



CENTRAL BANKING AUTHORITY OF KOSOVO  
AUTORITETI QENDROR BANKAR I KOSOVËS  
CENTRALNI BANKARSKI AUTORITET KOSOVA

# MONTHLY STATISTICS BULLETIN

September 2007

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Directorate for Economic Analysis and Statistics  
33 Garibaldi, Prishtina 10000  
Tel: ++381 38 222 243  
Fax: ++381 38 243 763

**WEB** [www.cbak-kos.org](http://www.cbak-kos.org)  
**E-mail** [research@cbak-kos.org](mailto:research@cbak-kos.org)

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**ABBREVIATIONS:**

CBAK	Central Banking Authority of Kosovo;
CEFTA	Central European Free Trade Agreement;
CPI	Consumer Price Index;
DC	Depository Corporations;
ESA	European System of Regional and National Accounts 1995;
EUR	Euro Currency;
FC	Financial Corporations;
FYROM	Former Yugoslav Republic of Macedonia
GDP	Gross Domestic Product;
GNDI	Gross National Disposable Income;
IAK	Insurance Association of Kosovo;
IC	Insurance Companies;
IMF	International Monetary Fund;
IRR	Interest Rate Report;
KGF	Kosovo Guarantee Fund;
KPST	Kosovo Pension Saving Trust;
KTA	Kosovo Trust Agency;
MFSM	Manual on Monetary and Financial Statistics;
NFA	Net Foreign Assets;
NPISH	Nonprofit Institutions Serving Households;
ODC	Other Depository Corporations;
OFC	Other Financial Corporations;
OFI	Other Financial Intermediaries;
PF	Pension Funds;
SBR	Statistical Bank Report;
SNA	United Nations System of National Accounts 1993;
TPL	Third Party Liability;
UNMIK	United Nations Interim Administration Mission in Kosovo.

**CONVENTIONS:**

" —"	event does not exist;
". "	event exists, data are not available;
"... "	nil or negligible;
(e)	estimated;
(p)	provisional;
(r)	revised.

**REMARK:**

Totals or subtotals may not add up, due to rounding.

**NOTE:**

For detailed description of the terminology in Monthly Statistics Bulletin, please refer to explanatory notes.



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## 1. EURO AREA

During the first half of 2007, the real economic growth of euro area was sustainable. Based on available data, at Q2 2007 the GDP grew by 0.3% on quarterly basis, or 2.5% on annual basis. Both, on quarterly and annual basis, private consumption is the main contributor to the GDP growth, contributing by 0.3pp (quarterly basis) and 0.8pp (annual basis). Though during July and August, the Harmonized Index of Consumer Prices (HICP) decreased slightly to 1.7% from 1.9% at June 2007, September estimates reveal an increase in HICP –with an inflation rate standing at 2.1%. ECB Governing Council assesses that energy prices will have a strong impact on annual HICP inflation rates over the period to come. With regard to level of unemployment in euro area, data reveal that the rate is constantly decreasing over the period. In August 2007, unemployment rate as percentage of labor force was 6.9% compared to 7.8% at Q3 2006.

At July 2007, the euro area current account (CA) recorded a surplus of euro 3.3 billion, which results mainly due to surplus of goods and services account (by euro 12.0 billion) that overcomes the deficit of income and current transfers (by euro 8.7 billion). Also, the financial account recorded a surplus of euro 50.6 billion, mostly generated by portfolio and other investment (euro 61.8 billion) – which is slightly offset by financial derivatives deficit of euro 10.7 billion.

During Q3 2007, the ECB Governing Council evaluated that interest rates should remain unchanged, 5.0% on marginal lending facility and 3.0% on marginal deposit facility. With respect to exchange rates, euro appreciated against US dollar and pound sterling, while it depreciated against Japanese Yen. At end Sep 2007 the euro traded at USD 1.42 or 4.9% higher than at end-June, while traded at GBP 0.69 and JPY 163.92.

## 2. SOUTH-EAST EUROPE

In almost all South-East European (SEE) countries it was forecasted an economic growth for year 2007. During Q2 2007, in particular Slovenian economy experienced a real GDP growth of 5.9% year-on-year (considerable higher than forecasted growth of 4.7%), mainly based on high levels of gross fixed capital formation (investments). While, the economic growth of other SEE countries remains within the boundaries of forecasted GDP growth (from 5.5% to 6.1%). In Q3 2007, yearly change in consumer prices within SEE countries ranged from the lowest 0.9% in Bosnia and Hercegovina up to highest 9.3% in Bulgaria – whereas the consumer price changes in other countries ranged between 2.0% - 6.0%.

All SEE countries recorded a current account (CA) deficit, with forecasted figures ranging from a deficit of 19.5% of GDP in Bulgaria to a deficit of only 2.3% of GDP in Slovenia. In particular, Montenegro is assessed to be prone to shake off the sustainability of its large current account, as result of sudden decline in capital inflows – due to tightening credit markets. All SEE countries recorded a negative trade balance, as being more import-oriented, thus the CA deficit. However, as a result of CEFTA agreement there is a hope for future export increase within certain SEE countries, members of CEFTA. With regard to exchange rates of corresponding currencies against USD or euro, no considerable movements occurred - almost all SEE countries currencies depreciated very slightly.

<sup>1</sup>Developments in the euro area and SEE are based on: ECB Monthly Bulletin 04/2007; Emerging Europe Monitor, South East Europe, various issues.

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### 3. KOSOVO ECONOMY

#### 3.1. FINANCIAL SECTOR

At end Q3 2007, total level of deposits in Financial Corporations (FC) amounted euro 1.03 billion or about 21% more than at Q3 2006 (Figure 1). With regard to the structure of deposits, the main share of deposits is held by households with 61.0% - a slight increase from share of 57.5% in Q3 2006; followed by public NFC that possess 22.6% of total FC deposits, from 25.4% in Q3 2006. And evidently, the least share goes to private NFC with 14.26% of total FC deposits, similar level to last year (14.76%).

With claims on nonresidents amounting euro 1.4 billion and liabilities to nonresidents only euro 79.9 million, evidently the level of financial sector Net Foreign Assets (NFA) in Q3 2007 is relatively high, euro 1.32 billion. The level is for 40% higher than a year before, and it is mainly contributed by CBAK NFA (by 41.1pp) – whereas it is slightly offset by the level of NFA within ODC and OFC. From the total of financial sector claims on nonresidents, 70.4% are deposits placed abroad, while 21.6% are investments in securities other than shares. And apparently CBAK is leading in both of the categories, since in fact it is defining the trend of the overall financial sector NFA – by composing 77.7% of total FC NFA (73.3% of total claims on nonresidents).

On the other side, domestic claims of financial sector in Q3 2007 account for euro 61.1 million, about 68.5% less than in Q3 2006. The low level of domestic claims mainly results from considerable increase liabilities to central government by 71.2% on yearly basis. With regard to central government deposits, held in CBAK, it is interesting to note that at of Q3 2007 about 20% of deposits are other than transferable.

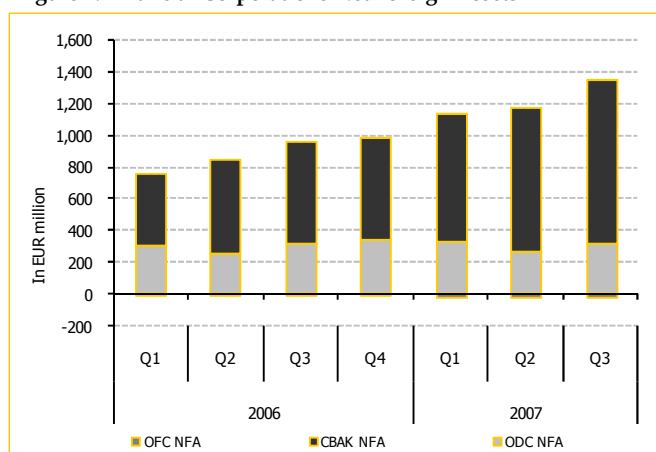
Increase in lending activity of financial corporations (mainly ODC) influenced the overall increase of claims on real sector by 31.9% (annual basis). At Q3 2007 total loans issued by financial

sector in Kosovo amounted euro 895.6 million or 32.5% more than a year before. Apparently, private NFC are the main beneficiaries of the FC loans, by taking almost 80% of them, while the rest goes to households. Only about 8% of these loans are issued by OFC (microfinance institutions), involved mainly in lending activity, while the rest of 92% is managed by ODC (commercial banks).

**Developments in the Banking Sector.** Structure of the banking sector changed during Q3 2007, as a result of two new bank branches being granted with the license to operate in Kosovo: Banka Kombëtare Tregtare (BKT) and Komercijalna Banka (KM). Thus, as of Q3 2007, eight commercial banks are operating in total in Kosovo – six of which are considered to be foreign (four with full and two with majority foreign ownership) and only two entirely domestically owned. Moreover, domestic banks manage only about 8.0% of total banking sector assets, what implies that the developments in the overall banking system are determined mainly by group of foreign banks. Also during the same quarter, another bank Teb Mali Yatirimlar A.S was granted a preliminary license to open a bank in Pristina. So, during last six months the banking sector in Kosovo experienced considerable changes with respect to its ownership structure and its expansion in general.

Recent structural changes within banking sector did not manage yet to significantly impact its balance sheet, since new banks are still in their first phase of attracting clients and introducing their products. However, the

Figure 1. Financial Corporations Net Foreign Assets



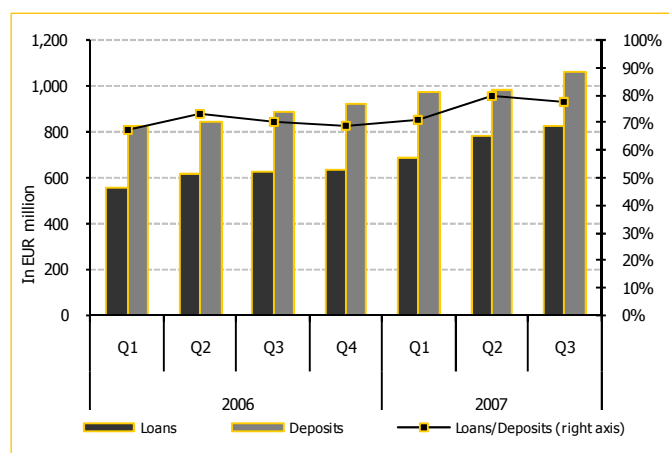
size of banking sector is larger, with total assets amounting euro 1.34 billion assets at end of third quarter – which is about 8.0% more than in Q2 2007 and 20.0% more than in Q3 2006. Being main business of the banks, lending activity apparently determines the structure of banking sector balance sheet. The activity increased particularly on yearly basis, with banking loans amounting euro 825.0 million, an increase by 33.0% more than at Q3 2006, compared to 30.1% increase on Q3 2006 over Q2 2006. Private NFC remains the main beneficiary of loans issued by commercial banks, taking 77.5% of total loans, while the rest is issued to individuals (households). Trading sector as being the main business of Kosovo private sector, continues also to receive the largest part of the banking loans (60.0% of total business loans, or 46.5% of total loans). Heavier industry, such as: manufacturing and construction, takes the usual - about 19.0% of loans granted to NFC while the agricultural sector remains the sector of being less supported by banking loans - only 4.2% of total loans granted to nonfinancial corporations are extended to this sector. However, in terms of their volume the agricultural loans, despite the low base, accounted for 57.6% more than in Q3 2006; while manufacturing and construction benefited by 28.1% more loans than last year.

With the increase of banks confidence in domestic market, loans experienced also a slight movement towards longer maturities. While in Q3 2006 about 50.0% of total loans had maturity of more than 2 years, in Q3 2007 these loans account for 60.6% of total banking loans, of which 43.8% goes to private nonfinancial companies and 16.8% goes to households. Loans with maturity of over 1 year and less than 2 years are least represented, accounting for 17.5% of total loans, compared to 25.6% at Q3 2006. The rest (21.9%) are loans with maturity of up to one year.

On the other side of balance sheet, at Q3 2007 total banking deposits amounted euro 1.06 billion. If observed on yearly basis, deposits growth is slightly slower than loans growth, while it is faster on quarterly basis. At Q3 2007 the volume of deposits was for 19.7% higher than at Q3 2006, more considerable growth compared to the growth of 12.3% in Q3 2006 against Q3 2005. Thus, the loan to deposit ratio at Q3 2007 stands at 77.6%, compared to 69.9% in Q3 2006 (Figure 2). Though main loan recipients are NFC, main injectors on liabilities side remain households with their deposits accounting for 59.3% of total banking deposits. NFC deposits represents 34.1% of total deposits while remaining amounts are mainly government and nonresidents deposits. It is worth noting that major part (about 60.0%) of NFC deposits are held by public NFC, which account for 20.2% of total deposits, compared to a share of 23.2% in Q3 2006. Share of private NFC deposits decreased slightly to 13.8% compared to 14.2% in Q3 2006. On yearly basis, the deposits of public NFC grew by 4.3%, while the deposits of private NFC accounted for 16.8% more than in Q3 2006.

As contrary to maturity structure of the loans, deposits are mainly held in short-term maturities. At end Q3 2007, with an amount of euro 341.1 million, transferable deposits compose 32.1% of total deposits or 4.4pp less than a year before; while evidently the increase went toward the share of other deposits (time and saving) to total deposits (67.9%). Other deposits increased by 28.0% on yearly basis. However, the largest amount of deposits remain to have short maturity, with up to one year deposits accounting for 78.4% of total other deposits (80.5% in Q3 2006). At same time, deposits with maturity of more than one year and less than two compose 13.2% of other deposits, compared to 12.3% at Q3 2006. Though, there is a minor improvement within the deposits maturity structure, deposits with maturity of more than 2 years compose 8.3% of other deposits, compared to 7.2% at Q3 2006.

Figure 2. ODC Loans and Deposits



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Third quarter of this year was very positive with regard to contraction of interest rate spread, contributed mainly from shrink in NFC spread. At end Q3 2007, the weighted average deposit rate was 3.45% and loan rate was 14.07%, what indicates the spread of 10.62%, quite lower than 12.49% of Q3 2006. Interest rates offered to NFC for both, loans and deposits, continue to be higher than those offered to households; but if observed in spread level the difference is lessening. While NFC and households spread at Q3 2006 were 11.84% and 10.73%, respectively, at Q3 2007 the corresponding spreads stood at 10.79%, respectively 10.13%. At end Q3 2007, on average, households can earn 2.55% from their bank deposits, while they need to pay 12.67% interest rate per loan. On the other hand, NFCs pay 14.50% interest rate per loan, while they gain 3.71% interest rate on their deposits in banks.

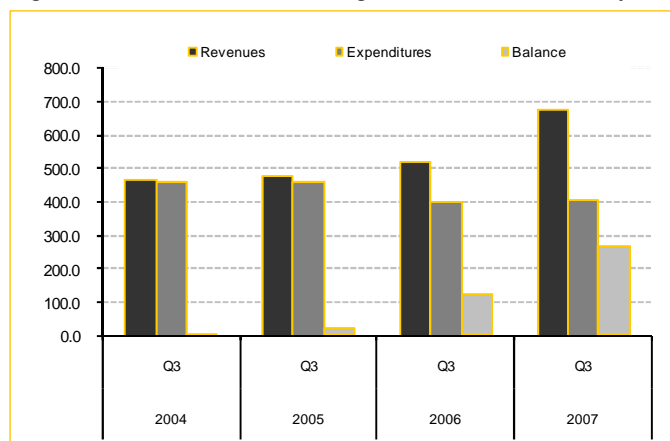
### 3.2. FISCAL SECTOR

At Q3 2007, the revenue – expenditure balance of Kosovo Consolidated Budget (KCB) was euro 265.3 million, more than doubled compared to same period last year (euro 119.2 million). The considerable surplus results from higher level of revenues. Seen in yearly basis, the amount of expenditures budget spent up to Q3 2007 was only for 1.7% higher than in Q3 2006, while the revenues collected during the period were 29.5% higher than in Q3 2006 (Figure 3).

The amount of euro 672.3 million of the KCB revenue, is mainly generated by tax related revenues that compose 76.8% of total KCB. Though, the tax revenues are still the main income of KCB – their share to total budget dropped, compared to 87.6% in Q3 2006. In terms of volume, the border and domestic taxes collected up to Q3 2007 were higher for euro 56.6 million and euro 44.2 million, respectively, compared to Q3 2006. The share of non-tax revenues in total budget increased to almost 20.0% compared to 8.2% in Q3 2006. The last trend is a consequence of the carrying over the amount taken in during Q1 2007, as a license fee for a mobile telephony operator. As such, if perceived in yearly basis the revenue growth of 29.5% was contributed also by non-tax revenues (by 17.6pp).

On the KCB expenditures side, at Q3 2007 the amount spent reached euro 407.0 million. Level of expenditures is broadly similar to same period last year, when total amount spent as of Q3 2006 was euro 459.8 million. Commonly, 36.3% of the budget is spent for wages and salaries, while the smaller part of the budget, 15.4%, goes for capital investments. It is interesting to note that amount of budget spent on category of goods and services and subsidies and transfers was slightly lower compared to Q3 2006, for 6.5% and 1.0% respectively. But still, these two categories together benefit from almost half of the total KCB budget.

Figure 3. Kosovo Consolidated Budget (cumulative within the year)



**Pension Scheme.** Mandatory pension scheme, administrated by the Kosovo Pension Savings Trust, is constantly increasing number of their clients – reaching 230,000 at end Q3 2007. Also, euro 1.5 million were paid out as benefit payments to 2,500 beneficiaries. The amount collected through the scheme was over euro 266 million, about 5% more than up to Q2 2007 and 40.7% more than up to Q3 2006. The money accumulated from contributors, is invested abroad through active assets managers. As of Q3 2007, the allocation of assets is diversified as such: 60% equities, 34% bonds, 5% currency investments, and 1% money market. The average net returns during 2006 were 8%.

### 3.3. REAL SECTOR

**Consumer Price Index.** During the Q3 2007 the consumption prices experienced a considerable increase. If compared on yearly basis, the yearly average increase was 6.7%, while on monthly basis, during the third quarter, the month of August demonstrated the highest positive percentage change of 4.7%, whereas the Sep-Aug change was only 0.1%. The yearly inflation rate of 6.7% is mainly due to the considerable increase of bread and cereals prices by 31.5% (3.2pp), vegetables prices by 25.2% (1.4pp) and milk products by 10.6% (0.6pp). These price increases were softly offset by a slight price decrease on few certain products and services, such as sugar and other sweet products (by 0.5%), telephony equipment and services (by 6.6%), etc (products listed based on order of their contribution towards the level of inflation rate).

**Unemployment** continues to be very important matter within Kosovo society. At end Q3 2007, the number of registered job-seekers counted for 333.3 thousands, 2.6% higher than in Q3 2006. 46.8% of total registered unemployed workforce is considered to be females. With respect to their education, only 1.5% of registered job-seekers have higher qualification / university degree level, while 34.7% have finished the secondary level education, 63.8% have only elementary education and the remaining.

**Privatization.** The Kosovo Trust Agency (KTA) is continually progressing with privatization process of SOEs. As of end Sep 2007, number of signed contracts reached 325. From this number, 306 contracts correspond to NewCos sold through Ordinary Spin-Off, while the remaining 19 companies are sold through Special Spin-Off (SSO) procedure. And also it is estimated that about 166 other contracts are in pending status (provisional bidders are announced, but contracts are yet not ratified). Based on KTA account in CBAK the amount accumulated from privatization sales reaches 378.9 million, of which about 20% is to be committed as former employees' entitlement. SSO contracts incorporate also an amount of investment commitment and number of guaranteed employment. Through 19 SSO contracts ratified up to end Q3 2007, the amount of investment commitment is about euro 147.6 million, while the number of employees guaranteed to be employed within a certain period it is around 7,000. During Q3 2007, two more waves of privatization were launched, bringing the number of total privatization waves launched, up to date, to 29. The results for these two waves are expected to be announced during the last quarter of 2007.

### 3.4. EXTERNAL SECTOR<sup>3</sup>

The BOP statistics, compiled and published by DEAS, reveal that also in 2006 it was recorded a high current account deficit which accounts for 17.2% of GDP. The source of this deficit is mainly import-oriented economy, with trade in goods deficit (euro 1,141.2 million) accounting for around 50% of GDP (Figure 4). The trade deficit was to an extent eased by current transfers, particularly remittances from Kosovo Diaspora – which in 2006 amounted euro 467.1 million (or 20.6% of GDP). Although the FDI net inflows were estimated to be euro 242.3 million, the investments of financial sector (mainly CBAK) were mostly directed abroad – thus the capital and financial account balance accounted only euro 18.1 million. Regardless of serious effort to cover as wide as possible all BOP related transactions, in 2006 the net errors and omissions' still account for euro 371.1 million.

With regard to trade in goods in particular, similar trend continued during 2007, with imports being dominant over exports. In Q3 2007 both, imports and exports, on yearly basis experienced a similar growth

<sup>3</sup> For detailed information on BOP see CBAK Bulletin no.5: <http://www.cbak-kos.org/Publications/CBAK%20Bulletin%20no.5.pdf>

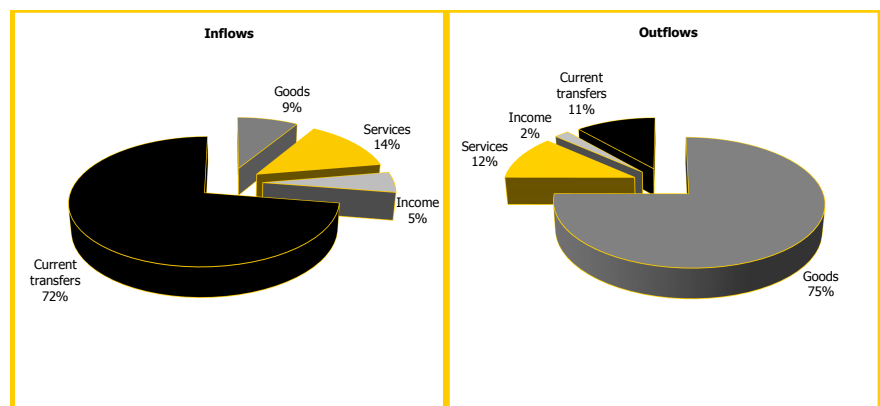
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rate (by around 23%), what indicates the same deepening level of trade deficit – which accounts for euro 1029.5 million or 23% more than it was in Q3 2006. With an amount of euro 100.2 million, volume of exports manages to cover only 8.9% of total imports that reach the value of euro 1,129.7 million, as of end Q3 2007.

Also with respect to categories of goods traded in and out Kosovo, no changes occurred during Q3 2007. Though their volume decreased by 2.6% on yearly basis, base metals continue to be the top product exported, composing 38% of total exports; followed by mineral products (18.3%) and category of 'machinery, appliances, electrical' (16.5%). Despite the low base, significant improvement was noticed in exports related to category of machinery – which exported amounted doubled compared to Q3 2006 and as such increased their share to total exports to two-digit percent compared to share of 6.8% a year before.

Figure 4. Structure of current account, as of 2006

The most imported good, on the other hand, continue to be mineral products composing 20.7% of total imports in Kosovo; follows category of 'prepared foodstuff, beverages and tobacco' (14.1%), 'machinery, appliances, electrical' (11.7%) and base metals (9.6%). Shares of goods imported to total imports, indicate that compared to last year there is no change in variety of products demanded within trade market.



Kosovo continues to mostly develop the trade with regional countries. About 47% of total goods exported (or in terms of value – euro 47.1 million) heads towards CEFTA countries<sup>4</sup>, mainly Albania, FYROM and Serbia. Next receiver of Kosovo exports remain the countries of European Union, grasping 36.8% of total exports, mainly Germany, Italy and Greece. However, low level of exports capacity puts Kosovo main trading

<sup>4</sup> CEFTA countries: Albania, Bosnia and Hercegovina, Croatia, FYROM, Kosovo, Montenegro and Serbia.

Table 1.

**Selected macroeconomic indicators**

Description	2004	2005	2006
<b>Real growth rates (in percent)</b>			
GDP	2.1	0.3	3.0
Contribution of foreign assistance to GDP growth	-3.9	-2.7	-1.0
Private sector disposable income	9.1	4.2	0.2
Private sector consumption	3.2	5.5	3.9
Consumption as a share of disposable income	91	94	100
Commercial imports of goods and services	3.1	3.9	7.7
GDP per capita	0.4	-1.4	1.3
GNDI per capita	7.1	2.8	3.1
Private disposable income per capita	7.3	2.4	-1.5
Private consumption per capita	2.4	4.0	2.5
<b>CPI</b>	-1.4	-1.4	0.7
<b>General government budget (in percent of GDP)</b>			
Revenues	26.8	28.1	31.4
Primary Expenditures	32.8	31.2	27.7
Primary balance	-6.0	-3.1	3.7
<b>Savings/investment balances (in percent of GDP) 1/</b>			
National savings	-11.0	-10.9	-10.2
Domestic savings	-21.6	-24.7	-26.1
Remittances	9.4	12.6	14.0
Factor income from/to abroad	1.2	1.3	1.8
Investment	25.1	26.0	29.4
Current account	-36.0	-36.9	-39.6
Foreign assistance 2/	24.8	21.9	20.5
Current account balance (after foreign assistance)	-11.3	-15.0	-19.1
<b>Main aggregates (in millions of euro)</b>			
GDP	2,282	2,238	2,270
GDP per capita (in euro)	1,161	1,120	1,117
GNDI per capita (in euro)	1,285	1,275	1,294
Workers' remittances 3/	215	281	318
Foreign assistance 2/	565	491	465
Direct contribution of foreign assistance to GDP	200	208	203

Source: IMF Aide Memoire, Feb 2007.

