

**National Bank of the Republic of Macedonia**



**Quarterly Report  
January, 2011**



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\* The quarterly report contains an analysis of the macroeconomic developments with 15.01.2011 as a cut-off date.



## Introduction

**Relaxation of monetary policy continued during the last quarter of 2010. Thus, after the reduction of the key interest rate from August, in December it was further reduced by 0.5 percentage points, setting the interest rate on the central bank bills down to 4%.** Such monetary changes correspond to the unexpectedly favorable trends in the foreign exchange market during the last quarter and the growth of foreign reserves, despite the expected decrease. Thus, the favorable trends in the foreign exchange market showed a more favorable macroeconomic environment for the monetary policy compared to expectations. Also, the higher level of foreign reserves relative to projected creates a greater capacity for cushioning possible adverse shocks. Trends in the foreign exchange market and the dynamics of foreign exchange reserves are consistent with recent assessments of the economic and financial conditions in the domestic economy. In this context, the key assessments are those of the external position of the economy, which indicate significantly lower current account deficit for 2010, compared to previous expectations. A major factor for such deviation is the extremely strong positive impulse of the better global environment. Namely, the growth of demand and favorable price movements stimulated export activity, to a greater extent than expected. On the other hand, imports follow the path previously expected. Capital flows, in the last quarter are assessed at a similar level as in the previous projection. However, their volume for the whole year is lower compared to the initially expected, due to the shortfall in the third quarter. These changes again indicate the volatility and the difficulty to predict capital inflows and outflows, and point them as an important risk factor in the projections.

**The latest assessment of the main macroeconomic parameters in the next year, essentially remain unchanged, still indicating a relatively favorable environment for implementation of the monetary policy.** Current account deterioration is estimated to be moderate, with the volume of capital flows being high enough to cover the current deficit and for further accumulation of foreign exchange reserves. Moreover, given the pace of economic recovery, the economy will continue to operate below its potential. Hence, this channel is not expected to lead to deterioration of the external position, or to inflationary pressures. However, the growth of inflation is expected to continue, with increasing import prices, but it is assessed as acceptable and with an intensity that will not contribute to the deterioration of inflation expectations. **The risks around these forecasts, as it has been the case so far, mainly relate to possibly lower capital inflows and a more intensive growth of the domestic inflation than projected.** Materialization of both risks would have effects on the balance of the foreign exchange market and thus on the environment of monetary policy implementation.

**Economic activity continued to recover during the third quarter of 2010. The annual growth was intensified, from 1.1% in the second to 1.3% in the third quarter. However, on a quarterly basis the growth slowed significantly from 2.1% to 0.3%.** The structure of the quarterly and annual growth is the same as in the previous quarter, with positive contribution of domestic and negative contribution of net export demand. Private consumption continues to grow annually, but quarterly data point to its stagnation. In any case, the further employment growth, along with the growth of disposable income and the additional funds provided through the credit channel, currently maintain private consumption above the volume from the previous year. Investment activity continued to grow in the third quarter, with more intensive annual, but significantly slower quarterly pace. Growth in new investments corresponds to the stimulus provided by public investments and the positive transmission effects of the new foreign investments. This is accompanied by the additional credit support through the domestic banking system. The strong growth of export demand, which continued with an intensive pace also in the third quarter, probably gives an additional impetus for new investments. Recovery of global demand, particularly in some of the key export segments is a major factor in the growing utilization of the capacities in the export sector. However, the increase of export and domestic demand created pressures also on imports, making the net import demand have a negative contribution to growth. **Recovery of the domestic economy in the first three quarters of the year, according to recent data is slightly better in terms of expectations, but still indicates a slow pace of growth.** Assessments for the next period indicate more intense pace of growth, however with inherent risks around the projection. This mainly refers to the possibly weaker performances of the most important trading partners compared



with the expectations. This risk factor has direct effects through lower export activity, but also indirect effects through the expectations of domestic entities and thus effects on their propensity to consumption and investments.

**In line with the expectations, the general price level in the last quarter grew on a quarterly basis from 0.9%. Such quarterly dynamics, together with the comparison basis led to intensification of the annual inflation growth of 1.8% in the previous quarter to 2.9% in the last quarter of the year. The average inflation of 1.6% for 2010 is at the level of the projected inflation.** Quarterly growth in consumer prices results from several components, but dominant contribution is that of the growth of prices of food and energy. This structure of inflation growth corresponds to the growth of import prices, showing the reaction of domestic prices to changes in prices on world markets. Higher inflationary pressures are seen through the core inflation, whose annual growth accelerates gradually, reaching 0.6% in the last quarter of the year. Inflationary pressures are expected to increase moderately in the following period. Those expectations are based on the assessments for further indirect effect of the current growth of world prices of food and energy on domestic prices, as well as current expectations for new additional growth in these categories of prices over the next year. Inflation risks are predominantly upward and are mainly related to the more intensive growth of world prices of food and energy than expected, as well as possibly more intensive transmission effects on domestic prices than assessed.

**Loans of banks to the private sector continued to grow during the third and the last quarters, however at a slower pace compared to the growth in previous period.** Thus, in the third quarter, bank loans increased by 1.8% as opposed to 2.5% in the second quarter. In October and November, lending activity continued to grow at a slower pace, achieving growth of 0.8% (November 2010 / September 2010). Such changes in the credit market show that this market segment is not yet stabilized, i.e. the dynamics of its recovery is relatively variable. The slowdown in credit growth occurs in a period of further growth of the deposit potential of banks and better economic performance. Moreover, the loan to deposit ratio continued to decrease, indicating lower utilization of primary sources of financing for lending to the private sector. The trends in the credit market show that perceptions of risk of banks are still maintained at a relatively high level. Hence in the next period, the banks' assessments of the current and future creditworthiness of borrowers will be a major factor that will determine the dynamics of lending and the increase in the share of loans to the private sector in the portfolio structure of banks.

**The external position of the economy was relatively favorable also during the third quarter of the year.** In the third quarter the current account balance registered surplus of 1.2% of GDP, in conditions of seasonal growth in private transfers and further narrowing of the trade deficit. Stronger positive impulses from improved global conditions on export activity, with quarterly stagnation of imports is the reason for such positive shifts in trade. Current account surplus is higher on an annual basis, in part because of the better dynamics of private transfers, indicating stable expectations of economic agents. However, much of the surplus was "absorbed" by the net negative capital flows, on the net inflows in the previous two quarters. Such changes confirm the conclusion about the volatility of capital flows and their significance as an important risk factor for the monetary policy. The tendencies of the foreign exchange market in the last quarter indicate a relatively equalized position of the balance of payments in this period. Thus, instead of the expected decrease in foreign exchange reserves, in conditions of lower current account deficit than expected, the foreign exchange reserves continued to grow. At the end of 2010 they totaled 1,715 million euros, covering around 4 months of projected imports of goods and services. Assessments for the next year still suggest a relatively favorable external position, which will ensure additional accumulation of foreign exchange reserves. Larger risks mainly relate to possible slower growth in export demand than estimated, faster inflation growth, which could increase the demand for foreign currency, and weaker pace of capital inflows than projected. Materialization of these risks will mean potential deterioration of the conditions in the foreign exchange market, and as such they are in the focus of the monetary policy, i.e. they subject to constant monitoring and appropriate monetary response, if necessary.



## I. Macroeconomic developments

### 1.1. International economic environment<sup>1</sup>

*In the third quarter of 2010 the global economy continued recovering. However, the recovery was with a lower pace relative to the growth in the second quarter, which is expected to be a characteristic of the global growth until the end of the year. The latest assessments on the growth for the following period do not show worse expectations, relative to previous assessments. This opinion is relatively due to reappearance of tensions on the financial market as a result of deterioration of public finances in several EU countries and introduction of protectionistic measures by some emerging economies and developing countries as a response to voluminous capital inflows. The developed countries continue with keeping the inflation at low and stable level, also during the third quarter. The developing countries faced with increased inflation pressures caused mainly by the increased oil and food prices, and some countries also faced with a domestic demand pressures.*

**The global economy post-crisis recovery continued also in the third quarter of 2010.** In the first half of 2010, the global economic recovery was mainly driven by large monetary and fiscal stimulus in the developed economies, additionally supported by the positive cycle of reserves and the strong growth of emerging economies and developing countries. During the third quarter effects from part of these factors started to drain out, due to which the growth in the developed countries started to slow down. Thus, the relative GDP of the OECD country members in the third quarter increased by 0.6% on a quarterly basis relative to 0.9% growth in the second quarter. On an annual basis, the real GDP of the OECD country members in the third quarter is higher by 3.1% relative to 3.2% in the second quarter and 2.5% in the first quarter. Such dynamics stresses out the need of gradual transfer from stimulative policy growth to a private demand growth.

**However it should be pointed out that there are still certain restrictive factors of the private demand dynamics process.** This mainly refers to labor market perspectives, which are still unfavourable, as well as to the consumers' trust, which continues to be low. Furthermore, at the end of 2010 some segments of the global financial market again faced destabilization. The new "financial stress" appeared as result of Ireland having problems with

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<sup>1</sup> The analysis is based on the World Economic Outlook, July and October 2010, ECB August and September Monthly Report and the economic Quarterly Report of the European Commission for EU Candidates and Pre-Accession countries.



the state debt, which came out on the surface at the end of 2010. This also meant that the scenario which was previously regarded as potential downward risk in term of the economic growth perspectives became effective. Although the measures taken for financial support of Ireland<sup>2</sup> calmed down the expectations to some extent, the fear of potential "infection" within the Eurozone is still present. Such environment creates dominant downward risks regarding the economic growth.

**Additional unfavourable aspect for the global economy after the third quarter is the potentially stronger slowdown of the economy of the emerging markets and the developing countries.** As a result of withdrawing the fiscal stimulus and in some countries also due to tightening<sup>3</sup> of the monetary policy in response to the increased inflation pressures the growth of this group of countries could slow down<sup>4</sup>, which would also mean slowing down in the growth of the emerging markets and the global economic growth.

**Such developments point out to increased uncertainty regarding sustainability and pace of recovery from the global crisis, after the third quarter. However, a major slowdown of the global growth is not expected, for now.** Global indicators of the activities in the production sector<sup>5</sup>

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Financial package for Ireland by EU and the IMF in the amount of Euro 85 billion.

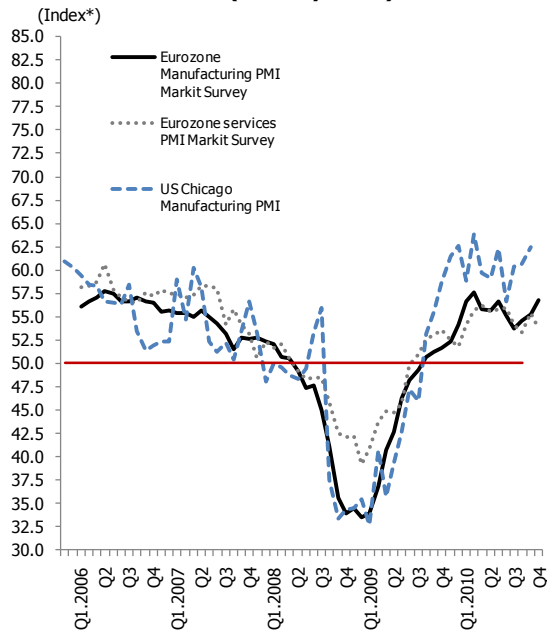
<sup>3</sup> Dynamization of economic activity in the emerging economies and developing countries since the beginning of this year, together with the growth of the world food and oil prices, has increased the risk of inflation pressures and the financial assets price growth in this group of countries. Some countries have already reacted by tightening the monetary policy (increase of core interest rate in Brasil, India and China, whereas China has also increased the level of the banks' compulsory reserve) and this trend may also continue in the following period.

<sup>4</sup> Growth slowdown tendencies in this group of countries were visible in the third quarter whereas as result of the fiscal stimulus withdrawing and the monetary policy tightening the economic growth of Brasil slowed down (OECD Economic Outlook Volume 2010/2). Similar developments also occurred in China (slowing down by 11.1% in the second quarter to 10.6% in the third quarter, on annual basis), Chile (from 4.5% in the second quarter to 2% in the third quarter, on a quarterly basis), Mexico (from 2.3% in the second quarter to 0.7% in the third quarter, on a quarterly basis).

<sup>5</sup> Purchasing Manager's Index – PMI, are considered to be the most valid highly frequent indicators of the economic activity and are mainly used by creators of the economic policies and economic analysts, on a global level, for forecasting of economic developments in the period to follow. They are based on surveys of representative sample of companies from production and service sector. The surveys are structured so that they can reflect the factual structure of the economy and are conducted by independent research institutions on a monthly basis. The most known indicators are Markit PMI and



### Global economic activity indicators (monthly index)



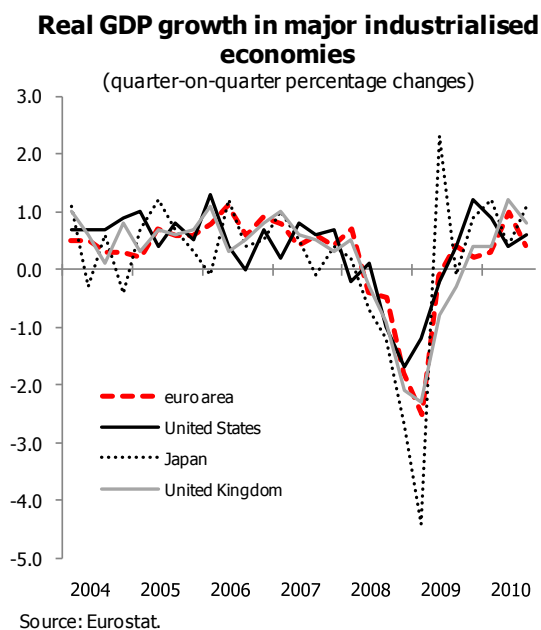
\*PMI index reflects the percentage of respondents that reported better business conditions compared to the previous month and it can take values between 0 and 100. In interpreting the PMI, PMI=50 is considered as reference value, indicating to unchanged economic conditions. A PMI value over 50 is taken to indicate that the economy is expanding, while PMI value below 50 suggests that the economy is contracting.  
Source: Bloomberg.

show certain strengthening of the economic growth dynamics in the Eurozone and the USA until the end of the year. However, the dynamics of the economic activities in the Eurozone in the fourth quarter is expected to have lower intensity compared to the extraordinary strong growth in the second quarter. **According to the ECB the global growth slowdown will have a temporary character and will continue until the beginning of 2011. However, the risks are still dominantly positioned at downward side, and the uncertainty remains high.** Thus, as key risk to the global growth the ECB indicates the following: 1) possibility of new stress on the global financial market, underpinned by doubts on deepening of the financial "crisis" in the Eurozone; 2) basic commodities price growth, which may spillover in intensifying of the inflation pressures; and 3) potential implementation of protectionist measures<sup>6</sup> in the emerging economies and developing countries in order to deal with the capital inflow growth. Some more important revisions have not been noticed neither in the latest December 2010 issue of Consensus Forecasts, in which the projected global growth for 2011 is 3.2% (relative to 3.1% in the October assessment). On the other side, the OECD in its latest preliminary economic outlook in November 2010 had a mild downward correction of the global economic growth which is expected to be 4.5% in 2010 and 4.2% in 2011 (relative to 4.6% and 4.5% for 2010 and 2011, respectively, in the previous projections from May 2010).

**In the developed economies, there are no major inflation pressures in the third and the fourth quarter, while in some emerging economies and developing countries there is tendency of accelerating the growth to a general price level.** In the OECD country members the registered annual

Reuters PMI, for the Eurozone, US Chicago PMI for the USA and JP Morgan Global PMI.

<sup>6</sup> During the last quarter, the government of South Korea announced that short-term and long-term non-deposit liabilities in foreign currency of domestic and foreign banks will become subject of taxation as of July 2011. In October 2010 Brazil additionally strengthened capital controls which were introduced in October 2009. Thus, the financial transactions tax on investments by non-residents on the domestic capital market (in a form of bonds with fixed income and shareholders' equity) was increased two times reaching 6% (2% in October 2009 during the initial implementation). FDIs are still taxation free. The measures towards destimulation of foreign capital inflows were undertaken by the government of Thailand by introducing 15% tax on investments by non-residents in state bonds in domestic currency and state-owned corporate bonds (previously the investments by non-residents as well as by residents in these financial instruments were not subject to taxation).



inflation interest rate in October 2010 was 1.9% relative to 1.7% which was the average in the third quarter. The price growth is mainly due the higher food and energy prices, which is also proved by the core inflation dynamics (excluding food and energy) which in October slowed down to 1.1% on an annual level (1.2% in average in the third quarter). Also for the coming period the expectations are that the inflation developments will remain relatively stable, whereas according to the latest assessment by Concensus Forecats (from December 2010) it could be expected that the global inflation rate in 2011 will be 2.7%. In the emerginig economies and in the developing countries in the recent period the inflation growth has been moderately accelerating mainly due to the growth of world oil and food prices (in November the annual inflation rate in Brasil reached 5.6% and it was 5.1% in China). In some countries (Indonesia, where the annual inflation rate in October reached 6.3%) additional pressure is also created by higher domestic demand.

**During the third quarter the economic activity in the Eurozone had 0.4% growth on a quarterly basis which is a slowdown relative to the previous quarter when the real GDP quarterly growth was 1%.** Such developments, is some part can be understood as normalization of the economic flows in the Eurozone. Namely, the extraordinary strong growth in the second quarter was mainly driven by factors with temporary character, such as the effect from the favourable weather conditions on construction activities. Additional factor which influenced on the economic growth slow down in the third quarter is the weaker stimulative effect from the foreign trade exchange, due to the weaker global demand. Moreover, there are assessments which say that the effect of the expansive fiscal packages has begun to lose its intensity, and even to dry out completely<sup>7</sup>. This is proved by the structure of the achieved growth, which shows highest positive contribution from the domestic demands (at registered mild growth of public consumption relative to the previous period) at small positive contribution of net exports and neutral development of reserves. On annual basis, in the third quarter of 2010 the economy in the Eurozone reached an annual growth of 1.9% making this quarter third in a row in which the Eurozone had positive annual rate of the real GDP growth (0.8% and 1.9%, respectively in the first and second quarter of 2010).

<sup>7</sup> Deutsche Bundesbank Monthly Report November 2010.



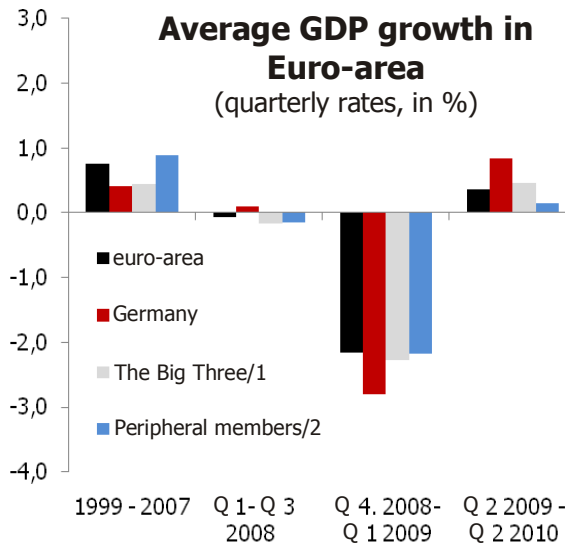


**According to the December projections by ECB, also in the last quarter the economic activity is expected to remain below the growth from the first half of the year.** Such projections are based on the assumptions for further gradual weakening of stimulative effects from the fiscal measures, reserves cycle and foreign trade activity, which from the other side represented significant support to the growth since the beginning of the year. Having such circumstances in 2010 the Eurozone is expected to achieve real growth between 1.6% and 1.8%. **For 2011 the real GDP growth of the Eurozone is expected to range between 0.7% and 2.1% which would be mainly driven by the export demand growth, and at the same time gradual increase of the domestic demand.** The expectations for gradual strengthening of the economic growth reflect the expected positive effects from the accommodative monetary policy and the significant efforts put in order to normalize the financial sector. However, the experience from the previous episodes of the banking crisis show that the growth will remain modest. Viewed from the Macedonian economy point given the importance of the European Union as our most important trade partner, such assessments alert on still present risks regarding the dynamics of the Macedonian exports in the following period.

## **Annex 1**

### **Heterogeneity of the economic growth in the Eurozone after the global crisis: Implications on the monetary policy**

**The economic recovery in the Eurozone began in the third quarter of 2009 and continued also in 2010. Thus, in the period from the third quarter of 2009 until the third quarter of 2010 the Eurozone continuously had positive quarterly growth rates. These trends point to a gradual and sustainable sanation of the consequences from the global financial and economic crisis. However, the analysis by country shows that there is an important cyclical gap within the Eurozone.** Thus, there is Germany on one side as growth leader in a situation of strong exports activity followed by France and Italy. On the other side there are the marginal and mostly highly indebted countries which have an extremely low growth. However, according to the analysis by the German Central Bank the heterogeneous structure of the economic growth within the Eurozone is nothing new, initiated by the crisis. Analyzed by country, the economic growth rates were quite divergent also in the period before the crisis. What is new is that the hierarchy regarding the growth contribution has been significantly changed. Thus, the growth rates in some previously most fast growing marginal countries are now down to a level below the Eurozone average, while Germany is taking the role of the economic growth generator.

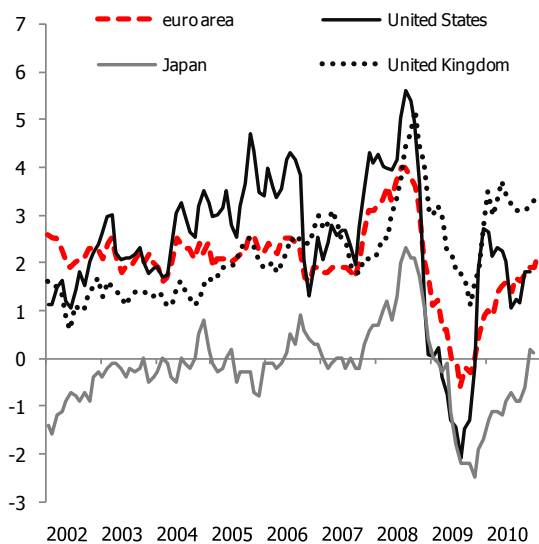


\* Non-weighted average of seasonally adjusted quarterly growth rates of GDP  
 1/ Germany, France and Italy  
 2/ Austria, Belgium, Finland, Ireland, Luxemburg, Netherlands Portugal, Greece and Espana  
 Source: NBRM calculations on the basis of EUROSTAT data.

European economies, which results in need for large financial adjustments at the most vulnerable members and creates an opportunity of further deepening of the cyclical gap.

**If such divergent movements continue to exist it could create a potential problem in conducting a single monetary policy in the future.** Namely having this situation the member countries could face with asymmetrical shocks, which would also mean "asymmetrical" effects from the single monetary policy on the national economies of some Eurozone member countries. Thus, in accordance with the more dynamic economic growth and in case of more significant dynamization of the domestic demand, Germany could face with inflation pressures which would result in need for tightening of the monetary policy. However, such step would be counter-productive for the marginal members which pushed by the need of fiscal consolidation have interest in prolonged maintenance of accommodation character of the monetary policy in order to stimulate the economic growth. The challenge is even bigger because the need of achieving sustainable level of public debt is set as priority of the developed

**Inflation rates in major industrialised economies**  
 (consumer prices; annual percentage changes; monthly data)



Sources: Eurostat and National data.

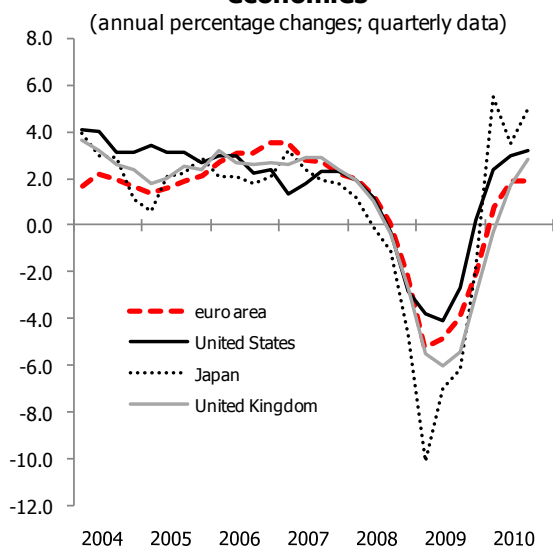
**The mild growth of the consumption prices in the Eurozone which was typical for the beginning of the year also continued in the last quarter.** Thus, in the period from October to December 2010 the average inflation rate was 2% (1.7% in the third quarter). The inflation developments still reflect the effect from draining out of the basic effect from low prices of oli and food. According to the initial assessment by EUROSTAT in December 2010 the annual inflation rate went beyond the ECB target and it was 2.2% mainly affected by higher electricity price. Hence, it is expected that the inflation rate will temporary continue to increase also in the following period staying at a level slightly above 2% in order to start slowing down at the end of 2011<sup>8</sup>. According to the ECB December projections for 2011 it is expected the average inflation rate to move in the interval between 1.3% and 2.3%. The oil and food prices are expected to have more significant effect on the inflation in the beginning of the year while the contribution from the imported inflation is expected to reduce at the expense of increase of the domestic prices.

**In the third quarter the economic activity in the USA stayed within the zone of mild growth in which entered during the second quarter.** The real GDP growth on a

<sup>8</sup> ECB Monthly Bulletin, January 2011.



### Real GDP growth in major industrialised economies



Source: Eurostat.

quarterly basis was 0.6% and had minimal improvement relative to the second quarter when the real growth was 0.4%. The main growth support comes from investments and government consumption with negative registered contribution from the net export. On annual basis, the GDP growth rate reached 3.2% and it represents a continuous positive achievement four quarters in a row. The latest economic activity indicators point to further, although mild growth of the economic activity also in the last three months of the year. For the following period, the indications are towards gradual strengthening of the economic activity, although the recovery is expected to remain modest in the medium run. Moreover, the slow return of consumers' trust and the need for further adjustment of the household balances could have inhibitory effect on the intensity of the recovery. The recovery of the labor market is expected to go slowly, which also has a restriction effect on more dynamic economic growth. The expectations by economic entities, summarized in the December projections of Concensus Forecats show an annual GDP growth of around 2.8% in 2010 and 2.7% in 2011 (relative to 2.4% in the October projection). **Viewed from the price flow point**, the trend of maintaining low annual growth continued, which was 1.8% in October 2010 being a mild increase relative to the third quarter average (1.4%).

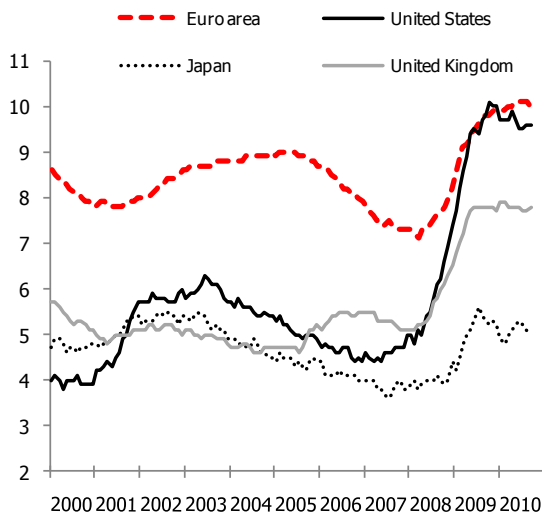
**The labor markets in the USA and the Eurozone remained inert without any major adjustments also in the third quarter.** One positive signal from the Eurozone is that the latest data point to stabilization of the labor market however without any signals of improvement. Thus, in the third quarter the average unemployment rate in the Eurozone stayed at the level of the previous quarter of 10.1% and the tendencies from the beginning of the fourth quarter also go into same direction. Similar developments were also noticed in the USA where in the third quarter the registered average unemployment rate was 9.6% relative to 9.7% from the previous quarter.

**In a situation of certain deterioration of the global economic environment, during the third quarter, the central banks of the developed economies temporary postponed the exit strategies for withdrawing unconventional monetary measures.** The ECB kept the base interest rate unchanged at a level of 1%. At the same time it announced the possibility of returning to regular type of auctions within the refinancing operations starting as of January 2011



### Unemployment rate in major industrialised economies

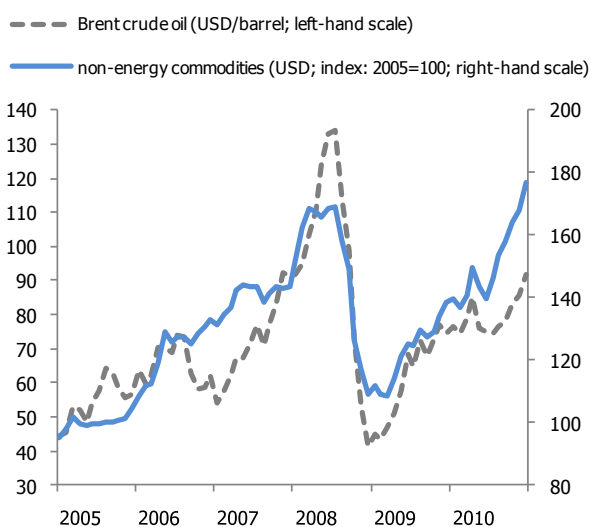
(percent; seasonally adjusted data; monthly data)



as part of the measures for gradual withdrawing of the unconventional monetary stimulus provided during the crisis. US Federal Reserve (FED) also kept the base interest rate target unchanged within the interval from 0 to 0.25%. Moreover, on November 3, 2010 FED announced that until the second quarter of 2011 it planned to purchase additional long-term state bonds in the amount of USD 600 billion. Readiness was also expressed in terms of adjustment to the program if necessary in order to achieve maximum effects to encourage employment without putting the price stability at stake. On the other side, due to high capital inflows, in accordance with the redirection of investors to so-called safe-haven currencies the Bank of Japan in September for the first time after six years intervened on the FX market in order to neutralize the pressures from the appreciation of the domestic currency. On October 5, 2010 the Bank of Japan overnight reduced the interest rate target of non-collateral credits in the interval from 0-0.1% from the previous 0.1%. Also, the Bank of Japan announced that it would reassess the possibility for purchasing different financial assets as a temporary measure for stimulating the economic activity in the following period. According to quotes on the term markets the expectations are that also in the first half of 2011 the interest rates of the central banks of the developed economies will remain the same, after which it could be expected that they could have an upward correction<sup>9</sup>.

### Developments of crude oil and non-energy commodities

(monthly data)



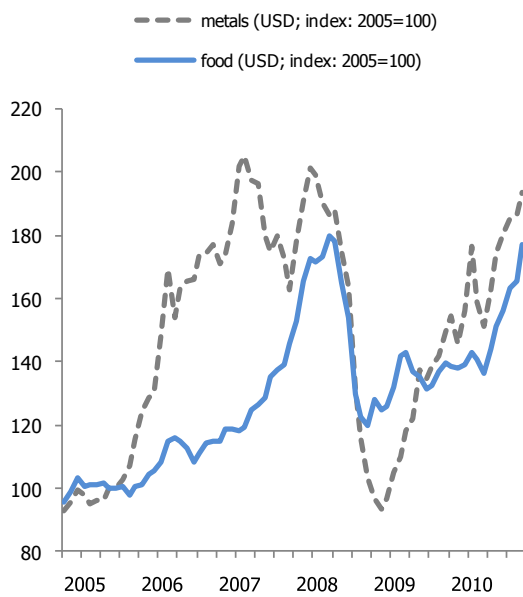
Source: IMF monthly database.

**After the mild stabilization during the third quarter in the last quarter of 2010 the crude oil price continued growing on the world stock exchanges.** In the last three months of 2010 the average price of Brent crude oil was USD 86.8 per barrel which is an increase of 13.6% compared to the average in the third quarter. According to market expectations, in the medium run, the crude oil price is expected to continue growing. The crude oil price growth tendency can be explained by deepening of the gap between offer and demand for this primary product. Namely, the global demand, although lower in the recent period, it still continues to recover thus the International Energy Agency several times made upward corrections of oil demand projections during 2010 and 2011 mainly because of the assumptions for further recovery of the global economic growth. The increased demand, in the last few months resulted in a significant decrease of stocks in the OECD member countries. On the other side, OPEC did not take

<sup>9</sup> National Bank of Poland Inflation Report, October 2010.

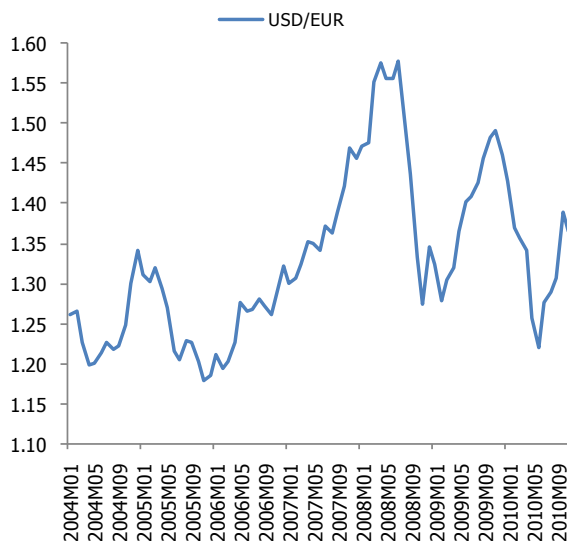


### Developments of food and metals (monthly data)



Source: IMF monthly database.

### Exchange rate developments (monthly data)



Source: ECB.

significant measures towards increasing the production quotas. However, having a high level of unused production capacities somehow makes relative the possibility that large disbalances occur between demand and offer of crude oil in the following period.

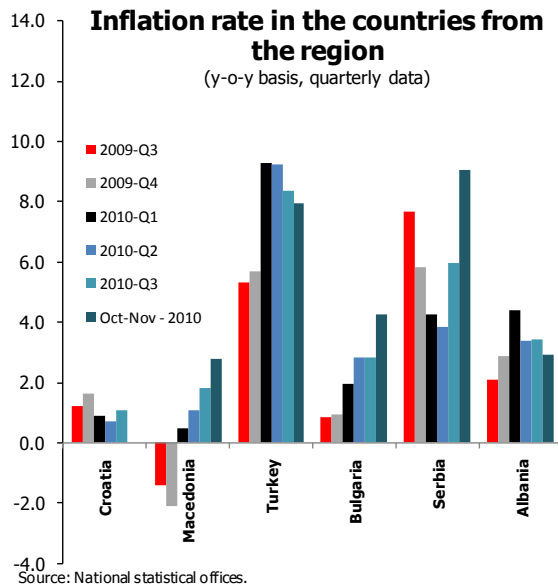
**In the last quarter the change in price of non-energy primary products were also directed towards increasing with more intensive growth of food prices relative to the prices of metals at the world stock exchanges.** In October there was a high increase of food price mainly due to higher prices of corn and sugar, because of the downward correction of the expected volume of production and unfavorable weather conditions. In November, the price of the corn became stable but it grew significantly in December while the sugar price continued to grow through out the whole quarter with relatively high growth rate. The latest data on the last quarter of 2010 point out to the tendency of metals price stabilization on the world stock exchanges. Thus, in the last three months of the year the price index of metals grew by 2.4% in average on monthly basis (in July and August the price index grew with monthly rate of over 7%). Such developments are explained by increased doubts on the market regarding the sustainability of the global economic recovery in the following period. At aggregate level, **the price index of primary (non-energy) products<sup>10</sup>** in the last quarter of 2010 is higher by 11.2% relative to the third quarter while the average growth compared to the period last year is 26.8%.

**During the last quarter of 2010 the Euro continued to strengthen its position relative to the US dollar.** The average exchange rate of the Euro to the US dollar during the period from October to December 2010 was 1.36 dollars for one Euro which compared to the previous quarter show appreciation of the Euro to the US dollar by 5.2%. Relatively sudden weakening of the US dollar relative to the Euro, mainly can be explained by investors' expectations for FED to start a new cycle of quantitative relief through purchase of state securities, which later became true. The purchase of state securities by FED influenced on the price of these bonds to go up and profit ratio from US dollar securities to decrease. Due to lower demand for US dollar securities, it was normal to expect that the investors would redirect towards more profitable assets. The US modest economic growth also in

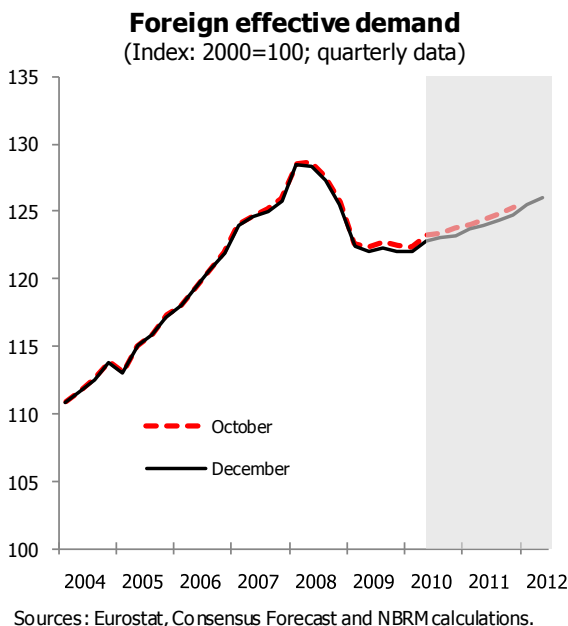
<sup>10</sup> Primary products price index includes prices of food, beverages, agricultural raw materials and metals.



the third quarter contributed to such developments as well as the expectations for the American economy to remain within the zone of mild growth.



**The economies of the countries in the region continued to recover also during the third quarter although that is still going very slowly and with relatively modest growth rates.** The only exception is Turkey, which also in the third quarter had a high annual growth of the real GDP of 5.5% which is still lower relative to the second quarter (10.3%). The domestic demand remained to be a generator of the growth in Turkey, which although lower in the third quarter still remains strong, while the net-export profit is negative. On the other side, in Bulgaria, there was intensification of the real growth annual rate by 0.5% in the second quarter and 1% in the third quarter as a result from the strong export demand. Private consumption had higher fall in the third quarter while the investments although with a slight improvement are still within the negative growth zone. Some positive developments were also noticed in Croatia where the initial assessments point to positive change of the GDP in the third quarter (of 0.2%) after falling six quarters in a row which could mean that the Croatian economy is finally coming out of recession. The initial data for Serbia show real annual growth of the GDP by 2.1% in the third quarter which is close to the growth from the second quarter (2%).



**The latest data on the fourth quarter show further mild intensification of the growth at general price level of the countries in the region.** Such developments are mainly explained by the food and energy price growth on the world stock exchanges. Hence, **the most intensive strengthening of the growth of inflation was noticed in Serbia, where the annual inflation during the period from October to December reached 9.5% and 4% in Bulgaria.** Labor markets still do not have any improvements. Even in Turkey, which in the second quarter had more significant positive developments, in the third quarter the situation is stable, with the average unemployment rate according to the seasonally adjusted data is 11.1% (11.2% in the previous quarter). Such developments suggest to a slow and prolonged recovery of the labour market. On the other side, the still suppressed domestic demand contributes towards improvement of the external positions which is a general tendency of the countries in the region in the third quarter.



**The foreign effective demand <sup>11</sup> index for the Macedonian economy in the third quarter of 2010 had minimal positive exception relative to the previously expected.** As a result from the improved economic achievements than those expected by almost all more important trade partners the foreign demand in the third quarter of 2010 grew by 0.6% compared to 0.5% according to the October projection. For the whole 2010 the projection for the foreign effective demand remains the same relative to the October projection at a level of 0.5% while for 2011 the foreign effective demand is projected to be 1.1% (1.2% in October projection).

## 1.2. Domestic supply

***The domestic economy also continued with the recovery during the third quarter of the year, although with slower quarterly dynamics. Hence, the economic activity two quarters in a row has positive quarterly growth rates. Moreover, there was a mild intensification of the annual growth rate by 1.1% in the second and 1.3% in the third quarter of 2010. Such dynamics shows the stimulative effects on the domestic supply by global demand growth as well as by the gradual vitalization of the domestic demand. These factors give positive impulses also on the future expectations, providing further increase of the usage level of the capacities. Viewed from different branches point, the annual economic growth in the third quarter is more dispersed. Decrease in activity has been only noticed in the cattering area. The highest positive contribution had the increase of construction activities, realized in conditions of strong growth of the state capital investments. Having favorable global environment and further decrease of refrainment by domestic consumers and investors the growth of the domestic supply is expected to continue also in the following period. The risks about such assessment basically come out from potential weaker growth of the exports demand. In such situation, there could be less new orders and lower domestic supply, but also deterioration of perceptions of future flows as well as decrease in usage of the existing capacities.***

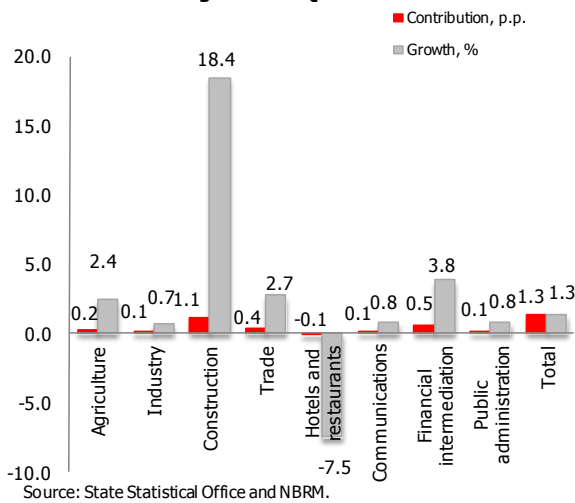
The gradual vitalization of the foreign demand, the improved financial support in the economy, as well as the positive expectations had stimulative effect on the domestic production. Therefore, the economic activity growth also continued in the third quarter of this year with a

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<sup>11</sup> Foreign effective demand is calculated as sum of weighted indexes of the GDP of the most important trade partners of the Republic of Macedonia. Weights are calculated according to the share of these countries in the Macedonian exports. The data on the GDP of the countries which are trade partners of Macedonia are from the Eurostat database (New Cronos Database) while the projected data are from Consensus Forecast publication, September 2010 and the IMF (only for Bulgaria). In the calculation of the index the following countries are also included: Germany, Greece, Italy, the Netherlands, Belgium, Spain, Serbia, Croatia and Bulgaria.



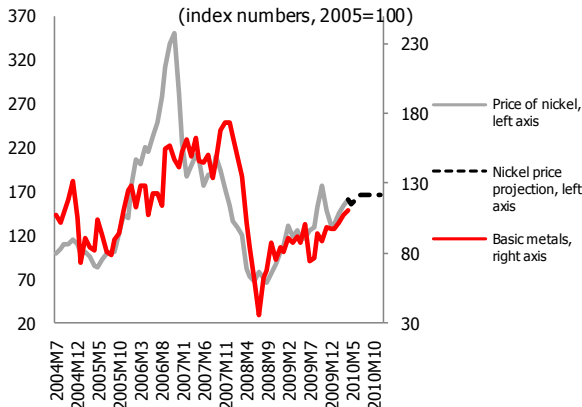
**Real growth rates of individual sectors of GDP and their contributions to the total growth in Q3.2010**



real GDP growth of 0.3% (seasonally adjusted) and annual growth of 1.3%<sup>12</sup>. **Thus, the economy had positive quarterly and annual changes during both consecutive quarters.**

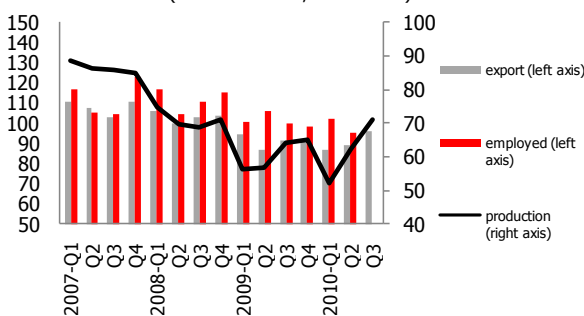
Analyzed from the aspect of individual activities which participate in creation of the GDP, there is a dispersed growth. Thus, the construction has a major contribution to the growth, which after the fall in the previous quarter is back again in the zone of positive growth rates. The construction is followed by financial intermediation, real estate activities and other business and service activities<sup>13</sup> and trade which continue to achieve positive growth rates. There was a slow down of the annual growth rate of the industry and its contribution to the total economic growth is minimal. Only the activity regarding hotels and restaurants still has a negative contribution, but the annual growth rate continued to slow down.

**Production of basic metals and price of nickel**



**In the third quarter of 2010 the added value in the industry had a fall of 1.6% (2.2% deseasonalized fall) on a quarterly basis which led to lower annual growth rate of 0.7%<sup>13</sup>** (1.8% growth in the previous quarter). The growth slowdown in the whole industry in the third quarter can be explained by significant annual fall of metal products production in the metal processing phase (due to high comparative base<sup>14</sup>). Also, the positive contribution of the electricity production is highly lower in the third quarter due to activities for modernization of part of the production capacities<sup>15</sup>.

**Production and exports of textiles and employment in textile industry**



The increased production on annual basis is noticed at 15 out of 24 branches, which share in the total index is around 77%. Higher positive contribution was marked at production of tobacco and tobacco products, basic metals, food products and clothing. The upward trend of the metal prices and the growth of export demand resulted in annual growth of production of basic metals four quarters in a row (18.2% in the third quarter). The gradual recovery of the global economy, especially of Germany, contributed towards further growth of clothing and textile production. Therefore, the annual growth of this category in the third quarter is 10.7% i.e. has similar intensity as in the

<sup>12</sup> GDP data for 2009 and 2010 are estimate data by the SSO.  
<sup>13</sup> At the same time, the annual fall of physical volume of the industrial production in the third quarter was 2.4%.  
<sup>14</sup> In the period from August until December 2009 this branch had significant increase of production due to exporting on the Kosovo market.  
<sup>15</sup> The modernization of turbo aggregates in one of the power plants in the country (dismounting of old equipment and installation) has begun in August and is still in progress.

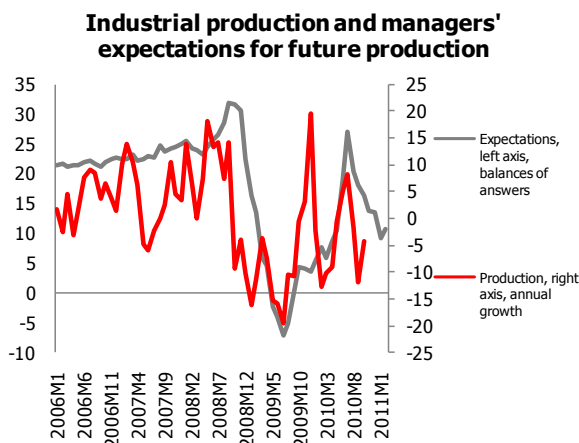




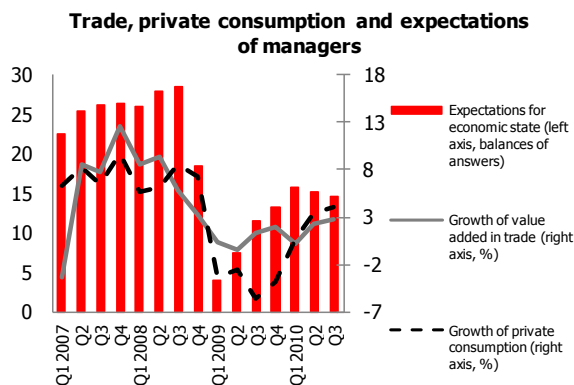
previous quarter. These trends correspond also with the data on volume export of clothing, which in the third quarter first time after a long period made a growth on annual basis (3.5%).

**During the period October-November 2010 the total industrial production had a annual fall rate of 3% relative to the annual fall of 2.4% in the previous quarter.** The trends in the industrial production correspond with the expectations by managers of the industrial capacities<sup>16</sup>. Namely, their expectations for further production has had downward trend since April.

Analyzed by branches only at 9 out of 24 branches had registered annual fall and they consist 34% of the total index. Thus, if we exclude the effect from the significant fall of production of metal products from the total index as main factor then the industrial production has annual growth rate of 6.9% (8.2% in the third quarter). The two most important export branches, basic metals and clothing and textile have characteristic of more intensive annual growth of production and are in the group with the most positive contribution in the total industrial production. Such developments correspond with the recovery of the foreign demand and more favourable conjunction of the metal market. The deeper fall of the total industrial production in the last quarter can be also viewed through the expectations of the managers of industrial capacities.<sup>17</sup>.



Source: State Statistical Office.



Source: State statistical office.

**The value added in trade in the third quarter of 2010 had little acceleration of the annual growth at 2.7% in a situation of high quarterly growth of 7.4% (1.9% seasonally adjusted growth).** The positive annual dynamics is in line with the increased private consumption, in a situation of available income growth, employment, credit support of households, as well as increased domestic production and import of mass consumption products.

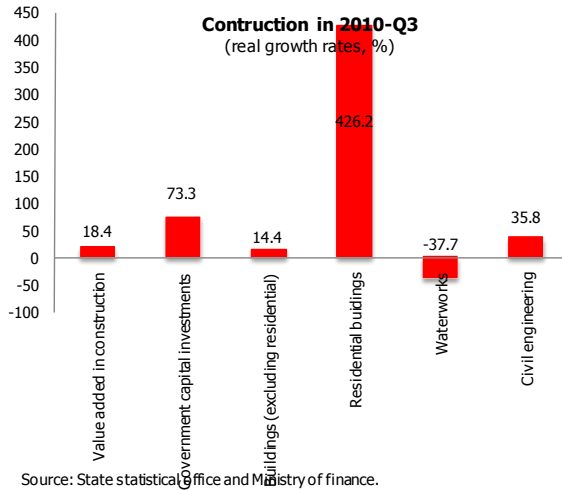
The retail and wholesale data in October 2010 show real annual growth of 0.7% and 3.6% respectively. Assessments by managers in trade business also point to mild positive developments having positive expectations regarding the orders and number of employees in the next 3-4 months while the expectations for the business climate in

<sup>16</sup> From November 2010 issue of the SSO Survey on business tendencies in manufacturing industry.

<sup>17</sup> From November 2010 issue of the SSO Survey on business tendencies in processing industry .

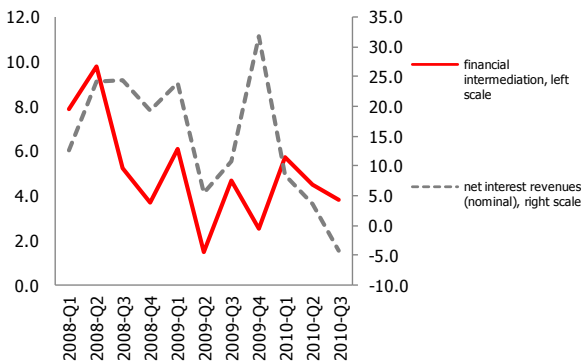


the next six months have slightly deteriorated.<sup>18</sup> Moreover, the consumers' opinion survey point to not very favourable trend of the trust indicator<sup>19</sup> in the last quarter relative to the previous one, although there was significant improvement in December.



**The activities in construction sector in the third quarter of 2010 are the main generator of the GDP growth with a quarterly growth of 17% (26.5% deseasonalized growth) and the added value annual growth of 18.4% compared to the fall in the previous quarter.** Such movements are in accordance with the higher value of completed construction works (real annual growth of around 33%) with insignificant reduction of the number of employees (by 0.4% on annual basis) and increased state capital investments. The available construction data so far do not point to more significant positive developments in the last quarter. The expectations of the managers regarding the orders and number of employees in the last quarter are more unfavorable relative to the expectations from the previous quarter<sup>20</sup> which is in accordance with the reduced construction activities in the winter season. At the same time, the state capital investments had real annual fall during the period October-November as well as the production volume of construction materials<sup>21</sup> (by 7.3%) during the same period.

**Value added in financial intermediation and other business activities and total credits**  
(annual growth rates, %)



**The activity "financial intermediation, real estate activities and other business and service activities" has slower growth dynamics two quarters in a row.** Namely, the real annual growth of this activity in the third quarter went down to 3.8% (with real quarterly growth of 3.2%). The net interest income also had downward trend as one of the financial intermediation indicators (which is one third of the total activity<sup>22</sup>) which in the third quarter of 2010 had annual fall of 4.2%. The negative dynamics at net interest income according to November data also continues in the last quarter which points to further slowdown of the total activity growth.

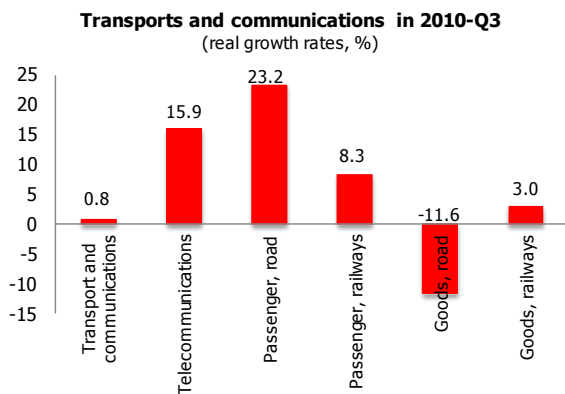
<sup>18</sup> From the SSO Survey on Retail Business Tendencies for the third quarter of 2010.

<sup>19</sup> From December 2010 issue of the SSO Survey on Consumers' Opinion.

<sup>20</sup> From the SSO Survey on Construction Business Tendencies for the third quarter of 2010.

<sup>21</sup> Production of products from other non-metallic minerals (business activity 26).

<sup>22</sup> Data refers to share calculated according to SSO data on 2008 GDP.



Source: State statistical office.

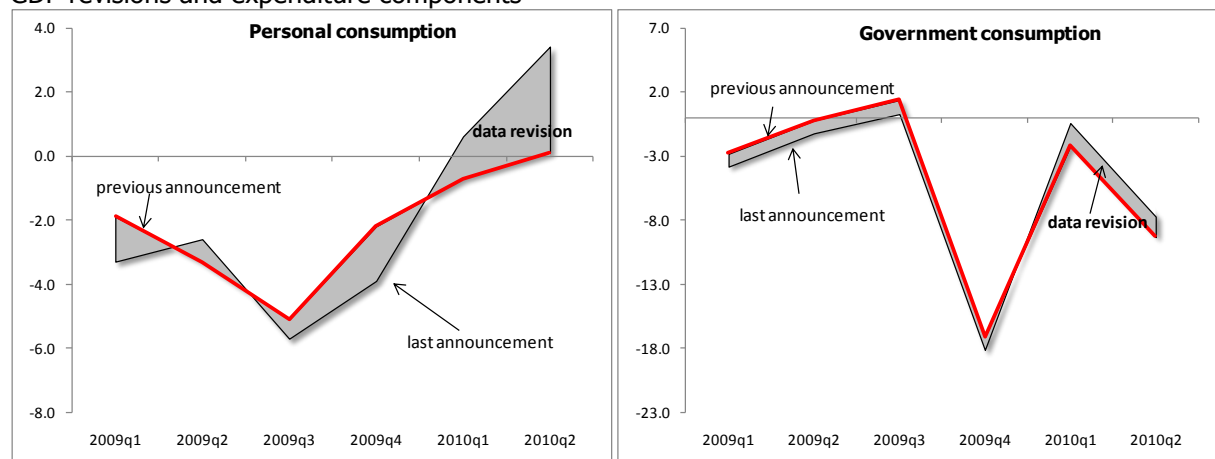
The value added in the activity “**transport, storage and communications**” in the second quarter of 2010 is lower relative to the previous quarter by 2.7% (1% deseasonalized fall) which resulted into slower annual growth rate of 0.8%. Slower growth on annual basis is noticed at most of the transport indicators, while the railway transport of passengers grew after falling down four quarters in a row. The latest available data for October 2010 show annual growth at telecommunications and road transport of passengers, while at the railway transport of goods there is an annual fall. However, the increased industrial production of the two most important export branches (basic metals and clothing and textile) and the higher total export of goods during the period October-November 2010 points to a growth of this activity in the last quarter of 2010.

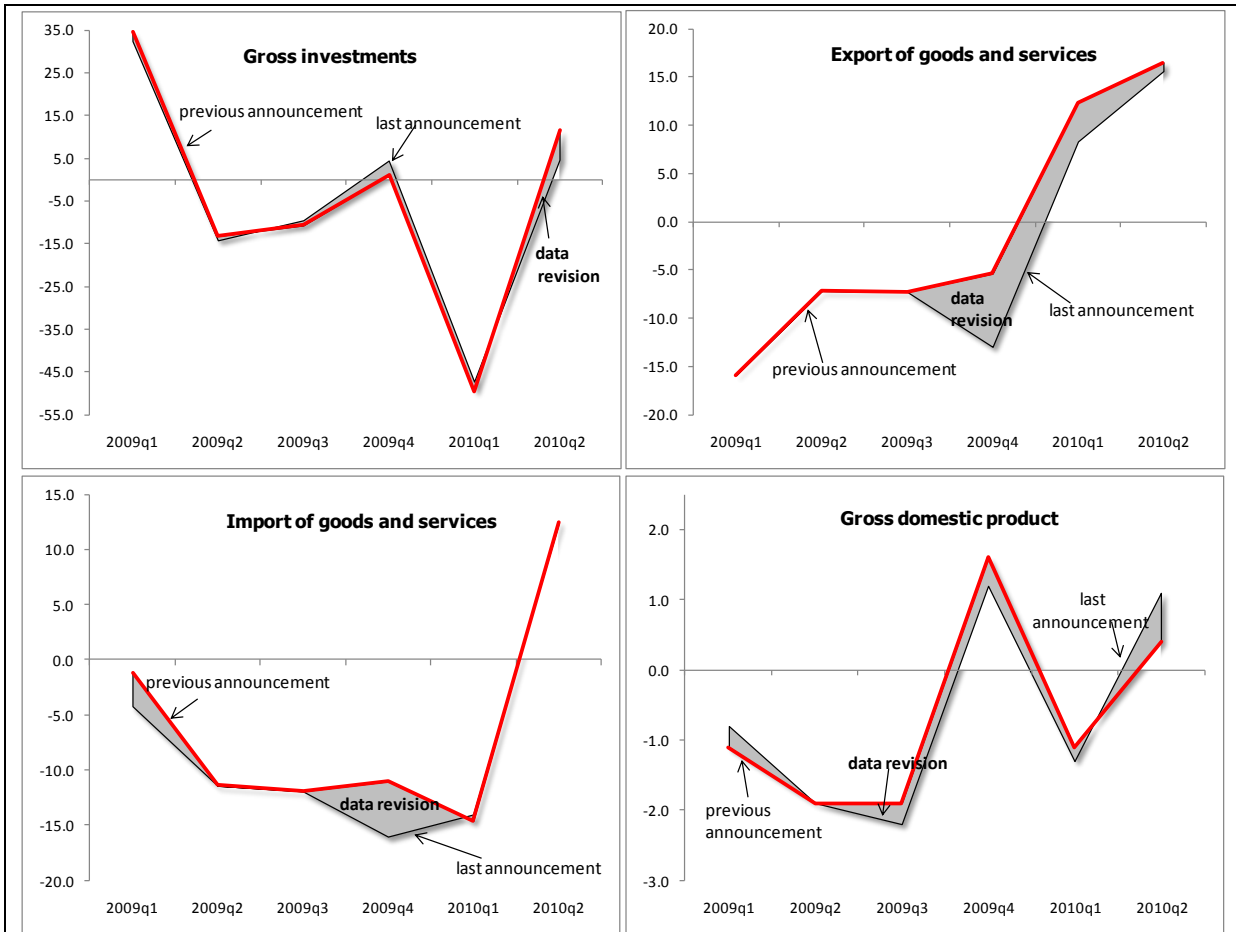
## Annex 2 GDP data revision

Revisions of the GDP assessment are regular procedures also in the State Statistical Office of the Republic of Macedonia. Taking into consideration the large importance of the revisions in making projections, attention will be further paid to GDP data published in the announcement dated December 22, 2010 especially on the first and the second quarter of 2010. Thus we will explain the change of the initial projection criteria, more precisely related to the October projection having in mind that in the newly published data there is a change in direction towards certain expenditure components of the GDP thus giving a new outlook of the economy growth factors for 2010.

The figures below show the revisions of the officially published real GDP growth rates and its expenditure components, by the State Statistical Office. They show that with the last announcement on the GDP dated December 22, 2010 relative to the announcement from September 23, 2010 most of the revisions for 2010 are done at the private consumption, as well as at the gross investments and the government consumption. Moreover, revisions were also done at 2009 data. Thus, except at the gross investments which for 2009 had upward revision of 0.4 percentage points (and which at the same time is the only category with positive real change in 2009) at all other categories there were downward revisions i.e. revisions which point to deeper fall of the components (spreading from 0.4 p.p. to 2 p.p.) while the total GDP real change rate in 2009 had downward revision from -0.8% to -0.9%.

### GDP revisions and expenditure components





Source: State Statistical Office

Revisions of 2010 data show a significantly different and generally more positive economic picture for the year. For the first quarter of 2010 there was a revision of the real change rate of GDP from -1.1% to -1.3% while for the second quarter of 2010 the growth was revised from 0.4% to 1.1%. Thus, the GDP fall in the first quarter of 2010 from 0.4% was reduced to only 0.1% (as an average from the change rates in the first and the second quarter). Viewed by the expenditure side components point there were significant revisions also at the personal consumption. Namely, in the first quarter of 2010 the real change rate of the private consumption was revised from -0.7% to 0.6% while in the second quarter the growth was revised from 0.1% to 3.3%. Hence, for 2009 there were downward revisions which creates lower comparative base for 2010. Therefore, the private consumption in the first half of 2010 instead of 0.3% fall it actually had 2% growth which points to a significant recovery of the major GDP component. There were upward revisions also of the government consumption from -2.2% to -0.4% for the first quarter and from -9.3% to -7.7% for the second quarter of 2010 having at the same revisions also for 2009 in direction towards lower comparative base. Gross investments had larger downward revision in the second quarter (the growth went down from 11.5% to 4.7% at downward revision of the comparative base from the corresponding quarter in 2009) thus, instead of the initial 19% fall in the first quarter of the year, according to the latest data they had 21.3% fall. The changes in data will also affect the January projection. Thus, most of the changes are expected to occur at components which had significant revisions, especially in the private consumption.

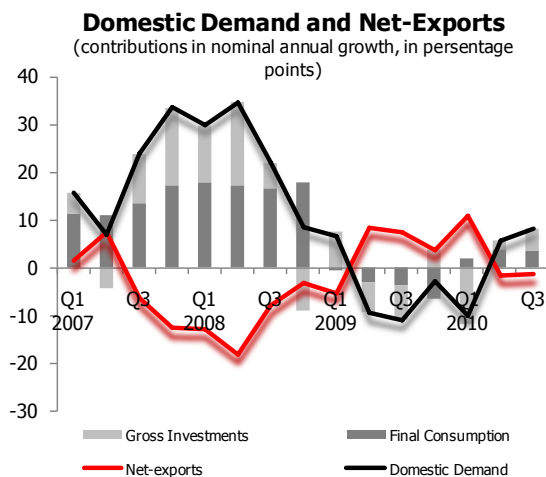
From the point of view of revisions of the real growth rates of the GDP components from production side, we would like to stress out that except for the industry, the rest of the sectors did not undergo major revisions especially not revisions which would mean change in direction of movement of certain component. For the industry, there was a revision of the rate from -2.1% to -1.3% for the first quarter of 2010, while for the second quarter it was revised from 0.8% to 1.8% and the initial assessment of 0.7% fall in the first half of the year was revised to 0.3% growth (calculated as



average from the change rates in the first and second quarter). However, it should be taken into account that from the production side, the industry is the component which has a major share in the GDP.

### 1.3. Aggregate demand

**The demand in the domestic economy continued to recover. Such as in the previous quarter also during the third quarter the generator of the quarterly growth is the domestic demand. However, its growth has slowed down and there was also a slow down in the export and import demand, with the net-export having a negative contribution to the total growth. Such structure of the economic growth is also a characteristic of the annual change of the GDP. Namely, the intensive economic growth on annual basis by 1.3% in the third quarter is driven by the domestic demand. Analyzed by components the main generator of the growth is the private consumption in conditions of recovery of the labor market, increased credit support and more favourable expectations. The gross investments follow the tempo of mild annual growth as it was in the previous quarter having indications for potential new investments. The public consumption fall significantly slowed down in the third quarter, in line with the more intensive spending by the state. The favourable foreign demand and the favourable prices of the main export products contributed towards further intensification of the export growth in the third quarter. However, the export's dependence on the import and the increase of the domestic demand led to more dynamic increase also of the import demand. The favourable trends at the domestic and export demand are expected to remain also in the fourth quarter.**



**The economic growth recovery which began in the second quarter continued also in the third quarter.** Thus, the quarterly growth slowed down (0.3% on deseasonalized basis<sup>23</sup>) while the annual growth accelerated at 1.3% (1.1% in the second quarter). Such dynamics of the annual growth comes out from the increased positive contribution of the domestic demand having at the same time wider negative contribution of the net export. Analyzed by components, the annual growth is mainly due to the increased private consumption. At the same time, the investments mildly grew, while the fall of the government consumption significantly slowed down. The increased export demand resulted in significant intensification of the export, which had a high real annual growth. Positive movements of the domestic and export demand resulted in high growth of the export as well which led into deepening of the negative contribution of the net export in the GDP growth.

<sup>23</sup> Relative to 2.1% in the second quarter, on deseasonalized basis.



Real annual growth rates (%)

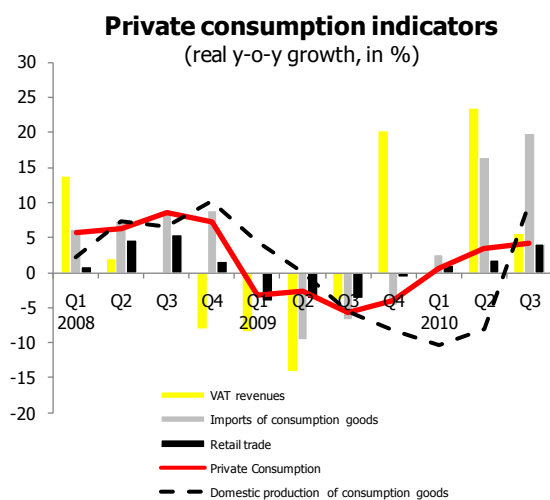
|                               | 2008-Q1    | 2008-Q2    | 2008-Q3    | 2008-Q4    | 2008       | 2009-Q1     | 2009-Q2     | 2009-Q3     | 2009-Q4    | 2009        | 2010-Q1     | 2010-Q2    | 2010-Q3    |
|-------------------------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|------------|-------------|-------------|------------|------------|
| Private consumption           | 5,7        | 6,2        | 8,5        | 7,2        | 7,4        | -3,3        | -2,6        | -5,7        | -3,9       | -3,9        | 0,6         | 3,4        | 4,1        |
| Government consumption        | 3,0        | 6,4        | 0,8        | 21,4       | 10,6       | -3,8        | -1,2        | 0,3         | -18,1      | -6,4        | -0,4        | -7,7       | -0,4       |
| Gross investment              | 24,6       | 49,9       | -2,9       | -19,5      | 5,4        | 32,5        | -14,2       | -9,5        | 4,5        | 0,9         | -47,3       | 4,7        | 4,8        |
| Exports of goods and services | -11,2      | -12,5      | -2,0       | -2,9       | -6,3       | -15,9       | -7,2        | -7,3        | -13,0      | -10,7       | 8,3         | 15,6       | 25,2       |
| Imports of goods and services | -0,8       | 4,5        | -2,0       | -1,6       | 0,8        | -4,2        | -11,4       | -11,9       | -16,0      | -11,1       | -14,0       | 12,2       | 23,8       |
| Domestic demand               | 7,7        | 12,8       | 4,7        | 2,1        | 6,7        | 1,8         | -5,1        | -5,2        | -3,3       | -3,0        | -9,3        | 2,1        | 3,3        |
| Net exports*                  | 18,7       | 46,6       | -2,0       | 0,6        | 14,7       | 12,2        | -17,6       | -23,9       | -20,9      | -12,0       | -37,4       | 6,5        | 19,3       |
| <b>GDP</b>                    | <b>5,2</b> | <b>6,5</b> | <b>5,9</b> | <b>2,5</b> | <b>5,0</b> | <b>-0,8</b> | <b>-1,9</b> | <b>-2,2</b> | <b>1,2</b> | <b>-0,9</b> | <b>-1,3</b> | <b>1,1</b> | <b>1,3</b> |

\*decrease represents lower deficit  
Source: SSO and NBRM calculations.

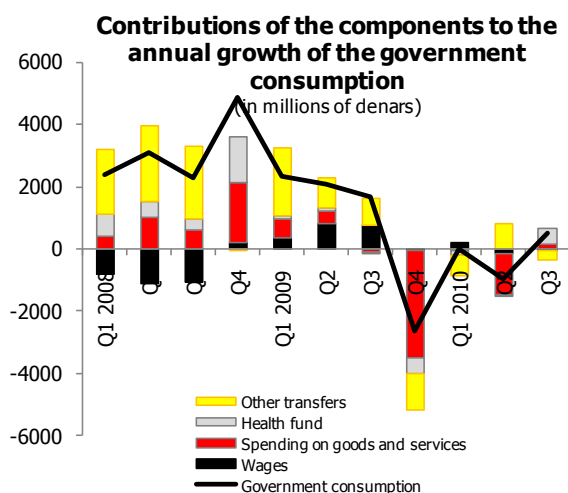
### 1.3.1. Personal consumption

In the third quarter of 2010 there was stagnation of private consumption on quarterly basis. However, on annual basis there is a further intensification of the growth (4.1%) having the private consumption as primary generator of the GDP annual growth in the third quarter of 2010. The faster annual growth is partly due to the low comparative base from the same quarter of 2009 when the private consumption reached the lowest level since the beginning of the crisis. However, the positive results in the private consumption correspond with the recovery of the labor market, evidently through the registered annual growth of the number of employed persons in the economy (for the first time since the beginning of 2010) as well as with the growth of households crediting. On the other side, the income increase in real indicators in the third quarter is still slowing down. The increased growth of private consumption in the third quarter corresponds with the increased growth of the retail and consumer goods import, which had a growth after one year of continuous fall.

In the following quarter the private consumption is expected to be slightly higher on a quarterly basis having further, but milder annual growth. Such assessments of the private consumption dynamics can be explained by slowing down of the real annual growth of household credits (1.7%) while more significant income components had a negative real change (-0.8% at net salaries and -10.3% at private transfers). The slowing down of the annual growth was noticed in the annual retail growth (0.3%) and the domestic production of consumer goods (8.9%) while the import of goods for mass consumption and the VAT revenues in real



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



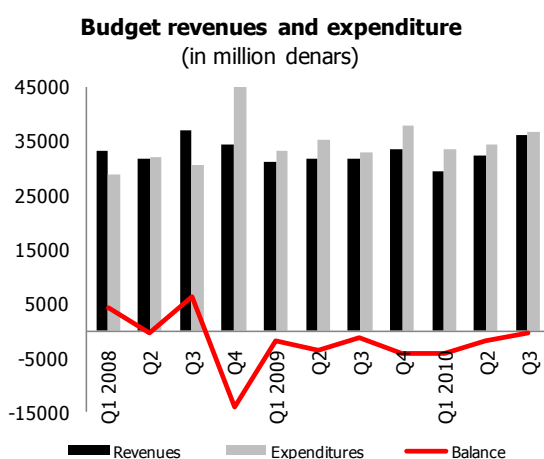
Source: State Statistical Office and Ministry of Finance.



indicators are lower by 1.8% and 6.2% respectively<sup>24</sup>. However, the positive expectations on increased number of employees and order in the retail for the following quarter<sup>25</sup> as well as positive movements of the consumer trust indicator<sup>26</sup> confirm the assessment for maintaining the private consumption growth in the positive zone.

### 1.3.2. Budget and public consumption

**In a situation of increased quarterly base (4.2% deseasonalized) the government consumption in the third quarter had annual fall but with significantly lower dynamics (0.4% relative to 7.7% in the second quarter).** The intensification of the quarterly base comes out from the growth at some of the government consumption components, and mostly at current expenditures for goods and services and current spending of the Health Fund and the Road Fund.

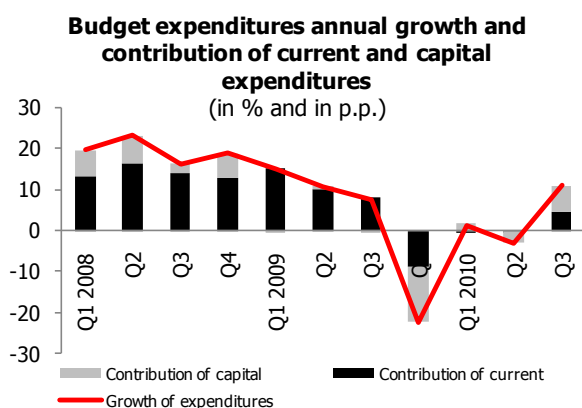


Source: Ministry of Finance.

Taking into account the realized expenditures by the central government and the funds during the period from October until November, as well as projected expenditures until the end of the year according to the supplementary budget, **a real annual growth of the government consumption is expected in the fourth quarter, which would mean a minimal increase relative to the previous quarter.**

### 1.3.3. Investment consumption

**The rise of investment activity registered in the second quarter of the year also continues in the third quarter with almost identical dynamics (4.8% real annual growth).** However, the growth dynamics on quarterly deseasonalized base significantly slows down (from 29% to 4%). Thus, if in the second quarter the indicative categories of investments showed increase of reserves, in the third quarter there are more clear signs of revitalization of investments in fixed assets which can be also



Source: Ministry of Finance.

<sup>24</sup> Data on domestic production of consumer goods, consumer goods import, VAT revenues and credits to households are including November while the data on wages, transfers and retail are including October.

<sup>25</sup> From the Survey on tendencies in retail business conducted in the third quarter of 2010.

<sup>26</sup> From the Survey on consumers' opinion conducted in December 2010.

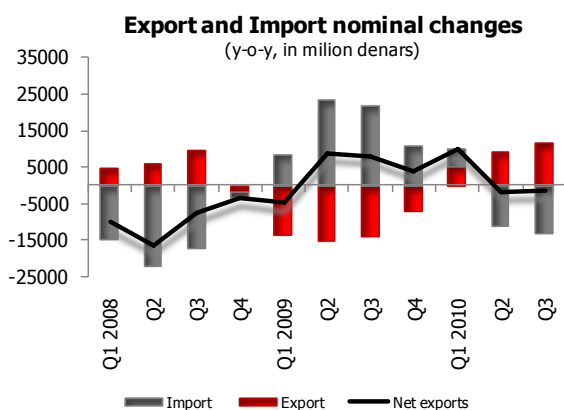


indicated from the high growth of most important indicative categories (realized construction works and state capital investments). Moreover, for the first time in five quarters, the import of investment goods also achieved a positive real growth rate.

**In the fourth quarter of the year, further growth of the investment activity may be expected, having slight intensification also of the quarterly dynamics.** The expected positive developments are based on developments in realized construction activities (real annual growth of 3.9%), corporate credits (6.7% growth), as well as achieved income tax revenues in the last quarter (13.4% growth). FDIs in the share capital had high real growth by 5.5 times.<sup>27</sup> . On the other side, the import of instruments for labor had a real fall of 21.5% while the domestic production of capital products is lower by 12.9%. The state capital expenditures on annual basis had real fall of 13.3%.

#### 1.3.4. Net export demand

**In the third quarter, same as in the previous one, the net export had negative contribution to the annual GDP.** Thus, having significant intensification of the export component growth, the negative contribution of the net export in the third quarter deepened.



Source: State Statistical Office .

In a situation of further improvement of the conjunction of main export markets, the exports continued to increase also in the third quarter. The annual growth of the exports accelerated to 25.2% from 15.6% in the previous quarter, while the quarterly increase slowed down at 9.3%. Due to high import dependence of exports and the recovery of the domestic consumption, the imports had high relative annual growth of 23.8%. On the other side, the increase of import demand decelerated on quarterly base at 8.1%. The net exports also on the quarterly base have negative contribution to the growth, but with significantly lower intensity compared to the previous quarter.

In the first two months of the last quarter of the year, exports and imports of goods had nominal annual growth of 45.6% and 12.7% respectively, and the trade deficit decreased by 18.6%. According to the expected further growth of domestic and export demand **in the fourth**

<sup>27</sup> Data on completed construction works and FDIs are including October, while the other data are including November.





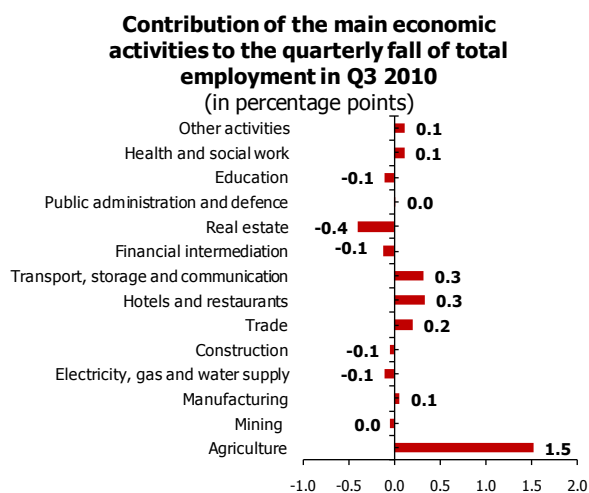
quarter the annual growth of both trading components is expected to intensify.

## 1.4. Employment and wages

**Labor market recovery which started during the second quarter continued more intensively also in the third quarter of the year. The number of employed persons had a quarterly growth of 1.8% with noticed further increase of employment rate and decrease of unemployment rate. The adjustments on the labor market correspond with the recovery of the economic activity. Moreover, the continuity of favourable changes on this market in the last two quarters sends positive signals about sustainability of the current economic recovery. The current assessment of the economy growth in the following period point out to further increase of the labor demand. However, the current views are towards continuous but mild growth of employment in the domestic economy. The changes in productivity also support the assessment for milder growth of employment relative to that in the third quarter. Namely, in the third quarter the productivity again showed quarterly decrease, still being under the level before the crisis. This points out to the opportunity for future economic growth based on increased productivity, but without more intensive employment growth. In line with the changes of wages and productivity, the quarterly growth of expenditures related to labor costs per production unit, typical for the previous two quarters, continued in this quarter as well.**

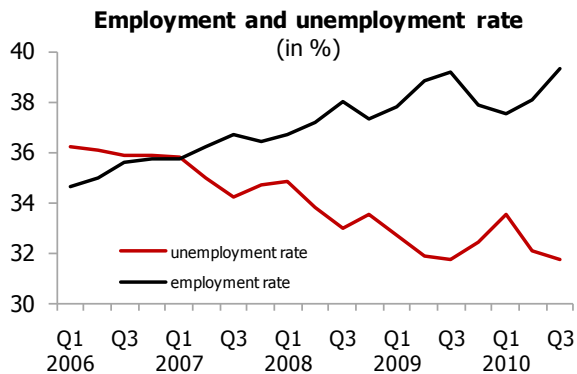
The positive developments on the labor market<sup>28</sup>, which began in the previous quarter, also continued in the course of the third quarter. Thus, the number of employed persons increased, which was 1.8% (11,494 persons) in the third quarter of 2010 relative to the previous quarter. However, although there was a lower growth of the labor force the employment rate increased by 0.7 percentage points reaching 39.3%. On the other side, although the number of unemployed persons increased with the same intensity as of the employed (by 1.8% or 5,242 persons) the significant increase in labor force (16,736 persons) resulted in stagnation of the unemployment rate (31.7%)

The labor force growth in the third quarter led to increase in activity rate by 1 p.p in this period. Thus, the activity rate reached a level of 57.1% and its decreasing trend which was present in the second half of 2009 ceased. Such developments point out to increased labor force offer in the third quarter. This sends a signal that economic entities, in a situation of gradual recovery of the domestic economy, perceive favourable employment conditions and take active part in the labor market.



Source: State Statistical Office

<sup>28</sup> The analysis of the quarterly dynamics of employment and unemployment was made with seasonally adjusted data. Seasonal adjustment was not made only of the total number of active population.



Source: State Statistical Office, Labour force survey.

**Analyzed by activity, the quarterly increase of employed persons is marked in most of the activities.** Almost 85% of the total employment growth in the economy is explained by the increased number of employed persons in agriculture (quarterly growth by 8.3% and 1.5 p.p. contribution) which is consistent with the quarterly growth of the economic activity in this area (deseasonalized data). The manufacturing industry being a branch with largest number of employed persons, although with small contribution still has positive movements. Namely, after four quarters of continuous fall, in the third quarter for the first time the number of employed persons in this branch increased by 0.3%. Such developments are in line with the expectations by managers in the manufacturing industry regarding the employed persons in the third quarter<sup>29</sup>. On the other side, there was a decrease in number of employed persons at real estate activities (11.3% fall and 0.4 p.p. negative contribution) followed by financial intermediation, education and electricity, gas and water supply (8.4%, 1.8% and 4.7% fall, respectively).

**Regarding the annual dynamics, after two quarters of annual fall, in the third quarter of 2010 there was increase in number of employed persons.** The number of employed persons increased by 1% (6,232 persons) relative to the same quarter last year. Thus, the employment rate increased slightly by 0.1 p.p. On the other side, the number of unemployed increased on annual basis by 0.8% (2,420 persons). However, in a situation of labor force having higher growth than the number of unemployed persons, the unemployment rate remains the same relative to the level in the third quarter of 2009. Therefore, the trend of unemployment rate increase from the previous two quarters was discontinued in the third quarter.

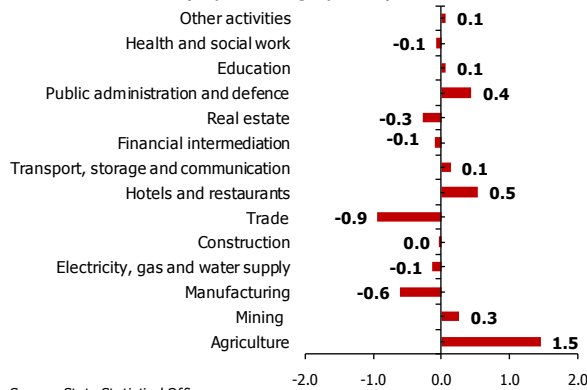
**The analysis by activity shows that the annual growth of employment is a result mainly of the increased number of employed persons in the agricultural sector** (7.8% annual growth with contribution of 1.5 p.p.) by which the annual decrease of employment in this branch from the previous three quarters ceased. From the other branches, the activities regarding hotels and restaurants (16.6% growth) as well as public management and defence (6.6% growth) have more significant contribution. On the contrary, the manufacturing industry has lower

<sup>29</sup> Source: State Statistical Office, Survey on Business Tendencies in Manufacturing Industry, November 2010.



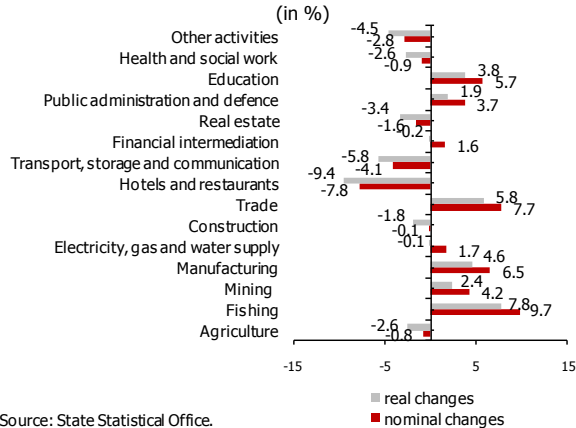
number of employed persons two quarters in a row, but with slower pace (3% annual fall with contribution of 0.6 p.p.). Together with the trade also in this quarter they have the major negative contribution (5.8% fall and contribution of 0.9 p.p.).

**Contribution of the main economic activities to the annual fall of total employment in Q3 2010**  
(in percentage points)



Source: State Statistical Office

**Annual rate of change in the average net wage in the third quarter of 2010 by sectors**  
(in %)



Source: State Statistical Office.

**The expectations related to the labor market developments in the following quarter are towards mild growth.** Taking into account the positive growth rates in the two previous quarters and the expectations of economic entities, one should expect continuation of the positive trend until the end of the year, but with slower dynamics. Hence, the expectations by managers of companies from manufacturing industry and retail lead towards positive movements in the fourth quarter<sup>30</sup>, while lower number of employed persons is expected in the construction area due to the winter season. **Nevertheless, the future developments on the labor market remain uncertain.** The trends so far have been better than the expectations and they point out to a possibility for maintaining the favourable developments. On the other side, the data on economic productivity show room for more intensive growth in the following period. Thus, the estimated economic growth can be supported by productivity growth without having an intensive growth of the labor demand. Moreover, according to the Survey on Consumers' Opinion<sup>31</sup>, the expectations for unemployment in the next 12 months are slightly unfavourable relative to the expectations from the first half of the year

**The quarterly analysis of wages points out to inconsistency in their dynamics. Thus, contrary to the growth in the previous quarter, there was a fall in the third quarter. The nominal net wages and gross wages in the third quarter of 2010 decreased by 0.4% and 0.5%, respectively.** Viewed by individual branches, the wages in most of the branches decreased, while the major fall of net wages was noticed at transport and telecommunications (4.9%) and hotels and restaurants (2%). The wages in mining also went down (1.7%) for the first time since the middle of 2007. On the side, the higher growth rates were marked at net wages in fishing (3.4%), manufacturing industry (1.5%) and construction (1.3%) but with signals of slower growth rates.

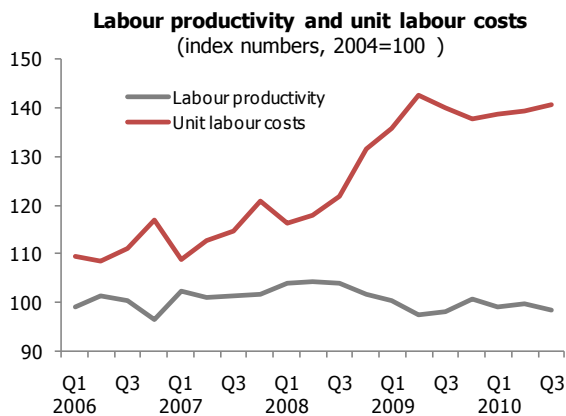
<sup>30</sup>.Source: State Statistical Office, surveys on business tendencies in construction, manufacturing industry and retail.

<sup>31</sup> Source: State Statistical Office, Survey on Consumers' Opinion.



The real net and gross wages as indicator of purchase power of economic entities remained unchanged in the third quarter of 2010 compared to the previous quarter.

**The increased economic activity has positive effect also on the wages' annual dynamics which had intensive annual growth in the third quarter.** Nominal net wages grew by 2.9% while gross wages grew by 0.9%<sup>32</sup>. Taking into account the inflation change the average net wage keeps its positive growth rate (1.1%) while the gross wages again had real fall (0.9%).



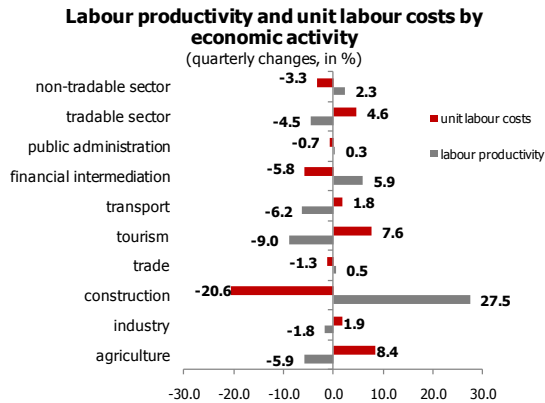
Source: State Statistical Office and NBRM.

The analysis by activity shows that there is annual growth at nominal net wages in half of the activities. Thus, the wages in fishing, trade and manufacturing industry had the major growth, which also have acceleration of the positive dynamics. At the same time, the wages at "financial intermediation" returned in the zone of positive growth rates (1.6%) after the fall in the previous quarter. On the other side, there was a major fall of net wages in the activities related to hotels and restaurants as well as to transport.

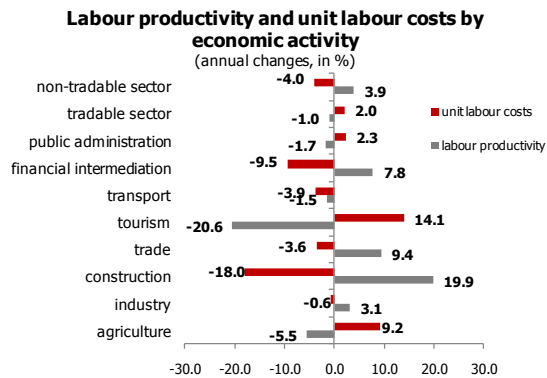
The October 2010 data point to further favourable trends of nominal wages on annual basis. Hence, the nominal net wages had 2.3% annual growth while the gross wages are higher by 0.6%. However, the real net wage in October was reduced by 0.4% relative to October 2009 while the gross wage is lower by 2.1%. If such change at the real net wages remains for the whole quarter, in line with the intensification of inflation and expectations for no changes at nominal wages, that would mean that for the first time since 2002 a real annual fall would occur (refers to the fourth quarter of 2010).

**The increased number of employed persons in the third quarter of 2010 resulted in quarterly fall of productivity while on annual basis there was deceleration of the growth rate.** Namely, in the third quarter of 2010 having stronger quarterly growth of employed

<sup>32</sup> The difference in the growth rate of net and gross wages is due to further reduction of contribution for compulsory social insurance. The contribution for pension insurance reduced from 19% in 2009 to 18% in 2010, the contribution for health insurance reduced from 7.5% to 7.3%, the contribution for professional health insurance remains the same (0.5%). With these changes the contribution for social insurance reduced to 27% from 28.4% in 2009 (Official Gazette of the RM no. 156 and Official Gazette of the RM no. 142/2008)



Source: State Statistical Office and NBRM.



