

National Bank of the Republic of Macedonia



Quarterly Report
April, 2009



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* The quarterly report contains an analysis of the macroeconomic developments in the fourth quarter of 2008 and the disposable data on the movements in the first quarter of 2009, with April 05, 2009 as a cut-off date.



Summary

The permanent tensions on the international financial market, which started with the failure of the mortgage market in USA in August 2007, in the last quarter of 2008 escalated in a comprehensive financial crisis, of huge proportions, with consequences penetrating in the pores of the real sector of the global economy. Thus, the developed countries, as a group which was most directly exposed to the blows of the financial tornado, from a stage of cyclical slowdown in the third quarter, for a very short time entered in a recession. The global demand failed, followed by the process of so-called synchronized recession, which missed neither the fast growing economies nor the developing countries, which considering their increasing economic significance, brought about rapid cooling of the global economy in the last quarter. The export demand went down considerably, and the international prices of primary products registered a steep fall, contributing to further lessening of the inflationary pressures, globally. Taking into account the high openness of the Macedonian economy and its relatively high integration into the international trade flows, the global developments in this period almost directly affected the foreign trade and the pace of the domestic inflation. At the same time, the psychological pressures intensified, illustrated through the faster slowdown of the annual growth in the bank deposits and the stronger propensity for foreign currencies, which in environment of deteriorated trade balance and lower capital inflows from abroad, resulted in strong pressures on foreign exchange market. Also, the first signs of slowdown of the domestic demand appeared, indicating that the Macedonian economy started experiencing the consequences of the spillover of the global crisis in the real sector, more intensively, primarily in the foreign trade and the investments.

After the permanent achievement of relatively high real growth rates in the first three quarters of the year, in the last quarter of 2008, the economic growth rate slowed down to 2.1%. Again, major driving force of the economic growth was the personal consumption, which reported a high real growth. Such performances showed high inertia in the household behavior, i.e. slow adjustment of their consumption to the new changes in the economic environment, which means that the potential effects could be expected with a certain time lag. These expectations have also been supported by the developments on the labor market, where given the lower degree of utilization of the domestic capacities, the demand for labor registered a downtrend. When the basic source of funding of the households consumption - the wages has been jeopardized, along with the unstable dynamics of the private transfers and the tightened lending terms, the room for funding the personal consumption through additional sources has narrowed. The public consumption was an incentive for the economic growth in the last quarter, with a positive contribution made by the net-export. The gross investments dropped on annual basis (by 33.6%) in spite of the intensified activity in the construction sector.

The inflation rate kept on slowing down in the first three months of 2009, with a faster pace compared to the expectations, mainly due to the faster decrease in the global oil price and food prices. Thus, the first three months of 2009 reported average annual inflation rate of 1%, and the annual inflation rate in March 2009 equaled 0.2%. The expectations for slowdown in the global inflation, and even the occurrence of deflationary tendencies in some countries, point to further potential decrease of the import inflation in the next period, which in combination with the assessments for slowdown in the domestic demand, is expected to contribute to further maintenance of the inflation rate low and stable.

The adverse effects of the global economic crisis, evident through the depreciated global demand and the cut in the metal prices on the international stock markets, resulted in lower export activity, which considering the high import dependence of the domestic output and the fall in the investment activity, brought about decrease in the imports, as well. Thus in the last quarter of 2008, the exports and the imports registered nominal annual fall of 7% and 5.5%, respectively. The same tendency carried on in the first two months of 2009, with the fall in the exports exceeding that of the imports. Such performances showed that unlike the export sector, which is highly sensitive to external shocks, with direct and, in this case, stronger effects than expected, the imports has adjusted in a slower pace, mainly due to the poor elasticity of the demand for imports. The slower import adjustment is also demonstrated by the still high personal consumption, the potential slowdown of which in the next period is expected to affect the imports, however, with an extended effect. Hence, in the next period, as well, the gap between the exports and the imports and the increasing unavailability of capital sources of funding, increase the risk of the overall external sector. The potential difficulties surrounding the funding were apparent back in the last quarter of 2008, through the volatile dynamics of the private transfers and the lower coverage of the trade deficit with direct investments, thus creating the need of engaging the foreign reserves for funding the gap of the current transactions.



While the global financial crisis, in its initial stages, virtually missed the domestic banking sector, its deepening in the last quarter indirectly affected its activity. The bankruptcy of the US investment giant Lehman Brothers, the voluminous government interventions in the financial sector and the increase in the deposit guarantees in some countries, caused psychological pressures on the domestic depositors, as well. This was evident through the slight withdrawal of Denar and foreign currency bank deposits by the households (in October and November 2008), which alongside the deceleration of the economic activity, the decrease in the foreign currency inflows from abroad and the high outflow due to the payment of dividend by one large domestic company led to substantial deceleration of the total deposit potential growth. While one group of factors (dividend) had temporary duration, upon which the effects were depleted, the remaining factors are expected to continue influencing the deposit base in the next period. Besides the expectations for narrowing the domestic sources, the global lack of liquidity and the slow return of the confidence in the international financial market also point to the potential restriction in the availability of the external sources of funding for the domestic banks. Facing such financial restrictions and the growing risk in the economy, the banks already responded with tightening of the lending terms, and proportionate adjustment of the lending pace, thus, in February 2009, reducing the annual growth rate of the total credits to 29% (38.6% in September 2008). This trend is expected to continue in the next period, on the one hand contributing to lessening of the pressures in the external sector with the lower financing of the personal consumption, whereas on the other hand, it could have severe effects on the economic growth.

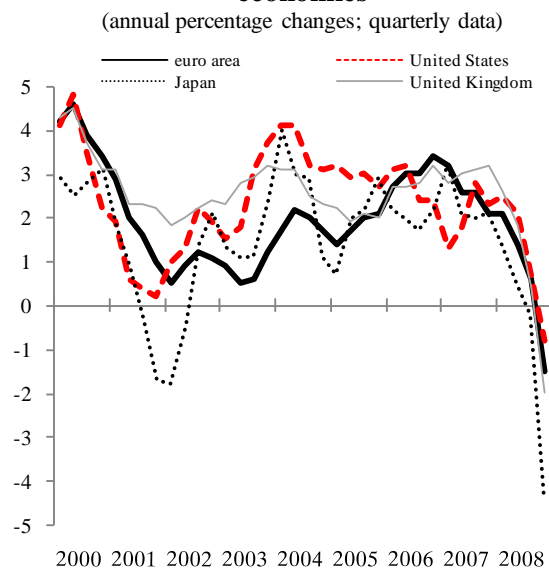
The changes in the macroeconomic trends in the last quarter of 2008 also implied change in the risks to the monetary policy and their redirection from the inflation to the foreign currency market. The prompt translational effects from the global crisis on the developments in the real sector of the domestic economy and the current account of the foreign trade, the lower external capital and financial inflows, and the robust psychological pressures accompanied with speculations for the Denar stability enhanced the demand for foreign currency, creating pressures for depreciation of the domestic currency. In such environment, and for the purposes of maintaining the stability of the domestic currency, in the last quarter of 2008, the NBRM intervened with high net sale of foreign currency, a trend that continued in the first two months of 2009. Such developments, along with the expectations for further deterioration of the external sector were reasons for the NBRM, apart from the foreign exchange market interventions, to respond by raising the basic interest rate from 7% to 9% at the end of March 2009, which is expected to act towards calming down the situation on the foreign exchange market.

I. Macroeconomic developments

1.1. International economic environment¹

In the last quarter of 2008, the global economic slowdown kept on accelerating. The advanced economies are facing the steepest fall in the postwar period, showing the adverse effect of the initial financial crisis on the real sector, in spite of the undertaken crisis management measures. The fast growing economies, as a fundamental pillar of the global growth over the recent years, started experiencing more seriously the effects of the deteriorated economic conditions global-wide. Considering the circumstances, it is crucial for this stage to have well coordinated measures in place of the macroeconomic policies of the world leading economies aimed at stabilizing the situation and strengthening of the confidence between the market entities. The global inflationary pressures calmed down significantly, due to the fast cut of the prices of energy and other primary products and the slowdown of the demand, in general.

Real GDP growth in major industrialised economies



Source: Eurostat.

The last released data on the global economy indicate its deeper plummeting, thus pointing to more serious consequences from the crisis compared to the initial estimations. The last estimated data for 2008 show by **3.2% slower growth in the global output** (in November, the global growth estimation equaled 3.7%), whereas the projection for 2009 indicates from -0.5% to -1% lower global activity, and the gradual recovery is expected in 2010. The estimations for the advanced economies indicate faster GDP fall in 2009 (-3.3%), which is a first drop in the postwar period, while the growth in the fast developing economies is estimated to slow down substantially and to reduce to 2%. Generally speaking, the financial markets have still not been operating properly, and the confidence of the corporate sector and the consumers is historically the lowest ever. The fall in the households' net-wealth, together with the high uncertainty, led to lower consumption and demand for joint consumption products and for capital products worldwide. The decrease in the demand and the lower global industrial output are the major drivers of the rapid fall in the international trade, which was the reason behind the fast spillover of the economic fall from the advanced economies to the fast developing economies.

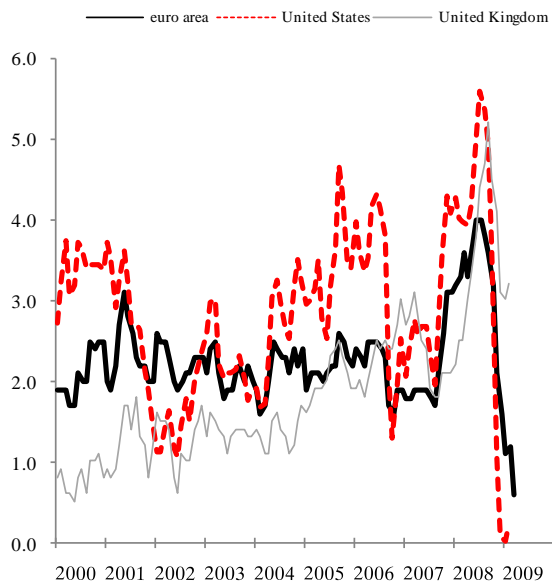
At the same time, the global **inflationary pressures** hastily alleviated in the recent period primarily due to the slower global demand, and the base effects caused by the lower current product prices relative to those of the last years. The huge and steep fall in the oil price caused by the significantly weaker prospects for growth of the global economy, and accordingly, the lower demand for oil, contributed to decrease in the annual rates of consumer prices. As the global economy slowed down, these downward inflationary pressures intensified throughout the world. The last data indicate that the global inflation follows a downward trajectory in all major regions. Thus, the

¹ The analysis was largely based on the IMF World Economic Outlook, November 2008 update and ECB Monthly Reports.



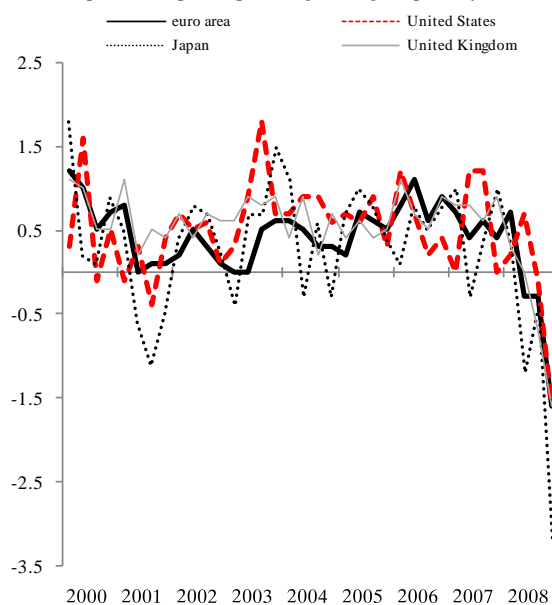
Inflation rates in major industrialised economies

(consumer prices; annual percentage changes; monthly data)



Real GDP growth in major industrialised economies

(quarter-on-quarter percentage changes; quarterly data)



annual inflation in the last quarter of 2008 in the OECD countries equaled 2.5%, and in the first two months of 2009, it dropped to only 1.3%, whereas the core inflation (excluding the food and energy) went down from 2.1% to 1.9%.

The economic activity in the Euro area decelerated significantly at the end of 2008, once the shocks in the financial sector spilled over the real economy. The real GDP growth, which reported moderate slowdown in the second and the third quarter of 2008, registered steep narrowing in the last quarter of the year, decreasing by -1.5% on a quarterly basis. The 0.8% annual growth for the entire 2008 is the lowest rate since the early '90s. Besides the decrease in the external demand due to the decelerated activity in the advanced economies and the fast growing markets, the domestic demand fell, resulting in lower investments, and slowdown in the personal consumption given the lower real available income of the households.

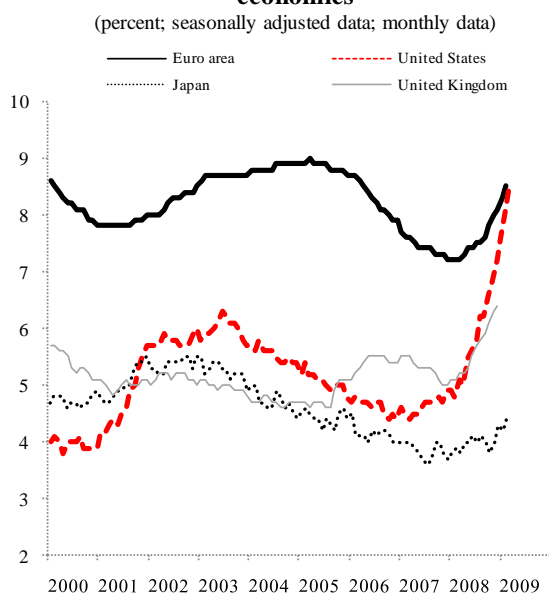
In 2008, **the US economy** went up by 1.1%, indicating a notable slowdown, compared to the average growth rates of the preceding years. In the first half of 2008 the growth was positive, but the strong financial contraction, the tightened lending terms and the weaker external demand in the second half of 2008, contributed to full narrowing of the economic activity. Thus, in the fourth quarter of 2008, the US GDP fell additionally by 1.6% on quarterly basis, after the -0.1% decrease in the third quarter. The personal consumption and private investments were major contributors to the GDP fall. The positive effect of the foreign trade, which made the greatest contribution to the growth in the preceding quarters, at the end of 2008 vanished once the steep economic fall in the US trading partners triggered the fall in the foreign demand, too.

On annual basis, in the last quarter of 2008, the GDP registered a negative change of -1.3% in the Euro area and -0.8% in the USA. Considering the strong narrowing of GDP at the end of 2008, the latest projections, and the monthly indicators indicate further fall in the economies of these countries and in 2009. The weakened economic activity in the Euro area is expected to continue in the next quarters, taking into account the structural unbalances in few EU economies and the restraint on the financial markets. Stating its poor expectations for the global growth, and for the domestic demand, the OECD, in its March report², further reduced the estimations for the economic growth in 2009 for both the Euro area and for the USA. Thus, the economic growth in 2009 is expected to dwell on negative -4.1% in the Euro area and -4.0% in the USA. Negative economic growth is anticipated for the largest economies in the Euro area: Germany (-5.3%), France (-3.3%) and Italy (-4.3%).

² OECD (OECD Interim Economic Outlook, March 2009).



Unemployment rate in major industrialised economies

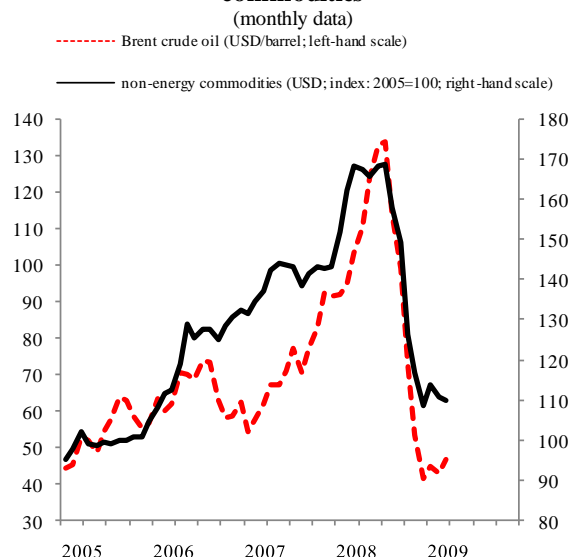


The deepened negative economic performances in the Euro area and in the USA induced permanent increase in the **unemployment rate**. Thus in the last quarter of 2008, the Euro area reported an unemployment rate of 8.0% (0.5 percentage points higher relative to the preceding quarter), and in the first two months of 2009, this rate was higher and equaled 8.4%, on average. In the last quarter, the US unemployment rate equaled 6.9%, registering a faster uptrend. In March, the number of employed persons reduced considerably, and in the first quarter of 2009 it reached the level registered 25 years ago (8.1%).

The fall in the **prices of crude oil and of primary (non-energy) products**³, which started in August 2008, carried on in the first quarter of 2009. The average price of the crude oil "brent" equaled US Dollar 45.0 per barrel, which is by 19.5% less compared to the preceding quarter (on annual basis, the price considerably dropped by 53.5%). The decrease mainly arises from the unfavorable influence of the global economic fall on the demand for oil in the OECD countries and the developing countries. The international energy agency revised downwardly the projections for the demand for oil for 2009 by additional 0.5 million barrels a day, implying the fastest decrease in the demand since 1982. Since January 2009, on the supply side, the OPEK member states decreased the daily production of oil by 2.2 millions of barrels, attempting to offset the effect of the downward revisions of the demand on the price reduction. The aggregate price **index of primary products**, also registered quarterly and annual decrease of 4.8% and 30.5%, respectively. The **metal** prices remained low given the uncertainty regarding the size of the global economic fall, and in the first quarter of 2009, they reported a quarterly decrease of 11.7% (decrease of 45.7%, on annual basis), with signs of stabilization in March 2009. The fastest quarterly fall was registered in the aluminum of 25.3%, followed by the sheet and copper. The minimum quarterly rise in the **food** index of 1.4% mainly results from the higher price of olive oil, sugar and from the modest increase in the wheat, while on annual basis, the food index went down by 23.2%.

The rapid fall in the crude oil price and the lower prices of other products (food) in global terms, led to significant slowdown in the **inflation rate in the Euro area** in the last quarter of 2008, reducing to 2.3%, which is considerably lower than the highest level reached in the third quarter of 3.8%. The steep decrease in the inflation continued in the first quarter of 2009, reducing to the lowest level of 1.0%, which is similar to the level registered a decade ago⁴, illustrating the downward developments of the prices of global

Developments of crude oil and non-energy commodities

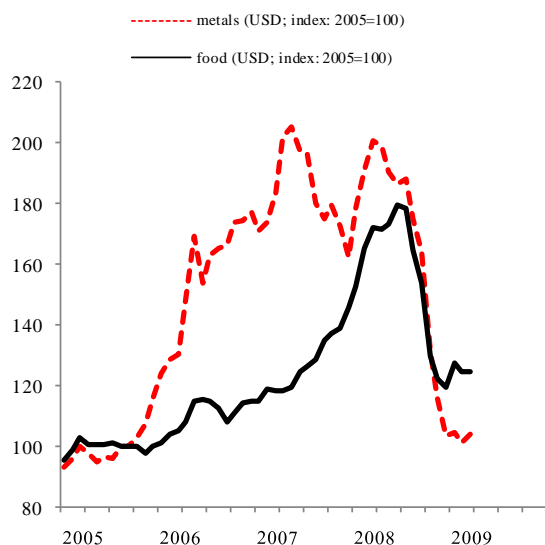


³ The primary product price index includes the prices of food, beverages, agricultural raw materials and metals.

⁴ The inflation data in March 2009 in the calculation for the quarter is estimation of Eurostat.

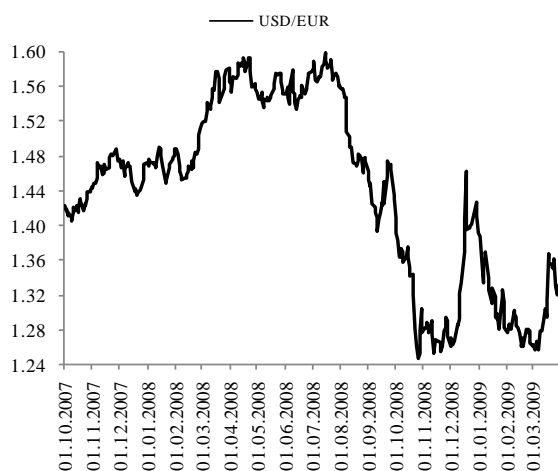


Developments of food and metals (monthly data)



Source: IMF monthly database.

Exchange rate developments (daily data)



Source: ECB.

products (primarily oil and food), and the high comparison base of the preceding year. According to the last ECB projections⁵, in 2009, the average annual inflation rate in the Euro area is projected to range from 0.1 and 0.7% (downward revision of 1 percentage points compared to the December projections). This expected inflation rate is mainly due to the basic effects of the higher energy prices registered in the last year, particularly in the first half of the year. Thus, the annual inflation rates are projected to go down in the next months, with a possibility of temporary negative levels in the middle of the year.

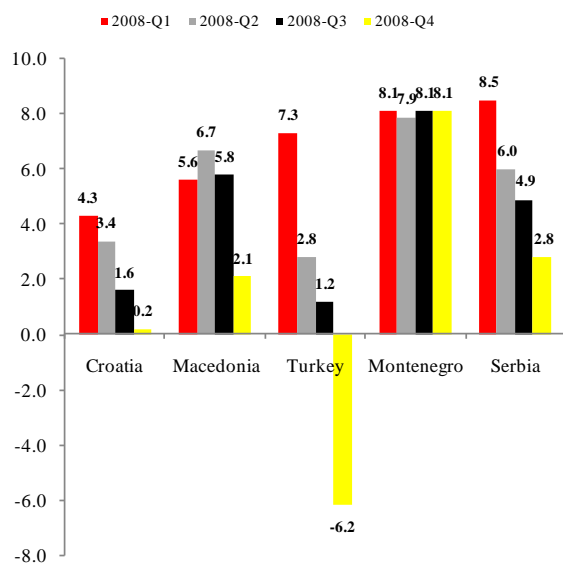
Facing the risks for considerable deceleration of the economic activity and the potential deflationary developments, **ECB kept on reducing the interest rates in the last period.** The last changes occurred at the beginning of April 2009, when ECB cut the refinancing rate by 0.25 percentage points, reducing it to 1.25%, whereas the Fed maintained the basic interest rate of 0.25% since December 2008.

After the fast depreciation in the last quarter of 2008 compared to the US Dollar, at the beginning of 2009, the **Euro was depreciating in a slower pace.** In the first quarter of 2009, the average nominal exchange rate of the US Dollar against the Euro equaled 1.30, where the Euro depreciated by 1.1% relative to the previous quarter. Yet, in this quarter, the value of the Euro against the US Dollar oscillated permanently. Thus, in January, the Euro depreciated against the US Dollar, when the released macroeconomic indicators showed significant deterioration of the growth projections in the Euro area. The above was also supported by the expectations of the market participants for positive effects of the US Fiscal Plan for Economic Growth. After the steady stabilization in February, the Euro started strengthening again in early March, as a result of the Fed's decision to purchase treasury bonds of US Dollar 300 billion. Such enormous oscillations in a short period have not been registered since the introduction of the Euro, and could be explained with the frequent changes in the EU and US policies, as a response to the crisis.

In the last quarter of 2008 and early 2009, **the financial and economic crisis in the developed countries had even graver effect on the economies region-wide**, through three main channels: lower volume of foreign trade, lower inflows from foreign direct investments and lower inflows of private transfers. The restricted domestic and external demand and the decelerated real sector activity resulted in drastic reduction of the average real growth rate of

⁵ Source: Monthly information of the European Central Bank, March 2009.

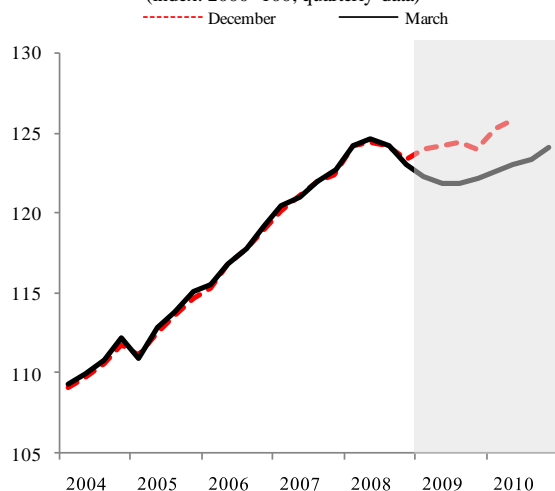
Real GDP growth in the countries from the region (annual percentage changes, quarterly data)



Sources: National statistical offices.

Foreign effective demand

(index: 2000=100; quarterly data)



Sources: Eurostat, Consensus Forecast and NBRM calculations.

GDP⁶ in the last quarter of 2008 which equaled 1.4% (4.3% in the third quarter). The most significant slowdown of the economic activity was registered in Turkey, which reported high negative GDP growth of -6.2%, followed by Croatia, with a moderate GDP growth of 0.2%. The economic growth continued slowing down in Serbia, as well, where in the last quarter of 2008 the GDP growth reduced to 2.8%, compared to 4.9% in the preceding year. The 2008 growth reduced to 5.4%, relative to 6.9% in 2007. According to the first estimations disclosed by the Central Banks of Bosnia and Herzegovina, the real economic growth slowed down in Bosnia and Herzegovina, as well, equaling 5.5% (6.8% in 2007). In the first two months of 2009, the industrial output registered two-digit negative rates in all countries in the region, with a significant fall registered in the export of goods, jointly indicating further faster deceleration of the economic activity in the first quarter. In line with the economic fall, the labor market also registered severe deterioration, with the fastest increase in the unemployment rate being registered in Turkey, while Serbia and Croatia reported slightly slower growth of this rate. On the other hand, the considerable mitigation of the inflationary pressures, which started in the last quarter of 2008, continued in the first quarter of 2009 in all countries of the region, with a faster slowdown in the annual inflation rates being registered in our country, Bosnia and Herzegovina and Kosovo.

Taking into account the global economic slowdown, and therefore, the steep fall in the global trade, the expectations for **external demand for Macedonian products** for the next period have deteriorated. Thus, the external effective demand index⁷, given the lower activity of the most important trading partners of our country indicates its further decrease and faster deepening in mid-2009, with signs for gradual revitalization starting from the third quarter of 2009 (according to the December projections, the external surrounding was expected to revitalize even earlier, i.e. in mid- 2009). The risks for unfavorable developments in the economic growth are high, and their intensity largely depends on the depth and the duration of the global recession.

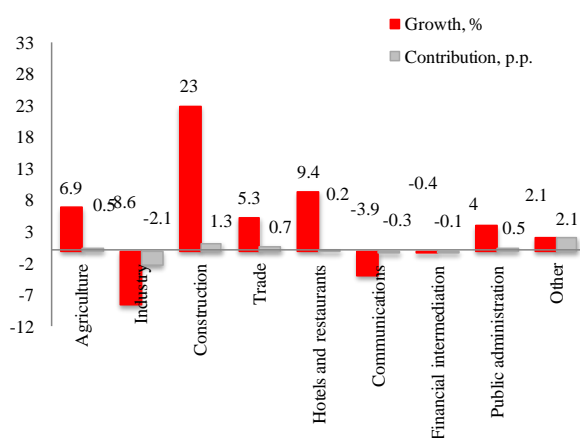
⁶ The calculations of the average GDP growth rate includes only Macedonia, Serbia, Croatia, Montenegro and Turkey, since there is a lack of quarterly data for Albania, Bosnia and Herzegovina and Kosovo. Source: Statistical Offices and central banks of the respective countries.

⁷ The external effective demand is a sum of weighted index of the gross domestic product of the most important trading partners of the Republic of Macedonia. The weights have been calculated on the basis of the share of these countries in the Macedonian exports. The data on the gross domestic product for the trading partners of Macedonia are taken from the Eurostat database (New Cronos database), and the projected data are taken from the publication "Consensus Forecast", December 2008 and March 2009. The index calculation includes Germany, Greece, Italy, the Netherlands, Belgium, Spain and Serbia.

1.2. Domestic supply

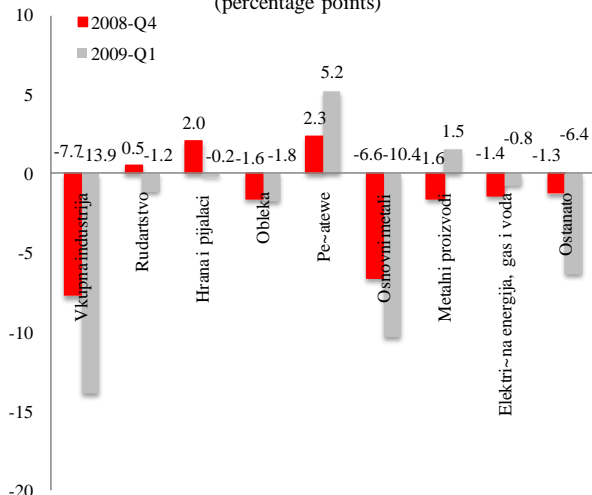
In the last quarter of 2008, the domestic output manifested the initial consequences from the global economic crisis, reducing the economic growth rate to 2.1%, mainly due to the drop in the industrial output. It also affected the transport and the financial intermediation, with a certain slowdown being registered in the trade. An exception from the general trend is the construction, which registered further acceleration. The initial data on the first two months of 2009 show deepening of the negative effects of the crisis, through further decrease of the industrial output and spillover of the adverse effects on the services. Taking into account the high dependence of the domestic output on foreign demand, the recovery of the global economy is exceptionally important precondition for strengthening of the domestic supply.

Real growth rates of individual sectors of GDP and their contributions to the total growth in Q4



Source: State statistical office and NBRM

Contributions of individual industries to the total industrial production growth (percentage points)



Source: State statistical office and NBRM

After the two-year period of high real growth rates of the **gross domestic product**, in the fourth quarter of 2008, the growth reduced to modest 2.1%. The cycle reversal results from the global crisis and the lower external demand which directly contributed to the fall in the domestic industry. The deterioration of the industry also affected the remaining activities. Deceleration was also registered in the transport, as a direct effect of the fall in the industry and the exports, the trade growth slowed down, and the financial intermediations and other business activities decreased. Only the construction registered fast growth rate. Yet, the economic performances in the fourth quarter in Macedonia improved compared to the countries from the region, which reported an average real growth rate of 1.4%. Only Montenegro and Serbia reported better results (8.1% and 2.8%, respectively).

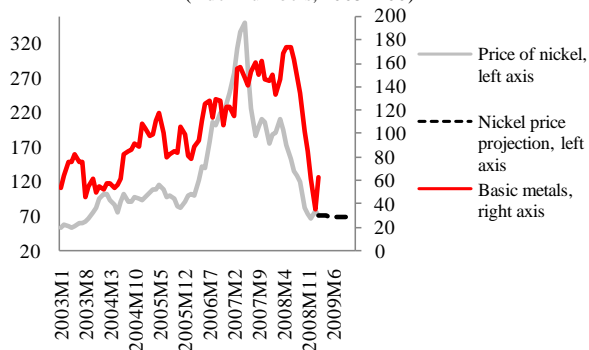
The slower growth in the fourth quarter is mostly due to the performances of the **industry**, where the added value in this period dropped by 8.6%. Although the fall primarily results from the lower production of basic metals, the general condition of the industry deteriorated, where fourteen of twenty four branches, which make up 59.4% of the industrial production index, showed negative results. Activities that reported positive changes in the fourth quarter were the food industry, the chemical industry, printing and furniture manufacture. The performances in the **first two months of 2009** indicate further deterioration of the industry, i.e. annual decrease in the industrial output of 14%. The fall was again mostly due to the production of basic metals, but the real picture in the industry shows that as much as 20 of 24 branches, or 86% of the index, registered a fall in the output in this period. Only the printing and the production of metal products make more relevant positive contribution. The estimations of the managers in the food industry⁸ indicate further deterioration of the industry.

The fall in the **production of basic metals** in January and February 2009, compared to the same period of the preceding year equaled 66%, thus reducing the output of this industry to the 2003 level, i.e. the level

⁸ Survey for business tendencies in the manufacturing industry conducted by the State Statistical Office.

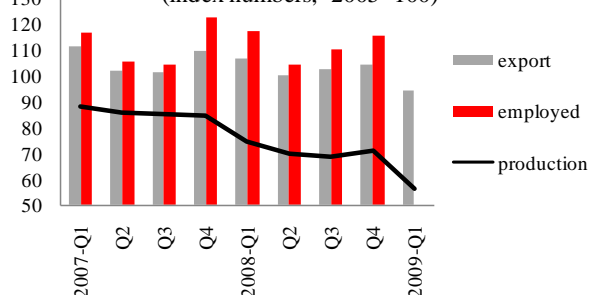


Production of basic metals and price of nickel
(index numbers, 2005=100)



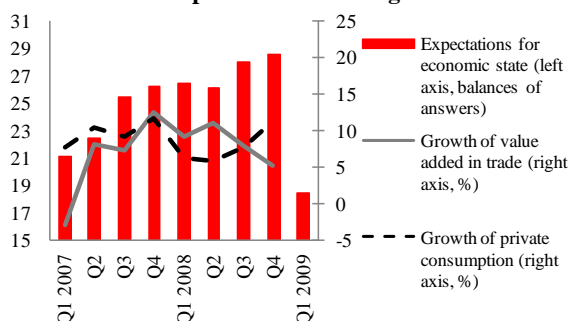
Source: State statistical office, IMF and Bloomberg

Production and exports of textiles and employment in textile industry
(index numbers, 2005=100)



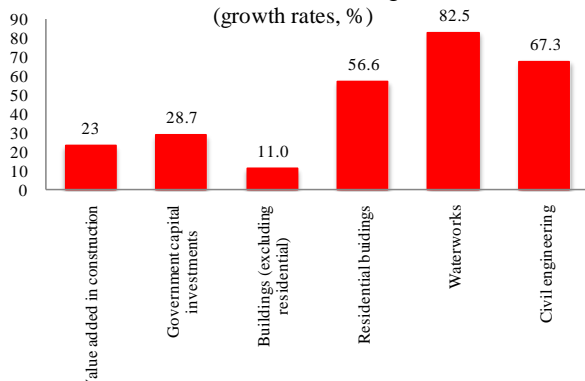
Source: State statistical office

Trade, private consumption and expectations of managers



Source: State statistical office

Construction in 2008-Q4
(growth rates, %)



Source: State statistical office and Ministry of finance

prior to the significant increase in the metal price on the international stock markets, which triggered the expansion of the metal production. Due to the lower international demand, the metal prices are expected to remain the same throughout 2009. The expectations for the production of basic metals are similar.

The first two months of 2009 are not encouraging even for the activity with the highest employment in the manufacturing industry - **production of textile and wearing apparel, which dropped by 22.6%**. Due to the orders made before, in 2008 the effects on this industry were less serious, but the first two months of 2009 reported 11.7% lower volume of export of textile and wearing apparel. These are the initial indicators that the lower international demand will not circumvent the production of textile and wearing apparel.

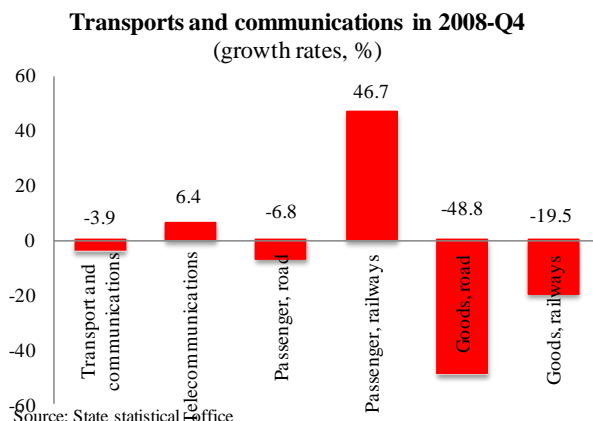
Given the high consumption in the economy which showed high inertia, i.e. slow adjustment of the new crisis in the fourth quarter of 2008 the **trade** registered an annual growth of 5.3%. Compared to the preceding years, when the growth was faster, this rate indicates a slowdown in the trade. However, the managers of this activity expect the future perspectives to deteriorate⁹. Considering the high inertia in the personal consumption, slight slowdown in the trade is expected in the first quarter of 2009 and more serious slowdown in the second quarter.

Having a slowdown in the industry and the trade, the greatest contributor to the GDP growth in the fourth quarter was the **construction**, with 23% growth rate. The construction boom was again a result of the increase in the civil engineering and waterworks, although significant increase was also registered in the housing construction. The construction managers, same as in the industry and the trade, expect faster deterioration in the forthcoming period¹⁰, although according to the initial available data, the construction keeps on registering high growth rates in the first quarter (the value of construction approvals issued in the first two months of 2009 was by 40.8% higher compared to the preceding year).

In line with the lower industrial production and the lower exports, the **transport and communications** went down by 3.9% in the fourth quarter of 2008. Given the growth in the telecommunications and the road communication, the fall results from the considerably lower transport of goods (railway and road). Taking into consideration the expectations for the lower industry and exports, the first quarter of 2009 also expects severe changes in the developments in the transport and communications.

⁹ Survey for business tendencies in the trade conducted by the State Statistical Office.

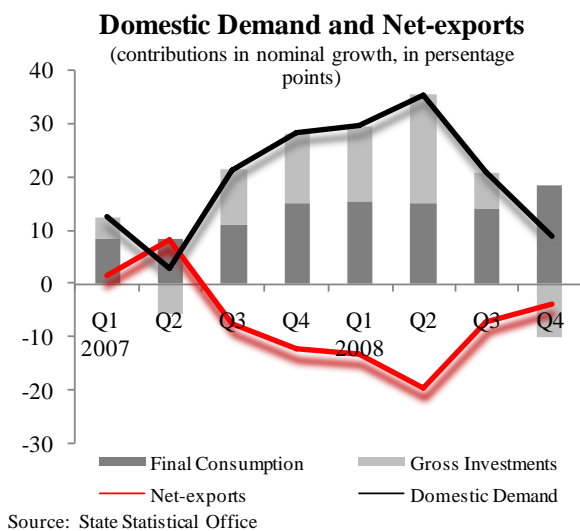
¹⁰ Survey for business tendencies in the construction conducted by the State Statistical Office.



The perspectives for the *first quarter of 2009* are directed towards even faster slowdown in the economic growth, under the pressure of the steeper fall in the industry, and consequently, the expected fall in the transport and the trade. Further deterioration is also expected for the *second quarter*, when the trade is expected to slowdown in a faster pace.

1.3. Aggregate demand¹¹

The robust growth of the Macedonian economy, which started in 2007, was interrupted in the last quarter of 2008, reducing the annual growth of the real GDP to 2.1%. The decrease in the external demand under the influence of the global economic crisis brought about lower export value, whereas the decrease in the investments brought about slower import demand. Thus contrary to the expectations and the indicators, the investments were the first to drop, whereas the household consumption remained high. The public consumption kept its fast growth. In absence of signs for fast recovery of the global economy, one could expect the adverse effects on a short run of the global economic crisis on the domestic economy to continue.



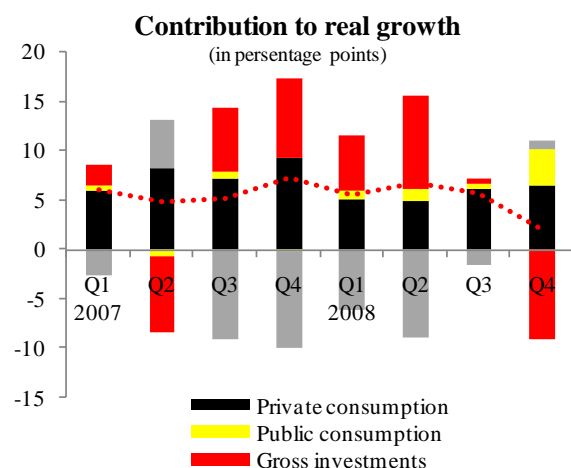
In the last quarter of 2008, the expectations for more significant influence of the global economic crisis on the foreign trade came true. Under the pressure of the lower external demand and the lower metal prices, the Macedonian exports also went down, while the fall in the oil and food prices and the alleviated pressure on the domestic investment demand slowed down the import growth. The narrowing of the volume of foreign trade led to reduction of the negative contribution of the net export to the annual GDP growth. However, the expectations for faster slowdown in the household consumption and for maintaining the investment activity for this period failed. On the other hand, the last quarter reported significant growth in the personal consumption and steep fall in the investments.

¹¹ In December 2008, SSO for the first time started disclosing quarterly data on all GDP expense aggregates. The data on the GDP expense side are based on current prices. It also started publishing real annual growth rates for each aggregate.

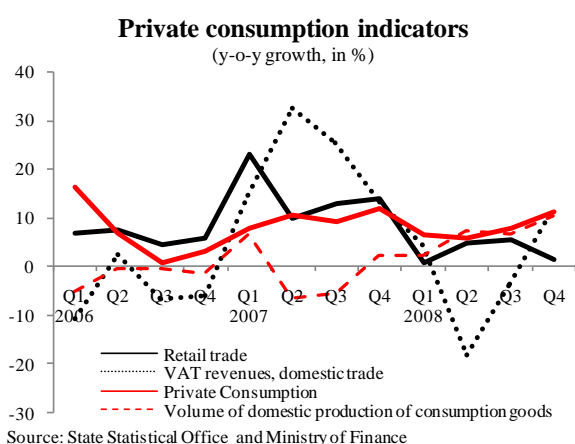
Annual nominal growth rates (in %)

	2007				2007	2008				2008
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Private consumption	8.7	11.5	12.0	16.8	12.4	14.9	14.8	14.9	17.8	15.7
Government consumption	6.1	-0.7	11.1	14.5	7.7	18.2	22.6	16.9	29.4	22.1
Gross investment	29.0	-20.7	55.0	50.0	26.0	90.9	103.9	26.6	-28.8	28.7
Export	41.6	36.9	11.6	22.0	26.5	11.3	13.1	22.8	-3.7	10.7
Import	26.4	12.4	20.7	33.9	23.4	27.0	38.6	27.2	2.3	22.3
Domestic demand	10.5	2.4	19.0	23.8	14.2	25.4	31.5	17.7	7.0	19.3
Export, Net*	-7.7	-37.4	58.4	63.3	15.4	81.3	2.5 times	39.9	13.3	55.3
GDP	6.1	4.8	5.2	7.3	14.0	5.6	6.7	5.8	2.1	12.5

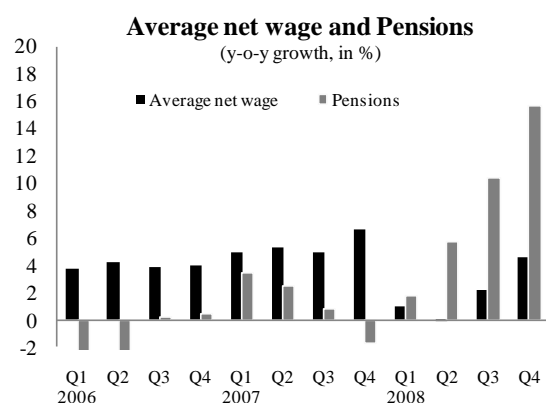
* The growth of net exports indicated broadening of the trade deficit.



Source: State Statistical Office



Source: State Statistical Office and Ministry of Finance



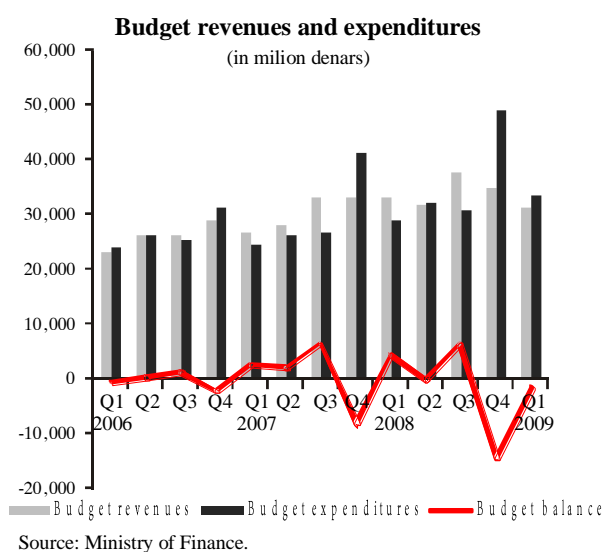
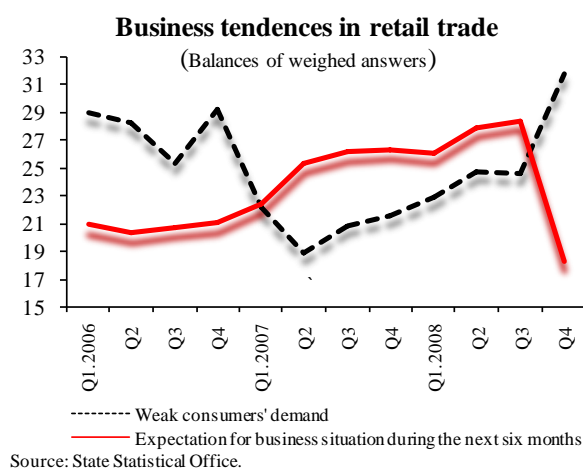
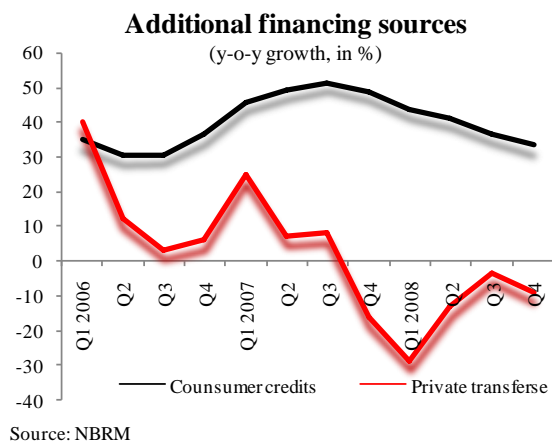
Source: State Statistical Office and Ministry of Finance

1.3.1. Personal consumption

Same as in the third quarter, **the household consumption was the major driving force of the growth in the last quarter of 2008**. The real annual growth reached 11.2%, given the high nominal growth and lower inflation rate. This trend indicated slow adjustment of the personal consumption to the global trends, i.e. that the crisis effect on the household behavior could be expected with a certain time lag. However, the analysis is most of the **indicators** in the last quarter of the year shows contradictions in the behavior of the household consumption. According to the data on the domestic trade, the annual growth in the retail sales turnover compared to the previous quarter significantly slowed down (nominal growth from 14% to 7%), which does not correspond with the steep growth in the VAT revenues collected from the domestic trade in the last quarter of the year. The value of import of joint consumption goods¹² went up by 15% annually, and the volume of domestic production of joint consumption goods registered a high annual growth of 10%. According to the monthly data on the personal consumption indicators at the beginning of 2009, January witnessed an annual growth in the retail sales of 10%, while in the first two months, the annual growth in the domestic production of joint consumption goods is slower, and equals around 4%. The foreign trade data for the first two months of 2009 shows lower import of joint consumption goods (by roughly 3%), due to the lower import of passenger vehicles (by 29%).

Notwithstanding the different indications, the **income growth** and the maintained **growth of lending** to the households in the last three months of 2008, in environment of inflation stabilization, pointed to existence of real sources of funding the household consumption. The real annual growth of the average net wage paid in the economy equaled 4.6%, and the pensions grew up by 15.6%. Having high number of employed persons (by 2.4% in the last quarter of 2008

¹² The calculation of the import of joint consumption goods is based on the data on the foreign trade by economic purpose. The calculation includes the import of food and beverages (primary and manufactured) for the household purposes, the import of passenger motor vehicles and the import of joint consumption goods (n.e.c.).



compared to 2007), the net wage¹³ in the economy reported a real growth of 7.2%. Also, the household credit growth, in spite of the downward trend, remained high (annual real growth of 33%, compared to 36.7% in the preceding quarter), thus supporting the household consumption. Unlike the positive developments of the income components and credits, the negative trend in the private transfers from abroad (as additional source of funding) remained the same in the last three months of the year (annual real fall of 9%).

The expected consumption **risks** evident in the previous period are still present. This particularly refers to the decrease in the number of employees¹⁴, which in the last quarter of the year reached 11,262 persons relative to the preceding quarter. Also, the pace of private transfers is still expected to be negative, which means lower additional sources of funding for the household consumption. The household lending is expected to reduce, given the lower supply of consumer credits. However, these tendencies could, to a certain extent, be revitalized with the annual growth in the wages and pensions, which are expected to keep on due to the growth in the wages in the previous year.

The expectations for slowdown in the personal consumption in the next period are also supported by the results from the Survey for business tendencies in the retail sales. In the survey conducted in the last quarter of 2008, the retail sales companies subject to the survey indicate considerable decrease in the demand by the consumers¹⁵ and significantly deteriorated perceptions for the business condition in the next period. Furthermore, the companies confirm that the lending terms have been tightened, and that their financial condition worsened. They also expect a decrease in the number of employees.

1.3.2. Public consumption

While the budget performances in the previous quarters were positive, **in the last quarter of 2008 the government spending accelerated, in environment of slower income growth**. The rapid income growth in the preceding three quarters (of 19% on average) was absent in the last quarter of the year, and reduced to 5.6%. The inflation stabilization, as well as the global crisis, had their contribution to the decrease in the income growth, which slowed down the import demand and caused significant decrease in the revenues from VAT and import duties (by 3% and by 15.7%, respectively, on annual basis). However, the budget

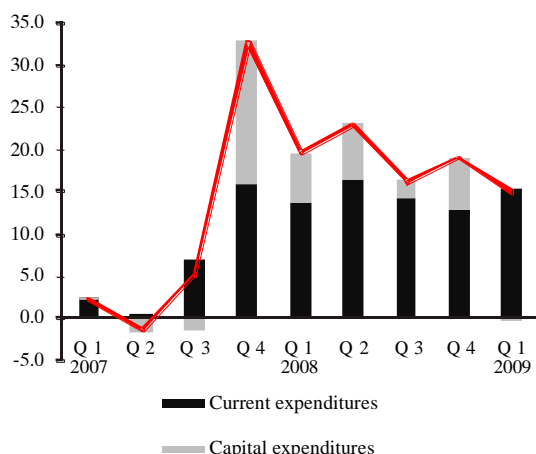
¹³ The net wages in the economy were calculated at the Research Department, as a product of the number of employees taken from the Labor Survey and the average monthly wage per employee taken from the research paper Labor-1 developed by the State Statistical Office.

¹⁴ According to the Labor Survey conducted by the State Statistical Office.

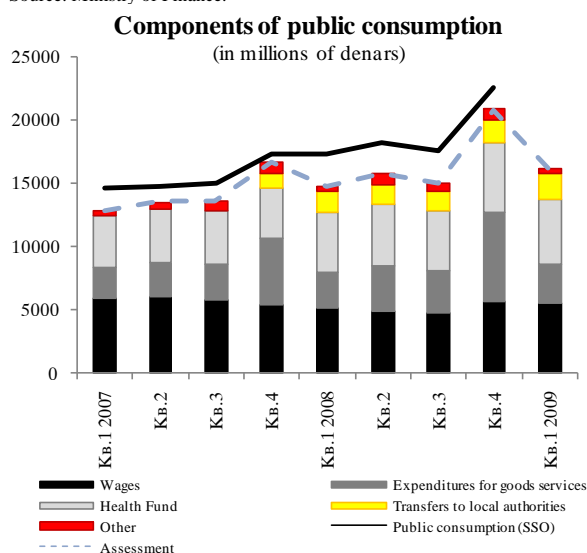
¹⁵ According to the growth of the perception for weakening of the consumers' demand.



Contributions to the annual growth of expenditures (in percentage points)



Source: Ministry of Finance.



Source: Ministry of Finance.

spending kept its character of high performances of capital investments in the last quarter of the year, reporting capital expenses of Denar 11,041 million (or by 29% more compared to the last year). Along with the higher capital expenses, the last quarter reported higher current spending (by 16% on annual basis), due to the higher transfers for pensions and wages to the public sector¹⁶. Also, an increase was registered in the current expenditures for procurement of goods and services, the expenses of the Health Fund and the public sector wages, bringing about 29.4% higher public consumption (by 23% in real terms, given the price stabilization). Hence, in the last quarter, besides the personal consumption, the public consumption also made a remarkable contribution to the GDP growth.

According to the preliminary budget data for the first three months of 2009, the total budget revenues dropped by 5.3% annually, mostly due to the fall in the tax revenues (by 9% annually). Almost all taxes reported lower collection, but the fall in the profit tax income is significantly high. Taking into account the pace of collection of this tax, the lower revenues point to lower profit performances of the companies in 2008 relative to 2007. In addition, the first three months registered faster negative trend of the VAT revenues (annual fall of 7.7%), which corresponds with the fall in the imports (of 16.6% in the first two months of the year). While the VAT revenues registered faster fall, in the first quarter of the year, the fall in the customs revenues reduced to 1.2% (15% in the preceding quarter). Along with these developments, the negative tendency in the income tax revenues continues, and after a longer period, the excise revenues also went down (which corresponds with the lower import of passenger vehicles). While the tax and non-tax revenues registered negative performances, in the first three months of 2009, the contributions and capital revenues went up.

Annual nominal growth rates (%)

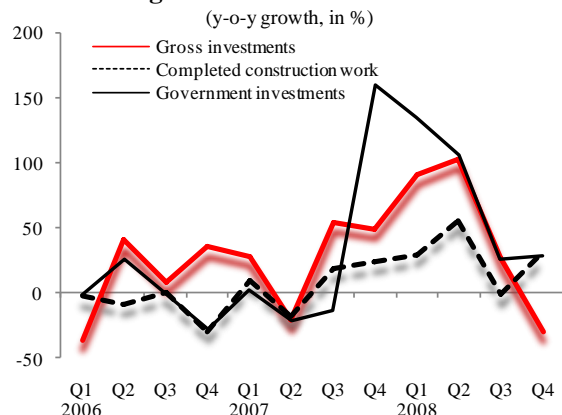
	2007				2008				2009
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Tax income	24.5	9.4	18.3	15.9	20.9	15.1	7.5	-0.6	-9.0
Personal income tax	-4.6	-4.4	9.6	19.7	12.5	6.4	-10.4	-11.5	-2.2
Profit tax	18.0	35.3	34.5	20.5	38.7	67.7	36.8	43.5	-29.3
VAT	35.9	11.0	25.3	16.3	24.6	12.2	8.1	-3.0	-7.7
Excise	9.4	13.9	12.3	1.3	18.4	4.8	2.2	7.6	-5.1
Import duties	51.3	-7.6	-4.8	31.2	-12.1	21.4	18.7	-15.7	-1.2
Other taxes	105.9	23.7	29.7	38.1	39.3	16.0	10.4	-11.2	2.8

Source: Ministry of Finance.

In spite of the lower budget revenues, in the first quarter of the year, the expenses went up by 15% on annual basis. Most of the higher budget spending, at

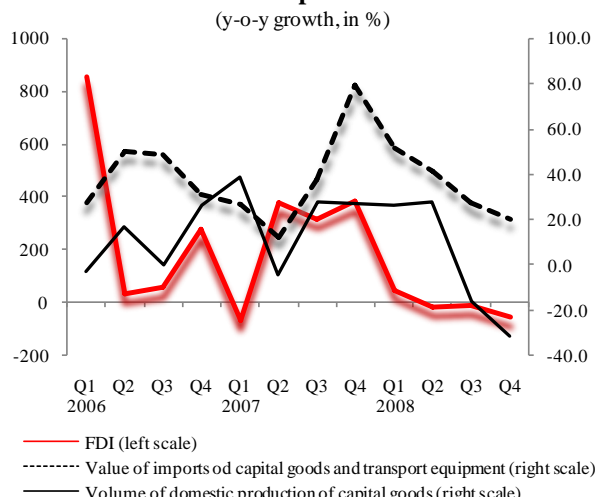
¹⁶ The transfers to the local government authorities from the consolidated government budget are block donations to the municipalities, most of which intended for wages of the civil servants in the culture, education, health and social works sectors. Smaller portion is intended for covering the financial costs.

