

National Bank of the Republic of Macedonia



**Quarterly Report
II / 2007**

September, 2007



C O N T E N T S

I. Macroeconomic developments	3
1.1. International economic environment	3
1.2. Economic activity	5
Domestic supply	5
Domestic demand	9
1.3. Employment and salaries	12
1.4. Balance of payments	15
1.5. Inflation	21
II. Monetary policy	26
2.1. Monetary and credit aggregates	29
2.2. Interest rates	37
III. Public finances	41
IV. Capital market	45
Statistical appendix	52

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

After the exceptionally high growth in the Macedonian GDP in the first quarter, the short-term economic indicators showed hindering in the growth in the second quarter. Such signals were generated by the performances of the industry and construction activity, whereas the trade along with transport and communications continued to grow dynamically. Still, the stronger global demand and pressures for price increase in the basic metal industry (as the main export sector) continued to generate increase in the level of use of the capacity of this industry and dynamic growth rates of the export. Such developments, in case of a slower import growth resulted in narrowing of the trade deficit, which together with the continuous growth in the private transfers contributed to the improvement of the external position of the Macedonian economy and increased supply of foreign exchange on the foreign exchange market. In accordance with the monetary strategy for maintenance of the nominal Denar exchange rate at a stable level, the foreign exchange excess was purchased by the National Bank of the Republic of Macedonia, which imposed a need of further sterilization through monetary instruments. In conditions of continuous growth and satisfactory level of foreign exchange reserves, early repayment of a large part of the foreign debt was performed by the government in the second quarter, and still, at the end of the quarter, the foreign exchange reserves reached a level of 4.2 month coverage of the import of goods and services of the following year. In conditions of increased liquidity in the banking system and further acceleration of the annual growth rates of the deposit potential, the strengthening of the credit activity of the banks continued, having at the same time a minor decrease in their lending interest rates.

The average inflation in the first half of the year was below 1%, although compared to the first three months of the year, a moderate intensification was noted. Likewise, its long-term component (basic inflation) was in the zone of low rates, which indicated stable inflation expectations, in conditions of stable exchange rate as a nominal anchor, as well as low inflationary pressures through the growth of the aggregate demand. At the same time, the growth in the productivity in the industry, when there was annual reduction in the costs per unit labor, did not signalize potential inflation effects through this channel. However, the announcements of price increase of a larger number of food products (as a consequence of the bad weather conditions), as well as the expectations for price increase of a part of the regulated prices were factors of the supply side that were expected to contribute to a moderate inflation intensification by the end of the year.

1.1. International economic environment¹

Stable economic growth within the Euro-zone, followed by a low inflation and unemployment decrease

The positive trend of the global economic growth, commenced at the beginning of 2007 was expected to continue during the second quarter of the year, as well. Within the Euro-zone, in accordance with the projections of the European Commission, it was expected that the economic growth in the second quarter of the year would reach between 0.4% and 0.8% on quarterly basis, determined by the growth in the net export, strong domestic consumption and intensive increase in the reserves. Namely, a significant increase in the reserves within the Euro-zone had been registered since the beginning of 2007 in Germany, as a result of their significant decrease at the end of the previous year due to the strong consumption increase, caused by the anticipated increase in

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



VAT by the consumers. The trend of unemployment rate reduction within the Euro-zone that started in 2005 continued in the second quarter of the year as well, reaching the historically lowest level of 7%, which, compared to the first quarter of the year was by 0.2 percentage points lower.² Considering the high degree of openness of the Macedonian economy and the volume of the trade exchange with the EU, it was expected that such favorable conjuncture would have a positive impact on the economic growth of the country.

*ECB reference interest rate
increase by 0.25 percentage
points*

The annual inflation rate in the Euro-zone in the second quarter of 2007 amounted to 1.9% and remained at almost the same level as in the previous quarter. Nevertheless, the increase in the prices of energy and primary products, that made a pressure on the increase in the production costs of the companies, and accordingly, on the final product prices, led to an increase in the inflationary pressures. An additional inflation pressure, although with a weaker influence compared with the first quarter of 2007, was caused by the increase in the value added tax (VAT) in Germany at the beginning of the year. In that respect, in order to reduce the inflationary pressures, that is, in order to avoid increased inflation expectations, the European Central Bank increased in June the reference interest rate by 0.25 percentage points, thus reaching 4%.

The average nominal exchange rate US\$/Euro in the second quarter of 2007 was 1.35, thus compared with the average exchange rate in the first quarter, the Euro appreciated by 2.9% compared to the US\$. The main factors contributing to the appreciation of the Euro were: relatively high and stable economic growth within the Euro-zone since the beginning of the year, weaker economic performances of the US economy in the first quarter of 2007 compared with the Euro-zone, as well as the downwards revision of the projected growth rate for the US economy in the second quarter of the year. The appreciation of the Euro was further influenced by the higher inflation in the US compared with the Euro-zone, that reached 2.7% in May.

*Expectation for economic
activity intensification in the
countries from the region*

In the Western Balkan countries³, the average real GDP growth in the first quarter of the year was 7%, and it was expected that the positive trends would continue in the second quarter as well, due to the fact that there was an intensive increase in the industrial production and export in these countries in April and May. The inflation rates in the second quarter were relatively stable and low, which indicated a favorable macroeconomic environment (the highest inflation rates in June 2007 were registered in Turkey and Serbia, amounting to 8.6% and 5.1%, respectively). In April 2007, Kosovo authorities introduced changes in the quality standards for import of oil derivatives⁴ as a part of the activities for approximation to the European standards. Such measure could have a negative effect on the Macedonian export of oil derivatives, which had been mainly intended for the Kosovo market.

*Increase in the world prices of
crude oil and primary products*

During the second quarter of the year, the prices of the crude oil on the world stock exchange markets continued to growth. More precisely, compared with the previous quarter, the prices of the crude oil were increased by 15.6% (still, despite this, at an annual level they are lower by 3.2% due to the higher comparison basis of the previous year). Their quarterly increase was due mainly to factors of the supply side as a result of the decrease in the crude oil reserves in the USA before the beginning of the summer season, but also to the statements

² The unemployment rate was adjusted to seasonal influences. Source: Eurostat, July 2007.

³ The following Western Balkan countries were taken into consideration when calculating the average GDP growth rate: the Republic of Macedonia, Serbia, Croatia and Montenegro and additionally Turkey. Source: European Commission D-G for Economic and Financial Affairs, "Candidate and Pre-accession Countries' Economies Quarterly", July 2007.

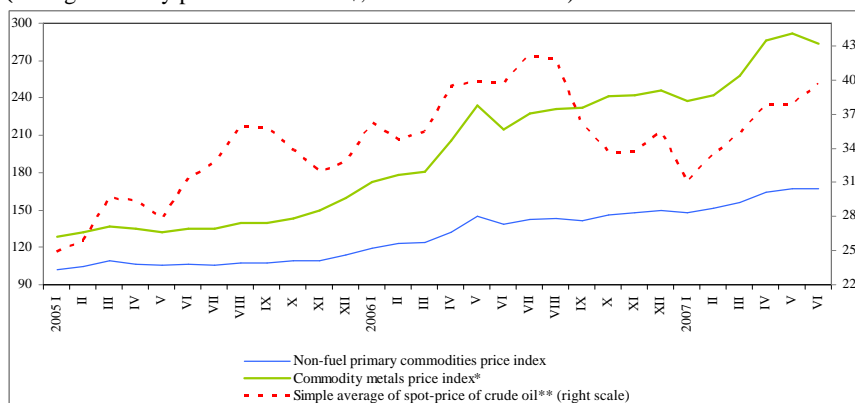
⁴ The newly-adopted oil derivative quality standards are in accordance with the Law No. 2004/5 (Article 10), promulgated by the Kosovo Assembly on the basis of UNMIK Regulation No. 2001/9, referring to the trading in oil and oil derivatives on Kosovo; as well as in accordance with the energy strategy for Kosovo 2005-2015, in which it is pointed out that EU Council Directive (1999/32/EC) should be adopted by December 2011 in order to reduce the quantity of sulphur in liquid fuels.



of OPEC member countries that they had not had an intention to increase the daily oil production. The increase of the crude oil prices was further affected by factors of speculative nature caused mainly by geopolitical tensions (Near East, Nigeria and Iran).

The nominal prices of the primary products continued to increase during the second quarter of 2007, reaching in June the historically highest level. Thus, they noted an increase of 9.4% on quarterly basis, whereas they were increased by 19.7% on annual basis. One of the main factors for their quarterly increase is the increase in the prices of some kinds of metals, the highest quarterly increase being registered in the prices of lead and nickel by 22% and 15.5%, respectively, while there was a more moderate increase in the prices of zinc (by 6.6%). The price increase of the primary products was additionally influenced by the increase in the food prices having reached quarterly and annual increase by 2.3% and 7.6%, respectively.

Figure 1
Trend of the index of world prices of energy and crude oil
(average monthly price index in US\$, with base 1995=100)



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

** Spot price of crude oil is an equally weighted average of the following types of oil: West Texas Intermediate, Brent and Dubai.

Source: IMF, WEO data base, July 2007.

1.2. Economic activity

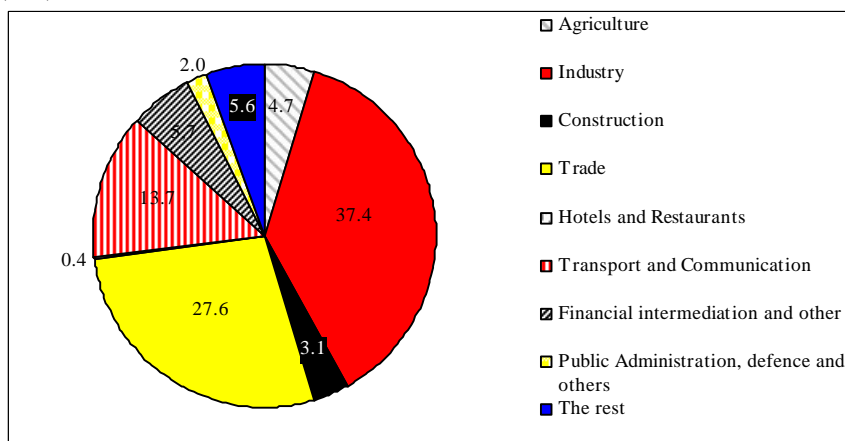
Domestic supply

High annual rate of real economic growth of 7.0% in the first quarter of 2007

Real GDP growth in the first quarter of 2007 was 7.0%⁵. The increased activity in the industry (mainly manufacturing industry), domestic trade and transport and communications were the main growth factors, when positive movements in all sectors were registered. As opposed to the previous two years when the construction noted negative developments, in the first quarter of 2007, this activity registered a positive growth rate, as a reflection of the positive trend since the beginning of the year (increase of the contracted and completed construction works) and of the low comparison basis of the previous year. The actual results in the first quarter of 2007 exceeded the projected economic growth for the quarter by 5%. The exceeded projection is due to the better realization than the expected in the industry, trade and transport and communications.

⁵ Last available data on GDP. Assessment.

Figure 2
Contribution of separate sectors to GDP in the first quarter of 2007
(in %)



Source: State Statistical Office of the Republic of Macedonia.

Indicators of hindering in the growth in the second quarter of 2007...

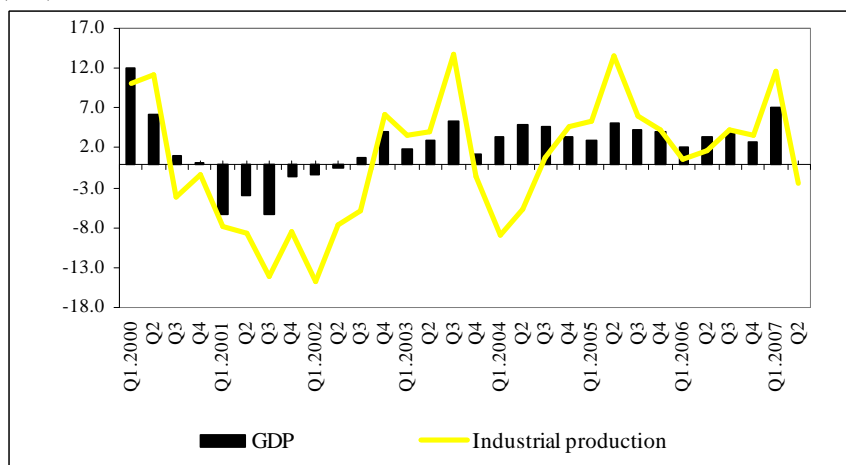
The indicators of the activity in the more significant sectors of the economy in the second quarter of 2007 indicated a hindering in the economic growth, that is, to a more moderate domestic supply. Such assessments were based on the collapse in the industrial production, as a dominant sector in the economy and the slowed down construction activity. Yet, the turnover in the domestic trade along with transport and communications registered positive performances being potential arguments to the benefit of the realization of moderate growth rates of GDP in the second quarter of the year.

...given the reduced volume of the industrial production...

Under the influence of the slowed activity in the energy sector, but also in the manufacturing sector, especially in the production of clothes, electric machines and appliances and tobacco products, the output volume of the industrial production in the second quarter of the year registered an annual decrease of 2.5% (as opposed to the increase of 11.6% in the first quarter). Thus, the cumulative growth rate of 11.6% in the first quarter was reduced to 3.6% in the first half of 2007. The main factor for the cumulative growth was the increased production of basic metals, as well as the further intensive growth in the production of construction materials, that registered in the first half of the year high cumulative growth rates. The production of food products and beverages noted a substantial growth rate of 5.5% and had a significant contribution as a dominant branch. Negative annual growth rates were registered in the tobacco industry in the second quarter (which coincided with the partial increase in the cigarette price in April 2007 due to the increase of the excises), which resulted at the same time in a negative cumulative growth rate of this branch in the first half of the year. Generally viewed, production growth was registered in half of the manufacturing branches that created 53% of the total production of the manufacturing industry. In the rest, there was a decrease in the production, while the production of electric machines and appliances and clothes had a dominant negative impact. Within the mining sector, only the increased extraction of metal ores continued to have a positive contribution. The deepening of the drop in electric energy production⁶ that reached 14.1%, had the most emphasized negative influence on the overall industrial production in the first half of 2007.

⁶ The switching off of two significant thermal power plants from the system for electric energy supply due to regular overhaul, as well as the termination of the electric energy production of one thermal power plant due to the hot weather during the winter period.

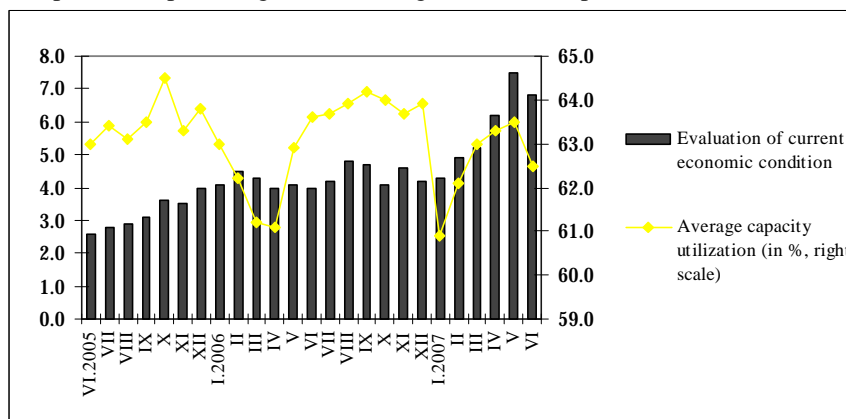
Figure 3
Annual GDP growth rates and industrial output volume
(in %)



Source: State Statistical Office of the Republic of Macedonia.

The assessments of the enterprise management for the current economic condition of the enterprises and output volume according to the Survey on business tendencies in the manufacturing industry⁷ were significantly more favourable compared to the same quarter in 2006. Such results corresponded to the exceptional achievements in some of the main manufacturing industries, but not to the registered collapse in the overall industrial production in the second quarter. The differences derived from the specific nature of the fall in the production, that is, its concentration in certain companies from certain sector. The assessment of the companies that were subject to the survey regarding the degree of use of the production capacities indicated a reduced percentage of the use (62,5% as opposed to 63.6% in June 2006). The main limiting factor for the increase in the output volume according to the surveyed entities continued to be the insufficient domestic demand. Likewise, the financial problems and uncertain economic environment were emphasized as limiting factors. Based on the assessments for the following quarter, the manufacturing companies expected increase in the output volume and decrease in the selling prices.

Figure 4
Monthly assessments of the current economic condition of the industrial enterprises and percentage of the average use of the capacities



Source: State Statistical Office of the Republic of Macedonia.

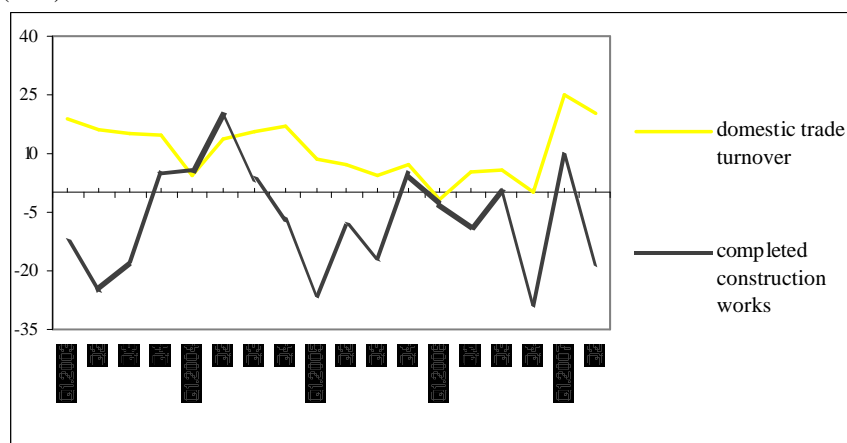
⁷ Source: State Statistical Office of the Republic of Macedonia. The Survey on business tendencies in the manufacturing industry, June 2007.



... negative developments in civil engineering...

In parallel with the fall in the production in the industry, the indicators of the construction activity in the country showed a stagnation of the activity in this sector as well. Thus, the overall value of the performed construction works in the second quarter of 2007 registered a decrease of 18.6% on annual basis, whereas the annual drop in the value of the contracted construction works of 63% signalized further unfavourable developments in this sector. On the other hand, significant escalation in the construction activity abroad was registered (mainly in Ukraine, Croatia and Serbia), that is, the total value of the performed construction works abroad in the second quarter of 2007 was increased by 2.7 times on annual basis. The increased domestic production of construction materials was mainly intended for export, and the export of these products in the second quarter noted an annual increase of 32.9%. According to the Survey on business tendencies in the construction⁸, the assessments of the management in the construction firms regarding the current business activity were more favorable compared with the same period last year. The weak demand, high costs for materials and increased competition in construction sector remained the biggest limiting factors for their activity, whereas the financial costs were assessed as lower.

Figure 5
Annual growth rates of the turnover in the domestic trade and of the performed construction works
(in %)



Source: State Statistical Office of the Republic of Macedonia.

...increase in the turnover in domestic trade...

As opposed to the fall in the output in the industry and construction, positive trends were noted in the domestic trade. Thus, in the second quarter of 2007, compared to the same period from the previous year, the total turnover in the trade noted an increase of 20.2%, turnover in the retail trade and wholesales being increased at the same time. The major part of the turnover was realized in the wholesales (58% of the total turnover). The positive results in the trade were also reflected in the Survey on business tendencies in the retail trade⁹, according to which the current economic condition of the enterprises was assessed as more favourable compared with the second quarter of the previous year, decrease in the product reserves and stronger consumer demand were registered. Compared with the same quarter of the previous year, the economic agents assessed that the costs for financing and obtaining banking loans became less and less significant limiting factor in their activity.

⁸ Source: State Statistical Office of the Republic of Macedonia. Survey on business tendencies in the construction for the second quarter of 2007.

⁹ Source: State Statistical Office of the Republic of Macedonia. Survey on business tendencies in the retail trade for the second quarter of 2007.



... and continuous favorable results in the transport and telecommunications

Intensive economic growth in the first quarter of 2007 determined by the domestic demand and improved foreign trade exchange

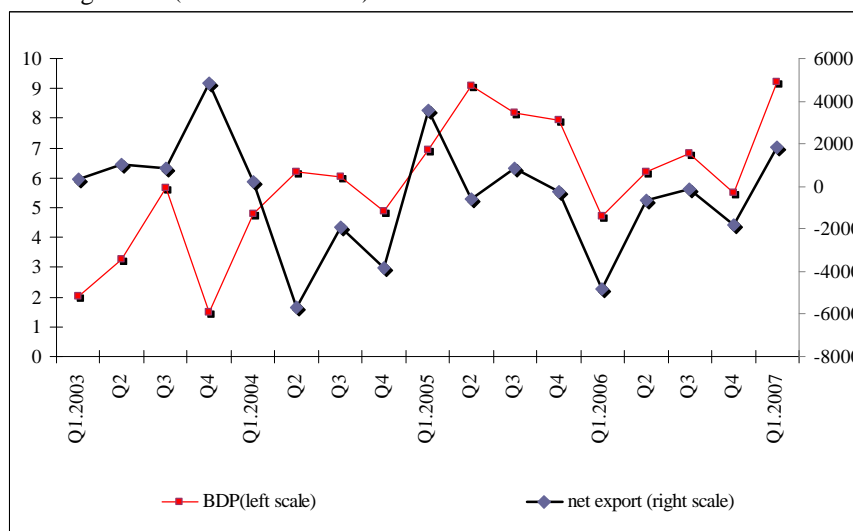
In the second quarter of 2007, there were positive results in the sector of “transport and communications”. Telecommunication traffic should be especially emphasized (impulses in mobile telephony) which doubled at annual level.

Domestic demand

Analyzed from the aspect of the aggregate demand, the high economic growth rate in the first quarter of 2007 was determined by the intensive domestic demand¹⁰ and improved results in the foreign trade. Thus, in spite of the pressure from the personal consumption (in a direction of increase in the import of consumption goods) and import-dependence of the domestic production (increase in the import of products for reproduction and means of operation) in the first quarter of 2007, under the influence of the significant increase in the export of iron and steel, and to a certain extent in the export of clothes and footwear, the foreign trade deficit compared with the deficit in the first quarter of 2006 was reduced by 13.2%, which led to decrease in the negative contribution of the net export to the annual GDP growth. In the second quarter of the year, the monthly data on the commodity exchange with abroad indicated a continuation of the positive tendencies in the foreign trade¹¹, that is, to an annual decrease in the deficit (second quarter 2007/second quarter 2006) by 27.7%, with which lower negative contribution of the net export to the GDP growth could be expected.

Figure 6

Annual nominal growth rates of GDP (in %) and decrease/increase of the deficit in foreign trade (in millions of Denars)



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

¹⁰ The last available data on GDP. In the announcements of the State Statistical Office (SSO) on the quarterly GDP movements, on the expenditure side only public consumption, investments in machine and equipment, import and export of goods and services (all at current prices) are calculated. The information on the individual (personal) consumption and gross investments are qualitative and are assessed by the National Bank of the Republic of Macedonia. The analyses made in this context are based on assessments that derive from the available data on other categories of indicative importance and should be considered with great cautiousness.

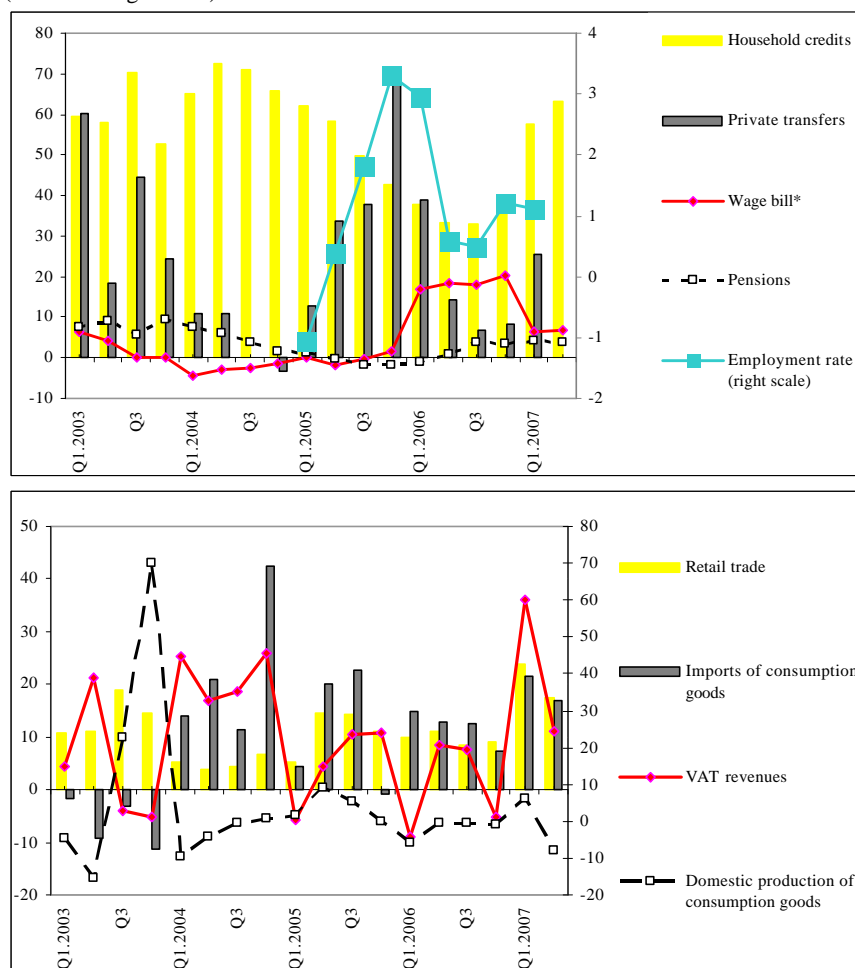
¹¹ The analysis of the reduced negative contribution of the net export in the GDP growth is based on the nominal values. However, indications of increased external demand and thus, reduced negative contribution of the net export in the real annual GDP growth can be noted from the analyses of the quantitative changes (real changes) at certain categories of products (iron and steel; clothes and footwear; tobacco and beverages).



*...when personal
consumption continued to
grow...*

Despite the strengthening of the external demand, the domestic demand¹² continued to be the main generator of the economic growth. The majority of the developments in the first and second quarter of 2007 indicated that the personal consumption was the main determinant of the domestic demand. Thus, the increased volume in the retail trade, strengthened import of consumer goods and the high realization of revenues on the basis of VAT indicated to an annual increase in the household consumption that was supported by the increase in the citizens' income. Thus, in addition to the increase of the net wage bill, the strong credit support to the citizens continued, whereas the private transfers and government transfers (pensions) in the two quarters of the year noted an annual increase.

Figure 7
Indicative categories for personal consumption
(annual changes in %)



* The high increase in the wage bill in the first quarter of 2006 was due to methodological changes in the scope of data.

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

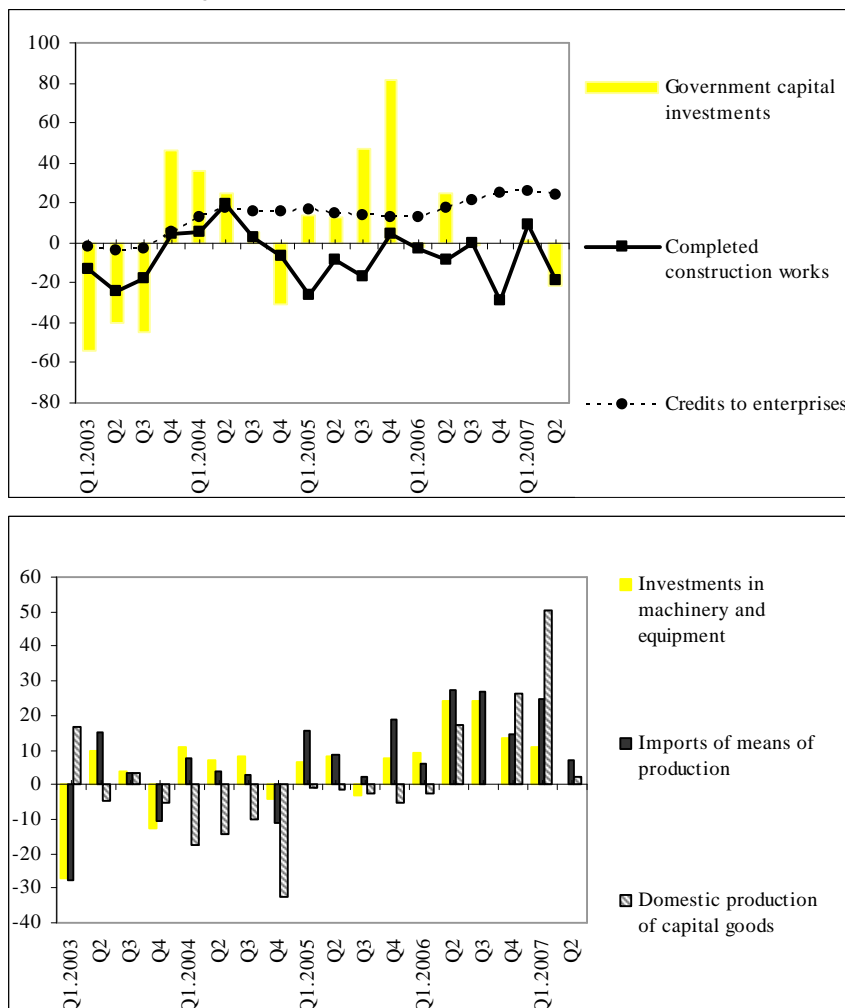
*...moderate investment
increase...*

The analysis of the indicators of the investment consumption indicated to divergent developments in the investment activity in the Republic of Macedonia. While there were improvements in the first quarter of the year (assessed through the value of the performed construction works and value added in the construction), the performed construction works in the second quarter (assessed through monthly realization) noted an annual fall, as well as

¹² In absence of complete data on the expenditure side of GDP, the analysis of the contribution of certain categories of consumption in the total domestic demand is based on the movements of the indicative variables.

government capital investments that had annual decrease, too. Still, as opposed to the high oscillations in the construction activity, the investments in machines and equipment since the beginning of 2006 had noted an increase (in the first quarter of 2007 they were nominally higher by 10.7% on annual basis), whereas in the second quarter, the monthly data on the import of working assets and domestic production of capital products indicated to their further growth. On the other hand, the intensive credit support of the enterprises continued, that might indicate to an increased demand of investment assets in the Republic of Macedonia.

