



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 December 2021

Press Release

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

At the end of the third quarter of 2021, **the gross external debt** total Euro 9,870 million and decreased on a quarterly basis by Euro 300 million. **Gross external claims** decreased by Euro 235 million and amounted to Euro 6,532 million. The larger quarterly decrease in liabilities against claims led to a fall in **the net external debt** by Euro 64 million, and at the end of September 2021 it amounted to Euro 3,338 million. Thus, the decrease in the net external debt in the third quarter results from the decrease in the private net debt by Euro 81 million, in conditions of increased public net debt by Euro 17 million.

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

	31.12.2020		30.06.2021		30.09.2021		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	80.3	10,169.9	86.0	9,870.3	83.5	-299.6	-2.9	-2.5	1,334.2	15.6	3.2
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>8,536.1</i>	<i>80.3</i>	<i>9,696.3</i>	<i>82.0</i>	<i>9,372.9</i>	<i>79.3</i>	<i>-323.4</i>	<i>-3.3</i>	<i>-2.7</i>	<i>836.8</i>	<i>9.8</i>	<i>-1.0</i>
Long-term debt	6,796.7	63.9	7,554.8	63.9	7,281.8	61.6	-273.0	-3.6	-2.3	485.1	7.1	-2.3
Short-term debt	1,739.5	16.4	2,615.1	22.1	2,588.5	21.9	-26.5	-1.0	-0.2	849.1	48.8	5.5
Public debt	4,301.5	40.4	5,458.7	46.2	5,157.3	43.6	-301.4	-5.5	-2.6	855.8	19.9	3.2
Private debt	4,234.6	39.8	4,711.2	39.9	4,713.1	39.9	1.9	0.0	0.0	478.4	11.3	0.1
Gross External Claims	5,236.8	49.2	6,767.8	57.3	6,532.4	55.3	-235.4	-3.5	-2.0	1,295.6	24.7	6.0
<i>Gross external claims-excluding claims of the Central Bank from reverse repo arrangements</i>	<i>5,236.8</i>	<i>49.2</i>	<i>6,369.0</i>	<i>53.9</i>	<i>6,110.1</i>	<i>51.7</i>	<i>-259.0</i>	<i>-4.1</i>	<i>-2.2</i>	<i>873.3</i>	<i>16.7</i>	<i>2.5</i>
Net External Debt	3,299.3	31.0	3,402.1	28.8	3,337.9	28.2	-64.2	-1.9	-0.5	38.6	1.2	-2.8
<i>Net External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>3,299.3</i>	<i>31.0</i>	<i>3,327.2</i>	<i>28.1</i>	<i>3,262.8</i>	<i>27.6</i>	<i>-64.4</i>	<i>-1.9</i>	<i>-0.5</i>	<i>-36.5</i>	<i>-1.1</i>	<i>-3.4</i>
IIP, net	-6,900.6	-64.9	-7,118.3	-60.2	-7,099.5	-60.1	18.7	-0.3	0.2	-198.9	2.9	4.8

*/ GDP data for 2020 is preliminary (source: State Statistical Office, Press Release Gross Domestic Product, third quarter of 2021 as of 7.12.2021). The data for 2021 is forecasted by the NBRNM (October 2021).

Source: NBRNM, SSO.

At the end of September 2021, the negative **net international investment position**¹ amounted to Euro 7,100 million, or 60.1% of the GDP² forecast for 2021. Most of this amount (84%) is net liabilities on direct investments, of which 77% on equity.

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.

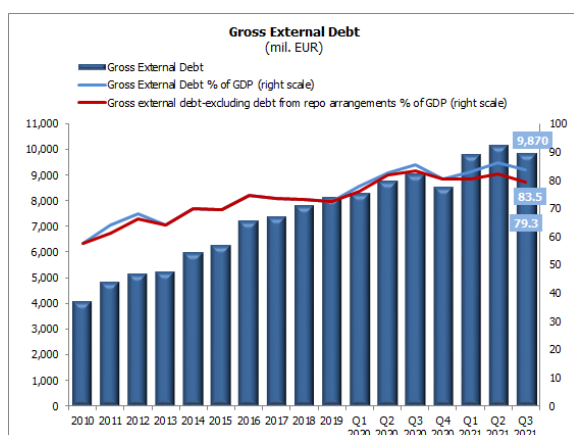
² The GDP data for 2021 is forecasted by the NBRNM (October 2021).



