



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

Skopje, 30 September 2022

### Press Release

#### Revision of external statistics for the period 2014 - 2021

According to the international standards and policy for revision of external statistics data published in the Methodological explanations, the National Bank of the Republic of North Macedonia makes regular annual revision of the published external statistics (balance of payments, gross external debt / claims and international investment position, as well as direct investment transactions).

The revision arises primarily from the need to include new data obtained from data sources conveyed at an annual basis, in order to improve the coverage and classification, i.e. the quality of the data presented.

More specifically, data are mainly revised for the following reasons:

- *Inclusion of data from annual surveys about investments into / from abroad for 2021.*
- *Revision of data on import and export of goods for 2020 for the purposes of including definitive data on foreign trade of goods for 2020.*
- *Crosscheck of the quality of data from the sources used that results in changes in the scope of data and/or reclassifications, aimed to improve coverage and quality of data for the period 2014 - 2021.*

#### **Balance of payments**

*The results of the revision for 2021 show a decrease in the current account deficit of Euro 49.3 million, to Euro 366.4 million. In relative terms, the current account deficit to GDP for 2021 after revision decreased from 3.5% to 3.1% (fall of 0.4 percentage points).*

The key component that affects the annual revision of the current account of the balance of payments is the **primary income**, aimed at reduction of the deficit by Euro 37.6 million. It is the result of the replacement of the estimated amounts of newly created profit with the achieved financial result, which show lower net outflows than estimated by Euro 36.3 million. The reduced outflows result from the lower newly created profit for 2021 in direct investments in the country by Euro 16.2 million, with direct investments abroad acting in the same direction, which registered an increase in inflows by Euro 20.1 million as a result of the higher newly created profit than estimated. At the same time, the income from debt instruments reduced the net outflows by Euro 1.1 million due to the improved coverage of interest rate data.

The revision increased the surplus in the **secondary income** sub-balance by Euro 11.1 million. The main reason is the inclusion of net inflows of dividend taxes paid by investors (Euro 9.9 million), which are only available through the annual foreign investment survey.



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

The data revision of the **balance on trade in services** reduced the surplus by Euro 3.6 million, while the revision of the **balance on trade in goods** decreased the trade deficit by Euro 4.3 million, primarily due to the improved classification of the data obtained from the Customs Administration.

Effects of the revision on the balance of payments in 2020 and 2021  
(in millions of euros, in %)

	before revision		after revision		Change	Change
	2020	2021	2020	2021	2020	2021
<b>I. Current account</b>	<b>-366.2</b>	<b>-415.7</b>	<b>-318.0</b>	<b>-366.4</b>	<b>48.2</b>	<b>49.3</b>
Goods	-1,804.6	-2,374.6	-1,803.6	-2,370.3	1.1	4.3
Services	426.5	499.4	423.7	495.9	-2.8	-3.6
Primary income	-411.5	-558.9	-411.5	-521.3	0.0	37.6
Secondary income	1,423.4	2,018.3	1,473.4	2,029.4	49.9	11.1
<b>II. Capital account, net</b>	<b>11.2</b>	<b>1.8</b>	<b>11.2</b>	<b>7.1</b>	<b>0.0</b>	<b>5.4</b>
<b>III. Financial account, net</b>	<b>-329.0</b>	<b>-339.2</b>	<b>-313.9</b>	<b>-297.3</b>	<b>15.2</b>	<b>41.9</b>
Direct investment, net	-154.7	-435.2	-154.7	-387.5	0.0	47.7
Portfolio investment, net	-283.8	-115.1	-283.8	-115.9	0.0	-0.9
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0
Other investment, net	-5.2	-93.6	10.0	-98.5	15.2	-4.9
Other equity	-0.8	-0.3	-0.8	-0.3	0.0	0.0
Currency and deposits	489.0	433.7	488.9	433.1	-0.1	-0.6
Loans	-268.7	-245.0	-268.7	-248.9	0.0	-4.0
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	-223.6	-120.5	-208.3	-120.8	15.3	-0.3
Other accounts receivable/payable	-1.2	1.9	-1.2	1.9	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	-0.1	163.4	-0.1	163.4	0.0	0.0
Reserve assets	114.6	304.7	114.6	304.7	0.0	0.0
<b>Net errors and omissions</b>	<b>25.9</b>	<b>74.7</b>	<b>-7.1</b>	<b>61.9</b>	<b>-33.0</b>	<b>-12.8</b>
<b>Memorandum items</b>						
Direct Investment abroad	46.7	76.8	46.7	83.0	0.0	6.2
Direct Investment in reporting economy	201.4	512.0	201.4	470.5	0.0	-41.5
Current account, % of GDP	-3.4	-3.5	-3.0	-3.1	0.5 p.p.	0.4 p.p.
Trade balance (f.o.b.) % of GDP	-17.0	-20.2	-17.0	-20.2	0.0 p.p.	0.0 p.p.
DI in reporting economy % of GDP	1.9	4.4	1.9	4.0	0.0 p.p.	-0.4 p.p.

