



National Bank of the Republic of Macedonia Statistics Department

Skopje, 29 June 2018

Press Release

Significant changes in the external debt, external claims and international investment position: first quarter of 2018

During the first quarter of this year, the **net external debt** increased by Euro 226 million, amid faster growth of the private (of Euro 168 million) compared to the public net debt (of Euro 58 million). Thus, as of 31 March 2018, the net external debt equaled Euro 3,106 million or 29.5% of the forecasted GDP.

At the end of March 2018, the **gross external debt** stood at Euro 8,298 million (78.7% of the forecasted GDP), which is a quarterly increase of Euro 895 million, while **gross external claims** amounted to Euro 5,191 million (49.3% of the forecasted GDP), which is a quarterly increase of Euro 669 million.

At the end of the first quarter of 2018, the negative **net international investment position**¹ amounted to Euro 6,324 million or 60% of the forecasted GDP for 2018. Most (79.6%) of this amount still consists of net liabilities based on direct investment, of which 73.1% are based on equity. Compared to the previous quarter, the negative net international position increased by Euro 302 million.

External Debt and International Investment Position of the Republic of Macedonia

	31.12.2017		31.03.2018		Quarterly Change		
	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	%	p.p.
Gross External Debt	7.403,4	73,6	8.298,0	78,7	894,6	12,1	5,2
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	7.403,4	73,6	8.005,9	76,0	602,5	8,1	2,4
Long-term debt	5.624,4	55,9	5.998,1	56,9	373,7	6,6	1,0
Short-term debt	1.779,0	17,7	2.299,9	21,8	520,9	29,3	4,1
Public debt	3.461,7	34,4	4.053,0	38,5	591,2	17,1	4,1
Private debt	3.941,7	39,2	4.245,0	40,3	303,3	7,7	1,1
Gross External Claims	4.522,6	44,9	5.191,5	49,3	668,9	14,8	4,3
<i>Gross external claims-excluding claims of the Central Bank from reverse repo arrangements</i>	4.522,6	44,9	4.900,3	46,5	377,8	8,4	1,6
Net External Debt	2.880,8	28,6	3.106,5	29,5	225,7	7,8	0,9
IIP, net	-6.021,6	-59,8	-6.323,9	-60,0	-302,4	5,0	-0,2

*/ GDP data for 2017 is estimated (source: SSO, press release *Gross Domestic Product of the Republic of Macedonia* of 7 June 2018). The data for 2018 is forecasted by the NBRM.

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.

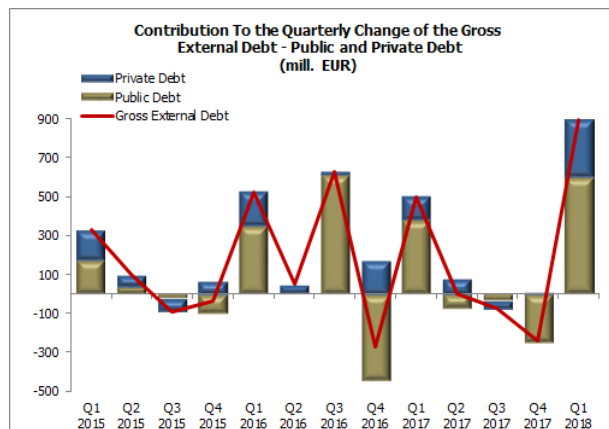
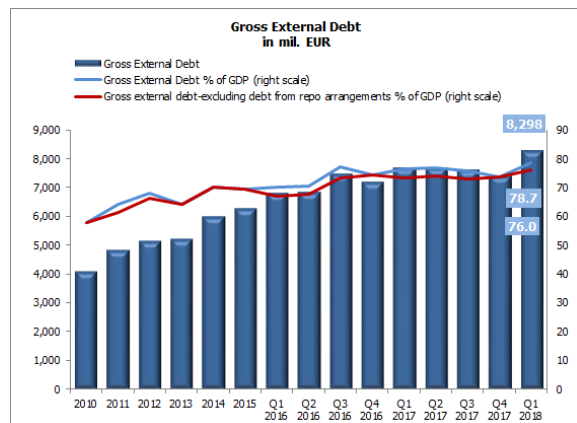


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Gross external debt

As of 31 March 2018, the gross external debt amounted to Euro 8,298 million, amid quarterly increase in the debt of Euro 895 million (or 12.1%). The growth of total gross external debt was mostly due to the increased public debt (by Euro 591 million), amid simultaneous increase of the private debt (of Euro 303 million).