Figure 8
Indicative categories for investment activity
(annual rates of change in %)

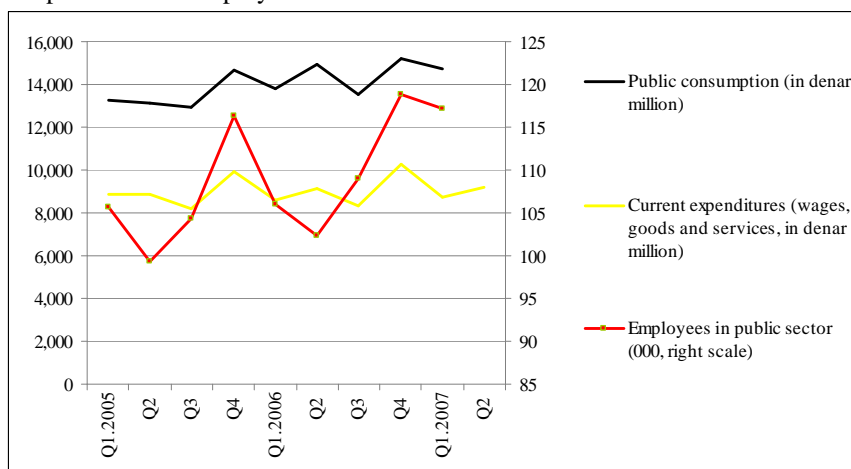


*The high increase in the domestic production of capital products in the first quarter of 2007 was mainly determined by the export of these products.
Source: NBRM and State Statistical Office.

...and moderate public consumption

The public consumption in the first quarter of the year registered an annual nominal growth of 6%, in case of increased costs for salaries and reduced costs for goods and services. According to the data from the consolidated state budget for the second quarter of 2007, the current government consumption for salaries noted an annual increase (by 4%), whereas the costs for goods and services were annually lower (by 5.8%). Yet, considering that the major part of the public consumption referred to the salaries of the public sector employees, a low nominal increase in the public consumption could be expected in the second quarter and its positive contribution to the GDP growth.

Figure 9
Public consumption and current expenditures (for salaries, goods and services)
and public sector employees

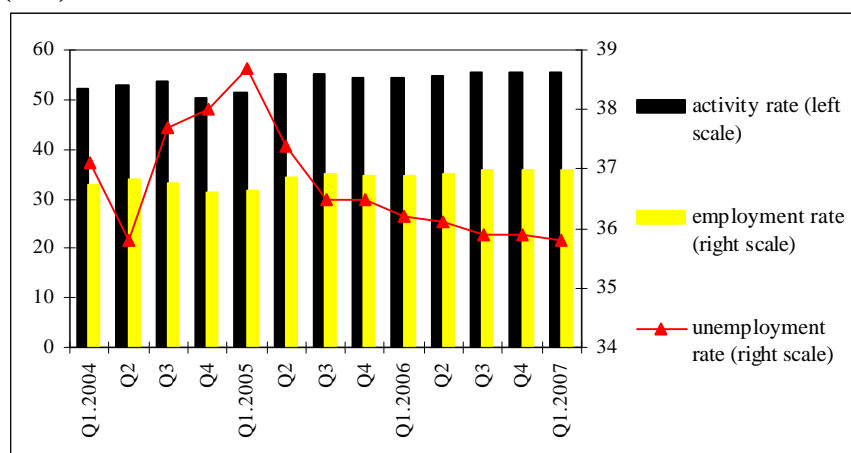


Source: NBRM and State Statistical Office.

1.3. Employment and salaries

The positive developments on the labor market continued in the first quarter of 2007, where increase in the number of employed persons and decrease in the unemployment rate were registered. According to the data of the Labor Force Survey¹³, the number of employees in the first quarter of the year was increased by 3.5%, whereas the number of unemployed was increased by 1.6% compared with the same period of the preceding year. The more intensive labor force increase than unemployment increase contributed to a reduction in the unemployment rate that came down to 35.8% (as opposed to 36.2% in the first quarter of 2006).

Figure 10
Labor force market
(in %)



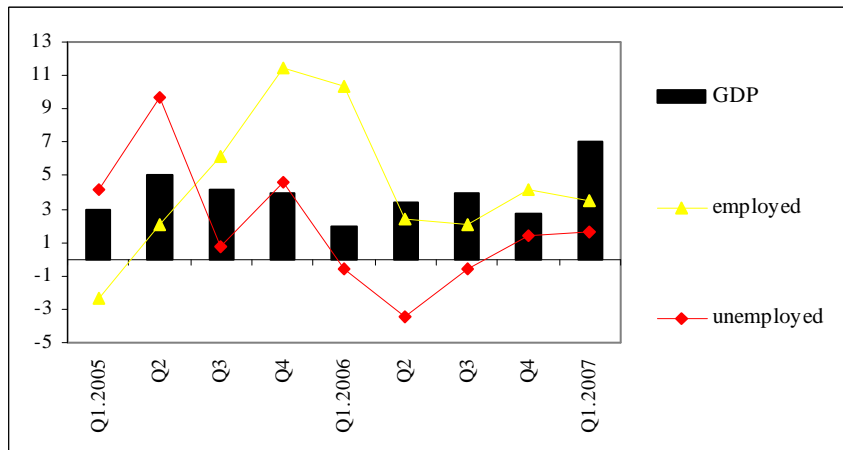
Source: Labor Force Survey, State Statistical Office of the Republic of Macedonia

Analyzed per sectors, only in the service sector, annual increase in the employment was registered (that constituted 51% of the total number of

¹³ The Labor Force Survey is conducted by the State Statistical Office of the Republic of Macedonia, based on a sample of 10,000 households on the territory of the whole country and is in accordance with the methodological recommendations of the International Labor Organization (ILO) and recommendations of the European Statistical Bureau (Eurostat). Since 2004, it has been conducted as a continuous survey during the year, and the data processing is performed quarterly.

employees), whereas in industry and agricultural sector, a decrease was registered. The reduced number of employees in the industry was conditioned by the lower number of employees in the energy sector.

Figure 11
Annual rates of real GDP growth, number of employees and unemployed
(in %)



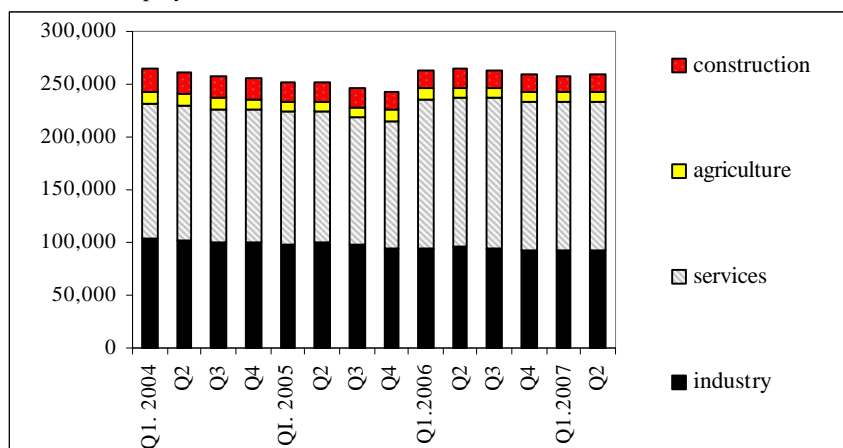
Source: State Statistical Office of Republic of Macedonia.

Indicators of decrease in the number of employees in the second quarter...

According to the data from administrative sources¹⁴, annual reduction in the employed persons was noted in 2007 in all three sectors of the economy. The analysis per sectors and activities indicated a more pronounced annual decrease in the number of employees in the construction, identical tendencies had also the mining and manufacturing sector within the industry, whereas the employment in the agricultural sector noted a more moderate fall. Within the service sector, divergent developments were registered similar to those in the former quarters, so that the employment in the “health and social work” sector, noted a significant decrease, whereas the number of employees in “financial intermediation” sector has been constantly increased.

¹⁴ Source: State Statistical Office. The data is based on the monthly reports of the business entities in private and other ownership (social, state, joint and mixed) with various activities in the Republic of Macedonia. As employed are considered the persons that have established labor relation with the business entity (for a limited or unlimited period of time) and that work full time, half time or longer than full time. The registry does not cover persons that work with a labor contract, persons that perform autonomously an activity – profession and the persons employed by them and the individual farmers. The data from this source traditionally do not coincide with the data obtained from the Labor Force Survey (LFS).

Figure 12
Employment per sectors
(number of employees)



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

...given further increase of the average net salary per employee...

The trend of gradual increase in the salaries in the Republic of Macedonia continued in the second quarter of 2007 as well. The average gross¹⁵ and net salary per employee noted a nominal increase of 3.2% and 6.4%, respectively, compared with the same period of the previous year. With the changes in the tax sphere starting from the beginning of the year, the share of the payroll taxes in the gross salary was reduced by 1.8% percentage points. In conditions of low inflation rate, the real gross and net salary increase in the second quarter of the year was lower by one percentage point than the nominal increase. Analyzed per sectors, the net salary in the service sector noted a more emphasized nominal annual increase, in case of a more significant positive change of the salary in "education" (due to the process of salary decompression, that finished by March 2007, inclusive) and in the sector that refers to operations with real-estate. A significant annual nominal salary increase was also registered in the industry sector and construction, whereas only the salaries in agriculture were reduced, mainly due to the continued reduction in the salaries in the fishing sector. The trend of salary increase in the Republic of Macedonia is expected to continue in the forthcoming period as well, in accordance with the announcements for increase in the salaries of the employees in the public sector by 10% starting from October 2007 that would be increased by 34% successively in a period of three years.

Figure 13
Annual nominal changes of the gross and net salary and inflation rate

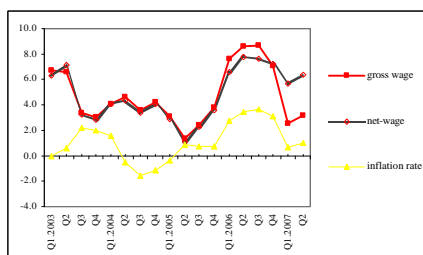
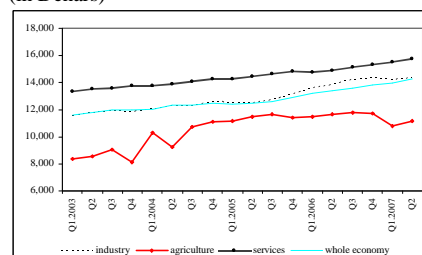


Figure 14
Average net salary per employee per sectors and total (in Denars)



Source: State Statistical Office of the Republic of Macedonia.

¹⁵ Source: State Statistical Office. The total paid gross salaries cover: paid net salaries for the month subject to the report, paid personal income tax and paid contributions (for pension and disability insurance, for health insurance, for employment, for professional disease and water economy).



...and productivity increase

In the second quarter of the year, the annual productivity increase in the industry was 10.8%. The increased productivity in the industry, as a sector that constituted approximately one fourth of GDP, indicated to a possible increase in the productivity in the overall economy in the second quarter of 2007.

Figure 15
Productivity in industry
(indices, base average 2000)



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

1.4. Balance of payments

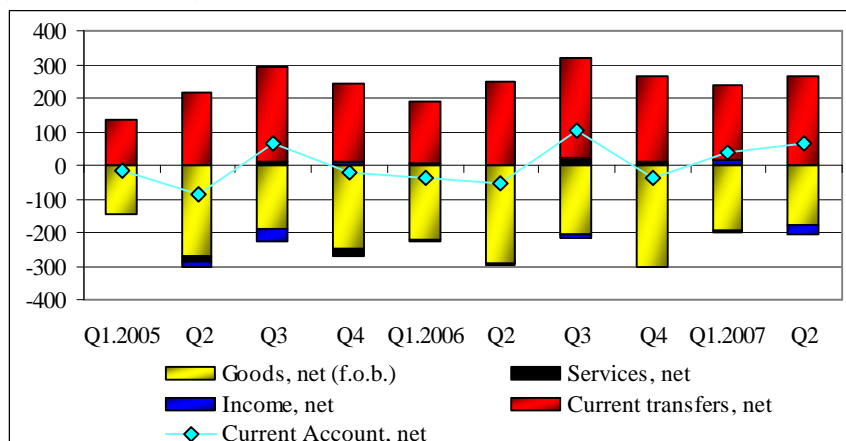
The increased demand for the Macedonian products, favorable developments of the world prices of metals, continuously high inflows from private transfers, as well as the favorable investment climate in the Republic of Macedonia, contributed to an entry of significant foreign exchange inflows from abroad. Such favourable condition resulted in generation of surplus in the current account of the balance of payments and high net purchase of foreign exchange at the foreign exchange market. Pursuant to the Strategy for Public Debt Management, given the satisfactory level of foreign exchange reserves, during the second quarter of 2007, early repayment of the public debt to the foreign creditors took place, that enabled reduction in the level of external indebtedness.

High surplus in the current
account in the second quarter

In the second quarter of 2007, in the *current account* of the balance of payments, exceptionally high surplus in amount of Euro 62.5 million¹⁶ was registered, as opposed to the deficit of Euro 51.6 million in the same quarter of the previous year. In conditions of favorable developments in all categories, except for the income, the greatest contribution to the significant improvement of the current account could be attributed to the decrease in the trade deficit and further increase in the current transfers. Cumulatively, in the first half of 2007, a surplus of Euro 102.2 million was registered in the current account.

¹⁶ Higher surplus in the current account of the balance of payments in the amount of Euro 64.8 million was registered in the third quarter of 2005.

Figure 16
Current account components
(in millions of euros)

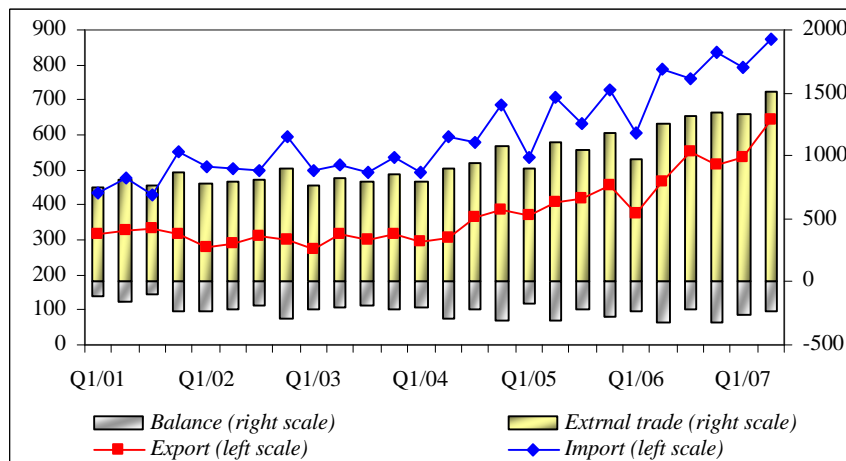


Source: National Bank of the Republic of Macedonia.

*High rates of annual increase
in the export of goods of
37.7%*

The favorable conditions of the foreign trade, reflected in the favorable conjuncture of the world market for the main Macedonian export products, enabled realization of the highest quarterly amount of export of goods since the country declared independence, as well as realization of annual increase in the export of 37.6%. On the other hand, the import was increased by 11.1% in the second quarter on annual basis. So, the reduction in the trade deficit by 27.7% was a result of the improved export performances in conditions of lower import increase. At the same time, the rate of coverage of the import with export reached 73.6%, which was a significant increase with respect to the second quarter of 2006 when it equaled 59.5%.

Figure 17
Foreign trade of the Republic of Macedonia
(in millions of euros)



Source: State Statistical Office of Republic of Macedonia.

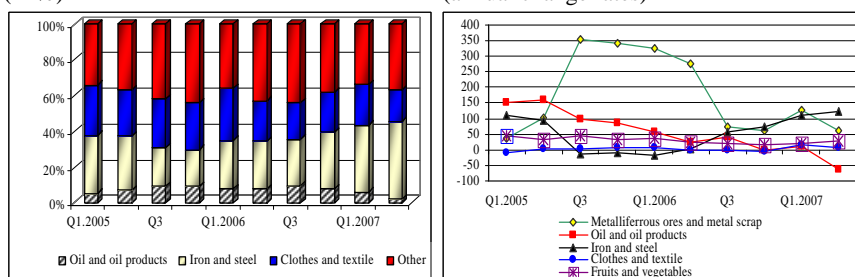
*Higher export of iron and
steel*

The improved export performances were continuously determined by the intensive economic activity of the metal manufacturing facilities, in conditions of favorable prices of the metals at the world stock markets, as well as the increased volume of exported quantities. Thus, the increased export of iron and steel in the second quarter of 2007 constituted 87.8% of the increase in the total export. The export of iron and steel were mainly directed to the EU, that is, Spain, Italy, Belgium and Greece, as well as towards our northern neighbor Serbia. Out of the other categories that had contribution to the increased export of goods, the following were more important: metal ore and waste and category clothes and

textile. On the other hand, the export of oil derivatives was significantly reduced (by 64% on annual level) due to the introduction of new environmental standards at the market of our largest importer- Kosovo, as well as temporary stoppage of the production due to annual overhaul of the domestic oil refinery in May. Such developments in the export of oil derivatives were considered temporary, and taking into account that it was appropriately reflected on the import of oil, the effect on the trade balance was relativized.

Figure 18

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

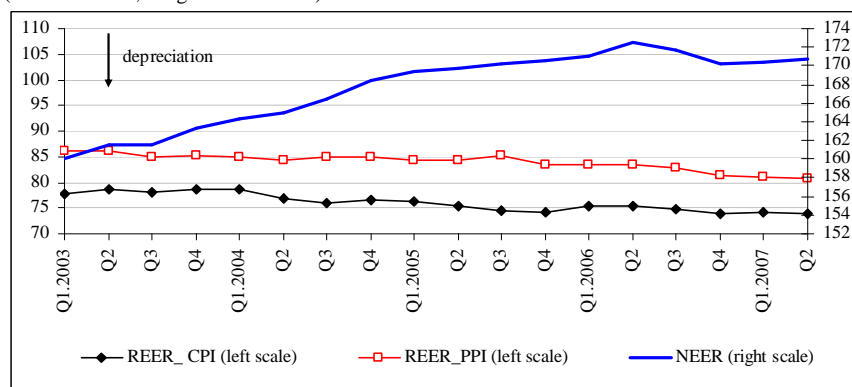


Source: State Statistical Office of Republic of Macedonia.

The real effective exchange rate (REER) of the Denar, as an indicator of the competitiveness of the domestic products at the foreign markets, noted favorable developments. REER of the Denar calculated by the consumer price index in the second quarter of 2007 depreciated on annual basis by 2%, due to the depreciation of the nominal effective exchange rate (NEER) of 1% (mainly due to depreciation of the Denar with respect to the Serbian Dinar) and increase in the index of the relative prices (given the more intensive annual increase in the foreign prices compared to the increase in the domestic prices) by 1% as well. At the same time, REER index, based on industrial producer price index, registered more intensive depreciation of 3.2% on annual basis, mainly due to the higher annual increase in the foreign prices of the industrial producers relative to the domestic prices.

Figure 19

Index of REER* and NEER of the Denar
(base1995=100, weights NTR=2003)



*Index less than 100 denotes higher export competition.

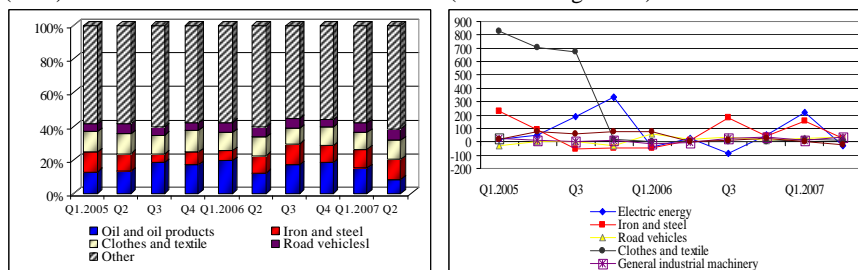
Source: National Bank of the Republic of Macedonia.

Higher import of goods, in conditions of intensified economic activity

The increased import of goods in the second quarter of 2007 reflected the high import dependency of the Macedonian export products, new investment in the public and private sector, as well as the higher import of consumer goods. Out of the product that represented important inputs for the export activity, the greatest contribution to the increase of the import had the increased import of iron and steel, metal ore and metal waste and textile. Significant contribution from the other categoried had the group machines and transport devices, the most

important among which were: road vehicles and industrial machines (for general and special use), the engagement of which was a basis for increase in the production and export activity.

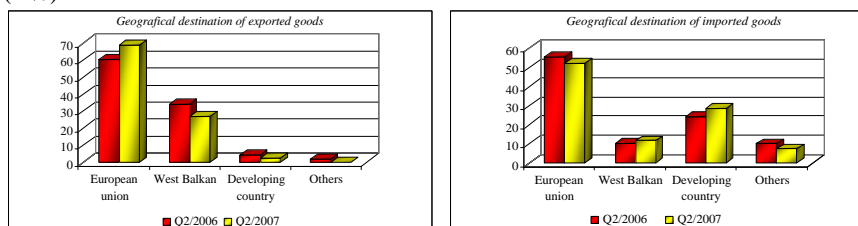
Figure 20
Dynamics of the import by groups of products
(in %)



Source: State Statistical Office of Republic of Macedonia.

The EU markets, more precisely Germany, Greece and Italy, were the most common destination of the Macedonian export products. It should be mentioned that in this quarter the participation of the export to the EU was increased on annual basis at the expense of the export to the Western Balkans and the developing countries. The major part of the imported goods was still from the EU, however, on annual basis, there was redirection of the export from the EU and developed countries to the markets of Western Balkans and developing countries.

Figure 21
Geographic orientation of the export and import of goods
(in %)



Source: State Statistical Office of Republic of Macedonia.

*Insignificant deficit in the
exchange of services...*

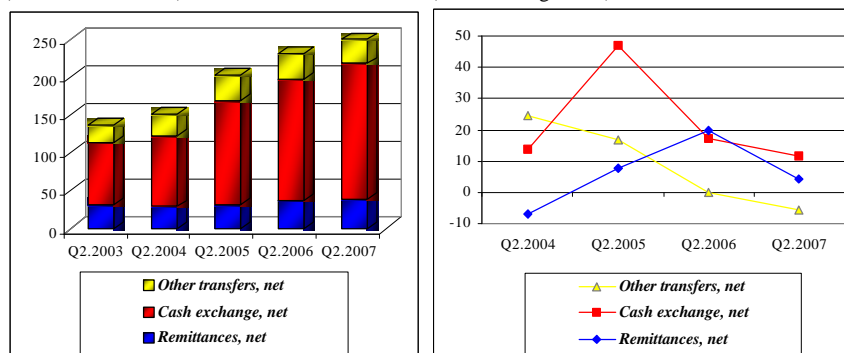
*...increased net-outflows in the
income sub-balance sheet...*

*... and further growth in the
private transfers*

In the second quarter of 2007, insignificant deficit was registered at the services, whereby the narrowing of the deficit (by 86.2% on annual basis) was to a great extent a result of the increase in the net inflows based on construction works and traveling, as well as the reduced net outflows based on transportation services. In the second quarter of 2007, net outflows in the amount of Euro 25.6 million were realized with respect to the item "income", which was completely due to the paid income from investments to non-residents (in the most part income from direct investments). The current transfers in the second quarter of 2007 were the only item in the current account on the basis of which net inflows were realized. The further increase in the current transfers (by 7.8% on annual basis) was, above all, a result of the increased net inflows from private transfers (by 7.7%) given the significant increase in the net purchase of foreign exchange cash holdings.



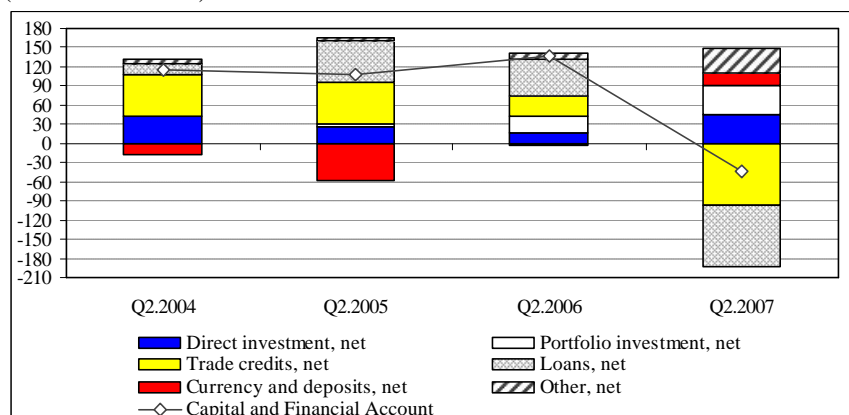
Figure 22
Dynamics of the private transfers by components on net basis
(in millions of euros)



Source: National Bank of the Republic of Macedonia

In the second quarter of 2007, significant inflows on the basis of non-debt financing were realized, as well as net inflows at currencies and deposits (mainly based on funds withdrawn by the banks from abroad), that were fully neutralized by the outflows for the early repayment of the foreign debt by the government and the negative balance of the trade credits. So, in the second quarter of 2007, in the *capital and financial account*, net outflows were registered in the amount of Euro 44.5 million.

Figure 23
Financial account components
(in millions of euros)

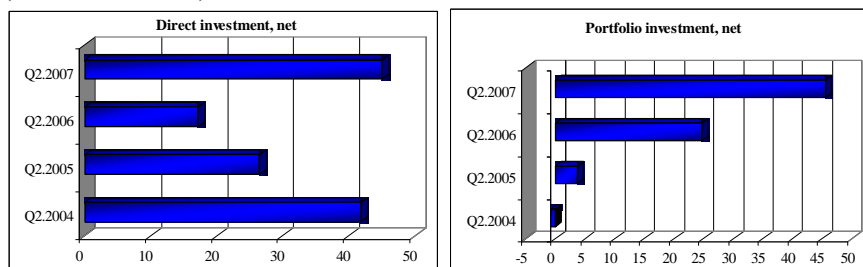


Source: National Bank of the Republic of Macedonia.

Increased net inflows from investment

The efforts to improve the investment climate, as well as the potential of the Macedonian Stock Exchange attracted significant foreign investment. In the second quarter of 2007, the net inflows on the basis of direct and portfolio investments were almost the same and amounted to Euro 45.1 million and Euro 45.5 million, respectively and on annual basis they were higher 2.6 times and by 83.6%, respectively. The analysis of foreign direct investment showed that the largest investors in the Republic of Macedonia were France, Austria and Switzerland, and the majority of the investments were in the telecommunications, financial intermediation (entry of a famous French bank) and IT.

Figure 24
Direct and portfolio investments
(in millions of euros)

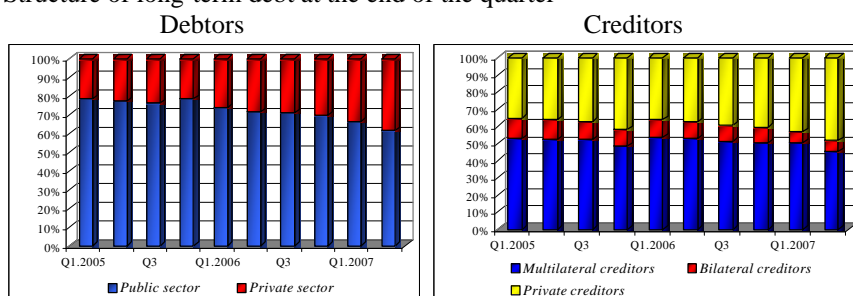


Source: National Bank of the Republic of Macedonia.

Early repayment of the debt to the International Monetary Fund (IMF) and International Bank for Reconstruction and Development (IBRD)

The second quarter of 2007, in the area of *credit relations with abroad*, was marked by the reduction in the public sector debt (by 11.8%). In April 2007, the repayment of debt to the Paris Club of Creditors was completed with the payment of the debt to Germany, Spain and Japan. In May 2007, there was early repayment of the liabilities towards the International Monetary Fund (IMF), in the amount of Euro 36.5 million, with which the foreign debt of NBRM was fully repaid. In June 2007, there was early repayment of the liabilities towards the International Bank for Reconstruction and Development (IBRD) in the amount of Euro 95.8 million. These developments were neutralized to a great extent by the continuous increase in the overall debt of the private sector (of 12.5%), so that the total foreign debt in the second quarter of 2007, had a quarterly fall of 2.8%.

Figure 25
Structure of long-term debt at the end of the quarter*



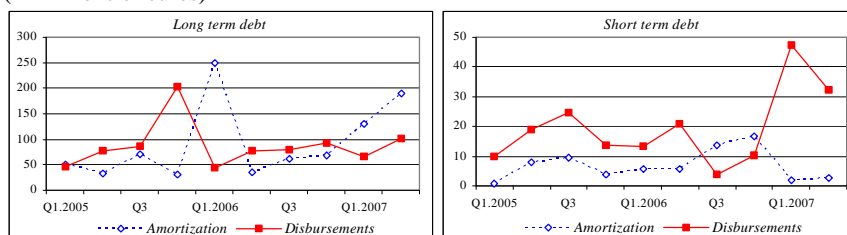
*Precedent data.

Source: National Bank of the Republic of Macedonia.

In the period April-June 2007, the used assets registered a quarterly increase of 17.6% and amounted to Euro 133.8 million, the majority of which (75.9%) were withdrawn on the basis of long-term credits and loans mainly by the non-banking private sector. On the other hand, there was an increase (43.9%) compared with the previous quarter in the repaid liabilities that amounted to Euro 191.3 million and were almost completely (98.7%) repaid in the long-run, mainly by the public sector to the multilateral creditors.



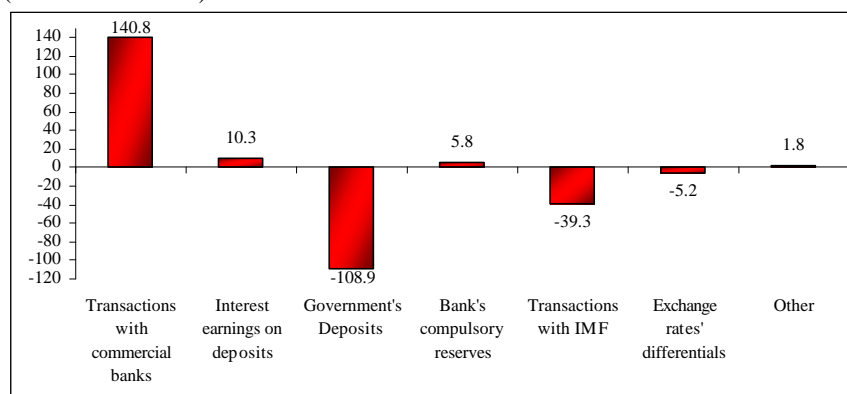
Figure 26
Used assets and repaid liabilities on long-term and short-term debt
(in millions of euros)



Source: precedent NBRM data.

Gross foreign reserves, on June 30 2007, equaled Euro 1,418.4 million, registering growth of Euro 5.3 million, relative to the end of the first quarter. In conditions of significant outflow of foreign exchange for the repayment of the liabilities to IMF, IBRD and completion of the repayment to the Paris Club of Creditors, the quarterly increase derived mainly from the realized net-purchase of foreign exchange on the foreign exchange market, that fully neutralized the effect of the realized repayments. The level of gross foreign exchange reserves at the end of June enabled monthly coverage of 4.2 month import of goods (f.o.b.) and outflow of services of the next year¹⁷.

Figure 27
Change factors of gross foreign reserves in the second quarter of 2007
(in millions of euros)



Source: National Bank of the Republic of Macedonia.

