

National Bank of the Republic of Macedonia



**Quarterly Report
I / 2007**

March, 2007



The new Quarterly Report contains Statistical Appendix which includes statistical reports from the National Bank as well as other relevant statistical information, which were so far published in the separate quarterly publication Bulletin.

*Governor's foreword*

Starting from the first quarter of 2007, the National Bank of the Republic of Macedonia, will inform you on the key macroeconomic data and developments through the new redesigned publication - Quarterly Report. The purpose for merging the two separate publications into a single one was to enable simpler, more rational and more efficient public informing. Also, the redesigned concept means approximation to the practice of larger number of modern central banks.

In the Statistical Appendix, compared to former Quarterly Bulletin, changes are made for qualitative improvement, rationalization and easier understanding of the presented information. The qualitative improvement was made through adding, i.e. publishing time series of new types of data. For the first time, data were issued on the international investment position of the Republic of Macedonia, on the stock and distribution of the foreign direct investments by countries and activities (until now only periodical developments of the foreign direct investments were published), on interest rates on Government securities and on the stock and structure of international official reserves of the Republic of Macedonia. Also, in the part of the monetary statistics, data are added with presenting and publishing the balance sheet of savings houses and the consolidated monetary review, which includes data on savings houses. Within the data on banks' interest rates, besides the data on Denar interest rates, data on weighted interest rates on taken deposits and granted credits are presented. In the tables of the monetary sector, the data are revised.

The balance of payments was also supplemented by more detailed data not only on goods, services and transfers, but also on the income and capital and financial transactions. The data concerning the external debt are broadened through adding data on the external debt stock, as well as on the developments (disbursement and repayments) in the external debt.

Quality improvement was made also through presenting the data in euros (instead in USA Dollars, as it was until now), as a currency which is most frequently used in the transactions of residents with abroad. To keep the continuity and to use longer time series, the annual time series are also presented in USA Dollars on certain significant information from balance of payments statistics. Thus, time series on basic balance of payments categories is presented in USA Dollars (1993-2006) and in Euros (2003-2007), whereas more detailed data on certain items from the balance of payments are presented in Euros for the period 2003-2007.

For more rational and easier understanding the information presented in the Statistical Appendix, reorganization of the method of grouping and presenting the data was made, as well as significant decrease in the number of presented tables, particularly those concerning the monetary statistics.

We sincerely hope that the new concept of the Quarterly Report of the National Bank of the Republic of Macedonia will satisfy all your demands, i.e. it will represent simpler and more efficient way for finding the necessary information.

MSc. Petar Goshev
Governor
President
of the NBRM Council

Skopje, June 2007



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

Macroeconomic developments in the Macedonian economy in the first quarter of 2007 were generally positive. The first quarter registered positive influence in the international economic environment which resulted in significant export growth and intensification in the overall economy activity. The industry, remaining as dominant sector and a traditional fundament of the economy, registered significant performances, so that the performances significantly exceed the expectation for the first quarter, with further positive expectations with industrial enterprises on business tendencies in this sector. The continued growth of productiveness in the industrial sector shows positive tendency. On the foreign exchange market higher foreign currency inflows are registered, mainly based on the exchange operations. These developments gave positive effects in the balance of the current account of the balance of payments. Considering the intensive growth of the export in the first quarter, significantly lower negative contribution of the net import in the total economy growth is expected.

Considering these general macroeconomic trends, the monetary policy in 2007 acted towards sterilizing the higher foreign currency inflows aiming to maintain stable foreign exchange rate and eventually to maintain the price stability in the economy. This resulted in further increase in the gross foreign reserves and in conditions of liquidity excess, in decrease in the interest rates. The inflation in the beginning of the year was low and for now it is significantly under the one that was projected for 2007, in conditions of maintaining the stability of the foreign exchange rate, relative to the Euro and the consistent macroeconomic policies. The stable inflationary expectations from the economic subjects contributed for such condition.

1.1. International economic environment¹

Expected growth in the world production in 2007

The positive conjuncture in the world economy in 2006 is expected to continue in 2007 also, and the economic growth rate is expected to reach 4.9% (in 2006 the economic growth realized 5.4%). In accordance with the high level of openness of the Macedonian economy, the positive global economic developments are expected to influence positively over its macroeconomic performances.

Higher economic growth and decrease in the unemployment in the Euro-zone

Initially projected growth rates of GDP for 2007 for the EU and the Euro-zone were revised upward and in 2007 they are expected to be 2.7% and 2.4%, respectively. The growth in the domestic demand was registered as main generators of the economic growth in the Euro-zone in 2007 and it was generated mostly of the investments in the industrial sector and in the private consumption (with growth in the real available income and employment growth). The downward trends of the unemployment rate continued in the end of March and equaled 7.2%, where the decrease in the structure unemployment indicated positive structure developments at the European market of labour. On the aspect of the quarter dynamics, the growth rate in the Euro-zone in the first quarter of 2007 was from 0.4% to 0.9%, while in the next quarters intensifying of the economic activities is expected. The growth of EU indicates basis for higher export demand on Macedonian products, considering the developed trading relations between Republic of Macedonia and EU. On the aspect of the more significant trading partners of the Republic of Macedonia from EU, the expectations are towards decrease in the growth of Germany in the first quarter of 2007 (the effect of the growth in the value added tax by 3 percentage point).

¹ The analysis was largely based on IMF World Economic Outlook, April 2007; ECB Monthly Reports April and May and European Commission D-G for Economic and Financial Affairs, Interim Forecast February 2007.



Still, the initial evaluations showed lower effect of the tax increase from the expected one and its gradually reducing in the next quarters. The fast recovery of the German economy is especially significant, considering that it is the most significant trade partner of the Macedonian economy from EU.

*Growth in the basic inflation
in the Euro-zone in the first
quarter of 2007*

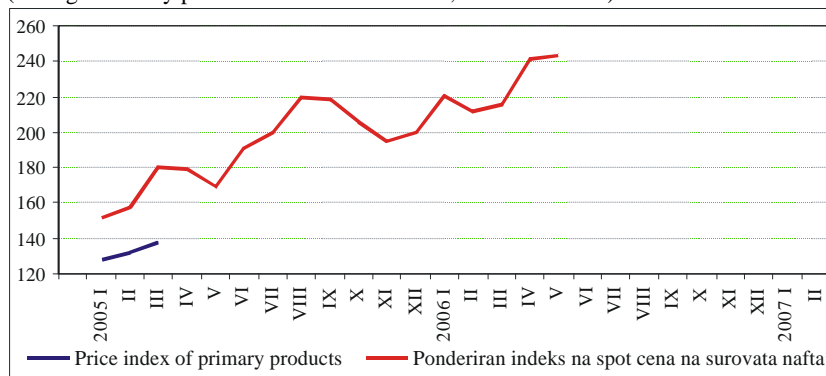
The average inflation in the Euro-zone for the first quarter of 2007 equaled 1.9%, which represents delaying compared to the previous year. On the other hand, the basic inflation rate on average for the first quarter of the year equaled 1.9%, opposite of the average rate of 1.5% in 2006 (increase caused by the growth of administrative prices and intermediary taxes - the value added tax in Germany). In compliance with the increase in the basic inflation and the danger form increase in the total price level in the Euro-zone, in March the European Central Bank increased the referential interest rate by 0.25 percentage points and at the end of March mart it amounted to 3.75%. Such developments contributed for narrowing in the interest margin relative to the Euro-zone.

In accordance with the economic developments in the Euro-zone, the average nominal foreign exchange rate of USA Dollar / Euro in the first quarter of 2007 amounted to 1.31, and compared to the last quarter of 2006 the Euro appreciated by 1.7% relative to the Dollar. As main factors which are responsible for the Euro appreciation are the perceptions on the stabile economic growth in Euro-zone during 2007, different form the American economy where the projections for the economic growth in the first quarter of the year are lower compared to the previous expectations. Considering the strategy on exchange rate peg of the Denar to Euro, the changes in the correlations between the Euro and the US Dollar adequately reflected on the exchange rate of the Denar to US Dollar.

*Maintenance of the upward trend
in the prices of the primary
products in 2007*

The prices of the primary products on the world stock exchange, in the beginning of 2007 registered relatively high growth, where on average in the first two months of 2007 they were higher by 22.5% relative to the same period of the previous year. The main generator of their growth was the increase in the prices of metals on the world stock exchange, caused by the growth in the demand in the beginning of the year which came mainly from China and India and that is in accordance with the growth of their metal-processing industry. Thus, the average prices of the nickel, zinc and lead significantly registered high growth and in the first quarter of 2007 they realized annual growth of 1.8 times, 54% and 44%, respectively². Such growth of the world prices of metals resulted in significant intensification of the Macedonian export of metals in the first quarter of 2007.

Figure 1
Development of the international price index of primary products and crude oil
(average monthly price index in SAD Dollars, with base 2000)



* Spot-price of the crude oil represents equally weighted average of the following types of oil: West Texas Intermediate, Brent and Dubai crude oil.
Source: IFS, April 2007.

² Source: World Bank.



Lower average oil prices in the first quarter of 2007

Different from the growth in the primary product prices, the average prices of the crude oil on the world stock exchange in the first three months of the year registered decrease of 3.2% compared to the last quarter of 2006, which acted towards decrease in the domestic prices of oil derivatives. Analyzed by the dynamics, in the beginning of January the oil prices registered fall, determined by the good weather conditions in the north hemisphere of Earth which acted towards lower oil consumption by the households. In the next two months, especially in the second half of March, the oil prices realized intensive growth. The analysis of the factors of the supply and demand of oil showed that in the first quarter of 2007 higher oil demand was registered, which resulted from the increase in the oil reserves with OECD countries except for USA, higher growth in the oil demand by China and India relative to expectations, as well as the higher oil consumption by the countries from the East and Middle East that produce oil. On the other hand, lower oil supply was registered in conditions of decrease in the production quotas by OPEK. Additional contribution in the increase in oil prices had also the renewal of the geo-political tensions in the Middle East, which reflected significant growth in the prices of oil in the second half of March.

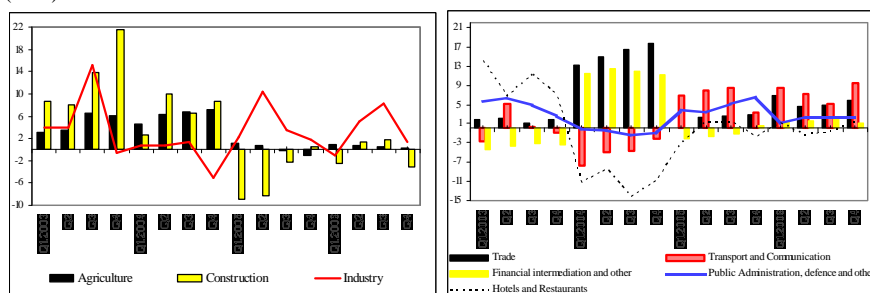
1.2. Economic activity

Domestic supply

In the fourth quarter of 2006 the service sectors gave dominant contribution in the economic growth

In the last quarter of 2006³ in the domestic trade, the transport and communications were the main sectors that contributed for the real growth in GDP of 2.6%. Thus, in conditions of slower industrial activity, these sectors generated 60% of the GDP growth, whereas the industrial sector reduced its own contribution (13.6%, compared to 35% and 51% in the second and third quarter of the year). The sectors of public services and the financial mediation also significantly contributed, while the agricultural sector kept the marginal contribution in creating the GDP. Although registering positive developments, the sector "hotels and restaurants" did not contributed significantly in the GDP, whereas the added value in the building sector, after short recovery in the previous two quarters, registered again annual decrease and it gave negative effects on the GDP growth.

Figure 2
Real annual growth rates on the added value by sectors
(in %)



Source: State Statistical Office of Republic of Macedonia.

Indications on growth intensification in the first quarter of 2007...

The positive trends in the more significant economy sectors, in the first quarter of 2007, indicate intensification in the economic growth, i.e. higher domestic supply. Thus, the volume of the industrial output and the domestic trade turnover registered high annual growth, where the industry growth significantly exceeded the growth projected for the first quarter. In the same

³ Last available data on GDP.

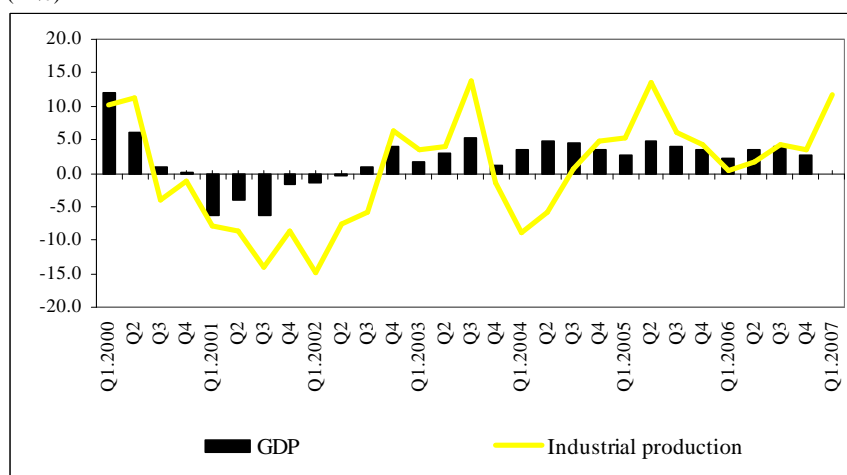
time, positive signals are registered with the construction, transport and communications.

...with higher annual growth in the volume of industrial output...

In the first quarter of 2007, the actual volume of industrial output registered high cumulative growth of 11.6%, with significant growth in the volume of manufacturing and mining sector being registered. The production increased in 14 of total 20 manufacturing industrial branches. The production of basic metals was the main generator of the positive developments and it registered growth of 57.4% on annual basis which was mainly due to the intensive growth in the external demand for iron and steel. Thus, compared to the first quarter of 2006, in the first quarter of 2007 the export of iron and steel went up by 2.1 times, which corresponds with the growth in the prices of these metals on the world stock exchange, but also with the higher volume of the export. Besides the production of basic metals, the production of building materials, food and beverages, transport means, tobacco products also significantly contributed in the growth of the production. Within the mining sector, the higher extraction of metal ores positively contributed (annual growth of 2.4 times). The lower production in the sector "supply of electricity, gas and water" (by 9.1% on annual basis) negatively influenced over the overall industrial output.

Figure 3

Annual GDP growth rates and actual volume of industrial output
(in %)

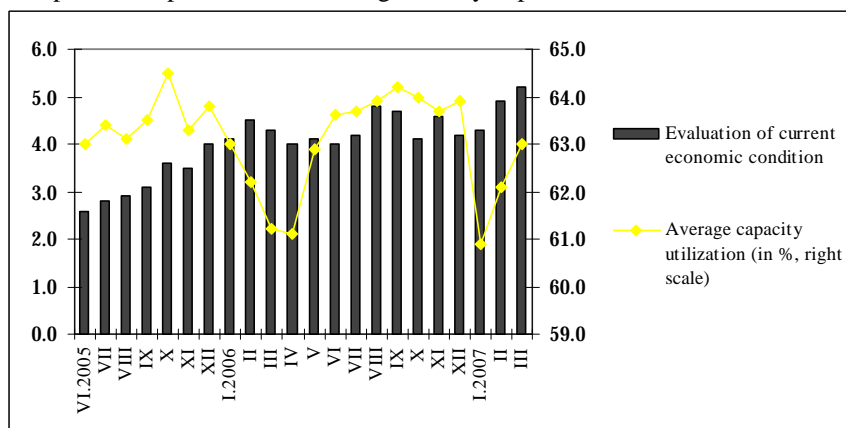


Source: State Statistical Office of Republic of Macedonia.

The significant activating in the industrial production is in accordance with the enterprise management evaluations on the current economic conditions in enterprises and volume of the production, which according to the survey on the business tendencies in the manufacturing industry⁴ are evaluated as significantly favorable from the previous year. The domestic and foreign demand for the products (besides the claim on insufficient domestic and foreign demand) registered significant improvement, which indicates continuation in the positive trends in the industry and forming positive expectations with the enterprises.

⁴ Source: State Statistical Office of RM. Survey on business tendencies in the manufacturing industry, March 2007.

Figure 4
Monthly evaluations on the current economy condition of industrial enterprises and percent of the average facility exploitation



Source: State Statistical Office of Republic of Macedonia.

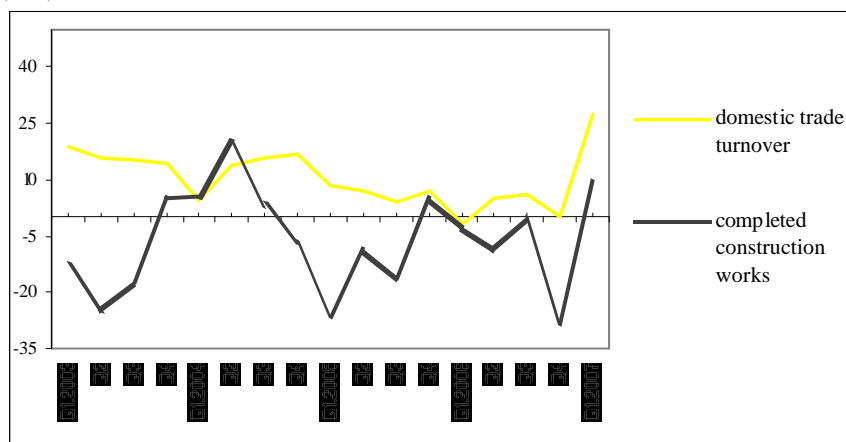
...growth in the turnover of the domestic trade, positive developments in the building activities ...

Parallel with the output growth in the industry, the domestic trade also registered positive tendencies. Thus, in the first quarter of 2007 compared to the same period of the previous year, the total turnover in the trade registered growth of 27.6%, with simultaneous intensification in the turnover of the retail trade and of the wholesales. The positive performances in the trade was confirmed by the survey on business tendencies in the retail trade⁵, according to which the current economic state of the enterprises is assessed as more favorable compared to the previous year, decrease in the reserves of the products and growth in the consumer demands were registered. The business subjects assessed that the expenses from financing and receiving bank credits are decreasingly important as restrictive factor of their activity. In the same time, the indicators on construction, that registered significant oscillations in the last two years, signalized improvement in the activity of this sector. The total value of the performed building operations in the first quarter of 2007 registered growth of 9.4% on annual basis, while the annual growth in the value of the prearranged building operations of 25.2% signalized start of new projects. Still, the assessments of the management of the building corporations⁶ on the current business activity have no changes relative to the same period of the previous year. The low demand, the high material expenses and the deficit of trained workers are their largest restrictive factors for their activity, whereas same as the business subject from the trade, the financial expenses are assessed as lower compared to the previous year.

⁵ Source: State Statistical Office of RM. Survey on business tendencies in the retail trade for the first quarter of 2007.

⁶ Source: State Statistical Office of RM. Survey on business tendencies in the building activities for the first quarter of 2007.

Figure 5
Annual growth rates of the turnover in the domestic trade and the value of performed building activities
(in %)



Source: State Statistical Office of Republic of Macedonia.

... and significant performances
in the transport and
communications

In the first quarter of 2007 the sector "transport and communications" also registered positive performances. The telecommunications registered especially significant performances (impulses from the mobile communications) rising by 96.4% on annual basis.

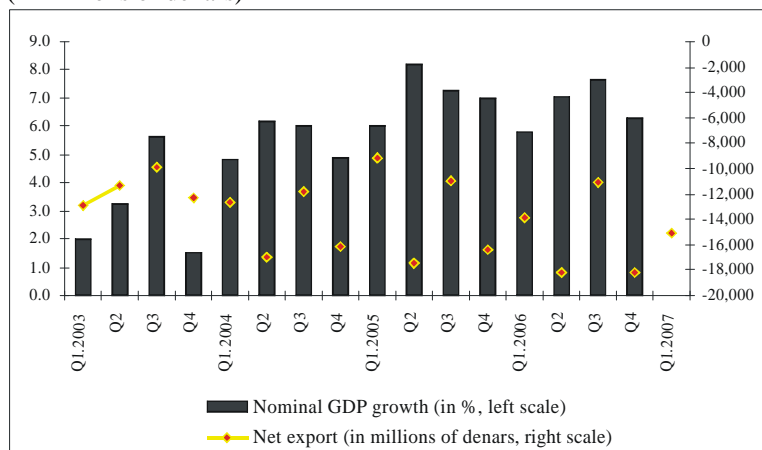
Domestic demand

Negative contribution of the
net export in the total GDP
growth, in conditions of
intensive domestic demand...

Analyzed on the aspect of the aggregate demand, the relatively low growth rate of the Macedonian economy in the last quarter of 2006, when growth in the domestic demand⁷ was registered, was largely determined by the negative contribution of the net export. Thus, under the pressure of the intensive personnel consumption and significant import dependence (of the means for production and means for operating), in the fourth quarter of 2006 the import of goods and services nominally exceeded the domestic export, so the deficit in the foreign trade broadened (by 11% higher compared to the same quarter of 2005). The monthly data on the foreign trade in the first quarter of 2007 indicates slower negative trends, as a result of the intensive export growth and it is expected from the net export of goods to have relatively low negative contribution in the total GDP growth.

⁷ Last available data on GDP. In the reports of the State Statistical Office (SSO) on the quarter changes of GDP, on the expenditure basis only the public consumption, the investments in machines and equipment the import and export of goods and services are calculated (all of them by current prices). The information on individual (personal) consumption and the gross investments are qualitative and assessed in NBRM. The analysis made in this context is based on assessments which resulted from the available data on other categories with indicative significance and should be considered with high precaution.

Figure 6
Nominal GDP growth (in %) and nominal amount of net export
(in millions of denars)

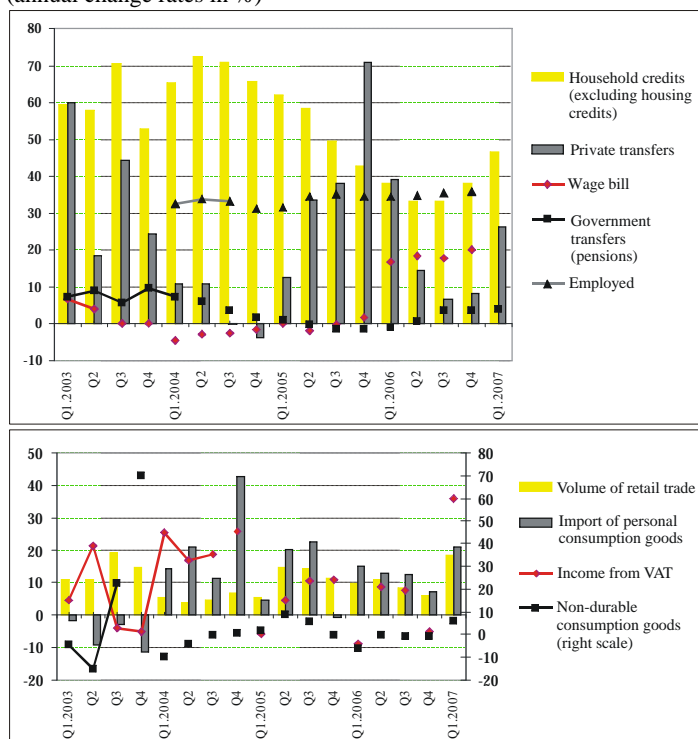


Source: State Statistical Office of Republic of Macedonia and Research Department of NBRM.

...determined by the developments in the personal consumption and in a smaller degree by the investment and public consumption

In the first quarter of 2006 the domestic demand was the main generator of economic growth. In absence of complete data on the side of expenditure of GDP, the analysis on the contribution of certain categories of the consumption in the total domestic demand was based on the developments in the indicative variables. The largest part of the developments in the last quarter of 2006 and in the first quarter of 2007 indicates the personal consumption as main determinant of the domestic demand, whereas the investment and the public consumption had significantly lower contribution. The data on the higher volume of retail trade, more intensive domestic output and the import of the consumer goods, as well as the high income based on VAT in the first quarter of 2007, indicated intensive consumption of the households. These developments completely correspond with the positive changes in the sources for household financials. Thus, in the last quarter of 2006 growth was registered in the net volume of the salaries, while the credit support of the households, the private transfers and the Government transfers (pensions) registered significant annual growth in the both of the quarters.

Figure 7
Indicators of the personal consumption
(annual change rates in %)

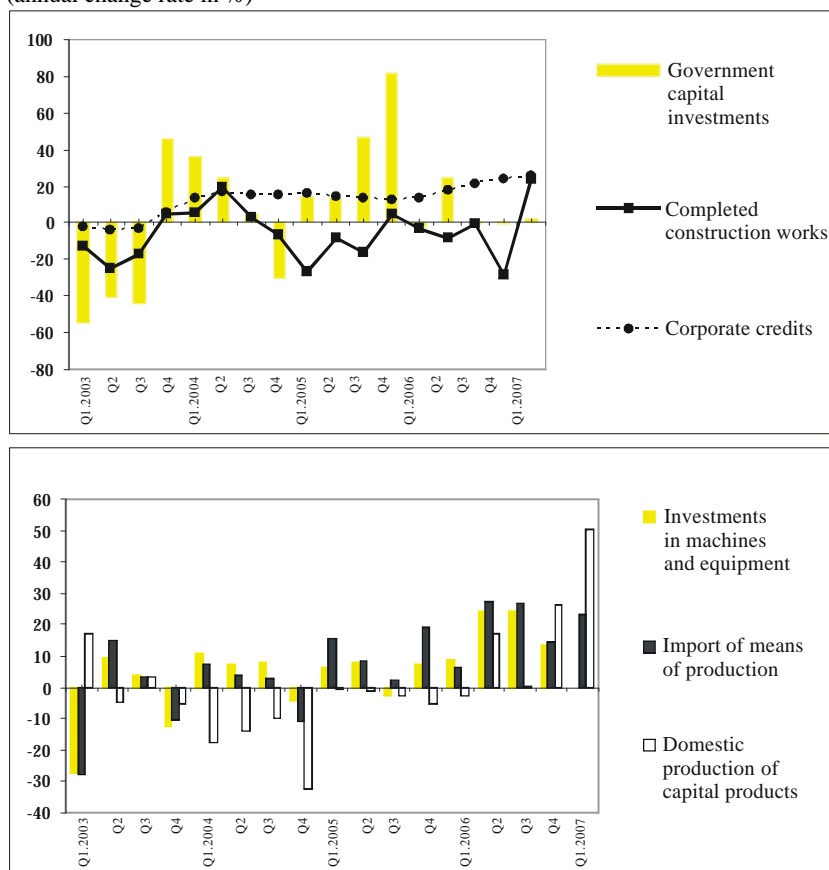


Source: NBRM, Ministry of Finance and State Statistical Office of Republic of Macedonia..

*Indications on investment
activity intensification in the
first quarter of 2007*

Opposite of the positive developments with the personal consumption, the investment consumption, which should represent a generator of the long-term economic growth in the country, characterizes with unsatisfying dynamics. The negative tendencies in the construction, registered at the end of 2004 continued with higher intensity in the fourth quarter of 2006. The investments in the construction (which constitute two thirds of the total investments in basic means) assessed through the value of the performed construction works and through the added value in the sector "construction" registered significant annual fall, while the Government capital investments were on a low level and remained unchanged relative to 2005. The investments in machines and equipment registered intensive dynamics at the beginning of 2006, so in the fourth quarter were nominally higher by 13.4% on annual basis. The monthly indicators for the construction in the beginning of 2007 indicate improved tendencies in this area. Thus, for the first three months of 2007 compared to the same period of the previous year, the total value of the performed construction works was higher by 9.4%, while the rest of the capital Governments investments registered moderate annual growth of 1.7%. Simultaneously, the domestic output of the capital products and the import of means for operating registered further growth, and if the intensive credit support for the enterprises by the banks is considered, intensification in the investment activity and its higher contribution in GDP can be expected in the Republic of Macedonia.

Figure 8
Indicators of the investment activity
(annual change rate in %)

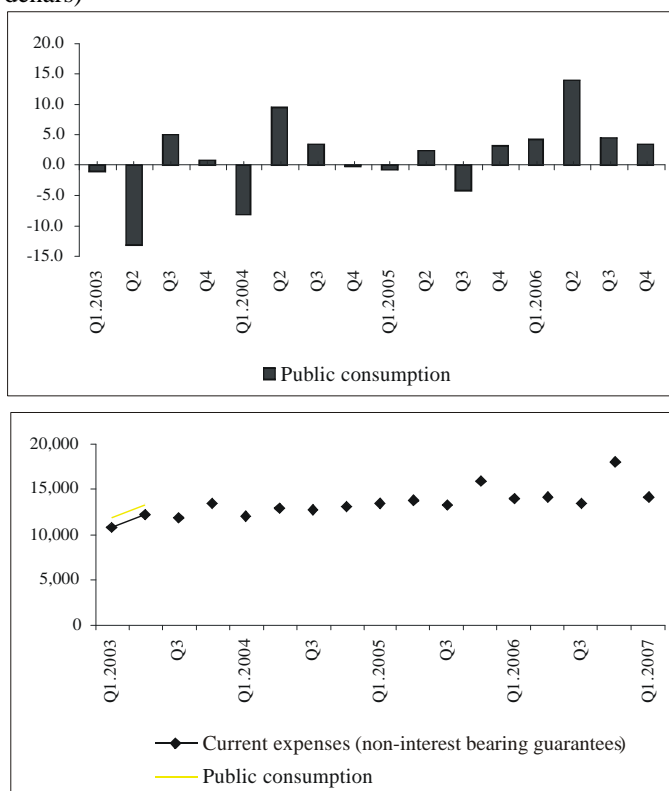


Source: NBRM and State Statistical Office of Republic of Macedonia.

After the more intensive budget spending in the pre-election period, the public consumption normalized in the last quarter of the year (annual nominal growth of 3.5%). According to the data from the central state budget for the first quarter of 2007, the current expenses of the Government for salaries, goods and services and for transfers are inconsiderable higher relative to the previous year (by 0.3%), so minor nominal growth in the public consumption and its positive contribution in the GDP growth could be expected.

Figure 9

Public consumption (growth rates, in %) and current expenses (in millions of denars)



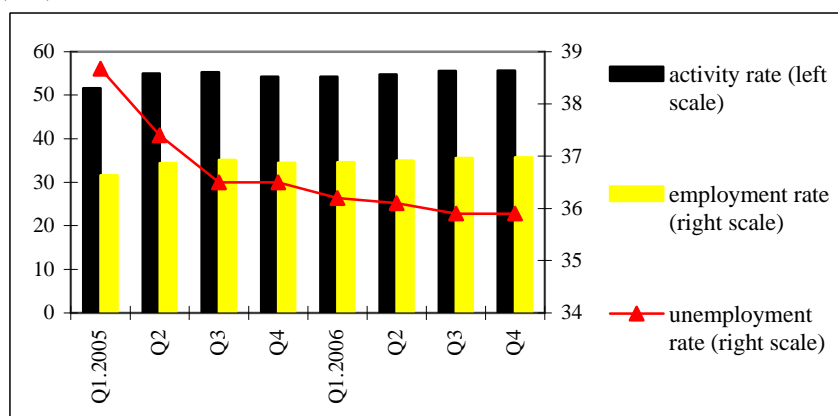
Source: Ministry of Finance and SSO.

1.3. Employment and salaries

In the last quarter of 2006, at the labour market positive development were registered acting towards increase in the number of the employees and fall in the unemployment rate. According to the Labour Survey⁸, in the fourth quarter of 2006 the number of employees went up by 4.1%, while the number of unemployed by 1.4%. More intensive growth in the working force, compared with the growth in the unemployed, contributed for decrease in the unemployment rate (35.9%, opposite to 36.5% in the last quarter of 2005). Analyzed by activities, the employment in the agriculture and in the service sector registered annual growth, whereas the industry registered fall determined by the decreased number of employees in the energy activity.

⁸ The State Statistical Office of the Republic of Macedonia performs the Labour Survey, based on example of 10,000 households on the territory of the whole country and it is accordance with the methodological references of the International Labor Organization (ILO) and the references of the European Statistical Biro (Eurostat). Starting in 2004, it is performed as continuous survey during the year, and the results are processed quarterly.

Figure 10
Rates on active households, employment and unemployment
(in %)

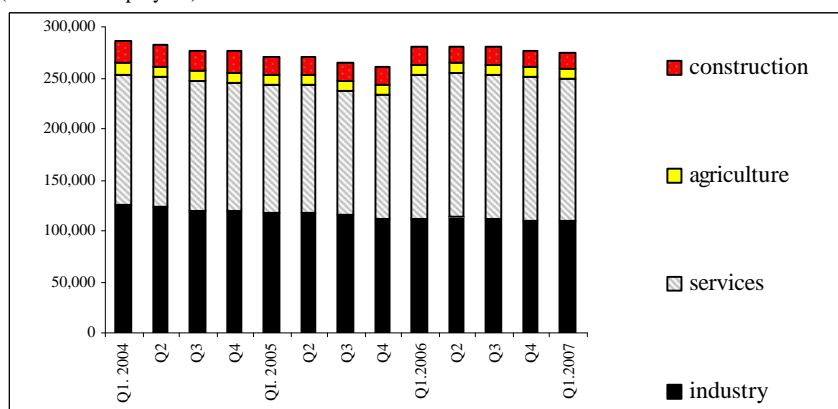


Source: Labour Survey, SSO of the Republic of Macedonia.

*Indications on increase in
the number of employees ...*

The data from the administrative sources⁹ for the first quarter of 2007 showed annual decrease in the employees in all three economy sectors. The sector analysis showed more intensive annual fall in the number of the employees in the agriculture and construction, while the employment in the rest of the sectors registered moderate fall. Within the service sector, the employment in the sector "health and social services" significantly decreased, while in the sector "financial mediation" the number of employees was continuously growing.

Figure 11
Employment by sectors
(number of employees)



Source: State Statistical Office of Republic of Macedonia. The growth in the first quarter of 2006 includes methodological changes.

⁹ Source: SSO. The data are based on monthly reports from the business subjects in private and in other (social, state, cooperative and combined) ownership with different activities in the Republic of Macedonia. Employees denotes persons who concluded employment contract with the business entity (permanent and temporary employment) and that are working fulltime job and shorter or longer of the fulltime job are considered as employed. The records do not include contractors, the persons who are performing independent activity/profession and their staff members and the individual agriculture workers.

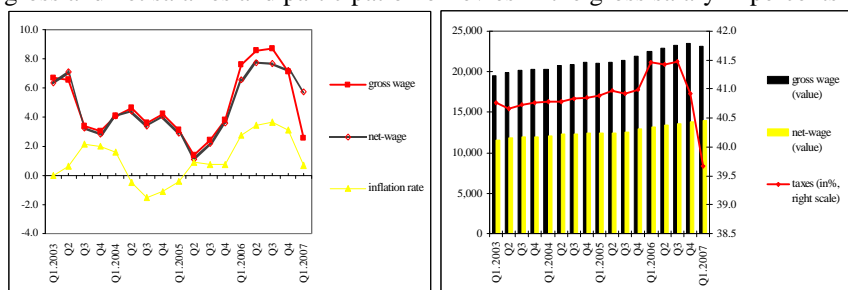


...with further increase in the average net salary per employee

The process of increase in the salaries in the Republic of Macedonia continued in the first quarter of 2007, with what the salaries represented one of the main factors of the domestic demand in the economy. The average gross¹⁰ and net salary per employee registered annual nominal growth of 2.6% and 5.7%, respectively, where the nominal growth of the salaries follows the dynamics of slowing down the inflation. In conditions of low inflation rate, the real growth in the salaries in the first quarter of the year went down by 0.7 percentage points of the nominal growth. Analyzed by sectors, the net salary in the service sector registered more significant nominal annual growth, with more considerable positive changes in the salary in the "education" (in accordance with the gradual process of decompression in the salaries of the Civil workers) and in the activity "transport, storage and communications". In the industrial sector and in the construction, the annual nominal growth in the salaries was moderate, while the salary in the agriculture registered specific decrease, which was mainly due to the fall in the salaries in fishery.

