

National Bank of the Republic of Macedonia



Monthly Information 07/2011

August, 2011

Resume

In July, NBRM retained the key interest rate unchanged at the level of 4%, because of the estimates for harmonization of the current key interest rate level with the entire macroeconomic and financial conditions in the country. Thus in July 2011, **the general price level in the economy once again registered monthly decline of 0.8%,** mainly as a result of the decrease in the prices of raw fruit and vegetables. The lower pressure of the import prices also influenced in this direction, through realized negative contribution of the energy prices. **The annual inflation rate in July 2011 continued to decelerate and it equaled 3.8%,** which is below the annual growth of 4.4% for the third quarter as NBRM projected in July. In the first seven months of 2011, the average annual inflation rate equaled 4.3%. **The core inflation rate,** which excludes the effect of the increase in the prices of food and energy sources, remains to be generally stable and in July it equaled 1.3%, which is favor of the estimates for temporary and controlled price growth. In conditions of stable expectations for the inflation and the foreign exchange rate, the realization of the net inflows on the currency exchange market continued also in July, with the cumulative net purchase of foreign exchange on the currency exchange market in the first seven months of 2010 reaching Euro 500 million.

The latest highly frequent data on the economic activity confirm, to large extent, the expectations for further growth of the economic activity also in the second quarter of 2011, but with more moderate pace compared to the first quarter. Namely, the value of the **completed construction works** continued to register high annual growth rates (of 64.6%) also in May and together with **telecommunications** (17.2%) registered faster annual increase, while the growth of the retail and wholesale turnover decelerated on annual basis (7.2% and 4.3%, respectively). In June, for the first time since the beginning of 2011, **the physical volume of the industrial output** registered annual drop of 1.8%, given lower average use of the production facilities (58.3%, opposite to 59.5% in June 2010). The largest individual contribution for the annual decline in the industrial output in June accounts for the reduced production of electricity, given more unfavorable hydrologic conditions and reduced production of oil derivatives, because of the repair of the current facilities. The smaller production volume of metal products also influenced in this direction, which is largely a reflection of the effect of the higher comparison base. Similar movement dynamics was also registered with the **export activity,** which registered considerable slowdown in the annual growth rate (from 36.3% in May to 4.3% in June). The decelerated increase in the import of intermediary products, together with the smaller import of energy, resulted in slowdown in the annual growth rate also on the **total import** from 21.4% in May, to 1.7% in June.

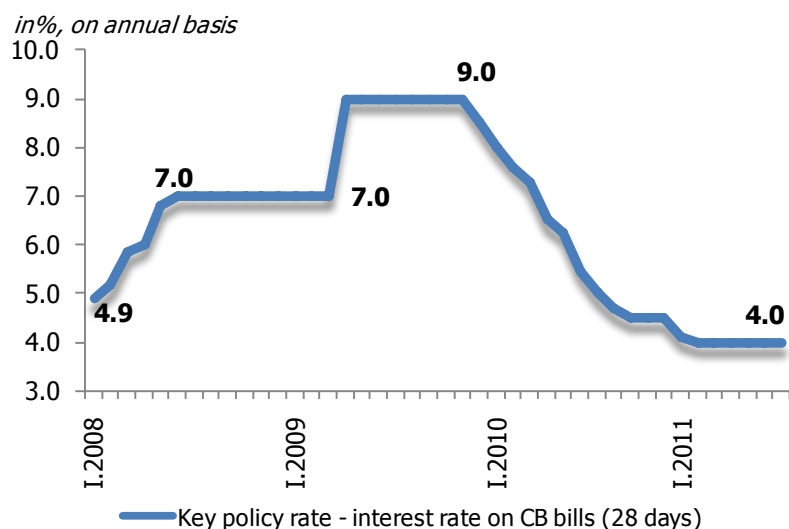
According to the available data for the indicative categories of the aggregate demand, the investments are expected to be the main generator of the economic growth in the second quarter, which is in line with the July projections of NBRM. Such statement is supported by the high real growth of the government capital investments, which equaled 70.8% in the second quarter, on annual basis. Moderate real increase was also registered with the foreign direct investments (of 1% on cumulative basis in the April - May period), which indicate, in combination with the maintained increase in the long-term lending to enterprises also in the second quarter, to further growth in the domestic and foreign private investments. From the aspect of the private consumption, the deepening of the real decrease in the wages and the net inflows from private transfers (-4% and -11.7%, respectively for the April - May period), point to potential limiting effects of the disposable income on the level of the households' consumption in the second quarter. On

the other hand, the intensified banking sector's credit support to the households for consumption purposes in the second quarter (nominal quarterly growth of the consumer loans extended to natural persons of 6.4% in the second quarter, compared to 3% in the preceding quarter) is positive impulse for the personal consumption. Having in mind such divergent movements with the indicative categories of the personal consumption, it can be expected that the crediting expansion will contribute to the maintenance of the level of the households' consumption, in conditions of real decrease in the income, which is in favor of the projections for neutral contribution of the personal consumption to the annual increase in GDP in the second quarter.

According to the last available data on the balance of payments, in April - May 2011 period, **deficit on the balance of payments' current account in the amount of 0.5% of GDP** was registered, which is slight improvement of 0.2 p.p. of GDP relative to the same period of the previous year. It is primarily due to the **improved balance in the trade of goods and services, in conditions of smaller inflows based on private transfers**. The deficit in the current account was mostly funded through the realized **inflows on the capital and financial account in the amount of 0.4% of GDP** for April - May period. **On July 31, 2011, the gross foreign reserves totaled Euro 1,811.4 million, which is an increase of Euro 97 million compared to the end of the previous year.**

In July 2011, the increase in the total deposit potential accelerated, which enabled further maintenance of solid rates of the credit growth. Thus **the total deposits in July were higher by 13.9% on annual basis (9.2% in June)**, which can be explained with the intensified increase in the new savings on a monthly basis (mainly with the sector "enterprises"), as well as with the influence of the base effect. **The annual growth rate of the total banks' credits in July 2011 equaled 8.7% (8.6% in the previous month).** However, slight increase in the contribution of the "households" sector to the annual increase in the total credits was registered, although the "enterprises" sector remains to have the dominant contribution (65%). The projection made in July envisages further growth of the total bank credits also in the following two months of the third quarter.

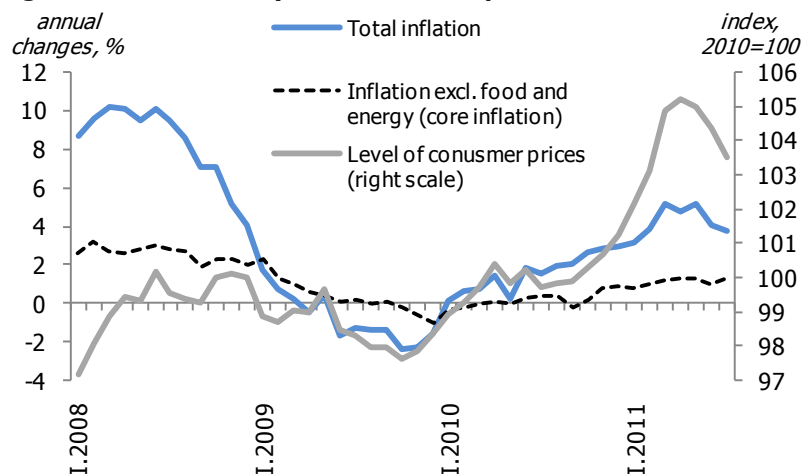
In July, the monetary policy layout remained unchanged...



Source: NBRM.

The key interest rate of NBRM in July preserved the level registered in the previous seven months (4%).

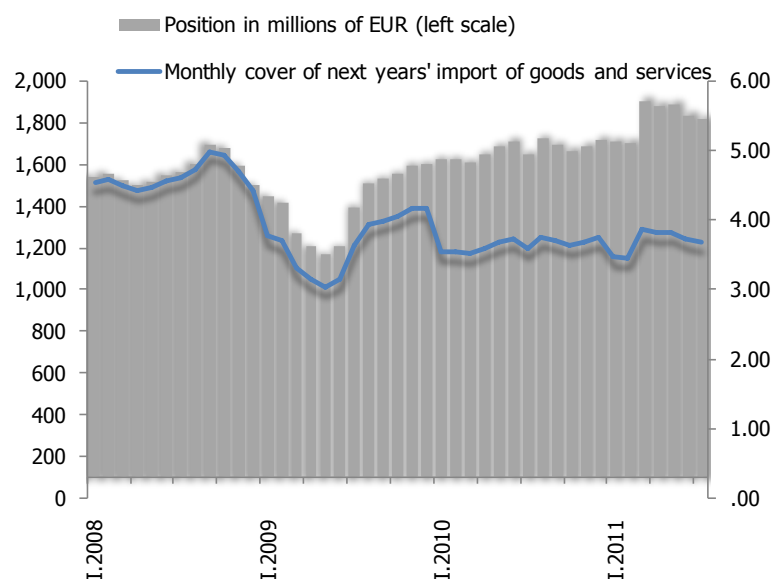
...given further monthly decrease in the prices...



Source: SSO and NBRM.

The monthly decrease in the domestic prices continues, while the annual increase slows down. The core inflation still maintains on low and relatively stable level.

...and cumulative foreign reserves expansion

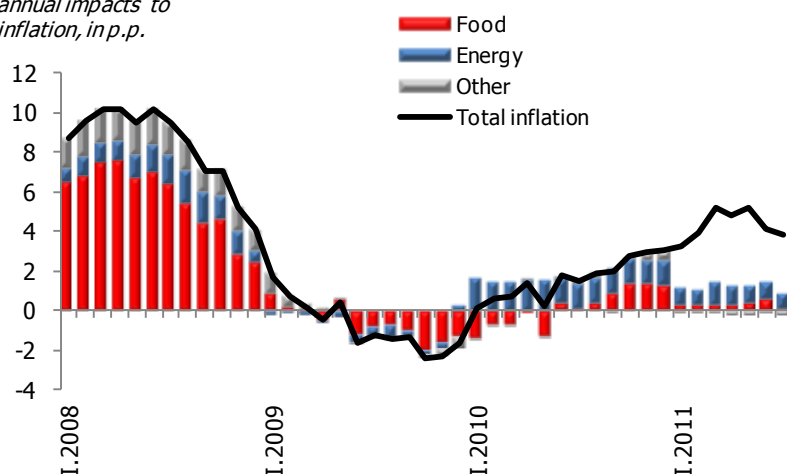


Source: NBRM.

At the end of July, the foreign reserves totaled Euro 1,811.4 million and they registered cumulative increase of Euro 97 million.

Further decrease in the domestic food and energy prices on a monthly basis in July...

annual impacts to inflation, in p.p.

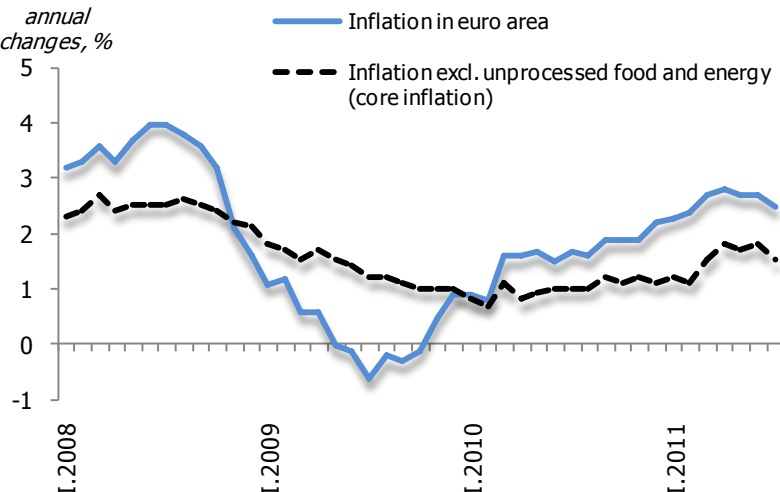


Source: SSO and NBRM.

The monthly decrease in the consumer prices in July is mainly due to the lower food prices (raw fruit and vegetables), accompanied with the decrease in the prices of oil derivatives. The annual inflation rate decelerated and it reduced to 3.8%, because of the slowdown in the annual growth of food and energy prices.

...and continuing slowdown of the annual inflation in the Euro area

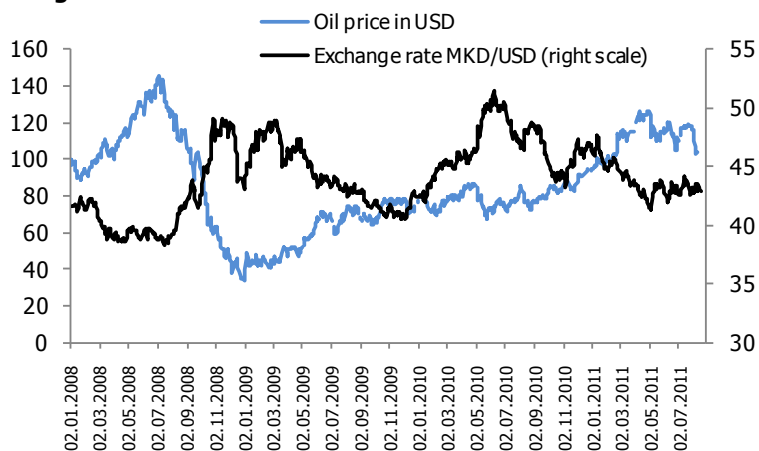
annual changes, %



Source: Eurostat.

The annual inflation rate in the Euro area continued to decelerate (2.5%), because of the annual drop in the prices of clothing and telecommunications. Considerable slowdown also by core inflation rate was registered (from 1.8% in June to 1.5% in July).

Lower oil prices on the international stock exchanges in the first half of August



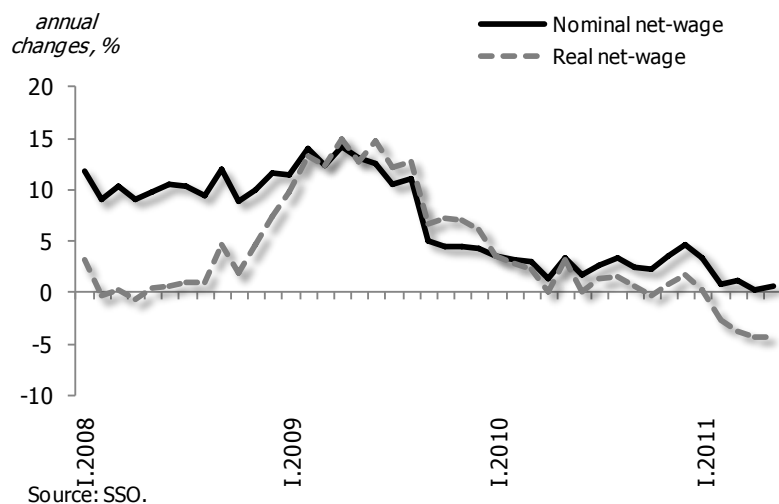
Source: The Energy Information Administration and NBRM.

After the decrease in May and June, the oil price began to mount again and it equaled US Dollar 116.5 per barrel (monthly growth of 2.4%). Since August 1 - 12 the oil prices on the international stock exchanges are lower, ranging on average from US Dollar 109 per barrel. On August 15, 2011 REC adopted a decision on decreasing the retail prices of oil derivatives by 5.8%¹.

¹ The decrease mainly arises from the decrease in the crude oil prices on the international stock exchanges (7.7%), and less to the appreciation of the Denar relative to the US Dollar (0.4%).

