



## National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 June 2020

### Press Release

#### Significant changes in the external debt, external claims and international investment position: first quarter of 2020

At the end of the first quarter of 2020, **the gross external debt**, excluding the effect of the specific activities for managing the foreign reserves of the central bank<sup>1</sup>, amounted to Euro 8,127 million and registered a quarterly fall of Euro 64 million. **The gross external claims**, excluding the effect of the specific activities of the central bank, decreased by Euro 195 million and amounted to Euro 5,188 million. The larger quarterly decrease in claims against liabilities increased **the net external debt** by Euro 130 million, and at the end of March 2020 it amounted to Euro 2,938 million. Thus, the increase in the net external debt in the first quarter arises from the increased private and public net debt (by Euro 99 million and Euro 31 million, respectively).

#### External Debt and International Investment Position of the Republic of North Macedonia

	31.12.2019		31.03.2020		Quarterly Change		
	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	%	p.p.
<b>Gross External Debt</b>	<b>8,191.2</b>	<b>72.2</b>	<b>8,338.9</b>	<b>76.3</b>	<b>147.8</b>	<b>1.8</b>	<b>4.1</b>
<b>Gross External Debt-excluding debt of the Central Bank from repo arrangements</b>	<b>8,191.2</b>	<b>72.2</b>	<b>8,126.7</b>	<b>74.3</b>	<b>-64.5</b>	<b>-0.8</b>	<b>2.1</b>
Long-term debt	6,100.8	53.8	5,962.3	54.5	-138.5	-2.3	0.7
Short-term debt	2,090.3	18.4	2,376.6	21.7	286.3	13.7	3.3
Public debt	3,836.6	33.8	3,814.7	34.9	-21.9	-0.6	1.1
Private debt	4,354.6	38.4	4,524.3	41.4	169.7	3.9	3.0
<b>Gross External Claims</b>	<b>5,383.3</b>	<b>47.5</b>	<b>5,401.0</b>	<b>49.4</b>	<b>17.7</b>	<b>0.3</b>	<b>1.9</b>
<b>Gross External Claims-excluding claims of the Central Bank from reverse repo arrangements</b>	<b>5,383.3</b>	<b>47.5</b>	<b>5,187.9</b>	<b>47.5</b>	<b>-195.4</b>	<b>-3.6</b>	<b>0.0</b>
<b>Net External Debt</b>	<b>2,807.8</b>	<b>24.8</b>	<b>2,937.9</b>	<b>26.9</b>	<b>130.1</b>	<b>4.6</b>	<b>2.1</b>
<b>IIP, net</b>	<b>-6,393.1</b>	<b>-56.4</b>	<b>-6,650.1</b>	<b>-60.8</b>	<b>-257.0</b>	<b>4.0</b>	<b>-4.5</b>

\*/ The gross domestic product data (GDP) for 2019 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, first quarter of 2020 as of 8 June 2020). The data for 2020 is forecasted by the NBRNM.

Source: NBRNM, SSO.

<sup>1</sup> Refers to repo activities of the National Bank. Entering into repo transactions creates liabilities (classified under the "loan" category) that increase gross debt. At the same time, claims created from reverse repo agreements tend to increase gross claims. The NBRNM simultaneously carries out matched repo and reverse repo agreements in nearly identical amounts. In general, as they are concluded simultaneously, these transactions have a neutral net effect as they appear in almost identical amount on both the liabilities and the assets side, and accordingly have no effect on the total net external debt.