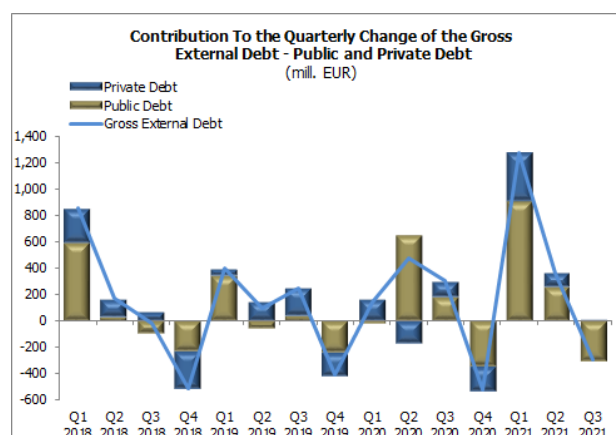
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Gross external debt

At the end of September 2021, the gross external debt amounted to Euro 9,870 million (or 83.5% of the forecasted GDP), which is a quarterly decrease of Euro 300 million (or by 2.9%). If we exclude the effect of the specific activities for managing the foreign reserves of the central bank³ from the debt, gross debt registers quarterly decrease of Euro 323 million. This quarterly change is a result of the reduced public debt (by Euro 325 million), amid slight increase in the private debt (of Euro 2 million). The quarterly fall in the public debt is due to the reduced liabilities of the government sector by Euro 474 million⁴ and of the public banks and public enterprises by Euro 14 million, in circumstances of growth in the liabilities of the central bank by Euro 163 million⁵. The quarterly growth of the private debt is due to the increased debt of intercompany lending (by Euro 46 million), amid decreased liabilities of private banks (by Euro 25 million) and of non-banking private sector (by Euro 19 million).



Source: NBRNM, SSO.



Compared to the end of 2020, the gross external debt increased by Euro 1,334 million or 15.6%. With the effect of the specific activities for managing the foreign reserves of the central bank being excluded, the gross external debt increased by Euro 837 million, amid growth in the private external debt (of Euro 478 million) and the public debt (of Euro 358 million). The increase in the private debt is due to the increased debt of intercompany lending (by Euro 355 million) and non-banking private sector (by Euro 142 million), amid reduced debt of private banks (by Euro 18 million). The higher public debt is a result of the growth of the debt of the government sector by Euro 199 million and the debt of the central bank by Euro 164 million (according to the new

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.

⁴ The third issue of Eurobonds in the nominal amount of Euro 500 million was repaid.

⁵ Amount allocated within the new general allocation of special drawing rights (SDRs) of the IMF.



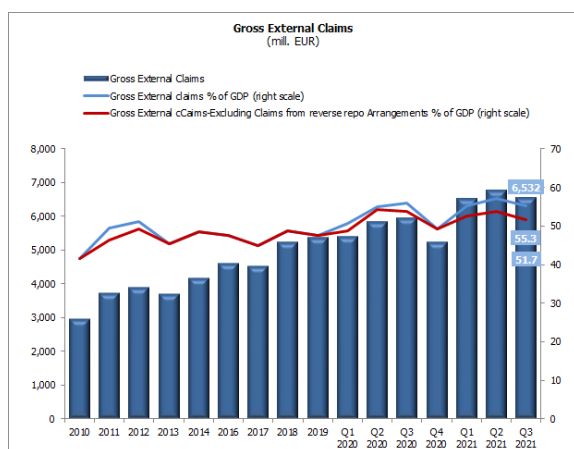
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general allocation of special drawing rights of the IMF), amid a decline in the debt of the public banks and public enterprises by Euro 5 million.

