



# National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 November 2022

## Press Release

### Significant developments in the balance of payments<sup>1</sup> in the third quarter of 2022

In the third quarter of 2022, current transactions with non-residents registered a surplus of Euro 80.5 million. The surplus results from the solid secondary income and favorable trends in trade in services. Financial transactions with non-residents registered net inflows from portfolio investments, direct investments, loans and trade credits, and net outflows for 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		cumulative change	
	Q1 2022	Q2 2022	Q3 2022	Q1-Q3-2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q3-2021	millions of euros	%	millions of euros	%	millions of euros	%
<b>Current account</b>	-399.8	-247.1	80.5	-566.4	-41.5	-102.9	110.6	-332.6	-33.8	327.6	...*	-30.1	...*	-532.6	...*
Goods	-850.3	-899.4	-879.0	-2,628.6	-504.3	-564.1	-504.6	-797.3	-1,573.0	20.4	-2.3	-374.3	74.2	-1,055.6	67.1
Services	169.6	161.6	324.6	655.7	192.5	128.6	141.9	32.9	463.0	163.0	...*	182.6	...*	192.7	41.6
Primary income	-149.6	-147.7	-149.3	-446.6	-128.8	-133.6	-128.7	-130.2	-391.1	-1.6	1.1	-20.6	16.0	-55.5	14.2
Secondary income	430.5	638.4	784.2	1,853.1	399.2	466.2	602.0	562.0	1,467.4	145.8	22.8	182.2	30.3	385.7	26.3
<b>Capital account</b>	0.2	-0.6	-1.1	-1.5	0.2	2.5	0.0	4.4	2.7	-0.5		-1.1		-4.2	
<b>Financial account</b>	-396.2	-214.9	130.5	-480.6	-32.4	-82.8	136.9	-319.1	21.7	345.5		-6.4		-502.3	
<i>Significant components:</i>															
Direct investment	-120.8	-150.1	-179.6	-450.4	21.8	-206.4	-13.8	-189.1	-198.4	-29.5		-165.7		-252.0	
Net acquisition of financial assets	393.9	-6.0	167.4	555.3	339.0	9.8	118.2	-279.7	467.0	173.4		49.2		88.3	
Equity**	7.6	16.7	13.6	37.9	45.9	2.3	12.0	-15.2	60.3	-3.0		1.6		-22.4	
Reinvestment of earnings	2.6	0.9	1.3	4.8	6.7	6.7	6.7	6.7	20.1	0.4		-5.4		-15.3	
Debt instruments	383.7	-23.6	152.4	512.6	286.3	0.7	99.5	-271.3	386.5	176.1		53.0		126.0	
Net incurrence of liabilities	514.7	144.0	346.9	1,005.7	317.2	216.1	132.0	-90.6	665.4	202.9		214.9		340.3	
Equity**	13.9	68.5	108.8	191.2	29.9	31.3	48.6	52.4	109.9	40.3		60.1		81.3	
Reinvestment of earnings	94.2	77.2	39.1	210.5	20.8	20.8	20.8	20.8	62.4	-38.1		18.3		148.1	
Debt instruments	406.6	-1.6	199.1	604.1	266.5	164.0	62.6	-163.8	493.1	200.7		136.5		110.9	
Portfolio investment	26.4	69.1	-221.7	-126.2	-636.9	8.6	477.4	34.9	-150.9	-290.9		-699.2		24.6	
Currency and deposits	24.3	119.0	135.0	278.3	27.6	119.7	146.7	139.1	293.9	15.9		-11.7		-15.6	
Loans	53.6	-34.8	-175.0	-156.2	-19.1	-147.2	17.9	-100.5	-148.5	-140.2		-192.9		-7.8	
Trade credit and advances	-5.4	-81.8	-82.2	-169.4	-38.3	48.0	5.2	-135.7	14.9	-0.4		-87.4		-184.2	
Reserve assets	-373.5	-132.7	654.0	147.8	611.5	94.5	-333.5	-67.9	372.6	786.8		987.5		-224.7	

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.

<sup>1</sup> 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.



