

## **METHODOLOGICAL EXPLANATIONS**

### **1. METHODOLOGICAL EXPLANATIONS FOR EXTERNAL STATISTICS**

External statistics are a subliminate of several individual statistical surveys for compiling, processing and disseminating data on stocks and/or transactions with non-residents, such as: Balance of Payments, Foreign Direct Investments, International Investment Position, Official Foreign Reserves, Gross External Debt and Gross External Claims.

The National Bank of the Republic of Macedonia continuously works on the harmonization with the international statistical standards and producing internationally comparable data.

#### **1.1 Harmonization with the European and international statistical standards**

The harmonization of statistical reports on external statistics is achieved through the implementation of the international manuals and their incorporation in the national statistics.

The international manuals applied for compiling and processing the data are the following:

- Balance of Payments and International Investment Position Manual (BPM 6), 2009, IMF;
- International Reserves and Foreign Currency Liquidity: Guidelines for a Template, IMF 2001;
- External Debt Statistics: Guide for Compilers and Users, IMF, 2013;
- OECD Benchmark Definition of Foreign Direct Investment, 4th edition, BD4;

The following classifications are applied for compiling and processing the data from these surveys:

- National activity classification - compatible with NACE Rev.2
- National classification of institutional sector - compatible with ESA 2010;
- ISO country and currency codes.

**The national legislation** defining the scope of data compiled for the needs of external statistics is in accordance with the Law on the National Bank of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" no. 158/10, 23/12 and 43/14) and the Law on Foreign Exchange Operations ("Official Gazette of the Republic of Macedonia" no. 34/01, 49/01, 103/01, 51/03, 81/08, 24/11, 135/11 and 188/13). Residency of institutional units is defined under the Law on Foreign Exchange Operations, where natural persons staying

temporarily in the Republic of Macedonia on the basis of a valid residence permit or work permit for a period of at least six months are treated as residents of the country<sup>1</sup>.

The **reporting units** are legal entities and natural persons which have economic transactions with non-residents, and which depending on the type of transactions are obliged to report on their claims on and liabilities to non-residents, based on debt instruments, capital investments from and to abroad, claims on and /or liabilities to non-residents based on other financial instruments etc. The reporting on transactions with non-residents can be direct (by the resident reporting units) and indirect (performed by other entities that have at their disposal information on particular types of transactions).

## **1.2 Dissemination and revision policy**

### **1.2.2 Dissemination policy**

The data on external statistics are disseminated in accordance with the Advance release calendar (available on the NBRM's website-

<http://nbrm.mk/?ItemID=C1F5F4BCC020BE44A9C3824FA3046096>).

The methodologies on external statistics are also disseminated on the website of NBRM.

### **1.2.3 Revision Policy**

Revisions of disseminated data can be done in the following cases:

- provision of new, updated information and data from the reporting units; or
- changes in data sources or changes in the methodology for the compilation of a particular statistical survey.

In accordance with international recommendations, the revised data are denoted with a footnote that provides an appropriate explanation for the implemented changes.

## **Official Reserve Assets**

The data reflect the stock of Official reserve assets and other foreign assets of the NBRM, at a certain date.

Official reserve assets are those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and/or for other related purposes (such as maintaining confidence in the currency and the economy, and serving as a basis for foreign borrowing).

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<sup>1</sup> Such definition of residency of natural persons and its application in the process of creating statistical data is an exception to the recommendation given in the international statistical standards, according to which a criterion for determining residency is a stay or intention to stay in a country for a period of one year or more.

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

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

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

### **Monetary gold**

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

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

### **Foreign currency reserves**

**Deposits with foreign banks:** This category comprises of foreign exchange held on current accounts with foreign banks, as well as term foreign exchange deposits held abroad.

**Cash in treasury:** Cash in treasury consists of cash foreign exchange within the treasury, foreign cheques received at the counter, foreign cheques sent abroad for settlement.

**Securities:** This category includes the placements in coupon or discount debt securities issued or guaranteed by foreign governments, central banks, multilateral development banks and international financial institutions, as well as placements in collateralized bonds. Securities positions are valued daily according to the market price of the instruments concerned, including the amount of accrued interest.