



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 September 2024

Press Release

Revision of external statistics for the period 2022 - 2023

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 mainly for 2023.*
- *Revision of data on import and export of goods for 2022 for the purposes of including definitive data on foreign trade of goods for 2022.*
- *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 2023.*

Balance of payments

The current account surplus for 2023 equals Euro 55.6 million, i.e. it shows a reduction of Euro 39.7 million after revision. In relative terms, the current account surplus to GDP for 2023 after revision decreased from 0.7% to 0.4% (decrease of 0.3 percentage points).

The most important component affecting the revision of data for the current account is the **sub-balance on trade in goods**, aimed at increasing the trade deficit in goods by Euro 57.8 million, which results from the improved classification of data on goods under merchanting.

Data revision of the **sub-balance on trade in services** is aimed at increasing the surplus by Euro 1.8 million, as a result of the improved coverage and reclassification of data.

The deficit in the **primary income** sub-balance decreased by Euro 6.2 million. The revision is mainly a result of the replacement of the estimated amounts of newly created profit with the achieved financial results, which show lower net outflows by Euro 8.7 million. Namely, the relatively smaller newly created profit than estimated for 2023, reduced the outflows in direct investments in the country by Euro 19.6 million, while the revision of foreign direct investments



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is in the opposite direction and shows reduced inflows by Euro 10.9 million (higher estimate relative to the performances).

Effects of the revision on the balance of payments in 2022 and 2023

(in millions of euros, in %)

	before revision		after revision		Change	
	2022	2023	2022	2023	2022	2023
I. Current account	-797.4	95.3	-801.3	55.6	-3.9	-39.7
Goods	-3,481.0	-2,576.3	-3,481.6	-2,634.1	-0.6	-57.8
Services	751.9	733.7	748.5	735.5	-3.4	1.8
Primary income	-568.4	-748.6	-568.4	-742.4	0.0	6.2
Secondary income	2,500.2	2,686.6	2,500.2	2,696.6	0.0	10.1
II. Capital account, net	0.0	-1.6	0.0	-0.9	0.0	0.6
III. Financial account, net	-756.1	154.5	-760.1	95.9	-4.0	-58.7
Direct investment, net	-654.2	-523.1	-654.2	-488.1	0.0	35.0
Portfolio investment, net	-52.1	33.8	-52.1	34.0	0.0	0.2
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0
Other investment, net	-321.3	37.7	-325.3	-53.2	-4.0	-90.8
Other equity	-3.2	-0.7	-3.2	-0.7	0.0	0.0
Currency and deposits	383.0	413.2	382.9	412.7	-0.1	-0.5
Loans	-372.7	-403.2	-372.7	-403.5	0.0	-0.3
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	-321.7	23.8	-325.6	-66.2	-3.9	-90.0
Other accounts receivable/payable	-5.7	5.2	-5.7	5.2	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	1.0	0.7	1.0	0.7	0.0	0.0
Reserve assets	271.6	606.1	271.6	603.1	0.0	-3.0
Net errors and omissions	41.3	60.8	41.2	41.1	-0.1	-19.6

Memorandum items

Direct Investment abroad	90.8	93.6	90.8	89.7	0.0	-4.0
Direct Investment in reporting economy	745.0	616.7	745.0	577.7	0.0	-39.0
Current account, % of GDP	-6.1	0.7	-6.1	0.4	0.0 p.p.	-0.3 p.p.
Trade balance (f.o.b.) % of GDP	-26.7	-18.9	-26.7	-19.3	0.0 p.p.	-0.4 p.p.
DI in reporting economy % of GDP	5.7	4.5	5.7	4.2	0.0 p.p.	-0.3 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 surplus in the **secondary income sub-balance** increased by Euro 10.1 million, mainly as a result of the inclusion of data for the tax collected/paid from investors when transferring the profit, obtained from the annual survey about investments into/from abroad (higher net inflows by Euro 8.6 million). Changes in other components acted in the same direction and are a result of the improved coverage of data from the source payment operations.

The **capital account** revision decreased the deficit by Euro 0.6 million, primarily due to the improved coverage of data in the sources.



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The net outflows in the **financial account**, after the revision, decreased by Euro 58.7 million, mostly as a result of the increased net liabilities based on trade credits (by Euro 90 million), while net liabilities based on direct investments decreased by Euro 35 million.

