

Republic of Macedonia
Ministry of Finance

QUARTERLY ECONOMIC REPORT
Q4/2012

Summary

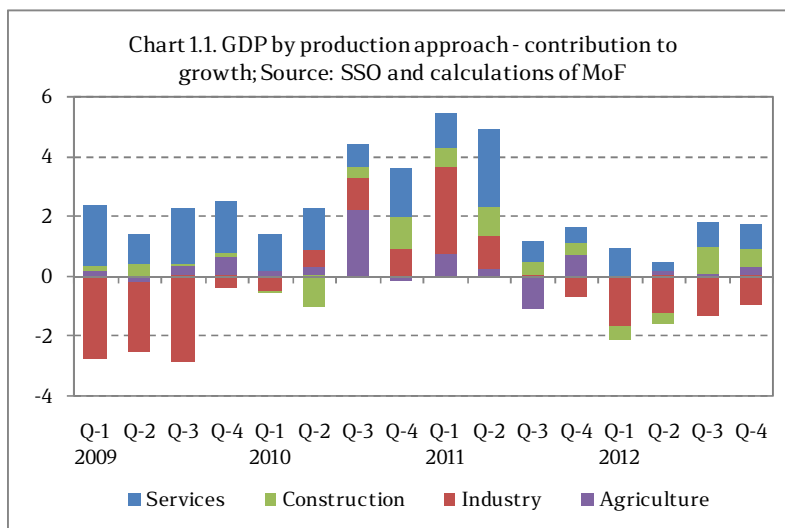
- **GDP** in Q4 2012, compared to the same quarter previous year, increased by 0.2% in real terms, following the 0.3% increase realized in the previous quarter; Average economic growth rate in 2012 amounted to -0.3%;
- According to the Labour Force Survey, **number of employed persons** in Q4 2012 was higher by 2.9% compared to the same quarter in the previous year; **Number of unemployed persons** dropped by 2.6% on annual basis, which resulted in reduction of **unemployment rate** from 31.8% in Q4 2011 to 30.6% in Q4 2012;
- **Inflation rate** in Q4 2012 experienced intensified growth of 4.9% compared to the same quarter in 2011, measured according to CPI;
- Average **gross salary** in Q4 2012 amounted to Denar 30,979, being higher by 0.4% in nominal terms, i.e. being lower by 4.3% in real terms, compared to gross salary in Q4 2011.
- Total **budget revenues** were higher by 1.2% in Q4 2012 compared to the same quarter in 2011, while total **budget expenditures** surged by 10.9%;
- Total **deposit potential** of banks increased by 2.6% in Q4 2012 on quarterly basis.
- **Credit activity** of banks to non-government sector experienced slowed down growth rate of 0.4% in Q4 2012 on quarterly basis.
- **Macedonian Stock Exchange Index MSEI-10** declined by 5% in December 2012 compared to September 2012.
- In Q4 2012, on annual basis, contraction of **export** by 2.4% and growth of **import** by 4.4% was registered, whereby total **foreign trade**, expressed in euros, grew by 1.7%;
- **Trade openness** of the Republic of Macedonia in Q4 2012 amounted to 104%, being almost the same compared to the same quarter in 2011 (103.9%).

1. Macroeconomic Trends and Real Sector

GDP in Q4 2012, compared to the same quarter previous year, **increased by 0.2% in real terms**, following the 0.3% increase realized in the previous quarter. Average economic growth rate in 2012 amounted to -0.3%, due to GDP decline in the first half of 2012. Unfavourable economic trends in the EU, uncertainty related to the debt crisis in the Eurozone and expectations of economic entities significantly affected the economic activity in 2012.

Nominal GDP growth in Q4 2012 accounted for 5% compared to the same quarter last year, while average nominal growth in 2012 amounted to 0.2%.

Analyzed according to **GDP production side**, highest real growth rate in Q4 2012 was registered in the construction sector (10.6%), following the 16.7% growth



in the previous quarter, thus the average growth in 2012 was 4.6%, significantly contributing to mitigation of GDP decline in 2012. As regards hotels and restaurants sector, growth surged by 5.2% in Q4 2012, showing continuation of the trend of stable positive growth in this sector. Growth in public administration sector accounted for 2.8%. Positive developments continued in the financial services sector, experiencing 2.6% growth in Q4 2012. Agriculture sector registered growth of 2.4%. Trade sector experienced positive signs in the last two quarters, hence growth in Q4 2012 accounted for 1.2%. Transport, storage and communications sector experienced a decline of 1.4%. Drop of 6% was also registered in the industry sector.

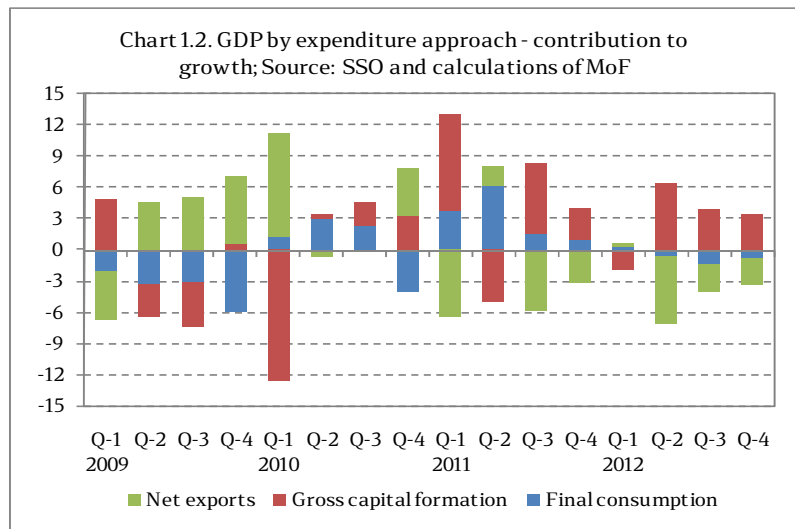
Decline in the **industrial production**¹ rate of 5.7% in Q4 2012 was mainly due to the decline in the extraction of coal and lignite (16.3%), other mining and quarrying (21.7%), production of food products (7.8%), production of tobacco products (39.2%), processing of wood and wood products (4.4%), production of paper (23.2%), printing and production of recorded media (46.6%), production of coke and refined oil products (55.5%), production of chemicals and chemical products (14.3%), production of other non-metal products (18.1%), production of metals (12.0%), production of electrical equipment (24.5%), production of machines and devices, not mentioned elsewhere (28.0%), production of motor vehicles, trailers and semi-trailers (61.7%), production of furniture (11.3%) and electricity supply (17.8%). From the point of view of the structure of industrial production index, 70% of the branches experienced drop.

