

National Bank of the Republic of Macedonia
Research Department



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1. PRICES

The trend of upward increase in the general level of the **consumer prices** which started in August 2010, continued in the second month of 2011 as well. Therefore the prices in February relative to the previous month rose by 0.9%¹. Such increase in the consumer prices was mostly due to the higher prices of food (growth of 2.3%, which was mainly due to the higher prices of the fresh vegetables and cereal products, whereas the prices of the fresh fruits, fats, fresh meat, milk and eggs registered more moderate growth)². The upward price development of the utility and housing services³ and the means of hygiene additionally influenced the total monthly inflation, whereas downward trend was registered in the prices for culture and recreation as well as in the prices of footwear. **On annual basis**, the rise in the consumer price index in February 2011 reached up to 3.9%³ (3.2% in January 2011). **The average inflation rate** for the period January - February 2011 reached up to 3.6% which was mostly due to the cumulative rise in the prices of food and energy by 6.1% and 6.2%, respectively.

In February 2011 slowing down in the moderate growth in the core inflation (inflation without food and energy) **was registered**. Therefore, in February it equaled 0.1%, opposite to 0.2% in the previous month. The monthly rise was mainly due to the growth in the price for housing and hygiene and healthcare, whereas the prices for culture and recreation registered minimal drop. On annual level, in February 2011 the growth in the core inflation intensified and it amounted to 1%⁴ (0.8% in January 2011). In the period January-February 2011 the core inflation amounted to 0.9%.

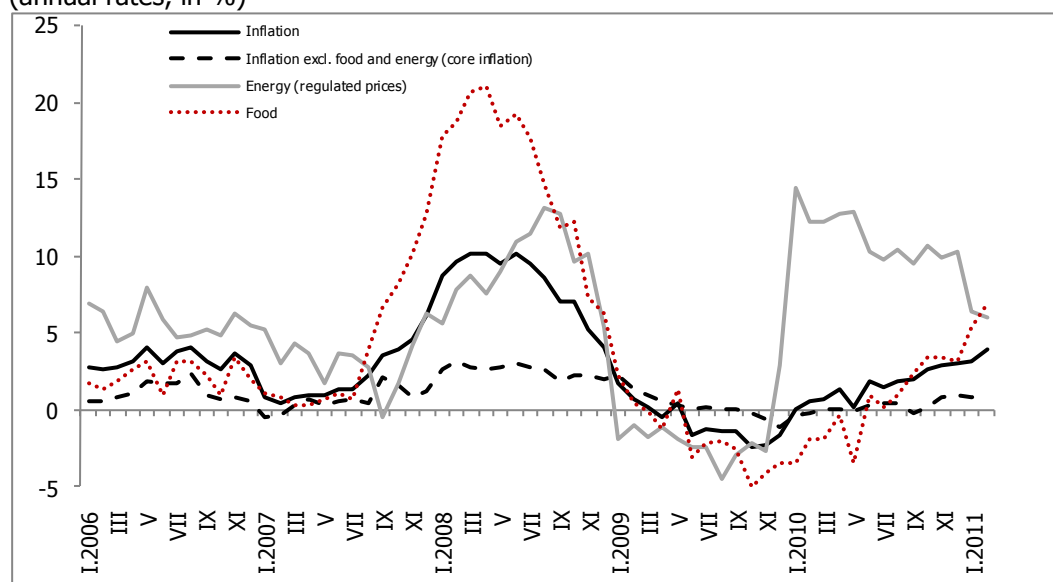
¹ When calculating the consumer price index for 2011, the SSO made a small change in the weight structure in coordination with the price development in the whole 2010, in direction of smaller participation of the food and transport and PTT services, for the account of higher participation of electricity and liquid fuels.

² The price growth in this category in February was due to the increase in the prices for services for water supply and carrying the waste waters away in the municipality of Stip.

³ The intensification of the annual inflation was mainly due to the increase in the food prices, fuel prices as well as the housing prices (rental, water and services and heating materials and lighting).

⁴ The intensification of prices for housing and hygiene and healthcare on annual basis influenced on the core inflation in upward direction.

Total and core inflation (annual rates, in %)



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

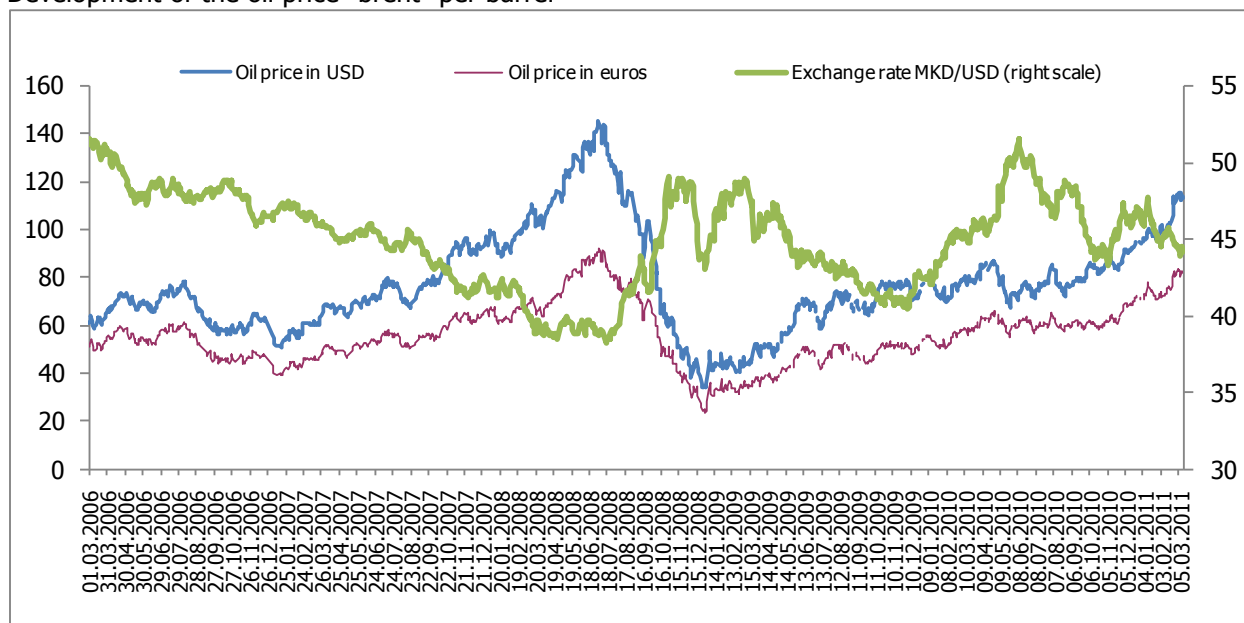
The realized cumulative inflation rate in the first two months of 2011 (3.6%) exceeded the last projections of the NBRM for annual rise in the consumer prices of 2.5% in the first quarter of 2011, as a result of the higher realized than the projected rise with both, the food prices and the prices of the non-food component.

The oil price⁵ continued to grow in February 2011 as well with higher intensity thus reaching the average level of USA Dollar 104 per barrel, which compared to the level of the previous month (USA Dollar 96.3 per barrel) represented growth of 8%. The rise in the price of the crude oil resulted mostly from the worryment of the investors for the social riots in North Africa and Middle East and their influence on the global supply of crude oil. In the first half of February the oil prices rose as a result of the riots in Egypt, whereas in the second half of the month, the price of the crude oil continued to grow with higher intensity as a result to the riots in Libya which caused fears of possible broadening of the demonstrations in the other countries from the area⁶. In accordance with the increasing price of oil and oil derivatives on the international stock exchanges and depreciation of the Denar against the USA Dollar, compared to the previous two-week period, on February 28, 2011, the Regulatory Energy Committee (REC) adopted a decision on increasing the refinery and retail prices of oil derivatives on average by 5.3% and 3.8%, respectively.

⁵ The information on the factors which influence the oil prices were taken from <http://www.oilmarketer.co.uk/>.

⁶ Despite the announcements of Saudi Arabia for growth in the output of oil in order to compensate the lower output from Libya, the prices still maintain the high level.

Development of the oil price "brent" per barrel

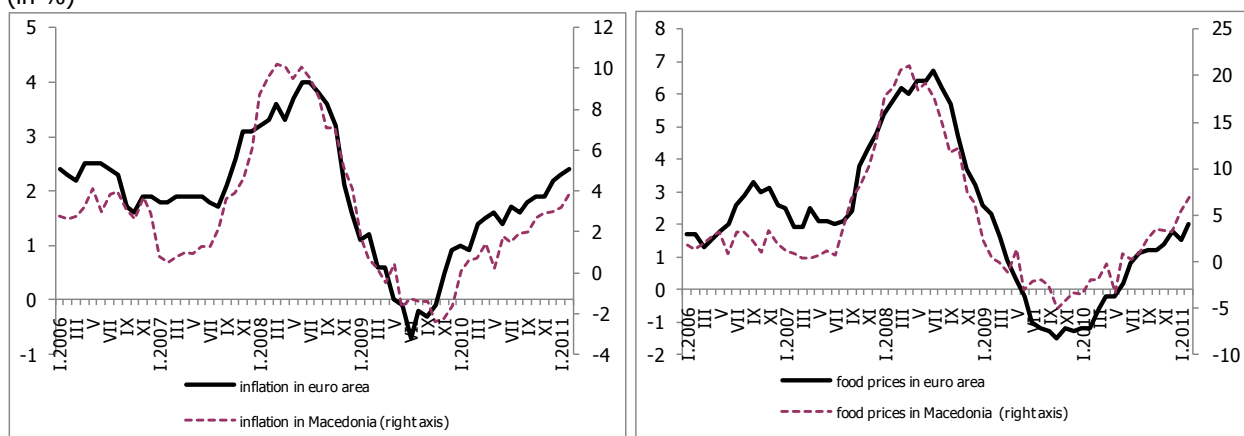


Source: The Energy Information Administration - Statistical Agency of the U.S. Department of Energy.

The growth in the price of the crude oil continued in the first two weeks of March (reaching up to USA Dollar 115.5 per barrel on March 7, 2011), whereas in the following days the oil price registered small decrease as a result to the announcements of the member states of OPEC for holding emergent session in order to discuss the issue on increase in the production quota due to the riots in Libya. In the same time, the report of the International Energy Agency, according to which the reserves of the crude oil increased in the USA, influenced in direction of drop in the oil prices. However, on average, the price of the crude oil in the last two-week period rose relative to the previous period, and despite the appreciation of the Denar against the USA Dollar, on March 14, 2011, the Regulatory Energy Committee (REC) adopted a decision on increasing the refinery and retail prices of oil derivatives on average by 5.5% and 4.4%, respectively. In the first days after the REC decision adopted on March 14, 2011, the price of the crude oil maintained the level of approximately USA Dollar 111 per barrel.

The consumer prices in the Euro area in February 2011 registered increase by 0.4% on monthly basis, which resulted mostly from the higher prices of package holidays, services for accommodation and fuels. On annual basis, the inflation in the Euro area registered small intensification thus reaching up to 2.4% (2.3% in January), determined by the higher prices of transport fuels, fuel oil, electricity and gas. Positive contribution came from the rise in the prices of food which registered moderate intensification (to 2% from 1.5% in January).

Annual inflation rates and food prices in the Euro area and Macedonia (in %)



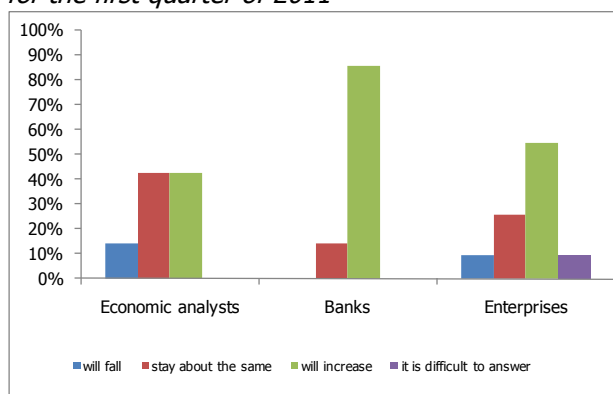
Source: EUROSTAT and SSO.

1.1 Inflation expectations survey

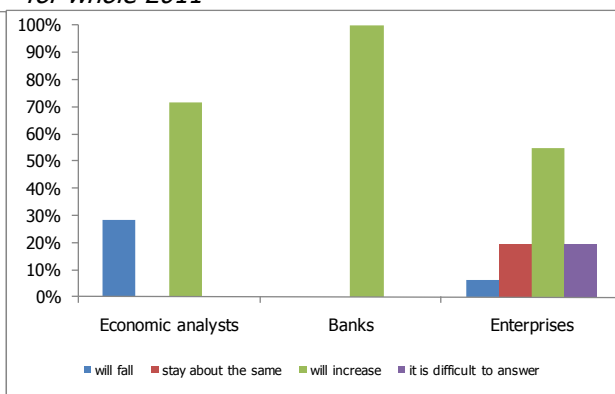
According to the Inflation expectations survey conducted in February 2010⁷, most of the surveyed (57.8%) anticipated for the annual inflation rate to increase at the end of the **first quarter of 2011** relative to the level realized in January 2011 of 3.2%. Slightly over quarter of the surveyed (26.7%) considered that the inflation will remain unchanged, and small part (8.9%) anticipated its drop. With respect to the anticipations by individual groups of surveyed, the **analysts's opinions** were divided between the alternatives for higher and unchanged inflation relative to January 2011 (same percentage of 42.9%), whereas the other analysts considered that the prices shall decrease. Most of the **enterprises** anticipated inflation growth (54.8%), one fourth (25.8%) had stable inflation expectations, whereas the others (by about 10%) anticipated lower inflation, i.e. have no opinion. Different from the analysts and enterprises, most of the expectations of the surveyed **banks** (85.7%) were in direction of inflation growth, and the remaining pertains to stable inflation expectations. *The economic agents anticipated for the annual inflation rate in March 2011 to equal approximately 3.3%.*

⁷ This Survey had response of 61.6%, i.e. 45 out of 73 surveyed answered the Survey. Observed by groups of surveyed, the responsiveness of banks was 100%, followed by the enterprises (58.5%), and the economic analysts registered the lowest responsiveness (53.8%).

Distribution of answers for the inflation expectations by groups of surveyed
for the first quarter of 2011



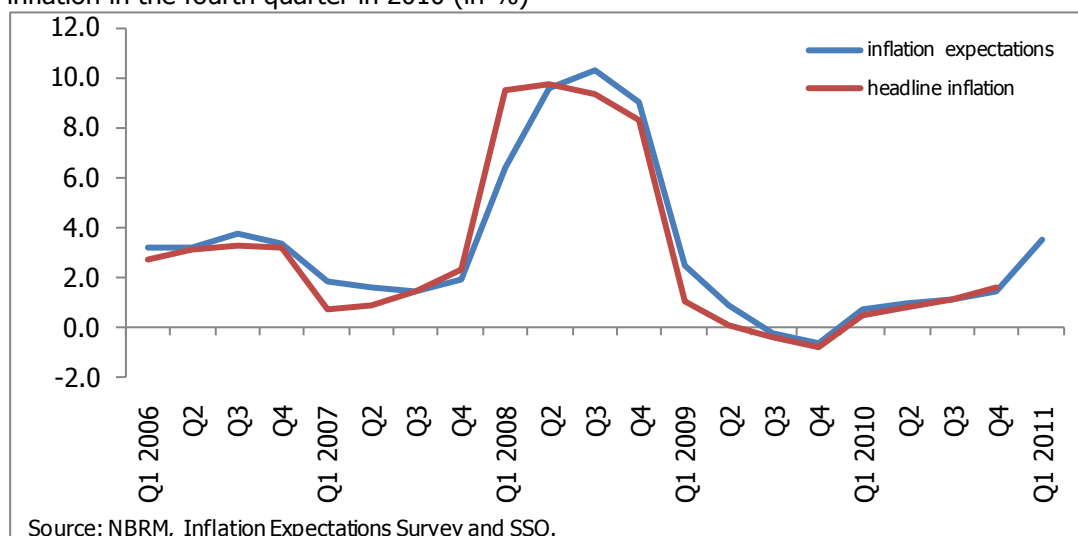
for whole 2011



Source: NBRM, Inflation Expectations Survey.

Regarding the expectations for the **whole 2011**, 64.4% of the surveyed anticipated inflation intensification relative to the one in January, small part (13.3%) anticipated its stabilization, and the same percentage are not able to determine the future development of the inflation, whereas the others (8.9%) anticipated lower inflation. The surveyed **banks** had consistent expectations that the average inflation will intensify until the end of 2011. Also, most of the **analysts** (71.4%) had positive expectations for the prices until the end of 2011, and the rest of them anticipated slowing down in the growth dynamics. With the enterprises the distribution of answers was similar with the distribution of answers for the first quarter of 2011. Therefore, approximately 55% of the **enterprises** expected higher inflation rate, 19.4% had stable expectations, and 19.4% are not able to determine, and the rest of them anticipated inflation drop. *The economic agents anticipated for the inflation rate in 2011 to amount to approximately 3.5%, which represented considerable intensification relative to the expectations from the previous survey in October 2010 (about 2%).*

Anticipations for average inflation rate at the end of the first quarter in 2011 and realized average inflation in the fourth quarter in 2010 (in %)



Source: NBRM, Inflation Expectations Survey and SSO.

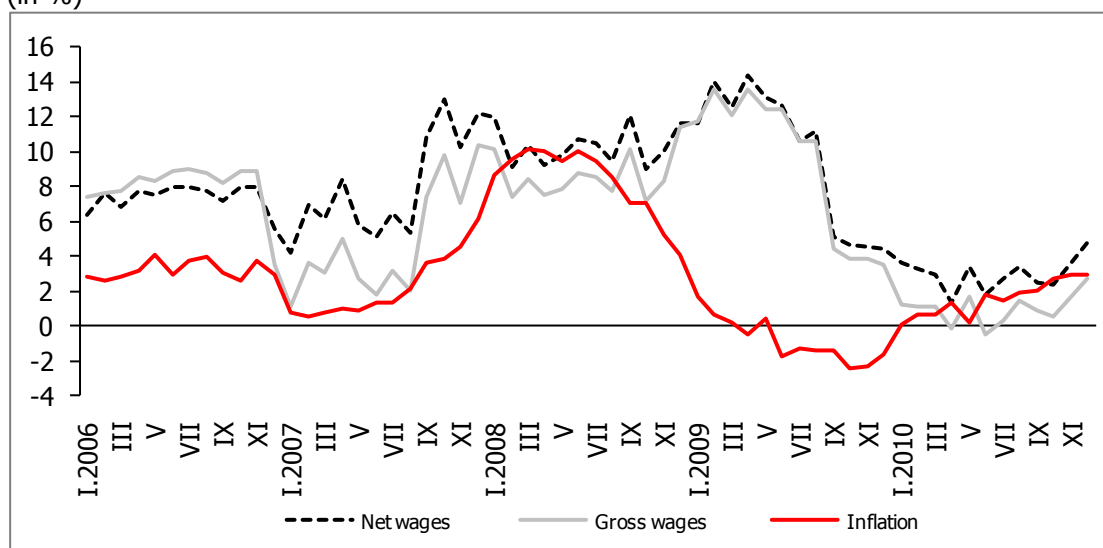
Source: NBRM, Inflation Expectations Survey and SSO.

