



## National Bank of the Republic of Macedonia Statistics Department

Skopje, 30 June 2017

### Press Release

#### Significant developments in the balance of payments<sup>1</sup> in April 2017

In April 2017, current transactions with non-residents registered deficit of Euro 30.1 million. In the financial account significant net inflows from direct investments were registered, as well as net outflows based on trade credits, currency and deposits and loans. Foreign reserves decreased by Euro 22.2 million.

#### Main components of the balance of payments of the Republic of Macedonia

(in millions of euros)

	IV-2017	I-IV.2017	monthly change		annual change		cumulative change	
			millions of euros	%	millions of euros	%	millions of euros	%
<b>Current account</b>	<b>-30.1</b>	<b>-153.9</b>	<b>27.4</b>	-47.6	<b>66.6</b>	-68.9	<b>1.5</b>	-1.0
Goods	<b>-154.2</b>	<b>-623.7</b>	<b>29.4</b>	-16.0	<b>20.7</b>	-11.9	<b>-39.6</b>	6.8
Services	<b>38.9</b>	<b>163.8</b>	<b>8.0</b>	25.9	<b>12.5</b>	47.3	<b>23.5</b>	16.7
Primary income	<b>-34.9</b>	<b>-137.6</b>	<b>-2.4</b>	7.5	<b>0.6</b>	-1.6	<b>3.3</b>	-2.3
Secondary income	<b>120.0</b>	<b>443.6</b>	<b>-7.5</b>	-5.9	<b>32.8</b>	37.6	<b>14.4</b>	3.3
<b>Capital account</b>	<b>1.5</b>	<b>2.6</b>	<b>0.4</b>		<b>-1.1</b>		<b>-2.2</b>	
<b>Financial account</b>	<b>-33.9</b>	<b>-155.0</b>	<b>21.8</b>		<b>62.0</b>		<b>8.0</b>	
Direct investment	<b>-69.2</b>	<b>-177.5</b>	<b>-5.3</b>		<b>-38.0</b>		<b>-13.7</b>	
Portfolio investment	<b>-3.5</b>	<b>-23.8</b>	<b>1.6</b>		<b>-2.0</b>		<b>-28.9</b>	
Currency and deposits	<b>22.3</b>	<b>56.8</b>	<b>8.3</b>		<b>-28.7</b>		<b>-53.8</b>	
Loans	<b>12.3</b>	<b>40.7</b>	<b>22.9</b>		<b>15.0</b>		<b>99.2</b>	
Trade credit and advances	<b>26.9</b>	<b>37.9</b>	<b>11.0</b>		<b>63.6</b>		<b>33.1</b>	
Reserve assets	<b>-22.2</b>	<b>-88.7</b>	<b>-16.3</b>		<b>52.5</b>		<b>-27.5</b>	

Note: In the financial account, the sign (-) denotes net external inflows. In foreign reserves, the sign (+) denotes increase, whereas the sign (-) denotes decrease in foreign assets.

Source: NBRM.

#### **Current account**

In April 2017, negative balance of Euro 30.1 million is registered in the current account, which is due to the deficit in the trade of goods (Euro 154.2 million) and the primary income deficit (Euro 34.9 million), which exceeded the surpluses in the secondary income and the trade of services (Euro 120 million and Euro 38.9 million, respectively).

On a monthly basis, the deficit in the current account is lower by Euro 27.4 million, mainly due to the lower deficit in trade of goods (by Euro 29.4 million). Changes in other components of the current account are mostly mutually netted, in conditions of higher surplus in the trade of services

