



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 August 2024

Press Release

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

In the second quarter of 2024, current transactions with non-residents registered a deficit of Euro 111.7 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 loans, while net outflows from currencies and deposits, portfolio investments 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		cumulative change	
	Q1 2024	Q2 2024	Q1-Q2-2024	Q1 2023	Q2 2023	Q1-Q2-2023	millions of euros	%	millions of euros	%	millions of euros	%
Current account	-195.1	-111.7	-306.8	92.8	-124.9	-32.1	83.5	-42.8	13.3	-10.6	-274.7	...*
Goods	-816.9	-743.7	-1,560.6	-601.0	-592.6	-1,193.7	73.2	-9.0	-151.1	25.5	-366.9	30.7
Services	300.1	241.8	541.9	253.3	15.2	268.5	-58.4	-19.4	226.6	...*	273.4	...*
Primary income	-196.7	-194.4	-391.1	-185.1	-185.1	-370.1	2.3	-1.2	-9.3	5.1	-21.0	5.7
Secondary income	518.3	584.7	1,103.0	625.6	637.5	1,263.2	66.4	12.8	-52.8	-8.3	-160.1	-12.7
Capital account	0.0	0.5	0.5	0.2	-0.5	-0.3	0.6		1.0		0.8	
Financial account	-176.2	-55.8	-232.0	92.3	-115.6	-23.3	120.4		59.8		-208.7	
<i>Significant components:</i>												
Direct investment	-251.6	-204.4	-456.1	-143.3	-122.4	-265.7	47.2		-82.0		-190.4	
Net acquisition of financial assets	224.1	33.0	257.2	215.9	133.1	349.0	-191.1		-100.1		-91.9	
Equity	28.1	31.0	59.1	15.2	22.1	37.3	2.9		8.9		21.8	
Reinvestment of earnings	4.8	2.6	7.4	5.5	3.2	8.7	-2.2		-0.5		-1.2	
Debt instruments	191.2	-0.6	190.6	195.2	107.9	303.1	-191.8		-108.5		-112.4	
Net incurrence of liabilities	475.8	237.5	713.2	359.1	255.6	614.7	-238.3		-18.1		98.5	
Equity	98.9	71.9	170.8	49.8	68.5	118.3	-27.0		3.3		52.4	
Reinvestment of earnings	139.9	82.2	222.1	139.7	79.9	219.6	-57.7		2.4		2.5	
Debt instruments	237.0	83.4	320.4	169.6	107.2	276.8	-153.6		-23.8		43.6	
Portfolio investment	67.0	47.3	114.3	-438.5	20.0	-418.5	-19.8		27.3		532.8	
Currency and deposits	174.5	89.7	264.1	124.0	120.1	244.2	-84.8		-30.5		20.0	
Loans	23.1	-47.7	-24.7	163.7	-174.0	-10.4	-70.8		126.3		-14.3	
Trade credit and advances	102.9	44.0	146.9	115.3	-10.8	104.5	-58.9		54.8		42.5	
Reserve assets	-291.9	15.4	-276.5	266.7	52.3	319.0	307.4		-36.8		-595.5	

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 second quarter of 2024, current transactions with non-residents registered deficit in the trade in goods (Euro 743.7 million) and in the primary income (Euro 194.4 million), as opposed to the surplus in secondary income balance and trade in services (Euro 584.7 million and Euro 241.8 million, respectively).

