



National Bank of the Republic of Macedonia Statistics Department

Skopje, 30 March 2017

Press Release

Significant changes in the external debt, external claims and international investment position: fourth quarter of 2017

At the end of 2017, the **net external debt** stood at Euro 2,881 million (28.6% of GDP) and registered a quarterly increase of Euro 8 million. The net debt increase during the fourth quarter is due to the increased net private debt (by Euro 18 million) amid the decrease of net public debt (by Euro 10 million). At the end of 2017, **the gross external debt** of the Republic of Macedonia was Euro 7.403 million or 73.6% of GDP and registered a quarterly decline of Euro 240 million, whereas **gross external claims** amounted to Euro 4.523 million (44.9% of GDP) and also register a quarterly decline by Euro 248 million.

At the end of 2017, **the net international investment position**¹ amounted to Euro 6.022 million or 59.8% of GDP. Most (79.9%) of this amount still consists of net liabilities based on direct investment, of which 74.3% are based on equity. Compared to the previous quarter, the negative net international position increased by Euro 118 million.

External Debt and International Investment Position of the Republic of Macedonia

	31.12.2016		30.09.2017		31.12.2017		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	7.216,6	74,2	7.642,9	75,9	7.403,4	73,6	-239,6	-3,1	-2,4	186,8	2,6	-0,7
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>7.216,6</i>	<i>74,2</i>	<i>7.338,3</i>	<i>72,9</i>	<i>7.403,4</i>	<i>73,6</i>	<i>65,1</i>	<i>0,9</i>	<i>0,6</i>	<i>186,8</i>	<i>2,6</i>	<i>-0,7</i>
Long-term debt	5.633,9	57,9	5.539,4	55,0	5.624,4	55,9	85,0	1,5	0,8	-9,5	-0,2	-2,1
Short-term debt	1.582,7	16,3	2.103,6	20,9	1.779,0	17,7	-324,6	-15,4	-3,2	196,3	12,4	1,4
Public debt	3.445,3	35,4	3.710,2	36,9	3.461,7	34,4	-248,4	-6,7	-2,5	16,4	0,5	-1,0
Private debt	3.771,2	38,8	3.932,8	39,1	3.941,7	39,2	8,9	0,2	0,1	170,4	4,5	0,4
Gross External Claims	4.587,0	47,2	4.770,5	47,4	4.522,6	44,9	-247,9	-5,2	-2,5	-64,4	-1,4	-2,2
<i>Gross external claims-excluding claims of the Central Bank from reverse repo arrangements</i>	<i>4.587,0</i>	<i>47,2</i>	<i>4.464,8</i>	<i>44,4</i>	<i>4.522,6</i>	<i>44,9</i>	<i>57,7</i>	<i>1,3</i>	<i>0,6</i>	<i>-64,4</i>	<i>-1,4</i>	<i>-2,2</i>
Net External Debt	2.629,6	27,0	2.872,5	28,5	2.880,8	28,6	8,3	0,3	0,1	251,2	9,6	1,6
IIP, net	-5.576,0	-57,3	-5.903,3	-58,6	-6.021,6	-59,8	-118,3	2,0	-1,2	-445,6	8,0	-2,5

*The data on the gross domestic product (GDP) for 2016 are preliminary data of SSO, while the data on 2017 are assessment (source: Press release *Gross Domestic Product of the Republic of Macedonia* of 8 March 2018).

Source: NBRM, SSO.

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 Macedonia on a specific date, i.e. receivables 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.