The higher prices of the crude oil and the food on the international stock exchanges caused by the unstable political situation in the exporting countries of oil and the natural disasters, the expectation for transmission effect from the increase in the prices of oil and electricity on the other prices, as well as the drop in the interest rates were the mostly emphasized factors which influenced the economic agents to have higher inflation expectations.

2. WAGES AND EMPLOYMENT

In accordance with the seasonal dynamics, in December 2010 the nominal average **net and gross wages rose by 4% and 3.6% relative to the previous month⁸**, which in real indicators represented wage increase by 3.3% and 2.9%, respectively. Analyzed by individual sectors, the net wages in the industry and the service sector realized the highest nominal growth of 6.3% and 4.8%, respectively, whereas the net wages in the agriculture registered more moderate rise of 1%. At the branch level, almost all branches registered rise, except for the branches for public administration and defense and compulsory social care, education, healthcare and social care. The net wage in the telecommunications registered highest monthly increase (growth of 57.1%), together with the net wage in the branch mining and queering and the activities regarding the real estate, renting and business activities (growth of 11.2% and 10.4%, respectively).

Nominal and real annual growth rates in the net wages*
(in %)



* For 2009, the corrected growth rates are shown.

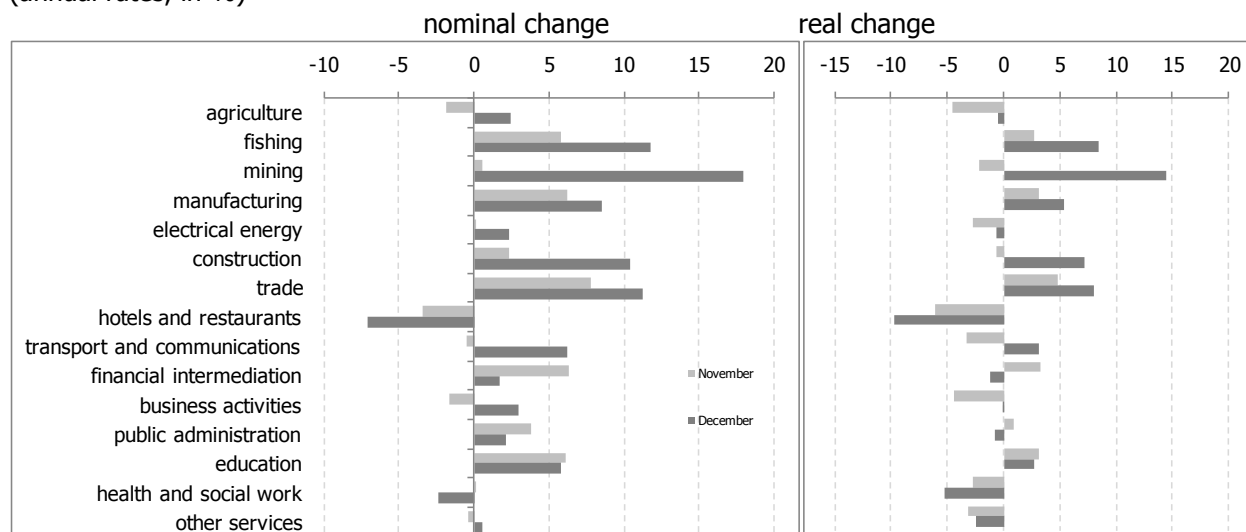
Source: State Statistical Office of the Republic of Macedonia and NBRM calculations.

On annual level, the net wage nominally rose by 4.7%, which represented intensification relative to the average growth rate in the net wage in the period January-November 2010 (2.8%). The gross wage on annual level registered nominal rise of 2.7%. The further intensification in the inflation on annual level was fully neutralized by the more intensive nominal rise in the net wage, so in real indicators, the net wage registered rise of 1.7% in December. In the same time, the gross wage registered real fall of 0.3% (slowing down of 0.8

⁸ The high monthly growth partially resulted from the payment of bonuses in certain activities at the end of the year.

p.p. relative to the fall in November). **Cumulatively, in the whole 2010**, the net and the gross wages rose by 3%, i.e. 1%, nominally (by 1.4%, i.e. -0.5%, really).

Average net wage by sectors
(annual rates, in %)



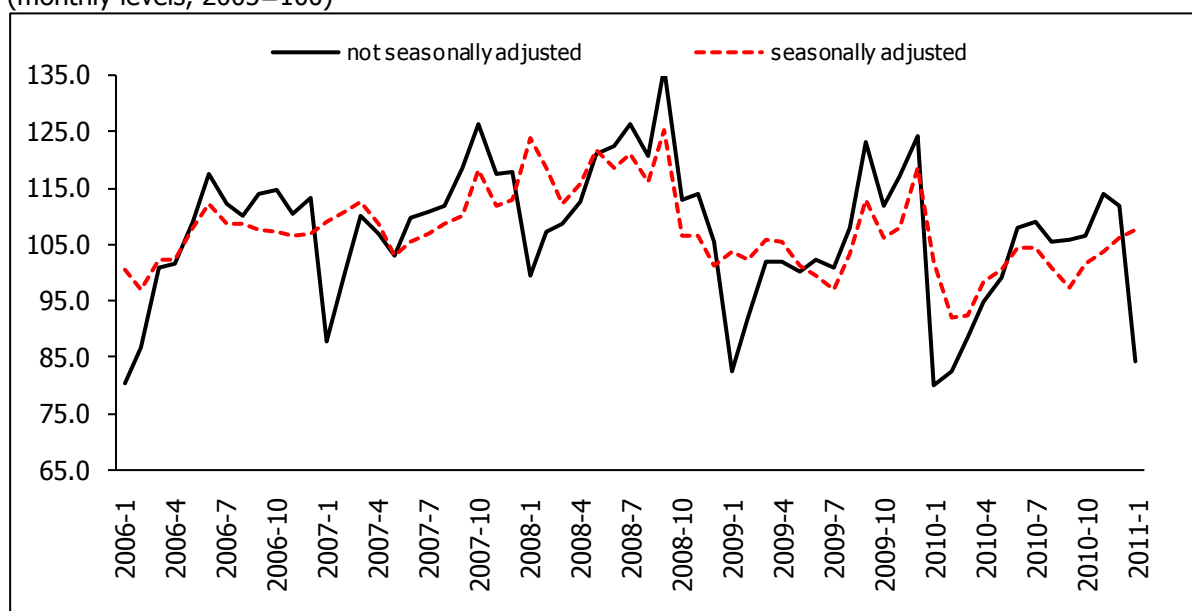
Source: State Statistical Office of the Republic of Macedonia and NBRM calculations.

3. ECONOMIC ACTIVITY

In January 2011, the industrial output⁹ registered high monthly fall of 25% relative to the previous month (rise of 1.3% according to the seasonally adjusted data), which represented usual seasonal dynamics because of the smaller number of working days. Twenty two out of total twenty seven branches registered negative change, which represented almost 70% of the total index. The largest negative contribution came from the output of tobacco products, fabricated metal products, food products, output of metals and beverages. On the other hand, the higher output of the electricity gave more considerable contribution on monthly basis, as well as the excavation of coal and lignite and output of wearing apparel.

⁹ The SSO since January 2011 started to apply the new National Classification of Activities (NCA Rev. 2), and 2005 remained still a base year. For comparison, since 2005 the monthly producer price indices were revised according to the new classification.

Index of industrial output
(monthly levels, 2005=100)

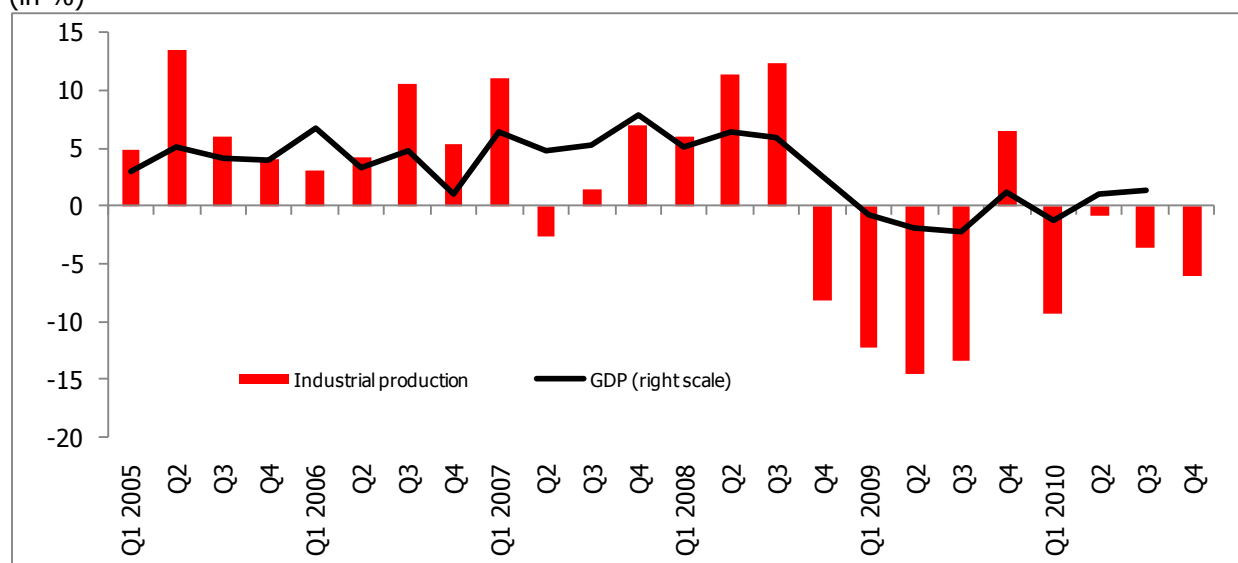


Source: State Statistical Office and NBRM calculations.

In January 2011 the physical volume of the industrial output rose on annual basis by 4.9% (opposite to the fall of 10% in December 2010). Higher output was registered with 13 out of total 27 branches, which created about 50% of the index. The annual rise in the output of metals continued and in January it contributed mostly to the positive dynamics of the total industrial output. More considerable contribution came from the growth in the output of wearing apparel, electronic equipment, other transport equipment, as well as the rise in the output of fabricated metal products, which after five months of fall realized high growth (67.7%)¹⁰. Opposite to this, negative developments in the output were registered with several more significant industrial branches, as the output of food products, output of oil derivatives and of electricity.

¹⁰ The high growth with this branch resulted from the low comparison basis. After the considerable increase in the output because of the export on the Kosovo market in the period August-December 2009, the output in this activity was considerably decreased in the first quarter of 2010.

Annual change rates of the industrial output and GDP
(in %)



Source: State Statistical Office and NBRM calculations.

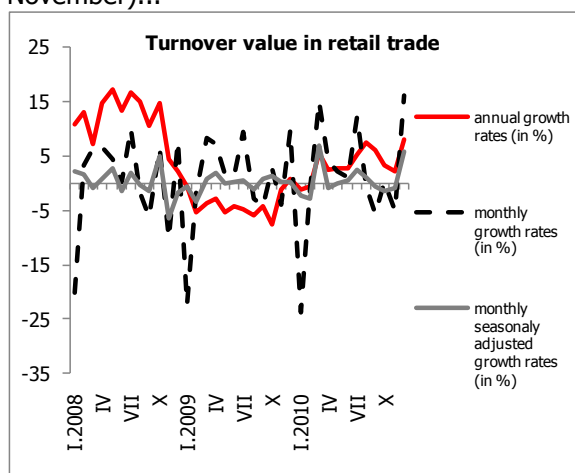
The assessments of the managers in the manufacturing industry¹¹ for their current economic situation in January 2011 were in line with the performances in the industrial output, i.e. they are more favorable relative to the previous month. Although the average utilization of the facilities reduced, still with respect to the restricting factors, the pressure from the insufficient domestic and foreign demand and from the uncertain economic conditions reduced, but the producers faced lack of equipment and higher competition from import. The anticipations of the managers for the volume of output in the first quarter of 2011 were more positive relative to their expectations for the last quarter of 2010, so increase in the employment in the industry was anticipated for the next three months.

3.1 Other highly frequent data and indicators

With respect to the other economy sectors, the developments in December 2010 were in direction of intensification in the annual rise in the trade, telecommunications, and especially in the construction.

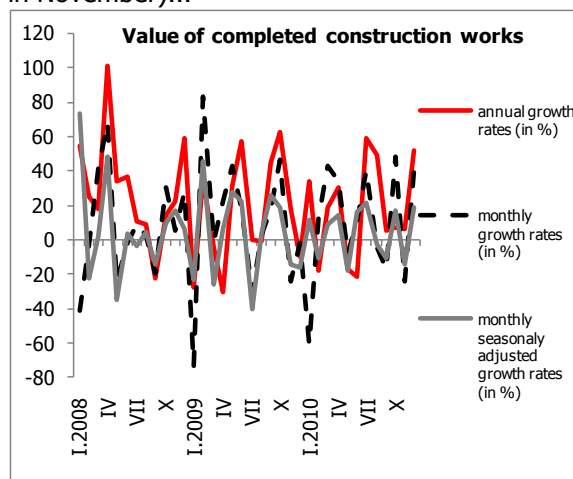
¹¹ From the Business Tendency Survey in the manufacturing industry of SSO from January 2011.

Monthly rise in the **retail trade** in December of 5.8% (seasonally adjusted) and intensification in the annual growth rate (to 8%, from 2.2% in November)...



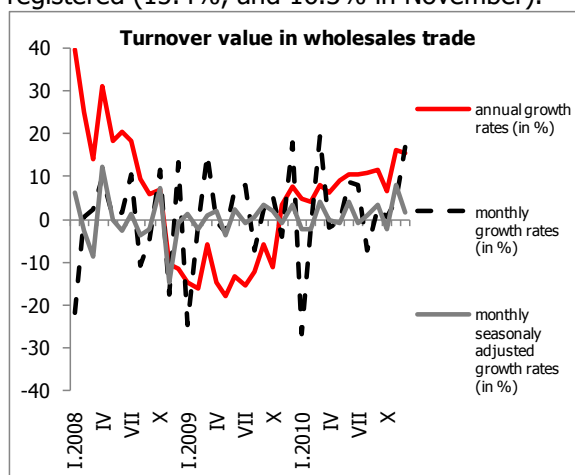
Source: State Statistical Office and NBRM calculations.

Monthly rise in the value of the performed activities in the **construction in December** of 19.2% (seasonally adjusted) and realization of high annual growth of 52.1%, (opposite to 6.5% in November)...



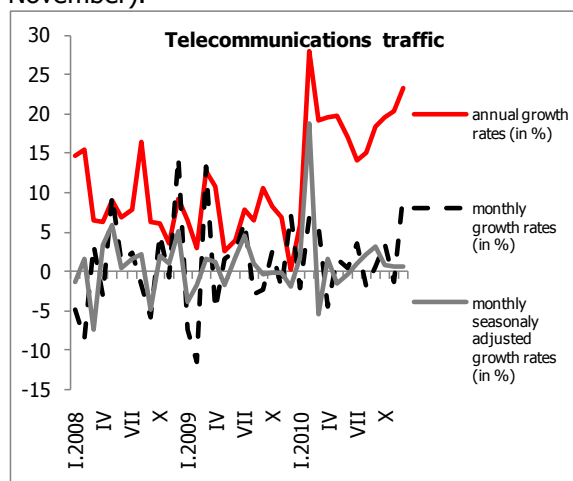
Source: State Statistical Office and NBRM calculations.

...with slower monthly rise in the **wholesales turnover** of 1.7% (seasonally adjusted) and maintaining of the annual rise dynamics being registered (15.4%, and 16.3% in November).



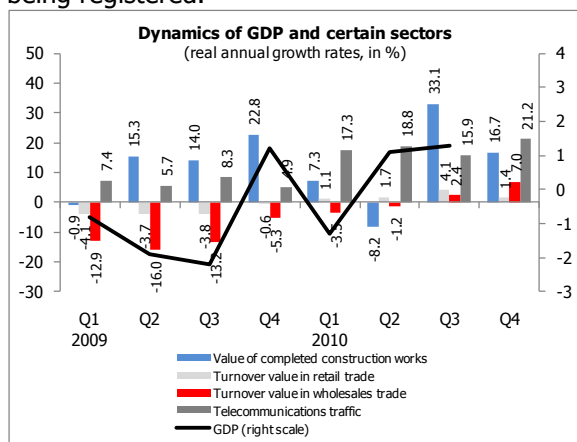
Source: State Statistical Office and NBRM calculations.

...with small monthly rise in the **telecommunication** of 0.5% (seasonally adjusted), and intensification in the annual rise being registered (to 23.4%, from 20.5% in November).



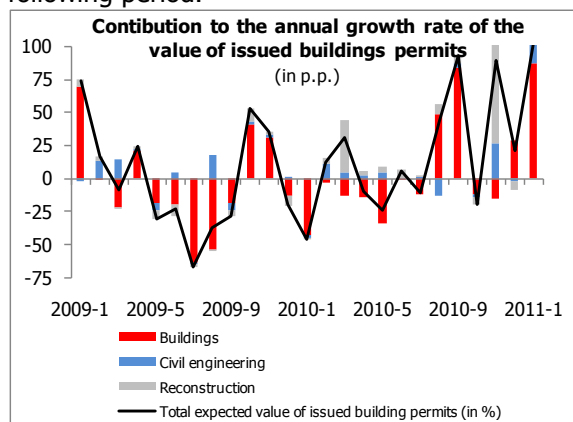
Source: State Statistical Office and NBRM calculations.

The performances on annual basis in the last quarter of 2010 with the telecommunications were more positive relative to the previous quarter, with intensification of the growth in the construction and total trade being registered.



Source: State Statistical Office and NBRM calculations.

On annual basis, the value of the **issued construction licenses** in January 2011 rose by 2.1 times, which represented considerable positive signal for the construction activity in the following period.



Source: State Statistical Office and NBRM calculations.

The dynamics of the available data for the indicative categories for the demand indicated further rise in the economic activity in the last quarter of 2010, which was in accordance with the January projection. The development in the indicative categories for the personal consumption during the last quarter of 2010 indicated slowing down in the growth of the **personal consumption** relative to the high growth in the third quarter, which was in accordance with the projections. In the same time, the initially available data as of January indicated to **annual growth in the personal consumption in the first quarter of 2011** as well, which was also consistent with the anticipations according to the projections.

