



# National Bank of the Republic of North Macedonia Statistics Department

Skopje, 28 February 2023

## Press Release

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

In the fourth quarter of 2022, current transactions with non-residents registered a deficit of Euro 246.2 million, as a result of the deficit in the trade in goods and in the balance of primary income. Financial transactions with non-residents registered net inflows based on direct investments, loans and trade credits, and net outflows for currency 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	Q3 2022	Q4 2022	Q1-Q4-2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1-Q4-2021	millions of euros	%	millions of euros	%	millions of euros	%
<b>Current account</b>	-388.8	-234.0	96.6	-246.2	-772.4	-41.5	-102.9	110.6	-332.6	-366.4	-342.8	...*	86.4	...*	-406.1	...*
Goods	-850.3	-899.4	-881.4	-821.7	-3,452.8	-504.3	-564.1	-504.6	-797.3	-2,370.3	59.8	-6.8	-24.4	3.1	-1,082.4	45.7
Services	169.6	162.3	328.9	80.0	740.8	192.5	128.6	141.9	32.9	495.9	-248.9	-75.7	47.2	...*	244.9	49.4
Primary income	-138.7	-136.9	-137.2	-145.3	-558.1	-128.8	-133.6	-128.7	-130.2	-521.3	-8.1	5.9	-15.2	11.6	-36.8	7.1
Secondary income	430.5	639.9	786.4	640.8	2,497.6	399.2	466.2	602.0	562.0	2,029.4	-145.6	-18.5	78.8	14.0	468.2	23.1
<b>Capital account</b>	0.2	-0.6	-1.1	-2.1	-3.6	0.2	2.5	0.0	4.4	7.1	-1.0		-6.6		-10.8	
<b>Financial account</b>	-386.8	-207.6	129.5	-254.2	-719.1	-32.4	-82.8	136.9	-319.1	-297.3	-383.7		64.9		-421.7	
<i>Significant components:</i>																
Direct investment	-111.7	-137.7	-181.8	-239.0	-670.2	21.8	-206.4	-13.8	-189.1	-387.5	-57.2		-49.9		-282.7	
Net acquisition of financial assets	394.2	-0.4	163.0	-424.2	132.7	339.0	9.8	118.2	-279.7	187.3	-587.2		-144.4		-54.6	
Equity**	7.6	16.6	13.1	21.6	58.9	45.9	2.3	12.0	-15.2	45.1	8.4		36.7		13.8	
Reinvestment of earnings	2.6	0.9	1.3	2.6	7.4	6.7	6.7	6.7	6.7	26.9	1.3		-4.1		-19.5	
Debt instruments	384.0	-17.9	148.6	-448.3	66.4	286.3	0.7	99.5	-271.3	115.3	-596.9		-177.1		-48.9	
Net incurrence of liabilities	505.9	137.3	344.9	-185.1	802.9	317.2	216.1	132.0	-90.6	574.8	-530.0		-94.5		228.1	
Equity**	13.9	68.6	108.8	115.9	307.2	29.9	31.3	48.6	52.4	162.3	7.1		63.5		144.9	
Reinvestment of earnings	84.2	67.2	29.1	-191.5	-11.0	20.8	20.8	20.8	20.8	83.2	-220.6		-212.3		-94.2	
Debt instruments	407.8	1.5	207.0	-109.5	506.7	266.5	164.0	62.6	-163.8	329.3	-316.5		54.3		177.4	
Portfolio investment	26.4	69.1	-221.7	74.1	-52.1	-636.9	8.6	477.4	34.9	-115.9	295.9		39.2		63.8	
Currency and deposits	24.3	118.5	133.7	107.5	383.9	27.6	119.7	146.7	139.1	433.1	-26.2		-31.7		-49.2	
Loans	53.5	-34.9	-175.1	-210.0	-366.4	-19.1	-147.2	17.9	-100.5	-248.9	-34.9		-109.5		-117.5	
Trade credit and advances	-5.1	-86.1	-79.6	-110.2	-281.0	-38.3	48.0	5.2	-135.7	-120.8	-30.6		25.5		-160.2	
Reserve assets	-373.5	-132.7	654.0	123.8	271.6	611.5	94.5	-333.5	-67.9	304.7	-530.3		191.6		-33.1	

...\*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.

### Current account

Observing the developments in the individual current account components, in the fourth quarter of 2022, the current transactions with non-residents, the deficit in the trade of goods (Euro 821.7 million) and the primary income (Euro 145.3 million) were partially neutralized by the net inflows in the secondary income and the trade in services (Euro 640.8 million and Euro 80 million, respectively).

Despite the current account surplus in the third quarter of 2022 (Euro 96.6 million), in the fourth quarter a deficit of Euro 246.2 million was registered, indicating a common quarterly movement.

