



**NATIONAL BANK OF THE  
REPUBLIC OF NORTH MACEDONIA**

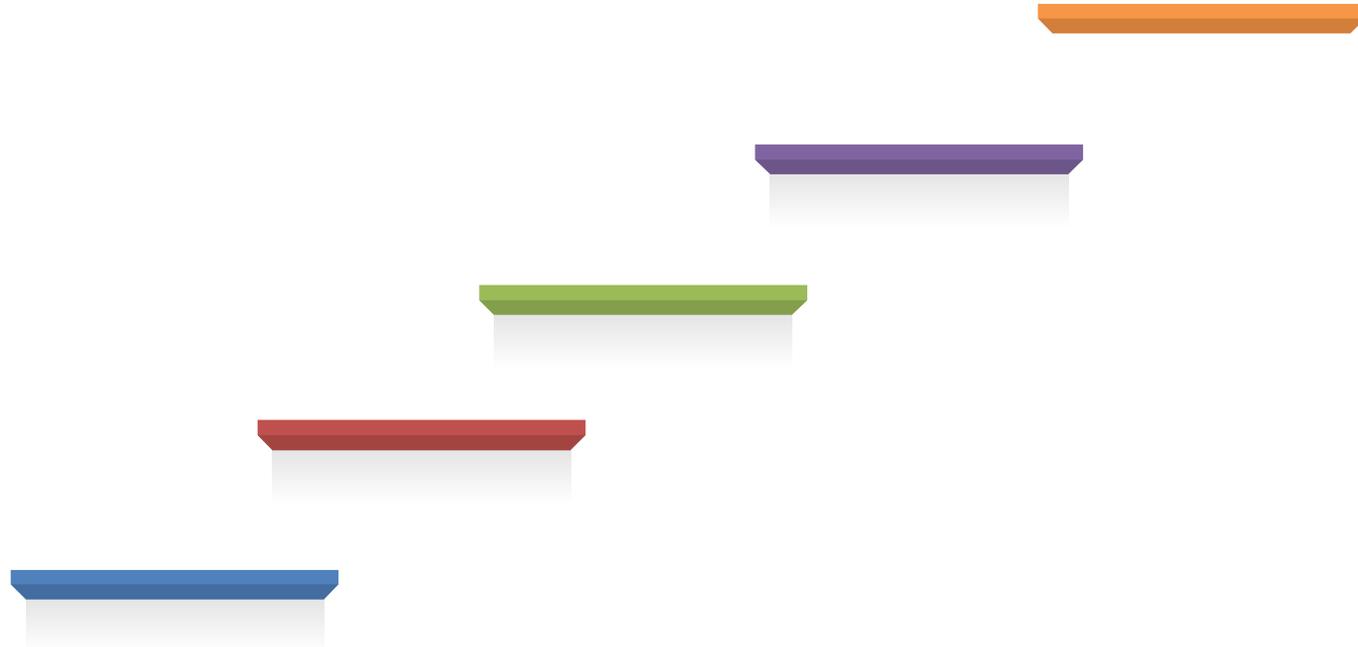
**PAYMENT  
SYSTEMS  
DEPARTMENT**



# **Annual Information on Payment Operations in the Republic of North Macedonia in 2018**

# Agenda

- **PAYMENT SYSTEMS IN THE COUNTRY**
- **CREDIT TRANSFERS**
- **PAYMENT CARDS**
- **PAYMENT INFRASTRUCTURE**
- **E-COMMERCE TRENDS**



# Payment systems in the country in 2018



**Total value Denar 7,745 billion**  
**Annual growth of 93.6%**

**Total number of transactions 29.9 million**  
**Annual growth of 2.6%**

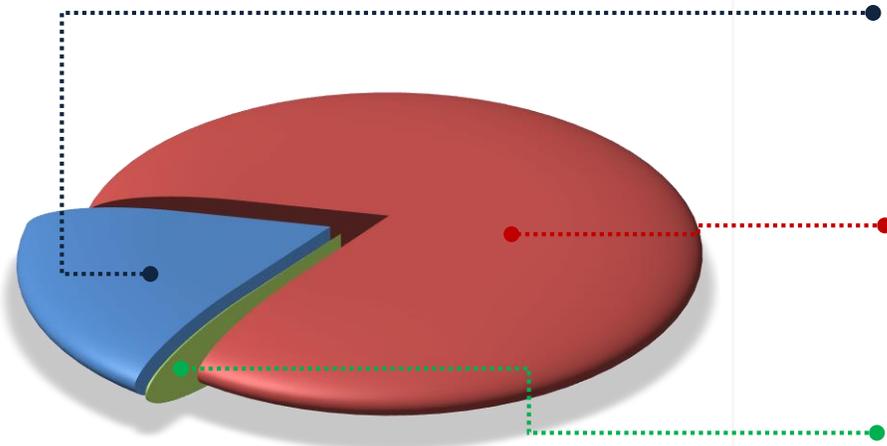
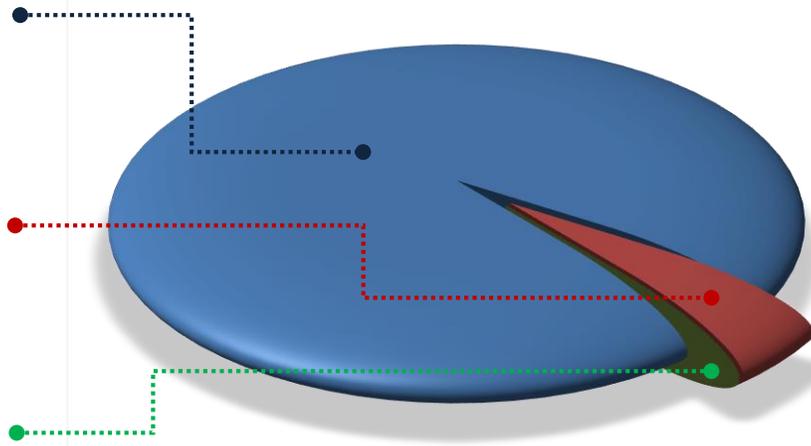
**Share in the total value**

