



1.3.

Other macroeconomic developments

In November 2003, monthly decrease in the number of employed persons of 0.6% was registered

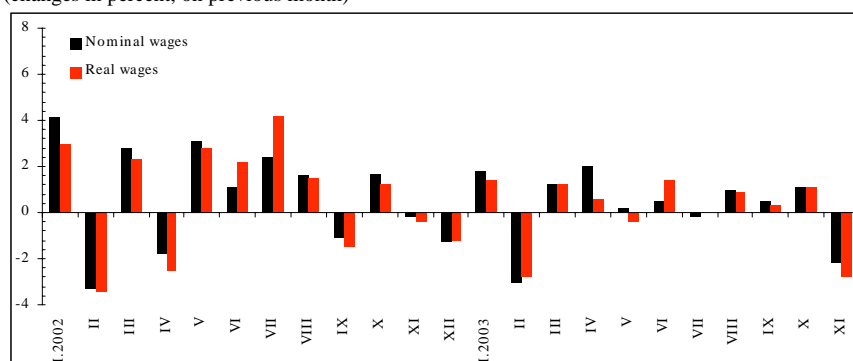
In November 2003⁵, the total number of employed persons equaled 269.304 persons, which is lower by 1,571 persons, or by 0.6% compared to the previous month. On cumulative basis, in the January - November 2003 period, the number of employed persons equaled 274,859, which is a drop of 2.1% compared to the same period of 2002. The largest decrease in the employment of 10.1% was registered in the sector "agriculture, hunting and forestry", which comprises 4.0% of the total number of employed persons during the analyzed period. Significant decrease in the number of employed persons of 4.6% was also registered in the processing industry, taking into consideration the fact that this sector comprises 31.8% of the total employment. On the other hand, an increase was registered in the sectors "retail sale and wholesale", "public administration and defense", "education", and in the sector "healthcare and welfare" by 3.8%, 1.2%, 2.3% and 0.9%, which employ 33.0% of the total number of employed persons.

In November 2003, the average net paid wage per worker registered a decrease in nominal and real terms

In 2003⁶, the average net paid wage per worker in the Republic of Macedonia equaled Denar 11,878 which is a decrease in nominal and real terms of 2.2% and 2.8%, respectively. A decrease in the wages on a monthly basis was registered in all three activities, with the largest drop of 5.8% being recorded in the wages in industry. Analyzed on annual basis, the average wage in nominal terms was higher by 1.5%, and given the registered annual inflation rate of 1.9%, the average wage registered a decrease in real terms of 0.4%. In the January - November 2003 period, compared to the same period of the previous year, the average wage in nominal and in real terms was higher by 4.9% and 3.8%, respectively, with the highest average increase in the wages being registered in services by 5.9% and industry by 3.0%, while the wages in agriculture dropped by 1.1%.

In November 2003⁷, 28.6% of the total number of employees in the Republic of Macedonia did not receive wages for the respective month, which is by 1.0 percentage points more compared to the previous month.

Chart 8
Average net wages
(changes in percent, on previous month)



In December 2003, the total budget revenues increased by 4.0% on a monthly basis...

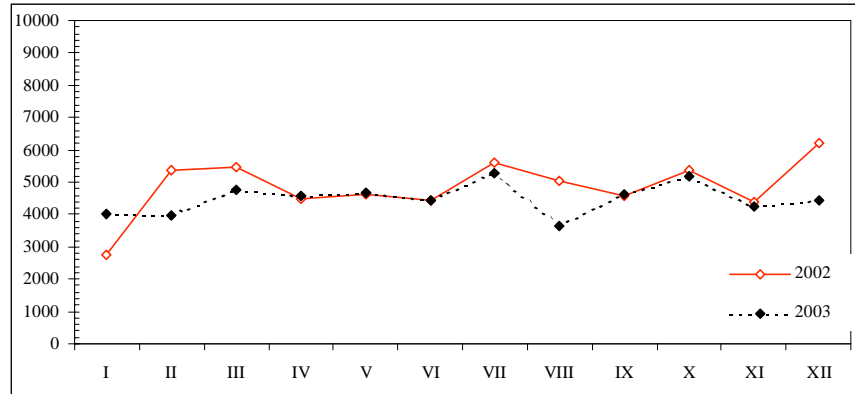
In December 2003, compared to the previous month, the total budget revenues of the central Government increased by 4.0% and equaled Denar 4,420 million. An increase was registered in all main revenue categories, with the most significant one of 37.8% being registered in the non-tax revenues due to the high

⁵ Last available data of the State Statistical Office
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inflow of dividends originating from state-owned property. The tax revenues the share of which in the total budget revenues is the largest and equals 92.9%, were higher by 2.1%, given the highest increase in the revenues originating from personal income tax by 47.5%, contributing their structural share in the total revenues to increase by 5.8 percentage points.