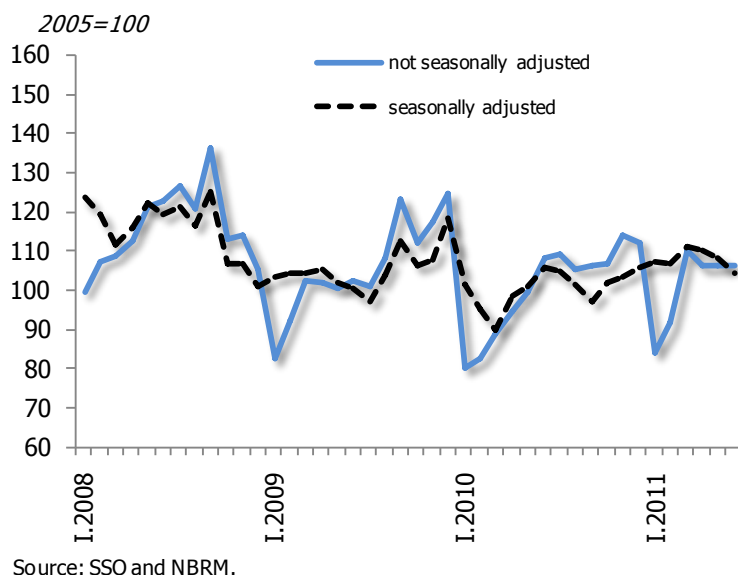
REAL SECTOR

The downward trend with the real wage in the economy kept up



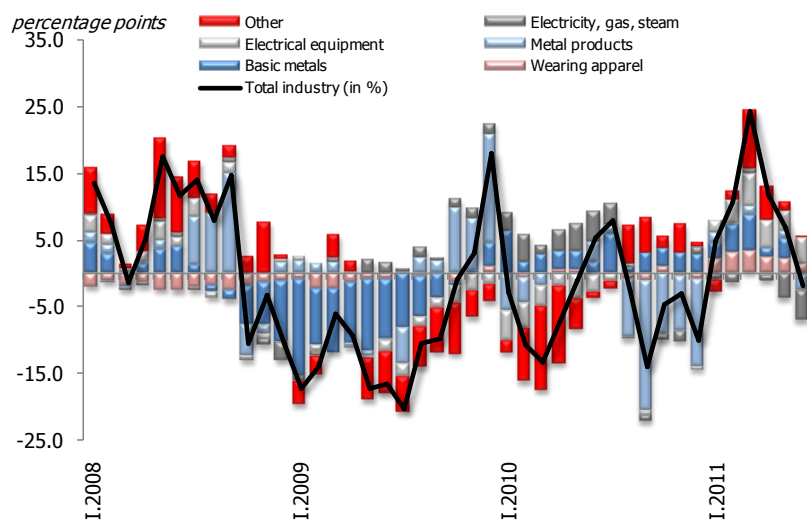
In May nominal monthly increase in the wages (2.1%) was registered, given highest growth with the activity „information and communications“. However, the real annual fall persists (4.3%), given the decrease in the wages with most of the activities.

In June, for the first time this year, the industrial output registered annual fall...



In June, for the first time this year, the industrial output registered annual decrease of 1.8%.

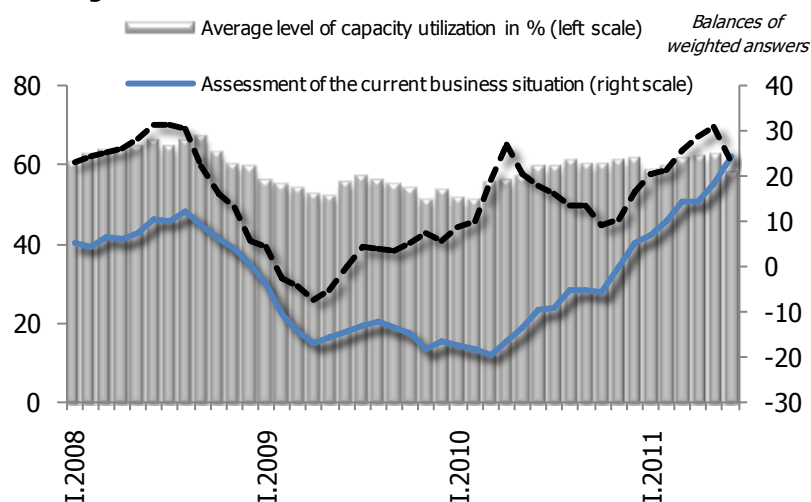
... in environment of most evident negative contribution of the production of oil derivatives and electricity



Source: SSO and NBRM.

The annual decrease is due to the smaller production with two thirds of the total number of branches, which comprise 55% of the index. The largest negative contribution was registered with the production of electricity², oil derivatives³ and metal products (high comparison basis). However, after the longer period of continuous increase, annual drop was registered also in the production of metals⁴. However, in the second quarter of 2011, annual growth rate of the industrial output of 5.3% was registered.

The expectations of the companies for the production in the following three months are less favorable



Source: SSO.

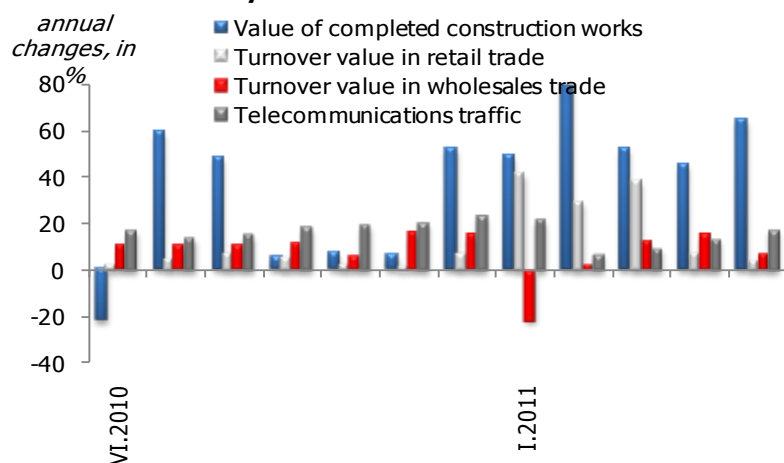
In environment of smaller utilization of capacities, the expectations of the managers in industry pertaining to the production volume in the following three months deteriorated, although they expect increase in the number of employed persons.

² The annual decrease with the production of electricity is mainly due to the smaller production of hydroelectric plants, in conditions of more unfavorable hydrologic condition.

³ Because of the regular repair of the current facilities which commenced in May, compared to the preceding year when it began in March and ended in the second half of April 2010.

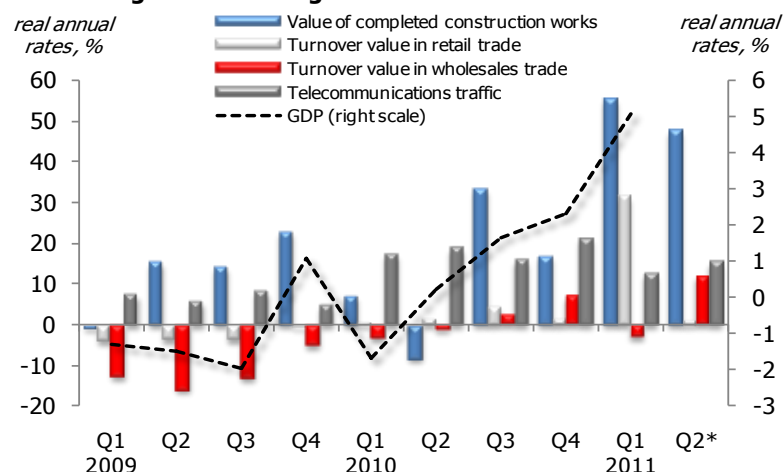
⁴ In June 2011, the production of metals registered slight decrease of 3%, which is first annual decrease since November 2008.

With the remaining sectors in the economy, the positive dynamics continues also in May...



Source: SSO.

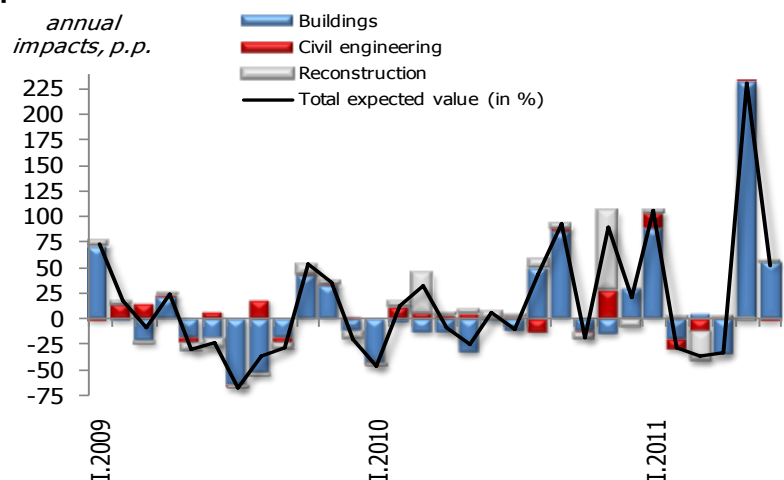
...so in April - May 2011 period, all sectors registered real growth, with the highest one being recorded in the construction...



*Q2 2011 data refers to the period Apr-May 2011.

Source: SSO and NBRM calculations.

...which is expected to maintain the growth also in the forthcoming period



Source: SSO.

As for the other sectors in the economy, the movements in May show still high increase in the value of the completed construction works, which together with the telecommunications register faster economic growth, while the trade increases with slower pace.

Within April - May 2011 period, the aforementioned sectors registered real growth, the intensity of which in the completed construction works is more moderate compared to the preceding quarter, which indicates more moderate annual rise in the economy in the second quarter. The growth acceleration is registered with the telecommunications, as well as wholesale trade recovery after the decrease in the first quarter.

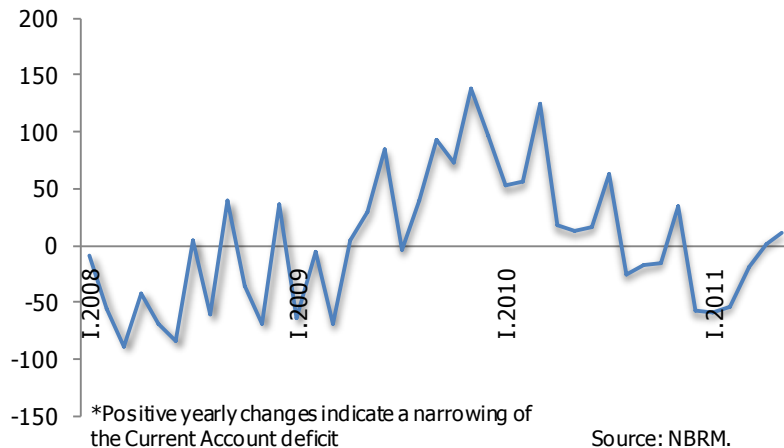
After the extremely high annual increase registered last month, in June 2011 the total value of the issued building approvals once again increased, with the largest contribution to the growth accounting for the building construction.

The available data on the indicative categories for the demand point to the intensified economic activity also in the second quarter of 2011⁵, but with more moderate dynamics.

⁵ See tables no. 6, 7 and 8.

In May, surplus on the current account was registered...

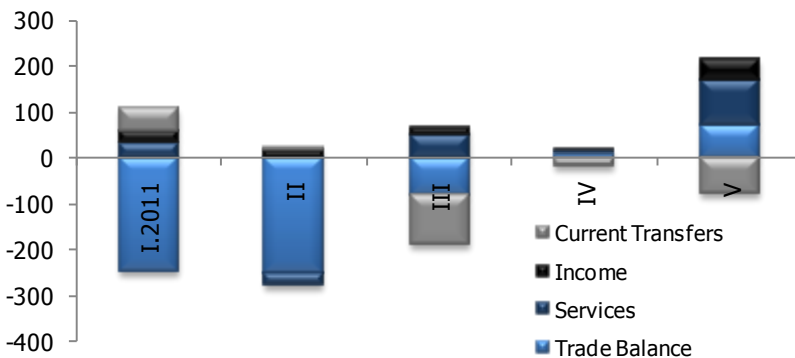
yearly change,
in millions of EUR*



Positive annual change on the current account balance was registered in May, as well, in environment of surplus on the current account of Euro 2.8 million.

... mainly as a result of the improved balance in the trade of goods and services...

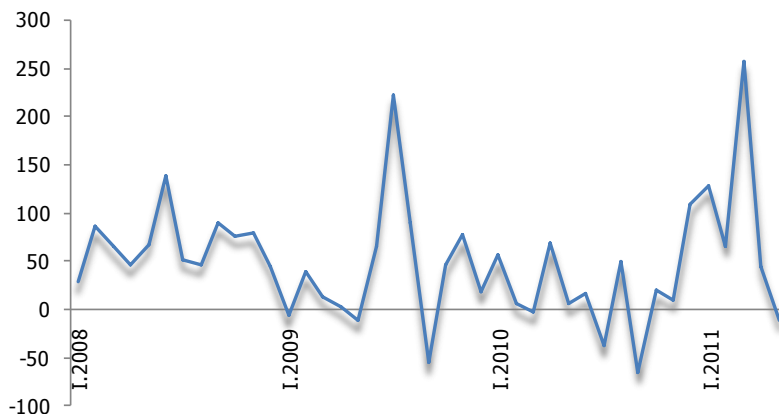
contribution in the yearly change,
in p.p.*



Such improvement was mostly contributed by the higher surplus in the trade of services and narrowing of the negative trade balance, as well as the lower deficit with the income. On the other hand, the current transfers acted in opposite direction.

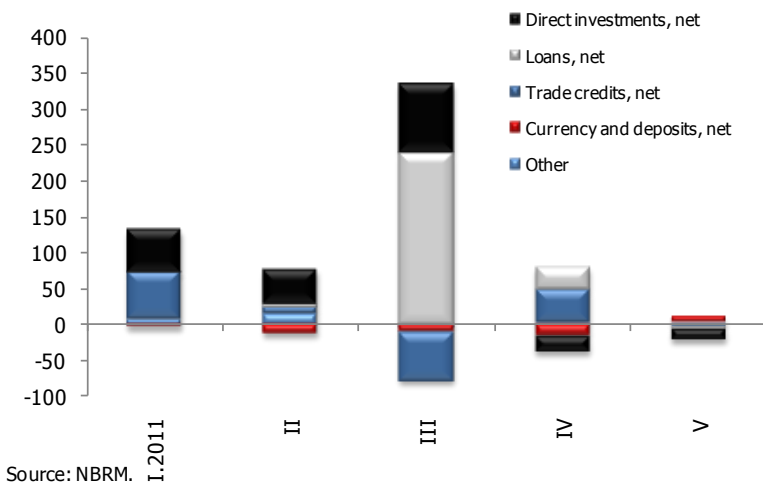
...while capital and financial account registered slight outflow...

in millions of EUR

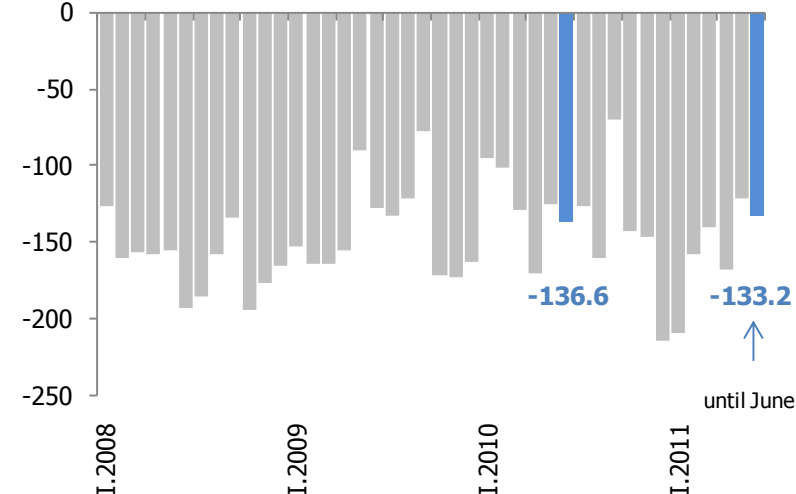


Source: NBRM.