Figure 12

Annual changes in gross and net salaries and inflation rate. Nominal amounts of gross and net salaries and participation of levies in the gross salary in percents

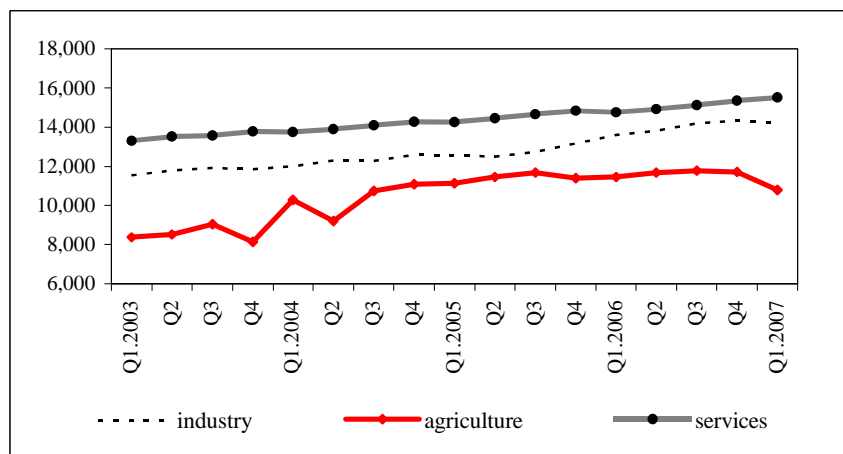


Source: State Statistical Office of Republic of Macedonia.

The changes in the taxing policy which contributed for decrease in the rate of the income tax, contributed for small growth in the gross salary. The gap between the gross and the net salary, i.e. the participation of the levies (personal income tax and contributions) in the gross salary, decreased by 1.8 percentage points on annual basis.

¹⁰ Source: State Statistical Office. The total repaid gross-salaries includes: repaid net-salaries for the reporting month, paid personal tax and paid contributions (for pension and invalidity insurance, for health insurance, for employing, for professional diseases and for water-supplying).

Figure 13
Average net salary per employee by sectors
(in denars)



Source: State Statistical Office of Republic of Macedonia.

In absence of GDP data for the first quarter of 2007, the productivity in the economy was evaluated based on the productivity in the industry, as a sector which forms near a quarter of GDP. In the first quarter of 2007, in conditions of decreased number of employees in the industrial sector, the annual growth in productivity of 21% was solely due to the higher volume of the industrial output. Based on the positive tendencies in the industry, but also in the other sectors of economy, and with moderate fall in the employment, growth in the productivity in all economy could be expected in the first quarter of 2007.

1.4. Balance of payments

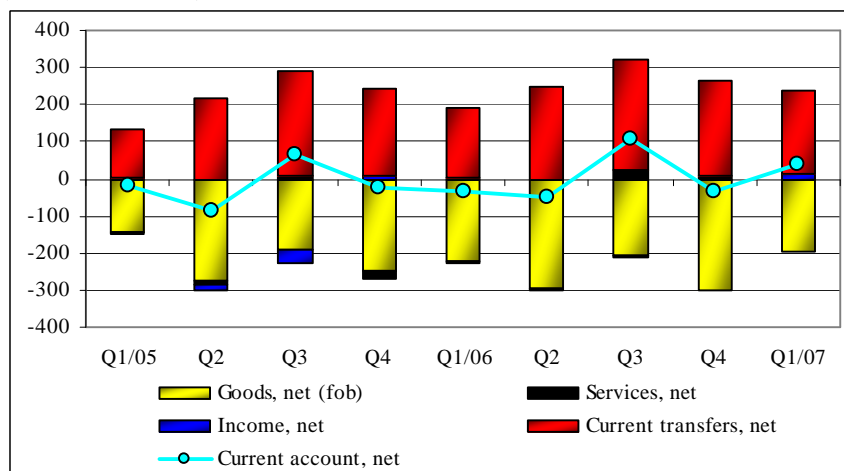
In the first quarter of 2007, in the external sector, positive developments were registered mainly as a result of the positive international economic environment and further inflow of foreign private transfers. With respect to the goals of the monetary policy, for maintaining the stability in the foreign exchange rate and the price stability in the economy, need was created for sterilization of the increased foreign currency inflows, which resulted in further growth in the gross foreign currency reserves.

In the first quarter of 2007, *the current account* in the balance of payments registered surplus (Euro 39.7 million), which came out of the high income based on private transfers and of the positive balance of the income. The comparison with the same quarter of the previous year showed significant improvement in the current account, which largely reflects the narrowing in the trade shortage on fob basis¹¹ and further growth in the current transfers.

*Surplus in the current account
in the first quarter*

¹¹ In December 2006 a change of the data on import was made in the statistics of the balance of payments, which was due to the time adaptation of the import of electricity. The data on the foreign trade from the State Statistical Office remained unchanged, so the data on the import of these two sources are not compatible.

Figure 14
Current account components
(in millions of euros)

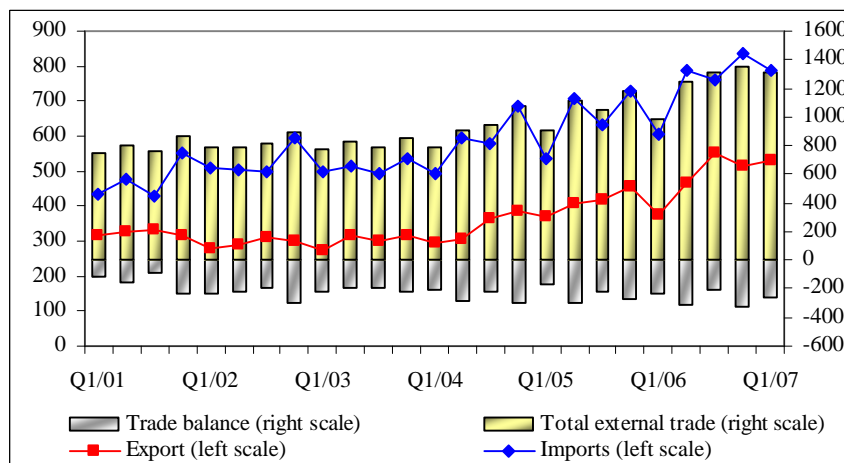


Source: National Bank of the Republic of Macedonia.

High rates of growth of import and export of goods of 40.6% and 29.7%, respectively

According to the positive developments in the world prices of the main Macedonian export products, the export of goods, in the first quarter of 2007, realized high annual growth of 40.6%. Still, in conditions of high import dependence of the Macedonian economy, the growth in the export was companioned by import growth of 29.7%, which resulted also in deepening the negative trade balance on annual basis by 12%¹². The import-export coverage rate realized annual growth of 5.2 percentage points and equaled 67.2%.

Figure 15
Foreign trade of the Republic of Macedonia
(in millions of euros)



Source: State Statistical Office of Republic of Macedonia.

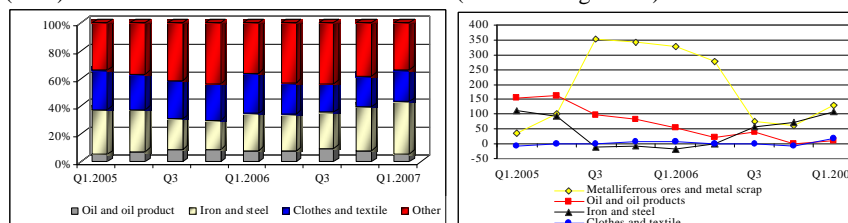
Significantly higher export of iron and steel

The high growth rate of the export of goods, in the first three months of 2007, came out mainly from the intensive production and export activity of the metal manufacturing industry, in conditions of positive conjuncture on the world metal exchange. Thus, most significant contribution in the high export of goods gave the higher export of iron and steel, as combined effect of the price growth and exported quantities. The first quarter of 2007 was characteristic for directing the export of metals towards Spain as a new market, also the export of iron and steel dominated on the markets in Italy, Greece, Belgium and Serbia. The category "metal ore and waste" significantly contributed in the growth in the

¹² According to data from the State Statistical Office of the Republic of Macedonia.

export of goods (which was due to the higher export of one more significant mining facility, after its restarting in the second half of 2005) and, traditionally, the category "wearing apparel and textile". In the period January-March 2007, the export of goods from the Republic of Macedonia was still mostly oriented towards the European Union (mainly Germany and Greece) and towards Serbia. The participation of the export towards the European Union was additionally increased (by 6.3 percentage points), which was mostly due to the broadening of the market to Spain and Belgium, as well as the entering of Romania and Bulgaria in EU since the beginning of this year.

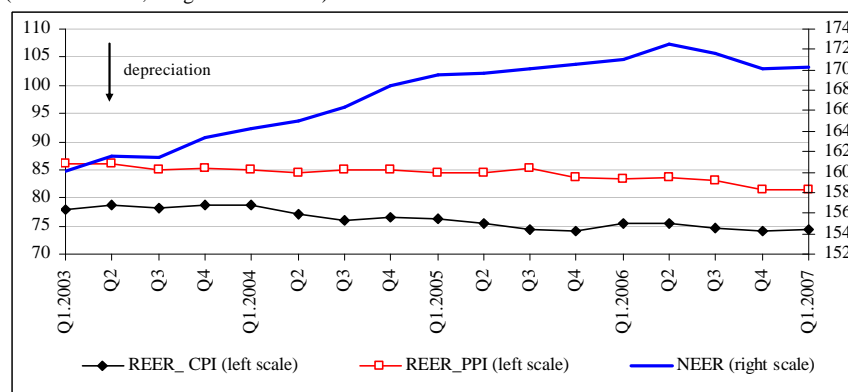
Figure 16
Structure and dynamics of the export by group of products
(in %) (annual change rates)



Source: State Statistical Office of Republic of Macedonia.

The developments of the real effective exchange rate (REER) of the Denar indicated higher competition of domestic products on the foreign markets.

Figure 17
Index of REER* and NEER of the Denar
(base 1995=100, weights NTR=2003)

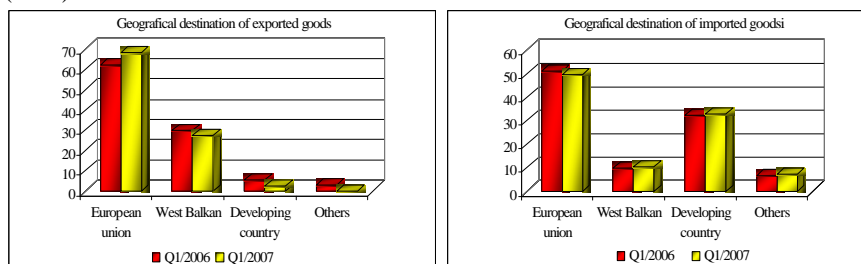


*Index under 100 represents higher export competition.

Source: National Bank of the Republic of Macedonia.

In the first quarter of 2007, compared to the first quarter of 2006, the index of the nominal effective exchange rate of the Denar (NEER) registered depreciation of 0.4% (which was mainly due to the depreciation of the Denar relative to the Serbian Dinar) and together with the growth of the index of the relative prices (with more intensive annual growth in the foreign prices compared to the domestic prices) resulted in depreciation of 1.4% of REER calculated by the consumer price index. Simultaneously, the index of REER, according to the producer price index, registered depreciation of 2.4% on annual basis, which is a result of the more intensive annual growth in the foreign producer prices, compared to the domestic prices.

Figure 18
Geographic orientation of the export and import of goods
(in %)

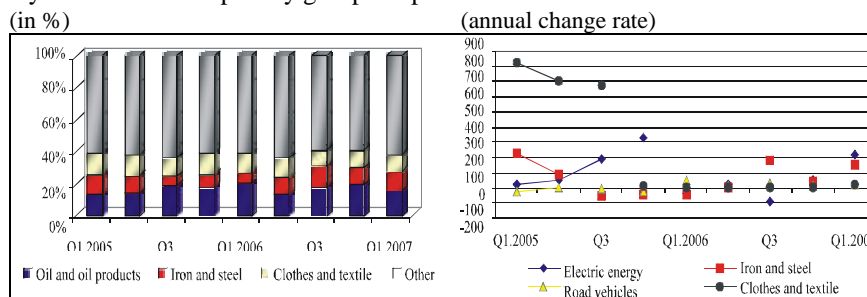


Source: State Statistical Office of Republic of Macedonia.

Higher import of goods in conditions of higher economic activity

The increase in the import in the first quarter of 2007 corresponds with the intensified economic activity and high import dependence of the Macedonian export. Thus, the higher export activity of the metal manufacturing facilities determined higher import of iron and steel (mainly from Greece, Romania, Ukraine and Kazakhstan). Simultaneously, the intensified producing activity of these facilities, which are among the largest electricity consumers, resulted in higher import of this energy supplier. From the rest of the categories, the textile and the road vehicles gave significant contribution in the growth in the import. Relative to the economic groups, the largest part of the imported goods are still from the European Union (49.4%).

Figure 19
Dynamics of the import by groups of products
(in %)



Source: State Statistical Office of Republic of Macedonia.

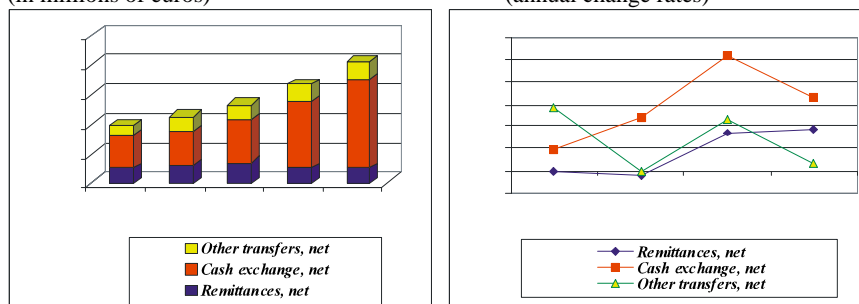
Insignificant deficit in the exchange of services...

...positive balance in the income sub-balance sheet...

...further growth in the private transfers

In the exchange of services, in the first quarter of 2007, marginal deficit was realized (Euro 1.6 million). The deficit narrowing in the business services and the growth in the surplus with the investment operations and the tourism resulted in decrease in the net outflows with this category, compared to the first quarter of 2006. In the first quarter of 2007, in the income sub-balance sheet, a surplus of Euro 13.9 million was realized, with growth in the compensation for employees and in the interest income on foreign reserves. Current transfer income still represented dominant surplus category in the current account. In the first quarter of 2007, the total current transfers reached Euro 223.5 million and exceed the amount of the trade deficit by 1.1 time (which was more compared to the first three months of 2004 and of 2005, i.e. 66.8% and 90.7%, respectively). The growth in the current transfers was due to the income growth based on private transfers, where the net inflows from the foreign exchange operating stayed a dominant factor for the growth.

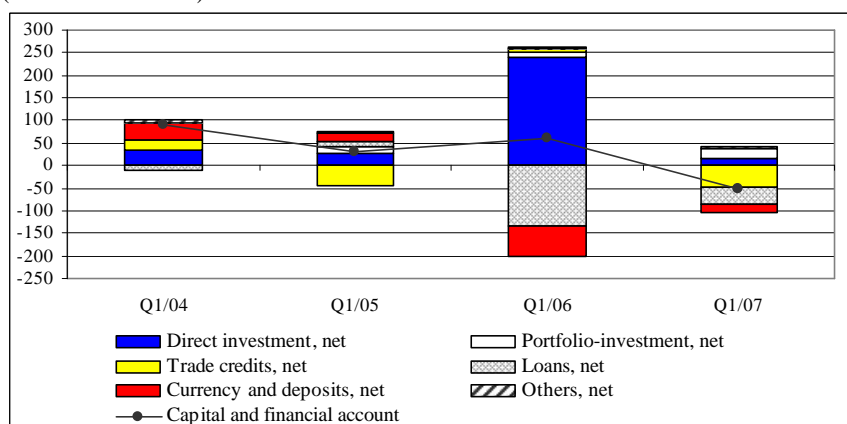
Figure 20
Dynamics of the private transfers by components on net basis
(in millions of euros)
(annual change rates)



Source: National Bank of the Republic of Macedonia.

In the first quarter of 2007, the premature payment of external debt by the Government, as well as the negative balance of the trade credits resulted in net outflow in the *capital and financial account* in amount of Euro 51.2 million. In the capital account net inflows were registered, out of which Euro 10 million concerns the payment for concession for third mobile operator.

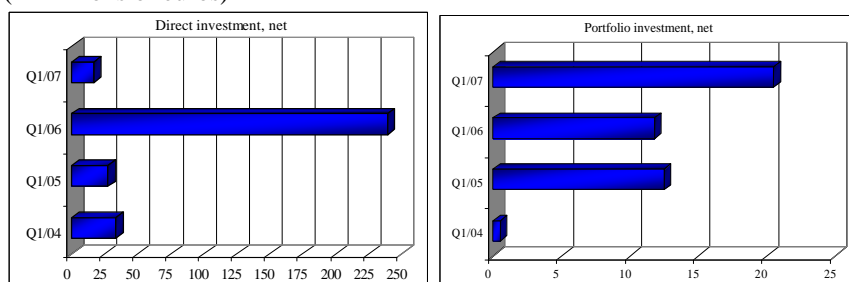
Figure 21
Financial account components
(in millions of euros)



Source: National Bank of the Republic of Macedonia.

In the first quarter of 2007, in the financial account net outflows were realized in amount of Euro 59.9 million, with net outflows based on indebtedness, trade credits and currencies and deposits being registered (Euro 39.3 million, Euro 47.3 million and Euro 16.9 million, respectively). On the other hand, the net foreign inflows in this period were realized through direct and portfolio investments. The direct investments on net basis, in the first three months equaled Euro 16.9 million and on annual basis decreased by Euro 222.5 million, which was mostly due to the high comparison basis (the privatization of ESM in the first quarter of 2006). But, if the effect from this privatization is corrected, the direct investment will register annual growth of Euro 2.5 million, compared to the same period of the previous year. The analysis by activities showed that most attractive activities for investment in the country in this period were the financial mediation, trade, production and agriculture.

Figure 22
Direct and portfolio investments
(in millions of euros)



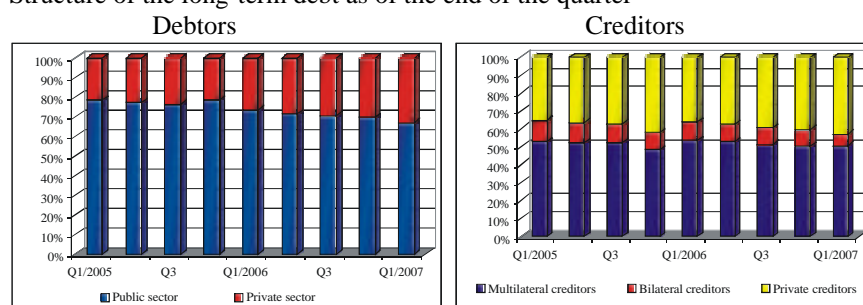
Source: National Bank of the Republic of Macedonia.

In the first quarter of 2007, growth in the portfolio-investments was registered and they amounted to Euro 20.5 million, completely representing the investments in equity securities of domestic companies, which indicates the positive perceptions of foreign investors on the potential of the domestic economy.

In the first quarter of 2007 the implementation of the strategy for reducing the external public debt and the improvement of its structure continued, so the *total external debt* of the Republic of Macedonia on 31.03.2007 decreased by 1.8%, relative to the end of 2006. Such dynamics in the overall external debt reflects mainly the premature repayment of the reprogrammed debt to the Paris Club of Creditors. This repayment was realized in several months, with gradual repayment of the debt to certain countries. Thus, in January, besides the regular payment, the reprogrammed debt to USA, Kuwait and Sweden was repaid, in February the repayment of the debt to Holland was performed, while in March 2007 the repayment of the debt to France, Denmark, England, Switzerland and Austria was performed. The debt based on long-term credits and loans, on quarter basis, went down by Euro 70.7 million (which mainly represented the repayment to the Paris Club of Creditors).

*Realized premature payment
of part of the debt to the
Paris Club of Creditors*

Figure 23
Structure of the long-term debt as of the end of the quarter *



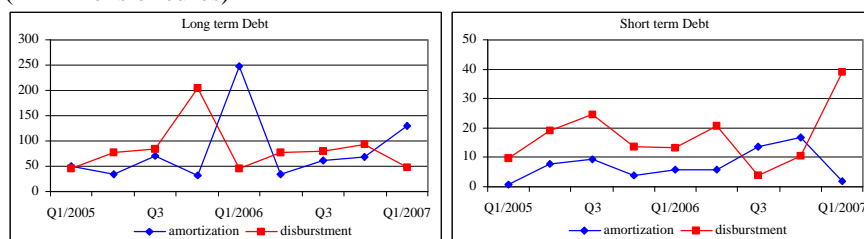
*Previous data.

Source: National Bank of the Republic of Macedonia.

In the first three months of 2007, the withdrawn assets amounted to Euro 87 million, out of which 55.3% were long-term credits and loans, while the remaining 44.7% were withdrawn assets based on short-term credits (which represented quarter growth by 3.8 times). On the other hand, total repaid liabilities to the foreign creditors equaled Euro 131.2 million, which were almost completely (98.5%) repaid based on long-term indebtedness, mainly by the public sector.



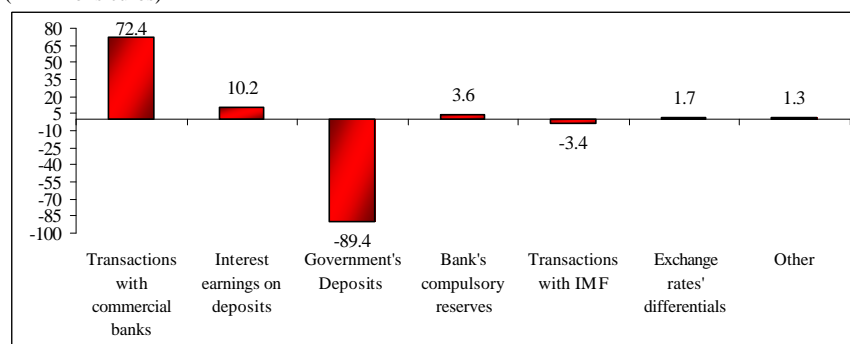
Figure 24
Used assets and repaid liabilities on long-term and short-term debt
(in millions of euros)



Source: previous NBRM data.

The positive developments on the foreign exchange market enabled the realization of net purchase of foreign currencies by NBRM at the foreign exchange market, which significantly neutralized the outflows based on premature payment of the debt to the Paris Club of Creditors and the returning of the assets to EBRD, based on the participation of this institutions in pre-privatization process of ESM - Distribution. At the end of the first quarter of 2007, *gross foreign reserves* equaled Euro 1,413.1 million, registering small fall of Euro 3.6 million, compared to 31.12.2006. Such dynamics of gross foreign reserves enables coverage of 4.2 months of the import of goods (f.o.b.) and outflow of services of the next year¹³.

Figure 25
Factors of change of the gross foreign reserves in the first quarter of 2007
(in millions euros)



Source: National Bank of the Republic of Macedonia.

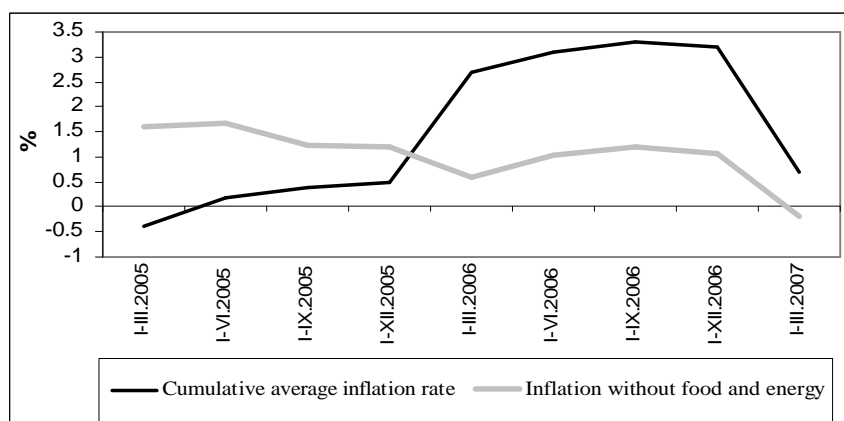
1.5. Inflation

In the first quarter of 2007 relatively low inflation rate was registered, which confirms that the realized inflation in 2006 was under the influence of factors with one-time effects. The inflation developments in 2007 were still under the influence of the changes with the administrated prices of the energy (central heating and electricity). Different from the previous year, the international oil prices, as external factor, this year had an inflationary influence over the global price level.

Moderate inflationary developments in the first quarter of 2007

¹³ According to the projection of the balance of payments made during the last IMF mission, in February 2007.

Figure 26
Inflation rate

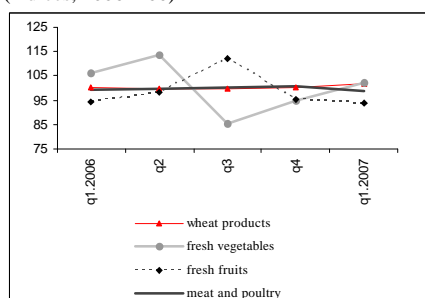


Source: SSO and NBRM calculations. In 2006 the effect of growth in the cigarette excise was excluded.

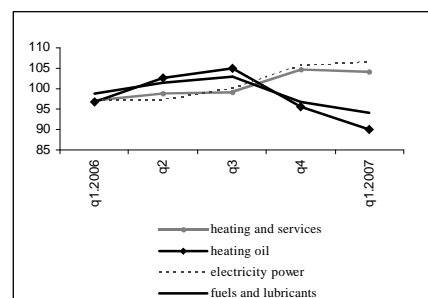
Low and stable inflation in the first quarter of 2007

The low inflation rate¹⁴ of 0.6%, compared to the previous quarter, mainly reflected the seasonal growth in the prices of fresh vegetables and of the higher prices of the rent and water supply of the households in the capital city, with further decrease in the fuel prices. In conditions of minimal monthly growth in the inflation and stable annual growth, in the first quarter of 2007, the average inflation rate kept the same level of 0.7%. The main inflationary pressures emerged of the higher heating and electricity prices, relative to the same period of 2006. The higher prices of food and the prices of education means and services had small influence. These factors were significantly neutralized with the deflationary influence in the lower prices of the transport and telecommunication services and of the fuels. The stable inflationary developments and the absence of more serious inflationary pressures can be seen through the basic inflation rate (the influence of the food and energy prices was excluded), which registered downward trend and in the first quarter it went down on negative 0.2%. Although this could be interpreted, for now, as absence of more significant transferred effect from the growth of the energy prices in the previous year on the rest of the economy prices, it should be considered that this process could be realized with a certain delay.

Figure 27
Prices of food products
(indices, 2006=100)



Regulated prices



Source: SSO and NBRM calculations.

¹⁴ The index on live expenses (consumer prices index) represents a measure for the inflation. Starting in January 2007, this index is calculated by the weights derived from the Household Consumption Survey dated 2005. Also, a change in the structure of the index was made, with respect to the main categories, through adding two new items: "restaurants and hotels" and "other services", which participate with 5.2% in the index. On behalf of that, the categories: "food", "tobacco and beverages", "wearing apparel and footwear" and "transport equipment and services" registered more significant decrease. The calculations on the inflation rate on quarterly basis were made in the Research Department, based on data from the State Statistical Office.



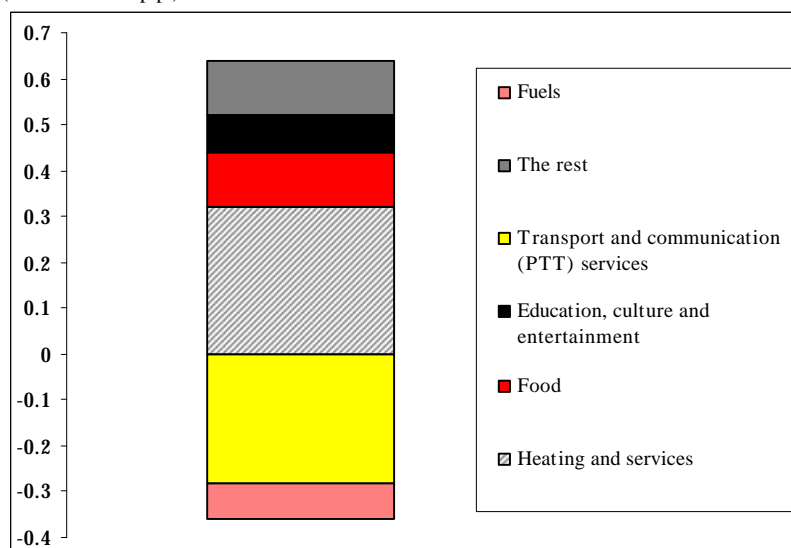
*Changes in the tax field
without more significant
influences for now*

The implementation of the EU directives in the taxing sphere, connected with the excise rates on tobacco, continued in 2007 when in January they additionally rose by 10%. As of March, such change did not influenced on the inflation (absence of growth in the retail prices of the cigarettes), but this effect was expected to happen with a certain delay (in the second quarter of the year).

Figure 28

Contribution of separate categories from the inflationary index on the average inflation rate in the first quarter of 2007

(contribution in p.p.)



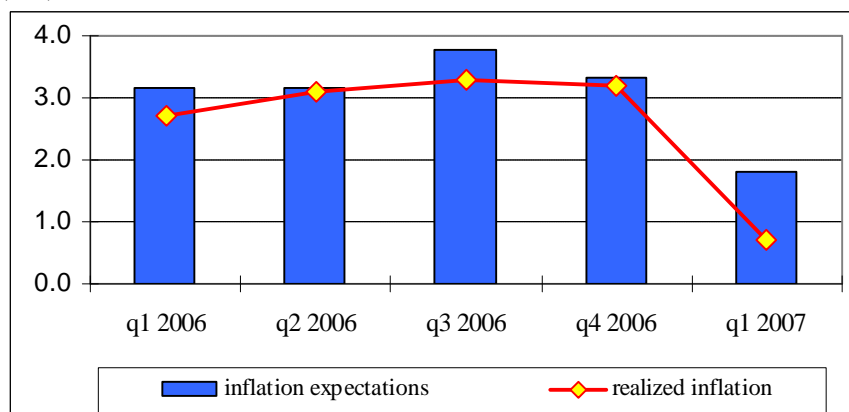
Source: SSO and NBRM calculations.

*Expectations on lower
inflation till the end of
2007 relative to the initial
projections*

The realized inflation rate in the first quarter of 2007 was considerably lower than the projections. The initial projections for 2007 envisage inflation of 2.5%. Based on the performances in the first quarter and the revision of the projections in accordance with the non-realization of certain assumptions, it was expected for the inflation to be lower till the end of 2007 than the initially projected inflation and that it would amount under 2%. The inflationary developments, registered in the first quarter of the year, corresponded with the stabile inflationary expectations of the economic subjects in Macedonia. Till the end of 2007, the economic subjects mainly expect slow increase in the inflation, which in average would reach up to about 1.8%¹⁵.

¹⁵ According to the results from the Survey on inflation expectations of the subjects in Macedonia made in the first quarter.

Figure 29
Inflationary expectations till the end of the year and realized inflation in the current quarter
(in %)

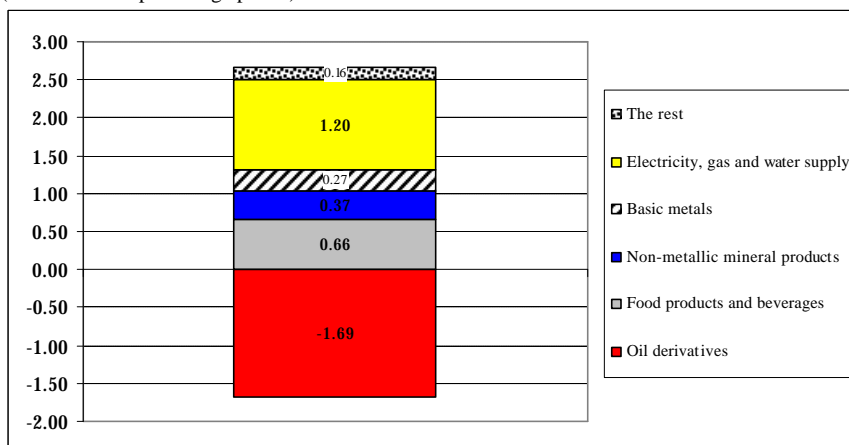


Source: Survey on inflation expectations and NBRM calculations; SSO.

The effect of the domestic consumption on the inflation is relatively uncertain

The macroeconomic policies in the first quarter of 2007 acted coordinated in function of keeping the price stability and stable inflationary expectations. In the same time, the positive macroeconomic surrounding enabled partially loosening of the policies, for initiating the economic growth. Based on the analysis of the developments in all economy sectors, the indications on the growth of the personal, and partially of the public and investment consumption, in the last quarter of 2006 and in the first quarter of 2007, point to arbitrary conclusion that there is potential inflationary effect of the domestic consumption in the following period.

Figure 30
Determinants of the average growth rate of producer prices in the first quarter of 2007
(contribution in percentage points)



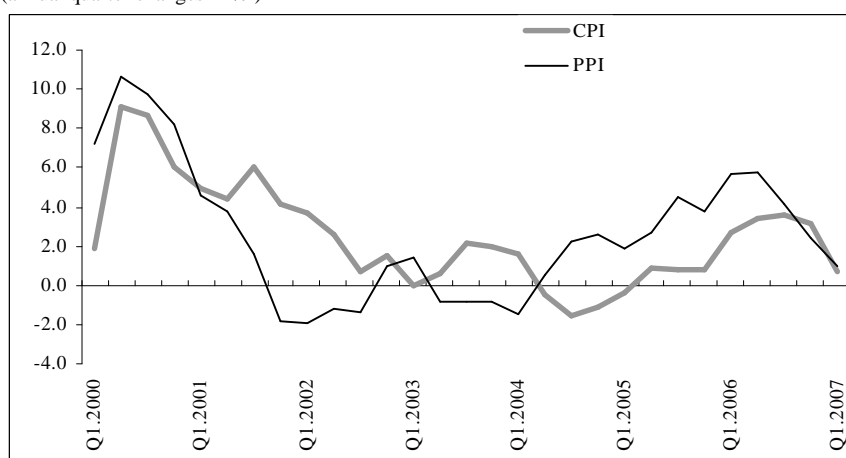
Source: SSO and NBRM calculations.

Without any significant inflationary pressures from the domestic producers

The consumer prices of industrial products, which in 2006 also registered more intensive growth, in the first quarter of 2007 registered average growth rate of 1%. The growth rate mainly reflected the higher prices of produced electricity and thermal energy and of the food products and beverages, on one hand, and lower producer prices of oil derivatives, on the other. Observed by their influence on the domestic component of the consumer prices, upward trend was registered with the prices of intermediary products and capital products, while the energy prices and the prices on joint consumption goods registered downward trend. Such developments of the prices of domestic producers did not indicate on more significant inflationary pressures, considering

that the intermediary and capital products are not part of the household consumption.

Figure 31
Consumer prices and [producer prices
(annual quarter changes in %)

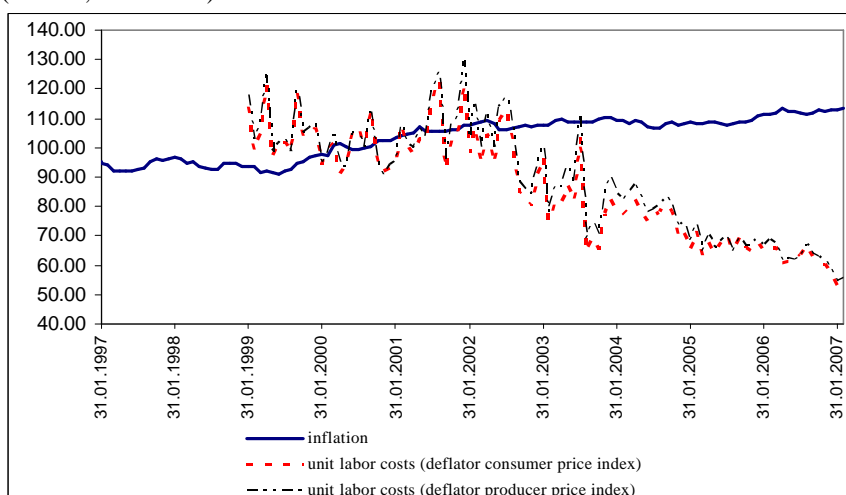


Source: State Statistical Office of Republic of Macedonia.

The unit labour cost registers further decrease

The unit of labour cost in the industry registered further downward trend, in conditions of significant growth in the productivity and minimal changes with the prices of the real gross salaries. In the first two months of 2007, they are lower by about 16%, which represented considerable decrease, with potential effect for decrease in the inflation in the following period.

Figure 32
Inflation and costs by labour unit in industry
(indices, 2000=100)



Source: NBRM calculations.

Annex 1 **Empirical researches related to the rigidity of the prices**

The rigidity of the prices, as their specific characteristic, is of large practical meaning for the monetary authorities, in context of better assumption of the inflationary dynamics. For the analysis of the rigidity level of prices the following is needed: 1) determination of the pace and the method of changing the inflation as a response to various shocks and 2) determination of the contribution of the process of forming prices by the firms and the retail benders, which results in un/changeability of prices. The aspects of price rigidity is especially relevant

in context of the analysis of the price growth of oil on the world markets in 2006 and their effect on the rest of the economy prices, which according to the development of the basic inflation rate in the Euro-zone was partially realized and till now in Macedonian economy was not identified.