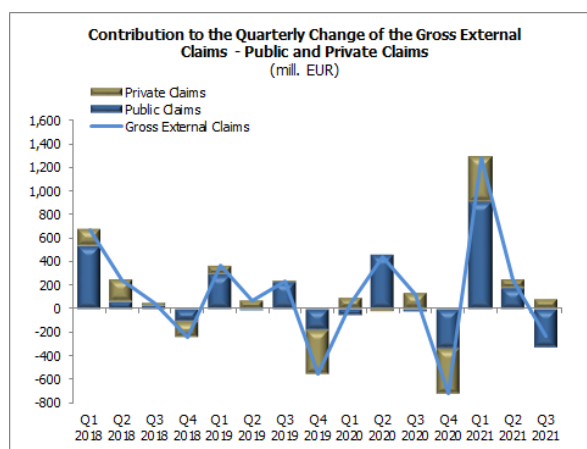
Gross external claims

At the end of the third quarter of 2021, the gross external claims amounted to Euro 6,532 million (or 55.3% of the forecasted GDP) and registered quarterly decrease of Euro 235 million (or by 3.5%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are lower by Euro 259 million and amount to Euro 6,110 million. This quarterly change is a result of the lower public claims by Euro 342 million, amid growth of private claims by Euro 83 million. The fall in public claims is a result of the reduced claims of the central bank, while the growth of private claims results from the increased claims of intercompany lending (by Euro 99 million) and of deposit-taking corporations (by Euro 22 million), amid reduced claims of other sectors (by Euro 39 million).

Compared to the end of the preceding year, the gross external claims increased by Euro 1,296 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 873 million, as a result of increased private and public claims (Euro 530 million and Euro 343 million, respectively). The growth of private claims is explained by the increased claims of intercompany lending (by Euro 384 million) and other sectors (by Euro 166 million), amid reduced claims of deposit-taking corporations (by Euro 20 million), while the increased public claims reflect the increase in the official foreign reserves of the central bank.



Source: NBRNM, SSO.



Net external debt

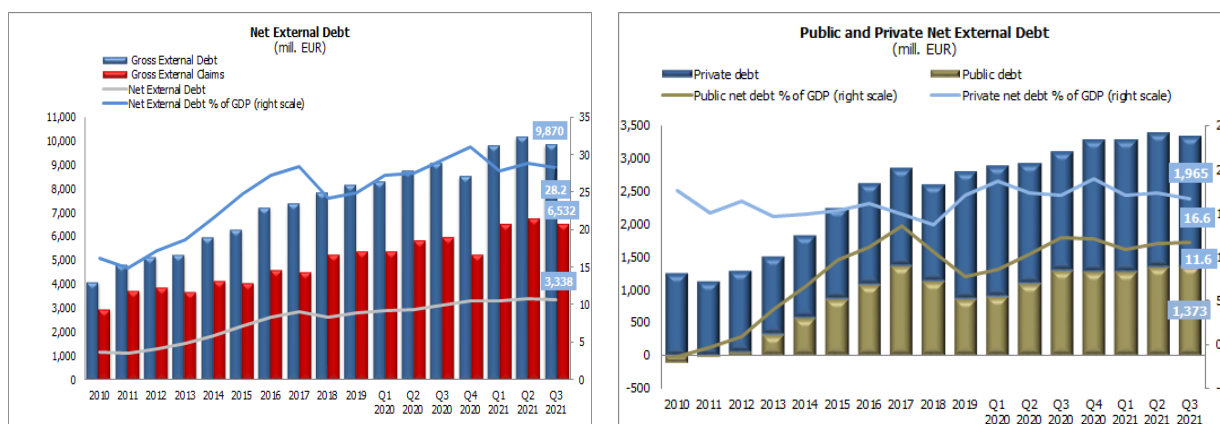
As of 30.9.2021, the net external debt equaled Euro 3,338 million (or 28.2% of the forecasted GDP). In the third quarter of 2021, the net external debt of the country decreased by Euro 64



National Bank of the Republic of North Macedonia Statistics Department

million, or by 1.9%. Analyzing the structure, the private net debt (59%) still has a larger share in the total net debt.

Compared to the end of 2020, the net external debt increased by Euro 39 million (or 1.2%), given the rise of the net public debt (of Euro 91 million), in circumstances of reduction of net private debt (of Euro 52 million).



Source: NBRNM, SSO.

International Investment Position, net

During the third quarter of 2021, the negative net international investment position (IIP) decreased by Euro 19 million to Euro 7,100 million, which is 60.1% of GDP forecasted for 2021.

