



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 September 2022

Press Release

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

At the end of the second quarter of 2022, the **net external debt** registered a quarterly decrease of Euro 101 million, and amounted to Euro 3,988 million. Thus, the decrease in the net external debt in the second quarter results from the decrease in the private net debt by Euro 122 million, in conditions of increased public net debt by Euro 21 million.

Quarterly increase of Euro 385 million was registered in the **gross external debt**, whereby at the end of the second quarter it equaled Euro 10,379 million. **Gross external claims** increased by Euro 486 million and amounted to Euro 6,391 million.

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

	31.12.2021		31.03.2022		30.06.2022		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	9,576.6	81.6	9,994.0	75.0	10,379.0	77.9	385.0	3.9	2.9	802.4	8.4	-3.7
<i>Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements</i>	<i>9,440.9</i>	<i>80.4</i>	<i>9,914.6</i>	<i>74.4</i>	<i>9,867.1</i>	<i>74.1</i>	<i>-47.5</i>	<i>-0.5</i>	<i>-0.4</i>	<i>426.3</i>	<i>4.5</i>	<i>-6.4</i>
Long-term debt	7,410.7	63.1	7,324.4	55.0	7,259.5	54.5	-64.9	-0.9	-0.5	-151.2	-2.0	-8.6
Short-term debt	2,166.0	18.5	2,669.6	20.0	3,119.6	23.4	450.0	16.9	3.4	953.6	44.0	5.0
<i>Short-term debt-excluding debt of the Central Bank from repo arrangements</i>	<i>2,030.2</i>	<i>17.3</i>	<i>2,590.2</i>	<i>19.4</i>	<i>2,607.6</i>	<i>19.6</i>	<i>17.4</i>	<i>0.7</i>	<i>0.1</i>	<i>577.4</i>	<i>28.4</i>	<i>2.3</i>
Public debt	4,802.0	40.9	4,589.7	34.5	4,883.6	36.7	293.9	6.4	2.2	81.6	1.7	-4.3
<i>Public debt-excluding debt of the Central Bank from repo arrangements</i>	<i>4,666.2</i>	<i>39.8</i>	<i>4,510.3</i>	<i>33.9</i>	<i>4,371.7</i>	<i>32.8</i>	<i>-138.6</i>	<i>-3.1</i>	<i>-1.0</i>	<i>-294.5</i>	<i>-6.3</i>	<i>-6.9</i>
Private debt	4,774.6	40.7	5,404.3	40.6	5,495.4	41.3	91.1	1.7	0.7	720.8	15.1	0.6
Gross External Claims	5,915.2	50.4	5,904.5	44.3	6,390.8	48.0	486.3	8.2	3.7	475.6	8.0	-2.4
<i>Gross External Claims-Excluding Claims of the Central Bank from Reverse Repo Arrangements</i>	<i>5,880.7</i>	<i>50.1</i>	<i>5,902.4</i>	<i>44.3</i>	<i>5,960.0</i>	<i>44.7</i>	<i>57.6</i>	<i>1.0</i>	<i>0.4</i>	<i>79.3</i>	<i>1.3</i>	<i>-5.4</i>
Net External Debt	3,661.4	31.2	4,089.5	30.7	3,988.2	29.9	-101.3	-2.5	-0.8	326.8	8.9	-1.3
IIP, net	-7,244.9	-61.7	-7,729.3	-58.0	-7,770.3	-58.3	-41.0	0.5	-0.3	-525.4	7.3	3.4

*/ GDP data for 2021 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, second quarter of 2022 as of 2 September 2022). The data for 2022 is forecasted by the NBRNM (April, 2022).

Source: NBRNM, SSO.

At the end of June 2022, the negative **net international investment position**¹ amounted to Euro 7,770 million, or 58.3% of the GDP² forecasted for 2022. Most of this amount (83%) is net liabilities on direct investments, of which 73% on equity.

Gross external debt

At the end of June 2022, the gross external debt totaled Euro 10,379 million (or 77.9% of the forecasted GDP) and registered quarterly increase of Euro 385 million (or by 3.9%). If we exclude