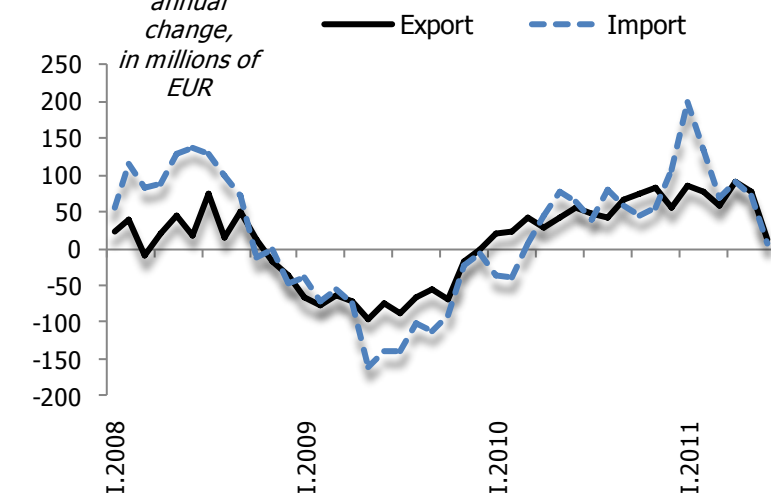
Simultaneously, net outflow in the amount of Euro 11.4 million in the capital and financial account was registered.

... which is mostly due to the direct investments*in millions of EUR*

The registered capital net outflows refer primarily to the direct investments, as well as to the net payments of the trade credits and loans, while on the basis of currencies and deposits net inflows were registered.

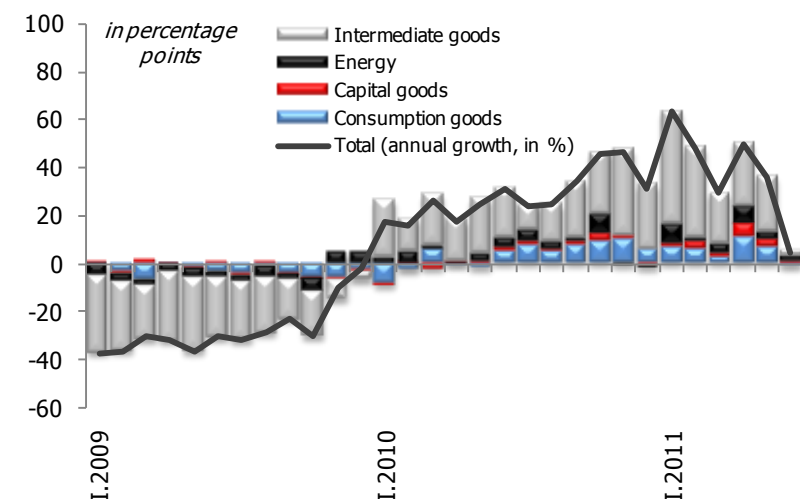
In June, the trade deficit registered slight narrowing on annual basis...*in millions of EUR*

In June, the deficit in the trade of goods registered slight contraction on annual basis (by Euro 3.5 million).

...in conditions of low and balanced annual growth in both the exports and the imports...*annual change, in millions of EUR*

In June, both the export and the import of goods registered considerable slowdown in the annual growth rates (4.3% and 1.7%, respectively), which indicates gradual depletion of the base effect.

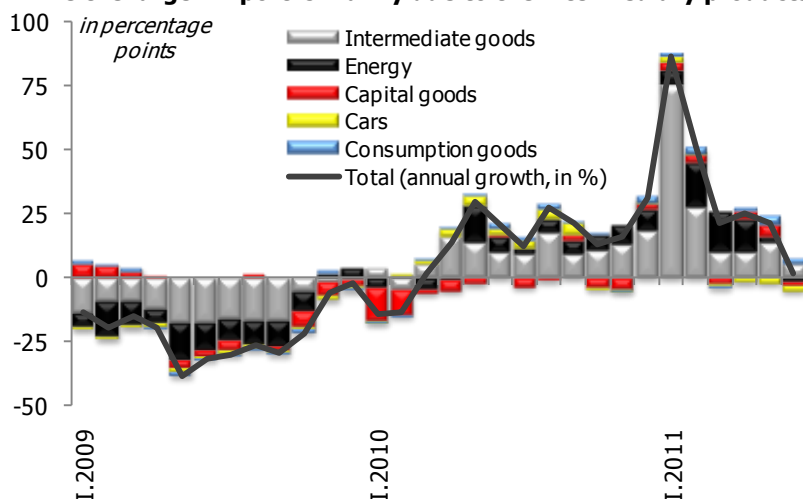
...the increase in the exports mainly arises from the energy and intermediary products...



Source: SSO and NBRM.

The largest contribution to the annual rise in the export accounts for the energy and intermediary products, given smaller contribution of the export of capital products.

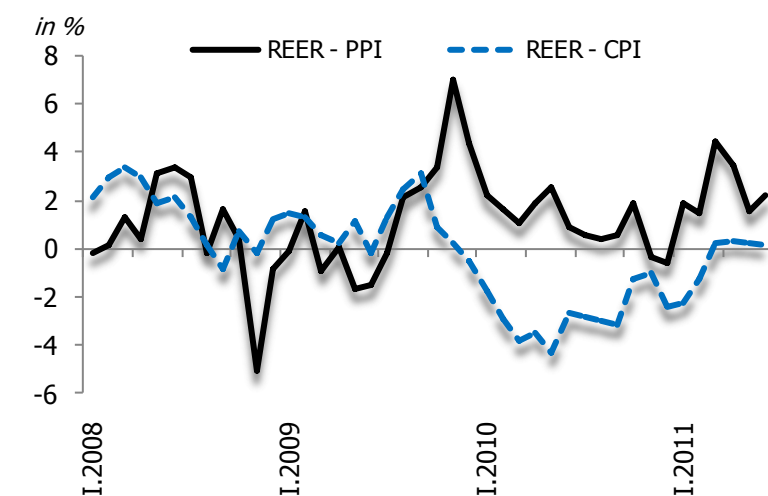
...while the larger import is mainly due to the intermediary products...



Source: SSO and NBRM.

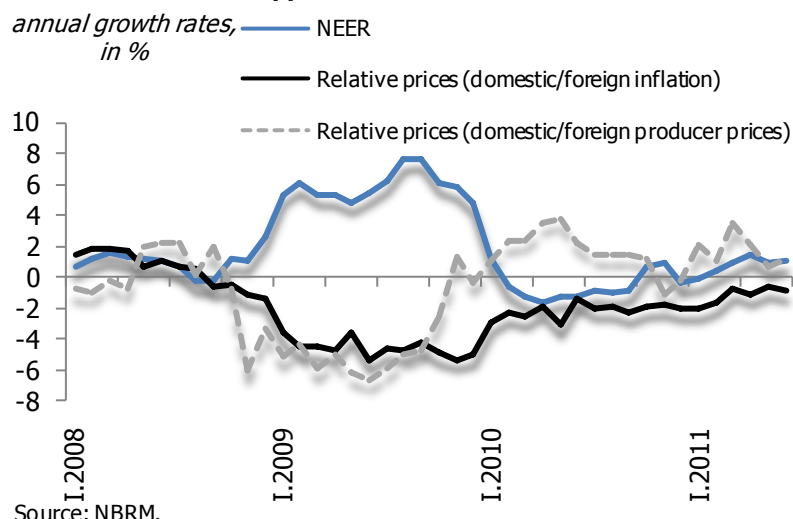
The import growth is mostly contributed by the intermediary products, followed by the consumer goods. Other segments of the imports registered a decrease on annual basis.

... given small changes with REER...

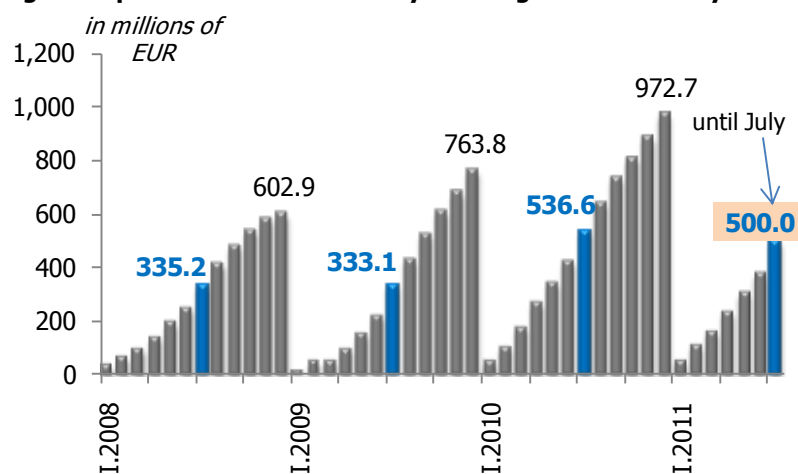


Source: NBRM.

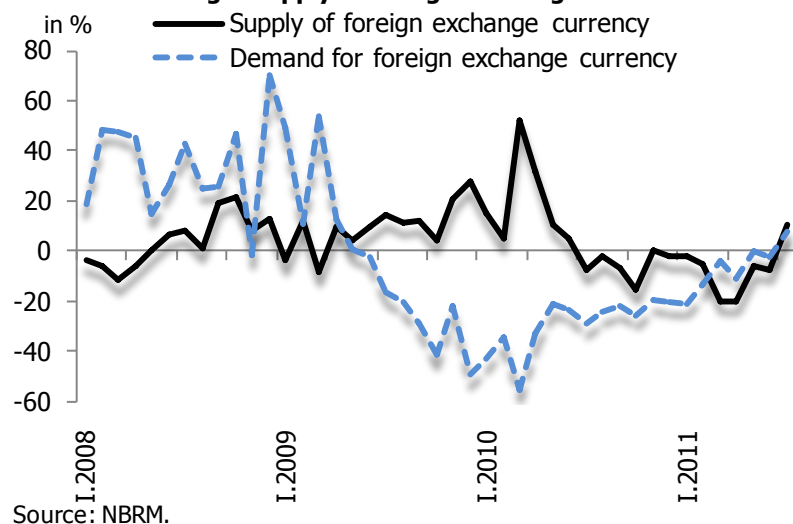
The indicators for the price competitiveness of the Macedonian economy in June registered no larger movements compared to same month of the preceding year. NEER measured by the consumer prices appreciated insignificantly (0.2%), while REER, measured according to the index of the prices of the producers continued to appreciate (2.2%).

... in the conditions of appreciation of NEER on annual basis

In June, NEER index appreciated slightly on annual basis (1.1%), because of the appreciation of the Denar relative to the Russian ruble and Turkish lira. Simultaneously, the relative prices calculated according to both price indices registered divergent movements (the relative consumer prices decreased, whereas the relative prices, which registered an increase).

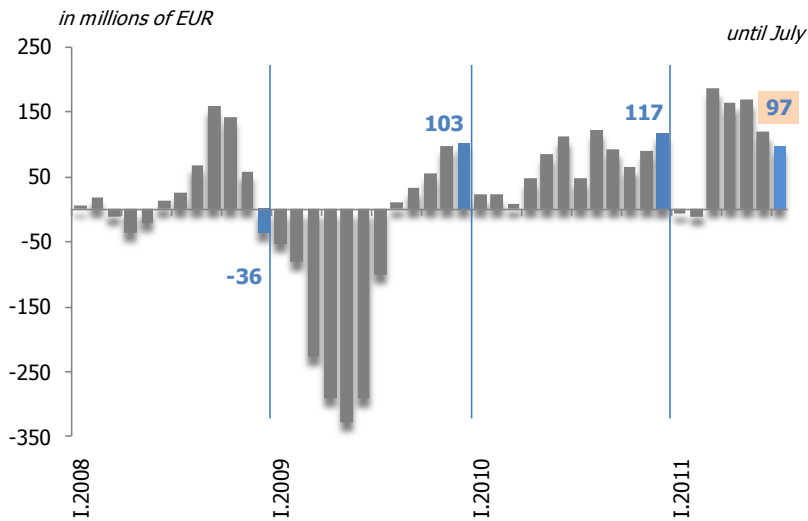
Larger net purchase on the currency exchange market in July...

In July, the net purchase on the currency exchange operations registered annual rise (11%), for the first time since February. On cumulative basis, the net purchase on the currency exchange operations is lower (by 6.8%) compared to the preceding year.

...as a result of larger supply of foreign exchange

In July the downward trend of the supply of and demand for foreign exchange on annual basis ceased, with the increase in the supply exceeding the increase in the demand.

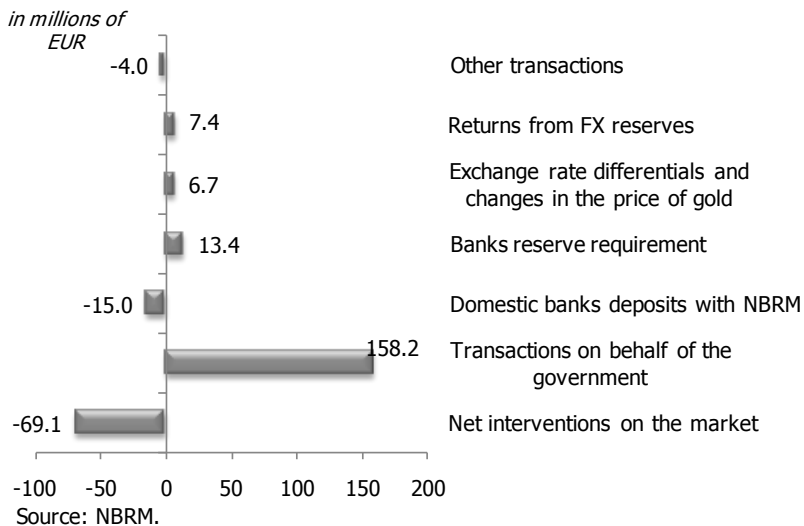
Cumulative increase in the foreign reserves since the beginning of the year...



Source: NBRM.

The gross foreign reserves have been registering cumulative increase from the beginning of the year to July.

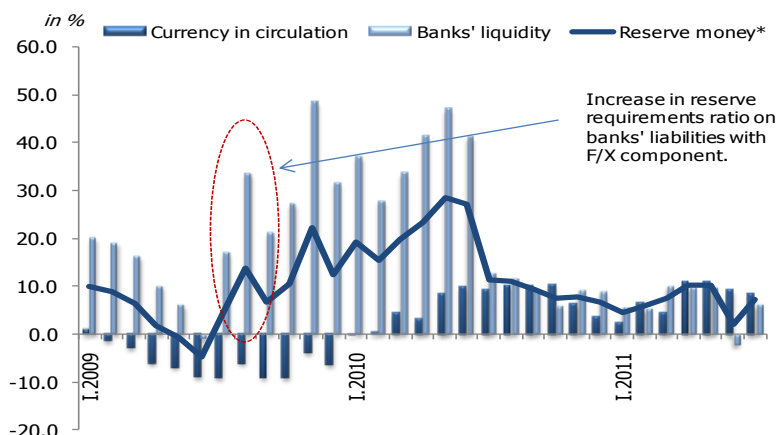
...as a result of the withdrawn funds from the IMF credit line



Source: NBRM.

The foreign reserves growth is mostly due to the assets from the precautionary credit line of IMF withdrawn by the Government.

Accelerated annual increase in the reserve money in July ...

