



National Bank of the Republic of Macedonia Statistics Department

Skopje, 30 June 2017

Press Release

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

At the end of the first quarter 2017, **the net external debt** amounted to Euro 2,782 million and registered a quarterly growth of Euro 112 million, amid growth of the public and private net debt of Euro 84 million and Euro 28 million, respectively. At the end of March 2017, **the gross external debt** amounted to Euro 7,781 million and registered a quarterly increase of Euro 528 million, mostly due to the repo transactions¹ of the National Bank (in the amount of Euro 354 million). **Gross external claims** amounted to Euro 4,999 million and registered a quarterly increase of Euro 416 million, also mainly as a result to the reverse repo transactions of the National Bank (in the amount of Euro 382 million).

The negative **net IIP** during the first quarter of 2017 increased by Euro 201 million and amounted to Euro 5,933 million.

External Debt and International Investment Position of the Republic of Macedonia

	31.12.2016		31.03.2017		Quarterly Change		
	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	%	p.p.
Gross External Debt	7,253.2	73.5	7,780.8	75.7	527.7	7.3	2.2
Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements	7,253.2	73.5	7,427.3	72.3	174.1	2.4	-1.3
Long-term debt	5,657.6	57.4	5,730.8	55.8	73.2	1.3	-1.6
Short-term debt	1,595.5	16.2	2,050.0	20.0	454.4	28.5	3.8
Public debt	3,445.5	34.9	3,819.8	37.2	374.4	10.9	2.2
Private debt	3,807.7	38.6	3,961.0	38.6	153.3	4.0	-0.1
Gross External Claims	4,583.4	46.5	4,999.2	48.7	415.8	9.1	2.2
Gross external claims-excluding claims of the Central Bank from repo arrangements	4,583.4	46.5	4,617.2	44.9	33.9	0.7	-1.5
Net External Debt	2,669.8	27.1	2,781.7	27.1	111.9	4.2	0.0
IIP, net	-5,731.6	-58.12	-5,933.0	-57.74	-201.5	3.5	0.4

*/ GDP data for 2016 is estimated (source: SSO, press release *Gross Domestic Product of the Republic of Macedonia* of 8 June 2017). The data for 2017 is forecasted by the NBRM.

Source: NBRM, SSO.

Gross external debt

As of 31 March 2017, the gross external debt was Euro 7,781 million or 75.7% of GDP forecasted for this year. Thus, the quarterly growth of the debt of Euro 528 million (or 7.3%), is mostly due to the repo transactions of the central bank within foreign reserves management (Euro 354

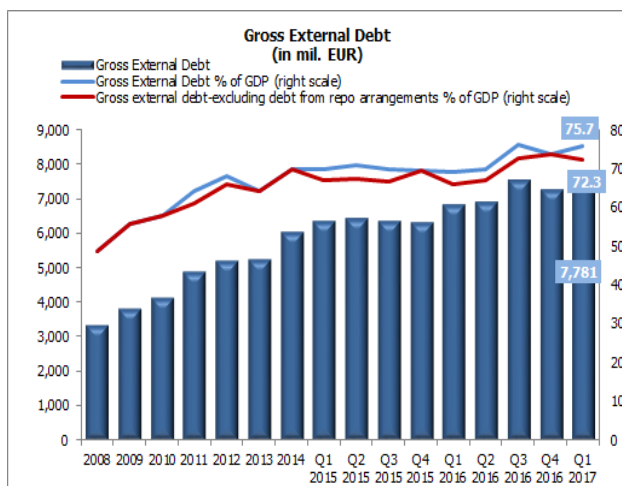
¹Repo transactions create liabilities (classified under the loan category) that increase gross debt. At the same time, claims created from reverse repo agreements tend to increase gross claims. The NBRM simultaneously carries out matched repo and reverse repo agreements in nearly identical amounts. In general, as they are concluded simultaneously, these transactions have a neutral net effect, i.e. they appear in almost identical amount on both liabilities and assets side, thus having no effect on the total net external debt.



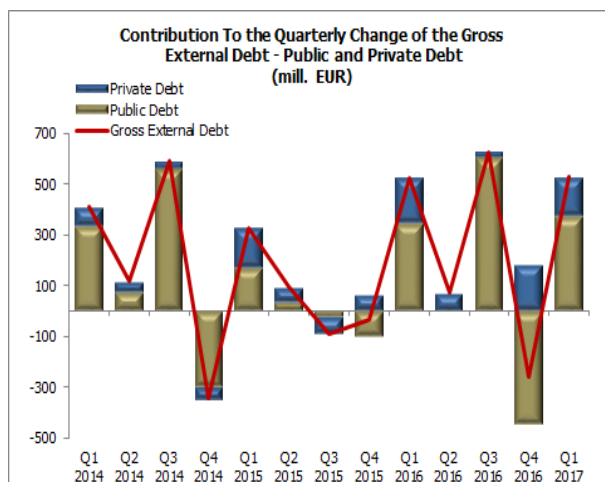
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million). If their effect is excluded, the gross external debt increased by Euro 174 million. Furthermore, this increase was almost entirely due to the growth of private debt of Euro 153 million, while the public debt registered an increase of Euro 21 million (with an excluded effect of repo transactions).

