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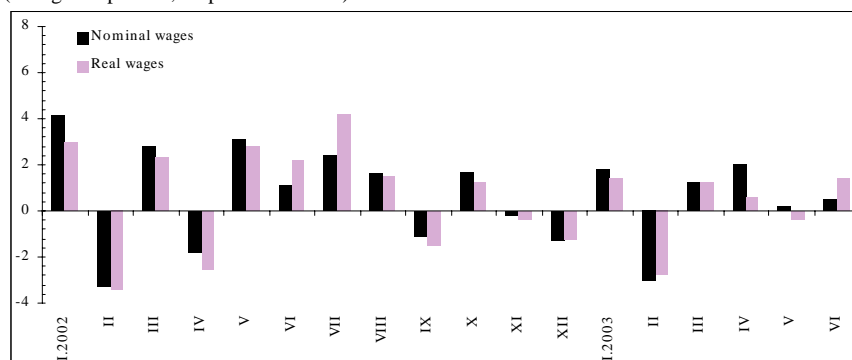
Other macroeconomic developments

In June 2003, the average net paid wage per worker registered monthly increase of 0.5% in nominal and 1.4% in real terms

In June 2003¹, the average net paid wage per worker in the Republic of Macedonia equaled Denar 11,860 which is a monthly increase of 0.5% in nominal and 1.4% in real terms. The increase in the wages in real terms is higher than that in the nominal terms due to the rate of deflation of 0.9% registered in June. In the first half of 2003, compared to the same period of 2002, the average net paid wage increased by 6.7% in nominal terms, and by 6.4% in real terms. High average increase in the average net paid wage was registered in the "services" (8.1%) and "industry" (3.4%), while in the "agriculture", the average net paid wage decreased (by 2.0%).

In June 2003, 25.6% of the employees in the Republic of Macedonia did not receive wages for the respective month, which is by 0.5 percentage points more compared to the previous month.

Chart 5
Average net wages
(changes in percent, on previous month)



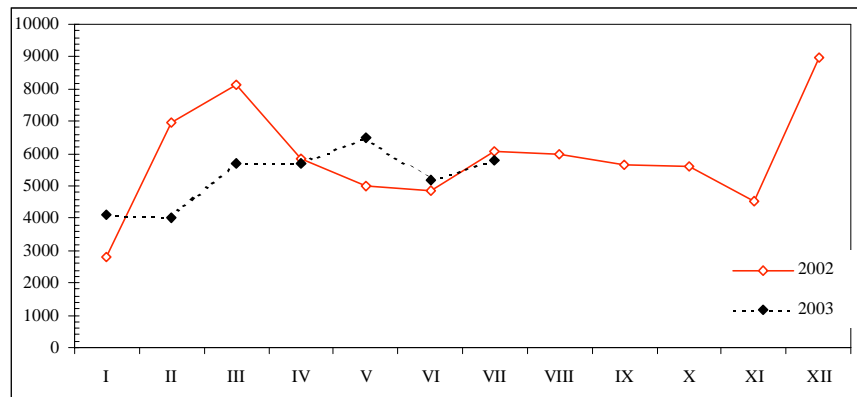
In July 2003, the total budget revenues registered monthly increase of 11.6%...

In July 2003, compared to the previous month, the total budget revenues were higher by 11.6% and equaled Denar 5,779 million. This monthly increase originates from the increased primary revenues of 20.0%, the structural share of which in July increased by 6.3 percentage points and reached 90.1%. Within the primary revenues, high monthly increase was registered in the non-tax revenues, which originates from the increased entrepreneurship revenue (by 13 times), but the low comparison base registered in the previous month should also be taken into consideration. In July 2003, the tax revenues, representing the most important revenue category, equaled Denar 4,638 million, which is an increase of 11.9% compared to the previous month. Monthly increase was registered in all tax categories, with the highest monthly increase being registered in the revenues originating from the profit tax (of 37.7%) and from the value added tax (of 17.5%). The registered increase in the revenues originating from the VAT is partially due to the possibility given to the small enterprises to pay this tax on a quarterly basis.

¹ Last available data of the State Statistical Office.