1/ Savings/Investment balances of the entire economy and prospective financing gaps, i.e. the domestic sector and the donor sector;

2/ Total foreign assistance excluding capital transfers;

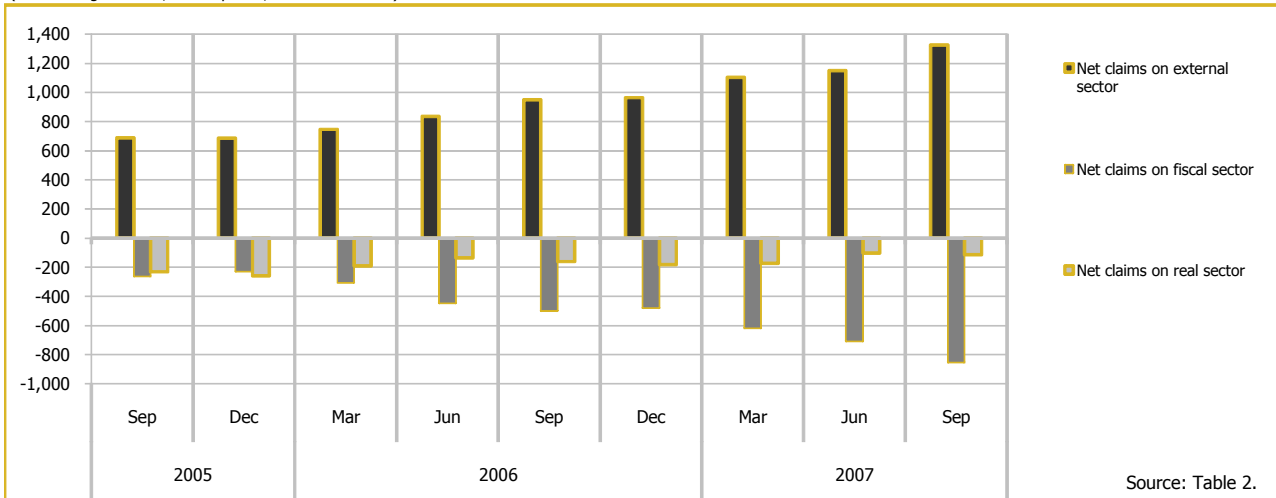
3/ Including pensions from abroad.





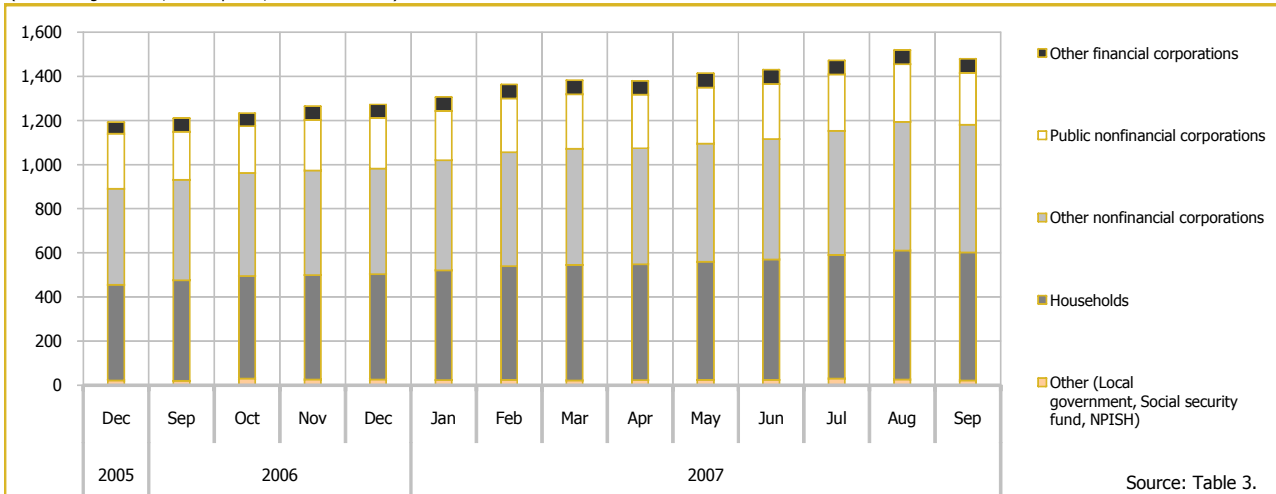
### 1. Financial corporations net claims by sector

(Outstanding amounts, end of period, in millions of EUR)



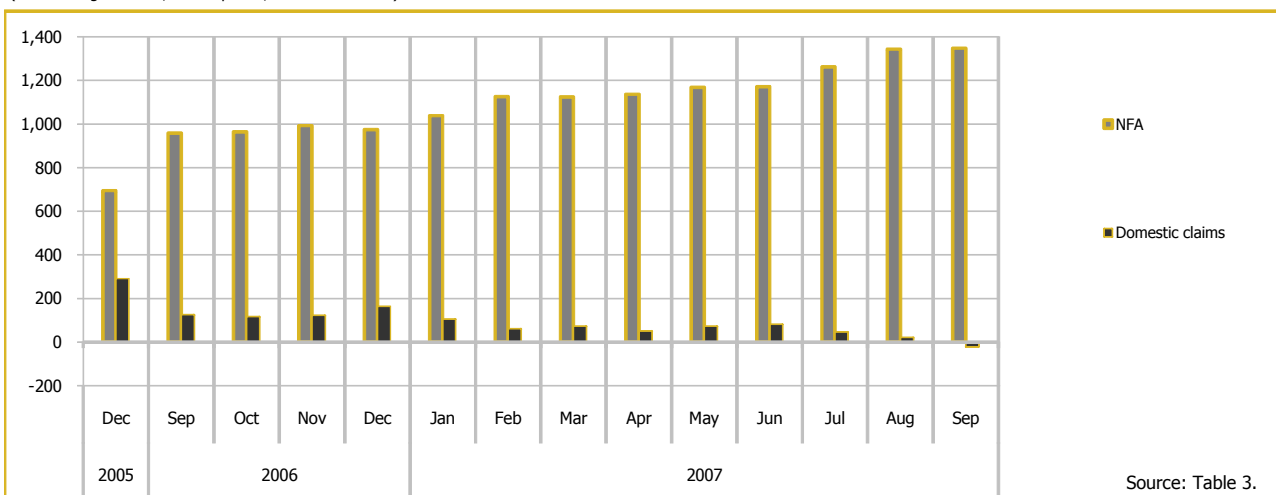
### 2. Deposits included in broad money

(Outstanding amounts, end of period, in millions of EUR)



### 3. Depository corporations NFA and domestic claims

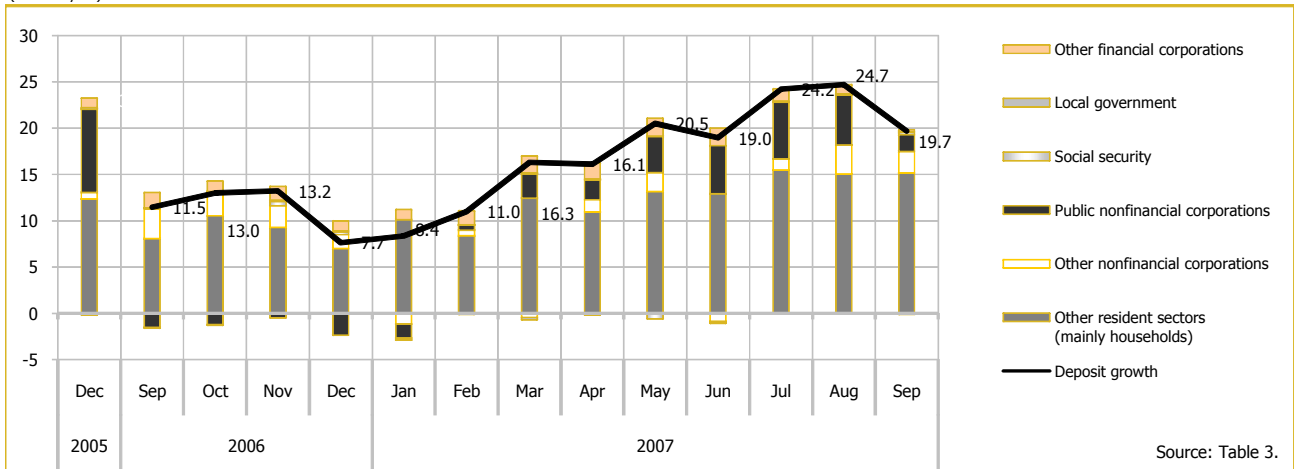
(Outstanding amounts, end of period, in millions of EUR)



September 2007

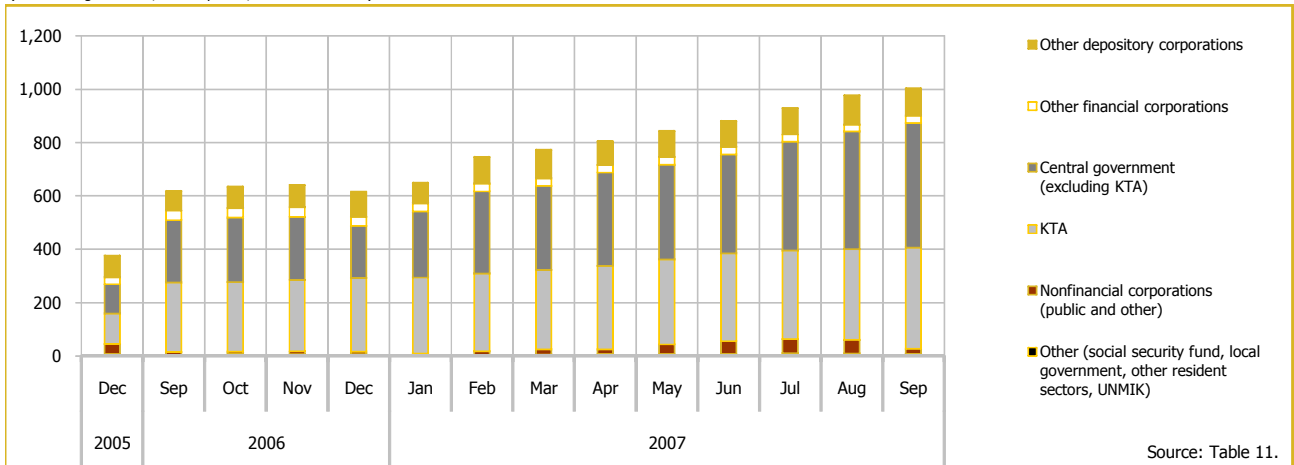
**4. Growth of the total deposits at DC and contributions to the growth**

(Year on year)



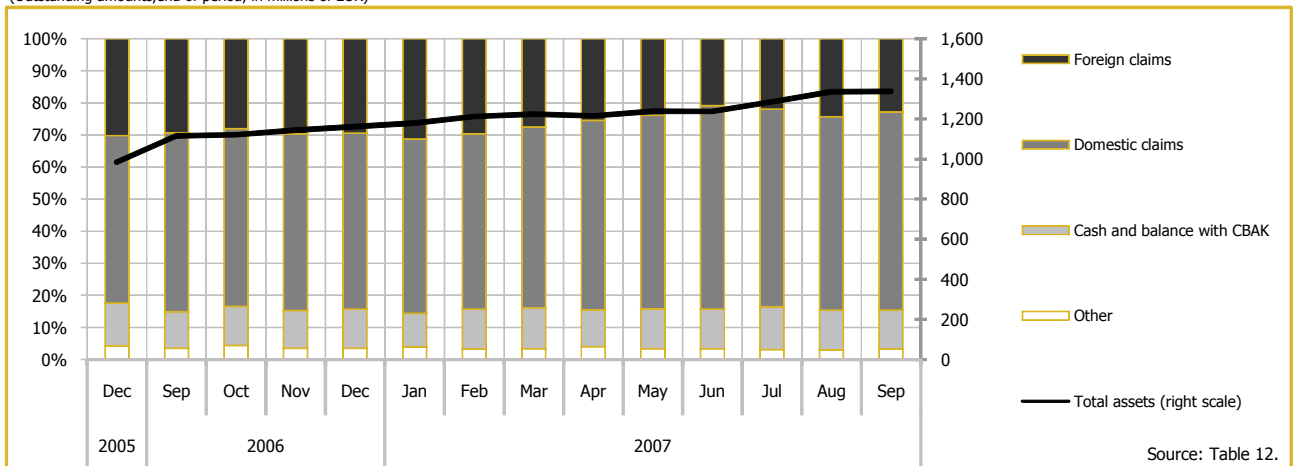
**5. Sectoral breakdown of the deposits at CBAK**

(Outstanding amounts, end of period, in millions of EUR)



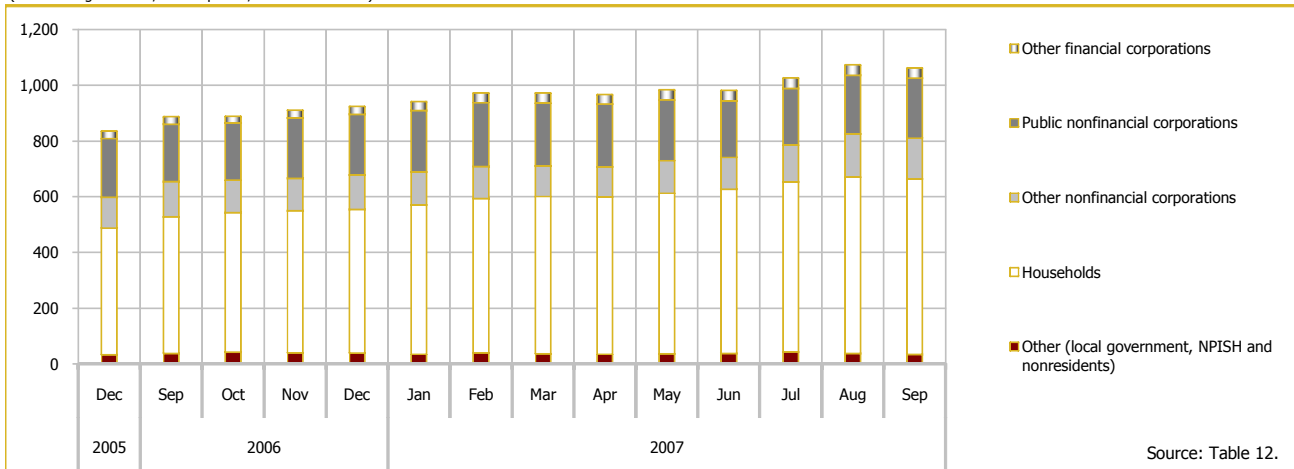
**6. ODC foreign and domestic claims, as share of ODC total assets**

(Outstanding amounts, end of period, in millions of EUR)



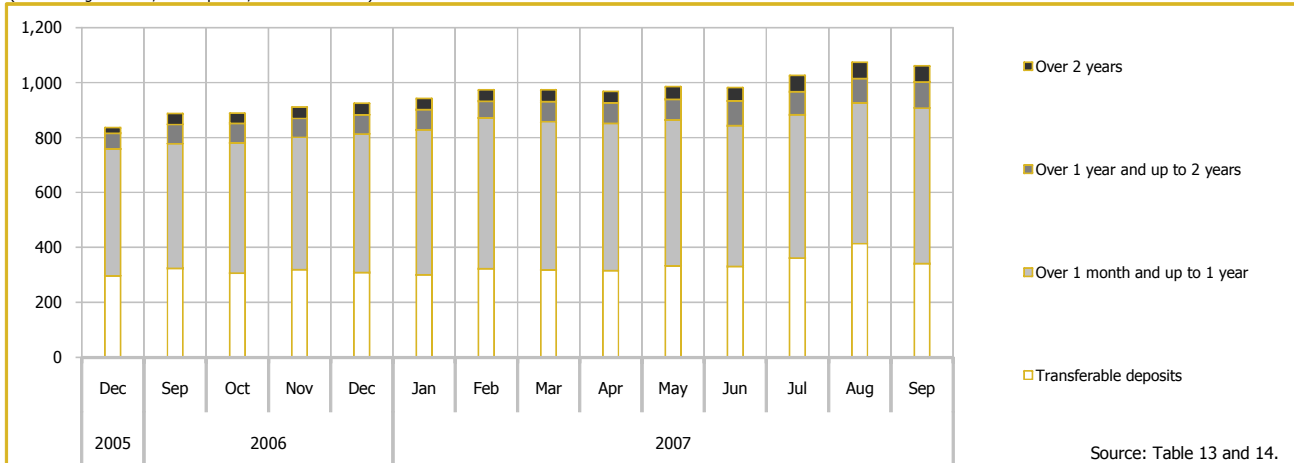
### 7. Sectoral breakdown of the deposits at ODC

(Outstanding amounts, end of period, in millions of EUR)



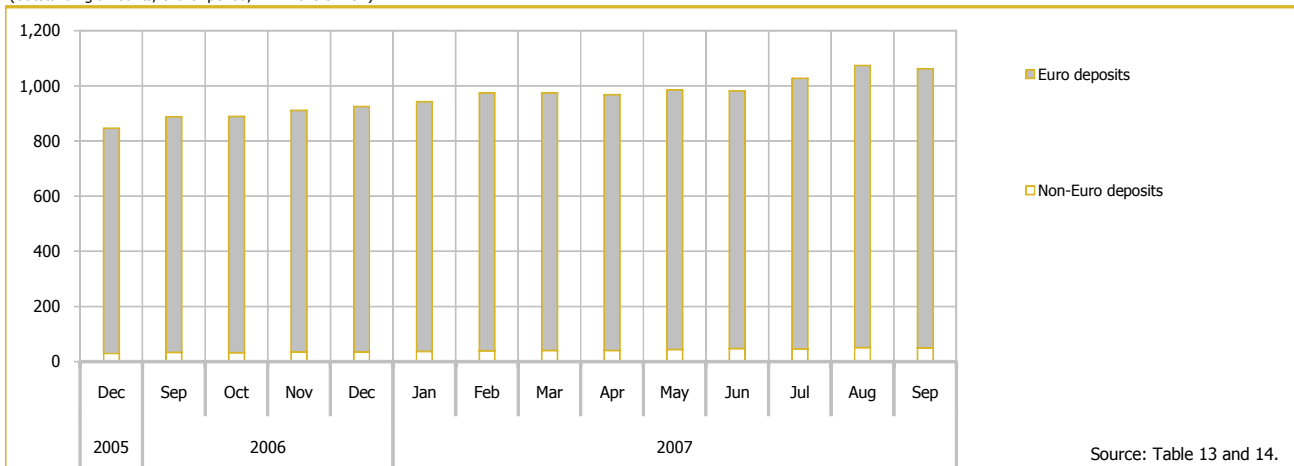
### 8. Maturity breakdown of the deposits at ODC

(Outstanding amounts, end of period, in millions of EUR)



### 9. Currency breakdown of the deposits at ODC

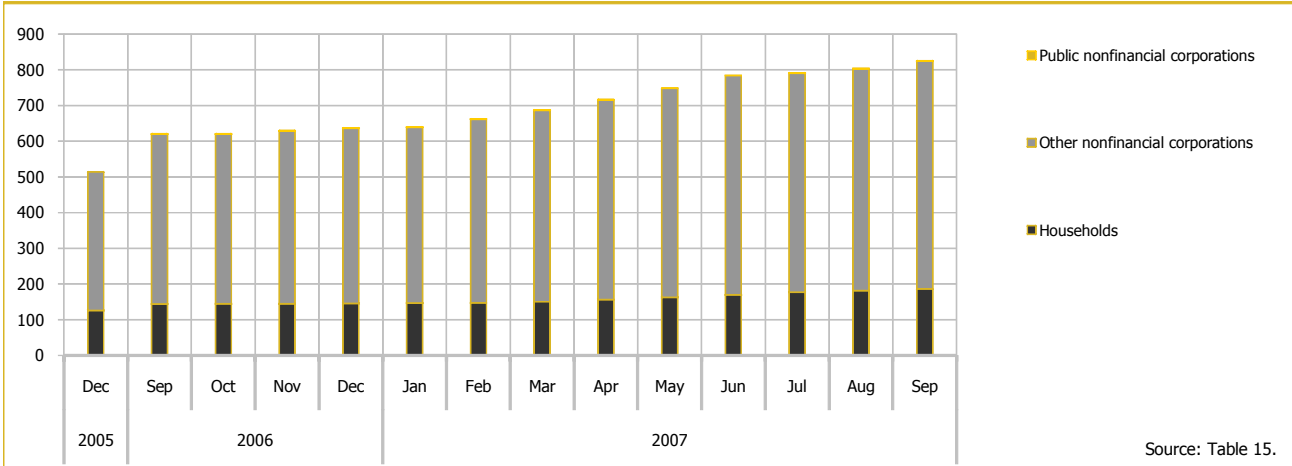
(Outstanding amounts, end of period, in millions of EUR)



September 2007

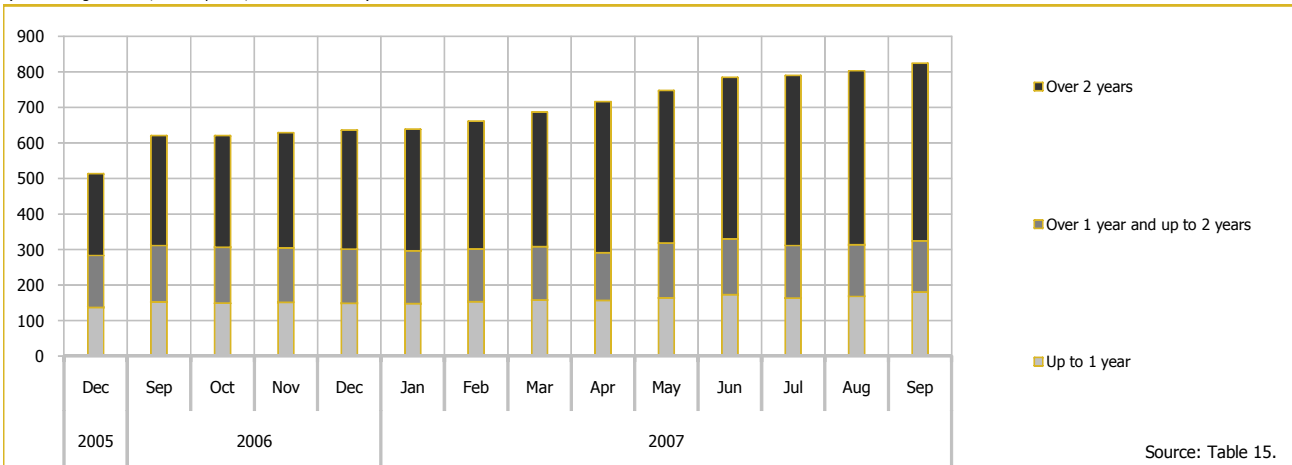
**10. Sectoral breakdown of the ODC loans**

(Outstanding amounts, end of period, in millions of EUR)



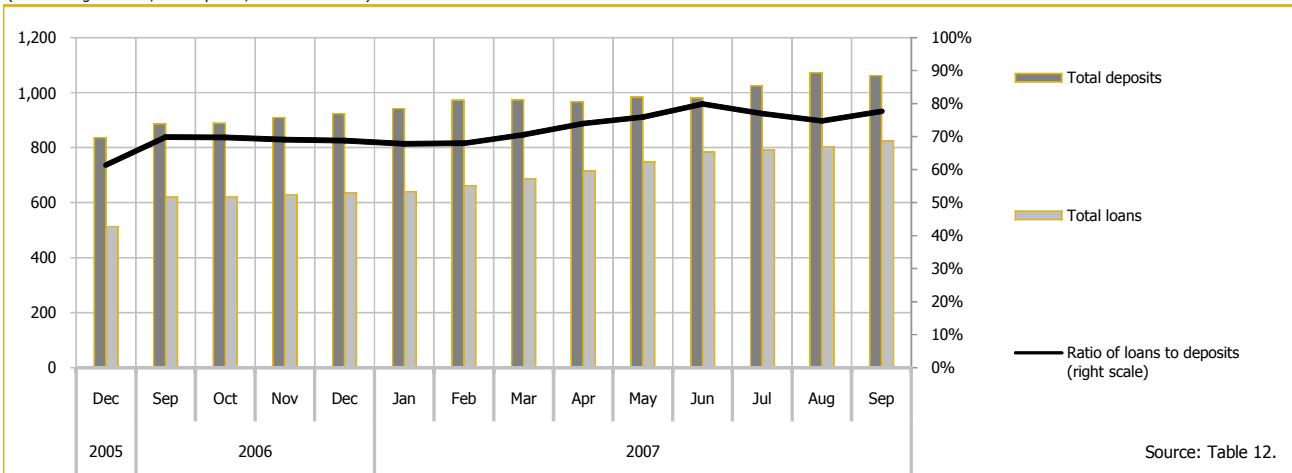
**11. Maturity breakdown of the ODC loans**

(Outstanding amounts, end of period, in millions of EUR)