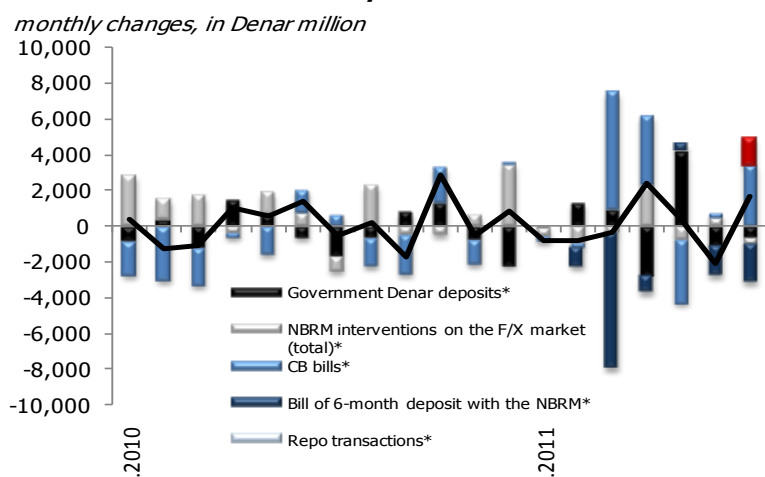


*Refers to reserve money including reserve requirements on F/X deposits.

Source: NBRM.

In July, the annual increase in the reserve money accelerated on annual basis (7.1%), given the rise in the total liquid assets of the banks (differently from the decrease in the preceding month) and further increase in the currency in circulation, but with more moderate dynamics.

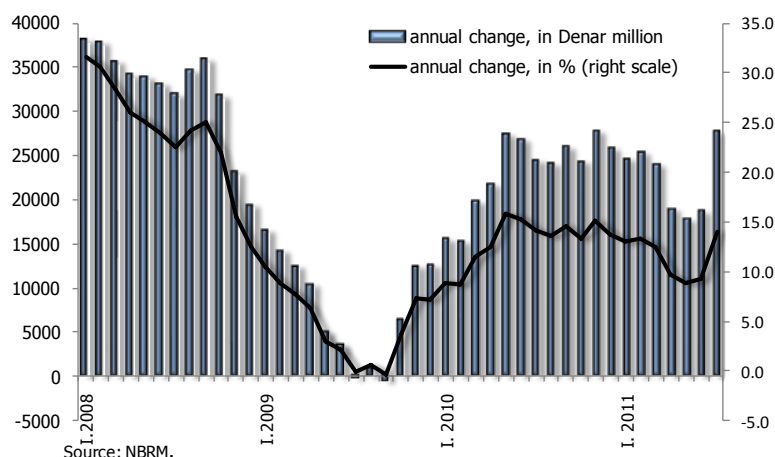
...increase on a monthly basis was registered, with the CB bills being the main flow of reserve money creation



*Positive change-reserve money provision; negative change-reserve money withdrawal.

Source: NBRM.

The annual increase in the deposits is with faster dynamics in July...



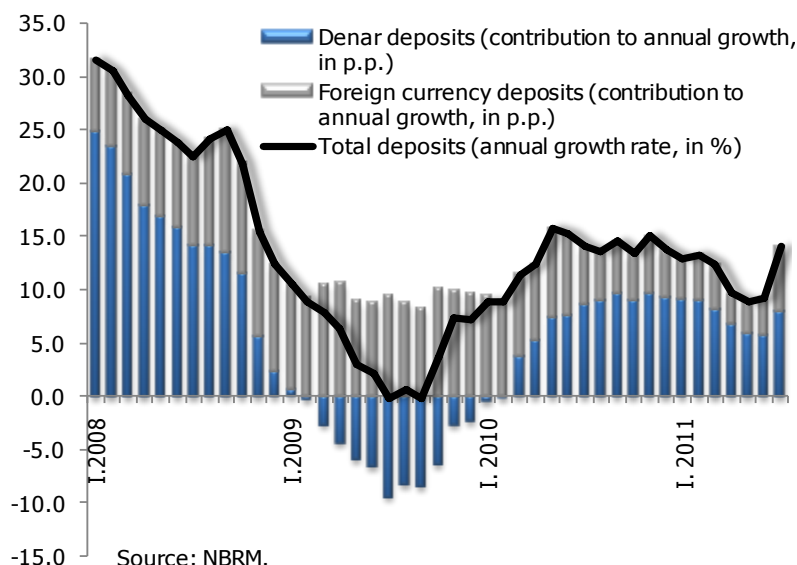
Source: NBRM.

In July, the pace of the annual increase in the total deposits (with included demand deposits)⁶ accelerated, as a combined effect of the intensified increase in the new savings on a monthly basis and the base effect.⁷

⁶ Since January 2009, the deposits include also accrued interest.

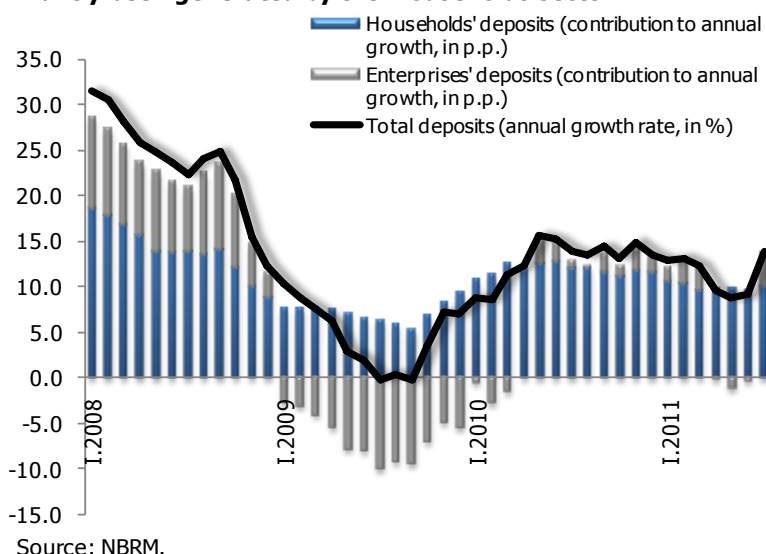
⁷ Realized decrease in the total deposits in July 2010 of Denar 4,064 million on a monthly basis, because of the payment of dividend by one larger domestic company.

...from currency aspect, the largest portion of the increase remains to be driven by the rise in the domestic currency deposits...



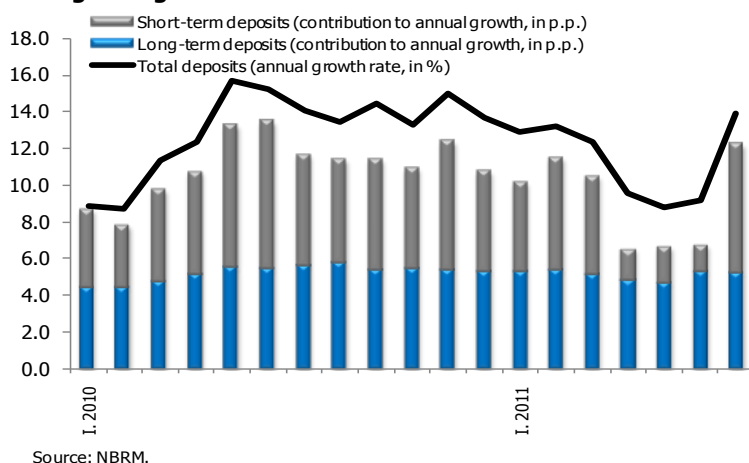
More considerable contribution to the annual growth of the total deposits still accounts for the Denar deposits, given registered increase in the contribution of the foreign currency deposits, a trend characteristic also for the previous two months.

...from sector aspect, the new savings on annual basis, has dominantly been generated by the households sector...



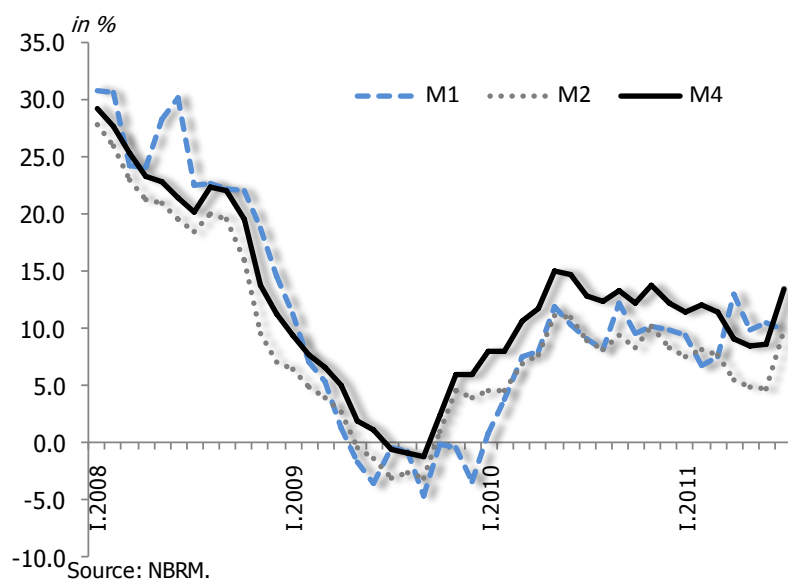
Dominant part of the increase in the total deposits arises from the larger savings of the households, given simultaneous positive contribution of the deposits of the private sector enterprises (after their continuous decrease in the three previous months).

...from maturity aspect, the contribution of the short-term deposits is of higher significance



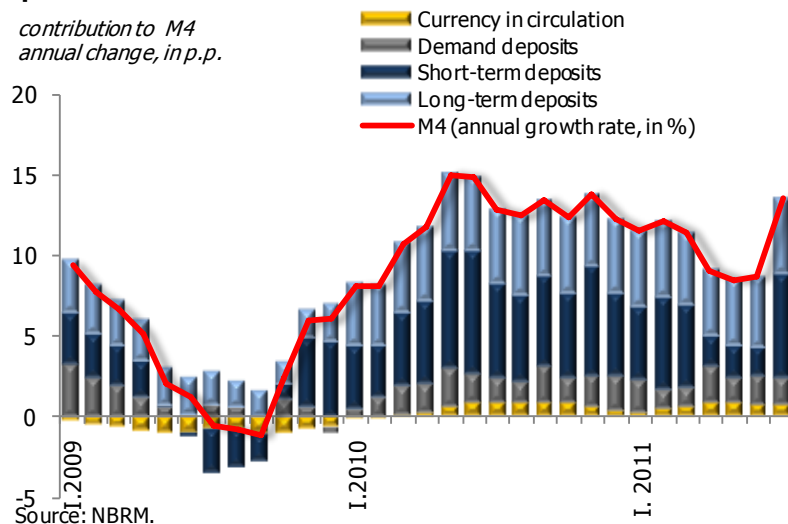
The contribution of the short-term deposits increased, thus obtaining more significant share in the increase of the total deposits, compared to the previous three months when the growth in the total deposits was mostly due to the long-term deposits.

The annual rise in the broadest money supply registers faster dynamics in July...



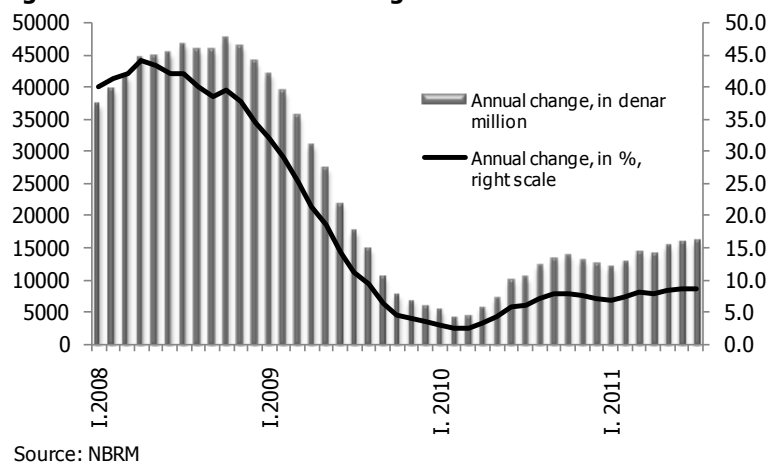
In July, the monetary aggregate M1 registered moderate slowdown of the annual growth rate, while the monetary aggregates M2 and M4 were mounting with intensified dynamics.

...mainly as a result of the accelerated growth in the short-term deposits



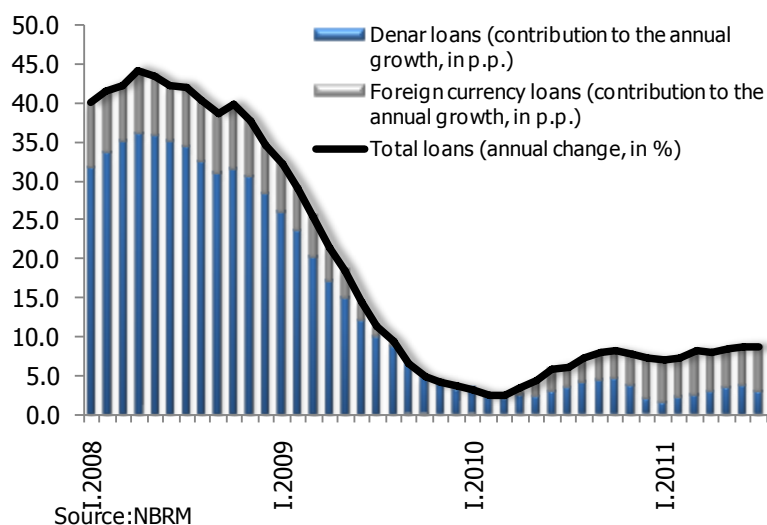
The acceleration of the growth rate of M4 in July mostly arose from the larger contribution of the short-term deposits, given relatively stable contribution of other components.

Slight acceleration in the annual growth of the total credits...



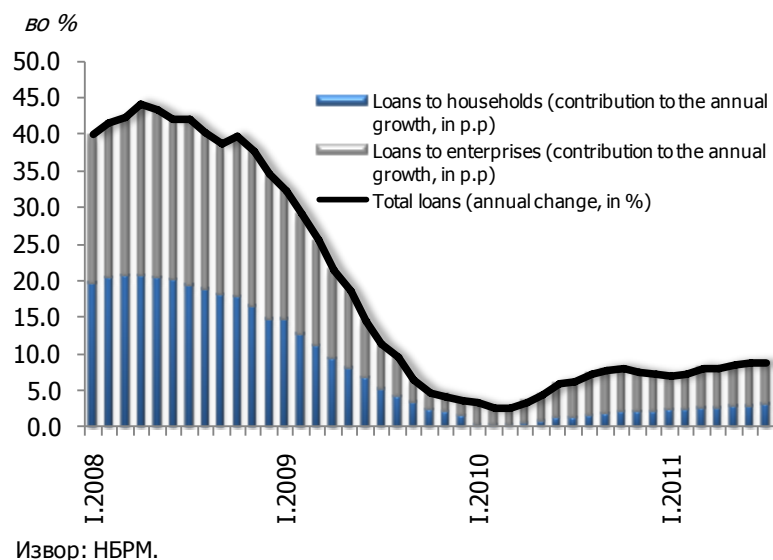
In July, the total credits continued to mount, and annually, they went up by 8.7% (8.6% in the preceding month).

...observed from currency aspect, the reason for the increase mostly lies in the foreign currency credits...



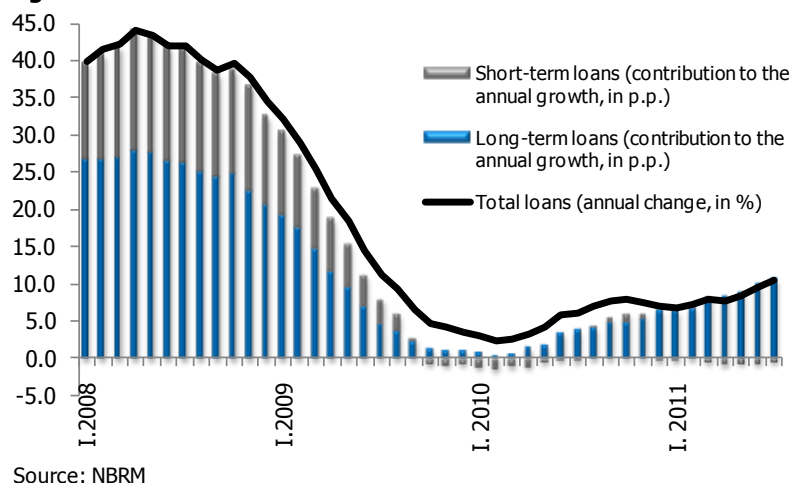
From the aspect of the contribution to the annual increase in the total credits, the foreign currency crediting still dominates, given the registered drop in the positive contribution of the Denar loans (opposite to the trend of increase registered at the beginning of the year).

