888	5167	5357	5498	5124	5186	5670	5785	5976	6378
7.2. in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913	4311	4458	4504	4388	4949	5069
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	175288	178051	177329
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	13.02	8.35	4.74
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	47.35	49.93	39.82
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	32.05	31.29	24.42
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	26.94	24.42	22.65
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	50.44	43.68	37.99
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	12.05	11.75	12.29
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	37.99	31.78	
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	28.23	26.15	23.10
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	56.53	62.19	70.27
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	61.05	62.00	70.13
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	50.95	62.42	70.44
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	29.59	27.90	25.34

Source: NBRM.



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		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					
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				
	XII	28718	20058	19017	29759	60	459	7890	1601	25	0				
2007	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				
2008	I	42015	26808	26069	42754	0	452	6803	1815	12	0				
	II	44538	26965	27762	43741	0	441	6795	1968	21	0				
	III	46914	27505	28975	45444	0	436	6982	1466	37	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	
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
	XII	27290	1660	5864	23086	455	4828	3832	6	1781	18048	0	0	1866	47
2007	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	109
2008	I	44858	2279	12292	34845	642	10803	5777	20	2736	27159	0	0	2384	129
	II	46418	2417	12743	36092	652	11219	5917	20	2847	28180	0	0	2503	142
	III	48122	2571	13249	37444	659	11685	6091	22	2950	29286	0	0	2564	141

Source: NBRM.



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
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
2008 I	102	16	8	110	0	0	192	38	5	0
II	100	15	8	107	0	0	195	2	0	0
III	95	16	6	105	0	0	198	2	0	0

II. GOVERNMENT										
Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements	
	By currency		By maturity		By maturity					
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term				
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	
2008 I	59	231	15	275	6048	6182	0		0	
II	56	258	16	298	4624	6165	0		0	
III	51	258	21	288	4205	6038	0		0	

Source: NBRM.



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

Period	Deposits										Securities		Other Denar credit		
	In denars						In foreign currency						liabilities		
	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	
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
2008	I	18482	550	12808	6876	838	65	7624	9582	42	444	0	0	0	0
	II	19184	361	13527	6979	899	79	8011	9704	42	559	0	0	0	0
	III	18441	383	15511	5279	928	66	7243	10418	38	755	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		
2008	I	5738	7882	10775	15840	3049	0	21811	26737	3558	0	0	0		
	II	6125	7313	10845	16040	3078	0	21358	27497	4005	0	0	0		
	III	6247	6763	10541	16029	3178	0	21190	28296	4276	0	0	0		

Source: NBRM.



Total claims on deposit money banks
in millions of denars

Period	Deposits										Securities		Other Denar credit	
	In denars						In foreign currency						liabilities	
	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
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
	XII	1951	0	274	303	171	165	272	0	0	0	0	0	1072
2007	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
2008	I	2195	0	975	398	714	177	222	0	0	0	0	0	1286
	II	2110	0	962	428	786	178	200	0	0	0	0	0	1299
	III	2011	0	959	435	855	179	208	0	0	0	0	0	1172
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
	XII	689	0	362	98	49	0	1					0	0
2007	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
2008	I	526	0	776	79	113	0	2					0	0
	II	589	0	771	79	113	0	2					0	0
	III	590	0	684	148	113	0	1					0	0

Source: NBRM.



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	I.08	II.08	III.08
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	9.8	9.7	9.7
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	10.2	10.1	10.1
<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	8.8	8.8	8.7
- 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	8.5	8.5	8.5
- 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	13.2	13.1	12.3
<i>Interest rates on long-term credits without FX clause</i>	13.5	13.0	12.8	12.3	11.7	11.6	11.6	11.4	11.4	11.4	11.3	11.3	11.2	11.1	11.2	11.4	11.3	11.3	11.2	11.2
- 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	8.4	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	13.2	13.1	13.0
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	9.4	9.3	9.2
<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	7.3	7.2	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	7.4	7.2	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	7.1	7.3	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	9.5	9.4	9.3
- 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	9.4	9.5	9.5	9.4	9.3	9.1	9.0	8.9
- 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	9.8	9.7	9.6
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	5.4	5.5	5.6
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	5.7	5.9	5.9
<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	5.3	5.4	5.5
- 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	2.3	3.3	3.5
- 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	5.3	5.3	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	7.4	7.5	7.6
<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	5.9	6.0	6.1
- 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	1.0	1.0	1.0
- 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	7.1	7.1	7.2
- 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	8.2	8.2	8.2
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	3.8	3.8	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	3.7	3.8	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	3.7	3.8	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	4.0	4.0	3.9
<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	8.4	8.4	8.4	8.4	8.3	8.3	8.2	8.2
- on short-term deposits					8.8	8.8	8.9	8.9	8.9	8.9	8.9	8.9	8.4	8.4	8.4	8.4	8.3	8.3	8.1	8.1
- on long-term deposits													8.0	8.0	8.0	8.0	8.0	9.0	9.0	9.9

Source: NBRM.



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	I.08	II.08	III.08
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	8.2	8.1	8.1
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	7.6	7.4	7.4
<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	7.6	7.4	7.4
- 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	7.7	7.6	7.7
- 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	5.7	4.9	4.5
<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	12.1	12.0	12.0
- 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	12.1	12.0	12.0
- 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	8.4	8.3	8.4
<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	8.4	8.3	8.3
- 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	8.5	8.4	8.4
- 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	6.6	5.6	5.3
<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	8.5	8.4	8.5
- 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	8.5	8.4	8.5
- 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	4.5	4.5	4.4
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	2.2	2.2
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	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	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	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	0.6	0.5	0.4
- 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	3.6	3.6	3.4
- 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	3.6	3.6	3.5
- 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	3.6	3.6	2.6
- 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	3.1	3.9	3.4	2.7	2.9	3.0
- 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	3.1	3.9	3.4	2.7	2.9	3.0
- 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	2.0	2.1	2.2
- 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	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	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	0.6	0.5	0.5
- 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	2.8	2.9	2.9
- 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	2.9	3.0	3.0
- 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	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	3.7	3.9	3.7	3.7	3.8	3.8	3.9	4.0
- 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	3.9	4.1	4.1
- 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	2.9	2.8	2.8

Source: NBRM.



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
2008 I	6.5	7.5			4.9
II	6.5	7.5			5.2
III	6.5	7.5			5.9

* 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: NBRM.



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 (%)	Remuneration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Remuneration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Remuneration 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
2008 I	10.0	8,734	8,966	232	102.7	2.0	10.0	7,394		2.5	17	2.0
II	10.0	9,193	9,555	362	103.9	2.0	10.0	8,455		2.5	17	2.0
III	10.0	9,398	9,622	224	102.4	2.0	10.0	8,555		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: NBRM.



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				
2008 I	5.1	5.4	5.7		
II	5.1	5.3		6.3	
III	5.8	5.6	6.5		6.8

Source: NBRM.