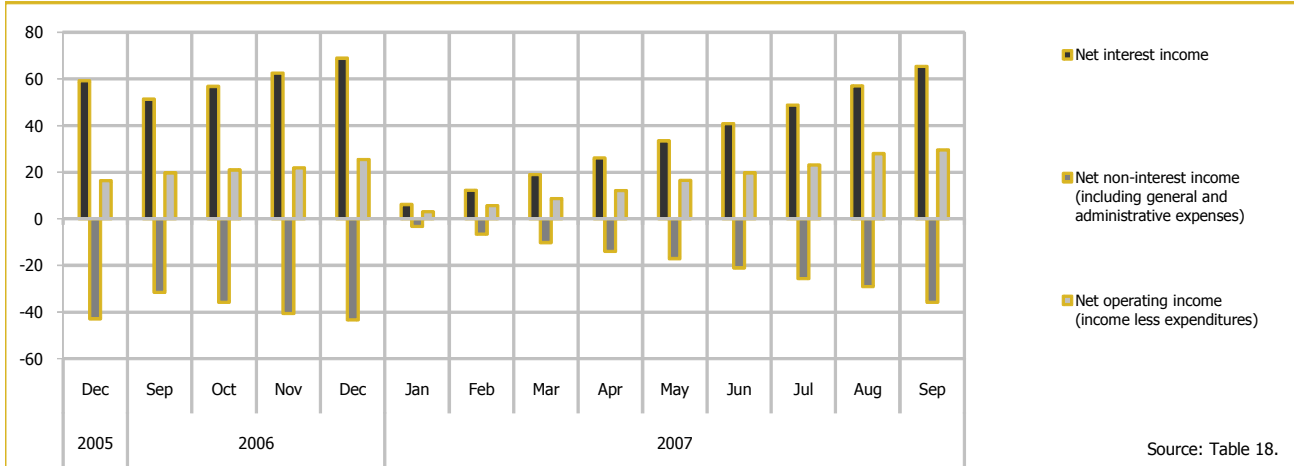
**12. Ratio of ODC loans to deposits**

(Outstanding amounts, end of period, in millions of EUR)



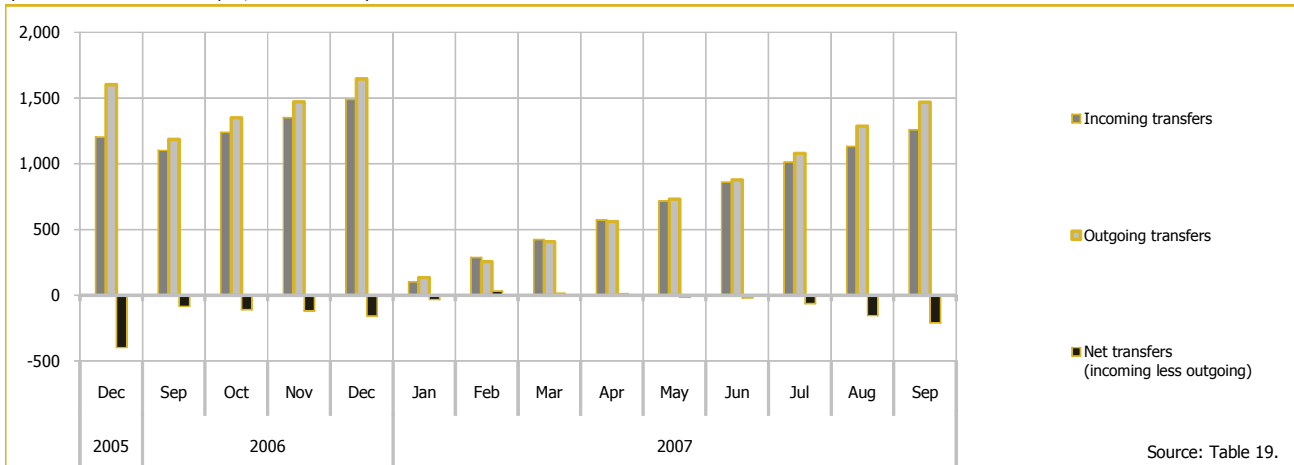
**13. ODC income and expenditures**

(Cumulative within the calendar year, in millions of EUR)



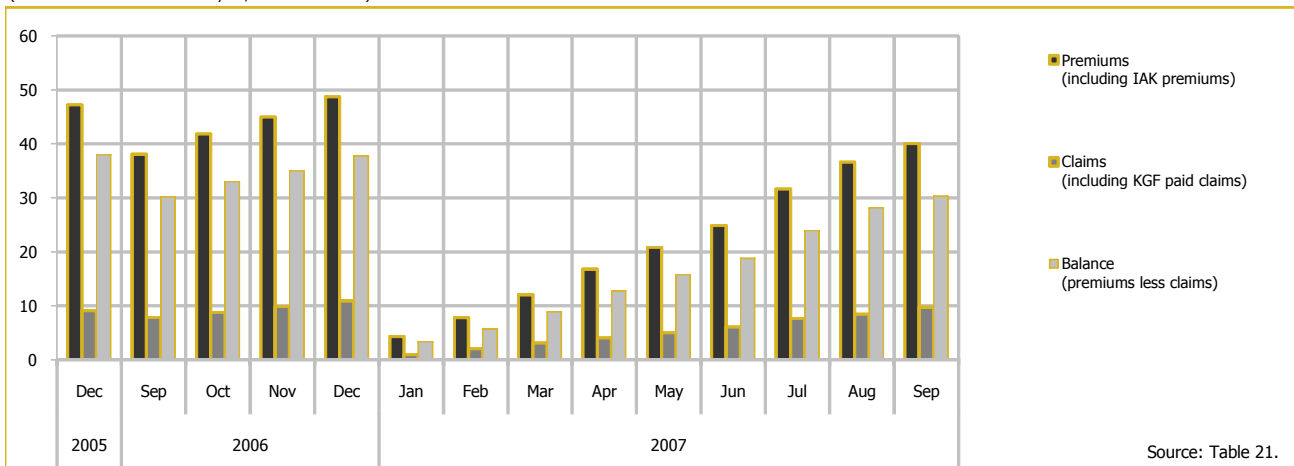
**14. International money transfers among financial corporations**

(Cumulative within the calendar year, in millions of EUR)



**15. Insurance companies premiums and paid claims**

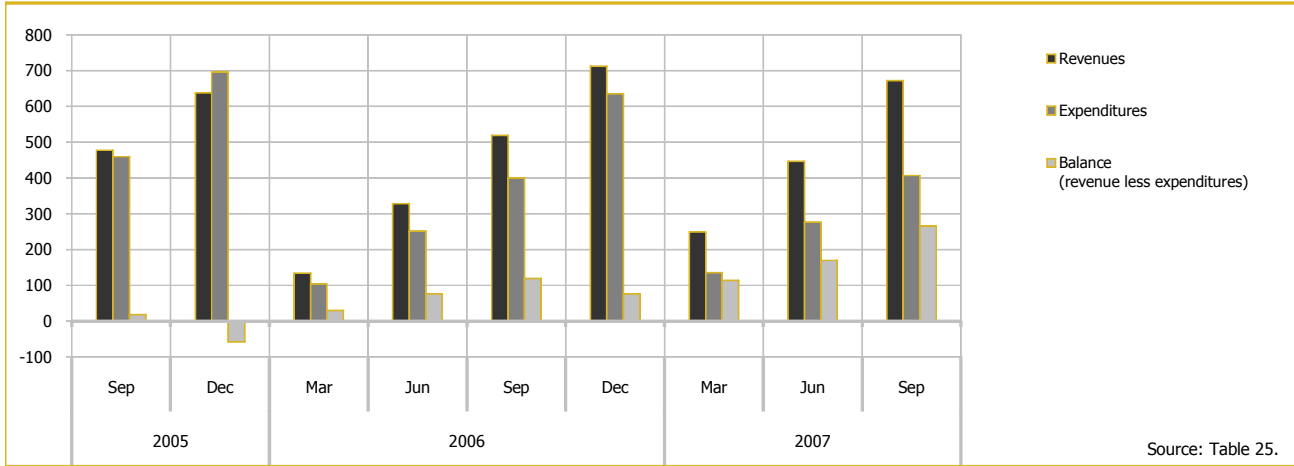
(Cumulative within the calendar year, in millions of EUR)



September 2007

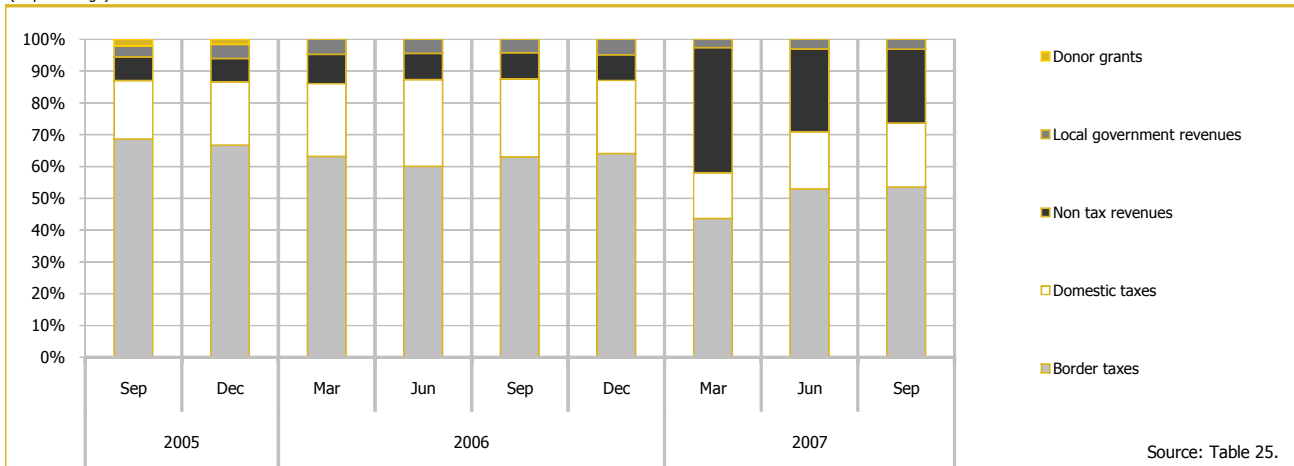
**16. Kosovo consolidated budget**

(Cumulative within the calendar year, in millions of EUR)



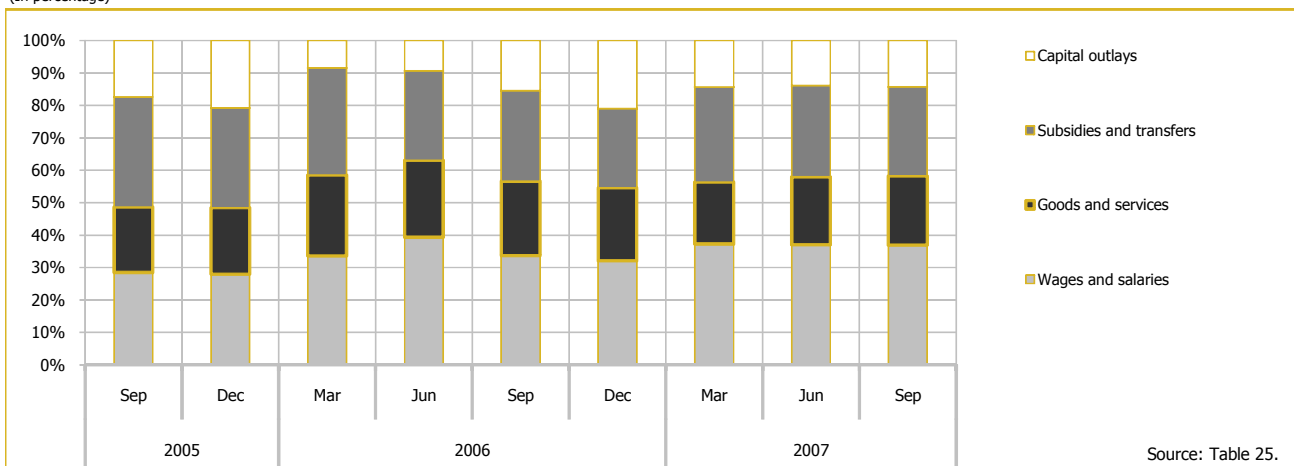
**17. Structure of budget revenues**

(In percentage)



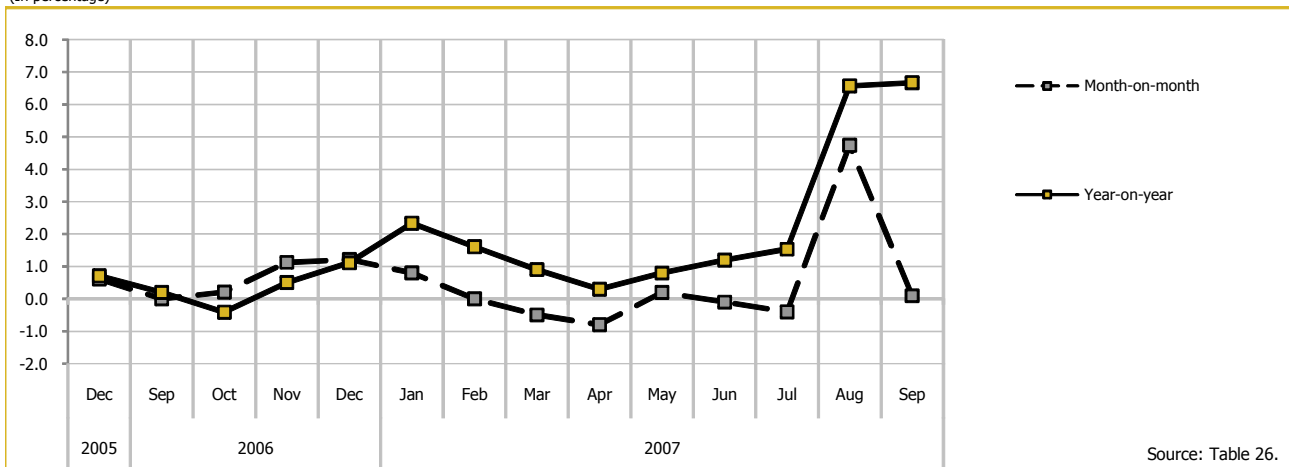
**18. Structure of budget expenditures**

(In percentage)



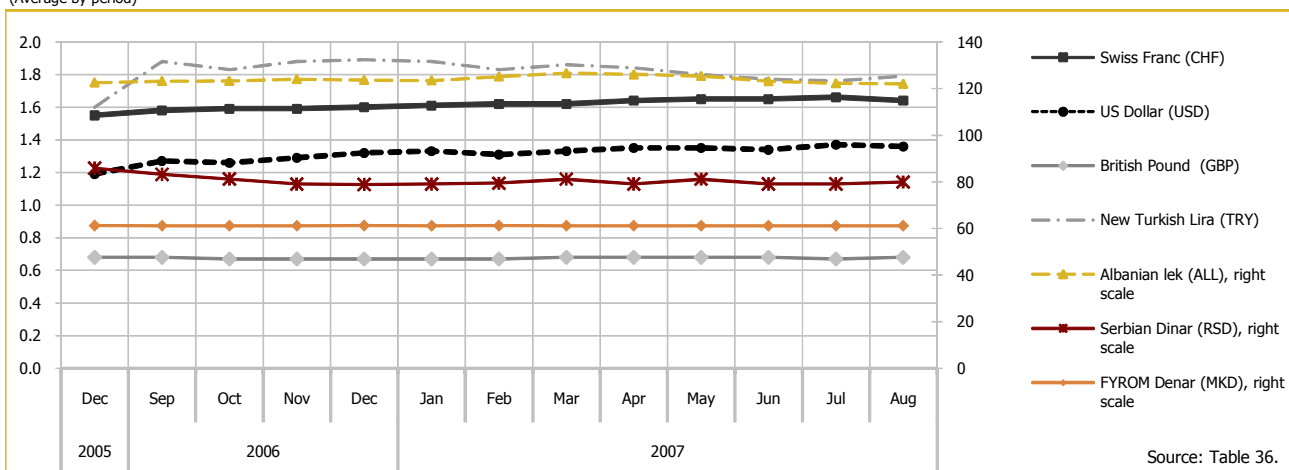
**19. Prices (CPI)**

(In percentage)



**20. Exchange rate against euro**

(Average by period)



**21. Trade balance**

(Cumulative within the calendar year, in millions of EUR)

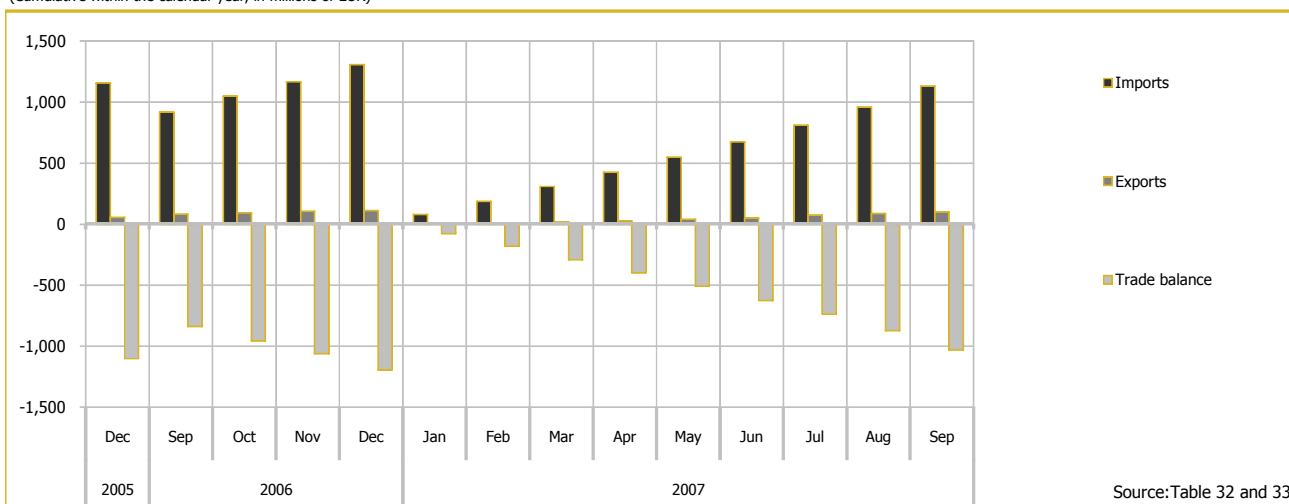






Table 2.

**Financial corporations survey**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005			2006			2007			
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
<b>Net foreign assets</b>	642.826	688.871	685.096	745.909	836.383	948.108	963.025	1.102.868	1.149.080	1.325.143
Claims on nonresidents	701.094	749.675	748.693	815.075	905.737	1.020.853	1.035.123	1.191.500	1.229.950	1.405.106
Currency	90.285	99.673	75.587	90.652	81.679	92.754	64.383	94.019	95.217	98.051
Deposits	342.921	374.830	422.622	477.902	558.146	635.531	660.004	761.160	845.955	989.930
Securities other than shares	261.047	268.863	242.434	242.165	265.037	289.814	303.075	324.208	277.874	303.508
Loans	3.462	2.994	4.715	4.353	873	2.752	7.659	12.110	10.901	13.616
Shares and other equities	3.313	3.313	3.333	...	...	...	...	...	...	...
Other	67	2	2	2	2	2	2	2	2	2
less : Liabilities to nonresidents	58.267	60.804	63.597	69.166	69.354	72.745	72.098	88.632	80.870	79.963
Deposits	21.297	23.410	21.466	23.057	25.134	26.565	21.508	27.009	21.000	20.039
Loans	36.970	37.394	42.131	46.109	44.220	46.180	50.589	61.623	59.869	59.925
Other	...	...	...	...	...	...	...	...	...	...
<b>Domestic claims</b>	275.509	278.837	348.722	320.096	246.304	194.073	231.467	145.160	161.019	61.118
Net claims on central government	-248.922	-258.798	-223.504	-298.131	-437.914	-495.742	-472.832	-615.183	-703.342	-848.569
Claims on central government	—	—	—	—	—	—	—	—	—	—
less: Liabilities to central government	248.922	258.798	223.504	298.131	437.914	495.742	472.832	615.183	703.342	848.569
Deposits	248.922	258.798	223.504	298.131	437.914	495.742	472.832	615.183	703.342	848.569
Claims on other sectors	524.431	537.634	572.226	618.226	684.218	689.815	704.299	760.343	864.361	909.686
Loans	516.244	528.749	565.552	608.808	672.911	676.110	694.336	749.182	852.800	895.627
Public nonfinancial corporations	—	—	—	—	—	—	51	49	87	108
Other nonfinancial corporations	404.520	405.869	439.566	481.175	536.408	532.041	548.224	598.218	682.807	709.032
Other resident sectors	111.725	122.880	125.986	127.633	136.504	144.018	146.064	150.877	169.884	186.493
Households	111.725	122.880	125.986	127.633	136.504	144.018	146.064	150.877	169.884	186.493
Other claims	8.187	8.885	6.674	9.418	11.306	13.705	9.962	11.161	11.562	14.059
<b>Deposits</b>	721.614	772.596	834.498	815.548	826.805	853.432	892.884	940.757	976.428	1.032.086
Transferable deposits	305.722	306.147	318.938	315.325	329.609	316.312	306.933	321.923	361.801	345.227
Local government	4.351	4.884	4.464	5.161	3.352	4.468	5.365	2.865	3.002	3.500
Social security fund	5.535	658	1.708	2.864	5.623	1.705	4.301	3.613	4.364	4.256
Public nonfinancial corporations	59.188	65.171	67.565	61.124	52.610	54.560	34.794	45.521	73.584	41.804
Other nonfinancial corporations	66.402	67.910	76.801	79.313	90.945	94.956	96.358	85.810	87.090	103.360
Other resident sectors	170.247	167.524	168.400	166.864	177.079	160.623	166.114	184.114	193.762	192.307
of which: Households	158.920	155.495	155.525	153.809	164.333	149.774	156.211	169.732	180.853	180.578
of which: NPISH	9.341	9.955	10.686	10.736	10.790	8.770	7.763	12.209	11.322	10.130
Other deposits	415.892	466.449	515.560	500.223	497.196	537.120	585.951	618.834	614.626	686.859
Public nonfinancial corporations	140.766	164.326	181.326	162.254	151.292	162.325	193.337	200.744	175.971	191.854
Other nonfinancial corporations	24.531	31.709	33.734	33.951	31.005	31.030	27.594	23.755	27.204	43.767
Other resident sectors	250.595	270.414	300.501	304.017	314.900	343.765	365.019	394.335	411.451	451.238
Households	249.043	268.813	298.884	302.382	314.693	341.225	359.486	394.236	408.255	449.101
NPISH	1.552	1.601	1.616	1.635	207	2.540	5.533	100	3.196	2.138
<b>Loans</b>	2.923	3.031	3.022	3.121	3.264	3.239	3.375	...	...	...
Other nonfinancial corporations	...	...	...	...	...	...	...	...	...	...
Households	2.923	3.031	3.022	3.121	3.264	3.239	3.375	...	...	...
<b>Insurance technical reserves</b>	30.305	31.196	30.817	33.211	34.470	35.643	38.039	37.007	37.510	38.109
Net equity of households in life insurance reserves	—	—	—	—	—	—	—	—	—	—
Net equity of households in pension funds	7.583	8.469	8.725	9.335	10.934	10.928	10.540	10.360	10.166	8.380
Prepayment of premiums and reserves against outst. claims	22.722	22.726	22.092	23.876	23.536	24.716	27.498	26.647	27.344	29.729
<b>Shares and other equity</b>	150.294	157.183	165.781	160.167	176.206	190.355	199.187	206.104	228.239	244.637
Funds contributed by owners	83.647	88.534	95.319	97.791	105.636	112.058	121.192	121.199	128.361	134.860
Retained earnings	23.830	18.504	13.336	29.246	29.484	30.778	27.753	32.664	33.661	34.440
General and special reserves	14.057	14.097	13.966	15.866	15.403	15.396	15.639	16.315	16.832	16.820
Profit/loss of the year	3.889	10.339	17.571	-9.093	-1.817	4.846	6.266	9.827	20.807	29.031
Grants from donors	24.871	25.708	25.590	26.358	27.500	27.277	28.338	26.098	28.580	29.486
<b>Other items (net)</b>	13.200	3.700	-300	53.958	41.942	59.514	61.008	64.158	67.921	71.428
Other liabilities	52.176	42.830	42.262	89.012	90.224	109.701	109.946	112.311	116.225	123.811
less: Other assets	39.360	39.741	43.454	39.990	47.892	49.430	54.216	53.662	54.608	58.666
plus: Consolidation adjustment	383	611	892	4.936	-390	-758	5.278	5.510	6.304	6.284



Table 4.

