



III. Foreign Trade and Foreign Exchange Developments in the Republic of Macedonia

Basic indicators for the foreign trade and foreign exchange developments

	month	(in US Dollar million)	Monthly changes in %	I-XI.2003 (in US Dollar million)	Changes in %
					compared to the same period of the previous year
Foreign trade	XI.2003	294.7	-12.8	3,246.9	17.0
Export	XI.2003	120.6	-3.2	1,224.5	21.3
Import	XI.2003	174.1	-18.3	2,022.4	14.5
Balance	XI.2003	-53.6	-39.6	-797.8	5.5
					compared to the end of the previous year
Foreign debt	XI.2003	1,700.2	0.8	-	12.0
Exchange rate on foreign exchange market	XI.2003				
					compared to the same period of the previous year
(Denars per unit foreign currency)					
MKD / USD		51.49	-1.3		-16.2
MKD / EURO		61.29	0.1		0.4

Source: State Statistical Office of the Republic of Macedonia and National Bank of the Republic of Macedonia



3.1.

Foreign trade⁵

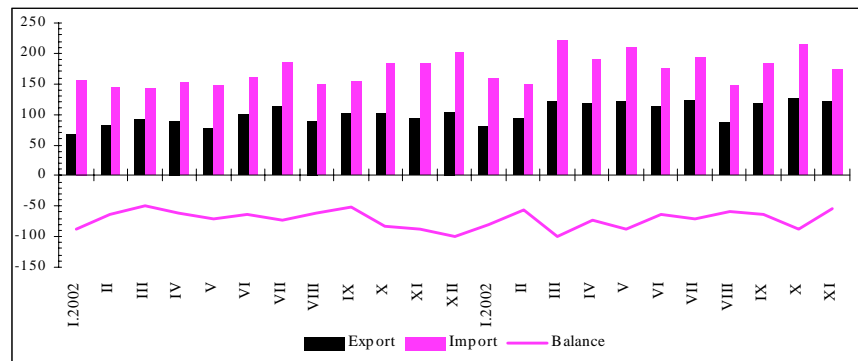
In November 2003, the foreign trade registered monthly decrease of 12.8%...

...with more dynamic decrease being registered in the import of goods

In November 2003, the foreign trade of the Republic of Macedonia registered monthly decrease of 12.8%, and equaled US Dollar 294.7million. The export decreased by 3.2% compared to the previous month and reduced to US Dollar 120.6 million, while the import decreased by 18.3% and equaled US Dollar 174.1 million. Having in mind the intensified decrease in the import compared to the export, the trade deficit decreased by 39.6% on a monthly basis and equaled US Dollar 53.6 million. The export - import coverage ratio reached US Dollar 69.2% (an increase in the coverage ratio of 10.8 percentage points compared to the previous month), which is an indicator for a favorable structural movement of the trade components. Analyzed by products, in November 2003, monthly decrease was registered in the export⁶ of iron, steel and different types of rolled products and profiles made of these metals (25.2%), mineral fuels and mineral oils (18.0%) and in the export of fruits, vegetables and their products (35.0%), the joint share of which in the total export equals 25.2%. The decrease in the export is mainly due to the reduced temporary import of iron and steel for further processing (46.1%), the import of mineral fuels (17.2%), the import of boilers and other factory machines and motors (31.5%) and in the import of electric motors and appliances (21.8%).

On annual basis, an increase in the total foreign trade of the Republic of Macedonia of 5.6% was registered. The exports registered an increase of 26.2%, the imports dropped by 5.1%, and accordingly, the trade deficit decreased by 39.1%.

Chart 21
Exports, imports and balance of foreign trade
(in US Dollar million)



In the January - November 2003 period, cumulative increase in the foreign trade of 17.0% was registered

In the January - November 2003 period, the foreign trade registered a cumulative increase of 17.0% and equaled US Dollar 3,246.9 million. The exports increased by 21.3% and reached US Dollar 1,224.5 million, while the imports increased by 14.5%, thus reaching US Dollar 2,022.4 million. The analysis made from the aspect of the exports indicates that the most significant increase was registered in the following categories: clothes and textile (21.4%), iron and steel and their products (57.4%) and mineral fuels (by 3 times). From the aspect of the imports, remarkable increase was registered in the import of textile for further processing (24.7%), the temporary import of iron and steel for further processing (23.8%) and mineral fuels (33.7%). The increased import of boilers and other factory machines and motors (11.2%), as well as the import of electric motors and appliances (48.9%), points to the movement of the import

⁵ Preliminary data of the Statistical Office of the Republic of Macedonia. The export of goods is presented on f.o.b. basis, while the import of goods is presented on c.i.f. basis
⁶ According to the classification of products on the basis of tariff numbers



structure towards an increase in the share of the capital goods in the total import during the analyzed period, while the high share of the import of goods for further processing in the total import (19.8%) indicates that the placement for the largest part of the imports has been provided. In the January - November 2003 period, the export - import coverage ratio equaled 60.6% (the export - import coverage ratio equaled 57.2% during the same period of the previous year).

Decrease in the exports and the imports in the trade with the European Union on a monthly basis

In November 2003, 52.1% of the total export and 45.8% of the import were registered with the European Union (EU) as the dominant foreign trade partner of the Republic of Macedonia. 20.4% and 13.3% of the total export were registered in the trade with Germany and Greece, respectively. Regarding the imports, 16.0% of the total imported goods in the Republic of Macedonia originates from Germany, and 10.5% originates from Greece. In November 2003, the exports to EU countries registered monthly decrease of 3.9%, mainly as a result of the reduced export to Greece by 13.0%. The import from the EU is lower by 10.9% on a monthly basis, given the decreased import from Greece by 19.8%. The export - import coverage ratio in the trade with the EU equaled 78.7%. In November, the Republics of the former SFRY participated with 27.1% in the Macedonian export and with 14.6% in the imports, with 18.5% of the Macedonian export and 7.0% of the total import being realized in the trade with Serbia and Montenegro. The placement in this group of countries registered monthly decrease of 18.3%, while the import dropped by 39.5%. The export - import coverage ratio in the trade with the former Republics of SFRY amounted to 128.8%. Regarding the foreign trade with the Eastern European countries, the export registered a decrease of 2%, contrary to the decline of 23.5% registered in the import. However, 5.8% of the Macedonian export and 21.4% of the total import was registered in the foreign trade with these countries. Within this integration, the share of Bulgaria, as a trading partner of larger importance, in the Macedonian export and import equals 2.4% and 7.1%, respectively. Analyzed on a monthly basis, the placement of the Macedonian products in Bulgaria increased by 42.1%, given the lower import by 20.7% compared to the previous month. In November 2003, the export - import coverage ratio in the trade with the East European countries equaled 18.7%.

Chart 22
Foreign trade of the Republic of Macedonia according to groups of countries, I-XI.2003