**Share in the total number**

**MIPS**  
95%  
7,354 billion

**KIBS**  
5%  
392 billion

**CaSys**  
0.001%  
0.061 billion



**MIPS**  
18%  
5.3 million

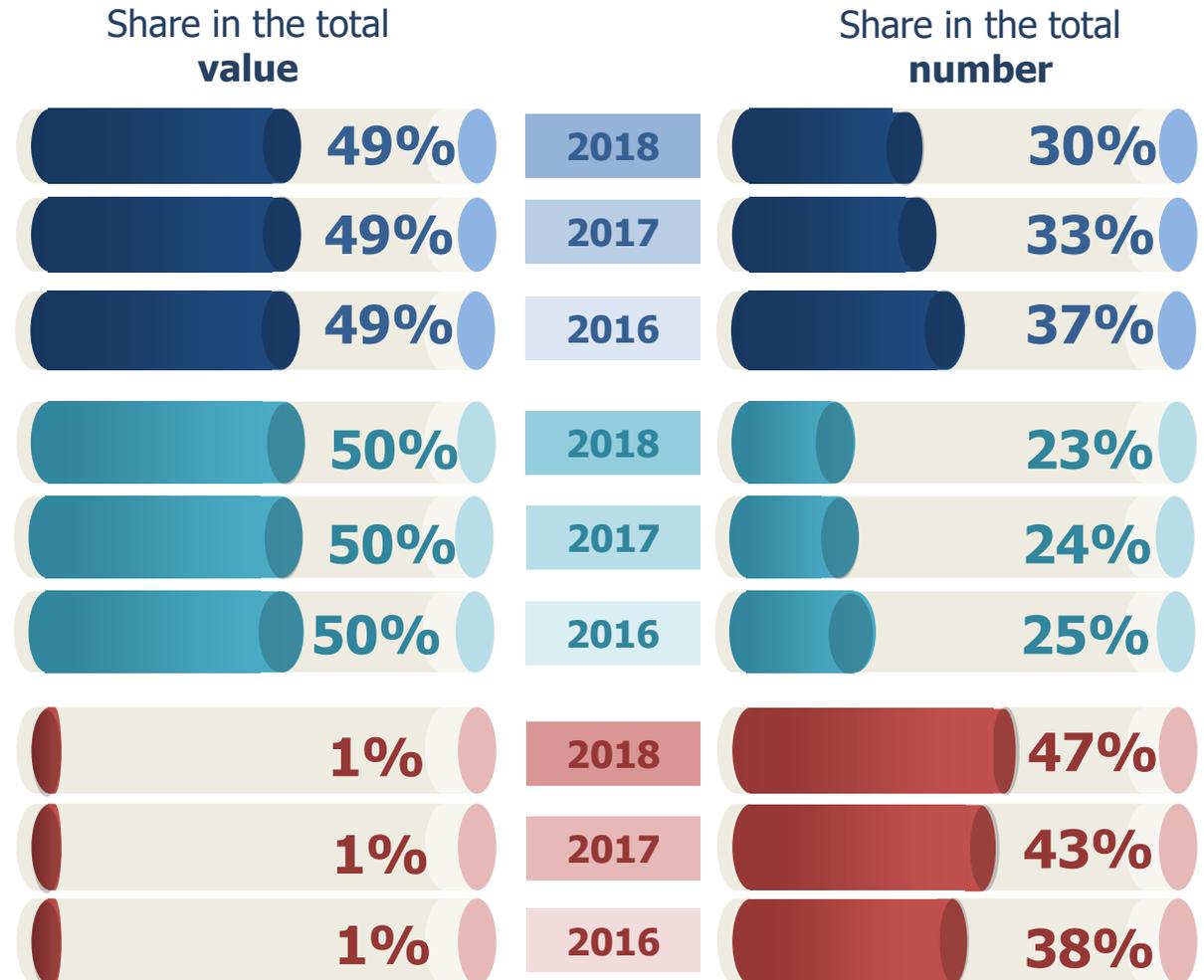
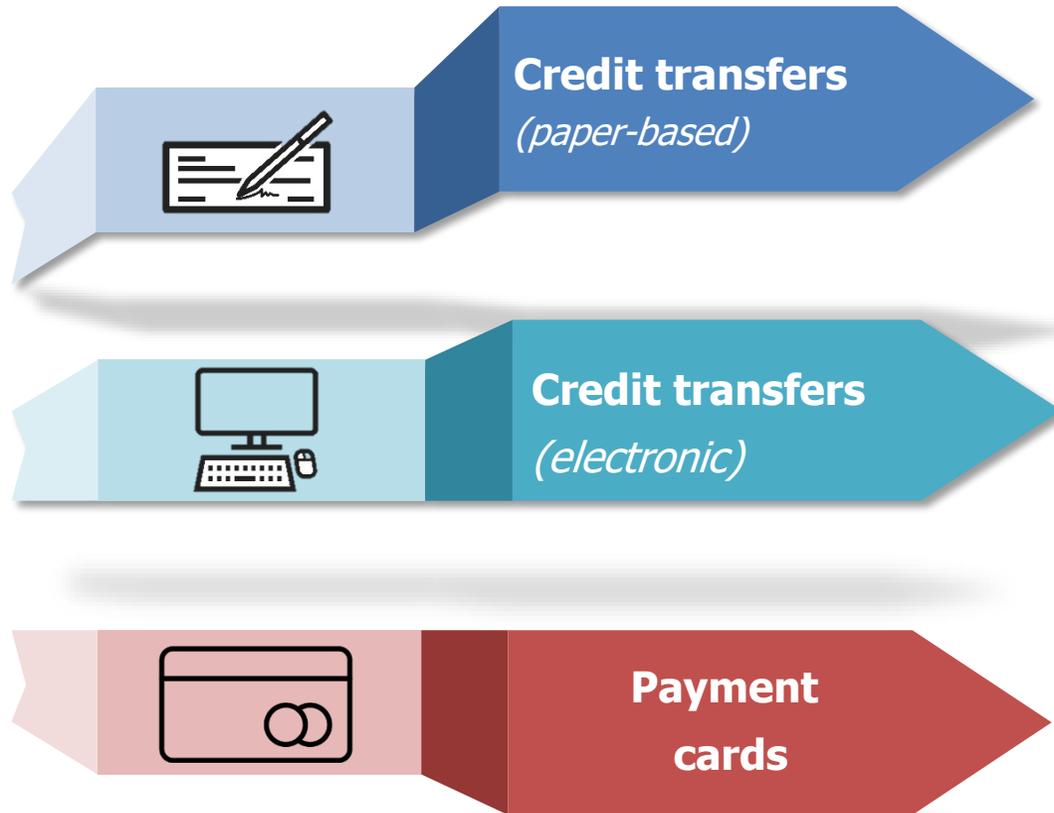
**KIBS**  
82%  
24.5 million

