

National Bank of the Republic of North Macedonia

MONETARY POLICY AND RESEARCH DEPARTMENT



Recent Macroeconomic Indicators Review of the Current Situation

December 2021

Recent Macroeconomic Indicators

Review of the Current Situation – Implications for the Monetary Policy

The review of the current situation aims to give an overview of the recent macroeconomic data (September- November 2021) and to make a comparison with the latest macroeconomic forecasts (October 2021). This will determine the extent to which the current situation in the economy corresponds to the expected movements of the variables in the latest round of forecasts. The review focuses on the changes in external assumptions and performances of domestic variables and the effect of these changes on the environment for monetary policy conduct.

The latest information from the international organizations indicate moderate and uneven recovery of the global economy in the forecast horizon, with a minimal downward correction of the global growth for 2021, while the forecast for 2022 is unchanged. However, the uncertainty in terms of the future global growth remains high, and the risks over the forecast remain mostly downward in the short term. The main *downward risk* remains related to the future course of the pandemic, with a concern that the unsatisfactory dynamics in the process of mass vaccination globally and possible inefficiency of the current vaccines to new coronavirus variants, especially in conditions of global spread of the new omicron variant, could lead to stricter restrictive measures for the population and businesses, deterioration of the global trade flows and more pronounced disturbance of the global supply chains. Possible premature and more pronounced tightening of the monetary policy in developed countries may be an additional risk, with adverse effects on the emerging highly indebted countries. Moreover, if the growth trend of the world energy prices continues under the influence of the supply side limiting factors on the energy markets, it would have a negative impact on the recovery of the global economic activity. On the other hand, a *positive risk* is the possible intensification of the vaccination process globally, which would increase the confidence of economic agents and encourage the use of excessive savings acquired during the pandemic, and thus encourage private consumption and investments. In terms of the **economic developments in the euro area**, as our major trading partner, the preliminary GDP projections for the third quarter of 2021 show an annual growth of 3.9%, which is more moderate compared to the high growth in the second quarter, due to low base effect (14.4%). The latest surveys on indicators of economic agents' confidence for November are slightly less favorable compared to the previous month, which is almost entirely due to significant decline in consumer trust, compared to the improvement in retail, construction and services sector. However, the level is still above average, which indicates further recovery of the economy and potentially rapid annual GDP growth in the fourth quarter. Our most important individual trading partner, Germany, registered a slowdown of the economic growth in the third quarter, which equaled 2.6% on an annual basis (10% in the previous quarter). The surveys in Germany indicate a slowdown of the activity in November, similar to the developments in the euro area. According to the initial announcements, the conditions on the labor market in the euro area continued to improve at the beginning of the fourth quarter, whereby the unemployment rate in October reduced to 7.3% (from 7.4% in September and 7.5% in the third quarter). Regarding the inflation in the euro area, the estimated data for November show its further acceleration, with a price growth of 4.9% annually (4.1% in October). Moreover, such performance is mostly due to the growth of energy inflation of 27.4% (23.7% in October), influenced by higher global oil prices, with an additional contribution by rapid core inflation (from 2% to 2.6%) and food inflation (from 1.9% to 2.2%). According to the latest estimates, **the one-month EURIBOR interest rate** in 2021 and 2022 is expected to be on a similar level as in the October forecast, while a slight upward revision is made for 2023.

Analyzing the quantitative external environment indicators important for the Macedonian economy, the forecasts for the foreign effective demand were minimally revised downwards for 2021 and 2022 and minimally revised upwards for 2023 compared with October assessments. On the other hand, **foreign effective inflation** was corrected upwards for the entire forecasting horizon. The new estimates for **the euro/US dollar exchange** rate indicate upward revision of the US dollar value in 2021 and 2022 and downward revision for 2023. **Moreover, the**

latest forecasts for primary commodities prices on the world markets were revised upwards for 2021 and 2022, while for 2023 the adjustments are generally downwards relative to the October forecasts. Thus, generally faster growth of primary commodity prices is expected in 2021-2022, while in 2023 most of them are expected to register sharper price decline. However, the movements and the assessments of the prices of primary commodities are extremely volatile and are currently under the influence of the developments related to the COVID-19 pandemic, which creates greater uncertainty about their future dynamics and effects on the domestic economy, in both the short and the longer term.

The comparison of the latest macroeconomic indicators of the domestic economy with their forecast dynamics within the October forecasting round indicates certain deviations in the individual segments of the economy. According to the published estimated GDP data, in the third quarter of 2021, the real GDP increased by 3% on an annual basis, after the high growth in the second quarter (of 13.4%). These performances indicate that the recovery of the domestic economy continues, amid further mass immunization of the population. The slowdown of the annual rate is mainly due to the base effect (given that the gradual opening and recovery of the economy begun in the same period last year, after the strict measures taken in the beginning of the pandemic), without greater negative effects from the outburst of the fourth COVID-19 wave in this period. In the first three quarters of 2021, the economy registered a real growth that averaged 4.6%, which is close to the expectations of the October forecast. Analyzed by components, the growth in the third quarter is largely due to the positive contribution of domestic demand, amid growth and positive contribution in all categories (private consumption, public consumption and gross investments). The net-export component also made positive contribution, amid faster growth in exports compared to the growth in imports, yet at a significantly slower pace compared to the growth in the previous quarter in both categories. The currently available high frequency data for the fourth quarter of 2021 are partial and insufficient to have an overall view of the situation. The October data show a further real annual growth in total trade turnover, at a more moderate pace, but also further unfavorable movements in the industrial output, annually. **Regarding the changes in consumer prices, the annual inflation rate was 4.8% in November 2021, while the annual price changes in the period January-November averaged 3.1%, and are within the expectations in the October forecasting round.** In this period, a more significant contribution to the growth is made by the domestic prices categories, which are related to the movements of prices of primary commodities on world stock exchanges, with the transmitted effect of last year's increase in prices of a regulatory nature, as well as certain factors specific to the pandemic crisis amid relaxation of containment restrictive measures. Hence, the price pressures are still estimated to be mainly driven by factors on the supply side, without major pressures from demand. The uncertainty and dynamics of the movement in the world prices of primary products in the next period is still pronounced, given the uncertain economic effects related to the development and dealing with the pandemic, as well as the increased uncertainty on the global energy market.

Foreign reserves are still at an appropriate level and are maintained in the safe zone. As of November, since the beginning of the year the foreign reserves registered an increase within the forecasted growth, according to the October forecast. Regarding the available external sector data, the currency exchange market data as of November point to performances in private transfers generally in line with the forecasts for the fourth quarter of 2021. At the same time, foreign trade data point to lower trade deficit compared to the expectations for the last quarter. Still, the data are available only to one month which is not sufficient to enable drawing more consistent conclusions for the entire quarter. Current account performances in the balance of payments for the third quarter of 2021 point to a surplus, which is higher compared to expected, according to the October forecast. On the other hand, the financial account registered outflows in the third quarter of 2021 which are higher than expected, according to the October forecast.

Regarding the developments in monetary sector, the data for October show a monthly decrease in **total deposits** of 0.5% (monthly decline of 0.8% in September), primarily a result of the negative contribution of corporate deposits, amid almost unchanged stock of household deposits.

Analyzing the currency, the monthly decline of total deposits was entirely a result of denar deposits (including demand deposits), amid positive contribution of foreign currency deposits. (On an annual basis, total deposits in October grew by 7.9%, which is above the forecasted annual growth (7.1%) for the end of the fourth quarter of 2021. **Total loans** in October increased by 0.6% on a monthly bases (monthly increase of 0.7% in September), amid equal positive contribution of corporate and household loans. Analyzing the currency structure, the growth of loans entirely results from loans in domestic currency, amid unchanged stock of foreign currency loans. On an annual basis, the growth of total loans continued to accelerate and equaled 6.7% in October, amid forecasted growth for the end of the fourth quarter of the year of 7.1%, according to the October forecast.

In the period January- October 2021, the Budget of the Republic of North Macedonia registered a deficit of Denar 23,564 million. The budget deficit was financed through borrowing on the foreign and domestic financial market. The budget deficit for the period January- October 2021 was 51% of the deficit planned in the 2021 Budget Revision.

The latest macroeconomic indicators and assessments point to mainly unchanged environment for implementation of the monetary policy. Foreign reserves remain at an appropriate level and within the safe zone, while the performances as of November are as expected for the last quarter of 2021. Gross domestic product performances in the first three quarters of the year are relatively close to the forecasts. The available high frequency data on the economic activity for the fourth quarter are limited in order to provide precise assessment, amid expectations for further moderate economic growth in the last quarter of the year. Regarding the inflation, the shifts in prices still result from factors on the supply side, related to global prices of primary commodities and specific factors due to the pandemic. The movement in the prices of primary commodities, especially in energy prices, remains extremely volatile and uncertain. The annual deposit growth in the monetary sector in October is above the projected, while the annual growth of loans is currently within the forecast for the fourth quarter of 2021, according to the October forecast.

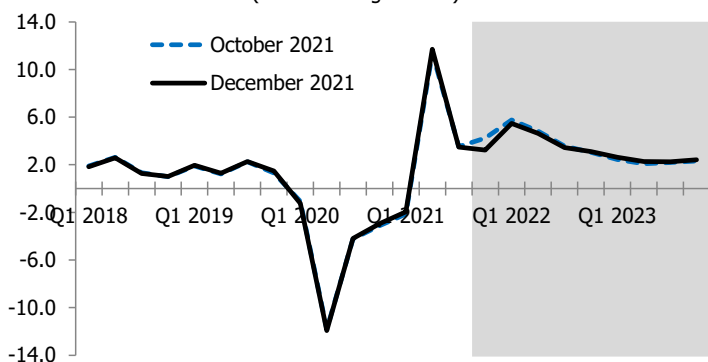
Economic activity growth continued in the third quarter of 2021 as well

Domestic economy continued to recover in the third quarter of the year and realized a real GDP growth of 3% annually. The growth rate is more moderate than the one in the second quarter, given the base effect, i.e. the gradual opening and economic recovery in the same period last year. The occurrence of the fourth COVID-19 wave, in the absence of major containment measures, generally had no major adverse effects on the growth, amid initiated mass immunization. Observing the manufacturing industry, the trade, transport and catering activities which were mostly affected by the pandemics and restrictive measures, are still the main stakeholders of the recovery. On the other hand, the industry registered a decline, due to unfavorable performances in manufacturing industry, mostly in activities where the foreign export facilities from automotive industry are active, such as production of motor vehicles, production of machines and devices, partly reflecting the disruptions in the supply chains, and a negative contribution is also made by the traditional activities, i.e. production of clothes and textile. Analyzed from the expenditure side, larger part of the growth in the third quarter arises from domestic demand, amid growth and positive contribution in all categories (private consumption, public consumption and gross investments), with the net-export component having a positive contribution, amid faster growth in exports compared to the growth in imports. Analyzing the first three quarters of 2021, the real GDP registered a growth of 4.6%, compared to the first three quarters of 2020.

Selected economic indicators ¹				2019								2020												2021															
	2016	2017	2018	Q1	Q2	Q3	Q4	2019	Jan.	Feb.	Mar.	Q1	Apr.	May	Jun.	Q2	Jul.	Aug.	Sep.	Q3	Oct.	Nov.	Dec.	Q4	2020	Jan.	Feb.	Mar.	Q1	Apr.	May	Jun.	Q2	Jul.	Aug.	Sep.	Q3	Oct.	Nov.
I. Real sector indicators																																							
Gross domestic product (real growth rate, y-o-y) ²	2.8	1.1	2.9	2.8	6.1	4.3	2.5	3.9				-1.3				-16.4			-5.9				-0.8	-6.1				-1.8				13.4			-3.0				
Industrial production ³																																							
y-o-y	3.4	0.2	5.4	8.8	1.1	7.1	-1.3	3.7	0.3	3.5	-13.4	-3.7	-33.5	-27.0	-15.1	-25.0	-9.5	-9.1	-4.1	-7.5	-5.2	-3.9	2.5	-2.3	-9.5	-13.5	-12.2	7.6	-6.1	46.1	16.5	9.5	22.2	-0.6	-1.4	-8.0	-3.5	-6.5	
cumulative average	3.4	0.2	5.4	8.8	4.8	5.6	3.7	3.7	0.3	1.9	-3.7	-3.7	-11.2	-14.4	-14.6	-14.6	-13.8	-13.2	-12.1	-12.1	-11.3	-10.6	-9.5	-9.5	-9.5	-13.5	-12.8	-6.1	-6.1	3.7	6.0	6.6	6.6	6.2	5.4	4.5	2.9	2.9	1.8
Inflation ⁴																																							
CPI Inflation (y-o-y) ⁵	-0.2	2.4	0.9	1.2	1.2	0.6	0.0	0.4	0.6	0.7	0.5	0.6	-0.1	-0.2	1.7	0.5	1.3	1.4	1.9	1.5	2.1	2.2	2.3	2.2	2.3	1.9	1.9	2.1	2.0	2.7	3.0	2.7	2.8	3.4	3.6	3.7	3.5	4.1	4.1
CPI Inflation (cumulative average)	-0.2	1.4	1.5	1.2	1.2	1.0	0.8	0.8	0.6	0.7	0.6	0.6	0.4	0.3	0.5	0.5	0.6	0.7	0.9	0.9	1.0	1.1	1.2	1.2	1.2	1.9	1.9	2.0	2.0	2.2	2.3	2.4	2.4	2.5	2.7	2.8	2.8	2.9	3.1
Core inflation (cumulative average)	1.3	2.3	1.5	0.9	0.9	0.8	0.5	0.5	0.3	0.5	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.9	0.9	0.9	1.8	1.7	1.6	1.6	1.6	1.7	1.8	1.8	2.0	2.1	2.2	2.2	2.2	2.3
Core inflation (y-o-y) ⁶	1.0	2.8	1.4	0.9	1.0	0.6	-0.4	-0.3	0.3	0.8	1.0	0.7	0.7	0.4	0.4	0.5	0.6	0.8	1.1	0.8	1.3	1.5	1.9	1.6	1.9	1.8	1.6	1.5	1.6	1.7	1.9	2.5	2.0	3.0	2.8	2.9	2.9	2.9	3.1
Labor force																																							
Unemployment rate	23.7	22.4	20.7	17.8	17.5	17.1	16.6	17.3				16.2				16.7				16.5				16.1	16.4				16.0				15.9						15.7
II. Fiscal Indicators ⁷																																							
(Central Budget and Budgets of Funds)																																							
Total budget revenues	169,356	179,673	188,505	46,042	50,076	50,986	56,718	203,822	15,599	15,727	15,158	46,484	14,241	12,636	14,046	40,923	17,885	14,215	16,485	48,585	18,408	15,546	19,608	53,562	189,554	14,808	16,435	17,673	48,916	19,292	15,736	17,494	52,522	20,209	17,168	19,410	56,787	20,075	
Total budget expenditures	185,407	196,561	200,071	49,243	53,915	52,085	62,202	217,445	16,806	18,825	18,264	53,895	18,969	19,396	21,093	59,458	24,005	17,064	17,442	58,511	17,361	20,780	33,416	71,557	243,421	17,520	19,189	19,106	55,815	19,263	20,767	21,291	61,321	23,357	22,525	19,796	65,678	19,050	
Overall balance (cash)	-16,051	-16,888	-11,566	-3,201	-3,839	-1,099	-5,484	-13,623	-1,207	-3,098	-3,106	-7,411	-4,728	-6,760	-7,047	-18,535	-6,120	-2,849	-957	-9,926	-1,047	-5,234	-13,808	-17,995	-53,867	-2,712	-2,754	-1,433	-6,899	29	-5,031	-3,797	-6,799	-3,148	-5,357	-386	-8,881	1,025	
Overall balance (in % of GDP) ¹²	-2.7	-2.7	-1.8	-0.5	-0.6	-0.2	-0.8	-2.0	-0.2	-0.5	-0.5	-1.1	-0.7	-1.0	-1.1	-2.8	-0.9	-0.4	-0.1	-1.5	0.2	-0.8	-2.1	-2.7	-8.1	-0.4	-0.4	-0.2	-0.9	0.0	-0.7	-0.5	-1.2	-0.4	-0.7	-0.1	-1.2	0.1	
III. Financial indicators ¹³																																							
Broad money (M4), y-o-y growth rate	6.2	5.1	11.8	11.7	10.5	10.8	9.3	9.3	8.9	8.2	8.9	8.9	7.5	9.4	9.8	9.8	9.1	6.6	6.9	6.9	6.6	7.7	6.9	6.9	6.9	7.7	8.2	7.9	7.9	7.1	7.0	6.7	6.7	7.1	9.6	8.2	8.2	8.2	
Total credits, y-o-y growth rate	-0.1	5.4	7.3	9.0	8.1	5.6	6.0	6.0	6.8	6.9	5.8	5.8	5.5	5.9	6.6	6.6	8.2	6.9	7.3	7.3	6.7	5.4	4.7	4.7	4.7	4.7	4.6	4.4	5.2	5.2	5.7	5.6	5.1	5.1	5.2	6.4	6.3	6.3	
Total credits - households	7.0	9.2	10.3	9.7	9.9	9.5	10.5	10.5	10.6	11.1	10.1	10.1	9.4	8.6	8.8	8.8	9.4	9.0	9.5	9.5	9.0	8.3	8.0	8.0	8.0	8.0	7.4	7.1	8.1	8.1	8.9	8.8	8.7	8.7	8.0	7.9	7.5	7.5	
Total credits - enterprises	-5.3	2.3	4.5	8.2	6.4	1.7	1.9	1.9	3.2	2.8	1.8	1.8	2.0	3.3	4.6	4.6	7.1	4.8	5.2	5.2	4.4	2.5	1.1	1.1	1.1	1.6	1.4	2.1	2.1	2.3	2.1	1.2	1.2	2.0	4.5	4.8	4.8		
Total deposits (incl. demand deposits), y-o-y growth rate ¹⁴	6.1	5.0	12.1	11.9	10.6	11.0	9.0	9.0	8.8	7.8	7.9	7.9	6.0	7.8	8.4	8.4	8.0	5.3	5.4	5.4	4.9	6.3	5.7	5.7	5.7	6.1	6.9	7.3	7.3	6.8	7.1	6.7	6.7	6.8	9.9	8.2	8.2		
Total deposits - households	2.5	6.1	9.5	8.7	9.0	9.3	7.9	7.9	8.5	8.7	8.6	8.6	7.8	8.2	8.7	8.6	7.8	8.4	5.7	6.1	5.6	5.4	4.6	4.6	4.6	4.6	4.7	5.2	5.2	5.2	4.7	4.8	4.2	4.2	4.3	7.4	6.9	6.9	
Total deposits - enterprises	13.4	2.1	9.5	12.1	10.1	11.1	14.6	14.6	12.2	10.2	12.5	12.5	6.5	9.8	11.2	11.2	9.0	5.8	8.0	8.0	6.9	10.2	10.1	10.1	10.1	10.1	12.0	13.7	12.9	12.9	14.3	16.0	16.7	16.7	17.1	20.2	15.6	15.6	
Interest rates ¹⁵																																							
Interest rates of CBBills (end of month/quarter/year)	3.75	3.25	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.00	1.75	1.75	1.75	1.50	1.50	1.50	1.50	1.5	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	
Lending rates																																							
denar rates	7.0	6.6	6.1	5.8	5.7	5.6	5.4	5.6	5.4	5.3	5.3	5.3	5.3	5.3	5.2	5.3	5.1	5.1	5.1	5.1	5.1	5.1	5.0	5.1	5.2	5.0	5.0	5.0	5.0	5.0	4.9	4.9	4.9	4.8	4.8	4.8	4.8		
f/x rates (aggregated, incl. f/x and denar with f/x clause)	5.7	5.3	4.9	4.7	4.7	4.6	4.5	4.6	4.4	4.4	4.4	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.2	4.2	4.2	4.2	4.2	4.2	4.3	4.2	4.2	4.1	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.09	4.1	
Deposit rates																																							
denar rates	2.5	2.2	2.0	2.0	1.9	1.9	1.7	1.9	1.6	1.6	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.3	1.4	1.5	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.13	1.1	
f/x rates (aggregated, incl. f/x and denar with f/x clause)	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.48	0.5	
IV. External sector indicators																																							
Current account balance (millions of EUR)	-275.5	-102.9	-7.1	-175.3	-62.2	165.1	-295.8	-368.3	-0.2	-72.4	-83.1	-155.7	-78.8	-9.7	-1.5	-90.0	-21.1	-0.5	-29.0	-50.6	-46.6	31.7	-55.0	-69.9	-366.2	29.3	-68.0	-17.0	-55.7	-115.2	-8.3	0.2	-123.3	88.7	-8.6	18.0	98.0	0.8	
Current account balance (% of GDP)	-2.9	-1.0	-0.1	-1.6	-0.6	1.5	-2.6	-3.3	0.0	-0.7	-0.8	-1.4	-0.7	-0.1	0.0	-0.8	-0.2	0.0	-0.3	-0.5	-0.4	0.3	-0.5	-0.6	-3.4	0.2	-0.6	-0.1	-0.5	-1.0	-0.1	0.0	-1.0	0.8	-0.1	0.2	0.8	0.0	
Trade balance (millions of EUR) ¹⁶	-1,786.2	-1,816.2	-1,811.4																																				