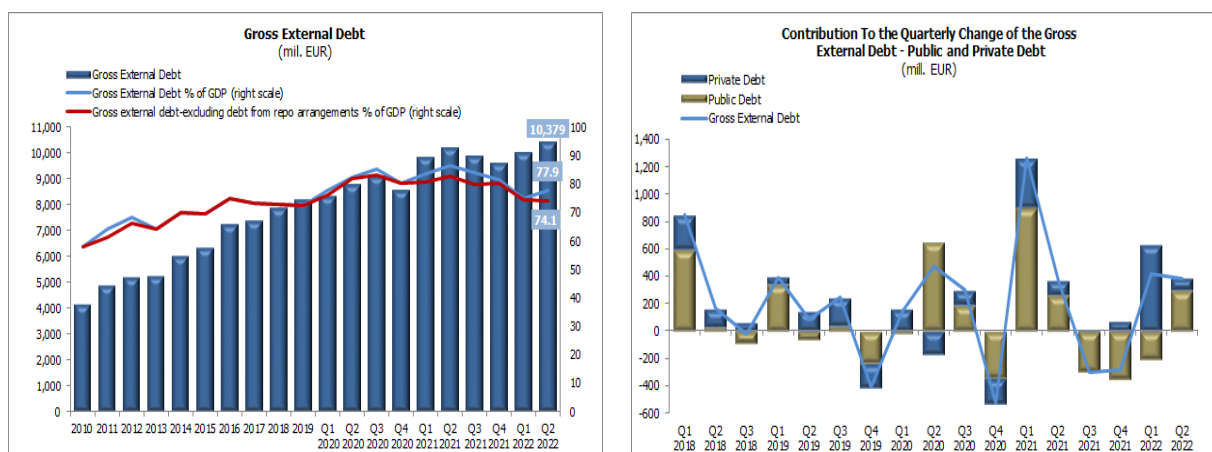
¹ The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition, 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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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 48 million. This quarterly change is a result of the reduced public debt (by Euro 139 million), while the private debt registered a quarterly increase (by Euro 91 million). The quarterly decrease in the public external debt of Euro 139 million is a result of the reduction of the government sector debt (by Euro 210 million), amid increased debt of public banks and public enterprises (by Euro 67 million). The growth of the private debt is due to the increased debt of non-banking private sector (by Euro 52 million), private banks (by Euro 28 million) and intercompany lending (by Euro 11 million).



Source: NBRNM, SSO.

Compared to the end of 2021, the gross external debt increased by Euro 802 million or 8.4%. However, in the first half of 2022, the debt, with the effect of specific activities for foreign reserves management with foreign reserves of the central bank being excluded, increased by Euro 426 million. The registered growth is a result of the increased private debt (by Euro 721 million), amid decreased public external debt (by Euro 295 million). The growth of the private debt is explained by the increased liabilities of intercompany lending (by Euro 424 million), private banks (by Euro 157 million) and non-banking private sector (by Euro 140 million). The public debt fall is a result of the lower liabilities of the government sector (by Euro 354 million), amid increased liabilities of public banks and public enterprises (by Euro 54 million).

Gross external claims

At the end of the second quarter of 2022, the gross external claims amounted to Euro 6,391 million (or 48% of the forecasted GDP) and registered quarterly increase of Euro 486 million (or

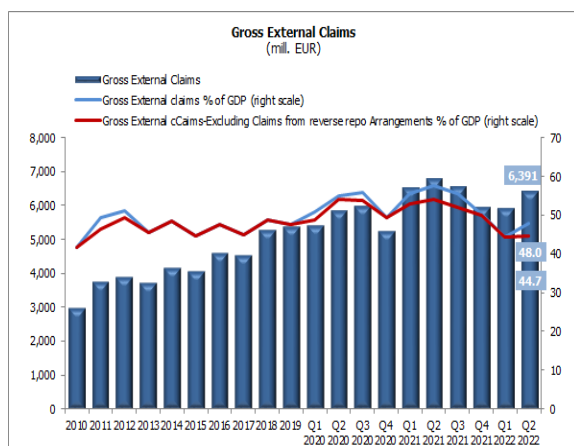
³ The specific foreign reserves management activities of the central bank include repo agreements and other foreign reserves management operations. Repo transactions create liabilities (classified under the loan category) that increase gross debt. At the same time, claims created from reverse repo agreements 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.



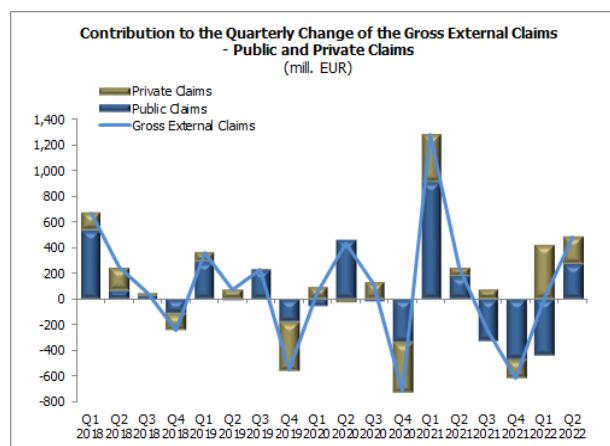
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by 8.2%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are higher by Euro 58 million and amount to Euro 5,960 million. This quarterly change is a result of the higher private claims by Euro 213 million amid lower public claims of Euro 155 million. The quarterly growth of the external claims of the private sector is a result of the increased claims of other sectors (by Euro 185 million) and deposit-taking corporations (by Euro 37 million), amid reduced claims of intercompany lending (by Euro 9 million). The fall in public claims is explained by the reduced claims of the central bank.