Table 20
Republic of Macedonia: balance of payments /1
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	-248.1
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. /2	-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	-35.8
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	248.9
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	-28.6

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 /1
in EUR Million

	I. Current Account												II. Capital and Financial Account															III. Errors and Omissions			
	Goods						Services			Income /5			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-finan.assets	Direct investment				Portfolio investment			Other investment				Gross official reserves (= increase) ³				
																Net	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	-170.9	-1172.8	2441.5	-3614.3	25.5	594.2	568.7	-33.4	155.2	188.6	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	-23.4
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
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
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
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	-134.5	-167.2	212.4	-379.5	-6.9	62.1	69.0	-4.2	13.9	18.0	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	0.0
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
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
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
Q4	-271.2	-455.8	635.9	-1091.7	2.4	174.0	171.6	-16.1	40.8	56.9	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	-4.0
2008	-188.1	-370.7	611.5	-982.2	-0.6	144.0	144.6	7.4	51.4	43.9	175.8	257.9	82.1	200.8	-1.0	-1.0	0.0	201.8	128.0	115.6	12.5	-8.3	-0.3	-8.0	74.0	-0.9	0.7	61.0	13.2	8.0	-12.8
I	-35.3	-115.1	181.7	-296.9	8.7	53.7	45.0	10.7	25.9	15.2	60.4	84.8	24.4	39.4	-0																



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

	Services, net	SERVICES																										
		Inflow	Outflow	1. Travel			2. Transportation			3. Other services																		
				Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Total, inflow	Communi- cations	Construc- tion	Insurance	Inflow				Total, outflow	Communi- cations	Construc- tion	Insurance	Outflow					
															Business services		Government services	Other					Business services		Government 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
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
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
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
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
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
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
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
2008	-0.6	144.0	144.6	10.5	30.0	19.5	-14.1	44.7	58.8	2.9	69.2	10.8	12.2	1.4	30.3	3.5	2.6	3.1	11.4	66.3	5.8	0.4	4.1	34.2	3.4	0.7	7.4	14.4
I	8.7	53.7	45.0	6.4	12.8	6.3	-4.5	14.6	19.1	6.8	26.3	3.6	6.1	0.6	11.8	1.0	1.0	0.9	3.3	19.5	2.0	0.1	1.7	10.4	1.7	0.2	1.8	3.6
II	-5.5	41.1	46.6	1.6	7.8	6.2	-3.5	15.4	19.0	-3.5	17.9	4.0	1.2	0.5	7.1	1.3	1.0	1.1	3.9	21.4	2.1	0.2	1.3	10.6	0.8	0.3	1.7	5.5
III	-3.9	49.1	53.0	2.5	9.4	6.9	-6.1	14.7	20.7	-0.3	25.0	3.1	4.9	0.2	11.3	1.2	0.6	1.1	4.3	25.3	1.7	0.1	1.0	13.3	0.9	0.2	3.9	5.3
Q1	-0.6	144.0	144.6	10.5	30.0	19.5	-14.1	44.7	58.8	2.9	69.2	10.8	12.2	1.4	30.3	3.5	2.6	3.1	11.4	66.3	5.8	0.4	4.1	34.2	3.4	0.7	7.4	14.4

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	-33.4	75.1	77.0	1.8	-108.5	-92.5	1.8	94.3	1.9	9.4	7.5	-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
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
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
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	-4.2	4.9	5.1	0.2	-9.1	1.9	0.0	-1.9	-5.1	2.0	7.1	-5.9	6.8	12.7
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
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
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
Q4	-16.1	21.7	22.2	0.5	-37.8	-25.0	0.1	25.1	-4.5	2.7	7.2	-8.3	15.9	24.1
2008	7.4	21.5	22.2	0.6	-14.1	-23.5	0.0	23.5	16.4	16.5	0.1	-7.0	12.7	19.7
I	10.7	8.9	9.2	0.3	1.8	-8.2	0.0	8.2	9.7	9.7	0.0	0.3	6.9	6.7
II	1.6	8.3	8.5	0.2	-6.7	-7.1	0.0	7.1	2.6	2.6	0.0	-2.2	3.1	5.3
III	-4.9	4.3	4.5	0.2	-9.2	-8.3	0.0	8.3	4.1	4.1	0.0	-5.1	2.6	7.8
Q1	7.4	21.5	22.2	0.6	-14.1	-23.5	0.0	23.5	16.4	16.5	0.1	-7.0	12.7	19.7

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
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
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
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
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
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
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
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
2008	175.8	7.7	13.2	10.1	3.1	5.5	2.0	3.5	168.1	34.6	39.8	5.2	104.1	171.2	67.1	29.4	33.7	4.3
I	60.4	0.5	4.7	4.0	0.7	4.1	1.3	2.8	59.9	10.3	12.5	2.3	39.8	56.7	16.9	9.8	10.9	1.1
II	58.9	4.4	5.2	3.7	1.5	0.7	0.3	0.4	54.5	11.2	12.8	1.6	33.4	55.8	22.4	9.9	11.5	1.7
III	56.5	2.7	3.3	2.4	1.0	0.6	0.3	0.3	53.8	13.2	14.5	1.4	30.9	58.7	27.8	9.8	11.3	1.5
Q1	175.8	7.7	13.2	10.1	3.1	5.5	2.0	3.5	168.1	34.6	39.8	5.2	104.1	171.2	67.1	29.4	33.7	4.3

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, excl.reserve assets	Capital and Financial Account, excluding reserve assets																						
		A. Capital account, net			Financial account, net	B. Financial account, excluding reserve assets																		
		Net	Capital transfers, net	Acquisition/disposal of non-produced, non-fin. assets		1. Direct investment			2. Portfolio investment			3. Other investment, net	3.1. Trade credits, net	3.2. Loans			3.3. Currency and deposits					3.4. Other, net		
						Net	Inward	Outward	Net	Assets	Liabilities			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	-1.1	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	1.5	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	-4.3	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	4.1	-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	0.2	-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	0.1	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	0.1	-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	0.1	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	3.1	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	0.1	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	0.1	-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	0.1	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	0.1	-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	0.1	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	0.1	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	0.4	-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	3.2	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	0.2	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	0.2	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	-0.6	-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
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	-0.2	-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	-0.1	-86.9	-85.6	-1.3	31.4	0.0	0.0	37.9	-6.4	13.3
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	0.0	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
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	0.1	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	0.1	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	0.2	12.5	11.3	1.2	17.9	0.0	0.0	18.6	-0.7	29.5
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
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	-0.4	-124.3	-125.3	0.9	20.2	0.0	0.0	41.2	-20.9	22.9
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	-0.7	13.3	2.3	11.0	12.8	0.0	0.0	26.9	-14.0	14.6
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	0.4	46.3	52.5	-6.2	-10.3	-0.1	0.0	4.2	-14.5	36.3
2008	192.8	-1.0	-1.0	0.0	193.8	128.0	115.6	12.5	-8.3	-0.3	-8.0	74.0	-0.9	0.7	0.1	0.6	-3.1	3.7	61.0	10.7	0.0	47.4	2.9	13.2
I	32.9	-0.3	-0.3	0.0	33.2	35.6	27.0	8.6	-0.9	-0.1	-0.8	-1.4	-4.9	0.1	0.0	0.1	-1.9	2.0	-4.0	7.4	0.0	-9.4	-1.9	7.3
II	89.8	-0.3	-0.3	0.0	90.1	61.4	56.2	5.2	-3.4	-0.1	-3.3	32.2	1.3	8.9	0.0	8.9	-2.1	10.9	19.7	0.1	0.0	19.4	0.1	2.3
III	70.1	-0.3	-0.3	0.0	70.4	31.1	32.3	-1.3	-3.9	-0.1	-3.8	43.3	2.7	-8.3	0.1	-8.4	0.8	-9.2	45.3	3.2	0.0	37.4	4.7	3.5
Q1	192.8	-1.0	-1.0	0.0	193.8	128.0	115.6	12.5	-8.3	-0.3	-8.0	74.0	-0.9	0.7	0.1	0.6	-3.1	3.7	61.0	10.7	0.0	47.4	2.9	13.2

