

METHODOLOGICAL EXPLANATIONS

1. METHODOLOGICAL EXPLANATIONS FOR EXTERNAL STATISTICS

External statistics are a sublimite of several individual statistical surveys for compiling, processing and disseminating data on stocks and/or transactions with non-residents, such as: Balance of Payments, Foreign Direct Investments, International Investment Position, Official Foreign Reserves, Gross External Debt and Gross External Claims.

Within it's continuous efforts for alignment with the international statistical standards and producing internationally comparable data, the National Bank of the Republic of North Macedonia primarily focuses its activities on harmonization with the international standards and applying the latest manuals in the area of Balance of payments, Foreign direct investments, Gross external debt and claims, as well as Official foreign reserves statistics.

1.1 Harmonization with the European and international statistical standards

The harmonization of statistical reports on external statistics is achieved through the implementation of the international manuals and EU Regulations and their incorporation in the national statistics.

The international manuals applied for compiling and processing the data are the following:

- Balance of Payments and International Investment Position Manual (BPM 6), 2009, IMF;
- International Reserves and Foreign Currency Liquidity: Guidelines for a Template, IMF 2013;
- External Debt Statistics: Guide for Compilers and Users, IMF, 2013;
- OECD Benchmark Definition of Foreign Direct Investment, 4th edition, BD4;
- Regulation (EC) No 184/2005 of the European Parliament and of the Council;
- Commission Regulation (EC) No 601/2006, implementing Regulation (EC) No 184/2005;
- Commission Implementing Regulation (EU) No 228/2014, amending Regulation (EC) No 601/2006;

The following classifications are applied for compiling and processing the data from these surveys:

- National activity classification - compatible with NACE Rev.2

- National classification of institutional sector - compatible with ESA 2010;
- ISO country and currency codes.

The national legislation defining the scope of data compiled for the needs of external statistics is in accordance with the Law on the National Bank of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" no. 158/10, 23/12, 43/14, 153/15 and 6/16) and the Law on Foreign Exchange Operations ("Official Gazette of the Republic of Macedonia" no. 34/01, 49/01, 103/01, 51/03, 81/08, 24/11, 135/11, 188/13, 97/15, 153/15 and 23/16). Residency of institutional units is defined under the Law on Foreign Exchange Operations, where natural persons staying temporarily in the Republic of North Macedonia on the basis of a valid residence permit or work permit for a period of at least six months are treated as residents of the country¹.

The **reporting units** are legal entities and natural persons which have economic transactions with non-residents, and which depending on the type of transactions are obliged to report on their claims on and liabilities to non-residents, based on debt instruments, capital investments from and to abroad, claims on and /or liabilities to non-residents based on other financial instruments etc. The reporting on transactions with non-residents can be direct (by the resident reporting units) and indirect (performed by other entities that have at their disposal information on particular types of transactions).

1.2 Dissemination and revision policy

1.2.1 Dissemination policy

The data on external statistics are disseminated in accordance with the Advance release calendar (available on the NBRNM's website- http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix).

The methodologies on external statistics are also disseminated on the website of NBRNM.

1.2.2 Revision Policy

Revisions of disseminated data can be done in the following cases:

- provision of new, updated and / or corrected information and data from the reporting units; or
- data source changes or changes in the methodology for the compilation of a specific statistical survey.

In accordance with the international recommendations for any significant data changes during the revisions, an adequate explanation is given in a footnote or in a press releases.

¹ Such definition of residency of natural persons and its application in the process of creating statistical data is an exception to the recommendation given in the international statistical standards, according to which a criterion for determining residency is a stay or intention to stay in a country for a period of one year or more.

The historical time series data is revised from the moment of occurrence of the event that led to change in data, or if not applicable, for the longest possible time period back forward. If there is a change in the presentation of data (publication of a new indicator - sector, instrument, etc.), the historical time series is revised beginning from the moment of introducing the new indicator, if appropriate conditions exist for this matter.

Official Reserve Assets

The data reflect the stock of Official reserve assets and other foreign assets of the NBRNM, at a certain date.

Official reserve assets are those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and/or for other related purposes (such as maintaining confidence in the currency and the economy, and serving as a basis for foreign borrowing).

Official reserve assets being those external assets that are readily available to and controlled by the monetary authorities consist of: monetary gold, SDRs, reserve position in the Fund and foreign currency reserves.

The components of reserve assets are defined in accordance with the methodology of the International Monetary Fund (Balance of Payments and International Investment Position Manual, sixth edition).

The stock of reserve assets is calculated using the mid exchange rate of NBRNM on the day for which the data are disseminated.

Monetary gold

Gold: The category monetary gold encompasses gold handled by the NBRNM, consisting of gold in the NBRNM's treasury, gold bullion, monetary gold deposited in foreign banks and monetary gold in transport.

Gold deposits: Gold deposits consist of term deposits in gold with foreign banks, for a longer period of time.

Foreign currency reserves

Deposits with foreign banks: This category comprises of foreign exchange held on current accounts with foreign banks, as well as term foreign exchange deposits held abroad.

Cash in treasury: Cash in treasury consists of cash foreign exchange within the treasury, foreign cheques received at the counter, foreign cheques sent abroad for settlement.

Securities. This category includes the placements in coupon or discount debt securities issued or guaranteed by foreign governments, central banks, multilateral development banks and international financial institutions, as well as placements in collateralized bonds. Securities positions are valued daily according to the market price of the instruments concerned, including the amount of accrued interest.