Compared to the end of the preceding year, the gross external claims increased by Euro 476 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 79 million, as a result of increased private claims (by Euro 633 million), amid reduced public claims (by Euro 553 million). The growth of private claims is explained by the increased claims of intercompany lending (by Euro 376 million), other sectors (by Euro 251 million) and deposit-taking corporations (by Euro 6 million).



Source: NBRNM, SSO.



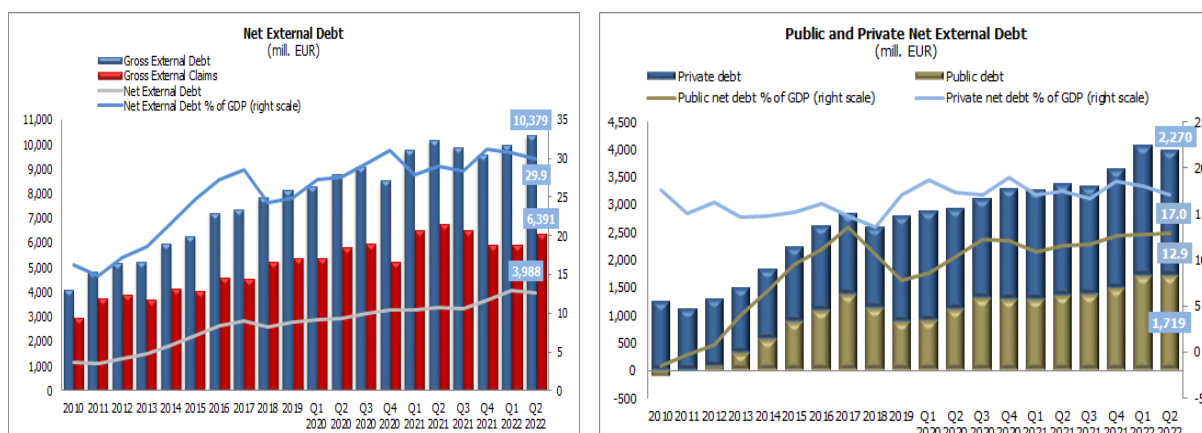
Net external debt

As of 30.6.2022, the net external debt equaled Euro 3,988 million (or 29.9% of the forecasted GDP). In the second quarter of 2022, the net external debt of the country decreased by Euro 101 million, or by 2.5%. Observing structure, the private net debt still has greater share in the total net debt with 57%.

Compared to the end of 2021, the net external debt increased by Euro 327 million (or 8.9%), given the rise of the net public debt (of Euro 239 million), and of the net private debt (of Euro 88 million).



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Source: NBRNM, SSO.

International Investment Position, net

During the second quarter of 2022, the negative net international investment position (IIP) increased by Euro 41 million to Euro 7,770 million, which is 58.3% of GDP forecasted for 2022.

The quarterly increase in the negative net IIP results from the more intensive increase in liabilities (by Euro 515 million) relative to the assets increase (by Euro 474 million). Observed by instrument, the net liabilities based on equity instruments increased by Euro 142 million, while net liabilities based on debt instruments decreased by Euro 101 million.

Compared to the end of 2021, the negative net IIP increased by Euro 525 million, as a result of the increase in the net liabilities based on debt instruments (of Euro 327 million) and equity instruments (of Euro 199 million).



