

National Bank of the Republic of Macedonia



**Quarterly Report
III / 2007**

December, 2007



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

The analysis of the short-term economic indicators in the third quarter of 2007 showed higher economic activity, opposite of the hindering in the growth in the second quarter. The industrial production, as one of the main moving forces of GDP, after the fall in the second quarter, in the third quarter of 2007, it registered moderate annual growth, as a result of the improved performances in the manufacturing industry and mining. Considering the import dependency of the Macedonian economy and bad conditions of trade, reflected through the growth in the oil prices and the decrease in the prices of basic metals on the international stock exchanges (on quarterly basis), growth in the trade deficit was registered in the third quarter. The increased inflows on the foreign exchange market, which mainly came out of the exchange operations (which in the third quarter were under the usual seasonal influences), contributed for neutralizing the trade deficit and for realization of positive balance on the current account. In such conditions, with using the strategy of fixed foreign exchange rate, the monetary policy was acting towards mitigating the pressures for appreciation in the domestic currency through net-purchase of foreign currencies on the foreign exchange market. Positive developments in the monetary and credit aggregates were also registered in the third quarter of the year.

In the third quarter of 2007, the annual growth rate of the inflation registered intensification, mainly because of the higher prices of the food products, which came as result of the draught and in the same time they correspond with the prices of food in global frames.

1.1. International economic environment¹

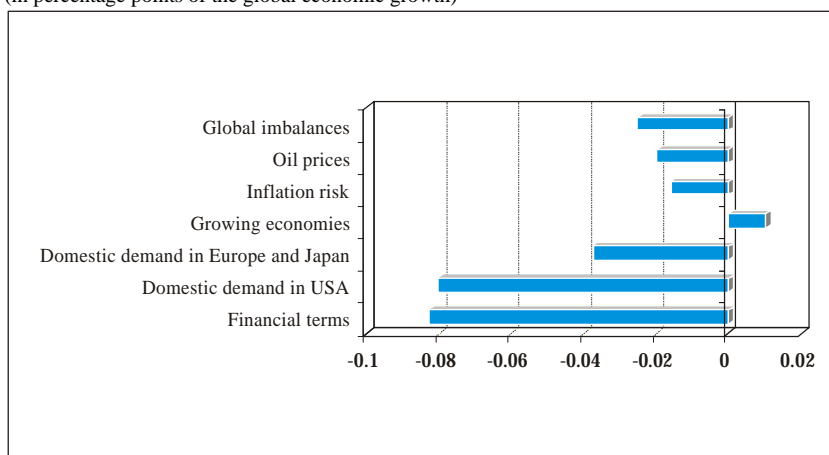
The global economy in the first half of 2007 continued growing with growth rate of over 5% and it was largely supported by the growth of China (11.5%), India (growth over 9%) and Russia (growth of about 8%). These three countries created almost half of the global growth and their extraordinary performances neutralized the moderate growth of USA and of the West European countries. The projected global growth for 2007 equals 5.2% and its intensification by the end of the year reflects solely the growth in the fast growing economies. The financial crisis which started in USA with the crisis on the sub-prime mortgage market created transfer effects in all segments of the financial markets not only in USA, but also in the West European countries. As a result of that, the crisis was treated as main factor of risk for the economic growth in these countries on short-term. The potential inflationary pressures (caused by the growth in the prices of food and energy), the influence of the capital inflows based on the growing economies and further keeping the global imbalances are considered as additional risk factors for the global growth, by the end of 2007 and for 2008.

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

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



Figure 1
Risks for the global economic growth
(in percentage points of the global economic growth)



Source: IMF, WEO October 2007.

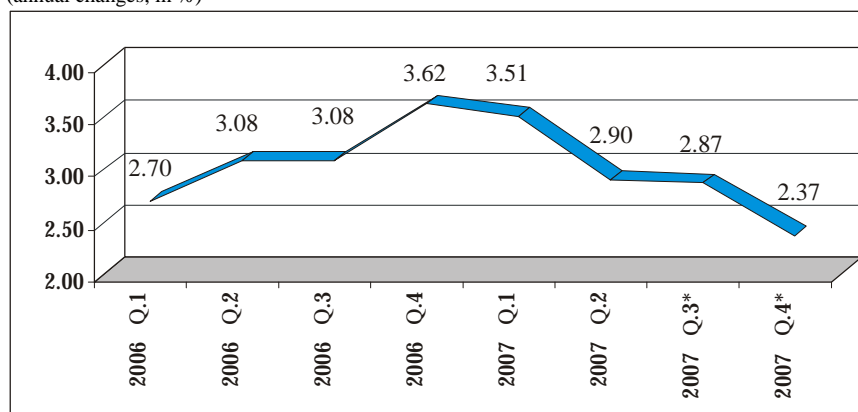
The expectations on moderate intensification in the rates of economic growth in EU, in the second half of 2007

After the quarterly growth of 0.7% in the first quarter of 2007 (mainly generated by the growth in the investment consumption), the countries from the Euro-zone and the EU realized more moderate growth rate of 0.3% and 0.5%, respectively, in the second quarter. The hindering in the growth is still interpreted cautiously. On one hand, it may be a result of the high comparison basis in the first quarter (intensive building activity, because of the light winter), but it may also signalize a turning point in the economic cycle, additionally supported by the crisis on the financial markets. Although the durability of the crises influences depends on the time needed for stabilizing the financial markets, on (non)keeping the more restrictive conditions on the credit market and on the effects on the investors' and consumers' trust, yet in the growth projections in EU and in the Euro-zone it is considered as main uncertainty (especially for the projected growth for the last quarter of 2007, as well as for 2008). For the last two quarters, the growth projected for the Euro-zone equaled 0.5%, respectively and for the EU it equaled 0.6% and 0.5%, respectively, which on annual basis represented real growth in GDP of 2.5% and 2.8%, respectively and it hindered relative to the growth from the previous year. The foreign effective demand² also registered such trend and it represents potential indicator for the export demand for Macedonian products.

²The foreign effective demand was calculated as a sum of the weighted indices of gross domestic product of the most significant trade partners of the Republic of Macedonia. The weights are calculated based on the participation of these countries in the Macedonian export. The data on the gross domestic product for the countries - trade partners of Macedonia are from the database of EUROSTAT (New Cronos database), with exception of the data for the fourth quarter for all countries and the data on Germany and Greece for the third quarter which are from the publication „Consensus Forecast“, October 2007. Germany, Greece, Italy, Holland, Belgium and Spain were included in the calculations of the index.



Figure 2
Foreign effective demand
(annual changes, in %)



*Projection.

The historical upward trend in the unemployment rate within the Euro-zone continued in the third quarter of the year, when it equaled 7.4%³. Relative to the second and the first quarter of the year, the unemployment growth was lower by 0.1 and 0.3 percentage points, respectively.

Expectations on inflationary pressures caused by the growth in the prices of energy and food

In the third quarter of 2007, the average inflation in the Euro-zone equaled 1.9%. The inflation dynamics was mainly generated by the latest developments in the prices of processed food and the energy, creating pressures on the annual inflation (mainly because of the low level of oil prices from the previous year). The increase in the oil prices, as well as the intensified global growth in the prices of food is expected to intensify the average inflation in the following period. On the other hand, the basic inflation rate for the third quarter of the year registered low increase (equaling 2%, on average) and it was mainly determined by the growth in the value added tax (VAT) in Germany at the beginning of the year.

In accordance with the global economic developments, the average nominal foreign exchange rate USA Dollar / Euro, in the third quarter of 2007 amounted to 1.37, and compared to the second quarter of the year it appreciated by 1.9% relative to the Dollar. Most significant factors which contributed for Euro appreciation are the higher global risk, which was due to the turbulences on the financial markets in August, the uncertainty in the developments on the American mortgage market, as well as the bad performances on the real estate market and the labor market in USA. The higher and stable economic growth within the Euro-zone additionally influenced on the appreciation of the Euro in the beginning of the year.

Registered positive developments in the countries of the region

The average real growth rate of GDP in the countries of West Balkans⁴ amounted to 6% in the second quarter of the year. Such positive developments are expected in the third quarter also, considering the fact that almost all of these countries registered growth in the industrial production and in the export, in July and August. The inflation rates in the third quarter were relatively stabile and low, which indicates positive macroeconomic environment (Turkey and Serbia still have the highest inflation rates of 7.1% and 6.5%, respectively). Also, all the countries in the region registered positive developments on the labor market,

³ The unemployment rate was adjusted to the seasonal influences. Source: EUROSTAT, September 2007.

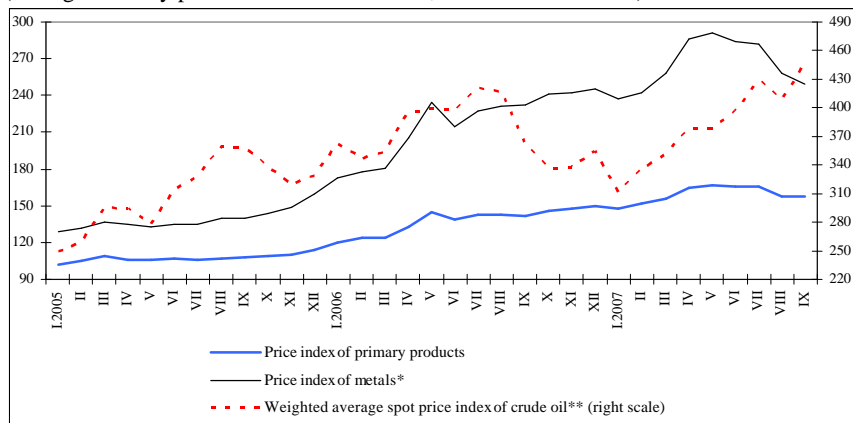
⁴ In the calculations of the average growth rate of GDP the following countries from West Balkans were considered: Republic of Macedonia, Serbia, Croatia and Montenegro and additionally, Turkey. Source: European Commission D-G for Economic and Financial Affairs, "Candidate and Pre-accession Countries' Economies Quarterly, October 2007.



with fall in the unemployment rate and growth in the employment in the second quarter of the year.

Figure 3

Development of the international price index of primary products and crude oil (average monthly price index in US Dollars, with base 1995=100)



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

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

Source: IMF, WEO database, October 2007.

Growth in the world prices of crude oil and primary products

The upward trend in the prices of crude oil on the international stock exchanges continued in the third quarter of the year. Thus, relative to the previous quarter, the prices of crude oil rose by 11.3%, whereas relative to the same quarter of the previous year they went up by 7.0%. Such growth in the prices of crude oil came as a result of factors on the side of the supply, as a result of the rigorous manufacturing discipline of OPEK, which resulted in decrease in the crude oil reserves in USA, as well as the usual risks in energy production related to the hurricane season. Additionally, the price growth was supported by the demand, reflecting the high demand in this period of the year, as well as by the factors with speculative nature caused mainly by the geopolitical tensions.

The continuous growth in the nominal prices of primary products on the international stock exchanges continued in the third quarter of 2007, when they registered increase of 12.5% relative to the same period of the previous year. The higher level of prices of some types of metals was one of the main generators of their growth, on annual basis (besides the decrease, compared with the previous quarter), when the prices of lead and iron ores registered higher annual growth, by 2.6 times and 9.5%, respectively, whereas the nickel prices registered more moderate growth (by 4.9%). The growth in the world metal prices positively influenced over the metal industry in our country, as key export sector. The growth in the prices of food and energy additionally contributed for the growth in the prices of primary products, realizing annual growth of 17.1% and 6.9%, respectively.

1.2. Economic activity

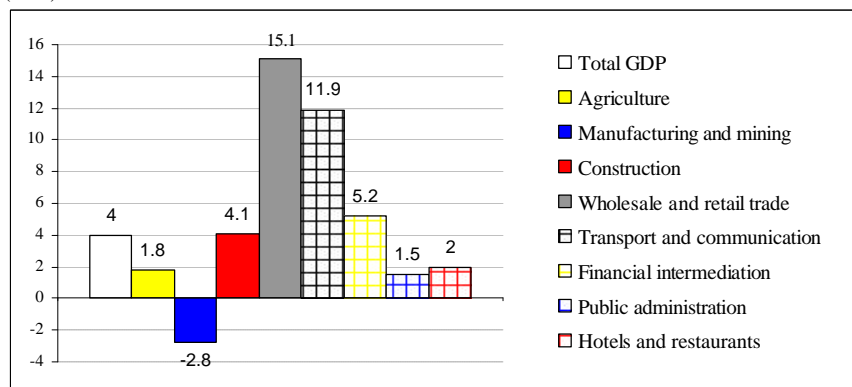
Domestic supply

Hindering in the growth in the second quarter...

After the high rate of the economic growth registered in the previous quarter, in the second quarter of 2007, the gross domestic product registered moderate annual growth of 4%. The hindering in the growth was determined by the negative developments in the industry, as dominant sector, and its activity in the second quarter registered fall compared to the same period of previous year. All the other sectors registered positive developments, where the trade and the

transport and communications still generates the largest part of the economic growth. The growth in the sector "financial intermediation" is also worth mentioning and it almost completely neutralized the fall in the industrial activity.

Figure 4
Real annual growth rates of GDP and separate sectors
(in %)

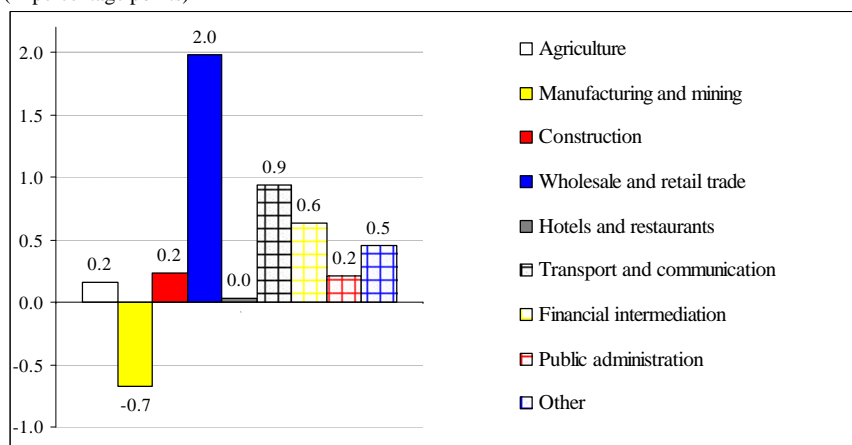


Source: State Statistical Office of Republic of Macedonia.

...because of the fall in the industry

The performances in the second quarter of 2007 are under the initially projected economic growth for the quarter which amounted to 6.4%. The fail in the projection was mainly due to the realized fall in the industry, opposite of the expected growth, and also in the agriculture, building activities, and financial intermediation registered lower performances than the expected. Yet, considering the intensive growth in GDP in the first quarter, the growth of 5.4% is within the initial projection in the first half of the year.

Figure 5
Contribution of separate sectors in GDP in the second quarter of 2007
(in percentage points)



Source: State Statistical Office of Republic of Macedonia.

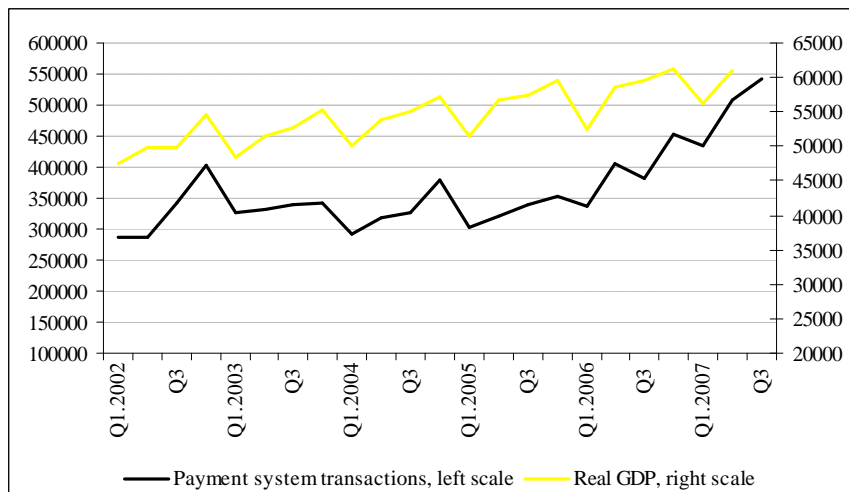
The value of transactions in the payment operations represents a useful indicator on the economic activity, considering the positive correlation between these two variables. The high annual growth rate of the payment operations⁵, in the first and the second quarter of 2007 (28.5% and 25.1%, respectively), is in accordance with the intensified growth in GDP. The upward trend in the transaction value in the payment operations kept the high intensity also in the third quarter of the year, when this indicator registered high nominal annual rate of 42.1%, which indicates the higher economic activity in the third quarter. Analyzed by sectors, the industrial production in the third quarter registered

⁵ The transactions with Treasury bills for monetary purposes and CB bills are excluded.



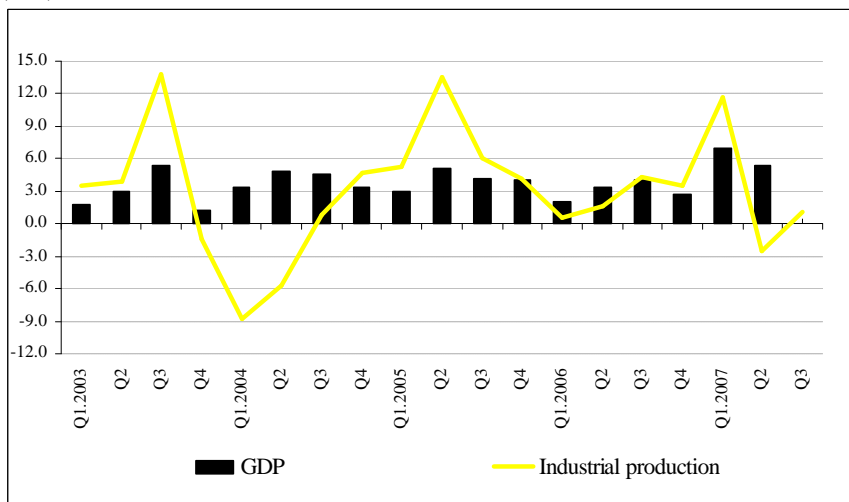
moderate annual growth (after the fall in the second quarter), the trade growth intensified, the revitalization in the construction continued, while the growth in the telecommunications continued with similar dynamics.

Figure 6
Payment operations and GDP
(in millions of denars)



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

Figure 7
Annual GDP growth rates and actual volume of industrial output
(in %)



Source: State Statistical Office of Republic of Macedonia.

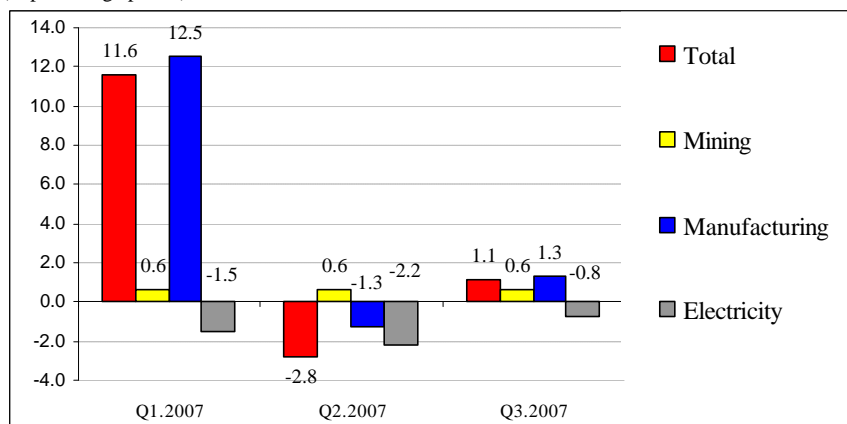
*Improvement with the
industrial production in the
third quarter*

After the high growth in the first quarter and the fall in the second quarter, the industrial production in the third quarter registered moderate annual growth of 1.1%, and with that the cumulative growth in the first nine months amounted to 2.7%. Positive trends in the mining, which were present since the beginning of the year, initiated by the growth in the extraction of metal ores (which was mainly due to the restarting of one mining capacity), continued in the third quarter, with further decrease in the production in the energy sector. Yet, the total development in the industrial production was largely determined by the manufacturing industry, which in the third quarter registered increase of 1.5%. The industry of basic metals kept giving the largest positive contribution, and also the growth in the metal manufacturing industry was characteristic for the third quarter, as a result of the improved operating of more subjects of this sector, as well as of the food industry, after the stagnation in the second quarter.

The positive contribution of the oil industry is worth for mentioning, and because of the regular overhaul of the capacities it registered fall in the second quarter. Twelve of total twenty manufacturing branches registered decrease in the production in the third quarter, realizing 51.2% of the manufacturing industry, which indicates high concentration of growth in several branches.

Figure 8

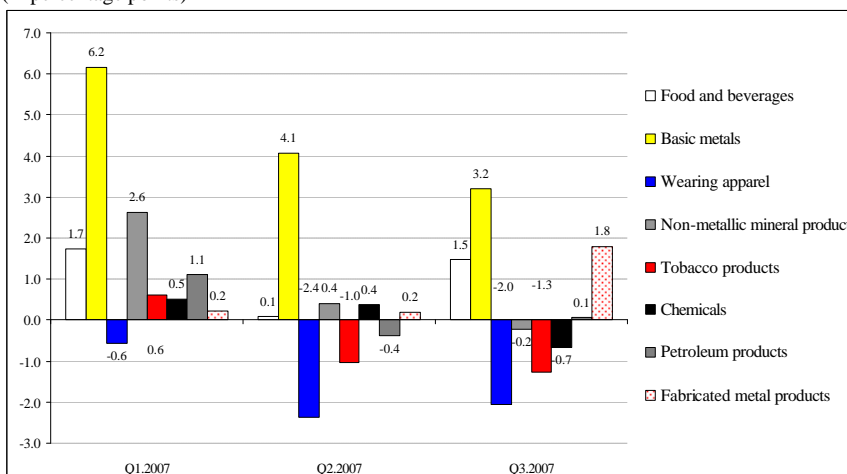
Contribution of separate components to the growth in the industrial output
(in percentage points)



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

Figure 9

Contribution of the largest industries of the manufacturing sector to the growth in the industrial output
(in percentage points)



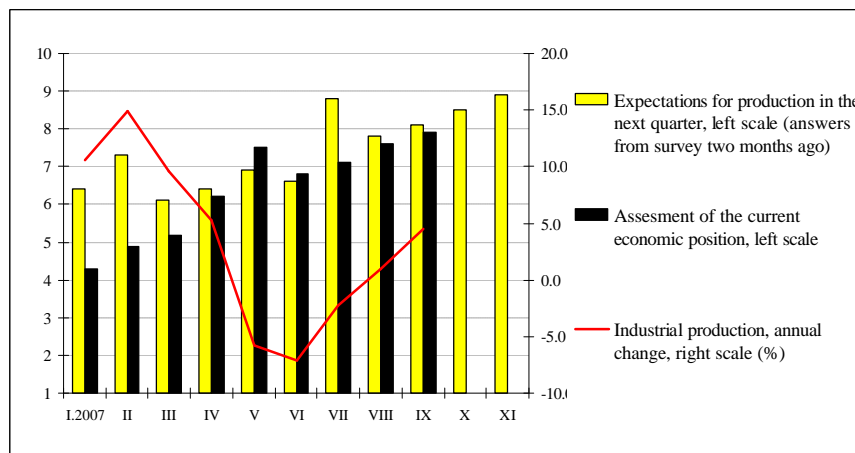
Source: State Statistical Office of Republic of Macedonia and NBRM calculations.

The showed eight industrial branches creates 64% of the industrial output, and they are arranged by the individual participation.

The economic situation in the enterprises in the third quarter, according the manager⁶ evaluations, significantly improved compared to the last year. The perspectives for the output volume in the manufacturing industry, by the manager assessments, which generally coincide with the factual situation (excluding the second quarter), were also positive, i.e. further increase in the output volume can be expected.

⁶ SSO survey on business tendencies in the manufacturing industry.

Figure 10
Industrial production, expectations for the production in future evaluation of the current situation

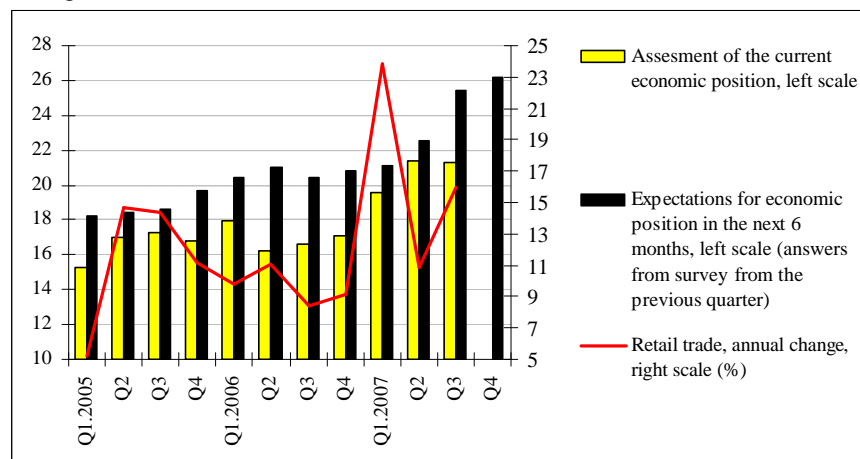


Source: State Statistical Office of Republic of Macedonia.
The evaluations of the future production are less by a constant amount, for more concise review.

Growth in the trade continues...

The growth in the trade continued. Thus, the overall trade turnover in the third quarter went up by 20.7%, on annual basis, with growth in the retail trade (15.9%) and in the wholesales (24.2%). The situation in the trade largely corresponds with the manager assessments from the Survey on business tendencies in the retail trade. With respect to the positive expectations for future situation, intensive growth in the trade can be expected.

Figure 11
Manager evaluations and retail trade

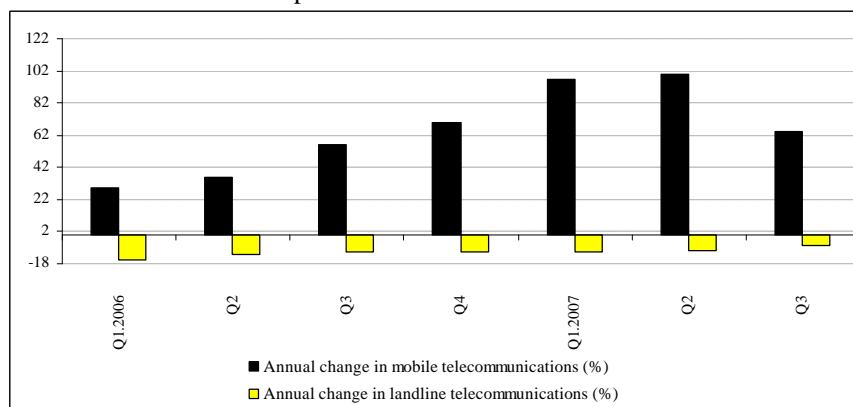


Source: State Statistical Office of Republic of Macedonia.

...as well as in the telecommunications

The developments in the sector "transport and communications", which in the first two quarters was the third key sector for the overall GDP growth, were mainly due to the developments in the telecommunications. The growth in this sector mostly reflected the liberalization at the market and the competition which caused fall in the prices and intensified usage of the telecommunication services. The high contribution of the telecommunications in GDP qualitatively changed the economy, i.e. it represents development of the value added towards high technology sectors, and also positive perspectives for future growth. In the third quarter, judging by the total realized transport and telecommunications (annual growth of 15.8%), intensive growth in the value added in the sector "transport and communication" can be expected.

Figure 12
Telecommunication development

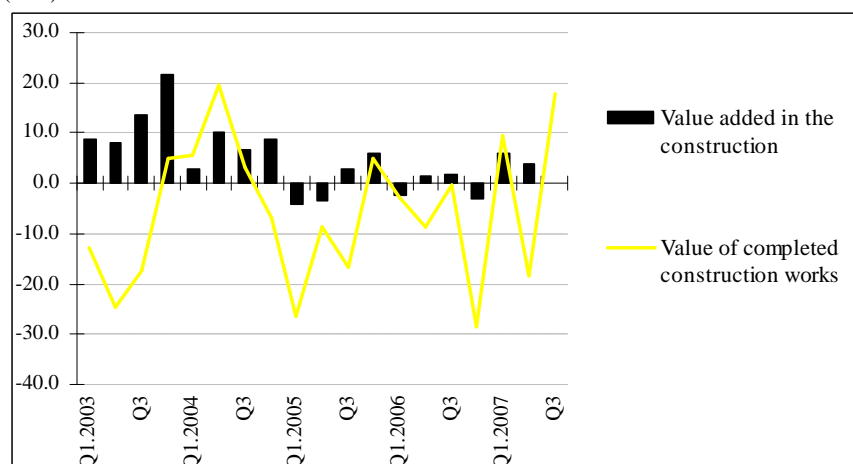


Source: State Statistical Office of Republic of Macedonia.

Positive signals in the construction also

After the oscillations in the last two years, the value added in the construction, in the first two quarters of 2007, registered low, but positive change rates, signaling gradual, but yet slow revitalization of this significant economy sector. Based on the annual growth in performed building operations of 18% in the third quarter, intensification in the positive trends in the construction can be expected. On the other hand, the building material production, which in the first two quarters of 2007 registered annual growth rates of 51.5% and 4.2%, respectively, in the third quarter it registered fall of 2.6%. According the manager perceptions⁷, the situation in the construction was mostly due to the lack of demand. The managers points out the competition in the sector as second most significant restrictive factor for larger activity, which also refers to larger supply than demand in the sector. In the same time, the significance of the higher financial costs and material costs declines. The intensification in the building activities of the Macedonian enterprises abroad, predominantly in Ukraine and Serbia is worth to be mentioned. Thus, in the third quarter, the performed building activities abroad were higher by 78.8%, relative to the same period of the previous year, and with that the total annual growth in 2007, so far, amounts to 2.3 times.

Figure 13
Annual changes in the performed construction operations and value added in the construction
(in %)



Source: State Statistical Office of Republic of Macedonia.

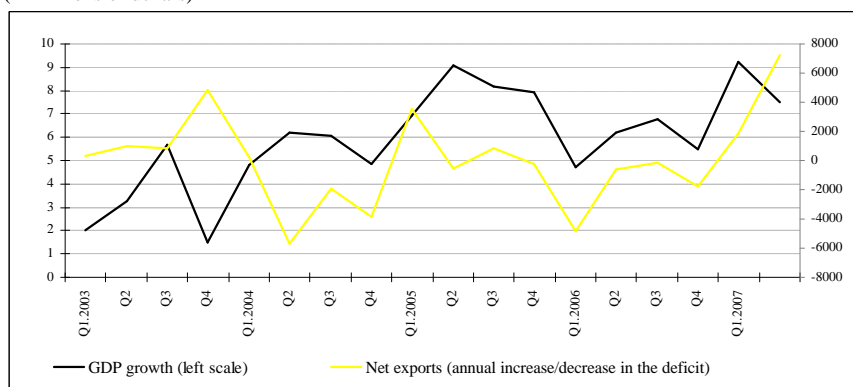
⁷ From the Business Tendency Survey on Construction, SSO.

Domestic demand⁸

Narrowing the gap in the net export in the second quarter, but broadening in the third

Analyzed on the aspect of the aggregate demand, the trends in the first quarter of 2007 continued in the second quarter of the year. Thus, besides the significant domination of the domestic demand in determining the economic growth (mainly of the personal consumption), the positive tendencies in the foreign trade significantly influenced on the annual changes since the beginning of the year. As in the first quarter of the year, in the second quarter, in conditions of high annual growth in the export (by 34.6%, which was mainly due to the intensive export of iron and steel) and moderate import growth (by 9.3%), the negative contribution of the net export for the GDP growth significantly decreased. The information on the exchange of goods with abroad in the third quarter of the year indicates worsening of the net export, with significantly high import realization (annual growth of 21.2%) and slower dynamics of the export (annual growth of 10.1%). In accordance with the high sector concentration of the export, the lower dynamics of growth in the export in the third quarter was solely due to the lower export of iron and steel. The net export and the GDP are highly sensitive to external shocks, considering that the demand of this group of products was externally determined.

Figure 14
Annual nominal growth rates of GDP (in %) and decrease/increase of the deficit in foreign trade
(in millions of denars)



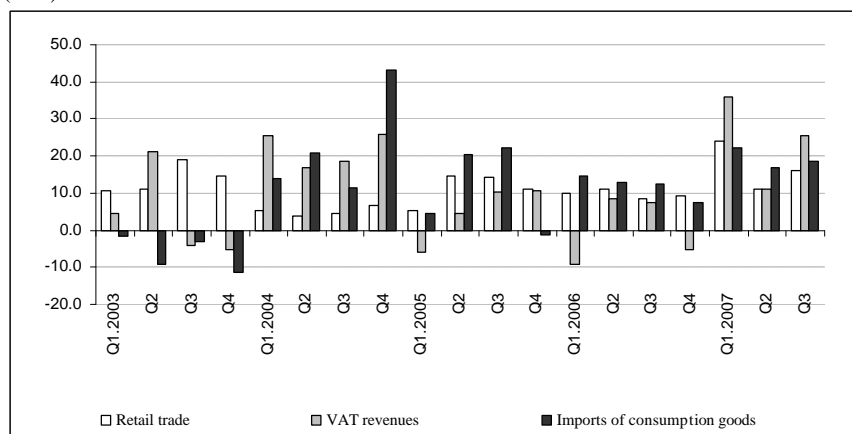
Source: State Statistical Office of Republic of Macedonia.

The intensive growth in the personal consumption continues

Analyzed with respect to the domestic demand, the main generator - personal consumption, assessed through the development of some indicative categories (the volume of retail trade, the income based on VAT and the import of consumption goods), in the second quarter of the year registered lower annual growth, but in the third quarter it re-intensified. Considering that the personal consumption was determined by the present value of the expected income, the intensified consumption implies in the same time growth in the expected future income. In conditions of growth in the net salary, the optimistic expectations on the future income were mostly determined by the growth in the net private transfers and by the announced gradual growth in the pensions and the salaries in the public administration. Alternatively, in expectations of future growth in the income, the higher personal consumption could be a product of the higher indebtedness, which is in accordance with the growth in crediting the households.

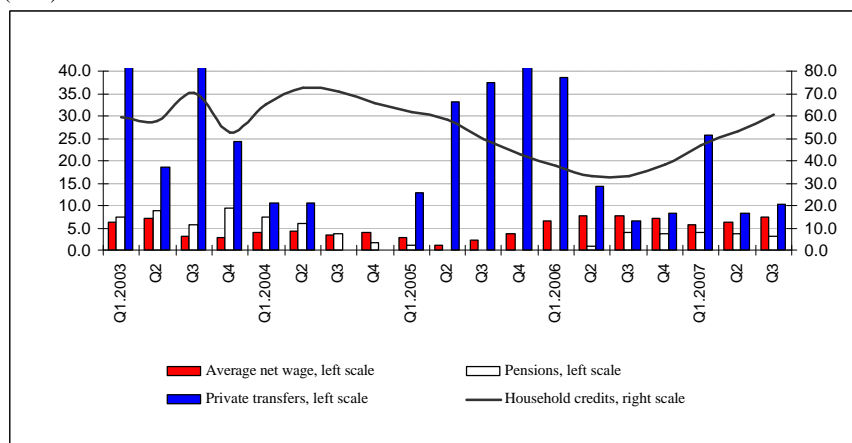
⁸ In absence of full data on the expenditure side of the gross domestic product, the analysis of the domestic demand was largely based on the calculations by NBRM. On quarterly basis, data on the public consumption and on the net export in nominal amount, i.e. by current prices are available. There are not available data on the personal consumption, and concerning the investments, only data on investments in machines and equipment, which make only one third of the total investments, are available. Also, there are not available data on the nominal GDP, i.e. GDP by current prices.

Figure 15
Indicative categories for personal consumption, annual changes
(in %)



Source: State Statistical Office of Republic of Macedonia.

Figure 16
Sources of financing of the personal consumption, annual changes
(in %)

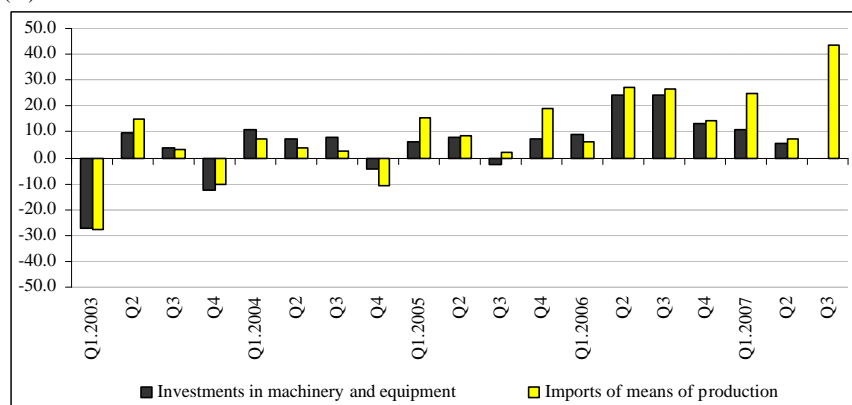


Source: National Bank of the Republic of Macedonia and State Statistical Office.