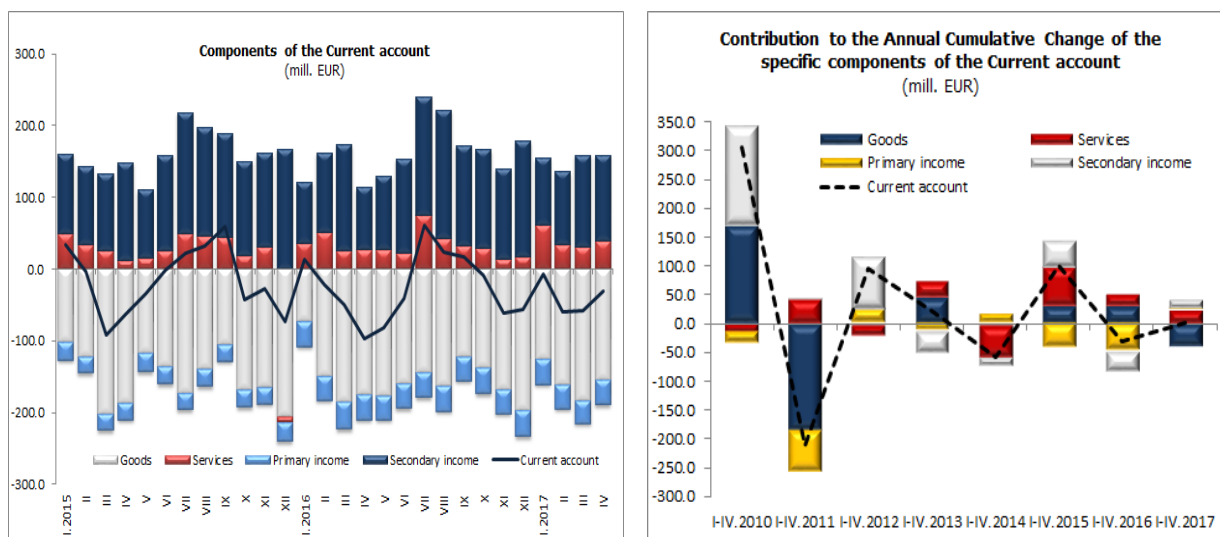
<sup>1</sup> The balance of payments is a statistical report that systematically summarizes all international economic transactions of the Republic of Macedonia within a certain time frame, i.e. it summarizes current, capital and financial transactions between residents and non-residents.



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(by Euro 8 million), reduced net inflows in secondary income (by Euro 7.5 million) and increased net outflows in primary income (by Euro 2.4 million).

The aggregate deficit of the current account for the period January-April 2017 (Euro 153.9 million) is minimally lower compared to the same period in the last year (by Euro 1.5 million). By individual components of the current account, the better performances in trade of services (by Euro 23.5 million) and secondary and primary income (by Euro 14.4 million and Euro 3.3 million, respectively) neutralized the effect of higher deficit in the trade of goods (by Euro 39.6 million).



Source: NBRM.

### ***Financial account***

In April 2017, there were net inflows of Euro 33.9 million from financial transactions with non-residents. Significant net inflows are registered in direct investments (Euro 69.2 million), while net outflows are registered in trade credits (Euro 26.9 million), currency and deposits (Euro 22.3 million) and loans (Euro 12.3 million). Such developments resulted in a reduction of foreign reserves of Euro 22.2 million.

In April 2017, on a net basis, direct investments register net inflows of Euro 69.2 million, while since the beginning of the year, as of April 2017, net outflows amounted to Euro 177.5 million, which is by Euro 13.7 million higher compared to the first four months of the previous year.

In April 2017, liabilities on direct investments<sup>2</sup> registered net inflows of Euro 70.3 million, due to the net growth of liabilities on debt instruments (Euro 29 million), reinvestment of profit (Euro 27.5 million) and new investments in equity (Euro 13.8 million). Cumulatively, for the first four

<sup>2</sup> It shows direct investment depending on whether financial transactions create a liability to or claim (assets) from abroad.