**CaSys**  
0.1%  
0.017 million

# Payment transactions in 2018



- The total value registered an annual growth of **10.2%** and reached **Denar 3.813 billion**.
- The total number was **114 million**, which is an annual increase of **11%**.

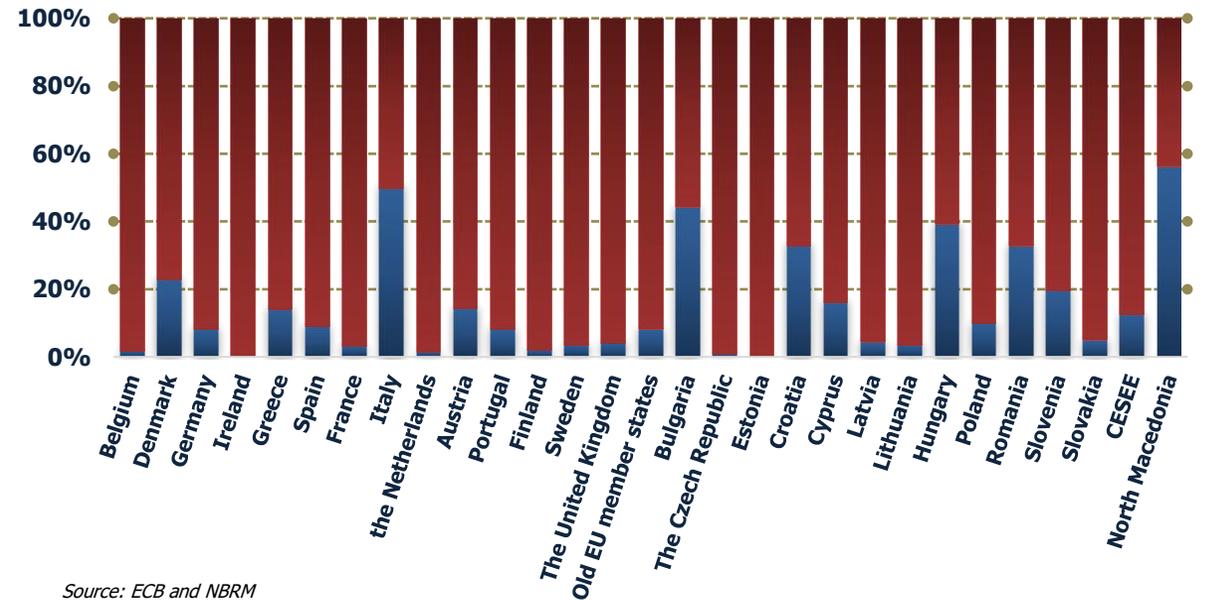


# Number of transactions with credit transfers (in %)



- In the Republic of North Macedonia, there is a **relatively low share of electronic credit transfers** (44%) in the total number of credit transfers, compared to the old EU member states (92%) and the CESEE countries (87%).
- This situation points to the need for greater **promotion and education for the use of the already established digital payment infrastructure** in the domestic economy.

