



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 31 August 2022

Press Release

Significant developments¹ in the second quarter of 2022

In the second quarter of 2022, current transactions with non-residents registered a deficit of Euro 235.2 million, as a result of the deficit in the trade in goods and the primary income balance. Financial transactions with non-residents registered net inflows from direct investments, trade credits and loans, and net outflows on the basis of currencies and deposits and portfolio investments.

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		cumulative change	
	Q1 2022	Q2 2022	Q1-Q2-2022	Q1 2021	Q2 2021	Q1-Q2-2021	millions of euros	%	millions of euros	%	millions of euros	%
Current account	-393.3	-235.2	-628.5	-53.0	-115.3	-168.3	158.2	-40.2	-119.9	...	-460.3	...
Goods	-848.9	-898.3	-1,747.2	-505.2	-565.0	-1,070.2	-49.4	5.8	-333.3	59.0	-677.0	63.3
Services	163.4	161.6	325.0	193.3	130.2	323.5	-1.8	-1.1	31.4	24.1	1.5	0.5
Primary income	-138.4	-136.7	-275.1	-137.9	-144.1	-282.0	1.6	-1.2	7.4	-5.1	6.9	-2.4
Secondary income	430.5	638.2	1,068.7	396.7	463.7	860.4	207.7	48.2	174.5	37.6	208.4	24.2
Capital account	0.2	-0.5	-0.3	-3.7	2.7	-1.0	-0.7		-3.2		0.7	
Financial account	-382.7	-201.7	-584.4	-47.4	-93.3	-140.7	181.0		-108.3		-443.7	
<i>Significant components:</i>												
Direct investment	-107.5	-138.8	-246.2	3.5	-217.0	-213.4	-31.3		78.2		-32.8	
Net acquisition of financial assets	394.3	-7.9	386.4	332.0	5.0	337.0	-402.2		-12.9		49.4	
Equity**	7.6	16.7	24.3	45.9	2.4	48.3	9.1		14.3		-24.0	
Reinvestment of earnings	2.6	0.9	3.5	1.7	2.1	3.8	-1.7		-1.2		-0.3	
Debt instruments	384.1	-25.5	358.6	284.3	0.6	284.9	-409.6		-26.1		73.7	
Net incurrence of liabilities	501.7	130.9	632.6	328.4	222.0	550.4	-370.9		-91.1		82.2	
Equity**	13.9	64.1	78.0	33.9	31.2	65.1	50.2		32.9		12.9	
Reinvestment of earnings	83.2	66.2	149.4	105.0	84.6	189.5	-17.0		-18.4		-40.2	
Debt instruments	404.7	0.6	405.3	189.6	106.3	295.9	-404.1		-105.7		109.4	
Portfolio investment	26.4	69.1	95.5	-636.9	8.6	-628.3	42.8		60.5		723.8	
Currency and deposits	22.8	119.1	141.9	27.6	119.7	147.2	96.3		-0.6		-5.4	
Loans	53.7	-35.0	18.8	-19.1	-147.0	-166.1	-88.7		112.0		184.8	
Trade credit and advances	-3.9	-79.7	-83.6	-35.1	47.7	12.6	-75.9		-127.4		-96.2	
Reserve assets	-373.5	-132.7	-506.2	611.5	94.5	706.1	240.8		-227.3		-1,212.3	

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

Current account

In the second quarter of 2022, in terms of the developments in the current account components, the deficit in the trade in goods (Euro 898.3 million) and the primary income (Euro 136.7 million), exceeded the net inflows registered in the secondary income and in the trade in services (Euro 638.2 million and Euro 161.6 million, respectively).