As a result of the inclusion of data from the annual survey which replace the estimated amounts of the newly created profit and the calculated dividends, as well as of the crosschecks of the quality of data, the net liabilities based on **direct investments** decreased by Euro 56.7 million, while the net assets decreased by Euro 21.7 million. The reduced *net liabilities based on direct investments* result from the reduction registered in all three categories: reinvestment of earnings (by Euro 33.5 million), intercompany lending (by Euro 20 million) and equity (by Euro 3.1 million). The reduced *net assets based on direct investments* are a result of the reduction in intercompany claims (by Euro 12.1 million) and in reinvestment of earnings (by Euro 10.5 million), amid increased equity (by Euro 0.9 million).

Analyzed by investments direction, **direct investments in the country**, after revision, decreased by Euro 39 million, and their share in GDP decreased by 0.3 percentage points and equaled 4.2% of GDP.

Within the other investments, a major revision was registered in **trade credits** by increasing net liabilities by Euro 90 million, as a result of the improved classification of data from the payment operations (primarily redistribution from goods under merchanting to net liabilities based on regular import of goods), as well as improved redistribution of short-term trade credits between affiliated and unaffiliated enterprises. Net liabilities based on **loans** registered no significant changes (increase of Euro 0.3 million).

Upon revision, **errors and omissions in the balance of payments reduced by Euro 19.6 million**, to Euro 41.1 million (with a positive sign).

*The **current account** deficit for 2022 amounted to Euro 801.3 million, i.e. it increased by Euro 3.9 million, whereby the current account balance indicator to GDP remained unchanged.*

The main reason behind the 2022 revision is the inclusion of the definitive data on foreign trade for 2022 obtained from the Customs Administration of the Republic of North Macedonia. This also increased the liabilities on the basis of trade credits by Euro 3.9 million.

The errors and omissions in the balance of payments reduced by Euro 0.1 million, to Euro 41.2 million (with a positive sign).

Gross external debt, gross external claims and net external debt

The annual data revision decreased the gross external debt and the gross external claims (by Euro 106.6 million and Euro 14.7 million, respectively), which decreased the net external debt by Euro 91.9 million. The relative indicator, gross external debt as a percentage of GDP for 2023,



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equaled 83.2% after revision, decreasing by 0.8 percentage points, while gross external claims accounted for 51.2% of GDP, which is a decrease of 0.1 percentage points.

On the side of gross external debt, analyzed by sector, the revision has the greatest impact on the reduction of intercompany lending (by Euro 96.1 million), then the liabilities of other sectors (by Euro 9.9 million), as well as in the government sector (by Euro 0.6 million).

Effects of the revision on debt, claims and net debt in 2023

(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	3,785.1	3,784.5	-0.6	0.0	0.0	0.0	3,785.1	3,784.5	-0.6
2. Central Bank	609.8	609.8	0.0	4,125.0	4,125.0	0.0	-3,515.2	-3,515.2	0.0
3. Deposit Taking Corporation, except the Central Bank	976.2	976.2	0.0	785.2	785.2	0.0	191.0	191.0	0.0
4. Other Sectors	2,970.5	2,960.6	-9.9	1,243.9	1,243.5	-0.4	1,726.6	1,717.1	-9.5
5. Direct Investment: Intercompany lending	3,121.1	3,025.0	-96.1	850.1	835.8	-14.3	2,271.0	2,189.2	-81.8
Gross External Debt	11,462.7	11,356.1	-106.6	7,004.2	6,989.5	-14.7	4,458.5	4,366.6	-91.9
Gross External Debt % of GDP	83.9	83.2	-0.8	51.3	51.2	-0.1	32.6	32.0	-0.7

Source: NBRNM, SSO.

The change in gross external claims entirely results from the reduction of intercompany claims (by Euro 14.3 million) and claims of other sectors (by Euro 0.4 million).

After the revision, the net external debt for 2023 decreased by Euro 91.9 million, primarily as a result of the reduction of intercompany lending by Euro 81.8 million and other sectors by Euro 9.5 million.

