

**1.3.****Other macroeconomic developments**

*In July 2003, the average net paid wage per worker registered monthly decrease of 0.2% in nominal terms*

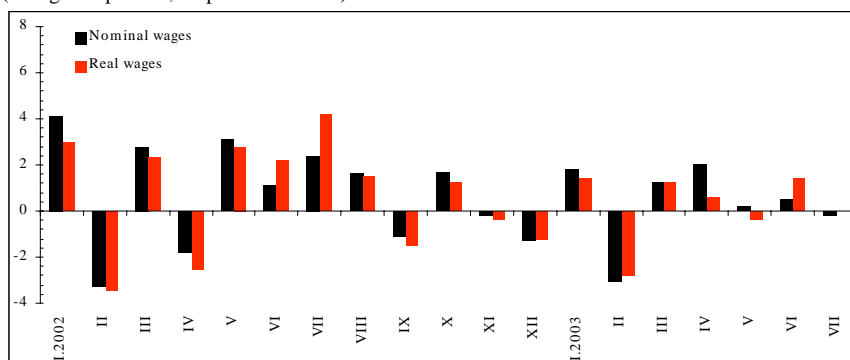
In July 2003<sup>1</sup>, the average net paid wage per worker in the Republic of Macedonia equaled Denar 11,839 which is a monthly decrease of 0.2% in nominal terms (with the change in the wages in real terms not being registered, taking into consideration that in July 2003 a rate of deflation of 0.2% was registered). Structurally observed, the increase in the wages in nominal terms was registered in the agriculture (of 6.1%) and industry (of 0.6%), while the wages in the services registered a monthly decrease (of 0.5%). Analyzed by average, the average net paid wage in the first seven months of 2003 compared to the same period of the previous year increased by 6.2% in nominal and by 5.6% in real terms. This is due to the high average increase in the wages in the services (by 7.4%) and industry (by 3.3%), while the wages in the agriculture decreased (by 1.2%).

In July 2003, 25.3% of the employees in the Republic of Macedonia did not receive wages for the respective month, which is by 0.3 percentage points less compared to the previous month.

Chart 5

**Average net wages**

(changes in percent, on previous month)



*In August 2003, the total budget revenues registered monthly decrease of 31.0%...*

In August 2003<sup>2</sup>, compared to the previous month, the total budget revenues were lower by 31.0% and equaled Denar 3,631 million. This decrease originates from the decrease in all main revenue categories. The most significant decrease of 70.4% was registered in the non-tax revenues (mainly due to the high comparison base registered in the previous month when the profit originating from the public institutions was transferred), thus contributing their structural share in the total revenues to drop by 6.2 percentage points). The tax revenues were also lower by 26.1%, with a decrease being registered in almost all tax categories. Regarding the tax revenues, the largest decrease of 46.4% was registered in the revenues originating from the value-added tax, thus reducing their structural share by 9.3 percentage points. This is mainly due to the high comparison base registered in the previous month, when there was a higher amount of revenues originating from this tax as a result of the quarterly payment. However, despite the reduced tax revenues on a monthly basis, their structural share in the total budget revenues increased by 6.2 percentage points, in accordance with the lower share of the non-tax revenues.

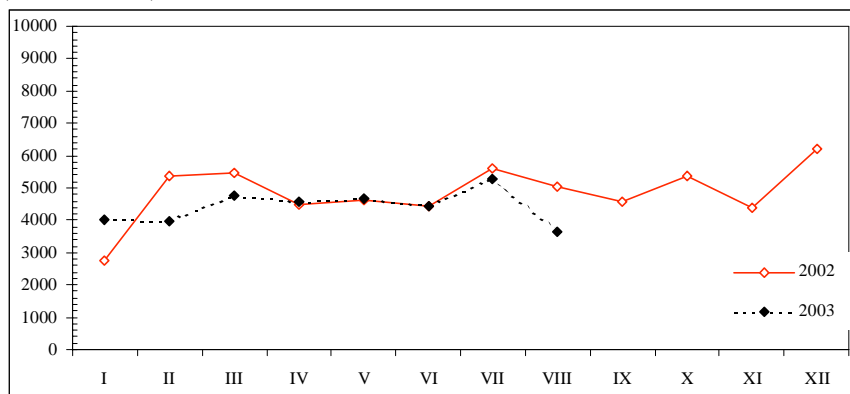
<sup>1</sup> Last available data of the State Statistical Office.

<sup>2</sup> Since August 2003, pursuant to the changes in the methodology for presenting budget items, the revenues originating from financing have not been encompassed in the total budget revenues.