...from sector aspect, the corporate credits still dominate in the annual growth of the total credits...



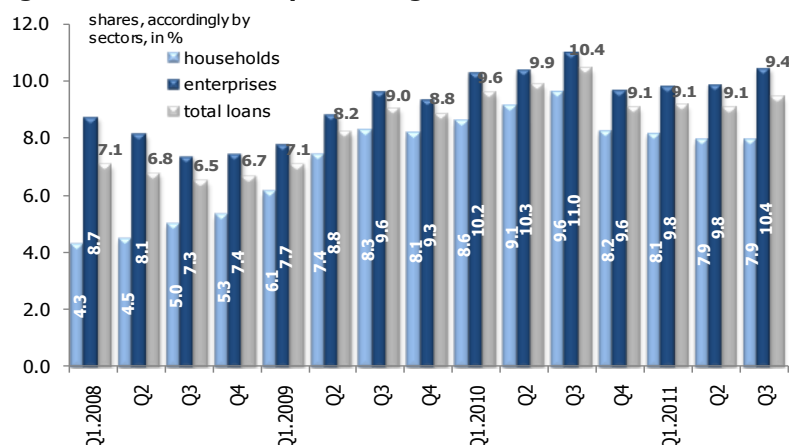
From the aspect of the contribution of both main sectors, the annual rise in the total credits is still mostly due to the increase in the corporate credits, given the trend of continuous larger contribution of the households' credits.

...from maturity aspect, the rise in the total credits is fully due to the long-term credits



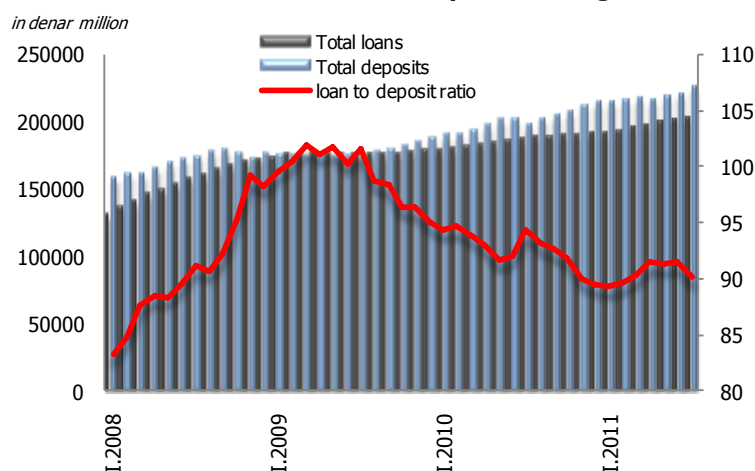
The trend of dominant contribution of the long-term credits to the annual increase in the total credits continues, given negative annual contribution of the short-term credits in the last five months.

Higher share of the non-performing loans in the total credits



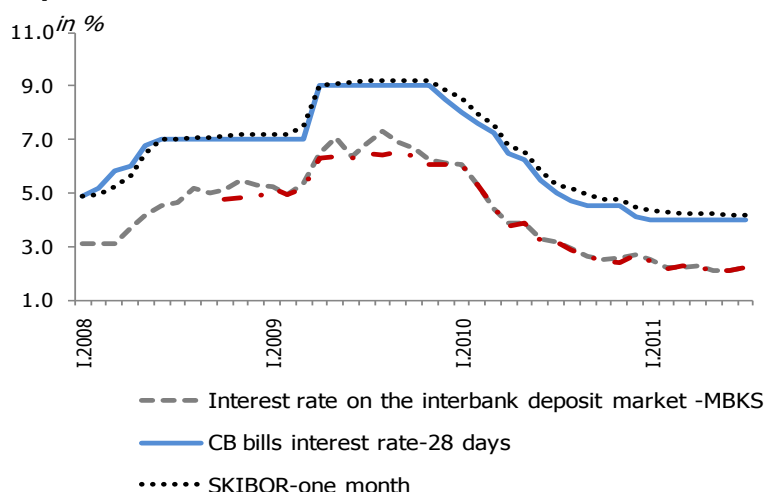
Source: NBRM

Decrease in the indicator for credit/deposit coverage



Source: NBRM

Monthly surge in the interest rates on the interbank deposit market in July



Source: NBRM.

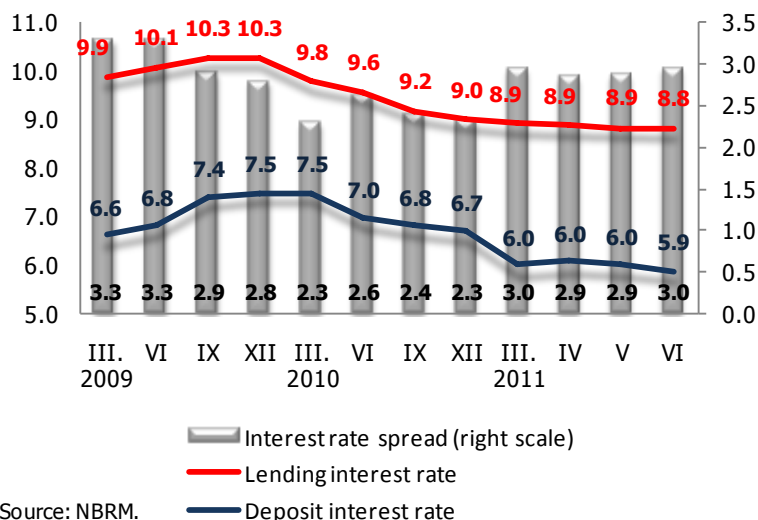
Moderate increase in the share of the non-performing loans in the total credits, given higher share of the non-performing loans in the enterprises' total credits, while with the sector "households", the share preserved the same level as in the previous month.

In July, the indicator for coverage of the credits with deposits reduced, as a result of more intensive deposit growth compared to the credits. Such movement of the indicator shows smaller use of the deposit potential for crediting by the banks in July and chances for bigger credit activity in the following period.

⁸ Since July, the banks began to quote interest rates for selling deposits - SKIBOR with longer maturities, of six, nine and twelve months, which equaled 5.55%, 6.05% and 6.60%, respectively.

Decrease in the total Denar lending and deposit interest rate in June, compared to the previous month...

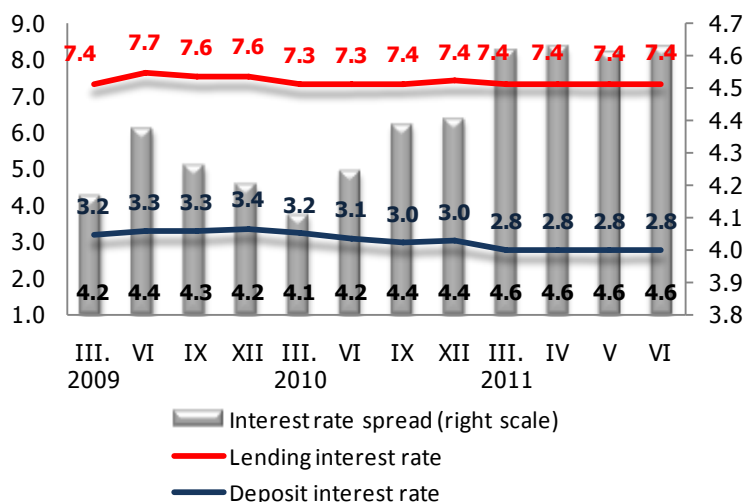
in %



In June, the interest rates on the total Denar credits and deposits registered monthly decrease, after unchanged levels in the preceding three months.

...given unchanged level of the total foreign currency lending and deposit interest rate

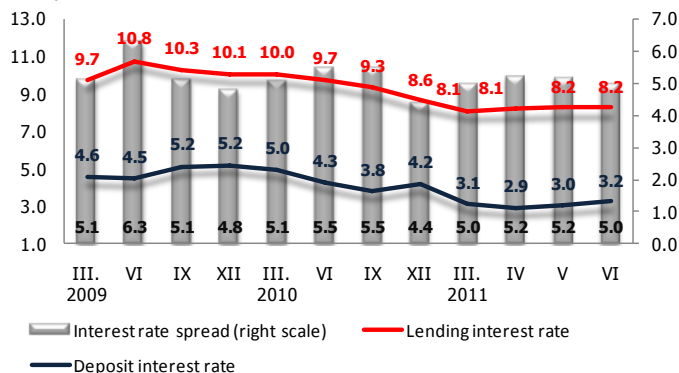
in %



The interest rate on the foreign currency credits is still on the level registered in July 2010, while the interest rate on the foreign currency deposits preserved the level recorded in March 2011.

Increase in the interest rate on the newly accepted Denar deposits...

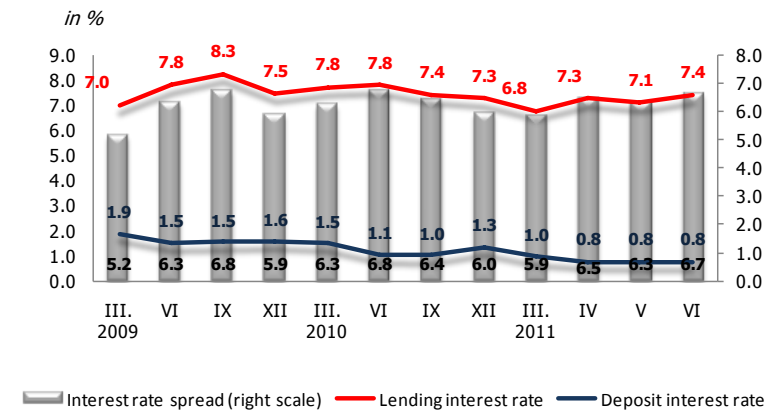
in %



The interest rate on the newly accepted Denar deposits registered monthly increase, while the interest rate on the newly extended Denar credits remained on the level of the preceding month.

MONETARY SECTOR

...given rise in the interest rate on the newly extended credits



Source: NBRM.

The interest rate on the newly extended foreign currency credits registered monthly increase, given unchanged level of the interest rate on the newly accepted foreign currency deposits in the last three months.

Statistical appendix

Table 1

CONSUMER PRICES - INFLATION AND COMPONENTS

	<u>V.2011</u> <u>IV.2011</u>	<u>V.2011</u> <u>V.2010</u>	<u>I-V.2011</u> <u>I-V.2010</u>	<u>V.2011</u> <u>IV.2011</u>	<u>V.2011</u> <u>V.2010</u>	<u>I-V.2011</u> <u>I-V.2010</u>
	<i>change in %</i>			<i>contribution to change in percentage points</i>		
Total	-0.2	5.2	4.5	-0.2	5.2	4.5
Food	-0.4	9.6	7.8	-0.1	3.7	3.0
Grain products	0.4	15.7	11.2	0.0	1.0	0.0
Fresh and processed vegetables	-3.3	13.4	6.4	-0.2	0.8	0.0
Fresh and processed fruits	3.9	12.6	10.9	0.1	0.3	0.0
Meat and poultry	0.0	2.6	1.9	0.0	0.2	0.0
Fresh and cooked fish	1.0	2.1	1.2	0.0	0.0	0.0
Dairy products	-0.2	3.5	3.3	0.0	0.2	0.0
Eggs	0.0	11.2	10.4	0.0	0.1	0.0
Oils and fats	-1.4	36.5	40.6	0.0	0.6	0.0
Tobacco and beverages	0.1	1.1	1.0	0.0	0.1	0.1
Clothing and footwear	0.3	1.6	1.2	0.0	0.1	0.1
Housing	0.0	4.3	3.5	0.0	0.7	0.6
Flat (rent, water and other services)	-0.1	6.8	6.3	0.0	0.2	0.2
Fuel and lighting	0.0	5.5	4.2	0.0	0.5	0.4
Heating and services	0.0	5.8	6.0	0.0	0.2	0.2
Electric power	0.0	5.4	3.2	0.0	0.4	0.2
Hygiene and health	0.1	3.4	2.2	0.0	0.3	0.2
Culture and entertainment	-0.9	-2.8	-1.5	0.0	-0.1	-0.1
Transport and communication services	-0.3	2.9	4.2	0.0	0.4	0.6
Fuels and lubricants	-2.0	9.1	15.3	-0.1	0.3	0.5
Public transport services & PTT	0.8	2.0	0.9	0.0	0.1	0.1
Restaurants and hotels	-0.1	1.6	1.6	0.0	0.1	0.1
Other services n.e.c.	0.0	2.3	-2.6	0.0	0.0	0.0

Source: State Statistical Office of the Republic of Macedonia.

Table 2

CORE INFLATION, PRODUCTIVITY AND WAGES

	2008	2009	2010	2010				2011	Latest months		
				Q1	Q2	Q3	Q4	Q1	Mar-11	Apr-11	May-11
	<i>annual changes in %</i>										
Inflation (CPI)	8.3	-0.8	1.6	0.5	1.1	1.8	2.9	4.1	5.2	4.8	5.2
Inflation (CPI) - cumulative average	8.3	-0.8	1.6	0.5	0.8	1.1	1.6	4.1	4.1	4.3	4.5
Core inflation (excluding food and energy)	2.6	0.3	0.2	-0.2	0.1	0.2	0.6	1.0	1.2	1.3	1.3
Regulated prices	9.3	-1.8	11.3	12.9	11.9	9.9	10.3	7.1	8.9	7.5	6.5
Industrial producer prices	10.2	-7.0	8.7	7.3	10.5	8.4	8.6	13.6	15.3	13.3	10.8
Productivity	1.9	-4.2	-0.7	-1.3	1.6	0.7	-3.8	-	-	-	-
Nominal net-wage*	10.3	9.8	3.0	3.3	2.2	2.9	3.6	1.9	1.2	-	-
Real net-wage*	1.9	10.8	1.4	2.8	1.1	1.1	0.7	-2.1	-3.8	-	-

*For 2009, data are revised from structural break due to application of gross wages concept, which includes allowances for food and transport in the wages.

Source: State Statistical Office of the Republic of Macedonia and NBRM.

