



National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 January 2017

PRESS RELEASE

Significant developments in the balance of payments¹ in November 2016

In November 2016, deficit in the current transactions with non-residents was recorded in the amount of Euro 50.4 million. In the financial account, the accomplished net inflows on the basis of trade credits and direct investments are main elements from which the current account deficit was financed. Net outflows on loans and currencies and deposits, and in smaller part of portfolio investments, were mainly covered by the foreign reserves.

Main components of the balance of payments of the Republic of Macedonia

(in millions of euros)

	XI-2016	I-XI.2016	monthly change		annual change		cumulative change	
			millions of euros	%	millions of euros	%	millions of euros	%
Current account	-50.4	-185.9	-47.7	...*	-23.4	86.8	-72.2	63.5
Goods	-161.4	-1,655.7	-22.7	16.4	4.2	-2.5	-35.2	2.2
Services	14.7	387.4	-15.6	-51.6	-16.4	-52.9	37.9	10.8
Primary income	-29.6	-328.0	1.4	-4.5	-7.0	30.9	-68.4	26.3
Secondary income	125.9	1,410.5	-10.8	-7.9	-4.2	-3.2	-6.5	-0.5
Capital account	-0.1	10.2	-0.2		-0.1		5.2	
Financial account	-49.3	-186.9	-55.8		-14.5		-83.8	
Direct investment	-32.5	-208.1	-22.6		-45.7		-37.9	
Portfolio investment	9.3	-422.3	9.2		10.8		-450.6	
Currency and deposits	92.8	267.7	70.9		94.6		-23.7	
Loans	114.6	-41.4	144.5		102.2		-141.8	
Trade credit and advances	-47.0	-54.6	-51.6		3.4		7.9	
Reserve assets	-186.5	272.7	-206.2		-179.7		563.2	

...* Percentage over 100.

Note: In the financial account, the sign (-) denotes net external inflows. In foreign reserves, the sign (+) denotes increase, whereas the sign (-) denotes decrease of the foreign currency assets.

Source: NBRM.

Current account

In November 2016, a negative balance of Euro 50.4 million in the current account, is due to the deficit in the trade of goods (Euro 161.4 million) and the primary income (Euro 29.6 million), which are mostly netted with the surpluses in the secondary income and the trade of services (Euro 125.9 and 14.7 million, respectively).

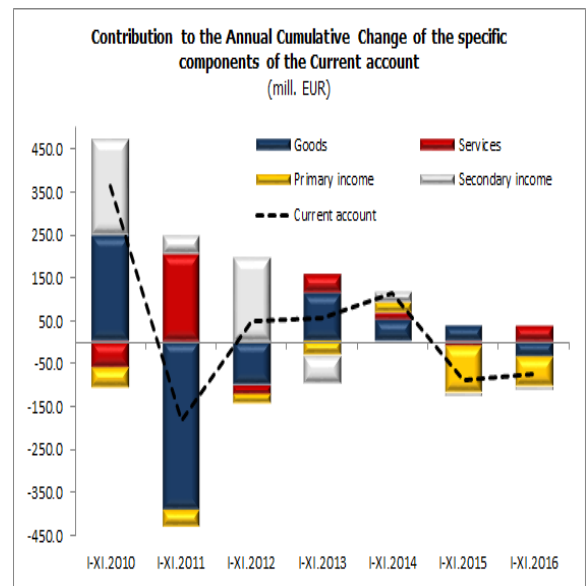
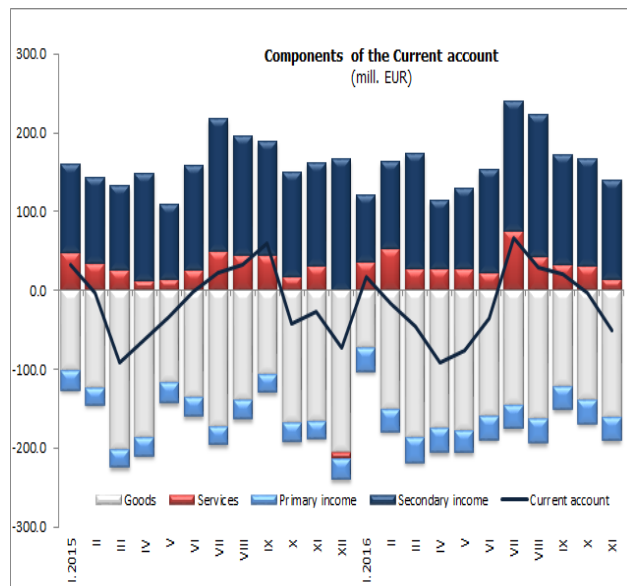
¹ The balance of payments is a statistical report that systematically summarizes all international economic transactions of the Republic of Macedonia within a certain time frame, i.e. it summarizes the current, capital and financial transactions between residents and non-residents.



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Compared to the previous month, the current account deficit is higher by Euro 47.7 million, amid higher net outflows in trade of goods (by Euro 22.7 million) and lower net inflows in trade of services and secondary income (by Euro 15.6 million and Euro 10.8 million, respectively).

On a cumulative basis, for the period January-November 2016, the current account deficit was Euro 185.9 million, which is by Euro 72.2 million more compared to the same period in 2015. Thereby, the higher deficits in primary income and in the trade of services (by Euro 68.4 million and Euro 35.2 million, respectively), as well as the lower surplus of the secondary income (by Euro 6.5 million), were only partially compensated with the improved developments in the trade in services (higher surplus by Euro 37.9 million).