Селектирани макроекономски показатели ¹	2019								2020								2021																						
	2016	2017	2018	Кв.1	Кв.2	Кв.3	Кв.4	2019	Ян.	фев.	мар.	Кв.1	апр.	мај	јун.	Кв.2	јул.	авг.	сеп.	Кв.3	окт.	ное.	дек.	Кв.4	2020	Ян.	фев.	март	Кв.1	апр.	мај	јун.	Кв.2	јул.	авг.	сеп.	Кв.3	окт.	ное.
I. Реален сектор индикатори																																							
Бруто домашен производ (годишна реален раст) ^{1/2}	2,8	1,1	2,9	2,8	6,1	4,3	2,5	3,9				-1,3				-16,4				-5,9				-0,8	-6,1														
Индустриско производство ^{1/3}																																							
стапка на промена (годишна)	3,4	0,2	5,4	8,8	1,1	7,1	-1,3	3,7	0,3	3,5	-13,4	-3,7	-33,5	-27,0	-15,1	-25,0	-9,5	-9,1	-4,1	-7,5	-5,2	-3,9	2,5	-2,3	-9,5	-13,5	-12,2	7,6	-6,1	46,1	16,5	9,5	22,4	-0,6	-1,4	-8,0	-3,5	-6,5	
кумулятивна просечна стапка	3,4	0,2	5,4	8,8	4,8	5,6	3,7	3,7	0,3	1,9	-3,7	-3,7	-11,2	-14,4	-14,6	-14,6	-13,8	-13,2	-12,1	-12,1	-11,3	-10,6	-9,5	-9,5	-13,5	-12,8	-6,1	-6,1	3,7	6,0	6,6	6,6	5,4	4,5	2,9	2,9	1,8		
Инфлација ^{1/4}																																							
ЦПИ Инфлација (годишна) ^{1/5}	-0,2	2,4	0,9	1,2	1,2	0,6	0,0	0,4	0,6	0,7	0,5	0,6	-0,1	-0,2	1,7	0,5	1,3	1,4	1,9	1,5	2,1	2,2	2,3	2,2	2,3	1,9	1,9	2,1	2,0	2,7	3,0	2,7	2,8	3,4	3,6	3,7	3,5	4,1	4,8
ЦПИ Инфлација (кумулятивна просечна)	-0,2	1,4	1,5	1,2	1,2	1,0	0,8	0,4	0,6	0,7	0,6	0,6	0,4	0,3	0,5	0,5	0,6	0,7	0,9	0,9	1,0	1,1	1,2	1,2	1,2	1,9	1,9	2,0	2,0	2,2	2,3	2,4	2,4	2,5	2,7	2,8	2,8	2,9	3,1
Базична инфлација (кумулятивна просечна)	1,3	2,3	1,5	0,9	0,9	0,8	0,5	0,5	0,3	0,5	0,7	0,7	0,7	0,6	0,6	0,6	0,6	0,6	0,7	0,7	0,7	0,8	0,9	0,9	0,9	1,8	1,7	1,6	1,6	1,6	1,7	1,8	1,8	2,0	2,1	2,2	2,2	2,2	2,3
Базична инфлација (годишна) ^{1/5}	1,0	2,8	1,4	0,9	1,0	0,6	-0,4	-0,3	0,3	0,8	1,0	0,7	0,7	0,4	0,4	0,5	0,6	0,8	1,1	0,8	1,3	1,5	1,9	1,6	1,9	1,8	1,6	1,5	1,6	1,7	1,9	2,5	2,0	3,0	2,8	2,9	2,9	2,9	3,1
Работна сила																																							
Стапка на невработеност	23,7	22,4	20,7	17,8	17,5	17,1	16,6	17,3				16,2				16,7				16,5				16,1	16,4				16,0				15,9				15,7		
II. Фискален сектор индикатори																																							
Централен Буџет и Буџети на фондови																																							
Вкупни буџетски приходи	169.356	179.673	188.505	46.042	53.915	50.076	50.986	56.718	203.822	15.599	15.727	15.158	46.484	14.241	12.636	14.046	40.923	17.885	14.215	16.485	48.585	18.408	15.546	19.608	53.562	189.554	14.808	16.435	17.673	48.916	19.292	15.736	17.494	52.522	20.209	17.168	19.410	56.787	20.075
Вкупни буџетски расходи	185.407	196.561	200.071	49.243	53.915	52.085	62.202	217.445	16.806	18.825	18.264	53.885	18.969	19.396	21.093	59.458	24.005	17.064	17.442	58.511	17.361	20.780	33.416	71.557	243.421	17.320	19.189	19.106	55.815	19.263	20.767	21.291	61.321	23.357	22.525	19.795	65.678	19.050	
Буџетско салдо (готовинска основа)	-16.051	-16.888	-11.566	-3.201	-3.839	-1.099	-5.484	-13.623	-1.207	-3.098	-3.106	-7.411	-4.728	-6.760	-7.047	-18.535	-6.100	-2.849	-957	-9.926	1.047	-5.234	-13.808	-17.995	-53.867	-2.712	-2.754	-1.433	-6.899	29	-5.031	-3.797	-8.799	-3.148	-5.357	-386	-8.891	1.025	
Буџетско салдо (% од БДП) ^{1/6}	-2,7	-2,7	-1,8	-0,5	-0,6	-0,2	-0,8	-2,0	-0,2	-0,5	-0,5	-1,1	-0,7	-1,0	-1,1	-2,8	-0,9	-0,4	-0,1	-1,5	0,2	-0,8	-2,1	-2,7	-8,1	-0,4	-0,4	-0,2	-0,9	0,0	-0,7	-0,5	-1,2	-0,4	-0,7	-0,1	-1,2	0,1	
III. Финансиски индикатори^{1/6}																																							
Парична маса (М4), годишна стапка на раст	6,2	5,1	11,8	11,7	10,5	10,8	9,3	9,3	8,9	8,2	8,9	8,9	7,5	9,4	9,8	9,8	9,1	6,6	6,9	6,9	6,6	7,7	6,9	6,9	6,9	7,7	8,2	7,9	7,9	7,1	7,0	6,7	6,7	7,1	9,6	8,2	8,2	8,2	8,2
Вкупни кредити, годишна стапка на раст	-0,1	5,4	7,3	9,0	8,1	5,6	6,0	6,0	6,8	6,9	5,8	5,8	5,5	5,9	6,6	6,6	8,2	6,9	7,3	7,3	6,7	5,4	4,7	4,7	4,7	4,6	4,4	5,2	5,2	5,7	5,6	5,1	5,1	5,2	6,4	6,3	6,3	6,3	
Вкупни кредити на претпријатија	-5,3	2,3	4,5	8,2	6,4	1,7	1,9	1,9	3,2	2,8	1,8	1,8	2,0	3,3	4,6	4,6	7,1	4,8	5,2	5,2	4,4	2,5	1,1	1,1	1,1	1,6	1,4	2,1	2,1	2,3	2,1	1,2	1,2	2,0	4,5	4,8	4,8	4,8	
Вкупни депозити (со депозитни пари), годишна стапка на раст ^{1/7}	6,1	5,0	12,1	11,9	10,6	11,0	9,0	9,0	8,8	7,8	7,9	7,9	6,0	7,8	8,4	8,4	8,0	5,3	5,4	5,4	4,9	6,3	5,7	5,7	5,7	6,1	6,9	7,3	7,3	6,8	7,1	6,7	6,7	6,8	9,9	8,2	8,2	8,2	
Вкупни депозити на население	2,5	6,1	9,5	8,7	9,0	9,3	7,9	7,9	8,5	8,7	8,6	8,6	7,8	8,2	8,7	8,7	8,4	5,7	6,1	6,1	5,6	5,4	4,6	4,6	4,6	4,7	5,2	5,2	5,2	4,7	4,8	4,2	4,2	4,3	7,4	6,9	6,9	6,9	
Вкупни депозити на претпријатија	13,4	2,1	9,5	12,1	10,1	11,1	14,6	14,6	12,2	10,2	12,5	12,5	6,5	9,8	11,2	11,2	9,0	5,8	8,0	8,0	6,9	10,2	10,1	10,1	10,1	12,0	13,7	12,9	12,9	14,3	16,0	16,7	16,7	17,1	20,2	15,6	15,6	15,6	
Канални стапки ^{1/8}																																							
Канална стапка на ЕЗ (крај на месец/квартал/година)	3,75	3,25	2,50	2,25	2,25	2,25	2,25	2,25	2,00	2,00	1,75	1,75	1,75	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,25	1,25	1,25	1,25	1,25	1,25	1,25	1,25	1,25	1,25	
Активни канални стапки																																							
денарски	7,0	6,6	6,1	5,8	5,7	5,6	5,4	5,6	5,4	5,3	5,3	5,3	5,3	5,3	5,2	5,3	5,1	5,1	5,1	5,1	5,1	5,1	5,0	5,1	5,2	5,0	5,0	5,0	5,0	5,0	4,9	4,9	4,9	4,9	4,8	4,8	4,8	4,8	
девизни (агрегатна, за девизни и денарски со девизна клаузула)	5,7	5,3	4,9	4,7	4,7	4,6	4,5	4,6	4,4	4,4	4,4	4,4	4,4	4,3	4,3	4,3	4,3	4,3	4,2	4,2	4,2	4,2	4,2	4,2	4,2	4,2	4,2	4,1	4,2	4,1	4,1	4,1	4,1	4,1	4,1	4,1	4,1		
Пасивни канални стапки																																							
денарски	2,5	2,2	2,0	2,0	1,9	1,9	1,7	1,9	1,6	1,6	1,5	1,6	1,5	1,5	1,5	1,5	1,5	1,4	1,4	1,4	1,4	1,4	1,3	1,4	1,5	1,3	1,3	1,3	1,3	1,3	1,2	1,2	1,2	1,1	1,1	1,1	1,1		
девизни (агрегатна, за девизни и денарски со девизна клаузула)	1,0	0,9	0,8	0,8	0,8	0,8	0,8	0,8	0,7	0,7	0,6	0,7	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5		
IV. Надворешен сектор индикатори																																							
Биланс на тековна сметка (во милиони ЕУР)	-275,5	-102,9	-7,12	-175,3	-62,2	165,1	-295,8	-368,3	-0,2	-72,4	-83,1	-155,68	-78,8	-9,7	-1,5	-90,0	-21,1	-0,5	-29,0	-50,6	-46,6	31,7	-55,0	-69,9	-366,2	29,3	-68,0	-17,0	-55,7	-115,2	-8,3	0,2	-123,3	88,7	-8,6	18,0	98,0		
Биланс на тековна сметка (% од БДП)	-2,9	-1,0	-0,07	-1,6	-0,6	1,5	-2,6	-3,3	0,0	-0,7	-0,8	-1,45	-0,7	-0,1	0,0	-0,8	-0,2	0,0	-0,3	-0,5	-0,4	0,3	-0,5	-0,6	-3,4	0,2	-0,6	-0,1	-0,5	-1,0	0,1	0,0	-1,0	0,8	-0,1	0,2	0,8		
Трговски биланс (во милиони ЕУР)^{1/9}	-1.786,2	-1.816,2	-1.811,4	-456,0	-470,7	-433,3	-647,75	-2007,7	-134,4	-199,9	-176,8	-511,04	-162,5	-116,1	-105,7	-384,3	-198,9	-102,2	-89,5	-390,6	-167,2	-116,5	-247,0	-530,7	-1.816,6	-96,4	-201,4	-231,9	-529,63	-274,6	-206,6	-223,9	-705,1	-218,0	-238,3	-159,8	-616,1	-235,4	
Трговски биланс (% од БДП)	-18,0	-18,1	-16,9	-4,1	-4,2	-3,9	-5,78	-17,9	-1,2	-1,9																													

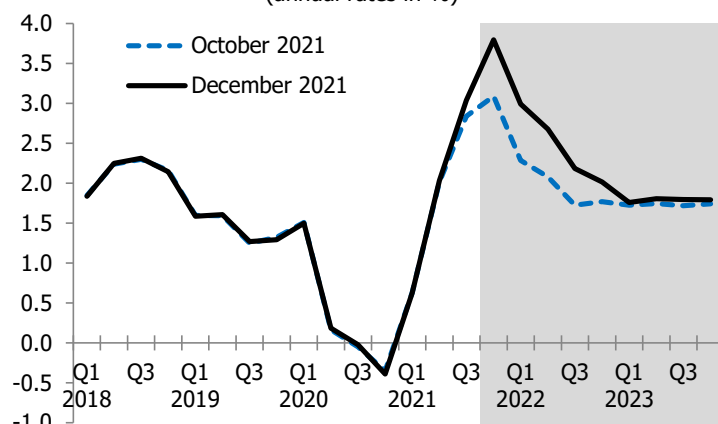
Foreign effective demand
(annual changes in %)



Source: Consensus forecasts and NBRNM calculations.

According to the latest estimates for the foreign effective demand, a slight downward revision was made for 2021 and 2022. Moreover, solid growth rate of 3.9% and 4.2% is still expected in 2021 and 2022, respectively (4.1% and 4.3%, respectively, in October). The downward revision for 2021 mainly reflects the assessments for lower growth of the Bulgarian and German¹ economy, while for 2022, the lower expectations for growth in Germany are the main factor for the downward revision. On the other hand, growth of 2.4% is expected in 2023, which is a slight upward revision (2.3% in October), mostly due to the expectations for higher growth in Germany and Serbia.