1.5. Inflation

Domestic inflation remained low

The low domestic inflation rate was characteristic of the second quarter of 2007 as well, although its moderate intensification was registered. In general, the inflation developments in the past six months of 2007 were further under the dominant influence of the changes in the prices of electric energy and central heating, that is, the regulated prices. The prices of the telecommunication services, as a domestic factor and world oil prices as external factor continued to have a significant deflation influence.

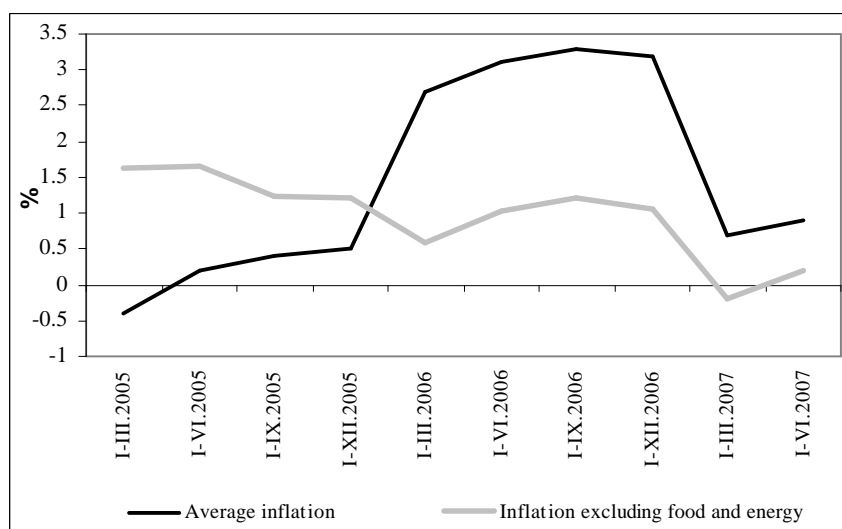
¹⁷According to the projection of the balance of payments prepared during the last IMF mission in February 2007.



*Moderate intensification
of the inflation in the
second quarter of 2007*

The global level of prices in the second quarter of 2007 was by 1% higher relative to the previous quarter, which indicated a moderate intensification of the inflation¹⁸ in the observed period (as opposed to its growth rate of 0.6% in the first quarter). The prices of fresh vegetable and fruit remained at a relatively high level in April and May, so that in spite of the seasonal reduction in the vegetable prices in June, their level was significantly higher relative to the previous quarter. The increase in the price of water supply of the households in the capital and the electricity price at the end of the first quarter of the year had a significantly higher reflection on the inflation in the second quarter. The increase in the price of cigarettes since the beginning of the second quarter and the higher level of the oil prices had an additional influence.

Figure 28
Inflation rate



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

Considering such developments, the average annual growth rate of the inflation in the second quarter of 2007 reached 1.1%, which was mostly due to the higher prices of electric energy and heating relative to the same period in 2006. The higher prices of food, of means and services for education and of the tobacco had lower influence. Same as in the previous quarter, these factors were significantly neutralized with the deflationary influence of the lower prices of telecommunication services, and to a lesser extent with the lower prices of the oils.

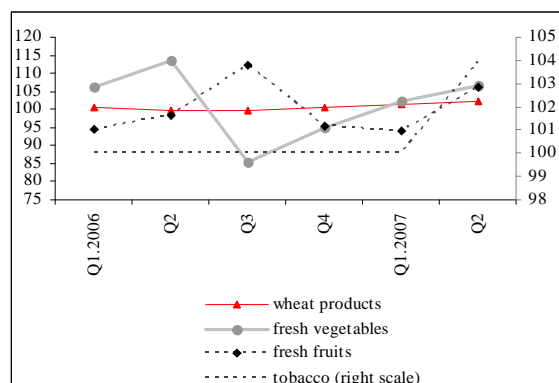
In the first six months of 2007, the average inflation rate amounted to 0.9%, whereas the basic inflation rate (excluding the influence of the prices of food and energy) was very low and amounted to only 0.2% in the absence of more serious inflationary pressures. Low intensity of increase in the basic inflation was registered, although still it could not be said that it was a matter of a more serious transferred effect from the increase in the energy prices in the previous year to the other prices in the economy (although it was logical to expect such effect).

¹⁸ A measure for inflation is the consumer price index. Starting from January 2007, this index is calculated on the basis of weights derived from the Survey on Household Consumption of 2005. At the same time, a change in the structure of the index from the aspect of the main categories was introduced, by adding two new items: "restaurants and hotels" and "other services" that have a share of 5.2% in the index. At the expense of this, the following categories have a more emphasized reduced share: "food", "tobacco and beverages", "clothes and footwear" and "traffic means and services". The calculations regarding the inflation rate on quarterly basis were made in the Directorate for Research, on the basis of data from the State Statistical Office.

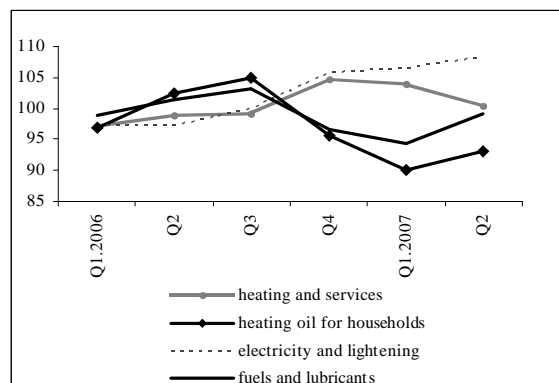


Figure 29

Product prices for food and tobacco
(indices, 2006=100)



Regulated prices



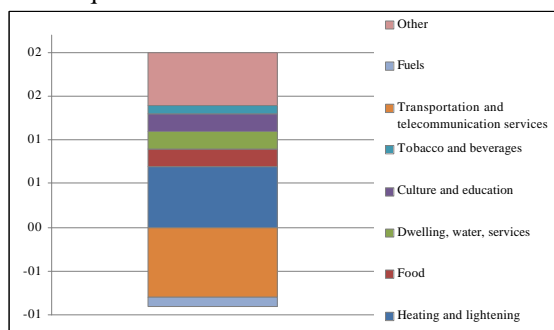
Source: SSO and NBRM calculations.

The changes in the tax sphere were effectuated on the inflation in the second quarter

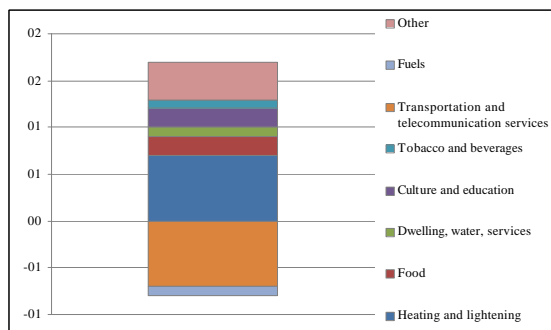
The implementation of the EU Directives in the tax sphere continued in 2007, as well, and the excise rates for the tobacco were additionally increased by 10% in January, but their change was not immediately transferred to the retail prices of the cigarettes. In accordance with the expectations, this change was effectuated with a certain delay, more precisely in the second quarter of the year. Since April 2007, the prices of the cigarettes had been higher by 3.9%, which was still a partial effectuation of the total increase in the excises.

Figure 30

Contribution of the individual inflation index categories to the average annual inflation rate
(contribution in p.p.)
second quarter of 2007



first half of 2007



Source: SSO and NBRM calculations.

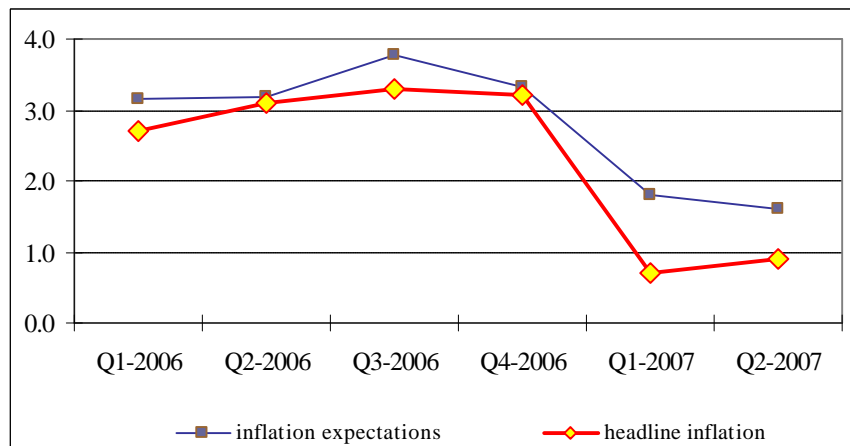
The expectations for lower inflation by the end of 2007 with respect to the initial projection continued to prevail

At the beginning of the third quarter downwards revision of the average inflation rate for 2007 with respect to the initial projection (2.5%) was made, that was based on the low inflation rate in the first half of the year (0.9%) and failure to realize some of the initial assumptions. The realized low inflation rate in the first half of 2007 and its moderate intensification with respect to the level in the first quarter was in conformity with the inflation expectations of the economic agents in the country for the respective period: 48% expected increase (mainly with slower intensity) in the inflation, whereas 44% anticipated that the level registered in the first quarter would be preserved. According to the expectations of the economic agents, the pace of the increase in the inflation will be slower until the end of 2007, and it would reach on average around 1,6%.¹⁹ On the other hand, during the last months, the possible increase in the prices of certain food

¹⁹ According to the results from Inflation Expectations Survey of the entities in Macedonia carried out in the second quarter of 2007.

products under the influence of the dry period became current and it would have inflationary influence by the end of the year.

Figure 31
Inflation expectations until the end of the year and realized inflation in the current quarter
(in %)

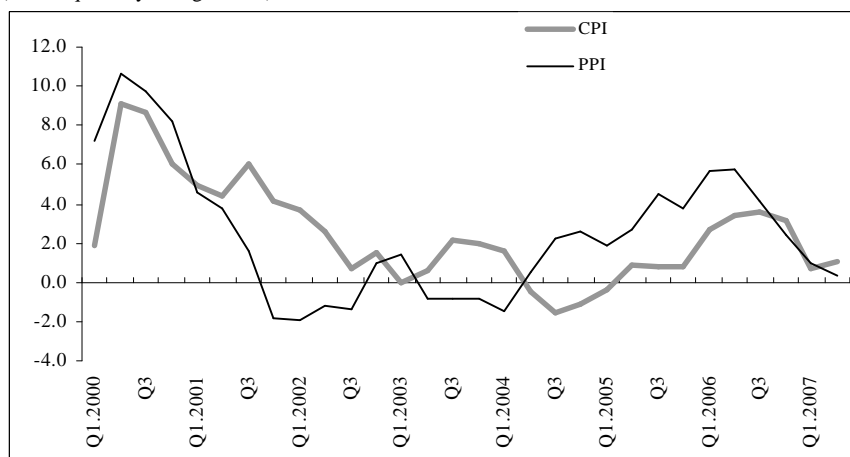


Source: Inflation Expectations Survey and NBRM calculations; SSO.

The influence of the domestic consumption on the inflation is uncertain

The coordinated action of the macroeconomic policies contributed further to the maintenance of the price stability and the stability of the inflation expectations. The objective of the loosening of the tax policy and the further gradual reduction in the interest rates in conditions of favorable macroeconomic environment was to stimulate the economic growth. On the basis of the indications for the growth of the personal, and mainly of the public and investment consumption in the first and second quarter of 2007, according to the movements in all sectors of the economy, thus far we could only give an arbitrary assumption for a possible inflation influence of the domestic consumption in the forthcoming period.

Figure 32
Consumer prices and prices of the producers of industrial products
(annual quarterly changes in %)



Source: State Statistical Office of the Republic of Macedonia.

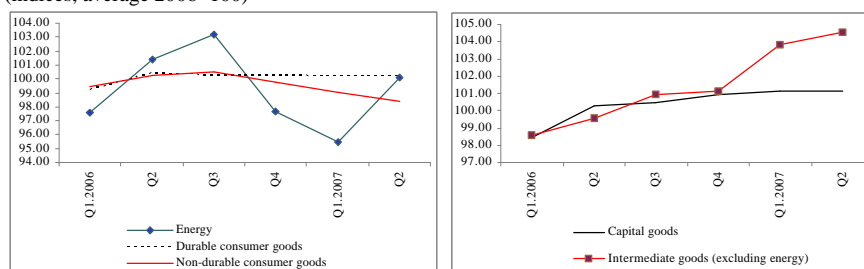
The prices of the domestic producers did not indicate to more significant inflationary pressures

As opposed to the moderate intensification of the general level of retail prices in the economy, the prices of the producers of industrial products in the second quarter of 2007 registered slowdown. While the average annual increase in the prices of the producers amounted to 1% in the first quarter of 2007, in the second quarter, it amounted to only 0.3%. In conditions of lower prices of the producers in the mining and manufacturing sector, the annual increase in the



second quarter was due to the higher prices of the producers in the energy sector, that is, of the produced electric energy. If the producers' prices were observed from the aspect of their connection with the domestic component of the inflation, it might be concluded that thus far the prices of the domestic producers did not indicate any more significant inflationary pressures. In the second quarter as well, trend of increase could be noted only at the prices of the intermediary products and capital products that were not an integral part of the household consumption, whereas the energy prices and consumer goods prices were at a lower level relative to the same quarter of the previous year. The decelerated increase in the production prices in the second quarter conditioned a continuous deceleration of their average growth rate with respect to the previous year, that amounted to 0.7% in the first half of 2007.

Figure 33
Movement of the prices of the domestic producers
(indices, average 2006=100)

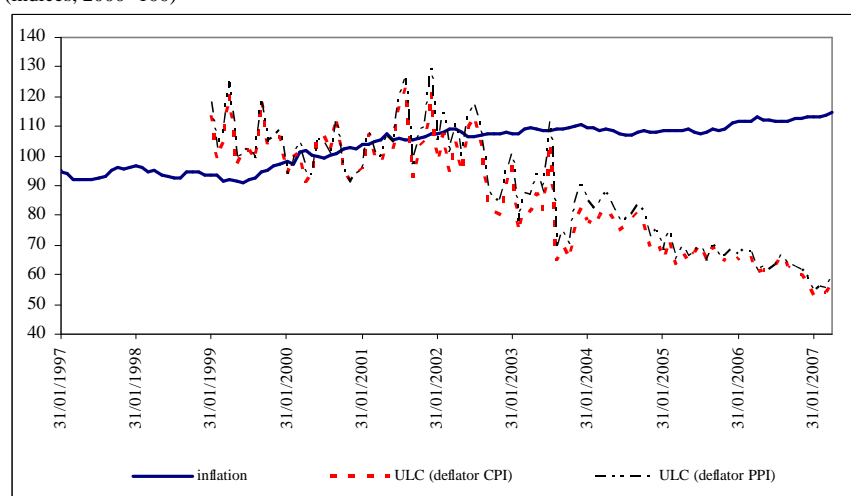


Source: SSO and NBRM calculations.

The unit labor costs did not generate potential inflationary pressures

The influence of the unit labor costs on the inflation for the current quarter was estimated by the movement of these costs in the industry, due to the lack of data necessary for their calculation at the level of the entire economy. The calculations indicated that the unit labor cost in the industry continued to register a downward trend. Namely, given the significant growth in the productivity in this sector and minimal reduction in the real gross salaries, in the second quarter of 2007, the unit labor costs registered significant fall of around 10% on annual basis. Such indicator shoed that the real sector of the economy, observed from this aspect, produced no potential inflationary pressures.

Figure 34
Inflation and labor unit costs in industry
(indices, 2000=100)



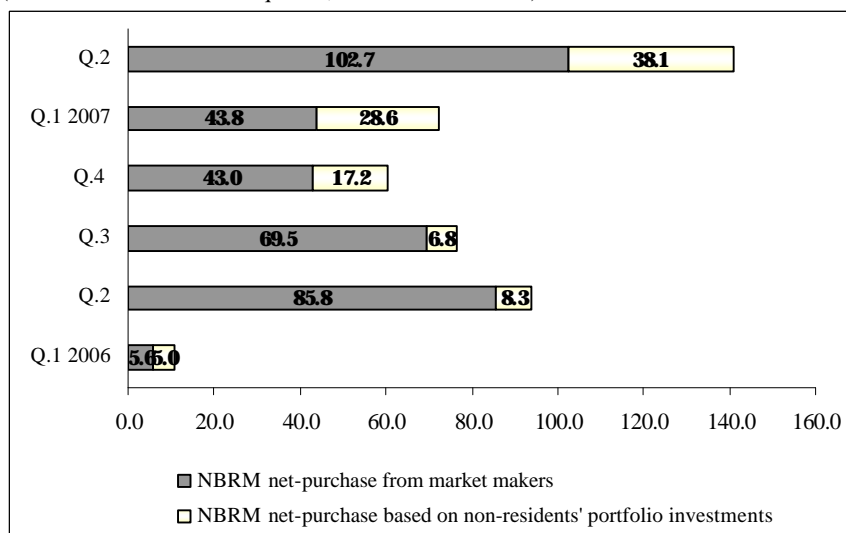
Source: NBRM calculations.

**II.****Monetary policy**

The increase in the foreign currency inflows continues...

In conditions of fixed exchange rate strategy, the challenges for the monetary policy of NBRM in the second quarter of 2007, as well, were focused on the foreign exchange market where the pressures for appreciation of the domestic currency continued. The net purchase of foreign exchange in this quarter was by 1.5 times higher with respect to the second quarter of 2006, reflecting the net inflows generated by the favorable movements in the external sectors and preferences of the banking system for direction of an additional foreign exchange liquidity in the domestic economy. The sources of the new foreign exchange inflows in the second quarter were a composite of net inflows in the current and in the capital and financial account of the balance of payments. Despite the assessments for entry of the current account in the zone of deficit by the end of the year, still it was expected that the debt and non-debt financing would generate additional foreign exchange inflows, and thus to have a continuity of the net-purchase of foreign exchange on the foreign exchange market in the forthcoming period.

Figure 35
Quarterly interventions on the foreign exchange market
(cumulative amount in the quarter, in millions of Euros)



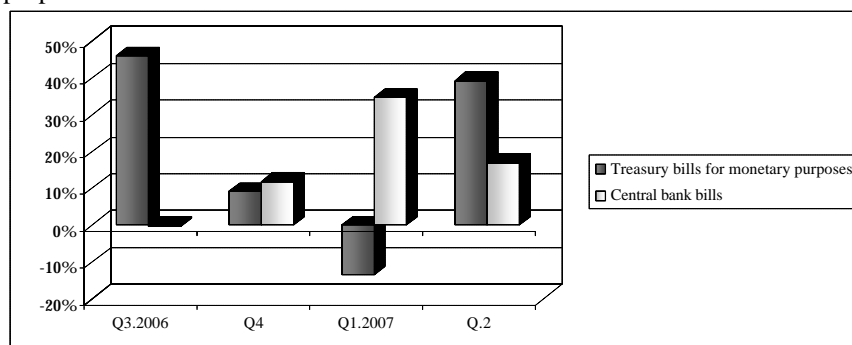
Source: National Bank of the Republic of Macedonia

...and sterilization of the net purchase effect on the foreign exchange market...

The interventions of NBRM at the foreign exchange market in the second quarter were sterilized through the monetary instruments (Central Bank bills and Treasury bills for monetary objectives), in order to minimize the potential transferable effects on the demand and threatening price stability. Therefore, in the second quarter of 2006, NBRM increased the supply of short-term securities by 20% on quarterly basis. Still, the higher demand for these financial instruments relative to the supply created a pressure for reduction in the interest rate that on average, was lower by 0.5 percentage points on the Central Bank bills and three-month Treasury bills, respectively in the second quarter relative to the previous one. At the same time, the reduction in the interest rates was partially due to the reduction in the maximally allowed interest rate of the three-month Treasury bills by the Ministry of Finance. Taking into consideration the positive expectations of the economic agents, the reduction in the interest rate was not expected to cause huge changes in the foreign exchange portfolio of the agents.



Figure 36
Quarterly change in the supply of CB bills and Treasury bills for monetary purposes

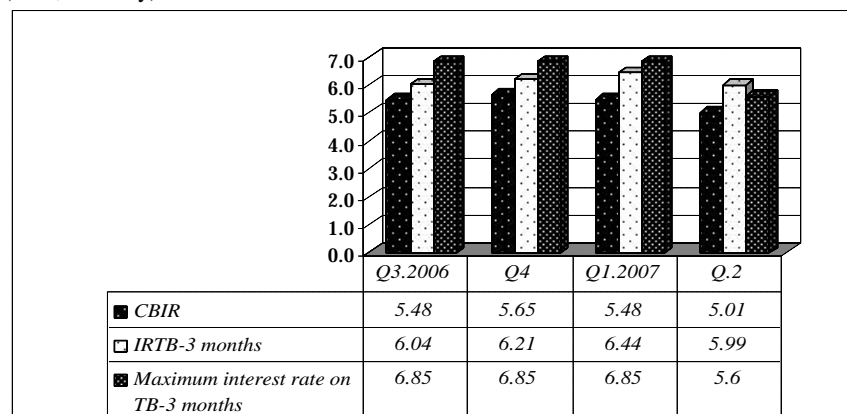


Source: National Bank of the Republic of Macedonia

*...thus successfully
maintaining the stability of
the exchange rate and
stirring expectations for
stable inflation*

The monetary approach of combined interventions on the foreign exchange market and adjustment of the monetary instruments in order to sterilize successfully the excess liquidity contributed further to successful maintenance of the stability of the nominal foreign exchange rate of the Denar compared to Euro and expectations for stable inflation. Thus, the average exchange rate Denar/Euro amounted to Denar 61.17 per one Euro in the second quarter (Denar 61.18 per one Euro in the previous quarter). The realized average inflation of 0.9% in the first half of the year, as well as the inflation expectations referring to its moderate increase by the end of the year, clearly indicated proper monetary policy structure. So, the interest rate reduction, although a monetary incentive for the economy (reflected in the percentage for further growth in the domestic demand), still did not create pressures that would threaten the achievement of the price stability.

Figure 37
Interest rates*
(in %, annually)



*The average for the quarter is derived from the average weighted interest rate, except for the maximal interest rate, which refers to the interest registered on the last auction in the quarter.

IRCB - interest rate on CB bills

IRTB-3 months - interest rate on three-month Treasury bills

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

*On a net basis, the
autonomous factors
represented flow of
liquidity creation*

The dimensioning of the supply of the monetary instruments was, at the same time, a part of the operational monetary management through which an adequate management of the banking system liquidity was provided. The changes in the monetary instruments in this quarter, too, were a reaction of the action of autonomous factors, that, on a net basis, were a flow of creation of liquidity in the banking system. Within their frameworks, the foreign exchange transactions of NBRM were a dominant flow of creation of liquidity in the second quarter, in accordance with the realized net purchase of foreign exchange



at the foreign exchange market. At the same time, as a result of the regular servicing of the government liabilities on the basis of the issued structural bonds for the old foreign exchange saving and for denationalization (in April and June), as well as the early payment of the bond for rehabilitation of Stopanska Bank a.d. Skopje²⁰ (In April 2007), increased spending by the government was registered through creation of an additional liquidity in the banking system. The ready money in circulation was increased on quarterly basis neutralizing a part of the created liquidity.

Table 1
Liquidity creation and withdrawal*
(in millions of Denars)

	Balance as of 31.03.2007	Changes by months				Balance as of 30.06.2007
		April	May	June	Total	
Banks' liquidity (banks' account with the NBRM)	6,258	1,324	-721	594	1,197	7,455
Liquidity creation					2,724	
1. Net foreign assets	85,066	2,791	2,942	-3,009	2,724	87,790
Liquidity withdrawal					-1,527	
1. Net domestic assets	-62,306	-871	-3,758	4,034	-595	-62,901
of which:						
CB bills	-11,303	-452	-2,029	-1,311	-3,792	-15,095
Treasury bills for monetary purposes	-5,537	-747	-882	-916	-2,545	-8,082
Government denar deposits with the NBRM ^{/1}	-14,569	856	-924	912	844	-13,725
Government foreign currency deposits with the NBRM	-12,130	848	-78	5,631	6,401	-5,729
Other items, net	-21,063	-148	155	-281	-274	-21,337
2. Currency in circulation	15,034	-497	172	-485	-810	15,844
3. Banks' vault cash	1,468	-99	-77	54	-122	1,590

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

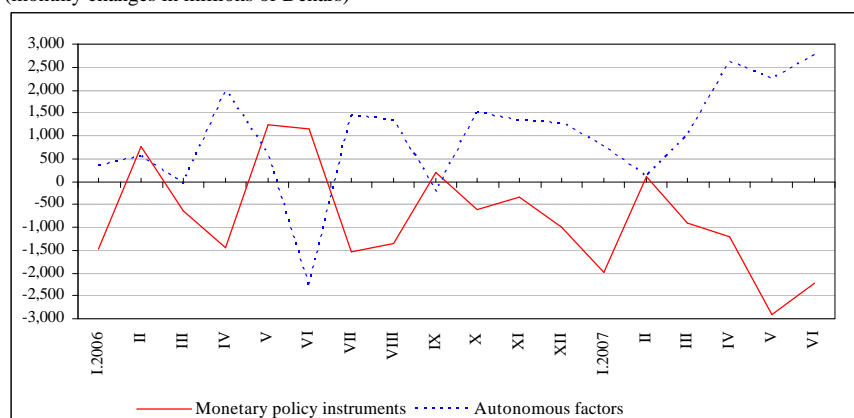
* Positive change - liquidity creation; negative change - liquidity withdrawal.

Source: National Bank of the Republic of Macedonia.

Liquidity withdrawal through the monetary instruments

In such conditions, and in order to efficiently mop up the liquidity from the banking system, NBRM continued to increase the supply of CB bills and Treasury bills for monetary objectives. Thus, in the second quarter of 2007, liquid funds in the total amount of Denar 6,337 million (2.2 times more relative to the previous quarter) were withdrawn through the monetary instruments, 59.8% of which were in a form of CB bills, as a more liquid instrument with a shorter maturity.

Figure 38
Monetary policy instruments and autonomous factors for liquidity creation and withdrawal *
(monthly changes in millions of Denars)



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

Source: National Bank of the Republic of Macedonia.

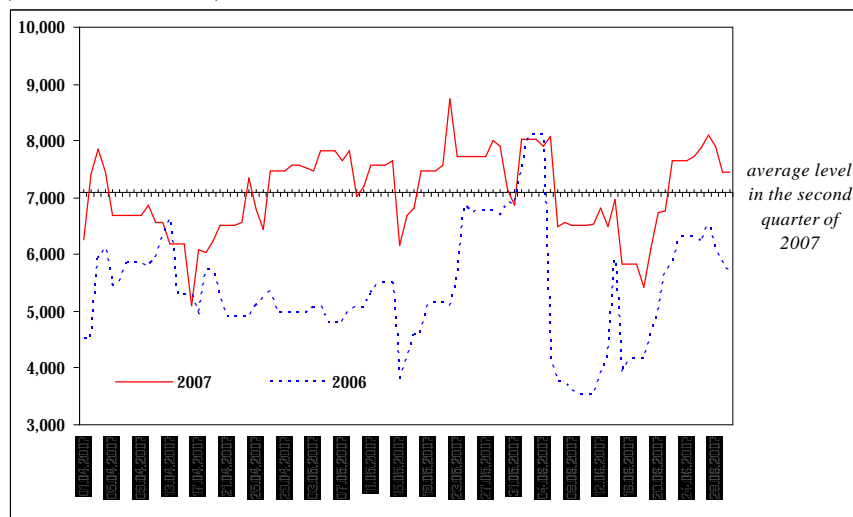
²⁰ The bond was issued on 16.03.1995 by the Republic of Macedonia with a Law on Rehabilitation and Reconstruction of a part of the banks in the Republic of Macedonia, with a maturity of 15 years and interest rate at a level of the discount interest rate of NBRM.



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

In the second quarter of 2007, the banks maintained higher average daily liquidity position (by 10.7% relative to the previous quarter). The excess of allocated liquid funds over the reserve requirement (in Denars)²¹ equals 6.6%, on average in the second quarter of 2007, compared to 6.9% in the previous quarter and 10.1% in the second quarter of 2006. Simultaneously, the historically lowest excess over the reserve requirement of 3.7% was registered in June 2007. The trade volume on the interbank Money Market registered a decrease in the second quarter by 20.7%, on average on quarterly basis.

Figure 39
Daily dynamics of bank liquidity*
(in millions of Denars)



*Banks' accounts with NBRM.

Source: National Bank of the Republic of Macedonia.

2.1. Monetary and credit aggregates

The trend of the financial deepening of the economy continues...

In the second quarter of 2007, the monetary and credit aggregates continued to grow with an intensive dynamics, accelerating the convergence towards the more developed economies in the domain of financial intermediation. Thus, the broadest money supply M4 surged by 9.7% on quarterly basis (4.7% in the previous quarter), mainly under the influence of the increased issue of primary money (quarterly increase of 9.4%), in conditions of almost unchanged intensity of monetary multiplication. The monetary multiplier of the money supply M4 was maintained at the level of the previous quarter and was on average 6.2, which was due to the divergent movements in its components (decrease in the ratio of the ready money in circulation to the total deposits and increase in the ratio of the total liquid funds of the banks to the total deposits). On annual basis (June 2007/June 2006), the broadest money supply M4 was higher by 32.2% which was mainly due to the lower comparison basis in June 2006²².

²¹ 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

²² In June 2006, due to the purchase of government shares, a significant outflow of corporate sector deposits from the banking system was registered, which determined a monthly decrease in the total deposits and a moderate monthly fall in the broader monetary aggregates.



Figure 40
Contribution to the quarterly increase
in the money supply M4
(in percentage points)

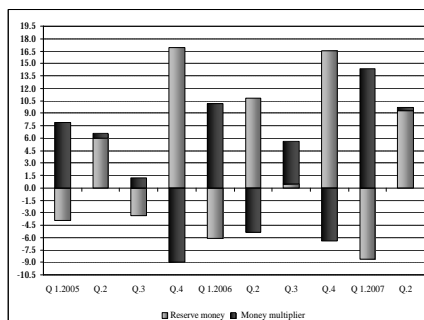
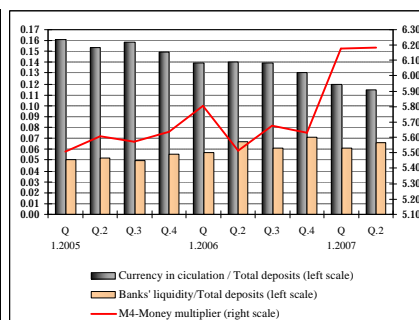


Figure 41
Monetary multiplier of the money
supply M4 and its components
(quarterly averages)



Source: National Bank of the Republic of Macedonia.

*...in case of
further development of the
non-cash payments*

Analyzed from a structural aspect, the short-term deposits continued to have the dominant share in the creation of the new money supply (72.3% in the second quarter), whereas the contribution of the ready money in circulation and deposit money amounted to 15.1%, as opposed to the marginal share of the long-term deposits. Positive movements were registered in the most liquid monetary aggregate M1, expressed through further reduction in the structural participation of the ready money in circulation (43.3% on average in the second quarter of 2007, as opposed to 44.4% in the previous quarter), to the benefit of the transaction deposits. Such movements corresponded with the aggressive policy of the banks in the domain of the development and promotion of new and competitive forms for cash-free payment, in order to win a more significant market segment, given the increased competition pressure in the banking sector.

