



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 29 March 2024

Press Release

Significant changes in the external debt, external claims and international investment position: fourth quarter of 2023

At the end of the fourth quarter of 2023, **the gross external debt** totaled Euro 11,463 million and increased on a quarterly basis by Euro 386 million. **Gross external claims** increased by Euro 81 million and amounted to Euro 7,004 million. The larger quarterly increase in liabilities against claims led to a growth of **the net external debt** by Euro 305 million, and at the end of December 2023 it amounted to Euro 4,458 million.

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

	31.12.2022		30.09.2023		31.12.2023		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	10,790.0	82.8	11,076.2	81.1	11,462.7	83.9	386.5	3.5	2.8	672.7	6.2	1.2
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>10,345.2</i>	<i>79.4</i>	<i>10,637.9</i>	<i>77.9</i>	<i>11,097.0</i>	<i>81.3</i>	<i>459.1</i>	<i>4.3</i>	<i>3.4</i>	<i>751.8</i>	<i>7.3</i>	<i>1.9</i>
Long-term debt	7,787.4	59.7	8,038.3	58.9	8,592.8	62.9	554.5	6.9	4.1	805.4	10.3	3.2
Short-term debt	3,002.6	23.0	3,037.9	22.2	2,869.9	21.0	-168.0	-5.5	-1.2	-132.8	-4.4	-2.0
<i>Short-term debt-excluding debt of the Central Bank from repo arrangements</i>	<i>2,557.9</i>	<i>19.6</i>	<i>2,599.6</i>	<i>19.0</i>	<i>2,504.2</i>	<i>18.3</i>	<i>-95.4</i>	<i>-3.7</i>	<i>-0.7</i>	<i>-53.7</i>	<i>-2.1</i>	<i>-1.3</i>
Public debt	5,206.8	39.9	5,238.1	38.4	5,578.5	40.9	340.4	6.5	2.5	371.7	7.1	0.9
<i>Public debt-excluding debt of the Central Bank from repo arrangements</i>	<i>4,762.1</i>	<i>36.5</i>	<i>4,799.9</i>	<i>35.1</i>	<i>5,212.9</i>	<i>38.2</i>	<i>413.0</i>	<i>8.6</i>	<i>3.0</i>	<i>450.8</i>	<i>9.5</i>	<i>1.6</i>
Private debt	5,583.2	42.8	5,838.1	42.8	5,884.2	43.1	46.1	0.8	0.3	301.0	5.4	0.3
Gross External Claims	6,478.3	49.7	6,922.7	50.7	7,004.2	51.3	81.5	1.2	0.6	525.9	8.1	1.6
<i>Gross External Claims-Excluding Claims of the Central Bank from Reverse Repo Arrangements</i>	<i>6,333.6</i>	<i>48.6</i>	<i>6,818.5</i>	<i>49.9</i>	<i>7,004.0</i>	<i>51.3</i>	<i>185.5</i>	<i>2.7</i>	<i>1.4</i>	<i>670.4</i>	<i>10.6</i>	<i>2.7</i>
Net External Debt	4,311.7	33.1	4,153.5	30.4	4,458.5	32.6	305.0	7.3	2.2	146.8	3.4	-0.4
<i>Net External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>4,011.6</i>	<i>30.8</i>	<i>3,819.4</i>	<i>28.0</i>	<i>4,093.0</i>	<i>30.0</i>	<i>273.6</i>	<i>7.2</i>	<i>2.0</i>	<i>81.4</i>	<i>2.0</i>	<i>-0.8</i>
IIP, net	-8,147.8	-62.5	-8,340.0	-61.1	-8,500.1	-62.2	-160.2	1.9	-1.2	-352.3	4.3	0.3

*The data on gross domestic product (GDP) for 2022 is preliminary data, while the data for 2023 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, fourth quarter of 2023 as of 7 March 2024).
Source: NBRNM, SSO.

At the end of December 2023, the negative **net international investment position**¹ amounted to Euro 8,500 million, or 62.2% of the estimated GDP² for 2023. Most of this amount (87%) is net liabilities on direct investments, of which 69% on equity.

