



National Bank of the Republic of Macedonia Statistics Department

Skopje, 30 December 2016

PRESS RELEASE

Significant changes in the external debt, external claims and international investment position: third quarter of 2016

As of 30.9.2016 **the external debt, on a net basis** equaled Euro 2.586 million, amid quarterly growth of Euro 33 million, mainly due to the increase in private net debt by Euro 32 million, whereas public net debt during the third quarter increased by only Euro 1 million. At the end of the third quarter of 2016, the **gross external debt** stood at Euro 7,504 million, which is by Euro 624 million more compared to the end of the previous quarter, mainly due to the issue of the new Euro bond from the government, in a nominal amount of Euro 450 million. **Gross external claims** amounted Euro 4.918 million and registered a quarterly increase of Euro 591 million, which is due to the growth of public sector claims.

During the third quarter of 2016, the negative **net international investment position** increased by Euro 50 million, almost entirely derived from the above-mentioned increase in the net external debt (of Euro 33 million).

External Debt and International Investment Position of the Republic of Macedonia

	31.12.2015		30.06.2016		30.09.2016		Quarterly Change			change in respect to the end of the previous year		
	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	% GDP	mill. EUR	%	p.p.	mill. EUR	%	p.p.
Gross External Debt	6,290.5	69.4	6,880.3	71.6	7,503.9	78.1	623.6	9.1	6.5	1,213.4	19.3	8.7
Gross External Debt-Excluding Debt of the Central Bank from Repo Arrangements	6,290.5	69.4	6,593.1	68.6	7,151.5	74.4	558.4	8.5	5.8	861.0	13.7	5.0
Long-term debt	4,949.5	54.6	5,072.6	52.8	5,611.3	58.4	538.8	10.6	5.6	661.8	13.4	3.8
Short-term debt	1,341.0	14.8	1,807.8	18.8	1,892.6	19.7	84.8	4.7	0.9	551.6	41.1	4.9
Public debt	2,933.7	32.4	3,283.1	34.2	3,891.1	40.5	608.1	18.5	6.3	957.4	32.6	8.1
Private debt	3,356.9	37.0	3,597.3	37.4	3,612.8	37.6	15.5	0.4	0.2	255.9	7.6	0.5
Gross External Claims	4,039.4	44.6	4,327.5	45.0	4,918.0	51.2	590.6	13.6	6.1	878.7	21.8	6.6
Gross external claims-excluding claims of the Central Bank from repo arrangements	4,039.4	44.6	4,040.3	42.0	4,565.0	47.5	524.7	13.0	5.5	525.6	13.0	2.9
Net External Debt	2,251.2	24.8	2,552.8	26.6	2,585.9	26.9	33.0	1.3	0.3	334.7	14.9	2.1
IIP, net	-5,082.7	-56.1	-5,438.5	-56.6	-5,488.6	-57.1	-50.1	0.9	-0.5	-405.9	8.0	-1.0

*/ GDP data for 2015 is estimated (source: Press release *Gross Domestic Product of the Republic of Macedonia* of 30 September 2016. The data for 2016 is forecasted by the NBRM.

Source: NBRM and SSO.

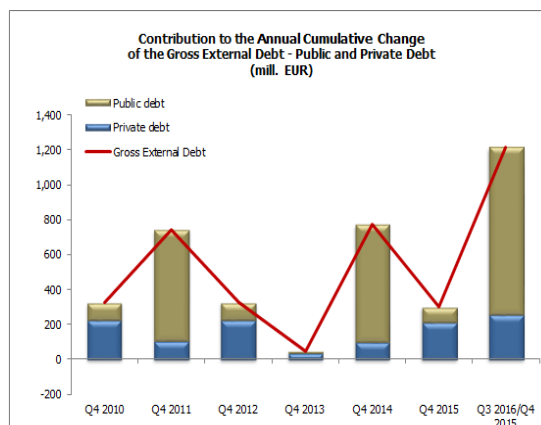
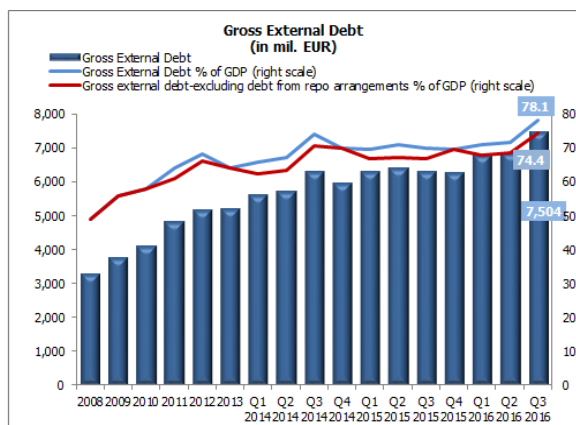
Gross external debt

At the end of the third quarter of 2016, the gross external debt amounted Euro 7,504 million, or 78.1% of the GDP forecasted for this year). If we exclude the effect of the increase in liabilities of the monetary authority (central bank) on repo transactions of the National Bank as part of the foreign reserves management¹, the gross external debt amounted Euro 7.152 million (74.4% of GDP forecasted for 2016).

