



National Bank of the Republic of Macedonia Statistics Department

Skopje, 30 September 2016

PRESS RELEASE

Significant changes in the external debt, external claims and international investment position: second quarter of 2016

At the end of the second quarter of 2016, the **gross external debt** stood at Euro 6,915 million, which is by Euro 102 million more compared to the end of the previous quarter, while **gross external claims** amounted to Euro 4,329 million, which is a quarterly decrease of Euro 148 million. Consequently, in the second quarter of 2016, the **net external debt** increased by Euro 250 million to Euro 2,586 million.

During the second quarter of 2016, the negative **net international investment position** increased by Euro 244 million, almost entirely derived from the above-mentioned increase in the net external debt.

External Debt and International Investment Position of the Republic of Macedonia

	31.12.2015		31.3.2016		30.6.2016		Quarterly Change			change in respect to the end of the previous year		
	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	%	p.p.	mill. EUR	%	p.p.
Gross External Debt	6,290.5	69.2	6,812.5	72.0	6,914.6	73.1	102.1	1.5	1.1	624.1	9.9	3.9
Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements	6,290.5	69.2	6,509.2	68.8	6,627.4	70.1	118.2	1.8	1.3	336.9	5.4	0.9
Long-term debt	4,949.5	54.4	5,018.3	53.1	5,073.4	53.7	55.1	1.1	0.6	123.9	2.5	-0.8
Short-term debt	1,341.0	14.7	1,794.2	19.0	1,841.2	19.5	47.0	2.6	0.5	500.2	37.3	4.7
Public debt	2,933.7	32.3	3,279.4	34.7	3,283.1	34.7	3.7	0.1	0.0	349.4	11.9	2.5
Private debt	3,356.9	36.9	3,533.2	37.4	3,631.6	38.4	98.4	2.8	1.0	274.7	8.2	1.5
Gross External Claims	4,039.4	44.4	4,476.3	47.3	4,328.6	45.8	-147.7	-3.3	-1.6	289.2	7.2	1.3
Gross external claims-excluding claims of the Central Bank from repo arrangements	4,039.4	44.4	4,173.0	44.1	4,041.4	42.7	-131.6	-3.2	-1.4	2.0	0.1	-1.7
Net External Debt	2,251.2	24.8	2,336.2	24.7	2,586.0	27.3	249.8	10.7	2.6	334.9	14.9	2.6
IIP, net	-5,082.7	-55.9	-5,192.4	-54.9	-5,436.9	-57.5	-244.4	4.7	-2.6	-354.2	7.0	-1.6

*/ GDP data for 2015 is estimated (source: Press release Gross Domestic Product of the Republic of Macedonia of 10 June 2016). The data for 2016 is forecasted by the NBRM.

Source: NBRM.

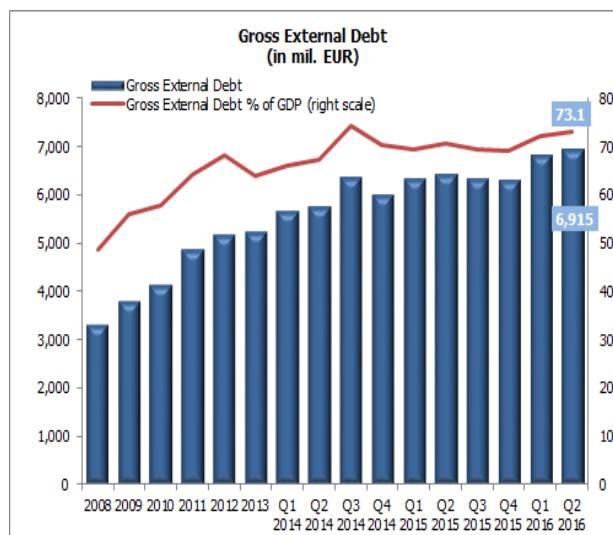
Gross external debt

As of the second quarter of 2016, the gross external debt amounted to 73.1% of GDP forecasted for this year. If we exclude the effect of the increase in liabilities of the monetary authority (central bank) on repo transactions of the National Bank as part of the foreign reserves management¹, the gross external debt accounts for 70.1% of GDP forecasted for 2016. The structure of external debt is still predominated by the private external debt (share of 52.5%)