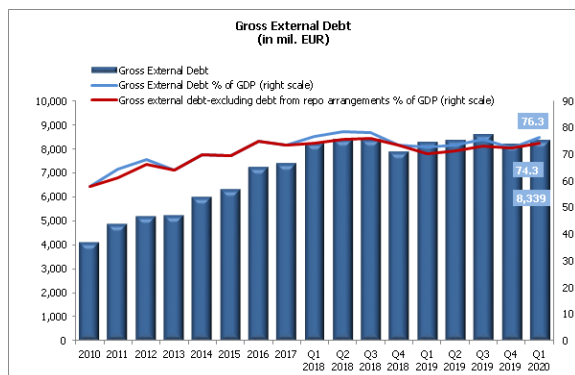


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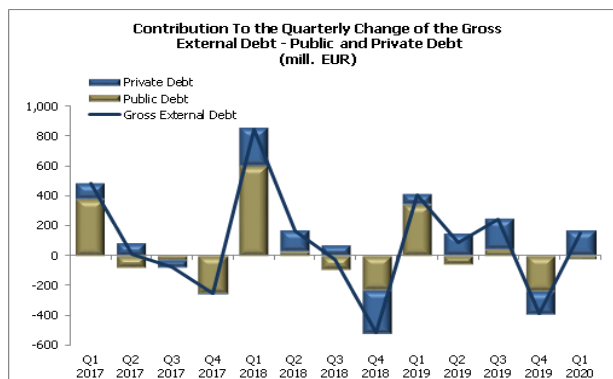
At the end of March 2020, the negative **net international investment position**<sup>2</sup> amounted to Euro 6,650 million, or 60.8% of the GDP forecast for 2020. Most of this amount (86%) is net liabilities on direct investments, of which 75% on equity.

### **Gross external debt**

At the end of March 2020, the gross external debt amounted to Euro 8,339 million (or 76.3% of GDP), which is a quarterly increase of Euro 148 million (or by 1.8%). If we exclude the effect of the specific activities for managing the foreign reserves of the central bank from the debt, gross debt registers quarterly decrease of Euro 64 million. This quarterly change is a result of the reduced public debt by Euro 234 million in conditions of growth of private debt of Euro 170 million. The quarterly decrease in the public debt (excluding the specific activities for managing the foreign reserves of the central bank) is mainly a result of the reduced debt of the government sector (by Euro 228 million), as well as of the fall in the debt of public banks and public enterprises (by Euro 6 million). The increase in private external debt is due to the increased debt of intercompany lending (by Euro 140 million), non-banking private sector (by Euro 24 million) and private banks (by Euro 6 million).



Source: NBRNM.



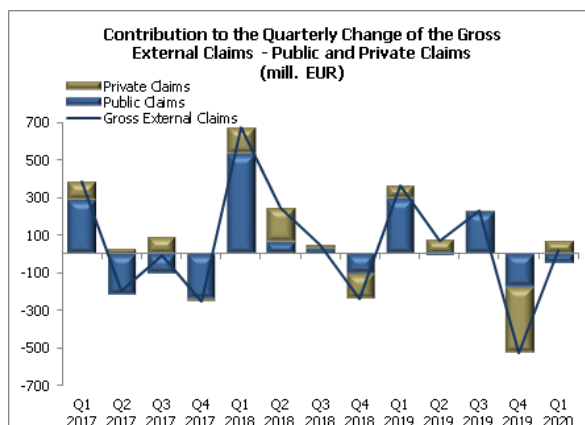
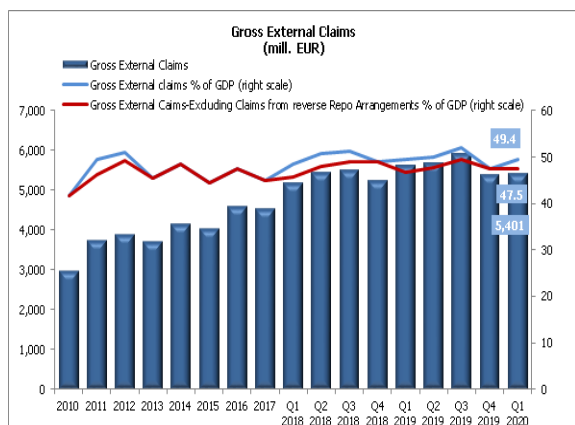
### **Gross external claims**

At the end of the first quarter of 2020, the gross external claims amounted to Euro 5,401 million (or 49.4% of GDP) and registered quarterly increase of Euro 18 million (or by 0.3%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are lower by Euro 195 million.

<sup>2</sup> The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition, negative net international investment position means that the financial liabilities exceed the financial claims on non-residents.