Indicative categories for private consumption (real annual rates, in %)									
Period	Private Consumption	Consumer credits	Average net wage	Private transfers	Pensions	Retail trade	VAT revenues	Imports of consumption goods	Domestic production of consumption goods
Q1 2010	0,6	0,0	3,1	113,4	2,7	1,1	0,1	2,6	-5,9
Q2 2010	3,4	1,7	1,3	34,2	2,3	1,7	23,4	16,5	-7,5
Q3 2010	4,1	2,0	0,8	4,4	-0,3	4,1	5,6	19,9	2,5
Q4 2010	/	2,0	-0,4	1,1	-0,3	1,4	-4,5	2,0	2,7
Q1 2011	/	2,4*	/	/	-0,2*	/	49,4*	10,5*	-0,2*

Source: State Statistical Office and NBRM calculations. * The data pertain to January.

The larger number of indicators for the **investment activity** in the last quarter of 2010 indicated to improvement in the annual dynamics of the investments in the last quarter as well, which was in accordance with the projections of January for moderate intensification of this category. Namely, the positive performances with the foreign direct investments¹² registered in the third quarter were supplemented by the high growth in the last quarter. Simultaneously, the rise in the construction activities continued, with intensified credit support to the enterprises being registered. **The indicative categories available as of 2011 gave no clear image for the dynamics of investments in the first quarter of 2011.**

Indicative categories for gross investments (real annual rates, in %)								
Period	Gross investments	Long term credits to enterprises	FDI	Government investments	Imports of capital goods	Completed construction works	Domestic production of capital goods	Final product inventories
Q 1 2010	-37,8	4,6	-62,7	24,3	-35,4	7,3	-27,7	-3,3
Q 2 2010	4,5	7,9	-82,5	-26,3	-12,2	-8,2	-5,9	-16,5
Q 3 2010	3,0	8,4	25,7	73,3	1,4	33,1	-12,7	-3,2
Q 4 2010	/	9,1	4,8 пати	-1,7	-9,8	16,7	5,1	-0,9
Q1 2011	/	8,8*	/	-15,7*	-29,0*	/	72,6*	/

Source: State Statistical Office and NBRM calculations. * The data pertain to January.

The indicators for **the public consumption** in the last quarter of 2010 were in favor of the anticipations for its small negative contribution to the growth in the economic activity. The data from January 2011 indicated to negative contribution in the first quarter of 2011, which is in line with the projections.

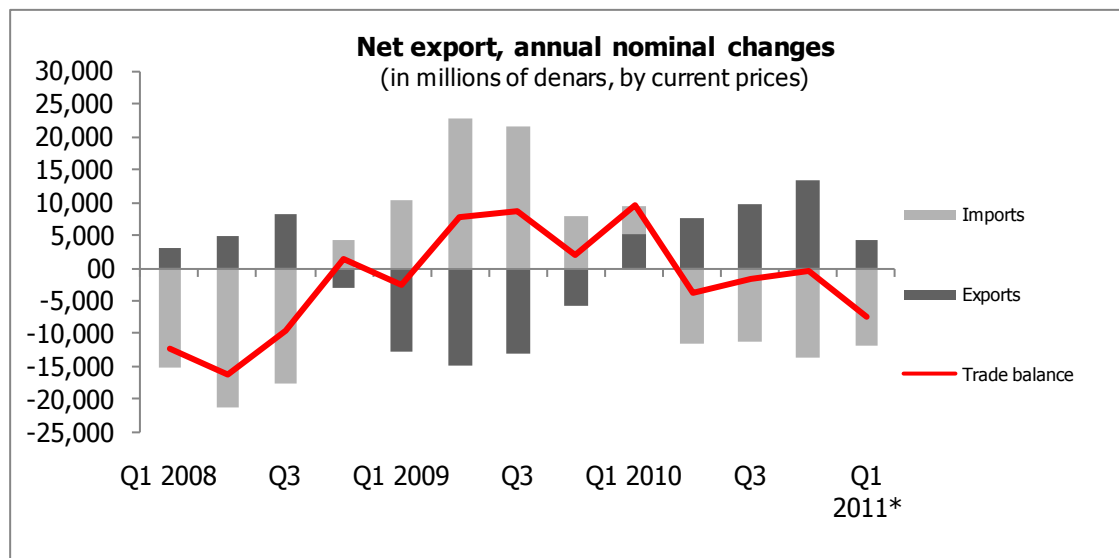
Indicative categories for government consumption (real annual rates, in %)						
Period	Government consumption	Wages	Goods and services	Health fund	Transfers to local governments	Other
Q 1 2010	-0,4	3,1	5,3	-2,9	-1,5	30,1
Q 2 2010	-7,7	-3,4	-27,5	-2,4	11,6	-10,9
Q 3 2010	-0,4	-3,1	5,0	8,3	0,9	19,5
Q 4 2010	/	-3,8	-7,1	4,4	-0,3	1,1

Source: Ministry of Finance and NBRM calculations.

The performances with the **net export**, based on the data from the foreign trade for the last quarter of 2010 indicated to further negative contribution to the economic growth, in

¹² Pertains to FDI in form of equity.

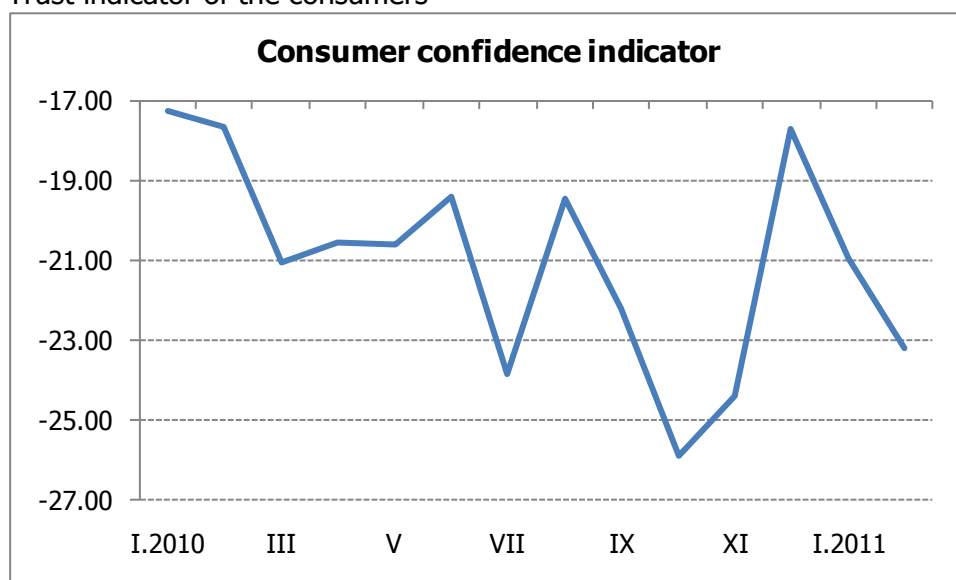
conditions of higher annual rise in absolute amounts with the import relative to the export. In accordance with the January data, in the first quarter of 2011 intensification in the negative contribution with the net export was anticipated, with considerable broadening in the trade deficit being registered (by 2.3 times, nominally).



Source: State Statistical Office and NBRM calculations. * The data pertain to January.

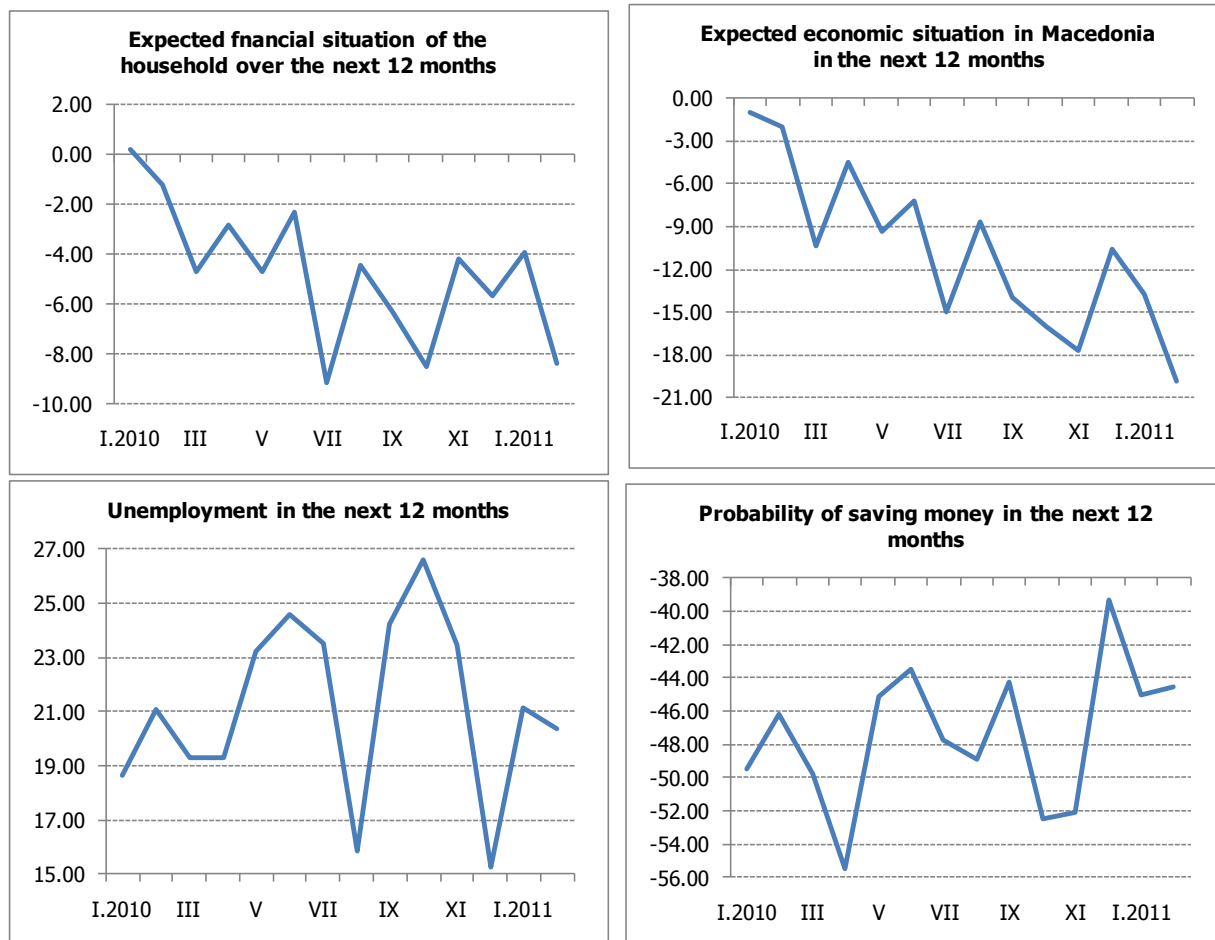
In February 2011 **the trust indicator**¹³ showed more negative expectations with the households again relative to January (by 2.3 percentage points), in conditions of considerable worsening in the expectations for the financial standing of the households and the general economic standing in the following 12 months.

Trust indicator of the consumers¹⁴



¹³ From the Consumer Opinion Survey of SSO, February, 2011.

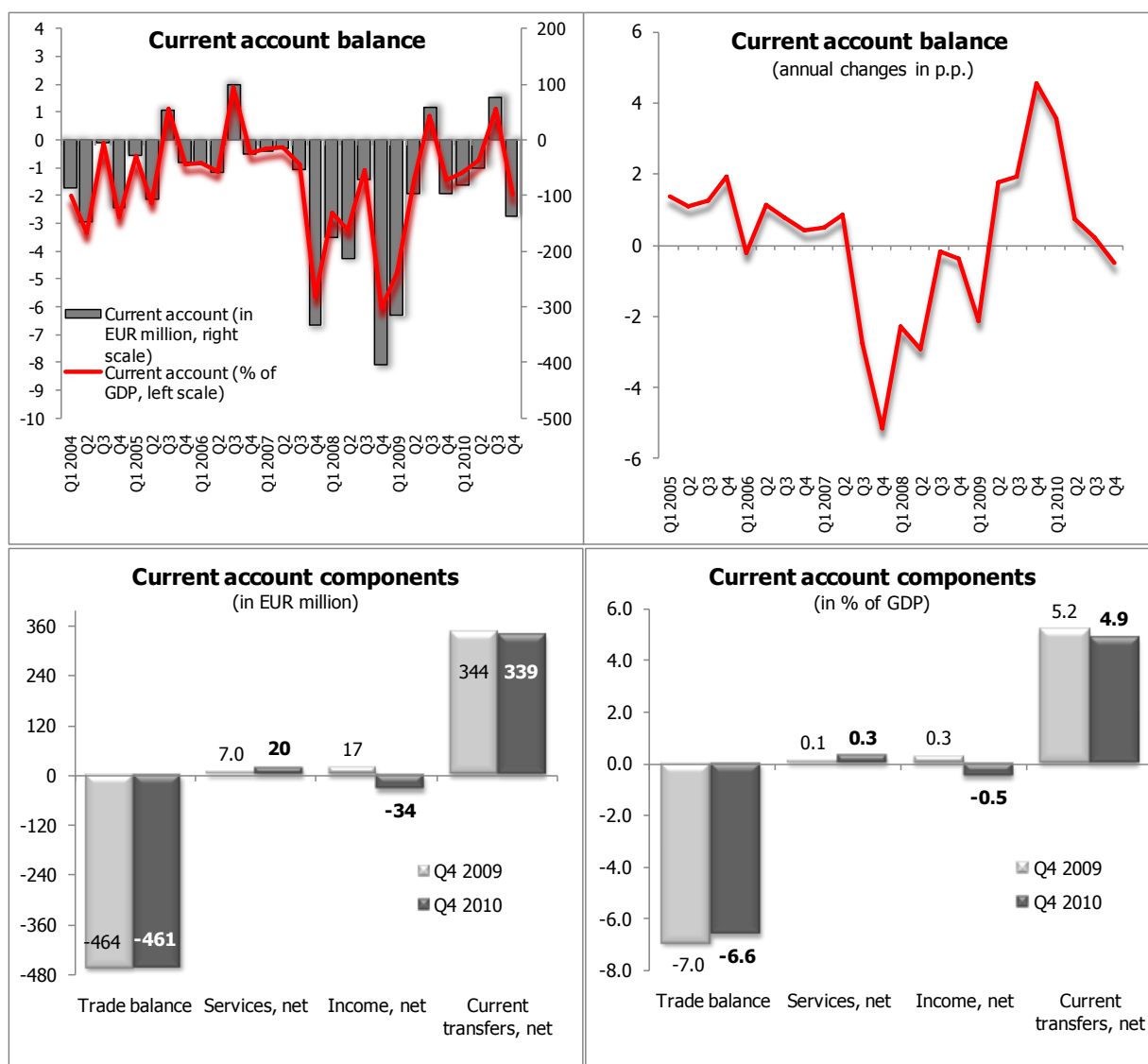
¹⁴ The trust indicator in the Consumer Opinion Survey is calculated as an arithmetical mean of the balances (in percentage points) of answers to the questions on the financial standing of the households, general economic situation in the country, the expectations on the unemployment and the saving in the next 12 months.



Source: State Statistical Office.

4. BALANCE OF PAYMENTS

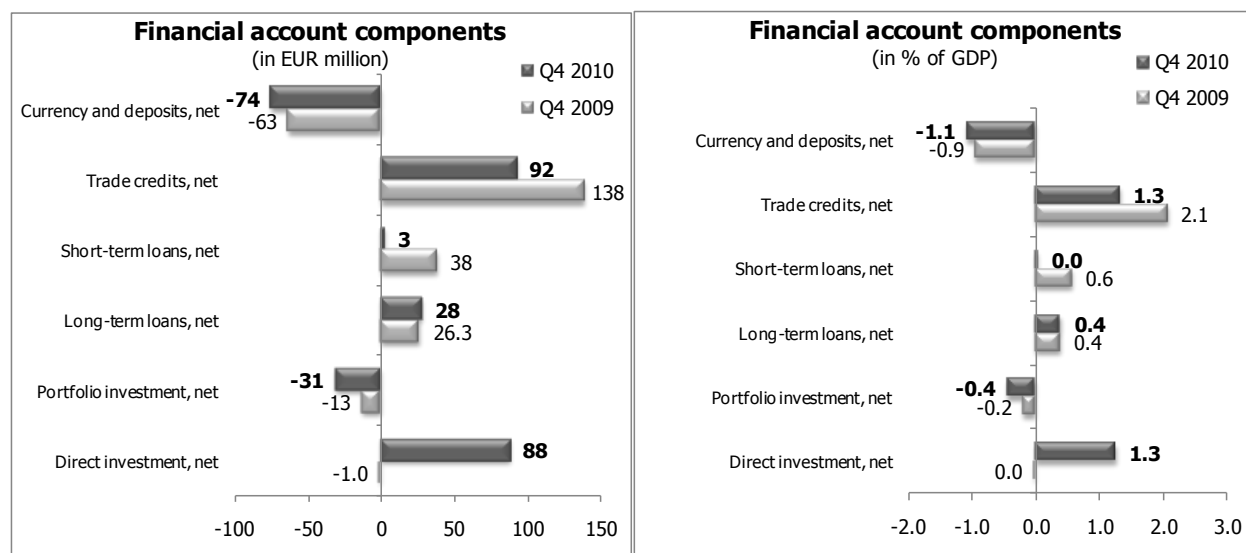
In the last quarter of 2010 the deficit on the current account of the balance of payments amounted to Euro 136 million, or 2% of the GDP. Regarding the same period of 2009 the deficit was higher by Euro 40 million or by 0.5 p.p., so the trend of annual improvement of the balance on the current account, which started in the second quarter of 2009, ceased. The income sub-balance was the key factor for the broadening of the deficit, where high deficit was registered (opposite to the registered surplus in the same quarter of 2009), whereas the current transfers registered inconsiderably lower level of net inflows (which was due to the lower official transfers). The negative balance in the trade of goods and services was lower relative to the same period of the previous year. It was due to the improved service balance, whereas the deficit in the trade of goods was almost at the same level of the previous year.



Source: NBRM.

The realized deficit on the current account diverged inconsiderably relative to the projected one for the last three months of 2010 (by 5.2% or by Euro 6.7 million). Part of the low level of divergence can be explained by the fact that the performances with the two most significant components from the current account, the trade balance, goods and private transfers as of December were already incorporated in the January projection. Therefore, the deviation was solely due to the divergence from the realization of the other components from the current account of the plan. The realized deficit with the income exceeded the planned one, and the official transfers were lower than the assessment. Part of this negative effect from the deviations from the projection was neutralized with the positive deviation with the net inflows based on services, which was due to the more positive balance with the transport services and other services (se Table 2).

