



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 29 September 2023

Press Release

Significant changes in the external debt, external claims and international investment position: second quarter of 2023

At the end of the second quarter of 2023, **the gross external debt** total Euro 11,397 million and increased on a quarterly basis by Euro 338 million. **Gross external claims** increased by Euro 216 million and amounted to Euro 7,074 million. The larger quarterly increase in liabilities against claims led to a growth of **the net external debt** by Euro 121 million, so that at the end of June 2023 it amounted to Euro 4,324 million.

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

	31.12.2022		31.03.2023		30.06.2023		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	10,790.0	83.7	11,059.7	78.0	11,397.3	80.3	337.6	3.1	2.4	607.3	5.6	-3.3
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>10,345.2</i>	<i>80.2</i>	<i>10,827.0</i>	<i>76.3</i>	<i>11,021.9</i>	<i>77.7</i>	<i>194.9</i>	<i>1.8</i>	<i>1.4</i>	<i>676.7</i>	<i>6.5</i>	<i>-2.5</i>
Long-term debt	7,787.4	60.4	8,270.6	58.3	8,389.8	59.1	119.2	1.4	0.8	602.4	7.7	-1.2
Short-term debt	3,002.6	23.3	2,789.1	19.7	3,007.5	21.2	218.4	7.8	1.5	4.9	0.2	-2.1
<i>Short-term debt-excluding debt of the Central Bank from repo arrangements</i>	<i>2,557.9</i>	<i>19.8</i>	<i>2,556.4</i>	<i>18.0</i>	<i>2,632.2</i>	<i>18.6</i>	<i>75.8</i>	<i>3.0</i>	<i>0.5</i>	<i>74.3</i>	<i>2.9</i>	<i>-1.3</i>
Public debt	5,206.8	40.4	5,394.7	38.0	5,545.6	39.1	150.9	2.8	1.1	338.8	6.5	-1.3
<i>Public debt-excluding debt of the Central Bank from repo arrangements</i>	<i>4,762.1</i>	<i>36.9</i>	<i>5,162.0</i>	<i>36.4</i>	<i>5,170.2</i>	<i>36.4</i>	<i>8.2</i>	<i>0.2</i>	<i>0.1</i>	<i>408.1</i>	<i>8.6</i>	<i>-0.5</i>
Private debt	5,583.2	43.3	5,665.1	39.9	5,851.7	41.3	186.7	3.3	1.3	268.5	4.8	-2.0
Gross External Claims	6,478.3	50.2	6,857.1	48.3	7,073.5	49.9	216.4	3.2	1.5	595.2	9.2	-0.4
<i>Gross External Claims-Excluding Claims of the Central Bank from Reverse Repo Arrangements</i>	<i>6,333.6</i>	<i>49.1</i>	<i>6,780.3</i>	<i>47.8</i>	<i>6,995.4</i>	<i>49.3</i>	<i>215.1</i>	<i>3.2</i>	<i>1.5</i>	<i>661.8</i>	<i>10.4</i>	<i>0.2</i>
Net External Debt	4,311.7	33.4	4,202.6	29.6	4,323.8	30.5	121.2	2.9	0.9	12.1	0.3	-2.9
<i>Net External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>4,011.6</i>	<i>31.1</i>	<i>4,046.7</i>	<i>28.5</i>	<i>4,026.5</i>	<i>28.4</i>	<i>-20.2</i>	<i>-0.5</i>	<i>-0.1</i>	<i>14.9</i>	<i>0.4</i>	<i>-2.7</i>
IIP, net	-8,147.8	-63.2	-8,130.8	-57.3	-8,356.8	-58.9	-226.0	2.8	-1.6	-209.0	2.6	4.3

*/ The gross domestic product data (GDP) for 2022 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, second quarter of 2023 as of 11 September 2023). The data for 2023 is a NBRNM forecast (May 2023).

Source: NBRNM, SSO.

At the end of June 2023, the negative **net international investment position**¹ amounted to Euro 8,357 million, or 58.9% of the GDP² forecasted for 2023. Most of this amount (85%) is net liabilities on direct investments, of which 71% on equity.

