



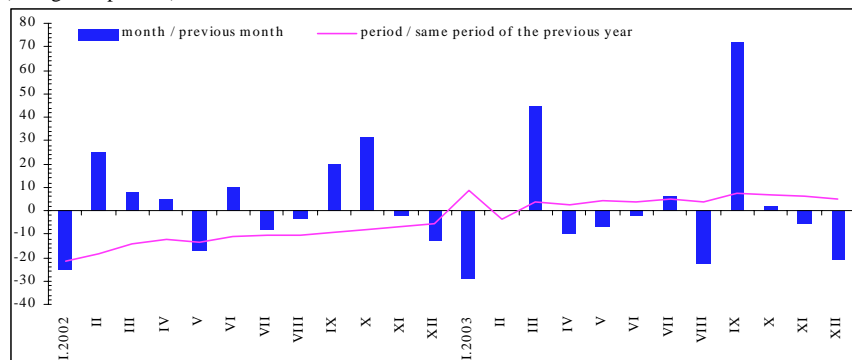
## 1.2.

## Economic activity

*In December 2003, the volume of the industrial output registered a monthly decline of 20.7%...*

In December 2003, the industrial output in the Republic of Macedonia was lower by 20.7% compared to the previous month. The reduced industrial output is common in December, but the monthly decrease registered in December this year is more significant basically originating from the gradual normalization of the volume of the output after the remarkable increase in September 2003. Thus a decrease in the output was registered in the non-durable and durable consumption goods and in the intermediary products (except energy), while the production of energy and capital goods increased on a monthly basis. Analyzed by sectors, a reduced production by 22.6% and 40.1% was registered in the processing industry and in the sector "mining and quarrying", respectively, while the sector "supply of electricity, gas and water" registered an increase of 11.1%. In the processing industry, as a dominant sector, most of the industrial branches registered reduced production, with the most significant decrease being registered in the production of food products and beverages of 45.9%, which is due to the high comparison base registered in the previous month.

Chart 4  
Industrial output  
(changes in percent)



*...while on average, growth rate of 4.7% was registered in 2003*

On annual basis, the industrial output is lower by 8.6%, given the registered decrease in all three industrial sectors. Analyzed on a cumulative basis, in 2003, the volume of the industrial output increased by 4.7% compared to 2002. This is due to the increase in the production of energy, non-durable consumption goods and durable consumption goods, which together comprise 48.8% of the total industrial output. Analyzed by sectors, the processing industry and the sector "supply of electricity, gas and water" registered an average increase in the production of 5.9% and 9.8%, respectively, while the sector "mining and quarrying" registered reduced production by 39.1%.

*In November 2003, a decrease in the sale of agricultural products of 14.7% and 20.6% on a monthly and cumulative basis, respectively, was registered*

In November 2003<sup>1</sup>, the sale of the agricultural products from the agricultural enterprises' and collectives' own production decreased by 14.7% compared to the previous month and reached Denar 347 million. The sale was reduced in almost all categories of products, with the highest decrease being registered in the sale of fruits and grapes (92.0%), which is mainly due to the high comparison base registered in the previous month when the highest value was registered. On the other hand, the sale of the industrial plants increased by 4.5 times reaching Denar 45 million, which is the highest amount registered since the beginning of the year. Observed from the cumulative aspect, the total sale of the agricultural products in the January - November 2003 period equaled Denar 3,284 million, which is by 20.6% less in comparison with the same period of the previous year. The decrease is due to the lower sale in most of the product

<sup>1</sup> Last available data of the State Statistical Office

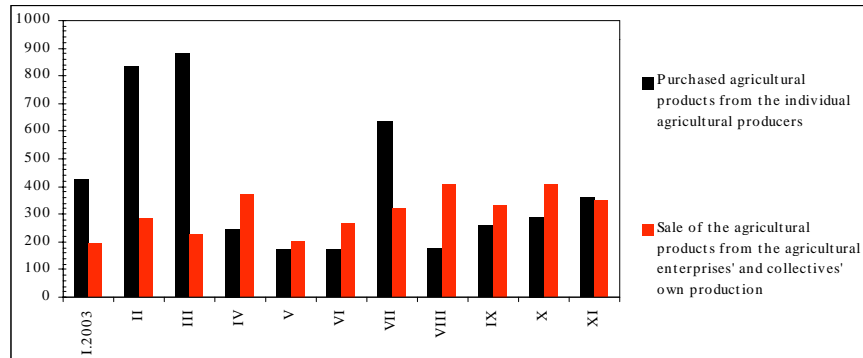


categories ("cereals, garden plants and cattle food plants", "alcoholic beverages", "cattle", "poultry and eggs", "milk and dairy products", "leather and wool"). On the other hand, an increase was registered in the sale of "fruits and grapes", "industrial plants", "fish" and in the category "other products".

