



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 June 2022

Press Release

Significant changes in the external debt, external claims and international investment position: first quarter of 2022

At the end of the first quarter of 2022, **the gross external debt** total Euro 9,977 million and increased on a quarterly basis by Euro 430 million. **Gross external claims** increased by Euro 8 million and amounted to Euro 5,917 million. The larger quarterly increase in liabilities against claims led to a growth of **the net external debt** by Euro 422 million, and at the end of March 2022 it amounted to Euro 4,060 million.

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

	31.12.2021		31.03.2022		Quarterly Change		
	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	%	p.p.
Gross External Debt	9,547.3	81.4	9,976.8	74.9	429.5	4.5	-6.5
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>9,411.6</i>	<i>80.2</i>	<i>9,897.4</i>	<i>74.3</i>	<i>485.8</i>	<i>5.2</i>	<i>-5.9</i>
Long-term debt	7,408.8	63.1	7,340.2	55.1	-68.6	-0.9	-8.0
Short-term debt	2,138.5	18.2	2,636.6	19.8	498.1	23.3	1.6
Public debt	4,802.0	40.9	4,589.2	34.5	-212.7	-4.4	-6.5
Private debt	4,745.4	40.4	5,387.6	40.4	642.2	13.5	0.0
Gross External Claims	5,909.1	50.4	5,916.6	44.4	7.5	0.1	-5.9
<i>Gross external claims-excluding claims of the Central Bank from reverse repo arrangements</i>	<i>5,874.6</i>	<i>50.1</i>	<i>5,914.5</i>	<i>44.4</i>	<i>39.9</i>	<i>0.7</i>	<i>-5.7</i>
Net External Debt	3,638.2	31.0	4,060.2	30.5	422.0	11.6	-0.5
IIP, net	-7,307.7	-62.3	-7,788.5	-58.5	-480.9	6.6	3.8

*/The data on gross domestic product (GDP) for 2021 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, first quarter of 2022 as of 9 June 2022). The data for 2022 is forecasted by the NBRNM (April, 2022).

Source: NBRNM, SSO.

At the end of March 2022, the negative **net international investment position**¹ amounted to Euro 7,789 million, or 58.5% of the GDP² forecast for 2022. Most of this amount (81%) is net liabilities on direct investments, of which 73% on equity.

Gross external debt

At the end of March 2022, the gross external debt totaled Euro 9,977 million (or 74.9% of the forecasted GDP) and registered quarterly increase of Euro 430 million (or by 4.5%). Corrected

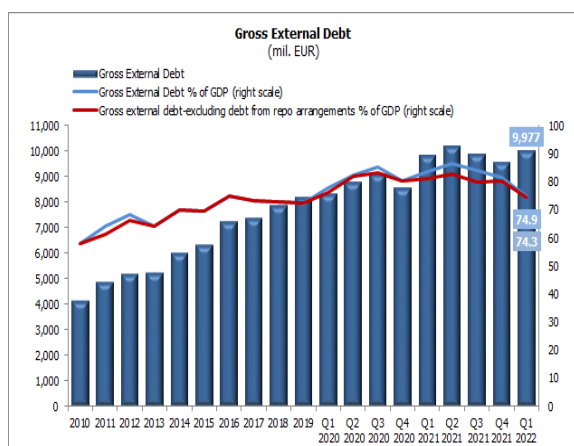
¹ The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition,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

² The GDP data for 2022 is forecasted by the NBRNM (April 2022).

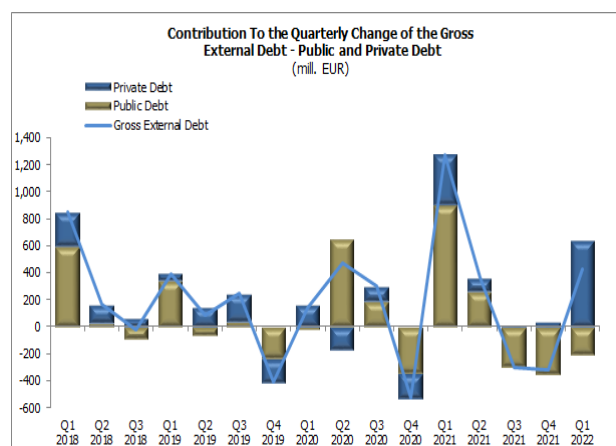


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for the effect of the specific foreign reserves management activities of the central bank³ from the debt, gross debt registers quarterly increase of Euro 486 million. This quarterly change is a result of the increased private debt (by Euro 642 million), while the public debt registered a quarterly decrease (by Euro 156 million). The growth of the private debt is due to the increased debt of intercompany lending (by Euro 428 million), private banks (by Euro 128 million) and non-banking private sector (by Euro 86 million). The quarterly decrease in the public external debt of Euro 156 million is mainly a result of the reduction of the government sector debt (by Euro 145 million), as well as the reduction of the debt of public enterprises and public banks (by Euro 13 million).



Source: NBRNM, SSO.