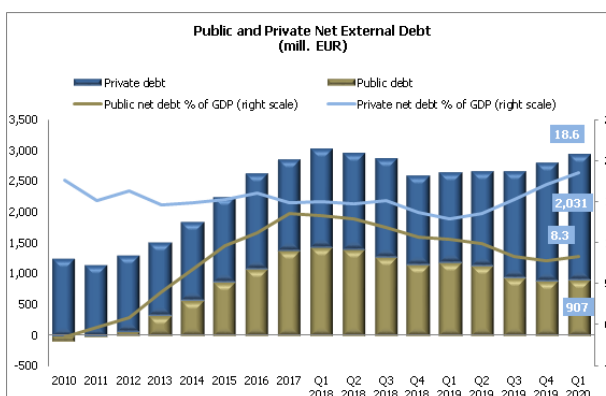
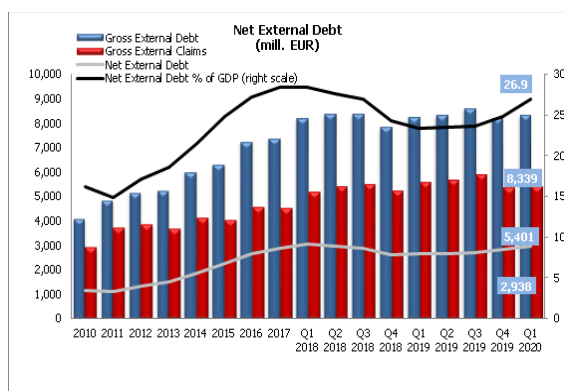
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Source: NBRNM.

### Net external debt

Thus, as of 31 March 2020, the net external debt equaled Euro 2,938 million (or 26.9% of the GDP). In the first quarter of 2020, the net external debt of the country increased by Euro 130 million, or by 4.6%. Analyzing the structure, the private net debt still has a larger share in the total net debt (69%).



Source: NBRNM.

### International Investment Position, net

The negative net international investment position (IIP) during the first quarter of 2020 increased by Euro 257 million and amounted to Euro 6.650 million, representing 60.8% of the GDP forecast for 2020.

The quarterly increase in the negative net IIP almost entirely derives from the increased liabilities (by Euro 251 million), and to a lesser extent from the reduction of assets (by Euro 6 million).



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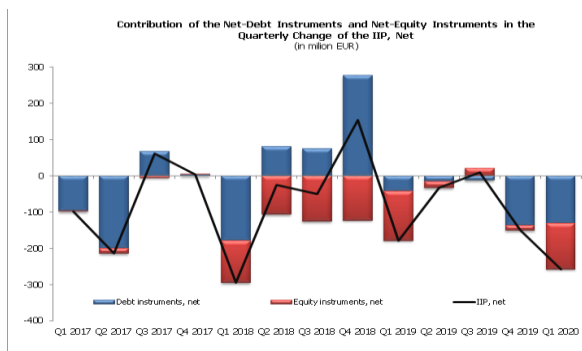
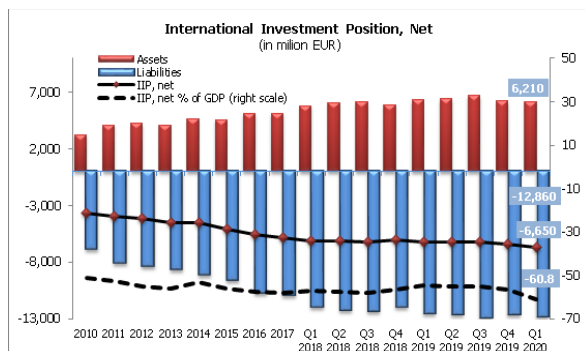
Observed by instrument, the net liabilities based on debt instruments increased by Euro 130 million, while net liabilities based on equity instruments increased by Euro 127 million.

### International Investment Position of the Republic of North Macedonia

(in millions of euros)