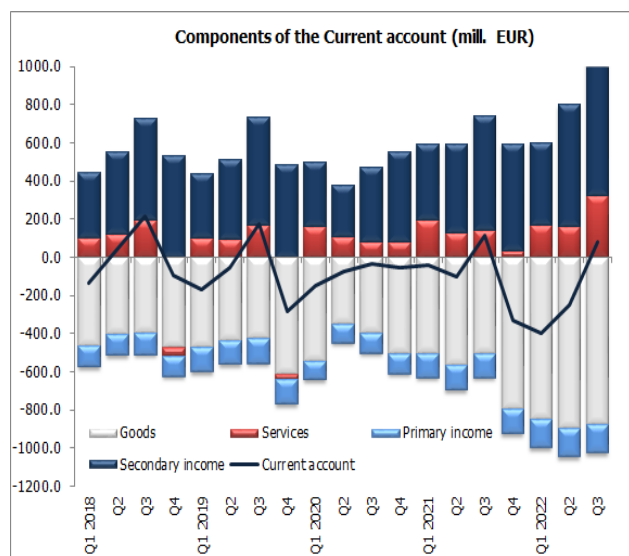
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### **Current account**

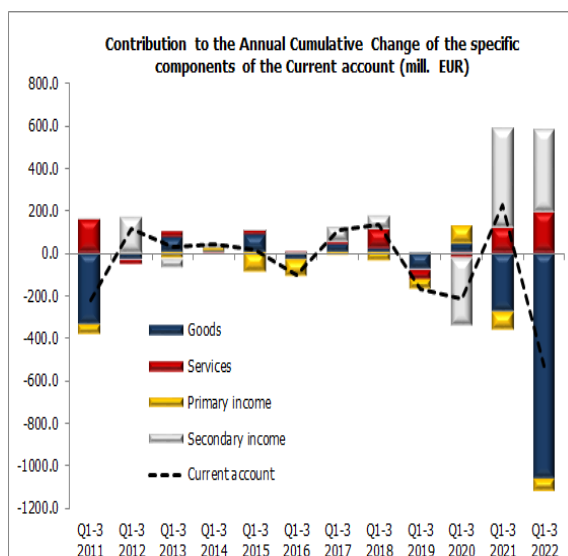
Surplus in current transactions with non-residents in the third quarter of 2022 of Euro 80.5 million is the result of net inflows in secondary income and trade in services (Euro 784.2 million and Euro 324.6 million, respectively), which exceeded deficits in trade in goods (Euro 879 million) and in primary income (Euro 149.3 million).

These performances improved compared to the second quarter of the year, when the current account recorded a deficit of Euro 247.1 million. Quarterly improvement was registered mainly in trade in services and secondary income (Euro 163 million and Euro 145.8 million, respectively), and less in trade in goods (Euro 20.4 million), with almost unchanged primary income.

Compared to the third quarter of the previous year, the current account surplus decreased by Euro 30.1 million, mostly reflecting the higher trade deficit in goods and primary income (by Euro 374.3 million and Euro 20.6 million, respectively) amid increased net inflows from trade in services and secondary income (by Euro 182.6 million and Euro 182.2 million, respectively).



Source: NBRNM.



### **Financial account**

Financial transactions with non-residents in the third quarter of 2022, registered net inflows in portfolio investments (Euro 221.7 million), direct investments (Euro 179.6 million), loans (Euro 175 million) and trade credits (Euro 82.2 million), while net outflows were registered in currency and deposits (Euro 135 million). Foreign reserves increased by Euro 654 million.

In the third quarter, direct investments registered net inflows of Euro 179.6 million. Analyzed by component, such performances are a result of net inflows in equity (Euro 95.1 million), intercompany lending (Euro 46.6 million) and in reinvestment of earnings (Euro 37.8 million). Net inflows from direct investments in the amount of Euro 450.4 million were generated from the