**CBAK survey**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005		2006			2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Net foreign assets</b>	394,293	640,436	656,565	664,255	639,604	673,337	770,660	797,991	829,190	869,159	907,657	956,233	1,003,923	1,030,112
Claims on nonresidents	397,399	641,256	656,980	664,538	639,712	673,651	770,830	798,072	829,366	869,246	907,745	956,341	1,004,031	1,030,198
Currency	24,464	40,783	39,751	38,495	11,136	27,977	37,769	37,643	30,822	25,166	33,074	47,365	44,727	31,416
Deposits	213,448	396,958	413,518	422,347	424,928	447,088	499,939	532,233	570,367	615,718	646,240	680,970	730,905	770,288
Securities other than shares	159,488	203,516	203,712	203,696	203,647	198,586	233,121	228,196	228,177	228,362	228,430	228,005	228,398	228,494
less: Liabilities to nonresidents	3,106	821	415	283	108	314	170	81	175	88	87	109	108	85
Deposits	3,106	821	415	283	108	314	170	81	175	88	87	109	108	85
<b>Net claims on central government</b>	-223,476	-493,884	-501,896	-504,509	-470,770	-531,381	-598,653	-611,954	-661,641	-672,604	-699,050	-739,689	-779,821	-845,454
Claims on central government	—	—	—	—	—	—	—	—	—	—	—	—	—	—
less: Liabilities to central government	223,476	493,884	501,896	504,509	470,770	531,381	598,653	611,954	661,641	672,604	699,050	739,689	779,821	845,454
Deposits	223,476	493,884	501,896	504,509	470,770	531,381	598,653	611,954	661,641	672,604	699,050	739,689	779,821	845,454
<b>Claims on other sectors</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Liabilities to ODC</b>	82,518	74,831	81,315	84,331	94,467	76,990	100,665	107,470	89,451	98,678	98,643	99,636	109,573	103,315
<b>Deposits included in broad money</b>	68,802	50,417	51,632	53,348	52,001	41,161	47,690	54,615	54,327	73,333	84,602	90,766	88,334	55,141
Transferable deposits	64,702	44,467	45,682	45,380	44,033	29,893	36,972	49,297	43,609	62,615	72,328	78,492	81,460	42,867
Other financial corporations	21,611	29,278	29,105	27,172	26,692	19,185	18,633	23,378	17,814	18,027	16,409	14,918	20,200	14,832
Local government	1,602	377	378	378	379	380	381	381	382	2,901	2,721	3,300	3,977	3,184
Social security	1,708	1,705	5,109	4,352	4,301	3,610	1,610	3,613	5,275	3,910	4,364	6,069	4,905	4,256
Public nonfinancial corp.	37,587	11,026	8,986	11,350	10,519	4,563	14,179	19,749	17,940	36,190	47,244	52,611	50,781	18,993
Other nonfinancial corp.	5	2	2	2	2	2	2	2	2	2	2	2	2	2
Other resident sectors	2,188	2,079	2,102	2,126	2,140	2,153	2,167	2,173	2,196	1,584	1,588	1,592	1,596	1,600
Other deposits	4,100	5,950	5,950	7,968	7,968	11,268	10,718	5,318	10,718	10,718	12,274	12,274	6,874	12,274
Other financial corporations	4,100	5,950	5,950	7,968	7,968	11,268	10,718	5,318	10,718	10,718	12,274	12,274	6,874	12,274
<b>Deposits excluded from broad money</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Shares and other equity</b>	20,401	23,584	24,204	24,680	25,522	26,214	26,858	27,491	27,789	28,523	29,274	30,116	30,855	31,588
Funds contributed by owners	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Retained earnings	2,970	3,936	4,560	5,044	6,390	710	1,358	1,996	2,916	3,655	4,409	5,256	5,999	6,736
General and special reserves	6,630	8,937	8,937	8,937	8,473	14,850	14,850	14,850	14,590	14,590	14,590	14,590	14,590	14,590
Grants from donors	801	711	707	699	658	654	650	646	283	279	275	271	266	262
<b>Other items (net)</b>	-904	-2,281	-2,482	-2,614	-3,157	-2,409	-3,205	-3,539	-4,018	-3,980	-3,912	-3,973	-4,661	-5,386
Other liabilities	530	40	59	79	247	165	142	84	104	119	170	268	471	421
less: Other assets	1,434	2,320	2,540	2,693	3,404	2,574	3,347	3,623	4,123	4,099	4,082	4,241	5,132	5,806



Table 6.

**Other financial corporations survey**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005		2006				2007		
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
<b>Net foreign assets</b>	-8.275	-9.901	-10.227	-10.350	-10.336	-10.949	-21.193	-21.317	-22.340
Claims on nonresidents	4.356	4.355	1.347	970	964	943	2.052	5.066	5.521
Currency	1.043	1.022	1.347	970	964	943	2.052	2.204	2.290
Deposits	—	—	—	—	—	—	—	—	—
Securities other than shares	...	...	...	...	...	...	...	2.862	3.230
Shares and other equity	3.313	3.333	...	...	...	...	...	...	...
less : Liabilities to nonresidents	12.631	14.256	11.574	11.320	11.300	11.892	23.246	26.383	27.861
Loans	12.631	14.256	11.574	11.320	11.300	11.892	23.246	26.383	27.861
<b>Claims on depository corporations</b>	48.834	53.065	49.113	49.468	62.323	62.637	64.259	65.210	63.307
CBAK	24.445	25.711	27.178	29.595	35.228	34.654	28.687	28.683	27.106
Transferable deposits	18.845	21.611	22.628	25.045	29.278	26.686	23.369	16.409	14.832
Other deposits	5.600	4.100	4.550	4.550	5.950	7.968	5.318	12.274	12.274
Other depository corporations	24.389	27.354	21.935	19.873	27.095	27.983	35.572	36.527	36.201
Transferable deposits	6.078	7.202	6.795	4.618	6.155	4.946	5.659	6.238	8.579
Other deposits	18.311	20.152	15.139	15.255	20.940	23.037	29.913	30.289	27.623
<b>Net claims on central government</b>	—	—	—	—	—	—	—	—	—
<b>Claims on other sectors</b>	60.725	58.370	62.801	67.142	69.106	67.685	72.635	79.925	84.641
Loans	51.840	51.696	53.383	55.836	55.401	57.723	61.474	68.363	70.582
Other nonfinancial corporations	51.840	51.696	53.383	55.836	55.401	57.723	61.474	68.363	70.582
Other claims	8.885	6.674	9.418	11.306	13.705	9.962	11.161	11.562	14.059
<b>Deposits</b>	—	—	—	—	—	—	—	—	—
<b>Loans</b>	3.031	3.022	3.121	3.264	3.239	3.375	...	...	...
Other resident sectors	3.031	3.022	3.121	3.264	3.239	3.375	...	...	...
Households	3.031	3.022	3.121	3.264	3.239	3.375	...	...	...
<b>Insurance technical reserve</b>	31.196	30.817	33.211	34.470	35.643	38.039	37.007	37.510	38.109
Net equity of households in life insurance reserves	—	—	—	—	—	—	—	—	—
Net equity of households in pension funds	8.469	8.725	9.335	10.934	10.928	10.540	10.360	10.166	8.380
Prepayment of premiums and reserves against outstanding claims	22.726	22.092	23.876	23.536	24.716	27.498	26.647	27.344	29.729
<b>Shares and other equity</b>	70.016	71.391	70.241	71.793	79.043	80.495	76.991	83.460	84.969
Funds contributed by owners	20.309	22.913	20.285	18.408	25.322	27.504	26.405	27.207	28.706
Retained earnings	14.840	12.924	16.562	16.451	16.053	15.824	21.885	22.583	21.035
General and special reserves	6.853	6.722	6.933	7.256	7.186	7.885	855	1.650	1.658
Profit/Loss for the year	3.155	4.043	862	2.903	3.917	1.602	2.393	3.715	4.345
Grants from donors	24.858	24.789	25.598	26.774	26.566	27.679	25.453	28.305	29.224
<b>Other items (net)</b>	-2.959	-3.697	-4.885	-3.267	3.168	-2.536	1.703	2.847	2.530
Other liabilities	4.179	4.388	2.812	4.672	10.911	7.432	10.442	11.673	10.984
less: Other assets	7.138	8.086	7.696	7.939	7.743	9.968	8.739	8.826	8.454
plus: Consolidation adjustment	...	...	...	...	...	...	...	...	...

September 2007

Table 7.

**Other financial intermediaries survey**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005			2006			2007			
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
<b>Net foreign assets</b>	-11,253	-11,806	-13,434	-10,725	-10,431	-10,419	-10,973	-21,289	-24,207	-25,614
Claims on nonresidents	795	825	822	849	888	881	918	1,957	2,176	2,247
Currency	795	825	822	849	888	881	918	1,957	2,176	2,247
less : Liabilities to nonresidents	12,049	12,631	14,256	11,574	11,320	11,300	11,892	23,246	26,383	27,861
Loans	12,049	12,631	14,256	11,574	11,320	11,300	11,892	23,246	26,383	27,861
<b>Claims on depository corporations</b>	3,823	4,102	5,751	2,791	2,133	2,186	2,395	3,247	4,142	4,899
Other depository corporations	3,823	4,102	5,751	2,791	2,133	2,186	2,395	3,247	4,142	4,899
Transferable deposits	2,565	2,794	3,693	2,791	1,833	1,861	1,869	2,010	1,924	2,192
Other deposits	1,258	1,308	2,058	...	300	325	526	1,236	2,218	2,706
<b>Net claims on central government</b>	—	—	—	—	—	—	—	—	—	—
<b>Claims on other sectors</b>	49,995	51,840	51,696	53,383	55,836	55,401	57,723	61,474	68,363	70,582
Gross loans	49,995	51,840	51,696	53,383	55,836	55,401	57,723	61,474	68,363	70,582
Other nonfinancial corporations	49,995	51,840	51,696	53,383	55,836	55,401	57,723	61,474	68,363	70,582
<b>Loans</b>	2,923	3,031	3,022	3,121	3,264	3,239	3,375	...	...	...
<b>Shares and other equity</b>	40,146	41,627	41,512	42,866	44,836	44,487	46,351	40,779	45,349	46,821
Funds contributed by owners	—	—	—	—	—	—	—	—	—	—
Retained earnings	9,909	10,275	10,246	10,580	11,067	10,980	11,441	15,090	16,781	17,326
General and special reserves	6,263	6,495	6,477	6,688	6,995	6,941	7,232	236	263	272
Grants from donors	23,973	24,858	24,789	25,598	26,774	26,566	27,679	25,453	28,305	29,224
<b>Other items (net)</b>	-504	-522	-521	-538	-563	-558	-582	2,652	2,949	3,045
Other liabilities	2,234	2,316	2,310	2,385	2,495	2,475	2,579	4,598	5,113	5,279
less: Other assets	2,737	2,838	2,830	2,923	3,057	3,033	3,160	1,946	2,164	2,234
plus: Consolidation adjustment	...	...	...	...	...	...	...	...	...	...

Table 8.

**Insurance companies and pension funds survey**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005		2006				2007		
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
<b>Net foreign assets</b>	3.531	3.533	498	81	83	25	31	68	328
<b>Claims on nonresidents</b>	3.531	3.533	498	81	83	25	31	68	328
Currency	218	200	498	81	83	25	31	27	44
Securities other than shares	...	...	...	...	...	...	...	40	284
Shares and other equities	3.313	3.333	...	...	...	...	...	...	...
<b>Claims on depository corporations</b>	41.907	44.534	45.975	47.020	55.808	55.768	57.562	60.489	57.895
CBAK	24.445	25.711	27.178	29.595	31.229	30.633	28.687	28.683	27.106
Transferable Deposits	18.845	21.611	22.628	25.045	25.279	22.665	23.369	16.409	14.832
Other deposits	5.600	4.100	4.550	4.550	5.950	7.968	5.318	12.274	12.274
Other depository corporations	17.462	18.823	18.797	17.425	24.579	25.136	28.874	31.806	30.789
Transferable deposits	3.209	3.479	3.908	2.720	4.214	2.875	3.649	4.314	6.386
Other deposits	14.253	15.344	14.889	14.705	20.365	22.261	25.226	27.492	24.403
<b>Net claims on central government</b>	—	—	—	—	—	—	—	—	—
<b>Claims on other sectors</b>	8.885	6.674	9.418	11.306	13.705	9.962	11.161	11.562	14.059
Other claims	8.885	6.674	9.418	11.306	13.705	9.962	11.161	11.562	14.059
<b>Insurance technical reserve</b>	31.196	30.817	33.211	34.470	35.643	38.039	37.007	37.510	38.109
Net equity of households in life insurance reserves	—	—	—	—	—	—	—	—	—
Net equity of households in pension funds	8.469	8.725	9.335	10.934	10.928	10.540	10.360	10.166	8.380
Prepayment of premiums and reserves against outstanding claims	22.726	22.092	23.876	23.536	24.716	27.498	26.647	27.344	29.729
<b>Shares and other equity</b>	25.564	27.100	27.028	26.642	30.228	29.670	32.262	33.978	33.921
Funds contributed by owners	17.485	20.133	19.938	18.093	20.993	23.031	22.405	22.902	24.202
Retained earnings	4.566	2.678	5.981	5.384	5.072	4.384	6.845	5.973	3.987
General and special reserves	358	246	246	261	246	653	619	1.387	1.387
Profit/loss of the year	3.155	4.043	862	2.903	3.917	1.602	2.393	3.715	4.345
<b>Other items (net)</b>	-2.436	-3.176	-4.347	-2.704	3.726	-1.954	-515	630	252
Other liabilities	1.863	2.079	427	2.178	8.436	4.853	5.588	6.478	5.670
less: Other assets	4.300	5.255	4.774	4.882	4.710	6.807	6.104	5.848	5.418
plus: Consolidation adjustment	...	...	...	...	...	...	...	...	...

Table 9.

**Insurance companies survey**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005		2006				2007		
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
<b>Net foreign assets</b>	3,531	3,533	498	81	83	25	31	27	44
Claims on nonresidents	3,531	3,533	498	81	83	25	31	27	44
Currency	218	200	498	81	83	25	31	27	44
Shares and other equities	3,313	3,333	...	...	...	...	...	...	...
<b>Claims on depository corporations</b>	33,438	35,810	36,640	36,086	44,881	45,228	47,201	50,363	49,799
CBAK	16,408	17,422	18,416	19,102	20,745	20,543	18,854	19,028	19,461
Transferable deposits	14,908	17,422	18,416	19,102	20,745	18,525	13,536	12,154	12,587
Other deposits	1,500	...	...	...	...	2,018	5,318	6,874	6,874
Other depository corporations	17,030	18,388	18,224	16,983	24,136	24,685	28,347	31,335	30,338
Transferable deposits	3,209	3,479	3,335	2,278	3,771	2,424	3,124	3,843	5,938
Other deposits	13,821	14,908	14,889	14,705	20,365	22,261	25,222	27,492	24,400
<b>Claims on other sectors</b>	8,885	6,674	9,418	11,306	13,705	9,962	11,161	11,562	14,059
Other claims	8,885	6,674	9,418	11,306	13,705	9,962	11,161	11,562	14,059
<b>Insurance technical reserve</b>	22,726	22,092	23,876	23,536	24,716	27,498	26,647	27,344	29,729
Net equity of households in life insurance reserves	—	—	—	—	—	—	—	—	—
Prepayment of premiums and reserves against outstanding claims	22,726	22,092	23,876	23,536	24,716	27,498	26,647	27,344	29,729
<b>Shares and other equity</b>	25,564	27,100	27,028	26,642	30,228	29,670	32,262	33,978	33,921
Funds contributed by owners	17,485	20,133	19,938	18,093	20,993	23,031	22,405	22,902	24,202
Retained earnings	4,566	2,678	5,981	5,384	5,072	4,384	6,845	5,973	3,987
General and special reserves	358	246	246	261	246	653	619	1,387	1,387
Profit/loss of the year	3,155	4,043	862	2,903	3,917	1,602	2,393	3,715	4,345
<b>Other items (net)</b>	-2,436	-3,176	-4,347	-2,704	3,726	-1,954	-515	630	252
Other liabilities	1,863	2,079	427	2,178	8,436	4,853	5,588	6,478	5,670
less: Other assets	4,300	5,255	4,774	4,882	4,710	6,807	6,104	5,848	5,418
plus: Consolidation adjustment	...	...	...	...	...	...	...	...	...

Table 10.

**Pension funds survey**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005		2006				2007		
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
<b>Net foreign assets</b>	—	—	—	—	—	—	—	40	284
<b>Claims on depository corporations</b>	—	—	—	—	—	—	—	40	284
Securities other than shares	—	—	—	—	—	—	—	40	284
<b>Claims on depository corporations</b>	8.469	8.725	9.335	10.934	10.928	10.540	10.360	10.126	8.096
CBAK	8.037	8.289	8.762	10.492	10.484	10.090	9.833	9.655	7.645
Transferable Deposits	3.937	4.189	4.212	5.942	4.534	4.140	9.833	4.255	2.245
Other deposits	4.100	4.100	4.550	4.550	5.950	5.950	...	5.400	5.400
Other depository corporations	432	436	573	442	443	450	528	471	451
Transferable Deposits	...	...	573	442	443	450	524	471	449
Other Deposits	432	436	...	...	...	...	3	...	...
<b>Insurance technical reserve</b>	8.469	8.725	9.335	10.934	10.928	10.540	10.360	10.166	8.380
Net equity of households in life insurance reserves	—	—	—	—	—	—	—	—	—
Net equity of households in pension funds	8.469	8.725	9.335	10.934	10.928	10.540	10.360	10.166	8.380

September 2007

Table 11.

**CBAK balance sheet**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>ASSETS</b>														
<b>Currency and deposits</b>	237,912	437,741	453,269	460,842	436,064	475,065	537,708	569,876	601,189	640,884	679,314	728,336	775,633	801,704
Currency (Cash)	24,464	40,783	39,751	38,495	11,136	27,977	37,769	37,643	30,822	25,166	33,074	47,365	44,727	31,416
In EUR currency	24,464	40,738	39,706	38,449	11,123	27,963	37,756	37,630	30,809	25,153	33,061	47,353	44,715	31,403
In non-EUR currencies	...	44	45	45	13	14	13	13	13	13	13	13	13	12
Deposits 1/	213,448	396,958	413,518	422,347	424,928	447,088	499,939	532,233	570,367	615,718	646,240	680,970	730,905	770,288
Transferable deposits	22,965	20,674	22,230	18,146	22,366	17,656	1,120	8,903	1,496	10,744	7,857	486	904	1,103
Other deposits	190,483	376,284	391,287	404,202	402,563	429,432	498,819	523,329	568,871	604,974	638,383	680,484	730,001	769,185
<b>Securities other than shares</b>	159,488	203,516	203,712	203,696	203,647	198,586	233,121	228,196	228,177	228,362	228,430	228,005	228,398	228,494
Nonresidents	159,488	203,516	203,712	203,696	203,647	198,586	233,121	228,196	228,177	228,362	228,430	228,005	228,398	228,494
<b>Other accounts receivable</b>	940	1,513	1,422	1,522	1,997	1,131	1,647	1,926	2,041	2,003	1,980	2,156	2,972	3,620
<b>Nonfinancial assets</b>	494	807	1,119	1,170	1,407	1,442	1,700	1,697	2,082	2,096	2,102	2,085	2,160	2,187
<b>TOTAL ASSETS</b>	<b>398,833</b>	<b>643,577</b>	<b>659,521</b>	<b>667,231</b>	<b>643,116</b>	<b>676,224</b>	<b>774,177</b>	<b>801,695</b>	<b>833,488</b>	<b>873,345</b>	<b>911,827</b>	<b>960,582</b>	<b>1,009,163</b>	<b>1,036,004</b>
<b>LIABILITIES</b>														
<b>Transferable deposits</b>	373,802	614,003	629,308	634,504	609,379	638,578	736,459	768,802	794,877	833,984	776,509	871,525	770,963	857,221
In EUR currency	373,802	613,975	629,280	634,475	609,379	638,578	736,459	768,802	794,877	833,984	776,509	871,525	770,963	857,221
Other depository corporations	82,518	74,831	81,315	84,331	94,467	76,990	100,665	107,470	89,451	98,678	98,643	99,636	109,573	103,315
Other financial corporations	21,611	29,278	29,105	27,172	26,692	19,185	18,633	23,378	17,814	18,027	16,409	14,918	20,200	14,832
Insurance companies	17,422	20,745	20,777	18,951	18,525	15,117	14,123	13,536	13,480	13,685	12,154	12,140	12,170	12,587
Pension funds	4,189	4,534	4,321	4,208	4,146	4,059	4,501	9,833	4,333	4,342	4,255	2,778	8,030	2,245
Central government	223,476	493,856	501,868	504,481	470,770	531,381	598,653	611,954	661,641	672,604	605,450	693,289	579,821	710,954
of which: KTA	113,132	260,216	260,668	267,672	275,022	283,757	291,675	296,600	312,375	317,650	328,915	332,438	339,313	378,912
Social security fund	1,708	1,705	5,109	4,352	4,301	3,610	1,610	3,613	5,275	3,910	4,364	6,069	4,905	4,256
Local government	1,602	377	378	378	379	380	381	381	382	2,901	2,721	3,300	3,977	3,184
UNMIK	3,106	821	415	283	108	314	170	81	175	88	87	109	108	85
Public nonfinancial corporations	37,587	11,026	8,986	11,350	10,519	4,563	14,179	19,749	17,940	36,190	47,244	52,611	50,781	18,993
Other nonfinancial corporations	5	2	2	2	2	2	2	2	2	2	2	2	2	2
Other resident sectors	2,188	2,079	2,102	2,126	2,140	2,153	2,167	2,173	2,196	1,584	1,588	1,592	1,596	1,600
In non-EUR currencies	...	28	28	28	...	...	...	...	...	...	...	...	...	...
Central government	...	28	28	28	...	...	...	...	...	...	...	...	...	...
<b>Other deposits</b>	4,100	5,950	5,950	7,968	7,968	11,268	10,718	5,318	10,718	10,718	105,874	58,674	206,874	146,774
In EUR currency	4,100	5,950	5,950	7,968	7,968	11,268	10,718	5,318	10,718	10,718	105,874	58,674	206,874	146,774
Other financial corporations	4,100	5,950	5,950	7,968	7,968	11,268	10,718	5,318	10,718	10,718	12,274	12,274	6,874	12,274
Central government	—	—	—	—	—	—	—	—	—	—	93,600	46,400	200,000	134,500
<b>Other accounts payable</b>	530	40	59	79	247	165	142	84	104	119	170	268	471	421
<b>Shares and other equity</b>	20,401	23,584	24,204	24,680	25,522	26,214	26,858	27,491	27,789	28,523	29,274	30,116	30,855	31,588
Funds contributed by owners	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Retained earnings	2,970	3,936	4,560	5,044	6,390	710	1,358	1,996	2,916	3,655	4,409	5,256	5,999	6,736
General and special reserves	6,630	8,937	8,937	8,937	8,473	14,850	14,850	14,850	14,590	14,590	14,590	14,590	14,590	14,590
Grants from donors	801	711	707	699	658	654	650	646	283	279	275	271	266	262
<b>TOTAL LIABILITIES</b>	<b>398,833</b>	<b>643,577</b>	<b>659,521</b>	<b>667,231</b>	<b>643,116</b>	<b>676,224</b>	<b>774,177</b>	<b>801,695</b>	<b>833,488</b>	<b>873,345</b>	<b>911,827</b>	<b>960,582</b>	<b>1,009,163</b>	<b>1,036,004</b>

1/ CBAK deposits abroad, in EUR currency;







Table 14.

**Non-euro deposits at ODC, by original maturity**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Government</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Financial corporations</b>	4	1	1	1	1	1	31	191	152	102	67	178	162	148
Other depository corporations	3	...	...	...	...	...	...	...	...	...	...	...	...	...
Transferable deposits	3	...	...	...	...	...	...	...	...	...	...	...	...	...
Other financial intermediaries	1	1	1	1	1	1	31	191	152	102	66	177	161	148
Transferable deposits	1	1	1	1	1	1	31	191	152	102	66	177	161	148
<b>Nonfinancial corporations</b>	2,839	5,234	3,991	3,855	3,714	3,516	4,290	4,575	4,394	4,108	4,351	5,843	6,081	7,988
Public nonfinancial corporations	48	613	592	259	255	159	428	675	442	484	1,060	1,437	1,891	2,886
Transferable deposits	48	613	592	259	255	159	428	675	442	484	1,060	1,437	1,891	2,886
Other nonfinancial corporations	2,791	4,622	3,399	3,596	3,459	3,357	3,862	3,900	3,952	3,624	3,290	4,405	4,190	5,102
Transferable deposits	2,426	3,728	2,506	2,826	2,731	2,464	2,963	3,027	3,056	2,736	2,361	3,500	3,342	4,271
Other deposits	365	894	893	770	728	894	899	872	895	888	929	906	847	832
up to 1 month	17	399	377	293	250	280	274	232	254	259	357	311	140	257
over 1 month and up to 3 months	131	215	238	208	208	340	206	205	201	203	202	211	319	193
over 3 months and up to 1 year	204	192	191	184	185	188	334	351	359	344	275	290	294	290
over 1 year and up to 2 years	—	77	76	74	74	75	73	73	71	72	95	95	95	91
over 2 years	13	11	11	11	11	11	11	11	10	10	...	...	...	...
<b>Other domestic sectors</b>	25,998	27,247	28,147	29,852	29,756	31,941	32,994	34,047	34,745	38,718	41,449	39,196	43,469	40,542
Households	25,683	26,826	27,789	29,267	29,550	31,795	32,786	33,900	34,516	38,422	41,255	38,928	43,234	40,299
Transferable deposits	10,791	10,288	10,646	12,522	12,364	12,768	14,136	13,720	13,480	16,154	18,328	14,491	17,495	13,995
Other deposits	14,891	16,538	17,143	16,745	17,186	19,027	18,650	20,180	21,036	22,268	22,927	24,437	25,739	26,304
up to 1 month	3,925	6,416	6,555	6,616	6,754	6,865	6,757	7,524	8,022	8,345	9,075	11,527	11,035	10,890
over 1 month and up to 3 months	2,466	1,570	2,029	1,666	1,815	2,186	1,935	2,376	2,415	2,771	1,435	2,496	2,079	1,701
over 3 months and up to 1 year	7,978	8,486	8,472	8,379	8,534	9,892	9,875	10,095	10,404	10,967	11,589	9,270	10,875	11,820
over 1 year and up to 2 years	503	63	83	80	80	81	80	182	192	181	826	1,136	1,741	1,879
over 2 years	19	3	4	3	3	3	3	3	3	3	3	9	9	14
NPISH	315	421	358	585	206	146	208	146	229	296	194	267	235	243
Transferable deposits	315	421	358	585	206	146	208	146	229	296	194	267	235	243
<b>Nonresidents</b>	542	516	548	497	509	514	690	681	326	570	598	709	593	439
<b>TOTAL</b>	29,383	32,999	32,687	34,206	34,275	35,972	38,005	39,493	39,616	43,498	46,464	45,925	50,304	49,118

Table 15

**ODC loans, by original maturity 1/**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Government</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Financial corporations</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Nonfinancial corporations</b>	387,870	476,691	475,876	484,234	490,549	492,994	514,866	536,831	560,329	585,164	614,552	614,373	621,985	638,552
Public nonfinancial corporations	...	51	50	50	49	89	88	87	85	84	108	106	104	102
Over 2 years	...	51	50	50	49	89	88	87	85	84	108	106	104	102
Other nonfinancial corporations	387,870	476,640	475,826	484,184	490,500	492,905	514,778	536,744	560,244	585,080	614,444	614,267	621,881	638,450
Up to 1 year	117,924	132,377	129,806	132,967	128,701	128,435	133,644	137,731	137,617	143,795	153,299	141,820	145,945	157,247
Over 1 year and up to 2 years	125,220	133,120	131,649	127,670	127,689	123,968	123,627	125,515	111,248	129,094	132,812	125,297	121,365	120,103
Over 2 years	144,727	211,143	214,370	223,548	234,111	240,502	257,507	273,498	311,379	312,191	328,334	347,150	354,571	361,100
<b>Other domestic sectors</b>	125,986	144,018	144,827	145,217	146,064	146,461	147,480	150,877	156,093	163,043	169,884	176,435	181,899	186,493
Households	125,986	144,018	144,827	145,217	146,064	146,461	147,480	150,877	156,093	163,043	169,884	176,435	181,899	186,493
Up to 1 year	19,549	20,395	20,076	19,384	19,694	19,566	19,832	19,872	19,594	20,302	19,925	21,302	22,419	23,061
Over 1 year and up to 2 years	21,046	25,658	25,395	24,931	24,686	24,673	24,486	24,902	22,403	24,789	24,625	23,319	23,976	24,332
Over 2 years	85,392	97,965	99,356	100,902	101,684	102,222	103,162	106,104	114,096	117,952	125,335	131,814	135,504	139,100
<b>TOTAL</b>	513,856	620,709	620,703	629,451	636,613	639,455	662,346	687,708	716,422	748,206	784,436	790,808	803,884	825,045

1/ All loans are in EUR currency.

