



## National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 July 2017

### Press Release

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

In May 2017, current transactions with non-residents registered deficit of Euro 40.4 million. The financial account registered significant net inflows of direct investment and trade credits, and to a lesser extent of currencies and deposits, as well as net outflows based on loans and portfolio investment. Foreign reserves decreased by Euro 21.6 million.

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

(in millions of euros)

	V-2017	I-V.2017	monthly change		annual change		cumulative change	
			millions of euros	%	millions of euros	%	millions of euros	%
<b>Current account</b>	<b>-40.4</b>	<b>-192.6</b>	<b>-11.3</b>	38.7	<b>41.1</b>	-50.5	<b>44.4</b>	-18.7
Goods	<b>-151.8</b>	<b>-773.3</b>	<b>0.2</b>	-0.1	<b>25.8</b>	-14.5	<b>-11.6</b>	1.5
Services	<b>16.2</b>	<b>179.5</b>	<b>-21.4</b>	-56.9	<b>-10.4</b>	-39.0	<b>12.6</b>	7.5
Primary income	<b>-35.4</b>	<b>-172.9</b>	<b>-0.5</b>	1.5	<b>-2.2</b>	6.7	<b>1.1</b>	-0.6
Secondary income	<b>130.6</b>	<b>574.2</b>	<b>10.5</b>	8.8	<b>27.9</b>	27.2	<b>42.3</b>	7.9
<b>Capital account</b>	<b>0.2</b>	<b>2.8</b>	<b>-1.2</b>		<b>0.1</b>		<b>-2.1</b>	
<b>Financial account</b>	<b>-48.4</b>	<b>-201.1</b>	<b>-16.6</b>		<b>41.3</b>		<b>51.6</b>	
Direct investment	<b>-22.1</b>	<b>-159.9</b>	<b>7.6</b>		<b>11.2</b>		<b>37.1</b>	
Portfolio investment	<b>5.6</b>	<b>-18.2</b>	<b>9.1</b>		<b>3.4</b>		<b>-25.4</b>	
Currency and deposits	<b>-6.7</b>	<b>50.1</b>	<b>-28.9</b>		<b>-11.0</b>		<b>-64.8</b>	
Loans	<b>11.1</b>	<b>51.9</b>	<b>-1.3</b>		<b>25.1</b>		<b>124.4</b>	
Trade credit and advances	<b>-14.8</b>	<b>-14.3</b>	<b>-4.1</b>		<b>0.8</b>		<b>-3.5</b>	
Reserve assets	<b>-21.6</b>	<b>-110.3</b>	<b>0.5</b>		<b>11.6</b>		<b>-15.8</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**

The negative balance in the current account in May resulted from trade deficit in goods (Euro 151.8 million) and primary income (Euro 35.4 million), which exceeded surplus in secondary income and trade in services (Euro 130.6 million and Euro 16.2 million, respectively).

On a monthly basis, the current account deficit increased by Euro 11.3 million, mainly due to the lower surplus in trade in services (Euro 21.4 million), partly netted off by the higher surplus in secondary income (Euro 10.5 million).

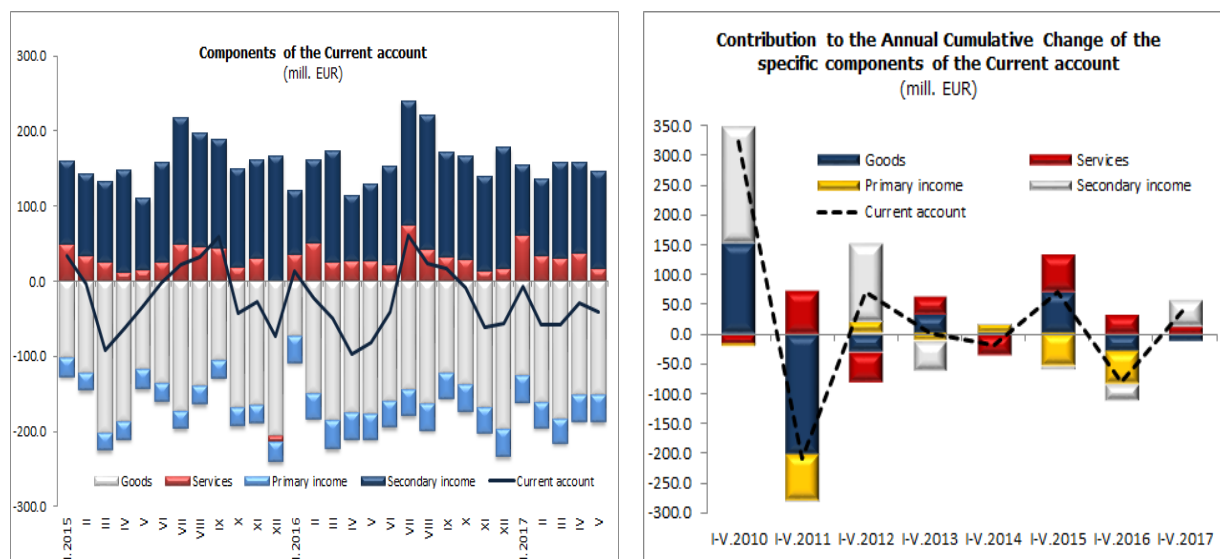
The aggregate deficit of the current account for the period January - May 2017 (Euro 192.6 million) is lower compared to the same period last year (by Euro 44.4 million). Analyzed by individual current account components, the higher surplus in the secondary income (by Euro 42.3

<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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million) and in the trade in services (by Euro 12.6 million) offset the effect of the higher deficit in the trade in goods (by Euro 11.6 million).