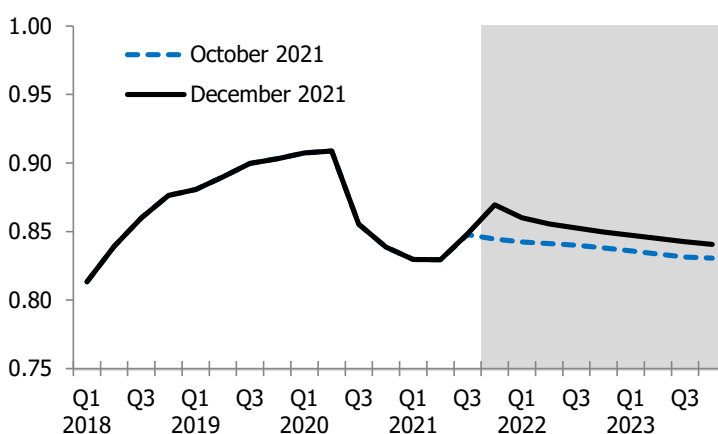
Foreign effective inflation
(annual rates in %)



Source: Consensus forecasts and NBRNM calculations.

There is an upward revision for the foreign effective inflation for the entire period of forecasts, amid changes in the expected dynamics. Namely, increase in foreign prices of 2.4% in 2021 is currently expected, which will minimally accelerate to 2.5% in 2022, and then slow down to 1.8% in 2023, compared to the October expectations for gradual decrease of the price growth from 2.2% in this, to 2% and 1.7% in the following two years. The correction is due to the assessment for higher inflation in almost all our import partners, whereas Germany, Serbia² and Bulgaria made the largest positive contribution on average for the three years.

EUR/USD exchange rate

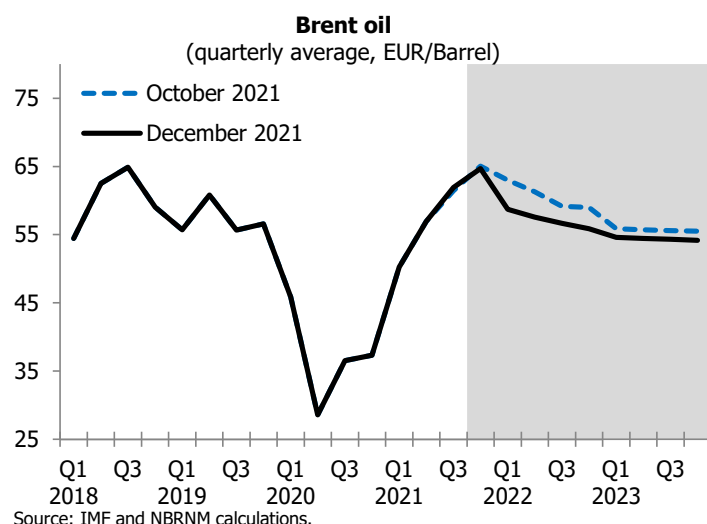


Source: Consensus forecasts and NBRNM calculations.

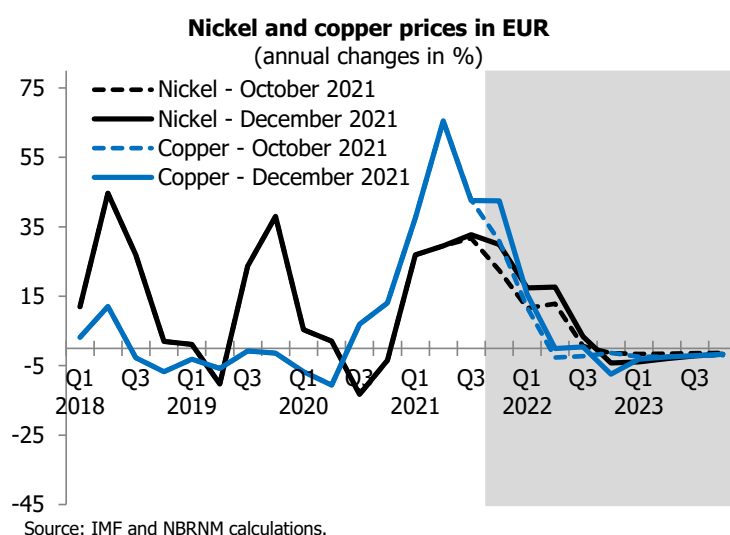
Regarding the euro/US dollar exchange rate, an upward revision of the annual rate of change was made for 2021 and 2022, compared to October. Thus, smaller depreciation of the US dollar against the euro of 3.8% is expected in 2021 (compared to 4.5% in October) and appreciation of 1.2% in 2022 (0.3% in October). These shifts mostly reflect the larger uncertainty about the impact of the new corona virus variants on the global economic growth, as well as the investors' expectations for gradual tightening of the monetary policy in the USA. On the other hand, a slight downward revision was made for 2023, expecting greater depreciation of 1.2% (0.9% in October).

¹Forecasted growth in Germany of 2.8% and 4.3% in 2021 and 2022, respectively, compared to 3% and 4.4% respectively in October and growth of 1.9% in 2023 (1.8% in October).

² Inflation in Serbia and Croatia was adjusted for the changes in the exchange rate.



Regarding the expectations for the oil prices³, the revisions are in different directions. Namely, the prices for 2021 are almost unchanged, still expecting significant growth in the oil price. On the other hand, downward revision was made in 2022, currently expecting decline, instead of the growth in October, which is mostly a result of the expectations for lower demand due to the new coronavirus variant, growth in the inventories of oil in the US and their announcements for interventions on the oil market by putting part of the inventories into circulation. The revision is upward for 2023, expecting lower decline than the expected in October, due to the base effect from the previous year.

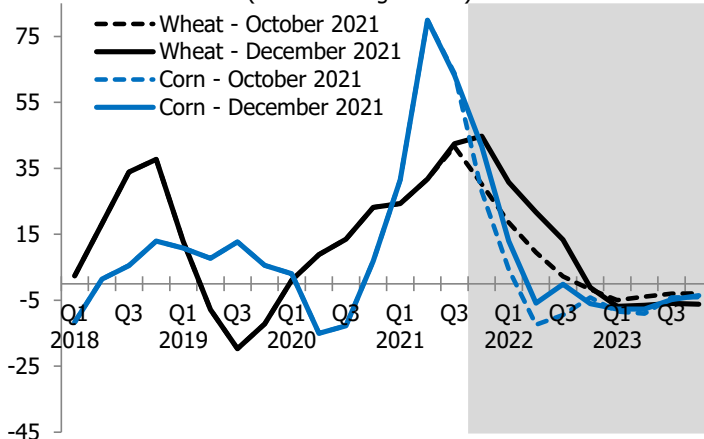


Expectations for metal prices for 2021 and 2022 have been revised upwards relative to October. Namely, the increase in the price of nickel and copper is still expected, especially pronounced in 2021. The upward adjustment of the copper prices is due to the announcements for disrupted production of copper in Peru and reduced inventories, while nickel adjustment is due to low global inventories, amid expectations for growth in demand for both metals in China as a result of the government measures to support the economy and employment. In 2023, stabilization of the metal prices is expected, thus the assessment for a slight decline in the price of copper is unchanged, while a slightly larger decline is expected in the price of nickel than the forecasted in October.

There is also an upward revision in the primary commodities for 2021 and 2022. Namely, according to the latest assessment faster growth in food prices is expected in the current year, than forecasted in October, while faster growth in the wheat prices is expected in the following year, and slight decline in the corn prices. The upward revision in the wheat prices is mostly a result of the solid demand and assessments for lower wheat production, primarily in the United Kingdom and Brazil. The upward adjustment in corn prices is a result of the expectations for increased demand, driven by the larger growth in production of ethanol in the

³ The analysis of prices of oil, metals and primary food commodities, uses various reports of the IMF, World Bank, FAO, OPEC, the ECB and the specialized international economic portals.

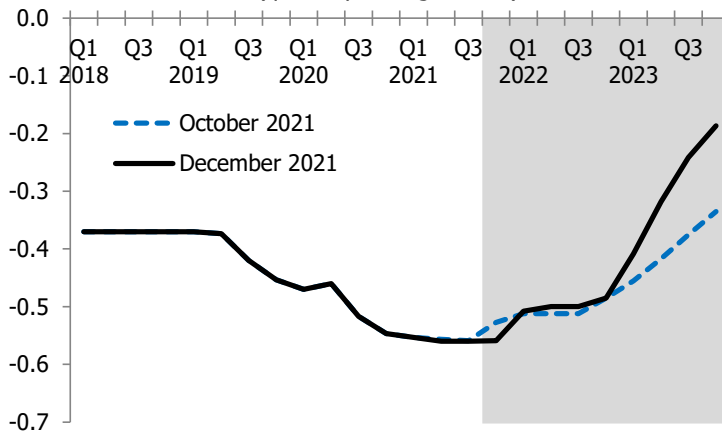
Wheat and corn prices in EUR
(annual changes in %)



Source: IMF and NBRNM calculations.

USA. The prices of wheat are revised downwards for 2023, thus a sharper decline of the price is expected compared to October, without major changes in the expected decline in the corn prices.

1-month Euribor
(quarterly average, in %)

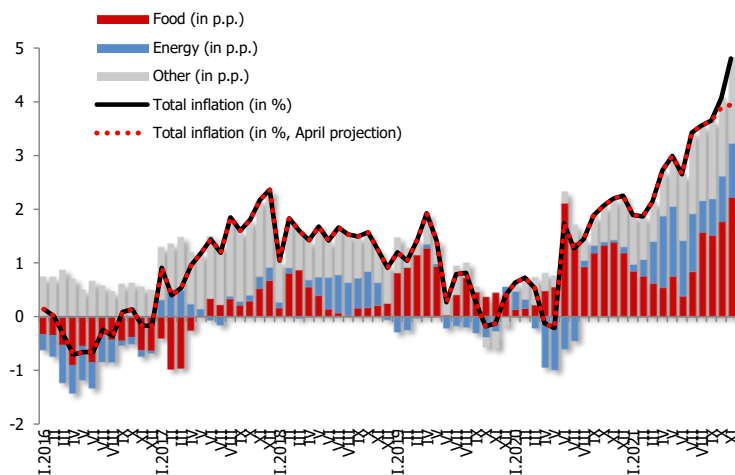


Source: Consensus forecasts and NBRNM calculations.

Regarding **the one-month EURIBOR**, the forecasts for 2021 and 2022 are almost unchanged compared to those in October, while for 2023 they are revised upwards. Moreover, the foreign interest rate is still expected to be negative during the whole period, thus in the period 2021-2022 it will average -0.53%, while in 2023 it will reach -0.29% (-0.4% in October).

Inflation rate

(annual contribution to inflation, in p.p.)

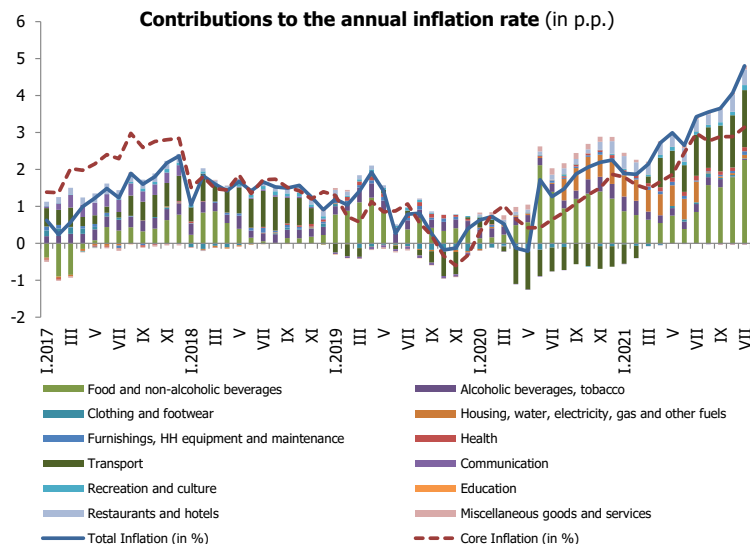


Source: SSO and NBRNM.

In November 2021, the **domestic consumer prices** increased by 0.7% on a monthly basis (0.5% in the previous month), mostly due to the increase of food prices (bread and grain products, meat, milk and milk products). The increased prices of oil derivatives made additional contribution (according to upward movements of oil prices on the world markets), as well as the prices of catering services. On the other hand, the decrease in prices of air traffic has the largest negative contribution, as well as the decrease in prices of fruit.

The annual inflation rate November was 4.8% (4.1% in October) amid accelerated annual growth in food component, and more moderate in energy component.

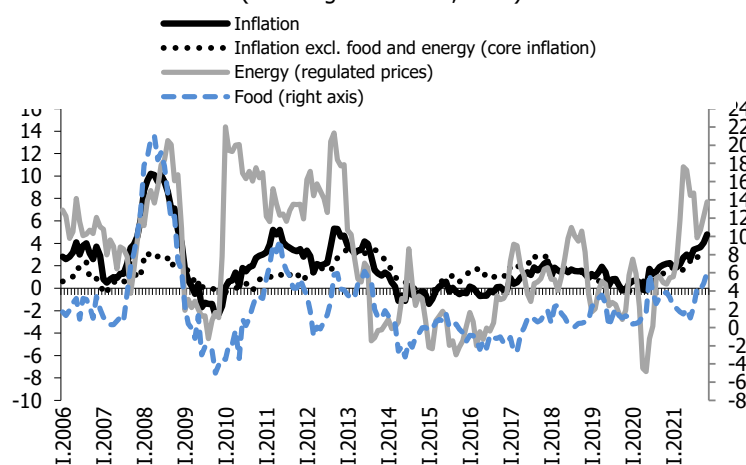
Contributions to the annual inflation rate (in p.p.)



Source: SSO and NBRNM.

Inflation and volatility of food and energy

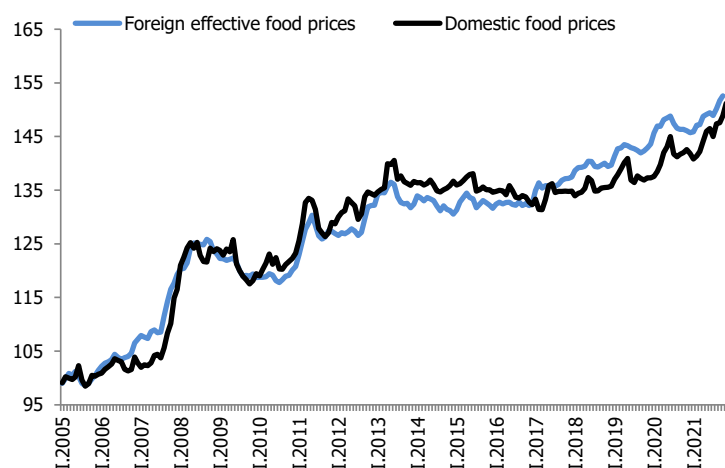
(annual growth rates, in %)



Source: State statistical office and NBRNM calculations.

In November, **the core inflation rate** equaled -0.1% on a monthly basis (-0.1% in the previous month). On an annual basis, the core inflation rate equaled 3.1% (2.9% in the previous month), with a greatest positive contribution from the prices of air traffic, coupled with the prices of restaurant and hotel services, and to a small extent from the prices of vehicles, pharmaceutical products, personal hygiene products, as well as computer equipment.

Foreign effective food prices* and domestic food prices (indices, 2005 = 100)



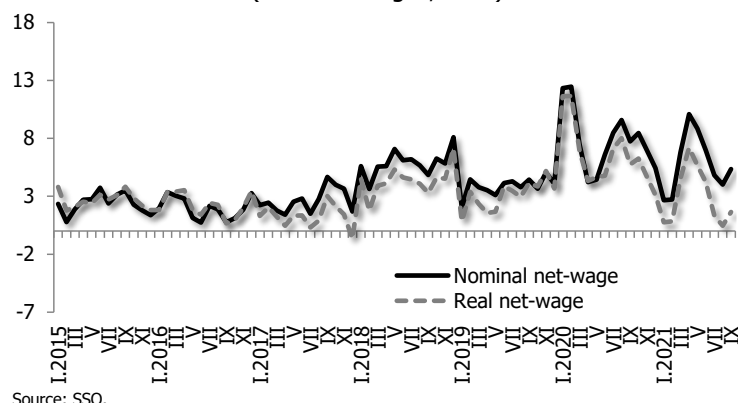
* Foreign effective food prices are calculated as weighted sum of food prices in countries that are major trade partners with North Macedonia.

Source: State statistical office, Eurostat and NBRNM calculations.

Regarding the expected price movements of the external input assumptions in the inflation forecast, the revisions have been moderately revised in an upward direction.

The average inflation rate for the period January-November 2021 is in line with the expectations according to the October forecasting round. Moreover, the uncertainty and dynamics of the movement in the world prices of primary products in the next period is still pronounced, given the uncertain economic effects related to the development and dealing with the pandemic, as well as the increased uncertainty on the global energy market.

