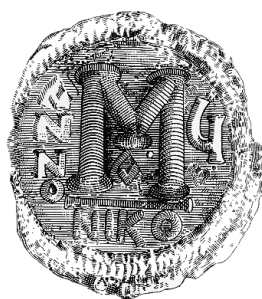


National Bank of the Republic of Macedonia
Research Department



Monthly Information
11/2010

December, 2010

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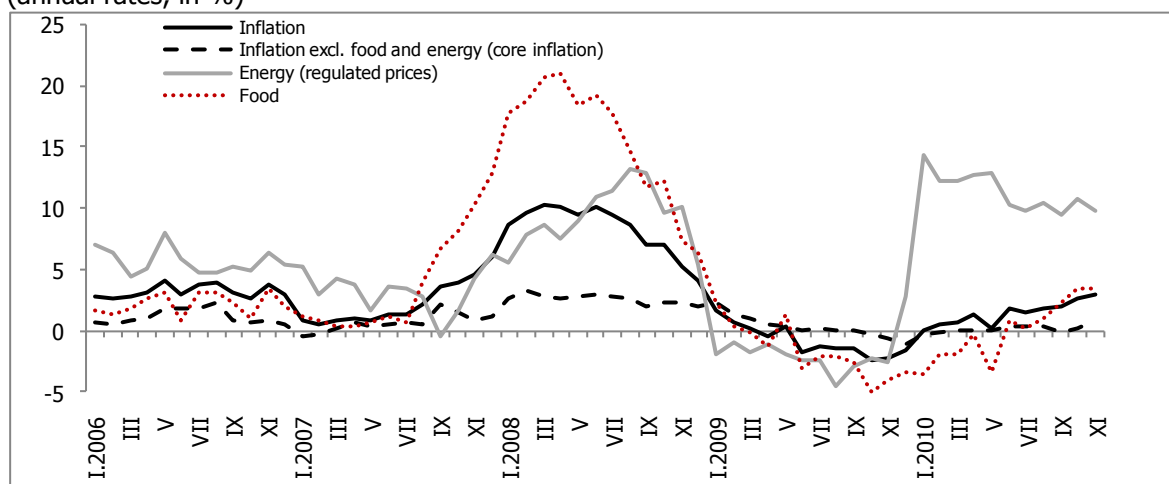
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1. PRICES

The trend of moderate rise in the general level of the **consumer prices**, which started in August 2010, continued in November 2010 as well. Thus, the prices in November relative to the previous month rose by 0.4%. Such increase in the consumer prices was generally due to the higher food prices (rise of 0.5%, which resulted from the higher prices of the vegetables, eggs, meat and fish processing, with lower prices of fruits being registered). The upward development of the prices of hygiene means, of oil derivatives, as well as the prices of the utility and housing services additionally influenced the total monthly inflation¹. **On annual basis**, the growth in the consumer price index in November 2010 amounted to 2.9%² (2.7% in October 2010). **The average inflation rate** for the period January - November 2010 reached up to 1.4% (1.3% for the first ten months).

The core inflation (inflation without food and energy) continued to increase in November 2010 as well thus amounting to 0.3% on monthly basis. The monthly rise was generally due to the growth in the price of hygiene means and the prices of the utility and housing services. On annual level, in November 2010 the core inflation amounted to 0.8%³ (0.2% in October 2010). In the period January - November 2010 the average core inflation was still stable and it ranged about zero (0.1%).

Figure No. 1
Total and core inflation
(annual rates, in %)



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

¹ The price growth in this category in November was due to the rise in the price of the services for collecting, taking out, transporting and dumping solid and technological waste excluding Skopje, where such change was performed in October.

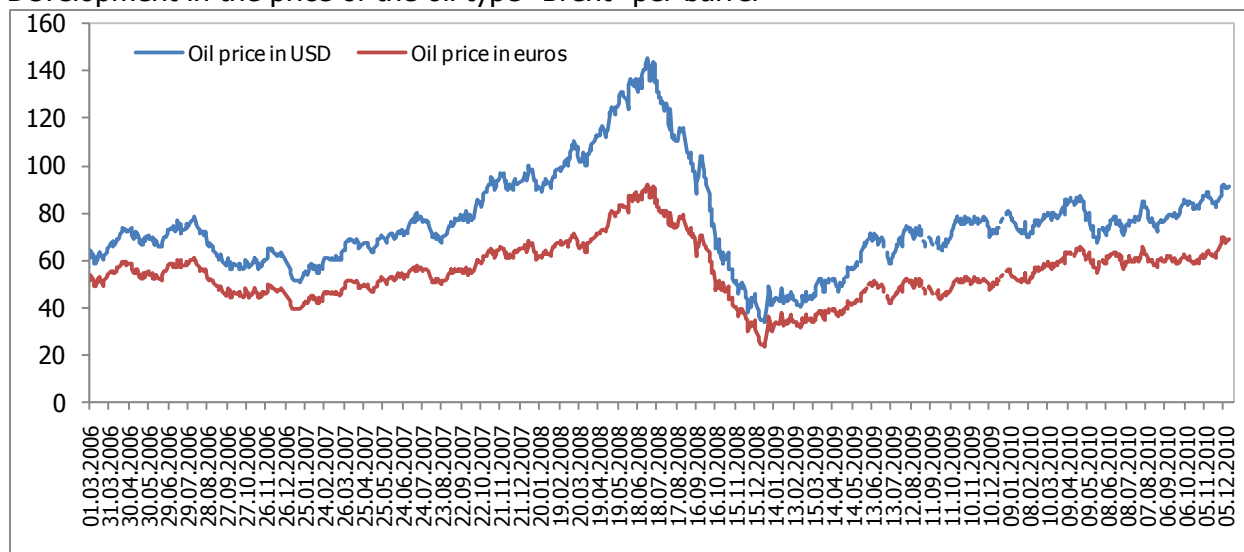
² In conditions of stable contribution of the food prices, as dominant category, the small intensification of the annual inflation was mainly due to the rise in the prices of the utility and housing services, hygiene means and prices of food and beverages in the catering facilities.

³ The higher prices of the utility and housing services, the rise in the price of hotel and restaurant services, as well as the higher tobacco prices effect on the core inflation to move in upward direction.

The realized annual inflation rate in November 2010 (2.9%) was lower than the projected one (3.2%), which was due to the lower rise in the food prices. However, the performances in the period October - November were within the last projections of NBRM for annual growth in the consumer prices of 2.9% in the last quarter of 2010.

The oil price continued to grow in November 2010 as well and it reached up to the average level of USA Dollar 85.9 per barrel, which compared to the level of the previous month (USA Dollar 83.7 per barrel) represented rise of 2.6%. The rise in the oil price was mainly caused by the drop in the global oil reserves, the news for the rise in the retail trade in USA, as well as the reducing of the new requests for fees and compensations in case of unemployment in the USA to the lowest level in the last two years. The growth in the price of the crude oil and the oil derivatives on the international stock exchanges continued in the first week of December as well, which together with the depreciation of the Denar relative to the USA Dollar contributed for the Regulatory Energy Committee (REC) to adopt a decision on increasing the refinery and retail prices of the oil derivatives by 3.2% and 2.1%, on average, respectively on December 6, 2010. The oil price continued to grow in the last two-week period as well, reaching up to USA Dollar 91.2 per barrel (record level since October 2008). Such upward deviation of the price reflected the anticipations for higher demand for oil by the fast growing economies. Considering the increase of the oil price (5.5%), as well as the Denar depreciation (0.1%) relative to the USA Dollar, compared with the previous two-week period, the REC on December 20, 2010 adopted a decision on increasing the refinery and the retail prices of the oil derivatives by 5.93%, i.e. by 4.28%, on average.

Figure No. 2
Development in the price of the oil type "Brent" per barrel

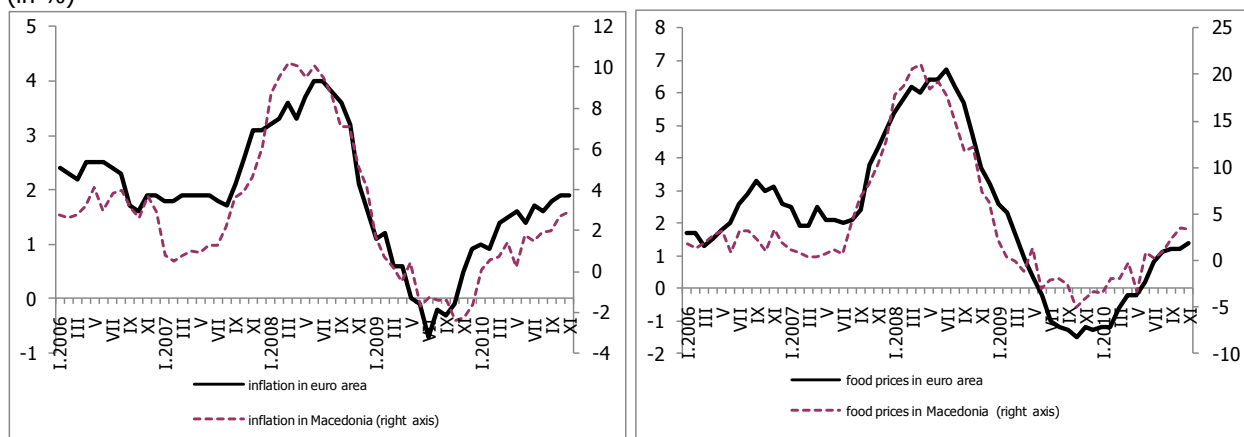


Source: The Energy Information Administration - Statistical Agency of the U.S. Department of Energy.

The consumer prices in the Euro area in November 2010 remained almost unchanged on monthly basis. The annual inflation rate in the Euro area in November remained at the level of 1.9%, which was mainly determined by the higher prices of the transport fuels, heating oil and the gas. The cumulative inflation rate in the Euro area in the period January - November 2010 amounted to 1.5%.

Figure No. 3

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



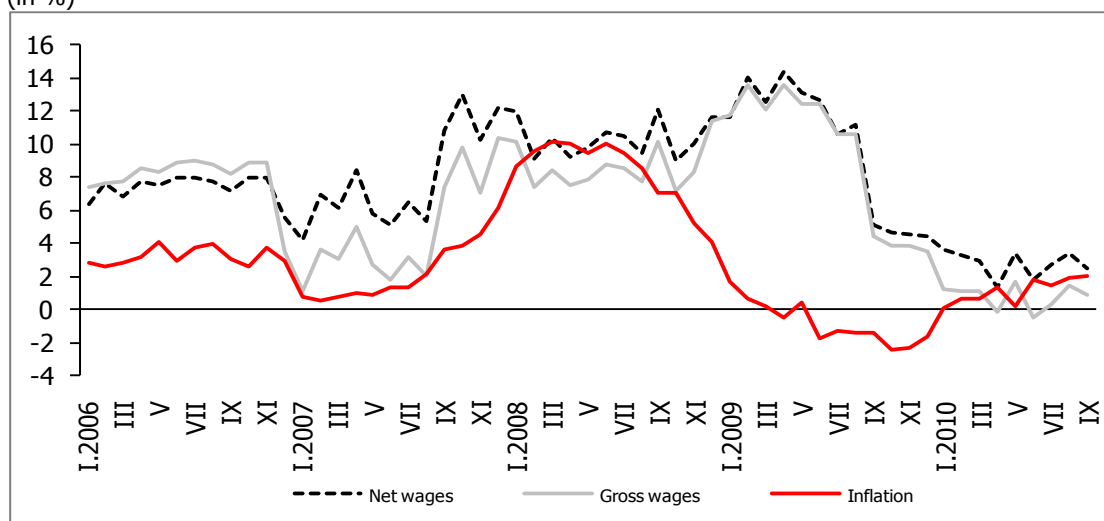
Source: EUROSTAT and SSO.

2. WAGES AND EMPLOYMENT

In September 2010, the nominal average **net and gross wages did not register more considerable changes relative to the previous month (minimal rise of 0.1% and 0.2%, respectively)**, which in real indicators represented their stagnation. Analyzed by individual sectors, the agriculture registered drop in the net wage (of 0.9%), the wage in the industry remained almost unchanged, while the services registered rise (0.5%). At the branch level, the largest monthly rise in the net wage was registered in the health care and other utility, culture and service activities (growth of 1.4%). More evident monthly fall was registered with the wages in the education (of 2%) and the fishing (1.9%).

Figure 4

Annual growth rates with the wages* and inflation (in %)

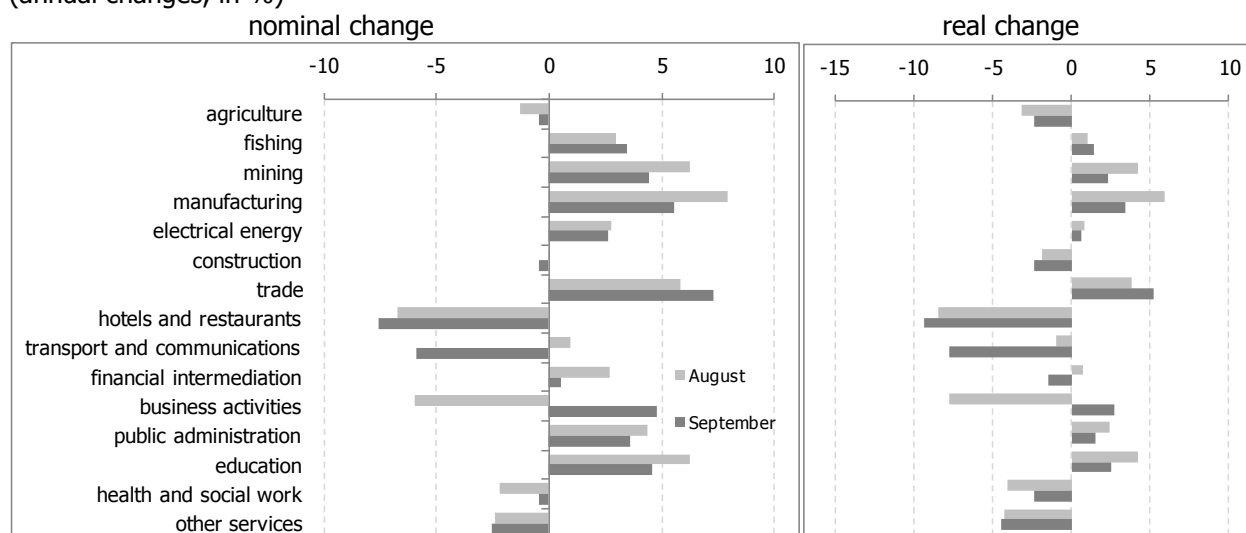


* For 2009, the corrected growth rates are shown.

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

On annual level, the net wage was nominally higher by 2.5%, which represented slowing down relative to the average growth rate of the net wage in the period January-August 2010 (2.8%). The gross wage registered nominal rise of 0.9% on annual level. The intensification in the inflation on annual level in September determined considerable slowing down in the real growth in the net wages (0.5%) and deepening in the real fall in the gross wages (-1.1%). **Relative to December 2009**, in September 2010 the average net wage had nominal rise of 0.3%, whereas the gross wage went down by 1.1%. **Cumulatively**, in the first nine months of the year, the net and the gross wages rose by 2.8%, i.e. 0.8%, nominally (by 1.7%, i.e. -0.3%, really).