Source: State Statistical Office and NBRM.

persons than the GDP growth, the productivity reduced by 1.5% on quarterly basis (0.6% growth in the previous quarter). On annual basis, the productivity rate had slower growth of 0.3% relative to 2.6% growth in the previous quarter. Having similar growth rates of the economy in the second and third quarter such dynamics is a result from the increased number of employed persons (compared to the fall in the pervious quarter). By activity, there is increased productivity (on quarterly and annual basis) at construction, trade and financial mediation. On the other side, there is productivity fall (on quarterly and annual basis) at agriculture and tourism which is mainly due to the increased number of employed persons.

**The quarterly dynamics of labor costs per unit product in the third quarter of 2010 had accelerated growth.**

Contrary to the stable growth in the first two quarters of 0.6% in the third quarter of 2010 the labor costs had stronger quarterly growth of 1%. Having minimal fall of gross wages, the increased unit labor costs are due to decreased productivity. The analysis by activity shows the biggest increase at unit labor costs in the activities with biggest productivity fall, more precisely at agriculture as well as at hotels and restaurants activity. The quarterly growth of labor costs per production unit of 8.4% at agriculture, except the productivity fall (-5.9%), is due to gross wage growth in this activity (2.0%). At hotels and restaurants activity, the increased labor costs per production of 7.6% are completely due to decreased productivity (-9.0%) having a fall of labor price in this activity (2.0% grow wage fall). The exchangeable products sector, in the third quarter of 2010 had accelerated quarterly growth of the labor costs. Having the gross wages fall and productivity increase, the unit labor costs in the non-exchangeable products sector again passed into the falling zone, therefore the trend of fall initiated in the third quarter of 2009 was shortly interrupted in the second quarter.<sup>33</sup>

**In conditions of higher annual growth of wages relative to the productivity, in the third quarter of 2010 there was again an increase of labor costs per production unit, compared to the fall in the previous quarter.** The annual growth of labor costs per production unit can be again explained with higher labor costs per production unit in agriculture as

<sup>33</sup> Sector of exchangeable products includes: agriculture, hunting and forestry, fishing, mining and quarrying, manufacturing industry, and the sector for electricity, gas and water supply. All other activities are included in the non-exchangeable products sector.

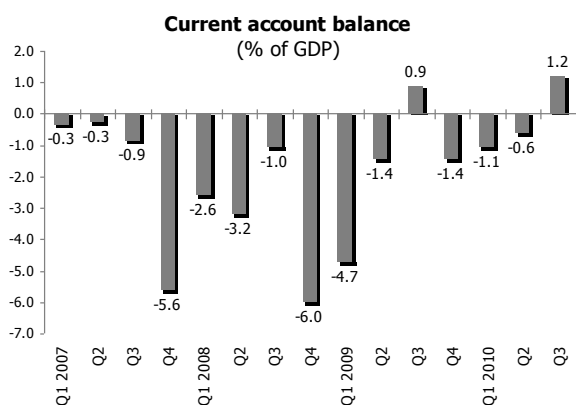


well as in hotels and restaurants activity. The exchangeable products sector also has increased labor costs per production unit by 2% on annual basis, interrupting the falling trend from the previous three quarters.,

## 1.5. Balance of payments

*The trend of continuous improvement in the balance of the current transactions continued in the third quarter as well, when surplus on the current account was realized. The inflows from private transfers continued to grow, and the export kept the upward trajectory, in conditions of positive conjuncture on the metal market and positive impulses from the foreign effective demand. The export was still the key factor for generating growth in the domestic economy, whereas the domestic demand was recovering more slowly and it did not create any additional pressures for import rise. On the other hand, the still present global ambient of uncertainty and restraining from investments affected the capital flows. However, the total position of the balance of payments was positive, enabling an additional rise in the foreign reserves, although more moderately relative to the previous quarter. The changes in the foreign reserves indicated positive developments in the external sector in the last quarter of the year as well, and they indicated to balanced position of the balance of payments.*

### 1.5.1. Current account

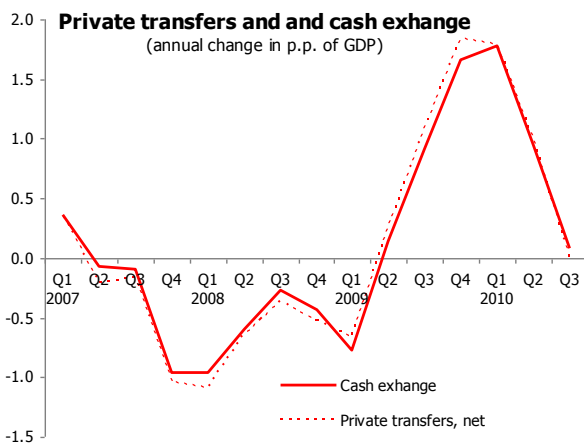
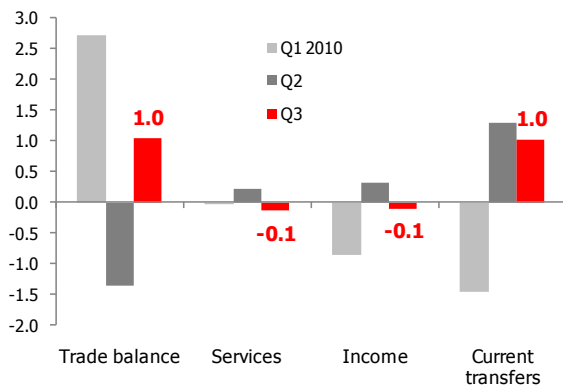


Source: NBRM.

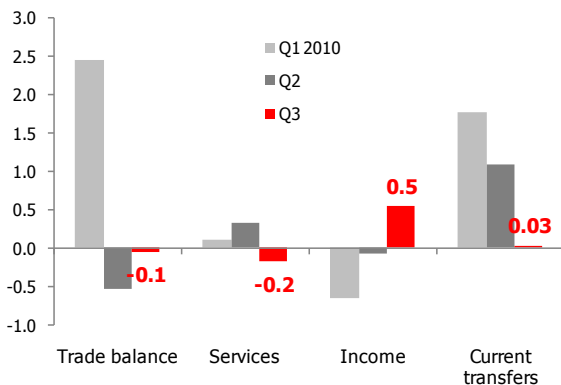
**In the third quarter of the year on the current account, under the influence of the season, surplus of Euro 84.4 million was realized, or 1.2% of the GDP.** *With respect to the quarterly dynamics, the current transfers and the foreign trade of goods were the key factors for the positive developments.* Namely, during the quarter **the net inflows from the current transfers** reached up to Euro 419.6 million or 6% of the GDP. Such positive tendency, which was mostly due to the rise in the net purchase of foreign currencies on the currency exchange market, reflected the stable expectations of the economic entities. The positive trends on the currency exchange market started in the second quarter of 2009 and they pertained to the continuous drop in the demand for foreign currencies, in conditions of increasing offer. With lower capital net inflows, the private transfers represented the key source for covering the negative trade balance. The lower **trade deficit**, realized in conditions of positive dynamics of the export and almost unchanged level of imported goods, was the second significant factor for positive quarterly change on the current account. The trade deficit amounted to Euro 318.8 million, or 4.6% of the GDP. Opposite to these positive tendencies, the **income deficit** (of Euro 28.3 million) registered rise on quarterly basis, which



**Contribution of current account components in its quarterly change**  
(in p.p. of GDP)



**Contribution of current account components in its annual change**  
(in p.p. of GDP)

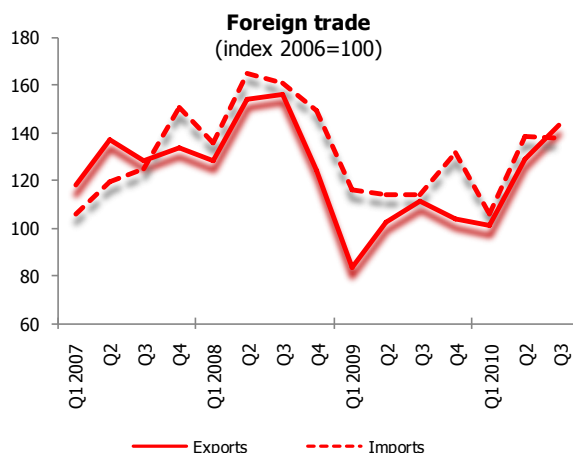


was due to the higher amount of income by the foreign direct investments and outflows for payment of interest based on debt securities<sup>34</sup>. Despite the influence of the season and the realization of higher net inflows from the tourism (traveling), the surplus in the **foreign trade of services** (of Euro 11.9 million) was lower on quarterly basis, which was due to the higher net outflows based on architectonic, engineering and other technical services and the lower inflows from services related with the intermediation.

*Analyzed on annual basis*, the surplus in the current transactions rose by 43.8%, which was due to the lower deficit in the income and the higher inflows from the current transfers. The annual change in the income deficit reflected the base effect, i.e. the high comparison basis registered in the previous year, when exquisitely high outflows based on income from foreign direct investments were realized. The positive dynamics of the current transfers was still one of the key factors for the annual improvement of the current account position, even though its influence is dropping gradually. According to the latest data, in the last quarter of the year, the net assets were almost at the same level of the previous year. With the other items on the current account, with respect to the annual dynamics, the negative trade balance registered increase already second quarter in a row, which was due to the higher absolute growth in the import than in the export, whereas the positive balance in the services worsened, which was generally due to the broadened deficit in the trade of various business, professional and technical services. Within the transport services, rise in the import of services from the maritime transport was registered, whereas in the same time the surplus in the road transport services increased.

Considering the performances on the current account as of the third quarter of the year, *the cumulative deficit* reduced to 0.5% of the GDP, which represented an annual narrowing of 4.8 p.p. of the GDP. The balance of the current transactions indicated to almost balanced gap between the national saving and investments. Namely, in conditions of higher restraining from consumption, the saving in the economy grew up, with slower investments activity being registered. Therefore, it can be concluded that in this period the low pressures by the absorption, in conditions of rise in the gross available national income, created no larger need for foreign financing.

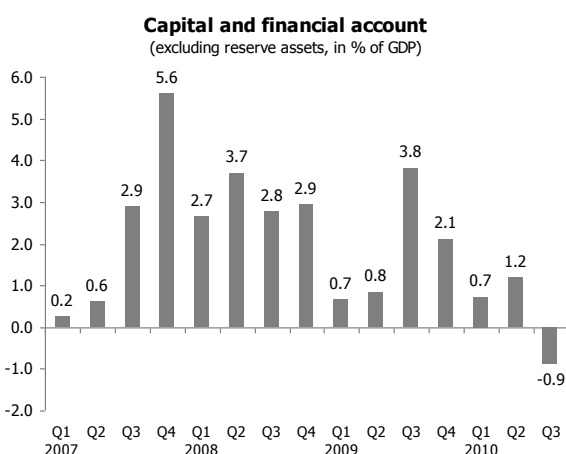
<sup>34</sup> Pertains to the payment of interest on the second Eurobond in July 2010, in the amount of Euro 13.7 million.



Source: NBRM.

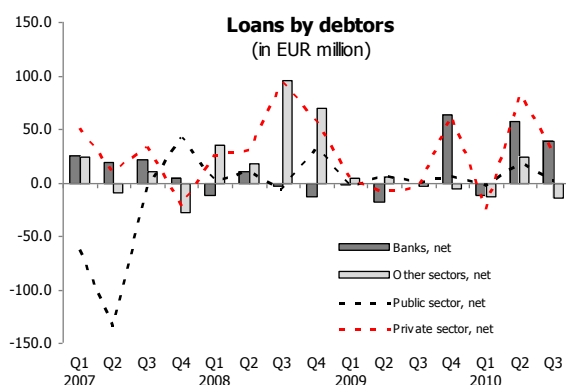
**In accordance with the latest data in the balance of payments, after four subsequent months of realization of surpluses on the current account, in October deficit of Euro 35.8 million was realized.** Compared to the same month of 2009, the deficit broadened by 61%, which was due to the lower net inflows based on current transfers, the realized net outflows with the income (opposite to the inflows in October 2009) and due to the higher amount of net outflows with the services. However, part of the influence of these factors was neutralized by the narrowed trade deficit on annual basis.

### 1.5.2. Capital and financial account



Source: NBRM.

**Opposite to the positive performances with the current account, in the third quarter of 2010 on the capital and financial account net outflows of Euro 61.6 million were registered, or 0.9% of the GDP.** Almost all financing items, excluding the loans, registered net outflows. However, *analyzed with respect to the quarterly dynamics*, the trade credits, loans and foreign direct investments were the key factors for the negative tendencies. Based on the **trade credits** high net outflows of Euro 67.3 million were registered (opposite to the Euro 31 million of net inflows in the previous quarter), and their payment was concentrated in September and it was on the historically record level. Despite the fact that only on the basis of **financial loans** net inflows in the amount of Euro 28 million were registered, or by 0.4% of the GDP, they were lower relative to the previous quarter. The banks realized most of the withdrawals of loans, generally on short term basis, opposite to the previous quarter when the banks registered considerably high withdrawals of long-term loans. Within the **foreign direct investments** inconsiderable net outflows were registered (opposite to Euro 67.9 million of net inflows in the previous quarter). In the third quarter, the new investments in equity intensified, but they were neutralized by the net outflows with the reinvested gain. Within the intercompany debt, the claims of the resident companies by the parent foreign companies had larger amount than the created liabilities. Opposite to these flows, which were weaker relative to the previous quarter, the **currencies and deposits** registered considerably lower net outflows of Euro 16.9 million (opposite to Euro 108 million in the previous quarter). The change in the trend was mostly due to the lower accumulation of foreign currency assets in abroad





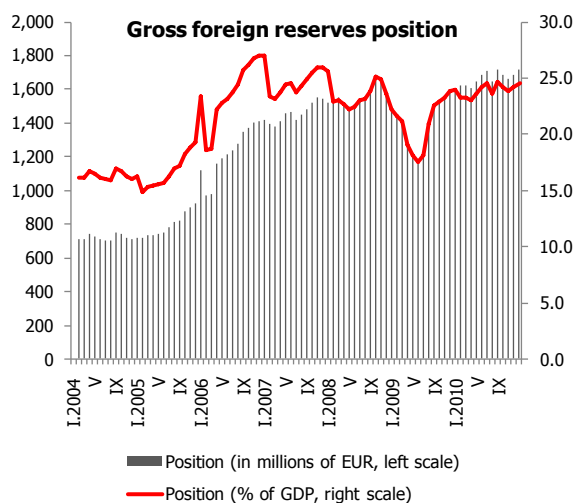
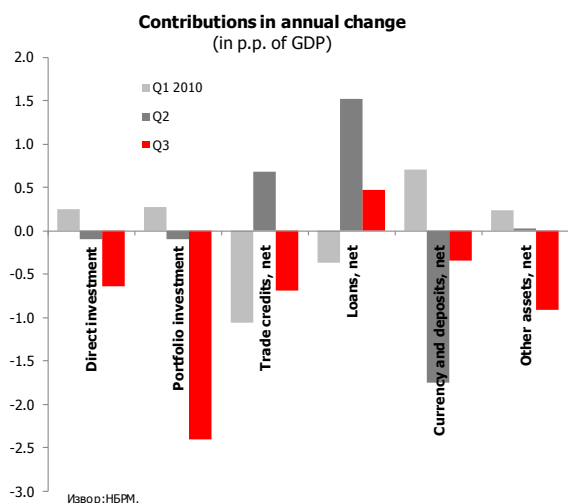


by the domestic banks and to the interrupted trend of withdrawal of the foreign currency savings of non-resident by the domestic banks. Parallel with such tendency the tempo of withdrawal of foreign currency cash by the other sectors from the domestic banks slowed down. In the same time, lower intensity of the net outflows was registered with the **portfolio investments** as well (in the amount of Euro 12.8 million).

*The analysis of the capital flows on annual basis* was specific due to the high comparison basis relative to the previous year, when high net inflows from the second Eurobond of the Government were registered, and in the same time in 2009 assets from the IMF quota were withdrawn. Observed by individual components, the net loans were generally the most available source of funding of the current transactions, which was opposite to the previous year when net outflows on such basis were registered. Such change resulted from the higher indebtedness of the banking sector, whereas the other economy sectors registered lower utilization of long term credits on annual basis. The foreign direct investments registered fall, which was mostly due to the drop in the intercompany debt. The net outflows with the trade credits were higher on annual basis, while the currencies and deposits registered net outflows, opposite to the registered net inflows in the same quarter of 2009. Within the portfolio investments (excluding the Eurobond in 2009) lower net outflows were realized, which was due to the lower investments of the institutional investors on the international capital markets.

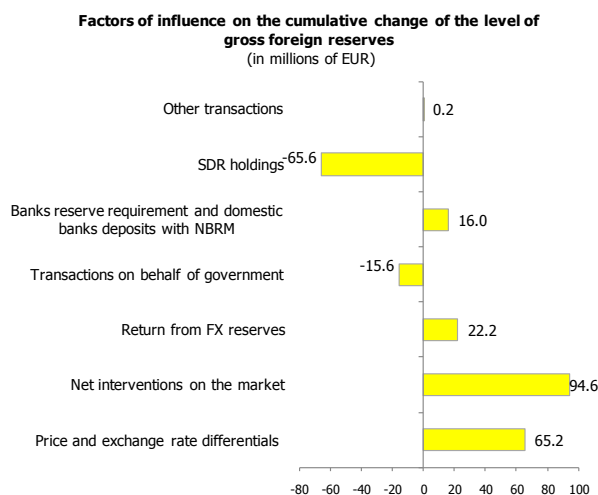
*On cumulative basis*, in the period January-September, the net inflows on the capital and financial account of 1% of the GDP represented 1/5 of the realized flows in the same period of the previous year. If the effect from the issued Eurobond and the withdrawn assets from the IMF quota is excluded, their volume is still lower than the previous year (approximately one half), which was due to the outflows based on currencies and deposits, trade credits and the lower level of foreign direct investments. Only the loans registered rise relative to the previous year.

**In October 2010, within the capital and financial account net inflows of Euro 17.7 million were registered.** Most of the net inflows were realized on the basis of trade credits and intercompany debt, whereas net outflows were registered on the basis of currencies and deposits, loans and portfolio investments. On annual basis, the net inflows in the capital and





financial account dropped by 61.7%, which was due to the registered net outflows with the loans (i.e. lower utilization by the private sector and higher payments by the other economy sectors) and due to the lower liabilities based on trade credits.



Despite the fact that in the third quarter on the capital and financial account of the balance of payments net outflows were registered, the realized surplus on the current account was higher and it enabled additional rise in the foreign reserves. Such tendencies were transmitted on the foreign exchange market, on which the NBRM intervened with net purchase of foreign currencies in the amount of Euro 33.2 million. **At the end of September 2010, the gross foreign reserves<sup>35</sup> amounted to Euro 1.689.3 million.** In the fourth quarter, the special drawing rights were redistributed from the NBRM's account to the account of the Government, so the transactions for the account of the Government on net basis acted towards rise in the foreign reserves. In the same time, inflow of foreign assets was realized on the basis of foreign currency deposits of the banks with the NBRM, income from placements and foreign reserve requirements of banks as well. The realized negative exchange rates and the negative price changes of the securities acted towards the opposite direction. **In accordance with the last available data, the stock of the foreign reserves on 31.12.2010 reached up to Euro 1.714,5 million,** which relative to the end of 2009 represented rise of Euro 117 million. Most of the rise was due to the NBRM's interventions on the foreign exchange market and to the currency and price changes. The foreign reserves were at the adequate level, i.e. they enable 4.1 month coverage of the import of goods and services in the following year.

### Annex 3

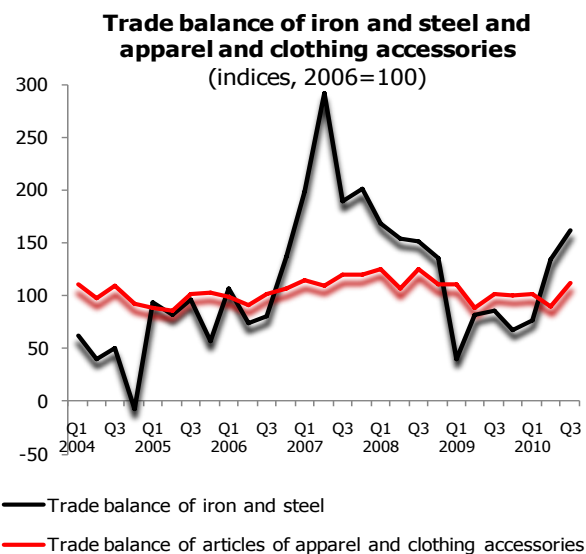
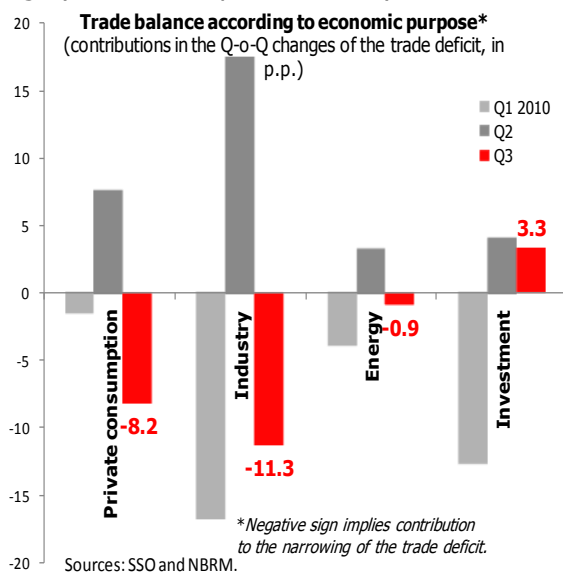
#### Analysis of the foreign trade of goods<sup>36</sup> and development of the nominal and real effective exchange rate (NEER and REER)

In the third quarter of 2010 the positive developments in the foreign trade of goods remained, in environment of retained quarterly rise in the export of goods, although with lower intensity (of 11.3%, opposite to 27.5% in the previous quarter) and stagnation in the import of goods (quarterly fall of 0.4%, opposite to the rise of 29.6% in the previous quarter). As a result to these developments, the *trade deficit registered quarterly narrowing*

<sup>35</sup> The foreign reserves include the monetary gold and the foreign exchange rates. In the Methodology for the balance of payments, the foreign reserves are shown without these two items.

<sup>36</sup> According to the Methodology for foreign trade, the data on the export of goods are disclosed on f.o.b., and for the import of goods on c.i.f. basis.

(of 17.1%), which if analyzed **according to the economic purpose**, mostly reflects the narrowed deficit in the trade of industrial purchases and of joint consumption goods. Within the **trade of industrial purchases**, the surplus in the trade of iron and steel was higher relative to the previous quarter, and it simultaneously reached the level registered before the first effect from the crisis (the average from the first half of 2008). The increase in this export segment, which realized in conditions of quarterly rise in the metal prices on the international markets and positive impulses by the foreign demand, indicated to retained positive export performances of the domestic metal manufacturing industry. The trade of chemical materials and products already second quarter in a row is registering considerable quarterly improvement in the positive balance, and it reflected the gradual increase in the volume of activities and in the export of the new Greenfield investment in the free economic zone. Despite these considerable improvements, in the third quarter the trade of colored metals and the trade of textile and yarns registered more considerable narrowing. The indications that the export performances of the domestic textile industry are registering improvement were confirmed by the improved balance of the **consumer goods** on quarterly basis, which mostly reflected the rise in the surplus in the trade of goods. In the same time, the positive developments with the foreign demand reflected on the improved trade of food and beverages. As for the import of road vehicles, in this quarter as well it preserved the high and almost identical level as in the previous quarter, which was due to the advantages of the temporary administrative measure for import of used vehicles. In the **trade of energy**, the deficit registered narrowing on quarterly basis, which was due to the lower import of oil and oil derivatives in conditions of conducted overhaul for maintenance of the refinery and rise in the export of oil and oil derivatives. Opposite to these quarterly improvements in the balances, the negative balance in the **trade of investment products** already second quarter in a row registered moderate broadening, which indicated more gradual movement in the investments activity. However, such trend came after the considerable drop in the deficit in the trade of this category in the first quarter of the year, when the lowest level in the last three years was achieved.

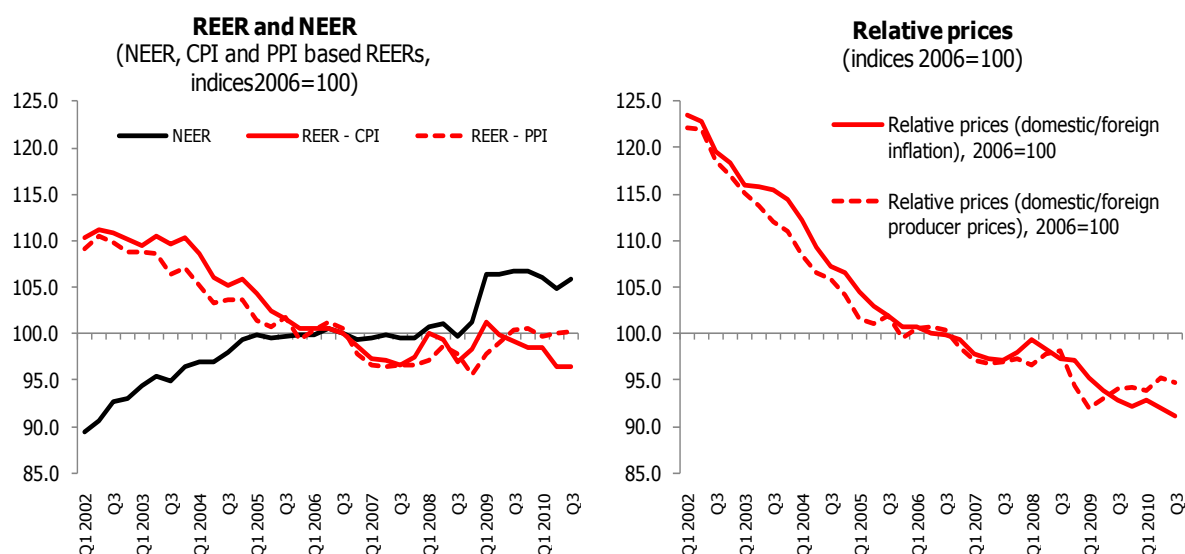


Analyzing with respect to the annual dynamics, the trade deficit registered increase already second quarter in a row (by 16.1% and by 7.1%, respectively), which resulted mostly from the broadened negative balance in the trade of energy. Namely, the deficit in the trade of oil and oil derivatives is increasing second month in a row, with more intensive annual rise in the import than in the export in this category being registered. The key factors for such development were the constant rise in the oil price on the international stock exchanges, which reflected with higher import price, but also the higher domestic demand for these energy sources, in conditions when their export demand registered drop. The second factor for the annual broadening in the trade balance was the higher deficit in the trade of joint consumption goods, which reflected the effect from the higher import of road vehicles. On the other hand, the negative balance with the trade of industrial purchases dropped, in conditions of positive developments with the domestic export oriented metal manufacturing and textile industry, whereas the narrowing in the deficit in the trade of investment goods continued, but with slower dynamics than in the previous quarters. The analysis in the trade by the **trade partners** for the third quarter of 2010 indicated improved trade with the European Union (EU), so the deficit in



the trade of goods with EU registered drop on annual basis. Out of total twenty seven EU members, surplus was realized with seven member states, i.e. in conditions of more intensive rise in the export than in the import, the position of net exporter with Germany and Lithuania was recovered, and small broadening in the in the positive balance was registered in the trade with Belgium, Nederland, Latvia and Portugal. The deficit in the trade with Greece registered minimal annual broadening, with more intensive fall in the export than in the import of goods.

According to the latest data, the trade deficit in *October and November* registered annual narrowing of 18.6%, which was mostly due to the lower deficit with the industrial purchases and with the investment goods. The rise in the export of chemical products was the key factor for narrowing in the deficit in the industrial purchases, together with the retained positive tendencies with the import of iron and steel, while the still weak investment activity reflected with annual drop in the import of machines and transport equipment.

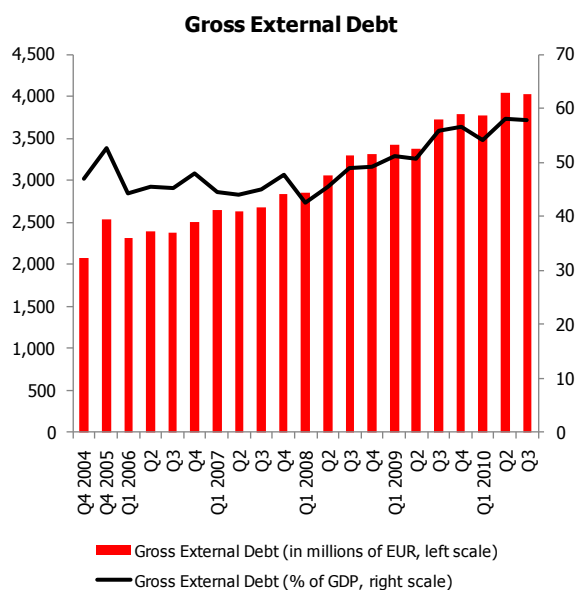


**The indicators on the price competitiveness in the third quarter of 2010 did not show changes in the price competitiveness of the domestic economy relative to the previous quarter.** Despite the appreciation of the NEER of 0.9% on quarterly basis, the REER deflated with the consumer costs remained unchanged, while the REER deflated with producer prices appreciated minimally (by 0.3%). Analyzed annually, the REER by the consumer costs already three quarters in a row registers depreciation, but in the third quarter with slower dynamics (2.8%, opposite to 3.4% in the second quarter). The price ratio was still in favor of the domestic economy, i.e. the foreign inflation was higher than the domestic inflation. On the other hand, the index of the REER by the producer prices remained almost unchanged, so the depreciation of the NEER was neutralized by the higher growth in the domestic than the growth in the foreign prices of the producers of industrial products.

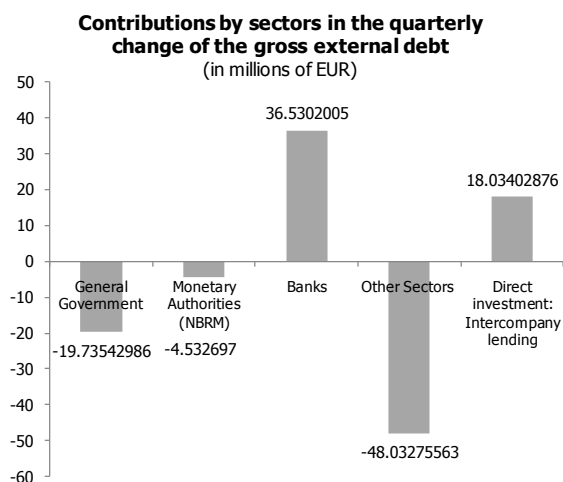
According to the dynamics of the indicators for October and November, compared with the third quarter, the average NEER for these two months registered appreciation of 1.4%, which caused appreciation of the REER deflated with the consumer prices (by 1%) and of the REER deflated with the producer prices (by 1.5%). On annual basis (October and November 2009), the average NEER registered appreciation of 0.8% (which was due to the Denar appreciation relative to the Serbian Dinar), after eight months of depreciation (by 1.1% on average). Despite such dynamics of the NEER, the favorable price ratio determined annual depreciation of the REER deflated with the consumer prices (of 0.8%), whereas the worsened price ratio of the producer prices additionally affected the REER appreciation (of 1.5%), according to the producer prices.



### 1.5.3. Gross external debt

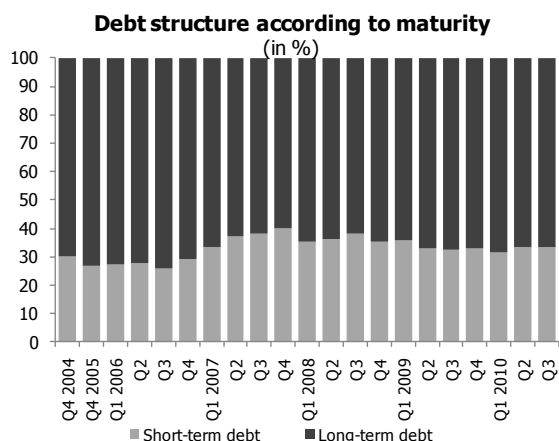


Opposite to the high quarterly rise in the second quarter of the year, the gross external debt in the third quarter dropped by Euro 17.7 million. Therefore, at the end of the third quarter the gross external debt amounted to Euro 4.030,1 million. With respect to the quarterly dynamics, the debt of the other sectors, within which the liabilities based on trade credits dropped mostly, and the long-term and short-term liabilities based on financial loans decreased as well, contributed mostly to the debt fall<sup>37</sup>. The negative exchange rate differentials (which were due to the fall in the value of the USA Dollar) were the second factor for the fall in the debt, and they contributed to drop in the indebtedness of the Government and the monetary authorities. On the other hand, the rise in the indebtedness of the banking sector acted towards the opposite direction. Rise in the short-term financial indebtedness of banks was registered, and the financial exposure based on indebtedness of the parental companies (the intercompany debt) also increased. Analyzed on annual basis, the gross external debt rose by Euro 300.2 million, or by 8%, which was mostly (or 50%) due to the higher intercompany indebtedness (on short term and on long term). Smaller share, or 38%, of the rise resulted from the higher short-term indebtedness of the other sectors, which was mainly based on the trade credits and loans, with drop in the long-term debt of this sector being registered. The higher indebtedness of banks represented an additional growth factor, with change in the maturity structure being registered, expressed through fall in the short-term and rise in the long-term liabilities. Considering these developments, most of the annual rise in the total foreign indebtedness was due to the rise in the debt of the private sector (of Euro 280.7 million), whereas the debt of the public sector registered inconsiderable growth (by Euro 19.4 million on annual basis), which resulted from the growth in the indebtedness of the publicly held companies. The debt of the central government reduced on annual basis, which was due to the payment of part of the liabilities based on issued debt securities. On the other hand, the indebtedness based on loans registered annual increase.



Since the beginning of 2010, the gross external debt registered cumulative growth of Euro

<sup>37</sup> The other sectors include: nonbanking financial agents, non-financial trade companies, households, non-profitable institutions and public companies.



250 million (6.6%), with more intensive rise in the indebtedness with the private sector (81% of the total rise). In this sector, most of the debt was based on the financial loans and intercompany indebtedness, and smaller part was based on the trade credits as well. In the same time, the arrear which at the beginning of 2010 registered growth of Euro 45.8 million, contributed to the debt rise, and at the beginning of the crisis (in the last quarter of 2008) they reached up to Euro 62.8 million on cumulative basis. With respect maturity, the growth in the long-term indebtedness gave slightly higher contribution than the short-term indebtedness, i.e. it explained 55.4% of the cumulative rise in the total gross external debt.

| <b>Indicators for external indebtedness</b>   | 2007 |      |      |       | 2008 |      |       |       | 2009  |       |       |       | 2010  |       |       |
|---|------|------|------|-------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   | Q1   | Q2   | Q3   | Q4    | Q1   | Q2   | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    |
| Gross external debt / GDP<br><i>(criterion: moderate indebtedness 30-50%)</i>                       | 49.6 | 49.1 | 50.2 | 53.2  | 47.9 | 51.2 | 55.1  | 55.3  | 52.9  | 52.3  | 57.8  | 58.6  | 55.6  | 59.6  | 59.4  |
| Gross external debt / Export of goods and services<br><i>(criterion: lower indebtedness 0-165%)</i> | 95.4 | 94.5 | 96.5 | 102.4 | 87.6 | 93.7 | 100.9 | 101.2 | 102.6 | 101.4 | 112.0 | 113.5 | 112.2 | 120.2 | 119.7 |
| Debt servicing / Export of goods and services*<br><i>(criterion: moderate indebtedness 18-30%)</i>  | 15.9 | 15.9 | 15.9 | 15.9  | 6.6  | 6.6  | 6.6   | 6.6   | 10.2  | 10.2  | 10.2  | 10.2  | 7.4   | 7.4   | 7.4   |
| Interest payments / Export of goods and services*<br><i>(criterion: lower indebtedness 0-12%)</i>   | 2.3  | 2.3  | 2.3  | 2.3   | 1.8  | 1.8  | 1.8   | 1.8   | 2.1   | 2.1   | 2.1   | 2.1   | 1.9   | 1.9   | 1.9   |

\*Servicing debt and interest payments data have not been revised.  
Source: NBRM.

**The indicators on the foreign indebtedness gave different image of the limit of indebtedness of the Macedonian economy.**

The participation of the gross external debt in the nominal GDP<sup>38</sup> at the end of the third quarter of 2010 reached up to 59.4%, which placed the Republic of Macedonia in the group of highly indebted economies. However, considering that approximately 40% of the total liabilities pertained to the trade credits and intercompany indebtedness, it can be stated that the level of the external vulnerability of the economy was smaller on real basis. Simultaneously, the other indicators on the level of foreign indebtedness<sup>39</sup> (the ratio between the gross external debt and the inflows from the export of goods and services, the ratio between the servicing of the debt and the inflows from the export of goods and services and the ratio between the payment of interest and the inflows from the export of goods and services), indicated smaller foreign indebtedness.

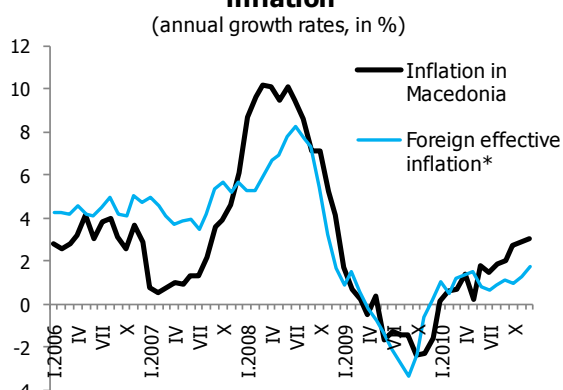
<sup>38</sup> Three-year average, by the Methodology of the World Bank.  
<sup>39</sup> By the Methodology of the World Bank.



## 1.6. Inflation

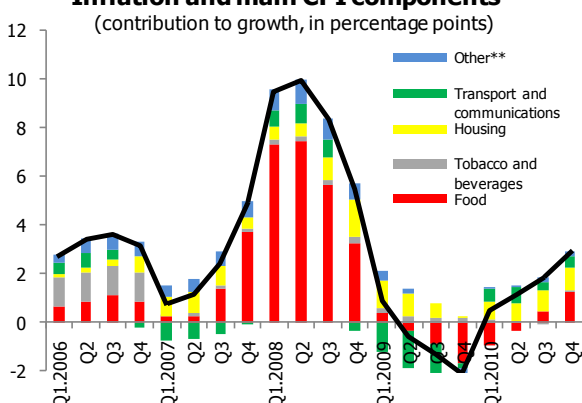
**After the moderate seasonal fall in the previous quarter, in the last quarter of 2010 the level of the consumer prices registered quarterly rise. The price growth in the last quarter was mainly determined by the price growth in the food component. The gradual rise in the annual inflation rate registered at the beginning of the year intensified additionally in the last quarter, thus reaching up to 2.9% (1.8% in the third quarter). With similar contribution of the energy prices being registered, the intensification of the annual inflation rate resulted from the higher contribution of the food price. These trends indicated the gradual transmission of the pressures from growth in the import prices on the domestic prices of food. The core inflation registered moderate intensification, while the producer prices continued to grow. The projections on the following period indicated continuation of the rise in the level of the consumer prices. The risks that pertain to the inflation projection were assessed as generally upward and they were mostly related with the growth intensity of the international prices of food and energy.**

### Domestic inflation and foreign effective inflation



\* Foreign effective inflation is calculated as weighted sum of inflations in countries that are major trade partners with Macedonia.  
Source: State statistical office, Eurostat and NBRM calculations.

### Inflation and main CPI components\*



\*CPI - Consumer price index represent the measure of inflation.  
\*\*Other includes the components: clothing and footwear, hygiene, education, culture and entertainment, hotels and restaurants, and other services not mentioned elsewhere.  
Source: State Statistical Office and NBRM calculations.

**In the last quarter of 2010 the general level of the consumer prices registered growth of 0.9% relative to the previous quarter (growth of 0.5% according to the seasonally adjusted data). The increase in the prices resulted mostly from the growth in the prices of the food component of 1.7% (0.8% seasonally adjusted), after registering fall of 1.3% in the previous quarter. The growth in the food prices was basically due to the higher prices of the processed food, mainly the fats - 14.5% and the fresh food, mainly the fresh vegetables - 10.5%. In the last quarter, the prices of the energy component registered growth of 1.1%, after the minimal growth (0.2%) in the previous quarter. Their growth was due to the higher prices of oil derivatives, in accordance with the price growth of the crude oil on the international stock exchanges. The upward development in the prices of utility and housing services<sup>40</sup>, in the cigarette prices<sup>41</sup>, as well as in the prices of the wearing apparel and footwear (because of the effect of the season change) additionally influenced on the total quarterly inflation. On the other hand, the prices of the fresh fruits registered more evident drop (usual fall in the last quarter of the year), together with the prices of education and development services, as well as of the telecommunication services.**

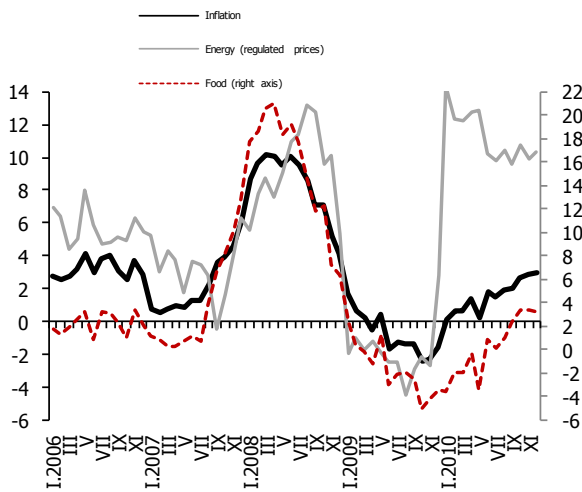
**The gradual rise in the annual inflation rate registered at the beginning of**

<sup>40</sup> The rise in the prices of this category in November was due to the growth in the prices of the services for collecting, taking out, transporting and dumping solid and technological waste.

<sup>41</sup> As a result to the growth in the price of certain brands of cigarettes.



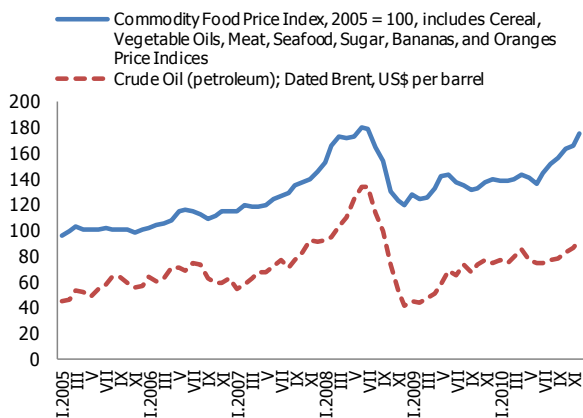
### Inflation and volatility of food and energy (annual growth rates, in %)



Source: State statistical office and NBRM calculations.

**the year intensified additionally in the last quarter, thus reaching up to 2.9% (1.8% in the third quarter).** The intensification in the annual inflation rate resulted from the considerably higher contribution of the food price from 0.4 p.p. as it was in the previous quarter, to 1.3 p.p., with unchanged quarterly contribution of the energy prices being registered (of 1.3 p.p.). In accordance with the higher rise in the last quarter, the inflation rate for the whole 2010 reached up to 1.6% on average (for the first three quarters of 2010 it amounted to 1.1%). The developments in the domestic inflation corresponded to the global trends, where inflation intensification was registered as well, under the influence of the prices of food and energy. The annual foreign effective inflation in the fourth quarter amounted to 1.3%, compared to 0.9% in the previous quarter. The more intensive domestic relative to the foreign inflation can be partially explained by the various participation of the food component in the total index of the consumer prices.

### Price of crude oil and food



Source: IMF Primary Commodity Prices.

**The annual price growth in the food component continued to intensify in the last quarter of the year as well with rate of 3.3% (1.2% of annual rise in the previous quarter), as a combination of the base effect and the growth in the level on quarterly basis.** Analyzed by individual components, the growth in the food prices resulted from the higher contribution of the prices of the processed food (mainly the fats, meat and bread and pastries), while the fresh food contributed less.

**The annual rise in the energy prices** in the last quarter of 2010 intensified from 9.9% in the previous quarter to 10.3%. With unchanged prices in the electricity and central heating relative to the previous quarter, the moderate intensification in the annual rise in the energy prices resulted from the higher price of oil derivatives (intensification in the annual growth of 13.1%, as it was in the third quarter, to 14.6%), in accordance with the development in the price of the crude oil on the international stock exchanges.





Individual price categories (annual changes in %)

|  | Q 1 2009 | Q 2 2009 | Q 3 2009 | Q 4 2009 | 2009  | Q 1 2010 | Q 2 2010 | Q 3 2010 | Q 4 2010 | 2010 |
|--|----------|----------|----------|----------|-------|----------|----------|----------|----------|------|
| <b>Inflation (CPI)</b>                           | 0.8      | -0.6     | -1.4     | -2.1     | -0.8  | 0.4      | 1.1      | 1.8      | 2.9      | 1.6  |
| Food   | 0.9      | -1.0     | -2.2     | -4.2     | -1.6  | -2.4     | -1.0     | 1.2      | 3.3      | 0.3  |
| Fresh food                                       | 1.0      | 1.9      | -0.2     | -5.3     | -0.6  | -3.0     | -2.4     | 0.2      | 1.6      | -0.9 |
| Processed food                                   | 1.4      | -3.0     | -3.4     | -3.6     | -2.2  | -1.9     | 0.4      | 2.0      | 4.7      | 1.3  |
| Energy   | -1.6     | -1.9     | -3.4     | -1.1     | -2.0  | 12.6     | 11.8     | 9.9      | 10.3     | 11.2 |
| Fuels and lubricants                             | -27.1    | -27.7    | -24.6    | -4.0     | -20.9 | 26.0     | 23.5     | 13.1     | 14.6     | 19.3 |
| Electrical power                                 | 13.1     | 13.1     | 13.1     | 4.0      | 10.8  | 9.9      | 9.8      | 9.8      | 9.9      | 9.8  |
| Heating power                                    | 4.2      | 3.6      | -4.9     | -6.2     | -0.9  | 6.4      | 5.3      | 7.2      | 7.1      | 6.5  |
| Food and energy (volatile prices)                | 0.3      | -1.2     | -2.5     | -3.4     | -1.7  | 1.1      | 2.1      | 3.3      | 5.1      | 2.9  |
| Goods  | 0.8      | -0.7     | -1.3     | -2.0     | -0.8  | 0.6      | 1.4      | 2.0      | 3.5      | 1.9  |
| Services   | 1.2      | 0.0      | -1.8     | -2.4     | -0.7  | -0.2     | -0.2     | 0.6      | 0.0      | 0.1  |
| Core inflation (inflation excl. food and energy) | 1.5      | 0.3      | 0.1      | -0.6     | 0.3   | -0.2     | 0.1      | 0.2      | 0.6      | 0.2  |
| Industrial producer prices                       | -6.2     | -8.8     | -10.1    | -0.5     | -6.4  | 7.5      | 9.6      | 7.7      | 8.3      | 8.3  |

Source: State Statistical Office and NBRM calculations.

Source: State Statistical Office and NBRM calculations.

Contributions to the inflation (in p.p.)

|  | Q 1 2009 | Q 2 2009 | Q 3 2009 | Q 4 2009 | 2009 | Q 1 2010 | Q 2 2010 | Q 3 2010 | Q 4 2010 | 2010 |
|--|----------|----------|----------|----------|------|----------|----------|----------|----------|------|
| <b>Inflation (CPI)</b>                           | 0.8      | -0.6     | -1.4     | -2.1     | -0.8 | 0.4      | 1.1      | 1.8      | 2.9      | 1.6  |
| Food   | 0.4      | -0.4     | -0.9     | -1.7     | -0.7 | -1.0     | -0.4     | 0.4      | 1.3      | 0.1  |
| Fresh food                                       | 0.2      | 0.4      | 0.0      | -1.0     | -0.1 | -0.6     | -0.4     | 0.0      | 0.3      | -0.2 |
| Processed food                                   | 0.3      | -0.6     | -0.7     | -0.8     | -0.5 | -0.4     | 0.1      | 0.4      | 1.0      | 0.3  |
| Energy   | -0.2     | -0.2     | -0.4     | -0.1     | -0.3 | 1.5      | 1.4      | 1.2      | 1.3      | 1.4  |
| Fuels and lubricants                             | -1.1     | -1.1     | -1.0     | -0.2     | -0.9 | 0.7      | 0.7      | 0.4      | 0.5      | 0.6  |
| Electrical power                                 | 0.7      | 0.7      | 0.7      | 0.2      | 0.6  | 0.6      | 0.6      | 0.6      | 0.6      | 0.6  |
| Heating power                                    | 0.1      | 0.1      | -0.2     | -0.2     | 0.0  | 0.2      | 0.2      | 0.2      | 0.2      | 0.2  |
| Food and energy (volatile prices)                | 0.2      | -0.6     | -1.3     | -1.8     | -0.9 | 0.5      | 1.1      | 1.7      | 2.6      | 1.5  |
| Core inflation (inflation excl. food and energy) | 0.7      | 0.2      | 0.0      | -0.3     | 0.2  | -0.1     | 0.1      | 0.1      | 0.3      | 0.1  |

Source: State Statistical Office and NBRM calculations.

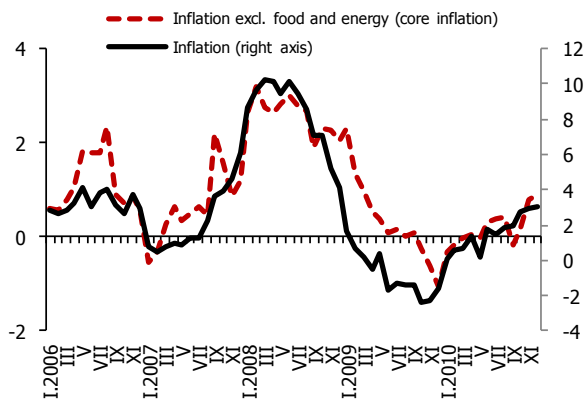
Source: State Statistical Office and NBRM calculations.

**Besides the intensification in the food and energy component, in the last quarter of 2010 the long-term inflation component registered growth intensification as well.**

After the minimal annual growth rate of 0.2% in the third quarter, the core inflation reached up to 0.6% in the last quarter of the year. The growth in this component resulted from the higher prices of footwear, catering services, as well as the higher prices of the utility and housing services. In the same time, in the last quarter, the prices of drugs and cigarettes entered in the zone of positive contributions. Such positive movements with the core inflation indicated to revival of the domestic demand, as well as to more evident transmission effects from the energy price growth.

**Inflation and core inflation**

(annual growth rates, in %)



Source: State statistical office and NBRM calculations.

**The performances with the inflation in the last quarter of 2010 mainly corresponded with the anticipations of the economic agents.**

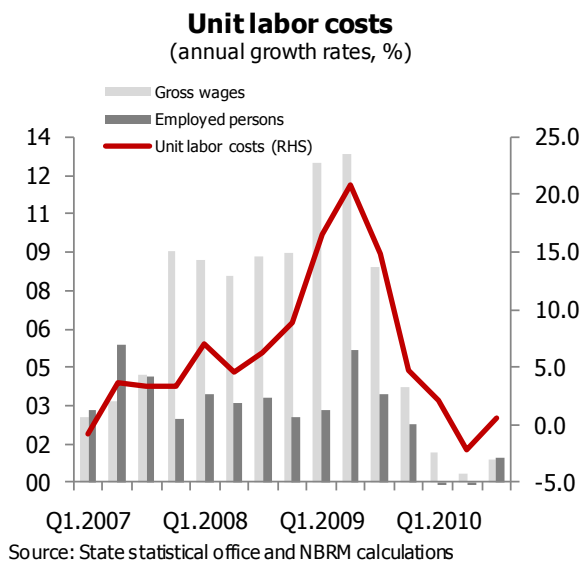
According to the Inflation Expectations Survey of the NBRM in October, most of the surveyed (57.1%) anticipated for the annual inflation rate at the end of the last quarter to be higher relative to the level of September of 2%, slightly lower part (36.7%) considered that the inflation will remain unchanged, and very small part (4.1%) anticipated its drop. However, the surveyed anticipated for the annual inflation to amount to approximately 2.2% in December, and for the average for the whole 2010 to equal about



1.4%, which was lower relative to the realized inflation. **The expectations on the movement of the inflation in 2011, by the October survey, were directed towards higher inflation.** Namely, 47% of the surveyed anticipated that the average inflation rate will be higher than the inflation in 2010<sup>42</sup> as a result of the anticipations for improvement in the economic activity, and subsequently, more intensive demand in the following period, anticipations for rise in the prices of the electricity, as well as expectations for higher prices of the crude oil and of the food on the international stock exchanges. The anticipated inflation rate for 2011 according to the answers of the surveyed amounts to about 2% (projected average rate for 2011 was ranging between 2% and 3%).

**The upward trend in the producer prices continued in the last quarter of 2010 as well.** This price category in the last quarter registered rise of 1.2% on quarterly basis (growth of 4.4%, by the seasonally adjusted data). Similar as in the previous quarter, the growth was mostly due to the higher prices of the non-durable consumer goods, i.e. of the food products and beverages (contribution of 0.9 p.p.), energy, tobacco and chemical products (joint contribution of 0.3 p.p.), with negative contribution of the prices of the basic metals (-0.1 p.p.). **On annual basis, the producer prices registered rise of 8.3%**, which was mostly due to the growth in the prices of the oil derivatives, food products and beverages, basic metals and electricity. With respect to the producer prices which influence on the domestic component of the consumer prices, the registered quarterly rise in both subsequent quarters with the consumer prices<sup>43</sup>, and the increased prices of energy in the last quarter indicated to potential inflation pressures.

**As a result of the intensive slowing down in the rise of the productivity (from 2.6% to 0.3%) and the moderate intensification with the wages (from 0.3% to 0.9%), the unit labor costs registered growth of 0.6% in the third quarter of 2010 (after the fall of 2.2% in the previous quarter).** Such rise in the unit labor costs indicated to possible pressures on the inflation through this channel in the next period.



<sup>42</sup> Out of the total number of surveyed, 34.7% had stable inflation expectations for 2011, whereas the rest of them consider that the inflation developments for 2011 are hard to assess.

<sup>43</sup> The durable consumer goods registered growth of 8.5%, while the non-durables, which had higher weight, registered increase of 2.2%.

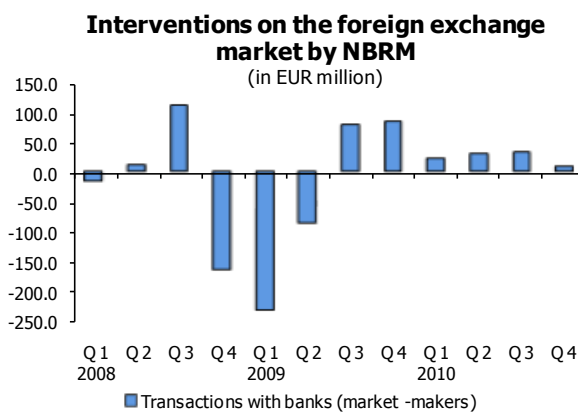
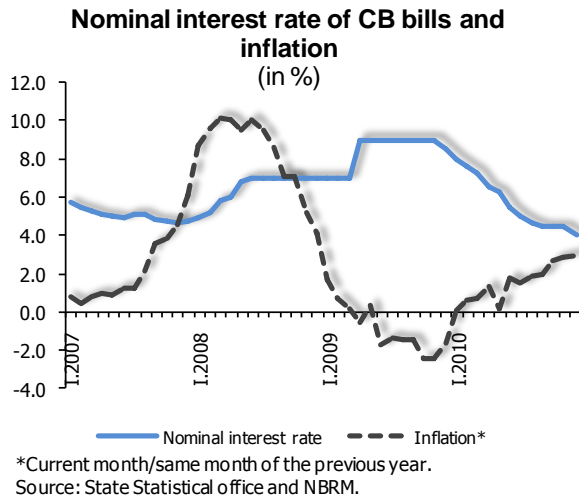


**The current assessments indicated to continuation in the rise in the level of the consumer prices.** Such assessments resulted mainly from the current and anticipated growth in the import prices of food and energy. The risks about the inflation projection are assessed as generally upward. The eventually more intensive transmission effect from the rise in the import prices on the domestic prices, relative to the expected one, the more intensive growth in the international prices of food and energy, as well as the more intensive indirect effects of these price categories on the other prices were identified as the key risk points regarding the projection.

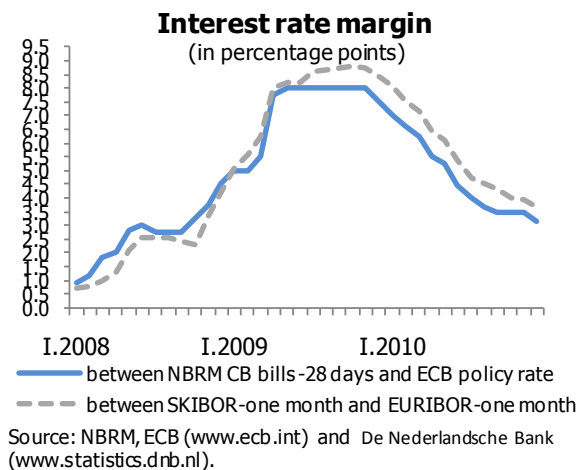
## II. Monetary policy

*The monetary policy relaxation continued also in the last quarter of 2010. In conditions of favorable ambient and lower risks, in December, NBRM reduced the basic interest rate by 0.5 p.p. Thus the interest rate on the CB bills at the end of the year reduced to 4%, or to the historically lowest level. Such changes in the monetary policy were enabled by the relatively stable foreign exchange market during the last quarter, opposite to the expectations for bigger pressures on the demand for foreign currency in this period. These trends were consistent with the signals of the latest macroeconomic parameters. Namely, the external position until the end of the year is estimated as considerably more favorable relative to the previous expectations, with smaller deficit in the foreign trade and more intensive growth in the private transfers. Besides the stronger stimulus of the export demand, the better performances arise also from the smaller pressures on the imports. Such movements show that despite the increase in the domestic economy, the domestic demand is still insufficiently strong to create pressures for deepening of the external misbalances. The latest estimates show relatively stable environment for implementation of the monetary policy also in the following period. However, there are still risks, mainly related to the recovery dynamics of the world economy, primarily from the EU countries. Their possibly smaller growth can result in poorer export performances and smaller capital inflows, and thus pressures on the foreign reserves. In any case, the better position of the foreign reserves at the end of the year relative to the expectations ensures capacity for successful buffering of the possible risks.*

**By decreasing the basic interest rate in December, NBRM continued the monetary policy relaxation cycle which began at the end of 2009.** Thus the interest rate on the CB bills at the end of the year reduced to 4%, or on the historically lowest level. **The monetary changes are expected to contribute to further stabilization of the expectations, bigger movements of the credit flows, and thus to the dynamization of the economic activity.** The continuous decrease in the basic interest rate was primarily enabled by the stable movements on the foreign exchange market,



Source: NBRM.



opposite to the expectations for deepening of the gap between demand and supply of foreign exchange in the fourth quarter. In the fourth quarter, the NBRM intervened with net purchase of foreign exchange in the amount of about Euro 8.6 million. Thus no pressures of higher significance on the foreign exchange rate were registered, while the foreign reserves continued to mount. The favorable trends in this segment are explained with the better realization in the external sector relative to the expectations. The positive impulses of the global environment on the export growth, the slower growth dynamics of the imports, the stable expectations and the increase in the private transfers are the main factors for such divergences. The import dynamics is consistent with the movements with the domestic demand, the recovery of which is still slow, which corresponds to the relatively moderate recovery of the credit flows and the slower increase in the available income. The banking sector registers restraint for more intensive financing of the real sector, mostly conditioned by still present perceptions for higher risk.

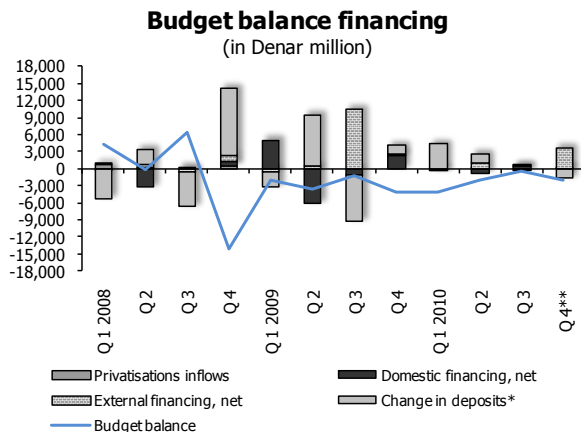
**The decrease in the basic interest rate of NBRM in December, in conditions when the ECB interest rate remained on the level of 1% during entire year, resulted in moderate narrowing of the spread between the interest rate of NBRM and ECB in December** (from 3.5 percentage points in September to 3.1 percentage point in December). On the European financial market, the investors' concern regarding the fiscal stability of some of the EU member states became topical, causing more evident variability of the market interest rates EURIBOR in the last few months. In September, the interest rate EURIBOR with one-month, three-month and six-month maturity reduced, and in October and November it moved again in upward direction. The new turbulence on the financial market and the changes in the investors' perceptions regarding the future economic and financial situation in the world can be perceived also through the registered interest rate growth derived from the prices of futures of the three-month EURIBOR<sup>44</sup>. On the domestic financial market, the one-month SKIBOR<sup>45</sup> followed the changes with the basic interest rate registering continuous decrease during the fourth quarter. In such conditions, the trend of interest rate narrowing between the one-month SKIBOR and one-month EURIBOR continued also in the fourth

<sup>44</sup> ECB Monthly Bulletin, December 2010.

<sup>45</sup> Interbank interest rate for Denar deposits, calculated from the quotations of the reference banks.

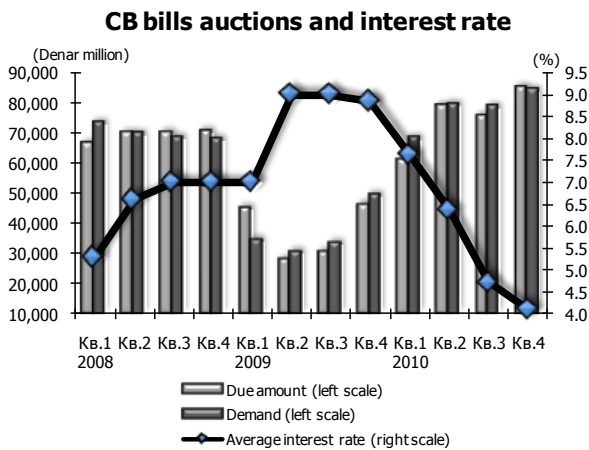


quarter, reducing from 4.3 percentage points in September to 3.7 percentage points in December.



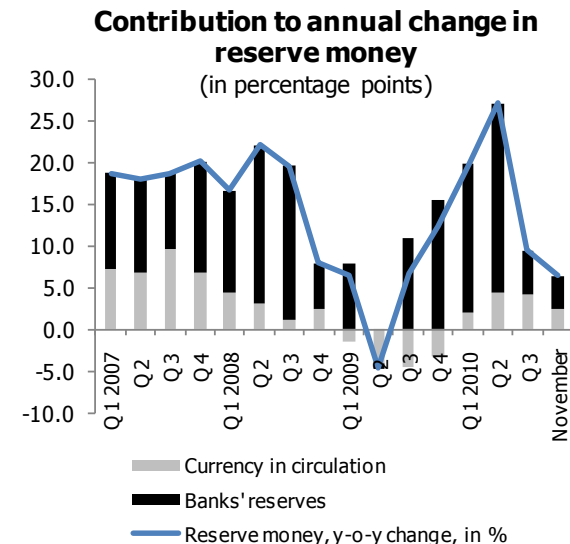
\* Positive change - deposits withdrawal; negative change - deposits cumulation.  
 \*\* Refers to July and August 2010.  
 Source: Ministry of finance of the Republic of Macedonia.

**From the aspect of the factors affecting the liquidity of the banking sector, during the fourth quarter of 2010, the Government acted towards minor creation of liquid assets.** In accordance with the latest available data, the budget deficit in October and November, on cumulative basis was higher relative to the third quarter and it equaled Denar 2,075 million. From the aspect of financing of the budget balance, the largest contribution accounted for the external financing in conditions of more significant rise in the inflows based on foreign loans (of Denar 4,341 million<sup>46</sup>). The domestic finance had minor contribution to the funding, given registered outflows based on debt repayment (paid regular installment of the bond for old foreign exchange savings. Having in mind these flows, the Government deposits registered an increase (of Denar 1,696 million, on cumulative basis in October and November)<sup>47</sup>.



Source: NBRM.

**Opposite to the third quarter, when despite the smaller interest rate, the banks' interest to invest in CB bills was high, in the fourth quarter, the demand for these securities was moderately lower than the due amount (by 0.8%).** Thus during the fourth quarter, liquidity in the total amount of Denar 647 million through CB bills was created.



Source: NBRM.

**In the fourth quarter, the average daily liquidity of the banks registered a quarterly drop of 2%.** The excess of allocated liquid assets over the reserve requirement (in Denars)<sup>48</sup> in the fourth quarter equaled 1.9%, on average, compared to 1.3% in the third quarter. In comparison with the fourth quarter of 2009, the excess over the reserve requirement is lower by 1.3 percentage points. In November 2010, the annual growth rate of reserve money<sup>49</sup> equaled 7.5%, compared to 8.8% as it equaled at the end of the third quarter.

**Stable environment for conducting monetary policy in the following period is expected.** The estimates for more dynamic

<sup>46</sup> It mostly refers to the withdrawn Special Drawing Rights from IMF.

<sup>47</sup> It refers to the change in the Government deposits with NBRM, according to the data from the fiscal table for November 2010.

<sup>48</sup> The period for maintaining (fulfilling) the banks' reserve requirement covers the period from the 11th in the current month to the 10th in the following month.

<sup>49</sup> It includes also the reserve requirement in foreign exchange.



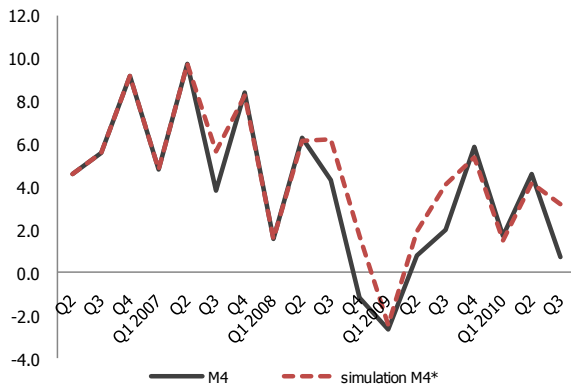
economy growth, but still below the potential, in 2011, also underpin this statement. In the external sector, the current account deficit is expected to be relatively low, assuming moderate increase in the external demand and poor recovery of the domestic demand. Thus, the movements on the foreign exchange market are expected to be positive, with no pressures on the foreign reserves being anticipated. Regarding the inflation, the expectations are in direction of controlled growth, which is not expected to act destabilizing on the expectations of the economic agents. However, **the potential negative risks** should not be neglected in case of such a scenario. Globally, the main risk is located in the velocity and the successfulness of the already initiated fiscal consolidation of fiscally vulnerable countries in the Union and the improvement of the on-balance sheet positions of different sectors in the economies, primarily the banking sector. The possible failure within this domain could materialize the risk of new "contagion" stage, i.e. spill-over of the negative situation from one country to another, which can bring back the negative sentiment on the financial markets and to destruct the planned global growth. The possibly smaller growth of the countries in the world, primarily in the European Union, on domestic plan, can have disincentive effect on the export demand and the capital inflows. If the inflation growth is bigger than anticipated, it is another risk with respect to the monetary policy conduct. Hence, the potential risks will be continuously monitored, and if needed, it will be acted adequately in order to preserve the stability of the foreign exchange rate.

## 2.1. Monetary aggregates

***In the third quarter of 2010, acceleration of the quarterly growth of the money supply and the banks' deposit potential was registered. Such a dynamics is mainly due to the outflow of bigger amount of funds for payment of dividend by larger company to the Government and foreign investor in July. If eliminate this effect, slowdown of the quarter growth is evidenced once again, although with smaller intensity. Observed from sector aspect, in conditions of high outflows of funds from the enterprises' accounts for payment of dividend, in the third quarter the deposits of the corporate sector registered the severest quarterly drop in the last six months. Growth deceleration also with the households' deposits was registered. In October and November, further intensified increase in the saving in the banking system was registered. The further dynamics of the monetary growth is conditioned by the trends in both the real and external sector. Hence, the risks about the future trajectory on the money supply correspond to those related to the estimates for the economic growth and the external position of the economy.***

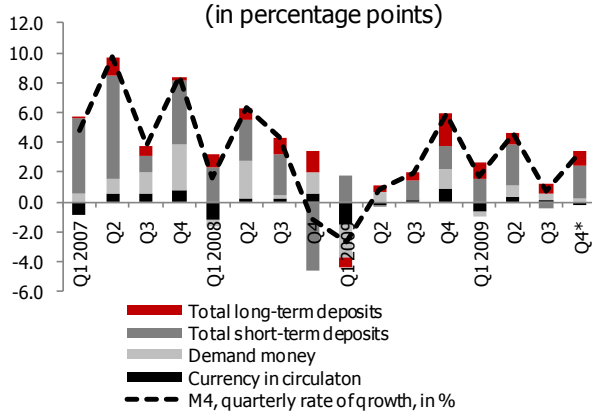


**Broad money M4  
(quarterly rate of growth, in %)**



\*it doesn't include dividend payment  
Source: NBRM

**Contribution to quarterly change in broad money M4  
(in percentage points)**



\*change according to september 2010

**In the third quarter of 2010, the broadest money supply M4 went up quarterly by 0.7%, which is slowing down relative to the rise in the preceding quarter (of 4.6%).** Such a monetary growth dynamics is mainly due to the one-time effect, i.e. to the payment of dividend of one larger company to the Government and the foreign investor in July. If the extraordinary factor<sup>50</sup> is isolated, the quarterly growth of the money supply M4 would equal 3.2% in September, compared to 4.2% in the previous period. In October and November, positive dynamics of the money supply was registered. The regular payment of the bond for the old foreign exchange saving in October additionally influenced on the monetary growth, as well. In case of such movements, in November, in comparison with the end of the third quarter, the money supply increased by 3.3% (if isolating the dividend effect, the increase would equal 2.9%). Analyzed on annual basis, the increase in the broadest money supply in November 2010 equaled 13.7% (13.4% in September).

**In the third quarter, the long-term deposits had dominant role in the money supply growth, which is not characteristic for the previous period.** Namely, despite the slower quarterly growth in the long-term deposits (from 6.8% to 5.3%), increase in their contribution in the broadening of the money supply was registered (from 16.7% to 87.3%, on a quarterly basis). However, the fact that this is mainly a result of the one-time effect (payment of dividend in July) should also be taken into consideration, so beside the quarterly drop in the short-term deposits of 0.7%, they remain dominant category in the broadest money supply. It can be also perceived from the movements in the following period (October and November), when increase in the short-term deposits and return to their high contribution in the increase in the money supply (of 67% compared to the end of the third quarter) was registered.

<sup>50</sup>It refers to the payment of dividend in the third quarter. The M4 and the total deposits simulation is based on isolation of the effect of the payment of dividend.



Main components of broad money M4

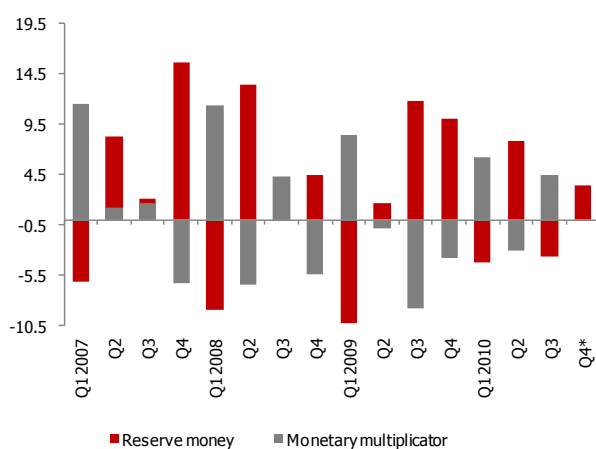
|                           | I-XI.2010<br>Average<br>share in M4 | Quarterly rate of growth, in % |      |     |      |         |     |      |      |
|---------------------------|-------------------------------------|--------------------------------|------|-----|------|---------|-----|------|------|
|                           |                                     | Q1 2009                        | Q2   | Q3  | Q4   | Q1 2010 | Q2  | Q3   | Q4*  |
| Currency in circulation   | 7.2                                 | -16.8                          | -3.0 | 1.7 | 12.5 | -8.7    | 5.5 | 1.8  | -2.3 |
| Demand money              | 16.8                                | -12.0                          | 4.0  | 0.1 | 7.5  | -1.5    | 4.1 | 2.6  | 1.6  |
| <b>M1</b>                 | 24.0                                | -13.5                          | 1.8  | 0.6 | 9.0  | -3.7    | 4.5 | 2.4  | 0.4  |
| Total short-term deposits | 64.4                                | 2.7                            | 0.0  | 2.0 | 2.4  | 2.3     | 4.2 | -0.7 | 3.4  |
| <b>M2</b>                 | 88.4                                | -2.2                           | 0.5  | 1.6 | 4.1  | 0.6     | 4.3 | 0.1  | 2.6  |
| Total long-term deposits  | 11.6                                | -7.3                           | 5.0  | 5.9 | 24.2 | 10.8    | 6.8 | 5.3  | 8.1  |
| <b>M4</b>                 | 100                                 | -2.6                           | 0.8  | 2.0 | 5.9  | 1.7     | 4.6 | 0.7  | 3.3  |

\* change according to september 2010

Source: NBRM

**Observed from the aspect of the most liquid money supply M1, the growth rates with the currency in circulation and demand deposits registered quarterly deceleration, given the rise in their contribution in the increase in the broadest money supply (from 23.4% to 81.7%).** The increase in the demand deposits in this period is mainly conditioned by the increase in the enterprises' transaction account, in conditions of acceleration of the economic growth dynamics and the favorable movements in the external sector. However, if the payment of dividend from the money supply M4 is isolated, the contribution of the currency in circulation remains positive, although slower compared to the preceding quarter. Such a decrease in the positive contribution of this component is characteristic also for the following period (October and November), when the contribution of M1 continues to decrease, in conditions of increase in the foreign currency deposits and decrease in the currency in circulation (relative to the end of September).

Quarterly change of broad money M4 by components (in %)

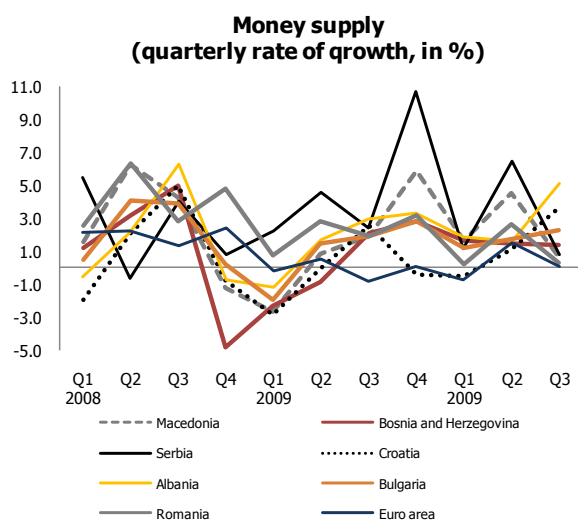


\*change according to september 2010  
Source: NBRM

**During the third quarter, moderate acceleration in the monetary multiplication was registered, with the monetary multiplier of the money supply M4 being equal to 4.9% in September, compared to 4.6% in June.** The acceleration in the monetary multiplier is a result of the increase in the broadest money supply, given quarterly drop of reserve money. In November, moderate slowing down in the monetary multiplier of 4.8 was registered, given more intensive increase in the reserve money relative to the money supply growth.

**The comparative analysis shows different growth dynamics of the money supply M4 in different countries.** Thus depending on the conditions in the real and external sector, part of the countries registered acceleration, i.e. deceleration of the quarterly





Source:

growth rates of the broadest money supply. Within the analyzed countries, in the third quarter, the largest slowdown of the quarterly growth rate from 6.4% to 0.8% was registered in *Serbia*. These movements are consistent with the deceleration of the GDP growth in the third quarter, mainly as a result of the decrease of the agricultural output, as well as the continuous decrease in the employment<sup>51</sup>. Also, more significant deceleration of the monetary growth was registered in Romania, where in September, quarterly growth of 0.3% was registered, opposite to 2.7% in the second quarter. On the other hand, in conditions of positive rates of economic growth in the second half of 2010, in Albania, the money supply M4 registered quarterly growth from 1.6% to 5.1%. The acceleration of the quarterly growth rates of the money supply M4 are also registered in Croatia and Bulgaria (from 1.1% to 3.6% and from 1.8% to 2.3%, respectively).

**In the third quarter of 2010, acceleration of the quarterly growth of the banks' total deposit potential<sup>52</sup> from 4.6% in the previous quarter to 0.2%, mainly as a result of the payment of dividend by one large company was registered, which resulted in spill over of funds from the short-term Denar accounts.** Namely, isolating this single effect, quarterly increase in the deposit potential of 3.4% is registered, as a result of the increase in the Denar deposits. Larger outflow of funds for payment of dividend contributed to change in the share of the individual components for the change in the total deposits. Thus compared to the previous periods, when the Denar deposits played dominant role in the deposit potential growth, in the third quarter, this role accounted for the foreign currency deposits. Decline in the Denar deposits of 1% on a quarterly basis was registered, given the slower increase in the foreign currency deposits of 0.9%, compared to 2.4% in the previous period. The share of the foreign currency deposits in the total deposits (without demand deposits) registered quarterly increase from 62.6% to 63%, while their share in the total deposits with included demand deposits (degree of Euroization) registered quarterly decrease from 52.2% to 52%. However, the fact that it is a single effect is proved with the movements in the following period (October and November), when the Denar deposits remained

<sup>51</sup> Inflation Report, National Bank of Serbia, November 2010.

<sup>52</sup>It refers to the Denar deposits without demand deposits. If include the demand deposits, the quarterly growth of the total deposits in September 2010 would equal 1.2%, compared to 4.6% in the previous quarter.



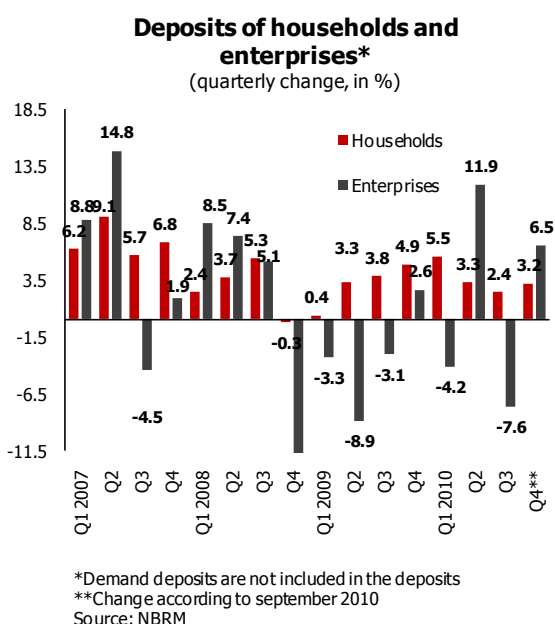
dominant category in the deposit potential widening (with a share of 62.8% compared to the end of the third quarter).

Average share in total deposits, in %

|  | 2008        |             |             |             | 2009        |             |             |             | 2010        |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Q1          | Q2          | Q3          | Q4          | Q1          | Q2          | Q3          | Q4          | Q1          | Q2          | Q3          | Q4*         |
| <b>Total denar deposits</b>            | <b>46.4</b> | <b>45.5</b> | <b>44.8</b> | <b>42.6</b> | <b>39.4</b> | <b>36.7</b> | <b>33.9</b> | <b>35.1</b> | <b>35.7</b> | <b>36.9</b> | <b>36.6</b> | <b>37.9</b> |
| Households                             | 28.4        | 26.8        | 25.4        | 25.7        | 22.0        | 19.5        | 19.0        | 19.5        | 21.1        | 22.4        | 24.2        | 24.7        |
| Enterprises                            | 16.3        | 17.2        | 18.0        | 15.2        | 13.8        | 13.5        | 10.9        | 10.9        | 9.9         | 9.7         | 7.7         | 8.3         |
| <b>Total foreign-currency deposits</b> | <b>53.6</b> | <b>54.5</b> | <b>55.2</b> | <b>57.4</b> | <b>60.6</b> | <b>63.3</b> | <b>66.1</b> | <b>64.9</b> | <b>64.3</b> | <b>63.1</b> | <b>63.4</b> | <b>62.1</b> |
| Households                             | 39.8        | 40.5        | 41.3        | 43.5        | 46.9        | 50.9        | 53.3        | 52.3        | 52.2        | 50.0        | 50.3        | 49.1        |
| Enterprises                            | 13.6        | 13.9        | 13.7        | 13.6        | 12.9        | 11.5        | 11.9        | 11.7        | 11.2        | 12.3        | 12.2        | 12.2        |
| <b>Total deposits</b>                  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  |

\*October and November

\*\* demand money are not included in total deposits and total denar deposits



The outflow of funds aimed at dividend payment influenced also on the layout of the maturity structure of the total deposits. Thus in the third quarter, the increase in the total deposits is a result of the long-term deposits, opposite to the short-term deposits in the previous quarter. The deceleration of the quarterly growth of the long-term deposits which commenced in the first half of the year continued also in the third quarter (4.3% opposite to 7.2% in the second quarter). The short-term deposits, after almost two years, registered quarterly decrease (of 0.6%), mainly as a result of the aforementioned dividend. However, by depleting the effect of the payment of dividend, in November, compared to the end of the third quarter, the short-term deposits once gain have dominant role in the deposits growth (share of 61.8%). Also, in this period (September - November), increase in the total deposits of 4.2% were registered (opposite to 3.1%, if isolate the effects such as the dividend and the bond). On annual basis, in November 2010, the total deposits went higher by 14.9%<sup>53</sup> (13.7% in September). With demand deposits being included, the annual growth rate in the total deposits in November equaled 15%.

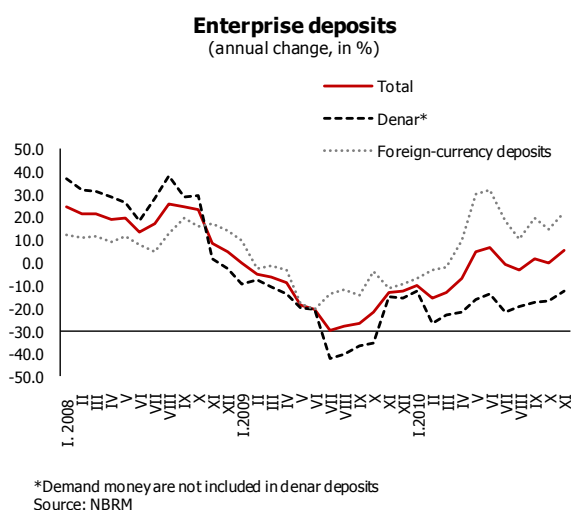
**The slowing down of the quarterly growth of the households' deposits (without demand deposits)<sup>54</sup>, which begun from the beginning of the year, continued also in the third quarter. The quarterly growth rate equals 2.4%, opposite to 3.3% in the previous quarter.** In this period, growth deceleration with all components of the households' deposits was registered, except to the deposits in foreign currency. However, the deposits in domestic currency in the third quarter retained the high contribution in the rise of the total households' deposits (80.4%), given the registered increase in the contribution of the

<sup>53</sup>

<sup>54</sup> If include the demand deposits, the quarterly growth of the households' deposits in September 2010 would equal 2%, compared to 3% in the previous quarter.



foreign currency deposits (from 5.6% to 19.6% on a quarterly basis). Thus on quarterly basis, the Denar and foreign currency deposits incremented by 6.1% and 0.7%, respectively (opposite to 10.6% and 0.3%, respectively in the previous period). From the aspect of the maturity, the trend of increase in the contribution of the long-term deposits in the increase in the total households' deposits that begun from the beginning of the year, continued also in the third quarter. Thus the long-term deposits participated with 53.9% in the increase in the households' deposits, compared to 42.5% in the previous period. Observed on a quarterly basis, the long-term deposits registered an increase of 1.3% and 7%, respectively, opposite to 2.3% and 8%, respectively in the previous period. In the following period (October and November) increase in all components of the households' deposits was registered, given outflow of funds on the households' accounts as a result of the payment of the regular installment of the bond for old foreign exchange saving. In environment of such movements, in November, relative to the end of the third quarter, the households' deposits augmented by 3.2%. However, if isolating the effect of the payment of the bond, slower growth with the households compared to the end of the third quarter in this period was registered. Annually observed, the households' deposits surged by 17.7% in November (17% in September 2010).



**During the third quarter of 2010, the total enterprises' deposits<sup>55</sup> dropped by 7.6%, opposite to the rise of 11.9% in the previous period, which is the severest decrease since the second quarter of 2009.**

Such movement of the corporate deposits is a result of the bigger outflow of funds from the enterprises' accounts for payment of dividend in July. Namely, the increase in the corporate deposits in August and September succeeded to cover only part of the withdrawn funds from the enterprises' accounts. However, if isolating the one-time effect, increase in the corporate deposits in the third quarter of 5.8% will be evidenced, with this growth being mostly contributed by the Denar and short-term deposits. Having in mind that for the purpose of dividend payment funds from the accounts of Denar and short-term deposits were withdrawn, in the third quarter decrease of such type of deposits of 18.9% and 7.4%, respectively was registered, which contributed also towards decrease in the total corporate deposits. Observed

<sup>55</sup> It refers to the total deposits without demand deposits. If include demand deposits, quarterly drop of 1.3% is registered, compared to 9.6% in the previous period.



on a quarterly basis, the long-term deposits registered a decline of 11.5%, opposite to 7.5% in the previous period. From the aspect of the foreign currency deposits, slower quarterly growth of 1.5% (compared to 14.9% in the second quarter) was registered. By depleting the effect of payment of dividend in October and November, the corporate deposits registered a growth, given increase in all their components. Both, the Denar and the short-term deposits retook the role as the main driving force for the increase in the corporate deposits. In case of such movements, in November, relative to the end of the third quarter, the enterprises' deposits registered an increase of 6.5% (if isolate the effect of the dividend, the increase equals 3.7%). On annual basis, the total enterprises' deposits (without demand deposits)<sup>56</sup> in November registered an increase of 5.2% (1.7% in September 2010).

Estimating further dynamization of the economic activity and improvement of the position of the balance of payments, in the following period further widening of the money supply is expected. However, the risks related to the monetary growth dynamics are still present. They are mainly connected to the realization of the assumptions for domestic economy recovery and better external position.

## 2.2. Credit activity

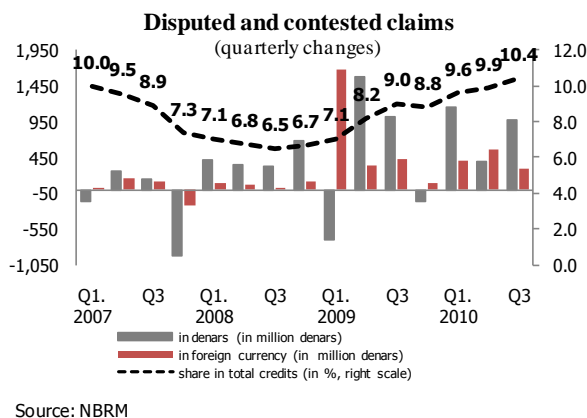
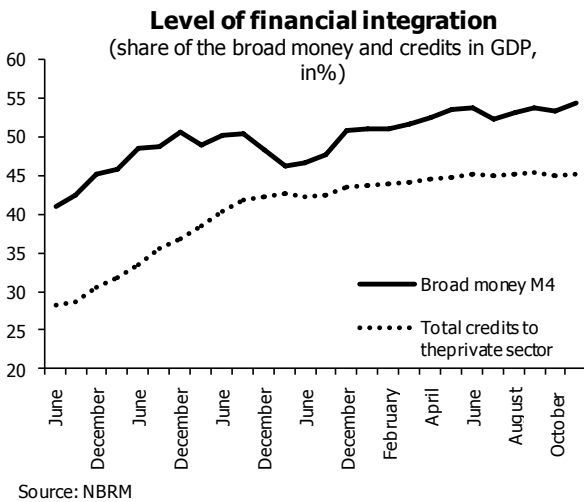
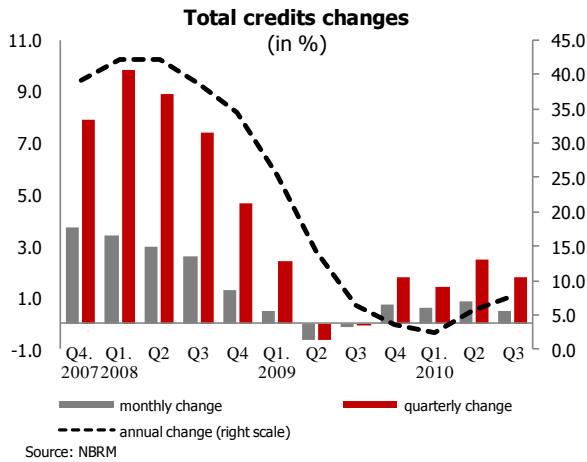
***In the third quarter, the credit flows were characterized with slower growth dynamics, compared to the increase in the previous quarter. Such trends continued also in the first months of the last quarter of the year. On the other hand, the primary sources of financing of the banks preserved their continuous solid growth<sup>57</sup>. Also, the macroeconomic parameters are favorable compared to the so-far trends and point to smaller future risks, which actually effectuated also on the further relaxation of the monetary policy. The growth slowdown of the credits, in conditions of such positive changes, show that for now there is no bigger change in the banks' perception for the future risks. Furthermore, in this period, bigger restraint for larger additional credit exposure is present. However, having in mind the mounting financial capacity, stability and safety of the banking sector and the favorable ambient, in the following period, the credit activity is expected to follow up faster the recovery of the real economy. In any***

<sup>56</sup> By including the demand deposits, the total enterprises' deposits in August 2010 registered annual increase of 8.3%.

