



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 June 2021

Press Release

Significant changes in the external debt, external claims and international investment position: first quarter of 2021

At the end of the first quarter of 2021, **the net external debt** total Euro 3,297 million and decreased on a quarterly basis by Euro 95 million. Thus, the decrease in the net external debt in the first quarter stems from the decrease in the private net debt by Euro 91 million, as well as from the decrease in the public net debt by Euro 4 million. The quarterly change in the net external debt is a reflection of the larger quarterly increase in claims relative to the increase in liabilities. Namely, **the gross external debt** at the end of the first quarter amounted to Euro 9,833 million and registered a quarterly increase of Euro 1,203 million, while **gross external claims** increased by Euro 1,298 million and amounted to Euro 6,537 million.

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

	31.12.2020		31.03.2021		Quarterly Change		
	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	%	p.p.
Gross External Debt	8,630.3	80.2	9,833.4	84.8	1,203.1	13.9	4.7
the Central Bank from Repo	8,630.3	80.2	9,530.7	82.2	900.4	10.4	2.0
Long-term debt	6,815.7	63.3	7,475.7	64.5	660.0	9.7	1.2
Short-term debt	1,814.6	16.9	2,357.7	20.3	543.0	29.9	3.5
Public debt	4,301.4	40.0	5,202.9	44.9	901.5	21.0	4.9
Private debt	4,328.9	40.2	4,630.5	39.9	301.6	7.0	-0.3
Gross External Claims	5,238.8	48.7	6,536.8	56.4	1,297.9	24.8	7.7
Gross external claims-excluding claims of the Central Bank from reverse repo arrangements	5,238.8	48.7	6,234.1	53.8	995.3	19.0	5.1
Net External Debt	3,391.5	31.5	3,296.6	28.4	-94.8	-2.8	-3.1
IIP, net	-7,019.2	-65.2	-6,984.6	-60.2	34.6	-0.5	5.0

*/ GDP data for 2020 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, first quarter of 2021 as of 7 June 2021). The data for 2021 is forecasted by the NBRNM (April 2021).

Source: NBRNM, SSO.

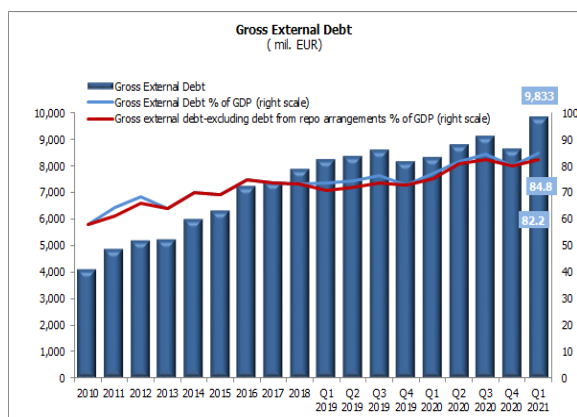


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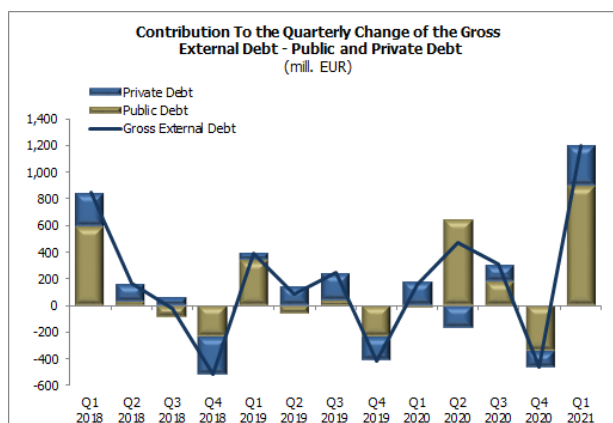
At the end of March 2021, the negative **net international investment position**¹ amounted to Euro 6,985 million, or 60.2% of the GDP² forecast for 2021. Most of this amount (83%) is net liabilities on direct investments, of which 77% on equity.