Share in the total number of transactions with credit transfers (in %)

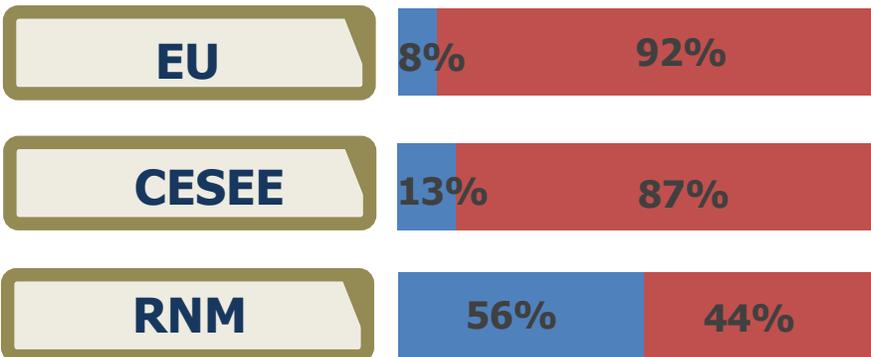


Source: ECB and NBRM



Paper-based

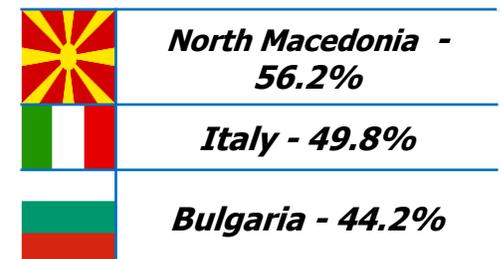
Electronic



The largest share of electronic CTs



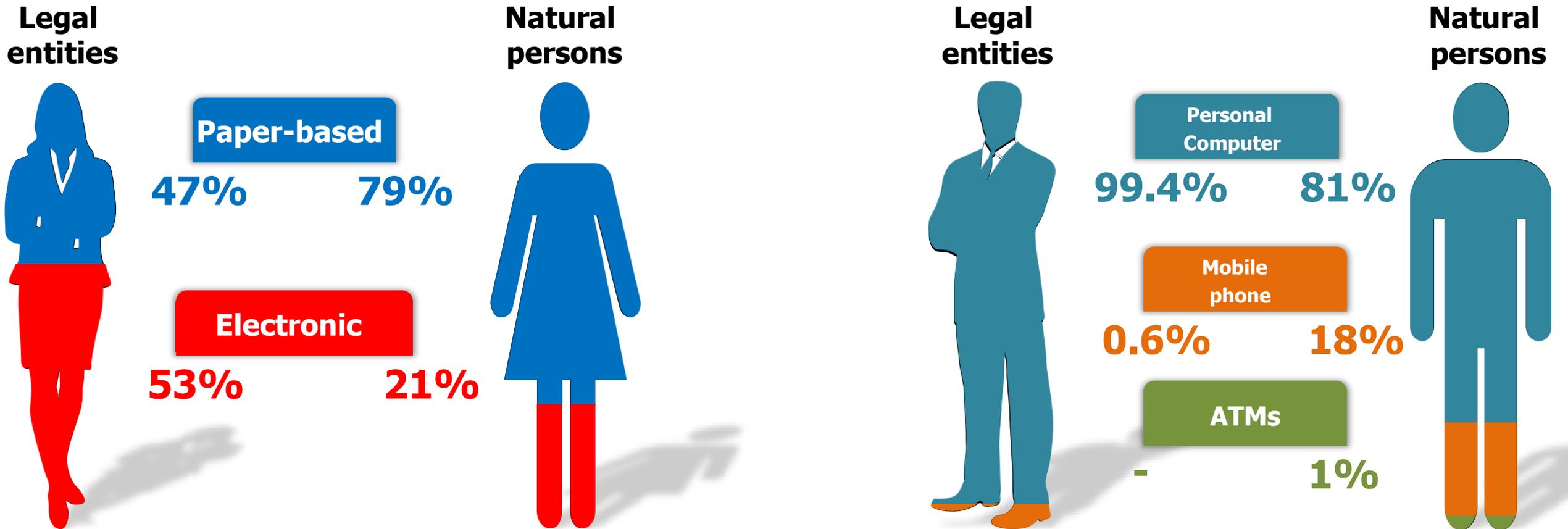
The largest share of paper-based CTs



# Share in the total number of transactions with CTs (2018)

- The total number of credit transfer transactions was **60.4 million**, most of which initiated by **legal entities (71%)**, and the rest by natural persons.
- **Legal entities initiate 53%** of the number of credit transfers in the country electronically, while **natural persons initiate only 21%** of the total number of credit transfers electronically.

- **Legal entities** initiate most of the electronic credit transfers (99.9%) **via personal computer**. **Natural persons** use **mobile phones** and ATMs moderately when initiating electronic credit transfers.



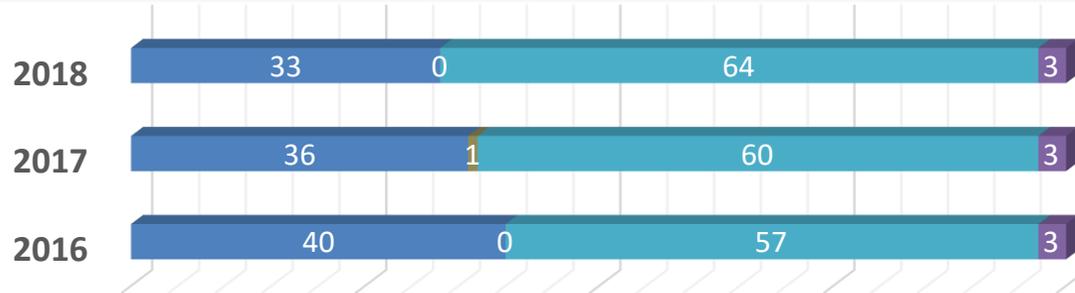
# Number of transactions with cards (%)



 ATM cash withdrawals  
 Physical points of sale (POS)