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Table 16.

**ODC loans, by industry** 1/

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Agriculture</b>	12,492	16,897	16,372	16,578	16,443	16,341	16,184	20,316	21,857	23,710	24,669	26,238	26,519	26,636
Up to 1 year	4,061	4,150	3,436	3,500	3,419	3,381	3,298	3,607	3,950	4,265	4,270	4,816	4,609	4,440
Over 1 year	8,431	12,746	12,936	13,077	13,024	12,961	12,886	16,709	17,907	19,445	20,399	21,423	21,910	22,197
<b>Industry, energy and construction</b>	74,230	98,074	97,177	96,353	97,677	98,257	101,124	105,514	111,073	112,272	118,280	121,512	124,251	125,586
Mining	512	417	442	407	480	471	468	402	442	487	504	439	504	456
Up to 1 year	512	417	...	407	480	471	468	402	442	487	504	439	504	456
Over 1 year	...	...	442	...	...	...	...	...	...	...	...	...	...	...
Industry	48,142	62,911	61,269	61,314	61,866	61,425	64,632	67,488	70,407	70,389	72,187	74,622	76,343	77,378
Up to 1 year	11,565	13,993	12,511	13,178	12,158	11,757	11,847	10,940	11,111	10,609	11,209	10,814	12,693	13,390
Over 1 year	36,578	48,918	48,759	48,136	49,708	49,668	52,786	56,549	59,296	59,780	60,978	63,808	63,650	63,988
Manufacturing ( Food, Textile, etc)	44,005	55,705	54,003	54,619	54,916	54,539	54,636	56,609	58,921	59,169	60,498	62,871	64,235	64,833
Up to 1 year	10,448	12,082	10,629	11,356	10,702	10,435	10,598	9,497	9,436	8,933	9,326	8,953	9,911	10,351
Over 1 year	33,557	43,623	43,374	43,263	44,214	44,104	44,038	47,112	49,485	50,236	51,171	53,918	54,325	54,482
Manufacturing (Oil,Chem., etc)	3,544	6,467	6,521	5,978	6,259	6,261	9,514	10,408	10,396	10,126	10,586	10,630	10,990	11,417
Up to 1 year	925	1,578	1,545	1,495	1,137	1,096	1,146	1,332	1,476	1,469	1,636	1,626	2,515	2,771
Over 1 year	2,619	4,889	4,976	4,482	5,122	5,165	8,368	9,076	8,919	8,656	8,950	9,004	8,475	8,646
Electricity, gas and water	594	739	746	718	691	625	483	472	1,090	1,094	1,103	1,120	1,118	1,129
Up to 1 year	192	333	337	327	319	226	102	111	199	207	246	234	268	268
Over 1 year	403	406	409	391	372	399	380	361	892	888	858	886	850	861
Construction	25,575	34,746	35,465	34,632	35,332	36,362	36,024	37,624	40,225	41,396	45,589	46,452	47,403	47,752
Up to 1 year	12,459	15,793	16,356	15,720	15,320	15,715	15,347	14,681	15,530	15,439	17,216	16,878	16,902	17,154
Over 1 year	13,116	18,953	19,109	18,912	20,012	20,647	20,678	22,943	24,695	25,956	28,373	29,574	30,501	30,598
<b>Services</b>	301,147	361,719	362,327	371,303	376,429	378,396	397,558	411,000	427,398	449,182	471,603	466,622	471,216	486,330
Trade	249,659	308,422	308,255	309,525	307,343	304,441	311,217	348,664	362,111	375,552	380,208	374,687	373,875	383,237
Up to 1 year	81,070	95,013	94,006	96,460	92,354	91,720	93,865	99,092	102,146	105,699	109,179	101,590	101,108	106,619
Over 1 year	168,589	213,409	214,249	213,065	214,989	212,720	217,352	249,572	259,965	269,852	271,028	273,096	272,767	276,618
Wholesale and retail trade	209,575	259,084	259,430	261,155	259,474	256,085	262,418	294,734	306,001	316,657	316,519	311,017	309,930	319,495
Up to 1 year	64,038	75,543	75,016	78,121	74,465	73,744	75,545	79,941	82,737	85,331	87,176	80,945	80,377	85,730
Over 1 year	145,537	183,542	184,414	183,035	185,009	182,341	186,873	214,793	223,264	231,326	229,343	230,072	229,553	233,765
Hotel and restaurants	27,978	31,565	30,214	29,655	29,542	29,793	30,585	33,630	35,364	37,544	40,232	41,040	41,484	41,347
Up to 1 year	12,198	12,046	11,598	10,877	10,537	10,491	10,860	11,557	11,739	12,592	13,792	13,798	13,991	14,067
Over 1 year	15,780	19,519	18,616	18,779	19,006	19,302	19,725	22,073	23,625	24,952	26,440	27,242	27,493	27,280
Other trade	12,107	17,772	18,612	18,714	18,327	18,562	18,214	20,300	20,746	21,350	23,456	22,630	22,461	22,395
Up to 1 year	4,834	7,424	7,393	7,463	7,353	7,486	7,460	7,594	7,670	7,777	8,211	6,847	6,740	6,822
Over 1 year	7,272	10,348	11,219	11,252	10,974	11,077	10,754	12,706	13,076	13,574	15,245	15,782	15,721	15,573
Fin. Services	2,742	1,124	1,132	793	1,073	1,122	1,096	1,509	1,612	1,532	1,496	1,408	1,384	1,321
Up to 1 year	117	36	46	46	166	158	146	374	355	320	333	318	306	294
Over 1 year	2,626	1,088	1,086	747	907	964	950	1,135	1,257	1,212	1,163	1,090	1,078	1,027
Other services	48,745	52,173	52,939	60,985	68,013	72,833	85,245	60,827	63,675	72,098	89,900	90,527	95,957	101,772
Up to 1 year	11,207	13,254	13,508	21,605	28,101	33,284	45,651	16,956	17,032	16,659	19,289	17,764	20,357	25,288
Over 1 year	37,538	38,920	39,431	39,380	39,912	39,548	39,594	43,871	46,643	55,439	70,611	72,762	75,600	76,484
<b>TOTAL</b>	387,868	476,690	475,875	484,233	490,549	492,994	514,866	536,830	560,329	585,163	614,552	614,372	621,985	638,552

1/ Excluding households and NPISH.

Table 17.

**ODC effective interest rates**

(weighted average, new business unless otherwise indicated)

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>DEPOSITS</b>														
<b>Nonfinancial corporations</b>														
<b>Transferable deposits</b> (outstanding amounts)	0,26	0,39	0,46	0,39	0,39	0,38	0,38	0,41	0,40	0,36	0,40	0,48	0,43	0,43
<b>Other deposits 1/</b>														
<b>Less than 250.000 EUR</b>														
Up to 1 month	2,07	1,97	1,95	1,89	2,06	1,85	1,91	1,96	1,99	1,98	2,30	2,31	2,46	2,39
Over 1 month and up to 3 months	2,37	2,38	2,38	2,49	2,85	2,42	2,42	2,45	2,43	2,77	2,41	2,48	2,79	2,88
Over 3 months and up to 1 year	3,40	3,24	3,10	3,51	4,32	3,30	3,84	3,55	3,15	3,73	3,67	3,09	3,24	3,46
<b>Equal or more than 250.000 EUR</b>														
Over 3 months and up to 1 year	3,52	4,01	4,13	3,96	3,85	4,12	*	3,64	3,86	4,24	*	4,42	*	4,02
<b>Savings deposits</b> (outstanding amounts)	1,71	1,70	1,63	1,65	1,53	1,46	1,62	1,61	1,45	1,71	1,99	1,73	1,98	2,04
<b>Households</b>														
<b>Transferable deposits</b> (outstanding amounts)	0,04	0,04	0,03	0,04	0,03	0,02	0,03	0,04	0,03	0,03	0,03	0,03	0,02	0,02
<b>Other deposits 1/</b>														
Up to 1 month	1,85	1,91	1,93	1,91	1,93	1,89	1,90	1,91	1,96	1,91	2,01	2,13	2,35	2,26
Over 1 month and up to 3 months	2,24	2,29	2,34	2,36	2,35	2,30	2,36	2,38	2,28	2,39	2,32	2,42	2,87	2,61
Over 3 months and up to 1 year	3,33	3,15	3,12	3,27	3,44	3,34	3,16	3,17	3,40	3,14	3,10	3,22	3,25	3,35
Over 1 year and up to 2 years	3,87	4,07	4,15	4,23	4,16	4,09	4,16	4,21	4,10	4,02	4,02	4,29	4,57	4,23
Over 2 years	4,04	4,52	4,49	4,52	4,51	4,28	4,62	4,66	4,37	4,37	4,26	4,56	4,54	4,65
<b>Savings deposits</b> (outstanding amounts)	1,74	1,76	1,75	1,81	1,65	1,82	1,77	1,72	1,71	1,75	1,88	1,91	2,06	2,12
<b>LOANS</b>														
<b>Nonfinancial corporations</b>														
<b>Investment business loans</b>														
Up to 1 year	17,34	16,15	*	15,73	*	*	*	*	*	*	17,99	*	*	*
Over 1 year and up to 3 years	14,01	15,57	15,89	15,12	15,08	*	*	*	*	14,77	16,37	*	*	14,91
Over 3 years	*	*	*	*	14,11	*	13,53	14,24	14,36	14,72	13,80	14,25	14,37	14,17
<b>Other business loans</b>														
Up to 1 month	14,41	15,38	15,28	15,27	15,17	14,79	15,18	*	14,54	14,50	15,28	14,79	15,18	15,10
Over 1 month and up to 3 months	13,71	*	*	*	14,59	14,05	15,37	*	*	15,01	17,43	13,96	*	12,98
Over 3 months and up to 1 year	16,31	14,65	15,91	14,51	12,93	15,32	14,91	14,00	*	17,43	13,91	16,88	15,69	15,87
Over 1 year	14,38	15,50	15,07	15,13	15,18	15,08	14,87	15,48	15,61	14,70	14,67	15,20	15,03	16,04
<b>Credit lines</b>	15,11	15,10	15,35	15,42	15,72	15,15	14,90	15,68	15,60	14,75	15,52	15,10	14,66	13,26
<b>Households</b>														
<b>Consumer Loans</b>	11,51	12,81	12,51	12,20	12,36	12,30	12,20	12,51	13,72	13,48	13,39	12,93	13,06	12,67

\* Conditions for publication are not fulfilled. For more, refer to explanatory notes.

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Table 18.

**ODC income statement**

(Cumulative within the calendar year, in thousands of EUR)

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>INCOME</b>														
Interest income	74,612	65,248	72,558	80,346	88,806	8,178	16,066	24,884	34,067	43,586	53,070	63,097	73,443	83,891
Loans	67,963	58,812	65,120	72,024	79,363	7,003	13,797	21,415	29,426	37,847	46,300	55,291	64,428	73,354
Placement with banks	3,969	4,447	5,185	5,816	6,619	839	1,619	2,462	3,297	4,080	4,853	5,678	6,665	7,936
Securities	2,681	1,989	2,253	2,507	2,823	336	649	1,007	1,343	1,658	1,917	2,128	2,350	2,601
Non-Interest income	19,697	18,059	21,183	22,524	25,188	2,209	4,449	7,041	9,952	12,490	14,860	17,631	19,864	22,566
Fees and commissions	17,380	15,912	18,511	20,412	22,505	1,938	3,736	5,818	7,804	9,920	12,142	14,553	16,603	18,972
Other operating income	2,317	2,147	2,672	2,112	2,683	271	713	1,223	2,148	2,569	2,717	3,078	3,261	3,600
<b>TOTAL INCOME</b>	<b>94,309</b>	<b>83,307</b>	<b>93,741</b>	<b>102,871</b>	<b>113,994</b>	<b>10,387</b>	<b>20,514</b>	<b>31,925</b>	<b>44,019</b>	<b>56,076</b>	<b>67,930</b>	<b>80,728</b>	<b>93,307</b>	<b>106,463</b>
<b>EXPENDITURES</b>														
Interest expenditures	15,389	13,944	15,758	17,779	19,910	1,992	3,864	5,949	7,989	10,096	12,282	14,315	16,392	18,519
Deposits	13,894	12,478	14,073	15,696	17,512	1,778	3,440	5,300	7,117	8,965	10,805	12,609	14,544	16,480
Borrowings	1,495	1,466	1,685	2,083	2,398	214	424	648	872	1,131	1,477	1,706	1,848	2,040
Non-Interest expenditures	18,743	16,364	19,314	21,083	19,576	1,680	3,268	5,092	7,153	8,641	10,608	13,418	14,364	19,382
Provisions for loan losses	13,419	11,946	14,467	15,923	13,713	1,238	2,369	3,721	5,323	6,373	7,818	10,176	10,652	15,195
Depreciation on fixed assets	5,324	4,417	4,847	5,160	5,862	442	899	1,371	1,829	2,268	2,790	3,243	3,712	4,187
General and administrative expenses	43,851	33,245	37,691	42,162	48,977	3,735	7,760	12,205	16,812	20,903	25,357	29,843	34,539	39,000
<b>TOTAL EXPENDITURES</b>	<b>77,983</b>	<b>63,553</b>	<b>72,763</b>	<b>81,024</b>	<b>88,463</b>	<b>7,406</b>	<b>14,892</b>	<b>23,246</b>	<b>31,954</b>	<b>39,640</b>	<b>48,247</b>	<b>57,576</b>	<b>65,294</b>	<b>76,902</b>
<b>NET INCOME</b>	<b>16,327</b>	<b>19,754</b>	<b>20,978</b>	<b>21,847</b>	<b>25,531</b>	<b>2,981</b>	<b>5,622</b>	<b>8,679</b>	<b>12,065</b>	<b>16,435</b>	<b>19,683</b>	<b>23,152</b>	<b>28,013</b>	<b>29,561</b>
Net gains/losses from dealing securities	-362	-268	-227	-239	-125	22	-20	19	90	178	192	137	-145	-267
Net gains/losses from dealing in foreign ex.	990	366	414	493	544	40	83	134	204	256	329	419	507	566
Net gains/losses from exchange rate variat.	-39	466	519	556	612	94	148	208	249	344	401	487	613	593
<b>Net income from ban. activ.before tax</b>	<b>16,916</b>	<b>20,318</b>	<b>21,684</b>	<b>22,657</b>	<b>26,563</b>	<b>3,137</b>	<b>5,833</b>	<b>9,040</b>	<b>12,609</b>	<b>17,214</b>	<b>20,606</b>	<b>24,195</b>	<b>28,988</b>	<b>30,453</b>
less : Provision for taxes	3,389	3,885	4,540	4,883	6,396	624	1,514	1,607	2,071	2,943	3,514	4,328	5,183	5,767
<b>Net profit / loss for period</b>	<b>13,527</b>	<b>16,432</b>	<b>17,145</b>	<b>17,774</b>	<b>20,167</b>	<b>2,513</b>	<b>4,319</b>	<b>7,433</b>	<b>10,538</b>	<b>14,270</b>	<b>17,092</b>	<b>19,867</b>	<b>23,804</b>	<b>24,686</b>
less: dividend paid	...	...	...	...	...	...	...	...	...	...	...	...	...	...
<b>Retained profit</b>	<b>13,527</b>	<b>16,432</b>	<b>17,145</b>	<b>17,774</b>	<b>20,167</b>	<b>2,513</b>	<b>4,319</b>	<b>7,433</b>	<b>10,538</b>	<b>14,270</b>	<b>17,092</b>	<b>19,867</b>	<b>23,804</b>	<b>24,686</b>

Table 19.

**CBAK interbank clearing system**

(Cumulative within the calendar year, in thousands of EUR)

Description	2005	2006					2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
<b>Transactions</b>															
Amount	1,919,149	1,649,585	1,867,448	2,071,066	2,325,050	173,493	350,377	533,015	723,813	920,630	1,117,070	1,344,606	1,540,239	1,727,641	
Number	321,669	718,453	841,094	913,418	990,858	116,176	184,036	258,964	392,614	494,501	596,339	609,705	706,795	800,612	

Table 20.

**International money transfers among financial corporations**

(Cumulative within the calendar year, in thousands of EUR)

Description	2005	2006					2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
<b>OUTGOING</b>															
CBAK	309,844	220,958	256,584	263,059	304,796	32,453	52,823	71,750	98,041	131,194	148,501	185,616	233,863	262,681	
Commercial banks	1,277,402	952,207	1,079,192	1,192,704	1,324,634	101,478	201,694	331,167	457,985	593,425	721,907	882,722	1,040,855	1,193,811	
Financial auxiliaries	14,715	12,632	14,061	16,556	16,999	1,407	2,821	4,454	5,837	7,375	8,810	10,307	11,803	13,181	
<b>TOTAL</b>	1,601,961	1,185,797	1,349,837	1,472,319	1,646,429	135,338	257,338	407,371	561,863	731,994	879,218	1,078,645	1,286,521	1,469,673	
<b>INCOMING</b>															
CBAK	92,747	201,648	226,394	239,861	261,066	6,831	102,112	125,298	149,269	170,272	202,915	239,741	250,802	262,222	
Commercial banks	943,087	769,001	860,522	945,569	1,042,330	80,961	157,353	252,383	363,542	467,143	562,352	666,522	758,208	856,276	
Financial auxiliaries	167,172	131,279	151,245	167,418	184,690	13,721	28,029	44,906	60,298	78,509	94,403	107,133	123,292	141,282	
<b>TOTAL</b>	1,203,006	1,101,928	1,238,161	1,352,848	1,488,086	101,513	287,494	422,587	573,109	715,924	859,670	1,013,396	1,132,302	1,259,780	

Table 21.

**Insurance companies activity**

(Cumulative within the calendar year, in thousands of EUR)

Description	2005	2006					2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
<b>Amount of premiums received</b>															
TPL	33,341	27,110	29,893	32,295	34,705	2,810	5,526	8,996	12,582	15,770	18,683	21,731	24,794	27,334	
Border policies	7,061	7,502	8,073	8,455	9,429	497	814	1,283	1,964	2,491	3,204	6,456	7,967	8,468	
Other (non TPL)	6,811	3,466	3,877	4,237	4,594	1,074	1,480	1,795	2,267	2,587	2,977	3,467	3,877	4,244	
<b>TOTAL</b>	47,213	38,079	41,843	44,986	48,728	4,381	7,820	12,074	16,813	20,848	24,863	31,654	36,638	40,045	
<b>Number of policies sold</b>															
TPL	223,770	196,564	216,187	233,665	251,641	19,226	38,004	60,396	83,171	103,224	123,017	145,236	163,836	180,663	
Border policies	134,596	107,827	115,351	119,472	136,182	4,193	7,920	13,923	23,301	29,971	39,406	89,128	113,126	119,930	
Other (non TPL)	14,520	14,367	15,427	16,930	17,977	3,363	4,897	6,419	7,777	9,850	11,956	16,629	19,391	21,785	
<b>TOTAL</b>	372,886	318,758	346,965	370,067	405,800	26,782	50,821	80,738	114,249	143,045	174,379	250,993	296,353	322,378	
<b>Amount of claims paid</b>															
TPL 1/	7,945	7,128	8,029	8,968	9,825	895	1,907	2,839	3,668	4,513	5,469	6,576	7,196	8,213	
Border policies	332	308	341	413	481	57	101	159	219	286	322	361	422	498	
Other (non TPL)	889	420	479	542	627	63	86	116	183	250	291	774	837	1,034	
<b>TOTAL</b>	9,166	7,857	8,849	9,922	10,933	1,014	2,093	3,114	4,070	5,049	6,082	7,711	8,455	9,745	

1/ Including claims paid by the Kosovo Guarantee Fund.

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Table 22.

**Other financial intermediaries activity**

(Outstanding amounts, end of period, in thousands of EUR)

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Amount of loans	51,696	55,401	55,994	56,440	57,723	57,766	59,196	61,474	64,409	66,367	68,363	69,436	69,754	70,582
Number of loans	27,123	34,096	34,664	34,982	35,541	35,607	36,476	37,574	39,020	39,949	40,731	41,700	42,081	42,573

Table 23.

**Depository corporations network and number of employees**

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Prishtina region</b>	69	68	68	69	69	69	69	69	70	72	72	71	72	70
<b>CBKA 1/</b>	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Other Depository Corporations</b>	68	67	67	68	68	68	68	68	69	71	71	70	71	69
Head office	7	6	6	6	6	6	6	6	6	6	6	6	7	7
Branches	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Sub-branches	60	60	60	61	61	61	61	61	62	64	64	63	63	61
<b>Prizreni region</b>	39	37	37	37	37	37	38	39	39	40	40	40	40	40
<b>Other Depository Corporations</b>	39	37	37	37	37	37	38	39	39	40	40	40	40	40
Head office	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Branches	8	6	6	6	6	6	6	6	6	6	6	6	6	6
Sub-branches	31	31	31	31	31	31	32	33	33	34	34	34	34	34
<b>Peja region</b>	44	41	41	40	40	40	41	42	42	41	41	41	41	42
<b>Other Depository Corporations</b>	44	41	41	40	40	40	41	42	42	41	41	41	41	42
Head office	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Branches	13	12	12	12	12	12	12	12	12	12	12	12	12	12
Sub-branches	31	29	29	28	28	28	29	30	30	29	29	29	29	30
<b>Gjilani region</b>	54	49	49	49	49	49	51	51	52	52	52	52	53	52
<b>Other Depository Corporations</b>	54	49	49	49	49	49	51	51	52	52	52	52	53	52
Head office	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Branches	14	12	12	12	12	12	12	12	12	12	12	12	12	12
Sub-branches	40	37	37	37	37	37	39	39	40	40	40	40	41	40
<b>Mitrovica region</b>	32	26	26	26	26	26	26	27	27	28	28	28	28	30
<b>Other Depository Corporations</b>	32	26	26	26	26	26	26	27	27	28	28	28	28	30
Head office	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Branches	6	6	6	6	6	6	6	6	6	6	6	6	6	7
Sub-branches	26	20	20	20	20	20	20	21	21	22	22	22	22	23
<b>Total Network Units</b>	238	220	220	221	221	221	225	228	228	233	233	232	233	234
<b>CBKA 1/</b>	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Other Depository Corporations</b>	237	219	219	220	220	220	224	227	227	232	232	231	232	233
Head office	7	6	6	6	6	6	6	6	6	6	6	6	6	7
Branches	42	37	37	37	37	37	37	37	37	37	37	37	37	38
Sub-branches	188	176	176	177	177	177	181	184	184	189	189	188	189	188
<b>Total numbers of employees</b>	2,479	2,470	2,491	2,529	2,557	2,579	2,627	2,691	2,702	2,722	2,771	2,802	2,828	2,839
CBKA 1/	138	141	140	143	141	139	145	145	139	138	140	139	140	138
Other Depository Corporations	2,341	2,329	2,351	2,386	2,416	2,440	2,482	2,546	2,563	2,584	2,631	2,663	2,688	2,701

Prishtina region: Prishtina, Glllogovc, Fushë Kosovë, Lipjan, Obiliq, Podujevë, Shtime;

Prizren region: Prizren, Dragash, Rahovec, Suharekë, Malishevë, Mamushë;

Peja region: Pejë, Deqan, Gjakovë, Istog, Klinë, Junik;

Gjilani region: Gjilan, Kaçanik, Kamenicë, Novo Berd, Shtërpc, Ferizaj, Viti;

Mitrovica region: Mitrovicë, Skenderaj, Vushtri, Zubin Potok, Zveqan, Leposaviq.

1/ Head Office.



Table 24.