Gross external debt

At the end of December 2023, the gross external debt totaled Euro 11,463 million (or 83.9% of the estimated GDP) and registered a quarterly increase of Euro 386 million (or 3.5%). Corrected

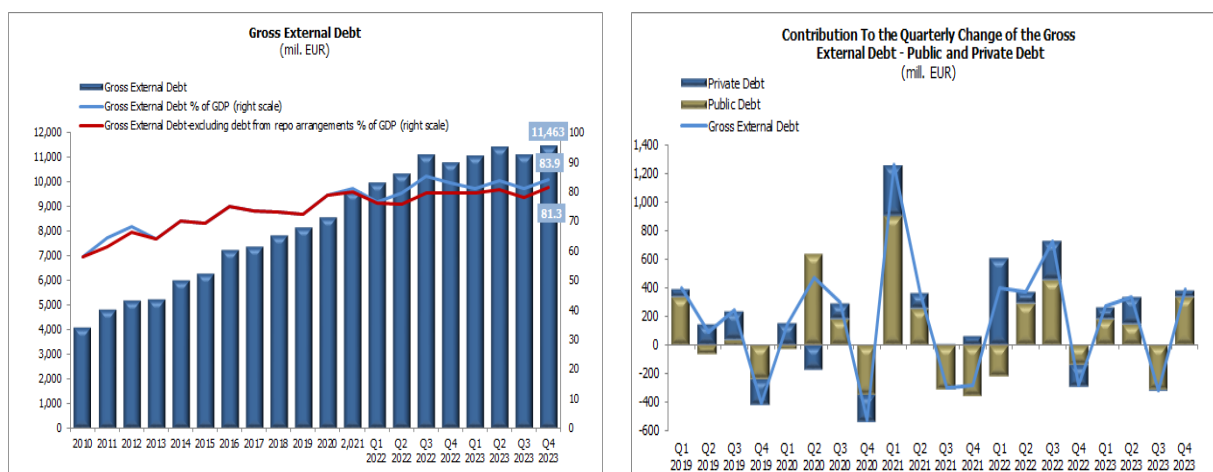
¹ The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition,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

The GDP data for 2023 are estimated data. (Source: State Statistical Office, Press Release Gross Domestic Product, fourth quarter of 2023 as of 7 March 2024).



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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 459 million. This quarterly growth is a result of the increased both public debt (by Euro 413 million) and private debt (by Euro 46 million). The quarterly increase in the public external debt of Euro 413 million is a result of increase of the government sector debt by Euro 287 million and increased debt of public banks and public enterprises by Euro 131 million. The growth of the private debt is due to the increased debt of both private banks and non-banking private sector (by Euro 151 and Euro 34 million, respectively), amid a decrease in the intercompany lending (of Euro 139 million).



Source: NBRNM, SSO.

Compared to the end of 2022, the gross external debt increased by Euro 673 million, or 6.2%. However, the debt, without the effect of the specific activities for foreign reserves management of the central bank, increased by Euro 752 million. The growth is due to the increased public external debt (by Euro 451 million) and the increased private debt (by Euro 301 million). The higher public debt is a result of the increase in the government sector debt (by Euro 354 million) and the debt of public banks and public enterprises (of Euro 104 million).

The increase in private debt is a result of the increased liabilities of intercompany lending (by Euro 212 million) and non-banking private sector (by Euro 108 million), while the debt of private banks decreased (by Euro 18 million).

Gross external claims

At the end of the fourth quarter of 2023, the gross external claims amounted to Euro 7,004 million (or 51.3% of the estimated GDP) and registered a quarterly increase of Euro 81 million (or 1.2%). If we exclude the effect of the central bank specific activities related to foreign reserves