Signals for better investment activity

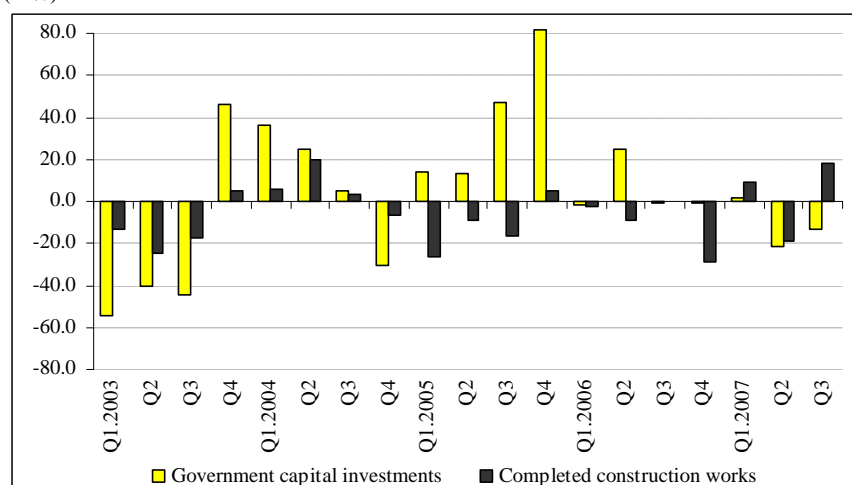
Relative to the investment consumption, certain categories of investments indicates positive and encouraging signals. Thus, the investments in machines and equipment, after the intensive annual growth in the first quarter of the year (10.7%), registered growth of 5.7% in the second quarter, whereas regarding the realization of the means of operation in the third quarter of the year (annual growth of 43.7%), they are expected to be significantly intensified. On the other hand, the indicators in construction investments showed various conclusions. The value added in the sector "construction" in the first two quarters of the year registered annual growth, while the data on performed building operations in the second quarter of the year indicate significant annual fall and revitalization in the building activity in the third quarter of the year. The Government capital investments, in the second and the third quarter of the year, are performed with lower dynamics than in the previous year (annual decrease by 21.1% and 13.4%, respectively).

Figure 17
Investments in machines and equipment and import of means of operations, annual changes
(%)



Source: State Statistical Office of Republic of Macedonia.

Figure 18
Government capital investments and performed building operations, annual changes
(in %)



Source: State Statistical Office of Republic of Macedonia.

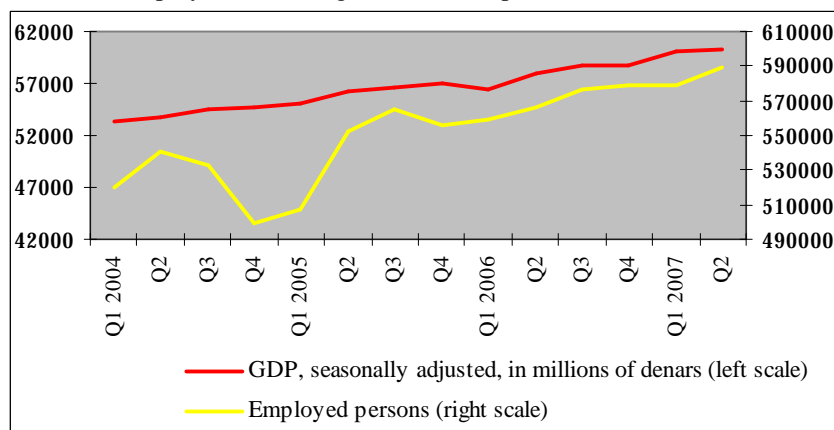
The last component of GDP, public consumption, in the second quarter of 2007 registered growth of 0.7% on annual basis, while the expectations for the third quarter of the year are acting towards its intensification. Thus, regarding the data from the consolidated budget, the growth in the costs for salaries (by 4.1% on annual basis) and the high realization of costs for goods and services (annual growth by 18.2%) indicate high annual growth in public consumption.

As a sum, the perspectives for GDP in the third quarter are positive. Besides the fall in the net export, the increase in the personal consumption, investments and public consumption indicates annual growth in GDP in the third quarter of the year, which is supposed to be similar to the growth realized in the second quarter. With respect to the quality, the personal consumption was the factor which influenced mostly on the developments, the export was largely determined by the external factors, while the investments registered indications for improvement.

1.3. Employment and salaries

The positive developments on the labor market⁹ continued in the second quarter of 2007. In conditions of intensified economic activity, the registered annual growth in the number of employees of about 4% indicates higher demand of labor. The number of employees, as an indicator of the demand for labor registers moderate, but continuous growth since the fourth quarter of 2005.

Figure 19
Number of employees and real gross domestic product



Source: State Statistical Office of Republic of Macedonia.

The growth in the employment was supported by the growth in the number of employees with university degree and by higher structural participation of this category in the overall number of employees (from 16.7% in the first quarter of 2006, on 19.7% in the second quarter of 2007). According to the analysis by sectors, the key sector for positive developments was the service sector, where the number of employees rose by 16.7%, with growth in the employment in almost all service activities. The trade and the financial intermediation registered most intensive growth, which is in accordance with their significant contribution in creating the gross domestic product. Lower number of employees was registered in agricultural and in industrial sector, same as in the previous quarter, and the decrease in the employees in the industry came from the lower number of employees in construction. The quality changes within the structure of the labor force and the growth in the employees within the service sector indicate improvement in the quality of the labor force and potentially redirection of the employment from labor intensive activities to the tertiary sector.

⁹ The Analysis was performed by the Labor Survey. The State Statistical Office of the republic of Macedonia performs the Labor Survey, based on example of 10,000 households on the territory of the whole country and it is in accordance with the methodological references of the International Labor Organization (ILO) and the references of the European Statistical Biro (EUROSTAT). Starting in 2004, it is performed as continuous survey during the year, and the results are processed quarterly.

Figure 20
Annual growth rate of employees
with university degree
(in %)

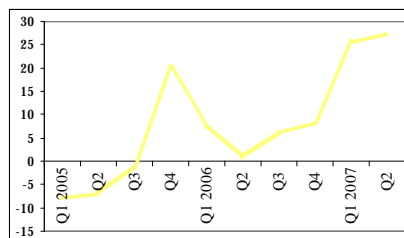
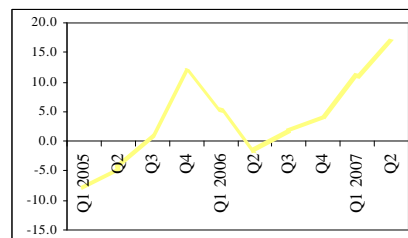


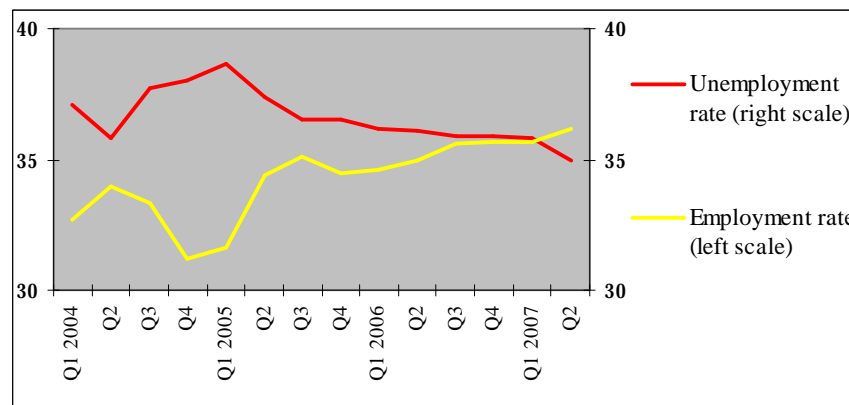
Figure 21
Annual growth rate of employees in
the service sector
(in %)



Source: State Statistical Office of Republic of Macedonia.

The growth in the employees, in conditions of almost unchanged number of able-bodied citizens, resulted in 1.2 percentage point higher employment rate, which in the second quarter equaled 36.2%. On the other hand, the decreased number of unemployed, with simultaneous growth in the overall working force, resulted in fall in the unemployment rate by 1.1 percentage point (35%). For the first time in the last five years, the employment rate exceeded the unemployment rate.

Figure 22
Employment and unemployment rate
(in %)

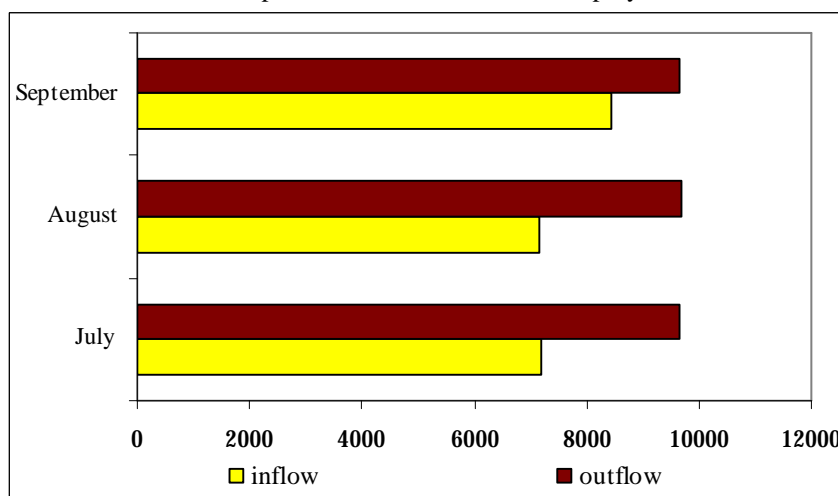


Source: State Statistical Office of Republic of Macedonia.

Indicators for increase in the number of employees in the third quarter...

The upward trend in the employment is expected to continue in the third quarter of 2007. According to the Agency for Employment, in the third quarter, the outflow of people from the mass of unemployed was higher than the inflow. Additionally, the number of persons who concluded employment contract at the end of the third quarter was higher by about 3% relative to the end of the previous quarter, which again indicates the continuous improvement of the situation at the labor market.

Figure 23
Inflows and outflows of persons in the number of unemployed

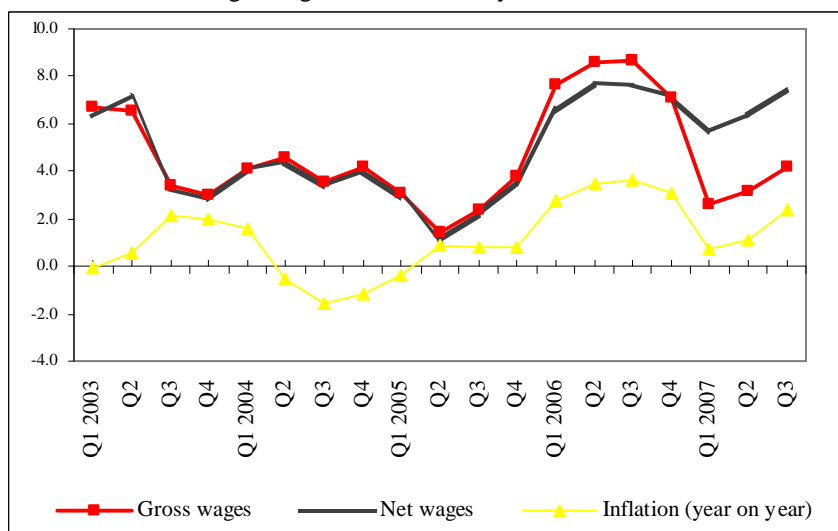


Source: State Statistical Office of Republic of Macedonia.

...with further growth in the average net salary by employee

With respect to the positive developments and intensified economic activity in the second quarter of the year, as well as the expected growth in the domestic production in the third quarter of 2007, the upward trend in the salaries continued in the third quarter of 2007, but with lower dynamics. Thus, the nominal annual growth in the gross¹⁰ and net salary in the third quarter amounted to 4.2% and 7.5%, respectively, compared with 8.7% and 7.7%, respectively, in the same period of the previous year. The higher nominal growth of the net salary corresponds with the lower participation of compensations in gross salaries, in accordance with the changes in the tax sphere. Considering the moderate growth in the prices in the analyzed period, the real growth in salaries was about two percentage points lower than the nominal.

Figure 24
Annual nominal changes of gross and net salary and inflation rate



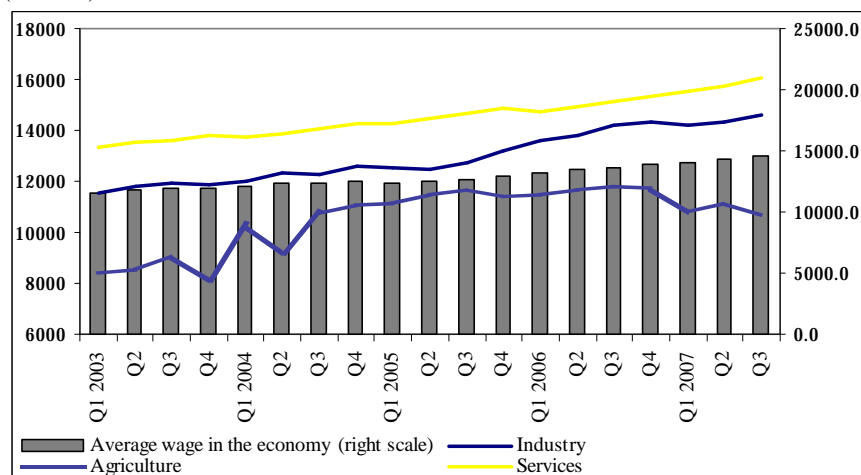
Source: State Statistical Office of Republic of Macedonia.

Analyzed by sectors, the nominal growth in the net salary was determined by the higher salaries in the industrial and in the service sector. The higher salaries in the public sector considerably contributed to the growth, same

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

as in the previous quarter, and that was a result of the process of decompression of salaries which ended in March 2007. On the other hand, in the third quarter of 2007, the growth in the paid wages in the private sector was remarkable, with significant growth in the wages in manufacturing industry, trade, financial sector and the activities related to the real estate. Considering the announced increase in the salaries of employees in the public sector by 10%, since October 2007, the upward trend is expected to continue in the following period.

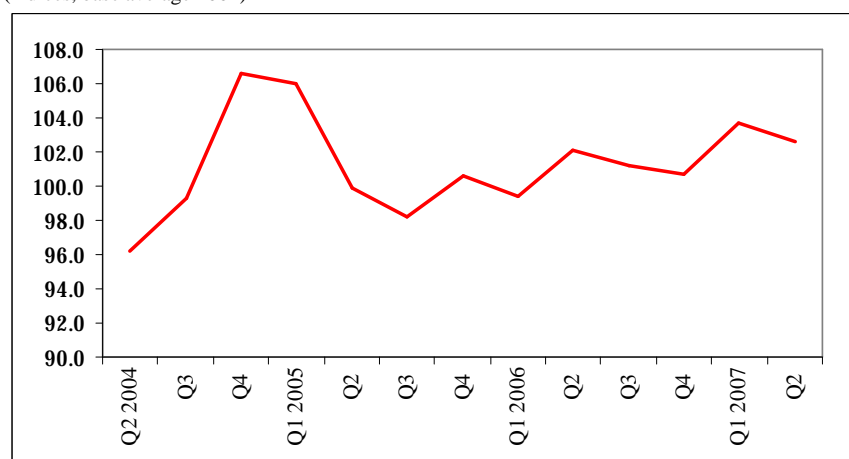
Figure 25
Average net salary by employee, by sectors and total
(in denars)



Source: State Statistical Office of Republic of Macedonia.

In conditions of almost equal growth in the number of employees and gross domestic product, in the second quarter of 2007, the productivity of labor registered insignificant growth compared to the same period of the previous year.

Figure 26
Productivity
(indices, base average 2004)



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

1.4. Balance of payments

In the third quarter of 2007, positive developments were registered within the balance of payments. The high foreign currency inflows from private transfers and services, typical for the summer period of the year, were supplemented by foreign currency inflows from non-debt financing. Such

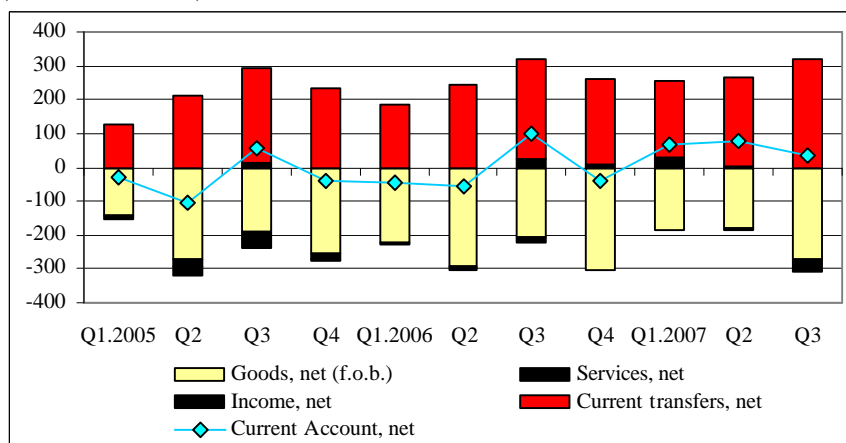


developments enabled considerable net purchase on the foreign exchange market, which represents key factor for the registered growth in gross foreign reserves.

*Surplus in the current account
in the third quarter*

In the third quarter of 2007, in the *current account* of the balance of payments, surplus in amount of Euro 34 million was realized, determined by the positive balances with the current transfers and with the services, partially neutralized with the net outflows in the exchange of good and income. But, on annual basis, the balance of the current account registered fall of 65.6%, which was largely due to the higher deficit in the trade balance¹¹ and in the income balance.

Figure 27
Current account components
(in millions of euros)



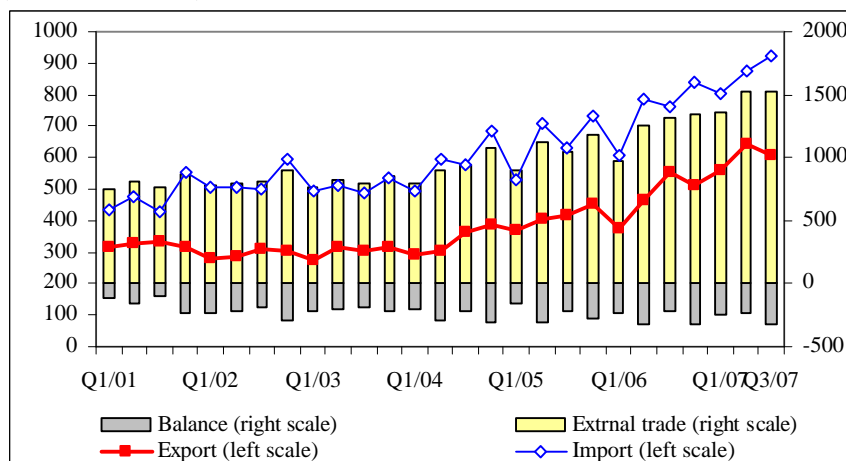
Source: National Bank of the Republic of Macedonia.

*More intensive annual
growth in the import
compared to the export*

The overall foreign trade in the third quarter of 2007 registered annual growth of 16.7%, but with lower dynamics, which was due to the lower rate of annual growth in the export (10.1% in the third quarter of, compared to 37.8% in the previous quarter). On the other hand, in the analyzed period, the export registered intensified growth rate (annual growth of 21.5% in the third quarter, relative to 11.3% in the previous quarter). As a result of such developments with the export and import, the trade deficit significantly rose (on annual basis by 51.2%), and the import-export coverage ratio reduced to 65.6% (fall by 6.8 percentage points relative to the same quarter of the previous year).

¹¹ The data on the import in the statistics of the balance of payments are not corresponding with the data on the import from the State Statistical Office, because of the time adjustment of the import of electricity.

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

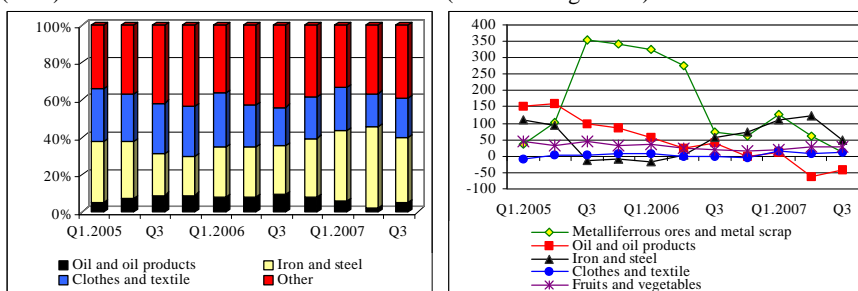


Source: State Statistical Office of Republic of Macedonia.

Higher export of iron and steel

More intensive production in the metal manufacturing industry resulted in higher export of iron and steel on annual basis, as basic factor for the annual growth in the total export (contribution of 1.2 times). But, in conditions of lower export of ferronickel, as most significant product in the category "iron and steel", lower dynamics of growth in the export of iron and steel was registered. Serbia and the countries form the European Union (mainly Italy, Belgium, Germany, Spain) were countries with largest demand for iron and steel from the Macedonian enterprises. Besides iron and steel, the export of wearing apparel and textile and of fruit and vegetables more significantly contributed to the growth in the export, with total contribution of 35.4%. The draught in the region determined higher volume of demand for fruit and vegetables, so intensification in the dynamics of annual growth was registered. On the other hand, oil derivatives and tobacco registered annual fall in the export. Thus, the export of oil derivatives, although in the third quarter registered improvement relative to the previous quarter, it did not reached the level of the previous year and registered annual fall of 41.6%.

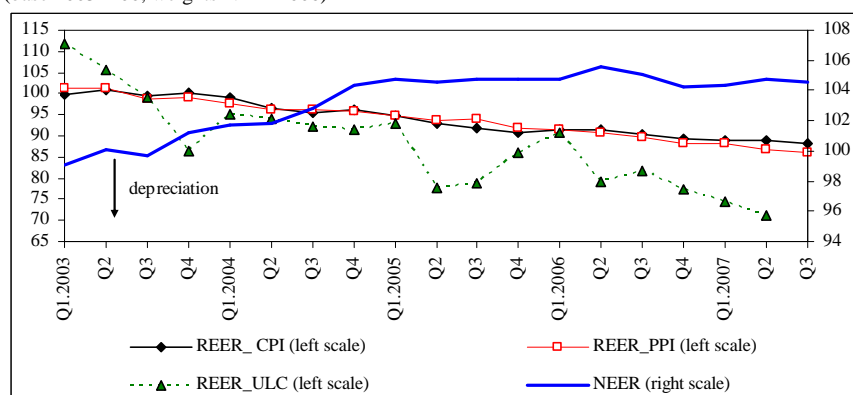
Figure 29
Structure and dynamics of the export by groups of products
(in %) (annual change rates)



Source: State Statistical Office of Republic of Macedonia.

In the third quarter of 2007, REER of the Denar depreciated relative to the same quarter of the previous year.

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



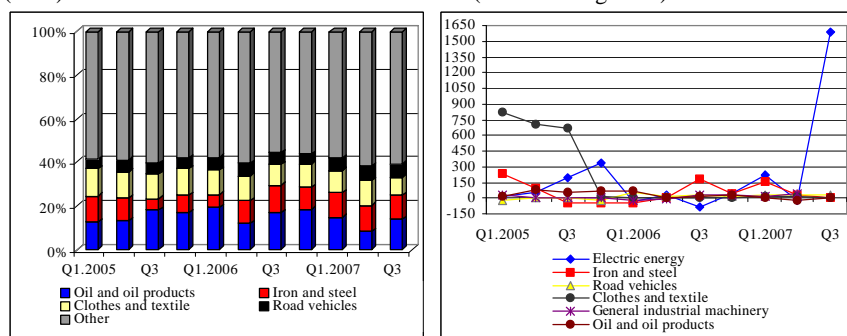
*Index less than 100 denotes higher export competition.
Source: National Bank of the Republic of Macedonia.

The REER depreciation of the Denar in the third quarter of 2007 was partially due to the depreciation of the nominal effective exchange rate (NEER) of 0.5% (mostly because of the depreciation of the Denar relative to the Serbian Dinar). Thus, REER of the Denar, calculated by the consumer price index and by the producer price index, depreciated by 2.5% and 4.0%, respectively, which is a result of the more intensive growth in the foreign producer prices, compared to the domestic prices. REER of the Denar, calculated by the consumer price index of working force, by unit of labor, in the second quarter of 2007 registered significant depreciation of 10.2%, which came as a result of the growth in the foreign costs relative to the fall in the domestic costs (which was mainly due to the higher productivity in the industry).

The import dependency of the Macedonian production, as well as the investment activity in the country intensified the import. The annual growth in the import was generated mainly by the growth in the import of metal ores, electricity, road vehicles, special machines for industry and telecommunication apparatus with total contribution of over 50%. The import of three most significant categories of products registered divergent developments. Thus, the import of wearing apparel and textile and of iron and steel registered moderate growth, whereas the import of oil and oil derivatives registered small fall because of the price effect (lower import prices relative to the third quarter of 2006).

Higher import of goods, in conditions of intensified economic activity

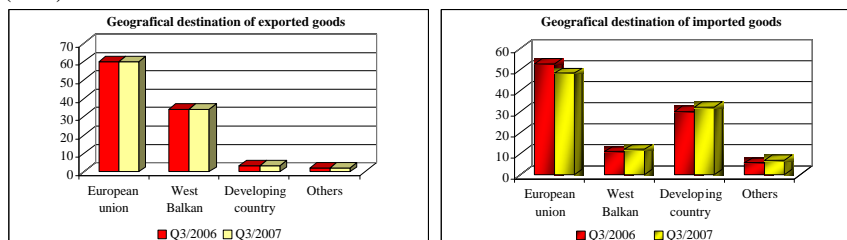
Figure 31
Dynamics of the import by groups of products
(in %) (annual change rate)



Source: State Statistical Office of Republic of Macedonia.

With respect to the economic groups, the trend of placing the Macedonian products on the markets in EU continued. Yet, Serbia stayed the largest separate trade partner, although its structure participation in the export decreased. The countries from EU are also the largest partners on the side of the import, but higher share of the import comes from the developing countries (Russia, China and Turkey) and from the west Balkans.

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

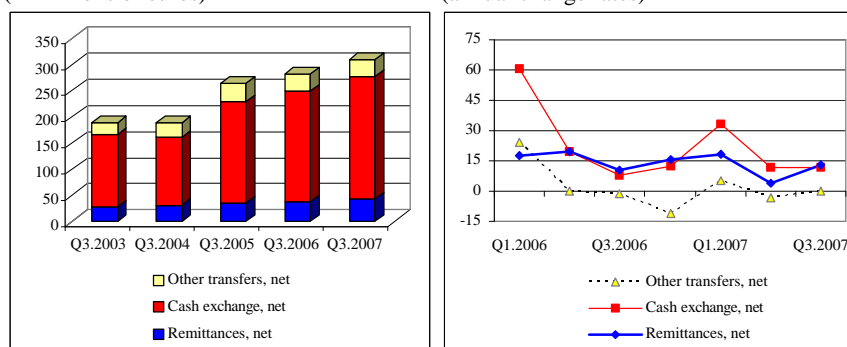


Source: State Statistical Office of Republic of Macedonia.

Positive balance in the exchange of services, higher net outflows in the income sub-balance sheet and further growth in the private transfers

In the third quarter of 2007, surplus of Euro 23.3 million was realized with the services, generated by the net inflows based on traveling, investment operations and telecommunication services. In the income sub-balance sheet, deepening in the deficit was registered by Euro 20.7 million, relative to the same period of the previous year, which was solely due to the higher amount of the repaid income from direct investments to the nonresidents. The current transfers, net, in the third quarter of 2007 reached up to Euro 321.2 million registering annual growth by 8.8%, mainly as a result of the growth in the private transfers. The upward trend of the private transfers was almost solely determined by the growth in the effective, net, and the items, net on annual basis, growth by 11.4% and 13.2%, respectively).

Figure 33
Dynamics of the private transfers by components on net basis
(in millions of euros) (annual change rates)



Source: National Bank of the Republic of Macedonia.

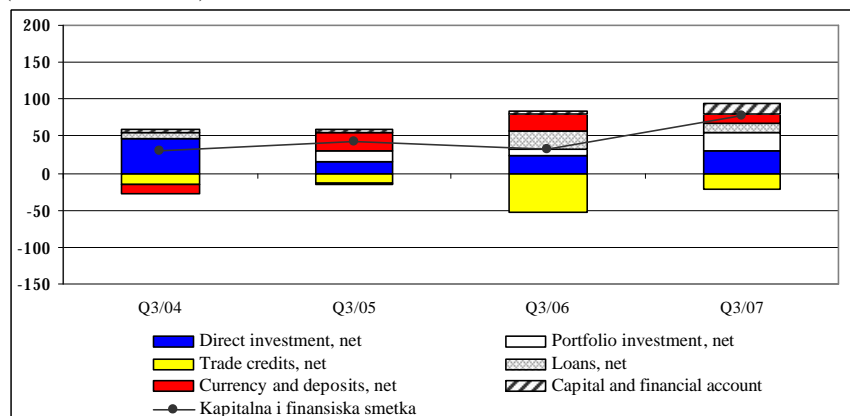
In the fourth quarter of 2007 realization of deficit in the current account is expected, opposite of the realized surplus in the third quarter, which will be mostly determined by the expected investment in the trade balance. The foreign trade is expected to be performed in conditions of more intensive growth in the import than in the export of goods, where the higher import mainly results from the higher import of investment goods (need of increase in the production in the steel industry, aggressive Government investment policy, as well as in the foreign direct investments) and energy (expected growth in the world oil prices and more intensive demand of electricity). In the private transfers, in the last quarter of 2007, lower growth rate is expected. In the capital and financial account in the last three months of 2007, net inflows are expected, mainly based on foreign direct investments and indebtedness with the foreign creditors.



Higher net inflows of investments

In the third quarter of 2007, in the *capital and financial account* net inflows are registered in amount of Euro 78.2 million, which mainly resulted from the realized net income based on foreign direct and portfolio investments (with 69.4% of the total net income). The analysis of the foreign direct investments, which on annual basis are higher by 24.9%, showed that the financial intermediation and the telecommunications are most attractive for investing in this quarter, while as the largest investors in the country are Slovenia, Austria and Bulgaria.

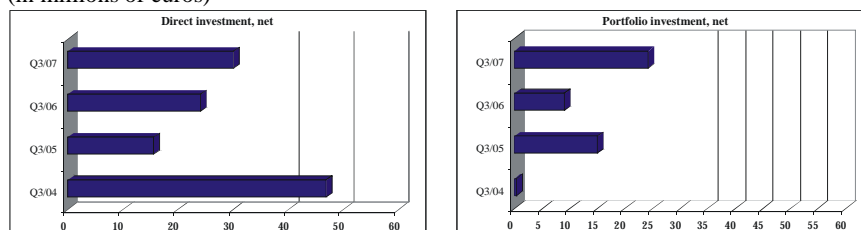
Figure 34
Financial account components
(in millions of euros)



Source: National Bank of the Republic of Macedonia.

The portfolio investments registered significant annual growth of 2.7 times, which can be seen through the higher activity on the Macedonian stock exchange market, where there was larger interest of the foreign investors in equity securities of domestic enterprises. Net inflows on the domestic account were registered also based on the debt to abroad, which was mostly on short term, foreign currencies and deposits (Euro 13.4 million and Euro 12.1 million, respectively). On the other hand, net outflows were realized based on trade credits.

Figure 35
Direct and portfolio investments
(in millions of euros)

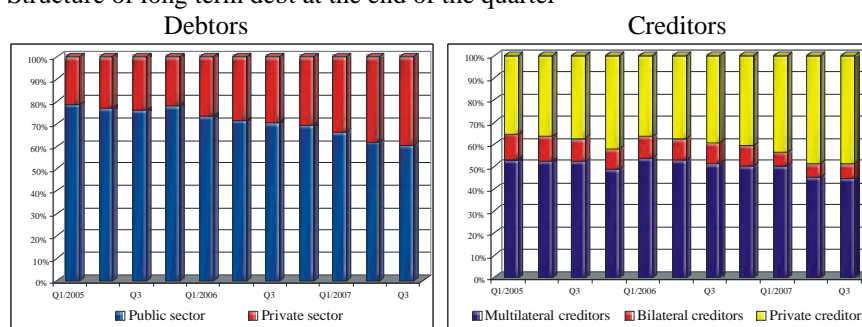


Source: National Bank of the Republic of Macedonia.

Quarterly increase of the external debt by 2%

The total foreign debt of the Republic of Macedonia, as of 30.09.2007, relative to 30.06.2007, rose by 2%, which was largely due to the growth in the short-term debt (participation of 78.9% in the total growth). The upward trend of the total debt of the private sector of 6.1% continued, as a result of more factors (improved credit rating and intensified economic activity of the country, higher demand of the private sector for foreign capital, growth in the foreign direct investments). In conditions of premature payment of two loans from the European Investment Bank, such developments were partially neutralized reducing the total debt on the public sector (by 1.1%).

Figure 36
Structure of long term debt at the end of the quarter*

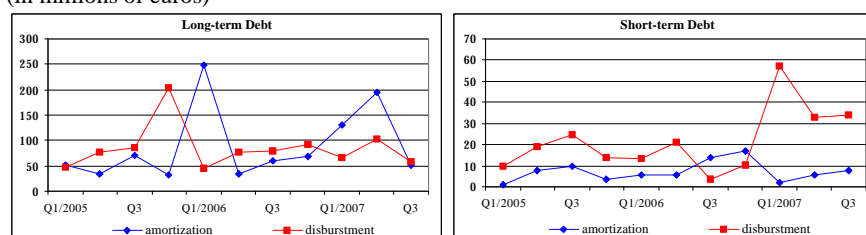


* Preliminary data.

Source: National Bank of the Republic of Macedonia.

In the period July-September 2007, the withdrawn assets amounted to Euro 92.2 million (fall of 32% on quarterly basis), out of which 63.4% refers the long-term credits and borrowings mainly by the non-banking private sector. On the other hand, as a result of the higher comparison basis from the previous quarter, fall of 70% was registered in the total repaid liabilities to the foreign creditors, which amounted to Euro 59.8 million and they were mainly (87.4%) repaid based on long-term indebtedness, mainly by the public sector.

Figure 37
Used assets and repaid liabilities on long-term and short-term debt
(in millions of euros)

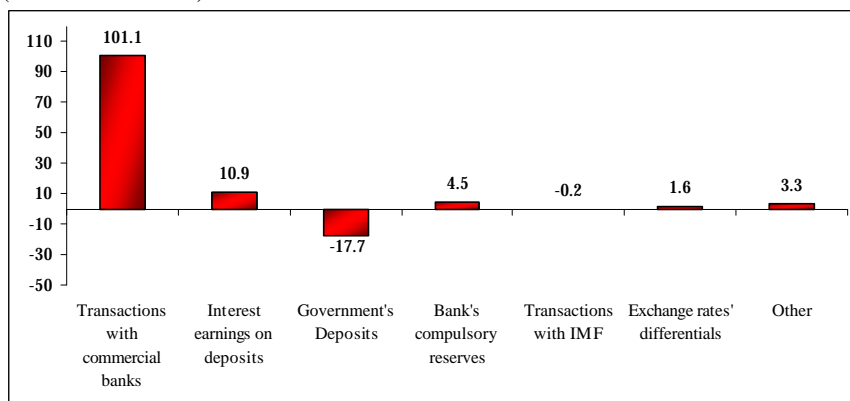


Source: Preliminary NBRM data.

Gross foreign reserves, at the end of the third quarter of 2007, equaled Euro 1,522.1 million, registering growth of Euro 103.7 million, relative to 30.06.2007. The developments on the foreign exchange market enabled net purchase of foreign currencies by NBRM on the foreign exchange market, which in the period July-September 2007 was almost solely determined by the quarterly growth in the gross foreign reserves. Such dynamics of gross foreign reserves enabled 3.8 month coverage of the import of goods (f.o.b.) and the outflow of services of the next year¹².

¹² According to the projection in the balance of payments prepared in the last IMF mission in November 2007.

Figure 38
Change factors of gross foreign reserves in the third quarter of 2007
(in millions of euros)



Source: National Bank of the Republic of Macedonia.

1.5. Inflation

The changes in the domestic prices are still within the low and stable inflation

In the third quarter of 2007, moderate intensification of the inflation rate was registered, mainly under the influence of the drought in our country and its influence over the agriculture production. Generally, the inflationary developments in the last nine months of 2007 are still under the dominant influence of the changes with the prices of electricity and thermal energy, i.e. with the regulated prices, as well as the upward trend in the food prices. On the other hand, the prices of telecommunication services still have large deflationary influence.

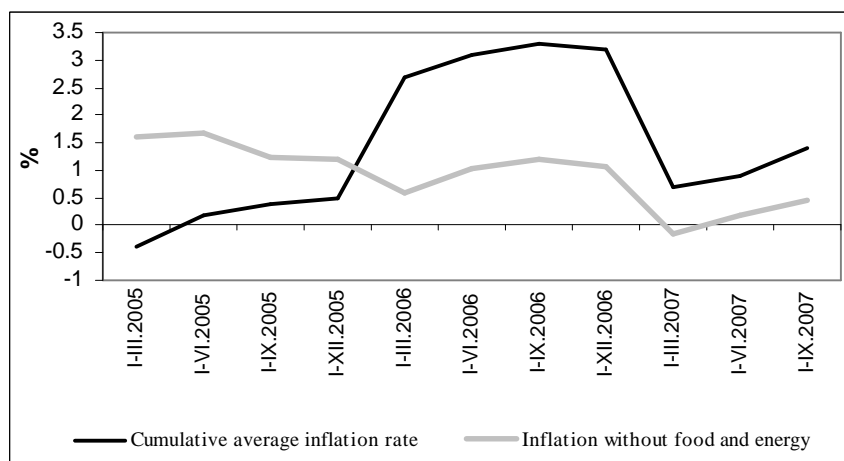
Intensification in the inflation in the third quarter of 2007

In the third quarter of the year, the moderate increase in the global level of prices by 0.6%,¹³ relative to the previous quarter, mainly reflected the unusual growth in the prices of vegetable oils (increase in the price of cooking oil), of fresh vegetable and fresh meat, which forms the category of food, as dominant component of the inflation index. The higher level of fuel prices, means of education, as well as the seasonal growth in the prices of catering services gave additional inflationary pressure. On the other hand, the seasonal fall in the prices of the fresh vegetables had additional inflationary influence in the quarterly growth in the inflation rate.

¹³ The index on live expenses (consumer prices index) represents a measure for the inflation. Starting in January 2007, this index is calculated by the weights derived from the Household Consumption Survey dated 2005. Also, a change in the structure of the index was made, with respect to the main categories, through adding two new items: "restaurants and hotels" and "other services", which participate with 5.2% in the index. On behalf of that, the categories: "food", "tobacco and beverages", "wearing apparel and footwear" and "transport equipment and services" registered more significant decrease. The calculations on the inflation rate on quarterly basis were made in the Research Department, based on data from the State Statistical Office.