If we exclude the effect of the specific activities for managing the foreign reserves of the central bank² which increased the liabilities by Euro 292 million in this quarter, the gross external debt increased by Euro 603 million. Public debt (excluding the activities for managing the foreign reserves) increased by Euro 299 million, out of which the government sector debt increased by Euro 314 million³, compared to the decrease in the debt of public enterprises and public banks of Euro 15 million.



Source: NBRM.

Observing the private debt, the increase of Euro 303 million is due to the growth of the liabilities of intercompany lending (of Euro 177 million) and non-banking private sector (of Euro 126 million).

Gross external claims

At the end of March 2018, the gross external claims amounted to Euro 5,191 million.

The total gross external claims registered a quarterly increase of Euro 669 million resulting from the increased public claims (by Euro 533 million) and the simultaneous increase in the private claims (of Euro 136 million). Moreover, if the effect of the central bank specific activities related to foreign reserves management² is excluded, the public claims are higher by Euro 242 million. The increase in private external claims results from the increased claims of intercompany lending

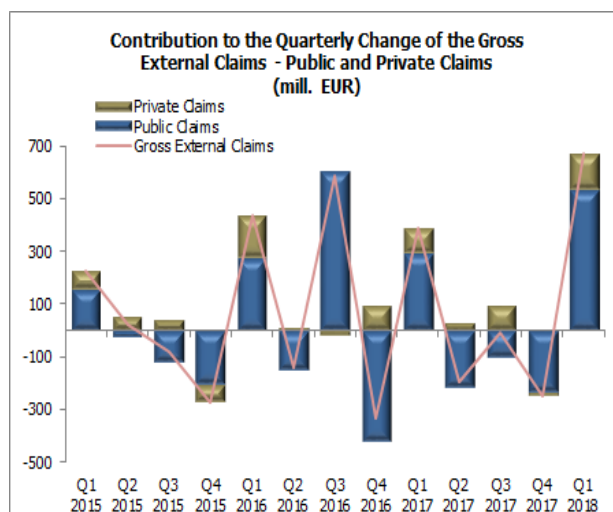
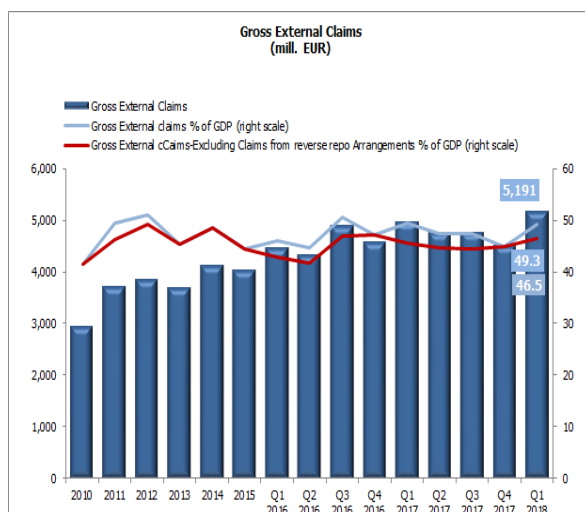
² Refers to repo activities of the NBRM. Entering into repo transactions creates liabilities (classified under the "loan" category) that increase gross debt. At the same time, claims created from reverse repo agreements tend to increase gross claims. The NBRM simultaneously carries out matched repo and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

³ The sixth issue of Eurobonds in the nominal amount of Euro 500 million was issued, amid premature purchase of part of the fourth issue of Eurobonds in the nominal amount of Euro 92 million.