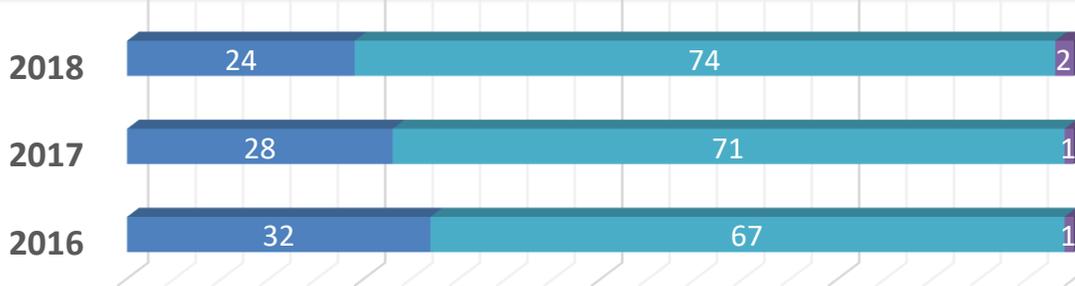
 ATM cash deposits  
 Virtual points of sale

## Number of transactions at domestic terminals with domestic cards



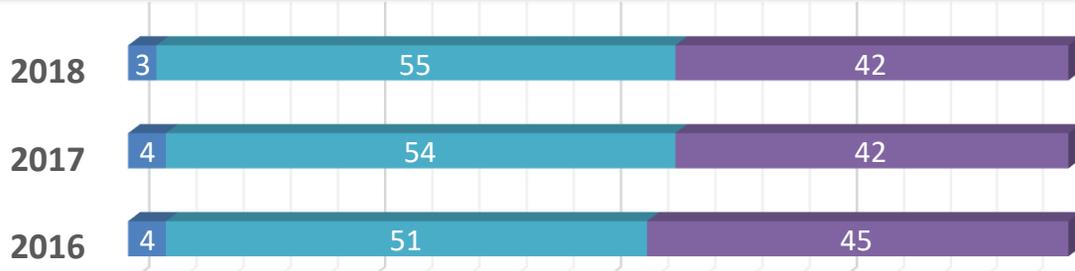
- Number of transactions - **80.7 million**
- Trend of **increase** in the use of payment cards for making payments at **POS** terminals

## Number of transactions with foreign cards at domestic terminals



- Number of transactions - **5.5 million**
- Trend of increase in the use of payment cards for payments at POS terminals at the expense of **reduction of ATM cash withdrawals**

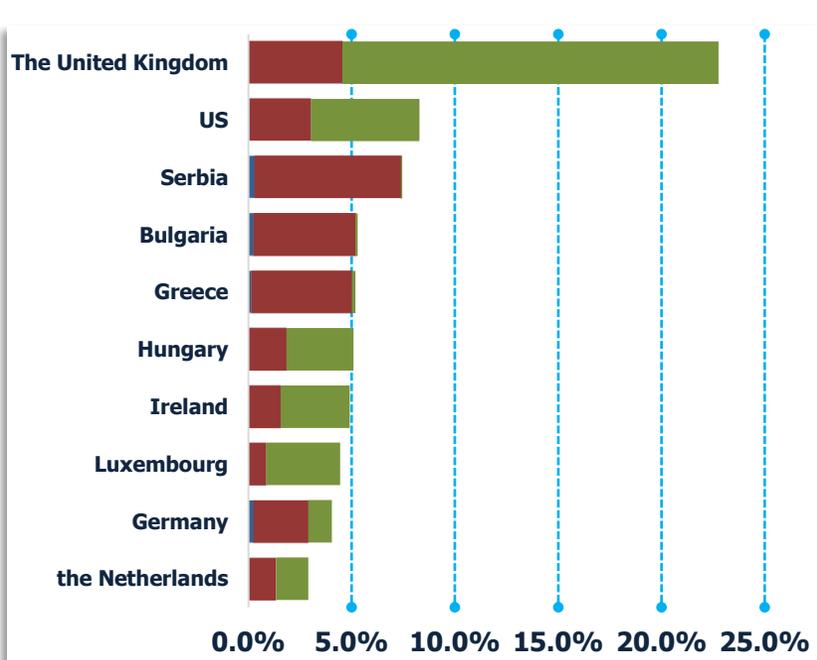
## Number of transactions with domestic cards at terminals abroad



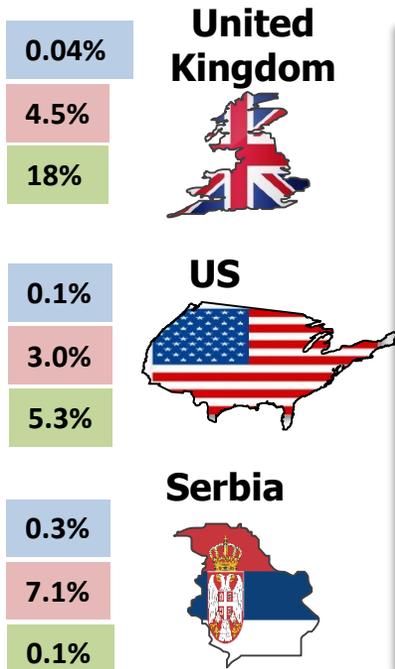
- Number of transactions - **6.7 million**
- There is an increased use of payment cards at POS terminals and **high share** of the use of cards for payments at virtual points of sale

