



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 September 2021

Press Release

Significant changes in the external debt, external claims and international investment position: second quarter of 2021

At the end of the second quarter of 2021, **the gross external debt** total Euro 10,159 million and increased on a quarterly basis by Euro 353 million. **Gross external claims** increased by Euro 246 million and amounted to Euro 6,764 million. The larger quarterly increase in liabilities against claims led to a growth of **the net external debt** by Euro 107 million, and at the end of June 2021 it amounted to Euro 3,395 million. Thus, the increase in the net external debt in the second quarter reflects the higher public net debt by Euro 77 million, as well as the higher private net debt by Euro 30 million.

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

	31.12.2020		31.03.2021		30.06.2021		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	8,536.1	79.3	9,805.5	84.6	10,158.8	87.6	353.4	3.6	3.0	1,622.7	19.0	8.3
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>8,536.1</i>	<i>79.3</i>	<i>9,502.8</i>	<i>82.0</i>	<i>9,685.2</i>	<i>83.5</i>	<i>182.5</i>	<i>1.9</i>	<i>1.6</i>	<i>1,149.1</i>	<i>13.5</i>	<i>4.3</i>
Long-term debt	6,796.7	63.1	7,456.8	64.3	7,550.2	65.1	93.4	1.3	0.8	753.5	11.1	2.0
Short-term debt	1,739.5	16.2	2,348.7	20.3	2,608.7	22.5	260.0	11.1	2.2	869.2	50.0	6.3
Public debt	4,301.5	40.0	5,202.9	44.9	5,458.7	47.1	255.7	4.9	2.2	1,157.2	26.9	7.1
Private debt	4,234.6	39.3	4,602.5	39.7	4,700.2	40.5	97.6	2.1	0.8	465.5	11.0	1.2
Gross External Claims	5,236.8	48.6	6,517.4	56.2	6,763.5	58.3	246.1	3.8	2.1	1,526.7	29.2	9.7
<i>Gross external claims-excluding claims of the Central Bank from reverse repo arrangements</i>	<i>5,236.8</i>	<i>48.6</i>	<i>6,214.8</i>	<i>53.6</i>	<i>6,364.8</i>	<i>54.9</i>	<i>150.0</i>	<i>2.4</i>	<i>1.3</i>	<i>1,128.0</i>	<i>21.5</i>	<i>6.3</i>
Net External Debt	3,299.3	30.6	3,288.0	28.4	3,395.3	29.3	107.3	3.3	0.9	96.0	2.9	-1.4
<i>Net External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>3,299.3</i>	<i>30.6</i>	<i>3,287.9</i>	<i>28.4</i>	<i>3,320.4</i>	<i>28.6</i>	<i>32.5</i>	<i>1.0</i>	<i>0.3</i>	<i>21.1</i>	<i>0.6</i>	<i>-2.0</i>
IIP, net	-6,900.6	-64.1	-6,949.5	-59.9	-7,111.4	-61.3	-161.9	2.3	-1.4	-210.8	3.1	2.8

*/ GDP data for 2020 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, second quarter of 2021 as of 6 September 2021). The data for 2021 is forecasted by the NBRNM (April 2021).

Source: NBRNM, SSO.

At the end of June 2021, the negative **net international investment position**¹ amounted to Euro 7,111 million, or 61.3% of the GDP² forecasted for 2021. Most of this amount (84%) is net liabilities on direct investments, of which 76% on equity.

