



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 31 May 2019

Press Release

Significant developments in the balance of payments¹ in the first quarter of 2019

In the first quarter of 2019, current transactions with non-residents registered deficit of Euro 162.5 million, mainly as a result of the deficit in the trade of goods. More substantial net inflows in the financial transactions with non-residents were registered, mainly related to the trade credits. In the first quarter, the foreign reserves register moderate fall of Euro 5.6 million.

Main components of the balance of payments of the Republic of North Macedonia (in millions of euros)

	current year		previous year		quarterly change		annual change	
	Q1 2019	Q1 2018	Q4 2018	millions of euros	%	millions of euros	%	
Current account	-162,5	-144,5	-107,1	-55,3	51,6	-18,0	12,5	
Goods	-473,1	-463,0	-471,4	-1,7	0,4	-10,1	2,2	
Services	98,4	102,8	-47,8	146,1	...*	-4,5	-4,4	
Primary income	-113,9	-113,5	-108,2	-5,7	5,3	-0,4	0,4	
Secondary income	326,2	329,2	520,2	-194,0	...*	-3,0	-0,9	
Capital account	0,3	0,3	6,3	-6,1		-0,1		
Financial account	-157,8	-159,8	-85,3	-72,5		2,0		
Direct investment	-21,6	-235,4	-313,8	292,3		213,9		
<i>Net acquisition of financial assets</i>	194,1	64,2	-228,6	422,7		129,9		
<i>Net incurrence of liabilities</i>	215,7	299,6	85,2	130,4		-83,9		
Portfolio investment	22,3	-368,6	11,9	10,4		390,9		
Currency and deposits	35,2	80,2	60,1	-24,8		-45,0		
Loans	-19,1	47,5	35,1	-54,2		-66,6		
Trade credit and advances	-169,2	59,9	-19,7	-149,5		-229,1		
Reserve assets	-5,6	256,6	141,1	-146,7		-262,2		

* the percentage change is above 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 foreign assets. Foreign reserves data exclude price changes and exchange rate differentials.

Source: NBRNM.

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

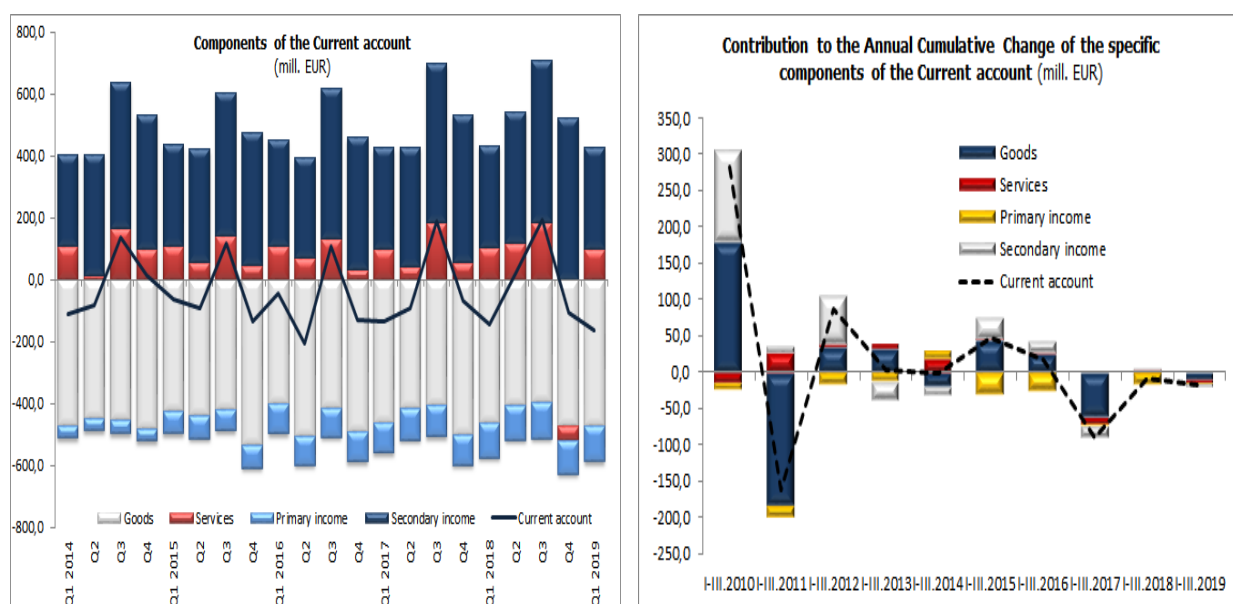


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Current account

Observed on a quarterly basis, the current account deficit in the first quarter expanded by Euro 55.3 million, primarily due to the lower secondary income surplus (by Euro 194 million), which was partially neutralized through the improved performance in the trade of services (by Euro 146,1 million).

Compared to the first quarter of the previous year, the current account deficit increased by Euro 18 million which is mainly explained by the changes in the balance of the trade in goods (by Euro 10.4 million), as well as the lower surplus in services and secondary income (by Euro 4.5 and Euro 3 million, respectively).



