



REPUBLIC OF MACEDONIA
MINISTRY OF FINANCE
Macroeconomic Policy Department

SHORT-TERM ECONOMIC TRENDS

December 2010



Skopje, February 2011

SUMMARY

OF THE MOST IMPORTANT SHORT-TERM ECONOMIC TRENDS

December 2011

- Industrial production index in December 2010 was at almost at the same level of the previous month (-0.1%);
- Annual increase of general price level by 3.0%, with 0.7% monthly inflation;
- Increase in the physical output of export in 2010 by 11.6%, with high valuable nominal growth of 29.7% compared to 2009. Increase in imported quantities of goods was 11%, with valuable nominal growth of 13.9%;
- Higher performance of total central budget revenues by 3.7% and increase of total expenditures by 2.2% in 2010 compared to 2009. Central budget deficit of 2% of GDP and consolidated budget deficit of 2.5% of GDP
- Growth of total credits to the private sector of 7.1% on annual basis, by simultaneous increase of total deposit potential of banks by 13.7%;
- Reduced number of unemployed by 5.8% in December 2010 compared to December 2009.

1. Real Sector

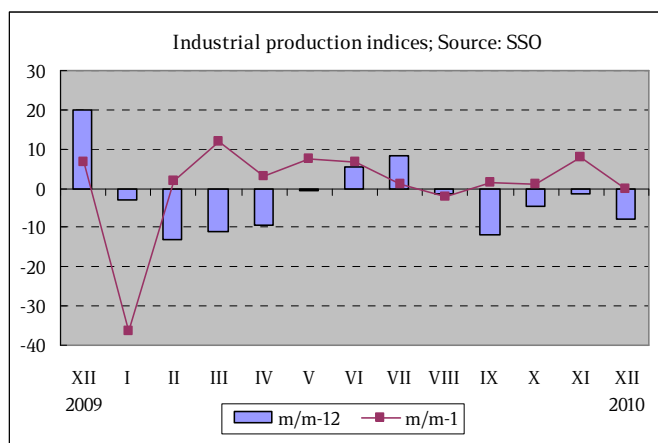
Industrial production

Industrial production index in December was almost at the same level compared to November 2010, amounting to -0.1%. Thereby, electricity, gas and water supply sector increased by 34.9%, while ore and stone extraction sector and processing industry dropped by 7.8%, i.e. 3.8% on monthly basis respectively. De-seasoned monthly growth of industrial production in December 2010 was 0.7%, pointing out to negative seasonal effects in the industry.

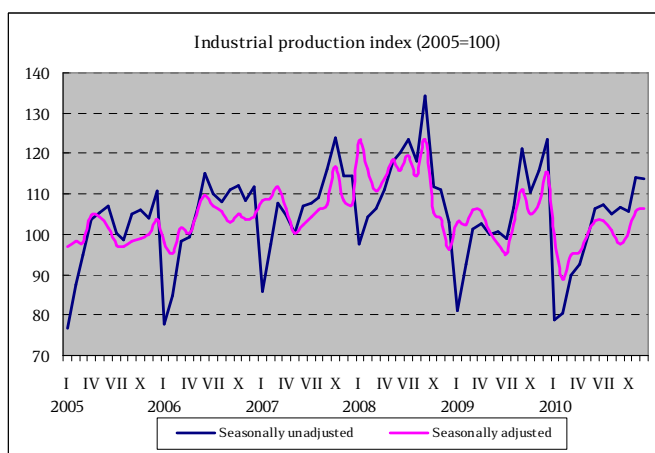
	m/m-1	m/m-12	I-XII 2010
			I-XII 2009
Total	-0.1	-7.7	-4.3
Ore and stone extraction	-7.8	-17.0	-3.4
Processing industry	-3.8	-9.7	-6.9
Electricity, gas and water supply	34.9	9.9	14.3

Source: SSO

As for processing industry, positive monthly growth was registered at 10 to 20 branches. Thus, growth was registered at production of tobacco products - 10.5%, publishing, printing and reproduction of recorded media - 14.6%, production of chemicals and chemical products - 13.9%, production of base metals - 5.1%, production of metal products in the metal processing phase - 9.3%, production of motor vehicles - 52.3%, production of other means of transport - 278.9%, production of furniture 91.4% and recycling 19%.



Industrial production in December 2010, compared to the same month in 2009, dropped by 7.7%. Analyzed by sectors, electricity, gas and water supply sector increased by 9.9%, while ore and stone extraction sector and processing industry dropped by 17% and 9.7% on monthly basis respectively. As for processing industry, positive annual growth was registered at 14 out of 20 branches, whereby significant growth was recorded at two out of the three driving branches with double-digit share in the industrial production structure. Thus, production of clothing increased by 11.4% and



production of base metals surged by 9.6%, while production of food products and beverages dropped by 12.1%. Production of tobacco products and tobacco fermentation (6.3 p.p.) contributed the most to the annual growth of industrial production, while production of metal products in the metal processing stage (-2.2 p.p.) had the highest negative contribution.