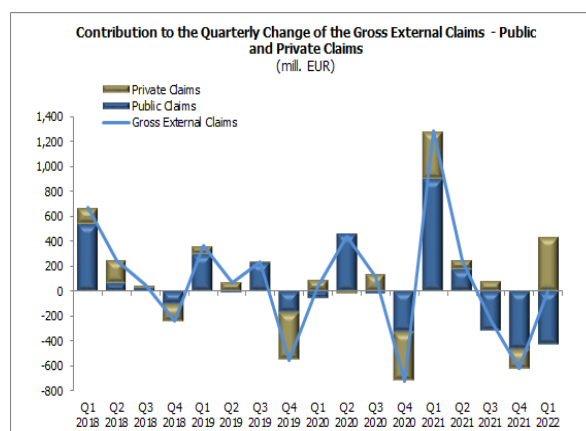
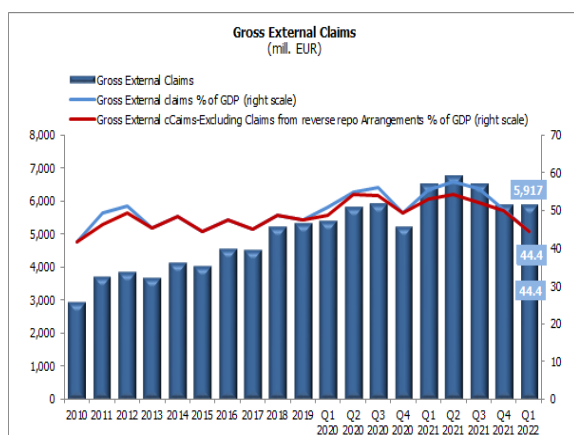
Gross external claims

At the end of the first quarter of 2022, the gross external claims amounted to Euro 5,917 million (or 44.4% of the forecasted GDP) and registered quarterly increase of Euro 8 million (or by 0.1%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are higher by Euro 40 million and amount to Euro 5,915 million. This quarterly change is a result of the higher private claims by Euro 438 million amid lower public claims of Euro 398 million. The quarterly growth of the external claims of the private sector is a result of the increased claims of intercompany lending (by Euro 397 million) and non-banking private sector (by Euro 73 million), amid reduced claims of private banks (by Euro 33 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.

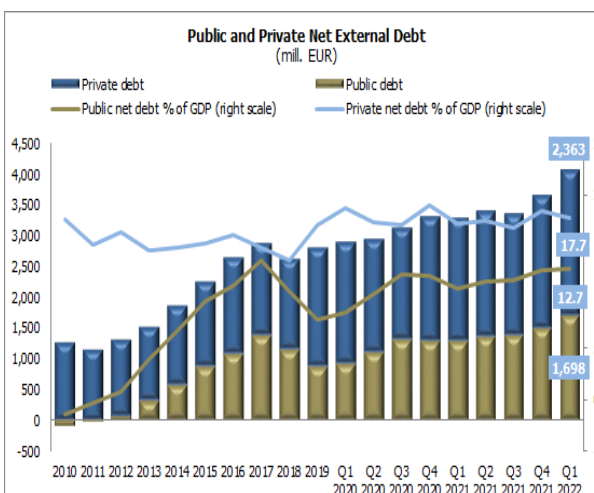
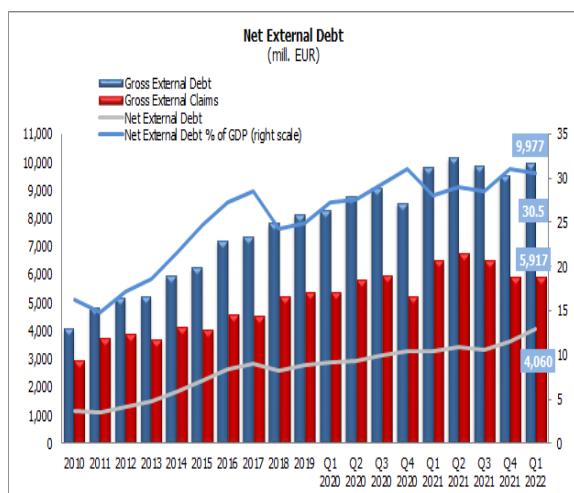


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Net external debt

As of 31.3.2022, the net external debt equaled Euro 4,060 million (or 30.5% of the forecasted GDP). In the first quarter of 2022, the net external debt of the country increased by Euro 422 million, or by 11.6%. Analyzing the structure, the private net debt (58%) still has a larger share in the total net debt.



Source: NBRNM, SSO.

International Investment Position, net

During the first quarter of 2022, the negative net international investment position (IIP) increased by Euro 481 million to Euro 7,789 million, which is 58.5% of GDP forecasted for 2022.

The quarterly increase in the negative net IIP results from the more intensive increase in liabilities (by Euro 527 million) relative to the increased assets (by Euro 46 million). Observed by instrument, the net liabilities based on debt instruments increased by Euro 422 million, while net liabilities based on equity instruments increased by Euro 59 million.



