



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 31 May 2023

Press Release

Significant developments in the balance of payments¹ in the first quarter of 2023

In the first quarter of 2023, current transactions with non-residents registered a surplus of Euro 122.5 million, as a result of the surplus in secondary income and in the trade in services. Financial transactions with non-residents registered net inflows from portfolio investments and direct investments, while net outflows on the basis of loans, currency and deposits and trade credits.

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 2023	Q1 2022	Q4 2022	millions of euros	%	millions of euros	%
Current account	122.5	-388.8	-246.2	368.8	...*	511.4	...*
Goods	-598.8	-850.3	-821.7	222.9	-27.1	251.5	-29.6
Services	251.8	169.6	80.0	171.8	...*	82.3	48.5
Primary income	-154.4	-138.7	-145.3	-9.1	6.3	-15.8	11.4
Secondary income	624.0	430.5	640.8	-16.8	-2.6	193.4	44.9
Capital account	0.3	0.2	-2.1	2.5		0.1	
Financial account	128.5	-386.8	-254.2	382.7		515.3	
<i>Significant components:</i>							
Direct investment	-113.7	-111.7	-239.0	125.4		-2.0	
Net acquisition of financial assets	221.0	394.2	-424.2	645.2		-173.2	
Equity**	15.2	7.6	21.6	-6.4		7.6	
Reinvestment of earnings	3.0	2.6	2.6	0.4		0.4	
Debt instruments	202.8	384.0	-448.3	651.2		-181.2	
Net incurrence of liabilities	334.7	505.9	-185.1	519.8		-171.2	
Equity**	44.7	13.9	115.9	-71.1		30.8	
Reinvestment of earnings	107.2	84.2	-191.5	298.7		23.0	
Debt instruments	182.7	407.8	-109.5	292.2		-225.1	
Portfolio investment	-438.5	26.4	74.1	-512.7		-464.9	
Currency and deposits	124.3	24.3	107.5	16.9		100.1	
Loans	166.3	53.5	-210.0	376.3		112.8	
Trade credit and advances	123.9	-5.1	-110.2	234.1		129.0	
SDR (Special Drawing Rights)	0.1	0.0	0.1	0.1		0.1	
Reserve assets	266.7	-373.5	123.8	143.0		640.2	

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.

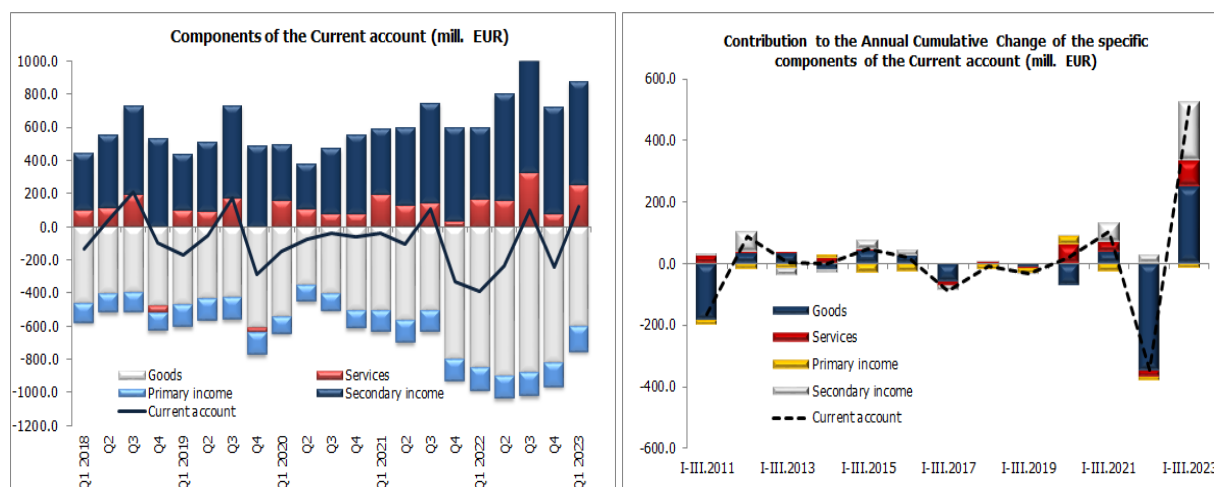


National Bank of the Republic of North Macedonia Statistics Department

Current account

In the first quarter of 2023, in terms of the developments in the current account components, the net inflows registered in the secondary income and in the trade in services (Euro 624 million and Euro 251.8 million, respectively) exceeded the deficit in the trade in goods (Euro 598.8 million) and in the primary income (Euro 154.4 million).

