



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

Skopje, 1 December 2023

### Press Release

### Significant developments in the balance of payments<sup>1</sup> in the third quarter of 2023

In the third quarter of 2023, current transactions with non-residents registered a surplus of Euro 258.9 million, as a result of the surplus in secondary income balance and in the trade in services. Financial transactions with non-residents registered net outflow based on portfolio investments and currency and deposits, and net inflows based on trade credits, direct investments and loans.

### 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 2023	Q2 2023	Q3 2023	Q1-Q3-2023	Q1 2022	Q2 2022	Q3 2022	Q1-Q3-2022	millions of euros	%	millions of euros	%	millions of euros	%
<b>Current account</b>	<b>99.9</b>	<b>-117.5</b>	<b>258.9</b>	<b>241.3</b>	<b>-391.8</b>	<b>-236.9</b>	<b>105.9</b>	<b>-522.8</b>	<b>376.4</b>	...*	<b>152.9</b>	...*	<b>764.1</b>	...*
Goods	-601.0	-592.6	-618.7	-1,812.3	-851.2	-895.4	-872.3	-2,618.8	-26.1	4.4	253.6	-29.1	806.5	-30.8
Services	253.4	16.1	291.3	560.8	168.6	161.4	328.3	658.3	275.1	...*	-37.0	-11.3	-97.5	-14.8
Primary income	-178.0	-178.6	-170.1	-526.6	-141.2	-139.3	-137.9	-418.4	8.5	-4.8	-32.1	23.3	-108.2	25.9
Secondary income	625.6	637.5	756.3	2,019.5	432.0	636.4	787.8	1,856.2	118.8	18.6	-31.5	-4.0	163.3	8.8
<b>Capital account</b>	<b>0.3</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.7</b>	<b>0.2</b>	<b>-0.7</b>	<b>-1.1</b>	<b>-1.7</b>	<b>-0.1</b>		<b>0.6</b>		<b>0.9</b>	
<b>Financial account</b>	<b>99.7</b>	<b>-108.2</b>	<b>283.8</b>	<b>275.3</b>	<b>-390.2</b>	<b>-210.8</b>	<b>135.6</b>	<b>-465.4</b>	<b>391.9</b>		<b>148.2</b>		<b>740.7</b>	
<i>Significant components:</i>														
Direct investment	-135.8	-109.8	-39.2	-284.8	-108.0	-138.1	-178.1	-424.3	70.6		139.0		139.5	
Net acquisition of financial assets	216.0	138.1	164.0	518.1	396.5	2.2	164.6	563.3	25.8		-0.6		-45.2	
Equity	15.2	22.1	19.0	56.3	7.6	16.6	13.1	37.2	-3.1		5.9		19.1	
Reinvestment of earnings	5.5	3.2	2.9	11.5	4.2	4.2	4.2	12.5	-0.3		-1.3		-0.9	
Debt instruments	195.3	112.9	142.1	450.2	384.8	-18.5	147.3	513.6	29.2		-5.2		-63.3	
Net incurrence of liabilities	351.8	247.9	203.1	802.8	504.6	140.3	342.7	987.6	-44.8		-139.6		-184.7	
Equity	49.8	68.5	107.1	225.4	9.6	68.9	108.8	187.4	38.5		-1.8		38.0	
Reinvestment of earnings	132.2	72.4	48.0	252.6	7.9	7.9	7.9	23.6	-24.3		40.2		229.0	
Debt instruments	169.8	107.0	48.0	324.8	487.1	63.5	226.0	776.5	-59.0		-177.9		-451.7	
Portfolio investment	-438.5	20.0	414.9	-3.5	26.4	69.1	-221.7	-126.2	395.0		636.7		122.7	
Currency and deposits	124.0	119.9	268.7	512.6	24.3	118.4	133.7	276.4	148.7		135.0		236.3	
Loans	163.7	-174.0	-6.6	-17.0	49.0	-35.2	-174.6	-160.8	167.4		168.0		143.8	
Trade credit and advances	115.3	-15.8	-48.5	50.9	-7.5	-83.9	-77.6	-169.0	-32.7		29.1		219.9	
Reserve assets	266.7	52.3	-305.6	13.3	-373.5	-132.7	654.0	147.8	-357.9		-959.7		-134.5	

...\* 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

The surplus in current transactions with non-residents of Euro 258.9 million in the third quarter of 2023 is the result of net inflows in secondary income and trade in services (Euro 756.3 million and Euro 291.3 million, respectively), which exceeded deficits in trade in goods (Euro 618.7 million) and in primary income (Euro 170.1 million).