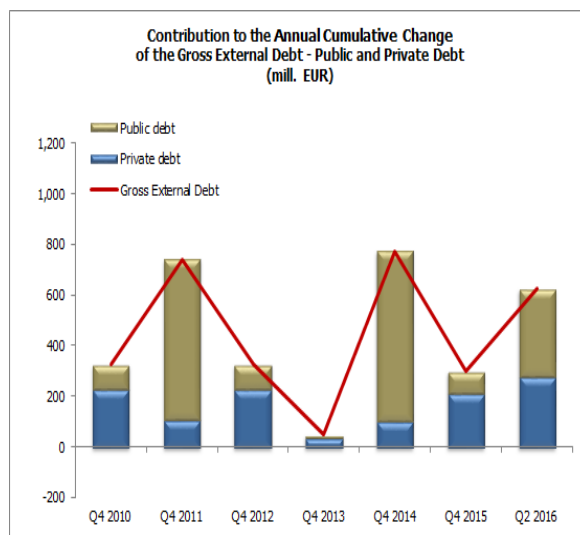
¹Entering into repo transactions creates liabilities (classified under the loan category) that increase gross debt. At the same time, claims created from entering into reverse repo agreements tend to increase gross claims. The NBRM simultaneously carries out matched conclusion of repo and reverse repo agreements in nearly identical amounts. In general, as they are concluded simultaneously, these transactions have a neutral net effect, i.e. they appear in almost identical amount on both liabilities and assets side, thus having no effect on the total net external debt.



National Bank of the Republic of Macedonia Statistics Department



Source: NBRM.



The increase in gross external debt in the second quarter of 2016 was primarily due to the growth of private debt (of Euro 98 million), amid small increase in the public debt (of Euro 4 million).

Compared to the end of 2015, the gross external debt increased by Euro 624 million, amid growth of both public and private sector debt (of Euro 349 million and Euro 275 million, respectively). If the effect of repo transactions of the central bank is excluded, the public debt increases by Euro 62 million.

Gross external claims

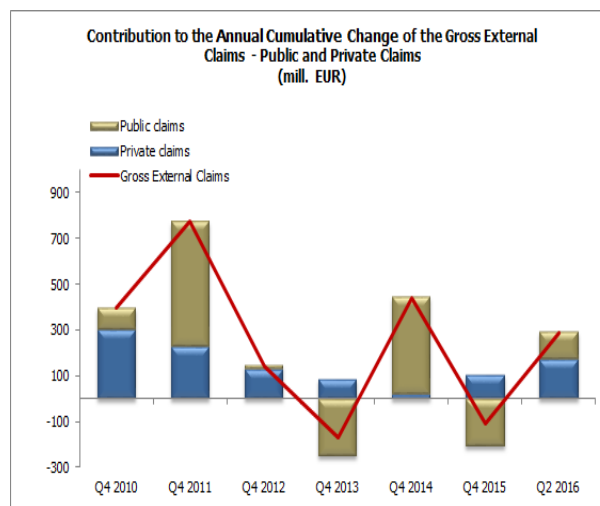
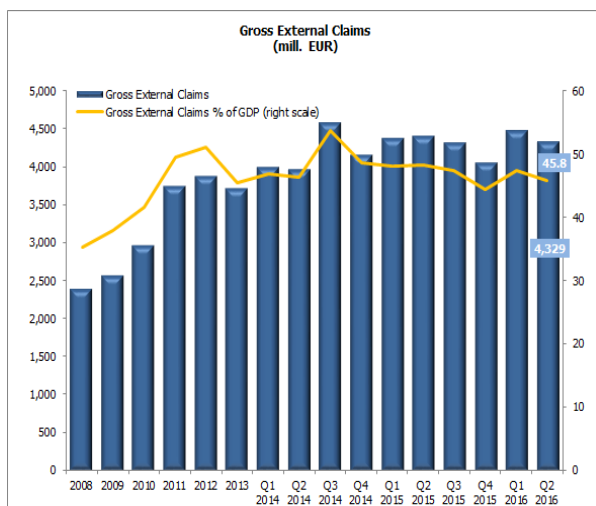
At the end of June 2016, the gross external claims made up 45.8% of GDP forecasted for this year. The share of public and private external claims in total foreign claims is almost equal (50.5% and 49.5%, respectively).

