



## National Bank of the Republic of Macedonia Statistics Department

Skopje, 28 April 2017

### Press Release

### Significant developments in the balance of payments<sup>1</sup> in February 2017

In February 2017, current transactions with non-residents registered deficit of Euro 53.5 million. Analyzing the financial account, trade credits and direct investments registered significant net inflows, as well as portfolio investment and loans but to a lesser extent, whereas foreign reserves decreased by Euro 11.6 million.

### Main components of the balance of payments of the Republic of Macedonia

(in millions of euros)

|                           | II-2017      | I-II.2017    | monthly change    |       | annual change     |       | cumulative change |      |
|---------------------------|--------------|--------------|-------------------|-------|-------------------|-------|-------------------|------|
|                           |              |              | millions of euros | %     | millions of euros | %     | millions of euros | %    |
| <b>Current account</b>    | <b>-53.5</b> | <b>-59.6</b> | <b>-47.4</b>      | ...*  | <b>-31.8</b>      | ...*  | <b>-51.0</b>      | ...* |
| Goods                     | -154.1       | -278.2       | -30.0             | 24.2  | -4.1              | 2.8   | -54.4             | 24.3 |
| Services                  | 32.3         | 93.3         | -28.6             | -46.9 | -19.3             | -37.4 | 5.6               | 6.4  |
| Primary income            | -34.2        | -70.8        | 2.4               | -6.6  | -0.7              | 2.0   | -2.8              | 4.2  |
| Secondary income          | 102.4        | 196.0        | 8.8               | 9.4   | -7.6              | -6.9  | 0.6               | 0.3  |
| <b>Capital account</b>    | <b>0.0</b>   | <b>0.1</b>   | <b>-0.1</b>       |       | <b>0.0</b>        |       | <b>0.1</b>        |      |
| <b>Financial account</b>  | <b>-59.7</b> | <b>-60.3</b> | <b>-59.1</b>      |       | <b>-33.9</b>      |       | <b>-44.6</b>      |      |
| Direct investment         | -18.2        | 12.7         | -49.1             |       | 36.7              |       | 97.5              |      |
| Portfolio investment      | -4.7         | -15.1        | 5.6               |       | -12.4             |       | -26.6             |      |
| Currency and deposits     | 6.1          | 20.6         | -8.4              |       | -45.4             |       | -12.9             |      |
| Loans                     | -4.2         | 38.1         | -46.6             |       | 21.0              |       | 45.7              |      |
| Trade credit and advances | -27.0        | -56.0        | 1.9               |       | -28.9             |       | -116.6            |      |
| Reserve assets            | -11.6        | -60.6        | 37.4              |       | -5.0              |       | -31.7             |      |

...\* the index exceeds 100.

Note: In the financial account, the sign (-) denotes net external inflows. In foreign reserves, the sign (+) denotes increase, whereas the sign (-) denotes decrease in foreign assets.

Source: NBRM.

### **Current account**

The negative balance in the current account in February resulted from trade deficit in goods (Euro 154.1 million) and primary income deficit (Euro 34.2 million), which exceed surplus in secondary income and trade in services (Euro 102.4 million and Euro 32.3 million, respectively).