The researches on price rigidity in the Euro-zone are motivated mainly of the fact that although there were significant shocks (bad weather conditions, introduction of the Euro, fiscal measures, change of oil price) and relatively low economic performances, the inflation in the Euro-zone was relatively stable about 2%¹⁶. These explorations are showing the following conclusions, and part of them concerns the inflation in the Macedonian economy:

- *the moderate inflation persistence or inflation un-changeability in the Euro-zone was determined*, which is opposite of the results from the evaluation of the inflation with very long time series.¹⁷ The evaluations show that these performances resulted mostly from the "new" role of the central banks, which in the analyzed period, were implementing monetary policy that successfully runs the inflationary expectations. In that direction, they do not permit extremely large and extremely long deviation of the actual realistic inflation of the declared medium-term target;
- *higher rigidity of the prices in the sector "retail trade" in the Euro-zone was determined relative to USA*. The explorations showed that the trade prices in the Euro-zone are changing in average on every four to five quarters which is double less than in USA where they are changing on every two quarters;
- *significant sector heterogeneity*, i.e. the non / changeability of the prices depends on the product type. The explorations confirmed that the prices most often change in the categories "energy" and "unprocessed food", opposite of the prices in the category "industrial products", except the prices of the energy and the services, which are relatively more rigid. The divergent adjustment of the prices was due to more factors among which one of the most significant was the changeability of the costs for investments. For example, the researches showed that prices of the products with higher participation of the labor factor and with lower participation of the energy, as mean for mediation, are less exposed to price changes. Such results indicate the fact that *the rigidity of salary changes* was potentially one of the reasons for price rigidity. The researches confirm that higher competition reduces the price rigidity, which is reflected through the frequent price changes in the supermarkets and the hypermarkets, opposite of the rest of the shops. Hence, the implementation of the structural changes for initiating the competition on the labour market and market of goods was the main factor which can make the price rigidity relative;
- *opposite of the rigidity expectations for price decrease, their frequent decrease was determined, with exception of the service prices*. By the empirical researches 40%, in average, of the price changes were acting towards decrease, except in the category "services", where the price decrease was registered only in 20% of the cases.

II.

Monetary policy

In the first quarter of 2007, the monetary policy was implemented in environment of positive performances in the external sector, intensified economic activity, prudent fiscal policy and stable expectations of the private sector. The final goal of the monetary policy - the price stability, was successfully realized, in conditions

¹⁶ Source: Inflation Persistence and Price-Setting Behavior in the Euro Area: A Summary of the Inflation Persistence Network (IPN) Evidence. Joint results are presented from over 60 working materials (mostly from the European Central Bank), which treated only the rigidity issue of the prices in the Euro-zone.

¹⁷ The term "inflation persistence", or maintenance, or un-changeability of the inflation in this context represents the tendency of the inflation for slow convergence towards its long-term value after certain shock in the economy.

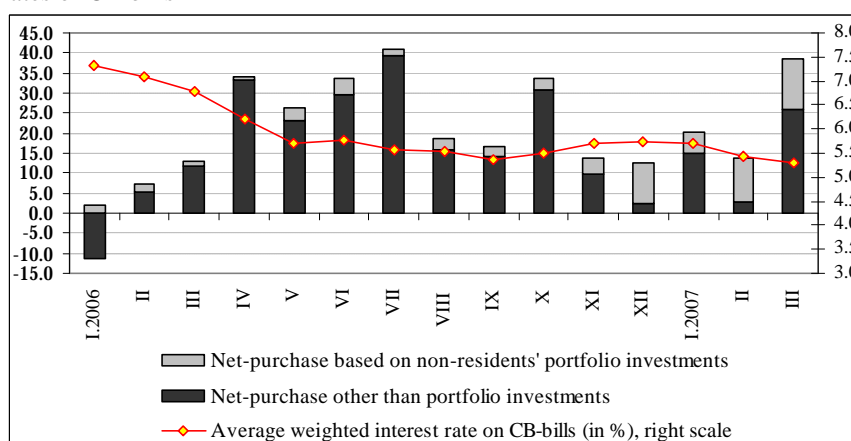


*Stabile foreign exchange rate
of the Denar against the Euro
on the foreign exchange
market*

of further keeping the stability of the nominal foreign exchange rate of the Denar against the Euro.

The positive domestic and world conjuncture resulted in higher foreign currency inflows from abroad on the foreign exchange market. In such conditions and using the strategic frame of "de facto" targeting of the nominal foreign exchange rate of the Denar against to Euro, the appreciation pressures on the domestic currency was neutralized through NBRM interventions on the foreign exchange market, with net purchase of foreign currency assets in total amount of Euro 72.4 million (by Euro 61.8 million more than in the same quarter in 2006), which represents dominant factor for creating liquidity in the banking system. In the same time, in the first quarter, changes were registered in the structure of foreign currency transactions of NBRM, acting towards more significant growth of the participation of the net purchase based on portfolio investments of nonresidents, which points to further maintenance of the positive perceptions of the foreign investors for the development of the domestic capital market. In the first quarter of 2007, the average foreign exchange rate of the Denar against to Euro kept the stable level equaling Denar 61.18 per Euro. On the other hand, the average foreign exchange rate of the Denar against the US Dollar on the foreign exchange market, in the first quarter of 2007, equaling Denar 46.72 (quarter Denar appreciation by 1.6%), as a reflection of the further strengthening of the value of Euro relative to the US Dollar.

Figure 33
Foreign currency transactions of NBRM with commercial banks and interest rates of CB bills



Source: National Bank of the Republic of Macedonia.

*On net basis the
autonomous factors
represented way of
creating liquidity*

In the first quarter of 2007, with respect to the liquidity creation and withdrawal, besides the NBRM foreign currency transactions¹⁸, also the currency in circulation gave higher contribution in creating liquidity, compared to the same period of the previous year. The more intensive quarterly decrease in the currency in circulation in 2007 represented an expected normalization of the cash demand, after very high seasonal growth in December 2006¹⁹, and partially reflected the effect from the intensified usage of payment cards at the beginning of 2007²⁰. In conditions of high realization of tax income in the budget, in the first quarter of 2007, the balance of the Government Denar account with NBRM

¹⁸ The decrease in the net foreign currency assets of NBRM (showed in Table 1) reflects the lower level of the Government foreign currency deposits with NBRM, which was due to the premature payment of a part of the debt to the Paris Club of Creditors.

¹⁹ In December 2006, the currency in circulation realized significantly higher growth relative to the usual seasonal dynamics, which can be explained with the time overlap of the holyday Kurban-Bayram with New Year and Christmas holidays and with the repayment of the subventions to the agriculture workers.

²⁰ The intensified usage of the payment cards was partially due to the Government decision on repaying the salaries to the employees in the state institutions through the commercial banks, i.e. 50% of the salaries to be transferred till the end of 2006 and the rest of it till the end of March 2007.



realized growth absorbing part of the created liquidity. On net basis, the autonomous factors acted towards creating liquidity, which was neutralized through the NBRM monetary instruments (NBRM CB bills and Treasury bills for monetary purposes²¹).

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

	Balance as of 31.12.2006	Changes by months			Total	Balance as of 31.03.2007
		January	February	March		
Banks' liquidity (banks' account with the NBRM)	7,159	-1,113	76	136	-901	6,258
Liquidity creation					1,230	
1. Currency in circulation	16,206	1,679	-459	-48	1,172	15,034
2. Banks' vault cash	1,526	129	-123	52	58	1,468
Liquidity withdrawal					-2,131	
3. Net foreign assets	85,116	-1,232	-663	1,845	-50	85,066
4. Net domestic assets	-60,225	-1,689	1,321	-1,713	-2,081	-62,306
of which:						
CB bills	-9,456	-2,174	464	-137	-1,847	-11,303
Treasury bills for monetary purposes	-4,573	182	-365	-781	-964	-5,537
Government denar deposits with the NBRM ¹	-10,753	-2,017	-121	-1,678	-3,816	-14,569
Government foreign currency deposits with the NBRM	-17,631	2,698	2,072	731	5,501	-12,130
Other items net ²	-20,113	-378	-724	152	-950	-21,063

¹ CB bills for monetary purposes are excluded.

² The quarterly increase in the category "other items, net", largely results from the higher stock on the bills of the stockbroker's firms with NBRM.

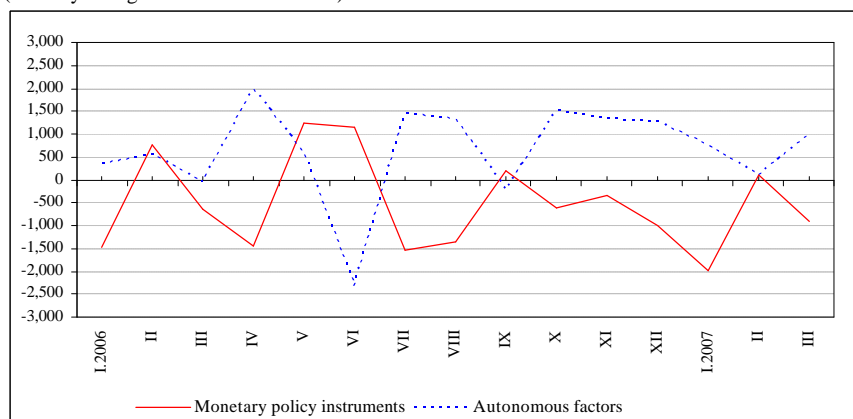
* Positive change - creating liquidity; negative change - liquidity withdrawal.

Source: National Bank of the Republic of Macedonia.

Liquidity withdrawal through the monetary instruments

In the first quarter of 2007, the CB bills of NBRM more significantly participated (with 65.7%) in the total withdrawn liquidity through the monetary instruments, which almost completely came out of their intensive growth in January 2007. At the end of 2006, in conditions of uncertainty of the repayment of dividend by one larger company, the banks were keeping higher balance on their NBRM accounts, as a protection from possible high outflows of assets. In 2007, the banks entered with unusually high liquidity level, when NBRM intervened with higher offer of CB bills. After the normalization of the liquidity in the system, in the next two months, NBRM continued to divert the excess of liquidity assets from CB bills to Treasury bills for monetary purposes, for their long-term sterilization. On the auctions of CB bills, in conditions of higher demand over the supply, on average, the interest rate kept the downward trend and in March 2007 it went down to 5.3% (5.74% in December 2006), whereas the interest rate of the Treasury bills for monetary purposes registered moderate quarter growth (by 0.2 percentage points) and in March 2007 equaled 6.42%.

Figure 34
Monetary policy instruments 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.

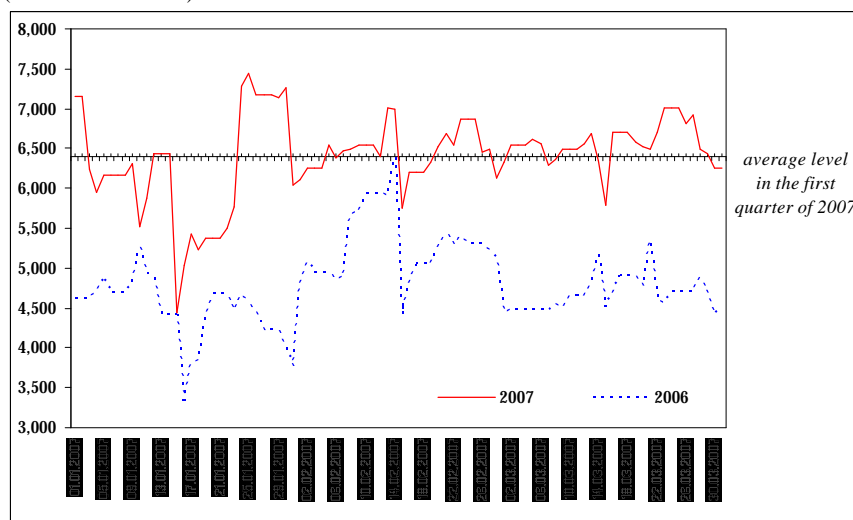
²¹ On 07.03.2006, NBRM in cooperation with the Ministry of Finance started the emission of Treasury bills for monetary purposes with maturity of three months.



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

In the first quarter of 2007, the average daily liquidity in the banking system went up by 1.9% relative to the previous quarter. Different from the previous quarter, when the presence of external factors initiated higher demand of available liquidity assets, in the first three months of 2007 the excess of banks' reserves significantly decreased. In the first quarter of 2007, the banks allocated, on average, 6.9% over the reserve requirement (in denars)²², which represented decrease by 8.9 percentage points relative to the average in the previous quarter (or by 2 percentage points less compared to the same period of 2006). The banks compensated the time liquidity shortages through the inter-bank money market, where the realized average monthly turnover was two times higher compared to the previous quarter.

Figure 35
Daily dynamics of banks' liquidity*
(in millions of denars)



*Liquidity includes banks' accounts with NBRM banks' cash in the vault.
Source: National Bank of the Republic of Macedonia.

The reserve money are lower relative to the previous quarter

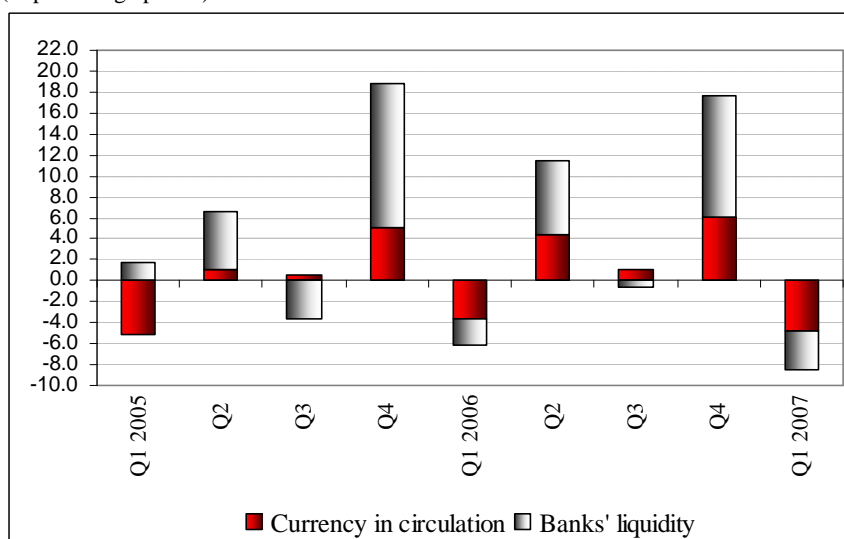
At the end of the first quarter of 2007, the reserve money reduced by 8.6%, compared to the end of the previous year, in conditions of simultaneous fall of the currency in circulation and of the total liquidity assets of the banks²³. On annual basis (March 2007 / March 2006) the primary money went up by 18.6%.

²² The period for maintaining (fulfilling) the banks' reserve requirement covers the period from the 11th in the current month to the 10th in the following month. The excess pertains to funds allocated to the banks' accounts with NBRM over the reserve requirement.

²³ Includes the cash in the vaults and banks' accounts with the NBRM.



Figure 36
Contribution in the reserve money growth
(in percentage points)

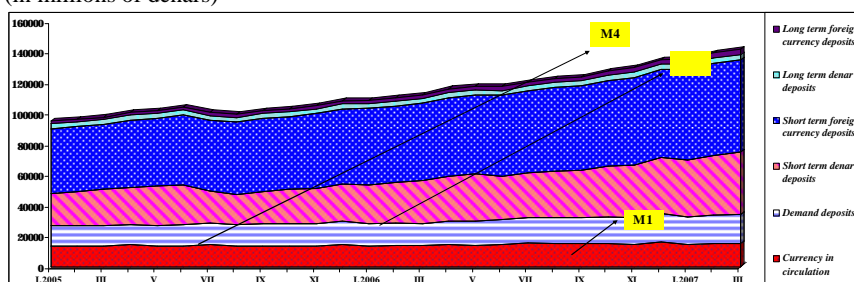


Source: National Bank of the Republic of Macedonia.

2.1. Monetary and credit aggregates

The creation of additional income, in conditions of stronger economic activity and significant foreign currency income in the economy enabled further growth in the total money supply. Except for the money supply M1, which in the first quarter registered seasonal fall of 1.4%, which was due to the effect of the nominalization of the level of currency in circulation, the rest of the monetary aggregates (M2 and M4) registered quarter growth of 4.9% and 4.7%, respectively. The constant broadening of the banks' deposit base, the positive economic developments and the stable macroeconomic environment contributed for high identical annual growth rate of the broader monetary aggregates M2 and M4 of 26.4%.

Figure 37
Components of the monetary aggregates
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

*Decrease in the preferences
for using cash*

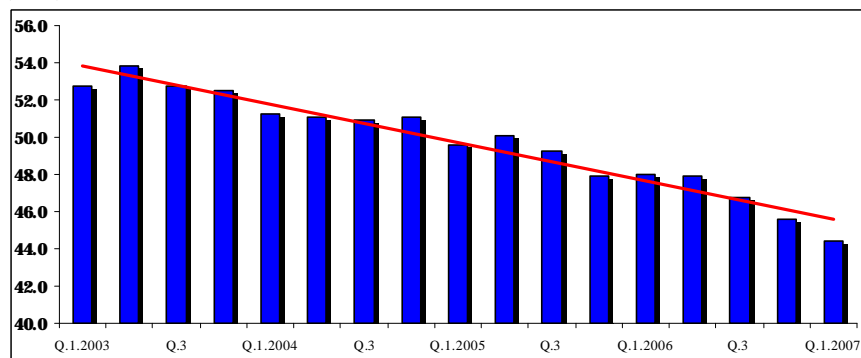
The correlation between the components of the money supply M1 indicates the changes in the preferences of the economic subjects, with respect to the instruments for transactions. Thus, the upward trend of the usage of payment cards as instruments for cash free payments, in the first quarter of 2007 resulted in positive development in the average quarter participation of the transaction deposits in the money supply M1 (55.6%, compared to 53.2% and 54.4% in the third and fourth quarter of 2006). The decreased participation of the currency in circulation in the money supply, with significant growth in the deposit potential of banks, enabled stronger monetary multiplication. Thus, the monetary



multiplier of the money supply M4 increased equaling 6.17, on average (compared to 5.63 in the fourth quarter of 2006).

Figure 38

Participation of the currency in circulation in the money supply M1 and trend line
(in %)



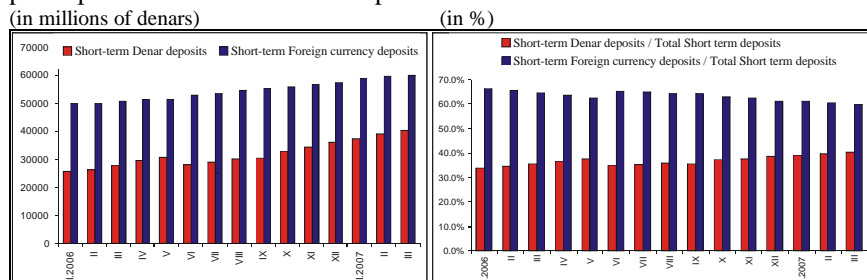
Source: National Bank of the Republic of Macedonia.

The total banks' deposit potential is higher by 6.8%

The total deposits of the private sector with banks rose by 6.8% on quarter basis, when 98.7% of the growth resulted from the increase in the short-term deposits, whereas the contribution of the long-term deposits remained marginal. This confirms the fact that the economic subjects, generally, still prefer to save on short-term. The analysis of the Denar and foreign currency participation showed the preference of the economic subjects to keep their own cash free in domestic currency on short term, on one hand, and the preference of the private sector for saving in foreign currency on long term, on the other. Although the relative significance of the foreign currency deposits in the structure of total deposits was higher, faster dynamics of growth in the Denar deposits could be registered, relative to the growth in the foreign currency deposits (which can be confirmed by their contribution of 63.1% in the growth in the total banks' deposits in the first quarter of 2007).

Figure 39

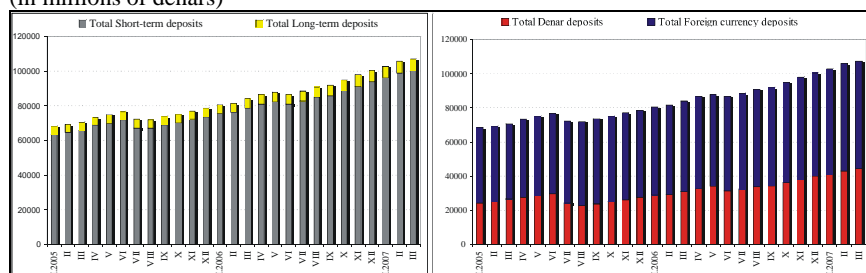
Developments of short-term deposit in Denar and in foreign currency and their participation in total short-term deposits
(in millions of denars)



Source: National Bank of the Republic of Macedonia.



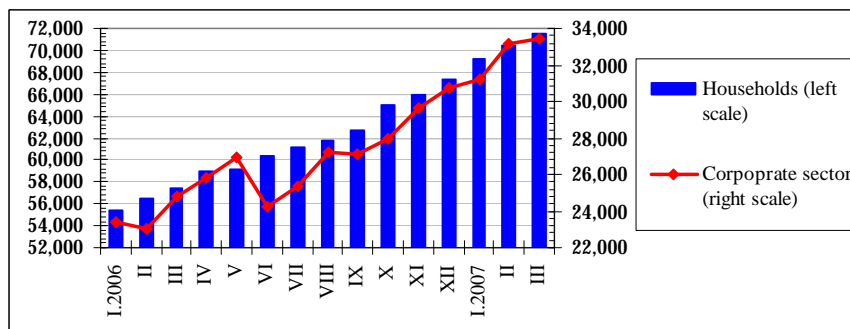
Figure 40
Time and currency structure of total deposits
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

With respect to the sectors, the household deposits at the end of March 2007 continued keeping the dominant position in the total deposit structure with contribution of 66.7%. In the first quarter of 2007 their contribution in the total growth of the deposit base equaled 60.5%.

Figure 41
Deposits on households and enterprises
(in millions of denars)

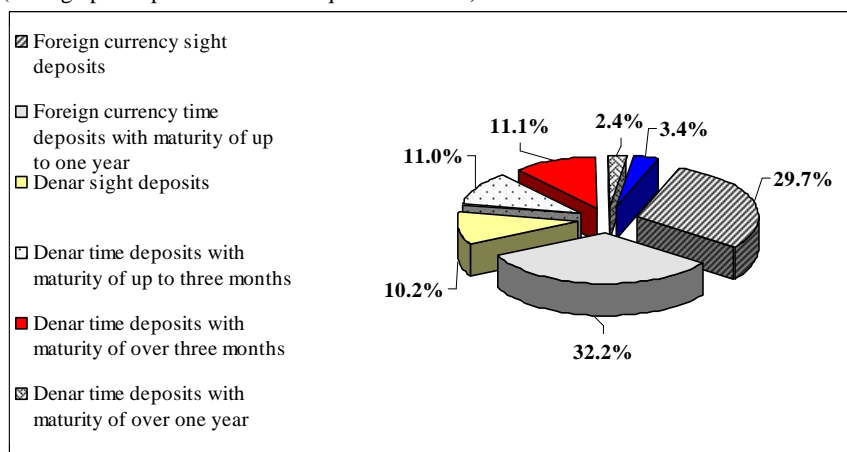


Source: National Bank of the Republic of Macedonia.

Higher quarterly level of household deposits...

At the end of March 2007, the total household deposits registered quarter growth by 6.1%. This growth was mainly under influence of the higher level of Denar deposits with maturity from six months up to one year and the foreign currency deposits with maturity up to one year, which contributed with 69.2% in the growth. With respect to the currencies, the total foreign currency deposits kept the dominant position in the structure of total household deposits (participation of 64.6%). Yet, in the first quarter of 2007, the households showed more significant preference to save in domestic currency, which resulted in higher growth rate (12.8%), compared to the growth rate of the foreign currency deposits (2.8%).

Figure 42
Deposit structure of households
(average participation in the first quarter of 2007)

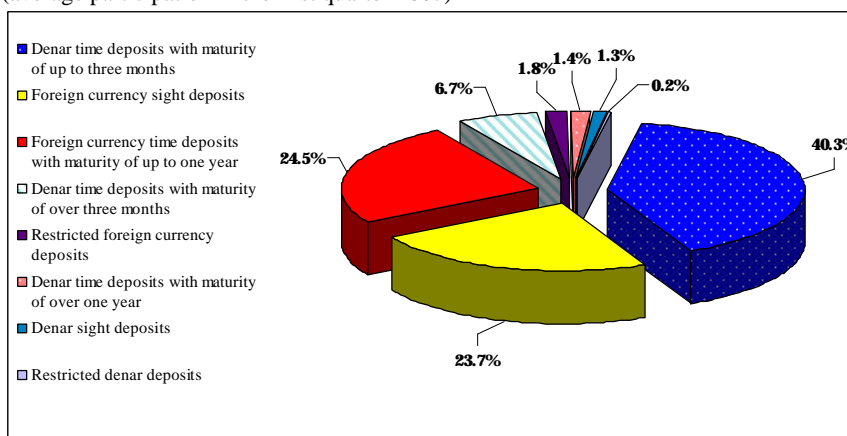


Source: National Bank of the Republic of Macedonia.

...with simultaneous higher level of deposits on enterprises

In the first quarter of 2007, the total deposits of corporations continued growing (8.8%), but slower relative to the last quarter of 2006, contributing with 39.6% in the growth of the total banks' deposits. With respect to maturity and currency structure, the corporations invested the available cash mainly on short-term and in domestic currency. In conditions of quarter fall of the long-term deposits (by 19.6%), the growth in the total corporate deposits, was solely due to the increase in the short term deposits. Thus, 57.4% of the growth in the total deposit resulted from the increase in the Denar deposits with maturity to three months.

Figure 43
Deposit structure of enterprises
(average participation in the first quarter 2007)



Source: National Bank of the Republic of Macedonia.

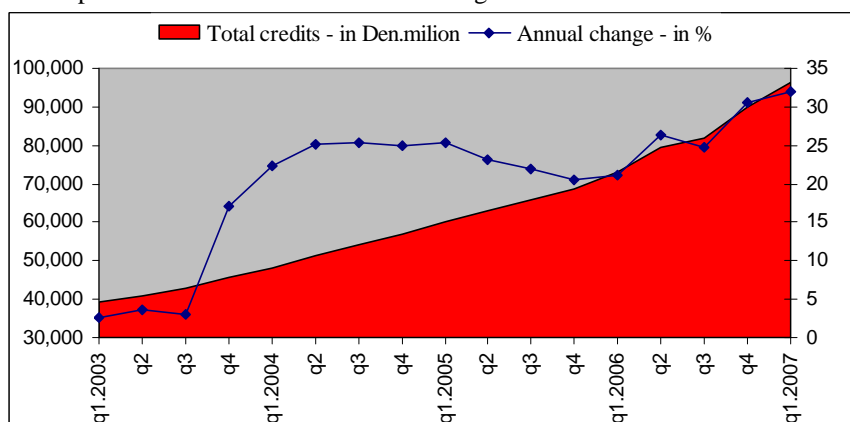
Intensified credit activity in the first quarter of 2007

The constant increase in the deposit base, as main generator of the credit activity volume of banks, and in the first quarter of 2007 contributed for growth in the total banks' placements with the corporative sector. In the same time, the loosening in the terms under which the banks grant credits significantly influenced (mainly as a result of the stronger competition by the other banks and positive perceptions on the total economic activity²⁴), on one hand, and higher credit demand, on the other. In such environment, the total banks' placements rose by 7.3% on quarter basis. Compared to the first quarter of the previous year, the growth rate of the total placements equaled 32%. The development trend in

²⁴ According to the survey on credit activity of banks for the first quarter of 2007.

the total banks' placements with the private sector, in the last couple of years, indicates gradually intensification of their credit activity.

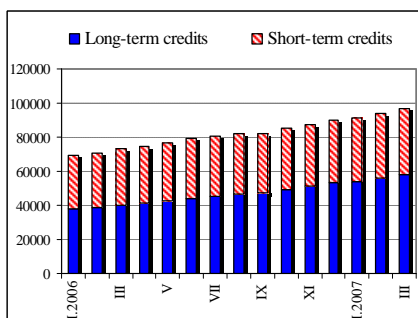
Figure 44
Development of the total credits and annual growth rate



Source: National Bank of the Republic of Macedonia.

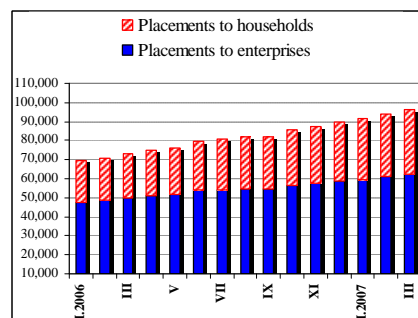
In the first quarter of 2007, the long-term crediting generated 68.2% of the total credit growth, keeping the dominant participation in the structure of the total banks' credits (59.5% on average). The analysis of the dynamics showed continuous upward trend in the participation of the long-term credits in the total placed assets of banks based on credits. With respect to the currency, the credits granted in domestic currency²⁵ created 74.2% of the total credit structure and at the end of March 2007 they registered growth of 7.7% (with simultaneous increase in the foreign currency credits by 6.2%).

Figure 45
Banks' placements by maturity
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

Figure 46
Banks' placements by sectors
(in millions of denars)



In the first quarter of 2007, additional assets based on indebtedness to the banking system were allocated in the sector "households". The quarterly growth rate of the household credits equaled 8.9%. The long-term credits in domestic currency represented the basic component of the growth in the total household credits (53%), where 56% of the growth of total household credits was due to the increase in the long-term credits for other purposes²⁶. The lower credit price, the higher demand on housing credits and consumption credits, under the influence of the positive perspectives on the housing construction market, the higher demand on durable goods, as well as the higher supply of credits by the banks²⁷ were the main factors of the upward trend in the household

²⁵ Including the Denar placements with FX clause.

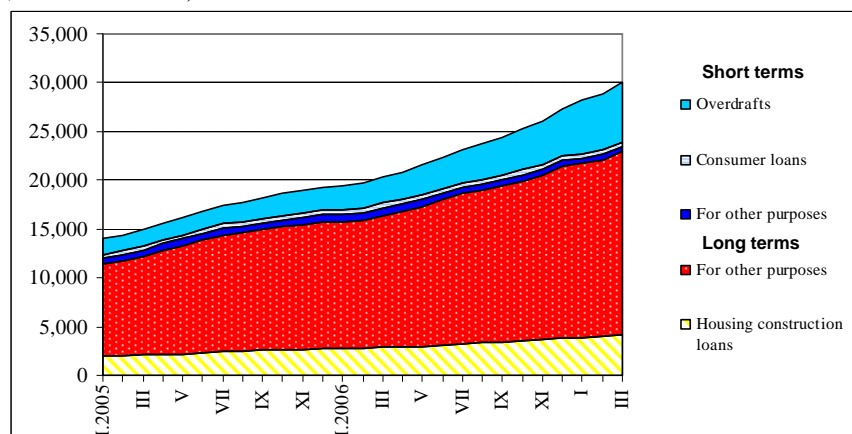
²⁶ The loans for other purposes includes: consumption credits, housing credits, car credits, education credits and credits for other purposes.

²⁷ According to the results from the Survey on Credit Activity of Banks for the first quarter of 2007.



crediting. On annual basis (March 2007 / March 2006), the total household placements registered growth of 45.6%.

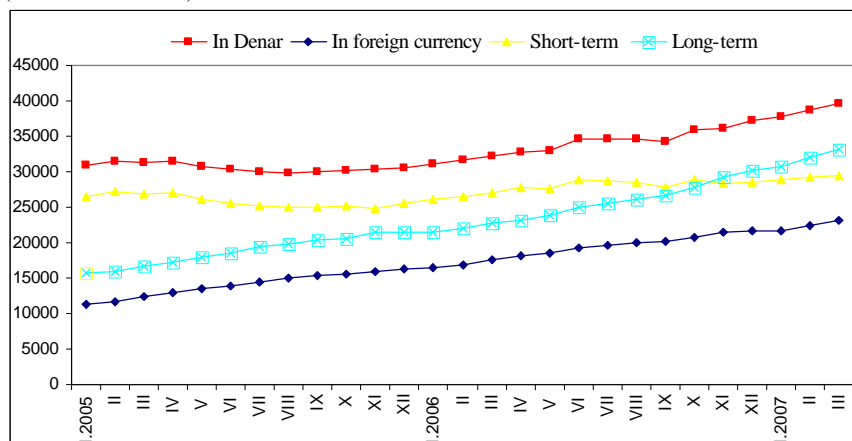
Figure 47
Distribution of Denar credits to households by types of credits
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

In the first quarter of 2007, the total banks' credits to the corporations realized quarter growth of 6.5%, which was mainly due to the growth in the long-term credits (with contribution in the growth of the total credits to corporations of 76.8%). Based on the currency credit classification, in the first quarter of 2007, the Denar credits had dominant position in the structure of total credits to corporations (63.2%). On annual basis, the total credits to corporations went up by 25.7%.

Figure 48
Credits to enterprises
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

2.2. Interest rates

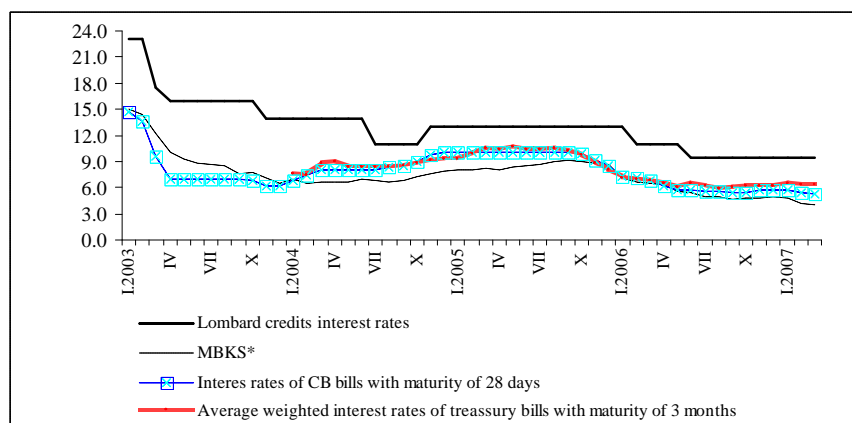
The positive developments on the foreign exchange market and the prudent fiscal policy contributed for further decrease in the referential interest rate of NBRM, which created conditions for activating the aggregate demand through decreasing the financing costs. Thus, during the quarter, when the level of liquidity was high and the demand on CB bills was higher, the interest rate of this instrument continued decreasing and this adequately reflected on the inter-bank money market and on the market of Treasury bills. With respect to the

Decrease in the interest rate of the CB bills by 0.4 percentage points

interest rates of the banks, the active interest rate of the banks registered moderate fall, which corresponds with the broadened deposit base, the intensive credit growth placed in the private sector and with the changes in the monetary policy.

In the first quarter of 2007, the average demand of the CB bills exceeded the average supply, where the referential interest rate in March went down to 5.3% (compared to 5.7% in December 2006). In conditions of low average inflation rate in the first quarter of the year, the real interest rate equaled 4.6%. The annual comparison (March 2007 / March 2006) showed decrease in the interest rate on the CB bills by 1.5 percentage points, which indicates the gradually loosening in the monetary policy, as a signal for further decrease in the interest rates of the banks.

Figure 49
Short-term interest rates on NBRM, interest rates on money markets and the market of Government securities



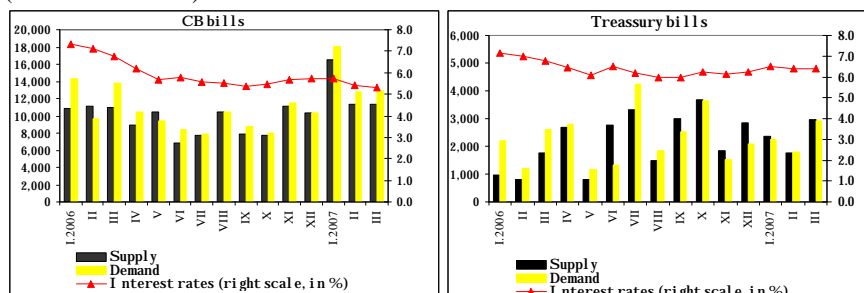
*IBIR-inter-bank interest rate.

Source: NBRM, Money Market and short-term securities and the Ministry of Finance.