Gross investments, construction and government investments



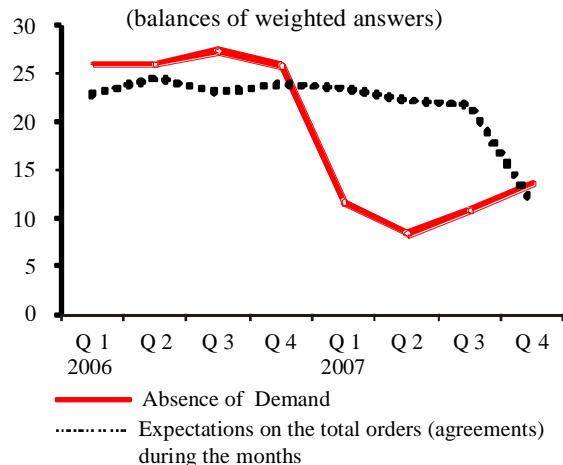
Source: State Statistical Office

Indicators for gross investments developments



Source: State Statistical Office and NBRM

Business tendencies in construction



Source: State Statistical Office.

the time of presidential and local elections, pertained to transfers (for pensions and other transfers). Additionally, an increase was registered in the spending for procurement of goods and services, which together with the wage growth in the public sector (in the last quarter of 2008), points to higher annual amount of public consumption in the first quarter of 2009.

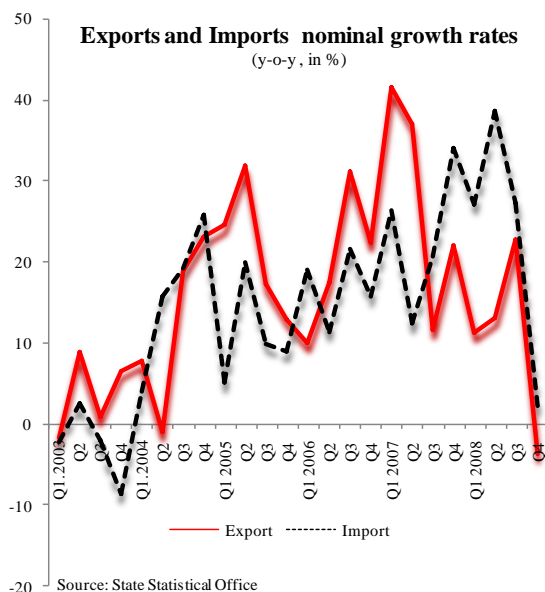
1.3.3. Investment demand

Contrary to the expectations for continuation of the investment cycle (in a slower pace, however), **the last quarter of 2008 reported a substantial real fall in the gross investments** (by 33% on annual basis). There are no indicators which show lower investment activity in the construction, where the added value in the last quarter went up by 23% on annual basis. Also, the monthly indicators for the completed construction works pointed to further positive tendencies in this sector, which also corresponds with the high amount of capital government expenses in the last quarter of 2008.

Unlike the higher investment activity of the government, the global crisis brought about considerable decrease in the foreign direct investments, which in the last quarter of 2008 were by 55% lower compared to the same period of 2007. The negative dynamics of the foreign direct investments caused slowdown in the growth of import demand for investment goods (annual rise of 29%, compared to the average growth of 40% in the preceding three quarters). Also, the domestic production of capital products registered an annual fall (partially due to the lower export demand). With respect to the sources of funding investments, besides the decrease in the foreign direct investments in the last quarter of 2008, **the long-term corporate lending also went down** (to 33.8%, compared to 39% on average in the previous three quarters). In the next period, the behavior of the domestic banking sector will be crucial for maintaining the investments on a sustainable level. However, given the balance sheet restrictions, the decrease in the domestic and foreign sources of funding and the high uncertainty, it is realistically to expect lower banks' lending activity. This is underpinned with the fact that in the first two months of 2009, the annual growth in the long-term corporate credits additionally decreased, and was reduced to roughly 27%.

The expectations for lower investment activity have been included in the Survey for business tendencies in the construction conducted in the last quarter of 2008. According to the responses of the companies, the domestic, and particularly the foreign contracts considerably reduced, and the current situation is considered to be less favorable compared to the preceding quarter. The companies note that the price of financial services is higher, and that the number of employees is likely to be reduced in the next period.

1.3.4. Net export demand

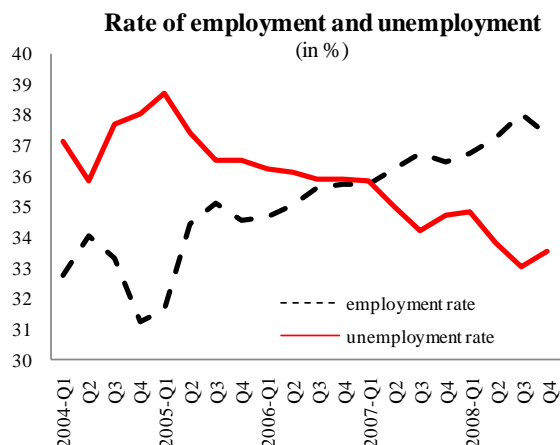


The influence of the global economic recession spilled over the foreign trade in the last quarter of 2008. The decrease in the foreign income, which led to lower external demand for domestic products and lower export prices, brought about significant distortion of the Macedonian exports. The value of export of goods and services registered an annual decrease of 3.7% after a longer period. The crisis alleviated the pressure of the domestic demand, which resulted in higher import in the preceding period. Thus, in the last quarter of 2008, the slower domestic demand and the lower import prices reduced the growth in the value of import of goods and services (to 2.3%, compared to the import growth of 30% on average in the preceding quarters). These developments extended the foreign trade deficit, and narrowed the negative contribution of the net exports to GDP. On the other hand, the analysis of the real indicators shows positive contribution of the net exports to the GDP growth (due to the real fall in the imports).

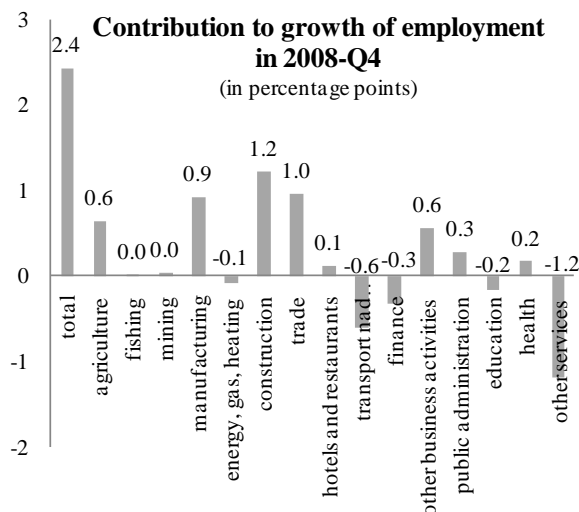
The expectations for more significant influence of the crisis in early 2009 on the foreign trade were confirmed with the latest data on the trade in goods. In the first two months of 2009, the export value went down by 37% in nominal terms, on annual basis, whereas the decrease in the imports reached 16.6%. In line with these developments, and in expectations for steeper fall in the external demand and in the domestic absorption (due to the decrease in the investment demand and slowdown in the personal consumption), the next period could expect faster fall in both the exports and the imports.

1.4. Employment and wages

The fourth quarter of 2008 reported the initial consequences from the slowdown in the domestic economic activity on the labor market. Although the unemployment rate in the fourth quarter improved compared to the same period of the preceding year and equaled 33.5%, it is still higher compared to the unemployment rate in the preceding quarter, thus interrupting the trend of gradual decrease in the unemployment. The wages still go up, particularly the increase in the public administration. The 7.7% fall in the industrial output in the last quarter of 2008 and the deceleration of the economic activity, in general, creates expectations for deterioration of the labor market in the first quarter, and in 2009.

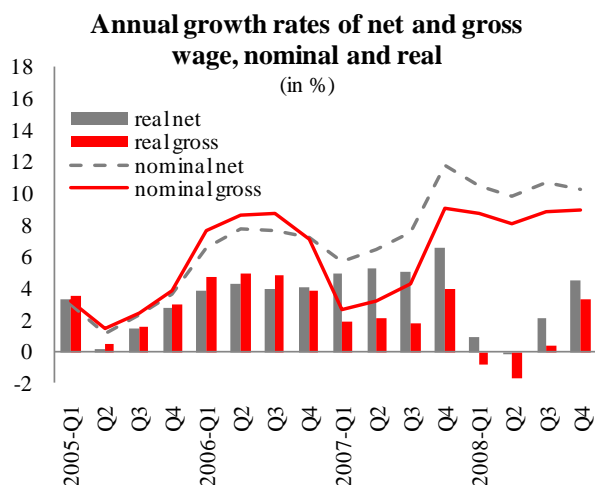


In the fourth quarter, the number of employed persons went up by 2.4%, thereby the **employment rate** reaching 37.3%, which is by 0.9 percentage points more compared to the preceding year. The increase largely results from the rise in the number of construction workers, given the recovered construction works, and in the trade and manufacturing industry, due to the positive results of these activities in the preceding periods. At the same time, rapid fall was registered in the number of transport workers, as a result of the reduced works in this sector, as well as in the finance. **The unemployment**

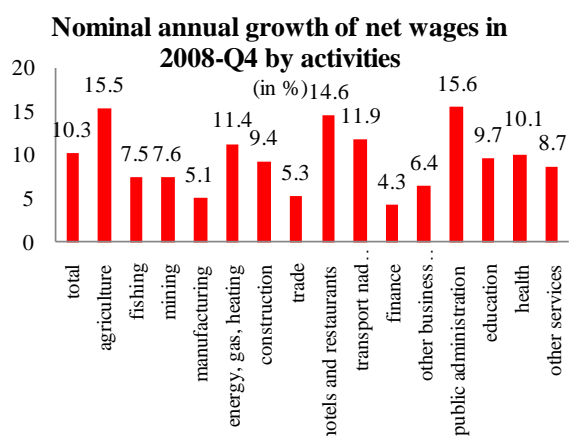


rate in the fourth quarter reached 33.5% (by 0.8 percentage points less compared to the same period of the previous year), due to the 3.2% decrease in the number of unemployed persons.

Nevertheless, the unemployment rate in the last quarter of the year is by 0.5 percentage points higher relative to the preceding quarter, which besides the decrease in the number of seasonal employments primarily in the third quarter, it also reflects the initial effects of the slower economic activity. This interrupted the trend of steady decrease in the unemployment, evident in the second quarter of 2008. More significant severe effects from the crisis on the labor market are expected in the first quarter of 2009, when the decrease in the number of employees in the industry will be more evident, taking into account the drop in the output in the fourth quarter of 2008 and in the first two months of 2009. More serious deterioration is likely to happen in the second quarter, due to the expected deepening of the fall in the industry and the substantial slowdown in the trade. The outcome will largely depend on the events in the textile industry, employing most of the workers in the manufacturing industry. The deterioration of the labor market would have adverse effects on the real economy, through lower consumption, given the lower income and less optimistic perceptions.



The trend of fast *wage* increase, which started in 2006, continued in the fourth quarter of 2008, when the average net wage was by 10.3% higher in nominal terms, compared to the same period of the previous year, and the average gross wage went up by 9%.¹⁷ Considering the lower inflation rate, these developments indicated real wage increase (on both the net and the gross wages by 4.6% and 3.3% respectively), i.e. higher purchasing power of the households, bringing about higher consumption. The nominal net wages went up in all activities, particularly in the public administration (due to the 10% rise in September 2008), in the agriculture and in the hotels and restaurants. Due to the downward rigidity of wages, in spite of the crisis, the nominal wages are not expected to go down in the first and the second quarter of 2009, which considering the further decrease in the inflation points to incredible real wage growth in the following period, and hence, pressure for higher consumption on this basis. However, this could be partially compensated with the likely increase in the unpaid wages in the economy.

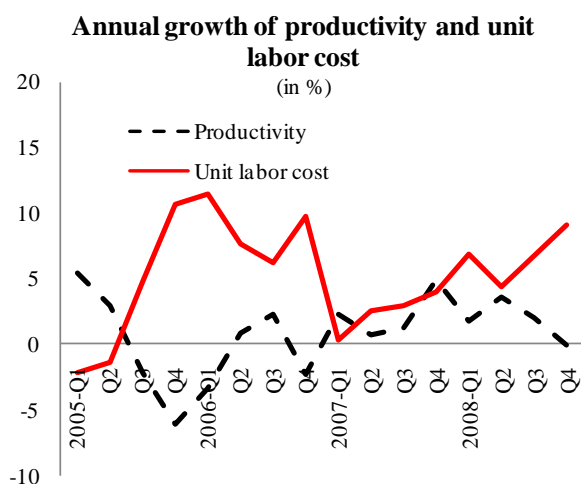


In January 2009, the average net and gross wage registered annual growth of 26.1% and 16.7%, respectively, but most of this growth is due to the change in the method of calculating the wages for 2009 (gross-wage concept), i.e. the inclusion of both the food and transport allowances in the income tax base. The highest nominal growth in January was registered in the

¹⁷ The difference in the growth rate of the net and the gross wages results from the decrease in the income tax rate at the beginning of 2008.

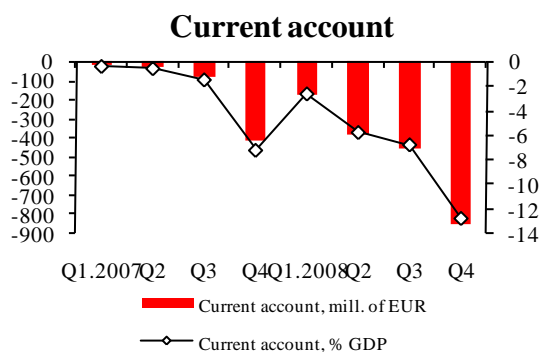
health and social works (46.8%), energy industry (35.2%) and agriculture (34.3%) (showing that the food and transport, as a wage percentage, are probably the highest in these activities), although one should take into account that due to the aforementioned methodological change, the data comparison has been hard and imprecise.

When the employee growth (2.4%) exceeds the GDP growth (2.1%), *the labor productivity* in the fourth quarter of 2008 reported a decrease for the first time in the last two years (-0.1%). The lower productivity and the higher nominal gross wage also triggered the increase in the *unit labor costs* (9.1%) in the fourth quarter. Given the lower demand, when the higher costs cannot be offset with higher prices, the unit labor cost growth could be interpreted as a signal for the need of reduction of the output costs, including the further decrease in the employee number.



1.5. Balance of payments

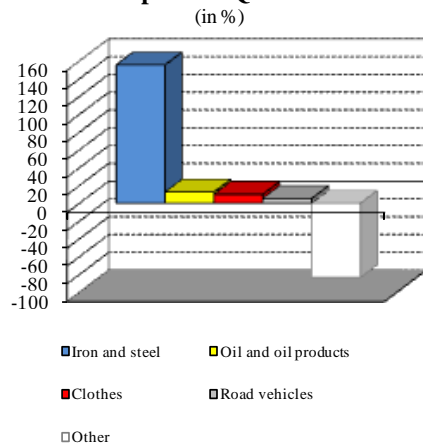
In the last quarter of 2008, the balance of payments transactions of the Republic of Macedonia were mostly affected by the unfavorable developments in the global economy. The global crisis brought about lower global demand, and consequently lower oil and metal prices. The lower external demand for domestic products in the fourth quarter of 2008 led to decrease in the exports, and given the high import dependence of the domestic output and the lower investment demand, the import of goods also went down. In spite of the deterioration of the trade balance (compared to the preceding quarter), the other current account components also deteriorated, in environment of keeping the capital inflows at almost unchanged level. The trade deficit in the fourth quarter remained high, contributing the most to the deterioration of the current account on annual basis. The same tendency kept on in the first two months of 2009, given the stronger fall in the exports compared to the imports. The growing trade deficit and the uncertainty due to the effects of the global crisis on the domestic economy caused higher demand for foreign currency, which having lower financial inflows from abroad, triggered the pressures for depreciation of the domestic currency. These pressures were offset with the NBRM's net sale on the foreign exchange market. Taking into account the unfavorable developments in the global economy and the stronger adverse effects on the real sector since the beginning of the year, the risks to the external position of the economy remain.



Source: NBRM and SSO.

In the fourth quarter of 2008, the current account of the balance of payments registered the highest quarterly deficit ever in the amount of Euro 401 million, which exceeded the negative balance in the last quarter of 2007 by 69.5 million. Almost all current account items contributed to this negative annual dynamics, except for the current transfers, with the trade deficit contributing the most (of 47.3%). It is essential to highlight that, in spite of the positive contribution of the current transfers to the narrowing of the current account gap, their basic component, the net private

Contribution of certain products to the decrease of exports in Q4 2008

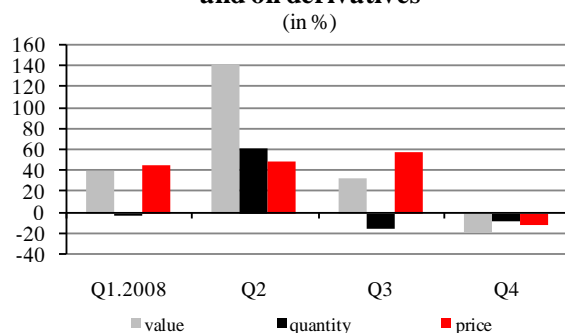


Source: State Statistical Office of the Republic of Macedonia.

transfers had a downward tendency, registering a 4.7% fall on annual basis.

The foreign trade is conducted in conditions of intense effect of the global crisis on the domestic economy, shown through the lower external demand and deteriorated terms of trading (lower prices of metals, oil and food). Thus, in the fourth quarter of 2008, **the total foreign trade** dropped by 6% on annual basis, given the annual fall in the both sides of the trade. Main factor for the annual fall of the exports (of 7%) was the lower export of iron and steel (by 31.5% on annual basis), due to the lower demand and cut in the metal prices on the international stock markets (the nickel price went down by roughly 63%¹⁸), inducing an output and employment reduction in the metal industry. Other products which reported lower export on annual basis and had greater contribution to the fall in the total exports are the oil derivatives, wearing apparel and vehicles. The lower export of oil derivatives is a reflection of the downtrend of the global oil markets, and the annual fall in the prices of these products equals 28.8%. The negative dynamics of the export of wearing apparel results from the crisis in the textile industry which started at the end of the year, evident through the lower demand for these products. Simultaneously, the export of metal ores, which reported high annual growth rates in the previous quarters, demonstrated minimum annual growth rate in the last three months of 2008 due to the consequences from the global crisis (the fall in the global copper price), which at the end of the year resulted in closedown of the main domestic mine facility. These developments in the exports continue in 2009, and according to the Survey for business tendencies in the manufacturing industry conducted in February 2009, crucial factor influencing the domestic output, and therefore the exports, in the insufficient external demand. In the first two months of 2009, the total exports still goes down (36.9% on annual basis), with the export of iron and steel plummeting in the fastest pace, followed by the oil derivatives and ores. The last downward revisions of the projections for the economic activity in global frameworks indicate that it is still hard to anticipate the exit from the recession in the developed countries, due to which the external demand on a short run remains a crucial risk to the export performances of the Macedonian economy. This also points to risk of downward exports revisions.

Annual changes of the import of oil and oil derivatives



Source: National Bank of the Republic of Macedonia.

The lower exports, in environment of import-dependent domestic output, is the reason behind the fall in the **imports**. Thus, in the last quarter of 2008, the imports dropped by 5.5% on annual basis, given the downtrend of the oil prices, the lower investment activity, and deteriorated lending terms. Observing by product, the fall in the import of energy sources is largely due to the lower import of electricity, which corresponds with the lower activity of the output

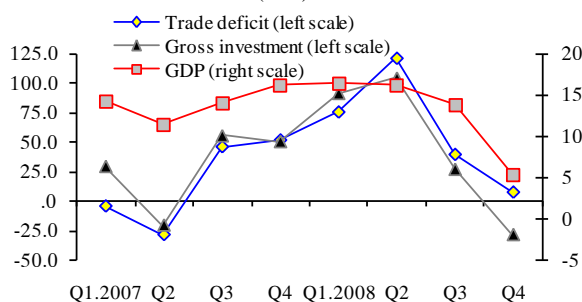
¹⁸ Source: World Bank.

facilities and to the comparison base¹⁹, whereas the lower oil price and the lower production of oil derivatives contributed to the decrease in the import of oil and oil derivatives. Also, significant contribution to the fall in the overall imports was made by the lower import of metal ore and of iron and steel, which corresponds with the developments registered in the same export items. According to the latest data, in the January - February 2009 period, the imports keeps on registering a downtrend, and compared to the same period of the preceding year, it went down by 16.6%, mostly due to the fall in the import of energy sources, iron and vehicles. The expectations for slowdown in the personal and investment activity, in environment of uncertainty and tightened lending terms indicate lower import performances (which could be offset only partially with the expectations for moderate rise in the oil prices on the global stock markets) and need of downward projection revisions.

The faster decrease in the export relative to the imports in the first two months of 2009 brought about **expanding the trade deficit by about 19%** on f.o.b.-basis. In spite of the expectations for simultaneous downward revision of the both sides of the trade, taking into account the import dependence and the inelasticity of some import categories, one could expect that the gap between the exports and the imports for maintain or to expand in the first quarter of 2009. The expansion of the trade deficit will have adverse effects on the current account balance, imposing the issue of sources of funding, which in environment of global financial crisis are less available. The potential funding difficulties were evident back in the fourth quarter of 2008, through the unstable dynamics of the private transfers and the trade deficit coverage with direct investments of 15% in the fourth quarter of 2008, which was lower by 21.5 percentage points on annual basis or by 6.6 percentage points on quarterly basis.

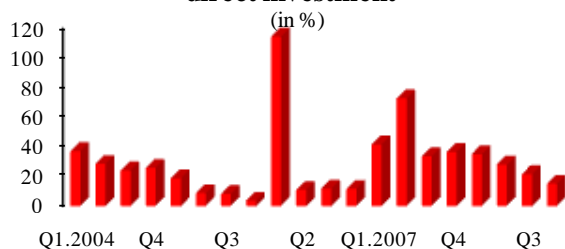
The real effective exchange rate (REER), as an indicator of the competitiveness of the export on foreign markets, calculated according to the consumer price index, in the last quarter of 2008 reported annual appreciation of 0.5% (unlike the preceding quarter when it depreciated by 0.9%). Such change is due to the 1.7% appreciation of the Denar nominal effective exchange rate (NEER) on annual basis, partially offset with the faster increase in the foreign prices compared to the domestic ones. On the other hand, the REER, according to the PPI, reported a switch in its trend, i.e. 1% depreciation compared to the same quarter of the preceding year. The previous three quarters reported an annual appreciation, due to the considerably slower growth of the domestic prices compared to the foreign ones. In the first two months of 2009, the REER,

Annual rates of changes in trade deficit, GDP and gross investment
(in %)



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

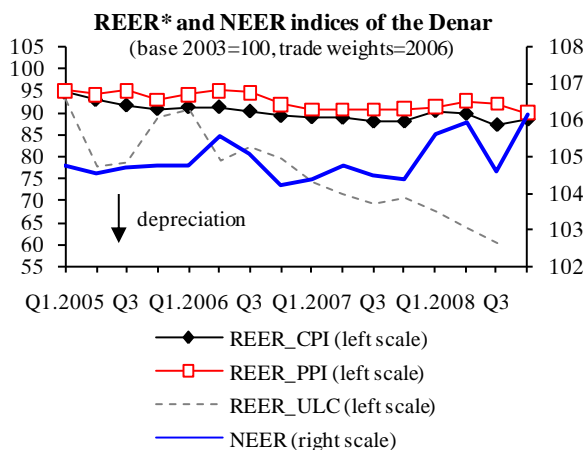
Coverage of the trade deficit with foreign direct investment*
(in %)



*Privatization of "ESM" (Electric Energy Company) in the first quarter of 2006.

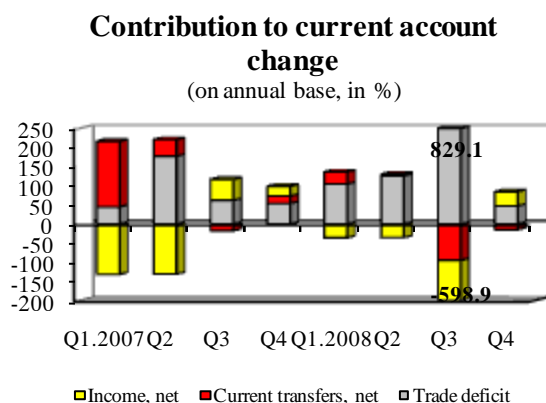
Source: National Bank of the Republic of Macedonia.

¹⁹ The method of customs records of the import of electricity reported large import of electricity in October and November 2007, which was actually imported over the entire year.

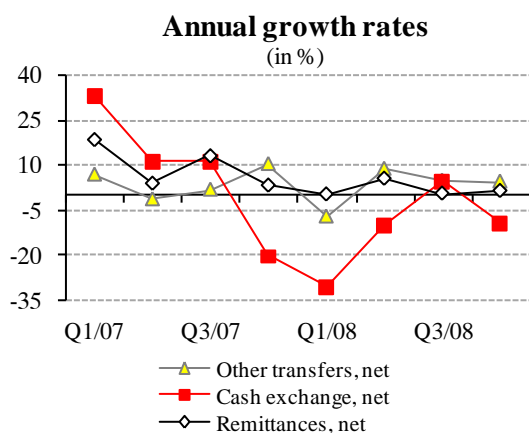


*Index under 100 indicates increased export competitiveness.

Source: National Bank of the Republic of Macedonia.



Source: National bank of the Republic of Macedonia.



Source: National bank of the Republic of Macedonia.

according to the two deflators, registered an annual appreciation, by 2% according to the CPI and by 1.4% according to the PPI, as a result of the 6% NEER appreciation on annual basis (particularly relative to the Russian Ruble and the Serbian Dinar). Simultaneously, according to the CPI, the REER reported higher relative prices due to the slower growth in the domestic consumer prices relative to the foreign ones, and the rise in the relative prices in the REER according to the PPI is a result of the steeper fall in the domestic prices relative to the foreign ones.

Besides the trade deficit, remarkable contribution to the annual deterioration of the current account of the fourth quarter of 2008 was also made by the net services and the net income (contribution of 30.2% and 37.2%, respectively). In the last three months of 2009, the **services** reported a deficit of Euro 18.7 million, compared to the positive balance of Euro 2.4 million registered in the same period of 2007. Such annual change in the services was primarily caused by the significant decrease in the net inflows from investment services (of 93.3% on annual basis), mainly because of the lower inflows, which corresponds with the lower construction activity of the Macedonian companies abroad. In the fourth quarter of 2008, the **income** registered high negative balance of Euro 102.3 million, which is by 33.8% more compared to the same quarter of the previous year. The higher deficit mainly results from the 32.1% higher dividend payments for direct investments on annual basis (in November, one large company made a dividend payment to its foreign investor). In this quarter, within the portfolio-investment income, the regular liabilities based on Eurobonds issued in 2005 of around Euro 7 million were paid off. Considering the crisis in 2008 and the weaker financial results of the companies, lower outflows based on direct investments are likely to expect in the second half of 2009.

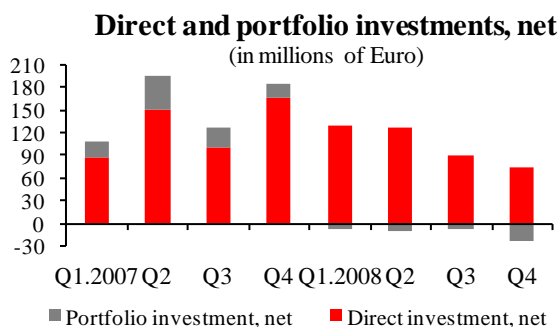
The single sub-balance sheet which reported a positive change rate is the **current transfer** balance sheet. In the last quarter of 2008, the current transfers, net, totaled Euro 209.1 million, which is by 5.1% more on annual basis, as a result of the net inflows from **official transfers**, compared to the net outflows registered in the same quarter of 2007. On the other hand, the **private transfers**, which account for 96.2% of the total transfers, registered lower net inflows (by 4.7% on annual basis). The negative dynamics of the private transfers, in environment of stable net inflows from remittances (annual increase of 1.7%), arises from the dominant category net-cash²⁰ (share of 60.4%). In the analyzed quarter, the net purchased cash totaled

²⁰ In the compilation of the balance of payments of the Republic of Macedonia, the net private transfers in cash were estimated on the basis of data from the currency exchange market on the net cash that flows in the banking system, since it is assumed that most of it originates from the inflows from private transfers in cash through informal channel.



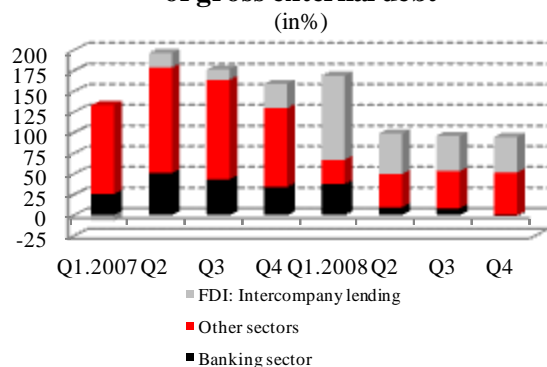
Euro 121.6 million, which is by 9.3% less compared to the previous year. In spite of the positive change rates in October and November (8.9% and 15.6%, respectively), this positive trend was interrupted in December which witnessed the highest monthly amount of sold cash since 2003 (Euro 52.9 million). Under the influence of the speculations regarding the stability of the domestic currency, the higher demand for foreign currency by the households continued in the first month of 2009, which reported lower amount of net purchase. However, in February 2009 the market was stabilized to a certain extent, and the net purchase on the currency exchange market registered a positive change rate (13.7%), offsetting the negative effect of the preceding month. On cumulative basis, the first three months of 2009 reported a net purchase of Euro 54.5 million, which, compared to the same period of 2008 was by 45.2% lower. Nevertheless, in environment of uncertainty and lower growth in the developed economies, where the Macedonian emigrants - senders of these funds, work, it is realistically to expect the net purchase on the currency exchange market to remain low in the next period.

The current account deficit was almost equally funded through the net inflows in the capital and financial account and through the gross official reserves. In the last three months of 2008, the net inflows in the capital and financial account totaled Euro 195.7 million, which is by 41% less on annual basis. The capital account recognized a net outflow of Euro 8.5 million, mainly due to the purchase of the embassy in Russia. The foreign direct investments, as one of the more significant financial flows registered a negative dynamics since the second quarter of 2008. The global financial crisis resulted in lower foreign direct investments, so the fourth quarter of 2008 registered intensive annual downward trend of 55.9% (annual decrease of 10.4% in the preceding quarter). Considering the still present global crisis, in the next period one could expect restraint from larger investment activities and maintenance of the level, or further decrease in the foreign direct investments, which would entail narrowing of the stable sources of non-debt financing of the current account. At the same time, the **portfolio-investments** also registered intensive disinvestment. In the analyzed quarter, the portfolio-investments registered the greatest amount of net outflow in 2008 (Euro 23.4 million), which corresponds with the unfavorable developments on the Macedonian stock market over the entire year and the lack of liquidity on global level. Such trend continued in the first two months of 2009, with the share of nonresidents in the total turnover being higher on the sales side rather than on the purchases side (59.7% and 37.7%, respectively). Although the global stock markets experienced recovery signals, which had positive effect on the Macedonian stock market, yet, the developments on the stock markets is still volatile and uncertain.



Source: National bank of the Republic of Macedonia.

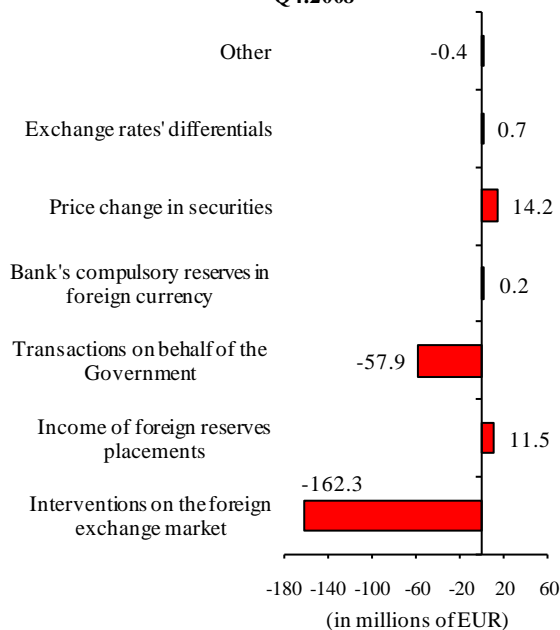
Contribution to the annual change of gross external debt



Source: National bank of the Republic Macedonia.

In the last quarter of 2008, the **net-loans** registered an annual growth rate of 88.2%, in environment of larger usage and lower repayment of the liabilities on long-term and short-term credits and loans. Considering the tightened domestic lending terms, the private sector reported a larger debt. However, having a financial crisis, aversion from risky placements, and restriction of the sources of funding, one could expect further reduction of the opportunities for private sector's borrowing from abroad. On the other hand, the government sector could expect increase in its external debt in the next period, in line with the projected 2009 budget funding. In the last quarter of 2008, **currencies and deposits item** reported net inflows of Euro 86.9 million, compared to the net outflows in the same quarter of 2008. The main factor for such change is the significant amount of funds withdrawn by the **banks** from the accounts abroad. On the other hand, the households also withdrew foreign currency from the **banking system**, given the higher amount of withdrawn rather than deposited cash.

Factors of change of the gross foreign reserves in Q4.2008



Source: National bank of the Republic of Macedonia.

In line with the developments of the debt financing, at the end of the fourth quarter, **the gross external debt**²¹ equaled Euro 3,350.6 million, which is by Euro 510.4 million more compared to the end of 2007, i.e. by Euro 79 million relative to the preceding quarter. The annual debt increase was almost solely due to the higher need of additional sources of funding the activities of other sector in the economy (most of which refers to the corporate sector) and loans among connected entities (contribution of 51.9% and 42.8%, respectively). The government debt is slightly reduced, given the higher liabilities on used long-term foreign loans and lower debt based on debt securities. On the other hand, the debt of the banking sector registered a minor fall compared to December 31, 2007 as a result of the lower liabilities on short-term loans, which were fully repaid. According to the structure analysis, the dominant share of the debt of other sectors and the intercompany debt increased, at the expense of the debt of the government and banking sector. With respect to maturity, the long-term debt prevails with a share of 50.9%.

According to the developments in the balance of payments, **the gross foreign reserves** at the end of 2008 fell by Euro 194 million, compared to September 30, 2008, and equaled Euro 1,494.9 million, providing 3.5 month coverage of the import of goods (f.o.b.) and services in the next year²². The unfavorable effects of the global crisis on the developments in the domestic real sector and the export oriented sector, the lower

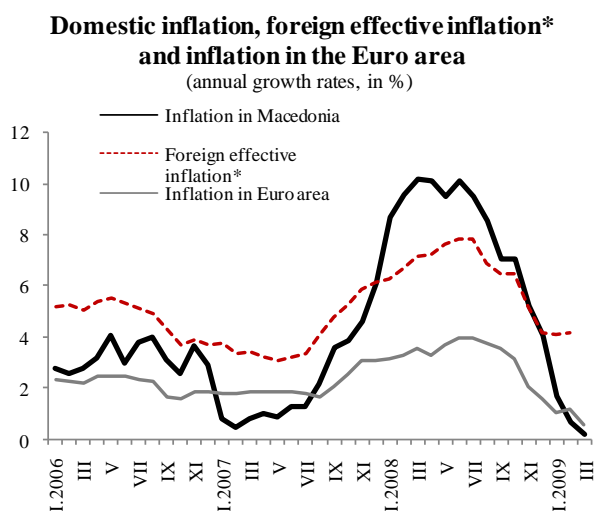
²¹ In 2007, NBRM started compiling and releasing **data on the gross external debt**. The analysis of the gross external debt has been made on the basis of the data on the gross external debt in nominal value. On December 31, 2008, the gross external debt in market value totaled Euro 3,316.6 million, which is by 17.1% more compared to the preceding year.

²² According to the projection for December 2008.

investments, the dividend payment of one large company to abroad, the higher uncertainty accompanied with speculations regarding the Denar stability, resulted in higher demand for foreign currency on the currency exchange and foreign exchange market and Denar depreciation pressures. According to the monetary strategy for maintaining the exchange rate stability, the NBRM intervened on the foreign exchange market with a net sale of Euro 162.3 million. Consequently the NBRM interventions are the major factor for the decrease in the gross foreign reserves, followed by the transactions for the account of the government, in line with the higher budget spending in the last quarter of 2008. Almost all other factors had a positive effect on the foreign reserves, with higher net inflows being registered on the basis of income from placements and securities price changes. Similar dynamics was registered in the first two months of 2009, with the NBRM interventions on the foreign exchange market and the transactions for the account of the government (Euro 100 million and Euro 43.8 million, respectively) being factors that caused the further fall in the foreign reserves. On February 28, 2009, the gross foreign reserves stood at Euro 1,413.6 million, which is by Euro 81.3 million less compared to the end of 2008.

1.6. Inflation

The trend of permanent slowdown of the inflation, which started in the second half of 2008, continued in the first three months of 2009 in a faster pace, reducing the annual inflation to a low rate of 1.0% which is below the inflation rate in the Euro area. Such inflation development is a result of the considerably lower import prices of food and energy sources compared to the first quarter of the last year, under the influence of the lower pressure by the aggregate demand due to the global economic crisis, and the higher domestic supply. Although the unit labor costs intensified in the last quarter of 2008, one could expect that the slowdown in the economic activity and the stable import prices of crude oil and other primary products on the global stock markets will offset these effects. Thus, the projections for the domestic inflation rate for the next period are in the same direction with the world inflation projections which point to further inflation slowdown and correspond with the global depression of the economic activity.



* Foreign effective inflation is calculated as weighted sum of inflations in countries that are major trade partners with Macedonia.
Source: State statistical office and Eurostat.

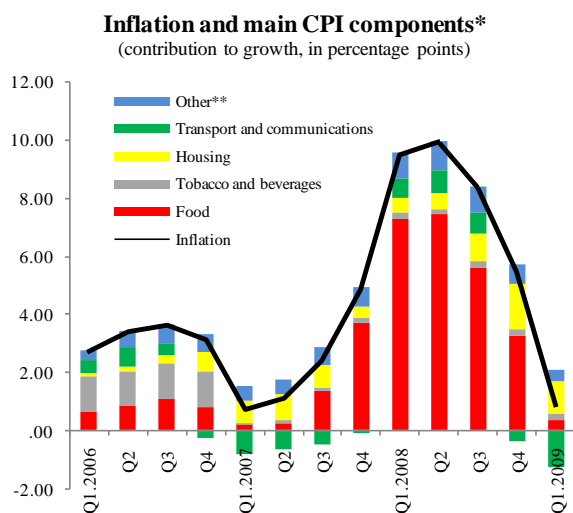
The permanent downward trend of the domestic prices of oil derivatives and the substantially slower growth in the food prices triggered the intensive slowdown in the average annual growth rate of the prices, which in the first quarter of 2009 reduced to 1.0% (5.4% in the previous quarter). The volatility of the inflation index components, such as energy and food were closely connected with the volatility of the globally traded prices of the clued oil and food products. Specifically, the energy component of the inflation index registered steep annual fall in the recent period, and from 12.5% growth in the third quarter of 2008 reduced to -1.6% in the first quarter of 2009. Thus the developments of the prices of oil derivatives and the household oil contributed the most to the inflation slowdown. The developments of the annual growth rate of the food in the inflation index is similar with the energy component, registering the highest growth rates

in the second quarter of 2008 (19.5%) which slowed down in the next quarter, with the fastest slowdown being reported in the first quarter of 2009 (growth of only 1.6%). The slower growth in the food price in the second half of 2008 is mostly connected with the good weather conditions, which contributed to higher domestic supply of food, resulting in quantitatively lower import of food products, and at the same time, the food prices in global terms also went down (primarily the agricultural products such as wheat products, dairy products, cooking oil and fats).

Table 1
Price categories
(annual changes in %)

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	2007	Q1 2007	Q2 2007	Q3 2007	Q4 2007	2008	Q1 2007
Inflation (CPI)	0.7	1.1	2.4	4.9	2.3	9.5	9.9	8.4	5.4	8.3	1.0
Food	0.7	0.7	3.8	10.4	3.9	19.0	19.5	14.7	8.6	15.3	0.9
Fresh food	-0.7	-0.6	4.1	12.4	3.8	26.4	25.2	16.0	11.0	19.7	1.0
Processed food	1.9	2.0	3.7	8.9	4.1	13.3	15.2	13.2	6.3	12.0	1.4
Energy	4.9	4.9	3.9	4.0	4.4	7.4	9.2	12.5	8.3	9.3	-1.6
Fuels and lubricants	-4.6	-2.4	-1.3	11.0	0.7	18.6	22.6	23.6	-6.2	14.6	-27.1
Electrical power	9.7	11.4	8.2	2.4	7.9	1.6	0.0	0.0	8.7	2.6	13.1
Heating power	7.1	1.5	1.9	-1.3	2.3	4.6	10.9	23.2	25.3	16.0	4.2
Food and energy (volatile prices)	1.8	1.8	3.8	8.7	4.0	16.1	16.9	14.1	8.5	13.9	0.3
Goods	1.3	1.6	3.0	6.2	3.0	11.0	11.4	9.0	5.4	9.2	0.8
Services	-1.1	-0.5	0.2	0.4	-0.3	3.9	4.5	6.1	5.8	5.1	1.2
Core inflation (inflation excl. food and energy)	-0.2	0.5	1.1	1.2	0.6	2.9	2.8	2.5	2.2	2.6	1.5
Industrial producer prices	1.1	0.7	1.4	7.0	2.6	10.5	13.6	15.1	2.2	10.3	-6.2

Source: State Statistical Office and NBRM calculations



*CPI - Consumer price index represent the measure of inflation.

**Other includes the components: clothing and footwear, hygiene, education, culture and entertainment, hotels and restaurants, and others services not mentioned elsewhere.

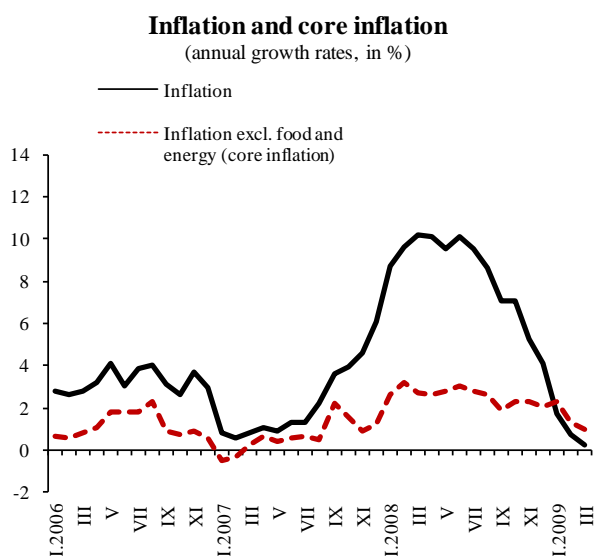
Source: State Statistical Office and NBRM calculations.

The annual change in the inflation of 1.0% in the first three months of 2009 is primarily caused by the higher price of household electricity²³ (in November 2008) and the higher prices of some food categories (fresh meat and wheat products), partially offset with the significant deflationary effect of the lower prices of oil derivatives. Other than the oil derivatives, some food products also registered lower prices (cooking oil, fresh vegetables and fresh fruits), and the educational devices and the lower costs for vehicle maintenance.

Analyzed by components on quarterly basis, in the first quarter of 2009, the general level of consumer prices went down by 0.5% on quarterly basis, mainly arising from the lower domestic prices of oil derivatives (in line with the developments of the crude oil price on the global stock markets). Moreover, except for the oil derivatives, additional substantial deflationary influence was made by the lower price of thermal heating energy in January²⁴, as well as the lower food prices (primarily the processed food). On the other hand, more significant inflation effect was only made by the higher prices of fresh food, due to the higher prices of fresh vegetables and fresh meat due to seasonal factors.

²³ On October 29, 2008, the REC adopted a decision on increasing the average retail price of electricity, at which EVN Makedonija supplies the tariff retail consumers for the November - December period by 13.61%.

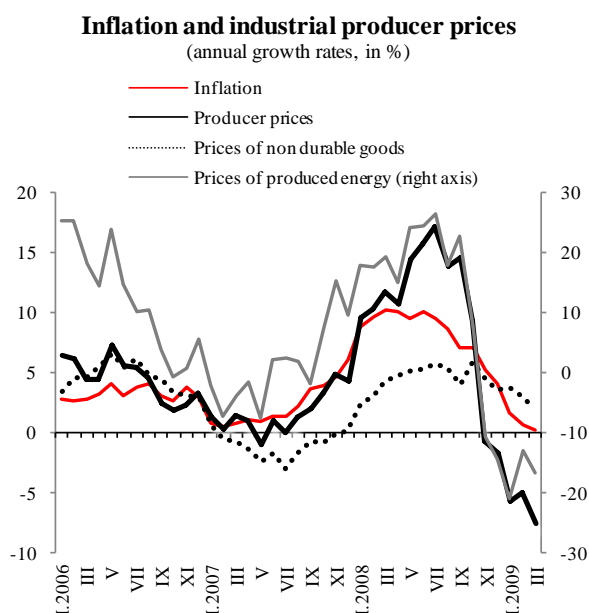
²⁴ The decrease in the price of thermal heating energy in January is a result of the decisions adopted by the REC on decreasing the price of thermal energy delivered by Toplifikacija AD - Skopje and Skopje-Sever AD - Skopje by 35.9% and 24.3%, respectively.



Source: State statistical office and NBRM calculations.

In the first quarter of 2009, the core inflation rate also registered a slowdown (which excludes the food and energy prices²⁵). The lower pressure by the aggregate demand and the indirect effect of the lower energy prices was demonstrated by slowing down the core inflation rate which reduced to 1.5% (2.2% in the last quarter of 2008). The slower dynamics of the core inflation indicates that, besides the fall in the variable prices, the first quarter also registered a decrease in the long-term and permanent inflation component.

The inflation in the first quarter of 2009 mainly corresponds with the inflationary expectations of the economic agent which were subjected to a survey at the beginning of the quarter. Thus, 37% of the respondents expected the inflation in the first quarter of 2009 to be below the January level of 1.7%, and 30% of the respondents had stable expectations. Unlike the expectations for the first quarter, the respondents expect the inflation to be about 2.5%, on average, for the entire 2009. The perception of the entities which consider that the inflation will go down is based on the stable development of the oil and food prices on the international stock markets, the lower demand due to the global recession, and the expected fall in the lending activity in the domestic economy. The most frequent factors indicated by the economic entities as factors which caused the faster pace of the inflation rate to the end of the year are the announcements for the higher electricity price, the expectations for higher oil price and the announcements for the increase in the wages of the public administration.



Source: State statistical office and NBRM calculations.

The producer prices in the first quarter of 2009 reported enormous decrease after reaching the highest level in July 2008. The data on the first quarter of 2009 indicate annual deflation of 6.2%, mainly as a result of the fall in the energy production prices (of 38.7% on annual basis) the intermediary products and the slower growth in the prices of nondurables. Such developments of the producer prices is expected to continue in the next period due to the high comparison base and the expectations for relatively stable crude oil prices on the international stock markets. The lower prices of the producers of food products, along with the stable level of production prices of oil derivatives indicate potential downward pressures of the manufacturing sector on the consumer prices in the next period.

In the last quarter of 2008, the nominal labor unit costs went up, registering an annual growth of 9.1%, given the increase in the gross wages and the decrease in the productivity. However, the higher labor unit costs had no effect on the inflation, taking into account the slower economic activity in the real sector.

²⁵ The calculations have been made according to the new weighs. In January 2009, SSO made minor corrections of the weighs in the price index, thus increasing the food category weigh by 2.4 percentage points.

The next period is expected to keep on registering low and stable inflation rate, and considering the expectations for relatively stable import prices and the further slowdown in the domestic economy, the risks are on the downside.

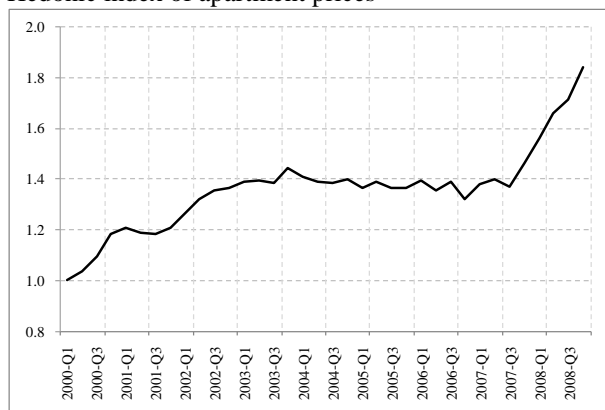
Annex 1

Analysis of the real estate prices in the Republic of Macedonia

The developments on the real estate market effectively portray the conditions prior and after the global economic crisis: the many-year high growth of real estate prices worldwide perfectly overlapped the efficient economic performances in the pre-crisis period, and the steep fall in the prices that followed excellently illustrates the intensity of the crisis. The meaning of the prices of real estates, however, is goes beyond the context of the current crisis - the real estate constitute the most important part of the wealth and the outlays for repayment of the housing credits are the highest expense of the households. This is the reason why the real estate prices affect the behavior of the households, primarily their consumption. The real estate prices also affect the construction sector, and hence, the overall economic activity.

Therefore, since the third quarter of 2008, the NBRM started calculating the hedonic index of the real estate prices which ensures monitoring of the real estate price developments. Such practice continued, with data on 174 apartments being used for the calculation for the fourth quarter of 2008. The total number of apartments employed in the index construction reached 5035²⁶. The figure below show that the real estate prices in the fourth quarter of 2008 kept on reporting significant increase. Compared to the third quarter of 2008 and the fourth quarter of 2007, they surged by 7.6%, by 25.9%, respectively. Thus, the apartment prices in the Republic of Macedonia in the last 15 months went up by 34.6% in total.

Hedonic index of apartment prices



Source: National Bank of the Republic of Macedonia

The showed perceptions entail a series of questions: which are the factors that made the real estate prices to increase in the recent period? Are the apartments in the Republic of Macedonia overpriced or not, and if yes, how much? Finally, will the crisis circumvent the apartment prices, i.e. could we expect the apartment prices to go down in the near future?

As usually, in the literature, the research for this issue is based on a structural real estate price model, according to which the apartment price is a function of the supply and the demand. Main factors on the demand side are the real income, i.e. the households' purchasing power, the real lending interest rate and the rent (as a price of the substitute of purchasing an apartment) whereas the apartment supply has been approximated through the newly build apartments.²⁷ Hence, the model subject to assessment, shown below, accounts for the price as a function of the fundaments:

²⁶ The hedonic index construction is more precisely explained in annex 1 of the NBRM Quarterly Report for October 2008, pg. 39.

²⁷ The data on the apartment prices and the rent have been collected and calculated by the NBRM, using the interest rate on short-term household credits taken from the NBRM monetary statistics. The income has been calculated as follows: number of employed persons *

$$price = f(\text{income}, \text{rent}, \text{interest rate}, \text{newly built apartments})$$

Variables, except for the interest, have been used in their logarithm form, meaning that the coefficients before them give the respective elasticity, i.e. the percentage price change as a result of the 1% change in the independent variable. Considering that all series have been integrated of first order, the analysis applies the Johansen's cointegration technique. After the identification of one cointegration vector, i.e. one long-term relation between the variables, it was assessed. The results have been shown below, for better clarity, we present only the long-term relation, which is actually subject to our focus.

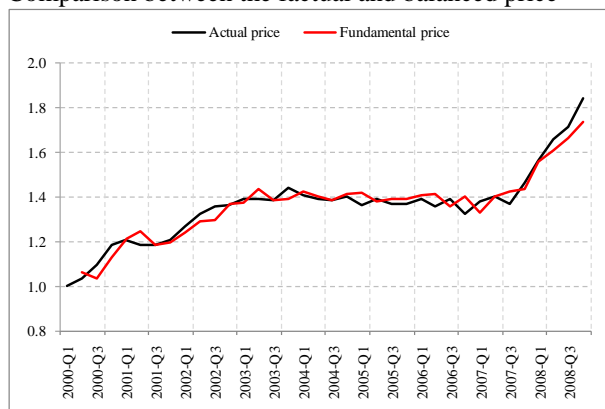
$$\begin{array}{l} \text{Price} = 0.20 + 0.21 * \text{Income} + 1.17 * \text{Rent} - 0.37 * \text{Interest Rate} - 0.19 * \text{Newly Built Apartments} \\ \quad \quad \quad (2.40) \quad \quad \quad (5.76) \quad \quad \quad (1.11) \quad \quad \quad (8.62) \end{array}$$

The brackets show the test-statistics of test T that the coefficient is equal to zero. A value higher than 1.96 indicates that the coefficient is statistically different from zero at a significance level of 5%.

As one could notice, the 1% income increase leads to 0.21% higher apartment price, on average; the 1% rent increase triggers the 1.17% price increase, on average; the increase in the newly build apartments by 1% contributes to the price decrease of 0.19%; and the 1 percentage point higher interest rate reduces the price by 0.37%, on average, provided that the other variables are constant. All coefficients are statistically significant, except for the interest, which remained the same, due to the reasonable coefficient, and due to the economic theory. The magnitude of coefficients is in line with what is usually presented in the literature.

In order to state whether the apartments are overpriced or not, one should compare the actual apartment price with the so called *fundamental* price, provided by the model, i.e. the price explained with the fundamentals. The comparison is given in the figure below.

Comparison between the factual and balanced price



Source: National Bank of the Republic of Macedonia

It could be said that since the beginning of 2000 until the end of 2007, no larger changes or longer deviations of the factual from the fundamental price were registered, i.e. the factual price of the apartments is in conformity with the fundamentals. However, in the last 15 months, starting from the fourth quarter of 2007, a period when the prices went up by totally 34.6%, the factual price of apartments is constantly higher than the fundamental one, firstly, marginally, and in the last three quarters more significantly, which points to slight overpricing of the apartments in this period. The overpricing in the fourth quarter of 2008 equals 6%, which still indicates moderate overpricing of the apartments in 2008, resulting in general assessment that the movement in the prices of the apartments in Macedonia in the 2000 - 2008 period is in conformity with the fundamentals. Regarding the high increase in the prices in the last five quarters, it should be emphasized that larger portion of this increase results from the movements with the fundamentals - the rise in the general price level, increase in the rents, rise in income, as well as the drop in the real interest rate, although part of the increase is due to factors

average net wage + pensions + private current transfers from abroad, with the pension data being taken from the Ministry of Finance, and the data on other categories were taken from the State Statistical Office. The data on the value of newly built apartments are also taken from the State Statistical Office. Since all data are in nominal amounts, they have been deflated through the consumer price index, which was again taken from the State Statistical Office.