Gross external debt

At the end of June 2023, the gross external debt totaled Euro 11,397 million (or 80.3% of the forecasted GDP) and registered quarterly increase of Euro 338 million (or by 3.1%). Corrected

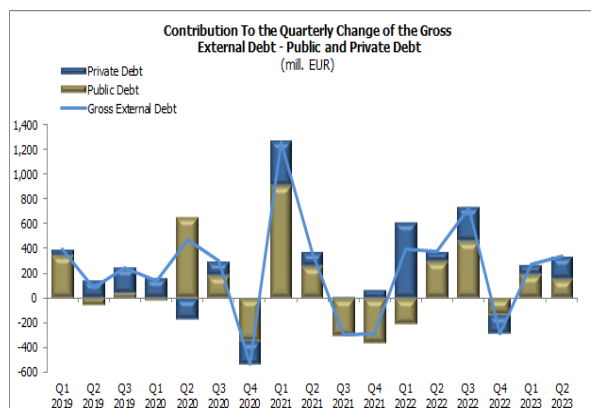
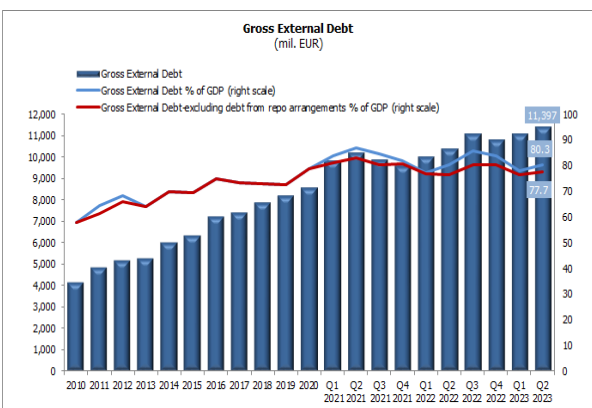
¹ The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition,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

² The GDP data for 2023 is a NBRNM forecast (May 2023).



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for the effect of the specific foreign reserves management activities of the central bank³ from the debt, gross debt registers quarterly increase of Euro 195 million. This quarterly growth is a result of the rise in both private and public debt (of Euro 187 million and Euro 8 million, respectively). The growth of the private debt is due to the increased debt of intercompany lending (by Euro 108 million), private banks (by Euro 41 million) and non-banking private sector (by Euro 37 million). The quarterly increase in the public external debt of Euro 8 million is a result of the higher debt of the government sector and public banks and public enterprises (by Euro 6 million, respectively), amid lower debt of the central bank (by Euro 4 million).



Source: NBRNM, SSO.

Compared to the end of 2022, the gross external debt increased by Euro 607 million, or 5.6%. However, in the first half of 2023, the debt, with the effect of specific activities for foreign reserves management with foreign reserves of the central bank being excluded, increased by Euro 677 million. The growth is due to the increased public external debt (by Euro 408 million) and the increased private debt (by Euro 269 million). The public debt growth is a result of the higher liabilities of the government sector (by Euro 455 million), amid decreased liabilities of public banks and public enterprises (by Euro 42 million). Regarding the private debt, growth was registered in intercompany lending (by Euro 292 million) and non-banking private sector (by Euro 42 million) while the debt of private banks decreased (by Euro 66 million).

Gross external claims

At the end of the second quarter of 2023, the gross external claims amounted to Euro 7,074 million (or 49.9% of the forecasted GDP) and registered quarterly increase of Euro 216 million (or by 3.2%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are higher by Euro 215 million and amount to

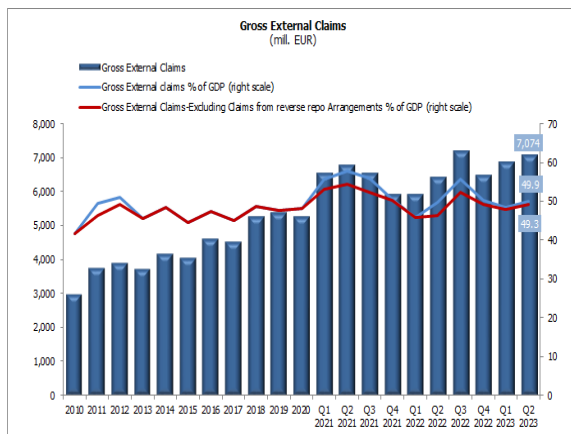
³ The specific foreign reserves management activities of the central bank include repo agreements and other foreign reserves management operations. Repo transactions create liabilities (classified under the loan category) that increase gross debt. Claims arising from reverse repo agreements, however, 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.



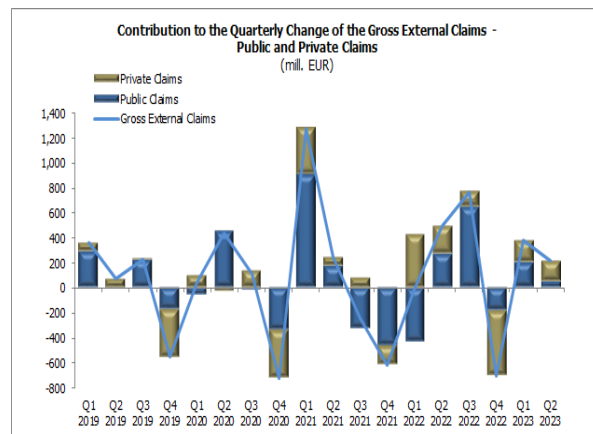
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Euro 6,995 million. This quarterly growth is a result of the higher private and public claims (by Euro 168 million and Euro 48 million, respectively). The quarterly growth of the external claims of the private sector is a result of the increased claims of intercompany lending (by Euro 115 million), deposit-taking corporations (by Euro 50 million) and other sectors (by Euro 3 million). The growth of public claims is due to the increased claims of the central bank.