Gross external debt

At the end of June 2021, the gross external debt amounted to Euro 10,159 million (or 87.6% of the forecasted GDP), which is a quarterly increase of Euro 353 million (or by 3.6%). Corrected

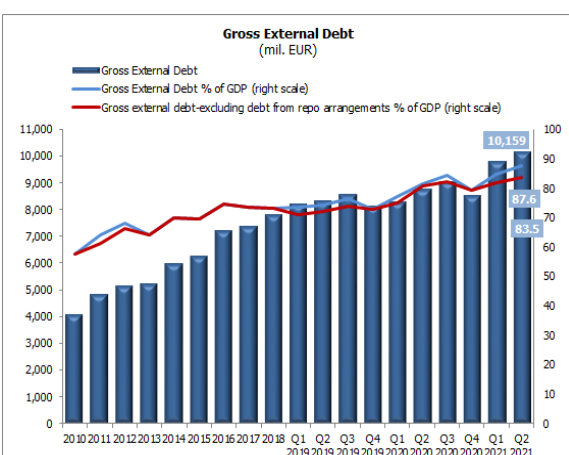
¹ The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition,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

² The GDP data for 2021 is forecasted by the NBRNM (April 2021).

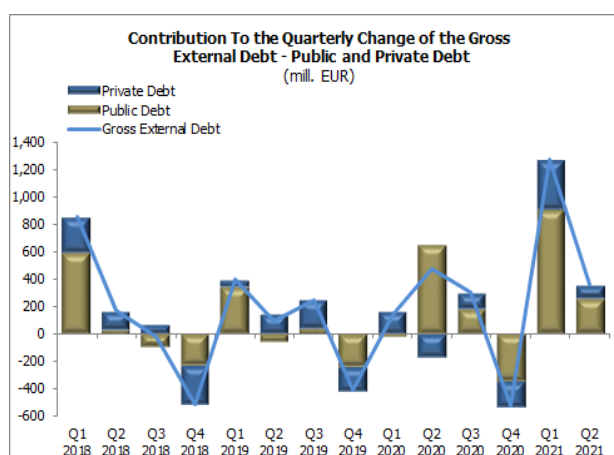


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for the effect of the specific foreign reserves management activities of the central bank³ from the debt, gross debt registers quarterly increase of Euro 182 million. This quarterly change is a result of the increased private and public debt (by Euro 98 million and Euro 85 million, respectively). The quarterly increase in the private debt is due to the increased debt of intercompany lending (by Euro 98 million) and non-banking private sector (by Euro 20 million), given the decline in the debt of private banks (by Euro 20 million). The public debt growth is due to the increased liabilities of the government sector by Euro 73 million, while the liabilities of public banks and public enterprises increased by Euro 12 million.



Source: NBRNM, SSO.



Compared to the end of 2020, the gross external debt increased by Euro 1,623 million or 19%. However, in the first half of 2021, the debt, with the effect of specific activities for foreign reserves management with foreign reserves of the central bank being excluded, increased by Euro 1,149 million. The growth is due to the increased public external debt (by Euro 684 million) and the increased private debt (by Euro 466 million). The public debt growth reflects the increased liabilities of the government sector (by Euro 674 million), as well as the higher liabilities of public banks and public enterprises (by Euro 9 million). Regarding the private debt, growth was registered in the liabilities of intercompany lending (by Euro 306 million), non-banking private sector (by Euro 153 million) and private banks (by Euro 6 million).

Gross external claims

At the end of the second quarter of 2021, the gross external claims amounted to Euro 6,764 million (or 58.3% of the forecasted GDP) and registered quarterly increase of Euro 246 million

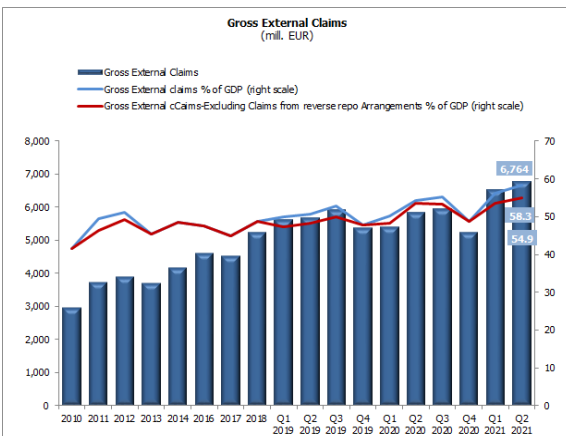
³ The specific foreign reserves management activities of the central bank include repo agreements and other foreign reserves management operations. Repo transactions create liabilities (classified under the loan category) that increase gross debt. At the same time, claims created from reverse repo agreements tend to increase gross claims. The NBRNM usually executes these transactions simultaneously, in almost identical amounts. In general, as they are usually concluded simultaneously, they have no effect on the total net external debt, i.e. these transactions usually have a neutral net effect, although there are exceptions, when the concluded transactions are not with the same amount in both directions.