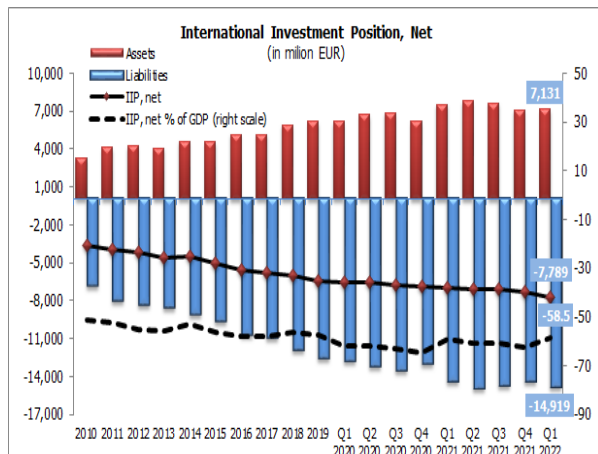
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International Investment Position of the Republic of North Macedonia

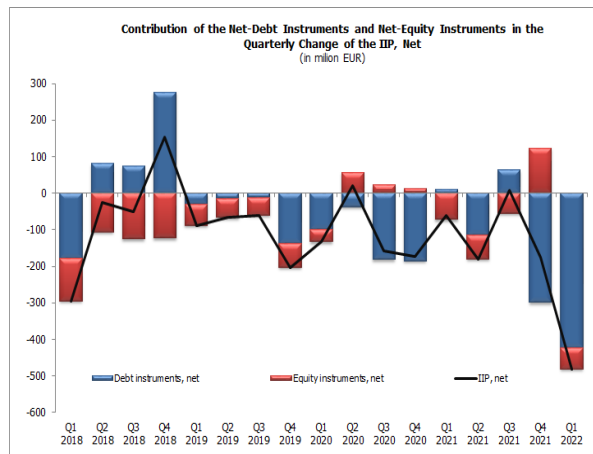
(in millions of euros)

IIP, by instruments	2015	2016	2017	2018	2019	2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021	Q1-2022
Net International Investment Position	-5,082.7	-5,576.0	-5,822.5	-6,039.5	-6,458.4	-6,900.6	-6,961.3	-7,141.0	-7,132.0	-7,307.7	-7,788.5
Assets	4,571.9	5,171.3	5,157.3	5,913.6	6,163.8	6,172.5	7,523.9	7,819.3	7,611.8	7,084.8	7,130.9
Direct investment	655.0	811.9	967.6	896.2	936.8	784.3	1,122.0	1,121.7	1,236.6	967.6	1,375.2
Portfolio investment	212.6	255.2	300.2	321.2	406.1	470.9	513.3	548.2	561.7	650.0	626.2
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
Other equity	1.0	1.2	2.8	2.9	4.4	4.5	4.5	4.5	4.3	4.1	4.0
Currency and deposits	615.4	627.3	635.5	694.0	580.0	562.9	524.3	522.5	540.7	657.6	646.7
Loans	67.1	52.1	56.1	74.5	79.1	87.3	393.0	492.0	523.1	129.6	98.8
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
Trade credit and advances	757.4	809.6	858.8	1,057.2	894.4	902.3	1,027.4	1,099.0	1,054.0	1,031.7	1,106.9
Other accounts receivable/payable	1.7	0.5	0.1	0.5	0.3	0.4	0.3	0.3	0.6	0.9	0.5
Reserve assets	2,261.8	2,613.4	2,336.3	2,867.1	3,262.6	3,359.9	3,939.2	4,031.1	3,690.7	3,643.3	3,272.5
Liabilities	9,654.6	10,747.3	10,979.8	11,953.0	12,622.2	13,073.1	14,485.2	14,960.3	14,743.8	14,392.4	14,919.5
Direct investment	4,951.3	5,392.2	5,598.1	6,141.3	6,580.0	6,537.1	6,886.2	7,102.4	7,229.4	7,189.0	7,716.7
Portfolio investment	848.8	1,362.2	1,476.3	1,813.2	1,730.7	2,103.8	2,698.7	2,703.5	2,216.1	2,150.8	2,006.1
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
Other equity	4.3	6.0	2.3	4.2	4.0	5.0	5.0	5.0	4.9	4.9	5.2
Currency and deposits	148.5	174.2	195.2	206.2	254.2	253.3	272.8	271.0	226.2	297.3	442.8
Loans	2,961.7	3,014.7	2,872.0	2,883.4	3,100.9	3,267.2	3,616.9	3,850.6	3,876.5	3,597.4	3,520.4
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
Trade credit and advances	656.7	714.6	757.7	824.8	871.1	827.8	926.4	949.1	948.6	905.7	979.5
Other accounts receivable/payable	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	83.2	83.2	78.2	79.8	81.3	77.4	79.2	78.7	241.9	247.3	248.6

Source: NBRNM.



Source: NBRNM, SSO.



Supporting information

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

https://www.nbrm.mk/nadvoresen_dolg-en.nspj

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

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



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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 September 2022 (reference period as of June 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: contact.statistika@nbrm.mk or phone: 02 3215 181 extension 103 (or 110/108).