**Other financial corporations – geographical distribution,** as of September 2007

Description	Prishtinë	Prizren	Pejë	Gjakovë	Klinë	Mitrovicë	Vushtrri	Ferizaj	Skënderaj	Gjilan	Graçanicë	Dragash	Suharekë	Shtërpc	Zvečan	Shtime	Podujevë	Glogovc	Deqan	Viti	Rahovec	Kamenicë	Malishevë	Istog	Lipjan	
<b>FINANCIAL AUXILIARIES</b>																										
Unioni Financiar Prishtina	HQ+12BR	5BR	6BR	5BR	BR	5 BR	2BR	3BR	2BR	5 BR	BR	BR	4BR	BR	BR	4BR		3BR								
PCB Western Union	HQ	BR	BR	BR						BR																
RZBK Western Union	HQ+3BR	2 BR	3 BR	BR		BR	BR	BR		BR			BR	BR			BR									
KLM Enterprises	HQ																									
DMTH	HQ+3BR	3BR	BR	2BR	BR		BR		BR	BR			BR			BR	BR	BR	BR	BR	BR	BR	BR			
PTK	HQ																									
Vilesa - Co													HQ											BR		
NBS	HQ																									
Euro Cufa	HQ																									
Monedha		HQ																								
Euro		HQ																								
Euro Eki		HQ																								
Euro Exchange										HQ																
Gipa	HQ																									
Xeni								HQ																		
Agimi								HQ																		
Indriti			HQ																							
Agoni								HQ																		
Ximi								HQ																		
Ari			HQ																							
Beni										HQ																
Prizreni		HQ																								
Valuta			HQ																							
Pikon		HQ																								
E - Bani			HQ																							
Te Gazi			HQ																							
Pëllumbi																						HQ				
Hamza																						HQ				
Veli	HQ																									
Mena				HQ																						
<b>OTHER FINANCIAL INTERMEDIARIES</b>																										
FINCA	√	√	√	√				√		√				√												
Kosovo Enterprise Project	√	√	√	√		√				√			√													
Grameen Trust	√	√	√							√																
Agency for Finance in Kosovo			√																							
Cordaid				√																						
Besëlidhja Micro Finance	√					√				√	√															
Kreditimi Rural i Kosovës	√				√		√																			
Kosinvest World Vision		√																								
Mëshstekna												√														
Ce.L.I.M				√																						
START	√								√																	
Ballkanactie																	√									
Perspektiva 4					√																					
AgroBusiness Development Unit	√																									
Kosova Aid And Development	√																√									
Atlantic Capital Partners	√																									

HQ = Headquarter, BR= Branches  
 √ = Predominant representation.

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Table 25.

**Kosovo consolidated budget**

(Cumulative within the calendar year, in millions of EUR)

Description	2005			2006				2007		
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep
Tax Revenues	269.2	415.4	553.3	115.1	286.7	454.8	620.5	144.4	316.4	516.1
Border taxes	206.3	327.5	426.1	84.4	196.9	326.8	456.4	108.7	236.0	384.0
Domestic taxes	62.8	87.9	127.2	30.7	89.8	128.0	164.1	35.8	80.5	132.1
Non tax revenues	22.7	35.7	46.3	12.4	27.1	42.6	57.0	98.1	116.3	134.1
of which: Interest	1.5	2.0	2.6	0.5	1.2	2.2	3.5	1.0	4.1	6.6
Local government revenues	9.1	15.9	28.6	6.3	14.3	21.9	34.6	6.4	13.6	22.0
Donor grants	7.5	10.2	10.2	.	.	.	.	.	.	.
<b>TOTAL REVENUES</b>	<b>308.5</b>	<b>477.2</b>	<b>638.4</b>	<b>133.7</b>	<b>328.0</b>	<b>519.3</b>	<b>712.0</b>	<b>248.9</b>	<b>446.3</b>	<b>672.3</b>
Wages and salaries	96.1	130.9	194.6	35.0	99.0	134.9	203.8	50.4	102.3	147.9
Goods and services	58.8	93.0	142.8	26.0	59.8	91.7	143.0	25.9	58.0	85.8
Subsidies and transfers	79.1	156.0	213.9	34.4	69.5	111.8	155.4	39.7	77.9	110.7
Capital outlays	42.6	79.9	144.9	8.7	23.4	61.7	133.2	19.4	38.3	62.7
<b>TOTAL EXPENDITURE</b>	<b>276.5</b>	<b>459.8</b>	<b>696.1</b>	<b>104.1</b>	<b>251.8</b>	<b>400.2</b>	<b>635.5</b>	<b>135.4</b>	<b>276.6</b>	<b>407.0</b>
<b>BALANCE (Revenue - Expenditure)</b>	<b>32.0</b>	<b>17.4</b>	<b>-57.7</b>	<b>29.7</b>	<b>76.3</b>	<b>119.2</b>	<b>76.5</b>	<b>113.6</b>	<b>169.7</b>	<b>265.3</b>

Source: Ministry of Economy and Finance.

1/ For consistency purposes with Interim Budget Report, since January 2006 Donor Designated Grants are not included.

Table 26.

**Prices (CPI)**

(May 2002 = 100)

Description	Index			Percentage change				
	Monthly	Quarterly		Monthly (t-1)	Same period previous year (t-12)	Quarterly		Yearly
		End Period	Average			End Period	Average	
<b>2002</b>		101.4						99.1
<b>2003</b>			101.9				0.5	100.3
<b>2004</b>			98.1				-3.7	99.2
<b>2005</b>			98.8				0.7	97.9
<b>2006</b>			99.9				1.1	98.5
Sep	97.4	97.4	97.5	0.0	0.2		-0.9	-1.3
Oct	97.6			0.2	-0.4			
Nov	98.7			1.1	0.5			
Dec	99.9	99.9	98.7	1.2	1.1		2.6	1.3
<b>2007</b>								
Jan	100.7			0.8	2.3			
Feb	100.7			0.0	1.6			
Mar	100.2	100.2	100.5	-0.5	0.9		0.3	1.8
Apr	99.4			-0.8	0.3			
May	99.4			0.2	0.8			
Jun	99.4	99.4	99.4	-0.1	1.2		-0.8	-1.1
Jul	99.1			-0.4	1.5			
Aug	103.8			4.7	6.6			
Sep	103.9	103.9	102.3	0.1	6.7		4.5	2.9

Source: Statistical Office of Kosovo.

Table 27.

**Registered unemployment**

(End of period)

Description	2005	2006					2007								
	Dec	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Total	319,721	324,458	324,835	325,163	325,364	326,026	327,596	330,196	331,056	331,723	332,406	332,775	332,849	332,932	333,321
of which: Females (in %)	46.3	46.5	46.6	46.6	46.7	46.7	46.7	46.5	46.5	46.6	46.6	46.7	46.7	46.7	46.8
Education ( in %)															
Elementary	63.5	63.5	63.5	63.5	63.6	63.7	63.6	63.7	63.7	63.8	63.8	63.8	63.8	63.8	63.8
Secondary	35.0	35.1	35.0	35.0	34.9	34.8	34.8	34.8	34.8	34.7	34.7	34.7	34.7	34.7	34.7
University	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Source: Kosovo Employment Office.

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Table 28.

**Balance of payments of Kosovo**

(In millions of EUR)

Description	2004	2005	2006
<b>1. CURRENT ACCOUNT</b>	<b>-313.2</b>	<b>-351.0</b>	<b>-389.3</b>
<b>A. Goods and services</b>	<b>-976.3</b>	<b>-1,050.1</b>	<b>-1,158.6</b>
1. Goods	-967.0	-1,015.9	-1,141.2
2. Services	-9.2	-34.2	-17.5
2.1. Transportation	-48.0	-47.7	-49.6
2.2. Travel	-24.4	-30.5	-36.1
2.3. Communications	11.7	7.1	28.3
2.4. Construction	-0.9	-8.7	-5.3
2.5. Insurance	-7.2	-6.6	-6.2
2.6. Financial services	-0.1	-0.2	-0.4
2.7. Computer and information	-3.5	-4.8	-4.4
2.8. Royalties and license fees	-0.2	0.0	-0.2
2.9. Other business	-4.7	-8.7	-5.8
2.10. Personal, cultural and recreational	0.0	0.0	0.0
2.11. Government	68.1	65.9	62.2
<b>B. Income</b>	<b>17.4</b>	<b>24.3</b>	<b>32.4</b>
1. Compensation of employees	15.0	18.0	15.7
2. Investment income	2.4	6.2	16.7
2.1 Direct investment	-12.3	-16.8	-21.4
2.2 Portfolio investment	5.3	16.3	23.8
2.3 Other investment (including earnings on reserve assets)	9.4	6.8	14.3
<b>C. Current transfers</b>	<b>645.7</b>	<b>674.9</b>	<b>737.0</b>
1. Central government	431.7	395.2	388.9
1.1 Other Donors	169.1	138.0	185.0
1.2 UNMIK (Budget)	262.6	257.2	203.9
2. Other sectors	214.0	279.7	348.1
2.1 Workers' remittances	162.9	227.5	293.4
2.1.1. Migrants abroad	357.0	418.0	467.1
2.1.2. UNMIK staff- long term	-147.3	-136.1	-100.7
2.2 Other transfers	51.1	52.2	54.7
<b>2. CAPITAL AND FINANCIAL ACCOUNT</b>	<b>140.6</b>	<b>96.8</b>	<b>18.1</b>
<b>A. Capital account</b>	<b>2.4</b>	<b>2.0</b>	<b>3.2</b>
1. Capital transfers	2.4	2.0	3.2
2. Acquisition/disposal of non-produced, non-financial assets	0.0	0.0	0.0
<b>B. Financial account</b>	<b>138.2</b>	<b>94.8</b>	<b>14.9</b>
1. Direct investment	18.6	80.0	242.3
In Kosovo	18.6	80.0	242.3
1.1. Equity capital	9.6	63.2	207.4
1.2. Reinvested earnings	9.1	16.8	21.4
1.3. Other capital	0.0	0.0	13.5
2. Portfolio investment	-162.2	-67.8	-127.7
Assets	-162.2	-67.8	-127.7
2.1. Equity securities	0.0	0.0	0.0
2.2. Debt securities	-162.2	-67.8	-127.7
4. Other investment	283.6	110.6	-104.6
Assets	227.9	44.6	-175.6
4.1 Trade credits	14.2	12.2	5.2
4.2 Loans	-11.7	6.9	0.4
4.3 Currency and deposits	225.3	25.5	-181.1
4.4 Other assets	0.0	0.0	0.0
Liabilities	55.8	66.0	71.0
4.1. Trade credits	49.2	51.9	62.8
4.2. Loans	9.0	10.8	8.5
4.3. Currency and deposits	-2.4	3.4	-0.2
4.4. Other liabilities	0.0	0.0	0.0
5. Reserve assets	-1.8	-28.0	4.9
5.4. Foreign exchange	-1.8	-28.0	4.9
<b>NET ERRORS AND OMISSIONS</b>	<b>172.6</b>	<b>254.2</b>	<b>371.1</b>

Table 29.

**Current Account Balance**

(In millions of EUR)

Description	2004	2005	2006
<b>Credit</b>			
Export of goods and services			
Export of goods	56.9	56.3	110.8
Export of services	155.4	157.4	174.0
Total export of goods and services	212.3	213.7	284.8
Income			
Compensation of employers	26.9	27.0	26.6
Investment income	15.4	24.5	40.5
Total income	42.3	51.5	67.1
Current transfers			
Central government	431.7	395.2	388.9
Other sectors	426.7	489.3	538.3
Total current transfers	858.4	884.5	927.2
<b>Total</b>	<b>1,113.0</b>	<b>1,149.7</b>	<b>1,279.1</b>
<b>Debits</b>			
Import of goods and services			
Import of goods	-1,024.0	-1,072.2	-1,251.9
Import of services	-164.6	-191.6	-191.5
Total import of goods and services	-1,188.6	-1,263.8	-1,443.4
Income			
Compensation of employers	-11.9	-8.9	-10.9
Investment income	-13.0	-18.3	-23.8
Total income	-24.9	-27.3	-34.7
Current transfers			
Central government	0.0	0.0	0.0
Other sectors	-212.7	-209.6	-190.2
Total current transfers	-212.7	-209.6	-190.2
<b>Total</b>	<b>-1,426.2</b>	<b>-1,500.6</b>	<b>-1,668.4</b>
<b>Balances</b>			
Trade in goods and services			
Trade in goods	-967.0	-1,015.9	-1,141.2
Trade in services	-9.2	-34.2	-17.5
Trade in goods and services	-976.3	-1,050.1	-1,158.6
Income			
Compensation of employers	15.0	18.0	15.7
Investment income	2.4	6.2	16.7
Total income	17.4	24.3	32.4
Current transfers			
Central government	431.7	395.2	388.9
Other transfers	214.0	279.7	348.1
Total current transfers	645.7	674.9	737.0
<b>Total (Current balance)</b>	<b>-313.2</b>	<b>-351.0</b>	<b>-389.3</b>

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Table 30.

**Services**

(In millions of EUR)

Description	2004	2005	2006
<b>Credit</b>			
Transport	24.2	24.3	25.0
Travel	26.6	25.9	25.8
Communications services	27.0	31.0	48.2
Construction services	0.0	0.0	0.0
Insurance services	6.6	7.1	9.4
Financial services	0.0	0.0	0.0
Computer and information services	0.0	0.0	0.0
Royalties and license fees	0.0	0.0	0.0
Other business services	0.2	0.3	0.3
Personal, cultural, and recreational services	0.0	0.0	0.0
Government services, n.i.e.	70.9	68.8	65.2
<b>Total</b>	<b>155.4</b>	<b>157.4</b>	<b>174.0</b>
<b>Debits</b>			
Transport	-72.1	-71.9	-74.6
Travel	-51.0	-56.4	-61.9
Communications services	-15.3	-24.0	-19.9
Construction services	-0.9	-8.7	-5.3
Insurance services	-13.8	-13.7	-15.6
Financial services	-0.1	-0.2	-0.4
Computer and information services	-3.5	-4.8	-4.4
Royalties and license fees	-0.2	0.0	-0.2
Other business services	-4.9	-9.0	-6.1
Personal, cultural, and recreational services	0.0	0.0	0.0
Government services, n.i.e.	-2.8	-2.9	-3.0
<b>Total</b>	<b>-164.6</b>	<b>-191.6</b>	<b>-191.5</b>
<b>Balance</b>			
Transport	-48.0	-47.7	-49.6
Travel	-24.4	-30.5	-36.1
Communications services	11.7	7.1	28.3
Construction services	-0.9	-8.7	-5.3
Insurance services	-7.2	-6.6	-6.2
Financial services	-0.1	-0.2	-0.4
Computer and information services	-3.5	-4.8	-4.4
Royalties and license fees	-0.2	0.0	-0.2
Other business services	-4.7	-8.7	-5.8
Personal, cultural, and recreational services	0.0	0.0	0.0
Government services, n.i.e.	68.1	65.9	62.2
<b>Total</b>	<b>-9.2</b>	<b>-34.2</b>	<b>-17.5</b>

Table 31.

**Income**

(In millions of EUR)

Description	2004	2005	2006
<b>Credit</b>			
Compensation of employees	26.9	27.0	26.6
Investment income	15.4	24.5	40.5
<b>Total</b>	<b>42.3</b>	<b>51.5</b>	<b>67.1</b>
<b>Debit</b>			
Compensation of employees	-11.9	-8.9	-10.9
Investment income	-13.0	-18.3	-23.8
<b>Total</b>	<b>-24.9</b>	<b>-27.3</b>	<b>-34.7</b>
<b>Balance</b>	<b>17.4</b>	<b>24.3</b>	<b>32.4</b>

Table 32.

**Current transfers**

(Outstanding amounts, end of period, in millions of EUR)

Description	2004	2005	2006
<b>Credit</b>			
Central government	431.7	395.2	388.9
Other transfers	426.7	489.3	538.3
<b>Total</b>	<b>858.4</b>	<b>884.5</b>	<b>927.2</b>
<b>Debits</b>			
Central government	0.0	0.0	0.0
Other transfers	-212.7	-209.6	-190.2
<b>Total</b>	<b>-212.7</b>	<b>-209.6</b>	<b>-190.2</b>
<b>Balance</b>	<b>645.7</b>	<b>674.9</b>	<b>737.0</b>

Table 33.

**Capital Account**

(In EUR million)

Description	2004	2005	2006
<b>Credit</b>			
Capital transfers	2.4	2.0	3.2
Acquisition/disposal of nonproduced nonfinancial assets	0.0	0.0	0.0
<b>Total</b>	<b>2.4</b>	<b>2.0</b>	<b>3.2</b>
<b>Debits</b>			
Capital transfers	0.0	0.0	0.0
Acquisition/disposal of nonproduced nonfinancial assets	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance</b>	<b>2.4</b>	<b>2.0</b>	<b>3.2</b>

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Table 34.

**Financial Account (by instrument)**

in EUR million

Description	2004	2005	2006
<b>Kosovo's investment abroad (Kosovo's assets = net debits)<sup>1</sup></b>			
<b>Direct investment abroad</b>			
Equity capital	n/a	n/a	-4.3
Reinvested earnings	n/a	n/a	n/a
Other capital transactions	n/a	n/a	n/a
Total direct investment abroad	0.0	0.0	-4.3
<b>Portfolio investment abroad<sup>2</sup></b>			
Debt securities	-162.2	-67.8	-127.7
Total portfolio investment abroad	-162.2	-67.8	-127.7
<b>Other Investments abroad (Kosovo's assets = net debits)<sup>3</sup></b>			
Trade credit	14.2	12.2	5.2
Loans	-11.7	6.9	0.4
Currency and deposits	225.3	25.5	-181.1
Other assets	0.0	0.0	0.0
Total other Investments abroad	227.9	44.6	-175.6
<b>Reserve assets</b>			
Foreign Exchange	-1.8	-28.0	4.9
Total reserve assets	-1.8	-28.0	4.9
<b>Total</b>	<b>63.8</b>	<b>-51.2</b>	<b>-302.7</b>
<b>Investments in Kosovo (Kosovo's liabilities = net credits)</b>			
<b>Direct investment in Kosovo</b>			
Equity capital	9.6	63.2	211.7
Reinvested earnings	9.1	16.8	21.4
Other capital transactions	0.0	0.0	13.5
Total direct investment in Kosovo	18.6	80.0	246.6
<b>Portfolio investment in Kosovo</b>			
Total portfolio investment abroad	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Other Investments in Kosovo (Kosovo's liabilities = net credits)</b>			
Trade credit	49.2	51.9	62.8
Loans	9.0	10.8	8.5
Currency and deposits	-2.4	3.4	-0.2
Total other Investments in Kosovo	55.8	66.0	71.0
<b>Total</b>	<b>74.4</b>	<b>146.0</b>	<b>317.6</b>
<b>Net transactions (net credits less net debits)</b>			
<b>Direct investment</b>			
Equity capital	9.6	63.2	207.4
Reinvested earnings	9.1	16.8	21.4
Other capital transactions	0.0	0.0	13.5
Total net direct investment	18.6	80.0	242.3
<b>Portfolio investment</b>			
Debt securities	-162.2	-67.8	-127.7
Total net portfolio investment	-162.2	-67.8	-127.7
<b>Other Investments</b>			
Trade credit	63.4	64.1	68.0
Loans	-2.7	17.7	8.8
Currency and deposits	222.9	28.9	-181.4
Other assets	0.0	0.0	0.0
Total net other investment	283.6	110.6	-104.6
<b>Reserve assets</b>			
Foreign Exchange	-1.8	-28.0	4.9
Total reserve assets	-1.8	-28.0	4.9
<b>Total</b>	<b>138.2</b>	<b>94.8</b>	<b>14.9</b>

1/ Increase in assets and decrease in liabilities are recorded with sign minus, whereas decrease in assets and increase in liabilities are recorded with the sign plus.

2/ The asset side of portfolio investments includes resident transactions in securities issued by non-residents, whereas the liabilities side records the opposite.

3/ Since Kosovo use Euro currency as a legal tender, this is considered as a foreign asset and in this sense Cash held by the CBAK is considered as investment in abroad. The same is applicable to ODC.



Table 35.

**Financial Account (by sectors)**

(in EUR million )

Description	2004	2005	2006
<b>Investments abroad</b>			
Monetary authority (CBAK)	104.3	-47.7	-242.3
Other Depository Corporations	-65.5	-9.0	-47.5
Central government	-0.7	3.5	1.0
Other sectors	25.7	2.0	-13.9
<b>Total</b>	<b>63.8</b>	<b>-51.2</b>	<b>-302.7</b>
<b>Investments in Kosovo</b>			
Monetary authority (CBAK)	4.9	-2.1	-3.0
Other Depository Corporations	17.1	29.1	57.1
Central government	0.0	0.0	0.0
Other sectors	52.4	119.0	263.5
<b>Total</b>	<b>74.4</b>	<b>146.0</b>	<b>317.6</b>
<b>Total Investment</b>			
Monetary authority (CBAK)	109.2	-49.8	-245.3
Other Depository Corporations	-48.4	20.1	9.6
Central government	-0.7	3.5	1.0
Other sectors	78.1	121.0	249.6
<b>Total</b>	<b>138.2</b>	<b>94.8</b>	<b>14.9</b>

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Table 36.

**Exports, by trading partners**

(Cumulative within the calendar year, in millions of EUR)

Description	2005	2006					2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
<b>Total Export</b>	56.3	81.0	92.7	105.4	110.8	1.4	7.3	17.4	26.8	39.9	51.6	74.1	86.9	100.2	
Europe	54.2	79.8	91.4	104.1	109.4	1.4	7.3	17.0	26.0	39.1	50.6	73.1	85.9	96.8	
<b>European Union (EU)</b>	21.8	30.0	34.0	40.7	42.3	0.4	2.5	5.6	8.7	11.9	15.3	29.3	32.8	36.8	
<b>EU 15</b>	19.2	16.4	18.3	22.7	23.4	0.3	1.4	3.2	5.4	7.8	10.3	22.5	25.1	28.5	
of which:															
Austria	1.0	0.9	1.0	1.2	1.2	0.1	0.2	0.3	0.4	0.6	0.7	0.9	1.0	1.3	
France	0.5	0.2	0.2	0.2	0.2	...	...	...	0.1	0.1	0.1	0.1	0.1	0.1	
Germany	3.2	3.0	3.7	3.9	4.0	0.1	0.2	0.6	1.0	1.3	1.9	12.0	12.6	12.9	
Greece	5.4	3.1	3.4	3.7	3.9	...	0.2	0.7	1.3	2.1	3.0	3.8	4.6	5.5	
Italy	5.7	8.0	8.8	12.4	12.7	0.1	0.5	1.1	1.9	2.9	3.5	4.2	4.9	5.5	
Netherlands	0.1	1.0	1.1	1.1	1.1	0.0	0.2	0.4	0.5	0.6	0.8	1.1	1.4	1.6	
United Kingdom	...	...	...	...	...	...	...	...	...	...	0.1	0.1	0.1	0.1	
<b>EU 10</b>	1.5	4.1	4.5	4.8	5.2	...	0.6	0.7	1.2	1.6	1.9	2.7	2.9	3.2	
of which:															
Czech Republic	...	0.4	0.4	0.4	0.4	...	...	...	...	...	0.2	0.2	0.2	0.2	
Hungary	0.1	...	...	...	...	...	...	...	...	...	...	...	...	...	
Slovenia	1.2	3.5	3.8	4.1	4.5	...	0.5	0.6	1.1	1.5	1.6	2.3	2.5	2.7	
<b>EU 2</b>	1.2	9.5	11.1	13.2	13.7	...	0.6	1.8	2.2	2.6	3.1	4.1	4.8	5.1	
Bulgaria	1.0	9.2	10.9	13.0	13.5	...	0.6	1.8	2.2	2.6	3.1	3.4	3.6	3.9	
Romania	0.2	0.2	0.2	0.2	0.2	...	...	...	...	...	...	...	...	...	
<b>CEFTA</b>	29.9	36.8	43.5	48.4	51.7	0.9	4.0	9.6	15.1	20.6	25.4	32.2	40.3	47.1	
Albania	5.8	8.3	10.1	11.6	12.6	0.6	1.7	3.3	5.2	7.6	9.4	12.5	14.2	15.7	
Bosnia and Hercegovina	3.4	3.9	4.3	4.8	5.1	...	0.2	0.9	1.2	1.5	1.6	2.0	2.4	3.1	
Croatia	0.9	0.9	0.9	1.1	1.1	...	0.2	0.3	0.6	0.6	0.8	0.8	0.9	1.0	
FYROM	10.8	7.5	8.6	9.4	9.7	...	0.5	1.7	2.9	4.7	6.3	7.6	10.8	13.1	
Montenegro	0.7	1.6	1.9	2.0	2.2	0.1	0.2	0.3	0.6	0.8	0.9	1.1	1.1	1.6	
Serbia	8.2	14.7	17.7	19.5	20.9	0.1	1.1	3.2	4.6	5.3	6.4	8.3	10.9	12.6	
<b>Other Countries</b>	4.6	14.2	15.2	16.2	16.7	0.2	0.8	2.2	2.9	7.5	10.8	12.6	13.8	16.3	
of which:															
Switzerland	0.7	5.4	6.2	6.7	7.0	0.2	0.7	1.4	1.4	2.1	2.1	3.2	3.7	5.8	
Turkey	1.0	1.0	1.0	1.5	1.6	...	0.1	0.2	0.4	0.6	0.8	1.2	1.4	1.6	

Source: UNMIK Customs Services and Statistical Office of Kosovo;

NOTE: Exports data are by destination country.

Table 37.