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								EXPORT		IMPORT																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
	2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				2003		2004	2005	2006				200	

Source: State Statistical Office of the Republic of Macedonia



Table 27
Foreign trade by countries
in USD Million

	EXPORT								IMPORT								EXPORT								IMPORT								EXPORT		IMPORT
	2003		2004		2005		2006				2003		2004		2005		2006				2007		2007				2007				2008		2008		
	Total	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						
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	919.17	1,574.60							
Serbia and Montenegro	274.99	347.60	459.66	88.26	141.80	177.30	150.49	557.85	212.80	243.72	264.21	49.12	71.59	74.62	87.52	282.85																			
Serbia																	133.04	148.24	172.24	185.90	639.42	75.95	95.93	108.94	167.58	448.40	200.56	135.42							
Montenegro																	4.35	7.76	7.68	7.89	27.69	0.16	0.35	0.40	0.42	1.34	8.48	0.23							
Germany	279.39	317.22	364.21	87.42	88.21	100.37	99.48	375.48	304.77	368.19	336.14	74.05	97.78	91.06	106.38	369.27	115.30	105.14	131.58	132.00	484.02	102.86	123.26	122.66	176.53	525.32	154.19	139.67							
Greece	180.40	228.76	313.15	60.21	98.55	119.93	82.48	361.16	300.58	282.64	297.72	62.50	90.42	75.38	91.58	319.88	97.20	110.85	95.89	116.47	420.41	96.47	104.32	102.24	110.32	413.35	124.00	110.76							
Italy	95.41	134.55	169.81	52.76	56.22	62.86	65.00	236.85	123.13	168.81	194.12	41.16	61.50	57.45	66.80	226.92	73.83	102.03	76.53	94.37	346.77	54.30	87.44	68.00	93.79	303.54	74.59	75.01							
Bulgaria	25.83	51.54	76.10	19.73	31.01	37.28	42.13	130.14	149.21	209.75	234.41	48.96	73.38	60.80	67.03	250.17	48.76	57.18	65.65	70.87	242.46	54.58	56.31	67.45	88.77	267.10	95.04	77.03							
Croatia	66.17	80.16	81.08	26.96	34.69	30.61	31.97	124.23	63.55	65.78	75.25	14.55	20.58	21.56	22.28	78.96	31.91	38.32	37.71	55.92	163.87	23.23	29.95	27.00	29.56	109.74	47.90	33.36							
Belgium	9.70	15.16	34.64	11.33	14.58	21.65	35.60	83.15	16.70	22.10	27.28	4.11	6.77	7.10	8.24	26.22	38.03	55.79	38.52	45.49	177.83	5.64	7.49	7.21	11.58	31.92	23.49	9.52							
Bosnia and Herzegovina	23.79	33.23	50.46	11.06	15.66	17.75	20.23	64.70	11.75	16.31	23.58	5.29	6.70	7.17	7.37	26.53	17.75	22.76	21.94	25.57	88.02	6.39	7.66	10.14	10.32	34.52	22.37	8.75							
Netherlands	47.33	47.31	44.58	11.74	12.97	16.67	14.00	55.39	49.60	57.13	53.31	14.92	14.78	14.54	15.53	59.77	17.34	18.22	21.20	15.00	71.76	15.40	16.78	17.18	24.56	73.92	18.64	22.68							
Turkey	32.81	53.95	46.31	14.41	12.83	13.19	14.74	55.18	78.82	94.88	113.90	23.32	32.49	30.10	38.00	123.92	9.82	10.74	18.72	13.98	53.25	37.20	47.82	50.39	59.35	194.77	9.65	56.66							
Spain	21.29	23.03	14.01	2.21	9.66	12.83	25.71	50.40	24.61	30.97	32.36	9.67	13.07	13.24	15.75	51.73	51.37	75.16	23.74	22.68	172.95	11.44	14.23	11.22	13.89	50.77	16.45	12.52							
Slovenia	21.34	27.19	31.81	7.89	10.16	12.75	10.38	41.18	139.07	140.34	128.02	26.27	34.88	33.61	34.65	129.41	13.57	20.31	19.60	15.24	68.71	29.30	35.81	39.45	49.99	154.55	12.87	42.50							
Albania	17.42	23.59	27.52	8.36	8.20	12.29	11.70	40.56	3.96	6.35	9.08	2.16	3.24	3.33	3.00	11.72	15.14	17.01	20.35	20.20	72.69	2.43	4.49	6.94	5.66	19.52	19.86	6.09							
GBritain	35.18	42.46	42.94	8.02	8.17	9.58	10.69	36.46	39.48	54.75	44.16	6.36	9.83	9.14	11.84	37.17	15.56	26.84	18.22	14.47	75.10	11.77	13.51	11.78	12.86	49.92	18.99	16.11							
Russia	13.74	19.67	21.42	6.01	6.37	8.34	4.77	25.48	178.97	271.01	425.24	137.46	98.63	150.55	182.93	569.58	4.88	5.28	6.82	6.59	23.57	157.44	99.05	171.99	214.80	643.28	5.74	265.51							