In 2010, on cumulative basis, industrial production index, compared to the 2009, dropped by 4.3%. Thereby, electricity, gas and water supply sector increased by 14.3%, while ore and stone extraction sector and processing industry dropped by 3.4%, i.e. 6.9% on respectively.

Business tendencies in the processing industry

According to the assessment of managers, economic situation present in the business entities in December 2010 was more favourable compared to November, as well as compared to December 2009, being continuation of the improvement commenced in November 2010. Assessment of current state of delivery-to-production was also more favourable compared to November. Production volume of business entities in December 2010 increased compared to November 2010. Expectations for the production volume in the coming three months are more favourable, as well as the expectations for the number of employees, pointing out to overall improvement of the developments in the processing industry. According to the assessment of managers, average purchase prices of inputs, as well as selling prices of ready-made products will increase in the period to come.

Average utilization of the capacities of business entities in December 2010 was 61.4% of the regular utilization. Following factors limited the most the production volume in December 2010: insufficient foreign demand -21.8%, insufficient domestic demand - 17.2%, financial problems - 12.9% and uncertain economic surrounding - 12%.

Number of industrial workers

Number of industrial workers in December 2010 increased by 0.2% compared to November 2010. Observed by sectors, increase of the number of employees was recorded in the processing industry by 0.4%, while extraction of ore and stone sector and electricity, gas and water supply sector decreased by 0.4% and 0.3% on monthly basis respectively.

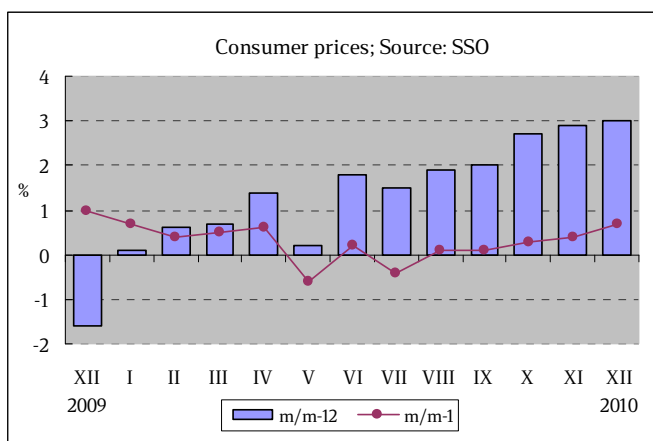
Total number of industrial workers in December 2010 decreased by 1.9% compared to December 2009. Sector analysis points out to increase in the number of workers in the ore and stone extraction sector by 3.0% (whereby high growth of 10.2% was registered in the sector extraction of coal and lignite and extraction of peat on annual basis.) Electricity, gas and water supply sector increased by 2.6%, while processing industry dropped by 2.6%. As for processing industry, high annual growth of the number of employees was registered in the production of base metals - 16.8%, being of special importance, taking into account the large share in the industrial production structure, pointing out to overall improvement of the developments in this branch. On cumulative basis, in 2010 compared to 2009, industrial production in this sector increased by 22.2%.

In 2010, on cumulative basis, number of industrial workers compared to 2009, dropped by 4.4%. Decline registered in the ore and stone extraction sector was 2.8%, 5% in the processing industry, while the decline in the electricity, gas and water supply sector accounted for 0.9%.

Inflation

In December 2010, inflation (CPI) amounted to 3.0% compared to the same month in 2009, i.e. 0.7% in relation to November 2010.

Increase of prices on annual basis was the highest in the housing category by 5.7%, as a result of the increase of prices for electricity and heating. Increase of prices was also registered at the following: means of transport and services by 3.6%, food by 3.2%, having the highest share in the structure by almost 39%, restaurants and hotels by 1.9%, hygiene and health by 1.5%, clothing and footwear by 1.3% and tobacco and beverages by 0.7%. Reduction of prices was registered in the categories culture and entertainment by 0.3% and administrative and financial services by 6.1%.