Gross external debt

At the end of March 2021, the gross external debt amounted to Euro 9,833 million (or 84.8% of the forecasted GDP), which is a quarterly increase of Euro 1,203 million (or by 13.9%). Corrected for the effect of the specific foreign reserves management activities of the central bank³ from the debt, gross debt registers quarterly increase of Euro 900 million. This quarterly change is a result of the increased public and private debt (by Euro 599 million and Euro 302 million, respectively). The public debt growth reflects the increased liabilities of the government sector by Euro 600 million, given the issuance of a new Eurobond, while the liabilities of public banks and public enterprises decreased by Euro 3 million. The quarterly increase in the private debt is due to the increased debt of intercompany lending (by Euro 145 million), non-banking private sector (by Euro 130 million) and private banks (by Euro 27 million).



Source: NBRNM, SSO.



Gross external claims

At the end of the first quarter of 2021, the gross external claims amounted to Euro 6,537 million (or 56.4% of the forecasted GDP) and registered quarterly increase of Euro 1,298 million (or by

¹ 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.

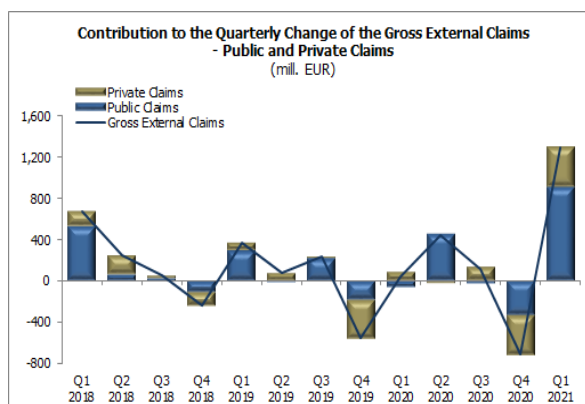
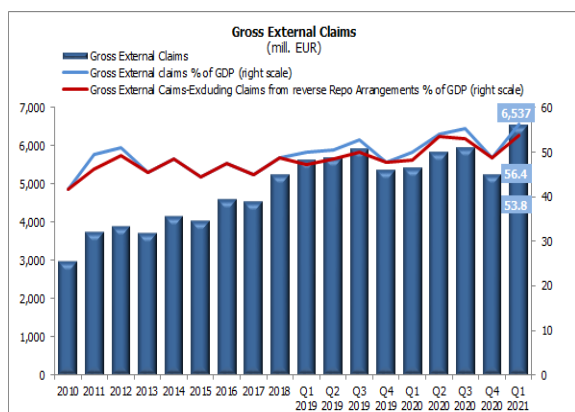
² The GDP data for 2021 is forecasted by the NBRNM (April 2021).

³ The specific foreign reserves management activities of the central bank include repo agreements and other foreign reserves management operations. Repo transactions create 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 usually executes these transactions simultaneously, in almost 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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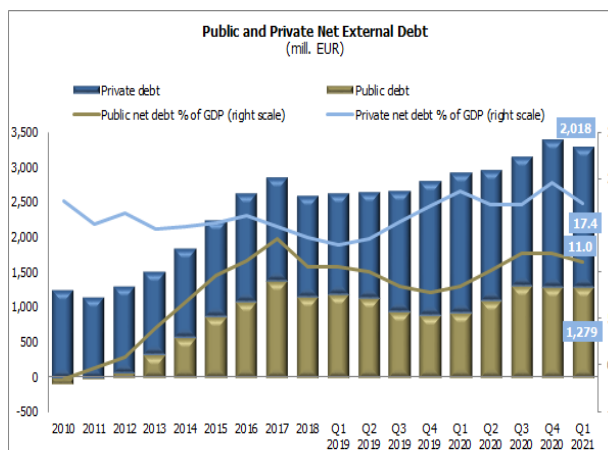
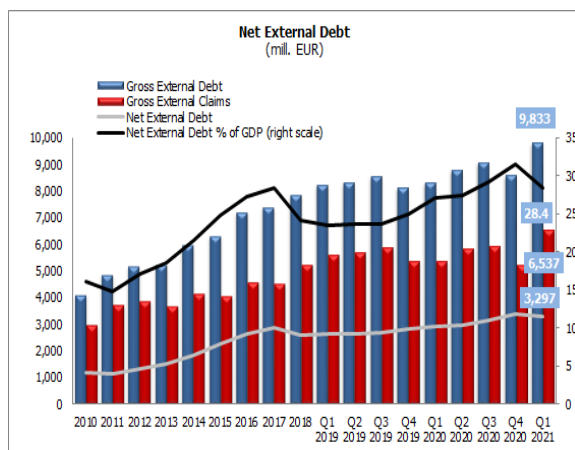
24.8%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are higher by Euro 995 million. This quarterly change is a result of the higher public claims by Euro 602 million and of the private claims by Euro 393 million. The growth of the public claims is a result of the increased claims of the central bank, while the growth of the private claims results from the increased claims of intercompany lending and the non-banking private sector, amid reduced claims of the private banks.