Compared to the second quarter of the year, when the current account recorded a deficit of Euro 117.5 million, improvements have been registered in the trade in services (by Euro 275.1 million) and secondary income (by Euro 118.8 million), and in smaller volume also in the sub-balance of

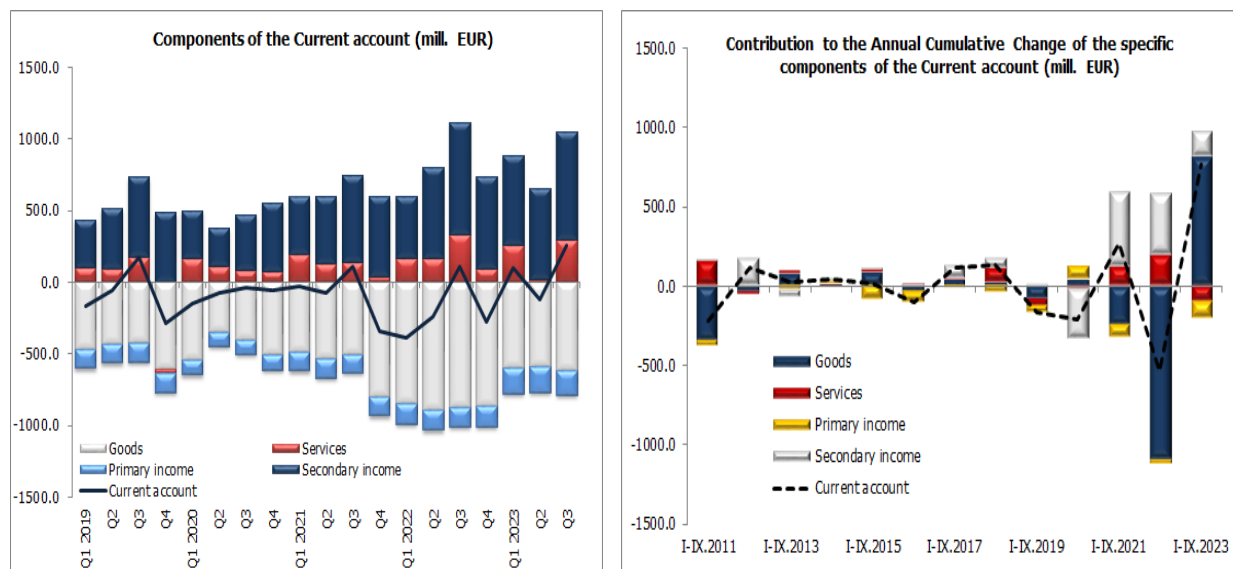
<sup>1</sup> The balance of payments is a statistical report that systematically summarizes all international economic transactions of the Republic of North Macedonia within a certain time frame, i.e. it summarizes current, capital and financial transactions between residents and non-residents.



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

primary income (by Euro 8.5 million), in contrast to the moderate deterioration in trade in goods (by Euro 26.1 million).

Compared to the same quarter last year, the current account surplus registered an increase of Euro 152.9 million, entirely due to the reduced trade deficit in goods (by Euro 253.6 million). Deterioration was also registered in the trade in services (by Euro 37 million), primary income (Euro 32.1 million) and secondary income (Euro 31.5 million).



Source: NBRNM.

### **Financial account**

In the third quarter of 2023, there were net outflows of Euro 283.8 million from financial transactions with non-residents. Analyzed by category, net outflows in portfolio investments (of Euro 414.9 million) and currency and deposits (of Euro 268.7 million) were registered, while net inflows were observed in trade credits (Euro 48.5 million), direct investments (Euro 39.2 million) and loans (Euro 6.6 million).

In the third quarter, net inflows of Euro 39.2 million based on direct investments were registered. Analyzed by component, such performances are a result of net inflows in equity (Euro 88.1 million) and reinvestment of earnings (Euro 45.2 million), while net outflows were registered in the intercompany debt (Euro 94.1 million). Net inflows from direct investments in the amount of Euro 284.8 million were generated from the beginning of the year until September, which is a smaller inflow of Euro 139.5 million compared to the same period last year.

In the third quarter of 2023, direct investment liabilities<sup>2</sup> increased by Euro 203.1 million due to the equity (Euro 107.1 million), intercompany debt (Euro 48 million) and reinvestment of earnings (Euro 48 million).

