



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 31 March 2022

Press Release

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

At the end of the fourth quarter of 2021, **the gross external debt** totaled Euro 9,547 million and registered a quarterly decrease of Euro 323 million. **Gross external claims** decreased by Euro 622 million and amounted to Euro 5,909 million. The larger quarterly decrease in claims against the liabilities resulted in increased **net external debt** by Euro 299 million, so at the end of December 2021 it amounted to Euro 3,638 million. Thus, the increase in the net external debt in the fourth quarter results from the increase in the private net debt by Euro 192 million and the public net debt by Euro 107 million.

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

	31.12.2020		30.09.2021		31.12.2021		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	9,870.4	84.1	9,547.3	81.4	-323.0	-3.3	-2.8	1,011.2	11.8	1.1
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>8,536.1</i>	<i>80.3</i>	<i>9,373.0</i>	<i>79.9</i>	<i>9,411.6</i>	<i>80.2</i>	<i>38.6</i>	<i>0.4</i>	<i>0.3</i>	<i>875.5</i>	<i>10.3</i>	<i>-0.1</i>
Long-term debt	6,796.7	63.9	7,284.1	62.1	7,408.8	63.1	124.7	1.7	1.1	612.2	9.0	-0.8
Short-term debt	1,739.5	16.4	2,586.3	22.0	2,138.5	18.2	-447.7	-17.3	-3.8	399.1	22.9	1.9
Public debt	4,301.5	40.4	5,157.3	43.9	4,802.0	40.9	-355.3	-6.9	-3.0	500.5	11.6	0.5
Private debt	4,234.6	39.8	4,713.1	40.2	4,745.4	40.4	32.3	0.7	0.3	510.7	12.1	0.6
Gross External Claims	5,236.8	49.2	6,531.2	55.7	5,909.1	50.4	-622.0	-9.5	-5.3	672.4	12.8	1.1
<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>6,108.9</i>	<i>52.1</i>	<i>5,874.6</i>	<i>50.1</i>	<i>-234.3</i>	<i>-3.8</i>	<i>-2.0</i>	<i>637.8</i>	<i>12.2</i>	<i>0.8</i>
Net External Debt	3,299.3	31.0	3,339.2	28.5	3,638.2	31.0	299.0	9.0	2.5	338.9	10.3	0.0
IIP, net	-6,900.6	-64.9	-7,132.0	-60.8	-7,307.7	-62.3	-175.7	2.5	-1.5	-407.1	5.9	2.6

*The data on gross domestic product (GDP) for 2020 is preliminary, while the data for 2021 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, fourth quarter of 2021 as of 2 March 2020).

Source: NBRNM, SSO.

At the end of December 2021, the negative **net international investment position**¹ amounted to Euro 7,308 million, or 62.3% of the forecasted GDP² for 2021. Most of this amount, or 85%, accounts for net liabilities based on direct investments, of which 73% on equity.

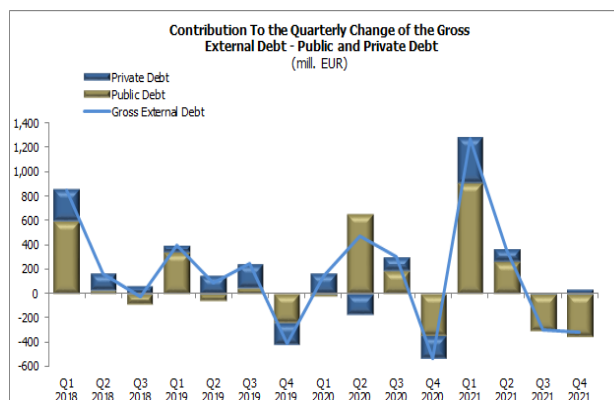
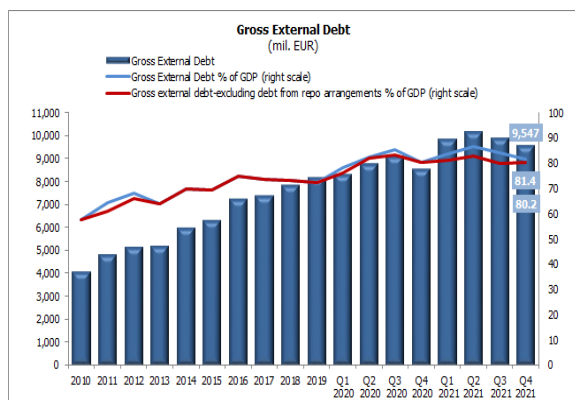
¹ The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition,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

²The data on GDP for 2021 is estimated data (Source: State Statistical Office, Press Release Gross Domestic Product, fourth quarter of 2021 as of 2 March 2020).



Gross external debt

At the end of December 2021, the gross external debt amounted to Euro 9,547 million (or 81.4% of the estimated GDP), which is a quarterly decrease of Euro 323 million (or by 3.3%). Corrected for the effect of the specific foreign reserves management activities of the central bank³ from the debt, gross debt registers quarterly increase of Euro 39 million. This quarterly change is a result of the increased private debt (by Euro 32 million) and public debt (by Euro 6 million). The quarterly growth of the private debt is due to the increased debt of private banks (by Euro 84 million) amid decreased liabilities of non-bank private sector (by Euro 39 million) and intercompany lending (by Euro 12 million). The increase in public debt is due to the growth of liabilities of public banks and public enterprises (by Euro 85 million) and the central bank (by Euro 5 million), amid declining liabilities of the government sector by Euro 84 million.