Source: NBRNM, SSO.

Net external debt

As of 31 March 2021, the net external debt equaled Euro 3,297 million (or 28.4% of the forecasted GDP). In the first quarter of 2021, the net external debt of the country decreased by Euro 95 million, or by 2.8%. Analyzing the structure, the private net debt (61%) still has a larger share in the total net debt.





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Source: NBRNM, SSO.

International Investment Position, net

The negative net international investment position (IIP) during the first quarter of 2021 decreased by Euro 35 million and amounted to Euro 6,985 million, representing 60.2% of the GDP forecast for 2021.

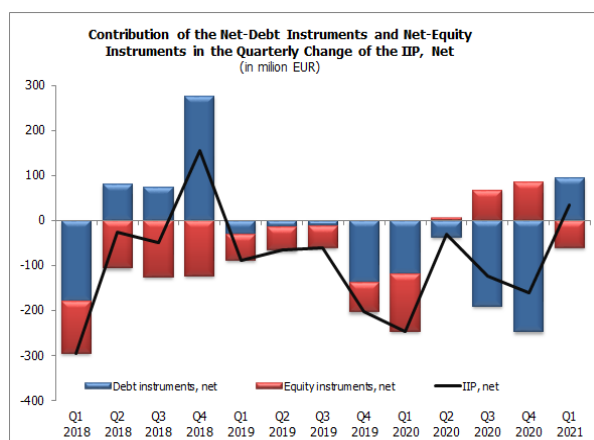
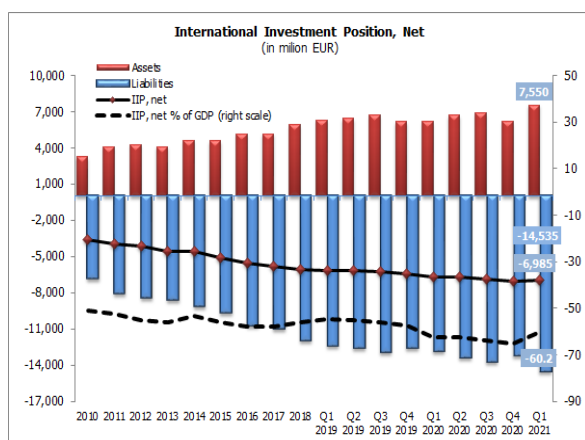
The quarterly decrease in the negative net IIP results from the more intensive increase in assets (by Euro 1,367 million) relative to the increased liabilities (by Euro 1,332 million). Observed by instrument, the net liabilities based on debt instruments decreased by Euro 95 million, while net liabilities based on equity instruments increased by Euro 60 million.