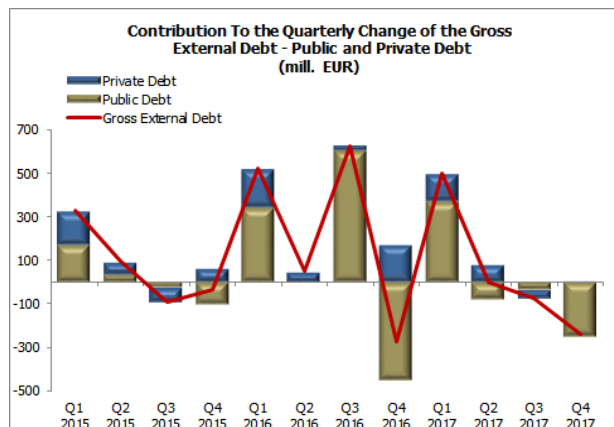
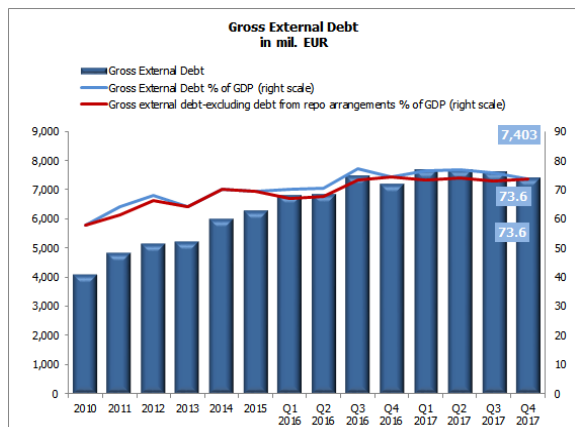


National Bank of the Republic of Macedonia Statistics Department

Gross external debt

At the end of 2017, the gross external debt amounted to Euro 7.403 million, amid a quarterly decrease of the debt of Euro 240 million (or 3.1%). This change is a result of the reduction of the public external debt of Euro 248 million, given a simultaneous increase in the private external debt of Euro 9 million.

If we exclude the effect of specific activities for foreign reserves management by the central bank² which at the last quarter decreased the liabilities by Euro 305 million, the gross external debt registers an increase by Euro 65 million. Public debt (without foreign reserves management activities) is growing by Euro 56 million, of which the "general government" sector debt increased by Euro 42 million, and the debt of public corporations and public banks increased by Euro 14 million.



Source: NBRM.

Compared to the end of 2016, the increase of external debt by Euro 187 million is mostly due to the growth of private sector debt (by Euro 170 million) and to a lesser extent from public sector debt (by Euro 16 million). The increase in private debt mainly results from increased liabilities on intercompany lending (by Euro 132 million) and non-banking private sector (by Euro 27 million) and private banks debt by Euro 11 million.

Gross external claims

At the end of December 2017, the gross external claims stood at Euro 4.523 million.

The decline in total gross external claims in the fourth quarter (of Euro 248 million) is almost entirely due to the decline in public claims (of Euro 239 million), with a minimum increase of

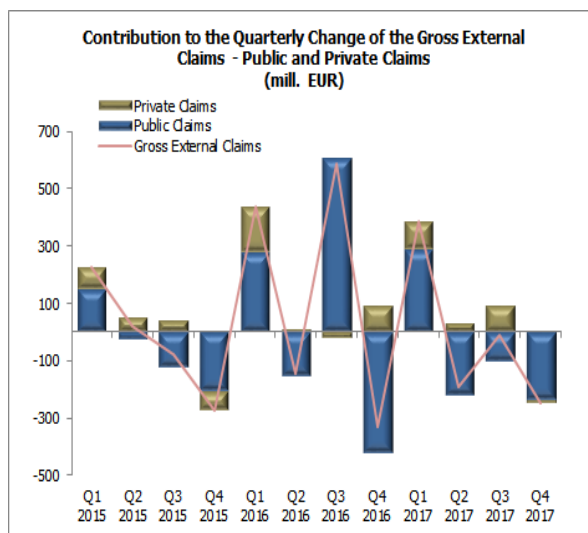
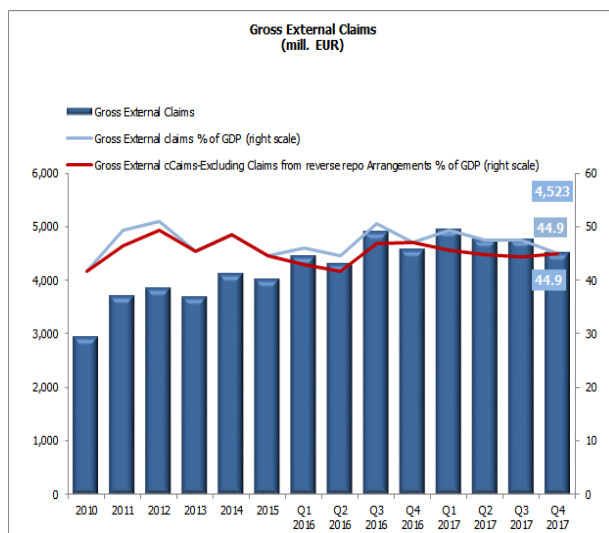
² It refers to the NBRM's repo activities. Entering into repo transactions creates liabilities (classified under the "loan" category) that increase gross debt. At the same time, claims created from reverse repo agreements tend to increase gross claims. The NBRM simultaneously carries out matched repo 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.