On the other hand, growth was observed at the following: mining of metal ores (23.6%), production of beverages (24.4%), production of textile (6.4%), production of clothing

¹ Calculated on the basis of monthly releases of Industrial Production Index.

(9.2%), production of leather (9.0%), production of pharmaceuticals (4.6%), production of rubber products (21.7%), production of fabricated metal products (77.2%), manufacture of other transport equipment (58.2%) and other production industry (31.5%).

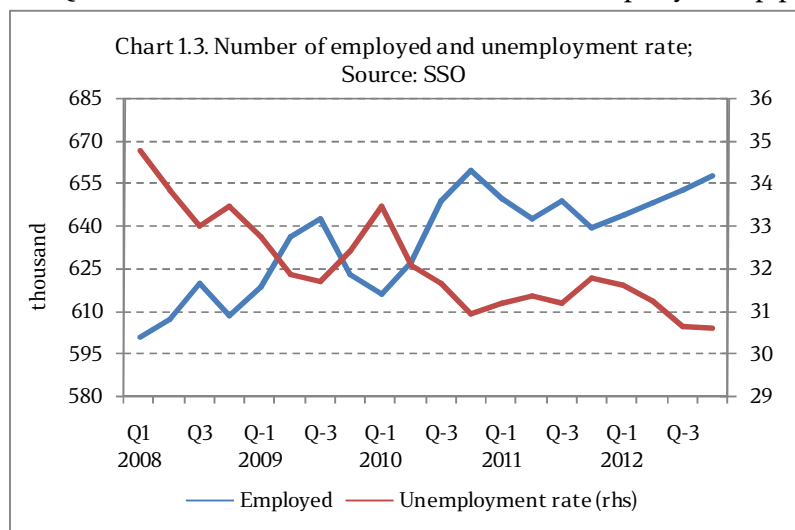
Analyzed according to the **expenditure side of GDP**, in Q4 2012, highest growth was seen at gross investments, accounting for 10.8%. Growth of gross investments corresponds to the high growth in the construction sector, as well as the growth of the domestic production of capital goods. Final consumption in Q4 2012



dropped by 0.9%, being a result of the drop of personal consumption by 2%, while public consumption grew by 3.5%. Drop of personal consumption corresponds to the decrease of average salary in real terms in the country, as well as the drop of domestic production of consumer goods. Drop of economic activity in the EU countries and, respectively of the external demand, resulted in slight decline of export of goods and services by 0.6% in real terms. On the other hand, import of goods and services increased by 3.8%, as a result of the strong increase of gross investments.

According to the **Labour Force Survey**, number of employed persons in Q4 2012 was higher by 2.9% compared to the same quarter in the previous year. Active population in the fourth quarter surged by 1,2%, accompanied by reduction in the number of unemployed persons by 2.6% on annual basis. Such trends on the labour market caused for the unemployment rate in Q4 2012 to reduce to 30.6%, i.e. to drop by 1.2 p.p. compared to the same quarter in the previous year, while in relation to the previous quarter, there were no changes in the unemployment rate.

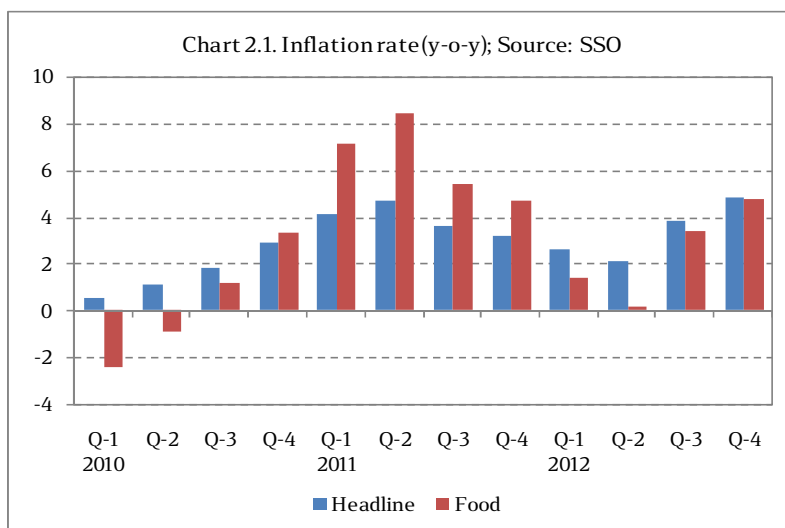
Employment rate in Q4 2012 amounted to 39.3%, being higher by 0.8 p.p. compared to the same quarter in the previous year, while compared to the previous quarter, it was higher by 0.2 p.p.. Active population in the fourth quarter accounted for 56.7% of total working-able population.



2. Prices, Costs and Productivity

Inflation rate, measured according to CPI, was 4.9% in Q4 2012 compared to the same quarter in 2011, being a strong growth compared to the previous quarter, when it accounted for 3.8%. Highest price increase was registered in the category clothing and footwear – 9.7%, followed by the price increase in the housing category – 9.6% being mostly due to the increase of heating prices by 13.8%, as well as electricity prices, which surged by 18.4%. Compared to the previous quarter, increase of prices in the housing category intensified by 1.0 p.p..