**Imports, by trading partners**

(Cumulative within the calendar year, in millions of EUR)

Description	2005	2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Total import</b>	1,157.5	917.8	1,048.6	1,167.5	1,305.9	79.6	187.5	308.3	426.4	549.5	676.2	810.7	959.4	1,129.7
Europe	1,017.5	816.8	932.2	1,035.0	1,153.6	66.3	159.3	262.1	365.2	470.7	579.7	696.5	825.2	955.2
<b>European Union (EU)</b>	439.7	316.7	363.9	403.5	454.3	22.7	59.3	94.6	133.2	181.9	237.0	289.1	340.2	390.6
<b>EU 15</b>	296.3	203.1	230.5	255.3	286.5	15.9	39.1	63.1	88.9	124.9	159.4	194.2	228.0	259.5
of which:														
Austria	20.7	17.5	19.7	21.0	23.5	1.4	3.1	5.8	7.9	10.4	12.7	14.6	17.3	19.6
France	20.1	11.2	12.8	13.9	15.9	0.7	1.9	2.7	5.8	10.8	13.4	15.1	17.3	19.0
Germany	123.8	85.4	98.5	109.5	122.7	7.3	18.6	27.4	35.7	44.8	58.1	74.0	89.0	101.2
Greece	44.0	26.5	29.5	32.6	37.6	1.5	4.2	8.6	12.8	23.1	32.2	38.2	43.0	49.8
Italy	49.6	38.1	42.4	47.2	52.5	3.2	6.4	10.5	15.5	20.5	24.9	29.9	33.7	38.1
Netherlands	7.8	4.9	5.5	6.2	7.0	0.4	1.4	2.7	3.4	4.5	5.1	5.9	6.8	7.7
United Kingdom	7.5	4.0	4.4	5.4	6.4	0.3	0.9	1.4	1.8	2.5	3.1	4.2	4.9	5.6
<b>EU 10</b>	98.5	74.4	84.2	92.8	104.9	5.3	13.6	21.3	30.4	37.9	47.3	57.0	67.6	77.4
of which:														
Czech Republic	8.7	8.2	9.0	9.9	11.5	0.7	1.3	2.3	3.6	4.4	5.2	6.2	7.0	7.8
Poland	14.8	10.1	11.3	12.6	13.8	0.8	1.8	2.9	4.2	5.0	6.2	7.3	8.5	9.9
Hungary	16.2	13.7	15.5	17.2	20.0	0.9	2.3	3.7	5.3	6.3	7.7	9.5	11.5	13.2
Slovakia	2.5	1.8	2.0	2.2	2.4	0.3	0.5	0.6	0.8	1.1	1.4	1.6	1.9	2.1
Slovenia	55.0	39.7	45.4	49.9	56.0	2.6	7.6	11.7	16.3	20.7	26.3	32.1	38.3	43.9
<b>EU 2</b>	44.9	39.2	49.2	55.4	62.9	1.5	6.7	10.2	13.9	19.1	30.3	37.9	44.6	53.7
Bulgaria	37.8	35.5	45.2	51.3	58.5	1.4	6.3	9.4	11.9	15.1	19.5	22.8	26.1	31.1
Romania	7.1	3.7	4.0	4.1	4.4	0.2	0.3	0.7	2.0	4.1	10.8	15.0	18.5	22.6
<b>CEFTA</b>	440.4	381.4	435.2	484.9	536.3	31.3	70.3	122.6	171.7	211.7	251.9	303.2	362.7	418.8
Albania	18.1	17.3	19.7	21.5	23.1	1.0	3.0	5.9	9.8	13.4	16.3	20.0	24.7	28.6
Bosnia and Hercegovina	18.4	13.6	14.9	16.3	18.5	1.0	2.6	5.0	7.6	10.0	12.1	14.8	18.2	21.4
Croatia	25.0	19.4	21.4	24.3	28.1	1.9	4.2	7.8	10.3	12.8	15.5	18.0	21.0	25.0
FYROM	220.1	190.1	212.2	235.1	257.8	16.8	33.1	56.3	78.0	90.5	103.4	125.6	152.5	20.5
Montenegro	6.4	11.9	14.6	16.4	17.8	0.3	0.9	2.0	3.4	4.5	5.7	9.5	9.9	11.3
Serbia	152.3	129.0	152.2	171.4	191.1	10.3	26.5	45.5	62.5	80.5	98.8	115.2	136.4	159.6
<b>Others Countries</b>	258.3	202.5	230.4	257.8	291.2	24.1	53.2	84.8	113.1	144.8	173.2	202.2	238.4	299.1
of which:														
Argentina	1.1	1.2	1.4	1.5	1.8	0.2	0.4	0.5	0.7	1.0	1.5	1.6	1.8	2.3
Brazil	16.8	11.7	13.9	16.2	18.6	1.8	4.1	7.0	10.3	12.0	14.3	16.6	19.1	22.2
China	54.9	52.6	60.9	68.1	74.7	6.8	13.7	20.6	27.4	35.9	45.2	54.9	64.8	73.8
Egypt	0.5	0.5	0.6	0.7	0.9	0.1	0.2	0.3	0.4	0.4	0.5	0.6	0.8	1.0
India	2.5	1.4	1.5	2.0	2.2	0.1	0.2	0.6	0.9	1.2	1.9	2.3	2.6	2.9
Indonesia	0.5	0.7	0.7	0.9	1.0	0.0	0.1	0.3	0.3	0.5	0.8	0.9	1.5	23.7
Japan	13.5	5.4	6.3	7.0	8.7	0.8	1.4	1.9	2.4	3.1	3.7	4.5	5.3	6.2
Russia	10.8	8.5	8.9	9.5	9.9	0.3	0.5	1.2	1.5	1.7	1.9	2.3	2.5	2.7
Turkey	85.4	70.5	79.2	87.4	97.1	5.1	11.6	19.6	29.3	40.8	49.5	58.3	67.5	75.6
Ukraine	12.0	8.9	9.9	10.9	12.0	0.5	1.4	2.1	3.9	6.4	8.1	10.3	13.3	14.3

Source: UNMIK Customs Services and Statistical Office of Kosovo;  
NOTE: Imports data are by country of origin.

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Table 38.

**Exports, by commodity group**

(Cumulative within the calendar year, in millions of EUR)

Description	2005		2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Total	56.3	81.0	92.7	105.4	110.8	1.4	7.2	17.3	26.7	39.9	51.5	74.0	86.9	100.2	
I Live animals and animal products	0.5	0.3	0.3	0.3	0.3	...	...	0.1	0.1	0.1	0.2	0.2	0.3	0.3	
II Vegetable products	2.9	3.5	4.4	4.9	5.1	0.2	0.5	1.0	1.5	2.2	3.5	5.0	6.1	6.8	
III Animal or veget. fats and oils - edib.	...	0.1	0.1	0.1	0.1	...	...	...	...	...	...	...	...	...	
IV Prepared foodstuffs, bever. and tob.	4.6	4.6	5.4	5.8	6.2	0.1	0.5	1.0	1.8	2.4	2.9	3.6	4.6	5.2	
V Mineral products	3.2	15.3	17.3	18.2	18.8	0.4	1.3	2.4	3.8	8.9	12.4	14.2	16.1	18.4	
VI Products of the chem. or allied indust.	1.2	0.7	0.8	1.0	1.2	0.1	0.1	0.2	0.3	0.3	0.4	0.5	0.6	0.7	
VII Plastics, rubber and articles thereof	1.0	2.2	2.4	3.0	3.2	...	...	0.5	1.3	1.9	2.5	3.4	3.8	4.1	
VIII Hides, skins, leather, articles thereof	6.1	5.8	6.3	7.0	7.2	0.2	0.6	1.5	2.0	2.2	2.5	2.8	3.1	3.8	
IX Wood and articles of wood	0.4	0.5	0.6	0.7	0.8	0.1	0.1	0.2	0.4	0.5	0.6	0.8	0.9	1.0	
X Cellulosic material, pap. and articles	0.4	0.5	0.6	0.6	0.7	...	...	...	...	0.3	0.3	0.5	0.6	0.6	
XI Textiles and textile articles	0.6	0.5	0.6	0.7	0.7	...	0.1	0.1	0.1	0.2	0.3	0.4	0.7	0.8	
XII Footwear	0.1	...	...	...	0.1	...	...	...	...	0.1	0.1	0.1	0.1	0.1	
XIII Artic. of stone, plast.ceramic, glass	0.4	0.5	0.6	0.7	0.7	...	...	0.1	0.2	0.3	0.4	0.5	0.6	0.7	
XIV Pearls, precious, stones, jewelry, etc.	0.2	0.2	0.2	0.2	0.2	...	...	...	...	0.1	0.1	0.1	0.1	0.1	
XV Base metals and artic. of base metal	24.8	39.1	44.4	50.4	53.1	0.2	2.9	8.4	12.5	16.8	20.2	25.3	31.5	38.1	
XVI Machinery, appliances, electrical, etc	6.5	5.5	6.6	7.2	7.7	0.1	0.5	0.9	1.5	2.4	3.5	14.7	15.5	16.6	
XVII Transport means	2.3	1.2	1.3	1.3	1.4	...	0.3	0.3	0.3	0.4	0.4	0.5	0.7	1.0	
XVIII Optical, medical, musical instruments	0.4	0.1	0.3	0.3	0.3	...	...	...	...	0.1	0.1	0.2	0.2	0.2	
XIX Arms and ammunition	...	...	...	2.5	2.5	...	...	...	...	...	...	...	...	...	
XX Miscellaneous manufactured articles	0.4	0.5	0.5	0.6	0.6	...	0.3	0.4	0.5	0.7	1.0	1.4	1.5	1.7	
XXI Work of art	0.3	...	...	...	...	...	...	...	...	...	...	...	...	...	

Source: UNMIK Customs Services and Statistical Office of Kosovo; Data for 2003 and 2004 are processed by CBAK.

Table 39.

**Imports, by commodity group**

(Cumulative within the calendar year, in millions of EUR)

Description	2005		2006				2007								
	Dec	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Total	1,157.5	917.8	1,048.6	1,167.5	1,305.9	79.6	187.5	308.3	426.4	549.5	676.2	810.7	959.4	1,129.7	
I Live animals and animal products	54.0	35.2	40.3	45.0	50.5	3.2	7.3	12.7	18.2	22.8	28.2	33.1	38.6	44.0	
II Vegetable products	57.2	48.9	57.2	65.6	73.0	4.4	9.4	16.3	23.9	31.3	38.2	42.9	48.7	55.0	
III Animal or veget. fats and oils - edib.	11.0	11.7	12.9	13.9	15.3	0.9	2.2	4.0	4.8	5.7	6.5	8.1	9.6	11.4	
IV Prepared foodstuffs, bever. and tob.	163.3	129.3	144.0	158.1	180.6	10.3	25.7	42.5	60.3	77.2	96.2	115.1	138.3	159.3	
V Mineral products	207.3	175.6	197.9	218.9	241.7	18.1	37.4	60.7	80.5	99.7	119.7	145.5	175.4	233.4	
VI Products of the chem. or allied indust.	91.1	78.4	89.4	97.0	107.7	6.9	17.8	28.3	37.7	47.7	56.4	64.8	75.1	85.1	
VII Plastics, rubber and articles thereof	51.0	42.4	48.5	54.9	60.7	3.2	7.5	13.3	19.5	26.4	33.3	40.3	47.5	55.0	
VIII Hides, skins, leather, articles thereof	1.5	1.6	1.8	2.0	2.2	0.1	0.3	0.5	0.7	0.9	1.1	1.4	1.7	1.9	
IX Wood and articles of wood	30.5	21.2	24.8	27.6	30.3	1.7	3.4	5.6	8.5	11.9	15.8	20.0	24.0	27.7	
X Cellulosic material, pap. and articles	23.5	19.3	21.7	24.1	27.6	1.7	3.8	6.4	9.0	11.8	14.4	17.2	20.9	23.3	
XI Textiles and textile articles	35.9	29.7	35.0	40.5	45.1	2.7	6.1	9.9	13.9	18.8	22.7	26.6	31.2	36.1	
XII Footwear	11.3	9.5	11.6	13.1	14.3	0.7	1.9	3.6	5.1	6.6	7.7	8.7	10.2	11.4	
XIII Artic. of stone, plast.ceramic, glass	51.5	43.7	49.2	53.9	57.0	3.0	6.9	11.6	16.8	23.6	30.2	36.6	42.9	49.4	
XIV Pearls, precious, stones, jewelry, etc.	0.3	0.3	0.3	0.3	0.4	...	0.1	0.2	0.2	0.3	0.3	0.4	0.5	0.5	
XV Base metals and artic. of base metal	90.3	79.4	96.1	108.9	122.6	5.4	17.0	30.5	43.6	55.7	67.6	81.2	94.8	108.4	
XVI Machinery, appliances, electrical, etc	129.2	106.3	120.6	134.5	153.3	8.4	21.9	35.5	49.3	66.7	84.4	100.7	116.6	132.5	
XVII Transport means	104.2	55.7	62.8	70.3	79.3	5.5	11.5	15.4	19.3	22.7	27.4	36.2	46.1	54.3	
XVIII Optical, medical, musical instruments	15.3	8.6	10.6	12.4	14.3	1.6	3.3	4.6	5.8	7.4	9.5	10.9	12.5	13.6	
XIX Arms and ammunition	0.1	0.2	0.2	0.2	0.5	...	...	...	...	...	...	...	...	...	
XX Miscellaneous manufactured articles	28.9	20.8	23.6	26.2	29.5	1.9	4.0	6.6	9.2	12.4	16.6	21.0	24.6	27.2	
XXI Work of art	0.1	0.1	0.1	0.1	0.1	...	...	...	...	...	...	0.1	0.1	0.1	

Source: UNMIK Customs Services and Statistical Office of Kosovo; Data for 2003 and 2004 are processed by CBAK.

Table 40.

**Euro exchange rate**

(Average by period)

Description		Albanian Lek (ALL)	Croatian Kuna (HRK)	Swiss Franc (CHF)	New Turkish Lira (TRY)*	US Dollar (USD)	British Pound (GBP)	Serbian Dinar (RSD)	FYROM Denar (MKD)
2005	Dec	122.54	7.39	1.55	1.60	1.19	0.68	85.88	61.20
	Aug	122.33	7.28	1.58	1.88	1.28	0.68	83.07	61.17
	Sep	123.17	7.38	1.58	1.88	1.27	0.68	83.19	61.17
2006	Oct	123.23	7.39	1.59	1.86	1.26	0.67	81.19	61.18
	Nov	123.99	7.34	1.59	1.88	1.29	0.67	79.00	61.18
	Dec	123.93	7.36	1.60	1.89	1.32	0.67	79.00	61.20
	Jan	123.43	7.34	1.61	1.88	1.33	0.67	79.00	61.17
	Feb	125.15	7.36	1.62	1.83	1.31	0.67	79.39	61.21
2007	Mar	126.58	7.38	1.62	1.86	1.33	0.68	81.13	61.18
	Apr	126.04	7.40	1.64	1.84	1.35	0.68	79.10	61.16
	May	125.35	7.33	1.65	1.80	1.35	0.68	81.13	61.17
	Jun	123.14	7.33	1.65	1.77	1.34	0.68	79.10	61.16
	Jul	122.23	7.29	1.66	1.76	1.37	0.67	79.10	61.16
	Aug	122.01	7.31	1.64	1.79	1.36	0.68	79.89	61.17

Source: European Central Bank and respective central banks.

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## 5. EXPLANATORY NOTES

## TABLES 2-12: FINANCIAL SURVEY AND BALANCE SHEETS FOR THE FINANCIAL SECTOR

The *financial surveys*, inspired on the IMF-Manual on Monetary and Financial Statistics, are a subset of the financial accounts in the SNA 1993 and are based mainly on *balance sheets*, which are also published.

**Sources:**

CBAK: Accounting system; *Other depository corporations* (these are commercial banks): monthly Statistical Bank Report (SBR) based on CBAK-Amended Rule XI on Reports by the banks (Form Nr. 11); *Insurance companies*: Aggregated data from reporting scheme to the Insurance Supervision Department of CBAK; *Pension Funds and Other financial institutions*: aggregated data from reporting to the Pension Supervision Department and Banking Supervision Department of CBAK.

**Classifications:**

***Institutional sectors (SNA 1993 compatible)***. The economy is composed of economic units, which may be defined as economic entities that are capable, in their own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities. The institutional sectors group similar kinds of institutional units. CBAK has used the scheme presented below.

<p><b>A. Domestic economy</b></p> <p><i>Non-financial corporations</i></p> <p>Public non-financial corporations</p> <p>Other non-financial corporations</p> <p><i>Financial corporations</i></p> <p>Central bank</p> <p>Other depository corporations</p> <p>Other financial corporations</p> <p><i>Insurance companies</i></p> <p><i>Pension funds</i></p> <p><i>Financial auxiliaries</i></p> <p><i>Other financial institutions</i></p> <p><i>General government</i></p> <p>Central government</p> <p>Local government</p> <p>Social security funds</p> <p><i>Households</i></p> <p><i>Non-profit institutions serving households</i></p> <p><b>B. Rest of the world.</b></p>
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The **financial corporations** sector consists of all resident corporations or quasi-corporations principally engaged in financial intermediation or in auxiliary financial activities, which are closely related to financial intermediation.

Central Banking Authority of Kosovo (CBAK) complies not entirely with the definition of a monetary authority, as it issues no banknotes. In the financial surveys the "CBAK" is mentioned instead of 'central bank'.

*Other depository corporations (ODC):* In Kosovo these are the commercial banks licensed in Kosovo.

*Other financial intermediaries (OFI)* consist of all resident corporations engaged in financial intermediation except depository corporations, insurance corporations and pension funds (cf infra). In the financial surveys on Kosovo, this sub-sector is composed entirely by the 'Micro Finance Institutions' and the 'Other non-bank financial institutions'. These financial institutions are engaged in lending to small scale business and individuals, mainly in rural areas and the funding is provided mainly by donors.

*Insurance companies (IC)* consist of incorporated, mutual and other entities whose principal function is to provide life, accident, sickness, fire or other forms of insurance to individual institutional units or groups of units.

*Pension funds (PF)* are established for purposes of providing benefits on retirement for specific groups of employees and consist of:

- *Individual Savings Pension managed by KPST complemented with additional voluntary contributions paid by the employer or the employee, or both;*
- *Supplementary Employers Pensions, provided to employees by their employer;*
- *Supplementary Individual Pensions, provided to natural persons from licensed pension provider.*

*Financial auxiliaries.* In Kosovo this sub-sector comprise the exchange offices and money transfer services. As their contribution to the outstanding amounts of deposits with the other financial institutions in Kosovo is limited, their position is, in contrast to the financial sub-sectors mentioned before, not presented separately in the final surveys.

*Remarks:* Due to the lack of an operational enterprise register, the reporting agents do allocate the unincorporated business to the sector of the non-financial corporations. This leads to a blurred distinction between households and non-financial corporations in the statistics. *Non-profit institutions serving households (NPISH)* comprise religious societies and social, cultural, recreational and sports clubs, charities, relief and aid organizations financed by voluntary transfers in cash or in kind from other institutional units.

#### ***Financial instruments (SNA 1993 compatible)***

The SNA 1993 classifies also financial instruments into groups of instruments with similar characteristics. The most important in the current context are briefly described.

Currency and deposits consist of *Currency* comprises those notes and coins in circulation; *Transferable deposits* comprise all deposits that are exchangeable on demand at par, , freely transferable by check; *Other deposits* include all claims, other than transferable deposits, on the central bank, other depository institutions. Typical forms of deposits are non-transferable savings deposits and term deposits. Within the framework of the definition of money aggregates a further distinction according the original maturity has been made.

*Securities other than shares* include bills, bonds, certificates of deposit, commercial paper traded in the financial markets. These kind of financial assets do not yet appear on the liability side of the financial sector in Kosovo.

Loans include all financial assets that are created when creditors lend funds directly to debtors and evidenced by non-negotiable documents.

*Shares and other equity* comprise all instruments and records acknowledging, after the claims of all creditors have been met, claims to the residual value of corporations.

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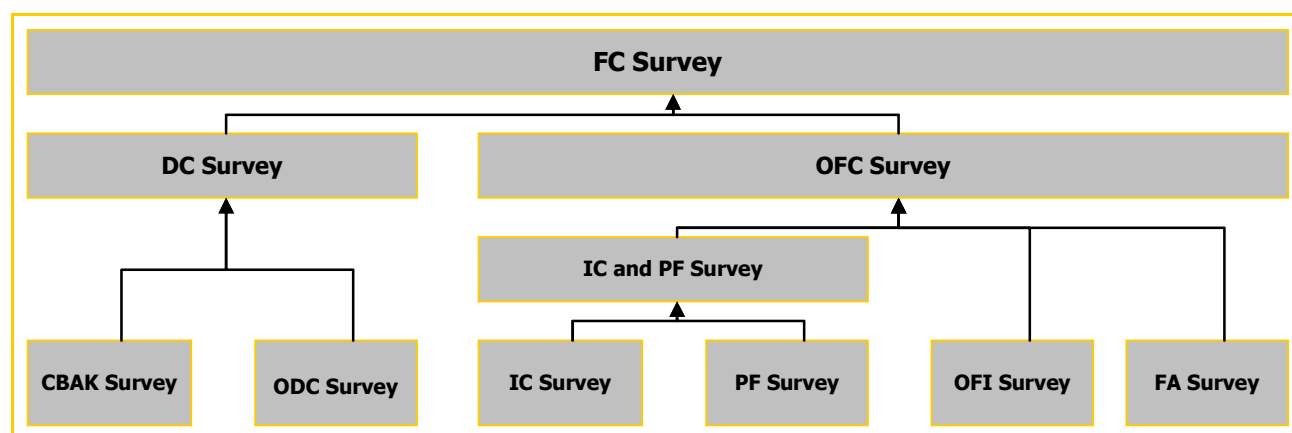
*Insurance technical reserves* are subdivided in *Net equity of households in life insurance reserves and pension funds*. Life insurance reserves are considered assets of the insured persons or households and pension funds consist of the reserves held by funds established by employers and/or employees to provide pensions for employees after retirement; *Prepayments of premiums and reserves against outstanding claims*. Insurance premiums are due to be paid at the start of the period covered by the insurance, and this period does not normally coincide with the accounting period itself. Therefore parts of the insurance premiums payable during the accounting period are intended to cover risks in the subsequent period;

*Reserves against outstanding claims* are reserves that insurance enterprises hold in order to cover the amounts they expect to pay out in respect of claims that are not yet settled or claims that may be disputed.

*Other accounts receivable/payable*, mainly consist of accounts receivable and payable, other than those described previously value of corporations.

#### **Definition(s) and methodological notes:**

The bilateral positions of the individual institutions are netted out and subsequently the bilateral positions between the sub-sectors at different stages are netted out leading to a *consolidated position* of the entities considered. This differs substantially from a simple aggregation. The consolidation is complete as far as it concerns the traditional financial instruments. The data available do not permit for an adequate consolidation of the accruals and most of the other payables/receivables for which the data reported by individual financial institutions does not contain a breakdown of the counterparts by institutional sub-sector. For the consolidation the following sequence is applied.



- FC Financial corporations;
- DC Depository corporations;
- CBAK Central banking authority of Kosovo;
- ODC Other depository corporations;
- OFC Other financial corporations;
- IC Insurance companies;
- PF Pension funds;
- OFI Other financial intermediaries;
- FA Financial auxiliaries.

The surveys of the sector and the sub-sectors are presented according to a common framework:

<b>Net foreign assets (+/-)</b> Claims by instrument Liabilities by instrument <b>Domestic claims</b> Net claims on government sector
---



Claims on other sub-sectors Instrument Counterpart (institutional sector) <b>Domestic liabilities</b> Claims on other sub-sectors Instrument Counterpart (institutional sector) <b>Shares and other equity</b> <b>Other items (+/-), including consolidation adjustment</b>
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The *counterpart* is defined as the institutional sector on which the holder of an instrument has a claim. In case of a term deposit by a non-financial corporation with a commercial bank, the corporation has a claim on the commercial bank. In case of a security, the holder has a claim on the issuer of the security (for instance a corporation who issued shares), regardless from whom it was bought. Along the same lines of reasoning, a holder of a currency note has a claim on the issuer, namely a central bank. In the special case of Kosovo, this implies that holders of euro-currency notes do have a foreign claim and enters in the foreign assets.

The *residency* criteria set forward by the SNA 1993 can not be followed in all details, as the residency /non-residency dichotomy is mainly based on address information in the files of the reporting institution. The country indicated in those files does not necessarily correspond with the country where the client has its main center of economic interest.

The *valuation* of the financial instruments follows the market value for securities and the nominal value for deposits and loan, which are not adjusted for possible provisions made by the creditor. The financial instruments in foreign currencies, other than euro, are converted against the euro exchange rate prevailing at the end of the reporting period.

The surveys on CBAK, "Other depository corporations" and 'Depository corporations' are established at monthly *frequency*, while those on "Other financial intermediaries", "Insurance companies", "Pension funds" and "Financial corporations" are available at a quarter frequency. The data published are not adjusted for eventual seasonal effects.