Figure 42
Components of the monetary
aggregates
(in millions of Denars)

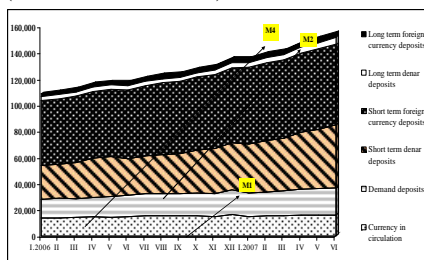
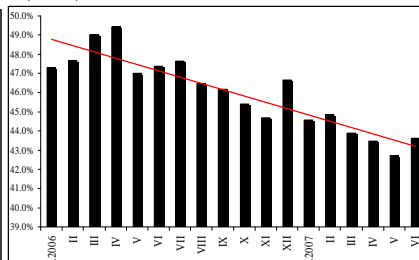


Figure 43
Share of the currency in circulation in
the money supply M1 and trend line
(in %)



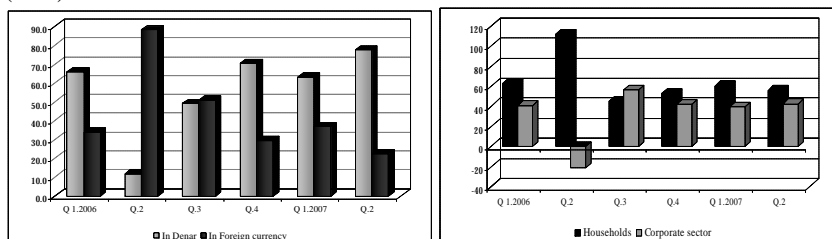
Source: National Bank of the Republic of Macedonia.

*The total deposit potential of
the banks higher by 10.8%*

In the second quarter of 2007, the financial potential of the banks was significantly strengthened through an additional mobilization of new deposits. Thus, the total deposits of the private sector with the banks were higher by 10.8% on quarterly basis, which was a significant intensification of the growth dynamics compared with the previous quarter (quarterly increase of 6.8%). The analysis of the maturity and currency structure of the deposit base showed a dominant role of the short-term and Denar deposits, the quarterly change of which accounted for 85.2%, that is 77.6% of the increase in the total deposits. Such movements referred to further retaining of the tendency of the economic agents to invest in more liquid instruments, given the simultaneous expressed re-orientation towards saving in domestic currency.



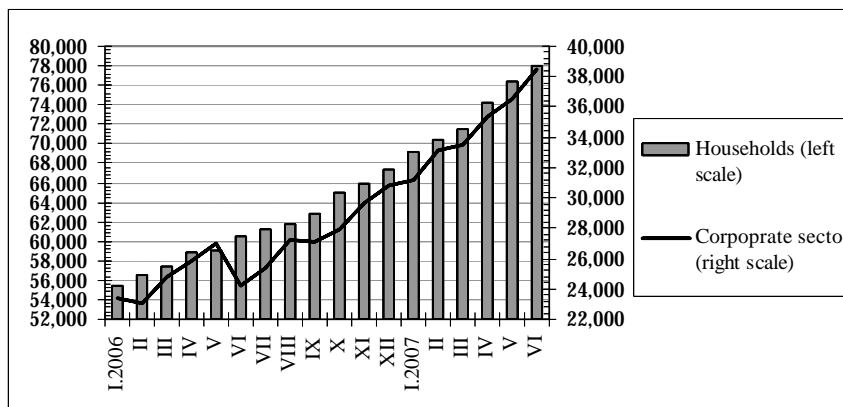
Figure 44
Participation in the quarterly increase in the total deposits
(in %)



Source: National Bank of the Republic of Macedonia.

Namely, starting from the third quarter of 2006, the trend of intensive “Denarization” of the domestic economy, had been characteristic, which signalized a proper macroeconomic policy structure. Namely, the long standing history of low and stable inflation and stable exchange rate, as well as continuous improvement of the banking sector performances contributed to creation of stable expectations at the economic agents and renewal of the confidence in the monetary system. An additional factor, that stimulated saving in Denars, and was connected with the rational behavior of the depositors, was the relatively more attractive interest rate of the Denar deposits relative to the foreign exchange ones. Yet, the share of the foreign exchange deposits in the total deposits was still relatively high, but with a tendency for gradual reduction (56.2% on average in the second quarter of 2007, as opposed to 59.4% and 62.3% in the previous quarter and in the second quarter of 2006, respectively), which was expected, taking into consideration that in the greatest number of cases, the high Eurozation was proven to be a hardly reversible process. The annual growth rate of the total deposits of the private sector in June 2007 amounted to 37.3%²³.

Figure 45
Households and enterprises' deposits
(in millions of Denars)



Source: National Bank of the Republic of Macedonia.

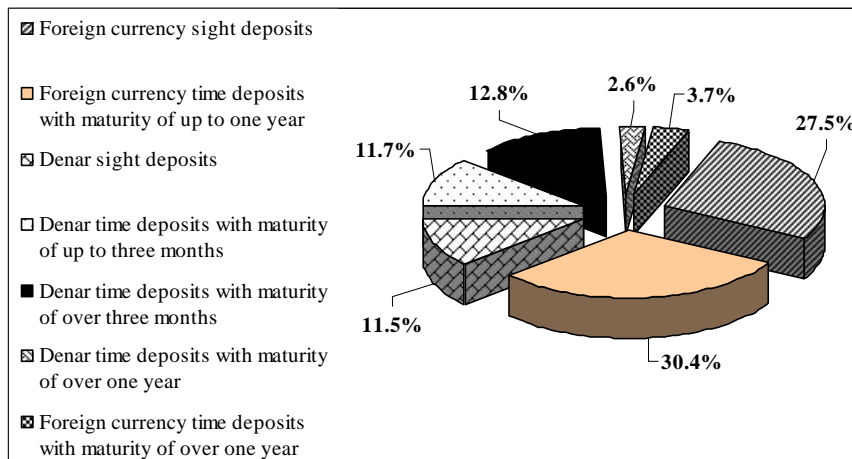
Higher quarterly level of the households' deposits

Analyzed from the aspect of the sectoral classification of the deposits, the total households' deposits achieved a quarterly increase of 9.1%, contributing with 56.2% to the increase in the overall deposits. The increase in the households' deposits corresponded with the increased income of the economic agents (average nominal increase in the salaries of 6.1% in the first half of the year and additional inflows on the basis of the payment of the regular installment of the bond for old foreign exchange saving in April), further increase in the foreign exchange inflows in the domestic economy, as well as the attractive interest rates of the savings instruments. The majority of the free money of the

²³ Partially due to the lower comparison basis of June 2006 (see footnote 1)

households was placed in a form of fixed time Denar deposits from six months to one year and Denar sight deposits. On annual basis (June 2007/ July 2006), the total household deposits were higher by 29.1%.

Figure 46
Households' deposit structure
(average share in the second quarter of 2007)

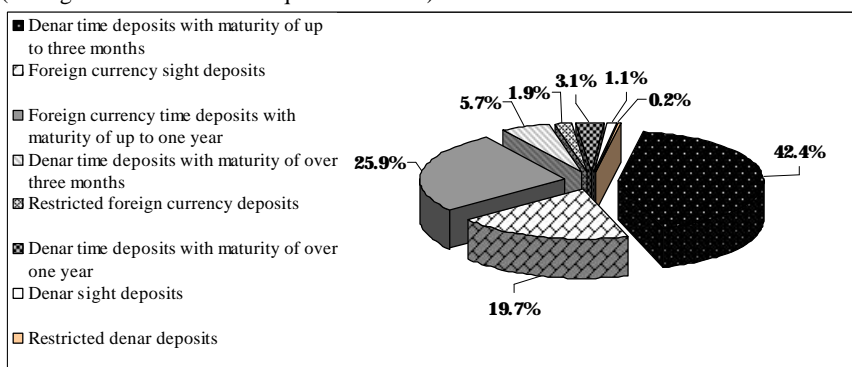


Source: National Bank of the Republic of Macedonia.

*...with simultaneous increase
in the deposits of the corporate
sector*

In the second quarter of 2007, quarterly intensive increase in the deposits of the corporate sector was registered that equaled 14.8% (as opposed to 8.8% in the previous quarter). Such change reflected to a great extent the additional accumulation of a larger company due to dividend payment. Consequently, during the quarter, there was the most intensive growth in the Denar deposits up to one month. The enterprises deposited additional funds on their foreign exchange accounts as well (quarterly increase in the foreign exchange deposit of the corporate sector of 8.5%) which corresponded with the increased export activity in the second quarter (a quarterly increase in the export of goods by 20.1%). The annual growth rate of the overall deposits of the corporate sector in June 2007 amounted to 58.7%²⁴.

Figure 47
Deposit structure of enterprises
(average share in the second quarter of 2007)



Source: National Bank of the Republic of Macedonia.

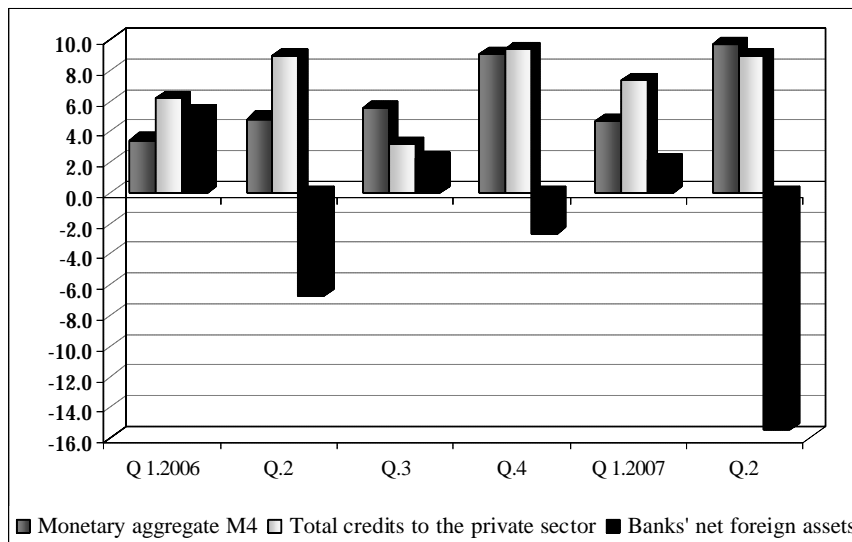
*Intensified credit activity in the
second quarter*

In the second quarter of 2007, in a direction of further support to the credit growth, the banks turned towards complementing the domestic accumulation with external sources of financing (mainly on the basis of credits in foreign banks). This was confirmed by the decomposition of the balance with the deposit banks, which showed significant reduction in the net foreign

²⁴ Partially due to the lower comparison basis of June 2006 (see footnote 1)

exchange assets of the banks, at the expense of the increase in the credit portfolio. Such movements contributed to further acceleration of the growth rate of the overall placements, that were by 9% higher on quarterly basis (contrary to 7.3% in the previous quarter). The annual growth rate of the total placements of the banks in the private sector amounted to 32% in June 2007.

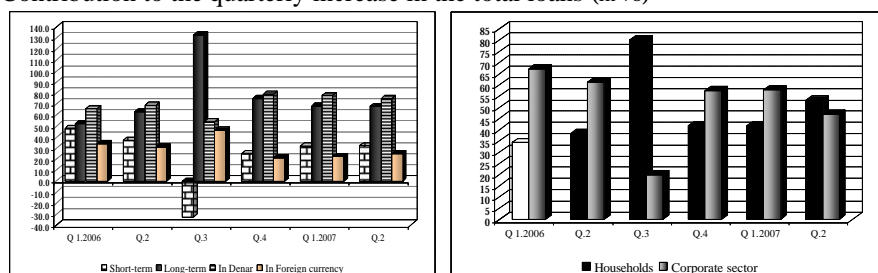
Figure 48
Quarterly changes
(in %)



Source: National Bank of the Republic of Macedonia.

From the aspect of the maturity and currency distribution of the total placements, significant changes were not registered in the second quarter of 2007. During this quarter, too, the long-term crediting and crediting in the domestic currency²⁵ were the most intensive, the increase of which accounted for 67.9%, that is 75.1% of the quarterly change in the total placements. Analyzed per sectors, the banks allocated funds both at the households and the corporate sector.

Figure 49
Contribution to the quarterly increase in the total loans (in %)



Source: National Bank of the Republic of Macedonia.

*Intensive quarterly increase
in the loans of households...*

The total placements to households registered quarterly growth of 13.7%, which was 53.1 % of the growth in the total placements. Such change indicated to an increased demand of loans relative to previous quarter, which in addition to the influence of the usual factors²⁶, might be also explained with the presence of factors of a seasonal character (summer vacations). During the

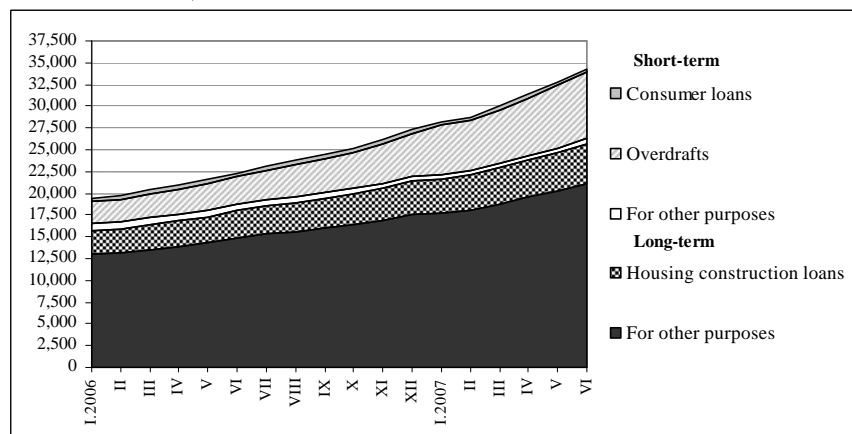
²⁵ Including the FX indexed loans.

²⁶ Within the conducted Surveys on credit activity (including the one as of July 2007), the most frequently indicated factors that have an influence in a direction of increase in the demand for loans by the households are: continuous loosening the terms and conditions for crediting and the increased supply of credits by the banks, positive perspectives of the market for construction of apartments, increased consumption of durables etc.



quarter, the households were taking loans mainly in domestic currency in a form of long-term loans and for other purposes²⁷ (with a share of 51.8% in the growth of the total loans of the households), and a more significant change was noted in the framework²⁸ and mortgage loans. On annual basis (June 2007/ June 2006), the total placements to households surged by 49.2%.

Figure 50
Distribution of Denar credits to households by types of credits
(in millions of Denars)



Source: National Bank of the Republic of Macedonia.

*...given continuous
increase in the crediting of
the corporate sector*

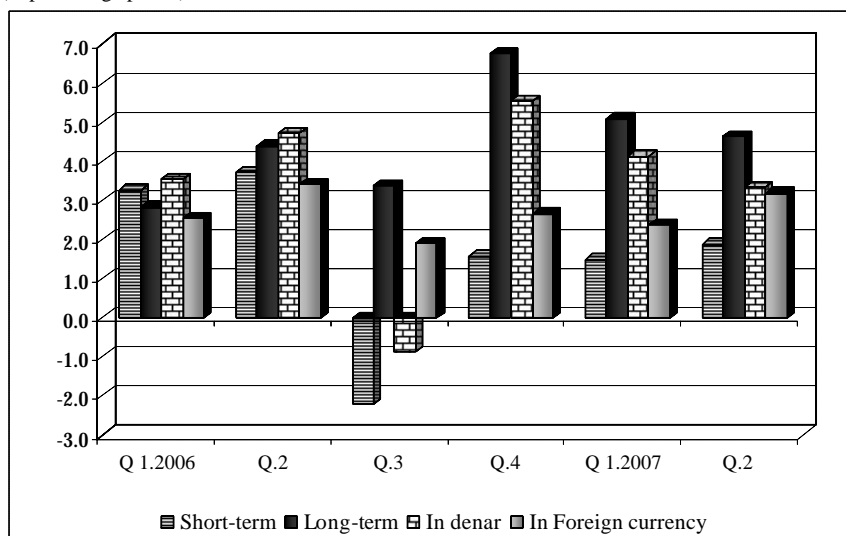
The quarterly increase in the corporate sector placements (of 6.5%) corresponded to the favorable trends in the economic activity, further reduction in the interest rates and positive expectations of the banks for the economic achievements in the following period, as factors that influence the demand for and supply of credits. In accordance with the increased needs of the corporate sector for financing of investments in fixed assets²⁹, long-term credits registered a more intensive increase, contributing with 70.7% to the increase in the total placements of the enterprises. The analysis of the currency structure indicated to almost the same contribution of the Denar and foreign exchange placements, that deviated from the dynamics in the previous two quarters, when Denar crediting dominated (including FX indexed loans). The annual growth rate of the total placements of the enterprises equaled 23.8% in June 2007.

²⁷ The loans for other purposes include: consumption credits, housing credits, car credits, education credits and credits for other purposes.

²⁸ Negative balances based on current accounts.

²⁹ In accordance with the Survey on credit activity as of July 2007.

Figure 51
Contribution to the quarterly increase in the credits of enterprises
(in percentage points)



Source: National Bank of the Republic of Macedonia.

Box 1

Alternative measures of convergence in the financial intermediation – have we really gone very far?

The process of financial deepening and strengthened financial intermediation is a natural way through which a number of countries in development have passed. The beginning of the deepening of the financial intermediation initiated a lot of research relating to its effects on the potential “overheating” of the economy, accumulation of misbalances in the financial and external sector, that is, research connected with the issue of credit growth sustainability. Simultaneously, there were frequent comparative analyses, and especially comparisons with countries or groups of countries with a level of financial intermediation towards which the domestic economy is striving. A usual indicator through which the gap in the financial intermediation is assessed and through which the financial intermediation is investigated is *the share of the stock of the loans in the GDP*, or what is known as *stock-flow approach*. Nevertheless, some authors³⁰ consider that such measure does not create a complete picture and it is necessary to supplement it with a new aspect. Namely, according to them, *the share of the change of the loans in GDP*, or what is known as *flow-flow approach* is a much better measure of the capability of the banks to mobilize additional saving and allocate capital in the productive sectors of the economy. Such approach reflects, above all, the short-term movements in the banking intermediation or economic cycle, but it does not take into account the re-financed loans (that, from a macroeconomic aspect, might mean financing of productive investments). Despite the weakness, the advantage of this approach is in its greater objectivity when comparing the degree of financial intermediation among various countries. Namely, the countries that have long tradition in banking operations without any greater systemic disturbances, are expected to have a greater share of the balance of the loans in GDP. Such scenario is not very likely for the less developed countries (especially the countries in transition), in which the intensive credit activity started at the beginning of the 1990's, with which there is a clear possibility for the existence

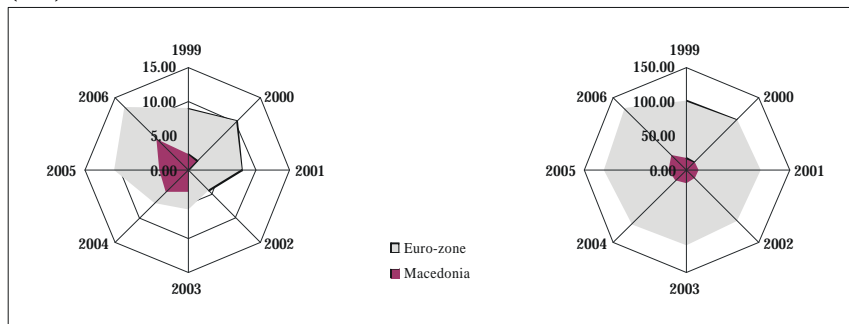
³⁰ Markus Arpa, Reininiger Thomas, Walko Zoltan, " Can Banking Intermediation in the Central and Eastern European Countries Ever Catch up with the Euro Area", Focus on Transition 02/2005, Austrian National Bank.

of a large gap in the financial intermediation between these two groups of countries.

Figure 52

Share of the loans in GDP
- flow-flow approach
(in%)

Share of the loans in GDP
- stock-flow approach

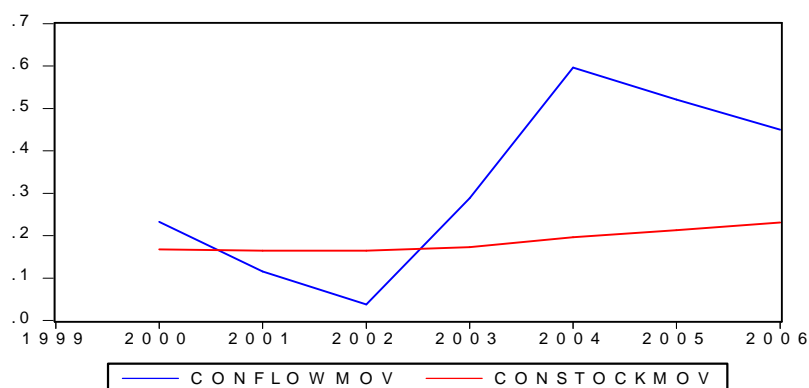


Source: Eurostat, IFS, NBRM.

The process of intensive credit activity in Macedonia started at the beginning of 2003. Notwithstanding the rapid annual growth in the private sector crediting, the financial intermediation, measured as a share of the loans in GDP is still shallow. The comparisons of this indicator with the Euro-zone as a benchmark for Macedonia show a large gap and indicated to large rooms to be filled in order to achieve a full convergence with the Euro-zone in the domain of banking intermediation. However, if we make the comparison based on the flow-flow approach, in the case of Macedonia, too, the story of the other countries in transition is confirmed. Namely, according to this approach, the gap in the financial intermediation is significantly narrower compared to the gap that results from the stock-flow approach, that can be seen in Figure 52. Thus, within the first approach, the financial intermediation in Macedonia amounts to 32.9% (1998-2006) on average from the one in the Euro-zone, whereas according to stock-flow approach, the convergence amounts to 19% on average. Likewise, as it is expected, the dynamics of narrowing of the gap is much faster followed by the flow-flow approach, compared to the stock-flow approach. In fact, in the second case, considering the low past accumulation of loans on the Macedonian loan market, the movements in the convergence are gradual and not very drastic.

Figure 53

Convergence in the financial intermediation *



*CONFLOWMOV – biannual movable average, ratio of share of the changes of the loans in GDP in Macedonia and Euro-zone.

CONSTOCKMOV – biannual movable average, ratio of share of the stock of the loans in GDP in Macedonia and Euro-zone.

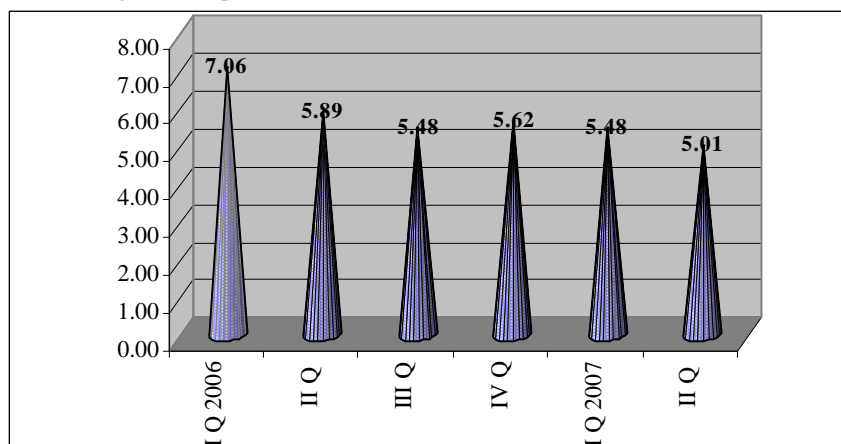
Flow-flow approach is a measure of intermediation between the new saving and new investments and does not depend on the past accumulation of credits. Therefore, this indicator provides a comparability both of the economies that have extremely different starting positions of loans, whereby the convergence through this indicator may last for a significantly shorter period compared with the convergence measured through the share of the stock of loans in GDP. In fact, the flow-flow approach should be followed as a complementary indicator in the assessment of the sustainability of the credit growth.

2.2. Interest rates

Reduction in the average weighted interest rate on the CB bills by 0.5 percentage points

The favorable macroeconomic performances created a basis for further reduction in the reference interest rate of NBRM in the second quarter as well. Thus, what was typical of the foreign exchange market in this quarter as well were the high foreign exchange inflows, with which the interventions of NBRM with net purchase of foreign exchange created additional Denar liquidity. The majority of the new liquidity was directed to the market of CB bills and Treasury bills for monetary purposes, which created a pressure for reduction in the interest rates on these instruments. The high demand for CB bills indicated to still present preferences of the banks for investment in financial instruments with shorter maturity, but also to their higher liquidity position. In accordance with the trend of reduction in the interest rates on the CB bills, at the end of May a decision was made to reduce the interest rate on the Lombard credit by 2 percentage points, thus reaching 7.5%.

Figure 54
Average weighted interest rate on CB bills
(in %, average for the quarter)



Source: NBRM.

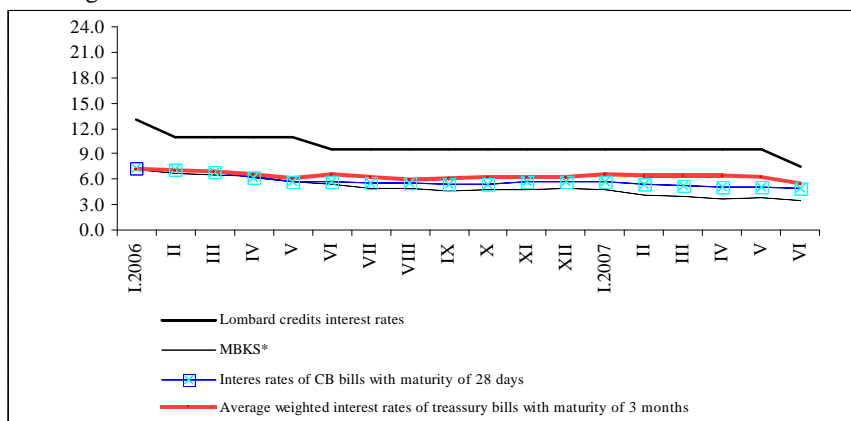
These changes were transmitted to the money market, too, as well as to the rest of the market of short-term Treasury bills. Thus, in conditions of high level of liquidity, the permanent quarterly reduction in the average interest rate on the interbank money market-IBIR³¹ (by 0.7 percentage points, that is, from 4.30% in the first quarter to 3.64% in the second quarter of 2007). The interest rates on the Treasury bills of all maturities had a declining trend in the second quarter as well. Thus, increased investment by the banks in the three-month Treasury bills was noted (a quarterly increase of 50%), and their average interest rate was reduced by 0.5 percentage points. A decreasing trend of the average interest rates was also registered at the six-month and twelve-month Treasury bills, where quarterly decline of 0.5 and 2.8 percentage points, respectively, was registered. In June the lowest average weighted interest rate on the Treasury bills for all maturities of 5.4 % was registered (partially also due to the reduction in the maximum interest rate

³¹ Bilateral transactions of the banks

by the Ministry of Finance), which was a reduction of 1.3 percentage points compared with the end of March.

Figure 55

Short-term interest rates of NBRM, interest rates on the interbank money market and the government securities market

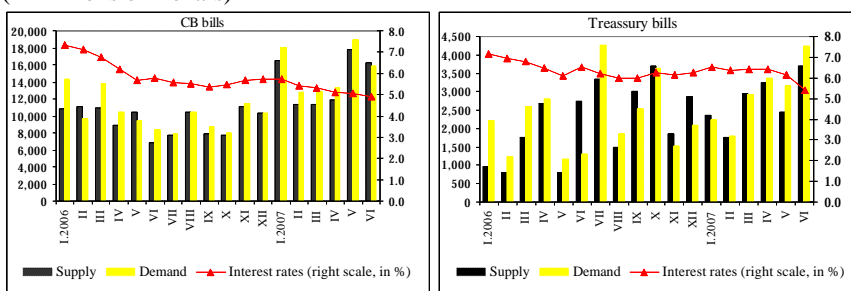


* IBIR - interbank interest rate

Source: NBRM and the Ministry of Finance.

Figure 56

CB bills auctions with 28-day maturity, auctions of three-month Treasury bills and movement of the interest rates
(in millions of Denars)



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

Decrease in the lending interest rate, whereas the deposit interest rate was stable

The downward trend of the lending interest rates of the banks continued during the second quarter, too, increasing the availability of the banking loans as a source of financing of the private sector. Thus, the nominal interest rate³² of the Denar loans in the second quarter of 2007, equaled 10.3% on average (the average real interest rate was 9.2%), which was a quarterly drop of 0.3 percentage points and annual decrease of 1.1 percentage points. According to the Survey on credit activity, conducted on a regular quarterly basis by NBRM, the improved liquidity position of the banks, the access of the banks to the market financing, competition of the other banks, as well as the positive expectations for the future economic activity were listed as main factors for loosening the terms and conditions for loans, including the interest rate.

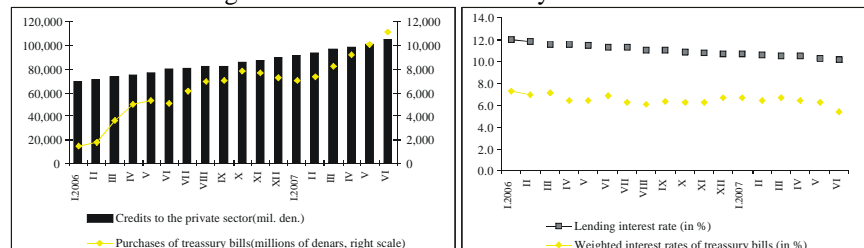
The competition of the market segment of deposits contributed to divergent movements at the deposit interest rates compared to the lending interest rates. In the second quarter, the interest rate on the Denar deposits amounted to 4.7% on average (the real deposit interest rate was 3.6%), which was at the level of the first quarter, whereas relative to the same quarter in 2006, the deposits interest rates were higher by 0.3 percentage points. As a result of the decrease of the average lending interest rate, given the unchanged average deposit interest rate, narrowing of the interest margin of 0.3 percentage points

³² The average weighted lending interest rate of the Denar credits for all maturities and for all sectors.

was registered in the second quarter relative to the previous quarter of 2007. On the other hand, the spread between the price of the banking loans and price of the Treasury bills in the second quarter of the year became larger by 1 percentage point due to the intensive fall in the weighted interest rate on the Treasury bills. Still, notwithstanding the fall in the price of the Treasury bills, the average investments of the banks in these securities registered a quarterly increase (in June an increase of 35.6% compared to March), with which they retained the dominant share in this market.