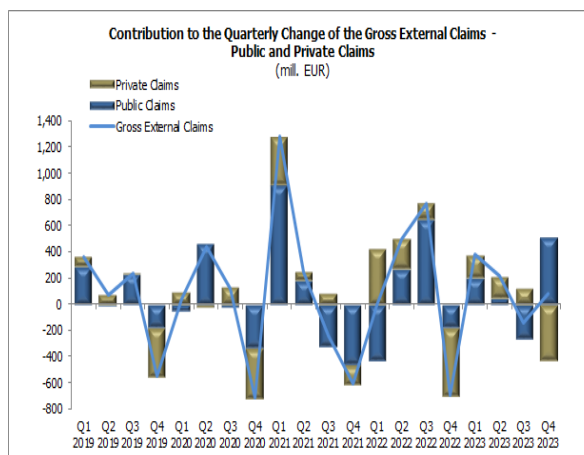
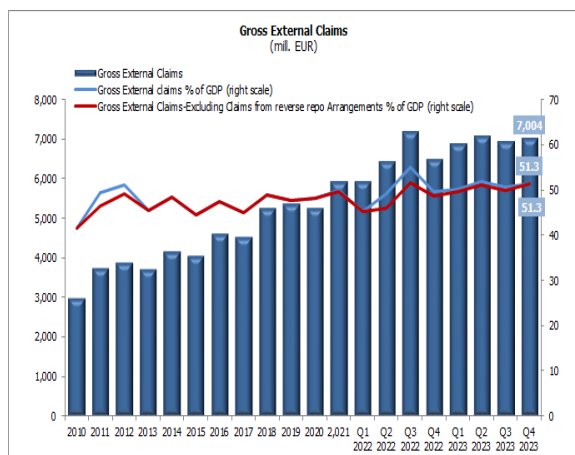
³ The specific foreign reserves management activities of the central bank include repo agreements and other foreign reserves management operations. Repo transactions create liabilities (classified under the loan category) that increase gross debt. Claims arising from reverse repo agreements, however, tend to increase gross claims. In general, if concluded simultaneously and with the same amount, these transactions have a neutral net effect. When the concluded transactions are not with the same amount in both directions, they have an effect on the gross and the net external debt and on gross claims.



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management, the gross external claims are higher by Euro 186 million. This quarterly change is a result of the higher public claims by Euro 615 million, amid fall with the private claims by Euro 429 million. The increase in public claims is a result of the increased claims of the central bank, while the decrease in the private claims results from the decrease in the claims based on intercompany lending (by Euro 416 million) and other sectors (by Euro 28 million), amid increase in the claims with the deposit-taking corporations (by Euro 15 million).

Compared to the end of the preceding year, the gross external claims increased by Euro 526 million. If we exclude the effect of the central bank's specific foreign reserves management activities, the gross external claims are higher by Euro 670 million, as a result of the increased public and private claims (by Euro 638 million and Euro 32 million, respectively). The rise in private claims stems from the increased claims of deposit-taking corporations (by Euro 52 million) and intercompany lending (by Euro 35 million), amid fall in the claims of other sectors (of Euro 54 million).



Source: NBRNM, SSO.

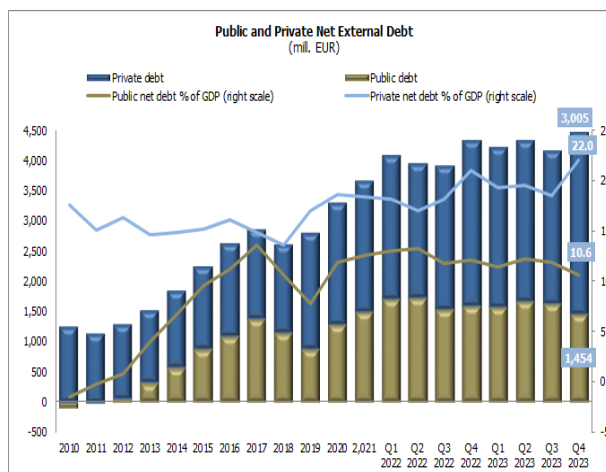
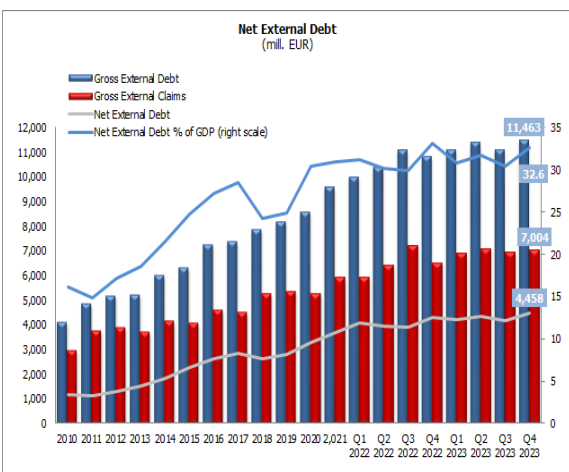
Net external debt

As of 31.12.2023, the net external debt equaled Euro 4,458 million (or 32.6% of the estimated GDP). In the fourth quarter of 2023, the net external debt of the country increased by Euro 305 million, or by 7.3%. Observing structure, the private net debt still has greater share in the total net debt with 67%.