The downward trend in the interest rate of NBRM was followed by fall in the interest rate of the six months (of 0.1 percentage points) and the twelve months Treasury bills (of 0.5 percentage points), whereas the interest rate of three months Treasury bills registered quarter growth (of 0.2 percentage points). The high demand on CB bills indicates that the banks still preferred investing in short-term financial instruments, but also their high liquidity position. Thus, in conditions of high level of liquidity, the decrease in the interest rate continued on the inter-bank money market - IBMM²⁸ (in March it went down on 4% compared to 5% at the end of 2006).

²⁸ IBMM, till April 2006, concerns the interest rate from bilateral trading of banks and trading on the official money market, and since May 2006, only the first market segment, considering that in conditions of continuous decrease in the turnover at the official money market, on 15.05.2006 it stopped working, and the trade with the liquidity assets was realized through bilateral transactions of the banks, on electronic platform.

Figure 50
Auctions of CB bills with maturity of 28 days, auctions of three-month Treasury bills and interest rate development
(in millions of denars)

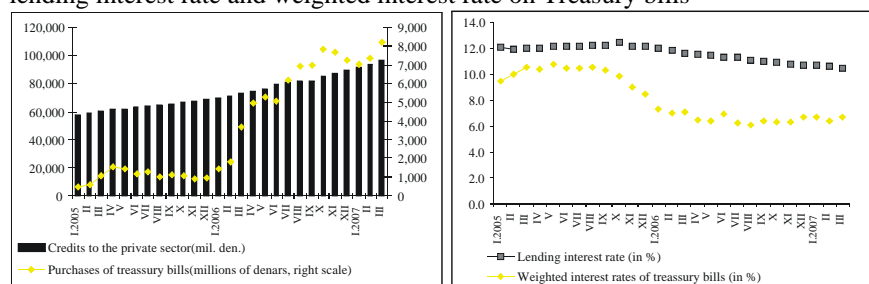


Source: NBRM and Money Market and short-term securities.

Decrease in the lending interest rate, with moderate growth in the deposit interest rate

The moderate downward trend of the lending interest rate, that started at the end of 2005, continued in the first quarter of 2007, which indicates the higher responsiveness of the banks to the monetary signals, but also a stronger competency pressure in the banking sector and broader, in the financial sector. Thus, at the end of March 2007, the nominal lending interest rate²⁹ on Denar credits went down to 10.5% (the real equaled 9.8%), which represents quarter fall of 0.2 percentage points and annual decrease by 1.1 percentage points. On the other hand, opposite of the constant broadening of the deposit base, the pressures for outflow of assets from the bank accounts, partially initiated by the intensive growth in the stock exchange turnover, determined increase in the deposit interest rate on Denar deposits by 0.4 percentage points. Thus, in March 2007, the nominal deposit interest rate on Denar deposits reached 4.8% (the real deposit rate equaled 4.1%). The opposite developments in the lending and deposit interest rate, at the end of the first quarter of 2007, resulted in narrowing the interest margin by 0.6 percentage points. Also, the decrease in the lending interest rate, in conditions of unchanged average weighted interest rate on Treasury bills for all maturities, resulted in decrease in the spread between these two interest rates. Thus, with higher interest rate on credits being registered and in conditions of limited supply of Government securities, the banks continued financing the private sector consumption actively, opposite of the financing the Government, which was significantly lower. Yet, in the first quarter of the year, the banks were dominant participant on the market of Treasury bills, which indicates their active participation in financing the Government needs.

Figure 51
Credits on banks to the private sector, investments on banks in Treasury bills, lending interest rate and weighted interest rate on Treasury bills



Source: National Bank of the Republic of Macedonia.

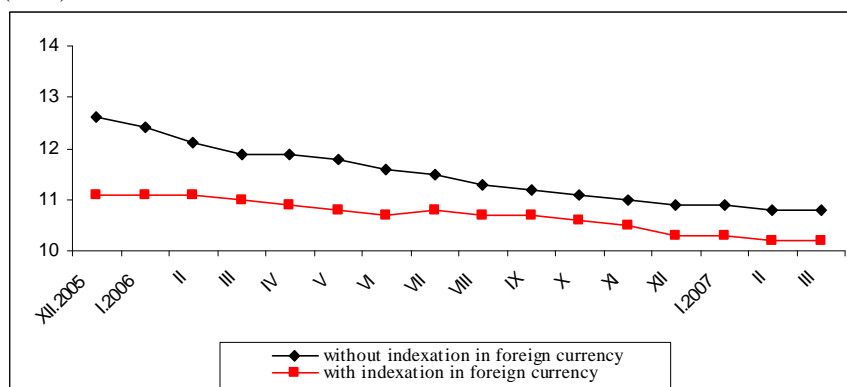
Fall in the interest rates Denar credits with and without FX clause

The analysis of the interest rates of banks shows that, within the *Denar loans without FX clause*, the long-term credits to the households registered more significant changes and their interest rate in March decreased by 0.4 percentage points, relative to the end of 2006. In the same time, within the *Denar loans with*

²⁹ The average weighted interest rate on Denar credits for all maturities and sectors.

FX clause, quarter fall in the short-term and long-term interest rate was registered (0.3 and 0.2 percentage points, respectively).

Figure 52
Interest rates on Denar credit with and without FX clause
(in %)



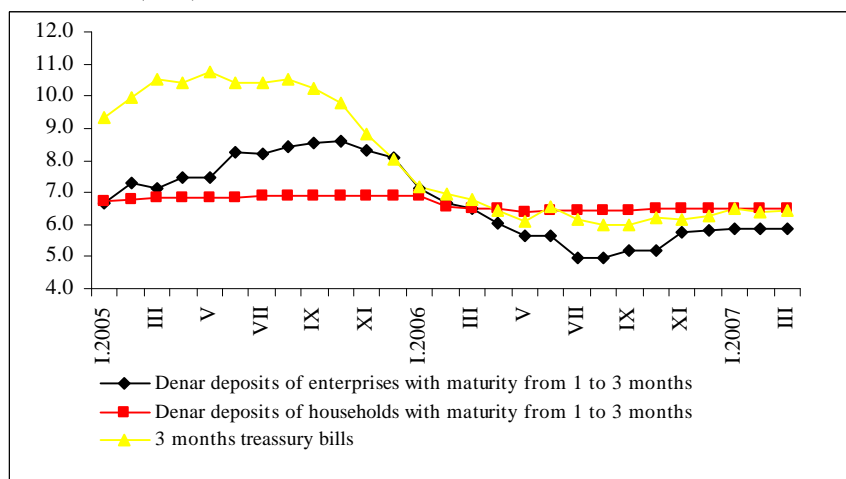
Source: National Bank of the Republic of Macedonia.

*Growth in the deposit
interest rates by 0.4
percentage points*

In the first quarter of 2007, the Denar deposit interest rates were developing differently from the lending interest rates. Thus, the interest rates on foreign currencies with and without FX clause rose from 4.5% and 3.4%, respectively, in December 2006, to 4.9% and 3.6%, respectively, in March 2007. The interest rates of the corporate sector registered more significant developments, where the short-term time deposits without FX clause became more attractive by, about, one percentage point, opposite of the yield of long-term time deposit with FX clause which significantly decreased (from 5.8% in December 2006, to 3.4% in March 2007). With the sector "household", the deposit interest rates registered minimal growth, compared to the end of the previous year.

Analyzed with respect to the interest rate as yield of the private sector, in the first three months of 2007, besides the unchanged yield of time Denar deposits up to three months (without FX clause), the saving of the households registered quarter growth, opposite of the investments in three month Treasury bills, which in conditions of higher interest rate, decreased. On the other hand, with the corporate sector, the growth in the interest rate of Denar deposits with maturity up to three months (without FX clause) was followed by high growth in saving and the investments in three month Treasury bills also increased. The interest rate on Denar deposits with maturity up to three months (without FX clause) of the households significantly approximated to the interest rate of the three month Treasury bills, opposite of the interest rate of the corporate sector, which was still lower than the interest rate of the three month Treasury bills. The higher attractiveness of the interest on the Government security market (especially for the corporations) did not suppress the saving of the private sector, within the banking system.

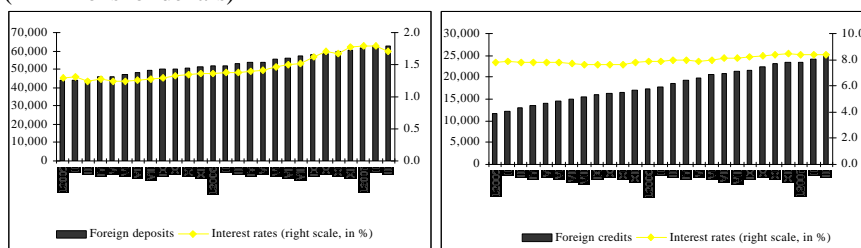
Figure 53
Interest rates (in %)



Source: National Bank of the Republic of Macedonia.

In the first quarter of 2007, the interest rates on foreign currency loans and deposits registered minimal decrease, where the lending interest rate³⁰ and the deposit interest rate³¹ reduced to 8.4% and 1.7%, respectively (fall of 0.1 percentage points, respectively, compared with the end of the previous year).

Figure 54
Monthly dynamics of foreign currency deposits and credits of the private sector and of the lending and deposit interest rate (in millions of denars)



Source: National Bank of the Republic of Macedonia.

Within the structure of the interest rates on foreign currency loans, most significant quarterly fall was registered in the price of the short-term foreign currency loans to households (in euros), which from 13.3% in December 2006, reduced to 11.6% in March 2007 and also in the price of the short-term foreign currency loans to corporations (in USA dollars), which from 8.4% in December 2006, amounted to 7.2% in March 2007. The interest rates of the foreign currency deposits did not registered changes in the interest rates of households, while with the corporative sector, the interest rates decreased by 0.4 percentage points (from 2.1% in December 2006, to 1.7% in March 2007).

³⁰ The average weighted lending interest rate on foreign currency credits for all maturities and sectors.

³¹ The average weighted deposit interest rate on foreign currency credits for all maturities and sectors.

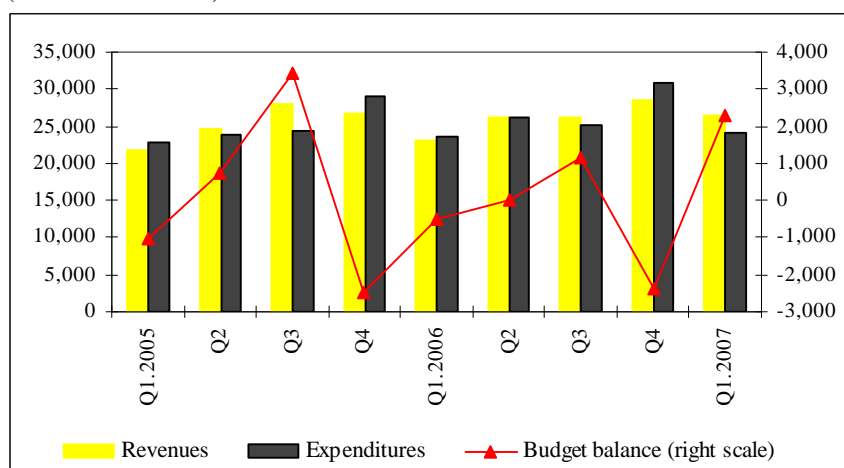
III.

Public finances

Positive trends in the fiscal sector in the first quarter of 2007...

In the first quarter of 2007, positive developments in the fiscal sector were registered. In the consolidated Government budget, the realized income exceeded the expenditures by about 10% (with unrealized payment of higher amount of dividend to a foreign investor), which determined realization of high budget surplus which significantly exceeded the one that was projected (by 8 times). Such developments were realized in conditions of decreased tax rates of the personal tax and of the profit tax, in the beginning of this year.

Figure 55
Total budget income and expenditure and budget balance
(in millions of denars)



Source: Ministry for finance of the Republic of Macedonia.

Annex 2

Reforms in the tax system of the Republic of Macedonia

In accordance with the Economic Program of the Government of the Republic of Macedonia for the period 2006 - 2010, in the last quarter of 2006 certain changes in the tax system were introduced. For more efficient tax system through transparent, simple and low taxes, at the end of 2006 a reform in the tax policy was made, which included decrease in the rate of the value added tax (VAT) on certain agriculture products and decrease in the rate of the personal tax and profit tax.

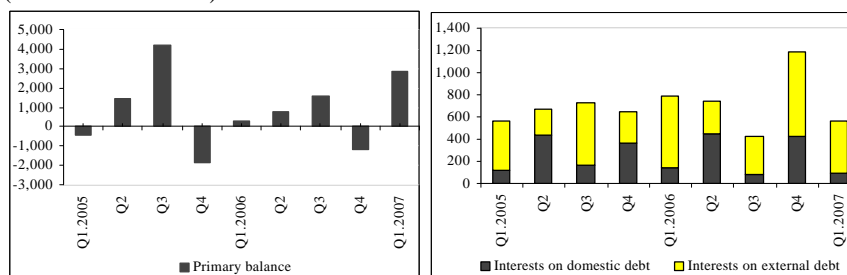
Thus, since 01.10.2006, the amendments in the Law on VAT became effective and with that the VAT rate decreased from 18% to 5% in particular groups of products which gave the basic contribution in agriculture. The aim of the amendments in the Law on VAT was to initiate the individual agricultural producers to register their activity and with that to ensure their right for return of VAT (with what they are reporting the paid VAT on the purchased goods, which they are using them only for production). Further reforms in the tax policy concerns the law changes dated 30.12.2006 amended in the Law on Personal Tax and in the Law on Profit Tax. With the law changes a flat tax was introduced and with that the existing personal tax rates of 15%, 18% and 24% were replaced with single tax rate of 12%, in 2007 and rate of 10% which will be used in 2008. The change acted towards reducing the expenses of the employers for engaging an operating force, so an increase in the employment and legalization of the "illegal" employments is expected. The amendments in the Law on Profit Tax acted towards increase in the investment activity, and with them the tax rate of

15% reduced to 12%, for 2007 and will reduce to 10% for 2008, also a tax liberation equaling the amount of the reinvested gain was introduced.

Such changes show gradually loosening in the fiscal policy, i.e. in its decision for creating terms for higher economic growth, through stimulating the aggregate demand and supply. The changes in the tax policy were acting towards reducing the unemployment, to increase the attractiveness for investments in the Republic of Macedonia and in the same time to increase the competition in the domestic legal subjects (through lower expenses for operating). Also, it is expected to from the tax changes to shorten and to simplify the administrative procedures for calculation and payment of such taxes, which had direct influence over the efficiency of the taxing administration.

Besides the changes in the tax policy, Government decision on premature repayment of a part of the external debt was characteristic for the first quarter of 2007, which reflected with minimal expenses on payment interests on foreign loans (by 28% relative to the previous year). If the budget balance is impaired by the interest payments, then the primary budget balance is higher and that represents confirmation for disciplined fiscal policy.

Figure 56
Budget balance and interest repayment based on external and domestic indebtedness
(in millions of denars)



Source: Ministry for finance of the Republic of Macedonia.

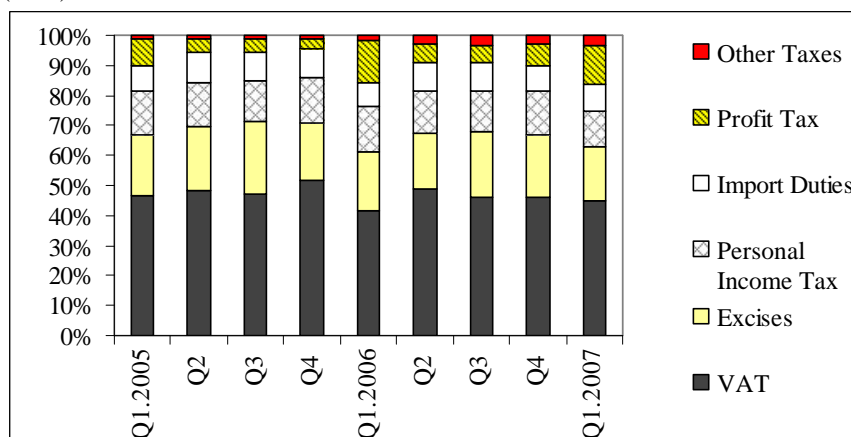
...with high annual growth
in the budget income...

In the first quarter of 2007, the total income went up by 14.6%, relative to the same period of the previous year. The VAT income, contributions and customs duties gave the higher contribution in the growth. More than a half of the growth in the tax income was realized from the high performances in the VAT income, which corresponds with the growth in the turnover of domestic trade and the export of goods and with improved payment of this tax. Yet, it is significant to be mentioned that part of the growth in the VAT income was due to the lower comparison basis than in the previous year when lower income were realized, which was due to the changes in the payment of this tax with the importers³². Significant part of the tax income growth, in the first quarter of 2007, was realized from the customs, based on which by 47% more assets than the planned were realized (or by 50% more than in the same period of the previous year). In conditions of constant process of decrease in the custom rates, the growth in the income from customs was due to the intensive growth in the import of goods and the improved payment. Simultaneously, in the first quarter of 2007 the high upward trend in the income from profit tax. Besides the decreased tax rate, the positive expectations in the corporative sector for 2007 and the regular payment of this tax (payment of the differences from the realized financial results for 2006 and the repaid fees) determined significant exceeding the planned amount of the income from profit tax (by 45%). The only exception of the positive performances, within the tax income, were the income of the personal income tax which registered fall on annual basis and that corresponds

³² It is about a abolishment of the provision on differed payment of VAT from the importers within 30.

with the introducing lower single tax rate. The income from the contributions, as second most significant income category, registered annual growth of 7.6% and determined significant part of the growth in the total income. The realized non-tax income was only 52% of the planned, as effect from the unpaid dividend from AD Macedonian Telecommunications and the foreign donations were lower than the last year.

Figure 57
Structure of tax income
(in %)

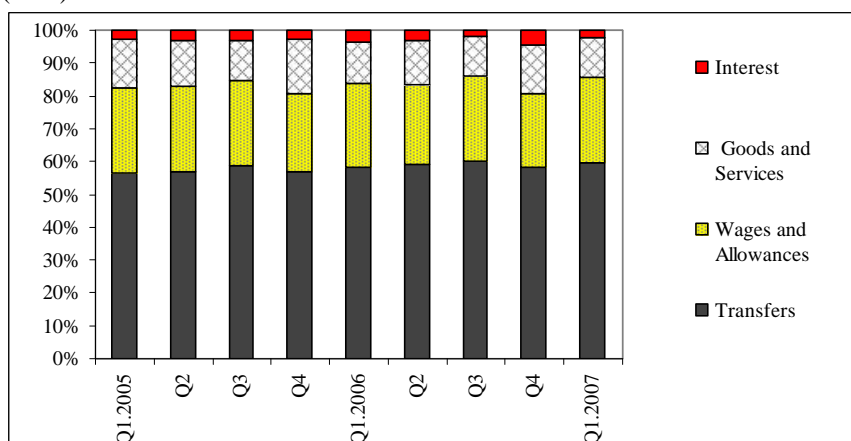


Source: Ministry for finance of the Republic of Macedonia.

... and moderate annual growth in the budget expenditures being registered

Opposite of the intensive growth in the total income, in the first quarter 2007, the expenditures of the consolidated budget registered growth of 2.5% on annual basis. The current Government expenses, which included 95.4% of the total Government expenditures, registered growth of 2.5% with higher transfers to the Government Pension Fund and growth in the expenses for salaries and leases, whereas the expenses for goods and services and the interest repayments decreased. On the other hand, the realized capital expenditures were 50% of those which were projected for the quarter, and with that the moderate trend of capital investment in the Government continued.

Figure 58
Structure of Government current expenses
(in %)



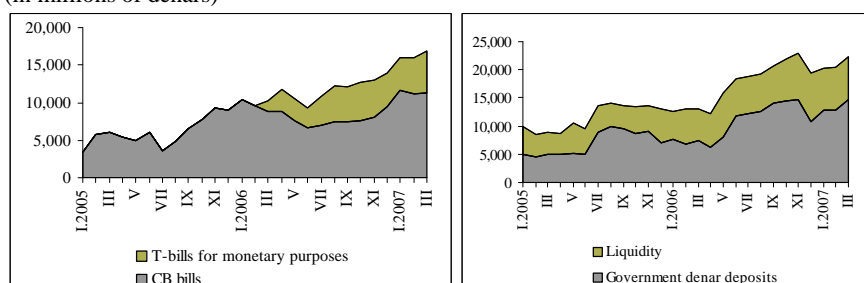
Source: Ministry for finance of the Republic of Macedonia.

Outflows from the Government account with NBRM, in conditions of premature payment of external debt

With respect to the financing, besides the privatization inflows based on the issued concession to the third mobile operator (in amount of Euro 10 million) and the inflows of domestic indebtedness (auctions on Governments securities), the significant outflow of assets for payment of the principal of the debt to the Paris Club of Creditors (in amount of Euro 60.8 million) and the repayment of the credit to EBRD (of Euro 21.6 million for pre-privatization of ESM), in the first quarter of 2007, determined decrease in the Government deposits on the NBRM account. The decrease in the Government deposits came out of the lower foreign currency deposits, whereas the Denar deposits registered significant quarter growth. In the end of the first quarter, relative to the end of 2006, the stock of the total Treasury bills with maturity to three months went up by Denar 583 million, whereas the stock of the Treasury bills for monetary purposes went up by Denar 983 million, which indicates the decrease in the amount of the three month bills for fiscal purposes (restriction of the supply), in conditions of high liquidity position of the budget.

Figure 59

Instruments for regulating banks' liquidity, Government Denar deposits and liquidity of banks
(in millions of denars)



Source: NBRM and Ministry for finance of the Republic of Macedonia..

The repayment of the debt to the Paris Club of Creditors determined decrease in the participation of the external debt in the total public debt³³ by 2.3 percentage points. On the other hand, the participation of the domestic debt in the total public debt increased as a result of the sixth emission of the structure bonds on denationalization and the emissions of the continuous Government securities. Thus, in the state budget, net-inflows in amount of Denar 118 million were realized, based on the domestic debt (emissions of continuous Government securities). On the primary market of Government securities, the total demand exceeded the total supply by 1.2%, when the average weighted interest rate (for all Treasury bills with different maturity) registered increase. Analyzed by maturity, with the tree month Treasury bills, the demand registered quarter decrease and went down by 1.4% over the total supply, whereas the demand of the six month Treasury bills registered increase and exceeded the supply by 33.6%. During the quarter (on 23.01 and on 20.03.2007) two auctions of one year treasury bills were made, where the total supply exceeded the demand by 35.3 %. In the first quarter of 2007, two auctions of Government bonds were made. On the auction dated 22.02.2007³⁴, two year Government bond was issued and its demand exceeded the supply by 1.3 times, whereas on the auction on the

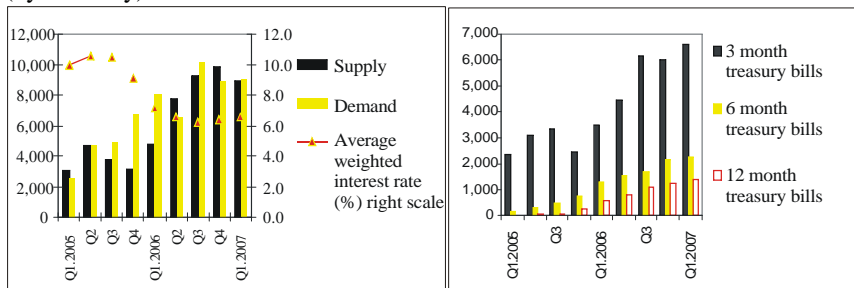
³³ For consistency of the analysis, the public debt was based on the debt of the central Government and the funds (the consolidated debt of the Government without the debt of NBRM, the municipalities and the public corporations). Such analysis does not correspond with the national methodology for calculating the public debt which includes the debt of the municipalities and of the public corporations (without the debt of NBRM) and with the statistics of the Government finances (of IMF) which includes the debt of NBRM. On the other hand, the domestic debt of the central Government services concerns the structure and contineous securities.

³⁴ The supply on the auction amounted to Denar 250 million, while the demand equaled Denar 318.15 million, with coupon interest rate of 8.5%. The participation of banks equaled 70.74%, whereas the clients hold 29.26% of the ownership of the bond.

three year Government bond, dated 29.03.2007, about 86% of the offered amount were realized ³⁵.

Figure 60

Total supply and demand of Treasury bills for all maturities (in millions of denars) and average weighted interest rate and investment stock in Treasury bills (by maturity)

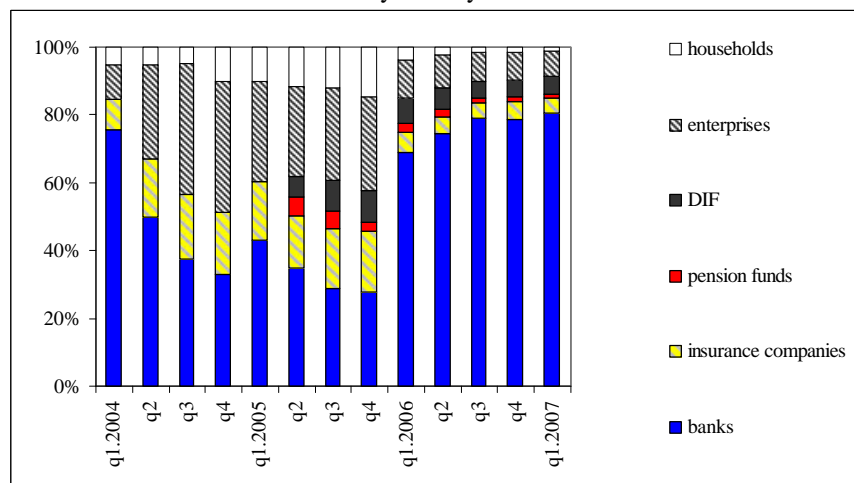


Source: Ministry for finance of the Republic of Macedonia.

Analyzing by investors, the banks were still representing dominant participant at the market of Government bonds, whereas the contribution of the corporate sector and the natural entities gradually decreased.

Figure 61

Structure of investments in Treasury bills by investors



Source: Ministry for finance of the Republic of Macedonia.

IV.

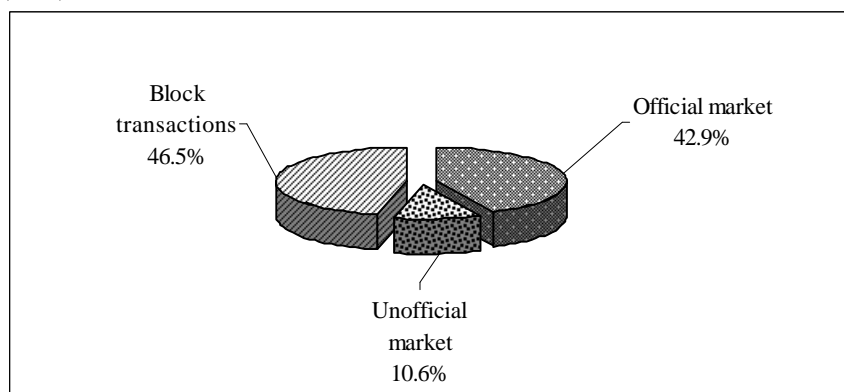
Financial markets

High growth of the total stock exchange turnover in the first quarter of 2007

In the first quarter of 2007, the Stock Exchange again registered positive developments in the stock exchange turnover and in the stock exchange index, which in the analyzed period showed continuous increase in the general level of prices of shares of companies which are part of it. In the first quarter of 2007, the total stock exchange turnover (together with the block - transactions and the Government segment), realized high growth of 71.5%, relative to the previous quarter.

³⁵ The supply on the auction amounted to Denar 250 million and the demand equaled Denar 216 million, with coupon interest of 7.5% on annual basis. In the equity structure of the issued three-year Treasury bill, the largest part, or 96.76%, went to the participation of the banks, and the rest of it belonged to the clients.

Figure 62
Structure of the Stock Exchange turnover in the first quarter of 2007³⁶
(in %)

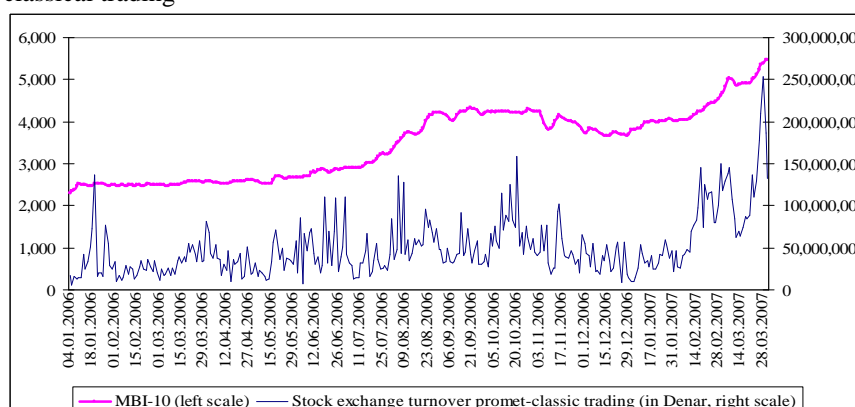


Source: Macedonian Stock Exchange AD Skopje.

Growth in the turnover from the classical trading

In the first quarter of 2007, the turnover realized through the classical trading (without block-transactions) rose by about 50% compared to the previous quarter. The market participation of the investors was a reflection of the general assessment on the underestimation or overestimation of the securities, as well as their future expectations on the development potential of the company, the prudence of the management, the sector perspectives, etc. More than a half of the turnover from shares, realized through the classical trading, was realized with the shares of the corporations included in MBI-10 index. Such trend came as a result from the positive perception of the investors for these companies which, among all, was a reflection of their transparency (which is standard for the listed companies)³⁷. Within the quarter, in the focus of interest of the investors were mainly the shares of companies from the banking and building sector, which can be seen from the turnover with shares of MBI-10.

Figure 63
Macedonian Stock Exchange Index (MBI-10) and stock exchange turnover from classical trading³⁸



Source: Macedonian Stock Exchange AD Skopje.

³⁶ About 70% of the turnover realized through block-transactions concerns the EVN transaction for further purchase of 19.9% of the capital of ESM Distribution. The other stock exchange segments (state and other securities) did not registered trading.

³⁷ The Macedonian Stock Exchange on 09.02.2007 brought a decision with which the shares of four companies are transferred to the sub-segment Quotation of the Official Market, which started operating since 12.02.2007, in accordance with the new quotation rules. This sub-segment of the Official market was created for those listed companies which are ready for increasing the transparency.

³⁸ The graphical review of the daily stock exchange turnover realized with classical trading, except for the block-transactions, excludes the transactions made in the Government segment, as well as the transactions with other securities (certificates issued for the deposits in the failed savings houses).



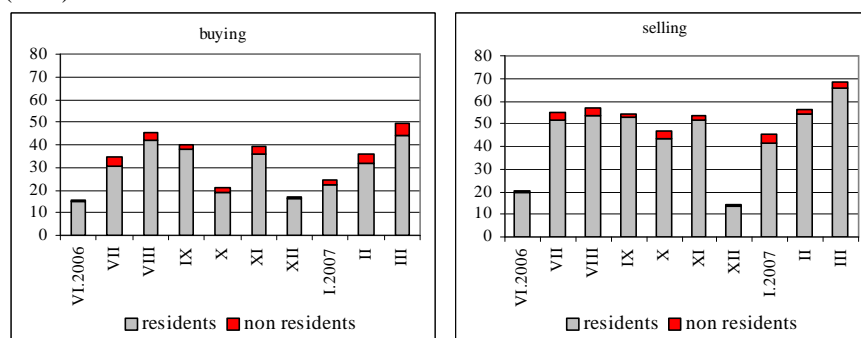
Upward trend of the stock exchange index MBI-10

During the quarter, the Macedonian Stock Exchange Index MBI-10³⁹ characterizes with intensive upward trend, in conditions of growth in the prices of all shares that constitute the index. Thus, on 30.03.2007, MBI-10 reached the historical maximum of 5,481.92 index points, which reflects the average growth of 48.1% in the prices of shares of ten companies that constituted the index, relative to the end of 2006.

Higher stock exchange investment activity of the natural entities

In the first quarter of 2007 the higher participation of the natural entities was evident in the turnover of the Stock exchange. The natural entities (residents and non-residents) participated with 36.5% and 56.8% of the total turnover on the side of the stock exchange purchases and sales, respectively (growth of 10.6 percentage points and 18.6 percentage points, respectively compared to the previous quarter). The domestic natural entities participated in the stock exchange purchases with 22% in January, 32% in February and record 44% in March. The upward participation of the domestic natural entities in the structure of the demand on the market was potentially risky. With non-existence of investment funds, the decisions of the investors - natural entities were generally thought as decisions based on not enough rational analysis, motivated lot more from speculative than from economic factors. In other words, part of them entered the stock exchange investments with not enough information on the development potential of the firm, the quality of the managing structure, the development perspectives of the sector, i.e. with the optimistic expectations built on the fast-growing trend at the Stock Exchange, mainly characteristic for 2006 and for the first months of 2007.

Figure 64
Participation of the natural entities in the total stock exchange turnover
(in %)



Source: Macedonian Stock Exchange AD Skopje.

The Stock Exchange potential and the potential of the Macedonian stock associations were discovered not only by the local but also by the foreign investors. The analysis showed that, as for the end of the first quarter of 2007, the foreign investors participated with 19.17% in the total capital of the listed companies and in the total nominal value of the listed bonds⁴⁰ (compared with 18.15% at the end of 2006), out of which 16.87% belong to foreign legal entities, and the remaining 2.30% belong to foreign natural persons. In the first quarter of 2007, concerning the purchases, the foreign investors realized, on average, more than the half of the total turnover on the Stock Exchange⁴¹, and concerning the sale, lower participation was registered. In January 2007 highest investment activity of the foreign investors was registered in amount of about 70% of the total turnover on the Stock Exchange, which was mainly due to the transaction of

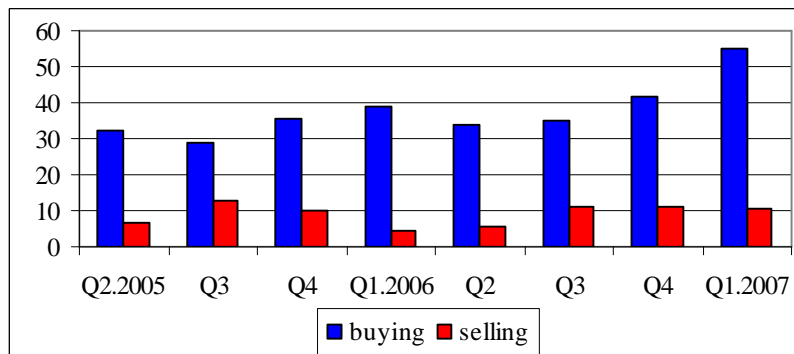
³⁹ The price index weighted with the market capitalization, constructed based on the common shares of ten listed associations on the official market.

⁴⁰ According to data from the Central Securities Depositor.

⁴¹ The average was derived from the last days of the months of the quarter and concerns the participation of the foreign investors in the total turnover on the Stock Exchange.

the Austrian EVN for further purchase of 19.9% of the capital of ESM Distribution.

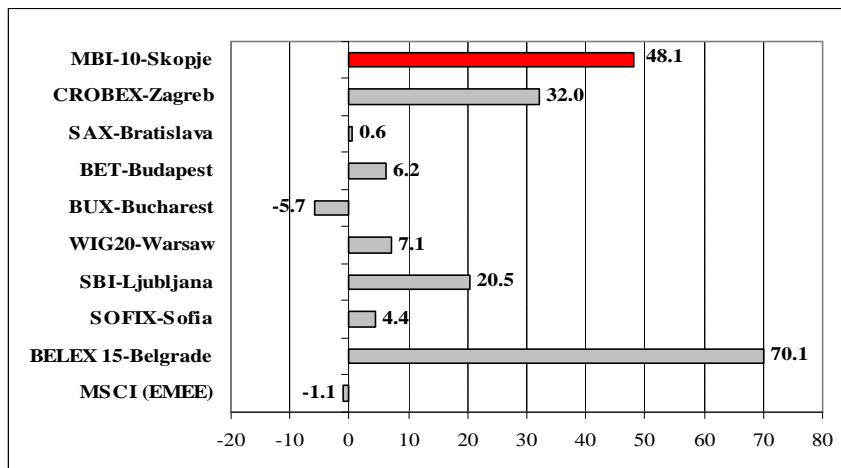
Figure 65
Participation of the foreign investors in the stock exchange purchases and sales (in %)



Source: Macedonian Stock Exchange AD Skopje.