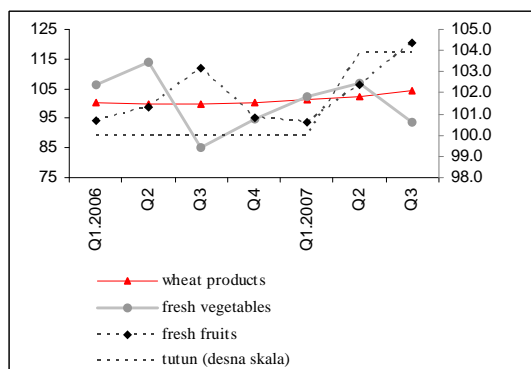
Figure 39
Inflation rate



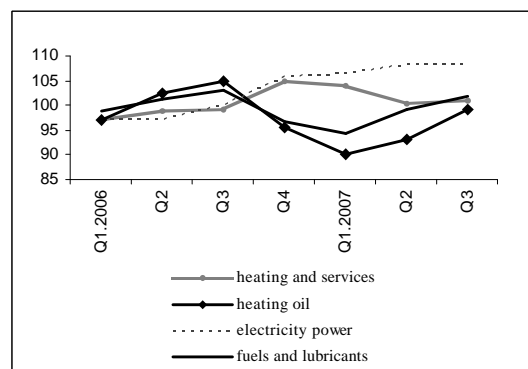
Source: SSO and NBRM calculations. In 2006 the effect of the increase in the cigarette excise was excluded.

Considering such developments, the annual growth rate of the inflation in the third quarter of 2007 intensified, reaching 2.4%, which was mostly due to the higher prices of food, including the annual growth of the fresh vegetables, cereals and vegetable oils. The higher prices of electricity and heating gave additional influence, relative to the same period of the previous year, while the higher prices of means of 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.

Figure 40
Producer prices for food and tobacco
(indices, 2006=100)



Regulated prices
(indices, 2006=100)



Source: SSO and NBRM calculations.

The average inflation rate in the first nine months of 2007 equaled 1.4%, while the basic inflation rate (without the influence of the prices of food and energy) was relatively low, equaling 0.5%. Moderate upward trend was registered also with the basic inflation, as eventual effect resulting from the growth in the prices of energy in the previous year on the rest of the economy prices, as well as eventual effects from the higher domestic consumption.

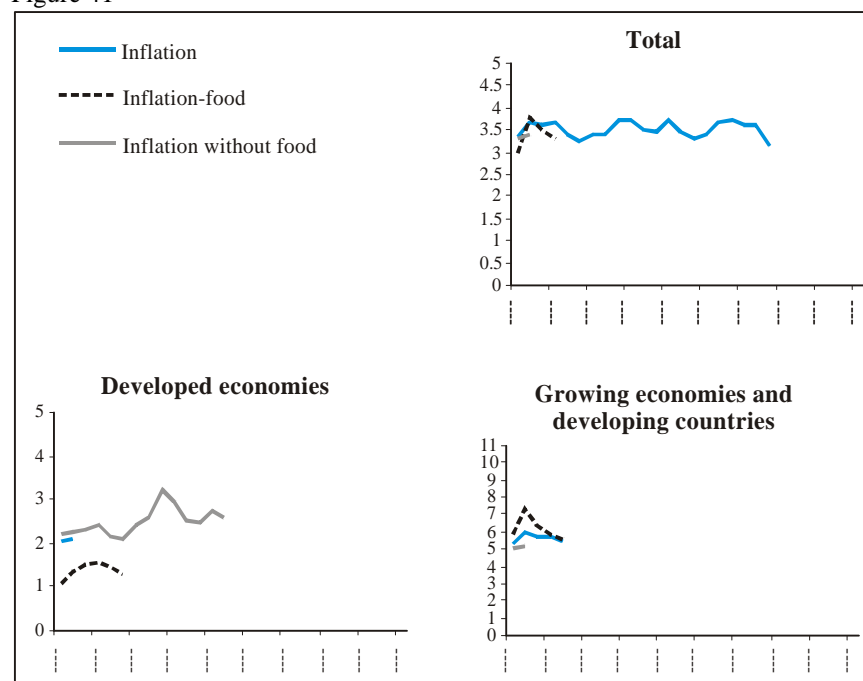
Box 1 Prices of food

In the last several years, the prices of food in the world register an intensive growth. Having in mind that the share of the food in the inflation index structure in large number of economies (primarily the developing countries and the rising

economies) is high, such price changes also denote a possible strong inflation effect. Although the central banks are commonly focused on the basic inflation when carry out the monetary policy (including no changes in the prices of food), however, the increase in the prices of food, except to direct, may also generate indirect effects (for example, the increase in the wages, which can result in rise in the remaining prices). Thus this global phenomenon can also have monetary consequences.

The factors contributing to the global upward trend of the prices of food can hardly be isolated. However, the augmented demand by the fast growing economies (such as China and India), as important sources of the global growth in the demand for food, can be stated as one of these factors. The empirical resources confirm the share of China with 35-40% in the increase in the global consumption of soybean and meat and enhanced participation of India in the global demand for meat in the last period. Additional factor is also the unfavorable shocks on the side of the supply, i.e. the unfavorable weather conditions influenced on the reduction of the harvest of some food products. A factor that can potentially have long-term effects and contribute to the changes in the structure of the demand for food products is the increase in the supply of and the demand for biofuels (higher use of individual food products for production of biofuels, which means higher prices of soybean and corn, as well as increase in the prices of other cereals - substitutes).

Figure 41

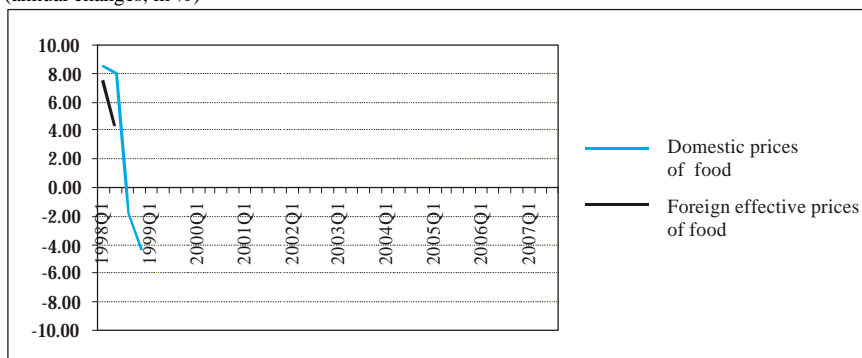


Source: WEO, October 2007.

Macedonia belongs to the group of countries where the food is the dominant component in the inflation index structure. In the second half of 2007, for the first time after 2002, the prices of food in Macedonia started to grow intensively. The unfavorable weather conditions, i.e. the drought, are considered to be the main factor for the increase in the prices of food. It is still early to predict how long this effect will persist, since it depends on variety of factors, especially regarding the supply, the adjustment of which is commonly considered the main determinant of the dynamics of the prices of food.

On the other hand, the Macedonian economy, as small and open one, is directly exposed to the global movements, with the upward trend of the world prices may reflect on the domestic prices.

Figure 42
Domestic prices (food)* and foreign effective prices ** (food)
(annual changes, in %)

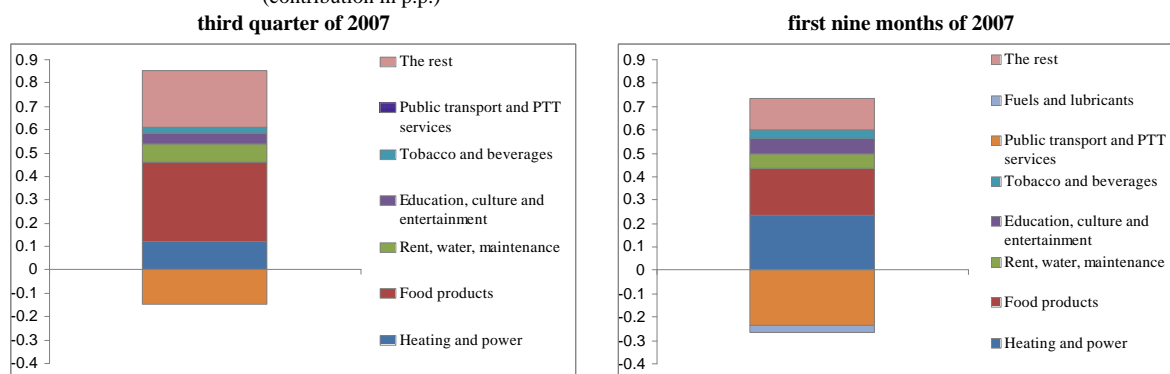


*Domestic prices of food with the administrative changes being excluded

**The foreign prices of food are calculated as weighted sum of the prices of the food in individual countries (Bulgaria, Germany, Spain, Greece, Italy, the Netherlands, Austria and Slovenia). The weights are made on the basis of the share of these countries in the Macedonian import of food.

The figure shows the dynamics of both domestic and international prices of food, with gradual harmonization of the trend may be recorded in the last period. Hence the trend of the prices of food, in global terms, has to be followed as important risk - factor for the inflation dynamics in Macedonia on a middle-term basis. Although the transmissible effects are expected to be primarily direct, the potential indirect effects on the basic inflation should be monitored carefully by the institutions responsible for the monetary policy.

Figure 43
Contribution of the individual inflation index categories to the average annual inflation rate
(contribution in p.p.)



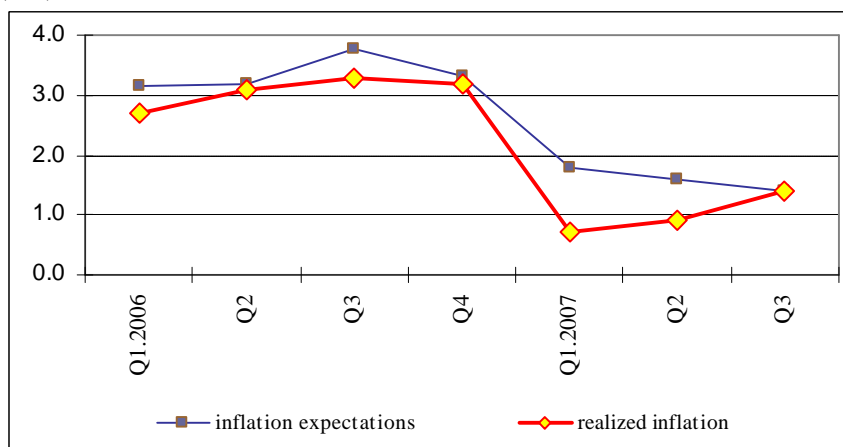
Source: SSO and NBRM calculations.

The inflation performances comply with the inflation expectations of the economic agents

Having in mind the upward trend of the prices of food, the inflation projection for 2007 was revised at 2%, as expected (initial projection of the inflation of 2.5% during the year was revised downwards in accordance with the performances). The enhancement of the inflation in the third quarter is partially in conformity with the inflation expectations of the economic agents in the country for the respective period: 46% expected increase (mainly with slower intensity) in the inflation, with the same percentage anticipating that the level registered in the second quarter will 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. ¹⁴

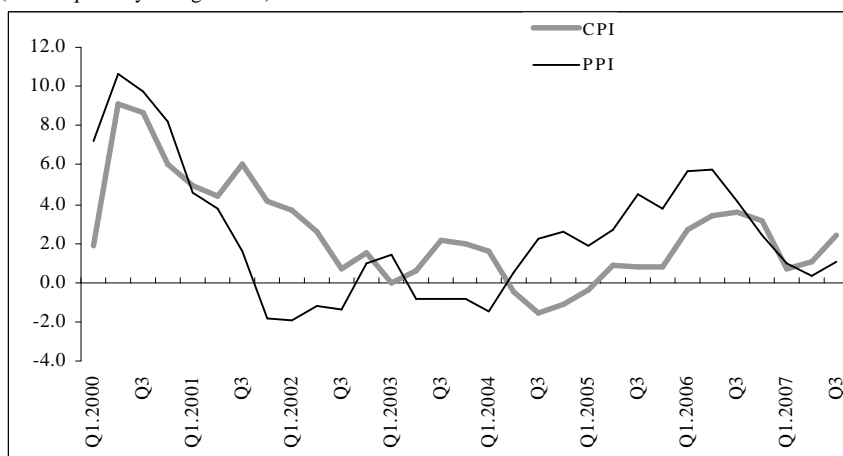
¹⁴ According to the results from Inflation Expectations Survey of the entities in Macedonia carried out in the third quarter of 2007.

Figure 44
Inflation expectations until the end of the year and realized inflation in the current quarter
(in %)



Source: Inflation Expectations Survey and NBRM calculations; SSO.

Figure 45
Consumer prices and prices of the producers of industrial products
(annual quarterly changes in %)



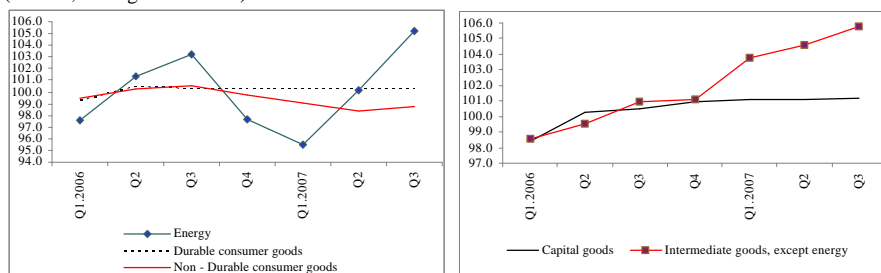
Source: State Statistical Office of the Republic of Macedonia.

Expectations pertaining to inflation pressures of the prices of the domestic producers of industrial products

Parallel to the increase in the level of prices of the producers and services for personal consumption, increase in the prices of the producers of industrial products was also registered. Thus after the minimal average annual rise of 0.3% in the second quarter of 2007, the production prices reached growth rate of 1.1% in the third quarter of the year. The growth rate mainly reflects the higher prices of produced electricity and food products and beverages. On the other hand, the prices of the producers of oil derivatives dropped. Observed from the aspect of their influence on the domestic component of the production prices, a significant trend of increase was registered in the prices of energy, intermediate products and capital goods, while the level of prices of the consumption products is lower compared to the same quarter of the previous year. Such movements of the prices of the domestic producers, and especially in the prices of energy, which are an integral part of the households' consumption, point to possible inflation pressures of higher importance. The increase in the production prices resulted in slight intensification of their average growth rate compared to the previous year, which equals 0.8% in the first nine months of 2007.



Figure 46
Movement of the prices of the domestic producers
(indices, average 2006=100)

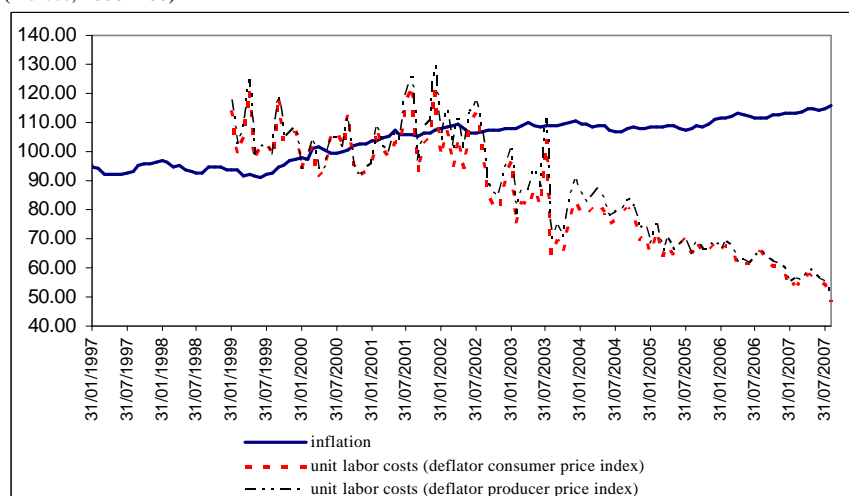


Source: SSO and NBRM calculations.

The unit labour costs register further decrease

The influence of the unit labor costs on the inflation for the current quarter is 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 indicate that the unit labor cost in the industry registered further downward trend. Namely, in conditions of significant growth in the productivity and negative change with the prices of the real gross salaries, in the third quarter of 2007 they went down by 16.7% annually, which is a significant decrease, indicating that the real sector of the economy, observed from this aspect, produce no potential inflation pressures.

Figure 47
Inflation and labor unit costs in industry
(indices, 2000=100)



Source: NBRM calculations.

II.

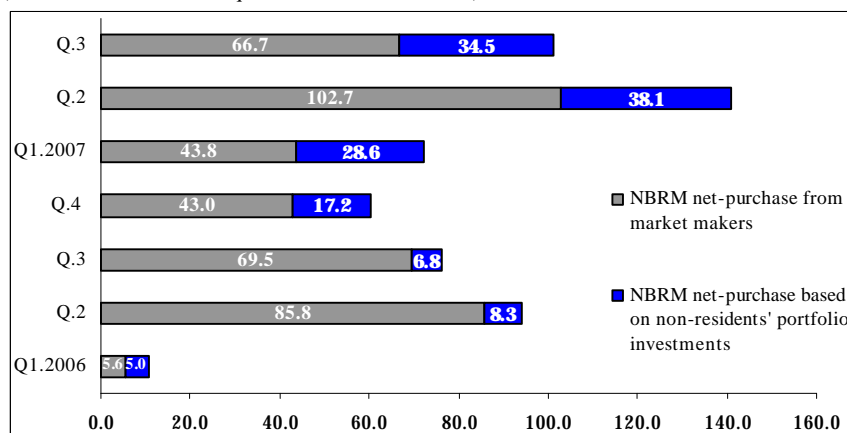
Monetary policy

The increase in the foreign currency inflows continues...

In the third quarter of 2007, the favorable domestic and international conjunction, the presence of certain factors with seasonal influence, as well as the enhanced external financing of the banking sector (on the basis of further recapitalization and transfer of foreign banks' foreign assets to domestic economy) led to further increase in the foreign currency inflows in the domestic economy. In such conditions, given the implementation of the fixed foreign exchange rate strategy, the monetary policy was directed towards buffering the pressures for domestic currency appreciation through net purchase of foreign exchange on the foreign exchange market. Thus in the third quarter, the amount of the purchased foreign assets by the NBRM was by 32.5% higher compared to the same period of the previous year. The expectations for deterioration of the current account balance until the end of the year may cause reverse trend on the foreign exchange market, or slower intensity of purchasing foreign

currency by the NBRM. The fiscal performances created additional uncertainty, as well (i.e. the high surplus in the first nine months, given the projected deficit of 1% of the GDP for 2007). In such conditions, the probability for concentrating the budget consumption in the last quarter of the year increases, which may have consequences upon the implementation of the monetary policy.

Figure 48
Quarterly interventions on the foreign exchange market
(cumulative amount in the quarter, in millions of Euros)

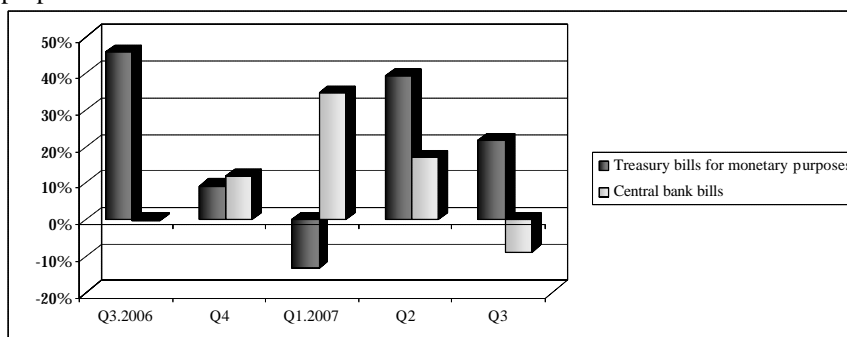


Source: National Bank of the Republic of Macedonia.

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

During the third quarter, the monetary effects resulting from the NBRM foreign currency transactions were sterilized to great extent through the intensive increase in the government Denar deposits with the NBRM (effect of the realized payment by a larger enterprise with state-owned capital), resulting in smaller need for sterilization through the monetary instruments. Thus the NBRM reduced the supply of short-term securities by 4% on a quarterly basis. During the quarter, high outflows from the banking system to the Government (as a result of the payment of dividend) conditioned appropriate adjustment of the banks' placements in CB bills¹⁵, thus producing fluctuations in their interest rates. However, compared to the average recorded in the previous quarter, the interest rate on the CB bills remained unchanged and it equals 5.0%. On the other hand, the average interest rate on the Treasury bills for monetary purposes dropped by 1.1 percentage point on a quarterly basis, mainly under the influence of the decrease in the maximally allowed interest rate by the Ministry of Finance.

Figure 49
Quarterly change in the supply of CB bills and Treasury bills for monetary purposes



Source: National Bank of the Republic of Macedonia.

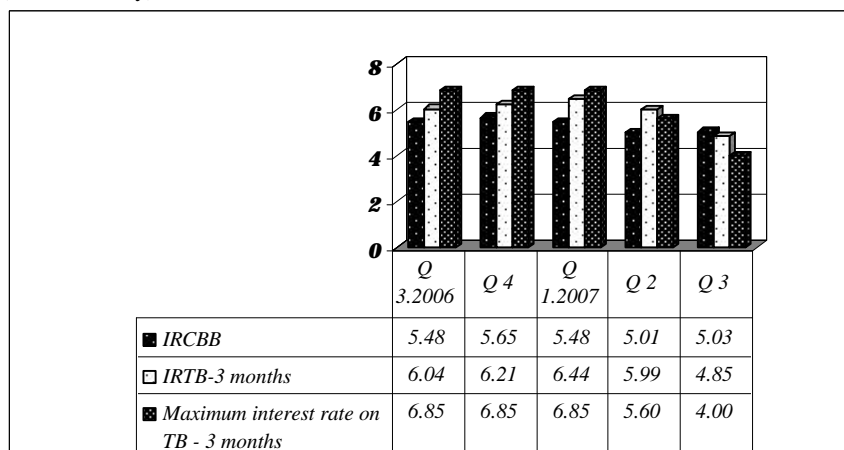
¹⁵ On the CB bills auctions held in July 2007, prior to the payment of dividend, the average supply exceeded the demand for CB bills. After the situation was stabilized, the higher demand for than the supply of CB bills was once again characteristic for the following two months.



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

The combined application of the interventions on the foreign exchange market and suitable adjustment of the monetary instruments contributed to successful maintenance of the stability of the nominal foreign exchange rate of the Denar compared to Euro (which in third quarter amounts Denar 61.18 per one Euro, on average), and thus on the price stability. In the first nine months of 2007, average inflation rate of 1.4% was registered, indicating proper monetary policy structure.

Figure 50
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 withdrawal*

In the third quarter of 2007, besides the foreign exchange transactions of the NBRM, the change on the government's Denar account with the NBRM also had significant influence on the liquidity in the banking sector. Namely, the increase in the government deposits (mainly due to the effect from the payment of dividend by a larger enterprise with state-own capital¹⁶ and the realized higher budget revenues), acted towards neutralization of the created liquidity through the net purchase of the foreign assets by the NBRM. The currency in circulation also contributed towards liquidity withdrawal. The analysis of the monthly dynamics points to almost neutral effect of the Government on the bank accounts with the NBRM in September, when after the inflow of funds in August, the Government Denar deposits maintained stable.¹⁷ On the other hand, the foreign exchange interventions of the NBRM with a net purchase of foreign currency continued, thus introducing larger liquidity in the system. On a net basis, in the third quarter the autonomous factors acted towards liquidity withdrawal, which reflected appropriately on the monetary instruments dynamics.

¹⁶ The Payment of dividend to the Government was realized in August 2007.

¹⁷ In September 2007, besides the realized higher tax income, the Government recorded budget expenditures, as well, mainly on the basis of subsidies, transfers and capital expenditures.



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

	Balance as of 30.06.2007	Changes by months			Total	Balance as of 30.09.2007
		July	August	September		
Banks' liquidity (banks' account with the NBRM)	7,455	3,909	-3,405	-1,169	-665	6,790
Liquidity creation					6,419	
1. Net foreign assets	87,790	1,869	2,295	2,255	6,419	94,209
Liquidity withdrawal					-7,084	
1. Net domestic assets	-62,901	3,020	-5,918	-3,106	-6,004	-68,905
of which:						
CB bills	-15,095	4,985	-350	-5,879	-1,244	-16,339
Treasury bills for monetary purposes	-8,082	-438	-892	3100	1,770	-6,312
Government denar deposits with the NBRM ^{1/}	-13,725	-1,695	-4,389	-7	-6,091	-19,816
Government foreign currency deposits with the NBRM	-5,729	340	397	152	889	-4,840
Other items, net	-21,337	-172	-684	-472	-1,328	-22,665
2. Currency in circulation	15,844	-829	293	-366	-902	16,746
3. Banks' vault cash	1,590	-151	-75	48	-178	1,768

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

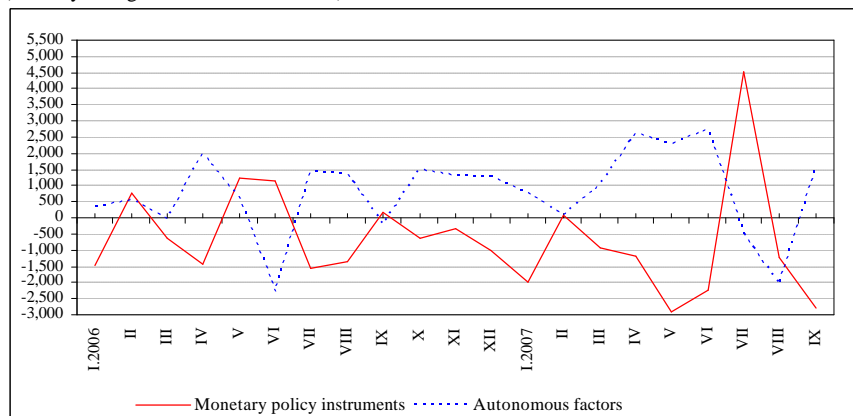
* Positive change - liquidity creation; negative change - liquidity withdrawal.

Source: National Bank of the Republic of Macedonia.

Liquidity emission through the monetary instruments

Despite the influence of the autonomous factors in direction of liquidity withdrawal, in the third quarter of 2007 the monetary regulation instrument - the CB bills, acted towards additional sterilization. Namely, after the dividend was paid, the average amount of liquid funds of the banks remained high, resulting in higher supply of CB bills in both August and September. The enhanced need of additional sterilization was also influenced by the change in the conditions for trading with Treasury bills¹⁸, thus reducing the attractiveness of these securities and causing an increase in the banks' liquid funds on the basis of non-recurred Treasury bills for monetary purposes. On a net basis, in terms of larger liquidity emission through the Treasury bills for monetary purposes, the monetary instruments acted towards liquidity creation.

Figure 51
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.

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

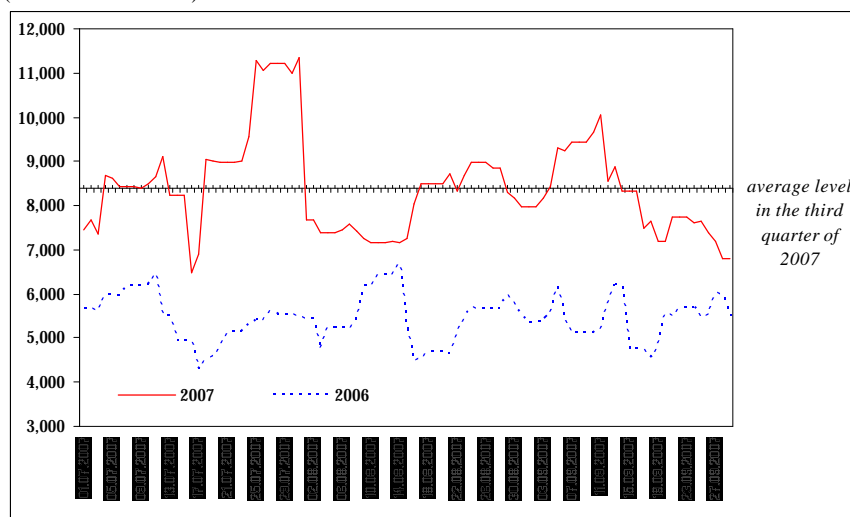
In the third quarter of 2007, the average daily liquidity in the banking system went up by 18.2% relative to the previous quarter, given the registered increase in the excess reserves of the banks. Thus the excess of allocated liquid

¹⁸ The Ministry of Finance canceled the maximal interest rates on Treasury bills on the auction of the three-month Treasury bills held on September 4, 2007, and introduced speculative percentage point set at the level of 0.05. On the following auction, held on September 18, 2007, the maximal interest rate was reintroduced, and it equaled 4% (decline of 1.5 percentage points).



funds over the reserve requirement (in Denars)¹⁹ equals 11.4%, on average in the third quarter of 2007 (compared to 6.6% in the second and 6.9% in the first quarter of 2007), which mainly reflects the banks' readiness to pay dividend. The trade volume on the interbank Money Market registered an increase in the third quarter and compared to the previous one, it augmented by 16.9%, on average.

Figure 52
Daily dynamics of bank liquidity*
(in millions of Denars)



*Banks' accounts with NBRM.

Source: National Bank of the Republic of Macedonia.

Hindered dynamics of the monetary growth

2.1. Monetary and credit aggregates

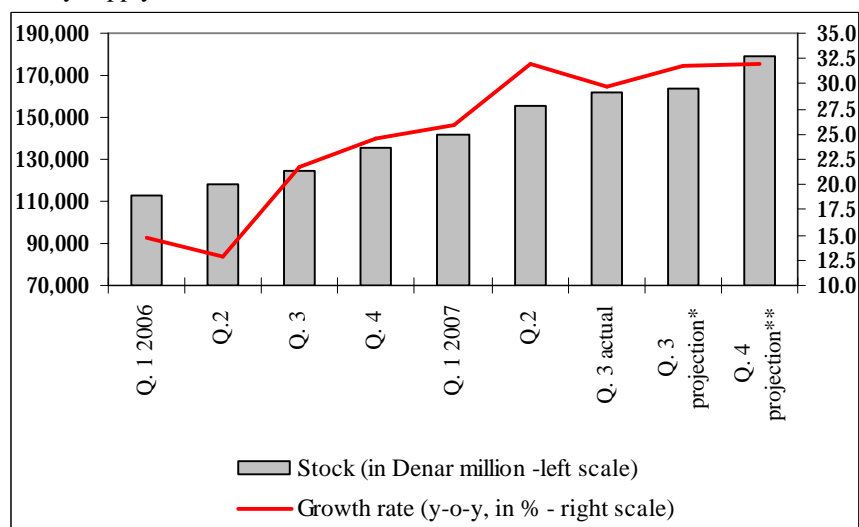
In the third quarter of 2007, the growth dynamics of the money supply hindered, partially as a result of the outflow of funds from the domestic economy for the payment of dividends. Thus the broadest money supply M4 surged by 3.7% on a quarterly basis, compared to 9.7% in the preceding quarter. Relating the projection for the third quarter of 2007, negative deviation with the broadest money supply M4 was registered (by 1.6% compared to the projected level), which is primarily due to the slower increase in the foreign currency deposits than the expected one, given registered outflows from the enterprises' foreign currency accounts in September. On the other hand, the sector "households", as the main sector registering surplus, continue registering high propensity for saving, and in environment of expectations for further economic development and preserving the trend of dynamic growth of the foreign currency inflows from abroad, an annual growth rate of the money supply M4 of 32% in 2007 is expected²⁰.

¹⁹ 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

²⁰ The last revision on the monetary projection was made during the IMF Mission in November 2007, with the annual growth rate of the money supply, projected in the revision performed in September, being maintained.



Figure 53
Money supply M4



*Revised projection during the IMF Mission in September.

** Revised projection during the IMF Mission in November.

Source: National Bank of the Republic of Macedonia.

In the third quarter, the increase in the broadest money supply M4 was recorded in environment of risen reserve money and strengthen monetary multiplication process. Thus in September 2007, the monetary multiplier of the money supply M4 equals 6.4 compared to 6.2 in June 2007.

Figure 54
Contribution to the quarterly increase in the money supply M4 (in percentage points)

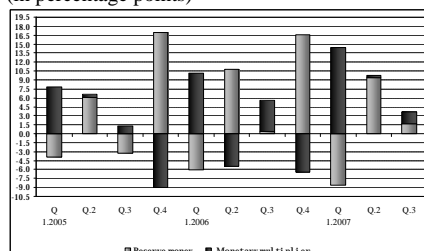
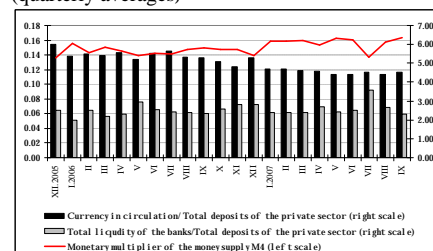


Figure 55
Monetary multiplier of the money supply M4 and its components (quarterly averages)



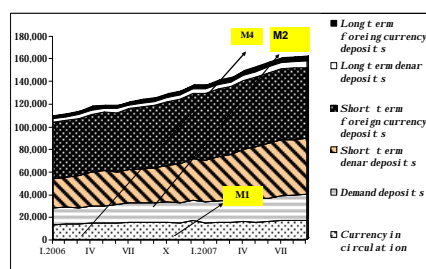
Source: National Bank of the Republic of Macedonia.

Increase in all monetary aggregates

The structural analysis of the monetary aggregate M4 indicates that the largest share in its creation in the third quarter accounts for the demand deposits (37.3%), with increase in the share of the long-term deposits being also registered (17% in the third quarter, partially due to the slower growth of the short-term deposits, given registered outflow based on the payment of dividends). During the third quarter, the money supply M1 and M3 also incremented by 8.3% and 3.2%, respectively. Dominant contribution to the increase in the monetary aggregates M1 accounts for the demand deposits (with a share of 70.2%), given constant decrease in the share of the currency in circulation, as a result of enhanced use of non-cash payment in the payment operations. The stable macroeconomic environment contributes to constant rise in the monetary aggregates M1, M2 and M4, and their annual growth rates (September 2007 / September 2006) equal 22.6%, 28.4% and 29.9%, respectively.

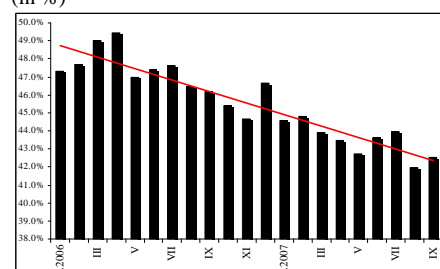


Figure 56
Components of the monetary aggregates
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

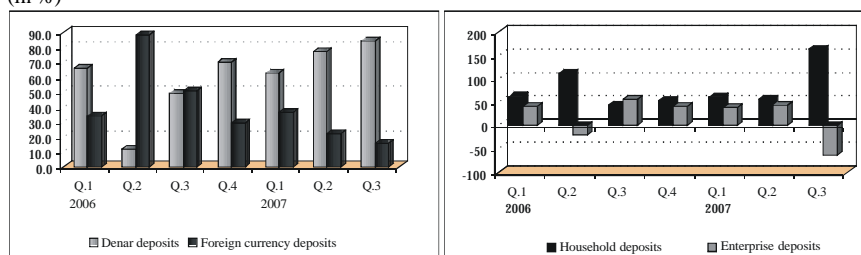
Figure 57
Share of the currency in circulation in the money supply M1 and trend line
(in %)



Decrease in the share of the foreign currency deposits in the total deposits

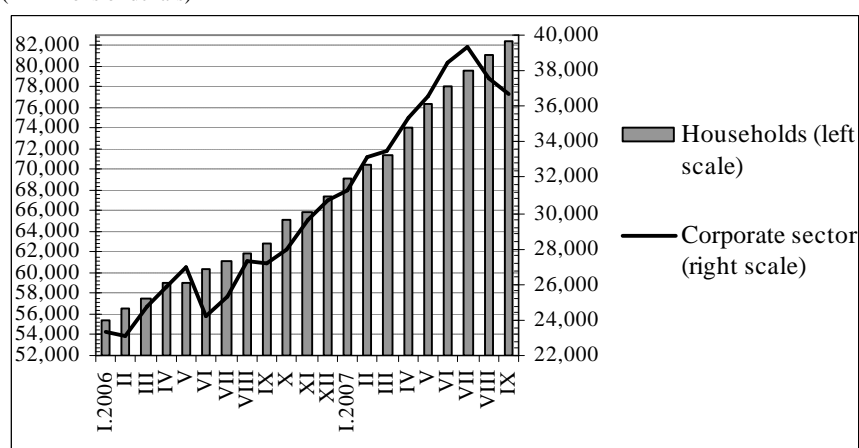
In the third quarter of 2007, hindered intensity of the increase in the deposit potential compared to the preceding quarter was registered. Thus the total deposits of the private sector with banks rose by 2.3%, compared to 10.8% in the second quarter. The largest share of the increase in the total Denar deposits accounts for the short-term Denar deposits, and it equals 61.8%. The stable inflation expectations and the expectations pertaining to the foreign exchange rate contribute to constant decline of the average share of the foreign currency deposits in the total bank deposits (from 63.2% in the third quarter in 2006, to 54.9% in the same period of 2007). Annually, the total deposits of the private sector surged by 32.4% (September 2007 / September 2006).

Figure 58
Participation in the quarterly increase in the total deposits
(in %)



Source: National Bank of the Republic of Macedonia.