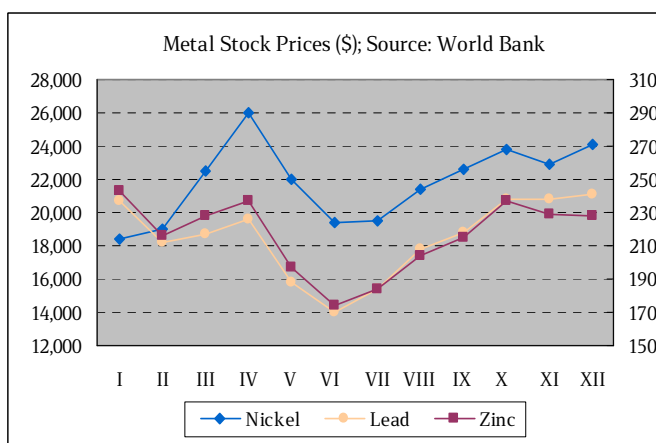
Value of the consumer basket of food and beverages for a four-member household in December 2010, calculated on the basis of retail prices, was Denar 12,342, and compared to the previous month, it was by 1.1% higher.

Retail price index in December 2010, in relation to December 2009, increased by 3.7%.

In December 2010, price of natural gas increased by 13.7% on monthly basis.

In December 2010, oil price on world stock markets increased by 7.2% compared to the previous month, reaching the price of US\$ 91.8 per barrel. Compared to December 2009, oil price surged by 23%.

Regarding metal products, price of nickel, as a product having high share in the Macedonian export, increased by 5.3% on monthly basis, reaching US\$ 24,111 for a metric ton (\$/mt). Compared to December 2009, nickel price was higher by 41.3%.



Price decrease on monthly basis was also noticed at zinc by 0.5%, while prices of copper, gold and aluminum increased by 8.0%, 1.5% and 0.8% on monthly basis respectively.

2. External Trade

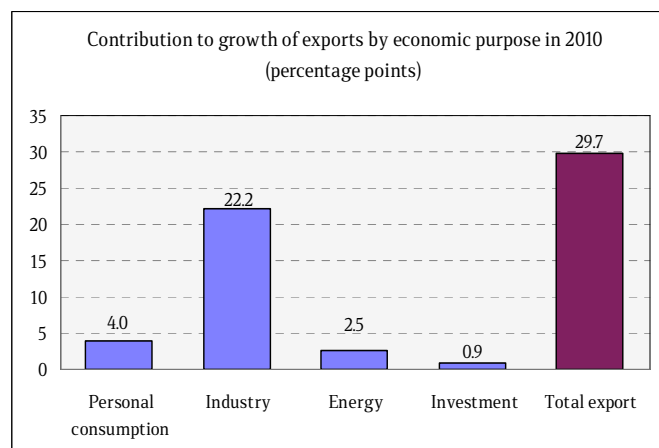
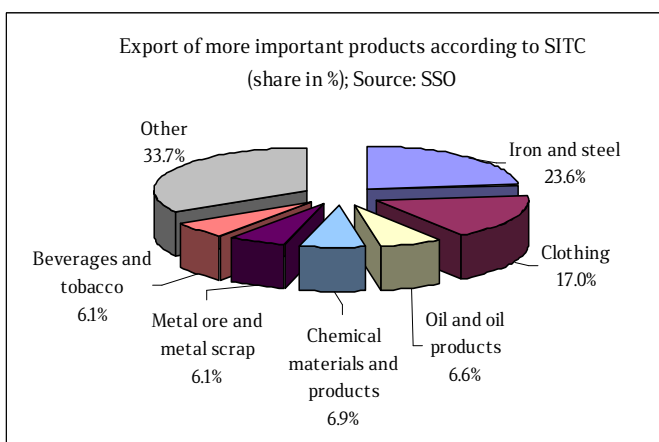
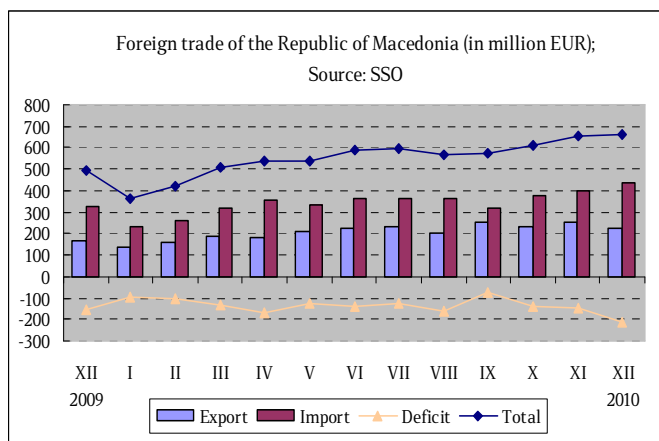
Export

Analyzed on annual basis, physical output of export increased by 11.6%, the value of which amounted to EUR 2,497.5 million, being a significant increase by 29.7% compared to 2009. In December 2010, export of good decreased by 11.2% on monthly basis.

Main groups of export goods (according to SITC) in 2010 were the following: iron and steel – 23.6%, clothing 17%, chemical materials and products 6.9%, oil and oil products 6.6%, metal ore and metal scrap 6.1% and beverages and tobacco 6.1%. These six groups of products comprised 66.4% of the total export of the country.