In the first quarter of 2007, the regional stock exchange indices, except for the Serbian, Macedonian, Croatian and Slovenian, realized relatively low yields. The regional differences can be explained with the differently profiled condition on the market at each of the stock exchange markets. Also, the lower stock exchange yields which are characteristic for the rest of the countries from Central and Eastern Europe reflects their higher connectivity with the world stock exchange indices. The analysis showed that the investors could realize record yields on the Belgrade Stock Exchange (BELEX-15 registered growth of 70.1% at the end of the quarter compared to the end of 2006) and in the same time the Macedonian stock exchange index significantly exceed the yields which could have been realized on the rest of the analyzed stock exchange markets.

Figure 66
Development of indices on the regional stock exchanges



Source: Macedonian Stock Exchange, Bloomberg and web pages of other stock exchanges

In the first quarter of 2007, the turnover of the *Government bonds* on the official stock exchange market⁴² decreased by 24% relative to the previous quarter. The turnover of this market segment was realized through the transactions with the bonds for old foreign currency saving and the

⁴² With respect to the stock exchange operations with bonds of the segment, starting since 11.01.2007, the Macedonian Stock Exchange AD Skopje abolished compensations for trading with Government bonds, except for the bonds for old foreign currency saving and the denationalization bonds.

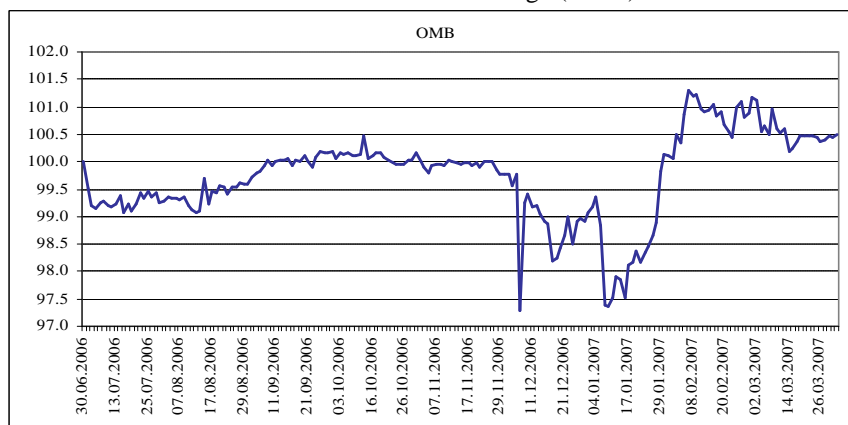


denationalization bonds, whereas the rest of the listed bonds were not traded. The prices in the Government bonds were traded in interval from 76.9% (the Denationalization bond of the sixth emission) to 87.6% of the nominal value⁴³ (bond for old foreign currency saving).

Upward trend of the OMB index

In the first half of the quarter, the OMB index⁴⁴ registered significant growth, when the initial value of the index was exceeded, reaching the highest value of 101.29 index points. Further on, the small fall in the prices of denationalization bonds from the fourth and fifth emission and in conditions of their higher contribution in the turnover, contributed for slow decrease in OMB. Thus, on 30.03.2007, the value of the OMB index equaled 100.51 index points, which represented growth of 1.5%, compared to the level from the end of 2006.

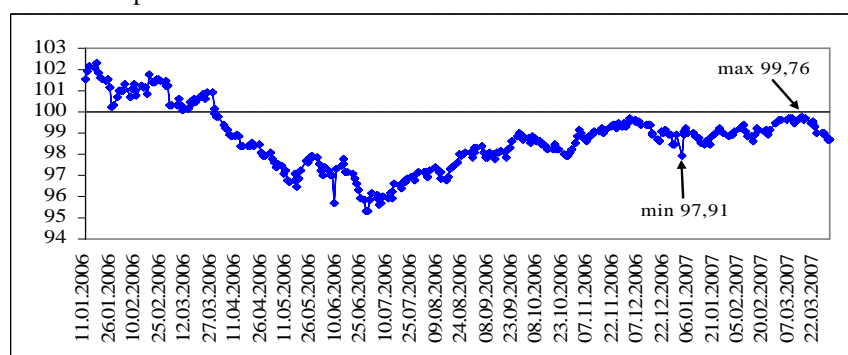
Figure 67
Index of bonds on the Macedonian Stock Exchange (OMB)



Source: Macedonian Stock Exchange AD Skopje.

The first Macedonian Euro-bond was successfully secondary traded on the London Stock Exchange. Since the beginning of 2007, the price of the Euro-bond was growing continuously and on 14.03.2007 reached the maximal value within the quarter so at the end the value positioned at 98.66% of the nominal value. As one of the most significant effects of the successful trading with the Macedonian Euro-bond was the higher interest of the non-residents for the Macedonian capital market.

Figure 68
Price development of the Euro-bond



Source: Bloomberg.

⁴³ The interval was determined in accordance with the achieved latest weekly prices of trading with bonds, within the analyzed quarter.

⁴⁴ The OMB index includes the bonds for old foreign currency saving and the denationalization bonds of the first, second, third, fourth and the fifth emission, when the initial value of OMB was 100. OMB is price index weighted with the turnover, with restriction that the share of bonds in the index should not exceed 30%.



Within the first quarter of 2007, on the over the counter market⁴⁵, the total turnover from long-term Government securities equaled Denar 321.5 million and compared with the previous quarter reduced by 18.1%, which was due to the lower turnover from the bond with residual maturity to three years. Thus, different from the previous quarter, in the first quarter of 2007, the larger part of the turnover (68.3%) came from the Government bonds with residual maturity up to two years, and the rest of it from the Government bonds with residual maturity of three years.

⁴⁵ The over a counter market officially started working on 25.04.2005 and the first transaction was made on 18.05.2005. On the over a counter market sale and purchase transactions with securities are concluded out of the Stock Exchange.



STATISTICAL APPENDIX

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Methodological explanations

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

	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	%
National classification of activities ^{/1}			A+B		C+D+E		F		G		H		I		J+K+L		M+N+O+P	
1997	186018	1.4	20411		45317		9867		21297		2819		11372		26002		27067	
1998	192308	3.4	21083	3.3	45969	1.4	10626	7.7	21377	0.4	3025	7.3	14385	26.5	26002	0.0	27395	1.2
1999	200669	4.3	21273	0.9	46750	1.7	11732	10.4	22025	3.0	3771	24.7	16854	17.2	26499	1.9	28519	4.1
2000	209777	4.5	21489	1.0	51122	9.4	12037	2.6	22695	3.0	3345	-11.3	18282	8.5	27215	2.7	28546	0.1
2001	200284	-4.5	19169	-10.8	48786	-4.6	10300	-14.4	22505	-0.8	3195	-4.5	16761	-8.3	27783	2.1	27876	-2.3
2002	201993	0.9	18779	-2.0	48390	-0.8	10364	0.6	23725	5.4	3726	16.6	16467	-1.8	26758	-3.7	28843	3.5
2003	207690	2.8	19686	4.8	50845	5.1	11741	13.3	24146	1.8	4085	9.6	16539	0.4	25787	-3.6	30262	4.9
2004	216164	4.1	20908	6.2	50439	-0.8	12610	7.4	27933	15.7	3623	-11.3	15745	-4.8	28817	11.8	30068	-0.6
2005 ²	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	52497	2.0	5115	1.0	11259	-0.9	1955	-2.4	6944	6.8	791	1.0	4321	8.4	7110	1.4	7931	1.1
Q2	58573	3.4	5290	0.7	13862	4.9	3385	1.4	7666	4.6	891	-1.5	4639	6.8	7163	1.7	8022	2.4
Q3	59636	4.0	5364	0.4	14203	8.3	3750	1.8	7572	4.8	1048	-0.8	4729	4.7	7200	2.0	8027	2.3
Q4	61143	2.7	5300	0.3	14333	1.5	3584	-3.2	8672	5.9	944	1.4	4944	8.9	7246	1.0	8135	2.4
2007 Q1	56150	7.0	5292	3.5	12567	11.6	2069	5.8	7892	13.7	805	1.8	4803.0	11.2	7325	3.0	8007	1.0

Source: State Statistical Office.

^{/1} National classification of activities.

^{/2} Previous data

^{/2} Estimated data



Table 2
Prices
Annual rates (%)

	Consumer price index (growth rates)															Producer price index (growth rates)
	Total	Goods	Services	Po kategoriji												
				Food	Tobacco and beverages	Clothing and footwear	Domuvawe				Hygiene and health	Culture and entertainment	Transport means and services	Restaurants and hotels ²	Other services ²	
							Total	Flat (rent, water, services)	Fuel and lighting	Household appliances						
1997	2.6	2.2	3.8	4.2	-3.9	-1.6	1.7	0.3	3.8	1.6	-0.5	-8.6	19.4		4.2	
1998	-0.1	0.0	-0.4	-0.2	3.6	2.4	0.4	0.0	0.4	2.0	0.1	-10.3	2.4		4.0	
1999	-0.7	-1.1	0.5	-1.6	0.2	1.2	0.3	0.1	1.1	-1.9	-1.4	-2.2	-0.8		-0.1	
2000	5.8	5.2	8.9	-0.4	13.9	-2.3	19.3	8.8	27.4	1.7	-1.7	-1.6	22.4		8.9	
2001	5.5	4.5	10.9	6.9	2.3	1.3	5.5	11.3	3.9	0.1	-0.7	1.9	9.5		2.0	
2002	1.8	1.2	5.0	1.8	1.0	6.8	1.7	4.1	1.0	-0.6	-3.8	3.6	2.1		-0.9	
2003	1.2	0.3	5.9	-1.4	3.4	2.2	3.9	3.9	4.4	1.1	3.9	2.2	4.2		-0.3	
2004	-0.4	-1.1	3.3	-3.1	1.1	0.9	2.2	-0.3	3.0	4.2	0.4	1.3	4.0		0.9	
2005	0.5	0.3	1.3	-1.2	5.5	2.2	0.4	0.3	1.0	-1.2	-3.5	0.9	3.7		3.2	
2006	3.2	3.7	1.3	2.2	17.8	0.2	2.0	-0.7	3.7	-0.8	2.0	6.4	1.8		4.5	
2006 Q1 ³	2.7	3.2	0.9	1.6	17.7	-0.5	0.9	-0.2	1.6	-0.5	0.3	6.0	2.6		5.6	
Q2	3.4	3.8	2.0	2.3	17.5	0.3	1.1	0.2	1.9	-0.5	1.9	6.8	3.8		5.7	
Q3	3.6	4.0	1.9	2.9	17.9	0.5	1.7	-0.6	3.2	-0.9	2.7	6.9	2.3		4.1	
Q4	3.1	3.7	0.4	2.1	17.9	0.6	4.2	-2.2	7.9	-1.1	2.9	5.7	-1.5		2.4	
2007 Q1	0.7	1.3	-1.1	0.7	0.1	1.7	5.1	1.6	8.8	-1.7	0.0	3.5	-5.0	3.0	-0.6	
Q2	1.1	1.6	-0.5	0.7	2.2	1.0	5.9	6.6	7.9	-0.9	0.4	3.1	-4.3	3.6	11.7	
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	
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	
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	
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	
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	
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	

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 sectori			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	8.3
2003	4.7	-39.1	5.9	9.8	28.7	-12.1	-9.0	36.9	19.0	25.0
2004	-2.2	-5.0	-2.1	-2.6	-1.8	0.9	-20.1	9.1	-3.4	6.3
2005	7.0	40.4	7.3	2.5	4.6	14.2	-3.2	-14.9	3.8	20.0
2006	2.5	28.0	2.4	-0.6	1.5	7.3	8.2	-5.0	-2.2	14.5
2005 Q1 ^{/2}	5.2	-18.9	6.4	3.8	2.3	14.8	-0.9	-18.2	1.8	19.7
Q2	13.5	17.0	16.3	-0.5	6.5	24.6	-1.2	4.8	8.9	24.6
Q3	6.0	62.9	5.5	2.0	4.0	9.8	-2.5	-11.1	5.4	16.6
Q4	4.2	97.1	2.5	4.3	7.4	9.5	-5.3	-24.8	-0.1	19.3
2006 Q1	0.5	111.6	-0.9	-0.9	3.0	5.6	-2.5	10.5	-6.1	13.1
Q2	1.7	53.2	1.3	-2.0	-3.0	5.1	17.0	-6.5	-0.3	13.9
Q3	4.3	13.1	4.9	0.1	0.7	12.0	0.1	2.1	-0.7	15.9
Q4	3.5	4.8	4.0	1.9	5.7	6.3	26.3	-12.5	-1.1	15.1
2007 Q1	11.7	14.1	16.1	-8.9	-1.2	25.7	50.2	16.9	6.0	21.3
Q2	-2.5	16.6	-1.1	-21.5	-16.2	8.5	-2.9	25.9	-7.8	10.8
January	10.6	11.7	16.4	-9.8	-11.6	31.8	102.3	53.3	3.5	16.7
February	14.9	29.9	17.8	-4.2	13.4	23.7	33.3	-8.8	7.6	24.0
March	9.6	0.8	14.2	-12.7	-5.5	21.6	14.9	6.1	7.0	23.4
April	5.3	10.1	6.8	-6.8	18.1	18.9	-11.9	39.5	-9.7	19.5
May	-5.8	25.0	-4.6	-25.6	-37.2	3.6	16.2	15.1	-5.5	5.4
June	-7.1	14.6	-5.4	-32.1	-29.6	2.9	-13.0	23.1	-8.3	8.3

Source: State Statistical Office.

^{/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:		
		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
2006	1,618,482	891,679	570,404	321,274	114,777	186,085	268,117
2005 Q1	1,603,675	827,428	507,397	320,030	76,546	181,450	251,307
Q2	1,606,833	883,522	552,797	330,724	126,194	174,588	251,112
Q3	1,609,071	889,725	564,880	324,845	135,712	170,157	257,804
Q4	1,612,410	876,074	555,938	320,136	87,921	180,089	286,837
2006 Q1	1,615,584	877,798	559,702	318,096	103,319	190,355	264,550
Q2	1,617,423	885,609	566,293	319,316	128,519	189,630	246,842
Q3	1,619,447	899,732	576,813	322,919	125,322	187,760	262,480
Q4	1,621,475	903,576	578,810	324,766	101,948	176,592	298,599

Source: State Statistical Office. Survey on work force.



Table 5
Salaries
Amount in denars, change in (%)

	Gross salaries:						Net salaries:					
	Average, total	Nominal change	Real change	By economic activities:			Average, total	Nominal change	Real change	By economic activities:		
				Agriculture	Industry	Services				Agriculture	Industry	Services
1999	16,941	3.6	-	12,944	16,306	19,684	10,029	2.9	3.6	8,667	8,380	10,720
2000	17,958	6.0	-	15,733	17,785	20,968	10,526	5.5	-0.3	9,294	8,883	11,354
2001	17,893	-0.4	-5.6	14,739	18,304	20,467	10,592	3.5	-1.9	8,754	10,348	11,852
2002	19,030	6.4	4.5	14,437	19,243	21,648	11,550	6.9	5.0	8,833	11,415	12,791
2003	19,957	4.9	3.7	14,100	19,854	22,955	11,955	4.8	3.6	8,522	11,782	13,549
2004	20,779	4.1	4.5	17,287	20,692	23,748	12,534	4.0	4.4	10,337	12,290	13,999
2005	21,335	2.7	2.2	19,128	21,450	24,737	13,125	2.5	2.0	11,419	12,738	14,548
2006	23,037	8.0	4.6	19,485	23,570	25,624	13,854	7.3	4.0	11,660	13,983	15,036
2006 Q1	22,559	7.6	4.9	19,179	22,969	25,184	13,207	6.9	3.7	11,466	13,606	14,757
Q2	22,923	8.5	5.1	19,600	23,340	25,444	13,428	7.7	4.2	11,681	13,820	14,910
Q3	23,214	8.7	5.1	19,719	23,967	25,835	13,584	7.7	3.9	11,779	14,184	15,125
Q4	23,451	7.1	4.0	19,440	24,003	26,035	13,854	7.2	4.0	11,712	14,321	15,351
2007 Q1	23,139	2.6	1.9	17,809	23,414	25,635	13,962	5.7	5.0	10,802	14,230	15,516
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

Source: State Statistical Office.



Table 6
Budget of the Republic of Macedonia

	2005				Jan.-Dec. 2005	2006				Jan.-Dec. 2006	2007			Q1.2007
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		January	February	March	
TOTAL BUDGET REVENUES	21,721	24,618	27,920	26,617	100,877	23,070	26,288	26,216	28,470	104,044	8,721	7,651	10,077	26,449
Revenues base on taxes and contributions	18,972	21,172	21,285	23,151	84,580	19,848	22,782	23,080	24,829	90,540	7,807	6,735	8,940	23,482
Tax revenues (SRA)*	68	75	70	91	304	79	50	35	35	199	11	30	18	59
Tax revenues	12,314	13,944	14,107	15,316	55,681	12,658	15,098	15,459	16,360	59,575	5,580	3,986	6,192	15,758
personal income tax	1,834	2,052	1,951	2,260	8,097	1,933	2,098	2,025	2,358	8,414	624	589	631	1,844
profit tax	1,080	600	623	534	2,837	1,725	914	950	1,119	4,708	252	397	1,389	2,038
value added tax	5,745	6,767	6,652	7,918	27,082	5,228	7,342	7,155	7,514	27,239	2,940	1,756	2,410	7,106
excises	2,461	2,937	3,385	2,965	11,748	2,542	2,840	3,373	3,419	12,174	1,091	786	903	2,780
custom duties	1,026	1,441	1,335	1,464	5,266	993	1,494	1,474	1,459	5,420	417	378	707	1,502
other	168	147	161	175	651	237	410	482	491	1,620	256	80	152	488
Contributions	6,590	7,153	7,108	7,744	28,595	7,112	7,635	7,586	8,434	30,766	2,216	2,719	2,730	7,665
Pension and Disability Insurance Fund of Repub	4,230	4,569	4,553	4,949	18,300	4,620	4,969	4,893	5,467	19,948	1,443	1,770	1,759	4,972
Employment Biro	312	325	322	353	1,313	322	336	337	375	1,371	89	128	126	343
Health Fund	2,048	2,259	2,233	2,442	8,982	2,170	2,330	2,356	2,592	9,447	684	821	845	2,350
Non-tax revenues	2,484	3,079	5,376	2,928	13,867	2,333	2,816	2,715	2,842	10,706	775	798	948	2,521
Non-tax revenues (SRA)*	1,414	1,683	1,549	1,676	6,322	1,279	1,231	1,605	1,656	5,771	446	470	585	1,501
Profit from public financial institutions	83	260	2,837	139	3,319	103	406	56	258	824	23	44	5	72
National Bank of the Republic of Macedonia	10	0	0	0	10	0	8	0	0	8	0	0	0	0
Asset Management Agency	32	200	0	120	352	0	315	0	210	525	0	0	0	0
Other property revenues	40	14	62	0	116	75	43	6	0	124	7	0	0	7
Interests from assets deposited in NBRM	0	38	16	19	73	23	31	43	47	144	16	44	5	65
Dividend	1	8	2,759	0	2,768	5	9	7	1	23	0	0	0	0
Administrative taxes	387	459	358	453	1,657	395	426	308	364	1,493	129	137	153	419
Participation for health services	127	122	69	116	434	79	75	65	67	286	25	18	27	70
Other administrative taxes	47	61	47	41	196	48	51	38	26	163	24	20	28	72
Other non-tax revenues	87	53	53	71	264	109	175	209	98	591	29	25	24	78
Compensations for the Road Fund	340	442	463	431	1,675	320	451	434	374	1,580	99	84	126	309
Capital revenues	112	107	587	127	933	143	390	143	272	948	75	43	49	167
Donations from abroad	152	259	672	411	1,494	727	299	166	231	1,423	44	75	140	259
Revenues of recovered loans	1	1	0	0	2	18	1	112	296	427	20	0	0	20
TOTAL BUDGET EXPENDITURES	22,766	23,876	24,482	29,095	100,219	23,562	26,264	25,085	30,832	105,744	6,855	7,907	9,390	24,152
Current expenditures	21,657	22,180	21,707	24,482	90,027	22,475	24,144	22,334	27,525	96,478	6,522	7,645	8,879	23,046
Wages and salaries	5,640	5,736	5,566	5,894	22,835	5,750	5,878	5,707	6,086	23,421	1,981	1,995	2,049	6,025
Goods and services	3,197	3,139	2,620	4,028	12,984	2,856	3,264	2,655	4,152	12,927	841	904	994	2,739
Transfers	12,252	12,639	12,795	13,911	51,597	13,079	14,266	13,167	16,094	56,607	3,471	4,574	5,678	13,723
Transfers (SRA)*	160	220	192	341	913	167	209	165	240	781	76	54	61	191
Social transfers	11,582	11,671	11,533	12,085	46,870	11,565	12,727	12,072	12,397	48,762	3,265	4,228	4,843	12,336
Pension and Disability Insurance Fund of Rep	6,294	6,241	6,150	6,284	24,969	6,397	6,640	6,751	6,947	26,735	2,232	2,283	2,365	6,880
Employment Agency	783	767	715	675	2,940	599	521	488	450	2,058	142	138	137	417
State benefit	965	1,026	1,113	1,034	4,138	1,008	945	1,115	1,080	4,148	84	581	361	1,026
Public health	3,539	3,637	3,556	4,092	14,823	3,562	4,620	3,718	3,921	15,821	807	1,226	1,980	4,013
Other transfers	487	703	1,037	1,453	3,679	1,326	1,308	911	3,450	6,994	130	282	767	1,179
Refugees	24	45	33	33	135	21	22	20	7	70	0	10	7	17
Interest payments	569	666	727	648	2,611	790	736	418	1,193	3,137	229	172	158	559
Interest on domestic debt	116	433	163	362	1,074	140	444	79	419	1,082	20	25	49	94
Interest on external debt	453	233	564	286	1,537	650	292	339	774	2,055	209	147	109	465
Guaranties	0	0	0	0	0	0	0	387	0	387	0	0	0	0
Capital expenditures	1,108	1,695	2,775	4,613	10,192	1,087	2,120	2,751	3,308	9,266	333	262	511	1,106
Investments in fixed assets	975	1,123	986	2,256	5,340	829	1,342	1,707	1,980	5,857	283	160	403	846
Capital transfers	134	479	1,764	2,084	4,461	258	592	1,008	1,205	3,063	50	102	108	260
BUDGET DEFICIT / SURPLUS	-1,045	742	3,438	-2,478	658	-492	24	1,131	-2,362	-1,700	1,866	-256	687	2,297
Financing	1,045	-742	-3,438	2,478	-658	492	-24	-1,131	2,362	1,700	-1,866	256	-687	-2,297
Inflow	2,432	1,986	-1,955	4,577	7,040	12,779	3,075	-211	5,387	21,031	918	1,715	398	3,031
Revenues based on privatisation	276	239	155	763	1,433	16,765	3,867	21	44	20,697	0	0	609	609
Foreign loans	139	1,219	838	11,716	13,913	159	550	496	527	1,732	31	135	107	273
Deposits	1,495	-380	-3,398	-7,588	-9,872	-4,653	-4,197	-773	3,746	-5,877	1,016	1,478	-464	2,030
Treasury bills	521	905	427	-315	1,538	484	422	43	1,070	2,019	-129	102	145	118
Sale of shares	1	3	23	1	28	24	2,433	2	0	2,459	0	0	1	1
Outflow	1,387	2,728	1,483	2,099	7,697	12,287	3,099	920	3,024	19,331	2,784	1,459	1,085	5,328
Repayment of principal	1,387	2,728	1,483	2,099	7,697	12,287	3,099	920	3,024	19,331	2,784	1,459	1,085	5,328
External debt	1,255	331	1,305	404	3,295	12,156	381	920	486	13,944	2,784	1,459	1,085	5,328
Domestic debt	132	2,397	178	1,695	4,402	131	2,718	0	2,538	5,387	0	0	0	0

*Specific Revenue Accounts



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

	2006							2007		
	XII.03	XII.04	XII.05	III	VI	IX	XII	I	II	III
ASSETS	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102
1. Foreign assets	45854	44637	69504	75076	80181	84956	87761	86503	85676	87526
1.1. Gold and foreign currencies	2131	4101	5855	6487	6480	6428	6652	6850	7024	6826
1.2. SDR portfolio and reserve position with IMF	19	38	41	11	53	13	139	104	13	431
1.3. Deposits with foreign banks	39175	39157	61556	66548	68769	70685	71001	64054	63326	65245
1.4. Securities	4284	1116	1793	1777	4635	7588	9737	15259	15082	14794
1.5. Other foreign assets	245	225	259	253	244	242	232	236	231	230
2. Claims on the Government	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854
2.1. In Denar	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854
2.2. In foreign currency	0	0	0	0	0	0	0	0	0	0
3. Other assets	2686	3402	5370	5528	5899	6027	5761	5782	5790	5722
B. LIABILITIES	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102
1. Reserve money	21022	21111	25762	24697	26929	27364	31264	28432	29137	29355
1.1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034
1.2. Cash in the vaults	833	909	1374	980	1011	1058	1526	1397	1520	1468
1.3. Banks' accounts with NBRM	6012	6040	9949	10017	11338	11496	13532	12508	12631	12853
1.3.1. Allocated reserve requirement in foreign currency	2770	3366	5323	5505	5662	6006	6373	6462	6509	6595
2. Sold CB bills on auction	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303
3. Government deposits	10317	10956	22279	29052	33830	37137	32957	32094	30508	32236
3.1. In denars	2337	4696	6993	8807	14417	18728	15326	17161	17647	20106
3.1.1. Government securities for monetary purposes				1377	2627	4656	4573	4391	4756	5537
3.2. In foreign currency	7980	6260	15286	20245	19413	18409	17631	14933	12861	12130
4. Deposits of other financial institutions	78	18	18	212	113	127	23	96	331	423
5. Foreign liabilities	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460
6. Other liabilities	13269	12007	18583	18482	19153	19645	20031	20268	20723	20325



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

	XII.03	XII.04	XII.05	2006				2007		
				III	VI	IX	XII	I	II	III
A. ASSETS	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454
1. Liquid assets	4103	3645	6040	5558	6764	6597	8806	7586	7813	7905
1.1. Cash in the vaults	833	909	1374	980	1011	1058	1526	1397	1520	1468
1.2. Banks' account with NBRM	3270	2736	4666	4578	5753	5539	7280	6189	6293	6437
2. Deposits with NBRM	3995	4465	8932	8904	6736	7423	9457	11632	11167	11305
2.1. CB bills	3995	4465	8932	8904	6736	7423	9457	11632	11167	11305
3. Foreign assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614
3.1. Gold, foreign currencies and checks	1629	1549	2029	1673	1900	1868	2441	1855	1908	1899
3.2. Foreign currency accounts abroad	30588	34641	34834	34024	32829	34176	36576	35422	35986	36125
3.3. Other claims	864	915	923	972	797	823	690	980	943	1590
4. Claims on the Government	6708	7157	7195	10012	11403	13113	13484	13172	13662	14433
4.1. Claims on credits	2	158	83	289	375	264	357	377	388	347
4.2. Placements in securities	6706	6999	7112	9723	11028	12849	13127	12795	13274	14086
5. Claims on non-financial and non-banking sector	45791	57097	68777	73017	79563	82084	89779	91422	93747	96362
5.1. In denars	38544	45750	51672	54473	58993	60349	66410	68057	69569	71537
5.2. In foreign currency	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825
6. Other assets	38038	40674	46225	46999	47924	48331	45987	46292	46444	47835
B. Liabilities	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454
1. Deposits	65653	78801	92887	97211	101864	108172	117813	119562	122818	124931
1.1. Deposit money	13018	13370	15206	14050	16076	17153	18518	17960	18116	18797
1.2. Denar sight deposits	4883	5143	5793	6148	6829	6365	7226	7330	7758	7668
1.3. Time deposits up to 1 year	43872	56144	67678	72497	74048	79497	86521	88850	91289	92828
1.4. Restricted deposits	631	806	782	781	930	877	998	832	912	760
1.5. Time deposits over 1 year	3249	3338	3428	3735	3981	4280	4550	4590	4743	4878
2. Credits of non-banking organizations	905	921	834	787	778	756	1089	1077	1081	1085
3. Securities	0	0	0	0	0	0	0	0	0	0
4. Liabilities to Government	1655	1169	1109	1276	1175	969	1199	1017	1097	1540
4.1. Deposit money	936	335	371	469	433	329	689	519	589	1027
4.2. Denar sight deposits	25	27	1	0	0	1	1	1	1	1
4.3. Time deposits up to 1 year	538	703	689	759	694	590	460	448	457	462
4.4. Time deposits over 1 year	156	104	48	48	48	49	49	49	50	50
5. Foreign liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205
6. Borrowings from NBRM	374	779	937	2179	2291	2238	2301	2256	2489	2610
7. Capital accounts	30889	33299	34922	36185	36412	35283	35831	36070	36706	37226
8. Other liabilities	22450	25110	29936	31556	32902	33685	32206	32693	32561	33857



Table 9
Saving houses - balance sheet
in millions of denars

	XII.05	2006				2007		
		III	VI	IX	XII	I	II	III
A. ASSETS	2199	2231	2311	2389	2622	2674	2696	2810
1. Liquidity aseets	15	16	22	18	19	22	23	23
1.1. Cash in the vaults	15	16	22	18	19	22	23	23
2. Deposits with NBRM	76	76	41	44	49	61	74	74
3. Claims on the Government	62	57	63	72	155	135	64	64
3.1. Claims on credits								
3.2. Placements in securities	62	57	63	72	155	135	64	64
4. Claims on non-government sector	1718	1747	1823	1886	1972	2048	2091	2145
4.1. Claims on credits	1716	1745	1820	1884	1970	2046	2089	2143
4.2. Placements in securities	2	2	3	2	2	2	2	2
5. Other assets	328	335	362	369	427	408	444	504
B. LIABILITIES	2199	2231	2311	2389	2622	2674	2696	2810
1. Deposits	455	479	525	558	588	607	615	638
1.1. Denar sight deposits	24	22	23	25	24	23	23	30
1.2. Time deposits up to 1 year	289	313	346	373	401	420	428	443
1.3. Time deposits over 1 year	142	144	156	160	163	164	164	165
2. Securities	0	0	0	0	0	0	0	0
3. Borrowings from NBRM	0	0	0	0	0	0	0	0
4. Capital accounts	1103	1112	1165	1162	1157	1178	1188	1203
5. Other liabilities	641	640	621	669	877	889	893	969



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

	XII.03	XII.04	XII.05	2006				2007		
				III	VI	IX	XII	I	II	III
A. Net foreign assets	65792	68865	89738	96611	100288	105619	108042	106455	107140	108475
National Bank	42501	41824	66282	71907	77256	82064	85116	83884	83221	85066
Assets	45854	44686	69504	75076	80181	84956	87761	86503	85676	87526
Liabilities	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460
Deposit Money Banks	23291	27041	23456	24704	23032	23555	22926	22571	23919	23409
Assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614
Liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205
B. Net domestic assets	16676	26206	19545	16577	18220	19219	28288	29824	33173	34538
I.Domestic credits	50616	61356	62382	62714	65763	65575	77176	79487	83921	85601
of which: Claims on Gov.	288	-916	-11791	-15747	-19421	-21017	-17184	-16633	-14556	-15513
a) Deposit Money Banks	57666	69431	81371	88476	96610	99729	107866	109314	112162	115570
-in denar	44528	52575	64186	69847	75954	77855	84368	85822	87861	90626
Government	1447	1650	7118	9930	11340	12998	13377	13067	13562	14337
Credits	1437	1648	7115	9927	11317	12974	13355	13045	13539	14314
a) Budget and Line Ministries	687	1403	7033	9696	11015	12834	13095	12762	13241	14052
b) Funds	750	245	82	231	302	140	260	283	298	262
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0
Accrued interest	10	2	3	3	23	24	22	22	23	23
Non-Government sector	43081	50925	57068	59917	64614	64857	70991	72755	74299	76289
Credits	38430	45750	51672	54473	58993	60349	66410	68057	69569	71537
of which: Overdue claims	9499	9160	9807	10146	10538	9682	9810	9737	9721	9560
Accrued interest	4651	5175	5396	5444	5621	4508	4581	4698	4730	4752
-in foreign currency	13138	16856	17185	18629	20656	21874	23498	23492	24301	24944
Government	5891	5509	80	85	86	139	129	127	123	119
of which: Overdue	0	0	0	0	0	0	0	0	0	0
Non-Government sector	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825
of which: Overdue	1502	1600	1748	1444	1693	1532	1650	1625	1473	1511
b) Nat. Bank Claims on Government	-7050	-8075	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969
2. Other items, net	-33940	-35150	-42837	-46137	-47543	-46356	-48888	-49663	-50748	-51063
M4 Total	82468	95071	109283	113188	118508	124838	136330	136279	140313	143013
M4 (non-government sector)	80813	93947	108174	111912	117333	123869	135131	135262	139216	141473
M1 (Total)	28209	27885	30034	28431	31201	32419	35436	33102	34022	35281
M1 (non-government sector)	27273	27595	29663	27962	30768	32090	34747	32583	33433	34254
Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034
Deposit money (total)	14032	13723	15595	14731	16621	17609	19230	18575	19036	20247
Deposit money (non-government sector)	13096	13433	15224	14262	16188	17280	18541	18056	18447	19220
- Deposit Money Banks	13954	13705	15577	14519	16509	17482	19207	18479	18705	19824
Non-government sector	13018	13415	15206	14050	16076	17153	18518	17960	18116	18797
Government	936	290	371	469	433	329	689	519	589	1027
a) Budget and Line Ministries	104	115	236	132	158	92	551	234	262	226
b) Funds	821	171	135	323	275	236	138	284	327	801
v) Ins. of Central Gov.: Courts, etc.	11	4	0	14	0	1	0	1	0	0
- National Bank (non-government sector)	78	18	18	212	112	127	23	96	331	423
M2 (Total)	77527	89906	104195	107835	112772	118872	129644	129731	133527	136240
M2 (non-government sector)	76028	88886	103134	106607	111645	117952	128494	128763	132480	134750
Short-term deposits (total)	49318	62021	74161	79404	81571	86453	94208	96629	99505	100959
Short-term deposits (non-government sector)	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496
Deposit Money Banks	49318	62021	74161	79404	81571	86453	94208	96629	99505	100959
Non-Government sector	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496
- in denar	15568	20483	24364	27889	28062	30638	36317	37295	39293	40511
- in foreign currency	33187	40808	49107	50756	52815	55224	57430	58885	59754	59985
Government	563	730	690	759	694	591	461	449	458	463
- in denar	538	703	689	759	694	590	460	448	457	462
- in foreign currency	25	27	1	0	0	1	1	1	1	1
- National Bank	0	0	0	0	0	0	0	0	0	0
Long-term deposits (total)	4941	5165	5088	5353	5736	5966	6686	6548	6786	6773
- in denar	3653	3464	3105	3171	3303	3292	3678	3641	3739	3799
- in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974
-Deposit Money Banks	4941	5165	5088	5353	5736	5966	6686	6548	6786	6773
Non-Government sector - in denar	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749
Non-Government sector - in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974
Government - in denar	156	104	48	48	48	49	49	49	50	50
Government - in foreign currency	0	0	0	0	0	0	0	0	0	0
-National Bank	0	0	0	0	0	0	0	0	0	0
Total deposits	68291	80909	94844	99488	103928	110028	120124	121752	125327	127979
Total deposits (non-government sector)	66636	79785	93735	98212	102753	109059	118925	120735	124230	126439



