



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 29 December 2022

Press Release

Significant changes in the external debt, external claims and international investment position: third quarter of 2022

At the end of the third quarter of 2022, **the net external debt** totaled Euro 3,905 million which is a quarterly decrease of Euro 51 million. Thus, the decrease in the net external debt in the third quarter results from the decrease in the public net debt of Euro 187 million, in conditions of increased private net debt of Euro 136 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 third quarter amounted to Euro 11,077 million and registered a quarterly increase of Euro 724 million, while the **gross external claims** increased by Euro 775 million and amounted to Euro 7,172 million.

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

	31.12.2021		30.06.2022		30.09.2022		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	9,576.6	81.9	10,353.8	74.2	11,077.3	79.4	723.5	7.0	5.2	1,500.7	15.7	-2.5
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	9,440.9	80.8	9,841.9	70.6	10,367.4	74.3	525.5	5.3	3.8	926.5	9.8	-6.4
Long-term debt	7,410.7	63.4	7,257.7	52.0	7,587.3	54.4	329.6	4.5	2.4	176.7	2.4	-9.0
Short-term debt	2,166.0	18.5	3,096.1	22.2	3,490.0	25.0	393.9	12.7	2.8	1,324.0	61.1	6.5
<i>Short-term debt-excluding debt of the Central Bank from repo arrangements</i>	<i>2,030.2</i>	<i>17.4</i>	<i>2,584.2</i>	<i>18.5</i>	<i>2,780.0</i>	<i>19.9</i>	<i>195.9</i>	<i>7.6</i>	<i>1.4</i>	<i>749.9</i>	<i>36.9</i>	<i>2.6</i>
Public debt	4,802.0	41.1	4,883.6	35.0	5,344.0	38.3	460.4	9.4	3.3	542.1	11.3	-2.8
<i>Public debt-excluding debt of the Central Bank from repo arrangements</i>	<i>4,666.2</i>	<i>39.9</i>	<i>4,371.7</i>	<i>31.4</i>	<i>4,634.1</i>	<i>33.2</i>	<i>262.4</i>	<i>6.0</i>	<i>1.9</i>	<i>-32.1</i>	<i>-0.7</i>	<i>-6.7</i>
Private debt	4,774.6	40.8	5,470.2	39.2	5,733.3	41.1	263.1	4.8	1.9	958.7	20.1	0.3
Gross External Claims	5,915.2	50.6	6,397.6	45.9	7,172.1	51.4	774.5	12.1	5.6	1,256.8	21.2	0.8
<i>Gross External Claims-Excluding Claims of the Central Bank from Reverse Repo Arrangements</i>	<i>5,880.7</i>	<i>50.3</i>	<i>5,966.7</i>	<i>42.8</i>	<i>6,731.6</i>	<i>48.3</i>	<i>764.9</i>	<i>12.8</i>	<i>5.5</i>	<i>850.9</i>	<i>14.5</i>	<i>-2.0</i>
Net External Debt	3,661.4	31.3	3,956.3	28.4	3,905.3	28.0	-51.0	-1.3	-0.4	243.9	6.7	-3.3
<i>Net External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>3,560.2</i>	<i>30.5</i>	<i>3,875.2</i>	<i>27.8</i>	<i>3,635.8</i>	<i>26.1</i>	<i>-239.4</i>	<i>-6.2</i>	<i>-1.7</i>	<i>75.6</i>	<i>2.1</i>	<i>-4.4</i>
IIP, net	-7,244.9	-62.0	-7,772.0	-55.7	-7,851.1	-56.3	-79.1	1.0	-0.6	-606.2	8.4	5.7

* / GDP data for 2021 is preliminary (source: State Statistical Office, Press Release Gross Domestic Product, third quarter of 2022 as of 2.12.2021). The data for 2022 is a NBRNM forecast (October 2022).

Source: NBRNM, SSO.

At the end of September 2022, the negative **net international investment position**¹ amounted to Euro 7,851 million, or 56.3% of the GDP² forecast for 2022. Most of this amount (84%) is net liabilities on direct investments, of which 73% on equity.