# Share in the total transactions with domestic cards abroad (10 countries with the largest share in %)

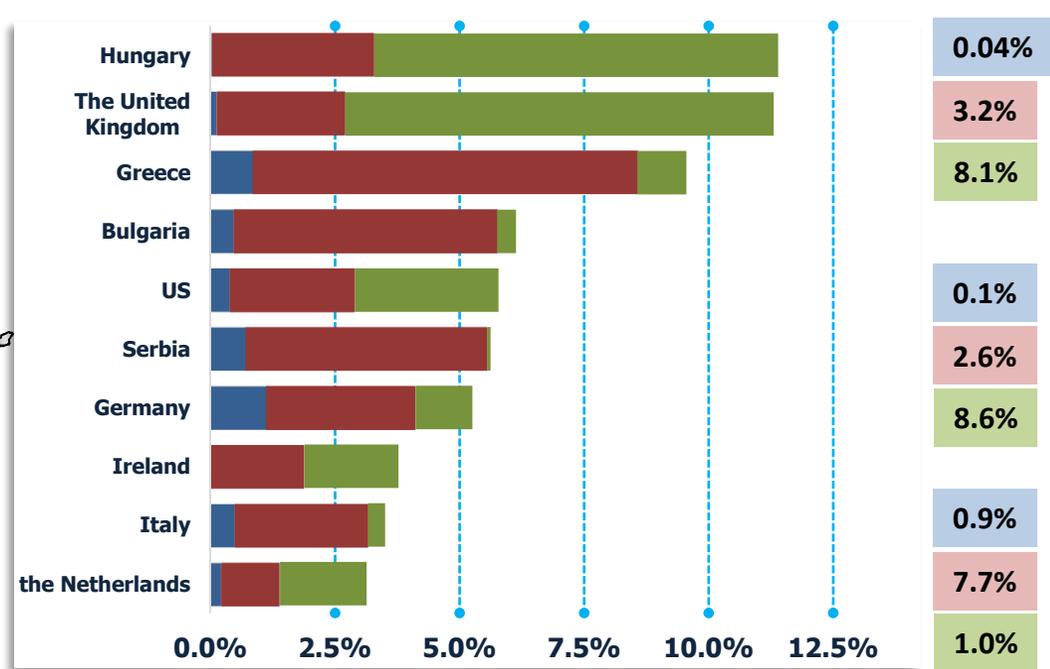
## Number of transactions



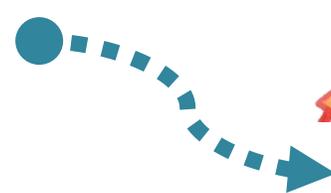
Virtual POS  
Physical POS  
Cash withdrawal



## Value of transactions



➤ In 2018, the total number of transactions with domestic payment cards at terminals located abroad was **6.7 million (annual growth of 26%)**, worth **Denar 15.1 billion (annual growth of 13.2%)**.

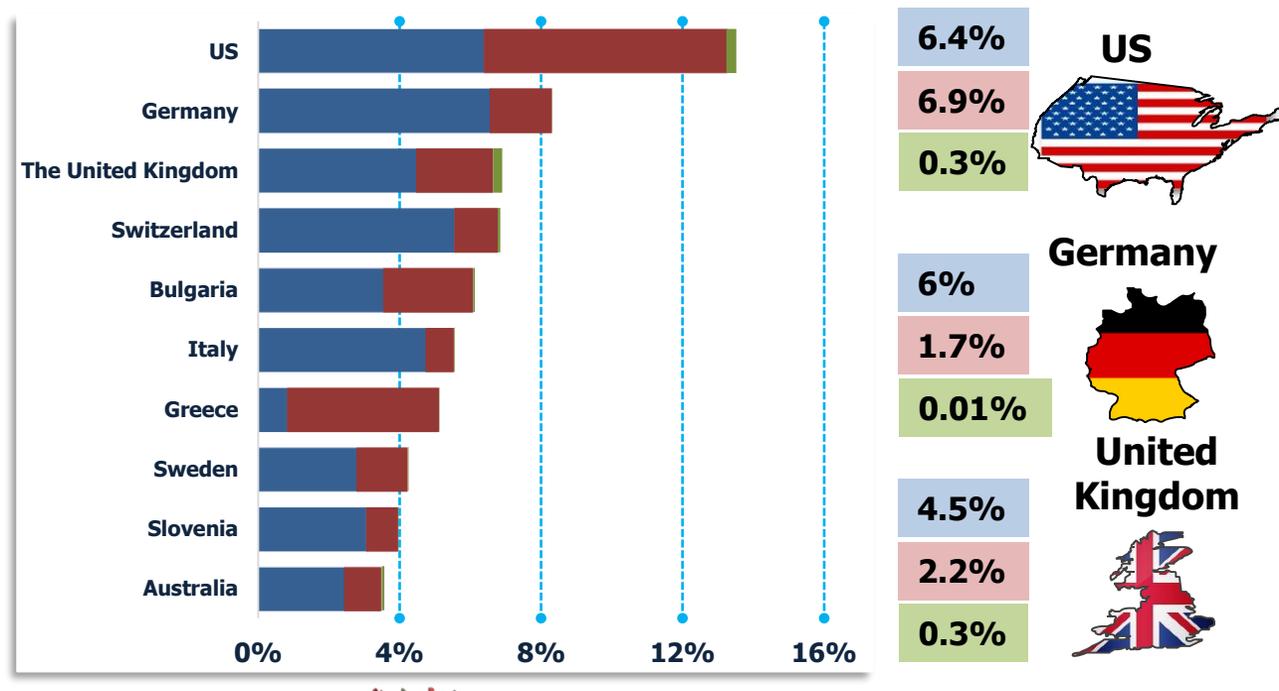
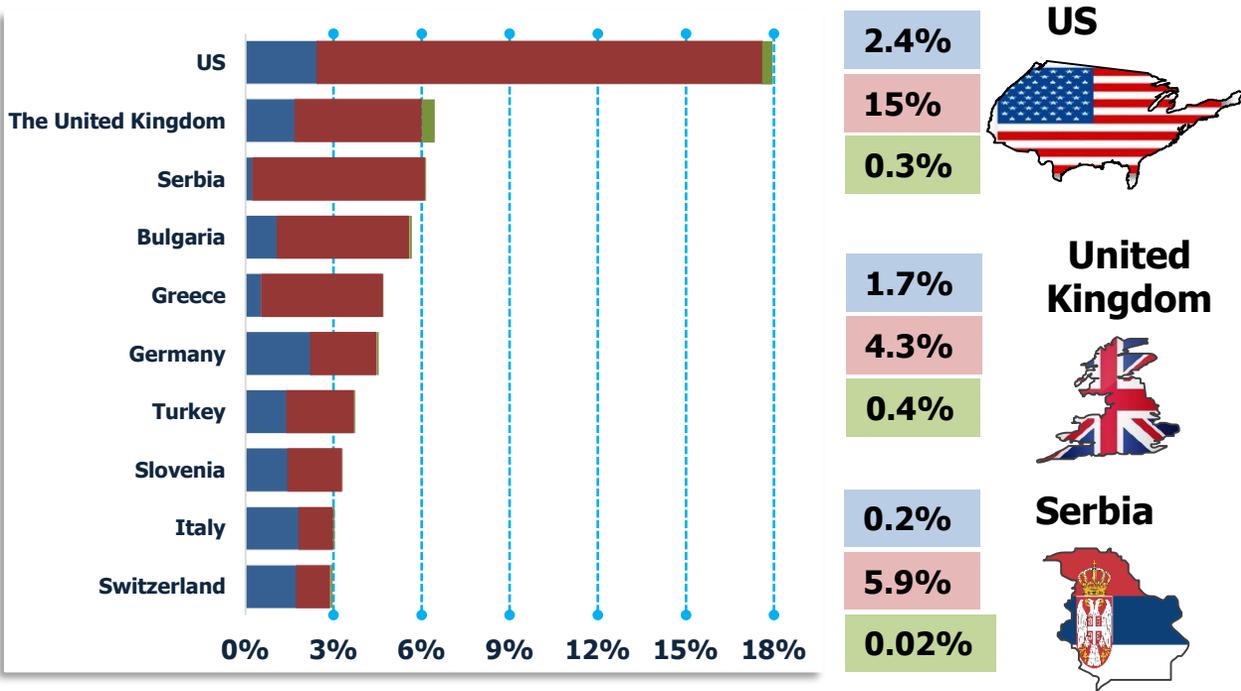