Source: NBRNM.

Financial account

In the first quarter of 2019, net inflows of Euro 157.8 million from financial transactions with non-residents were recorded. Analyzed by categories, net inflows were recorded in trade credits (Euro 169.2 million), direct investments (Euro 21.6 million) and loans (Euro 19.1 million), while net outflows were registered in currency and deposits (Euro 35.2 million) and portfolio investments (Euro 22.3 million). Foreign reserves registered moderate decrease by Euro 5.6 million.

In the first quarter of 2019, on a net basis, net inflows of Euro 21.6 million from foreign direct investments were registered. This performance is a result of the net inflows in equity (Euro 75.5 million) and reinvested earnings (Euro 90.6 million), whereas the intercompany debt, where net outflows (Euro 144.5 million) were registered.



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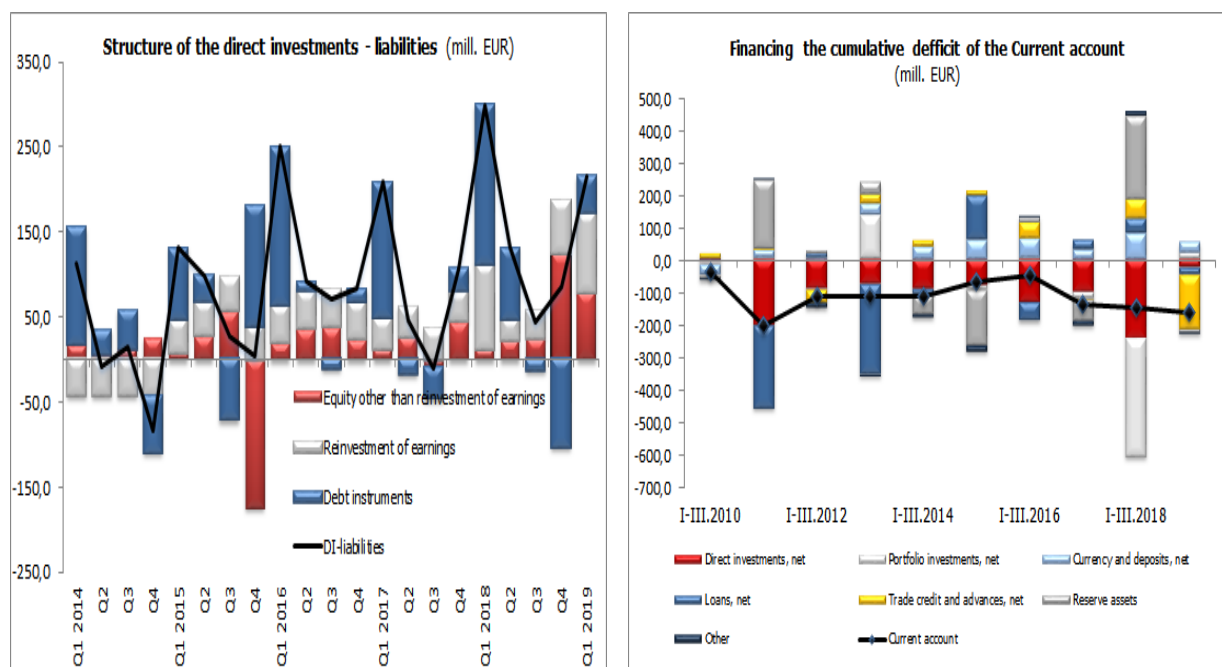
In the first quarter of 2019, the liabilities based on direct investments² increased by Euro 215.7 million, as a result of the net growth of liabilities in all categories: reinvested earnings (Euro 93.8 million), equity (by Euro 78.8 million) and intercompany lending (by Euro 43 million).

Direct investment assets increased by Euro 194.1 million, mainly as a result of the increased claims on intercompany lending (Euro 187.5 million).

In the first quarter of the year, the net liabilities based on portfolio investments decreased by Euro 22.3 million, mostly as a result of the reduced liabilities of the "government" sector to abroad, given the purchase of Eurobonds from previous issues by domestic resident entities.

During the analyzed quarter, the net inflows based on loans of Euro 19.1 million mostly stem from net inflows in the "deposit corporations" sector (Euro 16.6 million) and other sectors³ (Euro 15.5 million), while the "government" sector registered net outflows in the amount of (Euro 11.9 million).

In the first quarter of the year, the net inflows from trade loans (Euro 169.2 million), direct investments (Euro 21.6 million) and loans (Euro 19.1 million), as well as foreign reserves, declining by Euro 5,6 million, enabled to finance both, the current account deficit and the net outflows registered in other financial account components.



Source: NBRNM.

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

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



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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.nspix

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

Next publications: Advance Release Calendar
http://www.nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix

Quarterly balance of payments: 30 August 2019 (reference period as of June 2019).

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).