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

	XII.05	2006				2007		
		III	VI	IX	XII	I	II	III
A. Net foreign assets	89738	96611	100288	105619	108042	106455	107140	108475
National Bank	66282	71907	77256	82064	85116	83884	83221	85066
Assets	69504	75076	80181	84956	87761	86503	85676	87526
Liabilities	3222	3169	2925	2892	2645	2619	2455	2460
Deposit Money Banks	23456	24704	23032	23555	22926	22571	23919	23409
Assets	37786	36669	35526	36867	39707	38257	38837	39614
Liabilities	14330	11965	12494	13312	16781	15686	14918	16205
B. Net domestic assets	20000	17056	18745	19777	28877	30431	33789	35176
1.Domestic credits	64162	64518	67649	67533	79379	81713	86130	87919
of which: Claims on Gov.	-11729	-15690	-19358	-20945	-17029	-16498	-14492	-15449
a) Deposit Money Banks	83151	90280	98496	101687	110069	111540	114371	117888
-in denar	65966	71651	77840	79813	86571	88048	90070	92944
Government	7180	9987	11403	13070	13532	13202	13626	14401
Credits	7177	9984	11380	13046	13510	13180	13603	14378
a) Budget and Line Ministries	7095	9753	11078	12906	13250	12897	13305	14116
b) Funds	82	231	302	140	260	283	298	262
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0
Accrued interest	3	3	23	24	22	22	23	23
Non Government sector	58786	61664	66437	66743	73039	74846	76444	78543
Credits	53371	56199	60793	62212	68435	70124	71687	73765
of which: Overdue claims	9915	10267	10666	9813	9939	9872	9861	9701
Accrued interest	5415	5465	5644	4531	4604	4722	4757	4778
-in foreign currency	17185	18629	20656	21874	23498	23492	24301	24944
Government	80	85	86	139	129	127	123	119
of which: Overdue	0	0	0	0	0	0	0	0
Non-Government sector	17105	18544	20570	21735	23369	23365	24178	24825
of which: Overdue	1748	1444	1693	1532	1650	1625	1473	1511
b) Nat. Bank Claims on Government	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969
2. Other items, net	-44162	-47462	-48904	-47756	-50502	-51282	-52341	-52743
M4 Total	109738	113667	119033	125396	136919	136886	140929	143651
M4 (non-government sector)	108629	112391	117858	124427	135720	135869	139832	142111
M1 (Total)	30034	28431	31201	32419	35436	33102	34022	35281
M1 (non-government sector)	29663	27962	30768	32090	34747	32583	33433	34254
Currency in circulation	14439	13700	14580	14810	16206	14527	14986	15034
Deposit money (total)	15595	14731	16621	17609	19230	18575	19036	20247
Deposit money (non-government sector)	15224	14262	16188	17280	18541	18056	18447	19220
- Deposit Money Banks	15577	14519	16509	17482	19207	18479	18705	19824
Non-government sector	15206	14050	16076	17153	18518	17960	18116	18797
Government	371	469	433	329	689	519	589	1027
a) Budget and Line Ministries	236	132	158	92	551	234	262	226
b) Funds	135	323	275	236	138	284	327	801
v) Ins. of Central Gov.: Courts, etc.	0	14	0	1	0	1	0	0
- National Bank (non-government sector)	18	212	112	127	23	96	331	423
M2 (Total)	104508	108170	113141	119270	130069	130174	133978	136713
M2 (non-Government sector)	103447	106942	112014	118350	128919	129206	132931	135223
Short-term deposits (total)	74474	79739	81940	86851	94633	97072	99956	101432
Short-term deposits (non-government sector)	73784	78980	81246	86260	94172	96623	99498	100969
Deposit Money Banks	74474	79739	81940	86851	94633	97072	99956	101432
Non-Government sector	73784	78980	81246	86260	94172	96623	99498	100969
- in denar	24677	28224	28431	31036	36742	37738	39744	40984
- in foreign currency	49107	50756	52815	55224	57430	58885	59754	59985
Government	690	759	694	591	461	449	458	463
- in denar	689	759	694	590	460	448	457	462
- in foreign currency	1	0	0	1	1	1	1	1
- National Bank	0	0	0	0	0	0	0	0
Long-term deposits (total)	5230	5497	5892	6126	6850	6712	6951	6938
- in denar	3247	3315	3459	3452	3842	3805	3904	3964
- in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974
-Deposit Money Banks	5230	5497	5892	6126	6850	6712	6951	6938
Non-Government sector - in denar	3199	3267	3411	3403	3793	3756	3854	3914
Non-Government sector - in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974
Government - in denar	48	48	48	49	49	49	50	50
Government - in foreign currency	0	0	0	0	0	0	0	0
-National Bank	0	0	0	0	0	0	0	0
Total deposits	95299	99967	104453	110586	120713	122359	125943	128617
Total deposits (non-government sector)	94190	98691	103278	109617	119514	121342	124846	127077



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

	XII.03	XII.04	XII.05					2007		
				III	VI	IX	XII	I	II	III
Credits to non-government sector	45677	57094	68777	73017	79565	82083	89774	91417	93743	96362
1. By currency										
1.1. in denars	38430	45747	51672	54473	58994	60350	66408	68055	69567	71539
1.2. in foreign currency	7247	11347	17105	18544	20571	21733	23366	23362	24176	24823
2. By maturity										
2.1. short-term	27448	29764	30915	32942	35376	34554	36460	37438	38029	38554
2.2. long-term	18229	27330	37862	40075	44189	47529	53314	53979	55714	57808
3. By sector										
3.1. households	9405	15276	21625	23079	25602	27625	30864	31817	32389	33607
3.2. enterprises	36058	41681	46987	49842	53874	54377	58805	59498	61239	62647
3.3. other	214	137	165	96	89	81	105	102	115	108
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
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
1.2. in foreign currency		56.58	50.74	43.64	42.46	35.39	36.60	35.27	36.19	33.86
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
2.2. long-term		49.93	38.54	36.68	34.22	32.49	40.81	42.43	43.92	44.25
3. By sector										
3.1. households		62.42	41.56	39.31	37.04	36.24	42.72	45.20	25.22	0.99
3.2. enterprises		15.59	12.73	14.30	21.86	19.91	25.15	45.52	26.18	7.48
3.3. other		-35.98	20.44	-34.69	-23.93	-58.67	-36.36	45.62	25.69	12.50



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

	XII.03	XII.04	XII.05	III.06	VI.06	IX.06	XII.06	I.07	II.07	III.07
1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034
2. Deposit money	13096	13433	15224	14262	16188	17280	18541	18056	18447	19220
3. (1+2) Money supply M1	27273	27595	29663	27962	30768	32090	34747	32583	33433	34254
4. Short-term deposits	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496
4.1. in denars	15568	20483	24364	27889	28062	30638	36317	37295	39293	40511
4.2. in foreign currency	33187	40808	49107	50756	52815	55224	57430	58885	59754	59985
5. (3+4.1.) Money supply M2 - Denar	42841	48078	54027	55851	58830	62728	71064	69878	72726	74765
6. (5+4.2.) Money supply M2 - total	76028	88886	103134	106607	111645	117952	128494	128763	132480	134750
7. Long-term deposits	4785	5061	5040	5305	5688	5917	6637	6499	6736	6723
7.1. in denars	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749
7.2. in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974
8. (6+7) Money supply M4 - total	80813	93947	108174	111912	117333	123869	135131	135262	139216	141473
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
2. Deposit money		2.57	13.33	3.79	17.71	19.87	21.79	23.68	23.30	34.76
3. Money supply M1		1.18	7.49	3.76	13.36	14.99	17.14	17.63	16.91	22.50
4. Short-term deposits		25.71	19.87	19.46	12.65	24.67	27.60	27.32	29.96	27.78
4.1. in denars		31.57	18.95	19.51	6.56	47.78	49.06	45.60	49.76	45.26
4.2. in foreign currency		22.96	20.34	19.44	16.17	14.71	16.95	17.94	19.56	18.18
5. Money supply M2 - denar		12.22	12.37	11.07	10.01	28.97	31.53	31.07	32.63	33.87
6. Money supply M2 - total		16.91	16.03	14.90	12.84	21.88	24.59	24.72	26.40	26.40
7. Long-term deposits		5.77	-0.41	14.23	16.03	21.47	31.69	28.01	29.86	26.73
7.1. in denars		-3.92	-9.02	0.39	5.24	3.61	18.71	15.46	17.63	20.04
7.2. in foreign currency		32.07	16.58	42.34	34.49	53.59	51.69	47.86	48.56	36.30
8. Money supply M4 - total		16.25	15.14	14.87	12.99	21.86	24.92	24.87	26.56	26.41



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

I. NON-GOVERNMENT SECTOR														
- Enterprises														
Period	Credits				Securities		Overdue and doubtful and		Other placements					
	By currency		By maturity		By maturity		By currency		By maturity					
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term	In denars	In foreign currency	Short-term	Long-term				
	1	2	3	4	11	12	13	14	15	16				
XII.03	19643	5582	14555	10670		92	596	8713	1454	93				
XII.04	22104	9312	16334	15082		69	519	8058	1571	48				
XII.05	21911	14636	15581	20966		63	449	8167	1710	51				
2006 III	23335	16142	17172	22305		57	442	8412	1406	48				
VI	25549	17561	18653	24457		60	455	8566	1653	27				
IX	25691	18717	18213	26195		56	456	7948	1485	27				
XII	28718	20058	19017	29759		60	459	7890	1601	25				
2007 I	29508	20073	19374	30207		51	460	7805	1576	27				
II	30492	21050	19995	31547		48	459	7744	1417	28				
III	31338	21607	20236	32709		43	441	7723	1456	35				
- Households														
Period	Credits										Securities		and contested claims	
	By currency		By maturity		By purpose						By maturity		By currency	
	In denars	In foreign currency	Short-term	Long-term	Frame	For building construction	For business purposes	For performing samostojna activity	For other purposes	Short-term	Long-term	In denars	In foreign currency	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
XII.03	8603	3	1739	6867	319	1186	1465	13	202	5421	0	0	781	18
XII.04	13819	341	2519	11641	396	1507	1963	13	456	9825	0	0	1098	18
XII.05	19339	705	3612	16432	443	2366	2734	12	933	13556	0	0	1545	36
2006 III	20395	952	4031	17316	484	2737	2862	11	1087	14166	0	0	1697	35
VI	22344	1308	4386	19266	468	3195	3123	9	1388	15469	0	0	1913	39
IX	24423	1479	5028	20874	496	3905	3451	6	1508	16536	0	0	1675	46
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
- Other														
Period	Credits				Securities		Overdue and doubtful and		Other placements					
	By currency		By maturity		By maturity		By currency		By maturity					
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term	In denars	In foreign currency	Short-term	Long-term				
	1	2	3	4	11	12	13	14	15	16				
XII.03	23	156	83	96	0	0	5	30	0	0				
XII.04	32	93	37	88	0	0	4	11	0	0				
XII.05	60	8	53	15	0	0	95	2	0	0				
2006 III	51	5	44	12	0	0	37	3	0	0				
VI	26	2	19	9	0	0	59	1	0	0				
IX	20	1	14	7	0	0	59	1	0	0				
XII	49	0	43	6	0	0	54	2	0	0				
2007 I	47	0	42	5	0	0	54	1	0	0				
II	47	0	42	5	0	0	67	1	0	0				
III	48	4	6	46	0	0	54	2	0	0				
II. GOVERNMENT														
Period	Credits				Securities		Overdue and doubtful and		Other placements					
	By currency		By maturity		By currency									
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term								
	1	2	3	4	11	12	13		14					
XII.03	0	2	0	2	0	6706		0		0				
XII.04	151	7	151	7	539	6460		0		0				
XII.05	3	80	11	72	790	6322		0		0				
2006 III	204	85	162	127	3393	6330		0		0				
VI	289	86	250	125	4821	6207		0		0				
IX	125	139	89	175	6703	6146		0		0				
XII	228	129	206	151	7103	6024		0		0				
2007 I	250	127	229	148	6828	5967		0		0				
II	265	123	243	145	7151	6123		0		0				
III	228	119	151	196	7990	6096		0		0				



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

Period	Depoziti										Securities		Other Denar credit liabilities	
	In denars						In foreign currency				short-term	long-term	up to 1 year	over 1 year
	deposit money	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				
	1	2	3	4	11	12	13	14	15	16	17	18	19	20

I. NON-GOVERNMENT SECTOR

- Enterprises

XII.03	8507	391	5830	899	231	90	4892	1481	0	463	0	0	0	0
XII.04	8988	259	7813	1905	449	111	5020	4088	0	561	0	0	0	0
XII.05	10143	218	7756	2294	635	107	4487	6500	0	535	0	0	0	27
2006 III	9226	132	9279	2621	712	104	5138	6221	6	542	0	0	0	25
VI	10515	147	8235	2071	739	114	5445	6766	7	675	0	0	0	22
IX	11550	207	10185	2241	614	114	5280	7869	7	625	0	0	0	19
XII	12851	309	12317	2316	478	77	6007	8489	7	756	0	0	0	17
2007 I	12342	382	12265	2273	444	71	6373	8794	7	596	0	0	0	16
II	12366	447	13286	2248	481	82	7044	8845	7	666	0	0	0	16
III	12849	435	13870	2059	458	72	9716	6327	7	522	0	0	0	15

- 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		

- 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	917
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	0	762
VI	2133	0	475	241	86	140	208	0	0	0	0	0	0	756
IX	2285	0	263	256	125	142	326	0	0	0	0	0	0	737
XII	1951	0	274	303	171	165	272	0	0	0	0	0	0	1072
2007 I	1831	0	271	321	175	165	274	0	0	0	0	0	0	1061
II	1867	0	289	301	185	164	261	0	0	0	0	0	0	1065
III	1903	0	249	329	214	166	219	0	0	0	0	0	0	1070

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



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
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
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
<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
- on short-term credits on enterprises	10.7	10.0	9.8	9.4	9.5	9.5	9.5	9.5	9.4
- on short-term credits on households	19.4	18.4	17.7	17.2	16.9	17.6	17.6	17.1	16.1
<i>Interest rates on long-term credits without FX clause</i>	13.5	13.0	12.8	12.3	11.7	11.7	11.6	11.4	11.4
- on long-term credits on enterprises	10.0	9.2	9.2	8.6	8.4	8.5	8.5	8.5	8.3
- on long-term credits on households	15.3	15.0	15.0	14.8	14.3	14.2	14.2	13.9	13.9
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
<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
- on short-term credits on enterprises	9.1	8.7	8.4	8.3	8.3	8.2	8.2	8.0	7.9
- on short-term credits on households	8.1	7.1	7.1	7.5	7.0	7.0	7.0	6.8	6.6
<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
- on long-term credits on enterprises	11.0	10.9	10.6	10.6	10.4	10.4	10.3	10.2	10.0
- on long-term credits on households	11.9	11.7	11.3	11.1	10.8	10.7	10.6	10.5	10.4
2. INTEREST RATES ON DENAR DEPOSITS	5.6	5.0	4.3	4.6	4.4	4.5	4.7	4.8	4.7
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
<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
- on sight deposits	0.6	0.5	0.6	0.4	0.7	0.5	0.4	0.4	0.5
- on short-term deposits	7.3	5.6	3.7	4.5	3.4	3.5	4.3	4.3	4.4
- on long-term deposits	7.3	7.0	6.8	6.5	6.7	6.6	6.4	6.4	2.5
<i>Interest rates on Denar deposits without FX clause on households</i>	4.8	4.7	4.6	4.9	5.0	5.1	5.1	5.2	5.1
- on sight deposits	1.0	1.0	1.0	1.0	1.0	1.0	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
- on long-term deposits	8.0	8.0	8.0	8.1	8.0	8.0	8.0	7.9	8.1
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
<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
- on short-term deposits	4.5	4.4	4.9	3.4	3.2	3.7	3.5	3.5	3.6
- on long-term deposits	3.7	4.9	4.9	5.8	5.8	5.8	5.0	3.4	3.4
<i>Interest rates on Denar deposits with FX clause on households</i>					8.8	8.8	8.9	8.9	8.9
- on short-term deposits					8.8	8.8	8.9	8.9	8.9
- on long-term deposits									
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
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
<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
- in Euros	8.1	7.8	7.7	8.0	8.4	8.1	8.3	8.1	8.0
- in USA Dollars	7.4	7.7	9.4	9.3	8.0	7.9	7.8	7.2	7.6
<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
- in Euros	16.2	15.2	14.7	13.8	13.3	13.1	12.9	13.1	11.7
- 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
<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
- in Euros	7.6	7.8	7.9	8.1	8.5	8.4	8.3	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
<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
- in Euros	10.4	10.0	9.6	9.4	9.2	9.2	9.1	9.0	9.0
- odobreni vo USA Dollars	4.2	4.6	4.4	4.1	4.1	4.1	4.1	4.1	4.1
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
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
- on sight deposits	0.5	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.7
- in Euros	0.5	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.7
- in USA Dollars	0.5	0.4	0.6	0.5	0.6	0.6	0.6	0.6	0.6
- on short-term deposits	2.5	2.5	2.7	3.0	3.2	3.2	3.2	3.2	3.3
- in Euros	2.1	2.1	2.3	2.6	2.8	2.8	2.8	2.9	3.0
- in USA Dollars	3.3	3.4	3.8	4.2	4.3	4.3	4.3	4.3	4.2
- on long-term deposits		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1
- in Euros		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1
- 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
- on sight deposits	0.6	0.7	0.7	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
- in USA Dollars	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
- on short-term time deposits	1.8	1.8	1.8	2.0	2.3	2.3	2.3	2.3	2.4
- in Euros	1.8	1.8	1.9	2.0	2.3	2.3	2.3	2.3	2.4
- in USA Dollars	1.7	1.6	1.7	2.0	2.3	2.3	2.3	2.3	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
- in Euros	2.9	3.1	3.2	3.5	3.8	3.9	3.9	3.7	3.9
- in USA Dollars	2.5	2.5	2.5	2.8	3.1	3.1	3.1	3.1	3.2



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**		Auction repo- transactions
				volume tender	interest rate tender	
	1	2	3	4	5	6
XII-2003	6.5	14.0			6.2	
I-2004	6.5	14.0			6.8	
II-2004	6.5	14.0		7.5		
III-2004	6.5	14.0		8.0		
IV-2004	6.5	14.0		8.0		
V-2004	6.5	14.0		8.0		
VI-2004	6.5	14.0		8.0		
VII-2004	6.5	11.0		8.0		
VIII-2004	6.5	11.0		8.3		
IX-2004	6.5	11.0		8.6		
X-2004	6.5	11.0		9.0		
XI-2004	6.5	11.0		9.7		
XII-2004	6.5	13.0		10.0		
I-2005	6.5	13.0		10.0		
II-2005	6.5	13.0		10.0		
III-2005	6.5	13.0		10.0		
IV-2005	6.5	13.0		10.0		
V-2005	6.5	13.0		10.0		
VI-2005	6.5	13.0		10.0		
VII-2005	6.5	13.0		10.0		
VIII-2005	6.5	13.0		10.0		
IX-2005	6.5	13.0		10.0		
X-2005	6.5	13.0			10.0	
XI-2005	6.5	13.0			9.1	
XII-2005	6.5	13.0			8.5	
I-2006	6.5	13.0			7.3	
II-2006	6.5	11.0			7.1	
III-2006	6.5	11.0			6.8	
IV-2006	6.5	11.0			6.2	
V-2006	6.5	11.0			5.7	
VI-2006	6.5	9.5			5.8	
VII-2006	6.5	9.5			5.6	
VIII-2006	6.5	9.5			5.5	
IX-2006	6.5	9.5			5.4	
X-2006	6.5	9.5			5.5	
XI-2006	6.5	9.5			5.7	
XII-2006	6.5	9.5			5.7	
I-2007	6.5	9.5			5.7	
II-2007	6.5	9.5			5.4	
III-2007	6.5	9.5			5.3	
IV-2007	6.5	9.5			5.1	

* 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



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

Period	Reserve requirements of banks in Denar						Reserve requirements of banks in foreign currency			Reserve requirements of saving houses in Denar		
	Reserve requirement rate (%)	Liability on reserve requirement	Average fulfillment	Excess/Shortage	Fulfillment in percents (%)	Renumeration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Renumeration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Renumeration rate (%)
	1	2	3	4	5	6	7	8	9	10	11	12
XII-2003	7.5	2,488	3,467	980	139.4	4.0	7.5	2,763	1.0	2.5	7	4.0
I-2004	7.5	2,519	3,005	486	119.3	4.0	7.5	2,768	1.0	2.5	7	4.0
II-2004	7.5	2,559	3,053	494	119.3	4.0	7.5	2,869	1.0	2.5	7	4.0
III-2004	7.5	2,558	3,069	511	120.0	4.0	7.5	2,895	1.0	2.5	8	4.0
IV-2004	7.5	2,574	2,961	387	115.1	4.0	7.5	2,934	1.0	2.5	8	4.0
V-2004	7.5	2,610	3,150	540	120.7	4.0	7.5	2,970	1.0	2.5	8	4.0
VI-2004	7.5	2,632	3,016	383	114.6	4.0	7.5	3,089	1.0	2.5	8	4.0
VII-2004	7.5	2,729	3,102	373	113.7	4.0	7.5	3,137	1.0	2.5	8	4.0
VIII-2004	7.5	2,741	3,052	312	111.4	2.0	7.5	3,149	1.0	2.5	8	2.0
IX-2004	7.5	2,827	3,139	375	111.1	2.0	7.5	3,190	1.0	2.5	8	2.0
X-2004	7.5	2,843	3,100	256	109.0	2.0	7.5	3,218	1.0	2.5	8	2.0
XI-2004	7.5	2,854	3,126	265	109.5	2.0	7.5	3,279	1.0	2.5	8	2.0
XII-2004	7.5	2,855	3,309	454	115.9	2.0	7.5	3,374	1.0	2.5	8	2.0
I-2005	10.0	3,844	4,214	370	109.6	2.0	10.0	4,492		2.5	9	2.0
II-2005	10.0	3,837	4,212	375	109.8	2.0	10.0	4,670		2.5	9	2.0
III-2005	10.0	3,926	4,288	362	109.2	2.0	10.0	4,721		2.5	9	2.0
IV-2005	10.0	4,074	4,400	326	108.0	2.0	10.0	4,772		2.5	10	2.0
V-2005	10.0	4,237	4,728	491	111.6	2.0	10.0	4,770		2.5	10	2.0
VI-2005	10.0	4,311	4,574	263	106.1	2.0	10.0	4,845		2.5	10	2.0
VII-2005	10.0	4,450	4,757	306	106.9	2.0	10.0	4,946		2.5	10	2.0
VIII-2005	10.0	4,098	4,399	300	107.3	2.0	10.0	5,000		2.5	11	2.0
IX-2005	10.0	3,877	4,184	307	107.9	2.0	10.0	5,214		2.5	11	2.0
X-2005	10.0	3,931	4,335	404	110.3	2.0	10.0	5,294		2.5	10	2.0
XI-2005	10.0	4,086	4,464	378	109.3	2.0	10.0	5,241		2.5	11	2.0
XII-2005	10.0	4,242	5,267	1,025	124.2	2.0	10.0	5,325		2.5	11	2.0
I-2006	10.0	4,352	4,573	220	105.1	2.0	10.0	5,396		2.5	11	2.0
II-2006	10.0	4,434	5,000	566	112.8	2.0	10.0	5,433		2.5	12	2.0
III-2006	10.0	4,542	4,944	403	108.9	2.0	10.0	5,507		2.5	12	2.0
IV-2006	10.0	4,674	5,162	488	110.4	2.0	10.0	5,572		2.5	12	2.0
V-2006	10.0	4,934	5,550	616	112.5	2.0	10.0	5,655		2.5	13	2.0
VI-2006	10.0	5,058	5,433	375	107.4	2.0	10.0	5,663		2.5	13	2.0
VII-2006	10.0	4,931	5,263	332	106.7	2.0	10.0	5,768		2.5	13	2.0
VIII-2006	10.0	5,030	5,435	405	108.1	2.0	10.0	5,874		2.5	14	2.0
IX-2006	10.0	5,213	5,549	336	106.4	2.0	10.0	6,003		2.5	14	2.0
X-2006	10.0	5,304	5,618	314	105.9	2.0	10.0	6,117		2.5	14	2.0
XI-2006	10.0	5,460	6,674	1,214	122.2	2.0	10.0	6,243		2.5	14	2.0
XII-2006	10.0	5,618	6,705	1,087	119.3	2.0	10.0	6,373		2.5	14	2.0
I-2007	10.0	5,883	6,219	336	105.7	2.0	10.0	6,458		2.5	15	2.0
II-2007	10.0	6,057	6,479	422	107.0	2.0	10.0	6,513		2.5	15	2.0
III-2007	10.0	6,194	6,688	494	108.0	2.0	10.0	6,596		2.5	16	2.0
IV-2007	10.0	6,431	6,900	469	107.3	2.0	10.0	6,675		2.5	16	2.0

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



Table 19
Interest rates on government securities
(in %)

Period	3 months	6 months	12 months	2 years	3 years
	1	2	3	4	5
I-2004	7.5				
II-2004	7.4				
III-2004	8.8				
IV-2004	8.9				
V-2004	8.3				
VI-2004	8.4				
VII-2004	8.4				
VIII-2004	8.4				
IX-2004	8.5				
X-2004	8.9				
XI-2004	9.2	9.5			
XII-2004	9.2	10.4			
I-2005	9.3	10.8			
II-2005	10.0	10.8			
III-2005	10.5	11.2			
IV-2005	10.4	9.8			
V-2005	10.8	10.5			
VI-2005	10.4	10.5	11.1		
VII-2005	10.4	10.6			
VIII-2005	10.5	10.9			
IX-2005	10.3	11.2			
X-2005	9.8	10.1			
XI-2005	8.9	9.9		10.0	
XII-2005	8.0	8.8	9.6		
I-2006	7.2	7.6			
II-2006	7.0	7.1			
III-2006	6.8	7.3	8.6		
IV-2006	6.4	6.8		9.4	
V-2006	6.1	7.1			
VI-2006	6.5	6.9	8.7		
VII-2006	6.2	6.7			
VIII-2006	6.0	6.6			
IX-2006	6.0	7.0	8.7		
X-2006	6.2	6.9		9.3	
XI-2006	6.1	6.8			9.6
XII-2006	6.3	7.0	8.9		
I-2007	6.5	6.8	8.8		
II-2007	6.4	6.8		8.9	
III-2007	6.4	7.0	8.4		8.0
IV-2007	6.4	6.8			
V-2007	6.2	6.6		5.7	



Table 20
Republic of Macedonia: balance of payments
In USD Million

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
I. Current Account	-82.5	-262.9	-298.9	-339.8	-286.1	-269.7	-32.4	-72.4	-243.6	-357.8	-149.1	-414.8	-81.5	-23.7
GOODS, net	42.8	-184.9	-222.8	-314.7	-386.1	-515.1	-495.8	-690.4	-526.4	-804.3	-847.9	-1,112.1	-1,057.5	-1,285.2
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	1,672.4	2,039.6	2,396.3
Imports, f.o.b.	-1,012.5	-1,271.3	-1,426.8	-1,462.1	-1,622.9	-1,806.6	-1,685.8	-2,011.1	-1,681.8	-1,916.5	-2,210.6	-2,784.5	-3,097.1	-3,681.5
SERVICES, net	-154.5	-155.1	-200.5	-156.2	-137.7	-59.8	42.0	48.7	-19.2	-22.1	-10.2	-54.4	-33.9	25.2
Inflow	84.0	172.0	185.2	154.3	138.1	149.3	272.8	316.7	244.6	253.1	326.8	407.9	471.7	601.3
Outflow	238.5	327.1	385.7	310.4	275.8	209.1	230.8	268.0	263.8	275.3	337.0	462.3	505.6	576.1
INCOME, net	-56.7	-46.6	-39.6	-51.3	-54.9	-45.0	-42.3	-45.6	-40.7	-29.8	-31.6	-39.2	-55.0	-3.1
Inflow	4.3	10.0	20.8	22.8	17.5	23.6	24.2	41.6	52.6	51.0	60.4	84.6	97.6	134.9
Outflow	61.0	56.6	60.4	74.2	72.4	68.5	66.5	87.3	93.3	80.8	91.9	123.8	152.6	138.0
CURRENT TRANSFERS, net	85.8	123.7	163.9	182.3	292.6	350.2	463.8	615.0	342.6	498.4	740.7	790.9	1,064.9	1,239.4
Inflow	115.0	197.0	293.5	341.3	434.0	542.7	618.5	788.2	725.7	655.5	915.4	1,041.1	1,252.3	1,440.8
Outflow	29.2	73.3	129.5	158.9	141.3	192.5	154.8	173.3	383.0	157.0	174.8	250.2	187.4	201.4
II. Capital and Financial Account	-12.9	162.3	280.6	318.2	341.5	285.1	-127.3	10.5	241.2	376.9	174.7	407.0	94.7	13.9
CAPITAL ACCOUNT, net	0.0	30.0	1.7	0.0	0.0	-1.8	0.0	0.3	1.3	8.3	-6.7	-4.6	-2.0	-1.1
FINANCIAL ACCOUNT, net	-12.9	132.3	278.9	318.2	341.5	286.9	-127.3	10.2	239.9	368.6	181.4	411.6	96.7	15.0
Direct investment, net	0.0	24.0	9.5	11.2	30.0	127.7	32.4	175.1	440.7	77.7	96.0	155.9	97.1	350.3
Inward direct investment	0.0	24.0	9.5	11.2	30.1	127.7	32.7	174.5	441.5	77.8	96.3	157.0	99.8	350.5
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
Portfolio investment, net	0.0	0.0	2.7	0.3	2.1	0.4	0.0	-0.1	0.4	0.3	3.4	14.8	235.1	83.3
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
Liabilities	0.0	0.0	1.3	0.8	0.5	0.1	0.0	-0.1	0.4	0.1	3.3	14.7	235.0	83.3
Other investment, net	44.0	150.2	367.4	300.8	313.1	212.1	-16.4	99.6	-124.1	150.9	132.9	260.4	179.6	-42.8
Assets	32.0	34.7	39.9	77.7	-66.1	-59.1	-184.0	-63.7	-109.0	227.7	-3.6	5.7	-88.6	-150.9
Liabilities	12.0	115.5	327.5	223.1	379.3	271.2	167.6	163.4	-15.1	-76.8	136.5	254.7	268.1	108.1
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
III. Errors and Omissions	95.4	100.6	18.3	21.6	-55.3	-15.4	159.7	61.9	2.4	-19.1	-25.6	7.8	-13.2	9.9

Source: National Bank of the Republic of Macedonia

1/ Preliminary data.

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

Calculation of cif / fob factor as % of imports cif 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% and 2003, 2004, 2005, 2006-4,06%.

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

3/ Excluding monetary gold and exchange rate differences.



Table 21
Republic of Macedonia: balance of payments
In EUR Million

	I. Current Account												II. Capital and Financial Account																	III. Errors and Omissions	
	Goods			Services			Income			Current Transfers			Capital Account			Financial Account															
	Net	Exports, f.o.b.	Imports, f.o.b. /2	Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Capital transfers	Acquisition /disposal of non-produced, non-	Net	Direct investment			Portfolio investment			Other investment				Gross official reserves (= increase) /3				
																	Net	Net	Inward	Outward	Net	Assets	Liabilities	Net	Trade credits	Loans	Currency and deposits	Other			
2003	-137.2	-750.2	1203.2	-1953.5	-9.0	288.2	297.2	-28.2	53.2	81.5	650.3	804.0	153.7	161.5	-5.8	-5.8	-0.1	167.3	81.1	81.4	-0.3	3.0	0.1	2.9	121.8	68.9	35.0	5.5	12.5	-38.6	-24.3
2004	-333.6	-894.0	1343.1	-2237.1	-43.4	327.8	371.2	-33.2	67.9	101.1	637.0	837.8	200.8	326.8	-3.8	-3.8	0.0	330.6	126.2	127.2	-0.9	11.3	0.1	11.2	208.9	136.4	47.9	-2.3	26.9	-15.9	6.8
2005	-61.8	-853.4	1642.2	-2495.6	-27.2	380.6	407.9	-44.4	79.0	123.4	863.2	1014.1	150.9	71.9	-1.7	-1.7	0.0	73.7	77.1	79.4	-2.3	198.0	0.1	197.9	146.5	21.1	125.0	-20.7	21.1	-347.9	-10.1
2006	-18.9	-1020.6	1902.6	-2923.3	19.7	477.3	457.6	-1.7	107.2	108.9	983.7	1143.6	159.8	10.3	-0.8	-0.8	0.0	11.2	285.9	286.1	-0.1	65.5	0.0	65.5	-42.7	31.6	-21.3	-83.7	30.7	-297.6	8.6
I	-16.2	-71.5	101.3	-172.8	1.0	32.9	31.8	-1.3	8.1	9.4	55.5	66.3	10.8	13.3	-0.1	-0.1	0.0	13.4	6.4	6.5	0.0	3.2	0.0	3.2	-153.8	1.1	-151.5	-4.9	1.5	157.6	2.9
II	-5.7	-61.2	123.5	-184.7	-2.8	30.0	32.8	2.2	7.4	5.3	56.2	64.9	8.7	3.7	0.2	0.2	0.0	3.6	2.9	2.9	0.0	2.7	0.0	2.7	1.9	-19.0	21.6	-1.7	0.9	-4.0	2.0
III	-14.6	-89.1	149.5	-238.6	-3.3	36.2	39.6	4.2	9.1	4.9	73.6	86.1	12.6	16.1	0.3	0.3	0.0	15.7	230.0	230.1	0.0	5.9	0.0	5.8	-38.0	23.7	-3.9	-60.2	2.5	-182.2	-1.4
IV	-31.8	-105.8	144.1	-249.9	-1.6	32.0	33.6	-0.5	5.8	6.3	76.1	88.3	12.3	30.6	-0.2	-0.2	0.0	30.8	5.4	4.6	0.7	4.5	0.0	4.5	56.1	19.1	40.9	-6.0	2.1	-35.2	1.2
V	-5.7	-87.1	159.3	-246.3	-2.0	39.0	41.0	-2.3	8.3	10.6	85.6	98.9	13.3	4.9	-0.3	-0.3	0.0	5.1	3.8	3.8	-0.1	14.1	0.0	14.1	10.2	4.8	8.3	-4.0	1.1	-22.9	0.9
VI	-14.0	-100.0	163.0	-263.0	-0.8	39.3	40.2	1.3	10.2	8.8	85.5	99.6	14.1	11.5	0.0	0.0	0.0	11.5	8.1	8.0	0.0	6.2	0.0	6.2	29.0	8.2	7.7	6.8	6.4	-31.8	2.5
VII	19.8	-85.1	182.2	-267.3	10.8	47.1	36.3	-2.2	7.9	10.1	96.4	111.0	14.6	-25.4	0.7	0.7	0.0	-26.1	1.9	2.5	-0.6	1.5	0.0	1.5	1.6	-7.7	24.0	-16.5	1.9	-31.2	5.6
VIII	30.2	-78.1	167.8	-245.9	4.3	44.9	40.6	2.5	9.1	6.6	101.5	116.0	14.5	-29.1	-0.8	-0.8	0.0	-28.3	1.5	1.5	0.0	3.3	0.0	3.3	42.1	3.0	-2.6	39.5	2.1	-75.2	-1.1
IX	55.1	-41.8	199.4	-241.1	8.5	42.2	33.7	-9.6	9.2	18.7	97.9	110.7	12.8	-52.1	-0.1	-0.1	0.0	-52.0	6.0	5.9	0.0	2.2	0.0	2.2	-35.4	-40.6	3.4	-0.4	2.2	-24.7	-3.1
X	31.8	-67.9	185.0	-252.9	5.5	44.8	39.3	3.0	10.8	7.8	91.1	106.6	15.4	-33.2	-0.1	-0.1	0.0	-33.2	2.4	2.5	-0.1	3.4	0.0	3.4	-6.1	-9.1	-1.9	2.4	2.5	-32.8	1.5
XI	-18.8	-104.9	158.8	-263.7	2.2	38.8	36.5	7.4	11.9	4.5	76.5	91.7	15.3	21.0	0.1	0.1	0.0	20.9	3.3	3.4	-0.1	7.9	0.0	7.9	24.0	19.6	13.1	-10.0	1.3	-14.4	-2.2
XII	-48.8	-128.1	168.9	-297.0	-2.2	50.1	52.2	-6.4	9.4	15.9	87.9	103.4	15.4	49.0	-0.6	-0.6	0.0	49.6	14.3	14.3	0.0	10.6	0.0	10.6	25.6	28.4	19.7	-28.7	6.2	-0.9	-0.2
Q1	-36.6	-221.8	374.3	-596.1	-5.1	99.1	104.2	5.1	24.7	19.6	185.3	217.3	32.1	33.1	0.4	0.4	0.0	32.8	239.4	239.5	-0.1	11.8	0.0	11.8	-189.8	5.8	-133.8	-66.8	4.9	-28.6	3.4
Q2	-51.6	-292.9	466.3	-759.2	-4.4	110.4	114.8	-1.4	24.3	25.7	247.2	286.8	39.7	47.0	-0.4	-0.4	0.0	47.4	17.2	16.5	0.7	24.8	0.0	24.8	95.3	32.0	56.8	-3.2	9.6	-89.9	4.6
Q3	105.1	-205.0	549.4	-754.4	23.6	134.2	110.6	-9.4	26.1	35.5	295.8	337.7	42.0	-106.5	-0.2	-0.2	0.0	-106.3	9.4	9.9	-0.6	7.0	0.0	7.0	8.3	-45.3	24.7	22.6	6.2	-131.1	1.4
Q4	-35.9	-301.0	512.7	-813.6	5.6	133.7	128.0	3.9	32.2	28.2	255.5	301.7	46.2	36.8	-0.6	-0.6	0.0	37.3	20.0	20.2	-0.2	21.9	0.0	21.9	43.5	39.0	30.9	-36.4	10.0	-48.1	-0.9
2007																															
I	-0.8	-72.0	160.5	-232.5	-2.2	37.7	39.9	5.0	11.7	6.7	68.5	83.2	14.7	0.0	-1.2	-1.2	0.0	1.3	0.0	0.0	0.0	12.2	0.0	12.2	-38.0	-10.6	-34.6	5.9	1.4	27.1	0.7
II	9.6	-65.4	175.6	-241.0	0.8	39.7	39.0	3.3	10.0	6.7	70.9	83.2	12.3	-11.5	0.1	0.1	0.0	-11.6	5.4	3.5	1.9	-7.6	0.0	-7.6	-21.9	1.8	-11.0	-14.3	1.6	12.6	1.9
III	30.8	-58.7	198.3	-257.0	-0.1	41.1	41.2	5.6	12.6	7.0	84.0	100.6	16.6	-34.4	9.8	-0.2	10.0	-44.3	11.5	11.6	-0.1	16.0	0.0	16.0	-37.4	-38.5	6.3	-8.4	3.2	-34.4	3.6
Q1	39.7	-196.1	534.3	-730.4	-1.6	118.5	120.1	13.9	34.2	20.3	223.5	267.0	43.6	-45.9	8.7	-1.3	10.0	-54.6	16.9	15.0	1.9	20.5	0.0	20.5	-97.3	-47.3	-39.3	-16.9	6.2	5.3	6.2

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 for 2003, 2004, 2005 and 2006 is 4.06%

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

3/ Excluding monetary gold and exchange rate differences.