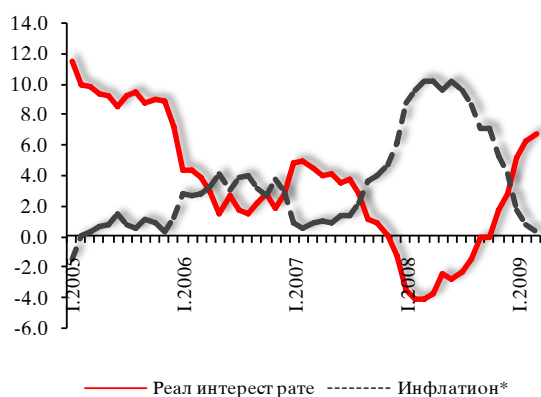
that are not encompassed in our research. These other factors are most frequently related to the expectations and they can be only of temporary cyclic nature or longer speculative character.

It is extremely hard to forecast more precisely the future movement of the price of the apartments, especially because it is not always easy to determine the probable future movement of the fundamentals. Additionally, it is even harder to estimate the influence of the expectations, which can significantly impact on future movements. Finally, in condition of crisis, even the estimated structural relation between the price and the fundamentals can be deteriorated. Despite the stated difficulties, however, regarding the probable future movement of the price of the apartments, it can be stated that the fact that in the last three quarters the apartments show signs of overpricing indicates possible downward correction in the price in near future. On the other hand, it is probable to expect that the movement in the prices will furthermore, to largest extent, be conditioned by the movement of the fundamentals. Regarding the fundamentals, the expectations for the real interest rate are in direction of its increase, not only due to the lower inflation, but also due to the world crisis, as well, with the higher interest rate would be reducing the demand for apartments, and thus the price. The expectations regarding the income are in direction of its stagnation, or possible decrease, for now, due to the transfers from abroad, which register more evident decrease lately, consequently causing the prices of the apartments to stagnate or to decline. After the high inflation in 2008, the general price level is not expected to significantly increase in 2009, which once more indicate stagnation in the price of the apartments. It is hard to estimate the movement of the rents, when it is expected that the construction of apartments, in condition of crisis, will drop, thus causing the price of apartments to increase. The movement of the price of the apartments in 2009 would be a result of the mutual influence of the stated factors.

II. Monetary policy

In the last quarter of 2008, significant change in the environment in which the monetary policy was carried out was registered. The pressures on the inflation continued to decline with intensified pace, and this trend continued also in the first quarter of 2009. The fast transfer effects of the world crisis on our export sector deepened the negative balance on the trade account and stimulated unfavorable expectations in the domestic economy, which created pressures on the foreign exchange market. The deceleration in the capital inflows, the repatriation of high amount of dividend from the domestic economy and significantly intensified budget consumption also additionally widened the negative gap between demand and supply of foreign exchange. Thus the main risks in the implementation of the monetary policy moved from the inflation on the foreign exchange market. In the last three months of the year, in function of maintenance of the stability of the domestic currency, the NBRM intervened with high net sale of foreign assets, while the core interest rate, in conditions of downward trend of the interest rates in the developed countries, was preserved at 7%. The negative gap between the supply and demand for foreign exchange in the domestic economy continued to grow also in the first two months of 2009, and consequently the interventions of NBRM towards net sale of foreign assets. In such conditions, and growing risks of further deterioration in the external misbalance, in March the NBRM reacted also with a change in the interest rates, with the interest rates on the CB bills being increased by 9%.

CB bills real interest rate and inflation
(in %)

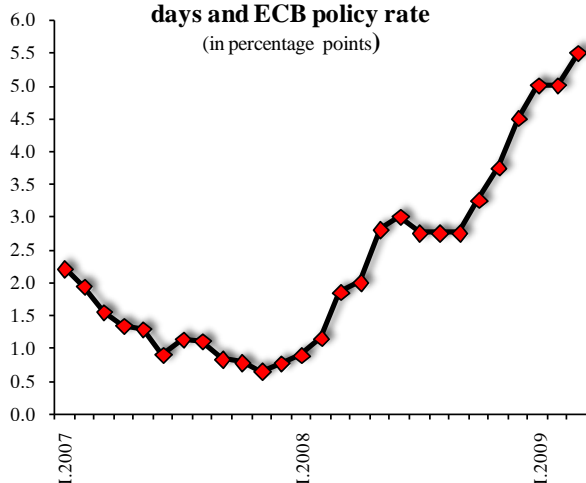


*Current month/same month of the previous year.
Source: State Statistical Office and NBRM.

The process of disinflation of the Macedonian economy, which commenced in the third quarter, continued with intensified pace also in the last three months of 2008, under the dominant influence of the severe drop in the world prices of both food and oil. The lower domestic demand also contributed in this direction, which together with the higher comparison base of the previous year resulted in a decrease in the inflation rate (to 4.1% in December 2008 (compared to 7.1% in 2008)). However, the decrease in the inflationary pressures did not mean decrease in the risks for the monetary policy. Namely, with the escalation of the world financial crisis, they obtained new dimension and were mainly concentrated on the pressures on the

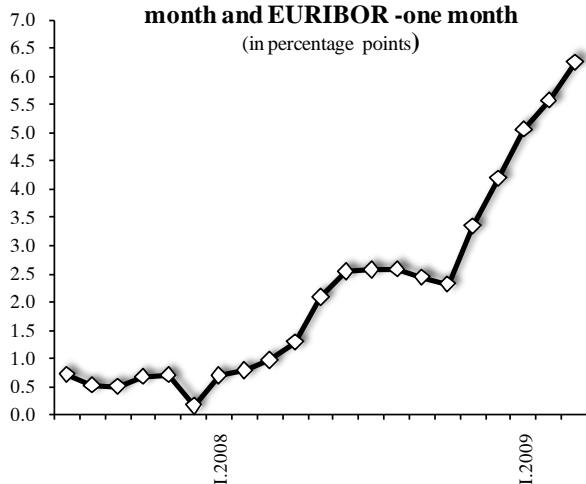


Interest differential between CB bills -28 days and ECB policy rate
(in percentage points)



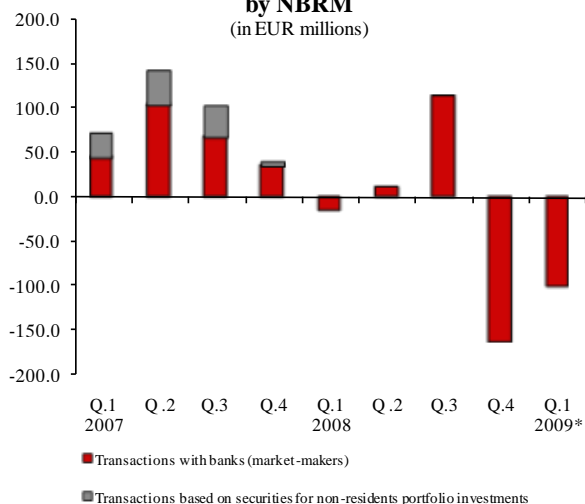
Source: NBRM and European Central Bank (www.ecb.int).

Interest differential between SKIBOR -one month and EURIBOR -one month
(in percentage points)



Source: NBRM and De Nederlandsche Bank (www.statistics.dnb.nl).

Interventions in the foreign exchange market by NBRM
(in EUR millions)



*Refers to January and February 2009.

Source: NBRM

foreign exchange market. Namely, after the bankruptcy of "Lehman Brothers" in the USA (in September 2008), as an institution of systemic significance for the global finance, the global crisis spilled over from the financial sector to the real sector, causing recession tendencies in the developed countries. The negative influences did not spare even developing countries, and in the last quarter of 2008, a severe "cooling" of the global economy was registered. In line with such movements, the external demand for the Macedonian export significantly reduced, additionally increasing the misbalance in the balance on the trade account. The capital inflows decelerated which in conditions of high outflows of foreign exchange due to the payment of dividend and increased psychological pressures on households for conversion of the domestic into foreign currency, created evident pressures on the foreign exchange market towards depreciation of the domestic currency. In such conditions, in the last quarter the NBRM intervened with more significant net sale of foreign assets on the foreign exchange market. The combination of further worsening of the external sector and unfavorable expectations of the economic agents, resulted in deepening of the negative gap between the demand and supply of foreign exchange also in the first two months of 2009. Having in mind the intensity of the pressures in this period, as well as the estimates for the future negative movements in the external position, on March 26, 2009 the NBRM reacted by rising the interest rate on the CB bills from 7% to 9%, pointing to its determination to maintain the stability of the Denar exchange rate.

Contrary to the NBRM, which adjusts the monetary policy in order to maintain the stability of the foreign exchange rate, the European Central Bank reacted on the significant decrease in the inflationary pressures in the Euro area by monetary policy relaxation. Thus starting from October 2008, the ECB commenced with gradual decline in the core interest rate, and in April 2009, it reduced it by total of 3 percentage points²⁸. The lessening of the monetary policy reflected appropriately on the interest rate dynamics on the European Money Market, which registered constant downward trend in the last quarter of 2008 and in the first three months of 2009. On the domestic Money Market, SKIBOR²⁹, with maturity of one month registered a growth tendency, and in February 2009 it reached 7.2% (compared to 7.1% in September 2008). In such conditions, the interest rate

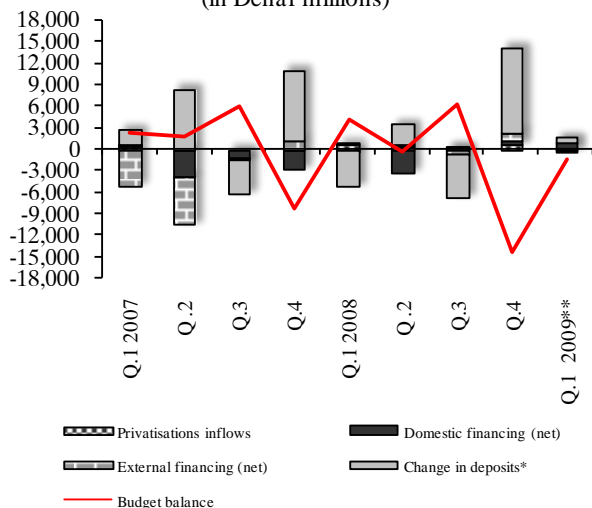
²⁸ On October 8, 2008, the ECB, in coordinated action with the central banks of the USA Canada, Great Britain, Switzerland, Sweden and Japan reduced the reference interest rate by 0.5 percentage points. Additional downward correction of the ECB reference interest rate was performed in other five occasions (on November 6, 2008, December 4, 2008, January 15, 2009, on March 5, 2009 and April 2, 2009) by 0.5 percentage points, 0.75 percentage points, 0.5 percentage points, 0.5 percentage points and 0.25 percentage points, respectively, and in April 2009 it reduced of 1.25%.

²⁹ Interbank interest rate for selling Denar deposits, calculated from the quotations on the reference banks.



Financing of the budget balance

(in Denar millions)



* Positive change - deposits withdrawal; negative change - deposits accumulation.

** Refers to January and February 2009.

Source: Ministry of finance of the Republic of Macedonia.

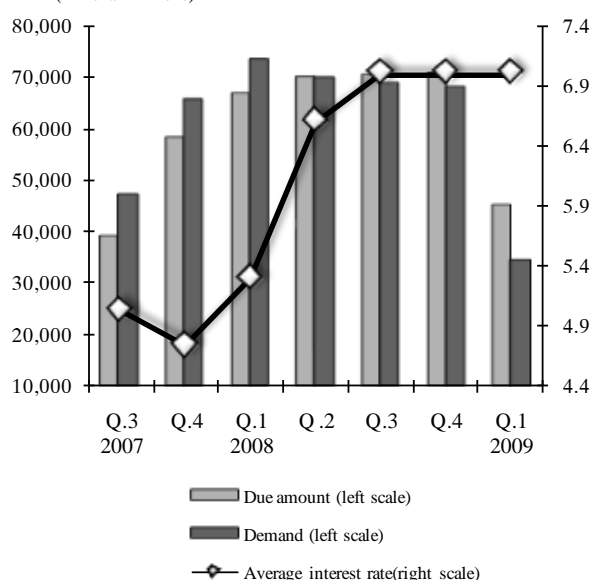
discrepancy between the domestic SKIBOR and the European EURIBOR, with maturity of one month, went up on average by 0.8 and equaled 3.3 percentage points in the fourth quarter compared to the previous one, while in the first three months of 2009 it reached 5.6 percentage points, on average. Such an interest rate gap points to conservative management with Denar liquidity by the domestic banks and rise in the risk premium, in conditions of general increase in the demand for foreign exchange in the economy.

Namely, the global aversion to risk, which overwhelmed the investors in the world, reduced the capital inflows also in the domestic economy. The psychological pressures strengthened, reflecting through the increase in the demand for foreign exchange, which supplemented with the registered high outflows of foreign exchange due to the repatriation of dividend by one large domestic company to foreign shareholder (in November 2008), caused pressures on the foreign exchange market. This was the reason that NBRM intervened in the last quarter with a high net sale of foreign assets. In January, the imbalance on the foreign exchange market additionally increased, while in February it showed moderate signs of stabilization. Thus also in the first two months of 2009, the foreign exchange transactions of the NBRM were in direction of net sale of foreign assets.

CB bills auctions and interest rate

(in Denar millions)

(%)

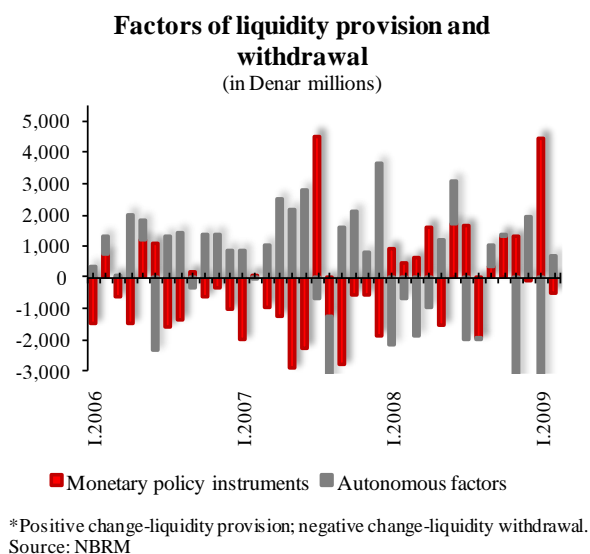


Source: NBRM

In the last quarter of 2008, the pressure on the monetary policy additionally increased as a result of the **change in the direction of the fiscal policy**, which from a phase of constant budget surplus registered in the first three months, entered the zone of budget deficit³⁰ in the last quarter. Having in mind that the largest portion of the registered budget deficit in the last quarter (in the amount of Denar 14,235 million) was financed through deposits withdrawal from the Denar account of the Government with the NBRM, such movements reflected in liquidity creation in the banking system. On the basis of the external indebtedness, additional inflows of Denar 1,035 million were registered in the Budget, on a net basis, while on the primary market of Government securities total of Denar 2,711 million were mobilized. In the first two months of 2009, deficit in the amount of Denar 1,398 million was registered in the consolidated Government Budget, which was completely financed from domestic sources, through debiting on the government securities market and deposits withdrawal from the Government's Denar account with the NBRM.

In conditions of significant liquidity withdrawal through foreign exchange transactions of the NBRM in the last quarter of 2008, the total demand for

³⁰ In the last quarter of 2008, Decision on reallocation of assets between budget users of the Central Government and funds was implemented ("Official Gazette of RM", no. 137/2008), which contributed to intensified increase in the current and capital expenditures in the Budget.



CB bills reduced and it was lower by 3.7% compared to the due amount. Thus the monetary instruments (including the effect of allocation of compulsory deposit with the NBRM) on a quarterly basis acted towards creation of liquid assets. Such trends continued also in the first three months of 2009, when the banks' interest to invest in CB bills additionally decreased, with the banks claiming amount lower than 23.6% relative to the due amount on the auctions held in this period. In order to diversify the supply of instruments in the domestic economy, through which the required minimum level of liquid assets can be filled in³¹, in February 2009, the NBRM broadened the set of instruments by introducing auctions of foreign deposits. Namely, in conditions of instable movements on the international financial markets and growing risk, these instruments enable the banks to lower the credit risk through placement of foreign deposits with the NBRM. The interest rates on the foreign deposits of the banks placed with NBRM move as the interest rates on the deposits placed with the central banks in the Euro area, in the financial institutions, or as the yields based on the Treasury bills of the member states of the Euro area. In February and in March, eight auctions of foreign currency deposits according to the "volume tender" (unrestricted) and interest rates were registered, which reflect the movements on the international financial markets. However, from the four offered maturities (1, 3, 6 and 12 months), in February and in March, the banks were interested in placing the foreign currency deposits with the NBRM with maturity of one month, with total of Euro 9.8 million being withdrawn on cumulative basis through this instrument.

In the fourth quarter, the banks maintained liquidity higher by 2.3%, on average, compared to the average of the previous quarter, with the increase in the excess allocated liquid funds over the reserve requirement being registered. Thus the excess allocated liquid funds over the reserve requirement (in Denars)³², equaled 5.2%, on average in the fourth quarter of 2008, compared to 4.6% in the preceding quarter. Compared to the same quarter of the previous year, the excess over the reserve requirement is lower by 3.2 percentage points. At the end of the fourth quarter, the reserve money³³ was higher by 8% on annual basis, while at the end of February 2009, the annual growth rate equaled 8.7%.

The macroeconomic trends registered in the first two months of 2009 point to significant further decrease in the inflation rate and its stabilization at low level. On the other hand, the effects of the global economic crisis on the

³¹ In line with the Decision on managing banks' liquidity risk no. 162/2008).

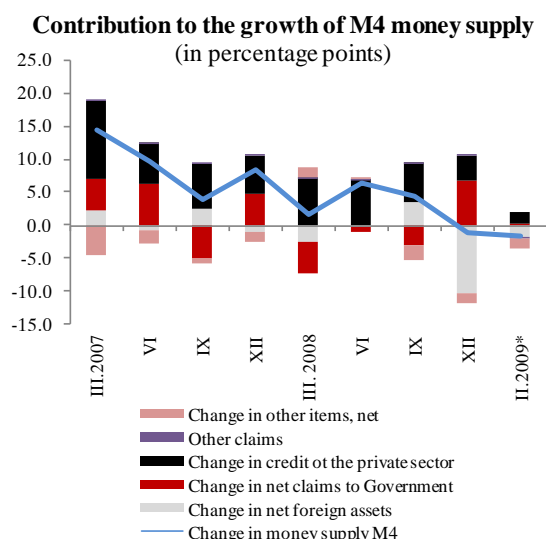
³² The period for maintaining (fulfilling) the banks' reserve requirement covers the period from the 11th in the current month to the 10th in the following month. The excess pertains to the excess of funds allocated to the banks' accounts with NBRM over the reserve requirement.

³³ It includes also the reserve requirement in foreign exchange.

Macedonian economy started to intensify, which can be perceived especially through the reduced external and domestic demand. In such conditions, it can be expected that also in the following period the main risks for the monetary policy will be concentrated in the external sector, which imposes a need of constant readiness of the Central Bank to neutralize the potential pressures on the foreign exchange market through appropriate adjustment of the monetary policy instruments. However, the central banks of the developed countries, faced with recession and deflation risk, transfer to significant relaxation in the monetary policy without second thought. On the other hand, the monetary policy position in the Macedonian economy is more specific. Namely, the decrease in the external demand and the slowing down of the capital inflows create pressures on the foreign exchange risk. In such conditions, despite the delay in the inflationary pressures, the necessity for maintenance of the foreign exchange rate stability imposed monetary reaction towards larger restrictiveness. In the following period, for the successful realization of the monetary purposes, the coordination of the macroeconomic management is of great importance. In this context, the fiscal policy conduct, which will not additionally deteriorate the external position of the economy, is extremely important.

2.1. Monetary aggregates

The transfer effects of the global crisis, together with the high capital outflows from the domestic economy, due to the payment of dividend, were the main factors that determined the monetary aggregates dynamics in the last quarter. Thus after a longer period of registering relatively high growth rates on a quarterly basis, in the last quarter of 2008, the broadest money supply M4 registered negative quarterly change. The decrease in the money supply is explained with the deceleration in the economic activity, the slowing down of the crediting growth rate, the outflows based on dividends, as well as the reduced foreign exchange inflows from abroad, in conditions of even more intensified deceleration in the international capital flows. However, certain effect on the monetary growth had also the psychological pressures on the domestic depositors, created from the crisis of the financial system of the developed economies. This resulted in slight withdrawal of the deposits from the banking system in the first two months of the quarter, which was followed by stabilization of the expectations related to the soundness and safety of the domestic banking system. The effects of these factors were lessened with the inflows in the banking system created through the public consumption, which was significantly higher in the last quarter relative to the previous period of the year.



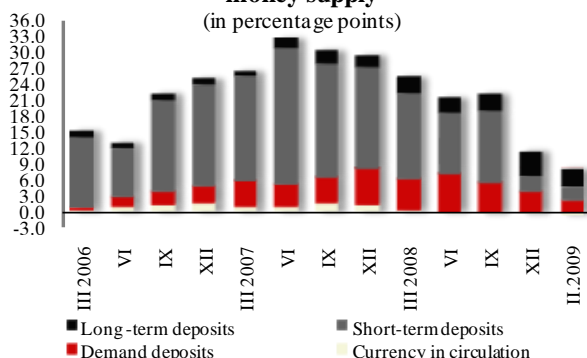
After the inflationary pressures are exhausted, as a having dominant influence on the decisions of the economic agents in the first three quarters, in the last quarter of 2008, the Macedonian economy faced with the effects of a global crisis which was getting deeper and deeper, as new external shock. The bankruptcy of the US investment giant "Lehman Brothers" (in September 2008), tightened the already present tensions on the international financial market, causing global "non-confidence crisis" in the financial world. As a result of such developments, the banking systems, in more developed countries, faced with the risk of mass withdrawal of the deposited money savings (a risk, which has been realized to certain extent, although with

*Refers to the cumulative change February 2009/December 2008. In the last quarter of 2008 and in the first two months of 2009, the quarterly/cumulative change of the money supply is negative.

Source: National Bank of the Republic of Macedonia

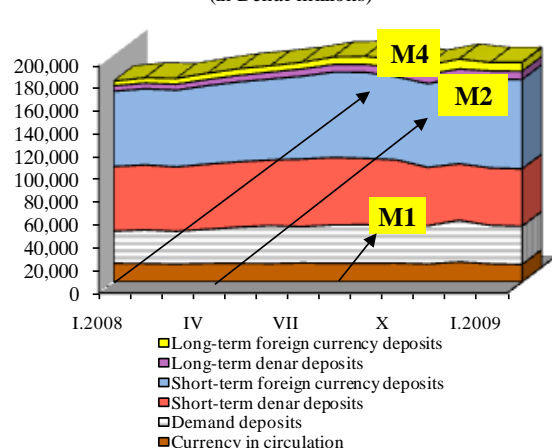


Contribution to annual growth of M4 money supply



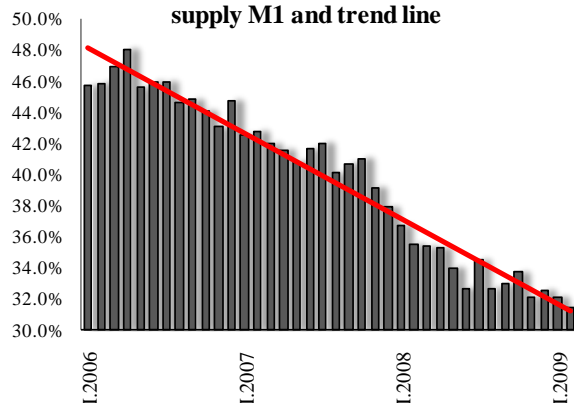
Source: National Bank of the Republic of Macedonia

Components of the monetary aggregates



Source: National Bank of the Republic of Macedonia.

Share of currency in circulation in money supply M1 and trend line



Source: National Bank of the Republic of Macedonia.

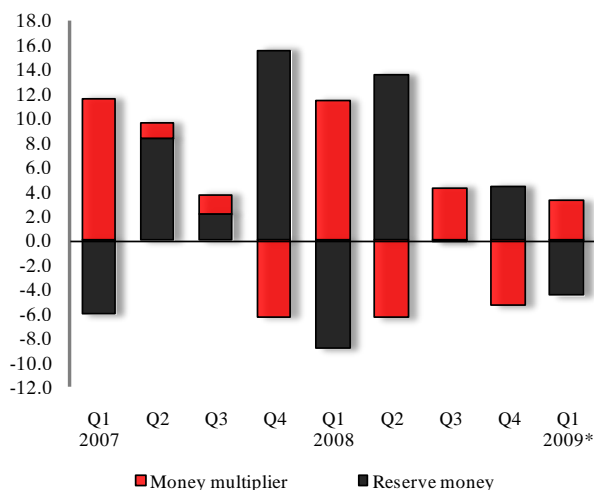
a different intensity depending on the country), because of which their governments reacted with an increase in the percentage of the deposits insurance. The psychological pressures that overwhelmed the bank depositors in global terms did not pass the Macedonian depositors, which can be perceived from the monthly decrease in the households' deposits in October and November. However, after the initial shock, the expectations were stabilized relatively quickly, and in December 2008 and in February 2009, the bank deposits again registered an increase on a monthly basis (although a moderate one). Parallel to the financial sector, the effects of the world financial and economic crisis began to feel also in other sectors of the economy, contributing to deceleration in the economic activity, decrease in the volume of the foreign exchange inflows from abroad, and tightening of the crediting conditions by the banking sector. All these factors, supplemented by the repatriation of high amount of dividend by a large company to foreign investor (in November 2008), influenced towards decrease in the monetary growth. On the other hand, the significant intensification in the budget consumption contributed in money supply creation in the last quarter of the year.

In such circumstances, the broadest money supply M4 after the longer period of registering relatively high rates of quarterly growth (which began to show certain signs of delay from the beginning of 2008), in the last quarter of 2008 dropped by 1.2% on a quarterly basis. Thus in December 2008, the annual growth rate of the broadest money supply M4 reduced to 11.2%, while in the last two months it continued to slow down to the level of 7.6%, in February 2009.

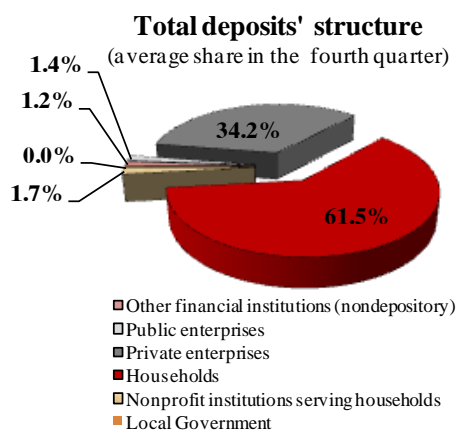
The high outflows of capital outside the domestic economy (one-time payment of high amount of dividend) in the last quarter resulted in certain **structural movements in the money supply**. Thus, the **short-term deposits**, as dominant component in money supply creation, in the last quarter represent the main driving force of its decrease. However, their structural share within the broadest money supply reduced, at the expense of the increase in the share of the **long-term deposits**, which, as in the previous quarter, registered more significant quarterly growth of 20% (compared to 18.8% in the preceding quarter and 14.3% in the second quarter of 2008). The main driving force for the growth in the long-term deposits in the last quarter is the households' deposits, while the long-term deposits of the enterprises went down on a quarterly basis. Thus the share of the long-term deposits in the broadest money supply M4 equaled 8.3%, on average, in the last quarter, compared to 6.7% in the preceding quarter. Analyzed from historical aspect, such changes, although small, are of special importance, having in mind that in the period before 2008, the share of the long-term deposits in the broadest money supply was constantly maintained at the level of about 4%. In conditions of higher Government consumption, the demand deposits registered strong



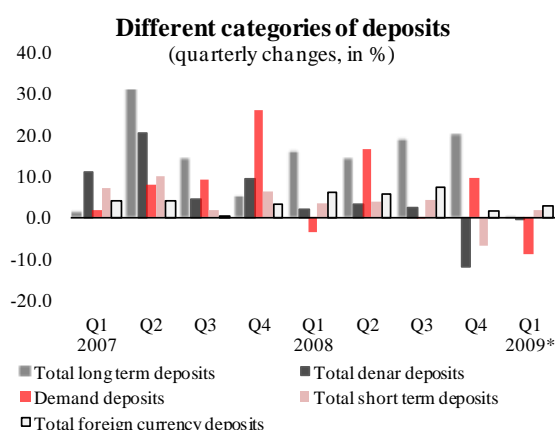
Contribution to the quarterly growth of M4 money supply
(in percentage points)



*Refers to the cumulative change February 2009 / December 2008. In the last quarter of 2008 and in the first two months of 2009, the quarterly / cumulative change of the money supply is negative.
Source: National Bank of the Republic of Macedonia



Source: National Bank of the Republic of Macedonia.



*Cumulative change February 2009 / December 2008.
Source: National Bank of the Republic of Macedonia.

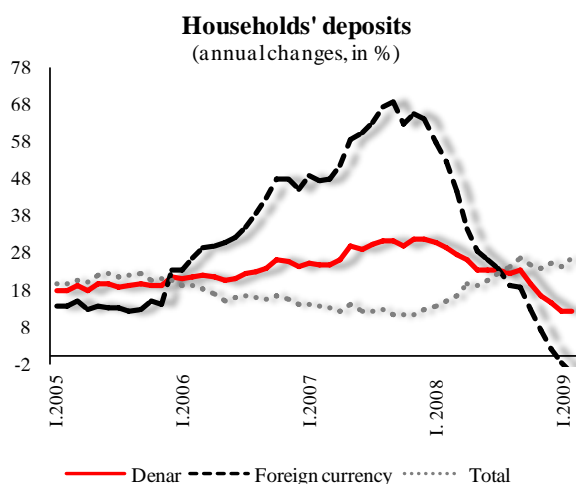
increase on a quarterly basis, which besides the common seasonal intensification in the demand for cash, before the New Year and Christmas Holidays contributed to further decrease in the share of the currency in circulation in the narrowest money supply M1 (32.8% on average in the last quarter, compared to 33.4% in the preceding quarter).

Analyzed from the aspect of the **factors influencing on the monetary growth**, the decrease in the broadest money supply in the last quarter is completely due to the decelerated process of monetary multiplication (the monetary multiplier of the broadest money supply M4 reduced from 5.1 in September 2008, to 4.8 in December), while the reserve money registered an increase on quarterly basis.

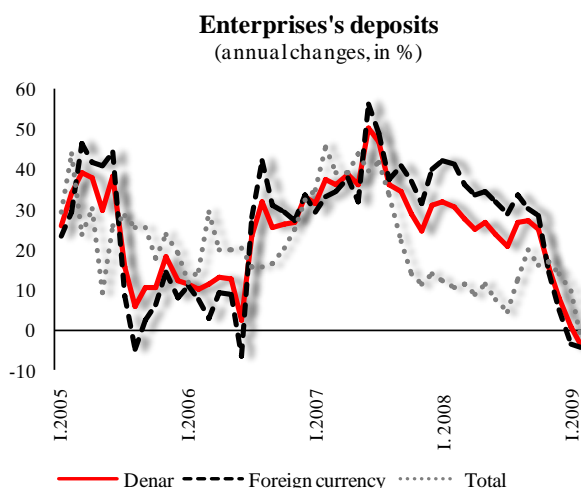
The total deposits (with demand deposits)³⁴ reduced by 1.9% on a quarterly basis, compared to the quarterly rise of 4.3% in the previous quarter. If the demand deposits effect is excluded, the fall in the total deposits is stronger and it equals 4.3%. The volume of the quarterly decrease in the deposit potential is smaller than the one-time outflows from the banking system due to the repatriation of the dividend, which points to inflow of new saving in the banking system in the last quarter. Namely, in December the change in the total deposits (without demand deposits) was once more in direction of monthly growth, and the same trend continued also in the first two months of 2009. In February 2009, the total time and savings deposits were higher by 1.7%, compared to the end of the preceding year. Annually, (February 2009 / February 2008), the total deposits (with demand deposits) went up by 8.7%, which is additionally slowing down compared to the registered annual growth rate in December 2008 (12.4%).

The escalation of the global financial crisis and its transfer effects on the behavior of the domestic depositors can be perceived best through the registered changes in the **households' deposits** in this period. Thus, compared to the constant growth, characteristic for the households' deposits until September 2008, in October and November (when first doubts in the safety of the deposited assets arouse), outflows from the savings time accounts of the households in the total amount of Denar 840 million were registered. However, the perceptions and the expectations calmed down relatively fast, thus reducing the psychological pressures, and in the following months, the savings time deposits of the households roused again on a monthly basis (of Denar 552 million and Denar 1,271 million, in December 2008 and in February 2009, respectively, while minor drop was registered in January). In such conditions, the quarterly growth rate in the total households' deposits (with demand deposits) in the last

³⁴ Starting from January 2009, the deposits include calculated interest, as well.



Source: National Bank of the Republic of Macedonia



Source: National Bank of the Republic of Macedonia.

quarter of 2008 equaled 0.4% (compared to 2.9% in the first quarter, 5.1% in the second quarter and 5.5% in the third quarter of 2008), while in the first two months of 2009, these deposits registered a cumulative growth rate of 0.9% (it refers to the change February 2009 / December 2008). During the analyzed period, the households continued to save in **foreign currency**, while the Denar deposits registered constant decrease on a monthly basis. Simultaneously, the trend of more significant rise in the households' **long-term deposits** was preserved (given decrease in the short-term deposits in the last quarter), which contributed to future increase in their structural share within the total deposits of this sector (11.7% in February 2009, compared to 9% in September 2008). Annually, (February 2009 / February 2008), the total deposits of the households (with demand deposits) went up by 12.7%, compared to 14.6%, as the annual growth rate equaled in December 2008.

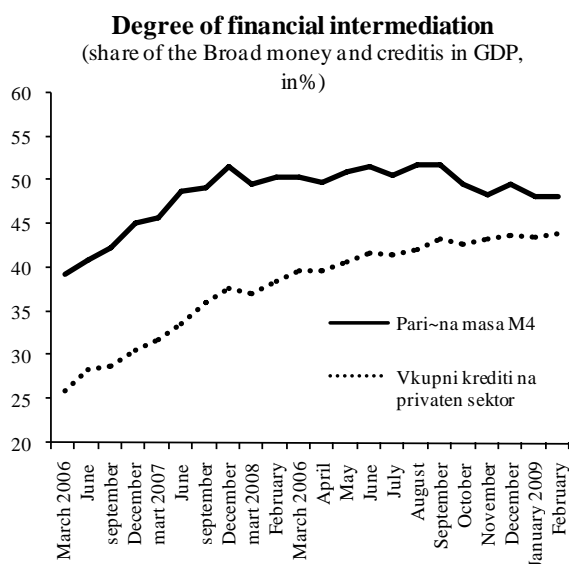
In the last quarter of 2008, **the total enterprises' deposits** significantly reduced, registering quarterly decrease of 6.5%. The decrease in the quarterly basis was registered with all categories of enterprises' deposits from the aspect of the maturity and the currency (except to demand deposits, which registered quarterly rise of 10.5%), with the severest quarterly drop of 24.1% being registered with the Denar deposits (without demand deposits). Dominant influence on the dynamics of the enterprises' deposits in this period accounts for the performed repatriation of dividend by one large domestic company to a foreign shareholder, which resulted in one-time outflows from the enterprises' bank accounts in November. Also after the exhaustion of this effect, the trend of decrease in the total enterprises' deposits continued (in first two months of 2009 negative monthly changes were registered), which in conditions of global recession and impediment of the economic activity in the country, points to worsening in the financial results of the economic agents. In line with such movements, in February 2009, for the first time from the initiation of the global crisis, the total enterprises' deposits recorded negative annual rate of change of 3.6%.

In conditions of delayed economic activity and unfavorable tendencies on the labor force market, **continuation of the trend of slower growth in the bank deposits can be expected**. Also the expected rise in the costs of servicing of the current debts of both households and enterprises to banks goes in favor of this. The so-far dynamics of the deposits in the banking system is slower than the expected one. However, having in mind the risks for slower economy growth compared to the expected one, as well as the uncertainty related to the volume of the capital inflows (in conformity with the constant downward revisions of the global growth), there are risks of further slower growth in the deposits relative to the expectations. On the other hand, larger restraint from consumption and investments

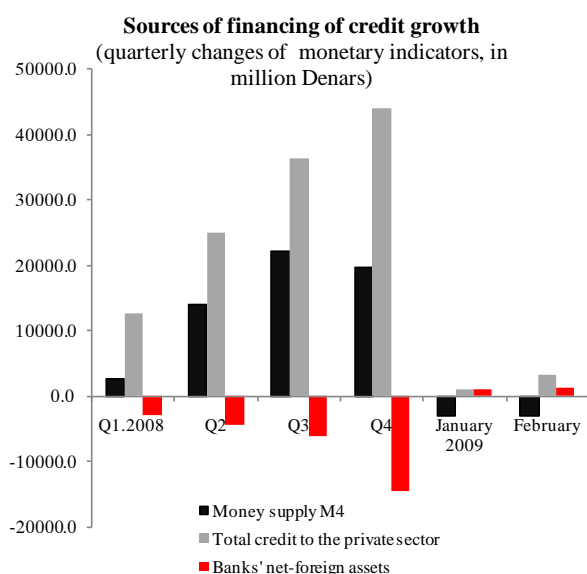
can act in opposite direction, thus increasing the propensity to save. Additional support to the rise in the savings is certainly the current policy of the banks pertaining to constant rise in the deposit interest rate, as well as the further diversification of the deposit products, especially through increase in their flexibility.

2.2. Credit activity

The deceleration in the credit flows from the banks to the private sector and tightening of the credit conditions were the main characteristic of the credit markets within October 2008 - February 2009 period. More significant slower growth was registered in the households crediting. Because of the unfavorable perspectives for the future economic growth, reassessment of the increased risks by the banks is made, and in conditions of restricted access to sources of financing and weaker confidence in a stage of world recession, they are expected to contribute to credit offer reduction also in the following period.



Source: NBRM.

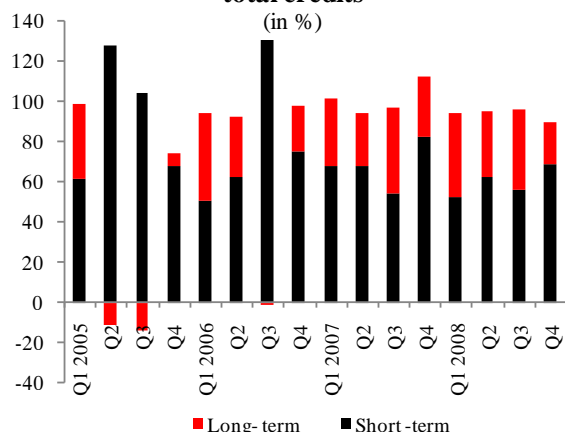


*The performances by quarter in 2008 are cumulative changes compared to the end of 2007, and the performance for January and February are cumulative changes compared to the end of 2008
Source: NBRM.

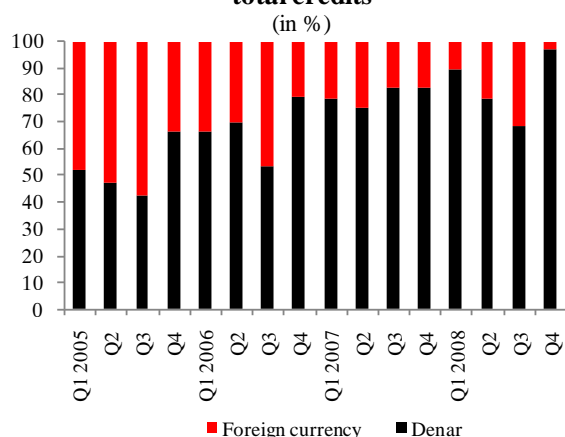
The Lending Survey pointed to worsened perceptions of the banks for the future economic activity in October 2008, and announced further tightening of the credit conditions. The unfavorable expectations of the banks were created in conditions of constant deterioration of the projections for the achievements of the international economy and the first spill over signs on the real sector of the Macedonian economy. The changes in the banks' expectations were felt relatively rapidly on the credit market, where in the last quarter of 2008, the quarterly growth of the credits slowed down to 4.7%, which points to intensified delay in the crediting relative to the previous two quarters (the credit growth equaled 9.8%, 8.9% and 7.4% in the first, second and the third quarter, respectively). The trend of delay in the crediting continued also in the first two months of 2009, with the growth in the total credits in February slowing down to 1.8% compared to December. Thus the banks continued (although with more apparent intensity) to adjust the volume of their activities to the changes in the macroeconomic environment, which mean growing risks and even bigger restrictions to the sources of financing.

The currency process of restructuring of the balance sheets of the international financial institutions and the restriction of the mutual borrowing cut the inflow of capital on global level and increased the tension on the international markets. The distracted global financial relations transferred to the domestic banks through **hampered access to the external sources of financing**, pointing to reduced potential for financing the activities through this channel. Also, having in mind the so-far pace of decrease in the banks' foreign assets³⁵, as well as the necessity for maintenance of certain level of foreign currency liquid assets for managing liquidity risk, the space for utilization of these assets also narrows. Such conditions have, certainly,

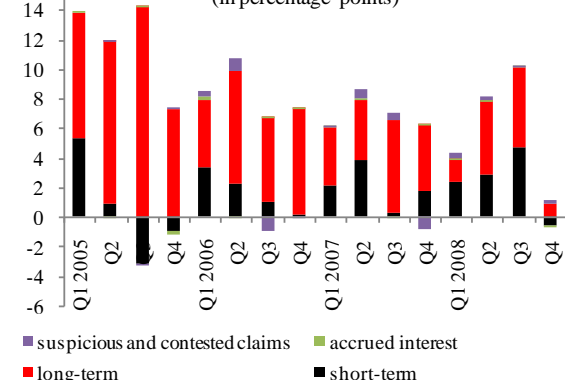
³⁵ In the last quarter of 2008, the net foreign assets reduced by 99.7% quarterly and in December it reduced to historically lowest level of Denar 27 million.

**Contribution in the quarterly growth of total credits**

Source: NBRM

Contribution in the quarterly growth of total credits

Source: NBRM

Contribution to the quarterly growth of credits in foreign currency

Source: NBRM.

motivated the banks for undertaking more aggressive policy for stimulating the domestic investments in form of deposits by the private sector. However, significant delay in the growth rates also with the deposit base was registered, which represents a significant turnover in the so-far trends of a relatively high rise in the money supply) and it is an indicator for even larger financial restrictions the banks will face with in the following period.

Besides to the deceleration of the quarterly growth, one of the characteristics of the credit market in the last quarter is the **significant impediment in the crediting in foreign exchange**, which can be related to their lower export activity and the import demand in this period. Thus after the enhanced increase in the third quarter of 2008 (of 10.3%), the foreign exchange crediting went up by moderate 0.6% in the last three months of the year. Within the foreign exchange credits, the short-term³⁶ foreign exchange credits changed the direction of movement, which in the last quarter registered negative growth rate (of 2%), compared to the constant quarterly rise characteristic for the previous two years (which reached 19.5% in the third quarter). Opposite to the crediting in foreign currency, the impediment of the quarterly growth of the **Denar credits**³⁷ was less evident. Thus on a quarterly basis, the growth rate of the Denar credits equaled 5.9%, compared to 6.5% in the third quarter. The growth in the short-term component of the Denar credits slowed down to 4.3% on a quarterly basis (7.1% in the third quarter), while the Denar long-term credits augmented by 6.7% (6.5% in the previous quarter). Observed from the **maturity aspect**³⁸, the short-term credits went up with intensity weaker for three times compared to the third quarter (quarterly increase in the last three months equaled 3.1% compared to 9.3% in the third quarter), while the long-term credits surged by 5.3% (compared to 6.8% in the previous quarter).

From the aspect of the individual sectors, in the last three months of 2008, the impediment in the credit flows was significantly more apparent with the **households**³⁹, (quarterly increase of 3.9% compared to 8% in the previous quarter). Such movements of the households' crediting segment are conditioned by several factors. One of them is the lower supply of credits, in conditions of banks' perceptions for growing risk and undertaken monetary measures directed towards deceleration in lending to households⁴⁰. The

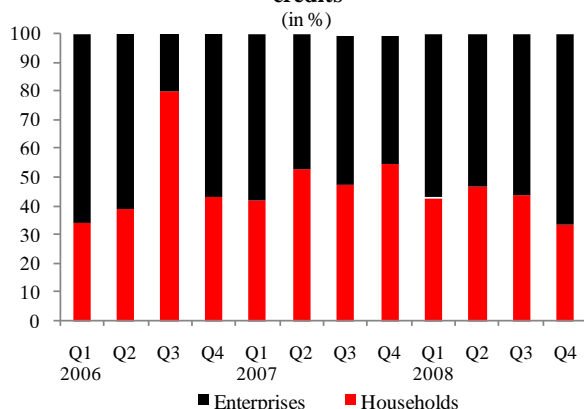
³⁶ Suspicious and contested claims and calculated interest are excluded from the maturity analysis.

³⁷ Denar credits include also the Denar credits with FX clause.

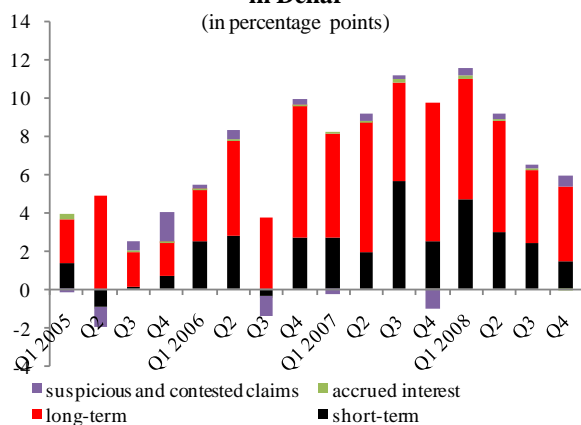
³⁸ Suspicious and contested claims and calculated interest are excluded from the maturity analysis.

³⁹ It refers to natural persons and self employed professionals.

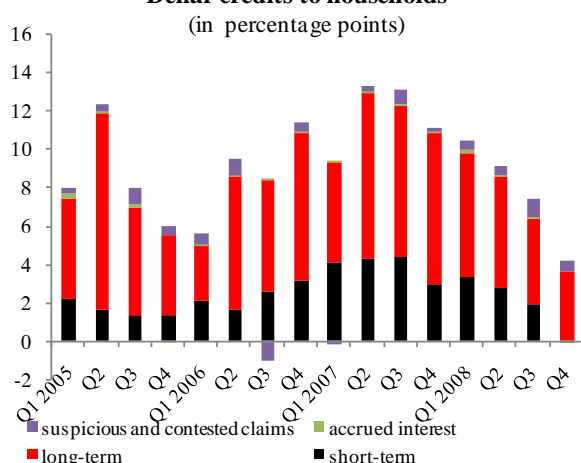
⁴⁰ Decision on a compulsory deposit with the NBRM dated June 12, 2008, Decision on a compulsory deposit with the NBRM dated December 25, 2008 and the Decision on amendments to the Decision on a compulsory deposit with the NBRM dated February 26, 2009.

**Contribution in the quarterly growth of total credits**

Source: NBRM

Contribution to the quarterly growth of credits in Denar

Source: NBRM.

Contribution in the quarterly growth of Denar credits to households

Извор: НБРМ

decrease in the quarterly growth rate was influenced also by the tightened interest rate policy of the banks⁴¹ in the last quarter of the year. The large uncertainty about the future financial strength of the households, as a result of the unfavorable perspectives for the economic activity in the country had additional influence on the credit demand and supply, and thus instability of the current and the future income of the households.

From the aspect of the **currency**, the crediting of the households in the last three quarters totally refers to the crediting in domestic currency, in conditions when the foreign exchange credits registered moderate quarterly decline of 0.1%. From **maturity aspect**, 85.7% of the increase in the total households' credits are due to the extended long-term credits, which went up by 4.8% (7.5% in the third quarter), compared to the severe decrease in the growth rate of the short-term credits (to 0.2%, compared to 7.4% in the third quarter).

The deceleration in the activities' pace of the segment of households' crediting can be observed also through the **annual dynamics** of the crediting of this sector. Thus at the end of 2008, the annual growth reduced to 37.2% (compared to 57.3%, 53.5% and 47.1% in the first, second and the third quarter, respectively), according to which the banks were within the limits provided by the Decision on the compulsory deposit (according to which the annual growth rate in December was set at 40%). In the first two months of 2009, the credit placements to this sector continued to slow down, reducing the annual rise in February to 32%⁴².

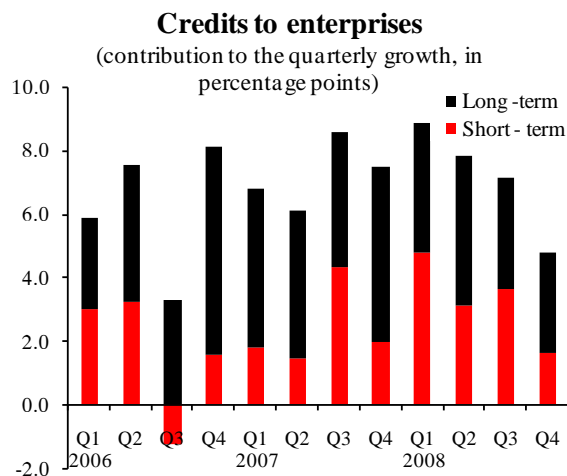
Opposite to the crediting of households, the credit flows to the **corporate sector** in the last quarter of 2008 registered more moderate deceleration in the growth, reducing to 5.2%, compared to 6.9% in the third quarter. The slower increase in the corporate credits reflected the current situation on the international and the domestic market, where the lower interest for investment and the unfavorable demand caused lower use of the domestic capacities and lower volume of activities. From the aspect of the **currency**, increased credit growth of 7.6% with the Denar corporate credits was registered (compared to 5.6% in the previous quarter), opposite to the foreign exchange crediting, which reduced to 0.7% on a quarterly basis (9.4% in the preceding quarter). From the aspect of **maturity**⁴³, in the fourth quarter of 2008, the long-term crediting prevailed (with a share of 60.6% in the increase in the total corporate credits). However, the decrease in the

"Households" sector does not include credits extended to self employed professionals.

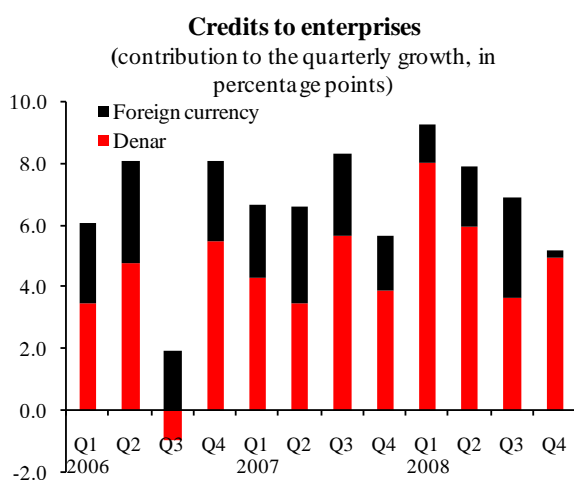
⁴¹ Lending Survey, February 2009.

⁴² At the end of 2009, the allowed annual growth rate of these credits equals 11.3%.

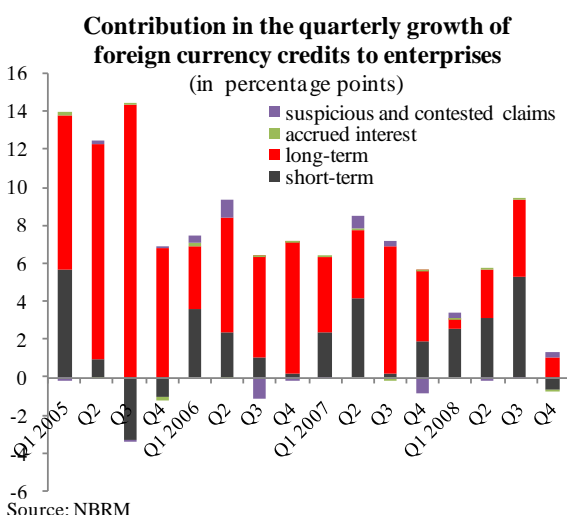
⁴³ Suspicious and contested claims and the calculated interest rate are not included in the maturity analysis.



Source: NBRM



Source: NBRM



Source: NBRM

activities' volume and deteriorated perceptions for the future situation in conditions of the international recession, indicate possibility for a decrease in the demand for long-term credits by the enterprises in the following period. Namely, in contrast to the Lending Survey conducted in the past period, in which almost all of the surveyed banks realized that the investments in fixed assets are one of the main reasons for the increased credit demand, the survey made in February indicates that in the third quarter, the need of these long-term assets puts less pressure on the credit demand. On the other hand, the requirements for stocks and work assets continue to have stimulatory effect on the demand for credits, thus pointing to the higher need of sources of financing of the current activities, in conditions when the volume of the additional inflows on different basis narrows. On the side of the credit offer, the changes in the economic environment caused reassessment of the possible risks the banks are exposed to, which, together with the restricted sources of credit expansion caused tightening of the conditions for approving corporate credits and narrowing of the credit growth (up to 27% in February) continued with enhanced dynamics with the long-term and foreign exchange credits (28.9% and 19.3%, respectively in February 2009, compared to 38.9% and 29.2% in February in the previous year).

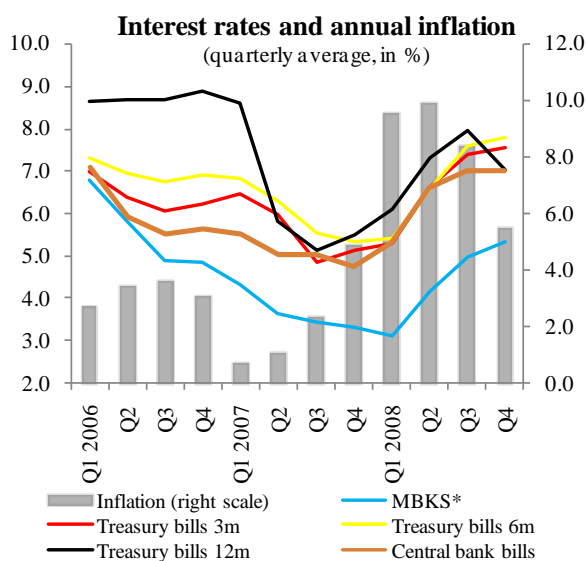
The expectations for the credit market are in direction of **further decrease in the volume of the credit offer and demand**. The banks' financial restrictions, as well as their perceptions for growing risk in the economy are expected to be the main condition for further decrease in the bank assets scope. In conditions of deceleration in the economy's growth, the risks of decrease in the capacity for regular servicing of the debts are increasing, which, certainly, lead to downward adjustment to the size of the banks' balance sheets. Simultaneously, the tightening of the credit conditions, together with the growing uncertainty about to the future trends in the economy and the future income are elements which will condition, to great extent, the decrease in the demand of credits.

Having in mind the fact that in the risks' balance until the end of the end of the year larger weight is put on the risks for larger impediment of the economy than estimated, the same statement can be given for the credit market, as well. The new acceleration in the banks' activities pace, will depend, to great extent, on the revitalization of the economy, which will prescribe recurrently widening of the banks' sources of financing, increase in the financial capacity of the corporate sector and households and creation of positive expectations.

