

with the public. A code of conduct for business taxation has yet to be developed and applied. Preparations in this area are advanced.

Conclusion

Good progress was made on taxation. The level of legislative alignment in indirect taxation is well advanced. Further efforts are required as regards direct taxation. The operational capacity of the Public Revenue Office has been strengthened and tax collection has improved.

4.17. Chapter 17: Economic and Monetary Union

Some progress can be reported in the field of **monetary policy**. The institutional and administrative capacity of the central bank improved. The central bank adopted rules on calculating and announcing the interbank rate on the deposit market and, on 15 October 2008, it started calculating and announcing a reference interest rate on the interbank deposit market (MKDONIA). This information provides a basis for interbank trade and for the interest rate policy of banks. At this stage, there are still some shortcomings in the legal framework in all key areas, such as the full independence of the central bank, the prohibition of monetary financing of the public sector and the prohibition of preferential access for the public sector to financial markets. Preparations in the area of monetary policy are on track.

Progress can be reported in the area of **economic policy**. The government submitted its third pre-accession economic programme, covering the period 2009-2011. It presents a comprehensive macroeconomic and fiscal framework and a broad agenda for structural reforms. Although the quality of the programme has somewhat improved compared with the previous year, it still lacks a discussion of policy priorities and a link to the EU accession process. Due to the rapidly changing external environment, it was of only limited relevance as a core document for economic policy-making.

Progress was made in the area of monetary statistics and their compliance with international standards. The central bank's reporting on the balance of payments improved, with more precise estimates of income from direct investment. General government debt in 2008 totalled 20.9% of GDP, below the range of 34% to 37% of GDP set in the public debt management strategy. In June 2009 the Parliament adopted a new public debt management strategy for the period 2009-2011. Administrative capacity for policy implementation is still inadequate at municipal level. Preparations in the area of economic policy are on track.

Conclusion

Some progress has been made in the area of economic and monetary policy. Alignment with the *acquis* remains incomplete. Administrative capacity for policy implementation diverges widely between the central and local levels. Overall, preparations in the area of economic and monetary policy are on track.

4.18. Chapter 18: Statistics

Progress can be reported in the area of **statistical infrastructure**. The State Statistical Office (SSO) set out its objectives in the strategic plan for 2009-2011. Its budget and number of employees increased, but needs to be increased further. Human resource management tools have been further developed, including a wider range of training and a mentoring scheme. Preparations in the area of statistical infrastructure are advanced.

Good progress was made in the fields of **classifications and registers**. The national statistical classification of economic activities complying with the new version of the European industrial activity classification NACE Rev. 2 as well as new national versions of the PRODCOM and CPA product classifications were adopted by the government. Data from the 2008 business census are being used to update the statistical business register. Some progress has been made on establishing routines to keep the register up to date. Development of a statistical farm register has started.

Good progress has been made on **sector statistics**. Progress was made in the preparations for the 2011 population and housing census. The pilot census was conducted in May 2009. As regards business statistics, new surveys were introduced and business censuses were conducted. Preliminary results on retail trade capacity and tourism capacity have been published. Further improvements have been made in the area of social statistics. Data from the labour force survey and the household budget survey were transmitted to Eurostat. A pilot survey on income and living conditions was conducted. Further improvements are needed in agricultural statistics. Work continued on improving the exhaustiveness of the national accounts, but further alignment with ESA 95 is needed. Preliminary work on harmonised indices of consumer prices has started. Cooperation with the Ministry of Finance and the central bank improved. A memorandum of understanding on cooperation in the field of macroeconomics and financial statistics was agreed by SSO, the Ministry of Finance and the central bank. Data transmission to Eurostat has increased, but needs to be further improved, in particular for macroeconomic and business statistics.

Conclusion

Good progress has been made on improving sector statistics and aligning classifications with the *acquis*. The statistical infrastructure has been strengthened, but the resource situation remains weak. Further efforts are needed to meet the Accession Partnership priorities, in particular for macroeconomic and agricultural statistics.

4.19. Chapter 19: Social Policy and Employment

Little progress has been made on **labour law**. The national labour legislation has been reviewed with a view to transposing the *acquis*, but it is still not effectively aligned with all EU requirements. Cooperation between the relevant institutions has not improved. Administrative capacity remains insufficient to ensure proper implementation and enforcement of the labour law. Preparations in this area are moderately advanced.

Little progress can be reported in the area of **health and safety at work**. The 2007 Law on Health and Safety at Work is not being fully implemented. The National Council for Occupational Safety and Health provided for in the law has not been set up yet. The administrative capacity of the labour inspectorate remains insufficient to ensure proper implementation and enforcement of the legal provisions. The number of 35 inspectors remains insufficient and working facilities inadequate. Nevertheless, the labour inspectorate carried out more inspections than in the previous reporting period. Harmonised criteria and methods for recording data on accidents at work are lacking. Alignment with the *acquis* in the area of health and safety at work is moderately advanced.

There has been little progress in the **social dialogue**. A functional and representative social dialogue is still lacking. The membership of the Economic and Social Council (ESC) remained unchanged, thus weakening its position and role. The government organised a