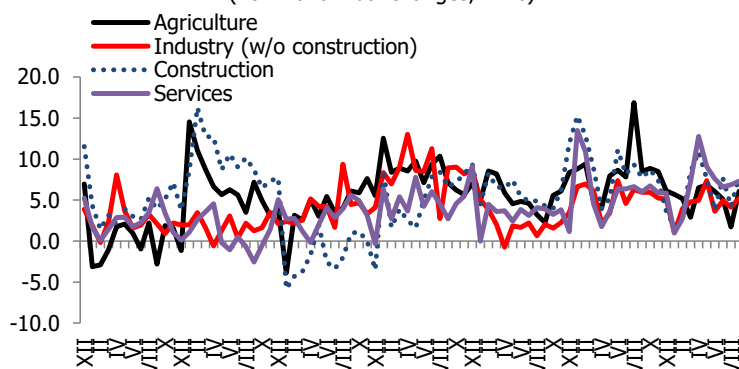
Average net-wage
(annual changes, in %)



In September 2021, the nominal annual growth of the average net wage was 5.3% (4% in the previous month). The increase of the minimal wage by 1.7% in April 2021 according to the regular legal adjustment, partly contributes to the annual wage growth⁴.

Annual growth of wages in September is registered in all activities, thus still most pronounced in activities related to information and communication, mining, accommodation, professional, scientific and technical activities and other services, also with a solid growth in trade and transport, construction, financial activities and insurance activities, as well as administrative and auxiliary services.

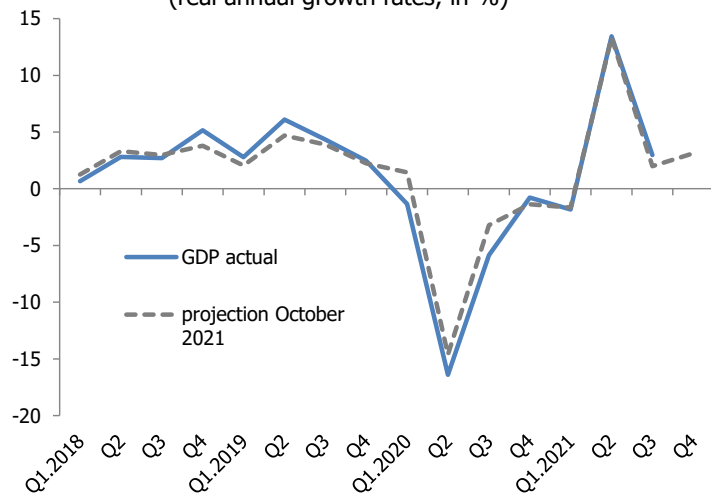
Average monthly net wage paid by sectors
(nominal annual changes, in %)



Amid increase in the consumer prices on an annual level, the **real annual growth of the net wage in September was 1.6%**.

The realized nominal and real annual growth of wages in the third quarter of 2021 (of 4.7% and 1.1%, respectively) is generally in line with the expectations for growth in the third quarter of 2021 within the October forecasts.

Gross domestic product
(real annual growth rates, in %)



After the high growth in the second quarter (13.4%⁵), domestic economy continued to recover in the third quarter of the year, amid initiated mass immunization in the country despite the occurrence of the fourth COVID-19 wave in this period. Thus, **the GDP registered a real growth of 3% in the third quarter of 2021 annually**.

Observed from the expenditure side of the GDP, the growth in the third quarter is largely due to the positive contribution of domestic demand, amid growth and positive contribution in all categories (private consumption, public consumption and gross investments). The net-export component also made positive contribution, amid faster growth in exports compared to the growth in imports, yet at a

⁴Regular adjustment for increasing the minimum wage (with the increase for the previous year of the average wage paid in the RNM, the consumer price index and the real GDP growth-one third of the growth of each indicator, respectively) was made in April 2021. According to the announcement of the Ministry of Labor and Social Policy, published in the Official Gazette of the Republic of North Macedonia No. 80/21 enforcing the Law on Minimum Wage in the Republic of Macedonia Official Gazette of the Republic of North Macedonia No. 12.30/14, 180/14, 81/15, 129/15, 132/17 and 140/18 and Official Gazette of the Republic of North Macedonia No. 124/19 and 239/19), the minimum net wage increased by Denar 260. The minimum wage in gross amount, starting from April 2021 to March 2022 is Denar 22,146 (previously Denar 21,776), i.e. the minimum wage in net amount is Denar 15,194 (previously Denar 14,934).

⁵ According to the quarterly press release of the SSO for GDP, published on 7 December 2021, the real annual GDP rates for the first and second quarter of 2021 were revised to -1.8% and 13.4%, respectively (previously they amounted to -1.9% and 13.1%, respectively).

significantly slower pace compared to the growth in the previous quarter in both categories.

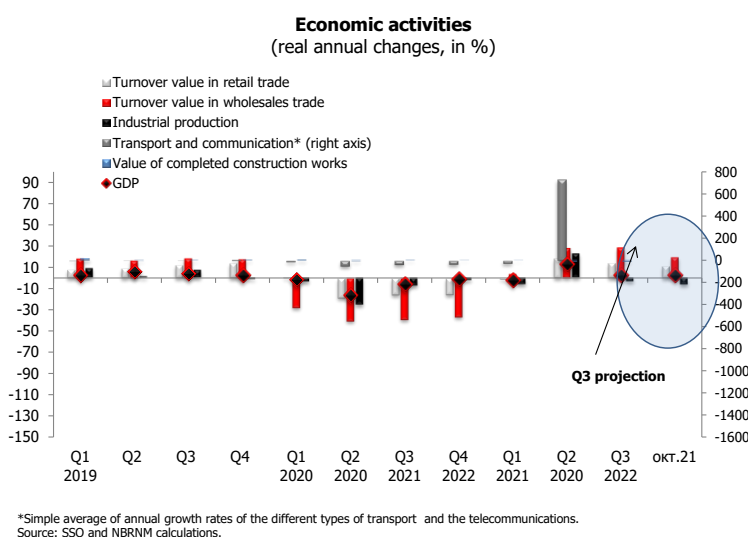
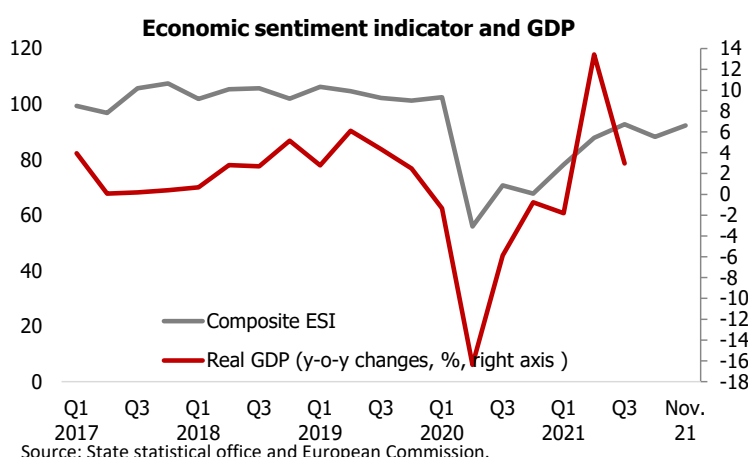
Observed from the production side of the GDP, the growth in the third quarter is mostly due to the positive contribution of the group of activities trade, transport and catering, while solid contribution is also made by the activity public administration and defense, education, health and social care. On the other hand, the industry registered the largest negative contribution, due to unfavorable performances in the manufacturing industry.

Having a limited scope of available data, it is difficult to get accurate estimations of the overall condition of the economy in the fourth quarter of 2021. However, when it comes to the economic agents' perceptions for the economic situation⁶, the results of the surveys for the period October-November 2021 indicate more favorable perceptions compared to the fourth quarter of 2020, which generally indicates favorable developments in the economy and continuation of the growth in this period, but still the perceptions are slightly less favorable compared to the previous quarter.

As for the high frequency data on the supply side, the data on trade and industry are available for October 2021.

In October, **the total trade turnover** still registered significant real growth on an annual basis (9.4%), with a more moderate dynamics compared to the previous quarter (16.9%). Moreover, the favorable performances in total trade are due to the high growth in the wholesale and retail trade (slower growth compared to the growth in the previous quarter in both types of trade), while the trade with motor vehicles registered further decline.

On the other hand, **the industrial output** in October registered real fall of 6.5% on an annual basis, which is a faster decline compared to the previous quarter (decline of 3.5%) amid fall in manufacturing industry. Largest negative contribution within the manufacturing industry is registered in the group of activities of foreign export facilities, such as production of motor



⁶ It refers to the surveys conducted by the European Commission to measure the economic confidence of agents in an economy. The composite indicator of economic confidence is a weighted average of the consumer confidence indicators and economic sectors confidence indicators (construction, industry, retail trade and services).

INDUSTRIAL OUTPUT AND OTHER ECONOMIC ACTIVITIES												
	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Aug. Sep. Oct.
	real annual changes in %											
Gross domestic product	2.8	6.1	4.3	2.5	-1.3	-16.4	-5.9	-0.8	-1.8	13.4	3.0	- - -
Industrial output*	8.8	1.1	7.1	-1.3	-3.7	-25.0	-7.5	-2.3	-6.1	22.2	-3.5	-1.4 -8.0 -6.5
Construction	15.1	-3.3	3.0	5.3	6.3	-5.1	3.0	2.3	-1.1	-9.6	-10.8	-11.5 -3.5 -
Building	-9.3	5.1	23.7	-1.1	-8.5	-20.4	17.9	-8.6	18.5	5.3	-20.2	-30.2 -20.8 -
Civil Engineerings	58.3	-8.0	-6.7	11.1	21.3	4.7	-6.2	11.1	-16.1	-16.9	-3.5	6.0 12.9 -
Retail and wholesale trade	13.9	12.8	15.3	15.5	-16.7	-30.6	-26.1	-24.3	0.9	22.5	16.9	24.3 13.1 9.4
Retail trade	7.6	8.8	12.0	13.8	1.0	-18.6	-15.7	-15.5	-1.3	18.3	13.9	17.7 12.2 11.0
Wholesale trade	18.0	16.0	18.1	17.3	-27.8	-40.1	-38.7	-36.3	3.7	27.9	28.4	40.3 24.7 19.2

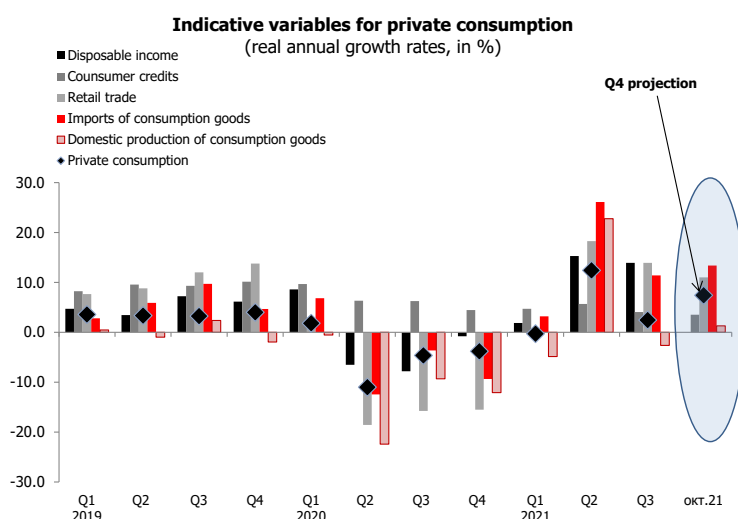
* Real growth rates are calculated by the NBRNM, by dividing nominal growth rates with annual inflation, measured by CPI. The data regarding trade in 2020 and 2021 is previous data, whereas data regarding GDP in 2019 is previous data, while in 2020 and 2021 it is estimated data.
Source: SSO and NBRNM staff calculations.

vehicles and production of machinery and devices. In traditional activities, largest negative contribution is registered in the production of textile and clothing, as well as production of food. On the other hand, largest positive contribution within the manufacturing industry is registered in the production of tobacco products, production of rubber and plastic products, as well as production of chemicals and chemical products.

The available **aggregate demand** indicators are also relatively limited, which hinders the establishment of a more accurate assessment of the movement of the individual components of demand in the fourth quarter of the year.

Available data on the movements **in private consumption** for October 2021 still indicate an annual growth, yet slightly more moderate. Thus, the growth of the retail trade, gross revenues from VAT continued, but more moderate compared to the growth in the previous quarter. The domestic production of consumer goods also registered a growth in October, after the decline in the third quarter, with a slightly higher growth in import of consumer goods. Regarding the funding sources of private consumption, the available data for October are limited (available data only for pensions, which register a minimal annual decline). The household loans registered further, but slightly slower growth in October. The consumer confidence indicator⁷ indicates more favorable expectations in the period October-November compared to the same period in the previous year. However, the expectations regarding the third quarter are unfavorable, amid more negative perceptions and expectations regarding the financial and general economic situation in the country.

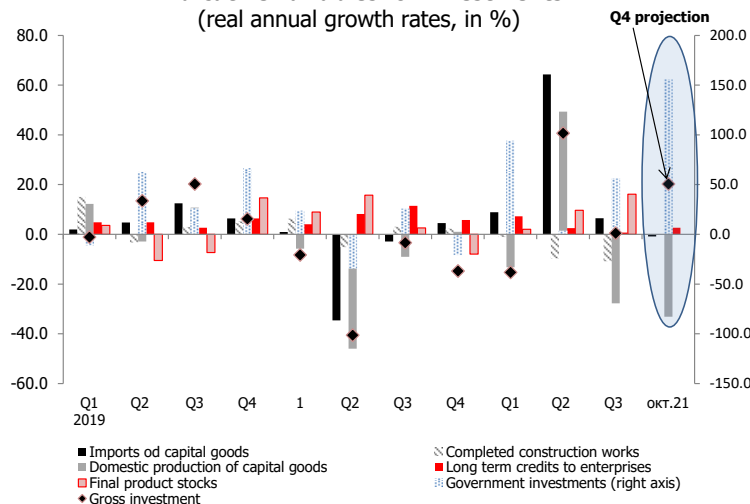
The high frequency data on the **gross investments** for October August 2021 moved in different directions. Thus, in this period, government capital investments and long-term corporate loans registered significant growth. On the other hand, the total industrial output, as well as domestic production of capital goods continued to decrease, more pronounced compared to the previous quarter. Moreover, the corporate tax and import of means of work registered decline (after their growth in the



Source: SSO and NBRNM calculations.

⁷ According to the European Commission surveys.

Indicative variables for investments
(real annual growth rates, in %)



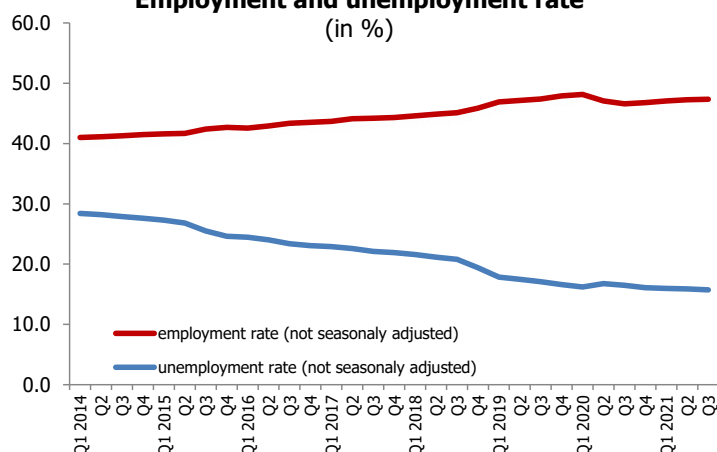
Source: SSO and NBRNM calculations.

previous quarter). As for the perceptions of the corporate managers in industry, they are less negative, while the perceptions in construction are less favorable in the period October-November compared to the previous quarter. Regarding the fourth quarter of 2020, the perceptions of the corporate managers indicate more favorable movements in both, industry and construction.

Foreign trade data in October 2021 indicate potential deficit expansion in the fourth quarter of the year compared to the same period last year, amid nominal decline of the export and growth in the import of goods.

The data on the budget execution as of October 2021 indicate small annual decline in **public consumption**, amid fall in the expenditures on salaries and transfers to the local communities, unchanged costs in Health Insurance Fund and growth of expenses on goods and services at a slower pace.

Employment and unemployment rate
(in %)



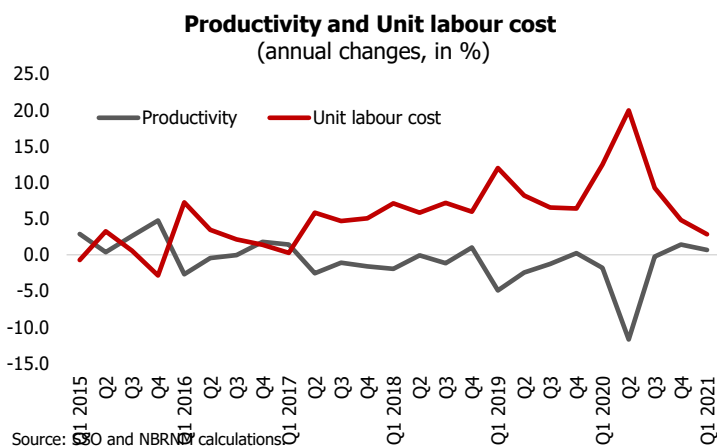
Source: SSO, LFS

In the third quarter of 2021, we registered further labor market stabilization, and thus continuation of the positive developments in this segment of the economy on an annual basis. Thus, amid further mass immunization in the country and improved epidemiological situation, **the number of employees in the third quarter of 2021 registered a minimal annual growth of 1.4%⁸** (0.2% in the previous quarter), which contributed to an increase of employment rate by 0.8 percentage points compared to same quarter in the previous year (from 46.6% to 47.4%). Moreover, **the unemployment rate registered further decrease, and in the third quarter it reduced to 15.7%**, (15.9% in the previous quarter), due to further decrease in the number of unemployed, amid simultaneous positive movements in the number of employees and decrease in the inactive population for the first time since the beginning of the pandemic.