Source: NBRNM, SSO.

Compared to the end of 2020, the gross external debt increased by Euro 1,011 million, or 11.8%. 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 875 million, amid growth in the private external debt (of Euro 511 million) and the public external debt (of Euro 365 million). The increase in the private debt is due to the increased debt of intercompany lending (by Euro 341 million), non-banking private sector (by Euro 104 million) and private banks (by Euro 66 million). Higher public debt is a result of the growth of the central bank debt (by Euro 170 million), as a result of

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 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.



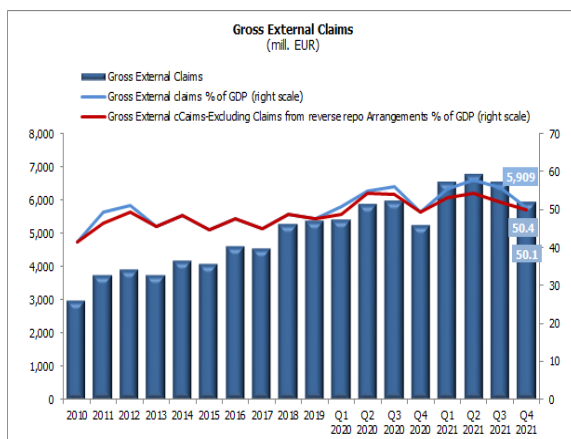
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the new SDR allocation, debt growth in the government sector (by Euro 115 million) and in public banks and public enterprises (by Euro 80 million).

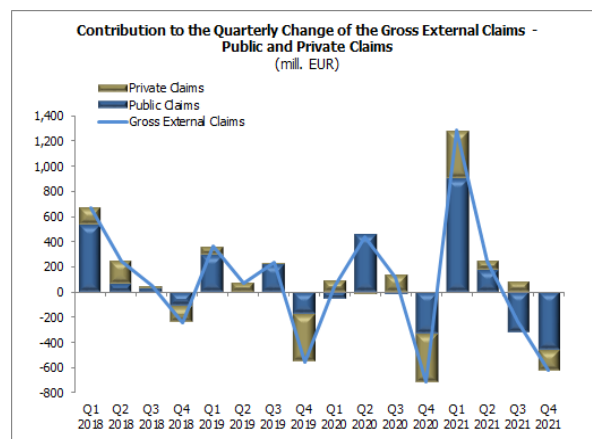
Gross external claims

At the end of the fourth quarter of 2021, the gross external claims amounted to Euro 5,909 million (or 50.4% of the estimated GDP) and registered quarterly decrease of Euro 622 million (or by 9.5%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are lower by Euro 234 million and amount to Euro 5,875 million. This quarterly change is a result of the reduced private claims by Euro 160 million and a decline in the public claims by Euro 74 million. The fall in the private claims stems from the reduced claims of intercompany lending (by Euro 269 million) and other sectors (by Euro 24 million), amid growth of the claims of deposit-taking corporations (by Euro 133 million). The decrease in public claims is a result of the declining claims of the central bank.

Compared to the end of the preceding year, the gross external claims increased by Euro 672 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 638 million, as a result of increased private and public claims (Euro 369 million and Euro 269 million, respectively). The growth of private claims is explained by the increased claims of other sectors (by Euro 141 million), intercompany lending (by Euro 115 million) and claims of deposit-taking corporations (by Euro 113 million), while the increased public claims reflect the increase in the official foreign reserves of the central bank.



Source: NBRNM, SSO.



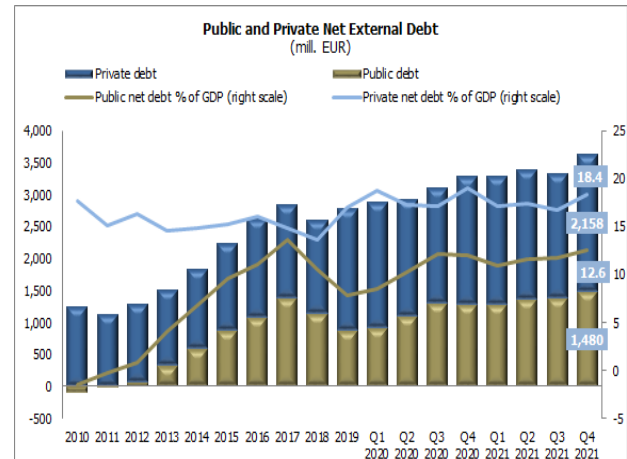
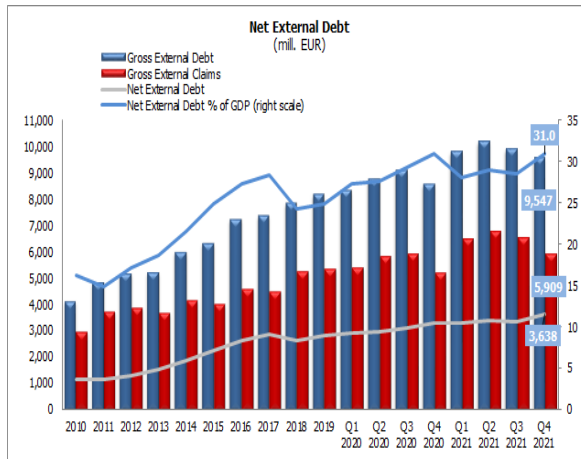
Net external debt