¹Entering into repo transactions creates liabilities (classified under the loan category) that increase gross debt. At the same time, claims created from entering into reverse repo agreements tend to increase gross claims. The NBRM simultaneously carries out matched conclusion of repo and reverse repo agreements in nearly identical amounts. In general, as they are concluded simultaneously, these transactions have a neutral net effect, i.e. they appear in almost identical amount on both liabilities and assets side, thus having no effect on the total net external debt.



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Source: NBRM.

The increase in gross external debt in the third quarter of 2016 is mostly determined by public debt growth by Euro 543 million (with an excluded effect of repo transactions), whereas private debt registers a small growth of Euro 16 million. Thus, public debt mainly increases in the government sector, due to the new Euro bond issue, and partially as a result to the price changes of other securities issued from the government in the foreign markets.

Compared to the end of 2015, public sector debt increased by Euro 605 million (with an excluded effect of the repo transaction of the central bank), and by Euro 256 million in the private sector.

Gross external claims

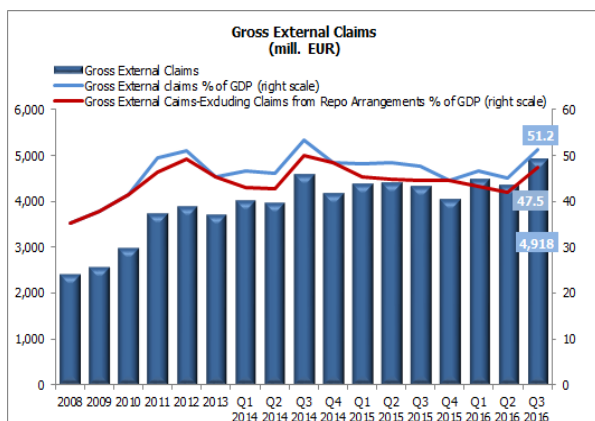
At the end of September 2016, the gross external claims amounting to Euro 4.918 million made up 51.2% of GDP forecasted for this year. If we exclude the effects of reverse repo transactions of the central bank, the gross external claims amounted Euro 4.040 million (47.5 of GDP forecasted for this year).

In the third quarter of 2016, the increase in gross external claims reflects to the increase in public claims of Euro 541 million (with an excluded effect of the reverse repo transaction of the national bank), with a minor decline in private claims (of Euro 16 million).

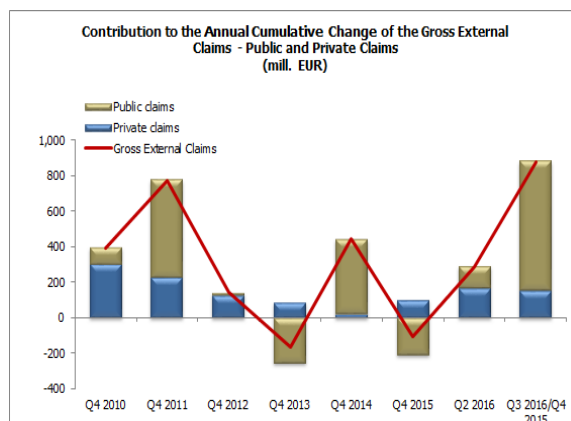
Compared to the end of 2015, a more intensified growth is registered in public claims of Euro 376 million (with an excluded effect of the reverse repo transaction of the national bank), amid smaller growth in private external claims (of Euro 150 million).



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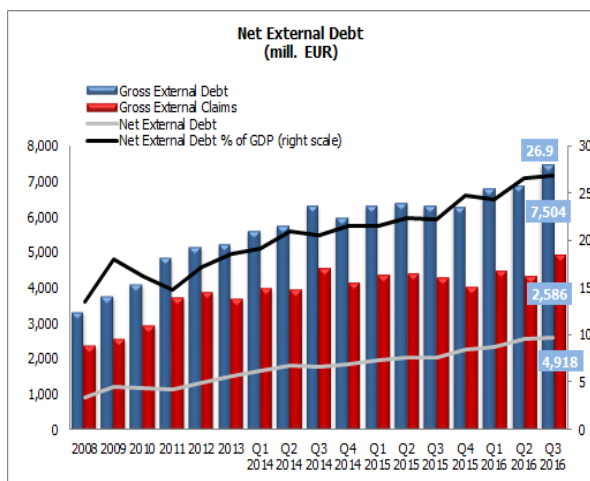


Source: NBRM.