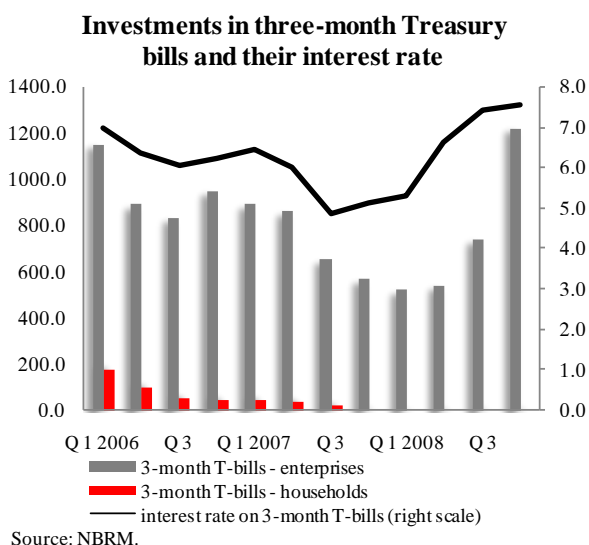
2.3. Interest rates

The lower financial capacity and the higher risks the banks faced with acted towards further tightening of the interest rate policy, as one of the crediting conditions. Also, the lower interest for saving of

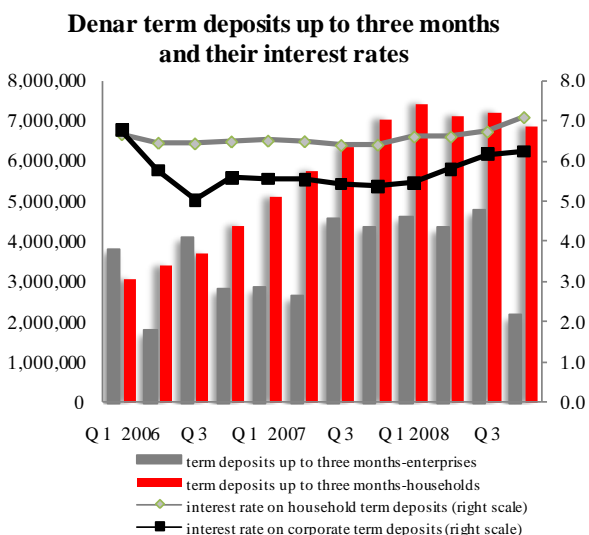
the private sector, in conditions of growing pressures and shaken confidence on global level motivates the banks to conduct stimulatory interest rate policy for the purpose of deposit core strengthening. In the following period, the changes in the banks' interest rate policy is expected to arise from their perceptions for risk, as well as from the orientation for maintenance of the current and attraction of new saving.



Despite the unchanged reference interest rate of the NBRM in the last two quarters of 2008, the **interbank interest rate (MBKS)** continued to rise, registering a quarterly increment of 0.4 percentage points. The increase in the interbank interest rate is registered in conditions of deepening of the global financial crisis and a decrease in the global liquidity, which means risk for the banks regarding the future liquidity level and imposes a need of more conservative management. Constant monthly growth is registered also with the interbank interest rate for concluded overnight transactions ((MKDONIA), which went up from 4.79%, as it equaled in October 2008⁴⁴, to 5.17% and 4.92% in the first two months of 2009. In 2008, the quoted interbank interest rate (**SKIBOR**), registered an upward trend, and in the fourth quarter of 2008, this interest rate equaled 4.9%, 5.65%, 7.3% and 7.89%, on average, for a maturity of one month and three months, respectively (compared to 4.78%, 5.54%, 7.16% and 7.61%, respectively, in the third quarter).



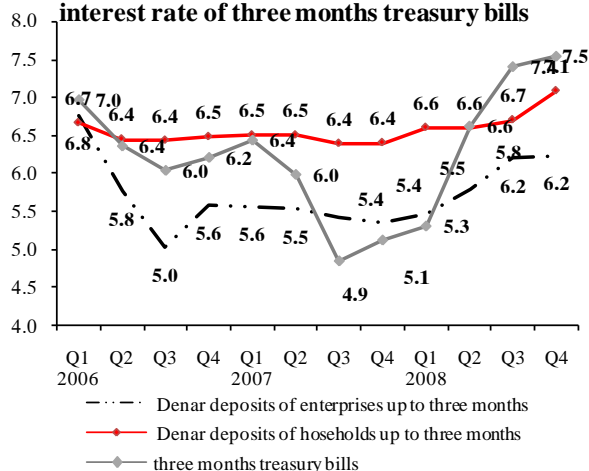
The movements on the **primary Treasury bills market** in the fourth quarter of 2008, point to moderate increase in the average yields on the basis of three-month and six-month Treasury bills, the average interest rate of which equaled 7.5% and 7.8%, respectively. Regarding the 12-month Treasury bills, reverse movement from the trend characteristic for the first nine months of 2008 was registered, with the constant increase in the average interest rate to 8% in the third quarter, in the last three months of the year it reduced to 7%.



Within the Denar interest rate management domain, in the last period the banks mainly focused on the maintenance and the increase in the market share on the foreign exchange market, through **supply of higher yields from saving**. Thus the weighted Denar deposit interest rate in the third quarter surged by 0.4 percentage points on a quarterly basis, while the increase also continued in the first two months of 2009, and this interest rate equaled 6.8% in February. In conditions of higher costs for providing sources of financing and perceptions for growing risk, the banks increased the **lending Denar interest rates**, by 0.2 percentage points, on average, in the third quarter (9.8%). Thus the interest rate spread registered more moderate decline in comparison with the preceding quarter and it equaled 3.4 percentage points. However, the rise in the deposit interest rates in the first two months of 2009, compared to the decrease in the lending interest rates of 0.1 percentage point in January and maintenance of the same level in February, resulted in larger decrease in the

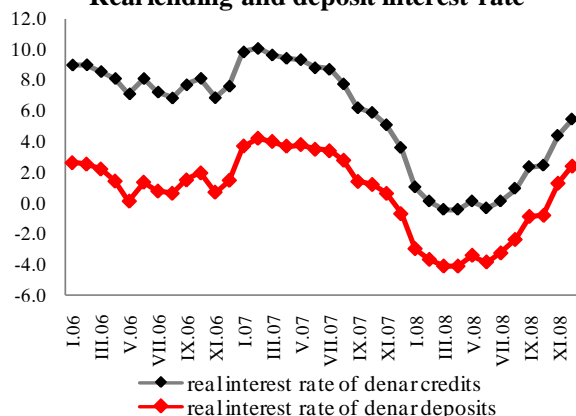
⁴⁴ The calculation of this interest rate started from October 2008.

Average interest rate of three months Denar deposits of enterprises and households and average interest rate of three months treasury bills



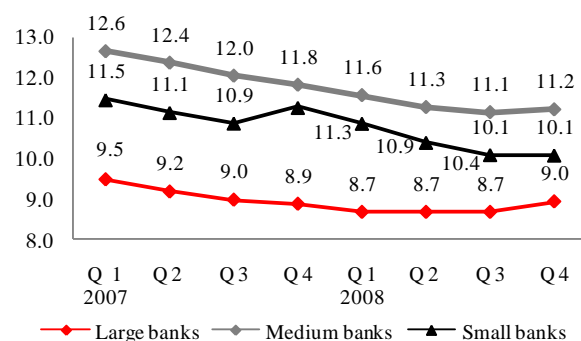
Source: NBRM

Real lending and deposit interest rate



Source: NBRM

Average weighted lending Denar interest rate by group of banks



Source: NBRM.

interest rate spread in this period, and it reduced to 2.9 percentage points.

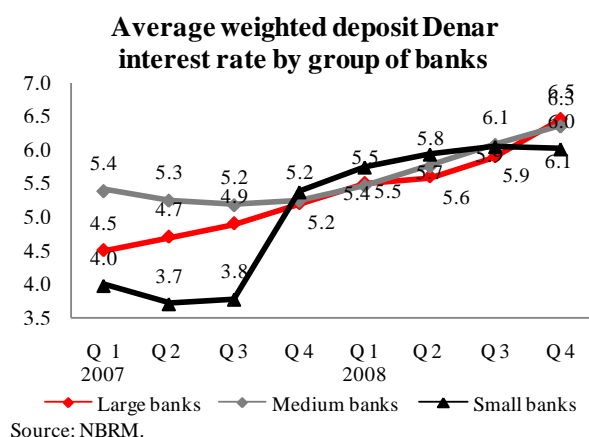
The changes in the Denar interest rates on the newly accepted deposits and newly extended credits in the last three months of 2008 correspond to the changes in the interest rates of the total credits and deposits. Thus the deposit interest rate went up by 0.2 percentage points and equaled 4.4%, while the active interest rate equaled 9.3% (increase of 0.1 percentage point). In February 2009, the interest rate on the Denar credits augmented to 9.4%, after it maintained at the level of 9.1 in the preceding two months. On the other hand, the deposit interest rate continued the upward trend and in February it equaled 4.8%.

From the aspect of the individual sectors, regarding the price of the Denar crediting of households, moderate quarterly increase of 0.2 percentage points was registered (and it equals 11%, on average), while the yield based on households' saving in Denars reached 6.8%, on average, which is a quarterly rise of 0.4 percentage points. In the structure of the lending interest rates, the highest quarterly change was registered with the interest rate on the short-term credits without currency clause, which increased by 0.9 percentage points, on average and reached the average level of the interest rate on long-term credits without FX clause in the last quarter (of 13.4%). From the aspect of the newly approved credits, the interest rates ranged in the same direction as with the total credits, with exception to the short-term credits with FX clause, the interest rate of which declined by 2.3 percentage points on a quarterly basis, and on average it equaled 7.7%, while in February, it reduced to 5.8%. The tightening of the interest rate, as one of the main conditions when extending credits, is in conformity with the perceptions of the banks in the Lending Survey in the fourth quarter of 2008, where the banks pointed to the generally tightened conditions for approving credits to households⁴⁵. However, as the most significant reason for tightening the credit conditions the banks state the higher financial assets costs and the on-balance sheet restrictions, as well as the higher risk degree. Having in mind the uncertainty about the future economic activity in the country and the influence of the stated factors, the banks expect continuation in the tightening of the credit conditions for the households also in the first quarter of 2009⁴⁶.

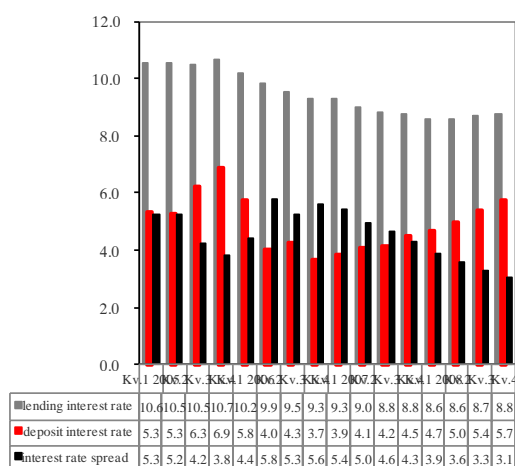
The intensified banking competitiveness of the domestic deposit market contributed to constant stimulatory interest rate policy directed towards the "households" sector. The quarterly increase was registered with the average interest rates with all types of households' Denar deposits without FX clause (except to sight deposits, which registered no change).

⁴⁵ Lending Survey, February 2009, NBRM.

⁴⁶ Lending Survey, February 2009, NBRM.



Average weighted Denar lending and deposit interest rates of enterprises and interest rate spread



Source: NBRM.

The largest increase was registered with the time deposits with maturity of 6 to 12 months and over one year, the average interest rates of which went up by 0.5 percentage points, quarterly (compared to the rise of 0.2 percentage points in the third quarter). In the first two months of 2009, the deposit interest rates of households were higher than the average for the last quarter of 2008, except to the interest rates on the short-term time deposits with FX clause, which in February decreased by 0.7 percentage points below the average and equaled 8%.

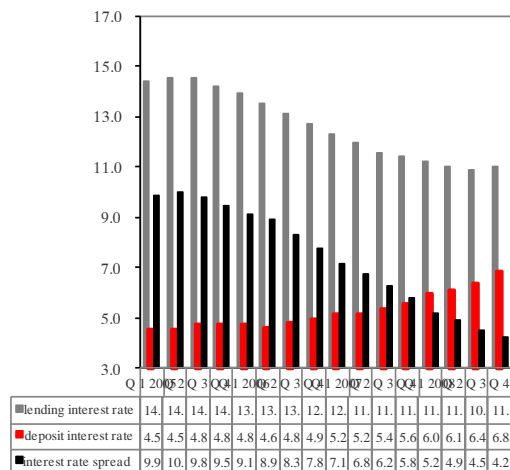
In the fourth quarter of 2008, the banks' interest rate policy of the **enterprises** characterizes with higher increase in the average Denar deposit interest rate (of 0.3 percentage points), in conditions of minimal quarterly increase with the average Denar lending interest rate (of 0.1 percentage point). Within the deposit Denar interest rates, the biggest quarterly change (of 0.9 percentage points) was registered with the interest rate on the Denar deposits without FX clause with maturity of over 3 to 6 months, and it equaled 5.5%, on average. In the first two months of 2009, higher increase relative to the average registered in the last quarter of 2008 was evidenced with the interest rates on the Denar sight deposits and the long-term time deposits with FX clause, in contrast to the short-term deposits with FX clause, which recorded a decrease.

In the first quarter of 2009, the banks expect further strengthening of the credit conditions for enterprises, as a result of the perceptions for risk growth, in conditions of changed expectations of the banks for the future activity of the enterprises and the economy in general⁴⁷.

In the last quarter of 2008, the interest rates on the **foreign exchange credits** moved in the opposite direction from the **deposit foreign exchange interest rate**. Thus the deposit interest rate augmented by 0.4 percentage points, on average, on a quarterly basis and it equaled 2.9%, while the lending interest rate dropped, on average by 0.3 percentage points and it equaled 7.8%. The average interest rates on the newly approved credits point to moderate quarterly increase (of 0.2 percentage points), mainly under the influence of more restricted interest conditions for short-term and long-term extended credits of the enterprises in Euro (increase of 0.1 and 0.2 percentage points, respectively), in conditions of a decrease in the interest rate of the households' foreign exchange credits (drop of 0.8 percentage points with the short-term and 0.4 percentage points with the long-term credits). Regarding the newly extended deposits, the average interest rate preserved the level registered in the third quarter.

⁴⁷ Lending Survey, February 2009, NBRM.

Average weighted Denar lending and deposit interest rates of households and interest rate spread



Source: NBRM.

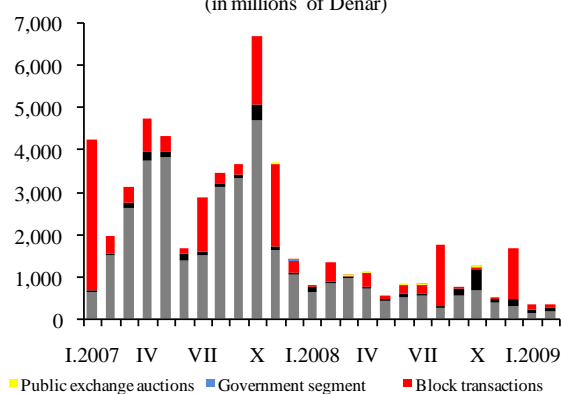
The saving stimulation policy, in conditions of risks of higher withdrawal of part of the deposits and a decrease in the new deposit base, was characteristic also for the foreign exchange segment. Thus the yield based on the **households'** foreign currency deposits went up by 0.5 percentage points (2.9%), on average, on a quarterly basis. The higher yield is especially recorded with the short-term and the long-term households' deposits placed in Euros, where the interest rate surged by 0.7 and 0.5 percentage points, on average. Such movements continued also in the first two months of 2009. Simultaneously, the lending interest rate of the long-term foreign currency credits of the households (in Euros) registered minimal quarterly decrease of 0.1 percentage point, while the tightened interest conditions were characteristic for the short-term foreign exchange credits (in Euros), where quarterly increase in the average interest rate of 0.5 percentage points was registered.

Regarding **enterprises**, the short-term crediting cost decreased by 0.3 and 0.4 percentage points, on average (in conditions of a decrease in the interest rates on the international markets) and in the fourth quarter it equaled 7% and 7.9%, respectively. In January and February, the level of the lending interest rates remained below the average of the fourth quarter of 2008. On the other hand, the deposit interest rate quarterly incremented by 0.2 percentage points and it equaled 2.7%, given more significant quarterly rise in the interest rate on the short-term deposits in US Dollars (of 0.8 percentage points) and a decrease in the yield based on the long-term deposited deposits in Euro currency (of 0.7 percentage points). In January and February, the deposit interest rate retained the same direction of movement, as in the last quarter of 2008.

III. Capital market

In the last quarter of 2008, the two-digit decrease in the value of the regional stock exchange indices continued, with similar movements being registered not only by the regional, but by most of the international capital markets, as well. The negative tendencies on the stock exchanges in the South-East Europe can be explained with the investors' general aversion to risk, lower liquidity and fears related to the slowing down of the domestic economies, influenced by the global crisis. Such a trend is characteristic also for the Macedonian capital market, where the downward trend of the value of the index MBI-10 continued.

Stock exchange turnover structure per months
(in millions of Denar)

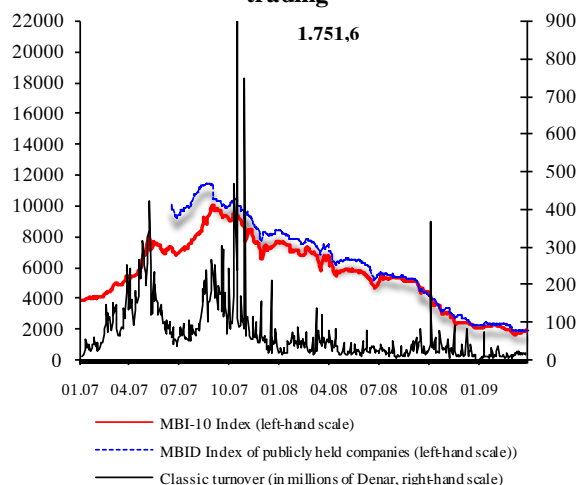


Source: Macedonian stock exchange.

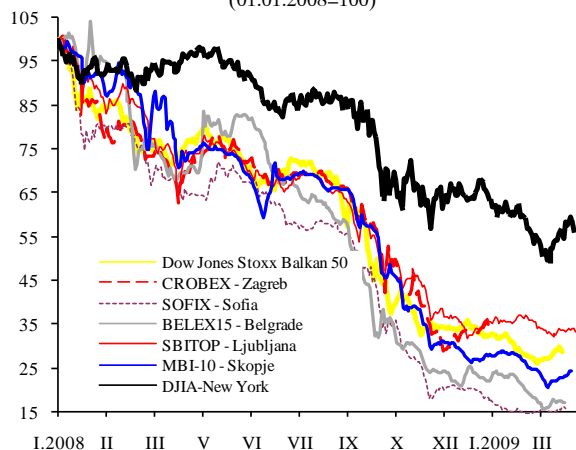
The downward trend of the value of the Macedonian stock exchange index MBI-10 continued also in the fourth quarter, when a quarterly decline of 52.9% was registered, while the decrease compared to the end of 2007 it equaled 72.9%. At the end of the fourth quarter, the index of the publicly owned companies - MBID, registered a decline of 49.6% compared to the end of the third quarter and a decrease of 73.7%, compared to the end of 2007. Such downward corrections of the market value of the corporate segment show poor reaction of the Macedonian capital market to



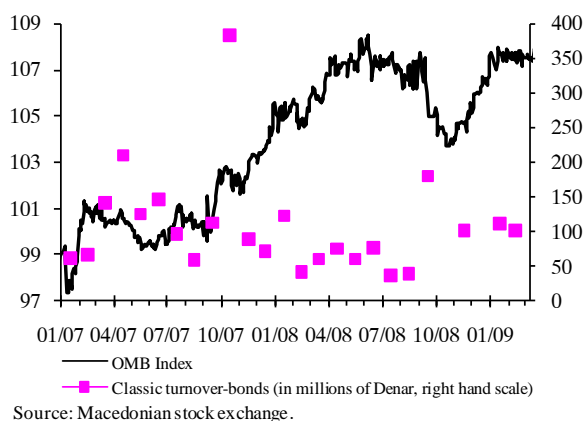
MBI-10, MBID and realized classic trading



Selected stock exchange indices developments (01.01.2008=100)



OMB Index and classic trading-bonds



the financial position of the companies, and higher responsiveness of the trends of the regional and world capital markets. In any case, the negative price tendencies, in contrast to the so-far relatively favorable financial results of the quoted companies, represent a kind of an indicator for the future expectations for the achievements of the corporate sector, which in conditions of global recession, are unfavorable in almost all economies.

The aversion to risk, which prevailed on the world financial stock exchanges, was present also with the local and foreign investors on the South-East European stock exchange. The Sofia SOFIKS, together with the Macedonian MBI-10 and Belgrade BELEKS-15 suffered the highest losses in the value in the group of the analyzed indices from the region, with downward corrections of 54.7%, 52.9% and 43.7%, respectively, compared to the end of the third quarter being registered.

In the fourth quarter of 2008, the total stock exchange turnover (including the block transactions and the Government segment) equals Denar 3.4 billion, which is a quarterly growth of 2.8%. The turnover registered by classical trading amounted to Denar 2.1 billion, which is increase of 32.7% compared to the preceding quarter. The increase is totally due to the higher turnover registered with the structural government bonds in the analyzed period, which is an indicator for the investors' orientation to non-risk bearing securities.

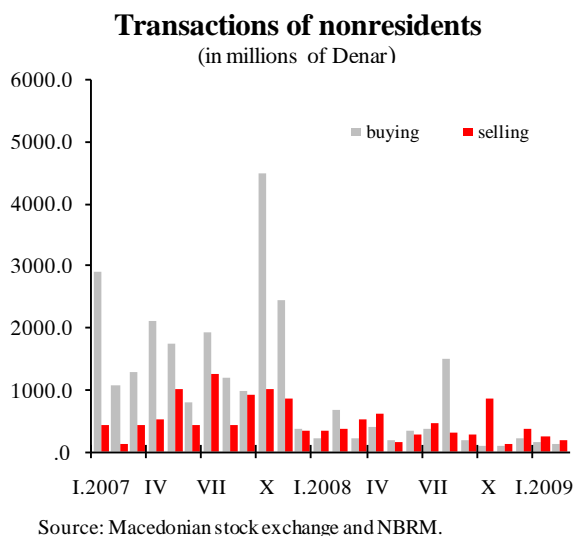
In the fourth quarter of 2008, on the Macedonian stock exchange, the foreign investors were disposing of the securities in the amount of Denar 946 million, on a net basis. The domestic investors made investments in the same amount. However, both legal entities and natural persons non residents - participants in the transactions on the stock exchange, sold securities on a net basis.

At the end of 2008, the share of the foreign investors in the total principal of the listed companies equaled 33.26% and 4.77% in the total nominal value of the listed bonds (33.33% and 7.35%, respectively at the end of the third quarter⁴⁸). The decrease in the share is related to the international economic delay and the skepticism thereof with regard to the investments on the money market.

In the last quarter of 2008, the registered turnover with bonds on the Stock exchange totaled Denar 769.4 million and registered increase by three times relative to the previous quarter. The turnover was dominated by the bonds for the old foreign exchange saving and the denationalization bond from third issue. At the end of the quarter, the OMB registered an

⁴⁸ Source: CSD.

increase of 2.1% compared to the end of the previous quarter. Regarding the end of 2007, the OMB value went up by 1.9%.



During the analyzed quarter, ten transactions with Treasury bills in the nominal amount of Denar 179.5 million were registered on the Over the Counter Market, as well as three transactions with CB bills in the nominal amount of Denar 330 million and five transactions with Government bonds in nominal value of Denar 400 million. The total secondary trading in the stated securities on this market segment increased by double compared to the preceding quarter.

The trend of relatively poor stock exchange turnover and a decrease of MBI-10 continued also in the first quarter of 2009. At the end of March, MBI-10 lost additional 9.1% of the value it was set at the end of 2008. In the first two months of 2009, the total sales of securities on the Macedonian stock exchange by non-residents exceeded the purchase by Denar 155.1 million.

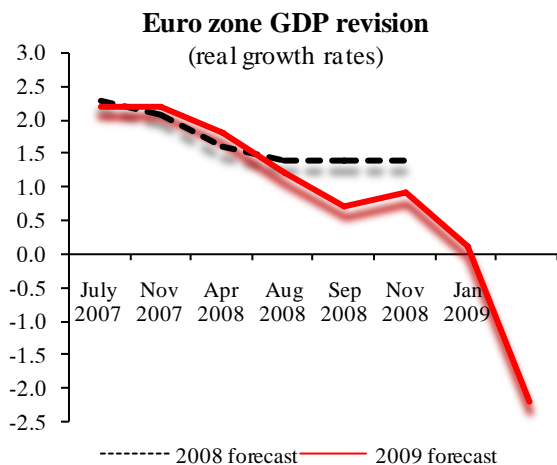
The poor stock exchange activity indicates that the aversion to risk reaches high ranges, with the expectations being focused on its maintenance and consequently to result in low stock exchange turnover and profit. The lower interest to trade in securities on the Macedonian stock exchange in 2008 also in the first quarter of 2009 is also due to the withdrawal of key regional investors (regional investment funds). Their return on the Macedonian stock exchange is not expected until the stabilization of the situation on their markets and until reaching certain envisaged price limits firstly in their countries. In other words, the return of the foreign institutional investors in Macedonia will depend on the stabilization of the global economy, i.e. on the beginning of its revitalization, which is not expected before 2010.

IV. Macroeconomic projections

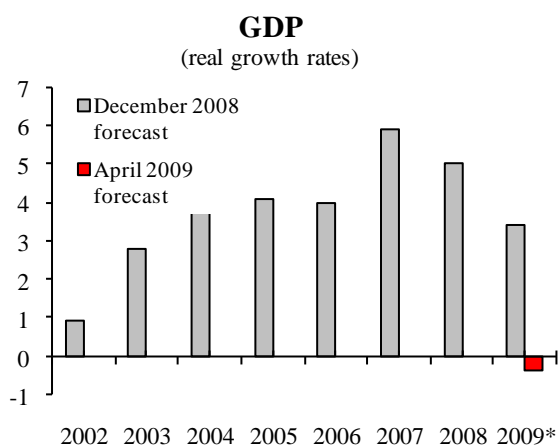
Further worsening in both expectations and confidence of the economic entities and the tightening of the financing conditions result in constant downward revisions of the projections for the global growth. The transfer effects of the global recession on the Macedonian economy that are getting stronger and the adjustment of the expectations and the behavior of the domestic entities denote revision of the projections for the growth also of the domestic economy for 2009 from 4.4%⁴⁹, to the negative rate of -0.4%. Despite the downwards revision, as well as for the global economy, the risks related to the projection are still mostly negative. From the aspect of the movements in the second quarter, the expectations are directed towards entering of the economy in the zone of negative annual rates of change of the domestic GDP. The lower pressures of the factors on the side of the demand and the supply mean further slowing down of the inflation and downward revision of the projection for 2009 from 3.4% to 0.6%. As well as with the inflation, the risks are towards registering lower inflation than projected.

The deceleration of the global economy continued also in 2009 with intensified pace causing

⁴⁹ Upper limit of the interval from 3% to 4.4%.



Source: World Economic Outlook, IMF



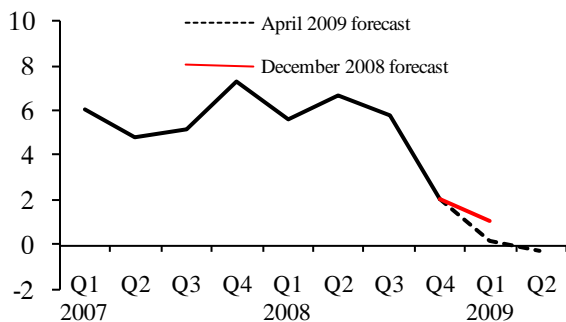
* NBRM forecast.

Source: State Statistical Office.

further negative movements on the labor force market, worsened expectations of the economic entities and creation of an environment of general uncertainty and restraint. Despite the frequent downward revisions of the world growth projections, it is assessed that the risks of slower growth than the projected still dominate. The latest projections for the growth of the economies - the most important trading partners of Macedonia show the deepest decrease in the second quarter of 2009, after which the intensity of the decline in the economic activity would drop, and for the beginning of 2010 gradual entering into the zone of positive growth rates is estimated. The anticipated movement path of these economies is of critical importance for the creation of expectations for the duration and the intensity of the effects of the crisis on the achievements of the Macedonian economy.

From the last economic growth projection (December 2008) until now, the flows in both real and financial sphere in the global economy significantly changed. The intensity of the transfer effects of the global economic crisis is larger than previously expected, and the constant downward revisions of the global growth projections resulted in a change in the expectations for the further dynamics of the domestic economy. In such conditions, also the presumptions the economic growth projection is based on also changed, mainly in direction of: 1. additional worsening in the external demand and delay in the capital inflows; 2. larger negative adjustments on the labor force market; 3. intensified tightening of the credit conditions and lower propensity to new debiting, and thus bigger restriction of the capital flows; 4. larger restraint in conditions of increasing uncertainty, especially about the future income, which slows down the demand. ***In conditions of estimates for significantly stronger intensity of the limiting growth factors, downwards revision of the real growth rate of the GDP for 2009 from the upper interval limit from 4.4% to -0.4% was carried out.*** The structural fraction shows that the expectations for the annual change in the personal consumption did not change significantly, although larger movements are expected with the investment demand, which corresponds to the constant deterioration of the projections for the world growth. Thus in contrast to the initial expectations for high positive contribution of the domestic demand, it is now expected this component to have negative contribution. On the other hand, net export demand is expected to have slighter negative contribution to the growth. In conditions of a significant decrease in the export, such changes are reflection of the expected larger decrease in the import, as a combined effect of the decrease in the export (which have high import component) and the domestic demand. ***Despite the significant downward revision of the growth rate for 2009, the risks related to the projection continue to be mostly negative.***

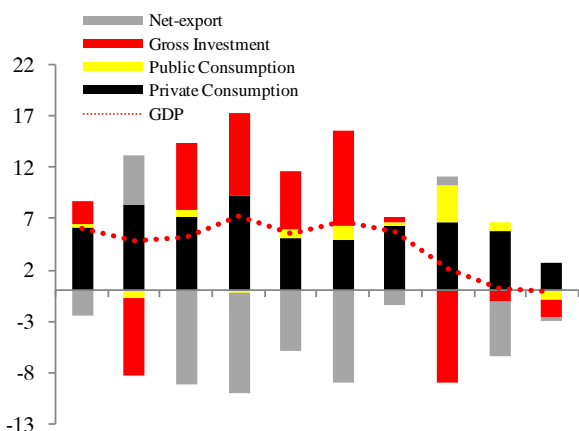
Quarterly GDP Distribution
(real growth rates)



Source: State Statistical Office.

The assessments pertaining to the economic growth in the first quarter are lower than in the previous projection. Thus the last projections show real growth in the GDP for the first quarter of 0.2%, compared to the initial projection of about 1%. Besides the intensity, the growth structure significantly differed. Thus in contrast to the initial expectations for fast downward adjustment of the personal consumption, as a reaction to the deteriorated expectations and reduced financial flows, the new estimates show larger time delay of the reaction of this category. From these reasons, an upward revision of the January projection for the personal consumption in the first quarter of 2009 is made, i.e. instead of the previously projected growth of 2%, **the personal consumption is expected to grow with a rate of 7.1%**. On the other hand, the sensitivity of the **investment demand** of the global crisis effects showed larger than the initially expected, and the real growth rate of the investments for the first quarter of 5.4%, was revised at -4.5%. The achievements showed that the effects of the global crisis on the export sector are much faster and deeper than the estimated ones, with which the net estimates for the net export demand in the first quarter show significantly severe decrease relative to the first assessment, with gradual improvement with this category being expected during the year. Thus in contrast to the initial expectations for the real decrease in the export of 2.5%, the new estimates show real drop of 25.5%, while in the import, instead of an increase of 1.1% - decrease of 9.1%. Having in mind the slower adjustment of the expectations of the domestic entities and the fast transfer of the world crisis on the export sector, in the first quarter the new estimates show significantly larger positive contribution of the domestic demand relative to the initial projection and deepening of the negative contribution to the rise in the net export demand.

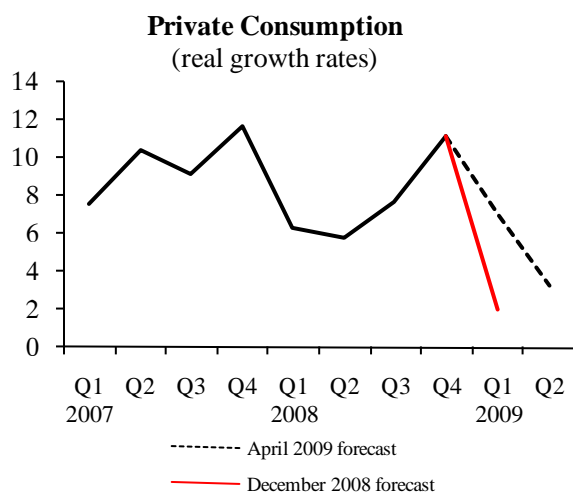
Contribution to the real GDP growth
(in percentage points)



* NBRM forecast

Source: State Statistical Office

In the second quarter the economy is expected to enter the zone of negative changes of the real GDP, with the rate being expected to equal -0.2%. The negative movements on the labor force market, the further restrictions of the financial flows, the growing uncertainty that causes restraint from credit financing and larger consumption are factors which are expected to result in significant slowing down of the personal consumption in the second quarter. It is expected that the decrease in the demand and the restrictions of the domestic and the foreign sources of financing in the second quarter to result in significant decrease in the utilization of the capacities and decrease in the investment activity. Also the public consumption is expected to be adjusted in this direction. In conditions of high degree of synchronization of the export demand with the global changes and the expectations for the severest drop in the external demand in the second quarter, intensified decrease in the export and the import in this period are expected. Having in mind such changes, in the second quarter, slight contribution of the domestic demand is anticipated, while the net export



demand is estimated to have negative contribution to the growth.

It is expected that the personal consumption will significantly decrease in the second quarter, with the projected growth rate being equal to 3.3%. In any case, in conformity with its high share, the share of this component for the GDP is dominant also in the second quarter. The expectations that the wages will remain unchanged (as a common main driving force for the personal consumption), in conditions of simultaneous deteriorated perceptions for the future movements, are factors which condition reduction in the households' consumption. Hence, despite the lower burdening of the current income due to the decrease in the prices of food and energy, no larger propensity for spending is expected, i.e. the expectations are in direction of increase in the propensity for saving. The lower financial supports the banking sector provides to households, in conditions of uncertainty and worsen prospects on the labor force market, also act towards registering lower growth in the second quarter. Having in mind the larger uncertainty, regarding the duration and the depth of the crisis, as well as with regard to the intensity it spills over in the domestic economy, it should be emphasized that the risks of the personal consumption projection are downward and depend on the changes in the expectations to great extent.

Annex 2

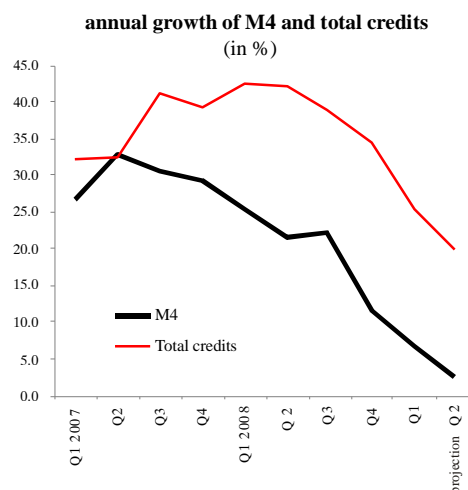
Projections for the banks' credit activity in the second quarter of 2009

The constant worsening in the perceptions of the global economic growth and the direct effect of the world recession on the domestic economy also in the first quarter of 2009 contributed to further slowing down of the financial flows between the banking sector and the economy. One of the channels through which the negative consequences of the global crisis on the banking sector were directly felt is the decrease in the available financial assets of the banks. The pressure in the global financial system, arising from the created non-confidence, especially apparent in the last quarter of 2008, overtook also the domestic depositors that reacted by withdrawing of the deposits in October and in November and restraint from additional investment in banking products (which can be perceived from the negative monthly changes of the deposits in this period). However, the pressure of the psychological factors lessened, enabling the deposit base to return to the zone of positive monthly changes. However, despite the fast return of the depositors' confidence in the safety and the stability of the domestic banking system, the intensified entering of the world recession movements in other sectors of the economy inevitably caused further slowing down of the monetary growth on annual basis. Thus, after the longer period of two-digit solid growth, in March the monetary growth reduced to one-digit annual level (6.6%, which is intensified decrease in the money supply and deviation relative to the projected dynamics in the first quarter of 2009 of 6.3 percentage points. The decrease in the domestic saving in larger scope than the expected one, in conditions of the strong influence of the unfavorable macroeconomic developments, imposed a need for downward revision of the monetary growth projections until the end of the year. Thus in conformity with the new projection, at the end of 2009, the money supply is expected to register an annual growth of 1% (compared to the increase of 9.9%, in line with the projection in December). In the second quarter of 2009, the money supply growth is expected to slow down to 2.4%, annually, in conditions of expected payment of dividend by one larger company to the Government.

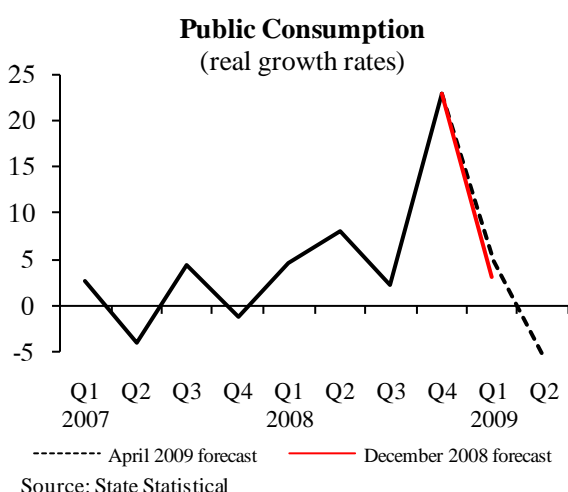
Additional problem the banks face with in the first quarter, the influence of which is expected to be stronger in the second quarter, is the narrowing of the possibility for external financing of its activities. The situation on the international financial markets dictates significant tightening of the capital flows and restraint of additional exposure to risk, which makes the access of the banks to the external sources especially hard and expensive. Simultaneously, the necessity for maintenance of certain level of foreign exchange liquidity (in

accordance with the Decision of the NBRM on liquidity risk management) restricts the possibility for using the banks' foreign exchange position in function of credit growth stimulation. Namely, the fulfillment of the liability stipulated with this Decision can lead to increase in the net foreign exchange asset of the banks in the second quarter. In such conditions, bigger adjustment of the bank activities volume is expected, in conformity with the growing financial limitations and decrease in the credit growth. Such behavior of the banks was registered in the first quarter of 2009, when the credit activity went up by 25.3% (in contrast to the projected 27.2% for the first quarter). However, the effect on the foreign exchange position of the banks, which is expected to be the strongest in the second quarter, together with the anticipated decrease in the money supply, mean more severe drop in the corporate sector crediting in the second quarter, with the credit growth at the end of the year being set at 8.5%, annually.

The banks' worsened perceptions for the future economic activity, which are expected to be one of the main driving forces for the squeezing the banks' credit activity also in the second quarter of the year had significant effect on the constant decrease in the credit growth. The decrease in the economic activity is expected to impose stronger effect on the credit rationing by the banks, which will most probably continue the tightened credit policy and more conservative expose to individual clients in the second quarter. Such movements incorporate the banks' perceptions for higher credit risk, as a result of the larger uncertainty related to the capability for servicing the credit liabilities of the clients. Also the results of the Lending Survey in February are also in this direction, where the banks clearly point to further tightening of the credit conditions and increase in the price of the credits, having in mind the indicators for risk as a dominant factor conditioning the banks' credit policy.

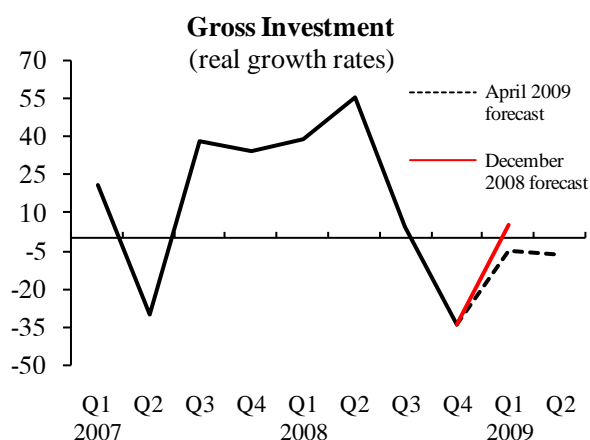


Opposite of the intensive public *consumption* in 2008 and its increase in the first quarter of 4.9% (within the expectations), significant fiscal adjustment is expected in the second quarter. Thus real decrease in the public consumption of 5.4% is projected for this quarter, as a result of the lower costs of goods and services. Such budget change represents determining the volume of the public consumption in conformity with the expected dynamics of the public revenues and the scope and the structure of the sources of financing of the budget deficit.



The limiting factors for the growth in the *investments* are expected to additionally intensify in the second quarter, *with which the gross investments would register a decrease of 6.4%*. Regarding the private investments it is estimated that they are the main reason for the reduced investment activity, in conditions of worsened perceptions of the economic agents, increase in their aversion to risk and increase in the interest rates. The decrease in the new investments is conditioned by the decrease in the demand (domestic and foreign), the revitalization of which is conditioned by the return of the confidence of the economic agents, the change in the expectations and the strengthening of the sources of financing. Also, the financial factors are limiting ones, manifested through the tightening of the banks' crediting conditions, expectations for worsening of the financial results, as internal source of financing, as well as the reduced possibility for external indebtedness. As well as

the total growth risks, also the risks related to the investments are mostly downwards, due to which their decrease in the second quarter could be even deeper than the decrease projected so far.



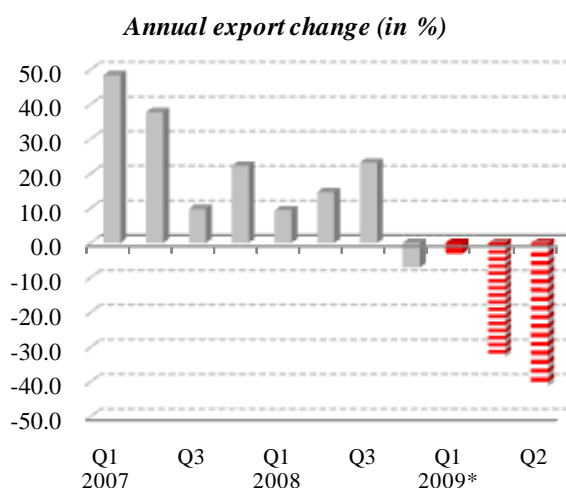
Source: State Statistical Office.

As a result of the high external openness of the Macedonian economy, the effects of the deepening of the world economic crisis are expected to continue to transfer directly and rapidly on the *foreign trade*. In the second quarter of the year, as a result of the expectations for further narrowing of the foreign effective demand, additional decrease in the export is expected. In that direction, the projected rate of decrease in the export during the second quarter of 2009 equals 33.9%. Having in mind the probability for further downward revision of the projections for external demand, there are risks for stronger decrease in the export than expected. On the other hand, as a result of the decrease in the investment consumption and export, and due to the additional decrease in the personal consumption growth, the rate of decrease in the import is expected to deepen and to equal 19.7%. Main factors of risk of deviation from the import projection are the possible larger decrease in the investments and the import, and the delayed growth in the personal consumption, with which the depth of the decrease in the import would be larger. The net export is expected to have negative contribution to the growth.

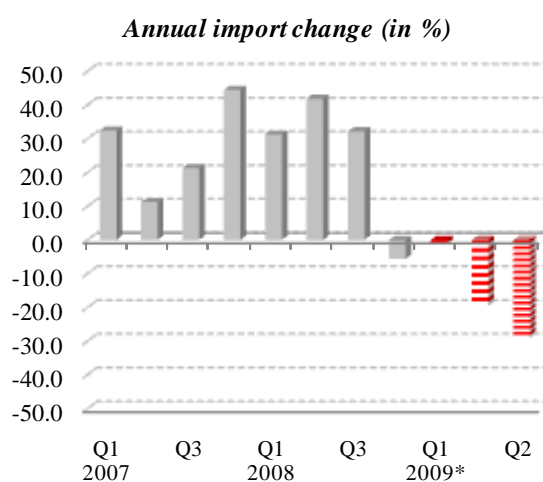
Annex 3

Projections of the movements in the external sector

The developments in the world economy, where the global recession assume big proportions, are transferring more and more intensively to the domestic real sector and the external position of the Macedonian economy. The effects of the significant decrease in the foreign effective demand and the decline in the price of oil and metals on the external sector are stronger compared to the initially expectations, which means revision of the initial projections.



Source: NBRM
* Initial projection.
** Revised projection.



Source: NBRM
* Initial projection.
** Revised projection.

The achievements in the export sector until now showed significantly deeper drop in the value and the scope of the entire export relative to the initial expectations for the first quarter of 2009, with the largest

deviation being registered with the most sensitive export category, metal industry. Having in mind such deviation and the current projections for the dynamics of the global economy in 2009, revision on the annual change with the export in the first quarter of 2009 was made, from a decrease of about 3%, to a decline of 32.8%. The severer decrease registered with the export inevitably trigger more severe drop in the performances with the import of goods in the first two months, compared to the initial projection. In the first quarter of 2009, the lower export than projected, the changes towards slower domestic growth relative to the one projected until now, the additional worsening of the expectations of the domestic economic agents, the lower amounts of foreign investments, as well as the larger decrease in the import prices resulted in movement in the envisaged annual growth in the import from 1.8% to annual decrease of 17.2%.

The deepening of the global crisis, that is getting larger and larger, contributed to further deterioration in the expectations of the domestic entities, manifested through bigger propensity for having available foreign currency, as a form of protection from possible risks. This reflected on the registered net purchase on the currency exchange market, which in the first quarter of the year dropped annually by roughly 45%, pointing to the direction of the change in the private transfers. Thus in conditions of relatively stable net inflows based on remittances, which correspond to the projection, the initially expected inflows in the net private transfers has been revised from 14.4%, to a decrease of 32.7%, which is due to the higher sale with the currency exchange operations. In conformity with the performed revisions of individual clients, the deficit on the balance of payments' current account in the first quarter of 2009 is expected to equal about 19% of the newly projected negative gap of about 3% of the GDP.

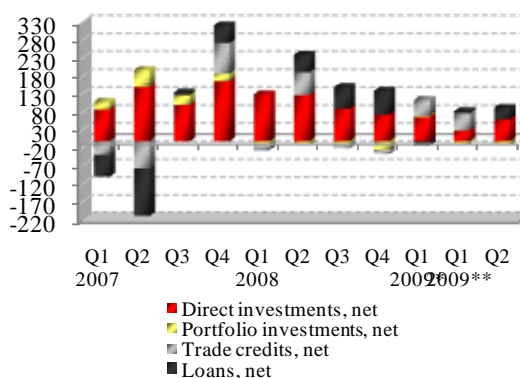
In line with the global uncertainty, the lack of international liquidity and the general restraint of the investors from larger investments, significant downward revision also with the net inflows in the capital and financial account was registered (mainly with the direct investments and foreign assets with the banking sector). In such conditions, in the first quarter of 2009, the financing of the deficit on the current account is mostly relativized through decrease in the gross foreign reserves.

In the second quarter of 2009, in conditions of additional intensification of the annual decrease in the foreign effective demand and the unchanged situation with the metal manufacturing industry, the export of goods is expected to register annual decline of 41.2%. In conformity with the domestic economy structure (export sector depending on import) and expectations for lower domestic growth, high annual rate of decrease of 29.6% is expected for the import, mainly with energy and investment consumption. Such movements with both components of the foreign trade of goods enable narrowing of the trade deficit for 10.9% on annual basis. On the other hand, the net inflows based on private transfers are expected to continue to fall. Simultaneously, within the income sub-balance, with the income based on direct investments, net outflows based on paid dividend to foreign investors are expected. Thus despite the narrowing of the trade deficit, the decrease in the net inflows from private transfers and net outflows based on income condition increase in the deficit on the balance of payments' current account of 29.3%, annually.

In the absence of indicators for faster exit from the global financial crisis, within the capital and financial account for the second quarter of 2009, the lower net inflows are expected from direct investments and foreign indebtedness, while net outflows are envisaged as a result of the large amounts of accumulated foreign assets by the banks. Thus in conditions when the net inflows in the capital and the financial account are on a significantly low level, the burden related to the current transactions financing will mostly, once again, fell on the gross foreign reserves.

Until the end of 2009, the deficit on the current account is expected to equal 13.8% of the projected GDP, which is deterioration of 0.7 percentage point compared to 2008. It is estimated that in 2009 the trade deficit will equal 24.6% of the GDP, or by 2.1 percentage point less compared to 2008.

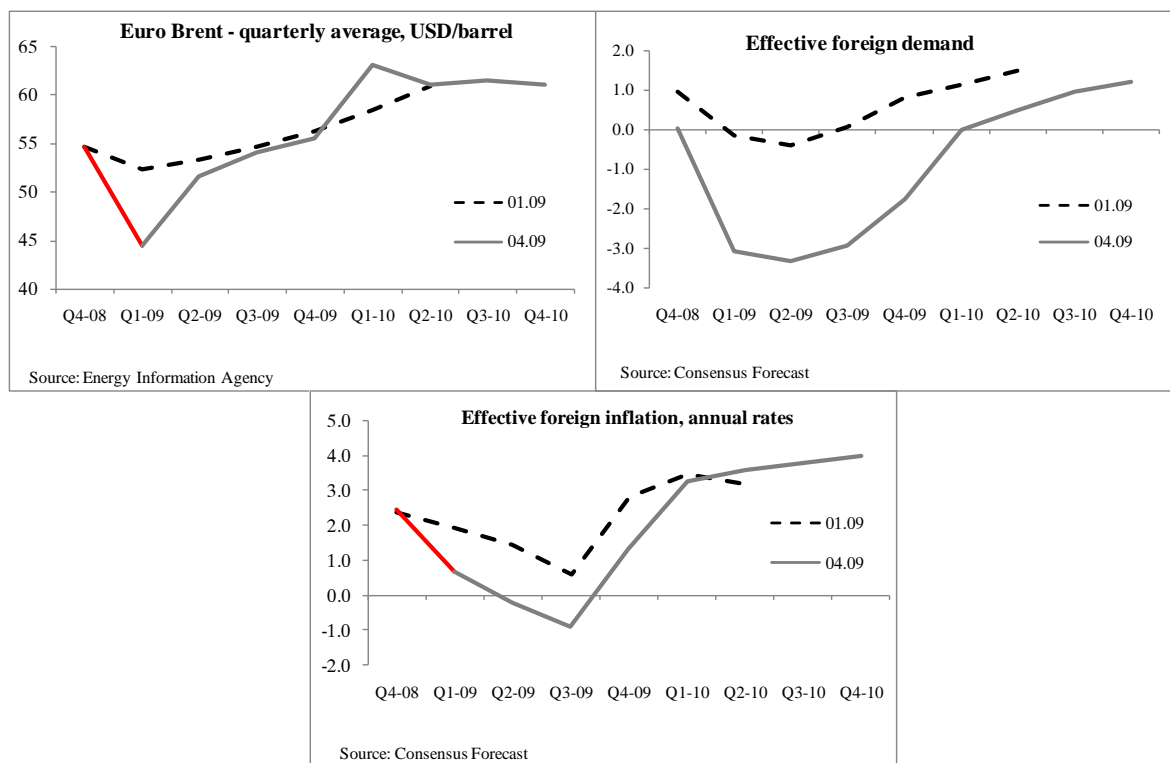
Capital and financial components
(in EUR million)



Source: NBRM
* Initial projection.
** Revised projection.

Annex 4 Presumptions for the exogenous variables⁵⁰

The estimates for the *effective external demand*⁵¹ in the first quarter of 2009 point to a significant annual drop of 3.1% (compared to the preceding projection of -0.1%). Also significant downward revisions of the projections for 2009 and 2010 were made. It is expected that the world economy crisis will reach the deepest point in the second quarter of 2009 (-3.3%), while the negative rates will continue until the end of the year, although with lower intensity. It is assessed that the external demand will recover in 2010, with a relatively low growth rates. However, these projections are uncommonly uncertain, with the risks being downwards, i.e. in direction of larger decrease in the demand.



The price of oil registered in the first quarter is lower than previously projected (US Dollar 44.4 compared to the projection of US Dollar 52.3 per barrel, which is due to the squeezing of the economic activity. In line with the worsened expectations for the global economic growth, downward revision of the price of oil was made, although moderate rise in the 2009 is projected (from US Dollar 63.1 per barrel in the first quarter of 2009).

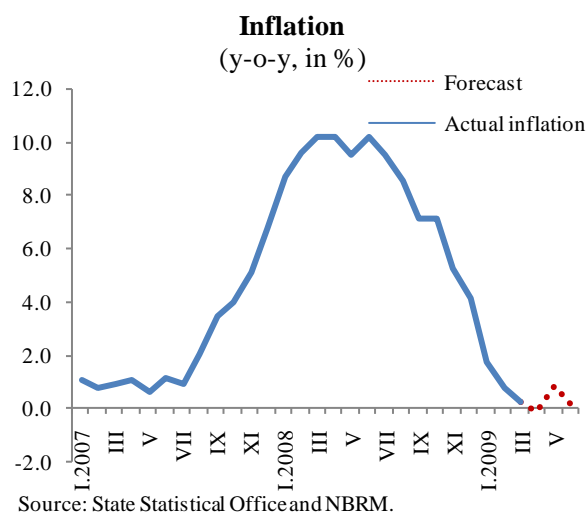
As a result of the movements of the external demand and the price of oil, the effective external inflation⁵² was lower (0.7%) in the first quarter than in the previously projected rate of 2%. In conformity with the economic growth projections and the price of oil, as well as the expectations pertaining to the prices of food,

⁵⁰ In the figures, the red color denotes the movements registered in the first quarter of 2009.

⁵¹ The effective external inflation is calculated as a sum of the weighted price indices of the most significant trading partners of the Republic of Macedonia, through the normalized share of these countries in the Macedonian import. In the calculation of this indicator the following countries are included: Germany, Greece, Italy, the Netherlands, Belgium, Spain and Serbia.

⁵² The effective external inflation is calculated as a sum of the weighted price indices of the most significant trading partners of the Republic of Macedonia, through the normalized share of these countries in the Macedonian import. In the calculation of this indicator the following countries are included: Austria, Germany, France, Greece, Italy, the Netherlands, Poland, Slovenia and Serbia.

significant downward revisions also with the effective external inflation were carried out. Thus deflation of 0.2% in the second and 0.9% in the third quarter of 2009 is projected, while the increase in the prices will commence in the last quarter of 2009 and it will continue more intensively in 2010.



Parallel to the slower growth in the domestic consumption, significant decrease in the rate of inflation in the Macedonian economy was registered. The annual inflation rate registered significant decrease in the first quarter of 2009, reducing to low rate of 1.0% compared to 5.4% in the fourth quarter of 2008. Such a movement in the inflation mainly reflects the lower import prices of the food and energy sources, starting from August 2008. Also, signs for decline in the inflationary risks arise from several factors, such as the significantly lower pressure by the aggregate demand due to the influence of the world economic crisis, the behavior neutralized the inflationary pressures on the increased labor unit costs.

The movements of the inflation in the first quarter annually show that the path of inflation in this period is below the projection. The registered average inflation rate of 1.0% in the first quarter is significantly below the projected rate of 2%. Such divergences can be explained to great extent with the faster decrease in the prices of oil on the international stock exchanges and the more rapid fall in the prices of food, as well as the reduced prices of the heating energy in January. These deviations from the projections for the first quarter, the high comparison base and the inflationary pressures from the domestic demand that are becoming smaller and smaller, are expected to result in low inflation rate for 2009 of 0.6%, which is significantly lower level than the projected one in December, within a range from 2.2% to 3.4%. In December 2009, the annual inflation reduced to 1.1%. The risk balance shows dominance of these risks which would result in lower inflation than expected, with the interval's thresholds being put, for the time being - on 0.4%, average change in the prices in 2009 (compared to 2.2% in the previous projection).