Figure 59
Households and enterprises' deposits
(in millions of denars)



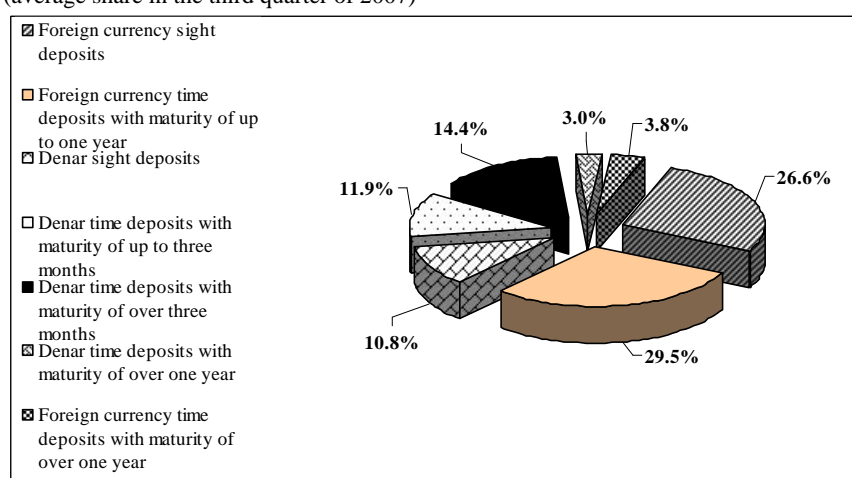
Source: National Bank of the Republic of Macedonia.



Increase in the households' deposits, given simultaneous decline in the enterprises' deposits

In the third quarter, the quarterly increase in the households' saving of 5.7% indicates that it slowed down compared to the previous quarter when increase of 9.1% was evidenced. The sector analysis in the third quarter shows dominant average share of the households' deposits of 66.8% in the banks' deposit potential. Also the households' deposits are the main driving force for the increment in the total bank deposits. In the third quarter of 2007, the largest share of the its uncommitted funds is placed by the households as Denar term deposits with maturity from six months to one year, and foreign currency deposits maturing up to one year. The largest contribution to the increase in the households' deposits accounts for the short-term deposits with a share of 83.4% and Denar deposits the share of which equals 63.8%. On annual basis, (September 2007 / September 2006), the total households' deposits rose by 31.3%.

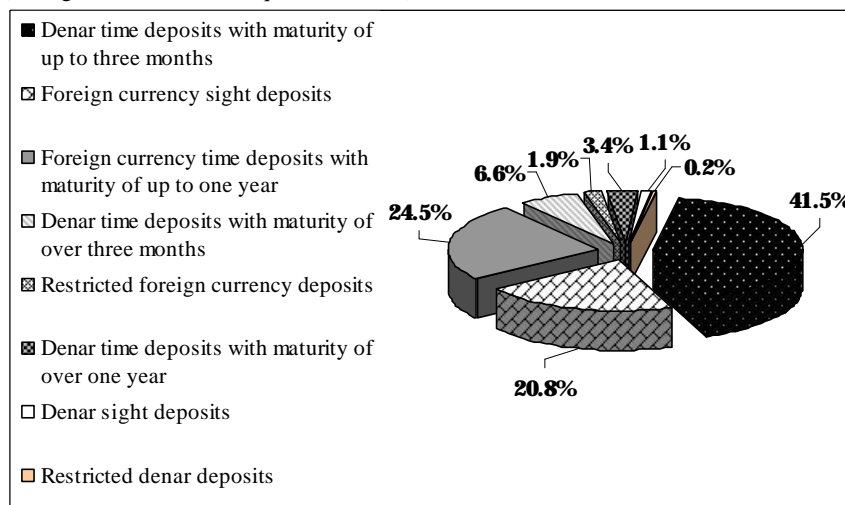
Figure 60
Households' deposit structure
(average share in the third quarter of 2007)



Source: National Bank of the Republic of Macedonia.

In the third quarter of 2007, the total deposits of the corporate sector went down by 4.5% (compared to the increase of 14.8% in the previous quarter). This decline is mainly a result of the deposits outflow based on payment of dividend to the Government by a large company. The largest portion of the enterprises' deposits was deposited as Denar term deposits up to three months (41.5%), foreign currency term deposits up to one year (24.5%), and foreign currency sight deposits (20.8%). The annual growth rate of the deposits of the corporate sector equals 35.2% (September 2007 / September 2006).

Figure 61
Deposit structure of enterprises
(average share in the third quarter of 2007)

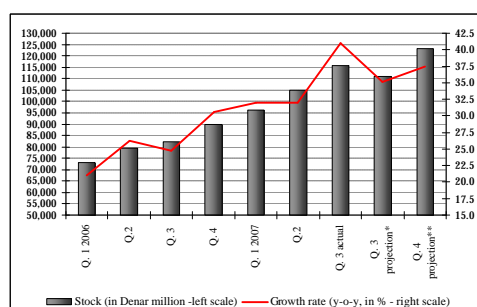


Source: National Bank of the Republic of Macedonia.

Intensified credit activity of the banks in the third quarter

In the third quarter, the developments on the banks' credit market moved in the expected direction, but with higher intensity. During the quarter, in environment of lower intensity of the deposit potential growth, a continuous reduction of the foreign exchange position of the banking system was registered, with additional inflows on the basis of recapitalization of one larger bank being also registered. In such a surroundings, the total banks' placements with the private sector registered quarterly rise of 10.2%, exceeding the level projected for 2007 by 4.3%. Such movements supported by the performances recorded since the beginning of the fourth quarter, resulted in correction of the projected annual growth rate of the total credits for the end of 2007, which was revised from 35.2% to 37.5%²¹. In September 2007, the annual growth rate of the total credits of the private sector equaled 41%²².

Figure 62
Credits of the private sector

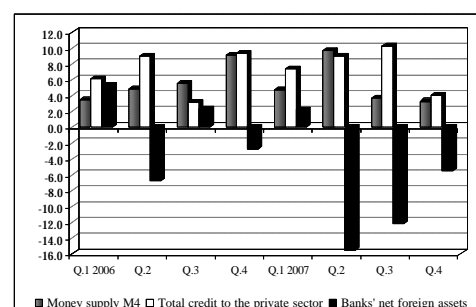


* Revised projection within the September IMF Mission.

** Revised projection within the November IMF Mission.

Source: National Bank of the Republic of Macedonia.

Figure 63
Quarterly changes
(in %)



The third quarter of 2007 is characteristic for further intensification in the demand for Denar credits²³ (82.6% of the quarterly increase in the total loans are generated from the rise in the Denar loans), which resulted in strengthened

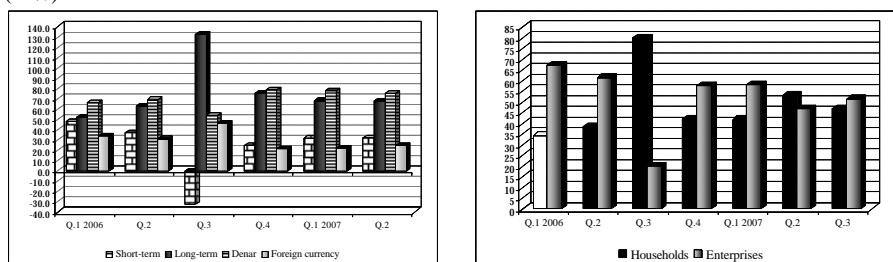
²¹ Last revised projection within the IMF Mission in November 2007.

²² The high annual growth rate is partially due to the lower comparison base in September 2006, when ultimate write-off of the suspicious and contested claims based on Denar placements and other claims from non-financial legal entities in the amount of Denar 944 million was made.

²³ Including the FX indexed loans.

position of the Denar loans in the total credit portfolio. From the aspect of maturity, the dominance accounted for the long-term loans, the rise of which explains 55% of the increase in the total loans. Within the allocation of the extended loans by sectors, in the third quarter the banks placed funds also with both enterprises and households, pointing to higher intermediation of the banking sector, with positive effects on the stimulation of the personal consumption and investments being registered.

Figure 64
Contribution to the quarterly increase in the total loans
(in %)

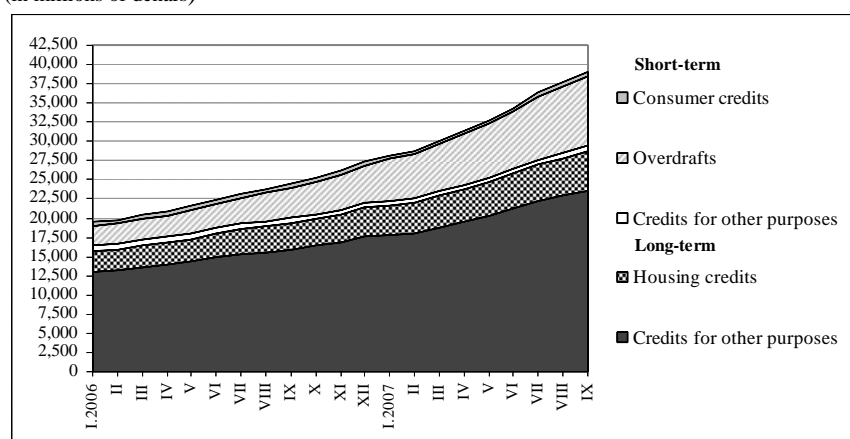


Source: National Bank of the Republic of Macedonia

Quarterly increase in the loans of households...

The total placements to households registered quarterly growth of 13.2%, with the analysis of both currency and maturity structure indicating dominance of the long-term crediting of households in domestic currency (share of 58.9% in the increase in the total loans of households) in the structural share of which high portion accounts for the credits for other purposes²⁴ (82.3%, on average in the third quarter). Simultaneously, the short-term credits of households also registered quarterly increase, mainly influenced by the higher share of framework loans²⁵ (with a share of 72.2% in the growth of the short-term loans), which can be explained by the simple administrative credit approval procedure, as well as more intensive use of credit cards. On annual basis (September 2007 / September 2006), the total placements to households surged by 56.6%.

Figure 65
Distribution of Denar credits to households by types of credits
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

²⁴ The loans for other purposes includes: consumption credits, housing credits, car credits, education credits and credits for other purposes

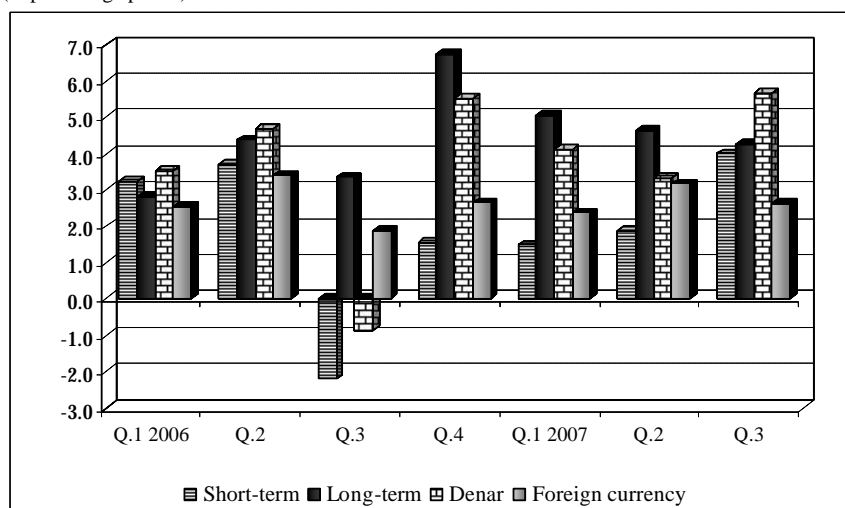
²⁵ Negative balances based on current accounts.



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

In the third quarter of 2007, the banks continued the enhanced crediting of the corporate sector, intensifying its role in the support of the economic growth process. Namely, the enlarged pressures of competitiveness, as well as the positive perceptions of the banks for the anticipated economic developments in the future period, acted towards loosening the terms and conditions of crediting, contributing to higher supply of and demand for credits. Thus in the third period, 51.5% of the total placed bank credits were allocated to the corporate sector, resulting in quarterly increase in the placements to enterprises of 8.3%. From the aspect of the maturity structure in the total placements to enterprises, an upward trend of the indebtedness on a short-term basis is characteristic for the third quarter, which caused almost equal share of the short-term and long-term loans in the increase in the total credits (the previous two quarters were dominated by the long-term crediting). Within the currency structure, the Denar loans (including also the FX indexed loans) created 68.1% of the increase in the total placements to the enterprises in the third quarter. The annual growth rate of the total placements of the enterprises equaled 32.8% in September 2007.

Figure 66
Contribution to the quarterly increase in the credits of enterprises
(in percentage points)



Source: National Bank of the Republic of Macedonia.

2.2. Interest rates

The movements in the external sector and the fiscal performances do not impose need of larger changes in the interest rate policy of the NBRM in the third quarter of 2007. Thus in the third quarter the reference interest rate²⁶ equaled 5.02%, on average, meaning it remained almost unchanged relative to the average recorded in the previous quarter. During the quarter, the interest rate on the CB bills oscillated with a monthly growth of 0.23 percentage points in July (given a decrease in the demand caused by the announced payment of dividend) and the monthly decline of 0.28 percentage points in September in environment of growing liquidity and, thus, higher demand for these instruments. The interest rate movements in the third quarter were also affected by the change in the trade conditions of Treasury bills (decreased maximal interest rate on the Treasury bills by the Ministry of Finance), leading to drop in the interest rates on the three-month, six-month and the twelve-month Treasury bills (from 5.41%,

The weighted interest rate on the CB bills continues to maintain at the level of 5%

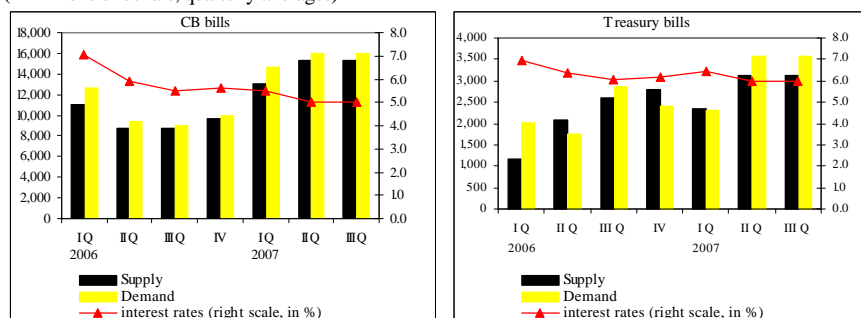
²⁶ Interest rate on CB bills with maturity of 28 days.

5.49% and 5.81%, respectively in July 2007, to 3.71%, 5.54%²⁷ and 5.13%, respectively, in September 2007), and lower interest of the banks to invest their uncommitted funds in this instrument.

Figure 67

CB bills auctions with 28-day maturity, auctions of three-month Treasury bills and movement of the interest rates

(in millions of denars, quarterly averages)

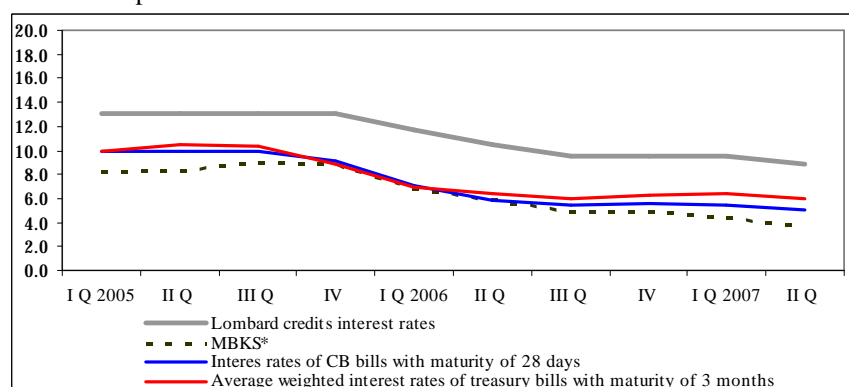


Source: National Bank of the Republic of Macedonia and the Ministry of Finance.

The dynamics of movement of the interest rates on both CB bills and the Treasury bills indicates certain movements of the interest rate on the interbank deposit market. Thus in environment of higher quarterly turnover on the interbank deposit market (by Denars 561 million), the IBIR²⁸ registered negative change of 0.24 percentage points on a quarterly basis, and at the end of September 2007 it equaled 3.21%. On the other hand, after the interest rate on Lombards decreased in May, it preserved the same level in the last three months (7.5%).

Figure 68

Average short-term interest rates of NBRM, average interest rates on the interbank deposits market and the securities market



*IBIR - interbank interest rate.

Source: NBRM and the Ministry of Finance.

Increase in the deposit interest rate, whereas the decrease in the lending interest rate

In the third quarter of 2007, the banks' interest rate policy was directed toward moderate lessening of the conditions for approving additional sources of funds to the private sector. Thus the nominal interest rate on the Denar credits²⁹, on average, registered quarterly decline of 0.3 percentage points and at the end of September 2007 it equaled 10%, while the real price of the Denar loans equaled 7.7%, on average.

²⁷ The data refers to August 2007. The Treasury bills auction with maturity of up to six months was canceled by the Ministry of Finance in September 2007.

²⁸ IBIR is the interbank interest rate calculated as weighted average from interbank trading on the deposits market with a maturity of one month.

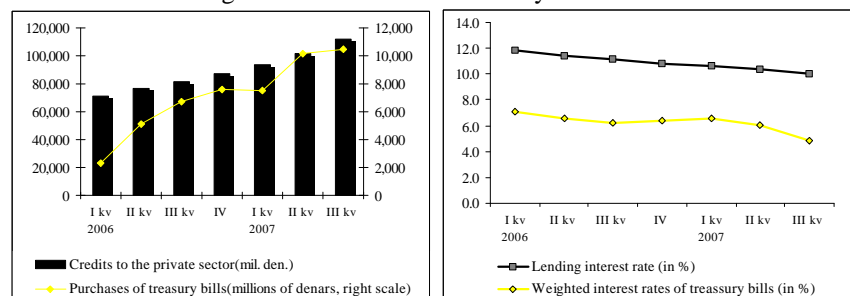
²⁹ The average weighted interest rate on Denar credits for all maturities and sectors.

The upward trend of the deposit interest rate, as an expense the banks pay for increasing their deposit potential, characteristic for the two previous quarters, continued in the analyzed period, as well. At the end of September 2007, the interest rate on the Denar deposits equaled 5% (i.e. 4.9%, on average, for the third quarter). The real expense of the banks (having in mind the inflation rate registered in the third quarter) equals 2.5%. Such movements of the interest rate resulted in squeezed interest rate spread by 0.4 percentage points, compared to the second quarter of 2007.

The decrease in the interest rates at the government securities market, as one of the alternatives for investing the banks' assets, reduced the interest for these securities, showing the price elasticity of their demand. The lower opportunity cost from investment in alternative financial instruments may be considered as additional factor, thus contributing to significant increase in the funds allocated as financial support to the private sector.

Figure 69

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



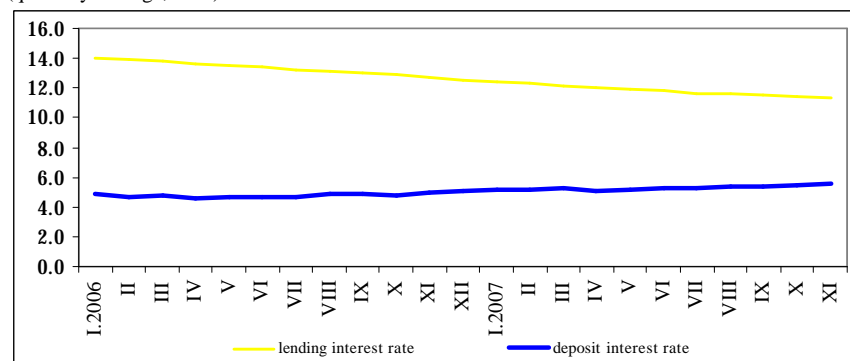
Source: National Bank of the Republic of Macedonia.

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

Analyzed from the aspect of the sectors, the interest rate developments with the sector "households" registers more intensive quarterly dynamics within the lending interest rate (decline of identical 0.4 percentage points in the three quarters of 2007), compared to the movements of the deposit interest rate, which after the preserved level in the second quarter relative to the first three months, went up by 0.2 percentage points. The quarterly drop was largely influenced by the change in the interest rate on the short-term credits without FX clause (by 0.9 percentage points), in environment of moderate movements registered with the interest rates of the remaining households' Denar loans.

Figure 70

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



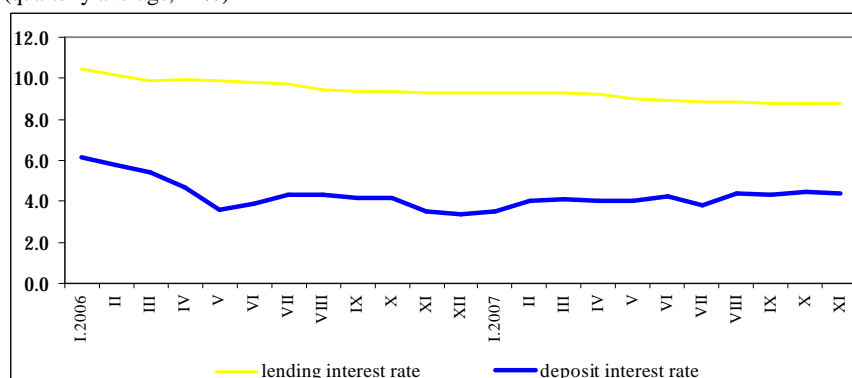
Source: National Bank of the Republic of Macedonia.

...given moderate decline in the weighted interest rate of enterprises of 0.2 percentage points

In the third quarter of 2007, the interest rate policy of the banks towards the corporate sector was conducted without significant changes of higher importance. Thus the average weighted interest rate on Denar loans registered

quarterly decrease of 0.2 percentage points and at the end of September 2007 it equaled 8.7%. Compared to the second quarter, in the third quarter of 2007, the decreased was caused by the short-term credits with and without FX clause, registering quarterly decline of 0.4 and 0.3 percentage points, respectively. Regarding the deposit interest rate, moderate rise of 0.1 percentage point on a quarterly basis was recorded, with the average weighted interest rate on the Denar deposits in the third quarter being equal to 4.2%. From the aspect of the structure, the largest change is evident in the interest rates on the Denar sight deposits without FX clause and the Denar deposits without FX clause with maturity over one year (increase of 1.2 and 0.6 percentage points, respectively). On the other hand, the interest rates of the FX indexed loans reduced by 0.2 percentage points on a quarterly basis, which is mostly generated by the drop in the term deposits with maturity of up to three months (of 1.3 percentage points).

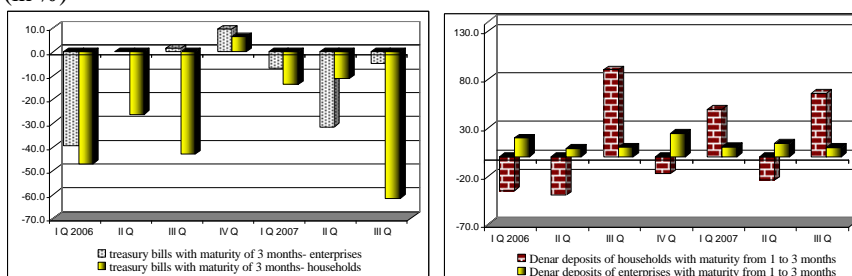
Figure 71
Average weighted Denar lending and deposit interest rate of the corporate sector
(quarterly average, in %)



Source: National Bank of the Republic of Macedonia.

Also in the third quarter of 2007 the most attractive investments, from the aspect of the profit the depositors receive, were the Denar term deposits (with maturity of up to three months and without FX clause) compared to the profit from the allocated funds in the three-month Treasury bills. Namely, the Treasury bills interest rate reduction (of 1.1 percentage point, on average, on a quarterly basis), caused lower amount of invested funds in this instrument by the households (by 61.7% compared to the second quarter of 2007) and enterprises (by 4.8%). The interest rate on the term deposits (up to three months with FX clause) of the private sector, overcame the profit based on Treasury bills in the third quarter, which reflected positively on the interest of the economic agents for holding Denar deposits, especially the enterprises, which rose the deposit amount for significant 65.3%, compared to the second quarter 2007.

Figure 72
Average quarterly changes of the investments in three-month Treasury bills and three-month Denar term deposits
(in %)

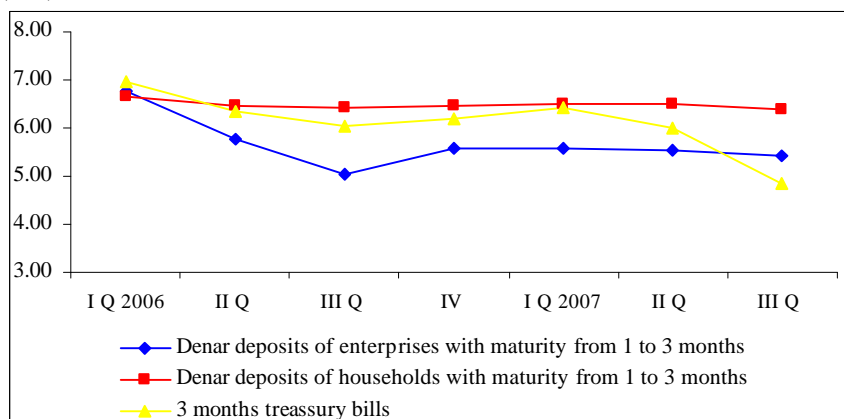


Source: National Bank of the Republic of Macedonia.



Figure 73

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



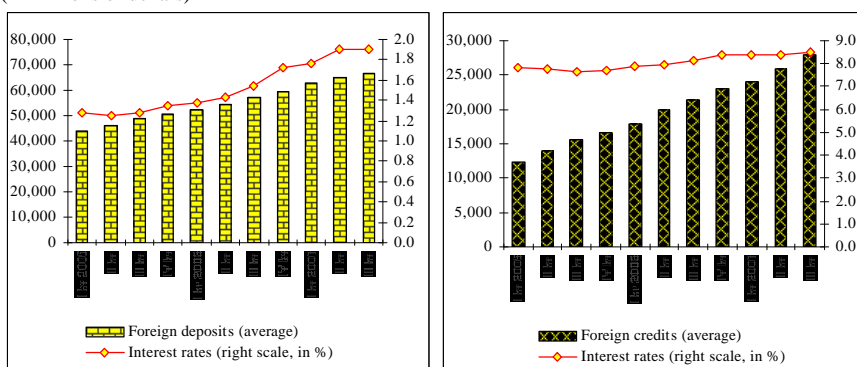
Source: National Bank of the Republic of Macedonia.

The weighted interest rate on the foreign currency deposits remained unchanged...

In the third quarter of 2007, the average weighted interest rate on the foreign currency deposits preserved the level recorded in the second quarter and it equaled 1.9%. The profit of individual sectors (households and enterprises) recorded no change compared to the previous three months of 2007 (1.8% and 2.2%, respectively).

Figure 74

Quarterly timeframes of the foreign currency deposits and credits of the private sector, as well as of the lending and deposit interest rate
(in millions of denars)



Source: National Bank of the Republic of Macedonia.

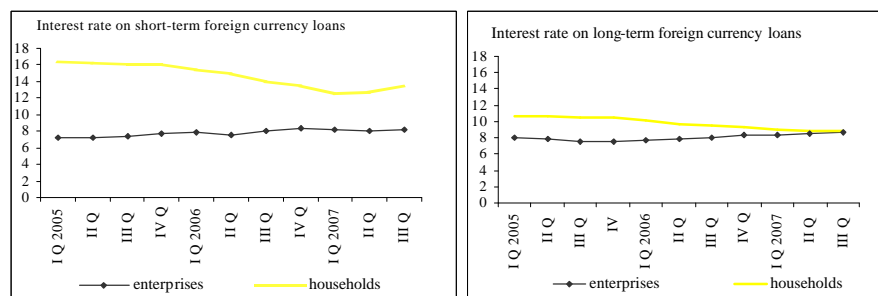
...given moderate increase in the interest rate on the foreign currency loans of 0.1 percentage point

The average weighted foreign currency lending interest rate³⁰ went up by 0.1 percentage point and equaled 8.5%. The households' short-term interest rates registered quarterly changes of higher significance (rise of 0.9 percentage points, compared to the increment with the enterprises of 0.1 percentage point), which set the levels at 13.6% and 8.2%, for the third quarter of 2007, respectively. With regard to the long-term interest rates on foreign currency credits in September 2007 these interest rates equalized and equaled 8.7% as a result of the trend of approximation of the interest rates of both households and enterprises. Such a movement reflected the decrease in the interest rates of the households (of 0.1 percentage point), given simultaneous increase in the rate at which the enterprises borrow (of 0.2 percentage points).

³⁰ Average weighted lending interest rate on the foreign currency loans for all maturity and sectors.



Figure 75
Interest rate on short-term and long-term foreign currency loans of the private sector



Source: National Bank of the Republic of Macedonia.

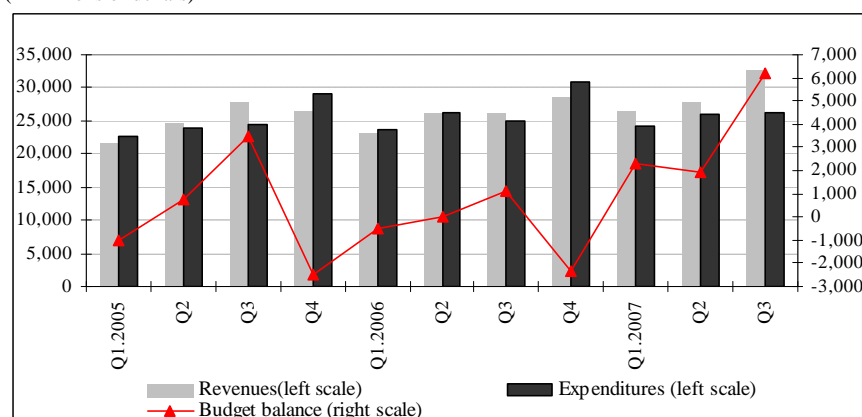
III.

Public finances

Budget rebalance for 2007, in August 2007

With regard to the public finances, the exclusively good performances on the side of the income continue also in the third quarter of 2007. Such performances, together with the necessary reallocations of the budget funds, imposed a need for Budget rebalance and adoption of appropriate program for spending budget surplus funds until the end of the year. The amendments to the Budget for 2007³¹ (adopted in August 2007), i.e. appropriate correction in the revenues and expenditures are based on the following elements: enhanced realization with almost all tax income; expected higher level of payment of dividend; ensuring funds for initiated significant capital investment; harmonization of the allocations to the budget with the performed debt repurchase in the first half of the year, as well as strengthening of the administrative capacity, in line with the national program for adopting the EU law. However, the revised projections of the revenues and the expenditures of the consolidated budget caused no movements in the budget deficit, which preserved the level of 1% of the planned GDP for 2007.

Figure 76
Total budget revenues and expenditures and budget balance
(in millions of denars)



Source: Ministry of Finance of the Republic of Macedonia.

Registered high budget surplus in the consolidated budget.

From the aspect of the performances, in environment of higher realization of the tax income and payment of dividend in the third quarter of 2007 the consolidated government budget realized high budget surplus of Denar 6,225 million. If the budget balance is corrected by the payments based on interest, higher primary balance is obtained (by 6%), with a positive current budget balance being simultaneously registered. Such performances in the fiscal

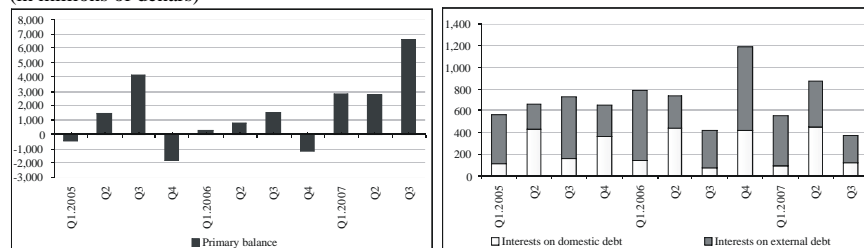
³¹ Source: State Statistical Office of RM, No. 96/2007.

sector increase the probability for concentration of the budget consumption in the last quarter of the year, having suitable influences on the monetary policy.

Figure 77

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...

...given higher accumulation of tax and non-tax income

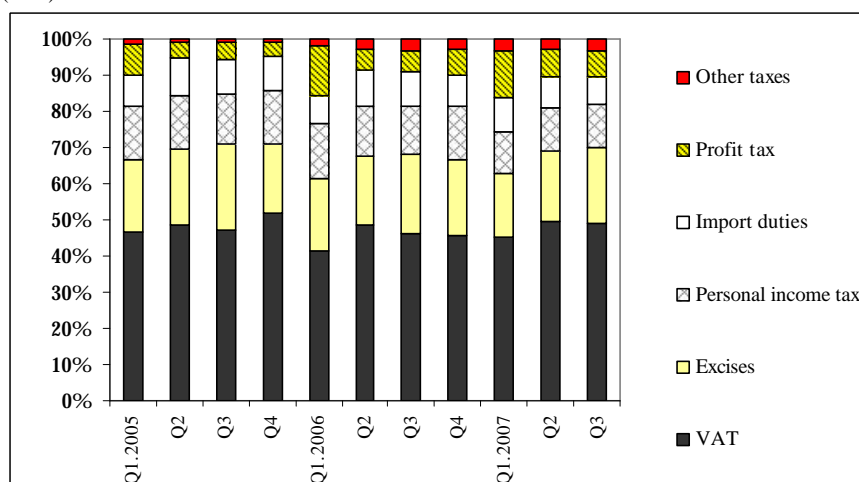
In the third quarter of 2007, total Denar 32,601 million were accumulated in the government budget, which is 28.5% of the projected income inflows for the year³², i.e. 24.4% more than the income registered in the same period of the previous year. Such a dynamics in the total public income reflects the effect of the realized payment of dividend by AD Makedonski Telekomunikacii (in the total amount of Denars 2,873 million, or 45% of the annual increase in the total income), thus leading to the annual rise of the non-tax income by two times. The tax income (as dominant income component with a share of 44.2% in the annual increase in the total income), went up by 18.3%, annually, as a reflection of the augmented income from all types of tax categories, except to the income based on customs payments (annual decline of 4.8%, according to the gradual decrease in the customs rates according to the WTO Membership Agreements and the free trade agreements³³. Main cause for the increase in the total tax income remain to be the income from WAT³⁴ (annual rise of 25.3%, in terms of favorable movements in the domestic trade and enhanced import, as well as more efficient tax collection), followed by the excise income (with a share of 14.7% in the annual increase in the total income). The highest growth rate of 34.5% in the third quarter was recorded in the income based on the collected profit tax, pointing to the higher economic activity of the enterprises, strengthen financial results from their operating, as well as improved collection of this tax. The income based on contributions, as significant income item with a share of 25.3% in the total annual rise of 8.9% (given increment in the contributions with all funds), and improved realization is also evident with the capital income, based on sale of state-own both apartments and building land.

³² According to the Budget rebalance for 2007 from August 2007.

³³ On July 26, 2007, the implementation of the Free Trade Agreement CEFTA 2006 commenced (Official Gazette of RM, No. 69/2007), replacing the free trade agreements signed with Albania, Bosnia and Herzegovina, Croatia, Moldavia, Serbia and Montenegro and UNMIK (Kosovo).

³⁴ On September 29, 2007, the amendments to the Law on WAT were enforced (Official Gazette of RM, No. 114/2007) according to which the WAT rate reduced from 18% to 5% with individual groups of products: medicines and medical appliances, computer hardware and software, thermal solar systems and components, and services in the public transport.

Figure 78
Tax income structure
(in %)

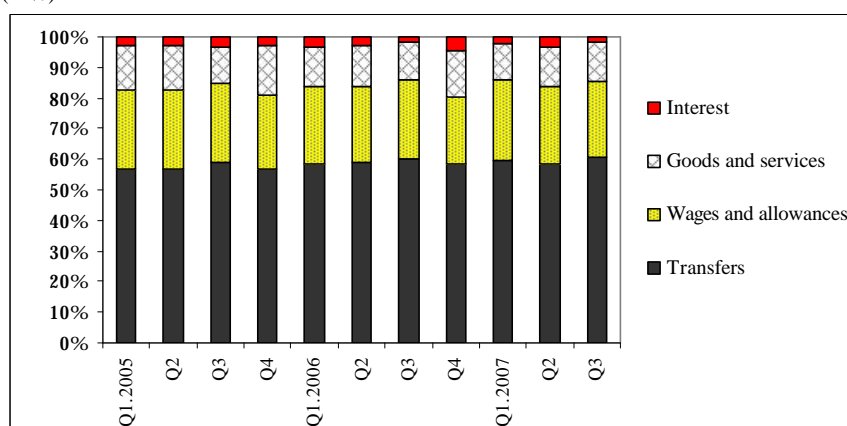


Source: Ministry of Finance of the Republic of Macedonia.

Annual increase in the public expenditures, as a result of the risen realization of the current expenses

Opposite of the intensive growth in the public income, in the third quarter 2007, the total public expenditures registered growth of 5.1% on annual basis, which is completely due to the increase in the current expenditures, whereas the registered decrease in the capital spending of the Government (of 13.4%, annually). The projected capital expenditures are expected to be realized in the forthcoming months of the year, having in mind that the larger part of the investment project activities is realized in the summer period and the payment requirements will mature in accordance with the phased realization of this projects. The current expenditures (with a share of 91% in the total expenditures structure) augmented by 7.4% annually, under the dominant influence of the higher amount of transfer payment³⁵. Annual increase was also registered by the wage and compensations expenses and expenses based on goods and services, while the temporary repayment of part of both external and domestic debt significantly reduced the interest repayments (by 11% on annual basis).

Figure 79
Structure of Government current expenses
(in %)



Source: Ministry of Finance of the Republic of Macedonia.

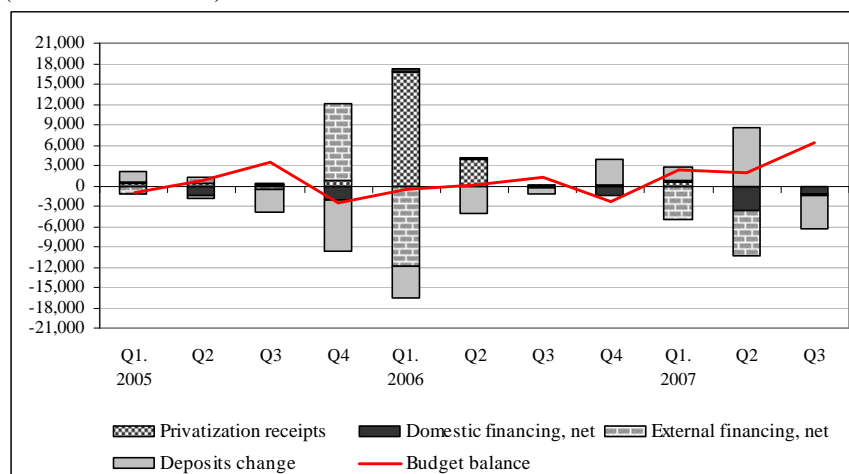
³⁵ Starting from July 2007, in the municipalities meeting the criteria for initiating the second stage of the fiscal decentralization (about 40 - 44 municipalities), the contributions and wage expenses of the employees in four sectors of the local public administration (education, social policy and children protection, culture and health care) will be financed through block subsidies, covered by the budget item "other transfers".