Increase of prices in the category food in Q4 2012 amounted to 4.8% compared to the increase of 3.4% in the previous quarter. Prices in the category hygiene and health surged by 4.1%, while increase of prices in the category culture and entertainment accounted for 3.1%. Prices in the category means of transport and services



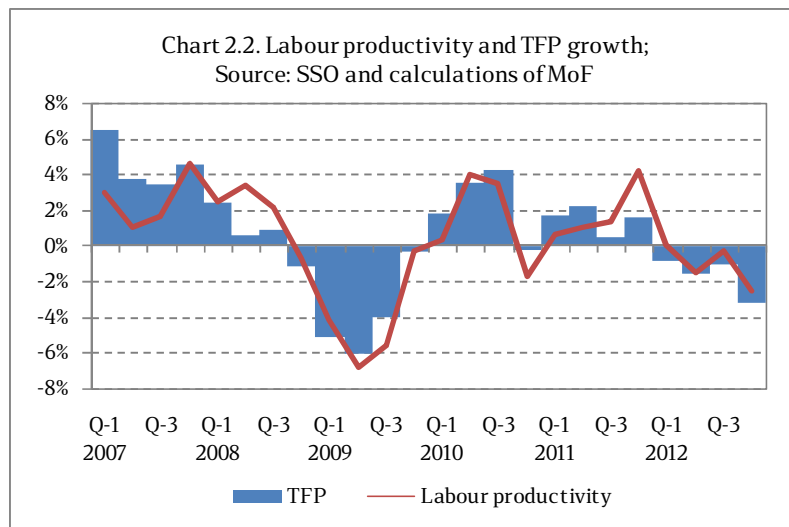
surged by 1.6%, mainly as a result of the increased prices of liquid fuels and oils. Prices in the category restaurants and hotels category were higher by 1.5%, while prices in the category tobacco and beverages experienced increase of 0.1%. Prices in the category administrative and financial services reduced by 0.2%.

Core inflation (which excludes the effect of food and energy) was 2.9% in Q4 2012, being higher by 1.1 p.p. compared to the core inflation in the previous quarter (1.8%).

Retail prices in Q4 2012 experienced accelerated increase by 3.9% compared to the same quarter in 2011. Prices of industrial products, which surged by 5.3%, contributed the most with 2.9 p.p. to the total increase of the retail prices. Within this category, highest price increase was recorded at non-food products – 6.8%. Prices of food products surged by 3.9%. Retail price of beverages increased by 0.2%. Retail prices in agricultural products category increased by 8.2%.

Average **net salary** in Q4 2012 amounted to Denar 21,119, being higher by 0.3% in nominal terms compared to net salary in Q4 2011. Net salary experienced a drop of 4.3% in real terms. Average **gross salary** amounted to Denar 30,979, being higher by 0.4% in nominal terms, i.e. being lower by 4.3% in real terms, compared to gross salary in Q4 2011.

Increase of economic activity in Q4 2012 was also followed by positive annual increase in the number of employees, resulting in decrease of **labour productivity** by 2.6%. In fact, in Q4 2012, physical capital experienced increase by 4.2%, following the surge of 2.4% in the previous quarter. Such tendencies of growth



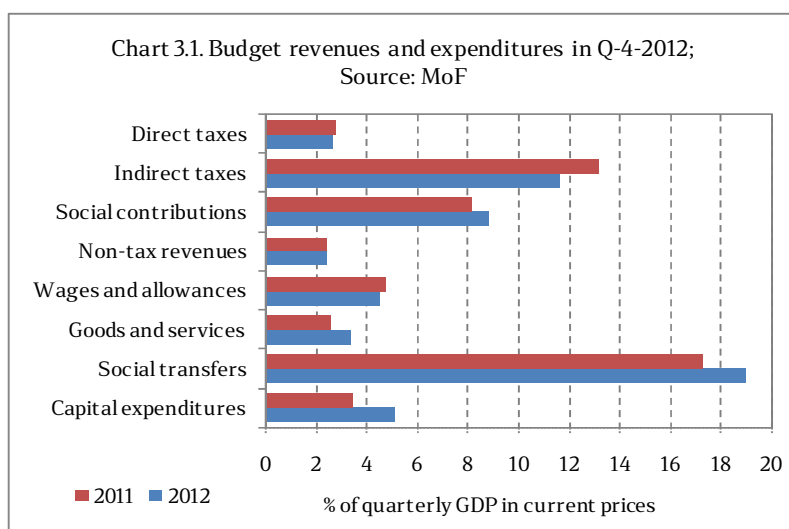
factors caused for **total factor productivity (TFP)** to decrease by 3.2% in Q2 2012, followed by the drop of 1.1% in the previous quarter. Chart 2.2 shows TFP and labour productivity trends.

3. Fiscal Sector

Higher performance of total budget revenues was observed in the fourth quarter in 2012, compared to same quarter in 2011, accompanied by higher budget expenditures. Budget deficit was in the amount of Denar 5,759 million in Q4 2012 or 4.6% of GDP realized in this quarter (central budget deficit amounted to Denar 5,404 million, i.e. 4.3% of GDP, being an increase by 1.1 p.p. compared to the previous quarter).

Counter-cyclical fiscal policy continued to be conducted in the second quarter of 2012 as well, aimed at mitigating the consequences of the global economic crisis on Macedonian economy and maintaining macroeconomic stability. Thereby, fiscal sustainability of public finance was not jeopardized.

