



National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 March 2017

Press Release

Significant developments in the balance of payments¹ in January 2017

In January 2017, current transactions with non-residents registered a minor deficit of Euro 0.9 million. In the financial account, net outflows of loans, direct investment and currency and deposits surpassed net inflows in trade credits and portfolio investments, which reduced foreign reserves (by Euro 49 million).

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

(in millions of euros)

	I-2017	monthly change		annual change	
		millions of euros	%	millions of euros	%
Current account	-0.9	54.9	-98.3	-14.0	...*
Goods	-119.4	77.7	-39.4	-45.6	61.7
Services	60.5	43.7	...*	24.5	68.2
Primary income	-36.6	-0.1	0.2	-2.1	6.2
Secondary income	94.5	-66.5	-41.3	9.1	10.7
Capital account	0.1	0.3		0.1	
Financial account	2.5	58.5		-7.6	
Direct investment	32.6	110.4		62.5	
Portfolio investment	-10.4	-3.5		-14.3	
Currency and deposits	14.5	2.7		32.4	
Loans	42.7	106.8		25.0	
Trade credit and advances	-27.8	-43.4		-86.6	
Reserve assets	-49.0	-114.5		-26.7	

* The index exceeds 100.

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

Source: NBRM.

Current account

The negative balance in the current account in January resulted from the trade deficit in goods (Euro 119.4 million) and primary income deficit (Euro 36.6 million), which are mostly netted by the surplus in secondary income and trade in services (Euro 94.5 million and Euro 60.5 million, respectively).

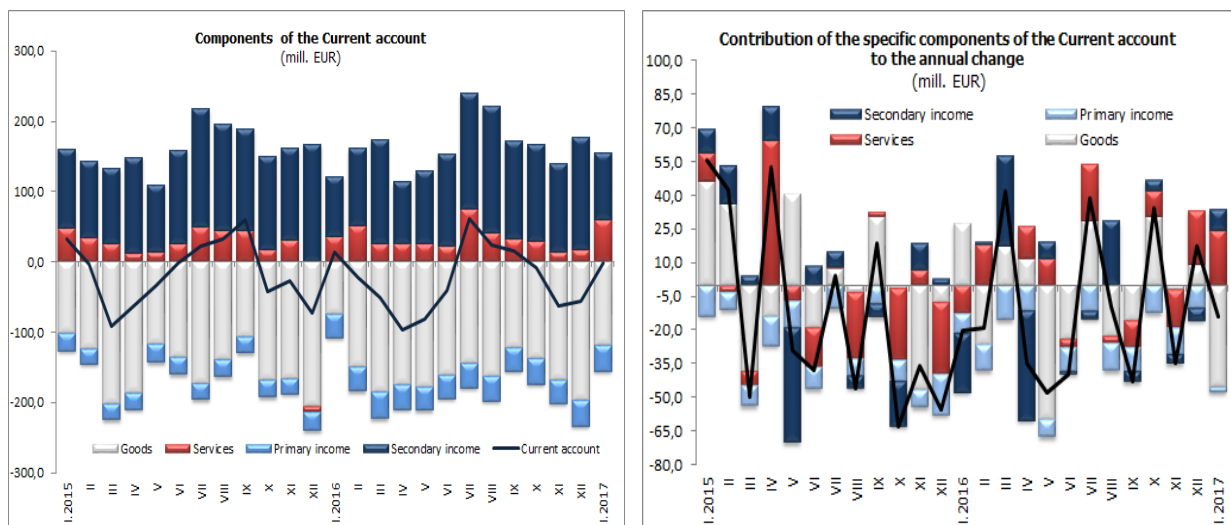
Compared with December 2016, the current account deficit decreased by Euro 54.9 million (due to seasonal effects), in circumstances where the lower trade deficit in goods (of Euro 77.7 million) and higher trade surplus in services (of Euro 43.7 million) exceeded the lower net inflows in secondary income (by Euro 66.5 million).

¹ 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 the current, capital and financial transactions between residents and non-residents.



