



1.3.

Other macroeconomic developments

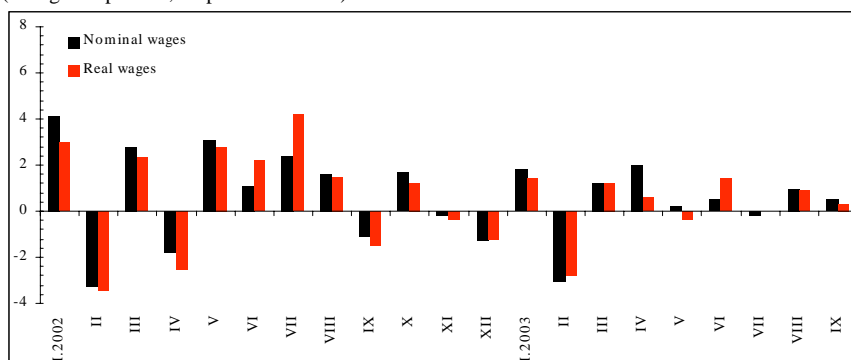
In September 2003, the average net paid wage increased in nominal and real terms by 0.5% and 0.3%, respectively

In September 2003¹, the average net paid wage per worker in the Republic of Macedonia equaled Denar 12,015 which is a monthly increase in nominal and in real terms of 0.5% and 0.3%, respectively (taking into consideration the monthly rate of inflation in September of 0.2%). On annual basis, the average wage was higher by 4.2% in nominal, and by 2.2% in real terms. On average, in the January - September 2003 period, compared to the same period of the previous year, the average net paid wage per worker increased by 5.5% and 4.6% in nominal and in real terms, respectively. Analyzed by main activities, an increase in the average net paid wage per worker was registered in all three activities, with the most significant increase being recorded in services (by 6.5%).

Chart 5

Average net wages

(changes in percent, on previous month)



In September 2003, 25.3% of the total number of employees in the Republic of Macedonia did not receive wages for the respective month, which is by 0.7 percentage points less compared to the previous month.

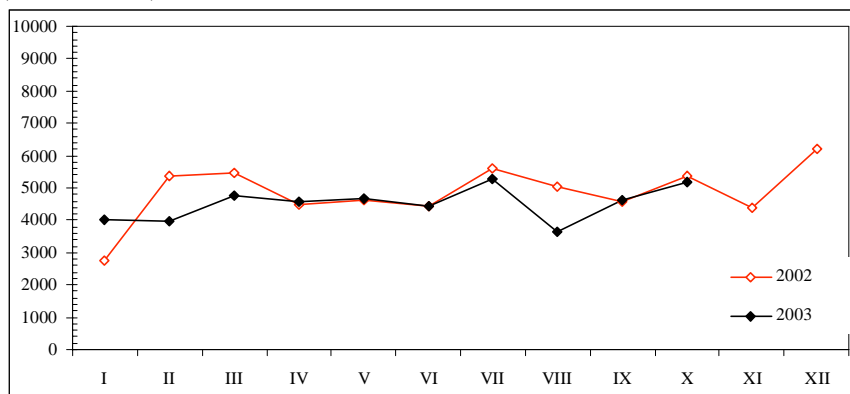
In October 2003, the total budget revenues registered monthly increase of 11.3%...

In October 2003, compared to the previous month, the total revenues of the central budget increased by 11.3% and equaled Denar 5,170 million. This increase is due to the increased tax and capital revenues, while the non-tax revenues registered a decrease. The tax revenues, which have the largest share in the total revenue structure (89.8% in the respective month), were higher by 13.6%. The increase is a result of the increased revenues in most of the tax categories, with the highest increase being registered in the revenues originating from the value added tax of 35.5%, which is partially due to the possibility given to the small enterprises to pay this tax on a quarterly basis. The capital revenues were higher by 30.6%, but they have small share in the total revenue structure (0.9%). On the other hand, the non-tax revenues registered a decrease of 27.4% as a result of the reduced inflow originating from the dividends from state-owned property (the amount of which was high in the previous month).