The lower pressures of the import prices due to the expectations for further stable movement in the prices of oil and food and the anticipated significant deceleration in the aggregate demand point to serious downward pressures on the inflation. In line with the combined influence of these factors, it is expected that the average inflation will equal 0.3% in the second quarter of 2009, annually, while it is projected to equal 0.2% at the end of June. The announcements for increase in the price of electricity for households in May (included in the projection), bigger reduction in the economic activity than expected, as well as the movement of the prices of oil remain to be the main risks for the projection of the inflation in the second quarter of 2009.



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

National classification of activities ^{1/}	GDP total		Agriculture, hunting, forestry and fishing		Mining and quarrying, manufacturing and electricity, gas and water supply		Construction		Wholesales and retail sales		Hotels and restaurants		Transport, storage and communications		Financial intermediation		Public administration and defence	
		%		%		%		%		%		%		%		%		%
			A+B		C+D+E		F		G		H		I		J+K+L		M+N+O+P	
1997	186018	1.4	20411		45317		9867		21297		2819		11372		26002		27067	
1998	192308	3.4	21083	3.3	45969	1.4	10626	7.7	21377	0.4	3025	7.3	14385	26.5	26002	0.0	27395	1.2
1999	200669	4.3	21273	0.9	46750	1.7	11732	10.4	22025	3.0	3771	24.7	16854	17.2	26499	1.9	28519	4.1
2000	209777	4.5	21489	1.0	51122	9.4	12037	2.6	22695	3.0	3345	-11.3	18282	8.5	27215	2.7	28546	0.1
2001	200284	-4.5	19169	-10.8	48786	-4.6	10300	-14.4	22505	-0.8	3195	-4.5	16761	-8.3	27783	2.1	27876	-2.3
2002	201993	0.9	18779	-2.0	48390	-0.8	10364	0.6	23725	5.4	3726	16.6	16467	-1.8	26758	-3.7	28843	3.5
2003	207690	2.8	19686	4.8	50845	5.1	11741	13.3	24146	1.8	4085	9.6	16539	0.4	25787	-3.6	30262	4.9
2004	216164	4.1	20908	6.2	50439	-0.8	12610	7.4	27933	15.7	3623	-11.3	15745	-4.8	28817	11.8	30068	-0.6
2005	225035	4.1	20941	0.2	51803	2.7	12725	0.9	29243	4.7	3675	1.4	17387	10.4	28283	-1.9	31476	4.7
2006 ^{2/}	233819	3.9	21994	5.0	53033	2.4	14369	12.9	31378	7.3	3951	7.5	19222	10.6	30947	9.4	32185	2.3
2007 ^{3/}	247502	5.9	21657	-3.0	57616	8.6	14882	3.9	33349	6.5	4383	10.9	20831	8.4	33541	8.4	32958	2.4
2008 ^{4/}	259903	5.0	23170	7.1	60302	4.7	16892	13.7	36109	8.3	4726	7.8	20882	0.2	34460	2.8	34080	3.4
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	54936.629	6.7	5185.5	2.4	11267.136	-0.8	2728.1	36.2	8053.5	23.9	832.33	6.3	4733.76	18.7	7346.5	4.8	8035.328	2.4
Q2	58581.27	3.4	5697.3	8.5	13302.47	0.7	4331.4	29.8	7276.7	-0.7	984.64	8.8	4712.16	8.5	7711	9.5	7935.842	1.3
Q3	60106	4.8	5699	6.7	13846	5.6	3990	8.3	7948	10.0	1136	7.6	4793	6.1	7848	11.2	8004	2.0
Q4	60195	1.1	5412	2.4	14617	3.5	3320	-10.3	8100	-1.1	998	7.2	4984	9.8	8041	12.1	8210	3.3
2007 ^{3/} Q1	58288	6.1	5559	7.2	13070	16.0	2684	-1.6	7820	-2.9	866	4.1	5056	6.8	8008	9.0	8180	1.8
Q2	61393	4.8	5754	1.0	13821	3.9	4401	1.6	7881	8.3	1144	16.2	5084	7.9	8320	7.9	8150	2.7
Q3	63231	5.2	5408	-5.1	14719	6.3	4225	5.9	8528	7.3	1296	14.1	5094	6.3	8610	9.7	8212	2.6
Q4	64589	7.3	4936	-8.8	16006	9.5	3572	7.6	9120	12.6	1076	7.8	5597	12.3	8604	7.0	8416	2.5
2008 ^{4/} Q1	61552	5.6	5792	4.2	14037	7.4	3082	14.8	8539	9.2	997	15.1	5233	3.5	8536	6.6	8425	3.0
Q2	65507	6.7	6169	7.2	15328	10.9	4955	12.6	8755	11.1	1188	3.8	5171	1.7	8744	5.1	8386	2.9
Q3	66899	5.8	5933	9.7	16308	10.8	4462	5.6	9210	8.0	1364	5.2	5100	0.1	8610	0.0	8516	3.7
Q4	65946	2.1	5276	6.9	14629	-8.6	4394	23.0	9604	5.3	1177	9.4	5379	-3.9	8569	-0.4	8752	4.0

^{1/} National classification of activities.

^{2/} Real value of GDP and added value by sectors from 2006 are calculated on the basis of annual rates of growth.

^{3/} Provisional data.

^{4/} Estimated data.

Source: State Statistical Office.



Table 2
Prices
annual rates (in %)

	Consumer price index (growth rates)															Producer price index (growth rates)
	Total Goods Services			By categories												
				Food	Tobacco and beverages	Clothing and footwear	Housing				Hygiene and health	Culture and entertainment	Transport means and services	Restaurants and hotels ^{1/}	Other services ^{1/}	
							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	-	-	7.3
2007	2.3	3.0	-0.3	3.9	1.8	1.8	4.7	6.3	5.8	-0.7	0.3	2.4	-3.1	4.7	8.6	2.6
2008	8.3	9.2	5.1	15.3	4.0	1.8	6.0	6.1	7.3	1.4	1.5	0.2	3.2	11.4	2.2	10.3
2006 Q1 ^{2/}	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	-	-	7.7
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	-	-	9.1
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	-	-	7.6
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	-	-	4.9
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	1.1
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	0.7
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	1.4
Q4	4.9	6.2	0.4	10.4	2.4	3.5	2.8	9.6	1.1	0.0	0.0	-0.5	-0.6	8.0	13.0	7.0
2008 Q1	9.5	11.0	3.9	19.0	4.2	1.6	3.6	8.5	2.7	0.4	1.5	-0.3	4.4	11.8	16.7	10.5
Q2	9.9	11.4	4.5	19.5	3.5	3.6	3.4	4.7	3.7	1.0	1.1	0.5	5.8	12.0	1.9	13.6
Q3	8.4	9.0	6.1	14.7	4.1	1.9	6.3	5.7	7.9	1.6	1.2	-0.2	5.1	13.1	-1.1	15.2
Q4	5.5	5.4	5.8	8.6	4.3	0.3	10.4	5.8	14.4	2.7	2.1	0.9	-2.4	8.9	-6.6	2.2
January	8.7	10.3	2.6	17.8	2.5	2.2	3.0	9.5	1.4	0.3	1.9	-0.7	3.4	10.6	14.8	9.5
February	9.6	11.0	4.4	18.7	4.7	1.2	4.5	11.7	2.9	0.6	1.8	-0.4	4.7	12.3	17.5	10.2
March	10.2	11.7	4.7	20.6	5.3	1.4	3.3	4.4	3.7	0.3	0.9	0.3	5.2	12.6	17.7	11.7
April	10.1	11.7	4.4	21.0	3.4	2.7	3.4	4.2	3.8	1.0	1.1	1.2	4.1	11.4	1.6	10.7
May	9.5	11.0	4.3	18.4	3.6	4.1	3.3	4.6	3.5	0.9	1.1	0.0	5.7	11.9	2.0	14.4
June	10.1	11.6	4.8	19.2	3.6	3.9	3.6	5.3	3.7	1.0	1.0	0.3	7.5	12.8	2.0	15.7
July	9.5	10.7	5.0	17.7	3.8	2.3	3.9	5.7	3.9	1.3	1.3	-0.4	7.4	14.1	2.0	17.2
August	8.6	8.9	7.4	14.7	4.3	2.2	7.3	5.7	9.6	1.5	0.9	-0.7	5.2	14.1	0.9	13.8
September	7.1	7.4	6.0	11.8	4.3	1.1	7.7	5.7	10.2	1.9	1.3	0.4	2.8	11.2	-6.1	14.5
October	7.1	7.4	6.1	12.2	4.3	1.6	7.7	5.7	10.0	2.5	2.3	0.7	0.8	10.7	-6.9	9.2
November	5.2	5.0	6.3	7.3	4.3	-0.1	12.2	5.6	17.6	2.7	2.4	1.1	-2.7	9.3	-6.9	-0.8
December	4.1	3.8	5.1	6.3	4.4	-0.5	11.2	6.0	15.7	3.0	1.7	0.8	-5.4	6.8	-6.0	-1.8
2009 Q1	1.0	0.9	1.2	1.2	4.5	1.6	7.4	3.8	9.9	3.8	2.1	-1.7	-9.2	5.1	-7.3	-6.2
January	1.7	1.5	2.7	2.3	4.9	1.5	7.9	5.5	10.1	4.0	1.8	-0.6	-8.4	6.5	-6.4	-5.8
February	0.7	0.6	0.9	0.4	4.5	1.9	7.1	3.2	9.7	3.6	2.4	-2.0	-8.9	4.6	-7.6	-5.1
March	0.2	0.2	0.1	-0.1	4.1	1.3	7.2	2.7	10.0	3.8	2.1	-2.6	-10.1	4.2	-7.8	-7.6

^{1/} 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.

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

Source: State Statistical Office.



Table 3
Industrial production index
annual growth rates (in %)

	Total	By sectors			By group of products				
		Mining and quarrying	Manufacturing industry	Electricity, gas and water	Energy	Intermediary goods, except energy	Capital goods	Durable consumer goods	Non-durable consumer goods
2002	-5.3	-24.5	-4.7	-3.8	-16.8	-8.0	53.3	-22.6	-2.4
2003	4.7	-39.1	5.9	9.8	28.7	-12.1	-9.0	36.9	19.0
2004	-2.2	-5.0	-2.1	-2.6	-1.8	0.9	-20.1	9.1	-3.4
2005	7.0	40.4	7.3	2.5	4.6	14.2	-3.2	-14.9	3.8
2006	2.5	28.0	2.4	-0.6	1.5	7.3	8.2	-5.0	-2.2
2007	3.7	9.8	5.2	-9.5	-6.9	12.9	19.7	8.8	-2.0
2008	5.5	9.9	6.3	-3.1	-0.1	7.7	-1.3	64.2	4.0
2005 Q1 ^{1/}	5.2	-18.9	6.4	3.8	2.3	14.8	-0.9	-18.2	1.8
Q2	13.5	17.0	16.3	-0.5	6.5	24.6	-1.2	4.8	8.9
Q3	6.0	62.9	5.5	2.0	4.0	9.8	-2.5	-11.1	5.4
Q4	4.2	97.1	2.5	4.3	7.4	9.5	-5.3	-24.8	-0.1
2006 Q1	0.5	111.6	-0.9	-0.9	3.0	5.6	-2.5	10.5	-6.1
Q2	1.7	53.2	1.3	-2.0	-3.0	5.1	17.0	-6.5	-0.3
Q3	4.3	13.1	4.9	0.1	0.7	12.0	0.1	2.1	-0.7
Q4	3.5	4.8	4.0	1.9	5.7	6.3	26.3	-12.5	-1.1
2007 Q1	11.6	13.9	16.0	-9.1	-2.1	25.0	39.0	10.3	6.2
Q2	-2.8	16.2	-1.5	-20.8	-16.6	7.9	-4.4	25.3	-7.8
Q3	1.1	15.4	1.5	-8.7	-4.5	7.5	27.3	-3.0	-5.8
Q4	6.2	-3.3	7.8	-1.1	-6.2	15.3	24.7	6.5	1.8
January	10.6	11.7	16.4	-9.8	-11.6	31.8	102.3	53.3	3.5
February	14.9	29.9	17.8	-4.2	13.4	23.7	33.3	-8.8	7.6
March	9.6	0.8	14.2	-12.7	-5.5	21.6	14.9	6.1	7.0
April	5.3	10.1	6.8	-6.8	18.1	18.9	-11.9	39.5	-9.7
May	-5.8	25.0	-4.6	-25.6	-37.2	3.6	16.2	15.1	-5.5
June	-7.1	14.6	-5.4	-32.1	-29.6	2.9	-13.0	23.1	-8.3
July	-2.2	56.1	-2.1	-18.9	-11.1	6.9	4.0	8.4	-7.0
August	1.0	3.3	2.2	-11.6	-8.9	14.3	2.5	4.0	-7.8
September	4.5	0.6	4.3	9.5	9	1.9	77.6	-15.4	-2.4
October	10.5	-4.0	14.6	-13.5	-8.3	22.5	70.0	10.7	0.0
November	5.5	-11.3	7.3	-1.0	-8.2	21.1	9.1	17.4	-1.8
December	2.6	4.8	1.4	9.8	-2.8	1.3	3.6	-6.2	7.0
2008 Q1	5.8	11.9	6.6	-0.8	1.7	8.8	26.6	77.3	-1.3
Q2	12.0	13.6	12.8	1.9	15.8	13.1	28.0	77.0	3.9
Q3	13.0	3.4	14.6	1.9	3.4	28.0	-15.9	55.1	4.3
Q4	-7.7	11.2	-8.0	-12.2	-15.3	-18.7	-31.3	51.5	7.9
January	13.6	15.3	16.1	1.6	9.6	21.4	19.7	84.3	4.3
February	6.9	6.2	8.4	-1.6	-2.8	11.0	56.0	70.9	-1.6
March	-1.4	15.3	-2.0	-2.8	-1.6	-2.0	5.4	77.4	-5.3
April	6.2	9.0	7.5	-5.2	-7.1	9.4	15.6	73.6	4.2
May	17.6	8.8	19.5	3.4	40.4	16.8	33.4	80.1	7.2
June	12.3	24.0	11.8	11.5	31.3	13.2	34.9	77.4	0.6
July	14.7	10.0	17.1	-6.5	-0.3	29.7	13.1	62.6	4.8
August	8.6	-5.2	10.0	1.4	10.2	13.2	-1.6	48.8	2.5
September	15.7	5.5	16.6	11.3	0.7	41.3	-41.9	53.5	5.3
October	-9.9	13.0	-11.8	-1.3	2.6	-24.0	-40.8	42.9	5.3
November	-2.9	21.0	-3.0	-9.7	-13.3	-13.5	-30.4	43.4	15.6
December	-10.1	1.7	-8.8	-21.8	-30.9	-17.3	-18.7	68.8	3.4
January '09	-16.7	-23.7	-18.7	-4.6	-1.6	-41.4	-20.8	-15.7	0.5
February	-11.3	-21.9	-11.4	-6.5	-6.2	-26.0	-44.8	-16.7	9.6

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

Source: State Statistical Office.



Table 4
Employment and productivity in total economy

	Total population fit for work	Active population			Number of employees by economic activities:			Productivity ^{1/}
		Total	Employees	Unemployed	Agriculture	Industry	Services	
1996	1,436,602	789,081	537,591	251,489	100,067	193,975	243,548	-
1997	1,489,625	800,513	512,301	288,213	84,256	163,988	264,056	-
1998	1,503,365	823,826	539,762	284,064	107,249	190,674	241,839	-
1999	1,518,250	806,674	545,222	261,452	115,361	185,283	244,580	-
2000	1,534,256	811,557	549,846	261,711	119,971	187,066	242,809	-
2001	1,554,420	862,504	599,308	263,196	131,094	190,458	277,755	-
2002	1,566,953	824,824	561,341	263,483	134,293	186,917	238,868	-
2003	1,579,450	860,976	545,108	315,868	120,132	184,855	238,583	-
2004	1,594,557	832,281	522,995	309,286	88,050	171,390	261,810	-
2005	1,607,997	869,187	545,253	323,934	106,533	175,868	261,523	-0.2
2006	1,618,482	891,679	570,404	321,274	114,777	186,085	268,117	-0.7
2007	1,628,635	907,138	590,234	316,905	107,717	184,928	294,305	2.3
2005 Q1	1,603,675	827,428	507,397	320,030	76,546	181,450	251,307	5.4
Q2	1,606,833	883,522	552,797	330,724	126,194	174,588	251,112	2.9
Q3	1,609,071	889,725	564,880	324,845	135,712	170,157	257,804	-2.2
Q4	1,612,410	876,074	555,938	320,136	87,921	180,089	286,837	-6.2
2006 Q1	1,615,584	877,798	559,702	318,096	103,319	190,355	264,550	-3.4
Q2	1,617,423	885,609	566,293	319,316	128,519	189,630	246,842	0.9
Q3	1,619,447	899,732	576,813	322,919	125,322	187,760	262,480	2.3
Q4	1,621,475	903,576	578,810	324,766	101,948	176,592	298,599	-2.4
2007 Q1	1,624,611	902,588	579,301	323,287	95,384	186,975	293,629	2.3
Q2	1,627,216	906,199	589,254	316,944	112,982	184,622	288,104	0.7
Q3	1,630,010	909,466	598,327	311,139	117,531	181,993	294,863	1.2
Q4	1,632,702	910,301	594,054	316,247	104,975	186,122	300,622	4.9
2008 Q1	1,635,058	920,512	600,593	319,919	121,238	178,848	298,110	1.7
Q2	1,633,339	917,566	607,125	310,441	129,711	186,184	289,783	3.6
Q3	1,631,646	925,073	619,802	305,271	119,149	198,499	301,415	2.1
Q4	1,633,321	914,547	608,541	306,006	108,896	198,590	299,451	-0.1

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

Source: State Statistical Office. Labour Force Survey.



Table 5
Salaries
amount in denars, annual rate (in %)

	Gross salaries:						Net salaries:					
	Average, total	Nominal change	Real change	By economic activities:			Average, total	Nominal change	Real change	By economic activities:		
				Agriculture	Industry	Services				Agriculture	Industry	Services
1999	16,941	3.6	-	12,944	16,306	19,684	10,029	2.9	3.6	8,667	8,380	10,720
2000	17,958	6.0	-	15,733	17,785	20,968	10,526	5.5	-0.3	9,294	8,883	11,354
2001	17,893	-0.4	-5.6	14,739	18,304	20,467	10,592	3.5	-1.9	8,754	10,348	11,852
2002	19,030	6.4	4.5	14,437	19,243	21,648	11,550	6.9	5.0	8,833	11,415	12,791
2003	19,957	4.9	3.7	14,100	19,854	22,955	11,955	4.8	3.6	8,522	11,782	13,549
2004	20,779	4.1	4.5	17,287	20,692	23,748	12,534	4.0	4.4	10,337	12,290	13,999
2005	21,335	2.7	2.2	19,128	21,450	24,737	13,125	2.5	2.0	11,419	12,738	14,548
2006	23,037	8.0	4.6	19,485	23,570	25,624	13,854	7.3	4.0	11,660	13,983	15,036
2007	24,139	4.8	2.4	17,755	23,965	26,520	14,586	7.9	5.5	10,766	14,585	16,080
2008	25,349	8.7	0.3	17,342	25,478	28,492	16,095	10.3	1.9	10,693	15,780	17,581
2006 Q1	22,559	7.6	4.9	19,179	22,969	25,184	13,207	6.9	3.7	11,466	13,606	14,757
Q2	22,923	8.5	5.1	19,600	23,340	25,444	13,428	7.7	4.2	11,681	13,820	14,910
Q3	23,214	8.7	5.1	19,719	23,967	25,835	13,584	7.7	3.9	11,779	14,184	15,125
Q4	23,451	7.1	4.0	19,440	24,003	26,035	13,854	7.2	4.0	11,712	14,321	15,351
2007 Q1	23,139	2.6	1.9	17,809	23,414	25,635	13,962	5.7	5.0	10,802	14,230	15,516
Q2	23,651	3.2	2.1	18,396	23,569	26,020	14,287	6.4	5.3	11,161	14,335	15,746
Q3	24,193	4.2	1.8	17,524	24,043	26,510	14,604	7.5	5.1	10,652	14,608	16,086
Q4	25,574	9.1	4.2	17,291	24,836	27,917	15,490	11.8	6.9	10,451	15,167	16,971
January	23,003	1.1	0.3	18,113	23,811	25,604	13,884	4.2	3.4	10,980	14,475	15,509
February	23,088	3.6	3.1	17,559	22,803	25,515	13,934	6.9	6.4	10,610	13,860	15,442
March	23,327	3.0	2.2	17,755	23,628	25,786	14,067	6.1	5.3	10,816	14,356	15,595
April	23,632	5.1	4.0	17,789	22,945	25,922	14,291	8.4	7.3	10,836	13,968	15,698
May	23,733	2.7	1.8	19,379	23,949	26,165	14,328	5.8	4.9	11,586	14,564	15,819
June	23,589	1.9	0.5	18,019	23,813	25,972	14,242	5.1	3.8	11,063	14,473	15,722
July	23,701	3.2	1.9	16,284	24,053	26,219	14,300	6.5	5.1	9,963	14,600	15,900
August	23,907	2.0	-0.2	19,480	24,486	26,227	14,447	5.3	3.0	11,760	14,885	15,906
September	24,971	7.4	3.7	16,807	23,589	27,086	15,066	10.8	6.9	10,233	14,340	16,453
October	25,889	9.8	5.6	17,089	25,671	28,060	15,608	13.0	8.8	10,369	15,599	16,996
November	25,397	7.1	2.4	18,319	24,622	27,658	15,320	10.3	5.4	11,037	14,983	16,748
December	25,435	10.3	4.0	16,465	24,200	28,034	15,543	12.2	5.7	9,947	14,920	17,170
2008 Q1	25,146	8.7	-0.8	16,983	24,571	27,429	15,430	10.5	0.9	10,315	15,220	16,934
Q2	25,566	8.1	-1.6	16,679	25,126	27,899	15,697	9.9	0.0	10,295	15,559	17,228
Q3	26,337	8.9	0.4	16,779	25,610	28,561	16,171	10.7	2.1	10,479	15,860	17,628
Q4	27,863	9.0	3.3	18,928	26,604	30,080	17,081	10.3	4.5	11,684	16,480	18,534
January	25,349	10.2	1.4	17,355	25,456	27,398	15,555	12.0	3.1	10,453	15,757	16,918
February	24,799	7.4	-2.0	16,599	24,265	27,165	15,207	9.1	-0.4	10,169	15,019	16,771
March	25,289	8.4	-1.6	16,994	23,993	27,724	15,529	10.4	0.2	10,325	14,884	17,114
April	25,412	7.5	-2.3	16,379	24,735	27,808	15,605	9.2	-0.8	10,042	15,315	17,176
May	25,612	7.9	-1.4	16,379	25,337	27,843	15,728	9.8	0.2	10,104	15,691	17,198
June	25,673	8.8	-1.1	17,279	25,307	28,047	15,759	10.7	0.5	10,741	15,672	17,311
July	25,739	8.6	-0.8	16,653	24,907	28,100	15,808	10.5	1.0	10,493	15,415	17,355
August	25,758	7.7	-0.8	16,811	25,413	28,078	15,820	9.5	0.8	10,438	15,739	17,333
September	27,513	10.2	2.9	16,873	26,510	29,505	16,884	12.1	4.6	10,505	16,425	18,196
October	27,758	7.2	0.1	20,034	26,800	29,855	17,020	9.0	1.8	12,364	16,621	18,404
November	27,507	8.3	3.0	17,223	25,889	27,976	16,859	10.0	4.6	10,687	16,029	18,238
December	28,323	11.4	7.0	19,527	27,125	29,527	17,363	11.7	7.3	12,001	16,791	18,960
January '09	29,586	16.7	14.8	19,610	28,815	30,451	19,616	26.1	24.0	13,241	18,752	21,767

Source: State Statistical Office.

Source: State Statistical Office of the Republic of Macedonia.



Table 6
Budget of the Republic of Macedonia

	2007				Jan.-Dec. 2007	2008				Jan.-Dec. 2008	2009	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		January	February
TOTAL BUDGET REVENUES	26,445	27,882	32,599	32,683	119,609	33,135	31,717	37,092	34,498	136,412	9,959	9,333
Revenues base on taxes and contributions	23,478	24,648	26,586	28,507	103,219	28,004	28,135	29,330	29,705	115,142	8,869	8,134
Tax revenues (SRA)*	59	45	46	97	247	135	31	66	63	295	10	12
Tax revenues	15,755	16,514	18,282	18,964	69,515	19,046	19,006	19,659	18,848	76,559	6,320	4,758
personal income tax	1,844	2,006	2,220	2,823	8,893	2,075	2,134	1,988	2,498	8,695	536	677
profit tax	2,035	1,237	1,278	1,348	5,898	2,823	2,075	1,748	1,934	8,580	413	512
value added tax	7,106	8,150	8,968	8,738	32,962	8,857	9,145	9,697	8,474	36,173	3,441	1,908
excises	2,780	3,234	3,788	3,463	13,265	3,291	3,389	3,870	3,726	14,276	1,196	1,000
custom duties	1,502	1,380	1,403	1,914	6,199	1,320	1,675	1,666	1,614	6,275	421	420
other	488	507	625	678	2,298	680	588	690	602	2,560	313	241
Contributions	7,664	8,089	8,258	9,446	33,457	8,823	9,098	9,605	10,794	38,288	2,539	3,364
Pension and Disability Insurance Fund of Republic of Macedonia	4,971	5,219	5,444	6,302	21,936	5,956	6,054	6,481	7,127	25,586	1,693	2,278
Employment Biro	343	364	372	444	1,523	416	425	436	552	1,829	121	158
Health Fund	2,350	2,506	2,442	2,700	9,998	2,451	2,619	2,688	3,115	10,873	725	928
Non-tax revenues	2,521	2,844	5,517	3,080	13,962	4,551	3,033	7,207	3,570	18,363	785	1,063
Non-tax revenues (SRA)*	1,501	1,455	1,286	1,670	5,912	1,882	1,543	1,782	1,971	7,178	383	676
Profit from public financial institutions	72	368	3,032	60	3,532	1,338	46	3,839	315	5,538	16	18
National Bank of the Republic of Macedonia	0	258	0	0	258	1,289	0	0	0	1,289	0	0
Asset Management Agency	49	15	100	0	164	0	0	0	250	0	0	0
Other property revenues	7	0	5	0	12	4	0	3	0	7	2	0
Interests from assets deposited in NBRM	16	94	50	58	218	44	44	44	55	187	14	10
Dividend	0	1	2,877	2	2,880	1	2	3,792	10	3,805	0	8
Administrative taxes	419	384	406	474	1,683	472	452	456	476	1,856	140	158
Participation for health services	70	78	81	138	367	121	119	83	67	390	22	23
Other administrative taxes	72	68	67	117	324	121	143	127	170	561	43	47
Other non-tax revenues	78	72	220	157	527	146	178	406	165	897	75	35
Compensations for the Road Fund	309	419	425	464	1,617	471	552	514	406	1,943	106	106
Capital revenues	167	151	301	778	1,397	336	283	373	398	1,390	261	89
Donations from abroad	259	200	180	267	906	191	237	162	737	1,327	19	34
Revenues of recovered loans	20	39	15	51	125	53	29	20	88	190	25	13
TOTAL BUDGET EXPENDITURES	24,144	25,968	26,376	40,948	117,436	28,920	31,459	30,711	48,733	140,265	9,649	11,041
Current expenditures	23,038	24,296	23,995	32,366	103,695	26,320	28,013	27,734	37,692	120,201	8,770	10,200
Wages and salaries	6,025	6,112	5,940	5,530	23,607	5,221	4,971	4,879	5,757	20,828	1,624	1,988
Goods and services	2,739	3,074	3,138	5,862	14,813	3,166	4,076	3,725	7,782	18,749	901	1,307
Transfers	13,715	14,235	14,545	19,906	62,401	17,514	18,284	18,743	22,997	77,980	6,087	6,765
Transfers (SRA)*	191	164	106	176	637	320	452	326	185	1,283	53	61
Social transfers	12,336	12,449	12,769	12,437	49,991	13,738	13,907	14,453	15,528	58,104	4,774	4,993
Pension and Disability Insurance Fund of Republic of Macedonia	6,880	6,968	7,066	7,271	28,185	7,792	8,163	8,513	8,898	33,366	2,867	2,996
Employment Agency	417	437	411	389	1,654	368	407	386	465	1,626	141	4
State benefit	1,026	876	1,118	1,027	4,047	1,004	1,022	986	978	3,990	294	318
Public health	4,013	4,168	4,174	3,750	16,105	4,574	4,315	4,568	5,187	19,122	1,472	1,675
Other transfers	1,171	1,603	1,658	7,267	11,699	3,439	3,911	3,953	7,259	18,526	1,260	1,706
Refugees	17	19	12	26	74	17	14	11	25	67	0	5
Interest payments	559	875	372	1,068	2,874	419	682	387	1,156	2,644	158	140
Interest on domestic debt	94	455	126	378	1,053	140	408	48	346	942	25	47
Interest on external debt	465	420	246	690	1,821	279	274	339	810	1,702	133	93
Guaranties	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures	1,106	1,672	2,381	8,582	13,741	2,600	3,446	2,977	11,041	20,064	879	841
Investments in fixed assets	846	1,078	1,127	5,766	8,817	2,136	1,872	1,881	7,581	13,470	802	807
Capital transfers	260	590	1,254	2,816	4,920	464	1,574	1,096	3,460	6,594	77	34
BUDGET DEFICIT / SURPLUS	2,301	1,914	6,223	-8,265	2,173	4,215	258	6,381	-14,235	-3,853	310	-1,708
Financing	-2,301	-1,914	-6,223	8,265	-2,173	-4,215	-258	-6,381	14,235	3,853	-310	1,708
Inflow	3,039	8,944	-5,230	12,542	19,295	-3,692	2,905	-5,680	16,825	10,830	-182	2,209
Revenues based on privatisation	662	0	0	0	662	661	0	0	614	1,652	0	0
Foreign loans	273	375	804	2,191	3,643	355	678	136	1,503	2,672	103	2
Deposits	1,985	8,503	-4,848	9,814	15,454	-5,106	2,632	-6,122	11,872	3,370	-1,338	2,132
Treasury bills	118	58	-1,232	530	-526	379	-475	305	2,829	3,038	1,053	75
Sale of shares	1	8	46	7	62	19	70	1	7	97	0	0
Outflow	5,340	10,858	993	4,277	21,468	523	3,163	701	2,590	6,977	128	501
Repayment of principal	5,340	10,858	993	4,277	21,468	523	3,163	701	2,590	6,977	128	501
External debt	5,340	7,021	862	977	14,200	392	318	701	468	1,879	128	251
Domestic debt	0	3,837	131	3,300	7,268	131	2,845	0	2,122	5,098	0	250

*Specific Revenue Accounts.

Source: Ministry of Finance.



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

	XII.03	XII.04	XII.05	2006				2007				2008											
				III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII ²⁾	IX	X	XI	XII
ASSETS	52418	51506	78785	84515	89684	94587	96376	96102	95116	101561	100505	100583	101332	99566	98487	99042	101307	102295	104387	110064	110130	105021	96573
1. Foreign assets	45854	44637	69504	75076	80181	84956	87761	87526	87849	94209	94343	94939	95448	93487	92136	92392	94449	95298	97874	103351	102792	97658	91877
1.1. Gold and foreign currencies	2131	4101	5855	6487	6480	6428	6652	6826	6538	7053	7696	8441	8614	7986	7518	7627	7983	7877	7651	8391	8108	9155	8787
1.2. SDR portfolio and reserve position with IMF	19	38	41	11	53	13	139	431	86	67	60	61	55	54	66	63	62	62	59	62	66	63	60
1.3. Deposits with foreign banks	39175	39157	61556	66548	68769	70685	71001	65245	60850	61554	55832	17439	17931	17084	16192	16534	18301	19326	20538	24679	22392	15343	14537
1.4. Securities ¹⁾	4284	1116	1793	1777	4635	7588	9737	14794	20149	25319	30547	68791	68646	68363	68360	68168	68103	68033	69626	70219	72226	73097	68493
1.5. Other foreign assets	245	225	259	253	244	242	232	230	226	216	208	207	202	0	0	0	0	0	0	0	0	0	0
2. Claims on the Government	3878	3467	3911	3911	3604	3604	2854	2854	1626	1626	1591	1591	1591	1591	1591	1591	1591	1591	1591	1591	1591	1591	1601
2.1. In Denar	3878	3467	3911	3911	3604	3604	2854	2854	1626	1626	1591	1591	1591	1591	1591	1591	1591	1591	1591	1591	1591	1591	1601
2.2. In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Other assets	2686	3402	5370	5528	5899	6027	5761	5722	5641	5726	4571	4053	4293	4488	4760	5059	5267	5406	4922	5122	5747	5772	3095
B. LIABILITIES	52418	51506	78785	84515	89684	94587	96376	96102	95116	101561	100505	100583	101332	99566	98487	99042	101307	102295	104387	110064	110130	105021	96573
1. Reserve money	21022	21111	25762	24697	26929	27364	31264	29355	31838	32533	37586	34997	35620	34223	35769	35504	38854	40115	38363	40311	42243	38016	42059
1.1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	15034	15844	16746	17936	16419	16237	15746	16347	16408	16180	16763	16376	16552	16608	15856	17629
1.2. Cash in the vaults	833	909	1374	980	1011	1058	1526	1468	1590	1768	1958	1914	1887	2046	2161	2013	2274	3129	2400	2342	2355	2323	3170
1.3. Banks' accounts with NBRM	6012	6040	9949	10017	11338	11496	13532	12853	14404	14019	17692	16664	17496	16431	17261	17083	20400	20223	18438	19950	21507	17818	19732
1.3.1. Allocated reserve requirement in foreign currency	2770	3366	5323	5505	5662	6006	6373	6595	6949	7229	7277	7421	8429	8560	8701	8816	9016	9142	9314	9759	9920	9772	9803
1.4. Compulsory deposit at NBRM																			1149	1467	1773	2019	1528
2. Sold CB bills on auction	4379	4552	8921	8903	6734	7422	9456	11303	15095	16339	20995	21581	22178	21686	20611	23193	21569	19931	20693	20016	18377	16819	17418
3. Government deposits	10317	10956	22279	29052	33830	37137	32957	32236	27536	30968	19999	20892	19880	22489	20595	18727	18277	19104	21228	24997	23596	20936	13478
3.1. In denars	2337	4696	6993	8807	14417	18728	15326	20106	21807	26128	14406	15351	14494	17333	15671	13997	13250	13869	16048	20225	19197	16625	10292
3.1.1. Government securities for monetary purposes				1377	2627	4656	4573	5537	8082	6312	4560	3036	1956	1776	1211	131	0	0	0	0	0	0	0
3.2. In foreign currency	7980	6260	15286	20245	19413	18409	17631	12130	5729	4840	5593	5541	5386	5156	4924	4730	5027	5235	5180	4772	4399	4311	3186
4. Deposits of other financial institutions	78	18	18	212	113	127	23	423	206	473	148	191	239	175	103	91	126	152	1494	73	99	67	54
5. Foreign liabilities	3353	2862	3222	3169	2925	2892	2645	2460	59	0	0	0	0	0	0	0	0	382	382	382	384	384	384
6. Other liabilities	13269	12007	18583	18482	19153	19645	20031	20325	20382	21248	21777	22922	23415	20993	21409	21527	22481	22611	22227	24285	25431	28799	23180

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

2) Starting from August 2008, deposit money banks and saving houses allocate compulsory deposit with the NBRM, according with the Decision on the compulsory deposit with the National Bank of the Republic of Macedonia, No.02-15/VI-1/2008 from 12.06.2008.

Source: NBRM.



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

	XII.03	XII.04	XII.05	2006				2007				2008											
				III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
A. ASSETS	131716	150143	174955	181159	187916	194415	207220	217454	234583	239660	255838	255727	261738	260949	267456	270118	275825	281378	287140	285404	284673	279969	284955
1. Liquid assets	4103	3645	6040	5558	6764	6597	8806	7905	9214	8654	12531	11334	11053	10052	10865	10380	13801	14330	11628	12618	14180	10401	13212
1.1. Cash in the vaults	833	909	1374	980	1011	1058	1526	1468	1590	1768	1958	1914	1887	2046	2161	2013	2274	3129	2400	2342	2355	2323	3170
1.2. Banks' account with NBRM	3270	2736	4666	4578	5753	5539	7280	6437	7624	6886	10573	9420	9166	8006	8704	8367	11527	11201	9228	10276	11825	8078	10042
2. Deposits with NBRM	4379	4552	8921	8903	6734	7422	9456	11303	15095	16339	20995	21581	22178	21686	20611	23193	21569	19931	20693	20016	18377	16819	17418
2.1. CB bills	4379	4552	8921	8903	6734	7422	9456	11303	15095	16339	20995	21581	22178	21686	20611	23193	21569	19931	20693	20016	18377	16819	17418
3. Foreign assets	33081	37105	37786	36669	35526	36867	39707	39614	39000	38175	38412	36425	35590	33580	34775	33795	32400	32104	36204	32494	27492	26971	23882
3.1. Gold, foreign currencies and checks	1629	1549	2029	1673	1900	1868	2441	1899	2068	1967	2885	1725	1648	1853	2204	2026	2602	2668	2443	2011	2971	2404	2521
3.2. Foreign currency accounts abroad	30588	34641	34834	34024	32829	34176	36576	36125	35376	34655	33416	32573	31890	29703	30371	30058	27987	27617	31767	28731	22773	22837	19590
3.3. Other claims	864	915	923	972	797	823	690	1590	1556	1553	2111	2127	2052	2024	2200	1711	1811	1819	1994	1752	1748	1730	1771
4. Claims on the Government	6708	7157	7195	10012	11403	13113	13484	14433	16996	14172	13018	12520	11103	10552	9607	8472	7720	7506	7578	7794	8169	8568	9538
4.1. Claims on credits	2	158	83	289	375	264	357	347	253	318	290	314	309	326	314	320	340	367	370	379	379	379	373
4.2. Placements in securities	6706	6999	7112	9723	11028	12849	13127	14086	16749	13919	12700	12230	10789	10243	9281	8158	7400	7166	7211	7424	7790	8189	9165
5. Claims on non-financial and non-banking sector	45791	57097	68777	73017	79563	82084	89779	96362	105012	115754	124862	127908	132520	137050	141870	144910	149206	153918	156121	160222	163307	165871	168136
5.1. In denars	38544	45750	51672	54473	58993	60349	66410	71537	78031	86908	94484	96822	101008	105345	108946	111484	114910	118047	119487	122402	125236	127745	130062
5.2. In foreign currency	7247	11347	17105	18544	20570	21735	23369	24825	26981	28846	30378	31086	31512	31705	32924	33426	34296	35871	36634	37820	38071	38126	38074
6. Other assets	37654	40587	46236	47000	47926	48332	45988	47837	49266	46566	46020	45959	49294	48029	49728	49368	51129	53589	54916	52260	53148	51339	52769
B. Liabilities	131716	150143	174955	181159	187916	194415	207220	217454	234583	239660	255838	255727	261738	260949	267456	270118	275825	281378	287140	285404	284673	279969	284955
1. Deposits	65653	78801	92887	97211	101864	108172	117813	124931	138011	142609	155626	157388	160273	160234	164165	168001	170770	172755	176331	177942	175515	171088	175021
1.1. Demand Deposits	13018	13370	15206	14050	16076	17153	18518	18797	20269	22129	27674	26415	27419	26699	27859	29608	31063	29164	29754	30991	29891	30684	34200
1.2. Denar sight deposits	4883	5143	5793	6148	6829	6365	7226	7668	9253	9282	9405	8432	7674	7146	7503	7013	6905	6626	6321	6249	6288	6109	5772
1.3. Time deposits up to 1 year	43872	56144	67678	72497	74048	79497	86521	92828	101136	102818	109685	113654	115554	116114	117892	119718	121073	124767	127166	126963	123962	117980	118232
1.4. Restricted deposits	631	806	782	781	930	877	998	760	852	900	892	686	816	1000	1324	1606	1067	767	1228	1167	968	803	613
1.5. Time deposits over 1 year	3249	3338	3428	3735	3981	4280	4550	4878	6501	7480	7970	8201	8810	9275	9587	10056	10662	11431	11862	12572	14406	15512	16204
2. Credits of non-banking organizations	905	921	834	787	778	756	1089	1085	1090	1031	1312	1286	1299	1172	1222	1304	1348	1397	1468	1481	1503	1555	1589
3. Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Liabilities to Government	1655	1169	1109	1276	1175	969	1199	1540	1126	1044	965	1496	1556	1538	1523	1522	1732	2753	1594	1416	1419	1487	1808
4.1. Demand Deposits	936	335	371	469	433	329	689	1027	545	516	443	526	589	590	513	537	493	1709	574	411	509	459	804
4.2. Denar sight deposits	25	27	1	0	0	1	1	1	0	0	1	2	2	1	1	0	1	1	1	1	1	2	2
4.3. Time deposits up to 1 year	538	703	689	759	694	590	460	462	531	477	408	855	852	834	906	881	1141	946	922	907	820	937	912
4.4. Time deposits over 1 year	156	104	48	48	48	49	49	50	50	51	113	113	113	103	103	104	97	97	97	97	89	89	90
5. Foreign liabilities	9790	10064	14330	11965	12494	13312	16781	16205	19224	20806	22964	20156	20400	21030	21487	20407	21409	21455	24258	23538	24747	25932	23594
6. Borrowings from NBRM	374	779	937	2179	2291	2238	2301	2610	2130	2023	1560	1530	1523	1349	1347	1338	1288	1266	1273	1232	876	866	842
7. Capital accounts	30889	33299	34922	36185	36412	35283	35831	37226	38605	39824	39034	39158	39170	40135	40866	41774	41666	43138	43250	44305	44601	44835	45428
8. Other liabilities	22450	25110	29936	31556	32902	33685	32206	33857	34397	32323	34377	34713	37517	35491	36846	35772	37612	38614	38966	35490	36012	34206	36673

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

Source: NBRM.



Table 9
Saving houses - balance sheet
in millions of denars

	XII.05	2006				2007				2008											
		III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
A. ASSETS	2199	2231	2311	2389	2622	2810	2947	3040	3215	3263	3428	3407	3511	3615	3696	3753	3787	3863	3888	3920	3904
1. Liquidity aseets	15	16	22	18	19	23	25	28	28	34	29	28	30	28	29	26	26	27	26	32	28
1.1. Cash in the vaults	15	16	22	18	19	23	25	28	28	34	29	28	30	28	29	26	26	27	26	32	28
2. Deposits with NBRM	76	76	41	44	49	74	57	80	76	75	61	57	45	53	50	49	46	51	56	76	46
3. Claims on the Government	62	57	63	72	155	64	71	42	37	38	38	38	38	37	41	46	46	44	44	41	40
3.1. Claims on credits																					
3.2. Placements in securities	62	57	63	72	155	64	71	42	37	38	38	38	38	37	41	46	46	44	44	41	40
4. Claims on non-government sector	1718	1747	1823	1886	2048	2254	2416	2487	2615	2677	2788	2878	2988	3078	3146	3196	3228	3286	3291	3301	3342
4.1. Claims on credits	1716	1745	1820	1884	2046	2252	2415	2485	2615	2677	2788	2878	2988	3078	3146	3196	3228	3286	3291	3301	3342
4.2. Placements in securities	2	2	3	2	2	2	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Other assets	328	335	362	369	427	504	378	403	459	439	512	406	410	419	430	436	441	455	471	470	448
B. LIABILITIES	2199	2231	2311	2389	2622	2810	2947	3040	3215	3263	3428	3407	3511	3615	3696	3753	3787	3863	3888	3920	3904
1. Deposits	455	479	525	558	588	638	660	686	686	697	702	683	689	704	712	710	718	724	711	706	691
1.1. Denar sight deposits	24	22	23	25	24	30	30	27	37	34	32	35	39	42	43	39	37	40	35	33	34
1.2. Time deposits up to 1 year	289	313	346	373	401	443	457	482	505	519	527	525	525	532	535	536	543	545	538	536	519
1.3. Time deposits over 1 year	142	144	156	160	163	165	173	177	144	144	143	123	125	130	134	135	138	139	138	137	138
2. Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Borrowings from NBRM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Capital accounts	1103	1112	1165	1162	1157	1203	1243	1257	1267	1290	1291	1292	1305	1314	1324	1337	1351	1359	1365	1375	1408
5. Other liabilities	641	640	621	669	877	969	1044	1097	1262	1276	1435	1432	1517	1597	1660	1706	1718	1780	1812	1839	1805

Source: NBRM.



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

	XII.03	XII.04	XII.05	2006				2007				2008											
				III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
A. Net foreign assets	65792	68865	89738	96611	100288	105619	108042	108475	107566	111578	109791	111208	110638	106037	105424	105780	105440	105565	109438	111925	105153	98313	91781
National Bank	42501	41824	66282	71907	77256	82064	85116	85066	87790	94209	94343	94939	95448	93487	92136	92392	94449	94916	97492	102969	102408	97274	91493
Assets	45854	44686	69504	75076	80181	84956	87761	87526	87849	94209	94343	94939	95448	93487	92136	92392	94449	95298	97874	103351	102792	97658	91877
Liabilities	3353	2862	3222	3169	2925	2892	2645	2460	59	0	0	0	0	0	0	0	0	382	382	382	384	384	384
Deposit Money Banks	23291	27041	23456	24704	23032	23555	22926	23409	19776	17369	15448	16269	15190	12550	13288	13388	10991	10649	11946	8956	2745	1039	288
Assets	33081	37105	37786	36669	35526	36867	39707	39614	39000	38175	38412	36425	35590	33580	34775	33795	32400	32104	36204	32494	27492	26971	23882
Liabilities	9790	10064	14330	11965	12494	13312	16781	16205	19224	20806	22964	20156	20400	21030	21487	20407	21409	21455	24258	23538	24747	25932	23594
B. Net domestic assets	16676	26206	19545	16577	18220	19219	28288	34538	48712	50327	66205	65576	68969	72830	77937	81546	84716	88260	87826	85540	89991	91740	104320
I.Domestic credits	50616	61356	62382	62714	65763	65575	77176	85601	100434	104481	123140	124935	129178	130614	136495	140056	143892	147602	147868	148469	153410	159119	169688
of which: Claims on Gov.	288	-916	-11791	-15747	-19421	-21017	-17184	-15513	-9477	-15736	-5921	-7312	-7716	-10877	-9927	-9194	-9496	-10562	-12613	-16166	-14389	-11329	-2896
a) Deposit Money Banks	57666	69431	81371	88476	96610	99729	107866	115570	126931	134410	142100	144788	148019	152064	156051	157744	161130	165667	168057	172427	175967	179016	182127
-in denar	44528	52575	64186	69847	75954	77855	84368	90626	99837	105391	111467	113471	116249	120101	122849	124047	126554	129517	131117	134299	137581	140577	143748
Government	1447	1650	7118	9930	11340	12998	13377	14337	16907	14020	12784	12310	10867	10315	9351	8223	7462	7224	7270	7484	7853	8255	9238
Credits	1437	1648	7115	9927	11317	12974	13355	14314	16883	13999	12763	12289	10845	10294	9329	8201	7440	7202	7247	7461	7830	8231	9209
a) Budget and Line Ministries	687	1403	7033	9696	11015	12834	13095	14052	16777	13946	12724	12254	10813	10266	9304	8180	7422	7187	7232	7445	7811	8211	9187
b) Funds	750	245	82	231	302	140	260	262	106	53	39	35	32	28	25	21	18	15	15	16	19	20	22
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	10	2	3	3	23	24	22	23	24	21	21	21	22	21	22	22	22	22	23	23	23	24	29
Non-Government sector	43081	50925	57068	59917	64614	64857	70991	76289	82930	91371	98683	101161	105382	109786	113498	115824	119092	122293	123847	126815	129728	132322	134510
Credits	38430	45750	51672	54473	58993	60349	66410	71537	78031	86908	94484	96822	101008	105345	108946	111484	114910	118047	119487	122402	125236	127745	130062
of which: Overdue claims	9499	9160	9807	10146	10538	9682	9810	9560	10049	10125	8966	9379	9493	9744	9647	9905	10119	10272	10362	10639	10892	10961	11108
Accrued interest	4651	5175	5396	5444	5621	4508	4581	4752	4899	4463	4199	4339	4374	4441	4552	4340	4182	4246	4360	4413	4492	4577	4448
-in foreign currency	13138	16856	17185	18629	20656	21874	23498	24944	27094	29019	30633	31317	31770	31963	33202	33697	34576	36150	36940	38128	38386	38439	38379
Government	5891	5509	80	85	86	139	129	119	113	173	255	231	258	258	278	271	280	279	306	308	315	313	305
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Government sector	7247	11347	17105	18544	20570	21735	23369	24825	26981	28846	30378	31086	31512	31705	32924	33426	34296	35871	36634	37820	38071	38126	38074
of which: Overdue	1502	1600	1748	1444	1693	1532	1650	1511	1611	1763	1516	1982	2112	1610	1535	1551	1743	1630	1620	1776	2194	2087	1989
b) Nat. Bank Claims on Government	-7050	-8075	-18989	-25762	-30847	-34154	-30690	-29969	-26497	-29929	-18960	-19853	-18841	-21450	-19556	-17688	-17238	-18065	-20189	-23958	-22557	-19897	-12439
2. Other items, net	-33940	-35150	-42837	-46137	-47543	-46356	-48888	-51063	-51722	-54154	-56935	-59359	-60209	-57784	-58558	-58510	-59176	-59342	-60042	-62929	-63419	-67379	-65368

Source: NBRM.



Monetary survey (without saving houses)
in millions of denars

	XII.03	XII.04	XII.05	2006				2007				2008											
				III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M4 Total	82468	95071	109283	113188	118508	124838	136330	143013	156278	161905	175996	176784	179607	178867	183361	187326	190156	193825	197264	197465	195144	190053	196101
M4 (non-government sector)	80813	93947	108174	111912	117333	123869	135131	141473	155152	160861	175031	175288	178051	177329	181838	185804	188424	191072	195670	196049	193725	188566	194293
M1 (Total)	28209	27885	30034	28431	31201	32419	35436	35281	36864	39864	46201	43551	44484	43210	44822	46644	47862	47788	48198	48027	47107	47066	52687
M1 (non-government sector)	27273	27595	29663	27962	30768	32090	34747	34254	36319	39348	45758	43025	43895	42620	44309	46107	47369	46079	47624	47616	46598	46607	51883
Currency in circulation	14177	14162	14439	13700	14580	14810	16206	15034	15844	16746	17936	16419	16237	15746	16347	16408	16180	16763	16376	16552	16608	15856	17629
Demand Deposits (total)	14032	13723	15595	14731	16621	17609	19230	20247	21020	23118	28265	27132	28247	27464	28475	30236	31682	31025	31822	31475	30499	31210	35058
Demand Deposits (non-government sector)	13096	13433	15224	14262	16188	17280	18541	19220	20475	22602	27822	26606	27658	26874	27962	29699	31189	29316	31248	31064	29990	30751	34254
- Deposit Money Banks	13954	13705	15577	14519	16509	17482	19207	19824	20814	22645	28117	26941	28008	27289	28372	30145	31556	30873	30328	31402	30400	31143	35004
Non-government sector	13018	13415	15206	14050	16076	17153	18518	18797	20269	22129	27674	26415	27419	26699	27859	29608	31063	29164	29754	30991	29891	30684	34200
Government	936	290	371	469	433	329	689	1027	545	516	443	526	589	590	513	537	493	1709	574	411	509	459	804
a) Budget and Line Ministries	104	115	236	132	158	92	551	226	232	276	271	304	266	243	250	235	244	240	259	138	139	153	514
b) Funds	821	171	135	323	275	236	138	801	312	239	172	221	322	346	260	300	246	1467	313	271	368	304	288
v) Ins. of Central Gov., Courts, etc.	11	4	0	14	0	1	0	0	1	1	0	1	1	1	3	2	3	2	2	2	2	2	2
- National Bank (non-government sector)	78	18	18	212	112	127	23	423	206	473	148	191	239	175	103	91	126	152	1494	73	99	67	54
M2 (Total)	77527	89906	104195	107835	112772	118872	129644	136240	147785	152443	165709	166498	168569	167307	171125	174256	176982	180133	182609	182148	178178	172094	177605
M2 (non-government sector)	76028	88886	103134	106607	111645	117952	128494	134750	146709	151450	164857	165115	167126	165882	169705	172838	175347	177477	181112	180829	176848	170696	175887
Short-term deposits (total)	49318	62021	74161	79404	81571	86453	94208	100959	110921	112579	119508	122947	124085	124097	126303	127612	129120	132345	134411	134121	131071	125028	124918
Short-term deposits (non-government sector)	48755	61291	73471	78645	80877	85862	93747	100496	110390	112102	119099	122090	123231	123262	125396	126731	127978	131398	133488	133213	130250	124089	124004
Deposit Money Banks	49318	62021	74161	79404	81571	86453	94208	100959	110921	112579	119508	122947	124085	124097	126303	127612	129120	132345	134411	134121	131071	125028	124918
Non-Government sector	48755	61291	73471	78645	80877	85862	93747	100496	110390	112102	119099	122090	123231	123262	125396	126731	127978	131398	133488	133213	130250	124089	124004
- in denar	15568	20483	24364	27889	28062	30638	36317	40511	48389	50045	55057	56108	56458	55902	56577	56676	57007	58732	58566	57662	57329	50665	49031
- in foreign currency	33187	40808	49107	50756	52815	55224	57430	59985	62001	62057	64042	65982	66773	67360	68819	70055	70971	72666	74922	75551	72921	73424	74973
Government	563	730	690	759	694	591	461	463	531	477	409	857	854	835	907	881	1142	947	923	908	821	939	914
- in denar	538	703	689	759	694	590	460	462	531	477	408	855	852	834	906	881	1141	946	922	907	820	937	912
- in foreign currency	25	27	1	0	0	1	1	1	0	0	1	2	2	1	1	0	1	1	1	1	1	2	2
- National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term deposits (total)	4941	5165	5088	5353	5736	5966	6686	6773	8493	9462	10287	10286	11038	11560	12236	13070	13174	13692	14655	15317	16966	17959	18496
- in denar	3653	3464	3105	3171	3303	3292	3678	3799	4938	5549	5783	5898	6089	6491	6781	7226	7551	7891	8052	8404	9089	9561	9539
- in foreign currency	1288	1701	1983	2182	2433	2674	3008	2974	3555	3913	4504	4388	4949	5069	5455	5844	5623	5801	6603	6913	7877	8398	8957
Non-government sector	4785	5061	5040	5305	5688	5917	6637	6723	8443	9411	10174	10173	10925	11447	12133	12966	13077	13595	14558	15220	16877	17870	18406
- in denar	3497	3360	3057	3123	3255	3243	3629	3749	4888	5498	5670	5785	5976	6378	6678	7122	7454	7794	7955	8307	9000	9472	9449
- in foreign currency	1288	1701	1983	2182	2433	2674	3008	2974	3555	3913	4504	4388	4949	5069	5455	5844	5623	5801	6603	6913	7877	8398	8957
-Deposit Money Banks	4941	5165	5088	5353	5736	5966	6686	6773	8493	9462	10287	10286	11038	11560	12236	13070	13174	13692	14655	15317	16966	17959	18496
Non-Government sector - in denar	3497	3360	3057	3123	3255	3243	3629	3749	4888	5498	5670	5785	5976	6378	6678	7122	7454	7794	7955	8307	9000	9472	9449
Non-Government sector - in foreign currency	1288	1701	1983	2182	2433	2674	3008	2974	3555	3913	4504	4388	4949	5069	5455	5844	5623	5801	6603	6913	7877	8398	8957
Government - in denar	156	104	48	48	48	49	49	50	50	51	113	113	113	113	103	104	97	97	97	97	89	89	90
Government - in foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	68291	80909	94844	99488	103928	110028	120124	127979	140434	145159	158060	160365	163370	163121	167014	170918	173976	177062	180888	180913	178536	174197	178472
Total deposits (non-government sector)	66636	79785	93735	98212	102753	109059	118925	126439	139308	144115	157095	158869	161814	161583	165491	169396	172244	174309	179294	179497	177117	172710	176664

Source: NBRM.