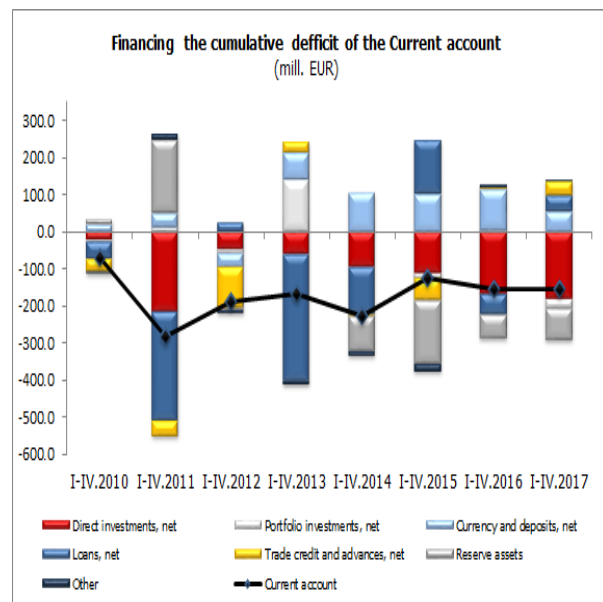
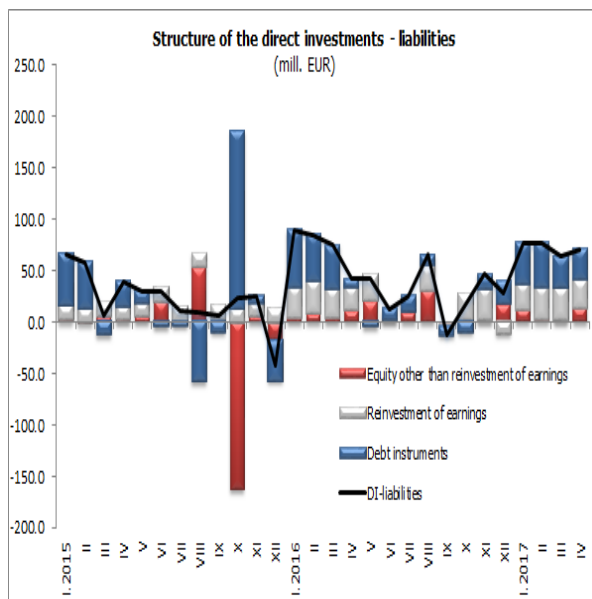
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months of the year, liabilities to direct investors increased by Euro 288 million (Euro 3 million less than the same period last year).

Direct investment on the assets side, in April 2017, increased by Euro 1.1 million. In the period January-April 2017, assets increased by Euro 110.5 million, which is by Euro 16.7 million less compared to the same period last year.

In April this year, net outflows on loans in the amount of Euro 12.3 million are mainly due to the reduced net liabilities of deposit-taking institutions (by Euro 17.5 million). At the same time, other sectors and the government increased net liabilities to non-residents to a lesser extent (by Euro 4.3 million and Euro 1 million, respectively)

In the first four months of the year, net inflows from direct (Euro 177.5 million) and portfolio investments (Euro 23.8 million), as well as assets of foreign reserves (reduction by Euro 88.7 million), provided funding for the current account deficit (Euro 153.9 million), in conditions of net outflows of assets in other financial instruments.



Source: NBRM.

### **Data revisions**

Balance of payments data in this press release contain regular data revision for the period January-March 2017, primarily as a result of the improvement of the data quality for trade of goods. With the data revision, the current account deficit for this period is lower by Euro 1.7 million, with an appropriate change in the financial account as a downward correction of the net liabilities on the basis of trade credits.



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### ***Supporting information***

Time series of data: annual, quarterly and monthly data on the balance of payments:

[http://www.nbrm.mk/platen\\_bilans-en.nsp](http://www.nbrm.mk/platen_bilans-en.nsp)

Methodological explanations: [http://www.nbrm.mk/platen\\_bilans-en.nsp](http://www.nbrm.mk/platen_bilans-en.nsp)

Next publication: Advance Release Calendar

[http://www.nbrm.mk/kalendar\\_na\\_objavuvanje\\_na\\_podatoci-en.nsp](http://www.nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nsp)

Monthly balance of payments: 31 July 2017 (reference period as of May 2017).

We kindly ask journalists to contact the Governor's Office for any queries.

For more information regarding the disseminated statistical data, please contact us at: [contact.statistika@nbrm.mk](mailto:contact.statistika@nbrm.mk) , or phone: 02 3215 181 extension 103 (or 110/108).