IIP, by instruments	2012	2013	2014	2015	2016	2017	Q1-2018	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020
<b>Net International Investment Position</b>	<b>-4,177.6</b>	<b>-4,558.4</b>	<b>-4,549.0</b>	<b>-5,082.7</b>	<b>-5,576.0</b>	<b>-5,822.5</b>	<b>-6,118.0</b>	<b>-6,143.3</b>	<b>-6,193.7</b>	<b>-6,039.5</b>	<b>-6,218.0</b>	<b>-6,251.5</b>	<b>-6,242.1</b>	<b>-6,393.1</b>	<b>-6,650.1</b>
<b>Assets</b>	<b>4,257.5</b>	<b>4,082.5</b>	<b>4,634.0</b>	<b>4,571.9</b>	<b>5,171.3</b>	<b>5,157.3</b>	<b>5,835.1</b>	<b>6,105.6</b>	<b>6,156.4</b>	<b>5,913.6</b>	<b>6,310.1</b>	<b>6,422.8</b>	<b>6,710.2</b>	<b>6,215.7</b>	<b>6,209.5</b>
Direct investment	533.6	617.8	475.6	655.0	811.9	967.6	1,021.2	1,083.9	1,125.3	896.2	1,051.9	1,156.9	1,205.8	989.8	1,068.8
Portfolio investment	63.1	107.7	155.0	212.6	255.2	300.2	310.4	337.2	345.1	321.2	341.1	366.2	381.5	406.1	352.4
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.9	0.9	1.0	1.2	2.8	2.8	2.8	2.9	2.9	2.9	2.8	2.9	2.9	2.9
Currency and deposits	537.0	540.0	623.6	615.4	627.3	635.5	668.8	675.9	683.7	694.0	674.6	591.0	618.3	580.0	559.8
Loans	246.4	91.3	98.2	67.1	52.1	56.1	348.5	349.8	312.7	74.5	374.9	337.8	395.3	81.0	296.2
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	684.1	730.3	842.7	757.4	809.6	858.8	906.1	1,013.7	977.4	1,057.2	997.6	1,039.6	978.5	893.1	911.8
Other accounts receivable/payable	0.0	1.4	1.5	1.7	0.5	0.1	0.1	0.2	0.4	0.5	0.5	0.2	0.6	0.3	0.3
Reserve assets	2,193.3	1,993.0	2,436.5	2,261.8	2,613.4	2,336.3	2,577.1	2,642.2	2,709.1	2,867.1	2,866.4	2,928.2	3,127.5	3,262.6	3,017.3
<b>Liabilities</b>	<b>8,435.1</b>	<b>8,640.8</b>	<b>9,183.0</b>	<b>9,654.6</b>	<b>10,747.3</b>	<b>10,979.8</b>	<b>11,953.1</b>	<b>12,248.9</b>	<b>12,350.1</b>	<b>11,953.0</b>	<b>12,528.1</b>	<b>12,674.3</b>	<b>12,952.3</b>	<b>12,608.8</b>	<b>12,859.7</b>
Direct investment	4,146.8	4,485.7	4,378.3	4,951.3	5,392.2	5,598.1	5,915.3	6,133.3	6,250.9	6,141.3	6,348.2	6,463.5	6,589.0	6,554.5	6,801.6
Portfolio investment	408.3	253.2	776.6	848.8	1,362.2	1,476.3	1,891.8	1,876.2	1,838.7	1,813.2	1,821.6	1,826.4	1,777.8	1,721.3	1,646.3
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	4.1	4.4	4.3	6.0	2.3	2.7	3.2	3.7	4.2	4.2	4.2	4.2	4.2	4.3
Currency and deposits	198.7	168.4	157.7	148.5	174.2	195.2	191.8	192.7	191.8	206.2	208.7	221.5	207.9	254.2	259.6
Loans	2,771.8	2,883.1	3,024.4	2,961.7	3,014.7	2,872.0	3,070.9	3,159.2	3,159.8	2,883.4	3,216.6	3,197.3	3,336.6	3,127.6	3,219.6
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	832.8	773.2	763.4	656.7	714.6	757.7	803.0	805.0	825.9	824.8	847.6	881.2	901.9	865.6	847.1
Other accounts receivable/payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	76.7	73.2	78.2	83.2	83.2	78.2	77.5	79.2	79.2	79.8	81.2	80.2	81.9	81.3	81.3

Source: NBRNM.



Source: NBRNM.

### Supporting information

Time series data - annual and quarterly data on gross external debt and gross external claims:  
[http://nbrm.mk/nadvorezen\\_dolg-en.nspj](http://nbrm.mk/nadvorezen_dolg-en.nspj)

Time series data - annual and quarterly data on international investment position:  
[http://nbrm.mk/megunarodna\\_investiciska\\_pozicija-en.nspj](http://nbrm.mk/megunarodna_investiciska_pozicija-en.nspj)

Methodological explanations on gross external debt and claims:  
[http://nbrm.mk/content/statistika/ND/metodologija/Methodological\\_Notes\\_debt\\_5\\_2\\_2018.pdf](http://nbrm.mk/content/statistika/ND/metodologija/Methodological_Notes_debt_5_2_2018.pdf)



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Methodological explanations on international investment position:

[http://nbrm.mk/content/statistika/mip/metodologija/Methodology\\_IIP\\_BPM6\\_9\\_10\\_2018.pdf](http://nbrm.mk/content/statistika/mip/metodologija/Methodology_IIP_BPM6_9_10_2018.pdf)

Next publications: Advance Release Calendar:

[https://www.nbrm.mk/content/statistika/kalendar/Advance\\_Release\\_Calendar.pdf](https://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf)

Quarterly gross external debt, gross external claims and international investment position: 30 September 2020 (reference period as of June 2020).

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

For more details about 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).