Total **budget revenues** were higher by 1.2% compared to the same quarter in 2011, being mostly due to the higher performance of contributions by 3.8%, while tax revenues dropped by 8.5%. Thereby, there was significantly lower collection of value added tax, personal income tax and profit tax, while



customs duties and excises experienced growth. VAT revenues dominated, accounting for 48.5% of the total tax revenues, however, they were lower by 18.7% in Q4 2012

compared to the same quarter of 2011, i.e. they experienced higher decline by 13.5 p.p. compared to the performance in the previous quarter. Regarding the structure of gross VAT revenues, there was decrease in VAT collection on the basis of import by 3.4%, while VAT on the basis of sales in the country dropped by 3.6% in line with the trade sales, and dynamics of VAT refund slowed down by 5.2%. Excise revenues were higher by 8.7% compared to the same quarter in 2011, decreasing by 0.7 p.p. compared to the performance in the third quarter. As for direct taxes, profit tax decreased by 3.5% or 6.1 p.p. compared to the previous quarter (one should take into account that revenues on the basis of tax paid for dividend and other distribution of profit participated with significant percentage in the structure of this tax). Revenues on the basis of personal income tax dropped by 1.6% compared to the fourth quarter in the previous year. Observed from the point of view of structural share of GDP, direct taxes reduced their share in GDP by 1.5 p.p. on annual basis, while indirect taxes kept an identical share (2.7% of GDP).

Collection of social contributions was higher by 3.8%, whereby higher collection was recorded at all contributions, i.e. pension insurance contributions – 3.8%, health insurance contributions – 3.7% and employment contributions – 4.4%. Non-tax revenues, accounting for 2.4% of total quarterly GDP, were higher by 0.7% compared to the same period in 2011.

Capital revenues in Q4 2012 were higher by 6.7% on annual basis (these revenues include revenues on the basis of lease of construction land, as well as sale of flats and revenues on the basis of dividends). Revenues on the basis of grants were higher by 5.8 times compared to Q4 2011.

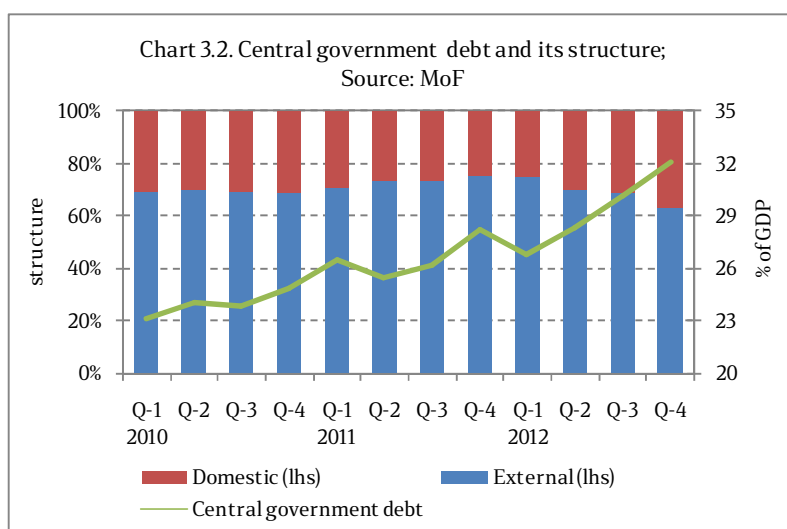
Total **budget expenditures** in Q4 2012 were higher by 10.9% compared to the same quarter in 2011. Current expenditures, accounting for 84.5% of the total expenditures, increased by 6.7% on annual basis. Capital expenditures, participating with 15.5% in the total expenditures, were higher by 41.4% compared to Q4 2011. As for current expenditures, expenditures for goods and services increased by 19.3%, while expenditures related to salaries and allowances experienced a drop by 2.0% compared to the same quarter last year. Funds for transfers, participating with 57.5% in the total expenditures, were higher by 5.7% on annual basis, while the share of the category “Other Transfers” in the total transfers accounted for 23.0% (including transfers to local government - block and earmarked grants, as well as other subsidies and transfers, which increased by 10.3% on annual basis). Transfers to the Pension and Disability Insurance Fund, accounting for 24.9% in total expenditures, were higher by 1.4% compared to the same quarter in 2011, i.e. they were lower by 3.9 p.p. compared to Q3 2012. Interest-related expenditures increased by 37.8%, whereby domestic debt interest-related expenditures surged by 75.3%, and expenditures related to interest on foreign debt surged by 24.7%.

Fiscal burden, measured as participation of the budget revenues² in relation to nominal GDP, was 24.5% in Q4 2012, dropping by 1.7 p.p. in relation to Q3 2012. Total budget

² It includes tax revenues, social contributions and administrative fees and duties and road toll.

expenditures accounted for 33.0% of GDP, which was by 0.1 p.p. lower compared to Q3 2012, increasing by 2.8% on annual basis.

Total central government **debt** at the end of Q4 2012 accounted for 32.1% of GDP, increasing by 1.9 p.p. compared to Q3 2012. Share of central government external debt in the total central government debt decreased by 5.0 p.p. compared to Q3 2012, while share of central government domestic debt in the total central



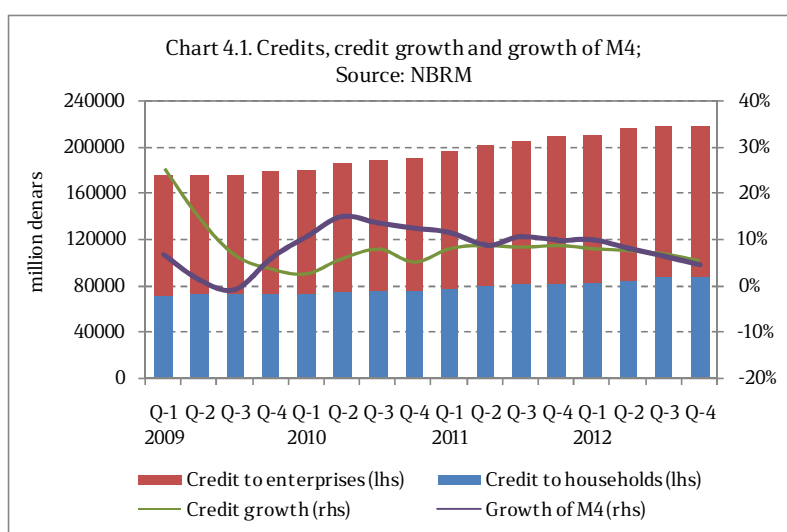
government debt surged by the same amount of percentage points. Hence, share of central government domestic debt increased to 36.6% of the total central government debt. Such trends point out that additional borrowing, which is inevitable for conducting more expansive fiscal policy, whether externally or internally, would not jeopardize fiscal sustainability, whereby coordination with monetary policy is needed. Sound fiscal policy is one of the Maastricht Criteria for convergence, having the limits set at budget deficit of 3% of GDP and government debt of 60% of GDP.