Labor productivity⁹ continued to grow in the third quarter of 2021 and increased by 0.7% on an annual basis, due to significant

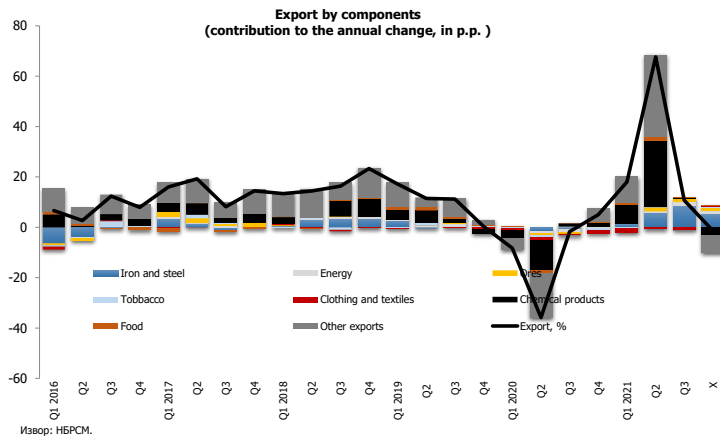
⁸Activities related to trade, health and social care, public administration and defense, transport and storage, construction, administrative and ancillary services made the largest contribution to the employment growth. However, activities related to "accommodation facilities and catering services", "arts, entertainment and recreation", "agriculture", as well as the category "financial and insurance activities" continue to make pronounced negative contribution.

⁹ Total productivity is a weighted sum of productivity of each sector. Within individual sectors, productivity is the ratio of the sector's value added to the number of employees.



growth of the economic activity compared to the increase in employment. More moderate pace of productivity growth compared to the previous quarter (when it reached 10.8%) is a result of the significant slowdown in economic activity growth, amid moderately accelerated employment growth.

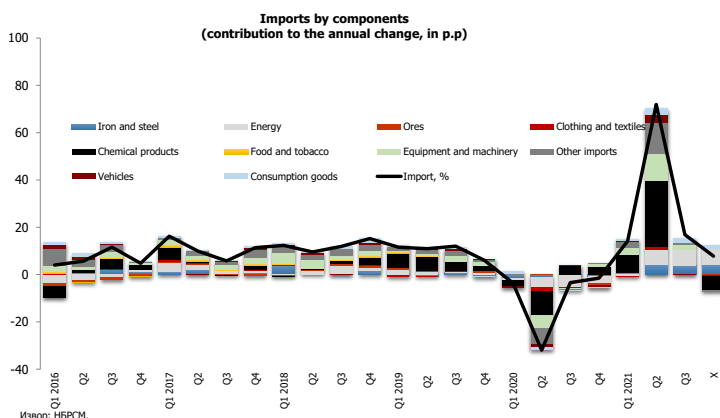
In the third quarter of 2021, **the unit labor costs** registered annual growth of 4.6% (compared to the decline of 1.9% in the previous quarter), which is due to the further sharp growth of gross wages amid major slowdown in productivity growth.



In October 2021, foreign trade deficit widened by 40.8% on an annual basis, due to the growth of imports, amid a simultaneous small decline of exports in this period. The total foreign trade in October 2021 still registers solid growth, which is mostly due to increased import pressures.

In October 2021, the export of goods decreased by 1.4% on an annual basis. The reduced export activity of new facilities in the automotive sector made major contribution to the negative performances. On the other hand, the performances in the exports of iron and steel made significant positive contribution to the imports in this period, which mostly compensates for the reduced import activity of the automotive industry. The upward movements of the stock market prices of primary products contributed to growth in imports of energy and ores, with positive signals from the textile industry.

Compared to the October forecast, the performances in the import in October 2021 were somewhat below the expected. The negative deviations are mainly due to the exports of companies from the automotive industry, affected by the current problems in the supply chains in this sector globally. The performances in the export of iron and steel were also minimally lower. On the other hand, small positive deviations were registered in the exports of clothing and textiles and energy.

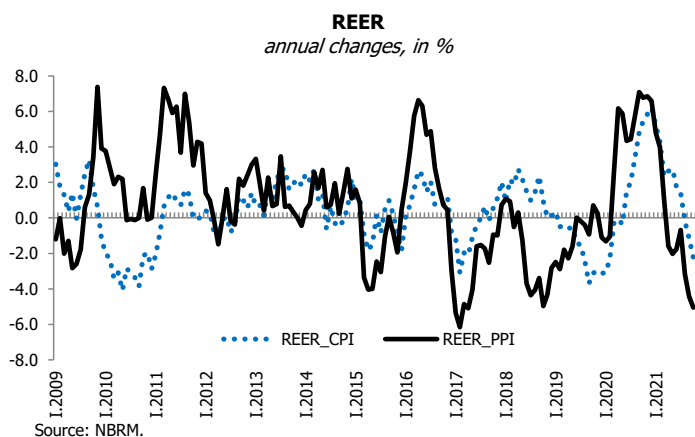
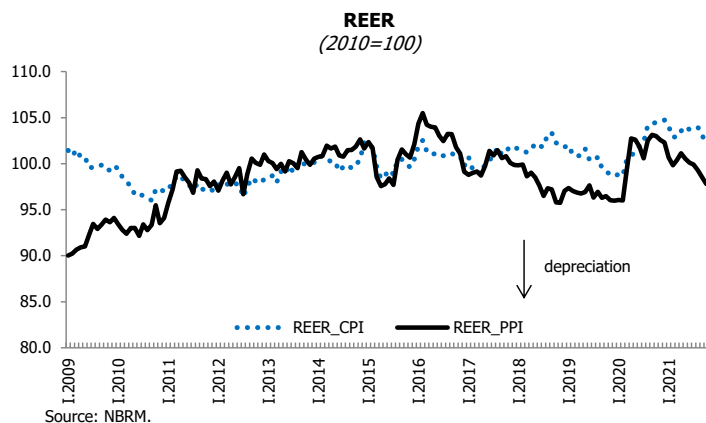


The import of goods in October 2021 registered a growth of 7.8% on an annual basis, whereby the import of energy (higher prices and higher volume) made major contribution to such performances. The import of iron and steel as well as the import of food also made positive contribution to the performances of the import in this period. On the other hand, the imports of part of the production facilities in foreign ownership, as well as the imports of textiles and clothing acted in the direction of decrease in imports.

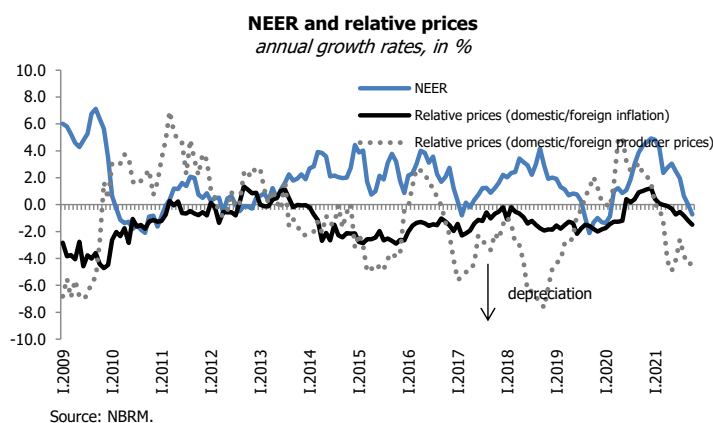
The performances of the import of goods in October 2021 are also lower than the expected in the fourth quarter according to the October forecast, amid lower import of energy, as well as import of part of the production facilities in

foreign ownership. On the other hand, upward deviations were registered in the import of equipment and machinery, as well as other import, while the movements in other categories were within the expected according to the October forecast.

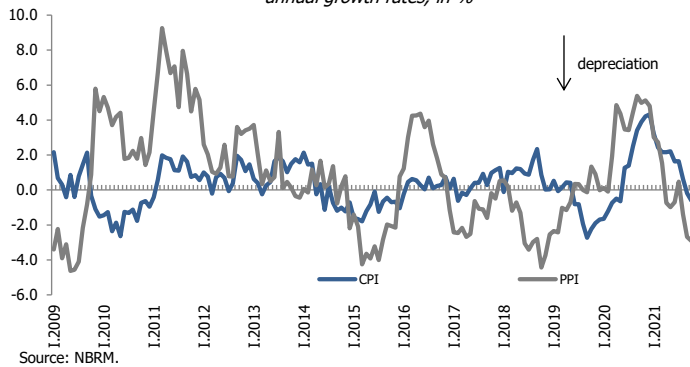
Consequently, the performances in the export and import of goods in October 2021, point to the possibility for achieving somewhat lower trade deficit compared to the October forecast. However, the assessment period is too short to draw specific conclusions, especially amid increased uncertainty.



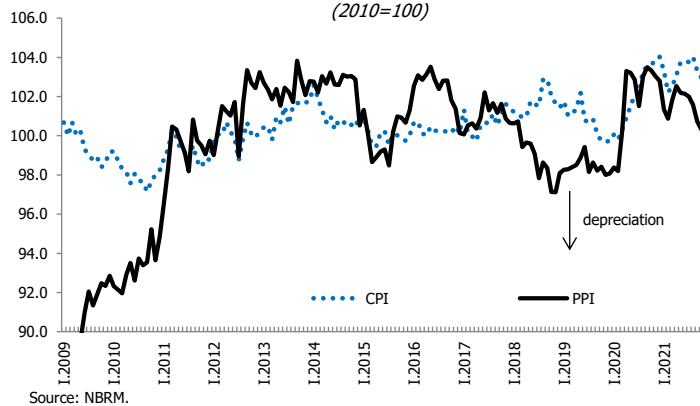
In October 2021, the REER index deflated by consumer prices depreciated by 2.2%, while the REER index deflated by producer prices depreciated by 5.1%. Relative prices made the largest contribution to such performances of the REER, when the consumer prices decreased by 1.5%, while the relative producer prices by 4.3% annually. At the same time, the NEER depreciated by 0.7%, which is mostly due to the appreciation of the Russian ruble, the British pound, and the Ukrainian hryvnia against the domestic currency.



REER, excluding primary commodities
annual growth rates, in %

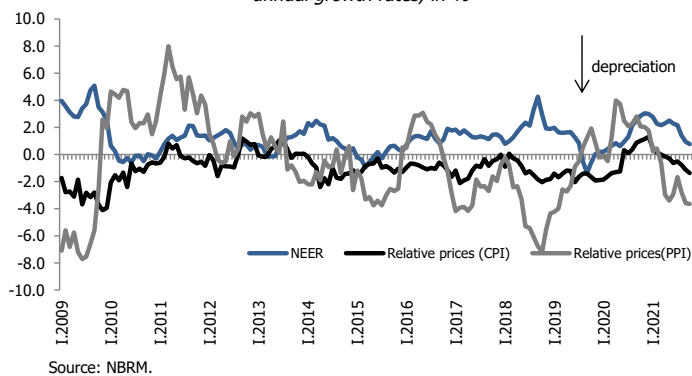


REER, excluding primary commodities
(2010=100)

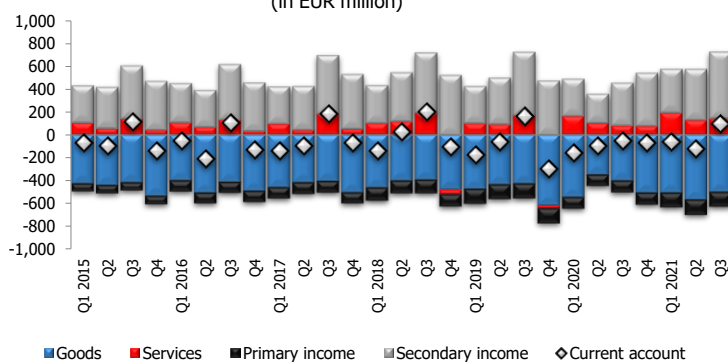


REER indices, as measured using weights based on the foreign trade without primary commodities, in October 2021, also depreciated on an annual basis. Thus, the REER index deflated by consumer prices depreciated by 0.6%, while the REER deflated by producer prices by 2.9%. Such developments are result of the favorable changes in relative prices, i.e. relative consumer prices and relative producer prices, which declined annually by 1.4% and 3.7%, respectively. At the same time, the NEER appreciated by 0.8%, which is largely due to the depreciation of the Turkish lira against the denar.

NEER and relative prices, excluding primary commodities
annual growth rates, in %



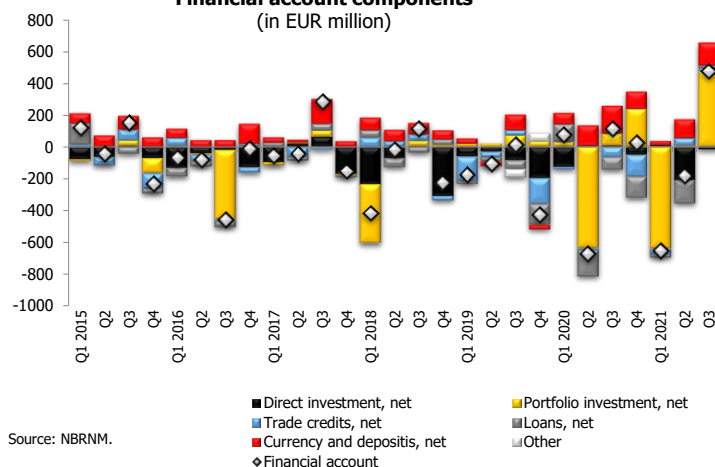
Current account components
(in EUR million)



In the third quarter of 2021, the current account registered a surplus of Euro 98 million, or 0.8% of the GDP, which is higher than expected for the third quarter according to the October forecasts.

Observing the components of the current account, the positive deviation is due to the balance of goods and services. Namely, lower deficit than expected is registered in goods, amid greater downward deviations in import and export component, while the services registered higher surplus, driven by other services. On the other hand, negative deviations are registered as a result of higher primary income deficit than expected, as well as slightly lower surplus in secondary income compared to the October forecast, due to lower official transfers.

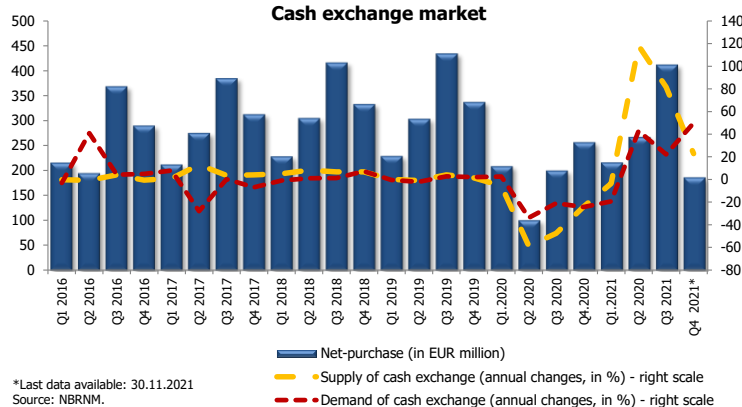
Financial account components
(in EUR million)



Regarding the financial account in the third quarter of 2021 net outflows¹⁰ of Euro 479.8 million were registered (or 4.1% of the GDP), which is higher than the expectations according to the October forecast.

Weaker performances in this period are registered in almost all financial account categories-direct investments, long-term loans, while slight negative deviations are registered in portfolio investments. The remaining categories are mainly within the expectations according to the October forecast.

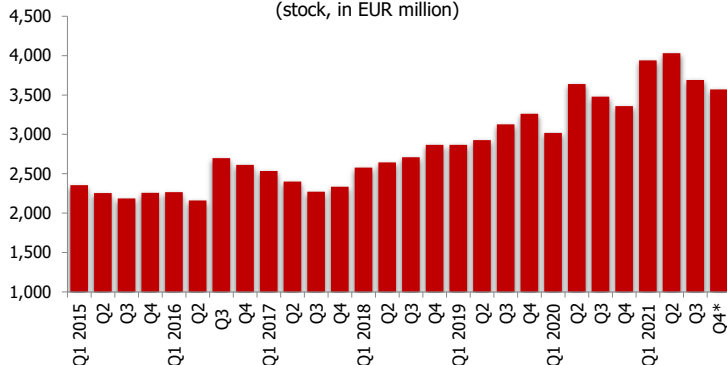
Cash exchange market



The net purchase on the currency exchange market registered in the period October-November 2021 was Euro 186.3 million, which is an annual increase, of 14.7%. Such performances on the currency exchange market are in conditions of simultaneous growth in the demand and supply of foreign currency (of 49.9% and 22.9%, respectively).

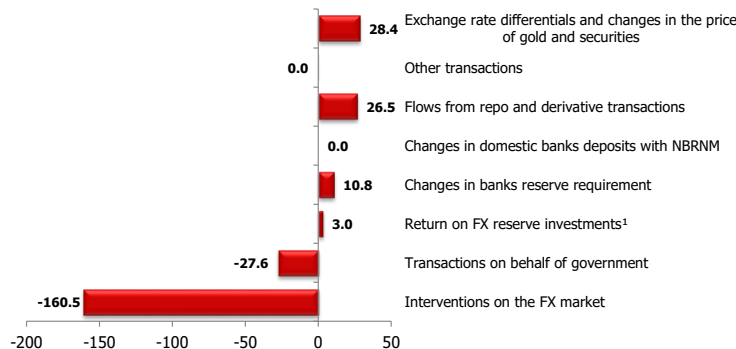
¹⁰ According to the new methodology for compiling the balance of payments (BPM6), the terms net inflows and net outflows denote net incurrence of liabilities and net acquisition of financial assets, respectively.