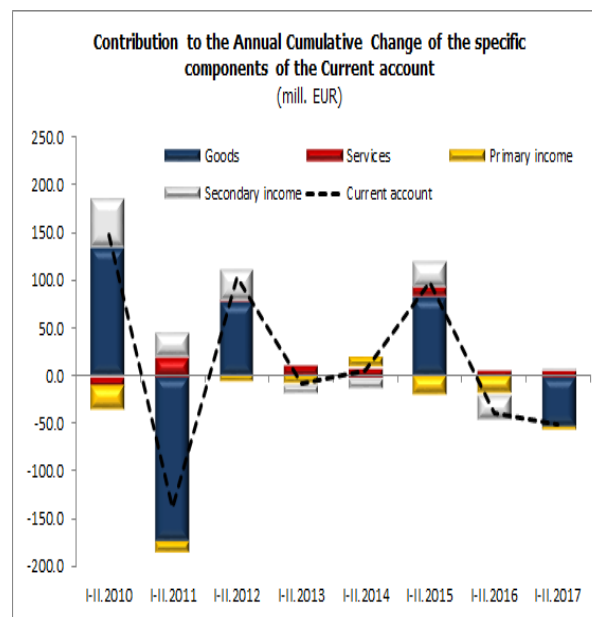
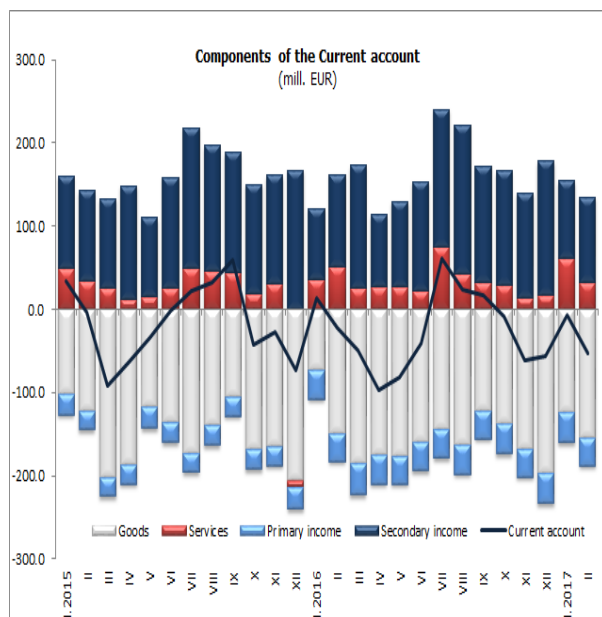
Compared with the previous month, the current account deficit increased by Euro 47.4 million, mainly resulting from the increased deficit in goods (by Euro 30 million) and the reduced trade surplus in services (by Euro 28.6 million). These developments were partially netted by the increased surplus in secondary income (by Euro 8.8 million) and the reduced deficit in primary income (by Euro 2.4 million).

<sup>1</sup> The balance of payments is a statistical report that systematically summarizes all international economic transactions of the Republic of Macedonia within a certain time frame, i.e. it summarizes current, capital and financial transactions between residents and non-residents.



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Cumulatively, for the first two months of 2017, the current account showed deficit of Euro 59.6 million (by Euro 51 million higher than the same period of 2016), primarily resulting from higher trade deficit (by Euro 54.4 million), and to a lesser extent, from primary income deficit (by Euro 2.8 million), partially offset by higher trade surplus in services (by Euro 5.6 million).



Source: NBRM.

### **Financial account**

In February, there were significant net inflows from financial transactions with non-residents based on trade credits (Euro 27 million) and direct investments (Euro 18.2 million), and to a lesser extent based on portfolio investments and loans (Euro 4.7 million and Euro 4.2 million, respectively). Currencies and deposits registered net outflows (Euro 6.1 million), while foreign reserves decreased by Euro 11.6 million.

Analyzing direct investment, net, in February 2017, there were inflows of Euro 18.2 million, while cumulatively for the first two months of 2017, net outflows amounted to Euro 12.7 million.

Direct investment liabilities<sup>2</sup> increased in February by Euro 61.2 million, mainly due to reinvestment of earnings (Euro 31.7 million) and net growth of liabilities on debt instruments (Euro 26.5 million) and to a lesser extent due to investments in equities (Euro 3 million). Cumulatively, for the first two months of the year, liabilities to direct investors increased by Euro 107.5 million (Euro 66.7 million less than the same period last year).

<sup>2</sup> It shows direct investment depending on whether financial transactions create a liability to or claim (assets) from abroad.