USA	72.80	72.06	44.45	6.42	6.55	5.77	3.68	22.42	56.55	47.95	45.21	8.69	11.28	9.66	11.37	41.00	6.24	9.66	15.13	20.57	51.60	16.57	22.08	19.59	19.67	77.92	3.10	20.30							
Sweden	5.65	5.75	8.34	3.36	4.68	3.80	7.61	19.44	20.18	25.10	20.06	4.56	9.42	9.35	6.18	29.51	4.16	2.19	5.40	3.09	14.83	8.27	11.56	17.10	17.95	54.88	1.66	12.58							
Austria	7.68	8.51	9.00	2.48	3.56	4.62	4.34	14.99	56.20	68.86	69.21	16.38	26.95	19.60	17.63	80.56	4.54	5.36	5.04	4.93	19.87	16.74	23.70	26.60	34.39	101.43	4.41	20.81							
Romania	1.39	1.83	4.19	2.11	2.70	3.60	4.89	13.30	14.38	113.06	64.91	6.39	20.89	34.50	30.09	91.87	5.35	2.93	4.32	6.04	18.64	31.23	17.27	16.21	31.78	96.49	6.73	19.64							
Czech	3.07	5.36	6.05	1.67	3.01	3.61	2.26	10.55	11.95	17.47	23.35	6.03	8.84	9.04	8.87	32.79	1.07	2.81	3.44	3.80	11.13	8.97	14.10	12.82	28.30	64.19	2.82	14.04							
France	54.66	77.32	19.91	1.29	3.49	2.71	2.80	10.29	51.51	67.55	60.98	13.02	17.57	15.87	19.79	66.25	3.98	4.88	2.63	4.43	15.92	17.56	20.68	21.58	29.72	89.54	4.35	26.18							
Switzerland	19.31	6.45	7.52	4.73	1.24	1.75	2.47	10.19	27.22	45.70	63.87	7.88	24.20	9.58	17.42	59.08	2.42	1.84	4.14	2.20	10.60	16.36	19.48	21.22	57.26	114.33	3.38	87.87							
Hungary	2.83	2.19	2.70	1.85	1.75	2.06	0.74	6.39	29.14	30.99	36.29	7.24	11.36	10.04	9.42	38.06	1.61	1.32	1.71	2.05	6.68	8.86	11.22	13.61	21.32	55.02	1.11	26.47							
Poland	0.49	2.62	4.04	1.04	1.14	1.84	2.32	6.33	26.42	78.31	94.65	17.17	31.48	34.82	34.22	117.69	1.45	2.54	3.53	3.54	11.07	34.30	35.27	40.54	52.28	162.40	4.35	46.56							
Cyprus	0.50	4.80	5.54	0.67	1.05	2.02	0.73	4.48	4.08	4.69	3.47	0.82	0.37	0.20	0.10	1.50	1.74	0.28	0.27	0.68	2.97	0.18	0.14	0.20	1.33	1.86	0.63	0.39							
Australia	2.47	2.52	1.71	0.44	0.48	0.55	0.80	2.27	6.72	2.73	4.29	0.47	0.52	0.32	0.46	1.78	0.89	0.44	0.83	1.39	3.55	0.59	0.84	1.14	0.87	3.44	0.64	0.30							
Ukraine	1.78	2.16	2.04	0.09	0.30	0.85	0.55	1.80	88.03	74.10	72.11	18.61	31.72	30.14	25.18	105.65	0.40	0.51	0.55	0.57	2.04	25.68	29.25	23.27	24.74	102.94	1.42	32.14							
Korea	0.12	1.96	1.37	0.00	0.00	0.00	1.65	1.65	14.02	23.38	33.69	9.08	10.98	10.70	10.48	41.24	0.00	0.00	0.00	0.00	0.00	11.11	12.05	14.40	16.77	54.33	0.31	12.53							
China	14.59	1.36	9.93	0.12	1.19	0.11	0.05	1.47	48.32	82.02	115.28	28.31	34.32	36.89	39.87	139.39	0.03	0.03	0.08	0.43	0.58	44.64	57.28	52.26	88.54	242.72	0.46	62.85							
Danmark	3.28	2.31	2.78	0.09	0.34	0.43	0.61	1.47	11.30	14.83	14.29	3.27	6.16	3.66	3.77	16.86	0.49	1.01	1.21	1.01	3.73	3.53	5.48	4.38	5.98	19.36	2.80	5.18							
Japan	5.76	2.72	8.40	0.74	0.14	0.24	0.11	1.23	19.35	24.37	22.76	6.20	8.10	6.24	6.42	26.96	0.24	0.14	0.16	0.13	0.67	6.77	8.85	8.51	16.54	40.67	0.25	12.66							
Canada	0.49	1.12	1.09	0.21	0.07	0.32	0.37	0.97	3.96	8.65	22.27	1.97	26.90	4.17	3.00	36.04	0.25	0.23	0.29	1.05	1.82	3.56	3.57	4.32	4.07	15.52	0.28	2.27							
Belarus	0.12	0.16	0.50	0.00	0.50	0.40	0.04	0.94	0.63	0.22	0.24	0.08	0.02	0.08	0.07	0.25	0.10	1.82	0.43	0.23	2.59	0.04	0.08	0.09	0.16	0.38	0.24	0.14							
Hong Kong	0.22	0.14	0.06	0.02	0.00	0.01	0.15	0.18	2.43	2.96	2.58	0.23	0.59	0.56	0.36	1.74	0.01	0.01	0.01	0.00	0.02	0.61	0.58	0.57	12.07	13.83	0.00	11.72							
Lithensien	0.00	0.31	0.28	0.00	0.00	0.12	0.00	0.13	0.72	0.96	0.60	0.12	0.07	0.02	0.02	0.22	0.02	0.02	0.00	0.00	0.05	0.01	0.13	0.07	0.06	0.27	0.00	0.01							
Argentina	0.01	0.31	1.59	0.00	0.01	0.00	0.00	0.01	5.59	9.88	8.74	3.08	2.59	2.67	2.35	10.68	0.00	0.00	0.01	0.00	0.01	3.10	2.85	3.23	4.16	13.34	0.00	3.17							
Bolivia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.81	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00													



Table 28

Stock of foreign direct investment in Republic of Macedonia by country /1
in EUR Million