Compared to the end of the preceding year, the gross external claims increased by Euro 595 million. If we exclude the effect of the central bank's specific foreign reserves management activities, the gross external claims are higher by Euro 662 million, as a result of the increased private and public claims (by Euro 344 million and Euro 318 million, respectively). The rise in private claims stems from the increased claims of intercompany lending (by Euro 312 million) and other sectors (by Euro 87 million), amid fall in the claims of deposit-taking corporations (of Euro 55 million).



Source: NBRNM, SSO.



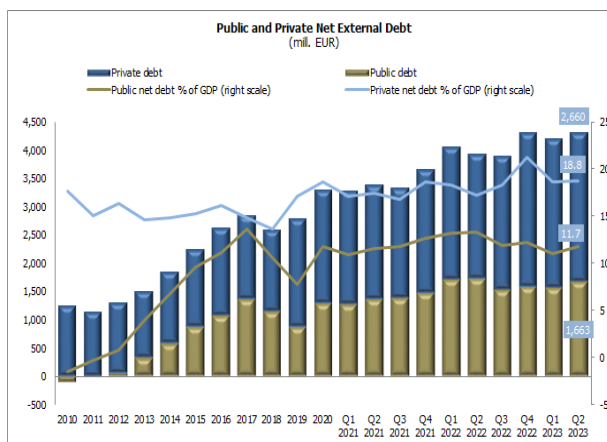
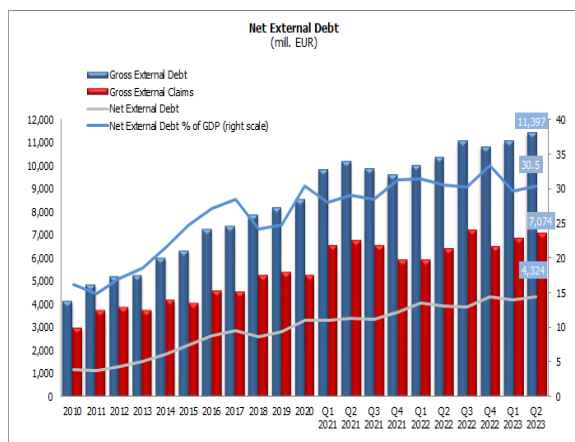
Net external debt

As of 30.6.2023, the net external debt equaled Euro 4,324 million (or 30.5% of the forecasted GDP). In the second quarter of 2023, the net external debt of the country increased by Euro 121 million, or by 2.9%. Observing structure, the private net debt still has greater share in the total net debt with 62%.

Compared to the end of 2022, the net external debt increased by Euro 12 million (or by 0.3%), amid higher net public debt (by Euro 88 million) and lower net private debt (by Euro 76 million).



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Source: NBRNM, SSO.

International Investment Position, net

During the second quarter of 2023, the negative net international investment position (IIP) increased by Euro 226 million to Euro 8,357 million, which is 58.9% of GDP forecasted for 2023.

The quarterly increase in the negative net IIP results from the more intensive increase in liabilities (by Euro 467 million) relative to the assets increase (by Euro 241 million). Observed by instrument, the net liabilities based on debt instruments increased by Euro 121 million, while net liabilities on equity instruments increased by Euro 105 million.

International Investment Position of the Republic of North Macedonia

(in millions of euros)