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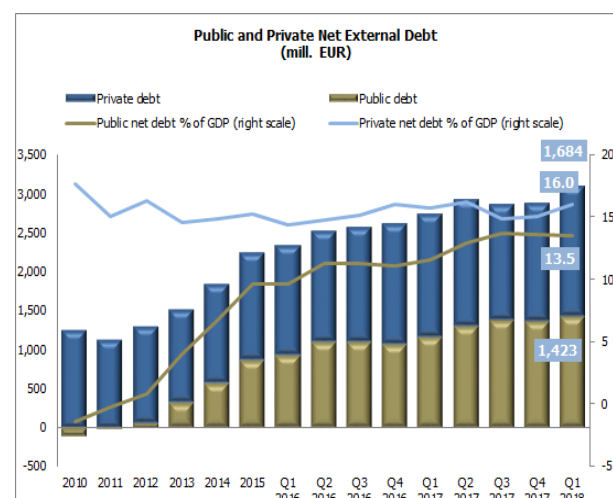
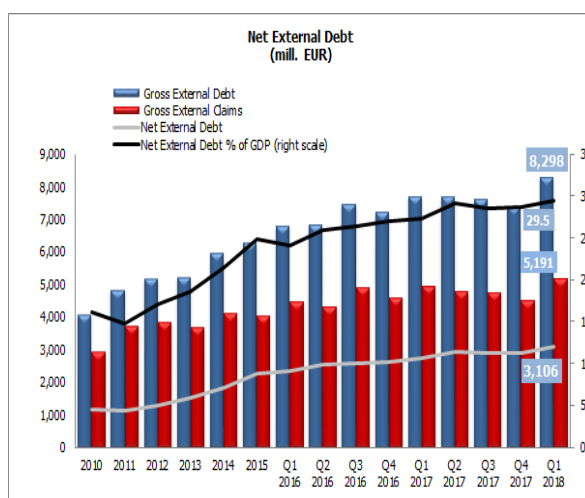
(by Euro 55 million), non-banking private sector (by Euro 51 million) and claims of private banks (by Euro 30 million).



Source: NBRM.

Net external debt

As of 31 March 2018, the net external debt amounted to Euro 3,106 million (29.5% of the forecasted GDP), i.e. it registered a quarterly increase of Euro 226 million (7.8%) as a result of the faster growth of gross debt compared to the growth of gross claims. Observing structure, the private net debt still has significant share in the total net debt, which amounted to 54.2% at the end of the first quarter.



Source: NBRM.

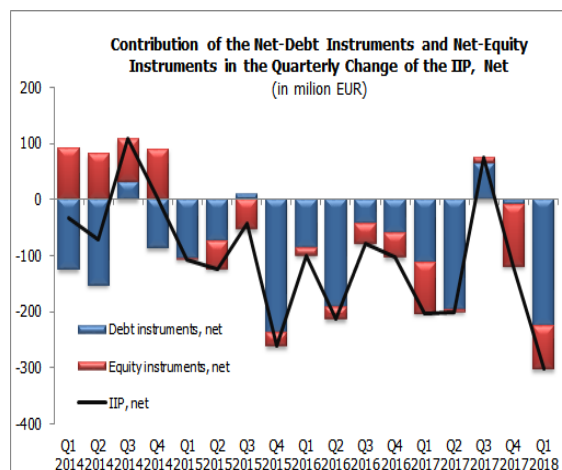
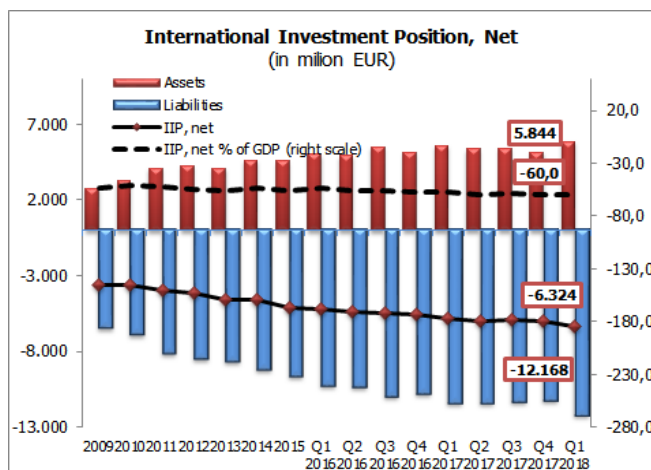
International Investment Position, net

During the first quarter of 2018, the negative net international investment position (IIP) increased by Euro 302 million to Euro 6,324 million (or 60% of GDP forecasted for 2018).



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The quarterly increase in the negative net IIP is due to the faster growth in liabilities (of Euro 984 million) compared with assets (of Euro 682 million). Analyzing by instrument, the quarterly increase in net IIP largely reflects the increased net liabilities on debt instruments (by Euro 226 million), amid simultaneous growth of net liabilities on equity investments (of Euro 77 million).



Source: NBRM.