The growth of external debt (without repo transactions) is concentrated in the "government" sector (of Euro 30 million, mainly due to the increased market prices of the domestic Eurobonds), while public corporations and banks registered a decline of the debt of Euro 9 million. As for the private debt, increase is registered in liabilities of intercompany lending (of Euro 118 million) and non-banking private sector (of Euro 61 million), compared to the reduction of the debt of private banks (of Euro 26 million).



Source: NBRM.



Gross external claims

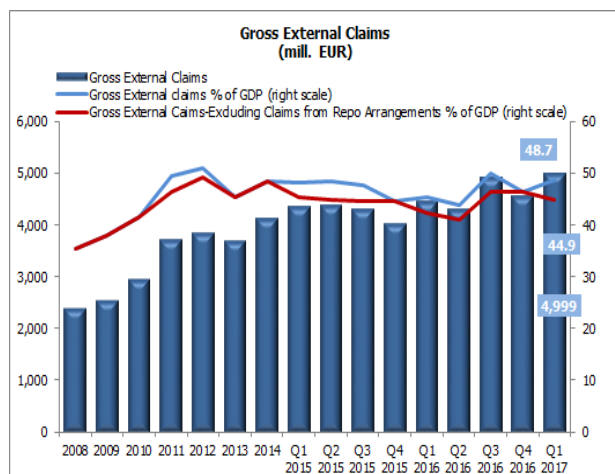
On 31 March 2017, the gross external claims reached Euro 4,999 million i.e. 48.7% of GDP forecasted for this year.

On a quarterly basis, claims on non-residents increased by Euro 416 million (or 9.1%), while with an excluded effect of reverse repo transactions of the central bank, claims on non-residents increased by Euro 34 million, amid increased claims in the private sector (by Euro 125 million) and reduced claims in the public sector (by Euro 92 million).

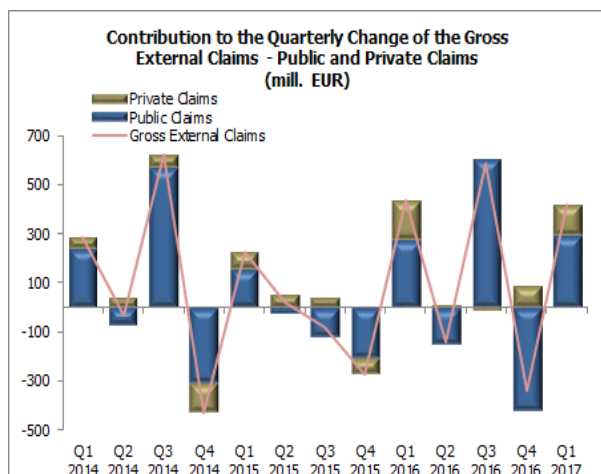
The increase in private external claims arises from the increased claims of non-banking private sector (of Euro 102 million) and the intercompany claims (of Euro 95 million), given the reduction of the claims of private banks (by Euro 71 million).



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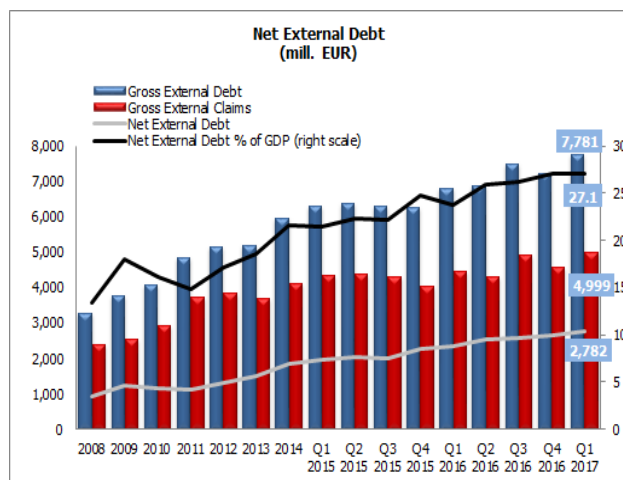


Source: NBRM.

