



National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 October 2016

PRESS RELEASE

Significant developments in the balance of payments¹ in August 2016

In August 2016, the current account registered a surplus of Euro 36 million. The financial account registered net inflows from FDI, loans, trade loans and portfolio investments.

Main components of the balance of payments of the Republic of Macedonia

(in millions of euros)

	VIII-2016	I-VIII.2016	monthly change		annual change		cumulative change	
			millions of euros	%	millions of euros	%	millions of euros	%
Current account	36.0	-99.4	-39.8	-52.5	2.9	8.9	4.5	-4.3
Goods	-154.6	-1,211.9	-14.3	10.2	-15.0	10.7	-31.6	2.7
Services	36.3	301.7	-39.2	-51.9	-8.9	-19.7	45.6	17.8
Primary income	-25.5	-197.2	-1.1	4.7	-1.6	6.9	-6.8	3.6
Secondary income	179.9	1,008.0	14.8	8.9	28.5	18.8	-2.7	-0.3
Capital account	2.8	8.0	2.5		2.6		3.2	
Financial account	33.2	-111.6	-42.6		5.9		-25.9	
Direct investment	-54.1	-207.9	-30.9		-49.2		-70.3	
Portfolio investment	-3.3	-427.0	421.1		-12.2		-449.7	
Currency and deposits	26.1	184.2	-26.1		-18.3		-40.6	
Loans	-28.5	-104.0	-41.9		-21.0		-223.7	
Trade credit and advances	-5.8	30.8	-30.6		16.1		77.4	
Reserve assets	99.6	413.1	-333.2		91.2		681.8	

Note: In the financial account, minus (-) indicates net inflows from abroad, except to foreign reserves, where it indicates net outflows.

Source: NBRM.

Current account

Current transactions with non-residents resulted in a surplus of Euro 36 million in August 2016, resulting from surpluses generated in secondary income and trade in services (Euro 179.9 million and Euro 36.3 million, respectively), which outweigh the negative balances in the trade exchange and in the primary income (Euro 154.6 million and Euro 25.5 million, respectively).

On a monthly basis, the current account surplus decreased by Euro 39.8 million, mainly resulting from the reduced surplus in the trade in services (Euro 39.2 million) and an increased trade deficit in goods (Euro 14.3 million), which is partly netted off by the increased surplus in secondary income (Euro 14.8 million).

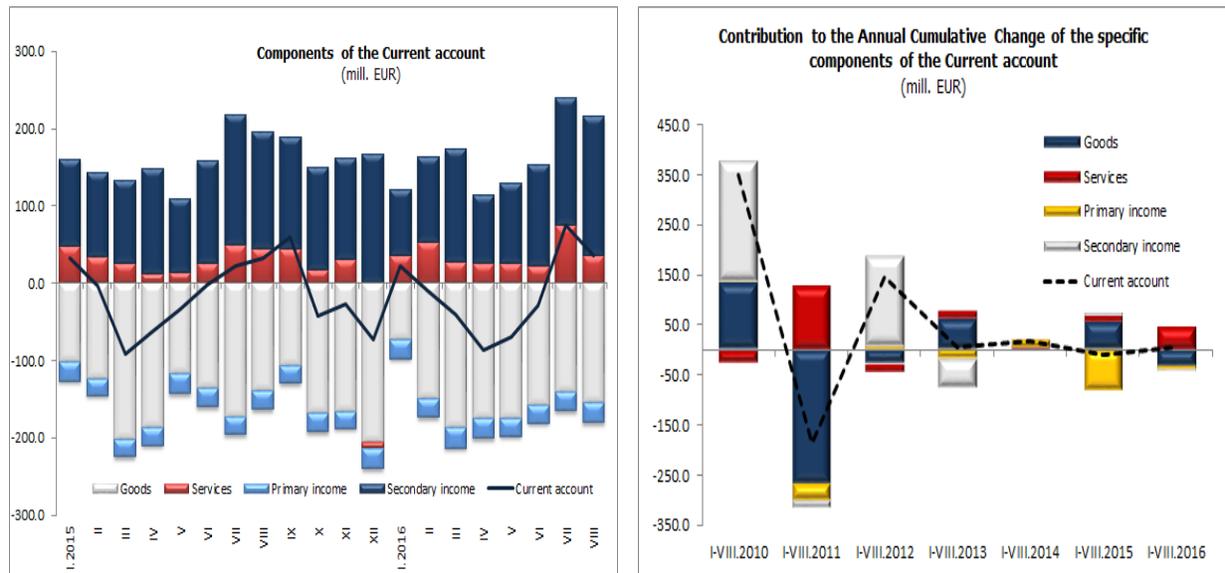
On a cumulative basis, the current account deficit for the period January-August 2016 amounted to Euro 99.4 million, which is by Euro 4.5 million (4.3%) less compared to the same period in 2015. In comparison, trade in services registered higher surplus (by Euro 45.6 million), despite

¹ The balance of payments is a statistical report that systematically summarizes all economic transactions of the Republic of Macedonia abroad in a certain time frame, i.e. it summarizes the current, capital and financial transactions between residents and non-residents.