<sup>57</sup>This can be perceived also through the fact that the demand deposit of the banks in the third quarter continued to mount (1.2%, quarterly, compared to 4.6% in the previous quarter), despite the effect of payment of dividend of one domestic company towards the foreign investor and the Government. If this single enterprises' deposits outflow is isolated, the quarterly growth of the total deposits would be even larger, and the growth rate would equal about 3.4%.



**case, the crediting volume and the growth pace on the credit market will mostly depend on the of the credit demand quality.**



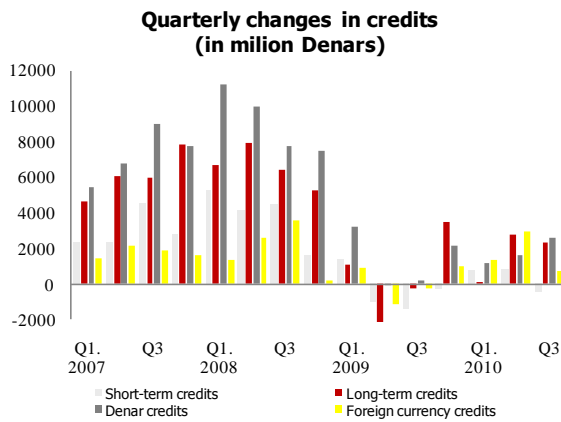
The data pertaining to the third quarter of 2010 point to further growth in the banks' credit activity, although with slower pace. Thus in the third quarter, the bank credits incremented by 1.8% (compared to 2.5% in the second quarter). In October and November, the credit flows continued to increase with slower dynamics, registering growth of 0.8% (November 2010/September 2010). On annual basis, in November the credits increased by 7.5%, opposite to 7.7% and 5.8% in September and June. **The environment in which the banking system functioned during the third quarter characterized with favorable movements in the real sector and relatively favorable external position of the economy.** Namely, the process of recovery of the real economy continued also in the third quarter. The movements in the external sector in the same period point to positive trends with the inflows from private transfers, and to the improved position of the export enterprises on the external markets. **Such movements had positive influence on the further widening of the banks' deposit base, as the main source of crediting. However, the banks' perceptions for presence of still relatively high level of risks contributed to more conservative approach to the new credit exposure.** In such conditions, main focus of the banks is providing certainty in the placement of funds. Consequently, the banks focused on coverage of the highly quality credit demand, with the terms for approving credits, except their price<sup>58</sup>, remaining mainly unchanged. The Lending Survey for the third quarter of 2010 shows that the largest part of the banks conducted generally unchanged credit policy during the quarter, and one third of the banks pointed to tightening of the crediting terms with the corporate credits<sup>59</sup>.

From the aspect of the banks' balances, beside the continuous deposit growth, that provided solid amount of assets for more intensive crediting, the profitability improvement<sup>60</sup>, as well

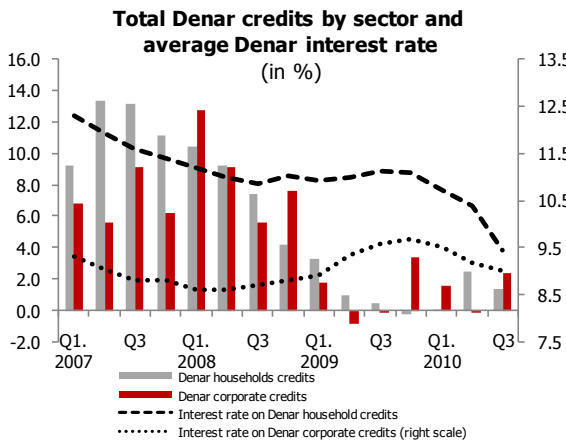
<sup>58</sup> Lending Survey, October 2010

<sup>59</sup> As a contrast to the tightening of the terms for approving corporate loans in this Survey, in the Lending Survey for the second quarter, the banks pointed to almost full cessation of the process of tightening of the crediting terms with both, enterprises and households.

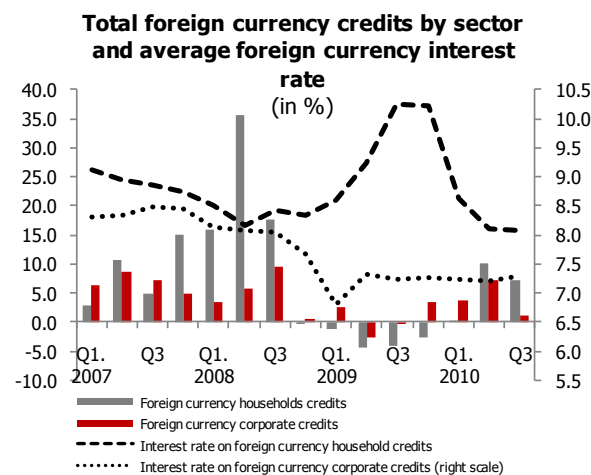
<sup>60</sup> In the second and the third quarter of 2010, the ROAA and ROAE indicators show upward trend (from 0.1% and 1.1%, respectively, in the first and the second quarter, they mounted to 0.4% and 3.2%, respectively, while in the third quarter, they equaled 0.5% and 4%, respectively).



Source: NBRM



Source: NBRM



Source: NBRM

as the good on-balance sheet positions<sup>61</sup> of the banks acted in positive direction. However, the banks' interest for investment in non-risk securities (CB bills and Treasury bills), despite their low yield, was significant, which resulted in higher contribution of these investments in the increase of the banks' assets on quarterly basis, for the account of the credit placements.

**The analysis of the banks' credit portfolio quality shows its moderate deterioration on quarterly basis.** Thus in conditions of more intensive increase in the suspicious and contested claims relative to the increase in the total credits, the functional portfolio registered growth deceleration on a quarterly basis (from 2.2% in the second quarter to 1.2% in the third quarter). **However, observed on annual basis, the functional portfolio strengthens continuously,** in conditions of significant growth deceleration of the suspicious and contested claims.

**From the aspect of the currency structure, the foreign exchange credits registered quarterly growth deceleration of higher significance** (from 7.3% in the second quarter to 1.7%), **given continuous stable growth in the Denar credits** (from 1.8% in the third quarter and 1.1% in the second quarter). Analyzed from the aspect of currency distribution in the second and the third quarter, the credit flows correspond to the movements in the foreign trade in this period. Namely, after the decline in the first three months of the year, in the second quarter the import activity registered considerable rise of 29.6%, quarterly, mostly triggered by the larger industrial procurements. If take into consideration that the largest part of the increase in the total credits in the second quarter was caused by the foreign currency corporate credits, it can be said that the credit activity in this quarter was in function of support of the increased import activity of the domestic enterprises. In the third quarter, the import registered moderate quarterly drop of 0.4%, which was followed by the more significant deceleration with the foreign currency credit growth, mainly with the enterprises. The withdrawn funds from the EIB credit line had certain effect on the dynamics of the foreign

<sup>61</sup> Opposite to the other countries in the world, the financial crisis caused no significant worsening in the Macedonian banking system, which was sufficiently capitalized and sufficient, thus avoiding the need of considerable on-balance sheet adjustments through the process of the so-called deleveraging, i.e. credit reduction by the banks, in order to provide better relations between the banks' assets and their capital.



currency growth. Contrary to the quarterly dynamics, **on annual basis**, within July - November 2010 period, the foreign currency credits were continually mounting with stable growth pace<sup>62</sup> which reached 17.3% in November. On the other hand, the Denar credit growth continues to maintain on relatively low level (4.8% in November and 5.5% in September).

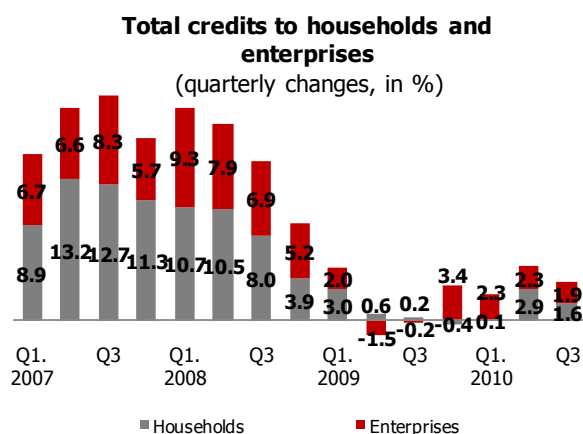
|          | quarterly growth of total credits (%) | contribution to quarterly growth of total credits (in p.p) |             |            |           |        |                  |
|----------|---------------------------------------|--|-------------|------------|-----------|--------|------------------|
|          |                                       | households   | enterprises | short-term | long-term | denars | foreign currency |
| Q 1 2008 | 9.8                                   | 4.2  | 5.6         | 4.1        | 5.2       | 8.8    | 1.0              |
| Q 2      | 8.9                                   | 4.2  | 4.7         | 2.9        | 5.6       | 7.1    | 1.9              |
| Q 3      | 7.4                                   | 3.2  | 4.1         | 2.9        | 4.2       | 5.0    | 2.3              |
| Q 4      | 4.7                                   | 1.6  | 3.1         | 1.0        | 3.2       | 4.5    | 0.1              |
| Q 1 2009 | 2.4                                   | 1.2  | 1.2         | 0.8        | 0.6       | 1.9    | 0.5              |
| Q 2      | -0.6                                  | 0.3  | -0.9        | -0.5       | -1.2      | 0.0    | -0.6             |
| Q 3      | -0.1                                  | 0.1  | -0.1        | -0.8       | -0.2      | 0.1    | -0.2             |
| Q 4      | 1.8                                   | -0.2   | 2.0         | -0.1       | 2.0       | 1.2    | 0.6              |
| Q 1 2010 | 1.4                                   | 0.0  | 1.4         | 0.4        | 0.1       | 0.7    | 0.7              |
| Q 2      | 2.5                                   | 1.1  | 1.4         | 0.5        | 1.5       | 0.9    | 1.6              |
| Q 3      | 1.8                                   | 0.7  | 1.2         | -0.2       | 1.2       | 1.4    | 0.4              |

**With regard to maturity<sup>63</sup>**, the long-term credits increased with slower pace relative to the previous quarter and they augmented by 2.1%. On the other hand, the short-term credits, after the increase registered in the two previous quarters, returned again on the negative path and registered a decrease of 0.7%. **On annual basis**, despite more intensive increase in the long-term credits, within July - November 2010 period, the increase in the short-term credits originating after 10-month continuous downward trend should be emphasized.

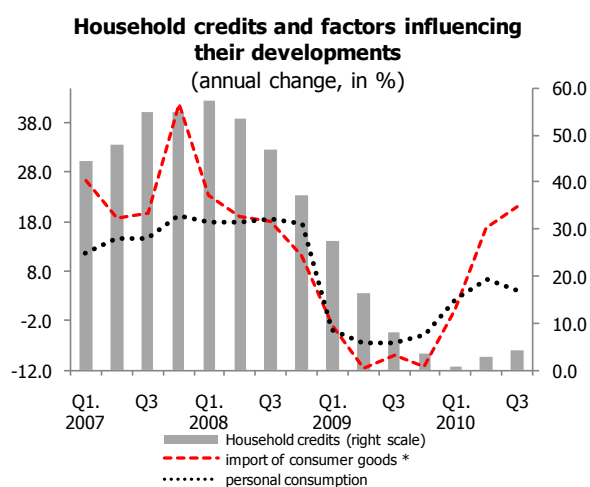
| quarterly rate of total credits growth, by countries (%) |       |        |            |         |          |           |           |
|--|-------|--------|------------|---------|----------|-----------|-----------|
|  | B & H | Serbia | Montenegro | Albania | Bulgaria | Euro-zone | Macedonia |
| Q 1 2008   | 6.6   | 6.9    | 9.9        | 7.6     | 7.1      | 2.8       | 9.8       |
| Q 2  | 7.8   | 4.6    | 10.2       | 10.1    | 12.4     | 2.2       | 8.9       |
| Q 3  | 4.6   | 6.3    | 4.9        | 8.4     | 7.6      | 1.2       | 7.4       |
| Q 4  | 1.4   | 10.6   | -1.9       | 4.9     | 2.2      | 0.9       | 4.7       |
| Q 1 2009   | -0.5  | 8.0    | -4.1       | 5.1     | 0.7      | 1.5       | 2.4       |
| Q 2  | 0.1   | 4.2    | -1.8       | 0.4     | 0.4      | 1.3       | -0.6      |
| Q 3  | -2.3  | 3.0    | -2.4       | 2.3     | 1.7      | 0.0       | -0.1      |
| Q 4  | -0.4  | 6.7    | -6.7       | 3.0     | 0.8      | 0.2       | 1.8       |
| Q 1 2010   | 0.2   | 6.7    | -1.7       | 1.9     | -0.5     | 0.6       | 1.4       |
| Q 2  | 0.7   | 10.8   | -0.9       | 2.0     | 0.2      | 1.8       | 2.5       |
| Q 3  | 0.1   | 2.9    | -3.0       | 0.7     | 0.9      | 0.2       | 1.8       |

<sup>62</sup> With exception to July, when the growth rate of the foreign currency credits went down from 13.1% in June to 11.7%.

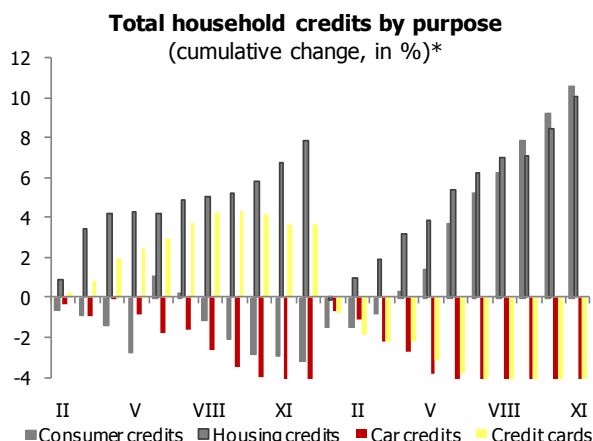
<sup>63</sup> Suspicious and doubtful claims and the accrued interest are excluded from the maturity analysis.



Source: NBRM



\* Import includes food and beverage, passenger motor cars and joint consumption goods  
Source: NBRM



\*Until December 2009, cumulative change compared to January 2009.  
From January 2010, cumulative change compared to December 2009.  
Source: NBRM

From the aspect of the credit distribution by sectors, the lending to households<sup>64</sup> registered slower dynamics, with a growth rate of 1.6%, opposite to the second quarter of the year. As a result of the smaller lending to households, compared to the lending to enterprises, the households' credits have the main contribution in the deceleration in the total credits in the fourth quarter. Smaller intensity in the third quarter, from the aspect of the currency, is characteristic also for the Denar and foreign exchange credits to households, which went up by 1.3% and 7.1%, respectively (2.5% and 10.1% in the previous quarter). Having in mind the banks' orientation towards Denar crediting of the households (the average share of the Denar credits in the total credits from the beginning of the year until November is 94.3%), the deceleration in the Denar credits in the third quarter had the main contribution in the slower increase in the households' total credits in this quarter. From the aspect of the maturity structure, after the moderate increase in the second quarter, the short-term credits returned once again in the negative zone and registered a decrease of 0.9%. On the other hand, the increase in the long-term credits decelerated and it equaled 1.8% (2.9% in the second quarter). The slower credit flows toward the households in the third quarter, correspond to the more moderate nominal growth in the personal consumption on a quarterly basis and the import of the consumer needs<sup>65</sup>, which follow after the high growth characteristic for the second quarter of the year (when the import of consumer goods surged by 21.1%). The households' savings<sup>66</sup> were additional factor on the side of credit demand, which partially contributed to the unchanged credit demand in the third quarter. The financing of part of the consumption through reducing the savings cumulated in a turbulent and uncertain period is expected result in this post-crisis stage of the economic cycle. This effect is expected to continue also in the following period. On the side of the supply, despite the perceptions of the banks for relaxation of the crediting terms<sup>67</sup>, the other conditions the relaxation of which is important for providing

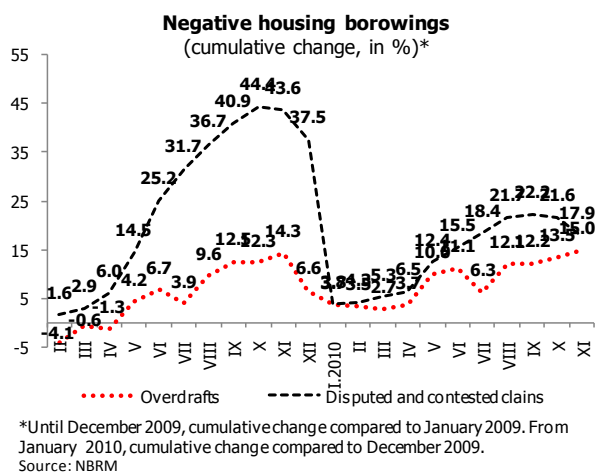
<sup>64</sup> It refers to natural persons and self-employed professionals.

<sup>65</sup> It includes import of food and beverages, road vehicles and consumer goods, and it registered quarterly increase of 0.9% in the third quarter.

<sup>66</sup> Lending Survey for the third quarter, October 2010

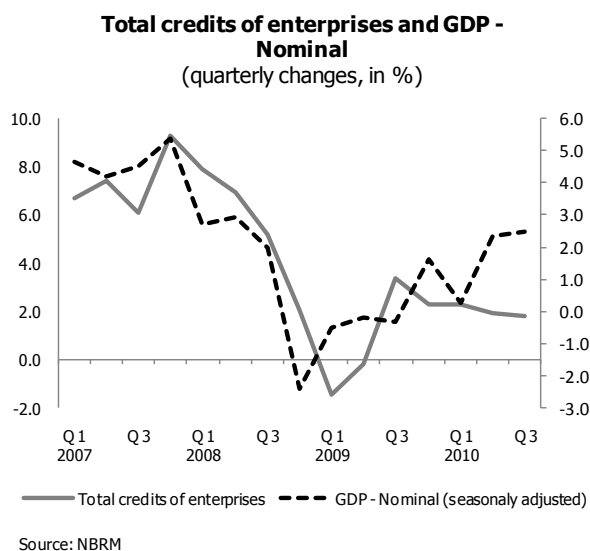
<sup>67</sup> The decrease in the interest rate on credits in the third quarter was mostly influenced by the need of adjustment of the interest rate to the Law on Amending the Law on Obligatory Relations, according to which the reduced interest rate on CB bills had direct influence towards larger downward correction of the bank interest rates.





larger availability to credits (such as the requirements for collateral, securing the credits with collateral, maturity of loans and other non-interest income) in the third quarter remained unchanged.

**Observed from the aspect of individual types of households' credits, the consumer loans were the most dynamic component on a quarterly basis**, with an increase of 4%. In comparison with the previous quarter, the increase in the negative balances based on current accounts significantly decelerated (from 8.2% to 1%), with the housing credits growth also moved in downward direction, which increased by 1.6% (3.4% in the second quarter). The decrease in the car credits deepened to 4.6% (2.2% in the second quarter), with the change in the credit cards remained negative (1.1%) The qualitative information obtained from the Lending Survey, where most of the banks point to unchanged credit demand for all types of credits are also in favor of the data on the movements with individual types of households in the third quarter. The consumption of durable consumer goods, the perspectives on the housing market and the consumer confidence are the main factors that contributed to the unchangeability of the demand, compared to their positive contribution for increasing the demand for the previous quarter<sup>68</sup>. On the side of the supply, the restriction regarding the financial expenses and on-balance sheet positions, as well as the risk of non-realization of the collateral, were the main factors for the preserved credit policy.



**Regarding the quality of the households' credit portfolio, moderate quarterly improvement was registered.** The suspicious and the contested claims grew with smaller intensity and they incremented by 6.9% (opposite to the increase of 9.5% in the previous quarter<sup>69</sup>) which enabled increase in the functional portfolio for the second consecutive quarters of decrease. **There are also positive changes on annual basis.** Thus the increase in the suspicious and the contested claims from the beginning of the year were continually decelerating, reducing to 14.9% in November (opposite to 58.5% at the end of 2009).

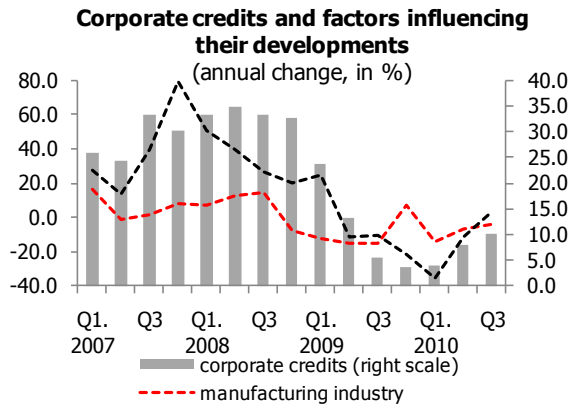
**The annual dynamics** of the households credits points to further upward trends in the July - November period. From the aspect of the maturity

<sup>68</sup> Lending Survey for the third quarter, October 2010

<sup>69</sup> It includes credits extended to natural persons and self-employed professionals by the banks and savings houses.

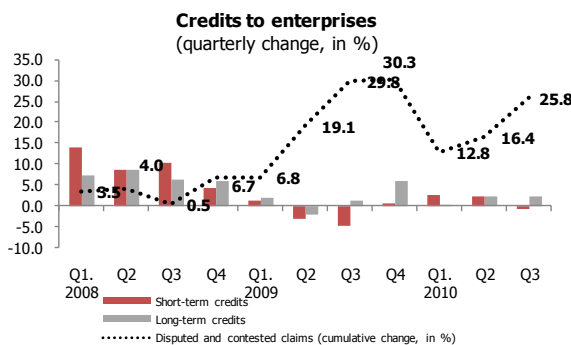


structure, the crediting in the analyzed period was on a long term basis, while from the aspect of the currency, the Denar crediting preserved its dominance (their share in the increase in the total households' credits in November equaled 75.6%).



\*Import for investment includes import of investment goods and transport equipment, parts and additional equipment  
Source: NBRM

**Observed on a corporate segment, the credit activity of the banks slowed down relative to the previous quarter,** with the total enterprises' credits increasing by 1.9% (2.3% in the second quarter). **From the aspect of the currency,** the solid growth of 2.4% of the Denar credits, opposite to their drop in the second quarter, should be emphasized. In comparison with the Denar loans, the increase in the foreign currency loans was quite moderate and it equaled 1.1% (7.1% in the previous quarter). As a result of such movements, the foreign currency loans had the main contribution to the growth deceleration of the corporate credits in this quarter. **From the aspect of maturity,** the increase in the total credits fully arises from the long-term crediting. Thus the long-term credits registered an increase of 2.3% on a quarterly basis, given a quarterly drop in the short-term credits by 0.7%. The slower increase in the corporate credits corresponds, to certain extent, to the banks perceptions for this market segment given in the lending Survey in the third quarter. On the side of the supply, the largest share of the banks preserved the crediting terms during the third quarter unchanged, mainly under the influence of the still present risks about the future economic standing of the country, the non-realization of the collateral and the expenses related to the banks' capital position<sup>70</sup>. Such crediting terms still limit the availability to credits and influence on the clients' creditworthiness, as the main factor for approving credits. On the other hand, the demand for corporate credits intensified also in the third quarter, influenced by the bigger financial needs of the companies for work capital, for servicing the due liabilities, and for investments in new fixed assets. However, bigger demand, primarily for investments in fixed assets, is expected with certain delay, having in mind the still poor utilization of the capacities compared to the degree of utilization before the crisis<sup>71</sup>.

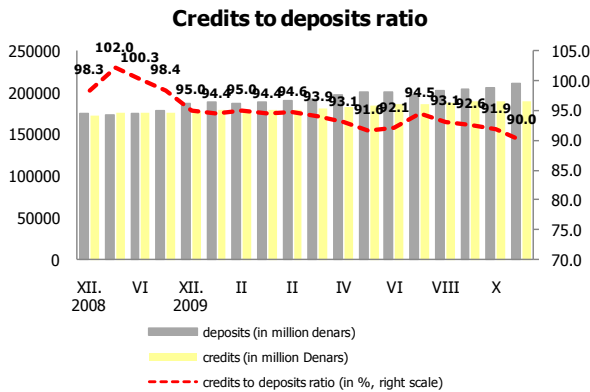


Source: NBRM

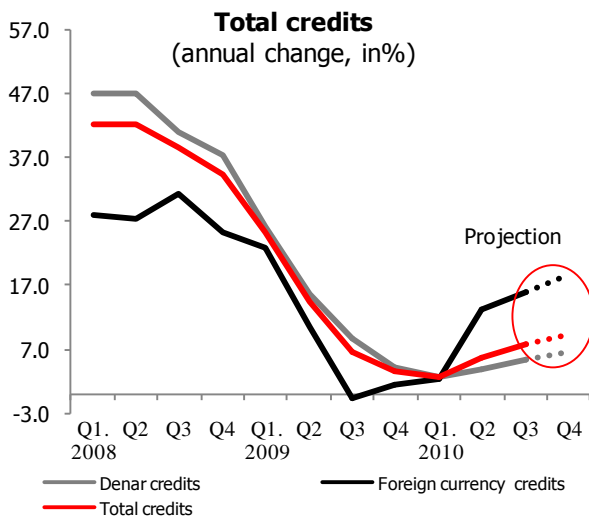
**From the aspect of the credit portfolio quality, certain deterioration on a quarterly basis is evidenced.** Namely, the increase in the suspicious and the contested claims (of 8.1%) was more intensive than in the previous quarter, which in conditions of smaller credit flows

<sup>70</sup> Lending Survey, October 2010

<sup>71</sup> According to the Surveys for business tendencies in the manufacturing industry.



Source: NBRM



Source: NBRM

in this quarter, caused deceleration in the functional portfolio growth. **However, on annual basis, the increase in the suspicious and the contested claims registered downward movement, which has positive impact on the increase in the functional portfolio.**

**The annual analysis** of the corporate credits indicate that despite the different intensity in certain months, during July - November period, these credits registered higher increase in comparison with that in the first half of the year. However, in November, the annual growth rate registered a decrease (of 8% in October, and 7.5% in November), which is partially a result of the higher comparison base from the previous year. From the aspect of the currency and maturity structure, the crediting in foreign currency was larger (with a share of 62.2% in November) and on a long-term basis (share of 60.2% in November).

**Having in mind, from one hand, the fact that in the last period, the credit market adjusted only partially to the better macroeconomic trends, and on the other hand, the bigger banks' potential for more active crediting<sup>72</sup>, the expectations for the following period are in direction of bigger support to the economy through the credit channel.** The bigger readiness of the banks for crediting is expected to be followed also with relaxation of the conditions for extending credits. The increase in the economic growth, which is expected to continue also in the following period, will have positive effect on the credit worthiness and the access of the clients to the bank credits. From that aspect, the credit demand is expected to mount. In such an environment, the undertaken monetary measures, which were in direction of monetary policy relaxation, are expected to have bigger effect for the revival of the credit market. **In any case, in the following period, the credit volume will continue to be mostly dependant on the quality of the credit demand and the credit worthiness of the clients.**

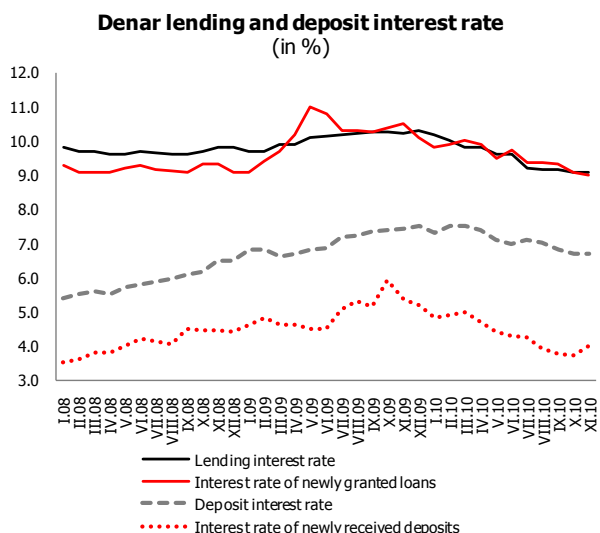
### 2.3. Interest rates

**The continuous monetary policy relaxation that began from the end of 2009 continued also in the third quarter of 2010. Such a trend was followed by downward adjustment of the interest rates on the financial markets and in the banking system, indicating certain decrease in the risk premium. The lending**

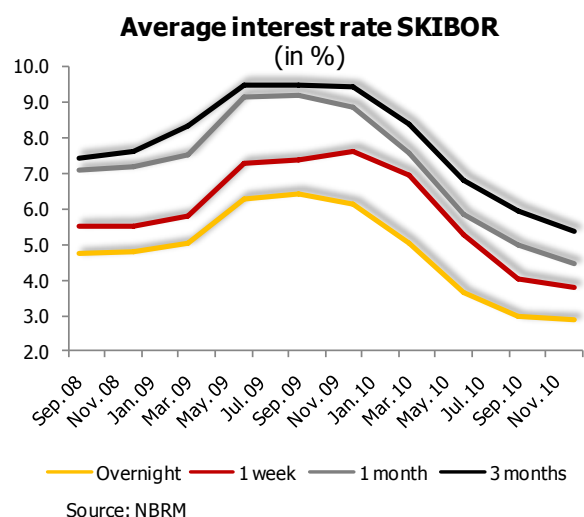
<sup>72</sup> The credit-deposit ratio reduced to 90% in November 2010.



**interest rates, after the severe monthly decrease in July, remained stable until the end of the quarter. However, the decrease in the credit price continued in the first months of the last quarter. The yields from the Denar saving registered downward trajectory, showing the banks' policy for adjustment of the costs of income changes. However, the saving in the banking system continued to increase, which a signal for sufficient stimulating yield based on deposits investments. The further changes in the banks' interest rate policy are expected, to great extent, to be conditioned by the changes in the quality of the banks' current credit portfolio, as well as the quality of the new credit demand.**



**In conditions of favorable movements of the foreign exchange market and better macroeconomic expectations, in the second half of 2010, NBRM decreased the basic interest rate in two occasions (in August and December) by totally one percentage point.** However, the basic interest rate reduced to the lowest historical level of 4% in December. In accordance with the changes of the basic interest rate, the interest rate on the Lombard credit<sup>73</sup> also decreased and it equaled 5.5%.

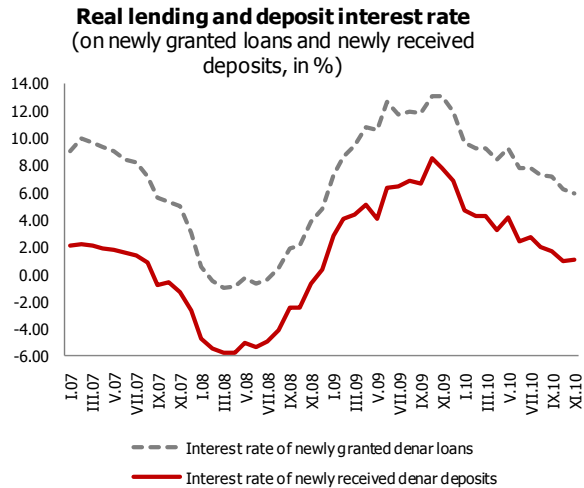


**In the third quarter of 2010, the decrease in the interest rate on the interbank deposit market continued, in conditions of improved liquidity of the banking system and relaxed monetary policy. With the interbank interest rate (MBKS)<sup>74</sup>, the downward adjustment that began in August 2009, continued in the third quarter of 2010, with this interest rate being reduced to 2.61% in September (3.27% in June). Within this period, the highest quarterly turnover on the interbank deposits market was registered (by 70% higher than in the second quarter). However, in the following period (October - December), the increase in the turnover on the deposits interbank market slowed down, and the interest rate equaled 2.69% in December). Downward trend is characteristic also for the **interbank interest rate for concluded overnight transactions (MKDONIA)**, which reduced to 2.62% in September, from 3.23\$ in June. In the last quarter of 2010, no considerable changes with this interest rate were registered, and in December it equals 2.69%.**

**Downward changes were registered also with the listed interbank interest rate**

<sup>73</sup> According to the Decision on interest rates of NBRM, effective since August 2009, the interest rate on the Lombard credit is obtained by adding 1.5 percentage points on the interest rate on the CB bills.

<sup>74</sup> MBKS - average interest rate on the interbank money market with all maturities.



Source: NBRM

**on the deposits market (SKIBOR), although with slower dynamics relative to the previous period, in line with the intensity of the changes of the basic interest rate.** Thus in the third quarter, SKIBOR registered quarterly drop, in interval of 0.7 - 1.2 percentage points, depending on the maturity, which is slowdown relative to the previous quarter. Such a dynamics of the listed interbank interest rate on the deposit market SKIBOR continued also in the last three months of 2010, with quarterly decrease within the interval of 0.04-0.6 percentage points, depending on the maturity, being registered.

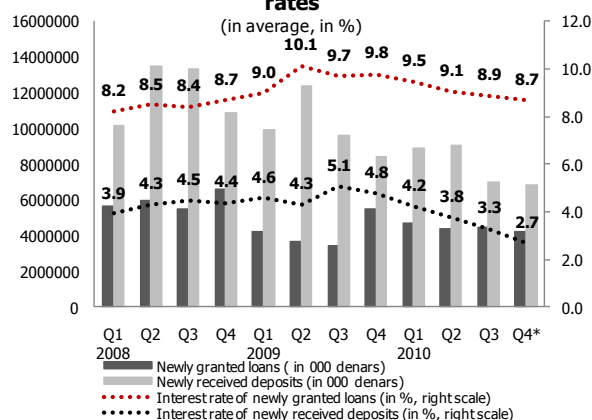
**In the second half of 2010, after a year, three-month Treasury bills and six-months Treasury bills without FX clause were offered on the primary Government securities market.** The interest rate on the Treasury bills registered downward trend within this period and they reduced to the historically lowest level. Within July - December period, the Ministry of Finance, realized three auctions of six-month Treasury bills, in case of volume tender, and on the last auction held in November, the interest rate equaled 4.5% (compared to 5%, as it equaled in August). Such changes were also recorded with the three-month Treasury bills. However, on the last auction held in December, the interest rate equaled 4.3%, opposite to 4.5% in November. Beside the auctions of Treasury bills without FX clause, six-month Treasury bills with FX clause on the primary Government securities market were offered. These bills were offered on seven auctions in the second half of 2010. The interest rate on the six-month Treasury bills with FX clause equaled 4.3% on the last auction in December (opposite to 4.7% in July).

**The lending interest rates, after the severe monthly drop in July, remained unchanged until the end of the quarter.** In circumstances of monetary relaxation, as well as harmonization of the agreed interest rates of the banks, pursuant to the provisions from the Law on Obligatory Relations<sup>75</sup>, in July, monthly decrease in

<sup>75</sup>The Law on amending the Law on Obligatory Relations that is effective since February 2010, amends the manner of determining the penalty interest rate, also setting the requirement for the contractual interest rates on the bank credits not to exceed the penalty interest rate. The rate of the penalty interest is set for each half, in the amount of the interest rate on the CB bills valid on the last day of the half that precedes the current half of the year, incremented by 10 percentage points in the trade agreements and the agreements between traders and the persons from the public law, i.e. increased by 8 percentage points in the agreements in which at least one person is not a trader (previously, this interest rate was determined according to the discount rate of the NBRM).

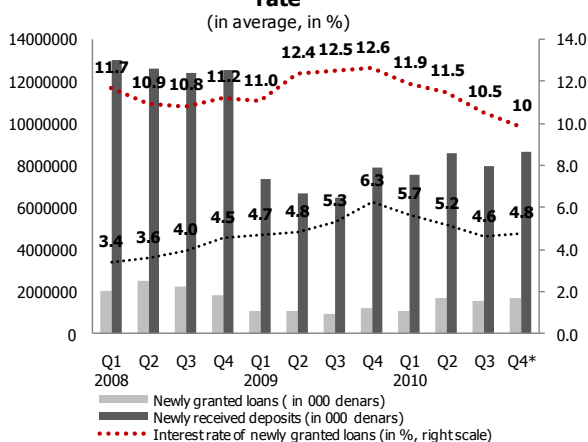


**Newly granted loans and newly received deposits of enterprises and their interest rates**



\* october and november, 2010  
Source: NBRM

**Newly granted loans and newly received deposits of households and their interest rate**



\* october and november, 2010  
Source: NBRM

the lending interest rates from 9.6% to 9.2% was registered. This level was preserved until the end of the third quarter. As a result of additional monetary stimulus (decrease in the basic interest rate by 0.5 percentage points in August) and further favorable risk assessments, in October the lending interest rate reduced to the historically lowest level of 9.1%, maintaining on that level also in the following month. **The interest rate on the newly extended Denar loans** registered downward trend from 9.7% in June to 9.3% in September. These movements continued also in the following period, with the interest rate on the newly extended credits reducing to the level of 9% in November. The adjustment of the credit price points to continuous gradual relaxation of the crediting terms. Such changes correspond to the smaller macroeconomic risks, the monetary relaxation, as well as further improvement in the banks' financial potential. However, there are certain limiting factors for bigger relaxation of the crediting terms. This refers, to great extent, to the worsen quality of the credit portfolio, poor profit positions of the banks, as well as the still slow recovery of the domestic economy, which effects the financial capacity of the credit applicants.

**The deposit Denar interest rates in the analyzed period continued to decrease also in the third quarter. The interest rate on the total Denar deposits** dropped from 7% in June to 4.8% in September and it continued to decrease up to 6.7% in November. In the third quarter, **the interest rate on the newly accepted deposits** plunged from 4.3% to 3.8%, on a quarterly basis, given moderate rise in November of 4%. The lower yields from saving correspond to the lower credit price, pointing to the adjustment of the banks balances in order to retain, or improve their profitable position.

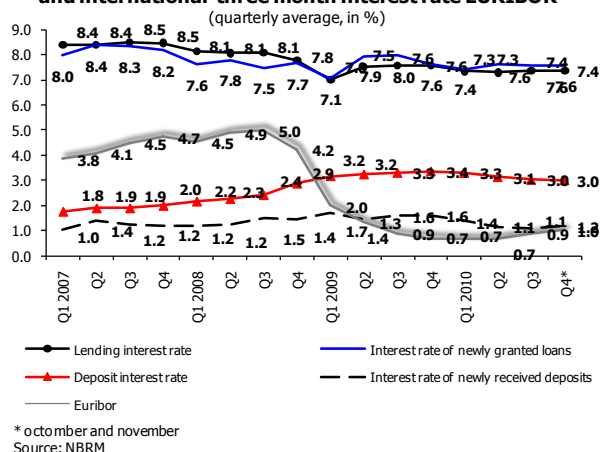
**The decrease in both the lending and the deposit interest rate was characteristic also for the households' sector and the corporate sector.** With the corporate sector, the average aggregate interest rate on the newly extended credits in the third quarter equaled 8.9%, on average (9.1% in the second quarter), while in October and November it reduced to 8.7%. According to the Lending Survey<sup>76</sup>, 20% of the banks indicate that the factors contributing to

NBRM is obliged to publish its reference rate on every January 2 and July 1 on its web site and it is applied for the current six months (until the end of the half). From July 1, 2010 until December 31, 2010, the reference interest rate for calculation of the penalty interest rate equals 5%.

<sup>76</sup>Lending Survey, October 2010, NBRM



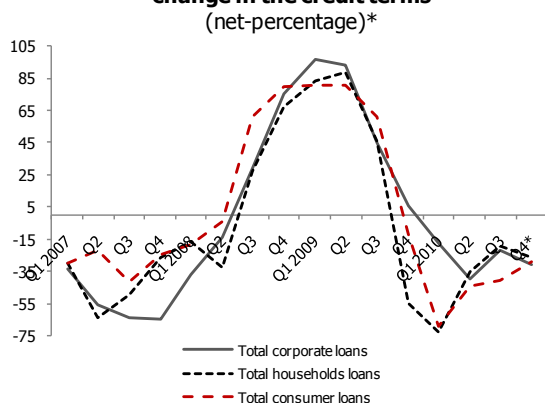
**Interest rates of foreign currency loans and deposits and international three month interest rate EURIBOR**



the crediting terms relaxation are: the current risks about the total economic activity, the perspectives of the branch the enterprise belongs to and the existing risk of non-realization of the collateral. **Observed from the aspect of the deposit interest rates, downward trend of the interest rate on the newly accepted deposits was registered.** Thus from 3.8%, on average in the second quarter, these interest rates reduced to 3.3%, on average in the third quarter. These movements continued also in the following period (October - November), when the interest rate on the newly accepted deposits reduced to the average level of 2.7%.

**The interest rates with the households registered similar movements to those of the corporate sector.** Thus in the third quarter, the average aggregate interest rate on the newly extended credits declined to 10.5%, from 11.5% as it equaled in the preceding quarter. This movement continued also in the following period, with this interest rate being decreased to 10%, on average, in the following two months. Such changes are in line with the results from the Lending Survey, where the largest portion of the banks pointed to partially relaxed crediting terms, especially with the consumer loans. The banks point to smaller risk with the households sector. The expectations for the total economic activity and the creditworthiness of the consumers are assessed by the banks as factors influencing on the crediting terms facilitation. However, also with the households, the banks estimate that the risk of non-collection of the collateral is a factor that leads towards crediting terms tightening. **The aggregated interest rate on the newly accepted deposits of the households, registered quarterly decline from 5.2% to 4.6%, on average, and in October and November, on average, it registered an increase and equaled 4.8%.**

**Banks' responses to the expectations about change in the credit terms**



\*\*Net-percentage is a difference between the share of banks reporting that credit standards have been tightened and the share of banks reporting that they have been eased. A negative net-percentage indicates that a larger proportion of banks have eased credit standard, while the positive net-percentage that the banks tightened credit standards.  
 Source: National bank of the Republic of Macedonia

**Within August - November period, the total interest rates on the foreign currency credits and deposits remained unchanged, after the minimal monthly change in July. The interest rate on the total foreign currency credits mounted from 7.3% in June to 7.4% in July, maintaining the same level in the following period. As for the interest rate on the newly extended credits, more apparent downward trend from 7.8% to 7.4%, on a quarterly basis was registered. In October, this interest rate incremented to 7.8%, while in November, it returned to the level of 7.4% as registered in the third quarter. On the other hand, the interest rate on the**



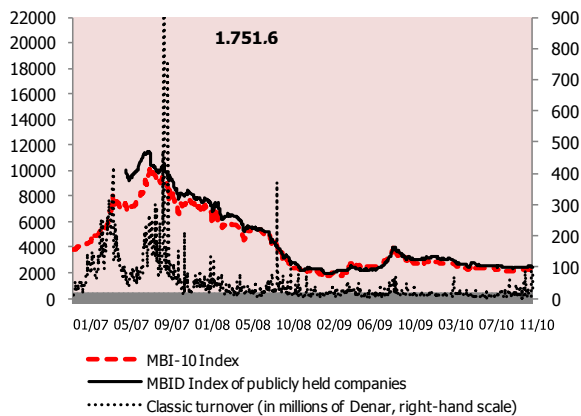
**foreign currency deposits** augmented in July by 0.1 percentage point, thus equaling 3%, a level preserved in the following four months. **The interest rate on the newly accepted deposits** of 1.1% in June reduced to 1% in September, while in November it registered slight increase and equaled 1.2%.

**The decrease in the interest rates, in conditions of more stable environment and better expectations of the banks facilitated the access to the bank credits. This trend is expected to continue in the following period, supported by the gradual recovery of the economy and lower risks.** However, the direction and intensity of the changes in the banks' interest rates will be conditioned, to great extent from the variability in the quality of the banks' credit portfolios, the banks' perceptions for the future risks, as well as the quality of the new demand for credits.

### III. Capital market

*The quarterly growth of the stock-exchange turnover that commenced in the previous quarter, continued also in the third quarter. However, compared to the previous quarter, when the increase was due to the turnover through block transactions and classical trading, in this quarter, the positive dynamics is a result of the double block transaction<sup>77</sup>. The turnover through classical trading registered a decrease in the third quarter, followed by upward trend in the last quarter. The Macedonian Stock Exchange Index registered same trajectory. At the end of September, it registered exclusively low level, after which its dynamics was positive until the end of the year. The changes in the last quarter point to positive movements on the Macedonian stock exchange. However, having in mind the volatility, it is hard to assess the viability of such movements. In any case, the further dynamics on the domestic capital market is largely conditions by the stabilization in the expectations and strengthening of the confidence of the foreign investors.*

MBI-10, MBID and realized classic trading



Source: Macedonian stock exchange.

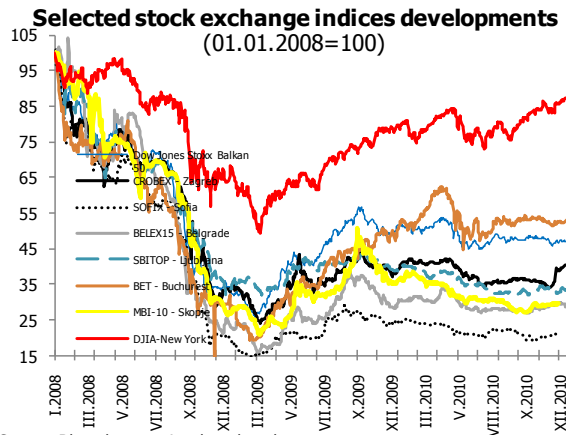
**In the third quarter of 2010, the increase in the turnover continued on the capital market, given further decrease in the Macedonian stock exchange index.** Until the end of August, MBI-10 remained relatively stable, when it suddenly began to decrease. In such conditions, at the end of September, this position of this index was on the lowest level since May 2009, while relative to the end of the previous quarter, it registered a decrease of 14%.

<sup>77</sup>On August 17, 2010, two block transactions referring to the ownership transfer of part of the stakes (about 21%) of Stpanska bank - Skopje were realized, from the International Financial Corporation (IFC) and the European Bank for Reconstruction and Development (EBOR) towards its dominant foreign shareholder.





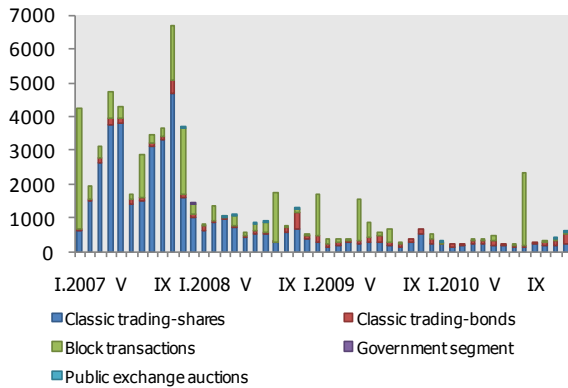
Simultaneously, the value of the publicly owned company index (MBID) plunged by 11%.



Source: Bloomberg, national stock exchanges.

**In the third quarter, the regional stock exchange indices were generally higher in comparison with the Western European markets.** Such tendencies are a result of the reduced concern about the indebtedness of certain EU member states, and the additional stimulus of the expansive monetary policy<sup>78</sup>. Thus the Warsaw WIG20 characterizes with the highest growth (of 15.2%), in conditions of favorable segment of the world stock exchanges and good macroeconomic data about the domestic market, followed by Bucharest BET (with an increase of 12.5%) and Budapest BUKS (increase of 10.4%). On the other hand, this positive influence was not felt with Ljubljana SBITOP, Sarajevo SASX-10 and Belgrade BELEX15, where because of the low liquidity and still present uncertainty of the investors, registered downward correction of 5.6%, 4.1% and 2.2%, respectively was registered.

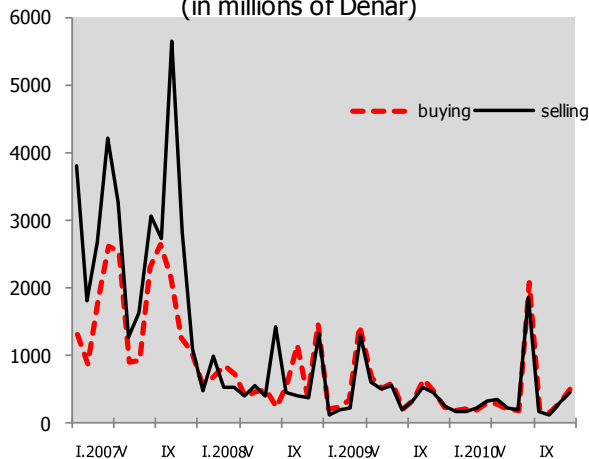
**Stock exchange turnover structure per months (in millions of Denar)**



Source: Macedonian stock exchange.

**In the third quarter of the year, the total stock exchange turnover (including the block-transactions and the Government segment) equaled Denar 2,802 million, and it is higher by 2.5 times on a quarterly basis.** Such increase is triggered by the turnover realized through the block-transactions, which is higher by 9 times. As a contrast, the classical trading decreased by 29.8% relative to the preceding quarter.

**Transactions of residents (in millions of Denar)**



Source: Macedonian stock exchange and NBRM.

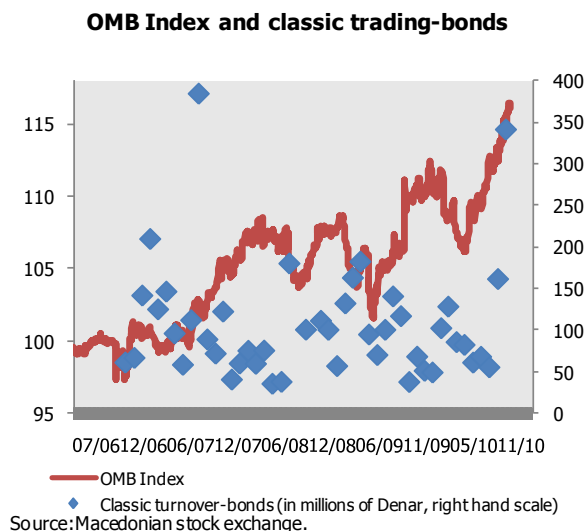
**Within July - September 2010 period, the dynamics of the stock exchange turnover arises from the activity of the domestic investors, in environment when the non-residents' activities are towards exit from the domestic capital market.** During the quarter, the foreign investors were selling securities on the Macedonian Stock Exchange in the amount of Denar 255.4 million, on net basis, compared to the previous quarter, when they realized net investments. **On September 30, 2010, the foreign investors participated with 24.72% in the total principal of the companies and 3.09% in the total nominal value of the bonds (25.88% and 3.04%, respectively, at the end of the preceding quarter<sup>79</sup>).**

<sup>78</sup> Research of Raiffeisen no. 39, October 2010

<sup>79</sup> Source: CDS.

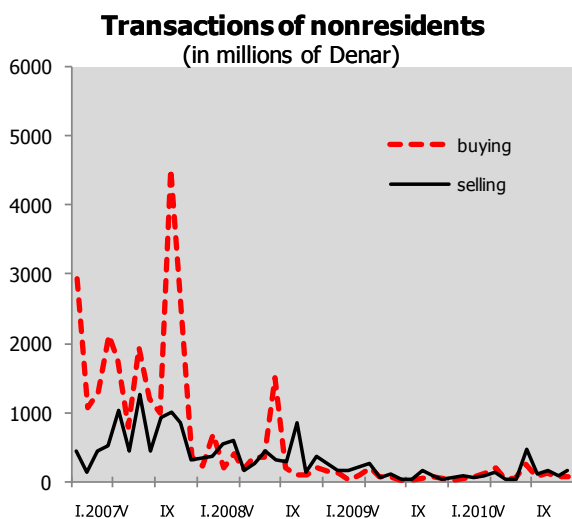


**In the analyzed quarter, the realized bonds turnover on the official market of the Stock Exchange equaled Denar 210.8 million, registering a decline of 33.2%, compared to the April - June period.** The largest portion of the turnover (76.2%) accounted for the denationalization bond from the ninth issue. During the quarter, OMB registers generally upward trend, starting from the second 10-day period of July, but with occasional downward corrections, reaching the maximum at the end of September. In comparison with the end of June 2010, the OMB value augmented 3.7%.



During the third quarter of 2010, no transactions with any of the segments (CB bills, Treasury bills and Government bonds) were realized on the Over the Counter Market. In the previous quarter, minimal trading was registered, i.e. only one transaction with Treasury bills in the nominal value of Denar 0.1 million was registered.

**The dynamics on the capital market in the last quarter of the year is towards an increase in the stock exchange indices, given a decrease in the total stock exchange turnover.** Thus at the end of December, the Macedonian stock exchange index MBI-10 positioned high at 9.4% in comparison with September 30,2010, while the OMB index augmented by 4.9%. Simultaneously, the total stock exchange turnover registered quarterly decrease (of 56.1%), which arises from the decrease in the block-transactions, having in mind the high comparison base of the previous quarter. If block transactions are excluded, the stock exchange surged by 91.9%. During the analyzed period, the foreign investors made exit from securities investments on the stock exchange in the amount of Denar 140.5 million.



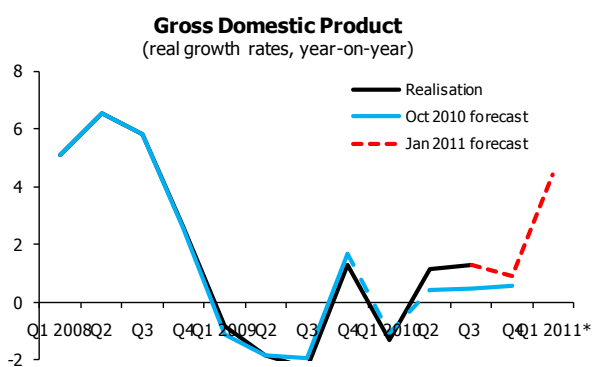
**Despite the improvement of the countries' credit rating, the better macroeconomic indicators, as well as the attained gain of the listed companies, the revitalization of the capital market is still slow.** This shows that larger movements are largely conditioned by the investment policy of the foreign investors. Their interest is currently directed towards the economies with faster growth, given further stabilization in the expectations and gradual strengthening of the confidence. The psychological factors also influence on the possible change of the situation on the domestic capital market. Also, this period characterizes with low tolerance toward risk and market oscillations. In such conditions, despite the



underestimated value of the shares and the possibility for realization bigger yields on medium terms, however, the interest for such type of investments is relatively small. Hence intensified and continuous recovery of the domestic market can be expected in environment of intensified and constant economic growth. In such conditions, domestic and foreign investors will probably be more interested to invest on the stock exchange given their better expectations and bigger readiness for accepting larger risks.

#### IV. Macroeconomic projections

*The rise in the economic activities continued in the third quarter of 2010 as well, which was in accordance with the assessments in the October projection. However, the growth intensity of 1.3% was higher relative to the anticipated one with the October projection of 0.5%. These performances, together with the upward revision of data for the economic growth in the second quarter contributed to better starting position, relative to the October projection. The more intensive private consumption, caused mainly by the improved conditions on the labor market relative to the anticipated ones, represented the key factor for such deviations. Therefore, the envisaged positive risks related with the labor market materialized. In the last quarter of the year, intensification in the quarterly rise was expected, with lower annual dynamics being registered as a result of the high comparison basis. In accordance with such developments, our current assessments indicated to annual GDP rise in 2010 of approximately 1% (about 0.6% in the previous projection), with balanced risks. In the first quarter of 2011 continuation of the positive trends was expected, with quarterly and annual rise in the activity of 0.6% and 4.5%, respectively. The further improvement of the export demand and the investments and assessments for further growth in the employment, were the key factors on the basis of which the assessments are grounded. The average annual inflation of 1.6% in 2010 was at the level of October projection. In the first quarter of 2011 annual price growth of 2.5% was expected, caused by the further rise in the prices of food and oil derivatives, as well as by the rise in the price of the heating energy. The risks related with the inflation projection were assessed as predominantly upward.*



Source: State Statistical Office and NBRM estimates

In accordance with the October projection, the gross domestic product in the third quarter of 2010 registered rise on quarterly and on annual basis, but with higher intensity than the expected one. Opposite to the anticipations for GDP annual rise of 0.5%, the realized economic growth amounted to 1.3%, reflecting mostly the more intensive domestic demand. With respect to the components, such deviations were mostly determined by the higher annual rise in the personal consumption. These deviations with the private consumption can be partially explained by the improved performances with the employees, relative to our expectations. Namely, opposite to the assumption on downward adjustment on the



labor market until the end of the year in the October projection, the new data indicated to maintenance of the growth in the employment in the third quarter as well, which supported by the credit activity and the more positive anticipations, stimulated the consumption. **Simultaneously, the last made statistical revision of the data affected the higher rate of annual growth in the personal consumption as well (see annex 2).** Larger deviations were registered with the export and import of goods and services. The higher foreign demand than the expected one, supplemented by the effect from the improved price competitiveness of the Macedonian export products contributed to realization of the higher growth rate of the export in the third quarter relative to the projections. On the other hand, the relatively fast recovery of the personal consumption and the high growth in the export contributed to considerably higher rise in the import of goods and services than the expected one. **However, despite such deviations, the general structure of the annual GDP rise was in accordance with the October projection. Therefore, in this period the domestic demand gave positive contribution to the growth, with negative contribution of the net export demand.**

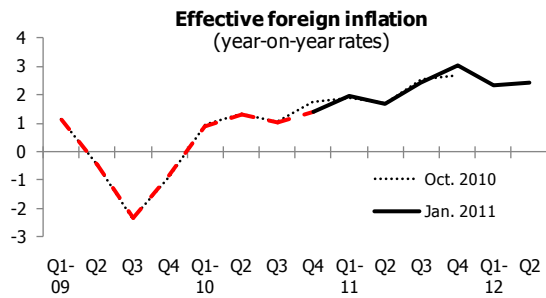
#### **Annex 4**

##### **Assumption on the exogenous variables<sup>80</sup>**

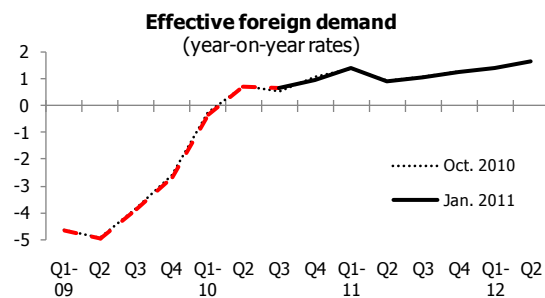
In the third quarter of 2010, **the foreign effective demand<sup>81</sup>** registered growth of 0.6%, which was in accordance with the anticipations for moderate rise of 0.5%. For the fourth quarter of 2010 intensification of growth to 1% was anticipated, same as in the previous projection. Therefore, growth rate of the foreign effective demand was assessed at 0.5% for the whole 2010. The moderate recovery of the general export markets will continue in 2011 as well, when growth rate in the foreign demand of 1.2% was anticipated, same as in the projections in October. The annual rise in the first quarter of 2011 was anticipated to amount to 1.4%, and to register certain slowing down afterwards. However, although there were no considerable revisions in the total indicator for 2010 and 2011, certain revision in the economic growth of individual countries were made. Thus, the performances and the anticipations for growth in Germany were revised upwards, while those of Greece were revised downwards again.

<sup>80</sup> EUROSTAT and the state statistical offices of the countries are used as sources for the historical data on the foreign demand, foreign inflation and the USA Dollar/Euro exchange rate, while the data for the oil prices are from the US Energy Information Agency (EIA). The projections for the foreign demand, foreign inflation and the US exchange rate are based on Consensus Forecast, while the projections for the oil price are based on EIA projections.

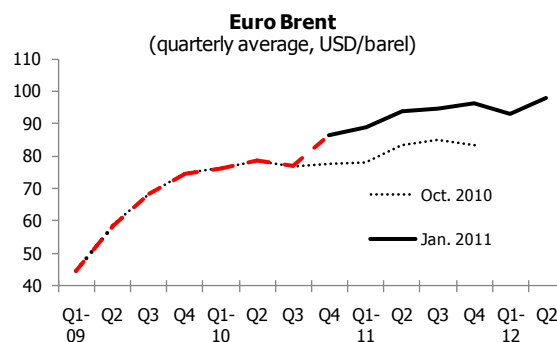
<sup>81</sup> This indicator is calculated as a sum of the weighted GDP indices of the most significant importing countries from the Republic of Macedonia, through the normalized participation of these countries in the export in the period 2006-2009. The calculation of this indicator includes the following countries: Germany, Greece, Italy, Nederland, Belgium, Spain, Serbia, Croatia and Bulgaria. Source: "Consensus Forecast", October 2010 and January 2011.



Source: Statistical agencies and Consensus Forecast (October 2010 and January 2011); actual data up to and including 2010 Q4 are in red



Source: Statistical agencies and Consensus Forecast (October 2010 and December 2010); actual data up to and including 2010 Q3 are in red



Source: Energy Information Agency; actual data up to and including 2010 Q4 are in red

**The average oil price** in the fourth quarter amounted to USA Dollar 86.5 per barrel and it went up considerably relative to the previous anticipations for price of USA Dollar 77.8 per barrel. Therefore, the average price amounted to USA Dollar 79.5 per barrel during the whole 2010. The trends of higher oil prices will remain in 2011 as well, when it is expected for the average price to equal to USA Dollar 93.5 per barrel, opposite to the previous anticipations for the average price of USA Dollar 82.4 per barrel. The anticipated oil price in the first quarter of 2011 amounted to USA Dollar 88.9 per barrel.

In the last quarter of 2010, the **foreign effective inflation**<sup>82</sup> was slightly lower than the previous assessments (1.6% opposite to 1.8%). This contributed for the average inflation in the whole 2010 to amount to 1.2%, which was minimally lower than the previous anticipations for inflation of 1.3%. Inflation intensification to 2.3% in the key countries - trade partners, was still anticipated for 2011 (opposite to the previous inflation expectations of 2.2%). In the first quarter of 2011 the foreign effective demand is anticipated to amount to 2%.

**The GDP growth in the fourth quarter was assessed at 0.9% on annual basis, opposite to the previous expectations for rise of 0.6%. On quarterly basis, growth intensification of 1.4% was expected**<sup>83</sup>. Generally, the growth structure still remained the same, but still there were considerable differences in the contribution of individual components. Namely, **opposite to the previous**

<sup>82</sup> This indicator is calculated as a sum of the weighted price indices of the most significant exporting countries of consumer goods of the Republic of Macedonia, through the normalized participation of these countries in the import in the period 2006-2009. The calculation of this indicator includes the following countries: Bulgaria, Germany, Greece, France, Italy, Austria, Slovenia, Croatia, USA and Serbia. Source: "Consensus Forecast", October 2010 and January 2011.

<sup>83</sup> Seasonally adjusted change.



**anticipations for annual fall in the personal consumption of 1.9%, the January projection assessed continuity of the positive performances and real annual rise of 2.9%.** Despite the revised comparison basis<sup>84</sup>, these assessments were supported by the assumed continuation of the upward trend of the employees in the last quarter of 2010 as well. It was assessed that the financial support through the banks, as well as the considerably improved performances with the private transfers, relative to the anticipations, will act in the same direction as well. On the other hand, the downward correction of the labor price, opposite to the previous assessments for real growth in the wages, restricted the rise in the private consumption. **The positive dynamics of the investment activity was assessed to continue in the last quarter as well, with annual rise of 16.1%, opposite to 11.3% in the October projection.** Such assessments were in accordance with the rise in the demand, which stimulated the new investments. The new foreign investments gave additional positive effects on the investments. The support of the investments of the corporate sector by the banks (rise in the corporate credits) was one more factor that contributed to the growth in the investments consumption. **Regarding the public consumption, minimal fall of 0.5% was anticipated for the last quarter** (opposite to the anticipated rise of 4.6% in the previous projection). **The largest change relative to the previous projection was made with the net export demand.** These changes pertained mainly to the annual growth rates which resulted generally from the lower comparison basis, whereas the quarterly dynamics did not diverge considerably from the previous projection.<sup>85</sup> The assessment for the development of the **real annual rise in the export in the last quarter was corrected to 30%**, opposite to the previous anticipations for rise of 15.4%. Such export growth, supplemented with the better developments in the personal consumption and the rise in the investments activity, resulted in upward change in the **annual real growth in the import, from 11.6% in the previous projection, to 28.3% in the fourth quarter.**

**In accordance with the last trends and expectations, for 2010 annual GDP rise**

<sup>84</sup> According to the latest disclosed data, in the fourth quarter of 2009 the fall in the personal consumption (which served as a comparison basis), was considerably revised to 4.2%, opposite to the previously announced fall of 2.4%

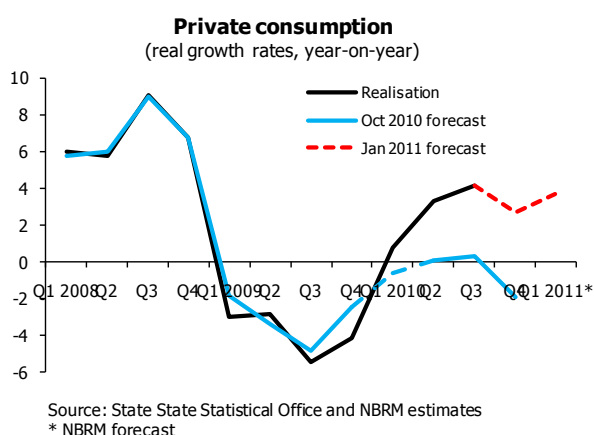
<sup>85</sup> According to the latest disclosed data, the annual fall rate of the export in the fourth quarter of 2009 rose from 5.4% to 13.1%, whereas the annual fall rate in the import rose from 11% to 16%. This represented considerably lower comparison basis for calculating the annual rates in the fourth quarter of 2010, which partially explained the higher rise of this categories relative to the previously anticipated.



**of about 1% was anticipated (0.6% in the previous projection).** The personal consumption and the considerably improved activity of the export sector were the key careers of the rise. The total domestic demand had neutral effect, whereas the net export demand positively contributed to the rise in 2010. Such growth structure differed from the previous projection, when the domestic demand was assessed as component with negative contribution to the total change in the GDP.

**The recovery of the domestic economy was expected to continue in the first three months of 2011 as well with intensification in the annual rise and moderate quarterly rise. The GDP was anticipated to grow up to 4.5% in the first three months of the year, on annual basis, and by 0.6% relative to the previous month.** The personal and investment consumption, were the primary growth generators, with anticipated negative contribution to the net export being registered.

**In the first quarter of 2011 real rise in the personal consumption of 4% on annual basis was anticipated, i.e. of 0.4% on quarterly basis.** Such assessments for the household consumption can be mostly explained by the envisaged development on the labor market. Namely, in 2011 continuation of the positive trend of the employment growth was anticipated, which started in the second quarter of the previous year. In the same time, the consumers' trust indicator<sup>86</sup> indicated creation of more positive anticipations regarding the future economic flows, which stimulated the preferences for household consumption. An additional positive impulse was anticipated by the credit market, as an alternative source of funding of the consumption. After the estimated annual fall in the previous quarter, stagnation in the real wages was anticipated for the first quarter. Therefore, this factor was not expected to have more considerable effect on the consumption.



## Annex 5

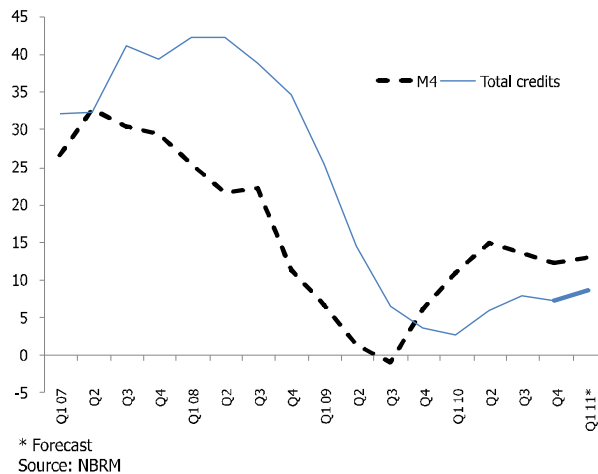
### Projections of the banks' credit activity in the first quarter of 2011

***During the last quarter of 2010, the total supply of money in the economy continued to mount, with intensified dynamics than expected. Thus the annual growth rate of the broadest money supply M4 in December 2010 equaled 12.2%, compared to 11.6%, as it was envisaged in the October projection.*** The better performances in the external sector, together with the further recovery of the economic activity, the preserving of favorable trends

<sup>86</sup> From the Customers' Opinion Survey conducted in December 2010.



**Money supply M4 and Total credits**  
(year-on-year change, in %)



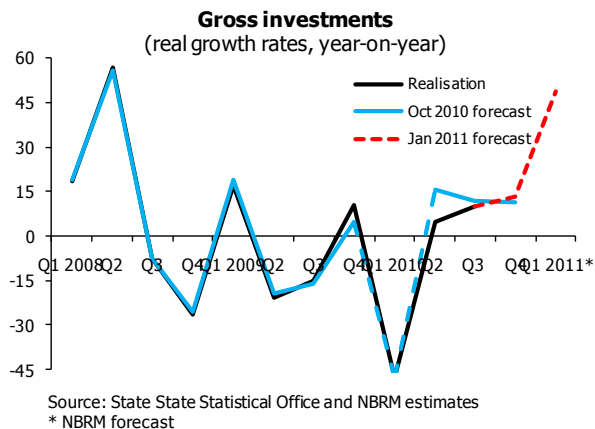
on the labor market (increase in the employment in the third quarter and moderate growth in the real wages), as well as further maintenance of the relatively stimulating yield of the savings instruments, are factors that contributed to the increase in the new saving in the banking sector and acceleration of the monetary growth rate. ***In accordance with the estimates for further dynamization of the economic activity and maintenance of relatively favorable external position, the broadest money supply is expected to increase in the forthcoming period, as well. Thus at the end of the first quarter of 2011, the annual growth rate of the broadest money supply is expected to reach 12.8%, while at the end of the year the increase in the money supply is***

***expected to accelerate gradually up to 13.4% in December (12.8% in October projection).*** There are still risks about the projected dynamics of the monetary growth and they mainly relate to the realization of the assumptions for the recovery of the domestic economy and the movement of the key parameters of the economy's external sector. As additional risk factor for the growth in the savings in the following period, the uncertain dynamics of the inflation in 2011 can also be emphasized, appropriate to the uncertain growth intensity of the world food and energy prices and their transmission effects on the general price level in the domestic economy. Namely, the possibly higher inflation growth than expected, can result in affecting larger part of the available income of the households for satisfying the fundamental necessities of life, with negative effects on the saving capacity in the banking sector.

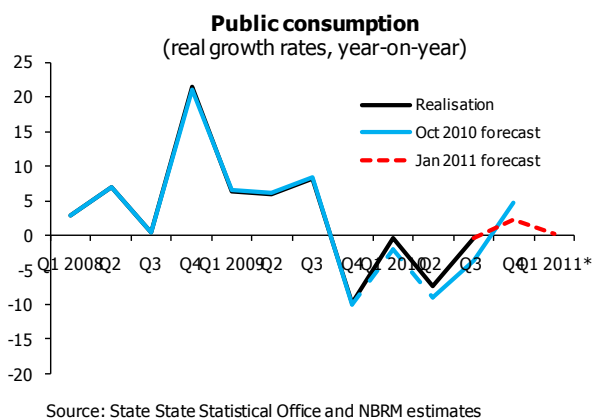
***Despite the more intensive widening of the deposit potential of the banks than expected, the increase in the credit activity was below the projected level. Thus in December the annual credit growth rate equaled 7.1%, opposite to 9.4% as in the October projection.*** Such trends show that the economic activity dynamics, the risks and the credit portfolio quality have big significance in the adoption of the credit decisions. In such conditions, the credit/deposit ratio continued to decrease which signalize smaller utilization of the financial capacity of the banks for the private sector crediting. However, having in mind the expected intensified growth in the primary sources of finance of the credit activity, the stability and the safety of the banking sector and the more favorable anticipated movements in the economy, during the following year are expected to support considerably the recovery of the real economy. Thus ***at the end of the first quarter of 2011, the annual growth rate of the broadest money supply is expected to reach 8.4%, while at the end of the year the increase in the money supply is expected to accelerate to 13.2% in December (12.1% in October projection).*** The more intensive dynamics of the economic growth is expected to act positively on the solvency of the private sector, and thus on the banks' readiness for bigger crediting. Also, the demand for credits is expected to increase continuously and to register qualitative improvement. The larger movements of the credit flows are expected to be followed also by the further relaxation of the price of credits and other crediting terms. ***The risks related to such scenario*** mainly refer to the economy's recovery pace, the risk degree of the clients and the credit demand quality.

The increase in the domestic demand in the first three months of the year shall additionally be supported through the expected acceleration of the investment activity. **The gross investments are expected to augment by 49.9% on annual basis, while they will decrease by 0.6% relative to the preceding quarter.** The high annual increase in the gross investments is





basically due to low comparison base registered in the same period of the previous year when the gross investments dropped by 47.8%. Structurally, the increase in the gross investments is mostly explained with the planned increase in the government capital investments, supplemented with the anticipated increase in the investments in the private sector. The investment activity of the private sector in the first quarter of the year is expected to be triggered by three factors. First, the favorable expectations of the producers about future economic flows and the intensified domestic and external demand are expected to result in bigger utilization of the capacities and increase in the new investments. Second, the trend of recovery of both the domestic and the global economy is expected to continue in the first quarter of 2011 and to result in rise in the capital flows in form of foreign direct investments. Also, the expected further downward adjustments of the interest rates and the intensified financial support of the enterprises by the banking sector are expected to act stimulating on the new investments.



In the first quarter of the year, negative contribution of the public consumption towards economic growth is expected. On the basis of the budget data, **it is estimated that the public consumption will be lower by 0.7%, annually**, given the estimated quarterly rise of 0.5%.

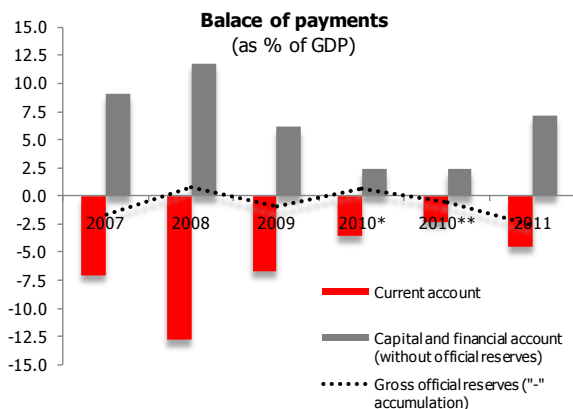
The expectations for further recovery of the import demand of our the most important trading partners resulted in estimates for **real annual growth in the imports in the first quarter of the year of 23.4%**. On a quarterly basis, the export is expected to register slight decrease of 0.9%. Having in mind the favorable movements with the domestic demand and high import-export dependence, **the import of goods and services is expected to be higher by 27.9%, annually**. The imports, as in the case of the exports, is expected to register quarterly drop of 1.1% in the first three months of the year. **The increase in the imports which is more intensive than in the exports, conditions negative contribution of the net export demand towards the annual growth in the second quarter of the year, while its contribution to the quarterly change is positive.**

**The latest projection for the entire 2011 shows increase in the economic activity of about 3%.** The structure of the



increase is identical as in the previous projection, with positive contribution of the domestic demand and negative contribution of the net export. **There are risks about the projection and they refer to the following elements. First,** the intensive price growth of the food and energy sources can result in decrease in the real available income and thus act limiting on the assumed growth of the personal consumption. **Second,** the new instability on the financial markets and the debt crisis with some of the Euro area countries can result in slower growth of the economies of our most important trading partners. The slower than assumed recovery of the export demand would mean smaller export than expected and generally poorer performances in the export sector (smaller utilization of the capacities, smaller production and employment). The non-realization of the export rating can mean also downward movement of the projections with other GDP categories and with the total GDP.

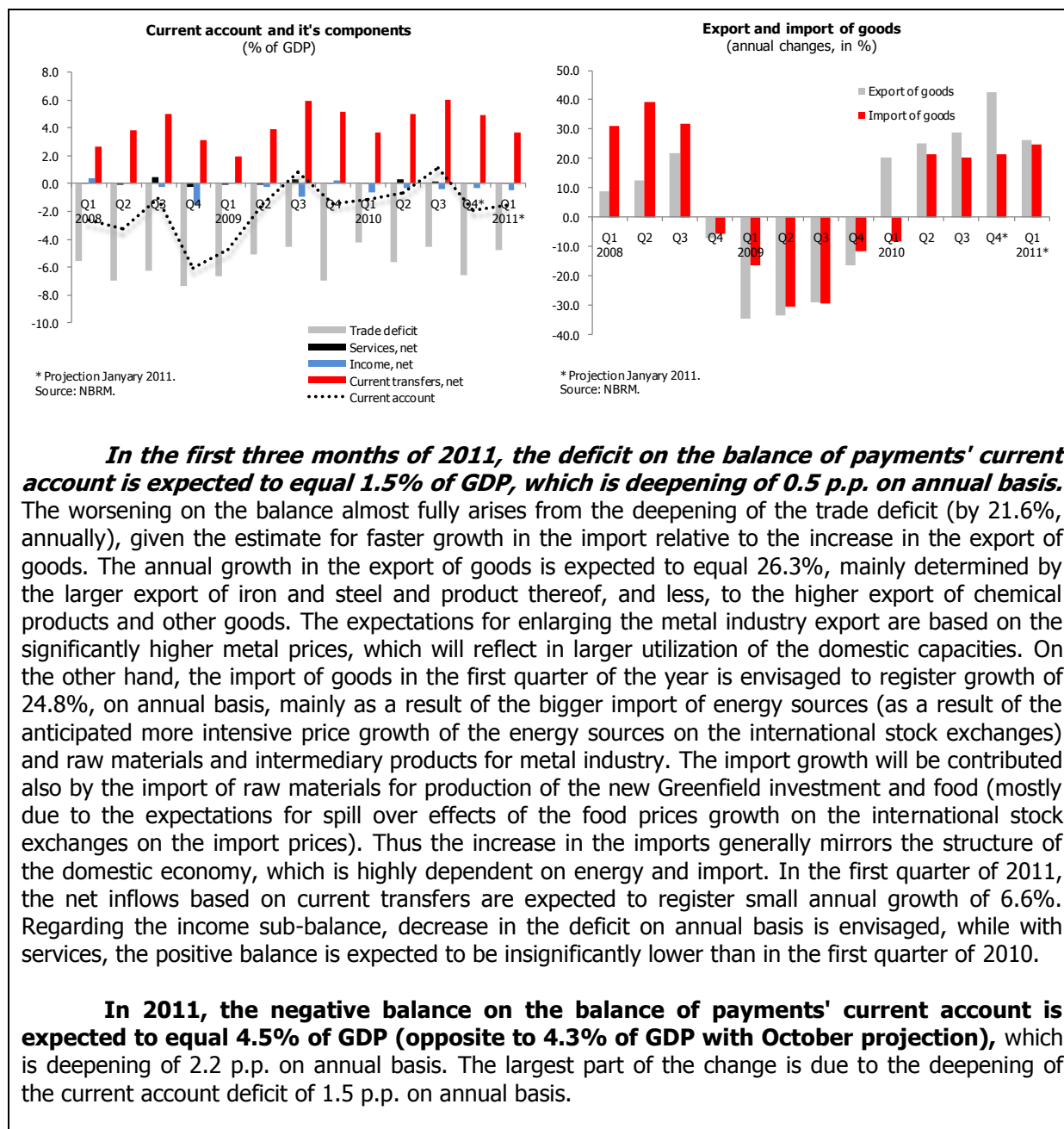
## Annex 6 Projections of the external sector developments



\* Projection October 2010.  
\*\* Projection January 2011.  
Source: NBRM.

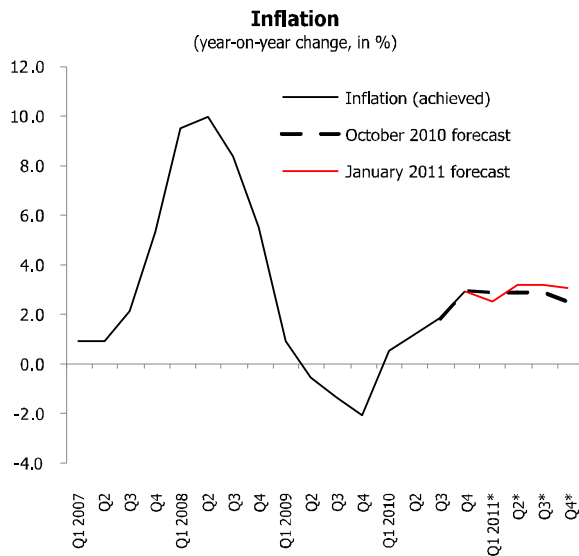
**According to the estimate of the balance of payments, the deficit on the current account in 2010 is estimated at the level of 2.3% of GDP, which is downward correction of 1.3 p.p. compared to the October projection.** The largest portion of such change is due to the larger inflows based on current transfers (19.7% of GFP, opposite to 19% of GDP with October projection). According to the latest available data from the currency exchange market, the net purchase registered annual growth of 30% (opposite to the anticipated growth of 23.3%, according to the October projection). More favorable movements in the foreign trade of goods in the second half of the year acted towards realization of smaller negative

gap, with the trade deficit reducing to 21% of GDP, contrary to the envisaged 21.6% with October projection. Namely, the better conjuncture of the metal prices on the world stock exchanges, the larger export performances of the new Greenfield investment and the more intensified external demand for domestic products reflected in higher export than projected (annual growth of 29.7%, opposite to 24.1% in October projection). On the other hand, the import of goods registered annual rise of 13.9%, annually (opposite to 12.1% in October projection), i.e. upward correction which is due to the higher import generated from the bigger export activity.



**The realized annual inflation rate in the last quarter of 2010 is at the level of the October projection (2.9%),** given smaller increase with the food prices than projected (3.3%, opposite to the projected 4.3%), while the prices of the non-food component registered higher growth than projected (2.6%, opposite to the projected 2.1%). **Regarding the entire 2010, the inflation is at the level of the October projection (1.6%).**

**The latest estimates for the inflation rate for the first quarter of 2011 indicate annual increase in the general price level of 2.5%. The projected rise in the prices arises primarily from the expectations for higher food**



Source: State Statistical Office  
\* NBRM forecast

prices, having in mind the high projected annual increase in the world prices (mainly wheat). Also the projected high level of the price of crude oil will contribute directly to the increase in the domestic prices of oil derivatives and thus it will influence also on the upward projection with other prices of consumable goods and services. Beside that, the bigger price of central heating in January 2011 has additional effect towards increase in the general level of consumer prices.

**The average inflation for 2011 is expected to equal about 3%.** Except the increase in food and fuel prices, the announced possible rise in the domestic price of electricity (in the second quarter of 2011) is expected to have additional affect. The projections for further recovery of the world economy and the economies of our most important trading partners imply also relatively higher inflation level in these countries in 2011 relative to the preceding year. From the aspect of the demand, despite the estimates for revival of the domestic economy in 2011, however, the economy growth is expected to be below the potential growth. Thus no larger demand pressures on the inflation are expected.

**The risks about the inflation projection for 2011 are estimated as principally upwards.** The main risks about the projection are the possibly stronger rise in the world prices of food and energy than expected and stronger transmission effect of the increase of these prices on the domestic prices. Additional source of risks in upward direction are also the possibly more intensive indirect effects also of these price categories (food and energy) on other prices, as well as the possibility for higher growth in the regular prices than expected. From the aspect of the downward risks, the possibly slower global growth would also mean smaller pressures on the domestic inflation through the import prices.



## STATISTICAL APPENDIX

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### Methodological explanations

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Table 1  
 Gross domestic product  
 in millions of denars (1997=100) and annual real growth rates (in%)

| National classification of activities <sup>1/</sup> | GDP total | %    | Agriculture, hunting, forestry and fishing |       | Mining and quarrying, manufacturing and electricity, gas and water supply |       | Construction |       | Wholesales and retail sales |      | Hotels and restaurants |       | Transport, storage and communications |      | Financial intermediation, real estate and other business and service activities |      | Public administration and defence |      |
|---|-----------|------|--|-------|---|-------|--------------|-------|-----------------------------|------|------------------------|-------|---------------------------------------|------|---|------|-----------------------------------|------|
|   |           |      | A+B  | %     | C+D+E   | %     | F            | %     | G                           | %    | H                      | %     | I                                     | %    | J+K+L   | %    | M+N+O+P                           | %    |
| 1997  | 186018    | 1.4  | 20411                                      |       | 45317   |       | 9867         |       | 21297                       |      | 2819                   |       | 11372                                 |      | 26002   |      | 27067                             |      |
| 1998  | 192308    | 3.4  | 21083                                      | 3.3   | 45969   | 1.4   | 10626        | 7.7   | 21377                       | 0.4  | 3025                   | 7.3   | 14385                                 | 26.5 | 26002   | 0.0  | 27395                             | 1.2  |
| 1999  | 200669    | 4.3  | 21273                                      | 0.9   | 46750   | 1.7   | 11732        | 10.4  | 22025                       | 3.0  | 3771                   | 24.7  | 16854                                 | 17.2 | 26499   | 1.9  | 28519                             | 4.1  |
| 2000  | 209777    | 4.5  | 21489                                      | 1.0   | 51122   | 9.4   | 12037        | 2.6   | 22695                       | 3.0  | 3345                   | -11.3 | 18282                                 | 8.5  | 27215   | 2.7  | 28546                             | 0.1  |
| 2001  | 200284    | -4.5 | 19169                                      | -10.8 | 48786   | -4.6  | 10300        | -14.4 | 22505                       | -0.8 | 3195                   | -4.5  | 16761                                 | -8.3 | 27783   | 2.1  | 27876                             | -2.3 |
| 2002  | 201993    | 0.9  | 18779                                      | -2.0  | 48390   | -0.8  | 10364        | 0.6   | 23725                       | 5.4  | 3726                   | 16.6  | 16467                                 | -1.8 | 26758   | -3.7 | 28843                             | 3.5  |
| 2003  | 207690    | 2.8  | 19686                                      | 4.8   | 50845   | 5.1   | 11741        | 13.3  | 24146                       | 1.8  | 4085                   | 9.6   | 16539                                 | 0.4  | 25787   | -3.6 | 30262                             | 4.9  |
| 2004  | 202192    | 4.6  | 20908                                      | 6.2   | 50439   | -0.8  | 12610        | 7.4   | 27933                       | 15.7 | 3623                   | -11.3 | 15745                                 | -4.8 | 28817   | 11.8 | 30068                             | -0.6 |
| 2005  | 210486    | 4.4  | 20941                                      | 0.2   | 51803   | 2.7   | 12725        | 0.9   | 29243                       | 4.7  | 3675                   | 1.4   | 17387                                 | 10.4 | 28283   | -1.9 | 31476                             | 4.7  |
| 2006 <sup>2/</sup>                                  | 218375    | 5.0  | 21994                                      | 5.0   | 53033   | 2.4   | 14369        | 12.9  | 31378                       | 7.3  | 3951                   | 7.5   | 19222                                 | 10.6 | 30947   | 9.4  | 32185                             | 2.3  |
| 2007  | 231696    | 6.1  | 21663                                      | -2.9  | 59750   | 12.6  | 14786        | 3.3   | 33363                       | 6.6  | 4290                   | 8.5   | 21233                                 | 10.5 | 32211   | 4.1  | 32951                             | 2.4  |
| 2008  | 243281    | 5.0  | 22941                                      | 5.7   | 61202   | 2.4   | 13934        | -5.5  | 35556                       | 6.5  | 4544                   | 5.9   | 23824                                 | 12.2 | 34324   | 6.6  | 34435                             | 4.5  |
| 2009 <sup>3/</sup>                                  | 241091    | -0.9 | 23815                                      | 3.8   | 56821   | -7.1  | 15213        | 9.1   | 35844                       | 0.8  | 4195                   | -7.7  | 23405                                 | -1.8 | 36860   | 7.4  | 35708                             | 3.7  |
| 2005 Q1   | 51487     | 3.0  | 5064                                       | 1.2   | 11358   | 0.6   | 2003         | -4.1  | 6500                        | 2.7  | 783                    | -1.3  | 3988                                  | 10.7 | 7010  | -2.9 | 7847                              | 3.7  |
| Q2  | 56655     | 5.1  | 5251                                       | 0.7   | 13210   | 8.7   | 3337         | -3.3  | 7328                        | 5.0  | 905                    | 3.2   | 4343                                  | 11.8 | 7042  | -2.4 | 7834                              | 3.4  |
| Q3  | 57353     | 4.2  | 5341                                       | -0.1  | 13112   | 1.8   | 3684         | 3.0   | 7225                        | 5.4  | 1056                   | 3.2   | 4517                                  | 12.4 | 7058  | -1.9 | 7847                              | 5.1  |
| Q4  | 59540     | 4.0  | 5285                                       | -1.0  | 14123   | 0.0   | 3701         | 6.0   | 8190                        | 5.4  | 931                    | 0.1   | 4539                                  | 7.1  | 7173  | -0.3 | 7948                              | 6.5  |
| 2006 Q1   | 54937     | 6.7  | 5186                                       | 2.4   | 11267   | -0.8  | 2728         | 36.2  | 8054                        | 23.9 | 832.3                  | 6.3   | 4734                                  | 18.7 | 7346  | 4.8  | 8035.3                            | 2.4  |
| Q2  | 58581     | 3.4  | 5697                                       | 8.5   | 13302   | 0.7   | 4331         | 29.8  | 7277                        | -0.7 | 984.6                  | 8.8   | 4712                                  | 8.5  | 7711  | 9.5  | 7935.8                            | 1.3  |
| Q3  | 60106     | 4.8  | 5699                                       | 6.7   | 13846   | 5.6   | 3990         | 8.3   | 7948                        | 10.0 | 1136                   | 7.6   | 4793                                  | 6.1  | 7848  | 11.2 | 8004                              | 2.0  |
| Q4  | 60195     | 1.1  | 5412                                       | 2.4   | 14617   | 3.5   | 3320         | -10.3 | 8100                        | -1.1 | 998                    | 7.2   | 4984                                  | 9.8  | 8041  | 12.1 | 8210                              | 3.3  |
| 2007 Q1   | 58508     | 6.5  | 5559                                       | 7.2   | 13498   | 19.8  | 2633         | -3.5  | 7788                        | -3.3 | 855                    | 2.7   | 5008                                  | 5.8  | 7596  | 3.4  | 8156                              | 1.5  |
| Q2  | 61393     | 4.8  | 5760                                       | 1.1   | 14659   | 10.2  | 4305         | -0.6  | 7895                        | 8.5  | 1119                   | 13.6  | 5089                                  | 8.0  | 7842  | 1.7  | 8134                              | 2.5  |
| Q3  | 63292     | 5.3  | 5408                                       | -5.1  | 15397   | 11.2  | 4189         | 5.0   | 8559                        | 7.7  | 1264                   | 11.2  | 5214                                  | 8.8  | 8241  | 5.0  | 8212                              | 2.6  |
| Q4  | 64950     | 7.9  | 4936                                       | -8.8  | 16196   | 10.8  | 3658         | 10.2  | 9120                        | 12.6 | 1053                   | 5.5   | 5921                                  | 18.8 | 8531  | 6.1  | 8448                              | 2.9  |
| 2008 <sup>4/</sup> Q1                               | 61550     | 5.2  | 5637                                       | 1.4   | 14699   | 8.9   | 2443         | -7.2  | 8450                        | 8.5  | 970                    | 13.5  | 5750                                  | 14.8 | 8196  | 7.9  | 8474                              | 3.9  |
| Q2  | 65384     | 6.5  | 6163                                       | 7.0   | 15568   | 6.2   | 4043         | -6.1  | 8629                        | 9.3  | 1153                   | 3.1   | 5985                                  | 17.6 | 8611  | 9.8  | 8468                              | 4.1  |
| Q3  | 67026     | 5.9  | 6111                                       | 13.0  | 15921   | 3.4   | 3720         | -11.2 | 9064                        | 5.9  | 1325                   | 4.9   | 5861                                  | 12.4 | 8669  | 5.2  | 8614                              | 4.9  |
| Q4  | 66574     | 2.5  | 5029                                       | 1.9   | 15014   | -7.3  | 3728         | 1.9   | 9412                        | 3.2  | 1095                   | 4.0   | 6229                                  | 5.2  | 8847  | 3.7  | 8879                              | 5.1  |
| 2009 <sup>3/</sup> Q1                               | 61058     | -0.8 | 5716                                       | 1.4   | 13053   | -11.2 | 2511         | 2.8   | 8475                        | 0.3  | 919                    | -5.3  | 5784                                  | 0.6  | 8696  | 6.1  | 8567                              | 1.1  |
| Q2  | 64141     | -1.9 | 6336                                       | 2.8   | 13934   | -10.5 | 4386         | 8.5   | 8586                        | -0.5 | 1069                   | -7.3  | 5859                                  | -2.1 | 8740  | 1.5  | 8671                              | 2.4  |
| Q3  | 65551     | -2.2 | 6325                                       | 3.5   | 13867   | -12.9 | 3809         | 2.4   | 9182                        | 1.3  | 1227                   | -7.4  | 5884                                  | 0.4  | 9077  | 4.7  | 8744                              | 1.5  |
| Q4  | 67373     | 1.2  | 5140                                       | 2.2   | 15119   | 0.7   | 3821         | 2.5   | 9601                        | 2.0  | 940                    | -14.2 | 6085                                  | -2.3 | 9068  | 2.5  | 8995                              | 1.3  |
| 2010 <sup>3/</sup> Q1                               | 60264     | -1.3 | 6007                                       | 5.1   | 12883   | -1.3  | 2705         | 7.7   | 8484                        | 0.1  | 781                    | -15.0 | 5703                                  | -1.4 | 9192  | 5.7  | 8910                              | 4.0  |
| Q2  | 64847     | 1.1  | 6450                                       | 1.8   | 14184   | 1.8   | 3856         | -12.1 | 8784                        | 2.3  | 976                    | -8.7  | 6093                                  | 4.0  | 9133  | 4.5  | 8732                              | 0.7  |
| Q3  | 66403     | 1.3  | 6477                                       | 2.4   | 13964   | 0.7   | 4510         | 18.4  | 9430                        | 2.7  | 1135                   | -7.5  | 5931                                  | 0.8  | 9422  | 3.8  | 8814                              | 0.8  |

<sup>1/</sup> National classification of activities.