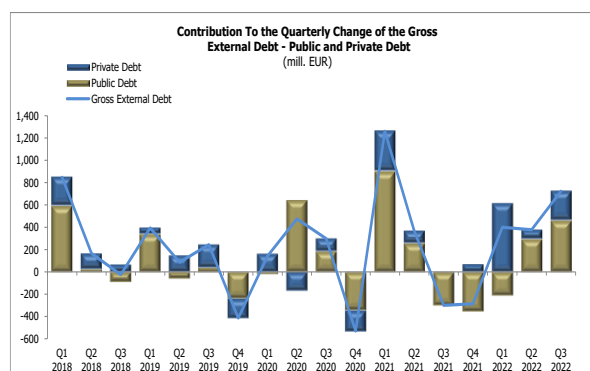
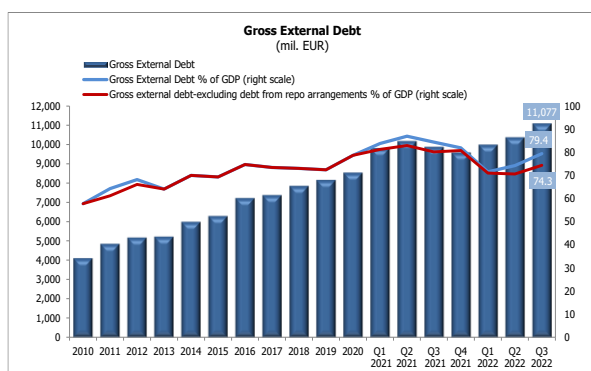
¹ The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition, negative net international investment position means that the financial liabilities exceed the financial claims on non-residents.

² The GDP data for 2022 is a NBRNM forecast (October 2022).



Gross external debt

At the end of September 2022, the gross external debt totaled Euro 11,077 million (or 79.4% of the GDP forecast) and registered a quarterly increase of Euro 724 million (or 7%). If we exclude the effect of the specific foreign reserves management activities of the central bank³ from the debt, gross debt registers quarterly increase of Euro 526 million. This quarterly growth is a result of the rise in both private and public debt (of Euro 263 million and Euro 262 million, respectively). Quarterly increase in the private external debt is due to the increased debt of intercompany lending (by Euro 217 million) and non-banking private sector (by Euro 89 million), amid reduced liabilities of private banks (by Euro 43 million). The growth in the public external debt is due to the increase in the government debt of Euro 232 million, mostly as a result of the issuance of debt securities on the international capital market (Euro 250 million), the increased debt of public banks and public enterprises (by Euro 19 million) and of the central bank (by Euro 12 million).



Source: NBRNM, SSO.

Compared to the end of 2021, the gross external debt increased by Euro 1,501 million or 15.7%. If we exclude the effect of the specific foreign reserves management activities of the central bank, the gross external debt increased by Euro 927 million. The growth reflects the increased private debt (by Euro 959 million), amid decreased public external debt (by Euro 32 million). The private debt growth reflects the increased intercompany lending (by Euro 621 million), liabilities of non-banking private sector (by Euro 224 million) and private banks (by Euro 114 million). The public debt fell due to the lower government liabilities (by Euro 123 million), amid increased liabilities of

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. Claims arising from reverse repo agreements, however, tend to increase gross claims. In general, if concluded simultaneously and with the same amount, these transactions have a neutral net effect. When the concluded transactions are not with the same amount in both directions, they have an effect on the gross and the net external debt and on gross claims.

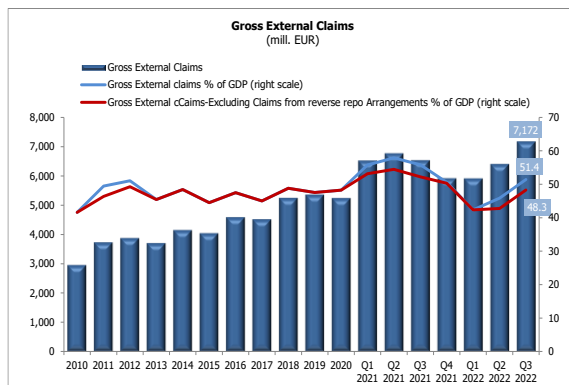


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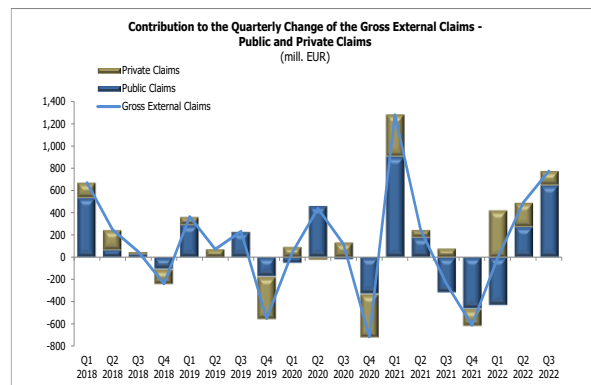
public banks and public enterprises (by Euro 73 million) and of the central bank (by Euro 17 million).

Gross external claims

At the end of the third quarter of 2022, the gross external claims amounted to Euro 7,172 million (or 51.4% of the GDP forecast) and registered a quarterly increase of Euro 775 million (or 12.1%). If we exclude the effect of the central bank's specific foreign reserves management activities, the gross external claims are higher by Euro 765 million and amount to Euro 6,732 million. This quarterly growth is a result of the higher public and private claims (by Euro 638 million and Euro 127 million, respectively). The quarterly growth of the public sector's external claims is a result of the increased claims of the central bank. The growth of private claims results from the increased claims from intercompany lending (by Euro 162 million), amid lower claims of deposit-taking corporations (by Euro 25 million) and other sectors (by Euro 10 million).