Source: NBRM.

Financial account

In November, the financial account recorded net inflows based on trade credits (Euro 47 million) and direct investments (Euro 32.5 million), and net outflows based on loans (Euro 114.6 million), currencies and deposits (Euro 92.8 million) and portfolio investments (Euro 9.3 million). In November, foreign reserves were reduced by Euro 186.5 million.

In November, the direct investments (on a net basis) recorded an inflow of Euro 32.5 million. Since the beginning of 2016, as of November, the net inflows of Euro 208.1 million were recorded, which is by Euro 37.9 million (22.3%) more from the net inflows accomplished in the same period in 2015.



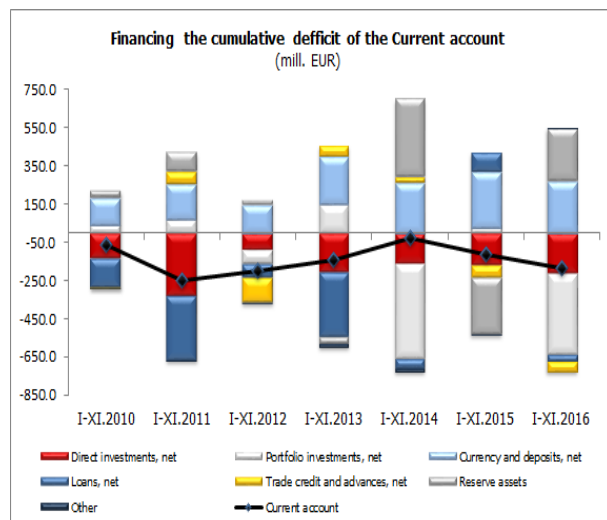
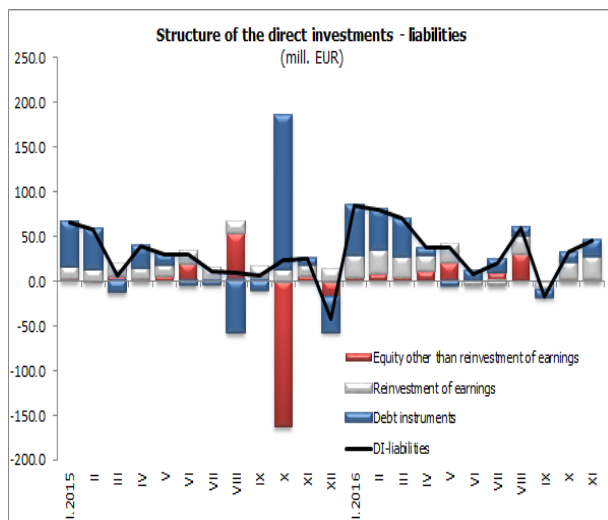
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In November, regarding liabilities on the basis of direct investments² was recorded an increase of Euro 45.5 million, mainly on the basis of reinvested earnings (Euro 26.2 million) and debt instruments (Euro 17.4 million), and to a lesser extent through investments in equity (Euro 2 million). Cumulatively, the liabilities to the direct investors for the eleven months of 2016 increased by Euro 456.4 million, which exceeds the amount for the same period in the previous year by Euro 151.1 million (or 49.5%).

As for assets from direct investments, in November we record a net outflow of Euro 13 million, amid growth of claims through debt instruments (Euro 26.5 million), and decrease of the claims of equity (Euro 14.5 million). Cumulatively, assets from direct investments increased by Euro 248.3 million (which is by Euro 113.2 million more compared to the same period in 2015).

Net outflows based on loans in the amount of Euro 114.6 million, in November this year, were mainly due to the decrease of net liabilities of the government and depository institutions (by euro 128.8 million and Euro 17.9 million, respectively) compared to the growth of net liabilities in other sectors³ (by Euro 14.2 million). The Central Bank, through the repo and reverse repo transactions, conducted a larger reduction of the claims in relation to the liabilities (by Euro 17.9 million).

In the period January-November 2016, the financial transactions with non-residents recorded net inflows of portfolio investments, direct investments, trade credits and loans that exceed net outflows in currencies and deposits. Higher net inflows enabled financing the current account deficit (Euro 185.9 million) and ensured additional growth in foreign reserves by Euro 272.7 million.



Source: NBRM.

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

³ Other sectors include: other financial institutions, non-financial corporations, households, and NPISHs.



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Data revisions

Balance of payment data, in this press release, contain regular revisions of the data for the period January-October 2016, whereby as a result to improving the data quality in sub-balance of goods and services, the current account deficit for this period is higher by Euro 13 million. Respectively, this change also reflected in the financial account as an increase of the net liabilities of the trade credits.

Supporting information

Time series of data: annual, quarterly and monthly data on the balance of payments
<http://www.nbrm.mk/?ItemID=5ED8DADBAEF3C947A047BBAA641BBD7D>

Methodological explanations:

<http://www.nbrm.mk/?ItemID=5ED8DADBAEF3C947A047BBAA641BBD7D>

Next publication: Advance Release Calendar

<http://nbrm.mk/?ItemID=7B1CC2F73E9A3641B2F05235A02C8BDC>

Monthly balance of payments: 28 February 2017 (reference period as of December 2016).

For any questions, we kindly ask journalists to contact the Governor's Office.

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).