The deficit on the current account in the last quarter of 2010 was solely covered by the net inflows on the capital and financial account¹⁵. The capital net inflows amounted to Euro 138.3 million, or 2% of the GDP and they were at almost the same level of the same period in 2009. However, various movements were registered in the structure. The net inflows from foreign direct investments reached up to Euro 88 million, whereas in the same period of the previous year net outflows were registered (in the amount of Euro 1 million). These positive performances were neutralized by the lower net inflows based on trade credits and short-term loans, and the higher net outflows of portfolio investments and currencies and deposits gave additional effect. The long-term net loans were almost at the level of the previous year. However, if the effect from the accumulation of the arrears¹⁶ is excluded, the realized capital net inflows in the last quarter of 2010 are lower and they amount to Euro 107.5 million. **Therefore, compared to the January projection, the capital net inflows were lower by 17.5%, or by Euro 23 million than the planned one for the last quarter of 2010.** The largest downward divergences from the projection were registered with the trade credits (considerably lower net inflows than the anticipated one), whereas the foreign direct investments registered more considerable exceeding of the projection (see Table 2).



*Currency and deposits, net based on currencies and deposits of monetary authorities.

Source: NBRM.

If summarize, in 2010, the deficit on the balance of payments' current account equaled Euro 191.1 million, or 2.7% of GDP, which is a narrowing of 4 p.p. on annual basis. The downward correction is mostly due to the favorable dynamics of the current transfers (higher net inflows by 2.6 p.p. of GDP) and the lowered deficit in the foreign trade of goods (by 2.2 p.p. of GDP in conditions of faster recovery of the export than the import of goods). Smaller, but positive contribution accounted also for the higher surplus with the services, while the deficit registered with the income became wider on annual basis. **The net inflows on the capital and financial account (without official reserves)¹⁷ in**

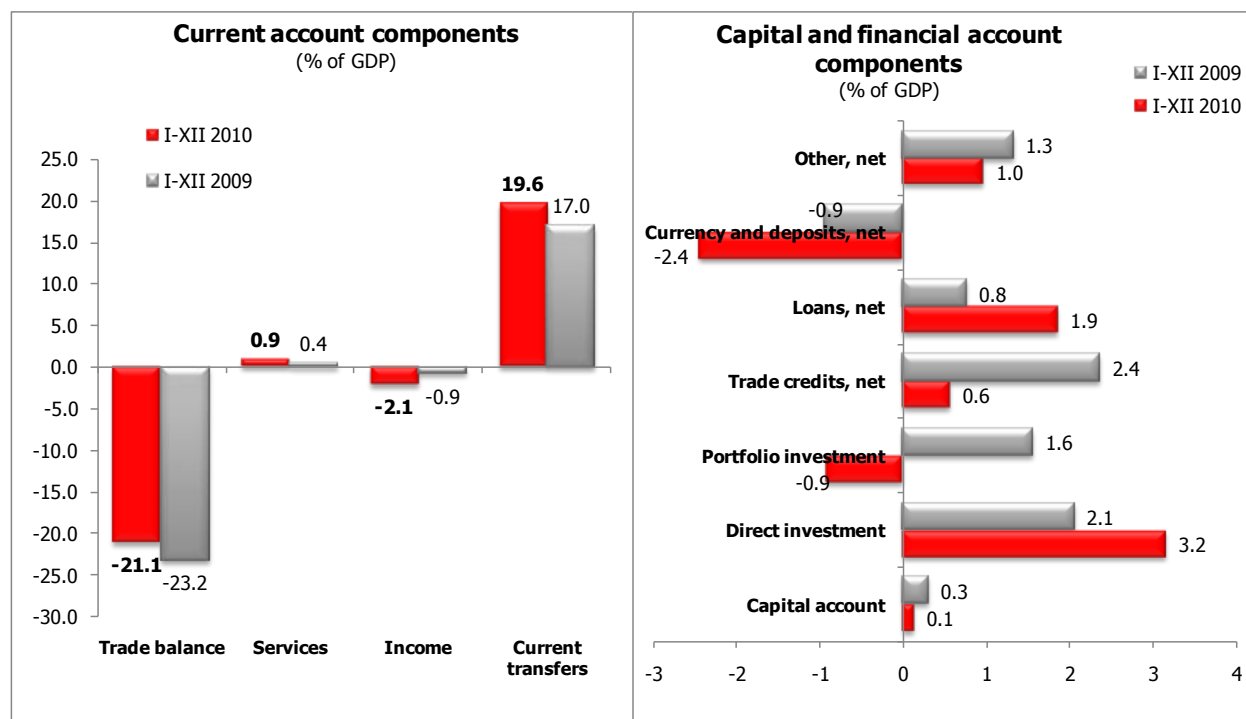
¹⁵ Pertains to flows which exclude the changes in the official reserves.

¹⁶ According to the analytical presentation of the balance of payments, the category of arrears, currencies and deposits of monetary authorities and utilization and repayments to IMF, the loans are under the financing line and they are not an integral part of the capital and financial account.

¹⁷ In includes arrears, utilization and repayment in the relations with IMF and currencies and deposits (monetary authorities).

2010 equaled Euro 231.6 million, or 3.3% of GDP, thus enabling full financing of the current account deficit and additional accumulation of the foreign reserves.

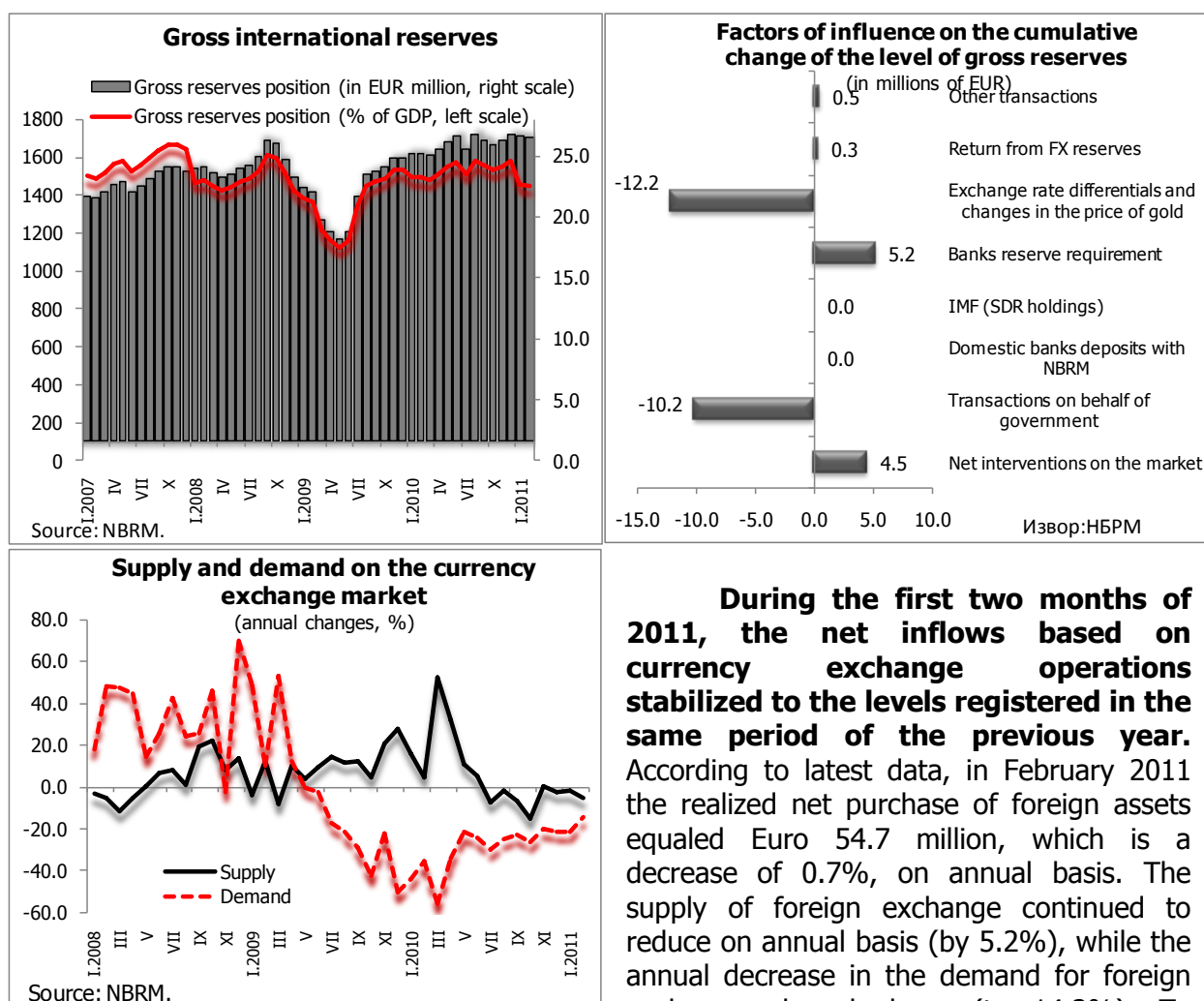
The largest portion of the capital net inflows was realized on the basis of foreign direct investments and external debiting. More than a half of the direct investments originate from the new investments in the shareholders capital, then from the reinvested gain, and smaller part from the increase in the intercompany debt. Regarding the loans, the largest portion of the net inflows refers to the debiting of the private sector, i.e. debiting of the banking sector on a long-term basis. As a contrast, considerable net outflows with the currencies and deposits were registered. **Relative to the previous year, the capital net inflows are lower by 4.1 p.p. of GDP.** The annual change can be explained with the base effect, i.e. with the high comparison base of the previous year, when high inflows from the issuance of the Government's Eurobonds on the international capital market were realized. However, one of the most significant financial items, the foreign direct investments, registered annual improvement, which potentially points to perceptions for lower risk and higher interest of foreign investors for commencement of new projects in the domestic economy. On the other hand, lower net inflows in 2010 relative to 2009 with the trade credit were registered, while higher outflow were registered with the currency and deposits category.



Source: NBRM.

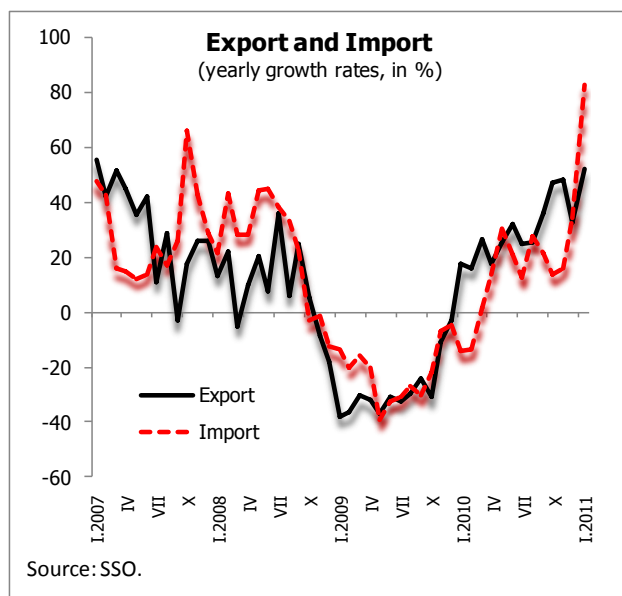
According to the January projection, the current account deficit was estimated at the level of 2.3% of GDP. The deviation of the realized deficit (of 2.7%) from the projection is mostly (77%) due to the audit on the data on higher deficit with the income sub-balance in the first three quarters of 2010. Also, on the side of the capital and financial account, audit on the data on the foreign direct investments, towards higher amount for the first three quarters of the year, were made. No changes with other capital inflows were registered, except to trade credits, which have slight upwards correction.

On February 28, 2011, the gross foreign reserves totaled Euro 1,702.5 million, which is a decrease of Euro 12 million relative to the end of 2010, mostly due to the currency changes and changes in the gold price. The transactions for the account of the Government also acted towards reserves reduction, although these changes were partially neutralized by the net inflows based on reserve requirement of the banks in foreign exchange and NBRM interventions on the foreign exchange market. If exclude the effect of the exchange rate differentials and price changes of gold in the respective period, the foreign reserves registered minimal growth of Euro 0.3 million.



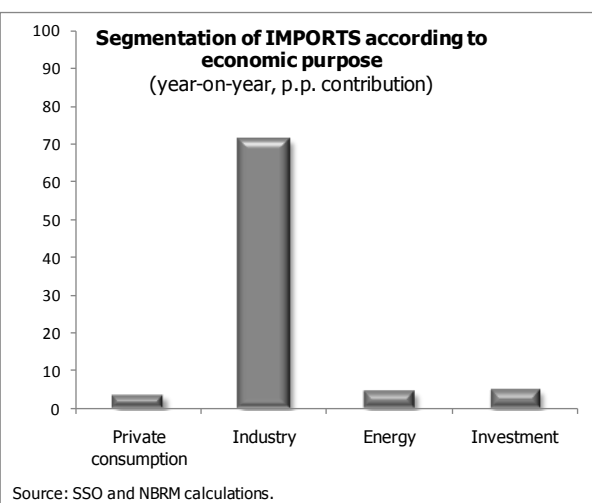
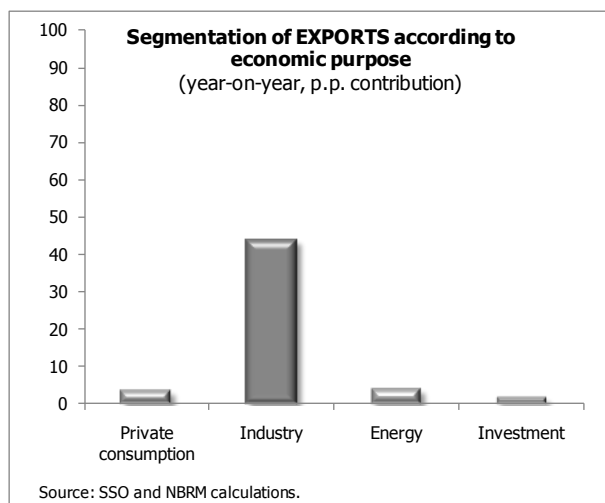
During the first two months of 2011, the net inflows based on currency exchange operations stabilized to the levels registered in the same period of the previous year. According to latest data, in February 2011 the realized net purchase of foreign assets equaled Euro 54.7 million, which is a decrease of 0.7%, on annual basis. The supply of foreign exchange continued to reduce on annual basis (by 5.2%), while the annual decrease in the demand for foreign exchange slowed down (to 14.2%). To

summarize, within January - February 2011 period, the net purchase on the currency exchange market equaled Euro 110.2 million, which is annual increase of 3.5%. Sixty percents of the planned net cash based on currency exchange operations for the first quarter of the year were realized.



The data on the foreign trade for January 2011 point to higher annual increase in the import of goods (of 83.2%), than in the export of goods (of 52.4%).¹⁸ Having in mind this dynamics, the negative balance in the trade of goods incremented by 2.3 times annually. Such a change can mostly be explained with the high import of raw materials by the new Greenfield investment. Analyzed from the aspect of the **economic purpose**, the largest contribution to the annual increase in the import accounted for the import segment related to the purchase of industrial raw materials, which was at the historically lowest level. To smaller extent, the increase in the import was conditioned

also by the higher import of investment products (machines and transport devices), energy sources and products for personal consumption (food and beverages). Observed from aspect of the factors that conditioned the annual export dynamics, the most significant export is the one of raw materials and intermediary products from the domestic industry (chemical materials and products, iron and steel and tobacco), while moderate growth was registered with the export of energy sources, products for personal consumption and investment products.

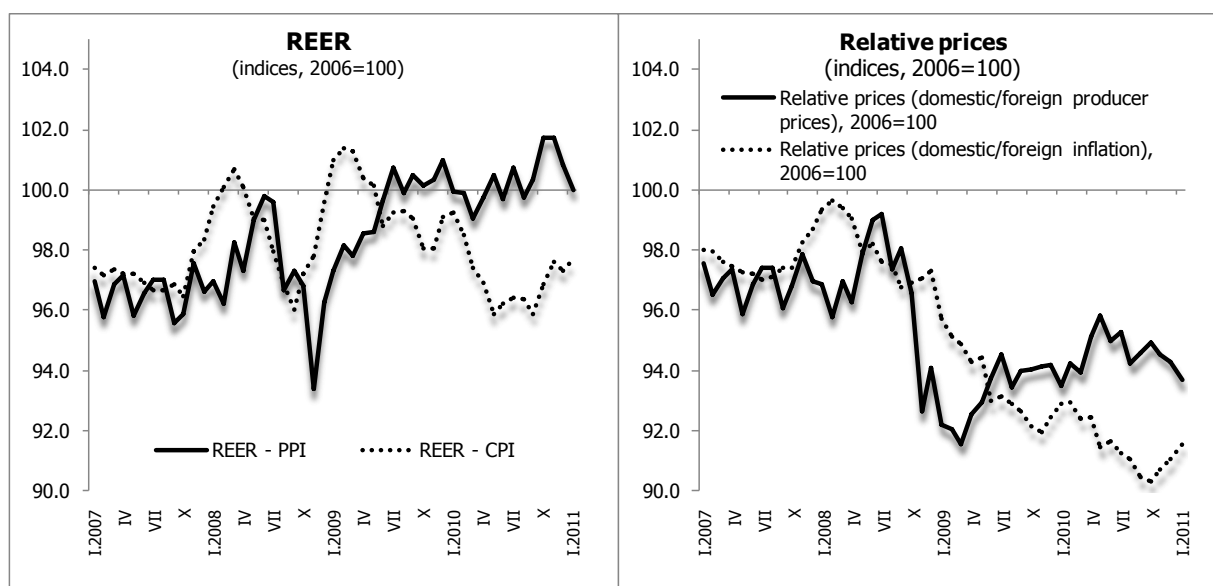


Analyzed from the aspect of the balances according to SMTK, more than a half of the trade deficit broadening is due to the higher deficit in the trade of non-ferrous metals, which is conditioned by the operating of the new Greenfield investment in the free economic zone.

¹⁸ The monthly level of import of goods is almost on the average level registered in mid 2008 when the import was extremely high, while the average level of export is on the average registered in 2010 and before the crisis, when high export levels were registered.

The analysis of the trade of RM according to groups of trade partners for 2011 points to smaller deficit in the trade of goods with EU by Euro 119.9 million, or by 8 times on annual basis. The largest contribution to the widening accounts for the imports from the Great Britain, with the deficit in the trade with this country being considerably enlarged, while small deficit rise was registered also in the trade with Bulgaria. Oppositely, out of the total of 27 EU member states, the Republic of Macedonia registered improvement in the trade balances (on annual basis) with total 15 member-states, with eight of which it registered a surplus. Trade deficit growth was registered in the trade with the West Balkans countries, due to the high surplus in the trade with Kosovo.

