



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 31 May 2022

Press Release

Significant developments in the balance of payments¹ in the first quarter of 2022

In the first quarter of 2022, current transactions with non-residents registered a deficit of Euro 392.4 million, mainly as a result of the trade deficit in goods. Financial transactions with non-residents registered net inflows from direct investments and trade credits, and net outflows on the basis of loans, portfolio investments and currency and deposits.

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 2022	Q1 2021	Q4 2021	millions of euros	%	millions of euros	%
Current account	-392,4	-53,0	-346,5	-45,9	13,3	-339,5	...*
Goods	-845,2	-505,2	-798,9	-46,3	5,8	-340,0	67,3
Services	161,9	193,3	33,0	128,9	...*	-31,4	-16,3
Primary income	-137,7	-137,9	-139,0	1,3	-0,9	0,1	-0,1
Secondary income	428,6	396,7	558,5	-129,9	-23,3	31,8	8,0
Capital account	0,2	-3,7	2,6	-2,4		3,9	
Financial account	-383,5	-47,4	-325,6	-57,9		-336,1	
Direct investment	-100,2	3,5	-197,1	96,9		-103,8	
Net acquisition of financial assets	405,9	332,0	-270,1	676,0		73,9	
<i>Equity**</i>	7,8	45,9	-1,8	9,5		-38,2	
<i>Reinvestment of earnings</i>	2,6	1,7	2,1	0,5		0,9	
<i>Debt instruments</i>	395,5	284,3	-270,5	666,0		111,2	
Net incurrence of liabilities	506,1	328,4	-73,0	579,1		177,7	
<i>Equity**</i>	16,1	33,9	59,4	-43,3		-17,8	
<i>Reinvestment of earnings</i>	83,2	105,0	-87,6	170,8		-21,8	
<i>Debt instruments</i>	406,8	189,6	-44,8	451,6		217,2	
Portfolio investment	25,8	-636,9	35,8	-10,0		662,8	
Currency and deposits	23,2	27,6	139,7	-116,5		-4,4	
Loans	54,7	-19,1	-96,9	151,6		73,8	
Trade credit and advances	-12,8	-35,1	-139,2	126,4		22,3	
SDR (Special Drawing Rights)	0,0	0,0	0,0	0,0		0,0	
Reserve assets	-373,5	611,5	-67,9	-305,6		-985,0	

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 North Macedonia within a certain time frame, i.e. it summarizes current, capital and financial transactions between residents and non-residents.

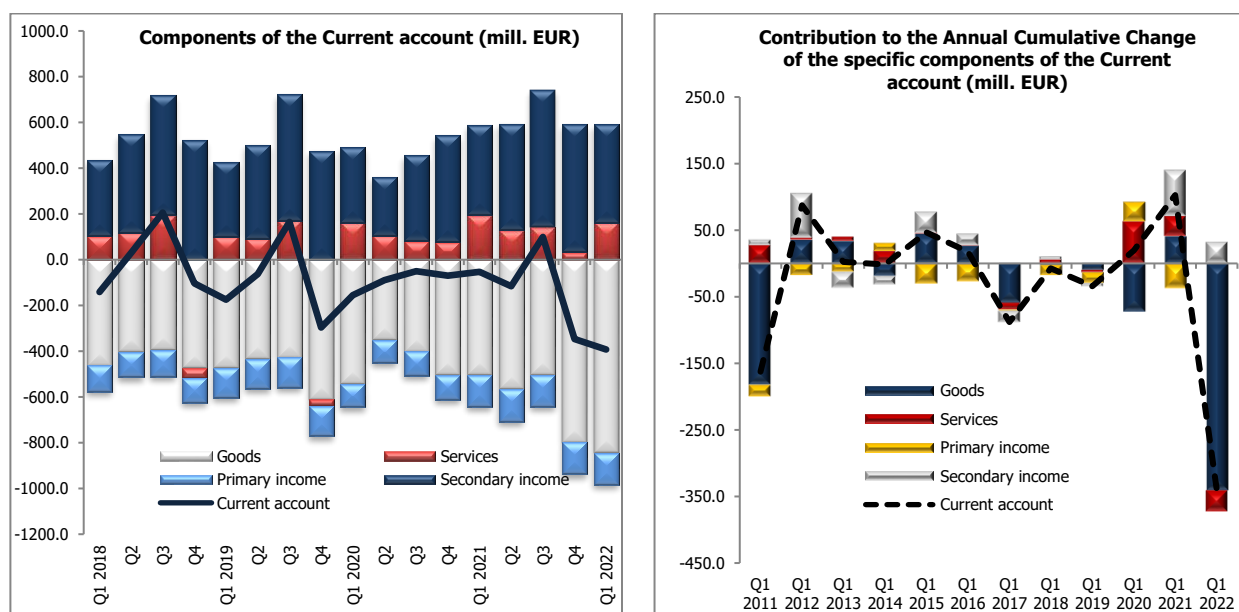


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Current account

In the first quarter of 2022, in terms of the developments in the current account components, the deficit in the trade in goods (Euro 845.2 million) and in the primary income (Euro 137.7 million), exceeded the net inflows registered in the secondary income and in the trade in services (Euro 428.6 million and Euro 161.9 million, respectively).