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 for 2023 reduced by Euro 188.8 million and amounted to Euro 8,311.3 million, i.e. the relative indicator net IIP as % of GDP decreased by 1.4 percentage points and amounted to 60.9%. The reduction of the negative net IIP arises from the decrease in liabilities of Euro 207.6 million, amid simultaneous reduction of assets of Euro 18.8 million.

On the assets side, a major downward revision was registered in direct investments (by Euro 19 million), amid minor changes in trade credits (by Euro 0.3 million) and in loans (by Euro 0.1



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million), amid increased other equity (by Euro 0.6 million). The reduction of direct investments results from the decrease in debt instruments (by Euro 14.3 million) and equity¹ (Euro 4.7 million).

On the liabilities side, the reduction results from direct investments (by Euro 210.5 million), loans (by Euro 6.9 million) and trade credits (by Euro 3.1 million), amid increased other equity (by Euro 8.9 million) and portfolio investments (by Euro 4 million). The reduction of direct investments results from equity (by Euro 114.7 million) and intercompany lending (by Euro 96.1 million).

Direct investments, net, decreased by Euro 191.5 million as a result of the reduction in equity and intercompany lending.

Effects of the revision on IIP in 2022 and 2023 (in millions of euros, in %)

	2022			2023		
	Before revision	After revision	Change	Before revision	After revision	Change
IIP, net	-8,147.8	-8,129.2	18.6	-8,500.1	-8,311.3	188.8
Assets	7,648.1	7,666.7	18.6	8,394.6	8,375.8	-18.8
Liabilities	15,795.9	15,795.9	0.0	16,894.7	16,687.2	-207.6
<i>Sectors</i>						
IIP, net General Government	-3,425.0	-3,425.0	0.0	-3,776.4	-3,775.8	0.6
IIP, net Central Bank	3,313.0	3,313.0	0.0	3,929.5	3,929.5	0.0
IIP, net Deposit Taking Corporation, Except Central Bank	-1,330.0	-1,330.0	0.0	-1,326.0	-1,466.5	-140.5
IIP, net Other Sectors	-6,705.7	-6,687.2	18.6	-7,327.3	-6,998.6	328.7
Assets	7,648.1	7,666.7	18.6	8,394.6	8,375.8	-18.8
Direct investment	996.2	1,014.8	18.6	1,061.0	1,042.0	-19.0
Portfolio investment	695.3	695.3	0.0	917.0	917.0	0.0
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0
Other equity	6.0	6.0	0.0	5.2	5.8	0.6
Currency and deposits	653.5	653.5	0.0	650.9	650.9	0.0
Loans	221.6	221.6	0.0	74.9	74.7	-0.1
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	1,212.4	1,212.4	0.0	1,146.8	1,146.5	-0.3
Other accounts receivable/payable	0.3	0.3	0.0	0.6	0.6	0.0
Reserve assets	3,862.9	3,862.9	0.0	4,538.4	4,538.4	0.0
Liabilities	15,795.9	15,795.9	0.0	16,894.7	16,687.2	-207.6
Direct investment	7,853.6	7,853.6	0.0	8,492.0	8,281.5	-210.5
Portfolio investment	2,106.7	2,106.7	0.0	2,319.0	2,323.0	4.0
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0
Other equity	3.3	3.3	0.0	3.2	12.1	8.9
Currency and deposits	471.0	471.0	0.0	462.0	462.0	0.0
Loans	4,043.3	4,043.3	0.0	4,264.2	4,257.3	-6.9
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	1,062.6	1,062.6	0.0	1,110.2	1,107.1	-3.1
Other accounts receivable/payable	5.0	5.0	0.0	0.0	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	250.5	250.5	0.0	244.2	244.2	0.0
IIP, net/GDP (%)	-62.5	-62.4	0.1	-62.2	-60.9	1.4

Source: NBRNM, SSO.

¹ Reinvested earnings included.



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The data revision for 2022 decreased the negative net IIP by Euro 18.6 million and amounted to Euro 8,129.2 million, i.e. the relative indicator net IIP as % of GDP decreased by 0.1 percentage points and amounted to 62.4%. The reduction of the negative net IIP entirely results from the increase in assets by Euro 18.6 million, as a result of the improved coverage of data for equity within direct investments.

Supporting information

Time series data and methodological explanations:

https://www.nbrm.mk/eksterni_statistiki-en.nspix

Next publications: Advance Release Calendar

https://www.nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix

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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).