



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 31 May 2024

Press Release

Significant developments in the balance of payments¹ in the first quarter of 2024

In the first quarter of 2024, current transactions with non-residents registered a deficit of Euro 185 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 from direct investments, and net outflows on the basis of currency and deposits, trade credits, portfolio 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	
	Q1 2024	Q1 2023	Q4 2023	millions of euros	%	millions of euros	%
Current account	-185.0	92.8	-111.7	-73.3	65.6	-277.8	...*
Goods	-811.9	-601.0	-762.2	-49.7	6.5	-210.8	35.1
Services	301.9	253.3	171.0	130.9	76.6	48.6	19.2
Primary income	-193.2	-185.1	-186.3	-7.0	3.7	-8.2	4.4
Secondary income	518.2	625.6	665.7	-147.5	-22.2	-107.5	-17.2
Capital account	0.0	0.2	-0.7	0.7		-0.2	
Financial account	-155.4	92.3	-91.7	-63.7		-247.7	
<i>Significant components:</i>							
Direct investment	-235.9	-143.3	-206.2	-29.7		-92.7	
Net acquisition of financial assets	223.2	215.9	-388.9	612.0		7.3	
Equity	28.1	15.2	22.5	5.6		12.9	
Reinvestment of earnings	4.8	5.5	4.3	0.5		-0.7	
Debt instruments	190.3	195.2	-415.7	606.0		-4.9	
Net incurrence of liabilities	459.1	359.1	-182.7	641.7		99.9	
Equity	98.9	49.8	49.0	49.9		49.1	
Reinvestment of earnings	134.9	139.7	-102.2	237.1		-4.9	
Debt instruments	225.3	169.6	-129.4	354.7		55.7	
Portfolio investment	76.2	-438.5	37.3	38.8		514.6	
Currency and deposits	174.6	124.0	-99.0	273.6		50.6	
Loans	23.6	163.7	-384.9	408.5		-140.1	
Trade credit and advances	98.3	115.3	-31.8	130.0		-17.0	
Reserve assets	-291.9	266.7	592.8	-884.7		-558.6	

...* 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

In the first quarter of 2024, in terms of the developments in the current account components, a deficit was registered in the trade in goods (Euro 811.9 million) and in the primary income (Euro

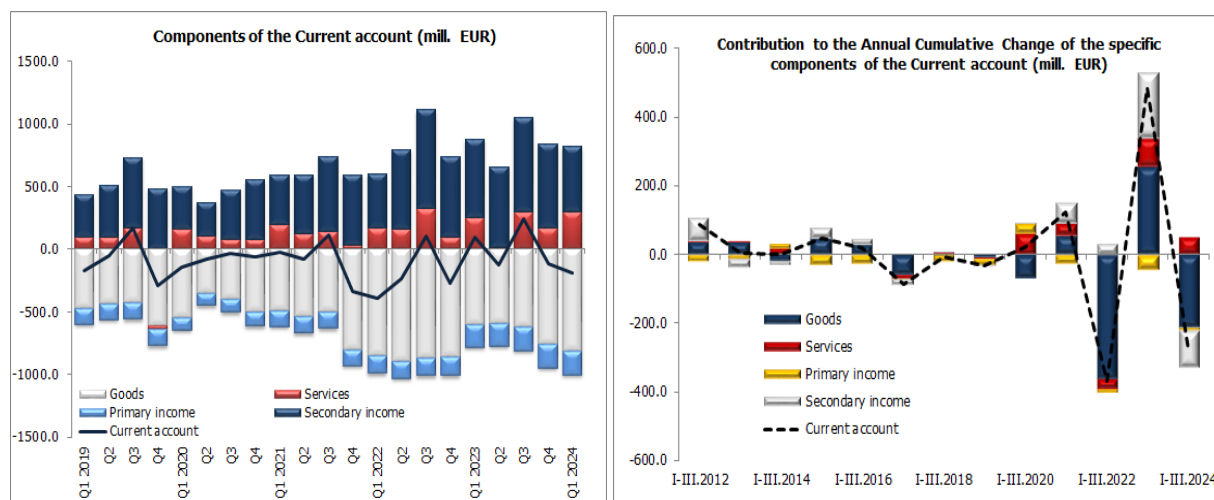
¹ The balance of payments is a statistical report that systematically summarizes all international economic transactions of the Republic of North Macedonia within a certain time frame, i.e. it summarizes current, capital and financial transactions between residents and non-residents.



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193.2 million), which exceeded the net inflows registered in the secondary income and the trade in services (Euro 518.2 million and Euro 301.9 million, respectively).