Figure 5
Average net wage by sectors
(annual changes, in %)



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

3. ECONOMIC ACTIVITY

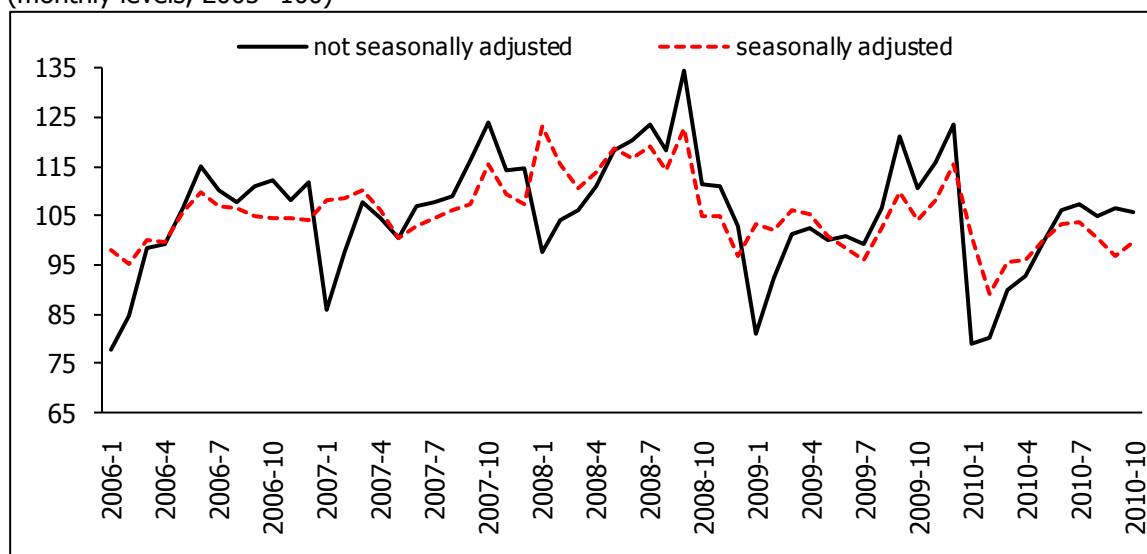
In October 2010, the industrial output reduced by 1% relative to the previous month (growth of 2.4% according to the seasonally adjusted data), so twelve out of twenty four branches realized fall, which represented approximately 53% of the total index. The monthly drop was mostly due to the lower output of food products and beverages⁴, tobacco products and production in the publishing activity. On the other hand, as a result of the lower comparison basis, the output of oil derivatives⁵ and of electricity⁶ registered considerable monthly rise.

⁴ The drop in this branch is due to the lower output of beverages.

⁵ Since the middle of September 2010, the facility was closed for overhaul, and the stoppage was for 22 days, from October 5, 2010.

⁶ The monthly rise resulted from the higher output of the hydroelectric power plants, in conditions of favorable hydro situation in the country.

Figure 6
Index of industrial output
(monthly levels, 2005=100)

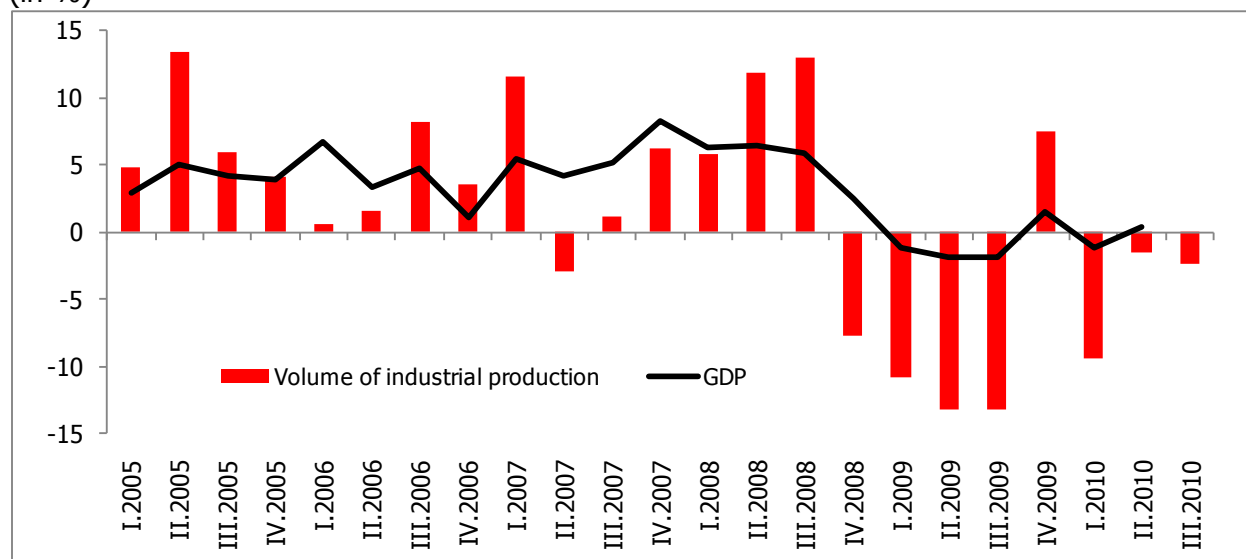


Source: State Statistical Office and NBRM calculations.

On annual basis, in October 2010 the fall in the industrial output slowed down to 4.4% (11.9% in September). Nine out of total twenty four branches, which create about 50% of the index, registered lower output. In this month as well, the drop in the industry resulted mainly from the lower output of metal products in the metal manufacturing phase (fall of almost 60.4%), which was due to the high comparison basis⁷. However, the negative developments were partially neutralized by the positive performances with the output of basic metals, tobacco products, output of wearing apparel and fur and other means of transportation (parts for rail vehicles). **On cumulative basis**, in the period January - October 2010, the drop in the industrial output remained at the level of 4.2%.

⁷ In the period August-December 2009, this branch registered considerable output increase for export on the Kosovo market.

Figure 7
Annual growth rates in the industrial output and GDP
(in %)



Source: State Statistical Office and NBRM calculations.

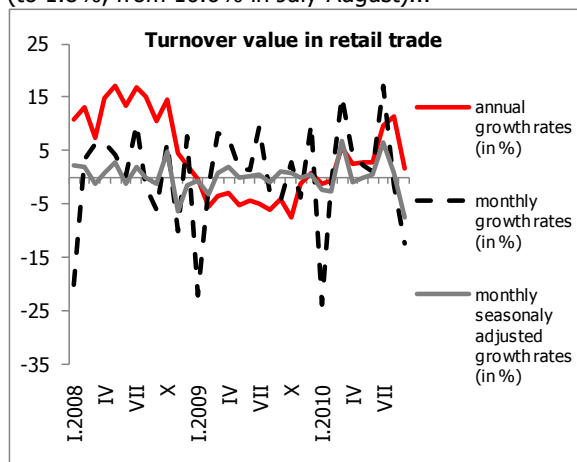
The assessments of the managers in the manufacturing industry⁸ for their current economy situation in October 2010 were more negative relative to the previous month, thus interrupting the six-month upward trend. The average utilization of the manufacturing facilities remained almost at the same level of September. In October, smaller number of surveyed stated that the insufficient foreign demand represented a restricting factor for growth in the output. The expectations of the managers for the volume of the output in the following period since May 2010 registered continuous downward trend, so their expectations for the last quarter of the year, although positive, were still more negative relative to the previous period.

3.1 Other highly frequent data and indicators

With respect to the other sectors in the economy, the movements in September 2010 determined slowing down in the annual rise with the trade and construction, and intensification in the annual rise with the telecommunications.

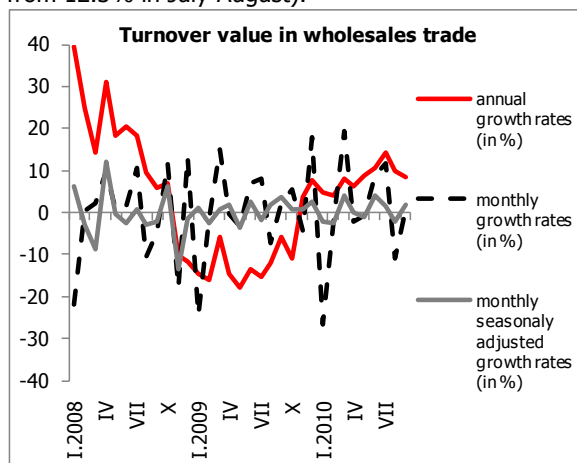
⁸ From the Business Tendencies Survey in the manufacturing industry of SSO, October, 2010.

Monthly fall in the **retail trade** turnover in September of 7.4% (seasonally adjusted) and considerable slowing down in the annual growth rate (to 1.8%, from 10.6% in July-August)...



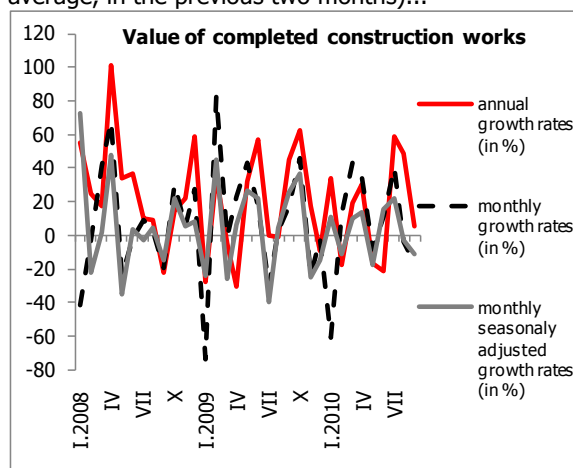
Source: State Statistical Office and NBRM calculations.

....with rise in the **wholesales** turnover of 1.8% (seasonally adjusted data) and moderate slowing down in the annual growth being registered (to 8.4%, from 12.3% in July-August).



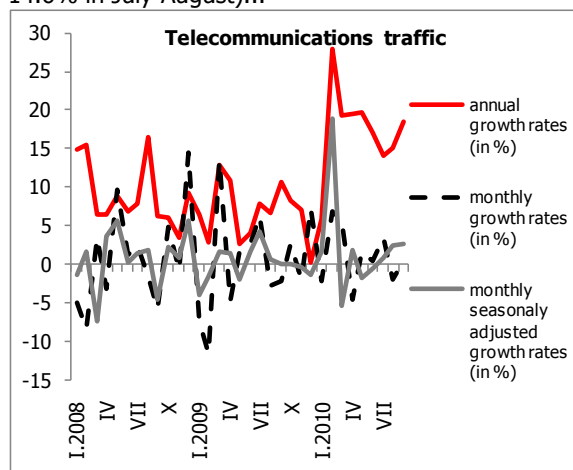
Source: State Statistical Office and NBRM calculations.

Monthly drop in the value of the performed **construction** activities of 10.8% (seasonally adjusted) and considerable slowing down in the annual rise (5.5%, opposite to the growth of 54%, on average, in the previous two months)...



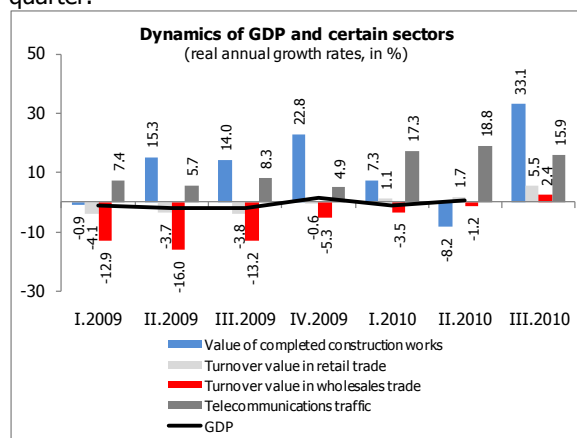
Source: State Statistical Office and NBRM calculations.

...whereas the **telecommunications** registered monthly rise of 2.6% (seasonally adjusted), and the annual growth reached up to 18.5% (opposite to 14.6% in July-August)...



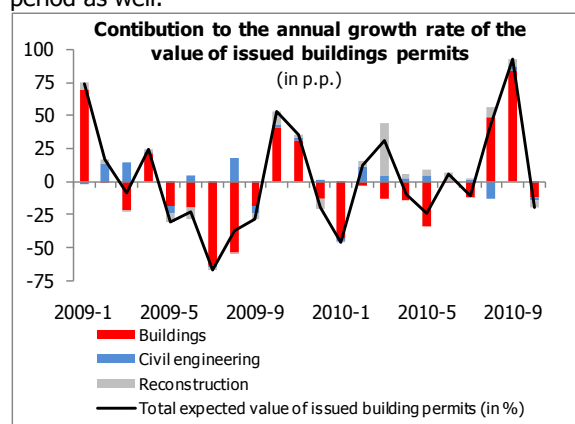
Source: State Statistical Office and NBRM calculations.

...still the performances in the third quarter of 2010 with these sectors on annual basis were generally more positive relative to the previous quarter.



Source: State Statistical Office and NBRM calculations.

Considerable drop in the value of the **issued construction licenses** in October 2010 of 19.3% on annual basis, which indicated to negative developments in the construction in the following period as well.



Source: State Statistical Office and NBRM calculations.

The available data on the indicative demand categories indicated growth in the economic activity in the third quarter, which was in accordance with the projection in October. The developments in the indicative categories in the third quarter of 2010 indicated to more gradual revival of the **personal consumption**, which is in accordance with the anticipations for more intensive rise in the personal consumption in the third quarter relative to the second quarter. The dynamics of the available data for October 2010 indicated to annual fall in the personal consumption in the last quarter, which was also in accordance with 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	Domestic production of consumption goods
Q1	-0,7	0,0	3,1	113,4	3,1	1,1	0,1	2,6	-10,4
Q2 2010	0,1	1,7	1,3	34,2	2,8	1,7	23,4	16,5	-8,1
Q3	/	2,0	0,8	4,4	0,4	5,5	5,6	19,9	10,0
Oct.	/	1,6	/	/	-0,1	/	-2,2	-1,5	6,0

Source: State Statistical Office and NBRM calculations.

In the third quarter there were clear signals for positive dynamics in the **investments activity**, in line with the anticipations. After a longer period, rise in the foreign direct investments⁹ was realized for the first time, as well as with the import of investments products, as a signal for growth in the investments in fixed assets. The available data from October so far indicated more evident failure in the Government investments and the import of investment goods regarding the anticipations, as well as slightly lower credit support, but so far it is hard to give more general conclusion on the developments in the investments in the fourth quarter for which an annual rise was projected.

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
Q1 2010	-49,5	4,6	-61,7	24,2	-35,4	7,3	-34,1	-3,3
Q2 2010	11,5	7,9	-82,5	-26,3	-12,2	-8,2	-24,9	-16,5
Q3 2010	/	8,4	25,8	73,3	1,4	33,1	-23,0	3,2
Oct. 2010	/	6,0	/	-10,2	-20,4	/	1,4	/

Source: State Statistical Office and NBRM calculations.

In the third quarter, the indicators for the **public consumption** showed its small negative contribution to the economic growth. The performances in October were generally in accordance with the projections for annual rise in the last quarter of 2010.