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

	SERVICES																																					
	Services, net	Inflow	Outflow	1. Travel			2. Transportation			3. Other services																												
				Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Total, inflow	Communica- tions	Constructio n	Insurance	Inflow				Outflow				Net	Business services				Governmen t services	Other	Total, outflow	Communica- tions	Construction	Insurance	Net	Business services		Governme nt services	Other
															o/w Agency commission	o/w Forwarding services	Governmen t services	Other	Total, outflow	Communica- tions	Construction	Insurance		Net	o/w Agency commission	o/w Forwarding services	Governme nt services								Other			
2003	-9.0	288.2	297.2	7.6	49.9	42.3	-36.8	76.9	113.7	20.2	161.4	36.0	31.3	2.0	61.6	5.2	4.8	18.0	12.4	141.2	7.5	3.6	9.5	80.7	4.9	2.9	14.8	25.2										
2004	-43.4	327.8	371.2	14.0	57.9	43.9	-62.5	84.6	147.1	5.1	185.3	32.9	40.0	3.7	71.7	5.6	5.5	19.1	17.8	180.2	8.5	2.4	11.0	109.1	6.9	2.9	18.1	31.2										
2005	-27.2	380.6	407.9	19.7	67.7	48.1	-55.7	101.7	157.4	8.8	211.2	30.0	44.6	3.9	86.9	8.4	6.1	21.3	24.5	202.4	7.7	7.2	13.2	119.8	7.4	3.3	17.7	36.9										
2006	19.7	477.3	457.6	46.3	102.4	56.2	-40.9	141.2	182.1	14.4	233.6	48.5	38.3	4.7	93.5	8.8	6.8	15.8	33.0	219.3	22.0	2.3	16.6	108.7	5.5	2.4	22.2	47.6										
I	1.0	32.9	31.8	2.5	5.8	3.4	-2.2	9.1	11.4	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	-2.8	30.0	32.8	2.6	6.4	3.8	-4.6	10.0	14.6	-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	-3.3	36.2	39.6	2.1	6.9	4.8	-5.1	12.1	17.2	-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	-1.6	32.0	33.6	2.2	6.5	4.3	-4.9	8.9	13.9	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	-2.0	39.0	41.0	3.6	8.8	5.2	-4.7	10.8	15.6	-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	-0.8	39.3	40.2	3.6	8.4	4.8	-4.2	11.3	15.6	-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	10.8	47.1	36.3	6.4	11.8	5.4	0.3	14.1	13.9	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	4.3	44.9	40.6	7.6	13.2	5.6	-3.9	12.2	16.1	0.6	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	8.5	42.2	33.7	4.3	9.1	4.8	-2.3	13.0	15.3	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	5.5	44.8	39.3	3.7	8.4	4.6	-0.9	14.1	15.0	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	2.2	38.8	36.5	3.6	8.1	4.4	-3.1	12.0	15.1	1.7	18.7	4.4	4.1	0.3	5.9	0.8	0.5	1.0	3.1	17.0	1.4	0.1	3.4	6.6	0.4	0.2	2.5	3.1										
XII	-2.2	50.1	52.2	3.9	9.1	5.2	-5.1	13.6	18.6	-1.0	27.4	4.5	6.0	0.8	9.1	1.1	0.8	1.9	5.2	28.4	2.9	0.0	2.1	14.0	0.5	0.2	2.2	7.2										
Q1	-5.1	99.1	104.2	7.2	19.1	11.9	-11.9	31.3	43.2	-0.4	48.7	10.6	6.1	0.9	20.8	2.1	1.7	4.2	6.0	49.2	4.4	0.9	2.4	25.3	1.4	0.6	6.9	9.2										
Q2	-4.4	110.4	114.8	9.5	23.7	14.2	-13.9	31.1	45.0	0.0	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	23.6	134.2	110.6	18.3	34.1	15.8	-6.0	39.3	45.3	11.3	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	5.6	133.7	128.0	11.3	25.5	14.3	-9.1	39.6	48.7	3.4	68.5	13.2	13.8	1.4	23.0	2.7	1.8	5.0	12.1	65.1	6.3	0.2	6.0	30.4	1.3	0.6	6.1	16.1										
2007																																						
I	-2.2	37.7	39.9	3.5	8.0	4.5	-4.1	11.2	15.2	-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	8.1	0.4	0.3	4.5	5.4										
II	0.8	39.7	39.0	3.6	8.2	4.6	-5.3	10.7	16.1	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	41.1	41.2	2.2	7.8	5.6	-3.6	12.6	16.2	1.3	20.7	4.3	3.1	0.6	9.6	1.1	0.6	1.2	2.1	19.4	1.7	0.3	1.4	10.8	2.2	0.3	2.1	3.1										
Q1	-1.6	118.5	120.1	9.3	24.0	14.7	-13.1	34.5	47.6	2.2	60.0	11.6	8.4	1.1	26.1	2.8	1.5	3.4	9.4	57.8	4.4	0.5	3.4	26.9	4.9	0.7	8.5	14.2										

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	-28.2	24.1	24.5	0.5	-52.3	-29.1	0.8	29.9	4.6	4.8	-0.1	-27.8	23.2	50.9	
2004	-33.2	40.7	41.7	1.1	-73.9	-54.4	0.3	54.7	1.7	2.2	-0.5	-21.2	23.6	44.8	
2005	-44.4	45.0	46.3	1.3	-89.4	-69.1	0.5	69.6	0.4	0.9	-0.6	-20.7	31.3	52.0	
2006	-1.7	53.1	54.9	1.8	-54.8	-30.2	0.4	30.6	-5.3	2.3	-7.6	-19.4	49.6	69.0	
I	-1.3	3.8	3.9	0.1	-5.1	-0.1	0.0	0.1	0.0	0.0	0.0	-5.0	4.2	9.2	
II	2.2	4.4	4.5	0.1	-2.2	-0.5	0.0	0.5	0.0	0.1	-0.1	-1.7	2.9	4.6	
III	4.2	5.1	5.2	0.2	-0.9	0.0	0.2	0.2	0.1	0.1	0.0	-0.9	3.6	4.5	
IV	-0.5	3.0	3.1	0.1	-3.4	-0.8	0.0	0.8	0.0	0.1	-0.1	-2.6	2.6	5.2	
V	-2.3	4.6	4.7	0.1	-6.9	-7.4	0.0	7.4	0.1	0.1	0.0	0.4	3.4	3.0	
VI	1.3	5.2	5.3	0.2	-3.9	-3.4	0.0	3.4	0.2	0.3	0.0	-0.7	4.5	5.2	
VII	-2.2	3.2	3.3	0.1	-5.5	-0.9	0.1	1.1	0.0	0.0	0.0	-4.5	4.4	8.9	
VIII	2.5	5.1	5.2	0.1	-2.6	-1.6	0.0	1.7	0.1	0.2	-0.1	-1.1	3.6	4.7	
IX	-9.6	3.4	3.5	0.2	-13.0	-13.6	0.0	13.6	0.3	0.3	0.0	0.3	5.3	4.9	
X	3.0	5.6	5.8	0.1	-2.7	-0.6	0.0	0.6	0.0	0.1	-0.2	-2.0	4.9	6.9	
XI	7.4	6.5	6.6	0.2	0.9	-0.7	0.0	0.7	0.2	0.2	0.0	1.5	5.1	3.6	
XII	-6.4	3.3	3.6	0.3	-9.7	-0.4	0.0	0.4	-6.3	0.7	-7.0	-3.0	5.1	8.2	
Q1	5.1	13.2	13.6	0.4	-8.1	-0.6	0.2	0.8	0.1	0.2	-0.1	-7.6	10.7	18.3	
Q2	-1.4	12.8	13.2	0.4	-14.2	-11.6	0.0	11.6	0.3	0.5	-0.2	-2.9	10.6	13.5	
Q3	-9.4	11.7	12.1	0.4	-21.1	-16.2	0.2	16.4	0.4	0.6	-0.2	-5.3	13.3	18.5	
Q4	3.9	15.4	16.0	0.6	-11.5	-1.8	0.0	1.8	-6.1	1.0	-7.1	-3.6	15.1	18.7	
2007															
I	5.0	5.3	5.5	0.2	-0.3	-0.4	0.0	0.4	0.3	0.3	0.0	-0.3	5.8	6.1	
II	3.3	4.9	5.0	0.1	-1.6	0.0	0.0	0.1	0.3	0.3	0.0	-1.8	4.6	6.4	
III	5.6	5.8	6.0	0.1	-0.2	-0.8	0.0	0.8	0.8	0.9	0.0	-0.3	5.7	6.0	
Q1	13.9	16.1	16.5	0.4	-2.1	-1.2	0.1	1.3	1.5	1.5	-0.1	-2.4	16.1	18.5	

Source: National Bank of the Republic of Macedonia



Table 24
Republic of Macedonia: balance of payments - current transfers
In EUR Million

		CURRENT TRANSFERS																	
		Current transfers, net	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	650.3	89.4	92.9	24.2	68.7	3.5	1.5	2.1	560.9	115.2	128.9	13.6	350.5	470.5	120.1	95.2	111.7	16.5	
2004	637.0	55.4	60.1	26.2	33.9	4.7	2.0	2.7	581.5	117.9	129.8	11.9	356.0	519.8	163.9	107.7	128.0	20.4	
2005	863.2	52.5	59.9	28.2	31.8	7.5	3.9	3.5	810.7	125.3	136.6	11.3	554.6	669.7	115.1	130.8	147.8	17.0	
2006	983.7	58.7	66.2	36.8	29.4	7.4	2.8	4.6	925.0	144.7	157.1	12.4	649.5	774.9	125.4	130.8	145.4	14.6	
I	55.5	1.5	1.7	1.7	0.0	0.2	0.1	0.1	54.0	8.4	9.2	0.8	37.1	45.8	8.7	8.6	9.6	1.0	
II	56.2	3.7	4.1	1.2	3.0	0.4	0.2	0.2	52.4	8.9	9.8	0.9	34.3	40.9	6.6	9.3	10.1	0.8	
III	73.6	8.8	9.6	5.9	3.7	0.8	0.1	0.7	64.7	11.8	12.8	1.1	41.0	50.2	9.3	12.0	13.4	1.4	
IV	76.1	7.1	7.6	4.3	3.3	0.5	0.4	0.1	68.9	11.9	12.7	0.8	46.2	56.3	10.0	10.8	11.7	0.9	
V	85.6	4.2	5.3	4.2	1.1	1.1	0.1	1.0	81.4	13.2	14.2	1.0	56.6	66.9	10.3	11.6	12.6	1.0	
VI	85.5	4.5	5.2	3.6	1.5	0.7	0.2	0.5	81.1	12.6	13.5	0.9	57.0	67.9	10.9	11.5	13.0	1.5	
VII	96.4	3.3	3.8	2.6	1.2	0.5	0.4	0.1	93.0	11.8	12.8	1.0	69.7	81.9	12.2	11.5	12.5	1.0	
VIII	101.5	3.6	3.9	2.1	1.8	0.3	0.2	0.1	97.9	12.9	14.1	1.2	74.1	85.6	11.5	10.9	12.5	1.6	
IX	97.9	7.0	7.4	1.3	6.1	0.4	0.4	0.1	90.9	13.9	15.1	1.2	65.8	75.4	9.6	11.2	12.8	1.5	
X	91.1	5.8	6.5	3.1	3.4	0.7	0.4	0.3	85.3	14.4	15.6	1.2	60.5	73.1	12.6	10.4	11.4	0.9	
XI	76.5	3.0	3.5	2.8	0.7	0.4	0.2	0.3	73.4	13.7	14.8	1.2	49.1	61.6	12.5	10.7	11.9	1.2	
XII	87.9	6.1	7.5	3.9	3.7	1.4	0.2	1.2	81.8	11.3	12.5	1.2	58.1	69.3	11.2	12.5	14.1	1.6	
Q1	185.3	14.1	15.5	8.8	6.7	1.4	0.4	1.0	171.2	29.0	31.8	2.8	112.4	137.0	24.6	29.8	33.1	3.3	
Q2	247.2	15.8	18.0	12.1	5.9	2.3	0.6	1.6	231.4	37.7	40.5	2.7	159.8	191.0	31.2	33.9	37.3	3.4	
Q3	295.8	14.0	15.1	6.1	9.0	1.2	0.9	0.2	281.8	38.6	42.0	3.4	209.6	242.9	33.3	33.6	37.7	4.2	
Q4	255.5	14.9	17.5	9.7	7.8	2.6	0.8	1.8	240.6	39.3	42.9	3.5	167.7	204.0	36.3	33.6	37.3	3.7	
2007																			
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	4.5	3.1	1.4	0.6	0.3	0.4	80.1	13.5	14.9	1.3	55.4	67.8	12.4	11.2	13.4	2.2	
Q1	223.5	8.6	10.0	6.0	4.0	1.4	0.8	0.6	214.9	34.4	38.0	3.6	149.7	184.2	34.5	30.8	34.8	4.0	

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			B. Financial account, excluding reserve assets																				
		Net	Capital transfers, net	Acquisition/disposal of non-produced, non-finan. assets	Financial account, net	1. Direct investment			2. Portfolio investment			3. Other investment, net	3.1. Trade credits, net	3.2. Loans						Currency and deposits, net	3.3. Currency and deposits				3.4. Other, net
						Net	Inward	Outward	Net	Assets	Liabilities			Loans, net	Assets	Liabilities			Monetary Authorities, net		General government, net	Banks, net	Other sectors, net		
																Total	Long-term	Short-term							
2003	200.1	-5.8	-5.8	-0.1	205.9	81.1	81.4	-0.3	3.0	0.1	2.9	121.8	68.9	35.0	-15.7	50.7	47.7	3.0	5.5	15.5	0.0	-44.9	34.9	12.5	
2004	342.7	-3.8	-3.8	0.0	346.5	126.2	127.2	-0.9	11.3	0.1	11.2	208.9	136.4	47.9	0.1	47.8	27.7	20.1	-2.3	23.2	0.0	-84.4	59.0	26.9	
2005	419.8	-1.7	-1.7	0.0	421.6	77.1	79.4	-2.3	198.0	0.1	197.9	146.5	21.1	125.0	-37.8	162.8	110.5	52.3	-20.7	0.0	0.0	22.4	-43.1	21.1	
2006	307.9	-0.8	-0.8	0.0	308.8	285.9	286.1	-0.1	65.5	0.0	65.5	-42.7	31.6	-21.3	3.2	-24.5	-33.3	8.8	-83.7	-5.7	0.0	-10.4	-67.6	30.7	
I	-144.3	-0.1	-0.1	0.0	-144.2	6.4	6.5	0.0	3.2	0.0	3.2	-153.8	1.1	-151.5	0.1	-151.6	-152.6	0.9	-4.9	0.0	0.0	-3.6	-1.3	1.5	
II	7.7	0.2	0.2	0.0	7.6	2.9	2.9	0.0	2.7	0.0	2.7	1.9	-19.0	21.6	0.1	21.6	13.4	8.2	-1.7	0.0	0.0	4.4	-6.1	0.9	
III	198.3	0.3	0.3	0.0	197.9	230.0	230.1	0.0	5.9	0.0	5.8	-38.0	23.7	-3.9	0.1	-4.0	-3.9	-0.1	-60.2	-56.7	0.0	5.3	-8.8	2.5	
IV	65.8	-0.2	-0.2	0.0	65.9	5.4	4.6	0.7	4.5	0.0	4.5	56.1	19.1	40.9	0.0	40.9	28.4	12.4	-6.0	0.0	0.0	-0.9	-5.1	2.1	
V	27.8	-0.3	-0.3	0.0	28.0	3.8	3.8	-0.1	14.1	0.0	14.1	10.2	4.8	8.3	0.0	8.3	9.2	-0.9	-4.0	0.0	0.0	7.5	-11.4	1.1	
VI	43.3	0.0	0.0	0.0	43.3	8.1	8.0	0.0	6.2	0.0	6.2	29.0	8.2	7.7	3.1	4.6	5.2	-0.6	6.8	0.0	0.0	12.8	-6.0	6.4	
VII	5.7	0.7	0.7	0.0	5.0	1.9	2.5	-0.6	1.5	0.0	1.5	1.6	-7.7	24.0	0.0	24.0	24.1	-0.1	-16.5	0.0	0.0	-12.7	-3.8	1.9	
VIII	46.1	-0.8	-0.8	0.0	46.9	1.5	1.5	0.0	3.3	0.0	3.3	42.1	3.0	-2.6	0.0	-2.6	1.0	-3.6	39.5	51.1	0.0	-12.2	0.7	2.1	
IX	-27.3	-0.1	-0.1	0.0	-27.2	6.0	5.9	0.0	2.2	0.0	2.2	-35.4	-40.6	3.4	0.0	3.4	4.6	-1.2	-0.4	0.0	0.0	7.3	-7.7	2.2	
X	-0.4	-0.1	-0.1	0.0	-0.3	2.4	2.5	-0.1	3.4	0.0	3.4	-6.1	-9.1	-1.9	0.0	-1.9	1.7	-3.6	2.4	0.0	0.0	8.0	-5.7	2.5	
XI	35.3	0.1	0.1	0.0	35.3	3.3	3.4	-0.1	7.9	0.0	7.9	24.0	19.6	13.1	0.0	13.1	12.9	0.2	-10.0	0.0	0.0	-3.3	-6.7	1.3	
XII	49.9	-0.6	-0.6	0.0	50.5	14.3	14.3	0.0	10.6	0.0	10.6	25.6	28.4	19.7	0.0	19.7	22.5	-2.8	-28.7	0.0	0.0	-23.1	-5.6	6.2	
Q1	61.7	0.4	0.4	0.0	61.3	239.4	239.5	-0.1	11.8	0.0	11.8	-189.8	5.8	-133.8	0.2	-134.0	-143.1	9.0	-66.8	-56.7	0.0	6.1	-16.2	4.9	
Q2	136.8	-0.4	-0.4	0.0	137.3	17.2	16.5	0.7	24.8	0.0	24.8	95.3	32.0	56.8	3.0	53.8	42.9	10.9	-3.2	0.0	0.0	19.4	-22.6	9.6	
Q3	24.6	-0.2	-0.2	0.0	24.8	9.4	9.9	-0.6	7.0	0.0	7.0	8.3	-45.3	24.7	0.0	24.7	29.7	-5.0	22.6	51.1	0.0	-17.6	-10.8	6.2	
Q4	84.8	-0.6	-0.6	0.0	85.4	20.0	20.2	-0.2	21.9	0.0	21.9	43.5	39.0	30.9	0.0	30.9	37.1	-6.2	-36.4	0.0	0.0	-18.3	-18.0	10.0	
2007																									
I	-27.1	-1.2	-1.2	0.0	-25.8	0.0	0.0	0.0	12.2	0.0	12.2	-38.0	-10.6	-34.6	0.0	-34.6	-38.9	4.3	5.9	0.0	0.0	3.7	2.2	1.4	
II	-24.1	0.1	0.1	0.0	-24.2	5.4	3.5	1.9	-7.6	0.0	-7.6	-21.9	1.8	-11.0	0.0	-11.0	-19.2	8.2	-14.3	0.0	0.0	-8.2	-6.1	1.6	
III	0.0	9.8	-0.2	10.0	-9.9	11.5	11.6	-0.1	16.0	0.0	16.0	-37.4	-38.5	6.3	-5.0	11.3	2.5	8.8	-8.4	0.0	0.0	0.6	-9.0	3.2	
Q1	-51.2	8.7	-1.3	10.0	-59.9	16.9	15.0	1.9	20.5	0.0	20.5	-97.3	-47.3	-39.3	-5.0	-34.3	-55.6	21.3	-16.9	0.0	0.0	-3.9	-13.0	6.2	

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	
	2003	2004	2005	2006				2003	2004	2005	2006				2007	2007				
	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q1		
TOTAL	1,367.0	1,675.9	2,042.3	451.0	586.8	701.5	661.5	2,400.7	2,306.4	2,931.6	3,232.8	727.5	985.9	969.5	1,079.8	3,762.7	701.2	1,036.5		
SITC																				
Food and live animals	92.0	125.6	167.2	30.3	55.7	51.4	53.8	191.1	271.2	337.5	343.2	74.4	95.5	94.8	104.3	369.0	40.7	109.6		
Beverages and tobacco	137.1	127.8	163.1	35.2	49.8	64.8	42.1	192.0	24.2	28.0	31.1	5.5	7.7	9.1	9.8	32.1	35.4	7.3		
Crude materials, inedible, except fuels	39.9	44.1	67.8	18.4	30.0	29.6	33.8	111.8	60.0	77.4	106.7	31.1	28.6	34.3	39.6	133.6	37.9	57.4		
Mineral fuels, lubricants and related materials	73.7	78.3	163.6	37.7	47.9	84.4	55.1	225.1	323.1	397.8	619.2	171.3	172.5	181.5	234.8	760.1	39.4	209.7		
Animal and vegetable oils and fats	0.8	7.0	2.9	0.4	0.7	0.8	0.2	2.2	24.5	52.9	30.0	6.5	7.8	9.1	7.2	30.6	0.2	5.5		
Chemical products	70.2	73.4	90.8	18.7	26.3	28.3	27.1	100.5	254.9	281.0	334.0	72.5	98.7	94.6	99.5	365.3	26.2	101.4		
Manufactured goods classified chiefly by material	398.1	552.7	682.8	147.3	200.8	247.0	257.5	852.6	333.2	740.8	950.5	181.0	309.2	312.6	316.0	1,118.8	323.6	297.9		
Machinery and transport equipment	80.6	92.6	109.9	23.9	32.7	31.3	30.0	117.9	434.2	504.5	563.1	133.6	197.0	168.4	189.7	688.6	28.4	180.5		
Miscellaneous manufactured articles	471.8	570.8	590.5	137.2	142.0	163.1	161.7	604.1	128.7	171.9	252.9	50.3	68.4	64.3	77.9	260.9	169.1	66.5		
Commodities and transactions not classified in SITC	2.7	3.5	3.7	1.8	0.9	0.7	0.2	3.5	452.4	340.1	2.1	1.1	0.7	0.7	1.1	3.6	0.4	0.9		
END USE																				
Production materials	669.2	816.2	1,110.4	241.7	334.7	425.8	391.4	1,393.7	1,492.5	1,904.7	2,099.0	469.3	625.5	642.9	715.6	2,453.3	433.8	692.3		
Capital goods	22.3	30.6	39.9	8.6	9.4	19.0	14.4	51.5	285.9	312.8	348.5	79.0	126.8	100.2	113.6	419.7	15.8	107.4		
Consumption goods	674.5	827.7	891.2	200.6	242.3	255.9	255.5	954.3	525.2	711.8	783.2	178.1	232.9	225.6	249.5	886.1	251.6	236.0		
Unknown	0.9	1.3	0.8	0.1	0.3	0.7	0.2	1.3	2.7	2.3	2.1	1.1	0.7	0.7	1.1	3.6	0.0	0.9		

Source: State Statistical Office of the Republic of Macedonia



Table 27
Foreign trade by countries
In USD Million

	EXPORT								IMPORT								EXPORT	IMPORT
	2003	2004	2005	2006				Total	2003	2004	2005	2006				Total	2007	2007
	Total	Total	Total	Q1	Q2	Q3	Q4		Total	Total	Total	Q1	Q2	Q3	Q4		Q1	Q1
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	701.21	1,036.53
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																	126.24	75.06
Montenegro																	4.07	0.16
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	104.95	99.60
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	96.06	95.98
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	69.49	52.71
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	46.69	52.25
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	30.80	23.00
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	37.06	5.59
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	17.28	6.38
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	16.21	14.81
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	9.05	35.63
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	11.33
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	13.38	29.04
Albanija	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	14.62	2.41
G.Britain	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	14.90	11.58
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	157.37
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	6.23	16.55
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	4.09	8.21
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	4.10	16.49
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	5.23	31.11
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	0.99	8.92
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	3.91	17.35
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	2.21	16.07
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	1.41	8.76
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	1.38	34.18
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	0.18
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	0.59
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	24.46
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	11.04
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	43.96
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	0.42	3.50
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	0.23	6.76
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	3.55
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	0.06	0.04
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	0.60
Lihtenstien	0.00	0.31	0.28	0.00	0.00	0.12	0.00	0.13	0.72	0.36	0.60	0.12	0.07	0.02	0.02	0.22	0.02	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	3.10
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
Brazil	0.00	0.00	0.94	0.00	0.00	0.00	0.00	0.00	23.25	41.07	37.66	5.55	13.63	11.59	8.87	39.64	0.00	15.02

Source: State Statistical Office of the Republic of Macedonia



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

Country	1997		1998		1999		2000		2001		2002		2003		2004		2005	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
FDI in Republic of Macedonia																		
004 Afghanistan	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
008 Albania	0.0	0	0.0	0	0.0	0	0.1	0	0.6	0	2.1	0	2.0	0	4.4	0	3.6	0
036 Australia	-0.1	0	0.2	0	0.3	0	0.3	0	0.4	0	1.8	0	2.1	0	2.1	0	2.1	0
040 Austria	17.6	12	30.1	11	39.5	11	33.0	6	36.8	4	37.7	3	42.8	3	62.3	4	57.7	3
044 Bahamas	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
056 Belgium	0.1	0	0.1	0	0.0	0	0.1	0	0.4	0	0.5	0	1.3	0	1.3	0	1.3	0
070 Bosnia and Herzegovina	1.6	1	2.9	1	2.8	1	2.7	0	2.4	0	2.4	0	2.4	0	0.7	0	0.2	0
092 British Virgin Islands	0.1	0	0.1	0	0.5	0	1.4	0	3.9	0	7.0	1	11.3	1	8.7	1	11.8	1
100 Bulgaria	2.6	2	3.4	1	2.9	1	3.5	1	6.6	1	11.7	1	23.3	2	24.3	2	27.4	2
112 Byelorussia	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
124 Canada	0.0	0	0.0	0	0.0	0	0.3	0	0.1	0	0.1	0	0.3	0	0.4	0	0.5	0
136 Cayman Islands	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
156 China	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.2	0	0.9	0	1.1	0
158 Taiwan	0.0	0	0.0	0	0.0	0	2.8	0	4.2	0	3.5	0	3.3	0	2.5	0	0.8	0
191 Croatia	5.8	4	6.4	2	7.6	2	8.2	1	10.3	1	12.3	1	10.9	1	15.7	1	20.3	1
196 Cyprus	1.2	1	77.1	29	92.8	26	117.9	20	138.7	13	141.6	12	141.1	11	150.5	9	160.8	9
200 Czech Republic	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.2	0	0.2	0	0.3	0	0.3	0
208 Denmark	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.0	0
214 Dominican Republic	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
246 Finland	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
250 France	0.2	0	0.4	0	0.4	0	8.0	1	5.9	1	10.7	1	15.2	1	19.6	1	1.5	0
280 Germany	9.3	7	14.1	5	15.9	4	50.2	9	54.6	5	52.5	5	57.3	4	70.6	4	64.1	4
292 Gibraltar	0.3	0	0.4	0	0.5	0	0.9	0	0.8	0	1.0	0	0.4	0	0.4	0	0.5	0
300 Greece	9.7	7	12.8	5	20.5	6	105.3	18	174.2	17	213.0	18	223.0	17	264.1	16	279.2	16
344 Hong Kong	0.0	0	0.0	0	0.3	0	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
348 Hungary	0.0	0	0.0	0	0.0	0	0.0	0	300.6	29	300.1	26	313.4	24	354.4	22	350.0	20
352 Iceland	0.9	1	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
356 India	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
364 Iran	0.1	0	0.1	0	0.1	0	0.0	0	0.1	0	0.0	0	0.0	0	0.1	0	0.0	0
368 Iraq	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.0	0	0.0	0
372 Ireland	0.0	0	-0.1	0	-0.1	0	0.1	0	0.7	0	0.0	0	0.0	0	0.0	0	0.0	0
376 Israel	0.0	0	0.2	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
380 Italia	9.9	7	11.0	4	11.4	3	11.4	2	13.9	1	16.5	1	15.0	1	32.1	2	37.7	2
392 Japan	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
400 Jordan	0.0	0	0.0	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
422 Lebanon	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
434 Libya	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
438 Liechtenstein	0.2	0	3.8	1	10.2	3	4.8	1	6.5	1	4.1	0	22.0	1	1.5	0	2.5	0
442 Luxembourg	0.2	0	1.8	1	1.9	1	2.3	0	2.3	0	2.3	0	2.2	0	10.8	1	15.2	1
458 Malaysia	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
470 Malta	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	-0.1	0	-0.2	0
484 Mexico	0.0	0	-0.9	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
498 Moldova, Republic of	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
528 Netherlands	1.4	1	4.6	2	10.2	3	14.7	3	15.6	2	61.1	5	69.7	5	103.2	6	213.3	12
532 Netherlands Antilles	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	98.9	6	69.5	4
566 Nigeria	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
578 Norway	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.0	0	-0.1	0	0.0	0
584 Marshall Island	1.3	1	0.6	0	0.7	0	0.1	0	0.2	0	0.2	0	0.3	0	0.3	0	0.0	0
586 Pakistan	2.0	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
590 Panama	2.0	1	2.9	1	3.1	1	3.5	1	12.9	1	13.3	1	13.3	1	3.0	0	3.2	0
616 Poland	0.0	0	0.0	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0
642 Romania	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.3	0	0.3	0	0.5	0	0.4	0
643 Russia	3.5	3	5.5	2	2.5	1	0.0	0	0.0	0	1.3	0	1.3	0	1.4	0	1.3	0
670 Saint Vincent and the Grenadines	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	36.1	2
674 San Marino	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.8	0	0.7	0	0.7	0	0.8	0
690 Seychelles	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	-0.1	0	2.1	0	0.0	0
702 Singapore	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
705 Slovenia	16.4	12	21.2	8	43.7	12	56.2	10	58.8	6	66.4	6	84.7	7	101.8	6	106.8	6
710 South Africa	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
724 Spain	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
752 Sweden	1.4	1	1.6	1	1.7	0	2.2	0	1.1	0	2.3	0	2.0	0	2.5	0	2.5	0
756 Switzerland	22.1	23	40.8	15	45.8	12	61.5	11	79.2	8	85.2	7	101.9	8	143.9	9	164.2	9
760 Syria	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.2	0	0.2	0	0.1	0	0.2	0
784 United Arab Emirates	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.0	0
792 Turkey	0.7	1	1.1	0	14.2	4	16.1	3	16.2	2	18.0	2	18.9	1	26.5	2	25.1	1
804 Ukraine	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.2	0	0.6	0	3.6	0
826 Great Britain	5.3	4	5.9	2	4.2	1	39.5	7	26.6	3	21.9	2	34.7	3	38.4	2	38.2	2
833 Isle of man	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
840 United States of America	1.4	1	2.4	1	4.1	1	12.5	2	34.0	3	41.3	4	42.2	3	25.6	2	29.8	2
850 Virgin Islands of the USA	0.0	0	0.0	0	0.0	0	0.0	0	0.2	0	0.2	0	0.5	0	0.8	0	0.9	0
860 Uzbekistan	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
890 Serbia and Montenegro	15.9	11	19.4	7	21.1	6	19.3	3	29.7	3	26.7	2	29.1	2	29.5	2	32.8	2
902 Slovakia	0.1	0	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.1	0	0.2	0
938 International Finance Corporation	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
964 European Bank for Reconstruction and Development	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	2.4	0	2.4	0	1.8	0
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

Source: National Bank of the Republic of Macedonia

1/Preliminary data



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

Activity	1997		1998		1999		2000		2001		2002		2003		2004		2005	
FDI in Republic of Macedonia	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
MINING AND QUARRYING	0.3	0	0.4	0	0.7	0	9.9	2	13.6	1	16.9	1	15.5	1	22.4	1	39.3	2
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
Mining and quarrying n.i.e.	0.3	0	0.4	0	0.7	0	9.6	2	12.2	1	15.6	1	14.2	1	21.1	1	38.0	2
MANUFACTURING	0.0	48	0.0	61	0.0	62	0.0	51	0.0	38	0.0	39	0.0	38	0.0	41	0.0	44
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
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
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
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
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
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
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
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
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
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
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
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
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
ELECTRICITY, GAS AND WATER	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
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
TOTAL SERVICES	0.0	48	0.0	36	0.0	35	0.0	41	0.0	55	0.0	53	0.0	54	0.0	51	0.0	48
TRADE AND REPAIR	0.0	34	0.0	25	0.0	23	0.0	15	0.0	9	0.0	9	0.0	8	0.0	7	0.0	7
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
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
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
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
TRANSPORT AND COMMUNICATION	0.0	2	0.0	2	0.0	1	0.0	2	0.0	33	0.0	30	0.0	29	0.0	28	0.0	24
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
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
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
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
FINANCIAL INTERMEDIATION	0.0	8	0.0	6	0.0	7	0.0	21	0.0	11	0.0	12	0.0	14	0.0	13	0.0	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
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
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
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
REAL ESTATE & BUSINESS ACTIVITIES	0.0	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0	2	0.0	2	0.0	2
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
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
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
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
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
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
SUB - TOTAL	141.2	100.0	270.4	100.0	359.9	100.0	580.1	100.0	1,039.2	100.0	1,160.7	100.0	1,292.1	100.0	1,610.2	100.0	1,769.0	100.0
TOTAL	141.2	100.0	270.4	100.0	359.9	100.0	580.1	100.0	1,039.2	100.0	1,160.7	100.0	1,292.1	100.0	1,610.2	100.0	1,769.0	100.0

Source: National Bank of the Republic of Macedonia



Table 30

International investment position of the Republic of Macedonia, as of the end of the period

In USD Million

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

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
International Investment Position, net	-1,599.7	-1,836.6	-1,978.4
Assets	1,495.3	1,589.3	2,081.7
<i>Direct investment abroad</i>	33.6	39.9	52.6
Equity capital and reinvested earnings	28.6	32.3	37.0
Other capital	5.0	7.6	15.6
<i>Portfolio investment</i>	3.0	3.0	3.1
Equity securities	3.0	3.0	3.1
Banks	2.4	2.4	2.5
Other sectors	0.6	0.6	0.6
Debt securities	-	-	-
<i>Other investment</i>	743.7	829.5	903.1
Trade credits	155.5	196.4	253.5
Other sectors	155.5	196.4	253.5
Loans	20.4	20.1	22.0
Banks	19.2	18.9	21.7
Long-term	12.2	12.2	12.7
Short-term	7.0	6.7	9.0
Other sectors	1.2	1.2	0.3
Long-term	-	1.2	0.1
Short-term	1.2	-	0.2
Currency and deposits	565.0	608.4	621.6
Monetary authorities	33.2	11.9	13.2
Banks	531.8	596.5	608.4
Other assets	2.8	4.6	6.0
<i>Reserve assets</i>	715.0	716.9	1122.9
Liabilities	3,095.0	3,426.0	4,060.1
<i>Direct investment abroad</i>	1,292.1	1,610.2	1,769.0
Equity capital and reinvested earnings	1,182.0	1,366.1	1,579.6
Other capital	110.2	244.1	189.4
<i>Portfolio investment</i>	85.8	52.7	232.2
Equity securities	64.4	29.4	44.7
Banks	10.1	14.0	25.0
Other sectors	54.3	15.4	19.7
Debt securities	21.4	23.3	187.5
<i>Other investment</i>	1,717.1	1,763.1	2,058.9
Trade credits	318.6	356.9	387.3
Other sectors	318.6	356.9	387.3
Long-term	269.2	322.6	362.5
Short-term	49.4	34.3	24.9
Loans	1,326.2	1,333.8	1,570.1
Monetary authorities	54.7	46.0	52.7
General government	1,005.5	993.2	1,095.4
Banks	72.8	65.5	111.1
Long-term	8.7	7.9	2.3
Short-term	64.0	57.6	108.8
Other sectors	193.2	229.1	311.0
Long-term	17.2	13.3	62.2
Short-term	175.9	215.8	248.8
Currency and deposits	55.2	51.9	73.7
Banks	55.2	51.9	73.7
Other liabilities	17.1	20.5	27.8