Figure 57

Banks' credits to the private sector, banks' investments in Treasury bills, lending interest rate and weighted interest rate on Treasury bills



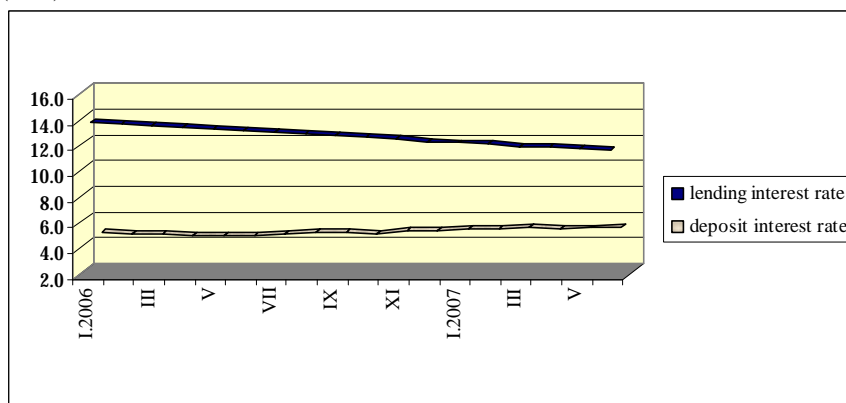
Source: National Bank of the Republic of Macedonia.

Fall in the average weighted interest rate of households of 0.4 percentage points...

Analyzed from the aspect of the sectors, the average weighted interest rate of the Denar deposits with the sector "households" amounted to 11.9% on average in the second quarter, which represented a quarterly fall of 0.4 percentage points. The greatest change was registered in the case of the short-term loans with or without FX clause, the average interest rate of which was reduced by 1.3 and 0.5 percentage points, respectively, relative to the previous quarter. On the other hand, the weighted average interest rate on the deposits amounted to 5.2% in the second quarter of 2007, remaining at the same level as in the previous quarter. The trend of change in the lending and deposit interest rates of this segment, generated a continuous narrowing of the interest rate margin, which indicated an increased competition in the crediting of the households.

Figure 58

Average weighted Denar lending and deposit interest rates of households (in %)

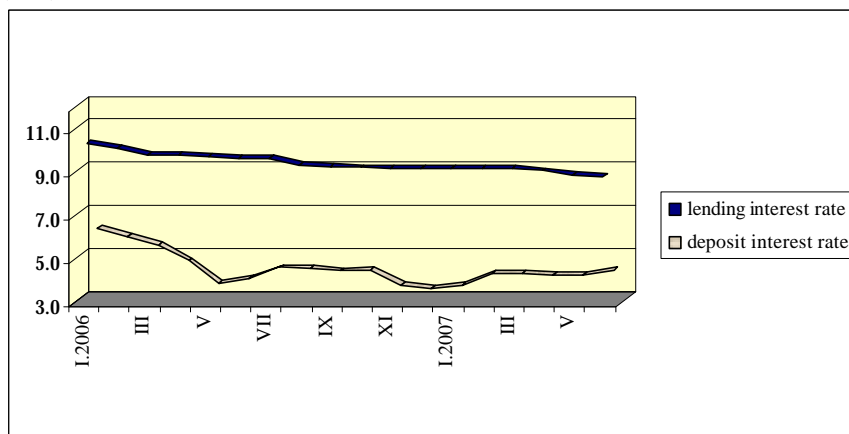


Source: NBRM.

In the corporate sector, the average weighted interest rate on the loans was reduced by 0.3 percentage points in the second quarter 2007, relative to the previous quarter and it amounted to 9%. The greatest change was noted at the interest rate on the long-term loans with FX clause that in the second quarter amounted to 9.8% on average, which was a quarterly decline of 0.5 percentage points. On the other hand, the average weighted deposit interest rate amounted to 4.1 % in the second quarter of 2007, which was a quarterly increase of 0.2

percentage points. The analysis of the deposit interest rates indicated to significant quarterly changes to the interest rates on the deposits without FX clause. Thus, the average interest rate on the sight deposits registered an increase of 1.2 percentage points, whereas the interest rate on the long-term fixed time deposits registered an average quarterly fall of 3.7 percentage points. Such changes to the lending and deposit interest rate of the corporate sector resulted in quarterly narrowing of the interest rate margin.

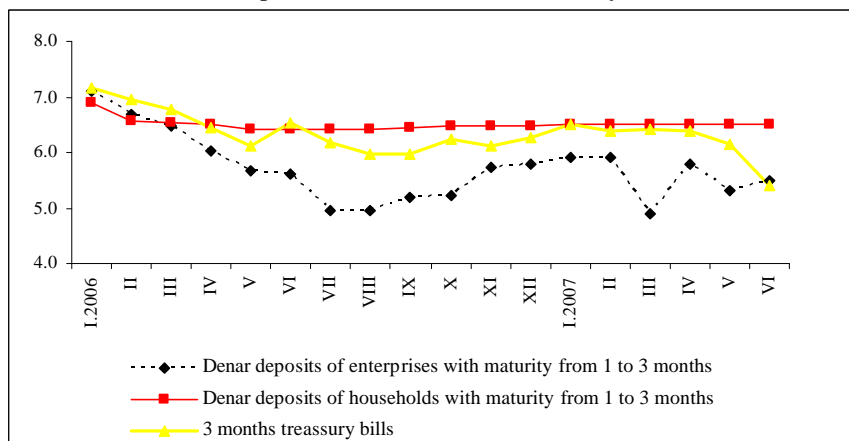
Figure 59
Average weighted Denar lending and deposit interest rate of the corporate sector
(in %)



Source: NBRM.

Analyzed from the aspect of the interest rate as a generator of profit in the private sector, apart of the unchanged interest on the term Denar deposits (up to three months without FX clauses), the household saving in the second quarter of 2007 was increased, whereas the investment in Treasury bills (three-month) was reduced in accordance with the lower profit. In the corporate sector, the quarterly increase in the interest rate of the fixed time Denar deposits (up to three months without FX clauses), was followed by a high increase in the saving, given the simultaneous decline in the investments of this sector in Treasury bills (three-month). The interest rate on the term Denar deposits (up to three months without FX clauses) of the enterprises approached the interest rate on the Treasury bills (three-month), as opposed to the deposit interest rate of the households (on the three-month deposits) which was higher than the price of the Treasury bills (three-month).

Figure 60
Interest rates on Denar deposits and on three-month Treasury bills



Source: National Bank of the Republic of Macedonia.

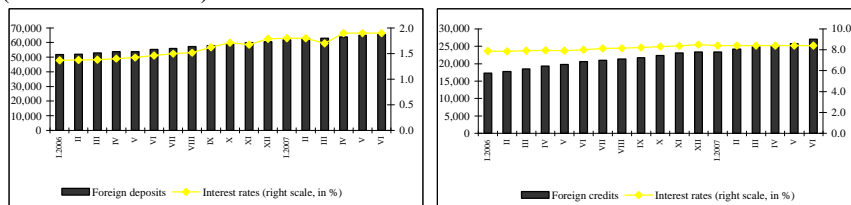


Increase in the interest rate on the foreign currency deposits, given the unchanged interest rate on foreign currency loans

In the second quarter, a trend of increase in the interest rate on the foreign currency deposits was registered in accordance with the movements of the interest rate at the international financial markets, given the unchanged interest rate of the foreign currency loans. Thus, the average price of the foreign currency loans remained at the same level, of 8.4%, as in the previous quarter. Still, changes were registered in their structure, where the average price of the short-term foreign currency loans of the households registered a quarterly increase of 0.2 percentage points.

Figure 61

Monthly dynamics of the foreign currency deposits and loans to the private sector and of the deposit and lending interest rate (in millions of Denars)



Source: NBRM.

In the second quarter, the average interest rate on the foreign exchange deposits went up by 0.1 percentage points compared to the previous quarter, given the quarterly increase in the average interest rates on the foreign exchange deposits of the corporate and household sector by 0.3 and 0.1 percentage points, respectively.

III.

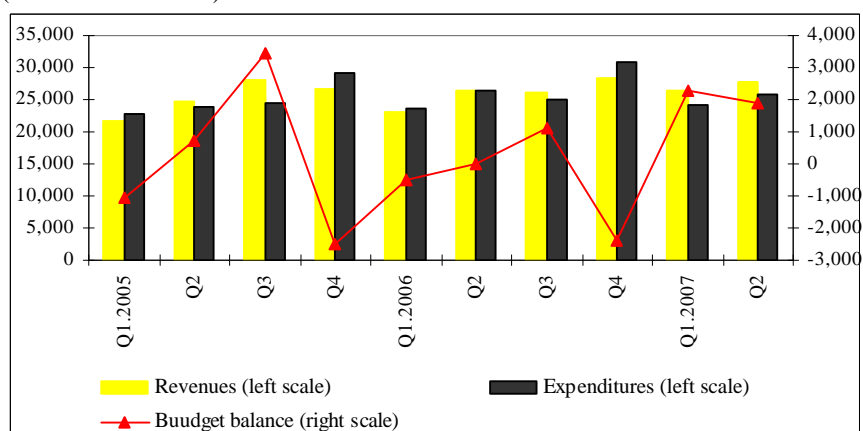
Public finances

Positive trends in the fiscal sector with a realized budget surplus significantly over the initial projections

In the course of the second quarter of 2007, the favorable trends in the fiscal sector continued. Thus, in conditions of reduced tax rates of the personal income tax and profit tax from the beginning of the year and in conditions of still not realized payment of dividend by a foreign investor, the generated revenues outweighed the expenditures by 7.3%, which conditioned a realization of a budget surplus that exceeded the initial projections by almost 7 times.

Figure 62

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



Source: Ministry of Finance of the Republic of Macedonia.

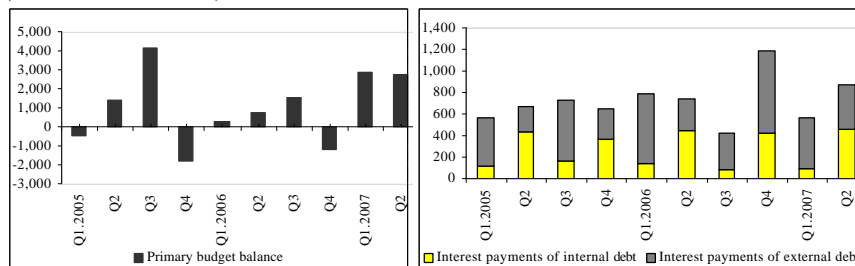
In addition to the early repayment of a part of the foreign debts, in the second quarter of 2007, the Government repaid earlier the domestic debt, too. If the budget balance is adjusted for the interest payments, then the primary budget

balance is higher by 46.5%, which confirms the argument for maintenance of a prudent fiscal policy.

Figure 63

Budget balance and interest payments based on external and domestic indebtedness

(in millions of Denars)



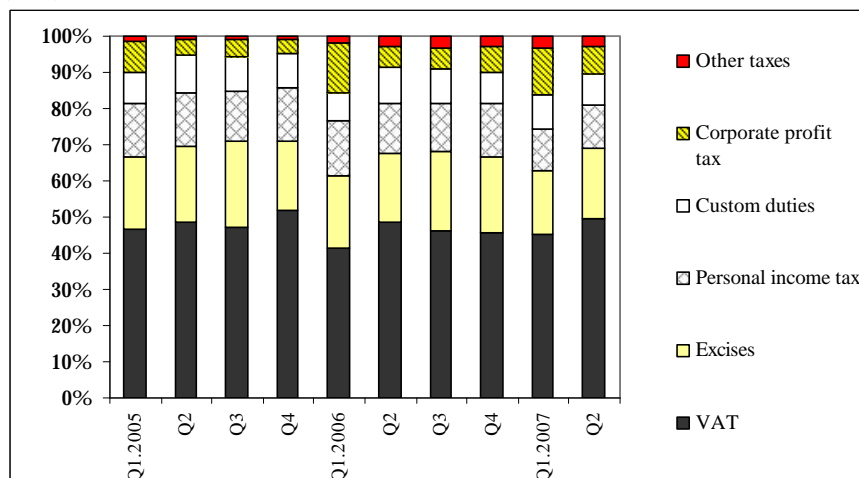
Source: Ministry of Finance of the Republic of Macedonia.

Annual increase in the total public revenues

From the aspect of the separate items of the government budget, the total revenues in the second quarter of the year realized an annual increase of 5.9%. A dominant contribution to their increase continued to have the revenues from VAT, contributions, excises and profit tax. Within the tax revenues, that in the second quarter of 2007, realized an annual increase of 9.4% and at the same time they constituted almost 60% of the total revenues, more than a half was generated from the revenues from VAT. Namely, the revenues from VAT had an annual increase of 11%, which can be explained with the increase in the turnover in the domestic trade, increase in the net salaries and accordingly, the increased consumption of the households, and partially due to the improved collection of this tax. An additional relatively high contribution of 25% in the increase of the total public revenues had the revenues from excises that achieved an annual increase of 13.9% which corresponded to the augmented import of motor vehicles, tobacco and alcoholic beverages. It is important to point out that during the second quarter of 2007, the trend of intensive increase in the revenues from the profit tax continued, that exceeded the planned amount by 63.8%. Thus, despite the reduction in the tax rate at the beginning of the year, the revenues were higher by 35.3% on annual basis, which was mostly due to the regular payment of this tax, improved economic activity in the country, and better financial results in the business sector. As an exception from the positive realizations within the tax revenues, were the revenues from customs duties and personal income tax that were lower on annual basis by 7.6% and 4.4%, respectively. The reasons for the fall in the customs revenues were the gradual reduction in the customs rates in accordance with the membership in WTO; whereas the reduction in the revenues from the personal income tax was due to the introduction of the sole and lower tax rate at the beginning of the year.

The revenues from the contributions, that represented the second most important revenue category with a contribution of 28% to the total public revenues, realized an annual increase of 5.8%. The non-tax revenues had a moderate annual increase of 1.6% as a result of the transferring of the excess of the generated net profit of NBRM to the budget of the Republic of Macedonia and the increase in the revenues from the administrative taxes, in conditions of lower realization of the capital revenues and reduction in the inflows from foreign donations.

Figure 64
Tax income structure
(in %)

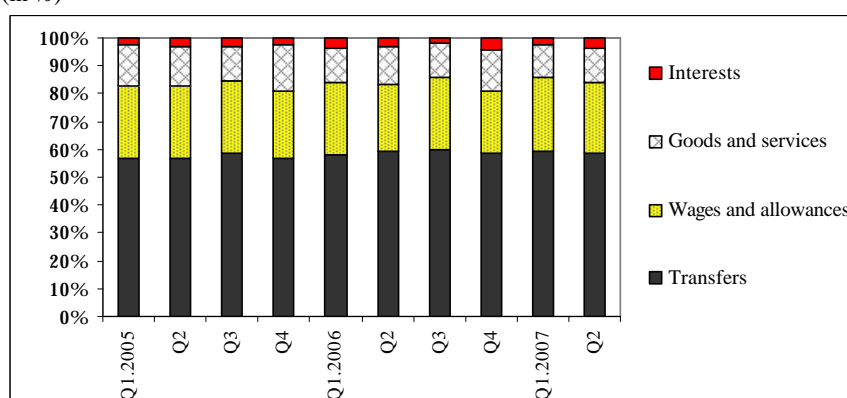


Source: Ministry of Finance of the Republic of Macedonia.

Annual fall in public expenditures, given the significantly lower capital expenditures

As opposed to the annual increase in the total revenues, the expenditures of the consolidated budget were reduced by 1.1% in the second quarter of 2007 and were lower by 6.3% relative to the initial projections. The reduction in the total expenditures was completely due to the intensive annual fall in the government capital expenditures by 21.2%, 39.6% out of which remained unrealized compared to what was planned before. As opposed to them, the current government expenditures that constituted 94% of the total public expenditures, achieved a low annual increase of 0.6%, a result of the increased government expenditures for wages and salaries (by 4%), as well as of the increased interest payments of the foreign and domestic debt (interest repayments on the Treasury bills and denationalization bonds). Still, within the current government expenditures, the expenditures for goods and services were reduced by 5.8%, whereas the transfers remained at an almost unchanged level of the previous year (a minimum drop of 0.2%).

Figure 65
Structure of Government current expenses
(in %)



Source: Ministry of Finance of the Republic of Macedonia.

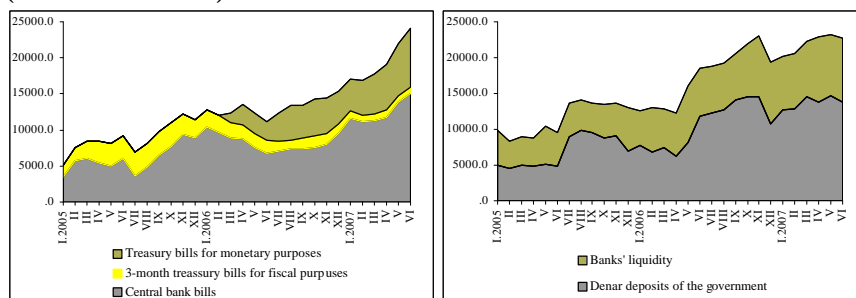
Early repayment of a part of the domestic and external public debt...

Main sources of financing of the consolidated budget during the second quarter of the year were the government deposits with NBRM and the domestic indebtedness on the basis of auctions of government securities, whereas the net inflow on the basis of indebtedness abroad was negative. Thus, during the second quarter, there was an outflow of funds for repayment of foreign and domestic debts. Namely, in April, the Government made early repayment of a

debt to the Paris Club of Creditors (in the amount of Euro 20.3 million), whereas in June early repayment of the debt to the World Bank took place (in a total amount of Euro 93.6 million). In the same direction, the Government decided to repay early a part of the domestic debt, so that in April the Ministry of Finance purchased the Bond for rehabilitation of Stopanska Banka AD from 1995 (in the total amount of Denar 1,303 million), as well as to repay the regular installments from the bonds for the old foreign currency savings and denationalization in April and June, respectively. Taking into consideration the repayment of the foreign and domestic debts, at the end of second quarter, the Denar and foreign currency deposits of the government with NBRM registered a significant quarterly reduction.

At the end of June relative to the end of March 2007, the investment stock of the total Treasury bills for fiscal purposes with a maturity of three months (in conditions of satisfactory liquidity position of the budget), was reduced by Denar 50 million, as opposed to the investment stock of the Treasury bills for monetary purposes which was higher by Denar 2,576 million.

Figure 66
Instruments for regulation of bank liquidity, government Denar deposits and bank liquidity
(in millions of Denars)



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

Quarterly increase in the domestic demand for all Treasury bills with various maturity

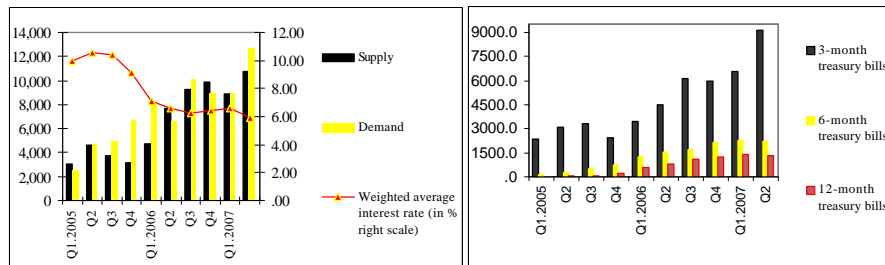
As a result of the early repayment of the debt to the Paris Club of Creditors and World Bank, the share of the foreign debt in the total public debt³³ was reduced by 2 percentage points relative to the end of the previous quarter. On the other hand, notwithstanding the repayment of a part of the domestic debt, still, the share of the domestic indebtedness in the total public debt rose as a result of the continuous government securities. So, on a basis of domestic indebtedness (issues of continuous government securities), net inflows in the amount of Denar 58 million were realized in the domestic budget. The total demand on the primary market of government securities outweighed total supply by 18.7% where the average weighted interest rate (for all Treasury bills with different maturity) amounted to 5.9% as opposed to 6.6% in the preceding quarter. From the aspect of the maturity, the demand for the three-month and six-month Treasury bills registered a quarterly increase and outweighed the overall supply by 14.6%, that is, by 58.6%, respectively. In the course of the second quarter, an auction of one-year Treasury bills was held on June 19, 2007, at which 87% of the offered amount was realized, at a weighted interest rate of 5.81%. At the same time, an auction of two-year government bonds was held on May 31, 2007 where in conditions of significantly reduced maximum interest

³³ In order to provide consistency in the analysis, the public debt is based on the debt of the central Government authority and the funds (the consolidated debt of the government authority without the debt of the NBRM, municipalities and the public enterprises). Namely, such an analysis does not correspond to the national methodology for calculating the public debt, with the debt of the municipalities and the public enterprises (without the debt of the NBRM) including the statistics of the government finance (of the IMF) in which the NBRM debt is also included. On the other hand, the domestic debt of the central government authority refers to the structural and continuous securities.

rate, only 15% of the offered amount was realized at a weighted interest rate of 5.73%.

Figure 67

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

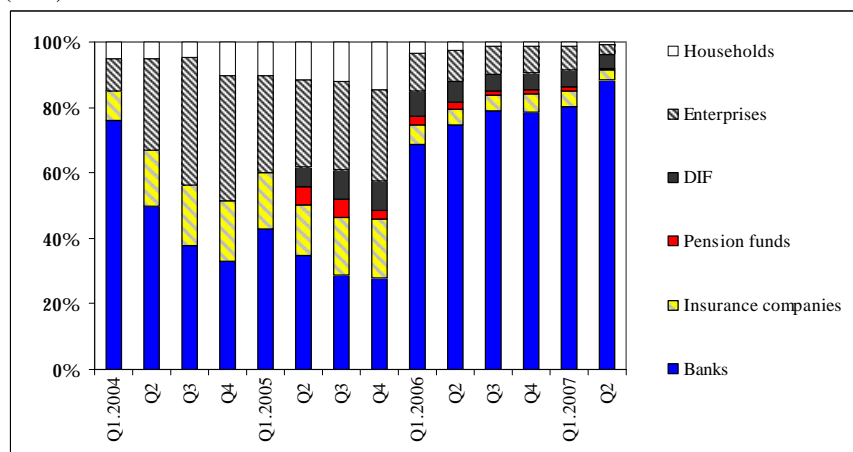


Source: NBRM and the Ministry of Finance of the Republic of Macedonia.

From the aspect of the investors, the banks continued to represent a dominant participant in the market of Treasury bills, whereas the participation of the corporate sector and physical persons was gradually reduced.

Figure 68

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



* On March 07, 2006, the NBRM in cooperation with the Ministry of Finance commenced the issuance of the Treasury bills for monetary purposes with maturity of three months.

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

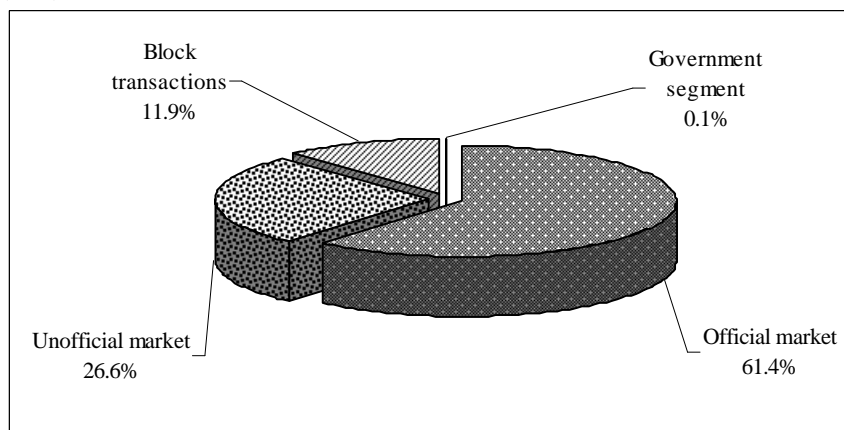
IV.

Capital market

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

Intensive stock exchange activity was registered in the second quarter of 2007 as well, when the total stock exchange turnover (including block transactions and government segment) registered an increase of 15.3% relative TO the previous quarter. Dominating in the trading were the securities from the official stock market listing. Trading at the stock exchange segment on which the government trades was also registered, as opposed to the first quarter when no turnover was realized in this segment.

Figure 69
Structure of the stock market turnover in the second quarter of 2007
(in %)



Source: Macedonian Stock Exchange AD Skopje.

Growth in the turnover from the classical trading

In the second quarter of 2007, the turnover from the classical trading (without block-transactions) achieved a high growth of 89.5% relative to the previous quarter, and the average daily stock exchange turnover amounted to Denar 159.1 million with 836 daily transactions on average. The high growth between the two quarters was to a great extent due to the great interest for the shares of the companies traded at the unofficial market, and especially at the sub-segment Publicly-owned companies, that is, companies for which there is a special register in the Securities Exchange Commission, as well as their obligation for greater transparency regarding the reporting to the public.

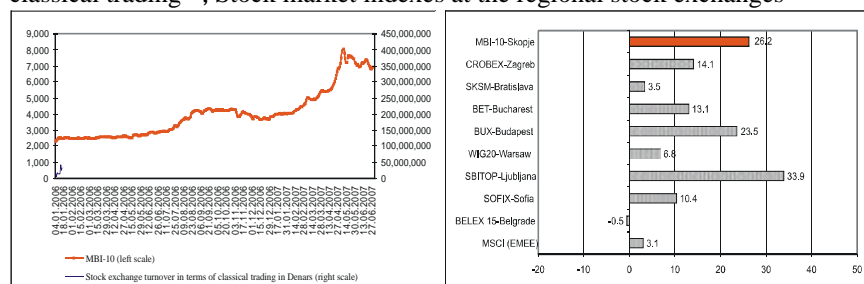
The increase in the volume of stock exchange trading was accompanied by certain qualitative improvements. Namely, during the second quarter, mobilization of free capital was performed for the first time through the stock exchange at an initial public offering by a domestic public company. Although the collection of free funds through stock exchange mechanism is considered an efficient manner of financing of the legal persons, still the initial “going out in the public” for the small companies is an expensive and longer process, both from the aspect of the formal approval to be obtained from the Securities Exchange Commission and from the aspect of obligation for presentation of numerous information to the potential investors. However, on the other hand, the borrowing at the capital market should enable increased credibility and expansion of the company.

Increase in the value of the stock market index MBI-10

On June 29, 2007, the value of the MBI-10³⁴ equaled 6,917.51 index points, which is an indicator of an average increase in the prices of the shares of the ten companies that constitute from 26.2% compared to the condition on March 31, 2007. The MBI-10 is characterized by rapid rise in the first half of the second quarter, with the second half of the quarter registering generally a downward trend, with occasional interruptions. Such dynamics of the index caused its value to augment less intensively in the second quarter compared to the previous quarter (registered growth of 48.1%). The Macedonian MBI-10 in the second quarter was again among the three fastest growing indices in the region.

³⁴ The price index weighted with the market capitalization, created on the basis of the common shares of ten listed associations on the official market. On June 15, 2007, the Stock Exchange Index Committee conducted regular revision on the MBI-10, with a limitation being adopted, meaning the share of individual index not to exceed 25% on the date of revision. At the same time, the Macedonian Stock Exchange started to calculate and publish new Index of the Publicly-owned companies (MBID) with a base value of 10,000 index points on June 15, 2007, that includes common shares of 14 companies for which there is an increased interest of the investors.

Figure 70
Macedonian Stock Exchange Index (MBI-10) and stock exchange turnover by classical trading³⁵; Stock market indexes at the regional stock exchanges



Source: Macedonian Stock Exchange AD Skopje

Increased stock exchange activity of the natural persons

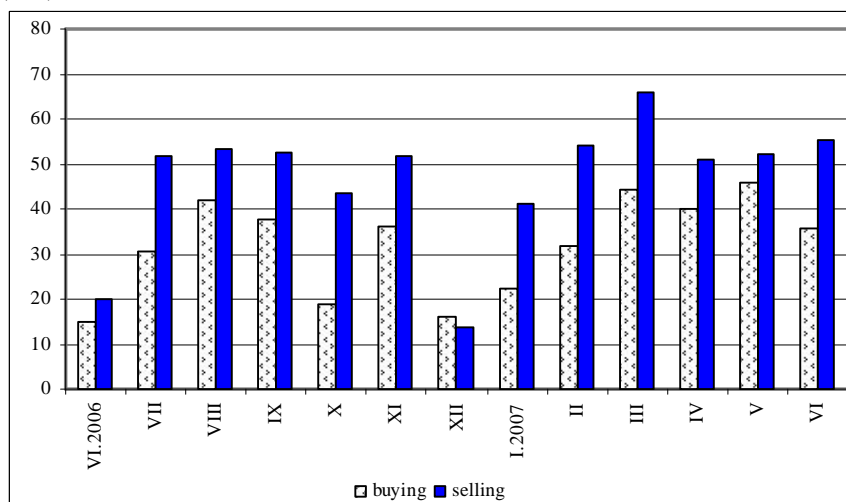
In the second quarter of 2007, the interest of the domestic natural persons in Stock exchange transactions continued, but still, with a greater participation at the sales, than at the purchase side. The domestic natural persons participated in the purchases on the stock exchange with 40.5% on average within the quarter, an increase of 7.8 percentage points on quarterly basis (share of 32.7% in the first quarter of 2007). The analysis of the structure of the investment of the domestic natural persons on the stock exchange³⁶ showed that the majority, that is, around 92% of the total invested funds on the stock exchange were invested in shares, whereas the rest in government securities. Such structure referred to the tendency of the population to assume a greater risk, in expectation for generation of high capital gains, as a difference between the purchase and selling price especially at the shares that are characterized by a fast-growing trend. Accordingly, the possible downward adjustments to the price levels, would have a negative impact on their economic condition and would indirectly increase the risk of the sector households, given the continuous increase in the credit exposure of the banking system towards this sector. From the aspect of the total portfolio of the investments of the sector household, it is worth mentioning that the banking deposits continued to maintain the dominant position and as of June 30, 2007, they were higher relative to the investments of the households on the stock exchange by 79%. At the same time, as opposed to the investments of the household on the stock exchange that in the first half of the year had a relatively stable level, the deposits of the households with the banks registered a continued growth, which indicated that still, the domestic natural persons were paying attention to the diversification of their portfolio which improved the situation regarding their risk exposure on the Stock exchange.

³⁵ The figure shows the daily stock exchange turnover registered by classical trading, which in addition to the block transactions excludes the transactions on the government segment, as well as transactions with other securities (certificates issued for the deposits in the bankrupted savings houses).

³⁶ Source: Central Register of Securities

Figure 71

Participation of the domestic natural persons in the total Stock exchange turnover (in %)



Source: Macedonian Stock Exchange AD Skopje.