International Investment Position of the Republic of North Macedonia

(in millions of euros)

IIP, by instruments	2012	2013	2014	2015	2016	2017	2018	2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021
Net International Investment Position	-4,177.6	-4,558.4	-4,549.0	-5,082.7	-5,576.0	-5,822.5	-6,039.5	-6,458.4	-6,704.2	-6,734.3	-6,857.2	-7,019.2	-6,984.6
Assets	4,257.5	4,082.5	4,634.0	4,571.9	5,171.3	5,157.3	5,913.6	6,163.8	6,179.1	6,699.6	6,860.4	6,183.2	7,550.0
Direct investment	533.6	617.8	475.6	655.0	811.9	967.6	896.2	936.8	1,034.0	1,018.6	1,062.4	786.7	1,143.2
Portfolio investment	63.1	107.7	155.0	212.6	255.2	300.2	321.2	406.1	352.5	402.3	429.1	470.9	515.5
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
Other equity	0.0	0.9	0.9	1.0	1.2	2.8	2.9	4.4	4.4	4.4	3.9	3.9	3.9
Currency and deposits	537.0	540.0	623.6	615.4	627.3	635.5	694.0	580.0	559.8	556.7	559.1	562.0	524.3
Loans	246.4	91.3	98.2	67.1	52.1	56.1	74.5	79.1	295.1	161.0	311.5	88.9	393.7
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
Trade credit and advances	684.1	730.3	842.7	757.4	809.6	858.8	1,057.2	894.4	915.7	916.7	1,013.9	910.5	1,029.9
Other accounts receivable/payable	0.0	1.4	1.5	1.7	0.5	0.1	0.5	0.3	0.3	0.4	0.2	0.4	0.3
Reserve assets	2,193.3	1,993.0	2,436.5	2,261.8	2,613.4	2,336.3	2,867.1	3,262.6	3,017.3	3,639.7	3,480.2	3,359.9	3,939.2
Liabilities	8,435.1	8,640.8	9,183.0	9,654.6	10,747.3	10,979.8	11,953.0	12,622.2	12,883.3	13,434.0	13,717.6	13,202.5	14,534.6
Direct investment	4,146.8	4,485.7	4,378.3	4,951.3	5,392.2	5,598.1	6,141.3	6,580.0	6,839.9	6,809.7	6,846.3	6,647.4	6,921.6
Portfolio investment	408.3	253.2	776.6	848.8	1,362.2	1,476.3	1,813.2	1,730.7	1,655.7	2,288.3	2,288.2	2,102.5	2,697.4
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
Other equity	0.0	4.1	4.4	4.3	6.0	2.3	4.2	4.0	4.1	4.1	4.2	4.3	4.3
Currency and deposits	198.7	168.4	157.7	148.5	174.2	195.2	206.2	254.2	259.6	276.5	238.6	253.3	272.8
Loans	2,771.8	2,883.1	3,024.4	2,961.7	3,014.7	2,872.0	2,883.4	3,100.9	3,190.5	3,204.9	3,407.8	3,283.7	3,637.8
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
Trade credit and advances	832.8	773.2	763.4	656.7	714.6	757.7	824.8	871.1	852.3	770.4	853.7	832.4	921.5
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	1.4	0.0
Special drawing rights (Net incurrence of liabilities)	76.7	73.2	78.2	83.2	83.2	78.2	79.8	81.3	81.3	80.0	78.9	77.4	79.2

Source: NBRNM.



Source: NBRNM, SSO.



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Supporting information

Time series data - annual and quarterly data on gross external debt and gross external claims:
https://www.nbrm.mk/nadvoresen_dolg-en.nspix

Time series data - annual and quarterly data on international investment position:
https://www.nbrm.mk/megunarodna_investiciska_pozicija-en.nspix

Methodological explanations on gross external debt and claims:
https://www.nbrm.mk/content/statistika/ND/metodologija/Methodological_Notes_debt_5_2_2018.pdf

Methodological explanations on international investment position:
https://www.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

Quarterly gross external debt, gross external claims and international investment position: 30 September 2021 (reference period as of June 2021).

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 or phone: 02 3215 181 extension 103 (or 110/108).