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

	XII.05	2006				2007				2008											
		III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
A. Net foreign assets	89738	96611	100288	105619	108042	108475	107566	111578	109791	111208	110638	106037	105424	105780	105440	105565	109438	111925	105153	98313	91781
<i>National Bank</i>	66282	71907	77256	82064	85116	85066	87790	94209	94343	94939	95448	93487	92136	92392	94449	94916	97492	102969	102408	97274	91493
Assets	69504	75076	80181	84956	87761	87526	87849	94209	94343	94939	95448	93487	92136	92392	94449	95298	97874	103351	102792	97658	91877
Liabilities	3222	3169	2925	2892	2645	2460	59	0	0	0	0	0	0	0	0	382	382	382	384	384	384
<i>Deposit Money Banks</i>	23456	24704	23032	23555	22926	23409	19776	17369	15448	16269	15190	12550	13288	13388	10991	10649	11946	8956	2745	1039	288
Assets	37786	36669	35526	36867	39707	39614	39000	38175	38412	36425	35590	33580	34775	33795	32400	32104	36204	32494	27492	26971	23882
Liabilities	14330	11965	12494	13312	16781	16205	19224	20806	22964	20156	20400	21030	21487	20407	21409	21455	24258	23538	24747	25932	23594
B. Net domestic assets	20000	17056	18745	19777	28877	35176	49372	51013	66891	66273	69671	73513	78626	82250	85428	88970	88544	86264	90702	92446	105011
<i>1.Domestic credits</i>	64162	64518	67649	67533	79379	87919	102921	107010	125792	127650	132004	133530	139521	143171	147079	150844	151142	151799	156745	162461	173070
of which: Claims on Gov.	-11729	-15690	-19358	-20945	-17029	-15449	-9406	-15694	-5884	-7274	-7678	-10839	-9889	-9157	-9455	-10516	-12567	-16122	-14345	-11288	-2856
a) Deposit Money Banks	83151	90280	98496	101687	110069	117888	129418	136939	144752	147503	150845	154980	159077	160859	164317	168909	171331	175757	179302	182358	185509
-in denar	65966	71651	77840	79813	86571	92944	102324	107920	114119	116186	119075	123017	125875	127162	129741	132759	134391	137629	140916	143919	147130
Government	7180	9987	11403	13070	13532	14401	16978	14062	12821	12348	10905	10353	9389	8260	7503	7270	7316	7528	7897	8296	9278
Credits	7177	9984	11380	13046	13510	14378	16954	14041	12800	12327	10883	10332	9367	8238	7481	7248	7293	7505	7874	8272	9249
a) Budget and Line Ministries	7095	9753	11078	12906	13250	14116	16848	13988	12761	12292	10851	10304	9342	8217	7463	7233	7278	7489	7855	8252	9227
b) Funds	82	231	302	140	260	262	106	53	39	35	32	28	25	21	18	15	15	16	19	20	22
v) Ins. of Central Gov.: Courts, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	3	3	23	24	22	23	24	21	21	21	22	21	22	22	22	22	23	23	23	24	29
Non Government sector	58786	61664	66437	66743	73039	78543	85346	93858	101298	103838	108170	112664	116486	118902	122238	125489	127075	130101	133019	135623	137852
Credits	53371	56199	60793	62212	68435	73765	80418	89365	97070	99468	103764	108191	111900	114527	118019	121205	122675	125647	128485	131004	133364
of which: Overdue claims	9915	10267	10666	9813	9939	9701	10208	10291	9135	9555	9664	9913	9816	10084	10315	10469	10572	10864	11121	11196	11340
Accrued interest	5415	5465	5644	4531	4604	4778	4928	4493	4228	4370	4406	4473	4586	4375	4219	4284	4400	4454	4534	4619	4488
-in foreign currency	17185	18629	20656	21874	23498	24944	27094	29019	30633	31317	31770	31963	33202	33697	34576	36150	36940	38128	38386	38439	38379
Government	80	85	86	139	129	119	113	173	255	231	258	258	278	271	280	279	306	308	315	313	305
of which: Overdue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Government sector	17105	18544	20570	21735	23369	24825	26981	28846	30378	31086	31512	31705	32924	33426	34296	35871	36634	37820	38071	38126	38074
of which: Overdue	1748	1444	1693	1532	1650	1511	1611	1763	1516	1982	2112	1610	1535	1551	1743	1630	1620	1776	2194	2087	1989
b) Nat. Bank Claims on Government	-18989	-25762	-30847	-34154	-30690	-29969	-26497	-29929	-18960	-19853	-18841	-21450	-19556	-17688	-17238	-18065	-20189	-23958	-22557	-19897	-12439
2. Other items, net	-44162	-47462	-48904	-47756	-50502	-52743	-53549	-55997	-58901	-61377	-62333	-60017	-60895	-60921	-61651	-61874	-62598	-65535	-66043	-70015	-68059

Source: NBRM.



Monetary survey (with saving houses)
in millions of denars

	XII.05	2006				2007				2008											
		III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
M4 Total	109738	113667	119033	125396	136919	143651	156938	162591	176682	177481	180309	179550	184050	188030	190868	194535	197982	198189	195855	190759	196792
M4 (non-government sector)	108629	112391	117858	124427	135720	142111	155812	161547	175717	175985	178753	178012	182527	186508	189136	191782	196388	196773	194436	189272	194984
M1 (Total)	30034	28431	31201	32419	35436	35281	36864	39864	46201	43551	44484	43210	44822	46644	47862	47788	48198	48027	47107	47066	52687
M1 (non-government sector)	29663	27962	30768	32090	34747	34254	36319	39348	45758	43025	43895	42620	44309	46107	47369	46079	47624	47616	46598	46607	51883
Currency in circulation	14439	13700	14580	14810	16206	15034	15844	16746	17936	16419	16237	15746	16347	16408	16180	16763	16376	16552	16608	15856	17629
Demand Deposits (total)	15595	14731	16621	17609	19230	20247	21020	23118	28265	27132	28247	27464	28475	30236	31682	31025	31822	31475	30499	31210	35058
Demand Deposits (non-government sector)	15224	14262	16188	17280	18541	19220	20475	22602	27822	26606	27658	26874	27962	29699	31189	29316	31248	31064	29990	30751	34254
- Deposit Money Banks	15577	14519	16509	17482	19207	19824	20814	22645	28117	26941	28008	27289	28372	30145	31556	30873	30328	31402	30400	31143	35004
Non-government sector	15206	14050	16076	17153	18518	18797	20269	22129	27674	26415	27419	26699	27859	29608	31063	29164	29754	30991	29891	30684	34200
Government	371	469	433	329	689	1027	545	516	443	526	589	590	513	537	493	1709	574	411	509	459	804
a) Budget and Line Ministries	236	132	158	92	551	226	232	276	271	304	266	243	250	235	244	240	259	138	139	153	514
b) Funds	135	323	275	236	138	801	312	239	172	221	322	346	260	300	246	1467	313	271	368	304	288
v) Ins. of Central Gov.: Courts, etc.	0	14	0	1	0	0	1	1	0	1	1	1	3	2	3	2	2	2	2	2	2
- National Bank (non-government sector)	18	212	112	127	23	423	206	473	148	191	239	175	103	91	126	152	1494	73	99	67	54
M2 (Total)	104508	108170	113141	119270	130069	136713	148272	152952	166251	167051	169128	167867	171689	174830	177560	180708	183189	182733	178751	172663	178158
M2 (non-Government sector)	103447	106942	112014	118350	128919	135223	147196	151959	165399	165668	167685	166442	170269	173412	175925	178052	181692	181414	177421	171265	176440
Short-term deposits (total)	74474	79739	81940	86851	94633	101432	111408	113088	120050	123500	124644	124657	126867	128186	129698	132920	134991	134706	131644	125597	125471
Short-term deposits (non-government sector)	73784	78980	81246	86260	94172	100969	110877	112611	119641	122643	123790	123822	125960	127305	128556	131973	134068	133798	130823	124658	124557
Deposit Money Banks	74474	79739	81940	86851	94633	101432	111408	113088	120050	123500	124644	124657	126867	128186	129698	132920	134991	134706	131644	125597	125471
Non-Government sector	73784	78980	81246	86260	94172	100969	110877	112611	119641	122643	123790	123822	125960	127305	128556	131973	134068	133798	130823	124658	124557
- in denar	24677	28224	28431	31036	36742	40984	48876	50554	55599	56661	57017	56462	57141	57250	57585	59307	59146	58247	57902	51234	49584
- in foreign currency	49107	50756	52815	55224	57430	59985	62001	62057	64042	65982	66773	67360	68819	70055	70971	72666	74922	75551	72921	73424	74973
Government	690	759	694	591	461	463	531	477	409	857	854	835	907	881	1142	947	923	908	821	939	914
- in denar	689	759	694	590	460	462	531	477	408	855	852	834	906	881	1141	946	922	907	820	937	912
- in foreign currency	1	0	0	1	1	1	0	0	1	2	2	1	1	0	1	1	1	1	1	2	2
- National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-term deposits (total)	5230	5497	5892	6126	6850	6938	8666	9639	10431	10430	11181	11683	12361	13200	13308	13827	14793	15456	17104	18096	18634
- in denar	3247	3315	3459	3452	3842	3964	5111	5726	5927	6042	6232	6614	6906	7356	7685	8026	8190	8543	9227	9698	9677
- in foreign currency	1983	2182	2433	2674	3008	2974	3555	3913	4504	4388	4949	5069	5455	5844	5623	5801	6603	6913	7877	8398	8957
Long-term deposits (Non-government sector)	5182	5449	5844	6077	6801	6888	8616	9588	10318	10317	11068	11570	12258	13096	13211	13730	14696	15359	17015	18007	18544
- in denar	3199	3267	3411	3403	3793	3914	5061	5675	5814	5929	6119	6501	6803	7252	7588	7929	8093	8446	9138	9609	9587
- in foreign currency	1983	2182	2433	2674	3008	2974	3555	3913	4504	4388	4949	5069	5455	5844	5623	5801	6603	6913	7877	8398	8957
-Deposit Money Banks	5230	5497	5892	6126	6850	6938	8666	9639	10431	10430	11181	11683	12361	13200	13308	13827	14793	15456	17104	18096	18634
Non-Government sector - in denar	3199	3267	3411	3403	3793	3914	5061	5675	5814	5929	6119	6501	6803	7252	7588	7929	8093	8446	9138	9609	9587
Non-Government sector - in foreign currency	1983	2182	2433	2674	3008	2974	3555	3913	4504	4388	4949	5069	5455	5844	5623	5801	6603	6913	7877	8398	8957
Government - in denar	48	48	48	49	49	50	50	51	113	113	113	113	103	104	97	97	97	97	89	89	90
Government - in foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-National Bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total deposits	95299	99967	104453	110586	120713	128617	141094	145845	158746	161062	164072	163804	167703	171622	174688	177772	181606	181637	179247	174903	179163
Total deposits (non-government sector)	94190	98691	103278	109617	119514	127077	139968	144801	157781	159566	162516	162266	166180	170100	172956	175019	180012	180221	177828	173416	177355

Source: NBRM.



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

	XII.03	XII.04	XII.05	2006				2007				2008											
				III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Credits to non-government sector	45677	57094	68777	73017	79565	82083	89774	96362	105019	115751	124858	127907	132518	137039	141873	144911	149196	153916	156119	160220	163301	165867	168132
1. By currency																							
1.1. in denars	38430	45747	51672	54473	58994	60350	66408	71539	78035	86908	94479	96819	101014	105337	108950	111485	114903	118046	119492	122404	125231	127742	130060
1.2. in foreign currency	7247	11347	17105	18544	20571	21733	23366	24823	26984	28843	30379	31088	31504	31702	32923	33426	34293	35870	36627	37816	38070	38125	38072
2. By maturity																							
2.1. short-term	27448	29764	30915	32942	35376	34554	36460	38554	41335	46159	47798	49748	52138	53610	55411	56392	58124	59720	60512	62860	63419	65171	65608
2.2. long-term	18229	27330	37862	40075	44189	47529	53314	57808	63684	69592	77060	78159	80380	83429	86462	88519	91072	94196	95607	97360	99882	100696	102524
3. By sector																							
3.1. households	9405	15276	21625	23079	25602	27625	30864	33607	38199	43251	48263	49651	51481	53390	55259	57141	59020	61045	62467	63833	65276	65983	66342
3.2. enterprises	36058	41681	46987	49842	53874	54377	58805	62647	66704	72226	76281	77903	80725	83337	86300	87454	89860	92522	93293	96032	97668	99474	101388
3.3. other	214	137	165	96	89	81	105	108	116	274	314	353	312	312	314	316	316	349	359	355	357	410	402
annual growth rate																							
Credits to non-government sector		25.00	20.46	21.05	26.28	24.70	30.53	31.97	31.99	41.02	39.08	39.92	41.36	42.21	44.11	43.40	42.07	41.92	39.95	38.42	39.57	37.80	34.66
1. By currency																							
1.1. in denars		19.04	12.95	14.90	21.47	21.26	28.52	31.33	32.28	44.01	42.27	42.27	45.20	47.24	48.47	48.07	47.25	45.50	42.79	40.84	41.47	40.34	37.66
1.2. in foreign currency		56.58	50.74	43.64	42.46	35.39	36.60	33.86	31.17	32.72	30.01	33.07	30.31	27.71	31.34	29.72	27.09	31.28	31.43	31.11	33.67	29.92	25.32
2. By maturity																							
2.1. short-term		8.44	3.87	6.26	17.59	15.38	17.94	17.04	16.84	33.59	31.10	32.88	37.10	39.05	41.59	40.26	40.62	41.19	38.80	36.18	38.35	39.93	37.26
2.2. long-term		49.93	38.54	36.68	34.22	32.49	40.81	44.25	44.12	46.42	44.54	44.80	44.27	44.32	45.77	45.47	43.01	42.39	40.69	39.90	40.36	36.46	33.04
3. By sector																							
3.1. households		62.42	41.56	39.31	37.04	36.24	42.72	45.62	49.20	56.56	56.37	56.05	58.95	58.87	57.70	56.00	54.51	51.74	49.50	47.59	46.29	42.40	37.46
3.2. enterprises		15.59	12.73	14.30	21.86	19.91	25.15	25.69	23.81	32.82	29.72	30.93	31.82	33.03	36.34	35.99	34.71	36.16	34.25	32.96	35.51	34.95	32.91
3.3. other		-35.98	20.44	-34.69	-23.93	-58.67	-36.36	12.50	30.34	238.27	199.05	246.08	171.30	188.89	188.07	159.02	172.41	28.31	31.50	29.56	16.29	28.53	28.03

Source: NBRM.



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

	XII.03	XII.04	XII.05	2006				2007				2008											
				III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1. Currency in circulation	14177	14162	14439	13700	14580	14810	16206	15034	15844	16746	17936	16419	16237	15746	16347	16408	16180	16763	16376	16552	16608	15856	17629
2. Demand Deposits	13096	13433	15224	14262	16188	17280	18541	19220	20475	22602	27822	26606	27658	26874	27962	29699	31189	29316	31248	31064	29990	30751	34254
3. (1+2) Money supply M1	27273	27595	29663	27962	30768	32090	34747	34254	36319	39348	45758	43025	43895	42620	44309	46107	47369	46079	47624	47616	46598	46607	51883
4. Short-term deposits	48755	61291	73471	78645	80877	85862	93747	100496	110390	112102	119099	122090	123231	123262	125396	126731	127978	131398	133488	133213	130250	124089	124004
4.1. in denars	15568	20483	24364	27889	28062	30638	36317	40511	48389	50045	55057	56108	56458	55902	56577	56676	57007	58732	58566	57662	57329	50665	49031
4.2. in foreign currency	33187	40808	49107	50756	52815	55224	57430	59985	62001	62057	64042	65982	66773	67360	68819	70055	70971	72666	74922	75551	72921	73424	74973
5. (3+4.1.) Money supply M2 - Denar	42841	48078	54027	55851	58830	62728	71064	74765	84708	89393	100815	99133	100353	98522	100886	102783	104376	104811	106190	105278	103927	97272	100914
6. (5+4.2.) Money supply M2 - total	76028	88886	103134	106607	111645	117952	128494	134750	146709	151450	164857	165115	167126	165882	169705	172838	175347	177477	181112	180829	176848	170696	175887
7. Long-term deposits	4785	5061	5040	5305	5688	5917	6637	6723	8443	9411	10174	10173	10925	11447	12133	12966	13077	13595	14558	15220	16877	17870	18406
7.1. in denars	3497	3360	3057	3123	3255	3243	3629	3749	4888	5498	5670	5785	5976	6378	6678	7122	7454	7794	7955	8307	9000	9472	9449
7.2. in foreign currency	1288	1701	1983	2182	2433	2674	3008	2974	3555	3913	4504	4388	4949	5069	5455	5844	5623	5801	6603	6913	7877	8398	8957
8. (6+7) Money supply M4 - total	80813	93947	108174	111912	117333	123869	135131	141473	155152	160861	175031	175288	178051	177329	181838	185804	188424	191072	195670	196049	193725	188566	194293
annual growth rates																							
1. Currency in circulation		-0.11	1.96	3.73	8.89	9.79	12.24	9.74	8.67	13.07	10.68	13.02	8.35	4.74	5.25	6.83	2.12	0.54	-0.02	-1.16	0.20	-2.66	-1.71
2. Demand Deposits		2.57	13.33	3.79	17.71	19.87	21.79	34.76	26.48	30.80	50.06	47.35	49.93	39.82	38.58	44.20	52.33	38.00	37.83	37.44	36.37	30.86	23.12
3. Money supply M1		1.18	7.49	3.76	13.36	14.99	17.14	22.50	18.04	22.62	31.69	32.05	31.29	24.42	24.09	28.24	30.42	21.53	21.95	21.01	20.83	17.14	13.39
4. Short-term deposits		25.71	19.87	19.46	12.65	24.67	27.60	27.78	36.49	30.56	27.04	26.94	24.42	22.65	20.32	18.52	15.93	17.08	19.19	18.83	13.92	6.31	4.12
4.1. in denars		31.57	18.95	19.51	6.56	47.78	49.06	45.26	72.44	63.34	51.60	50.44	43.68	37.99	29.94	24.16	17.81	19.00	20.92	15.22	8.60	-6.28	-10.95
4.2. in foreign currency		22.96	20.34	19.44	16.17	14.71	16.95	18.18	17.39	12.37	11.51	12.05	11.75	12.29	13.42	14.31	14.47	15.57	17.87	21.74	18.48	17.18	17.07
5. Money supply M2 - denar		12.22	12.37	11.07	10.01	28.97	31.53	33.87	43.99	42.51	41.87	41.87	37.99	31.78	27.30	25.96	23.22	20.10	21.38	17.77	13.76	3.65	0.10
6. Money supply M2 - total		16.91	16.03	14.90	12.84	21.88	24.59	26.40	31.41	28.40	28.30	28.23	26.15	23.10	21.28	20.96	19.52	18.20	19.90	19.40	15.66	9.06	6.69
7. Long-term deposits		5.77	-0.41	14.23	16.03	21.47	31.69	26.73	48.44	59.05	53.29	56.53	62.19	70.27	60.83	55.15	54.89	50.02	60.81	61.73	78.88	85.30	80.91
7.1. in denars		-3.92	-9.02	0.39	5.24	3.61	18.71	20.04	50.17	69.53	56.24	61.05	62.00	70.13	48.86	52.05	52.50	50.84	48.50	51.09	75.64	82.65	66.65
7.2. in foreign currency		32.07	16.58	42.34	34.49	53.59	51.69	36.30	46.12	46.34	49.73	50.95	62.42	70.44	78.38	59.11	58.17	48.93	78.65	76.67	82.72	88.38	98.87
8. Money supply M4 - total		16.25	15.14	14.87	12.99	21.86	24.92	26.41	32.23	29.86	29.53	29.59	27.90	25.34	23.31	22.85	21.44	20.01	22.22	21.87	19.34	13.49	11.00

Source: NBRM.



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

I. NON-GOVERNMENT SECTOR															
- Enterprises															
Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements						
	By currency		By maturity		By maturity		By currency		By maturity						
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term	In denars	In foreign currency	Short-term	Long-term					
XII.03	19643	5582	14555	10670	92	596	8713	1454	93	0					
XII.04	22104	9312	16334	15082	69	519	8058	1571	48	0					
XII.05	21911	14636	15581	20966	63	449	8167	1710	51	0					
2006	III	23335	16142	17172	22305	57	442	8412	1406	48	0				
	VI	25549	17561	18653	24457	60	455	8566	1653	27	0				
	IX	25691	18717	18213	26195	56	456	7948	1485	27	0				
2007	XII	28718	20058	19017	29759	60	459	7890	1601	25	0				
	I	29508	20073	19374	30207	51	460	7805	1576	27	0				
	II	30492	21050	19995	31547	48	459	7744	1417	28	0				
2008	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				
2009	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				
2010	IX	37196	25144	23939	38401	11	445	7748	1652	30	0				
	X	37937	24786	23593	39130	5	429	7307	1579	25	0				
	XI	38732	25605	23938	40399	0	448	7375	1522	30	0				
2011	XII	41322	26612	25612	42322	0	442	6484	1402	15	0				
	I	42015	26808	26069	42754	0	452	6803	1815	12	0				
	II	44538	26965	27762	43741	0	441	6795	1968	21	0				
2012	III	46914	27505	28975	45444	0	436	6982	1466	37	0				
	IV	49056	28471	30517	47010	0	440	6841	1450	40	0				
	V	49979	28663	30728	47914	0	440	6926	1426	21	0				
2013	VI	51825	29105	31585	49345	0	426	7000	1484	23	0				
	VII	53290	30422	32754	50958	0	424	6957	1402	29	0				
	VIII	53585	31033	32968	51650	0	423	6845	1379	31	0				
2014	IX	55028	31952	34501	52479	0	422	6919	1510	207	0				
	X	56376	31750	34355	53771	0	421	7161	1919	42	0				
	XI	57758	31926	35596	54088	307	420	7226	1801	38	0				
XII	59750	32020	36216	55554	307	363	7214	1707	27	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	
XII.03	8603	3	1739	6867	319	1186	1465	13	202	5421	0	0	781	18	
XII.04	13819	341	2519	11641	396	1507	1963	13	456	9825	0	0	1098	18	
XII.05	19339	705	3612	16432	443	2366	2734	12	933	13556	0	0	1545	36	
2006	III	20395	952	4031	17316	484	2737	2862	11	1087	14166	0	0	1697	35
	VI	22344	1308	4386	19266	468	3195	3123	9	1388	15469	0	0	1913	39
	IX	24423	1479	5028	20874	496	3905	3451	6	1508	16536	0	0	1675	46
2007	XII	27290	1660	5864	23086	455	4828	3832	6	1781	18048	0	0	1866	47
	I	28228	1666	6586	23308	438	5594	3908	5	1814	18135	0	0	1878	48
	II	28779	1650	6727	23702	443	5720	3988	5	1895	18378	0	0	1910	55
2008	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
2009	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
2010	IX	38989	1929	10281	30637	523	9036	5115	20	2352	23872	0	0	2227	109
	X	40289	1993	10787	31495	608	9413	5263	19	2452	24527	0	0	2233	108
	XI	41880	2094	11143	32831	642	9704	5464	21	2563	25580	0	0	2262	104
2011	XII	43638	2233	11687	34184	656	10229	5656	21	2669	26640	0	0	2292	109
	I	44858	2279	12292	34845	642	10803	5777	20	2736	27159	0	0	2384	129
	II	46418	2417	12743	36092	652	11219	5917	20	2847	28180	0	0	2503	142
2012	III	48122	2571	13249	37444	659	11685	6091	22	2950	29286	0	0	2564	141
	IV	49674	2899	13671	38902	646	12055	6310	24	3049	30489	0	0	2604	81
	V	51051	3193	14182	40062	674	12577	6610	24	3114	31245	0	0	2774	122
2013	VI	52434	3425	14648	41211	662	13030	6975	23	3170	31999	0	0	2913	255
	VII	53918	3798	15017	42699	637	13401	7323	23	3589	32743	0	0	3105	223
	VIII	54963	3960	15507	43416	597	13917	7618	23	3544	33224	0	0	3305	239
2014	IX	55992	4071	15716	44347	604	14111	7962	28	3505	33853	0	0	3506	262
	X	57397	4102	15926	45573	558	14323	8340	43	3628	34607	0	0	3512	270
	XI	58096	4090	16115	46071	548	14502	8588	42	3623	34883	0	0	3516	283
XII	58347	4049	15902	46494	509	14354	8789	38	3807	34899	0	0	3671	279	

Source: NBRM.



Total claims on deposit money banks
in millions of denars

I. NON-GOVERNMENT SECTOR											
- Other											
Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements		
	By currency		By maturity		By maturity		By currency		By maturity		
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term	In denars	In foreign currency	Short-term	Long-term	Long-term
XII.03	23	156	83	96	0	0	5	30	0	0	0
XII.04	32	93	37	88	0	0	4	11	0	0	0
XII.05	60	8	53	15	0	0	95	2	0	0	0
2006 III	51	5	44	12	0	0	37	3	0	0	0
VI	26	2	19	9	0	0	59	1	0	0	0
IX	20	1	14	7	0	0	59	1	0	0	0
XII	49	0	43	6	0	0	54	2	0	0	0
2007 I	47	0	42	5	0	0	54	1	0	0	0
II	47	0	42	5	0	0	67	1	0	0	0
III	48	4	6	46	0	0	54	2	0	0	0
IV	48	4	9	43	0	0	54	3	0	0	0
V	56	4	9	51	0	0	54	2	5	0	0
VI	54	4	9	49	0	0	54	3	0	0	0
VII	118	8	13	113	0	0	144	3	0	0	0
VIII	115	8	13	110	0	0	147	3	0	0	0
IX	114	8	13	109	0	0	150	2	0	0	0
X	109	8	12	105	0	0	185	4	0	0	0
XI	110	15	12	113	0	0	188	5	0	0	0
XII	103	15	7	111	0	0	190	5	0	0	0
2008 I	102	16	8	110	0	0	192	38	5	0	0
II	100	15	8	107	0	0	195	2	0	0	0
III	95	16	6	105	0	0	198	2	0	0	0
IV	92	16	5	103	0	0	202	4	0	0	0
V	91	16	8	99	0	0	205	3	0	0	0
VI	90	16	9	97	0	0	206	4	0	0	0
VII	120	15	21	114	0	0	210	3	0	0	0
VIII	120	15	21	114	0	0	212	2	9	0	0
IX	120	15	21	114	0	0	214	4	0	0	0
X	118	15	19	114	0	0	219	5	0	0	0
XI	174	14	76	112	0	0	219	3	0	0	0
XII	162	14	64	112	0	0	223	3	0	0	0

II. GOVERNMENT											
Period	Credits				Securities		Overdue and doubtful and contested claims		Other placements		
	By currency		By maturity		By currency						
	In denars	In foreign currency	Short-term	Long-term	Short-term	Long-term					
XII.03	0	2	0	2	0	6706	0		0		0
XII.04	151	7	151	7	539	6460	0		0		0
XII.05	3	80	11	72	790	6322	0		0		0
2006 III	204	85	162	127	3393	6330	0		0		0
VI	289	86	250	125	4821	6207	0		0		0
IX	125	139	89	175	6703	6146	0		0		0
XII	228	129	206	151	7103	6024	0		0		0
2007 I	250	127	229	148	6828	5967	0		0		0
II	265	123	243	145	7151	6123	0		0		0
III	228	119	151	196	7990	6096	0		0		0
IV	177	119	104	192	8963	6002	0		0		0
V	153	114	83	184	9869	5996	0		0		0
VI	134	113	67	180	10872	5877	0		0		0
VII	112	150	51	211	10895	5739	0		0		0
VIII	91	167	32	226	11741	5701	0		0		0
IX	80	173	26	227	8138	5781	0		0		0
X	71	210	20	261	6814	5899	0		0		0
XI	67	232	14	285	6458	6305	0		0		0
XII	63	255	12	306	6530	6170	0		0		0
2008 I	59	231	15	275	6048	6182	0		0		0
II	56	258	16	298	4624	6165	0		0		0
III	51	258	21	288	4205	6038	0		0		0
IV	48	278	22	304	3322	5959	0		0		0
V	43	271	18	296	2136	6022	0		0		0
VI	40	280	18	302	1642	5758	0		0		0
VII	61	279	22	318	1405	5761	0		0		0
VIII	61	306	25	342	1426	5785	0		0		0
IX	62	308	35	335	1641	5783	0		0		0
X	64	315	44	335	1746	6044	0		0		0
XI	66	313	45	334	2282	5907	0		0		0
XII	68	305	48	325	3362	5803	0		0		0

Source: NBRM.



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

Period	Deposits										Securities		Other Denar credit liabilities		
	In denars						In foreign currency								
	demand deposits	sight deposits	with maturity up to 3 months	with maturity over 3 months up to 1 year	with maturity over 1 year	restricted deposits	sight deposits	with maturity up to 1 year	with maturity over 1 year	restricted deposits	short-term	long-term	up to 1 year	over 1 year	
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	
	VI	10515	147	8235	2071	739	114	5445	6766	7	675	0	0	0	
	IX	11550	207	10185	2241	614	114	5280	7869	7	625	0	0	0	
	XII	12851	309	12317	2316	478	77	6007	8489	7	756	0	0	0	
2007	I	12342	382	12265	2273	444	71	6373	8794	7	596	0	0	0	
	II	12366	447	13286	2248	481	82	7044	8845	7	666	0	0	0	
	III	12849	435	13870	2059	458	72	9716	6327	7	522	0	0	0	
	IV	13377	489	14349	2045	1093	85	7321	9483	7	466	0	0	0	
	V	13856	450	15184	2058	1142	66	6887	9923	7	833	0	0	0	
	VI	13798	386	16566	2232	1185	70	7846	9519	7	615	0	0	0	
	VII	14419	455	16750	2287	1196	71	8361	9257	7	917	0	0	0	
	VIII	15581	436	15046	2488	1291	70	7778	9897	7	588	0	0	0	
	IX	15341	374	15358	2690	1382	71	7498	8676	7	659	0	0	0	
	X	14937	678	16174	2462	708	67	6760	8765	16	611	0	0	0	
	XI	15391	389	12038	6507	590	75	7261	8983	34	637	0	0	0	
	XII	19786	536	12070	6508	830	61	7304	9431	44	654	0	0	0	
2008	I	18482	550	12808	6876	838	65	7624	9582	42	444	0	0	0	
	II	19184	361	13527	6979	899	79	8011	9704	42	559	0	0	0	
	III	18441	383	15511	5279	928	66	7243	10418	38	755	0	0	0	
	IV	18777	447	19230	2525	1011	136	7190	10551	46	1009	0	0	0	
	V	20254	294	17734	4752	1029	137	7303	11033	62	1289	0	0	0	
	VI	21009	307	17424	5278	1097	129	7998	10559	62	751	0	0	0	
	VII	18849	333	19104	5764	1266	143	7489	11270	166	490	0	0	0	
	VIII	20004	422	19222	5573	1348	145	7567	11818	167	1074	0	0	0	
	IX	20427	331	18807	4897	1417	162	9046	9939	207	996	0	0	0	
	X	19202	333	18405	5645	1438	172	7588	10188	210	787	0	0	0	
	XI	20287	328	11132	6744	1495	181	8830	10102	245	613	0	18	0	
	XII	22574	331	10699	6751	1504	149	8472	10787	170	455	0	18	0	
- Households															
XII.03	2712	4492	2683	900	2082	0	15774	10899	815	0	0	0			
XII.04	2710	4884	3055	2224	1718	0	16890	14529	1137	0	0	0			
XII.05	3172	5575	3940	3943	1319	0	19276	18581	1448	0	0	0			
2006	III	3074	6016	4606	4684	1359	0	19561	19639	1634	0	0	0		
	VI	3428	6682	5010	5201	1398	0	20291	20103	1751	0	0	0		
	IX	3318	6158	5546	5782	1492	0	20777	20970	2042	0	0	0		
	XII	3716	6917	7260	6621	1649	0	20791	21870	2245	0	0	0		
2007	I	3787	6948	7551	7284	1660	0	20980	22463	2304	0	0	0		
	II	3883	7311	7639	7772	1696	0	21030	22573	2374	0	0	0		
	III	4045	7233	7944	8392	1754	0	20758	22965	2445	0	0	0		
	IV	4341	8658	8399	9021	1844	0	20717	22927	2585	0	0	0		
	V	4424	8700	8986	9677	1998	0	21097	23132	2833	0	0	0		
	VI	4454	8867	9259	10487	2067	0	21030	23374	2933	0	0	0		
	VII	4517	8817	9452	11006	2346	0	21422	23609	2971	0	0	0		
	VIII	4334	8562	9640	11681	2436	0	21657	24018	3101	0	0	0		
	IX	4415	8908	9875	12231	2487	0	21550	24140	3247	0	0	0		
	X	4386	9130	10321	13383	2788	0	21061	24779	3327	0	0	0		
	XI	5430	8589	10484	14286	2857	0	20979	25222	3440	0	0	0		
	XII	5773	8869	10554	15135	3007	0	21210	25872	3460	0	0	0		
2008	I	5738	7882	10775	15840	3049	0	21811	26737	3558	0	0	0		
	II	6125	7313	10845	16040	3078	0	21358	27497	4005	0	0	0		
	III	6247	6763	10541	16029	3178	0	21190	28296	4276	0	0	0		
	IV	7049	7056	10425	15949	3183	0	21545	29347	4400	0	0	0		
	V	7349	6719	10413	15860	3312	0	21483	30055	4493	0	0	0		
	VI	7943	6598	10462	16035	3480	0	21623	30614	4810	0	0	0		
	VII	8409	6293	10390	16119	3642	0	21779	31927	5145	0	0	0		
	VIII	7659	5899	10468	16251	3703	0	21596	33689	5362	0	0	0		
	IX	8485	5918	10436	16483	3862	0	21448	34795	5710	0	0	0		
	X	8693	5955	10037	16194	4356	0	20423	34426	6573	0	0	0		
	XI	8371	5781	9845	16060	4692	0	19588	34631	7233	0	0	12		
	XII	9294	5441	9185	15835	4559	0	19572	35780	8025	0	0	12		

Source: NBRM.



Total claims on deposit money banks
in millions of denars

Period	Deposits										Securities		Other Denar credit liabilities	
	In denars						In foreign currency							
	demand deposits	sight deposits	with maturity up to 3 months	with maturity over 3 months up to 1 year	with maturity over 1 year	restricted deposits	sight deposits	with maturity up to 1 year	with maturity over 1 year	restricted deposits	short-term	long-term	up to 1 year	over 1 year
I. NON-GOVERNMENT SECTOR														
- Other														
XII.03	1799	0	202	171	111	78	141	0	10	0	0	0	0	905
XII.04	1672	0	172	167	31	134	281	0	3	0	0	0	4	921
XII.05	1891	0	446	192	26	136	261	0	0	0	0	0	0	807
2006	III	1750	0	345	206	24	137	197	0	0	0	0	0	762
	VI	2133	0	475	241	86	140	210	0	0	0	0	0	756
	IX	2285	0	263	256	125	142	328	0	0	0	0	0	737
2007	XII	1951	0	274	303	171	165	273	0	0	0	0	0	1072
	I	1831	0	271	321	175	165	275	0	0	0	0	0	1061
	II	1867	0	289	301	185	164	262	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	232	0	0	0	0	0	1078
	VII	2084	0	212	373	322	168	228	0	0	0	0	0	1064
	VIII	2279	0	218	362	341	168	214	0	0	0	0	0	1051
	IX	2373	0	209	398	357	170	193	0	0	0	0	0	1031
	X	2240	0	227	411	410	171	181	0	0	0	0	0	1337
	XI	2430	0	1354	412	499	171	215	0	0	0	0	0	1341
2008	XII	2115	0	957	419	629	177	225	0	0	0	0	0	1312
	I	2195	0	975	398	714	177	228	0	0	0	0	0	1286
	II	2110	0	962	428	786	178	203	0	0	0	0	0	1299
	III	2011	0	959	435	855	179	213	0	0	0	0	0	1172
	IV	2033	0	544	400	947	179	186	0	0	0	0	0	1222
	V	2005	0	519	385	1160	180	181	0	0	0	0	0	1304
	VI	2111	0	504	399	1213	187	177	0	0	0	0	0	1348
	VII	1906	0	279	445	1212	134	201	0	0	0	0	0	1397
	VIII	2091	0	287	443	1282	9	252	0	0	0	0	0	1468
	IX	2079	0	344	445	1376	9	323	0	0	0	0	0	1481
	X	1996	0	314	446	1522	9	296	0	307	0	0	0	1503
	XI	2026	0	326	449	1540	9	273	0	307	0	0	0	1555
XII	2332	0	309	480	1639	9	362	0	307	0	0	0	1589	
II. GOVERNMENT														
XII.03	936	0	372	166	156	0	25						0	0
XII.04	335	0	379	324	104	0	27						0	0
XII.05	371	0	539	150	48	0	1						0	0
2006	III	469	0	502	257	48	0	0					0	0
	VI	433	0	433	261	48	0	0					0	0
	IX	329	0	434	156	49	0	1					0	0
2007	XII	689	0	362	98	49	0	1					0	0
	I	519	0	353	95	49	0	1					0	0
	II	589	0	352	105	50	0	1					0	0
	III	1027	0	351	111	50	0	1					0	0
	IV	456	0	452	111	50	0	1					0	0
	V	530	0	415	81	50	0	0					0	0
	VI	545	0	444	87	50	0	0					0	0
	VII	532	0	370	84	50	0	0					0	0
	VIII	505	0	368	88	50	0	0					0	0
	IX	516	0	389	88	51	0	0					0	0
	X	612	0	353	90	51	0	0					0	0
	XI	501	0	317	91	51	0	1					0	0
2008	XII	443	0	323	85	113	0	1					0	0
	I	526	0	776	79	113	0	2					0	0
	II	589	0	771	79	113	0	2					2	0
	III	590	0	684	148	113	0	1					2	0
	IV	513	0	762	142	103	0	1					2	0
	V	537	0	737	142	104	0	0					2	0
	VI	493	0	1007	132	97	0	1					2	0
	VII	1709	0	793	132	97	0	1					21	0
	VIII	574	0	775	126	97	0	1					21	0
	IX	411	0	815	56	97	0	1					36	0
	X	509	0	735	49	89	0	1					36	0
	XI	459	0	843	58	89	0	2					36	0
XII	804	0	818	58	90	0	2					36	0	

Source: NBRM.



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

	2005 XII	2006				2007				2008											
		III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
A. DENAR INTEREST RATES																					
1. INTEREST RATES ON DENAR CREDITS	12.1	11.6	11.3	11.0	10.7	10.5	10.2	10.0	9.9	9.8	9.7	9.7	9.6	9.6	9.7	9.6	9.6	9.6	9.7	9.8	9.8
1.1. Interest rates on credits without FX clause	12.6	11.9	11.6	11.2	10.9	10.8	10.5	10.2	10.2	10.2	10.1	10.1	10.1	10.0	10.2	10.2	10.3	10.3	10.4	10.5	10.5
<i>Interest rates on short-term credits without FX clause</i>	11.4	10.6	10.3	9.9	9.9	9.9	9.4	9.1	8.9	8.8	8.8	8.7	8.6	8.7	8.9	8.9	9.0	8.9	9.1	9.2	9.2
- on short-term credits on enterprises	10.7	10.0	9.8	9.4	9.5	9.5	9.1	8.8	8.6	8.5	8.5	8.5	8.5	8.5	8.7	8.7	8.8	8.7	8.8	9.0	9.0
- on short-term credits on households	19.4	18.4	17.7	17.2	16.9	17.1	16.3	14.9	13.4	13.2	13.1	12.3	12.2	12.3	12.2	12.3	12.5	12.6	13.4	13.3	13.5
<i>Interest rates on long-term credits without FX clause</i>	13.5	13.0	12.8	12.3	11.7	11.4	11.3	11.1	11.3	11.3	11.2	11.2	11.3	11.2	11.3	11.4	11.4	11.5	11.7	11.7	11.6
- on long-term credits on enterprises	10.0	9.2	9.2	8.6	8.4	8.5	8.2	8.1	8.4	8.4	8.4	8.4	8.4	8.4	8.6	8.6	8.6	8.6	8.7	8.8	8.8
- on long-term credits on households	15.3	15.0	15.0	14.8	14.3	13.9	13.7	13.4	13.3	13.2	13.1	13.0	13.1	12.9	12.9	13.0	13.0	13.1	13.3	13.4	13.4
1.2. Interest rates on credits with FX clause	11.1	11.0	10.7	10.7	10.3	10.2	9.8	9.7	9.5	9.4	9.3	9.2	9.1	9.1	9.0	9.0	8.9	8.9	9.0	9.1	9.1
<i>Interest rates on short-term credits with FX clause</i>	9.0	8.4	8.2	8.2	8.1	7.8	7.7	7.3	7.2	7.3	7.2	7.2	7.2	7.2	7.4	7.3	7.3	7.7	7.7	7.5	7.4
- on short-term credits on enterprises	9.1	8.7	8.4	8.3	8.3	8.0	7.9	7.4	7.2	7.4	7.2	7.2	7.2	7.2	7.4	7.4	7.4	7.4	7.8	7.5	7.4
- on short-term credits on households	8.1	7.1	7.1	7.5	7.0	6.8	6.3	6.6	7.1	7.1	7.3	7.1	7.2	7.2	7.2	6.9	6.9	9.1	7.3	7.4	7.3
<i>Interest rates on long-term credits with FX clause</i>	11.5	11.4	11.0	11.0	10.6	10.4	10.0	9.9	9.6	9.5	9.4	9.3	9.2	9.2	9.1	9.1	9.0	9.0	9.1	9.2	9.2
- on long-term credits on enterprises	11.0	10.9	10.6	10.6	10.4	10.2	9.6	9.5	9.3	9.1	9.0	8.9	8.9	8.9	8.9	8.8	8.7	8.7	8.7	9.1	9.0
- on long-term credits on households	11.9	11.7	11.3	11.1	10.8	10.5	10.3	10.1	9.8	9.8	9.7	9.6	9.5	9.4	9.4	9.3	9.2	9.2	9.4	9.4	9.4
2. INTEREST RATES ON DENAR DEPOSITS	5.6	5.0	4.3	4.6	4.4	4.8	4.8	5.0	5.3	5.4	5.5	5.6	5.5	5.7	5.8	5.9	6.0	6.1	6.2	6.5	6.5
2.1. Interest rates on Denar deposits without FX clause	5.7	5.1	4.3	4.8	4.5	4.9	4.9	5.3	5.6	5.7	5.9	5.9	5.9	6.0	6.1	6.2	6.3	6.4	6.5	6.7	6.8
<i>Interest rates on Denar deposits without FX clause on enterprises</i>	7.2	5.6	3.8	4.5	3.4	4.2	4.4	4.9	5.4	5.3	5.4	5.5	5.5	5.6	5.8	6.0	6.0	6.0	6.1	6.2	6.2
- on sight deposits	0.6	0.5	0.6	0.4	0.7	0.4	2.7	2.9	2.3	2.3	3.3	3.5	3.0	2.4	1.1	1.4	1.3	1.4	1.3	1.6	1.5
- on short-term deposits	7.3	5.6	3.7	4.5	3.4	4.3	4.5	5.1	5.4	5.3	5.3	5.4	5.4	5.5	5.8	5.9	5.9	5.9	6.0	6.0	6.0
- on long-term deposits	7.3	7.0	6.8	6.5	6.7	6.4	2.9	3.6	7.5	7.4	7.5	7.6	7.5	7.6	8.4	8.5	8.6	8.6	8.6	8.6	8.6
<i>Interest rates on Denar deposits without FX clause on households</i>	4.8	4.7	4.6	4.9	5.0	5.2	5.2	5.4	5.7	5.9	6.0	6.1	6.0	6.1	6.2	6.2	6.4	6.5	6.6	6.9	7.0
- on sight deposits	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0
- on short-term deposits	7.0	6.7	6.6	6.6	6.7	6.8	6.8	6.9	6.9	7.1	7.1	7.2	7.1	7.1	7.2	7.2	7.3	7.4	7.4	7.8	7.9
- on long-term deposits	8.0	8.0	8.0	8.1	8.0	7.9	8.2	8.1	8.3	8.2	8.2	8.2	8.1	8.3	8.4	8.4	8.5	8.6	8.9	9.0	9.1
2.2. Interest rates on Denar credits with FX clause	4.4	4.4	4.9	3.5	3.4	3.6	3.7	3.4	3.9	3.8	3.8	3.9	4.1	4.2	4.5	4.5	4.4	5.1	5.1	5.1	5.0
<i>Interest rates on Denar deposits with FX clause on enterprises</i>	4.4	4.4	4.9	3.5	3.3	3.5	3.6	3.3	3.9	3.7	3.8	3.9	4.0	4.2	4.5	4.4	4.4	5.1	5.1	5.1	5.0
- on short-term deposits	4.5	4.4	4.9	3.4	3.2	3.5	3.6	3.3	3.9	3.7	3.8	3.9	4.0	4.2	4.5	4.5	4.4	5.1	5.1	5.1	5.0
- on long-term deposits	3.7	4.9	4.9	5.8	5.8	3.4	3.9	4.0	4.0	4.0	4.0	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.4	4.3
<i>Interest rates on Denar deposits with FX clause on households</i>					8.8	8.9	8.9	8.4	8.3	8.3	8.2	8.2	8.2	8.2	8.5	8.5	9.2	9.2	9.2	8.8	9.2
- on short-term deposits					8.8	8.9	8.9	8.4	8.3	8.3	8.1	8.1	8.1	8.1	8.2	8.2	8.9	8.9	8.9	8.2	8.9
- on long-term deposits								8.0	8.0	9.0	9.0	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9

Source: NBRM.



Report on weighted interest rates on deposits and borrowings
in %, on annual level

	2005 XII	2006				2007				2008											
		III	VI	IX	XII	III	VI	IX	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
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	8.6	8.5	8.2	8.1	8.1	8.0	8.1	8.1	8.1	8.0	8.1	8.3	7.8	7.2
1.1. Interest rates on foreign currency short-term credits	8.1	7.8	7.8	8.1	8.4	8.1	8.1	8.2	8.1	7.6	7.4	7.4	7.4	7.5	7.5	7.4	7.3	7.4	7.8	7.0	6.2
<i>Interest rates on foreign currency short-term credits on enterprises</i>	8.0	7.7	7.7	8.1	8.4	8.1	8.1	8.2	8.0	7.6	7.4	7.4	7.4	7.5	7.5	7.4	7.3	7.4	7.8	7.0	6.2
- in Euros	8.1	7.8	7.7	8.0	8.4	8.1	8.1	8.2	8.1	7.7	7.6	7.7	7.7	7.7	7.7	7.6	7.7	7.8	8.3	7.5	6.8
- in USA Dollars	7.4	7.7	9.4	9.3	8.0	7.2	7.1	7.5	6.8	5.7	4.9	4.5	4.8	4.7	4.7	4.7	4.6	4.9	5.8	4.5	3.1
<i>Interest rates on foreign currency short-term credits on households</i>	16.2	15.2	14.7	13.8	13.3	11.6	13.5	13.7	12.4	12.1	12.0	12.0	12.1	11.8	11.7	11.5	11.5	11.9	11.9	11.8	12.8
- in Euros	16.2	15.2	14.7	13.8	13.3	13.1	13.5	13.7	12.4	12.1	12.0	12.0	12.1	11.8	11.7	11.5	11.6	11.9	12.0	11.8	12.8
- in USA Dollars						3.8								3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
1.2. Interest rates on foreign currency long-term credits	7.8	8.0	8.1	8.2	8.5	8.5	8.5	8.7	8.7	8.4	8.3	8.4	8.2	8.3	8.4	8.3	8.3	8.4	8.5	8.0	7.5
<i>Interest rates on foreign currency long-term credits on enterprises</i>	7.6	7.8	7.9	8.1	8.4	8.4	8.5	8.7	8.7	8.4	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.5	8.0	7.3
- in Euros	7.6	7.8	7.9	8.1	8.5	8.4	8.5	8.7	8.7	8.5	8.4	8.4	8.4	8.4	8.4	8.3	8.3	8.4	8.5	8.1	7.4
- in USA Dollars	6.9	7.5	7.4	7.3	7.6	7.5	7.5	7.9	7.1	6.6	5.6	5.3	5.3	5.1	5.0	4.9	5.2	5.3	6.4	4.2	3.7
<i>Interest rates on foreign currency long-term credits on households</i>	10.4	10.0	9.6	9.4	9.2	9.0	8.9	8.7	8.6	8.5	8.4	8.5	7.7	8.3	8.4	8.4	8.4	8.5	8.5	8.0	8.5
- in Euros	10.4	10.0	9.6	9.4	9.2	9.0	8.9	8.7	8.6	8.5	8.4	8.5	7.7	8.3	8.4	8.4	8.4	8.5	8.5	8.0	8.5
- in USA Dollars	4.2	4.6	4.4	4.1	4.1	4.1	4.1	9.1	4.7	4.5	4.5	4.4	4.4	3.2	3.1	3.1	3.0	3.1	3.0	3.0	3.0
2. INTEREST RATES ON FOREIGN CURRENCY DEPOSITS	1.4	1.4	1.5	1.6	1.8	1.7	1.9	1.9	2.0	2.1	2.2	2.2	2.2	2.3	2.3	2.3	2.4	2.5	2.7	2.9	3.0
2.1. Interest rates on foreign currency deposits on enterprises	1.7	1.6	1.8	2.0	2.1	1.7	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.5	2.4	2.5	2.5	2.6	2.8	2.7	2.7
- on sight deposits	0.5	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.7	0.7
- in Euros	0.5	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.7	0.7
- in USA Dollars	0.5	0.4	0.6	0.5	0.6	0.6	0.7	0.7	0.6	0.6	0.5	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3
- on short-term deposits	2.5	2.5	2.7	3.0	3.2	3.2	3.4	3.6	3.6	3.6	3.6	3.4	3.4	3.7	3.8	3.6	3.7	4.3	4.4	4.4	4.2
- in Euros	2.1	2.1	2.3	2.6	2.8	2.9	3.1	3.4	3.6	3.6	3.6	3.5	3.6	3.9	3.9	3.9	3.9	4.4	4.5	4.4	4.3
- in USA Dollars	3.3	3.4	3.8	4.2	4.3	4.3	4.1	4.5	3.8	3.6	3.6	2.6	2.4	2.1	2.2	2.3	2.3	2.4	3.2	3.1	3.1
- on long-term deposits		3.0	3.0	3.0	3.0	3.0	3.1	3.1	2.7	2.9	2.9	3.0	2.8	2.5	2.6	3.9	3.8	4.0	3.8	3.1	2.5
- in Euros		3.0	3.0	3.0	3.0	3.0	3.1	3.1	2.7	2.9	2.9	3.0	2.8	2.5	2.6	3.9	3.8	4.0	3.8	3.1	2.5
- in USA Dollars																		2.5	2.5	2.5	2.5
2.2. Interest rates on foreign currency deposits on households	1.3	1.3	1.4	1.5	1.7	1.7	1.8	1.8	1.9	2.0	2.1	2.2	2.2	2.2	2.2	2.3	2.4	2.5	2.7	3.0	3.1
- on sight deposits	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
- in Euros	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
- in USA Dollars	0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
- on short-term time deposits	1.8	1.8	1.8	2.0	2.3	2.3	2.5	2.5	2.6	2.8	2.9	2.9	2.9	2.9	2.9	3.0	3.1	3.2	3.4	3.8	3.9
- in Euros	1.8	1.8	1.9	2.0	2.3	2.3	2.5	2.5	2.6	2.9	3.0	3.0	2.9	3.0	3.0	3.1	3.2	3.3	3.6	4.0	4.1
- in USA Dollars	1.7	1.6	1.7	2.0	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3
- on long-term time deposits	2.9	3.0	3.1	3.4	3.7	3.6	3.7	3.7	3.7	3.8	3.9	4.0	4.0	4.0	4.0	4.1	4.0	4.2	4.5	4.6	4.8
- in Euros	2.9	3.1	3.2	3.5	3.8	3.7	3.8	3.7	3.9	3.9	4.1	4.1	4.1	4.2	4.2	4.2	4.2	4.4	4.7	4.8	4.9
- in USA Dollars	2.5	2.5	2.5	2.8	3.1	3.1	3.0	3.3	3.0	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.8	2.8	2.8

Source: NBRM.



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

Period	Discount rate	Lending interest rates - creating liquidity		Deposit interest rates - withdrawing liquidity	
		Over night credits-Lombard credit	Auction repo- transactions*	CB bills - basic maturity** volume tender	interest rate tender
2003 XII	6.5	14.0			6.2
2004 I	6.5	14.0			6.8
II	6.5	14.0		7.5	
III	6.5	14.0		8.0	
IV	6.5	14.0		8.0	
V	6.5	14.0		8.0	
VI	6.5	14.0		8.0	
VII	6.5	11.0		8.0	
VIII	6.5	11.0		8.3	
IX	6.5	11.0		8.6	
X	6.5	11.0		9.0	
XI	6.5	11.0		9.7	
XII	6.5	13.0		10.0	
2005 I	6.5	13.0		10.0	
II	6.5	13.0		10.0	
III	6.5	13.0		10.0	
IV	6.5	13.0		10.0	
V	6.5	13.0		10.0	
VI	6.5	13.0		10.0	
VII	6.5	13.0		10.0	
VIII	6.5	13.0		10.0	
IX	6.5	13.0		10.0	
X	6.5	13.0			10.0
XI	6.5	13.0			9.1
XII	6.5	13.0			8.5
2006 I	6.5	13.0			7.3
II	6.5	11.0			7.1
III	6.5	11.0			6.8
IV	6.5	11.0			6.2
V	6.5	11.0			5.7
VI	6.5	9.5			5.8
VII	6.5	9.5			5.6
VIII	6.5	9.5			5.5
IX	6.5	9.5			5.4
X	6.5	9.5			5.5
XI	6.5	9.5			5.7
XII	6.5	9.5			5.7
2007 I	6.5	9.5			5.7
II	6.5	9.5			5.4
III	6.5	9.5			5.3
IV	6.5	9.5			5.1
V	6.5	9.5			5.0
VI	6.5	7.5			4.9
VII	6.5	7.5			5.1
VIII	6.5	7.5			5.1
IX	6.5	7.5			4.8
X	6.5	7.5			4.8
XI	6.5	7.5			4.7
XII	6.5	7.5			4.8
2008 I	6.5	7.5			4.9
II	6.5	7.5			5.2
III	6.5	7.5			5.9
IV	6.5	7.5			6.0
V	6.5	7.5			6.8
VI	6.5	8.5			7.0
VII	6.5	8.5			7.0
VIII	6.5	8.5			7.0
IX	6.5	8.5			7.0
X	6.5	8.5			7.0
XI	6.5	8.5			7.0
XII	6.5	8.5			7.0

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

** 28 days

Source: NBRM.