Indicative categories for government consumption (real annual rates, in %)						
Period	Government consumption	Wages	Goods and services	Health fund	Transfers to local governments	Other
Q1 2010	-2,2	3,1	5,3	-2,9	-1,5	30,1
Q2 2010	-9,3	-3,4	-27,5	-2,4	11,6	-10,8
Q3 2010	/	-3,1	5,0	8,3	0,8	19,5
Oct. 2010	/	-4,3	25,3	-1,7	-2,8	27,9

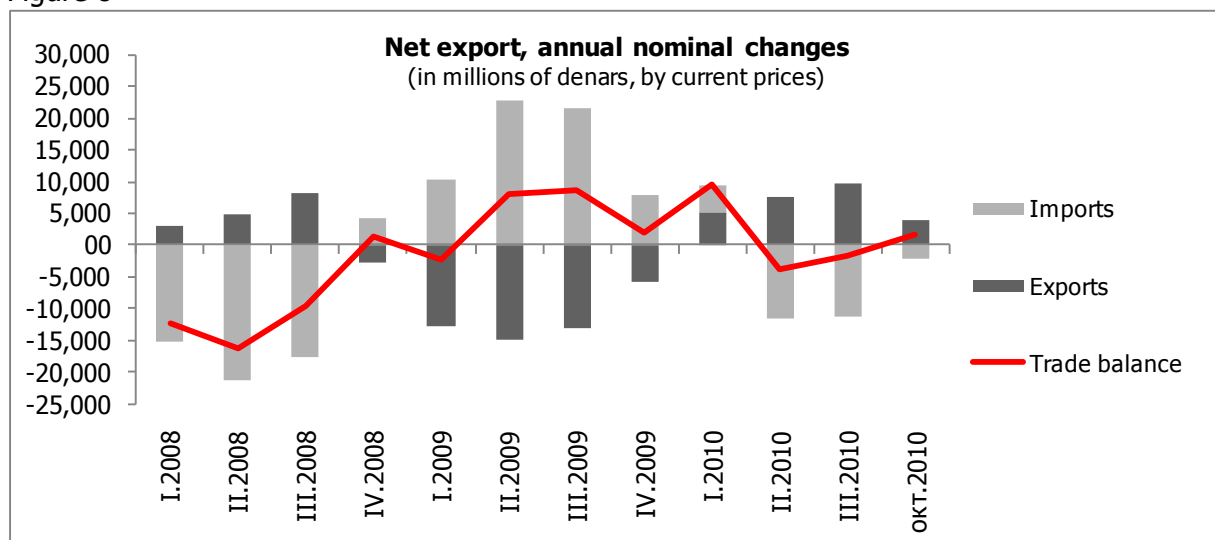
Source: Ministry of Finance and NBRM calculations.

The performances with the **net export**, based on the data from the foreign trade for the third quarter, still indicated to negative contribution to the economic growth. The initial

⁹ Pertains to the SDR in form of equity.

indications on the export demand, according to the data from October, so far showed slightly lower performances in the import relative to the anticipations.

Figure 8

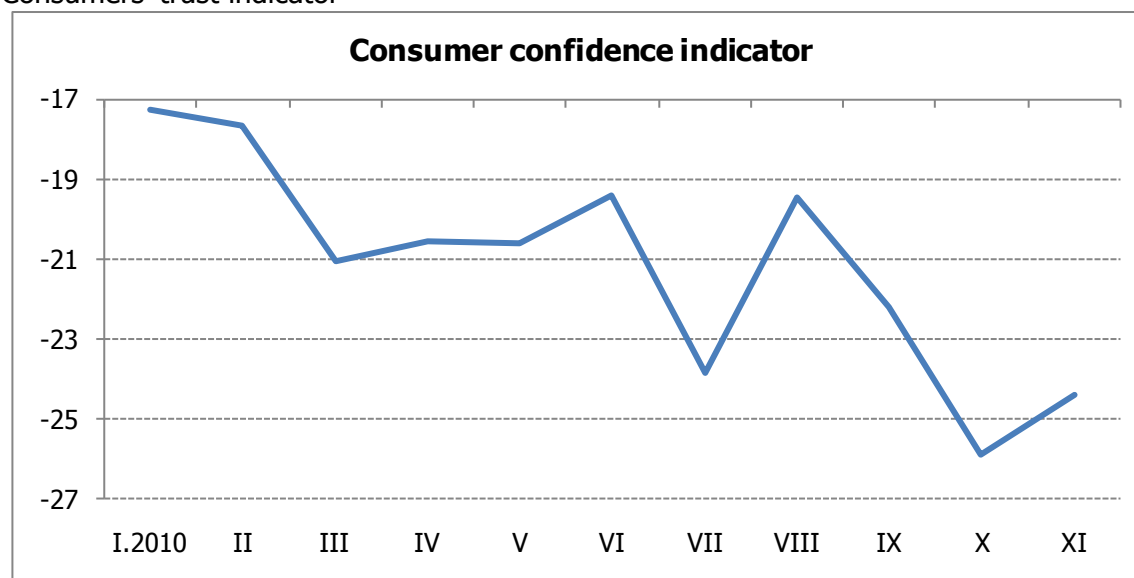


Source: State Statistical Office and NBRM calculations.

In November 2010, **the trust indicator**¹⁰ showed more positive anticipations by the households, in conditions of considerably more favorable anticipations for the financial standing and for the saving of the households in the next twelve months.

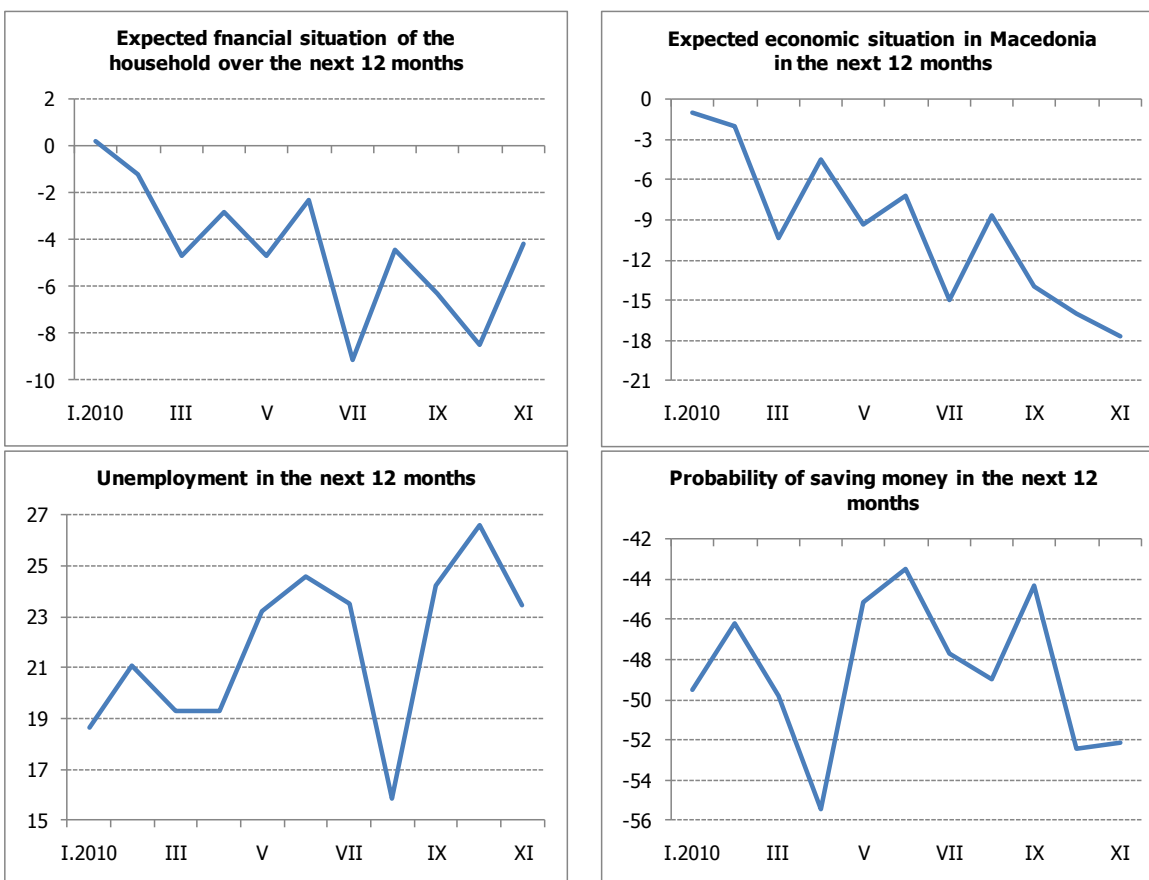
Figure 9

Consumers' trust indicator¹¹



¹⁰ From the Consumer Opinion Survey of SSO, November, 2010.

¹¹ 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 conditions of maintained positive dynamics in the current transfers and the export, in the third quarter of 2010 surplus on the current account of the balance of payments was registered in the amount of Euro 84.2 million, or 1.2% of the GDP. Even though the projection of the Balance of payments in October 2010¹² implied realization of surplus in the third quarter of the year, the realized level was considerably higher than the projected one (by Euro 52.6 million). The key factor of the deviation was the trade of goods, within which the export registered better performance than the anticipated one, and the import was under the projected level. Such deviations reflected with lower trade deficit than the anticipated one, and simultaneously they indicated that the positive stimuli from the foreign demand remained and they were more intensive than the anticipated ones, whereas the domestic demand still slowly recovers. Namely, the deficit in the trade of goods registered quarterly narrowing, with export rise and almost unchanged import being registered, but analyzed annually, already second quarter in a row it registered broadening, which was due to the higher absolute rise in the import than in the export. With the most significant financing item of the trade deficit, the current transfers, the performances exceeded the projections inconsiderably. The private transfers in the analyzed quarter reached up to the historically highest quarterly level of Euro 412.7 million and rose on

¹² The projection includes the performances in the trade of goods as of August 2010 and the net inflows from the assets as of September 2010.

quarterly and annual basis, so the positive trend which started in the second quarter of 2009 has continued. With respect to the other components on the current account, the positive balance with the services was at a lower level than the projected one, whereas with the income lower net outflows were realized relative to the projections. The deficit with the income registered quarterly broadening, but in comparison with the same period of 2009 it was significantly lower. It resulted from the base effect, i.e. from the high comparison basis in the previous year.

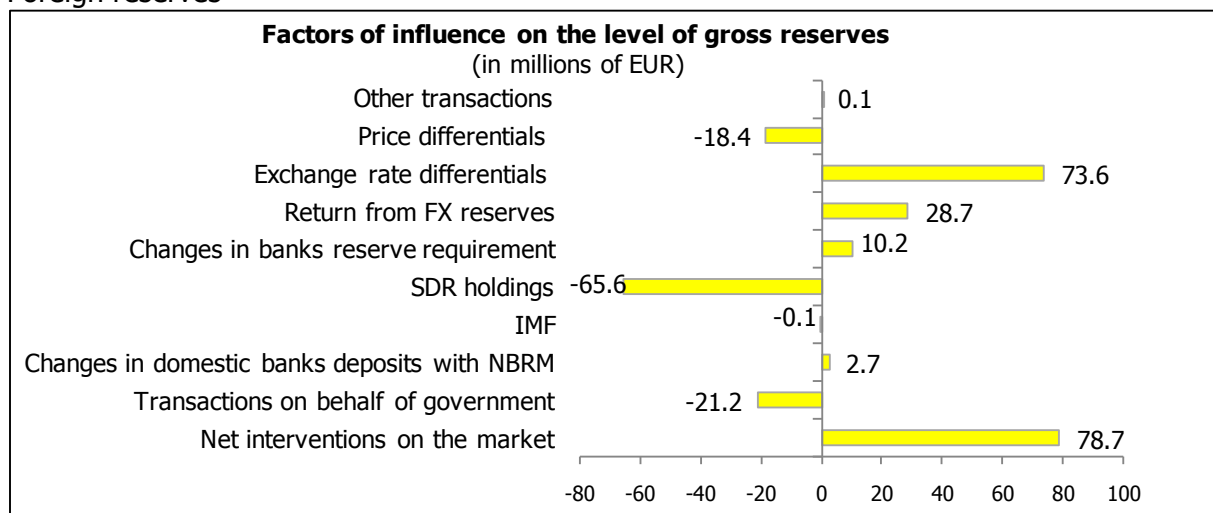
However, part of the positive performances on the current account was neutralized by the negative tendencies in the capital and financial account¹³. Namely, in the third quarter of 2010 considerable net outflows were registered in the amount of Euro 61.2 million. The realization of the capital net outflows was considerably stronger than the projected with the Balance of payments from October 2010 (by Euro 44 million), which basically resulted from the developments in September. The twice higher net outflows based on trade credits and the lower inflows based on long-term indebtedness of the private sector were the key factors for the deviation. On the other hand, positive deviations were registered with the short-term indebtedness where instead of the projected net outflows, net inflows were realized in the third quarter. In the analyzed quarter, as it was estimated with the projection, there was an additional increase in the foreign assets abroad by the domestic banks, and outflows through the item "currencies and deposits" were registered with the other sectors. With respect to the direct and portfolio-investments, no larger deviations from the projection were registered. In the same period of 2009 high net inflows were registered (of Euro 254.9 million), which was mainly due to the issued second Eurobond on the international capital market by the Government and the withdrawn special drawing rights from the IMF quota.

The tendencies in the balance of payments as of the third quarter in the year indicated that there was a possibility for the deficit on the current account for 2010 to be lower than the projected one, but in the same time, for the net capital inflows to be lower than the planned as well. This confirmed the statement that in 2010 the domestic demand was still low and it does not create pressures on the import, whereas the external demand was the key generator of growth. The balance in the current transactions simultaneously showed that the savings - investments ratio was gradually reaching balance, which was due to the higher preferences for saving, i.e. the lower consumption.

¹³ Pertains to changes which exclude the changes in the official reserves.

Analyzed on cumulative basis, in the nine months of 2010, the deficit on the current account of the balance of payments reduced to Euro 33.2 million, or 0.5% of the GDP, which was considerably lower level than the deficit in the same period of 2009 (of 5.3%). The positive tendencies with the current transfers (more precisely, the net purchase of foreign currencies on the currency exchange market) and the narrowing of the deficit in the trade of goods mostly contributed to the improvement of the balance, while slightly lower contribution came from the higher surplus in the trade of goods. The net outflows from income, which were higher on annual basis, represented exception. **The cumulative net inflows on the capital and financial account (without the official reserves) amounted to Euro 70.6 million¹⁴, or 1% of the GDP, thus enabling coverage of the deficit on the current account.** Most of the capital net inflows were realized based on foreign direct investments and through foreign borrowings. The foreign direct investments came mostly from the new investments in shareholders capital and from the increase in the intercompany debt, while smaller share pertained to the reinvested gain. With the loans, the net inflows were mostly due to the indebtedness of the private sector, the largest part of which is in form of long term credits. Opposite to this, high capital net outflows were registered based on currencies and deposits. Compared to the same period of the previous year, the net inflows on the capital and financial account were lower by 4.3 p.p. of the GDP, in conditions of fall in most of the financing items. The indebtedness based on loans, which registered annual increase, represented exception, with equal contribution of the new short term and long term indebtedness.