In January 2011, the real effective Denar exchange rate (REER_CP) calculated according to the consumer price index appreciated by 0.4% on a monthly basis, which in conditions of minimal depreciation of the nominal effective exchange rate (NEER) of 1.1% is due to the higher growth of the domestic compared to the foreign inflation. On annual basis, this index continued to depreciate slowly (by 1.5%). **On the other hand, REER measured according to the prices of the producers of industrial products registered monthly depreciation of 0.8%,** conditioned by the correlation of the relative prices, i.e. more intensive growth in the prices of foreign producers, than the increase in the prices of the domestic producers of industrial products. On annual basis, this REER index registered minor appreciation (of 0.1%).

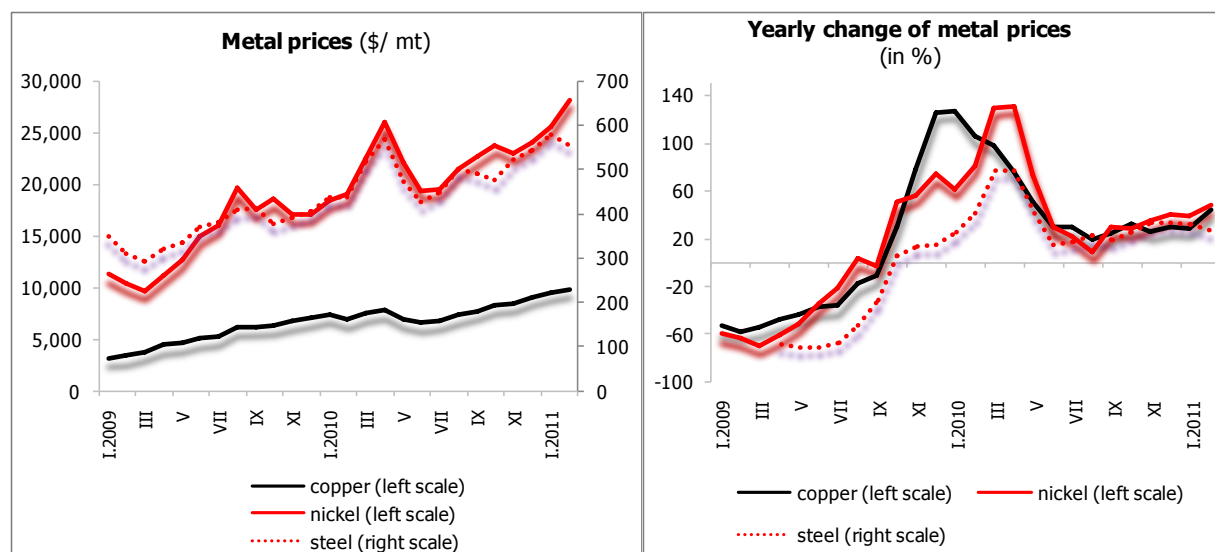


Source: NBRM, IFS for March 2011 and SSO of the Republic of Macedonia. For the countries for which IFS provides no available data, the data are taken from the web sites of the adequate central banks or EUROSTAT.

In February 2011, the metal prices were conditioned by the high expectations for the global economy growth, as well as from the geopolitical developments in the world. Since the second half of the month, the prices¹⁹ registered a decrease due to the implications of the political disturbances and higher oil prices on the growth, as well as due to the tightening of the monetary policy of China. The average price of copper in February reached the record level and registered monthly growth of 3.4%, which is

¹⁹ The analysis is based on Commodity Market Review, March 2011, World Bank.

due to the limited offer and expectations for smaller production in 2011. The average price of nickel in February registered monthly growth of 10.2%, due to the high demand of stainless steel, low stocks and limited production from Canada and Indonesia. In February, the average price of steel registered monthly decrease of 4.4% (after the January growth of 6.9%), which is due to the reduced demand from China, in conditions of high stocks and credit activity contraction²⁰.



Source: Bloomberg.

5. MONETARY AGGREGATES

In February 2011, the reserve money²¹ registered annual growth of 5.8% (4.5% in January 2011), given simultaneous growth in both components. Thus, in February the banks' total assets registered annual increase of 5.4% (5.8% in the previous month), while the annual growth of currency in circulation equaled 6.3% (compared to 2.4% in January). On a monthly basis, the reserve money dropped by 1.5%, which is fully due to the lower level of total liquid assets of the banks (by 3.2%), given registered growth in the currency in circulation of 1.1% on a monthly basis. The net foreign currency assets of NBRM registered monthly decrease of Denar 311 million, while the net domestic assets went down by Denar 432 million.

Analyzed from the aspect of the flows of creation and withdrawal of reserve money in February, the new NBRM instrument - bill for six-month deposit with NBRM²² had the largest

²⁰ Information source: <http://www.ironoreteam.com/content/chinese-steel-prices-keep-falling-amid-demand-woes> and http://articles.economicstimes.indiatimes.com/2011-03-01/news/28645652_1_iron-ore-chinese-steel-iron-content

²¹ It includes currency in circulation (including also the cash in the banks' vault), reserve requirement in Denars and in foreign currency and the excess of liquid assets over the reserve requirement (in Denars). Without the reserve requirement, in February 2011, the reserve money registered annual increase of 3.9%.

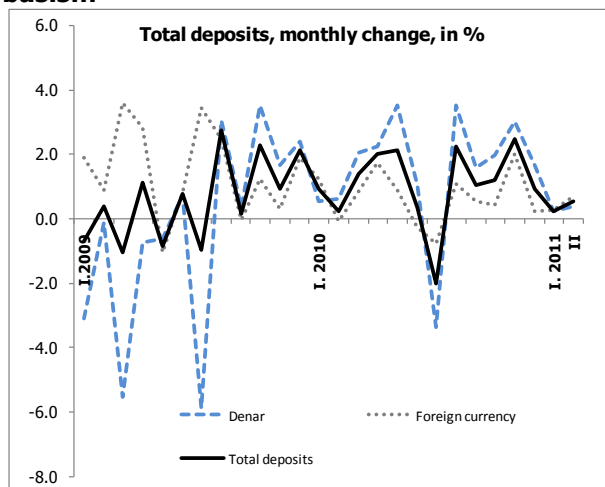
²² In February 2011, new instrument for liquidity management of banks - bill of six-month deposit was introduced. Thus, the banks were enabled to place assets with the National Bank, once a week (in Wednesdays), at the interest rate of six-month EURIBOR, increased by 0.5 percentage points. The new instrument is flexible and envisages a possibility for early withdrawal of funds, partially or totally. In this manner, high liquidity of the time deposits in bills of six-month deposit with the National Bank with possibility of market yield

effect towards decrease in the reserve money (of Denar 1,070 million). The withdrawal of the reserve money was also performed through the foreign currency transactions of NBRM, as a result of the realized net sale of foreign exchange (in the amount of Denar 957 million), while no transactions with the supporting banks were realized in February. In February, CB bills also contributed towards decrease in the reserve money, while the Government deposits acted towards reserve money growth.

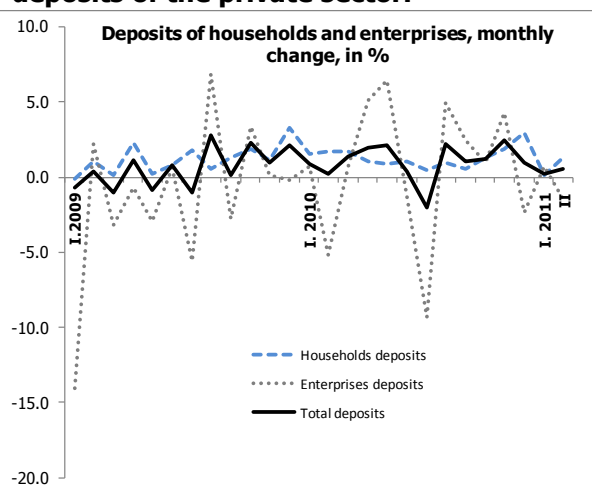
On cumulative basis, within January - February 2011 period, the foreign currency transactions of NBRM represented flow of reserve money withdrawal (realized total net sale of foreign exchange in counter value of Denar 1,431 million), while contribution in the same direction accounted for NBRM instruments, CB bills and bill of six-month deposit, the cumulative effect towards decrease in the reserve money equaled Denar 1,584 million. The government deposits within this period represented flow of reserve money creation in the amount of Denar 1,179 million.

In February 2011, the monthly growth of the banks' total deposit potential (with demand deposits being included)²³ intensified and it equaled Denar 1,157 million, or 0.5% (0.3% in the previous month).

Intensified growth in the foreign currency relative to the Denar deposits on a monthly basis...

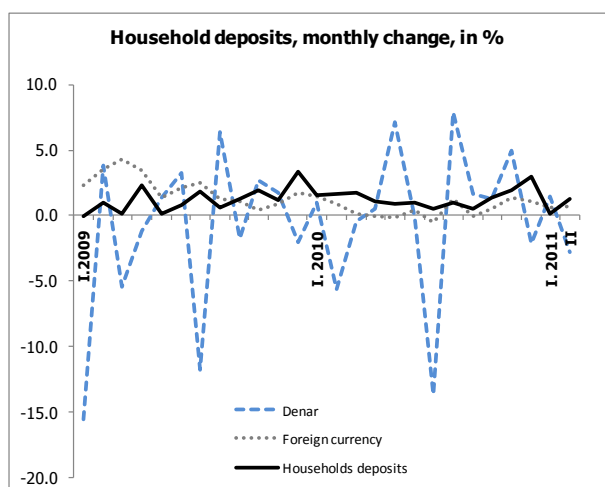


...and increase in the households' saving given registered decrease in the enterprises' deposits of the private sector.

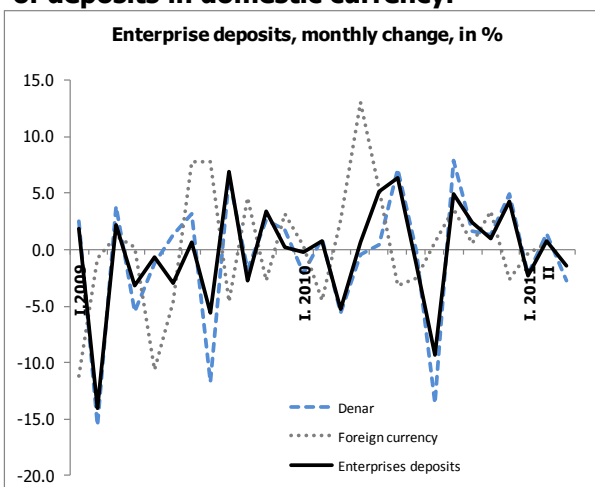


²³ Since January 2009, the deposits include also accrued interest.

More intensive growth in the households' Denar saving...



...while the decrease in the enterprises' deposits was resulted from the lower level of deposits in domestic currency.



Source: National Bank of the Republic of Macedonia

Total deposits

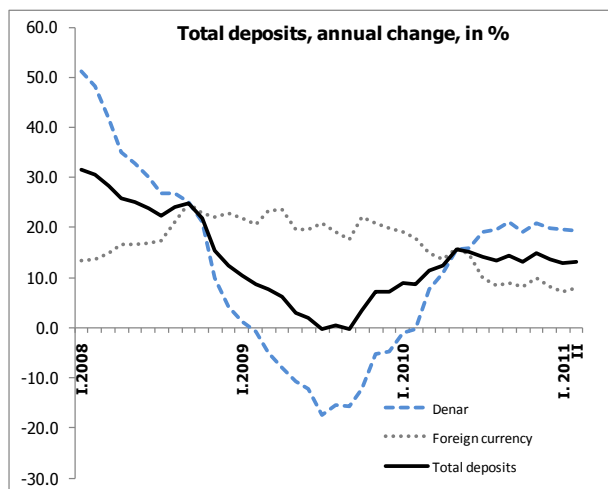
	Actual 31.01.2011	Actual 28.02.2011	Monthly change in february 2011	Annual change in january 2011	Annual change in february 2011	Contribution in monthly change of total deposits	Contribution in annual change in total deposits
	in millions denars		in %			february 2011	
Total deposits of the banks	213,743	214,900	0.5	12.9	13.2	100%	100%
Denar*	104,662	105,056	0.4	19.5	19.3	34.0	67.5
Foreign currency	109,081	109,844	0.7	7.2	8.0	66.0	32.5
Household deposits	146,253	148,103	1.3	15.7	15.2	159.9	78.0
Denar*	59,411	60,622	2.0	34.7	33.2	104.6	60.2
Foreign currency	86,841	87,481	0.7	5.5	5.4	55.3	17.8
Deposits of the private enterprises	52,686	51,917	-1.5	6.4	10.6	-66.5	19.8
Denar*	32,106	31,223	-2.8	1.0	4.1	-76.4	4.9
Foreign currency	20,581	20,695	0.6	16.1	22.2	9.9	15.0

*Denar deposits include demand money

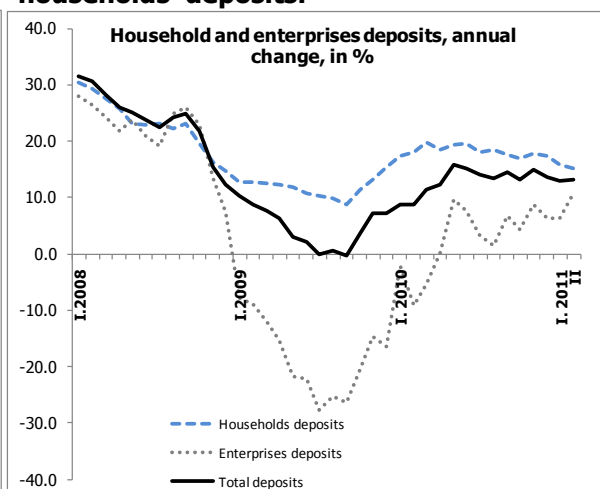
Source: National Bank of the Republic of Macedonia

The annual growth rate of the total deposits with banks accelerated to 13.2% in February 2011, compared to 12.9% in the previous month.

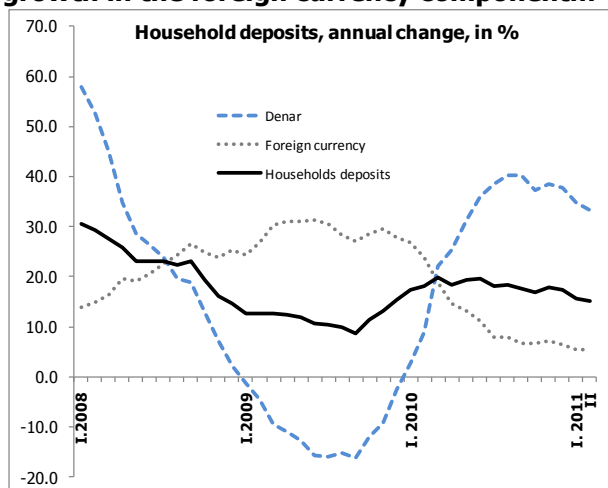
Intensification of the annual growth with the foreign currency deposits...



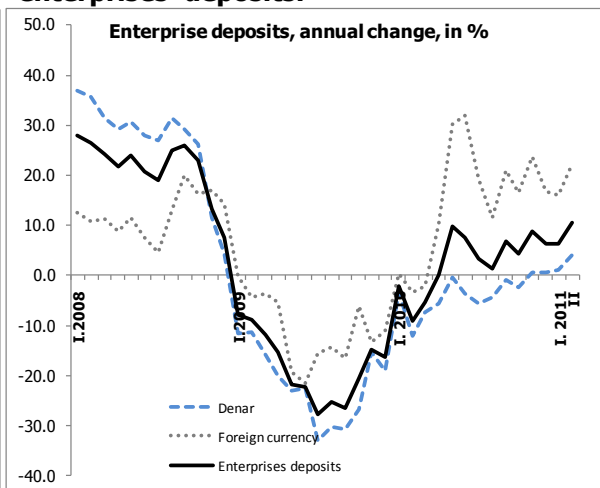
...and with the enterprises' deposits, given slowdown of the annual growth with the households' deposits.



Moderate slowdown of the growth of the households' Denar deposits given stable growth in the foreign currency component...



...and intensification of the growth with both currency components of the enterprises' deposits.



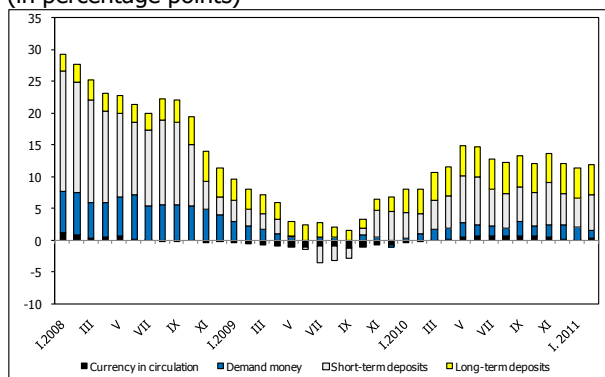
Source: National Bank of the Republic of Macedonia

In February 2011, the annual growth rate of the broadest money supply M4²⁴ equaled 12.1% (compared to 11.5% in January), while the January projection for the first quarter envisages annual growth rate of 12.8%.

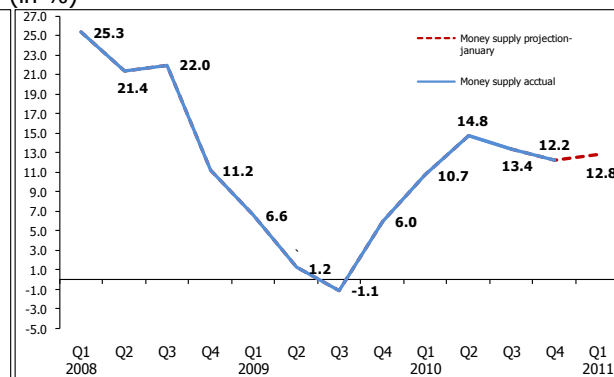
²⁴ The analysis refers to the money supply M4 with included accrued interest on deposit liabilities.