Analyzed according to economic purpose, in 2010, significant increase of export by 52.1%, compared to 2009, was seen at industrial products, contributing with 22 p.p. to the total growth of export.

Analysis of export by activities (NACE Ref.1) in 2010, compared to 2009, points out to significant increase of export in processing industry by EUR 461.9 million, being primarily due to the increase of: production of base metals by 56.2%, contributing with 11.8 p.p. to the increase, production of chemicals and chemical products by 2.5 times, contributing with 8.8 p.p. to the increase, production of coke, oil



derivatives and nuclear fuel by 20.1%, contributing with 1.4 p.p. to the increase and production of food products and beverages by 12%, contributing with 1.3 p.p. to the total increase.

Export of iron and steel*)				
	I-XII-2009	I-XII-2010	Balance 2010-2009	% rate
.000T	619.3	753.6	134.3	21.7
EUR mil.	381.2	589.2	208.0	54.6
\$ mil.	534.0	777.8	243.8	45.7

*)Previous data

Import of iron and steel*)				
	I-XII-2009	I-XII-2010	Balance 2010-2009	% rate
.000T	550.9	574.9	24.0	4.4
EUR mil.	215.4	267.2	51.8	24.0
\$ mil.	301.7	354.6	52.9	17.5

*)Previous data

Export of oil and oil products*)				
	I-XII-2009	I-XII-2010	Balance 2010-2009	% rate
.000T	349.2	327.3	-21.9	-6.3
EUR mil.	136.2	164.8	28.6	21.0
\$ mil.	191.3	218.1	26.8	14.0

*)Previous data

Import of oil and oil products*)				
	I-XII-2009	I-XII-2010	Balance 2010-2009	% rate
.000T	1,321.2	1,215.2	-106.0	-8.0
EUR mil.	444.1	563.4	119.3	26.9
\$ mil.	621.1	744.8	123.7	19.9

*)Previous data

As for extraction of ore and stone sector, increase of export by 54.9% (EUR 51.6 million) was mainly due to the increase at the branch metal ore extraction by 63%, contributing with 2.4 p.p. to the total increase of export.

Increase of export by EUR 22.2 million in the electricity, gas and water supply sector is mainly a result of the high increase of export of electricity in 2010.

In 2010, export in the field of agriculture increased by 26.7%.

Import

Analyzed on annual basis in 2010, imported quantities of goods increased by 11%, and it amounted to EUR 4,119.1 million, increasing by 13.9%. Import of goods surged by 9.8% on monthly basis in December 2010 alone.

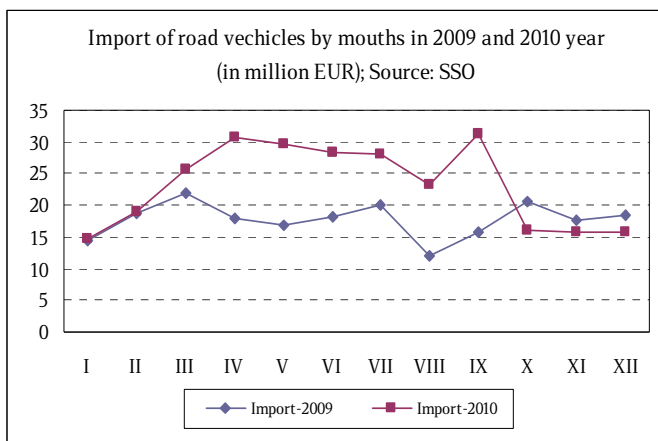
Import of main 10 products according to SITC in I-XII 2009 and I-XII 2010						
Rank	Group of products	Value in EUR mill. I-XII 2009	Value in EUR mill. I-XII 2010	Share in total import 2009	Share in total import 2010	Changes in the share (p.p)
1	Oil and oil products	444.1	563.4	12.3	13.7	1.4
2	Textile yarns and similar	277.3	305.0	7.7	7.4	-0.3
3	Road vehicles	212.5	137.3	5.9	3.3	-2.5
4	Iron and steel	215.4	267.1	6.0	6.5	0.5
5	Metal ore and metal scrap	79.7	155.4	2.2	3.8	1.6
6	Electrical machines, devices and spare parts	130.2	141.7	3.6	3.4	-0.2
7	Non-ferrous metals	36.8	127.0	1.0	3.1	2.1
8	Miscellaneous manufactured articles	107.6	125.3	3.0	3.0	0.1
9	Telecommunication apparatus and equipment	127.1	112.0	3.5	2.7	-0.8
10	Medical and pharmaceutical products	104.4	104.5	2.9	2.5	-0.4
	Total (1-10)	1,735.1	2,038.7	48.0	49.5	1.5
	Total RM	3,615.8	4,119.1	100.0	100.0	0.0

Source: SSO

According to SITC, the following participated the most in the import of goods in 2010 on cumulative basis: oil and oil products (EUR 563.4 million, contributing with 13.7% to the total import), textile yarns and similar (EUR 305.1 million, 7.7%), road vehicles (EUR 280.3 million, 6.8%), iron and steel (EUR 267.1 million, 6.5%), metal ore and metal scrap (EUR 155.4 million, 3.8%), electrical machines, devices and spare parts (EUR 141.7 million, 3.6%), etc.