<sup>2/</sup> Real value of GDP and added value by sectors from 2006 are calculated on the basis of annual rates of growth.

<sup>3/</sup> Estimated data.

Source: State Statistical Office.



Table 2  
Prices  
annual rates (in %)

|                       | Consumer price index (growth rates) |                      |                         |               |                          |                          |         |      |      |      |                       |                              |                                    |   | Producer price index<br>(growth rates) |                                 |
|-----------------------|-------------------------------------|----------------------|-------------------------|---------------|--------------------------|--------------------------|---------|------|------|------|-----------------------|------------------------------|------------------------------------|---|--|---------------------------------|
|                       | Total                               | Goods                | Services                | By categories |                          |                          |         |      |      |      |                       |                              |                                    |   |  |                                 |
|                       |                                     |                      |                         | Food          | Tobacco and<br>beverages | Clothing and<br>footwear | Housing |      |      |      | Hygiene and<br>health | Culture and<br>entertainment | Transport<br>means and<br>services | Restaurants<br>and hotels <sup>1/</sup> |  | Other services<br><sup>1/</sup> |
| Total                 | Flat (rent,<br>water,<br>services)  | Fuel and<br>lighting | Household<br>appliances |               |                          |                          |         |      |      |      |                       |                              |                                    |   |  |                                 |
| 1997                  | 2.6                                 | 2.2                  | 3.8                     | 4.2           | -3.9                     | -1.6                     | 1.7     | 0.3  | 3.8  | 1.6  | -0.5                  | -8.6                         | 19.4                               | -                                       | -                                      | 4.2                             |
| 1998                  | -0.1                                | 0.0                  | -0.4                    | -0.2          | 3.6                      | 2.4                      | 0.4     | 0.0  | 0.4  | 2.0  | 0.1                   | -10.3                        | 2.4                                | -                                       | -                                      | 4.0                             |
| 1999                  | -0.7                                | -1.1                 | 0.5                     | -1.6          | 0.2                      | 1.2                      | 0.3     | 0.1  | 1.1  | -1.9 | -1.4                  | -2.2                         | -0.8                               | -                                       | -                                      | -0.1                            |
| 2000                  | 5.8                                 | 5.2                  | 8.9                     | -0.4          | 13.9                     | -2.3                     | 19.3    | 8.8  | 27.4 | 1.7  | -1.7                  | -1.6                         | 22.4                               | -                                       | -                                      | 8.9                             |
| 2001                  | 5.5                                 | 4.5                  | 10.9                    | 6.9           | 2.3                      | 1.3                      | 5.5     | 11.3 | 3.9  | 0.1  | -0.7                  | 1.9                          | 9.5                                | -                                       | -                                      | 2.0                             |
| 2002                  | 1.8                                 | 1.2                  | 5.0                     | 1.8           | 1.0                      | 6.8                      | 1.7     | 4.1  | 1.0  | -0.6 | -3.8                  | 3.6                          | 2.1                                | -                                       | -                                      | -0.9                            |
| 2003                  | 1.2                                 | 0.3                  | 5.9                     | -1.4          | 3.4                      | 2.2                      | 3.9     | 3.9  | 4.4  | 1.1  | 3.9                   | 2.2                          | 4.2                                | -                                       | -                                      | -0.3                            |
| 2004                  | -0.4                                | -1.1                 | 3.3                     | -3.1          | 1.1                      | 0.9                      | 2.2     | -0.3 | 3.0  | 4.2  | 0.4                   | 1.3                          | 4.0                                | -                                       | -                                      | 0.9                             |
| 2005                  | 0.5                                 | 0.3                  | 1.3                     | -1.2          | 5.5                      | 2.2                      | 0.4     | 0.3  | 1.0  | -1.2 | -3.5                  | 0.9                          | 3.7                                | -                                       | -                                      | 3.2                             |
| 2006                  | 3.2                                 | 3.7                  | 1.3                     | 2.2           | 17.8                     | 0.2                      | 2.0     | -0.7 | 3.7  | -0.8 | 2.0                   | 6.4                          | 1.8                                | -                                       | -                                      | 7.3                             |
| 2007                  | 2.3                                 | 3.0                  | -0.3                    | 3.9           | 1.8                      | 1.8                      | 4.7     | 6.3  | 5.8  | -0.7 | 0.3                   | 2.4                          | -3.1                               | 4.7                                     | 8.6                                    | 2.6                             |
| 2008                  | 8.3                                 | 9.2                  | 5.1                     | 15.3          | 4.0                      | 1.8                      | 6.0     | 6.1  | 7.3  | 1.4  | 1.5                   | 0.2                          | 3.2                                | 11.4                                    | 2.2                                    | 10.3                            |
| 2009                  | -0.8                                | -0.8                 | -0.8                    | -1.6          | 4.0                      | 0.0                      | 4.5     | 2.0  | 6.3  | 1.7  | 2.1                   | -3.8                         | -7.9                               | 2.2                                     | -5.8                                   | -6.5                            |
| 2006 Q1 <sup>2/</sup> | 2.7                                 | 3.2                  | 0.9                     | 1.6           | 17.7                     | -0.5                     | 0.9     | -0.2 | 1.6  | -0.5 | 0.3                   | 6.0                          | 2.6                                | -                                       | -                                      | 7.7                             |
| Q2                    | 3.4                                 | 3.8                  | 2.0                     | 2.3           | 17.5                     | 0.3                      | 1.1     | 0.2  | 1.9  | -0.5 | 1.9                   | 6.8                          | 3.8                                | -                                       | -                                      | 9.1                             |
| Q3                    | 3.6                                 | 4.0                  | 1.9                     | 2.9           | 17.9                     | 0.5                      | 1.7     | -0.6 | 3.2  | -0.9 | 2.7                   | 6.9                          | 2.3                                | -                                       | -                                      | 7.6                             |
| Q4                    | 3.1                                 | 3.7                  | 0.4                     | 2.1           | 17.9                     | 0.6                      | 4.2     | -2.2 | 7.9  | -1.1 | 2.9                   | 5.7                          | -1.5                               | -                                       | -                                      | 4.9                             |
| 2007 Q1               | 0.7                                 | 1.3                  | -1.1                    | 0.7           | 0.1                      | 1.8                      | 5.1     | 1.6  | 8.8  | -1.8 | 0.0                   | 3.5                          | -5.0                               | 3.0                                     | -2.8                                   | 1.1                             |
| Q2                    | 1.1                                 | 1.6                  | -0.5                    | 0.7           | 2.2                      | 1.0                      | 5.9     | 6.6  | 7.8  | -0.9 | 0.5                   | 3.1                          | -4.3                               | 3.6                                     | 11.6                                   | 0.7                             |
| Q3                    | 2.4                                 | 3.0                  | 0.2                     | 3.8           | 2.3                      | 1.1                      | 5.2     | 7.5  | 6.0  | -0.1 | 0.9                   | 3.6                          | -3.1                               | 3.9                                     | 12.5                                   | 1.4                             |
| Q4                    | 4.9                                 | 6.2                  | 0.4                     | 10.4          | 2.4                      | 3.5                      | 2.8     | 9.6  | 1.1  | 0.0  | 0.0                   | -0.5                         | -0.6                               | 8.0                                     | 13.0                                   | 7.0                             |
| 2008 Q1               | 9.5                                 | 11.0                 | 3.9                     | 19.0          | 4.2                      | 1.6                      | 3.6     | 8.5  | 2.7  | 0.4  | 1.5                   | -0.3                         | 4.4                                | 11.8                                    | 16.7                                   | 10.5                            |
| Q2                    | 9.9                                 | 11.4                 | 4.5                     | 19.5          | 3.5                      | 3.6                      | 3.4     | 4.7  | 3.7  | 1.0  | 1.1                   | 0.5                          | 5.8                                | 12.0                                    | 1.9                                    | 13.6                            |
| Q3                    | 8.4                                 | 9.0                  | 6.1                     | 14.7          | 4.1                      | 1.9                      | 6.3     | 5.7  | 7.9  | 1.6  | 1.2                   | -0.2                         | 5.1                                | 13.1                                    | -1.1                                   | 15.2                            |
| Q4                    | 5.5                                 | 5.4                  | 5.8                     | 8.6           | 4.3                      | 0.3                      | 10.4    | 5.8  | 14.4 | 2.7  | 2.1                   | 0.9                          | -2.4                               | 8.9                                     | -6.6                                   | 2.2                             |
| 2009 Q1               | 0.9                                 | 0.8                  | 1.2                     | 0.9           | 4.5                      | 1.6                      | 7.4     | 3.8  | 9.9  | 3.8  | 2.1                   | -1.7                         | -9.1                               | 5.1                                     | -7.3                                   | -6.2                            |
| Q2                    | -0.6                                | -0.7                 | 0.0                     | -1.0          | 4.2                      | -0.9                     | 6.7     | 2.4  | 9.7  | 2.4  | 2.7                   | -2.3                         | -10.9                              | 3.1                                     | -8.6                                   | -8.8                            |
| Q3                    | -1.4                                | -1.3                 | -1.8                    | -2.2          | 3.8                      | 0.2                      | 4.1     | 1.3  | 6.2  | 1.0  | 2.3                   | -4.4                         | -9.1                               | 1.0                                     | -5.8                                   | -10.1                           |
| Q4                    | -2.1                                | -2.0                 | -2.4                    | -4.2          | 3.3                      | -0.8                     | 0.2     | 0.6  | 0.3  | -0.3 | 1.4                   | -6.9                         | -2.1                               | -0.1                                    | -0.9                                   | -0.4                            |
| January               | 1.7                                 | 1.5                  | 2.7                     | 2.3           | 4.9                      | 1.5                      | 7.9     | 5.5  | 10.1 | 4.0  | 1.8                   | -0.6                         | -8.4                               | 6.5                                     | -6.4                                   | -5.8                            |
| February              | 0.7                                 | 0.6                  | 0.9                     | 0.4           | 4.5                      | 1.9                      | 7.1     | 3.2  | 9.7  | 3.6  | 2.4                   | -2.0                         | -8.9                               | 4.6                                     | -7.6                                   | -5.1                            |
| March                 | 0.2                                 | 0.2                  | 0.1                     | -0.1          | 4.1                      | 1.3                      | 7.2     | 2.7  | 10.0 | 3.8  | 2.1                   | -2.6                         | -10.1                              | 4.2                                     | -7.8                                   | -7.6                            |
| April                 | -0.5                                | -0.5                 | 0.0                     | -1.2          | 4.1                      | 0.0                      | 6.8     | 2.6  | 9.6  | 2.8  | 2.3                   | -2.7                         | -9.7                               | 3.8                                     | -8.2                                   | -7.1                            |
| May                   | 0.4                                 | 0.4                  | 0.3                     | 1.3           | 4.3                      | -1.5                     | 6.8     | 2.6  | 9.8  | 2.4  | 3.0                   | -1.7                         | -11.0                              | 3.0                                     | -8.8                                   | -9.3                            |
| June                  | -1.7                                | -2.0                 | -0.3                    | -3.0          | 4.3                      | -1.2                     | 6.4     | 1.9  | 9.6  | 2.0  | 2.9                   | -2.4                         | -12.1                              | 2.4                                     | -8.8                                   | -9.9                            |
| July                  | -1.3                                | -1.5                 | -0.4                    | -2.1          | 4.2                      | 0.0                      | 6.2     | 1.5  | 9.5  | 1.5  | 2.6                   | -3.0                         | -11.5                              | 1.0                                     | -8.1                                   | -11.5                           |
| August                | -1.4                                | -1.2                 | -2.7                    | -2.0          | 3.7                      | 0.1                      | 3.2     | 1.4  | 4.6  | 1.0  | 2.5                   | -3.4                         | -9.6                               | 0.8                                     | -8.1                                   | -9.8                            |
| September             | -1.4                                | -1.2                 | -2.2                    | -2.5          | 3.5                      | 0.4                      | 3.0     | 0.9  | 4.5  | 0.4  | 1.7                   | -6.7                         | -6.1                               | 1.2                                     | -1.2                                   | -9.0                            |
| October               | -2.4                                | -2.4                 | -2.2                    | -5.0          | 3.4                      | 0.0                      | 2.9     | 0.8  | 4.6  | -0.1 | 1.6                   | -6.5                         | -6.0                               | 0.8                                     | -0.8                                   | -5.9                            |
| November              | -2.3                                | -2.2                 | -2.8                    | -4.1          | 3.3                      | 0.0                      | -1.7    | 0.7  | -2.9 | -0.3 | 1.3                   | -7.6                         | -1.5                               | -0.6                                    | -1.0                                   | 1.4                             |
| December              | -1.6                                | -1.5                 | -2.3                    | -3.4          | 3.3                      | -2.5                     | -0.5    | 0.4  | -0.8 | -0.5 | 1.2                   | -6.5                         | 1.1                                | -0.6                                    | -1.0                                   | 3.2                             |
| 2010 Q1               | 0.5                                 | 0.6                  | -0.2                    | -2.4          | 1.2                      | -0.4                     | 4.9     | 0.3  | 8.7  | -0.2 | 1.2                   | -0.1                         | 4.0                                | -0.4                                    | -2.3                                   | 7.5                             |
| Q2                    | 1.1                                 | 1.4                  | -0.2                    | -0.9          | 0.1                      | 0.9                      | 4.7     | -0.2 | 8.3  | 0.2  | -0.3                  | 0.8                          | 5.2                                | -0.1                                    | -7.1                                   | 9.7                             |
| Q3                    | 1.8                                 | 2.0                  | 0.6                     | 1.2           | -0.2                     | 1.1                      | 5.2     | 0.0  | 8.9  | 0.7  | 0.0                   | 1.6                          | 2.6                                | 0.5                                     | -6.8                                   | 7.7                             |
| January               | 0.1                                 | 0.1                  | 0.2                     | -3.5          | 2.4                      | -1.2                     | 5.4     | 0.4  | 9.5  | -0.2 | 1.2                   | -0.5                         | 3.7                                | -0.4                                    | -0.2                                   | 6.5                             |
| February              | 0.6                                 | 0.8                  | -0.3                    | -1.9          | 0.7                      | -0.3                     | 4.8     | 0.3  | 8.6  | -0.3 | 0.9                   | -0.3                         | 4.0                                | -0.4                                    | 0.8                                    | 7.4                             |
| March                 | 0.7                                 | 0.9                  | -0.6                    | -1.9          | 0.5                      | 0.4                      | 4.5     | 0.3  | 7.9  | -0.2 | 1.6                   | 0.4                          | 4.2                                | -0.5                                    | -7.6                                   | 8.7                             |
| April                 | 1.4                                 | 1.8                  | -0.5                    | -0.3          | 0.3                      | 0.7                      | 4.7     | 0.0  | 8.3  | 0.0  | 0.2                   | 1.1                          | 5.4                                | -0.5                                    | -7.4                                   | 10.5                            |
| May                   | 0.2                                 | 0.3                  | -0.7                    | -3.4          | 0.0                      | 1.1                      | 4.7     | -0.3 | 8.3  | 0.2  | -0.4                  | 0.0                          | 5.7                                | -0.1                                    | -6.9                                   | 10.9                            |
| June                  | 1.8                                 | 2.0                  | 0.7                     | 0.9           | 0.0                      | 1.0                      | 4.6     | -0.4 | 8.2  | 0.4  | -0.6                  | 1.2                          | 4.5                                | 0.3                                     | -6.9                                   | 7.6                             |
| July                  | 1.5                                 | 1.6                  | 0.8                     | 0.2           | -0.2                     | 1.0                      | 4.7     | -0.2 | 8.2  | 0.6  | -0.1                  | 2.1                          | 3.6                                | 0.6                                     | -7.1                                   | 7.5                             |
| August                | 1.9                                 | 2.0                  | 1.4                     | 1.0           | -0.3                     | 1.2                      | 5.5     | -0.2 | 9.5  | 0.7  | -0.1                  | 3.0                          | 2.8                                | 0.7                                     | -6.8                                   | 7.7                             |
| September             | 2.0                                 | 2.5                  | -0.3                    | 2.3           | -0.2                     | 1.2                      | 5.4     | 0.4  | 9.1  | 0.7  | 0.1                   | -0.3                         | 1.3                                | 0.2                                     | -6.4                                   | 7.8                             |
| October               | 2.7                                 | 3.5                  | -0.8                    | 3.4           | 0.7                      | 2.0                      | 5.7     | 1.6  | 9.1  | 1.0  | -0.1                  | -2.5                         | 3.1                                | 0.7                                     | -6.5                                   | 8.7                             |
| November              | 2.9                                 | 3.5                  | 0.4                     | 3.4           | 0.9                      | 1.5                      | 5.9     | 3.0  | 8.9  | 1.3  | 0.6                   | 0.3                          | 2.5                                | 2.2                                     | -6.1                                   | 7.1                             |

<sup>1/</sup> Since 2007, the structure of the consumer price index (CPI) includes also the following categories: restaurants and hotels and the category of other services which are not mentioned anywhere else.

<sup>2/</sup> Quarterly calculations are made in the Research Department in NBRM.

Source: State Statistical Office.



Table 3  
Industrial production index  
annual growth rates (in %)

|                       | Total | By sectors           |                        |                            | By group of products |                                   |               |                        |                            |
|-----------------------|-------|----------------------|------------------------|----------------------------|----------------------|-----------------------------------|---------------|------------------------|----------------------------|
|                       |       | Mining and quarrying | Manufacturing industry | Electricity, gas and water | Energy               | Intermediary goods, except energy | Capital goods | Durable consumer goods | Non-durable consumer goods |
| 2002                  | -5.3  | -24.5                | -4.7                   | -3.8                       | -16.8                | -8.0                              | 53.3          | -22.6                  | -2.4                       |
| 2003                  | 4.7   | -39.1                | 5.9                    | 9.8                        | 28.7                 | -12.1                             | -9.0          | 36.9                   | 19.0                       |
| 2004                  | -2.2  | -5.0                 | -2.1                   | -2.6                       | -1.8                 | 0.9                               | -20.1         | 9.1                    | -3.4                       |
| 2005                  | 7.0   | 40.4                 | 7.3                    | 2.5                        | 4.6                  | 14.2                              | -3.2          | -14.9                  | 3.8                        |
| 2006                  | 3.6   | 11.5                 | 3.6                    | 0.8                        | 3.2                  | 5.6                               | 9.2           | -20.0                  | 2.6                        |
| 2007                  | 3.7   | 9.8                  | 5.2                    | -9.5                       | -6.9                 | 12.9                              | 19.7          | 8.8                    | -2.0                       |
| 2008                  | 5.5   | 9.9                  | 6.3                    | -3.1                       | -0.1                 | 7.7                               | -1.3          | 64.2                   | 4.0                        |
| 2009                  | -7.7  | -12.3                | -9.3                   | 8.8                        | 2.5                  | -14.3                             | -24.5         | -20.7                  | -1.4                       |
| 2005 Q1 <sup>1/</sup> | 4.8   | -19.7                | 5.8                    | 3.7                        | 2.0                  | 14.1                              | -1.6          | -19.3                  | 0.7                        |
| Q2                    | 13.5  | 13.9                 | 16.3                   | -0.3                       | 5.8                  | 24.6                              | -1.8          | 10.0                   | 8.8                        |
| Q3                    | 6.0   | 62.4                 | 5.5                    | 2.0                        | 3.8                  | 9.8                               | -5.7          | -10.7                  | 5.1                        |
| Q4                    | 4.1   | 95.2                 | 2.5                    | 3.7                        | 6.9                  | 9.5                               | -6.9          | -26.2                  | 0.0                        |
| 2006 Q1               | 0.6   | 38.3                 | -0.7                   | -0.7                       | 4.7                  | -0.7                              | -4.1          | -1.9                   | 0.0                        |
| Q2                    | 1.6   | 24.9                 | 0.8                    | 1.1                        | -2.9                 | -0.5                              | 25.7          | -39.9                  | 4.9                        |
| Q3                    | 8.2   | 2.9                  | 8.8                    | 4.5                        | 5.2                  | 13.8                              | 12.1          | -8.7                   | 5.0                        |
| Q4                    | 3.5   | -4.6                 | 4.6                    | -0.4                       | 5.3                  | 8.9                               | 2.4           | -19.6                  | -0.1                       |
| 2007 Q1               | 11.6  | 13.8                 | 16.0                   | -9.1                       | -2.1                 | 25.0                              | 39.0          | 10.3                   | 6.2                        |
| Q2                    | -2.8  | 16.2                 | -1.5                   | -20.7                      | -16.7                | 7.9                               | -4.4          | 25.3                   | -7.8                       |
| Q3                    | 1.1   | 15.5                 | 1.5                    | -8.7                       | -4.5                 | 7.5                               | 27.3          | -3.0                   | -5.8                       |
| Q4                    | 6.2   | -3.4                 | 7.8                    | -1.1                       | -6.3                 | 15.3                              | 24.7          | 6.5                    | 1.8                        |
| 2008 Q1               | 5.8   | 11.9                 | 6.6                    | -0.8                       | 1.7                  | 8.8                               | 26.5          | 77.3                   | -1.3                       |
| Q2                    | 11.9  | 13.6                 | 12.8                   | 1.9                        | 15.9                 | 13.1                              | 28.0          | 77.0                   | 3.9                        |
| Q3                    | 13.1  | 3.4                  | 14.6                   | 1.9                        | 3.4                  | 28.0                              | -15.9         | 55.0                   | 4.3                        |
| Q4                    | -7.7  | 11.2                 | -8.0                   | -12.2                      | -15.3                | -18.7                             | -31.3         | 51.4                   | 7.9                        |
| 2009 Q1               | -10.8 | -12.6                | -12.1                  | -1.6                       | -0.1                 | -29.8                             | -24.9         | -16.3                  | 6.2                        |
| Q2                    | -13.2 | -19.2                | -15.4                  | 15.6                       | -0.9                 | -25.9                             | -40.1         | -32.4                  | 2.8                        |
| Q3                    | -13.1 | -11.3                | -15.1                  | 10.4                       | -5.2                 | -21.1                             | -19.3         | -15.3                  | -4.9                       |
| Q4                    | 7.5   | -6.5                 | 7.4                    | 14.2                       | 16.2                 | 27.8                              | -6.8          | -17.3                  | -7.6                       |
| January               | -16.7 | -23.7                | -18.7                  | -4.6                       | -1.6                 | -41.4                             | -20.8         | -15.7                  | 0.5                        |
| February              | -11.3 | -21.9                | -11.4                  | -6.5                       | -6.2                 | -26.0                             | -44.8         | -16.7                  | 9.6                        |
| March                 | -4.8  | 8.7                  | -7.2                   | 7.0                        | 8.2                  | -23.0                             | -1.7          | -16.6                  | 7.8                        |
| April                 | -7.7  | -8.2                 | -8.5                   | -0.3                       | -3.9                 | -23.0                             | -30.8         | -29.2                  | 14.9                       |
| May                   | -15.3 | -18.1                | -18.7                  | 26.1                       | -8.1                 | -26.3                             | -42.1         | -25.8                  | 0.0                        |
| June                  | -16.2 | -30.8                | -18.4                  | 25.5                       | 10.0                 | -28.3                             | -46.0         | -41.1                  | -4.4                       |
| July                  | -19.8 | -24.0                | -21.6                  | 5.7                        | -0.2                 | -39.2                             | -38.2         | -29.2                  | -1.6                       |
| August                | -9.9  | -6.2                 | -12.7                  | 21.2                       | 0.4                  | -13.4                             | -27.8         | -2.3                   | -7.5                       |
| September             | -9.8  | -2.4                 | -11.4                  | 4.6                        | -16.5                | -12.9                             | 11.6          | -12.6                  | -5.8                       |
| October               | -1.0  | -6.4                 | -2.3                   | 13.8                       | 5.5                  | 13.3                              | -12.7         | -7.6                   | -14.0                      |
| November              | 4.3   | -4.0                 | 3.5                    | 14.8                       | 15.9                 | 14.2                              | -9.9          | -15.0                  | -4.3                       |
| December              | 20.0  | -8.9                 | 22.7                   | 14.0                       | 28.9                 | 62.7                              | 3.0           | -27.9                  | -4.8                       |
| 2010 Q1               | -9.4  | -5.8                 | -14.6                  | 19.0                       | -3.2                 | -7.7                              | -34.1         | -13.8                  | -10.2                      |
| Q2                    | -1.6  | 0.2                  | -6.5                   | 38.5                       | 27.5                 | -2.7                              | -24.9         | 1.2                    | -8.6                       |
| Q3                    | -2.4  | 4.9                  | -3.7                   | 6.9                        | 7.4                  | -15.9                             | -23.0         | -2.0                   | 10.7                       |
| January               | -2.9  | 11.4                 | -8.2                   | 16.7                       | 5.6                  | 0.8                               | -40.0         | -9.7                   | -5.3                       |
| February              | -13.1 | 0.9                  | -20.7                  | 31.2                       | 6.4                  | -15.7                             | -33.5         | -19.0                  | -18.3                      |
| March                 | -11.2 | -23.2                | -13.9                  | 10.6                       | -21.1                | -6.4                              | -30.3         | -12.6                  | -6.2                       |
| April                 | -9.6  | -14.2                | -14.1                  | 29.5                       | 1.9                  | -6.7                              | -35.6         | 4.7                    | -14.3                      |
| May                   | -0.4  | -1.1                 | -5.3                   | 37.5                       | 53.7                 | -5.8                              | -37.4         | -5.2                   | -8.7                       |
| June                  | 5.4   | 19.9                 | 0.0                    | 49.7                       | 31.8                 | 4.5                               | 0.6           | 4.3                    | -3.0                       |
| July                  | 8.3   | 11.2                 | 5.3                    | 35.1                       | 22.9                 | 10.5                              | -16.0         | 10.8                   | 3.9                        |
| August                | -1.5  | 4.3                  | -1.9                   | -0.2                       | 8.1                  | -14.8                             | -24.0         | -1.9                   | 12.5                       |
| September             | -11.9 | 0.1                  | -12.6                  | -10.8                      | -12.5                | -31.5                             | -26.9         | -11.8                  | 16.3                       |
| October               | -4.4  | -7.9                 | -3.8                   | -8.1                       | -11.0                | -12.1                             | 1.4           | -0.5                   | 6.5                        |
| November              | -1.5  | -10.6                | 0.7                    | -14.3                      | -5.6                 | -11.7                             | -26.3         | -15.5                  | 13.0                       |

<sup>1/</sup> Quartile calculations are made in the Research Department in NBRM.

Source: State Statistical Office.





Table 4  
Employment and productivity in total economy

|         | Total population fit for work | Active population |           |            | Number of employees by economic activities: |          |          | Productivity <sup>1</sup> |
|---------|-------------------------------|-------------------|-----------|------------|---|----------|----------|---------------------------|
|         |                               | Total             | Employees | Unemployed | Agriculture                                 | Industry | Services |                           |
| 1996    | 1,436,602                     | 789,081           | 537,591   | 251,489    | 100,067                                     | 193,975  | 243,548  | -                         |
| 1997    | 1,489,625                     | 800,513           | 512,301   | 288,213    | 84,256                                      | 163,988  | 264,056  | -                         |
| 1998    | 1,503,365                     | 823,826           | 539,762   | 284,064    | 107,249                                     | 190,674  | 241,839  | -                         |
| 1999    | 1,518,250                     | 806,674           | 545,222   | 261,452    | 115,361                                     | 185,283  | 244,580  | -                         |
| 2000    | 1,534,256                     | 811,557           | 549,846   | 261,711    | 119,971                                     | 187,066  | 242,809  | -                         |
| 2001    | 1,554,420                     | 862,504           | 599,308   | 263,196    | 131,094                                     | 190,458  | 277,755  | -                         |
| 2002    | 1,566,953                     | 824,824           | 561,341   | 263,483    | 134,293                                     | 186,917  | 238,868  | -                         |
| 2003    | 1,579,450                     | 860,976           | 545,108   | 315,868    | 120,132                                     | 184,855  | 238,583  | -                         |
| 2004    | 1,594,557                     | 832,281           | 522,995   | 309,286    | 88,050                                      | 171,390  | 261,810  | -                         |
| 2005    | 1,607,997                     | 869,187           | 545,253   | 323,934    | 106,533                                     | 175,868  | 261,523  | -0.1                      |
| 2006    | 1,618,482                     | 891,679           | 570,404   | 321,274    | 114,777                                     | 186,085  | 268,117  | -0.6                      |
| 2007    | 1,628,635                     | 907,138           | 590,234   | 316,905    | 107,717                                     | 184,928  | 294,305  | 2.3                       |
| 2008    | 1,633,341                     | 919,424           | 609,015   | 310,403    | 119,749                                     | 190,530  | 297,189  | 1.8                       |
| 2009    | 1,638,869                     | 928,775           | 629,901   | 298,873    | 116,668                                     | 187,077  | 324,410  | -4.1                      |
| 2005 Q1 | 1,603,675                     | 827,428           | 507,397   | 320,030    | 76,546                                      | 181,450  | 251,307  | 5.0                       |
| Q2      | 1,606,833                     | 883,522           | 552,797   | 330,724    | 126,194                                     | 174,588  | 251,112  | 3.3                       |
| Q3      | 1,609,071                     | 889,725           | 564,880   | 324,845    | 135,712                                     | 170,157  | 257,804  | -1.7                      |
| Q4      | 1,612,410                     | 876,074           | 555,938   | 320,136    | 87,921                                      | 180,089  | 286,837  | -6.3                      |
| 2006 Q1 | 1,615,584                     | 877,798           | 559,702   | 318,096    | 103,319                                     | 190,355  | 264,550  | -2.7                      |
| Q2      | 1,617,423                     | 885,609           | 566,293   | 319,316    | 128,519                                     | 189,630  | 246,842  | 0.8                       |
| Q3      | 1,619,447                     | 899,732           | 576,813   | 322,919    | 125,322                                     | 187,760  | 262,480  | 2.0                       |
| Q4      | 1,621,475                     | 903,576           | 578,810   | 324,766    | 101,948                                     | 176,592  | 298,599  | -2.5                      |
| 2007 Q1 | 1,624,611                     | 902,588           | 579,301   | 323,287    | 95,384                                      | 186,975  | 293,629  | 3.5                       |
| Q2      | 1,627,216                     | 906,199           | 589,254   | 316,944    | 112,982                                     | 184,622  | 288,104  | -0.5                      |
| Q3      | 1,630,010                     | 909,466           | 598,327   | 311,139    | 117,531                                     | 181,993  | 294,863  | 0.9                       |
| Q4      | 1,632,702                     | 910,301           | 594,054   | 316,247    | 104,975                                     | 186,122  | 300,622  | 5.5                       |
| 2008 Q1 | 1,635,058                     | 920,512           | 600,593   | 319,919    | 121,238                                     | 178,848  | 298,110  | 1.6                       |
| Q2      | 1,633,339                     | 917,566           | 607,125   | 310,441    | 129,711                                     | 186,184  | 289,783  | 3.4                       |
| Q3      | 1,631,646                     | 925,073           | 619,802   | 305,271    | 119,149                                     | 198,499  | 301,415  | 2.3                       |
| Q4      | 1,633,321                     | 914,547           | 608,541   | 306,006    | 108,896                                     | 198,590  | 299,451  | 0.1                       |
| 2009 Q1 | 1,634,986                     | 919,026           | 618,189   | 300,837    | 120,186                                     | 181,567  | 314,199  | -3.8                      |
| Q2      | 1,637,828                     | 933,878           | 636,156   | 297,722    | 122,958                                     | 188,433  | 322,983  | -6.6                      |
| Q3      | 1,640,302                     | 940,661           | 642,541   | 298,120    | 119,474                                     | 189,239  | 333,028  | -5.4                      |
| Q4      | 1,642,360                     | 921,534           | 622,720   | 298,814    | 104,055                                     | 189,069  | 327,428  | -0.6                      |
| 2010 Q1 | 1,644,423                     | 925,613           | 615,962   | 309,651    | 109,821                                     | 182,562  | 321,505  | -0.8                      |
| Q2      | 1,648,132                     | 923,323           | 627,129   | 296,194    | 121,442                                     | 183,307  | 320,243  | 1.9                       |
| Q3      | 1,649,507                     | 949,313           | 648,773   | 300,540    | 128,825                                     | 186,077  | 332,186  | 0.3                       |

<sup>1</sup> Annual growth rates (%). NBRM staff calculations.

Source: State Statistical Office. Labour Force Survey.



Table 5  
Wages  
amount in denars, annual rate (in %)

|             | Gross salaries: |                |             |                         |          |          | Net salaries:  |                |             |                         |          |          |
|-------------|-----------------|----------------|-------------|-------------------------|----------|----------|----------------|----------------|-------------|-------------------------|----------|----------|
|             | Average, total  | Nominal change | Real change | By economic activities: |          |          | Average, total | Nominal change | Real change | By economic activities: |          |          |
|             |                 |                |             | Agriculture             | Industry | Services |                |                |             | Agriculture             | Industry | Services |
| 1999        | 16,941          | 3.6            | -           | 12,944                  | 16,306   | 19,684   | 10,029         | 2.9            | 3.6         | 8,667                   | 8,380    | 10,720   |
| 2000        | 17,958          | 6.0            | -           | 15,733                  | 17,785   | 20,968   | 10,526         | 5.5            | -0.3        | 9,294                   | 8,883    | 11,354   |
| 2001        | 17,893          | -0.4           | -5.6        | 14,739                  | 18,304   | 20,467   | 10,592         | 3.5            | -1.9        | 8,754                   | 10,348   | 11,852   |
| 2002        | 19,030          | 6.4            | 4.5         | 14,437                  | 19,243   | 21,648   | 11,550         | 6.9            | 5.0         | 8,833                   | 11,415   | 12,791   |
| 2003        | 19,957          | 4.9            | 3.7         | 14,100                  | 19,854   | 22,955   | 11,955         | 4.8            | 3.6         | 8,522                   | 11,782   | 13,549   |
| 2004        | 20,779          | 4.1            | 4.5         | 17,287                  | 20,692   | 23,748   | 12,534         | 4.0            | 4.4         | 10,337                  | 12,290   | 13,999   |
| 2005        | 21,335          | 2.7            | 2.2         | 19,128                  | 21,450   | 24,737   | 13,125         | 2.5            | 2.0         | 11,419                  | 12,738   | 14,548   |
| 2006        | 23,037          | 8.0            | 4.6         | 19,485                  | 23,570   | 25,624   | 13,854         | 7.3            | 4.0         | 11,660                  | 13,983   | 15,036   |
| 2007        | 24,139          | 4.8            | 2.4         | 17,755                  | 23,965   | 26,520   | 14,586         | 7.9            | 5.5         | 10,766                  | 14,585   | 16,080   |
| 2008        | 25,349          | 8.7            | 0.3         | 17,342                  | 25,478   | 28,492   | 16,095         | 10.3           | 1.9         | 10,693                  | 15,780   | 17,581   |
| 2009        | 29,923          | 9.4            | 10.3        | 19,331                  | 29,068   | 33,056   | 19,958         | 9.9            | 10.8        | 13,096                  | 19,316   | 22,136   |
| 2006 Q1     | 22,559          | 7.6            | 4.9         | 19,179                  | 22,969   | 25,184   | 13,207         | 6.9            | 3.7         | 11,466                  | 13,606   | 14,757   |
| Q2          | 22,923          | 8.5            | 5.1         | 19,600                  | 23,340   | 25,444   | 13,428         | 7.7            | 4.2         | 11,681                  | 13,820   | 14,910   |
| Q3          | 23,214          | 8.7            | 5.1         | 19,719                  | 23,967   | 25,835   | 13,584         | 7.7            | 3.9         | 11,779                  | 14,184   | 15,125   |
| Q4          | 23,451          | 7.1            | 4.0         | 19,440                  | 24,003   | 26,035   | 13,854         | 7.2            | 4.0         | 11,712                  | 14,321   | 15,351   |
| 2007 Q1     | 23,139          | 2.6            | 1.9         | 17,809                  | 23,414   | 25,635   | 13,962         | 5.7            | 5.0         | 10,802                  | 14,230   | 15,516   |
| Q2          | 23,651          | 3.2            | 2.1         | 18,396                  | 23,569   | 26,020   | 14,287         | 6.4            | 5.3         | 11,161                  | 14,335   | 15,746   |
| Q3          | 24,193          | 4.2            | 1.8         | 17,524                  | 24,043   | 26,510   | 14,604         | 7.5            | 5.1         | 10,652                  | 14,608   | 16,086   |
| Q4          | 25,574          | 9.1            | 4.2         | 17,291                  | 24,836   | 27,917   | 15,490         | 11.8           | 6.9         | 10,451                  | 15,167   | 16,971   |
| 2008 Q1     | 25,146          | 8.7            | -0.8        | 16,983                  | 24,571   | 27,429   | 15,430         | 10.5           | 0.9         | 10,315                  | 15,220   | 16,934   |
| Q2          | 25,566          | 8.1            | -1.6        | 16,679                  | 25,126   | 27,899   | 15,697         | 9.9            | 0.0         | 10,295                  | 15,559   | 17,228   |
| Q3          | 26,337          | 8.9            | 0.4         | 16,779                  | 25,610   | 28,561   | 16,171         | 10.7           | 2.1         | 10,479                  | 15,860   | 17,628   |
| Q4          | 27,863          | 9.0            | 3.3         | 18,928                  | 26,604   | 30,080   | 17,081         | 10.3           | 4.5         | 11,684                  | 16,480   | 18,534   |
| January     | 25,349          | 10.2           | 1.4         | 17,355                  | 25,456   | 27,398   | 15,555         | 12.0           | 3.1         | 10,453                  | 15,757   | 16,918   |
| February    | 24,799          | 7.4            | -2.0        | 16,599                  | 24,265   | 27,165   | 15,207         | 9.1            | -0.4        | 10,169                  | 15,019   | 16,771   |
| March       | 25,289          | 8.4            | -1.6        | 16,994                  | 23,993   | 27,724   | 15,529         | 10.4           | 0.2         | 10,325                  | 14,884   | 17,114   |
| April       | 25,412          | 7.5            | -2.3        | 16,379                  | 24,735   | 27,808   | 15,605         | 9.2            | -0.8        | 10,042                  | 15,315   | 17,176   |
| May         | 25,612          | 7.9            | -1.4        | 16,379                  | 25,337   | 27,843   | 15,728         | 9.8            | 0.2         | 10,104                  | 15,691   | 17,198   |
| June        | 25,673          | 8.8            | -1.1        | 17,279                  | 25,307   | 28,047   | 15,759         | 10.7           | 0.5         | 10,741                  | 15,672   | 17,311   |
| July        | 25,739          | 8.6            | -0.8        | 16,653                  | 24,907   | 28,100   | 15,808         | 10.5           | 1.0         | 10,493                  | 15,415   | 17,355   |
| August      | 25,758          | 7.7            | -0.8        | 16,811                  | 25,413   | 28,078   | 15,820         | 9.5            | 0.8         | 10,438                  | 15,739   | 17,333   |
| September   | 27,513          | 10.2           | 2.9         | 16,873                  | 26,510   | 29,505   | 16,884         | 12.1           | 4.6         | 10,505                  | 16,425   | 18,196   |
| October     | 27,758          | 7.2            | 0.1         | 20,034                  | 26,800   | 29,855   | 17,020         | 9.0            | 1.8         | 12,364                  | 16,621   | 18,404   |
| November    | 27,507          | 8.3            | 3.0         | 17,223                  | 25,889   | 29,603   | 16,859         | 10.0           | 4.6         | 10,687                  | 16,029   | 18,238   |
| December    | 28,323          | 11.4           | 7.0         | 19,527                  | 27,125   | 30,784   | 17,363         | 11.7           | 7.3         | 12,001                  | 16,791   | 18,960   |
| 2009 Q1*    | 29,540          | 12.5           | 11.5        | 19,127                  | 28,496   | 32,764   | 19,653         | 12.7           | 11.8        | 12,973                  | 18,774   | 21,885   |
| Q2*         | 30,137          | 12.8           | 13.5        | 19,489                  | 29,156   | 33,394   | 20,116         | 13.4           | 14.1        | 13,191                  | 19,414   | 22,423   |
| Q3*         | 29,833          | 8.4            | 9.9         | 19,453                  | 29,248   | 32,861   | 19,891         | 8.9            | 10.4        | 13,171                  | 19,496   | 21,973   |
| Q4*         | 30,183          | 3.7            | 5.9         | 19,254                  | 29,372   | 33,207   | 20,172         | 4.5            | 6.8         | 13,051                  | 19,579   | 22,261   |
| January*    | 29,586          | 11.7           | 9.9         | 19,610                  | 28,815   | 32,608   | 19,616         | 11.6           | 9.8         | 13,241                  | 18,752   | 21,767   |
| February*   | 29,433          | 13.6           | 12.8        | 18,840                  | 27,834   | 32,929   | 19,598         | 14.1           | 13.3        | 12,811                  | 18,490   | 21,973   |
| March*      | 29,602          | 12.1           | 11.8        | 18,930                  | 28,841   | 32,753   | 19,746         | 12.6           | 12.3        | 12,869                  | 19,081   | 21,913   |
| April*      | 30,139          | 13.5           | 14.1        | 19,129                  | 29,367   | 33,683   | 20,167         | 14.4           | 15.0        | 12,931                  | 19,530   | 22,723   |
| May*        | 30,100          | 12.5           | 12.1        | 19,831                  | 28,249   | 33,603   | 20,112         | 13.2           | 12.7        | 13,431                  | 18,810   | 22,561   |
| June*       | 30,171          | 12.5           | 14.4        | 19,507                  | 29,851   | 32,896   | 20,070         | 12.7           | 14.7        | 13,211                  | 19,903   | 21,987   |
| July*       | 29,730          | 10.6           | 12.0        | 18,930                  | 29,137   | 32,725   | 19,763         | 10.7           | 12.1        | 12,879                  | 19,420   | 21,806   |
| August*     | 29,767          | 10.6           | 12.2        | 19,841                  | 29,139   | 32,850   | 19,867         | 11.2           | 12.7        | 13,421                  | 19,430   | 21,975   |
| September*  | 30,002          | 4.4            | 5.9         | 19,589                  | 29,469   | 33,009   | 20,044         | 5.1            | 6.6         | 13,213                  | 19,636   | 22,137   |
| October*    | 30,110          | 3.8            | 6.4         | 19,618                  | 29,173   | 32,919   | 20,116         | 4.6            | 7.2         | 13,306                  | 19,449   | 22,051   |
| November*   | 29,829          | 3.8            | 6.3         | 19,434                  | 29,644   | 32,640   | 19,918         | 4.6            | 7.0         | 13,173                  | 19,732   | 21,855   |
| December*   | 30,611          | 3.5            | 5.1         | 18,710                  | 29,300   | 34,061   | 20,483         | 4.4            | 6.1         | 12,676                  | 19,555   | 22,877   |
| 2010 Q1     | 29,879          | 1.1            | 0.6         | 19,358                  | 29,223   | 32,467   | 20,303         | 3.3            | 2.8         | 13,234                  | 19,774   | 22,136   |
| Q2          | 30,238          | 0.3            | -0.8        | 19,678                  | 29,636   | 32,650   | 20,557         | 2.2            | 1.1         | 13,491                  | 19,982   | 22,283   |
| Q3          | 30,099          | 0.9            | -0.9        | 20,072                  | 29,724   | 32,325   | 20,465         | 2.9            | 1.1         | 13,668                  | 20,056   | 22,049   |
| January '10 | 29,947          | 1.2            | 1.1         | 19,844                  | 29,370   | 32,586   | 20,330         | 3.6            | 3.5         | 13,651                  | 19,850   | 22,196   |
| February    | 29,751          | 1.1            | 0.5         | 19,205                  | 28,801   | 32,659   | 20,240         | 3.3            | 2.7         | 13,155                  | 19,565   | 22,324   |
| March       | 29,938          | 1.1            | 0.4         | 19,026                  | 29,500   | 32,157   | 20,338         | 3.0            | 2.3         | 12,897                  | 19,907   | 21,889   |
| April       | 30,081          | -0.2           | -1.6        | 19,723                  | 29,249   | 32,481   | 20,449         | 1.4            | 0.0         | 13,551                  | 19,760   | 22,155   |
| May         | 30,598          | 1.7            | 1.5         | 19,684                  | 29,925   | 32,971   | 20,798         | 3.4            | 3.2         | 13,573                  | 20,154   | 22,501   |
| June        | 30,035          | -0.5           | -2.2        | 19,626                  | 29,734   | 32,500   | 20,424         | 1.8            | 0.0         | 13,348                  | 20,033   | 22,193   |
| July        | 29,827          | 0.3            | -1.2        | 20,661                  | 29,164   | 31,921   | 20,299         | 2.7            | 1.2         | 14,125                  | 19,728   | 21,792   |
| August      | 30,207          | 1.5            | -0.4        | 19,839                  | 29,976   | 32,421   | 20,541         | 3.4            | 1.5         | 13,499                  | 20,215   | 22,118   |
| September   | 30,263          | 0.9            | -1.1        | 19,716                  | 30,031   | 32,634   | 20,554         | 2.5            | 0.5         | 13,379                  | 20,226   | 22,236   |
| October     | 30,279          | 0.6            | -2.1        | 18,716                  | 30,034   | 32,582   | 20,584         | 2.3            | -0.4        | 12,630                  | 20,245   | 22,232   |

\*From January 2009 there is structural break in the wage data, due to the "gross wage" reform. Consequently, values for net and gross wages from January 2009 are significantly higher than in the previous period. On the other hand, growth rates for net and gross wages shown in the table correspond to data that are corrected for this structural break. The correction is done by the NBRM staff, assuming that the wage in January 2009 remains on the December 2008 level, and then multiplying this value with the official SSO monthly growth rates.

Source: State Statistical Office.



Table 6  
Budget of the Republic of Macedonia

|   | 2008          |               |               |                | Jan.-Dec.<br>2008 | 2009          |               |               |               | Jan.-Dec.<br>2009 | 2010          |               |               |
|---|---------------|---------------|---------------|----------------|-------------------|---------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|
|   | Q1            | Q2            | Q3            | Q4             |                   | Q1            | Q2            | Q3            | Q4            |                   | Q1            | Q2            | Q3            |
| <b>TOTAL BUDGET REVENUES</b>                            | <b>33,134</b> | <b>31,688</b> | <b>37,073</b> | <b>34,516</b>  | <b>136,411</b>    | <b>31,298</b> | <b>31,780</b> | <b>31,785</b> | <b>33,635</b> | <b>128,498</b>    | <b>29,522</b> | <b>32,321</b> | <b>36,133</b> |
| <b>Revenues base on taxes and contributions</b>         | <b>28,002</b> | <b>28,105</b> | <b>29,329</b> | <b>29,667</b>  | <b>115,103</b>    | <b>26,554</b> | <b>26,033</b> | <b>27,774</b> | <b>29,499</b> | <b>109,860</b>    | <b>25,268</b> | <b>28,122</b> | <b>29,137</b> |
| Tax revenues (SRA)*                                     | 135           | 31            | 66            | 63             | 295               | 37            | 58            | 63            | 111           | 269               | 177           | 160           | 196           |
| Tax revenues  | 19,046        | 19,006        | 19,658        | 18,849         | 76,559            | 17,327        | 16,248        | 18,234        | 18,945        | 70,754            | 16,009        | 18,528        | 19,209        |
| personal income tax                                     | 2,075         | 2,134         | 1,988         | 2,499          | 8,696             | 2,029         | 2,198         | 2,141         | 2,342         | 8,710             | 2,111         | 2,116         | 2,085         |
| profit tax  | 2,823         | 2,075         | 1,747         | 1,934          | 8,579             | 1,996         | 614           | 997           | 827           | 4,434             | 879           | 623           | 1,154         |
| value added tax   | 8,857         | 9,145         | 9,697         | 8,474          | 36,173            | 8,175         | 7,817         | 9,205         | 9,976         | 35,173            | 8,204         | 9,734         | 9,929         |
| excises   | 3,291         | 3,389         | 3,870         | 3,726          | 14,276            | 3,124         | 3,662         | 3,991         | 3,756         | 14,533            | 3,140         | 3,542         | 4,304         |
| custom duties   | 1,320         | 1,675         | 1,666         | 1,614          | 6,275             | 1,304         | 1,316         | 1,235         | 1,374         | 5,229             | 953           | 1,772         | 903           |
| other   | 680           | 588           | 690           | 602            | 2,560             | 699           | 641           | 665           | 670           | 2,675             | 722           | 741           | 834           |
| Contributions   | 8,821         | 9,068         | 9,605         | 10,755         | 38,249            | 9,190         | 9,727         | 9,477         | 10,443        | 38,837            | 9,082         | 9,434         | 9,732         |
| Pension and Disability Insurance Fund of Republic of Ma | 5,954         | 6,024         | 6,481         | 7,127          | 25,586            | 6,185         | 6,650         | 6,412         | 7,034         | 26,281            | 6,162         | 6,386         | 6,614         |
| Employment Biro   | 416           | 425           | 436           | 513            | 1,790             | 439           | 450           | 457           | 502           | 1,848             | 400           | 400           | 410           |
| Health Fund   | 2,451         | 2,619         | 2,688         | 3,115          | 10,873            | 2,566         | 2,627         | 2,608         | 2,907         | 10,708            | 2,520         | 2,648         | 2,708         |
| <b>Non-tax revenues</b>                                 | <b>4,552</b>  | <b>3,035</b>  | <b>7,189</b>  | <b>3,624</b>   | <b>18,400</b>     | <b>4,160</b>  | <b>5,173</b>  | <b>3,533</b>  | <b>3,536</b>  | <b>16,402</b>     | <b>3,731</b>  | <b>3,048</b>  | <b>6,322</b>  |
| Non-tax revenues (SRA)*                                 | 1,882         | 1,543         | 1,764         | 1,971          | 7,160             | 1,832         | 1,436         | 1,740         | 1,851         | 6,859             | 1,864         | 1,431         | 1,821         |
| Profit from public financial institutions               | 1,338         | 46            | 3,839         | 323            | 5,546             | 1,197         | 2,406         | 101           | 103           | 3,807             | 495           | 63            | 3,157         |
| National Bank of the Republic of Macedonia              | 1,289         | 0             | 0             | 0              | 1,289             | 1,161         | 0             | 0             | 0             | 1,161             | 408           | 0             | 0             |
| Asset Management Agency                                 | 0             | 0             | 0             | 260            | 260               | 0             | 0             | 60            | 72            | 132               | 40            | 28            | 0             |
| Other property revenues                                 | 4             | 0             | 3             | 3              | 10                | 2             | 0             | 1             | 0             | 3                 | 37            | 9             | 632           |
| Interests from assets deposited in NBRM                 | 44            | 44            | 44            | 50             | 182               | 34            | 23            | 24            | 30            | 111               | 8             | 26            | 15            |
| Dividend  | 1             | 2             | 3,792         | 10             | 3,805             | 0             | 2,383         | 16            | 1             | 2,400             | 2             | 0             | 2,510         |
| Administrative taxes                                    | 472           | 453           | 456           | 477            | 1,858             | 446           | 464           | 495           | 492           | 1,897             | 448           | 474           | 381           |
| Participation for health services                       | 121           | 119           | 83            | 67             | 390               | 76            | 77            | 74            | 85            | 312               | 85            | 80            | 75            |
| Other administrative taxes                              | 121           | 143           | 127           | 170            | 561               | 137           | 128           | 110           | 139           | 514               | 133           | 137           | 115           |
| Other non-tax revenues                                  | 147           | 179           | 406           | 210            | 942               | 125           | 216           | 509           | 415           | 1,265             | 275           | 317           | 183           |
| Compensations for the Road Fund                         | 471           | 552           | 514           | 406            | 1,943             | 346           | 446           | 504           | 451           | 1,747             | 358           | 446           | 574           |
| <b>Capital revenues</b>                                 | <b>336</b>    | <b>282</b>    | <b>373</b>    | <b>399</b>     | <b>1,390</b>      | <b>414</b>    | <b>238</b>    | <b>194</b>    | <b>321</b>    | <b>1,167</b>      | <b>268</b>    | <b>331</b>    | <b>227</b>    |
| <b>Donations from abroad</b>                            | <b>191</b>    | <b>237</b>    | <b>162</b>    | <b>737</b>     | <b>1,327</b>      | <b>114</b>    | <b>268</b>    | <b>204</b>    | <b>247</b>    | <b>833</b>        | <b>201</b>    | <b>648</b>    | <b>281</b>    |
| <b>Revenues of recovered loans</b>                      | <b>53</b>     | <b>29</b>     | <b>20</b>     | <b>89</b>      | <b>191</b>        | <b>57</b>     | <b>68</b>     | <b>80</b>     | <b>32</b>     | <b>237</b>        | <b>56</b>     | <b>173</b>    | <b>166</b>    |
| <b>TOTAL BUDGET EXPENDITURES</b>                        | <b>28,874</b> | <b>31,945</b> | <b>30,710</b> | <b>48,693</b>  | <b>140,222</b>    | <b>33,231</b> | <b>35,357</b> | <b>33,008</b> | <b>37,797</b> | <b>139,393</b>    | <b>33,626</b> | <b>34,293</b> | <b>36,643</b> |
| <b>Current expenditures</b>                             | <b>26,274</b> | <b>28,499</b> | <b>27,733</b> | <b>37,654</b>  | <b>120,160</b>    | <b>30,639</b> | <b>31,687</b> | <b>30,216</b> | <b>33,423</b> | <b>125,965</b>    | <b>30,397</b> | <b>31,563</b> | <b>31,702</b> |
| Wages and salaries                                      | 5,220         | 4,971         | 4,879         | 5,757          | 20,827            | 5,570         | 5,782         | 5,650         | 5,697         | 22,699            | 5,751         | 5,636         | 5,588         |
| Goods and services                                      | 3,165         | 4,075         | 3,724         | 7,781          | 18,745            | 3,757         | 4,481         | 3,631         | 4,351         | 16,220            | 3,728         | 3,179         | 3,785         |
| Transfers   | 17,469        | 18,771        | 18,743        | 22,959         | 77,942            | 20,809        | 20,699        | 20,593        | 22,500        | 84,601            | 20,688        | 22,086        | 20,959        |
| Transfers (SRA)*  | 320           | 452           | 326           | 185            | 1,283             | 221           | 255           | 416           | 613           | 1,505             | 264           | 309           | 369           |
| Social transfers  | 13,848        | 14,275        | 14,453        | 15,528         | 58,104            | 15,132        | 15,430        | 15,368        | 15,812        | 61,742            | 15,621        | 15,931        | 16,079        |
| Pension and Disability Insurance Fund of Republic of Ma | 7,792         | 8,163         | 8,513         | 8,898          | 33,366            | 8,932         | 9,047         | 9,147         | 9,329         | 36,455            | 9,232         | 9,380         | 9,378         |
| Employment Agency                                       | 368           | 407           | 386           | 465            | 1,626             | 435           | 500           | 590           | 746           | 2,271             | 495           | 525           | 518           |
| State benefit   | 1,004         | 1,022         | 986           | 978            | 3,990             | 957           | 1,114         | 1,144         | 1,090         | 4,305             | 1,267         | 1,336         | 1,215         |
| Public health   | 4,684         | 4,683         | 4,568         | 5,187          | 19,122            | 4,808         | 4,769         | 4,487         | 4,647         | 18,711            | 4,627         | 4,690         | 4,968         |
| Other transfers   | 3,284         | 4,030         | 3,953         | 7,221          | 18,488            | 5,446         | 4,997         | 4,793         | 6,060         | 21,296            | 4,794         | 5,829         | 4,501         |
| Refugees  | 17            | 14            | 11            | 25             | 67                | 10            | 17            | 16            | 15            | 58                | 9             | 17            | 10            |
| Interest payments                                       | 420           | 682           | 387           | 1,157          | 2,646             | 503           | 725           | 342           | 875           | 2,445             | 231           | 661           | 1,370         |
| Interest on domestic debt                               | 141           | 408           | 48            | 346            | 943               | 139           | 479           | 161           | 232           | 1,011             | 99            | 464           | 185           |
| Interest on external debt                               | 279           | 274           | 339           | 811            | 1,703             | 364           | 246           | 181           | 643           | 1,434             | 131           | 198           | 1,185         |
| Guaranties  | 0             | 0             | 0             | 0              | 0                 | 0             | 0             | 0             | 0             | 0                 | 0             | 0             | 0             |
| <b>Capital expenditures</b>                             | <b>2,600</b>  | <b>3,446</b>  | <b>2,977</b>  | <b>11,039</b>  | <b>20,062</b>     | <b>2,592</b>  | <b>3,670</b>  | <b>2,792</b>  | <b>4,374</b>  | <b>13,428</b>     | <b>3,229</b>  | <b>2,730</b>  | <b>4,941</b>  |
| Investments in fixed assets                             | 2,136         | 1,872         | 1,881         | 7,579          | 13,468            | 2,286         | 2,049         | 2,125         | 2,993         | 9,453             | 2,387         | 1,816         | 3,623         |
| Capital transfers                                       | 464           | 1,574         | 1,096         | 3,460          | 6,594             | 306           | 1,621         | 667           | 1,381         | 3,975             | 843           | 914           | 1,318         |
| <b>BUDGET DEFICIT / SURPLUS</b>                         | <b>4,260</b>  | <b>-257</b>   | <b>6,363</b>  | <b>-14,177</b> | <b>-3,811</b>     | <b>-1,933</b> | <b>-3,577</b> | <b>-1,223</b> | <b>-4,162</b> | <b>-10,895</b>    | <b>-4,104</b> | <b>-1,974</b> | <b>-510</b>   |
| <b>Financing</b>  | <b>-4,260</b> | <b>257</b>    | <b>-6,363</b> | <b>14,177</b>  | <b>3,811</b>      | <b>1,933</b>  | <b>3,577</b>  | <b>1,223</b>  | <b>4,162</b>  | <b>10,895</b>     | <b>4,104</b>  | <b>1,974</b>  | <b>510</b>    |
| <b>Inflow</b>   | <b>-3,737</b> | <b>3,419</b>  | <b>-5,662</b> | <b>16,767</b>  | <b>10,787</b>     | <b>2,908</b>  | <b>6,891</b>  | <b>2,049</b>  | <b>7,091</b>  | <b>18,939</b>     | <b>4,699</b>  | <b>5,505</b>  | <b>1,545</b>  |
| Revenues based on privatisation                         | 661           | 377           | 0             | 602            | 1,640             | 0             | 0             | 0             | 0             | 0                 | 0             | 1             | 0             |
| Foreign loans   | 355           | 678           | 136           | 1,497          | 2,666             | 185           | 1,038         | 11,088        | 729           | 13,040            | 337           | 1,593         | 702           |
| Deposits  | -5,151        | 2,769         | -6,104        | 11,832         | 3,345             | -2,751        | 9,059         | -8,062        | 1,480         | -274              | 4,440         | 1,616         | 149           |
| Treasury bills  | 379           | -475          | 305           | 2,829          | 3,038             | 5,424         | -3,206        | -978          | 4,858         | 6,098             | -78           | 2,295         | 695           |
| Sale of shares  | 19            | 70            | 1             | 7              | 97                | 50            | 0             | 1             | 24            | 75                | 0             | 0             | 0             |
| <b>Outflow</b>  | <b>523</b>    | <b>3,162</b>  | <b>701</b>    | <b>2,590</b>   | <b>6,976</b>      | <b>975</b>    | <b>3,314</b>  | <b>826</b>    | <b>2,929</b>  | <b>8,044</b>      | <b>596</b>    | <b>3,532</b>  | <b>1,035</b>  |
| Repayment of principal                                  | 523           | 3,162         | 701           | 2,590          | 6,976             | 975           | 3,314         | 826           | 2,929         | 8,044             | 596           | 3,532         | 1,035         |
| External debt   | 392           | 317           | 701           | 468            | 1,878             | 593           | 554           | 695           | 514           | 2,356             | 596           | 534           | 726           |
| Domestic debt   | 131           | 2,845         | 0             | 2,122          | 5,098             | 382           | 2,760         | 131           | 2,415         | 5,688             | 0             | 2,998         | 309           |

\*Specific Revenue Accounts.  
Source: Ministry of Finance.



Table 7  
National bank of the Republic of Macedonia - balance sheet <sup>1,2,3,4</sup>  
in millions of denars

|  | 2003         | 2004         | 2005         | 2006         | 2007         | 2008          |               |              |              |              |              |               |               |               |               |               |              |
|--|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|
|  | XII          | XII          | XII          | XII          | XII          | I             | II            | III          | IV           | V            | VI           | VII           | VIII          | IX            | X             | XI            | XII          |
| <b>A. ASSETS</b>   | <b>52223</b> | <b>51352</b> | <b>75272</b> | <b>95647</b> | <b>99990</b> | <b>100006</b> | <b>100544</b> | <b>98510</b> | <b>97154</b> | <b>97441</b> | <b>99435</b> | <b>100296</b> | <b>102261</b> | <b>107770</b> | <b>107245</b> | <b>101893</b> | <b>96111</b> |
| <b>1. Foreign Assets</b>                                     | <b>46078</b> | <b>44831</b> | <b>69588</b> | <b>88102</b> | <b>94979</b> | <b>94978</b>  | <b>95488</b>  | <b>93530</b> | <b>92181</b> | <b>92431</b> | <b>94492</b> | <b>95338</b>  | <b>97898</b>  | <b>103371</b> | <b>102821</b> | <b>97688</b>  | <b>91908</b> |
| <b>1.1. Official Reserves Assets</b>                         | <b>44178</b> | <b>44423</b> | <b>68698</b> | <b>86664</b> | <b>93291</b> | <b>94332</b>  | <b>94847</b>  | <b>93085</b> | <b>91726</b> | <b>92357</b> | <b>94414</b> | <b>95263</b>  | <b>97838</b>  | <b>103314</b> | <b>102750</b> | <b>97584</b>  | <b>91808</b> |
| <b>1.2 Other Foreign Assets</b>                              | <b>1900</b>  | <b>408</b>   | <b>890</b>   | <b>1438</b>  | <b>1688</b>  | <b>646</b>    | <b>641</b>    | <b>445</b>   | <b>455</b>   | <b>73</b>    | <b>78</b>    | <b>75</b>     | <b>60</b>     | <b>57</b>     | <b>71</b>     | <b>104</b>    | <b>100</b>   |
| <b>2. Claims on Central Government</b>                       | <b>3890</b>  | <b>3495</b>  | <b>3549</b>  | <b>2519</b>  | <b>1271</b>  | <b>1272</b>   | <b>1272</b>   | <b>1272</b>  | <b>1272</b>  | <b>1272</b>  | <b>1272</b>  | <b>1272</b>   | <b>1272</b>   | <b>1272</b>   | <b>1272</b>   | <b>1294</b>   | <b>1304</b>  |
| 2.1. In national currency                                    | 3815         | 3495         | 3549         | 2505         | 1264         | 1264          | 1264          | 1264         | 1264         | 1264         | 1264         | 1264          | 1264          | 1264          | 1264          | 1286          | 1296         |
| 2.2. In foreign currency                                     | 75           | 0            | 0            | 14           | 7            | 8             | 8             | 8            | 8            | 8            | 8            | 8             | 8             | 8             | 8             | 8             | 8            |
| <b>3. Other Assets</b>                                       | <b>2254</b>  | <b>3025</b>  | <b>2135</b>  | <b>5025</b>  | <b>3740</b>  | <b>3756</b>   | <b>3784</b>   | <b>3708</b>  | <b>3701</b>  | <b>3738</b>  | <b>3671</b>  | <b>3686</b>   | <b>3090</b>   | <b>3127</b>   | <b>3152</b>   | <b>2911</b>   | <b>2898</b>  |
| <b>B. TOTAL LIABILITIES</b>                                  | <b>52223</b> | <b>51352</b> | <b>75272</b> | <b>95647</b> | <b>99990</b> | <b>100006</b> | <b>100544</b> | <b>98510</b> | <b>97154</b> | <b>97441</b> | <b>99435</b> | <b>100296</b> | <b>102261</b> | <b>107770</b> | <b>107245</b> | <b>101893</b> | <b>96111</b> |
| <b>1. Reserve money</b>                                      | <b>22345</b> | <b>22683</b> | <b>28374</b> | <b>34018</b> | <b>41468</b> | <b>39386</b>  | <b>40317</b>  | <b>38826</b> | <b>40481</b> | <b>40310</b> | <b>44247</b> | <b>45792</b>  | <b>45563</b>  | <b>46424</b>  | <b>48556</b>  | <b>44403</b>  | <b>48035</b> |
| 1.1. Currency in circulation                                 | 15010        | 15071        | 15813        | 17732        | 19894        | 18333         | 18124         | 17792        | 18508        | 18421        | 18454        | 19892         | 18776         | 18894         | 18963         | 18179         | 20799        |
| 1.2. Other Depository Corporations                           | 6018         | 6043         | 10307        | 13769        | 17966        | 16939         | 17772         | 16718        | 17566        | 17396        | 20716        | 20542         | 19910         | 21740         | 23624         | 20185         | 21619        |
| 1.2.1. Transferable Deposits Excluded, NC                    | 3248         | 2677         | 4984         | 7396         | 10689        | 9518          | 9343          | 8158         | 8865         | 8580         | 11700        | 11400         | 9447          | 10514         | 11931         | 8394          | 10288        |
| 1.2.2. Other Deposits Excluded from Broad money, NC          |              |              |              |              |              | 0             | 0             | 0            | 0            | 0            | 0            | 0             | 1149          | 1467          | 1773          | 2019          | 1528         |
| 1.2.3. Other Deposits Excluded from Broad money, FC          | 2770         | 3366         | 5323         | 6373         | 7277         | 7421          | 8429          | 8560         | 8701         | 8816         | 9016         | 9142          | 9314          | 9759          | 9920          | 9772          | 9803         |
| 1.3. State and Local Government                              | 0            | 0            | 679          | 635          | 1602         | 1891          | 2038          | 1953         | 2033         | 2043         | 2569         | 2505          | 2668          | 2858          | 2940          | 2988          | 2823         |
| 1.3.1. Transferable Deposits - State and Local Government NC | 0            | 0            | 679          | 635          | 1602         | 1891          | 2038          | 1953         | 2033         | 2043         | 2569         | 2505          | 2668          | 2858          | 2940          | 2988          | 2823         |
| 1.4. Other Financial Corporations                            | 1317         | 1569         | 1575         | 1882         | 2006         | 2223          | 2383          | 2363         | 2374         | 2450         | 2508         | 2853          | 4209          | 2932          | 3029          | 3051          | 2794         |
| <b>2. Currency held by Other Depository Corporations</b>     | <b>844</b>   | <b>921</b>   | <b>1389</b>  | <b>1545</b>  | <b>1986</b>  | <b>1948</b>   | <b>1916</b>   | <b>2074</b>  | <b>2191</b>  | <b>2041</b>  | <b>2303</b>  | <b>3155</b>   | <b>2426</b>   | <b>2369</b>   | <b>2381</b>   | <b>2355</b>   | <b>3198</b>  |
| <b>3. Other Depository Corporations - Other Liabilities</b>  | <b>4581</b>  | <b>4713</b>  | <b>8945</b>  | <b>9480</b>  | <b>21040</b> | <b>21616</b>  | <b>22218</b>  | <b>21738</b> | <b>20653</b> | <b>23252</b> | <b>21641</b> | <b>19979</b>  | <b>20759</b>  | <b>20096</b>  | <b>18436</b>  | <b>16879</b>  | <b>17451</b> |
| 3.1. Transferable Deposits Excluded from Broad money, FC     | 193          | 147          | 0            | 0            | 0            | 0             | 0             | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             | 0            |
| 3.2. Other Deposits Excluded from Broad money, FC            | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             | 0            |
| 3.3. Securities Excluded from Broad money, NC                | 4388         | 4566         | 8945         | 9480         | 21040        | 21616         | 22218         | 21738        | 20653        | 23252        | 21641        | 19979         | 20759         | 20096         | 18436         | 16879         | 17451        |
| <b>4. Restricted Deposits</b>                                | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>     | <b>0</b>     | <b>1</b>     | <b>1</b>     | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>3</b>      | <b>11</b>    |
| <b>5. Foreign liabilities</b>                                | <b>3982</b>  | <b>3457</b>  | <b>3863</b>  | <b>3249</b>  | <b>555</b>   | <b>560</b>    | <b>560</b>    | <b>560</b>   | <b>560</b>   | <b>560</b>   | <b>560</b>   | <b>944</b>    | <b>943</b>    | <b>943</b>    | <b>945</b>    | <b>945</b>    | <b>955</b>   |
| <b>6. Central Government Deposits</b>                        | <b>12348</b> | <b>12865</b> | <b>24025</b> | <b>34648</b> | <b>20833</b> | <b>21431</b>  | <b>20262</b>  | <b>22929</b> | <b>21256</b> | <b>19287</b> | <b>18749</b> | <b>19193</b>  | <b>21034</b>  | <b>24584</b>  | <b>23346</b>  | <b>21679</b>  | <b>12334</b> |
| 6.1. In national currency                                    | 3997         | 6584         | 8399         | 16962        | 15313        | 15928         | 14910         | 17830        | 16385        | 14645        | 13343        | 14005         | 15977         | 19936         | 19034         | 16393         | 9208         |
| 6.2. In foreign currency                                     | 8351         | 6281         | 15626        | 17686        | 5520         | 5503          | 5352          | 5099         | 4871         | 4642         | 5406         | 5188          | 5057          | 4648          | 4312          | 5286          | 3126         |
| <b>7. Other liabilities</b>                                  | <b>8967</b>  | <b>7634</b>  | <b>10065</b> | <b>14252</b> | <b>16094</b> | <b>17013</b>  | <b>17187</b>  | <b>14458</b> | <b>14204</b> | <b>14031</b> | <b>14237</b> | <b>14387</b>  | <b>13961</b>  | <b>15722</b>  | <b>15961</b>  | <b>17984</b>  | <b>17324</b> |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from August 2009, Deposit Money Banks and Saving Houses are obliged to allocate compulsory deposit at NBRM, according Decision of compulsory deposit at NBRM, No 02-15/VI-1/2008 from 12.06.2008

3) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

4) In accordance with the IMF guidelines, SDR allocations is treated as foreign liabilities and no longer as "shares and other equity". The all historical series is revised.

Source: NBRM.



National bank of the Republic of Macedonia - balance sheet<sup>1,2,3,4</sup>  
in millions of denars

|  | 2009         |              |              |              |              |              |              |              |              |              |               | 2010          |               |               |               |               |               |               |               |               |               |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | I            | II           | III          | IV           | V            | VI           | VII          | VIII         | IX           | X            | XI            | XII           | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            |
| <b>A. ASSETS</b>   | <b>93073</b> | <b>91373</b> | <b>82366</b> | <b>78467</b> | <b>76168</b> | <b>78057</b> | <b>89571</b> | <b>96341</b> | <b>97643</b> | <b>98975</b> | <b>101631</b> | <b>102010</b> | <b>103709</b> | <b>103882</b> | <b>103114</b> | <b>105478</b> | <b>107774</b> | <b>109433</b> | <b>105350</b> | <b>110091</b> | <b>112350</b> |
| <b>1. Foreign Assets</b>                                     | <b>88888</b> | <b>87201</b> | <b>78197</b> | <b>74290</b> | <b>72012</b> | <b>73904</b> | <b>85428</b> | <b>92219</b> | <b>93538</b> | <b>94889</b> | <b>97499</b>  | <b>97807</b>  | <b>99515</b>  | <b>99697</b>  | <b>98935</b>  | <b>101310</b> | <b>103590</b> | <b>105246</b> | <b>101212</b> | <b>105896</b> | <b>104160</b> |
| <b>1.1. Official Reserves Assets</b>                         | <b>88543</b> | <b>86814</b> | <b>77859</b> | <b>73928</b> | <b>71658</b> | <b>73618</b> | <b>85235</b> | <b>92066</b> | <b>93387</b> | <b>94760</b> | <b>97380</b>  | <b>97725</b>  | <b>99435</b>  | <b>99595</b>  | <b>98837</b>  | <b>101209</b> | <b>103485</b> | <b>105138</b> | <b>101126</b> | <b>105844</b> | <b>104119</b> |
| <b>1.2 Other Foreign Assets</b>                              | <b>345</b>   | <b>387</b>   | <b>338</b>   | <b>362</b>   | <b>354</b>   | <b>286</b>   | <b>193</b>   | <b>154</b>   | <b>151</b>   | <b>129</b>   | <b>119</b>    | <b>83</b>     | <b>80</b>     | <b>102</b>    | <b>99</b>     | <b>102</b>    | <b>105</b>    | <b>108</b>    | <b>86</b>     | <b>53</b>     | <b>41</b>     |
| <b>2. Claims on Central Government</b>                       | <b>1309</b>  | <b>1305</b>  | <b>1305</b>  | <b>1306</b>  | <b>1306</b>  | <b>1305</b>  | <b>1306</b>  | <b>1306</b>  | <b>1301</b>  | <b>1294</b>  | <b>1319</b>   | <b>1327</b>   | <b>1337</b>   | <b>1347</b>   | <b>1347</b>   | <b>1355</b>   | <b>1380</b>   | <b>1394</b>   | <b>1370</b>   | <b>1381</b>   | <b>5405</b>   |
| 2.1. In national currency                                    | 1297         | 1297         | 1297         | 1297         | 1297         | 1297         | 1297         | 1297         | 1293         | 1286         | 1311          | 1318          | 1328          | 1338          | 1338          | 1346          | 1371          | 1383          | 1360          | 1371          | 5395          |
| 2.2. In foreign currency                                     | 12           | 8            | 8            | 9            | 9            | 9            | 9            | 9            | 8            | 8            | 8             | 9             | 9             | 9             | 9             | 9             | 11            | 10            | 11            | 11            | 11            |
| <b>3. Other Assets</b>                                       | <b>2876</b>  | <b>2867</b>  | <b>2864</b>  | <b>2872</b>  | <b>2850</b>  | <b>2847</b>  | <b>2837</b>  | <b>2815</b>  | <b>2804</b>  | <b>2792</b>  | <b>2813</b>   | <b>2876</b>   | <b>2857</b>   | <b>2838</b>   | <b>2832</b>   | <b>2813</b>   | <b>2804</b>   | <b>2793</b>   | <b>2768</b>   | <b>2813</b>   | <b>2784</b>   |
| <b>B. TOTAL LIABILITIES</b>                                  | <b>93073</b> | <b>91373</b> | <b>82366</b> | <b>78467</b> | <b>76168</b> | <b>78057</b> | <b>89571</b> | <b>96341</b> | <b>97643</b> | <b>98975</b> | <b>101631</b> | <b>102010</b> | <b>103709</b> | <b>103882</b> | <b>103114</b> | <b>105478</b> | <b>107774</b> | <b>109433</b> | <b>105350</b> | <b>110091</b> | <b>112350</b> |
| <b>1. Reserve money</b>                                      | <b>45654</b> | <b>45915</b> | <b>42550</b> | <b>42717</b> | <b>42016</b> | <b>44035</b> | <b>49041</b> | <b>49542</b> | <b>48875</b> | <b>52287</b> | <b>51188</b>  | <b>51892</b>  | <b>52672</b>  | <b>51077</b>  | <b>50046</b>  | <b>51684</b>  | <b>52365</b>  | <b>54127</b>  | <b>52346</b>  | <b>52903</b>  | <b>51432</b>  |
| 1.1. Currency in circulation                                 | 18484        | 17856        | 17267        | 17388        | 17144        | 16822        | 18094        | 17599        | 17170        | 17243        | 17449         | 19482         | 18431         | 17949         | 17995         | 17925         | 18576         | 18463         | 19752         | 19338         | 18879         |
| 1.2. Other Depository Corporations                           | 21246        | 22026        | 19686        | 19678        | 18742        | 20850        | 24377        | 25356        | 24860        | 28055        | 27171         | 26639         | 28044         | 27090         | 26001         | 27345         | 27166         | 29001         | 27167         | 28000         | 26845         |
| 1.2.1. Transferable Deposits Excluded, NC                    | 10550        | 10787        | 8823         | 8444         | 7279         | 9281         | 12815        | 13470        | 12612        | 15759        | 14881         | 14245         | 15704         | 14919         | 13761         | 14877         | 14760         | 16299         | 14479         | 15109         | 13804         |
| 1.2.2. Other Deposits Excluded from Broad money, NC          | 895          | 847          | 240          | 331          | 275          | 324          | 310          | 281          | 269          | 239          | 186           | 169           | 150           | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 1.2.3. Other Deposits Excluded from Broad money, FC          | 9801         | 10392        | 10623        | 10903        | 11189        | 11245        | 11252        | 11605        | 11978        | 12058        | 12104         | 12225         | 12189         | 12171         | 12240         | 12468         | 12406         | 12702         | 12688         | 12891         | 13042         |
| 1.3. State and Local Government                              | 3080         | 3185         | 2655         | 2646         | 2992         | 3219         | 3157         | 3290         | 3467         | 3596         | 3241          | 2361          | 2896          | 2622          | 2592          | 2930          | 3162          | 3179          | 3157          | 3370          | 3425          |
| 1.3.1. Transferable Deposits - State and Local Government NC | 3080         | 3185         | 2655         | 2646         | 2992         | 3219         | 3157         | 3290         | 3467         | 3596         | 3241          | 2361          | 2896          | 2622          | 2592          | 2930          | 3162          | 3179          | 3157          | 3370          | 3425          |
| 1.4. Other Financial Corporations                            | 2844         | 2848         | 2942         | 3006         | 3137         | 3143         | 3414         | 3296         | 3379         | 3392         | 3327          | 3410          | 3300          | 3415          | 3459          | 3484          | 3460          | 3484          | 2270          | 2195          | 2282          |
| <b>2. Currency held by Other Depository Corporations</b>     | <b>2569</b>  | <b>2515</b>  | <b>2621</b>  | <b>2627</b>  | <b>2700</b>  | <b>2613</b>  | <b>2795</b>  | <b>2834</b>  | <b>2714</b>  | <b>2639</b>  | <b>2979</b>   | <b>3216</b>   | <b>2906</b>   | <b>2862</b>   | <b>3151</b>   | <b>2702</b>   | <b>3071</b>   | <b>2801</b>   | <b>3024</b>   | <b>3135</b>   | <b>2934</b>   |
| <b>3. Other Depository Corporations - Other Liabilities</b>  | <b>13593</b> | <b>14103</b> | <b>7511</b>  | <b>10502</b> | <b>9923</b>  | <b>12489</b> | <b>8391</b>  | <b>13054</b> | <b>15247</b> | <b>14830</b> | <b>17846</b>  | <b>16676</b>  | <b>18194</b>  | <b>21033</b>  | <b>23201</b>  | <b>23447</b>  | <b>25012</b>  | <b>23660</b>  | <b>22878</b>  | <b>25427</b>  | <b>27618</b>  |
| 3.1. Transferable Deposits Excluded from Broad money, FC     | 1            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 3.2. Other Deposits Excluded from Broad money, FC            | 0            | 418          | 602          | 663          | 1557         | 2835         | 2110         | 3781         | 2618         | 2496         | 2526          | 814           | 417           | 215           | 246           | 215           | 197           | 185           | 62            | 985           | 986           |
| 3.3. Securities Excluded from Broad money, NC                | 13593        | 13685        | 6909         | 9838         | 8366         | 9654         | 6280         | 9274         | 12629        | 12333        | 15319         | 15862         | 17776         | 20817         | 22954         | 23231         | 24814         | 23475         | 22816         | 24441         | 26631         |
| <b>4. Restricted Deposits</b>                                | <b>2</b>     | <b>1</b>     | <b>1</b>     | <b>13</b>    | <b>17</b>    | <b>17</b>    | <b>8</b>     | <b>2</b>     | <b>12</b>    | <b>7</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>5. Foreign liabilities</b>                                | <b>949</b>   | <b>950</b>   | <b>949</b>   | <b>949</b>   | <b>734</b>   | <b>733</b>   | <b>733</b>   | <b>4158</b>  | <b>4542</b>  | <b>4484</b>  | <b>4505</b>   | <b>4561</b>   | <b>4638</b>   | <b>4719</b>   | <b>4722</b>   | <b>4777</b>   | <b>4812</b>   | <b>4903</b>   | <b>4724</b>   | <b>4993</b>   | <b>4816</b>   |
| <b>6. Central Government Deposits</b>                        | <b>13738</b> | <b>11696</b> | <b>14900</b> | <b>8287</b>  | <b>7600</b>  | <b>5445</b>  | <b>16149</b> | <b>14595</b> | <b>13536</b> | <b>12103</b> | <b>11903</b>  | <b>12692</b>  | <b>11385</b>  | <b>9507</b>   | <b>8242</b>   | <b>7620</b>   | <b>6112</b>   | <b>6774</b>   | <b>7807</b>   | <b>8043</b>   | <b>10435</b>  |
| 6.1. In national currency                                    | 10876        | 9055         | 12445        | 5757         | 4808         | 3485         | 3812         | 2170         | 1539         | 1523         | 1674          | 2775          | 3110          | 3013          | 4206          | 2384          | 2384          | <b>2189</b>   | 3995          | 4402          | 3485          |
| 6.2. In foreign currency                                     | 2862         | 2641         | 2455         | 2530         | 2793         | 1960         | 12337        | 12425        | 11997        | 10580        | 10229         | 9917          | 8274          | 6494          | 4035          | 5236          | 4566          | 4585          | 3812          | 3640          | 6950          |
| <b>7. Other liabilities</b>                                  | <b>19137</b> | <b>18708</b> | <b>16455</b> | <b>15999</b> | <b>15878</b> | <b>15338</b> | <b>15249</b> | <b>14989</b> | <b>15431</b> | <b>15264</b> | <b>16189</b>  | <b>16189</b>  | <b>16820</b>  | <b>17546</b>  | <b>16904</b>  | <b>17950</b>  | <b>19474</b>  | <b>19968</b>  | <b>17594</b>  | <b>18725</b>  | <b>18049</b>  |

- 1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003
  - 2) Starting from August 2009, Deposit Money Banks and Saving Houses are obliged to allocate compulsory deposit at NBRM, according Decision of compulsory deposit at NBRM, No 02-15/VI-1/2008 from 12.06.2008
  - 3) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts
  - 4) In accordance with the IMF guidelines, SDR allocations is treated as foreign liabilities and no longer as "shares and other equity". The all historical series is revised.
- Source: NBRM.