Source: NBRM.

### **Financial account**

In May 2017, there were net inflows of Euro 48.4 million from financial transactions with non-residents. Significant net inflows are recorded in direct investments (Euro 22.1 million) and trade credits (Euro 14.8 million), and to a lesser extent in currencies and deposits (Euro 6.7 million), while net outflows are recorded with loans (Euro 11.1 million) and portfolio investments (Euro 5.6 million). Foreign reserves decreased by Euro 21.6 million.

In May 2017, on a net basis, direct investments register net inflows of Euro 22.1 million, while since the beginning of the year, as of May 2017, net inflows amounted to Euro 159.9 million, which is by Euro 37.1 million less than the same period last year.

In May 2017, direct investment liabilities<sup>2</sup> registered net inflows of Euro 75.9 million, due to the net growth of debt instrument liabilities (Euro 41.9 million), reinvestment of earnings (Euro 22.6 million) and new equity investments (Euro 11.4 million). Cumulatively, for the first five months of the year, liabilities to direct investors increased by Euro 368.8 million (Euro 35.7 million more than the same period last year).

Direct investments on the assets side in May 2017 increased by Euro 53.8 million as a result of the net increase in the claims on debt instrument (Euro 50.7 million) and new equity investments (Euro 3.3 million). For the period January - May 2017, assets increased by Euro 208.8 million, which is by Euro 72.8 million more compared to the same period last year.

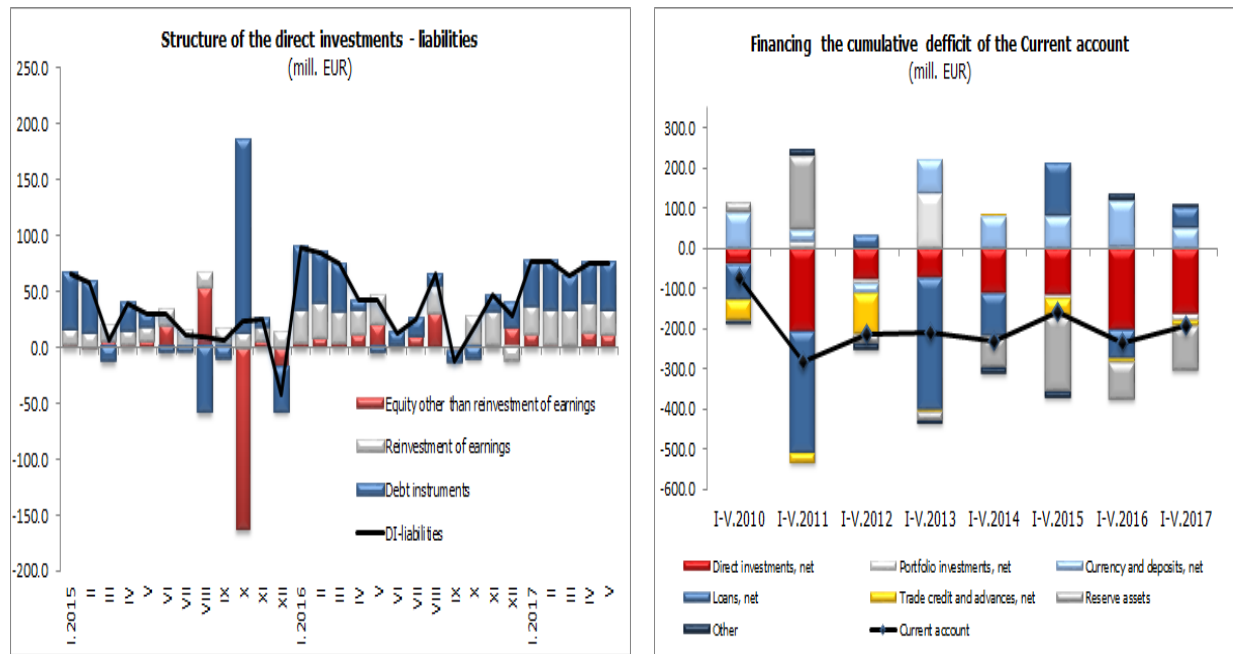
<sup>2</sup> It shows direct investment depending on whether financial transactions create a liability to or claim (assets) from abroad.



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In May, net outflows on loans of Euro 11.1 million mostly derive from the reduced net liabilities of other sectors<sup>3</sup> and the general government (by Euro 6.4 million and Euro 5.3 million, respectively).

In the first five months of the year, net inflows of direct investments (Euro 159.9 million), portfolio investments (Euro 18.2 million) and trade credits (Euro 14.3 million), as well as foreign reserves (reduction of Euro 110.3 million), provided financing of the current account deficit (Euro 192.6 million), in conditions of net outflows of loans and currency and deposits (Euro 102 million).



Source: NBRM.

### **Data revisions**

Balance of payments data in this press release contain regular data revision for the period January – April 2017, aimed to improve their quality. The current account revision resulted in a deficit reduction of Euro 1.7 million. Significant data revision was made in the financial account, resulting in increase in the direct investment-assets of Euro 44.5 million, with an appropriate downward correction in the net liabilities based on trade credits.

### **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)

<sup>3</sup> Other sectors include: other financial institutions, non-financial corporations, households, and NPISHs.



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Next publication: Advance Release Calendar

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

Monthly balance of payments: 31 August 2017 (reference period as of June 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).