National Bank of the Republic of Macedonia Statistics Department

private claims (of Euro 9 million). Moreover, if the effect of the central bank specific activities related to foreign reserves management is excluded, public claims are higher by Euro 67 million.

Compared to the end of 2016, the decrease in external claims (of Euro 64 million) is due to the decline in public claims (of Euro 273 million), which were partially compensated with the increased private claims (of Euro 209 million). Observed by sectors, from the beginning of the year, the decrease of total external claims are due to the central bank (Euro 273 million), whereas other institutional sectors (mainly domestic corporate sector) register and increase in claims.



Source: NBRM.

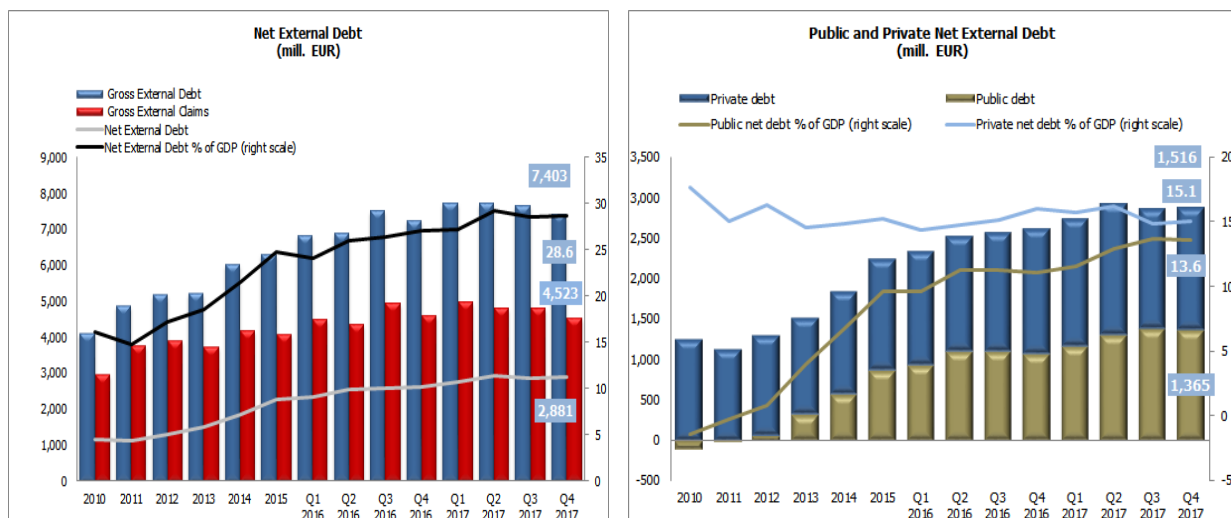
Net external debt

Amid more intensified quarterly decline in gross external claims, compared to the decrease in gross external debt, the net external debt increased by Euro 8 million (0.3%) in the fourth quarter and at the end of 2017 reached Euro 2.881 million (28.6 of GDP).

Compared to the end of 2016, the net external debt increased by Euro 251 million (9.6%).



National Bank of the Republic of Macedonia Statistics Department



Source: NBRM.

International Investment Position, net

During the fourth quarter of 2017, the negative net international investment position (IIP) increased by Euro 118 million and amounts to Euro 6,022 million (or 59.8% of GDP for 2017).