Report form for other depository corporations (banks and saving houses) <sup>1,2</sup>  
in millions of denars

|   | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          |               |               |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | XII           | XII           | XII           | XII           | XII           | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            | X             | XI            | XII           |
| <b>B. Liabilities</b>                       | <b>128133</b> | <b>146283</b> | <b>171189</b> | <b>204745</b> | <b>254348</b> | <b>254344</b> | <b>260479</b> | <b>259638</b> | <b>266302</b> | <b>269256</b> | <b>275230</b> | <b>280768</b> | <b>286509</b> | <b>284799</b> | <b>284014</b> | <b>279281</b> | <b>283710</b> |
| <b>1. Deposit included in Broad money</b>   | <b>65671</b>  | <b>78831</b>  | <b>92725</b>  | <b>117838</b> | <b>155869</b> | <b>157534</b> | <b>160504</b> | <b>160448</b> | <b>164434</b> | <b>168327</b> | <b>171071</b> | <b>173138</b> | <b>176800</b> | <b>178437</b> | <b>175665</b> | <b>171303</b> | <b>175130</b> |
| <b>1.1. In National Currency</b>            | <b>31159</b>  | <b>36262</b>  | <b>41617</b>  | <b>57385</b>  | <b>87613</b>  | <b>87462</b>  | <b>89079</b>  | <b>87994</b>  | <b>90119</b>  | <b>92383</b>  | <b>94414</b>  | <b>94640</b>  | <b>95235</b>  | <b>95929</b>  | <b>95125</b>  | <b>89702</b>  | <b>91298</b>  |
| 1.1.1. Other Financial Corporations         | 398           | 285           | 338           | 492           | 1008          | 1094          | 1165          | 1217          | 1356          | 1578          | 1621          | 1545          | 1709          | 1792          | 1843          | 1898          | 1947          |
| 1.1.2. State and Local Government           | 308           | 193           | 16            | 10            | 33            | 33            | 31            | 30            | 32            | 31            | 32            | 31            | 31            | 30            | 31            | 47            | 42            |
| 1.1.3. Public Nonfinancial Corporations     | 457           | 659           | 609           | 674           | 2511          | 2432          | 2619          | 2281          | 2261          | 2309          | 2269          | 1592          | 1877          | 1610          | 2130          | 2207          | 3095          |
| 1.1.4. Other Nonfinancial Corporations      | 15491         | 18866         | 20571         | 27691         | 37280         | 37187         | 38410         | 38327         | 39865         | 41891         | 42975         | 43867         | 44837         | 44431         | 43065         | 37960         | 38913         |
| 1.1.5. Other Resident Sectors               | 14505         | 16259         | 20083         | 28518         | 46781         | 46716         | 46854         | 46139         | 46605         | 46574         | 47517         | 47605         | 46781         | 48066         | 48056         | 47590         | 47301         |
| <b>1.2. In Foreign Currency</b>             | <b>34512</b>  | <b>42569</b>  | <b>51108</b>  | <b>60453</b>  | <b>68256</b>  | <b>70072</b>  | <b>71425</b>  | <b>72454</b>  | <b>74315</b>  | <b>75944</b>  | <b>76657</b>  | <b>78498</b>  | <b>81565</b>  | <b>82508</b>  | <b>80540</b>  | <b>81601</b>  | <b>83832</b>  |
| 1.2.1. Other Financial Corporations         | 49            | 73            | 20            | 32            | 78            | 57            | 58            | 56            | 47            | 52            | 92            | 60            | 92            | 57            | 85            | 94            | 217           |
| 1.2.2. State and Local Government           | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 1.2.3. Public Nonfinancial Corporations     | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 1.2.4. Other Nonfinancial Corporations      | 6834          | 9659          | 11522         | 15243         | 17417         | 17687         | 18307         | 18428         | 18795         | 19685         | 19345         | 19390         | 20578         | 20177         | 18745         | 19789         | 19883         |
| 1.2.5. Other Resident Sectors               | 27629         | 32837         | 39566         | 45178         | 50761         | 52328         | 53060         | 53970         | 55473         | 56207         | 57220         | 59048         | 60895         | 62274         | 61710         | 61718         | 63732         |
| <b>2. Deposit excluded from Broad money</b> | <b>7372</b>   | <b>5849</b>   | <b>8541</b>   | <b>13869</b>  | <b>18367</b>  | <b>15760</b>  | <b>16701</b>  | <b>17489</b>  | <b>18212</b>  | <b>16955</b>  | <b>18760</b>  | <b>19821</b>  | <b>21665</b>  | <b>20501</b>  | <b>21081</b>  | <b>22034</b>  | <b>23512</b>  |
| <b>2.1. In National Currency</b>            | <b>3166</b>   | <b>2241</b>   | <b>2985</b>   | <b>3516</b>   | <b>4398</b>   | <b>4919</b>   | <b>5272</b>   | <b>4908</b>   | <b>4828</b>   | <b>4833</b>   | <b>5189</b>   | <b>6267</b>   | <b>4965</b>   | <b>4773</b>   | <b>4701</b>   | <b>4797</b>   | <b>5721</b>   |
| 2.1.1. Central Bank NC                      | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.1.2. Other Depository Corporations        | 1150          | 740           | 1273          | 1746          | 2954          | 2827          | 3208          | 2885          | 2859          | 2904          | 3001          | 3043          | 3070          | 3084          | 2984          | 3070          | 3420          |
| 2.1.3. Other Financial Corporations         | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.1.4. Central Government                   | 1850          | 1177          | 1562          | 1672          | 1359          | 2013          | 1985          | 1875          | 1827          | 1787          | 2056          | 3092          | 1769          | 1633          | 1668          | 1669          | 2243          |
| 2.1.5. Local Government                     | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.1.6. Public Nonfinancial Corporations     | 166           | 324           | 150           | 98            | 85            | 79            | 79            | 148           | 142           | 142           | 132           | 132           | 126           | 56            | 49            | 58            | 58            |
| 2.1.7. Other Nonfinancial Corporations      | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.1.8. Other Resident Sectors               | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.1.9. Nonresidents                         | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>2.2. In Foreign Currency</b>             | <b>4206</b>   | <b>3608</b>   | <b>5556</b>   | <b>10353</b>  | <b>13969</b>  | <b>10841</b>  | <b>11429</b>  | <b>12581</b>  | <b>13384</b>  | <b>12122</b>  | <b>13571</b>  | <b>13554</b>  | <b>16700</b>  | <b>15728</b>  | <b>16380</b>  | <b>17237</b>  | <b>17791</b>  |
| 2.2.1. Other Depository Corporations        | 760           | 340           | 964           | 1657          | 1571          | 1065          | 1062          | 1562          | 1949          | 1759          | 2132          | 2307          | 2456          | 2226          | 2209          | 1868          | 2308          |
| 2.2.2. Other Financial Corporations         | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.2.3. Central Government                   | 25            | 27            | 1             | 1             | 1             | 2             | 2             | 1             | 1             | 0             | 1             | 1             | 1             | 1             | 1             | 2             | 2             |
| 2.2.4. Other Nonfinancial Corporations      | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.2.5. Other Resident Sectors               | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.2.6. Nonresidents                         | 3421          | 3241          | 4591          | 8695          | 12397         | 9774          | 10365         | 11018         | 11434         | 10363         | 11438         | 11246         | 14243         | 13501         | 14170         | 15367         | 15481         |
| <b>3. Securities Other than Shares</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>300</b>    | <b>954</b>    | <b>954</b>    |
| <b>4. Loans</b>                             | <b>8959</b>   | <b>9691</b>   | <b>13556</b>  | <b>14646</b>  | <b>17860</b>  | <b>17411</b>  | <b>18187</b>  | <b>17092</b>  | <b>17452</b>  | <b>17511</b>  | <b>17977</b>  | <b>18395</b>  | <b>18473</b>  | <b>19162</b>  | <b>18364</b>  | <b>18339</b>  | <b>16047</b>  |
| 4.1. In National Currency                   | 2532          | 1946          | 2218          | 3212          | 3575          | 3367          | 4521          | 3640          | 3968          | 4021          | 4610          | 4777          | 5030          | 5732          | 4887          | 4896          | 5089          |
| 4.2. In Foreign Currency                    | 6427          | 7745          | 11338         | 11434         | 14285         | 14044         | 13666         | 13452         | 13484         | 13490         | 13367         | 13618         | 13443         | 13430         | 13477         | 13443         | 10958         |
| <b>5. Financial derivatives</b>             |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| 5.1. In National Currency                   |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| 5.2. In Foreign Currency                    |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| <b>6. Other liabilities</b>                 | <b>14131</b>  | <b>16931</b>  | <b>18778</b>  | <b>19115</b>  | <b>18639</b>  | <b>19213</b>  | <b>20336</b>  | <b>19949</b>  | <b>20512</b>  | <b>20339</b>  | <b>20820</b>  | <b>22269</b>  | <b>21923</b>  | <b>17556</b>  | <b>19136</b>  | <b>16685</b>  | <b>18373</b>  |
| 6.1. In National Currency                   | 12791         | 14086         | 17542         | 17802         | 16684         | 17269         | 18341         | 18030         | 18307         | 18203         | 18856         | 19745         | 20083         | 16182         | 17768         | 15415         | 17090         |
| 6.2. In Foreign Currency                    | 1340          | 2845          | 1236          | 1313          | 1955          | 1944          | 1995          | 1919          | 2205          | 2136          | 1964          | 2524          | 1840          | 1374          | 1368          | 1270          | 1283          |
| <b>7. Shares and Other Equity</b>           | <b>32000</b>  | <b>34981</b>  | <b>37589</b>  | <b>39277</b>  | <b>43313</b>  | <b>44126</b>  | <b>44451</b>  | <b>44360</b>  | <b>45392</b>  | <b>45824</b>  | <b>46302</b>  | <b>46845</b>  | <b>47348</b>  | <b>48843</b>  | <b>49468</b>  | <b>49966</b>  | <b>49694</b>  |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.







Report form for other depository corporations (banks and saving houses)<sup>1,2</sup>  
in millions of denars

|   | 2009          |               |               |               |               |               |               |               |               |               |               |               | 2010          |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            | X             | XI            | XII           | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            |
| <b>B. Liabilities</b>                       | <b>279841</b> | <b>283210</b> | <b>281636</b> | <b>284510</b> | <b>282706</b> | <b>284134</b> | <b>287565</b> | <b>293062</b> | <b>293358</b> | <b>298724</b> | <b>302720</b> | <b>306469</b> | <b>307928</b> | <b>309677</b> | <b>310961</b> | <b>317359</b> | <b>324351</b> | <b>328194</b> | <b>331352</b> | <b>331594</b> | <b>335190</b> |
| <b>1. Deposit included in Broad money</b>   | <b>173922</b> | <b>174586</b> | <b>172789</b> | <b>174714</b> | <b>173259</b> | <b>174596</b> | <b>172880</b> | <b>177642</b> | <b>177897</b> | <b>181947</b> | <b>183647</b> | <b>187587</b> | <b>189304</b> | <b>189768</b> | <b>192433</b> | <b>196282</b> | <b>200480</b> | <b>201213</b> | <b>197149</b> | <b>201567</b> | <b>203658</b> |
| <b>1.1. In National Currency</b>            | <b>88487</b>  | <b>88391</b>  | <b>83493</b>  | <b>82879</b>  | <b>82375</b>  | <b>82972</b>  | <b>78099</b>  | <b>80497</b>  | <b>80773</b>  | <b>83617</b>  | <b>85023</b>  | <b>87073</b>  | <b>87556</b>  | <b>88087</b>  | <b>89897</b>  | <b>91937</b>  | <b>95189</b>  | <b>96197</b>  | <b>92959</b>  | <b>96227</b>  | <b>97744</b>  |
| 1.1.1. Other Financial Corporations         | 527           | 523           | 4850          | 4859          | 5018          | 5495          | 5158          | 5387          | 5893          | 6244          | 6708          | 7005          | 7062          | 7266          | 7497          | 7777          | 7896          | 7690          | 7985          | 8293          | 8148          |
| 1.1.2. State and Local Government           | 61            | 60            | 61            | 52            | 52            | 59            | 37            | 32            | 29            | 42            | 39            | 34            | 33            | 33            | 33            | 33            | 33            | 32            | 34            | 40            | 41            |
| 1.1.3. Public Nonfinancial Corporations     | 5455          | 5220          | 5278          | 5073          | 4695          | 4330          | 3625          | 4260          | 3692          | 3487          | 3183          | 3067          | 2410          | 3127          | 2799          | 2962          | 2684          | 2732          | 2546          | 3021          | 3381          |
| 1.1.4. Other Nonfinancial Corporations      | 32860         | 34104         | 32240         | 31848         | 32275         | 33312         | 29409         | 31276         | 30733         | 31548         | 32111         | 31459         | 31777         | 29999         | 29881         | 30026         | 32156         | 32122         | 27750         | 29945         | 30428         |
| 1.1.5. Other Resident Sectors               | 44884         | 43774         | 41065         | 41047         | 40335         | 39776         | 39870         | 39543         | 40426         | 42295         | 42983         | 45508         | 46273         | 47663         | 49685         | 51138         | 52420         | 53621         | 54644         | 54929         | 55747         |
| <b>1.2. In Foreign Currency</b>             | <b>85435</b>  | <b>86195</b>  | <b>89296</b>  | <b>91834</b>  | <b>90885</b>  | <b>91624</b>  | <b>94780</b>  | <b>97145</b>  | <b>97124</b>  | <b>98330</b>  | <b>98624</b>  | <b>100513</b> | <b>101748</b> | <b>101681</b> | <b>102535</b> | <b>104345</b> | <b>105292</b> | <b>105016</b> | <b>104190</b> | <b>105340</b> | <b>105914</b> |
| 1.2.1. Other Financial Corporations         | 793           | 893           | 844           | 873           | 1017          | 994           | 935           | 941           | 933           | 971           | 1015          | 1108          | 1085          | 1044          | 1382          | 956           | 970           | 1010          | 1140          | 1052          | 1023          |
| 1.2.2. State and Local Government           | 7             | 8             | 8             | 8             | 8             | 8             | 8             | 8             | 8             | 8             | 8             | 9             | 9             | 9             | 9             | 9             | 9             | 10            | 9             | 9             | 9             |
| 1.2.3. Public Nonfinancial Corporations     | 1791          | 327           | 383           | 435           | 261           | 230           | 392           | 457           | 431           | 459           | 484           | 358           | 369           | 364           | 362           | 363           | 365           | 341           | 351           | 360           | 294           |
| 1.2.4. Other Nonfinancial Corporations      | 17668         | 17528         | 17746         | 17790         | 15904         | 15177         | 16361         | 17641         | 16829         | 17609         | 17131         | 17679         | 17732         | 16931         | 17370         | 19636         | 20693         | 20034         | 19531         | 19660         | 20381         |
| 1.2.5. Other Resident Sectors               | 65176         | 67440         | 70316         | 72729         | 73895         | 75215         | 77084         | 78096         | 78922         | 79283         | 79986         | 81360         | 82553         | 83333         | 83412         | 83380         | 83254         | 83621         | 83159         | 84258         | 84206         |
| <b>2. Deposit excluded from Broad money</b> | <b>21661</b>  | <b>23950</b>  | <b>24033</b>  | <b>24248</b>  | <b>25233</b>  | <b>20024</b>  | <b>24959</b>  | <b>25539</b>  | <b>25359</b>  | <b>24009</b>  | <b>24103</b>  | <b>21332</b>  | <b>19363</b>  | <b>19154</b>  | <b>19076</b>  | <b>18423</b>  | <b>18380</b>  | <b>18501</b>  | <b>19259</b>  | <b>18070</b>  | <b>18236</b>  |
| <b>2.1. In National Currency</b>            | <b>4087</b>   | <b>4771</b>   | <b>4713</b>   | <b>5047</b>   | <b>5373</b>   | <b>5012</b>   | <b>5971</b>   | <b>6665</b>   | <b>6737</b>   | <b>6028</b>   | <b>5937</b>   | <b>6124</b>   | <b>6438</b>   | <b>5582</b>   | <b>5743</b>   | <b>5786</b>   | <b>5655</b>   | <b>5688</b>   | <b>5646</b>   | <b>5447</b>   | <b>5681</b>   |
| 2.1.1. Central Bank NC                      | 35            | 35            | 0             | 0             | 0             | 3             | 3             | 4             | 6             | 7             | 7             | 8             | 9             | 10            | 12            | 13            | 15            | 17            | 20            | 19            | 21            |
| 2.1.2. Other Depository Corporations        | 510           | 504           | 593           | 530           | 561           | 562           | 593           | 621           | 628           | 542           | 554           | 552           | 565           | 551           | 582           | 491           | 494           | 523           | 515           | 536           | 518           |
| 2.1.3. Other Financial Corporations         | 0             | 4             | 88            | 19            | 4             | 4             | 34            | 34            | 37            | 37            | 37            | 37            | 38            | 33            | 34            | 33            | 33            | 33            | 45            | 46            | 46            |
| 2.1.4. Central Government                   | 1230          | 1212          | 1217          | 1299          | 1182          | 1310          | 1330          | 1931          | 1948          | 1365          | 1168          | 1226          | 1256          | 1122          | 1175          | 1307          | 1154          | 1104          | 854           | 827           | 1072          |
| 2.1.5. Local Government                     | 23            | 23            | 23            | 23            | 23            | 24            | 24            | 18            | 18            | 18            | 18            | 18            | 12            | 12            | 10            | 10            | 10            | 10            | 10            | 7             | 7             |
| 2.1.6. Public Nonfinancial Corporations     | 39            | 39            | 39            | 39            | 39            | 39            | 0             | 19            | 19            | 19            | 21            | 21            | 21            | 21            | 21            | 21            | 21            | 21            | 21            | 21            | 21            |
| 2.1.7. Other Nonfinancial Corporations      | 483           | 966           | 1077          | 1097          | 1072          | 1000          | 989           | 976           | 1007          | 930           | 956           | 912           | 1048          | 992           | 992           | 939           | 933           | 899           | 893           | 912           | 920           |
| 2.1.8. Other Resident Sectors               | 803           | 1020          | 828           | 810           | 1113          | 792           | 860           | 830           | 830           | 891           | 930           | 1136          | 1187          | 1128          | 1132          | 1170          | 1169          | 1226          | 1452          | 1329          | 1322          |
| 2.1.9. Nonresidents                         | 964           | 970           | 846           | 1228          | 1377          | 1280          | 2138          | 2231          | 2245          | 2219          | 2247          | 2214          | 2302          | 1713          | 1786          | 1801          | 1824          | 1853          | 1836          | 1751          | 1755          |
| <b>2.2. In Foreign Currency</b>             | <b>17573</b>  | <b>19179</b>  | <b>19320</b>  | <b>19202</b>  | <b>19861</b>  | <b>15012</b>  | <b>18988</b>  | <b>18874</b>  | <b>18622</b>  | <b>17981</b>  | <b>18165</b>  | <b>15208</b>  | <b>12926</b>  | <b>13571</b>  | <b>13333</b>  | <b>12637</b>  | <b>12725</b>  | <b>12813</b>  | <b>13613</b>  | <b>12623</b>  | <b>12555</b>  |
| 2.2.1. Other Depository Corporations        | 1213          | 963           | 1170          | 1247          | 1382          | 1454          | 1493          | 1780          | 1350          | 921           | 1150          | 902           | 849           | 875           | 945           | 862           | 807           | 797           | 829           | 738           | 764           |
| 2.2.2. Other Financial Corporations         | 47            | 56            | 9             | 9             | 9             | 9             | 8             | 8             | 8             | 8             | 9             | 9             | 9             | 9             | 12            | 12            | 12            | 14            | 13            | 14            | 14            |
| 2.2.3. Central Government                   | 49            | 16            | 5             | 8             | 8             | 6             | 5             | 7             | 6             | 4             | 5             | 5             | 6             | 7             | 6             | 6             | 6             | 5             | 5             | 7             | 5             |
| 2.2.4. Other Nonfinancial Corporations      | 244           | 1826          | 1910          | 1942          | 1935          | 1923          | 1861          | 1792          | 1797          | 1753          | 1757          | 1747          | 1764          | 1762          | 1652          | 1626          | 1673          | 1636          | 1543          | 1512          | 1495          |
| 2.2.5. Other Resident Sectors               | 1606          | 1633          | 1770          | 1742          | 1717          | 1797          | 1809          | 2058          | 2392          | 2344          | 2156          | 2243          | 2258          | 2353          | 2404          | 2474          | 2430          | 2808          | 2482          | 2451          | 2522          |
| 2.2.6. Nonresidents                         | 14414         | 14686         | 14455         | 14253         | 14809         | 9822          | 13812         | 13229         | 13069         | 12951         | 13087         | 10303         | 8040          | 8567          | 8316          | 7657          | 7798          | 7553          | 8740          | 7901          | 7755          |
| <b>3. Securities Other than Shares</b>      | <b>957</b>    | <b>959</b>    | <b>975</b>    | <b>977</b>    | <b>944</b>    | <b>932</b>    | <b>936</b>    | <b>940</b>    | <b>943</b>    | <b>947</b>    | <b>942</b>    | <b>932</b>    | <b>938</b>    | <b>942</b>    | <b>945</b>    | <b>949</b>    | <b>945</b>    | <b>936</b>    | <b>939</b>    | <b>943</b>    | <b>947</b>    |
| <b>4. Loans</b>                             | <b>15599</b>  | <b>15955</b>  | <b>16088</b>  | <b>16330</b>  | <b>15912</b>  | <b>20139</b>  | <b>19923</b>  | <b>19672</b>  | <b>19695</b>  | <b>20991</b>  | <b>21801</b>  | <b>25445</b>  | <b>25125</b>  | <b>26354</b>  | <b>25004</b>  | <b>25900</b>  | <b>27845</b>  | <b>28593</b>  | <b>30978</b>  | <b>31177</b>  | <b>31230</b>  |
| 4.1. In National Currency                   | 4838          | 4999          | 5358          | 5360          | 5263          | 5209          | 5181          | 5074          | 5101          | 5412          | 5441          | 5779          | 5462          | 5713          | 5710          | 4964          | 5139          | 5363          | 5421          | 5655          | 5063          |
| 4.2. In Foreign Currency                    | 10760         | 10956         | 10730         | 10971         | 10649         | 14929         | 14742         | 14598         | 14594         | 15578         | 16359         | 19666         | 19663         | 20641         | 19294         | 20936         | 22705         | 23230         | 25557         | 25522         | 26167         |
| <b>5. Financial derivatives</b>             |               |               |               |               |               |               |               |               |               |               |               | <b>1</b>      | <b>5</b>      | <b>6</b>      | <b>1</b>      | <b>0</b>      | <b>0</b>      | <b>2</b>      | <b>0</b>      | <b>8</b>      | <b>5</b>      |
| 5.1. In National Currency                   |               |               |               |               |               |               |               |               |               |               |               | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 5.2. In Foreign Currency                    |               |               |               |               |               |               |               |               |               |               |               | 1             | 5             | 6             | 1             | 0             | 0             | 2             | 0             | 8             | 5             |
| <b>6. Other liabilities</b>                 | <b>17133</b>  | <b>17215</b>  | <b>17787</b>  | <b>18570</b>  | <b>17326</b>  | <b>18010</b>  | <b>17996</b>  | <b>17923</b>  | <b>17516</b>  | <b>18329</b>  | <b>19228</b>  | <b>18366</b>  | <b>19854</b>  | <b>19760</b>  | <b>19810</b>  | <b>22141</b>  | <b>22690</b>  | <b>24395</b>  | <b>28220</b>  | <b>24605</b>  | <b>25220</b>  |
| 6.1. In National Currency                   | 15824         | 15924         | 16520         | 17287         | 16112         | 16664         | 16683         | 16655         | 15921         | 16763         | 17623         | 17036         | 18481         | 18356         | 18454         | 20796         | 21334         | 23033         | 26880         | 23278         | 23873         |
| 6.2. In Foreign Currency                    | 1309          | 1290          | 1267          | 1282          | 1214          | 1346          | 1313          | 1268          | 1595          | 1567          | 1605          | 1330          | 1373          | 1404          | 1356          | 1345          | 1396          | 1362          | 1340          | 1327          | 1347          |
| <b>7. Shares and Other Equity</b>           | <b>50569</b>  | <b>50544</b>  | <b>49964</b>  | <b>49672</b>  | <b>50031</b>  | <b>50432</b>  | <b>50871</b>  | <b>51347</b>  | <b>51948</b>  | <b>52501</b>  | <b>53000</b>  | <b>52806</b>  | <b>53340</b>  | <b>53693</b>  | <b>53692</b>  | <b>53664</b>  | <b>54011</b>  | <b>54555</b>  | <b>54808</b>  | <b>55224</b>  | <b>55894</b>  |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.



Table 9  
 Depository corporations survey - NBRM, other depository corporations (ODI-banks and saving houses)<sup>1,2</sup>  
 in millions of denars

|   | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          |               |               |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | XII           | XII           | XII           | XII           | XII           | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            | X             | XI            | XII           |
| <b>A. FOREIGN ASSETS (NET)</b>                        | <b>65371</b>  | <b>67722</b>  | <b>88937</b>  | <b>107524</b> | <b>109068</b> | <b>109870</b> | <b>109285</b> | <b>104779</b> | <b>104025</b> | <b>104424</b> | <b>104162</b> | <b>104093</b> | <b>108162</b> | <b>111029</b> | <b>104329</b> | <b>97548</b>  | <b>90980</b>  |
| <b>1. Foreign Assets, Net</b>                         | <b>42096</b>  | <b>41374</b>  | <b>65725</b>  | <b>84853</b>  | <b>94424</b>  | <b>94418</b>  | <b>94928</b>  | <b>92970</b>  | <b>91621</b>  | <b>91871</b>  | <b>93932</b>  | <b>94394</b>  | <b>96955</b>  | <b>102428</b> | <b>101876</b> | <b>96743</b>  | <b>90953</b>  |
| 1.1. Foreign Assets                                   | 46078         | 44831         | 69588         | 88102         | 94979         | 94978         | 95488         | 93530         | 92181         | 92431         | 94492         | 95338         | 97898         | 103371        | 102821        | 97688         | 91908         |
| 1.2. Foreign Liabilities                              | -3982         | -3457         | -3863         | -3249         | -555          | -560          | -560          | -560          | -560          | -560          | -560          | -944          | -943          | -943          | -945          | -945          | -955          |
| <b>2. Foreign Assets, Net</b>                         | <b>23275</b>  | <b>26348</b>  | <b>23212</b>  | <b>22671</b>  | <b>14644</b>  | <b>15452</b>  | <b>14357</b>  | <b>11809</b>  | <b>12404</b>  | <b>12553</b>  | <b>10230</b>  | <b>9699</b>   | <b>11207</b>  | <b>8601</b>   | <b>2453</b>   | <b>805</b>    | <b>27</b>     |
| 2.1. Foreign Assets                                   | 33080         | 37106         | 37797         | 39732         | 38478         | 36468         | 35609         | 33598         | 34802         | 33808         | 32421         | 32134         | 36258         | 32517         | 27524         | 26999         | 23904         |
| 2.2. Foreign Liabilities                              | -9805         | -10758        | -14585        | -17061        | -23834        | -21016        | -21252        | -21789        | -22398        | -21255        | -22191        | -22435        | -25051        | -23916        | -25071        | -26194        | -23877        |
| <b>B. DOMESTIC CREDIT</b>                             | <b>43317</b>  | <b>55212</b>  | <b>57232</b>  | <b>72912</b>  | <b>121814</b> | <b>123439</b> | <b>127900</b> | <b>129284</b> | <b>135034</b> | <b>139083</b> | <b>142983</b> | <b>146070</b> | <b>147978</b> | <b>148996</b> | <b>153632</b> | <b>158519</b> | <b>169749</b> |
| <b>1. Claims on Central Government, Net</b>           | <b>-4392</b>  | <b>-4132</b>  | <b>-15271</b> | <b>-21263</b> | <b>-8922</b>  | <b>-10468</b> | <b>-10837</b> | <b>-14107</b> | <b>-13353</b> | <b>-12498</b> | <b>-13044</b> | <b>-14752</b> | <b>-15233</b> | <b>-18389</b> | <b>-16837</b> | <b>-14763</b> | <b>-5530</b>  |
| 1.1. Claims on Central Government                     | 3890          | 3495          | 3549          | 2519          | 1271          | 1272          | 1272          | 1272          | 1272          | 1272          | 1272          | 1272          | 1272          | 1272          | 1272          | 1294          | 1304          |
| 1.2. Central Government Deposits                      | -12348        | -12865        | -24025        | -34648        | -20833        | -21431        | -20262        | -22929        | -21256        | -19287        | -18749        | -19193        | -21034        | -24584        | -23346        | -21679        | -12334        |
| 1.3. Claims on Central Government                     | 6833          | 7333          | 7542          | 13646         | 12995         | 12616         | 11099         | 10539         | 9621          | 8548          | 7781          | 7602          | 7710          | 7984          | 8346          | 8784          | 9380          |
| 1.4. Central Government Deposits                      | -2767         | -2095         | -2338         | -2781         | -2355         | -2925         | -2946         | -2989         | -3031         | -3348         | -4433         | -3181         | -3061         | -3109         | -3163         | -3880         |               |
| <b>2. Claims on State &amp; Local Government</b>      | <b>2</b>      | <b>20</b>     | <b>13</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>25</b>     | <b>25</b>     | <b>25</b>     | <b>24</b>     | <b>24</b>     | <b>24</b>     |
| 2.1. Claims on State & Local Government               | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.2. Claims on State & Local Government               | 2             | 20            | 13            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 25            | 25            | 25            | 24            | 24            | 24            |
| <b>3. Claims on Public Nonfinancial Corporations</b>  | <b>485</b>    | <b>682</b>    | <b>517</b>    | <b>363</b>    | <b>315</b>    | <b>331</b>    | <b>294</b>    | <b>295</b>    | <b>290</b>    | <b>285</b>    | <b>280</b>    | <b>274</b>    | <b>264</b>    | <b>248</b>    | <b>246</b>    | <b>217</b>    | <b>133</b>    |
| 3.1. Claims on Public Nonfinancial Corporations       | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 3.2. Claims on Public Nonfinancial Corporations       | 485           | 682           | 517           | 363           | 315           | 331           | 294           | 295           | 290           | 285           | 280           | 274           | 264           | 248           | 246           | 217           | 133           |
| <b>4. Claims on Private Sector</b>                    | <b>47172</b>  | <b>58639</b>  | <b>71967</b>  | <b>93803</b>  | <b>130366</b> | <b>133526</b> | <b>138395</b> | <b>143042</b> | <b>148050</b> | <b>151243</b> | <b>155694</b> | <b>160456</b> | <b>162859</b> | <b>167047</b> | <b>170138</b> | <b>172640</b> | <b>174782</b> |
| 4.1. Claims on Private Sector                         | -1            | 44            | 1063          | 1092          | 1412          | 1408          | 1425          | 1421          | 1412          | 1406          | 1399          | 1393          | 1388          | 1473          | 1466          | 1514          | 1508          |
| 4.2. Claims on Private Sector                         | 47173         | 58595         | 70904         | 92711         | 128954        | 132118        | 136970        | 141621        | 146638        | 149837        | 154295        | 159063        | 161471        | 165574        | 168672        | 171126        | 173274        |
| <b>5. Claims on Other Financial Corporations</b>      | <b>49</b>     | <b>3</b>      | <b>6</b>      | <b>9</b>      | <b>55</b>     | <b>50</b>     | <b>48</b>     | <b>53</b>     | <b>47</b>     | <b>53</b>     | <b>53</b>     | <b>67</b>     | <b>62</b>     | <b>65</b>     | <b>61</b>     | <b>401</b>    | <b>340</b>    |
| 5.1. Claims on Other Financial Corporations           | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 3             |
| 5.2. Claims on Other Financial Corporations           | 46            | 0             | 3             | 6             | 52            | 47            | 45            | 50            | 44            | 50            | 50            | 64            | 59            | 62            | 58            | 398           | 337           |
| <b>C. MONEY</b>                                       | <b>28265</b>  | <b>28842</b>  | <b>31354</b>  | <b>36788</b>  | <b>48858</b>  | <b>46489</b>  | <b>47705</b>  | <b>46415</b>  | <b>48299</b>  | <b>50237</b>  | <b>52003</b>  | <b>51029</b>  | <b>52699</b>  | <b>53040</b>  | <b>52147</b>  | <b>52285</b>  | <b>56942</b>  |
| 1. Currency outside Other Depository Corporations     | 14166         | 14150         | 14424         | 16187         | 17908         | 16385         | 16208         | 15718         | 16317         | 16380         | 16151         | 16737         | 16350         | 16525         | 16582         | 15824         | 17601         |
| 2. Public Sector Liabilities                          | 0             | 0             | 679           | 635           | 1602          | 1891          | 2038          | 1953          | 2033          | 2043          | 2569          | 2505          | 2668          | 2858          | 2940          | 2988          | 2823          |
| 3. Other Financial Corporations Liabilities           | 1317          | 1569          | 1575          | 1882          | 2006          | 2223          | 2383          | 2363          | 2374          | 2450          | 2508          | 2853          | 4209          | 2932          | 3029          | 3051          | 2794          |
| 4. Demand Money                                       | 12782         | 13123         | 14676         | 18084         | 27342         | 25990         | 27076         | 26381         | 27575         | 29364         | 30775         | 28934         | 29472         | 30725         | 29596         | 30422         | 33724         |
| <b>D. RESTRICTED DEPOSITS</b>                         | <b>166</b>    | <b>324</b>    | <b>150</b>    | <b>98</b>     | <b>85</b>     | <b>79</b>     | <b>79</b>     | <b>148</b>    | <b>142</b>    | <b>143</b>    | <b>133</b>    | <b>133</b>    | <b>127</b>    | <b>57</b>     | <b>50</b>     | <b>61</b>     | <b>69</b>     |
| 1. Restricted Deposits                                | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 1             | 1             | 1             | 1             | 1             | 1             | 3             | 11            |
| 2. Restricted Deposits                                | 166           | 324           | 150           | 98            | 85            | 79            | 79            | 148           | 142           | 142           | 132           | 132           | 126           | 56            | 49            | 58            | 58            |
| <b>E. OTHER DEPOSITS</b>                              | <b>52889</b>  | <b>65708</b>  | <b>78049</b>  | <b>99754</b>  | <b>128527</b> | <b>131544</b> | <b>133428</b> | <b>134067</b> | <b>136859</b> | <b>138963</b> | <b>140296</b> | <b>144204</b> | <b>147328</b> | <b>147712</b> | <b>146069</b> | <b>140881</b> | <b>141406</b> |
| 1. Time, Savings, & Foreign Currency Deposits         | 52889         | 65708         | 78049         | 99754         | 128527        | 131544        | 133428        | 134067        | 136859        | 138963        | 140296        | 144204        | 147328        | 147712        | 146069        | 140881        | 141406        |
| <b>F. LIABILITIES TO OTHER FINANCIAL CORPORATIONS</b> | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>15</b>     | <b>346</b>    | <b>344</b>    | <b>343</b>    | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>10</b>     | <b>10</b>     |
| 1. Liabilities to Other Financial Corporations        | 0             | 0             | 0             | 15            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2. Liabilities to Other Financial Corporations        | 0             | 0             | 0             | 0             | 346           | 344           | 343           | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 10            | 10            |
| <b>G. CAPITAL ACCOUNTS</b>                            | <b>38327</b>  | <b>40727</b>  | <b>45756</b>  | <b>47644</b>  | <b>52570</b>  | <b>54590</b>  | <b>54879</b>  | <b>53889</b>  | <b>54668</b>  | <b>54919</b>  | <b>55595</b>  | <b>56364</b>  | <b>57160</b>  | <b>59982</b>  | <b>61321</b>  | <b>63569</b>  | <b>61474</b>  |
| <b>H. OTHER ITEMS (NET)</b>                           | <b>-10959</b> | <b>-12667</b> | <b>-9140</b>  | <b>-3863</b>  | <b>496</b>    | <b>263</b>    | <b>751</b>    | <b>-456</b>   | <b>-909</b>   | <b>-755</b>   | <b>-883</b>   | <b>-1566</b>  | <b>-1175</b>  | <b>-766</b>   | <b>-1626</b>  | <b>-739</b>   | <b>828</b>    |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.

Depository corporations survey - NBRM, other depository corporations (ODI-banks and saving houses)<sup>1,2</sup>  
in millions of denars

|   | 2009          |               |               |               |               |               |               |               |               |               | 2010          |               |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            | X             | XI            | XII           | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            |
| <b>A. FOREIGN ASSETS (NET)</b>                        | <b>88967</b>  | <b>87428</b>  | <b>80949</b>  | <b>78762</b>  | <b>78534</b>  | <b>77493</b>  | <b>86604</b>  | <b>90895</b>  | <b>92170</b>  | <b>92974</b>  | <b>92113</b>  | <b>94764</b>  | <b>95012</b>  | <b>92917</b>  | <b>92943</b>  | <b>96911</b>  | <b>100656</b> | <b>99983</b>  | <b>94424</b>  | <b>97854</b>  | <b>97099</b>  |
| <b>1. Foreign Assets, Net</b>                         | <b>87939</b>  | <b>86251</b>  | <b>77247</b>  | <b>73340</b>  | <b>71278</b>  | <b>73172</b>  | <b>84696</b>  | <b>88061</b>  | <b>88996</b>  | <b>90405</b>  | <b>92994</b>  | <b>93246</b>  | <b>94877</b>  | <b>94978</b>  | <b>94214</b>  | <b>96534</b>  | <b>98778</b>  | <b>100343</b> | <b>96488</b>  | <b>100903</b> | <b>99344</b>  |
| 1.1. Foreign Assets                                   | 88888         | 87201         | 78197         | 74290         | 72012         | 73904         | 85428         | 92219         | 93538         | 94889         | 97499         | 97807         | 99515         | 99697         | 98935         | 101310        | 103590        | 105246        | 101212        | 105896        | 104160        |
| 1.2. Foreign Liabilities                              | -949          | -950          | -949          | -949          | -734          | -733          | -733          | -4158         | -4542         | -4484         | -4505         | -4561         | -4638         | -4719         | -4722         | -4777         | -4812         | -4903         | -4724         | -4993         | -4816         |
| <b>2. Foreign Assets, Net</b>                         | <b>1029</b>   | <b>1177</b>   | <b>3702</b>   | <b>5421</b>   | <b>7256</b>   | <b>4322</b>   | <b>1908</b>   | <b>2834</b>   | <b>3174</b>   | <b>2569</b>   | <b>-881</b>   | <b>1518</b>   | <b>135</b>    | <b>-2061</b>  | <b>-1271</b>  | <b>377</b>    | <b>1877</b>   | <b>-360</b>   | <b>-2064</b>  | <b>-3049</b>  | <b>-2245</b>  |
| 2.1. Foreign Assets                                   | 2462          | 25244         | 27203         | 29365         | 31604         | 27899         | 30187         | 30465         | 30720         | 30978         | 28489         | 30643         | 27146         | 25372         | 24694         | 26761         | 30269         | 28488         | 30044         | 28071         | 29002         |
| 2.2. Foreign Liabilities                              | -23654        | -24067        | -23501        | -23944        | -24348        | -23577        | -28279        | -27632        | -27546        | -28409        | -29370        | -29125        | -27012        | -27433        | -25965        | -26383        | -28392        | -28848        | -32108        | -31120        | -31247        |
| <b>B. DOMESTIC CREDIT</b>                             | <b>170028</b> | <b>173783</b> | <b>174959</b> | <b>178445</b> | <b>177414</b> | <b>179028</b> | <b>169596</b> | <b>170240</b> | <b>170646</b> | <b>174054</b> | <b>177231</b> | <b>178825</b> | <b>181649</b> | <b>184830</b> | <b>186027</b> | <b>188332</b> | <b>190973</b> | <b>193713</b> | <b>193501</b> | <b>195453</b> | <b>197962</b> |
| <b>1. Claims on Central Government, Net</b>           | <b>-6033</b>  | <b>-4360</b>  | <b>-4082</b>  | <b>-1073</b>  | <b>-1643</b>  | <b>1028</b>   | <b>-9009</b>  | <b>-7941</b>  | <b>-7308</b>  | <b>-4287</b>  | <b>-2648</b>  | <b>-2408</b>  | <b>-91</b>    | <b>2070</b>   | <b>2145</b>   | <b>2476</b>   | <b>4153</b>   | <b>5036</b>   | <b>3675</b>   | <b>4253</b>   | <b>5726</b>   |
| 1.1. Claims on Central Government                     | 1309          | 1305          | 1305          | 1306          | 1306          | 1305          | 1306          | 1306          | 1301          | 1294          | 1319          | 1327          | 1337          | 1347          | 1347          | 1355          | 1380          | 1394          | 1370          | 1381          | 1505          |
| 1.2. Central Government Deposits                      | -13738        | -11696        | -14900        | -8287         | -7601         | -5446         | -16149        | -14955        | -13836        | -12103        | -11903        | -12692        | -11385        | -9507         | -8242         | -7620         | -6112         | -6774         | -7807         | -8043         | -10435        |
| 1.3. Claims on Central Government                     | 9800          | 9588          | 13529         | 9972          | 8576          | 9228          | 9884          | 10018         | 9687          | 10690         | 11945         | 13059         | 14021         | 14195         | 13056         | 12865         | 12800         | 14266         | 12764         | 13550         | 13580         |
| 1.4. Central Government Deposits                      | -3405         | -3557         | -4017         | -4064         | -3924         | -4060         | -4050         | -4669         | -4761         | -4168         | -4009         | -4103         | -4064         | -3965         | -4017         | -4124         | -3916         | -3849         | -2652         | -2636         | -2825         |
| <b>2. Claims on State &amp; Local Government</b>      | <b>24</b>     | <b>24</b>     | <b>24</b>     | <b>23</b>     | <b>23</b>     | <b>22</b>     | <b>22</b>     | <b>22</b>     | <b>21</b>     | <b>21</b>     | <b>20</b>     | <b>20</b>     | <b>20</b>     | <b>20</b>     | <b>19</b>     | <b>18</b>     | <b>18</b>     | <b>17</b>     | <b>18</b>     | <b>17</b>     | <b>16</b>     |
| 2.1. Claims on State & Local Government               | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2.2. Claims on State & Local Government               | 24            | 24            | 24            | 23            | 23            | 22            | 22            | 22            | 21            | 21            | 20            | 20            | 20            | 20            | 19            | 18            | 18            | 17            | 18            | 17            | 16            |
| <b>3. Claims on Public Nonfinancial Corporations</b>  | <b>374</b>    | <b>372</b>    | <b>516</b>    | <b>512</b>    | <b>511</b>    | <b>453</b>    | <b>431</b>    | <b>435</b>    | <b>446</b>    | <b>441</b>    | <b>439</b>    | <b>431</b>    | <b>424</b>    | <b>417</b>    | <b>426</b>    | <b>420</b>    | <b>461</b>    | <b>448</b>    | <b>433</b>    | <b>431</b>    | <b>433</b>    |
| 3.1. Claims on Public Nonfinancial Corporations       | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 3.2. Claims on Public Nonfinancial Corporations       | 374           | 372           | 516           | 512           | 511           | 453           | 431           | 435           | 446           | 441           | 439           | 431           | 424           | 417           | 426           | 420           | 461           | 448           | 433           | 431           | 433           |
| <b>4. Claims on Private Sector</b>                    | <b>175068</b> | <b>177000</b> | <b>177802</b> | <b>178276</b> | <b>177861</b> | <b>176876</b> | <b>177546</b> | <b>177138</b> | <b>176893</b> | <b>177287</b> | <b>178846</b> | <b>180196</b> | <b>180710</b> | <b>181736</b> | <b>182852</b> | <b>184832</b> | <b>185758</b> | <b>187635</b> | <b>188797</b> | <b>190177</b> | <b>191215</b> |
| 4.1. Claims on Private Sector                         | 1499          | 1490          | 1494          | 1506          | 1498          | 1491          | 1487          | 1480          | 1471          | 1464          | 1480          | 1512          | 1514          | 1493          | 1487          | 1468          | 1453          | 1444          | 1445          | 1492          | 1482          |
| 4.2. Claims on Private Sector                         | 173569        | 175509        | 176307        | 176769        | 176363        | 175386        | 176059        | 175658        | 175422        | 175823        | 177366        | 178684        | 179196        | 180244        | 181364        | 183364        | 184305        | 186191        | 187352        | 188686        | 189733        |
| <b>5. Claims on Other Financial Corporations</b>      | <b>595</b>    | <b>747</b>    | <b>699</b>    | <b>708</b>    | <b>661</b>    | <b>649</b>    | <b>607</b>    | <b>586</b>    | <b>593</b>    | <b>592</b>    | <b>573</b>    | <b>587</b>    | <b>586</b>    | <b>587</b>    | <b>586</b>    | <b>584</b>    | <b>577</b>    | <b>578</b>    | <b>575</b>    | <b>572</b>    | <b>572</b>    |
| 5.1. Claims on Other Financial Corporations           | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             |
| 5.2. Claims on Other Financial Corporations           | 594           | 746           | 698           | 707           | 660           | 648           | 606           | 585           | 592           | 591           | 572           | 586           | 585           | 585           | 585           | 585           | 582           | 576           | 576           | 574           | 571           |
| <b>C. MONEY</b>                                       | <b>52702</b>  | <b>52073</b>  | <b>49446</b>  | <b>49465</b>  | <b>50319</b>  | <b>50854</b>  | <b>51471</b>  | <b>52894</b>  | <b>51376</b>  | <b>52716</b>  | <b>52301</b>  | <b>54584</b>  | <b>52872</b>  | <b>53367</b>  | <b>52866</b>  | <b>53508</b>  | <b>56104</b>  | <b>55706</b>  | <b>55854</b>  | <b>56966</b>  | <b>57197</b>  |
| 1. Currency outside Other Depository Corporations     | 15915         | 15341         | 14646         | 14760         | 14443         | 14210         | 15299         | 14766         | 14456         | 14604         | 14470         | 16266         | 15525         | 15087         | 14844         | 15224         | 15505         | 15662         | 16728         | 16204         | 15945         |
| 2. Public Sector Liabilities                          | 3080          | 3185          | 2655          | 2646          | 2992          | 3219          | 3157          | 3290          | 3467          | 3596          | 3241          | 2361          | 2896          | 2622          | 2592          | 2930          | 3162          | 3179          | 3157          | 3370          | 3425          |
| 3. Other Financial Corporations Liabilities           | 2844          | 2848          | 2942          | 3006          | 3137          | 3143          | 3414          | 3296          | 3379          | 3392          | 3327          | 3410          | 3300          | 3415          | 3459          | 3484          | 3460          | 3484          | 2270          | 2195          | 2282          |
| 4. Demand Money                                       | 30863         | 30700         | 29203         | 29053         | 29746         | 30281         | 29602         | 31542         | 30075         | 31123         | 31262         | 32547         | 31151         | 32242         | 31971         | 31871         | 33976         | 33381         | 33699         | 35198         | 35544         |
| <b>D. RESTRICTED DEPOSITS</b>                         | <b>3201</b>   | <b>5509</b>   | <b>5649</b>   | <b>5667</b>   | <b>5917</b>   | <b>5592</b>   | <b>5551</b>   | <b>5695</b>   | <b>6075</b>   | <b>5962</b>   | <b>5838</b>   | <b>6077</b>   | <b>6291</b>   | <b>6268</b>   | <b>6211</b>   | <b>6241</b>   | <b>6237</b>   | <b>6601</b>   | <b>6402</b>   | <b>6232</b>   | <b>6288</b>   |
| 1. Restricted Deposits                                | 2             | 1             | 1             | 13            | 17            | 17            | 8             | 2             | 12            | 7             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2. Restricted Deposits                                | 3199          | 5507          | 5648          | 5654          | 5900          | 5575          | 5543          | 5693          | 6062          | 5955          | 5837          | 6077          | 6290          | 6268          | 6211          | 6240          | 6237          | 6600          | 6401          | 6231          | 6287          |
| <b>E. OTHER DEPOSITS</b>                              | <b>143059</b> | <b>143887</b> | <b>143586</b> | <b>145660</b> | <b>143514</b> | <b>144315</b> | <b>143278</b> | <b>146100</b> | <b>147823</b> | <b>150824</b> | <b>152385</b> | <b>155040</b> | <b>158153</b> | <b>157526</b> | <b>160461</b> | <b>164411</b> | <b>166504</b> | <b>167832</b> | <b>163449</b> | <b>166369</b> | <b>168113</b> |
| 1. Time, Savings, & Foreign Currency Deposits         | 143059        | 143887        | 143586        | 145660        | 143514        | 144315        | 143278        | 146100        | 147823        | 150824        | 152385        | 155040        | 158153        | 157526        | 160461        | 164411        | 166504        | 167832        | 163449        | 166369        | 168113        |
| <b>F. LIABILITIES TO OTHER FINANCIAL CORPORATIONS</b> | <b>441</b>    | <b>452</b>    | <b>436</b>    | <b>369</b>    | <b>360</b>    | <b>340</b>    | <b>381</b>    | <b>361</b>    | <b>356</b>    | <b>415</b>    | <b>407</b>    | <b>397</b>    | <b>398</b>    | <b>396</b>    | <b>379</b>    | <b>378</b>    | <b>363</b>    | <b>348</b>    | <b>415</b>    | <b>402</b>    | <b>383</b>    |
| 1. Liabilities to Other Financial Corporations        | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| 2. Liabilities to Other Financial Corporations        | 441           | 452           | 436           | 369           | 360           | 340           | 381           | 361           | 356           | 415           | 407           | 397           | 398           | 396           | 379           | 378           | 363           | 348           | 415           | 402           | 383           |
| <b>G. CAPITAL ACCOUNTS</b>                            | <b>64514</b>  | <b>65062</b>  | <b>63470</b>  | <b>62687</b>  | <b>62817</b>  | <b>62648</b>  | <b>62848</b>  | <b>63140</b>  | <b>63672</b>  | <b>64130</b>  | <b>65552</b>  | <b>65554</b>  | <b>66408</b>  | <b>67627</b>  | <b>67758</b>  | <b>68609</b>  | <b>70473</b>  | <b>71522</b>  | <b>69495</b>  | <b>71133</b>  | <b>71132</b>  |
| <b>H. OTHER ITEMS (NET)</b>                           | <b>-4921</b>  | <b>-5772</b>  | <b>-6680</b>  | <b>-6641</b>  | <b>-6979</b>  | <b>-7226</b>  | <b>-7329</b>  | <b>-7055</b>  | <b>-6485</b>  | <b>-7019</b>  | <b>-7140</b>  | <b>-8062</b>  | <b>-7460</b>  | <b>-7437</b>  | <b>-8705</b>  | <b>-7903</b>  | <b>-8053</b>  | <b>-8313</b>  | <b>-7690</b>  | <b>-7796</b>  | <b>-8052</b>  |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.



Table 10  
Banks and saving houses' loans<sup>1,2</sup>  
in millions of denars

|   | 2003         | 2004         | 2005         | 2006         | 2007          | 2008          |               |               |               |               |               |               |               |               |               |               |               |
|---|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | XII          | XII          | XII          | XII          | XII           | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            | X             | XI            | XII           |
| <b>TOTAL LOANS</b>                                    | <b>46644</b> | <b>58298</b> | <b>70524</b> | <b>92017</b> | <b>128071</b> | <b>131192</b> | <b>135976</b> | <b>140645</b> | <b>145635</b> | <b>148789</b> | <b>153197</b> | <b>157989</b> | <b>160350</b> | <b>164498</b> | <b>167606</b> | <b>169973</b> | <b>172150</b> |
| <b>1. In National currency</b>                        | <b>39368</b> | <b>46901</b> | <b>53297</b> | <b>68442</b> | <b>97352</b>  | <b>99783</b>  | <b>104120</b> | <b>108592</b> | <b>112318</b> | <b>114990</b> | <b>118521</b> | <b>121744</b> | <b>123311</b> | <b>126243</b> | <b>129110</b> | <b>131432</b> | <b>133679</b> |
| 1.1. Short-term loans                                 | 15975        | 17200        | 17800        | 22121        | 32070         | 32902         | 34889         | 36638         | 38004         | 38594         | 39808         | 40767         | 41331         | 42634         | 43113         | 44516         | 44469         |
| 1.1.1. In National currency without a currency clause | -            | -            | -            | -            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 1.1.2. In National currency with a currency clause    | -            | -            | -            | -            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 1.2. Long-term loans                                  | 14347        | 20810        | 26065        | 36856        | 56324         | 57617         | 59857         | 62460         | 64789         | 66568         | 68774         | 70868         | 71702         | 73271         | 75458         | 76171         | 78193         |
| 1.2.1. In National currency without a currency clause | -            | -            | -            | -            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 1.2.2. In National currency with a currency clause    | -            | -            | -            | -            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 1.3. Accrued Interest                                 | 406          | 385          | 485          | 578          | 752           | 799           | 830           | 866           | 892           | 930           | 952           | 978           | 1079          | 1033          | 1066          | 1138          | 1027          |
| 1.4. Doubtful and contested claims                    | 8640         | 8506         | 8947         | 8887         | 8206          | 8465          | 8544          | 8628          | 8633          | 8898          | 8987          | 9131          | 9199          | 9305          | 9473          | 9607          | 9990          |
| <b>2. In foreign currency</b>                         | <b>7276</b>  | <b>11397</b> | <b>17227</b> | <b>23575</b> | <b>30719</b>  | <b>31409</b>  | <b>31856</b>  | <b>32053</b>  | <b>33317</b>  | <b>33799</b>  | <b>34676</b>  | <b>36245</b>  | <b>37039</b>  | <b>38255</b>  | <b>38496</b>  | <b>38541</b>  | <b>38471</b>  |
| 2.1. Short-term loans                                 | 1863         | 3246         | 3360         | 4654         | 6734          | 7114          | 7369          | 7460          | 8014          | 8206          | 8394          | 8998          | 9176          | 10034         | 9889          | 9725          | 9829          |
| 2.2. Long-term loans                                  | 4016         | 6993         | 12684        | 17692        | 22695         | 22537         | 22662         | 23197         | 24018         | 24372         | 24813         | 25878         | 26491         | 26718         | 27058         | 27168         | 27064         |
| 2.3. Accrued Interest                                 | 33           | 45           | 44           | 76           | 88            | 93            | 89            | 93            | 118           | 105           | 107           | 101           | 105           | 133           | 120           | 111           | 96            |
| 2.4. Doubtful and contested claims                    | 1364         | 1113         | 1139         | 1153         | 1202          | 1665          | 1736          | 1303          | 1167          | 1116          | 1362          | 1268          | 1267          | 1370          | 1429          | 1537          | 1482          |
| annual growth rate                                    |              |              |              |              |               |               |               |               |               |               |               |               |               |               |               |               |               |
| <b>TOTAL LOANS</b>                                    |              | <b>24.98</b> | <b>20.97</b> | <b>30.48</b> | <b>39.18</b>  | <b>39.97</b>  | <b>41.44</b>  | <b>42.22</b>  | <b>44.08</b>  | <b>43.37</b>  | <b>42.09</b>  | <b>42.04</b>  | <b>40.13</b>  | <b>38.61</b>  | <b>39.65</b>  | <b>37.66</b>  | <b>34.42</b>  |
| <b>1. In National currency</b>                        |              | <b>19.13</b> | <b>13.64</b> | <b>28.42</b> | <b>42.24</b>  | <b>42.25</b>  | <b>45.07</b>  | <b>47.03</b>  | <b>48.18</b>  | <b>47.81</b>  | <b>47.03</b>  | <b>45.53</b>  | <b>42.88</b>  | <b>40.93</b>  | <b>41.51</b>  | <b>40.11</b>  | <b>37.32</b>  |
| 1.1. Short-term loans                                 |              | 7.67         | 3.49         | 24.28        | 44.98         | 42.38         | 47.85         | 53.16         | 56.63         | 57.05         | 57.26         | 52.30         | 48.86         | 42.95         | 42.73         | 45.15         | 38.66         |
| 1.1.1. In National currency without a currency clause |              | -            | -            | -            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 1.1.2. In National currency with a currency clause    |              | -            | -            | -            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 1.2. Long-term loans                                  |              | 45.05        | 25.25        | 41.40        | 52.82         | 53.29         | 54.53         | 53.88         | 54.17         | 53.78         | 50.61         | 49.46         | 46.55         | 46.97         | 46.47         | 42.10         | 38.83         |
| 1.2.1. In National currency without a currency clause |              | -            | -            | -            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 1.2.2. In National currency with a currency clause    |              | -            | -            | -            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| 1.3. Accrued Interest                                 |              | -5.17        | 25.97        | 19.18        | 30.10         | 37.52         | 27.11         | 37.03         | 41.14         | 39.85         | 44.24         | 42.57         | 45.22         | 33.46         | 43.09         | 49.74         | 36.57         |
| 1.4. Doubtful and contested claims                    |              | -1.55        | 5.18         | -0.67        | -7.66         | -4.58         | -2.79         | -1.00         | -2.75         | -4.01         | 0.12          | 3.93          | 3.74          | 1.97          | 8.04          | 9.48          | 21.74         |
| <b>2. In foreign currency</b>                         |              | <b>56.64</b> | <b>51.15</b> | <b>36.85</b> | <b>30.30</b>  | <b>33.20</b>  | <b>30.74</b>  | <b>28.05</b>  | <b>31.79</b>  | <b>30.08</b>  | <b>27.46</b>  | <b>31.47</b>  | <b>31.68</b>  | <b>31.47</b>  | <b>33.75</b>  | <b>29.93</b>  | <b>25.24</b>  |
| 2.1. Short-term loans                                 |              | 74.24        | 3.51         | 38.51        | 44.69         | 54.48         | 52.00         | 44.15         | 53.85         | 48.15         | 36.38         | 53.21         | 53.55         | 61.21         | 67.27         | 56.65         | 45.96         |
| 2.2. Long-term loans                                  |              | 74.13        | 81.38        | 39.48        | 28.28         | 27.67         | 23.93         | 24.61         | 27.92         | 27.57         | 26.45         | 27.48         | 28.52         | 25.04         | 26.61         | 23.24         | 19.25         |
| 2.3. Accrued Interest                                 |              | 36.36        | -2.22        | 72.73        | 15.79         | 6.90          | 32.84         | 5.68          | 34.09         | 3.96          | -4.46         | 8.60          | 10.53         | 66.25         | 29.03         | 29.07         | 9.09          |
| 2.4. Doubtful and contested claims                    |              | -18.40       | 2.34         | 1.23         | 4.25          | 34.71         | 49.14         | 12.91         | -3.31         | -9.93         | 3.50          | -2.76         | -12.20        | -3.93         | 1.71          | 16.00         | 23.29         |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

Source: NBRM.



Banks and saving houses' loans<sup>1,2</sup>  
in millions of denars

|   | 2009          |               |               |               |               |               |               |               |               |               |               |               | 2010          |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            | X             | XI            | XII           | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            |
| <b>TOTAL LOANS</b>                                    | <b>173301</b> | <b>175397</b> | <b>176298</b> | <b>176758</b> | <b>176261</b> | <b>175164</b> | <b>175711</b> | <b>175326</b> | <b>175066</b> | <b>175384</b> | <b>176889</b> | <b>178196</b> | <b>178702</b> | <b>179611</b> | <b>180722</b> | <b>182662</b> | <b>183668</b> | <b>185258</b> | <b>186222</b> | <b>187728</b> | <b>188609</b> |
| <b>1. In National currency</b>                        | <b>133925</b> | <b>135992</b> | <b>136900</b> | <b>137156</b> | <b>137334</b> | <b>136884</b> | <b>137406</b> | <b>137151</b> | <b>137052</b> | <b>137201</b> | <b>138212</b> | <b>139197</b> | <b>139660</b> | <b>139771</b> | <b>140391</b> | <b>141241</b> | <b>141366</b> | <b>141971</b> | <b>143432</b> | <b>144184</b> | <b>144577</b> |
| 1.1. Short-term loans                                 | 44943         | 45454         | 45691         | 46097         | 45789         | 45204         | 45330         | 44905         | 44496         | 42948         | 43485         | 44529         | 44518         | 44621         | 45084         | 45791         | 46018         | 46099         | 46151         | 46266         | 46238         |
| 1.1.1. In National currency without a currency clause | 40204         | 40759         | 40424         | 39468         | 39004         | 38549         | 38424         | 37803         | 37339         | 35794         | 36187         | 36400         | 36099         | 35654         | 36159         | 36519         | 36657         | 36529         | 36595         | 36926         | 36878         |
| 1.1.2. In National currency with a currency clause    | 4738          | 4695          | 5267          | 6628          | 6785          | 6654          | 6906          | 7102          | 7157          | 7153          | 7298          | 8130          | 8419          | 8967          | 8925          | 9272          | 9360          | 9570          | 9556          | 9340          | 9360          |
| 1.2. Long-term loans                                  | 78631         | 80030         | 80332         | 80069         | 79653         | 79141         | 79123         | 78939         | 78834         | 79650         | 80109         | 81155         | 80273         | 80265         | 80545         | 80346         | 79934         | 80684         | 81155         | 80648         | 81191         |
| 1.2.1. In National currency without a currency clause | 29856         | 30968         | 30948         | 28581         | 28297         | 28388         | 28144         | 27968         | 27865         | 28008         | 27969         | 28288         | 27841         | 27837         | 28200         | 28544         | 28906         | 29524         | 30007         | 29800         | 30386         |
| 1.2.2. In National currency with a currency clause    | 48775         | 49062         | 49384         | 51488         | 51357         | 50753         | 50979         | 50972         | 50969         | 51642         | 52141         | 52866         | 52433         | 52428         | 52345         | 51802         | 51028         | 51160         | 51149         | 50848         | 50805         |
| 1.3. Accrued Interest                                 | 1542          | 1552          | 1589          | 1615          | 1690          | 1681          | 1723          | 1824          | 1841          | 1849          | 1904          | 1788          | 1913          | 1880          | 1874          | 1890          | 1921          | 1907          | 1941          | 1971          | 1933          |
| 1.4. Doubtful and contested claims                    | 8808          | 8956          | 9287          | 9375          | 10201         | 10858         | 11230         | 11483         | 11880         | 12753         | 12713         | 11725         | 12954         | 13004         | 12889         | 13212         | 13494         | 13281         | 14185         | 15300         | 15217         |
| <b>2. In foreign currency</b>                         | <b>39376</b>  | <b>39405</b>  | <b>39398</b>  | <b>39602</b>  | <b>38927</b>  | <b>38280</b>  | <b>38304</b>  | <b>38175</b>  | <b>38015</b>  | <b>38183</b>  | <b>38676</b>  | <b>38998</b>  | <b>39042</b>  | <b>39840</b>  | <b>40331</b>  | <b>41421</b>  | <b>42302</b>  | <b>43287</b>  | <b>42790</b>  | <b>43544</b>  | <b>44032</b>  |
| 2.1. Short-term loans                                 | 9974          | 10173         | 9967          | 10428         | 9786          | 9516          | 9554          | 9342          | 8797          | 8873          | 9210          | 8558          | 8303          | 8441          | 8704          | 8781          | 8705          | 8510          | 8084          | 8246          | 7964          |
| 2.2. Long-term loans                                  | 26559         | 26323         | 26027         | 25563         | 25452         | 25034         | 25080         | 25059         | 25075         | 25171         | 25318         | 26226         | 26256         | 26899         | 26963         | 28062         | 28543         | 29551         | 29805         | 30491         | 31338         |
| 2.3. Accrued Interest                                 | 243           | 260           | 238           | 222           | 231           | 232           | 224           | 244           | 226           | 220           | 230           | 216           | 234           | 245           | 249           | 231           | 249           | 258           | 253           | 278           | 301           |
| 2.4. Doubtful and contested claims                    | 2601          | 2649          | 3166          | 3389          | 3456          | 3499          | 3445          | 3530          | 3917          | 3919          | 3918          | 3999          | 4249          | 4255          | 4414          | 4347          | 4805          | 4968          | 4647          | 4529          | 4430          |
| <b>annual growth rate</b>                             |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| <b>TOTAL LOANS</b>                                    | <b>32.10</b>  | <b>28.99</b>  | <b>25.35</b>  | <b>21.37</b>  | <b>18.46</b>  | <b>14.34</b>  | <b>11.22</b>  | <b>9.34</b>   | <b>6.42</b>   | <b>4.64</b>   | <b>4.07</b>   | <b>3.51</b>   | <b>3.12</b>   | <b>2.40</b>   | <b>2.51</b>   | <b>3.34</b>   | <b>4.20</b>   | <b>5.76</b>   | <b>5.98</b>   | <b>7.07</b>   | <b>7.74</b>   |
| <b>1. In National currency</b>                        | <b>34.22</b>  | <b>30.61</b>  | <b>26.07</b>  | <b>22.11</b>  | <b>19.43</b>  | <b>15.49</b>  | <b>12.87</b>  | <b>11.22</b>  | <b>8.56</b>   | <b>6.27</b>   | <b>5.16</b>   | <b>4.13</b>   | <b>4.28</b>   | <b>2.78</b>   | <b>2.55</b>   | <b>2.98</b>   | <b>2.94</b>   | <b>3.72</b>   | <b>4.39</b>   | <b>5.13</b>   | <b>5.49</b>   |
| 1.1. Short-term loans                                 | 36.60         | 30.28         | 24.71         | 21.29         | 18.64         | 13.55         | 11.19         | 8.65          | 4.37          | -0.38         | -2.32         | 0.14          | -0.94         | -1.83         | -1.33         | -0.66         | 0.50          | 1.98          | 1.81          | 3.03          | 3.91          |
| 1.1.1. In National currency without a currency clause |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| 1.1.2. In National currency with a currency clause    |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| 1.2. Long-term loans                                  | 36.47         | 33.70         | 28.61         | 23.58         | 19.66         | 15.07         | 11.65         | 10.09         | 7.59          | 5.56          | 5.17          | 3.79          | 2.09          | 0.29          | 0.26          | 0.35          | 0.35          | 1.95          | 2.57          | 2.16          | 2.99          |
| 1.2.1. In National currency without a currency clause |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| 1.2.2. In National currency with a currency clause    |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| 1.3. Accrued Interest                                 | 93.04         | 86.96         | 83.49         | 81.05         | 81.70         | 76.61         | 76.15         | 69.02         | 78.19         | 73.49         | 67.35         | 74.09         | 24.01         | 21.15         | 17.93         | 17.06         | 13.69         | 13.43         | 12.65         | 8.06          | 4.99          |
| 1.4. Doubtful and contested claims                    | 4.05          | 4.82          | 7.63          | 8.60          | 14.65         | 20.82         | 22.99         | 24.82         | 27.67         | 34.63         | 32.33         | 17.37         | 47.07         | 45.20         | 38.79         | 40.93         | 32.27         | 22.31         | 26.32         | 33.24         | 28.09         |
| <b>2. In foreign currency</b>                         | <b>25.37</b>  | <b>23.70</b>  | <b>22.92</b>  | <b>18.86</b>  | <b>15.17</b>  | <b>10.39</b>  | <b>5.68</b>   | <b>3.07</b>   | <b>-0.63</b>  | <b>-0.81</b>  | <b>0.35</b>   | <b>1.37</b>   | <b>-0.85</b>  | <b>1.10</b>   | <b>2.37</b>   | <b>4.59</b>   | <b>8.67</b>   | <b>13.08</b>  | <b>11.71</b>  | <b>14.07</b>  | <b>15.83</b>  |
| 2.1. Short-term loans                                 | 40.20         | 38.05         | 33.60         | 30.13         | 19.26         | 13.37         | 6.18          | 1.81          | -12.33        | -10.27        | -5.30         | -12.93        | -16.75        | -17.02        | -12.67        | -15.79        | -11.05        | -10.57        | -15.39        | -11.74        | -9.47         |
| 2.2. Long-term loans                                  | 17.85         | 16.15         | 12.20         | 6.43          | 4.43          | 0.89          | -3.08         | -5.41         | -6.15         | -6.98         | -6.81         | -3.10         | -1.14         | 2.19          | 3.60          | 9.78          | 12.14         | 18.05         | 18.84         | 21.68         | 24.98         |
| 2.3. Accrued Interest                                 | 160.88        | 192.62        | 156.36        | 88.13         | 120.30        | 116.41        | 122.26        | 132.42        | 69.77         | 83.37         | 107.57        | 124.79        | -3.73         | -6.08         | 4.53          | 3.88          | 7.73          | 11.24         | 12.85         | 14.07         | 33.10         |
| 2.4. Doubtful and contested claims                    | 56.21         | 52.57         | 142.99        | 190.39        | 209.72        | 156.88        | 171.70        | 178.59        | 185.94        | 174.25        | 154.92        | 169.84        | 63.37         | 60.67         | 39.42         | 28.27         | 39.00         | 42.00         | 34.89         | 28.30         | 13.09         |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003  
Source: NBRM.



Table 11  
Monetary aggregates and components thereof (non-government sector) <sup>1,2</sup>  
in millions of denars

|  | 2003         | 2004         | 2005          | 2006          | 2007          | 2008          |               |               |               |               |               |               |               |               |               |               |               |
|--|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | XII          | XII          | XII           | XII           | XII           | I             | II            | III           | IV            | V             | VI            | VII           | VIII          | IX            | X             | XI            | XII           |
| <b>1. Currency in circulation</b>          | <b>14166</b> | <b>14150</b> | <b>14424</b>  | <b>16187</b>  | <b>17908</b>  | <b>16385</b>  | <b>16208</b>  | <b>15718</b>  | <b>16317</b>  | <b>16380</b>  | <b>16151</b>  | <b>16737</b>  | <b>16350</b>  | <b>16525</b>  | <b>16582</b>  | <b>15824</b>  | <b>17601</b>  |
| <b>2. Demand Deposits</b>                  | <b>14099</b> | <b>14692</b> | <b>16251</b>  | <b>19966</b>  | <b>29348</b>  | <b>28213</b>  | <b>29459</b>  | <b>28744</b>  | <b>29949</b>  | <b>31814</b>  | <b>33283</b>  | <b>31787</b>  | <b>33681</b>  | <b>33657</b>  | <b>32625</b>  | <b>33473</b>  | <b>36518</b>  |
| <b>3. (1+2) Money supply M1</b>            | <b>28265</b> | <b>28842</b> | <b>30675</b>  | <b>36153</b>  | <b>47256</b>  | <b>44598</b>  | <b>45667</b>  | <b>44462</b>  | <b>46266</b>  | <b>48194</b>  | <b>49434</b>  | <b>48524</b>  | <b>50031</b>  | <b>50182</b>  | <b>49207</b>  | <b>49297</b>  | <b>54119</b>  |
| <b>4. Short-term deposits</b>              | <b>48986</b> | <b>61593</b> | <b>73802</b>  | <b>94187</b>  | <b>119697</b> | <b>122689</b> | <b>123836</b> | <b>123847</b> | <b>126001</b> | <b>127350</b> | <b>128619</b> | <b>132004</b> | <b>134108</b> | <b>133842</b> | <b>130872</b> | <b>124744</b> | <b>124766</b> |
| 4.1. in denars                             | 15752        | 20722        | 24677         | 36742         | 55599         | 56661         | 57017         | 56462         | 57141         | 57250         | 57585         | 59307         | 59146         | 58247         | 57902         | 51234         | 49584         |
| 4.2. in foreign currency                   | 33234        | 40871        | 49125         | 57445         | 64098         | 66028         | 66819         | 67385         | 68860         | 70100         | 71034         | 72697         | 74962         | 75595         | 72970         | 73510         | 75182         |
| <b>5. (3+4.1.) Money supply M2 - Denar</b> | <b>44017</b> | <b>49564</b> | <b>55352</b>  | <b>72895</b>  | <b>102855</b> | <b>101259</b> | <b>102684</b> | <b>100924</b> | <b>103407</b> | <b>105444</b> | <b>107019</b> | <b>107831</b> | <b>109177</b> | <b>108429</b> | <b>107109</b> | <b>100531</b> | <b>103703</b> |
| <b>6. (5+4.2.) Money supply M2 - total</b> | <b>77251</b> | <b>90435</b> | <b>104477</b> | <b>130340</b> | <b>166953</b> | <b>167287</b> | <b>169503</b> | <b>168309</b> | <b>172267</b> | <b>175544</b> | <b>178053</b> | <b>180528</b> | <b>184139</b> | <b>184024</b> | <b>180079</b> | <b>174041</b> | <b>178885</b> |
| <b>7. Long-term deposits</b>               | <b>3903</b>  | <b>4115</b>  | <b>4247</b>   | <b>5567</b>   | <b>8830</b>   | <b>8855</b>   | <b>9592</b>   | <b>10220</b>  | <b>10858</b>  | <b>11613</b>  | <b>11677</b>  | <b>12200</b>  | <b>13220</b>  | <b>13870</b>  | <b>15197</b>  | <b>16137</b>  | <b>16640</b>  |
| 7.1. in denars                             | 2625         | 2417         | 2264          | 2559          | 4672          | 4811          | 4986          | 5151          | 5403          | 5769          | 6054          | 6399          | 6617          | 6957          | 7627          | 8046          | 7990          |
| 7.2. in foreign currency                   | 1278         | 1698         | 1983          | 3008          | 4158          | 4044          | 4606          | 5069          | 5455          | 5844          | 5623          | 5801          | 6603          | 6913          | 7570          | 8091          | 8650          |
| <b>8. (6+7) Money supply M4 - total</b>    | <b>81154</b> | <b>94550</b> | <b>108724</b> | <b>135907</b> | <b>175783</b> | <b>176142</b> | <b>179095</b> | <b>178529</b> | <b>183125</b> | <b>187157</b> | <b>189730</b> | <b>192728</b> | <b>197359</b> | <b>197894</b> | <b>195276</b> | <b>190178</b> | <b>195525</b> |
| annual growth rate                         |              |              |               |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| <b>1. Currency in circulation</b>          |              | <b>-0.11</b> | <b>1.94</b>   | <b>12.22</b>  | <b>10.63</b>  | <b>12.96</b>  | <b>8.32</b>   | <b>4.71</b>   | <b>5.22</b>   | <b>6.81</b>   | <b>2.10</b>   | <b>0.53</b>   | <b>-0.02</b>  | <b>-1.15</b>  | <b>0.21</b>   | <b>-2.69</b>  | <b>-1.71</b>  |
| <b>2. Demand Deposits</b>                  |              | <b>4.21</b>  | <b>10.61</b>  | <b>22.86</b>  | <b>46.99</b>  | <b>44.13</b>  | <b>47.19</b>  | <b>38.44</b>  | <b>37.56</b>  | <b>43.17</b>  | <b>50.18</b>  | <b>38.38</b>  | <b>37.90</b>  | <b>38.18</b>  | <b>37.15</b>  | <b>32.48</b>  | <b>24.43</b>  |
| <b>3. Money supply M1</b>                  |              | <b>2.04</b>  | <b>6.35</b>   | <b>17.86</b>  | <b>30.71</b>  | <b>30.86</b>  | <b>30.56</b>  | <b>24.29</b>  | <b>24.11</b>  | <b>28.33</b>  | <b>30.15</b>  | <b>22.47</b>  | <b>22.69</b>  | <b>22.17</b>  | <b>21.99</b>  | <b>18.71</b>  | <b>14.52</b>  |
| <b>4. Short-term deposits</b>              |              | <b>25.74</b> | <b>19.82</b>  | <b>27.62</b>  | <b>27.08</b>  | <b>26.92</b>  | <b>24.44</b>  | <b>22.61</b>  | <b>20.31</b>  | <b>18.45</b>  | <b>15.96</b>  | <b>17.03</b>  | <b>19.16</b>  | <b>18.75</b>  | <b>13.90</b>  | <b>6.35</b>   | <b>4.23</b>   |
| 4.1. in denars                             |              | 31.55        | 19.09         | 48.89         | 51.32         | 50.14         | 43.46         | 37.77         | 29.82         | 24.11         | 17.82         | 18.97         | 20.87         | 15.22         | 8.63          | -6.15         | -10.82        |
| 4.2. in foreign currency                   |              | 22.98        | 20.20         | 16.94         | 11.58         | 12.05         | 11.79         | 12.27         | 13.42         | 14.19         | 14.50         | 15.49         | 17.84         | 21.62         | 18.46         | 17.22         | 17.29         |
| <b>5. Money supply M2 - denar</b>          |              | <b>12.60</b> | <b>11.68</b>  | <b>31.69</b>  | <b>41.10</b>  | <b>40.99</b>  | <b>37.42</b>  | <b>31.48</b>  | <b>27.20</b>  | <b>26.00</b>  | <b>23.21</b>  | <b>20.52</b>  | <b>21.70</b>  | <b>18.33</b>  | <b>14.39</b>  | <b>4.59</b>   | <b>0.82</b>   |
| <b>6. Money supply M2 - total</b>          |              | <b>17.07</b> | <b>15.53</b>  | <b>24.75</b>  | <b>28.09</b>  | <b>27.95</b>  | <b>26.03</b>  | <b>23.05</b>  | <b>21.31</b>  | <b>21.01</b>  | <b>19.58</b>  | <b>18.45</b>  | <b>20.10</b>  | <b>19.66</b>  | <b>16.00</b>  | <b>9.58</b>   | <b>7.15</b>   |
| <b>7. Long-term deposits</b>               |              | <b>5.43</b>  | <b>3.21</b>   | <b>31.08</b>  | <b>58.61</b>  | <b>62.78</b>  | <b>69.02</b>  | <b>80.76</b>  | <b>67.30</b>  | <b>59.15</b>  | <b>58.40</b>  | <b>52.14</b>  | <b>64.74</b>  | <b>65.14</b>  | <b>87.55</b>  | <b>94.33</b>  | <b>88.45</b>  |
| 7.1. in denars                             |              | -7.92        | -6.33         | 13.03         | 82.57         | 89.93         | 89.73         | 92.20         | 57.43         | 59.19         | 58.61         | 55.16         | 52.85         | 55.08         | 83.83         | 91.89         | 71.02         |
| 7.2. in foreign currency                   |              | 32.86        | 16.78         | 51.69         | 38.23         | 39.11         | 51.17         | 70.44         | 78.38         | 59.11         | 58.17         | 48.93         | 78.65         | 76.67         | 91.45         | 96.81         | 108.03        |
| <b>8. Money supply M4 - total</b>          |              | <b>16.51</b> | <b>14.99</b>  | <b>25.00</b>  | <b>29.34</b>  | <b>29.34</b>  | <b>27.77</b>  | <b>25.34</b>  | <b>23.32</b>  | <b>22.83</b>  | <b>21.41</b>  | <b>20.13</b>  | <b>22.32</b>  | <b>22.02</b>  | <b>19.55</b>  | <b>13.79</b>  | <b>11.23</b>  |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.



Monetary aggregates and components thereof (non-government sector)<sup>1,2</sup>  
in millions of denars

|  | 2009   |        |        |        |        |        |        |        |        |        |        |        | 2010   |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | I      | II     | III    | IV     | V      | VI     | VII    | VIII   | IX     | X      | XI     | XII    | I      | II     | III    | IV     | V      | VI     | VII    | VIII   | IX     |
| <b>1. Currency in circulation</b>          | 15915  | 15341  | 14646  | 14760  | 14443  | 14210  | 15299  | 14766  | 14456  | 14604  | 14470  | 16266  | 15525  | 15087  | 14844  | 15224  | 15505  | 15662  | 16728  | 16204  | 15945  |
| <b>2. Demand Deposits</b>                  | 33707  | 33548  | 32145  | 32059  | 32883  | 33425  | 33016  | 34838  | 33453  | 34516  | 34590  | 35957  | 34451  | 35658  | 35430  | 35355  | 37437  | 36865  | 35969  | 37393  | 37827  |
| <b>3. (1+2) Money supply M1</b>            | 49622  | 48888  | 46791  | 46819  | 47326  | 47635  | 48315  | 49603  | 47909  | 49119  | 49060  | 52223  | 49976  | 50745  | 50274  | 50578  | 52942  | 52527  | 52697  | 53596  | 53772  |
| <b>4. Short-term deposits</b>              | 128446 | 128828 | 128168 | 130009 | 127606 | 128129 | 126819 | 129604 | 130687 | 132786 | 132869 | 133761 | 136124 | 135063 | 136879 | 139799 | 141464 | 142646 | 138009 | 140246 | 141594 |
| 4.1. in denars                             | 50444  | 50453  | 46995  | 46580  | 45341  | 45530  | 41523  | 42133  | 43538  | 44957  | 45742  | 45735  | 47145  | 46229  | 47695  | 49297  | 50090  | 51574  | 47799  | 49184  | 50072  |
| 4.2. in foreign currency                   | 78002  | 78376  | 81173  | 83429  | 82264  | 82598  | 85296  | 87471  | 87149  | 87829  | 87128  | 88025  | 88979  | 88835  | 89184  | 90502  | 91374  | 91072  | 90211  | 91062  | 91522  |
| <b>5. (3+4.1.) Money supply M2 - Denar</b> | 100065 | 99341  | 93786  | 93400  | 92668  | 93165  | 89837  | 91736  | 91447  | 94076  | 94801  | 97958  | 97121  | 96974  | 97969  | 99876  | 103032 | 104101 | 100495 | 102781 | 103844 |
| <b>6. (5+4.2.) Money supply M2 - total</b> | 178067 | 177717 | 174959 | 176829 | 174932 | 175763 | 175133 | 179208 | 178596 | 181905 | 181929 | 185984 | 186100 | 185808 | 187153 | 190377 | 194406 | 195173 | 190706 | 193842 | 195366 |
| <b>7. Long-term deposits</b>               | 14613  | 15058  | 15418  | 15651  | 15908  | 16186  | 16460  | 16496  | 17136  | 18038  | 19516  | 21279  | 22029  | 22463  | 23582  | 24612  | 25040  | 25186  | 25440  | 26123  | 26518  |
| 7.1. in denars                             | 7180   | 7239   | 7295   | 7246   | 7288   | 7160   | 6975   | 6823   | 7161   | 7537   | 8019   | 8791   | 9260   | 9617   | 10231  | 10769  | 11123  | 11242  | 11460  | 11845  | 12127  |
| 7.2. in foreign currency                   | 7433   | 7820   | 8123   | 8405   | 8620   | 9026   | 9485   | 9673   | 9975   | 10501  | 11496  | 12488  | 12769  | 12846  | 13351  | 13843  | 13918  | 13945  | 13979  | 14278  | 14391  |
| <b>8. (6+7) Money supply M4 - total</b>    | 192681 | 192775 | 190377 | 192480 | 190840 | 191949 | 191593 | 195704 | 195732 | 199943 | 201445 | 207262 | 208129 | 208271 | 210735 | 214989 | 219446 | 220359 | 216146 | 219965 | 221884 |
| annual growth rate                         |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| <b>1. Currency in circulation</b>          | -2.87  | -5.35  | -6.82  | -9.54  | -11.82 | -12.02 | -8.59  | -9.69  | -12.52 | -11.93 | -8.55  | -7.59  | -2.45  | -1.65  | 1.35   | 3.14   | 7.35   | 10.22  | 9.34   | 9.74   | 10.30  |
| <b>2. Demand Deposits</b>                  | 19.47  | 13.88  | 11.83  | 7.05   | 3.36   | 0.43   | 3.87   | 3.43   | -0.60  | 5.79   | 3.34   | -1.54  | 2.21   | 6.29   | 10.22  | 10.28  | 13.85  | 10.29  | 8.95   | 7.33   | 13.07  |
| <b>3. Money supply M1</b>                  | 11.26  | 7.05   | 5.24   | 1.20   | -1.80  | -3.64  | -0.43  | -0.85  | -4.53  | -0.18  | -0.48  | -3.50  | 0.71   | 3.80   | 7.44   | 8.03   | 11.87  | 10.27  | 9.07   | 8.05   | 12.24  |
| <b>4. Short-term deposits</b>              | 4.69   | 4.03   | 3.49   | 3.18   | 0.20   | -0.38  | -3.93  | -3.36  | -2.36  | 1.46   | 6.51   | 7.21   | 5.98   | 4.84   | 6.80   | 7.53   | 10.86  | 11.33  | 8.82   | 8.21   | 8.35   |
| 4.1. in denars                             | -10.97 | -11.51 | -16.77 | -18.48 | -20.80 | -20.93 | -29.99 | -28.76 | -25.25 | -22.36 | -10.72 | -7.76  | -6.54  | -8.37  | 1.49   | 5.83   | 10.47  | 13.27  | 15.11  | 16.74  | 15.01  |
| 4.2. in foreign currency                   | 18.14  | 17.30  | 20.46  | 21.16  | 17.35  | 16.28  | 17.33  | 16.69  | 15.28  | 20.36  | 18.52  | 17.08  | 14.07  | 13.34  | 9.87   | 8.48   | 11.07  | 10.26  | 5.76   | 4.10   | 5.02   |
| <b>5. Money supply M2 - denar</b>          | -1.18  | -3.26  | -7.07  | -9.68  | -12.12 | -12.95 | -16.69 | -15.97 | -15.66 | -12.17 | -5.70  | -5.54  | -2.94  | -2.38  | 4.46   | 6.93   | 11.18  | 11.74  | 11.86  | 12.04  | 13.56  |
| <b>6. Money supply M2 - total</b>          | 6.44   | 4.85   | 3.95   | 2.65   | -0.35  | -1.29  | -2.99  | -2.68  | -2.95  | 1.01   | 4.53   | 3.97   | 4.51   | 4.55   | 6.97   | 7.66   | 11.13  | 11.04  | 8.89   | 8.17   | 9.39   |
| <b>7. Long-term deposits</b>               | 65.03  | 56.99  | 50.86  | 44.14  | 36.98  | 38.62  | 34.91  | 24.78  | 23.55  | 18.69  | 20.94  | 27.88  | 50.74  | 49.17  | 52.95  | 57.25  | 57.41  | 55.60  | 54.56  | 58.36  | 54.75  |
| 7.1. in denars                             | 49.25  | 45.18  | 41.63  | 34.11  | 26.32  | 18.27  | 9.00   | 3.11   | 2.93   | -1.18  | -0.33  | 10.02  | 28.96  | 32.85  | 40.24  | 48.62  | 52.63  | 57.00  | 64.30  | 73.61  | 69.35  |
| 7.2. in foreign currency                   | 83.80  | 69.77  | 60.25  | 54.08  | 47.51  | 60.52  | 63.50  | 46.50  | 44.29  | 38.72  | 42.09  | 44.37  | 71.78  | 64.28  | 64.36  | 64.70  | 61.45  | 54.49  | 47.39  | 47.60  | 44.27  |
| <b>8. Money supply M4 - total</b>          | 9.39   | 7.64   | 6.64   | 5.11   | 1.97   | 1.17   | -0.59  | -0.84  | -1.09  | 2.39   | 5.92   | 6.00   | 8.02   | 8.04   | 10.69  | 11.69  | 14.99  | 14.80  | 12.82  | 12.40  | 13.36  |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.



Table 12  
Claims of other depository corporations (banks and saving houses) <sup>1,2</sup>  
in millions of denars

| <b>I. NON-GOVERNMENT SECTOR</b>                         |             |                     |             |           |                  |                     |  |                     |             |                     |             |                     |   |
|---|-------------|---------------------|-------------|-----------|------------------|---------------------|--|---------------------|-------------|---------------------|-------------|---------------------|---|
| <b>- Nonfinancial Corporations (public and private)</b> |             |                     |             |           |                  |                     |  |                     |             |                     |             |                     |   |
| Period  | Loans       |                     |             |           | Accrued interest |                     | Overdue and doubtful and contested claims based on loans |                     | Securities  |                     | Shares      |                     |   |
|   | By currency |                     | By maturity |           | By currency      |                     | By currency  |                     | By currency |                     | By currency |                     |   |
|   | In denars   | In foreign currency | Short-term  | Long-term | In denars        | In foreign currency | In denars  | In foreign currency | In denars   | In foreign currency | In denars   | In foreign currency |   |
| <b>XII.03</b>   | 20696       | 5717                | 15577       | 10836     | 313              | 33                  | 7956   | 1346                | 0           | 0                   | 596         | 0                   |   |
| <b>XII.04</b>   | 23010       | 9796                | 17499       | 15307     | 253              | 45                  | 7479   | 1098                | 5           | 0                   | 514         | 0                   |   |
| <b>XII.05</b>   | 23077       | 15318               | 17065       | 21330     | 280              | 44                  | 7496   | 1115                | 3           | 0                   | 446         | 0                   |   |
| <b>2006</b>   | 24710       | 16455               | 18491       | 22674     | 313              | 76                  | 7470   | 1179                | 3           | 0                   | 439         | 0                   |   |
| III   | 26994       | 17952               | 20122       | 24824     | 351              | 62                  | 7553   | 1353                | 3           | 0                   | 452         | 0                   |   |
| VI  | 26844       | 19199               | 19431       | 26612     | 327              | 75                  | 7214   | 1147                | 3           | 0                   | 453         | 0                   |   |
| IX  | 29812       | 20668               | 20288       | 30192     | 334              | 76                  | 7243   | 1120                | 13          | 0                   | 446         | 0                   |   |
| XII   | <b>2007</b> | 30579               | 20573       | 20504     | 30648            | 324                 | 87   | 7206                | 1204        | 13                  | 0           | 447                 | 0 |
| I   | 31619       | 21465               | 21099       | 31985     | 395              | 67                  | 7089   | 1126                | 13          | 0                   | 446         | 0                   |   |
| II  | 32448       | 22064               | 21338       | 33174     | 366              | 88                  | 7123   | 1119                | 13          | 0                   | 428         | 0                   |   |
| III   | 32846       | 22185               | 21212       | 33819     | 360              | 88                  | 7266   | 1172                | 13          | 0                   | 414         | 0                   |   |
| IV  | 32934       | 22804               | 21279       | 34459     | 382              | 101                 | 7558   | 1204                | 13          | 0                   | 402         | 0                   |   |
| V   | 34500       | 23870               | 22261       | 36109     | 372              | 112                 | 7280   | 1275                | 13          | 0                   | 382         | 0                   |   |
| VI  | 35731       | 24235               | 22739       | 37227     | 383              | 93                  | 6953   | 1264                | 64          | 0                   | 382         | 0                   |   |
| VII   | 36823       | 24664               | 23221       | 38266     | 425              | 95                  | 6918   | 1361                | 64          | 0                   | 382         | 0                   |   |
| VIII  | 38493       | 25632               | 25166       | 38959     | 449              | 80                  | 7039   | 1338                | 64          | 0                   | 381         | 0                   |   |
| IX  | 39167       | 25263               | 24718       | 39712     | 411              | 93                  | 6656   | 1315                | 64          | 0                   | 365         | 0                   |   |
| X   | 40105       | 26125               | 25207       | 41023     | 426              | 86                  | 6595   | 1239                | 75          | 0                   | 373         | 0                   |   |
| XI  | 42409       | 27165               | 26611       | 42963     | 420              | 88                  | 5984   | 1108                | 80          | 0                   | 362         | 0                   |   |
| XII   | <b>2008</b> | 43232               | 27338       | 27182     | 43388            | 429                 | 93   | 6179                | 1517        | 80                  | 0           | 372                 | 0 |
| I   | 45778       | 27581               | 28942       | 44417     | 460              | 89                  | 6182   | 1611                | 80          | 0                   | 361         | 0                   |   |
| II  | 48372       | 28052               | 30308       | 46116     | 473              | 93                  | 6164   | 1179                | 80          | 0                   | 356         | 0                   |   |
| III   | 50391       | 29094               | 31768       | 47717     | 487              | 118                 | 6165   | 1108                | 80          | 0                   | 360         | 0                   |   |
| IV  | 51282       | 29345               | 31998       | 48629     | 513              | 105                 | 6281   | 1017                | 80          | 0                   | 360         | 0                   |   |
| V   | 53261       | 29736               | 32909       | 50088     | 524              | 107                 | 6243   | 1136                | 80          | 0                   | 346         | 0                   |   |
| VI  | 54752       | 31037               | 34092       | 51697     | 542              | 101                 | 6179   | 1068                | 80          | 0                   | 344         | 0                   |   |
| VII   | 55018       | 31661               | 34269       | 52410     | 615              | 105                 | 6102   | 1058                | 80          | 0                   | 343         | 0                   |   |
| VIII  | 56824       | 32637               | 36229       | 53232     | 572              | 133                 | 5993   | 1134                | 80          | 0                   | 342         | 0                   |   |
| IX  | 58138       | 32802               | 36422       | 54518     | 590              | 120                 | 6092   | 1183                | 80          | 0                   | 341         | 0                   |   |
| X   | 59463       | 32757               | 37390       | 54830     | 658              | 111                 | 6209   | 1284                | 80          | 0                   | 340         | 0                   |   |
| XI  | 61309       | 32796               | 37811       | 56294     | 567              | 96                  | 6335   | 1235                | 22          | 0                   | 341         | 0                   |   |
| XII   | <b>2009</b> | 61364               | 32442       | 37678     | 56127            | 506                 | 212  | 4830                | 2328        | 0                   | 0           | 349                 | 0 |
| I   | 63338       | 32359               | 38455       | 57242     | 513              | 230                 | 4933   | 2349                | 0           | 0                   | 349         | 0                   |   |
| II  | 63690       | 31918               | 38221       | 57387     | 528              | 209                 | 5227   | 2856                | 0           | 0                   | 355         | 0                   |   |
| III   | 63847       | 31998               | 39012       | 56833     | 531              | 193                 | 5187   | 3071                | 0           | 0                   | 354         | 0                   |   |
| IV  | 63289       | 31297               | 37902       | 56684     | 564              | 201                 | 5645   | 3127                | 0           | 0                   | 358         | 0                   |   |
| V   | 62440       | 30727               | 36971       | 56195     | 529              | 200                 | 5858   | 3156                | 0           | 0                   | 355         | 0                   |   |
| VI  | 62624       | 30921               | 37162       | 56383     | 538              | 193                 | 5963   | 3091                | 0           | 0                   | 354         | 0                   |   |
| VII   | 62185       | 30751               | 36300       | 56636     | 596              | 211                 | 6073   | 3161                | 0           | 0                   | 356         | 0                   |   |
| VIII  | 61796       | 30305               | 35238       | 56863     | 596              | 195                 | 6309   | 3517                | 0           | 0                   | 358         | 0                   |   |
| IX  | 61178       | 30519               | 33811       | 57886     | 570              | 188                 | 7040   | 3515                | 0           | 0                   | 363         | 0                   |   |
| X   | 62024       | 31073               | 34709       | 58388     | 602              | 200                 | 7006   | 3518                | 0           | 0                   | 353         | 6                   |   |
| XI  | 64196       | 31381               | 35418       | 60159     | 529              | 187                 | 6300   | 3567                | 0           | 0                   | 352         | 6                   |   |
| XII   | <b>2010</b> | 63659               | 31173       | 35100     | 59732            | 596                 | 204  | 7318                | 3813        | 0                   | 0           | 351                 | 6 |
| I   | 63838       | 31965               | 35486       | 60317     | 596              | 221                 | 7331   | 3831                | 0           | 0                   | 357         | 6                   |   |
| II  | 64418       | 32248               | 36317       | 60349     | 565              | 226                 | 7152   | 3978                | 0           | 0                   | 357         | 6                   |   |
| III   | 64627       | 33277               | 37090       | 60815     | 572              | 210                 | 7420   | 3900                | 0           | 0                   | 357         | 6                   |   |
| IV  | 64199       | 33603               | 37126       | 60676     | 572              | 228                 | 7352   | 4350                | 0           | 0                   | 355         | 6                   |   |
| V   | 64377       | 34409               | 37112       | 61674     | 542              | 237                 | 7107   | 4378                | 0           | 0                   | 355         | 6                   |   |
| VI  | 64959       | 34134               | 37008       | 62085     | 560              | 232                 | 7876   | 4028                | 0           | 0                   | 353         | 6                   |   |
| VII   | 64256       | 34910               | 37181       | 61985     | 559              | 256                 | 8816   | 3898                | 0           | 0                   | 351         | 6                   |   |
| VIII  | 64591       | 35396               | 36867       | 63121     | 525              | 278                 | 8625   | 3789                | 0           | 0                   | 350         | 6                   |   |
| IX  |             |                     |             |           |                  |                     |  |                     |             |                     |             |                     |   |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.