Country	1997		1998		1999		2000	
FDI in Republic of Macedonia	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
Afghanistan	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
Australia	-0.1	0	0.2	0	0.3	0	0.3	0
Austria	17.6	12	30.1	11	39.5	11	33.0	6
Bahamas	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
Bermudas	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
Belize	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
Bulgaria	2.6	2	3.4	1	2.9	1	3.5	1
Byelorussia	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
Cayman Islands	0.1	0	0.1	0	0.1	0	0.0	0
China	0.0	0	0.0	0	0.0	0	0.0	0
Taiwan	0.0	0	0.0	0	0.0	0	2.8	0
Croatia	5.8	4	6.4	2	7.6	2	8.2	1
Cyprus	1.2	1	77.1	29	92.8	26	117.9	20
Czech Republic	0.0	0	0.1	0	0.1	0	0.1	0
Denmark	0.0	0	0.0	0	0.0	0	0.1	0
Dominikan Republic	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
France	0.2	0	0.4	0	0.4	0	8.0	1
Germany	9.3	7	14.1	5	15.9	4	50.2	9
Gibraltar	0.3	0	0.4	0	0.5	0	0.9	0
Greece	9.7	7	12.8	5	20.5	6	105.3	18
Hong Kong	0.0	0	0.0	0	0.3	0	0.3	0
Hungary	0.0	0	0.0	0	0.0	0	0.0	0
Iceland	0.9	1	0.1	0	0.1	0	0.1	0
India	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
Iraq	0.0	0	0.0	0	0.0	0	0.0	0
Ireland	0.0	0	-0.1	0	-0.1	0	0.1	0
Israel	0.0	0	0.2	0	0.1	0	0.1	0
Italia	9.9	7	11.0	4	11.4	3	11.4	2
Japan	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
Jordan	0.0	0	0.0	0	0.1	0	0.1	0
Lebanon	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
Liechtenstein	0.2	0	3.8	1	10.2	3	4.8	1
Luxembourg	0.2	0	1.8	1	1.9	1	2.3	0
Malaysia	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
Mexico	0.0	0	-0.9	0	0.1	0	0.0	0
Moldova, Republic of	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
Netherlands Antilles	0.0	0	0.0	0	0.0	0	0.0	0
Nigeria	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
Marshall Island	1.3	1	0.6	0	0.7	0	0.1	0
Pakistan	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
Poland	0.0	0	0.0	0	0.1	0	0.0	0
Portugal	0.0	0	0.0	0	0.0	0	0.0	0
Romania	0.0	0	0.0	0	0.0	0	0.1	0
Russia	3.5	3	5.5	2	2.5	1	0.0	0
Saint Vincent and the Grenadines	0.0	0	0.0	0	0.0	0	0.0	0
San Marino	0.0	0	0.0	0	0.0	0	0.0	0
Seychelles	0.0	0	0.0	0	0.0	0	0.0	0
Singapore	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
South Africa	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
Sweden	1.4	1	1.6	1	1.7	0	2.2	0
Switzerland	32.1	23	40.8	15	45.8	13	61.5	11
Syria	0.0	0	0.0	0	0.0	0	0.0	0
United Arab Emirates	0.0	0	0.0	0	0.0	0	0.0	0
Turkey	0.7	1	1.1	0	14.2	4	16.1	3
Ukraine	0.0	0	0.0	0	0.0	0	0.0	0
Great Britain	5.3	4	5.9	2	4.2	1	39.5	7
Isle of man	0.0	0	0.0	0	0.0	0	0.0	0
United States of America	1.4	1	2.4	1	4.1	1	12.5	2
Virgin Islands of the USA	0.0	0	0.0	0	0.0	0	0.0	0
Uzbekistan	0.0	0	0.0	0	0.0	0	0.0	0
Serbia and Montenegro	15.9	11	19.4	7	21.1	6	19.3	3
Slovakia	0.1	0	0.1	0	0.1	0	0.1	0
International Finance Corporation	0.0	0	0.0	0	0.0	0	0.0	0
European Bank for Reconstruction and Development	0.0	0	0.0	0	0.0	0	0.0	0
Central African Cantris development support bank	0.0	0	0.0	0	0.0	0	0.0	0
Northatlantic cooperation alliance	0.0	0	0.0	0	0.0	0	0.0	0
Total	141.2	100	270.4	100	359.9	100	580.1	100

Source: National Bank of the Republic of Macedonia

1/ Preliminary data



Stock of foreign direct investment in Republic of Macedonia by country /1
in EUR Million

Country	2001		2002		2003		2004		2005		2006	
FDI in Republic of Macedonia	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
Albania	0.6	0	2.1	0	2.0	0	4.4	0	3.6	0	11.6	1
Australia	0.4	0	1.8	0	2.1	0	2.1	0	2.1	0	2.3	0
Austria	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
Belgium	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
Bosnia and Hercegovina	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
British Virgin Islands	3.9	0	7.0	1	11.3	1	8.7	1	11.8	1	15.8	1
Bulgaria	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
Canada	0.1	0	0.1	0	0.3	0	0.4	0	0.5	0	1.1	0
Cayman Islands	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
China	0.0	0	0.1	0	0.2	0	0.9	0	1.1	0	1.4	0
Taiwan	4.2	0	3.5	0	3.3	0	2.5	0	0.8	0	2.2	0
Croatia	10.3	1	12.3	1	10.9	1	15.7	1	20.3	1	30.6	1
Cyprus	138.7	13	141.6	12	141.1	11	150.5	9	160.8	9	182.2	9
Czech Republic	0.1	0	0.2	0	0.2	0	0.3	0	0.3	0	0.3	0
Denmark	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
Finland	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
France	5.9	1	10.7	1	15.2	1	19.6	1	1.5	0	0.3	0
Germany	54.6	5	52.5	5	57.3	4	70.6	4	64.1	4	64.1	3
Gibraltar	0.8	0	1.0	0	0.4	0	0.4	0	0.5	0	0.7	0
Greece	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	0.0	0	0.0	0	0.0	0	0.0	0
Hungary	300.6	29	300.1	26	313.4	24	354.4	22	350.0	20	350.4	17
Iceland	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
Iran	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	0.1	0	0.0	0	0.0	0	0.0	0
Ireland	0.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Israel	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Italy	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
Johanson Island	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	0.0	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
Libya	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Liechtenstein	6.5	1	4.1	0	22.0	2	1.5	0	2.5	0	6.7	0
Luxembourg	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
Malta	0.0	0	0.0	0	0.0	0	-0.1	0	-0.2	0	-0.1	0
Mexico	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
Netherlands	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	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
Norway	0.1	0	0.1	0	0.0	0	-0.1	0	0.0	0	0.0	0
Marshall Island	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
Panama	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	0.0	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	1.8	0
Romania	0.1	0	0.3	0	0.3	0	0.5	0	0.4	0	0.1	0
Russia	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	36.1	2	17.6	1
San Marino	0.0	0	0.8	0	0.7	0	0.7	0	0.8	0	0.9	0
Seychelles	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
Slovenia	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
Spain	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Sweden	1.1	0	2.3	0	2.0	0	2.5	0	2.5	0	2.6	0
Switzerland	79.2	8	85.2	7	101.9	8	143.9	9	164.2	9	150.8	7
Syria	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	0.1	0	0.0	0	0.0	0
Turkey	16.2	2	18.0	2	18.9	1	26.5	2	25.1	1	27.7	1
Ukraine	0.0	0	0.0	0	0.2	0	0.6	0	3.6	0	3.3	0
Great Britain	26.6	3	21.9	2	34.7	3	38.4	2	38.2	2	67.4	3
Isle of man	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
United States of America	34.0	3	41.3	4	42.2	3	25.6	2	29.8	2	45.3	2
Virgin Islands of the USA	0.2	0	0.2	0	0.5	0	0.8	0	0.9	0	1.2	0
Uzbekistan	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	-0.1	0
Serbia and Montenegro	29.7	3	26.7	2	29.1	2	29.5	2	32.8	2	53.8	3
Slovakia	0.0	0	0.0	0	0.0	0	0.1	0	0.2	0	0.0	0
International Finance Corporation	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
European Bank for Reconstruction and Development	0.0	0	0.0	0	2.6	0	2.4	0	1.8	0	1.4	0
Central African Cantris development support bank	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Northatlantic cooperation alliance	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.9	0
Total	1,039.2	100	1160.7	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 29
Stock of foreign direct investment in Republic of Macedonia by activity /1
in EUR Million