The quarterly growth of the negative net IIP is mostly due to the decline in assets (of Euro 236 million), partially offset by the decrease in liabilities (of Euro 118 million). In terms of instruments, the increase of the negative net IIP is almost entirely due to the changes in equity instruments (by Euro 110 million), amid minor changes in debt instruments (by Euro 8 million). The quarterly increase of net liabilities of equity instruments is mainly due to the growth of net liabilities in equity capital from direct investments.

Compared to the end of 2016, the negative net IIP registered a cumulative increase of Euro 446 million, which is a result of the increased net liabilities based on debt and equity instruments (by Euro 251 million and Euro 194 million, respectively). The annual growth of net liabilities in equity instrument mainly arises from net liabilities on direct investments.



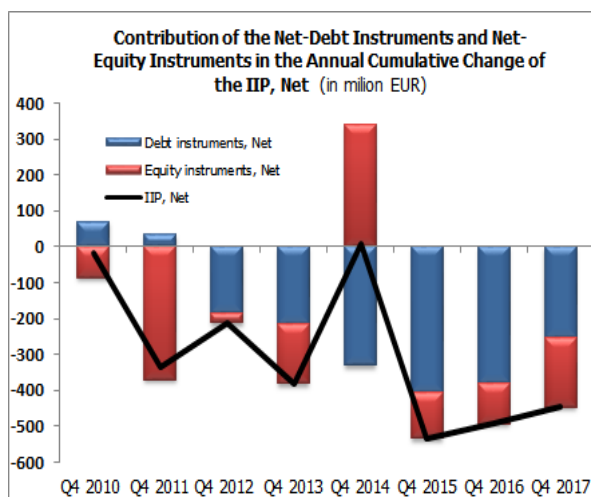
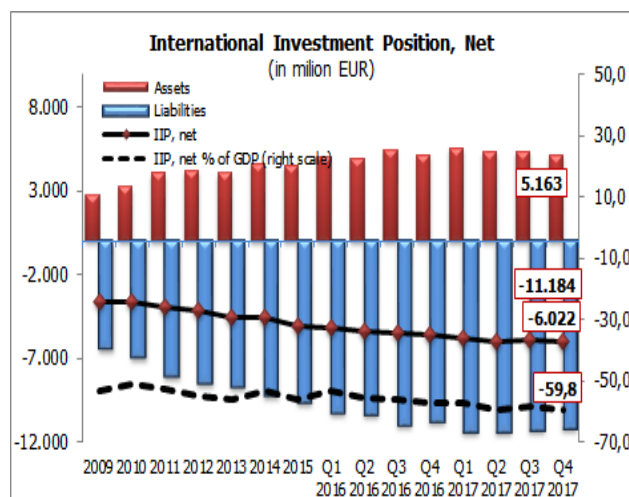
National Bank of the Republic of Macedonia Statistics Department

International Investment Position of the Republic of Macedonia

(in millions of euros)