Claims of other depository corporations (banks and saving houses) <sup>1,2</sup>  
in millions of denars

**I. NON-GOVERNMENT SECTOR**

**- Households (Individuals and Self-Employed Individuals)**

| Period | Loans       |                     |             |           | Accrued interest |                     | Overdue and doubtful and contested claims based on loans |                     | Loans       |      |                            |                             |       |                                    |
|--------|-------------|---------------------|-------------|-----------|------------------|---------------------|--|---------------------|-------------|------|----------------------------|-----------------------------|-------|------------------------------------|
|        | By currency |                     | By maturity |           | By currency      |                     | By currency  |                     | By purposes |      |                            |                             |       |                                    |
|        | In denars   | In foreign currency | Short-term  | Long-term | In denars        | In foreign currency | In denars  | In foreign currency | Consumer    | Auto | Lending for house purchase | Credit cards and overdrafts | Other | Self-employed individuals activity |
| XII.03 | 9569        | 3                   | 2141        | 7431      | 93               | 0                   | 680  | 18                  | -           | -    | 1499                       | 1175                        | 6695  | 203                                |
| XII.04 | 14966       | 344                 | 2902        | 12408     | 132              | 0                   | 1023   | 15                  | -           | -    | 2018                       | 1490                        | 11342 | 460                                |
| XII.05 | 20763       | 717                 | 4079        | 17401     | 205              | 0                   | 1416   | 24                  | -           | -    | 2803                       | 2350                        | 15390 | 937                                |
| 2006   | 21889       | 963                 | 4543        | 18309     | 216              | 0                   | 1530   | 24                  | -           | -    | 2910                       | 2723                        | 16131 | 1088                               |
| III    | 23930       | 1323                | 4928        | 20325     | 227              | 0                   | 1724   | 24                  | -           | -    | 3177                       | 3183                        | 17504 | 1388                               |
| VI     | 26112       | 1496                | 5601        | 22007     | 243              | 0                   | 1459   | 29                  | -           | -    | 3512                       | 3894                        | 18694 | 1508                               |
| IX     | 29150       | 1675                | 6478        | 24347     | 244              | 0                   | 1608   | 32                  | -           | -    | 3901                       | 4818                        | 20325 | 1781                               |
| 2007   | 30099       | 1682                | 7196        | 24585     | 257              | 0                   | 1629   | 32                  | -           | -    | 3978                       | 5582                        | 20407 | 1814                               |
| I      | 30693       | 1667                | 7332        | 25028     | 258              | 0                   | 1664   | 38                  | -           | -    | 4065                       | 5701                        | 20699 | 1895                               |
| II     | 32040       | 1720                | 7745        | 26015     | 266              | 0                   | 1556   | 34                  | -           | -    | 4188                       | 6140                        | 21442 | 1990                               |
| III    | 33423       | 1794                | 8250        | 26967     | 272              | 0                   | 1575   | 34                  | -           | -    | 4315                       | 6587                        | 22250 | 2065                               |
| IV     | 34892       | 1835                | 8819        | 27908     | 283              | 0                   | 1676   | 34                  | -           | -    | 4450                       | 7117                        | 23011 | 2149                               |
| V      | 36444       | 1903                | 9195        | 29152     | 288              | 0                   | 1660   | 39                  | -           | -    | 4640                       | 7523                        | 23983 | 2201                               |
| VI     | 38420       | 1929                | 9888        | 30461     | 303              | 0                   | 1708   | 39                  | -           | -    | 4848                       | 8106                        | 25158 | 2237                               |
| VII    | 39836       | 1916                | 10506       | 31246     | 318              | 0                   | 1821   | 81                  | -           | -    | 5010                       | 8605                        | 25833 | 2304                               |
| VIII   | 41153       | 1951                | 10870       | 32234     | 325              | 0                   | 1955   | 87                  | -           | -    | 5211                       | 8979                        | 26562 | 2352                               |
| IX     | 42504       | 2012                | 11368       | 33148     | 334              | 0                   | 1945   | 89                  | -           | -    | 5361                       | 9346                        | 27357 | 2452                               |
| X      | 44094       | 2113                | 11634       | 34573     | 334              | 0                   | 2010   | 85                  | -           | -    | 5570                       | 9643                        | 28431 | 2563                               |
| XI     | 45905       | 2249                | 12149       | 36005     | 332              | 0                   | 2050   | 93                  | -           | -    | 5772                       | 10165                       | 29548 | 2669                               |
| 2008   | 47206       | 2297                | 12788       | 36715     | 370              | 0                   | 2112   | 111                 | -           | -    | 5897                       | 10737                       | 30133 | 2736                               |
| I      | 48894       | 2435                | 13277       | 38052     | 370              | 0                   | 2185   | 124                 | -           | -    | 6041                       | 11151                       | 31290 | 2847                               |
| II     | 50650       | 2589                | 13748       | 39491     | 393              | 0                   | 2284   | 123                 | -           | -    | 6220                       | 11614                       | 32455 | 2950                               |
| III    | 52333       | 2922                | 14214       | 41041     | 405              | 0                   | 2285   | 58                  | -           | -    | 6448                       | 11985                       | 33773 | 3049                               |
| IV     | 53803       | 3217                | 14756       | 42264     | 417              | 0                   | 2431   | 98                  | -           | -    | 6740                       | 12502                       | 34652 | 3126                               |
| V      | 55243       | 3455                | 15246       | 43452     | 428              | 0                   | 2556   | 225                 | -           | -    | 7114                       | 12949                       | 35465 | 3170                               |
| VI     | 56761       | 3824                | 15599       | 44986     | 436              | 0                   | 2761   | 199                 | -           | -    | 7468                       | 13317                       | 36211 | 3589                               |
| VII    | 57889       | 3991                | 16160       | 45720     | 464              | 0                   | 2903   | 208                 | -           | -    | 7767                       | 13829                       | 36740 | 3544                               |
| VIII   | 58961       | 4100                | 16367       | 46694     | 461              | 0                   | 3116   | 233                 | -           | -    | 8110                       | 14022                       | 37424 | 3505                               |
| IX     | 60318       | 4130                | 16512       | 47936     | 476              | 0                   | 3182   | 242                 | -           | -    | 8487                       | 14230                       | 38103 | 3628                               |
| X      | 61020       | 4122                | 16693       | 48449     | 480              | 0                   | 3198   | 251                 | -           | -    | 8730                       | 14409                       | 38380 | 3623                               |
| XI     | 61222       | 4083                | 16392       | 48913     | 460              | 0                   | 3450   | 245                 | -           | -    | 8932                       | 14263                       | 38303 | 3807                               |
| 2009   | 61987       | 4064                | 17053       | 48998     | 1036             | 30                  | 3977   | 273                 | 23382       | 4252 | 13162                      | 16664                       | 4329  | 4262                               |
| I      | 61895       | 3997                | 16973       | 48920     | 1038             | 30                  | 4022   | 299                 | 23238       | 4237 | 13273                      | 16562                       | 4352  | 4231                               |
| II     | 62136       | 3932                | 17293       | 48776     | 1060             | 28                  | 4058   | 310                 | 23147       | 4213 | 13615                      | 16758                       | 4384  | 3953                               |
| III    | 62112       | 3850                | 17360       | 48601     | 1083             | 28                  | 4187   | 318                 | 23029       | 4249 | 13722                      | 16876                       | 4329  | 3756                               |
| IV     | 61996       | 3800                | 17577       | 48219     | 1125             | 29                  | 4556   | 330                 | 22697       | 4214 | 13732                      | 17131                       | 4256  | 3766                               |
| V      | 61752       | 3707                | 17668       | 47791     | 1151             | 30                  | 4999   | 343                 | 23553       | 4177 | 13730                      | 17287                       | 2909  | 3803                               |
| VI     | 61669       | 3631                | 17652       | 47648     | 1184             | 30                  | 5266   | 355                 | 23357       | 4183 | 13834                      | 17286                       | 2892  | 3748                               |
| VII    | 61544       | 3567                | 17887       | 47224     | 1227             | 32                  | 5409   | 368                 | 23008       | 4138 | 13862                      | 17550                       | 2866  | 3686                               |
| VIII   | 61409       | 3485                | 17980       | 46914     | 1244             | 30                  | 5570   | 400                 | 22793       | 4102 | 13878                      | 17666                       | 2854  | 3602                               |
| IX     | 61278       | 3446                | 17932       | 46792     | 1278             | 31                  | 5713   | 404                 | 22620       | 4083 | 13953                      | 17640                       | 2838  | 3592                               |
| X      | 61433       | 3402                | 17915       | 46921     | 1302             | 30                  | 5706   | 400                 | 22602       | 4061 | 14080                      | 17633                       | 2840  | 3619                               |
| XI     | 61366       | 3351                | 17612       | 47105     | 1258             | 28                  | 5424   | 432                 | 22542       | 4074 | 14233                      | 17375                       | 2864  | 3629                               |
| 2010   | 61003       | 3329                | 17663       | 46669     | 1316             | 29                  | 5636   | 436                 | 22220       | 4045 | 14211                      | 17403                       | 2850  | 3603                               |
| I      | 60925       | 3318                | 17518       | 46725     | 1283             | 24                  | 5673   | 425                 | 22197       | 4028 | 14367                      | 17246                       | 2837  | 3568                               |
| II     | 61069       | 3363                | 17411       | 47021     | 1308             | 23                  | 5736   | 436                 | 22346       | 3983 | 14498                      | 17177                       | 2854  | 3574                               |
| III    | 61363       | 3512                | 17426       | 47449     | 1317             | 21                  | 5792   | 447                 | 22585       | 3963 | 14678                      | 17207                       | 2919  | 3524                               |
| IV     | 61618       | 3591                | 17541       | 47667     | 1348             | 21                  | 6137   | 454                 | 22806       | 3918 | 14770                      | 17312                       | 2942  | 3461                               |
| V      | 62260       | 3599                | 17469       | 48390     | 1364             | 20                  | 6169   | 589                 | 23313       | 3897 | 14983                      | 17257                       | 2985  | 3424                               |
| VI     | 62230       | 3693                | 17215       | 48708     | 1380             | 21                  | 6304   | 619                 | 23634       | 3823 | 15104                      | 17003                       | 3008  | 3351                               |
| VII    | 62535       | 3764                | 17315       | 48985     | 1410             | 21                  | 6478   | 631                 | 23845       | 3763 | 15217                      | 17138                       | 3061  | 3276                               |
| VIII   | 62721       | 3845                | 17317       | 49249     | 1407             | 21                  | 6586   | 641                 | 24187       | 3716 | 15226                      | 17150                       | 3048  | 3238                               |
| IX     |             |                     |             |           |                  |                     |  |                     |             |      |                            |                             |       |                                    |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.



Claims of other depository corporations (banks and saving houses) <sup>1,2</sup>  
in millions of denars

**I. NON-GOVERNMENT SECTOR**

**- Other**

**(Nonprofit institutions serving households, Other financial corporations, Local Government)**

| Period        | Loans       |                     |             |           | Accrued interest |                     | Overdue and doubtful and contested claims based on loans |                     | Securities  |                     | Shares      |                     |
|---------------|-------------|---------------------|-------------|-----------|------------------|---------------------|--|---------------------|-------------|---------------------|-------------|---------------------|
|               | By currency |                     | By maturity |           | By currency      |                     | By currency  |                     | By currency |                     | By currency |                     |
|               | In denars   | In foreign currency | Short-term  | Long-term | In denars        | In foreign currency | In denars  | In foreign currency | In denars   | In foreign currency | In denars   | In foreign currency |
| <b>XII.03</b> | 57          | 159                 | 120         | 96        | 0                | 0                   | 4  | 0                   | 0           | 0                   | 0           | 0                   |
| <b>XII.04</b> | 34          | 99                  | 45          | 88        | 0                | 0                   | 4  | 0                   | 0           | 0                   | 0           | 0                   |
| <b>XII.05</b> | 25          | 9                   | 16          | 18        | 0                | 0                   | 35   | 0                   | 0           | 0                   | 0           | 0                   |
| <b>2006</b>   | III 38      | 7                   | 31          | 14        | 0                | 0                   | 35   | 0                   | 0           | 0                   | 0           | 0                   |
|               | VI 31       | 3                   | 22          | 12        | 0                | 0                   | 36   | 0                   | 0           | 0                   | 0           | 0                   |
|               | IX 24       | 2                   | 17          | 9         | 0                | 0                   | 36   | 0                   | 0           | 0                   | 0           | 0                   |
|               | XII 15      | 3                   | 9           | 9         | 0                | 0                   | 36   | 1                   | 0           | 0                   | 0           | 0                   |
|               | I 18        | 2                   | 13          | 7         | 0                | 0                   | 36   | 0                   | 0           | 0                   | 0           | 0                   |
|               | II 20       | 2                   | 15          | 7         | 0                | 0                   | 36   | 0                   | 0           | 0                   | 0           | 0                   |
| <b>2007</b>   | III 23      | 6                   | 14          | 15        | 0                | 0                   | 36   | 1                   | 1           | 1                   | 0           | 0                   |
|               | IV 20       | 6                   | 11          | 15        | 0                | 0                   | 36   | 1                   | 1           | 1                   | 0           | 0                   |
|               | V 35        | 5                   | 15          | 25        | 0                | 0                   | 36   | 1                   | 1           | 1                   | 0           | 0                   |
|               | VI 32       | 5                   | 12          | 25        | 0                | 0                   | 36   | 2                   | 1           | 1                   | 0           | 0                   |
|               | VII 34      | 9                   | 14          | 29        | 0                | 0                   | 125  | 1                   | 1           | 1                   | 0           | 0                   |
|               | VIII 32     | 9                   | 14          | 27        | 0                | 0                   | 128  | 1                   | 1           | 1                   | 0           | 0                   |
|               | IX 33       | 8                   | 13          | 28        | 0                | 0                   | 131  | 1                   | 0           | 0                   | 0           | 0                   |
|               | X 52        | 8                   | 33          | 27        | 0                | 0                   | 167  | 1                   | 0           | 0                   | 0           | 0                   |
|               | XI 71       | 15                  | 35          | 51        | 0                | 0                   | 170  | 1                   | 0           | 0                   | 0           | 0                   |
|               | XII 80      | 15                  | 44          | 51        | 0                | 0                   | 172  | 1                   | 0           | 0                   | 0           | 0                   |
| <b>2008</b>   | I 81        | 16                  | 46          | 51        | 0                | 0                   | 174  | 37                  | 0           | 0                   | 0           | 0                   |
|               | II 74       | 15                  | 39          | 50        | 0                | 0                   | 177  | 1                   | 0           | 0                   | 0           | 0                   |
|               | III 76      | 16                  | 42          | 50        | 0                | 0                   | 180  | 1                   | 0           | 0                   | 0           | 0                   |
|               | IV 69       | 16                  | 36          | 49        | 0                | 0                   | 183  | 1                   | 0           | 0                   | 0           | 0                   |
|               | V 77        | 16                  | 46          | 47        | 0                | 0                   | 186  | 1                   | 0           | 0                   | 0           | 0                   |
|               | VI 78       | 16                  | 47          | 47        | 0                | 0                   | 188  | 1                   | 0           | 0                   | 0           | 0                   |
|               | VII 122     | 15                  | 74          | 63        | 0                | 0                   | 191  | 1                   | 0           | 0                   | 0           | 0                   |
|               | VIII 126    | 15                  | 78          | 63        | 0                | 0                   | 194  | 1                   | 0           | 0                   | 0           | 0                   |
|               | IX 120      | 15                  | 72          | 63        | 0                | 0                   | 196  | 3                   | 0           | 0                   | 0           | 0                   |
|               | X 115       | 15                  | 68          | 62        | 0                | 0                   | 199  | 4                   | 0           | 0                   | 0           | 0                   |
|               | XI 204      | 14                  | 158         | 60        | 0                | 0                   | 200  | 2                   | 0           | 0                   | 307         | 0                   |
|               | XII 131     | 14                  | 95          | 50        | 0                | 0                   | 205  | 2                   | 0           | 0                   | 307         | 0                   |
| <b>2009</b>   | I 222       | 27                  | 185         | 64        | 2                | 0                   | 1  | 0                   | 53          | 0                   | 405         | 5                   |
|               | II 250      | 140                 | 199         | 191       | 2                | 0                   | 1  | 0                   | 34          | 0                   | 441         | 5                   |
|               | III 197     | 144                 | 143         | 197       | 2                | 1                   | 1  | 0                   | 34          | 0                   | 441         | 4                   |
|               | IV 206      | 143                 | 153         | 197       | 2                | 1                   | 1  | 0                   | 34          | 0                   | 442         | 4                   |
|               | V 157       | 142                 | 97          | 202       | 2                | 1                   | 1  | 0                   | 34          | 0                   | 442         | 4                   |
|               | VI 152      | 116                 | 80          | 188       | 2                | 1                   | 1  | 0                   | 13          | 0                   | 470         | 4                   |
|               | VII 160     | 83                  | 70          | 173       | 2                | 1                   | 1  | 0                   | 13          | 0                   | 473         | 4                   |
|               | VIII 115    | 83                  | 60          | 138       | 1                | 1                   | 1  | 0                   | 13          | 0                   | 473         | 4                   |
|               | IX 125      | 82                  | 74          | 133       | 2                | 1                   | 1  | 0                   | 0           | 0                   | 484         | 4                   |
|               | X 142       | 79                  | 78          | 142       | 1                | 1                   | 1  | 0                   | 0           | 0                   | 484         | 4                   |
|               | XI 137      | 53                  | 71          | 119       | 2                | 0                   | 1  | 0                   | 0           | 0                   | 493         | 4                   |
|               | XII 122     | 52                  | 57          | 117       | 2                | 0                   | 1  | 0                   | 0           | 0                   | 510         | 4                   |
| <b>2010</b>   | I 130       | 57                  | 58          | 129       | 2                | 0                   | 1  | 0                   | 0           | 0                   | 493         | 4                   |
|               | II 122      | 57                  | 58          | 122       | 2                | 0                   | 1  | 0                   | 0           | 0                   | 493         | 4                   |
|               | III 142     | 56                  | 59          | 139       | 1                | 0                   | 1  | 0                   | 0           | 0                   | 493         | 4                   |
|               | IV 147      | 55                  | 57          | 145       | 1                | 0                   | 1  | 0                   | 0           | 0                   | 493         | 4                   |
|               | V 134       | 54                  | 55          | 133       | 1                | 1                   | 5  | 0                   | 0           | 0                   | 494         | 5                   |
|               | VI 147      | 54                  | 29          | 171       | 1                | 1                   | 5  | 0                   | 0           | 0                   | 505         | 5                   |
|               | VII 118     | 62                  | 12          | 168       | 1                | 1                   | 5  | 0                   | 0           | 0                   | 505         | 5                   |
|               | VIII 123    | 63                  | 16          | 170       | 1                | 1                   | 5  | 0                   | 0           | 0                   | 505         | 5                   |
|               | IX 116      | 60                  | 18          | 159       | 1                | 1                   | 5  | 0                   | 0           | 0                   | 505         | 4                   |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.



Claims of other depository corporations (banks and saving houses) <sup>1,2</sup>  
in millions of denars

**II. GOVERNMENT**

| Period        | Loans       |                     |             |           | Accrued interest |                     | Overdue and doubtful and contested claims based on loans |                     | Securities  |                     | Shares      |                     |
|---------------|-------------|---------------------|-------------|-----------|------------------|---------------------|--|---------------------|-------------|---------------------|-------------|---------------------|
|               | By currency |                     | By maturity |           | By currency      |                     | By currency  |                     | By currency |                     | By currency |                     |
|               | In denars   | In foreign currency | Short-term  | Long-term | In denars        | In foreign currency | In denars  | In foreign currency | In denars   | In foreign currency | In denars   | In foreign currency |
| <b>XII.03</b> | 14          | 2                   | 14          | 2         | 10               | 0                   | 0  | 0                   | 823         | 5889                | 0           | 0                   |
| <b>XII.04</b> | 151         | 1                   | 151         | 1         | 2                | 0                   | 0  | 0                   | 1571        | 5502                | 0           | 0                   |
| <b>XII.05</b> | 43          | 0                   | 41          | 2         | 1                | 0                   | 0  | 0                   | 7205        | 0                   | 0           | 0                   |
| <b>2006</b>   |             |                     |             |           |                  |                     |  |                     |             |                     |             |                     |
| III           | 221         | 0                   | 167         | 54        | 1                | 0                   | 0  | 0                   | 9831        | 0                   | 0           | 0                   |
| VI            | 290         | 0                   | 240         | 50        | 1                | 0                   | 0  | 0                   | 11136       | 0                   | 0           | 0                   |
| IX            | 125         | 0                   | 77          | 48        | 2                | 0                   | 0  | 0                   | 13044       | 0                   | 0           | 0                   |
| XII           | 267         | 0                   | 236         | 31        | 1                | 0                   | 0  | 0                   | 13365       | 0                   | 0           | 0                   |
| <b>2007</b>   |             |                     |             |           |                  |                     |  |                     |             |                     |             |                     |
| I             | 287         | 0                   | 257         | 30        | 1                | 0                   | 0  | 0                   | 13045       | 0                   | 0           | 0                   |
| II            | 313         | 0                   | 283         | 30        | 1                | 0                   | 0  | 0                   | 13481       | 0                   | 0           | 0                   |
| III           | 261         | 0                   | 143         | 118       | 1                | 0                   | 0  | 0                   | 14307       | 0                   | 0           | 0                   |
| IV            | 207         | 0                   | 95          | 112       | 1                | 0                   | 0  | 0                   | 15173       | 0                   | 0           | 0                   |
| V             | 181         | 0                   | 76          | 105       | 1                | 0                   | 0  | 0                   | 16084       | 0                   | 0           | 0                   |
| VI            | 160         | 0                   | 59          | 101       | 1                | 0                   | 0  | 0                   | 16975       | 0                   | 0           | 0                   |
| VII           | 198         | 0                   | 42          | 156       | 1                | 0                   | 0  | 0                   | 16834       | 0                   | 0           | 0                   |
| VIII          | 175         | 0                   | 24          | 151       | 1                | 0                   | 0  | 0                   | 17667       | 0                   | 0           | 0                   |
| IX            | 162         | 0                   | 17          | 145       | 2                | 0                   | 0  | 0                   | 14141       | 0                   | 0           | 0                   |
| X             | 150         | 0                   | 11          | 139       | 1                | 0                   | 0  | 0                   | 12887       | 0                   | 0           | 0                   |
| XI            | 144         | 0                   | 4           | 140       | 1                | 0                   | 0  | 0                   | 12923       | 0                   | 0           | 0                   |
| XII           | 138         | 0                   | 4           | 134       | 1                | 0                   | 0  | 0                   | 12837       | 0                   | 0           | 0                   |
| <b>2008</b>   |             |                     |             |           |                  |                     |  |                     |             |                     |             |                     |
| I             | 132         | 0                   | 4           | 128       | 1                | 0                   | 0  | 0                   | 12342       | 0                   | 0           | 0                   |
| II            | 127         | 0                   | 4           | 123       | 1                | 0                   | 0  | 0                   | 10911       | 0                   | 0           | 0                   |
| III           | 120         | 0                   | 4           | 116       | 1                | 0                   | 0  | 0                   | 10343       | 0                   | 0           | 0                   |
| IV            | 115         | 0                   | 4           | 111       | 1                | 0                   | 0  | 0                   | 9394        | 0                   | 0           | 0                   |
| V             | 107         | 0                   | 3           | 104       | 1                | 0                   | 0  | 0                   | 8292        | 0                   | 0           | 0                   |
| VI            | 102         | 0                   | 3           | 99        | 1                | 0                   | 0  | 0                   | 7492        | 0                   | 0           | 0                   |
| VII           | 98          | 0                   | 3           | 95        | 1                | 0                   | 0  | 0                   | 7281        | 0                   | 0           | 0                   |
| VIII          | 98          | 0                   | 3           | 95        | 1                | 0                   | 0  | 0                   | 7354        | 0                   | 0           | 0                   |
| IX            | 99          | 0                   | 3           | 96        | 1                | 0                   | 0  | 0                   | 7590        | 0                   | 0           | 0                   |
| X             | 102         | 0                   | 7           | 95        | 1                | 0                   | 0  | 0                   | 7912        | 0                   | 0           | 0                   |
| XI            | 104         | 0                   | 9           | 95        | 2                | 0                   | 0  | 0                   | 8310        | 0                   | 0           | 0                   |
| XII           | 106         | 0                   | 12          | 94        | 9                | 0                   | 0  | 0                   | 9252        | 0                   | 0           | 0                   |
| <b>2009</b>   |             |                     |             |           |                  |                     |  |                     |             |                     |             |                     |
| I             | 39          | 184                 | 23          | 201       | 0                | 0                   | 12   | 0                   | 9289        | 0                   | 0           | 0                   |
| II            | 40          | 182                 | 23          | 198       | 0                | 0                   | 12   | 0                   | 9272        | 0                   | 0           | 0                   |
| III           | 44          | 22                  | 28          | 38        | 0                | 0                   | 12   | 0                   | 13384       | 0                   | 0           | 0                   |
| IV            | 44          | 21                  | 27          | 38        | 0                | 0                   | 12   | 0                   | 9823        | 0                   | 0           | 0                   |
| V             | 43          | 21                  | 27          | 37        | 0                | 0                   | 12   | 0                   | 8422        | 0                   | 0           | 0                   |
| VI            | 92          | 20                  | 14          | 98        | 1                | 0                   | 12   | 0                   | 8932        | 0                   | 0           | 0                   |
| VII           | 91          | 19                  | 14          | 96        | 0                | 0                   | 12   | 0                   | 9461        | 0                   | 0           | 0                   |
| VIII          | 91          | 18                  | 14          | 95        | 0                | 0                   | 12   | 0                   | 9521        | 0                   | 0           | 0                   |
| IX            | 90          | 18                  | 14          | 94        | 0                | 0                   | 12   | 0                   | 9169        | 0                   | 0           | 0                   |
| X             | 89          | 20                  | 15          | 94        | 1                | 0                   | 12   | 0                   | 10161       | 302                 | 0           | 0                   |
| XI            | 90          | 19                  | 15          | 93        | 0                | 0                   | 12   | 0                   | 11350       | 363                 | 0           | 0                   |
| XII           | 89          | 18                  | 15          | 92        | 1                | 0                   | 9  | 0                   | 12571       | 359                 | 0           | 0                   |
| <b>2010</b>   |             |                     |             |           |                  |                     |  |                     |             |                     |             |                     |
| I             | 87          | 18                  | 13          | 92        | 1                | 0                   | 8  | 0                   | 13533       | 362                 | 0           | 0                   |
| II            | 87          | 18                  | 14          | 91        | 2                | 0                   | 8  | 0                   | 13701       | 361                 | 0           | 0                   |
| III           | 90          | 17                  | 17          | 90        | 3                | 0                   | 8  | 0                   | 12542       | 374                 | 0           | 0                   |
| IV            | 86          | 17                  | 14          | 89        | 1                | 0                   | 8  | 0                   | 12360       | 370                 | 0           | 0                   |
| V             | 85          | 17                  | 14          | 88        | 3                | 0                   | 8  | 0                   | 12303       | 357                 | 0           | 0                   |
| VI            | 88          | 17                  | 17          | 88        | 4                | 0                   | 9  | 0                   | 13756       | 360                 | 0           | 0                   |
| VII           | 85          | 17                  | 15          | 88        | 1                | 0                   | 9  | 0                   | 12266       | 353                 | 0           | 0                   |
| VIII          | 85          | 12                  | 12          | 85        | 4                | 0                   | 9  | 0                   | 13036       | 365                 | 0           | 0                   |
| IX            | 83          | 11                  | 10          | 85        | 6                | 0                   | 9  | 0                   | 13060       | 367                 | 0           | 0                   |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.





Liabilities of other depository corporations (banks and saving houses) <sup>1,2</sup>  
in millions of denars

| Period  | Deposits        |                |                              |  |                           |                     |                |                            |                           |                     | Securities           |                     | Other credit liabilities |      |
|---|-----------------|----------------|------------------------------|--|---------------------------|---------------------|----------------|----------------------------|---------------------------|---------------------|----------------------|---------------------|--------------------------|------|
|   | In denars       |                |                              |  |                           | In foreign currency |                |                            |                           |                     | In national currency | In foreign currency |                          |      |
|   | demand deposits | sight deposits | with maturity up to 3 months | with maturity over 3 months up to 1 year | with maturity over 1 year | restricted deposits | sight deposits | with maturity up to 1 year | with maturity over 1 year | restricted deposits |                      |                     |                          |      |
| <b>I. NON-GOVERNMENT SECTOR</b>   |                 |                |                              |  |                           |                     |                |                            |                           |                     |                      |                     |                          |      |
| <b>- Other (Non-Profit Institutions serving households, Other Financial Corporations, State and Local Government)</b> |                 |                |                              |  |                           |                     |                |                            |                           |                     |                      |                     |                          |      |
| XII.03  | 1681            | 0              | 202                          | 171                                      | 125                       | 0                   | 190            | 0                          | 0                         | 0                   | 0                    | 0                   | 18                       | 0    |
| XII.04  | 1570            | 0              | 172                          | 167                                      | 37                        | 0                   | 354            | 0                          | 0                         | 0                   | 0                    | 0                   | 28                       | 0    |
| XII.05  | 1529            | 0              | 446                          | 192                                      | 34                        | 0                   | 281            | 0                          | 0                         | 0                   | 0                    | 0                   | 38                       | 0    |
| 2006  | 1535            | 0              | 345                          | 206                                      | 32                        | 0                   | 239            | 0                          | 0                         | 0                   | 0                    | 0                   | 38                       | 0    |
| VI  | 1596            | 0              | 475                          | 241                                      | 94                        | 0                   | 240            | 2                          | 0                         | 0                   | 0                    | 0                   | 38                       | 0    |
| IX  | 1683            | 0              | 263                          | 256                                      | 135                       | 0                   | 347            | 0                          | 0                         | 0                   | 0                    | 0                   | 38                       | 0    |
| XII   | 1776            | 0              | 274                          | 303                                      | 174                       | 0                   | 304            | 0                          | 0                         | 0                   | 0                    | 0                   | 44                       | 0    |
| 2007  | 1818            | 0              | 249                          | 329                                      | 216                       | 0                   | 279            | 0                          | 0                         | 0                   | 0                    | 0                   | 42                       | 0    |
| VI  | 2007            | 0              | 220                          | 372                                      | 310                       | 0                   | 282            | 0                          | 0                         | 0                   | 0                    | 0                   | 50                       | 0    |
| IX  | 2275            | 0              | 211                          | 398                                      | 358                       | 0                   | 310            | 0                          | 0                         | 0                   | 0                    | 0                   | 49                       | 0    |
| XII   | 2254            | 0              | 966                          | 419                                      | 630                       | 0                   | 297            | 0                          | 0                         | 0                   | 0                    | 0                   | 47                       | 346  |
| 2008  | 2230            | 0              | 979                          | 398                                      | 715                       | 0                   | 279            | 0                          | 0                         | 0                   | 0                    | 0                   | 47                       | 344  |
| I   | 2188            | 0              | 965                          | 428                                      | 787                       | 0                   | 258            | 0                          | 0                         | 0                   | 0                    | 0                   | 47                       | 343  |
| II  | 2092            | 0              | 961                          | 435                                      | 856                       | 0                   | 264            | 0                          | 0                         | 0                   | 0                    | 0                   | 61                       | 0    |
| III   | 2152            | 0              | 545                          | 400                                      | 948                       | 0                   | 228            | 0                          | 0                         | 0                   | 0                    | 0                   | 61                       | 0    |
| IV  | 2222            | 0              | 519                          | 385                                      | 1161                      | 0                   | 228            | 0                          | 0                         | 0                   | 0                    | 0                   | 61                       | 0    |
| V   | 2323            | 0              | 504                          | 399                                      | 1214                      | 0                   | 265            | 0                          | 0                         | 0                   | 0                    | 0                   | 58                       | 0    |
| VI  | 2160            | 0              | 284                          | 445                                      | 1213                      | 0                   | 257            | 0                          | 0                         | 0                   | 0                    | 0                   | 58                       | 0    |
| VII   | 2281            | 0              | 288                          | 443                                      | 1283                      | 0                   | 340            | 0                          | 0                         | 0                   | 0                    | 0                   | 58                       | 0    |
| VIII  | 2261            | 0              | 345                          | 445                                      | 1377                      | 0                   | 378            | 0                          | 0                         | 0                   | 0                    | 0                   | 55                       | 0    |
| IX  | 2181            | 0              | 314                          | 446                                      | 1523                      | 0                   | 373            | 0                          | 0                         | 0                   | 0                    | 0                   | 64                       | 0    |
| X   | 2343            | 0              | 326                          | 449                                      | 1541                      | 0                   | 360            | 0                          | 0                         | 0                   | 10                   | 0                   | 64                       | 0    |
| XI  | 2397            | 0              | 309                          | 480                                      | 1640                      | 0                   | 546            | 26                         | 0                         | 0                   | 10                   | 0                   | 102                      | 0    |
| 2009  | 1929            | 145            | 1586                         | 1990                                     | 1577                      | 21                  | 528            | 464                        | 166                       | 3                   | 0                    | 0                   | 422                      | 77   |
| I   | 1896            | 113            | 1743                         | 1849                                     | 1662                      | 54                  | 523            | 476                        | 168                       | 81                  | 0                    | 0                   | 420                      | 78   |
| II  | 2010            | 116            | 1391                         | 1648                                     | 1743                      | 61                  | 492            | 503                        | 179                       | 3                   | 0                    | 0                   | 368                      | 0    |
| III   | 1781            | 42             | 1421                         | 1802                                     | 1747                      | 70                  | 470            | 529                        | 180                       | 10                  | 0                    | 0                   | 370                      | 1    |
| IV  | 1819            | 56             | 1534                         | 1884                                     | 1725                      | 49                  | 616            | 529                        | 182                       | 10                  | 0                    | 0                   | 376                      | 1    |
| V   | 1932            | 191            | 1790                         | 1970                                     | 1706                      | 46                  | 452            | 638                        | 181                       | 21                  | 0                    | 0                   | 357                      | 0    |
| VI  | 1695            | 45             | 1736                         | 1954                                     | 1714                      | 45                  | 414            | 622                        | 183                       | 21                  | 0                    | 0                   | 369                      | 0    |
| VII   | 1806            | 58             | 1754                         | 2062                                     | 1699                      | 42                  | 431            | 635                        | 185                       | 19                  | 0                    | 0                   | 348                      | 1    |
| VIII  | 1760            | 57             | 1743                         | 2641                                     | 1968                      | 46                  | 365            | 650                        | 187                       | 9                   | 0                    | 0                   | 340                      | 0    |
| IX  | 1854            | 31             | 1821                         | 2694                                     | 2116                      | 57                  | 339            | 701                        | 194                       | 13                  | 0                    | 0                   | 399                      | 0    |
| X   | 1870            | 144            | 2006                         | 2750                                     | 2173                      | 61                  | 414            | 705                        | 196                       | 9                   | 0                    | 0                   | 389                      | 1    |
| XI  | 1791            | 24             | 1840                         | 3158                                     | 2332                      | 64                  | 529            | 683                        | 179                       | 10                  | 0                    | 0                   | 380                      | 0    |
| 2010  | 1834            | 29             | 1753                         | 3138                                     | 2452                      | 65                  | 486            | 698                        | 174                       | 13                  | 0                    | 0                   | 380                      | 0    |
| I   | 1801            | 40             | 1784                         | 3182                                     | 2590                      | 69                  | 479            | 707                        | 176                       | 11                  | 0                    | 0                   | 383                      | 1    |
| II  | 1836            | 132            | 1550                         | 3336                                     | 2724                      | 62                  | 786            | 715                        | 176                       | 11                  | 0                    | 0                   | 361                      | 0    |
| III   | 1850            | 59             | 1225                         | 3796                                     | 2926                      | 55                  | 450            | 655                        | 172                       | 10                  | 0                    | 0                   | 359                      | 0    |
| IV  | 2038            | 48             | 1099                         | 3893                                     | 2893                      | 50                  | 439            | 656                        | 177                       | 10                  | 0                    | 0                   | 344                      | 1    |
| V   | 2296            | 36             | 1038                         | 3836                                     | 2766                      | 54                  | 476            | 648                        | 176                       | 10                  | 0                    | 0                   | 328                      | 0    |
| VI  | 2427            | 8              | 1246                         | 3953                                     | 2533                      | 48                  | 574            | 676                        | 181                       | 13                  | 0                    | 0                   | 383                      | 0    |
| VII   | 2562            | 14             | 1342                         | 4014                                     | 2592                      | 47                  | 508            | 689                        | 183                       | 13                  | 0                    | 0                   | 370                      | 0    |
| VIII  | 2570            | 20             | 1287                         | 3969                                     | 2562                      | 62                  | 483            | 655                        | 185                       | 13                  | 0                    | 0                   | 351                      | 0    |
| IX  |                 |                |                              |  |                           |                     |                |                            |                           |                     |                      |                     |                          |      |
| <b>II. GOVERNMENT</b>   |                 |                |                              |  |                           |                     |                |                            |                           |                     |                      |                     |                          |      |
| XII.03  | 1154            | 64             | 372                          | 104                                      | 156                       | 0                   | 25             | 0                          | 0                         | 0                   | 0                    | 0                   | 887                      | 0    |
| XII.04  | 551             | 128            | 379                          | 15                                       | 104                       | 0                   | 27             | 0                          | 0                         | 0                   | 0                    | 0                   | 889                      | 0    |
| XII.05  | 833             | 128            | 539                          | 14                                       | 48                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 770                      | 0    |
| 2006  | 786             | 129            | 502                          | 21                                       | 48                        | 0                   | 0              | 0                          | 0                         | 0                   | 0                    | 0                   | 725                      | 0    |
| VI  | 1147            | 132            | 433                          | 64                                       | 48                        | 0                   | 0              | 0                          | 0                         | 0                   | 0                    | 0                   | 719                      | 0    |
| IX  | 1123            | 132            | 434                          | 25                                       | 49                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 700                      | 0    |
| XII   | 1079            | 162            | 362                          | 20                                       | 49                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1029                     | 0    |
| 2007  | 1366            | 164            | 351                          | 35                                       | 50                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1029                     | 0    |
| VI  | 878             | 166            | 444                          | 32                                       | 50                        | 0                   | 0              | 0                          | 0                         | 0                   | 0                    | 0                   | 1029                     | 0    |
| IX  | 887             | 169            | 389                          | 65                                       | 51                        | 0                   | 0              | 0                          | 0                         | 0                   | 0                    | 0                   | 972                      | 0    |
| XII   | 723             | 176            | 323                          | 24                                       | 113                       | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 920                      | 0    |
| 2008  | 898             | 176            | 776                          | 50                                       | 113                       | 0                   | 2              | 0                          | 0                         | 0                   | 0                    | 0                   | 895                      | 0    |
| I   | 888             | 177            | 773                          | 34                                       | 113                       | 0                   | 2              | 0                          | 0                         | 0                   | 0                    | 0                   | 909                      | 0    |
| II  | 856             | 178            | 686                          | 42                                       | 113                       | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1111                     | 0    |
| III   | 758             | 178            | 764                          | 24                                       | 103                       | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1161                     | 0    |
| IV  | 735             | 179            | 739                          | 30                                       | 104                       | 0                   | 0              | 0                          | 0                         | 0                   | 0                    | 0                   | 1243                     | 0    |
| V   | 741             | 186            | 1009                         | 23                                       | 97                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1290                     | 0    |
| VI  | 1917            | 133            | 814                          | 131                                      | 97                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1339                     | 0    |
| VII   | 843             | 8              | 796                          | 25                                       | 97                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1410                     | 0    |
| VIII  | 656             | 8              | 851                          | 21                                       | 97                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1426                     | 0    |
| IX  | 771             | 8              | 771                          | 29                                       | 89                        | 0                   | 1              | 0                          | 0                         | 0                   | 0                    | 0                   | 1439                     | 0    |
| X   | 668             | 8              | 879                          | 25                                       | 89                        | 0                   | 2              | 0                          | 0                         | 0                   | 0                    | 0                   | 1491                     | 0    |
| XI  | 1251            | 8              | 854                          | 40                                       | 90                        | 0                   | 2              | 0                          | 0                         | 0                   | 0                    | 0                   | 1487                     | 0    |
| 2009  | 1018            | 1              | 93                           | 12                                       | 61                        | 45                  | 8              | 0                          | 41                        | 0                   | 0                    | 0                   | 1455                     | 581  |
| I   | 1018            | 1              | 94                           | 11                                       | 61                        | 26                  | 8              | 0                          | 8                         | 0                   | 0                    | 0                   | 1498                     | 707  |
| II  | 959             | 1              | 88                           | 82                                       | 61                        | 26                  | 5              | 0                          | 0                         | 0                   | 0                    | 0                   | 1652                     | 1108 |
| III   | 1048            | 1              | 88                           | 82                                       | 61                        | 18                  | 8              | 0                          | 0                         | 0                   | 0                    | 0                   | 1624                     | 1112 |
| IV  | 903             | 2              | 89                           | 117                                      | 61                        | 11                  | 8              | 0                          | 0                         | 0                   | 0                    | 0                   | 1630                     | 1081 |
| V   | 1034            | 1              | 90                           | 117                                      | 61                        | 6                   | 6              | 0                          | 0                         | 0                   | 0                    | 0                   | 1696                     | 1024 |
| VI  | 1037            | 1              | 130                          | 158                                      | 0                         | 4                   | 5              | 0                          | 0                         | 0                   | 0                    | 0                   | 1652                     | 1019 |
| VII   | 1645            | 2              | 125                          | 158                                      | 0                         | 2                   | 7              | 0                          | 0                         | 0                   | 0                    | 0                   | 1676                     | 1021 |
| VIII  | 1669            | 2              | 118                          | 158                                      | 0                         | 1                   | 6              | 0                          | 0                         | 0                   | 0                    | 0                   | 1815                     | 954  |
| IX  | 1091            | 2              | 113                          | 158                                      | 0                         | 2                   | 4              | 0                          | 0                         | 0                   | 0                    | 0                   | 1801                     | 955  |
| X   | 932             | 2              | 88                           | 142                                      | 0                         | 4                   | 5              | 0                          | 0                         | 0                   | 0                    | 0                   | 1863                     | 928  |
| XI  | 992             | 2              | 88                           | 142                                      | 0                         | 2                   | 5              | 0                          | 0                         | 0                   | 0                    | 0                   | 1958                     | 870  |
| 2010  | 1013            | 2              | 88                           | 142                                      | 0                         | 11                  | 6              | 0                          | 0                         | 0                   | 0                    | 0                   | 1920                     | 868  |
| I   | 888             | 52             | 38                           | 142                                      | 0                         | 2                   | 7              | 0                          | 0                         | 0                   | 0                    | 0                   | 1954                     | 871  |
| II  | 918             | 2              | 109                          | 142                                      | 0                         | 4                   | 6              | 0                          | 0                         | 0                   | 0                    | 0                   | 1971                     | 814  |
| III   | 1051            | 2              | 109                          | 142                                      | 0                         | 3                   | 6              | 0                          | 0                         | 0                   | 0                    | 0                   | 1903                     | 816  |
| IV  | 908             | 2              | 109                          | 132                                      | 0                         | 3                   | 6              | 0                          | 0                         | 0                   | 0                    | 0                   | 1935                     | 789  |
| V   | 929             | 2              | 37                           | 132                                      | 0                         | 4                   | 5              | 0                          | 0                         | 0                   | 0                    | 0                   | 1970                     | 752  |
| VI  | 686             | 2              | 72                           | 91                                       | 0                         | 2                   | 5              | 0                          | 0                         | 0                   | 0                    | 0                   | 1035                     | 746  |
| VII   | 661             | 2              | 71                           | 91                                       | 0                         | 2                   | 7              | 0                          | 0                         | 0                   | 0                    | 0                   | 1041                     | 748  |
| VIII  | 905             | 2              | 72                           | 91                                       | 0                         | 2                   | 5              | 0                          | 0                         | 0                   | 0                    | 0                   | 1051                     | 685  |
| IX  |                 |                |                              |  |                           |                     |                |                            |                           |                     |                      |                     |                          |      |

1) Revised data: Starting with Quarterly Report with Q1.2009 the data are revised in accordance with the new introduced methodology for the period from January 2003

2) Starting from January 2009 the data are compiled based on the New Banks' Chart of accounts

Source: NBRM.







Table 15  
Interest rates of the National Bank of the Republic of Macedonia  
in %

| Period   | Discount rate | Lending interest rates - creating liquidity |                           | Deposit interest rates - withdrawing liquidity |                      |
|----------|---------------|---|---------------------------|--|----------------------|
|          |               | Over night credits-Lombard credit           | Auction repo-transactions | CB bills - basic maturity*                     |                      |
|          |               |   |                           | volume tender                                  | interest rate tender |
| 2003.XII | 6.5           | 14.0  |                           |  | 6.2                  |
| 2004.I   | 6.5           | 14.0  |                           |  | 6.8                  |
| II       | 6.5           | 14.0  |                           | 7.5  |                      |
| III      | 6.5           | 14.0  |                           | 8.0  |                      |
| IV       | 6.5           | 14.0  |                           | 8.0  |                      |
| V        | 6.5           | 14.0  |                           | 8.0  |                      |
| VI       | 6.5           | 14.0  |                           | 8.0  |                      |
| VII      | 6.5           | 11.0  |                           | 8.0  |                      |
| VIII     | 6.5           | 11.0  |                           | 8.3  |                      |
| IX       | 6.5           | 11.0  |                           | 8.6  |                      |
| X        | 6.5           | 11.0  |                           | 9.0  |                      |
| XI       | 6.5           | 11.0  |                           | 9.7  |                      |
| XII      | 6.5           | 13.0  |                           | 10.0   |                      |
| 2005.I   | 6.5           | 13.0  |                           | 10.0   |                      |
| II       | 6.5           | 13.0  |                           | 10.0   |                      |
| III      | 6.5           | 13.0  |                           | 10.0   |                      |
| IV       | 6.5           | 13.0  |                           | 10.0   |                      |
| V        | 6.5           | 13.0  |                           | 10.0   |                      |
| VI       | 6.5           | 13.0  |                           | 10.0   |                      |
| VII      | 6.5           | 13.0  |                           | 10.0   |                      |
| VIII     | 6.5           | 13.0  |                           | 10.0   |                      |
| IX       | 6.5           | 13.0  |                           | 10.0   |                      |
| X        | 6.5           | 13.0  |                           |  | 10.0                 |
| XI       | 6.5           | 13.0  |                           |  | 9.1                  |
| XII      | 6.5           | 13.0  |                           |  | 8.5                  |
| 2006.I   | 6.5           | 13.0  |                           |  | 7.3                  |
| II       | 6.5           | 11.0  |                           |  | 7.1                  |
| III      | 6.5           | 11.0  |                           |  | 6.8                  |
| IV       | 6.5           | 11.0  |                           |  | 6.2                  |
| V        | 6.5           | 11.0  |                           |  | 5.7                  |
| VI       | 6.5           | 9.5   |                           |  | 5.8                  |
| VII      | 6.5           | 9.5   |                           |  | 5.6                  |
| VIII     | 6.5           | 9.5   |                           |  | 5.5                  |
| IX       | 6.5           | 9.5   |                           |  | 5.4                  |
| X        | 6.5           | 9.5   |                           |  | 5.5                  |
| XI       | 6.5           | 9.5   |                           |  | 5.7                  |
| XII      | 6.5           | 9.5   |                           |  | 5.7                  |
| 2007.I   | 6.5           | 9.5   |                           |  | 5.7                  |
| II       | 6.5           | 9.5   |                           |  | 5.4                  |
| III      | 6.5           | 9.5   |                           |  | 5.3                  |
| IV       | 6.5           | 9.5   |                           |  | 5.1                  |
| V        | 6.5           | 9.5   |                           |  | 5.0                  |
| VI       | 6.5           | 7.5   |                           |  | 4.9                  |
| VII      | 6.5           | 7.5   |                           |  | 5.1                  |
| VIII     | 6.5           | 7.5   |                           |  | 5.1                  |
| IX       | 6.5           | 7.5   |                           |  | 4.8                  |
| X        | 6.5           | 7.5   |                           |  | 4.8                  |
| XI       | 6.5           | 7.5   |                           |  | 4.7                  |
| XII      | 6.5           | 7.5   |                           |  | 4.77                 |
| 2008.I   | 6.5           | 7.5   |                           |  | 4.89                 |
| II       | 6.5           | 7.5   |                           | 5.15   |                      |
| III      | 6.5           | 7.5   |                           | 5.85   |                      |
| IV       | 6.5           | 7.5   |                           | 6.00   |                      |
| V        | 6.5           | 7.5   |                           | 6.80   |                      |
| VI       | 6.5           | 8.5   |                           | 7.00   |                      |
| VII      | 6.5           | 8.5   |                           | 7.00   |                      |
| VIII     | 6.5           | 8.5   |                           | 7.00   |                      |
| IX       | 6.5           | 8.5   |                           | 7.00   |                      |
| X        | 6.5           | 8.5   |                           | 7.00   |                      |
| XI       | 6.5           | 8.5   |                           | 7.00   |                      |
| XII      | 6.5           | 8.5   |                           | 7.00   |                      |
| 2009.I   | 6.5           | 8.5   |                           | 7.00   |                      |
| II       | 6.5           | 8.5   |                           | 7.00   |                      |
| III      | 6.5           | 8.5   |                           | 7.00   |                      |
| IV       | 6.5           | 10.5  |                           | 9.00   |                      |
| V        | 6.5           | 10.5  |                           | 9.00   |                      |
| VI       | 6.5           | 10.5  |                           | 9.00   |                      |
| VII      | 6.5           | 10.5  |                           | 9.00   |                      |
| VIII     | 6.5           | 10.5  |                           | 9.00   |                      |
| IX       | 6.5           | 10.5  |                           | 9.00   |                      |
| X        | 6.5           | 10.5  |                           | 9.00   |                      |
| XI       | 6.5           | 10.5  |                           | 9.00   |                      |
| XII      | 6.5           | 10.0  |                           | 8.50   |                      |
| 2010.I   | 6.5           | 9.5   |                           | 8.00   |                      |
| II       |               | 9.0   |                           | 7.61   |                      |
| III      |               | 9.0   |                           | 7.26   |                      |
| IV       |               | 8.0   |                           | 6.50   |                      |
| V        |               | 7.5   |                           | 6.24   |                      |
| VI       |               | 6.5   |                           | 5.46   |                      |
| VII      |               | 6.5   |                           | 5.00   |                      |
| VIII     |               | 6.0   |                           | 4.68   |                      |
| IX       |               | 6.0   |                           | 4.50   |                      |

\* 28 days  
Source: NBRM.





Table 16  
Reserve requirements of banks and saving houses\*  
in millions of denars

| Period   | Banks' reserve requirements ratio (in%) |   |                               | Reserve requirements of banks in Denar                                     |                     |                     |                   |                             |                       |                     | Reserve requirements of banks in foreign currency |                              | Reserve requirements of saving houses in Denar |                       |  |
|----------|---|---|-------------------------------|--|---------------------|---------------------|-------------------|-----------------------------|-----------------------|---------------------|---|------------------------------|--|-----------------------|--|
|          | Liabilities in domestic currency (%)    | Liabilities in domestic currency with FX clause | Liability in foreign currency | Percentage of the amount calculated from liabilities in foreign currency** | Reserve requirement | Average fulfillment | Excess / Shortage | Fulfillment in percents (%) | Renumeration rate (%) | Reserve requirement | Renumeration rate (%)                             | Reserve requirement rate (%) | Reserve requirement                            | Renumeration rate (%) |  |
| 2003.XII | 7.5                                     |   | 7.5                           | 0.00   | 2,488               | 3,467               | 980               | 139.4                       | 4.0                   | 2,763               | 1.0   | 2.5                          | 7  | 4.0                   |  |
| 2004.I   | 7.5                                     |   | 7.5                           | 0.00   | 2,519               | 3,005               | 486               | 119.3                       | 4.0                   | 2,768               | 1.0   | 2.5                          | 7  | 4.0                   |  |
| II       | 7.5                                     |   | 7.5                           | 0.00   | 2,559               | 3,053               | 494               | 119.3                       | 4.0                   | 2,869               | 1.0   | 2.5                          | 7  | 4.0                   |  |
| III      | 7.5                                     |   | 7.5                           | 0.00   | 2,558               | 3,069               | 511               | 120.0                       | 4.0                   | 2,895               | 1.0   | 2.5                          | 8  | 4.0                   |  |
| IV       | 7.5                                     |   | 7.5                           | 0.00   | 2,574               | 2,961               | 387               | 115.1                       | 4.0                   | 2,934               | 1.0   | 2.5                          | 8  | 4.0                   |  |
| V        | 7.5                                     |   | 7.5                           | 0.00   | 2,610               | 3,150               | 540               | 120.7                       | 4.0                   | 2,970               | 1.0   | 2.5                          | 8  | 4.0                   |  |
| VI       | 7.5                                     |   | 7.5                           | 0.00   | 2,632               | 3,016               | 383               | 114.6                       | 4.0                   | 3,089               | 1.0   | 2.5                          | 8  | 4.0                   |  |
| VII      | 7.5                                     |   | 7.5                           | 0.00   | 2,729               | 3,102               | 373               | 113.7                       | 4.0                   | 3,137               | 1.0   | 2.5                          | 8  | 4.0                   |  |
| VIII     | 7.5                                     |   | 7.5                           | 0.00   | 2,741               | 3,052               | 312               | 111.4                       | 2.0                   | 3,149               | 1.0   | 2.5                          | 8  | 2.0                   |  |
| IX       | 7.5                                     |   | 7.5                           | 0.00   | 2,827               | 3,139               | 375               | 111.1                       | 2.0                   | 3,190               | 1.0   | 2.5                          | 8  | 2.0                   |  |
| X        | 7.5                                     |   | 7.5                           | 0.00   | 2,843               | 3,100               | 256               | 109.0                       | 2.0                   | 3,218               | 1.0   | 2.5                          | 8  | 2.0                   |  |
| XI       | 7.5                                     |   | 7.5                           | 0.00   | 2,854               | 3,126               | 265               | 109.5                       | 2.0                   | 3,279               | 1.0   | 2.5                          | 8  | 2.0                   |  |
| XII      | 7.5                                     |   | 7.5                           | 0.00   | 2,855               | 3,309               | 454               | 115.9                       | 2.0                   | 3,374               | 1.0   | 2.5                          | 8  | 2.0                   |  |
| 2005.I   | 10.0                                    |   | 10.0                          | 0.00   | 3,844               | 4,214               | 370               | 109.6                       | 2.0                   | 4,492               | 0.0   | 2.5                          | 9  | 2.0                   |  |
| II       | 10.0                                    |   | 10.0                          | 0.00   | 3,837               | 4,212               | 375               | 109.8                       | 2.0                   | 4,670               | 0.0   | 2.5                          | 9  | 2.0                   |  |
| III      | 10.0                                    |   | 10.0                          | 0.00   | 3,926               | 4,288               | 362               | 109.2                       | 2.0                   | 4,721               | 0.0   | 2.5                          | 9  | 2.0                   |  |
| IV       | 10.0                                    |   | 10.0                          | 0.00   | 4,074               | 4,400               | 326               | 108.0                       | 2.0                   | 4,772               | 0.0   | 2.5                          | 10   | 2.0                   |  |
| V        | 10.0                                    |   | 10.0                          | 0.00   | 4,237               | 4,728               | 491               | 111.6                       | 2.0                   | 4,770               | 0.0   | 2.5                          | 10   | 2.0                   |  |
| VI       | 10.0                                    |   | 10.0                          | 0.00   | 4,311               | 4,574               | 263               | 106.1                       | 2.0                   | 4,845               | 0.0   | 2.5                          | 10   | 2.0                   |  |
| VII      | 10.0                                    |   | 10.0                          | 0.00   | 4,450               | 4,757               | 306               | 106.9                       | 2.0                   | 4,946               | 0.0   | 2.5                          | 10   | 2.0                   |  |
| VIII     | 10.0                                    |   | 10.0                          | 0.00   | 4,098               | 4,399               | 300               | 107.3                       | 2.0                   | 5,000               | 0.0   | 2.5                          | 11   | 2.0                   |  |
| IX       | 10.0                                    |   | 10.0                          | 0.00   | 3,877               | 4,184               | 307               | 107.9                       | 2.0                   | 5,214               | 0.0   | 2.5                          | 11   | 2.0                   |  |
| X        | 10.0                                    |   | 10.0                          | 0.00   | 3,931               | 4,335               | 404               | 110.3                       | 2.0                   | 5,294               | 0.0   | 2.5                          | 10   | 2.0                   |  |
| XI       | 10.0                                    |   | 10.0                          | 0.00   | 4,086               | 4,464               | 378               | 109.3                       | 2.0                   | 5,241               | 0.0   | 2.5                          | 11   | 2.0                   |  |
| XII      | 10.0                                    |   | 10.0                          | 0.00   | 4,242               | 5,267               | 1,025             | 124.2                       | 2.0                   | 5,325               | 0.0   | 2.5                          | 11   | 2.0                   |  |
| 2006.I   | 10.0                                    |   | 10.0                          | 0.00   | 4,352               | 4,573               | 220               | 105.1                       | 2.0                   | 5,396               | 0.0   | 2.5                          | 11   | 2.0                   |  |
| II       | 10.0                                    |   | 10.0                          | 0.00   | 4,434               | 5,000               | 566               | 112.8                       | 2.0                   | 5,433               | 0.0   | 2.5                          | 12   | 2.0                   |  |
| III      | 10.0                                    |   | 10.0                          | 0.00   | 4,542               | 4,944               | 403               | 108.9                       | 2.0                   | 5,507               | 0.0   | 2.5                          | 12   | 2.0                   |  |
| IV       | 10.0                                    |   | 10.0                          | 0.00   | 4,674               | 5,162               | 488               | 110.4                       | 2.0                   | 5,572               | 0.0   | 2.5                          | 12   | 2.0                   |  |
| V        | 10.0                                    |   | 10.0                          | 0.00   | 4,934               | 5,550               | 616               | 112.5                       | 2.0                   | 5,655               | 0.0   | 2.5                          | 13   | 2.0                   |  |
| VI       | 10.0                                    |   | 10.0                          | 0.00   | 5,058               | 5,433               | 375               | 107.4                       | 2.0                   | 5,663               | 0.0   | 2.5                          | 13   | 2.0                   |  |
| VII      | 10.0                                    |   | 10.0                          | 0.00   | 4,931               | 5,263               | 332               | 106.7                       | 2.0                   | 5,768               | 0.0   | 2.5                          | 13   | 2.0                   |  |
| VIII     | 10.0                                    |   | 10.0                          | 0.00   | 5,030               | 5,435               | 405               | 108.1                       | 2.0                   | 5,874               | 0.0   | 2.5                          | 14   | 2.0                   |  |
| IX       | 10.0                                    |   | 10.0                          | 0.00   | 5,213               | 5,549               | 336               | 106.4                       | 2.0                   | 6,003               | 0.0   | 2.5                          | 14   | 2.0                   |  |
| X        | 10.0                                    |   | 10.0                          | 0.00   | 5,304               | 5,618               | 314               | 105.9                       | 2.0                   | 6,117               | 0.0   | 2.5                          | 14   | 2.0                   |  |
| XI       | 10.0                                    |   | 10.0                          | 0.00   | 5,460               | 6,674               | 1,214             | 122.2                       | 2.0                   | 6,243               | 0.0   | 2.5                          | 14   | 2.0                   |  |
| XII      | 10.0                                    |   | 10.0                          | 0.00   | 5,618               | 6,705               | 1,087             | 119.3                       | 2.0                   | 6,373               | 0.0   | 2.5                          | 14   | 2.0                   |  |
| 2007.I   | 10.0                                    |   | 10.0                          | 0.00   | 5,883               | 6,219               | 336               | 105.7                       | 2.0                   | 6,458               | 0.0   | 2.5                          | 15   | 2.0                   |  |
| II       | 10.0                                    |   | 10.0                          | 0.00   | 6,057               | 6,479               | 422               | 107.0                       | 2.0                   | 6,513               | 0.0   | 2.5                          | 15   | 2.0                   |  |
| III      | 10.0                                    |   | 10.0                          | 0.00   | 6,194               | 6,688               | 494               | 108.0                       | 2.0                   | 6,596               | 0.0   | 2.5                          | 16   | 2.0                   |  |
| IV       | 10.0                                    |   | 10.0                          | 0.00   | 6,431               | 6,900               | 469               | 107.3                       | 2.0                   | 6,675               | 0.0   | 2.5                          | 16   | 2.0                   |  |
| V        | 10.0                                    |   | 10.0                          | 0.00   | 6,803               | 7,401               | 597               | 108.8                       | 2.0                   | 6,736               | 0.0   | 2.5                          | 16   | 2.0                   |  |
| VI       | 10.0                                    |   | 10.0                          | 0.00   | 7,082               | 7,343               | 261               | 103.7                       | 2.0                   | 6,952               | 0.0   | 2.5                          | 16   | 2.0                   |  |
| VII      | 10.0                                    |   | 10.0                          | 0.00   | 7,433               | 8,763               | 1,330             | 117.9                       | 2.0                   | 6,988               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| VIII     | 10.0                                    |   | 10.0                          | 0.00   | 7,579               | 8,428               | 849               | 111.2                       | 2.0                   | 7,143               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| IX       | 10.0                                    |   | 10.0                          | 0.00   | 7,553               | 7,933               | 380               | 105.0                       | 2.0                   | 7,225               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| X        | 10.0                                    |   | 10.0                          | 0.00   | 7,722               | 8,425               | 703               | 109.1                       | 2.0                   | 7,303               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| XI       | 10.0                                    |   | 10.0                          | 0.00   | 7,952               | 8,611               | 659               | 108.3                       | 2.0                   | 7,185               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| XII      | 10.0                                    |   | 10.0                          | 0.00   | 8,436               | 9,125               | 689               | 108.2                       | 2.0                   | 7,288               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| 2008.I   | 10.0                                    |   | 10.0                          | 0.00   | 8,734               | 8,966               | 232               | 102.7                       | 2.0                   | 7,394               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| II       | 10.0                                    |   | 10.0                          | 0.00   | 9,193               | 9,555               | 362               | 103.9                       | 2.0                   | 8,455               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| III      | 10.0                                    |   | 10.0                          | 0.00   | 9,398               | 9,622               | 224               | 102.4                       | 2.0                   | 8,555               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| IV       | 10.0                                    |   | 10.0                          | 0.00   | 9,468               | 9,714               | 246               | 102.6                       | 2.0                   | 8,684               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| V        | 10.0                                    |   | 10.0                          | 0.00   | 9,600               | 9,800               | 200               | 102.1                       | 2.0                   | 8,847               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| VI       | 10.0                                    |   | 10.0                          | 0.00   | 9,774               | 10,021              | 247               | 102.5                       | 2.0                   | 9,014               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| VII      | 10.0                                    |   | 10.0                          | 0.00   | 10,003              | 10,369              | 366               | 103.7                       | 2.0                   | 9,139               | 0.0   | 2.5                          | 18   | 2.0                   |  |
| VIII     | 10.0                                    |   | 10.0                          | 0.00   | 9,998               | 10,644              | 646               | 106.5                       | 2.0                   | 9,317               | 0.0   | 2.5                          | 18   | 2.0                   |  |
| IX       | 10.0                                    |   | 10.0                          | 0.00   | 10,158              | 10,528              | 370               | 103.6                       | 2.0                   | 9,758               | 0.0   | 2.5                          | 18   | 2.0                   |  |
| X        | 10.0                                    |   | 10.0                          | 0.00   | 10,334              | 10,613              | 279               | 102.7                       | 2.0                   | 9,997               | 0.0   | 2.5                          | 18   | 2.0                   |  |
| XI       | 10.0                                    |   | 10.0                          | 0.00   | 10,234              | 10,646              | 412               | 104.0                       | 2.0                   | 9,773               | 0.0   | 2.5                          | 18   | 2.0                   |  |
| XII      | 10.0                                    |   | 10.0                          | 0.00   | 10,125              | 10,762              | 637               | 106.3                       | 2.0                   | 9,802               | 0.0   | 2.5                          | 18   | 2.0                   |  |
| 2009.I   | 10.0                                    |   | 10.0                          | 0.00   | 9,695               | 9,915               | 220               | 102.3                       | 2.0                   | 9,801               | 0.0   | 2.5                          | 17   | 2.0                   |  |
| II       | 10.0                                    |   | 10.0                          | 0.00   | 9,645               | 9,827               | 182               | 101.9                       | 2.0                   | 10,392              | 0.0   | 2.5                          | 17   | 2.0                   |  |
| III      | 10.0                                    |   | 10.0                          | 0.00   | 9,310               | 9,482               | 172               | 101.9                       | 2.0                   | 10,623              | 0.0   | 2.5                          | 17   | 2.0                   |  |
| IV       | 10.0                                    |   | 10.0                          | 0.00   | 9,146               | 9,462               | 316               | 103.5                       | 2.0                   | 10,903              | 0.0   | 2.5                          | 17   | 2.0                   |  |
| V        | 10.0                                    |   | 10.0                          | 0.00   | 8,952               | 9,224               | 272               | 103.0                       | 2.0                   | 11,189              | 0.0   | 2.5                          | 16   | 2.0                   |  |
| VI       | 10.0                                    |   | 10.0                          | 0.00   | 8,867               | 9,365               | 498               | 105.6                       | 2.0                   | 11,291              | 0.0   | 2.5                          | 16   | 2.0                   |  |
| VII      | 10.0                                    |   | 10.0                          | 13.00  | 11,957              | 12,161              | 204               | 101.7                       | 2.0                   | 11,251              | 0.0   | 2.5                          | 16   | 2.0                   |  |
| VIII     | 10.0                                    | 20.0 ***  | 11.5                          | 23.00  | 13,239              | 13,375              | 136               | 101.0                       | 2.0                   | 11,604              | 0.0   | 2.5                          | 15   | 2.0                   |  |
| IX       | 10.0                                    | 20  | 13.0                          | 23.00  | 13,207              | 13,410              | 203               | 101.5                       | 2.0                   | 11,979              | 0.0   | 2.5                          | 15   | 2.0                   |  |
| X        | 10.0                                    | 20  | 13.0                          | 23.00  | 13,489              | 14,058              | 569               | 104.2                       | 2.0                   | 12,058              | 0.1   | 2.5                          | 15   | 2.0                   |  |
| XI       | 10.0                                    | 20  | 13.0                          | 23.00  | 13,653              | 14,029              | 376               | 102.8                       | 2.0                   | 12,104              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| XII      | 10.0                                    | 20  | 13.0                          | 23.00  | 13,874              | 14,253              | 379               | 102.7                       | 2.0                   | 12,225              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| 2010.I   | 10.0                                    | 20.0  | 13.0                          | 23.00  | 14,097              | 14,549              | 452               | 103.2                       | 2.0                   | 12,151              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| II       | 10.0                                    | 20.0  | 13.0                          | 23.00  | 14,212              | 14,606              | 394               | 102.8                       | 2.0                   | 12,144              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| III      | 10.0                                    | 20.0  | 13.0                          | 23.00  | 13,914              | 14,217              | 302               | 102.2                       | 2.0                   | 12,237              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| IV       | 10.0                                    | 20.0  | 13.0                          | 23.00  | 14,164              | 14,348              | 184               | 101.3                       | 2.0                   | 12,459              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| V        | 10.0                                    | 20.0  | 13.0                          | 23.00  | 14,439              | 14,559              | 120               | 100.8                       | 2.0                   | 12,418              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| VI       | 10.0                                    | 20.0  | 13.0                          | 23.00  | 14,843              | 15,152              | 309               | 102.8                       | 2.0                   | 12,693              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| VII      | 10.0                                    | 20.0  | 13.0                          | 23.00  | 15,034              | 15,415              | 381               | 102.5                       | 2.0                   | 12,696              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| VIII     | 10.0                                    | 20.0  | 13.0                          | 23.00  | 14,518              | 15,035              | 517               | 103.6                       | 2.0                   | 12,876              | 0.1   | 2.5                          | 14   | 2.0                   |  |
| IX       | 10.0                                    | 20.0  | 13.0                          | 23.00  | 14,420              | 14,887              | 467               | 103.2                       | 2.0                   | 13,030              | 0.1   | 2.5                          | 15   | 2.0                   |  |

\* Banks fulfill reserve requirement in Denars on averaging provision, while bank's reserve requirement in Euro and savings houses' reserve requirement in Denars is held on fixed basis.

\*\* Percentage of amount calculated from liabilities in foreign currency, which is fulfilled in Denars. The remaining amount is reserve requirement fulfilled in Euro.

\*\*\* Before July 11, 2009 the reserve requirement ratio on liabilities in domestic currency with FX clause was equal to the reserve requirement ratio on liabilities in domestic currency.

Source: NBRM.



Table 17  
Interest rates on government securities  
in %

| Period | DENARS   |          |          |           |         |         | DENARS (with foreign clause) |          |          |           |         |         |
|--------|----------|----------|----------|-----------|---------|---------|------------------------------|----------|----------|-----------|---------|---------|
|        | 1 months | 3 months | 6 months | 12 months | 2 years | 3 years | 1 months                     | 3 months | 6 months | 12 months | 2 years | 3 years |
| 2004.I |          | 7.5      |          |           |         |         |                              |          |          |           |         |         |
| II     |          | 7.4      |          |           |         |         |                              |          |          |           |         |         |
| III    |          | 8.8      |          |           |         |         |                              |          |          |           |         |         |
| IV     |          | 8.9      |          |           |         |         |                              |          |          |           |         |         |
| V      |          | 8.3      |          |           |         |         |                              |          |          |           |         |         |
| VI     |          | 8.4      |          |           |         |         |                              |          |          |           |         |         |
| VII    |          | 8.4      |          |           |         |         |                              |          |          |           |         |         |
| VIII   |          | 8.4      |          |           |         |         |                              |          |          |           |         |         |
| IX     |          | 8.5      |          |           |         |         |                              |          |          |           |         |         |
| X      |          | 8.9      |          |           |         |         |                              |          |          |           |         |         |
| XI     |          | 9.2      | 9.5      |           |         |         |                              |          |          |           |         |         |
| XII    |          | 9.2      | 10.4     |           |         |         |                              |          |          |           |         |         |
| 2005.I |          | 9.3      | 10.8     |           |         |         |                              |          |          |           |         |         |
| II     |          | 10.0     | 10.8     |           |         |         |                              |          |          |           |         |         |
| III    |          | 10.5     | 11.2     |           |         |         |                              |          |          |           |         |         |
| IV     |          | 10.4     | 9.8      |           |         |         |                              |          |          |           |         |         |
| V      |          | 10.8     | 10.5     |           |         |         |                              |          |          |           |         |         |
| VI     |          | 10.4     | 10.5     | 11.1      |         |         |                              |          |          |           |         |         |
| VII    |          | 10.4     | 10.6     |           |         |         |                              |          |          |           |         |         |
| VIII   |          | 10.5     | 10.9     |           |         |         |                              |          |          |           |         |         |
| IX     |          | 10.3     | 11.2     |           |         |         |                              |          |          |           |         |         |
| X      |          | 9.8      | 10.1     |           |         |         |                              |          |          |           |         |         |
| XI     |          | 8.9      | 9.9      |           | 10.0    |         |                              |          |          |           |         |         |
| XII    |          | 8.0      | 8.8      | 9.6       |         |         |                              |          |          |           |         |         |
| 2006.I |          | 7.2      | 7.6      |           |         |         |                              |          |          |           |         |         |
| II     |          | 7.0      | 7.1      |           |         |         |                              |          |          |           |         |         |
| III    |          | 6.8      | 7.3      | 8.6       |         |         |                              |          |          |           |         |         |
| IV     |          | 6.4      | 6.8      |           | 9.4     |         |                              |          |          |           |         |         |
| V      |          | 6.1      | 7.1      |           |         |         |                              |          |          |           |         |         |
| VI     |          | 6.5      | 6.9      | 8.7       |         |         |                              |          |          |           |         |         |
| VII    |          | 6.2      | 6.7      |           |         |         |                              |          |          |           |         |         |
| VIII   |          | 6.0      | 6.6      |           |         |         |                              |          |          |           |         |         |
| IX     |          | 6.0      | 7.0      | 8.7       |         |         |                              |          |          |           |         |         |
| X      |          | 6.2      | 6.9      |           | 9.3     |         |                              |          |          |           |         |         |
| XI     |          | 6.1      | 6.8      |           |         | 9.6     |                              |          |          |           |         |         |
| XII    |          | 6.3      | 7.0      | 8.9       |         |         |                              |          |          |           |         |         |
| 2007.I |          | 6.5      | 6.8      | 8.8       |         |         |                              |          |          |           |         |         |
| II     |          | 6.4      | 6.8      |           | 8.9     |         |                              |          |          |           |         |         |
| III    |          | 6.4      | 7.0      | 8.4       |         | 8.0     |                              |          |          |           |         |         |
| IV     |          | 6.4      | 6.8      |           |         |         |                              |          |          |           |         |         |
| V      |          | 6.2      | 6.6      |           | 5.7     |         |                              |          |          |           |         |         |
| VI     |          | 5.4      | 5.5      | 5.8       |         |         |                              |          |          |           |         |         |
| VII    |          | 5.4      | 5.6      |           |         |         |                              |          |          |           |         |         |
| VIII   |          | 5.4      | 5.5      |           |         |         |                              |          |          |           |         |         |
| IX     |          | 3.7      |          | 5.1       |         |         |                              |          |          |           |         |         |
| X      |          | 5.1      | 5.4      |           |         |         |                              |          |          |           |         |         |
| XI     |          | 5.2      | 5.4      |           | 6.5     |         |                              |          |          |           |         |         |
| XII    |          | 4.8      |          |           |         |         |                              |          |          |           |         |         |
| 2008.I |          | 5.1      | 5.4      | 5.7       |         |         |                              |          |          |           |         |         |
| II     |          | 5.1      | 5.3      |           | 6.3     |         |                              |          |          |           |         |         |
| III    |          | 5.8      | 5.6      | 6.5       |         | 6.8     |                              |          |          |           |         |         |
| IV     |          | 6.1      | 6.3      |           | 7.0     |         |                              |          |          |           |         |         |
| V      |          | 6.7      | 6.3      |           |         |         |                              |          |          |           |         |         |
| VI     |          | 7.1      | 7.2      | 7.3       |         | 8.0     |                              |          |          |           |         |         |
| VII    |          | 7.31     | 7.30     | 7.92      |         | 8.0     |                              |          |          |           |         |         |
| VIII   |          | 7.39     | 7.76     |           | 8.25    |         |                              |          |          |           |         |         |
| IX     |          | 7.43     | 7.68     | 7.99      |         | 8.40    |                              |          |          |           |         |         |
| X      |          | 7.55     | 7.86     |           | 8.25    |         |                              |          |          |           |         |         |
| XI     |          | 7.58     | 7.69     |           |         |         |                              |          |          |           |         |         |
| XII    |          | 7.48     | 7.84     | 7.00      |         |         |                              |          |          |           |         |         |
| 2009.I |          | 7.43     | 7.26     | 7.00      |         |         |                              |          |          |           |         |         |
| II     |          | 7.80     | 7.51     |           |         |         |                              |          |          |           |         |         |
| III    | 8.57     | 8.74     | 7.69     |           |         |         |                              |          |          |           |         |         |
| IV     | 8.81     | 8.97     | 9.10     |           |         |         |                              |          |          |           |         |         |
| V      |          | 9.03     | 8.80     |           |         |         |                              |          |          |           |         |         |
| VI     |          | 9.35     | 8.99     |           |         |         | 5.25                         |          |          | 7.00      |         |         |
| VII    |          | 8.65     |          |           |         |         |                              | 5.25     |          | 5.70      |         |         |
| VIII   |          |          |          |           |         |         |                              | 5.50     |          |           |         |         |
| IX     |          |          |          |           |         |         | 5.40                         |          |          |           |         |         |
| X      |          |          |          |           |         |         |                              | 5.50     |          |           |         |         |
| XI     |          |          |          |           |         |         |                              | 5.50     |          |           |         |         |
| XII    |          |          |          |           |         |         | 5.30                         |          |          |           |         |         |
| 2010.I |          |          |          |           |         |         |                              |          | 5.20     |           |         |         |
| II     |          |          |          |           |         |         |                              |          | 5.00     |           |         |         |
| III    |          |          |          |           |         |         |                              |          | 4.99     |           |         |         |
| IV     |          |          |          |           |         |         |                              |          | 4.99     |           |         |         |
| V      |          |          |          |           |         |         |                              |          | 4.99     |           |         |         |
| VI     |          |          |          |           |         |         |                              |          | 4.99     |           |         |         |
| VII    |          |          |          |           |         |         |                              |          | 4.70     |           |         |         |
| VIII   |          |          | 5.00     |           |         |         |                              |          | 4.70     |           |         |         |
| IX     |          |          | 4.70     |           |         |         |                              |          | 4.40     |           |         |         |

Source: NBRM.



Table 18  
 Republic of Macedonia: balance of payments /1  
 in USD Million

|  | 1993          | 1994          | 1995          | 1996          | 1997          | 1998          | 1999          | 2000          | 2001          | 2002          | 2003          | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>I. Current Account</b>                        | <b>-82.5</b>  | <b>-262.9</b> | <b>-298.9</b> | <b>-339.8</b> | <b>-286.5</b> | <b>-280.1</b> | <b>-65.6</b>  | <b>-103.1</b> | <b>-235.4</b> | <b>-378.8</b> | <b>-185.5</b> | <b>-451.6</b>  | <b>-159.3</b>  | <b>-28.5</b>   | <b>-605.7</b>  | <b>-1235.8</b> | <b>-598.8</b>  |
| <b>GOODS, net</b>                                | <b>42.8</b>   | <b>-184.9</b> | <b>-222.8</b> | <b>-314.7</b> | <b>-386.3</b> | <b>-515.6</b> | <b>-495.9</b> | <b>-690.8</b> | <b>-526.7</b> | <b>-805.6</b> | <b>-851.0</b> | <b>-1139.0</b> | <b>-1063.0</b> | <b>-1260.5</b> | <b>-1638.5</b> | <b>-2589.9</b> | <b>-2157.1</b> |
| Exports, f.o.b.                                  | 1055.3        | 1086.3        | 1204.0        | 1147.4        | 1236.8        | 1291.5        | 1190.0        | 1320.7        | 1155.4        | 1112.1        | 1362.7        | 1674.9         | 2040.6         | 2410.7         | 3391.5         | 3983.3         | 2685.5         |
| Imports, f.o.b. /2                               | -1012.5       | -1271.3       | -1426.8       | -1462.1       | -1623.1       | -1807.1       | -1685.9       | -2011.6       | -1682.2       | -1917.7       | -2213.7       | -2813.8        | -3103.6        | -3671.2        | -5030.0        | -6573.2        | -4842.5        |
| <b>SERVICES, net</b>                             | <b>-154.5</b> | <b>-155.1</b> | <b>-200.5</b> | <b>-156.2</b> | <b>-137.8</b> | <b>-59.8</b>  | <b>38.9</b>   | <b>48.7</b>   | <b>-19.2</b>  | <b>-22.1</b>  | <b>-6.6</b>   | <b>-54.4</b>   | <b>-33.6</b>   | <b>28.5</b>    | <b>34.4</b>    | <b>10.8</b>    | <b>40.1</b>    |
| Inflow   | 84.0          | 172.0         | 185.2         | 154.3         | 138.1         | 149.3         | 272.8         | 316.7         | 244.6         | 253.1         | 380.3         | 452.5          | 515.5          | 601.3          | 818.4          | 1011.5         | 862.8          |
| Outflow  | -238.5        | -327.1        | -385.7        | -310.4        | -275.8        | -209.1        | -234.0        | -268.0        | -263.8        | -275.3        | -386.9        | -506.9         | -549.1         | -572.8         | -784.0         | -1000.7        | -822.7         |
| <b>INCOME, net</b>                               | <b>-56.7</b>  | <b>-46.6</b>  | <b>-39.6</b>  | <b>-51.3</b>  | <b>-54.4</b>  | <b>-53.5</b>  | <b>-72.1</b>  | <b>-70.0</b>  | <b>-27.2</b>  | <b>-45.5</b>  | <b>-63.8</b>  | <b>-38.0</b>   | <b>-114.8</b>  | <b>-33.7</b>   | <b>-385.0</b>  | <b>-114.7</b>  | <b>-82.4</b>   |
| Inflow   | 4.3           | 10.0          | 20.8          | 22.8          | 17.5          | 23.6          | 24.2          | 41.6          | 52.6          | 50.8          | 60.4          | 84.6           | 97.5           | 134.9          | 213.1          | 272.7          | 178.2          |
| Outflow  | -61.0         | -56.6         | -60.4         | -74.2         | -71.9         | -77.1         | -96.4         | -111.7        | -79.8         | -96.3         | -124.2        | -122.6         | -212.4         | -168.6         | -598.1         | -387.4         | -260.6         |
| <b>CURRENT TRANSFERS, net</b>                    | <b>85.8</b>   | <b>123.7</b>  | <b>163.9</b>  | <b>182.3</b>  | <b>292.0</b>  | <b>348.9</b>  | <b>463.6</b>  | <b>609.0</b>  | <b>337.8</b>  | <b>494.4</b>  | <b>735.9</b>  | <b>779.7</b>   | <b>1052.2</b>  | <b>1237.1</b>  | <b>1383.4</b>  | <b>1458.0</b>  | <b>1600.5</b>  |
| Inflow   | 115.0         | 197.0         | 293.5         | 341.3         | 433.3         | 541.4         | 618.4         | 782.1         | 720.6         | 655.0         | 910.4         | 1028.8         | 1237.7         | 1437.2         | 1744.8         | 1528.0         | 1666.9         |
| Outflow  | -29.2         | -73.3         | -129.5        | -158.9        | -141.3        | -192.5        | -154.8        | -173.1        | -382.8        | -160.6        | -174.5        | -249.1         | -185.5         | -200.0         | -361.4         | -70.0          | -66.4          |
| <b>II. Capital and Financial Account</b>         | <b>-12.9</b>  | <b>162.3</b>  | <b>280.6</b>  | <b>318.2</b>  | <b>349.6</b>  | <b>296.3</b>  | <b>-91.4</b>  | <b>40.2</b>   | <b>236.6</b>  | <b>388.0</b>  | <b>218.3</b>  | <b>434.1</b>   | <b>165.5</b>   | <b>23.0</b>    | <b>647.8</b>   | <b>1233.9</b>  | <b>563.9</b>   |
| <b>CAPITAL ACCOUNT, net</b>                      | <b>0.0</b>    | <b>30.0</b>   | <b>1.7</b>    | <b>0.0</b>    | <b>0.0</b>    | <b>-1.8</b>   | <b>0.0</b>    | <b>0.3</b>    | <b>1.4</b>    | <b>8.3</b>    | <b>-6.7</b>   | <b>-4.6</b>    | <b>-2.0</b>    | <b>-1.1</b>    | <b>4.9</b>     | <b>-17.6</b>   | <b>28.6</b>    |
| <b>FINANCIAL ACCOUNT, net</b>                    | <b>-12.9</b>  | <b>132.3</b>  | <b>278.9</b>  | <b>318.2</b>  | <b>349.6</b>  | <b>298.1</b>  | <b>-91.4</b>  | <b>39.9</b>   | <b>235.2</b>  | <b>379.7</b>  | <b>225.0</b>  | <b>438.7</b>   | <b>167.5</b>   | <b>24.1</b>    | <b>642.9</b>   | <b>1251.4</b>  | <b>535.2</b>   |
| <b>Direct investment, net</b>                    | <b>0.0</b>    | <b>24.0</b>   | <b>9.5</b>    | <b>11.2</b>   | <b>58.0</b>   | <b>150.5</b>  | <b>88.1</b>   | <b>215.7</b>  | <b>446.3</b>  | <b>105.5</b>  | <b>117.5</b>  | <b>321.9</b>   | <b>94.2</b>    | <b>424.0</b>   | <b>700.2</b>   | <b>600.5</b>   | <b>185.5</b>   |
| Inward direct investment                         | 0.0           | 24.0          | 9.5           | 11.2          | 58.1          | 150.5         | 88.4          | 215.1         | 447.1         | 105.6         | 117.8         | 323.0          | 97.0           | 424.2          | 699.1          | 587.0          | 197.1          |
| Outward direct investment                        | 0.0           | 0.0           | 0.0           | 0.0           | -0.1          | 0.0           | -0.3          | 0.6           | -0.9          | -0.1          | -0.3          | -1.2           | -2.8           | -0.2           | 1.1            | 13.5           | -11.6          |
| <b>Portfolio investment, net</b>                 | <b>0.0</b>    | <b>0.0</b>    | <b>2.7</b>    | <b>0.3</b>    | <b>1.3</b>    | <b>0.0</b>    | <b>0.0</b>    | <b>-0.1</b>   | <b>0.4</b>    | <b>0.3</b>    | <b>5.5</b>    | <b>12.5</b>    | <b>237.9</b>   | <b>92.9</b>    | <b>155.6</b>   | <b>-72.5</b>   | <b>147.2</b>   |
| Assets   | 0.0           | 0.0           | 1.4           | -0.5          | 1.7           | 0.3           | 0.0           | 0.0           | 0.3           | 0.1           | 0.1           | 0.2            | 0.1            | 0.1            | -2.3           | -1.1           | -51.3          |
| Liabilities                                      | 0.0           | 0.0           | 1.3           | 0.8           | -0.4          | -0.4          | 0.0           | -0.1          | 0.4           | 0.1           | 5.3           | 12.4           | 237.8          | 92.8           | 157.9          | -71.4          | 198.5          |
| <b>Other investment, net</b>                     | <b>44.0</b>   | <b>150.2</b>  | <b>367.4</b>  | <b>300.8</b>  | <b>294.1</b>  | <b>200.9</b>  | <b>-36.2</b>  | <b>88.8</b>   | <b>-134.4</b> | <b>134.2</b>  | <b>153.0</b>  | <b>123.7</b>   | <b>250.5</b>   | <b>-116.9</b>  | <b>-69.9</b>   | <b>676.2</b>   | <b>339.0</b>   |
| Assets   | 32.0          | 34.7          | 39.9          | 77.7          | -66.1         | -59.1         | -184.0        | -63.7         | -109.0        | 227.7         | 18.4          | 7.4            | -46.3          | -149.1         | -81.3          | 297.7          | -144.6         |
| Liabilities                                      | 12.0          | 115.5         | 327.5         | 223.1         | 360.3         | 260.0         | 147.8         | 152.6         | -25.4         | -93.4         | 134.7         | 116.3          | 296.8          | 32.2           | 11.4           | 378.4          | 483.6          |
| <b>Gross official reserves (- = increase) /3</b> | <b>-56.8</b>  | <b>-41.9</b>  | <b>-100.6</b> | <b>5.9</b>    | <b>-3.8</b>   | <b>-53.3</b>  | <b>-143.3</b> | <b>-264.5</b> | <b>-77.0</b>  | <b>139.7</b>  | <b>-51.0</b>  | <b>-19.5</b>   | <b>-415.1</b>  | <b>-375.8</b>  | <b>-143.0</b>  | <b>47.2</b>    | <b>-136.5</b>  |
| <b>III. Errors and Omissions</b>                 | <b>95.4</b>   | <b>100.6</b>  | <b>18.3</b>   | <b>21.6</b>   | <b>-63.2</b>  | <b>-16.2</b>  | <b>157.0</b>  | <b>62.9</b>   | <b>-1.2</b>   | <b>-9.2</b>   | <b>-32.8</b>  | <b>17.6</b>    | <b>-6.2</b>    | <b>5.6</b>     | <b>-42.0</b>   | <b>1.9</b>     | <b>35.0</b>    |

Source: National Bank of the Republic of Macedonia

1/ Preliminary data.

a. 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.