Remarks: *The data on the Supplementary Individual Savings Pension schemes managed by KPST are not yet made available by KPST. The data structure on Other Financial Institutions is based on their annual accounts structure.*

#### TABLE 17: EFFECTIVE INTEREST RATES APPLIED BY COMMERCIAL BANKS

**Source:** CBAK-survey 'Interest Rate Report' of commercial banks licensed in Kosovo.

**Definitions and nature of the data collected:** The main features are listed below:

1. Reporting institutions	All commercial banks licensed in Kosovo
2. Financial instruments	Loans Deposits
3. Currency denomination	EUR only

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4. Frequency	Monthly
5. Counterparts	All domestic non financial corporations; All domestic households
6. Reported contracts	New business during the reference month / outstanding amount (depending on the type of financial instrument, cf. infra)
7. Type of interest rates	Annual interest rate not including any fees nor commissions
8. Method of calculation	Annual agreed rate or Actuarial rate (depending on features of the specific contract, cf. infra)
9. Reported rate and volume	<ul style="list-style-type: none"> <li>- One interest rate by category averaged with the weights of the new business of the reference month or outstanding amounts (depending on the type of financial instrument - cf. infra) and;</li> <li>- the total new business volume or outstanding amounts (depending on the type of financial instrument - cf. infra).</li> </ul> <p>A category is defined by 5 variables and forms the combination of:</p> <ul style="list-style-type: none"> <li>- the type of financial instrument;</li> <li>- the sector allocation of the counterpart;</li> <li>- the maturity band and;</li> <li>- the range of amount involved;</li> <li>- the purpose of financing in the case of loans</li> </ul>

The annual rate to be reported by the commercial banks is the annual agreed rate (AAgR) or the annual actuarial rate (AAcR).

The *Annual Agreed Rate* (AAgR) is to be reported in all cases where there is no capitalization or the capitalization follows a regular pattern or the interest is charged on the remaining outstanding capital and no grace periods for interest payments or capital redemption are granted.

In all other cases the *Annual Actuarial Rate* (AAcR) has to be reported. This is the annual interest rate equaling the discounted (actualized) future cash inflows to the nominal amount of the loan or deposit.

The interest rate communicated by the commercial banks takes account of the interest rate on all individual transactions during the reference period, with 2 two exceptions : for saving deposits and current accounts, the interest is calculated by the bank as:

- the interest rate on each outstanding contract at the end of the reference month, weighted with the outstanding amount of the contract at the end of the reference period, or;
- the cumulative interest flows (accrued interest) over the month divided by the average of the daily outstanding amounts.

**IRR statistics:** A weighted interest rates communicated by banks are calculated. The market share of each bank having a new business during the reference month in the particular product serves as the weight. The criteria set for the interest rates to be published are:

1. Minimum three observations for each product;
2. The standardized variance calculated for each product, as a measure of the dispersion among the observed interest rates, should not exceed 0.60 for deposits and loans;

3. If the second criterion is not fulfilled, then the market share for the observation which is an outlier should not exceed 0.33.

**TABLE 19: CBAK INTERBANK CLEARING SYSTEM**

The Interbank Clearing System (ICS) is established, regulated and managed by the CBAK. It started with operation in May 2001. The ICS is an electronic clearing and settlement service for payment orders among banks and the CBAK, and with the CBAK as an agent of the PISG (Ministry of Finance and Economy) of Kosovo. It offers end of day net settlement on accounts at the CBAK for single orders and/or bulk paper listings of multiple orders such as mass salary payments. The service permits the exchange of electronic data delivered via telephone lines to the CBAK electronic clearinghouse. Currently there are seven commercial banks participating at the ICS, and CBAK itself, which acts as a fiscal agent for the Ministry of Finance and Economy. ICS operates based on Operating Rules for Electronic Interbank Clearing and Settlement Service (EICS) of the CBAK.

**TABLE 20: INTERNATIONAL MONEY TRANSFERS AMONG FINANCIAL CORPORATIONS**

**OUTGOING:** The movement of money from account of bank or other financial corporation within Kosovo to the account in bank or other financial corporation accounts outside Kosovo.

**INCOMING:** The movement of money from a nonresident bank or other financial corporation account in the bank or financial corporation account within Kosovo.

**WIRE TRANSFERS AGENCIES:** All non-bank financial institutions performing electronic or wire transfer services (Union financiar Prishtina, Western Union PCB, Western Union RZB, Monedha, K.L.M. Enterprises, D.M.TH. - Money Gram).

**TABLE 25: KOSOVO CONSOLIDATED BUDGET**

**PAYMENTS TO HOUSEHOLDS:** Starting from 2002, payments to households are included within subsidies and transfers.

**RESERVES:** Reserves include amounts authorized for contingent expenditures that may be used only for urgent and unforeseen requirements.

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**TABLES 28-35: BOP METHODOLOGICAL NOTES**

The Central Banking Authority of Kosovo (CBAK) is responsible for compiling the Balance of Payments Statistics for Kosovo. The legal basis for collecting and compiling BOP statistics rely on the UNMIK Regulation 2006/47 on Central Banking Authority of Kosovo. The main data sources for compiling BOP are commercial banks (through International Transaction Reporting System), Statistical Office of Kosovo (balance of trade statistics) and Enterprise Surveys. Data are supplemented with information received from other sources as well as own estimates. The compilation of BOP is made in accordance with the IMF Balance of Payments Manual, fifth edition (BPM5). The BOP statistics are published in several CBAK publications such as: CBAK annual report, CBAK Bulletin and CBAK Monthly Statistics Bulletin, and are updated accordingly.

Balance of payments is one of the key economic statistical information that systematically summarizes, for a specific period of time, the economic transactions of Kosovo residents with the rest of the world. Economic transactions are inward transactions (receipts) and outward transactions (payments). Receipts from the rest of the world are recorded in the credit side and include economic transactions such as exports of goods, exports of services, income flows, financial flows and transfers, which are offsetting entries to any one-sided transactions. Conversely, payments by domestic citizens to the rest of the world (non-residents) are recorded in the debit side and include economic transactions such as imports of goods, import of services, income flows, financial flows and transfers.

Conceptually, an economic transaction has two sides: something of economic value is provided and something of equal value is received through the double-entry recording system. When an economic value is provided (e.g. Kosovo exports) a credit entry is made, and when an economic value is received (e.g. Kosovo imports) a debit entry is made. Where something of economic value is provided without something of economic value in exchange the double entry system requires an offset to be imputed (a transfer entry) of equivalent value. For example, food imported as aid requires a debit entry for the goods item and a credit transfer as offset. The example below illustrates how the double entry system is applied. By definition, under the double-entry system credit entries must equal debit entries.

Credit entries	Debit entries
Changes in all economic resources provided by Kosovans to non-residents, including:	Changes in all economic resources received by Kosovans from non-residents, including:
- Exports of goods and services	- Imports of goods and services
- Income receivable	- Income payable
- Transfers which are offsets to debit entries	- Transfers which are offsets to credit entries
- Increase in financial liabilities of the Kosovo to non-residents	- Increase in financial claims of Kosovo on non-residents

**RESIDENCY CRITERIA.** Residents of Kosovo are legal entities registered and operating in Kosovo and natural persons whose domiciles (households) are located in Kosovo and who do not leave Kosovo for a period exceeding one year (except students and medical patients). Due to its specificity, special emphasis has been put on the treatment of UNMIK, KFOR, and other international staff in Kosovo.

- 1) **Treatment of UNMIK.** Based on the residency criteria as stated in the balance of payments manual (BOP5, paragraph 88), UNMIK is an international organization and, therefore, fulfills conditions to be classified as a nonresident of Kosovo. In this case, distinction should be made between the UNMIK as institution as well as UNMIK staff:
  - a. UNMIK as an institution is treated as nonresident in balance of payments transactions;
  - b. UNMIK international staff residency is determined on the basis on the length of their stay in Kosovo:

- i. UNMIK international staff with a contract for one year and more is treated as resident of Kosovo;
- ii. UNMIK international staff with a contract of less than a year is treated nonresident of Kosovo.

Records in BOP are made based on the study conducted by the UNMIK European Union Pillar "UNMIK's Impact on the Kosovo Economy" published in July 2006. Based on this publication, data for 2006 are forecasted. We updated data through actual figures based on the information provided directly from UNMIK to the CBAK.

The assumptions and estimates related to transactions of UNMIK as institutions and the staff is as follows:

- a. Spending of UNMIK (as institution) for goods and services purchased from Kosovar companies are considered as exports of government services.
- b. UNMIK international staff that are considered as residents spend around 14% of their salaries in Kosovo. The remaining part of 76% are send in their home countries (remittances) and 10% is spend for traveling abroad (travel services).
- c. UNMIK international staff as nonresident (short-term international staff of UNMIK) spend 14% of their salary in Kosovo for living allowance.

Through a hypothetical example we tried to show implication of UNMIK in Kosovo's BOP, based on our above mentioned assumptions:

Assuming that UNMIK budget is €100, of which:

— Wages to resident international staff	55
— Wages to nonresident international staff	3
— Wages to local staff	17
— Staff assessment income (Tax paid to UN)	5
— Imported goods	8
— Local goods	2
— Imported services	6
— Local services	4
Total UNMIK's Budget	100

By applying the previous example into the double entry system, records in BOP will be as follows:

	Credit	Debit
Current account		
Travel Services		
Short-term staff spending for living allowance (14% of salaries)	0.4	
Long-term staff spending for traveling abroad (10% of salaries)		-5.5
Government services		
Spending of UNMIK (as institutions) for local goods and services	6	
Compensation of employees		
Salaries of Short-term staff		-3
Current transfers		
Total budget of UNMIK less imported goods & services	85	
Remittances (76% are send to their relatives abroad)		-41.8
Tax paid to UN for resident staff (around 8.1% of Wages)		-5.8

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Due to the mentioned treatment of UNMIK, its expenses for import of goods and import of services are considered as nonresident–nonresident transactions and not recorded in BOP.

- 2) **Treatment of KFOR.** KFOR is a NATO led international force responsible for establishing a safe and secure environment in Kosovo. KFOR entered Kosovo on June 12, 1999 under a United Nations mandate, two days after the adoption of UN Security Council Resolution 1244. KFOR contingents are grouped into four multinational task forces and troops come from 35 NATO and non-NATO nations. Under international standards, KFOR is a military contingent and, therefore, a nonresident of Kosovo;
- 3) **Treatment of International Staff in Kosovo (excluding UNMIK).** In accordance with the SNA 93 and the BPM5 the international staff in Kosovo engaged in technical assistance or other activities on behalf of the Kosovo institutions is treated based on the length of their stay. The international staff of Foreign Liaison Offices and other offices of international organizations in Kosovo (diplomats, military personnel, and other employees of such organizations and their family members, who reside in Kosovo and enjoy immunity and diplomatic privileges) are treated as nonresidents of Kosovo.

**CURRENT ACCOUNT.** The Current Account comprises the acquisition and provision of goods and services, income, and current transfers between the country and the rest of the world.

- 1) **Goods.** The source of the data on international trade statistics is UNMIK customs service, processed by the SOK. The CBAK receives on a monthly basis the data on international trade statistics from the SOK, based on the SLA between the two institutions. CBAK makes adjustment for coverage and classification based on the supplementary information from other sources. Adjustments for coverage are made in the credit side for electricity, based on enterprise survey with KEK and for import of goods as donation provided from MEF for the year 2004 that were not included in SOK statistics. Adjustments for classification are made to value exports and imports in f.o.b. basis. The data on imports of goods are adjusted by application of c.i.f. / f.o.b. ratio of 6.5% (5% for transportation and 1.5% for insurance), excluding imports from neighboring countries which are valued at f.o.b. basis. Estimates are done by analyzing the value of c.i.f. to total value of imports of goods for a specific period, based on the information from SAD;
- 2) **Services.** Trade in services covers the provision of services by residents to non-residents and vice versa. The services component of the BOP consists of: transportation, travel, government services (not included elsewhere) and other services, which are subdivided into further items (communication, construction, insurance, financial, computer and information, royalties and license fees, other business services, personal services and government services);
  - a. *Transportation.* Covers sea, air and other (i.e. rail, land and pipeline) transport. It includes the movement of passengers and freight and other related transport services, such as chartering of aircraft with crew, cargo handling, storage and warehousing, towing, pilotage and navigation, maintenance and cleaning, and commission and agents' fees associated with passenger/freight transportation. The passenger transport is estimated based on the number of average passenger air fares travelling through Prishtina Airport multiplied with the average cost of one ticket. The data on passenger transportation are retrieved from the Prishtina Airport. The value of freight transport services is estimated on the basis of difference between the value of imported goods at c.i.f. and f.o.b. values (debit side). The source of data is the information provided from Prishtina Airport. The ratio of freight transport to the total amount of c.i.f. imports is considered to be 5%. Imports from neighboring countries are considered to be in f.o.b. basis. Receipts for commission and agent fees for transport related services as well airport landing fees are recorded in credit side;

- b. *Travel services*. Cover services provided to non-residents during trips in Kosovo (credit), and provided to Kosovo residents during similar trips abroad (debit). The exceptions are those military and diplomatic personnel (i.e. KFOR and Liaison Offices), whose expenditure are recorded under government services.
- c. *Business travel*. Covers all type of business activities such as carrier crews stopping off or lying over; government employees on official travel; employees of international organizations on official business (e.g. technical assistance); and employees doing work for enterprises that are not resident in the economies in which the work occurs. Business travel is estimated based on the data from enterprise surveys and data from ITRS.

Personal travel includes all travelers going abroad (coming in Kosovo) other than business travel. This includes also expenses for accommodation of UNMIK short-term staff in Kosovo (in credit side) and spending for travel abroad of UNMIK long term staff considered as residents of Kosovo (in debit side). It is assumed that the short-term international staff spends around 14% of their salaries in Kosovo for commodities. This estimate is done based on the study conducted by Economic Policy Office of UNMIK's Pillar 4. Another important source of information for personal travel is derived from Household Budget Survey regarding consumption by Kosovar diaspora during their visits in Kosovo. The expenditure of Kosovars going for vacation is done by combining the information from central banks in the region (Bank of Albania and Central Bank of Montenegro), as well as ITRS data.

- d. *Government services (not included elsewhere)*. Is a residual category covering government service transactions (including those of international organizations) not contained in the previous classifications. Government services include also all transactions by liaison offices, and export of goods and services to KFOR. Sources of the data are different such as ITRS, Liaison Offices, municipalities, etc.
  - e. *Other services*. Under this category are included exports and imports of communication services, construction services, insurance services, financial services, royalties and license fees, personal, cultural and recreational services and other business services. Source of data are enterprise surveys and ITRS.
- 3) **Income**. The income component relates to income earned from two factors of production: labor and capital. Consequently, the income consists of compensation of employees and investment income:
- a. *Compensation of employees*. Covers wages, salaries and other benefits paid to non-resident workers in the country, or received by resident workers abroad. In this context, includes seasonal or other short-term workers (less than one year) and border workers who have centers of economic interest in their own economies. Compensation of employees paid to Kosovans working for international organizations, and KFOR are recorded under credit side (excluding local employees working for UNMIK which are recorded under current transfers). In the debit side are recorded salaries of UNMIK international employees with a contract for less than one year, and which are treated as a nonresident, since the amount is previously recorded under current transfers. The compensation of employees is calculated based on various sources of information including data collected directly from UNMIK, KFOR, MEF, Liaison Offices, and from other international organizations;
  - b. *Investment income*. Covers receipts and payments of income associated with external financial assets and liabilities. The main component of investment income represents income from direct investments, portfolio and other investments. The most typical form of income from abroad is interest earned from deposits or securities with foreign banks. In the debit side are included payments to direct investors in Kosovo like dividends, reinvested earnings, interest paid for loans borrowed from abroad, etc. The main sources of information on the investment income are reports of commercial banks, insurance companies and the CBAK;

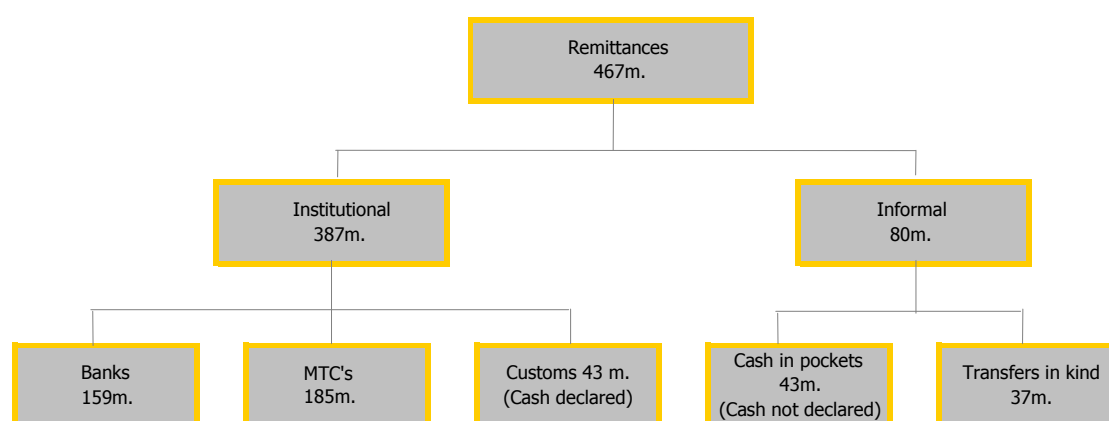
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- 4) **Transfers.** Transfers are offsetting entries for real resources or financial items provided without receiving in return any good, service, or financial item. Transfers are separately identified as either current or capital transfers;
- a. *Capital transfers* consist of transfers (1) involving ownership of fixed assets, (2) transfers of funds linked to, or conditional upon, acquisition or disposal of fixed assets, or (3) cancellation of liabilities by creditors without any counterparts being received in return.
  - b. *Current transfers* are sub-divided into those of central government and other sectors;
    - i. General government includes:
      - (1) Grants to the Kosovo Consolidated Budget (Donor Designated Grants)
      - (2) Donor aid, in kind (Public Investment Program)
      - (3) Direct spending of the UNMIK and its pillars.
    - ii. Other sectors – whose current transfers are further divided into:
      - (4) Worker remittances (mainly migrants transfers); and
      - (5) Other transfers – include insurance premiums and claims, pensions, some grants related to different institutions.

The main data sources for the estimate of current transfers are UNMIK, MEF (donor coordination unit), ITRS, and Household Budget Survey (conducted from the SOK).

*Worker remittances.* Cover current transfers by migrants who are employed in other economies and considered residents there. A migrant is a person who comes to an economy and stays for a year or more. Persons who stay in new economies for less than a year are considered nonresidents; their transactions are appropriate mainly to the component for compensation of employees (BPM5, paragraph 269 through 272).

*Estimate of inflows from Kosovo migrants living abroad* - The estimate of incoming remittances is done based on main channels of the flows. A variety of data sources is used to measure income flow. We focused mainly to identify registered flows coming through official channels (banks, MTCs and money declared at the Customs Authorities) and remittances coming through informal channels (not declared, such as cash that pass through customs, non-cash transactions like goods transferred from migrants living abroad (see scheme below).



*Estimate of outflows of resident foreigners.* In debit side of remittances, the estimate includes remittances related to (1) international staff - long term working for UNMIK and (2) other international staff engaged in other projects (i.e. PIP). It is estimated that resident foreigner's sends 76% of their salaries to their relatives. Data source in debit side are the budget of UNMIK and RIMS database of the Ministry of Economy and Finance for Official Development Aid spend in Kosovo.



*Other Donor Assistance (ODA) to the government.* Technical assistance is ongoing support of the international community to strengthen the institutional aspect of the Provisional Institutions of Self-Government (e.g. revenue collection, investment in physical and human capital, etc.). ODA to Kosovo has been mainly committed and disbursed through the following types of intervention: capital investment, technical assistance, supply of equipment, credit (investments in infrastructure), training and other. Records in BOP are made based on the study conducted by the Donor Coordination Center. The main assumptions and estimates related to ODA transactions and the staff are as follows:

1. 67 percent of wages are dedicated to international staff. All international staff are residents of Kosovo and they spend around 14% of their wages in Kosovo. The remaining part of 76% are send in their home countries (remittances) and 10% is spend for traveling abroad (travel services).
2. Wages to local staff are 13 percent from total wages.
3. From total goods and services 91.5% are imported goods.

**Table 1.5. Nature of ODA Spending**

Description	2004	2005	2006
Wages of International Staff	92,002	106,906	143,324
Wages - local staff	30,361	35,279	47,297
Goods & Services	77,081	30,586	41,006
Imported	70,529	27,987	37,520
Local Produced	6,552	2,600	3,485
Capital Investments	-	500	670
<b>TOTAL</b>	<b>169,083</b>	<b>137,993</b>	<b>185,000</b>

**CAPITAL ACCOUNT.** Under *capital account* are included some investments in construction made by KFOR and migrant transfers. The main source of information for migrants' transfers is ITRS.

**FINANCIAL ACCOUNT.** Covers transactions in foreign financial assets (claims on nonresidents) and foreign financial liabilities (liabilities to nonresidents). The four categories (direct investment, portfolio investment, other investment and reserve assets) are based primarily on the relationship between the parties, and secondly on the nature of the instrument involved.

1. **Direct investments** - is a category of international investment that, based on the equity ownership of at least 10%, reflecting a lasting interest by resident in one economy (the direct investor) in the resident enterprise in another economy (the direct investment enterprise). Using this criterion, a direct investment relationship can exist between a number of affiliated enterprises, whether the linkage involves a single chain or a number of chains. The components of direct investment transactions are:
  - a. Equity capital - comprises investment in branches, shares in subsidiaries and associates (except non-participating preferred shares that are treated as debt securities), and other capital contributions;
  - b. Reinvested earnings - consist of the off-setting entry to the corresponding current account income item: it is the direct investor's share of the undistributed earnings of its branches, subsidiaries and associates;
  - c. Other capital - covers all other inter-affiliate financial transactions (borrowing and lending of funds), including debt securities and trade credit.

Following the recommendations of the IMF, ECB, Eurostat and OECD, direct investment flows are recorded on a directional basis (rather than the more usual assets/liabilities basis): direct investment abroad – as an asset, and direct investment in the reporting country – as a liability. Direct investment abroad covers net investment by parent companies resident in Kosovo in their foreign branches, subsidiaries and associated

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companies. Direct investment in Kosovo covers the net investment by foreign companies in their affiliates located in Kosovo. The CBAK uses different sources of information for the calculation of FDI. The main sources of information for the estimate of FDI in Kosovo are Kosovo Trust Agency (KTA), commercial banks reports to CBAK, and ITRS.

2. **Portfolio investment** - covers the acquisition and disposal of equity and debt securities, which cannot be classified under direct investment or reserve assets transactions. The securities involved are traded (or tradable) in organized and other financial markets. Debt securities cover bonds and notes, which have an original maturity term of more than one year, and money market instruments with original maturity of one year or less. Data on debt securities in the case of Kosovo includes investments in securities abroad from CBAK and commercial banks. The main sources of information on portfolio investment are the data provided by the CBAK, and commercial banks operating in Kosovo.
3. **Other investment** - covers assets and liabilities other than those classifiable to direct investment, portfolio investment or reserve assets. It comprises short and long-term loans, currency and deposits, trade credits and other assets and liabilities. Short-term trade credits comprise the advance payment by nonresidents for the future exports (on the liability side) and expected post-payments from nonresidents for exports (on the asset side). The estimate of trade credits is done by using the ratio of those two categories to total imports and exports reported in ITRS. Information about currency and deposits, loans and other assets are obtained from balance sheet of commercial banks, balance sheet of CBAK, MEF (government deposits abroad), balance sheet of other financial institutions, ITRS (deposits and loans of non-financial entities with abroad) and enterprise surveys (other accounts payable/receivable).
4. **Reserve assets** - consist of those external assets that are readily available to, and controlled by, monetary authorities for direct financing of payments imbalances, for indirectly regulating the magnitude of such imbalance through intervention in exchange markets to affect the currency exchange rate and/or for other purposes (BPM5, p. 424). Reserve assets consist of: Monetary gold, Special Drawing Rights, Reserve position in the Fund, foreign exchange (currency and deposits, and securities), other claims.
  - a. *Other foreign currency assets* refer to foreign assets of the monetary authorities that are not included in reserve assets, but as reserve assets, must be liquid foreign currency assets that meet the criteria of being available for use by the authorities in the time of a crisis. Following the reserve assets definition only two components of the CBAK foreign assets and liabilities meet the main characteristics of reserve assets (to be readily available and to be controlled by the CBAK): Euro in cash and reserve deposits of banks with CBAK. Consequently these components are classified in BOP as reserve assets. Data sources are obtained from balance sheet of the CBAK.

**NET ERRORS AND OMISSIONS.** The sum of the credit entries should in principle equal the sum of the debit entries over the period. In practice, because some transactions may not be captured or because of differences in coverage, valuation and timing of transactions, exact symmetry does not occur and the balancing item *net errors and omissions* is inserted to balance the overall account. Ideally, the scale of this item should be relatively small in relation to the combined value of all credit and debit transactions expressed in absolute terms.

**TABLES 36-39: EXPORTS AND IMPORTS**

Harmonized system coding system used in the presentation of external trade statistics by commodity group:

- I Live animals; animal products;
- II Vegetable products;
- III Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes;
- IV Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes;
- V Mineral products;
- VI Products of the chemical or allied industries;
- VII Plastics and articles thereof; rubber and articles thereof;
- VIII Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers; article of animal gut (other than silkworm gut);
- IX Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork;
- X Pulp of wood or of other fibrous cellulosic material; waste and scrap of paperboard; paper and paperboard and articles thereof;
- XI Textiles and textile articles;
- XII Footwear, headgear, umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair;
  
- XIII Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware;
- XIV Natural or cultured pearls, precious and semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewelry; coin;
- XV Base metals and articles of base metal;
- XVI Machinery and mechanical appliances; electrical equipment; parts thereof; sound recorders and reproducers, and part and accessories of such articles;
- XVII Vehicles, aircraft, vessels and associated transport equipment;
- XVIII Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; clocks and watches; musical instruments; parts and accessories thereof;
- XIX Arms and ammunition; parts and accessories thereof;
- XX Miscellaneous manufactured articles;
- XXI Work of art.