National Bank of the Republic of Macedonia Statistics Department

the higher deficits in trade of goods (by Euro 31.6 million), and primary income (by Euro 6.8 million). Net inflows in secondary income almost reached last year's level (lower by only Euro 2.7 million).



Source: NBRM.

Financial account

In August, the financial account registered net inflows from direct investment (Euro 54.1 million), loans (Euro 28.5 million), trade loans (Euro 5.8 million) and portfolio investment (Euro 3.3 million), and net outflows based on currency and deposits (Euro 26.1 million), as well as growth in foreign reserves by Euro 99.6 million.

In August 2016, there were inflows of Euro 54.1 million on the basis of direct investments, net. In the period from January to August, net inflows of Euro 207.9 million were registered on this basis, which exceed the net inflows registered in the same period last year by Euro 70.3 million.

Liabilities on direct investment² in August increased by Euro 58.1 million which is contribution of all components, including: equity (Euro 30.7 million), reinvestment of earnings (Euro 15 million) and debt instruments (Euro 12.4 million). Cumulatively, liabilities to direct investors increased by Euro 367.1 million (by Euro 116.4 million or 46.5% more compared to the same period last year).

As for direct investments on the assets side, in August, there was net outflow of Euro 3.9 million, mainly based on debt instruments. On a cumulative basis, the assets increased by Euro 159.2 million (which is by Euro 46.1 million or 40.8% more compared to the same period in 2015).

² It shows direct investment according to whether financial transactions create a liability to or claim (assets) from abroad.

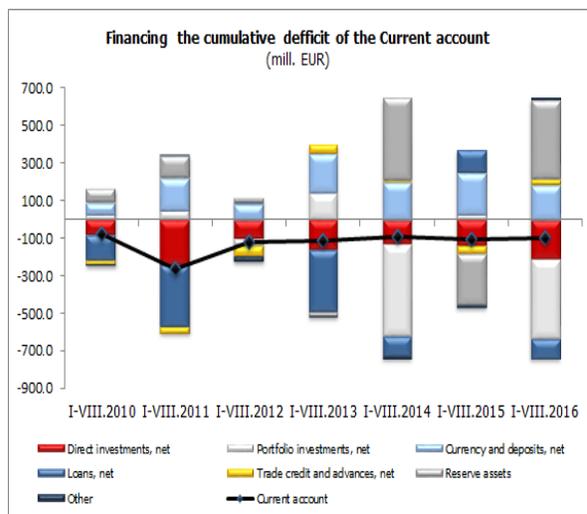
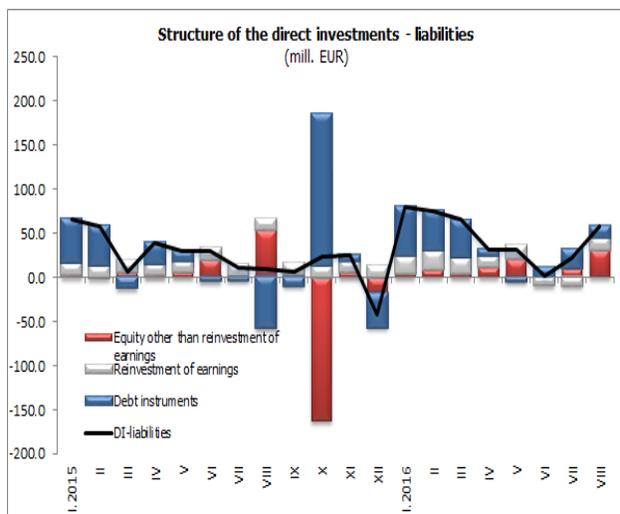
³ Other sectors include: other financial institutions, nonfinancial corporations, households, and NPISHs.



National Bank of the Republic of Macedonia Statistics Department

Net inflows from loans in August this year amounted to Euro 28.5 million, primarily due to the increase in net liabilities of other sectors³.

As of August, based on financial transactions, net inflows of portfolio investments, direct investments and loans were registered, which exceed the net outflows in currencies and deposits and trade credits. The higher net inflows enabled financing of the current account deficit (Euro 99.4 million) and additional accumulation of foreign reserves (of Euro 413.1 million).



Source: NBRM.

Data revisions

The data on the balance of payments in this press release contain regular data revisions for the period January - July 2016. These revisions did not cause significant changes in the previously disseminated data and mainly arise from the improved scope through statistical sources of data.

Supporting information

Time series of data: annual, quarterly and monthly data on the balance of payments

<http://nbrm.mk/?ItemID=16C5679A8986CE4391D1F76413410999>

Methodological explanations: <http://nbrm.mk/?ItemID=16C5679A8986CE4391D1F76413410999>

Next publication: Advance Release Calendar

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

Monthly balance of payments: 30 November 2016 (reference period as of September 2016).

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



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

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).