International Investment Position of the Republic of Macedonia

(in millions of euros)

IIP, by instruments	2010	2011	2012	2013	2014	2015	2016	Q1-2017	Q2-2017	Q3-2017	Q4-2017	Q1-2018
Assets	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	5.844,5
Direct Investments, Net	333,6	393,6	533,6	617,8	475,6	655,0	811,9	940,1	994,1	1.039,4	974,6	1.033,7
Portfolio Investments, Net	25,9	45,5	63,1	107,7	155,0	212,6	255,2	259,0	270,9	291,4	300,2	309,8
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	0,9	0,9	1,0	1,2	1,2	0,9	0,9	0,8	0,76
Currency and deposits, Net	555,1	588,2	537,0	540,0	623,6	615,4	627,3	557,9	536,9	599,8	635,5	664,7
Loans, Net	86,3	320,1	246,4	91,3	98,2	67,1	52,1	433,7	332,4	361,8	56,2	348,2
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	543,0	696,9	684,1	730,3	842,7	757,4	809,6	850,0	852,9	833,8	859,2	910,1
Other accounts receivable/payable, Net	0,0	0,0	0,0	1,4	1,5	1,7	0,5	0,6	0,2	0,1	0,1	0,1
Reserve assets	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	2.577,1
Liabilities	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	12.168,4
Direct Investments, Net	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	6.068,4
Portfolio Investments, Net	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	1.879,0
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	4,1	4,4	4,3	6,0	6,0	6,0	6,0	6,0	6,0
Currency and deposits, Net	195,8	134,0	198,7	168,4	157,7	148,5	174,2	153,8	204,9	153,4	195,2	191,8
Loans, Net	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	3.116,3
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	673,8	841,7	832,8	773,2	763,4	656,7	714,6	747,6	747,8	777,1	771,9	829,3
Other accounts receivable/payable, 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
Special drawing rights (Net incurrence of liabilities)	76,4	78,3	76,7	73,2	78,2	83,2	83,2	83,0	80,1	78,4	78,2	77,5
Instruments	-3.629,5	-3.965,8	-4.177,6	-4.558,4	-4.549,0	-5.082,7	-5.576,0	-5.778,9	-5.979,4	-5.903,3	-6.021,6	-6.323,9
Direct Investments, Net	-3.181,3	-3.520,8	-3.613,3	-3.867,9	-3.902,7	-4.296,3	-4.580,3	-4.714,0	-4.692,7	-4.636,7	-4.809,4	-5.034,8
Portfolio Investments, Net	-372,7	-279,2	-345,2	-145,5	-621,7	-636,2	-1.107,0	-1.137,0	-1.169,3	-1.151,1	-1.177,3	-1.569,2
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	-3,2	-3,5	-3,4	-4,9	-4,9	-5,2	-5,2	-5,2	-5,3
Currency and deposits, Net	359,3	454,1	338,3	371,6	466,0	467,0	453,1	404,1	332,0	446,4	440,3	473,0
Loans, Net	-1.942,1	-2.465,8	-2.525,4	-2.791,8	-2.926,3	-2.894,7	-2.962,6	-2.881,6	-2.869,5	-2.806,6	-2.815,5	-2.768,1
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	-130,8	-144,8	-148,7	-42,9	79,4	100,7	94,9	102,4	105,1	56,7	87,3	80,8
Other accounts receivable/payable, Net	0,0	0,0	0,0	1,4	1,5	1,7	0,5	0,6	0,2	0,1	0,1	0,1
Reserve assets	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	2.577,1
Special drawing rights (Net incurrence of liabilities)	-76,4	-78,3	-76,7	-73,2	-78,2	-83,2	-83,2	-83,0	-80,1	-78,4	-78,2	-77,5

Source: NBRM.



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Supporting information

Time series data - annual and quarterly data on gross external debt and gross external claims:

<http://nbrm.mk/ns-newsarticle-podatoci-mip-en.nspix>

Time series data-annual and quarterly data on international investment position:

<http://nbrm.mk/ns-newsarticle-podatoci-mip-en.nspix>

Quarterly information on the gross external debt, gross external claims and international investment position:

<http://nbrm.mk/ns-newsarticle-informacii-mip-en.nspix>

Methodological explanations on gross external debt and claims:

<http://nbrm.mk/ns-newsarticle-podatoci-nd-en.nspix>

Methodological explanations on international investment position:

<http://nbrm.mk/ns-newsarticle-podatoci-mip-en.nspix>

Next publications: Advance Release Calendar:

http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix

Quarterly gross external debt, gross external claims and international investment position: 28 September 2018 (reference period as of June 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).