Figure 10
Foreign reserves

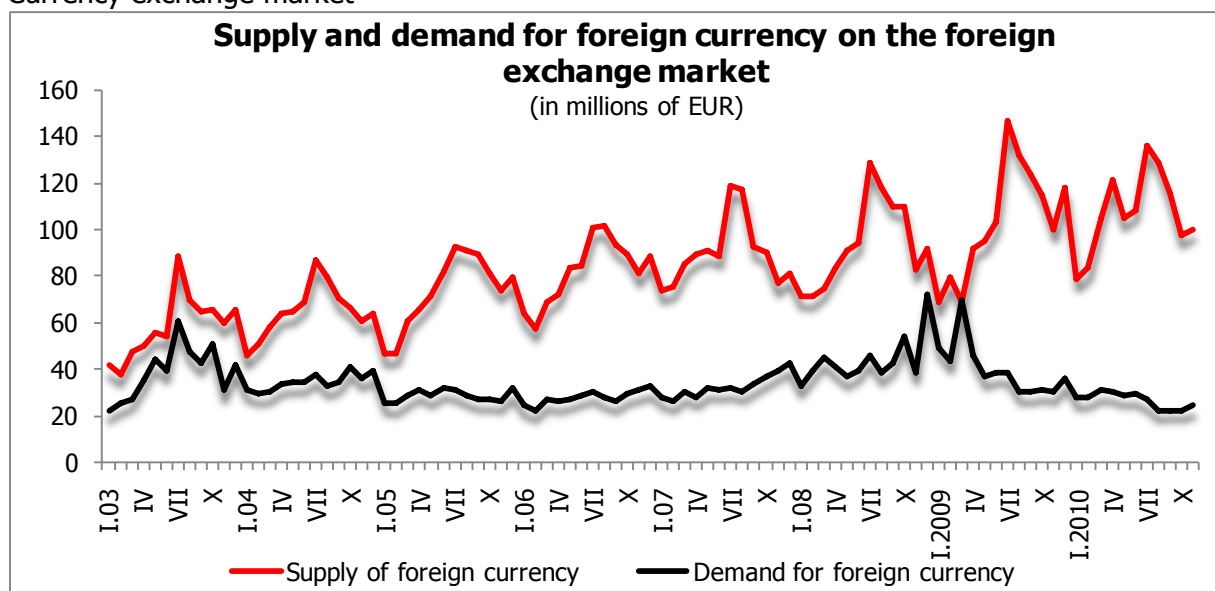


The positive developments in the balance of payments and the positive effect from the realized foreign exchange rates reflected on the level of the foreign reserves as well. According to the last situation on November 30, 2010, the gross foreign reserves amounted to Euro 1.686,1 million, which represented rise of Euro 88.6

¹⁴ Includes the arrears, withdrawals and payments in the IMF relations and currencies and deposits (monetary authorities).

million relative to the end of 2009. Most of the cumulative rise in the foreign reserves was realized from the NBRM's interventions on the foreign exchange market and from the positive foreign exchange rates¹⁵, followed by the contribution from the income in placements, reserve requirements of banks in foreign currencies and from the foreign currency deposits of banks with NBRM. On the other hand, net outflows were realized based on negative price changes with the securities and from the transactions for the account of the Government (which was partially neutralized by the redistribution of the special drawing rights from the NBRM's account to the account of the Government). If the effect from the exchange rate differentials is excluded, the increase in the foreign reserves is with lower intensity and it amounts to Euro 15.1 million.

Figure 11
Currency exchange market



The positive developments on the currency exchange market continued in the last quarter of the year as well. According to the last available data, in November 2010 the realized net purchase of foreign currencies amounted to Euro 76.2 million, so the cumulative net purchase in the period October - November represented 74.2% of the projected level for the last quarter of the year and it indicated to possible exceeding of the October projection. In the same time, in November the realization of the net inflows on the currency exchange market went up by 9.2%, on annual basis, so the two-month trend of realizing negative growth rates stopped (which was mainly due to the base effect). Namely, after four months of annual drop in the offer of foreign currencies by the households, it registered stabilization in November, whereas the demand for foreign currencies still registers annual fall (since June 2009) and it showed that the expectations of the economic agents for the stability of the domestic currency are considerably stabilized. On cumulative basis, in the

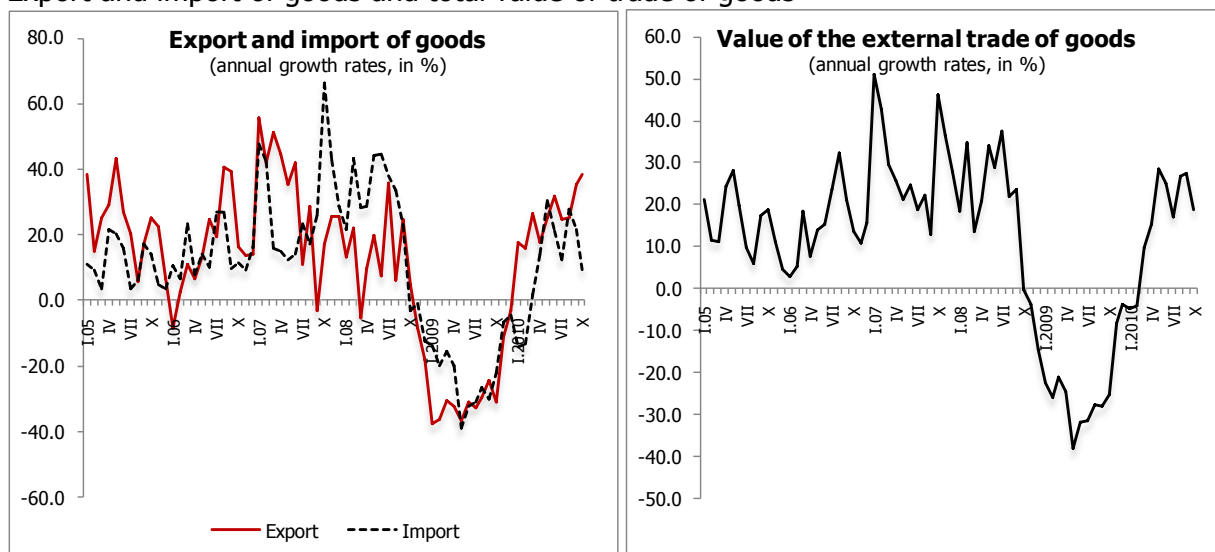
¹⁵ The exchange rate differentials include the effect from the change in the value of gold which arises from the gold price, but also from the change in the Dollar/Euro exchange rate. Simultaneously, the exchange rate differentials include also the change in the value of the securities, which arises from the change in the Dollar/Euro exchange rate.

period January - November 2010, the net purchase on the currency exchange market reached up to Euro 886.1 million and it registered annual rise of 29.9%.

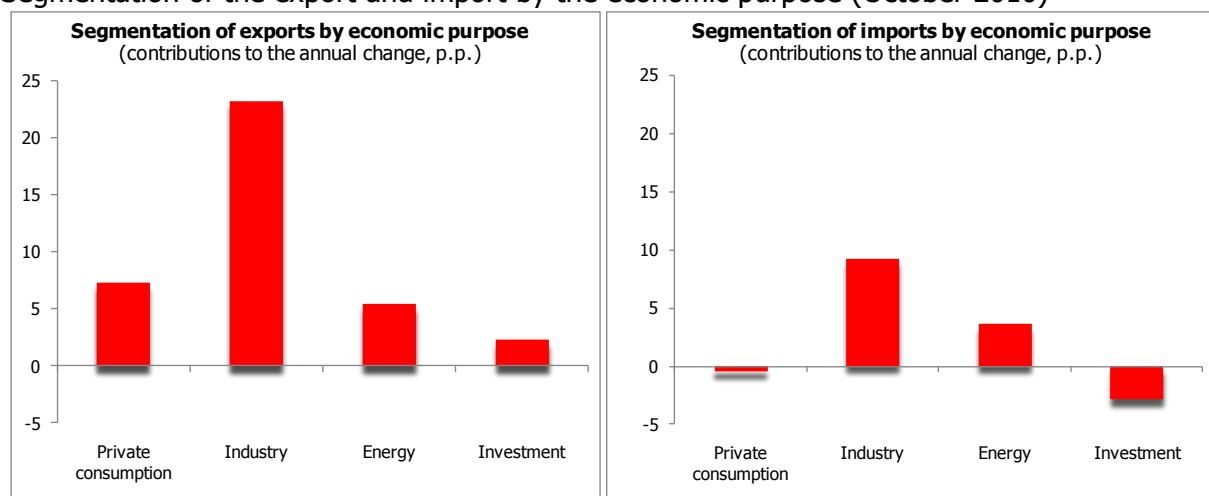
According to the last available data in October 2010 for the foreign trade, the positive tendencies still continue. Thus, the total value of the foreign trade of goods registered rise on annual basis, with positive export dynamics being registered¹⁶ (growth of 38.5% in October and 35.6% in the previous month) and slower import dynamics (annual rise of 9.4%, opposite to the rise in September of 21.7%).

Figure 12

Export and import of goods and total value of trade of goods



Segmentation of the export and import by the economic purpose (October 2010)



Source: SSO and NBRM calculations.

¹⁶According to the seasonally adjusted data, the export and the import registered rise of 39% and 8.7%, respectively.

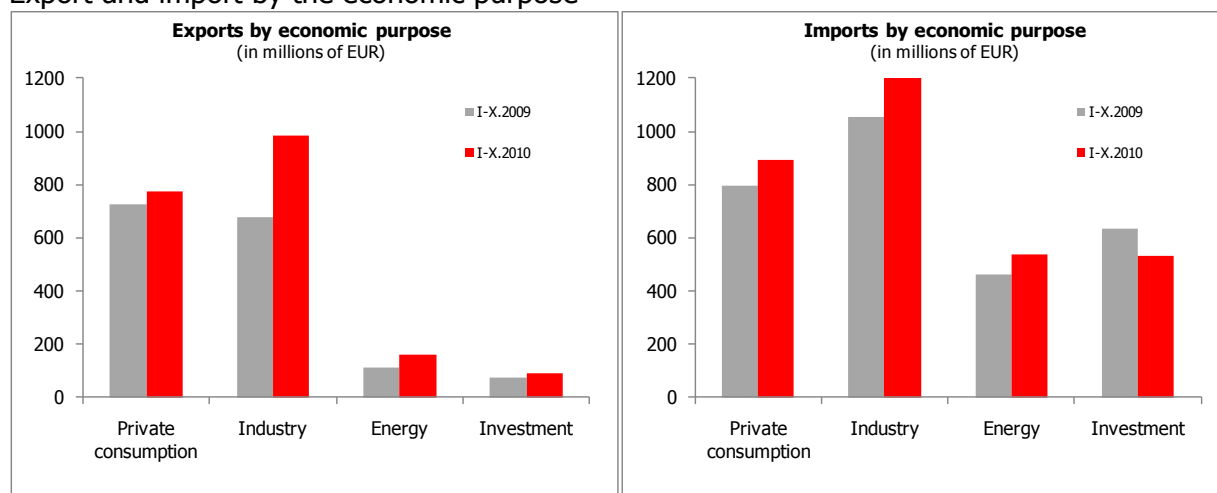
Within the export structure, the largest contribution to the annual rise came from the higher export of raw materials and intermediary products from the domestic industry (iron and steel and chemical materials and products), while the segment stimulated by the foreign private consumption (export of fruits and vegetables) gave slightly lower contribution. Despite this, the export of oil derivatives and investment products registered annual rise in October. **Analyzed with respect to the import structure**, the import-export dependence reflected with rise in the import of raw materials and intermediary products for industrial processing (colored metals and inorganic chemical products), so this import segment contributed mostly to the total import growth. Simultaneously, the larger import of energy gave considerable contribution (with larger quantity import of electricity and import prices, as well as higher import prices of oil and oil derivatives being registered, and lower level of imported quantities). The import related with the private consumption registered small upward change, which resulted from the minimal annual rise in the import of sugar and cereals, while the import of road vehicles was lower than the average monthly import from March 2010 (when the administrative change was introduced¹⁷) until September 2010, and simultaneously it was lower on annual basis as well. Opposite to the developments with such import segments, in October the import stimulated by the investment activity registered fall on annual basis. In accordance with such developments, in October 2010 **the trade deficit in the trade of goods** narrowed by approximately 29.7 million on annual basis, or by 17.2%. Most of the narrowing was due to the lower deficit in the trade of the investment goods and products for industrial processing (raw materials and intermediary products), as well as to the narrowing in the deficit in the trade of goods for personal consumption. An opposite tendency, i.e. annual broadening was registered with the balance in the trade of energy, which was due to the higher deficit in the trade of electricity and of coal, coke and briquettes. **The realized trade deficit in October 2010 indicated to possible realization of slightly lower trade deficit than the projected one for the fourth quarter according to the October projection of the balance of payments.** Namely, within the export there was more considerable exceeding of the projection with the export of various chemical products and other export, while within the highly diversified import structure, the import of equipment and machines and of energy registered lower performances than the projected.

In the period January - October 2010, the cumulative deficit in the trade of goods amounted to Euro 1.260 million, which represented narrowing by 7.4% on annual basis. This can be explained by the more intensive annual rise in the export of goods (by 26.5%) compared with the import of goods (by 10.9%). Analyzed with respect to the **economic purpose of the export**, the higher export of raw materials and intermediary products from the domestic industry represented the key generator of the positive annual change with the total export. Within this export segment, the export of iron and steel, chemical materials and products and metal ores and metal waste considerably rose. Within the export of energy, the export of oil products increased, in conditions of rise in the oil export prices (with lower export volume being registered), while the export of electricity registered considerable annual growth, with higher domestic output being registered in conditions of favorable hydro potential. The export of goods for personal consumption registered small rise (signaling gradual recovery of the optimism with the foreign

¹⁷ With the amendments to the Excise Law dated 11.03.2010 are decreased and changed progressively the rates of excise of the road vehicles in accordance with their value. Simultaneously, the amendments to the Law on customs tariff dated March 12, 2010 decreased the customs duties when importing used motor vehicles from the current 10% to 5%, i.e. the customs duties for new and old vehicles equaled.

consumers), together with the export of investment goods. The analysis of the **segregation of the import according to the economic purpose** showed that the import of raw materials and intermediary products, which are required for the domestic processing industry as well as for export (i.e. import-export dependence), was the key factor for the annual rise. The import of energy in the period January - October 2010 was higher relative to the same period of the previous year, which was mainly due to the higher import of oil and oil products, which in conditions of lower quantities, was due to the rise in the import prices according to the developments on the international stock exchanges. The import of gas, coal, coke and briquettes registered annual rise as well, while the import of electricity reduced on annual basis. The higher import of products for personal consumption, which resulted mostly from the higher import of road vehicles (as an effect from the administrative change), contributed to the rise in the total import as well. Opposite to these upward tendencies, the import of investment products (machines and transport equipment) was lower on annual basis.

Figure 13
Export and import by the economic purpose



Source: SSO and NBRM calculations.