Source: National Bank of the Republic of Macedonia



Table 32
Republic of Macedonia: external debt
In USD Million

	31.12.1999	31.12.2000	31.12.2001	31.12.2002	31.12.2003	31.12.2004	31.12.2005	31.12.2006
Long-term debt	1,446.6	1,495.1	1,429.0	1,577.0	1,798.6	2,007.5	2,181.3	2,347.5
Public sector	1,294.5	1,330.7	1,230.8	1,321.1	1,473.2	1,603.4	1,700.1	1,607.3
General government	1,029.4	1,073.7	1,050.4	1,134.9	1,256.5	1,351.1	1,469.1	1,350.2
Central government	976.0	1,024.5	1,008.3	1,094.7	1,215.3	1,309.1	1,425.0	1,293.2
Official creditors	730.7	771.8	746.2	840.6	971.8	1,076.1	1,024.8	1,094.9
Multilateral creditors	420.5	456.4	474.2	581.9	731.0	855.0	842.8	916.5
IBRD	87.6	93.9	94.9	109.4	133.5	168.7	201.1	213.8
IDA	222.5	249.9	255.3	295.8	357.9	388.1	362.3	384.4
IFAD	1.7	3.1	4.1	5.2	6.8	10.7	12.9	16.5
CEDB	4.6	7.0	5.7	14.5	17.4	23.0	19.8	23.6
EBRD	12.3	10.3	7.9	6.7	8.5	19.0	20.7	26.7
EIB	38.2	41.9	53.8	80.4	94.4	123.1	119.8	132.9
EU	40.2	37.2	44.1	64.6	112.5	122.4	106.2	118.5
EUROFIMA	13.4	13.1	8.6	5.3	0.0	0.0	0.0	0.0
Bilateral creditors	310.3	315.4	272.0	258.7	240.8	221.1	182.0	178.4
Rescheduled debt 1994	266.2	237.6	191.9	182.5	168.7	152.0	120.7	103.4
Rescheduled debt 2000	14.4	10.6	8.9	9.1	9.5	9.0	7.8	8.7
Non rescheduled debt	0.0	19.3	16.7	28.7	18.0	9.5	0.0	0.0
New loans	29.7	48.0	54.5	38.4	44.6	50.5	53.5	66.2
Private creditors	245.3	252.7	262.1	254.1	243.5	233.0	400.2	198.3
London club	245.3	252.7	261.6	253.8	243.3	232.8	222.4	0.0
Euro bonds	0.0	0.0	0.0	0.0	0.0	0.0	177.0	197.5
Other private creditors	0.0	0.0	0.5	0.4	0.2	0.1	0.9	0.8
Banks	0.0	0.0	0.5	0.4	0.2	0.1	0.9	0.8
Non-bank private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public funds	53.4	49.2	42.1	40.2	41.2	42.1	44.1	57.0
Official creditors	53.4	49.2	42.1	40.2	41.2	42.1	44.1	57.0
Multilateral creditors	53.4	49.2	42.1	40.2	41.2	42.1	44.1	57.0
IBRD	27.8	25.8	23.4	20.9	19.8	18.6	17.4	16.1
EBRD	0.0	0.0	0.0	0.0	1.8	5.2	13.8	30.1
EIB	25.7	23.3	18.7	19.3	19.6	18.2	12.9	10.9
Bilateral creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other private creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-bank private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monetary Authorities	101.7	81.6	70.8	67.4	68.3	62.5	62.1	55.8
IMF	101.7	81.6	70.8	67.4	68.3	62.5	62.1	55.8
Public enterprises	163.4	175.5	109.6	118.8	148.3	189.7	168.9	207.3
Official creditors	99.3	111.4	47.1	49.5	64.8	86.7	70.8	93.2
Multilateral creditors	99.3	101.1	39.6	34.2	47.2	61.1	50.9	74.0
IBRD	0.7	3.1	5.9	15.2	27.5	36.1	29.8	33.9
EBRD	40.4	45.7	25.5	10.0	10.2	9.8	7.0	9.6
EIB	4.5	3.8	2.8	2.4	1.8	6.8	6.9	17.3
EUROFIMA	3.6	3.6	5.4	6.6	7.6	8.3	7.2	6.6
CEDB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.6
IFC	50.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral creditors	0.0	10.2	7.5	15.4	17.5	25.6	19.9	19.2
New loans	0.0	10.2	7.5	15.4	17.5	25.6	19.9	19.2
Private creditors	64.1	64.1	62.5	69.2	83.5	103.0	98.1	108.0
Other private creditors	64.1	64.1	62.5	69.2	83.5	103.0	98.1	108.0
Banks	58.8	60.6	58.9	65.6	80.0	99.5	94.6	104.6
Non-bank private sector	5.2	3.5	3.6	3.6	3.5	3.5	3.5	3.4
Private sector	152.1	164.4	198.1	255.9	325.5	404.1	481.2	740.3
Private Banks	69.3	60.7	51.9	91.6	77.2	62.0	117.8	180.2
Official creditors	21.0	12.6	7.0	4.8	7.8	13.5	37.8	57.7
Multilateral creditors	16.3	9.9	6.3	4.8	7.8	13.5	37.8	44.5
IBRD	16.3	9.9	3.0	0.8	3.7	10.5	36.6	40.8
IFC	0.0	0.0	3.3	3.9	4.0	2.9	1.3	0.0
IBRD	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EIB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7
Bilateral creditors	4.6	2.7	0.7	0.0	0.0	0.0	0.0	13.2
New loans	4.6	2.7	0.7	0.0	0.0	0.0	0.0	13.2
Private creditors	48.4	48.1	44.9	86.8	69.4	48.5	80.0	122.5
Other private creditors	48.4	48.1	44.9	86.8	69.4	48.5	80.0	122.5
Banks	46.4	40.8	43.7	79.3	61.2	39.5	64.7	98.9
Non-bank private sector	2.0	7.4	1.2	7.5	8.2	9.0	15.3	23.5
Non-bank private sector	82.8	103.6	146.2	164.3	248.3	342.1	363.4	560.1
Official creditors	15.5	25.2	60.1	31.5	39.5	33.1	17.6	21.5
Multilateral creditors	10.4	21.6	55.9	28.6	26.6	27.3	14.2	13.2
IBRD	3.0	8.4	25.2	14.4	15.9	20.5	9.4	8.9
IFC	6.9	11.9	30.0	13.6	9.2	6.3	4.8	4.2
EAR	0.0	1.4	0.7	0.6	1.4	0.6	0.0	0.0
EU	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral creditors	5.0	3.5	4.2	2.9	12.9	5.7	3.4	8.3
New loans	5.0	3.5	4.2	2.9	12.9	5.7	3.4	8.3
Private creditors	67.3	78.5	86.1	132.9	208.8	309.1	345.8	538.6
Other private creditors	67.3	78.5	86.1	132.9	208.8	309.1	345.8	538.6
Banks	36.9	34.6	33.6	59.4	60.8	99.0	105.0	166.1
Non-bank private sector	30.4	43.9	52.5	73.5	148.0	210.1	240.7	372.5
Short-term debt	55.5	52.8	65.4	63.6	41.9	71.9	93.5	63.2
Public sector	1.0	14.2	0.9	0.1	0.1	0.0	0.0	0.0
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monetary Authorities	0.0	14.2	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	14.2	0.0	0.0	0.0	0.0	0.0	0.0
Public enterprises	1.0	0.0	0.9	0.1	0.1	0.0	0.0	0.0
Loans	1.0	0.0	0.9	0.1	0.1	0.0	0.0	0.0
Private sector	54.4	38.6	64.5	63.5	41.8	71.9	93.5	63.2
Private Banks	31.8	22.1	35.0	18.6	11.4	11.4	3.5	2.1
Loans	31.8	22.1	35.0	18.6	11.4	11.4	3.5	2.1
Non-bank private sector	22.7	16.5	29.5	44.9	30.4	60.5	90.0	61.2
Trade credits	1.2	0.5	0.3	1.6	0.5	0.1	1.4	0.3
Loans	21.4	16.0	29.3	43.3	29.9	60.4	88.6	60.9
Total	1,502.1	1,547.9	1,494.4	1,640.6	1,840.5	2,079.4	2,274.8	2,410.8

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



Table 33
Republic of Macedonia: external debt
In EUR Million

	31.12.1999	31.12.2000	31.12.2001	31.12.2002	31.12.2003	31.12.2004	31.12.2005	31.12.2006
Long-term debt	1,440.0	1,606.8	1,621.5	1,513.2	1,439.4	1,475.7	1,849.1	1,782.5
Public sector	1,288.6	1,430.1	1,396.6	1,267.6	1,178.9	1,178.6	1,441.2	1,220.4
General government	1,024.7	1,153.9	1,191.9	1,089.0	1,005.5	993.2	1,245.4	1,025.2
Central government	971.5	1,101.0	1,144.1	1,050.4	972.6	962.3	1,208.0	981.9
Official creditors	727.4	829.4	846.7	806.5	777.7	791.0	868.7	831.3
Multilateral creditors	418.5	490.5	538.0	558.3	585.0	628.5	714.4	695.9
IBRD	87.2	100.9	107.7	105.0	106.8	124.0	170.4	162.4
IDA	221.5	268.6	289.6	283.8	286.4	285.3	307.1	291.8
IFAD	1.7	3.3	4.6	5.0	5.4	7.9	11.0	12.5
CEDB	4.6	7.5	6.4	13.9	13.9	16.9	16.8	17.9
EBRD	12.3	11.1	8.9	6.4	6.8	14.0	17.5	20.3
EIB	38.0	45.0	61.0	77.2	75.6	90.5	101.6	100.9
EU	40.0	40.0	50.0	62.0	90.0	90.0	90.0	90.0
EUROFIMA	13.3	14.1	9.7	5.1	0.0	0.0	0.0	0.0
Bilateral creditors	308.8	339.0	308.7	248.2	192.7	162.5	154.3	135.5
Rescheduled debt 1994	265.0	255.3	217.8	175.1	135.0	111.8	102.3	78.5
Rescheduled debt 2000	14.3	11.4	10.1	8.7	7.6	6.6	6.6	6.6
Non rescheduled debt	0.0	20.7	19.0	27.5	14.4	7.0	0.0	0.0
New loans	29.5	51.5	61.8	36.8	35.7	37.1	45.3	50.3
Private creditors	244.1	271.6	297.4	243.8	194.9	171.2	339.3	150.6
London club	244.1	271.6	296.9	243.5	194.7	171.2	188.5	0.0
Euro bonds	0.0	0.0	0.0	0.0	0.0	0.0	150.0	150.0
Other private creditors	0.0	0.0	0.5	0.3	0.2	0.1	0.8	0.6
Banks	0.0	0.0	0.5	0.3	0.2	0.1	0.8	0.6
Non-bank private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public funds	53.2	52.9	47.8	38.6	33.0	30.9	37.4	43.3
Official creditors	53.2	52.9	47.8	38.6	33.0	30.9	37.4	43.3
Multilateral creditors	53.2	52.9	47.8	38.6	33.0	30.9	37.4	43.3
IBRD	27.7	27.8	26.6	20.0	15.8	13.7	14.7	12.2
EBRD	0.0	0.0	0.0	0.0	1.5	3.8	11.7	22.8
EIB	25.5	25.1	21.2	18.6	15.7	13.4	11.0	8.2
Bilateral creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other private creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-bank private sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monetary Authorities	101.2	87.7	80.3	64.7	54.7	46.0	52.7	42.4
IMF	101.2	87.7	80.3	64.7	54.7	46.0	52.7	42.4
Public enterprises	162.6	188.6	124.4	114.0	118.7	139.4	143.2	152.8
Official creditors	98.8	119.7	53.4	47.5	51.8	63.7	60.0	70.8
Multilateral creditors	98.8	108.7	45.0	32.8	37.8	44.9	43.1	56.2
IBRD	0.7	3.3	6.7	14.6	22.0	26.6	25.2	25.7
EBRD	40.3	49.1	29.0	9.6	8.2	7.2	5.9	7.3
EIB	4.5	4.1	3.1	2.3	1.5	5.0	5.8	13.1
EUROFIMA	3.6	3.8	6.2	6.4	6.1	6.1	6.1	5.0
CEDB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
IFC	49.8	48.4	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral creditors	0.0	11.0	8.5	14.8	14.0	18.8	16.8	14.6
New loans	0.0	11.0	8.5	14.8	14.0	18.8	16.8	14.6
Private creditors	63.8	68.9	71.0	66.4	66.8	75.7	83.2	82.0
Other private creditors	63.8	68.9	71.0	66.4	66.8	75.7	83.2	82.0
Banks	58.6	65.1	66.9	63.0	64.0	73.1	80.2	79.5
Non-bank private sector	5.2	3.8	4.1	3.4	2.8	2.6	3.0	2.6
Private sector	151.4	176.6	224.8	245.6	260.5	297.1	407.9	562.1
Private Banks	69.0	65.3	58.9	87.9	61.7	45.6	99.9	136.8
Official creditors	20.9	13.6	8.0	4.6	6.2	9.9	32.1	43.8
Multilateral creditors	16.3	10.6	7.1	4.6	6.2	9.9	32.1	33.8
EBRD	16.2	10.6	3.4	0.8	3.0	7.8	31.0	31.0
IFC	0.0	0.0	3.8	3.8	3.2	2.1	1.1	0.0
IBRD	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EIB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8
Bilateral creditors	4.6	2.9	0.8	0.0	0.0	0.0	0.0	10.0
New loans	4.6	2.9	0.8	0.0	0.0	0.0	0.0	10.0
Private creditors	48.2	51.7	50.9	83.3	55.5	35.7	67.8	93.0
Other private creditors	48.2	51.7	50.9	83.3	55.5	35.7	67.8	93.0
Banks	46.2	43.8	49.6	76.1	49.0	29.1	54.8	75.1
Non-bank private sector	2.0	7.9	1.4	7.2	6.5	6.6	13.0	17.9
Non-bank private sector	82.4	111.4	165.9	157.7	198.7	251.5	308.0	425.3
Official creditors	15.4	27.0	68.2	30.2	31.6	24.3	14.9	16.4
Multilateral creditors	10.4	23.3	63.4	27.4	21.3	20.1	12.0	10.0
EBRD	3.0	9.0	28.5	13.8	12.7	15.1	8.0	6.8
IFC	6.8	12.8	34.1	13.0	7.4	4.6	4.0	3.2
EAR	0.0	1.5	0.8	0.6	1.2	0.4	0.0	0.0
EU	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral creditors	5.0	3.8	4.8	2.8	10.3	4.2	2.9	6.3
New loans	5.0	3.8	4.8	2.8	10.3	4.2	2.9	6.3
Private creditors	67.0	84.3	97.7	127.5	167.1	227.2	293.1	408.9
Other private creditors	67.0	84.3	97.7	127.5	167.1	227.2	293.1	408.9
Banks	36.8	37.2	38.1	57.0	48.7	72.8	89.0	126.1
Non-bank private sector	30.2	47.1	59.6	70.5	118.4	154.4	204.1	282.8
Short-term debt	55.2	56.8	74.2	61.0	33.5	52.8	79.2	48.0
Public sector	0.0	15.3	1.0	0.1	0.1	0.0	0.0	0.0
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monetary Authorities	0.0	15.3	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	15.3	0.0	0.0	0.0	0.0	0.0	0.0
Public enterprises	1.0	0.0	1.0	0.1	0.1	0.0	0.0	0.0
Loans	1.0	0.0	1.0	0.1	0.1	0.0	0.0	0.0
Private sector	54.2	41.5	73.2	60.9	33.4	52.8	79.2	48.0
Private Banks	31.6	23.8	39.7	17.8	9.1	8.4	2.9	1.6
Loans	31.6	23.8	39.7	17.8	9.1	8.4	2.9	1.6
Non-bank private sector	22.5	17.7	33.5	43.1	24.3	44.5	76.3	46.4
Trade credits	1.2	0.6	0.3	1.6	0.4	0.1	1.2	0.2
Loans	21.3	17.2	33.2	41.5	23.9	44.4	75.1	46.2
Total	1,495.2	1,663.5	1,695.7	1,574.1	1,472.9	1,528.5	1,928.3	1,830.5

Source: National Bank of the Republic of Macedonia

1/Preliminary data



Table 34
Republic of Macedonia: external debt-stock and flow data for the period 31.03.2007
In EUR Million

	Debt Stock on 31.03.2007	Debt service - 01.01.-31.03.2007			Disbursements - 01.01.- 31.03.2007
		Principal	Interest	Total	
Long- term debt	1,711.7	115.2	14.1	129.3	48.1
Public sector	1,148.2	75.5	9.2	84.7	7.2
General government	962.1	66.6	6.5	73.2	6.6
Central government	918.9	65.3	5.6	70.9	5.1
Official creditors	768.4	65.2	5.6	70.8	5.1
Multilateral creditors	691.8	3.6	3.4	7.0	2.8
IBRD	161.1	1.8	1.0	2.8	1.4
IDA	289.2	0.5	0.4	0.9	0.0
IFAD	12.9	0.0	0.0	0.0	0.5
CEDB	17.9	0.0	0.2	0.2	0.0
EBRD	19.9	1.3	0.5	1.7	0.9
EIB	100.8	0.1	0.2	0.3	0.0
EUROFIMA	0.0	0.0	0.0	0.0	0.0
EU	90.0	0.0	1.1	1.1	0.0
Bilateral creditors	76.5	61.6	2.2	63.8	2.3
Rescheduled debt 1995	18.2	60.8	2.0	62.8	0.0
Non rescheduled debt	6.6	0.0	0.0	0.0	0.0
New loans	51.7	0.7	0.3	1.0	2.3
Private creditors	150.5	0.0	0.0	0.1	0.0
Euro bonds	150.0	0.0	0.0	0.0	0.0
Other private creditors	0.5	0.0	0.0	0.1	0.0
Banks	0.5	0.0	0.0	0.1	0.0
Non-bank private sector	0.0	0.0	0.0	0.0	0.0
Public funds	43.2	1.4	0.9	2.3	1.5
Official creditors	43.2	1.4	0.9	2.3	1.5
Multilateral creditors	43.2	1.4	0.9	2.3	1.5
IBRD	12.1	0.0	0.0	0.0	0.0
EBRD	24.3	0.0	0.5	0.5	1.5
EIB	6.8	1.4	0.4	1.7	0.0
Bilateral creditors	0.0	0.0	0.0	0.0	0.0
New loans	0.0	0.0	0.0	0.0	0.0
Private creditors	0.0	0.0	0.0	0.0	0.0
Other private creditors	0.0	0.0	0.0	0.0	0.0
Banks	0.0	0.0	0.0	0.0	0.0
Non-bank private sector	0.0	0.0	0.0	0.0	0.0
Monetary Authorities	38.1	4.0	0.5	4.5	0.0
IMF	38.1	4.0	0.5	4.5	0.0
Public enterprises	148.0	4.8	2.2	7.0	0.7
Official creditors	68.6	2.7	1.0	3.7	0.5
Multilateral creditors	55.0	1.7	0.8	2.5	0.5
IBRD	24.8	0.9	0.4	1.3	0.0
EBRD	7.2	0.7	0.1	0.8	0.5
EIB	13.1	0.1	0.2	0.3	0.0
EUROFIMA	5.0	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0	0.0
CEDB	5.0	0.0	0.0	0.0	0.0
Bilateral creditors	13.6	1.0	0.2	1.2	0.0
New loans	13.6	1.0	0.2	1.2	0.0
Private creditors	79.4	2.1	1.2	3.3	0.1
Other private creditors	79.4	2.1	1.2	3.3	0.1
Banks	77.0	1.9	1.1	3.0	0.0
Non-bank private sector	2.4	0.2	0.1	0.3	0.1
Private sector	563.6	39.7	4.9	44.6	40.9
Private Banks	137.9	25.2	2.3	27.5	26.3
Official creditors	42.1	20.0	1.1	21.1	18.3
Multilateral creditors	29.3	20.0	0.8	20.8	15.5
EBRD	23.8	20.0	0.8	20.8	12.8
IFC	0.0	0.0	0.0	0.0	0.0
EIB	5.6	0.0	0.0	0.0	2.8
Bilateral creditors	12.7	0.0	0.3	0.3	2.7
New loans	12.7	0.0	0.3	0.3	2.7
Private creditors	95.8	5.2	1.2	6.4	8.0
Other private creditors	95.8	5.2	1.2	6.4	8.0
Banks	77.9	5.2	1.2	6.4	8.0
Non-bank private sector	17.9	0.0	0.0	0.0	0.0
Non-bank private sector	425.7	14.5	2.6	17.1	14.6
Official creditors	14.8	1.5	0.2	1.7	0.0
Multilateral creditors	9.2	1.0	0.2	1.2	0.0
IBRD	0.0	0.0	0.0	0.0	0.0
EBRD	6.3	0.6	0.2	0.8	0.0
IFC	2.8	0.4	0.1	0.5	0.0
EAR	0.0	0.0	0.0	0.0	0.0
Bilateral creditors	5.6	0.5	0.0	0.5	0.0
New loans	5.6	0.5	0.0	0.5	0.0
Private creditors	410.9	13.0	2.4	15.4	14.6
Other private creditors	410.9	13.0	2.4	15.4	14.6
Banks	130.4	2.3	1.3	3.5	6.2
Non-bank private sector	280.5	10.7	1.1	11.8	8.4
Short - term debt	85.4	1.7	0.2	1.9	38.9
Public sector	0.0	0.0	0.0	0.0	0.0
General government	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0
Monetary Authorities	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0
Public enterprises	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0
Private sector	85.4	1.7	0.2	1.9	38.9
Private Banks	25.8	0.0	0.0	0.0	24.2
Loans	25.8	0.0	0.0	0.0	24.2
Non-bank private sector	59.6	1.7	0.2	1.9	14.7
Trade credits	0.2	0.0	0.0	0.0	0.0
Loans	59.4	1.7	0.2	1.9	14.7
Total	1,797.2	116.9	14.3	131.2	87.0

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						
I	108.7	1.7	0.0	1,284.7	1,395.1	18.1
II	111.7	0.2	0.0	1,276.4	1,388.3	12.1
III	108.7	7.0	0.0	1,297.3	1,413.1	17.9
Q1	108.7	7.0	0.0	1,297.3	1,413.1	17.9

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
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
2005	1	-	-	-	-	39.7112	87.8420	46.6876	61.4287	45.1666
	2	-	-	-	-	39.5700	88.9779	47.1916	61.3590	44.9537
	3	-	-	-	-	39.6300	88.6702	46.5671	61.4176	44.2666
	4	-	-	-	-	39.6527	89.8171	47.4544	61.3886	44.1968
	5	-	-	-	-	39.7529	89.8212	48.2674	61.4171	45.2970
	6	-	-	-	-	39.8482	91.6345	50.3377	61.3120	46.3906
	7	-	-	-	-	39.2967	89.0983	50.8157	61.2015	45.4303
	8	-	-	-	-	39.4266	89.3141	49.7871	61.2329	45.0299
	9	-	-	-	-	39.5245	90.3334	49.8574	61.2245	44.9833
	10	-	-	-	-	39.4880	89.7278	50.8468	61.1880	44.3459
	11	-	-	-	-	39.6099	90.1112	51.8977	61.1789	43.8416
	12	-	-	-	-	39.5424	90.1243	51.6661	61.2046	43.5954
2006	1	-	-	-	-	39.5447	89.3827	50.7503	61.2839	43.8820
	2	-	-	-	-	39.3020	89.6578	51.2317	61.2179	43.4344
	3	-	-	-	-	39.0093	88.8557	50.9433	61.1970	43.4544
	4	-	-	-	-	38.8317	88.0838	49.9694	61.1625	42.5913
	5	-	-	-	-	39.2724	89.4229	47.9649	61.1686	42.8457
	6	-	-	-	-	39.2134	89.1251	48.3312	61.1670	42.1803
	7	-	-	-	-	39.0015	88.9010	48.2135	61.1671	41.7135
	8	-	-	-	-	38.7629	90.3501	47.7888	61.1688	41.2355
	9	-	-	-	-	38.6238	90.6172	48.0105	61.1732	41.0371
	10	-	-	-	-	38.4876	90.9394	48.4970	61.1815	40.8833
	11	-	-	-	-	38.4257	90.8063	47.5741	61.1799	40.5425
	12	-	-	-	-	38.3251	90.9675	46.3465	61.1954	39.5143
2007	1	-	-	-	-	37.8973	92.1831	47.0635	61.1802	39.1269
	2	-	-	-	-	37.7300	91.6664	46.8414	61.1905	38.8048
	3	-	-	-	-	37.9428	89.9742	46.2014	61.1729	39.4077

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

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	month	Nominal effective foreign exchange rate of the Denar	Real effective foreign exchange rate of the Denar	
			Consumer price index	Producer price index
1995	December	108.9	103.4	100.5
1996	December	110.2	90.0	89.9
1997	December	100.4	78.2	83.8
1998	December	109.1	74.4	84.0
1999	December	110.3	68.6	78.0
2000	December	147.2	81.0	90.5
2001	December	155.1	79.3	86.0
2002	December	158.7	77.7	85.6
2003	December	164.2	79.3	85.9
2004	December	169.3	76.4	84.8
2005	December	170.5	74.0	82.8
2006	December	170.1	73.9	81.5
2006	January	170.8	75.4	83.4
	February	171.0	75.6	83.7
	March	171.2	75.2	82.9
	April	171.5	75.0	82.6
	May	172.8	76.0	84.4
	June	173.1	75.5	83.4
	July	172.2	75.2	83.6
	August	171.4	74.6	82.9
	September	171.5	74.3	82.4
	Oktober	170.4	73.9	81.4
	November	170.0	74.2	81.0
	December	170.1	73.9	81.5
2007	January	170.2	74.2	81.4
	February	169.9	74.2	80.7
	March	170.9	74.2	81.1
	April	170.9	74.0	80.9
	May	170.9	74.1	80.4
	June	170.5	73.8	81.0

METHODOLOGICAL EXPLANATIONS

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 then 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 deposit money banks' liabilities

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 Survey of interest rates 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.

**Table no. 20-25 Balance of payments**

Balance of payments represents statistical report on certain period, which systematically summarizes all 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). The data are 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 changes and stocks on the accounts abroad of the residents which are not authorized banks and the stock and flow on recording 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.

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.

Data from the monthly reports - MR are being used for calculating the import in dock stations.

Services

Transportation: The data that refer to the transportation are taken from the ITRS. 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.

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 only receipts and payments for dividends through the ITRS. The reinvested earnings are not included.

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 includes the investment in goods and in financial assets. The source of data for the investment in financial assets is the ITRS, while regarding the investment in goods is the customs administration documents. The reinvested earnings are not included. The trade credits between the affiliated entities are not recorded separately, but they are subscribed in the item other investments in the balance of payments.

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

Other investment:

Trade credits: The trade credits (extended to and received from foreign countries) represent a differential between the exports/imports of goods and the corresponding settlements. The estimated data for the trade credits are derived from the foreign trade data in the administration customs documents and corresponding

settlements from the ITRS. If the value of the exported goods is higher than the value of receipts on exports, the difference is recorded as an extended trade credits (with a negative sign). If the value of imported goods is higher than the payments on the imports, the difference is recorded as a received trade credits (with a positive sign). Additional source of data are the data from the monthly reports – MR.

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

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

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

Tables 26 and 27 Foreign trade

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

Table no. 28 and 29 Stock of foreign direct investments

The manner of showing and calculating the foreign direct investments (FDI) in international frames is based on the methodological references from the IMF Manual (Balance of Payments Manual - fifth edition, IMF 1993) and OECDs' Manual (OECD Benchmark Definition of Foreign Direct Investment-third edition, OECD 1996). In accordance with these references FDI include:

- equity capital and reinvested gain;
- claims from connected corporations abroad;
- claims to connected corporations abroad.

Reinvested gain in methodological terms includes:

- part of gain allocated in capital;
- part of gain allocated in reserves;
- part of gain allocated for covering losses from earlier period;
- unallocated gain;
- uncovered gain;
- loss from previous period, transformed in investors' claim and
- gain from previous period, transformed in liability to investor.

According to Fifth Edition of the IMF Manual, the minimal contribution of 10% in the capital or the right to vote is recommended to be used as criteria. According to that, the distinction of the direct and portfolio investor is made by the percent of owned shares and participations in the enterprise.

Methodological procedures which are used in the Republic of Macedonia for calculating the foreign direct and portfolio investments completely correspond with the methodological procedures used by member countries of IMF and OECD.

Data on SDI in the Republic of Macedonia are shown by the country they origin from and by the activity in which is invested.

Tables no. 30 and 31 International investment position

International investment position represents statistical report which shows the stock and structure of the financial claims (assets) of residents from non-residents and the financial liabilities on residents to non-residents which emerged of their joint operating, on certain date, usually on the last day of the year.

International financial assets of the country include the direct and portfolio investments of residents - legal and natural entities in other countries, including the investments in financial derivatives, other investments of residents abroad in a form of extended loans and credits, the foreign currency assets of residential banks with foreign commercial banks, as well as official foreign reserves. International financial liabilities of the country include liabilities on direct and portfolio investments of non-residents - legal and natural entities in the country including the investments in financial derivatives, liabilities on other investments of non-residents in the country in a form of used loans and credits and liabilities on deposits of foreign legal and natural entities with residential banks.

Difference between the overall international financial assets and liabilities gives the net international investment position of a country. In other words, net international investment position of the Republic of Macedonia is differential between investments of residents with non-residents (its international assets) and investments of non-residents with residents (its international liabilities).

Direct investments are investments with which the investor has intention to establish current economic connection and/or to achieve right for managing the legal entity in which he invests. As a criterion on defining the direct investments, according to the international references and standards, minimal contribution in the capital of 10% is used or decisive right to vote in the legal entity where it is invested. The direct investments include share holders' capital, reinvested gain and the debt of interconnected entities. Source of data on direct investments for compiling the international investment position of the Republic of Macedonia are the questionnaires - reports on stock and flow of connected entities which all legal entities submits to NBRM - residents on investments in and from abroad, on annual basis.

Portfolio investments include the investments in debt securities and in equity securities, where the investor owns less than 10% of the share holders' capital or he has no decisive right to vote. For compiling the international investment position of the Republic of Macedonia, the source of data on investments in equity securities are the annual questionnaires - report on stock and flow of connected entities, and on investments in debt securities the data from the international payment operations of commercial banks are being used (according to the system for reporting on the international transactions), reports on operating with securities by authorized participants on the Macedonian Stock Exchange, as well as the data base of the Central Security Depositor. For calculation of the security market value, the data on the market prices from the Macedonian Stock Exchange are being used.

Other investments include assets and liabilities based on short-term and long-term financial and trade credits and loans, currencies and deposits and other assets and liabilities. According to the manual on balance of payments IMF, trade credits are claims and liabilities which emerged from the commercial working of non-residents with abroad (based on export / import of goods and services, advance payment, etc.). For compiling the international investment stock of the Republic of Macedonia, data source on trade credits are the quarterly reports on claims and liabilities on commercial working of non-residents with abroad (KIPO form), and on the financial credits and loans, the credit records with abroad are being used (KZ and KO forms). The currencies and the deposits include the deposits which residential banks hold abroad, i.e. the liabilities of non-residential banks to non-residents. Source of data on this item are the monthly reports on accounting stock of commercial banks' accounts and the banks' international payment operations.

Tables no. 32-34 External debt

In accordance with the regulation for foreign exchange operations, the NBRM is responsible institution for recording the international credit indebtedness and reporting on the amount of the external debt of the



Republic of Macedonia. The statistics on the external debt basically is compiled according to the External Debt Statistics Guide.

Major source on data for compiling the stock of the external debt is the system for reporting on the external debt, in which based on ordered forms on credit indebtedness the residents report on liabilities to non-residents for concluded credit operations.

The data on the current year are issued on monthly basis in euros and USA dollars. The data on the stock of debt are calculated in the report currencies by the middle exchange rate of the National Bank on the cut off date. The external debt flows, withdrawn assets and installments are exchanged by the middle exchange rate of the National Bank on the date of the transactions. The data on the current year are revised on monthly basis and they have a character of previous data.

Data on short-term and long-term debt are shown separately and the short-term debt includes the liabilities with original maturity up to one year, whereas the long-term includes those with maturity over one year.

The presented reports on external debt include the data on: debt stock, paid and withdrawn assets.

The stock of the external debt results from the assets withdrawal, less overall repayment of principal, increased by amounts of capitalized overdue interest and estimated late interest by the cut off date. Considering the fact that the stocks are exchanged by the exchange rate at the end of the period, and the flows (withdrawals and repayments) by the exchange rate at the day of transaction, the differential in the stock at the beginning and in the end of the period does not corresponds with net changes of transactions, but it includes also the realized exchange rate differentials.

The data on the long-term external debt are grouped by sectors of debtor and within them separate groups of creditors are being showed.

The data on short-term external debt are grouped by sectors of debtors and within them separate types of credits are being showed.

The sector of debtor is identified through the equity structure of the debtor where the data on the public sector and on the private sector are being separately showed.

The public sector includes the Government of the Republic of Macedonia, the National Bank and the public trade companies.

The Government of the Republic of Macedonia includes the public governments and their agencies. Those are institutions which perform the legislative, court and executive government on the territory of one state.

The Government consists of:

- government units on all levels - central and local government
- all social funds on all Government levels
- all non-market, non-profitable institutions which are mostly controlled or financed by Government institutions.

The National Bank of the Republic of Macedonia, i.e. the central bank of the Republic of Macedonia.

Public trade company is financial or non-financial trade company which is controlled by the government institutions, and by control it means the possibility to make the policy of governing the company through appointing directors; through possession of over 50% from the voting body; or through a special act, decree or regulation which ensures for the Government to make the business policy or to appoint managers.

The private sector includes the private banks and the non-banking private sector.

The creditors are grouped in two groups: official and private creditors. The official creditors include multilateral creditors and bilateral creditors. The multilateral creditors include international financial organizations. The bilateral creditors include the governments or the government agencies from other countries



(including the Paris Club of Creditors). The private creditors include the banks and non-banking private creditors.

Table no. 35 Foreign reserves

The data refer to stock of foreign reserves and other foreign assets on a certain date.

The foreign reserves as funds which are available to and controlled by the monetary governments consist of: monetary gold, SDR-Special Drawing Rights, reserve stock with IMF and foreign currencies.

Separate components of the foreign reserves are defined fully in accordance with the methodology of the International Monetary Fund (Manual on balance of payments, fifth edition).

The stock of the foreign reserves is calculated by the middle exchange rate of NBRM on the day the data are issued.

Monetary gold

Gold: The category "monetary gold" includes the gold with which NBRM operates, and which includes the monetary gold in the NBRM vault, gold granules, monetary gold deposited in foreign banks and monetary gold sent to foreign banks.

Gold deposits: The gold deposits include gold in foreign banks with maturity of longer period.

Foreign currencies

Deposits with foreign banks: This category includes the foreign assets on nostro accounts with foreign banks, assets in foreign banks for coverage of open letters of credit and guarantees, placements in subordinated foreign currency deposits with non-residents, as well as time foreign assets abroad.

Cash in the vaults: The cash in the vaults includes cash for payment in the NBRM vault, checks in foreign currency in the petty cash, checks send to abroad for payment, as well as checks send to domestic banks for payment.

Securities: This category includes foreign assets placed in debt coupon and discount securities issued or guaranteed by foreign states, central banks, multilateral banks for development and international financial institutions, as well as foreign assets placed in collateralized and agency bonds.

Other foreign assets

This category includes the placements in subordinated foreign currency deposits with non-residents, foreign assets in foreign banks serving as collateral on issued guarantees, received foreign assets on current accounts of the Government, as well as placements in equity securities issued by non-residents (BIS-shares) in foreign currency 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 foreign exchange rates are calculated as arithmetical mean of the average monthly exchange rates.

Average quarter exchange rates are calculated as arithmetical mean of the average monthly exchange rates in the given quarter.

Average monthly exchange rates are calculated as arithmetical mean of middle daily exchange rates.

The exchange rate at the end of the month is the middle daily exchange rate from the exchange rate list of 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.