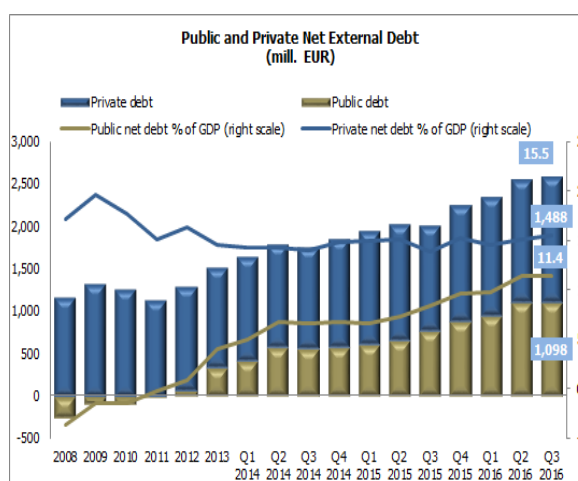


Net external debt

The net external debt of the country in the third quarter increased and reached 26.9% of the forecasted GDP, in conditions of more pronounced growth in gross external debt compared to the gross external claims (of Euro 33 million). Net private debt still dominates the net debt, with a share of 57.5%.



Source: NBRM.



International Investment Position, net

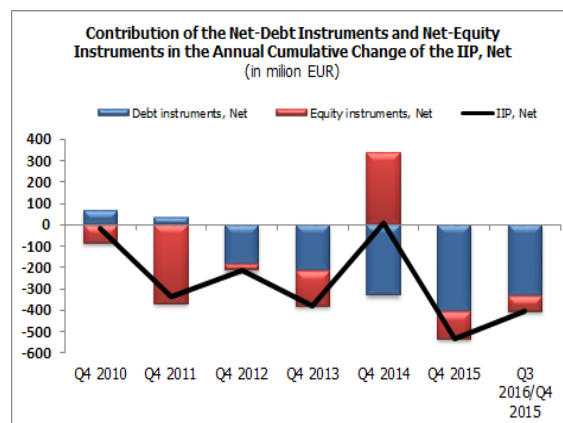
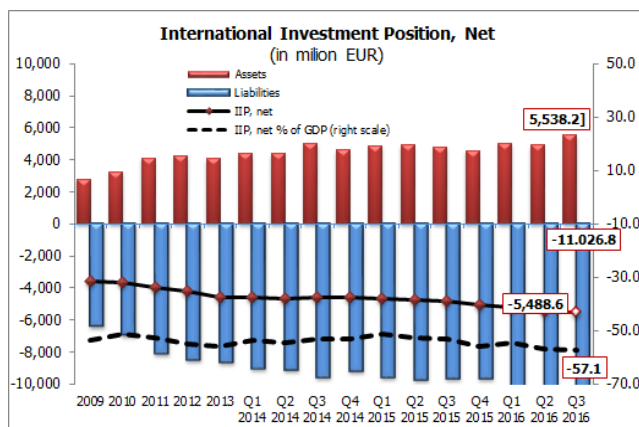
During the third quarter of 2016, the negative net international investment position (IIP) increased by Euro 50 million, reaching Euro 5,489 million (57.1% of the GDP). Most of the net IIP composition (81.1%) are net liabilities on direct investments, 73.8% of which based on equity.

The quarterly increase in the negative net IIP is due to the growth in liabilities (of Euro 654 million) coupled with a lower growth in assets (of Euro 604 million).

Analyzed by instruments, the net liabilities on debt instruments register an increase of Euro 33 million, whereas on equity instruments by Euro 17 million.



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Source: NBRM.

Data revisions

In this press release, data on gross external debt and claims, and on international investment position include regular revisions of data for the period January-June 2016. Revisions are mainly resulting from the new data from the quarterly reports for the realized and planned financial results in the current year and quarterly reports on claims and liabilities based on commercial operations of residents with abroad. Data revision from these two sources, led to a net debt of Euro 33 million, as well as higher net negative investment position of Euro 2 million.

Supporting information

Time series data - annual and quarterly data on gross external debt and gross external claims:
<http://www.nbrm.mk/?ItemID=F7D50DEAD2F8414FBD8C5E7F50A712B6>

Time series data - annual and quarterly data on international investment position:
<http://www.nbrm.mk/?ItemID=9E8EF7142429F346B4250B060566B078>

Quarterly information on gross external debt, gross external claims and international investment position:
<http://www.nbrm.mk/?ItemID=050719294653574EBBB55BE2008C1E31>

Methodological explanations on gross external debt and claims:
<http://www.nbrm.mk/?ItemID=F7D50DEAD2F8414FBD8C5E7F50A712B6>

Methodological explanations on international investment position:
<http://www.nbrm.mk/?ItemID=9E8EF7142429F346B4250B060566B078>

Next publication: Advance Release Calendar
<http://www.nbrm.mk/?ItemID=D537DAB6F15C774DB7BDE486246D06C5>

Quarterly gross external debt, gross external claims and international investment position: 31 March 2017 (reference period as of December 2016 and revision of data for the period January-September 2016).



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Statistics Department**

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

For more information regarding the disseminated statistical data, please contact us on: contact.statistika@nbrm.mk , or phone: 02 3215 181 extension 103 (or 110/108).