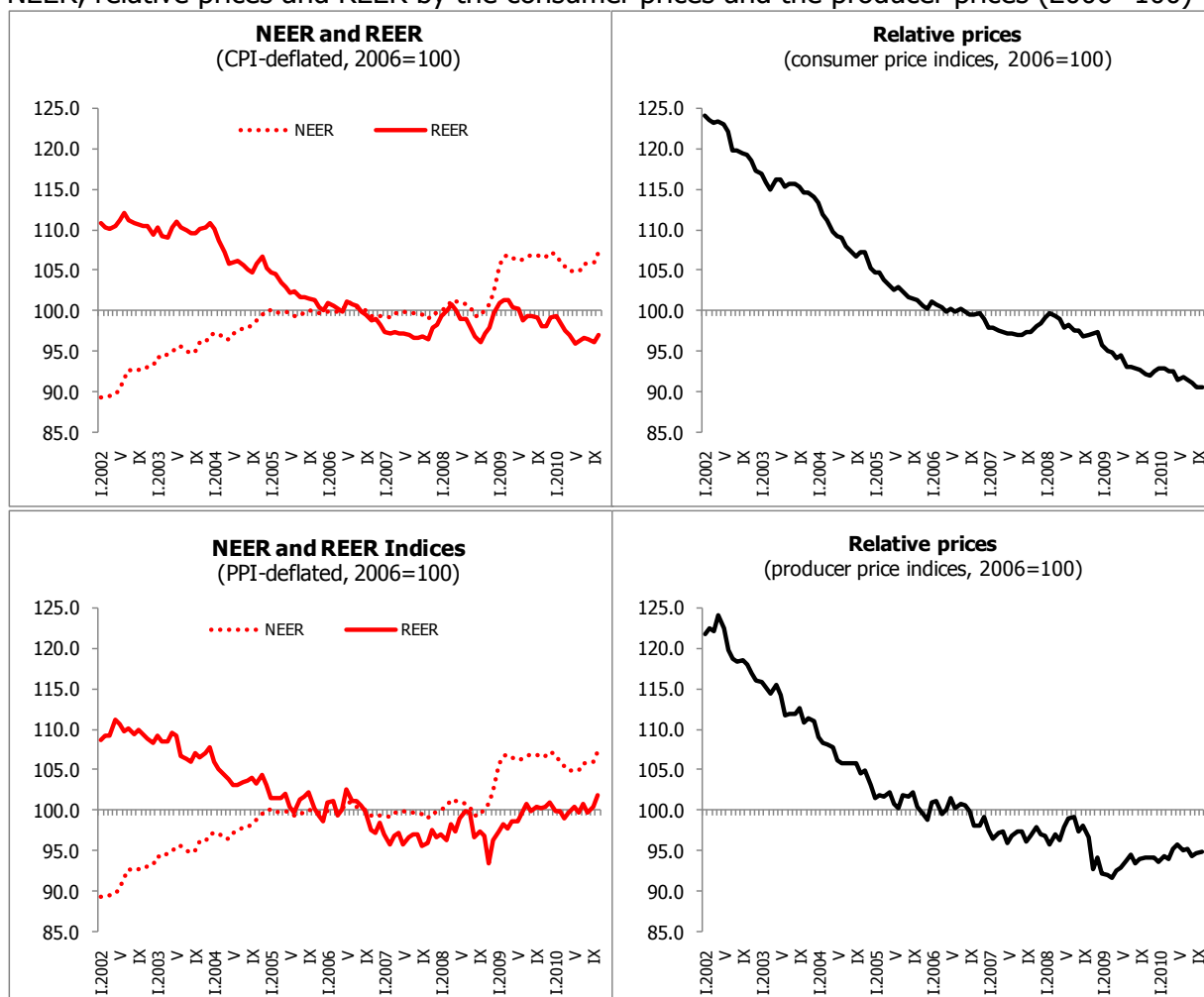
The analysis of the trade of the Republic of Macedonia according to the trade partners for the period January - October 2010 indicated to considerably improved trade with the European Union (EU), so the deficit in the trade of goods narrowed by Euro 139.5 million on annual basis. Out of totally twenty seven EU members, the RM realized improvement of the balances in the trade with totally nineteen EU member-states, out of which with eight member-states surplus was realized. In conditions of considerable export rise, the position of net exporter to Germany, Spain, Bulgaria and Netherland was returned, whereas more considerable deficit narrowing in the trade of goods was realized with Italy, Slovenia, Poland, Finland, Lithuania and Austria. On the other hand, considerable deficit rise was registered in the trade with Great Britain. Opposite to the improved trade with the EU, the deficit in the trade with the developing countries broadened in the analyzed period (mostly because of the higher import of crude oil from Russia and of hot-rolled products from Ukraine), and the surplus with the countries from Western Balkans registered marginal increase (which was mostly due to the high surplus in the trade with Kosovo). The cumulative deficit in the trade with Greece in the first ten months of 2010 reached up to Euro 113.3 million, which represented broadening by Euro 36.3 million on

annual basis. The export of goods (of textile and of iron and steel) reduced, whereas the import registered annual rise (mainly in the crude oil and greases).

In October 2010, the real effective exchange rate of the Denar (REER) calculated by the consumer price index appreciated by 1.0% on monthly basis, because of the appreciation of the nominal effective exchange rate (NEER) of 1.1%, whereas on annual and on cumulative basis it continued to depreciate slowly (by 1.2% and 2.8%, respectively). **The REER deflated with the producer prices registered more intensive monthly appreciation of 1.4%.** On annual basis this index registered appreciation (by 1.6% and by 1.0%, respectively), which was due to the negative price ratio, i.e. to the more intensive rise in the prices of the domestic producers than the price growth of the foreign producers of industrial products.

Figure 14

NEER, relative prices and REER by the consumer prices and the producer prices (2006=100)

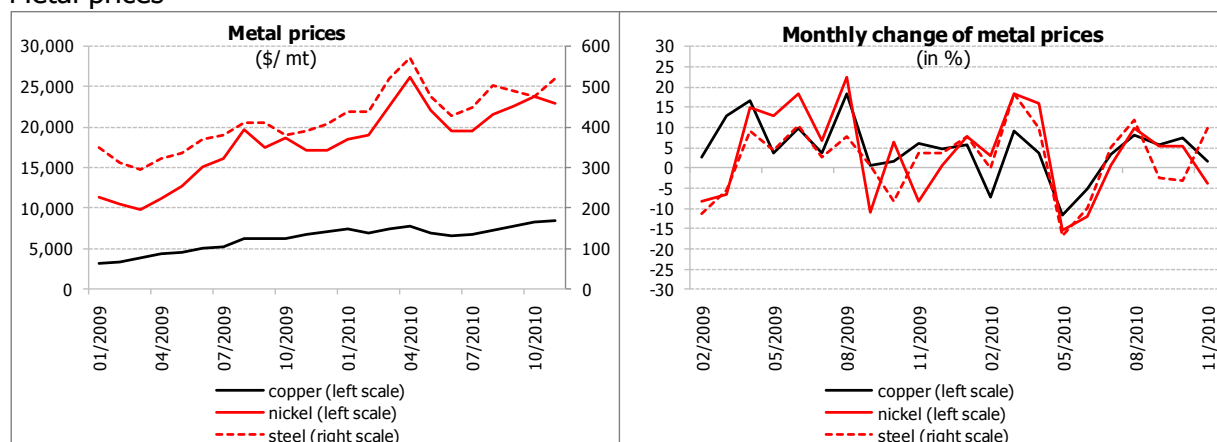


Source: NBRM, IFS, for December 2010 and SSO of the Republic of Macedonia. For those countries for which there are no IFS data, the information are from the web sites of the adequate central banks, or EUROSTAT.

In November 2010, the development of the metal prices was determined by the higher import demand of the Chinese economy, fall in the reserves, as well as the

restricted offer on the international markets. The average price of the copper in November registered monthly rise of 1.8% which was due to the drop in the reserves, the output fall in the mines, as well as due to the anticipations for potential influence of the stock exchanges on the copper price. In November, the average nickel price registered monthly fall of 3.7%, which was due to the rise in the reserves and anticipations for broadening in the producing facilities in 2011. In November, the monthly rise in the steel price amounted to 9.8%, which reflected the higher monthly output of steel in China, but also the rise in the input prices for production.

Figure 15
Metal prices



Source: Bloomberg.

5. MONETARY AGGREGATES

In November 2010, the **reserve money**¹⁸ registered annual rise of 6.4% (7.5% in October 2010) with simultaneous rise in both components. Therefore, the total liquid assets of banks in November rose by 6.6% on annual basis (5.9% in the previous month), whereas the annual rise in the currency in circulation¹⁹ amounted to 6.1% (opposite to 10.2% in October). On monthly basis, the currency in circulation reduced by 2.4%, in conditions of simultaneous drop in the currency in circulation (by 2.6%) and the total liquid assets of banks (by 2.3%).

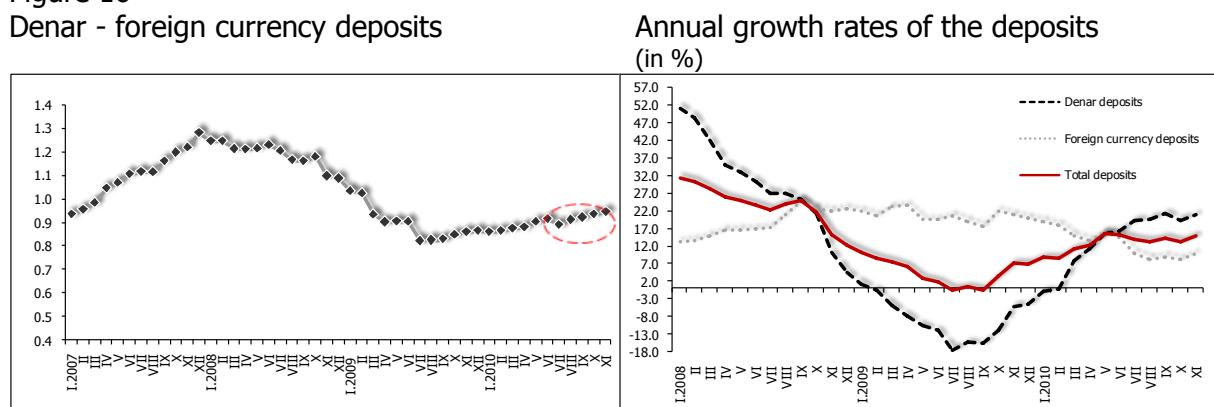
Analyzed with respect to the flows of creating and withdrawing reserve money, in November, the largest influence in direction of drop in the reserve money came from the CB bills (through which liquidity in the amount of Denar 1.425 million was withdrawn) and the Government deposits with NBRM (which rose by Denar 706 million). The foreign currency transactions of NBRM (Denar 670 million) acted towards increase in the reserve money. The category "other items" (of Denar 296 million) acted towards rise in the reserve money in November as well.

¹⁸ Includes the currency in circulation (including the cash in the vaults of banks), the reserve requirements in denars and in foreign currencies and the excess of liquid assets over the reserve requirements (in denars). Without the reserve requirements, in November 2010 the reserve money rose by 6.3%, on annual basis.

¹⁹ Includes the cash in the banks' vaults.

On cumulative basis, within the period January - November 2010, the foreign currency transactions of NBRM represented the main flow of creating reserve money (realized total net purchase of foreign currencies in the amount of Denar 8.676 million), and the change with the other items contributed to the same direction as well (with Denar 3.137 million). The CB bills and the Government deposits within this period represented flow of withdrawing reserve money (in the amount of Denar 10.233 million and Denar 1.121 million, respectively)²⁰. The cumulative change in the category "other items" reflected mostly the drop in the balance on the account of the Deposit Insurance Fund with NBRM (by Denar 1.380 million), as a result of purchasing Treasury bills in July, as well as the changes in the balance on the gyro account of the NBRM.

Figure 16
Denar - foreign currency deposits



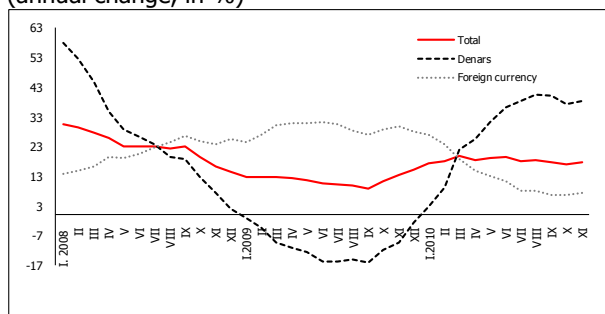
Source: National Bank of the Republic of Macedonia.

In November 2010, the **total deposit potential of banks (with the demand deposits included)**²¹ grew with considerable intensity compared to October, thus increasing by Denar 5.144 million, or by 2.5% (opposite to the rise of Denar 2.415 million or 1.2% in October). With respect to the currency structure of the total deposits, the Denar deposits realized more intensive growth of 3% on monthly basis, thus contributing with 58.3% to the growth in the total deposits. However, the rise in the foreign currency deposits by 2% is worth to be mentioned (opposite to 0.4% and 0.5% in October and September, respectively). Analyzed by sectors, the deposits of the private companies registered considerable monthly rise of 4.3% (opposite to the rise of 1% as it was in October). The households deposits grew with more intensive dynamics relative to October (despite the fact that the payment of the regular installment of the bond for old foreign currency saving gave certain effect on the realized rise of 1.3%), so they rose by 1.9%. However, as a result of the more intensive rise in the corporate deposits, the contribution of the households deposits to the rise in the total deposits reduced on monthly basis, equaling 51.6% (opposite to 75.8% in October).

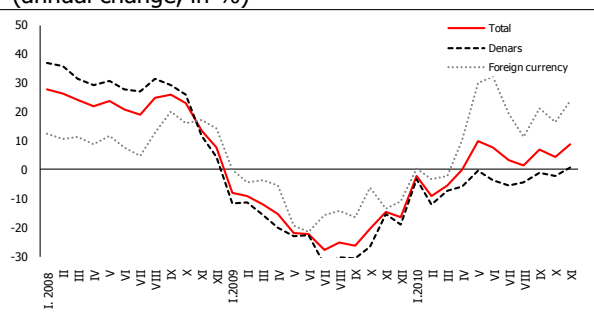
²⁰ Considering the changes in the Government deposits and Government foreign currency transactions on cumulative basis the Government influenced towards creating reserve money in the amount of Denar 2.735 million, and on monthly basis in direction of decrease in the reserve money in the amount of Denar 572 million.

²¹ Since January 2009, the deposits include also the accrued interest.

Figure 17
Households' deposits
(annual change, in %)



Enterprises' deposits
(annual change, in %)

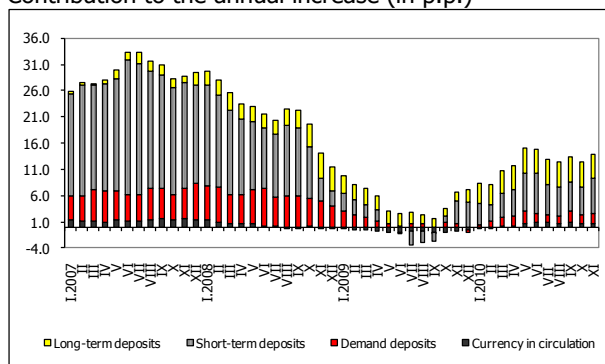


Source: National Bank of the Republic of Macedonia.

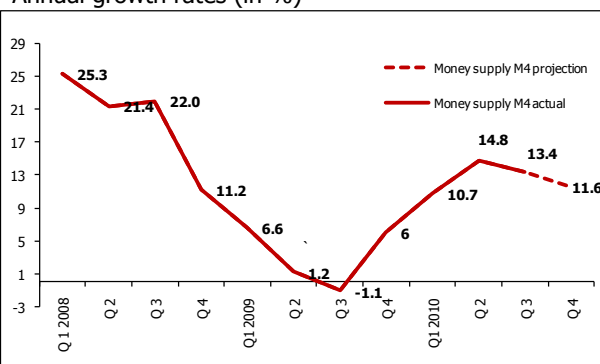
On annual basis, the rise in the total deposits with banks amounted to 15% in October, which represented intensification relative to the annual rise in the previous month (of 13.3%). The Denar deposits on annual basis rose by 20.8% (19.2% in October), thus contributing with 64.1% to the rise of the total deposits on annual basis, whereas the growth rate of the foreign currency deposits amounted to 10% (8.2% in October). With respect to the sector structure, the annual rise in the total deposits resulted mainly from the households deposits (contribution of 77.7%) which in November realized annual growth rate of 17.8% (17% in the previous month), with rise in the Denar and foreign currency deposits being registered of 38.5% and 7.2%, respectively. The deposits of enterprises²² rose by 8.7%, on annual basis, which indicated to more intensive annual rise relative to the previous month (4.4%) and it resulted mainly from the higher rise in the foreign currency deposits (23.7%). However, with the corporate deposits, the moderate growth in the Denar deposits (of 0.7%) is worth to be mentioned, as it happened for the first time since December 2008.