Compared to the end of 2022, the net external debt increased by Euro 147 million (or by 3.4%), given the rise of the net private debt (of Euro 269 million) and a fall in the net public debt (of Euro 122 million).



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Source: NBRNM, SSO.

International Investment Position, net

In the fourth quarter of 2023, the negative net international investment position (IIP) increased by Euro 160 million to Euro 8,500 million, which is 62.2% of the estimated GDP for 2023.

The quarterly increase in the negative net IIP results from the larger increase in liabilities (of Euro 329 million) compared to the assets growth (of Euro 169 million). Observed by instrument, the net liabilities based on debt instruments increased by Euro 305 million, while net liabilities based on equity instruments reduced by Euro 145 million.

Compared to the end of 2022, the negative net IIP increased by Euro 352 million, as a result of the increase in the net liabilities based on equity instruments and debt instruments (of Euro 206 million and 147 million, respectively).



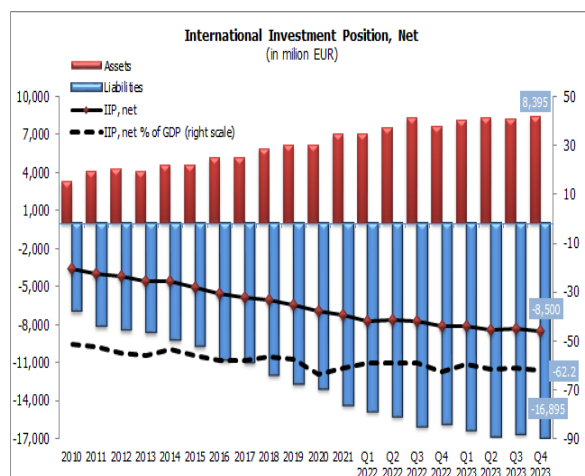
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International Investment Position of the Republic of North Macedonia

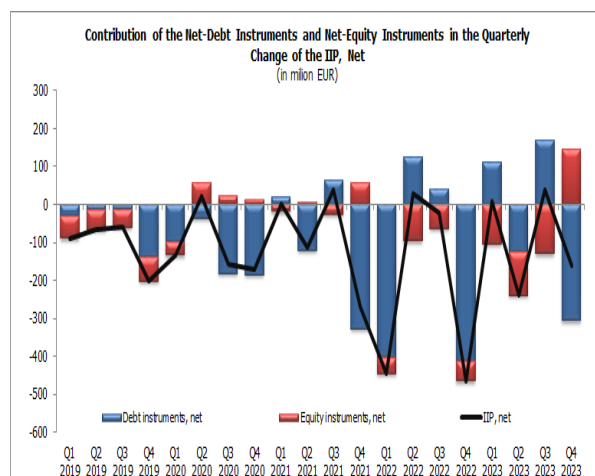
(in millions of euros)