4. Monetary and Financial Trends

In Q4 2012, National Bank of the Republic of Macedonia retained the maximum reference interest rate at the same level, i.e. at 3.75%, assessing the set-up of monetary policy as adequate to the macroeconomic climate.

Primary money³ in Q4 2012 surged by 5.7% on quarterly basis, in conditions of increase of both ready money in circulation and total liquidity of banks by 6.5% and 5.1%, respectively.

During the fourth quarter in 2012, the narrowest money supply **M1** experienced quarterly increase of 4.4% compared



³ It includes ready money in circulation (including cash in hand of banks), denar and foreign currency reserve requirement and the surplus of liquid assets over the reserve requirement (in denars).

to Q3 2012. **Monetary aggregate M2**, following the drop in the previous two quarters, increased by 1.4% in Q4 2012, while the broadest **monetary aggregate M4** experienced a strong growth of 2.2% compared to the previous quarter as a result of the increase of the most liquid funds (ready money in circulation and deposit money).

Total deposit potential⁴ of banks increased by 2.6% in Q4 2012 on quarterly basis. Thereby, from the point of view of the sector, deposits of households intensified the quarterly growth to 2.3% compared to 0.5% in the previous quarter, while deposits of private enterprises, following the drop in the previous two quarters, grew by 5.7% in relation to Q3 2012, when they dropped by 0.5%.

From currency point of view, Denar deposits, which increased by 3.5% on quarterly basis, had dominant contribution to growth of total deposits, while foreign currency deposits grew by 1.6%, resulting in further reduction of the euroization degree by 0.5 p.p., i.e. 45.5% measured through the share of foreign currency deposits in the total deposit potential.

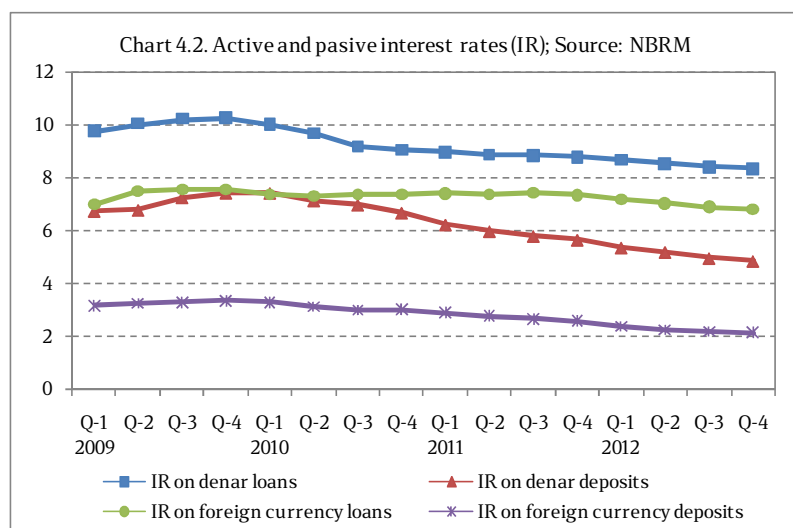
As regards maturity, long-term deposits, which increased by 5.7% (5.5% in Q3 2012), were the driving force of growth of total deposits. On the other hand, the drop short-term deposits experienced in the previous two quarter was stopped in Q4 2012 and they surged by 0.2%.

Credit activity of banks to non-government sector, in Q4 2012 experienced slowed down growth rate of 0.4% on quarterly basis, in conditions of slowed down credit growth to households sector by 0.9% and reduced crediting to corporate sector by 0.1%.

From currency point of view, decline of foreign currency credits dropped to 1.4% on quarterly basis, while Denar credits surged by 1.0% on quarterly basis in Q4 2012, thus driving the growth of total credits.

From maturity point of view, long-term credits experienced quarterly increase of 1.9% in Q4 2012 (compared to the decline of 1.8% in Q3 2012), while short-term credits decreased by 1.8 (compared to the growth of 2.9% in Q3 2012).

In the fourth quarter in 2012, NBRM kept the maximum **reference interest rate** at 3.75%. Interest rates of deposit banks in Q4 2012 experienced certain downward swings on quarterly basis. In fact, interest rate on Denar credits of deposit banks



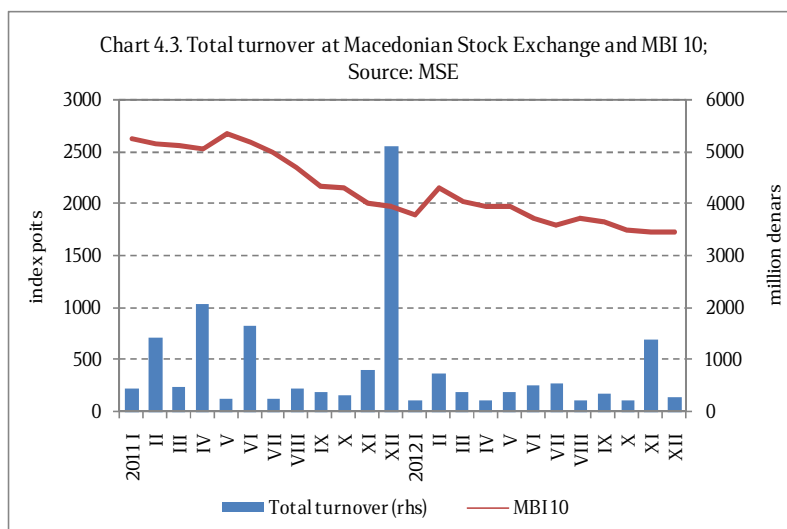
reduced by 0.1 p.p. compared to the previous quarter, amounting to 8.3%. Thus, the downward trend of this interest rate, which started at the beginning of 2010, continued.