Chart 9
Total Central Government budget revenues
(in Denar million)

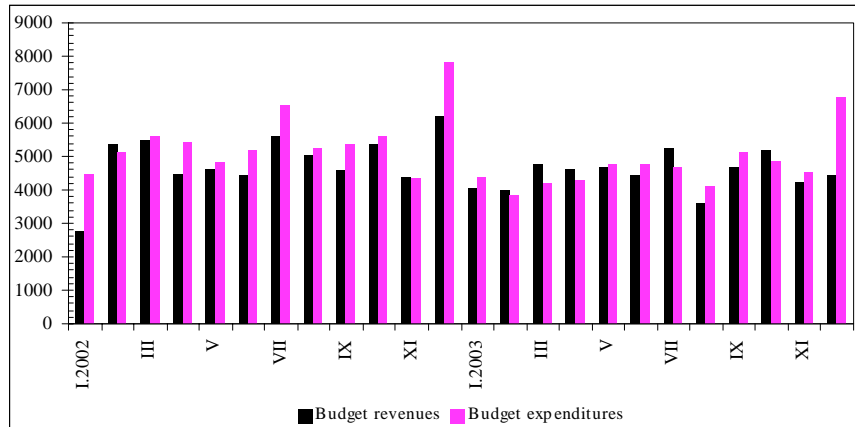


*..while they decreased by 7.6%
on cumulative basis*

On cumulative basis, at the end of 2003, the total budget revenues equaled Denar 53.881 million, which is a decrease of 7.6% compared to the same period of 2002. This decrease is primarily due to the lower tax and capital revenues by 9.6% and 5.6%, respectively, while the non-tax revenues increased by 27.5%. The main reason for the decrease in the tax revenues is the different comparison base registered in the previous year when the tax on financial transactions was collected, causing a significant decrease in the revenues in the category "other taxes" (92.3%). The revenues originating from the personal income tax, excises and customs were lower by 0.1%, 1.4% and 3.1%, respectively, while high increase of 24.7% was registered in the revenues originating from the profit tax. Despite the changes in the legal framework towards increasing the privileged rate from 5% to 18% in most of the product categories, and also towards decreasing the general rate of the value added tax by 1.0 percentage point, the revenues originating from the value added tax increased by only 3.2% with their structural share in the total budget revenues being increased by 4.1 percentage points. The increase in the non-tax revenues in 2003 is mainly due to the inflows originating from dividends from state-owned property (an increase of 2.3 times).



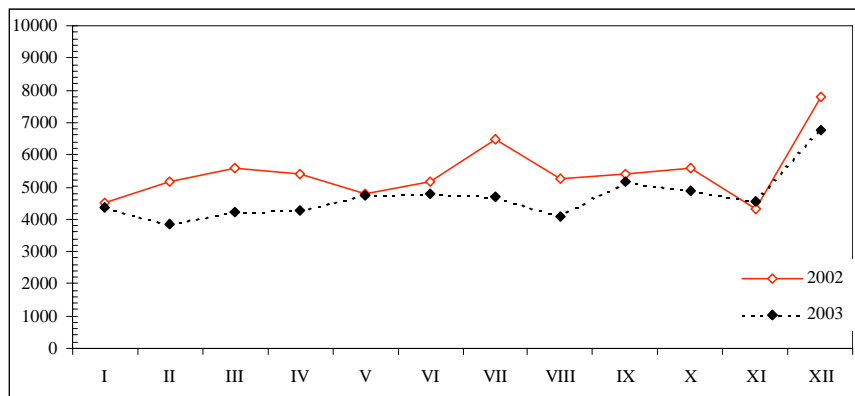
Chart 10
Total Central Government budget revenues and expenditures
(in Denar million)



In December 2003, high monthly increase of 49.3% in the total budget expenditures was registered...

Together with the monthly increase in the total budget revenues, in December 2003 an increase was also registered in the total expenditures, but with higher intensity. Thus they increased by 49.3% compared to the previous month and equaled Denar 6,778 million. The increase is a result of the increased current and capital expenditures by 42.2% and by 2.0 times, respectively. Within the current expenditures, all of the expenditure categories registered high monthly increase (except the decrease in the expenditures for wages and rents). Despite the registered increase, the current expenditures registered a decrease in their structural share in the total budget expenditures of 4.1 percentage points, which was the percentage of the increase in the share of the capital expenditures.

Chart 11
Total Central Government budget expenditures
(in Denar million)



...while they were lower by 13.9% on a cumulative basis

At the end of 2003, the total budget expenditures equaled Denar 56,432 million, which is a decline of 13.9% compared to 2002. The decrease is mainly due to the decrease in the current and capital expenditures by 0.4% and 41.7%, respectively. Within the current expenditures, the expenditures for goods and services and the expenditures for interests decreased, while the expenditures for wages and rents and the costs for transfers registered an increase.