*In November 2003, the value of the purchased agricultural products from the individual agricultural producers registered monthly increase of 24.3%, while on cumulative basis it dropped by 18.2%*

In November 2003<sup>2</sup>, the value of the purchased agricultural products from the individual agricultural producers equaled Denar 361 million which is an increase of 24.3% compared to the previous month, mainly as a result of the increased value of purchased industrial plants (by 3.4 times). In the January - November 2003 period, the total value of purchased agricultural products equaled Denar 4,461 million, which compared to the same period of the previous year is lower by 18.2%. A reduced purchase was registered in "cereals", "industrial plants", "poultry and eggs", "leather and wool" and the category "other products", while increased purchase was registered in "fruits and grapes", "cattle food plants", and "cattle".

Chart 5  
Sale and purchase of agricultural products  
(in Denar million)



*In November 2003, annual and cumulative increase in the total trade turnover of 11.7% and 21.6%, respectively, was registered*

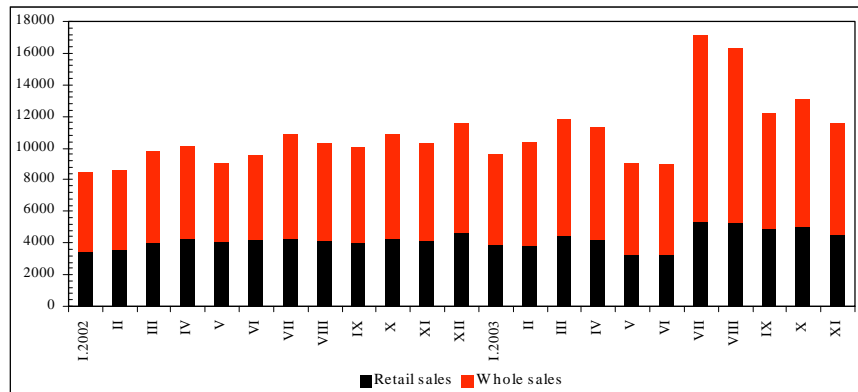
In November 2003<sup>3</sup>, the total trade turnover equaled Denar 11.526 million, which is a decline of 11.6% compared to the previous month. This drop is due to the lower monthly retail and wholesale trade turnover by 10.6% and 12.2%, respectively. Despite the monthly decrease, the total trade turnover registered an increase on annual and cumulative basis of 11.7% and 21.6%, respectively. Analyzed on cumulative basis, in the January - November 2003 period, compared to the same period of the previous year, the retail and wholesale trade turnover registered an increase of 13.7% and 18.2%, respectively.

<sup>2</sup> Last available data of the State Statistical Office

<sup>3</sup> Last available data of the State Statistical Office



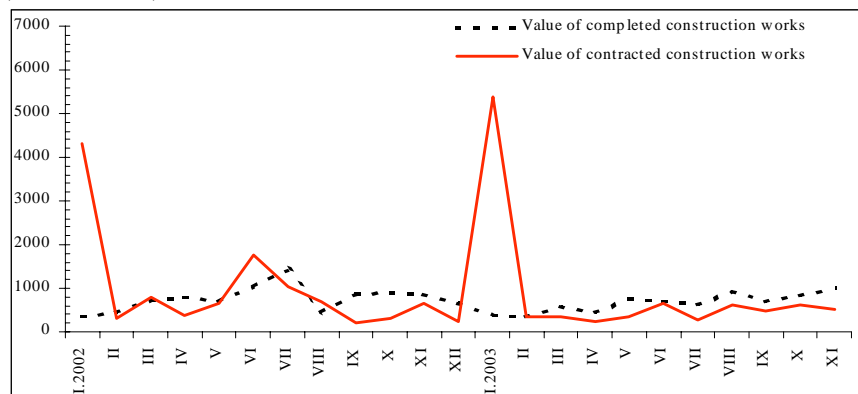
Chart 6  
Trade turnover  
(in Denar million)



*In November 2003, monthly decrease in the value of the contracted construction works was registered, while the value of the completed construction works registered an increase*

In November 2003<sup>4</sup>, monthly decrease in the value of the contracted construction works of 16.7% was registered, while the value of the completed construction works increased by 21.6%. On annual basis, the value of the contacted construction works registered high increase of 2.2 times, while the value of the completed construction works increased by 13.7%. Analyzed on cumulative basis, in the January - November 2003 period, in comparison with the same period of 2002, the value of the contracted and the completed construction works decreased by 8.5% and 14.7%, respectively.

Chart 7  
Contracted and completed construction works  
(in Denar million)



<sup>4</sup> Last available data of the State Statistical Office