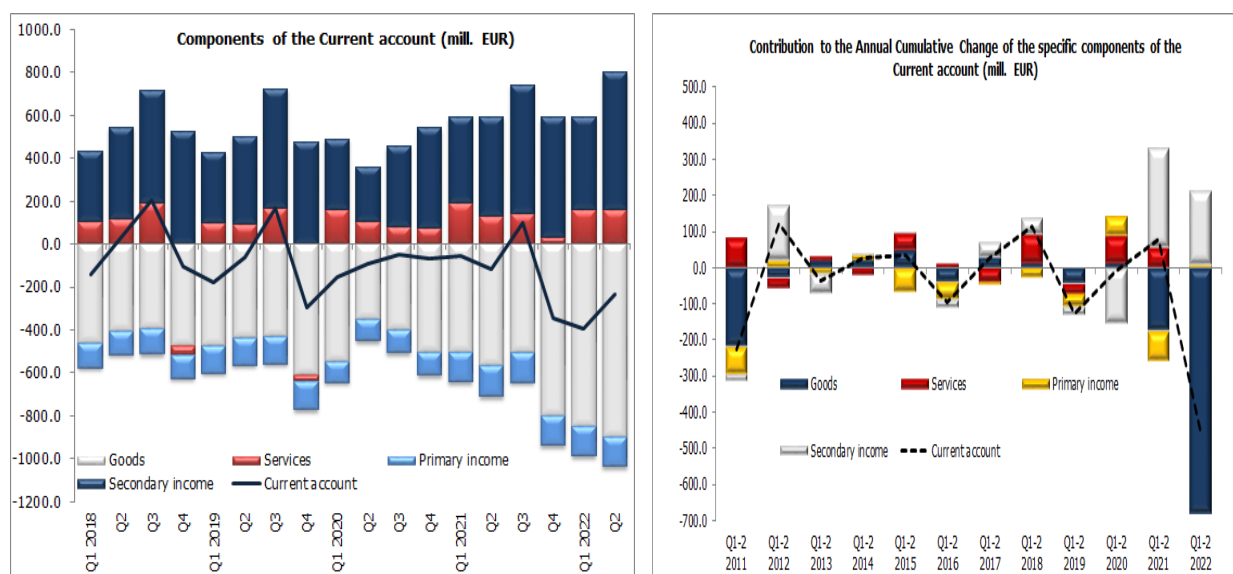
¹The balance of payments is a statistical report that systematically summarizes all international economic transactions of the Republic of North Macedonia within a certain time frame, i.e. it summarizes current, capital and financial transactions between residents and non-residents.



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On a quarterly basis, the current account deficit decreased by Euro 158.2 million. The decrease is a result of the quarterly improvement in the secondary income (of Euro 207.7 million) and the primary income component (of Euro 1.6 million), in conditions of an increase in the net outflows in the trade in goods (of Euro 49.4 million) and decrease in the net inflows in the trade in services (Euro 1.8 million).

Compared with the same quarter of the previous year, the current account deficit increased (by Euro 119.9 million), as a result of the higher deficit in the trade in goods (by Euro 333.3 million). Other current account components registered an improvement, specifically in the secondary income of Euro 174.5 million, trade in services of Euro 31.4 million and the primary income of Euro 7.4 million.



Source: NBRNM.

Financial account

In the second quarter of 2022, financial transactions with non-residents registered net inflows of Euro 201.7 million. Analyzed by category, net inflows were registered in direct investments (Euro 138.8 million), trade credits (Euro 79.7 million) and loans (Euro 35 million), while net outflows were registered in currencies and deposits (Euro 119.1 million) and portfolio investments (Euro 69.1 million).

The net inflows based on direct investments of Euro 138.8 million were result of the net inflows in all components, as follows: reinvestment of earnings (Euro 65.3 million), equity (Euro 47.4 million) and intercompany lending (Euro 26.1 million). Since the beginning of the year as of June, the net inflows based on direct investments came to the amount of Euro 246.2 million, which is an increase of Euro 32.8 million compared to the same period of the previous year.