Money supply M4

Contribution to the annual growth
(in percentage points)



Annual growth rates
(in %)



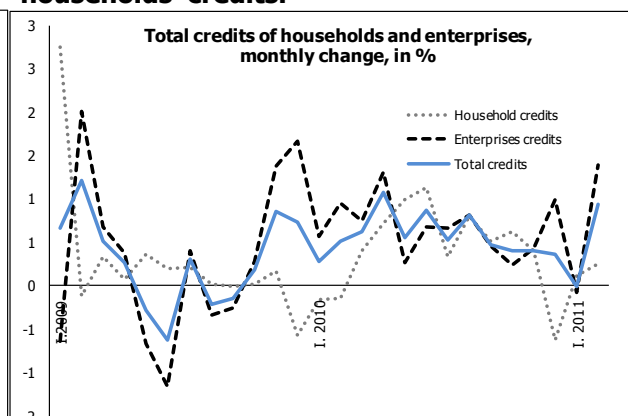
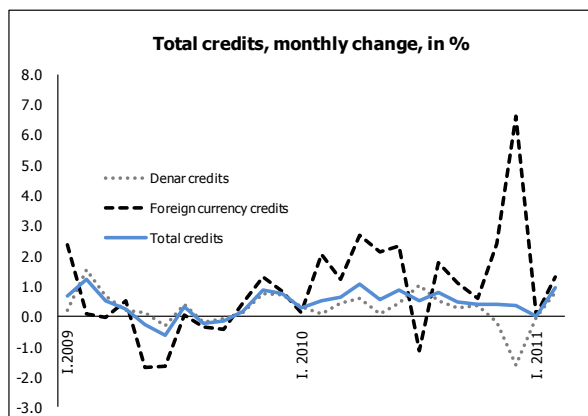
Source: National Bank of the Republic of Macedonia

6. BANK CREDITS

In February 2011, the credits of the private sector registered moderate monthly growth of 0.9%, compared to the unchanged monthly level in January 2011.

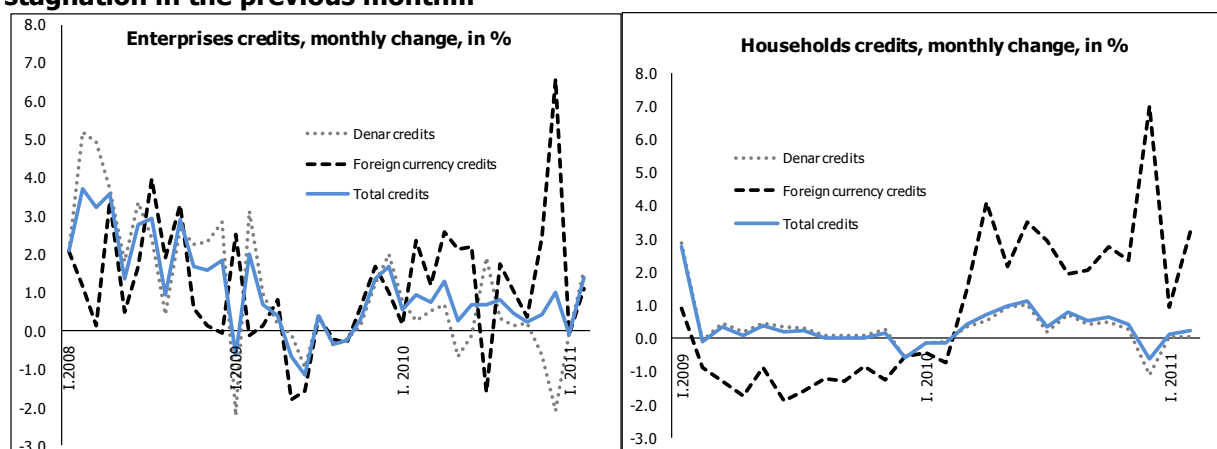
Monthly increase of Denar and foreign exchange credits...

...and intensified growth of the corporate credits, relative to the increase in the households' credits.



Increase in Denar and foreign exchange credits of enterprises, compared to the stagnation in the previous month...

... the increase with the households is fully due to the foreign currency credits



Source: National Bank of the Republic of Macedonia

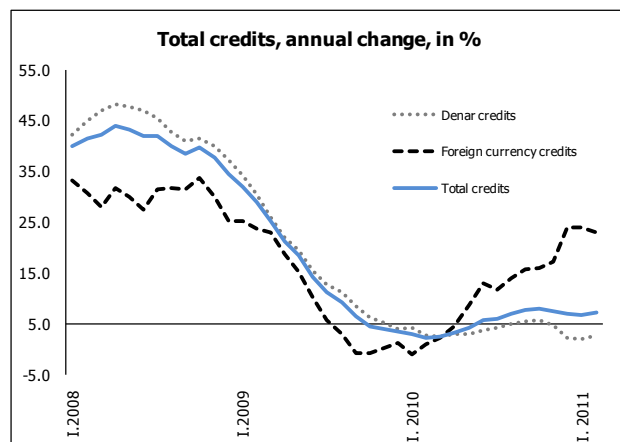
Total loans

	Actual 31.01.2011	Actual 28.02.2011	Monthly change (february 2011/january 2011)	Annual change (february 2011/february 2010)	Annual change (january 2011/january 2010)	Contribution in monthly change of total credits	Contribution in annual change of total credits
	in millions denars	in millions denars	in %	in %	in %	february 2011	
Total credits of the banks	190,799	192,584	0.9	7.2	6.8	100%	100%
Denar	142,417	143,569	0.8	2.7	2.0	64.5	29.3
Foreign currency	48,382	49,016	1.3	23.0	23.9	35.5	70.7
Households	75,612	75,799	0.2	5.8	5.4	10.5	32.0
Denar	70,492	70,515	0.0	3.9	3.7	1.3	20.3
Foreign currency	5,120	5,284	3.2	40.3	34.9	9.2	11.7
Enterprises	115,018	116,619	1.4	8.2	7.7	89.7	68.1
Denar	71,805	72,934	1.6	1.6	0.3	63.2	9.0
Foreign currency	43,213	43,686	1.1	21.3	22.8	26.5	59.1

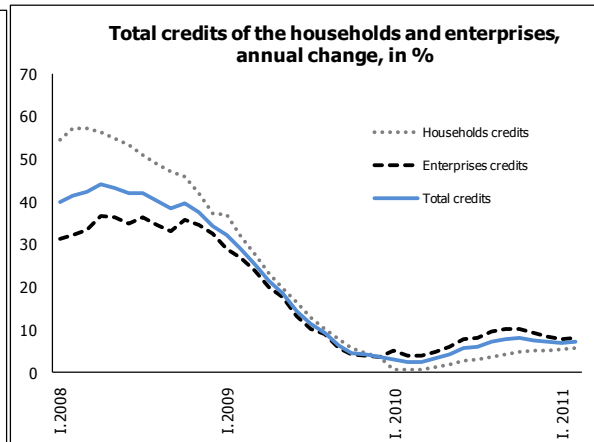
Source: National Bank of the Republic of Macedonia

On annual basis, the growth of the private sector loans intensified and it reached 7.2% in February, compared to 6.8% in the preceding month.

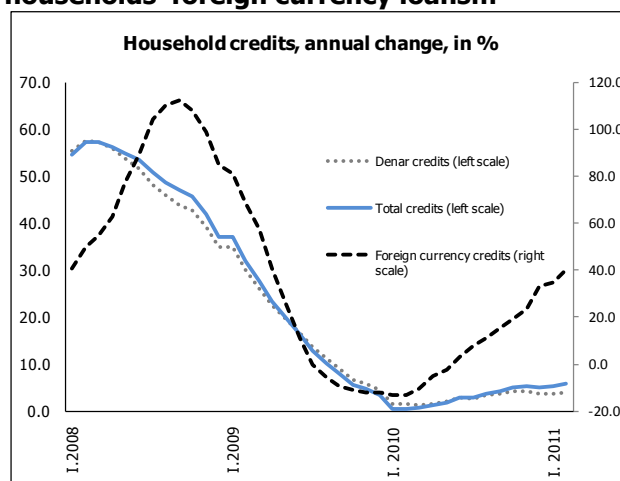
Accelerated annual growth of the Denar loans...



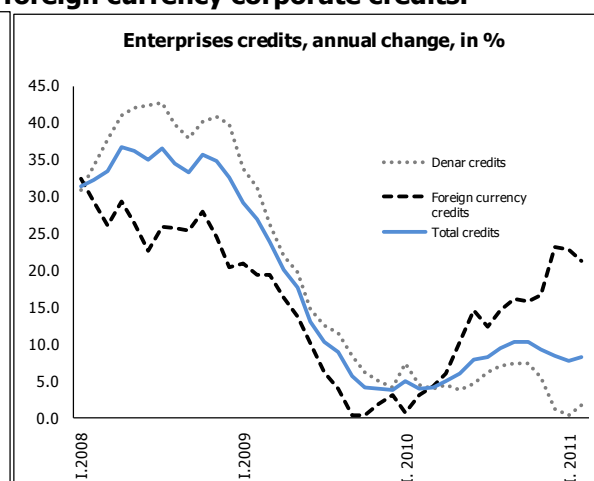
...given more intensive annual increase with the households and enterprises' loans



More intensive annual increase with the households' foreign currency loans...



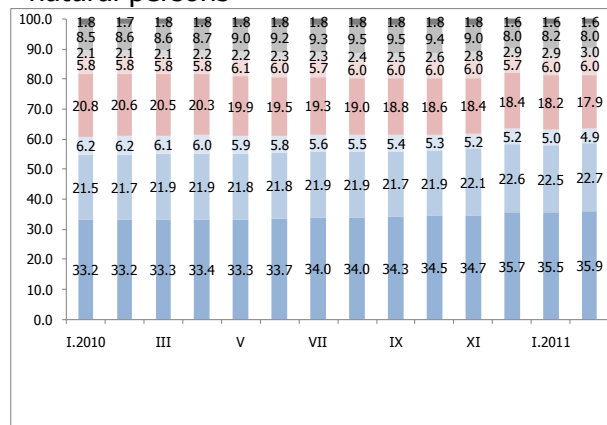
...and slowdown of the growth with the foreign currency corporate credits.



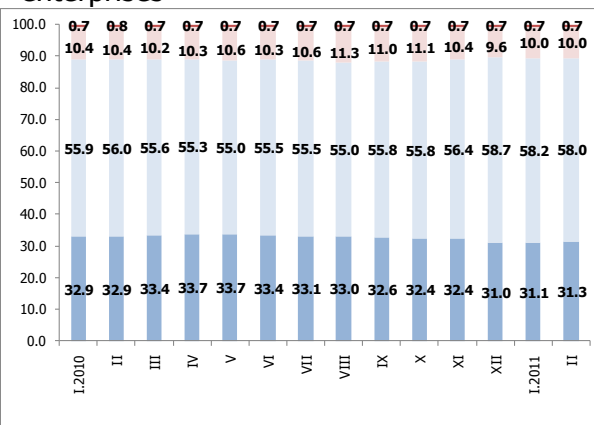
Source: National Bank of the Republic of Macedonia

Credit portfolio structure, in %

- natural persons



-enterprises

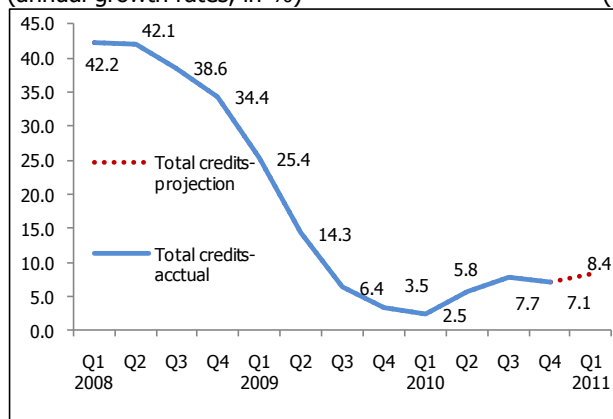


Source: National Bank of the Republic of Macedonia

January projection for the end of the first quarter envisages that the annual growth rate of the private sector credits will reach 8.4%.

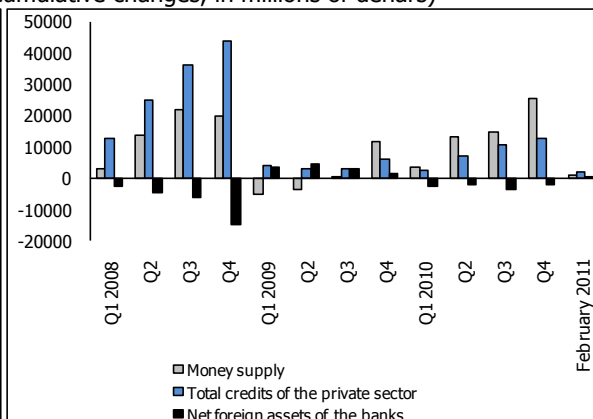
Private sector loans

(annual growth rates, in %)



Sources of financing

(cumulative changes, in millions of denars)



Source: National Bank of the Republic of Macedonia

7. INTEREST RATES

In the first half of 2011, the basic interest rate of NBRM remained unchanged, with the stable movements being registered also with MBKS, while MKDONIA registered change towards moderate growth. The listed SKIBOR interest rates of all maturities in the first half of March registered downward trend.

Movements on the primary market of CB bills and Treasury bills also on interbank deposit market
CB bills auctions

Auction date	Due amount	Offer	Demand	Realization	Net change	Interest rate
02.03.2011	7,281	5,648	5,648	5,648	-1,633	4.0%
09.03.2011	5,623	4,841	4,841	4,841	-782	4.0%
16.03.2011	7,675	5,494	5,494	5,494	-2,181	4.0%

Treasury bills auction

Auction date	Type of Treasury bills	Offer	Demand	Realization	Interest rate
01.03.2011	6 months, in Denars	1,400	1,370	1,370	4.30%
01.03.2011	6 months, with FX clause	700	677.5	677.5	4.10%
08.03.2011	3 months, in D	1,670	1,670	1,670	4.20%

Interest rates on the interbank deposit market

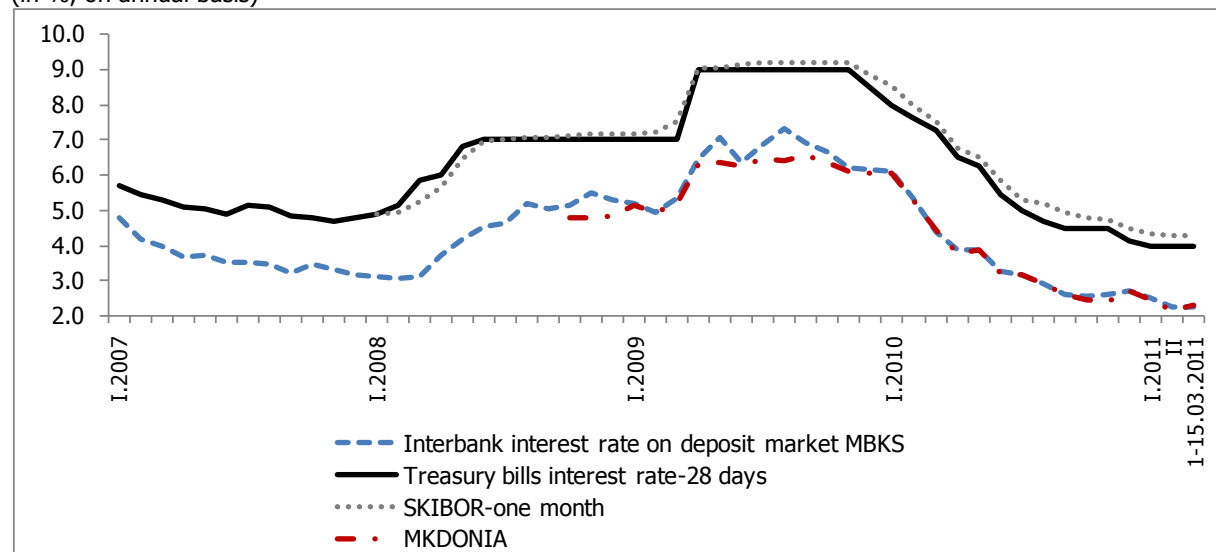
Period	MKDONIA	MBKD	SKIBOR overnight	SKIBOR 1 week	SKIBOR 1 month	SKIBOR 3 months
Dec.2010	2.69%	2.69%	2.92%	3.81%	4.48%	5.39%
Jan.2011	2.47%	2.49%	2.75%	3.62%	4.35%	5.32%
Feb.2011	2.17%	2.24%	2.63%	3.54%	4.29%	5.27%
1-15.03.2011	2.32%	2.24%	2.53%	3.43%	4.26%	5.19%

With the CB bills and Treasury bills auctions, the due amount, supply, demand, the realization and net change are presented in millions of Denars.

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

Interest rates

(in %, on annual basis)

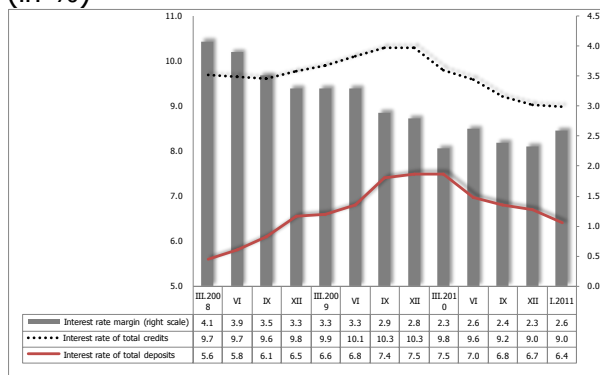


Source: National Bank of the Republic of Macedonia

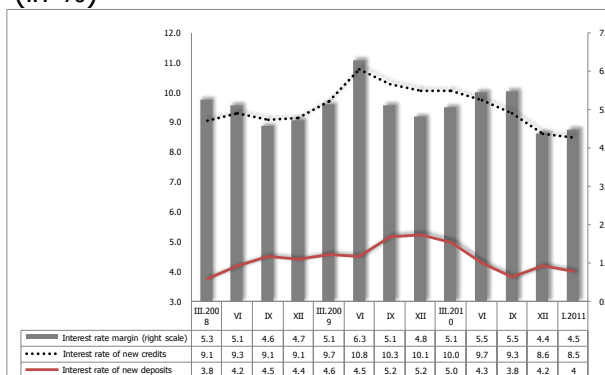
With the bank interest rates, **the prices of the total Denar and foreign currency credits** in January retained at the level of the previous month, and they equaled 9% and 7.4%, respectively. Regarding the **price of the newly extended Denar and foreign**

currency credits²⁵, decrease in the interest rates with the newly extended Denar credits was registered (from 8.6% in December to 8.5% in January). On the other hand, **the yields of the total Denar and foreign currency deposits** equaled 6.4% and 2.9%, respectively, opposite to 6.7% and 3%, respectively in December. **The interest rates on the newly accepted Denar and foreign currency deposits** moved downwards by 0.2 percentage points, respectively, on a monthly basis and equaled 4% and 1.1%, respectively.