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.

Source: NBRNM, SSO.

The **capital account** revision increased the surplus by Euro 5.4 million, primarily due to the changes in data sources that improve data scope and quality.

The net inflows in the **financial account**, after the revision, decreased by Euro 41.9 million, mostly as a result of the reduced net liabilities based on direct investments of Euro 47.7 million, while the changes in the other components are smaller.

Within the category of **direct investments**, the change is a result of the inclusion of data from the annual survey which replaces the estimated amounts of newly generated profit and calculated dividends, as well as the crosschecks of data quality. As a result, the net acquisition of assets based on direct investments increased by Euro 7 million, while the net incurrence of liabilities was



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

decreased by Euro 40.7 million. The reduced *net liabilities on direct investments* mostly result from the category of reinvestment of earnings by Euro 54.4 million, but also from the changes in equity which reduced net liabilities by Euro 10.7 million. Changes in intercompany debt, on the other hand, increase liabilities by Euro 24.4 million.

Analyzed by investments direction, direct investments in the country, after revision, decreased by Euro 41.5 million, and their share in GDP decreased from 4.4% to 4% of GDP, i.e. by 0.4 percentage points.

Upon revision, **errors and omissions** in the balance of payments reduced by Euro 12.8 million, to Euro 61.9 million (with a positive sign).

*The current account deficit for 2020, after revision, amounted to Euro 318 million, i.e. Euro 48.2 million less, whereby the current account balance indicator to GDP was reduced from 3.4% to 3% (fall of 0.5 percentage points).*

The main reason behind the 2020 revision is the inclusion of the definitive data on foreign trade for 2020 obtained from the Customs Administration of the Republic of North Macedonia, as well as the improvement of the data quality through appropriate reclassification. The revision reduced the deficit of trade in goods by Euro 1.1 million, the surplus in trade in services by Euro 2.8 million, and increased the surplus of secondary income by Euro 49.9 million. Within the financial account, net liabilities on trade credits decreased by Euro 15.3 million.

The errors and omissions in the balance of payments reduced by Euro 33 million, to Euro 7.1 million (with a negative sign).

*In addition, and on the basis of information obtained from reporters, the data for the period 2014 - 2020 were revised, whereby corrections have been made in several components of the balance of payments which increased the surplus in the secondary income and decreased the net liabilities on trade credits.*

Data on foreign direct investments-flows, as well as the additional data for foreign direct investments presented by country and by activity, were revised accordingly.

### ***Gross external debt, gross external claims and net external debt***

The annual data revision increased the gross external debt and the gross external claims (by Euro 29.3 million and Euro 6.1 million, respectively) which increased the net external debt by Euro 23.2 million. The relative indicator, gross external debt as a percentage of GDP for 2021, equaled 81.6% after revision, increasing by 0.2 percentage points, while gross external claims accounted for 50.4% of GDP, which is an increase of 0.1 percentage points.



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

On the side of gross external debt, analyzed by sector, the revision increased the intercompany lending (by Euro 41.8 million), amid reduction of the liabilities of other sectors<sup>1</sup> (by Euro 10.5 million) and deposit-taking corporations (by Euro 2 million).

On the side of gross external claims, major change after revision was registered in other sectors data that increased by Euro 8.5 million, while deposit-taking corporations claims and intercompany claims decreased by Euro 1.6 million and Euro 0.7 million, respectively.

These changes increased the net external debt for 2021 by Euro 23.2 million, mostly as a result of the increase of the net intercompany lending by Euro 42.5 million.

Effects of the revision on debt, claims and net debt in 2021  
(in millions of euros, in %)