Foreign exchange reserves
(stock, in EUR million)



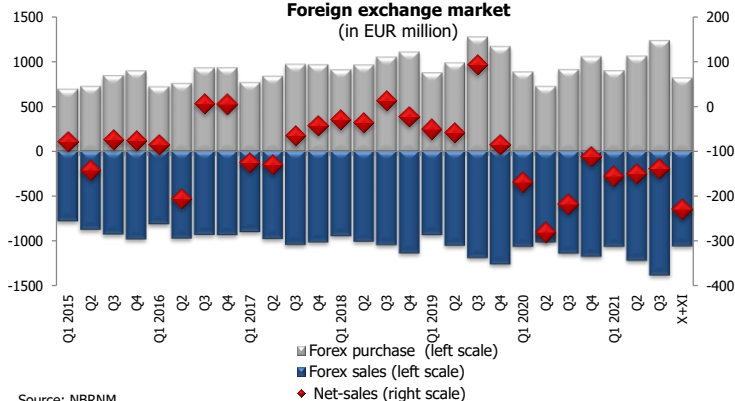
*Last data available 30.11.2021
Source: NBRNM.

Factors of change of the foreign reserves in October and November 2021
(in EUR million)



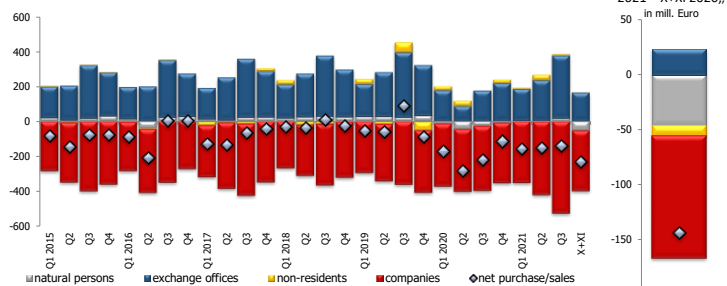
Source: NBRNM.

Foreign exchange market
(in EUR million)



Source: NBRNM.

Structure of foreign exchange market,
(net purchase/sales, in millions of euro)



Source: NBRNM.

As of 30.11.2021, the gross foreign reserves stood at Euro 3,571.4 million. Observed through the factors of change, for the most part, the change in foreign reserves in the period October-November was driven by National Bank's interventions on the foreign exchange market as well as the transactions on behalf of the government.

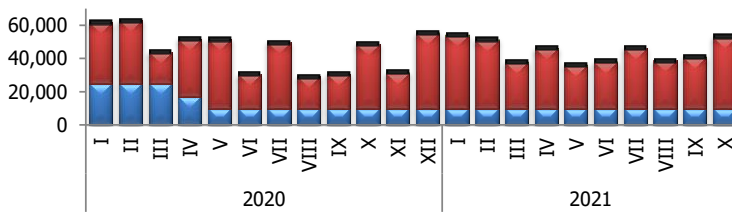
In the period October-November 2021, the banks' foreign exchange market reported a higher net sale of foreign currency compared to the net sale in the same period last year. This change is a result of the higher growth in the demand relative to the increase in the supply of foreign currency (of 42.9% and 26.5%, respectively).

Sector-by-sector analysis shows that such movements largely result from the higher net sales by companies and natural persons, compared to the same period last year. .

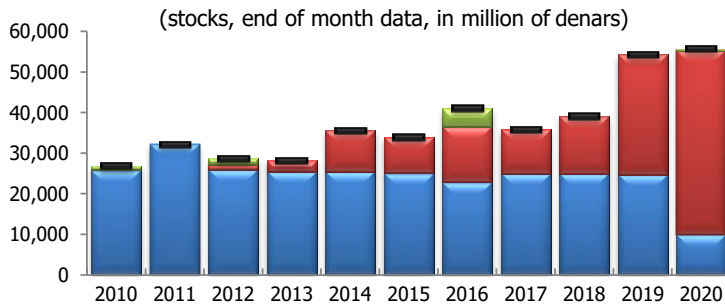
Monetary policy instruments

(stocks, end of month data, in million of denars)

■ FX deposits ■ Standing deposit facilities ■ NBRNM bills ■ MP instruments, total



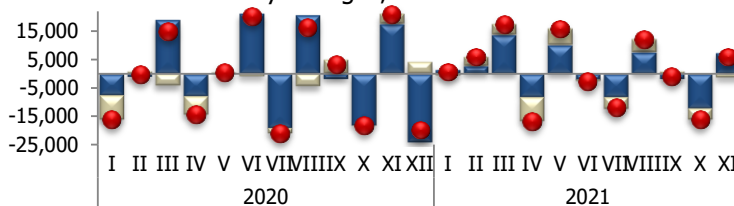
At the end of October, the monetary instruments increased compared to the previous month, due to the increase in the amount of banks' assets placed in deposits with the National Bank, amid an unchanged amount of the stock of CB bills¹¹. The level of monetary instruments at the end of October is higher compared to the forecasted for the end of the fourth quarter of 2021¹².



Source: NBRNM

Banks liquidity*

monthly changes, in million of denars



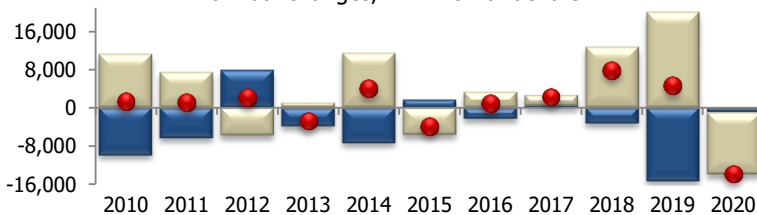
The net foreign assets of the National Bank at the end of October are higher compared to the projected level for the end of the fourth quarter of 2021.

■ Autonomous factors, net

■ Monetary instruments, net

● Banks' accounts with the NBRNM

annual changes, in million of denars

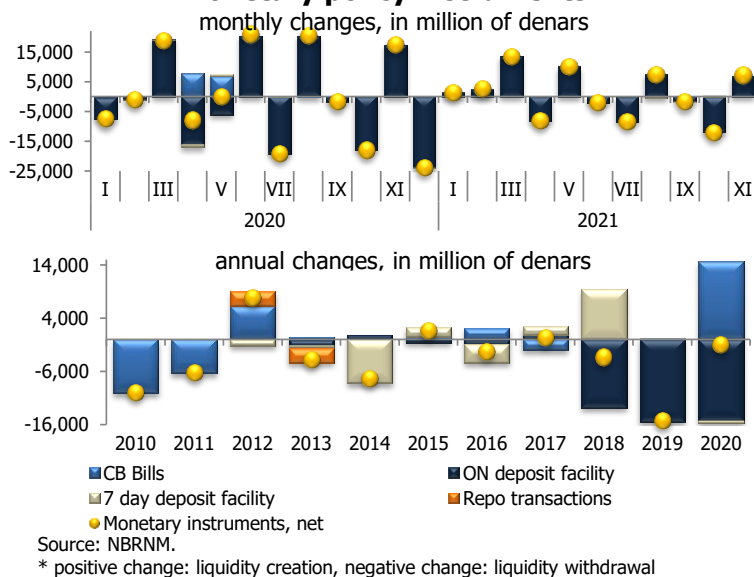


Source: NBRNM.

¹¹ At the CB bills auction of the National Bank held on 13 October 2021, Denar 10,000 million of CB bills was offered and sold at an interest rate of 1.25% and maturity of 28 days.

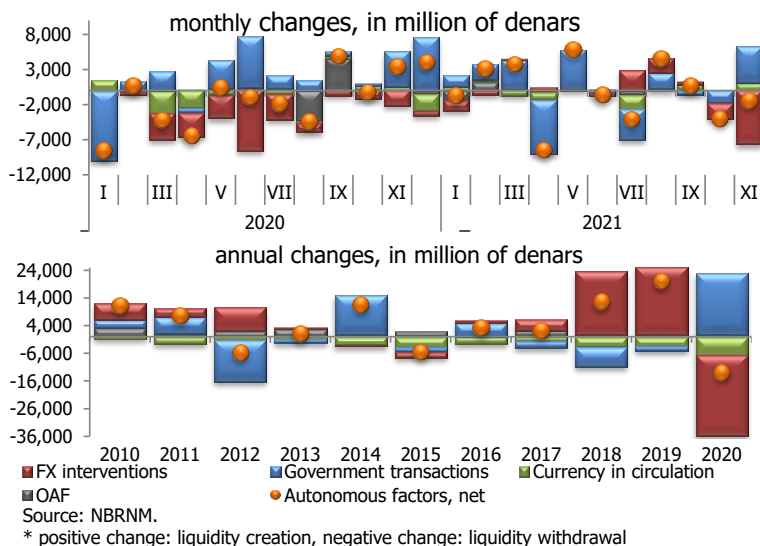
¹² The performance comparisons are against the October forecasts of the National Bank.

Monetary policy instruments*



The total government deposits with the National Bank in October registered a moderate monthly increase, whereby their stock is above the forecasted for the end of the fourth quarter of 2021.

Autonomous factors*



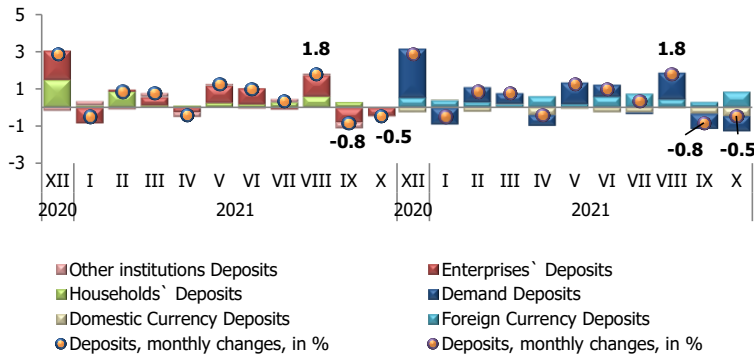
Reserve money in October registered a monthly decline, as a result of the decrease in the banks' total reserves with the National Bank, and almost unchanged currency in circulation. Moreover, the reserve money stock so far is lower compared to the forecast for the end of the fourth quarter of 2021.

In November, the liquid assets of the banking system registered a monthly growth. The change mostly results from the lower amount of banks' placements in short-term deposits, i.e. in overnight deposits, amid unchanged stock of CB bills¹³. The autonomous factors, net, caused reduction of the liquidity in the banking system, due to the interventions of the National Bank, while government transactions and currency in circulation contributed to liquidity growth.

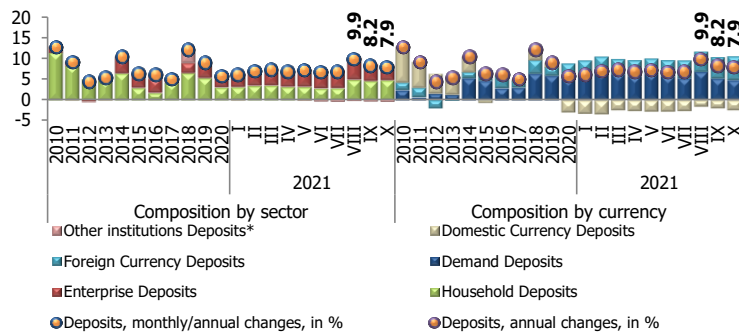
¹³At the CB bills auction of the National Bank held on 10 November 2021, Denar 10,000 million of CB bills was offered and sold at an interest rate of 1.25% and maturity of 35 days.

Total Deposits

(contributions in p.p., monthly changes)



(contributions in p.p., annual changes)



* The Other Institutions Deposits include the deposits of other financial institutions, deposits of local government and deposits of nonprofit insitutions serving householda at the banks and also the domestic currency transferable deposits of other financial institutions and local government at the National bank.

Total financial system deposits¹⁴ in October registered monthly decrease of 0.5%, which is a slight slowdown in the fall compared to the previous month.

Observed by sector, the reduction is entirely a result of the negative contribution of corporate deposits, amid almost unchanged household and other sectors deposits. Analyzing the currency, the monthly fall in total deposits was a result of denar deposits (including demand deposits), amid growth of foreign currency deposits.

Total deposits in October registered a monthly decrease, amid expected increase of deposits in the fourth quarter according to the October forecast.

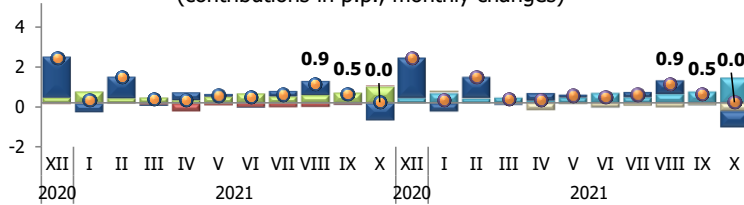
In October, the annual growth rate of total deposits was 7.9%, exceeding the annual growth forecasted for the end of the fourth quarter of 2021 (of 7.1%).

Observed by sector, the increase is primarily a result of household deposits, amid annual growth of corporate deposits. Analyzing the currency, the growth mostly reflects the foreign currency deposits, amid solid growth of denar deposits (including demand deposits).

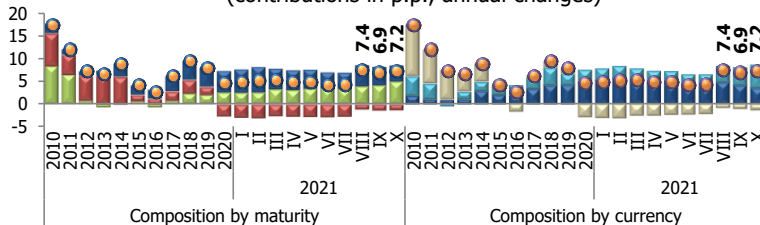
¹⁴ Data refer to non-government deposits in banks and savings houses, funds of other financial institutions on the accounts with the National Bank and funds of local government authorities on the accounts with the National Bank. The data are consistent with the methodological changes of the National Bank from June 2018. For more information on the methodological changes visit: http://www.nbrm.mk/monetarna_statistika_i_statistika_na_kamatni_stapki.nspk.

Household Deposits

(contributions in p.p., monthly changes)



(contributions in p.p., annual changes)



Composition by maturity

■ Demand Deposits
■ Domestic Currency Household Deposits
■ Foreign Currency Household Deposits
■ Long-term Household Deposits
■ Short-term Household Deposits

Composition by currency

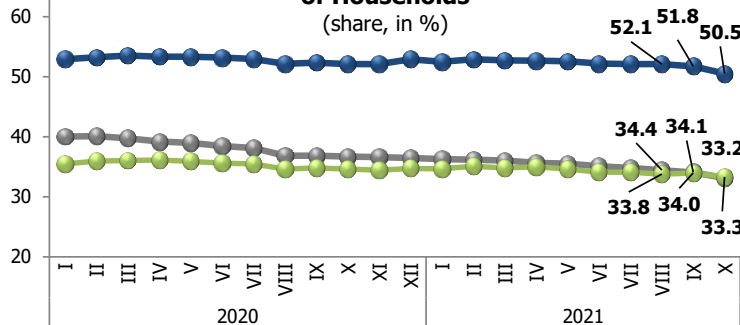
Source: NBRNM.

Household Deposits, monthly/annual changes, in %

Household deposits in October remained at almost the same level as in the previous month. Within household deposits, foreign currency deposits registered an increase, amid simultaneous decrease in denar deposits (including demand deposits). Analyzing the maturity, short-term deposits registered increase, amid minor growth in long-term deposits. **The annual increase in household deposits in October was 7.2%.**

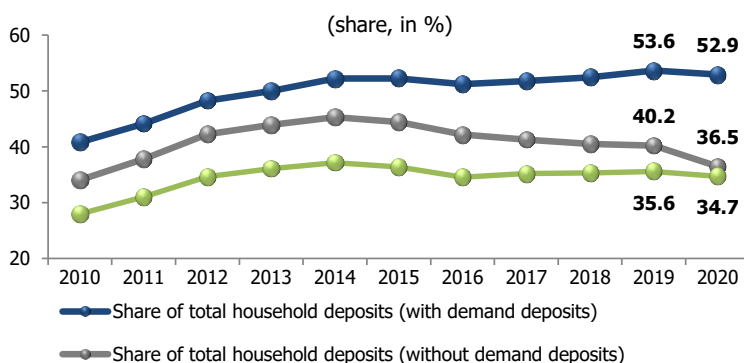
Denar Deposits of Households/Total Deposits of Households

(share, in %)



The share of denar deposits (including demand deposits) in total household deposits at the end of October was 50.5% (51.8% in the previous month).