# Share in the total transactions with foreign cards in the country (10 countries with the largest share in %)

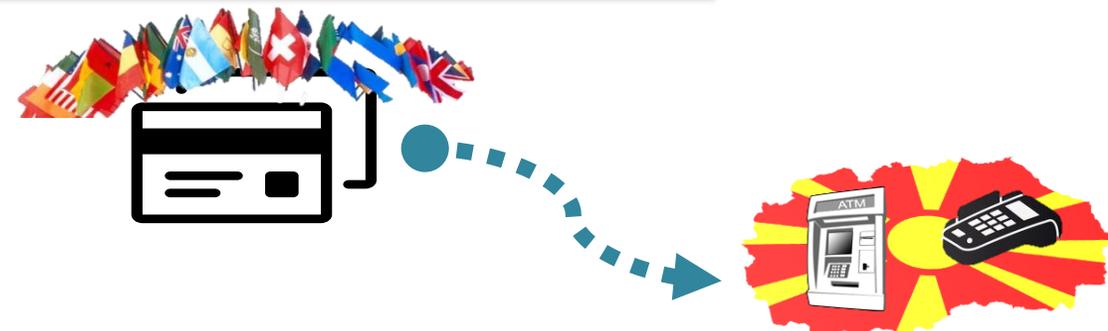
## Number of transactions



## Value of transactions



➤ In 2018, the total number of transactions with domestic payment cards at terminals located abroad was **5.5 million (annual growth of 27%)**, worth **Denar 22.7 billion (annual growth of 14.7%)**.



# Cashless payment instruments in a comparative context

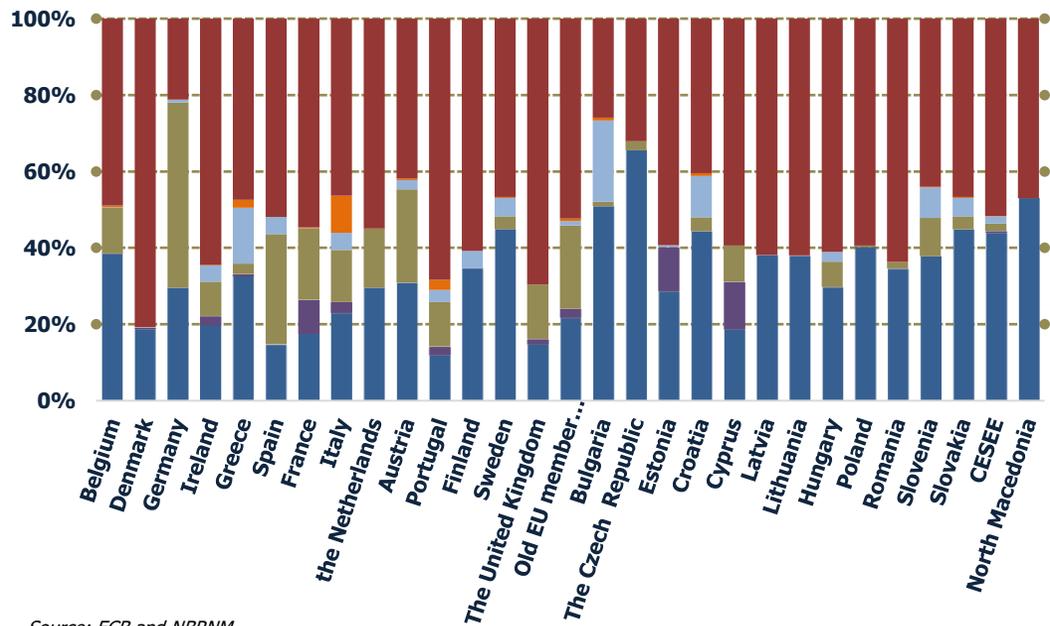
➤ **The payment cards are used relatively less in the Republic of North Macedonia** (the share of payment cards transactions in the total number of cashless payments in 2018 was 47%), compared to the CESEE countries (52%) and the old EU member states (52%).