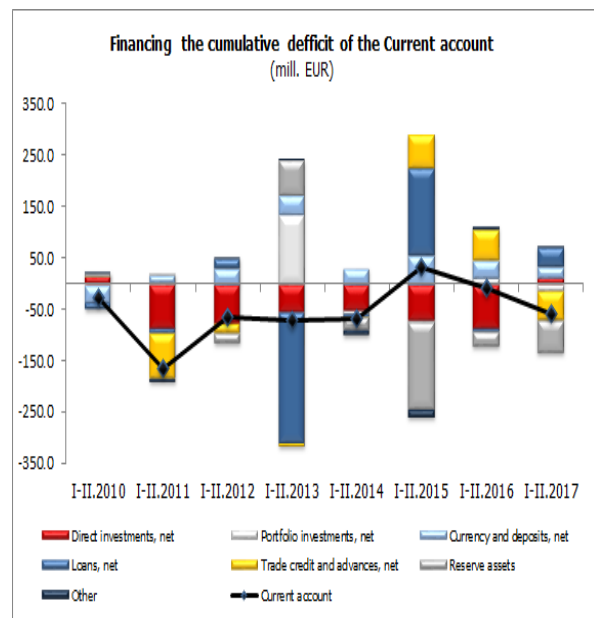
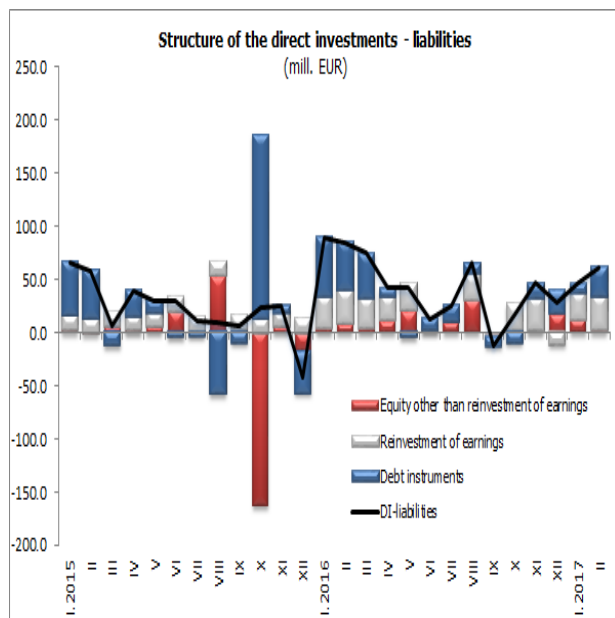
<sup>3</sup> Other sectors include: other financial institutions, non-financial corporations, households, and NPISHs.



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Assets from direct investments increased by Euro 43 million in February, mainly based on debt instruments (loans and trade credits). Cumulatively, for the period January-February 2017, assets increased by Euro 120.2 million (by Euro 30.8 million more compared to the same period last year).

In the period January-February 2017, financial transactions with non-residents registered net inflows of trade credits (Euro 56 million) and portfolio investments (Euro 15.1 million). Given the net outflows in other financial instruments, foreign reserves decreased by Euro 60.6 million.



Source: NBRM.

### Data revisions

Balance of payments data in this press release include regular revision of data for January 2017, and due to the improvement of data quality in the goods account, the current account deficit increased by Euro 5.2 million this month.

### Supporting information

Time series of data: annual, quarterly and monthly data on the balance of payments  
<http://www.nbrm.mk/?ItemID=16C5679A8986CE4391D1F76413410999>

Methodological explanations:

<http://www.nbrm.mk/?ItemID=16C5679A8986CE4391D1F76413410999>

Next publication: Advance Release Calendar

<http://nbrm.mk/?ItemID=D537DAB6F15C774DB7BDE486246D06C5>

Monthly balance of payments: 31 May 2017 (reference period as of March 2017).



**National Bank of the Republic of Macedonia  
Statistics Department**

We kindly ask journalists to contact the Governor's Office for any queries.

For more information regarding the disseminated statistical data, please contact us at: [contact.statistika@nbrm.mk](mailto:contact.statistika@nbrm.mk) , or phone: 02 3215 181 extension 103 (or 110/108).