Figure 18
Money supply M4

Contribution to the annual increase (in p.p.)



Annual growth rates (in %)



Source: National Bank of the Republic of Macedonia.

In November 2010, the annual growth rate of the **broadest money supply M4²³** amounted to 13.7% (opposite to 12.3% in October), and the projection for the end of the

²² In November, the total deposits of enterprises (private and public) rose by 8.3%, on annual basis, opposite to the annual rise of 3.9% in October.

²³ The analysis pertains to the money supply M4 with included accrued interest on deposit liabilities.

fourth quarter envisaged for the annual rise in the money supply to amount to 11.6%. Considering the movements with the money supply M4 registered so far, until the end of the year it is possible for the money supply M4 to exceed the projected growth rate. Compared to the end of 2009, the broadest money supply in November 2010 was higher by 10.5%.

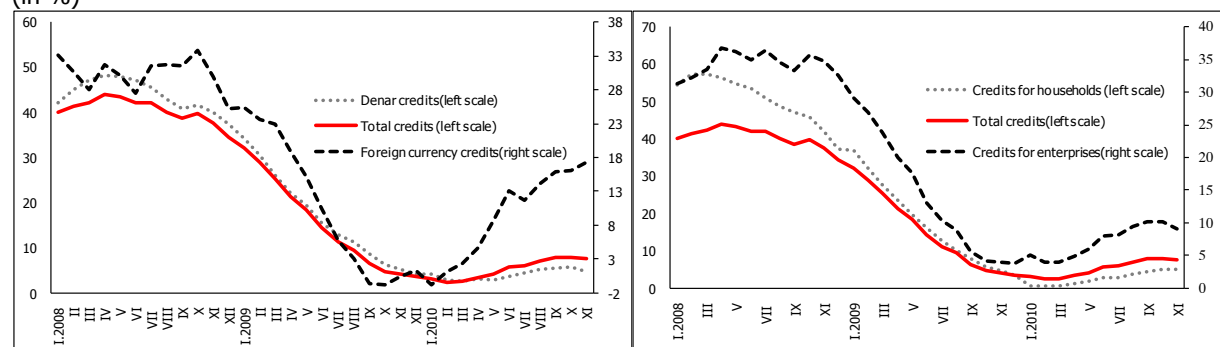
6. BANKS' CREDITS

In November 2010, the total banks' credits to the private sector rose by Denar 768 million, or by 0.4% on monthly basis (same growth intensity as in the previous month). The new crediting in November was solely in foreign currency, so the foreign currency credits realized monthly rise of 2.4%, opposite to 0.6% in the previous month. On the other hand, the first drop in the Denar credits was registered on monthly basis at the beginning of the year (by 0.2%), opposite to the rise of 0.3% in October.

With respect to the individual sectors, in November 64.3% of the rise of the total credits were distributed to the corporate sector. In this period, credits in the amount of Denar 494 million were placed to the enterprises (monthly rise of 0.4%), opposite to the placed Denar 275 in the previous month. In the period January - November, on cumulative basis, the rise in the crediting to the corporate sector amounted to Denar 7.813 million, or by 7.4%. With respect to the crediting of the households, the credits placed to this sector realized monthly rise of 0.4%, opposite to 0.6% in October. Analyzed by certain types of credits, the monthly rise in the total credits to households in November was caused by the higher level of granted consumer and housing credits (rise of Denar 294 and 222 million, respectively). Also, the negative balances on the current accounts registered rise in the amount of Denar 55 million. The other categories of credits to households, as the car credits, credit cards and suspicious and contested claims registered monthly drop. In the period January - November 2010, on cumulative basis, Denar 4.138 million were placed with the households which represented rise of 5.8%.

Figure 19

Annual growth rates in the credits to the private sector by the currency and sector structure (in %)



Source: National Bank of the Republic of Macedonia.

In November 2010, slowing down in the **annual growth rate in the total credits** of 7.5% was registered, opposite to 8% in the previous month, which can be partially explained by the higher comparison basis. With respect to the currency structure, the Denar and foreign currency credits gave almost equal contribution to the annual rise in the total credits in November. Annual rise of 4.8% and 17.3% was registered with the Denar and foreign

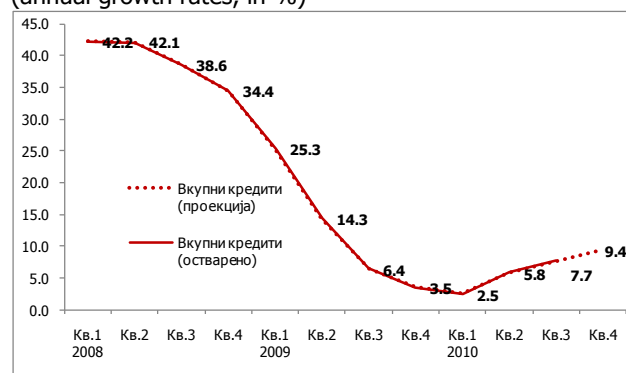
currency credits, respectively, opposite to 5.7% and 16% in the previous month. Analyzed by sectors, in November the household credits and the credits to enterprises rose by 5.2% и 9.1%, respectively, on annual basis (with contribution of the corporate credits of 72.1% to the annual rise in the total credits), opposite to the annual rise in October of 4.9% and 10.2%, respectively.

Until the end of the fourth quarter of 2010, the projection in October envisaged for the credit activities of banks to continue to grow, so for the end of 2010 annual growth rate of 9.4% was envisaged. The movements on the credit market registered so far indicated a possibility for slower credit growth at the end of 2010 relative to the projections.

Figure 21

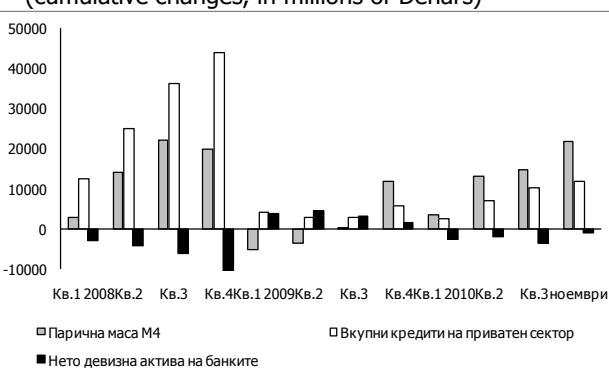
Private sector credits

(annual growth rates, in %)



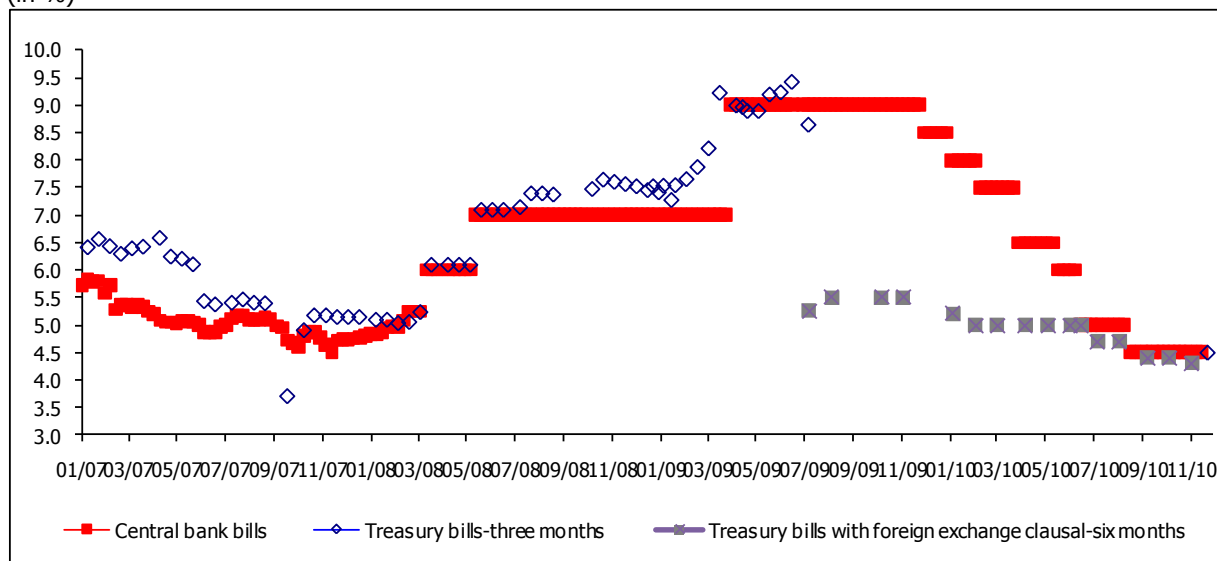
Sources of finance

(cumulative changes, in millions of Denars)*



In the period 01-14.12.2010, the **weighted interbank interest rate** amounted to 2.81% (2.60% in November 2010). In the period 01-15.12.2010, the average quoted interbank interest rate - **SKIBOR** amounted to 2.94% (over night), 3.91% (one week), 4.63% (one month) and 5.49% (three months), opposite to 2.89%, 3.86%, 4.75% and 5.58%, for the respective maturities in November. In the period 01-14.12.2010, the weighted interbank interest rate for concluded transactions over night - **MKDONIA** amounted to 2.79%, opposite to 2.41% in November 2010.

Figure 22
Nominal interest rates
(in %)

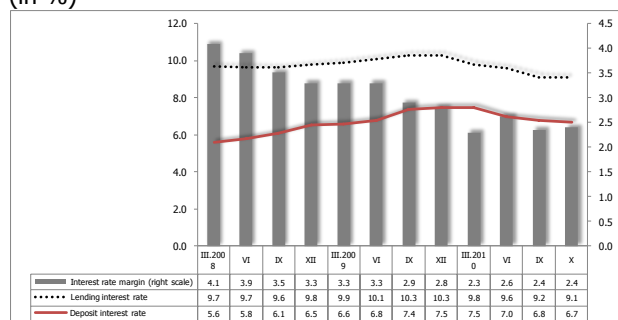


Source: National Bank of the Republic of Macedonia.

In October, **the interest rate of the total Denar credits and deposits** reduced to 9.1% and 6.7%, respectively, opposite to 9.2% and 6.8%, in the previous month. Within the set of lending Denar interest rates, the interest rates of the short-term and the long-term credits without FX clause granted to enterprises registered more considerable change, i.e. drop of 0.2 percentage points, respectively. With the deposit interest rates, more considerable changes were registered with the interest rates of the short-term deposits without FX clause of enterprises, as well as the long-term deposits without FX clause of households, so fall of 0.2 percentage points was registered, respectively. In October, **the weighted interest rates of the foreign currency credits and foreign currency deposits** maintained the same level as in the last months (last change in July) thus equaling 7.4% and 3%, respectively. In October, **the interest rate of the newly extended Denar credits²⁴ and the newly received deposits** amounted to 9.1% and 3.7%, respectively, opposite to 9.3% and 3.8%, respectively. In October, **the interest rates of the newly extended foreign currency credits and the newly received deposits** amounted to 7.8% and 1.1%, respectively (opposite to 7.4% and 1%, respectively, in the previous month).

²⁴ The changes in the interest rates of the newly extended credits and newly received deposits were more intensive, as a result of the influence by the type of credits or deposits which dominated in the respective month, and they can differ considerably from the previous structure of credits and deposits.

Figure 23
Interest rate of the total Denar credits and deposits and interest spread (in %)



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

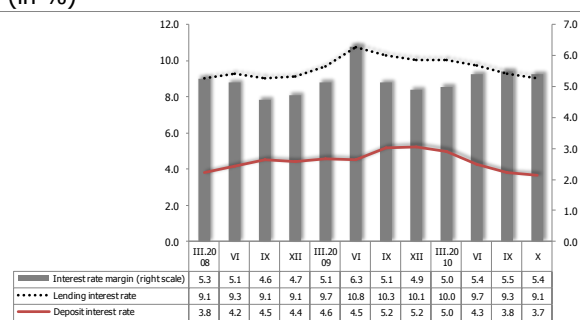
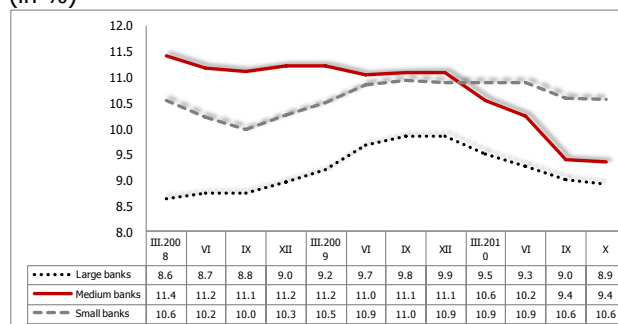


Figure 24
Interest rate of the Denar credits by groups of banks (in %)



Interest rate of the Denar deposits by groups of banks (in %)

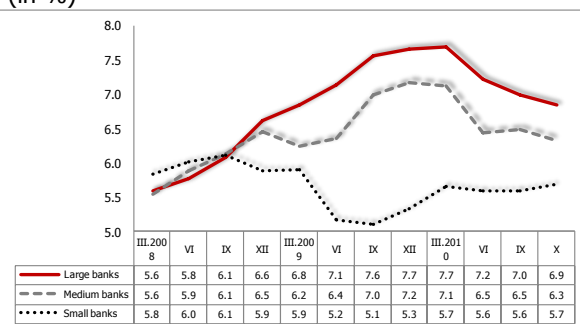
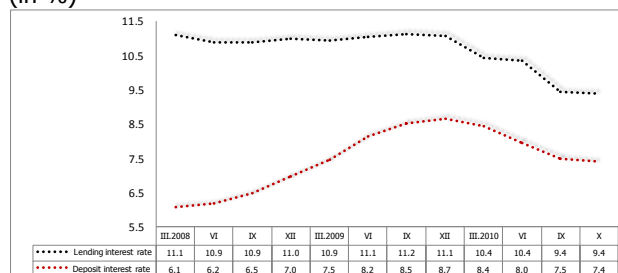
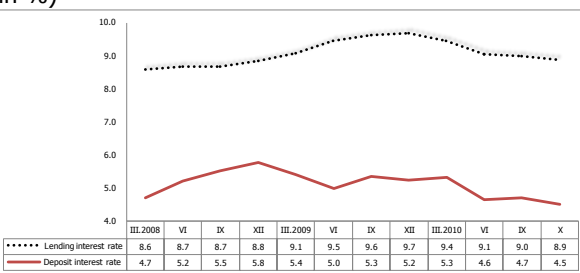


Figure 25
Interest rate of the Denar credits and deposits to households (in %)



Interest rate of the Denar credits and deposits to 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		
	XI.2010 X.2010	XI.2010 XI.2009	I-XI.2010 I-XI.2009	XI.2010 X.2010	XI.2010 XI.2009	I-XI.2010 I-XI.2009
Total	0.4	2.9	1.4	0.4	2.9	1.4
Food	0.5	3.4	0.0	0.2	1.3	0.0
Grain products	0.3	1.0	-2.0	0.0	0.1	-0.1
Fresh and processed vegetables	3.8	3.5	0.0	0.2	0.2	0.0
Fresh and processed fruits	-3.7	8.1	-0.2	-0.1	0.2	0.0
Meat and poultry	0.4	0.9	1.1	0.0	0.1	0.1
Fresh and cooked fish	0.8	-1.3	-2.2	0.0	0.0	0.0
Dairy products	0.1	2.9	0.6	0.0	0.2	0.0
Eggs	1.2	0.2	-7.3	0.0	0.0	-0.1
Oils and fats	0.7	29.5	2.2	0.0	0.5	0.0
Tobacco and beverages	0.1	0.9	0.4	0.0	0.1	0.0
Clothing and footwear	0.2	1.5	0.8	0.0	0.1	0.1
Housing	0.3	5.9	5.1	0.1	1.0	0.8
Flat (rent, water and other services)	1.3	3.0	0.4	0.0	0.1	0.0
Fuel and lighting	0.0	8.9	8.7	0.0	0.8	0.8
Heating and services	0.1	7.3	6.5	0.0	0.2	0.2
Electric power	0.0	9.8	9.8	0.0	0.6	0.6
Hygiene and health	0.8	0.6	0.3	0.1	0.1	0.0
Culture and entertainment	0.4	0.3	0.4	0.0	0.0	0.0
Transport and communication services	0.3	2.5	3.7	0.0	0.3	0.5
Fuels and lubricants	1.0	12.5	19.5	0.0	0.4	0.6
Public transport services & PTT	0.0	-1.7	-1.6	0.0	-0.1	-0.1
Restaurants and hotels	0.2	2.2	0.2	0.0	0.1	0.0
Other services n.e.c.	0.0	-6.1	-5.6	0.0	0.0	0.0

Source: State Statistical Office of the Republic of Macedonia.