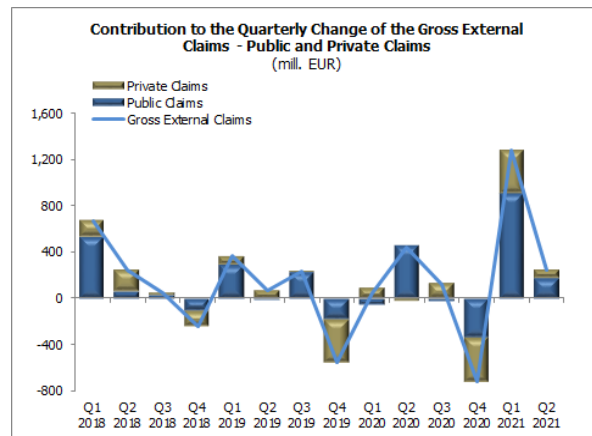
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(or by 3.8%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are higher by Euro 150 million and amount to Euro 6,365 million. This quarterly change is a result of the higher public claims by Euro 82 million and of the private claims by Euro 68 million. The growth of the public claims is a result of the increased claims of the central bank, while the growth of the private claims results from the increased claims of other sectors (by Euro 76 million), amid reduced claims of deposit-taking corporations and intercompany lending (by Euro 4 million, respectively).

Compared to the end of the preceding year, the gross external claims increased by Euro 1,527 million. If the effect of the central bank specific activities related to foreign reserves management is excluded, the gross external claims are higher by Euro 1,128 million, as a result of increased public and private claims (Euro 685 million and Euro 443 million, respectively). The growth in public claims reflects the increase in the official foreign reserves of the central bank, while the growth in private claims is explained by the increased claims of intercompany lending (by Euro 284 million) and other sectors (by Euro 202 million), amid reduced claims of deposit-taking corporations (by Euro 43 million).



Source: NBRNM, SSO.



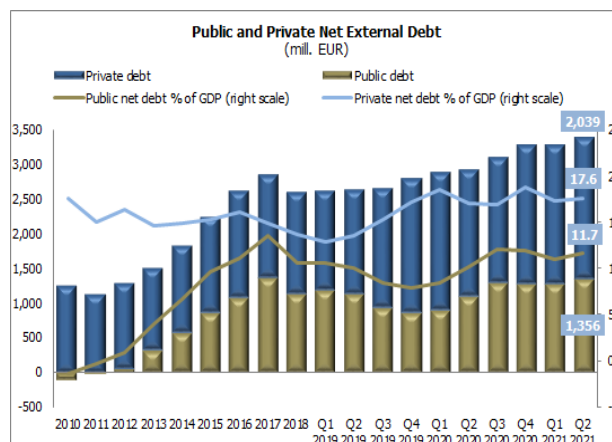
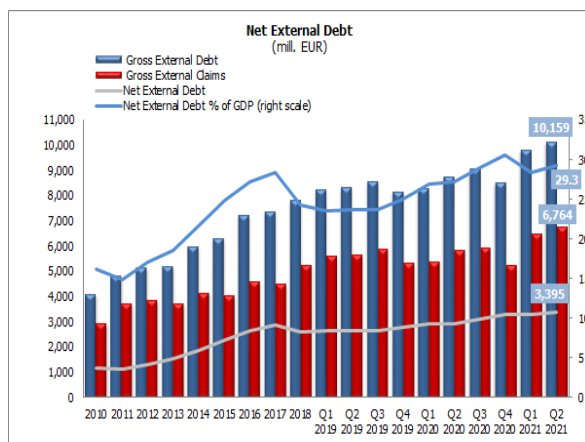
Net external debt

As of 30.6.2021, the net external debt equaled Euro 3,395 million (or 29.3% of the forecasted GDP). In the second quarter of 2021, the net external debt of the country increased by Euro 107 million, or by 3.3%. Analyzing the structure, the private net debt (60%) still has a larger share in the total net debt.