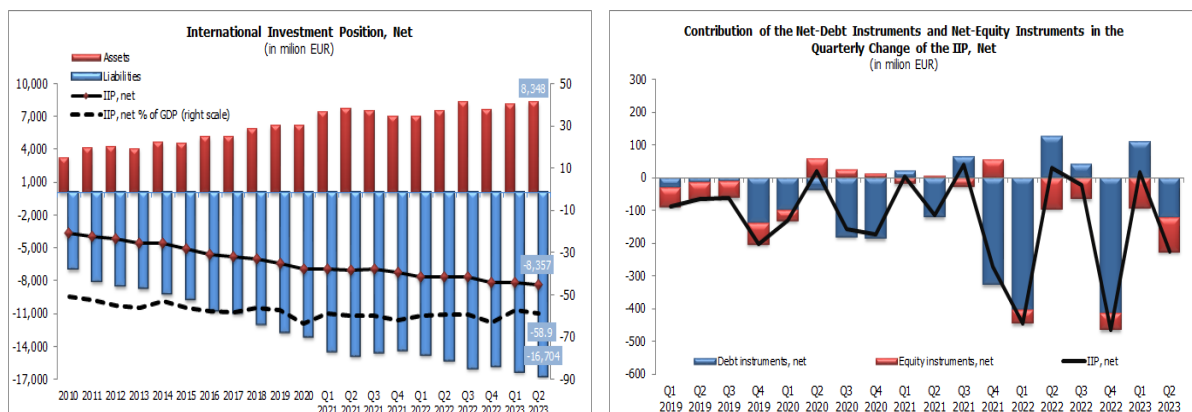
IIP, by instruments	2015	2016	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Net International Investment Position	-5,082.7	-5,576.0	-5,822.5	-6,039.5	-6,458.4	-6,900.6	-7,244.9	-7,690.1	-7,661.0	-7,682.8	-8,147.8	-8,130.8	-8,356.8
Assets	4,571.9	5,171.3	5,157.3	5,913.6	6,163.8	6,172.5	7,041.4	7,066.3	7,540.2	8,320.8	7,648.1	8,106.6	8,347.6
Direct investment	655.0	811.9	967.6	896.2	936.8	784.3	915.5	1,303.2	1,305.8	1,466.2	996.2	1,199.0	1,320.7
Portfolio investment	212.6	255.2	300.2	321.2	406.1	470.9	650.0	626.7	611.4	617.4	695.3	736.3	778.8
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	6.0	6.0	6.0	6.0	6.0	5.6	5.0
Currency and deposits	615.4	627.3	635.5	694.0	580.0	562.9	657.6	648.3	684.5	670.3	653.5	561.9	604.7
Loans	67.1	52.1	56.1	74.5	79.1	87.3	125.9	93.8	517.9	519.6	221.6	154.6	158.7
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	757.4	809.6	858.8	1,057.2	894.4	902.3	1,042.3	1,115.3	1,297.9	1,287.0	1,212.4	1,289.9	1,289.5
Other accounts receivable/payable	1.7	0.5	0.1	0.5	0.3	0.4	0.9	0.5	0.5	0.5	0.3	0.2	0.4
Reserve assets	2,261.8	2,613.4	2,336.3	2,867.1	3,262.6	3,359.9	3,643.3	3,272.5	3,116.1	3,753.8	3,862.9	4,159.2	4,189.7
Liabilities	9,654.6	10,747.3	10,979.8	11,953.0	12,622.2	13,073.1	14,286.3	14,756.4	15,201.1	16,003.6	15,795.9	16,237.4	16,704.4
Direct investment	4,951.3	5,392.2	5,598.1	6,141.3	6,580.0	6,537.1	7,089.2	7,559.4	7,644.1	7,939.9	7,853.6	8,209.0	8,446.9
Portfolio investment	848.8	1,362.2	1,476.3	1,813.2	1,730.7	2,103.8	2,159.2	2,015.4	1,819.9	2,034.2	2,106.7	2,564.3	2,591.9
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	2.7	2.9	3.0	3.2	3.3	3.3	3.4
Currency and deposits	148.5	174.2	195.2	206.2	254.2	253.3	297.3	442.8	484.9	467.6	471.0	363.4	398.9
Loans	2,961.7	3,014.7	2,872.0	2,883.4	3,100.9	3,267.2	3,580.3	3,501.7	3,973.2	4,205.6	4,043.3	3,794.5	3,955.4
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	910.3	985.5	1,018.2	1,083.8	1,062.6	1,054.3	1,063.1
Other accounts receivable/payable	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.0	5.0	5.0	5.0	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	83.2	83.2	78.2	79.8	81.3	77.4	247.3	248.6	252.8	264.5	250.5	248.5	244.8

Source: NBRNM.



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Compared to the end of 2022, the negative net IIP increased by Euro 209 million, as a result of the increase in the net liabilities based on equity instruments (of Euro 197 million) and debt instruments (of Euro 12 million).



Source: NBRNM, SSO.

Data revisions

The 2023 data in this press release contains the changes that arise from the regular annual revision for 2022. More information on the effect of the annual revision on the gross external debt, gross external claims and IIPs for 2022 is available in the following press releases: Revision of external statistics for the period 2021 - 2022. In addition, the changes in the data for the period January - March 2023 result from better coverage of data for the first quarter of 2023 in loans, trade credits and advances, debt securities and other liabilities. In terms of the direction of the changes, in the first quarter of 2023, the revisions decreased the **gross external debt** by Euro 20.1 million, while the **gross external claims** increased by Euro 6.4 million.

At the same time, these changes affected both **net external debt and IIP, net**. Also, the IIP revision, in addition to debt instruments, resulted in adjustments to equity instruments that cumulatively led to a higher negative IIP, net, by Euro 29.9 million.

Supporting information

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

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

Methodological explanations on gross external debt and claims:



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

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: 28 December 2023 (reference period as of September 2023).

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).