



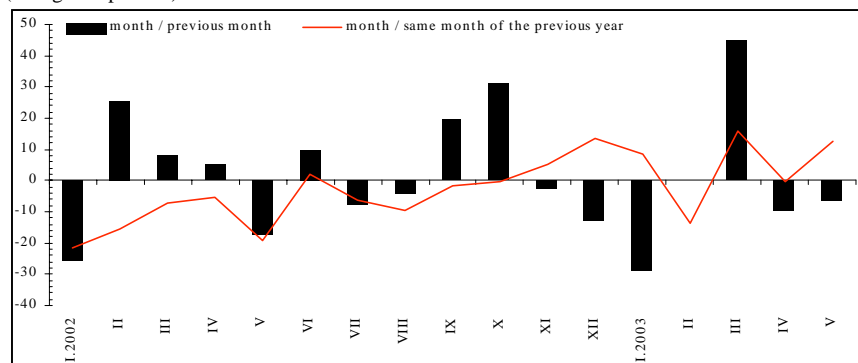
## 1.2.

**Economic activity**

*In May 2003, the volume of the industrial output decreased by 6.5% on a monthly basis...*

In May 2003, the volume of the industrial output registered a monthly decline of 6.5%, which is common for this month of the year. A decrease in the industrial output was registered in almost all main industrial groups of products, with the most significant decline of 8.1% and 6.4% being registered in the production of intermediary products (except energy) and non-durable consumption goods, respectively. Analyzed by sectors, a decrease in the industrial output was registered in three sectors: in the processing industry, mining and quarrying, and supply of electricity, gas and water (by 5.2%, 16.9% and 21.2%, respectively). The decline in the processing industry is due to the lower production in most of the industrial branches of higher importance.

Chart 4  
Industrial output  
(changes in percent)



*... while growth rates of 12.5% and 4.3% on annual and cumulative basis, respectively, were registered*

Despite the monthly decrease in the industrial output, growth rates of 12.5% and 4.3% were registered on annual and cumulative basis, respectively. The reason for the high positive annual rate is the increased production of oil derivatives by 54 times, which is basically due to the low comparison base registered in the previous year, as well as the increased production of basic metals (by 3.2 times).