⁴ Deposits also include calculated interest.

Interest rate on foreign currency credits reduced from 6.9% to 6.8%. Interest rate on Denar deposits also declined by 0.1 p.p. on quarterly basis, while interest rate on foreign currency deposits was kept at the same level.

Interest rate on newly approved Denar credits increased by 0.2 p.p. on quarterly basis, amounting to 8.0%, while, interest rate on newly approved foreign currency credits dropped by 0.6 p.p., accounting for 6.4%. Interest rate on new Denar deposits increased by 0.2 p.p. compared to Q3 2012, accounting for 2.9%, while interest rate on new foreign currency deposits amounted to 0.7%, the same as in the previous quarter.

As for the **capital market**, total turnover on the stock market increased by 67.5% in the fourth quarter in 2012 relation to Q3 2012, mostly as a result of the block transactions realized in November 2012. Turnover realized on the basis of traditional trading increased by 21.9% in relation to the previous quarter, while compared to the same quarter in 2011, it declined by 2.3%.



Macedonian Stock Exchange Index MSEI -10, as aggregate indicator of stock exchange trends at the end of the fourth quarter, amounted to 1,731.18 index points, decreasing by 5.0% compared to September 2012, while compared to December 2011, the index was lower by 12.3%.

5. External Sector

5.1. Foreign Trade

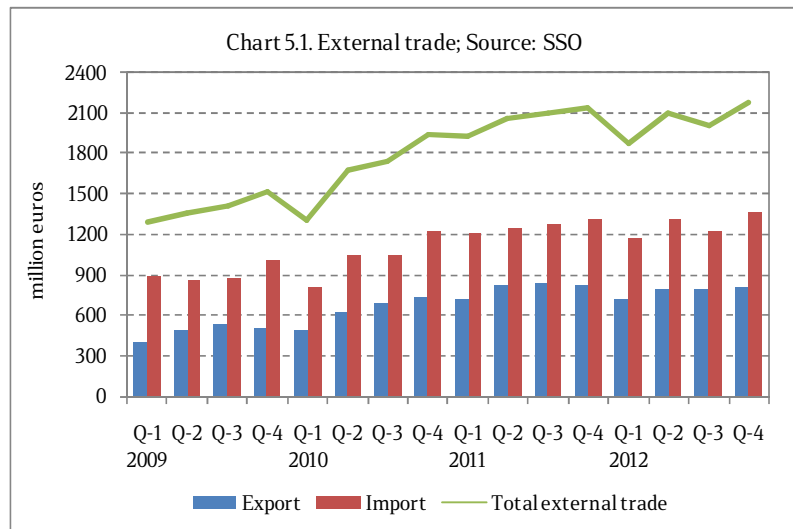
According to the data of the State Statistical Office in Q4 2012, total foreign trade amounted to EUR 2,177.1 million, increasing by 1.7% compared to the same quarter in 2011.

In Q4 2012, **export** of goods amounted to EUR 809.1 million and, compared to the same quarter in the previous year, it contracted by 2.4%, while compared to the previous quarter, it increased by 2.1%.

Analyzed by **SITC sectors** (Standard International Trade Classification), compared to Q4 in 2011, growth in the **export** in Q4 2012 were registered at the following:

- machines and transport equipment by 6.9% (within which export as regards the category of industrial machines and spare parts surged by 44.2% or EUR 13.5 million);

- chemical products by 8.4% (export of chemical materials and products increased by 9.4% or EUR 9.3 million and export of medical and pharmaceutical products surged by 15.3% or EUR 2.8 million).
- raw materials, except fuel, by 15.8% (whereby export as regards the category metal ore and metal scrap surged by 21.0% or EUR 8.1 million); and
- food products by 8.0% (export of fruit and vegetables increased by 9.9% or EUR 3.7 million).



On the other hand, decline in export was seen at the following:

- products classified by material by 17.3% (export of iron and steel dropped by 25.4% or EUR 48.6 million);
- beverages and tobacco by 11.0% (export of tobacco declined by 36.5% or EUR 14.5 million); and
- mineral oils and lubricants by 9.8% (within which export as regards the category oil and oil products reduced by 14.3% or EUR 6.7 million);

In Q4 2012, observed by **economic purpose**, following products were most exported: goods for industrial production (48.5%), followed by personal consumption goods (35.6%), investment goods (10.2%) and energy (5.6%).

Import of goods in Q4 2012 amounted to EUR 1,368.0 million, increasing by 4.4% compared to Q4 2011, while in relation to the previous quarter, it increased by 11.9%.