Compared with the first quarter of the previous year, the current account deficit increased by Euro 339.5 million, due to the higher trade deficit in goods (by Euro 340 million), while the changes in the other components were more moderate.



Source: NBRNM.

Financial account

In the first quarter of 2022, financial transactions with non-residents registered net inflows of Euro 383.5 million. Net inflows were registered in direct investments (Euro 100.2 million) and trade credits (Euro 12.8 million), while net outflows were registered in loans (Euro 54.7 million), portfolio investments (Euro 25.8 million) and currency and deposits (Euro 23.2 million). Foreign reserves decreased by Euro 373.5 million.

The net inflows based on direct investments (Euro 100.2 million) were a result of the net inflows registered in all components, i.e. reinvestment of earnings (Euro 80.6 million), intercompany lending (Euro 11.3 million) and equity (Euro 8.3 million).



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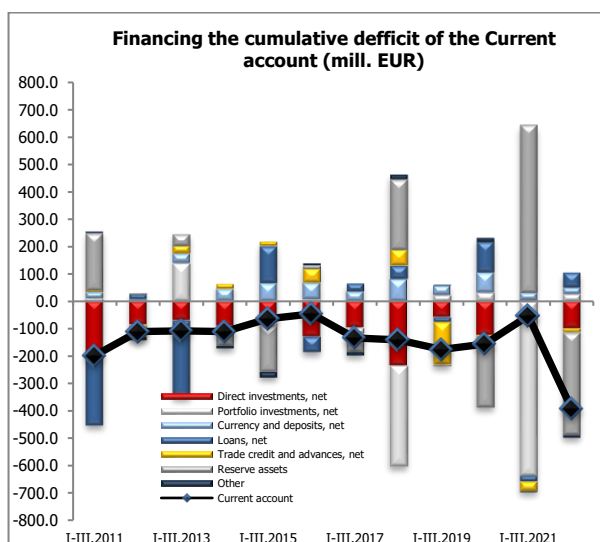
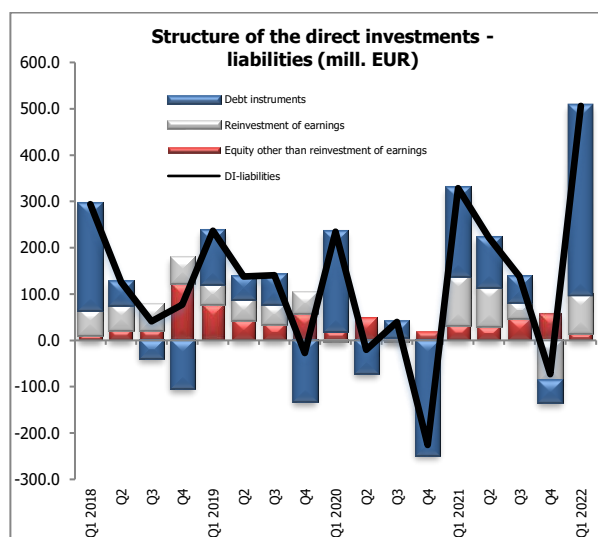
In the first quarter of 2022, liabilities based on direct investments² increased by Euro 506.1 million, as a result of increased liabilities based on intercompany lending (Euro 406.8 million), reinvestment of earnings (Euro 83.2 million) and equity (Euro 16.1 million).

In the first quarter of 2022, assets on the basis of direct investments increased by Euro 405.9 million, as a result of increased claims based on debt instruments (Euro 395.5 million), equity (Euro 7.8 million) and reinvestment of earnings (Euro 2.6 million).

In the first quarter of the year, net liabilities on portfolio investments decreased by Euro 25.8 million. This change is mostly due to the reduced liabilities based on debt securities (by Euro 24.9 million), mainly as a result of interest repayment on previous Eurobond issues.

Net liabilities based on loans decreased by Euro 54.7 million, mostly as a result of the net outflows in the deposit-taking corporations sector (Euro 22.7 million) and the central bank³ (Euro 20.8 million), and to a lesser extent in the other sectors⁴ (Euro 8 million) and in the government sector (Euro 3.1 million).

In the first quarter of the year, the net inflows from direct investments (Euro 100.2 million) and trade credits (Euro 12.8 million), as well as the foreign reserves enabled financing of the current account deficit and of the net outflows registered in the other financial account components.



Source: NBRNM.

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

³ National Bank activities related to foreign reserves management.

⁴ Other sectors include: other financial institutions, non-financial corporations, households, and NPISHs.



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Statistics Department**

Supporting information

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

<https://nbstat.nbrm.mk/pxweb/en/Eksterni%20statistiki/>

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

Next publications: Advance Release Calendar

https://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf

Quarterly balance of payments: 31 August 2022 (reference period as of June 2022).

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).