Compared to the end of 2020, the net external debt increased by Euro 96 million (or 2.9%), given the rise of the net public debt (of Euro 74 million), and of the net private debt (of Euro 22 million).



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Source: NBRNM, SSO.

International Investment Position, net

During the second quarter of 2021, the negative net international investment position (IIP) increased by Euro 162 million to Euro 7,111 million, which is 61.3% of GDP forecasted for 2021.

The quarterly increase in the negative net IIP results from the more intensive increase in liabilities (by Euro 457 million) relative to the increased assets (by Euro 295 million). Observed by instrument, the net liabilities based on debt instruments increased by Euro 107 million, while net liabilities based on equity instruments increased by Euro 55 million.

Compared to the end of 2020, the negative net IIP increased by Euro 211 million, as a result of the increase in the net liabilities based on equity instruments (of Euro 115 million) and debt instruments (of Euro 96 million).

International Investment Position of the Republic of North Macedonia

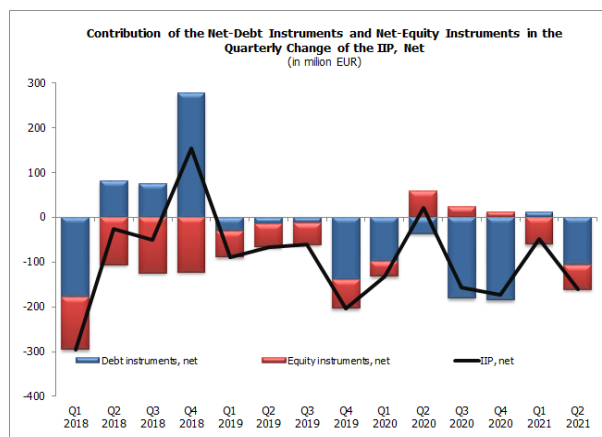
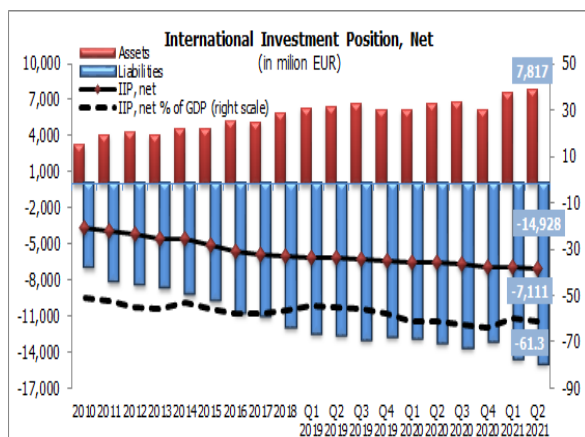
(in millions of euros)