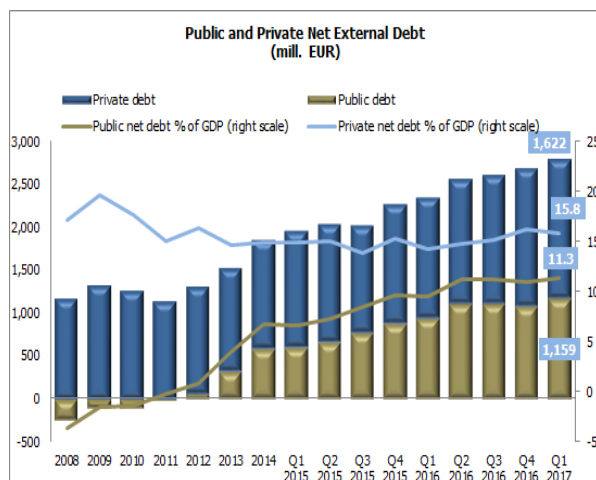


Net external debt

In the first quarter of 2017, the net external debt increased by Euro 112 million (4.2%) as a result of the more pronounced growth of gross debt relative to the growth of gross claims. As of 31 March 2017, the net external debt reached Euro 2,782 million or 27.1% of GDP forecasted for this year. Net private debt still dominates in the total net debt, with a share of 58.3%.



Source: NBRM.



International Investment Position, net

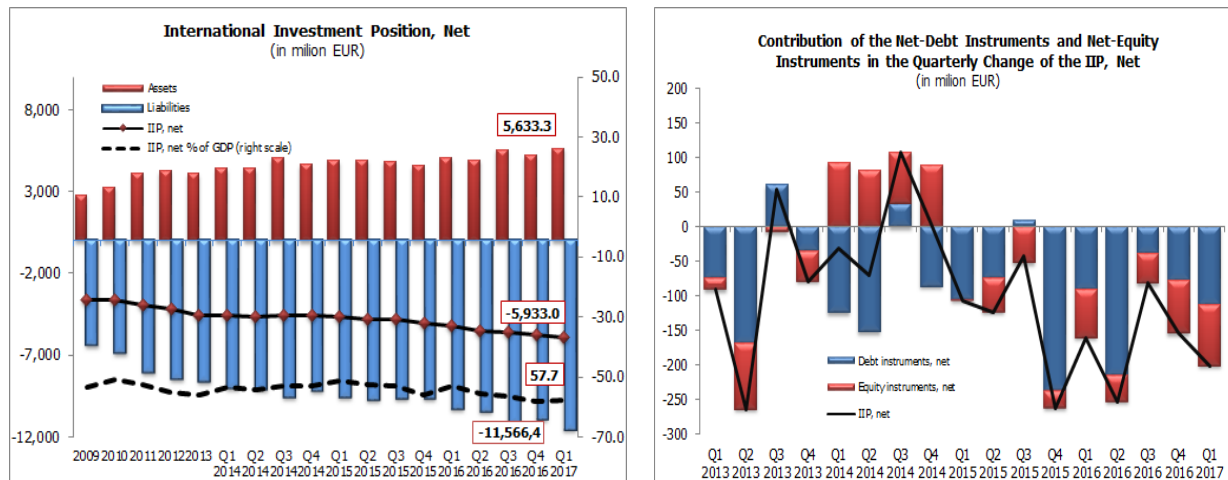
At the end of the first quarter of 2017, the negative net IIP reached Euro 5,933 million, which is 57.7% of the forecasted GDP. Net liabilities on direct investments remain the most significant part (81.1%) of the negative net IIP, whereby the equity accounts for 73.8% of the total net liabilities on direct investments.

The quarterly increase in the negative net IIP arises from the more pronounced growth in liabilities (of Euro 635 million) compared to assets (of Euro 434 million).



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Observed by instruments, the quarterly increase in net IIP of Euro 201 million arises from an approximate increase in net liabilities on debt and equity instruments (of Euro 112 million and Euro 89 million, respectively).



Source: NBRM.

Supporting information

Time series data - annual and quarterly data on gross external debt and gross external claims:
<http://nbrm.mk/ns-newsarticle-podatotsi6b5c8e8e-en.nspix>

Time series data - annual and quarterly data on international investment position:
<http://nbrm.mk/ns-newsarticle-podatotsi6a1d834a-en.nspix>

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

Methodological explanations on gross external debt and claims:
<http://nbrm.mk/ns-newsarticle-podatotsi6b5c8e8e-en.nspix>

Methodological explanations on international investment position:
<http://nbrm.mk/ns-newsarticle-podatotsi6a1d834a-en.nspix>

Next publication: Advance Release Calendar:
http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix

Quarterly gross external debt, gross external claims and international investment position: 30 September 2017 (reference period as of June 2017).

We kindly ask journalists to contact the Governor's Office for any queries.

For more detailed information regarding the disseminated statistical data, please contact us on: contact.statistika@nbrm.mk, or phone: 02 3215 181 extension 103 (or 110/108).