Table 3

NOMINAL AND REAL NET WAGES BY MAIN ECONOMIC ACTIVITIES*

	2011							
	Q1	Jan.	Feb.	Mar.	Q1	Jan.	Feb.	Mar.
	<i>nominal annual changes, %</i>				<i>real annual changes, %</i>			
Total	1.9	3.4	1.0	1.2	-2.1	0.2	-2.8	-3.8
Agriculture	-1.2	-3.3	-1.1	0.9	-5.1	-6.3	-4.8	-4.1
Agriculture, forestry and fishing	-1.2	-3.3	-1.1	0.9	-5.1	-6.3	-4.8	-4.1
Industry	2.2	1.3	3.7	1.5	-1.8	-1.8	-0.2	-3.5
Mining and quarrying	7.8	2.7	16.2	4.1	3.5	-0.5	11.9	-1.1
Manufacturing	4.4	5.1	6.4	1.8	0.3	1.8	2.4	-3.2
Electricity, gas, steam and air conditioning supply	-2.7	-1.4	-4.6	-2.2	-6.6	-4.5	-8.2	-7.0
Water supply; sewerage, waste management and remediation activities	2.3	2.0	2.5	2.3	-1.7	-1.1	-1.3	-2.7
Construction	3.5	1.6	3.6	5.2	-0.6	-1.5	-0.2	0.0
Services	3.0	4.7	0.9	3.5	-1.0	1.4	-2.9	-1.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	-0.6	-2.5	-3.9	4.8	-4.5	-5.5	-7.5	-0.4
Transportation and storage	2.4	2.7	0.7	4.0	-1.6	-0.5	-3.1	-1.1
Accommodation and food service activities	0.0	0.9	0.6	-1.4	-3.9	-2.3	-3.2	-6.3
Information and communication	1.2	9.2	-9.5	5.6	-2.8	5.8	-12.9	0.3
Financial and insurance activities	11.0	24.7	3.4	5.0	6.6	20.8	-0.4	-0.2
Real estate activities	-4.2	-12.1	0.3	-0.6	-8.0	-14.9	-3.4	-5.5
Professional, scientific and technical activities	2.8	0.6	6.1	1.9	-1.2	-2.6	2.1	-3.1
Administrative and support service activities	-6.6	-6.2	-12.1	-1.0	-10.3	-9.1	-15.4	-5.9
Public administration and defence; compulsory social security	-0.2	0.8	-1.1	-0.3	-4.1	-2.3	-4.8	-5.2
Education	4.2	6.2	6.7	0.0	0.1	2.9	2.7	-4.9
Human health and social work activities	-1.2	-1.0	-1.4	-1.1	-5.1	-4.0	-5.1	-6.0
Arts, entertainment and recreation	6.8	3.7	9.1	7.9	2.6	0.5	5.0	2.6
Other service activities	19.0	17.8	19.3	19.8	14.3	14.2	14.8	13.9

Source: State Statistical Office of the Republic of Macedonia.

*SSO starting from January 2011 has published data for wages according to NCA Rev.2. The data from new classification are not comparable with the data from old classification.

Table 4

INDUSTRIAL OUTPUT AND OTHER ECONOMIC ACTIVITIES

	2008	2009	2010	2010				2011		Latest months				cumulative 2011
				Q1	Q2	Q3	Q4	Q1	Q2	Mar-11	Apr-11	May-11	Jun-11	
	annual changes in %													
Gross domestic product	5.0	-0.9	1.8	-0.5	1.5	2.1	3.8	5.1	-	-	-	-	-	-
Industrial output	5.1	-8.7	-4.8	-9.3	-0.9	-3.6	-6.0	13.8	5.3	24.5	11.8	6.9	-1.8	9.2
Construction	25.6	13.7	14.9	7.6	-7.4	35.9	20.3	61.8	-	52.3	45.5	64.6	-	58.0
Retail and wholesale trade	11.8	-7.4	7.3	3.9	6.1	9.0	9.5	12.4	-	21.2	10.0	4.0	-	10.0
Telecommunications	8.9	6.6	18.3	17.3	18.8	15.9	21.2	13.2	-	11.5	13.5	17.2	-	14.1

Source: State Statistical Office of the Republic of Macedonia.

Table 5

SELECTED INDUSTRIAL ACTIVITIES											
	2008	2009	2010	2010				2011		jun.11	
				Q1	Q2	Q3	Q4	Q1	Q2	change, %	contribution,
	annual changes in %										
Mining and quarrying	9.4	-12.4	-3.8	-6.4	-0.4	5.1	-12.5	7.9	14.6	-2.8	-0.1
Manufacture of food products	7.6	-2.3	2.8	3.2	0.4	7.3	0.5	-3.8	0.8	5.7	0.7
Manufacture of beverages	9.9	-0.3	-9.2	-8.4	-9.2	-3.5	-14.2	-17.4	-16.5	-13.8	-0.7
Manufacture of tobacco products	1.9	-3.2	19.6	15.4	-14.0	29.0	66.4	1.3	43.1	47.9	3.9
Manufacture of wearing apparel	-20.0	-11.8	-4.7	-5.4	1.8	-10.6	-3.8	35.2	26.4	19.9	1.4
Printing and reproduction of recorded media	57.3	26.8	-34.2	-52.8	-44.7	-17.1	-14.5	8.6	6.4	2.2	0.0
Manufacture of coke and refined petroleum products	1.6	-8.9	-6.2	-46.9	14.8	19.6	14.5	43.0	-46.2	-84.8	-4.6
Manufacture of basic pharmaceutical products and pharmaceutical preparations	25.2	-13.2	-2.8	-4.8	4.4	-6.1	-4.7	11.0	5.1	-7.1	-0.2
Manufacture of other non-metallic mineral products	-3.0	-12.1	-14.2	-25.8	-21.8	-2.1	-7.8	13.1	14.5	20.6	1.4
Manufacture of basic metals	-5.3	-43.0	31.8	46.4	24.2	31.4	30.0	34.0	11.1	-3.0	-0.3
Manufacture of fabricated metal products	52.0	38.8	-53.5	-52.7	23.3	-62.4	-62.5	30.8	-11.0	-35.9	-2.4
Manufacture of electrical equipment	27.8	-24.8	-43.2	-69.7	-58.1	-15.3	-5.3	2.9 times	2.9 times	2.9 times	4.0
Manufacture of other transport equipment	-18.4	-46.4	44.5	5.5	45.4	26.9	93.8	3.6 times	79.2	92.9	1.0
Electricity, gas, steam and air conditioning supply	-3.1	8.7	14.4	19.1	38.5	6.9	-3.8	-3.1	-21.6	-33.5	-4.5

Source: State Statistical Office of the Republic of Macedonia.

Table 6

INDICATIVE VARIABLES FOR PRIVATE CONSUMPTION													
	2008	2009	2010	2010				2011		Latest months			
				Q1	Q2	Q3	Q4	Q1	Q2	Mar-11	Apr-11	May-11	Jun-11
	real annual growth rates in %												
Retail trade*	3.1	-2.9	2.2	0.9	1.5	4.4	1.7	31.4	-	31.8	2.5	-0.8	-
VAT revenues*	1.4	-1.9	5.4	-0.1	23.1	6.0	-4.2	15.1	-0.5	-7.6	-14.2	6.3	10.9
Imports of consumption goods*	7.9	-5.3	10.1	2.4	16.2	20.3	2.3	2.1	-3.6	-9.7	-7.6	0.8	-3.9
Domestic production of consumption goods	5.8	-4.6	-1.8	-5.8	-7.5	2.5	2.7	8.2	16.4	18.7	14.6	15.2	19.0
Counsumer credits*	30.1	4.5	2.3	-0.2	1.4	2.3	2.3	2.5	2.3	1.4	1.9	1.8	2.8
Average net wage*	1.9	10.7	1.4	2.8	1.1	1.1	0.7	-2.1	-	-3.8	-4.2	-4.2	-
Private net transfers*	-12.5	16.4	22.2	112.9	33.8	4.7	1.3	-7.6	-	-21.2	-12.9	-11.0	-
Pensions*	8.4	9.5	1.1	2.5	2.1	0.0	0.0	-0.9	-0.2	0.1	-0.5	0.1	-0.4

* real growth rates are calculated by the NBRM, by dividing the nominal growth rates with the annual CPI inflation.

Source: State Statistical Office, Ministry of Finance and NBRM calculations.

Table 7

INDICATIVE VARIABLES FOR INVESTMENTS

	2008	2009	2010	2010				2011		Latest months			
				Q1	Q2	Q3	Q4	Q1	Q2	Mar-11	Apr-11	May-11	Jun-11
	real annual growth rates in %												
Imports od capital goods*	22.3	-6.4	-14.8	-35.5	-12.4	1.7	-9.6	8.5	13.4	-11.0	20.5	34.5	-10.4
Completed construction works*	16.3	14.9	12.9	7.1	-8.4	33.5	17.0	55.4	-	44.8	38.8	56.5	-
Domestic production of capital goods	-1.0	-23.1	-10.8	-27.7	-5.9	-12.7	5.1	64.5	44.7	47.4	44.8	87.1	17.5
Government investments*	36.7	-32.3	12.4	24.0	-26.4	73.8	-1.5	18.9	70.8	50.0	57.8	144.9	52.4
FDI*	3.9	-22.6	-21.8	-62.8	-82.5	26.1	384.2	597.9	-	1397.3	1.3	-0.4	-
Long term credits to enterprises*	25.9	8.6	9.1	4.5	7.8	8.8	9.1	10.3	12.9	10.3	10.9	11.5	12.9
Domestic production of capital goods	-5.6	-2.1	-3.3	-6.8	-18.0	-6.7	-5.8	6.0	19.5	20.9	23.6	22.4	12.7

* real growth rates are calculated by the NBRM, by dividing the nominal growth rates with the annual CPI inflation.

Source: State Statistical Office, Ministry of Finance and NBRM calculations.

Table 8

BUDGET OF THE REPUBLIC OF MACEDONIA (Central Budget and Budgets of Funds)

<i>in millions of Denars</i>	2010				Total 2010	2011		Jan-Jun 2011	annual changes in 2011 (in %)		realization (in %)
	Q1	Q2	Q3	Q4		Q1	Q2		Q1	Q2	
TOTAL BUDGET REVENUES	29,521	32,322	36,134	34,173	132,150	31,422	36,040	67,462	6.4	11.5	45.5
Revenues base on taxes and contributions	25,295	28,151	29,176	29,818	112,440	27,332	29,520	56,852	8.1	4.9	46.5
Tax revenues	16,009	18,528	19,209	19,192	72,938	18,002	19,411	37,413	12.4	4.8	47.0
personal income tax	2,111	2,116	2,085	2,560	8,872	2,242	2,325	4,567	6.2	9.9	45.5
profit tax	879	623	1,154	1,034	3,690	920	1,496	2,416	4.7	140.1	66.4
value added tax	8,204	9,734	9,929	9,827	37,694	9,834	10,140	19,974	19.9	4.2	48.4
excises	3,140	3,542	4,304	3,939	14,925	3,423	3,687	7,110	9.0	4.1	44.7
custom duties	953	1,772	903	1,084	4,712	809	950	1,759	-15.1	-46.4	30.8
other	722	741	834	748	3,045	774	813	1,587	7.2	9.7	52.9
Contributions	9,109	9,463	9,771	10,344	38,687	9,138	9,963	19,101	0.3	5.3	45.1
Pension and Disability Insurance Fund	6,162	6,385	6,613	6,977	26,137	6,188	6,740	12,928	0.4	5.6	45.1
Employment Biro	400	400	412	439	1,651	388	426	814	-3.0	6.5	46.1
Health Fund	2,547	2,678	2,746	2,928	10,899	2,562	2,797	5,359	0.6	4.4	44.9
Non-tax revenues	3,703	3,020	6,284	3,563	16,570	2,995	3,640	6,635	-19.1	20.5	41.3
Capital revenues	268	331	227	333	1,159	532	2,500	3,032	98.5	655.3	52.1
Donations from abroad	201	648	281	329	1,459	231	277	508	14.9	-57.3	13.4
Revenues of recovered loans	56	173	166	130	525	332	103	435	492.9	-40.5	108.8
TOTAL BUDGET EXPENDITURES	33,625	34,293	36,644	38,130	142,692	35,147	40,042	75,189	4.5	16.8	47.0
Current expenditures	30,396	31,563	31,703	33,696	127,358	31,151	35,160	66,311	2.5	11.4	48.5
Wages and salaries	5,751	5,636	5,588	5,663	22,638	5,755	5,772	11,527	0.1	2.4	49.5
Goods and services	3,728	3,179	3,785	3,989	14,681	3,515	3,717	7,232	-5.7	16.9	41.9
Transfers	20,687	22,086	20,960	23,132	86,865	21,523	24,934	46,457	4.0	12.9	50.0
Social transfers	15,620	15,931	16,079	16,156	63,786	15,931	17,199	33,130	2.0	8.0	49.2
Other transfers	4,794	5,829	4,502	6,718	21,843	5,419	7,524	12,943	13.0	29.1	52.8
Refugees	9	17	10	15	51	0	0	0	-100.0	-100.0	0.0
Interest payments	231	661	1,370	912	3,174	358	737	1,095	55.0	11.5	34.0
Interest on domestic debt	99	464	185	271	1,019	196	444	640	98.0	-4.3	63.4
Interest on external debt	131	198	1,185	641	2,155	162	293	455	23.7	48.0	20.6
Capital expenditures	3,229	2,730	4,941	4,434	15,334	3,996	4,882	8,878	23.8	78.8	38.0
Investments in fixed assets	2,387	1,816	3,623	3,301	11,127	3,358	3,793	7,151	40.7	108.9	38.2
Capital transfers	843	914	1,318	1,133	4,208	638	1,089	1,727	-24.3	19.1	37.4
BUDGET DEFICIT / SURPLUS	-4,104	-1,972	-510	-3,957	-10,543	-3,725	-4,002	-7,727	-9.2	102.9	66.7

Source: Ministry of Finance.

Table 9

BALANCE OF PAYMENTS									
	2008	2009	2010	1	2	3	4	5	2011
	EUR million								
I. Current Account	-862.2	-449.3	-191.1	-104.3	-75.8	-35.6	-40.6	2.8	-253.5
A. GOODS, net	-1,762.5	-1,551.1	-1,467.7	-196.3	-146.2	-130.3	-153.1	-106.9	-732.8
Exports, f.o.b.	2,692.6	1,920.9	2,492.8	218.7	234.0	246.4	271.5	280.3	1,250.9
Imports, f.o.b. /1	-4,455.1	-3,472.0	-3,960.6	-414.9	-380.2	-376.7	-424.6	-387.3	-1,983.7
B. SERVICES, net	5.8	28.0	59.9	15.7	-4.7	12.2	6.8	13.9	44.0
Credit	688.1	618.3	692.9	61.2	50.3	68.1	63.9	70.2	313.8
Debit	-682.3	-590.3	-633.0	-45.5	-55.0	-55.9	-57.1	-56.3	-269.8
C. INCOME, net	-90.9	-58.5	-149.2	-19.7	-7.7	-4.8	-6.7	-6.9	-45.8
Credit	185.2	128.1	143.6	14.9	12.2	16.4	14.0	14.3	71.8
Debit	-276.1	-186.6	-292.8	-34.6	-19.9	-21.2	-20.8	-21.1	-117.6
D. CURRENT TRANSFERS, net	985.5	1,132.3	1,366.0	96.0	82.7	87.4	112.4	102.7	481.2
Credit	1,033.2	1,180.0	1,413.8	99.3	86.1	91.3	116.1	107.2	499.9
Debit	-47.7	-47.7	-47.9	-3.3	-3.3	-3.9	-3.7	-4.5	-18.8
II. Capital and Financial Account	862.5	426.0	190.5	112.4	80.7	54.3	58.1	1.2	306.7
A. CAPITAL ACCOUNT, net	-12.2	20.2	9.1	7.8	0.9	0.6	1.2	1.4	11.8
Credit	0.0	25.4	22.8	8.0	1.9	1.8	2.3	2.4	16.4
Debit	-12.2	-5.3	-13.7	-0.3	-1.0	-1.2	-1.1	-1.0	-4.7
B. FINANCIAL ACCOUNT, net	874.8	405.9	181.4	104.6	79.8	53.7	56.9	-0.1	295.0
1. Direct investment, net	409.4	136.9	219.9	59.6	50.0	97.0	-20.6	-15.5	170.5
Abroad	9.5	-8.1	-1.4	-0.3	-0.2	0.0	-0.1	0.3	-0.3
In reporting economy	399.9	145.0	221.4	59.9	50.2	96.9	-20.5	-15.8	170.7
2. Portfolio investment, net	-50.6	104.0	-63.6	-2.5	8.0	-3.2	-1.8	-0.7	-0.3
Assets	-0.5	-37.6	-21.9	-1.3	-3.0	-2.3	-2.7	0.0	-9.3
Liabilities	-50.1	141.7	-41.6	-1.2	11.0	-0.9	0.9	-0.8	9.0
3. Other investment, net	464.4	234.3	66.1	63.0	6.7	162.2	64.5	3.3	299.7
Assets	207.4	-107.1	-162.4	28.2	-8.5	-25.4	-73.7	-60.5	-139.8
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	-4.7	-19.1	4.6	-0.6	-1.2	-1.3	-48.7	-57.5	-109.3
Monetary authorities	0.0	0.0	0.0	0.0	0.0	0.0	-49.7	-57.5	-107.2
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	-0.3	-16.0	6.4	-0.2	-1.0	-1.3	1.2	0.2	-1.1
Other sectors	-4.4	-3.2	-1.8	-0.4	-0.3	0.1	-0.2	-0.2	-1.0
Currency and deposits	211.3	-88.1	-167.2	28.9	-7.3	-23.8	-25.3	-2.9	-30.5
Monetary authorities	16.0	0.0	0.6	0.0	0.0	0.1	0.0	0.0	0.1
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	238.5	-86.0	-78.6	30.9	-3.1	-18.9	-17.8	6.8	-2.2
Other sectors	-43.2	-2.1	-89.2	-2.0	-4.2	-5.0	-7.5	-9.7	-28.4
Other assets	0.8	0.1	0.2	0.0	0.0	-0.3	0.3	0.0	-0.1
Liabilities	256.9	341.4	228.5	34.8	15.2	187.6	138.2	63.8	439.5
Trade credits	-4.4	157.6	39.3	65.4	9.5	-67.9	46.2	-2.9	50.3
Loans	241.9	69.9	124.9	1.6	7.1	239.0	81.1	55.5	384.3
Monetary authorities	0.0	0.0	0.0	0.0	0.0	0.0	49.7	57.2	106.9
General government	36.1	7.0	38.4	1.7	-1.1	222.4	-2.7	-1.1	219.3
Banks	-17.0	58.9	110.2	0.0	0.2	20.6	29.5	-0.1	50.3
Other sectors	222.7	4.0	-23.7	0.0	8.0	-4.1	4.5	-0.5	7.9
Currency and deposits	12.1	26.0	-2.8	-32.7	-5.2	13.7	8.8	9.8	-5.6
Monetary authorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	12.1	26.0	-2.8	-32.7	-5.2	13.7	8.8	9.8	-5.6
Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	7.4	87.9	67.2	0.5	3.7	2.8	2.1	1.5	10.6
Gross official reserves (- = increase) / 2	51.6	-69.4	-41.1	-15.5	15.2	-202.2	14.8	12.7	-174.9
III. Errors and Omissions	-0.3	23.2	0.5	-8.1	-4.9	-18.7	-17.6	-4.0	-53.3

* Preliminary data.