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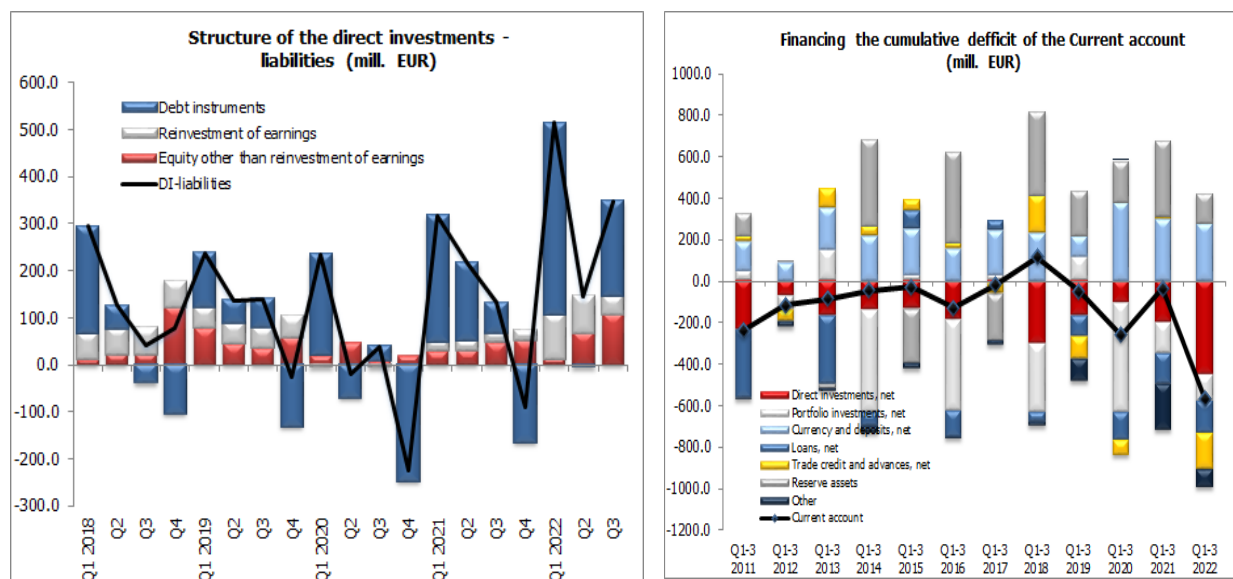
beginning of the year until September, which is an increase of Euro 252 million compared to the same period last year.

In the third quarter of 2022, direct investment liabilities<sup>2</sup> increased by Euro 346.9 million due to the net growth of the intercompany lending liabilities (Euro 199.1 million), equity (Euro 108.8 million) and the reinvestment of earnings (Euro 39.1 million).

Assets based on direct investments increased by Euro 167.4 million, amid increased claims based on: intercompany lending (by Euro 152.4 million), equity (by Euro 13.6 million) and reinvestment of earnings (by Euro 1.3 million).

In the third quarter of the year, net liabilities based on portfolio investments increased by Euro 221.7 million, mainly as a result of the debt securities issue on the international capital market (Euro 250 million).

Net inflows from loans of Euro 175 million mainly result from the net inflows from the specific activities of the Central bank related to the foreign reserves management (Euro 186.1 million) and less from other sectors<sup>3</sup> (Euro 11 million), as opposed to net outflows of Euro 21.9 million in the other deposit-taking corporations sector and Euro 0.2 million in the "government" sector.



Source: NBRNM.

Net inflows from direct investments (Euro 450.4 million), trade credits (Euro 169.4 million), loans (Euro 156.2 million) and portfolio investments (Euro 126.2 million) enabled financing of the current account deficit and the net outflows of the other financial account components, and increased foreign reserves by Euro 147.8 million.

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

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



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### ***Data revisions***

Balance of payments data in this press release contain regular data revision for the period January - June 2022 in order to improve the data quality. With the data revision, the current account deficit increased by Euro 18.3 million, mainly as a result of the revision of the primary income sub-balance (increased deficit by Euro 22.2 million) and trade in goods (increased deficit by Euro 2.5 million), as opposed to the increase in the surplus in trade in services (by Euro 6.2 million).

The revision of the financial account led to higher net liabilities by Euro 26.7 million, mainly as a result of the increase in net liabilities on direct investments of Euro 24.6 million and trade credits of Euro 3.6 million.

The data revision reduced the errors and omissions for the period January - June 2022 by Euro 8.3 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](https://www.nbrm.mk/platen_bilans-en.nspix)

Methodological explanations: [https://www.nbrm.mk/platen\\_bilans-en.nspix](https://www.nbrm.mk/platen_bilans-en.nspix)

Next publications: Advance Release Calendar  
[https://www.nbrm.mk/kalendar\\_na\\_objavuvanje\\_na\\_podatoci-en.nspix](https://www.nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix)

Quarterly balance of payments: 28 February 2023 (reference period as of December 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](mailto:contact.statistika@nbrm.mk) or phone: 02 3215 181 extension 103 (or 110/108).