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

Period	Reserve requirements of banks in Denar						Reserve requirements of banks in foreign currency			Reserve requirements of saving houses in Denar		
	Reserve requirement rate (%)	Liability on reserve requirement	Average fulfillment	Excess/Shortage	Fulfillment in percents (%)	Renumeration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Renumeration rate (%)	Reserve requirement rate (%)	Liability on reserve requirement	Renumeration rate (%)
2003 XII	7.5	2,488	3,467	980	139.4	4.0	7.5	2,763	1.0	2.5	7	4.0
2004 I	7.5	2,519	3,005	486	119.3	4.0	7.5	2,768	1.0	2.5	7	4.0
II	7.5	2,559	3,053	494	119.3	4.0	7.5	2,869	1.0	2.5	7	4.0
III	7.5	2,558	3,069	511	120.0	4.0	7.5	2,895	1.0	2.5	8	4.0
IV	7.5	2,574	2,961	387	115.1	4.0	7.5	2,934	1.0	2.5	8	4.0
V	7.5	2,610	3,150	540	120.7	4.0	7.5	2,970	1.0	2.5	8	4.0
VI	7.5	2,632	3,016	383	114.6	4.0	7.5	3,089	1.0	2.5	8	4.0
VII	7.5	2,729	3,102	373	113.7	4.0	7.5	3,137	1.0	2.5	8	4.0
VIII	7.5	2,741	3,052	312	111.4	2.0	7.5	3,149	1.0	2.5	8	2.0
IX	7.5	2,827	3,139	375	111.1	2.0	7.5	3,190	1.0	2.5	8	2.0
X	7.5	2,843	3,100	256	109.0	2.0	7.5	3,218	1.0	2.5	8	2.0
XI	7.5	2,854	3,126	265	109.5	2.0	7.5	3,279	1.0	2.5	8	2.0
XII	7.5	2,855	3,309	454	115.9	2.0	7.5	3,374	1.0	2.5	8	2.0
2005 I	10.0	3,844	4,214	370	109.6	2.0	10.0	4,492		2.5	9	2.0
II	10.0	3,837	4,212	375	109.8	2.0	10.0	4,670		2.5	9	2.0
III	10.0	3,926	4,288	362	109.2	2.0	10.0	4,721		2.5	9	2.0
IV	10.0	4,074	4,400	326	108.0	2.0	10.0	4,772		2.5	10	2.0
V	10.0	4,237	4,728	491	111.6	2.0	10.0	4,770		2.5	10	2.0
VI	10.0	4,311	4,574	263	106.1	2.0	10.0	4,845		2.5	10	2.0
VII	10.0	4,450	4,757	306	106.9	2.0	10.0	4,946		2.5	10	2.0
VIII	10.0	4,098	4,399	300	107.3	2.0	10.0	5,000		2.5	11	2.0
IX	10.0	3,877	4,184	307	107.9	2.0	10.0	5,214		2.5	11	2.0
X	10.0	3,931	4,335	404	110.3	2.0	10.0	5,294		2.5	10	2.0
XI	10.0	4,086	4,464	378	109.3	2.0	10.0	5,241		2.5	11	2.0
XII	10.0	4,242	5,267	1,025	124.2	2.0	10.0	5,325		2.5	11	2.0
2006 I	10.0	4,352	4,573	220	105.1	2.0	10.0	5,396		2.5	11	2.0
II	10.0	4,434	5,000	566	112.8	2.0	10.0	5,433		2.5	12	2.0
III	10.0	4,542	4,944	403	108.9	2.0	10.0	5,507		2.5	12	2.0
IV	10.0	4,674	5,162	488	110.4	2.0	10.0	5,572		2.5	12	2.0
V	10.0	4,934	5,550	616	112.5	2.0	10.0	5,655		2.5	13	2.0
VI	10.0	5,058	5,433	375	107.4	2.0	10.0	5,663		2.5	13	2.0
VII	10.0	4,931	5,263	332	106.7	2.0	10.0	5,768		2.5	13	2.0
VIII	10.0	5,030	5,435	405	108.1	2.0	10.0	5,874		2.5	14	2.0
IX	10.0	5,213	5,549	336	106.4	2.0	10.0	6,003		2.5	14	2.0
X	10.0	5,304	5,618	314	105.9	2.0	10.0	6,117		2.5	14	2.0
XI	10.0	5,460	6,674	1,214	122.2	2.0	10.0	6,243		2.5	14	2.0
XII	10.0	5,618	6,705	1,087	119.3	2.0	10.0	6,373		2.5	14	2.0
2007 I	10.0	5,883	6,219	336	105.7	2.0	10.0	6,458		2.5	15	2.0
II	10.0	6,057	6,479	422	107.0	2.0	10.0	6,513		2.5	15	2.0
III	10.0	6,194	6,688	494	108.0	2.0	10.0	6,596		2.5	16	2.0
IV	10.0	6,431	6,900	469	107.3	2.0	10.0	6,675		2.5	16	2.0
V	10.0	6,803	7,401	597	108.8	2.0	10.0	6,736		2.5	16	2.0
VI	10.0	7,082	7,343	261	103.7	2.0	10.0	6,952		2.5	16	2.0
VII	10.0	7,433	8,763	1,330	117.9	2.0	10.0	6,988		2.5	17	2.0
VIII	10.0	7,579	8,428	849	111.2	2.0	10.0	7,143		2.5	17	2.0
IX	10.0	7,553	7,933	380	105.0	2.0	10.0	7,225		2.5	17	2.0
X	10.0	7,722	8,425	703	109.1	2.0	10.0	7,303		2.5	17	2.0
XI	10.0	7,952	8,611	659	108.3	2.0	10.0	7,185		2.5	17	2.0
XII	10.0	8,436	9,125	689	108.2	2.0	10.0	7,288		2.5	17	2.0
2008 I	10.0	8,734	8,966	232	102.7	2.0	10.0	7,394		2.5	17	2.0
II	10.0	9,193	9,555	362	103.9	2.0	10.0	8,455		2.5	17	2.0
III	10.0	9,398	9,622	224	102.4	2.0	10.0	8,555		2.5	17	2.0
IV	10.0	9,468	9,714	246	102.6	2.0	10.0	8,684		2.5	17	2.0
V	10.0	9,600	9,800	200	102.1	2.0	10.0	8,847		2.5	17	2.0
VI	10.0	9,774	10,021	247	102.5	2.0	10.0	9,014		2.5	17	2.0
VII	10.0	10,003	10,369	366	103.7	2.0	10.0	9,139		2.5	18	2.0
VIII	10.0	9,998	10,644	646	106.5	2.0	10.0	9,317		2.5	18	2.0
IX	10.0	10,158	10,528	370	103.6	2.0	10.0	9,758		2.5	18	2.0
X	10.0	10,334	10,613	279	102.7	2.0	10.0	9,997		2.5	18	2.0
XI	10.0	10,234	10,646	412	104.0	2.0	10.0	9,773		2.5	18	2.0
XII	10.0	10,125	10,762	637	106.3	2.0	10.0	9,802		2.5	18	2.0

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

Source: NBRM.



Table 19
Interest rates on government securities
in %

Period	3 months	6 months	12 months	2 years	3 years
2004 I	7.5				
II	7.4				
III	8.8				
IV	8.9				
V	8.3				
VI	8.4				
VII	8.4				
VIII	8.4				
IX	8.5				
X	8.9				
XI	9.2	9.5			
XII	9.2	10.4			
2005 I	9.3	10.8			
II	10.0	10.8			
III	10.5	11.2			
IV	10.4	9.8			
V	10.8	10.5			
VI	10.4	10.5	11.1		
VII	10.4	10.6			
VIII	10.5	10.9			
IX	10.3	11.2			
X	9.8	10.1			
XI	8.9	9.9		10.0	
XII	8.0	8.8	9.6		
2006 I	7.2	7.6			
II	7.0	7.1			
III	6.8	7.3	8.6		
IV	6.4	6.8		9.4	
V	6.1	7.1			
VI	6.5	6.9	8.7		
VII	6.2	6.7			
VIII	6.0	6.6			
IX	6.0	7.0	8.7		
X	6.2	6.9		9.3	
XI	6.1	6.8			9.6
XII	6.3	7.0	8.9		
2007 I	6.5	6.8	8.8		
II	6.4	6.8		8.9	
III	6.4	7.0	8.4		8.0
IV	6.4	6.8			
V	6.2	6.6		5.7	
VI	5.4	5.5	5.8		
VII	5.4	5.6			
VIII	5.4	5.5			
IX	3.7		5.1		
X	5.1	5.4			
XI	5.2	5.4		6.5	
XII	4.8				
2008 I	5.1	5.4	5.7		
II	5.1	5.3		6.3	
III	5.8	5.6	6.5		6.8
IV	6.1	6.3		7.0	
V	6.7	6.3			
VI	7.1	7.2	7.3		8.0
VII	7.3	7.3	7.9		8.0
VIII	7.4	7.8		8.3	
IX	7.4	7.7	8.0		8.4
X	7.6	7.9		8.3	
XI	7.6	7.7			
XII	7.5	7.8	7.0		

Source: NBRM.



Table 20
Republic of Macedonia: balance of payments /1
in USD Million

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
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	-596.8	-1,209.5
GOODS, net	42.8	-184.9	-222.8	-314.7	-386.3	-515.6	-495.9	-690.8	-526.7	-805.6	-851.0	-1,139.0	-1,063.0	-1,285.0	-1,629.7	-2,551.8
Exports, f.o.b.	1,055.3	1,086.3	1,204.0	1,147.4	1,236.8	1,291.5	1,190.0	1,320.7	1,155.4	1,112.1	1,362.7	1,674.9	2,040.6	2,396.3	3,349.5	3,970.9
Imports, f.o.b. /2	-1,012.5	-1,271.3	-1,426.8	-1,462.1	-1,623.1	-1,807.1	-1,685.9	-2,011.6	-1,682.2	-1,917.7	-2,213.7	-2,813.8	-3,103.6	-3,681.2	-4,979.2	-6,522.7
SERVICES, net	-154.5	-155.1	-200.5	-156.2	-137.8	-59.8	38.9	48.7	-19.2	-22.1	-6.6	-54.4	-33.6	28.3	35.0	2.2
Inflow	84.0	172.0	185.2	154.3	138.1	149.3	272.8	316.7	244.6	253.1	380.3	452.5	515.5	601.2	818.1	1,011.6
Outflow	238.5	327.1	385.7	310.4	275.8	209.1	234.0	268.0	263.8	275.3	386.9	506.9	549.1	573.0	783.1	1,009.4
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	-385.0	-108.2
Inflow	4.3	10.0	20.8	22.8	17.5	23.6	24.2	41.6	52.6	50.8	60.4	84.6	97.5	134.9	213.1	272.7
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	598.1	380.9
CURRENT TRANSFERS, net	85.8	123.7	163.9	182.3	292.0	348.9	463.6	609.0	337.8	494.4	735.9	779.7	1,052.2	1,237.0	1,383.0	1,448.3
Inflow	115.0	197.0	293.5	341.3	433.3	541.4	618.4	782.1	720.6	655.0	910.4	1,028.8	1,237.7	1,437.0	1,744.4	1,985.6
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	361.4	537.4
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	638.8	1,209.5
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	4.9	-18.4
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	633.9	1,227.9
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	700.2	612.0
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	699.1	598.5
Outward direct investment	0.0	0.0	0.0	0.0	-0.1	0.0	-0.3	0.6	-0.9	-0.1	-0.3	-1.2	-2.8	-0.2	1.1	13.6
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	155.6	-72.5
Assets	0.0	0.0	1.4	-0.5	1.7	0.3	0.0	0.0	0.0	0.3	0.1	0.2	0.1	0.1	-2.3	-1.1
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	157.9	-71.3
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	-78.8	641.2
Assets	32.0	34.7	39.9	77.7	-66.1	-59.1	-184.0	-63.7	-109.0	227.7	58.3	82.3	-97.9	-234.8	-81.3	303.3
Liabilities	12.0	115.5	327.5	223.1	360.3	260.0	147.8	152.6	-25.4	-93.4	134.7	116.3	296.8	58.6	2.5	337.9
Gross official reserves (- = increase) /3	-56.8	-41.9	-100.6	5.9	-3.8	-53.3	-143.3	-264.5	-77.0	139.7	-51.0	-19.5	-415.1	-375.8	-143.0	47.2
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	-42.0	0.0

Source: National Bank of the Republic of Macedonia.

1/ Preliminary data.

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

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

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

3/ Excluding monetary gold and exchange rate differences.



Table 21
Republic of Macedonia: balance of payments /1,3
in EUR Million

	I. Current Account												II. Capital and Financial Account																III. Errors and Omissions		
	Goods			Services			Income /5			Current Transfers			Capital Account			Financial Account															
	Net	Exports, f.o.b.	Imports, f.o.b. /2	Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Capital transfers	Acquisition/d isposal of non- produced, non- finan.assets	Net	Direct investment			Portfolio investment		Other investment				Gross official reserves (= increase) /4					
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
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	-5.4
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
2007	-414.8	-1174.8	2441.5	-3616.3	25.5	594.2	568.7	-277.7	155.2	432.9	1012.1	1271.6	259.4	447.6	3.7	1.2	2.4	444.0	506.9	506.0	0.9	114.4	-1.7	116.1	-75.5	-29.0	-128.7	5.9	76.2	-101.8	-32.8
I	-24.8	-81.3	160.5	-241.7	-2.0	37.7	39.7	-10.3	11.7	21.9	68.7	83.3	14.6	25.5	-1.0	-1.0	0.0	26.6	26.1	26.1	0.0	12.2	0.0	12.2	-38.9	-3.3	-42.3	5.9	0.9	27.1	-0.7
II	-14.4	-74.6	175.7	-250.3	1.0	39.7	38.8	-11.9	10.0	21.9	71.1	83.3	12.1	11.8	0.3	0.3	0.0	11.6	25.9	24.0	1.9	-7.6	0.0	-7.6	-19.3	9.6	-15.8	-14.3	1.2	12.6	2.6
III	19.0	-55.6	222.5	-278.1	-0.1	41.0	41.1	-9.5	12.6	22.1	84.2	100.7	16.4	-16.8	0.0	0.0	0.0	-16.8	35.9	36.0	-0.1	16.0	0.0	16.0	-34.3	-44.4	16.0	-8.3	2.4	-34.4	-2.2
IV	-20.7	-83.8	200.5	-284.2	1.3	41.8	40.6	-27.8	12.5	40.3	89.6	105.1	15.5	23.5	0.8	0.8	0.0	22.8	57.7	57.3	0.4	25.9	0.0	25.9	-14.6	10.7	-21.2	-10.7	6.5	-46.3	-2.9
V	25.5	-56.3	212.0	-268.3	-0.6	46.2	46.7	-7.3	14.5	21.7	89.6	107.7	18.0	-16.9	0.5	0.5	0.0	-17.4	76.6	76.3	0.3	16.7	0.0	16.8	-101.0	-72.9	-30.1	-0.6	2.6	-9.8	-8.6
VI	-15.1	-68.1	229.3	-297.4	0.4	48.2	47.9	-35.5	11.7	47.1	88.1	105.3	17.2	12.1	0.8	0.8	0.0	11.4	17.2	18.3	-1.0	3.0	-0.3	3.3	-53.6	-13.8	-84.4	31.4	13.1	44.8	3.0
VII	-41.5	-125.2	196.4	-321.6	5.5	57.0	51.6	-41.5	14.1	55.5	119.7	137.9	18.2	51.1	4.4	1.3	3.1	46.6	36.1	36.1	0.0	6.2	-0.2	6.4	34.8	54.8	7.3	-29.0	1.7	-30.5	-9.5
VIII	47.3	-64.7	214.4	-279.1	7.6	54.8	47.2	-8.7	15.2	23.9	113.1	132.3	19.1	-39.1	0.0	0.0	0.0	-39.1	19.0	19.0	0.1	12.4	0.0	12.4	-35.2	-42.2	6.8	-2.7	3.0	-35.3	-8.2
IX	-58.6	-108.9	194.3	-303.2	10.3	53.8	43.5	-48.9	12.3	61.1	88.9	108.8	19.9	59.0	-0.1	-0.1	0.0	59.2	45.3	45.3	0.0	9.5	-0.2	9.6	40.0	-13.6	-0.2	44.5	9.3	-35.6	-0.4
X	-57.6	-136.3	215.5	-351.8	9.9	57.6	47.7	-15.4	12.8	28.3	84.3	110.1	25.9	59.3	0.1	0.2	-0.1	59.2	48.5	49.3	-0.8	24.3	-0.4	24.7	12.1	27.6	20.7	-40.0	3.8	-25.7	-1.8
XI	-120.0	-152.7	208.1	-360.7	-0.6	54.3	55.0	-37.4	14.1	51.5	70.7	96.5	25.8	122.8	-0.6	-0.1	-0.5	123.4	73.0	73.1	-0.1	0.3	-0.1	0.3	49.5	28.2	7.0	11.9	2.5	0.6	-2.8
XII	-153.9	-167.3	212.4	-379.7	-6.9	62.1	69.0	-23.6	13.9	37.5	44.0	100.6	56.6	155.2	-1.4	-1.4	0.0	156.6	45.4	45.2	0.1	-4.4	-0.5	-3.9	85.0	30.2	7.6	17.9	29.2	30.7	-1.3
Q1	-20.3	-211.5	558.7	-770.2	-1.2	118.4	119.6	-31.7	34.2	65.9	224.1	267.2	43.2	20.6	-0.7	-0.7	0.0	21.3	88.0	86.1	1.9	20.5	0.0	20.5	-92.4	-38.0	-42.1	-16.8	4.5	5.3	-0.3
Q2	-10.2	-208.2	641.7	-849.9	1.1	136.2	135.2	-70.5	38.6	109.2	267.4	318.1	50.7	18.7	2.0	2.1	0.0	16.7	151.5	151.9	-0.3	45.6	-0.3	46.0	-169.2	-75.9	-135.7	20.2	22.2	-11.2	-8.5
Q3	-52.8	-298.9	605.1	-904.0	23.3	165.6	142.3	-99.1	41.5	140.6	321.8	379.0	57.2	71.0	4.3	1.2	3.1	66.7	100.4	100.3	0.1	28.0	-0.4	28.4	39.6	-1.0	13.9	12.8	13.9	-101.4	-18.1
Q4	-331.5	-456.3	635.9	-1092.2	2.4	174.0	171.6	-76.4	40.8	117.3	198.9	307.2	108.3	337.3	-1.9	-1.3	-0.6	339.3	166.9	167.6	-0.7	20.2	-0.9	21.2	146.5	86.0	35.3	-10.3	35.6	5.6	-5.9
2008	-851.2	-1736.7	2684.2	-4420.9	0.0	688.1	688.1	-93.4	185.2	278.6	978.9	1346.5	367.6	852.6	-12.8	-1.6	-11.2	865.5	422.0	412.5	9.5	-50.6	-0.6	-50.1	442.4	24.6	172.4	207.5	37.9	51.6	-1.5
I	-30.3	-115.1	181.7	-296.8	8.7	53.6	45.0	16.0	25.9	9.8	60.1	84.6	24.4	34.8	-0.3	-0.3	0.0	35.2	39.2	30.7	8.6	-0.9	-0.1	-0.8	-9.6	-8.6	-3.8	-4.0	6.8	6.5	-4.6
II	-71.1	-131.3	214.9	-346.2	-5.6	41.1	46.6	6.8	14.2	7.3	58.9	85.3	26.4	72.3	-0.3	-0.3	0.0	72.6	65.2	60.0	5.2	-3.4	-0.1	-3.3	22.7	0.7	0.4	19.7	1.9	-11.9	-1.2
III	-71.7	-124.6	214.9	-339.5	-3.9	49.5	53.4	0.3	11.3	11.0	56.5	87.9	31.4	77.7	-0.4	-0.4	0.0	78.1	25.6	26.9	-1.3	-3.9	-0.1	-3.8	43.0	-6.7	1.8	45.1	2.7	13.4	-6.0
IV	-62.0	-139.9	228.0	-367.9	-2.7	52.2	55.0	5.6	14.5	8.9	74.9	103.1	28.2	64.4	0.9	0.9	0.0	63.5	24.2	25.0	-0.7	-4.4	-0.6	-3.9	24.5	25.5	3.7	-8.3	3.7	19.2	-2.4
V	-47.2	-140.6	259.3	-399.9	-0.9	51.2	52.1	3.8	13.0	9.3	90.5	113.0	22.5	49.5	0.3	0.3	0.0	49.2	60.3	61.2	-0.9	-4.2	0.5	-4.6	6.1	-1.6	5.6	0.0	2.1	-13.0	-2.3
VI	-101.0	-179.9	248.5	-428.3	-5.3	55.2	60.6	-9.4	15.7	25.1	93.6	120.1	26.5	105.6	-3.8	-0.1	-3.7	109.5	43.9	44.4	-0.5	-2.6	-0.4	-2.1	97.8	39.2	38.7	16.0	3.9	-29.7	-4.6
VII	-34.3	-164.4	274.9	-439.3	4.4	68.4	64.0	5.9	18.9	13.0	119.9	151.2	31.3	38.1	0.2	0.2	0.0	37.9	21.6	22.4	-0.8	3.1	-0.5	3.6	27.2	8.5	10.2	7.0	1.3	-14.0	-3.8
VIII	-14.4	-142.2	227.6	-369.8	11.1	64.6	53.5	2.9	10.7	7.8	113.8	138.8	25.0	5.7	0.1	0.1	0.0	5.6	47.5	47.9	-0.4	-6.2	-0.5	-5.7	4.2	7.7	0.2	-4.9	1.1	-39.9	8.7
IX	-18.3	-109.6	242.7	-352.3	12.8	64.2	51.4	-23.1	16.2	39.2	101.5	131.6	30.0	14.0	-0.9	-0.9	0.0	14.9	20.8	20.9	-0.1	-4.7	0.3	-5.0	72.5	-28.6	49.2	49.8	2.1	-73.7	4.3
X	-93.8	-175.9	228.8	-404.8	-6.3	65.2	71.5	-0.8	18.4	19.2	89.2	128.3	39.0	88.2	-0.4	-0.4	0.0	88.6	19.8	20.1	-0.3	-15.1	0.1	-15.1	70.0	9.0	3.0	56.4	1.5	13.8	5.6
XI	-188.4	-161.2	190.9	-352.1	1.7	53.5	51.9	-98.6	8.6	107.2	69.8	95.2	25.4	184.7	-0.5	-0.5	0.0	185.2	18.6	18.9	-0.3	-3.9	0.9	-4.8	65.4	4.6	68.7	-10.6	2.7	105.1	3.7
XII	-118.8	-152.0	171.9	-323.9	-14.0	69.3	83.2	-2.9	17.9	20.8	50.1	107.6	57.5	117.6	-7.6	-0.1	-7.5	125.2	35.2	34.2	1.0	-4.5	0.0	-4.5	18.6	-25.2	-5.4	41.1	8.1	75.9	1.1
Q1	-173.0	-371.0	611.6	-982.6	-0.8	144.2	145.0	23.2	51.4	28.2	175.5	257.7	82.2	184.9	-1.0	-1.0	0.0	185.9	130.0	117.6	12.5	-8.3	-0.3	-8.0	56.1	-14.6	-1.5	60.8	11.4	8.0	-11.8
Q2	-210.1	-460.3	735.8	-1196.1	-8.9	158.7	167.6	0.0	43.2	43.2	259.1	336.1	77.1	219.5	-2.7	1.0	-3.7	222.2	128.4	130.5	-2.1	-11.2	-0.5	-10.6	128.5	63.1	47.9	7.7	9.7	-23.5	-9.3
Q3	-67.0	-416.2	745.2	-1161.4	28.3	197.2	168.9	-10.3	45.7	60.0	335.2	421.6	86.4	57.8	-0.6	-0.6	0.0	58.4	90.0	91.3	-1.3	-7.7	-0.7	-7.1	103.8	-12.4	59.7	52.0	4.5	-127.6	9.2
Q4	-401.0	-489.1	591.6	-1080.7	-18.7	188.0	206.6	-142.3	44.9	147.2	209.1	331.0	121.9	390.5	-8.5	-1.0	-7.5	399.0	73.6	73.2	0.4	-23.4	1.0	-24.4	154.1	-11.5	66.4	86.9	12.3	194.8	10.0



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	Communi- cations	Construc- tion	Insurance	Inflow				Total, outflow	Communi- cations	Construc- tion	Insurance	Outflow				Governme nt services	Other
															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
2007	25.5	594.2	568.7	61.0	134.9	73.9	-48.3	175.2	223.4	12.8	284.2	50.9	54.9	4.2	114.6	12.2	8.5	13.8	45.8	271.4	23.1	1.7	16.0	145.1	15.8	3.1	28.0	57.4
I	-2.0	37.7	39.7	3.5	8.0	4.5	-3.9	11.2	15.1	-1.7	18.5	3.9	2.5	0.2	8.3	0.9	0.4	1.0	2.5	20.2	1.6	0.0	0.7	8.0	0.4	0.3	4.5	5.4
II	1.0	39.7	38.8	3.6	8.2	4.6	-5.1	10.7	15.9	2.5	20.8	3.4	2.8	0.3	8.2	0.9	0.5	1.2	4.9	18.2	1.0	0.2	1.3	8.1	2.2	0.2	2.0	5.6
III	-0.1	41.0	41.1	2.2	7.8	5.6	-3.6	12.6	16.2	1.3	20.6	4.2	3.1	0.6	9.6	1.1	0.6	1.2	2.1	19.3	1.7	0.3	1.4	10.7	2.2	0.3	2.1	3.1
IV	1.3	41.8	40.6	3.1	8.5	5.3	-3.5	13.0	16.5	1.7	20.4	4.1	2.9	0.6	9.2	0.9	0.4	1.0	2.7	18.7	1.5	0.1	1.1	9.5	1.2	0.3	1.9	4.6
V	-0.6	46.2	46.7	3.2	9.4	6.2	-5.7	13.0	18.7	2.0	23.8	4.6	4.8	0.3	9.8	1.0	0.8	1.1	3.3	21.8	1.9	0.1	1.2	12.7	1.6	0.2	2.1	3.8
VI	0.4	48.2	47.9	4.3	10.5	6.1	-2.8	14.5	17.3	-1.2	23.2	3.8	6.5	0.5	6.2	0.9	0.6	0.9	5.3	24.4	2.0	0.1	1.5	14.6	1.6	0.4	1.9	4.3
VII	5.5	57.0	51.6	7.0	14.5	7.5	-2.1	18.0	20.1	0.6	24.6	5.6	3.0	0.2	10.9	1.0	0.8	1.1	3.8	24.0	2.1	0.2	1.4	12.5	1.2	0.2	2.4	5.4
VIII	7.6	54.8	47.2	8.8	16.3	7.5	-2.2	16.0	18.1	0.9	22.5	4.4	4.7	0.2	9.1	0.9	0.9	1.0	3.1	21.6	2.6	0.1	1.2	12.6	0.7	0.2	1.5	3.5
IX	10.3	53.8	43.5	7.9	14.3	6.4	-3.1	15.6	18.7	5.4	23.9	4.7	6.2	0.3	8.0	0.9	0.9	1.2	3.5	18.4	2.0	0.0	0.7	9.9	0.9	0.2	2.1	3.7
X	9.9	57.6	47.7	6.7	13.6	6.9	-4.2	17.1	21.2	7.4	26.9	3.9	5.9	0.4	10.4	1.0	0.8	1.6	4.7	19.5	2.1	0.3	2.1	9.3	1.2	0.2	1.9	3.9
XI	-0.6	54.3	55.0	3.9	10.4	6.5	-6.7	16.6	23.4	2.2	27.3	4.5	7.1	0.3	9.0	1.1	0.7	1.2	5.3	25.1	1.8	0.1	1.6	14.4	0.9	0.2	2.6	4.6
XII	-6.9	62.1	69.0	6.8	13.6	6.7	-5.3	16.9	22.3	-8.4	31.6	3.9	5.3	0.3	16.1	1.8	1.0	1.4	4.6	40.0	2.8	0.2	1.9	22.6	1.6	0.4	3.0	9.4
Q1	-1.2	118.4	119.6	9.3	24.0	14.7	-12.6	34.5	47.1	2.2	59.9	11.5	8.4	1.1	26.1	2.8	1.5	3.4	9.4	57.7	4.4	0.5	3.3	26.8	4.9	0.7	8.5	14.2
Q2	1.1	136.2	135.2	10.6	28.3	17.7	-12.0	40.5	52.5	2.5	67.4	12.5	14.3	1.4	25.1	2.8	1.8	2.9	11.3	65.0	5.3	0.3	3.8	36.9	4.4	1.0	6.0	12.7
Q3	23.3	165.6	142.3	23.7	45.0	21.3	-7.4	49.6	56.9	7.0	71.0	14.7	13.9	0.7	28.0	2.7	2.6	3.3	10.4	64.1	6.8	0.3	3.3	35.1	2.7	0.6	6.0	12.6
Q4	2.4	174.0	171.6	17.4	37.5	20.2	-16.2	50.6	66.9	1.2	85.8	12.3	18.3	1.0	35.4	3.8	2.5	4.2	14.7	84.6	6.7	0.6	5.6	46.3	3.7	0.8	7.5	17.9
2008	0.0	688.1	688.1	62.7	155.2	92.4	-58.0	214.6	272.6	-4.7	318.3	54.6	43.3	5.3	147.4	16.1	8.1	13.5	54.2	323.1	32.7	8.8	17.7	161.5	12.8	3.3	26.6	75.9
I	8.7	53.6	45.0	6.4	12.8	6.3	-4.5	14.6	19.1	6.7	26.2	3.6	6.0	0.6	11.8	1.0	1.0	0.9	3.3	19.5	2.0	0.1	1.7	10.4	1.7	0.2	1.8	3.6
II	-5.6	41.1	46.6	1.6	7.8	6.2	-3.5	15.4	19.0	-3.6	17.8	4.0	1.2	0.5	7.1	1.3	1.0	1.1	3.9	21.4	2.1	0.2	1.3	10.6	0.8	0.3	1.7	5.5
III	-3.9	49.5	53.4	2.5	9.4	6.9	-6.1	14.7	20.8	-0.3	25.4	3.3	5.0	0.2	11.4	1.2	0.6	1.1	4.3	25.7	1.9	0.1	1.1	13.5	0.9	0.2	3.9	5.3
IV	-2.7	52.2	55.0	2.7	10.1	7.4	-6.0	17.0	23.1	0.6	25.1	4.0	2.2	0.3	13.8	1.3	0.6	1.2	3.6	24.5	2.2	0.1	1.4	11.4	1.8	0.2	2.0	7.4
V	-0.9	51.2	52.1	3.1	10.8	7.7	-3.6	17.8	21.3	-0.4	22.6	4.0	3.0	0.3	10.7	1.6	0.5	1.0	3.6	23.1	2.4	0.2	1.8	12.8	1.1	0.1	1.9	4.1
VI	-5.3	55.2	60.6	4.2	12.0	7.8	-8.1	17.9	26.1	-1.4	25.3	4.4	4.4	0.3	12.3	1.2	0.8	1.1	2.8	26.7	2.3	0.1	2.1	13.7	1.0	0.2	1.7	6.8
VII	4.4	68.4	64.0	7.8	18.4	10.7	-6.3	20.2	26.5	2.9	29.8	5.1	4.9	0.3	14.6	1.2	1.0	1.2	3.7	26.9	2.9	0.1	1.7	14.7	0.9	0.3	2.6	4.9
VIII	11.1	64.6	53.5	11.8	20.3	8.5	-5.0	18.0	23.0	4.3	26.3	5.3	3.3	0.4	10.5	0.9	0.7	1.3	5.6	22.0	3.6	0.1	1.1	9.3	0.5	0.2	1.4	6.5
IX	12.8	64.2	51.4	6.8	14.6	7.8	-1.7	20.5	22.2	7.7	29.1	5.4	4.4	0.2	14.4	1.5	0.6	0.9	3.7	21.4	3.0	0.1	1.3	11.7	1.1	0.4	1.9	3.4
X	-6.3	65.2	71.5	4.4	12.9	8.5	-6.3	21.2	27.5	-4.4	31.1	5.2	4.4	0.4	12.2	1.2	0.6	1.1	7.7	35.5	3.3	0.1	1.4	17.0	0.7	0.5	1.8	11.9
XI	1.7	53.5	51.9	3.7	10.7	6.9	-3.9	17.0	20.9	1.8	25.9	4.9	2.0	0.9	13.9	1.5	0.4	1.0	3.1	24.0	2.9	0.2	1.2	12.2	0.7	0.4	2.1	5.4
XII	-14.0	69.3	83.2	7.7	15.3	7.6	-3.0	20.2	23.3	-18.6	33.7	5.3	2.4	0.9	14.6	2.1	0.4	1.6	9.0	52.3	4.0	7.3	1.6	24.3	1.6	0.3	3.9	11.3
Q1	-0.8	144.2	145.0	10.5	30.0	19.5	-14.1	44.7	58.8	2.8	69.4	11.0	12.2	1.4	30.4	3.5	2.6	3.1	11.5	66.7	6.0	0.4	4.1	34.4	3.4	0.7	7.4	14.4
Q2	-8.9	158.7	167.6	10.1	32.9	22.8	-17.7	52.8	70.5	-1.3	73.0	12.4	9.6	1.0	36.8	4.2	1.9	3.3	9.9	74.3	6.9	0.5	5.2	37.9	3.9	0.6	5.6	18.2
Q3	28.3	197.2	168.9	26.4	53.3	27.0	-13.0	58.7	71.7	14.9	85.2	15.8	12.6	0.9	39.5	3.6	2.2	3.4	13.1	70.3	9.5	0.3	4.2	35.7	2.6	0.9	5.9	14.7
Q4	-18.7	188.0	206.6	15.8	38.9	23.1	-13.2	58.4	71.7	-21.2	90.7	15.4	8.8	2.2	40.7	4.8	1.3	3.7	19.8	111.8	10.2	7.6	4.2	53.5	3.0	1.2	7.7	28.6

Source: National Bank of the Republic of Macedonia.



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

	INCOME													
	Income, net	1. Compensation of employees			Investment income, net	2. Investment income								
		Net	Inflow	Outflow		2.1. Direct investment			2.2. Portfolio investment			2.3. Other investment		
						Net	Inflow	Outflow	Net	Inflow	Outflow	Net	Interest receipts	Interest payments
2003	-55.3	24.0	24.5	0.5	-79.3	-54.4	0.8	55.2	2.8	4.8	1.9	-27.7	23.2	50.9
2004	-33.2	40.6	41.7	1.1	-73.8	-56.3	0.3	56.7	3.4	2.2	-1.2	-20.8	23.6	44.5
2005	-91.5	44.9	46.3	1.4	-136.4	-113.1	0.5	113.5	-2.7	0.9	3.6	-20.7	31.3	52.0
2006	-28.4	53.1	54.9	1.8	-81.5	-48.2	0.4	48.7	-13.9	2.3	16.3	-19.4	49.6	69.0
2007	-277.7	75.1	77.0	1.8	-352.8	-337.7	1.8	339.5	2.9	9.4	6.6	-17.9	67.0	84.9
I	-10.3	5.3	5.5	0.2	-15.6	-15.7	0.0	15.7	0.3	0.3	0.0	-0.2	5.8	6.0
II	-11.9	4.9	5.0	0.1	-16.8	-15.4	0.0	15.4	0.3	0.3	0.0	-1.7	4.6	6.3
III	-9.5	5.8	6.0	0.1	-15.4	-16.1	0.0	16.1	0.8	0.9	0.0	-0.1	5.7	5.8
IV	-27.8	6.3	6.5	0.1	-34.1	-32.9	0.0	33.0	0.3	0.4	0.1	-1.5	5.6	7.1
V	-7.3	7.4	7.5	0.1	-14.7	-15.3	1.1	16.4	0.5	0.5	0.0	0.1	5.3	5.2
VI	-35.5	4.0	4.1	0.1	-39.4	-36.9	0.2	37.1	1.3	1.3	0.0	-3.8	6.1	9.9
VII	-41.5	7.5	7.6	0.1	-49.0	-49.9	0.2	50.0	0.9	1.0	0.0	0.0	5.3	5.3
VIII	-8.7	8.3	8.4	0.1	-17.0	-18.7	0.0	18.7	0.6	0.6	0.0	1.1	6.1	5.1
IX	-48.9	3.9	4.1	0.2	-52.8	-50.6	0.2	50.8	1.4	1.4	0.0	-3.6	6.6	10.1
X	-15.4	7.6	7.8	0.2	-23.0	-21.0	0.0	21.0	0.1	0.2	0.1	-2.2	4.9	7.0
XI	-37.4	9.1	9.3	0.2	-46.5	-46.8	0.1	46.9	0.5	0.5	0.0	-0.2	4.2	4.4
XII	-23.6	4.9	5.1	0.2	-28.6	-18.5	0.0	18.5	-4.1	2.0	6.1	-5.9	6.8	12.7
Q1	-31.7	16.1	16.5	0.4	-47.7	-47.2	0.1	47.2	1.5	1.5	0.1	-2.0	16.1	18.1
Q2	-70.5	17.7	18.1	0.4	-88.2	-85.2	1.3	86.4	2.1	2.2	0.2	-5.1	17.0	22.1
Q3	-99.1	19.7	20.2	0.5	-118.8	-119.1	0.4	119.5	2.9	3.0	0.1	-2.5	18.0	20.5
Q4	-76.4	21.7	22.2	0.5	-98.1	-86.3	0.1	86.4	-3.6	2.7	6.2	-8.3	15.9	24.1
2008	-93.4	92.6	95.9	3.3	-186.0	-184.5	2.3	186.8	44.7	52.1	7.4	-46.2	34.9	81.1
I	16.0	8.9	9.2	0.3	7.1	-3.4	0.0	3.4	9.7	9.7	0.0	0.7	6.9	6.2
II	6.8	8.3	8.5	0.2	-1.5	-2.2	0.0	2.2	2.6	2.6	0.0	-1.8	3.1	4.9
III	0.3	4.4	4.5	0.2	-4.0	-3.4	0.0	3.4	4.1	4.1	0.0	-4.7	2.6	7.4
IV	5.6	8.0	8.2	0.2	-2.4	-3.0	0.1	3.0	3.8	3.8	0.1	-3.2	2.4	5.5
V	3.8	6.7	7.0	0.2	-3.0	-4.2	0.3	4.5	3.0	3.1	0.0	-1.8	2.7	4.5
VI	-9.4	7.7	7.9	0.2	-17.1	-15.5	0.0	15.5	5.1	5.1	0.0	-6.8	2.7	9.5
VII	5.9	10.4	10.7	0.2	-4.6	-5.8	0.2	6.0	5.4	5.5	0.0	-4.3	2.5	6.8
VIII	2.9	3.4	3.7	0.4	-0.4	-1.5	1.1	2.6	3.3	3.3	0.0	-2.2	2.6	4.8
IX	-23.1	7.4	7.7	0.3	-30.5	-31.6	0.1	31.7	4.8	4.9	0.0	-3.7	3.5	7.2
X	-0.8	11.2	11.5	0.3	-12.0	-10.1	0.4	10.5	4.0	4.1	0.1	-5.8	2.5	8.2
XI	-98.6	3.3	3.7	0.3	-102.0	-101.4	0.0	101.4	2.9	3.0	0.0	-3.5	2.0	5.5
XII	-2.9	12.9	13.4	0.5	-15.8	-2.5	0.2	2.6	-4.0	2.9	7.0	-9.2	1.4	10.6
Q1	23.2	21.6	22.2	0.6	1.6	-9.0	0.0	9.0	16.4	16.5	0.1	-5.8	12.7	18.5
Q2	0.0	22.5	23.1	0.6	-22.5	-22.7	0.4	23.0	11.9	12.0	0.1	-11.7	7.8	19.5
Q3	-14.3	21.2	22.1	0.9	-35.5	-38.8	1.4	40.2	13.5	13.6	0.1	-10.2	8.6	18.8
Q4	-102.3	27.4	28.6	1.2	-129.7	-114.0	0.5	114.5	2.8	9.9	7.1	-18.5	5.8	24.3

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
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
2007	1012.1	23.9	60.6	40.9	19.7	36.7	4.7	32.0	988.2	158.1	174.3	16.2	695.4	886.0	190.6	134.6	150.6	16.0
I	68.7	3.2	3.5	1.8	1.7	0.3	0.2	0.1	65.5	10.1	11.3	1.2	46.4	58.5	12.0	9.0	10.0	1.0
II	71.1	1.5	2.0	1.1	0.9	0.5	0.3	0.2	69.7	10.8	11.8	1.1	47.9	58.0	10.1	11.0	11.5	0.5
III	84.2	3.9	4.6	3.1	1.4	0.6	0.3	0.4	80.3	13.5	14.9	1.3	55.4	67.8	12.4	11.3	13.4	2.1
IV	89.6	5.4	6.5	5.2	1.2	1.1	0.4	0.7	84.2	12.0	13.3	1.3	61.1	73.2	12.1	11.1	12.1	1.0
V	89.6	5.9	6.5	4.8	1.7	0.6	0.4	0.1	83.7	14.2	15.4	1.1	59.2	74.6	15.4	10.3	11.2	0.9
VI	88.1	5.8	6.7	5.1	1.6	0.9	0.6	0.3	82.4	13.0	14.4	1.4	57.7	71.7	14.0	11.6	12.6	1.0
VII	119.7	5.2	5.6	4.1	1.5	0.4	0.2	0.1	114.5	14.8	16.1	1.3	87.6	102.4	14.7	12.1	13.9	1.8
VIII	113.1	2.2	3.8	2.4	1.4	1.6	0.6	1.0	110.9	14.1	15.4	1.3	87.1	102.1	15.0	9.7	10.9	1.2
IX	88.9	3.3	3.8	2.0	1.8	0.5	0.3	0.2	85.7	14.8	16.2	1.4	58.9	76.3	17.4	11.9	12.5	0.6
X	84.3	3.1	3.6	3.0	0.6	0.5	0.4	0.1	81.2	15.6	17.4	1.8	54.1	74.9	20.8	11.5	14.2	2.7
XI	70.7	8.1	9.1	6.4	2.7	0.9	0.2	0.8	62.5	12.5	14.1	1.6	38.8	60.6	21.7	11.2	12.7	1.6
XII	44.0	-23.6	5.1	1.9	3.2	28.8	0.7	28.0	67.6	12.6	14.0	1.4	41.1	66.0	24.9	13.9	15.5	1.6
Q1	224.1	8.6	10.0	6.0	4.0	1.4	0.8	0.6	215.5	34.4	38.0	3.6	149.7	184.2	34.5	31.4	34.9	3.6
Q2	267.4	17.1	19.6	15.1	4.5	2.5	1.4	1.1	250.3	39.3	43.1	3.8	178.1	219.5	41.5	33.0	35.9	2.9
Q3	321.8	10.7	13.2	8.5	4.7	2.5	1.1	1.3	311.1	43.7	47.7	4.0	233.6	280.8	47.2	33.7	37.3	3.6
Q4	198.9	-12.4	17.8	11.3	6.5	30.2	1.3	28.9	211.3	40.7	45.5	4.8	134.0	201.5	67.4	36.6	42.4	5.9
2008	978.9	47.9	61.0	41.0	20.1	13.1	6.0	7.1	931.0	161.6	180.9	19.2	630.6	948.3	317.7	138.8	156.3	17.5
I	60.1	0.5	4.7	4.0	0.7	4.1	1.3	2.8	59.6	10.3	12.5	2.3	39.8	56.7	16.9	9.5	10.6	1.1
II	58.9	4.4	5.2	3.7	1.5	0.7	0.3	0.4	54.5	11.2	12.8	1.6	33.4	55.8	22.4	9.9	11.5	1.7
III	56.5	2.7	3.3	2.4	1.0	0.6	0.3	0.3	53.8	13.2	14.5	1.4	30.9	58.7	27.8	9.8	11.3	1.6
IV	74.9	4.1	5.1	4.2	0.8	0.9	0.6	0.4	70.8	13.5	15.3	1.8	45.7	69.9	24.2	11.6	12.8	1.2
V	90.5	6.6	6.9	5.1	1.8	0.3	0.3	0.1	83.9	14.0	15.4	1.4	57.9	77.4	19.5	12.0	13.3	1.2
VI	93.6	10.8	11.6	2.9	8.7	0.8	0.4	0.4	82.8	14.0	15.3	1.2	56.5	79.4	22.8	12.3	13.9	1.6
VII	119.9	5.1	5.8	4.6	1.1	0.6	0.4	0.2	114.8	15.5	17.0	1.5	87.0	114.6	27.7	12.3	13.8	1.6
VIII	113.8	3.4	4.1	2.8	1.3	0.6	0.4	0.2	110.3	12.9	14.2	1.3	86.0	107.8	21.9	11.5	12.8	1.3
IX	101.5	2.3	3.4	2.8	0.6	1.1	0.7	0.4	99.2	15.7	17.3	1.7	71.9	97.2	25.4	11.7	13.6	1.9
X	89.2	2.0	3.2	2.4	0.8	1.1	0.4	0.7	87.2	16.1	18.0	1.9	58.9	93.5	34.5	12.2	13.7	1.5
XI	69.8	2.0	2.8	3.4	-0.6	0.8	0.4	0.4	67.8	12.0	13.7	1.7	44.9	66.5	21.7	10.9	12.1	1.2
XII	50.1	3.8	5.1	2.7	2.4	1.3	0.4	0.9	46.3	13.3	14.9	1.6	17.8	70.7	52.9	15.2	16.9	1.7
Q1	175.5	7.7	13.2	10.1	3.1	5.5	2.0	3.5	167.9	34.6	39.8	5.2	104.1	171.2	67.1	29.1	33.5	4.4
Q2	259.1	21.5	23.6	12.2	11.4	2.1	1.2	0.8	237.6	41.5	46.0	4.5	160.1	226.6	66.5	35.9	39.9	4.0
Q3	335.2	10.9	13.2	10.2	3.0	2.4	1.5	0.8	324.3	44.1	48.5	4.4	244.8	319.7	74.9	35.4	40.2	4.8
Q4	209.1	7.9	11.1	8.5	2.6	3.2	1.2	2.0	201.3	41.4	46.5	5.1	121.6	230.7	109.2	38.3	42.7	4.4

Source: National Bank of the Republic of Macedonia.



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

	Capital and Financial Account, excl.reserve assets	Capital and Financial Account, excluding reserve assets																								
		A. Capital account, net				Financial account, net	B. Financial account, excluding reserve assets																			
		Net	Capital transfers, net	Acquisition / disposal of non-produced, non-finan. assets	1. Direct investment			2. Portfolio investment			3. Other investment, net	3.1. Trade credits, net	3.2. Loans					3.3. Currency and deposits					3.4. Other, net			
					Net		Inward	Outward	Net	Assets			Liabilities	Loans, net	Assets	Liabilities			Currency and deposits, net	Monetary Authorities, net	General government, net	Banks, net		Other sectors, net		
																Total	Long-term	Short-term								
2003	232.3	-6.1	-6.0	-0.1	238.3	100.1	100.4	-0.3	4.9	0.1	4.8	133.3	67.4	50.3	-1.1	51.4	48.4	3.0	5.9	15.5	0.0	-44.7	35.1	9.8		
2004	362.6	-4.2	-4.2	0.0	366.8	259.7	260.7	-0.9	9.5	0.1	9.3	97.6	71.0	6.1	1.5	4.6	25.7	-21.1	-2.3	23.2	0.0	-84.4	58.9	22.8		
2005	475.6	-1.7	-1.7	0.0	477.3	74.9	77.2	-2.3	200.2	0.1	200.1	202.2	105.9	100.2	-4.3	104.4	89.0	15.4	-20.3	0.0	0.0	22.4	-42.7	16.5		
2006	335.7	-0.7	-0.7	0.0	336.4	344.6	344.8	-0.1	73.1	0.0	73.1	-81.4	2.9	-22.3	4.1	-26.4	-59.4	33.0	-83.7	-5.7	0.0	-10.4	-67.6	21.7		
2007	549.4	3.7	1.2	2.4	545.7	506.9	506.0	0.9	114.4	-1.7	116.1	-75.5	-29.0	-128.7	-0.6	-128.1	-155.5	27.4	5.9	-0.2	0.0	68.4	-62.3	76.2		
I	-1.6	-1.0	-1.0	0.0	-0.5	26.1	26.1	0.0	12.2	0.0	12.2	-38.9	-3.3	-42.3	0.0	-42.3	-44.4	2.1	5.9	0.0	0.0	3.7	2.2	0.9		
II	-0.8	0.3	0.3	0.0	-1.0	25.9	24.0	1.9	-7.6	0.0	-7.6	-19.3	9.6	-15.8	0.0	-15.8	-19.2	3.4	-14.3	0.0	0.0	-8.2	-6.1	1.2		
III	17.7	0.0	0.0	0.0	17.6	35.9	36.0	-0.1	16.0	0.0	16.0	-34.3	-44.4	16.0	0.0	16.0	-0.6	16.7	-8.3	0.0	0.0	0.7	-9.0	2.4		
IV	69.8	0.8	0.8	0.0	69.0	57.7	57.3	0.4	25.9	0.0	25.9	-14.6	10.7	-21.2	-0.1	-21.1	-21.7	0.5	-10.7	0.0	0.0	-1.6	-9.1	6.5		
V	-7.1	0.5	0.5	0.0	-7.7	76.6	76.3	0.3	16.7	0.0	16.8	-101.0	-72.9	-30.1	-0.2	-29.9	-31.5	1.6	-0.6	0.0	0.0	4.9	-5.4	2.6		
VI	-32.7	0.8	0.8	0.0	-33.4	17.2	18.3	-1.0	3.0	-0.3	3.3	-53.6	-13.8	-84.4	-0.1	-84.3	-83.0	-1.4	31.4	0.0	0.0	37.9	-6.4	13.1		
VII	81.5	4.4	1.3	3.1	77.1	36.1	36.1	0.0	6.2	-0.2	6.4	34.8	54.8	7.3	-0.7	8.0	2.9	5.0	-29.0	0.0	0.0	-22.1	-6.9	1.7		
VIII	-3.9	0.0	0.0	0.0	-3.8	19.0	19.0	0.1	12.4	0.0	12.4	-35.2	-42.2	6.8	0.0	6.8	8.2	-1.5	-2.7	0.0	0.0	-1.6	-1.1	3.0		
IX	94.7	-0.1	-0.1	0.0	94.8	45.3	45.3	0.0	9.5	-0.2	9.6	40.0	-13.6	-0.2	0.0	-0.2	-7.7	7.5	44.5	0.0	0.0	50.6	-6.0	9.3		
X	85.0	0.1	0.2	-0.1	84.9	48.5	49.3	-0.8	24.3	-0.4	24.7	12.1	27.6	20.7	0.1	20.5	27.7	-7.2	-40.0	-0.3	0.0	-34.2	-5.6	3.8		
XI	122.2	-0.6	-0.1	-0.5	122.8	73.0	73.1	-0.1	0.3	-0.1	0.3	49.5	28.2	7.0	0.1	6.9	7.4	-0.5	11.9	0.2	0.0	19.8	-8.2	2.5		
XII	124.5	-1.4	-1.4	0.0	125.9	45.4	45.2	0.1	-4.4	-0.5	-3.9	85.0	30.2	7.6	0.2	7.4	6.3	1.2	17.9	0.0	0.0	18.6	-0.7	29.2		
Q1	15.3	-0.7	-0.7	0.0	16.0	88.0	86.1	1.9	20.5	0.0	20.5	-92.4	-38.0	-42.1	0.0	-42.1	-64.3	22.2	-16.8	0.0	0.0	-3.8	-12.9	4.5		
Q2	30.0	2.0	2.1	0.0	28.0	151.5	151.9	-0.3	45.6	-0.3	46.0	-169.2	-75.9	-135.7	-0.4	-135.3	-136.1	0.8	20.2	0.0	0.0	41.2	-20.9	22.2		
Q3	172.4	4.3	1.2	3.1	168.1	100.4	100.3	0.1	28.0	-0.4	28.4	39.6	-1.0	13.9	-0.7	14.5	3.5	11.0	12.8	0.0	0.0	26.9	-14.0	13.9		
Q4	331.7	-1.9	-1.3	-0.6	333.7	166.9	167.6	-0.7	20.2	-0.9	21.2	146.5	86.0	35.3	0.4	34.8	41.4	-6.6	-10.3	-0.1	0.0	4.2	-14.5	35.6		
2008	801.0	-12.8	-1.6	-11.2	813.8	422.0	412.5	9.5	-50.6	-0.6	-50.1	442.4	24.6	172.4	-0.8	173.3	171.9	1.3	207.5	16.0	0.0	234.6	-43.2	37.9		
I	28.3	-0.3	-0.3	0.0	28.7	39.2	30.7	8.6	-0.9	-0.1	-0.8	-9.6	-8.6	-3.8	0.0	-3.8	-7.5	3.7	-4.0	7.4	0.0	-9.4	-1.9	6.8		
II	84.2	-0.3	-0.3	0.0	84.5	65.2	60.0	5.2	-3.4	-0.1	-3.3	22.7	0.7	0.4	0.0	0.4	-1.3	1.8	19.7	0.1	0.0	19.4	0.1	1.9		
III	64.3	-0.4	-0.4	0.0	64.7	25.6	26.9	-1.3	-3.9	-0.1	-3.8	43.0	-6.7	1.8	0.1	1.8	10.1	-8.3	45.1	3.2	0.0	37.2	4.7	2.7		
IV	45.2	0.9	0.9	0.0	44.3	24.2	25.0	-0.7	-4.4	-0.6	-3.9	24.5	25.5	3.7	-0.2	3.9	1.8	2.1	-8.3	-0.2	0.0	-8.3	0.2	3.7		
V	62.5	0.3	0.3	0.0	62.3	60.3	61.2	-0.9	-4.2	0.5	-4.6	6.1	-1.6	5.6	-0.1	5.6	19.3	-13.7	0.0	6.1	0.0	-1.8	-4.2	2.1		
VI	135.3	-3.8	-0.1	-3.7	139.2	43.9	44.4	-0.5	-2.6	-0.4	-2.1	97.8	39.2	38.7	0.0	38.6	31.9	6.8	16.0	0.0	0.0	19.4	-3.4	3.9		
VII	52.1	0.2	0.2	0.0	51.9	21.6	22.4	-0.8	3.1	-0.5	3.6	27.2	8.5	10.2	0.0	10.2	9.2	1.0	7.0	0.0	0.0	2.7	4.3	1.3		
VIII	45.6	0.1	0.1	0.0	45.5	47.5	47.9	-0.4	-6.2	-0.5	-5.7	4.2	7.7	0.2	-0.2	0.4	1.1	-0.7	-4.9	0.0	0.0	-12.9	8.0	1.1		
IX	87.8	-0.9	-0.9	0.0	88.6	20.8	20.9	-0.1	-4.7	0.3	-5.0	72.5	-28.6	49.2	-0.1	49.3	50.2	-1.0	49.8	0.0	0.0	51.1	-1.3	2.1		
X	74.4	-0.4	-0.4	0.0	74.8	19.8	20.1	-0.3	-15.1	0.1	-15.1	70.0	9.0	3.0	0.0	3.0	0.5	2.5	56.4	-0.1	0.0	103.6	-47.0	1.5		
XI	79.6	-0.5	-0.5	0.0	80.1	18.6	18.9	-0.3	-3.9	0.9	-4.8	65.4	4.6	68.7	-0.4	69.1	64.2	4.9	-10.6	-0.6	0.0	5.6	-15.7	2.7		
XII	41.7	-7.6	-0.1	-7.5	49.3	35.2	34.2	1.0	-4.5	0.0	-4.5	18.6	-25.2	-5.4	0.0	-5.3	-7.6	2.3	41.1	0.1	0.0	28.0	13.0	8.1		
Q1	176.8	-1.0	-1.0	0.0	177.8	130.0	117.6	12.5	-8.3	-0.3	-8.0	56.1	-14.6	-1.5	0.1	-1.6	1.3	-2.9	60.8	10.7	0.0	47.2	2.9	11.4		
Q2	243.0	-2.7	1.0	-3.7	245.8	128.4	130.5	-2.1	-11.2	-0.5	-10.6	128.5	63.1	47.9	-0.2	48.2	53.0	-4.8	7.7	5.9	0.0	9.2	-7.4	9.7		
Q3	185.4	-0.6	-0.6	0.0	186.0	90.0	91.3	-1.3	-7.7	-0.7	-7.1	103.8	-12.4	59.7	-0.3	59.9	60.6	-0.7	52.0	0.0	0.0	41.0	11.0	4.5		
Q4	195.7	-8.5	-1.0	-7.5	204.2	73.6	73.2	0.4	-23.4	1.0	-24.4	154.1	-11.5	66.4	-0.4	66.8	57.0	9.8	86.9	-0.5	0.0	137.2	-49.7	12.3		

Source: National Bank of the Republic of Macedonia.