On a quarterly basis, the current account deficit decreased by Euro 83.5 million, due to the reduced deficit in the trade in goods (by Euro 73.2 million), improved performances in secondary

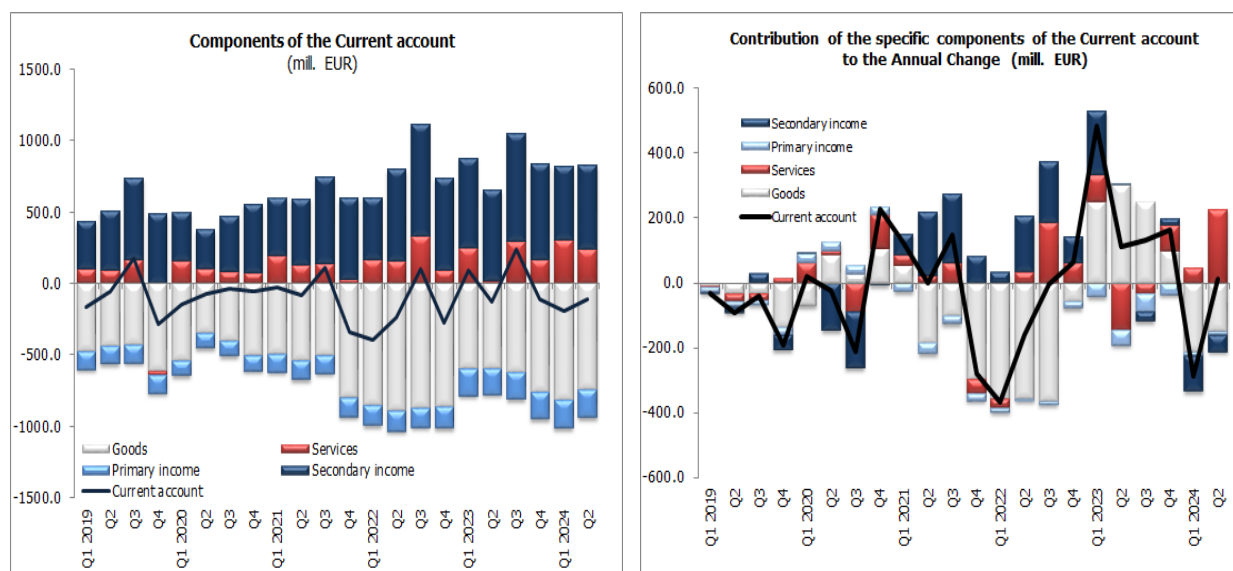
¹ The balance of payments is a statistical report that systematically summarizes all international economic transactions of the Republic of North Macedonia within a certain time frame, i.e. it summarizes current, capital and financial transactions between residents and non-residents.



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income (by Euro 66.4 million) and primary income (by Euro 2.3 million), amid reduced surplus in trade in services by Euro 58.4 million.

Compared to the same quarter last year, the current account deficit decreased by Euro 13.3 million, as a result of the improved performances in trade in services (by Euro 226.6 million)², against the deteriorated trade in goods (by Euro 151.1 million), secondary income (by Euro 52.8 million), and to a lesser extent in the primary income (by Euro 9.3 million).



Source: NBRNM.

Financial account

In the second quarter of 2024, there were net inflows of Euro 55.8 million from financial transactions with non-residents. Analyzed by category, net inflows were registered in direct investments (Euro 204.4 million) and loans (Euro 47.7 million), while net outflows were registered in currencies and deposits (Euro 89.7 million), portfolio investments (Euro 47.3 million) and trade credits (Euro 44 million).

In the second quarter of 2024, direct investments registered net inflows of Euro 204.4 million, as follows: intercompany debt (Euro 84 million), reinvested earnings (Euro 79.6 million) and equity (Euro 40.9 million). Net inflows from direct investments in the amount of Euro 456.1 million were generated in the first half of 2024, which is an increase of Euro 190.4 million compared to the same period last year.

² As a result of the payments based on services for public infrastructure projects in Q2.2023.