Table 2
Basic inflation, productivity and wages

(annual rates, %)	2007	2008	2009	2009				2010			Latest months		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Sep-10	Oct-10	Nov-10
Inflation (CPI)	2.3	8.3	-0.8	0.9	-0.6	-1.4	-2.1	0.5	1.1	1.8	2.0	2.7	2.9
Inflation (CPI) - cumulative average	2.3	8.3	-0.8	0.9	0.1	-0.4	-0.8	0.5	0.8	1.0	1.1	1.3	1.4
Core inflation (excluding food and energy)	0.6	2.6	0.3	1.5	0.3	0.1	-0.6	-0.2	0.1	0.2	-0.2	0.2	0.8
Regulated prices	3.3	9.3	-1.9	-1.6	-1.8	-3.3	-0.7	12.9	11.9	9.9	9.5	10.7	9.8
Industrial producer prices	2.6	10.3	-6.5	-6.2	-8.8	-10.1	-0.4	7.5	9.6	7.7	7.8	8.7	7.1
Productivity	2.3	1.8	-4.1	-3.8	-6.6	-5.4	-0.6	-0.8	1.9	-	-	-	-
Nominal net-wage*	7.9	10.4	9.8	12.7	13.4	8.9	4.5	3.3	2.2	2.9	2.5	-	-
Real net-wage*	5.5	1.9	10.8	11.8	14.1	10.4	6.8	2.8	1.1	1.1	0.5	-	-

*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, %)	2007	2008	2009	2009				2010			Latest months		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug-10	Sep-10	Oct-10
Gross domestic product	6.1	5.0	-0.9	-1.1	-1.9	-1.9	1.6	-1.1	0.4	-	-	-	-
Industrial output	3.7	5.5	-7.7	-10.8	-13.2	-13.1	7.5	-9.4	-1.6	-2.4	-1.5	-11.9	-4.4
Construction	7.6	25.6	13.7	0.0	14.7	12.6	20.3	7.6	-7.4	35.9	48.9	5.5	-
Retail and wholesale trade	23.1	11.8	-7.4	-8.7	-11.0	-8.8	-1.3	3.9	6.1	9.6	10.5	5.7	-
Telecommunications	15.6	8.9	6.6	7.4	5.7	8.3	4.9	17.3	18.8	15.9	15.2	18.5	-

Source: State Statistical Office of the Republic of Macedonia.

Table 4
Selected industrial branches

Selected industrial activities (annual rates, %)	2007	2008	2009	2009				2010			Okt. 10	
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	change, %	contribution, p.p.
Mining and quarrying	9.8	9.9	-12.3	-12.6	-19.2	-11.3	-6.5	-5.8	0.2	4.9	-7.9	-0.4
Manufacture of food products and beverages	7.7	7.6	-2.1	-2.5	-0.1	-1.8	-3.9	2.3	-1.0	7.3	-5.2	-0.9
Manufacture of tobacco products	-0.8	1.9	-3.2	-2.1	2.6	-5.5	-9.4	15.4	-14.0	29.0	33.0	1.5
Manufacture of wearing apparel	-14.5	-20.4	-11.7	-23.7	-16.9	-1.6	-3.5	-6.4	12.3	10.8	24.2	1.4
Printing	-12.2	59.4	34.6	2.6 times	54.4	-2.7	-15.2	-49.5	-43.7	9.5	-0.4	0.0
Manufacture of refined petroleum products	-2.4	1.6	-8.9	9.2	-27.2	-36.3	25.9	-49.1	10.1	14.8	-10.5	-0.5
Manufacture of other non-metallic mineral products	3.8	-3.2	-12.1	-17.0	-4.3	-11.8	-19.3	-27.7	-23.6	-3.1	-0.1	0.0
Manufacture of basic metals	34.3	-6.6	-42.1	-61.6	-52.3	-42.2	13.4	48.1	15.5	18.2	20.2	1.9
Manufacture of fabricated metal products	45.6	51.4	38.5	35.0	-12.9	-2.8	2.9 times	-55.6	20.2	-63.4	-60.4	-9.3
Manufacture of electrical machinery and equipment	-24.4	25.8	-29.0	1.0	-13.5	-51.6	-53.1	-55.5	-62.6	13.7	39.7	0.5
Manufacture of other transport equipment	33.4	-18.4	-46.4	-60.5	-71.5	-21.0	24.2	7.1	-11.9	31.6	7.4 times	1.3
Recycling*	-35.6	117.1	-11.6	-74.2	-10.6	7.6	97.9	3.3 times	57.9	23.6	12.7	0.1
Electricity, gas, steam and hot water supply	-9.5	-3.1	8.8	-1.6	15.6	10.4	14.2	19.0	38.5	6.9	-8.1	-0.9

Source: State Statistical Office of the Republic of Macedonia.

Table 5
Indicative variables for private consumption and investment

(real annual growth rates, %)	2007	2008	2009	2009				2010			Latest months		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug-10	Sep-10	Oct-10
Retail trade*	14.439	3.140	-3.007	-4.1	-3.7	-3.8	-0.6	1.1	1.7	5.5	9.0	-0.6	-
VAT revenues*	18.281	1.437	-1.968	-8.5	-14.1	-3.9	20.2	0.1	23.4	5.6	12.4	-4.2	-2.2
Imports of consumption goods*	19.424	7.860	-5.409	-0.2	-9.5	-6.6	-4.6	2.6	16.5	19.9	23.0	18.9	-1.5
Domestic production of consumption goods	-1.525	6.718	-2.783	4.5	0.2	-5.5	-8.3	-10.4	-8.1	10.0	11.6	14.5	6.0
Imports of capital goods*	36.853	22.268	-6.440	24.1	-11.3	-9.8	-20.2	-35.4	-12.2	1.4	15.0	8.4	-20.4
Completed construction works*	4.909	16.271	14.831	-0.9	15.3	14.0	22.8	7.3	-8.2	33.1	45.7	3.0	-
Domestic production of capital goods	19.655	-1.277	-24.453	-24.9	-40.1	-19.3	-6.8	-34.1	-24.9	-23.0	-24.0	-26.9	1.4

* 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)

	2009					2010												
	Кв.1	Кв.2	Кв.3	Кв.4	Вкупно	1	2	3	4	5	6	7	8	9	Кв.1	Кв.2	Кв.3	
I. Тековна сметка	-315.89	-96.32	58.69	-95.74	-449.26	-41.84	-18.90	-13.58	-38.99	-4.69	0.65	24.59	2.04	57.54	-74.33	-43.03	84.18	
I. Тековна сметка (без реинвестирана и нерспределена добивка)	-344.30	-124.74	30.27	-124.15	-562.92	-29.45	-13.72	-2.03	-31.32	1.62	-1.92	28.62	-31.20	67.17	-45.20	-31.62	64.59	
A. Стоки	-446.60	-339.12	-301.03	-464.34	-1,551.10	-87.14	-92.46	-117.14	-156.81	-112.12	-122.83	-113.04	-146.62	-59.48	-296.74	-391.76	-319.15	
- Извоз на стоки, ф.о.б	400.26	491.26	532.41	496.99	1,920.92	133.81	158.48	190.12	182.73	206.84	226.42	232.56	202.84	249.00	482.42	615.99	684.40	
- Увоз на стоки, ф.о.б /2	-846.86	-830.38	-833.44	-961.33	-3,472.02	-220.95	-250.95	-307.26	-339.54	-318.96	-349.25	-345.61	-349.46	-308.48	-779.16	-1,007.76	-1,003.55	
B. Услуги	-0.99	-1.22	23.27	6.96	28.03	1.44	0.91	3.86	3.52	6.87	11.31	7.31	6.56	-1.86	6.21	21.70	12.01	
B. Доход	2.84	-15.79	-62.79	17.24	-58.49	-28.93	-8.73	-5.02	-5.75	-7.72	-7.76	-19.46	-3.91	-4.95	-42.69	-21.23	-28.32	
Г. Тековни трансфери	128.85	259.80	399.24	344.40	1,132.30	72.79	81.38	104.72	120.05	108.29	119.92	149.79	146.00	123.84	258.89	348.25	419.63	
1. Држава - официјални трансфери	5.30	6.04	3.97	20.25	35.55	0.24	2.33	1.68	8.70	1.15	4.33	2.35	2.75	1.82	4.26	14.18	6.92	
2. Останати сектори - приватни трансфери	123.56	253.77	395.27	324.15	1,096.75	72.54	79.05	103.04	111.35	107.14	115.60	147.43	143.26	122.01	254.64	334.08	412.71	
II. Капитална и финансиска сметка	297.31	108.20	-68.13	88.67	426.05	35.64	17.94	7.97	44.20	-4.45	-1.09	-12.41	-7.41	-49.91	61.55	38.66	-69.72	
A. Капитална сметка	0.84	1.78	15.24	2.31	20.16	0.13	0.34	0.45	1.18	0.70	1.27	1.52	1.05	-0.16	0.92	3.14	2.41	
1. Капитални трансфери	0.84	1.78	7.73	2.31	12.66	0.13	0.34	0.45	1.18	0.70	1.27	1.52	1.05	-0.16	0.92	3.14	2.41	
1.1. Држава - Официјални	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1.2. Останати сектори - Приватни	0.84	1.78	7.73	2.31	12.66	0.13	0.34	0.45	1.18	0.70	1.27	1.52	1.05	-0.16	0.92	3.14	2.41	
Стекување/располагање со неизпроизводни нефинансиски средства	0.00	0.00	7.51	0.00	7.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
B. Финансиска сметка	296.47	106.42	-83.37	86.36	405.88	35.50	17.60	7.53	43.02	-5.14	-2.36	-13.93	-8.46	-49.75	60.63	35.52	-72.13	
1. Директни инвестиции	24.69	71.42	41.83	-1.03	136.91	37.19	-22.86	28.87	24.55	29.03	14.32	-48.24	32.82	14.61	43.20	67.90	-0.81	
2. Портфолио инвестиции	-19.28	-12.52	148.66	-12.85	104.02	-1.57	-3.03	3.62	-4.21	-3.32	-12.03	-2.95	-3.18	-6.71	-0.98	-19.56	-12.84	
3. Останати инвестиции	38.27	-4.73	49.16	151.62	234.32	17.98	28.55	-39.15	43.48	-23.49	9.78	9.22	16.07	-75.26	7.39	29.77	-49.97	
3.1. Средства	-17.03	-6.45	-65.81	-17.76	-107.05	53.43	20.08	-1.77	-42.10	-72.36	20.12	-29.18	32.48	-20.04	71.74	-94.33	-16.74	
3.1.1. Трговски кредити	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.1.2. Заеми	-3.12	-9.88	-3.77	-2.33	-19.11	2.00	-0.08	0.35	0.41	-0.59	1.52	2.11	-0.41	0.53	2.27	1.34	2.23	
3.1.3. Валути и депозити	-14.08	3.42	-61.74	-15.67	-88.08	51.40	20.13	-2.06	-42.62	-71.72	18.67	-31.30	32.86	-20.46	69.46	-95.67	-18.90	
3.1.3.1. Монетарна власт	-3.58	0.97	1.72	0.92	0.02	0.09	0.00	0.09	0.00	0.04	0.00	0.37	0.00	0.15	0.18	0.04	0.52	
3.1.3.2. Држава	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.1.3.3. Банки	-47.98	-1.27	-42.92	6.12	-86.05	56.69	29.88	8.99	-32.48	-55.49	29.74	-30.11	33.80	-17.51	95.56	-58.23	-13.82	
3.1.3.4. Останати сектори	37.48	3.72	-20.54	-22.71	-2.05	-5.39	-9.75	-11.14	-10.14	-16.27	-11.07	-1.56	-0.94	-3.10	-26.28	-37.48	-5.60	
3.1.4. Останати средства	0.17	0.02	-0.30	0.24	0.14	0.03	0.04	-0.05	0.11	-0.05	-0.07	0.01	0.03	-0.11	0.01	-0.01	-0.07	
3.2. Обврски	55.30	1.71	114.97	169.38	341.37	-35.45	8.47	-37.38	85.58	48.87	-10.34	38.40	-16.41	-55.22	-64.36	124.10	-33.23	
3.2.1. Трговски кредити	54.17	-16.27	-18.67	138.40	157.63	7.06	-10.66	-13.37	40.94	11.12	-20.87	-12.95	1.80	-55.19	-16.98	31.19	-66.34	
3.2.2. Заеми	0.50	3.53	-1.17	67.04	69.89	-7.15	0.50	-24.01	53.65	33.13	11.24	30.35	-3.90	-1.48	-30.67	98.02	24.97	
3.2.3. Валути и депозити	-5.47	9.84	68.05	-46.43	25.99	-36.24	-1.29	-2.53	-10.77	2.27	-3.82	19.40	-16.06	-1.34	-40.06	-12.32	2.00	
а. Монетарна власт	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
б. Држава	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
в. Банки	-5.47	9.84	68.05	-46.43	25.99	-36.24	-1.29	-2.53	-10.77	2.27	-3.82	19.40	-16.06	-1.34	-40.06	-12.32	2.00	
г. Останати сектори	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3.2.4. Останати обврски	6.10	4.61	66.77	10.38	87.86	0.88	19.93	2.54	1.76	2.34	3.12	1.61	1.75	2.80	23.35	7.22	6.15	
4. Бруто официјални резерви /3 (без монетарно злато и курсни разлики)	252.79	52.24	-323.02	-51.38	-69.36	-18.09	14.93	14.18	-20.80	-7.37	-14.43	28.04	-54.16	17.61	11.02	-42.59	-8.52	
III. Нето грешки и пропусти	18.58	-11.88	9.44	7.07	23.21	6.21	0.96	5.61	-5.21	9.13	0.45	-12.19	5.37	-7.64	12.78	4.37	-14.46	

1/ Претходни податоци.