Early repayment of the external public debt...

With respect to the financing, in the third quarter of 2007, the largest portion of the funds from the registered budget surplus was transferred to the government Denar account with the NBRM, leading to a significant increase in the government deposits and liquidity sterilization on that basis. Also, in August 2007 an early repayment of part of the debt to the European Investment Bank (in the amount of Euro 6.8 million) was made.

Figure 80
Financing of the budget balance
(in millions of Denars)

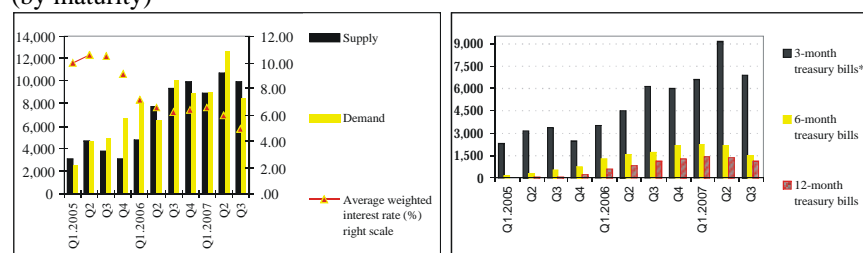


Positive change - deposit withdrawal; negative change - deposit accumulation.
Source: Ministry of Finance of the Republic of Macedonia.

... and reduced issue of continuous Government securities

Favorable performances in the fiscal sector caused lower need of domestic indebtedness. Thus on the Government securities auctions held in the third quarter of 2007, the bid amount was smaller by 17.5% than that of the due Treasury bills for fiscal purposes, and at the end of September 2007 compared to the end of the previous quarter, their amount is lower by Denar 1,283.4 million.

Figure 81
Total supply of and demand for Treasury bills for all maturities (in millions of denars) and average weighted interest rate and investment stock in Treasury bills (by maturity)



*It includes the Treasury bills for monetary purposes.
Source: NBRM and the Ministry of Finance of the Republic of Macedonia.

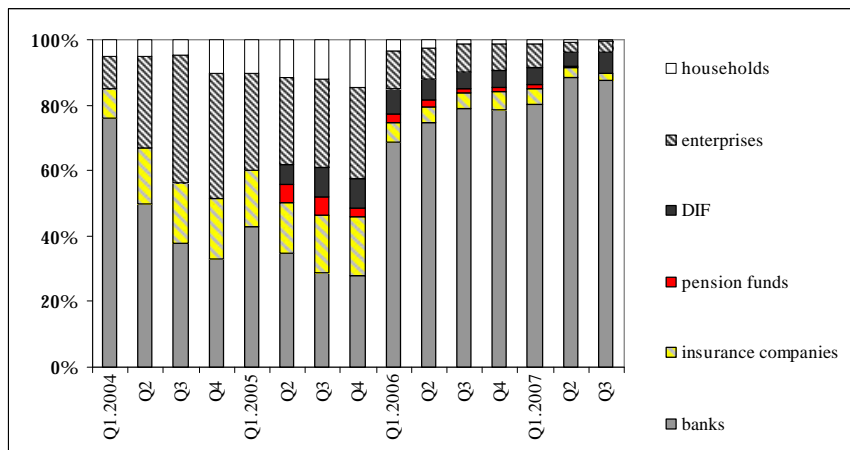
Such movements caused decrease in the total public debt of the central Government³⁶ (of Euro 66.3 million on a quarterly basis), given the registered movements in its structure towards lower share of the domestic public debt (by

³⁶ 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.



1.7 percentage points, quarterly, as a reflection of the reduce issue of continuous Government securities).

Figure 82
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.

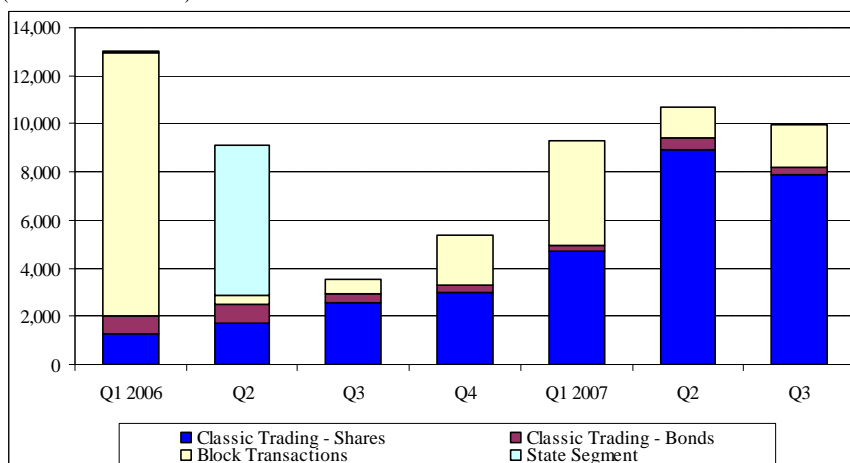
IV.

Financial markets

Drop in the total stock exchange turnover in the third quarter of 2007

After three consequent quarters of intensification of the stock exchange trade, it slowed down in the third quarter of 2007. Namely, the total turnover on the stock exchange (including the block transactions and the government segment) went down by 6.7% in this quarter of 2007 compared to the previous one.

Figure 83
Structure of the stock exchange turnover
(in millions of denars)



Source: Macedonian Stock Exchange AD Skopje.

Growth in the turnover from the classical trading

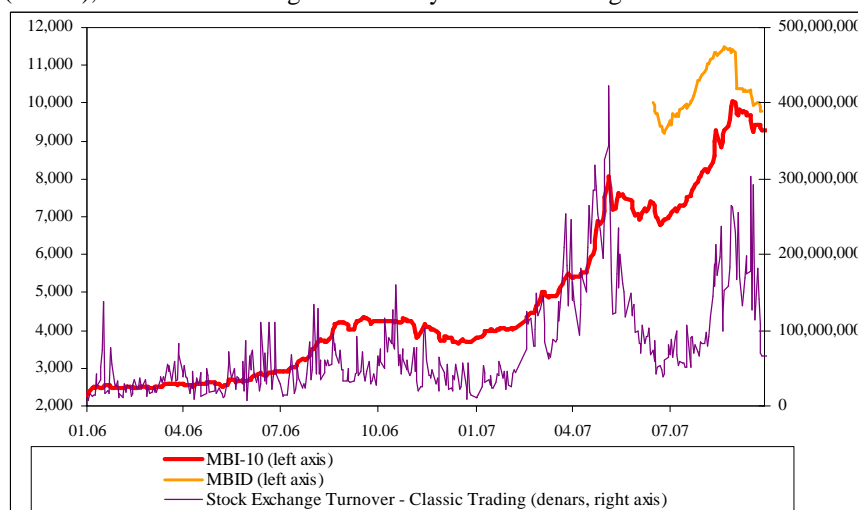
Within the total stock exchange turnover registered in the third quarter of 2007, the classical trade dominates, although it fell by 13.1%, in comparison with the previous quarter, primarily as a result of the reduced classical trading with shares by 11.4%. The average daily stock exchange totals Denar 131.3 million, with 568 transactions per day, on average, being realized.



**High increase in the value
of the stock exchange
index MBI-10**

On September 28, 2007, the value of the MBI-10³⁷ equaled 9,283 index points, which is growth of 34.2%, compared to June 29, 2007. The MBI-10 is characterized by rapid rise in July and August, with the last day in August registering the highest historical level of 10,057.8 index points, while in September, the index has generally, a downward trend. Such a dynamics of the index caused its value to augment more intensively in the third quarter compared to the previous quarter, when the growth equaled 26.2%. The value of the Index of publicly held companies - MBID³⁸, at the end of the third quarter equals 9,810.1, which is an increase of 6.1% compared to June 29, 2007.

Figure 84
Macedonian Stock Exchange Index (MBI-10), Index of publicly held companies (MBID), and stock exchange turnover by classical trading³⁹



Source: Macedonian Stock Exchange AD Skopje

Box 2

Comparison of MBI-10 with the national and composite indices in the region

In comparison with other national indices, the MBI-10 is the fastest growing stock exchange index in the region in the third quarter of 2007, in environment of different movements of the indices on the other national stock exchanges. If the developments registered in the beginning of the year are analyzed, the MBI-10 is increasing far faster than the composite stock exchange indices MSCI Emerging Markets - Eastern Europe (shares of several Central and East European stock exchanges) and Dow Jones Stoxx Balkan 50 (shares of eight Balkan stock exchanges). The comparison with the Dow Jones Stoxx Balkan 50 is of special importance, since it represents price index composed of 50 the most liquid shares from the Balkan's stock exchanges, and all of them

³⁷ 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.

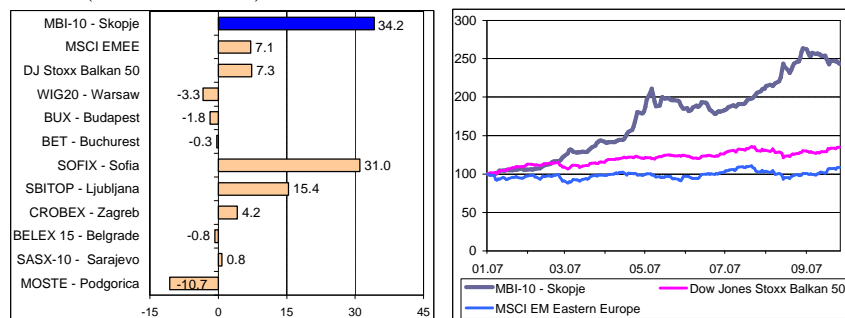
³⁸ Price non-weighted index, the integral elements of which are selected having in mind the number of trading days and the registered turnover between two revisions of the index. Within June 18 - September 10, 2007 period, the MBID elements were the common shares issued by the fifteen joint stock companies, traded on the regular market, while after the two revisions carried out in September, the MBID is calculated on the basis of the common shares issued by twelve joint stock companies.

³⁹ The figure shows the daily stock exchange turnover registered by classical trading, which includes only the classical trading with shares and bonds, while excluding the block transactions, transactions on the government segments, as well as transactions with other securities (certificates issued in the bankrupted savings houses). The calculation and the publication of the MBID started on June 18, 2007.

have equal weight. Dow Jones commenced publishing this index on November 5, 2007, and it is calculated since the beginning of 2007. The index includes ten companies from Turkey and Greece, respectively, and five from Macedonia, Serbia, Croatia, Slovenia, Bulgaria and Romania. The selection of the companies is made on the basis of the market capitalization of the publicly held shares and shares liquidity. The largest share in the index structure accounts for the banks 34.9%, companies providing financial services with a share of 12.1%, telecommunications with 11.7% and energy sector with 11.2%.

Figure 85

Percentage quarterly increase in the national and regional stock exchange indices and comparison of the movement of the regional composite stock exchange indices (1.01.2007=100)



Source: Bloomberg, Dow Jones, Makedonska berza AD Skopje, national stock exchanges.

It can be perceived that, except in the beginning of the year, the movement of DJ Stoxx Balkan 50 has the same direction as MSCI EM Eastern Europe. On the other hand, the direction and the rate of change of MBI-10 in most of the cases do not match those of DJ Stoxx Balkan 50, pointing to the yet insufficient integration of the Macedonian market in the regional and European capital flows. Possible reasons for these movements of MBI-10 lie in the process of reaching the development level of other regional national stock exchanges, as well as the higher influence of several institutional investors in the Macedonian Stock Exchange, mainly from Slovenia and Croatia.

The analysis from the aspect of the ownership structure on the official market on the stock exchange shows that as of end of September 2007, the share of the foreign investors in the total capital of listed companies and in the total face value of the listed bonds equaled 22%, totally, (compared to 21.1% at the end of June 2007). Also, 29.7% of the total investments in shares and 10.3% of the total investments in the Government bonds on the stock exchange account for the foreign investors.

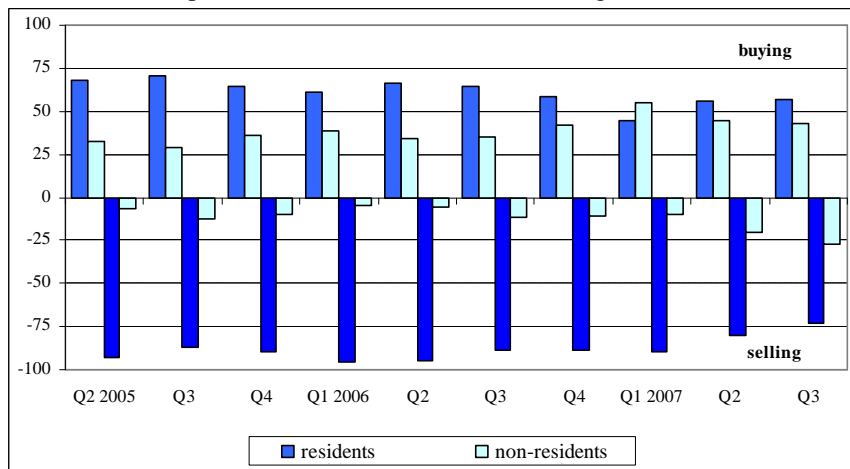
The dominance of the residents on the turnover on the stock exchange continues

From the aspect of the stock exchange turnover, the dominance of the residents on the side of both purchase and sale on the stock exchange continues. Thus in the third quarter of 2007, the residents participated with 72.8% and 57.1% in the sale and purchase of securities, respectively. The residents are more interested in the sales whereas the non-residents, who are more attracted to the purchases, although a tendency of gradual increase in the share of the non-residents on the side of sale of securities is noticed.

Figure 86

Structure of the turnover on the Stock Exchange, by investors and direction of the transactions

(in % of the total purchase, i.e. sale on the stock exchange)



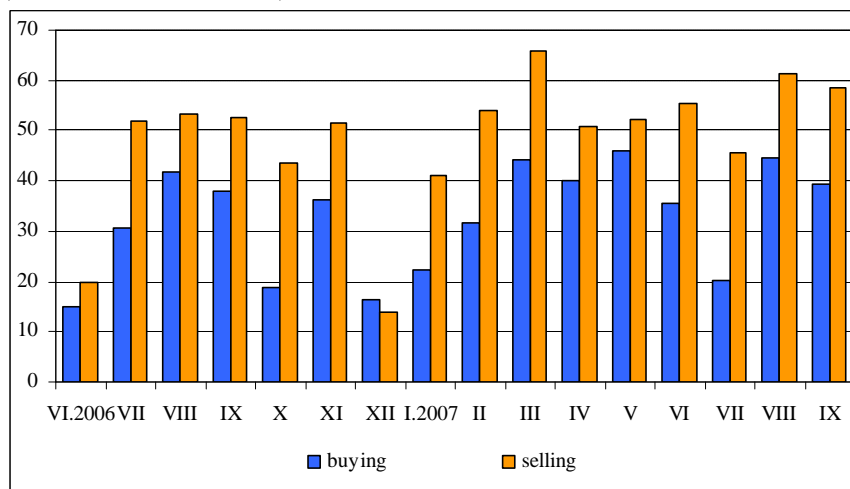
Source: Macedonian Stock Exchange AD Skopje

Increased stock exchange sale, whereas purchase by the domestic natural persons

The participation of the domestic natural persons in the stock exchange sales equaled 55%, on average, within the quarter, which is a rise of 2.3 percentage points on a quarterly basis. On the other hand, the domestic natural persons participated with 34.7% in the total purchases on the stock exchange, which is a quarterly decline of 5.8 percentage points.

Figure 87

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



Source: Macedonian Stock Exchange AD Skopje.

In terms of higher presence of the non-residents on the side of the investments in securities, the total amount of purchased foreign assets by the NBRM on this basis, in the their quarter exceeds the amount of sold foreign currency on the basis of withdrawal of the invested funds by the non-residents by 2.8 times (2.7 times in the second quarter). As of September 30, 2007, 18% of the opened custodian accounts contain statement for non-withdrawal of the invested funds during one year, for which the deadline for ban on management did not expire (20% as of June 30, 2007). Besides the downward trend of the share of this type of custodian accounts, there is still almost constant participation of the custodian accounts of approximately 28%, containing a non-withdrawal statement within one year, and for which the deadline for ban on

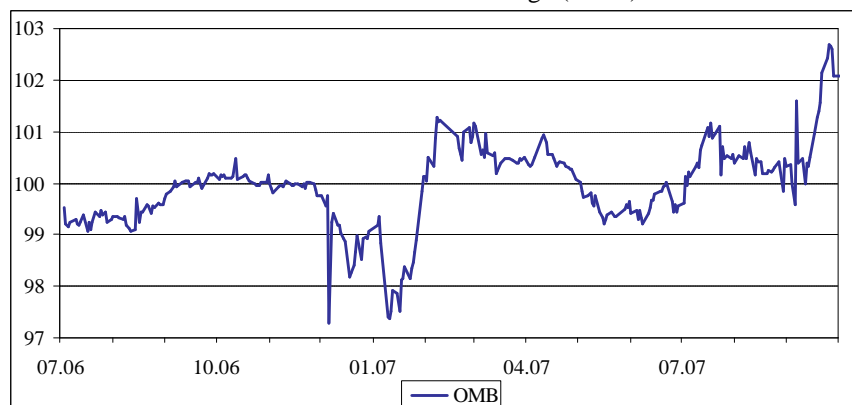


management expired, pointing that the withdrawal may not necessarily perform after the expiration of the deadline. In this context, the more intensive process of investments in securities than non-investments by foreign investors should be mentioned.

*Reduced bonds turnover
and upward trend of the
OMB index*

In the third quarter of 2007, the turnover of the *Government bonds* on the official stock exchange market equaled Denar 265.9 million and registered quarterly decline of 44.7%. The prices of the Government bonds varied from 77.4% (the Denationalization bond of the fifth emission) to 88.4% of the face value (Bond for old foreign currency saving)⁴¹. During the quarter, at first the OMB⁴² registered neutral movements, followed by more apparent upward trend, and at the end of September 2007 it stood at 102.07 percentage points (rise of 2.5% compared to the end of June 2007).

Figure 88
Index of bonds on the Macedonian Stock Exchange (OMB)



Source: Macedonian Stock Exchange AD Skopje.

In the third quarter of 2007, the total realized turnover with long-term securities on the Over the Counter Market totals Denar 50 million, and it fell by six times compared to the previous quarter. Compared to the second quarter of 2007, when it was almost completely traded with the Government bonds with the remaining maturity of up to three years, in the third quarter, the entire turnover referred to the Government bonds with original and remaining maturity with up to two years.

⁴¹ The interval is determined according to the maximal and the minimal prices of trading with the bonds, while the data is primarily taken from the monthly bulletins published by the Stock Exchange.

⁴² The OMB index includes the bonds for old foreign currency saving and the denationalization bonds of the first, second, third, fourth and the fifth emission, when the initial value of OMB was 100. OMB is price index weighted with the turnover, with a restriction that the share of bonds in the index should not exceed 30%.



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

	GDP total	%	Agriculture, hunting, forestry and fishing	%	Mining and quarrying, manufacturing and electricity, gas and water supply	%	Construction	%	Wholesales and retail sales	%	Hotels and restaurants	%	Transport, storage and communications	%	Financial intermediation	%	Public administration and defence	%
National classification of activities ^{/1}			A+B		C+D+E		F		G		H		I		J+K+L		M+N+O+P	
1997	186018	1.4	20411		45317		9867		21297		2819		11372		26002		27067	
1998	192308	3.4	21083	3.3	45969	1.4	10626	7.7	21377	0.4	3025	7.3	14385	26.5	26002	0.0	27395	1.2
1999	200669	4.3	21273	0.9	46750	1.7	11732	10.4	22025	3.0	3771	24.7	16854	17.2	26499	1.9	28519	4.1
2000	209777	4.5	21489	1.0	51122	9.4	12037	2.6	22695	3.0	3345	-11.3	18282	8.5	27215	2.7	28546	0.1
2001	200284	-4.5	19169	-10.8	48786	-4.6	10300	-14.4	22505	-0.8	3195	-4.5	16761	-8.3	27783	2.1	27876	-2.3
2002	201993	0.9	18779	-2.0	48390	-0.8	10364	0.6	23725	5.4	3726	16.6	16467	-1.8	26758	-3.7	28843	3.5
2003	207690	2.8	19686	4.8	50845	5.1	11741	13.3	24146	1.8	4085	9.6	16539	0.4	25787	-3.6	30262	4.9
2004	216164	4.1	20908	6.2	50439	-0.8	12610	7.4	27933	15.7	3623	-11.3	15745	-4.8	28817	11.8	30068	-0.6
2005 ²	225035	4.1	20941	0.2	51803	2.7	12725	0.9	29243	4.7	3675	1.4	17387	10.4	28283	-1.9	31476	4.7
2006 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
Q2	60898	4.0	5384	1.8	13469	-2.8	3522	4.1	8825	15.1	909	2.0	5190.0	11.9	7534	5.2	8145	1.5

Source: State Statistical Office.

^{/1} National classification of activities.

^{/2} Previous data

^{/3} Estimated data



Table 2
Prices
Annual rates (%)

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			
	Q3	2.4	3.0	0.2	3.8	2.3	1.1	5.2	7.5	6.0	-0.1	0.9	3.6	-3.1	3.9	12.5	1.6			
	January	0.8	1.4	-1.2	1.1	0.1	1.2	4.8	-0.7	9.3	-1.9	-0.1	3.5	-4.8	3.3	0.3	1.3			
	February	0.5	1.1	-1.3	0.8	0.0	1.8	4.5	-0.6	8.7	-1.9	0.1	3.5	-5.8	3.3	-1.1	0.3			
	March	0.8	1.3	-0.9	0.3	0.1	2.2	6.0	6.2	8.3	-1.4	0.1	3.6	-4.4	2.5	-1.1	1.4			
	April	1.0	1.4	-0.2	0.3	2.3	1.2	6.0	7.0	8.0	-1.5	0.2	3.5	-4.0	4.2	11.7	1.0			
	May	0.9	1.4	-0.8	0.7	2.2	0.9	5.8	6.4	7.7	-1.1	0.1	3.4	-5.1	3.5	11.7	-1.0			
	June	1.3	1.9	-0.6	1.1	2.1	0.8	6.0	6.3	7.9	-0.2	1.0	2.4	-3.7	3.1	11.7	1.0			
	July	1.3	1.9	-0.8	0.7	2.3	0.8	6.1	6.4	7.9	-0.2	0.8	4.2	-3.8	3.0	11.7	0.0			
	August	2.2	3.3	-1.3	3.9	2.4	0.6	6.2	6.5	8.1	-0.2	1.1	4.3	-4.9	3.1	12.9	1.2			
	September	3.6	3.9	2.6	6.7	2.4	1.7	3.5	9.7	2.1	0.2	0.9	2.3	-0.6	5.7	13.0	2.0			

Source: State Statistical Office.

¹ CPI-consumer price index.

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

³ Quarterly calculations are made in the Research Department in NBRM.



Table 3
Industrial production
Annual growth rates (%)

	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
Q3	1.1	15.4	1.5	-8.7	-4.5	7.5	27.3	-3.0	-5.8	17.4
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
July	-2.2	56.1	-2.1	-18.9	-11.1	6.9	4.0	8.4	-7.0	12.8
August	1.0	3.3	2.2	-11.6	-8.9	14.3	2.5	4.0	-7.8	14.8
September	4.5	0.6	4.3	9.5	9.0	1.9	77.6	-15.4	-2.4	25.0

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
Q2	1,627,216	906,199	589,254	316,944	112,982	184,622	288,104

Source: State Statistical Office. Survey on work force.



Table 5
Salaries

Amount in denars, annual rate in (%)

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

Source: State Statistical Office.



Table 6
Budget of the Republic of Macedonia

	2005				Jan.- Dec. 2005	2006				Jan.- Dec. 2006	2007					
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	July	August	September	Q3
TOTAL BUDGET REVENUES	21,721	24,618	27,920	26,617	100,877	23,070	26,288	26,216	28,470	104,044	26,428	27,860	10,827	12,164	9,610	32,601
Revenues base on taxes and contributions	18,972	21,172	21,285	23,151	84,580	19,848	22,782	23,080	24,829	90,540	23,461	24,635	9,384	8,624	8,580	26,588
Tax revenues (SRA)*	68	75	70	91	304	79	50	35	35	199	59	45	19	21	6	46
Tax revenues	12,314	13,944	14,107	15,316	55,681	12,658	15,098	15,459	16,360	59,575	15,755	16,514	6,496	5,916	5,870	18,282
personal income tax	1,834	2,052	1,951	2,260	8,097	1,933	2,098	2,025	2,358	8,414	1,844	2,006	759	699	762	2,220
profit tax	1,080	600	623	534	2,837	1,725	914	950	1,119	4,708	2,035	1,237	424	403	451	1,278
value added tax	5,745	6,767	6,652	7,918	27,082	5,228	7,342	7,155	7,514	27,239	7,106	8,150	3,381	2,866	2,721	8,968
excises	2,461	2,937	3,385	2,965	11,748	2,542	2,840	3,373	3,419	12,174	2,780	3,234	1,335	1,297	1,156	3,788
custom duties	1,026	1,441	1,335	1,464	5,266	993	1,494	1,474	1,459	5,420	1,502	1,380	417	451	535	1,403
other	168	147	161	175	651	237	410	482	491	1,620	488	507	180	200	245	625
Contributions	6,590	7,153	7,108	7,744	28,595	7,112	7,635	7,586	8,434	30,766	7,647	8,076	2,869	2,687	2,704	8,260
Pension and Disability Insurance Fund of RM	4,230	4,569	4,553	4,949	18,300	4,620	4,969	4,893	5,467	19,948	4,954	5,206	1,844	1,793	1,809	5,446
Employment Biro	312	325	322	353	1,313	322	336	337	375	1,371	343	364	127	122	123	372
Health Fund	2,048	2,259	2,233	2,442	8,982	2,170	2,330	2,356	2,592	9,447	2,350	2,506	898	772	772	2,442
Non-tax revenues	2,484	3,079	5,376	2,928	13,867	2,333	2,816	2,715	2,842	10,706	2,521	2,861	1,131	3,443	943	5,517
Non-tax revenues (SRA)*	1,414	1,683	1,549	1,676	6,322	1,279	1,231	1,605	1,656	5,771	1,501	1,455	576	231	479	1,286
Profit from public financial institutions	83	260	2,837	139	3,319	103	406	56	258	824	72	368	121	2,889	22	3,032
National Bank of the Republic of Macedonia	10	0	0	0	10	0	8	0	0	8	0	258	0	0	0	0
Asset Management Agency	32	200	0	120	352	0	315	0	210	525	49	15	100	0	0	100
Other property revenues	40	14	62	0	116	75	43	6	0	124	7	0	5	0	0	5
Interests from assets deposited in NBRM	0	38	16	19	73	23	31	43	47	144	16	94	15	16	19	50
Dividend	1	8	2,759	0	2,768	5	9	7	1	23	0	1	1	2,873	3	2,877
Administrative taxes	387	459	358	453	1,657	395	426	308	364	1,493	419	384	134	118	154	406
Participation for health services	127	122	69	116	434	79	75	65	67	286	70	78	0	31	50	81
Other administrative taxes	47	61	47	41	196	48	51	38	26	163	72	68	21	22	24	67
Other non-tax revenues	87	53	53	71	264	109	175	209	98	591	78	89	124	8	88	220
Compensations for the Road Fund	340	442	463	431	1,675	320	451	434	374	1,580	309	419	155	144	126	425
Capital revenues	112	107	587	127	933	143	390	143	272	948	167	151	197	50	54	301
Donations from abroad	152	259	672	411	1,494	727	299	166	231	1,423	259	200	100	47	33	180
Revenues of recovered loans	1	1	0	0	2	18	1	112	296	427	20	13	15	0	0	15
TOTAL BUDGET EXPENDITURES	22,766	23,876	24,482	29,095	100,219	23,562	26,264	25,085	30,832	105,744	24,144	25,968	9,424	7,873	9,079	26,376
Current expenditures	21,657	22,180	21,707	24,482	90,027	22,475	24,144	22,334	27,525	96,478	23,038	24,296	8,174	7,505	8,316	23,995
Wages and salaries	5,640	5,736	5,566	5,894	22,835	5,750	5,878	5,707	6,086	23,421	6,025	6,112	2,049	1,846	2,045	5,940
Goods and services	3,197	3,139	2,620	4,028	12,984	2,856	3,264	2,655	4,152	12,927	2,739	3,074	1,203	833	1,102	3,138
Transfers	12,252	12,639	12,795	13,911	51,597	13,079	14,266	13,167	16,094	56,607	13,715	14,235	4,772	4,713	5,060	14,545
Transfers (SRA)*	160	220	192	341	913	167	209	165	240	781	191	164	39	27	40	106
Social transfers	11,582	11,671	11,533	12,085	46,870	11,565	12,727	12,072	12,397	48,762	12,336	12,449	4,193	4,258	4,318	12,769
Pension and Disability Insurance Fund of RM	6,294	6,241	6,150	6,284	24,969	6,397	6,640	6,751	6,947	26,735	6,880	6,968	2,342	2,330	2,394	7,066
Employment Agency	783	767	715	675	2,940	599	521	488	450	2,058	417	437	140	139	132	411
State benefit	965	1,026	1,113	1,034	4,138	1,008	945	1,115	1,080	4,148	1,026	876	360	368	390	1,118
Public health	3,539	3,637	3,556	4,092	14,823	3,562	4,620	3,718	3,921	15,821	4,013	4,168	1,351	1,421	1,402	4,174
Other transfers	487	703	1,037	1,453	3,679	1,326	1,308	911	3,450	6,994	1,171	1,603	536	423	699	1,658
Refugees	24	45	33	33	135	21	22	20	7	70	17	19	4	5	3	12
Interest payments	569	666	727	648	2,611	790	736	418	1,193	3,137	559	875	150	113	109	372
Interest on domestic debt	116	433	163	362	1,074	140	444	79	419	1,082	94	455	70	15	41	126
Interest on external debt	453	233	564	286	1,537	650	292	339	774	2,055	465	420	80	98	68	246
Guaranties	0	0	0	0	0	0	0	387	0	387	0	0	0	0	0	0
Capital expenditures	1,108	1,695	2,775	4,613	10,192	1,087	2,120	2,751	3,308	9,266	1,106	1,672	1,250	368	763	2,381
Investments in fixed assets	975	1,123	986	2,256	5,340	829	1,342	1,707	1,980	5,857	846	1,078	431	260	436	1,127
Capital transfers	134	479	1,764	2,084	4,461	258	592	1,008	1,205	3,063	260	590	819	108	327	1,254
BUDGET DEFICIT / SURPLUS	-1,045	742	3,438	-2,478	658	-492	24	1,131	-2,362	-1,700	2,284	1,892	1,403	4,291	531	6,225
Financing	1,045	-742	-3,438	2,478	-658	492	-24	-1,131	2,362	1,700	-2,284	-1,892	-1,403	-4,291	-531	-6,225
Inflow	2,432	1,986	-1,955	4,577	7,040	12,779	3,075	-211	5,387	21,031	3,056	8,966	-1,113	-3,751	-368	-5,232
Revenues based on privatisation	276	239	155	763	1,433	16,765	3,867	21	44	20,697	662	0	0	0	0	0
Foreign loans	139	1,219	838	11,716	13,913	159	550	496	527	1,732	273	375	547	54	132	733
Deposits	1,495	-380	-3,398	-7,588	-9,872	-4,653	-4,197	-773	3,746	-5,877	2,002	8,525	-1,271	-3,655	147	-4,779
Treasury bills	521	905	427	-315	1,538	484	422	43	1,070	2,019	118	58	-389	-196	-647	-1,232
Sale of shares	1	3	23	1	28	24	2,433	2	0	2,459	1	8	0	46	0	46
Outflow	1,387	2,728	1,483	2,099	7,697	12,287	3,099	920	3,024	19,331	5,340	10,858	290	540	163	993
Repayment of principal	1,387	2,728	1,483	2,099	7,697	12,287	3,099	920	3,024	19,331	5,340	10,858	290	540	163	993
External debt	1,255	331	1,305	404	3,295	12,156	381	920	486	13,944	5,340	7,021	159	540	163	862
Domestic debt	132	2,397	178	1,695	4,402	131	2,718	0	2,538	5,387	0	3,837	131	0	0	131

*Specific Revenue Accounts

Source: Ministry of Finance.



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

	XII.03	XII.04	XII.05	2006				2007								
				III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX
A. ASSETS	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102	97381	98142	95116	97067	99342	101561
1. Foreign assets	45854	44637	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209
1.1. Gold and foreign currencies	2131	4101	5855	6487	6480	6428	6652	6850	7024	6826	6786	6667	6538	6645	6676	7053
1.2. SDR portfolio and reserve position with IMF	19	38	41	11	53	13	139	104	13	431	259	86	86	86	75	67
1.3. Deposits with foreign banks	39175	39157	61556	66548	68769	70685	71001	64054	63326	65245	62725	63638	60850	57230	59481	61554
1.4. Securities	4284	1116	1793	1777	4635	7588	9737	15259	15082	14794	20117	20180	20149	25533	25497	25319
1.5. Other foreign assets	245	225	259	253	244	242	232	236	231	230	224	228	226	224	225	216
2. Claims on the Government	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854	1626	1626	1626	1626	1626	1626
2.1. In denar	3878	3467	3911	3911	3604	3604	2854	2854	2854	2854	1626	1626	1626	1626	1626	1626
2.2. In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Other assets	2686	3402	5370	5528	5899	6027	5761	5782	5790	5722	5644	5717	5641	5723	5762	5726
B. LIABILITIES	52418	51506	78785	84515	89684	94587	96376	95139	94320	96102	97381	98142	95116	97067	99342	101561
1. Reserve money	21022	21111	25762	24697	26929	27364	31264	28432	29137	29355	31355	30604	31838	36765	33299	32533
1.1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746
1.2. Cash in the vaults	833	909	1374	980	1011	1058	1526	1397	1520	1468	1567	1644	1590	1741	1816	1768
1.3. Banks' accounts with NBRM	6012	6040	9949	10017	11338	11496	13532	12508	12631	12853	14257	13601	14404	18351	15103	14019
1.3.1. Allocated reserve requirement in foreign currency	2770	3366	5323	5505	5662	6006	6373	6462	6509	6595	6675	6740	6949	6987	7144	7229
2. Sold CB bills on auction	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095	10110	10460	16339
3. Government deposits	10317	10956	22279	29052	33830	37137	32957	32094	30508	32236	31279	33163	27536	29329	34213	30968
3.1. In denars	2337	4696	6993	8807	14417	18728	15326	17161	17647	20106	19997	21803	21807	23940	29221	26128
3.1.1. Government securities for monetary purposes				1377	2627	4656	4573	4391	4756	5537	6284	7166	8082	8520	9412	6312
3.2. In foreign currency	7980	6260	15286	20245	19413	18409	17631	14933	12861	12130	11282	11360	5729	5389	4992	4840
4. Deposits of other financial institutions	78	18	18	212	113	127	23	96	331	423	474	377	206	223	477	473
5. Foreign liabilities	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59	59	0	0
6. Other liabilities	13269	12007	18583	18482	19153	19645	20031	20268	20723	20325	20264	20214	20382	20581	20893	21248

Source: NBRM.



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	VII	VIII	IX
A. ASSETS	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454	222428	228346	234583	236516	240760	239660
1. Liquid assets	4103	3645	6040	5558	6764	6597	8806	7586	7813	7905	9326	8647	9214	13220	9920	8654
1.1. Cash in the vaults	833	909	1374	980	1011	1058	1526	1397	1520	1468	1567	1644	1590	1741	1816	1768
1.2. Banks' account with NBRM	3270	2736	4666	4578	5753	5539	7280	6189	6293	6437	7759	7003	7624	11479	8104	6886
2. Deposits with NBRM	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095	10110	10460	16339
2.1. CB bills	4379	4552	8921	8903	6734	7422	9456	11630	11166	11303	11755	13784	15095	10110	10460	16339
3. Foreign assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175
3.1. Gold, foreign currencies and checks	1629	1549	2029	1673	1900	1868	2441	1855	1908	1899	2148	2075	2068	2353	2363	1967
3.2. Foreign currency accounts abroad	30588	34641	34834	34024	32829	34176	36576	35422	35986	36125	35683	35763	35376	35410	37059	34655
3.3. Other claims	864	915	923	972	797	823	690	980	943	1590	1588	1586	1556	1419	1574	1553
4. Claims on the Government	6708	7157	7195	10012	11403	13113	13484	13172	13662	14433	15261	16132	16996	16896	17700	14172
4.1. Claims on credits	2	158	83	289	375	264	357	377	388	347	296	267	247	262	258	253
4.2. Placements in securities	6706	6999	7112	9723	11028	12849	13127	12795	13274	14086	14965	15865	16749	16634	17442	13919
5. Claims on non-financial and non-banking sector	45791	57097	68777	73017	79563	82084	89779	91422	93747	96362	98452	101057	105012	108465	111559	115754
5.1. In denars	38544	45750	51672	54473	58993	60349	66410	68057	69569	71537	73380	75288	78031	81138	83694	86908
5.2. In foreign currency	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981	27327	27865	28846
6. Other assets	37654	40587	46236	47000	47926	48332	45988	46294	46445	47837	48215	49302	49266	48643	50125	46566
B. Liabilities	131716	150143	174955	181159	187916	194415	207220	208361	211670	217454	222428	228346	234583	236516	240760	239660
1. Deposits	65653	78801	92887	97211	101864	108172	117813	119562	122818	124931	130388	134425	138011	141247	142193	142609
1.1. Demand Deposits	13018	13370	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269	21020	22194	22129
1.2. Denar sight deposits	4883	5143	5793	6148	6829	6365	7226	7330	7758	7668	9147	9150	9253	9272	8998	9282
1.3. Time deposits up to 1 year	43872	56144	67678	72497	74048	79497	86521	88850	91289	92828	95069	97779	101136	102957	102999	102818
1.4. Restricted deposits	631	806	782	781	930	877	998	832	912	760	717	1066	852	1156	826	900
1.5. Time deposits over 1 year	3249	3338	3428	3735	3981	4280	4550	4590	4743	4878	5752	6212	6501	6842	7176	7480
2. Credits of non-banking organizations	905	921	834	787	778	756	1089	1077	1081	1085	1075	1079	1090	1064	1051	1031
3. Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Liabilities to Government	1655	1169	1109	1276	1175	969	1199	1017	1097	1540	1070	1076	1126	1036	1011	1044
4.1. Demand Deposits	936	335	371	469	433	329	689	519	589	1027	456	530	545	532	505	516
4.2. Denar sight deposits	25	27	1	0	0	1	1	1	1	1	1	0	0	0	0	0
4.3. Time deposits up to 1 year	538	703	689	759	694	590	460	448	457	462	563	496	531	454	456	477
4.4. Time deposits over 1 year	156	104	48	48	48	49	49	49	50	50	50	50	50	50	50	51
5. Foreign liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806
6. Borrowings from NBRM	374	779	937	2179	2291	2238	2301	2256	2489	2610	2201	2185	2130	2074	2075	2023
7. Capital accounts	30889	33299	34922	36185	36412	35283	35831	36070	36706	37226	37402	38236	38605	38395	38564	39824
8. Other liabilities	22450	25110	29936	31556	32902	33685	32206	32693	32561	33857	33967	34900	34397	34490	35926	32323

Source: NBRM.