(share, in %)

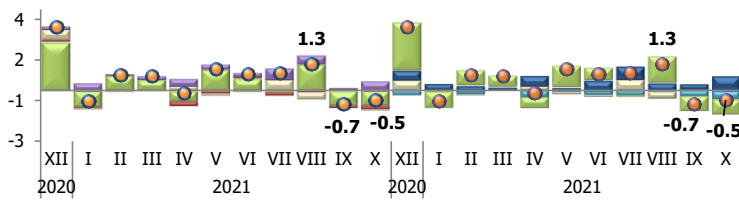


* Includes deposits at Banks and Saving Houses

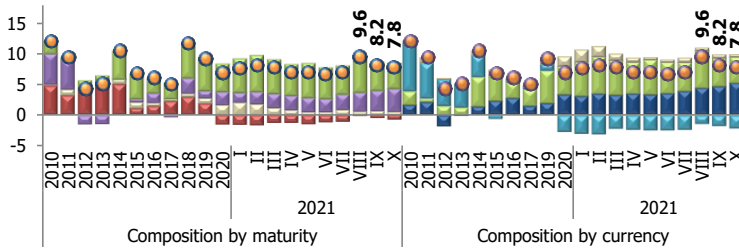
Source: NBRNM.

Broad Money M4

(contributions in p.p., monthly changes)



(contributions in p.p., annual changes)



Composition by maturity

Composition by currency

- CC Outside Depository Corporations
- Demand Deposits
- Total Short-term Deposits
- Total Denar Deposits

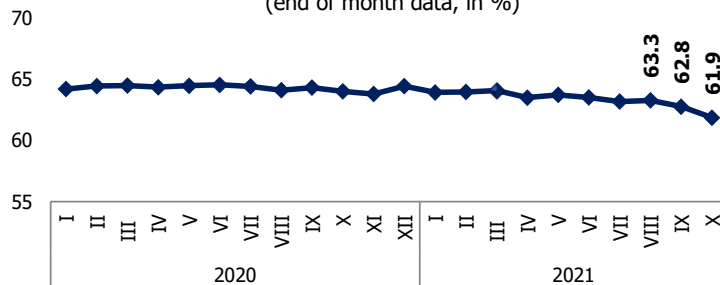
Source: NBRNM.

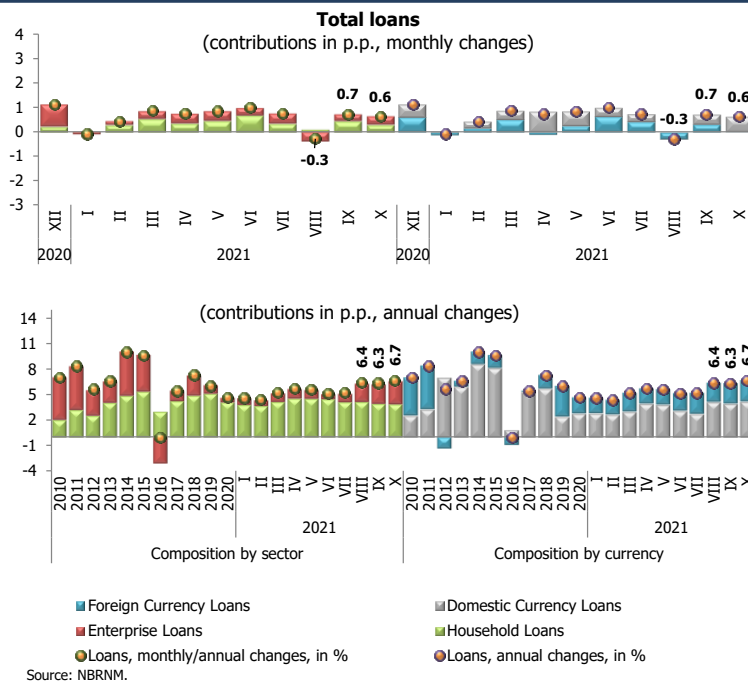
The broad money, measured through M4, registered a monthly decrease by 0.5%.

The reduction is entirely a result of the denar deposits (mostly as a result of demand deposits), amid moderate growth of foreign currency deposits. Observing the maturity structure, long-term deposits registered a decrease, amid moderate growth of short-term deposits. **In October, broad money increased by 7.8% annually, amid forecasted annual growth of 6.8% for the fourth quarter of 2021.**

Share of Denar M4 in total M4

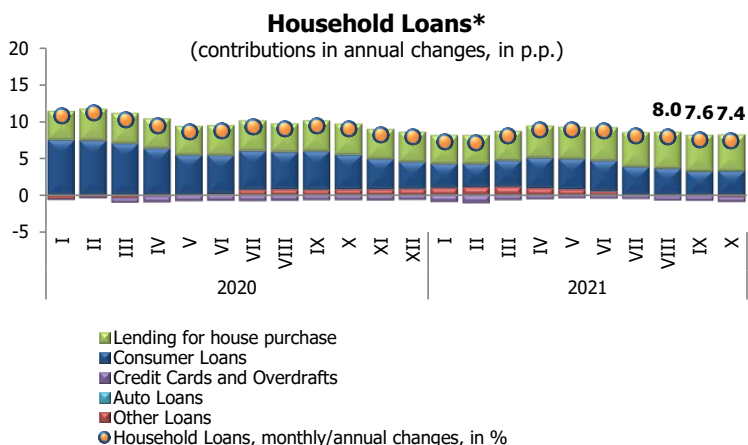
(end of month data, in %)



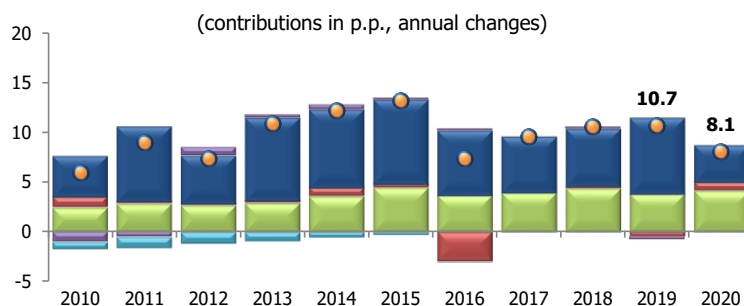


In October, total loans registered a similar increase of 0.6% as in the previous month. Observed by sector, the growth equally results from the corporate and household loans. Analyzing currency structure, the growth entirely results from loans in domestic currency, amid almost unchanged stock of foreign currency loans. In October, total loans registered a monthly growth, which is in line with the forecasted increase in loans in the fourth quarter of the year, according to the October forecast.

In October, the annual growth rate of total loans equals 6.7% and is currently within the forecasted growth rate of 7.1% for the fourth quarter of 2021, according to the October forecast. Observed by sector, the growth is largely driven by the household loans, with a positive contribution of corporate loans. Regarding the currency structure, the credit growth is primarily a result of the increase in loans in domestic currency, amid growth of foreign currency loans (including denar loans with currency clause).



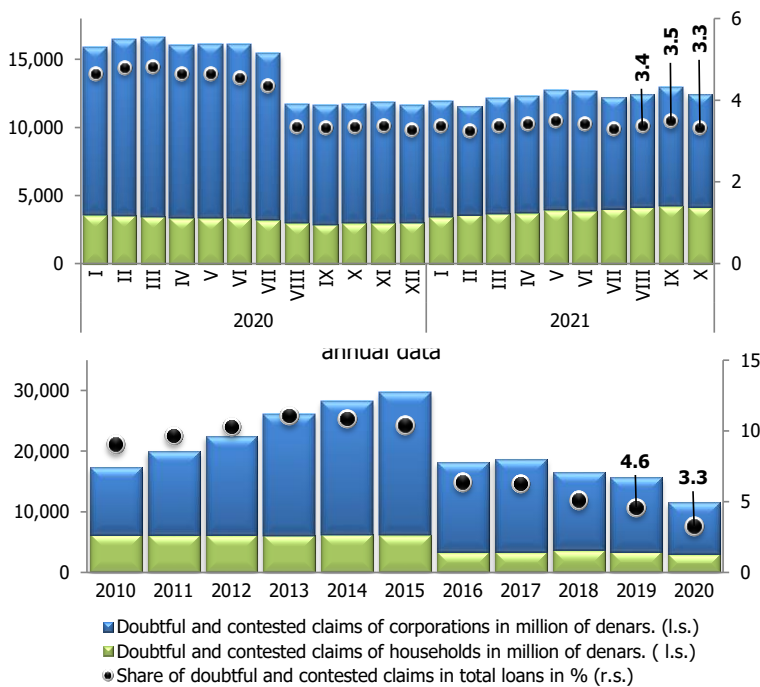
The annual growth of household loans¹⁵ was 7.4% in October, and was still largely driven by housing loans with a solid positive contribution of consumer loans.



* Self-employed individuals are not included.
Source: NBRNM.

¹⁵ Excluding loans of self-employed individuals.

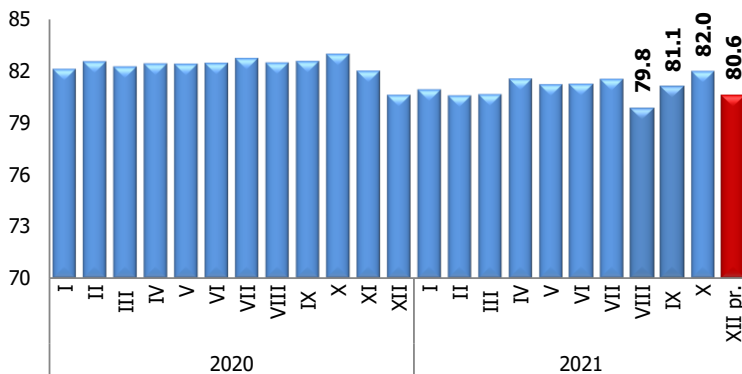
Doubtful and contested claims (composition by sector and share in total loans)



Source: NBRNM.

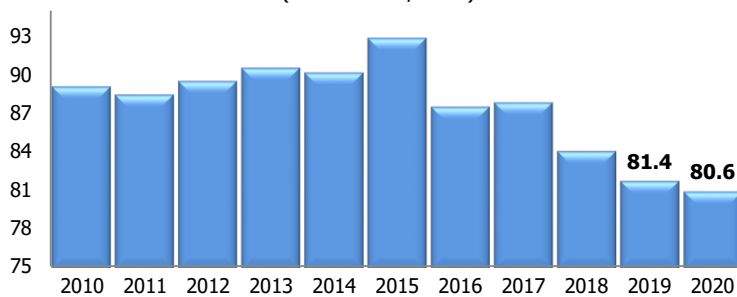
The share of doubtful and contested claims in total loans in October registered a monthly decline of 0.2 percentage point and amounted to 3.3%. In terms of the sector structure, most of the total amount of non-performing loans still results from the corporate sector, while the share of non-performing loans of the household sector is significantly lower.

Total credits/total deposits (monthly data, in %)



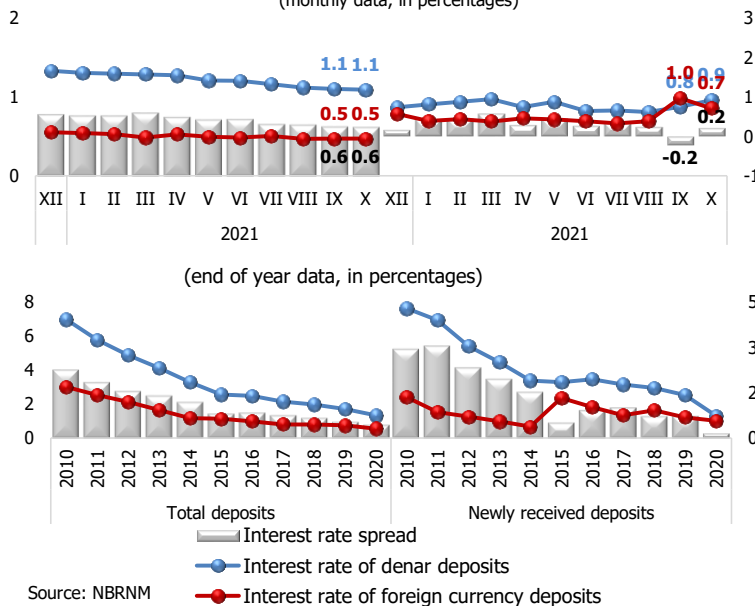
The indicator for the utilization of banks' deposit potential for lending to the private sector in October equals 82%, and is so far above the forecasted value of this indicator for the end of the fourth quarter of 2021 (80.6%), according to the October forecast.

(annual data, in %)



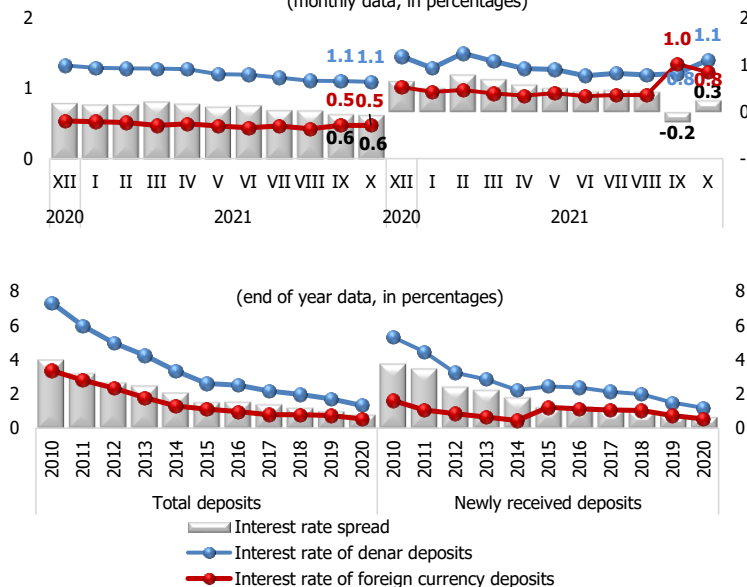
Source: NBRNM.

Total deposits interest rates
(monthly data, in percentages)



In October 2021, there were no monthly changes in the interest rates on total deposits¹⁶, whereby the spread between the interest rates on denar and foreign currency deposits remained unchanged compared to the previous month (0.6 percentage points). **In total newly accepted deposits¹⁷**, the interest rate spread returned to the level of 0.2 percentage points, amid growth of the denar interest rate and decline in the foreign currency interest rate by 0.1 and 0.3 percentage points, respectively.

Households' deposits interest rates
(monthly data, in percentages)



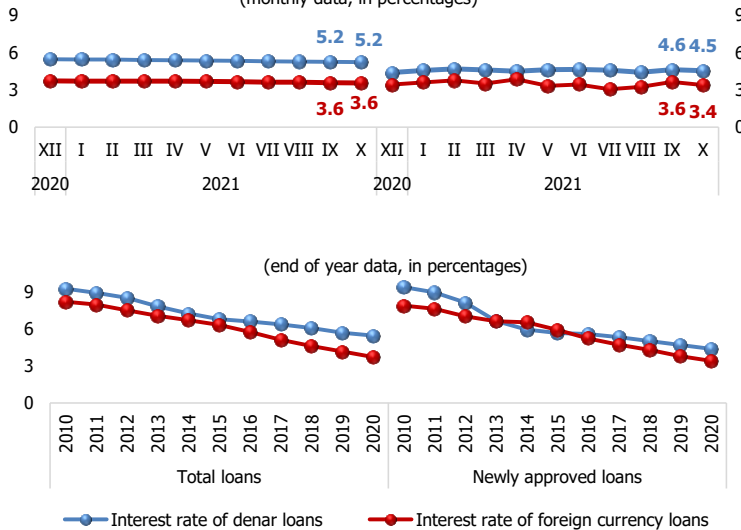
Interest rates on household deposits also registered no monthly changes, whereby the spread between the interest rates on denar and foreign currency deposits is still 0.6 percentage points. **The interest rate spread of the newly accepted household deposits is 0.3 percentage points**, amid growth of the denar interest rate and decline in the foreign currency interest rate of 0.3 and 0.2 percentage points, respectively.

¹⁶ Data on interest rates are in accordance with the methodological changes of the National Bank from June 2018. For more information on the methodological changes visit: http://www.nbrm.mk/monetarna_statistika_i_statistika_na_kamatni_stapki.nspj.

¹⁷One should have in mind that the interest rates on the newly accepted deposits are volatile. Volatility of interest rate on newly accepted deposits results from the fact that they are determined by the volume of newly accepted deposits (which varies from month to month) and their interest rate.