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Annually, the current account deficit increased by Euro 14 million (surplus in January 2016). The comparison indicates higher trade deficit in goods (by Euro 45.6 million), despite the higher surplus in trade in services (by Euro 24.5 million) and secondary income (by Euro 9.1 million).



Source: NBRM.

Financial account

In January, most of the net outflows from financial transactions with non-residents were based on loans (Euro 42.7 million), direct investments (Euro 32.6 million) and currency and deposits (Euro 14.5 million), while net inflows were generated on the basis of trade credits (Euro 27.8 million) and portfolio investment (Euro 10.4 million).

In January 2017, net direct investment recorded net outflows of Euro 32.6 million.

Liabilities on direct investment² increased by Euro 44.2 million in January, mainly due to reinvestment of profits (Euro 25.9 million) and higher investments in the form of equity (Euro 12 million) and debt instruments (Euro 6.3 million).

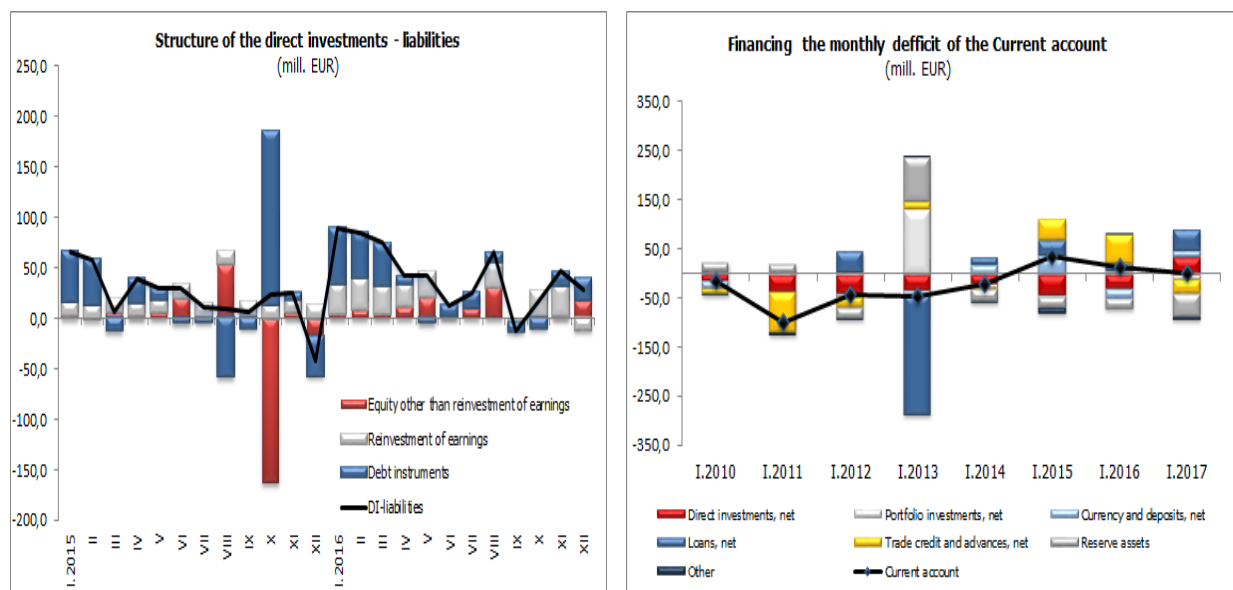
Assets from direct investments also increased by Euro 76.8 million in January, mainly based on debt instruments (loans to direct investors).

In January 2017, most of the monthly growth in loans reflects the growth in net claims of the central bank within the foreign reserves management policy (of Euro 30.6 million) as well as the reduction in net liabilities in the sectors of deposit-taking institutions and government (by Euro 9.8 million and Euro 2.4 million, respectively).

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



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Source: NBRM.

Supporting information

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

http://www.nbrm.mk/platen_bilans-en.nspix

Methodological explanations: http://www.nbrm.mk/platen_bilans-en.nspix

Next publication: Advance Release Calendar

http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix

Monthly balance of payments: 28 April 2017 (reference period as of February 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, or phone: 02 3215 181 extension 103 (or 110/108).