Table 9
Saving houses - balance sheet
in millions of denars

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

Source: NBRM.



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	VII	VIII	IX
A. Net foreign assets	65792	68865	89738	96611	100288	105619	108042	106455	107140	108475	110951	113778	107566	110631	113010	111578
National Bank	42501	41824	66282	71907	77256	82064	85116	83884	83221	85066	87857	90799	87790	89659	91954	94209
Assets	45854	44686	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209
Liabilities	3353	2862	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59	59	0	0
Deposit Money Banks	23291	27041	23456	24704	23032	23555	22926	22571	23919	23409	23094	22979	19776	20972	21056	17369
Assets	33081	37105	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175
Liabilities	9790	10064	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806
B. Net domestic assets	16676	26206	19545	16577	18220	19219	28288	29824	33173	34538	37587	38540	48712	49613	48103	50327
1. Domestic credits	50616	61356	62382	62714	65763	65575	77176	79487	83921	85601	88305	89928	100434	101445	100551	104481
of which: Claims on Gov.	288	-916	-11791	-15747	-19421	-21017	-17184	-16633	-14556	-15513	-14956	-15969	-9477	-11370	-15450	-15736
a) Deposit Money Banks	57666	69431	81371	88476	96610	99729	107866	109314	112162	115570	118545	122052	126931	129735	133725	134410
- in denar	44528	52575	64186	69847	75954	77855	84368	85822	87861	90626	93354	96169	99837	102258	105693	105391
Government	1447	1650	7118	9930	11340	12998	13377	13067	13562	14337	15165	16041	16907	16770	17557	14020
Credits	1437	1648	7115	9927	11317	12974	13355	13045	13539	14314	15142	16018	16883	16746	17533	13999
a) Budget and Line Ministries	687	1403	7033	9696	11015	12834	13095	12762	13241	14052	14994	15893	16777	16661	17469	13946
b) Funds	750	245	82	231	302	140	260	283	298	262	148	125	106	85	64	53
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	10	2	3	3	23	24	22	22	23	23	23	23	24	24	24	21
Non-Government sector	43081	50925	57068	59917	64614	64857	70991	72755	74299	76289	78189	80128	82930	85488	88136	91571
Credits	38430	45750	51672	54473	58993	60349	66410	68057	69569	71537	73380	75288	78031	81138	83694	86908
of which: Overdue claims	9499	9160	9807	10146	10538	9682	9810	9737	9721	9560	9848	10180	10049	9653	9756	10125
Accrued interest	4651	5175	5396	5444	5621	4508	4581	4698	4730	4752	4809	4840	4899	4350	4442	4463
- in foreign currency	13138	16856	17185	18629	20656	21874	23498	23492	24301	24944	25191	25883	27094	27477	28032	29019
Government	5891	5509	80	85	86	139	129	127	123	119	119	114	113	150	167	173
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Government sector	7247	11347	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981	27327	27865	28846
of which: Overdue	1502	1600	1748	1444	1693	1532	1650	1625	1473	1511	1566	1630	1611	1591	1748	1763
b) Nat. Bank Claims on Government	-7050	-8075	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969	-30240	-32124	-26497	-28290	-33174	-29929
2. Other items, net	-33940	-35150	-42837	-46137	-47543	-46356	-48888	-49663	-50748	-51063	-50718	-51388	-51722	-51832	-52448	-54154
M4 Total	82468	95071	109283	113188	118508	124838	136330	136279	140313	143013	148538	152318	156278	160244	161113	161905
M4 (non-government sector)	80813	93947	108174	111912	117333	123869	135131	135262	139216	141473	147468	151242	155152	159208	160102	160861
M1 (Total)	28209	27885	30034	28431	31201	32419	35436	33102	34022	35281	36164	36484	36864	38448	39556	39864
M1 (non-government sector)	27273	27595	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319	37916	39051	39348
Currency in circulation	14177	14162	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746
Demand Deposits (total)	14032	13723	15595	14731	16621	17609	19230	18575	19036	20247	20633	21125	21020	21775	23176	23118
Demand Deposits (non-government sector)	13096	13433	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475	21243	22671	22602
- Deposit Money Banks	13954	13705	15577	14519	16509	17482	19207	18479	18705	19824	20159	20748	20814	21552	22699	22645
Non-government sector	13018	13415	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269	21020	22194	22129
Government	936	290	371	469	433	329	689	519	589	1027	456	530	545	532	505	516
a) Budget and Line Ministries	104	115	236	132	158	92	551	234	262	226	219	227	232	304	243	276
b) Funds	821	171	135	323	275	236	138	284	327	801	236	302	312	227	261	239
v) Ins. of Central Gov.: Courts, etc.	11	4	0	14	0	1	0	1	0	0	1	1	1	1	1	1
- National Bank (non-government sector)	78	18	18	212	112	127	23	96	331	423	474	377	206	223	477	473
M2 (Total)	77527	89906	104195	107835	112772	118872	129644	129731	133527	136240	140944	143911	147785	151132	152010	152443
M2 (non-government sector)	76028	88886	103134	106607	111645	117952	128494	128763	132480	134750	139924	142885	146709	150146	151049	151450
Short-term deposits (total)	49318	62021	74161	79404	81571	86453	94208	96629	99505	100959	104780	107427	110921	112684	112454	112579
Short-term deposits (non-government sector)	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390	112230	111998	112102
Deposit Money Banks	49318	62021	74161	79404	81571	86453	94208	96629	99505	100959	104780	107427	110921	112684	112454	112579
Non-Government sector	48755	61291	73471	78645	80877	85862	93747	96180	99047	100496	104216	106931	110390	112230	111998	112102
- in denar	15568	20483	24364	27889	28062	30638	36317	37295	39293	40511	43540	45648	48389	49353	48434	50045
- in foreign currency	33187	40808	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001	62877	63564	62057
Government	563	730	690	759	694	591	461	449	458	463	564	496	531	454	456	477
- in denar	538	703	689	759	694	590	460	448	457	462	563	496	531	454	456	477
- in foreign currency	25	27	1	0	0	1	1	1	1	1	1	0	0	0	0	0
- National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term deposits (total)	4941	5165	5088	5353	5736	5966	6686	6548	6786	6773	7594	8407	8493	9112	9103	9462
- in denar	3653	3464	3105	3171	3303	3292	3678	3641	3739	3799	4536	4734	4938	5217	5407	5549
- in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913
-Deposit Money Banks	4941	5165	5088	5353	5736	5966	6686	6548	6786	6773	7594	8407	8493	9112	9103	9462
Non-Government sector - in denar	3497	3360	3057	3123	3255	3243	3629	3592	3689	3749	4486	4684	4888	5167	5357	5498
Non-Government sector - in foreign currency	1288	1701	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913
Government - in denar	156	104	48	48	48	49	49	49	50	50	50	50	50	50	50	51
Government - in foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	68291	80909	94844	99488	103928	110028	120124	121752	125327	127979	133007	136959	140434	143571	144733	145159
Total deposits (non-government sector)	66636	79785	93735	98212	102753	109059	118925	120735	124230	126439	131937	135883	139308	142535	143722	144115

Source: NBRM.



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

	XII.05	2006				2007								
		III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX
A. Net foreign assets	89738	96611	100288	105619	108042	106455	107140	108475	110951	113778	107566	110631	113010	111578
National Bank	66282	71907	77256	82064	85116	83884	83221	85066	87857	90799	87790	89659	91954	94209
Assets	69504	75076	80181	84956	87761	86503	85676	87526	90111	90799	87849	89718	91954	94209
Liabilities	3222	3169	2925	2892	2645	2619	2455	2460	2254	0	59	59	0	0
Deposit Money Banks	23456	24704	23032	23555	22926	22571	23919	23409	23094	22979	19776	20972	21056	17369
Assets	37786	36669	35526	36867	39707	38257	38837	39614	39419	39424	39000	39182	40996	38175
Liabilities	14330	11965	12494	13312	16781	15686	14918	16205	16325	16445	19224	18210	19940	20806
B. Net domestic assets	20000	17056	18745	19777	28877	30431	33789	35176	38234	39191	49372	50285	48781	51013
1.Domestic credits	64162	64518	67649	67533	79379	81713	86130	87919	90708	92360	102921	103952	103070	107010
of which: Claims on Gov.	-11729	-15690	-19358	-20945	-17029	-16498	-14492	-15449	-14885	-15903	-9406	-11299	-15385	-15694
a) Deposit Money Banks	83151	90280	98496	101687	110069	111540	114371	117888	120948	124484	129418	132242	136244	136939
-in denar	65966	71651	77840	79813	86571	88048	90070	92944	95757	98601	102324	104765	108212	107920
Government	7180	9987	11403	13070	13532	13202	13626	14401	15236	16107	16978	16841	17622	14062
Credits	7177	9984	11380	13046	13510	13180	13603	14378	15213	16084	16954	16817	17598	14041
a) Budget and Line Ministries	7095	9753	11078	12906	13250	12897	13305	14116	15065	15959	16848	16732	17534	13988
b) Funds	82	231	302	140	260	283	298	262	148	125	106	85	64	53
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	3	3	23	24	22	22	23	23	23	23	24	24	24	21
Non Government sector	58786	61664	66437	66743	73039	74846	76444	78543	80521	82494	85346	87924	90590	93858
Credits	53371	56199	60793	62212	68435	70124	71687	73765	75684	77625	80418	83545	86119	89365
of which: Overdue claims	9915	10267	10666	9813	9939	9872	9861	9701	9993	10326	10208	9809	9920	10291
Accrued interest	5415	5465	5644	4531	4604	4722	4757	4778	4837	4869	4928	4379	4471	4493
-in foreign currency	17185	18629	20656	21874	23498	23492	24301	24944	25191	25883	27094	27477	28032	29019
Government	80	85	86	139	129	127	123	119	119	114	113	150	167	173
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Government sector	17105	18544	20570	21735	23369	23365	24178	24825	25072	25769	26981	27327	27865	28846
of which: Overdue	1748	1444	1693	1532	1650	1625	1473	1511	1566	1630	1611	1591	1748	1763
b) Nat. Bank Claims on Government	-18989	-25762	-30847	-34154	-30690	-29827	-28241	-29969	-30240	-32124	-26497	-28290	-33174	-29929
2. Other items, net	-44162	-47462	-48904	-47756	-50502	-51282	-52341	-52743	-52474	-53169	-53549	-53667	-54289	-55997
M4 Total	109738	113667	119033	125396	136919	136886	140929	143651	149185	152969	156938	160916	161791	162591
M4 (non-government sector)	108629	112391	117858	124427	135720	135869	139832	142111	148115	151893	155812	159880	160780	161547
M1 (Total)	30034	28431	31201	32419	35436	33102	34022	35281	36164	36484	36864	38448	39556	39864
M1 (non-government sector)	29663	27962	30768	32090	34747	32583	33433	34254	35708	35954	36319	37916	39051	39348
Currency in circulation	14439	13700	14580	14810	16206	14527	14986	15034	15531	15359	15844	16673	16380	16746
Demand Deposits (total)	15595	14731	16621	17609	19230	18575	19036	20247	20633	21125	21020	21775	23176	23118
Demand Deposits (non-government sector)	15224	14262	16188	17280	18541	18056	18447	19220	20177	20595	20475	21243	22671	22602
- Deposit Money Banks	15577	14519	16509	17482	19207	18479	18705	19824	20159	20748	20814	21552	22699	22645
Non-government sector	15206	14050	16076	17153	18518	17960	18116	18797	19703	20218	20269	21020	22194	22129
Government	371	469	433	329	689	519	589	1027	456	530	545	532	505	516
a) Budget and Line Ministries	236	132	158	92	551	234	262	226	219	227	232	304	243	276
b) Funds	135	323	275	236	138	284	327	801	236	302	312	227	261	239
v) Ins. of Central Gov.: Courts, etc.	0	14	0	1	0	1	0	0	1	1	1	1	1	1
- National Bank (non-government sector)	18	212	112	127	23	96	331	423	474	377	206	223	477	473
M2 (Total)	104508	108170	113141	119270	130069	130174	133978	136713	141420	144391	148272	151628	152510	152952
M2 (non-Government sector)	103447	106942	112014	118350	128919	129206	132931	135223	140400	143365	147196	150642	151549	151959
Short-term deposits (total)	74474	79739	81940	86851	94633	97072	99956	101432	105256	107907	111408	113180	112954	113088
Short-term deposits (non-government sector)	73784	78980	81246	86260	94172	96623	99498	100969	104692	107411	110877	112726	112498	112611
Deposit Money Banks	74474	79739	81940	86851	94633	97072	99956	101432	105256	107907	111408	113180	112954	113088
Non-Government sector	73784	78980	81246	86260	94172	96623	99498	100969	104692	107411	110877	112726	112498	112611
- in denar	24677	28224	28431	31036	36742	37738	39744	40984	44016	46128	48876	49849	48934	50554
- in foreign currency	49107	50756	52815	55224	57430	58885	59754	59985	60676	61283	62001	62877	63564	62057
Government	690	759	694	591	461	449	458	463	564	496	531	454	456	477
- in denar	689	759	694	590	460	448	457	462	563	496	531	454	456	477
- in foreign currency	1	0	0	1	1	1	1	1	1	0	0	0	0	0
- National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term deposits (total)	5230	5497	5892	6126	6850	6712	6951	6938	7765	8578	8666	9288	9281	9639
- in denar	3247	3315	3459	3452	3842	3805	3904	3964	4707	4905	5111	5393	5585	5726
- in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913
-Deposit Money Banks	5230	5497	5892	6126	6850	6712	6951	6938	7765	8578	8666	9288	9281	9639
Non-Government sector - in denar	3199	3267	3411	3403	3793	3756	3854	3914	4657	4855	5061	5343	5535	5675
Non-Government sector - in foreign currency	1983	2182	2433	2674	3008	2907	3047	2974	3058	3673	3555	3895	3696	3913
Government - in denar	48	48	48	49	49	49	50	50	50	50	50	50	50	51
Government - in foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	95299	99967	104453	110586	120713	122359	125943	128617	133654	137610	141094	144243	145411	145845
Total deposits (non-government sector)	94190	98691	103278	109617	119514	121342	124846	127077	132584	136534	139968	143207	144400	144801

Source: NBRM.



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

	XII.03	XII.04	XII.05	2006				2007								
				III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX
Credits to non-government sector	45677	57094	68777	73017	79565	82083	89774	91417	93743	96362	98448	101057	105019	108453	111551	115751
1. By currency																
1.1. in denars	38430	45747	51672	54473	58994	60350	66408	68055	69567	71539	73381	75290	78035	81130	83683	86908
1.2. in foreign currency	7247	11347	17105	18544	20571	21733	23366	23362	24176	24823	25067	25767	26984	27323	27868	28843
2. By maturity																
2.1. short-term	27448	29764	30915	32942	35376	34554	36460	37438	38029	38554	39134	40205	41335	42298	43597	46159
2.2. long-term	18229	27330	37862	40075	44189	47529	53314	53979	55714	57808	59314	60852	63684	66155	67954	69592
3. By sector																
3.1. households	9405	15276	21625	23079	25602	27625	30864	31817	32389	33607	35040	36628	38199	40231	41785	43251
3.2. enterprises	36058	41681	46987	49842	53874	54377	58805	59498	61239	62647	63299	64307	66704	67950	69493	72226
3.3. other	214	137	165	96	89	81	105	102	115	108	109	122	116	272	273	274
annual growth rate																
Credits to non-government sector		25.00	20.46	21.05	26.28	24.70	30.53	31.49	32.22	31.97	31.55	32.33	31.99	34.33	36.21	41.02
1. By currency																
1.1. in denars		19.04	12.95	14.90	21.47	21.26	28.52	30.24	30.90	31.33	32.10	32.97	32.28	35.75	38.29	44.01
1.2. in foreign currency		56.58	50.74	43.64	42.46	35.39	36.60	35.27	36.19	33.86	29.96	30.47	31.17	30.28	30.31	32.72
2. By maturity																
2.1. short-term		8.44	3.87	6.26	17.59	15.38	17.94	18.37	18.16	17.04	15.85	18.20	16.84	20.09	23.18	33.59
2.2. long-term		49.93	38.54	36.68	34.22	32.49	40.81	42.43	43.92	44.25	44.46	43.67	44.12	45.34	46.12	46.42
3. By sector																
3.1. households		62.42	41.56	39.31	37.04	36.24	42.72	45.20	45.52	45.62	47.48	48.38	49.20	52.32	53.46	56.56
3.2. enterprises		15.59	12.73	14.30	21.86	19.91	25.15	25.22	26.18	25.69	24.20	24.67	23.81	25.27	27.31	32.82
3.3. other		-35.98	20.44	-34.69	-23.93	-58.67	-36.36	0.99	7.48	12.50	-2.68	19.61	30.34	227.71	232.93	238.27

Source: NBRM.



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

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

Source: NBRM.



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

I. NON-GOVERNMENT SECTOR

- Enterprises

Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements	
	By currency		By maturity		By maturity		By currency		By maturity	
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term	In denars	In foreign currency	Short-term	Long-term
	1	2	3	4	11	12	13	14	15	16
XII.03	19643	5582	14555	10670	92	596	8713	1454	93	0
XII.04	22104	9312	16334	15082	69	519	8058	1571	48	0
XII.05	21911	14636	15581	20966	63	449	8167	1710	51	0
2006 III	23335	16142	17172	22305	57	442	8412	1406	48	0
VI	25549	17561	18653	24457	60	455	8566	1653	27	0
IX	25691	18717	18213	26195	56	456	7948	1485	27	0
XII	28718	20058	19017	29759	60	459	7890	1601	25	0
2007 I	29508	20073	19374	30207	51	460	7805	1576	27	0
II	30492	21050	19995	31547	48	459	7744	1417	28	0
III	31338	21607	20236	32709	43	441	7723	1456	35	0
IV	31588	21724	19977	33335	39	427	7980	1510	30	0
V	31745	22317	20084	33978	36	415	8198	1576	23	0
VI	33125	23482	20986	35621	33	395	8092	1549	20	0
VII	34554	23817	21669	36702	24	446	7561	1530	26	0
VIII	35641	24210	22133	37718	16	446	7521	1646	18	0
IX	37196	25144	23939	38401	11	445	7748	1652	30	0

- 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
VII	36318	1910	9328	28900	518	8156	4754	19	2237	22544	0	0	1948	58
VIII	37703	1898	9922	29679	529	8661	4914	20	2304	23173	0	0	2088	99
IX	38989	1929	10281	30637	523	9036	5115	20	2352	23872	0	0	2227	109

Source: NBRM.



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
	1	2	3	4	11	12	13	14	15	16
XII.03	23	156	83	96	0	0	5	30	0	0
XII.04	32	93	37	88	0	0	4	11	0	0
XII.05	60	8	53	15	0	0	95	2	0	0
2006 III	51	5	44	12	0	0	37	3	0	0
VI	26	2	19	9	0	0	59	1	0	0
IX	20	1	14	7	0	0	59	1	0	0
XII	49	0	43	6	0	0	54	2	0	0
2007 I	47	0	42	5	0	0	54	1	0	0
II	47	0	42	5	0	0	67	1	0	0
III	48	4	6	46	0	0	54	2	0	0
IV	48	4	9	43	0	0	54	3	0	0
V	56	4	9	51	0	0	54	2	5	0
VI	54	4	9	49	0	0	54	3	0	0
VII	118	8	13	113	0	0	144	3	0	0
VIII	115	8	13	110	0	0	147	3	0	0
IX	114	8	13	109	0	0	150	2	0	0

II. GOVERNMENT

Period	Credits				Securities		Overdue and doubtful and contested claims	Other placements
	By currency		By maturity		By currency			
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term		
	1	2	3	4	11	12	13	14
XII.03	0	2	0	2	0	6706	0	0
XII.04	151	7	151	7	539	6460	0	0
XII.05	3	80	11	72	790	6322	0	0
2006 III	204	85	162	127	3393	6330	0	0
VI	289	86	250	125	4821	6207	0	0
IX	125	139	89	175	6703	6146	0	0
XII	228	129	206	151	7103	6024	0	0
2007 I	250	127	229	148	6828	5967	0	0
II	265	123	243	145	7151	6123	0	0
III	228	119	151	196	7990	6096	0	0
IV	177	119	104	192	8963	6002	0	0
V	153	114	83	184	9869	5996	0	0
VI	134	113	67	180	10872	5877	0	0
VII	112	150	51	211	10895	5739	0	0
VIII	91	167	32	226	11741	5701	0	0
IX	80	173	26	227	8138	5781	0	0

Source: NBRM.



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

in millions of denars														
Period	Deposits										Securities		Other Denar credit liabilities	
	In denars						In foreign currency							
	demand deposits	sight deposits	with maturity up to 3 months	with maturity over 3 months up to 1 year	with maturity over 1 year	restricted deposits	sight deposits	with maturity up to 1 year	with maturity over 1 year	restricted deposits	short-term	long-term	up to 1 year	over 1 year
	1	2	3	4	11	12	13	14	15	16	17	18	19	20

I. NON-GOVERNMENT SECTOR

- Enterprises

XII.03	8507	391	5830	899	231	90	4892	1481	0	463	0	0	0	0
XII.04	8988	259	7813	1905	449	111	5020	4088	0	561	0	0	0	0
XII.05	10143	218	7756	2294	635	107	4487	6500	0	535	0	0	0	27
2006 III	9226	132	9279	2621	712	104	5138	6221	6	542	0	0	0	25
VI	10515	147	8235	2071	739	114	5445	6766	7	675	0	0	0	22
IX	11550	207	10185	2241	614	114	5280	7869	7	625	0	0	0	19
XII	12851	309	12317	2316	478	77	6007	8489	7	756	0	0	0	17
2007 I	12342	382	12265	2273	444	71	6373	8794	7	596	0	0	0	16
II	12366	447	13286	2248	481	82	7044	8845	7	666	0	0	0	16
III	12849	435	13870	2059	458	72	9716	6327	7	522	0	0	0	15
IV	13377	489	14349	2045	1093	85	7321	9483	7	466	0	0	0	14
V	13856	450	15184	2058	1142	66	6887	9923	7	833	0	0	0	13
VI	13798	386	16566	2232	1185	70	7846	9519	7	615	0	0	0	12
VII	14419	455	16750	2287	1196	71	8361	9257	7	917	0	0	0	12
VIII	15581	436	15046	2488	1291	70	7778	9897	7	588	0	0	0	12
IX	15341	374	15358	2690	1382	71	7498	8676	7	659	0	0	0	11

- Households

XII.03	2712	4492	2683	900	2082	0	15774	10899	815	0	0	0		
XII.04	2710	4884	3055	2224	1718	0	16890	14529	1137	0	0	0		
XII.05	3172	5575	3940	3943	1319	0	19276	18581	1448	0	0	0		
2006 III	3074	6016	4606	4684	1359	0	19561	19639	1634	0	0	0		
VI	3428	6682	5010	5201	1398	0	20291	20103	1751	0	0	0		
IX	3318	6158	5546	5782	1492	0	20777	20970	2042	0	0	0		
XII	3716	6917	7260	6621	1649	0	20791	21870	2245	0	0	0		
2007 I	3787	6948	7551	7284	1660	0	20980	22463	2304	0	0	0		
II	3883	7311	7639	7772	1696	0	21030	22573	2374	0	0	0		
III	4045	7233	7944	8392	1754	0	20758	22965	2445	0	0	0		
IV	4341	8658	8399	9021	1844	0	20717	22927	2585	0	0	0		
V	4424	8700	8986	9677	1998	0	21097	23132	2833	0	0	0		
VI	4454	8867	9259	10487	2067	0	21030	23374	2933	0	0	0		
VII	4517	8817	9452	11006	2346	0	21422	23609	2971	0	0	0		
VIII	4334	8562	9640	11681	2436	0	21657	24018	3101	0	0	0		
IX	4415	8908	9875	12231	2487	0	21550	24140	3247	0	0	0		

Source: NBRM.



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				
	1	2	3	4	11	12	13	14	15	16	17	18	19	20

- Other

XII.03	1799	0	202	171	111	78	141	0	10		0	0	0	905
XII.04	1672	0	172	167	31	134	281	0	3		0	0	4	917
XII.05	1891	0	446	192	26	136	261	0	0		0	0	0	807
2006 III	1750	0	345	206	24	137	197	0	0		0	0	0	762
VI	2133	0	475	241	86	140	208	0	0		0	0	0	756
IX	2285	0	263	256	125	142	326	0	0		0	0	0	737
XII	1951	0	274	303	171	165	272	0	0		0	0	0	1072
2007 I	1831	0	271	321	175	165	274	0	0		0	0	0	1061
II	1867	0	289	301	185	164	261	0	0		0	0	0	1065
III	1903	0	249	329	214	166	219	0	0		0	0	0	1070
IV	1985	0	238	341	223	166	228	0	0		0	0	0	1061
V	1938	0	221	370	232	167	244	0	0		0	0	0	1066
VI	2017	0	219	372	309	167	229	0	0		0	0	0	1078
VII	2084	0	212	373	322	168	225	0	0		0	0	0	1064
VIII	2279	0	218	362	341	168	211	0	0		0	0	0	1051
IX	2373	0	209	398	357	170	193	0	0		0	0	0	1031

II. GOVERNMENT

XII.03	936	0	372	166	156	0	25						0	0
XII.04	335	0	379	324	104	0	27						0	0
XII.05	371	0	539	150	48	0	1						0	0
2006 III	469	0	502	257	48	0	0						0	0
VI	433	0	433	261	48	0	0						0	0
IX	329	0	434	156	49	0	1						0	0
XII	689	0	362	98	49	0	1						0	0
2007 I	519	0	353	95	49	0	1						0	0
II	589	0	352	105	50	0	1						0	0
III	1027	0	351	111	50	0	1						0	0
IV	456	0	452	111	50	0	1						0	0
V	530	0	415	81	50	0	0						0	0
VI	545	0	444	87	50	0	0						0	0
VII	532	0	370	84	50	0	0						0	0
VIII	505	0	368	88	50	0	0						0	0
IX	516	0	389	88	51	0	0						0	0

Source: NBRM.



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

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

Source: NBRM.



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

Period	Discount rate	Lending interest rates - creating liquidity		Deposit interest rates - withdrawing liquidity	
		Over night credits-Lombard credit	Auction repo- transactions*	CB bills - basic maturity**	
				volume tender	interest rate tender
2003	I	6.5	14.0		6.2
2004	I	6.5	14.0		6.8
	II	6.5	14.0	7.5	
	III	6.5	14.0	8.0	
	IV	6.5	14.0	8.0	
	V	6.5	14.0	8.0	
	VI	6.5	14.0	8.0	
	VII	6.5	11.0	8.0	
	VIII	6.5	11.0	8.3	
	IX	6.5	11.0	8.6	
	X	6.5	11.0	9.0	
	XI	6.5	11.0	9.7	
	XII	6.5	13.0	10.0	
2005	I	6.5	13.0	10.0	
	II	6.5	13.0	10.0	
	III	6.5	13.0	10.0	
	IV	6.5	13.0	10.0	
	V	6.5	13.0	10.0	
	VI	6.5	13.0	10.0	
	VII	6.5	13.0	10.0	
	VIII	6.5	13.0	10.0	
	IX	6.5	13.0	10.0	
	X	6.5	13.0		10.0
	XI	6.5	13.0		9.1
	XII	6.5	13.0		8.5
2006	I	6.5	13.0		7.3
	II	6.5	11.0		7.1
	III	6.5	11.0		6.8
	IV	6.5	11.0		6.2
	V	6.5	11.0		5.7
	VI	6.5	9.5		5.8
	VII	6.5	9.5		5.6
	VIII	6.5	9.5		5.5
	IX	6.5	9.5		5.4
	X	6.5	9.5		5.5
	XI	6.5	9.5		5.7
	XII	6.5	9.5		5.7
2006	I	6.5	9.5		5.7
	II	6.5	9.5		5.4
	III	6.5	9.5		5.3
	IV	6.5	9.5		5.1
	V	6.5	9.5		5.0
	VI	6.5	7.5		4.9
	VII	6.5	7.5		5.1
	VIII	6.5	7.5		5.1
	IX	6.5	7.5		4.8

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

** 28 days

Source: NBRM.



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

Period	Reserve requirements of banks in Denar						Reserve requirements of banks in foreign currency			Reserve requirements of saving houses in Denar		
	Reserve requirement rate (%)	Liabilite on reserve requirement	Average fulfillment	Excess/Shortage	Fulfillment in percents (%)	Renumeration rate (%)	Reserve requirement rate (%)	Liabilite on reserve requirement	Renumeration rate (%)	Reserve requirement rate (%)	Liabilite on reserve requirement	Renumeration rate (%)
2003 I	7.5	2,488	3,467	980	139.4	4.0	7.5	2,763	1.0	2.5	7	4.0
2004 I	7.5	2,519	3,005	486	119.3	4.0	7.5	2,768	1.0	2.5	7	4.0
II	7.5	2,559	3,053	494	119.3	4.0	7.5	2,869	1.0	2.5	7	4.0
III	7.5	2,558	3,069	511	120.0	4.0	7.5	2,895	1.0	2.5	8	4.0
IV	7.5	2,574	2,961	387	115.1	4.0	7.5	2,934	1.0	2.5	8	4.0
V	7.5	2,610	3,150	540	120.7	4.0	7.5	2,970	1.0	2.5	8	4.0
VI	7.5	2,632	3,016	383	114.6	4.0	7.5	3,089	1.0	2.5	8	4.0
VII	7.5	2,729	3,102	373	113.7	4.0	7.5	3,137	1.0	2.5	8	4.0
VIII	7.5	2,741	3,052	312	111.4	2.0	7.5	3,149	1.0	2.5	8	2.0
IX	7.5	2,827	3,139	375	111.1	2.0	7.5	3,190	1.0	2.5	8	2.0
X	7.5	2,843	3,100	256	109.0	2.0	7.5	3,218	1.0	2.5	8	2.0
XI	7.5	2,854	3,126	265	109.5	2.0	7.5	3,279	1.0	2.5	8	2.0
XII	7.5	2,855	3,309	454	115.9	2.0	7.5	3,374	1.0	2.5	8	2.0
2005 I	10.0	3,844	4,214	370	109.6	2.0	10.0	4,492		2.5	9	2.0
II	10.0	3,837	4,212	375	109.8	2.0	10.0	4,670		2.5	9	2.0
III	10.0	3,926	4,288	362	109.2	2.0	10.0	4,721		2.5	9	2.0
IV	10.0	4,074	4,400	326	108.0	2.0	10.0	4,772		2.5	10	2.0
V	10.0	4,237	4,728	491	111.6	2.0	10.0	4,770		2.5	10	2.0
VI	10.0	4,311	4,574	263	106.1	2.0	10.0	4,845		2.5	10	2.0
VII	10.0	4,450	4,757	306	106.9	2.0	10.0	4,946		2.5	10	2.0
VIII	10.0	4,098	4,399	300	107.3	2.0	10.0	5,000		2.5	11	2.0
IX	10.0	3,877	4,184	307	107.9	2.0	10.0	5,214		2.5	11	2.0
X	10.0	3,931	4,335	404	110.3	2.0	10.0	5,294		2.5	10	2.0
XI	10.0	4,086	4,464	378	109.3	2.0	10.0	5,241		2.5	11	2.0
XII	10.0	4,242	5,267	1,025	124.2	2.0	10.0	5,325		2.5	11	2.0
2006 I	10.0	4,352	4,573	220	105.1	2.0	10.0	5,396		2.5	11	2.0
II	10.0	4,434	5,000	566	112.8	2.0	10.0	5,433		2.5	12	2.0
III	10.0	4,542	4,944	403	108.9	2.0	10.0	5,507		2.5	12	2.0
IV	10.0	4,674	5,162	488	110.4	2.0	10.0	5,572		2.5	12	2.0
V	10.0	4,934	5,550	616	112.5	2.0	10.0	5,655		2.5	13	2.0
VI	10.0	5,058	5,433	375	107.4	2.0	10.0	5,663		2.5	13	2.0
VII	10.0	4,931	5,263	332	106.7	2.0	10.0	5,768		2.5	13	2.0
VIII	10.0	5,030	5,435	405	108.1	2.0	10.0	5,874		2.5	14	2.0
IX	10.0	5,213	5,549	336	106.4	2.0	10.0	6,003		2.5	14	2.0
X	10.0	5,304	5,618	314	105.9	2.0	10.0	6,117		2.5	14	2.0
XI	10.0	5,460	6,674	1,214	122.2	2.0	10.0	6,243		2.5	14	2.0
XII	10.0	5,618	6,705	1,087	119.3	2.0	10.0	6,373		2.5	14	2.0
2006 I	10.0	5,883	6,219	336	105.7	2.0	10.0	6,458		2.5	15	2.0
II	10.0	6,057	6,479	422	107.0	2.0	10.0	6,513		2.5	15	2.0
III	10.0	6,194	6,688	494	108.0	2.0	10.0	6,596		2.5	16	2.0
IV	10.0	6,431	6,900	469	107.3	2.0	10.0	6,675		2.5	16	2.0
V	10.0	6,803	7,401	597	108.8	2.0	10.0	6,736		2.5	16	2.0
VI	10.0	7,082	7,343	261	103.7	2.0	10.0	6,952		2.5	16	2.0
VII	10.0	7,433	8,763	1,330	117.9	2.0	10.0	6,988		2.5	17	2.0
VIII	10.0	7,579	8,428	849	111.2	2.0	10.0	7,143		2.5	17	2.0
IX	10.0	7,553	7,933	380	105.0	2.0	10.0	7,225		2.5	17	2.0

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



Table 19
Interest rates on government securities
(in %)

Period		3 months	6 months	12 months	2 years	3 years
2004	I	7.5				
	II	7.4				
	III	8.8				
	IV	8.9				
	V	8.3				
	VI	8.4				
	VII	8.4				
	VIII	8.4				
	IX	8.5				
	X	8.9				
	XI	9.2	9.5			
	XII	9.2	10.4			
2005	I	9.3	10.8			
	II	10.0	10.8			
	III	10.5	11.2			
	IV	10.4	9.8			
	V	10.8	10.5			
	VI	10.4	10.5	11.1		
	VII	10.4	10.6			
	VIII	10.5	10.9			
	IX	10.3	11.2			
	X	9.8	10.1			
	XI	8.9	9.9		10.0	
	XII	8.0	8.8	9.6		
2006	I	7.2	7.6			
	II	7.0	7.1			
	III	6.8	7.3	8.6		
	IV	6.4	6.8		9.4	
	V	6.1	7.1			
	VI	6.5	6.9	8.7		
	VII	6.2	6.7			
	VIII	6.0	6.6			
	IX	6.0	7.0	8.7		
	X	6.2	6.9		9.3	
	XI	6.1	6.8			9.6
	XII	6.3	7.0	8.9		
2006	I	6.5	6.8	8.8		
	II	6.4	6.8		8.9	
	III	6.4	7.0	8.4		8.0
	IV	6.4	6.8			
	V	6.2	6.6		5.7	
	VI	5.4	5.5	5.8		
	VII	5.4	5.6			
	VIII	5.4	5.5			
	IX	3.7		5.1		

Source: NBRM.



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

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

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 equals: 1993-20%, 1994-20%, 1995-20%, 1996-14%, 1997-10%, 1998-5.02%, 1999-4.86%, 2000-3.9%, 2001-4.2%, 2002-3.8% 2003-4.06%, 2004 , 2005 and 2006-4.14%.