2/ 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: 1993-20%, 1994-20%. 1995-20%, 1996-14%, 1997-10%, 1998-5,02%, 1999-4,86%, 2000-3,9%, 2001-4,2%, 2002-3,8% 2003-4,06%, 2004, 2005, 2006, 2007-4,14%, 2008 and 2009-3,1

Imports for 2006, 2007 and 2008 have been additionally adjusted with time adjustments for imports of electricity.

3/ Excluding monetary gold and exchange rate differences



Table 19  
 Republic of Macedonia: balance of payments /1,3  
 in EUR Million

|   | 2003           | 2004           | 2005           | 2006           | 2007           | Q1     | Q2      | Q3      | Q4      | 2008           | Q1     | Q2     | Q3     | Q4     | 2009           | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | Q1     | Q2      | Q3      | 2010           |
|---|----------------|----------------|----------------|----------------|----------------|--------|---------|---------|---------|----------------|--------|--------|--------|--------|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|----------------|
| <b>I. Current Account</b>                           | <b>-169.8</b>  | <b>-361.8</b>  | <b>-122.5</b>  | <b>-23.4</b>   | <b>-421.2</b>  | -174.9 | -214.2  | -70.1   | -403.1  | <b>-862.2</b>  | -315.9 | -96.3  | 58.7   | -95.7  | <b>-449.3</b>  | -41.8  | -18.9  | -13.6  | -39.0  | -4.7   | 0.6    | 24.6   | 2.0    | 57.5   | -74.3  | -43.0   | 84.2    | <b>-33.2</b>   |
| <b>GOODS, net</b>                                   | <b>-753.0</b>  | <b>-914.3</b>  | <b>-858.5</b>  | <b>-1001.5</b> | <b>-1181.0</b> | -376.1 | -467.8  | -423.4  | -495.3  | <b>-1762.5</b> | -446.6 | -339.1 | -301.0 | -464.3 | <b>-1551.1</b> | -87.1  | -92.5  | -117.1 | -156.8 | -112.1 | -122.8 | -113.0 | -146.6 | -59.5  | -296.7 | -391.8  | -319.1  | <b>-1007.7</b> |
| Exports, f.o.b.                                     | <b>1203.2</b>  | <b>1345.0</b>  | <b>1642.9</b>  | <b>1914.0</b>  | <b>2472.2</b>  | 612.5  | 737.4   | 747.9   | 594.8   | <b>2692.6</b>  | 400.3  | 491.3  | 532.4  | 497.0  | <b>1920.9</b>  | 133.8  | 158.5  | 190.1  | 182.7  | 206.8  | 226.4  | 232.6  | 202.8  | 249.0  | 482.4  | 616.0   | 684.4   | <b>1782.8</b>  |
| Imports, f.o.b. /2                                  | <b>-1956.2</b> | <b>-2259.3</b> | <b>-2501.4</b> | <b>-2915.5</b> | <b>-3653.2</b> | -988.5 | -1205.1 | -1171.3 | -1090.1 | <b>-4455.1</b> | -846.9 | -830.4 | -833.4 | -961.3 | <b>-3472.0</b> | -221.0 | -250.9 | -307.3 | -339.5 | -319.0 | -349.3 | -345.6 | -349.5 | -308.5 | -779.2 | -1007.8 | -1003.5 | <b>-2790.5</b> |
| <b>SERVICES, net</b>                                | <b>-6.0</b>    | <b>-43.4</b>   | <b>-24.7</b>   | <b>22.4</b>    | <b>25.1</b>    | 0.5    | -7.3    | 29.8    | -17.2   | <b>5.8</b>     | -1.0   | -1.2   | 23.3   | 7.0    | <b>28.0</b>    | 1.4    | 0.9    | 3.9    | 3.5    | 6.9    | 11.3   | 7.3    | 6.6    | -1.9   | 6.2    | 21.7    | 12.0    | <b>39.9</b>    |
| Inflow  | <b>335.3</b>   | <b>363.7</b>   | <b>416.2</b>   | <b>477.3</b>   | <b>594.5</b>   | 144.2  | 158.7   | 197.2   | 188.0   | <b>688.1</b>   | 141.7  | 148.3  | 163.4  | 164.9  | <b>618.3</b>   | 39.6   | 44.2   | 50.6   | 51.6   | 55.0   | 65.6   | 63.6   | 65.6   | 59.1   | 134.4  | 172.2   | 188.2   | <b>494.8</b>   |
| Outflow   | <b>-341.4</b>  | <b>-407.1</b>  | <b>-440.8</b>  | <b>-455.0</b>  | <b>-569.4</b>  | -143.6 | -166.0  | -167.4  | -205.2  | <b>-682.3</b>  | -142.7 | -149.6 | -140.2 | -157.9 | <b>-590.3</b>  | -38.2  | -43.3  | -46.7  | -48.1  | -48.1  | -54.3  | -56.3  | -59.0  | -60.9  | -128.2 | -150.5  | -176.2  | <b>-454.9</b>  |
| <b>INCOME, net</b>                                  | <b>-56.9</b>   | <b>-32.3</b>   | <b>-92.6</b>   | <b>-26.1</b>   | <b>-277.7</b>  | 23.8   | 0.7     | -14.4   | -101.0  | <b>-90.9</b>   | 2.8    | -15.8  | -62.8  | 17.2   | <b>-58.5</b>   | -28.9  | -8.7   | -5.0   | -5.7   | -7.7   | -7.8   | -19.5  | -3.9   | -5.0   | -42.7  | -21.2   | -28.3   | <b>-92.2</b>   |
| Inflow  | <b>53.2</b>    | <b>67.9</b>    | <b>79.0</b>    | <b>107.2</b>   | <b>155.2</b>   | 51.4   | 43.2    | 45.7    | 44.9    | <b>185.2</b>   | 31.0   | 31.4   | 33.7   | 32.0   | <b>128.1</b>   | 9.1    | 10.2   | 13.5   | 12.4   | 9.2    | 13.1   | 12.7   | 12.2   | 14.1   | 32.7   | 34.6    | 39.0    | <b>106.3</b>   |
| Outflow   | <b>-110.1</b>  | <b>-100.2</b>  | <b>-171.6</b>  | <b>-133.4</b>  | <b>-432.9</b>  | -27.6  | -42.6   | -60.2   | -145.8  | <b>-276.1</b>  | -28.1  | -47.2  | -96.5  | -14.8  | <b>-186.6</b>  | -38.0  | -18.9  | -18.5  | -18.1  | -16.9  | -20.8  | -32.1  | -16.1  | -19.1  | -75.4  | -55.8   | -67.3   | <b>-198.6</b>  |
| <b>CURRENT TRANSFERS, net</b>                       | <b>646.1</b>   | <b>628.2</b>   | <b>853.3</b>   | <b>981.9</b>   | <b>1012.4</b>  | 176.8  | 260.3   | 337.9   | 210.5   | <b>985.5</b>   | 128.9  | 259.8  | 399.2  | 344.4  | <b>1132.3</b>  | 72.8   | 81.4   | 104.7  | 120.0  | 108.3  | 119.9  | 149.8  | 146.0  | 123.8  | 258.9  | 348.3   | 419.6   | <b>1026.8</b>  |
| Inflow  | <b>679.5</b>   | <b>664.2</b>   | <b>887.5</b>   | <b>1015.3</b>  | <b>1081.3</b>  | 191.3  | 270.3   | 348.9   | 222.6   | <b>1033.2</b>  | 140.3  | 272.4  | 410.0  | 357.3  | <b>1180.0</b>  | 75.9   | 84.2   | 108.9  | 124.2  | 110.9  | 124.6  | 153.3  | 149.5  | 128.3  | 269.0  | 359.7   | 431.0   | <b>1059.7</b>  |
| Outflow   | <b>-33.4</b>   | <b>-36.0</b>   | <b>-34.2</b>   | <b>-33.4</b>   | <b>-68.9</b>   | -14.5  | -10.0   | -11.0   | -12.2   | <b>-47.7</b>   | -11.4  | -12.6  | -10.7  | -12.9  | <b>-47.7</b>   | -3.1   | -2.8   | -4.2   | -4.1   | -2.7   | -4.7   | -3.5   | -3.5   | -4.5   | -10.1  | -11.5   | -11.4   | <b>-33.0</b>   |
| <b>II. Capital and Financial Account</b>            | <b>193.9</b>   | <b>347.1</b>   | <b>127.7</b>   | <b>18.3</b>    | <b>454.0</b>   | 186.3  | 225.3   | 58.6    | 392.2   | <b>862.5</b>   | 297.3  | 108.2  | -68.1  | 88.7   | <b>426.0</b>   | 35.6   | 17.9   | 8.0    | 44.2   | -4.4   | -1.1   | -12.4  | -7.4   | -49.9  | 61.6   | 38.7    | -69.7   | <b>30.5</b>    |
| <b>CAPITAL ACCOUNT, net</b>                         | <b>-5.8</b>    | <b>-3.8</b>    | <b>-1.7</b>    | <b>-0.8</b>    | <b>3.7</b>     | -0.8   | -2.6    | -0.5    | -8.3    | <b>-12.2</b>   | 0.8    | 1.8    | 15.2   | 2.3    | <b>20.2</b>    | 0.1    | 0.3    | 0.4    | 1.2    | 0.7    | 1.3    | 1.5    | 1.1    | -0.2   | 0.9    | 3.1     | 2.4     | <b>6.5</b>     |
| <b>FINANCIAL ACCOUNT, net</b>                       | <b>199.7</b>   | <b>350.9</b>   | <b>129.4</b>   | <b>19.1</b>    | <b>450.3</b>   | 187.2  | 227.9   | 59.1    | 400.6   | <b>874.8</b>   | 296.5  | 106.4  | -83.4  | 86.4   | <b>405.9</b>   | 35.5   | 17.6   | 7.5    | 43.0   | -5.1   | -2.4   | -13.9  | -8.5   | -49.7  | 60.6   | 35.5    | -72.1   | <b>24.0</b>    |
| <b>Direct investment, net</b>                       | <b>100.1</b>   | <b>259.7</b>   | <b>74.9</b>    | <b>344.7</b>   | <b>506.9</b>   | 142.5  | 111.5   | 74.8    | 80.5    | <b>409.4</b>   | 24.7   | 71.4   | 41.8   | -1.0   | <b>136.9</b>   | 37.2   | -22.9  | 28.9   | 24.6   | 29.0   | 14.3   | -48.2  | 32.8   | 14.6   | 43.2   | 67.9    | -0.8    | <b>110.3</b>   |
| Inward direct investment                            | <b>100.4</b>   | <b>260.7</b>   | <b>77.2</b>    | <b>344.8</b>   | <b>506.0</b>   | 130.0  | 113.6   | 76.1    | 80.1    | <b>399.9</b>   | 24.7   | 71.8   | 42.1   | 6.3    | <b>145.0</b>   | 37.3   | -22.3  | 28.9   | 24.8   | 29.0   | 15.0   | -48.9  | 32.9   | 14.6   | 44.0   | 68.8    | -1.4    | <b>111.4</b>   |
| Outward direct investment                           | <b>-0.3</b>    | <b>-0.9</b>    | <b>-2.3</b>    | <b>-0.1</b>    | <b>0.9</b>     | 12.5   | -2.1    | -1.3    | 0.4     | <b>9.5</b>     | 0.0    | -0.4   | -0.3   | -7.3   | <b>-8.1</b>    | -0.2   | -0.5   | -0.1   | -0.2   | 0.0    | -0.7   | 0.7    | -0.1   | 0.0    | -0.8   | -0.9    | 0.6     | <b>-1.1</b>    |
| <b>Portfolio investment, net</b>                    | <b>5.1</b>     | <b>8.6</b>     | <b>200.8</b>   | <b>72.7</b>    | <b>114.1</b>   | -8.2   | -10.8   | -8.2    | -23.4   | <b>-50.6</b>   | -19.3  | -12.5  | 148.7  | -12.8  | <b>104.0</b>   | -1.6   | -3.0   | 3.6    | -4.2   | -3.3   | -12.0  | -2.9   | -3.2   | -6.7   | -1.0   | -19.6   | -12.8   | <b>-33.4</b>   |
| Assets  | <b>0.3</b>     | <b>-0.8</b>    | <b>0.7</b>     | <b>-0.4</b>    | <b>-2.0</b>    | -0.2   | -0.6    | -0.6    | 0.8     | <b>-0.5</b>    | -14.2  | -4.5   | -15.5  | -3.4   | <b>-37.6</b>   | 0.0    | -0.3   | -0.2   | -3.9   | -1.3   | -1.1   | -2.3   | -1.2   | -2.8   | -0.5   | -6.3    | -6.3    | <b>-13.2</b>   |
| Liabilities   | <b>4.8</b>     | <b>9.3</b>     | <b>200.1</b>   | <b>73.1</b>    | <b>116.1</b>   | -8.0   | -10.2   | -7.6    | -24.2   | <b>-50.1</b>   | -5.1   | -8.0   | 164.1  | -9.4   | <b>141.7</b>   | -1.6   | -2.7   | 3.9    | -0.3   | -2.0   | -10.9  | -0.6   | -2.0   | -3.9   | -0.5   | -13.2   | -6.5    | <b>-20.2</b>   |
| <b>Other investment, net</b>                        | <b>133.1</b>   | <b>98.5</b>    | <b>201.6</b>   | <b>-100.7</b>  | <b>-68.9</b>   | 44.8   | 150.7   | 120.2   | 148.7   | <b>464.4</b>   | 38.3   | -4.7   | 49.2   | 151.6  | <b>234.3</b>   | 18.0   | 28.6   | -39.1  | 43.5   | -23.5  | 9.8    | 9.2    | 16.1   | -75.3  | 7.4    | 29.8    | -50.0   | <b>-12.8</b>   |
| Assets  | <b>14.1</b>    | <b>7.3</b>     | <b>-39.8</b>   | <b>-117.6</b>  | <b>-61.5</b>   | 81.0   | 17.3    | 19.2    | 90.1    | <b>207.4</b>   | -17.0  | -6.4   | -65.8  | -17.8  | <b>-107.1</b>  | 53.4   | 20.1   | -1.8   | -42.1  | -72.4  | 20.1   | -29.2  | 32.5   | -20.0  | 71.7   | -94.3   | -16.7   | <b>-39.3</b>   |
| Liabilities   | <b>119.1</b>   | <b>91.2</b>    | <b>241.4</b>   | <b>17.0</b>    | <b>-7.5</b>    | -36.1  | 133.5   | 101.0   | 58.6    | <b>256.9</b>   | 55.3   | 1.7    | 115.0  | 169.4  | <b>341.4</b>   | -35.4  | 8.5    | -37.4  | 85.6   | 48.9   | -10.3  | 38.4   | -16.4  | -55.2  | -64.4  | 124.1   | -33.2   | <b>26.5</b>    |
| <b>Gross official reserves</b><br>(- = increase) /3 | <b>-38.6</b>   | <b>-15.9</b>   | <b>-347.9</b>  | <b>-297.6</b>  | <b>-101.8</b>  | 8.0    | -23.5   | -127.6  | 194.8   | <b>51.6</b>    | 252.8  | 52.2   | -323.0 | -51.4  | <b>-69.4</b>   | -18.1  | 14.9   | 14.2   | -20.8  | -7.4   | -14.4  | 28.0   | -54.2  | 17.6   | 11.0   | -42.6   | -8.5    | <b>-40.1</b>   |
| <b>III. Errors and Omissions</b>                    | <b>-24.1</b>   | <b>14.7</b>    | <b>-5.3</b>    | <b>5.1</b>     | <b>-32.8</b>   | -11.4  | -11.2   | 11.4    | 10.8    | <b>-0.3</b>    | 18.6   | -11.9  | 9.4    | 7.1    | <b>23.2</b>    | 6.2    | 1.0    | 5.6    | -5.2   | 9.1    | 0.4    | -12.2  | 5.4    | -7.6   | 12.8   | 4.4     | -14.5   | <b>2.7</b>     |

Source: National Bank of the Republic of Macedonia

1/ Preliminary data.

a. 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.

2/ 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: 1993-20%, 1994-20%, 1995-20%, 1996-14%, 1997-10%, 1998-5,02%, 1999-4,86%, 2000-3,9%, 2001-4,2%, 2002-3,8% 2003-4,06%, 2004, 2005, 2006, 2007-4,14%, 2008, 2009 and 2010-3,86%. Imports for 2006, 2007 and 2008 have been additionally adjusted with time adjustments for imports of electricity.

3/ Excluding monetary gold and exchange rate differences







Table 22  
Republic of Macedonia: balance of payments - current transfers  
in EUR Million

| Period                                     | 2003         | 2004         | 2005         | 2006         | 2007          | 2008         | Q1           | Q2           | Q3           | Q4           | 2009          | 1           | 2           | 3            | 4            | 5            | 6            | 7            | 8            | 9            | Q1           | Q2           | Q3           | 2010          |
|--|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>Current transfers, net</b>              | <b>646.1</b> | <b>628.2</b> | <b>853.3</b> | <b>981.9</b> | <b>1012.4</b> | <b>985.5</b> | <b>128.9</b> | <b>259.8</b> | <b>399.2</b> | <b>344.4</b> | <b>1132.3</b> | <b>72.8</b> | <b>81.4</b> | <b>104.7</b> | <b>120.0</b> | <b>108.3</b> | <b>119.9</b> | <b>149.8</b> | <b>146.0</b> | <b>123.8</b> | <b>258.9</b> | <b>348.3</b> | <b>419.6</b> | <b>1026.8</b> |
| - Credit                                   | 679.5        | 664.2        | 887.5        | 1015.3       | 1081.3        | 1033.2       | 140.3        | 272.4        | 410.0        | 357.3        | 1180.0        | 75.9        | 84.2        | 108.9        | 124.2        | 110.9        | 124.6        | 153.3        | 149.5        | 128.3        | 269.0        | 359.7        | 431.0        | 1059.7        |
| - Debit                                    | -33.4        | -36.0        | -34.2        | -33.4        | -68.9         | -47.7        | -11.4        | -12.6        | -10.7        | -12.9        | -47.7         | -3.1        | -2.8        | -4.2         | -4.1         | -2.7         | -4.7         | -3.5         | -3.5         | -4.5         | -10.1        | -11.5        | -11.4        | -33.0         |
| 1. General government - official transfers | 89.4         | 55.5         | 53.4         | 58.8         | 24.3          | 49.4         | 5.3          | 6.0          | 4.0          | 20.2         | 35.5          | 0.2         | 2.3         | 1.7          | 8.7          | 1.2          | 4.3          | 2.4          | 2.7          | 1.8          | 4.3          | 14.2         | 6.9          | 25.4          |
| - Credit                                   | 92.9         | 60.1         | 60.9         | 66.3         | 61.0          | 62.5         | 6.4          | 7.9          | 5.4          | 21.7         | 41.5          | 0.5         | 2.7         | 1.9          | 9.1          | 1.3          | 4.8          | 2.4          | 3.0          | 2.0          | 5.1          | 15.1         | 7.4          | 27.6          |
| - Debit                                    | -3.5         | -4.7         | -7.6         | -7.4         | -36.7         | -13.1        | -1.1         | -1.9         | -1.5         | -1.4         | -5.9          | -0.3        | -0.3        | -0.2         | -0.4         | -0.1         | -0.5         | -0.1         | -0.3         | -0.2         | -0.8         | -0.9         | -0.5         | -2.3          |
| 2. Other sectors - private transfers       | 556.7        | 572.7        | 799.9        | 923.1        | 988.2         | 936.1        | 123.6        | 253.8        | 395.3        | 324.2        | 1096.8        | 72.5        | 79.0        | 103.0        | 111.3        | 107.1        | 115.6        | 147.4        | 143.3        | 122.0        | 254.6        | 334.1        | 412.7        | 1001.4        |
| - Credit                                   | 586.6        | 604.1        | 826.5        | 949.0        | 1020.4        | 970.7        | 133.8        | 264.5        | 404.5        | 335.7        | 1138.5        | 75.4        | 81.5        | 107.0        | 115.1        | 109.7        | 119.8        | 150.8        | 146.5        | 126.3        | 263.9        | 344.6        | 423.6        | 1032.1        |
| - Debit                                    | -29.9        | -31.3        | -26.6        | -25.9        | -32.2         | -34.6        | -10.3        | -10.7        | -9.2         | -11.5        | -41.8         | -2.9        | -2.5        | -3.9         | -3.8         | -2.6         | -4.2         | -3.4         | -3.2         | -4.3         | -9.3         | -10.5        | -10.9        | -30.7         |
| 2.1. Workers' remittances                  | 115.2        | 117.9        | 125.3        | 144.7        | 158.1         | 161.6        | 35.5         | 43.3         | 46.4         | 44.9         | 170.1         | 11.5        | 11.8        | 16.0         | 14.8         | 15.3         | 17.7         | 14.2         | 15.8         | 16.6         | 39.3         | 47.7         | 46.6         | 133.5         |
| - Credit                                   | 128.9        | 129.8        | 136.6        | 157.1        | 174.3         | 180.9        | 39.8         | 47.3         | 49.9         | 49.1         | 186.2         | 12.6        | 12.8        | 17.3         | 16.0         | 16.3         | 18.9         | 15.2         | 17.0         | 17.8         | 42.7         | 51.1         | 50.0         | 143.8         |
| - Debit                                    | -13.6        | -11.9        | -11.3        | -12.4        | -16.2         | -19.2        | -4.3         | -4.1         | -3.4         | -4.2         | -16.0         | -1.1        | -1.0        | -1.4         | -1.2         | -1.0         | -1.2         | -1.0         | -1.2         | -1.2         | -3.5         | -3.4         | -3.4         | -10.3         |
| 2.2. Other transfers                       | 441.5        | 454.8        | 674.6        | 778.4        | 830.1         | 774.4        | 88.0         | 210.5        | 348.8        | 279.3        | 926.6         | 61.1        | 67.2        | 87.1         | 96.6         | 91.9         | 97.9         | 133.2        | 127.5        | 105.4        | 215.4        | 286.4        | 366.1        | 867.9         |
| - Credit                                   | 457.7        | 474.3        | 690.0        | 791.9        | 846.0         | 789.8        | 94.0         | 217.1        | 354.7        | 286.6        | 952.3         | 62.8        | 68.7        | 89.6         | 99.1         | 93.4         | 100.9        | 135.6        | 129.5        | 108.6        | 221.2        | 293.5        | 373.6        | 888.3         |
| - Debit                                    | -16.2        | -19.4        | -15.3        | -13.5        | -16.0         | -15.4        | -6.0         | -6.6         | -5.8         | -7.3         | -25.7         | -1.8        | -1.5        | -2.6         | -2.5         | -1.6         | -3.0         | -2.4         | -2.0         | -3.1         | -5.8         | -7.1         | -7.5         | -20.4         |

Source: National Bank of the Republic of Macedonia

Table 23  
Republic of Macedonia: balance of payments - capital and financial account  
in EUR Million

| Period   | 2003         | 2004         | 2005         | 2006        | 2007         | 2008         | Q1           | Q2           | Q3           | Q4          | 2009         | 1           | 2           | 3          | 4           | 5           | 6           | 7            | 8           | 9            | Q1          | Q2          | Q3           | 2010        |
|--|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|-------------|-------------|------------|-------------|-------------|-------------|--------------|-------------|--------------|-------------|-------------|--------------|-------------|
| <b>Capital and financial account</b>                       | <b>193.9</b> | <b>347.1</b> | <b>127.7</b> | <b>18.3</b> | <b>454.0</b> | <b>862.5</b> | <b>297.3</b> | <b>108.2</b> | <b>-68.1</b> | <b>88.7</b> | <b>426.0</b> | <b>35.6</b> | <b>17.9</b> | <b>8.0</b> | <b>44.2</b> | <b>-4.4</b> | <b>-1.1</b> | <b>-12.4</b> | <b>-7.4</b> | <b>-49.9</b> | <b>61.6</b> | <b>38.7</b> | <b>-69.7</b> | <b>30.5</b> |
| <b>A. Capital account</b>                                  | <b>-5.8</b>  | <b>-3.8</b>  | <b>-1.7</b>  | <b>-0.8</b> | <b>3.7</b>   | <b>-12.2</b> | <b>0.8</b>   | <b>1.8</b>   | <b>15.2</b>  | <b>2.3</b>  | <b>20.2</b>  | <b>0.1</b>  | <b>0.3</b>  | <b>0.4</b> | <b>1.2</b>  | <b>0.7</b>  | <b>1.3</b>  | <b>1.5</b>   | <b>1.1</b>  | <b>-0.2</b>  | <b>0.9</b>  | <b>3.1</b>  | <b>2.4</b>   | <b>6.5</b>  |
| - Credit   | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0          | 3.8          | 4.6          | 11.3         | 5.8         | 25.4         | 1.6         | 1.1         | 1.4        | 1.9         | 2.1         | 2.2         | 2.8          | 2.1         | 1.7          | 4.1         | 6.2         | 6.6          | 16.9        |
| - Debit  | -5.8         | -3.8         | -1.7         | -0.8        | 3.7          | -12.2        | -2.9         | -2.9         | 4.0          | -3.4        | -5.3         | -1.5        | -0.8        | -1.0       | -0.7        | -1.4        | -1.0        | -1.2         | -1.1        | -1.9         | -3.2        | -3.0        | -4.2         | -10.4       |
| 1. Capital transfers                                       | -5.8         | -3.8         | -1.7         | -0.8        | 1.2          | -1.1         | 0.8          | 1.8          | 7.7          | 2.3         | 12.7         | 0.1         | 0.3         | 0.4        | 1.2         | 0.7         | 1.3         | 1.5          | 1.1         | -0.2         | 0.9         | 3.1         | 2.4          | 6.5         |
| - Credit   | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0          | 3.8          | 4.6          | 11.3         | 5.8         | 25.4         | 1.6         | 1.1         | 1.4        | 1.9         | 2.1         | 2.2         | 2.8          | 2.1         | 1.7          | 4.1         | 6.2         | 6.6          | 16.9        |
| - Debit  | -5.8         | -3.8         | -1.7         | -0.8        | 1.2          | -1.1         | -2.9         | -2.9         | -3.5         | -3.4        | -12.8        | -1.5        | -0.8        | -1.0       | -0.7        | -1.4        | -1.0        | -1.2         | -1.1        | -1.9         | -3.2        | -3.0        | -4.2         | -10.4       |
| 1.1. General government - Official                         | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0          | 0.0         |
| - Credit   | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0          | 0.0         |
| - Debit  | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0          | 0.0         |
| 1.2. Other sectors - private                               | -5.8         | -3.8         | -1.7         | -0.8        | 1.2          | -1.1         | 0.8          | 1.8          | 7.7          | 2.3         | 12.7         | 0.1         | 0.3         | 0.4        | 1.2         | 0.7         | 1.3         | 1.5          | 1.1         | -0.2         | 0.9         | 3.1         | 2.4          | 6.5         |
| - Credit   | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0          | 3.8          | 4.6          | 11.3         | 5.8         | 25.4         | 1.6         | 1.1         | 1.4        | 1.9         | 2.1         | 2.2         | 2.8          | 2.1         | 1.7          | 4.1         | 6.2         | 6.6          | 16.9        |
| - Debit  | -5.8         | -3.8         | -1.7         | -0.8        | 1.2          | -1.1         | -2.9         | -2.9         | -3.5         | -3.4        | -12.8        | -1.5        | -0.8        | -1.0       | -0.7        | -1.4        | -1.0        | -1.2         | -1.1        | -1.9         | -3.2        | -3.0        | -4.2         | -10.4       |
| 2. Acquisition/disposal of nonproduced nonfinancial assets | -0.1         | 0.0          | 0.0          | 0.0         | 2.4          | -11.2        | 0.0          | 0.0          | 7.5          | 0.0         | 7.5          | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0          | 0.0         |
| - Credit   | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0          | 0.0         |
| - Debit  | -0.1         | 0.0          | 0.0          | 0.0         | 2.4          | -11.2        | 0.0          | 0.0          | 7.5          | 0.0         | 7.5          | 0.0         | 0.0         | 0.0        | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0          | 0.0         | 0.0         | 0.0          | 0.0         |

Source: National Bank of the Republic of Macedonia







Table 24  
Merchandise trade by sections of SITC and by end use  
in USD Million

|   | EXPORT         |                |                |                |                |                | IMPORT         |                |                |                |                |                | EXPORT       |              |              |              | IMPORT         |                |                |                | EXPORT         |                |              | IMPORT       |              |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|----------------|----------------|----------------|
|   | 2003           | 2004           | 2005           | 2006           | 2007           | 2008           | 2003           | 2004           | 2005           | 2006           | 2007           | 2008           | 2009         |              |              |              | 2009           |                |                |                | 2010           |                |              | 2010         |              |                |                |                |
|   | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Q1           | Q2           | Q3           | Q4           | Total          | Q1             | Q2             | Q3             | Q4             | Total          | Q1           | Q2           | Q3           | Q1             | Q2             | Q3             |
| <b>TOTAL</b>  | <b>1,367.0</b> | <b>1,675.9</b> | <b>2,042.3</b> | <b>2,415.2</b> | <b>3,398.3</b> | <b>3,990.6</b> | <b>2,306.4</b> | <b>2,931.6</b> | <b>3,232.8</b> | <b>3,752.3</b> | <b>5,280.6</b> | <b>6,882.7</b> | <b>521.2</b> | <b>670.8</b> | <b>762.5</b> | <b>736.9</b> | <b>2,691.5</b> | <b>1,146.6</b> | <b>1,176.7</b> | <b>1,239.9</b> | <b>1,480.0</b> | <b>5,043.1</b> | <b>666.7</b> | <b>781.4</b> | <b>879.9</b> | <b>1,117.4</b> | <b>1,335.4</b> | <b>1,348.3</b> |
| <b>SITC</b>   |                |                |                |                |                |                |                |                |                |                |                |                |              |              |              |              |                |                |                |                |                |                |              |              |              |                |                |                |
| Food and live animals                               | 92.0           | 125.6          | 167.2          | 192.7          | 250.4          | 308.5          | 271.2          | 337.5          | 343.2          | 362.4          | 518.3          | 620.9          | 45.4         | 82.9         | 77.0         | 78.3         | 283.5          | 126.3          | 132.2          | 141.5          | 160.3          | 560.4          | 60.7         | 80.8         | 89.3         | 128.4          | 132.2          | 127.4          |
| Beverages and tobacco                               | 137.1          | 127.8          | 163.1          | 193.6          | 209.6          | 218.8          | 24.2           | 28.0           | 31.1           | 31.8           | 38.3           | 51.2           | 26.5         | 66.8         | 66.2         | 37.5         | 197.0          | 8.6            | 13.7           | 12.8           | 16.5           | 51.7           | 44.9         | 50.9         | 55.5         | 12.6           | 13.8           | 15.9           |
| Crude materials, inedible, except fuels             | 39.9           | 44.1           | 67.8           | 113.6          | 170.6          | 272.0          | 60.0           | 77.4           | 106.7          | 133.5          | 298.2          | 351.0          | 26.7         | 37.7         | 50.2         | 58.3         | 172.9          | 34.4           | 45.6           | 53.0           | 64.4           | 197.3          | 64.7         | 65.7         | 61.8         | 35.9           | 70.4           | 80.7           |
| Mineral fuels, lubricants and related materials     | 73.7           | 78.3           | 163.6          | 225.0          | 165.3          | 314.3          | 323.1          | 397.8          | 619.2          | 758.9          | 975.7          | 1,419.3        | 31.6         | 46.6         | 69.8         | 54.9         | 202.9          | 220.4          | 150.5          | 196.4          | 242.5          | 809.7          | 50.3         | 59.7         | 83.3         | 197.5          | 215.1          | 229.4          |
| Animal and vegetable oils and fats                  | 0.8            | 7.0            | 2.9            | 2.2            | 2.5            | 12.4           | 24.5           | 52.9           | 30.0           | 31.4           | 47.0           | 67.4           | 2.5          | 2.1          | 2.6          | 1.0          | 8.2            | 11.9           | 10.2           | 10.7           | 12.9           | 45.7           | 2.1          | 2.4          | 1.8          | 9.1            | 10.3           | 13.6           |
| Chemical products                                   | 70.2           | 73.4           | 90.8           | 100.7          | 133.1          | 181.1          | 254.9          | 281.0          | 334.0          | 364.5          | 490.2          | 614.1          | 31.0         | 41.7         | 43.6         | 56.0         | 172.2          | 115.8          | 141.5          | 145.1          | 166.3          | 568.8          | 53.1         | 81.3         | 89.7         | 151.3          | 165.2          | 177.5          |
| Manufactured goods classified chiefly by material   | 398.1          | 552.7          | 682.8          | 853.8          | 1,513.2        | 1,602.8        | 333.2          | 740.8          | 950.5          | 1,121.0        | 1,509.2        | 1,862.9        | 141.5        | 188.2        | 223.7        | 217.6        | 770.9          | 237.6          | 304.8          | 305.7          | 353.5          | 1,201.5        | 188.5        | 249.2        | 264.6        | 259.6          | 359.1          | 307.1          |
| Machinery and transport equipment                   | 80.6           | 92.6           | 109.9          | 118.7          | 151.6          | 186.4          | 434.2          | 504.5          | 563.1          | 688.8          | 1,046.3        | 1,442.4        | 36.0         | 36.8         | 31.2         | 38.8         | 142.7          | 304.9          | 277.7          | 276.7          | 350.0          | 1,209.3        | 26.1         | 36.4         | 42.8         | 234.8          | 275.7          | 295.6          |
| Miscellaneous manufactured articles                 | 471.8          | 570.8          | 590.5          | 612.0          | 800.3          | 892.8          | 128.7          | 171.9          | 252.9          | 257.7          | 355.9          | 451.6          | 180.0        | 167.9        | 198.0        | 194.4        | 740.3          | 84.1           | 98.3           | 97.5           | 112.9          | 392.9          | 176.1        | 154.3        | 190.5        | 84.8           | 93.2           | 100.8          |
| Commodities and transactions not classified in SITC | 2.7            | 3.5            | 3.7            | 3.0            | 1.8            | 1.4            | 452.4          | 340.1          | 2.1            | 2.1            | 1.8            | 1.7            | 0.1          | 0.2          | 0.4          | 0.1          | 0.8            | 2.7            | 2.1            | 0.6            | 0.4            | 5.9            | 0.1          | 0.7          | 0.7          | 3.6            | 0.5            | 0.3            |
| <b>END USE</b>                                      |                |                |                |                |                |                |                |                |                |                |                |                |              |              |              |              |                |                |                |                |                |                |              |              |              |                |                |                |
| Production materials                                | 669.2          | 816.2          | 1,110.4        | 1,398.9        | 2,086.1        | 2,444.1        | 1,492.5        | 1,904.7        | 2,099.0        | 2,453.5        | 3,427.8        | 4,452.7        | 224.2        | 346.8        | 416.6        | 379.6        | 1,367.3        | 637.9          | 666.9          | 725.8          | 851.3          | 2,881.9        | 374.6        | 474.5        | 519.0        | 678.1          | 846.7          | 836.9          |
| Capital goods                                       | 22.3           | 30.6           | 39.9           | 51.5           | 76.6           | 133.9          | 285.9          | 312.8          | 348.5          | 421.4          | 643.7          | 939.1          | 33.3         | 29.7         | 23.5         | 29.2         | 115.7          | 228.0          | 188.4          | 185.6          | 235.2          | 837.1          | 18.2         | 26.8         | 29.0         | 136.4          | 143.8          | 153.1          |
| Consumption goods                                   | 674.5          | 827.7          | 891.2          | 964.7          | 1,235.6        | 1,412.6        | 525.2          | 711.8          | 783.2          | 875.3          | 1,207.5        | 1,489.2        | 263.7        | 294.3        | 322.4        | 328.1        | 1,208.6        | 278.1          | 319.4          | 327.8          | 393.0          | 1,318.4        | 273.9        | 280.2        | 331.9        | 299.4          | 344.4          | 357.9          |
| Unknown   | 0.9            | 1.3            | 0.8            | 0.0            | 0.0            | 0.0            | 2.7            | 2.3            | 2.1            | 2.1            | 1.7            | 1.6            | 0.0          | 0.0          | 0.0          | 0.0          | 0.0            | 2.7            | 2.0            | 0.6            | 0.4            | 5.7            | 0.0          | 0.0          | 0.0          | 3.5            | 0.4            | 0.3            |

Source: State Statistical Office of the Republic of Macedonia



### Quarterly Report - Statistical Appendix III/2010

Table 25  
Foreign trade by countries  
in USD Million

|                     | EXPORT         |                |                |                |                |                | IMPORT         |                |                |                |                |                | EXPORT       |              |              |              | IMPORT         |                |                |                | EXPORT         |                |              | IMPORT       |              |                |                |                |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|----------------|----------------|----------------|
|                     | 2003           | 2004           | 2005           | 2006           | 2007           | 2008           | 2003           | 2004           | 2005           | 2006           | 2007           | 2008           | 2009         |              |              |              | 2009           |                |                |                | 2010           |                |              | 2010         |              |                |                |                |
|                     | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Q1           | Q2           | Q3           | Q4           | Total          | Q1             | Q2             | Q3             | Q4             | Total          | Q1           | Q2           | Q3           | Q1             | Q2             | Q3             |
| <b>TOTAL</b>        | <b>1,367.0</b> | <b>1,675.9</b> | <b>2,042.3</b> | <b>2,415.2</b> | <b>3,398.3</b> | <b>3,990.6</b> | <b>2,306.4</b> | <b>2,931.6</b> | <b>3,232.8</b> | <b>3,752.3</b> | <b>5,280.6</b> | <b>6,882.7</b> | <b>521.2</b> | <b>670.8</b> | <b>762.5</b> | <b>736.9</b> | <b>2,691.5</b> | <b>1,146.6</b> | <b>1,176.7</b> | <b>1,239.9</b> | <b>1,480.0</b> | <b>5,043.1</b> | <b>666.7</b> | <b>781.4</b> | <b>879.9</b> | <b>1,117.4</b> | <b>1,335.4</b> | <b>1,348.3</b> |
| Serbia and Montene. | 275.0          | 347.6          | 459.7          | 559.6          |                |                | 212.8          | 243.7          | 264.2          | 283.4          |                |                |              |              |              |              |                |                |                |                |                |                |              |              |              |                |                |                |
| Serbia              |                |                |                |                | 644.7          | 934.8          |                |                |                |                | 454.5          | 533.1          | 108.4        | 102.2        | 57.5         | 69.5         | 337.6          | 80.4           | 100.3          | 101.4          | 114.9          | 397.1          | 46.0         | 67.1         | 73.5         | 88.3           | 102.3          | 100.0          |
| Montenegro          |                |                |                |                | 28.0           | 39.0           |                |                |                |                | 1.4            | 1.2            | 4.5          | 5.8          | 7.4          | 7.1          | 24.9           | 0.4            | 0.4            | 0.5            | 0.4            | 1.8            | 4.9          | 8.3          | 7.0          | 0.2            | 0.3            | 0.4            |
| Germany             | 279.4          | 317.2          | 364.2          | 381.2          | 501.8          | 564.9          | 304.8          | 368.2          | 336.1          | 372.3          | 533.1          | 652.9          | 115.7        | 102.4        | 107.6        | 124.7        | 450.4          | 112.2          | 128.4          | 130.0          | 146.9          | 517.5          | 134.9        | 143.8        | 172.5        | 117.2          | 156.8          | 163.5          |
| Greece              | 180.4          | 228.8          | 313.2          | 361.3          | 424.7          | 536.4          | 300.6          | 282.6          | 297.7          | 306.4          | 416.2          | 511.7          | 58.0         | 84.2         | 77.4         | 70.4         | 290.0          | 83.9           | 100.7          | 120.4          | 134.1          | 439.2          | 60.6         | 67.2         | 64.2         | 88.9           | 96.5           | 105.3          |
| Italy               | 95.4           | 134.6          | 169.8          | 238.5          | 349.9          | 321.4          | 123.1          | 168.8          | 194.1          | 228.3          | 313.3          | 390.2          | 43.1         | 44.1         | 66.9         | 63.9         | 218.0          | 69.2           | 102.2          | 85.5           | 104.8          | 361.7          | 48.7         | 56.6         | 63.3         | 70.3           | 89.8           | 75.4           |
| Bulgaria            | 25.8           | 51.5           | 76.1           | 130.9          | 243.9          | 379.3          | 149.2          | 209.7          | 234.4          | 251.3          | 271.1          | 327.9          | 29.8         | 51.5         | 75.0         | 60.7         | 217.0          | 49.4           | 61.5           | 64.0           | 67.8           | 242.6          | 67.8         | 73.2         | 73.3         | 54.9           | 72.8           | 79.4           |
| Croatia             | 66.2           | 80.2           | 81.1           | 124.7          | 165.1          | 230.5          | 63.5           | 65.8           | 75.3           | 79.0           | 110.8          | 137.8          | 35.5         | 44.9         | 32.2         | 40.1         | 152.7          | 25.5           | 26.0           | 30.9           | 36.0           | 118.3          | 31.2         | 29.1         | 30.6         | 23.8           | 27.3           | 29.8           |
| Belgium             | 9.7            | 15.2           | 34.6           | 83.9           | 178.1          | 109.2          | 16.7           | 22.1           | 27.3           | 27.0           | 32.4           | 42.1           | 8.1          | 4.3          | 14.1         | 9.5          | 36.1           | 6.6            | 7.9            | 10.0           | 9.0            | 33.5           | 27.0         | 18.7         | 16.1         | 8.2            | 6.8            | 8.0            |
| B&H                 | 23.8           | 33.2           | 50.5           | 65.8           | 89.0           | 104.8          | 11.8           | 16.3           | 23.6           | 26.5           | 34.9           | 52.6           | 16.9         | 20.5         | 23.5         | 25.8         | 86.6           | 9.0            | 11.7           | 12.6           | 13.2           | 46.5           | 15.7         | 22.7         | 21.1         | 9.4            | 11.9           | 13.9           |
| Netherlands         | 47.3           | 47.3           | 44.6           | 56.5           | 73.1           | 70.6           | 49.6           | 57.1           | 53.3           | 60.1           | 75.3           | 94.1           | 14.5         | 10.8         | 19.5         | 16.7         | 61.5           | 12.5           | 15.9           | 19.5           | 22.6           | 70.4           | 14.4         | 15.8         | 16.8         | 13.7           | 16.8           | 13.7           |
| Turkey              | 32.8           | 54.0           | 46.3           | 55.2           | 53.8           | 31.6           | 78.8           | 94.9           | 113.9          | 122.5          | 198.5          | 272.1          | 10.1         | 11.2         | 8.4          | 11.0         | 40.8           | 51.8           | 63.4           | 55.7           | 79.9           | 250.7          | 12.2         | 10.1         | 14.1         | 51.8           | 66.8           | 60.9           |
| Spain               | 21.3           | 23.0           | 14.0           | 50.4           | 173.0          | 77.0           | 24.6           | 31.0           | 32.4           | 51.9           | 52.1           | 55.6           | 3.2          | 5.3          | 19.4         | 10.8         | 38.7           | 10.9           | 12.7           | 10.8           | 14.0           | 48.3           | 9.7          | 30.1         | 16.8         | 11.7           | 14.7           | 13.3           |
| Slovenia            | 21.3           | 27.2           | 31.8           | 41.4           | 69.1           | 65.1           | 139.1          | 140.3          | 128.0          | 129.6          | 156.1          | 203.4          | 6.7          | 7.8          | 10.3         | 9.5          | 34.3           | 43.8           | 43.7           | 47.3           | 56.0           | 190.9          | 9.2          | 15.9         | 23.4         | 37.8           | 35.3           | 44.9           |
| Albanija            | 17.4           | 23.6           | 27.5           | 40.7           | 73.1           | 107.0          | 4.0            | 6.3            | 9.1            | 11.7           | 19.7           | 35.7           | 15.4         | 22.3         | 23.3         | 22.9         | 83.9           | 3.4            | 7.0            | 8.2            | 5.4            | 24.1           | 16.6         | 16.1         | 18.4         | 2.6            | 7.1            | 7.4            |
| G.Britain           | 35.2           | 42.5           | 42.9           | 36.6           | 76.0           | 70.1           | 39.5           | 54.7           | 44.2           | 38.2           | 52.9           | 70.6           | 8.5          | 8.5          | 12.3         | 13.6         | 42.9           | 10.6           | 14.2           | 15.2           | 22.5           | 62.5           | 10.7         | 10.5         | 20.3         | 43.7           | 66.4           | 55.3           |
| Russia              | 13.7           | 19.7           | 21.4           | 25.6           | 23.6           | 32.7           | 179.0          | 271.0          | 425.2          | 569.7          | 638.2          | 932.0          | 2.5          | 6.3          | 5.6          | 8.1          | 22.5           | 142.8          | 96.9           | 104.4          | 150.9          | 495.0          | 4.0          | 6.4          | 6.1          | 128.4          | 130.5          | 145.2          |
| USA                 | 72.8           | 72.1           | 44.4           | 22.4           | 52.7           | 11.2           | 56.6           | 48.0           | 45.2           | 40.3           | 78.5           | 101.6          | 1.6          | 2.3          | 2.3          | 3.2          | 9.5            | 24.3           | 19.9           | 30.0           | 36.6           | 110.7          | 2.0          | 3.3          | 2.3          | 24.2           | 23.4           | 31.8           |
| Sweden              | 5.6            | 5.7            | 8.3            | 19.4           | 15.2           | 9.4            | 20.2           | 25.1           | 20.1           | 29.6           | 55.0           | 53.5           | 2.3          | 1.9          | 2.3          | 2.9          | 9.5            | 6.2            | 7.0            | 8.2            | 10.2           | 31.6           | 2.3          | 3.1          | 3.4          | 4.5            | 12.8           | 6.9            |
| Austria             | 7.7            | 8.5            | 9.0            | 15.0           | 20.0           | 22.5           | 56.2           | 68.9           | 69.2           | 80.5           | 102.7          | 119.9          | 3.4          | 4.6          | 5.1          | 5.9          | 19.1           | 18.9           | 26.3           | 25.3           | 29.8           | 100.3          | 6.3          | 10.3         | 9.2          | 17.0           | 23.4           | 26.0           |
| Romania             | 1.4            | 1.8            | 4.2            | 13.4           | 19.3           | 33.5           | 14.4           | 113.1          | 64.9           | 91.9           | 96.7           | 117.7          | 2.9          | 3.4          | 5.9          | 7.8          | 20.0           | 17.6           | 21.7           | 26.8           | 41.7           | 107.8          | 6.2          | 11.5         | 21.2         | 34.0           | 33.2           | 28.2           |
| Czech               | 3.1            | 5.4            | 6.0            | 10.7           | 11.3           | 14.4           | 12.0           | 17.5           | 23.3           | 32.9           | 64.6           | 65.5           | 2.0          | 2.1          | 2.5          | 2.7          | 9.3            | 11.8           | 12.5           | 12.9           | 14.6           | 51.9           | 1.4          | 3.0          | 5.8          | 12.3           | 11.6           | 13.3           |
| France              | 54.7           | 77.3           | 19.9           | 10.3           | 16.1           | 24.3           | 51.5           | 67.5           | 61.0           | 66.6           | 90.8           | 124.7          | 2.6          | 3.1          | 3.6          | 3.3          | 12.6           | 16.9           | 20.8           | 22.4           | 31.3           | 91.4           | 3.7          | 2.8          | 3.3          | 18.1           | 22.2           | 22.6           |
| Switzerland         | 19.3           | 6.4            | 7.5            | 10.2           | 10.8           | 16.2           | 27.2           | 45.7           | 63.9           | 59.2           | 114.7          | 292.8          | 2.3          | 3.3          | 6.3          | 5.5          | 17.4           | 51.4           | 24.8           | 25.5           | 21.4           | 123.1          | 3.6          | 4.5          | 5.0          | 21.2           | 19.0           | 19.0           |
| Hungary             | 2.8            | 2.2            | 2.7            | 6.5            | 6.7            | 7.2            | 29.1           | 31.0           | 36.3           | 37.6           | 55.2           | 80.6           | 0.5          | 1.0          | 1.3          | 1.1          | 3.8            | 11.0           | 12.8           | 13.4           | 13.6           | 50.9           | 2.0          | 1.5          | 2.2          | 12.2           | 11.2           | 12.5           |
| Poland              | 0.5            | 2.6            | 4.0            | 6.4            | 11.2           | 16.8           | 26.4           | 78.3           | 94.6           | 117.8          | 162.7          | 265.3          | 2.2          | 1.9          | 1.5          | 2.4          | 8.1            | 18.4           | 24.0           | 21.6           | 19.2           | 83.2           | 2.4          | 3.9          | 10.1         | 12.8           | 14.7           | 20.9           |
| Cyprus              | 0.5            | 4.8            | 5.5            | 4.5            | 3.0            | 5.5            | 4.1            | 4.7            | 3.5            | 1.5            | 1.9            | 4.0            | 0.1          | 0.0          | 0.0          | 0.1          | 0.2            | 0.4            | 0.2            | 0.2            | 0.4            | 1.2            | 0.2          | 0.2          | 0.1          | 0.2            | 0.2            | 0.1            |
| Australia           | 2.5            | 2.5            | 1.7            | 2.3            | 3.6            | 3.3            | 6.7            | 2.7            | 4.3            | 1.8            | 3.4            | 3.3            | 0.4          | 0.9          | 0.7          | 1.8          | 3.9            | 0.7            | 0.9            | 0.9            | 0.6            | 3.1            | 0.9          | 0.8          | 0.7          | 0.6            | 0.7            | 0.5            |
| Ukraine             | 1.8            | 2.2            | 2.0            | 1.8            | 2.0            | 3.0            | 88.0           | 74.1           | 72.1           | 105.7          | 104.4          | 203.0          | 1.9          | 5.4          | 1.7          | 1.2          | 10.1           | 15.0           | 18.1           | 27.0           | 24.4           | 84.5           | 0.3          | 5.1          | 5.7          | 24.5           | 35.5           | 22.0           |
| Korea               | 0.1            | 2.0            | 1.4            | 1.7            | 0.0            | 0.3            | 14.0           | 23.4           | 33.7           | 41.4           | 55.1           | 57.7           | 0.0          | 0.0          | 3.4          | 0.0          | 3.5            | 7.2            | 9.7            | 9.7            | 11.8           | 38.4           | 0.0          | 0.0          | 0.0          | 8.6            | 11.0           | 11.3           |
| China               | 14.6           | 1.4            | 9.9            | 1.5            | 0.6            | 1.6            | 48.3           | 82.0           | 115.3          | 138.6          | 245.6          | 315.6          | 0.0          | 0.3          | 1.6          | 1.3          | 3.2            | 62.9           | 67.6           | 67.5           | 91.4           | 289.4          | 18.4         | 15.5         | 22.4         | 65.6           | 66.3           | 69.9           |
| Danmark             | 3.3            | 2.3            | 2.8            | 1.6            | 3.7            | 13.8           | 11.3           | 14.8           | 14.3           | 16.9           | 19.5           | 22.5           | 0.4          | 0.5          | 0.5          | 0.9          | 2.2            | 4.8            | 4.7            | 4.7            | 5.2            | 19.5           | 0.8          | 0.8          | 1.0          | 4.5            | 5.9            | 5.0            |
| Japan               | 5.8            | 2.7            | 8.4            | 1.2            | 0.7            | 1.3            | 19.3           | 24.4           | 22.8           | 26.9           | 41.2           | 58.1           | 0.1          | 0.2          | 2.9          | 0.1          | 3.2            | 17.0           | 12.6           | 9.1            | 15.6           | 54.4           | 0.0          | 0.3          | 0.1          | 8.5            | 10.8           | 11.9           |
| Canada              | 0.5            | 1.1            | 1.1            | 1.0            | 1.8            | 1.3            | 4.0            | 8.6            | 22.3           | 35.5           | 15.8           | 17.4           | 0.3          | 0.2          | 0.3          | 0.6          | 1.4            | 4.1            | 6.2            | 4.7            | 8.3            | 23.2           | 0.4          | 0.4          | 0.4          | 4.4            | 3.3            | 3.5            |
| Belarus             | 0.1            | 0.2            | 0.5            | 0.9            | 2.6            | 3.1            | 0.6            | 0.2            | 0.2            | 0.2            | 0.4            | 1.5            | 0.1          | 0.3          | 0.2          | 0.1          | 0.7            | 0.1            | 0.1            | 0.3            | 0.5            | 1.1            | 0.2          | 1.7          | 0.9          | 0.1            | 0.2            | 0.2            |
| Hong Kong           | 0.2            | 0.1            | 0.1            | 0.2            | 0.0            | 0.1            | 2.4            | 3.0            | 2.6            | 1.7            | 13.9           | 16.1           | 0.0          | 0.2          | 0.1          | 0.1          | 0.4            | 0.5            | 0.4            | 0.5            | 1.1            | 2.5            | 0.1          | 0.2          | 0.2          | 0.7            | 0.9            | 0.5            |
| Lihtenstien         | 0.0            | 0.3            | 0.3            | 0.1            | 0.0            | 0.0            | 0.7            | 0.4            | 0.6            | 0.2            | 0.3            | 0.2            | 0.0          | 0.0          | 0.0          | 0.0          | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.1            | 0.0          | 0.0          | 0.0          | 0.0            | 0.0            | 0.0            |
| Argentina           | 0.0            | 0.3            | 1.6            | 0.0            | 0.0            | 0.0            | 5.6            | 9.9            | 8.7            | 10.1           | 13.4           | 14.8           | 0.0          | 0.0          | 0.0          | 0.0          | 0.0            | 2.7            | 2.6            | 3.5            | 6.1            | 15.0           | 0.0          | 0.0          | 0.0          | 4.0            | 3.3            | 3.5            |
| Bolivia             | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 3.8            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0          | 0.0          | 0.0          | 0.0          | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0          | 0.0          | 0.0          | 0.0            | 0.0            | 0.0            |
| Brazil              | 0.0            | 0.0            | 0.9            | 0.0            | 0.1            | 0.0            | 23.3           | 41.1           | 37.7           | 38.2           | 75.4           | 121.7          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0            | 15.8           | 12.8           | 20.4           | 13.8           | 62.9           | 0.0          | 0.0          | 0.9          | 15.7           | 16.4           | 13.7           |

Source: State Statistical Office of the Republic of Macedonia



Table 26  
Stock of foreign direct investment in Republic of Macedonia by country /1  
in EUR Million

| Country                          | 1997          |               | 1998          |               | 1999          |               | 2000          |               | 2001            |               | 2002            |               |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|-----------------|---------------|
|                                  | Value         | Share (%)     | Value         | Share (%)     | Value         | Share (%)     | Value         | Share (%)     | Value           | Share (%)     | Value           | Share (%)     |
| AFghanistan                      | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.01          | 0.00          | 0.01            | 0.00          | 0.01            | 0.00          |
| Albania                          | 0.03          | 0.02          | 0.01          | 0.01          | 0.03          | 0.01          | 0.11          | 0.02          | 0.60            | 0.06          | 2.06            | 0.18          |
| Australia                        | -0.08         | -0.06         | 0.15          | 0.06          | 0.29          | 0.08          | 0.33          | 0.06          | 0.44            | 0.04          | 1.82            | 0.16          |
| Austria                          | 17.56         | 12.43         | 30.15         | 11.15         | 39.47         | 10.97         | 32.99         | 5.69          | 36.78           | 3.54          | 37.69           | 3.25          |
| Barbados                         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Belgium                          | 0.07          | 0.05          | 0.08          | 0.03          | 0.04          | 0.01          | 0.07          | 0.01          | 0.42            | 0.04          | 0.50            | 0.04          |
| Bermudas                         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Bosnia and Herzegovina           | 1.57          | 1.11          | 2.94          | 1.09          | 2.81          | 0.78          | 2.72          | 0.47          | 2.40            | 0.23          | 2.42            | 0.21          |
| Belize                           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| British Virgin Islands           | 0.07          | 0.05          | 0.15          | 0.05          | 0.49          | 0.14          | 1.41          | 0.24          | 3.86            | 0.37          | 7.00            | 0.60          |
| Bulgaria                         | 2.58          | 1.83          | 3.35          | 1.24          | 2.90          | 0.81          | 3.55          | 0.61          | 6.57            | 0.63          | 11.68           | 1.01          |
| Byelorussia                      | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Canada                           | 0.01          | 0.01          | 0.01          | 0.00          | 0.05          | 0.01          | 0.28          | 0.05          | 0.08            | 0.01          | 0.10            | 0.01          |
| Cayman Islands                   | 0.07          | 0.05          | 0.06          | 0.02          | 0.10          | 0.03          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Central African Republic         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Sri Lanka                        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| China                            | 0.01          | 0.00          | 0.01          | 0.00          | 0.02          | 0.01          | 0.04          | 0.01          | 0.04            | 0.00          | 0.06            | 0.01          |
| Taiwan                           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 2.77          | 0.48          | 4.21            | 0.41          | 3.48            | 0.30          |
| Cyprus                           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Costa Rica                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Croatia                          | 5.77          | 4.09          | 6.40          | 2.37          | 7.58          | 2.10          | 8.18          | 1.41          | 10.33           | 0.99          | 12.33           | 1.06          |
| Cyprus                           | 1.18          | 0.83          | 77.11         | 28.52         | 92.76         | 25.77         | 117.87        | 20.32         | 138.70          | 13.35         | 141.58          | 12.20         |
| Czech Republic                   | 0.01          | 0.01          | 0.07          | 0.02          | 0.10          | 0.03          | 0.13          | 0.02          | 0.14            | 0.01          | 0.18            | 0.02          |
| Denmark                          | 0.02          | 0.01          | 0.02          | 0.01          | 0.02          | 0.01          | 0.09          | 0.02          | 0.10            | 0.01          | 0.10            | 0.01          |
| Dominican Republic               | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Estonia                          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| France                           | 0.23          | 0.16          | 0.35          | 0.13          | 0.42          | 0.12          | 7.99          | 1.38          | 5.89            | 0.57          | 10.75           | 0.93          |
| Germany                          | 9.33          | 6.61          | 14.12         | 5.22          | 15.92         | 4.42          | 50.18         | 8.65          | 54.57           | 5.25          | 52.47           | 4.52          |
| Gibraltar                        | 0.31          | 0.22          | 0.40          | 0.15          | 0.49          | 0.14          | 0.88          | 0.15          | 0.78            | 0.08          | 1.01            | 0.09          |
| Greece                           | 9.74          | 6.89          | 12.77         | 4.72          | 20.48         | 5.69          | 105.28        | 18.15         | 174.21          | 16.76         | 213.02          | 18.35         |
| Hong Kong                        | 0.00          | 0.00          | 0.00          | 0.00          | 0.29          | 0.08          | 0.32          | 0.06          | 0.00            | 0.00          | 0.00            | 0.00          |
| Hungary                          | 0.02          | 0.01          | 0.02          | 0.01          | 0.02          | 0.00          | 0.01          | 0.00          | 300.58          | 28.93         | 300.10          | 25.86         |
| Iceland                          | 0.89          | 0.63          | 0.12          | 0.04          | 0.06          | 0.02          | 0.05          | 0.01          | 0.04            | 0.00          | 0.00            | 0.00          |
| Iran                             | 0.08          | 0.06          | 0.09          | 0.03          | 0.10          | 0.03          | 0.03          | 0.01          | 0.05            | 0.01          | 0.01            | 0.00          |
| Iran                             | 0.00          | 0.00          | 0.01          | 0.00          | 0.00          | 0.00          | 0.01          | 0.00          | 0.04            | 0.00          | 0.04            | 0.00          |
| Ireland                          | 0.00          | 0.00          | -0.05         | -0.02         | -0.06         | -0.02         | 0.13          | 0.02          | 0.65            | 0.06          | 0.00            | 0.00          |
| Israel                           | 0.00          | 0.00          | 0.15          | 0.06          | 0.10          | 0.03          | 0.11          | 0.02          | 0.00            | 0.00          | 0.00            | 0.00          |
| Italy                            | 9.87          | 6.99          | 10.96         | 4.05          | 11.44         | 3.18          | 11.41         | 1.97          | 13.88           | 1.34          | 16.50           | 1.42          |
| Japan                            | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.01          | 0.00          | 0.01            | 0.00          | 0.00            | 0.00          |
| Johanson Island                  | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Jordan                           | 0.03          | 0.02          | 0.04          | 0.01          | 0.05          | 0.01          | 0.06          | 0.01          | 0.02            | 0.00          | 0.02            | 0.00          |
| Lebanon                          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Liechtenstein                    | 0.18          | 0.12          | 3.77          | 1.40          | 10.24         | 2.85          | 4.76          | 0.82          | 6.49            | 0.62          | 4.07            | 0.35          |
| Luxembourg                       | 0.20          | 0.14          | 1.80          | 0.66          | 1.88          | 0.52          | 2.28          | 0.39          | 2.33            | 0.22          | 2.30            | 0.20          |
| Malta                            | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.01            | 0.00          | 0.03            | 0.00          |
| Mauritius                        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Mexico                           | 0.00          | 0.00          | -0.91         | -0.34         | 0.15          | 0.04          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Moldova                          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Montenegro                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Netherlands                      | 1.43          | 1.01          | 4.63          | 1.71          | 10.23         | 2.84          | 14.70         | 2.53          | 15.59           | 1.50          | 61.06           | 5.26          |
| Netherlands Antilles             | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Nigeria                          | 0.02          | 0.01          | 0.02          | 0.01          | 0.01          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Norway                           | 0.00          | 0.00          | 0.00          | 0.00          | 0.02          | 0.01          | 0.02          | 0.00          | 0.07            | 0.01          | 0.05            | 0.00          |
| Marshall Island                  | 1.25          | 0.89          | 0.65          | 0.24          | 0.67          | 0.19          | 0.11          | 0.02          | 0.21            | 0.02          | 0.19            | 0.02          |
| Pakistan                         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | -0.01           | 0.00          | -0.01           | 0.00          |
| Panama                           | 2.00          | 1.42          | 2.91          | 1.08          | 3.10          | 0.86          | 3.52          | 0.61          | 12.93           | 1.24          | 13.30           | 1.15          |
| Poland                           | 0.00          | 0.00          | 0.00          | 0.00          | 0.09          | 0.02          | 0.04          | 0.01          | 0.00            | 0.00          | 0.02            | 0.00          |
| Portugal                         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Romania                          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.12          | 0.02          | 0.14            | 0.01          | 0.33            | 0.03          |
| Russia                           | 3.52          | 2.50          | 5.47          | 2.02          | 2.51          | 0.70          | 0.01          | 0.00          | 0.01            | 0.00          | 1.29            | 0.11          |
| St Kitts and Nevis               | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Saint Vincent and the Grenadines | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| San Marino                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.79            | 0.07          |
| Saudi Arabia                     | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Serbia                           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Seychelles                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.05          | 0.01          | 0.06            | 0.01          | 0.09            | 0.01          |
| Singapore                        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Slovakia                         | 0.06          | 0.04          | 0.06          | 0.02          | 0.07          | 0.02          | 0.08          | 0.01          | 0.02            | 0.00          | 0.02            | 0.00          |
| Slovenia                         | 16.41         | 11.62         | 21.18         | 7.84          | 43.70         | 12.14         | 56.16         | 9.68          | 58.83           | 5.66          | 66.41           | 5.72          |
| South Africa                     | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Spain                            | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | -0.01         | 0.00          | 0.03            | 0.00          | 0.02            | 0.00          |
| Sweden                           | 1.40          | 0.99          | 1.63          | 0.60          | 1.72          | 0.48          | 2.21          | 0.38          | 1.10            | 0.11          | 2.34            | 0.20          |
| Switzerland                      | 32.14         | 22.76         | 40.85         | 15.11         | 45.83         | 12.73         | 61.48         | 10.60         | 79.20           | 7.62          | 85.15           | 7.34          |
| Syria                            | 0.01          | 0.01          | 0.01          | 0.00          | 0.01          | 0.00          | 0.01          | 0.00          | 0.09            | 0.01          | 0.18            | 0.02          |
| United Arab Emirates             | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.01          | 0.00          | 0.04            | 0.00          | 0.04            | 0.00          |
| Turkey                           | 0.70          | 0.50          | 1.15          | 0.42          | 14.24         | 3.96          | 16.12         | 2.78          | 16.23           | 1.56          | 17.98           | 1.55          |
| Ukraine                          | 0.01          | 0.01          | 0.01          | 0.00          | 0.01          | 0.00          | 0.01          | 0.00          | 0.01            | 0.00          | 0.01            | 0.00          |
| Great Britain                    | 5.27          | 3.73          | 5.85          | 2.17          | 4.19          | 1.16          | 39.51         | 6.81          | 26.61           | 2.56          | 21.94           | 1.89          |
| Irsev                            | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| United States of America         | 1.40          | 0.99          | 2.37          | 0.88          | 4.14          | 1.15          | 12.54         | 2.16          | 33.96           | 3.27          | 41.27           | 3.56          |
| Virgin Islands of the USA        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.17            | 0.02          | 0.22            | 0.02          |
| Uzbekistan                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          |
| Serbia and Montenegro            | 15.86         | 11.23         | 19.43         | 7.19          | 21.12         | 5.87          | 19.28         | 3.32          | 29.65           | 2.85          | 26.68           | 2.30          |
| Other                            | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.01            | 0.00          |
| <b>TOTAL</b>                     | <b>141.22</b> | <b>100.00</b> | <b>270.37</b> | <b>100.00</b> | <b>359.90</b> | <b>100.00</b> | <b>580.05</b> | <b>100.00</b> | <b>1,039.15</b> | <b>100.00</b> | <b>1,160.71</b> | <b>100.00</b> |

Source: National Bank of the Republic of Macedonia





Table 27  
Stock of foreign direct investment in Republic of Macedonia by activity /1  
in EUR Million

| FDI in Republic of Macedonia            | 1997          |               | 1998          |               | 1999          |               | 2000          |               | 2001            |               | 2002            |               | 2003            |               | 2004            |               | 2005            |               | 2006            |               | 2007            |               | 2008            |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|   | Value         | Share %       | Value         | Share %       | Value         | Share %       | Value         | Share %       | Value           | Share %       | Value           | Share %       | Value           | Share %       | Value           | Share %       | Value           | Share %       | Value           | Share %       | Value           | Share %       | Value           | Share %       |
| AGRICULTURE, HUNTING AND FISHING        | 1.05          | 0.75          | 0.60          | 0.22          | 0.90          | 0.25          | 0.78          | 0.13          | 2.67            | 0.26          | 3.73            | 0.32          | 9.81            | 0.76          | 23.09           | 1.43          | 22.98           | 1.30          | 23.11           | 1.10          | 27.00           | 1.06          | 30.86           | 1.04          |
| MINING AND QUARRYING                    | 0.27          | 0.19          | 0.42          | 0.15          | 0.68          | 0.19          | 9.89          | 1.71          | 13.60           | 1.31          | 16.94           | 1.46          | 15.53           | 1.20          | 22.37           | 1.39          | 39.27           | 2.22          | 45.30           | 2.16          | 50.74           | 1.99          | 168.52          | 5.68          |
| MANUFACTURING                           | 67.45         | 47.76         | 165.33        | 61.15         | 222.08        | 61.70         | 294.83        | 50.83         | 396.21          | 38.13         | 457.70          | 39.43         | 490.36          | 37.95         | 664.92          | 41.29         | 775.32          | 43.83         | 801.86          | 38.21         | 907.35          | 35.65         | 886.28          | 29.85         |
| ELECTRICITY, GAS AND WATER CONSTRUCTION | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00            | 0.00          | 0.00            | 0.00          | 0.74            | 0.06          | 5.17            | 0.32          | 6.21            | 0.35          | 157.08          | 7.49          | 161.70          | 6.35          | 164.33          | 5.54          |
| CONSTRUCTION                            | 0.58          | 0.41          | 0.83          | 0.31          | 5.63          | 1.56          | 32.94         | 5.68          | 47.04           | 4.53          | 56.06           | 4.83          | 65.91           | 5.10          | 64.49           | 4.01          | 61.08           | 3.45          | 70.48           | 3.36          | 87.05           | 3.42          | 117.25          | 3.95          |
| TOTAL SERVICES                          | 68.31         | 48.37         | 98.12         | 36.29         | 124.93        | 34.71         | 236.89        | 40.84         | 574.38          | 55.27         | 619.61          | 53.38         | 702.51          | 54.37         | 822.03          | 51.05         | 854.22          | 48.29         | 984.55          | 46.92         | 1,302.69        | 51.18         | 1,601.52        | 53.95         |
| NOT ALLOCATED                           | 3.56          | 2.52          | 5.07          | 1.87          | 5.70          | 1.58          | 4.73          | 0.82          | 5.25            | 0.51          | 6.66            | 0.57          | 7.26            | 0.56          | 8.15            | 0.51          | 9.89            | 0.56          | 16.19           | 0.77          | 9.10            | 0.36          | 0.00            | 0.00          |
| <b>SUB - TOTAL</b>                      | <b>141.22</b> |               | <b>270.37</b> |               | <b>359.90</b> |               | <b>580.05</b> |               | <b>1,039.15</b> |               | <b>1,160.71</b> |               | <b>1,292.14</b> |               | <b>1,610.22</b> |               | <b>1,768.97</b> |               | <b>2,098.57</b> |               | <b>2,545.17</b> |               | <b>2,968.75</b> |               |
| <b>TOTAL</b>                            | <b>141.22</b> | <b>100.00</b> | <b>270.37</b> | <b>100.00</b> | <b>359.90</b> | <b>100.00</b> | <b>580.05</b> | <b>100.00</b> | <b>1,039.15</b> | <b>100.00</b> | <b>1,160.71</b> | <b>100.00</b> | <b>1,292.14</b> | <b>100.00</b> | <b>1,610.22</b> | <b>100.00</b> | <b>1,768.97</b> | <b>100.00</b> | <b>2,098.57</b> | <b>100.00</b> | <b>2,545.17</b> | <b>100.00</b> | <b>2,968.75</b> | <b>100.00</b> |

1/ Preliminary data

Source: National Bank of the Republic of Macedonia



Table 28  
International investment position of the Republic of Macedonia, as of the end of the period  
in USD Million

|   | 2003      | 2004      | 2005      | 2006      | 2007      | 2008      | 2009      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>International Investment Position, net</b> | -1,999.02 | -2,511.57 | -2,348.53 | -2,485.90 | -3,528.98 | -4,605.49 | -5,181.77 |
| <b>Assets</b>                                 | 1,868.50  | 2,161.76  | 2,455.64  | 3,255.25  | 3,946.33  | 3,463.54  | 3,737.29  |
| Direct investment abroad                      | 41.97     | 54.21     | 62.05     | 38.39     | 67.58     | 85.81     | 95.65     |
| Equity capital and reinvested earnings        | 35.71     | 43.91     | 43.59     | 36.38     | 51.57     | 69.00     | 71.12     |
| Claims on affiliated enterprises              | 35.71     | 43.91     | 43.59     | 36.38     | 51.57     | 69.00     | 71.12     |
| Liabilities to affiliated enterprises (-)     |           |           |           |           |           |           |           |
| Other capital                                 | 6.25      | 10.30     | 18.46     | 2.02      | 16.01     | 16.82     | 24.53     |
| Claims on affiliated enterprises              | 10.77     | 15.34     | 25.16     | 19.35     | 24.98     | 27.25     | 35.27     |
| Liabilities to affiliated enterprises (-)     | -4.51     | -5.04     | -6.70     | -17.33    | -8.98     | -10.43    | -10.74    |
| Portfolio investment                          | 3.78      | 4.10      | 3.62      | 4.18      | 4.43      | 3.07      | 6.25      |
| Equity securities                             | 3.78      | 4.10      | 3.62      | 4.18      | 4.43      | 3.07      | 6.25      |
| Monetary authorities                          |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Banks   | 3.02      | 3.28      | 2.92      | 3.42      | 3.62      | 2.07      | 2.22      |
| Other sectors                                 | 0.76      | 0.82      | 0.71      | 0.76      | 0.81      | 1.00      | 4.02      |
| Debt securities                               |           |           |           |           |           |           |           |
| Bonds and notes                               |           |           |           |           |           |           |           |
| Monetary authorities                          |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Banks   |           |           |           |           |           |           |           |
| Other sectors                                 |           |           |           |           |           |           |           |
| Money-market instruments                      |           |           |           |           |           |           |           |
| Monetary authorities                          |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Banks   |           |           |           |           |           |           |           |
| Other sectors                                 |           |           |           |           |           |           |           |
| Financial derivatives                         |           |           |           |           |           |           |           |
| Monetary authorities                          |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Banks   |           |           |           |           |           |           |           |
| Other sectors                                 |           |           |           |           |           |           |           |
| Other investment                              | 929.33    | 1,128.13  | 1,065.26  | 1,346.93  | 1,634.73  | 1,267.09  | 1,344.88  |
| Trade credits                                 | 194.28    | 266.80    | 298.67    | 441.83    | 652.74    | 674.04    | 586.10    |
| General government                            |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| Other sectors                                 | 194.28    | 266.80    | 298.67    | 441.83    | 652.74    | 674.04    | 586.10    |
| Long-term                                     | 0.37      |           | 0.46      | 0.87      | 1.13      | 1.37      | 0.84      |
| Short-term                                    | 193.91    | 266.80    | 298.22    | 440.96    | 651.61    | 672.67    | 585.26    |
| Loans   | 25.51     | 2.81      | 4.47      | 2.28      | 3.85      | 8.53      | 31.49     |
| Monetary authorities                          |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| Banks   | 24.00     | 1.14      | 4.11      | 1.95      | 1.08      | 1.48      | 23.39     |
| Long-term                                     | 15.19     | 1.14      | 1.55      | 1.44      | 1.08      | 1.47      | 7.42      |
| Short-term                                    | 8.81      |           | 2.56      | 0.51      |           | 0.01      | 15.98     |
| Other sectors                                 | 1.51      | 1.67      | 0.36      | 0.33      | 2.77      | 7.05      | 8.10      |
| Long-term                                     |           | 1.67      | 0.12      | 0.33      | 2.31      | 5.81      | 7.73      |
| Short-term                                    | 1.51      |           | 0.24      |           | 0.46      | 1.24      | 0.37      |
| Currency and deposits                         | 706.40    | 827.72    | 733.33    | 868.67    | 936.98    | 541.08    | 679.27    |
| Monetary authorities                          | 41.44     | 16.19     | 15.54     | 23.61     | 25.25     | 1.59      | 1.38      |
| General government                            |           |           |           |           |           |           |           |
| Banks   | 664.59    | 811.53    | 717.79    | 844.79    | 911.15    | 539.16    | 677.86    |
| Other sectors                                 | 0.38      |           |           | 0.27      | 0.58      | 0.32      | 0.03      |
| Other assets                                  | 3.14      | 30.80     | 28.78     | 34.15     | 41.16     | 43.44     | 48.02     |
| Monetary authorities                          |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| Banks   |           | 30.21     | 28.23     | 33.35     | 39.88     | 10.09     | 11.07     |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    | 0.00      | 30.21     | 28.23     | 33.35     | 39.88     | 10.09     | 11.07     |
| Other sectors                                 | 3.14      | 0.59      | 0.55      | 0.79      | 1.28      | 33.34     | 36.95     |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    | 3.14      | 0.59      | 0.55      | 0.79      | 1.28      | 33.34     | 36.95     |
| Reserve assets                                | 893.42    | 975.32    | 1,324.71  | 1,865.75  | 2,239.59  | 2,107.57  | 2,290.51  |
| Monetary gold                                 | 37.08     | 86.47     | 111.98    | 138.76    | 182.59    | 188.81    | 240.98    |
| Special drawing rights                        | 0.39      | 0.83      | 0.78      | 2.98      | 1.45      | 1.37      | 91.06     |
| Reserve position in the Fund                  |           |           |           |           |           |           |           |
| Foreign exchange                              | 855.95    | 888.02    | 1,211.95  | 1,724.01  | 2,055.55  | 1,917.38  | 1,958.47  |
| Currency and deposits                         | 768.61    | 863.28    | 1,177.39  | 1,514.40  | 1,322.23  | 345.05    | 665.53    |
| With monetary authorities                     | 705.98    | 685.16    | 1,073.79  | 913.94    | 1,064.78  | 129.90    | 665.53    |
| With banks                                    | 62.63     | 178.12    | 103.60    | 600.46    | 257.45    | 215.15    |           |
| Securities                                    | 87.34     | 24.74     | 34.56     | 209.61    | 733.32    | 1,572.34  | 1,292.94  |
| Equities                                      |           |           |           |           |           |           |           |
| Bonds and notes                               | 87.34     | 24.74     | 34.56     | 209.61    | 733.32    | 1,572.34  | 1,292.94  |
| Money-market instruments                      |           |           |           |           |           |           |           |
| Financial derivatives ,net                    |           |           |           |           |           |           |           |
| Other claims                                  |           |           |           |           |           |           |           |

Source: National Bank of the Republic of Macedonia


 International investment position of the Republic of Macedonia, as of the end of the period  
 in USD Million

|  | 2003     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     |
|--|----------|----------|----------|----------|----------|----------|----------|
| <b>Liabilities</b>                       | 3,867.52 | 4,673.33 | 4,804.17 | 5,741.15 | 7,475.31 | 8,069.03 | 8,919.06 |
| Direct investment in reporting economy   | 1,614.65 | 2,190.55 | 2,086.86 | 2,763.82 | 3,739.36 | 4,185.34 | 4,504.11 |
| Equity capital and reinvested earnings   | 1,477.00 | 1,858.46 | 1,863.48 | 2,454.03 | 3,271.35 | 3,393.98 | 3,557.64 |
| Claims on direct investors (-)           |          |          |          |          |          |          |          |
| Liabilities to direct investors          | 1,477.00 | 1,858.46 | 1,863.48 | 2,454.03 | 3,271.35 | 3,393.98 | 3,557.64 |
| Other capital                            | 137.65   | 332.09   | 223.38   | 309.79   | 468.01   | 791.36   | 946.47   |
| Claims on direct investors (-)           | -59.96   | -49.93   | -87.93   | -106.56  | -155.90  | -160.66  | -243.69  |
| Liabilities to direct investors          | 197.61   | 382.02   | 311.31   | 416.35   | 623.91   | 952.02   | 1,190.15 |
| Portfolio investment                     | 107.24   | 71.62    | 273.93   | 364.73   | 445.25   | 373.49   | 590.69   |
| Equity securities                        | 80.48    | 39.99    | 52.77    | 114.01   | 194.77   | 187.93   | 195.57   |
| Banks                                    | 12.60    | 19.06    | 29.53    | 106.21   | 90.88    | 99.69    | 107.12   |
| Other sectors                            | 67.88    | 20.94    | 23.25    | 7.79     | 103.89   | 88.24    | 88.45    |
| Debt securities                          | 26.76    | 31.63    | 221.15   | 250.73   | 250.48   | 185.55   | 395.11   |
| Bonds and notes                          | 26.76    | 31.63    | 221.15   | 250.73   | 250.48   | 185.55   | 395.11   |
| Monetary authorities                     |          |          |          |          |          |          |          |
| General government                       | 26.76    | 31.63    | 221.15   | 250.73   | 250.48   | 185.55   | 395.11   |
| Banks                                    |          |          |          |          |          |          |          |
| Other sectors                            |          |          |          |          |          |          |          |
| Money-market instruments                 |          |          |          |          |          |          |          |
| Monetary authorities                     |          |          |          |          |          |          |          |
| General government                       |          |          |          |          |          |          |          |
| Banks                                    |          |          |          |          |          |          |          |
| Other sectors                            |          |          |          |          |          |          |          |
| Financial derivatives                    |          |          |          |          |          |          |          |
| Monetary authorities                     |          |          |          |          |          |          |          |
| General government                       |          |          |          |          |          |          |          |
| Banks                                    |          |          |          |          |          |          |          |
| Other sectors                            |          |          |          |          |          |          |          |
| Other investment                         | 2,145.63 | 2,411.16 | 2,443.39 | 2,612.59 | 3,290.70 | 3,510.20 | 3,824.26 |
| Trade credits                            | 398.16   | 469.80   | 441.08   | 486.21   | 854.50   | 914.41   | 914.57   |
| General government                       |          |          |          |          |          | 4.92     | 3.53     |
| Long-term                                |          |          |          |          |          | 4.92     | 3.53     |
| Short-term                               |          |          |          |          |          |          |          |
| Other sectors                            | 398.16   | 469.80   | 441.08   | 486.21   | 854.50   | 909.49   | 911.04   |
| Long-term                                | 61.76    | 30.96    | 13.02    | 25.80    | 21.36    | 33.23    | 27.49    |
| Short-term                               | 336.40   | 438.84   | 428.06   | 460.41   | 833.14   | 876.26   | 883.55   |
| Loans                                    | 1,657.16 | 1,788.12 | 1,820.15 | 1,853.31 | 1,991.89 | 2,180.86 | 2,338.13 |
| Monetary authorities                     | 68.35    | 62.54    | 62.13    | 55.83    |          |          |          |
| Use of Fund credit & loans from the Fund | 68.35    | 62.54    | 62.13    | 55.83    |          |          |          |
| Other long-term                          |          |          |          |          |          |          |          |
| Short-term                               |          |          |          |          |          |          |          |
| General government                       | 1,256.52 | 1,351.15 | 1,292.19 | 1,152.62 | 1,068.43 | 1,087.27 | 1,114.92 |
| Long-term                                | 1,256.52 | 1,351.15 | 1,292.19 | 1,152.62 | 1,068.43 | 1,087.27 | 1,114.92 |
| Short-term                               |          |          |          |          |          |          |          |
| Banks                                    | 90.92    | 85.47    | 127.06   | 192.69   | 317.80   | 283.57   | 372.93   |
| Long-term                                | 80.03    | 75.90    | 125.52   | 192.69   | 293.56   | 283.57   | 315.58   |
| Short-term                               | 10.89    | 9.57     | 1.53     |          | 24.24    |          | 57.35    |
| Other sectors                            | 241.37   | 288.96   | 338.78   | 452.17   | 605.66   | 810.03   | 850.27   |
| Long-term                                | 219.85   | 282.46   | 276.21   | 436.82   | 547.89   | 789.01   | 839.39   |
| Short-term                               | 21.52    | 6.50     | 62.56    | 15.35    | 57.77    | 21.02    | 10.88    |
| Currency and deposits                    | 68.95    | 70.55    | 86.89    | 148.60   | 238.27   | 245.36   | 284.98   |
| Monetary authorities                     |          |          |          |          |          |          |          |
| General government                       |          |          |          |          |          |          |          |
| Banks                                    | 68.95    | 70.55    | 86.89    | 148.60   | 238.27   | 245.36   | 284.98   |
| Other sectors                            |          |          |          |          |          |          |          |
| Other liabilities                        | 21.36    | 82.70    | 95.26    | 124.47   | 206.04   | 169.57   | 286.59   |
| Monetary authorities                     |          | 13.01    | 11.97    | 12.64    | 13.24    | 12.90    | 102.87   |
| Long-term                                |          | 13.01    | 11.97    | 12.64    | 13.24    | 12.90    | 102.87   |
| SDR Allocation                           |          | 13.01    | 11.97    | 12.64    | 13.24    | 12.90    | 102.87   |
| Short-term                               |          |          |          |          |          |          |          |
| General government                       |          |          |          |          |          |          | 0.30     |
| Long-term                                |          |          |          |          |          |          |          |
| Short-term                               |          |          |          |          |          |          | 0.30     |
| Banks                                    |          | 11.66    | 12.57    | 14.15    | 13.76    | 12.55    | 13.42    |
| Long-term                                |          |          |          |          |          |          |          |
| Short-term                               |          | 11.66    | 12.57    | 14.15    | 13.76    | 12.55    | 13.42    |
| Other sectors                            | 21.36    | 58.03    | 70.72    | 97.68    | 179.04   | 144.12   | 170.01   |
| Long-term                                |          |          |          |          | 0.53     | 0.51     | 0.52     |
| Short-term                               | 21.36    | 58.03    | 70.72    | 97.68    | 178.51   | 143.62   | 169.49   |

Source: National Bank of the Republic of Macedonia



Table 29  
International investment position of the Republic of Macedonia, as of the end of the period  
in EUR Million

|   | 2003      | 2004      | 2005      | 2006      | 2007      | 2008      | 2009      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>International Investment Position, net</b> | -1,599.73 | -1,846.20 | -1,990.79 | -1,887.55 | -2,401.97 | -3,266.77 | -3,614.01 |
| <b>Assets</b>                                 | 1,495.28  | 1,589.06  | 2,081.58  | 2,471.72  | 2,686.04  | 2,456.76  | 2,606.56  |
| Direct investment abroad                      | 33.58     | 39.85     | 52.60     | 29.15     | 46.00     | 60.87     | 66.71     |
| Equity capital and reinvested earnings        | 28.58     | 32.28     | 36.95     | 27.62     | 35.10     | 48.94     | 49.60     |
| Claims on affiliated enterprises              | 28.58     | 32.28     | 36.95     | 27.62     | 35.10     | 48.94     | 49.60     |
| Liabilities to affiliated enterprises (-)     |           |           |           |           |           |           |           |
| Other capital                                 | 5.00      | 7.57      | 15.65     | 1.53      | 10.90     | 11.93     | 17.11     |
| Claims on affiliated enterprises              | 8.62      | 11.28     | 21.33     | 14.69     | 17.00     | 19.33     | 24.60     |
| Liabilities to affiliated enterprises (-)     | -3.61     | -3.70     | -5.68     | -13.16    | -6.11     | -7.40     | -7.49     |
| Portfolio investment                          | 3.02      | 3.02      | 3.07      | 3.17      | 3.02      | 2.18      | 4.36      |
| Equity securities                             | 3.02      | 3.02      | 3.07      | 3.17      | 3.02      | 2.18      | 4.36      |
| Monetary authorities                          |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Banks   | 2.42      | 2.41      | 2.47      | 2.59      | 2.46      | 1.47      | 1.55      |
| Other sectors                                 | 0.61      | 0.60      | 0.60      | 0.58      | 0.55      | 0.71      | 2.81      |
| Debt securities                               |           |           |           |           |           |           |           |
| Bonds and notes                               |           |           |           |           |           |           |           |
| Monetary authorities                          |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Banks   |           |           |           |           |           |           |           |
| Other sectors                                 |           |           |           |           |           |           |           |
| Money-market instruments                      |           |           |           |           |           |           |           |
| Monetary authorities                          |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Banks   |           |           |           |           |           |           |           |
| Other sectors                                 |           |           |           |           |           |           |           |
| Financial derivatives                         |           |           |           |           |           |           |           |
| Monetary authorities                          |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Banks   |           |           |           |           |           |           |           |
| Other sectors                                 |           |           |           |           |           |           |           |
| Other investment                              | 743.70    | 829.26    | 902.99    | 1,022.72  | 1,112.67  | 898.77    | 937.99    |
| Trade credits                                 | 155.47    | 196.12    | 253.18    | 335.48    | 444.28    | 478.11    | 408.77    |
| General government                            |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| Other sectors                                 | 155.47    | 196.12    | 253.18    | 335.48    | 444.28    | 478.11    | 408.77    |
| Long-term                                     | 0.30      | 0.00      | 0.39      | 0.66      | 0.77      | 0.97      | 0.58      |
| Short-term                                    | 155.18    | 196.12    | 252.79    | 334.82    | 443.51    | 477.14    | 408.19    |
| Loans   | 20.41     | 2.07      | 3.79      | 1.73      | 2.62      | 6.05      | 21.97     |
| Monetary authorities                          |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| Banks   | 19.21     | 0.84      | 3.48      | 1.48      | 0.74      | 1.05      | 16.32     |
| Long-term                                     | 12.16     | 0.84      | 1.31      | 1.09      | 0.74      | 1.04      | 5.17      |
| Short-term                                    | 7.05      |           | 2.17      | 0.39      |           | 0.01      | 11.14     |
| Other sectors                                 | 1.21      | 1.23      | 0.31      | 0.25      | 1.89      | 5.00      | 5.65      |
| Long-term                                     | 0.00      | 1.23      | 0.10      | 0.25      | 1.57      | 4.12      | 5.39      |
| Short-term                                    | 1.21      |           | 0.20      |           | 0.31      | 0.88      | 0.26      |
| Currency and deposits                         | 565.30    | 608.44    | 621.63    | 659.58    | 637.75    | 383.80    | 473.76    |
| Monetary authorities                          | 33.16     | 11.90     | 13.17     | 17.93     | 17.19     | 1.13      | 0.96      |
| General government                            |           |           |           |           |           |           |           |
| Banks   | 531.84    | 596.54    | 608.45    | 641.45    | 620.17    | 382.44    | 472.78    |
| Other sectors                                 | 0.30      |           |           | 0.21      | 0.39      | 0.23      | 0.02      |
| Other assets                                  | 2.51      | 22.64     | 24.40     | 25.93     | 28.02     | 30.81     | 33.49     |
| Monetary authorities                          |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| General government                            |           |           |           |           |           |           |           |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           |           |           |           |           |           |           |
| Banks   |           | 22.21     | 23.93     | 25.33     | 27.14     | 7.16      | 7.72      |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    |           | 22.21     | 23.93     | 25.33     | 27.14     | 7.16      | 7.72      |
| Other sectors                                 | 2.51      | 0.43      | 0.46      | 0.60      | 0.87      | 23.65     | 25.77     |
| Long-term                                     |           |           |           |           |           |           |           |
| Short-term                                    | 2.51      | 0.43      | 0.46      | 0.60      | 0.87      | 23.65     | 25.77     |
| Reserve assets                                | 714.97    | 716.94    | 1,122.92  | 1,416.67  | 1,524.36  | 1,494.94  | 1,597.51  |
| Monetary gold                                 | 29.67     | 63.56     | 94.92     | 105.36    | 124.28    | 133.93    | 168.07    |
| Special drawing rights                        | 0.31      | 0.61      | 0.66      | 2.26      | 0.99      | 0.97      | 63.51     |
| Reserve position in the Fund                  |           |           |           |           |           |           |           |
| Foreign exchange                              | 684.98    | 652.76    | 1,027.34  | 1,309.04  | 1,399.09  | 1,360.04  | 1,365.93  |
| Currency and deposits                         | 615.09    | 634.58    | 998.04    | 1,149.89  | 899.97    | 244.75    | 464.17    |
| With monetary authorities                     | 564.97    | 503.65    | 910.22    | 693.96    | 724.73    | 92.14     | 464.17    |
| With banks                                    | 50.12     | 130.93    | 87.82     | 455.93    | 175.23    | 152.61    |           |
| Securities                                    | 69.89     | 18.19     | 29.30     | 159.16    | 499.13    | 1,115.29  | 901.76    |
| Equities                                      |           |           |           |           |           |           |           |
| Bonds and notes                               | 69.89     | 18.19     | 29.30     | 159.16    | 499.13    | 1,115.29  | 901.76    |
| Money-market instruments                      |           |           |           |           |           |           |           |
| Financial derivatives ,net                    |           |           |           |           |           |           |           |
| Other claims                                  |           |           |           |           |           |           |           |