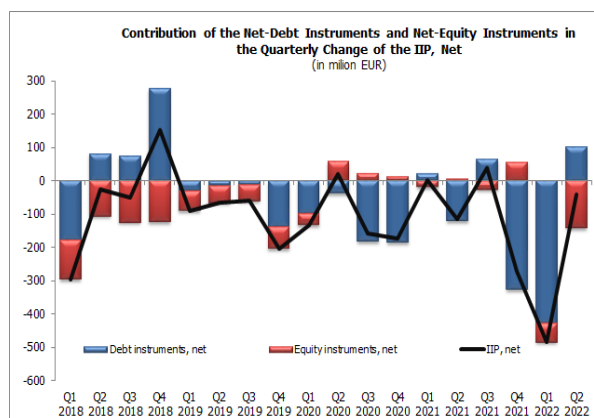
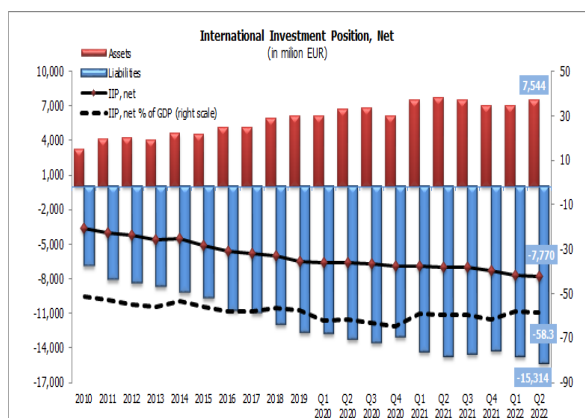
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International Investment Position of the Republic of North Macedonia

(in millions of euros)

IIP, by instruments	2015	2016	2017	2018	2019	2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021	Q1-2022	Q2-2022
Net International Investment Position	-5,082.7	-5,576.0	-5,822.5	-6,039.5	-6,458.4	-6,900.6	-6,898.2	-7,012.8	-6,974.4	-7,244.9	-7,729.3	-7,770.3
Assets	4,571.9	5,171.3	5,157.3	5,913.6	6,163.8	6,172.5	7,477.9	7,773.2	7,555.2	7,041.4	7,069.8	7,543.8
Direct investment	655.0	811.9	967.6	896.2	936.8	784.3	1,078.6	1,077.6	1,181.2	915.5	1,311.0	1,319.4
Portfolio investment	212.6	255.2	300.2	321.2	406.1	470.9	513.3	548.2	561.7	650.0	626.7	611.4
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
Other equity	1.0	1.2	2.8	2.9	4.4	4.5	4.9	5.3	5.6	6.0	6.0	2.7
Currency and deposits	615.4	627.3	635.5	694.0	580.0	562.9	524.3	522.5	540.7	657.6	648.3	684.5
Loans	67.1	52.1	56.1	74.5	79.1	87.3	391.8	490.8	521.9	125.9	95.9	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	0.0
Trade credit and advances	757.4	809.6	858.8	1,057.2	894.4	902.3	1,025.6	1,097.4	1,052.7	1,042.3	1,108.9	1,288.8
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	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	3,116.1
Liabilities	9,654.6	10,747.3	10,979.8	11,953.0	12,622.2	13,073.1	14,376.1	14,785.9	14,529.6	14,286.3	14,799.1	15,314.1
Direct investment	4,951.3	5,392.2	5,598.1	6,141.3	6,580.0	6,537.1	6,797.7	6,944.4	7,029.6	7,089.2	7,600.0	7,741.0
Portfolio investment	848.8	1,362.2	1,476.3	1,813.2	1,730.7	2,103.8	2,699.3	2,707.4	2,222.6	2,159.2	2,014.5	1,820.3
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
Other equity	4.3	6.0	2.3	4.2	4.0	5.0	4.5	3.9	3.3	2.7	3.0	3.3
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	484.9
Loans	2,961.7	3,014.7	2,872.0	2,883.4	3,100.9	3,267.2	3,597.9	3,831.9	3,857.8	3,580.3	3,502.1	3,987.6
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
Trade credit and advances	656.7	714.6	757.7	824.8	871.1	827.8	924.7	948.6	948.1	910.3	988.0	1,024.1
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	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	252.8

Source: NBRNM.



Source: NBRNM, SSO.

Data revisions

The 2021 data in this press release contains the changes that arise from the regular annual revision for 2021. More information on the effect of the annual revision on the gross external debt, gross external claims and IIP for 2021 is available in the following press releases: Revision of external statistics for the period 2014 - 2021. In addition, the changes in the data for the period January - March 2022 result from better coverage of data for the first quarter of 2022 in loans, trade credits and advances and other liabilities. In terms of the direction of the changes, in the first quarter of 2022, the revisions increased the **gross external debt** by Euro 17.2 million, while the **gross external claims** decreased by Euro 12.1 million. Consequently, these changes were



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reflected as an increase in the net external debt by Euro 29.3 million. The change in the **net international investment position** in the first quarter of 2022 is towards a decrease in the negative IIP of Euro 59.2 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: 29 December 2022 (reference period as of September 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).