а. во ноември 2010 година извршена е ревизија на податоците за:

- 2009 година во категориите: директни инвестиции, доход и останати инвестиции - поради вклучување на податоците од годишниот прашалник за странски вложувања ДИ 22 и подобар опфат на податоците за кредитната задолженост;

- услуги и тековни трансфери за 2009 година - како резултат на подобар опфат на податоците

- 2008 година - стоки, услуги и трговски кредити, врз основа на дефинитивните податоци за надворешно - трговска размена.

2/ Увозот е прикажан на ф.о.б. паритет согласно V издание на прирачникот за платен биланс од ММФ.

Пресметката на с.и.ф. - ф.о.б. факторот како процент од увозот с.и.ф. изнесува 3,86%

3/ За 2006, 2007 и 2008 година направено е и временско прилагодување за увозот на електрична енергија.

3/ Без монетарно злато и курсни разлики

Source: National Bank of the Republic of Macedonia.

Table 7

Total Foreign Trade
(in millions of Euros)

	X.2010	I-X.2010	X.2010		X.2010		I-X.2010	
			IX.2010		X.2009		I-X.2009	
	amount		amount	%	amount	%	amount	%
Total trade	581.5	5,271.1	10.4	1.8	92.2	18.9	740.7	16.3
Export	219.4	2,005.5	-30.6	-12.2	61.0	38.5	420.5	26.5
Import	362.1	3,265.5	41.0	12.8	31.2	9.4	320.2	10.9
Balance	-142.8	-1,260.0	-71.6	100.6	29.7	-17.2	100.2	-7.4

Source: State Statistical Office of the Republic of Macedonia.

Table 8

Import of Goods (according to SITC)

Import of goods	I-X 2009	I-X 2010	y-o-y change		contributions	
	in millions of EUR		in millions of EUR	%	percentage points	%
Total	2,945.3	3,265.5	320.2	10.9	10.9	100.0
Food and live animals	329.0	334.4	5.4	1.7	0.2	1.7
<i>of which:</i>						
- meat and meat preparations	83.3	77.1	-6.2	-7.5	-0.2	-1.9
- cereals and cereal preparations	49.3	46.9	-2.3	-4.7	-0.1	-0.7
- fruits and vegetables	39.6	39.5	-0.1	-0.2	0.0	0.0
Beverages and tobacco	28.6	35.9	7.3	25.6	0.2	2.3
Crude materials, inedible, except fuels	115.2	161.7	46.5	40.3	1.6	14.5
<i>of which:</i>						
- metalliferous ores and metal scrap	65.8	111.1	45.3	68.7	1.5	14.1
Mineral fuels, lubricants and related materials	469.1	552.8	83.8	17.9	2.8	26.2
<i>of which:</i>						
- petroleum and petroleum products	351.7	431.5	79.9	22.7	2.7	24.9
- natural or industrial gas	31.8	45.1	13.2	41.6	0.4	4.1
- electric energy	79.0	60.2	-18.8	-23.8	-0.6	-5.9
Animal and vegetable oils and fats	26.9	29.1	2.2	8.2	0.1	0.7
Chemical Products	334.7	423.8	89.1	26.6	3.0	27.8
<i>of which:</i>						
- inorganic chemical products	10.1	94.6	84.5	9,4 times	2.9	26.4
- medical and pharmaceutical products	82.9	82.8	-0.1	-0.1	0.0	0.0
- chemical materials and products	37.7	39.1	1.4	3.8	0.0	0.4
Manufactured goods classified by material	701.2	810.8	109.6	15.6	3.7	34.2
<i>of which:</i>						
- textile yarn, fabrics, and related products	221.6	238.7	17.1	7.7	0.6	5.3
- non metallic mineral manufactures	67.9	81.3	13.4	19.7	0.5	4.2
- iron and steel	174.9	224.3	49.4	28.2	1.7	15.4
- non ferrous metals	30.6	67.7	37.1	121.4	1.3	11.6
- manufactures of metals	68.9	61.3	-7.6	-11.0	-0.3	-2.4
Machinery and transport equipment	707.3	676.8	-30.5	-4.3	-1.0	-9.5
<i>of which:</i>						
- power generating machinery and equipment	52.0	22.5	-29.6	-56.8	-1.0	-9.2
- general industrial machinery and equipment, n.e.s.	101.0	79.2	-21.8	-21.6	-0.7	-6.8
- road vehicles	176.3	246.9	70.6	40.0	2.4	22.0
- other transport equipment	42.7	15.8	-26.9	-63.0	-0.9	-8.4
Miscellaneous manufactured articles	229.1	236.8	7.6	3.3	0.3	2.4
<i>of which:</i>						
- furniture and parts thereof	22.6	24.4	1.8	8.0	0.1	0.6
- articles of apparel and clothing accessories	45.3	40.1	-5.2	-11.4	-0.2	-1.6
- footwear	21.7	21.7	-0.1	-0.5	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-X 2009	I-X 2010	y-o-y change		contributions	
	in millions of EUR		in millions of EUR	%	percentage points	%
Total	1,585.1	2,005.5	420.5	26.5	26.5	100.0
Food and live animals	169.6	205.6	36.0	21.2	2.3	8.6
<i>of which:</i>						
- meat and meat preparations	21.9	23.5	1.6	7.3	0.1	0.4
- cereals and cereal preparations	24.3	28.7	4.3	17.8	0.3	1.0
- fruits and vegetables	88.2	116.2	27.9	31.7	1.8	6.6
Beverages and tobacco	123.5	123.0	-0.5	-0.4	0.0	-0.1
Crude materials, inedible, except fuels	95.2	164.2	69.0	72.5	4.4	16.4
<i>of which:</i>						
- metalliferous ores and metal scrap	70.4	127.9	57.5	81.6	3.6	13.7
Mineral fuels, lubricants and related materials	112.8	162.0	49.2	43.6	3.1	11.7
<i>of which:</i>						
- petroleum and petroleum products	106.4	135.1	28.7	27.0	1.8	6.8
- electric energy	2.8	23.7	20.9	8,4 times	1.3	5.0
Animal and vegetable oils and fats	5.6	5.8	0.2	2.9	0.0	0.0
Chemical Products	95.8	199.6	103.8	108.4	6.5	24.7
<i>of which:</i>						
- medical and pharmaceutical products	37.9	42.9	5.0	13.2	0.3	1.2
- chemical materials and products	4.4	108.0	103.7	24,8 times	6.5	24.7
Manufactured goods classified by materials	453.3	607.9	154.7	34.1	9.8	36.8
<i>of which:</i>						
- iron and steel	309.1	476.6	167.5	54.2	10.6	39.8
- non ferrous metals	4.1	5.2	1.1	27.6	0.1	0.3
- manufactures of metals	46.8	33.6	-13.2	-28.2	-0.8	-3.1
Machinery and transport equipment	85.4	94.0	8.6	10.1	0.5	2.1
<i>of which:</i>						
and machine parts, n.e.s.	12.6	30.0	17.4	137.7	1.1	4.1
and electrical parts thereof	40.9	27.9	-13.0	-31.8	-0.8	-3.1
- road vehicles	13.2	18.4	5.2	39.8	0.3	1.2
Miscellaneous manufactured articles	443.4	442.2	-1.3	-0.3	-0.1	-0.3
<i>of which:</i>						
- furniture and parts thereof	18.7	20.3	1.6	8.3	0.1	0.4
- articles of apparel and clothing accessories	348.1	347.1	-1.0	-0.3	-0.1	-0.2
- footwear	49.0	48.4	-0.6	-1.2	0.0	-0.1

Source: State Statistical Office of the Republic of Macedonia.

Table 10

Trade balance of Goods (according to SITC)

Trade balance, Goods	I-X 2009	I-X 2010	y-o-y change		contributions	
	in millions of EUR		in millions of EUR	%	percentage points	%
Total	-1,360.2	-1,260.0	100.3	-7.4	-7.4	100.0
Food and live animals	-159.4	-128.8	30.6	-19.2	-2.2	30.5
<i>of which:</i>						
- meat and meat preparations	-61.4	-53.6	7.8	-12.7	-0.6	7.8
- cereals and cereal preparations	-24.9	-18.3	6.7	-26.7	-0.5	6.6
- fruits and vegetables	48.6	76.6	28.0	57.6	-2.1	27.9
Beverages and tobacco	94.9	87.0	-7.8	-8.2	0.6	-7.8
Crude materials, inedible, except fuels	-20.0	2.5	22.5	-112.5	-1.7	22.5
<i>of which:</i>						
- metalliferous ores and metal scrap	4.6	16.8	12.2	265.4	-0.9	12.2
Mineral fuels, lubricants and related materials	-356.3	-390.8	-34.6	9.7	2.5	-34.5
<i>of which:</i>						
- petroleum and petroleum products	-245.2	-296.4	-51.1	20.9	3.8	-51.0
- natural or industrial gas	-28.7	-43.1	-14.4	50.3	1.1	-14.4
- electric energy	-76.2	-36.4	39.7	-52.2	-2.9	39.6
Animal and vegetable oils and fats	-21.3	-23.4	-2.0	9.6	0.1	-2.0
Chemical Products	-238.9	-224.2	14.7	-6.2	-1.1	14.7
<i>of which:</i>						
- inorganic chemical products	-3.6	-88.2	-84.5	24,4 times	6.2	-84.3
- chemical materials and products	-33.3	68.9	102.2	-306.7	-7.5	102.0
Manufactured goods classified by material	-247.9	-202.8	45.1	-18.2	-3.3	45.0
<i>of which:</i>						
- non metallic mineral manufactures, n.e.s	-12.9	-34.5	-21.6	166.8	1.6	-21.5
- iron and steel	134.2	252.3	118.1	88.0	-8.7	117.8
- non ferrous metals	-26.5	-62.5	-36.0	135.8	2.6	-35.9
- manufactures of metals	-22.1	-27.7	-5.6	25.5	0.4	-5.6
Machinery and transport equipment	-621.9	-582.8	39.1	-6.3	-2.9	39.0
<i>of which:</i>						
- road vehicles	-163.1	-228.5	-65.4	40.1	4.8	-65.2
- other transport equipment	-39.4	-11.7	27.7	-70.3	-2.0	27.7
Miscellaneous manufactured articles	214.3	205.4	-8.9	-4.2	0.7	-8.9
<i>of which:</i>						
- furniture and parts thereof	-3.9	-4.1	-0.2	6.4	0.0	-0.2
- articles of apparel and clothing accessories	302.8	306.9	4.2	1.4	-0.3	4.2
- footwear	27.3	26.8	-0.5	-1.8	0.0	-0.5

Source: State Statistical Office of the Republic of Macedonia.

Table 11
Monetary developments

	30.11.2009	30.09.2010	31.10.2010	30.11.2010	monthly changes (30.11.2010/ 31.10.2010)		annual changes (30.11.2010/ 30.11.2009)
<i>in Denar million</i>	actual	actual	actual	actual	in Denar million	in %	in %
Brtoad money M4	201,445	221,884	224,469	229,132	4,664	2.1	13.7
Currency in cirrculation	14,470	15,945	16,068	15,585	-483	-3.0	7.7
Denar deposits ¹	88,351	100,026	102,023	105,024	3,001	2.9	18.9
Foreign currency deposits	98,624	105,914	106,378	108,523	2,146	2.0	10.0
Total deposits	186,975	205,940	208,401	213,547	5,146	2.5	14.2
Reserve money ²	44,434	45,724	48,452	47,277	-1,175	-2.4	6.4

¹Including demand deposits, deposits of municipalities and public entities.

²Including reserve requirement in foreign currency.

	30.11.2009	30.09.2010	31.10.2010	30.11.2010	monthly changes (30.11.2010/ 31.10.2010)		annual changes (30.11.2010/ 30.11.2009)
<i>in Denar million</i>	actual	actual	actual	actual	in Denar million	in %	in %
Credit to the private sector	176,889	188,609	189,365	190,133	768	0.4	7.5
In Denar	138,212	144,577	145,072	144,779	-293	-0.2	4.8
In Foreign currency	38,676	44,032	44,292	45,354	1,061	2.4	17.3
Banks' net foreign assets	-881	-2,245	-1,296	563	1,859	-143.5	-163.9

Source: National Bank of the Republic of Macedonia.

Table 12
Monetary aggregates
(in %)

	end of period to the end of previous period												annual change (in %)													
	2008				2009				2010								2009				2010					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	october	november	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	october	november
in %																										
M0	-8.8	13.5	-0.02	4.4	-10.2	1.7	11.8	10	-4.3	7.9	-3.7	6.0	-2.4	16.6	22.2	19.6	8.0	6.4	-4.7	6.6	12.4	19.8	27.1	9.5	7.5	6.4
M1	-5.9	11.2	1.50	7.8	-13.5	1.8	0.6	9.1	-3.7	4.5	2.4	-0.01	0.4	24.3	30.2	22.2	14.5	5.2	-3.6	-4.5	-3.5	7.4	10.3	12.2	9.5	10.1
M4	1.6	6.3	4.3	-1.2	-2.6	0.8	2.0	5.9	1.7	4.6	0.7	1.2	2.1	25.3	21.4	22.0	11.2	6.6	1.2	-1.1	6	10.7	14.8	13.4	12.3	13.7
M4-denar	-1.4	6.6	2.0	-3.2	-9.5	-0.7	-1.7	8.3	1.4	6.6	0.5	1.8	2.1	33.5	24.7	20.0	3.9	-4.7	-11.3	-14.5	-4.4	7.04	15.0	17.6	16.2	17.3

Source: National Bank of the Republic of Macedonia.

Table 13

Deposits of the private sector*

(in millions of denars)

		Balance as of 30.11.2010	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
Total deposits		211,217	5,145	2.5	27,570	15.0
In Denar	Households	56,399	1,523	2.8	15,673	38.5
	Enterprises	32,342	1,525	4.9	231	0.7
	Total	102,694	2,999	3.0	17,671	20.8
In Foreign currency	Households	85,453	1,131	1.3	5,767	7.2
	Enterprises	21,196	696	3.4	4,066	23.7
	Total	108,523	2,146	2.0	9,900	10.0
Total households deposits		141,852	2,654	1.9	21,441	17.8
Total enterprises deposits		53,538	2,221	4.3	4,297	8.7

* the Denar deposits do not include the deposit money.

Source: National Bank of the Republic of Macedonia.

Table 14

Credits to the private sector

(in millions of denars)

		Balance as of 30.11.2010	monthly changes		annual changes	
			in Denar million	in %	in Denar million	in %
Total credit to the private		190,133	768	0.4	13,244	7.5
In Denar	Households	71,257	194	0.3	2,815	4.1
	Enterprises	73,396	-480	-0.7	3,764	5.4
	Total	144,779	-293	-0.2	6,567	4.8
In Foreign currency	Households	4,740	109	2.4	908	23.7
	Enterprises	40,577	974	2.5	5,786	16.6
	Total	45,354	1,061	2.4	6,677	17.3
Total credit to the households		75,997	303	0.4	3,723	5.2
Total credit to the enterprises		113,973	494	0.4	9,550	9.1

Source: National Bank of the Republic of Macedonia.

Table 15

Interest rates

	Nov-10	monthly changes	annual changes
	in %	in percentage points	
Average weighted interest rate on the CB bills auctions (28 days)	4.50	0.0	-4.5
Average weighted interest rate on the Money Market	2.41	-0.04	-3.7
Interest rate on three-month treasury bills	4.50	/	/
	Oct-10	monthly changes	annual changes
	in %	in percentage points	
Banks' weighted lending interest rates	9.1	-0.1	-1.2
Banks' weighted deposit interest rates	6.7	-0.1	-0.7

Source: National Bank of the Republic of Macedonia.