Analysis of import by economic purpose points out that industrial products significantly increased by 27.3%, contributing with 9.8 p.p. to the increase, amounting to EUR 1,646.1 million, while the amount of imported energy products was EUR 710.4 million, being an increase by 15.8%, contributing with 3.9 p.p.. Import of products intended for investments dropped by 3.1%.

Given the analysis of import by activities in 2010, it is concluded that the processing industry with its increase by 11% or by EUR 335 million is driving force of the cumulative growth of import, being due to the increase at the following: production of chemicals and chemical products by EUR 94 million or 24.9%, production of base metals by EUR 164 million or 56.5%, production of motor vehicles, trailers and semi-trailers by EUR 69.4 million or 34% and production of coke, oil derivatives and nuclear fuel by EUR 47 million or 32.7%.



As a result of the reduced import of electricity, import at electricity, gas and water supply sector dropped by 3.8% or by EUR 3.3 million.

Import in the field of agriculture increased by 8.2% or by EUR 7.2 million.

Trade balance

Negative trade balance in 2010 amounted to EUR 1,621.6 million, narrowing by EUR 69 million compared to the 2009 deficit, being a result of the more intensive growth of export than import. Analyzed from balances point of view, reduction of negative trade balance is a result of the combined effect from the increased positive balance in the trade in chemical materials and metal products, iron and steel and their products, fruit and vegetables, clothing, tobacco and tobacco processed goods, as well as the reduced negative balance in trade with industrial machines and spare parts, other transport equipment, operating machines and devices, electricity, telecommunication devices, meat and meat processings and medical and pharmaceutical products. Increased negative balance of trade in oil and oil products, non-ferrous metals, raw chemicals, road vehicles, items from non-metal minerals, electrical machines and spare parts etc., had opposite effect. Such trends in 2010 led to increase of the level of import to export coverage by 7.4 p.p. compared to 2009, accounting for 60.6%.

Analyzed according to the economic groups of countries in December, export in the EU, EFTA and the developing countries continued to increase, while import from all groups of countries increased, except import from EFTA countries.

In 2010, in conditions of significantly improved trade with the European Union (EU 27) by 25.3%, compared to 2009, share of trade with the EU in the total external trade experienced an increase by 2.6 percentage points, accounting for 56.2%,

whereby export of goods participated with 61.3% and share of import of goods was 53.1%. Export to the European Union increased significantly by 41.5%, while import increased by 16% compared to 2009.

In 2010, 63.3% of the trade deficit of the country was realized in the trade with Russia, Great Britain, Turkey, China, and Greece, while it was adjusted with the surplus realized in the trade with Kosovo, Germany, Albania, Belgium, etc.

Currency structure

Observed by currency structure, 73.1% of the foreign trade in 2010 was realized in euros, and compared to 2009, it dropped by 3.8 percentage points. On export and import side, euro accounted for 78% and 70% respectively, and the reduction in relation to 2009 was 3.1 p.p. and 4.5 p.p. respectively.

Foreign trade of the Republic of Macedonia (by currency); calculations: MoF												
- by currency -												
export	I-XII 2009					I-XII 2010					absolute change in currency value	relative change in currency value (in %)
currency	.000 T	export in currency	average Denar exch. Rate in relation to currencies	export in denar	structure in %	.000 T	export in currency	average Denar exch. Rate in relation to currencies	export in denar	structure in %		
EUR	2,342	1,562,662,061	61.2728	95,748,679,910	81.1	2,642	1,947,221,100	61.5150	119,783,305,967	78.0	384,559,039	24.6
USD	597	493,639,361	44.0766	21,757,944,680	18.4	638	711,112,240	46.4574	33,036,425,779	21.5	217,472,879	44.1
EUR+USD	2,939			117,506,624,589	99.6	3,280			152,819,731,745	99.6		
tot. export:	2,945			117,993,525,022	100.0	3,286			153,492,783,843	100.0		30.1

Source: SSO and NBRM

3. Fiscal Sector

Budget revenues

In 2010, total central government budget revenues reached an amount of Denar 81,391 million, i.e. 19.1% of GDP, which was higher performance by 3.7% compared to 2009.