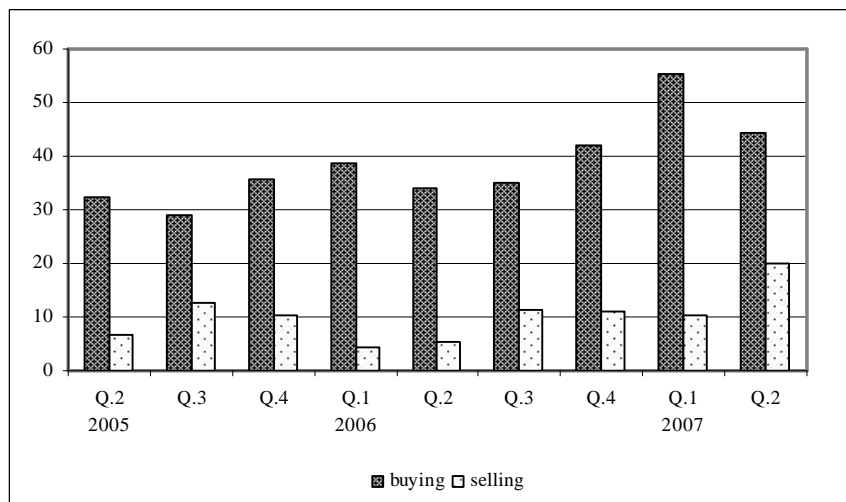
The analysis from the aspect of foreign investors showed that as of the end of June 2007, they participated with 21.1% in the total capital of the listed companies and in the total nominal value of the listed bonds³⁷, as a sum (as opposed to 19.2% at the end of March 2007). Out of the total investments in shares at the stock exchange, 28.3% were by foreign investors, whereas 10.3% of the total investments in government bonds were by non-residents. The interest of the regional institutional investors for the investments on the Macedonian Stock Exchange, as one of the fastest growing capital markets, prevailed for a longer period of time, which resulted in net inflow on the basis of portfolio investments. Namely, during the second quarter, the total amount of purchased foreign exchange by NBRM on the basis of foreign portfolio investments exceeded by 2.7 times the amount of sold foreign exchange on the basis of withdrawal of the funds invested by the non-residents. As of June 30, 2007, 20% of the opened custodian accounts were with a statement for not withdrawal of the invested funds in a period of one year for which the deadline for a prohibition for disposal had not passed (27.8% as of March 31, 2007). However, notwithstanding this, such condition did not raise a concern due to the much more intensive processes of investment in securities in the Republic of Macedonia, rather than disinvesting. In other words, a potential possibility for an outflow on a basis of foreign portfolio investments in negative context would be reflected mainly from the aspect of the downwards adjustment to the price levels of the stock exchange securities, but not also from the aspect of the condition of the foreign exchange reserves, due to the more dynamic inflows than outflows of foreign exchange on this basis for a longer period of time.

³⁷ Comparative data from the Central Securities Depository



Figure 72

Participation of the foreign investors on the side of the stock exchange purchases and sales
(in %)



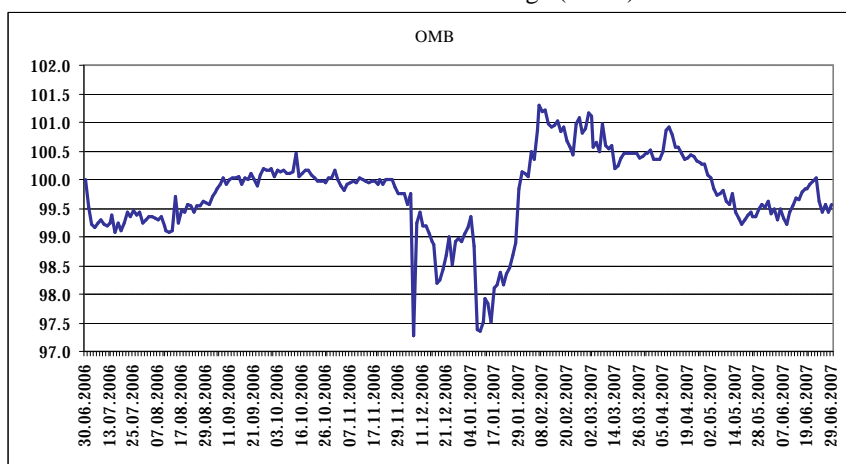
Source: Macedonian Stock Exchange AD Skopje.

Declining trend of the OMB index with short period of “recovery” of the value.

In the second quarter of 2007, the turnover of the *Government bonds* on the official stock exchange market registered a high quarterly increase of 78.7%. The turnover on this market segment was realized through the transactions with the bonds for old foreign exchange saving and bonds for denationalization. The prices of the government bonds ranged between 76.5% (Bond for denationalization of the sixth issue) and 86.9% of the face value³⁸ (Bond for old foreign currency saving). During the quarter, OMB³⁹ registered a declining trend with short period of “recovery” of the value, and at the end of June 2007 it was positioned at 99.56 index points (a decline of 0.9% compared to the end of March 2007).

Figure 73

Index of bonds on the Macedonian Stock Exchange (OMB)



Source: Macedonian Stock Exchange AD Skopje.

³⁸ The interval is determined according to the maximal and the minimal average daily prices of trading with the bonds, while the data is primarily taken from the weekly trading lists published by the Stock Exchange.

³⁹ The OMB index includes the bonds for old foreign currency saving and the denationalization bonds of the first, second, third, fourth and the fifth issue, when the initial value of OMB is 100. OMB is price index weighted with the turnover, with a restriction that the share of any bond in the index should not exceed 30%.

In the second quarter of 2007, the total realized turnover with long-term securities on the Over the Counter Market totals Denar 300.3 million, and it fell by 6.6% compared to the previous quarter. As opposed to the first quarter of 2007, when only 27.5% accounted for the turnover with the government bonds with the remaining maturity of up to three years, in the second quarter, almost the entire part of the turnover (99.9%) referred to these government bonds, and the remaining to the Government bonds with remaining maturity with up to one year.

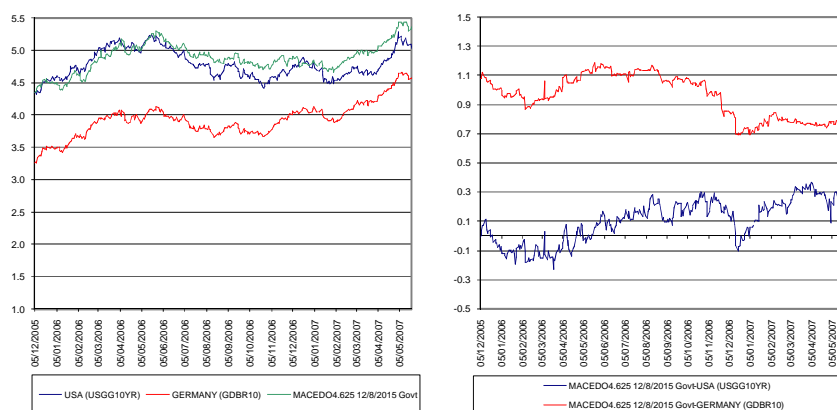
Box 2

Increase in the nominal yield of the Macedonian Eurobond

The strengthening of the positive perceptions for the economic growth of the most developed economies in the world (the USA and Euro zone) during the first half of 2007 increased the nominal yields of their long-term government bonds. Such trend was present since the beginning of the year, whereas a low fall was registered only in June. The Euro-yields had a more intensive growth, considering the further strengthening of the positive outlooks for the economic growth in the Euro zone, but also as a reflection of the increase in the reference interest rate performed by ECB in March and June. The Dollar risk-free long-term yields, although more slowly, registered an increase in the analyzed period as well, reflecting the gradual upwards adjustment to the expected growth of the US economy.

Figure 74

Nominal yields and spreads in yields of long-term government bonds



Left figure: Movement of the nominal yields up to their maturity (in %) of the 10-year government bonds of: the USA (USGG10YR index), The Euro zone (it refers to the government bonds of Germany (GDBR10 index) and the Macedonian 10-year Eurobond MACEDO4.625 12/8/2015)

Right figure: Movement of the spreads between the nominal yields up to maturity (in percentage points) of the Macedonian 10-year Eurobond on one hand and 10-year government bonds of the USA and Euro-zone, on the other hand.

Source: Bloomberg.

The upward trend of the nominal yields and accordingly, fall in the price was noted at the Macedonian 10-year Eurobond, registering at the same time the lowest levels of the spread since its issue among the nominal yields up to maturity compared to the 10-year German government bonds (Figure 74). Namely, after the acquiring of a status of a candidate country for membership in the EU, the global markets developed expectations for a reduced risk and improvement of the economic performances of the Republic of Macedonia. In that direction was the confirmation of the credit rating of the Republic of Macedonia "BB+" with a stable outlook for foreign currency (on May 29, 2007), by „Standard&Poor's“. The increase in the nominal yield of the Macedonian Eurobonds, especially since the beginning of the year, corresponds to a great



extent also with the positive performances of the real sector in the first quarter of 2007, as well as with the made decisions for early and full repayment of the debt to the Paris Club of Creditors, IMF and the World Bank, in conditions of relatively high level of gross foreign exchange reserves. The optimism for the reforms and performances in the forthcoming period increased the attractiveness of the Macedonian Eurobond for the group of portfolio investors whose objective is to capitalize larger money yields from the government bonds of the countries that converge towards EU (what is know as “*convergence clase*” bonds).



STATISTICAL APPENDIX

Tables from the real sector

Table 1: Gross domestic product	53
Table 2: Prices	54
Table 3: Industrial production	55
Table 4: Employment	56
Table 5: Salaries	57
Table 6: Budget of the Republic of Macedonia	58

Tables from the monetary sector

Table 7: National bank of the Republic of Macedonia - balance sheet	59
Table 8: Deposit money banks - balance sheet	60
Table 9: Saving houses - balance sheet	61
Table 10: Monetary survey (without saving houses)	62
Table 11: Monetary survey (with saving houses)	63
Table 12: Credits to non-government sector	64
Table 13: Monetary aggregates and components thereof (non-government sector)	65
Table 14: Total claims on deposit money banks	66-67
Table 15: Total claims on deposit money banks	67-69
Table 16: Report on weighted interest rates on deposits and borrowings	70
Table 17: Interest rates of the National Bank of the Republic of Macedonia	71
Table 18: Reserve requirements of banks and saving houses	72
Table 19: Interest rates on government securities	73

Tables from the foreign exchange sector

Table 20: Republic of Macedonia: balance of payments	74
Table 21: Republic of Macedonia: balance of payments	75
Table 22: Republic of Macedonia: balance of payments - services	76
Table 23 : Republic of Macedonia: balance of payments - income	77
Table 24: Republic of Macedonia: balance of payments - current transfers	78
Table 25: Republic of Macedonia: balance of payments - capital and financial account (without official transfers)	79
Table 26: Merchandise trade by sections of SITC and by end use	80
Table 27: Foreign trade by countries	81
Table 28: Stock of foreign direct investment in Republic of Macedonia by country	82
Table 29: Stock of foreign direct investment in Republic of Macedonia by activity	83
Table 30: International investment position of the Republic of Macedonia, as of the end of the period	84
Table 31: International investment position of the Republic of Macedonia, as of the end of the period	85
Table 32: Republic of Macedonia: external debt	86-87
Table 33: Republic of Macedonia: external debt	88-89
Table 34: Republic of Macedonia: external debt-stock and flow data	90-91
Table 35: Reserve assets	92
Table 36: Exchange rates (average for the period)	93
Table 37: Mid exchange rates (end of period)	94
Table 38: Indices on effective exchange rate of the Denar, base period 1995=100, ponders FT 2003	94

Methodological explanations	95
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Table 1
Gross domestic product
In millions of denars (1997=100) and real growth rates (in%)

National classification of activities ^{/1}	GDP total	%	Agriculture, hunting, forestry and fishing	%	Mining and quarrying, manufacturing and electricity, gas and water supply	%	Construction	%	Wholesales and retail sales	%	Hotels and restaurants	%	Transport, storage and communications	%	Financial intermediation	%	Public administration and defence	%
			A+B		C+D+E		F		G		H		I		J+K+L		M+N+O+P	
1997	186018	1.4	20411		45317		9867		21297		2819		11372		26002		27067	
1998	192308	3.4	21083	3.3	45969	1.4	10626	7.7	21377	0.4	3025	7.3	14385	26.5	26002	0.0	27395	1.2
1999	200669	4.3	21273	0.9	46750	1.7	11732	10.4	22025	3.0	3771	24.7	16854	17.2	26499	1.9	28519	4.1
2000	209777	4.5	21489	1.0	51122	9.4	12037	2.6	22695	3.0	3345	-11.3	18282	8.5	27215	2.7	28546	0.1
2001	200284	-4.5	19169	-10.8	48786	-4.6	10300	-14.4	22505	-0.8	3195	-4.5	16761	-8.3	27783	2.1	27876	-2.3
2002	201993	0.9	18779	-2.0	48390	-0.8	10364	0.6	23725	5.4	3726	16.6	16467	-1.8	26758	-3.7	28843	3.5
2003	207690	2.8	19686	4.8	50845	5.1	11741	13.3	24146	1.8	4085	9.6	16539	0.4	25787	-3.6	30262	4.9
2004	216164	4.1	20908	6.2	50439	-0.8	12610	7.4	27933	15.7	3623	-11.3	15745	-4.8	28817	11.8	30068	-0.6
2005 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 ³	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

^{/3} Estimated data



Table 2
Prices
Annual rates (%)

	Consumer price index (growth rates) ^{/1}															Producer price index (growth rates)
	Total	Goods	Services	By category												
				Food	Tobacco and beverages	Clothing and footwear	Housing				Hygiene and health	Culture and entertainment	Transport means and services	Restaurants and hotels ^{/2}	Other services ^{/2}	
							Total	Flat (rent, water, services)	Fuel and lighting	Household appliances						
1997	2.6	2.2	3.8	4.2	-3.9	-1.6	1.7	0.3	3.8	1.6	-0.5	-8.6	19.4			4.2
1998	-0.1	0.0	-0.4	-0.2	3.6	2.4	0.4	0.0	0.4	2.0	0.1	-10.3	2.4			4.0
1999	-0.7	-1.1	0.5	-1.6	0.2	1.2	0.3	0.1	1.1	-1.9	-1.4	-2.2	-0.8			-0.1
2000	5.8	5.2	8.9	-0.4	13.9	-2.3	19.3	8.8	27.4	1.7	-1.7	-1.6	22.4			8.9
2001	5.5	4.5	10.9	6.9	2.3	1.3	5.5	11.3	3.9	0.1	-0.7	1.9	9.5			2.0
2002	1.8	1.2	5.0	1.8	1.0	6.8	1.7	4.1	1.0	-0.6	-3.8	3.6	2.1			-0.9
2003	1.2	0.3	5.9	-1.4	3.4	2.2	3.9	3.9	4.4	1.1	3.9	2.2	4.2			-0.3
2004	-0.4	-1.1	3.3	-3.1	1.1	0.9	2.2	-0.3	3.0	4.2	0.4	1.3	4.0			0.9
2005	0.5	0.3	1.3	-1.2	5.5	2.2	0.4	0.3	1.0	-1.2	-3.5	0.9	3.7			3.2
2006	3.2	3.7	1.3	2.2	17.8	0.2	2.0	-0.7	3.7	-0.8	2.0	6.4	1.8			4.5
2006 Q1 ^{/3}	2.7	3.2	0.9	1.6	17.7	-0.5	0.9	-0.2	1.6	-0.5	0.3	6.0	2.6			5.6
Q2	3.4	3.8	2.0	2.3	17.5	0.3	1.1	0.2	1.9	-0.5	1.9	6.8	3.8			5.7
Q3	3.6	4.0	1.9	2.9	17.9	0.5	1.7	-0.6	3.2	-0.9	2.7	6.9	2.3			4.1
Q4	3.1	3.7	0.4	2.1	17.9	0.6	4.2	-2.2	7.9	-1.1	2.9	5.7	-1.5			2.4
2007 Q1	0.7	1.3	-1.1	0.7	0.1	1.8	5.1	1.6	8.8	-1.8	0.0	3.5	-5.0	3.0	-2.8	1.0
Q2	1.1	1.6	-0.5	0.7	2.2	1.0	5.9	6.6	7.8	-0.9	0.5	3.1	-4.3	3.6	11.6	1.2
January	0.8	1.4	-1.2	1.1	0.1	1.2	4.8	-0.7	9.3	-1.9	-0.1	3.5	-4.8	3.3	0.3	1.3
February	0.5	1.1	-1.3	0.8	0.0	1.8	4.5	-0.6	8.7	-1.9	0.1	3.5	-5.8	3.3	-1.1	0.3
March	0.8	1.3	-0.9	0.3	0.1	2.2	6.0	6.2	8.3	-1.4	0.1	3.6	-4.4	2.5	-1.1	1.4
April	1.0	1.4	-0.2	0.3	2.3	1.2	6.0	7.0	8.0	-1.5	0.2	3.5	-4.0	4.2	11.7	1.0
May	0.9	1.4	-0.8	0.7	2.2	0.9	5.8	6.4	7.7	-1.1	0.1	3.4	-5.1	3.5	11.7	-1.0
June	1.3	1.9	-0.6	1.1	2.1	0.8	6.0	6.3	7.9	-0.2	1.0	2.4	-3.7	3.1	11.7	1.0

Source: State Statistical Office.

^{/3} CPI-consumer price index.

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

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



Table 3
Industrial production
Annual growth rates (%)

	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	6.2
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	14.6
2005 Q1 ^{/2}	5.2	-18.9	6.4	3.8	2.3	14.8	-0.9	-18.2	1.8	19.6
Q2	13.5	17.0	16.3	-0.5	6.5	24.6	-1.2	4.8	8.9	24.5
Q3	6.0	62.9	5.5	2.0	4.0	9.8	-2.5	-11.1	5.4	16.9
Q4	4.2	97.1	2.5	4.3	7.4	9.5	-5.3	-24.8	-0.1	19.5
2006 Q1	0.5	111.6	-0.9	-0.9	3.0	5.6	-2.5	10.5	-6.1	12.9
Q2	1.7	53.2	1.3	-2.0	-3.0	5.1	17.0	-6.5	-0.3	13.7
Q3	4.3	13.1	4.9	0.1	0.7	12.0	0.1	2.1	-0.7	16.3
Q4	3.5	4.8	4.0	1.9	5.7	6.3	26.3	-12.5	-1.1	15.4
2007 Q1	11.6	13.9	16.0	-9.1	-2.1	25.0	39.0	10.3	6.2	21.2
Q2	-2.8	16.2	-1.5	-20.8	-16.6	7.9	-4.4	25.3	-7.8	10.4
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	23.9
March	9.6	0.8	14.2	-12.7	-5.5	21.6	14.9	6.1	7.0	23.1
April	5.3	10.1	6.8	-6.8	18.1	18.9	-11.9	39.5	-9.7	19.1
May	-5.8	25.0	-4.6	-25.6	-37.2	3.6	16.2	15.1	-5.5	5.0
June	-7.1	14.6	-5.4	-32.1	-29.6	2.9	-13.0	23.1	-8.3	7.8

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
2007 Q1	1,624,611	902,588	579,301	323,287	95,384	186,975	293,629

Source: State Statistical Office. Survey on work force.



Table 5
Salaries

Amount in denars, annual 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
Q2	23,651	3.2	2.1	18,396	23,569	26,020	14,287	6.4	5.3	11,161	14,335	15,746
January	23,003	1.1	0.3	18,113	23,811	25,604	13,884	4.2	3.4	10,980	14,475	15,509
February	23,088	3.6	3.1	17,559	22,803	25,515	13,934	6.9	6.4	10,610	13,860	15,442
March	23,327	3.0	2.2	17,755	23,628	25,786	14,067	6.1	5.3	10,816	14,356	15,595
April	23,632	5.1	4.0	17,789	22,945	25,922	14,291	8.4	7.3	10,836	13,968	15,698
May	23,733	2.7	1.8	19,379	23,949	26,165	14,328	5.8	4.9	11,586	14,564	15,819
June	23,589	1.9	0.5	18,019	23,813	25,972	14,242	5.1	3.8	11,063	14,473	15,722

Source: State Statistical Office.



Table 6
Budget of the Republic of Macedonia

	2006				Jan.-Dec. 2006	2007							
	Q1	Q2	Q3	Q4		January	February	March	April	May	June	Q1	Q2
TOTAL BUDGET REVENUES	23,070	26,288	26,216	28,470	104,044	8,717	7,645	10,066	9,565	9,060	9,226	26,428	27,851
Revenues base on taxes and contributions	19,848	22,782	23,080	24,829	90,540	7,803	6,729	8,929	8,445	7,883	8,307	23,461	24,635
Tax revenues (SRA)*	79	50	35	35	199	11	30	18	13	16	16	59	45
Tax revenues	12,658	15,098	15,459	16,360	59,575	5,580	3,986	6,189	5,754	5,280	5,480	15,755	16,514
personal income tax	1,933	2,098	2,025	2,358	8,414	624	589	631	665	655	686	1,844	2,006
profit tax	1,725	914	950	1,119	4,708	252	397	1,386	407	405	425	2,035	1,237
value added tax	5,228	7,342	7,155	7,514	27,239	2,940	1,756	2,410	3,116	2,510	2,524	7,106	8,150
excises	2,542	2,840	3,373	3,419	12,174	1,091	786	903	1,002	1,049	1,183	2,780	3,234
custom duties	993	1,494	1,474	1,459	5,420	417	378	707	399	498	483	1,502	1,380
other	237	410	482	491	1,620	256	80	152	165	163	179	488	507
Contributions	7,112	7,635	7,586	8,434	30,766	2,212	2,713	2,722	2,678	2,587	2,811	7,647	8,076
Pension and Disability Insurance Fund of RM	4,620	4,969	4,893	5,467	19,948	1,439	1,764	1,751	1,724	1,661	1,821	4,954	5,206
Employment Biro	322	336	337	375	1,371	89	128	126	120	118	126	343	364
Health Fund	2,170	2,330	2,356	2,592	9,447	684	821	845	834	808	864	2,350	2,506
Non-tax revenues	2,333	2,816	2,715	2,842	10,706	775	798	948	1,013	1,056	792	2,521	2,861
Non-tax revenues (SRA)*	1,279	1,231	1,605	1,656	5,771	446	470	585	612	434	409	1,501	1,455
Profit from public financial institutions	103	406	56	258	824	23	44	5	57	292	19	72	368
National Bank of the Republic of Macedonia	0	8	0	0	8	0	0	0	0	258	0	0	258
Asset Management Agency	0	315	0	210	525	0	44	5	0	15	0	49	15
Other property revenues	75	43	6	0	124	7	0	0	0	0	0	7	0
Interests from assets deposited in NBRM	23	31	43	47	144	16	0	0	57	18	19	16	94
Dividend	5	9	7	1	23	0	0	0	0	1	0	0	1
Administrative taxes	395	426	308	364	1,493	129	137	153	122	128	134	419	384
Participation for health services	79	75	65	67	286	25	18	27	26	20	32	70	78
Other administrative taxes	48	51	38	26	163	24	20	28	21	25	22	72	68
Other non-tax revenues	109	175	209	98	591	29	25	24	40	15	34	78	89
Compensations for the Road Fund	320	451	434	374	1,580	99	84	126	135	142	142	309	419
Capital revenues	143	390	143	272	948	75	43	49	51	58	42	167	151
Donations from abroad	727	299	166	231	1,423	44	75	140	56	63	81	259	200
Revenues of recovered loans	18	1	112	296	427	20	0	0	0	0	4	20	4
TOTAL BUDGET EXPENDITURES	23,562	26,264	25,085	30,832	105,744	6,855	7,907	9,382	8,081	8,561	9,326	24,144	25,968
Current expenditures	22,475	24,144	22,334	27,525	96,478	6,522	7,645	8,871	7,689	8,018	8,589	23,038	24,296
Wages and salaries	5,750	5,878	5,707	6,086	23,421	1,981	1,995	2,049	2,018	2,044	2,050	6,025	6,112
Goods and services	2,856	3,264	2,655	4,152	12,927	841	904	994	965	966	1,143	2,739	3,074
Transfers	13,079	14,266	13,167	16,094	56,607	3,471	4,574	5,670	4,359	4,876	5,000	13,715	14,235
Transfers (SRA)*	167	209	165	240	781	76	54	61	63	41	60	191	164
Social transfers	11,565	12,727	12,072	12,397	48,762	3,265	4,228	4,843	3,697	4,269	4,483	12,336	12,449
Pension and Disability Insurance Fund of RM	6,397	6,640	6,751	6,947	26,735	2,232	2,283	2,365	2,315	2,318	2,335	6,880	6,968
Employment Agency	599	521	488	450	2,058	142	138	137	153	140	144	417	437
State benefit	1,008	945	1,115	1,080	4,148	84	581	361	334	325	217	1,026	876
Public health	3,562	4,620	3,718	3,921	15,821	807	1,226	1,980	895	1,486	1,787	4,013	4,168
Other transfers	1,326	1,308	911	3,450	6,994	130	282	759	596	557	450	1,171	1,603
Refugees	21	22	20	7	70	0	10	7	3	9	7	17	19
Interest payments	790	736	418	1,193	3,137	229	172	158	347	132	396	559	875
Interest on domestic debt	140	444	79	419	1,082	20	25	49	231	41	183	94	455
Interest on external debt	650	292	339	774	2,055	209	147	109	116	91	213	465	420
Guaranties	0	0	387	0	387	0	0	0	0	0	0	0	0
Capital expenditures	1,087	2,120	2,751	3,308	9,266	333	262	511	392	543	737	1,106	1,672
Investments in fixed assets	829	1,342	1,707	1,980	5,857	283	160	403	282	261	535	846	1,078
Capital transfers	258	592	1,008	1,205	3,063	50	102	108	110	282	198	260	590
BUDGET DEFICIT / SURPLUS	-492	24	1,131	-2,362	-1,700	1,862	-262	684	1,484	499	-100	2,284	1,883
Financing	492	-24	-1,131	2,362	1,700	-1,862	262	-684	-1,484	-499	100	-2,284	-1,883
Inflow	12,779	3,075	-211	5,387	21,031	922	1,721	413	2,686	-445	6,734	3,056	8,975
Revenues based on privatisation	16,765	3,867	21	44	20,697	53	0	609	0	0	0	662	0
Foreign loans	159	550	496	527	1,732	31	135	107	193	104	78	273	375
Deposits	-4,653	-4,197	-773	3,746	-5,877	967	1,484	-449	2,035	-549	7,048	2,002	8,534
Treasury bills	484	422	43	1,070	2,019	-129	102	145	458	0	-400	118	58
Sale of shares	24	2,433	2	0	2,459	0	0	1	0	0	8	1	8
Outflow	12,287	3,099	920	3,024	19,331	2,784	1,459	1,097	4,170	54	6,634	5,340	10,858
Repayment of principal	12,287	3,099	920	3,024	19,331	2,784	1,459	1,097	4,170	54	6,634	5,340	10,858
External debt	12,156	381	920	486	13,944	2,784	1,459	1,097	1,777	54	5,790	5,340	7,021
Domestic debt	131	2,718	0	2,538	5,387	0	0	0	2,993	0	844	0	3,837

*Specific Revenue Accounts
Source: Ministry of Finance.



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

	XII.03	XII.04	XII.05	2006				2007					
				III	VI	IX	XII	I	II	III	IV	V	VI
ASSETS	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102	97381	98142	95116
1. Foreign assets	45854	44637	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849
1.1. Gold and foreign currencies	2131	4101	5855	6487	6480	6428	6652	6850	7024	6826	6786	6667	6538
1.2. SDR portfolio and reserve position with IMF	19	38	41	11	53	13	139	104	13	431	259	86	86
1.3. Deposits with foreign banks	39175	39157	61556	66548	68769	70685	71001	64054	63326	65245	62725	63638	60850
1.4. Securities	4284	1116	1793	1777	4635	7588	9737	15259	15082	14794	20117	20180	20149
1.5. Other foreign assets	245	225	259	253	244	242	232	236	231	230	224	228	226
2. Claims on the Government	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854	1626	1626	1626
2.1. In denar	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854	1626	1626	1626
2.2. In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Other assets	2686	3402	5370	5528	5899	6027	5761	5782	5790	5722	5644	5717	5641
B. LIABILITIES	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102	97381	98142	95116
1. Reserve money	21022	21111	25762	24697	26929	27364	31264	28432	29137	29355	31355	30604	31838
1.1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844
1.2. Cash in the vaults	833	909	1374	980	1011	1058	1526	1397	1520	1468	1567	1644	1590
1.3. Banks' accounts with NBRM	6012	6040	9949	10017	11338	11496	13532	12508	12631	12853	14257	13601	14404
1.3.1. Allocated reserve requirement in foreign currency	2770	3366	5323	5505	5662	6006	6373	6462	6509	6595	6675	6740	6949
2. Sold CB bills on auction	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095
3. Government deposits	10317	10956	22279	29052	33830	37137	32957	32094	30508	32236	31279	33163	27536
3.1. In denars	2337	4696	6993	8807	14417	18728	15326	17161	17647	20106	19997	21803	21807
3.1.1. Government securities for monetary purposes				1377	2627	4656	4573	4391	4756	5537	6284	7166	8082
3.2. In foreign currency	7980	6260	15286	20245	19413	18409	17631	14933	12861	12130	11282	11360	5729
4. Deposits of other financial institutions	78	18	18	212	113	127	23	96	331	423	474	377	206
5. Foreign liabilities	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59
6. Other liabilities	13269	12007	18583	18482	19153	19645	20031	20268	20723	20325	20264	20214	20382

Source: National Bank of the Republic of Macedonia.



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	IV	V	VI
A. ASSETS	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454	222428	228346	234583
1. Liquid assets	4103	3645	6040	5558	6764	6597	8806	7586	7813	7905	9326	8647	9214
1.1. Cash in the vaults	833	909	1374	980	1011	1058	1526	1397	1520	1468	1567	1644	1590
1.2. Banks' account with NBRM	3270	2736	4666	4578	5753	5539	7280	6189	6293	6437	7759	7003	7624
2. Deposits with NBRM	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095
2.1. CB bills	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095
3. Foreign assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000
3.1. Gold, foreign currencies and checks	1629	1549	2029	1673	1900	1868	2441	1855	1908	1899	2148	2075	2068
3.2. Foreign currency accounts abroad	30588	34641	34834	34024	32829	34176	36576	35422	35986	36125	35683	35763	35376
3.3. Other claims	864	915	923	972	797	823	690	980	943	1590	1588	1586	1556
4. Claims on the Government	6708	7157	7195	10012	11403	13113	13484	13172	13662	14433	15261	16132	16996
4.1. Claims on credits	2	158	83	289	375	264	357	377	388	347	296	267	247
4.2. Placements in securities	6706	6999	7112	9723	11028	12849	13127	12795	13274	14086	14965	15865	16749
5. Claims on non-financial and non-banking sector	45791	57097	68777	73017	79563	82084	89779	91422	93747	96362	98452	101057	105012
5.1. In denars	38544	45750	51672	54473	58993	60349	66410	68057	69569	71537	73380	75288	78031
5.2. In foreign currency	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981
6. Other assets	37654	40587	46236	47000	47926	48332	45988	46294	46445	47837	48215	49302	49266
B. Liabilities	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454	222428	228346	234583
1. Deposits	65653	78801	92887	97211	101864	108172	117813	119562	122818	124931	130388	134425	138011
1.1. Demand Deposits	13018	13370	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269
1.2. Denar sight deposits	4883	5143	5793	6148	6829	6365	7226	7330	7758	7668	9147	9150	9253
1.3. Time deposits up to 1 year	43872	56144	67678	72497	74048	79497	86521	88850	91289	92828	95069	97779	101136
1.4. Restricted deposits	631	806	782	781	930	877	998	832	912	760	717	1066	852
1.5. Time deposits over 1 year	3249	3338	3428	3735	3981	4280	4550	4590	4743	4878	5752	6212	6501
2. Credits of non-banking organizations	905	921	834	787	778	756	1089	1077	1081	1085	1075	1079	1090
3. Securities	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Liabilities to Government	1655	1169	1109	1276	1175	969	1199	1017	1097	1540	1070	1076	1126
4.1. Demand Deposits	936	335	371	469	433	329	689	519	589	1027	456	530	545
4.2. Denar sight deposits	25	27	1	0	0	1	1	1	1	1	1	0	0
4.3. Time deposits up to 1 year	538	703	689	759	694	590	460	448	457	462	563	496	531
4.4. Time deposits over 1 year	156	104	48	48	48	49	49	49	50	50	50	50	50
5. Foreign liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224
6. Borrowings from NBRM	374	779	937	2179	2291	2238	2301	2256	2489	2610	2201	2185	2130
7. Capital accounts	30889	33299	34922	36185	36412	35283	35831	36070	36706	37226	37402	38236	38605
8. Other liabilities	22450	25110	29936	31556	32902	33685	32206	32693	32561	33857	33967	34900	34397

Source: National Bank of the Republic of Macedonia.