Compared to the first quarter last year, the current account balance improved by Euro 511.4 million. This improvement is primarily due to the reduced trade deficit in goods (by Euro 251.5 million), as well as to the higher surplus in the secondary income and the trade in services (by Euro 193.4 million and Euro 82.3 million, respectively), amid deteriorated deficit in the primary income (by Euro 15.8 million).



Source: NBRNM

Financial account

In the first quarter of 2023, financial transactions with non-residents registered net outflows of Euro 128.5 million. Significant net inflows were registered in portfolio investments (Euro 438.5 million) and direct investments (Euro 113.7 million), while net outflows were observed in loans (Euro 166.3 million), currency and deposits (Euro 124.3 million) and trade credits (Euro 123.9 million). Foreign reserves increased by Euro 266.7 million.

The net inflows based on direct investments (Euro 113.7 million) were a result of the net inflows registered in reinvestment of earnings (Euro 104.2 million) and equity (Euro 29.6 million), while intercompany lending registered net outflows (Euro 20.1 million).

Net liabilities based on portfolio investments increased by Euro 438.5 million. The change is mostly due to the government borrowing on the international capital market through a new issue of

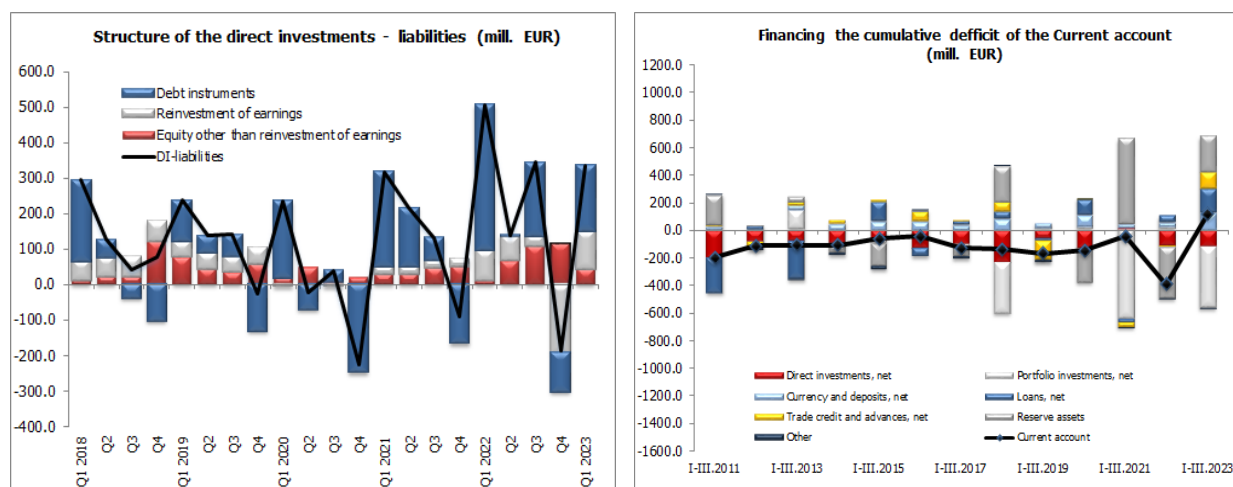


National Bank of the Republic of North Macedonia Statistics Department

Eurobonds (Euro 500 million). The liabilities are partly reduced due to the interest repayment of previously issued Eurobonds, as well as the purchase of Eurobonds by domestic entities - residents.

Net liabilities based on loans decreased by Euro 166.3 million, mostly as a result of the net outflows in the central bank² (Euro 142.2 million) and the other sectors³ (Euro 15 million), and to a lesser extent in the Deposit taking corporations (Euro 6.1 million) and the government sector (Euro 3 million).

In the first quarter of the year, the surplus in the current account (Euro 122.5 million), the net inflows from portfolio investments (Euro 438.5 million) and direct investments (Euro 113.7 million) financed the net outflows registered in the other financial account components and increased the foreign reserves by Euro 266.7 million.



Source: NBRNM.

Supporting information

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

<https://nbstat.nbrm.mk/pxweb/en/>

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

² National Bank activities related to foreign reserves management.

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



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

Quarterly balance of payments: 31 August 2023 (reference period as of June 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 or phone: 02 3215 181 extension 103 (or 110/108).