Tax revenues, increasing seven months in a row already, amounted to Denar 72,150 million, and compared to 2009, they increased by 3.1%.

Value added tax was realized in the amount of Denar 37,694 million, whereby share of VAT in total tax revenues in 2010 was dominant, amounting to 52.2%. Excises were realized in the amount of Denar 14,137 million (participating with 19.6% in the tax revenues). Thus, revenues in the amount of Denar 51,831 million were realized on the basis of these two taxes, i.e. almost 3/4 of total tax revenues (12.2% of GDP). Thereby, VAT collection

Total revenues and expenditures (Denar million)	I-XII 2009	I-XII 2010
Total revenues	78,484	81,391
Taxes	70,009	72,150
Personal tax	8,710	8,872
Profit tax	4,434	3,690
VAT	35,173	37,694
Excises	13,788	14,137
Customs duties	5,229	4,712
Other taxes	2,675	3,045
Non-tax revenues	7,075	7,585
Other	1,400	1,656
Total expenditures	88,071	89,983
Current expenditures	77,473	78,693
Transfers	44,048	45,348
Goods and services	10,300	9,233
Salaries	21,024	21,201
Interest	2,101	2,911
Capital expenditures	10,598	11,290

amounted to Denar 53,217.3 million on gross basis, Denar 15,523.4 million out of which was refunded to taxpayers.

Structure of trading in the country points out that the sales of goods and services taxed with the general tax rate of 18% reduced by 0.4%, sales taxed with preferential tax rate of 5% increased by 7.5%, while sales exempt from VAT significantly increased by 51.9%. Observed by certain categories of taxes, revenues on the basis of personal income tax were realized in the amount of Denar 8,872 million, increasing by 1.9% on annual basis. In relation to 2009, VAT revenues experienced record growth of 7.2%, while excises surged by 2.5%. Revenues on the basis of profit tax experienced the highest drop of 16.8% (decline was significant on the basis of monthly advance payments, since in 2009, advance payments in January and February were made on the profit realized in 2007 when it was taxed, while in 2010, as a result of amendments to the regulations, it is paid only on non-exempted expenditures determined in the 2008 tax balance). Starting April 2010, revenue on the basis of tax on paid dividend and other profit distribution was registered, participating with 27.3% in the structure of this tax. Revenues on the basis of customs duties were realized in the amount of Denar 4,712 million, decreasing by 9.9% compared to 2009.

Non-tax revenues increased by 7.2% in relation to 2009, while share of revenues on the basis of administrative fees, road tolls and dividends was higher.

Capital revenues realized on the basis of sale of construction land and flats amounted to Denar 1,131 million, being less by 2.8%.

Social contributions during this period were realized in the amount of Denar 38,687 million, which was by 0.4% less compared to 2009.

Budget expenditures

In 2010, total central budget expenditures amounted to Denar 89,983 million, i.e. 21.1% of GDP, which was higher by 2.2% compared to 2009.

With respect to the structure of total realized expenditures, current expenditures in the amount of Denar 78,693 million accounted for 87.5%, increasing by 1.6% compared to 2009, while capital expenditures, amounting to Denar 11,290 million participated with 12.6% in the total expenditures, increasing by 6.5% on annual basis.

Transfers amounting to Denar 45,348 million accounted for the most in the current expenditure items, followed by salaries and allowances (Denar 21,201 million). With respect to total central budget expenditures, expenditures related to wages and salaries and allowances accounted for 23.6%, and in relation to 2009 they increased by minimum 0.8%.

Expenditures related to goods and services amounted to Denar 9,233 million, decreasing by 10.4% compared to 2009.

Transfers increased by 3.0% compared to 2009, participating with 50.4% in the total expenditures. Share of category other transfers, including the transfers to local government units, accounted for 28.1% in the total expenditures. Transfers to the

Pension and Disability Insurance Fund were in the amount of Denar 14,220 million, being 15.8% of the total expenditures.

Interest was collected in the amount of Denar 2,911 million, being by 38.6% more compared to 2009. Such increase was mainly due to the payment of due interest for the second Eurobond in July 2010.

Budget balance

In 2010, central government budget deficit reached the amount of Denar 8,592 million, being 2.0% of GDP, while consolidated budget deficit amounted to Denar 10,543 million or 2.5% of GDP.

4. Monetary Sector

Primary money

In December 2010, primary money¹ showed accelerated growth of 6.6% on annual basis, in conditions of intensified increase of total liquid assets of banks by 8.9% and increase of ready money in circulation² by 3.5%.