Compared to the same quarter last year, when the current account recorded a surplus of Euro 92.8 million, the current account deficit increased by Euro 277.8 million, which is mostly due to the increased deficit in the trade in goods, as well as the lower surplus in the secondary income. The change in the trade in services indicates an improvement, i.e. an increased surplus of Euro 48.6 million.



Source: NBRNM

Financial account

In the first quarter of 2024, financial transactions with non-residents registered net inflows of Euro 155.4 million. Net inflows were registered in direct investments (Euro 235.9 million), while net outflows were registered in currency and deposits (Euro 174.6 million), trade credits (Euro 98.3 million), portfolio investments (Euro 76.2 million) and loans (Euro 23.6 million).

The net inflows based on direct investments (Euro 235.9 million) were a result of the net inflows registered in all components, i.e. in reinvestment of earnings (Euro 130.1 million), equity (Euro 70.8 million) and intercompany lending (Euro 35.1 million). For comparison, in the first quarter last year, net inflows of direct investments amounted to Euro 143.3 million.

In the first quarter of 2024, liabilities based on direct investments² increased by Euro 459.1 million, as a result of the net growth of liabilities based on intercompany lending (Euro 225.3 million), reinvestment of earnings (Euro 134.9 million) and equity (Euro 98.9 million).

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



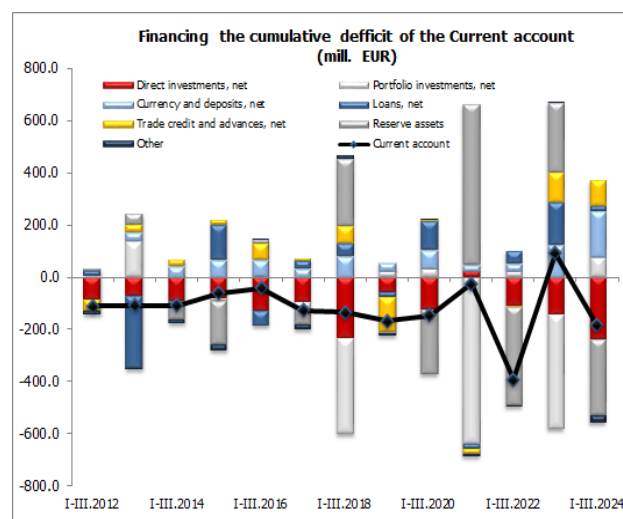
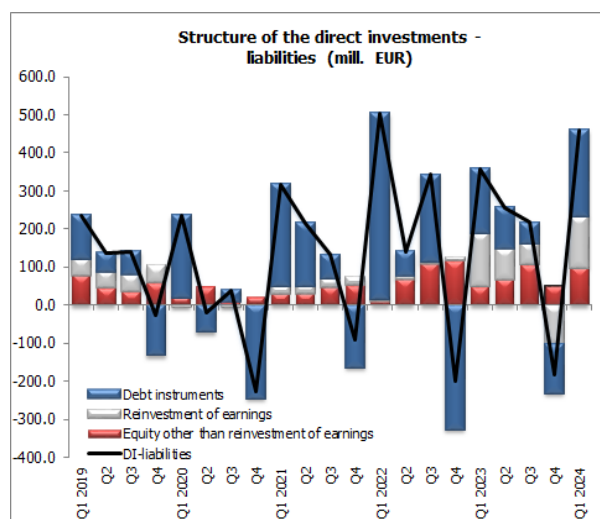
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Assets on the basis of direct investments increased by Euro 223.2 million due to increased claims based on intercompany lending (by Euro 190.3 million), equity (by Euro 28.1 million) and reinvestment of earnings (by Euro 4.8 million).

In the first quarter of the year, net liabilities on portfolio investments decreased by Euro 76.2 million. Such change is mostly due to the reduced liabilities based on previously issued debt securities by the government, and to a lesser extent to the repurchase of domestic Eurobonds by residents. At the same time, there were reduced claims on residents' investments in foreign equity (Euro 10.1 million) and debt (Euro 25.9 million) securities.

Net liabilities based on loans decreased by Euro 23.6 million, mostly as a result of the net outflows in the central bank³ (Euro 145.9 million), and to a lesser extent in the deposit-taking corporation sector (Euro 9.3 million) and other sectors⁴ (Euro 2.2 million). The liabilities of the government sector increased (by Euro 133.8 million).

In the first quarter of the year, the net inflows from direct investments (Euro 235.9 million), as well as the foreign reserves enabled financing of the current account deficit and of the net outflows registered in the other financial account components.



Source: NBRNM.

³ National Bank activities related to foreign reserves management.

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



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Statistics Department**

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

Quarterly balance of payments: 30 August 2024 (reference period as of June 2024).

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).