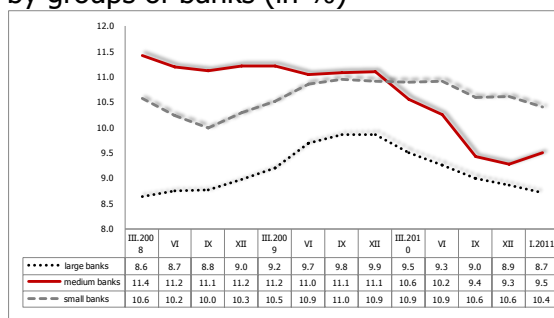
Interest rate on total Denar credits and deposits and interest rate spread (in %)



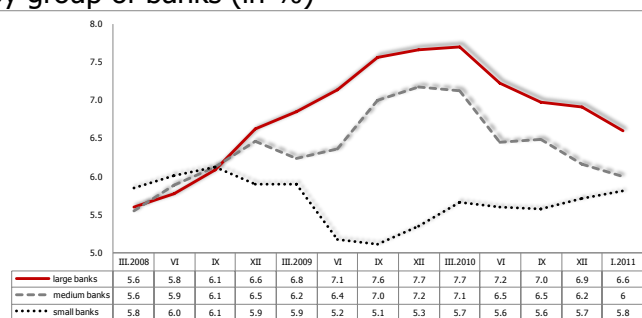
Interest rate on new Denar credits and deposits and interest rate spread (in %)



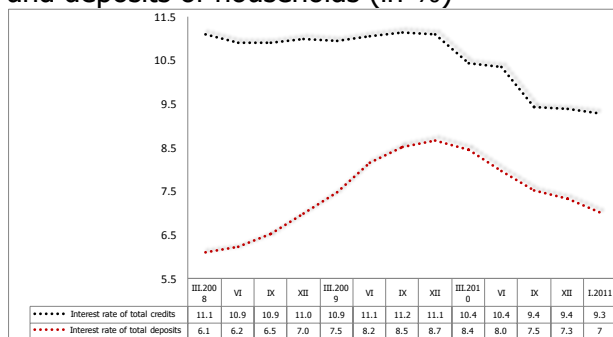
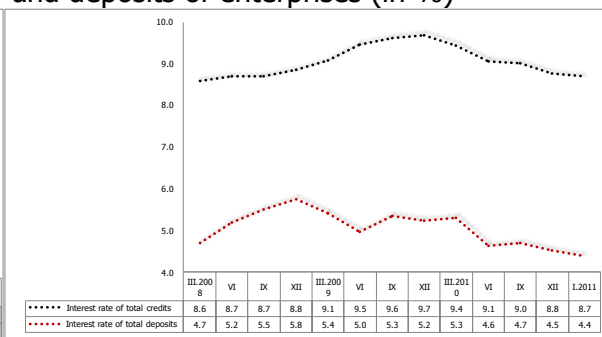
Interest rate on total Denar credits by groups of banks (in %)



Interest rate on Denar deposits by group of banks (in %)



²⁵ The changes in the interest rates on the newly extended credits and newly accepted deposits are more evident since they are influenced by the type of credits or deposits that were dominant during the respective month, and they can differ considerably from the previous credit and deposit structure.

Interest rate on total Denar credits
and deposits of households (in %)Interest rate on Denar credits
and deposits of enterprises (in %)

Source: National Bank of the Republic of Macedonia

ANNEX

Table 1
Consumer Price

Consumer prices	change in %			contribution to change in percentage points		
	<u>II.2011</u> I.2011	<u>II.2011</u> II.2010	<u>I-II.2011</u> I-II.2010	<u>II.2011</u> I.2011	<u>II.2011</u> II.2010	<u>I-II.2011</u> I-II.2010
Total	0.9	3.9	3.6	0.9	3.9	3.6
Food	2.3	6.8	6.1	0.9	2.6	2.3
Grain products	2.5	6.5	5.3	0.2	0.4	0.3
Fresh and processed vegetables	9.1	5.0	2.6	0.5	0.3	0.2
Fresh and processed fruits	1.8	11.6	11.4	0.0	0.3	0.3
Meat and poultry	0.2	1.3	1.2	0.0	0.1	0.1
Fresh and cooked fish	0.7	0.6	1.0	0.0	0.0	0.0
Dairy products	0.5	2.3	2.4	0.0	0.1	0.1
Eggs	1.3	10.3	9.6	0.0	0.1	0.1
Oils and fats	1.3	42.9	41.9	0.0	0.6	0.6
Tobacco and beverages	0.2	1.1	0.9	0.0	0.1	0.1
Clothing and footwear	-0.2	1.0	0.9	0.0	0.1	0.1
Housing	0.3	2.3	2.3	0.0	0.4	0.4
Flat (rent, water and other services)	1.8	6.5	5.7	0.0	0.2	0.2
Fuel and lighting	0.0	2.0	2.1	0.0	0.2	0.2
Heating and services	0.0	6.0	6.4	0.0	0.2	0.2
Electric power	0.0	0.0	0.0	0.0	0.0	0.0
Hygiene and health	0.5	1.4	1.3	0.0	0.1	0.1
Culture and entertainment	-0.8	-0.5	-0.7	0.0	0.0	0.0
Transport and communication services	-0.1	4.6	4.8	0.0	0.6	0.6
Fuels and lubricants	0.2	17.5	18.1	0.0	0.6	0.6
Public transport services & PTT	0.1	0.5	0.5	0.0	0.0	0.0
Restaurants and hotels	0.1	1.1	1.0	0.0	0.1	0.1
Other services n.e.c.	0.0	-8.3	-8.3	0.0	0.0	0.0

Source: State Statistical Office of the Republic of Macedonia.

Table 2
Basic inflation, productivity and wages

(annual rates, %)	2008	2009	2010	2007				2008				2009				2010				Latest months		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Dec-10	Jan-11	Feb-11
Inflation (CPI)	8.3	-0.8	1.6	0.7	1.1	2.4	4.9	9.5	9.9	8.4	5.5	0.9	-0.6	-1.4	-2.1	0.5	1.1	1.8	2.9	3.0	3.2	3.9
Core inflation (excluding food and energy)	2.6	0.3	0.2	-0.2	0.5	1.1	1.2	2.9	2.8	2.5	2.2	1.5	0.3	0.1	-0.6	-0.2	0.1	0.2	0.6	0.9	0.8	1.0
Regulated prices	9.3	-1.8	11.3	4.2	3.0	2.0	4.1	7.4	9.2	12.5	8.3	-1.6	-1.8	-3.3	-0.7	12.9	11.9	9.9	10.3	10.3	6.4	5.9
Industrial producer prices	10.2	-7.0	8.7	1.3	0.5	1.3	7.1	10.3	13.7	15.3	1.5	-6.6	-10.0	-11.0	-0.8	7.3	10.5	8.4	8.6	9.3	12.7	12.8
Productivity	1.8	-4.2	-	3.5	-0.5	0.9	5.5	1.6	3.4	2.3	0.1	-3.6	-6.7	-5.5	-1.0	-1.0	2.6	0.3	-	-	-	-
Nominal net-wage*	10.3	9.8	3.0	5.7	6.4	7.5	11.8	10.5	9.9	10.7	10.3	12.7	13.4	8.9	4.5	3.3	2.2	2.9	3.6	4.7	-	-
Real net-wage*	1.9	10.8	1.4	5.0	5.3	5.0	6.6	0.9	0.0	2.2	4.6	11.8	14.1	10.4	6.8	2.8	1.1	1.1	0.7	1.7	-	-

*For 2009, data are revised from structural break due to application of gross wages concept, which includes allowances for food and transport in the wages.

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

Table 3
Industrial output and other economic activities

(annual rates, %)	2008	2009	2010	2009				2010				Latest months		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Nov-10	Dec-10	####
Gross domestic product	5.0	-0.9	-	-0.8	-1.9	-2.2	1.2	-1.3	1.1	1.3	-	-	-	-
Industrial output	5.6	-8.4	-4.6	-12.3	-14.5	-13.4	6.4	-9.3	-0.9	-3.6	-6.0	-2.9	-10.0	4.9
Construction	25.6	13.7	14.9	0.0	14.7	12.6	20.3	7.6	-7.4	35.9	20.3	6.5	52.1	-
Retail and wholesale trade	11.8	-7.4	7.3	-8.7	-11.0	-8.8	-1.3	3.9	6.1	9.0	9.5	10.5	12.5	-
Telecommunications	8.9	6.6	18.3	7.4	5.7	8.3	4.9	17.3	18.8	15.9	21.2	20.5	23.4	-

Source: State Statistical Office of the Republic of Macedonia.

Table 4
Selected industrial branches

Selected industrial activities (annual rates, %)	2008	2009	2010	2009				2010				jan.11	
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	change, %	contribution, p.p.
Mining and quarrying	9.4	-12.4	-3.8	-12.2	-18.8	-11.4	-7.4	-6.4	-0.4	5.1	-12.5	2.4	0.1
Manufacture of food products	7.6	-2.3	2.8	-4.5	1.6	-3.3	-3.0	3.2	0.4	7.3	0.5	-7.6	-1.1
Manufacture of beverages	9.9	-0.3	-9.2	7.1	-1.6	3.5	-5.3	-8.4	-9.2	-3.5	-14.2	-19.3	-0.9
Manufacture of tobacco products	1.9	-3.2	19.6	-2.0	2.6	-5.6	-9.4	15.4	-14.0	29.0	66.4	-1.4	-0.1
Manufacture of wearing apparel	-20.0	-11.8	-4.7	-23.4	-16.9	-2.2	-3.7	-5.4	1.8	-10.6	-3.8	25.2	2.0
Printing and reproduction of recorded media	57.3	26.8	-34.2	2.2 times	27.1	4.7	-7.1	-52.8	-44.7	-17.1	-14.5	4.2	0.1
Manufacture of coke and refined petroleum products	1.6	-8.9	-6.2	9.2	-27.2	-36.3	25.9	-46.9	14.8	19.6	14.5	-15.5	-1.0
Manufacture of basic pharmaceutical products and pharmaceutical preparations	25.2	-13.2	-2.8	1.5	-3.5	-26.5	-18.6	-4.8	4.4	-6.1	-4.7	17.1	0.4
Manufacture of other non-metallic mineral products	-3.0	-12.1	-14.2	-17.2	-4.6	-11.7	-18.7	-25.8	-21.8	-2.1	-7.8	22.3	0.8
Manufacture of basic metals	-5.3	-43.0	31.8	-62.3	-53.4	-41.2	10.4	46.4	24.2	31.4	30.0	19.8	2.3
Manufacture of fabricated metal products	52.0	38.8	-53.5	35.7	-12.6	-2.8	2.9 times	-52.7	23.3	-62.4	-62.5	67.7	1.6
Manufacture of electrical equipment	27.8	-24.8	-43.2	-1.5	-11.5	-41.0	-44.0	-69.7	-58.1	-15.3	-5.3	2.1 times	1.9
Manufacture of other transport equipment	-18.4	-46.4	44.5	-60.5	-71.5	-21.0	24.2	5.5	45.4	26.9	93.8	4.2 times	1.6
Other manufacturing	-39.4	0.0	87.1	24.1	-40.6	76.2	10.1	71.1	2.4 times	30.6	98.7	-33.3	-0.2
Electricity, gas, steam and air conditioning supply	-3.1	8.7	14.4	-1.6	15.5	10.3	14.2	19.1	38.5	6.9	-3.8	-4.8	-1.0

Source: State Statistical Office of the Republic of Macedonia.

Table 5
Indicative variables for private consumption and investment

(real annual growth rates, %)	2008	2009	2010	2009				2010				Latest months		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Nov-10	Dec-10	Jan-11
Retail trade*	3.1	-3.0	2.2	-4.1	-3.7	-3.8	-0.6	1.1	1.7	4.1	1.4	-1.0	4.8	-
VAT revenues*	1.4	-2.0	5.4	-8.5	-14.1	-3.9	20.2	0.1	23.4	5.6	-4.5	-10.2	-1.4	49.4
Imports of consumption goods*	7.9	-5.4	10.1	-0.2	-9.5	-6.6	-4.6	2.6	16.5	19.9	2.0	-2.8	9.6	10.5
Domestic production of consumption goods	5.7	-4.6	-1.8	-1.8	-3.4	-4.7	-7.7	-5.9	-7.5	2.5	2.7	6.3	-0.3	-0.2
Imports of capital goods*	22.3	-6.4	-14.9	24.1	-11.3	-9.8	-20.2	-35.4	-12.2	1.4	-9.8	-22.7	11.3	29.0
Completed construction works*	16.3	14.8	12.8	-0.9	15.3	14.0	22.8	7.3	-8.2	33.1	16.7	3.1	47.7	-
Domestic production of capital goods	-1.0	-23.1	-10.8	-22.7	-39.7	-17.7	-5.1	-27.7	-5.9	-12.7	5.1	-16.7	28.0	72.6

* real growth rates are calculated by the NBRM, by dividing the nominal growth rates with the annual CPI inflation.

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

Table 6

Balance of payments ^{/1,3}
(in millions of euros)

	Q1	Q2	Q3	Q4	2009	1	2	3	4	5	6	7	8	9	10	11	12	Q1	Q2	Q3	Q4	2010
I. Current Account	-315.9	-96.3	58.7	-95.7	-449.3	-44.3	-21.4	-16.1	-41.5	-7.2	-1.9	22.2	-0.3	55.4	-37.8	-17.2	-81.1	-81.8	-50.5	77.3	-136.0	-191.1
GOODS, net	-446.6	-339.1	-301.0	-464.3	-1,551.1	-87.1	-92.5	-117.1	-156.8	-112.1	-122.8	-112.9	-146.4	-59.1	-129.8	-132.0	-198.9	-296.7	-391.8	-318.5	-460.8	-1,467.7
Exports, f.o.b.	400.3	491.3	532.4	497.0	1,920.9	133.8	158.5	190.1	182.7	206.8	226.4	232.7	203.0	249.4	233.0	252.2	224.1	482.4	616.0	685.1	709.3	2,492.8
Imports, f.o.b. /2	-846.9	-830.4	-833.4	-961.3	-3,472.0	-221.0	-250.9	-307.3	-339.5	-319.0	-349.3	-345.6	-349.5	-308.5	-362.8	-384.2	-423.0	-779.2	-1,007.8	-1,003.6	-1,170.0	-3,960.6
SERVICES, net	-1.0	-1.2	23.3	7.0	28.0	1.4	0.9	3.9	3.5	6.9	11.5	7.3	6.6	-2.0	-1.6	12.1	9.4	6.2	21.9	11.9	19.8	59.9
Credit	141.7	148.3	163.4	164.9	618.3	39.6	44.2	50.6	51.6	55.0	65.8	63.6	65.6	59.0	56.2	64.9	76.8	134.5	172.4	188.1	198.0	692.9
Debit	-142.7	-149.6	-140.2	-157.9	-590.3	-38.2	-43.3	-46.7	-48.1	-48.1	-54.3	-56.3	-59.0	-60.9	-57.8	-52.9	-67.5	-128.2	-150.5	-176.2	-178.1	-633.0
INCOME, net	2.8	-15.8	-62.8	17.2	-58.5	-31.4	-11.2	-7.5	-8.2	-10.2	-10.3	-22.0	-6.4	-7.4	-8.9	-7.6	-17.9	-50.2	-28.7	-35.8	-34.4	-149.2
Credit	31.0	31.4	33.7	32.0	128.1	9.1	10.2	13.5	12.4	9.2	13.1	12.7	12.2	14.2	11.3	12.2	13.7	32.7	34.6	39.1	37.2	143.6
Debit	-28.1	-47.2	-96.5	-14.8	-186.6	-40.5	-21.4	-21.0	-20.6	-19.4	-23.4	-34.6	-18.6	-21.6	-20.2	-19.8	-31.5	-82.9	-63.3	-74.9	-71.6	-292.8
CURRENT TRANSFERS, net	128.9	259.8	399.2	344.4	1,132.3	72.8	81.4	104.7	120.0	108.3	119.7	149.8	146.0	123.8	102.6	110.4	126.4	258.9	348.1	419.6	339.4	1,366.0
Credit	140.3	272.4	410.0	357.3	1,180.0	75.9	84.2	108.9	124.2	110.9	124.4	153.3	149.5	128.3	107.7	116.0	130.6	269.0	359.5	431.1	354.3	1,413.8
Debit	-11.4	-12.6	-10.7	-12.9	-47.7	-3.1	-2.8	-4.2	-4.1	-2.7	-4.7	-3.5	-3.5	-4.5	-5.1	-5.6	-4.3	-10.1	-11.5	-11.4	-14.9	-47.9
II. Capital and Financial Account	297.3	108.2	-68.1	88.7	426.0	38.1	20.4	10.5	47.3	-2.6	1.6	-10.0	-4.8	-47.2	44.8	9.7	82.7	68.9	46.3	-62.0	137.3	190.5
CAPITAL ACCOUNT, net	0.8	1.8	15.2	2.3	20.2	0.1	0.3	0.4	1.2	0.7	1.3	1.5	1.1	-0.2	1.1	0.4	1.1	0.9	3.1	2.4	2.7	9.1
Credit	3.8	4.6	11.3	5.8	25.4	1.6	1.1	1.4	1.9	2.1	2.2	2.8	2.1	1.7	2.1	1.8	2.0	4.1	6.2	6.6	5.9	22.8
Debit	-2.9	-2.9	4.0	-3.4	-5.3	-1.5	-0.8	-1.0	-0.7	-1.4	-1.0	-1.2	-1.1	-1.9	-0.9	-1.4	-0.9	-3.2	-3.0	-4.2	-3.3	-13.7
FINANCIAL ACCOUNT, net	296.5	106.4	-83.4	86.4	405.9	37.9	20.1	10.0	46.1	-3.3	0.3	-11.5	-5.9	-47.1	43.7	9.3	81.6	68.0	43.2	-64.4	134.6	181.4
Direct investment, net	24.7	71.4	41.8	-1.0	136.9	39.6	-20.8	31.4	27.2	31.4	16.8	-46.0	35.4	17.3	24.2	31.0	32.5	50.2	75.4	6.8	87.6	219.9
Abroad	0.0	-0.4	-0.3	-7.3	-8.1	-0.2	-0.5	-0.1	-0.2	0.0	0.7	0.7	0.0	0.0	0.0	-0.1	-0.3	-0.8	-0.9	0.6	-0.4	-1.4
In reporting economy	24.7	71.8	42.1	6.3	145.0	39.8	-20.3	31.4	27.4	31.4	17.5	-46.7	35.5	17.3	24.2	31.0	32.8	50.9	76.3	6.2	88.0	221.4
Portfolio investment, net	-19.3	-12.5	148.7	-12.8	104.0	-1.6	-2.5	3.6	-4.2	-3.3	-12.0	-2.9	-3.2	-6.7	-8.9	-7.2	-14.5	-0.5	-19.6	-12.8	-30.7	-63.6
Assets	-14.2	-4.5	-15.5	-3.4	-37.6	0.0	0.0	-0.3	-3.9	-1.3	-1.1	-2.3	-1.2	-2.8	-2.8	-2.6	-3.4	-0.5	-6.3	-6.3	-8.8	-21.9
Liabilities	-5.1	-8.0	164.1	-9.4	141.7	-1.6	-2.2	3.9	-0.3	-2.0	-10.9	-0.6	-2.0	-3.9	-6.1	-4.6	-11.1	0.0	-13.2	-6.5	-21.9	-41.6
Other investment, net	38.3	-4.7	49.2	151.6	234.3	18.0	28.5	-39.2	43.9	-24.0	10.0	9.4	16.1	-75.3	3.7	-14.7	89.6	7.3	29.9	-49.8	78.7	66.1
Assets	-17.0	-6.4	-65.8	-17.8	-107.1	53.4	20.1	-1.8	-42.1	-72.4	20.1	-29.2	32.5	-20.1	-23.9	-43.5	-55.6	71.7	-94.3	-16.8	-123.0	-162.4
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	-3.1	-9.9	-3.8	-2.3	-19.1	2.0	-0.1	0.3	0.4	-0.6	1.5	2.1	-0.4	0.4	-0.9	0.3	-0.6	2.3	1.3	2.1	-1.2	4.6
Currency and deposits	-14.1	3.4	-61.7	-15.7	-88.1	51.4	20.1	-2.1	-42.6	-71.7	18.7	-31.3	32.9	-20.5	-23.2	-43.7	-55.1	69.5	-95.7	-18.9	-122.1	-167.2
Monetary authorities	-3.6	1.0	1.7	0.9	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.4	0.0	0.1	0.0	0.0	-0.1	0.2	0.0	0.5	-0.1	0.6
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	-48.0	-1.3	-42.9	6.1	-86.0	56.7	29.9	9.0	-32.5	-55.5	29.7	-30.1	33.8	-17.5	-17.8	-37.0	-47.4	95.6	-58.2	-13.8	-102.1	-78.6
Other sectors	37.5	3.7	-20.5	-22.7	-2.1	-5.4	-9.8	-11.1	-10.1	-16.3	-11.1	-1.6	-0.9	-3.1	-5.4	-6.8	-7.7	-26.3	-37.5	-5.6	-19.8	-89.2
Other assets	0.2	0.0	-0.3	0.2	0.1	0.0	0.0	-0.1	0.1	-0.1	-0.1	0.0	0.0	-0.1	0.3	-0.1	0.1	0.0	0.0	-0.1	0.2	0.2
Liabilities	55.3	1.7	115.0	169.4	341.4	-35.5	8.4	-37.4	86.0	48.4	-10.1	38.6	-16.4	-55.2	27.6	28.9	145.2	-64.4	124.2	-33.0	201.7	228.5
Trade credits	54.2	-16.3	-18.7	138.4	157.6	7.1	-10.7	-13.4	41.4	10.6	-20.9	-13.1	1.6	-55.5	30.5	7.5	53.9	-17.0	31.2	-66.9	92.0	39.3
Loans	0.5	3.5	-1.2	67.0	69.9	-7.2	0.5	-24.0	53.8	33.1	11.4	30.7	-3.8	-1.1	-10.2	3.5	38.1	-30.7	98.4	25.7	31.4	124.9
Currency and deposits	-5.5	9.8	68.1	-46.4	26.0	-36.2	-1.3	-2.5	-10.8	2.3	-3.8	19.4	-16.1	-1.3	3.3	5.0	39.3	-40.1	-12.3	2.0	47.6	-2.8
Monetary authorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	-5.5	9.8	68.1	-46.4	26.0	-36.2	-1.3	-2.5	-10.8	2.3	-3.8	19.4	-16.1	-1.3	3.3	5.0	39.3	-40.1	-12.3	2.0	47.6	-2.8
Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	6.1	4.6	66.8	10.4	87.9	0.9	19.9	2.5	1.5	2.3	3.1	1.6	1.8	2.8	3.9	12.9	13.8	23.3	7.0	6.2	30.6	67.2
Gross official reserves (- = increase) /3	252.8	52.2	-323.0	-51.4	-69.4	-18.1	14.9	14.2	-20.8	-7.4	-14.4	28.0	-54.2	17.6	24.7	0.3	-26.0	11.0	-42.6	-8.5	-1.0	-41.1
III. Errors and Omissions	18.6	-11.9	9.4	7.1	23.2	6.3	1.0	5.6	-5.8	9.8	0.3	-12.2	5.1	-8.2	-7.1	7.4	-1.7	12.9	4.2	-15.3	-1.3	0.5