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
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-	Direct investment				Portfolio investment			Other investment				Gross official reserves (= increase) /3				
																Net	Net	Inward	Outward	Net	Assets	Liabilities	Net	Trade credits	Loans	Currency and deposits		Other			
2003	-168.2	-753.0	1203.2	-1956.2	-6.0	335.3	341.4	-55.3	53.2	108.5	646.1	799.6	153.5	193.9	-5.8	-5.8	-0.1	199.7	100.1	100.4	-0.3	4.9	0.1	4.8	133.3	67.4	50.3	5.9	9.8	-38.6	-25.7
2004	-362.7	-914.3	1345.0	-2259.3	-43.4	363.7	407.1	-33.2	67.9	101.1	628.2	828.0	199.8	347.1	-3.8	-3.8	0.0	350.9	259.7	260.7	-0.9	9.5	0.1	9.3	97.6	71.0	6.1	-2.3	22.8	-15.9	15.6
2005	-121.3	-858.5	1642.9	-2501.4	-24.7	416.2	440.8	-91.5	79.0	170.5	853.3	1002.6	149.3	127.7	-1.7	-1.7	0.0	129.4	74.9	77.2	-2.3	200.2	0.1	200.1	202.2	105.9	100.2	-20.3	16.5	-347.9	-6.4
2006	-44.9	-1020.4	1902.6	-2923.1	22.2	477.2	455.1	-28.4	107.2	135.7	981.8	1140.6	158.8	38.0	-0.8	-0.8	0.0	38.8	344.6	344.8	-0.1	73.1	0.0	73.1	-81.4	2.9	-22.3	-83.7	21.7	-297.6	6.9
I	-18.5	-71.5	101.3	-172.8	1.2	32.9	31.7	-3.5	8.1	11.6	55.4	66.0	10.7	15.6	-0.1	-0.1	0.0	15.8	11.3	11.3	0.0	3.8	0.0	3.8	-157.0	-1.3	-151.6	-4.9	0.8	157.6	2.8
II	-7.9	-61.2	123.5	-184.7	-2.7	30.0	32.6	0.0	7.4	7.5	56.0	64.7	8.6	6.0	0.2	0.2	0.0	5.9	7.8	7.8	0.0	3.4	0.0	3.4	-1.3	-21.4	21.6	-1.7	0.2	-4.0	1.9
III	-16.8	-89.0	149.5	-238.5	-3.1	36.2	39.4	2.0	9.1	7.2	73.4	85.9	12.5	18.4	0.3	0.3	0.0	18.1	234.9	235.0	0.0	6.5	0.0	6.5	-41.2	21.3	-4.0	-60.2	1.7	-182.2	-1.6
IV	-34.0	-105.8	144.1	-249.9	-1.4	32.0	33.4	-2.7	5.8	8.5	75.9	88.1	12.2	32.9	-0.2	-0.2	0.0	33.1	10.2	9.5	0.7	5.2	0.0	5.2	52.9	16.7	40.8	-6.0	1.4	-35.2	1.0
V	-7.9	-87.0	159.3	-246.3	-1.8	39.0	40.8	-4.5	8.3	12.8	85.4	98.6	13.2	7.2	-0.3	-0.3	0.0	7.5	8.6	8.7	-0.1	14.7	0.0	14.7	7.0	2.4	8.2	-4.0	0.3	-22.9	0.7
VI	-16.1	-100.0	163.0	-262.9	-0.6	39.3	40.0	-0.9	10.2	11.1	85.4	99.3	14.0	13.8	0.0	0.0	0.0	13.8	12.9	12.9	0.0	6.8	0.0	6.8	25.8	5.8	7.6	6.8	5.7	-31.8	2.3
VII	17.7	-85.0	182.2	-267.3	11.0	47.1	36.1	-4.5	7.9	12.3	96.2	110.7	14.5	-23.1	0.7	0.7	0.0	-23.8	6.8	7.4	-0.6	2.1	0.0	2.1	-1.6	-10.1	23.9	-16.5	1.2	-31.2	5.4
VIII	28.0	-78.1	167.8	-245.9	4.6	44.9	40.4	0.2	9.1	8.8	101.3	115.8	14.4	-26.7	-0.8	-0.8	0.0	-25.9	6.4	6.4	0.0	4.0	0.0	4.0	38.9	0.7	-2.7	39.5	1.3	-75.2	-1.3
IX	53.0	-41.7	199.4	-241.1	8.7	42.2	33.5	-11.8	9.2	21.0	97.8	110.5	12.7	-49.7	-0.1	-0.1	0.0	-49.7	10.8	10.8	0.0	2.8	0.0	2.8	-38.6	-43.0	3.3	-0.4	1.4	-24.7	-3.2
X	29.6	-67.9	185.0	-252.8	5.8	44.8	39.0	0.8	10.8	10.0	91.0	106.3	15.4	-30.9	-0.1	-0.1	0.0	-30.8	7.3	7.3	-0.1	4.0	0.0	4.0	-9.3	-11.4	-1.9	2.4	1.8	-32.8	1.3
XI	-20.9	-104.9	158.8	-263.7	2.4	38.8	36.3	5.2	11.9	6.8	76.3	91.5	15.2	23.2	0.1	0.1	0.0	23.1	8.2	8.3	-0.1	8.6	0.0	8.6	20.7	17.2	13.0	-10.0	0.5	-14.4	-2.3
XII	-51.2	-128.3	168.9	-297.2	-2.0	50.0	52.0	-8.7	9.4	18.1	87.8	103.1	15.4	51.2	-0.6	-0.6	0.0	51.8	19.2	19.2	0.0	11.2	0.0	11.2	22.3	25.9	19.6	-28.7	5.4	-0.9	-0.1
Q1	-43.2	-221.8	374.3	-596.1	-4.6	99.1	103.7	-1.6	24.7	26.2	184.8	216.6	31.8	40.1	0.4	0.4	0.0	39.7	254.0	254.1	-0.1	13.7	0.0	13.7	-199.4	-1.3	-134.1	-66.8	2.7	-28.6	3.1
Q2	-58.0	-292.8	466.3	-759.1	-3.8	110.4	114.1	-8.1	24.3	32.4	246.7	286.1	39.4	53.9	-0.4	-0.4	0.0	54.4	31.8	31.1	0.7	26.7	0.0	26.7	85.7	24.9	56.6	-3.2	7.4	-89.9	4.0
Q3	98.7	-204.9	549.4	-754.3	24.3	134.2	109.9	-16.0	26.1	42.1	295.3	337.0	41.7	-99.6	-0.2	-0.2	0.0	-99.4	24.1	24.6	-0.6	8.9	0.0	8.9	-1.3	-52.4	24.5	22.6	4.0	-131.1	0.9
Q4	-42.5	-301.0	512.7	-813.7	6.2	133.6	127.3	-2.7	32.2	34.9	255.0	300.9	45.9	43.6	-0.6	-0.6	0.0	44.1	34.7	34.9	-0.2	23.8	0.0	23.8	33.7	31.7	30.7	-36.4	7.7	-48.1	-1.1
2007																															
I	3.9	-72.6	160.5	-233.0	-2.0	37.7	39.7	10.0	11.7	1.7	68.5	83.2	14.7	-4.7	-1.2	-1.2	0.0	-3.4	1.5	1.5	0.0	12.2	0.0	12.2	-44.2	-8.9	-42.4	5.9	1.3	27.1	0.8
II	14.7	-65.5	175.7	-241.2	1.0	39.7	38.8	8.3	10.0	1.7	70.9	83.2	12.3	-17.6	0.1	0.1	0.0	-17.6	5.1	3.2	1.9	-7.6	0.0	-7.6	-27.7	0.4	-15.3	-14.3	1.5	12.6	2.8
III	49.2	-45.4	222.5	-267.8	-0.2	41.0	41.2	10.7	12.6	1.9	84.0	100.6	16.6	-47.3	-0.2	-0.2	0.0	-47.1	4.6	4.7	-0.1	16.0	0.0	16.0	-33.2	-43.5	15.8	-8.3	2.8	-34.4	-1.9
Q1	67.8	-183.4	558.7	-742.1	-1.2	118.4	119.6	29.0	34.2	5.2	223.5	267.1	43.6	-69.5	-1.3	-1.3	0.0	-68.2	11.2	9.3	1.9	20.5	0.0	20.5	-105.1	-51.9	-42.0	-16.8	5.6	5.3	1.7
IV	6.9	-76.2	200.5	-276.7	1.3	41.8	40.6	-7.5	12.5	20.0	89.4	105.1	15.6	-4.3	0.6	0.6	0.0	-4.9	41.6	41.2	0.4	25.9	0.0	25.9	-26.1	0.7	-23.0	-10.7	6.9	-46.3	-2.6
V	53.9	-47.9	212.0	-259.9	-0.6	46.2	46.7	13.0	14.5	1.4	89.4	107.6	18.2	-48.6	0.3	0.3	0.0	-48.9	18.2	17.9	0.3	16.7	0.0	16.8	-74.1	-62.0	-18.2	-0.6	6.7	-9.8	-5.4
VI	19.6	-54.5	229.2	-283.6	0.4	48.2	47.9	-14.3	11.7	26.0	87.9	105.3	17.3	-22.8	0.6	0.6	0.0	-23.4	-6.1	-5.1	-1.0	3.0	-0.3	3.3	-65.0	-22.0	-78.0	31.4	3.5	44.8	3.2
Q2	80.5	-178.6	641.6	-820.3	1.1	136.2	135.2	-8.8	38.6	47.4	266.8	318.0	51.2	-75.7	1.4	1.5	0.0	-77.2	53.7	54.0	-0.3	45.6	-0.3	46.0	-165.2	-83.3	-119.3	20.2	17.1	-11.2	-4.8
VII	-9.8	-113.6	196.4	-310.0	5.5	57.0	51.6	-21.2	14.1	35.2	119.5	137.9	18.4	17.0	4.3	1.1	3.1	12.7	23.6	23.7	0.0	6.2	-0.2	6.4	13.4	35.0	5.7	-29.0	1.7	-30.5	-7.2
VIII	71.8	-60.6	214.4	-275.0	7.6	54.8	47.2	11.9	15.2	3.3	112.9	132.2	19.3	-71.2	-0.2	-0.2	0.0	-71.0	-12.4	-12.5	0.1	8.8	0.0	8.8	-32.0	-39.7	6.6	-2.7	3.7	-35.3	-0.6
IX	-28.1	-99.6	194.3	-293.9	10.3	53.8	43.5	-27.5	12.6	40.0	88.7	108.7	20.0	31.0	-0.3	-0.3	0.0	31.3	18.9	18.9	0.0	9.2	-0.2	9.3	38.9	-16.0	1.1	43.9	10.0	-35.6	-2.9
Q3	34.0	-273.8	605.1	-878.9	23.3	165.6	142.3	-36.7	41.8	78.5	321.2	378.8	57.6	-23.2	3.7	0.6	3.1	-26.9	30.1	30.0	0.1	24.2	-0.4	24.5	20.3	-20.7	13.4	12.1	15.4	-101.4	-10.8

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

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

3/ Methodological changes: The BOP data for 2007 include estimations for certain elements in the items on direct investment and income - based on actual data from the newly introduced data source (FDI Survey DI 22) available as with end 2006

4/ 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										
2003	-6.0	335.3	341.4	7.6	49.9	42.3	-34.6	106.2	140.7	20.9	179.3	48.7	36.5	2.0	61.6	5.2	4.8	18.0	12.4	158.4	17.6	3.6	9.5	87.7	4.9	2.9	14.8	25.1
2004	-43.4	363.7	407.1	14.0	57.9	43.9	-55.3	109.6	164.9	-2.1	196.3	38.6	45.4	3.7	71.7	5.6	5.5	19.1	17.8	198.4	16.8	2.4	10.9	119.1	6.9	2.9	18.1	31.2
2005	-24.7	416.2	440.8	22.4	72.3	49.9	-47.9	123.2	171.1	0.8	220.6	36.2	47.8	3.9	86.9	8.4	6.1	21.3	24.6	219.8	16.6	7.2	13.1	128.2	7.4	3.3	17.7	37.0
2006	22.2	477.2	455.1	46.3	102.4	56.2	-38.5	141.2	179.8	14.4	233.6	48.5	38.3	4.7	93.5	8.8	6.8	15.8	32.9	219.1	22.0	2.3	16.5	108.7	5.5	2.4	22.2	47.6
I	1.2	32.9	31.7	2.5	5.8	3.4	-2.1	9.1	11.2	0.8	17.9	3.7	4.4	0.5	6.4	0.6	0.4	1.2	1.8	17.1	1.6	0.1	0.7	8.2	0.5	0.3	3.5	3.1
II	-2.7	30.0	32.6	2.6	6.4	3.8	-4.4	10.0	14.4	-0.9	13.6	3.3	0.6	0.2	6.3	0.7	0.6	1.2	2.0	14.5	1.5	0.6	0.4	7.5	0.6	0.2	1.7	2.8
III	-3.1	36.2	39.4	2.1	6.9	4.8	-4.9	12.1	17.0	-0.3	17.2	3.6	1.2	0.3	8.1	0.8	0.7	1.8	2.2	17.6	1.4	0.3	1.3	9.6	0.4	0.1	1.7	3.3
IV	-1.4	32.0	33.4	2.2	6.5	4.3	-4.7	8.9	13.7	1.1	16.6	3.8	2.8	0.8	6.3	0.6	1.0	1.0	1.9	15.5	1.8	0.1	2.3	7.9	0.5	0.3	1.4	2.0
V	-1.8	39.0	40.8	3.6	8.8	5.2	-4.5	10.8	15.4	-0.8	19.4	4.0	1.9	0.3	9.2	0.6	0.7	1.0	2.9	20.2	1.7	0.2	1.4	9.9	0.3	0.2	1.9	5.2
VI	-0.6	39.3	40.0	3.6	8.4	4.8	-4.0	11.3	15.4	-0.2	19.6	3.9	4.1	0.2	7.9	0.6	0.5	1.3	2.2	19.8	1.8	0.1	1.0	11.2	0.6	0.2	1.7	3.9
VII	11.0	47.1	36.1	6.4	11.8	5.4	0.5	14.1	13.6	4.1	21.2	5.0	2.3	0.3	9.8	0.7	0.4	1.1	2.6	17.1	1.9	0.0	1.2	7.8	0.5	0.2	1.6	4.5
VIII	4.6	44.9	40.4	7.6	13.2	5.6	-3.7	12.2	15.9	0.7	19.5	4.4	3.8	0.3	8.1	0.7	0.4	1.0	1.9	18.8	2.0	0.0	1.5	9.9	0.6	0.1	1.4	4.1
IX	8.7	42.2	33.5	4.3	9.1	4.8	-2.1	13.0	15.1	6.6	20.1	3.6	3.4	0.3	8.3	0.8	0.3	1.2	3.3	13.6	2.1	0.7	0.7	6.2	0.2	0.1	1.2	2.6
X	5.8	44.8	39.0	3.7	8.4	4.6	-0.7	14.1	14.8	2.7	22.4	4.2	3.8	0.4	8.0	0.8	0.5	2.1	3.9	19.6	2.0	0.0	0.6	9.8	0.4	0.3	1.4	5.8
XI	2.4	38.8	36.3	3.6	8.1	4.4	-2.9	12.0	14.9	1.7	18.7	4.4	4.1	0.3	5.9	0.8	0.5	1.0	3.0	17.0	1.4	0.1	3.4	6.6	0.4	0.2	2.5	3.1
XII	-2.0	50.0	52.0	3.9	9.1	5.2	-4.8	13.6	18.4	-1.0	27.4	4.5	6.0	0.8	9.1	1.1	0.8	1.9	5.1	28.4	2.9	0.0	2.0	14.0	0.5	0.2	2.2	7.2
Q1	-4.6	99.1	103.7	7.2	19.1	11.9	-11.4	31.3	42.7	-0.4	48.7	10.6	6.1	0.9	20.8	2.1	1.7	4.2	6.0	49.1	4.4	0.9	2.4	25.3	1.4	0.6	6.9	9.2
Q2	-3.8	110.4	114.1	9.5	23.7	14.2	-13.3	31.1	44.4	0.1	55.6	11.7	8.7	1.4	23.4	1.8	2.2	3.4	7.0	55.5	5.3	0.4	4.7	29.1	1.4	0.6	5.0	11.1
Q3	24.3	134.2	109.9	18.3	34.1	15.8	-5.4	39.3	44.7	11.4	60.8	13.0	9.6	0.9	26.2	2.2	1.1	3.2	7.8	49.5	6.0	0.8	3.4	23.9	1.3	0.4	4.2	11.2
Q4	6.2	133.6	127.3	11.3	25.5	14.3	-8.4	39.6	48.0	3.4	68.5	13.2	13.8	1.4	23.0	2.7	1.8	5.0	12.0	65.1	6.3	0.2	6.0	30.4	1.3	0.6	6.1	16.1
2007																												
I	-2.0	37.7	39.7	3.5	8.0	4.5	-3.9	11.2	15.1	-1.7	18.5	3.9	2.5	0.2	8.3	0.9	0.4	1.0	2.5	20.2	1.6	0.0	0.7	8.0	0.4	0.3	4.5	5.4
II	1.0	39.7	38.8	3.6	8.2	4.6	-5.1	10.7	15.9	2.5	20.8	3.4	2.8	0.3	8.2	0.9	0.5	1.2	4.9	18.2	1.0	0.2	1.3	8.1	2.2	0.2	2.0	5.6
III	-0.2	41.0	41.2	2.2	7.8	5.6	-3.6	12.6	16.2	1.2	20.6	4.2	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	-1.2	118.4	119.6	9.3	24.0	14.7	-12.6	34.5	47.1	2.1	59.9	11.5	8.4	1.1	26.1	2.8	1.5	3.4	9.4	57.8	4.4	0.5	3.3	26.9	4.9	0.7	8.5	14.2
IV	1.3	41.8	40.6	3.1	8.5	5.3	-3.5	13.0	16.5	1.7	20.4	4.1	2.9	0.6	9.2	0.9	0.4	1.0	2.7	18.7	1.5	0.1	1.1	9.5	1.2	0.3	1.9	4.6
V	-0.6	46.2	46.7	3.2	9.4	6.2	-5.7	13.0	18.7	2.0	23.8	4.6	4.8	0.3	9.8	1.0	0.8	1.1	3.3	21.8	1.9	0.1	1.2	12.7	1.6	0.2	2.1	3.8
VI	0.4	48.2	47.9	4.3	10.5	6.1	-2.8	14.5	17.3	-1.2	23.2	3.8	6.5	0.5	6.2	0.9	0.6	0.9	5.3	24.4	2.0	0.1	1.5	14.6	1.6	0.4	1.9	4.3
Q2	1.1	136.2	135.2	10.6	28.3	17.7	-12.0	40.5	52.5	2.5	67.4	12.5	14.3	1.4	25.1	2.8	1.8	2.9	11.3	65.0	5.3	0.3	3.8	36.9	4.4	1.0	6.0	12.7
VII	5.5	57.0	51.6	7.0	14.5	7.5	-2.1	18.0	20.1	0.6	24.6	5.6	3.0	0.2	10.9	1.0	0.8	1.1	3.8	24.0	2.1	0.2	1.4	12.5	1.2	0.2	2.4	5.4
VIII	7.6	54.8	47.2	8.8	16.3	7.5	-2.2	16.0	18.1	0.9	22.5	4.4	4.7	0.2	9.1	0.9	0.9	1.0	3.1	21.6	2.6	0.1	1.2	12.6	0.7	0.2	1.5	3.5
IX	10.3	53.8	43.5	7.9	14.3	6.4	-3.1	15.6	18.7	5.4	23.9	4.7	6.2	0.3	8.0	0.9	0.9	1.2	3.5	18.4	2.0	0.0	0.7	9.9	0.9	0.2	2.1	3.7
Q3	23.3	165.6	142.3	23.7	45.0	21.3	-7.4	49.6	56.9	7.0	71.0	14.7	13.9	0.7	28.0	2.7	2.6	3.3	10.4	64.1	6.8	0.3	3.3	35.1	2.7	0.6	6.0	12.6

Source: National Bank of the Republic of Macedonia



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

		INCOME													
		Income, net	1. Compensation of employees			Investment income, net	2. Investment income								
			Net	Inflow	Outflow		2.1. Direct investment			2.2. Portfolio investment			2.3. Other investment		
							Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Interest receipts	Interest payments
2006	2003	-55.3	24.0	24.5	0.5	-79.3	-54.4	0.8	55.2	2.8	4.8	1.9	-27.7	23.2	50.9
	2004	-33.2	40.6	41.7	1.1	-73.8	-56.3	0.3	56.7	3.4	2.2	-1.2	-20.8	23.6	44.5
	2005	-91.5	44.9	46.3	1.4	-136.4	-113.1	0.5	113.5	-2.7	0.9	3.6	-20.7	31.3	52.0
	2006	-28.4	53.1	54.9	1.8	-81.5	-48.2	0.4	48.7	-13.9	2.3	16.3	-19.4	49.6	69.0
	I	-3.5	3.8	3.9	0.1	-7.3	-1.6	0.0	1.6	-0.7	0.0	0.7	-5.0	4.2	9.2
	II	0.0	4.4	4.5	0.1	-4.4	-2.0	0.0	2.0	-0.7	0.1	0.8	-1.7	2.9	4.6
	III	2.0	5.1	5.2	0.2	-3.1	-1.5	0.2	1.7	-0.7	0.1	0.8	-0.9	3.6	4.5
	IV	-2.7	3.0	3.1	0.1	-5.7	-2.3	0.0	2.3	-0.7	0.1	0.8	-2.6	2.6	5.2
	V	-4.5	4.6	4.7	0.1	-9.1	-8.9	0.0	8.9	-0.6	0.1	0.8	0.4	3.4	3.0
	VI	-0.9	5.2	5.3	0.2	-6.1	-4.9	0.0	4.9	-0.5	0.3	0.8	-0.7	4.5	5.2
	VII	-4.5	3.2	3.3	0.1	-7.7	-2.5	0.1	2.6	-0.7	0.0	0.8	-4.5	4.4	8.9
	VIII	0.2	5.1	5.2	0.1	-4.9	-3.1	0.0	3.2	-0.6	0.2	0.8	-1.1	3.6	4.7
2007	IX	-11.8	3.4	3.5	0.2	-15.2	-15.1	0.0	15.2	-0.4	0.3	0.8	0.3	5.3	4.9
	X	0.8	5.6	5.8	0.1	-4.9	-2.1	0.0	2.1	-0.7	0.1	0.9	-2.0	4.9	6.9
	XI	5.2	6.5	6.6	0.2	-1.3	-2.2	0.0	2.2	-0.5	0.2	0.7	1.5	5.1	3.6
	XII	-8.7	3.3	3.6	0.3	-12.0	-1.9	0.0	1.9	-7.0	0.7	7.7	-3.0	5.1	8.2
	Q1	-1.6	13.2	13.6	0.4	-14.8	-5.1	0.2	5.3	-2.0	0.2	2.3	-7.6	10.7	18.3
	Q2	-8.1	12.8	13.2	0.4	-20.9	-16.1	0.0	16.1	-1.8	0.5	2.4	-2.9	10.6	13.5
	Q3	-16.0	11.7	12.1	0.4	-27.8	-20.7	0.2	20.9	-1.8	0.6	2.3	-5.3	13.3	18.5
	Q4	-2.7	15.4	16.0	0.6	-18.1	-6.3	0.0	6.3	-8.3	1.0	9.3	-3.6	15.1	18.7
	I	10.0	5.3	5.5	0.2	4.6	4.6	0.0	-4.6	0.3	0.3	0.0	-0.2	5.8	6.1
	II	8.3	4.9	5.0	0.1	3.4	4.9	0.0	-4.9	0.3	0.3	0.0	-1.8	4.6	6.4
	III	10.7	5.8	6.0	0.1	4.8	4.2	0.0	-4.1	0.8	0.9	0.0	-0.2	5.7	5.9
	Q1	29.0	16.1	16.5	0.4	12.9	13.6	0.1	-13.6	1.5	1.5	0.1	-2.2	16.1	18.3
IV	-7.5	6.3	6.5	0.1	-13.9	-12.7	0.0	12.7	0.3	0.4	0.1	-1.5	5.6	7.1	
V	13.0	7.4	7.5	0.1	5.6	5.0	1.1	-3.9	0.5	0.5	0.0	0.2	5.3	5.2	
VI	-14.3	4.0	4.1	0.1	-18.3	-16.7	0.2	16.8	1.3	1.3	0.0	-2.9	6.1	8.9	
Q2	-8.8	17.7	18.1	0.4	-26.5	-24.4	1.3	25.6	2.1	2.2	0.2	-4.2	17.0	21.2	
VII	-21.2	7.5	7.6	0.1	-28.7	-29.6	0.2	29.8	0.9	1.0	0.0	0.0	5.3	5.3	
VIII	11.9	8.3	8.4	0.1	3.6	1.6	0.0	-1.6	0.6	0.6	0.0	1.4	6.1	4.7	
IX	-27.5	3.9	4.1	0.2	-31.4	-30.0	0.5	30.5	1.4	1.4	0.0	-2.7	6.6	9.3	
Q3	-36.7	19.7	20.2	0.5	-56.4	-58.0	0.7	58.6	2.9	3.0	0.1	-1.3	18.0	19.3	

Source: National Bank of the Republic of Macedonia



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

		Current transfers, net	CURRENT TRANSFERS																
			Net	1. Official transfers						Net	2. Private transfers								
				Inflow			Outflow				2.1. Remittances			2.2. Cash exchange			2.3. Other transfers		
				Total, inflow	Goods	Financial assets	Total, outflow	Goods	Financial assets		Remittances, net	Inflow	Outflow	Cash exchange, net	Cash exchange inflow	Cash exchange outflow	Other transfers, net	Inflow	Outflow
2003	646.1	89.4	92.9	24.2	68.7	3.5	1.5	2.1	556.7	115.2	128.9	13.6	347.0	467.1	120.1	94.5	110.7	16.2	
2004	628.2	55.5	60.1	26.3	33.9	4.7	2.0	2.7	572.7	117.9	129.8	11.9	346.1	510.0	163.9	108.7	128.2	19.4	
2005	853.3	53.4	60.9	28.2	32.8	7.6	4.0	3.5	799.9	125.3	136.6	11.3	546.9	662.1	115.1	127.7	143.0	15.3	
I	2006	981.8	58.7	66.2	36.8	29.4	7.4	2.8	4.6	923.1	144.7	157.1	12.4	649.5	774.9	125.4	128.9	142.4	13.5
		55.4	1.5	1.7	1.7	0.0	0.2	0.1	0.1	53.9	8.4	9.2	0.8	37.1	45.8	8.7	8.4	9.4	1.0
	II	56.0	3.7	4.1	1.2	3.0	0.4	0.2	0.2	52.3	8.9	9.8	0.9	34.3	40.9	6.6	9.1	9.8	0.7
	III	73.4	8.8	9.6	5.9	3.7	0.8	0.1	0.7	64.6	11.8	12.8	1.1	41.0	50.2	9.3	11.8	13.2	1.3
	IV	75.9	7.1	7.6	4.3	3.3	0.5	0.4	0.1	68.8	11.9	12.7	0.8	46.2	56.3	10.0	10.7	11.5	0.8
	V	85.4	4.2	5.3	4.2	1.1	1.1	0.1	1.0	81.2	13.2	14.2	1.0	56.6	66.9	10.3	11.4	12.3	0.9
	VI	85.4	4.5	5.2	3.6	1.5	0.7	0.2	0.5	80.9	12.6	13.5	0.9	57.0	67.9	10.9	11.3	12.7	1.4
	VII	96.2	3.3	3.8	2.6	1.2	0.5	0.4	0.1	92.9	11.8	12.8	1.0	69.7	81.9	12.2	11.3	12.2	0.9
	VIII	101.3	3.6	3.9	2.1	1.8	0.3	0.2	0.1	97.7	12.9	14.1	1.2	74.1	85.6	11.5	10.7	12.2	1.5
	IX	97.8	7.0	7.4	1.3	6.1	0.4	0.4	0.1	90.8	13.9	15.1	1.2	65.8	75.4	9.6	11.1	12.5	1.5
	X	91.0	5.8	6.5	3.1	3.4	0.7	0.4	0.3	85.2	14.4	15.6	1.2	60.5	73.1	12.6	10.3	11.1	0.9
	XI	76.3	3.0	3.5	2.8	0.7	0.4	0.2	0.3	73.3	13.7	14.8	1.2	49.1	61.6	12.5	10.5	11.6	1.1
2007	XII	87.8	6.1	7.5	3.9	3.7	1.4	0.2	1.2	81.7	11.3	12.5	1.2	58.1	69.3	11.2	12.3	13.8	1.5
	Q1	184.8	14.1	15.5	8.8	6.7	1.4	0.4	1.0	170.7	29.0	31.8	2.8	112.4	137.0	24.6	29.3	32.3	3.0
	Q2	246.7	15.8	18.0	12.1	5.9	2.3	0.6	1.6	230.9	37.7	40.5	2.7	159.8	191.0	31.2	33.4	36.6	3.2
	Q3	295.3	14.0	15.1	6.1	9.0	1.2	0.9	0.2	281.4	38.6	42.0	3.4	209.6	242.9	33.3	33.1	37.0	3.9
	Q4	255.0	14.9	17.5	9.7	7.8	2.6	0.8	1.8	240.1	39.3	42.9	3.5	167.7	204.0	36.3	33.1	36.6	3.5
	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	87.9	5.8	6.7	5.1	1.6	0.9	0.6	0.3	82.2	13.0	14.4	1.4	57.7	71.7	14.0	11.4	12.6	1.1
2008	Q2	266.8	17.1	19.6	15.2	4.5	2.5	1.4	1.1	249.7	39.3	43.1	3.8	178.1	219.5	41.5	32.4	35.7	3.4
	VII	119.5	5.2	5.6	4.1	1.5	0.4	0.2	0.1	114.3	14.8	16.1	1.3	87.6	102.4	14.7	11.9	13.9	2.0
	VIII	112.9	2.2	3.8	2.4	1.4	1.6	0.6	1.0	110.7	14.1	15.4	1.3	87.1	102.1	15.0	9.5	10.9	1.3
	IX	88.7	3.3	3.8	2.0	1.8	0.5	0.3	0.2	85.5	14.8	16.2	1.4	58.9	76.3	17.4	11.7	12.4	0.7
	Q3	321.2	10.7	13.2	8.5	4.7	2.5	1.1	1.3	310.5	43.7	47.7	4.0	233.6	280.8	47.2	33.1	37.2	4.0

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

In EUR Million

		Capital and Financial Account, excluding reserve assets																						
		A. Capital account, net			B. Financial account, excluding reserve assets																			
		Net	Capital transfers, net	Acquisition/disposal of non-produced, non-finan. assets	Financial account, net	1. Direct investment			2. Portfolio investment			3. Other investment												3.4 Other, net
						Net	Inward	Outward	Net	Assets	Liabilities	3. Other investment, net	3.1. Trade credits, net	3.2. Loans		3.3. Currency and deposits								
														Loans, net	Assets	Total	Liabilities	Short-term	Currency and deposits, net	Monetary Authorities, net	General government, net	Banks, net	Other sectors, net	
2003	232.3	-6.1	-6.0	-0.1	238.3	100.1	100.4	-0.3	4.9	0.1	4.8	133.3	67.4	50.3	-15.9	51.4	48.4	3.0	5.9	15.5	0.0	-44.7	35.1	9.8
2004	362.6	-4.2	-4.2	0.0	366.8	259.7	260.7	-0.9	9.5	0.1	9.3	97.6	71.0	6.1	0.0	4.6	25.7	-21.1	-2.3	23.2	0.0	-84.4	58.9	22.8
2005	475.6	-1.7	-1.7	0.0	477.3	74.9	77.2	-2.3	200.2	0.1	200.1	202.2	105.9	100.2	-37.8	104.4	89.0	15.4	-20.3	0.0	0.0	22.4	-42.7	16.5
2006	335.7	-0.7	-0.7	0.0	336.4	344.6	344.8	-0.1	73.1	0.0	73.1	-81.4	2.9	-22.3	0.0	-26.4	-59.4	33.0	-83.7	-5.7	0.0	-10.4	-67.6	21.7
I	-142.0	-0.1	-0.1	0.0	-141.9	11.3	11.3	0.0	3.8	0.0	3.8	-157.0	-1.3	-151.6	0.0	-151.8	-154.7	3.0	-4.9	0.0	0.0	-3.6	-1.3	0.8
II	10.0	0.2	0.2	0.0	9.9	7.8	7.8	0.0	3.4	0.0	3.4	-1.3	-21.4	21.6	0.0	21.4	11.3	10.2	-1.7	0.0	0.0	4.4	-6.1	0.2
III	200.6	0.4	0.4	0.0	200.2	234.9	235.0	0.0	6.5	0.0	6.5	-41.2	21.3	-4.0	0.0	-4.1	-6.1	2.0	-60.2	-56.7	0.0	5.3	-8.8	1.7
IV	68.1	-0.1	-0.1	0.0	68.3	10.2	9.5	0.7	5.2	0.0	5.2	52.9	16.7	40.8	0.0	40.7	26.2	14.5	-6.0	0.0	0.0	-0.9	-5.1	1.4
V	30.1	-0.3	-0.3	0.0	30.4	8.6	8.7	-0.1	14.7	0.0	14.7	7.0	2.4	8.2	0.0	8.2	7.1	1.1	-4.0	0.0	0.0	7.5	-11.4	0.3
VI	45.6	0.0	0.0	0.0	45.6	12.9	12.9	0.0	6.8	0.0	6.8	25.8	5.8	7.6	0.0	4.5	3.1	1.4	6.8	0.0	0.0	12.8	-6.0	5.7
VII	8.0	0.7	0.7	0.0	7.3	6.8	7.4	-0.6	2.1	0.0	2.1	-1.6	-10.1	23.9	0.0	23.8	21.9	1.9	-16.5	0.0	0.0	-12.7	-3.8	1.2
VIII	48.5	-0.8	-0.8	0.0	49.3	6.4	6.4	0.0	4.0	0.0	4.0	38.9	0.7	-2.7	0.0	-2.7	-1.1	-1.6	39.5	51.1	0.0	-12.2	0.7	1.3
IX	-25.0	-0.1	-0.1	0.0	-24.9	10.8	10.8	0.0	2.8	0.0	2.8	-38.6	-43.0	3.3	0.0	3.2	2.4	0.8	-0.4	0.0	0.0	7.3	-7.7	1.4
X	1.9	-0.1	-0.1	0.0	2.0	7.3	7.3	-0.1	4.0	0.0	4.0	-9.3	-11.4	-1.9	0.0	-2.0	-0.4	-1.6	2.4	0.0	0.0	8.0	-5.7	1.8
XI	37.6	0.1	0.1	0.0	37.5	8.2	8.3	-0.1	8.6	0.0	8.6	20.7	17.2	13.0	0.0	12.9	10.7	2.2	-10.0	0.0	0.0	-3.3	-6.7	0.5
XII	52.1	-0.6	-0.6	0.0	52.7	19.2	19.2	0.0	11.2	0.0	11.2	22.3	25.9	19.6	0.0	19.6	20.3	-0.8	-28.7	0.0	0.0	-23.1	-5.6	5.4
Q1	68.7	0.4	0.4	0.0	68.3	254.0	254.1	-0.1	13.7	0.0	13.7	-199.4	-1.3	-134.1	0.0	-134.5	-149.6	15.1	-66.8	-56.7	0.0	6.1	-16.2	2.7
Q2	143.8	-0.4	-0.4	0.0	144.2	31.8	31.1	0.7	26.7	0.0	26.7	85.7	24.9	56.6	0.0	53.4	36.4	17.0	-3.2	0.0	0.0	19.4	-22.6	7.4
Q3	31.5	-0.2	-0.2	0.0	31.7	24.1	24.6	-0.6	8.9	0.0	8.9	-1.3	-52.4	24.5	0.0	24.3	23.2	1.1	22.6	51.1	0.0	-17.6	-10.8	4.0
Q4	91.7	-0.6	-0.6	0.0	92.2	34.7	34.9	-0.2	23.8	0.0	23.8	33.7	31.7	30.7	0.0	30.5	30.6	-0.1	-36.4	0.0	0.0	-18.3	-18.0	7.7
2007																								
I	-31.8	-1.2	-1.2	0.0	-30.5	1.5	1.5	0.0	12.2	0.0	12.2	-44.2	-8.9	-42.4	0.0	-42.4	-44.5	2.1	5.9	0.0	0.0	3.7	2.2	1.3
II	-30.1	0.1	0.1	0.0	-30.2	5.1	3.2	1.9	-7.6	0.0	-7.6	-27.7	0.4	-15.3	0.0	-15.3	-19.3	3.9	-14.3	0.0	0.0	-8.2	-6.1	1.5
III	-12.8	-0.2	-0.2	0.0	-12.7	4.6	4.7	-0.1	16.0	0.0	16.0	-33.2	-43.5	15.8	0.0	15.8	6.4	9.4	-8.3	0.0	0.0	0.7	-9.0	2.8
Q1	-74.7	-1.3	-1.3	0.0	-73.4	11.2	9.3	1.9	20.5	0.0	20.5	-105.1	-51.9	-42.0	0.0	-42.0	-57.4	15.4	-16.8	0.0	0.0	-3.8	-12.9	5.6
IV	41.9	0.6	0.6	0.0	41.4	41.6	41.2	0.4	25.9	0.0	25.9	-26.1	0.7	-23.0	-0.1	-23.0	-23.5	0.5	-10.7	0.0	0.0	-1.6	-9.1	6.9
V	-38.8	0.3	0.3	0.0	-39.1	18.2	17.9	0.3	16.7	0.0	16.8	-74.1	-62.0	-18.2	-3.7	-18.0	-19.6	1.7	-0.6	0.0	0.0	4.9	-5.4	6.7
VI	-67.6	0.6	0.6	0.0	-68.1	-6.1	-5.1	-1.0	3.0	-0.3	3.3	-65.0	-22.0	-78.0	-5.9	-77.9	-76.7	-1.3	31.4	0.0	0.0	37.9	-6.4	3.5
Q2	-64.5	1.4	1.5	0.0	-65.9	53.7	54.0	-0.3	45.6	-0.3	46.0	-165.2	-83.3	-119.3	-9.7	-118.9	-119.8	0.9	20.2	0.0	0.0	41.2	-20.9	17.1
VII	47.5	4.3	1.1	3.1	43.2	23.6	23.7	0.0	6.2	-0.2	6.4	13.4	35.0	5.7	-0.7	6.4	2.9	3.5	-29.0	0.0	0.0	-22.1	-6.9	1.7
VIII	-35.9	-0.2	-0.2	0.0	-35.7	-12.4	-12.5	0.1	8.8	0.0	8.8	-32.0	-39.7	6.6	-0.2	6.6	3.2	3.4	-2.7	0.0	0.0	-1.6	-1.1	3.7
IX	66.6	-0.3	-0.3	0.0	66.9	18.9	18.9	0.0	9.2	-0.2	9.3	38.9	-16.0	1.1	0.0	1.1	-7.4	8.5	43.9	0.0	0.0	50.6	-6.7	10.0
Q3	78.2	3.7	0.6	3.1	74.5	30.1	30.0	0.1	24.2	-0.4	24.5	20.3	-20.7	13.4	-0.9	14.1	-1.2	15.3	12.1	0.0	0.0	26.9	-14.7	15.4