The quarterly decrease in the negative net IIP results from the faster decrease in liabilities (by Euro 224 million) compared to the reduced assets (by Euro 206 million). Analyzed by instrument, the net liabilities based on debt instruments decreased by Euro 64 million, while net liabilities based on equity instruments increased by Euro 45 million.

Compared to the end of 2020, the negative net IIP increased by Euro 199 million, as a result of the increase in the net liabilities based on equity instruments (of Euro 160 million) and debt instruments (of Euro 39 million).



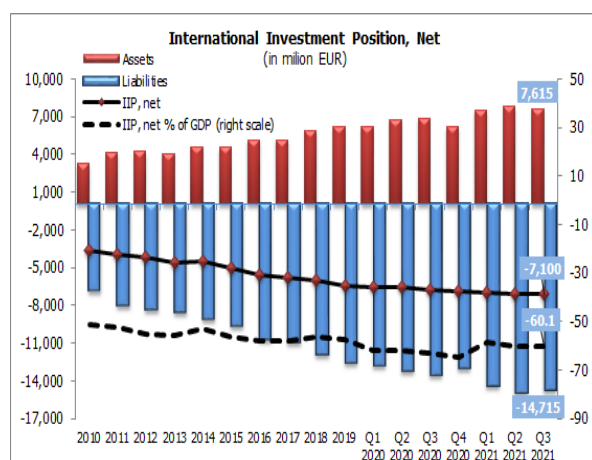
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International Investment Position of the Republic of North Macedonia

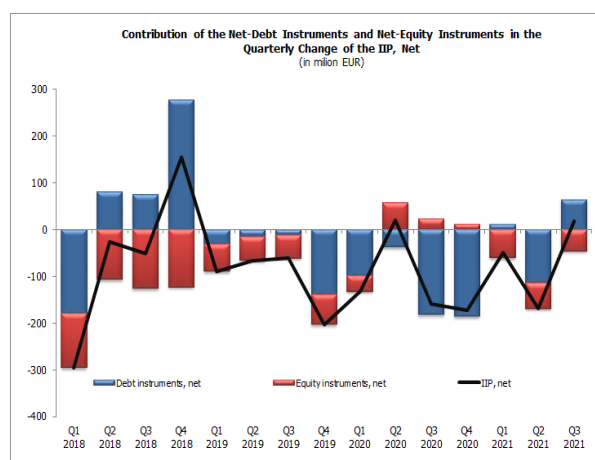
(in millions of euros)

IIP, by instruments	2012	2013	2014	2015	2016	2017	2018	2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021	Q2-2021	Q3-2021
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	-6,949.3	-7,118.3	-7,099.5
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	7,525.8	7,821.0	7,615.3
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	1,122.0	1,121.7	1,236.3
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	563.9
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	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	4.3
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	540.7
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	492.0	522.9
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	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	1,027.1	1,098.5	1,055.9
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	0.6
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	3,690.7
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	14,475.1	14,939.3	14,714.8
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	6,876.1	7,082.0	7,202.2
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	2,216.1
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	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	4.9
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	226.2
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	3,616.9	3,850.7	3,876.6
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	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	926.4	948.4	946.9
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	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	241.9

Source: NBRNM.



Source: NBRNM, SSO.



Data revisions

The data on the gross external debt and claims in this press release contain regular data revisions for the period January - June 2021. Changes in gross external debt and claims arise from the improved coverage of data on trade credits, advances and loans. Regarding the direction of changes, in the two quarters of 2021, the revision of the data led to an increase in the gross external debt (of Euro 3.6 million and Euro 11 million, respectively) and the gross external claims (by Euro 3.8 million and Euro 4.2 million, respectively). At the same time, these changes were reflected in the net external debt, but also in the net IIP in the first quarter of 2021 as a decrease



National Bank of the Republic of North Macedonia Statistics Department

in the net external debt and lower negative net IIP (by Euro 0.3 million and Euro 0.2 million, respectively), and in the second quarter of 2021 as an increase in the net external debt and a higher negative net IIP (by Euro 6.8 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.nspix

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

https://www.nbrm.mk/megunarodna_investiciska_pozicija-en.nspix

Methodological explanations on gross external debt and claims:

https://www.nbrm.mk/content/statistika/ND/metodologija/Methodological_Notes_debt_5_2_2018.pdf

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: 31 March 2022 (reference period as of December 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).