Source: National Bank of the Republic of Macedonia





International investment position of the Republic of Macedonia, as of the end of the period  
in EUR Million

|  | 2003     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     |
|--|----------|----------|----------|----------|----------|----------|----------|
| <b>Liabilities</b>                       | 3,095.01 | 3,435.26 | 4,072.37 | 4,359.26 | 5,088.01 | 5,723.53 | 6,220.57 |
| Direct investment in reporting economy   | 1,292.14 | 1,610.22 | 1,768.97 | 2,098.57 | 2,545.17 | 2,968.75 | 3,141.38 |
| Equity capital and reinvested earnings   | 1,181.98 | 1,366.11 | 1,579.62 | 1,863.35 | 2,226.62 | 2,407.42 | 2,481.27 |
| Claims on direct investors (-)           |          |          |          |          |          |          |          |
| Liabilities to direct investors          | 1,181.98 | 1,366.11 | 1,579.62 | 1,863.35 | 2,226.62 | 2,407.42 | 2,481.27 |
| Other capital                            | 110.16   | 244.11   | 189.36   | 235.23   | 318.55   | 561.33   | 660.11   |
| Claims on direct investors (-)           | -47.98   | -36.70   | -74.54   | -80.91   | -106.11  | -113.96  | -169.96  |
| Liabilities to direct investors          | 158.14   | 280.82   | 263.89   | 316.14   | 424.66   | 675.29   | 830.07   |
| Portfolio investment                     | 85.82    | 52.65    | 232.20   | 276.94   | 303.06   | 264.92   | 411.97   |
| Equity securities                        | 64.40    | 29.40    | 44.73    | 86.57    | 132.57   | 133.31   | 136.40   |
| Banks                                    | 10.08    | 14.01    | 25.03    | 80.65    | 61.85    | 70.71    | 74.71    |
| Other sectors                            | 54.32    | 15.39    | 19.71    | 5.92     | 70.71    | 62.59    | 61.69    |
| Debt securities                          | 21.42    | 23.25    | 187.47   | 190.38   | 170.49   | 131.62   | 275.57   |
| Bonds and notes                          | 21.42    | 23.25    | 187.47   | 190.38   | 170.49   | 131.62   | 275.57   |
| Monetary authorities                     |          |          |          |          |          |          |          |
| General government                       | 21.42    | 23.25    | 187.47   | 190.38   | 170.49   | 131.62   | 275.57   |
| Banks                                    |          |          |          |          |          |          |          |
| Other sectors                            |          |          |          |          |          |          |          |
| Money-market instruments                 |          |          |          |          |          |          |          |
| Monetary authorities                     |          |          |          |          |          |          |          |
| General government                       |          |          |          |          |          |          |          |
| Banks                                    |          |          |          |          |          |          |          |
| Other sectors                            |          |          |          |          |          |          |          |
| Financial derivatives                    |          |          |          |          |          |          |          |
| Monetary authorities                     |          |          |          |          |          |          |          |
| General government                       |          |          |          |          |          |          |          |
| Banks                                    |          |          |          |          |          |          |          |
| Other sectors                            |          |          |          |          |          |          |          |
| Other investment                         | 1,717.05 | 1,772.39 | 2,071.20 | 1,983.75 | 2,239.79 | 2,489.86 | 2,667.22 |
| Trade credits                            | 318.63   | 345.34   | 373.90   | 369.18   | 581.61   | 648.61   | 637.86   |
| General government                       |          |          |          |          |          | 3.49     | 2.46     |
| Long-term                                |          |          |          |          |          | 3.49     | 2.46     |
| Short-term                               |          |          |          |          |          |          |          |
| Other sectors                            | 318.63   | 345.34   | 373.90   | 369.18   | 581.61   | 645.12   | 635.40   |
| Long-term                                | 49.42    | 22.76    | 11.04    | 19.59    | 14.54    | 23.57    | 19.17    |
| Short-term                               | 269.21   | 322.58   | 362.86   | 349.59   | 567.07   | 621.55   | 616.23   |
| Loans                                    | 1,326.15 | 1,314.40 | 1,542.90 | 1,407.22 | 1,355.76 | 1,546.93 | 1,630.72 |
| Monetary authorities                     | 54.70    | 45.97    | 52.67    | 42.39    |          |          |          |
| Use of Fund credit & loans from the Fund | 54.70    | 45.97    | 52.67    | 42.39    |          |          |          |
| Other long-term                          |          |          |          |          |          |          |          |
| Short-term                               |          |          |          |          |          |          |          |
| General government                       | 1,005.54 | 993.20   | 1,095.36 | 875.19   | 727.22   | 771.22   | 777.60   |
| Long-term                                | 1,005.54 | 993.20   | 1,095.36 | 875.19   | 727.22   | 771.22   | 777.60   |
| Short-term                               |          |          |          |          |          |          |          |
| Banks                                    | 72.76    | 62.83    | 107.70   | 146.31   | 216.31   | 201.14   | 260.10   |
| Long-term                                | 64.04    | 55.79    | 106.40   | 146.31   | 199.81   | 201.14   | 220.10   |
| Short-term                               | 8.71     | 7.04     | 1.30     |          | 16.50    |          | 40.00    |
| Other sectors                            | 193.16   | 212.41   | 287.17   | 343.33   | 412.24   | 574.57   | 593.02   |
| Long-term                                | 175.94   | 207.63   | 234.14   | 331.68   | 372.92   | 559.66   | 585.43   |
| Short-term                               | 17.22    | 4.78     | 53.03    | 11.65    | 39.32    | 14.91    | 7.59     |
| Currency and deposits                    | 55.18    | 51.86    | 73.66    | 112.83   | 162.18   | 174.04   | 198.76   |
| Monetary authorities                     |          |          |          |          |          |          |          |
| General government                       |          |          |          |          |          |          |          |
| Banks                                    | 55.18    | 51.86    | 73.66    | 112.83   | 162.18   | 174.04   | 198.76   |
| Other sectors                            |          |          |          |          |          |          |          |
| Other liabilities                        | 17.09    | 60.79    | 80.75    | 94.51    | 140.24   | 120.28   | 199.88   |
| Monetary authorities                     |          | 9.56     | 10.14    | 9.60     | 9.01     | 9.15     | 71.74    |
| Long-term                                |          | 9.56     | 10.14    | 9.60     | 9.01     | 9.15     | 71.74    |
| SDR Allocation                           |          | 9.56     | 10.14    | 9.60     | 9.01     | 9.15     | 71.74    |
| Short-term                               |          |          |          |          |          |          |          |
| General government                       |          |          |          |          |          |          | 0.21     |
| Long-term                                |          |          |          |          |          |          |          |
| Short-term                               |          |          |          |          |          |          | 0.21     |
| Banks                                    |          | 8.57     | 10.66    | 10.74    | 9.36     | 8.90     | 9.36     |
| Long-term                                |          |          |          |          |          |          |          |
| Short-term                               |          | 8.57     | 10.66    | 10.74    | 9.36     | 8.90     | 9.36     |
| Other sectors                            | 17.09    | 42.66    | 59.95    | 74.17    | 121.86   | 102.23   | 118.57   |
| Long-term                                |          |          |          |          | 0.36     | 0.36     | 0.36     |
| Short-term                               | 17.09    | 42.66    | 59.95    | 74.17    | 121.50   | 101.87   | 118.21   |

Source: National Bank of the Republic of Macedonia









Table 33  
Reserve assets  
in EUR Million

|      | 1. Reserve Assets |      |                              |                  |         | Other foreign assets |
|------|-------------------|------|------------------------------|------------------|---------|----------------------|
|      | Monetary gold     | SDRs | Reserve Position in the Fund | Foreign Exchange | TOTAL   |                      |
| 2003 | 29.7              | 0.3  | 0.0                          | 685.0            | 715.0   | 33.2                 |
| 2004 | 63.6              | 0.6  | 0.0                          | 652.8            | 716.9   | 11.9                 |
| 2005 | 94.9              | 0.7  | 0.0                          | 1,027.3          | 1,122.9 | 13.2                 |
| 2006 | 105.4             | 2.3  | 0.0                          | 1,309.0          | 1,416.7 | 17.9                 |
| 2007 | 124.3             | 1.0  | 0.0                          | 1,399.1          | 1,524.4 | 17.2                 |
| I    | 108.7             | 1.7  | 0.0                          | 1,284.7          | 1,395.1 | 18.1                 |
| II   | 111.7             | 0.2  | 0.0                          | 1,270.6          | 1,382.6 | 17.9                 |
| III  | 108.7             | 7.0  | 0.0                          | 1,297.3          | 1,413.1 | 17.9                 |
| IV   | 108.5             | 4.2  | 0.0                          | 1,343.0          | 1,455.7 | 17.7                 |
| V    | 106.8             | 1.4  | 0.0                          | 1,357.8          | 1,466.0 | 17.8                 |
| VI   | 104.8             | 1.4  | 0.0                          | 1,312.2          | 1,418.4 | 17.8                 |
| VII  | 106.6             | 1.4  | 0.0                          | 1,341.1          | 1,449.1 | 17.7                 |
| VIII | 107.1             | 1.2  | 0.0                          | 1,377.1          | 1,485.4 | 17.8                 |
| IX   | 113.6             | 1.1  | 0.0                          | 1,407.4          | 1,522.1 | 17.4                 |
| X    | 118.6             | 1.1  | 0.0                          | 1,431.4          | 1,551.1 | 17.6                 |
| XI   | 117.7             | 1.0  | 0.0                          | 1,428.3          | 1,547.0 | 17.1                 |
| XII  | 124.3             | 1.0  | 0.0                          | 1,399.1          | 1,524.4 | 17.2                 |
| Q1   | 108.7             | 7.0  | 0.0                          | 1,297.3          | 1,413.1 | 17.9                 |
| Q2   | 104.8             | 1.4  | 0.0                          | 1,312.2          | 1,418.4 | 17.8                 |
| Q3   | 113.6             | 1.1  | 0.0                          | 1,407.4          | 1,522.1 | 17.4                 |
| Q4   | 124.3             | 1.0  | 0.0                          | 1,399.1          | 1,524.4 | 17.2                 |
| 2008 | 133.9             | 1.0  | 0.0                          | 1,360.0          | 1,494.9 | 1.1                  |
| I    | 136.1             | 1.0  | 0.0                          | 1,398.6          | 1,535.8 | 9.9                  |
| II   | 139.9             | 0.9  | 0.0                          | 1,408.1          | 1,548.9 | 9.8                  |
| III  | 129.5             | 0.9  | 0.0                          | 1,388.9          | 1,519.3 | 6.6                  |
| IV   | 121.6             | 1.1  | 0.0                          | 1,371.5          | 1,494.3 | 6.7                  |
| V    | 123.8             | 1.0  | 0.0                          | 1,385.1          | 1,509.9 | 0.6                  |
| VI   | 129.3             | 1.0  | 0.0                          | 1,413.1          | 1,543.4 | 0.6                  |
| VII  | 127.7             | 1.0  | 0.0                          | 1,428.2          | 1,556.9 | 0.6                  |
| VIII | 123.9             | 1.0  | 0.0                          | 1,474.7          | 1,599.6 | 0.6                  |
| IX   | 136.5             | 1.0  | 0.0                          | 1,551.5          | 1,689.0 | 0.6                  |
| X    | 122.0             | 1.1  | 0.0                          | 1,550.1          | 1,673.2 | 0.7                  |
| XI   | 139.5             | 1.0  | 0.0                          | 1,448.7          | 1,589.2 | 1.2                  |
| XII  | 133.9             | 1.0  | 0.0                          | 1,360.0          | 1,494.9 | 1.1                  |
| Q1   | 129.5             | 0.9  | 0.0                          | 1,388.9          | 1,519.3 | 6.6                  |
| Q2   | 129.3             | 1.0  | 0.0                          | 1,413.1          | 1,543.4 | 0.6                  |
| Q3   | 136.5             | 1.0  | 0.0                          | 1,551.5          | 1,689.0 | 0.6                  |
| Q4   | 133.9             | 1.0  | 0.0                          | 1,360.0          | 1,494.9 | 1.1                  |
| 2009 | 168.1             | 63.5 | 0.0                          | 1,365.9          | 1,597.5 | 1.0                  |
| I    | 156.4             | 1.0  | 0.0                          | 1,284.3          | 1,441.8 | 5.4                  |
| II   | 162.9             | 1.0  | 0.0                          | 1,249.7          | 1,413.6 | 6.1                  |
| III  | 152.0             | 1.0  | 0.0                          | 1,114.8          | 1,267.8 | 5.2                  |
| IV   | 146.3             | 1.0  | 0.0                          | 1,056.6          | 1,203.8 | 5.6                  |
| V    | 150.5             | 0.9  | 0.0                          | 1,015.4          | 1,166.8 | 5.0                  |
| VI   | 146.1             | 0.9  | 0.0                          | 1,056.6          | 1,203.6 | 3.9                  |
| VII  | 145.5             | 0.9  | 0.0                          | 1,247.0          | 1,393.4 | 2.4                  |
| VIII | 145.5             | 57.0 | 0.0                          | 1,302.6          | 1,505.0 | 2.1                  |
| IX   | 150.2             | 63.3 | 0.0                          | 1,313.1          | 1,526.6 | 2.0                  |
| X    | 154.1             | 62.4 | 0.0                          | 1,332.5          | 1,549.0 | 1.6                  |
| XI   | 171.5             | 62.7 | 0.0                          | 1,357.7          | 1,591.8 | 1.5                  |
| XII  | 168.1             | 63.5 | 0.0                          | 1,365.9          | 1,597.5 | 1.0                  |
| Q1   | 152.0             | 1.0  | 0.0                          | 1,114.8          | 1,267.8 | 5.2                  |
| Q2   | 146.1             | 0.9  | 0.0                          | 1,056.6          | 1,203.6 | 3.9                  |
| Q3   | 150.2             | 63.3 | 0.0                          | 1,313.1          | 1,526.6 | 2.0                  |
| Q4   | 168.1             | 63.5 | 0.0                          | 1,365.9          | 1,597.5 | 1.0                  |
| 2010 | 222.0             | 70.4 | 0.0                          | 1,415.9          | 1,708.3 | 1.2                  |
| I    | 168.8             | 64.5 | 0.0                          | 1,386.4          | 1,619.7 | 0.9                  |
| II   | 179.0             | 65.4 | 0.0                          | 1,374.9          | 1,619.3 | 1.2                  |
| III  | 179.6             | 65.4 | 0.0                          | 1,361.5          | 1,606.6 | 1.1                  |
| IV   | 193.5             | 66.2 | 0.0                          | 1,384.3          | 1,644.0 | 1.2                  |
| V    | 214.0             | 69.1 | 0.0                          | 1,399.5          | 1,682.6 | 1.2                  |
| VI   | 222.0             | 70.4 | 0.0                          | 1,415.9          | 1,708.3 | 1.2                  |
| VII  | 195.7             | 67.9 | 0.0                          | 1,380.6          | 1,644.2 | 0.8                  |
| VIII | 212.0             | 69.0 | 0.0                          | 1,437.8          | 1,718.8 | 0.8                  |
| IX   | 210.2             | 1.0  | 0.0                          | 1,478.1          | 1,689.3 | 0.6                  |
| Q1   | 179.6             | 65.4 | 0.0                          | 1,361.5          | 1,606.6 | 1.1                  |
| Q2   | 222.0             | 70.4 | 0.0                          | 1,415.9          | 1,708.3 | 1.2                  |
| Q3   | 210.2             | 1.0  | 0.0                          | 1,478.1          | 1,689.3 | 0.6                  |

Source: National Bank of the Republic of Macedonia



Table 34  
Exchange rates (average for the period)

|      |     | 100<br>ATS | 100<br>FRF | 100<br>ITL | 100<br>DEM | 100<br>CHF | 1<br>GBP | 1<br>USD | 1<br>EUR | 100<br>JPY |
|------|-----|------------|------------|------------|------------|------------|----------|----------|----------|------------|
| 1993 | /1  | 2.0127     | 4.1226     | 1.4832     | 14.1617    | 15.9867    | 35.3541  | 23.5722  | -        | -          |
| 1994 |     | 3.7833     | 7.7828     | 2.6792     | 26.6162    | 31.5905    | 66.0911  | 43.2351  | -        | -          |
| 1995 |     | 3.7722     | 7.6206     | 2.3369     | 26.5390    | 32.1770    | 60.0303  | 38.0354  | -        | -          |
| 1996 |     | 3.7787     | 7.8183     | 2.5929     | 26.5848    | 32.3948    | 62.4691  | 39.9935  | -        | -          |
| 1997 |     | 4.0780     | 8.5259     | 2.9225     | 28.6980    | 34.3423    | 81.6392  | 49.8299  | -        | -          |
| 1998 |     | 4.3993     | 9.2329     | 3.1357     | 30.9525    | 37.5788    | 90.2462  | 54.4506  | -        | -          |
| 1999 |     | 4.4052     | 9.2409     | 3.1306     | 30.9927    | 37.8747    | 92.0413  | 56.8964  | -        | -          |
| 2000 |     | 4.4131     | 9.2575     | 3.1362     | 31.0482    | 38.9892    | 99.6905  | 65.8856  | 60.7250  | 61.1533    |
| 2001 |     | 4.4267     | 9.2862     | 3.1459     | 31.1445    | 40.3381    | 97.9875  | 68.0421  | 60.9133  | 56.0157    |
| 2002 |     | -          | -          | -          | -          | 41.5689    | 97.0365  | 64.7341  | 60.9783  | 51.6839    |
| 2003 |     | -          | -          | -          | -          | 40.3117    | 88.6405  | 54.3031  | 61.2639  | 46.8292    |
| 2004 |     | -          | -          | -          | -          | 39.7337    | 90.4298  | 49.4105  | 61.3377  | 45.6661    |
| 2005 |     | -          | -          | -          | -          | 39.5872    | 89.6186  | 49.2919  | 61.2958  | 44.7895    |
| 2006 |     | -          | -          | -          | -          | 38.8981    | 89.7611  | 48.7854  | 61.1885  | 41.9345    |
| 2007 |     | -          | -          | -          | -          | 37.2534    | 89.4324  | 44.7184  | 61.1838  | 37.9705    |
| 2008 |     | -          | -          | -          | -          | 38.6300    | 77.1265  | 41.8646  | 61.2654  | 40.7177    |
| 2009 |     | -          | -          | -          | -          | 40.5769    | 68.8041  | 44.0766  | 61.2728  | 47.1313    |
| 2007 | Q1  | -          | -          | -          | -          | 37.8609    | 91.2615  | 46.6974  | 61.1809  | 39.1234    |
|      | Q2  | -          | -          | -          | -          | 37.1487    | 90.0730  | 45.3961  | 61.1741  | 37.6175    |
|      | Q3  | -          | -          | -          | -          | 37.1335    | 90.0013  | 44.5585  | 61.1750  | 37.8021    |
|      | Q4  | -          | -          | -          | -          | 36.8825    | 86.4403  | 42.2718  | 61.2053  | 37.3601    |
| 2008 | Q1  | -          | -          | -          | -          | 38.2826    | 81.0138  | 40.9350  | 61.2908  | 38.8218    |
|      | Q2  | -          | -          | -          | -          | 38.0241    | 77.2550  | 39.2020  | 61.2579  | 37.5382    |
|      | Q3  | -          | -          | -          | -          | 37.9561    | 76.9805  | 40.7035  | 61.1776  | 37.8493    |
|      | Q4  | -          | -          | -          | -          | 40.2469    | 73.3003  | 46.5786  | 61.3356  | 48.6062    |
| 2009 | Q1  | -          | -          | -          | -          | 41.0135    | 67.5760  | 47.0742  | 61.4067  | 50.4188    |
|      | Q2  | -          | -          | -          | -          | 40.5226    | 69.6867  | 45.0823  | 61.3386  | 46.2837    |
|      | Q3  | -          | -          | -          | -          | 40.2498    | 70.2639  | 42.8182  | 61.1774  | 45.7428    |
|      | Q4  | -          | -          | -          | -          | 40.5307    | 67.6727  | 41.4079  | 61.1720  | 46.1421    |
| 2010 | Q1  | -          | -          | -          | -          | 41.9384    | 69.2109  | 44.3686  | 61.4015  | 48.9037    |
|      | Q2  | -          | -          | -          | -          | 43.6691    | 72.0352  | 48.3614  | 61.5465  | 52.4391    |
|      | Q3  | -          | -          | -          | -          | 46.2249    | 73.9430  | 47.7731  | 61.5522  | 55.6637    |
| 2007 | 1-9 | -          | -          | -          | -          | 37.3784    | 90.4407  | 45.5429  | 61.1766  | 38.1761    |
| 2007 | 1   | -          | -          | -          | -          | 37.8973    | 92.1831  | 47.0635  | 61.1802  | 39.1269    |
|      | 2   | -          | -          | -          | -          | 37.7300    | 91.6664  | 46.8414  | 61.1905  | 38.8048    |
|      | 3   | -          | -          | -          | -          | 37.9428    | 89.9742  | 46.2014  | 61.1729  | 39.4077    |
|      | 4   | -          | -          | -          | -          | 37.3937    | 90.0173  | 45.3304  | 61.1754  | 38.1562    |
|      | 5   | -          | -          | -          | -          | 37.0661    | 89.7285  | 45.2464  | 61.1729  | 37.5017    |
|      | 6   | -          | -          | -          | -          | 36.9892    | 90.4847  | 45.6166  | 61.1739  | 37.1983    |
|      | 7   | -          | -          | -          | -          | 36.9193    | 90.7086  | 44.656   | 61.1771  | 36.6735    |
|      | 8   | -          | -          | -          | -          | 37.3499    | 90.3063  | 44.9242  | 61.1713  | 38.4779    |
|      | 9   | -          | -          | -          | -          | 37.1313    | 88.9552  | 44.0798  | 61.1767  | 38.2698    |
|      | 10  | -          | -          | -          | -          | 36.6500    | 87.9323  | 43.0387  | 61.1820  | 37.1373    |
|      | 11  | -          | -          | -          | -          | 37.1130    | 86.4482  | 41.7364  | 61.2049  | 37.5533    |
|      | 12  | -          | -          | -          | -          | 36.8919    | 84.9406  | 42.0230  | 61.2290  | 37.3960    |
| 2008 | 1-9 | -          | -          | -          | -          | 38.0871    | 78.4112  | 40.2818  | 61.2419  | 38.069     |
| 2008 | 1   | -          | -          | -          | -          | 37.7680    | 82.1796  | 41.6851  | 61.3375  | 38.5097    |
|      | 2   | -          | -          | -          | -          | 38.1420    | 81.7821  | 41.6268  | 61.3231  | 38.8401    |
|      | 3   | -          | -          | -          | -          | 38.9287    | 79.1295  | 39.5378  | 61.2140  | 39.1168    |
|      | 4   | -          | -          | -          | -          | 38.4651    | 77.1392  | 38.9019  | 61.3727  | 38.0133    |
|      | 5   | -          | -          | -          | -          | 37.7336    | 77.334   | 39.372   | 61.228   | 37.782     |
|      | 6   | -          | -          | -          | -          | 37.8834    | 77.2891  | 39.3265  | 61.1740  | 36.8111    |
|      | 7   | -          | -          | -          | -          | 37.8104    | 77.141   | 38.7910  | 61.1836  | 36.3449    |
|      | 8   | -          | -          | -          | -          | 37.7134    | 77.2368  | 40.7884  | 61.1783  | 37.3325    |
|      | 9   | -          | -          | -          | -          | 38.3576    | 76.5500  | 42.5922  | 61.1706  | 39.9380    |
|      | 10  | -          | -          | -          | -          | 40.2313    | 77.6866  | 45.7943  | 61.1979  | 45.7813    |
|      | 11  | -          | -          | -          | -          | 40.6211    | 74.2772  | 48.2683  | 61.4102  | 49.8986    |
|      | 12  | -          | -          | -          | -          | 39.9004    | 67.9685  | 45.7279  | 61.4012  | 50.1804    |
| 2009 | 1-9 | -          | -          | -          | -          | 40.5925    | 69.1854  | 44.976   | 61.3067  | 47.4646    |
| 2009 | 1   | -          | -          | -          | -          | 41.1248    | 66.6250  | 46.0763  | 61.3998  | 50.9909    |
|      | 2   | -          | -          | -          | -          | 41.1790    | 69.3252  | 48.0659  | 61.4078  | 52.1057    |
|      | 3   | -          | -          | -          | -          | 40.7526    | 66.9471  | 47.1763  | 61.4126  | 48.3223    |
|      | 4   | -          | -          | -          | -          | 40.4791    | 68.2231  | 46.4123  | 61.3479  | 46.9268    |
|      | 5   | -          | -          | -          | -          | 40.6244    | 69.3441  | 45.1223  | 61.4011  | 46.6773    |
|      | 6   | -          | -          | -          | -          | 40.4609    | 71.5043  | 43.7110  | 61.2647  | 45.234     |
|      | 7   | -          | -          | -          | -          | 40.2642    | 71.0768  | 43.4667  | 61.195   | 46.0554    |
|      | 8   | -          | -          | -          | -          | 40.1109    | 70.9292  | 42.9041  | 61.1714  | 45.2262    |
|      | 9   | -          | -          | -          | -          | 40.3786    | 68.7365  | 42.0592  | 61.1656  | 45.9535    |
|      | 10  | -          | -          | -          | -          | 40.4087    | 66.9090  | 41.3269  | 61.1685  | 45.8048    |
|      | 11  | -          | -          | -          | -          | 40.4927    | 68.1054  | 41.0722  | 61.1695  | 45.9878    |
|      | 12  | -          | -          | -          | -          | 40.6894    | 68.0175  | 41.8137  | 61.1778  | 46.6287    |
| 2010 | 1-9 | -          | -          | -          | -          | 43.9598    | 71.747   | 46.8468  | 61.5006  | 52.3603    |
| 2010 | 1   | -          | -          | -          | -          | 41.4189    | 69.2566  | 42.8267  | 61.1798  | 46.8747    |
|      | 2   | -          | -          | -          | -          | 41.8753    | 70.1393  | 44.9312  | 61.4225  | 49.7987    |
|      | 3   | -          | -          | -          | -          | 42.5149    | 68.3266  | 45.4022  | 61.6042  | 50.1244    |
|      | 4   | -          | -          | -          | -          | 43.0267    | 70.3153  | 45.9023  | 61.5988  | 49.1079    |
|      | 5   | -          | -          | -          | -          | 43.4104    | 71.6068  | 48.7870  | 61.5285  | 52.8646    |
|      | 6   | -          | -          | -          | -          | 44.5787    | 74.1980  | 50.3806  | 61.5127  | 55.3306    |
|      | 7   | -          | -          | -          | -          | 45.7495    | 73.6661  | 48.2471  | 61.5171  | 55.1205    |
|      | 8   | -          | -          | -          | -          | 45.8521    | 74.6177  | 47.7062  | 61.5102  | 55.8324    |
|      | 9   | -          | -          | -          | -          | 47.1013    | 73.5319  | 47.3526  | 61.6319  | 56.0508    |

1/ Denomination of the denar for 100 in may 1993

Source: National Bank of the Republic of Macedonia



Table 35  
Mid exchange rates (end of period)

|            | EUR     | DEM        | ITL    | USD     | ATS      | FRF      | GBP      | CHF        |
|------------|---------|------------|--------|---------|----------|----------|----------|------------|
|            | 1       | 100        | 100    | 1       | 100      | 100      | 1        | 100        |
| 31.12.1993 |         | 2,575.2100 | 2.6000 | 44.4600 | 366.3000 | 757.7600 | 65.8200  | 3,029.4800 |
| 31.12.1994 |         | 2,621.1400 | 2.5000 | 40.6000 | 372.4900 | 759.5300 | 63.4500  | 3,098.1900 |
| 31.12.1995 |         | 2,649.4300 | 2.4000 | 37.9800 | 376.5900 | 775.0400 | 58.6500  | 3,299.6000 |
| 31.12.1996 |         | 2,663.4000 | 2.7100 | 41.4100 | 378.4961 | 789.1662 | 69.9596  | 3,062.9100 |
| 31.12.1997 |         | 3,092.4800 | 3.1500 | 55.4200 | 439.5300 | 924.1300 | 92.2200  | 3,811.4800 |
| 31.12.1998 |         | 3,098.3900 | 3.1294 | 51.8400 | 440.4100 | 923.8800 | 86.6900  | 3,786.2300 |
| 31.12.1999 | 60.6173 | 3,099.3136 | 3.1306 | 60.3400 | 440.5231 | 924.1000 | 97.5000  | 3,776.5400 |
| 31.12.2000 | 60.7878 | 3,108.0300 | 3.1400 | 65.3300 | 441.7600 | 926.7000 | 97.4000  | 3,990.8000 |
| 31.12.2001 | 60.9610 | 3,116.8844 | 3.1484 | 69.1716 | 443.0206 | 929.3438 | 100.1824 | 4,110.9286 |
| 31.12.2002 | 61.0707 |            |        | 58.5979 |          |          | 93.9549  | 4,197.8760 |
| 31.12.2003 | 61.2931 |            |        | 49.0502 |          |          | 87.1136  | 3,930.5566 |
| 31.12.2004 | 61.3100 |            |        | 45.0676 |          |          | 86.4983  | 3,970.8549 |
| 31.12.2005 | 61.1779 |            |        | 51.8589 |          |          | 89.2717  | 3,934.0171 |
| 31.12.2006 | 61.1741 |            |        | 46.4496 |          |          | 91.1007  | 3,806.9637 |
| 31.01.2007 | 61.2139 |            |        | 47.1893 |          |          | 92.7062  | 3,770.2575 |
| 28.02.2007 | 61.1773 |            |        | 46.2413 |          |          | 90.8079  | 3,780.3436 |
| 31.03.2007 | 61.1675 |            |        | 45.9284 |          |          | 89.9787  | 3,764.8489 |
| 30.04.2007 | 61.1621 |            |        | 44.8304 |          |          | 89.6476  | 3,722.3602 |
| 31.05.2007 | 61.1920 |            |        | 45.5976 |          |          | 90.0545  | 3,716.0381 |
| 30.06.2007 | 61.1692 |            |        | 45.2973 |          |          | 90.7555  | 3,695.3543 |
| 31.07.2007 | 61.1658 |            |        | 44.7806 |          |          | 90.5757  | 3,721.2265 |
| 31.08.2007 | 61.1716 |            |        | 44.9461 |          |          | 90.2236  | 3,729.5208 |
| 30.09.2007 | 61.1940 |            |        | 43.1582 |          |          | 87.8215  | 3,686.1635 |
| 31.10.2007 | 61.1821 |            |        | 42.4669 |          |          | 87.7540  | 3,652.4446 |
| 30.11.2007 | 61.2935 |            |        | 41.5888 |          |          | 85.7552  | 3,713.6322 |
| 31.12.2007 | 61.2016 |            |        | 41.6564 |          |          | 83.2901  | 3,685.9552 |
| 31.01.2008 | 61.4240 |            |        | 41.4747 |          |          | 82.6258  | 3,806.8795 |
| 29.02.2008 | 61.2338 |            |        | 40.4959 |          |          | 80.4279  | 3,818.2827 |
| 31.03.2008 | 61.2664 |            |        | 38.7860 |          |          | 77.4740  | 3,893.6384 |
| 30.04.2008 | 61.3856 |            |        | 39.4230 |          |          | 77.8067  | 3,800.2600 |
| 31.05.2008 | 61.1654 |            |        | 39.4412 |          |          | 77.8186  | 3,758.0118 |
| 30.06.2008 | 61.1741 |            |        | 38.8456 |          |          | 77.2059  | 3,810.7581 |
| 31.07.2008 | 61.1879 |            |        | 39.2507 |          |          | 77.7779  | 3,750.4076 |
| 31.08.2008 | 61.1642 |            |        | 41.5095 |          |          | 75.9804  | 3,783.9767 |
| 30.09.2008 | 61.1689 |            |        | 42.6294 |          |          | 76.8550  | 3,860.4544 |
| 31.10.2008 | 61.4099 |            |        | 47.1115 |          |          | 77.6652  | 4,149.3176 |
| 30.11.2008 | 61.4030 |            |        | 48.2462 |          |          | 73.9884  | 3,973.0184 |
| 31.12.2008 | 61.4123 |            |        | 43.5610 |          |          | 63.0387  | 4,104.2772 |
| 31.01.2009 | 61.4129 |            |        | 47.9189 |          |          | 68.4000  | 4,129.7088 |
| 28.02.2009 | 61.4129 |            |        | 48.5708 |          |          | 68.7637  | 4,138.0567 |
| 31.03.2009 | 61.4135 |            |        | 46.5501 |          |          | 66.1000  | 4,051.2897 |
| 30.04.2009 | 61.4115 |            |        | 46.2924 |          |          | 68.3299  | 4,076.7061 |
| 31.05.2009 | 61.4128 |            |        | 43.5614 |          |          | 70.3549  | 4,059.5452 |
| 30.06.2009 | 61.1642 |            |        | 43.5085 |          |          | 72.0724  | 4,008.1389 |
| 31.07.2009 | 61.1704 |            |        | 43.5284 |          |          | 71.7626  | 3,994.4103 |
| 31.08.2009 | 61.1761 |            |        | 42.8764 |          |          | 69.4867  | 4,015.7608 |
| 30.09.2009 | 61.1741 |            |        | 42.0469 |          |          | 67.0916  | 4,044.8360 |
| 31.10.2009 | 61.1741 |            |        | 41.3339 |          |          | 68.4465  | 4,045.1035 |
| 30.11.2009 | 61.1741 |            |        | 41.0069 |          |          | 67.2908  | 4,060.9466 |
| 31.12.2009 | 61.1732 |            |        | 42.6651 |          |          | 67.6695  | 4,111.6548 |
| 31.01.2010 | 61.3673 |            |        | 43.9405 |          |          | 70.8180  | 4,185.4658 |
| 28.02.2010 | 61.5058 |            |        | 45.3248 |          |          | 68.8986  | 42.0179    |
| 31.03.2010 | 61.5200 |            |        | 45.6312 |          |          | 68.8682  | 42.9729    |
| 30.04.2010 | 61.5628 |            |        | 46.4415 |          |          | 70.9371  | 42.9069    |
| 31.05.2010 | 61.5025 |            |        | 49.6629 |          |          | 72.3601  | 43.1354    |
| 30.06.2010 | 61.5467 |            |        | 50.4564 |          |          | 75.9461  | 46.4223    |
| 31.07.2010 | 61.5063 |            |        | 47.2109 |          |          | 73.6691  | 45.4223    |
| 31.08.2010 | 61.5814 |            |        | 48.4893 |          |          | 75.4212  | 47.1707    |
| 30.09.2010 | 61.6363 |            |        | 45.2842 |          |          | 71.5204  | 46.3605    |

Source: National Bank of the Republic of Macedonia



Table 36  
Indices on effective exchange rate of the Denar\*  
base period 1995=100, ponders FT 2003

| year | quarter | Nominal Effective Exchange Rate of | Real Effective Exchange Rate of Denar |                      |                 |
|------|---------|------------------------------------|---------------------------------------|----------------------|-----------------|
|      |         |                                    | Consumer Price Index                  | Producer Price Index | Unit Labor Cost |
| 2002 | Q4      | 93.0                               | 110.1                                 | 108.8                |                 |
| 2003 | Q4      | 96.4                               | 110.4                                 | 107.1                | 105.3           |
| 2004 | Q4      | 99.4                               | 105.9                                 | 103.6                | 111.1           |
| 2005 | Q4      | 99.8                               | 100.6                                 | 99.4                 | 109.0           |
| 2006 | Q4      | 99.3                               | 98.7                                  | 97.8                 | 97.8            |
| 2007 | Q4      | 99.5                               | 97.5                                  | 96.7                 | 85.5            |
| 2008 | Q4      | 101.2                              | 98.3                                  | 95.6                 | 90.9            |
| 2009 | Q4      | 106.8                              | 98.5                                  | 100.5                |                 |
| 2002 | Q1      | 89.3                               | 110.4                                 | 109.0                |                 |
|      | Q2      | 90.6                               | 111.2                                 | 110.5                |                 |
|      | Q3      | 92.6                               | 110.8                                 | 109.8                |                 |
|      | Q4      | 93.0                               | 110.1                                 | 108.8                |                 |
| 2003 | Q1      | 94.4                               | 109.5                                 | 108.7                | 132.3           |
|      | Q2      | 95.4                               | 110.5                                 | 108.5                | 128.2           |
|      | Q3      | 95.0                               | 109.7                                 | 106.5                | 118.1           |
|      | Q4      | 96.4                               | 110.4                                 | 107.1                | 105.3           |
| 2004 | Q1      | 96.9                               | 108.7                                 | 105.1                | 110.4           |
|      | Q2      | 97.0                               | 106.0                                 | 103.4                | 110.4           |
|      | Q3      | 98.0                               | 105.2                                 | 103.7                | 108.0           |
|      | Q4      | 99.4                               | 105.9                                 | 103.6                | 111.1           |
| 2005 | Q1      | 99.8                               | 104.3                                 | 101.5                | 109.8           |
|      | Q2      | 99.6                               | 102.5                                 | 100.7                | 92.9            |
|      | Q3      | 99.8                               | 101.6                                 | 101.7                | 95.2            |
|      | Q4      | 99.8                               | 100.6                                 | 99.4                 | 109.0           |
| 2006 | Q1      | 99.9                               | 100.6                                 | 100.4                | 107.4           |
|      | Q2      | 100.6                              | 100.6                                 | 101.3                | 95.4            |
|      | Q3      | 100.1                              | 100.0                                 | 100.6                | 99.4            |
|      | Q4      | 99.3                               | 98.7                                  | 97.8                 | 97.8            |
| 2007 | Q1      | 99.5                               | 97.3                                  | 96.6                 | 88.3            |
|      | Q2      | 99.8                               | 97.1                                  | 96.5                 | 85.3            |
|      | Q3      | 99.6                               | 96.7                                  | 96.5                 | 82.4            |
|      | Q4      | 99.5                               | 97.5                                  | 96.7                 | 85.5            |
| 2008 | Q1      | 100.6                              | 100.0                                 | 97.2                 | 79.6            |
|      | Q2      | 101.0                              | 99.4                                  | 98.7                 | 76.6            |
|      | Q3      | 99.7                               | 97.0                                  | 97.9                 | 72.7            |
|      | Q4      | 101.2                              | 98.3                                  | 95.6                 | 90.9            |
| 2009 | Q1      | 106.4                              | 101.3                                 | 97.8                 | 82.6            |
|      | Q2      | 106.3                              | 99.8                                  | 99.0                 | 83.8            |
|      | Q3      | 106.8                              | 99.2                                  | 100.4                | 80.9            |
|      | Q4      | 106.8                              | 98.5                                  | 100.5                |                 |
| 2010 | Q1      | 106.1                              | 98.4                                  | 99.7                 |                 |
|      | Q2      | 104.9                              | 96.4                                  | 100.0                |                 |
|      | Q3      | 105.9                              | 96.4                                  | 100.3                |                 |

\* Index below 100 indicates increased export competitiveness.  
Source: NBRM.





## METHODOLOGICAL EXPLANATIONS

### REAL SECTOR

#### Table no. 1 Gross domestic product

The data for the gross domestic product (GDP) are produced by the State Statistical Office of the Republic of Macedonia (SSO). GDP is computed on the basis of the annual accounts data from the Central Registry, SSO statistical research, data from the Ministry of Finance, Public Revenue Office and other sources.

Gross domestic product (GDP) at current prices, computed by the production approach, is the final result of the production activity of the resident production units. GDP is a sum of the gross value added of the institutional sectors or activities, expressed in basic prices, plus the turnover tax (i.e. value added tax) and import duties, less subsidies on products (which are not allocated to activities).

Quarterly GDP data are available since 1997. Quarterly GDP, calculated by the production approach, is expressed in constant prices. The data are presented by sector according to the National classification of economic activities (NACE).

#### Table no. 2 Prices

The price data are from the SSO.

The average monthly retail prices and the structure of the personal consumption are used as a base for computing the *Consumer price index (CPI)*.

The selection of the products whose prices are to be monitored is made on the basis of the products with a significant share in the retail turnover. Retail prices are the prices at which the products are sold in the retail trade and by the individual producers and service providers. Retail prices include VAT.

Consumer price index is based on a specific list of products and services for personal consumption of non-agricultural households and on the average monthly retail prices of those products and services. In other words, the individual price indices of specific products and services are weighted with their respective share in the personal consumption. In January 2007 two new categories are added to the CPI structure- "hotels and restaurants" and "miscellaneous services n.e.c".

*Producer prices* are monitored in the Monthly survey of producer prices of industrial products, C.41 in 200 industrial enterprises in the Republic of Macedonia. Enterprises are selected on the basis of their importance in the production.

The producer price of the industrial products is the price at which the producer sells the products to the regular buyers on the domestic market, loaded free on rail or truck where the producer is located, or it is the price based on which the producer deals with other producers in the sphere of trade. This price includes producers subsidies, but excludes commercial rebates, discounts, cash discounts and similar reductions offered by the seller. VAT is also excluded from the price.

Starting from January 2001 the Producer Price Index is computed in accordance with the NACE classification.

**Table no. 3 Industrial production index**

Industrial production data is from the SSORM. The industrial production data is collected by monthly reports delivered by the enterprises in the industrial sector, as well as by their units.

The production indices are computed on the basis of the monthly reports.

The data was collected according to the Uniform Classification of Economic Activity (UCEA) with the Annual Industrial Report till 1998 and with the Monthly Industrial report till 1999, whereas starting from 1999 and 2000, respectively, the data from the same reports is collected according to the National Classification of Economic Activities (NACE).

Production volume index is calculated on the base of production, by allocation of the specific products in appropriate industry, using:

- average monthly final production and production structure in the base year;
- total monthly production in the current year;
- nomenclature of industrial products for the monthly industrial production report;
- weighting coefficients for each product;
- weighting factors which show the structure of production, i.e. the share of each branch in the total industrial production in the Republic of Macedonia.

The *productivity of the industry* is calculated in the NBRM and it is based on data from the SSORM for the volume of the industrial output and the number of the employees in the industry (according to the LFS), on a quarterly basis.

**Table no. 4 Employment and productivity in total economy**

The source of the presented data for the *employment* is the Labour Force Survey (LFS) of the SSORM.

The LFS is the most extensive research of the economic activity of the population and its demographic, educational and other characteristics, after the Census research. The survey is conducted on the whole territory of the Republic of Macedonia and it is based on a sample of 10.000 households (7.200 households till the 2003) or 1,8% of the total number of households in the country. Until 2003, the LFS was conducted annually, whereas starting from 2004 it is conducted as a continuous weekly survey throughout the year and the processing of the data is on quarterly and on annual basis. The units under observation are persons aged from 15 to 79 years and the households. The LFS is prepared in accordance with international recommendations (ILO and Eurostat). Classifications applied: National classification of activities and National classification of occupations.

*Working age population* is consisted of all persons aged 15 years and over. Working age population is divided into active population and inactive population.

*Active population* (labour force) comprises the employed and the unemployed persons.

*Inactive population* comprises of:

- pupils and students
- retired persons
- housewives
- supported persons (by others or by the state or with a different kind of income such as rents or interests).

The employed in the *agriculture* comprise sectors A and B; the employed in the *industry* comprise sectors C, D, E and F; the employed in the *services* comprise sectors from G to O according to the NACE classification.



The *productivity in the economy* is calculated in the NBRM and it is based on data from the SSORM for the total GDP and the total number of employees in the economy (according to the LFS), on a quarterly basis.

#### **Table no. 5 Wages**

The data for the paid net and gross wages per employee are based on monthly reports provided by the business entities that are in private and other (social, state, collective and mixed) ownership with different activities in the Republic of Macedonia. The data are prepared by the SSORM.

*Net wages* refer to the monthly average incomes per employee, for fulltime work, shorter or longer than full-time (overtime) work. The total amount of paid net wages also comprise a compensation of the net wage from the company's assets (or other legal entity) for vacation, state holidays, paid absence no longer than 7 days, paid absence for additional training, for sick-leave no longer than 21 days, compensation for time spent in practice by invitation by a state authority, public protection etc.

*Gross wages* comprise the paid net wages for the reporting month, the paid personal income tax and the paid contributions for pension, disability and health insurance, for employment, professional illness and for water supply.

Starting from May 2001 the data for the wages are published according to the National classification of activities-NACE.

The wages in the *agriculture* comprise sectors A and B; the wages in the *industry* comprise sectors C, D, E and F; the wages in the *services* comprise sectors from G to O according to the NACE classification.

#### **Table no. 6 Budget of the Republic of Macedonia (the Central government budget and the budgets of the funds)**

The data for the budget are prepared by the Ministry of Finance of the Republic of Macedonia.

The Budget of the Republic of Macedonia comprises the Central budget and the budgets of extra-budgetary funds.

The Central budget, that refers to the Central government, comprises the base budget, the budget of the self-financed activities and the budgets of loans and donations.

The extra-budgetary funds are: the Pension and Disability Insurance Fund, the Health Insurance Fund, the Employment Service Agency and the Road Fund.

### **MONETARY SECTOR**

The data in the aggregate balance sheet of other depository corporations (banks and savings houses) and the balance sheet of the National Bank of the Republic of Macedonia (NBRM) have been disaggregated in line with the sector and currency criterion and according to the financial instrument underlying the creation of certain claims and liabilities. The data in the presented balance sheets refer to end balances at the end of the reference period. The amounts denominated in foreign currency have been converted according to the middle Denar exchange rate at the end of the reference period, applying the indicative NBRM exchange rate.



In the sector-by-sector classification defined in the IMF Monetary and Financial Statistics Manual (in consistence with the sector delineation provided in SNA93 and ESA95), the clients are divided into two basic groups: residents and nonresidents. The group of residents consists of five sectors: financial corporations, nonfinancial corporations, government, households and nonprofit institutions serving households.

- The financial corporations sector consists of five subsectors:
  - National Bank of the Republic of Macedonia (monetary authority),
  - Other depository corporations (banks and savings houses),
  - Other financial corporations,
  - Insurance companies and pension funds,
  - Other financial intermediaries other than insurance companies and pension funds and auxiliary financial corporations;
- Nonfinancial corporations sector consists of two subsectors: public nonfinancial corporations and private nonfinancial corporations.
- Government sector is disaggregated to central government (Budget and central government bodies, social insurance funds and other funds and agencies, and public sector institutions (schools, hospitals, etc.)); local government.
- Household sector consists of individuals and self-employed individuals.
- Sector of nonprofit institutions serving households include nonprofit and nonfinancial institutions (institutions of social and humanitarian nature, chambers of commerce, political parties, citizen associations, religious communities, trade unions, Red Cross).

For the purposes of monetary balance sheets, the household sector and the nonprofit institutions serving households are presented jointly as a sector of other residents.

The National Bank of the Republic of Macedonia and other depository corporations (banks and savings houses) constitute the depository corporations of the Republic of Macedonia.

The depository corporations' assets and liabilities are classified in the following aggregated categories: monetary gold and special drawing rights (SDR), currencies and deposits (including the transferable deposits and other deposits), securities other than shares, loans, shares and other equities, other claims and liabilities (including the trade credits and other accounts).

#### **Table 7. National Bank of the Republic of Macedonia - Balance Sheet**

The NBRM balance sheet is prepared on the basis of accounting records of all NBRM assets and liabilities to other economy sectors, including the nonresident sector. The NBRM balance sheet is published at the end of the month, including data on the preceding month.

**A. NBRM balance sheet assets** include the following categories: foreign assets, claims on government and other assets.

**The NBRM foreign assets** consist of foreign reserves and other foreign assets. Foreign reserves consists of monetary gold, foreign currency in the form of cash foreign currency, transferable and other NBRM deposits in foreign banks, placements in securities issued by nonresidents (in foreign currency), placements in foreign currencies with international financial institutions and holding of Special Drawing Rights (SDR). Other foreign assets include other foreign currencies, checks, transferable and other foreign currency deposits, foreign currency securities and shares and other claims on nonresidents in Denars and in foreign currency which are not a part of the foreign reserves.



**NBRM claims on the Central Government** pertain to the relations with IMF (allocation of SDR and claims based on replaced IMF loans) and claims based on placements in securities. The placements in securities are a specific category. The issue of such securities is one of the mechanisms in the bank rehabilitation process for assuming the bad placements in the book of one bank. These securities are held by the Bank Rehabilitation Agency. They are depreciated under the agreement between the Government and the Central Bank.

**Other NBRM assets** include NBRM claims on other sectors based on its current operations, fixed assets, special purpose assets and according to special regulations, stock, inflows from interests, doubtful and contested claims on interest and fees.

**B. The NBRM balance sheet liabilities** consist of reserve money, currency held by other depository corporations, other NBRM liabilities to other depository corporations, restricted deposits, foreign liabilities, Central Government's deposits and other NBRM liabilities.

**Reserve money** includes currency in circulation, cash in the vault, banks and savings houses' accounts with the NBRM, other financial institutions' accounts with NBRM (mainly the deposit insurance fund). The currency in circulation is NBRM liability and includes currency in circulation held by nonbanking entities. The banks' accounts with NBRM consist of banks' accounts with NBRM (including the savings houses) and deposited Denar reserve requirement of other financial institutions with NBRM and allocated banks' foreign currency reserve requirement. The reserve requirement is calculated by using the defined reserve requirement rates applied to the average monthly balance of the respective deposits. Average system form reserve requirement maintenance is in place, according to which the bank may use the reserve requirement to maintain the daily liquidity up to 80% of the liability. The data on the currency in circulation are taken from the NBRM Central Bank Operations Department, and the data on banks and savings houses' daily liquidity are based on their daily reports submitted to the NBRM.

**Currency held by other depository corporations** includes cash in the vault of the banks and the savings houses.

**Other NBRM liabilities to other depository corporations primarily include the NBRM liabilities on issued CB bills.** The CB bills auctions are the basic instrument of the NBRM monetary policy used for regulation of the global liquidity level and interest rates in the banking system, and for signaling the monetary policy guidelines. They were introduced for the first time in February 1994, and by definition have been intended for withdrawing liquidity from the banking system. The interventions with this instrument with maturity of 28 days have been carried out by auctions that could be organized as volume tender or interest rate tender (US type). The CB bills auctions lays upon market and flexible base, which ensures their permanent alteration, for increasing their efficiency and successful achievement of their established goals.

**Central Government deposits** include government demand deposits in Denars (treasury account of the government and other budget funds) and in foreign currency (deposits for special purposes on central government level and other deposits). Since March 2006, Denar government deposits also include cash mobilized through the issue of **treasury bills for monetary purposes**, deposited on a special account. On March 7, the NBRM in cooperation with the Ministry of Finance started issuing 3-month treasury bills for monetary purposes. The treasury bills for monetary purposes have been issued on regular government securities auctions, with same features as the regular government securities. According to the Law on Public Debt, the treasury bills for monetary purposes are not considered a part of the public debt, because they have been issued for monetary policy purposes. In addition, the government has no right to make the withdrawn funds available by issuing treasury bills for monetary purposes. The interest rate on treasury bills for monetary purposes has been charged to the NBRM, according to the average interest rate reached at the 3-month treasury bills. For regulating the mutual relations, the Ministry of Finance and the NBRM have concluded an Agreement on treasury bills for monetary purposes.



**Foreign liabilities** include NBRM liabilities to nonresidents based on checks and foreign currency L/Cs, and liabilities on used loans from the International Monetary Fund. This category also includes SDR allocation.

**Other NBRM liabilities** include capital accounts consisting of NBRM own funds, retained earnings, current year financial result, general and specific impairment and special reserve and valuation adjustments. This category also unclassified NBRM liabilities arising from various business relations with resident sector.

### **Table 8. Report form for other depository corporations (banks and saving houses)**

The balance sheet of other depository corporations has been prepared on the basis of accounting records submitted by the banks and the savings houses (KNBIFO), being aggregate balance sheet assets and liabilities of all other depository corporations. The monthly balance sheet of other depository corporations has been published at the end of the month, containing data on the preceding month. The balance sheet includes data on the claims and liabilities (holders of monetary aggregates, as defined by the national definition) of other depository corporations (except for NBRM) to other sectors in the economy, including the nonresident sector. The data have been classified in standardized components by sector, financial instrument and accounting principle.

**A. Assets in the balance sheet of other depository corporations** include currencies and deposits, securities other than shares, loans, shares and other equities, financial derivatives, other claims, nonfinancial assets.

**Currencies and deposits** have been divided by currency structure in Denars and foreign currency. Currencies include banknotes and coins in the vaults of other depository corporations issued by the central bank and foreign currencies issued by central banks of foreign states. Deposits consist of transferable deposits which include current accounts of other depository corporations with NBRM (which also include their reserve requirement in Denars deposited with NBRM) and bank accounts abroad. The group of deposits includes sight deposits, savings and other deposits (which also include the banks' compulsory deposit with NBRM).

**Securities other than shares** have been classified by currency structure and sector and include CB bills, treasury bills, government bonds, corporate bonds, commercial securities, transferable deposit certificates, etc.

**Loans** refer to assets provided to various sectors by other depository corporations. Loan data include accrued interest, whereas the expected losses, loan loss provisions and impairments have been excluded from this category. According to the currency distribution, the loans have been classified to Denar and foreign currency.

**Shares and other equity** include financial instruments which supply the holder with the right of ownership of the company of issue.

**Other claims** include trade credits and advances which refer to financial services provided by other depository corporations to other financial and nonfinancial corporations. This category includes all other items not included in other categories of financial instruments, and consists of dividends, settlement account, items in process of collection, etc.

**Nonfinancial assets** include tangible (fixed assets, stock, etc.) assets and intangible assets for which no respective liabilities have been recorded (patents, licenses, software, etc.).

**B. Liabilities of other depository corporations** include liabilities arising from accepted deposits, received loans, issued securities, other liabilities and shares and other equities.



**Deposits** are differentiated into deposits included and excluded from the broad money, further classified into Denar and foreign currency deposits.

**Deposits included in the broad money** contain transferable deposits and other deposits of domestic depository corporations included in the national definition of broad money. This category includes deposits of other financial corporations, nonfinancial corporations, households, nonprofit institutions serving households and local government.

**Deposits excluded from the broad money** include transferable and other government deposits (except for the local government), depository corporations and nonresidents deposits.

**Securities other than shares** include commercial securities issued by other depository corporations for the purposes of strengthening the total financial potential.

**Loans** include funds provided to other depository corporations by various institutional sectors.

**Other liabilities** include trade credits (received for purchasing goods and services from households, nonprofit institutions and nonfinancial corporations) and advances received for current operations or operations about to start, and advanced payments for goods and services. This category also includes settlement accounts, liabilities on dividends, loss provisions for impaired financial assets, accumulated depreciation and losses arising from impairment and other liabilities. Other liabilities include all accounts n.e.c. in the balance sheet of other depository corporations.

**Shares and other equity** have been divided into equity investments, retained earnings, financial result from current year, general and specific impairment of value and special reserve and valuation adjustments.

#### **Table 9. Depository corporations survey - NBRM, other depository corporations (ODI - banks and savings houses)**

The survey of depository corporations is a consolidated survey of the accounts of banks, savings houses and NBRM, showing the combined assets and liabilities of the monetary system with respect to other resident and nonresident entities. Basic source of preparation of the survey of depository corporations are the NBRM survey and the survey of other depository corporations.

As a consolidated balance sheet of the monetary system, it is a basis for its continuous monitoring. Simultaneously, the survey also provides an analysis of the interactions of the basic macroeconomic sectors: the real, fiscal, external and the monetary sector.

The monthly survey of depository corporations has been published at the end of the month, containing data on the preceding month.

Major components of the Survey of depository corporations are the net foreign assets, domestic credits, money, deposits (restricted and other), liabilities to other financial corporations, capital accounts and other items (net).

**Net foreign assets** is the difference between the foreign assets and liabilities of the NBRM and other depository corporations (banks and savings houses). All foreign assets and liabilities of the NBRM and other depository corporations have been aggregated and presented as net foreign assets of the monetary system.

**Domestic credits** include claims of the depository corporations (NBRM, banks and savings houses) on government (recognized on a net basis), claims on local government, public nonfinancial corporations, private sector and other financial corporations (recognized on a gross basis).



**Claims on central government** include claims on loans, securities and trade credits and advances. Sources of loans to the Government include foreign loans, credit lines, deposit potential and other sources. Claims on Government based on securities include claims on specific securities (issued by the government in the process of rehabilitation of one bank, bonds issued for the old foreign currency savings).

**Claims on local government** include claims on local currency credits.

**Claims on public nonfinancial corporations** include claims on local and foreign currency loans to public enterprises.

**Claims on private sector** include total placements of depository corporations to the private sector based on approved loans, placements in securities and shares and other placements. Claims on private sector contain claims on other nonfinancial corporations, claims on households and claims on nonprofit institutions serving households.

**Claims on other financial corporations** include total placements of depository corporations based on approved loans, placements in securities and shares.

**Money** includes currency in circulation (currency outside other depository corporations), demand deposits of the local government and other financial corporations with NBRM and demand deposits of the sector of money holders with banks and savings houses.

**Restricted deposits** include deposits restrictedly used for a purpose specified by regulation. These deposits are intended for covering open L/Cs in the external payment operations, guarantees, bank remittances, etc.

**Other deposits** include time, savings and foreign currency deposits of sectors included in the definition of the broad money, with NBRM, banks and savings houses.

**Liabilities to other financial corporations** include total depository corporations' liabilities on deposits, securities and received loans.

**Capital accounts** unite the capital accounts of NBRM, banks and savings houses.

**Other items (net)** recognize all categories not included in the previously presented categories and all unclassified assets and liabilities of the depository corporations.

#### **Table 10. Banks and savings houses' loans**

Loans approved by other depository corporations to nongovernment sector have been classified by currency: loans in Denars and in foreign currency. They are further classified into short-term and long-term loans, accrued interest and doubtful and contested claims. Short-term and long-term loans have been divided in to loans with and without currency clause. Loans to nongovernment sector include loans to the following sectors: nonfinancial corporations, households, nonprofit institutions serving households, local government and other financial corporations.

#### **Table 11. Monetary aggregates and components thereof (non-government sector)**

Monetary aggregates, as a sum of financial instruments classified by liquidity level, have been defined in a manner compatible with the internationally accepted definitions and criteria (as specified by the IMF Methodology for monetary and financial statistics). Deposits included in monetary aggregates consist of the following sectors: other financial corporations, local government, nonfinancial corporations (private and public), households (individuals and self-employed individuals) and nonprofit institutions serving households.





**Money supply M1** includes currency in circulation and demand deposits. Demand deposits, however, include current accounts with banks and savings houses and current accounts of other financial corporations with NBRM.

Currency in circulation is the difference between the total amount of banknotes and coins and the amount of cash in the banks' vaults, in the NBRM's vault and in the dispersed vaults.

**Money supply M2 (liquid assets)** includes the monetary aggregate M1 and short-term deposits. Short-term deposits have been defined as deposits which include sight deposits, time deposits with maturity of up to one year, in Denars and in foreign currency.

**Money supply M4 (total deposit potential of the monetary system)** includes monetary aggregate M2 and short-term deposits, i.e. deposits with maturity of over 1 year, in Denars and in foreign currency.

#### **Table 12. Claims of other depository corporations (banks and savings houses)**

Claims of other depository corporations include loans, placements in securities, shares and overdue claims and doubtful and contested claims on loans. Placements of other depository corporations have been decomposed by sector, maturity and currency. According to the accepted standards of the monetary and financial consolidation statistics i.e. exclusion of the mutual claims and liabilities within a sector, the placements exclude the interbank claims.

**Claims of banks and savings houses on nonfinancial corporations (private and public)** include claims on loans, accrued interest on loans, overdue claims and doubtful and suspicious and contested claims on loans, securities and shares. All categories have been differentiated by currency, and the loans have also been differentiated by maturity. Other depository corporations approve loans from various sources of funding: deposits, own sources, foreign credits, received credit lines and other sources. Claims on securities include claims on short-term securities (checks and notes) and claims on long-term securities, i.e. holdings or investments of the banks and savings houses in securities of nonfinancial corporations. Claims which form the category of shares include financial instruments which supply other depository corporations with the right of ownership of the issuing nonfinancial entity.

**Claims of banks and savings houses on households (individuals and self-employed individuals)** include claims on loans, accrued interest on loans, overdue claims and doubtful and contested claims on loans. Claims on households have been differentiated by currency, maturity and purpose. By purpose, the loans have been disaggregated to consumer loans, auto loans, housing loans, credit cards and overdrafts, other loans and loans of self-employed individuals.

**Claims of banks and savings houses on nonprofit institutions serving households, other financial corporations and local government** include claims on loans, accrued interest on loans, overdue claims and doubtful and contested claims on loans, claims on securities, and claims on shares.

**Claims of other depository corporations on Government** include claims on loans, accrued interest on loans, overdue claims and doubtful and contested claims on loans, claims on securities, and claims on shares. Sources of loans to the Government include foreign loans, credit lines, deposit potential and other sources.

Liabilities on Government based on securities include claims on specific securities.

#### **Table 13. Liabilities of other depository corporations (banks and savings houses)**

According to the dominant classic deposit and credit activity of **other depository corporations, the liabilities to nonfinancial corporations** include deposits of nonfinancial



corporations and loans received from nonfinancial entities. Besides deposits and loans, this category also includes securities issued by nonfinancial entities. Deposits have been disaggregated by their maturity and currency structure. Loans and securities have been differentiated by their currency structure.

**Liabilities of other depository corporations to households** include current accounts, sight deposits, time deposits (up to three months, over three months, up to one year and over one year) and restricted deposits intended for covering L/Cs in the domestic payment operations.

**Liabilities of other depository corporations to other clients** - nonprofit institutions serving households, to local government, other financial corporations and liabilities to government, respectively. The above are liabilities on various types of deposits differentiated by their maturity and currency structure, and liabilities on securities and other loan liabilities in Denars and foreign currency.

#### **Table no. 14 Report of weighted interest rates on granted loans and received deposits of deposit money banks**

Based on a Report on weighted interest rates on deposits and borrowings, which the deposit money banks submit to NBRM on regular monthly basis, aggregated survey on weighted interest rates of deposits and borrowings in Denar and in foreign currencies is prepared.

**Interest rates on Denar credits** include: interest rates on Denar credits without FX clause and interest rates on Denar credits with FX clause.

**Interest rates on Denar deposits** include: interest rates on Denar deposits without FX clause and interest rates on Denar deposits with FX clause.

Denar credits/deposits are further categorized by two criteria: sectoral classification and maturity. By sectoral classification, they are divided to: credits/deposits which refer to enterprises, credits/deposits which refer to the households. By maturity, the credits are divided to: short-term and long-term; and the deposits: sight deposits, short-term and long-term time deposits.

**Foreign currency credits/deposits** are classified by three criteria: by sector, by currency and by maturity. By sector classification, they are divided to: credits/deposits which refer to enterprises, credits/deposits referring to households. By maturity, credits are divided to: short-term and long-term; and the deposits to: sight deposits, short-term and long-term time deposits. By currency, they are divided to: credits/deposits in euros and in USA dollars.

Interest rates on credits and deposits are in percents on annual level.

#### **Table no. 15 Interest rates of the National Bank of the Republic of Macedonia**

1. Discount rate is valid interest rate in the current month.
2. Interest rate on credits over night - Lombard credit is the valid interest rate in the current month.
3. Interest rate on repo transactions for creating liquidity in the banking system is shown as average weighted interest rate achieved at the auctions in that month.
4. Interest rate on CB bills is shown as average weighted interest rate achieved at the auctions with maturity of 28 days in that month. The interest rate is differentiated by the type of tender which can be: volume tender or interest rate tender.



5. Interest rate on repo transactions for liquidity withdrawal from the banking system is shown as average weighted interest rate achieved at the auctions in that month.

#### **Table no. 16 Reserve requirement of banks and saving houses**

Banks and saving houses allocate reserve requirement based on the average deposit stock in the previous month. The period of maintaining the reserve requirements covers the period from the 11th in the current month to the 10th in the following month. The fulfilling of the banks' reserve requirement in denars is on average basis, whereas the saving houses' reserve requirement in denars and the banks' reserve requirement in foreign currency are on fixed basis.

#### **Table no.17 Interest rates on Government securities**

Interest rates on Government securities are shown as average weighted interest rate achieved on the auctions in the adequate month with fixed maturity.

### **FOREIGN EXCHANGE SECTOR**

#### **Table no. 18-23 BALANCE OF PAYMENTS**

Balance of payments is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of the Republic of Macedonia with the rest of the world.

According to the Law on the National Bank of the Republic of Macedonia and the regulations in the area of foreign exchange operations, the National Bank of the Republic of Macedonia (NBRM) is responsible for compiling and monitoring of the execution of the Balance of payments.

Statistics of the Balance of payments of the Republic of Macedonia is prepared basically in accordance with the methodology of the International Monetary Fund (Balance of Payments Manual, fifth edition - BPM 5). The data are disseminated (issued) on monthly basis, in millions of euros and USA dollars. The transactions which are denominated in other currencies are converted in euros and USA dollars equivalent to the exchange rate on the day of the transaction.

The main sources of data for compiling the balance of payments are the following:

- the single administrative document (SAD) for the foreign trade of the Republic of Macedonia;
- the system for reporting on the banks' international payment operations (ITRS);
- the system for reporting on the external debt (from the credit indebtedness);
- the banks' reports on the stock of assets and liabilities (the banks' report on the deposit money banks book keeping stock);
- the monthly reports on stocks and flows (changes and stocks) on the accounts abroad of the residents which are not authorized banks and the stock and flow on settlement accounts (monthly reports-MR);
- additional NBRM's reports on the realized turnover in exchange offices and on the official foreign exchange reserves stock of the Republic of Macedonia;
- data from the annual direct investment survey - DI 22.



## **BALANCE OF PAYMENTS: SEPARATE ITEMS**

### **CURRENT ACCOUNT**

#### **Goods**

The source of data on the foreign trade of the Republic of Macedonia is the SAD, which is prepared by the Customs Administration of the Republic of Macedonia, and it is processed and published by the State Statistical Office of the Republic of Macedonia and the NBRM.

In accordance with the methodology on recording the foreign trade in the trade statistics, the State Statistical Office is publishing the data for the exports on the f.o.b. basis, while regarding the imports, on the c.i.f. basis.

Adjustment for the coverage and classification are made for good's item in the balance of payments in line with the recommendations given in the BPM5, especially regarding the following:

- coverage: regarding the return of goods and the invoiced value of the performed service for the repair of goods;

- classification: regarding the c.i.f./f.o.b. factor and processing of goods. In the balance of payments, both the exports and the imports are presented on f.o.b. basis, because of which an adjustment of the c.i.f. imports for c.i.f./f.o.b. factor is necessary. In the period from 1993 to 1997, the c.i.f./f.o.b. factor was determined on the basis of the average internationally set rates for calculation of these expenses. Since 1998, the c.i.f./f.o.b. factor is calculated on the basis of established methodology based on the SAD data on transport and insurance of the parities with a destination in the Republic of Macedonia adjusted to the overall imports.

The item import of goods in ports by carriers is based on data from the monthly reports - MR.

#### **Services**

**Transportation:** The data that refer to the transportation are taken from the ITRS and the monthly reports MR. There is a possibility for making a desegregation by the type of transport (air, sea, railway and road), and on the basis of the category of services (freight, passengers and other). The adjustment is made for the outflow of transportation services (transport of goods) regarding the c.i.f./f.o.b. factor that refers to the costs of transport of goods provided by non-residents.

**Travel:** The data originate from the ITRS and the monthly reports-MR.

**Other services:** The data are taken from the ITRS for the receipts from and payments to non-residents on the basis of type of services: telecommunication, construction, insurance, business, government and other services. The adjustment is made for the insurance outflow regarding the c.i.f./f.o.b. factor that refers to the costs insurance of the transport of goods. Additional source on data for certain types of services are the data from the monthly reports – MR.

#### **Income**

The income as a balance of payments' component originates from: compensation of employees (residents employed with non-residents and vice versa) and investment income. Investment income represents a capital gain from the direct investment, portfolio investment and other investment (dividends, loan and credit interests, etc.).

**Direct investment income:** The data include dividends and distributed branch profits, as well as reinvested earnings and undistributed branch profits. Major data source for the receipts and payments of dividends is the ITRS. For the previous years a basic data source for reinvested earnings is the annual direct investment survey, while for the current year estimates are based on data from the previous years.



**Portfolio investment income:** Data on inflow include interest receipts on foreign debt securities and accrued interest on foreign debt securities as part of the gross official reserves. Data on outflows include dividends paid on equity securities and interest paid on debt securities. The data sources are the ITRS, the NBRM's reports on the official foreign exchange reserves stock and the annual direct investment survey.

**Other investment income:** The data include received and paid interest on the deposits, short-term, medium-term and long-term loans and credits. The received interest consists of the inflows of interest on foreign currency deposits on the foreign accounts (interest on the foreign exchange reserves and on the foreign exchange assets of the banks). The data sources are the ITRS and the NBRM's reports on the official foreign exchange reserves stock. The paid interests refer to the due current liabilities on disbursed medium-term and long-term foreign loans and credits. The source of data is external debt reports, which are obligatorily recorded in the NBRM (credit indebtedness).

### **Current transfers**

**The official transfers** mainly refer to the assistance in financial assets and goods received by foreign governments and international organizations. The source of the data for the transfers in financial assets is the ITRS, while regarding the transfers in goods is the customs administration documents.

**The private transfers** consist of: remittances, cash exchanged and other transfers of which the most are rents. The source of data is the ITRS. Cash exchanged on the exchange market in accordance with the BPM5 should be classified in the capital and financial account of the balance of payments. However, regarding the fact that the largest part of these assets originates from the residents' receipts from non-residents on the basis of provided goods and services (unrecorded transactions) and transfers received in cash foreign currency, these transactions are recorded as a part of the balance of payments' current account (private transfers).

## **CAPITAL AND FINANCIAL ACCOUNT**

### **CAPITAL ACCOUNT**

This account encompasses the capital transfers for which main source of data is the ITRS.

### **FINANCIAL ACCOUNT**

**Direct investment:** The direct investment include equity, reinvested earnings and other capital. Trade credits, long-term and short-term loans between affiliates are recorded under other capital. Basic data source for the previous years is the annual direct investment survey DI 22. The source of data for the investment in financial assets is the ITRS, while regarding the investment in goods is the customs administration documents. For the current year data on reinvested earnings and other capital are estimates based on data from the previous years. Loans within other capital are based on the system for reporting on the external debt and claims.

**Portfolio investment:** The source of data for the portfolio investment is the ITRS. Additional data source for the previous years is the annual direct investment survey DI 22.

### **Other investment:**

**Trade credits:** The trade credits (extended to and received from foreign countries) represent a differential between the exports/imports of goods and the corresponding settlements. The estimated data for the trade credits are derived from the foreign trade data in the administration customs documents and corresponding settlements from the ITRS. If the value of the exported goods is higher than the value of receipts on exports, the difference is recorded as an extended trade credits (with a negative sign). If the value of imported goods is higher than the payments on the imports, the difference is recorded as a received trade credits (with a positive sign). Additional source of data are the data from the monthly reports – MR.



**Loans:** Within the “loans” category, disbursements and amortization on medium-term and long-term loans and credits are recorded. Principal and interest arrears are also recorded as a counter-entry in the category other investment – other. The data are based on the reports on medium-term and long-term public and private external debt prepared by the NBRM, which are obligatory recorded in the NBRM.

**Currency and deposits:** The data primarily refer to the changes in the foreign exchange assets and foreign exchange liabilities of the banks. The sources of data are the monthly bank’s reports on the deposit money banks’ book-keeping stock and the ITRS. The changes of foreign exchange assets and foreign exchange liabilities of the banks are showing with partly excluding of valuation changes. The changes of foreign exchange assets of individuals include net cash deposited on foreign exchange accounts with the banks, reduced for the imports of goods by the individuals. The source of data for net cash deposited on foreign exchange accounts with the banks is the ITRS and for imports of goods is the SAD. Additional source of data on currency and deposits for other sectors are the data from the monthly reports – MR.

**Gross official reserve assets:** The data refer to the changes in the stock of the official foreign exchange reserves. The source of data are the reports of the NBRM regarding the foreign exchange reserves stock calculated according to the exchange rate on the date of the reporting period.

#### **Table no. 24 and 25 Foreign trade**

The source of the data regarding the foreign trade is the State Statistical Office of the Republic of Macedonia. The data on the international trade of goods of the Republic of Macedonia is prepared in accordance with the main statistical standards, definitions and recommendations of the UN regarding the concepts and definitions of the foreign trade statistics. The data relating to the exports are published on f.o.b., while those relating to the imports, on c.i.f. basis.

#### **Table no. 26 and 27 Stock of foreign direct investment**

The calculation and dissemination of foreign direct investment (FDI) data worldwide is based on the methodological recommendations of the Balance of Payments Manual-fifth edition, IMF 1993 and The OECD Benchmark Definition of Foreign Direct Investment-third edition, OECD 1996. In accordance with these recommendations, FDI include:

- equity and reinvested earnings;
- claims on direct investors/affiliates abroad;
- liabilities to direct investors/affiliates abroad.

Methodologically, the reinvested earnings include:

- part of the profit distributed in equity;
- part of the profit distributed in reserves;
- part of the profit distributed for loss coverage from the previous period;
- undistributed earnings;
- uncovered losses;
- losses from previous periods, transformed into claims on the investors;
- earnings from previous periods, transformed into liabilities to the investors.

According to the recommendations of the Balance of Payments Manual-fifth edition, the criterion for classifying a transaction as a direct investment is a minimum 10% of equity participation on the right to vote. Accordingly, the distinction between a portfolio and direct investor is based on the percentage of owned shares in the company.



The methodology applied to calculate foreign direct and portfolio investment in the Republic of Macedonia corresponds fully with the methodologies applied by the member countries of the IMF and OECD.

The FDI data in the Republic of Macedonia are disseminated by the country of the investor and the type of activity of the direct investment company.

### **Table no. 28 and 29 International investment position**

The international investment position is a statistical report which presents the position and the structure of the financial claims (assets) of residents on non-residents and the financial liabilities of residents to non-residents arising from their operations. In other words, the international investment position is a balance sheet of the international financial assets and liabilities of a country on a certain date, often at the end of the year.

International financial assets of the country comprise of the direct and portfolio investments of resident legal entities and natural persons in other countries including the investments in financial derivatives, other investments of residents abroad in the form of extended loans and credits, foreign assets of resident banks with foreign commercial banks, as well as the official foreign reserves. International financial liabilities of the country comprise of the liabilities based on direct and portfolio investments of non-resident legal entities and natural persons in the country including the investments in financial derivatives, liabilities on the basis of other investments of non-residents in the country in the form of used loans and credits, and liabilities on the basis of deposits of foreign legal entities and natural persons with resident banks.

The difference between the total international financial assets and liabilities presents the net-international investment position of a country. This means that the international investment position of the Republic of Macedonia is a difference between the investments of residents with non-residents (its international assets) and the investments of non-residents with residents (its international liabilities).

*Direct investments* are investments by which the investor intends to establish a permanent economic link and/or to exercise right to manage the legal entity it invests in. In line with the international recommendations and standards, a minimum share of 10% in the capital or voting right in the legal entity the investment is made in, is used as a criterion for defining direct investments. Direct investments include shareholders' capital, reinvested gain and the debt of connected entities. Source of data on direct investments for compiling the international investment position of the Republic of Macedonia are the questionnaires - reports on the condition and the turnover of the connected entities which all resident legal entities submit to the NBRM on annual basis, and are related to the investments to and from other countries.

*Portfolio investments* include the investments in debt securities and in equity instruments, where the investor owns less than 10% of the shareholders' capital or does not have voting right. Source of data on the investments in equity instruments for compiling the international investment position of the Republic of Macedonia are the annual questionnaires - reports on the condition and the turnover of the connected entities, while for the investment in debt securities data are used on the international payment operations of commercial banks (in line with the Reporting system for international transactions), reports on operations with securities from the authorized participants in the Macedonian Stock exchange, as well as the data base of the Central Securities Depository. For calculation of the market value of the securities, data on the market prices from the Macedonian Stock Exchange are used.

*Other investments* include the assets and the liabilities on the basis of short-term and long-term financial and trade credits and loans, currencies and deposits and other assets and liabilities. In line with the Balance of Payments Manual of the IMF, trade credits denote claims and liabilities arising from international commercial operations of residents (on the basis of import/export of goods and



services, advance payment, etc.) Source of data on the trade credits for compiling the international investment position of the Republic of Macedonia are the quarterly reports on the claims and liabilities on the basis of international commercial operations of residents (KIPO Form), while for the financial credits and loans records of registered foreign credits are used (KZ and KO Forms). Currencies and deposits include the deposits which resident banks keep abroad, i.e. liabilities of resident banks to non-residents. Sources of data for this item are the monthly balance sheet of the commercial banks and international payment operations of banks.

**Table no. 30-32 Gross external debt, Gross external claims and Net external debt**

### **General methodological notes**

The National Bank of the Republic of Macedonia (National Bank) is the institution responsible for recording and monitoring of the external debt of the Republic of Macedonia in accordance with the legislation i.e. the Law on the National Bank of the Republic of Macedonia and the Foreign Exchange Law.

The external debt statistics is prepared in accordance with the External Debt Statistics Guide<sup>87</sup> (Guide).

### ***Gross external debt***

Gross external debt, at any given time, is the outstanding amount of those actual current, and not contingent, liabilities that require payment(s) of principal and /or interest by the debtor at some point(s) in the future and that are owed to nonresidents by residents of an economy. According to this definition, gross external debt at a certain date is the stock of all future liabilities of residents to nonresidents, future installments of principal, arrears in principal and interest, as well as late (default) interest, regardless of the type of instrument and maturity.

### ***Gross external claims***

Gross external claims are the stock of all current, not contingent claims based on debt instruments, of residents from nonresidents. Basically, the definition of gross external claims is identical with the definition of gross external debt, having in mind that the claims of one economy are liabilities for other.

### ***Net external debt***

Net external debt is defined as the difference between the stock of gross external debt and gross external claims. In its structure, net external debt is identical with the gross external debt, where the standard presentations contains classification by institutional sectors, maturity and debt instruments.

According to the Guide, the basic classification of debt is among the four basic institutional sectors of an economy:

- general government (government units that exist at each level—central and local—of government within the national economy and all social security funds operated at each level of government);
- monetary authorities - (the central bank or other institution carrying out the operations of a monetary authority);
- banking sector (financial intermediaries carrying out activities of taking deposits and extending credits);
- other sectors (non-bank financial intermediaries, non-financial corporations, households and non-profit institutions serving households).

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<sup>87</sup> External Debt Statistics: Guide for compilers and Users, IMF, 2003





Furthermore, within each of the sectors, debt is classified by maturity, on short term (with original maturity of one year or less) and long term (maturities of more than one year). On the third level of disaggregation, debt is distributed amongst the standard types of debt instruments, such as:

- trade credits - consist of claims or liabilities arising from the direct extension of credit by suppliers for transactions in goods and services, and advance payment by buyers for goods and services and for work in progress (or to be undertaken);
- loans - include those claims or liabilities created through the direct lending of funds by a creditor (lender) to a debtor (borrower) based on a credit agreement;
- debt securities - creation of debt or a claim through the issuance/purchasing of securities as part of the portfolio investment in the country, being traded on organized markets or over-the-counter;
- currency and deposits - currency (notes and coins) are claims on a central bank or a government that have issued them, from the nonresident holders. Liabilities on deposits are liabilities of the financial institutions that take deposits to nonresident depositors, while claims on deposits arise from the funds deposited with nonresident financial institutions; and
- other - other claims and liabilities, not included under previous debt instruments. An important category within this item are arrears, that have a treatment of short-term claims/liabilities, as they are considered to be immediately due and are a cumulative amount of arrears on all previously mentioned instruments.

Direct investment - intercompany lending claims or liabilities are shown separately. The separation of these claims/liabilities within net external debt is significant in view of the necessary compatibility with the IIP statement, where these claims/liabilities are incorporated within the item Direct investment (Other capital).

From the aspect of valuation, the Guide recommends the nominal value to be used for all debt instruments, except debt securities, where it is recommended to use the market value of debt. This is entirely consistent with the methodological recommendations for the compilation of the IIP of a country.

Stock data, repayment schedules, arrears and new commitments are converted into the unit of account using the mid exchange rate of the National Bank at the cut-off date. Flow data, disbursements and repayments, are converted into the unit of account using the mid exchange rate of the National Bank on the day of the transaction.

The stock of debt is a result of disbursements, decreased for the amortization (repayments of principal), increased for the amounts of capitalized interest in arrears and default interest. Having in mind the fact that stock data are converted using the end period exchange rate, while the flow data are converted using the transaction date exchange rate, discrepancies between debt stock at end-period and beginning of period differ from the net flows, as they include the exchange rate differentials as well.

## **Data sources and methodology for compiling net external debt of the Republic of Macedonia**

### ***Data sources for the net external debt of the General Government sector***

-for the category debt securities (bonds and money market instruments) - for debt securities issued abroad and bought by nonresidents, data from the reporting system on external debt (CI);

-for the category debt securities (bonds and money market instruments) - for debt securities issued domestically and bought by nonresidents, data from the reports on operations with securities from the authorized participants in the Macedonian Stock exchange, as well as the data base of the Central Securities Depository are used, while for calculation of the market value of the securities, data on the market prices from the Macedonian Stock Exchange are used. For the current year, the calculation of this item is based on the stock of debt at the end of the previous year increased for the flows from the balance of payments in the item portfolio investment - debt securities.



- for the category loans the data are used from the reporting system on external debt (CI) - the credit records statistics is conveyed by the NBRM and is based on a loan-by-loan data base containing various elements. Various data can be obtained from this data base on the stock of external debt, disbursement, repayments, arrears etc.; and the reporting system on external claims (CC) -the credit records statistics is conveyed by the NBRM and is based on a loan-by-loan data base containing various elements. Various data can be obtained from this data base on the stock of external claims, disbursement, repayments, arrears etc.;

#### ***Data sources for the net external debt of the Monetary Authority sector***

-for the category debt securities (bonds and money market instruments) - data from reports of the NBRM on the official foreign reserves of the Republic of Macedonia;  
- for the category currency and deposits - data from reports of the NBRM on the official foreign reserves of the Republic of Macedonia;  
- for the category loans the data are used from the reporting system on external debt (CI) ;  
- for the category other the data are used from the reporting system on external debt (CI) and include a debt liability for SDR allocations.

#### ***Data sources for the net external debt of the Banking sector***

- for the category loans the data are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);  
- for the category currency and deposits - data from reports of the banks on assets and liabilities - monthly balance sheet of the commercial banks;  
- for the category other - the data on arrears are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);

#### ***Data sources for the net external debt of the Other sectors***

- for the category loans the data are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);  
- for the category currency and deposits - data from the monthly reports of resident accounts held abroad (MR);  
- for the category short-term trade credits - data are used from the quarterly reports on the claims and liabilities on the basis of international commercial operations of residents (KIPO Form). For the current year, this category is based on estimation of the stock of debt/claims from commercial operations by adding trade credits flows from the balance of payments to the stock at the end of previous quarter.  
- for the category long-term trade credits the data are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);  
- for the category other - the data on arrears are used from the reporting system on external debt (CI) and the reporting system on external claims (CC);

#### ***Data sources for the net external debt Intercompany lending (Direct investment)***

- a basic data source for the claims and liabilities based on intercompany lending data are used: for intercompany lending in the form of loans data are used from the reporting system on external debt (CI) and the reporting system on external claims (CC), that contain information on relations between creditors and debtors with regard to ownership; for intercompany lending in the form of trade credits data are used from the quarterly reports on the claims and liabilities on the basis of international commercial operations of residents (KIPO Form); for other claims and liabilities, data from the annual direct investment survey - inward (DI 22) and outward (DI 11), which all resident legal entities submit to the NBRM on annual basis, are used.

Data for the period 2004-2005 are disseminated annually, while starting with 2006 data are disseminated quarterly, in Euro and US Dollars.

**Table no. 33 Reserve assets**

The data reflect the stock of reserve assets and other foreign assets.

Reserve assets being those external assets that are readily available to and controlled by the monetary authorities, consist of: monetary gold, SDRs, reserve position in the Fund and foreign exchange assets.

The components of reserve assets are defined in accordance with the methodology of the International Monetary Fund (Balance of Payments Manual, fifth edition).

The stock of reserve assets is calculated using the mid exchange rate of NBRM on the day for which the data are disseminated.

**Monetary gold**

**Gold:** The category monetary gold encompasses gold handled by the NBRM, consisting of gold in the NBRM's treasury, gold granulates, monetary gold deposited in foreign banks and monetary gold in transport.

**Gold deposits:** Gold deposits consist of term deposits in gold with foreign banks for a longer period of time.

**Foreign exchange**

**Deposits with foreign banks:** This category comprises of foreign exchange on nostro accounts with foreign banks, assets with foreign banks used as coverage for opened letters of credit and guarantees, placements in subordinated deposits in foreign currencies with non-residents, as well as term foreign exchange deposits abroad.

**Cash in treasury:** Cash in treasury consists of cash foreign tenders of payment within the treasury, foreign exchange cheques received at the counter, cheques sent abroad for settlement, as well as cheques received for settlement by domestic banks.

**Securities:** This category includes the foreign exchange assets placed in debt coupon and discount securities issued or guaranteed by foreign governments, central banks, multilateral development banks and international financial institutions, as well as foreign exchange assets placed in collateralized and agencies' bonds.

**Other foreign assets**

This category consists of placements in subordinated foreign currency deposits with non-residents, foreign exchange assets with foreign banks used as collateral for issued guarantees, foreign exchange assets received on accounts of the government, as well as placements in equity securities issued by non-residents (BIS equity shares) in foreign currency readily available for sale.

**Table no. 34 and 35 Denar exchange rate - average in the period and in the end of the month**

The average annual exchange rates are calculated as an arithmetical average of the monthly average rates.

The average quarterly exchange rates are calculated as an arithmetical average of the average monthly exchange rates in the given quarter.



The average monthly rates are calculated as an arithmetical average of the average daily exchange rates.

The exchange rates at the end of the month represents the daily middle exchange rate at the exchange rates list of the NBRM for the last day of the month.

**Table no. 36 Indices on effective exchange rate of the Denar**

Real Effective Exchange Rate (REER) is an index calculated by the Nominal Effective Exchange Rate Index of the Denar relative to the Relative Prices Index.

Nominal Effective Exchange Rate Index (NEER) is calculated as weighted geometric mean of the average monthly nominal exchange rates of 12 countries which are major foreign trade partners of the Republic of Macedonia (Austria, Bulgaria, Croatia, Germany, Greece, Italy, Netherlands, Russia, Slovenia, Turkey, USA and Serbia), with base period 2003=100 and overall trade weights in 2006.

The Relative Prices Index is calculated as an interrelation of the weighted average index of the prices in the selected 12 countries and the domestic price index, with base period 2003=100 and overall trade weights in 2006. Consumer Price Index (CPI), Producer Price Index (PPI) and Unit labor cost (ULC) are used as deflators.