Source: NBRNM, SSO.



Compared to the end of the preceding year, the gross external claims increased by Euro 1,257 million. If we exclude the effect of the central bank's specific foreign reserves management activities, the gross external claims are higher by Euro 851 million, as a result of the increased private and public claims (by Euro 767 million and Euro 85 million, respectively). The rise in private claims stems from the increased claims from intercompany lending (by Euro 541 million) and other sectors (by Euro 245 million), amid fall in the claims of deposit-taking corporations (of Euro 19 million).

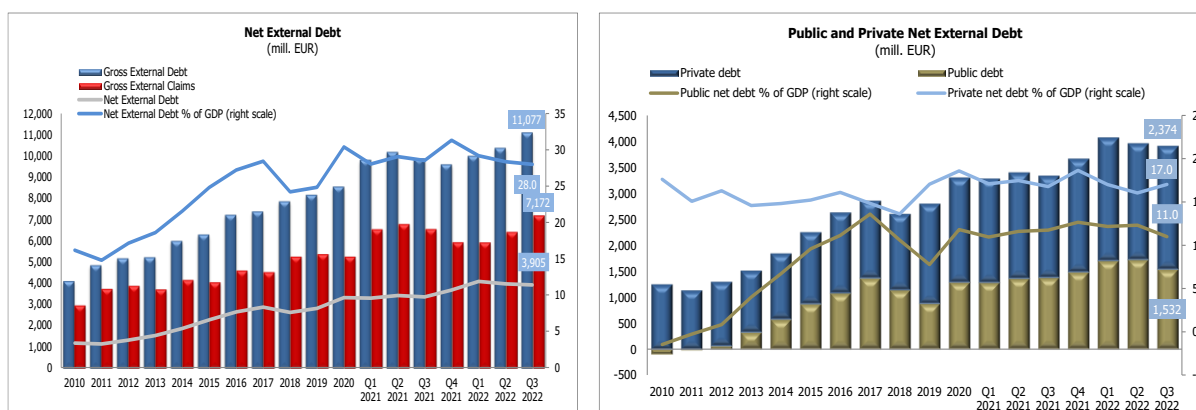


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Net external debt

As of 30.9.2022, the net external debt equaled Euro 3,905 million (or 28% of the GDP forecast). In the third quarter of 2022, the net external debt of the country decreased by Euro 51 million, or by 1.3%. Observing structure, the private net debt still has greater share in the total net debt with 61%.

Compared to the end of 2021, the net external debt increased by Euro 244 million (or by 6.7%), given the rise of the net private debt (of Euro 192 million) and the net public debt (of Euro 52 million).



Source: NBRNM, SSO.

International Investment Position, net

In the third quarter of 2022, the negative net international investment position (IIP) increased by Euro 79 million to Euro 7,851 million, which is 56.3% of GDP forecast for 2022.

The quarterly increase in the negative net IIP results from the more intensive increase in liabilities (by Euro 862 million) relative to the assets increase (by Euro 783 million). Observed by instrument, the net liabilities based on equity instruments increased by Euro 130 million, while net liabilities based on debt instruments decreased by Euro 51 million.

Compared to the end of 2021, the negative net IIP increased by Euro 606 million, as a result of the increase in the net liabilities based on equity instruments (of Euro 362 million) and debt instruments (of Euro 244 million).



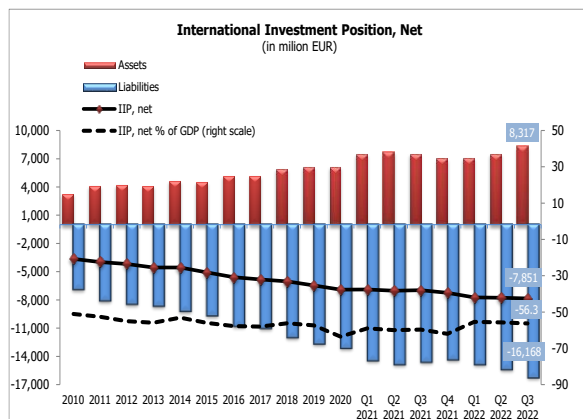
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International Investment Position of the Republic of North Macedonia