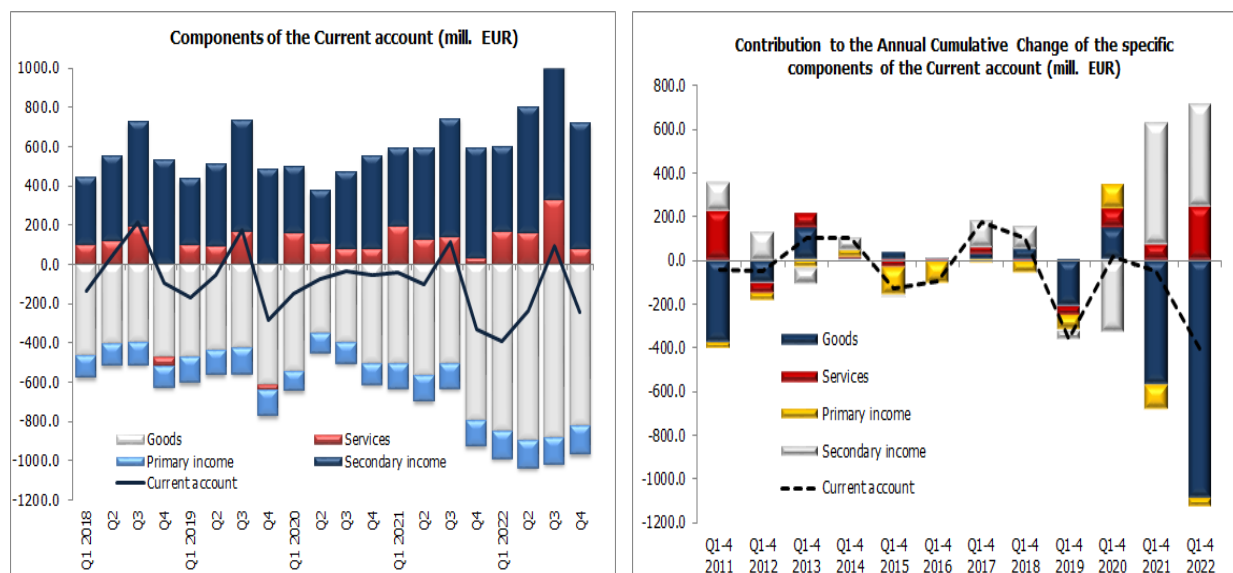
<sup>1</sup> The balance of payments is a statistical report that systematically summarizes all international economic transactions of the Republic of North Macedonia within a certain time frame, i.e. it summarizes current, capital and financial transactions between residents and non-residents.



## National Bank of the Republic of North Macedonia Statistics Department

This change is mainly a result of the reduced net inflows in the trade in services and secondary income sub-balance (Euro 248.9 million and Euro 145.6 million, respectively), amid reduced net outflows in the trade in goods (Euro 59.8 million).

Compared to the fourth quarter of the previous year, the current account deficit decreased by Euro 86.4 million, which is mainly due to the higher surplus in the secondary income, where the net inflows increased by Euro 78.8 million, as well as in the trade of services (by Euro 47.2 million). Higher deficit has also been registered in the trade in goods (by Euro 24.4 million) and in the primary income (Euro 15.2 million).



Source: NBRNM.

In 2022, the deficit in the current account amounts to Euro 772.4 million, which is a higher level by Euro 406.1 million compared to 2021, almost entirely as a result of the higher deficit in trade in goods (Euro 1,082.4 million), with the widening of the primary income deficit (Euro 36.8 million) also having a moderate effect. On the other hand, the other categories registered favorable performance, i.e. higher surplus in both, the secondary income and in the trade in services (by Euro 468.2 million and Euro 244.9 million, respectively).

### **Financial account**

In the fourth quarter of 2022, financial transactions with non-residents registered net inflows of Euro 254.2 million. Significant net inflows were registered in direct investments (Euro 239 million), loans (Euro 210 million) and trade credits (Euro 110.2 million), while net outflows were registered in currency and deposits (Euro 107.5 million) and portfolio investments (Euro 74.1 million). Foreign reserves increased by Euro 123.8 million.