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

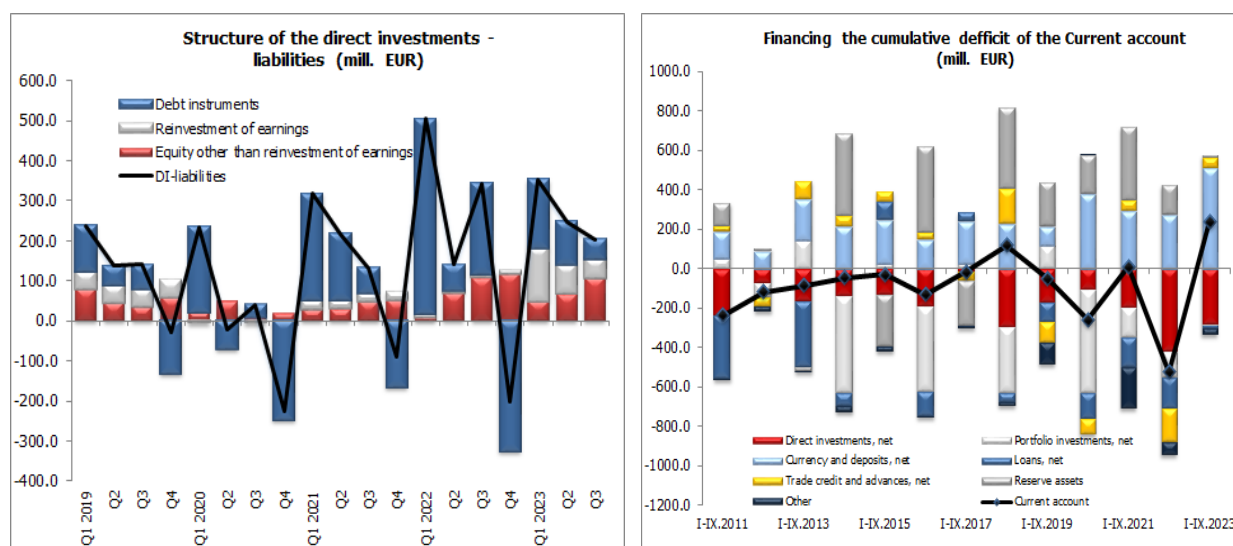


## National Bank of the Republic of North Macedonia Statistics Department

Assets on the basis of direct investments increased by Euro 164 million, amid increased claims on the basis of: intercompany debt (by Euro 142.1 million), equity (by Euro 19 million) and reinvestment of earnings (by Euro 2.9 million).

In the third quarter of the year, the net liabilities based on portfolio investments decreased by Euro 414.9 million, mostly as a result of the liabilities based on the fifth Eurobond due in July and interest payments based on issued government bonds, and to a lesser extent of repurchase of the domestic Eurobonds by residents. At the same time, increased claims on residents' investments in foreign equity securities (Euro 24.7 million) and debt securities (Euro 16.3 million) were realized.

The net inflows based on loans increased by Euro 6.6 million, mostly due to net inflows in the central bank<sup>3</sup> (Euro 35.8 million) and less to the other sectors<sup>4</sup> (Euro 11.5 million), as opposed to the net outflows in the "Government" sector (Euro 29.4 million) and "other deposit-taking institutions" sector (Euro 11.2 million).



Source: NBRNM.

The surplus in the current account (Euro 241.3 million), as well as the net inflows from direct investments (Euro 284.8 million), loans (Euro 17 million) and portfolio investments (Euro 3.5 million), enabled to finance the net outflows realized in the other financial account components (currency and deposits Euro 512.6 million and trade credits Euro 50.9 million) and an increase in foreign reserves by Euro 13.3 million.

### Data revisions

Balance of payments data in this press release contain regular data revision for the period January - June 2023 in order to improve their quality. With the data revision, the current account deficit

<sup>3</sup>National Bank activities for foreign reserves management.

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



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

increased by Euro 5.7 million, mainly as a result of the revision of primary income sub-balance and trade in goods (increased deficit by Euro 6.8 million and by Euro 1.6 million, respectively), as opposed to the increase in the surplus in trade in services and in secondary income (by Euro 2.1 million and Euro 0.6 million, respectively).

The revision of the financial account led to higher net liabilities by Euro 12.7 million, mainly as a result of the increase in net liabilities on direct investments (of Euro 8.9 million ) and trade credits (of Euro 3.8 million).

The data revision reduced the errors and omissions for the period January - June 2023 by Euro 7.1 million.

### ***Supporting information***

Time series of data: annual, quarterly and monthly data on the balance of payments:  
[http://www.nbrm.mk/platen\\_bilans-en.nspix](http://www.nbrm.mk/platen_bilans-en.nspix)

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

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

Quarterly balance of payments: 29 February 2024 (reference period as of December 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).