Table 9
Saving houses - balance sheet
in millions of denars

	XII.05	2006				2007					
		III	VI	IX	XII	I	II	III	IV	V	VI
A. ASSETS	2199	2231	2311	2389	2622	2674	2696	2810	2850	2917	2947
1. Liquidity aseets	15	16	22	18	19	22	23	23	23	24	25
1.1. Cash in the vaults	15	16	22	18	19	22	23	23	23	24	25
2. Deposits with NBRM	76	76	41	44	49	61	74	74	55	63	57
3. Claims on the Government	62	57	63	72	155	135	64	64	71	66	71
3.1. Claims on credits											
3.2. Placements in securities	62	57	63	72	155	135	64	64	71	66	71
4. Claims on non-government sector	1718	1747	1823	1886	2048	2091	2145	2254	2332	2366	2416
4.1. Claims on credits	1716	1745	1820	1884	2046	2089	2143	2252	2330	2364	2415
4.2. Placements in securities	2	2	3	2	2	2	2	2	2	2	1
5. Other assets	328	335	362	369	427	408	444	504	369	398	378
B. LIABILITIES	2199	2231	2311	2389	2622	2674	2696	2810	2850	2917	2947
1. Deposits	455	479	525	558	588	607	615	638	647	651	660
1.1. Denar sight deposits	24	22	23	25	24	23	23	30	27	28	30
1.2. Time deposits up to 1 year	289	313	346	373	401	420	428	443	449	452	457
1.3. Time deposits over 1 year	142	144	156	160	163	164	164	165	171	171	173
2. Securities	0	0	0	0	0	0	0	0	0	0	0
3. Borrowings from NBRM	0	0	0	0	0	0	0	0	0	0	0
4. Capital accounts	1103	1112	1165	1162	1157	1178	1188	1203	1214	1226	1243
5. Other liabilities	641	640	621	669	877	889	893	969	989	1040	1044

Source: National Bank of the Republic of Macedonia.



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	IV	V	VI
A. Net foreign assets	65792	68865	89738	96611	100288	105619	108042	106455	107140	108475	110951	113778	107566
National Bank	42501	41824	66282	71907	77256	82064	85116	83884	83221	85066	87857	90799	87790
Assets	45854	44686	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849
Liabilities	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59
Deposit Money Banks	23291	27041	23456	24704	23032	23555	22926	22571	23919	23409	23094	22979	19776
Assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000
Liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224
B. Net domestic assets	16676	26206	19545	16577	18220	19219	28288	29824	33173	34538	37587	38540	48712
I. Domestic credits	50616	61356	62382	62714	65763	65575	77176	79487	83921	85601	88305	89928	100434
of which: Claims on Gov.	288	-916	-11791	-15747	-19421	-21017	-17184	-16633	-14556	-15513	-14956	-15969	-9477
a) Deposit Money Banks	57666	69431	81371	88476	96610	99729	107866	109314	112162	115570	118545	122052	126931
-in denar	44528	52575	64186	69847	75954	77855	84368	85822	87861	90626	93354	96169	99837
Government	1447	1650	7118	9930	11340	12998	13377	13067	13562	14337	15165	16041	16907
Credits	1437	1648	7115	9927	11317	12974	13355	13045	13539	14314	15142	16018	16883
a) Budget and Line Ministries	687	1403	7033	9696	11015	12834	13095	12762	13241	14052	14994	15893	16777
b) Funds	750	245	82	231	302	140	260	283	298	262	148	125	106
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	10	2	3	3	23	24	22	22	23	23	23	23	24
Non-Government sector	43081	50925	57068	59917	64614	64857	70991	72755	74299	76289	78189	80128	82930
Credits	38430	45750	51672	54473	58993	60349	66410	68057	69569	71537	73380	75288	78031
of which: Overdue claims	9499	9160	9807	10146	10538	9682	9810	9737	9721	9560	9848	10180	10049
Accrued interest	4651	5175	5396	5444	5621	4508	4581	4698	4730	4752	4809	4840	4899
-in foreign currency	13138	16856	17185	18629	20656	21874	23498	23492	24301	24944	25191	25883	27094
Government	5891	5509	80	85	86	139	129	127	123	119	119	114	113
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Government sector	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981
of which: Overdue	1502	1600	1748	1444	1693	1532	1650	1625	1473	1511	1566	1630	1611
b) Nat. Bank Claims on Government	-7050	-8075	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969	-30240	-32124	-26497
2. Other items, net	-33940	-35150	-42837	-46137	-47543	-46356	-48888	-49663	-50748	-51063	-50718	-51388	-51722
M4 Total	82468	95071	109283	113188	118508	124838	136330	136279	140313	143013	148538	152318	156278
M4 (non-government sector)	80813	93947	108174	111912	117333	123869	135131	135262	139216	141473	147468	151242	155152
M1 (Total)	28209	27885	30034	28431	31201	32419	35436	33102	34022	35281	36164	36484	36864
M1 (non-government sector)	27273	27595	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319
Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844
Demand Deposits (total)	14032	13723	15595	14731	16621	17609	19230	18575	19036	20247	20633	21125	21020
Demand Deposits (non-government sector)	13096	13433	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475
- Deposit Money Banks	13954	13705	15577	14519	16509	17482	19207	18479	18705	19824	20159	20748	20814
Non-government sector	13018	13415	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269
Government	936	290	371	469	433	329	689	519	589	1027	456	530	545
a) Budget and Line Ministries	104	115	236	132	158	92	551	234	262	226	219	227	232
b) Funds	821	171	135	323	275	236	138	284	327	801	236	302	312
v) Ins. of Central Gov.: Courts, etc.	11	4	0	14	0	1	0	1	0	0	1	1	1
- National Bank (non-government sector)	78	18	18	212	112	127	23	96	331	423	474	377	206
M2 (Total)	77527	89906	104195	107835	112772	118872	129644	129731	133527	136240	140944	143911	147785
M2 (non-government sector)	76028	88886	103134	106607	111645	117952	128494	128763	132480	134750	139924	142885	146709
Short-term deposits (total)	49318	62021	74161	79404	81571	86453	94208	96629	99505	100959	104780	107427	110921
Short-term deposits (non-government sector)	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390
Deposit Money Banks	49318	62021	74161	79404	81571	86453	94208	96629	99505	100959	104780	107427	110921
Non-Government sector	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390
- in denar	15568	20483	24364	27889	28062	30638	36317	37295	39293	40511	43540	45648	48389
- in foreign currency	33187	40808	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001
Government	563	730	690	759	694	591	461	449	458	463	564	496	531
- in denar	538	703	689	759	694	590	460	448	457	462	563	496	531
- in foreign currency	25	27	1	0	0	1	1	1	1	1	1	0	0
- National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term deposits (total)	4941	5165	5088	5353	5736	5966	6686	6548	6786	6773	7594	8407	8493
- in denar	3653	3464	3105	3171	3303	3292	3678	3641	3739	3799	4536	4734	4938
- in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555
Non-government sector	4785	5061	5040	5305	5688	5917	6637	6499	6736	6723	7544	8357	8443
- in denar	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749	4486	4684	4888
- in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555
-Deposit Money Banks	4941	5165	5088	5353	5736	5966	6686	6548	6786	6773	7594	8407	8493
Non-Government sector - in denar	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749	4486	4684	4888
Non-Government sector - in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555
Government - in denar	156	104	48	48	48	49	49	49	50	50	50	50	50
Government - in foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0
-National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	68291	80909	94844	99488	103928	110028	120124	121752	125327	127979	133007	136959	140434
Total deposits (non-government sector)	66636	79785	93735	98212	102753	109059	118925	120735	124230	126439	131937	135883	139308

Source: National Bank of the Republic of Macedonia.



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

	XII.05	2006				2007					
		III	VI	IX	XII	I	II	III	IV	V	VI
A. Net foreign assets	89738	96611	100288	105619	108042	106455	107140	108475	110951	113778	107566
National Bank	66282	71907	77256	82064	85116	83884	83221	85066	87857	90799	87790
Assets	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849
Liabilities	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59
Deposit Money Banks	23456	24704	23032	23555	22926	22571	23919	23409	23094	22979	19776
Assets	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000
Liabilities	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224
B. Net domestic assets	20000	17056	18745	19777	28877	30431	33789	35176	38234	39191	49372
I.Domestic credits	64162	64518	67649	67533	79379	81713	86130	87919	90708	92360	102921
of which: Claims on Gov.	-11729	-15690	-19358	-20945	-17029	-16498	-14492	-15449	-14885	-15903	-9406
a) Deposit Money Banks	83151	90280	98496	101687	110069	111540	114371	117888	120948	124484	129418
-in denar	65966	71651	77840	79813	86571	88048	90070	92944	95757	98601	102324
Government	7180	9987	11403	13070	13532	13202	13626	14401	15236	16107	16978
Credits	7177	9984	11380	13046	13510	13180	13603	14378	15213	16084	16954
a) Budget and Line Ministries	7095	9753	11078	12906	13250	12897	13305	14116	15065	15959	16848
b) Funds	82	231	302	140	260	283	298	262	148	125	106
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	3	3	23	24	22	22	23	23	23	23	24
Non Government sector	58786	61664	66437	66743	73039	74846	76444	78543	80521	82494	85346
Credits	53371	56199	60793	62212	68435	70124	71687	73765	75684	77625	80418
of which: Overdue claims	9915	10267	10666	9813	9939	9872	9861	9701	9993	10326	10208
Accrued interest	5415	5465	5644	4531	4604	4722	4757	4778	4837	4869	4928
-in foreign currency	17185	18629	20656	21874	23498	23492	24301	24944	25191	25883	27094
Government	80	85	86	139	129	127	123	119	119	114	113
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0
Non-Government sector	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981
of which: Overdue	1748	1444	1693	1532	1650	1625	1473	1511	1566	1630	1611
b) Nat. Bank Claims on Government	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969	-30240	-32124	-26497
2. Other items, net	-44162	-47462	-48904	-47756	-50502	-51282	-52341	-52743	-52474	-53169	-53549
M4 Total	109738	113667	119033	125396	136919	136886	140929	143651	149185	152969	156938
M4 (non-government sector)	108629	112391	117858	124427	135720	135869	139832	142111	148115	151893	155812
M1 (Total)	30034	28431	31201	32419	35436	33102	34022	35281	36164	36484	36864
M1 (non-government sector)	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319
Currency in circulation	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844
Demand Deposits (total)	15595	14731	16621	17609	19230	18575	19036	20247	20633	21125	21020
Demand Deposits (non-government sector)	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475
- Deposit Money Banks	15577	14519	16509	17482	19207	18479	18705	19824	20159	20748	20814
Non-government sector	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269
Government	371	469	433	329	689	519	589	1027	456	530	545
a) Budget and Line Ministries	236	132	158	92	551	234	262	226	219	227	232
b) Funds	135	323	275	236	138	284	327	801	236	302	312
v) Ins. of Central Gov.: Courts, etc.	0	14	0	1	0	1	0	0	1	1	1
- National Bank (non-government sector)	18	212	112	127	23	96	331	423	474	377	206
M2 (Total)	104508	108170	113141	119270	130069	130174	133978	136713	141420	144391	148272
M2 (non-Government sector)	103447	106942	112014	118350	128919	129206	132931	135223	140400	143365	147196
Short-term deposits (total)	74474	79739	81940	86851	94633	97072	99956	101432	105256	107907	111408
Short-term deposits (non-government sector)	73784	78980	81246	86260	94172	96623	99498	100969	104692	107411	110877
Deposit Money Banks	74474	79739	81940	86851	94633	97072	99956	101432	105256	107907	111408
Non-Government sector	73784	78980	81246	86260	94172	96623	99498	100969	104692	107411	110877
- in denar	24677	28224	28431	31036	36742	37738	39744	40984	44016	46128	48876
- in foreign currency	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001
Government	690	759	694	591	461	449	458	463	564	496	531
- in denar	689	759	694	590	460	448	457	462	563	496	531
- in foreign currency	1	0	0	1	1	1	1	1	1	0	0
- National Bank	0	0	0	0	0	0	0	0	0	0	0
Long-term deposits (total)	5230	5497	5892	6126	6850	6712	6951	6938	7765	8578	8666
- in denar	3247	3315	3459	3452	3842	3805	3904	3964	4707	4905	5111
- in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555
Long-term deposits (Non-government sector)	5182	5449	5844	6077	6801	6663	6901	6888	7715	8528	8616
- in denar	3199	3267	3411	3403	3793	3756	3854	3914	4657	4855	5061
- in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555
-Deposit Money Banks	5230	5497	5892	6126	6850	6712	6951	6938	7765	8578	8666
Non-Government sector - in denar	3199	3267	3411	3403	3793	3756	3854	3914	4657	4855	5061
Non-Government sector - in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555
Government - in denar	48	48	48	49	49	49	50	50	50	50	50
Government - in foreign currency	0	0	0	0	0	0	0	0	0	0	0
-National Bank	0	0	0	0	0	0	0	0	0	0	0
Total deposits	95299	99967	104453	110586	120713	122359	125943	128617	133654	137610	141094
Total deposits (non-government sector)	94190	98691	103278	109617	119514	121342	124846	127077	132584	136534	139968

Source: National Bank of the Republic of Macedonia.



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

	XII.03	XII.04	XII.05	2006				2007					
				III	VI	IX	XII	I	II	III	IV	V	VI
Credits to non-government sector	45677	57094	68777	73017	79565	82083	89774	91417	93743	96362	98448	101057	105019
1. By currency													
1.1. in denars	38430	45747	51672	54473	58994	60350	66408	68055	69567	71539	73381	75290	78035
1.2. in foreign currency	7247	11347	17105	18544	20571	21733	23366	23362	24176	24823	25067	25767	26984
2. By maturity													
2.1. short-term	27448	29764	30915	32942	35376	34554	36460	37438	38029	38554	39134	40205	41335
2.2. long-term	18229	27330	37862	40075	44189	47529	53314	53979	55714	57808	59314	60852	63684
3. By sector													
3.1. households	9405	15276	21625	23079	25602	27625	30864	31817	32389	33607	35040	36628	38199
3.2. enterprises	36058	41681	46987	49842	53874	54377	58805	59498	61239	62647	63299	64307	66704
3.3. other	214	137	165	96	89	81	105	102	115	108	109	122	116
annual growth rate													
Credits to non-government sector		25.00	20.46	21.05	26.28	24.70	30.53	31.49	32.22	31.97	31.55	32.33	31.99
1. By currency													
1.1. in denars		19.04	12.95	14.90	21.47	21.26	28.52	30.24	30.90	31.33	32.10	32.97	32.28
1.2. in foreign currency		56.58	50.74	43.64	42.46	35.39	36.60	35.27	36.19	33.86	29.96	30.47	31.17
2. By maturity													
2.1. short-term		8.44	3.87	6.26	17.59	15.38	17.94	18.37	18.16	17.04	15.85	18.20	16.84
2.2. long-term		49.93	38.54	36.68	34.22	32.49	40.81	42.43	43.92	44.25	44.46	43.67	44.12
3. By sector													
3.1. households		62.42	41.56	39.31	37.04	36.24	42.72	45.20	45.52	45.62	47.48	48.38	49.20
3.2. enterprises		15.59	12.73	14.30	21.86	19.91	25.15	25.22	26.18	25.69	24.20	24.67	23.81
3.3. other		-35.98	20.44	-34.69	-23.93	-58.67	-36.36	0.99	7.48	12.50	-2.68	19.61	30.34

Source: National Bank of the Republic of Macedonia.



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

	XII.03	XII.04	XII.05	III.06	VI.06	IX.06	XII.06	I.07	II.07	III.07	IV.07	V.07	VI.07
1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844
2. Demand Deposits	13096	13433	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475
3. (1+2) Money supply M1	27273	27595	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319
4. Short-term deposits	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390
4.1. in denars	15568	20483	24364	27889	28062	30638	36317	37295	39293	40511	43540	45648	48389
4.2. in foreign currency	33187	40808	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001
5. (3+4.1.) Money supply M2 - Denar	42841	48078	54027	55851	58830	62728	71064	69878	72726	74765	79248	81602	84708
6. (5+4.2.) Money supply M2 - total	76028	88886	103134	106607	111645	117952	128494	128763	132480	134750	139924	142885	146709
7. Long-term deposits	4785	5061	5040	5305	5688	5917	6637	6499	6736	6723	7544	8357	8443
7.1. in denars	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749	4486	4684	4888
7.2. in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555
8. (6+7) Money supply M4 - total	80813	93947	108174	111912	117333	123869	135131	135262	139216	141473	147468	151242	155152
annual growth rates													
1. Currency in circulation		-0.11	1.96	3.73	8.89	9.79	12.24	10.89	9.91	9.74	6.67	10.50	8.67
2. Demand Deposits		2.57	13.33	3.79	17.71	19.87	21.79	23.68	23.30	34.76	35.43	31.31	26.48
3. Money supply M1		1.18	7.49	3.76	13.36	14.99	17.14	17.63	16.91	22.50	21.21	21.53	18.04
4. Short-term deposits		25.71	19.87	19.46	12.65	24.67	27.60	27.32	29.96	27.78	28.84	29.86	36.49
4.1. in denars		31.57	18.95	19.51	6.56	47.78	49.06	45.60	49.76	45.26	47.28	47.90	72.44
4.2. in foreign currency		22.96	20.34	19.44	16.17	14.71	16.95	17.94	19.56	18.18	18.23	19.04	17.39
5. Money supply M2 - denar		12.22	12.37	11.07	10.01	28.97	31.53	31.07	32.63	33.87	34.27	35.00	43.99
6. Money supply M2 - total		16.91	16.03	14.90	12.84	21.88	24.59	24.72	26.40	26.40	26.81	27.66	31.41
7. Long-term deposits		5.77	-0.41	14.23	16.03	21.47	31.69	28.01	29.86	26.73	32.23	52.58	48.44
7.1. in denars		-3.92	-9.02	0.39	5.24	3.61	18.71	15.46	17.63	20.04	37.73	43.11	50.17
7.2. in foreign currency		32.07	16.58	42.34	34.49	53.59	51.69	47.86	48.56	36.30	24.92	66.65	46.12
8. Money supply M4 - total		16.25	15.14	14.87	12.99	21.86	24.92	24.87	26.56	26.41	27.07	28.82	32.23

Source: National Bank of the Republic of Macedonia.



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

I. NON-GOVERNMENT SECTOR

- Enterprises

Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements	
	By currency		By maturity		By maturity		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	5	6	7	8	9	10
XII.03	19643	5582	14555	10670	92	596	8713	1454	93	0
XII.04	22104	9312	16334	15082	69	519	8058	1571	48	0
XII.05	21911	14636	15581	20966	63	449	8167	1710	51	0
2006 III	23335	16142	17172	22305	57	442	8412	1406	48	0
VI	25549	17561	18653	24457	60	455	8566	1653	27	0
IX	25691	18717	18213	26195	56	456	7948	1485	27	0
XII	28718	20058	19017	29759	60	459	7890	1601	25	0
2007 I	29508	20073	19374	30207	51	460	7805	1576	27	0
II	30492	21050	19995	31547	48	459	7744	1417	28	0
III	31338	21607	20236	32709	43	441	7723	1456	35	0
IV	31588	21724	19977	33335	39	427	7980	1510	30	0
V	31745	22317	20084	33978	36	415	8198	1576	23	0
VI	33125	23482	20986	35621	33	395	8092	1549	20	0

- Households

Period	Credits										Securities		Overdue and doubtful and contested claims	
	By currency		By maturity		By purposes						By maturity		By currency	
	In denars	In foreign currency	Short-term	Long-term	Consumption	Commitments	For housing construction	For business premises	For performing independent activity	For other purposes	Short-term	Long-term	In denars	In foreign currency
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
XII.03	8603	3	1739	6867	319	1186	1465	13	202	5421	0	0	781	18
XII.04	13819	341	2519	11641	396	1507	1963	13	456	9825	0	0	1098	18
XII.05	19339	705	3612	16432	443	2366	2734	12	933	13556	0	0	1545	36
2006 III	20395	952	4031	17316	484	2737	2862	11	1087	14166	0	0	1697	35
VI	22344	1308	4386	19266	468	3195	3123	9	1388	15469	0	0	1913	39
IX	24423	1479	5028	20874	496	3905	3451	6	1508	16536	0	0	1675	46
XII	27290	1660	5864	23086	455	4828	3832	6	1781	18048	0	0	1866	47
2007 I	28228	1666	6586	23308	438	5594	3908	5	1814	18135	0	0	1878	48
II	28779	1650	6727	23702	443	5720	3988	5	1895	18378	0	0	1910	55
III	30074	1701	7164	24611	439	6164	4104	17	1990	19061	0	0	1783	53
IV	31403	1775	7670	25508	451	6619	4231	18	2065	19794	0	0	1814	53
V	32829	1817	8240	26406	460	7156	4363	18	2149	20500	0	0	1928	52
VI	34356	1883	8622	27617	453	7569	4550	18	2201	21448	0	0	1903	59

Source: National Bank of the Republic of Macedonia.



Total claims on deposit money banks
in millions of denars

- Other										
Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements	
	By currency		By maturity		By maturity		By currency		By maturity	
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term	In denars	In foreign currency	Short-term	Long-term
XII.03	23	156	83	96	0	0	5	30	0	0
XII.04	32	93	37	88	0	0	4	11	0	0
XII.05	60	8	53	15	0	0	95	2	0	0
2006 III	51	5	44	12	0	0	37	3	0	0
VI	26	2	19	9	0	0	59	1	0	0
IX	20	1	14	7	0	0	59	1	0	0
XII	49	0	43	6	0	0	54	2	0	0
2007 I	47	0	42	5	0	0	54	1	0	0
II	47	0	42	5	0	0	67	1	0	0
III	48	4	6	46	0	0	54	2	0	0
IV	48	4	9	43	0	0	54	3	0	0
V	56	4	9	51	0	0	54	2	5	0
VI	54	4	9	49	0	0	54	3	0	0

II. GOVERNMENT

Period	Credits				Securities		Overdue and doubtful and contested claims	Other placements	
	By currency		By maturity		By currency				
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term			
XII.03	0	2	0	2	0	6706	0	0	
XII.04	151	7	151	7	539	6460	0	0	
XII.05	3	80	11	72	790	6322	0	0	
2006	III	204	85	162	127	3393	6330	0	0
	VI	289	86	250	125	4821	6207	0	0
	IX	125	139	89	175	6703	6146	0	0
	XII	228	129	206	151	7103	6024	0	0
2007	I	250	127	229	148	6828	5967	0	0
	II	265	123	243	145	7151	6123	0	0
	III	228	119	151	196	7990	6096	0	0
	IV	177	119	104	192	8963	6002	0	0
	V	153	114	83	184	9869	5996	0	0
	VI	134	113	67	180	10872	5877	0	0

Source: National Bank of the Republic of Macedonia.



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

Period	in millions of denars													
	Deposits										Securities		Other Denar credit liabilities	
	In denars					In foreign currency								
	demand deposits	sight deposits	with maturity up to 3 months	with maturity over 3 months up to 1 year	with maturity over 1 year	restricted deposits	sight deposits	with maturity up to 1 year	with maturity over 1 year	restricted deposits	short-term	long-term	up to 1 year	over 1 year

I. NON-GOVERNMENT SECTOR

- Enterprises

XII.03	8507	391	5830	899	231	90	4892	1481	0	463	0	0	0	0
XII.04	8988	259	7813	1905	449	111	5020	4088	0	561	0	0	0	0
XII.05	10143	218	7756	2294	635	107	4487	6500	0	535	0	0	0	27
2006 III	9226	132	9279	2621	712	104	5138	6221	6	542	0	0	0	25
VI	10515	147	8235	2071	739	114	5445	6766	7	675	0	0	0	22
IX	11550	207	10185	2241	614	114	5280	7869	7	625	0	0	0	19
XII	12851	309	12317	2316	478	77	6007	8489	7	756	0	0	0	17
2007 I	12342	382	12265	2273	444	71	6373	8794	7	596	0	0	0	16
II	12366	447	13286	2248	481	82	7044	8845	7	666	0	0	0	16
III	12849	435	13870	2059	458	72	9716	6327	7	522	0	0	0	15
IV	13377	489	14349	2045	1093	85	7321	9483	7	466	0	0	0	14
V	13856	450	15184	2058	1142	66	6887	9923	7	833	0	0	0	13
VI	13798	386	16566	2232	1185	70	7846	9519	7	615	0	0	0	12

- Households

XII.03	2712	4492	2683	900	2082	0	15774	10899	815	0	0	0		
XII.04	2710	4884	3055	2224	1718	0	16890	14529	1137	0	0	0		
XII.05	3172	5575	3940	3943	1319	0	19276	18581	1448	0	0	0		
2006 III	3074	6016	4606	4684	1359	0	19561	19639	1634	0	0	0		
VI	3428	6682	5010	5201	1398	0	20291	20103	1751	0	0	0		
IX	3318	6158	5546	5782	1492	0	20777	20970	2042	0	0	0		
XII	3716	6917	7260	6621	1649	0	20791	21870	2245	0	0	0		
2007 I	3787	6948	7551	7284	1660	0	20980	22463	2304	0	0	0		
II	3883	7311	7639	7772	1696	0	21030	22573	2374	0	0	0		
III	4045	7233	7944	8392	1754	0	20758	22965	2445	0	0	0		
IV	4341	8658	8399	9021	1844	0	20717	22927	2585	0	0	0		
V	4424	8700	8986	9677	1998	0	21097	23132	2833	0	0	0		
VI	4454	8867	9259	10487	2067	0	21030	23374	2933	0	0	0		

Source: National Bank of the Republic of Macedonia.



Total claims on deposit money banks
in millions of denars

Period	Deposits										Securities		Other Denar credit liabilities	
	In denars						In foreign currency				short-term	long-term	up to 1 year	over 1 year
	demand deposits	sight deposits	with maturity up to 3 months	with maturity over 3 months up to 1 year	with maturity over 1 year	restricted deposits	sight deposits	with maturity up to 1 year	with maturity over 1 year	restricted deposits				
- Other														
XII.03	1799	0	202	171	111	78	141	0	10	0	0	0	0	905
XII.04	1672	0	172	167	31	134	281	0	3	0	0	0	4	921
XII.05	1891	0	446	192	26	136	261	0	0	0	0	0	0	807
2006 III	1750	0	345	206	24	137	197	0	0	0	0	0	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
IV	1985	0	238	341	223	166	228	0	0	0	0	0	0	1061
V	1938	0	221	370	232	167	244	0	0	0	0	0	0	1066
VI	2017	0	219	372	309	167	229	0	0	0	0	0	0	1078

II. GOVERNMENT

XII.03	936	0	372	166	156	0	25						0	0
XII.04	335	0	379	324	104	0	27						0	0
XII.05	371	0	539	150	48	0	1						0	0
2006 III	469	0	502	257	48	0	0						0	0
VI	433	0	433	261	48	0	0						0	0
IX	329	0	434	156	49	0	1						0	0
XII	689	0	362	98	49	0	1						0	0
2007 I	519	0	353	95	49	0	1						0	0
II	589	0	352	105	50	0	1						0	0
III	1027	0	351	111	50	0	1						0	0
IV	456	0	452	111	50	0	1						0	0
V	530	0	415	81	50	0	0						0	0
VI	545	0	444	87	50	0	0						0	0

Source: National Bank of the Republic of Macedonia.



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

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

Source: National Bank of the Republic of Macedonia.



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

Period	Discount rate	Lending interest rates - creating liquidity		Deposit interest rates - withdrawing liquidity	
		Over night credits-Lombard credit	Auction repo- transactions*	CB bills - basic maturity**	
				volume tender	interest rate tender
	1	2	3	4	5
XII-2003	6.5	14.0			6.2
I-2004	6.5	14.0			6.8
II	6.5	14.0		7.5	
III	6.5	14.0		8.0	
IV	6.5	14.0		8.0	
V	6.5	14.0		8.0	
VI	6.5	14.0		8.0	
VII	6.5	11.0		8.0	
VIII	6.5	11.0		8.3	
IX	6.5	11.0		8.6	
X	6.5	11.0		9.0	
XI	6.5	11.0		9.7	
XII	6.5	13.0		10.0	
I-2005	6.5	13.0		10.0	
II	6.5	13.0		10.0	
III	6.5	13.0		10.0	
IV	6.5	13.0		10.0	
V	6.5	13.0		10.0	
VI	6.5	13.0		10.0	
VII	6.5	13.0		10.0	
VIII	6.5	13.0		10.0	
IX	6.5	13.0		10.0	
X	6.5	13.0			10.0
XI	6.5	13.0			9.1
XII	6.5	13.0			8.5
I-2006	6.5	13.0			7.3
II	6.5	11.0			7.1
III	6.5	11.0			6.8
IV	6.5	11.0			6.2
V	6.5	11.0			5.7
VI	6.5	9.5			5.8
VII	6.5	9.5			5.6
VIII	6.5	9.5			5.5
IX	6.5	9.5			5.4
X	6.5	9.5			5.5
XI	6.5	9.5			5.7
XII	6.5	9.5			5.7
I-2007	6.5	9.5			5.7
II	6.5	9.5			5.4
III	6.5	9.5			5.3
IV	6.5	9.5			5.1
V	6.5	9.5			5.0
VI	6.5	7.5			4.9

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

** 28 days

Source: National Bank of the Republic of Macedonia.