¹ Last available data of the State Statistical Office



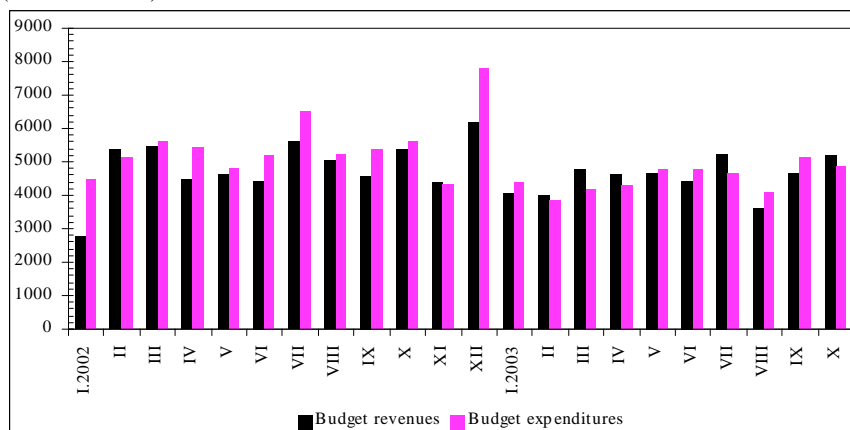
Chart 6
Total Central Government budget revenues
(in Denar million)



...and a decrease of 5.3% on cumulative basis

In the January - October 2003 period, the total budget revenues equaled Denar 45.182 million, which is a decrease of 5.3% compared to the same period of the previous year. This decrease is primarily due to the lower tax revenues, while the non-tax revenues registered an increase. Namely, the tax revenues dropped by 7.7%, given the registered increase in most of the revenue categories, but the different comparison base registered in the previous year (when the tax on financial transactions was collected) is still the reason for the cumulative decrease. Thus high increase of 30.2% was registered in the revenues originating from the profit tax, and the value added tax by 5.4% (with their structural share structural share in the total revenue structure being higher by 4.0 percentage points), while the revenues originating from the custom duties increased by 3.1%. On the other hand, the non-tax revenues increased by 78.5%, primarily as a result of the increased inflow from dividends from the state-owned property.

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



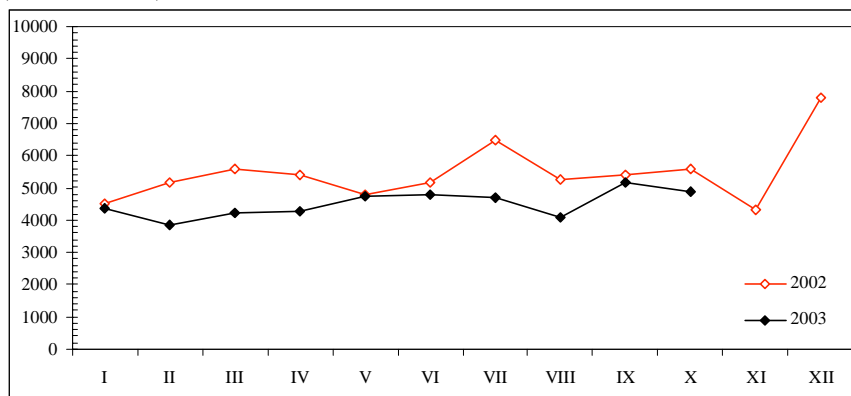
In October 2003 the total budget expenditures registered monthly decrease of 5.7%...

In October 2003, the total budget expenditures equaled 4,868 million, which is a decline of 5.7% on a monthly basis as a result of the reduced current and capital expenditures. The decrease in the current expenditures (1.9%) is mainly due to the reduced expenditures for transfers (by 24.9%), with their structural share in the total expenditure structure being reduced by 8.0 percentage points. The capital expenditures were lower by 22.9% due to the reduced capital transfers and costs.



Chart 8

Total expenditures of the central budget
(in Denar million)



*...and a cumulative decrease of
15.5%*

Analyzed on cumulative basis, in the January - October 2003 period, the total budget expenditures equaled Denar 45,079 million, which is a decline of 15.5% compared to the same period of the previous year. The decline is due to the reduced capital expenditures (by 0.4% and 55.6%, respectively). Regarding the current expenditures, the share of which in the total expenditure structure is the largest (91.5% in the analyzed period), a decrease was registered in the expenditures for goods and services and in the expenditures for interest. The decline in the capital expenditures is a result of the reduced investments in fixed assets and capital transfers.