Analyzed by **SITC sectors**, highest growth of **import** in Q4 2012, compared to Q4 2011, was seen at:

- products classified by material by 10.9% (import of non-ferrous metals surged by 28.2% or EUR 20.3 million);
- mineral oils and lubricants by 1.6% (import of oil and oil products grew by 4.9% or EUR 10.3 million);
- machines and transport equipment by 8.9% (whereby, increase was registered at the following categories: road vehicles by 13.3% or EUR 7.1 million; industrial machines and spare parts by 9.4% or EUR 3.2 million; electrical machines, devices and spare parts by 6.3% or EUR 2.7 million);

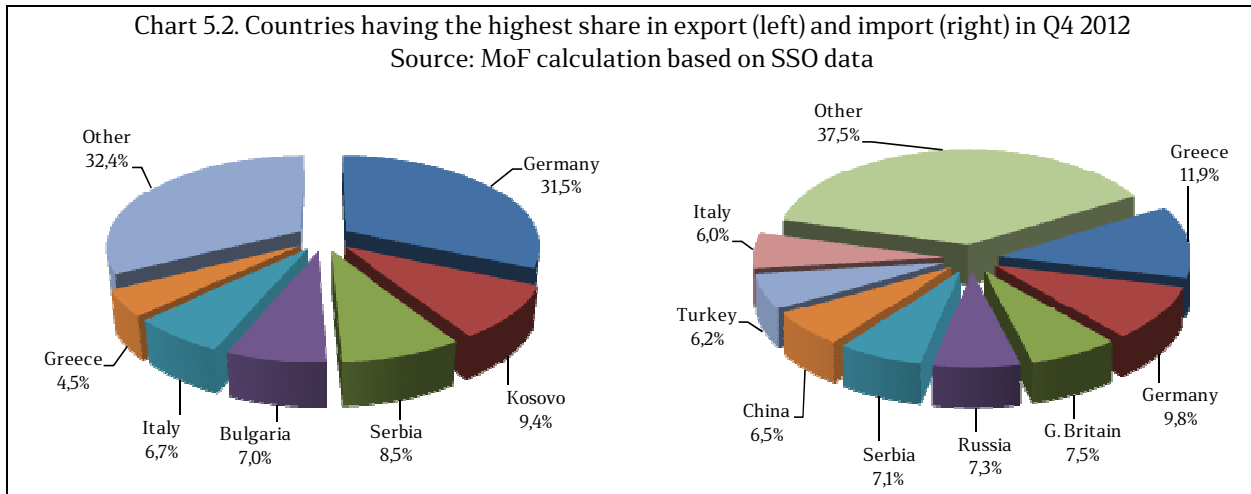
- chemical products by 14.5% (whereby increase was seen at the following categories: non-organic chemical products by almost three times or EUR 7.4 million; products for colouring and tanning by 36.8% or EUR 4.0 million);
- food products by 3.0% (import of meat and meat products increased by 8.9% or EUR 2.7 million; import of fruit and vegetables surged by 7.7% or EUR 1.4 million; import of coffee, tea, cocoa, herbs and products thereof grew by 6.4% or EUR 1.2 million);
- beverages and tobacco by 22.1% (import of tobacco increased by 42.5% or EUR 2.4 million);

Highest decline of import was seen at the following:

- raw materials, except fuel, by 37.5% (import of metal ore and metal scrap declined by 48.5% or EUR 27.9 million);

Observed by **economic purpose** in Q4 2012, goods for industrial production (40.6%) were most imported, followed by: personal consumption goods (23.6%), energy (20.7%), and investment products (15.0%).

In Q4 2012, foreign trade of the Republic of Macedonia with the European Union (EU 27), in relation to Q4 2011, surged by 7.0%, whereby share of trade with EU in the total foreign trade increased by 3.7 p.p. compared to the fourth quarter in 2011, accounting for 59.1%, whereby export of goods participated with 63.4% and import of goods accounted for 56.6%.



As a result of the structural changes in the trade with abroad, in Q4 2012, 77.2% of the trade deficit of the country was a result of the trade deficit with Greece, Russia, Great Britain, Turkey and China, while the rest of the deficit was a result of the trade with: Serbia, Italy, Switzerland, Slovenia, Bulgaria and others. Surplus was realized in the trade with Germany, Kosovo and Bosnia and Herzegovina.

5.2. Balance of Payments

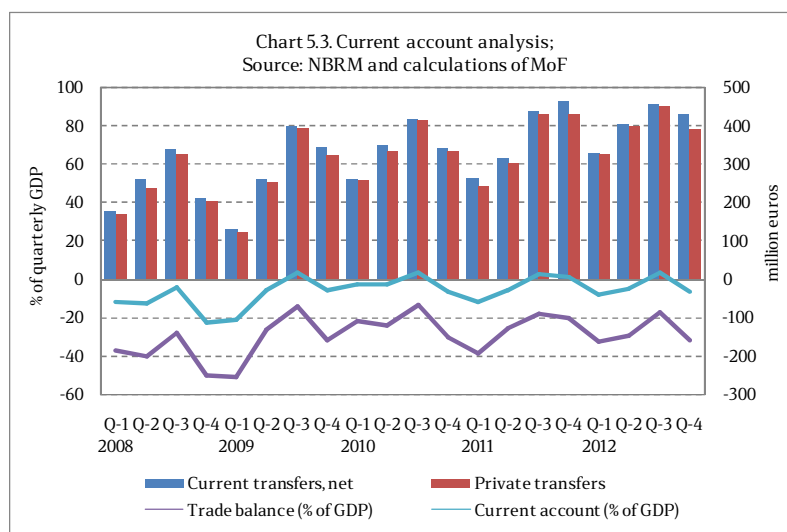
According to the National Bank data, in the fourth quarter in 2012, BOP current account balance experienced deficit in the amount of EUR 136 million, widening by 4.5

times on annual basis (current account deficit amounted to EUR 29.9 million in Q4 2011).

Widening of the current account deficit was mostly due to deepened trade deficit and reduced inflows on the basis of net current transfers, as well as the increased outflow of net income, increased import of net services, which led to worsen condition of the current account.

Despite the upward adjustment of export by 2.2 p.p., which still had negative contribution to foreign trade, and in conditions of growth of export of 4.1% on quarterly basis, trade account deepened by 30.5% in relation to the previous quarter.

Deficit in the amount of EUR 13.8 million was registered at service account, showing deterioration in relation to the previous quarter, when EUR 34.2 million was observed. Negative balance on the service account (i.e. increased import of services) led to deepening of the current account deficit.