IIP, by instruments	2015	2016	2017	2018	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net International Investment Position	-5,082.7	-5,576.0	-5,822.5	-6,039.5	-6,458.4	-6,900.6	-7,244.9	-7,690.1	-7,661.0	-7,682.8	-8,147.8	-8,140.4	-8,380.3	-8,340.0	-8,500.1
Assets	4,571.9	5,171.3	5,157.3	5,913.6	6,163.8	6,172.5	7,041.4	7,066.3	7,540.2	8,320.8	7,648.1	8,109.6	8,348.8	8,226.1	8,394.6
Direct investment	655.0	811.9	967.6	896.2	936.8	784.3	915.5	1,303.2	1,305.8	1,466.2	996.2	1,201.3	1,317.9	1,468.0	1,061.0
Portfolio investment	212.6	255.2	300.2	321.2	406.1	470.9	650.0	626.7	611.4	617.4	695.3	736.3	778.8	810.7	917.0
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
Other equity	1.0	1.2	2.8	2.9	4.4	4.5	6.0	6.0	6.0	6.0	6.0	5.6	5.0	5.1	5.2
Currency and deposits	615.4	627.3	635.5	694.0	580.0	562.9	657.6	648.3	684.5	670.3	653.5	561.9	604.7	676.5	650.9
Loans	67.1	52.1	56.1	74.5	79.1	87.3	125.9	93.8	517.9	519.6	221.6	154.6	158.7	188.0	74.9
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	757.4	809.6	858.8	1,057.2	894.4	902.3	1,042.3	1,115.3	1,297.9	1,287.0	1,212.4	1,290.5	1,293.5	1,175.6	1,146.8
Other accounts receivable/payable	1.7	0.5	0.1	0.5	0.3	0.4	0.9	0.5	0.5	0.5	0.3	0.2	0.4	0.5	0.6
Reserve assets	2,261.8	2,613.4	2,336.3	2,867.1	3,262.6	3,359.9	3,643.3	3,272.5	3,116.1	3,753.8	3,862.9	4,159.2	4,189.7	3,901.7	4,538.4
Liabilities	9,654.6	10,747.3	10,979.8	11,953.0	12,622.2	13,073.1	14,286.3	14,756.4	15,201.1	16,003.6	15,795.9	16,250.0	16,729.1	16,566.0	16,894.7
Direct investment	4,951.3	5,392.2	5,598.1	6,141.3	6,580.0	6,537.1	7,089.2	7,559.4	7,644.1	7,939.9	7,853.6	8,223.2	8,473.6	8,688.3	8,492.0
Portfolio investment	848.8	1,362.2	1,476.3	1,813.2	1,730.7	2,103.8	2,159.2	2,015.4	1,819.9	2,034.2	2,106.7	2,564.3	2,592.1	2,225.2	2,319.0
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
Other equity	4.3	6.0	2.3	4.2	4.0	5.0	2.7	2.9	3.0	3.2	3.3	3.3	3.4	3.2	3.2
Currency and deposits	148.5	174.2	195.2	206.2	254.2	253.3	297.3	442.8	484.9	467.6	471.0	363.4	398.9	300.1	462.0
Loans	2,961.7	3,014.7	2,872.0	2,883.4	3,100.9	3,267.2	3,580.3	3,501.7	3,973.2	4,205.6	4,043.3	3,793.6	3,952.6	4,014.6	4,264.2
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	656.7	714.6	757.7	824.8	871.1	827.8	910.3	985.5	1,018.2	1,083.8	1,062.6	1,053.6	1,063.7	1,085.4	1,110.2
Other accounts receivable/payable	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.0	5.0	5.0	5.0	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	247.3	248.6	252.8	264.5	250.5	248.5	244.8	249.2	244.2

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 2023. Changes in gross external debt and claims arise from the improved coverage of data on loans and trade credits and advances. Regarding the direction of changes, in the first and in the second quarter of 2023, the data revision led to decrease in the gross external debt (of Euro 1 million and Euro 1.6 million, respectively), while in the third quarter the gross external debt increased by Euro 4.1 million. Gross external claims increased in the first and third quarter (by Euro 0.1 million and Euro 4.8 million, respectively), while in the second quarter, they registered a decrease (of Euro 3.1 million). As a result, these changes



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resulted in a decrease in the net external debt in both first and third quarter of 2023 (of Euro 1.1 million and Euro 0.7 million, respectively) and increase in the second quarter (of Euro 1.5 million).

The revision of the data on the international investment position, net, led to the increase in the negative IIP of Euro 6.4 million in the first, Euro 16.5 million in the second and Euro 21.8 million in the third quarter. Besides the changes in debt instruments, the revision also includes the changes in equity instruments, which are almost entirely a result of the new data in the quarterly reports on the achieved and planned financial result of companies with foreign direct investments.

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: 28 June 2024 (reference period as of March 2024).

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).