In the second quarter of 2016, the gross external claims declined, reflecting the decline in public claims (of Euro 155 million), with a minor increase in private claims (of about Euro 7 million).

Compared with the end of 2015, external claims increased by Euro 289 million, amid growth of both private (about Euro 167 million), and public external claims (Euro 122 million).



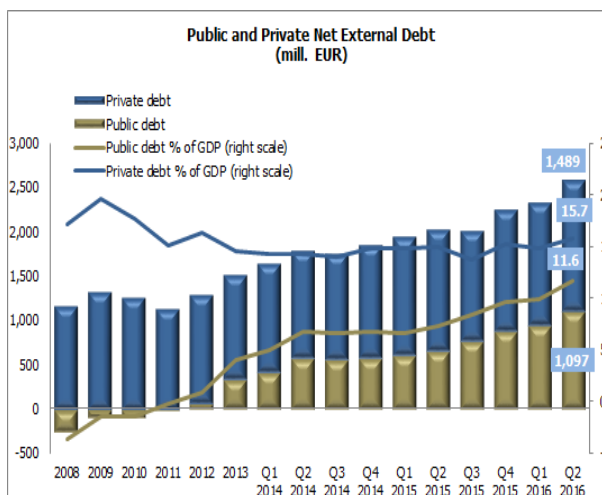
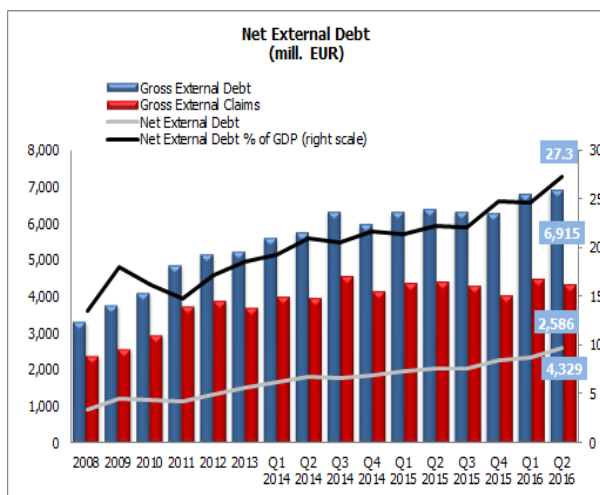
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Source: NBRM.

Net external debt

Amid higher gross external debt and lower gross external claims, the net external debt of the country during the second quarter increased and reached 27.3% of the forecasted GDP. Net private debt still dominate the net debt, with a share of 57.6%.



Source: NBRM.