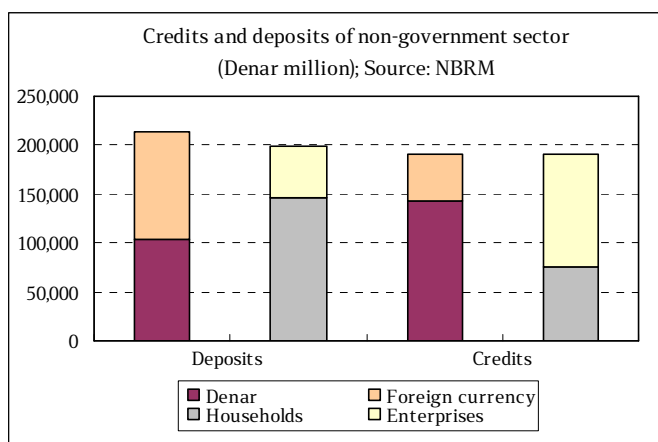
On monthly basis, primary money increased by 3.6%, mainly as a result of the increase of ready money in circulation by 9%. Total liquidity of banks increased by 0.2% on monthly basis.

National Bank of the Republic of Macedonia in December 2010 reduced the interest rate on CB bills by 0.5 p.p., i.e. from 4.5% to 4.0%. At the same time, interest rate on overnight credits (Lombard credits) reduced from 6.0% to 5.5%.

Deposit potential

Total deposit potential of banks³ in December 2010 experienced slowed down monthly growth of 0.9%, in conditions of increase of both Denar deposits by 1.7% and foreign currency deposits by 0.2%. Analyzed by sectors, deposits of households increased by 3% and deposits of private enterprises dropped by 2.3%.

On annual basis, total deposits increased by 13.7%. Thereby, from the point of view of sector structure, growth was mainly a result of the increase of deposits of households by 17.4%, contributing with 84.6%. Deposits of enterprises



¹ Primary money is calculated as a sum of ready money in circulation (including cash in hand), the denar and foreign currency reserve requirement and the surplus of liquid assets over the reserve requirement (in denars)

² Including cash in hand of the banks

³ Starting January 2009, deposits include calculated interest

increased by 6.4% on annual basis.

Analyzed according to currency, Denar deposits increased by 19.9%, while foreign currency deposits were higher by 8.2% on annual basis.

According to maturity, short-term deposits increased by 7.6% on annual basis, while long-term deposits highly increased by 44.3%.

Credits of banks

In December 2010, total credits of banks to private sector increased by 0.4% on monthly basis, fully due to the increase of credits to private enterprises by 1%, while credits to households dropped by 0.6%. From the currency point of view, monthly credit increase was driven by foreign currency credits, increasing by 6.6%, while Denar credits were lower by 1.6%

On annual basis, growth rate of credits amounted to 7.1%. From the point of view of sector structure, crediting to private enterprises had dominant contribution of 71% to growth of total credits, increasing by 8.5% on annual basis. Growth of credits of households amounted to 5.1% in December.

From the currency point of view, Denar credits increased by 2.3% on annual basis, while foreign currency credits intensified upward trend, reaching 24%. At the same time, long-term credits increased by 10.8% on annual basis, while short-term credits were lower by 1%.

Interest rates

In December 2010, interest rates remained the same compared to the previous month, while they decreased on annual basis. Interest on Denar debit balance amounted to 9.0%, reducing by 1.2 p.p. compared to December 2009. Interest on Denar debit balance amounted to 6.7%, reducing by 0.8 p.p. compared to December 2009.

Interest rates on foreign currency credits/deposits did not change on monthly basis. Interest rate on foreign currency credits amounted to 7.4%, decreasing by 0.1 p.p. compared to December 2009, while interest rate on foreign currency deposits amounted to 3.0%, decreasing by 0.4 p.p..

Foreign currency reserves

Gross foreign currency reserves amounted to EUR 1,714.5 million at the end of December 2010, and compared to December 2009, they were higher by EUR 116.8 million.

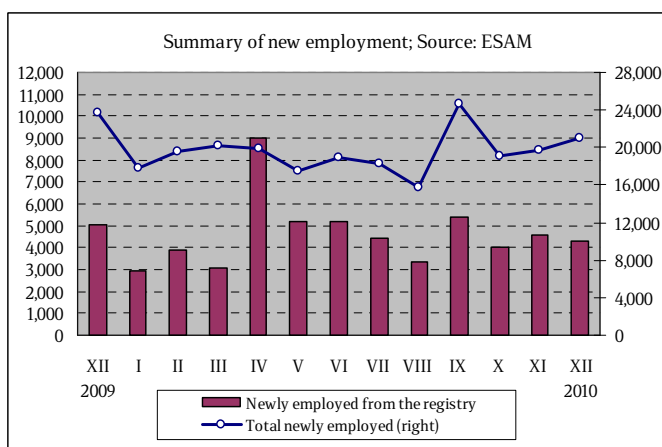
5. Social Sector

Number of newly employed and registered unemployed persons in EARM

In 2010, Employment Agency of the Republic of Macedonia registered total of 232,499 new employments. 37.8% out of the total number of newly employed was on the basis of full-time employment, while the rest was temporary employment

and seasonal works. Compared to 2009, number of newly employed persons declined by 5.2%.