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

	EXPORT				IMPORT				EXPORT					IMPORT					EXPORT					IMPORT				
	2003	2004	2005	2006	2003	2004	2005	2006	2007					2007					2008					2008				
	Total	Total	Total	Total	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
TOTAL	1,367.0	1,675.9	2,042.3	2,415.2	2,306.4	2,931.6	3,232.8	3,752.3	733.6	866.8	832.7	923.2	3,356.2	1,052.0	1,177.7	1,269.7	1,728.2	5,227.6	918.5	1,152.1	1,126.9	780.8	3,978.2	1,581.1	1,936.9	1,844.8	1,488.9	6,851.7
SITC																												
Food and live animals	92.0	125.6	167.2	192.7	271.2	337.5	343.2	362.4	44.2	64.3	70.9	68.8	248.1	109.9	120.3	114.3	169.3	513.9	59.0	88.6	84.0	76.9	308.4	149.0	158.9	151.7	161.2	620.8
Beverages and tobacco	137.1	127.8	163.1	193.6	24.2	28.0	31.1	31.8	39.4	54.7	54.1	59.1	207.3	7.3	10.1	10.5	10.0	37.9	37.1	68.7	58.5	54.7	218.8	10.8	12.8	15.0	12.5	51.2
Crude materials, inedible, except fuels	39.9	44.1	67.8	113.6	60.0	77.4	106.7	133.5	39.4	46.4	35.3	49.0	170.1	57.6	54.9	80.1	100.9	293.5	74.7	78.4	70.5	45.9	269.5	88.5	84.8	124.0	53.0	350.2
Mineral fuels, lubricants and related materials	73.7	78.3	163.6	225.0	323.1	397.8	619.2	758.9	44.6	19.3	46.8	54.3	165.1	211.7	143.7	229.6	394.5	979.5	66.6	94.5	111.1	42.1	314.3	402.0	377.3	395.5	243.1	1,417.9
Animal and vegetable oils and fats	0.8	7.0	2.9	2.2	24.5	52.9	30.0	31.4	0.2	0.3	0.5	1.6	2.6	5.6	9.6	14.7	16.9	46.9	3.4	3.1	3.4	2.6	12.4	21.2	17.1	14.5	14.6	67.4
Chemical products	70.2	73.4	90.8	100.7	254.9	281.0	334.0	364.5	26.4	34.4	33.0	38.5	132.2	102.4	125.0	121.2	134.2	482.8	37.5	45.3	50.4	47.9	181.1	137.5	175.9	164.1	134.0	611.4
Manufactured goods classified chiefly by material	398.1	552.7	682.8	853.8	333.2	740.8	950.5	1,121.0	326.5	437.6	352.3	386.3	1,502.7	307.4	388.2	364.8	422.7	1,483.1	362.1	504.1	459.3	272.6	1,598.1	369.4	601.3	519.9	354.9	1,845.5
Machinery and transport equipment	80.6	92.6	109.9	118.7	434.2	504.5	563.1	688.8	29.9	33.5	36.7	49.7	149.8	181.5	239.5	243.0	366.8	1,030.8	44.4	49.7	46.3	44.0	184.3	305.6	386.8	346.6	396.7	1,435.6
Miscellaneous manufactured articles	471.8	570.8	590.5	612.0	128.7	171.9	252.9	257.7	182.7	176.0	202.7	215.2	776.5	67.7	85.3	90.4	111.1	354.4	232.1	219.6	242.6	193.9	888.2	96.0	120.6	111.7	117.6	445.9
Commodities and transactions not classified in SITC	2.7	3.5	3.7	3.0	452.4	340.1	2.1	2.1	0.4	0.3	0.5	0.8	1.9	0.9	1.0	1.0	1.8	4.7	1.8	0.1	0.9	0.3	3.0	1.1	1.5	1.9	1.4	5.8
END USE																												
Production materials	669.2	816.2	1,110.4	1,398.9	1,492.5	1,904.7	2,099.0	2,453.5	448.1	561.5	503.5	559.4	2,072.5	705.5	737.9	824.8	1,121.7	3,389.9	547.6	757.5	715.9	413.8	2,434.8	1,068.8	1,288.7	1,240.1	827.1	4,424.7
Capital goods	22.3	30.6	39.9	51.5	285.9	312.8	348.5	421.4	15.8	16.7	17.3	25.7	75.5	108.1	146.7	155.3	229.8	639.7	31.7	35.8	33.0	33.3	133.7	179.2	245.0	225.9	286.3	936.4
Consumption goods	674.5	827.7	891.2	964.7	525.2	711.8	783.2	875.3	269.7	288.6	311.9	337.9	1,208.0	237.6	292.2	288.6	375.0	1,193.3	337.7	358.7	378.0	333.7	1,408.1	332.0	401.7	377.1	374.1	1,484.9
Unknown	0.9	1.3	0.8	0.0	2.7	2.3	2.1	2.1	0.0	0.0	0.0	0.2	0.2	0.9	1.0	1.0	1.8	4.6	1.6	0.0	0.0	0.0	1.6	1.1	1.5	1.8	1.4	5.7

Source: State Statistical Office of the Republic of Macedonia.



Table 27
Foreign trade by countries
in USD Million

	EXPORT				IMPORT				EXPORT				IMPORT				EXPORT				IMPORT							
	2003	2004	2005	2006	2003	2004	2005	2006	2007				Total	2007				Total	2008				Total	2008				Total
Total	Total	Total	Total	Total	Total	Total	Total	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	Q1		Q2	Q3	Q4	Q1		Q2	Q3	Q4		
TOTAL	1,367.0	1,675.9	2,042.3	2,415.2	2,306.4	2,931.6	3,232.8	3,752.3	733.6	866.8	832.7	923.2	3,356.2	1,052.0	1,177.7	1,269.7	1,728.2	5,227.6	918.5	1,152.1	1,126.9	780.8	3,978.2	1,581.1	1,936.9	1,844.8	1,488.9	6,851.7
Serbia and Montenegro	275.0	347.6	459.7	559.6	212.8	243.7	264.2	283.4																				
Serbia									133.0	148.2	172.2	185.9	639.4	76.0	95.9	108.9	167.6	448.4	200.6	280.9	270.5	182.7	934.7	135.4	142.9	133.4	120.2	532.0
Montenegro									4.4	7.8	7.7	7.9	27.7	0.2	0.4	0.4	0.4	1.3	8.5	11.3	11.6	7.2	38.6	0.2	0.2	0.2	0.6	1.2
Germany	279.4	317.2	364.2	381.2	304.8	368.2	336.1	372.3	115.3	105.1	131.6	132.0	484.0	102.9	123.3	122.7	176.5	525.3	154.3	147.6	146.7	114.8	563.3	139.7	182.3	157.8	170.6	650.3
Greece	180.4	228.8	313.2	361.3	300.6	282.6	297.7	306.4	97.2	110.8	95.9	116.5	420.4	96.5	104.3	102.2	110.3	413.3	124.3	178.8	156.6	75.3	535.0	110.8	145.8	139.6	114.7	510.8
Italy	95.4	134.6	169.8	238.5	123.1	168.8	194.1	228.3	73.8	102.0	76.5	94.4	346.8	54.3	87.4	68.0	93.8	303.5	74.6	74.6	90.1	81.7	321.0	75.0	115.9	90.5	101.5	382.9
Bulgaria	25.8	51.5	76.1	130.9	149.2	209.7	234.4	251.3	48.8	57.2	65.7	70.9	242.5	54.6	56.3	67.4	88.8	267.1	95.0	109.8	107.9	63.9	376.6	77.1	82.1	94.5	73.4	327.1
Croatia	66.2	80.2	81.1	124.7	63.5	65.8	75.3	79.0	31.9	38.3	37.7	55.9	163.9	23.2	30.0	27.0	29.6	109.7	47.9	65.6	65.7	49.8	229.0	33.3	37.5	33.6	33.2	137.7
Belgium	9.7	15.2	34.6	83.9	16.7	22.1	27.3	27.0	38.0	55.8	38.5	45.5	177.8	5.6	7.5	7.2	11.6	31.9	23.5	26.3	26.9	32.5	109.2	9.5	11.9	9.0	11.7	42.1
Bosnia and Herzegovina	23.8	33.2	50.5	65.8	11.8	16.3	23.6	26.5	17.7	22.8	21.9	25.6	88.0	6.4	7.7	10.1	10.3	34.5	22.4	30.4	29.4	22.6	104.8	8.8	15.0	17.9	10.9	52.6
Netherlands	47.3	47.3	44.6	56.5	49.6	57.1	53.3	60.1	17.3	18.2	21.2	15.0	71.8	15.4	16.8	17.2	24.6	73.9	18.6	15.4	22.1	14.5	70.6	22.7	25.1	22.6	23.3	93.7
Turkey	32.8	54.0	46.3	55.2	78.8	94.9	113.9	122.5	9.8	10.7	18.7	14.0	53.2	37.2	47.8	50.4	59.3	194.8	9.7	10.1	7.5	4.4	31.6	56.7	81.1	67.7	63.3	268.8
Spain	21.3	23.0	14.0	50.4	24.6	31.0	32.4	51.9	51.4	75.2	23.7	22.7	173.0	11.4	14.2	11.2	13.9	50.8	16.5	34.6	12.3	13.6	76.9	12.5	14.5	12.9	14.8	54.8
Slovenia	21.3	27.2	31.8	41.4	139.1	140.3	128.0	129.6	13.6	20.3	19.6	15.2	68.7	29.3	35.8	39.4	50.0	154.5	12.9	20.0	21.4	10.8	65.1	42.5	55.3	55.2	50.5	203.4
Albanija	17.4	23.6	27.5	40.7	4.0	6.3	9.1	11.7	15.1	17.0	20.3	20.2	72.7	2.4	4.5	6.9	5.7	19.5	19.9	27.1	35.4	24.4	106.8	6.1	10.0	12.1	7.5	35.7
G.Britain	35.2	42.5	42.9	36.6	39.5	54.7	44.2	38.2	15.6	26.8	18.2	14.5	75.1	11.8	13.5	11.8	12.9	49.9	19.0	15.4	19.3	16.3	69.9	16.1	21.5	16.2	13.3	67.1
Russia	13.7	19.7	21.4	25.6	179.0	271.0	425.2	569.7	4.9	5.3	6.8	6.6	23.6	157.4	99.1	172.0	214.8	643.3	5.7	7.9	8.1	11.0	32.7	272.1	277.2	247.3	134.2	930.9
USA	72.8	72.1	44.4	22.4	56.6	48.0	45.2	40.3	6.2	9.7	15.1	20.6	51.6	16.6	22.1	19.6	19.7	77.9	3.1	2.3	2.6	3.1	11.1	20.3	21.1	35.2	22.6	99.2
Sweden	5.6	5.7	8.3	19.4	20.2	25.1	20.1	29.6	4.2	2.2	5.4	3.1	14.8	8.3	11.6	17.1	17.9	54.9	1.7	2.8	2.9	2.2	9.4	12.6	13.2	15.7	12.1	53.5
Austria	7.7	8.5	9.0	15.0	56.2	68.9	69.2	80.5	4.5	5.4	5.0	4.9	19.9	16.7	23.7	26.6	34.4	101.4	4.4	5.5	7.3	5.3	22.5	20.8	38.7	29.6	30.7	119.8
Romania	1.4	1.8	4.2	13.4	14.4	113.1	64.9	91.9	5.3	2.9	4.3	6.0	18.6	31.2	17.3	16.2	31.8	96.5	6.7	7.4	15.2	4.1	33.5	19.6	42.8	41.6	13.5	117.5
Czech	3.1	5.4	6.0	10.7	12.0	17.5	23.3	32.9	1.1	2.8	3.4	3.8	11.1	9.0	14.1	12.8	28.3	64.2	2.8	4.2	5.0	2.3	14.4	14.0	20.4	15.2	15.8	65.4
France	54.7	77.3	19.9	10.3	51.5	67.5	61.0	66.6	4.0	4.9	2.6	4.4	15.9	17.6	20.7	21.6	29.7	89.5	4.3	7.1	5.8	7.0	24.3	25.9	34.1	29.9	31.4	121.3
Switzerland	19.3	6.4	7.5	10.2	27.2	45.7	63.9	59.2	2.4	1.8	4.1	2.2	10.6	16.4	19.5	21.2	57.3	114.3	3.4	3.8	5.2	3.7	16.1	87.9	59.5	87.8	57.5	292.7
Hungary	2.8	2.2	2.7	6.5	29.1	31.0	36.3	37.6	1.6	1.3	1.7	2.0	6.7	8.9	11.2	13.6	21.3	55.0	1.1	3.4	1.2	1.5	7.2	26.5	22.5	15.9	15.7	80.6
Poland	0.5	2.6	4.0	6.4	26.4	78.3	94.6	117.8	1.5	2.5	3.5	3.5	11.1	34.3	35.3	40.5	52.3	162.4	4.3	5.0	4.5	2.9	16.8	46.6	81.8	99.9	37.0	265.3
Cyprus	0.5	4.8	5.5	4.5	4.1	4.7	3.5	1.5	1.7	0.3	0.3	0.7	3.0	0.2	0.1	0.2	1.3	1.9	0.6	0.5	0.5	0.4	2.0	0.4	1.3	1.1	1.3	4.0
Australia	2.5	2.5	1.7	2.3	6.7	2.7	4.3	1.8	0.9	0.4	0.8	1.4	3.6	0.6	0.8	1.1	0.9	3.4	0.6	0.5	1.0	1.0	3.3	0.3	0.7	0.9	1.4	3.3
Ukraine	1.8	2.2	2.0	1.8	88.0	74.1	72.1	105.7	0.4	0.5	0.5	0.6	2.0	25.7	29.2	23.3	24.7	102.9	0.3	0.7	1.5	0.4	2.9	32.2	78.9	49.7	42.2	203.0
Korea	0.1	2.0	1.4	1.7	14.0	23.4	33.7	41.4	0.0	0.0	0.0	0.0	0.0	11.1	12.0	14.4	16.8	54.3	0.3	0.0	0.0	0.0	0.3	12.5	15.8	15.8	13.3	57.4
China	14.6	1.4	9.9	1.5	48.3	82.0	115.3	138.6	0.0	0.0	0.1	0.4	0.6	44.6	57.3	52.3	88.5	242.7	0.5	0.4	0.6	0.1	1.6	62.8	80.1	81.5	90.4	314.8
Danmark	3.3	2.3	2.8	1.6	11.3	14.8	14.3	16.9	0.5	1.0	1.2	1.0	3.7	3.5	5.5	4.4	6.0	19.4	2.8	2.6	4.8	3.7	13.8	5.2	6.8	5.1	5.4	22.5
Japan	5.8	2.7	8.4	1.2	19.3	24.4	22.8	26.9	0.2	0.1	0.2	0.1	0.7	6.8	8.9	8.5	16.5	40.7	0.3	0.1	0.8	0.1	1.3	12.7	18.2	12.4	14.6	57.9
Canada	0.5	1.1	1.1	1.0	4.0	8.6	22.3	35.5	0.2	0.2	0.3	1.0	1.8	3.6	3.6	4.3	4.1	15.5	0.3	0.2	0.2	0.6	1.3	2.3	5.1	4.5	5.4	17.3
Belarus	0.1	0.2	0.5	0.9	0.6	0.2	0.2	0.2	0.1	1.8	0.4	0.2	2.6	0.0	0.1	0.1	0.2	0.4	0.2	2.1	0.6	0.1	3.1	0.1	0.6	0.3	0.4	1.5
Hong Kong	0.2	0.1	0.1	0.2	2.4	3.0	2.6	1.7	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.6	12.1	13.8	0.0	0.0	0.0	0.0	0.1	11.7	1.2	1.7	1.4	16.0
Lihtenstien	0.0	0.3	0.3	0.1	0.7	0.4	0.6	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.2
Argentina	0.0	0.3	1.6	0.0	5.6	9.9	8.7	10.1	0.0	0.0	0.0	0.0	0.0	3.1	2.8	3.2	4.2	13.3	0.0	0.0	0.0	0.0	0.0	3.2	4.9	2.6	4.1	14.8
Bolivia	0.0	0.0	0.0	0.0	3.8	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	0.0	0.0	0.9	0.0	23.3	41.1	37.7	38.2	0.0	0.0	0.1	0.0	0.1	15.0	18.4	20.0	21.5	74.9	0.0	0.0	0.0	0.0	0.0	15.2	30.9	53.3	22.2	121.7



Table 28

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

Country	1997		1998		1999		2000		2001		2002		2003		2004		2005		2006		2007	
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 (%)	Value	Share (%)
Afghanistan	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Albania	0.0	0	0.0	0	0.0	0	0.1	0	0.6	0	2.1	0	2.0	0	4.4	0	3.6	0	11.6	1	16.6	1
Australia	-0.1	0	0.2	0	0.3	0	0.3	0	0.4	0	1.8	0	2.1	0	2.1	0	2.1	0	2.3	0	2.0	0
Austria	17.6	12	30.1	11	39.5	11	33.0	6	36.8	4	37.7	3	42.8	3	62.3	4	57.7	3	219.4	10	238.3	9
Bahamas	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Barbados	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	0.4	0
Belgium	0.1	0	0.1	0	0.0	0	0.1	0	0.4	0	0.5	0	1.3	0	1.3	0	1.3	0	0.9	0	1.3	0
Bermudas	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0
Bosnia and Herzegovina	1.6	1	2.9	1	2.8	1	2.7	0	2.4	0	2.4	0	2.4	0	0.7	0	0.2	0	1.0	0	1.3	0
Belize	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
British Virgin Islands	0.1	0	0.1	0	0.5	0	1.4	0	3.9	0	7.0	1	11.3	1	8.7	1	11.8	1	15.8	1	29.4	1
Bulgaria	2.6	2	3.4	1	2.9	1	3.5	1	6.6	1	11.7	1	23.3	2	24.3	2	27.4	2	42.8	2	62.5	2
Byelorussia	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Canada	0.0	0	0.0	0	0.0	0	0.3	0	0.1	0	0.1	0	0.3	0	0.4	0	0.5	0	1.1	0	2.3	0
Cayman Islands	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Central African Republic	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Sri Lanka	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	0.1	0
China	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.2	0	0.9	0	1.1	0	1.4	0	1.5	0
Taiwan	0.0	0	0.0	0	0.0	0	2.8	0	4.2	0	3.5	0	3.3	0	2.5	0	0.8	0	2.2	0	1.6	0
Cuk Islands	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	1.2	0
Croatia	5.8	4	6.4	2	7.6	2	8.2	1	10.3	1	12.3	1	10.9	1	15.7	1	20.3	1	30.6	1	44.3	2
Cyprus	1.2	1	77.1	29	92.8	26	117.9	20	138.7	13	141.6	12	141.1	11	150.5	9	160.8	9	182.2	9	20.5	1
Czech Republic	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.2	0	0.2	0	0.3	0	0.3	0	0.3	0	7.5	0
Denmark	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.1	0	0.1	0	0.1	0	0.0	0	0.5	0	1.2	0
Dominikan Republic	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
El Salvador	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	0.0	0
Finland	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
France	0.2	0	0.4	0	0.4	0	8.0	1	5.9	1	10.7	1	15.2	1	19.6	1	1.5	0	0.3	0	10.5	0
Gorgia	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	0.0	0
Germany	9.3	7	14.1	5	15.9	4	50.2	9	54.6	5	52.5	5	57.3	4	70.6	4	64.1	4	64.1	3	85.9	3
Gibraltar	0.3	0	0.4	0	0.5	0	0.9	0	0.8	0	1.0	0	0.4	0	0.4	0	0.5	0	0.7	0	0.8	0
Greece	9.7	7	12.8	5	20.5	6	105.3	18	174.2	17	213.0	18	223.0	17	264.1	16	279.2	16	320.4	15	387.1	15
Hong Kong	0.0	0	0.0	0	0.3	0	0.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Hungary	0.0	0	0.0	0	0.0	0	0.0	0	300.6	29	300.1	26	313.4	24	354.4	22	350.0	20	350.4	17	421.3	17
Iceland	0.9	1	0.1	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	8.1	0
India	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Iran	0.1	0	0.1	0	0.1	0	0.0	0	0.1	0	0.0	0	0.0	0	0.1	0	0.0	0	0.0	0	0.0	0
Iraq	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0
Ireland	0.0	0	-0.1	0	-0.1	0	0.1	0	0.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Israel	0.0	0	0.2	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	4.3	0
Italy	9.9	7	11.0	4	11.4	3	11.4	2	13.9	1	16.5	1	15.0	1	32.1	2	37.7	2	44.4	2	46.5	2
Japan	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	-0.2	0
Johanson Island	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Jordan	0.0	0	0.0	0	0.1	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Lebanon	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Libya	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Liechtenstein	0.2	0	3.8	1	10.2	3	4.8	1	6.5	1	4.1	0	22.0	2	1.5	0	2.5	0	6.7	0	1.6	0
Luxembourg	0.2	0	1.8	1	1.9	1	2.3	0	2.3	0	2.3	0	2.2	0	10.8	1	15.2	1	25.4	1	71.9	3
Malaysia	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Malta	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	-0.1	0	-0.2	0	-0.1	0	0.0	0
Mauricius	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	0.0	0
Mexico	0.0	0	-0.9	0	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Moldova, Republic of	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Montenegro	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	0.2	0
Netherlands	1.4	1	4.6	2	10.2	3	14.7	3	15.6	2	61.1	5	69.7	5	103.2	6	213.3	12	212.0	10	431.3	17
Netherlands Antilles	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	98.9	6	69.5	4	54.7	3	18.0	1
Nigeria	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Norwav	0.0	0	0.0	0	0.0	0	0.0	0	0.1	0	0.1	0	0.0	0	-0.1	0	0.0	0	0.0	0	0.4	0
Marshall Island	1.3	1	0.6	0	0.7	0	0.1	0	0.2	0	0.2	0	0.3	0	0.3	0	0.0	0	0.0	0	0.0	0
Pakistan	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	-0.5	0
Panama>																						



Table 29
Stock of foreign direct investment in Republic of Macedonia by activity /1
in EUR Million

Activity	1997		1998		1999		2000		2001		2002		2003		2004		2005		2006		2007	
	Value	Share %	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	27.0	1
MINING AND QUARRYING	0.3	0	0.4	0	0.7	0	9.9	2	13.6	1	16.9	1	15.5	1	22.4	1	39.3	2	45.3	2	50.7	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	0.4	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	50.3	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	907.3	36
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	173.5	7
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	44.0	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	18.1	1
Refined petroleum products and other treatments	0.0	0	0.4	0	0.2	0	-11.5	-2	1.4	0	31.0	3	25.9	2	55.0	3	64.3	4	75.2	4	88.3	3
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	63.0	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	4.3	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	365.9	14
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	2.5	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	4.1	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	2.1	0
Motor vehicles	2.7	2	1.5	1	1.5	0	1.2	0	0.9	0	4.0	0	5.2	0	12.3	1	12.6	1	12.8	1	12.9	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	9.0	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	119.7	5
ELECTRICITY, GAS AND WATER	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.7	0	5.2	0	6.2	0	157.1	7	161.7	6
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	87.1	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	1,302.7	51
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	264.0	10
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	31.5	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	136.9	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	89.2	4
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	52.9	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	542.2	21
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	8.1	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	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	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	528.0	21
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	6.0	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	321.6	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	253.3	10
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	30.1	1
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	36.1	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	2.3	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	106.0	4
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	29.3	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	14.4	1
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	58.4	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	0.9	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	15.5	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	9.1	0
SUB - TOTAL	141.2		270.4		359.9		580.1		1,039.2		1,160.7		1,292.1		1,610.2		1,769.0		2,098.6		2,545.2	
TOTAL	141.2		270.4		359.9		580.1		1,039.2		1,160.7		1,292.1		1,610.2		1,769.0		2,098.6		2,545.2	

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	2007
International Investment Position, net	-1,999.0	-2,498.5	-2,333.9	-2,474.0	-3,527.7
Assets	1,868.5	2,162.2	2,455.8	3,256.5	3,946.3
<i>Direct investment abroad</i>	42.0	54.2	62.1	39.7	67.6
Equity capital and reinvested earnings	35.7	43.9	43.6	37.7	51.6
Other capital	6.3	10.3	18.5	2.0	16.0
<i>Portfolio investment</i>	3.8	4.1	3.6	4.2	4.4
Equity securities	3.8	4.1	3.6	4.2	4.4
Banks	3.0	3.3	2.9	3.4	3.6
Other sectors	0.8	0.8	0.7	0.8	0.8
Debt securities	-	-	-	-	-
<i>Other investment</i>	929.3	1,128.6	1,065.4	1,346.9	1,634.7
Trade credits	194.3	267.2	299.0	441.8	652.7
Other sectors	194.3	267.2	299.0	441.8	652.7
Long-term	0.4	0.4	0.8	0.9	1.1
Short-term	193.9	266.8	298.2	441.0	651.6
Loans	25.5	27.4	26.0	2.3	3.9
Banks	24.0	25.7	25.6	2.0	1.1
Long-term	15.2	16.5	15.0	1.4	1.1
Short-term	8.8	9.2	10.6	0.5	-
Other sectors	1.5	1.7	0.4	0.3	2.8
Long-term	-	1.7	0.1	0.3	2.3
Short-term	1.5	-	0.2	-	0.5
Currency and deposits	706.0	827.7	733.3	868.4	936.4
Monetary authorities	41.4	16.2	15.5	23.6	25.3
Banks	664.6	811.5	717.8	844.8	911.2
Other assets	3.5	6.3	7.1	34.4	41.7
<i>Reserve assets</i>	893.4	975.3	1,324.7	1,865.8	2,239.6
Liabilities	3,867.5	4,660.7	4,789.7	5,730.5	7,474.1
<i>Direct investment in reporting economy</i>	1,614.7	2,190.6	2,086.9	2,763.8	3,739.4
Equity capital and reinvested earnings	1,477.0	1,858.5	1,863.5	2,454.0	3,271.4
Other capital	137.7	332.1	223.4	309.8	468.0
<i>Portfolio investment</i>	107.2	71.7	273.9	366.5	457.2
Equity securities	80.5	40.0	52.8	114.0	194.8
Banks	12.6	19.1	29.5	106.2	90.9
Other sectors	67.9	20.9	23.3	7.8	103.9
Debt securities	26.8	31.7	221.2	252.5	262.5
<i>Other investment</i>	2,145.6	2,398.5	2,428.9	2,600.2	3,277.5
Trade credits	398.2	485.6	457.0	486.2	854.5
Other sectors	398.2	485.6	457.0	486.2	854.5
Long-term	61.8	46.7	29.3	25.8	21.4
Short-term	336.4	438.9	427.6	460.4	833.1
Loans	1,657.2	1,814.4	1,852.2	1,853.3	1,991.9
Monetary authorities	68.4	62.5	62.1	55.8	-
General government	1,256.5	1,351.2	1,292.2	1,152.6	1,068.4
Banks	90.9	89.1	131.0	192.7	317.8
Long-term	80.0	78.4	128.3	192.7	293.6
Short-term	10.9	10.7	2.7	-	24.2
Other sectors	241.4	311.6	366.9	452.2	605.7
Long-term	219.9	293.6	293.5	436.8	547.9
Short-term	21.5	18.0	73.4	15.4	57.8
Currency and deposits	69.0	70.5	86.9	148.6	238.3
Banks	69.0	70.5	86.9	148.6	238.3
Other liabilities	21.4	27.9	32.8	112.1	192.8

Source: National Bank of the Republic of Macedonia.



Table 31

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

	2003	2004	2005	2006	2007
International Investment Position, net	-1,599.7	-1,836.6	-1,978.4	-1,878.5	-2,401.1
Assets	1,495.3	1,589.3	2,081.7	2,472.7	2,686.0
<i>Direct investment abroad</i>	33.6	39.9	52.6	30.1	46.0
Equity capital and reinvested earnings	28.6	32.3	37.0	28.6	35.1
Other capital	5.0	7.6	15.6	1.5	10.9
<i>Portfolio investment</i>	3.0	3.0	3.1	3.2	3.0
Equity securities	3.0	3.0	3.1	3.2	3.0
Banks	2.4	2.4	2.5	2.6	2.5
Other sectors	0.6	0.6	0.6	0.6	0.6
Debt securities	-	-	-	-	-
<i>Other investment</i>	743.7	829.5	903.1	1,022.7	1,112.7
Trade credits	155.5	196.4	253.5	335.5	444.3
Other sectors	155.5	196.4	253.5	335.5	444.3
Long-term	0.3	0.3	0.7	0.7	0.8
Short-term	155.2	196.1	252.8	334.8	443.5
Loans	20.4	20.1	22.0	1.7	2.6
Banks	19.2	18.9	21.7	1.5	0.7
Long-term	12.2	12.2	12.7	1.1	0.7
Short-term	7.0	6.7	9.0	0.4	-
Other sectors	1.2	1.2	0.3	0.3	1.9
Long-term	-	1.2	0.1	0.3	1.6
Short-term	1.2	-	0.2	-	0.3
Currency and deposits	565.0	608.4	621.6	659.4	637.4
Monetary authorities	33.2	11.9	13.2	17.9	17.2
Banks	531.8	596.5	608.4	641.5	620.2
Other assets	2.8	4.6	6.0	26.1	28.4
<i>Reserve assets</i>	715.0	716.9	1,122.9	1,416.7	1,524.4
Liabilities	3,095.0	3,426.0	4,060.1	4,351.2	5,087.2
<i>Direct investment in reporting economy</i>	1,292.1	1,610.2	1,769.0	2,098.6	2,545.2
Equity capital and reinvested earnings	1,182.0	1,366.1	1,579.6	1,863.4	2,226.6
Other capital	110.2	244.1	189.4	235.2	318.6
<i>Portfolio investment</i>	85.8	52.7	232.2	278.3	311.2
Equity securities	64.4	29.4	44.7	86.6	132.6
Banks	10.1	14.0	25.0	80.7	61.9
Other sectors	54.3	15.4	19.7	5.9	70.7
Debt securities	21.4	23.3	187.5	191.7	178.7
<i>Other investment</i>	1,717.1	1,763.1	2,058.9	1,974.3	2,230.8
Trade credits	318.6	356.9	387.3	369.2	581.6
Other sectors	318.6	356.9	387.3	369.2	581.6
Long-term	49.4	34.3	24.9	19.6	14.5
Short-term	269.2	322.6	362.5	349.6	567.1
Loans	1,326.2	1,333.8	1,570.1	1,407.2	1,355.8
Monetary authorities	54.7	46.0	52.7	42.4	-
General government	1,005.5	993.2	1,095.4	875.2	727.2
Banks	72.8	65.5	111.1	146.3	216.3
Long-term	64.0	57.6	108.8	146.3	199.8
Short-term	8.7	7.9	2.3	-	16.5
Other sectors	193.2	229.1	311.0	343.3	412.2
Long-term	175.9	215.8	248.8	331.6	372.9
Short-term	17.2	13.3	62.2	11.7	39.3
Currency and deposits	55.2	51.9	73.7	112.8	162.2
Banks	55.2	51.9	73.7	112.8	162.2
Other liabilities	17.1	20.5	27.8	85.1	131.2

Source: National Bank of the Republic of Macedonia.



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



	31/12/2004	31/12/2005	31/12/2006	31.12.2007*	31/3/2008	30/6/2008	30/9/2008	31/12/2008
General Government	1,016.46	1,282.82	1,065.56	897.71	883.06	882.64	880.13	902.83
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	1,065.56	897.71	883.06	882.64	880.13	902.83
Bonds and notes	23.25	187.47	190.38	170.49	164.85	155.20	143.61	131.62
Loans	993.20	1,095.36	875.19	727.22	718.21	727.44	736.52	771.22
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	42.39	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
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	42.39	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	45.97	52.66	42.39	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
Banks	123.24	192.02	269.88	387.85	346.15	358.89	389.57	384.05
Short-term	67.32	81.41	115.44	178.12	142.31	138.83	173.32	171.33
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	16.50	10.72	10.00	10.00	0.00
Currency and deposits	51.71	69.46	104.70	152.26	124.29	121.28	154.87	162.46
Other debt liabilities	8.57	10.66	10.74	9.36	7.29	7.55	8.45	8.87
Arrears	8.57	10.66	10.74	9.36	7.29	7.55	8.45	8.87
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	55.93	110.60	154.44	209.73	203.84	220.06	216.25	212.72
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	55.79	106.40	146.31	199.81	189.02	206.48	203.21	201.14
Currency and deposits	0.14	4.20	8.13	9.92	14.82	13.58	13.04	11.58
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	786.69	1,115.71	1,087.00	1,227.25	1,346.80	1,382.45
Short-term	370.02	475.84	435.42	727.89	676.47	787.25	826.04	823.45
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	4.78	53.03	11.65	39.32	24.25	21.05	21.49	28.54
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	349.59	567.07	552.25	663.18	696.92	672.16
Other debt liabilities	42.66	59.95	74.17	121.50	99.97	103.02	107.64	122.75
Arrears	42.66	58.40	74.17	121.50	99.97	103.02	107.64	122.75
Other	0.00	1.54	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	230.39	245.18	351.27	387.81	410.54	440.00	520.75	559.00
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	207.63	234.14	331.68	372.92	394.90	421.44	500.95	535.37
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	19.59	14.54	15.28	18.20	19.44	23.27
Other debt liabilities	0.00	0.00	0.00	0.36	0.36	0.36	0.36	0.36
Direct investment: Intercompany lending	284.52	269.57	329.30	430.77	521.02	612.70	626.08	649.07
Debt liabilities to affiliated enterprises	3.70	5.68	13.16	6.11	6.11	6.11	6.11	6.11
Debt liabilities to direct investors	280.82	263.89	316.14	424.66	514.91	606.59	619.97	642.96
Gross External Debt	2,070.61	2,518.09	2,493.83	2,832.04	2,837.23	3,081.49	3,242.58	3,318.40

Memorandum items

Public debt	1,201.88	1,477.78	1,260.77	1,048.34	1,027.99	1,036.09	1,038.68	1,097.29
Private debt	868.73	1,040.31	1,233.06	1,783.70	1,809.24	2,045.40	2,203.90	2,221.11

*Revision of trade credits for 2007, based on data from the new KIPO questionnaire.

Data on trade credits for 2008 are estimated using flow data from the balance of payments.

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	31/12/2006	31.12.2007*	31/3/2008	30/6/2008	30/9/2008	31/12/2008
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	1,326.97	1,416.28	1,395.51	1,413.65	1,552.13	1,361.16
Short-term	664.66	1,040.51	1,167.82	917.15	279.69	300.38	404.19	245.87
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	1,167.82	917.15	279.69	300.38	404.19	245.87
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	159.16	499.13	1,115.83	1,113.26	1,147.94	1,115.29
Bonds and notes	0.00	0.00	159.16	499.13	1,115.83	1,113.26	1,147.94	1,115.29
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	635.87	668.26	648.05	549.01	529.46	533.83	390.58
Short-term	618.75	634.56	667.17	631.33	532.31	509.75	514.16	371.06
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	2.17	0.39	0.00	0.00	0.02	0.02	0.01
Currency and deposits	596.54	608.45	641.45	604.19	525.74	502.97	507.24	363.95
Other claims	22.21	23.93	25.33	27.14	6.57	6.77	6.90	7.10
Arrears	22.21	23.93	25.33	27.14	6.57	6.77	6.90	7.10
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	0.84	1.31	1.10	16.72	16.70	19.71	19.67	19.52
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.84	1.31	1.10	0.74	0.72	1.23	1.19	1.04
Currency and deposits	0.00	0.00	0.00	15.98	15.98	18.48	18.49	18.49
Other claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Sectors	197.77	253.94	336.54	447.43	471.71	520.79	564.13	551.63
Short-term	196.55	253.46	335.63	445.09	467.36	515.52	559.09	546.53
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	0.31	0.22	0.47	0.70	0.90
Currency and deposits	0.00	0.00	0.21	0.39	0.13	0.18	0.05	0.10
Trade credits	196.12	252.79	334.82	443.51	444.77	492.78	535.12	521.88
Other claims	0.43	0.46	0.60	0.87	22.23	22.09	23.22	23.65
Arrears	0.43	0.46	0.60	0.87	22.23	22.09	23.22	23.65
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	1.23	0.49	0.91	2.34	4.35	5.26	5.04	5.09
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	1.23	0.10	0.25	1.57	3.83	4.10	4.07	4.12
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	0.77	0.52	1.17	0.97	0.97
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	95.60	123.11	125.57	129.21	133.38	134.45
Claims from affiliated enterprises	11.28	21.33	14.69	17.00	17.00	17.00	17.00	17.00
Claims from direct investors	36.70	74.54	80.91	106.11	108.58	112.21	116.38	117.46
Gross External Claims	1,530.00	2,026.19	2,427.38	2,634.87	2,541.80	2,593.10	2,783.47	2,437.83

*Revision of trade credits for 2007, based on data from the new KIPO questionnaire.

Data on trade credits for 2008 are estimated using flow data from the balance of payments.

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	31/12/2006	31/12/2007	31/3/2008	30/6/2008	30/9/2008	31/12/2008
General Government	1,016.46	1,282.82	1,065.56	897.71	883.06	882.64	880.13	902.83
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	1,065.56	897.71	883.06	882.64	880.13	902.83
Bonds and notes	23.25	187.47	190.38	170.49	164.85	155.20	143.61	131.62
Loans	993.20	1,095.36	875.19	727.22	718.21	727.44	736.52	771.22
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	-1,284.58	-1,416.28	-1,395.51	-1,413.65	-1,552.13	-1,361.16
Short-term	-664.66	-1,040.51	-1,167.82	-917.15	-279.69	-300.38	-404.19	-245.87
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	-1,167.82	-917.15	-279.69	-300.38	-404.19	-245.87
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	-116.77	-499.13	-1,115.83	-1,113.26	-1,147.94	-1,115.29
Bonds and notes	0.00	0.00	-159.16	-499.13	-1,115.83	-1,113.26	-1,147.94	-1,115.29
Loans	45.97	52.66	42.39	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
Banks	-496.34	-443.85	-398.38	-260.20	-202.86	-170.57	-144.26	-6.53
Short-term	-551.43	-553.14	-551.72	-453.20	-390.00	-370.92	-340.84	-199.73
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	7.04	-0.87	-0.39	16.50	10.72	9.98	9.98	-0.01
Currency and deposits	-544.82	-539.00	-536.75	-451.93	-401.45	-381.68	-352.37	-201.49
Other debt liabilities	-13.64	-13.27	-14.59	-17.78	0.73	0.78	1.55	1.78
Arrears	-13.64	-13.27	-14.59	-17.78	0.73	0.78	1.55	1.78
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	55.09	109.29	153.34	193.01	187.14	200.35	196.58	193.19
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	54.95	105.09	145.21	199.07	188.31	205.25	202.02	200.10
Currency and deposits	0.14	4.20	8.13	-6.06	-1.16	-4.90	-5.44	-6.91
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	450.15	668.28	615.30	706.47	782.67	830.83
Short-term	173.47	222.38	99.79	282.81	209.11	271.73	266.95	276.92
Money market instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	4.78	52.83	11.65	39.01	24.03	20.58	20.79	27.65
Currency and deposits	0.00	0.00	-0.21	-0.39	-0.13	-0.18	-0.05	-0.10
Trade credits	126.47	110.07	14.77	123.56	107.48	170.40	161.80	150.28
Other debt liabilities	42.23	59.48	73.57	120.63	77.73	80.93	84.41	99.09
Arrears	42.23	57.94	73.57	120.63	77.73	80.93	84.41	99.09
Other	0.00	1.54	0.00	0.00	0.00	0.00	0.00	0.00
Long-term	229.16	244.69	350.36	385.47	406.19	434.73	515.72	553.91
Bonds and notes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	206.40	234.04	331.43	371.35	391.07	417.34	496.88	531.25
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	18.93	13.77	14.76	17.03	18.47	22.30
Other debt liabilities	0.00	0.00	0.00	0.36	0.36	0.36	0.36	0.36
Direct investment: Intercompany lending	236.54	173.71	233.70	307.66	395.45	483.50	492.70	514.61
Debt liabilities to affiliated enterprises	-7.57	-15.65	-1.53	-10.89	-10.89	-10.89	-10.89	-10.89
Debt liabilities to direct investors	244.11	189.36	235.23	318.55	406.33	494.38	503.59	525.50
Net External Debt Position	540.60	491.90	66.45	197.17	295.43	488.38	459.11	880.58

1/ Net external debt is defined as the difference between the stock of gross external debt and gross external claims, presented by market value for the category debt securities.

2/ 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
2007	124.3	1.0	0.0	1,399.1	1,524.4	17.2
I	108.7	1.7	0.0	1,284.7	1,395.1	18.1
II	111.7	0.2	0.0	1,276.4	1,388.3	12.1
III	108.7	7.0	0.0	1,297.3	1,413.1	17.9
IV	108.5	4.2	0.0	1,343.0	1,455.7	17.7
V	106.8	1.4	0.0	1,357.8	1,466.0	17.8
VI	104.8	1.4	0.0	1,312.2	1,418.4	17.8
VII	106.6	1.4	0.0	1,341.1	1,449.1	17.7
VIII	107.1	1.2	0.0	1,377.1	1,485.4	17.8
IX	113.6	1.1	0.0	1,407.4	1,522.1	17.4
X	118.6	1.1	0.0	1,431.4	1,551.1	17.6
XI	117.7	1.0	0.0	1,428.3	1,547.0	17.1
XII	124.3	1.0	0.0	1,399.1	1,524.4	17.2
Q1	108.7	7.0	0.0	1,297.3	1,413.1	17.9
Q2	104.8	1.4	0.0	1,312.2	1,418.4	17.8
Q3	113.6	1.1	0.0	1,407.4	1,522.1	17.4
Q4	124.3	1.0	0.0	1,399.1	1,524.4	17.2
2008	133.9	1.0	0.0	1,360.0	1,494.9	1.1
I	136.1	1.0	0.0	1,398.6	1,535.8	9.9
II	139.9	0.9	0.0	1,408.1	1,548.9	9.8
III	129.5	0.9	0.0	1,388.9	1,519.3	6.6
IV	121.6	1.1	0.0	1,371.5	1,494.3	6.7
V	123.8	1.0	0.0	1,385.1	1,509.9	0.6
VI	129.3	1.0	0.0	1,413.1	1,543.4	0.6
VII	127.7	1.0	0.0	1,428.2	1,556.9	0.6
VIII	123.9	1.0	0.0	1,474.7	1,599.6	0.6
IX	136.5	1.0	0.0	1,551.5	1,689.0	0.6
X	122.0	1.1	0.0	1,550.1	1,673.2	0.7
XI	139.5	1.0	0.0	1,448.7	1,589.2	1.2
XII	133.9	1.0	0.0	1,360.0	1,494.9	1.1
Q1	129.5	0.9	0.0	1,388.9	1,519.3	6.6
Q2	129.3	1.0	0.0	1,413.1	1,543.4	0.6
Q3	136.5	1.0	0.0	1,551.5	1,689.0	0.6
Q4	133.9	1.0	0.0	1,360.0	1,494.9	1.1

Source: National Bank of the Republic of Macedonia



Table 36
Exchange rates (average for the period)

		100 ATS	100 FRF	100 ITL	100 DEM	100 CHF	1 GBP	1 USD	1 EUR	100 JPY
1993	/1	2.0127	4.1226	1.4832	14.1617	15.9867	35.3541	23.5722	-	
1994		3.7833	7.7828	2.6792	26.6162	31.5905	66.0911	43.2351	-	
1995		3.7722	7.6206	2.3369	26.5390	32.1770	60.0303	38.0354	-	
1996		3.7787	7.8183	2.5929	26.5848	32.3948	62.4691	39.9935	-	
1997		4.0780	8.5259	2.9225	28.6980	34.3423	81.6392	49.8299	-	
1998		4.3993	9.2329	3.1357	30.9525	37.5788	90.2462	54.4506	-	
1999		4.4052	9.2409	3.1306	30.9927	37.8747	92.0413	56.8964	-	
2000		4.4131	9.2575	3.1362	31.0482	38.9892	99.6905	65.8856	60.7250	61.1533
2001		4.4267	9.2862	3.1459	31.1445	40.3381	97.9875	68.0421	60.9133	56.0157
2002		-	-	-	-	41.5689	97.0365	64.7341	60.9783	51.6839
2003		-	-	-	-	40.3117	88.6405	54.3031	61.2639	46.8292
2004		-	-	-	-	39.7337	90.4298	49.4105	61.3377	45.6661
2005		-	-	-	-	39.5872	89.6186	49.2919	61.2958	44.7895
2006		-	-	-	-	38.8981	89.7611	48.7854	61.1885	41.9345
2007		-	-	-	-	37.2534	89.4324	44.7184	61.1838	37.9705
2008		-	-	-	-	38.6300	77.1265	41.8646	61.2654	40.7177
2006	Q1	-	-	-	-	39.2848	89.2867	50.9665	61.2334	43.5954
	Q2	-	-	-	-	39.1077	88.8832	48.7465	61.1661	42.5425
	Q3	-	-	-	-	38.7979	89.9489	48.0042	61.1697	41.3318
	Q4	-	-	-	-	38.4127	90.9055	47.4714	61.1856	40.3109
2007	Q1	-	-	-	-	37.8609	91.2615	46.6974	61.1809	39.1234
	Q2	-	-	-	-	37.1487	90.0730	45.3961	61.1741	37.6175
	Q3	-	-	-	-	37.1335	90.0013	44.5585	61.1750	37.8021
	Q4	-	-	-	-	36.8825	86.4403	42.2718	61.2053	37.3601
2008	Q1	-	-	-	-	38.2826	81.0138	40.9350	61.2908	38.8218
	Q2	-	-	-	-	38.0241	77.2550	39.2020	61.2579	37.5382
	Q3	-	-	-	-	37.9561	76.9805	40.7035	61.1776	37.8493
	Q4	-	-	-	-	40.2469	73.3003	46.5786	61.3356	48.6062
2006	1	-	-	-	-	39.5447	89.3827	50.7503	61.2839	43.8820
	2	-	-	-	-	39.3020	89.6578	51.2317	61.2179	43.4344
	3	-	-	-	-	39.0093	88.8557	50.9433	61.1970	43.4544
	4	-	-	-	-	38.8317	88.0838	49.9694	61.1625	42.5913
	5	-	-	-	-	39.2724	89.4229	47.9649	61.1686	42.8457
	6	-	-	-	-	39.2134	89.1251	48.3312	61.1670	42.1803
	7	-	-	-	-	39.0015	88.9010	48.2135	61.1671	41.7135
	8	-	-	-	-	38.7629	90.3501	47.7888	61.1688	41.2355
	9	-	-	-	-	38.6238	90.6172	48.0105	61.1732	41.0371
	10	-	-	-	-	38.4876	90.9394	48.4970	61.1815	40.8833
	11	-	-	-	-	38.4257	90.8063	47.5741	61.1799	40.5425
	12	-	-	-	-	38.3251	90.9675	46.3465	61.1954	39.5143
2007	1	-	-	-	-	37.8973	92.1831	47.0635	61.1802	39.1269
	2	-	-	-	-	37.7300	91.6664	46.8414	61.1905	38.8048
	3	-	-	-	-	37.9428	89.9742	46.2014	61.1729	39.4077
	4	-	-	-	-	37.3937	90.0173	45.3304	61.1754	38.1562
	5	-	-	-	-	37.0661	89.7285	45.2464	61.1729	37.5017
	6	-	-	-	-	36.9892	90.4847	45.6166	61.1739	37.1983
	7	-	-	-	-	36.9193	90.7086	44.6560	61.1771	36.6735
	8	-	-	-	-	37.3499	90.3063	44.9242	61.1713	38.4779
	9	-	-	-	-	37.1313	88.9552	44.0798	61.1767	38.2698
	10	-	-	-	-	36.6500	87.9323	43.0387	61.1820	37.1373
	11	-	-	-	-	37.1130	86.4482	41.7364	61.2049	37.5533
	12	-	-	-	-	36.8919	84.9406	42.0230	61.2290	37.3960
2008	1	-	-	-	-	37.7680	82.1796	41.6851	61.3375	38.5097
	2	-	-	-	-	38.1420	81.7821	41.6268	61.3231	38.8401
	3	-	-	-	-	38.9287	79.1295	39.5378	61.2140	39.1168
	4	-	-	-	-	38.4651	77.1392	38.9019	61.3727	38.0133
	5	-	-	-	-	37.7336	77.3340	39.3720	61.2280	37.7820
	6	-	-	-	-	37.8834	77.2891	39.3265	61.1740	36.8111
	7	-	-	-	-	37.8104	77.141	38.7910	61.1836	36.3449
	8	-	-	-	-	37.7134	77.2368	40.7884	61.1783	37.3325
	9	-	-	-	-	38.3576	76.55	42.5922	61.1706	39.938
	10	-	-	-	-	40.2313	77.6866	45.7943	61.1979	45.7813
	11	-	-	-	-	40.6211	74.2772	48.2683	61.4102	49.8986
	12	-	-	-	-	39.9004	67.9685	45.7279	61.4012	50.1804

Source: National Bank of the Republic of Macedonia.

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



Table 37
Mid exchange rates (end of period)

	EUR 1	DEM 100	ITL 100	USD 1	ATS 100	FRF 100	GBP 1	CHF 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
31/1/2007	61.2139			47.1893			92.7062	3,770.2575
28/2/2007	61.1773			46.2413			90.8079	3,780.3436
31/3/2007	61.1675			45.9284			89.9787	3,764.8489
30/4/2007	61.1621			44.8304			89.6476	3,722.3602
31/5/2007	61.1920			45.5976			90.0545	3,716.0381
30/6/2007	61.1692			45.2973			90.7555	3,695.3543
31/7/2007	61.1658			44.7806			90.5757	3,721.2265
31/8/2007	61.1716			44.9461			90.2236	3,729.5208
30/9/2007	61.1940			43.1582			87.8215	3,686.1635
31/10/2007	61.1821			42.4669			87.7540	3,652.4446
30/11/2007	61.2935			41.5888			85.7552	3,713.6322
31/12/2007	61.2016			41.6564			83.2901	3,685.9552
31/1/2008	61.4240			41.4747			82.6258	3,806.8795
29/2/2008	61.2338			40.4959			80.4279	3,818.2827
31/3/2008	61.2664			38.7860			77.4740	3,893.6384
30/4/2008	61.3856			39.4230			77.8067	3,800.2600
31/5/2008	61.1654			39.4412			77.8186	3,758.0118
30/6/2008	61.1741			38.8456			77.2059	3,810.7581
31/7/2008	61.1879			39.2507			77.7779	3,750.4076
31/8/2008	61.1642			41.5095			75.9804	3,783.9767
30/9/2008	61.1689			42.6294			76.8550	3,860.4544
31/10/2008	61.4099			47.1115			77.6652	4,149.3176
30/11/2008	61.4030			48.2462			73.9884	3,973.0184
31/12/2008	61.4123			43.5610			63.0387	4,104.2772

Source: National Bank of the Republic of Macedonia



Table 38

Indices on effective exchange rate of the Denar*

base period 1995=100, ponders FT 2003

year	quarter	Nominal Effective Exchange Rate of Denar	Real Effective Exchange Rate of Denar		
			Consumer Price Index	Producer Price Index	Unit Labor Cost
1995	Q4	41.2	132.1	117.9	
1996	Q4	48.5	118.4	106.1	
1997	Q4	49.9	97.0	93.4	
1998	Q4	66.6	105.7	112.8	
1999	Q4	82.7	113.0	119.0	
2000	Q4	90.0	107.1	109.8	
2001	Q4	94.1	101.7	101.8	
2002	Q4	97.6	99.9	100.7	
2003	Q4	101.2	100.1	99.1	87.4
2004	Q4	104.4	96.1	95.8	93.4
2005	Q4	104.8	90.8	93.0	88.6
2006	Q4	104.2	89.2	91.9	79.6
2007	Q4	104.4	88.0	90.8	70.6
2005	Q1	104.8	94.6	94.9	92.8
	Q2	104.5	92.9	94.2	77.9
	Q3	104.7	91.7	95.1	78.8
	Q4	104.8	90.8	93.0	88.6
2006	Q1	104.8	91.3	94.1	90.6
	Q2	105.6	91.3	95.1	79.1
	Q3	105.1	90.3	94.5	81.9
	Q4	104.2	89.2	91.9	79.6
2007	Q1	104.4	89.0	90.8	74.2
	Q2	104.8	88.8	90.7	71.6
	Q3	104.5	88.0	90.7	69.1
	Q4	104.4	88.0	90.8	70.6
2008	Q1	105.6	90.4	91.2	67.4
	Q2	106.0	89.7	92.7	63.7
	Q3	104.6	87.2	92.1	60.3
	Q4	106.2	88.4	89.9	

* Index below 100 indicates increased export competitiveness.

Source: NBRM.



METHODOLOGICAL EXPLANATIONS

REAL SECTOR

Table no. 1 Gross domestic product

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

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

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

Table no. 2 Prices

The price data are from the SSO.

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

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

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

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

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

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

Table no. 3 Industrial production index

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

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

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

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

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

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

Table no. 4 Employment and productivity in total economy

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

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

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

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

Inactive population comprises of:

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

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

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

Table no. 5 Wages

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

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

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

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

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

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

Table no. 6 Budget of the Republic of Macedonia (the Central government budget and the budgets of the funds)

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

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

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

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

MONETARY SECTOR

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

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

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

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

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

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

- Deposit Money Banks;

- Savings houses;

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

Table no.12 Credits to non-government sector

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

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

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

Table no.13 Monetary aggregates and components thereof

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



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

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

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

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

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

Table no. 14 Total claims of deposit money banks

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

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

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

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

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

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

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

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

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

Table no.15 Total liabilities on deposit money banks

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

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

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

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

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

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

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

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

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



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

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

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

Table no. 18 Reserve requirement of banks and saving houses

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

Table no.19 Interest rates on Government securities

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

FOREIGN EXCHANGE SECTOR

Table no. 20-25 BALANCE OF PAYMENTS

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

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

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

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

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



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

BALANCE OF PAYMENTS: SEPARATE ITEMS

CURRENT ACCOUNT

Goods

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

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

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

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

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

Services

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

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

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

Income

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

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



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

Current transfers

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

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

CAPITAL AND FINANCIAL ACCOUNT

CAPITAL ACCOUNT

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

FINANCIAL ACCOUNT

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

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

Other investment:

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

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

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

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

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

Table no. 26 and 27 Foreign trade

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

Table no. 28 and 29 Stock of foreign direct investment

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

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

Methodologically, the reinvested earnings include:

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

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

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

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

Table no. 30 and 31 International investment position

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

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

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

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

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

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

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

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

General methodological notes

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

The external debt statistics is prepared in accordance with the External Debt Statistics Guide⁵³ (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.

⁵³ 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.