International Investment Position, net

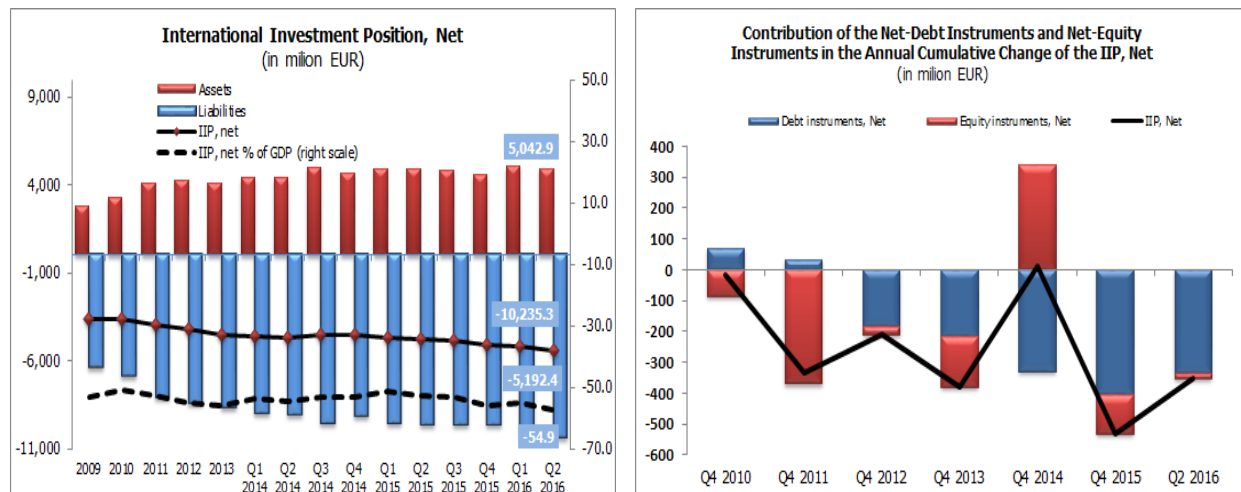
During the second quarter of 2016, the negative net international investment position (IIP) increased by Euro 244 million (or 2.6 percentage points of GDP), reaching Euro 5,437 million. Most of the net IIP composition (about 82%) are net liabilities on direct investments, 73% of which based on equity.

The quarterly growth of negative net IIP results from the increased net liabilities on debt instruments (higher net external debt by Euro 250 million), amid minor influence of equities in the opposite direction (Euro 5 million).



National Bank of the Republic of Macedonia Statistics Department

The cumulative growth of negative net IIP of Euro 354 million for the first six months of the year mainly reflects the increase in net external debt of Euro 335 million, coupled with the growth in net liabilities on equities (of Euro 19 million).



Source: NBRM.

Data revisions

In this press release, data on gross external debt and claims, and on international investment position include regular revisions of data for the period January-March 2016, and regular annual revision of data for 2015.

After the revision of data for 2015, the gross external debt reduced by Euro 63.2 million, while gross external claims increased by Euro 49.3 million. As a result, the net external debt reduced by Euro 112.5 million. According to the revision, the gross external debt for 2015 equals 69.2% of GDP, while gross external claims equals 44.4% of GDP.

After the revision of data on net IIP, the negative international investment position increased by Euro 137.4 million. Assets and liabilities increased by Euro 50.4 million and Euro 187.8 million, respectively. After the revision, the negative net IIP amounted to 55.9% of GDP.

Supporting information

Time series data - annual and quarterly data on gross external debt and gross external claims:
<http://www.nbrm.mk/?ItemID=F7D50DEAD2F8414FBD8C5E7F50A712B6>

Time series data - annual and quarterly data on international investment position:
<http://www.nbrm.mk/?ItemID=9E8EF7142429F346B4250B060566B078>

Quarterly information on gross external debt, gross external claims and international investment position:
<http://www.nbrm.mk/?ItemID=050719294653574EBBB55BE2008C1E31>



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Methodological explanations on gross external debt and claims:

<http://www.nbrm.mk/?ItemID=F7D50DEAD2F8414FBD8C5E7F50A712B6>

Methodological explanations on international investment position:

<http://www.nbrm.mk/?ItemID=9E8EF7142429F346B4250B060566B078>

Next publication: Advance Release Calendar

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

Quarterly gross external debt, gross external claims and international investment position: 30 December 2016 (reference period as of September 2016 and revision of data for the period January-June 2016).

For any questions, we kindly ask journalists to contact the Governor's Office.

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