Deficit on the income account in Q4 2012 experienced slight deepening compared to the previous quarter, which also adversely affected the current account balance.

Current transfers experienced surplus in the amount of EUR 430 million in Q4 2012, being, in relation to Q3 2012, a 5.4% drop.

In such conditions, current account balance deepened on annual basis, as well as in relation to the previous quarter.

5.2.1. Current Account

In Q4 2012, current account balance was negative, accounting for 6.7% of GDP, being deepened by EUR 165.9 million compared to Q4 2011.

Widening of the current account deficit compared to Q4 2011 was mostly due to deepened trade deficit and deficit on the service account, as well as reduced inflows on the basis of net current transfers and the increased outflow of net income.

Having in mind the larger downward adjustment of the import in relation to the export, trade account experienced deepening compared to Q4 2011 by 16.3%.

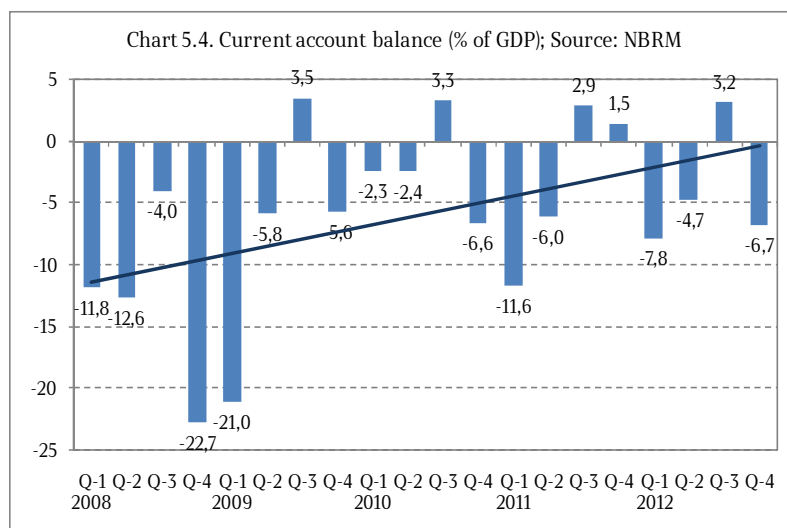
Deficit in the amount of EUR 13.8 million was registered at the service account in Q4 2012, showing deterioration in relation to Q4 2011, when surplus in the amount of EUR 16.2 million was observed. Negative balance on the service account led to deepening of the current account deficit.

Deficit on income account in Q4 2012 experienced deepening compared to Q4 2011 by EUR 30.1 million, which also adversely affected the current account balance.

Trade openness of the Republic of Macedonia in Q4 2012 amounted to 104.0%, being almost the same compared to the same quarter in 2011 (103.9%).

In Q4 2012, trade balance (-25.2% of GDP) experienced negative movement compared to the previous four quarters.

Net current transfers in Q4 2012 amounted to EUR 430.2 million, being lower by EUR 33.9 million or by 7.3% compared to Q4 2011. Drop is due to the private transfers, which decreased by 8.4% and participated with 91.4% in the total net transfers. Private transfers in Q4 2012 amounted to EUR 393.1 million. More



thoroughly analyzed, other transfers (88.6%) had dominant share in the private transfers, declining by 9.2% on annual basis and amounting to EUR 348.4 million, while remittances from employees dropped by 2.1% compared to Q4 2011, amounting to EUR 44.7 million.

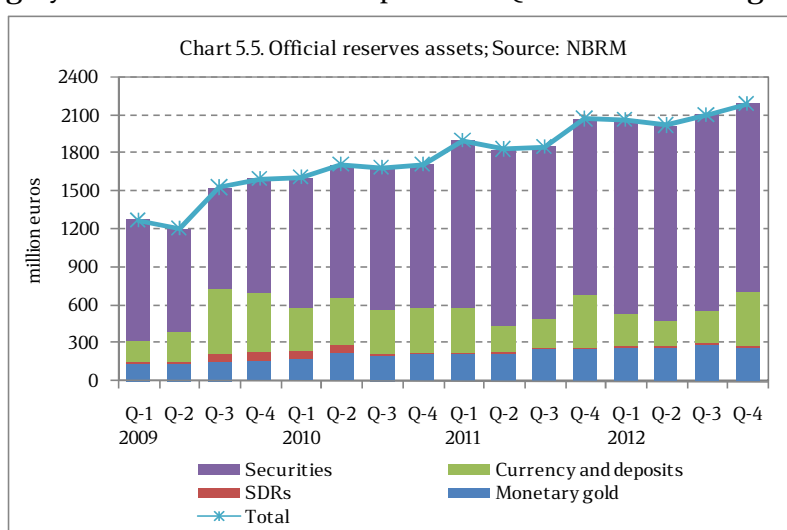
Compared to the previous quarter, net current transfers dropped by 5.4% or by EUR 24.5 million, mainly due to the decline of private transfers by 13% or EUR 58.8 million.

Coverage of trade deficit with private transfers in Q4 2012 accounted for 76.4%, increasing by 20.6 p.p. on annual basis.

5.2.2. Capital and Financial Account

Capital and financial account in Q4 2012 experienced surplus and the balance amounted to EUR 130.3 million, widening by EUR 161.7 million compared to Q4 2011. According to the financial account, in Q4 2012, inflow of net direct investments in the amount of EUR 61.6 million was registered, being a decline of 41.9% compared to Q4 2011, when surplus was realized in the amount of EUR 105.5 million.

At the end of Q4 2012, official foreign currency reserves amount to EUR 2,193.3 million, being higher



by 6% compared to Q4 2011. Foreign currency reserves, i.e. securities, had dominant share in the official reserves, participating with 68.0% or EUR 1,492.2 million, followed by currencies and deposits which participated with 19.3% or EUR 424.3 million, while monetary gold accounted for 12.6% or EUR 275.6 million.

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