During December, 20,935 new employments were registered, 20.6% out of which were from the unemployed records. Outflow of persons from the Employment Agency Registry of the Republic of Macedonia amounted to 9,391 persons in December, 43.5% out of which were new employments. 9,106 persons were registered as inflow to the Agency, 52.5% out of which were persons whose employment was terminated. As a result, unemployment reduced by 285 persons, i.e. by 0.1% compared to the previous month. Thus, in December 2010, number of unemployed persons was 321,341. Compared to the same month in 2009, number of unemployed persons declined by 5.8%.



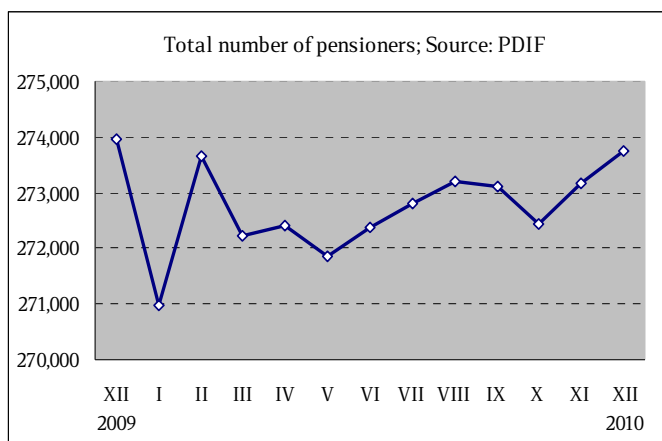
Major percentage of the unemployed, i.e. 66% came from urban areas (cities), whereby 57.5% were men. Analyzed by education structure, major part, i.e. 52.3% of unemployed persons were unskilled or semi-skilled, while only 8% was with community college or higher education level. Observed by age, majority of unemployed or 57.9% fall in the category of 25-49 years of age. According to the time they waited for a job, 50.9% of the unemployed persons sought job from 1 to 7 years, while 30.6% sought job for 8 years and more.

Pensions

In December 2010, Pension and Disability Insurance Fund registered 273,751 pensioners, being a decline by 0.1 % compared to the same month in 2009. Number of pension beneficiaries increased by 572 persons in relation to the previous month.

In December 2010, Denar 2,772.1 million was spent for payment of pensions, accounting for 48.3% of the total social transfers in the state Budget.

Average pension in December 2010 amounted to Denar10,273, increasing by 2.1% on annual basis. Ratio between the average pension and the average paid salary in November 2010 (the most recent available data) was 49.8%.

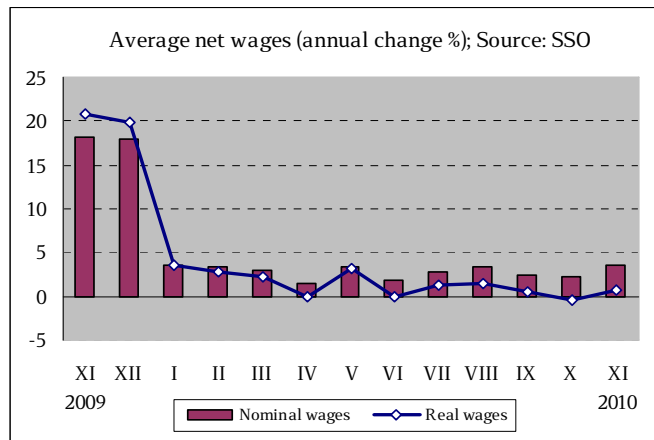


Salaries

In the period January-November 2010 (the most recent available data), compared to the same period in 2009, average monthly net salary increased by 2.8% in nominal terms, while real average salary was higher by 1.4%.

In November 2010, average net wage per employee amounted to Denar 20,633 and compared to the same month in 2009 increased by 3.6% in nominal terms, i.e. by 0.7% in real terms.

Percentage of employees who did not receive salary in November 2010 was 1.9%, being by 0.9 p.p. lower in relation to the same month in 2009.



Report is prepared by:

Ministry of Finance

Macroeconomic Policy Department

www.finance.gov.mk

Persons in charge:

Aneta Acevska

Azbi Fetai

Bojana Ilievska

Gjoko Gjorgjeski

Koprinka Sapunova

Sami Asani

Checked by: Snezana Delevska

Approved by: Jordan Trajkovski

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