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	Q1	Q2	Q3	Q1	Q2	Q3	
TOTAL	1,367.0	1,675.9	2,042.3	451.0	586.8	701.5	661.5	2,400.7	2,306.4	2,931.6	3,232.8	727.5	985.9	969.5	1,079.8	3,762.7	733.6	866.6	832.7	1,052.0	1,176.39	1,267.22	
SITC																							
Food and live animals	92.0	125.6	167.2	30.3	55.7	51.4	53.8	191.1	271.2	337.5	343.2	74.4	95.5	94.8	104.3	369.0	44.2	64.3	70.9	109.9	120.35	114.40	
Beverages and tobacco	137.1	127.8	163.1	35.2	49.8	64.8	42.1	192.0	24.2	28.0	31.1	5.5	7.7	9.1	9.8	32.1	39.4	54.7	54.1	7.3	10.14	10.39	
Crude materials, inedible, except fuels	39.9	44.1	67.8	18.4	30.0	29.6	33.8	111.8	60.0	77.4	106.7	31.1	28.6	34.3	39.6	133.6	39.4	46.4	35.3	57.6	54.93	79.98	
Mineral fuels, lubricants and related materials	73.7	78.3	163.6	37.7	47.9	84.4	55.1	225.1	323.1	397.8	619.2	171.3	172.5	181.5	234.8	760.1	44.6	19.3	46.8	211.7	143.71	227.79	
Animal and vegetable oils and fats	0.8	7.0	2.9	0.4	0.7	0.8	0.2	2.2	24.5	52.9	30.0	6.5	7.8	9.1	7.2	30.6	0.2	0.3	0.5	5.6	9.63	14.75	
Chemical products	70.2	73.4	90.8	18.7	26.3	28.3	27.1	100.5	254.9	281.0	334.0	72.5	98.7	94.6	99.5	365.3	26.4	34.4	33.0	102.4	124.98	121.22	
Manufactured goods classified chiefly by material	398.1	552.7	682.8	147.3	200.8	247.0	257.5	852.6	333.2	740.8	950.5	181.0	309.2	312.6	316.0	1,118.8	326.5	437.4	352.3	307.4	387.11	364.31	
Machinery and transport equipment	80.6	92.6	109.9	23.9	32.7	31.3	30.0	117.9	434.2	504.5	563.1	133.6	197.0	168.4	189.7	688.6	29.9	33.5	36.8	181.5	239.44	242.90	
Miscellaneous manufactured articles	471.8	570.8	590.5	137.2	142.0	163.1	161.7	604.1	128.7	171.9	252.9	50.3	68.4	64.3	77.9	260.9	182.7	176.0	202.6	67.7	85.10	90.44	
Commodities and transactions not classified in SITC	2.7	3.5	3.7	1.8	0.9	0.7	0.2	3.5	452.4	340.1	2.1	1.1	0.7	0.7	1.1	3.6	0.4	0.3	0.5	0.9	1.00	1.04	
END USE																							
Production materials	669.2	816.2	1,110.4	241.7	334.7	425.8	391.4	1,393.7	1,492.5	1,904.7	2,099.0	469.3	625.5	642.9	715.6	2,453.3	448.1	561.5	503.5	705.5	736.84	822.39	
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	17.3	108.1	146.65	155.26	
Consumption goods	674.5	827.7	891.2	200.6	242.3	255.9	255.5	954.3	525.2	711.8	783.2	178.1	232.9	225.6	249.5	886.1	269.7	288.6	311.9	237.6	291.92	288.56	
Unknown	0.9	1.3	0.8	0.1	0.3	0.7	0.2	1.3	2.7	2.3	2.1	1.1	0.7	0.7	1.1	3.6	0.0	0.0	0.0	0.9	0.98	1.01	

Source: State Statistical Office of the Republic of Macedonia



Table 27
Foreign trade by countries
In USD Million

	EXPORT								IMPORT								EXPORT				IMPORT		
	2003	2004	2005	2006				Total	2003	2004	2005	2006				Total	2007			2007			
	Total	Total	Total	Q1	Q2	Q3	Q4		Total	Total	Total	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q1	Q2	Q3	
TOTAL	1,366.99	1,675.88	2,042.30	451.00	586.78	701.47	661.47	2,400.71	2,306.35	2,931.63	3,232.84	727.55	985.90	969.47	1,079.79	3,762.72	733.62	866.62	832.70	1,051.98	1,176.39	1,267.22	
Serbia and Montenegro	274.99	347.60	459.66	88.26	141.80	177.30	150.49	557.85	212.80	243.72	264.21	49.12	71.59	74.62	87.52	282.85							
Serbia																	133.04	148.10	172.23	75.95	95.93	108.94	
Montenegro																	4.35	7.76	7.67	0.16	0.35	0.40	
Germany	279.39	317.22	364.21	87.42	88.21	100.37	99.48	375.48	304.77	368.19	336.14	74.05	97.78	91.06	106.38	369.27	115.30	105.14	131.58	102.86	122.71	122.58	
Greece	180.40	228.76	313.15	60.21	98.55	119.93	82.48	361.16	300.58	282.64	297.72	62.50	90.42	75.38	91.58	319.88	97.20	110.85	95.87	96.47	104.30	102.23	
Italy	95.41	134.55	169.81	52.76	56.22	62.86	65.00	236.85	123.13	168.81	194.12	41.16	61.50	57.45	66.80	226.92	73.83	102.03	73.04	54.30	87.28	68.00	
Bulgaria	25.83	51.54	76.10	19.73	31.01	37.28	42.13	130.14	149.21	209.75	234.41	48.96	73.38	60.80	67.03	250.17	48.76	57.18	65.63	54.58	56.31	67.45	
Croatia	66.17	80.16	81.08	26.96	34.69	30.61	31.97	124.23	63.55	65.78	75.25	14.55	20.58	21.56	22.28	78.96	31.91	38.32	37.71	23.23	29.95	27.00	
Belgium	9.70	15.16	34.64	11.33	14.58	21.65	35.60	83.15	16.70	22.10	27.28	4.11	6.77	7.10	8.24	26.22	38.03	55.79	38.52	5.64	7.49	7.21	
Bosnia and Herzegovina	23.79	33.23	50.46	11.06	15.66	17.75	20.23	64.70	11.75	16.31	23.58	5.29	6.70	7.17	7.37	26.53	17.75	22.76	21.94	6.39	7.66	10.14	
Netherlands	47.33	47.31	44.58	11.74	12.97	16.67	14.00	55.39	49.60	57.13	53.31	14.92	14.78	14.54	15.53	59.77	17.34	18.22	21.20	15.40	16.71	17.18	
Turkey	32.81	53.95	46.31	14.41	12.83	13.19	14.74	55.18	78.82	94.88	113.90	23.32	32.49	30.10	38.00	123.92	9.82	10.74	18.72	37.20	47.68	50.40	
Spain	21.29	23.03	14.01	2.21	9.66	12.83	25.71	50.40	24.61	30.97	32.36	9.67	13.07	13.24	15.75	51.73	51.37	75.16	23.74	11.44	14.23	11.22	
Slovenia	21.34	27.19	31.81	7.89	10.16	12.75	10.38	41.18	139.07	140.34	128.02	26.27	34.88	33.61	34.65	129.41	13.57	20.31	19.60	29.30	35.81	39.45	
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	15.14	17.01	20.35	2.43	4.49	6.86	
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	15.56	26.84	18.22	11.77	13.24	11.78	
Russia	13.74	19.67	21.42	6.01	6.37	8.34	4.77	25.48	178.97	271.01	425.24	137.46	98.63	150.55	182.93	569.58	4.88	5.28	6.87	157.42	99.05	170.33	
USA	72.80	72.06	44.45	6.42	6.55	5.77	3.68	22.42	56.55	47.95	45.21	8.69	11.28	9.66	11.37	41.00	6.24	9.66	15.13	16.57	22.08	19.43	
Sweden	5.65	5.75	8.34	3.36	4.68	3.80	7.61	19.44	20.18	25.10	20.06	4.56	9.42	9.35	6.18	29.51	4.16	2.19	5.40	8.27	11.56	17.10	
Austria	7.68	8.51	9.00	2.48	3.56	4.62	4.34	14.99	56.20	68.86	69.21	16.38	26.95	19.60	17.63	80.56	4.54	5.36	5.04	16.74	23.70	26.60	
Romania	1.39	1.83	4.19	2.11	2.70	3.60	4.89	13.30	14.38	113.06	64.91	6.39	20.89	34.50	30.09	91.87	5.35	2.93	4.32	31.23	17.27	16.21	
Czech	3.07	5.36	6.05	1.67	3.01	3.61	2.26	10.55	11.95	17.47	23.35	6.03	8.84	9.04	8.87	32.79	1.07	2.81	3.44	8.97	14.09	12.82	
France	54.66	77.32	19.91	1.29	3.49	2.71	2.80	10.29	51.51	67.55	60.98	13.02	17.57	15.87	19.79	66.25	3.98	4.88	2.63	17.56	20.67	21.58	
Switzerland	19.31	6.45	7.52	4.73	1.24	1.75	2.47	10.19	27.22	45.70	63.87	7.88	24.20	9.58	17.42	59.08	2.42	1.84	4.14	16.36	19.47	21.22	
Hungary	2.83	2.19	2.70	1.85	1.75	2.06	0.74	6.39	29.14	30.99	36.29	7.24	11.36	10.04	9.42	38.06	1.61	1.32	1.71	8.86	11.22	13.61	
Poland	0.49	2.62	4.04	1.04	1.14	1.84	2.32	6.33	26.42	78.31	94.65	17.17	31.48	34.82	34.22	117.69	1.45	2.54	3.53	34.30	35.27	40.54	
Cyprus	0.50	4.80	5.54	0.67	1.05	2.02	0.73	4.48	4.08	4.69	3.47	0.82	0.37	0.20	0.10	1.50	1.74	0.28	0.27	0.18	0.14	0.20	
Australia	2.47	2.52	1.71	0.44	0.48	0.55	0.80	2.27	6.72	2.73	4.29	0.47	0.52	0.32	0.46	1.78	0.89	0.44	0.83	0.59	0.84	1.14	
Ukraine	1.78	2.16	2.04	0.09	0.30	0.85	0.55	1.80	88.03	74.10	72.11	18.61	31.72	30.14	25.18	105.65	0.40	0.51	0.55	25.68	29.25	22.81	
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	3.50	11.11	12.02	14.40	
China	14.59	1.36	9.93	0.12	1.19	0.11	0.05	1.47	48.32	82.02	115.28	28.31	34.32	36.89	39.87	139.39	0.03	0.03	0.08	44.63	57.24	52.26	
Danmark	3.28	2.31	2.78	0.09	0.34	0.43	0.61	1.47	11.30	14.83	14.29	3.27	6.16	3.66	3.77	16.86	0.49	1.01	1.21	3.53	5.48	4.38	
Japan	5.76	2.72	8.40	0.74	0.14	0.24	0.11	1.23	19.35	24.37	22.76	6.20	8.10	6.24	6.42	26.96	0.24	0.14	0.16	6.77	8.85	8.51	
Canada	0.49	1.12	1.09	0.21	0.07	0.32	0.37	0.97	3.96	8.65	22.27	1.97	26.90	4.17	3.00	36.04	0.25	0.23	0.29	3.56	3.57	4.32	
Belarus	0.12	0.16	0.50	0.00	0.50	0.40	0.04	0.94	0.63	0.22	0.24	0.08	0.02	0.08	0.07	0.25	0.10	1.82	0.43	0.04	0.08	0.09	
Hong Kong	0.22	0.14	0.06	0.02	0.00	0.01	0.15	0.18	2.43	2.96	2.58	0.23	0.59	0.56	0.36	1.74	0.01	0.01	0.01	0.61	0.58	0.57	
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	0.00	0.01	0.13	0.07	
Argentina	0.01	0.31	1.59	0.00	0.01	0.00	0.00	0.01	5.59	9.88	8.74	3.08	2.59	2.67	2.35	10.68	0.00	0.00	0.01	3.10	2.85	3.23	
Bolivia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.81	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
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	0.05	15.03	18.44	19.96	

Source: State Statistical Office of the Republic of Macedonia

1/Preliminary data.

Source: National Bank of the Republic of Macedonia



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

Activity	1997		1998		1999		2000		2001		2002		2003		2004		2005		2006	
FDI in Republic of Macedonia	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %	Value	Share %
AGRICULTURE, HUNTING AND FISHING	1.1	1	0.6	0	0.9	0	0.8	0	2.7	0	3.7	0	9.8	1	23.1	1	23.0	1	23.1	1
MINING AND QUARRYING	0.3	0	0.4	0	0.7	0	9.9	2	13.6	1	16.9	1	15.5	1	22.4	1	39.3	2	45.3	2
Extraction of petroleum and gas	0.0	0	0.0	0	0.0	0	0.3	0	1.4	0	1.4	0	1.3	0	1.3	0	1.3	0	1.3	0
Mining and quarrying n.i.e.	0.3	0	0.4	0	0.7	0	9.6	2	12.2	1	15.6	1	14.2	1	21.1	1	38.0	2	44.0	2
MANUFACTURING	67.5	48	165.3	61	222.1	62	294.8	51	396.2	38	457.7	39	490.4	38	664.9	41	775.3	44	801.9	38
Food products	16.3	12	61.5	23	85.8	24	112.4	19	138.8	13	164.9	14	173.7	13	182.6	11	187.1	11	189.0	9
Textiles and wearing apparel	3.4	2	5.6	2	8.0	2	10.9	2	9.7	1	14.0	1	15.0	1	18.2	1	21.9	1	36.7	2
Wood, publishing and printing	2.2	2	2.8	1	3.5	1	9.6	2	10.8	1	9.8	1	9.1	1	9.6	1	10.3	1	8.6	0
Refined petroleum products and other treatments	0.0	0	0.4	0	0.2	0	-11.5	-2	1.4	0	31.0	3	25.9	2	55.0	3	64.3	4	75.2	4
Manufacture of chemicals & chemicals products	8.3	6	9.3	3	10.2	3	11.0	2	16.3	2	19.9	2	26.4	2	35.7	2	37.7	2	46.7	2
Rubber and plastic products	0.2	0	0.3	0	0.3	0	0.7	0	0.6	0	1.0	0	1.4	0	1.8	0	2.8	0	3.1	0
Metal products	25.4	18	31.6	12	46.7	13	74.7	13	98.6	9	96.5	8	115.1	9	188.2	12	287.4	16	258.1	12
Mechanical products	0.3	0	0.3	0	0.2	0	0.3	0	0.4	0	0.4	0	0.3	0	0.5	0	0.9	0	2.1	0
Office machinery and computers	0.2	0	0.3	0	0.5	0	0.5	0	0.5	0	1.0	0	1.0	0	1.0	0	0.9	0	2.5	0
Radio, TV, communication equipments	0.0	0	0.0	0	0.1	0	0.2	0	0.2	0	0.2	0	-0.5	0	-0.4	0	2.1	0	1.9	0
Motor vehicles	2.7	2	1.5	1	1.5	0	1.2	0	0.9	0	4.0	0	5.2	0	12.3	1	12.6	1	12.8	1
Other transport equipment	0.0	0	-0.9	0	0.0	0	0.0	0	0.0	0	1.5	0	2.0	0	7.2	0	7.8	0	9.4	0
Manufacturing n.i.e.	8.5	6	52.6	19	64.9	18	84.7	15	118.2	11	113.6	10	115.8	9	153.1	10	139.5	8	155.6	7
ELECTRICITY, GAS AND WATER CONSTRUCTION	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.7	0	5.2	0	6.2	0	157.1	7
CONSTRUCTION	0.6	0	0.8	0	5.6	2	32.9	6	47.0	5	56.1	5	65.9	5	64.5	4	61.1	3	70.5	3
TOTAL SERVICES	68.3	48	98.1	36	124.9	35	236.9	41	574.4	55	619.6	53	702.5	54	822.0	51	854.2	48	984.5	47
TRADE AND REPAIR	48.4	34	67.9	25	82.7	23	88.7	15	91.6	9	103.7	9	106.2	8	113.7	7	118.9	7	182.0	9
Trade and repair of motor vehicles	3.3	2	5.7	2	5.7	2	7.0	1	8.7	1	8.7	1	8.9	1	12.2	1	11.6	1	18.8	1
Wholesale trade	25.0	18	35.3	13	45.8	13	53.2	9	51.8	5	65.5	6	66.0	5	63.4	4	64.1	4	98.9	5
Retail trade	20.2	14	27.0	10	31.2	9	28.5	5	31.1	3	29.4	3	31.2	2	38.1	2	43.2	2	62.7	3
HOTELS AND RESTAURANTS	2.4	2	3.0	1	4.7	1	7.4	1	8.2	1	11.8	1	21.6	2	23.8	1	27.7	2	39.6	2
TRANSPORT AND COMMUNICATION	2.9	2	5.5	2	4.5	1	11.4	2	342.4	33	350.4	30	372.8	29	445.4	28	425.5	24	422.5	20
Land transport	4.0	3	6.2	2	8.4	2	9.5	2	9.2	1	9.6	1	8.4	1	8.1	1	7.1	0	8.0	0
Sea transport	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Air transport	-1.7	-1	-1.7	-1	-5.3	-1	0.2	0	0.2	0	0.2	0	0.1	0	0.3	0	0.4	0	0.0	0
Telecommunications	0.0	0	0.0	0	0.1	1	0.4	0	330.8	32	337.7	29	361.1	28	433.7	27	414.4	23	406.2	19
Transport and communication n.i.e.	0.7	0	0.9	0	1.3	0	1.3	0	2.2	0	2.9	0	3.2	0	3.3	0	3.5	0	8.1	0
FINANCIAL INTERMEDIATION	11.5	8	15.8	6	24.9	7	118.9	21	115.0	11	136.1	12	174.6	14	202.3	13	232.8	13	268.2	13
Monetary intermediation	11.4	8	15.5	6	24.7	7	100.1	17	94.6	9	118.0	10	143.5	11	147.6	9	166.8	9	189.1	9
Other financial intermediation	0.0	0	0.3	0	0.2	0	0.1	0	2.9	0	3.5	0	10.4	1	26.3	2	38.4	2	47.7	2
Insurance & activities auxiliary to insurance	0.0	0	0.0	0	0.0	0	18.7	3	17.5	2	14.6	1	20.6	2	28.1	2	27.1	2	30.4	1
Financial intermediation n.i.e.	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.4	0	0.9	0
REAL ESTATE & BUSINESS ACTIVITIES	1.8	1	2.4	1	4.1	1	6.0	1	11.2	1	11.8	1	20.0	2	29.0	2	40.1	2	57.5	3
Real estate	0.0	0	0.0	0	0.6	0	0.6	0	0.6	0	0.6	0	0.6	0	5.9	0	16.6	1	16.6	1
Computer activities of which	0.2	0	0.3	0	0.3	0	0.4	0	0.6	0	0.7	0	0.6	0	1.2	0	1.6	0	6.6	0
Other business activities	1.2	1	1.8	1	2.8	1	4.6	1	9.5	1	10.1	1	18.4	1	21.3	1	21.6	1	32.8	2
Real estate and business activities n.i.e.	0.3	0	0.3	0	0.4	0	0.4	0	0.5	0	0.4	0	0.5	0	0.6	0	0.3	0	1.2	0
OTHER SERVICES	1.3	1	3.6	1	4.1	1	4.4	1	6.0	1	5.9	1	7.3	1	7.9	0	9.4	1	14.6	1
NOT ALLOCATED	3.6	3	5.1	2	5.7	2	4.7	1	5.3	1	6.7	1	7.3	1	8.1	1	9.9	1	16.2	1
SUB - TOTAL	141.2	100	270.4	100	359.9	100	580.1	100	1,039.2	100	1,160.7	100	1,292.1	100	1,610.2	100	1,769.0	100	2,098.6	100
TOTAL	141.2	100	270.4	100	359.9	100	580.1	100	1,039.2	100	1,160.7	100	1,292.1	100	1,610.2	100	1,769.0	100	2,098.6	100

1/Preliminary data.

Source: National Bank of the Republic of Macedonia.



Table 30

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

In USD Million

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

Source: National Bank of the Republic of Macedonia.



Table 31

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

In EUR Million

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

Source: National Bank of the Republic of Macedonia.



Table 32
Republic of Macedonia: gross external debt / 1
In USD Million

	31.12.2004	31.12.2005	31.03.2006	30.06.2006	30.09.2006	31.12.2006	31.03.2007	30.06.2007
General Government	1,016.46	1,282.82	1,078.76	1,079.64	1,076.08	1,066.92	1,004.15	895.10
Short-term	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Money market instruments	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1,016.45	1,282.82	1,078.76	1,079.64	1,076.08	1,066.92	1,004.15	895.10
Bonds and notes	23.25	187.47	190.99	191.87	191.67	191.74	192.05	188.09
Loans	993.20	1,095.36	887.76	887.77	884.41	875.19	812.09	707.01
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monetary Authorities	45.97	52.66	51.81	47.82	47.26	42.39	38.09	0.00
Short-term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	45.97	52.66	51.81	47.82	47.26	42.39	38.09	0.00
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	45.97	52.66	51.81	47.82	47.26	42.39	38.09	0.00
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Banks	123.24	192.02	181.68	191.44	205.47	269.88	268.21	316.22
Short-term	67.32	81.41	72.25	77.76	83.57	115.44	112.65	146.40
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	7.04	1.30	0.00	0.00	0.00	0.00	24.22	30.76
Currency and deposits	51.71	69.46	61.74	67.18	72.85	104.70	77.56	104.54
Other debt liabilities	8.57	10.66	10.52	10.58	10.72	10.74	10.88	11.09
Arrears	8.57	10.66	10.52	10.58	10.72	10.74	10.88	11.09
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	55.93	110.60	109.42	113.68	121.90	154.44	155.55	169.82
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	55.79	106.40	103.29	107.48	115.91	146.31	147.36	161.65
Currency and deposits	0.14	4.20	6.14	6.20	5.99	8.13	8.20	8.17
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	600.40	721.01	664.92	727.28	701.21	786.69	768.18	780.38
Short-term	370.02	475.84	409.86	425.28	390.24	435.42	431.53	451.78
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	4.78	53.03	15.56	30.32	17.16	11.65	18.67	16.99
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	322.58	362.86	341.53	343.08	314.62	349.59	341.50	327.04
Other debt liabilities	42.66	59.95	52.76	51.89	58.46	74.17	71.36	107.75
Arrears	42.66	58.40	52.76	51.89	58.46	74.17	71.36	107.75
Other	0.00	1.54	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	230.39	245.18	255.06	302.00	310.97	351.27	336.64	328.60
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	207.63	234.14	242.23	283.70	290.16	331.68	318.08	313.60
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	22.76	11.04	12.83	18.30	20.81	19.59	18.57	14.99
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct investment: Intercompany lending	284.52	269.57	327.43	334.18	332.61	329.30	339.69	378.47
Debt liabilities to affiliated enterprises	3.70	5.68	5.68	5.68	5.68	13.16	1.00	0.75
Debt liabilities to direct investors	280.82	263.89	321.75	328.50	326.93	316.14	338.69	377.72
Gross External Debt	2,070.61	2,518.09	2,304.60	2,380.36	2,362.63	2,495.18	2,418.31	2,370.17

1/Preliminary data.

Source: National Bank of the Republic of Macedonia.



Table 33
Republic of Macedonia: gross external claims / 1
In EUR Million

	31.12.2004	31.12.2005	31.03.2006	30.06.2006	30.09.2006	31.12.2006	31.03.2007	30.06.2007
General Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monetary Authorities	664.66	1,040.51	1,121.85	1,205.24	1,284.33	1,326.97	1,315.13	1,329.96
Short-term	664.66	1,040.51	1,092.79	1,129.48	1,160.32	1,167.82	1,073.26	1,000.55
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency and deposits	664.66	1,040.51	1,092.79	1,129.48	1,160.32	1,167.82	1,073.26	1,000.55
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.00	0.00	29.06	75.76	124.01	159.16	241.87	329.41
Bonds and notes	0.00	0.00	29.06	75.76	124.01	159.16	241.87	329.41
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Banks	619.59	633.87	618.10	599.78	621.57	668.26	667.61	658.13
Short-term	618.75	634.56	613.68	595.44	617.26	667.17	650.53	641.29
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	2.17	1.92	0.02	0.08	0.39	0.39	0.01
Currency and deposits	596.54	608.45	587.54	570.86	592.20	641.45	624.38	614.82
Other claims	22.21	23.93	24.22	24.56	24.98	25.33	25.75	26.46
Arrears	22.21	23.93	24.22	24.56	24.98	25.33	25.75	26.46
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.84	1.31	4.42	4.34	4.31	1.10	17.08	16.84
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.84	1.31	1.29	1.21	1.18	1.10	1.08	0.84
Currency and deposits	0.00	0.00	3.13	3.13	3.13	0.00	16.00	16.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	197.77	253.94	256.91	249.34	266.90	336.54	344.41	409.79
Short-term	196.55	253.46	256.15	248.57	266.13	335.63	343.28	408.76
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.10
Currency and deposits	0.00	0.00	0.17	0.12	0.34	0.21	0.22	0.38
Trade credits	196.12	252.79	255.51	247.97	265.31	334.82	342.44	407.51
Other claims	0.43	0.46	0.47	0.48	0.49	0.60	0.62	0.77
Arrears	0.43	0.46	0.47	0.48	0.49	0.60	0.62	0.77
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1.23	0.49	0.76	0.76	0.76	0.91	1.13	1.03
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	1.23	0.10	0.10	0.10	0.10	0.25	0.20	1.03
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.39	0.66	0.66	0.66	0.66	0.93	0.00
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct investment: Intercompany lending	47.98	95.87	95.45	92.28	95.69	95.60	109.99	130.31
Claims from affiliated enterprises	11.28	21.33	0.00	0.00	0.00	14.69	0.45	0.60
Claims from direct investors	36.70	74.54	95.45	92.28	95.69	80.91	109.54	129.71
Gross External Claims	1,530.00	2,026.19	2,092.31	2,146.63	2,268.48	2,427.38	2,437.14	2,528.19

1/Preliminary data.

Source: National Bank of the Republic of Macedonia.



Table 34
Republic of Macedonia: net external debt position / 1
In EUR Million

	31.12.2004	31.12.2005	31.03.2006	30.06.2006	30.09.2006	31.12.2006	31.03.2007	30.06.2007
General Government	1,016.46	1,282.82	1,078.76	1,079.64	1,076.08	1,066.92	1,004.15	895.10
Short-term	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Money market instruments	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1,016.45	1,282.82	1,078.76	1,079.64	1,076.08	1,066.92	1,004.15	895.10
Bonds and notes	23.25	187.47	190.99	191.87	191.67	191.74	192.05	188.09
Loans	993.20	1,095.36	887.76	887.77	884.41	875.19	812.09	707.01
Trade credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monetary Authorities	-618.69	-987.85	-1,070.04	-1,157.42	-1,237.07	-1,284.58	-1,277.04	-1,329.96
Short-term	-664.66	-1,040.51	-1,092.79	-1,129.48	-1,160.32	-1,167.82	-1,073.26	-1,000.55
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Currency and deposits	-664.66	-1,040.51	-1,092.79	-1,129.48	-1,160.32	-1,167.82	-1,073.26	-1,000.55
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	45.97	52.66	22.75	-27.94	-76.75	-116.77	-203.78	-329.41
Bonds and notes	0.00	0.00	-29.06	-75.76	-124.01	-159.16	-241.87	-329.41
Loans	45.97	52.66	51.81	47.82	47.26	42.39	38.09	0.00
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Banks	-496.34	-443.85	-436.42	-408.34	-416.09	-398.38	-399.40	-341.92
Short-term	-551.43	-553.14	-541.43	-517.68	-533.69	-551.72	-537.87	-494.89
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	7.04	-0.87	-1.92	-0.02	-0.08	-0.39	23.83	30.75
Currency and deposits	-544.82	-539.00	-525.81	-503.68	-519.35	-536.75	-546.82	-510.27
Other debt liabilities	-13.64	-13.27	-13.70	-13.99	-14.26	-14.59	-14.88	-15.37
Arrears	-13.64	-13.27	-13.70	-13.99	-14.26	-14.59	-14.88	-15.37
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	55.09	109.29	105.01	109.34	117.60	153.34	138.47	152.98
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	54.95	105.09	102.00	106.27	114.74	145.21	146.28	160.81
Currency and deposits	0.14	4.20	3.01	3.07	2.86	8.13	-7.80	-7.83
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	402.63	467.07	408.01	477.94	434.31	450.15	423.76	370.59
Short-term	173.47	222.38	153.71	176.71	124.11	99.79	88.25	43.03
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	4.78	52.83	15.56	30.32	17.16	11.65	18.67	16.89
Currency and deposits	0.00	0.00	-0.17	-0.12	-0.34	-0.21	-0.22	-0.38
Trade credits	126.47	110.07	86.02	95.11	49.31	14.77	-0.95	-80.46
Other debt liabilities	42.23	59.48	52.29	51.40	57.97	73.57	70.74	106.98
Arrears	42.23	57.94	52.29	51.40	57.97	73.57	70.74	106.98
Other	0.00	1.54	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	229.16	244.69	254.30	301.24	310.20	350.36	335.51	327.57
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	206.40	234.04	242.13	283.60	290.06	331.43	317.88	312.57
Currency and deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade credits	22.76	10.65	12.17	17.64	20.15	18.93	17.64	14.99
Other debt liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct investment: Intercompany lending	236.54	173.71	231.98	241.91	236.92	233.70	229.71	248.16
Debt liabilities to affiliated enterprises	-7.57	-15.65	5.68	5.68	5.68	-1.53	0.55	0.15
Debt liabilities to direct investors	244.11	189.36	226.30	236.22	231.24	235.23	229.16	248.01
Net External Debt Position	540.60	491.90	212.29	233.73	94.15	67.80	-18.83	-158.02

1/Preliminary data.

Source: National Bank of the Republic of Macedonia.



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
VII	106.6	1.4	0.0	1,341.1	1,449.1	17.7
VIII	107.1	1.2	0.0	1,377.1	1,485.4	17.8
IX	113.6	1.1	0.0	1,407.4	1,522.1	17.4
Q3	113.6	1.1	0.0	1,407.4	1,522.1	17.4

Source: National Bank of the Republic of Macedonia.



Table 36
Exchange rates (average for the period)

		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
	Q3	-	-	-	-	37.1335	90.0013	44.5585	61.1750	37.8021
2005	I	-	-	-	-	39.7112	87.8420	46.6876	61.4287	45.1666
	II	-	-	-	-	39.5700	88.9779	47.1916	61.359	44.9537
	III	-	-	-	-	39.6300	88.6702	46.5671	61.4176	44.2666
	IV	-	-	-	-	39.6527	89.8171	47.4544	61.3886	44.1968
	V	-	-	-	-	39.7529	89.8212	48.2674	61.4171	45.2970
	VI	-	-	-	-	39.8482	91.6345	50.3377	61.3120	46.3906
	VII	-	-	-	-	39.2967	89.0983	50.8157	61.2015	45.4303
	VIII	-	-	-	-	39.4266	89.3141	49.7871	61.2329	45.0299
	IX	-	-	-	-	39.5245	90.3334	49.8574	61.2245	44.9833
	X	-	-	-	-	39.4880	89.7278	50.8468	61.1880	44.3459
	XI	-	-	-	-	39.6099	90.1112	51.8977	61.1789	43.8416
	XII	-	-	-	-	39.5424	90.1243	51.6661	61.2046	43.5954
2006	I	-	-	-	-	39.5447	89.3827	50.7503	61.2839	43.8820
	II	-	-	-	-	39.3020	89.6578	51.2317	61.2179	43.4344
	III	-	-	-	-	39.0093	88.8557	50.9433	61.1970	43.4544
	IV	-	-	-	-	38.8317	88.0838	49.9694	61.1625	42.5913
	V	-	-	-	-	39.2724	89.4229	47.9649	61.1686	42.8457
	VI	-	-	-	-	39.2134	89.1251	48.3312	61.1670	42.1803
	VII	-	-	-	-	39.0015	88.9010	48.2135	61.1671	41.7135
	VIII	-	-	-	-	38.7629	90.3501	47.7888	61.1688	41.2355
	IX	-	-	-	-	38.6238	90.6172	48.0105	61.1732	41.0371
	X	-	-	-	-	38.4876	90.9394	48.4970	61.1815	40.8833
	XI	-	-	-	-	38.4257	90.8063	47.5741	61.1799	40.5425
	XII	-	-	-	-	38.3251	90.9675	46.3465	61.1954	39.5143
2007	I	-	-	-	-	37.8973	92.1831	47.0635	61.1802	39.1269
	II	-	-	-	-	37.7300	91.6664	46.8414	61.1905	38.8048
	III	-	-	-	-	37.9428	89.9742	46.2014	61.1729	39.4077
	IV	-	-	-	-	37.3937	90.0173	45.3304	61.1754	38.1562
	V	-	-	-	-	37.0661	89.7285	45.2464	61.1729	37.5017
	VI	-	-	-	-	36.9892	90.4847	45.6166	61.1739	37.1983
	VII	-	-	-	-	36.9193	90.7086	44.6560	61.1771	36.6735
	VIII	-	-	-	-	37.3499	90.3063	44.9242	61.1713	38.4779
	IX	-	-	-	-	37.1313	88.9552	44.0798	61.1767	38.2698

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

Source: National Bank of the Republic of Macedonia.



Table 37
Mid exchange rates (end of period)

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

Source: National Bank of the Republic of Macedonia.

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

year	quarter	Nominal Effective Exchange	Real Effective Exchange Rate of Denar		
		Rate of Denar	Consumer Price Index	Producer Price Index	Unit Labor Cost
1995	Q4	41.2	132.1	117.6	
1996	Q4	48.5	118.4	105.9	
1997	Q4	49.9	97.0	93.2	
1998	Q4	66.6	105.7	112.5	
1999	Q4	82.7	113.0	118.8	
2000	Q4	90.0	107.1	109.8	
2001	Q4	94.1	101.7	101.6	
2002	Q4	97.6	99.9	100.7	
2003	Q4	101.2	100.1	99.1	86.5
2004	Q4	104.4	96.1	95.8	91.6
2005	Q4	104.8	90.8	91.7	86.1
2006	Q4	104.2	89.2	88.3	77.3
2005	Q1	104.8	94.6	94.6	92.8
	Q2	104.5	92.9	93.6	77.8
	Q3	104.7	91.7	93.9	78.9
	Q4	104.8	90.8	91.7	86.1
2006	Q1	104.8	91.3	91.3	90.7
	Q2	105.6	91.3	90.9	79.3
	Q3	105.1	90.3	89.8	81.8
	Q4	104.2	89.2	88.3	77.3
2007	Q1	104.4	89.0	88.1	74.5
	Q2	104.8	88.8	86.6	71.2
	Q3	104.6	88.0	86.2	71.1

Source: NBRM.



METHODOLOGICAL EXPLANATIONS

REAL SECTOR

Table 1. Gross domestic product

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

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

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

Table 2. Prices

The price data are from the SSO.

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

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

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

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

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

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

Table 3. Industrial production and productivity in the industry

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

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

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

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

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

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

Table 4. Employment

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

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

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

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

Inactive population comprises of:

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

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

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

Table 5. Wages

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

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



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

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

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

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

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

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

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

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

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

MONETARY SECTOR

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

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

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

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

- The sector of Banks and other financial institutions is consisted of five sub-sectors:

- National Bank of the Republic of Macedonia (monetary authority);

- Deposit Money Banks;

- Savings houses;

- Insurance companies in which associations and institutions involved in insuring and reinsuring operations, Deposits insurance fund, investment funds, financial institutions that are involved in financial leasing and other financial services, are included.

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

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

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

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

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

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

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

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

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

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

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

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

Auctions of CB bills represent basic instrument of the NBRM monetary policy, which is used for regulating the global liquidity level and the interest rates in the banking system, as well as for signaling the

directions of the monetary policy. They are introduced in February 1994 for the first time and by definition they are intended for withdrawing liquidity from the banking system. The interventions with this instrument, with a maturity up to 28 days, are performed through making auctions which can be organized as "volume tender" or "interest rate tender" (American type). The auctions of CB bills are positioned on market and flexible basis, which enables their continuous changing, with an intention of increasing their flexibility, efficiency and successful realization of their basic goals.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

Table no.12 Credits to non-government sector

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

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

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

Table no.13 Monetary aggregates and components thereof

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



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

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

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

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

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

Table no. 14 Total claims of deposit money banks

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

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

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

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

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

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

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

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

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

Table no.15 Total liabilities on deposit money banks

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

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

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

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

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

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

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

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

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



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

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

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

Table no. 18 Reserve requirement of banks and saving houses

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

Table no.19 Interest rates on Government securities

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

FOREIGN EXCHANGE SECTOR

Table no. 20-25 BALANCE OF PAYMENTS

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

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

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

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

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



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

BALANCE OF PAYMENTS: SEPARATE ITEMS

CURRENT ACCOUNT

Goods

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

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

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

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

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

Services

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

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

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

Income

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

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

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

Current transfers

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

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

CAPITAL AND FINANCIAL ACCOUNT

CAPITAL ACCOUNT

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

FINANCIAL ACCOUNT

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

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

Other investment:

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

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

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

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

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

Tables 26 and 27 Foreign trade

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

Table no. 28 and 29 Stock of foreign direct investment

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

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

Methodologically, the reinvested earnings include:

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

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

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

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

Tables no. 30 and 31 International investment position

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

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

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

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

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

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

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

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

General methodological notes

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

The external debt statistics is prepared in accordance with the External Debt Statistics Guide¹⁴ (Guide).

Gross external debt

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

¹⁴ External Debt Statistics: Guide for compilers and Users, IMF, 2003



Gross external claims

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

Net external debt

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Data sources for the net external debt of the Banking sector

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

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

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

Data sources for the net external debt of the Other sectors

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

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

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

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

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

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

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



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

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

Table no. 35 Reserve assets

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

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

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

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

Monetary gold

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

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

Foreign exchange

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

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

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

Other foreign assets

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

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

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



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

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

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

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

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

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

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