Total loans interest rates

(monthly data, in percentages)



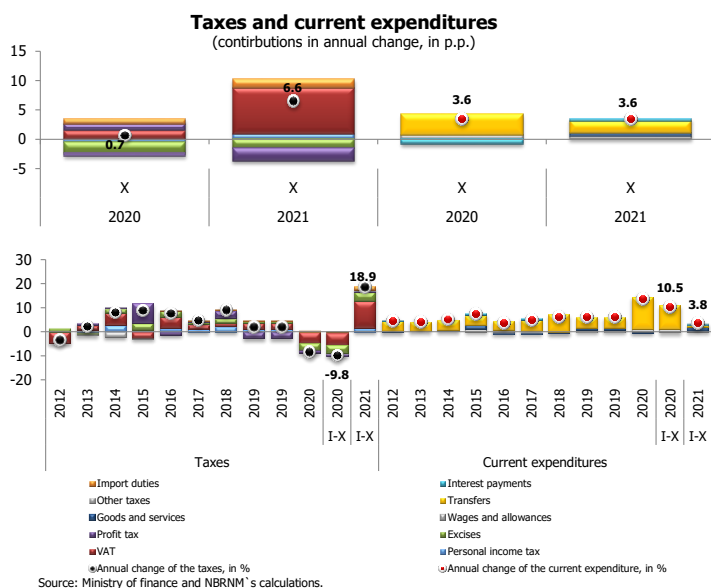
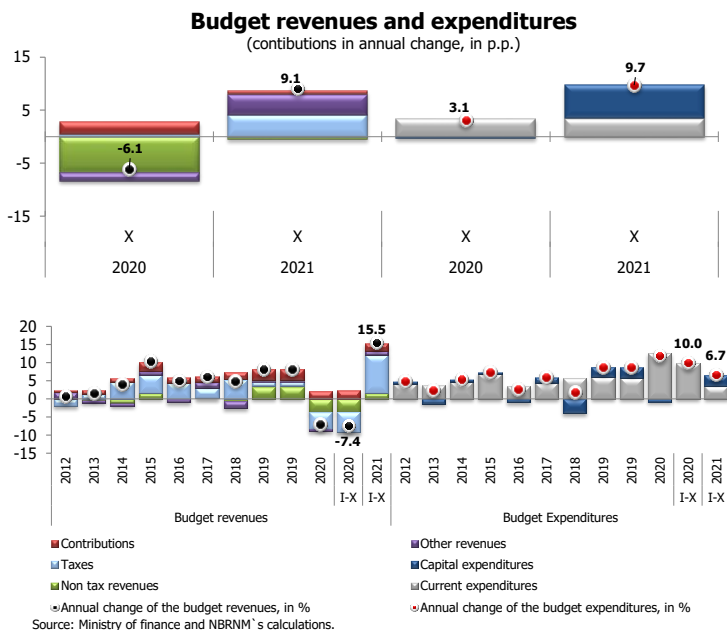
Source: NBRNM.

In October, the interest rates on **total household and corporate loans** registered no changes compared to the previous month and amounted to 5.2% and 3.6%, respectively. In the **newly approved loans**¹⁸, compared to the previous month, the interest rates on household and corporate loans decreased by 0.1 and 0.2 percentage points, respectively and equaled 4.5% and 3.4%,.

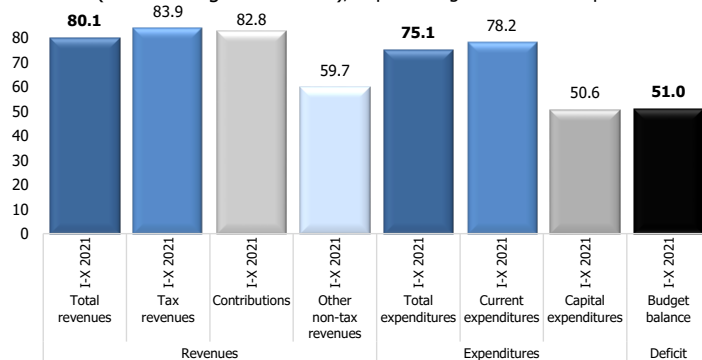
¹⁸ Regarding the interest rates on newly approved loans, one should have in mind that they are characterized with variable movements. Volatility of interest rate on newly approved loans results from the fact that they are determined by the volume of newly approved loans (which can vary from month to month) and their interest rate.

In the Budget of the Republic of North Macedonia (central budget and budgets of funds), in October 2021, total budget revenues and expenditures registered an annual growth of 9.1% and 9.7%, respectively. The growth of **budget revenues** is mostly a result of the growth in tax revenues and other revenues (contribution of 4.0 and 3.9 percentage points, respectively), amid smaller positive contribution of revenues (0.6 percentage points), while non-tax revenues have a small negative contribution (0.4 percentage points). Thus, tax revenues in October were higher by 6.6% on an annual basis and mostly due to higher inflows from VAT. The growth of **budget expenditures** in October 2021 is mostly due to capital expenditures amid positive contribution of current expenditures, (mostly from transfers).

In the period January-October 2021, total budget revenues and expenditures went up by 15.5% и 6.7%, respectively, compared to the same period last year. Higher tax revenues have the largest contribution to the growth of budget revenues, while on the expenditure side, the current and capital expenditures make an almost equal contribution.



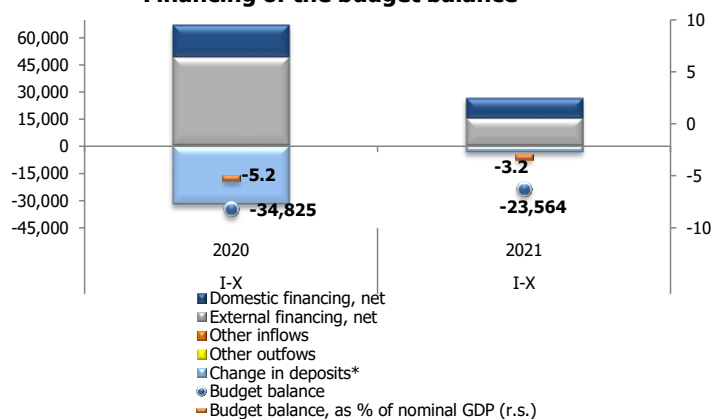
Budget implementation , per categories
(central budget and funds), in percentage of the annual plan*



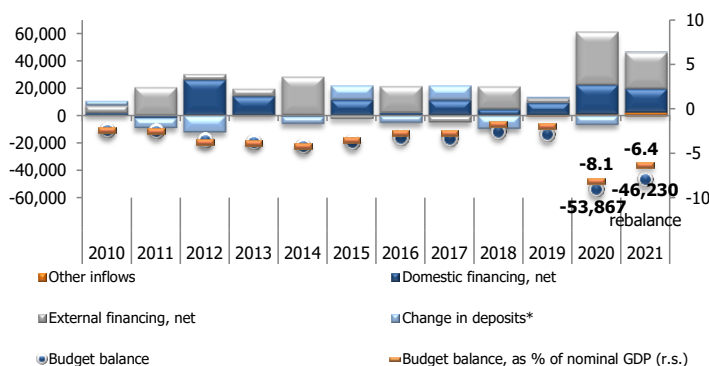
*for 2021, figures are calculated compared to the rebalance of the Budget made in July.
Source: Ministry of Finance and NBRNM's calculations.

Compared to the Budget Revision¹⁹ for 2021, the budget revenues and expenditures in the period January-October 2021 amounted to 80.1% and 75.1%, respectively. The budget deficit in the amount of Denar 23,564 million accounts for 51% of the deficit planned for 2021.

Financing of the budget balance



The budget deficit in the period January-October 2021 (denar 23.564 million or 3.2% GDP²⁰) is financed by government borrowings on the foreign²¹ and domestic market, whereby the government deposits with the National Bank minimally increased.



* Positive change: deposits withdrawal; negative change: deposits accumulation.
Source: MoF.

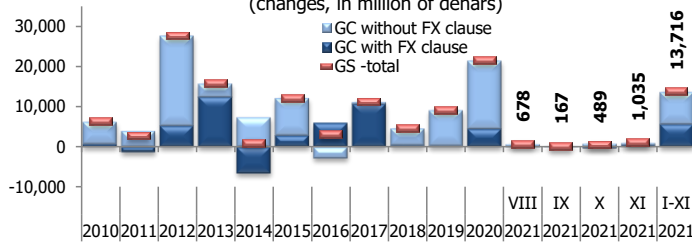
¹⁹ "On 28 July 2021, the budget Revision for 2021 was adopted (Official Gazette of the Republic of North Macedonia No. 171 of 28.7.2018).

²⁰ The analysis uses the National Bank's October forecasts for the nominal GDP for 2021.

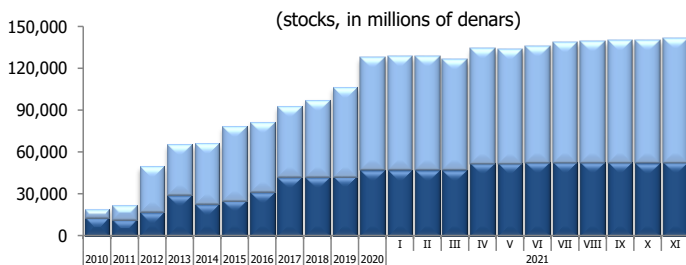
²¹ The government borrowing on the foreign market was mostly due to the eight Eurobond issued in the beginning of March 2021 in the amount of Euro 700 million and withdrawal of the second tranche of the EU macro financial assistance in the beginning of June 2021 in the amount of euro 80 million, out of total Euro 160 million micro financial assistance from the EU to overcome the crisis caused by the coronavirus. Moreover, in July 2021 the government repaid the Eurobond issued in 2014 in the amount of Euro 500 million.

Government securities

(changes, in million of denars)



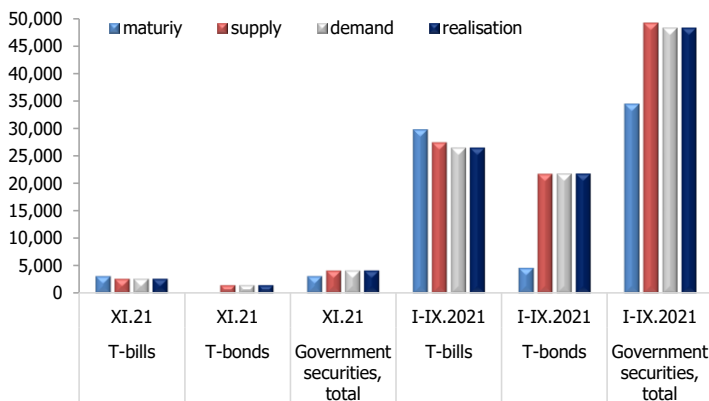
In November 2021, the stock of issued government securities²² in the primary market increased on a monthly basis by Denar 1,035 million and at the end of the month amounted to Denar 141,581 million. The increase is entirely due to the growth of the fifteen-year government bonds (with and without currency clause).



Source: MoF.

Government securities auctions

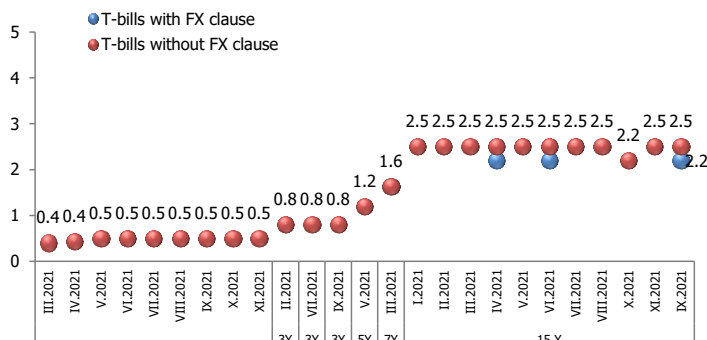
in million of denars



Source: Ministry of finance.

The new issues of government securities in November 2021 were with twelve-month maturity without currency clause and fifteen-year maturity with and without currency clause, whereby the market participants' interest was the same with the offered amount. The previously issued twelve-month treasury bills fell due in November 2021.

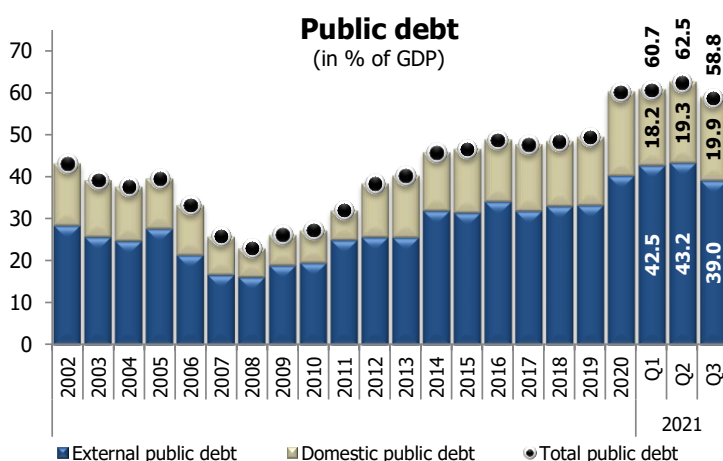
Interest rates of T-Securities in percent



Source: Ministry of Finance

In November, at the regular auction, the Ministry of Finance kept the interest rates on the newly issued twelve-month treasury bills (0.5%) and fifteen-year government bonds with and without currency clause (2.2% и 2.5%, respectively) unchanged.

²² The Budget Revision plans a net domestic borrowing (continuous government securities) of the government of Denar 18,450 million for 2021, i.e. increase in the stock of government securities to Denar 146,315 million.



Source: NBRNM's calculations based on data from the Ministry of Finance.

At the end of the third quarter of 2021, public debt²³ equaled 58.8% of GDP²⁴, which is lower by 3.7 percentage points compared to the previous quarter. Moreover, the external public debt is lower by 4.2 percentage points and equals 39.0 of the GDP (related to the government deleveraging in July on the basis of Eurobond issue), while the domestic public debt is increased by 0.6 percentage points and at the end of quarter equaled 19.9% of the GDP. Total government debt in the third quarter of the year decreased by 3.6 percentage points compared to the previous quarter and accounted for 50.7% of GDP, while the debt of public enterprises (guaranteed and non-guaranteed)²⁵ equaled 8.2% of GDP.

²³ The public debt is defined under the Law on Public Debt (Official Gazette of the RM No. 62/2005, 88/2008, 35/2011, 139/2014 and 98/2019) as the sum of government debt and public debt established by the state or municipalities, municipalities within the City of Skopje and the City of Skopje, and companies that are entirely or predominantly owned by the state or by the municipalities, the municipalities within the City of Skopje and the City of Skopje.

²⁴ The analysis uses the National Bank's October forecasts for the nominal GDP for 2021.

²⁵ According to the amendments to the Law on Public Debt from May 2019, the non-guaranteed debt of public companies and joint stock companies established by the state or municipalities, municipalities within the City of Skopje and the City of Skopje is calculated in public debt (Official Gazette of the Republic of Macedonia No. 62/2005, 88/2008, 35/2011, 139/2014 and 98/2019).

Annex 2: Indicative private consumption and gross investment categories

INDICATIVE VARIABLES FOR PRIVATE CONSUMPTION																		
	2018				2019				2020				2021					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	August	September	October
	real annual growth rates in %																	
Retail trade*	5.8	8.9	9.4	10.5	7.6	8.8	12.0	13.8	1.0	-18.6	-15.7	-15.5	-1.3	18.3	13.9	17.7	12.2	11.0
VAT revenues*	3.9	6.5	7.5	6.9	3.5	1.4	7.5	6.6	1.8	-20.0	-10.8	-4.2	2.9	36.6	21.1	27.6	13.8	16.9
Imports of consumption goods*	8.0	2.6	3.0	11.0	2.8	5.9	9.7	4.7	6.8	-12.4	-3.6	-9.4	3.2	26.1	11.4	12.4	16.3	13.4
Domestic production of consumption goods	6.1	-1.0	-0.1	5.6	0.5	-1.0	2.4	-2.0	-0.5	-22.4	-9.3	-12.1	-4.8	22.8	-2.6	-2.7	-5.5	1.3
Counsumer credits*	7.7	8.2	8.5	9.3	8.2	9.6	9.3	10.1	9.7	6.3	6.2	4.5	4.7	5.7	4.0	4.5	4.0	3.5
Average net wage*	3.4	4.7	3.9	5.4	2.2	2.4	3.5	4.2	10.0	4.6	7.0	4.7	2.0	5.7	1.1	0.4	1.6	-
Private net transfers*	5.6	9.2	4.3	2.1	-2.4	-4.9	5.5	2.0	-2.5	-40.0	-36.5	-11.3	8.6	69.1	57.8	82.3	29.7	-
Pensions*	2.1	3.4	2.6	4.4	4.1	2.2	3.9	2.1	5.7	6.2	5.3	5.4	2.3	0.3	0.0	-0.6	1.6	-0.2

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

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

INDICATIVE VARIABLES FOR INVESTMENTS																		
	2018				2019				2020				2021					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	August	September	October
	real annual growth rates in %, except for FDI in million denars																	
Imports of capital goods*	19.1	20.2	10.5	11.6	1.9	4.8	12.5	6.4	0.9	-34.6	-2.9	4.5	8.9	64.3	6.5	8.9	6.9	-0.8
Completed construction works**	-39.6	0.9	-10.0	14.6	15.1	-3.3	3.0	5.3	6.3	-5.1	3.0	2.3	-1.1	-9.6	-10.8	-11.5	-3.5	-
Domestic production of capital goods	19.3	24.2	16.0	5.7	12.3	-2.9	10.7	7.1	-5.7	-46.0	-9.0	1.0	-13.2	49.3	-27.7	-24.6	-41.0	-33.1
Government investments*	-65.0	-39.5	-10.7	-34.1	-11.1	62.7	26.3	66.5	23.8	-34.4	26.0	-20.7	94.2	3.7	56.2	405.2	73.7	155.9
Direct Investments***	8572.0	5779.6	3761.2	8336.9	-11081.9	-2571.9	5347.7	-6986.1	3959.7	-2322.3	-5612.6	-9061.0	-8494.0	12928.4	1413.7	809.6	1240.5	-
Long term credits to enterprises*	2.0	4.7	6.6	5.9	4.9	4.8	2.6	6.4	4.1	8.2	11.5	5.8	7.3	2.5	0.7	1.7	0.7	2.6

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

** real growth rates are obtained using the rate of growth of the construction costs for new housing facilities deflator.

*** real amounts are calculated by NBRNM, by dividing the nominal amounts with the level of the CPI index (base year: 2020=100).

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