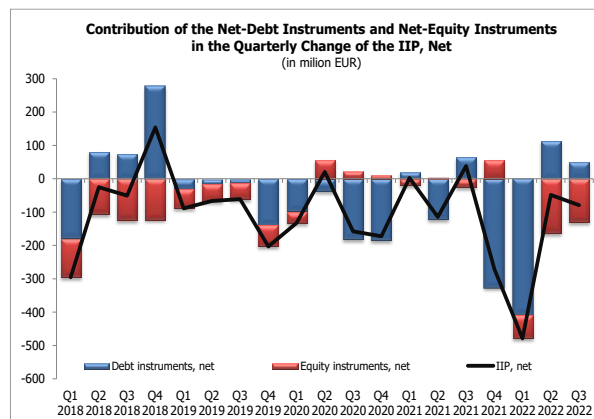
(in millions of euros)

IIP, by instruments	2015	2016	2017	2018	2019	2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net International Investment Position	-5,082.7	-5,576.0	-5,822.5	-6,039.5	-6,458.4	-6,900.6	-6,898.2	-7,012.8	-6,974.4	-7,244.9	-7,723.4	-7,772.0	-7,851.1
Assets	4,571.9	5,171.3	5,157.3	5,913.6	6,163.8	6,172.5	7,477.9	7,773.2	7,555.2	7,041.4	7,065.3	7,533.4	8,316.5
Direct investment	655.0	811.9	967.6	896.2	936.8	784.3	1,078.6	1,077.6	1,181.2	915.5	1,304.9	1,305.4	1,469.1
Portfolio investment	212.6	255.2	300.2	321.2	406.1	470.9	513.3	548.2	561.7	650.0	626.7	611.4	617.4
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	1.0	1.2	2.8	2.9	4.4	4.5	4.9	5.3	5.6	6.0	6.0	2.7	3.1
Currency and deposits	615.4	627.3	635.5	694.0	580.0	562.9	524.3	522.5	540.7	657.6	648.3	684.5	670.3
Loans	67.1	52.1	56.1	74.5	79.1	87.3	391.8	490.8	521.9	125.9	95.9	520.4	522.1
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	757.4	809.6	858.8	1,057.2	894.4	902.3	1,025.6	1,097.4	1,052.7	1,042.3	1,110.4	1,292.4	1,280.2
Other accounts receivable/payable	1.7	0.5	0.1	0.5	0.3	0.4	0.3	0.3	0.6	0.9	0.5	0.5	0.5
Reserve assets	2,261.8	2,613.4	2,336.3	2,867.1	3,262.6	3,359.9	3,939.2	4,031.1	3,690.7	3,643.3	3,272.5	3,116.1	3,753.8
Liabilities	9,654.6	10,747.3	10,979.8	11,953.0	12,622.2	13,073.1	14,376.1	14,785.9	14,529.6	14,286.3	14,788.7	15,305.5	16,167.7
Direct investment	4,951.3	5,392.2	5,598.1	6,141.3	6,580.0	6,537.1	6,797.7	6,944.4	7,029.6	7,089.2	7,588.4	7,736.7	8,091.4
Portfolio investment	848.8	1,362.2	1,476.3	1,813.2	1,730.7	2,103.8	2,699.3	2,707.4	2,222.6	2,159.2	2,014.5	1,820.3	2,037.9
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	4.3	6.0	2.3	4.2	4.0	5.0	4.5	3.9	3.3	2.7	3.0	3.3	3.4
Currency and deposits	148.5	174.2	195.2	206.2	254.2	253.3	272.8	271.0	226.2	297.3	442.8	484.9	467.6
Loans	2,961.7	3,014.7	2,872.0	2,883.4	3,100.9	3,267.2	3,597.9	3,831.9	3,857.8	3,580.3	3,502.2	3,987.6	4,222.6
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
Trade credit and advances	656.7	714.6	757.7	824.8	871.1	827.8	924.7	948.6	948.1	910.3	989.2	1,019.8	1,080.4
Other accounts receivable/payable	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	83.2	83.2	78.2	79.8	81.3	77.4	79.2	78.7	241.9	247.3	248.6	252.8	264.5

Source: NBRNM.



Source: NBRNM, SSO.



Data revisions

The data on the gross external debt and claims in this press release contain regular data revisions for the period January - June 2022. Changes in gross external debt and claims arise from the improved coverage of data on trade credits and advances, loans and other accounts payable. Analyzing the changes, in the two quarters of 2022, the revision of the data led to a decrease in the gross external debt (of Euro 17.5 million and Euro 25.2 million, respectively) and an increase in the gross external claims (of Euro 2.4 million and Euro 6.7 million, respectively).



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At the same time, these changes affected both net external debt and IIP, net. Moreover, with the revision of the MIP, besides in the debt instruments, adjustments were also made to the equity instruments, which aggregately led to a lower negative IIP, net by Euro 5.9 million in the first quarter and a higher negative IIP, net by Euro 1.7 million in the second quarter.

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: 31 March 2023 (reference period as of December 2022).

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).