By resident sector	Gross External Debt			Gross External Claims			Net External Debt		
	Before revision	After revision	Change	Before revision	After revision	Change	Before revision	After revision	Change
1. General Government	3,394.87	3,394.87	0.00	0.00	0.00	0.00	3,394.87	3,394.87	0.00
2. Central Bank	383.11	383.11	0.00	3,322.07	3,322.07	0.00	-2,938.97	-2,938.97	0.00
3. Deposit Taking Corporation, except the Central Bank	822.76	820.76	-2.00	732.65	731.00	-1.65	90.11	89.75	-0.36
4. Other Sectors	2,547.51	2,537.01	-10.50	1,108.86	1,117.32	8.46	1,438.65	1,419.69	-18.96
5. Direct Investment: Intercompany lending	2,399.09	2,440.87	41.77	745.57	744.82	-0.75	1,653.53	1,696.05	42.52
<b>Gross External Debt</b>	<b>9,547.34</b>	<b>9,576.61</b>	<b>29.27</b>	<b>5,909.15</b>	<b>5,915.22</b>	<b>6.07</b>	<b>3,638.19</b>	<b>3,661.39</b>	<b>23.20</b>
<b>Gross External Debt % of GDP</b>	<b>81.35</b>	<b>81.60</b>	<b>0.25</b>	<b>50.35</b>	<b>50.40</b>	<b>0.05</b>	<b>31.00</b>	<b>31.20</b>	<b>0.20</b>

Source: NBRNM, SSO.

### ***International Investment Position***

Revision of data in the IIP report, besides the changes in the debt instruments, elaborated in the reports on gross external debt and gross external claims, includes changes in the equity instruments, mainly included in direct and portfolio investment. The revision of equity instruments derives from the need for replacing the preliminary estimated data published on a quarterly basis with data from the annual surveys on investments into/from abroad.

*After the revision, the negative net IIP reduced by Euro 62.8 million and amounted to Euro 7,244.9 million, or 61.7% of GDP (decrease of 0.5 percentage points). The reduction of the negative net IIP arises from the decrease in liabilities of Euro 106.1 million, amid reduction of assets of Euro 43.3 million.*

On the assets side, direct investments and loans registered a downward revision of Euro 52.1 million and Euro 3.7 million, respectively, while the assets on trade credits and other equity increased by Euro 10.5 million and Euro 1.9 million, respectively. The reduction of direct investments almost entirely results from the reduction of equity<sup>2</sup> (Euro 51.3 million), and to a lesser extent from the reduction of debt instruments (of Euro 0.7 million).

<sup>1</sup> Other sectors include: other financial institutions, non-financial corporations, households, and NPISHs.

<sup>2</sup> Reinvested earnings included.



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

On the liabilities side, the reduction results from direct investments, loans and other equity (by Euro 99.8 million and Euro 17.2 million and Euro 2.2 million, respectively), while portfolio investments and trade credits increased (by Euro 8.3 million and Euro 4.6 million, respectively). The reduction of direct investments entirely results from equity (by Euro 141.5 million), while intercompany lending increased (by Euro 41.8 million).

Effects of the revision on IIP in 2021  
(in millions of euros, in %)

	2021		
	Before revision	After revision	Change
<b>IIP, net</b>	<b>-7,307.7</b>	<b>-7,244.9</b>	<b>62.8</b>
Assets	7,084.8	7,041.4	-43.3
Liabilities	14,392.4	14,286.3	-106.1
<i>Sectors</i>			
IIP, net General Government	-3,389.4	-3,389.4	0.0
IIP, net Central Bank	3,295.4	3,295.4	0.0
IIP, net Deposit Taking Corporation, Except Central Bank	-969.7	-1,066.4	-96.7
IIP, net Other Sectors	-6,244.0	-6,084.6	159.4
<b>Assets</b>	<b>7,084.8</b>	<b>7,041.4</b>	<b>-43.3</b>
Direct investment	967.6	915.5	-52.1
Portfolio investment	650.0	650.0	0.0
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0
Other equity	4.1	6.0	1.9
Currency and deposits	657.6	657.6	0.0
Loans	129.6	125.9	-3.7
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0
Trade credit and advances	1,031.7	1,042.3	10.5
Other accounts receivable/payable	0.9	0.9	0.0
Reserve assets	3,643.3	3,643.3	0.0
<b>Liabilities</b>	<b>14,392.4</b>	<b>14,286.3</b>	<b>-106.1</b>
Direct investment	7,189.0	7,089.2	-99.8
Portfolio investment	2,150.8	2,159.2	8.3
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0
Other equity	4.9	2.7	-2.2
Currency and deposits	297.3	297.3	0.0
Loans	3,597.4	3,580.3	-17.2
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0
Trade credit and advances	905.7	910.3	4.6
Other accounts receivable/payable	0.0	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	247.3	247.3	0.0
<b>IIP, net / GDP (%)</b>	<b>-62.3</b>	<b>-61.7</b>	<b>0.5</b>

Source: NBRNM, SSO.



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

Direct investments, net, decreased by Euro 47.7 million as a result of the reduction in equity, while intercompany lending registered a net increase.

### ***Supporting information***

Time series data and methodological explanations:

[https://www.nbrm.mk/eksterni\\_statistiki-en.nspix](https://www.nbrm.mk/eksterni_statistiki-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)

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).