** Revision of data has been done in November 2010 in the following categories:

- for 2009 data: direct investment, income and other investment, due to inclusion of data from the annual FDI Survey DI 22 and improved coverage of credit indebtedness data;
- services and current transfers for 2009- as a result of improved coverage of data;
- goods, services and trade credits data for 2008 due to the final data on foreign trade for 2008.

1/ Imports data are on fob basis in accordance with IMF V Balance of Payments Manual.

Calculation of cif / fob factor as % of imports cif equals 3,86%.

Imports for 2008 have been additionally adjusted with time adjustments for imports of electricity.

2/ Excluding monetary gold and exchange rate differences.

Source: NBRM.

Table 10

FOREIGN TRADE BY ECONOMIC USE														
	EXPORT							IMPORT						
	Total	Consumption goods	Intermediate goods	Capital goods	Cars	Energy	Other	Total	Consumption goods	Intermediate goods	Capital goods	Cars	Energy	Other
	EUR million							EUR million						
2008	2,698	957	1,486	46	1	205	2	4,664	776	2,127	654	174	932	2
2009	1,937	868	883	45	0	140	1	3,637	760	1,576	601	122	571	7
2010	2,498	939	1,305	62	1	189	1	4,119	796	1,942	483	182	710	5
1	134	55	67	2	0	10	0	230	49	95	24	7	54	0
2	159	65	77	2	0	14	0	260	55	109	31	11	53	0
3	191	78	97	4	0	11	0	320	69	152	48	16	32	3
4	183	67	101	4	0	12	0	353	67	177	39	19	51	0
5	207	71	113	5	0	17	0	332	62	167	33	20	49	0
6	227	83	119	7	0	17	0	364	69	171	43	19	61	0
7	233	92	110	7	0	24	0	360	72	167	37	21	62	0
8	203	78	100	4	0	22	0	364	66	168	38	17	74	0
9	250	90	137	7	0	17	0	321	62	154	47	21	38	0
10	233	87	119	9	0	18	0	376	73	188	36	10	70	0
11	253	86	143	6	0	18	0	400	72	195	40	10	84	0
12	224	89	122	4	0	10	0	439	80	199	66	11	83	0
01-06.2011	1,492	471	841	52	0	128	0	2,424	406	1,243	246	71	456	1
1	219	63	131	5	0	20	0	429	53	266	31	11	67	0
2	235	74	137	7	0	17	0	393	63	180	38	11	99	0
3	246	83	138	7	0	19	0	388	68	184	41	13	83	0
4	274	86	149	13	0	26	0	442	71	211	50	12	98	0
5	281	85	162	11	0	24	0	403	75	213	48	12	55	0
6	237	80	125	9	0	23	0	370	77	189	38	11	55	0

Source: State Statistical Office of the Republic of Macedonia.

Table 11

FOREIGN TRADE BY SITC

<i>EUR million</i>	Total	Food and live animals	Beverages and tobacco	Crude materials, inedible, except fuels	Mineral fuels, lubricants and related materials	Animal and vegetable oils and fats	Chemical Products	Manufactured goods classified by materials	Machinery and transport equipment	Miscellaneous manufactured articles	Commodities and transactions not classified in SITC
EXPORT											
2008	2,698	210	149	183	211	8	123	1,079	127	606	1
2009	1,937	202	141	123	145	6	123	551	110	535	1
2010	2,498	249	153	196	195	8	288	750	116	540	2
1	134	9	13	14	10	0	9	36	5	39	0
2	159	12	9	15	15	0	14	45	6	44	0
3	191	23	11	18	12	1	16	56	8	45	0
4	183	20	11	17	12	1	20	58	8	36	0
5	207	22	15	18	17	1	20	66	9	39	0
6	227	22	15	16	18	0	24	72	12	47	0
7	233	21	15	17	24	0	16	71	11	58	0
8	203	21	14	16	22	1	22	56	10	42	0
9	250	28	14	18	18	1	32	78	13	49	0
10	233	29	7	16	18	1	28	74	14	47	0
11	253	22	15	16	18	1	47	74	11	46	0
12	224	20	16	15	11	1	41	62	10	48	0
01-06.2011	1,492	125	66	103	131	5	276	426	80	279	1
1	219	13	18	16	20	1	42	60	8	41	0
2	235	15	7	15	17	0	54	65	12	48	0
3	246	21	8	18	19	1	48	69	12	50	0
4	274	30	8	18	27	1	47	81	18	45	0
5	281	23	14	19	25	1	47	89	15	49	0
6	237	23	11	18	24	1	38	61	14	46	1
IMPORT											
2008	4,664	424	35	236	956	46	416	1,257	986	308	1
2009	3,637	401	37	145	583	33	408	868	873	282	7
2010	4,119	421	44	218	729	39	500	1,039	826	299	4
1	230	29	2	8	54	1	27	51	41	15	0
2	260	28	2	9	54	2	33	59	54	19	0
3	320	35	5	9	34	3	50	78	76	28	3
4	353	39	3	18	53	3	53	89	72	22	0
5	332	32	3	18	50	3	34	101	68	24	0
6	364	33	5	19	65	2	43	92	77	27	0
7	360	34	5	21	64	2	49	82	75	28	0
8	364	34	4	20	76	4	48	77	71	29	0
9	321	30	3	21	39	4	40	79	83	22	0
10	376	39	3	22	71	4	48	103	61	24	0
11	400	39	4	29	85	4	37	112	65	26	0
12	439	48	4	24	84	6	39	115	84	37	0
01-06.2011	2,424	222	21	119	470	21	323	696	406	144	1
1	429	31	2	19	70	3	84	148	54	16	0
2	393	38	2	16	101	4	53	94	63	21	0
3	388	43	3	21	83	3	42	98	70	24	0
4	442	38	4	21	99	3	47	127	79	24	0
5	403	35	4	21	57	4	49	126	75	30	0
6	370	37	5	21	59	3	47	103	65	29	0

Source: State Statistical Office of the Republic of Macedonia.

Table 12

FOREIGN TRADE BY PARTNERS									
<i>EUR million</i>	Total	1. Developed countries - total	1.1. European Union	1.2. EFTA	1.3. Developed countries	2. Western Balkans	3. Developing countries	4. Low income countries	5. Other countries
	EXPORT								
2008	2,698	1,680	1,606	12	62	958	57	2	0
2009	1,937	1,132	1,093	14	25	716	64	25	0
2010	2,498	1,568	1,531	15	21	771	156	3	0
1	134	93	91	1	1	37	3	1	0
2	159	98	96	1	1	48	12	0	0
3	191	116	114	2	1	61	13	1	0
4	183	111	108	1	1	61	11	0	0
5	207	128	125	2	2	70	9	0	0
6	227	146	143	1	2	67	14	0	0
7	233	147	144	1	1	74	12	0	0
8	203	118	116	1	1	72	13	0	0
9	250	161	157	2	2	74	16	0	0
10	233	146	143	1	2	69	18	0	0
11	253	165	158	2	5	73	15	0	0
12	224	139	135	2	2	65	20	0	0
01-06.2011	1,492	964	922	12	31	406	121	1	0
1	219	146	139	2	6	51	21	0	0
2	235	163	156	2	6	53	19	0	0
3	246	157	150	2	5	69	20	0	0
4	274	176	168	2	6	79	19	0	0
5	281	176	168	2	5	81	24	0	0
6	237	145	140	2	2	73	19	0	0
	IMPORT								
2008	4,664	2,671	2,250	202	219	516	1,430	48	0
2009	3,637	2,198	1,899	93	205	428	972	39	0
2010	4,119	2,461	2,187	75	198	474	1,141	43	0
1	230	127	108	7	12	23	78	2	0
2	260	140	125	5	10	32	85	4	0
3	320	208	186	3	18	38	70	3	0
4	353	224	201	7	16	38	88	3	0
5	332	195	175	4	15	38	96	3	0
6	364	204	180	4	19	46	110	4	0
7	360	210	191	4	16	39	108	3	0
8	364	198	177	4	16	41	121	4	0
9	321	214	182	7	24	42	61	4	0
10	376	248	226	7	15	46	78	4	0
11	400	235	206	11	17	45	116	4	0
12	439	259	230	11	18	46	130	4	0
01-06.2011	2,424	1,489	1,343	58	89	268	642	26	0
1	429	292	271	8	13	33	100	4	0
2	393	225	199	12	13	47	119	3	0
3	388	213	186	10	18	44	127	4	0
4	442	249	224	9	16	48	139	5	0
5	403	266	242	9	15	46	85	5	0
6	370	243	220	9	15	50	72	5	0

Source: State Statistical Office of the Republic of Macedonia.

Table 13

CURRENCY EXCHANGE MARKET

	BANKS			EXCHANGE OFFICES			TOTAL		
	Supply	Demand	Net-purchase	Supply	Demand	Net-purchase	Supply	Demand	Net-purchase
	<i>EUR million</i>								
2004	286.3	149.2	137.1	494.6	266.3	228.3	780.9	415.5	365.4
2005	340.3	108.6	231.7	541.1	235.6	305.5	881.4	344.2	537.2
2006	429.7	126.5	303.2	555.8	208.0	347.8	985.5	334.5	651.0
2007	470.7	191.5	279.2	609.1	200.8	408.3	1,079.9	392.4	687.5
2008	544.6	317.4	227.2	585.0	209.3	375.7	1,129.6	526.6	602.9
2009	476.2	282.0	194.3	766.6	197.1	569.5	1,242.8	479.1	763.8
2010	480.3	175.1	305.2	815.9	148.5	667.5	1,296.3	323.6	972.7
1	30.2	14.3	15.9	48.8	13.4	35.4	79.0	27.7	51.4
2	30.9	13.5	17.4	52.4	14.7	37.7	83.3	28.2	55.1
3	38.2	15.5	22.7	66.8	15.4	51.3	104.9	30.9	74.0
4	48.9	16.2	32.7	72.5	14.2	58.3	121.4	30.4	91.0
5	39.9	15.7	24.1	65.3	13.1	52.2	105.1	28.8	76.3
6	41.2	16.7	24.4	67.3	12.5	54.7	108.4	29.3	79.1
7	44.8	15.4	29.4	91.6	11.3	80.3	136.4	26.7	109.7
8	44.4	12.6	31.8	84.7	10.0	74.7	129.1	22.6	106.5
9	42.2	12.7	29.5	73.3	10.6	62.6	115.4	23.3	92.1
10	38.4	12.2	26.2	59.2	10.7	48.5	97.6	22.9	74.7
11	38.8	13.6	25.2	61.6	10.6	51.0	100.5	24.2	76.2
12	42.5	16.6	25.9	72.6	11.8	60.7	115.1	28.5	86.6
1-7.2011	243.0	104.1	138.9	445.2	84.1	361.2	688.2	188.2	500.0
1	29.8	12.0	17.8	47.5	9.7	37.7	77.3	21.7	55.6
2	30.6	12.1	18.5	48.3	12.1	36.2	78.9	24.2	54.7
3	33.4	16.8	16.6	51.2	12.6	38.5	84.6	29.5	55.1
4	34.0	15.4	18.6	63.6	11.6	52.0	97.7	27.0	70.7
5	36.1	15.9	20.2	62.6	12.7	49.9	98.7	28.6	70.1
6	36.6	15.9	20.7	64.1	12.7	51.4	100.6	28.5	72.1
7	42.4	16.0	26.4	108.0	12.6	95.4	150.4	28.6	121.8

Source: NBRM.

Table 14

NEER and REER indices

	NEER	REER-CPI	Relative prices - CPI	REER-PPI	Relative prices - PPI
	<i>index 2006=100</i>				
2004	97.9	106.5	108.8	104.3	106.6
2005	99.8	102.2	102.5	101.2	101.5
2006	100.0	100.0	100.0	100.0	100.0
2007	99.6	97.2	97.6	96.6	97.0
2008	100.6	98.7	98.1	97.2	96.6
2009	106.6	99.7	93.5	98.5	92.4
2010	106.0	97.0	91.5	99.6	93.9
1	106.9	99.6	93.2	99.1	92.7
2	106.0	98.7	93.1	99.3	93.7
3	105.4	97.6	92.5	98.5	93.4
4	104.9	97.1	92.6	99.3	94.7
5	104.9	96.4	91.9	100.0	95.3
6	105.0	96.3	91.7	99.3	94.6
7	105.7	96.2	91.0	100.2	94.8
8	105.9	96.1	90.8	99.3	93.8
9	106.1	95.6	90.1	99.8	94.1
10	107.2	96.5	90.0	101.4	94.6
11	107.6	96.8	90.0	99.0	92.0
12	106.9	96.7	90.5	99.6	93.1
1-6.2011	106.4	97.2	91.4	101.8	95.7
1	106.8	97.4	91.2	101.0	94.6
2	106.5	97.5	91.6	100.8	94.7
3	106.5	97.8	91.8	102.9	96.7
4	106.4	97.4	91.5	102.8	96.6
5	105.9	96.6	91.3	101.5	95.9
6	106.1	96.5	90.9	101.5	95.6

Source: NBRM.