1/ Preliminary data.

a. Revision of data has been done in November 2010 in the following categories:

- for 2009 data: direct investment, income and other investment, due to inclusion of data from the annual FDI Survey DI 22 and improved coverage of credit indebtedness data;
- services and current transfers for 2009- as a result of improved coverage of data
- goods, services and trade credits data for 2008 due to the final data on foreign trade for 2008.

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, 2007-4,14%, 2008, 2009 and 2010-3,86%. Imports for 2006, 2007 and 2008 have been additionally adjusted with time adjustments for imports of electricity.

3/ Excluding monetary gold and exchange rate differences

Source: National Bank of the Republic of Macedonia.

Table 7

Total Foreign Trade
(in millions of Euros)

	I.2011	I.2011		I.2011	
		XII.2010		I.2010	
	amount	amount	%	amount	%
Total trade	625.0	-38.7	-5.8	261.4	71.9
Export	204.4	-20.1	-9.0	70.3	52.4
Import	420.6	-18.6	-4.2	191.1	83.2
Balance	-216.3	-1.5	0.7	-120.8	126.5

Table 8

Import of Goods (according to SITC)

Import of goods	I.2010	I.2011	y-o-y change		contributions	
	in millions of EUR		in millions of EUR	%	percentage points	%
Total	229.6	420.6	191.1	83.2	83.2	100.0
Food and live animals	29.3	31.0	1.7	5.9	0.8	0.9
- meat and meat preparations	6.9	6.7	-0.2	-2.7	-0.1	-0.1
- cereals and cereal preparations	3.1	4.9	1.8	57.6	0.8	0.9
- fruits and vegetables	4.7	5.4	0.7	15.7	0.3	0.4
- sugar, sugar preparations and honey	4.1	2.5	-1.6	-39.6	-0.7	-0.8
- coffee, tea, cocoa, manufacturers there of	3.5	3.6	0.1	4.1	0.1	0.1
Beverages and tobacco	2.0	2.4	0.3	17.0	0.2	0.2
- beverages	1.0	1.2	0.2	24.6	0.1	0.1
- tobacco and tobacco preparations	1.1	1.2	0.1	10.3	0.0	0.1
Crude materials, inedible, except fuels	8.0	18.5	10.5	132.1	4.6	5.5
- metalliferous ores and metal scrap	4.0	14.9	10.8	268.1	4.7	5.7
Mineral fuels, lubricants and related materials	54.3	66.1	11.9	21.9	5.2	6.2
- petroleum and petroleum products	40.0	41.7	1.7	4.3	0.7	0.9
- natural or industrial gas	5.4	8.0	2.5	46.6	1.1	1.3
- electric energy	8.4	14.3	5.9	70.2	2.6	3.1
Animal and vegetable oils and fats	1.5	3.2	1.7	111.3	0.7	0.9
Chemical Products	27.3	83.7	56.4	207.0	24.6	29.5
- inorganic chemical products	4.5	33.6	29.1	7.5 times	12.7	15.2
- dyeing and tanning extracts	1.1	23.7	22.6	22 times	9.9	11.8
- medical and pharmaceutical products	8.0	8.2	0.2	2.9	0.1	0.1
- chemical materials and products	1.4	3.2	1.7	119.6	0.8	0.9
Manufactured goods classified by material	51.4	146.0	94.7	184.4	41.2	49.5
- textile yarn, fabrics, and related products	15.9	20.7	4.8	30.1	2.1	2.5
- non metallic mineral manufactures	3.3	4.7	1.4	44.0	0.6	0.8
- iron and steel	18.6	22.4	3.8	20.2	1.6	2.0
- non ferrous metals	2.0	83.4	81.5	42 times	35.5	42.6
- manufactures of metals	3.1	4.8	1.7	53.6	0.7	0.9
Machinery and transport equipment	41.0	54.2	13.2	32.3	5.8	6.9
- power generating machinery and equipment	0.6	1.2	0.6	95.9	0.3	0.3
- general industrial machinery and equipment, n.e.s	3.7	7.2	3.5	93.8	1.5	1.8
- road vehicles	14.8	16.7	1.9	13.1	0.8	1.0
- other transport equipment	0.1	0.1	0.0	-8.9	0.0	0.0
Miscellaneous manufactured articles	14.9	15.5	0.6	3.8	0.2	0.3
- furniture and parts thereof	1.2	1.1	-0.1	-5.5	0.0	0.0
- articles of apparel and clothing accessories	2.3	2.3	0.1	2.4	0.0	0.0
- footwear	1.3	1.2	-0.1	-5.9	0.0	0.0

Source: State Statistical Office of the Republic of Macedonia.

Table 9

Export of Goods (according to SITC)

Export of goods	I 2010	I 2011	y-o-y change		contributions	
	in millions of EUR		in millions of EUR	%	percentage points	%
Total	134.1	204.4	70.3	52.4	52.4	100.0
Food and live animals	8.8	13.1	4.4	49.5	3.2	6.2
- meat and meat preparations	1.1	1.1	0.0	-1.0	0.0	0.0
- cereals and cereal preparations	1.9	2.4	0.5	25.5	0.4	0.7
- fruits and vegetables	3.5	6.7	3.2	90.3	2.4	4.5
Beverages and tobacco	12.6	17.5	4.9	39.1	3.7	7.0
- beverages	4.2	3.5	-0.7	-16.0	-0.5	-0.9
- tobacco and tobacco preparations	8.4	14.0	5.6	66.3	4.2	7.9
Crude materials, inedible, except fuels	14.2	15.1	1.0	6.8	0.7	1.4
- metalliferous ores and metal scrap	12.6	12.6	0.1	0.6	0.1	0.1
Mineral fuels, lubricants and related materials	9.7	14.9	5.2	53.2	3.9	7.4
- petroleum and petroleum products	9.6	12.4	2.8	29.3	2.1	4.0
- electric energy	0.0	1.7	1.7	-	1.3	2.5
Animal and vegetable oils and fats	0.3	0.8	0.5	142.2	0.4	0.7
Chemical Products	8.9	42.1	33.1	370.5	24.7	47.1
- medical and pharmaceutical products	2.5	2.7	0.2	8.7	0.2	0.3
- chemical materials and products	4.0	36.1	32.1	9 times	24.0	45.7
Manufactured goods classified by materials	36.1	56.2	20.1	55.9	15.0	28.7
- iron and steel	27.9	47.5	19.6	70.1	14.6	27.8
- non ferrous metals	0.4	0.4	0.0	-8.9	0.0	-0.1
- manufactures of metals	2.4	2.7	0.3	11.4	0.2	0.4
Machinery and transport equipment	4.9	7.5	2.6	53.6	2.0	3.7
and machine parts, n.e.s.	0.8	2.1	1.3	149.3	0.9	1.8
and electrical parts thereof	1.6	2.1	0.5	30.3	0.4	0.7
- road vehicles	0.8	1.6	0.7	86.9	0.5	1.0
Miscellaneous manufactured articles	38.5	36.9	-1.6	-4.2	-1.2	-2.3
- furniture and parts thereof	1.4	1.7	0.3	17.8	0.2	0.4
- articles of apparel and clothing accessories	32.1	30.1	-2.0	-6.3	-1.5	-2.9
- footwear	3.3	3.4	0.1	2.8	0.1	0.1

Source: State Statistical Office of the Republic of Macedonia.

Table 10

Trade balance of Goods (according to SITC)

Trade balance, Goods	I 2010	I 2011	y-o-y change		contributions	
	in millions of EUR		in millions of EUR	%	percentage points	%
Total	-95.5	-216.3	-120.8	126.5	126.5	100.0
Food and live animals	-20.5	-17.9	2.6	-12.8	-2.7	-2.2
Beverages and tobacco	10.5	15.1	4.6	43.4	-4.8	-3.8
Crude materials, inedible, except fuels	6.2	-3.4	-9.6	-154.5	10.0	7.9
Mineral fuels, lubricants and related materials	-44.5	-51.2	-6.7	15.0	7.0	5.5
Animal and vegetable oils and fats	-1.1	-2.3	-1.2	101.9	1.2	1.0
Chemical Products	-18.3	-41.6	-23.3	127.2	24.4	19.3
Manufactured goods classified by materials	-15.3	-89.8	-74.5	487.2	78.1	61.7
Machinery and transport equipment	-36.1	-46.6	-10.6	29.4	11.1	8.8
Miscellaneous manufactured articles	23.6	21.4	-2.2	-9.3	2.3	1.8

Source: State Statistical Office of the Republic of Macedonia.

Table 11

Trade balance of Goods (according to trade partners)

Trade balances by trading partners	I.2010	I.2011	y-o-y change		contributions	
	in millions of EUR		in millions of EUR	%	percentage points	%
Total	-95.5	-216.3	-120.8	126.5	126.5	100.0
European Union	-16.9	-136.8	-119.9	707.8	125.5	99.2
Germany	12.7	30.0	17.4	137.2	-18.2	-14.4
Greece	-8.7	-8.1	0.6	-6.5	-0.6	-0.5
Spain	2.8	4.9	2.1	74.7	-2.2	-1.7
Italy	-4.7	-4.5	0.2	-4.3	-0.2	-0.2
Slovenia	-4.8	-4.6	0.2	-4.4	-0.2	-0.2
Bulgaria	5.6	-3.9	-9.5	-170.0	9.9	7.9
Belgium	6.8	6.7	-0.2	-2.6	0.2	0.1
United Kingdom	-4.9	-135.5	-130.6	27,4 times	136.8	108.1
Other developed countries*	-11.3	-6.4	4.9	-43.6	-5.1	-4.1
EFTA	-6.3	-6.4	-0.1	1.5	0.1	0.1
Western Balkans	14.1	12.0	-2.1	-15.0	2.2	1.8
Developing countries**	-74.4	-75.1	-0.6	0.8	0.6	0.5
Low income countries	-0.7	-3.7	-3.0	454.4	3.2	2.5

* USA, Japan, other developed countries

** Russia, Ukraine, Turkey, other developing countries

Source: State Statistical Office of the Republic of Macedonia.

Table 12

Monetary developments

	31.01.2011	28.02.2011	monthly changes (28.08.2011/ 31.01.2011)		annual changes (28.02.2011/ 28.02.2010)
<i>in Denar million</i>	actual	actual	in Denar million	in %	in %
Brtoad money M4	232,033	233,454	1,421	0.6	12.1
Currency in cirrculation	15,814	16,062	248	1.6	6.5
Denar deposits ¹	107,138	107,548	410	0.4	17.5
Foreign currency deposits	109,081	109,844	763	0.7	8.0
Total deposits	216,219	217,392	1,174	0.5	12.5
Reserve money ²	48,393	47,650	-743	-1.5	5.8

¹Including demand deposits, deposits of municipalities and public entities.² Including reserve requirement in foreign currency.

	31.01.2011	28.02.2011	monthly changes (28.08.2011/ 31.01.2011)		annual changes (28.02.2011/ 28.02.2010)
<i>in Denar million</i>	actual	actual	in Denar million	in %	in %
Credit to the private sector	190,799	192,584	1,786	0.9	7.2
In Denar	142,417	143,569	1,152	0.8	2.7
In Foreign currency	48,382	49,016	634	1.3	23.0
Banks' net foreign assets	-1,048	-485	563	-53.7	-76.5

Source: National Bank of the Republic of Macedonia.

Table 13
Monetary aggregates
(in %)

in %	end of period to the end of previous period										annual change (in %)									
	2009				2010				2011		2009				2010				2011	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	january	february	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	january	february
M0	-10.2	1.7	11.8	10	-4.3	7.9	-3.7	7.2	-1.2	-1.5	6.4	-4.7	6.6	12.4	19.8	27.1	9.5	6.6	4.5	5.8
M1	-13.5	1.8	0.6	9.1	-3.7	4.5	2.4	6.7	-4.8	-0.9	5.2	-3.6	-4.5	-3.5	7.4	10.3	12.2	9.8	9.3	6.7
M4	-2.6	0.8	2.0	5.9	1.7	4.6	0.7	4.8	-0.2	0.6	6.6	1.2	-1.1	6	10.7	14.8	13.4	12.2	11.5	12.1
M4-denar	-9.5	-0.7	-1.7	8.3	1.4	6.6	0.5	6.7	-0.7	0.5	-4.7	-11.3	-14.5	-4.4	7.04	15.0	17.6	15.9	15.6	16.0

Source: National Bank of the Republic of Macedonia.

Table 14
Deposits of the private sector*
(in millions of denars)

		Balance as of 28.02.2011	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
Total deposits		214,900	1,157	0.5	25,132	13.2
In Denar	Households	60,622	1,210	2.0	15,126	33.2
	Enterprises	31,223	-883	-2.8	1,224	4.1
	Total	105,056	394	0.4	16,969	19.3
In Foreign currency	Households	87,481	640	0.7	4,470	5.4
	Enterprises	20,695	114	0.6	3,764	22.2
	Total	109,844	763	0.7	8,163	8.0
Total households deposits		148,103	1,850	1.3	19,596	15.2
Total enterprises deposits		51,917	-769	-1.5	4,988	10.6

* the Denar deposits do not include the deposit money.

Source: National Bank of the Republic of Macedonia.

Table 15
Credits to the private sector
(in millions of denars)

		Balance as of 28.02.2011	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
Total credit to the private		192,584	1,786	0.9	12,973	7.2
In Denar	Households	70,515	23	0.0	2,634	3.9
	Enterprises	72,934	1,129	1.6	1,168	1.6
	Total	143,569	1,152	0.8	3,797	2.7
In Foreign currency	Households	5,284	164	3.2	1,518	40.3
	Enterprises	43,686	473	1.1	7,670	21.3
	Total	49,016	634	1.3	9,175	23.0
Total credit to the households		75,799	187	0.2	4,151	5.8
Total credit to the enterprises		116,619	1,602	1.4	8,838	8.2

Source: National Bank of the Republic of Macedonia.

Table 16

Interest rates

	February-2011 monthly changes		annual changes
	in %	in percentage points	
Average weighted interest rate on the CB bills auctions (28 days)	4.00	0.0	-3.6
Average weighted interest rate on the Money Market	2.17	-0.30	-3.1
Interest rate on three-month treasury bills	4.20	/	/
	jan.11	monthly changes	annual changes
	in %	in percentage points	
Banks' weighted lending interest rates	9.0	0.0	-1.2
Banks' weighted deposit interest rates	6.4	-0.3	-0.9

Source: National Bank of the Republic of Macedonia.