Activity	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 %
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	0.9	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	0.6	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	31.03.2006	30.06.2006	30.09.2006	31.12.2006	31.03.2007	30.06.2007	30.09.2007	31.12.2007	31.03.2008
General Government	1,016.46	1,282.82	1,078.76	1,079.64	1,076.08	1,066.92	1,003.13	894.08	887.29	910.45	901.21
Short-term	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.64	0.00	0.00
Money market instruments	0.01	0.00	0.00	0.00	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	0.00	7.63	0.00	0.00
Trade credits	0.00	0.00	0.00	0.00	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	0.00	0.01	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1,016.45	1,282.82	1,078.76	1,079.64	1,076.08	1,066.92	1,003.13	894.08	879.65	910.45	901.21
Bonds and notes	23.25	187.47	190.99	191.87	191.67	191.74	191.04	187.07	185.00	183.03	183.00
Loans	993.20	1,095.36	887.76	887.77	884.41	875.19	812.09	707.01	694.65	727.41	718.21
Trade credits	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Monetary Authorities	45.97	52.66	51.81	47.82	47.26	42.39	38.09	0.00	0.00	0.00	0.00
Short-term	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	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	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	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Long-term	45.97	52.66	51.81	47.82	47.26	42.39	38.09	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	0.00	0.00	0.00	0.00
Loans	45.97	52.66	51.81	47.82	47.26	42.39	38.09	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	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	0.00	0.00	0.00	0.00
Banks	123.24	192.02	181.68	191.44	205.47	269.88	266.70	312.94	340.70	387.92	336.21
Short-term	67.32	81.41	72.25	77.76	83.57	115.44	111.15	144.87	165.51	175.93	132.46
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	7.04	1.30	0.00	0.00	0.00	0.00	24.22	30.76	41.67	16.50	10.72
Currency and deposits	51.71	69.46	61.74	67.18	72.85	104.70	77.56	104.54	114.30	152.26	112.52
Other debt liabilities	8.57	10.66	10.52	10.58	10.72	10.74	9.37	9.56	9.55	7.17	9.22
Arrears	8.57	10.66	10.52	10.58	10.72	10.74	9.37	9.56	9.55	7.17	9.22
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	55.93	110.60	109.42	113.68	121.90	154.44	155.55	168.07	175.19	211.99	203.75
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	55.79	106.40	103.29	107.48	115.91	146.31	147.36	159.90	166.73	202.07	188.93
Currency and deposits	0.14	4.20	6.14	6.20	5.99	8.13	8.20	8.17	8.47	9.92	14.82
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	600.40	721.01	664.92	727.28	701.21	786.69	823.94	846.00	868.99	973.37	995.99
Short-term	370.02	475.84	409.86	425.28	390.24	435.42	448.80	473.29	501.86	619.50	617.95
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	4.78	53.03	15.56	30.32	17.16	11.65	26.15	19.93	34.60	31.70	37.37
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	322.58	362.86	341.53	343.08	314.62	349.59	359.78	364.52	371.00	442.89	442.35
Other debt liabilities	42.66	59.95	52.76	51.89	58.46	74.17	62.87	88.84	96.26	144.92	138.24
Arrears	42.66	58.40	52.76	51.89	58.46	74.17	62.87	88.84	96.26	144.92	138.24
Other	0.00	1.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	230.39	245.18	255.06	302.00	310.97	351.27	375.14	372.71	367.13	353.87	378.04
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	207.63	234.14	242.23	283.70	290.16	331.68	357.18	358.06	354.13	341.67	363.90
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	22.76	11.04	12.83	18.30	20.81	19.59	17.96	14.65	13.00	12.20	13.78
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.36
Direct investment: Intercompany lending	284.52	269.57	327.43	334.18	332.61	329.30	337.70	386.11	394.89	439.80	496.55
Debt liabilities to affiliated enterprises	3.70	5.68	5.68	5.68	5.68	13.16	13.16	13.16	13.16	13.16	13.16
Debt liabilities to direct investors	280.82	263.89	321.75	328.50	326.93	316.14	324.54	372.95	381.73	426.63	483.39
Gross External Debt	2,070.61	2,518.09	2,304.60	2,380.36	2,362.63	2,495.18	2,469.56	2,439.14	2,491.88	2,711.54	2,729.96

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	31.03.2006	30.06.2006	30.09.2006	31.12.2006	31.03.2007	30.06.2007	30.09.2007	31.12.2007	31.03.2008
General Government	0.00	0.00	0.00	0.00	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	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	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	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	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	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monetary Authorities	664.66	1,040.51	1,121.85	1,205.24	1,284.33	1,326.97	1,315.13	1,329.96	1,424.84	1,416.28	1,395.51
Short-term	664.66	1,040.51	1,092.79	1,129.48	1,160.32	1,167.82	1,073.26	1,000.55	1,011.09	917.15	279.69
Money market instruments	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Currency and deposits	664.66	1,040.51	1,092.79	1,129.48	1,160.32	1,167.82	1,073.26	1,000.55	1,011.09	917.15	279.69
Other claims	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.00	0.00	29.06	75.76	124.01	159.16	241.87	329.41	413.75	499.13	1,115.83
Bonds and notes	0.00	0.00	29.06	75.76	124.01	159.16	241.87	329.41	413.75	499.13	1,115.83
Loans	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Banks	619.59	635.87	618.10	599.78	621.57	668.26	667.61	658.57	644.64	648.05	569.95
Short-term	618.75	634.56	613.68	595.44	617.26	667.17	650.53	641.73	627.88	631.33	553.25
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	2.17	1.92	0.02	0.08	0.39	0.39	0.01	0.00	0.00	0.00
Currency and deposits	596.54	608.45	587.54	570.86	592.20	641.45	624.38	615.25	601.14	604.19	525.74
Other claims	22.21	23.93	24.22	24.56	24.98	25.33	25.75	26.46	26.73	27.14	27.51
Arrears	22.21	23.93	24.22	24.56	24.98	25.33	25.75	26.46	26.73	27.14	27.51
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.84	1.31	4.42	4.34	4.31	1.10	17.08	16.84	16.77	16.72	16.70
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.84	1.31	1.29	1.21	1.18	1.10	1.08	0.84	0.82	0.74	0.72
Currency and deposits	0.00	0.00	3.13	3.13	3.13	0.00	16.00	16.00	15.95	15.98	15.98
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	197.77	253.94	256.91	249.34	266.90	336.54	373.79	443.54	450.47	460.65	464.06
Short-term	196.55	253.46	256.15	248.57	266.13	335.63	372.68	442.52	448.95	458.31	459.84
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.10	0.65	0.31	0.23
Currency and deposits	0.00	0.00	0.17	0.12	0.34	0.21	0.22	0.38	0.12	0.39	0.13
Trade credits	196.12	252.79	255.51	247.97	265.31	334.82	371.82	441.24	447.37	456.74	458.30
Other claims	0.43	0.46	0.47	0.48	0.49	0.60	0.64	0.80	0.81	0.87	1.18
Arrears	0.43	0.46	0.47	0.48	0.49	0.60	0.64	0.80	0.81	0.87	1.18
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1.23	0.49	0.76	0.76	0.76	0.91	1.11	1.02	1.51	2.34	4.21
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	1.23	0.10	0.10	0.10	0.10	0.25	0.38	0.41	0.74	1.57	3.69
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.39	0.66	0.66	0.66	0.66	0.73	0.61	0.77	0.77	0.52
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct investment: Intercompany lending	47.98	95.87	95.45	92.28	95.69	95.60	111.65	129.29	130.06	126.87	127.11
Claims from affiliated enterprises	11.28	21.33	0.00	0.00	0.00	14.69	14.69	14.69	14.69	14.69	14.69
Claims from direct investors	36.70	74.54	95.45	92.28	95.69	80.91	96.96	114.60	115.37	112.18	112.42
Gross External Claims	1,530.00	2,026.19	2,092.31	2,146.63	2,268.48	2,427.38	2,468.17	2,561.36	2,650.01	2,651.85	2,556.62