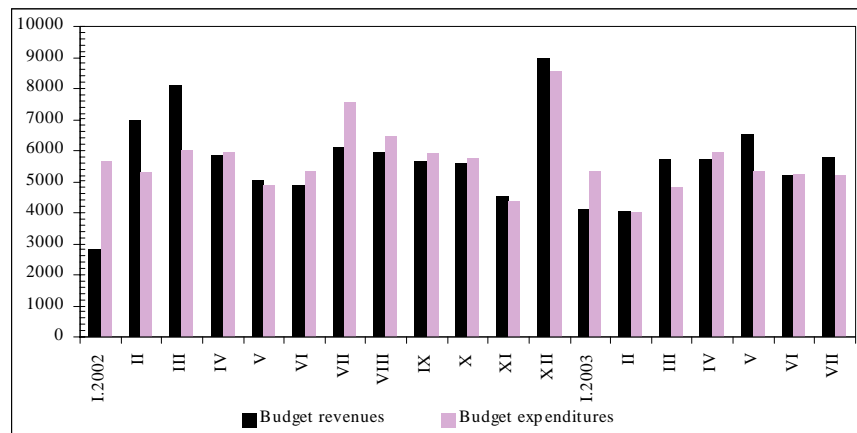
Chart 6
Total Central Government budget revenues
(in Denar million)



...while they decreased by 6.7% on cumulative basis

In the January - July 2003 period, the total budget revenues equaled Denar 37.035 million, which is a decrease of 6.7% compared to the same period of the previous year. The cumulative decrease was caused by the lower primary revenues and decreased revenues from financing (lower amount of received donations), while the capital revenues registered cumulative increase (due to the increased sale of capital assets). The decrease of the primary revenues is due to the reduced tax revenues by 6.2%, which is a result of the different comparison base in 2002, when the tax on financial transaction was applied.

Chart 7
Total Central revenues and expenditures
(in Denar million)

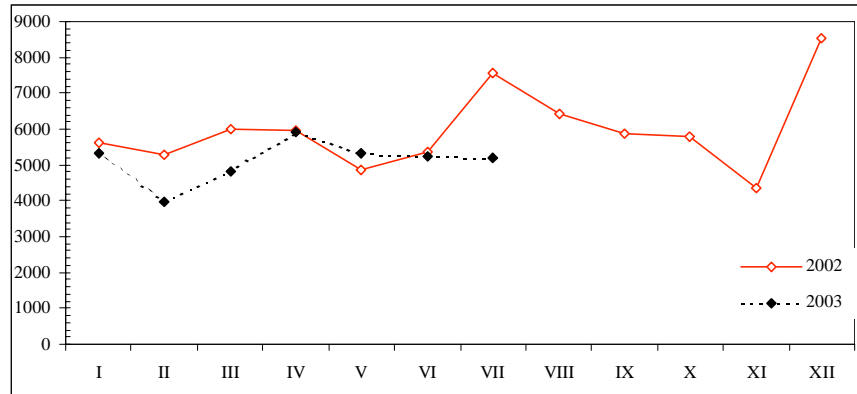


In July 2003 the total budget expenditures registered monthly decrease of 1.0%...

In July 2003, the total budget expenditures of the Central Government amounted to Denar 5,200 million, which is a decrease of 1.0% relative to the previous month. Analyzed by main expenditure categories, a decrease was registered in the category capital expenditures and net lending, and in the category reserves, the participation of which in the total expenditure structure in July equaled 4.8%. On the other hand, the current expenditures, as the most sizeable expenditure category (84.4% of the total expenditures), registered monthly increase of 4.1%, thus increasing their structural share by 4.2 percentage points. Structurally observed, most of the categories of current expenditures registered a monthly increase, with the highest increase of 32.3% being registered in the expenditures of goods and services, which contributed their structural share to increase by 3.1 percentage points.



Chart 8
Total expenditures of the central budget
(in Denar million)



...as well as a decrease of 11.8% on a cumulative basis

Cumulatively observed, in the January - July 2003 period, the total budget expenditures equaled Denar 35,823 million, which is a decline of 11.8% compared to the same period of the previous year. The cumulative decrease is due to the reduction of the current expenditures (halved expenditures for goods and services) and capital expenditures and net lending (reduced investments in fixed assets and expenditures for the projects of Telecom).