IIP, by instruments	2012	2013	2014	2015	2016	2017	2018	2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021	Q2-2021
Net International Investment Position	-4,177.6	-4,558.4	-4,549.0	-5,082.7	-5,576.0	-5,822.5	-6,039.5	-6,458.4	-6,590.7	-6,570.1	-6,728.0	-6,900.6	-6,949.5	-7,111.4
Assets	4,257.5	4,082.5	4,634.0	4,571.9	5,171.3	5,157.3	5,913.6	6,163.8	6,180.7	6,699.3	6,858.4	6,172.5	7,521.9	7,816.8
Direct investment	533.6	617.8	475.6	655.0	811.9	967.6	896.2	936.8	1,036.5	1,018.7	1,060.5	784.3	1,120.7	1,120.9
Portfolio investment	63.1	107.7	155.0	212.6	255.2	300.2	321.2	406.1	352.5	402.3	429.1	470.9	515.5	550.4
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	0.0
Other equity	0.0	0.9	0.9	1.0	1.2	2.8	2.9	4.4	4.4	4.5	4.5	4.5	4.5	4.5
Currency and deposits	537.0	540.0	623.6	615.4	627.3	635.5	694.0	580.0	559.8	556.7	559.1	562.9	524.3	522.5
Loans	246.4	91.3	98.2	67.1	52.1	56.1	74.5	79.1	294.5	160.2	310.8	87.3	393.0	491.9
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	0.0
Trade credit and advances	684.1	730.3	842.7	757.4	809.6	858.8	1,057.2	894.4	915.4	916.8	1,014.0	902.3	1,024.6	1,095.2
Other accounts receivable/payable	0.0	1.4	1.5	1.7	0.5	0.1	0.5	0.3	0.3	0.4	0.2	0.4	0.3	0.3
Reserve assets	2,193.3	1,993.0	2,436.5	2,261.8	2,613.4	2,336.3	2,867.1	3,262.6	3,017.3	3,639.7	3,480.2	3,359.9	3,939.2	4,031.1
Liabilities	8,435.1	8,640.8	9,183.0	9,654.6	10,747.3	10,979.8	11,953.0	12,622.2	12,771.4	13,269.4	13,586.4	13,073.1	14,471.5	14,928.2
Direct investment	4,146.8	4,485.7	4,378.3	4,951.3	5,392.2	5,598.1	6,141.3	6,580.0	6,742.1	6,653.9	6,729.5	6,537.1	6,874.9	7,078.7
Portfolio investment	408.3	253.2	776.6	848.8	1,362.2	1,476.3	1,813.2	1,730.7	1,648.9	2,285.7	2,287.4	2,103.8	2,698.7	2,703.5
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	0.0
Other equity	0.0	4.1	4.4	4.3	6.0	2.3	4.2	4.0	4.3	4.5	4.8	5.0	5.0	5.0
Currency and deposits	198.7	168.4	157.7	148.5	174.2	195.2	206.2	254.2	259.6	276.5	238.6	253.3	272.8	271.0
Loans	2,771.8	2,883.1	3,024.4	2,961.7	3,014.7	2,872.0	2,883.4	3,100.9	3,180.8	3,195.4	3,390.6	3,267.2	3,617.6	3,849.9
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	0.0
Trade credit and advances	832.8	773.2	763.4	656.7	714.6	757.7	824.8	871.1	854.5	773.3	856.6	827.8	923.3	941.3
Other accounts receivable/payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	76.7	73.2	78.2	83.2	83.2	78.2	79.8	81.3	81.3	80.0	78.9	77.4	79.2	78.7

Source: NBRNM.



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Source: NBRNM, SSO.

Data revisions

The 2020 data in this press release contains the changes that arise from the regular annual revision for 2020. More information on the effect of the annual revision on the gross external debt, gross external claims and IIPs for 2020 is available in the following press releases: Revision of external statistics for 2019 and 2020. In addition, the changes in the data for the period January - March 2021, to a lesser extent, result from better coverage of data for the first quarter of 2021, in loans and trade credits and advances. Regarding the direction of changes, in the first quarter of 2021, the revisions reduced **gross external debt and gross external claims** by Euro 27.9 million and Euro 19.3 million, respectively. Consequently, these changes were reflected as a reduction of the net external debt by Euro 8.6 million. The change in the **net international investment position** in the first quarter of 2021 is towards a decrease in the negative IIP of Euro 35 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.nsp

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

Methodological explanations on gross external debt and claims:
https://www.nbrm.mk/content/statistika/ND/metodologija/Methodological_Notes_debt_5_2_2018.pdf



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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: 30 December 2021 (reference period as of September 2021).

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).