IIP, by instruments	2009	2010	2011	2012	2013	2014	2015	2016	Q1-2017	Q2-2017	Q3-2017	Q4-2017
Assets	2.785,5	3.258,4	4.113,2	4.257,5	4.082,5	4.634,0	4.571,9	5.171,3	5.576,9	5.388,2	5.398,6	5.162,8
Direct Investments, Net	244,2	333,6	393,6	533,6	617,8	475,6	655,0	811,9	940,1	994,1	1.039,4	974,6
Portfolio Investments, Net	6,5	25,9	45,5	63,1	107,7	155,0	212,6	255,2	259,0	270,9	291,4	300,2
Financial derivatives (other than reserves) and employee stock options, Net	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, Net	0,0	0,0	0,0	0,0	0,9	0,9	1,0	1,2	1,16	0,86	0,86	0,81
Currency and deposits, Net	473,2	555,1	588,2	537,0	540,0	623,6	615,4	627,3	557,9	536,9	599,8	635,5
Loans, Net	22,0	86,3	320,1	246,4	91,3	98,2	67,1	52,1	433,7	332,4	361,8	56,2
Insurance, pension, and standardized guarantee schemes, Net	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 credits and advances, Net	408,8	543,0	696,9	684,1	730,3	842,7	757,4	809,6	850,0	852,9	833,8	859,2
Other accounts receivable/payable, Net	33,5	0,0	0,0	0,0	1,4	1,5	1,7	0,5	0,64	0,2	0,1	0,1
Reserve assets	1.597,5	1.714,5	2.068,9	2.193,3	1.993,0	2.436,5	2.261,8	2.613,4	2.534,4	2.399,9	2.271,4	2.336,3
Liabilities	6.398,0	6.887,9	8.079,0	8.435,1	8.640,8	9.183,0	9.654,6	10.747,3	11.355,8	11.367,6	11.301,9	11.184,4
Direct Investments, Net	3.318,8	3.514,8	3.914,4	4.146,8	4.485,7	4.378,3	4.951,3	5.392,2	5.654,2	5.686,8	5.676,1	5.783,9
Portfolio Investments, Net	412,0	398,6	324,7	408,3	253,2	776,6	848,8	1.362,2	1.396,0	1.440,2	1.442,4	1.477,5
Financial derivatives (other than reserves) and employee stock options, Net	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, Net	0,0	0,0	0,0	0,0	4,1	4,4	4,3	6,0	6,0	6,0	6,0	6,0
Currency and deposits, Net	198,8	195,8	134,0	198,7	168,4	157,7	148,5	174,2	153,8	204,9	153,4	195,2
Loans, Net	1.630,7	2.028,5	2.785,9	2.771,8	2.883,1	3.024,4	2.961,7	3.014,7	3.315,3	3.201,9	3.168,4	2.871,6
Insurance, pension, and standardized guarantee schemes, Net	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 credits and advances, Net	637,9	673,8	841,7	832,8	773,2	763,4	656,7	714,6	747,6	747,8	777,1	771,9
Other accounts receivable/payable, Net	128,1	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)	71,7	76,4	78,3	76,7	73,2	78,2	83,2	83,2	83,0	80,1	78,4	78,2

Source: NBRM.



Source: NBRM.



National Bank of the Republic of Macedonia Statistics Department

Data revisions

The data on the gross external debt and claims in this press release contain regular data revisions for the period January - September 2017. Changes in **gross external debt** almost entirely arise from the improved coverage and quality of loan data and to a lesser extent from trade credits and advances. Regarding the direction of change, in the three quarters of 2017, they show a decrease of the gross external debt by Euro 71 million, Euro 69 million and Euro 67 million, respectively per quarter. The revision of **gross external claims** for the specified period led to their slight increase of Euro 2 million, Euro 3 million i.e. Euro 6 million, respectively for each quarter and almost entirely arises from the increased amount of claims on trade credits and advances from commercial operations. These changes adequately reflected the quarterly revisions and **net external debt**.

The data revision effect for the net international investment position aims to reduce the negative IIP by Euro 71 million in the first quarter, Euro 68 million in the second and Euro 68 million in the third quarter. The revision covers the changes in debt instruments, as well as new data acquired from the quarterly reports on realized and planned financial result in the current year of foreign investment companies.

Supporting information

Time series data - annual and quarterly data on gross external debt and gross external claims:
<http://nbrm.mk/ns-newsarticle-podatoci-nd.nspix>

Time series data-annual and quarterly data on international investment position:
<http://nbrm.mk/ns-newsarticle-podatoci-mip.nspix>

Quarterly information on the gross external debt, gross external claims and international investment position:
<http://nbrm.mk/ns-newsarticle-informacii-mip.nspix>

Methodological explanations on gross external debt and claims:
<http://nbrm.mk/ns-newsarticle-podatoci-nd.nspix>

Methodological explanations on international investment position:
<http://nbrm.mk/ns-newsarticle-podatoci-mip.nspix>

Next publications: Advance Release Calendar:
http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci.nspix



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

Quarterly gross external debt, gross external claims and international investment position: 29 June 2018 (reference period as of March 2018).

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).