Regarding the direct investments, net inflows of Euro 239 million were registered in the fourth quarter. Analyzed by component, such performance results from the net inflows in the intercompany lending (Euro 338.8 million) and in equity (Euro 94.3 million), amid net outflows in

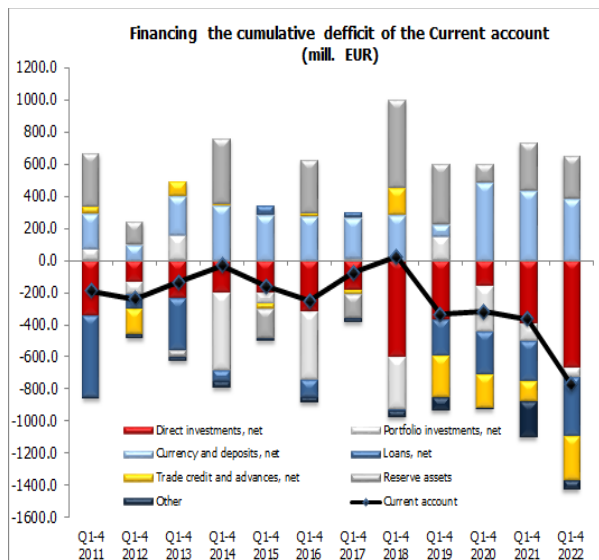
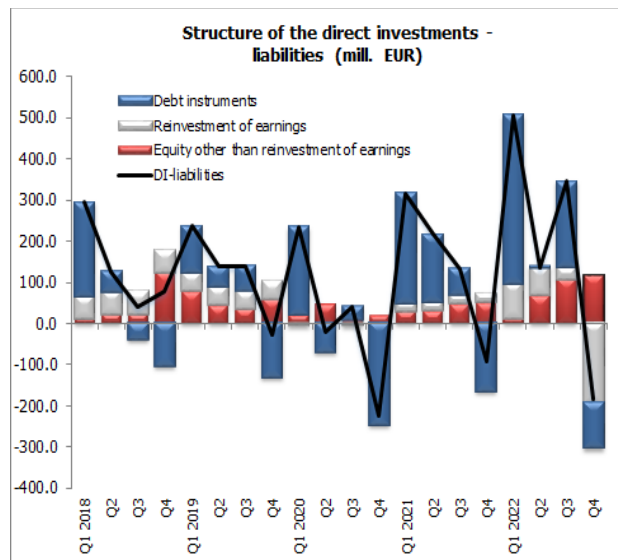


## National Bank of the Republic of North Macedonia Statistics Department

reinvestment of earnings (Euro 194.1 million). In 2022, net inflows based on direct investments and amounting Euro 670.2 million have been registered, which is an increase of Euro 282.7 million compared to 2021. In 2022, net inflows are recorded in the following components: intercompany lending (Euro 440.3 million) and equity (Euro 248.3 million), as opposed to net outflows in the reinvestment of earnings (Euro 18.4 million).

In the fourth quarter of the year, the net liabilities based on portfolio investments decreased by Euro 74.1 million. This change is mostly due to the increased residents' investments in foreign equity and debt securities, by deposit-taking corporations – investments in foreign debt securities (Euro 39.9 million), and by other financial corporations – investments in equity and debt securities (Euro 25.2 million and Euro 8.4 million, respectively).

In the fourth quarter of 2022, net loan-based inflows of Euro 210 million mostly result from the net inflows in the government sector (Euro 112.9 million), and to a lesser extent, in other sectors<sup>2</sup> (Euro 69.2 million) and the net inflows based on specific central bank activities related to the foreign reserves management (Euro 30.6 million), against the net outflows of Euro 2.8 million in other deposit-taking corporations sector. Cumulatively for 2022, the net inflows based on loans amounted to Euro 366.4 million, with significant net inflows in the central bank (Euro 204.4 million), as well as in other sectors (Euro 97.6 million) and the government sector (Euro 89.3 million), given the net outflows in the deposit-taking corporations sector (Euro 24.8 million).



Source: NBRNM.

The realized net inflows based on direct investments (Euro 670.2 million), loans (Euro 366.4 million), trade credits (Euro 281 million) and portfolio investments (Euro 52.1 million) exceeded net outflows based on of currencies and deposits (Euro 383.9 million), thus enabling to fully

<sup>2</sup> Other sectors include: other financial institutions, non-financial corporations, households, and NPISHs.



## National Bank of the Republic of North Macedonia Statistics Department

finance the current account deficit of Euro 772.4 million, and to increase the foreign reserves by Euro 271.6 million.

### ***Data revisions***

Balance of payments data in this press release contain regular data revision for the period January - September 2022 in order to improve their quality. At the same time, the data revision contributed to the reduction in the current account deficit by Euro 40.2 million, mainly as a result of the better performance in the primary income sub-balance (reduced deficit by Euro 33.9 million), in the trade in services and in the secondary income (higher surplus by Euro 5 million and Euro 3.8 million, respectively), as opposed to the increase in the deficit in the trade in goods of Euro 2.5 million.

In the financial account, the revision led to reduced net liabilities by Euro 15.7 million, mainly as a result of the reduction of net liabilities in direct investments by Euro 19.2 million, while currencies and deposits and trade credits registered an increase in net liabilities of Euro 1.9 million and Euro 1.4 million, respectively.

The data revision reduced the errors and omissions for the period January - September 2022 by Euro 24.5 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: 31 May 2023 (reference period as of March 2023).

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).