Chart 6

Total Central Government budget revenues  
(in Denar million)

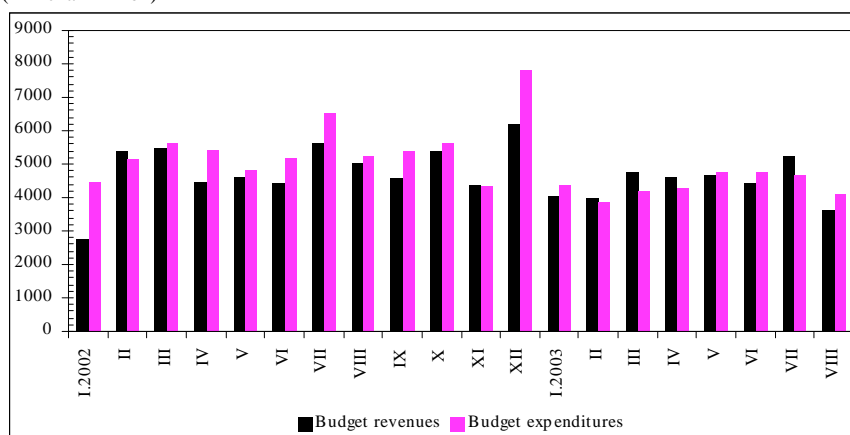


...and a decrease of 6.3% on cumulative basis

On cumulative basis, in the January - August 2003 period, the total budget revenues equaled Denar 35.363 million, which is a decrease of 6.3% compared to the same period of the previous year. The tax revenues (the most important revenue category the structural share of which in the total budget revenues equals 91.4%) are lower by 7.5% despite the increase in the revenues in most of the taxes. This is due to the different comparison base from the previous year, when the tax on financial transactions was also collected. The capital revenues also registered a cumulative decrease by 65.6% (due to the reduced sale of capital assets, land and non-tangible investments), while on the other hand the non-tax revenues increased by 56.9% (due to the higher profit originating from public and financial institutions).

Chart 7

Total Central revenues and expenditures  
(in Denar million)



In August 2003 the total budget expenditures registered monthly decrease of 13.0%...

In August 2003<sup>3</sup>, the total budget expenditures of the Central Government amounted to Denar 4,073 million, which is a decrease of 13.0% relative to the previous month. The decrease is resulting from the lower current expenditures by 14.6%, which the largest share of the total budget expenditures in this month (93.3% refers to). Within current expenditures, a decrease was registered in all categories, with the most significant decrease of 11.9% and

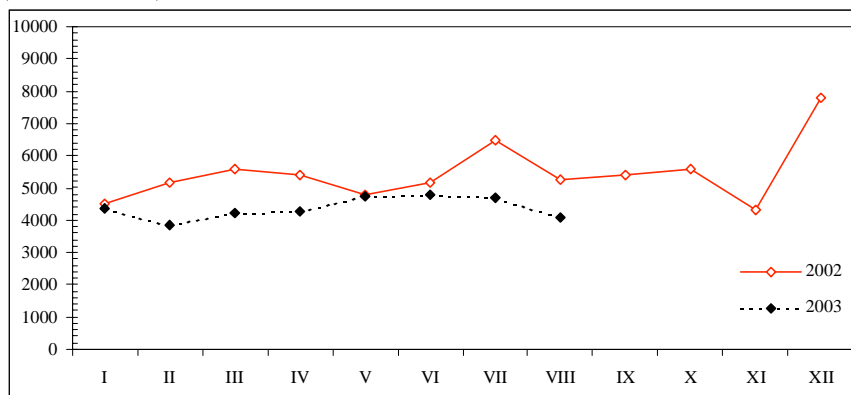
<sup>3</sup> Since August 2003, pursuant to the changes in the methodology for presenting budget items, the expenditures originating from financing have not been encompassed in the total budget revenues.



25.9% being registered in the expenditures for wages and in the expenditures for goods and services<sup>4</sup>.

Chart 8

Total expenditures of the central budget  
(in Denar million )



*...as well as a decrease of 17.3%  
on a cumulative basis*

Cumulatively observed, in the first eight months of 2003, the total budget expenditures equaled Denar 35,046 million, which is a decline of 17.3% compared to the same period of the previous year. The decrease is registered in all main expenditure categories, with the most significant decrease being registered in the expenditures related to the crisis by 89.4% and capital expenditures by 68.1% (which contributed their structural share in the total expenditures to decrease by 7.8 and 8.2 percentage points, respectively).

<sup>4</sup> According to the changes, the amount of the expenses related to the crisis ( recorded as a separate category) is extracted from the total amount of the costs for goods and services, while the amount of the allocated reserve, which was recorded separately, is now part of the total amount of the costs for goods and services.