Table 15

EXCHANGE RATES

	Average exchange rate				End of period exchange rate			
	DEN/CHF	DEN/GBP	DEN/USD	DEN/EUR	DEN/CHF	DEN/GBP	DEN/USD	DEN/EUR
2004	39.7337	90.4298	49.4105	61.3377	39.7085	86.4983	45.0676	61.3100
2005	39.5871	89.6186	49.2919	61.2958	39.3402	89.2717	51.8589	61.1779
2006	38.8981	89.7611	48.7854	61.1885	38.0696	91.1007	46.4496	61.1741
2007	37.2534	89.4324	44.7184	61.1838	36.8596	83.2901	41.6564	61.2016
2008	38.6300	77.1265	41.8646	61.2654	41.0428	63.0387	43.5610	61.4123
2009	40.5769	68.8041	44.0766	61.2728	41.1165	67.6695	42.6651	61.1732
2010	44.5956	71.7150	46.4574	61.5150	49.3026	71.5008	46.3140	61.5050
1	41.4189	69.2566	42.8267	61.1798	41.8547	70.8180	43.9405	61.3673
2	41.8753	70.1393	44.9312	61.4225	42.0179	68.8986	45.3248	61.5058
3	42.5149	68.3266	45.4022	61.6042	42.9729	68.8682	45.6312	61.5200
4	43.0267	70.3153	45.9023	61.5988	42.9069	70.9371	46.4415	61.5628
5	43.4104	71.6068	48.7870	61.5285	43.1354	72.3601	49.6629	61.5025
6	44.5787	74.1980	50.3806	61.5127	46.4223	75.9461	50.4564	61.5467
7	45.7495	73.6661	48.2471	61.5171	45.4223	73.6691	47.2109	61.5063
8	45.8521	74.6177	47.7062	61.5102	47.1707	75.4212	48.4893	61.5814
9	47.1013	73.5319	47.3526	61.6319	46.3605	71.5204	45.2842	61.6363
10	45.8029	70.3719	44.3729	61.6227	44.9254	70.9001	44.4424	61.5838
11	45.7145	71.9099	44.9678	61.5474	46.6437	72.8725	46.7856	61.5044
12	47.9046	72.5878	46.5545	61.5027	49.3026	71.5008	46.3140	61.5050
2011								
1	48.1809	72.4702	45.9858	61.5116	47.5236	71.4427	44.8614	61.5050
2	47.4083	72.6380	45.0951	61.5075	48.0545	71.9104	44.6919	61.5050
3	47.8229	71.0588	43.9906	61.5183	47.3456	69.9923	43.6595	61.5162
4	47.4222	69.7080	42.6383	61.5200	47.8064	68.9834	41.3947	61.5125
5	49.0049	70.0430	42.8266	61.5297	50.7237	71.0577	43.1713	61.6141
6	50.9005	69.5135	42.8109	61.6103	51.1964	68.4819	42.7175	61.6200
7	52.2133	69.5330	43.1423	61.6168	53.9524	70.4154	43.1998	61.6029

Source: NBRM.

Table 16

FLOWS OF CREATION AND WITHDRAWAL OF RESERVE MONEY

	Cumulative change I-XII.2010	Cumulative change I-VII.2011	Monthly change VII.2011 / VI. 2011
	<i>in Denar million</i>		
Reserve money*	2,106	410	1,684
Government depositis	-3,291	1,700	-632
Foreign currency transactions of NBRM	12,068	-264	-348
CB bills	-10,055	10,150	3,416
Compulsory deposit with the NBRM	169	0	0
Six-month deposit with NBRM	0	-12,950	-2,170
Repo operations	0	1,500	1,500
Other items	3,214	274	-82

*Does not include reserve requirement in foreign currency.

Source: NBRM.

Table 17

BALANCE SHEET OF NBRM (SHORT FORM)

	Cumulative change I-XII.2010	Cumulative change I-VII.2011	Monthly change VII.2011 / VI. 2011	Balance as of VII.2011
<i>in Denar million</i>				
Reserve money*	3,051	1,254	1,792	50,257
Net foreign assets**	7,363	6,487	-1,140	107,096
Net domestic assets	-4,312	-5,232	2,932	-56,839

*Includes the currency in circulation (including the cash in vault of banks), the reserve requirements in denar and foreign currency and the excess of liquid assets over the reserve requirement (in denars)

**The liabilities under PCL with the IMF are reclassified under Other Liabilities - Settlement Accounts- Gouvernement , the data for March and April 2011 are revised.

Source: NBRM.

Table 18

MONETARY AGREGATES

	2009				2010				2011			2009				2010				2011		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	July	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	July
	end of period to the end of the previous period, in %											annual change, in %										
M0	-10.2	1.7	11.8	10	-4.3	7.9	-3.7	7.2	-3.4	2.4	3.7	6.4	-4.7	6.6	12.4	19.8	27.1	9.5	6.6	7.6	2.1	7.1
M1	-13.5	1.8	0.6	9	-3.7	4.5	2.4	6.7	-5.8	7.3	-0.3	5.2	-3.6	-4.5	-3.5	7.4	10.3	12.2	9.8	7.5	10.4	9.8
M4	-2.6	0.8	2.0	5.9	1.7	4.6	0.7	4.8	0.9	2.0	2.5	6.6	1.2	-1.1	6	10.7	14.8	13.4	12.2	11.4	8.6	13.5
M4-denar	-9.5	-0.7	-1.7	8.3	1.4	6.6	0.5	6.7	0.1	2.7	1.6	-4.7	-11.3	-14.5	-4.4	7.04	15.0	17.6	15.9	14.5	10.3	15.5

Source: NBRM

Table 19

TOTAL DEPOSITS AT BANKS AND SAVING HOUSES

	Balance as of 30.06.2011	Balance as of 31.07.2011	Monthly change (July 2011/June 2011)	Annual change (June 2011/June 2010)	Annual change (July 2011/July 2010)	Contribution to the monthly growth of total deposits in July 2011	Contribution to the annual growth of total deposits in July 2011
<i>in Denar million</i>			<i>in %</i>			<i>in percentage changes</i>	
Total deposits	219,709	224,616	2.2	9.2	13.9	100%	100%
Denar*	107,536	108,472	0.9	11.8	16.7	19.1	56.5
Foreign currency	112,173	116,144	3.5	6.8	11.5	80.9	43.5
Total deposits of households	153,829	154,909	0.7	14.2	14.5	22.0	71.3
Denar*	63,018	63,261	0.4	22.8	20.6	5.0	39.4
Foreign currency	90,811	91,648	0.9	9.0	10.6	17.1	32.0
Total deposits of private enterprise	54,080	57,570	6.5	-2.1	14.7	71.1	26.9
Denar*	34,223	34,613	1.1	-1.8	14.3	8.0	15.7
Foreign currency	19,858	22,957	15.6	-2.5	15.5	63.2	11.2

* Denar deposits include demand deposits.

Source: NBRM

Table 20

TOTAL DEPOSITS AT BANKS AND SAVING HOUSES, ANNUAL CHANGES, IN %

	2009				2010				2011		
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	July
Total deposits	7.7	2.1	-0.3	7.1	11.4	15.2	14.5	13.7	12.4	9.2	13.9
Denar	-5.1	-12.1	-15.8	-4.6	7.7	15.9	21.0	19.9	17.2	11.8	16.7
Foreign currency	23.2	19.5	17.7	19.9	14.8	14.6	9.0	8.2	8.1	6.8	11.5
Short-term	2.1	-1.6	-3.6	5.9	6.9	11.1	8.4	7.7	7.6	2.1	10.3
King-term	67.8	51.9	35.7	38.0	47.7	53.2	50.5	43.3	39.1	39.1	36.5
Private enterprises	-11.9	-22.2	-26.4	-16.4	-5.5	7.6	6.8	6.4	11.3	-1.7	15.8
Households	12.6	10.7	8.7	15.4	19.9	19.6	17.6	17.4	14.0	14.2	14.5

Table 21

TOTAL CREDITS FROM BANKS AND SAVING HOUSES

	Balance as of 30.06.2011	Balance as of 31.07.2011	Monthly change (July 2011/June 2011)	Annual change (June 2011/June 2010)	Annual change (July 2011/July 2010)	Contribution to the monthly growth of total deposits in July 2011	Contribution to the annual growth of total deposits in July 2011
	<i>in Denar million</i>		<i>in %</i>			<i>in percentage changes</i>	
Total credits	201,152	202,374	0.6	10.1	10.2	100%	116%
Denar*	148,839	148,719	-0.1	5.4	5.2	-9.8	45.5
Foreign currency	52,313	53,655	2.6	26.3	26.8	109.8	70.3
Total credits to households	79,164	79,862	0.9	9.3	9.1	57.1	41.4
Denar*	73,164	73,765	0.8	6.9	6.7	49.2	28.9
Foreign currency	6,000	6,097	1.6	50.8	49.9	7.9	12.6
Total credits to enterprises	121,798	122,295	0.4	10.7	10.9	40.7	74.2
Denar*	75,527	74,776	-1.0	4.0	3.7	-61.4	16.4
Foreign currency	46,271	47,519	2.7	23.8	24.5	102.1	57.8

* Denar credits include credits with foreign currency clause.

Source: NBRM

Table 22

TOTAL CREDITS FROM BANKS AND SAVING HOUSES, ANNUAL CHANGES, IN %

	2009				2010				2011		
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	July
Total deposits	25.3	14.3	6.4	3.5	2.5	5.8	7.7	7.1	8.0	8.6	8.7
Denar	26.1	15.5	8.6	4.1	2.6	3.7	5.5	2.3	3.2	4.8	3.7
Foreign currency	22.9	10.4	-0.6	1.4	2.4	13.1	15.8	24.0	24.6	20.9	25.4
Short-term	26.2	13.5	1.2	-2.2	-3.4	-0.2	1.7	-1.0	-1.7	-2.0	-1.3
King-term	24.2	11.3	3.9	2.0	1.1	5.8	8.3	10.8	13.8	15.4	14.9
Private enterprises	23.8	13.1	5.6	3.7	4.0	7.9	10.2	8.4	9.0	9.7	9.4
Households	27.6	16.3	7.9	3.5	0.6	2.8	4.3	5.1	6.6	7.0	7.6

Table 23

BANKS' NET FOREIGN ASSETS

	Balance as of VII.2011	Monthly change VII.2011 / VI. 2011	Annual change VII.2011/VII.201 0	Cumulative change I-VII.2011
	<i>in Denar million</i>			
Foreign assets	39,595	4,610	9,551	4,249
Foreign liabilities	38,008	-455	5,900	1,922
Net foreign assets	1,587	5,066	3,650	2,327

Source: NBRM

Table 24

INTEREST RATES

	July, 2011	Monthly change	Annual change
	<i>in %</i>	<i>in percentage points</i>	
Average weighted interest rate on the CB bills auctions (28 days)	4.00	0.0	-1.0
Average weighted interest rate on the Money Market (MKDONIA)	2.19	0.1	-1.0
	June, 2011	Monthly change	Annual change
	<i>in %</i>	<i>in percentage points</i>	
Banks' weighted lending interest rates	8.8	0.0	-0.7
Banks' weighted deposit interest rates	5.9	-0.1	-1.1

Source: NBRM

Table 25

INTEREST RATES ON THE INTERBANK MONEY MARKET

Период	MKDONIA	MBKS	SKIBOR overnight	SKIBOR 1 week	SKIBOR 1 month	SKIBOR 3 months	SKIBOR 6 months	SKIBOR 9 months	SKIBOR 12 months
	<i>BO %</i>								
I.2011	2,47	2,49	2,75	3,62	4,35	5,32			
II.2011	2,17	2,24	2,63	3,54	4,29	5,27			
III.2011	2,29	2,23	2,51	3,43	4,25	5,15			
IV.2011	2,19	2,28	2,46	3,45	4,25	5,14			
V.2011	2,12	2,12	2,38	3,39	4,24	5,09			
VI.2011	2,09	2,10	2,29	3,27	4,17	5,08			
VII.2011	2,19	2,19	2,23	3,17	4,17	5,03	5,55	6,05	6,60
01-22.VIII.2011	2,21	2,22	2,19	3,17	4,14	5,00	5,47	6,00	6,48

Source: NBRM

Table 26

INTEREST RATES ON GRANTED LOANS AND RECEIVED DEPOSITS, IN %

	Denar		Foreign currency	
	Loans	Deposits	Loans	Deposits
III.2008	9.7	5.6	8.1	2.2
VI	9.7	5.8	8.1	2.3
IX	9.6	6.1	8.1	2.5
XII	9.8	6.5	7.2	3.0
III.2009	9.9	6.6	7.4	3.2
VI	10.1	6.8	7.7	3.3
IX	10.3	7.4	7.6	3.3
XII	10.3	7.5	7.6	3.4
III.2010	9.8	7.5	7.3	3.2
VI	9.6	7.0	7.3	3.1
IX	9.2	6.8	7.4	3.0
XII	9.0	6.7	7.4	3.0
III.2011	8.9	6.0	7.4	2.8
IV	8.9	6.0	7.4	2.8
V	8.9	6.0	7.4	2.8
VI	8.8	5.9	7.4	2.8

Table 27

INTEREST RATES ON NEWLY GRANTED LOANS AND RECEIVED DEPOSITS, IN %

	Denar		Foreign currency	
	Loans	Deposits	Loans	Deposits
III.2008	9.1	3.8	8.0	1.4
VI	9.3	4.2	8.1	1.2
IX	9.1	4.5	7.8	1.9
XII	9.1	4.4	6.6	1.5
III.2009	9.7	4.6	7.0	1.9
VI	10.8	4.5	7.8	1.5
IX	10.3	5.2	8.3	1.5
XII	10.1	5.2	7.5	1.6
III.2010	10.0	5.0	7.8	1.5
VI	9.7	4.3	7.8	1.1
IX	9.3	3.8	7.4	1.0
XII	8.6	4.2	7.3	1.3
III.2011	8.1	3.1	6.8	1.0
IV	8.1	2.9	7.3	0.8
V	8.2	3.0	7.1	0.8
VI	8.2	3.2	7.4	0.8

Table 28

INTEREST RATES BY GROUP OF BANKS

	large banks	middle banks	small banks	large banks	middle banks	small banks
	weighted interest rate on denar credits, in %			weighted interest rate on denar deposits, in %		
III.2008	8.6	11.4	10.6	5.6	5.6	5.8
VI	8.7	11.2	10.2	5.8	5.9	6.0
IX	8.8	11.1	10.0	6.1	6.1	6.1
XII	9.0	11.2	10.3	6.6	6.5	5.9
III.2009	9.2	11.2	10.5	6.8	6.2	5.9
VI	9.7	11.0	10.9	7.1	6.4	5.2
IX	9.8	11.1	11.0	7.6	7.0	5.1
XII	9.9	11.1	10.9	7.7	7.2	5.3
III.2010	9.5	10.6	10.9	7.7	7.1	5.7
VI	9.3	10.2	10.9	7.2	6.5	5.6
IX	9.0	9.4	10.6	7.0	6.5	5.6
XII	8.9	9.3	10.6	6.9	6.2	5.7
III.2011	8.7	9.3	10.4	6.0	5.8	6.0
IV	8.7	9.3	10.3	6.1	6.0	5.6
V	8.7	9.2	10.2	6.1	5.7	5.7
VI	8.7	9.2	10.2	6.0	5.4	5.8

Table 29

INTEREST RATES BY SECTORS

	Households		Enterprises	
	weighted interest rate on denar credits, in %	weighted interest rate on denar deposits, in %	weighted interest rate on denar credits, in %	weighted interest rate on denar deposits, in %
III.2008	11.1	6.1	8.6	4.7
VI	10.9	6.2	8.7	5.2
IX	10.9	6.5	8.7	5.5
XII	11.0	7.0	8.8	5.8
III.2009	10.9	7.5	9.1	5.4
VI	11.1	8.2	9.5	5.0
IX	11.2	8.5	9.6	5.3
XII	11.1	8.7	9.7	5.2
III.2010	10.4	8.4	9.4	5.3
VI	10.4	8.0	9.1	4.6
IX	9.4	7.5	9.0	4.7
XII	9.4	7.3	8.8	4.5
III.2011	9.3	6.5	8.7	4.2
IV	9.3	6.4	8.6	4.7
V	9.2	6.3	8.6	4.7
VI	9.2	6.2	8.6	4.5