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	31.03.2006	30.06.2006	30.09.2006	31.12.2006	31.03.2007	30.06.2007	30.09.2007	31.12.2007	31.03.2008
General Government	1,016.46	1,282.82	1,078.76	1,079.64	1,076.08	1,066.92	1,003.13	894.08	887.29	910.45	901.21
Short-term	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.64	0.00	0.00
Money market instruments	0.01	0.00	0.00	0.00	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	0.00	7.63	0.00	0.00
Trade credits	0.00	0.00	0.00	0.00	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	0.00	0.01	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1,016.45	1,282.82	1,078.76	1,079.64	1,076.08	1,066.92	1,003.13	894.08	879.65	910.45	901.21
Bonds and notes	23.25	187.47	190.99	191.87	191.67	191.74	191.04	187.07	185.00	183.03	183.00
Loans	993.20	1,095.36	887.76	887.77	884.41	875.19	812.09	707.01	694.65	727.41	718.21
Trade credits	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Monetary Authorities	-618.69	-987.85	-1,070.04	-1,157.42	-1,237.07	-1,284.58	-1,277.04	-1,329.96	-1,424.84	-1,416.28	-1,395.51
Short-term	-664.66	-1,040.51	-1,092.79	-1,129.48	-1,160.32	-1,167.82	-1,073.26	-1,000.55	-1,011.09	-917.15	-279.69
Money market instruments	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Currency and deposits	-664.66	-1,040.51	-1,092.79	-1,129.48	-1,160.32	-1,167.82	-1,073.26	-1,000.55	-1,011.09	-917.15	-279.69
Other debt liabilities	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	45.97	52.66	22.75	-27.94	-76.75	-116.77	-203.78	-329.41	-413.75	-499.13	-1,115.83
Bonds and notes	0.00	0.00	-29.06	-75.76	-124.01	-159.16	-241.87	-329.41	-413.75	-499.13	-1,115.83
Loans	45.97	52.66	51.81	47.82	47.26	42.39	38.09	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	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	0.00	0.00	0.00	0.00
Banks	-496.34	-443.85	-436.42	-408.34	-416.09	-398.38	-400.90	-345.63	-303.94	-260.13	-233.74
Short-term	-551.43	-553.14	-541.43	-517.68	-533.69	-551.72	-539.38	-496.86	-462.37	-455.39	-420.79
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	7.04	-0.87	-1.92	-0.02	-0.08	-0.39	23.83	30.75	41.67	16.50	10.72
Currency and deposits	-544.82	-539.00	-525.81	-503.68	-519.35	-536.75	-546.82	-510.71	-486.84	-451.93	-413.22
Other debt liabilities	-13.64	-13.27	-13.70	-13.99	-14.26	-14.59	-16.38	-16.90	-17.19	-19.97	-18.29
Arrears	-13.64	-13.27	-13.70	-13.99	-14.26	-14.59	-16.38	-16.90	-17.19	-19.97	-18.29
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	55.09	109.29	105.01	109.34	117.60	153.34	138.47	151.23	158.42	195.27	187.05
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	54.95	105.09	102.00	106.27	114.74	145.21	146.28	159.06	165.91	201.33	188.22
Currency and deposits	0.14	4.20	3.01	3.07	2.86	8.13	-7.80	-7.83	-7.48	-6.06	-1.16
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	402.63	467.07	408.01	477.94	434.31	450.15	450.16	402.46	418.53	512.72	531.94
Short-term	173.47	222.38	153.71	176.71	124.11	99.79	76.12	30.77	52.91	161.19	158.11
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	4.78	52.83	15.56	30.32	17.16	11.65	26.15	19.83	33.95	31.39	37.14
Currency and deposits	0.00	0.00	-0.17	-0.12	-0.34	-0.21	-0.22	-0.38	-0.12	-0.39	-0.13
Trade credits	126.47	110.07	86.02	95.11	49.31	14.77	-12.04	-76.73	-76.37	-13.86	-15.96
Other debt liabilities	42.23	59.48	52.29	51.40	57.97	73.57	62.23	88.05	95.44	144.05	137.06
Arrears	42.23	57.94	52.29	51.40	57.97	73.57	62.23	88.05	95.44	144.05	137.06
Other	0.00	1.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	229.16	244.69	254.30	301.24	310.20	350.36	374.04	371.69	365.62	351.53	373.82
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	206.40	234.04	242.13	283.60	290.06	331.43	356.81	357.65	353.38	340.10	360.20
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	22.76	10.65	12.17	17.64	20.15	18.93	17.23	14.04	12.23	11.43	13.26
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.36
Direct investment: Intercompany lending	236.54	173.71	231.98	241.91	236.92	233.70	226.05	256.83	264.83	312.93	369.45
Debt liabilities to affiliated enterprises	-7.57	-15.65	5.68	5.68	5.68	-1.53	-1.53	-1.53	-1.53	-1.53	-1.53
Debt liabilities to direct investors	244.11	189.36	226.30	236.22	231.24	235.23	227.58	258.35	266.36	314.46	370.97
Net External Debt Position	540.60	491.90	212.29	233.73	94.15	67.80	1.39	-122.22	-158.13	59.69	173.34