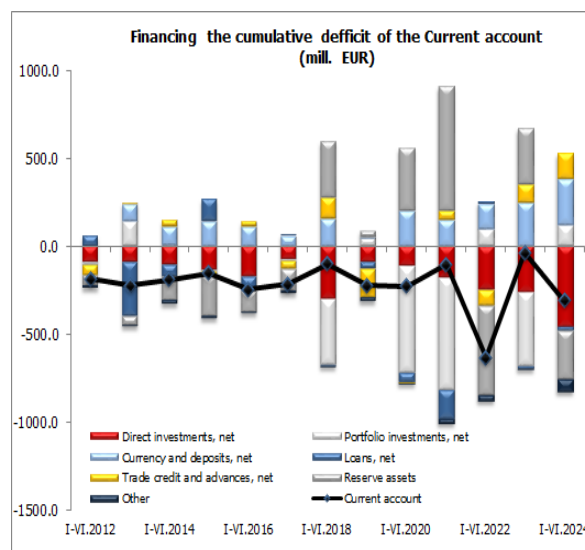
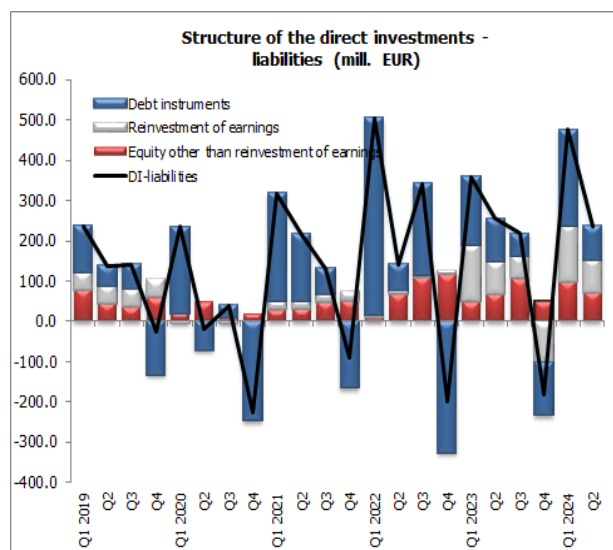
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In the second quarter of 2024³, direct investment liabilities increased by Euro 237.5 million, due to the net growth of: intercompany debt (Euro 83.4 million), reinvested earnings (Euro 82.2 million) and equity (Euro 71.9 million).

Assets on the basis of direct investments increased by Euro 33 million amid increased claims based on equity (by Euro 31 million) and reinvested earnings (by Euro 2.6 million), in conditions of reduced intercompany debt (by Euro 0.6 million).

In the second quarter of the year, the net liabilities based on portfolio investments decreased by Euro 47.3 million, due to the repurchase of domestic Eurobonds by residents and interest repayment on the basis of previously issued Eurobonds, as well as to increased claims from residents' investments in foreign securities.

Net liabilities based on loans increased by Euro 47.7 million and mainly result from net inflows in other sectors⁴ (Euro 29.6 million), the central bank⁵ (Euro 26.3 million), and the "Government sector" (by Euro 6.5 million), as opposed to the net outflows in the sector "other deposit-taking institutions" (Euro 14.7 million).



Source: NBRNM.

In the first half of the year, the net inflows from direct investments (Euro 456.1 million) and loans (Euro 24.7 million), as well as the foreign reserves enabled financing of the current account deficit and the net outflows registered in the other financial account components.

³ It shows direct investments depending on whether financial transactions create a liability to or a claim (assets) from abroad.

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

⁵ National Bank activities for foreign reserves management.



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Data revisions

Balance of payments data in this press release contain regular data revision for the period January - March 2024 in order to improve their quality. With the data revision, the current account deficit increased by Euro 10.1 million, mainly as a result of the revision of trade in goods (increased deficit by Euro 5 million), primary income (increased deficit by Euro 3.5 million) and trade in services (reduced surplus by Euro 1.8 million).

The revision of the financial account led to higher net liabilities by Euro 20.8 million, mainly as a result of the increase in inflows from direct investments (of Euro 15.7 million) and portfolio investments (of Euro 9.1 million), amid reduced net liabilities in trade credits (by Euro 4.6 million).

The data revision reduced the errors and omissions for the period January - March 2024 by Euro 10.7 million.

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: 29 November 2024 (reference period as of September 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).