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

Period	Reserve requirements of banks in Denar						Reserve requirements of banks in foreign currency			Reserve requirements of saving houses in Denar		
	Reserve requirement rate (%)	Liability on reserve requirement	Average fulfillment	Excess/Shortage	Fulfillment in percents (%)	Renumeration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Renumeration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Renumeration rate (%)
	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	7.5	2,559	3,053	494	119.3	4.0	7.5	2,869	1.0	2.5	7	4.0
III	7.5	2,558	3,069	511	120.0	4.0	7.5	2,895	1.0	2.5	8	4.0
IV	7.5	2,574	2,961	387	115.1	4.0	7.5	2,934	1.0	2.5	8	4.0
V	7.5	2,610	3,150	540	120.7	4.0	7.5	2,970	1.0	2.5	8	4.0
VI	7.5	2,632	3,016	383	114.6	4.0	7.5	3,089	1.0	2.5	8	4.0
VII	7.5	2,729	3,102	373	113.7	4.0	7.5	3,137	1.0	2.5	8	4.0
VIII	7.5	2,741	3,052	312	111.4	2.0	7.5	3,149	1.0	2.5	8	2.0
IX	7.5	2,827	3,139	375	111.1	2.0	7.5	3,190	1.0	2.5	8	2.0
X	7.5	2,843	3,100	256	109.0	2.0	7.5	3,218	1.0	2.5	8	2.0
XI	7.5	2,854	3,126	265	109.5	2.0	7.5	3,279	1.0	2.5	8	2.0
XII	7.5	2,855	3,309	454	115.9	2.0	7.5	3,374	1.0	2.5	8	2.0
I-2005	10.0	3,844	4,214	370	109.6	2.0	10.0	4,492		2.5	9	2.0
II	10.0	3,837	4,212	375	109.8	2.0	10.0	4,670		2.5	9	2.0
III	10.0	3,926	4,288	362	109.2	2.0	10.0	4,721		2.5	9	2.0
IV	10.0	4,074	4,400	326	108.0	2.0	10.0	4,772		2.5	10	2.0
V	10.0	4,237	4,728	491	111.6	2.0	10.0	4,770		2.5	10	2.0
VI	10.0	4,311	4,574	263	106.1	2.0	10.0	4,845		2.5	10	2.0
VII	10.0	4,450	4,757	306	106.9	2.0	10.0	4,946		2.5	10	2.0
VIII	10.0	4,098	4,399	300	107.3	2.0	10.0	5,000		2.5	11	2.0
IX	10.0	3,877	4,184	307	107.9	2.0	10.0	5,214		2.5	11	2.0
X	10.0	3,931	4,335	404	110.3	2.0	10.0	5,294		2.5	10	2.0
XI	10.0	4,086	4,464	378	109.3	2.0	10.0	5,241		2.5	11	2.0
XII	10.0	4,242	5,267	1,025	124.2	2.0	10.0	5,325		2.5	11	2.0
I-2006	10.0	4,352	4,573	220	105.1	2.0	10.0	5,396		2.5	11	2.0
II	10.0	4,434	5,000	566	112.8	2.0	10.0	5,433		2.5	12	2.0
III	10.0	4,542	4,944	403	108.9	2.0	10.0	5,507		2.5	12	2.0
IV	10.0	4,674	5,162	488	110.4	2.0	10.0	5,572		2.5	12	2.0
V	10.0	4,934	5,550	616	112.5	2.0	10.0	5,655		2.5	13	2.0
VI	10.0	5,058	5,433	375	107.4	2.0	10.0	5,663		2.5	13	2.0
VII	10.0	4,931	5,263	332	106.7	2.0	10.0	5,768		2.5	13	2.0
VIII	10.0	5,030	5,435	405	108.1	2.0	10.0	5,874		2.5	14	2.0
IX	10.0	5,213	5,549	336	106.4	2.0	10.0	6,003		2.5	14	2.0
X	10.0	5,304	5,618	314	105.9	2.0	10.0	6,117		2.5	14	2.0
XI	10.0	5,460	6,674	1,214	122.2	2.0	10.0	6,243		2.5	14	2.0
XII	10.0	5,618	6,705	1,087	119.3	2.0	10.0	6,373		2.5	14	2.0
I-2007	10.0	5,883	6,219	336	105.7	2.0	10.0	6,458		2.5	15	2.0
II	10.0	6,057	6,479	422	107.0	2.0	10.0	6,513		2.5	15	2.0
III	10.0	6,194	6,688	494	108.0	2.0	10.0	6,596		2.5	16	2.0
IV	10.0	6,431	6,900	469	107.3	2.0	10.0	6,675		2.5	16	2.0
V	10.0	6,803	7,401	597	108.8	2.0	10.0	6,736		2.5	16	2.0
VI	10.0	7,082	7,343	261	103.7	2.0	10.0	6,952		2.5	16	2.0

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

Source: National Bank of the Republic of Macedonia.



Table 19
Interest rates on government securities
(in %)

Period	3 months	6 months	12 months	2 years	3 years
	1	2	3	4	5
I-2004	7.5				
II	7.4				
III	8.8				
IV	8.9				
V	8.3				
VI	8.4				
VII	8.4				
VIII	8.4				
IX	8.5				
X	8.9				
XI	9.2	9.5			
XII	9.2	10.4			
I-2005	9.3	10.8			
II	10.0	10.8			
III	10.5	11.2			
IV	10.4	9.8			
V	10.8	10.5			
VI	10.4	10.5	11.1		
VII	10.4	10.6			
VIII	10.5	10.9			
IX	10.3	11.2			
X	9.8	10.1			
XI	8.9	9.9		10.0	
XII	8.0	8.8	9.6		
I-2006	7.2	7.6			
II	7.0	7.1			
III	6.8	7.3	8.6		
IV	6.4	6.8		9.4	
V	6.1	7.1			
VI	6.5	6.9	8.7		
VII	6.2	6.7			
VIII	6.0	6.6			
IX	6.0	7.0	8.7		
X	6.2	6.9		9.3	
XI	6.1	6.8			9.6
XII	6.3	7.0	8.9		
I-2007	6.5	6.8	8.8		
II	6.4	6.8		8.9	
III	6.4	7.0	8.4		8.0
IV	6.4	6.8			
V	6.2	6.6		5.7	
VI	5.4	5.5	5.8		

Source: National Bank of the Republic of Macedonia.



Table 20
Republic of Macedonia: balance of payments - summary /1
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%.

3/ 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 - summary /1
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 investm				Gross official reserves (= increase) /3			
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	-0.7	-72.0	160.5	-232.5	-2.2	37.7	39.9	5.0	11.7	6.7	68.5	83.2	14.7	-0.1	-1.2	-1.2	0.0	1.2	0.0	0.0	0.0	12.2	0.0	12.2	-38.1	-10.7	-34.6	5.9	1.4	27.1	0.8
II	9.7	-65.4	175.6	-241.0	0.7	39.7	39.0	3.4	10.0	6.6	70.9	83.2	12.3	-11.9	0.1	0.1	0.0	-12.0	5.0	3.1	1.9	-7.6	0.0	-7.6	-21.9	1.7	-10.9	-14.3	1.6	12.6	2.2
III	30.8	-58.7	198.9	-257.6	-0.1	41.1	41.2	5.6	12.6	7.0	84.0	100.6	16.6	-28.6	9.8	-0.2	10.0	-38.4	12.0	12.0	-0.1	16.0	0.0	16.0	-32.0	-38.8	12.3	-8.4	2.9	-34.4	-2.2
Q1	39.8	-196.1	535.0	-731.1	-1.6	118.5	120.1	14.0	34.2	20.2	223.5	267.1	43.6	-40.6	8.7	-1.3	10.0	-49.3	16.9	15.1	1.9	20.5	0.0	20.5	-92.0	-47.7	-33.3	-16.8	5.8	5.3	0.8
IV	1.8	-76.3	200.1	-276.5	1.1	41.9	40.8	-12.5	12.5	24.9	89.4	105.1	15.6	1.4	0.6	0.6	0.0	0.8	30.9	30.4	0.4	25.9	0.0	25.9	-9.7	5.7	-11.6	-10.7	6.9	-46.3	-3.1
V	48.6	-47.1	211.9	-259.0	-1.8	46.3	48.1	8.1	14.5	6.4	89.4	107.6	18.2	-43.0	0.3	0.3	0.0	-43.3	7.9	7.6	0.3	16.7	0.0	16.8	-58.1	-77.7	17.5	-0.6	2.6	-9.8	-5.7
VI	12.1	-54.3	229.1	-283.4	0.1	48.2	48.1	-21.2	11.7	32.9	87.5	104.9	17.3	-14.7	0.6	0.6	0.0	-14.7	6.4	7.4	-1.0	2.9	-0.3	3.2	-68.7	-24.1	-103.4	31.5	27.2	44.8	2.0
Q2	62.5	-177.7	641.1	-818.8	-0.6	136.4	137.0	-25.6	38.6	64.3	266.4	317.5	51.2	-55.7	1.5	1.5	0.0	-57.2	45.1	45.4	-0.3	45.5	-0.3	45.9	-136.5	-96.1	-97.4	20.2	36.7	-11.2	-6.8

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						Total, outflow	Communica- tions	Construction	Insurance	Outflow						
															Business services		Governmen t services	Other	Business services						Governme nt services	Other					
															o/w Agency commission	o/w Forwarding services			o/w Agency commission	o/w Forwarding services											
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	8.0	0.4	0.3	4.5	5.4			
II	0.7	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	16.3	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			
IV	1.1	41.9	40.8	3.1	8.5	5.3	-3.7	13.0	16.7	1.7	20.5	4.1	2.9	0.6	9.2	0.9	0.4	1.0	2.7	18.8	1.5	0.1	1.2	9.5	1.2	0.3	1.9	4.6			
V	-1.8	46.3	48.1	3.2	9.4	6.2	-5.9	13.0	18.9	0.9	23.9	4.7	4.8	0.3	9.8	1.0	0.8	1.1	3.3	23.0	1.9	0.1	1.2	11.9	1.6	0.2	2.1	5.8			
VI	0.1	48.2	48.1	4.3	10.5	6.1	-3.0	14.5	17.6	-1.2	23.2	3.8	6.5	0.5	6.2	0.9	0.6	0.9	5.3	24.4	2.0	0.1	1.5	14.6	1.6	0.4	1.9	4.3			
Q2	-0.6	136.4	137.0	10.6	28.3	17.7	-12.7	40.5	53.2	1.5	67.6	12.6	14.3	1.4	25.1	2.8	1.8	2.9	11.3	66.2	5.3	0.3	3.9	36.0	4.4	1.0	6.0	14.7			

Source: National Bank of the Republic of Macedonia



Table 23
Republic of Macedonia: balance of payments - income
In EUR Million

	Income, net	INCOME												
		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	3.4	4.9	5.0	0.1	-1.5	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	14.0	16.1	16.5	0.4	-2.1	-1.2	0.1	1.3	1.5	1.5	-0.1	-2.3	16.1	18.5
IV	-12.5	6.3	6.5	0.1	-18.8	-17.6	0.0	17.6	0.3	0.4	-0.1	-1.5	5.6	7.1
V	8.1	7.4	7.5	0.1	0.7	0.0	1.1	1.1	0.5	0.5	0.0	0.2	5.3	5.2
VI	-21.2	4.0	4.1	0.1	-25.2	-21.5	0.2	21.7	1.3	1.3	0.0	-5.0	6.1	11.1
Q2	-25.6	17.7	18.1	0.4	-43.3	-39.1	1.3	40.4	2.1	2.2	-0.2	-6.3	17.0	23.3

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	4.6	3.1	1.4	0.6	0.3	0.4	80.1	13.5	14.9	1.3	55.4	67.8	12.4	11.2	13.4	2.2
Q1		223.5	8.6	10.0	6.0	4.0	1.4	0.8	0.6	214.9	34.4	38.0	3.6	149.7	184.2	34.5	30.8	34.8	4.0
IV		89.4	5.4	6.5	5.3	1.2	1.1	0.4	0.7	84.0	12.0	13.3	1.3	61.1	73.2	12.1	10.9	12.0	1.2
V		89.4	5.9	6.5	4.8	1.7	0.6	0.4	0.1	83.5	14.2	15.4	1.1	59.2	74.6	15.4	10.1	11.1	1.1
VI		87.5	5.8	6.7	5.1	1.6	0.9	0.6	0.3	81.7	13.0	14.4	1.4	57.7	71.7	14.0	11.0	12.1	1.1
Q2		266.4	17.1	19.6	15.2	4.5	2.5	1.4	1.1	249.3	39.3	43.1	3.8	178.1	219.5	41.5	32.0	35.3	3.4

Source: National Bank of the Republic of Macedonia



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

		Capital and Financial Account, excluding reserve assets																							
		A. Capital account, net			B. Financial account, excluding reserve assets																				
					1. Direct investment			2. Portfolio investment			3. Other investment														
		Net	Capital transfers, net	Acquisition/disposal of non-produced, non-fin. assets	Financial account, net	Net	Inward	Outward	Net	Assets	Liabilities	3. Other investment, net	3.1. Trade credits, net	Loans, net	Assets	3.2. Loans			3.3. Currency and deposits				3.4. Other, net		
Total	Long-term															Short-term	Currency and deposits, net	Monetary Authorities, net	General government, net	Banks, net	Other sectors, net				
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	-27.2	-1.2	-1.2	0.0	-25.9	0.0	0.0	0.0	12.2	0.0	12.2	-38.1	-10.7	-34.6	0.0	-34.6	-38.9	4.3	5.9	0.0	0.0	3.7	2.2	1.4	
II	-24.5	0.1	0.1	0.0	-24.6	5.0	3.1	1.9	-7.6	0.0	-7.6	-21.9	1.7	-10.9	0.0	-10.9	-19.1	8.2	-14.3	0.0	0.0	-8.2	-6.1	1.6	
III	5.8	9.8	-0.2	10.0	-4.0	12.0	12.0	-0.1	16.0	0.0	16.0	-32.0	-38.8	12.3	0.0	12.3	3.4	8.9	-8.4	0.0	0.0	0.7	-9.0	2.9	
Q1	-45.8	8.7	-1.3	10.0	-54.5	16.9	15.1	1.9	20.5	0.0	20.5	-92.0	-47.7	-33.3	0.0	-33.3	-54.6	21.4	-16.8	0.0	0.0	-3.8	-13.0	5.8	
IV	47.6	0.6	0.6	0.0	47.1	30.9	30.4	0.4	25.9	0.0	25.9	-9.7	5.7	-11.6	-0.1	-11.5	-12.6	1.1	-10.7	0.0	0.0	-1.6	-9.1	6.9	
V	-33.2	0.3	0.3	0.0	-33.5	7.9	7.6	0.3	16.7	0.0	16.8	-58.1	-77.7	17.5	-3.7	21.2	-0.4	21.6	-0.6	0.0	0.0	4.9	-5.4	2.6	
VI	-58.9	0.6	0.6	0.0	-59.5	6.4	7.4	-1.0	2.9	-0.3	3.2	-68.7	-24.1	-103.4	-5.9	-97.5	-96.9	-0.6	31.5	0.0	0.0	37.9	-6.4	27.2	
Q2	-44.5	1.5	1.5	0.0	-45.9	45.1	45.4	-0.3	45.5	-0.3	45.9	-136.5	-96.1	-97.4	-9.7	-87.8	-109.9	22.1	20.2	0.0	0.0	41.2	-20.9	36.7	

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				Total	2007		2007		
	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q1	Q2
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	702.1	865.9	1,037.4	1,176.27
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	40.8	64.3	109.6	120.27
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	54.7	7.3	10.14
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	46.4	57.4	54.93
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	18.6	209.7	143.70
Animal and vegetable oils and fats	0.8	7.0	2.9	0.4	0.7	0.8	0.2	2.2	24.5	52.9	30.0	6.5	7.8	9.1	7.2	30.6	0.2	0.3	5.5	9.63
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	34.4	101.5	124.98
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	437.5	298.3	387.11
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	33.5	180.7	239.42
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	169.8	176.0	66.6	85.10
Commodities and transactions not classified in SITC	2.7	3.5	3.7	1.8	0.9	0.7	0.2	3.5	452.4	340.1	2.1	1.1	0.7	0.7	1.1	3.6	0.4	0.3	0.9	1.00
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	434.4	560.7	692.9	736.83
Capital goods	22.3	30.6	39.9	8.6	9.4	19.0	14.4	51.5	285.9	312.8	348.5	79.0	126.8	100.2	113.6	419.7	15.8	16.6	107.6	146.62
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	251.9	288.6	236.1	291.84
Unknown	0.9	1.3	0.8	0.1	0.3	0.7	0.2	1.3	2.7	2.3	2.1	1.1	0.7	0.7	1.1	3.6	0.0	0.0	0.9	0.98

Source: State Statistical Office of the Republic of Macedonia.



Table 27
Foreign trade by countries
In USD Million

	EXPORT								IMPORT								EXPORT		IMPORT	
	2003	2004	2005	2006				2003	2004	2005	2006				Total	2007		2007		
	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Total	Total	Total	Q1	Q2	Q3		Q4	Q1	Q2	Q1	Q2
TOTAL	1,366.99	1,675.88	2,042.30	451.00	586.78	701.47	661.47	2,400.71	2,306.35	2,931.63	3,232.84	727.55	985.90	969.47	1,079.79	3,762.72	702.08	865.95	1,037.41	1,176.27
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																	126.29	147.59	75.15	95.93
Montenegro																	4.07	7.73	0.16	0.35
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	104.96	105.14	99.64	122.68
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	96.07	110.84	96.02	104.29
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	70.19	102.09	52.77	87.28
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	57.18	52.28	56.31
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	38.32	23.00	29.95
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	55.79	5.59	7.49
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	22.76	6.39	7.66
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	18.22	14.81	16.71
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	10.74	35.79	47.68
Spain	21.29	23.03	14.01	2.21	9.66	12.83	25.71	50.40	24.61	30.97	32.36	9.67	13.07	13.24	15.75	51.73	51.37	75.16	11.36	14.23
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	20.31	29.04	35.81
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	14.63	16.83	2.42	4.49
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	26.84	11.64	13.24
Russia	13.74	19.67	21.42	6.01	6.37	8.34	4.77	25.48	178.97	271.01	425.24	137.46	98.63	150.55	182.93	569.58	4.88	5.28	157.39	99.05
USA	72.80	72.06	44.45	6.42	6.55	5.77	3.68	22.42	56.55	47.95	45.21	8.69	11.28	9.66	11.37	41.00	6.24	9.66	16.55	22.08
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	2.19	8.21	11.56
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	4.17	5.36	16.49	23.70
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	2.93	31.11	17.27
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	2.81	8.92	14.09
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	4.88	17.35	20.67
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	1.84	16.16	19.47
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	1.32	8.76	11.22
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	1.39	2.54	34.18	35.27
Cyprus	0.50	4.80	5.54	0.67	1.05	2.02	0.73	4.48	4.08	4.69	3.47	0.82	0.37	0.20	0.10	1.50	1.74	0.28	0.18	0.14
Australia	2.47	2.52	1.71	0.44	0.48	0.55	0.80	2.27	6.72	2.73	4.29	0.47	0.52	0.32	0.46	1.78	0.89	0.44	0.59	0.84
Ukraine	1.78	2.16	2.04	0.09	0.30	0.85	0.55	1.80	88.03	74.10	72.11	18.61	31.72	30.14	25.18	105.65	0.40	0.51	24.46	29.25
Korea	0.12	1.96	1.37	0.00	0.00	0.00	1.65	1.65	14.02	23.38	33.69	9.08	10.98	10.70	10.48	41.24	0.00	0.00	11.04	12.02
China	14.59	1.36	9.93	0.12	1.19	0.11	0.05	1.47	48.32	82.02	115.28	28.31	34.32	36.89	39.87	139.39	0.03	0.03	44.21	57.24
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	1.01	3.50	5.48
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	0.14	6.76	8.85
Canada	0.49	1.12	1.09	0.21	0.07	0.32	0.37	0.97	3.96	8.65	22.27	1.97	26.90	4.17	3.00	36.04	0.25	0.23	3.55	3.57
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	1.82	0.04	0.08
Hong Kong	0.22	0.14	0.06	0.02	0.00	0.01	0.15	0.18	2.43	2.96	2.58	0.23	0.59	0.56	0.36	1.74	0.01	0.01	0.60	0.58
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	0.02	0.01	0.13
Argentina	0.01	0.31	1.59	0.00	0.01	0.00	0.00	0.01	5.59	9.88	8.74	3.08	2.59	2.67	2.35	10.68	0.00	0.00	3.10	2.85
Bolivia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.81	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.01	15.02	18.36

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	
FDI in Republic of Macedonia	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
Afghanistan	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
Dominikan 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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
Liechtenstein	0.2	0	3.8	1	10.2	3	4.8	1	6.5	1	4.1	0	22.0	2	1.5	0	2.5	0
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
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
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
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
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
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
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
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
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
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
Pakistan	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
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
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
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
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
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
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
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
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
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
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
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
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
Switzerland	32.1	23	40.8	15	45.8	13	61.5	11	79.2	8	85.2	7	101.9	8	143.9	9	164.2	9
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
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
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
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
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
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
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
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
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
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
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
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
European Bank for Reconstruction and Development	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	2.6	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																		
CONSTRUCTION	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.7	0	5.2	0	6.2	0
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.
1/ Preliminary data.


Table 30

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

In USD Million

	2003	2004	2005
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	201.3
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

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



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
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
EBRD	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
EBRD	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

Source: National Bank of the Republic of Macedonia.

1/Preliminary data.



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
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	1.0	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 30.06.2007

In EUR Million

	Debt Stock on 30.06.2007	Debt service - 01.01.-30.06.2007			Disbursements - 01.01.- 30.06.2007
		Principal	Interest	Total	
Long- term debt	1,644.7	292.2	27.6	319.7	168.0
Public sector	1,012.8	229.1	17.5	246.6	34.2
General government	857.0	181.7	13.4	195.0	24.1
Central government	823.1	170.2	12.2	182.3	19.8
Official creditors	671.0	170.1	12.2	182.2	18.3
Multilateral creditors	605.2	92.4	9.6	101.9	9.7
IBRD	76.3	86.2	4.3	90.5	2.9
IDA	285.2	1.6	1.1	2.7	0.0
IFAD	12.8	0.1	0.0	0.1	0.6
CEDB	17.9	0.0	0.4	0.4	0.0
EBRD	20.2	1.3	0.5	1.7	1.2
EIB	102.7	3.2	1.7	4.9	5.0
EUROFIMA	0.0	0.0	0.0	0.0	0.0
EU	90.0	0.0	1.6	1.6	0.0
Bilateral creditors	65.8	77.7	2.6	80.3	8.5
Rescheduled debt 1995	2.4	76.6	2.2	78.8	0.0
Non rescheduled debt	6.6	0.0	0.0	0.0	0.0
New loans	56.9	1.1	0.4	1.5	8.5
Private creditors	152.1	0.1	0.0	0.1	1.6
Euro bonds	150.0	0.0	0.0	0.0	0.0
Other private creditors	2.1	0.1	0.0	0.1	1.6
Banks	2.1	0.1	0.0	0.1	1.6
Non-bank private sector	0.0	0.0	0.0	0.0	0.0
Public funds	33.9	11.5	1.2	12.7	4.3
Official creditors	33.9	11.5	1.2	12.7	4.3
Multilateral creditors	33.9	11.5	1.2	12.7	4.3
IBRD	0.0	10.1	0.3	10.4	0.0
EBRD	27.1	0.0	0.5	0.5	4.3
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	0.0	41.7	0.9	42.6	0.0
IMF	0.0	41.7	0.9	42.6	0.0
Public enterprises	155.8	5.7	3.2	9.0	10.1
Official creditors	77.7	2.9	1.3	4.2	9.9
Multilateral creditors	57.6	1.8	1.0	2.8	3.3
IBRD	27.0	0.9	0.5	1.4	2.2
EBRD	7.5	0.8	0.2	1.0	1.0
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	0.1	0.1	0.0
Bilateral creditors	20.2	1.1	0.3	1.4	6.7
New loans	20.2	1.1	0.3	1.4	6.7
Private creditors	78.0	2.8	1.9	4.8	0.2
Other private creditors	78.0	2.8	1.9	4.8	0.2
Banks	75.5	2.6	1.8	4.4	0.0
Non-bank private sector	2.5	0.2	0.1	0.3	0.2

Source: National Bank of the Republic of Macedonia.

1/Preliminary data.



Republic of Macedonia: external debt-stock and flow data for the period 30.06.2007
In EUR Million

	Debt Stock on 30.06.2007	Debt service - 01.01.-30.06.2007			Disbursements - 01.01.- 30.06.2007
		Principal	Interest	Total	
Private sector	631.9	63.1	10.1	73.2	133.7
Private Banks	146.7	27.6	3.6	31.3	37.8
Official creditors	47.9	20.6	1.6	22.2	24.7
Multilateral creditors	33.4	20.6	1.3	21.9	20.2
EBRD	27.9	20.6	1.2	21.8	17.5
IFC	0.0	0.0	0.1	0.1	0.0
EIB	5.6	0.0	0.0	0.0	2.8
Bilateral creditors	14.5	0.0	0.3	0.3	4.5
New loans	14.5	0.0	0.3	0.3	4.5
Private creditors	98.8	7.0	2.1	9.1	13.0
Other private creditors	98.8	7.0	2.1	9.1	13.0
Banks	80.8	7.0	1.9	8.9	13.0
Non-bank private sector	18.0	0.0	0.2	0.2	0.0
Non-bank private sector	485.2	35.4	6.5	41.9	96.0
Official creditors	15.6	2.9	0.3	3.2	2.6
Multilateral creditors	11.8	1.0	0.3	1.3	2.6
IBRD	0.0	0.0	0.0	0.0	0.0
EBRD	8.9	0.6	0.2	0.8	2.6
IFC	2.9	0.4	0.1	0.5	0.0
EAR	0.0	0.0	0.0	0.0	0.0
Bilateral creditors	3.8	1.9	0.0	1.9	0.0
New loans	3.8	1.9	0.0	1.9	0.0
Private creditors	469.6	32.5	6.2	38.7	93.4
Other private creditors	469.6	32.5	6.2	38.7	93.4
Banks	155.3	5.8	2.9	8.6	33.8
Non-bank private sector	314.4	26.8	3.3	30.1	59.5
Short - term debt	125.1	3.3	1.2	4.5	79.5
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	125.1	3.3	1.2	4.5	79.5
Private Banks	32.4	0.0	0.4	0.4	30.8
Loans	32.4	0.0	0.4	0.4	30.8
Non-bank private sector	92.7	3.3	0.8	4.1	48.8
Trade credits	0.2	0.0	0.0	0.0	0.0
Loans	92.4	3.3	0.8	4.1	48.8
Total	1,769.8	295.5	28.8	324.2	247.5

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
IV	108.5	4.2	0.0	1,343.0	1,455.7	17.7
V	106.8	1.4	0.0	1,357.8	1,466.0	17.8
VI	104.8	1.4	0.0	1,312.2	1,418.4	17.8
Q2	104.8	1.4	0.0	1,312.2	1,418.4	17.8

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
	Q2	-	-	-	-	37.1487	90.0730	45.3961	61.1741	37.6175
2005	I	-	-	-	-	39.7112	87.8420	46.6876	61.4287	45.1666
	II	-	-	-	-	39.5700	88.9779	47.1916	61.359	44.9537
	III	-	-	-	-	39.6300	88.6702	46.5671	61.4176	44.2666
	IV	-	-	-	-	39.6527	89.8171	47.4544	61.3886	44.1968
	V	-	-	-	-	39.7529	89.8212	48.2674	61.4171	45.2970
	VI	-	-	-	-	39.8482	91.6345	50.3377	61.3120	46.3906
	VII	-	-	-	-	39.2967	89.0983	50.8157	61.2015	45.4303
	VIII	-	-	-	-	39.4266	89.3141	49.7871	61.2329	45.0299
	IX	-	-	-	-	39.5245	90.3334	49.8574	61.2245	44.9833
	X	-	-	-	-	39.4880	89.7278	50.8468	61.1880	44.3459
	XI	-	-	-	-	39.6099	90.1112	51.8977	61.1789	43.8416
	XII	-	-	-	-	39.5424	90.1243	51.6661	61.2046	43.5954
2006	I	-	-	-	-	39.5447	89.3827	50.7503	61.2839	43.8820
	II	-	-	-	-	39.3020	89.6578	51.2317	61.2179	43.4344
	III	-	-	-	-	39.0093	88.8557	50.9433	61.1970	43.4544
	IV	-	-	-	-	38.8317	88.0838	49.9694	61.1625	42.5913
	V	-	-	-	-	39.2724	89.4229	47.9649	61.1686	42.8457
	VI	-	-	-	-	39.2134	89.1251	48.3312	61.1670	42.1803
	VII	-	-	-	-	39.0015	88.9010	48.2135	61.1671	41.7135
	VIII	-	-	-	-	38.7629	90.3501	47.7888	61.1688	41.2355
	IX	-	-	-	-	38.6238	90.6172	48.0105	61.1732	41.0371
	X	-	-	-	-	38.4876	90.9394	48.4970	61.1815	40.8833
	XI	-	-	-	-	38.4257	90.8063	47.5741	61.1799	40.5425
	XII	-	-	-	-	38.3251	90.9675	46.3465	61.1954	39.5143
2007	I	-	-	-	-	37.8973	92.1831	47.0635	61.1802	39.1269
	II	-	-	-	-	37.7300	91.6664	46.8414	61.1905	38.8048
	III	-	-	-	-	37.9428	89.9742	46.2014	61.1729	39.4077
	IV	-	-	-	-	37.3937	90.0173	45.3304	61.1754	38.1562
	V	-	-	-	-	37.0661	89.7285	45.2464	61.1729	37.5017
	VI	-	-	-	-	36.9892	90.4847	45.6166	61.1739	37.1983

Source: National Bank of the Republic of Macedonia.

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



Table 37
Mid exchange rates (end of period)

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

Source: NBRM.

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

year	month	Nominal Effective Exchange Rate of Denar	Real Effective Exchange Rate of Denar	
			Consumer Price Index	Producer Price Index
1995	XII	108.9	103.4	100.5
1996	XII	110.2	90.0	89.9
1997	XII	100.4	78.2	83.8
1998	XII	109.1	74.4	84.0
1999	XII	110.3	68.6	78.0
2000	XII	147.2	81.0	90.5
2001	XII	155.1	79.3	86.0
2002	XII	158.7	77.7	85.6
2003	XII	164.2	79.3	85.9
2004	XII	169.3	76.4	84.8
2005	XII	170.5	74.0	82.8
2006	XII	170.1	73.9	81.5
2006	I	170.8	75.4	83.4
	II	171.0	75.6	83.7
	III	171.2	75.2	82.9
	IV	171.5	75.0	82.6
	V	172.8	76.0	84.4
	VI	173.1	75.5	83.4
	VII	172.2	75.2	83.6
	VIII	171.4	74.6	82.9
	IX	171.5	74.3	82.4
	X	170.4	73.9	81.4
	XI	170.0	74.2	81.0
	XII	170.1	73.9	81.5
2007	I	170.2	74.2	81.4
	II	169.9	74.2	80.7
	III	170.9	74.2	81.1
	IV	170.9	74.0	80.9
	V	170.9	74.1	80.4
	VI	170.5	73.8	81.0

Source: NBRM.



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.