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	124.3	1.0	0.0	1,399.1	1,524.4	17.2
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
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
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
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
Q1	108.7	7.0	0.0	1,297.3	1,413.1	17.9
Q2	104.8	1.4	0.0	1,312.2	1,418.4	17.8
Q3	113.6	1.1	0.0	1,407.4	1,522.1	17.4
Q4	124.3	1.0	0.0	1,399.1	1,524.4	17.2
2008	129.5	0.9	0.0	1,388.9	1,519.3	6.6
I	136.1	1.0	0.0	1,398.6	1,535.8	9.9
II	139.9	0.9	0.0	1,408.1	1,548.9	9.8
III	129.5	0.9	0.0	1,388.9	1,519.3	6.6
Q1	129.5	0.9	0.0	1,388.9	1,519.3	6.6

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
	Q2	-	-	-	-	39.7513	90.4176	48.6819	61.3730	45.2948
	Q3	-	-	-	-	39.4147	89.5738	50.1566	61.2196	45.1496
	Q4	-	-	-	-	39.5461	89.9864	51.4655	61.1906	43.9286
2006	Q1	-	-	-	-	39.2848	89.2867	50.9665	61.2334	43.5954
	Q2	-	-	-	-	39.1077	88.8832	48.7465	61.1661	42.5425
	Q3	-	-	-	-	38.7979	89.9489	48.0042	61.1697	41.3318
	Q4	-	-	-	-	38.4127	90.9055	47.4714	61.1856	40.3109
2007	Q1	-	-	-	-	37.8609	91.2615	46.6974	61.1809	39.1234
	Q2	-	-	-	-	37.1487	90.0730	45.3961	61.1741	37.6175
	Q3	-	-	-	-	37.1335	90.0013	44.5585	61.1750	37.8021
	Q4	-	-	-	-	36.8825	86.4403	42.2718	61.2053	37.3601
2008	Q1	-	-	-	-	38.2826	81.0138	40.9350	61.2908	38.8218
2005	I	-	-	-	-	39.7112	87.8420	46.6876	61.4287	45.1666
	II	-	-	-	-	39.5700	88.9779	47.1916	61.359	44.9537
	III	-	-	-	-	39.6300	88.6702	46.5671	61.4176	44.2666
	IV	-	-	-	-	39.6527	89.8171	47.4544	61.3886	44.1968
	V	-	-	-	-	39.7529	89.8212	48.2674	61.4171	45.2970
	VI	-	-	-	-	39.8482	91.6345	50.3377	61.3120	46.3906
	VII	-	-	-	-	39.2967	89.0983	50.8157	61.2015	45.4303
	VIII	-	-	-	-	39.4266	89.3141	49.7871	61.2329	45.0299
	IX	-	-	-	-	39.5245	90.3334	49.8574	61.2245	44.9833
	X	-	-	-	-	39.4880	89.7278	50.8468	61.1880	44.3459
	XI	-	-	-	-	39.6099	90.1112	51.8977	61.1789	43.8416
	XII	-	-	-	-	39.5424	90.1243	51.6661	61.2046	43.5954
2006	I	-	-	-	-	39.5447	89.3827	50.7503	61.2839	43.8820
	II	-	-	-	-	39.3020	89.6578	51.2317	61.2179	43.4344
	III	-	-	-	-	39.0093	88.8557	50.9433	61.1970	43.4544
	IV	-	-	-	-	38.8317	88.0838	49.9694	61.1625	42.5913
	V	-	-	-	-	39.2724	89.4229	47.9649	61.1686	42.8457
	VI	-	-	-	-	39.2134	89.1251	48.3312	61.1670	42.1803
	VII	-	-	-	-	39.0015	88.9010	48.2135	61.1671	41.7135
	VIII	-	-	-	-	38.7629	90.3501	47.7888	61.1688	41.2355
	IX	-	-	-	-	38.6238	90.6172	48.0105	61.1732	41.0371
	X	-	-	-	-	38.4876	90.9394	48.4970	61.1815	40.8833
	XI	-	-	-	-	38.4257	90.8063	47.5741	61.1799	40.5425
	XII	-	-	-	-	38.3251	90.9675	46.3465	61.1954	39.5143
2007	I	-	-	-	-	37.8973	92.1831	47.0635	61.1802	39.1269
	II	-	-	-	-	37.7300	91.6664	46.8414	61.1905	38.8048
	III	-	-	-	-	37.9428	89.9742	46.2014	61.1729	39.4077
	IV	-	-	-	-	37.3937	90.0173	45.3304	61.1754	38.1562
	V	-	-	-	-	37.0661	89.7285	45.2464	61.1729	37.5017
	VI	-	-	-	-	36.9892	90.4847	45.6166	61.1739	37.1983
	VII	-	-	-	-	36.9193	90.7086	44.6560	61.1771	36.6735
	VIII	-	-	-	-	37.3499	90.3063	44.9242	61.1713	38.4779
	IX	-	-	-	-	37.1313	88.9552	44.0798	61.1767	38.2698
	X	-	-	-	-	36.6500	87.9323	43.0387	61.1820	37.1373
	XI	-	-	-	-	37.1130	86.4482	41.7364	61.2049	37.5533
	XII	-	-	-	-	36.8919	84.9406	42.0230	61.2290	37.3960
2008	I	-	-	-	-	37.7680	82.1796	41.6851	61.3375	38.5097
	II	-	-	-	-	38.1420	81.7821	41.6268	61.3231	38.8401
	III	-	-	-	-	38.9287	79.1295	39.5378	61.2140	39.1168

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
31.01.2008	61.4240			41.4747			82.6258	3,806.8795
29.02.2008	61.2338			40.4959			80.4279	3,818.2827
31.03.2008	61.2664			38.7860			77.4740	3,893.6384

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	112.8	
1999	Q4	82.7	113.0	119.0	
2000	Q4	90.0	107.1	109.8	
2001	Q4	94.1	101.7	101.8	
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	92.3
2005	Q4	104.8	90.8	91.7	87.2
2006	Q4	104.2	89.2	88.3	78.3
2007	Q4	104.4	88.0	84.9	69.0
2005	Q1	104.8	94.6	94.6	93.5
	Q2	104.5	92.9	93.6	77.9
	Q3	104.7	91.7	93.9	78.8
	Q4	104.8	90.8	91.7	87.2
2006	Q1	104.8	91.3	91.3	91.8
	Q2	105.6	91.3	90.9	79.5
	Q3	105.1	90.3	89.8	81.4
	Q4	104.2	89.2	88.3	78.3
2007	Q1	104.4	89.0	88.0	75.9
	Q2	104.8	88.8	86.4	71.7
	Q3	104.5	88.0	85.9	68.3
	Q4	104.4	88.0	84.9	69.0
2008	Q1**	105.8	90.5	85.2	64.7

* Index below 100 indicates increased export competitiveness.

** Data for REER of Denar is calculated according incomplete foreign countries price data.

Source: NBRM.



METHODOLOGICAL EXPLANATIONS

REAL SECTOR

Table no. 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 no. 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 no. 3 Industrial production index

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 no. 4 Employment and productivity in total economy

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 no. 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 no. 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 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 its 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.

Table no. 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.

Table 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.

Table 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 Guide⁵⁶ (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.

⁵⁶ 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.