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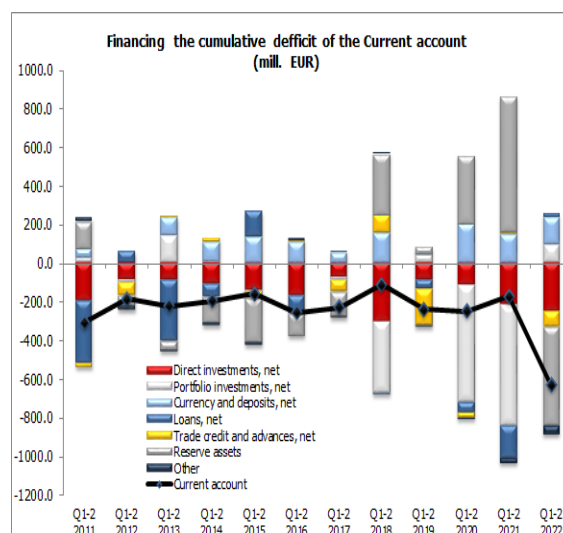
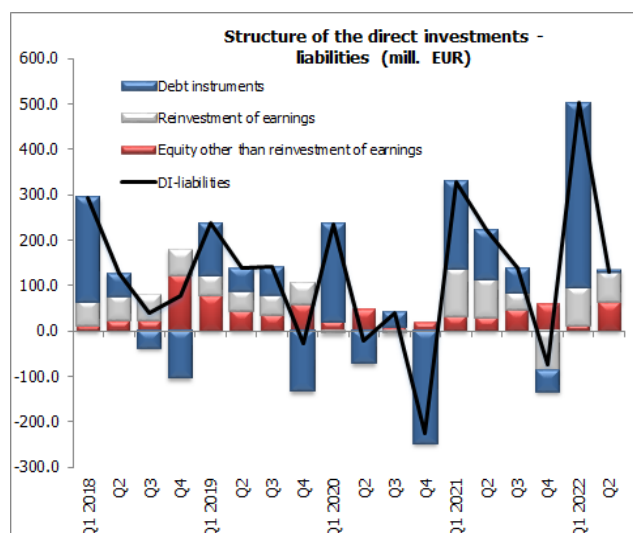
In the second quarter of 2022, liabilities based on direct investments² increased by Euro 130.9 million, as a result of net increased liabilities based on reinvestment of earnings (Euro 66.2 million), equity (Euro 64.1 million) and intercompany lending (Euro 0.6 million).

The assets on the basis of direct investments decreased by Euro 7.9 million, as a result of reduced claims based on intercompany lending (Euro 25.5 million), in conditions of increased claims on equity (Euro 16.7 million) and reinvestment of earnings (Euro 0.9 million).

In the second quarter of the year, net liabilities on portfolio investments decreased by Euro 69.1 million, mostly as a result of increased claims based on residents' investments in foreign securities, as well as due to repayment of interest based on previously issued Eurobonds, and to a lesser extent, on the repurchase of domestic Eurobonds by residents.

The net liabilities increased by Euro 35 million mainly as a result of the net inflows with "other sectors"³ (Euro 24.1 million) and with the sector "other deposit-taking corporations" (Euro 22.7 million), as opposed to the net outflows of the "Government" sector by Euro 20.3 million.

The net inflows from direct investments (Euro 246.2 million) and trade credits (Euro 83.6 million), as well as from foreign reserves, enabled the financing of the current account deficit and the net outflows realized in the other financial account components.



Source: NBRNM.

Data revision

The data on the balance of payments in this press release contain a regular revision of the data for the period January - March 2022 in order to improve their quality. The data revision contributed to an increase in the current account deficit by Euro 0.9 million, mainly as a result of the revision in the trade in goods (increased deficit by Euro 3.7 million), the sub-balance of

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

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



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secondary income (increased surplus by Euro 2 million) and the trade in services (increased surplus by Euro 1.5 million).

In the financial account, the revision resulted in lower net liabilities by Euro 0.8 million, mainly as a result of a decrease in net liabilities in trade credits by Euro 8.9 million, while net liabilities in direct investments increased by Euro 7.2 million and net claims on loans decreased by Euro 1 million.

The data revision contributed to increase in errors and omissions for the period January – March 2022 in the amount of Euro 1.7 million.

Supporting information

Time series of data: annual, quarterly and monthly data on the balance of payments:
https://www.nbrm.mk/platen_bilans-en.nspix

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

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

Quarterly balance of payments: 30 November 2022 (reference period as of September 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).