As of 31.12.2021, the net external debt equaled Euro 3,638 million (or 31% of the estimated GDP). In the fourth quarter of 2021, the net external debt increased by Euro 299 million, or by 9%. Analyzing the structure, the private net debt (59%) still has a larger share in the total net debt.



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Compared to the end of 2020, the net external debt increased by Euro 339 million (or by 10.3%), given the rise of the net public debt (of Euro 197 million), and of the net private debt (of Euro 142 million).



Source: NBRNM, SSO.

International Investment Position, net

During the fourth quarter of 2021, the negative net international investment position (IIP) increased by Euro 176 million to Euro 7,308 million, which is 62.3% of GDP forecasted for 2021.

The quarterly increase in the negative net IIP results from the faster decrease in assets (by Euro 527 million) compared to the reduced liabilities (by Euro 351 million). Observed by instrument, the net liabilities based on debt instruments increased by Euro 299 million, while net liabilities based on equity instruments decreased by Euro 123 million.

Compared to the end of 2020, the negative net IIP increased by Euro 407 million, as a result of the increase in the net liabilities based on debt instruments (of Euro 339 million) and equity instruments (of Euro 68 million).



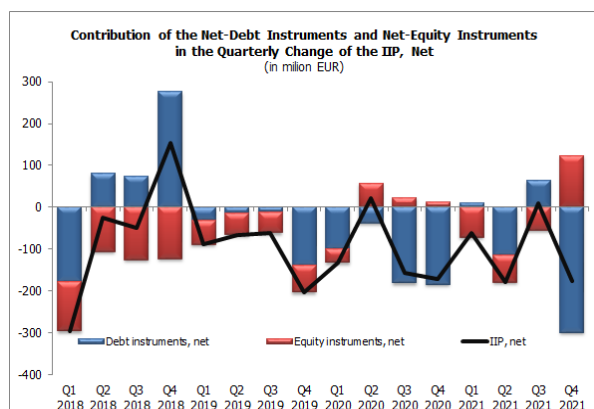
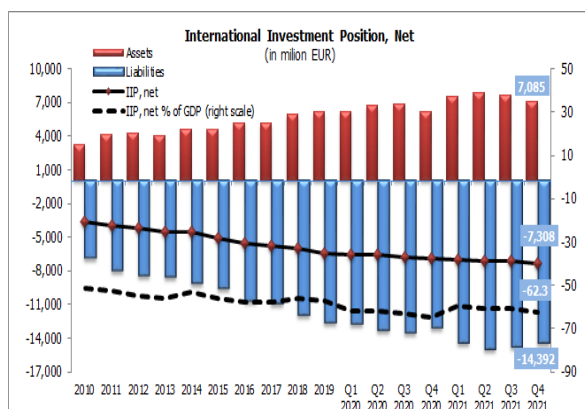
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International Investment Position of the Republic of North Macedonia

(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	Q4-2021
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	-6,961.3	-7,141.0	-7,132.0	-7,307.7
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	7,523.9	7,819.3	7,611.8	7,084.8
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	1,122.0	1,121.7	1,236.6	967.6
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	513.3	548.2	561.7	650.0
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	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	4.1
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	657.6
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	523.1	129.6
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	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	1,027.4	1,099.0	1,054.0	1,031.7
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	0.9
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	3,643.3
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	14,485.2	14,960.3	14,743.8	14,392.4
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	6,886.2	7,102.4	7,229.4	7,189.0
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	2,150.8
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	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	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	297.3
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	3,850.6	3,876.5	3,597.4
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	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	949.1	948.6	905.7
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	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	247.3

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 - September 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 first two quarters of 2021, the revision of the data led to increase in the gross external debt of Euro 0.6 million and Euro 1.7 million, respectively, while in the third quarter the gross external debt remained almost unchanged. Gross external claims increased in the first and



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second quarter of 2021 (by Euro 0.3 million and Euro 0.5 million, respectively), while in the third quarter they decreased (by Euro 1.2 million).

At the same time, these changes reflected in the net external debt, as well as in the IIP, net. In addition to the changes in the debt instruments, the revision of IIP, net, was also influenced by the revision of equity instruments, which are almost entirely a result of the new data obtained from the quarterly reports on the realized and planned financial result of companies with foreign direct investment. The revision led to the increase in the negative IIP of Euro 12 million in the first, Euro 22.7 million in the second and Euro 32.5 million in the third quarter of 2021.

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: 30 June 2022 (reference period as of March 2022).

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:
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