➤ On the other hand, **credit transfers in the Republic of North Macedonia have a significant share** (53%) in the total number of transactions in cashless payment instruments, which is above the average of the old EU member states (22%) and CESEE (44%).

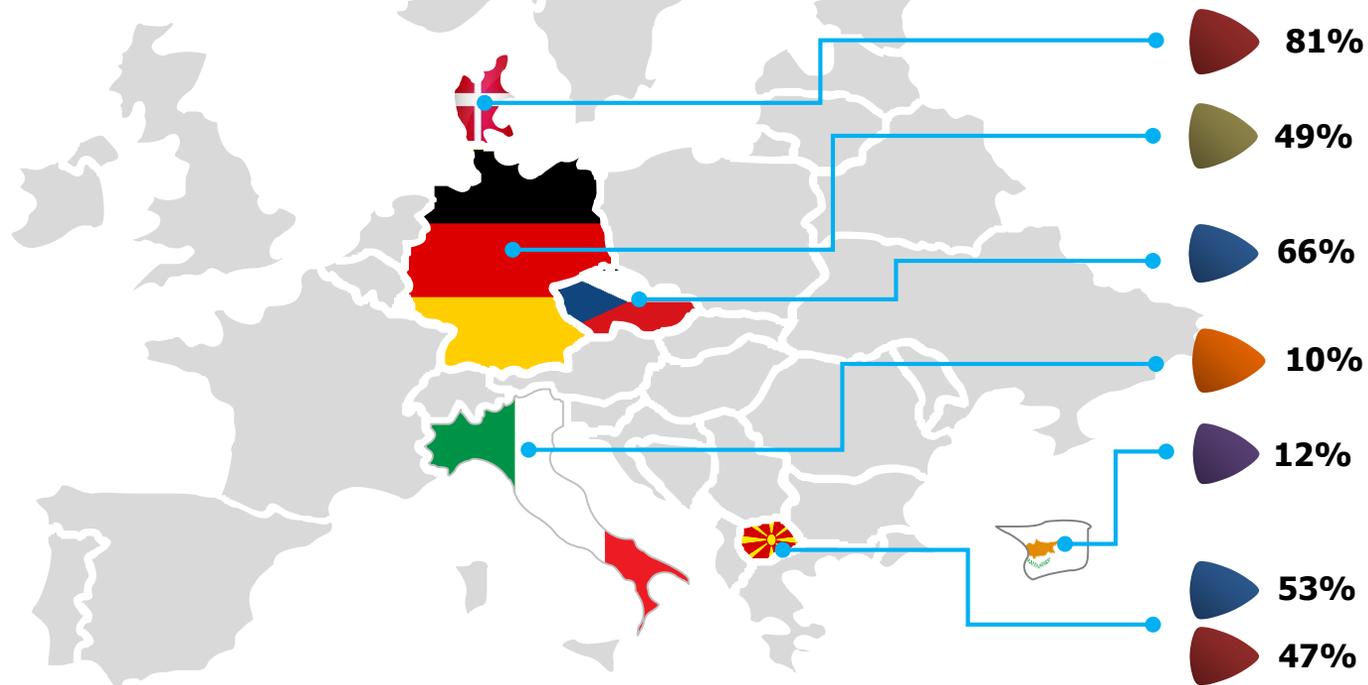


The highest share of cashless payment instruments

Share in the total number of cashless transactions (in %)



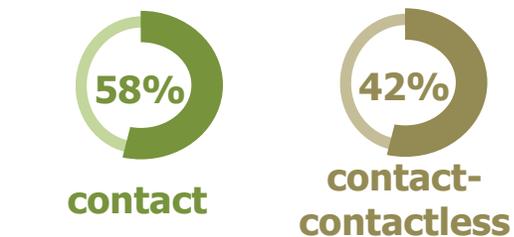
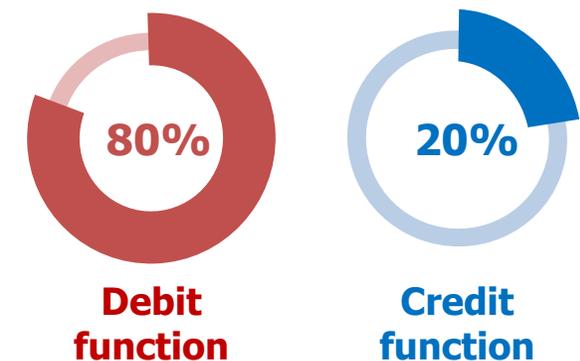
Source: ECB and NBRNM



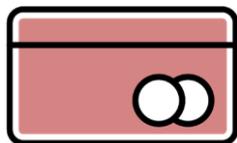
# Payment infrastructure in 2018



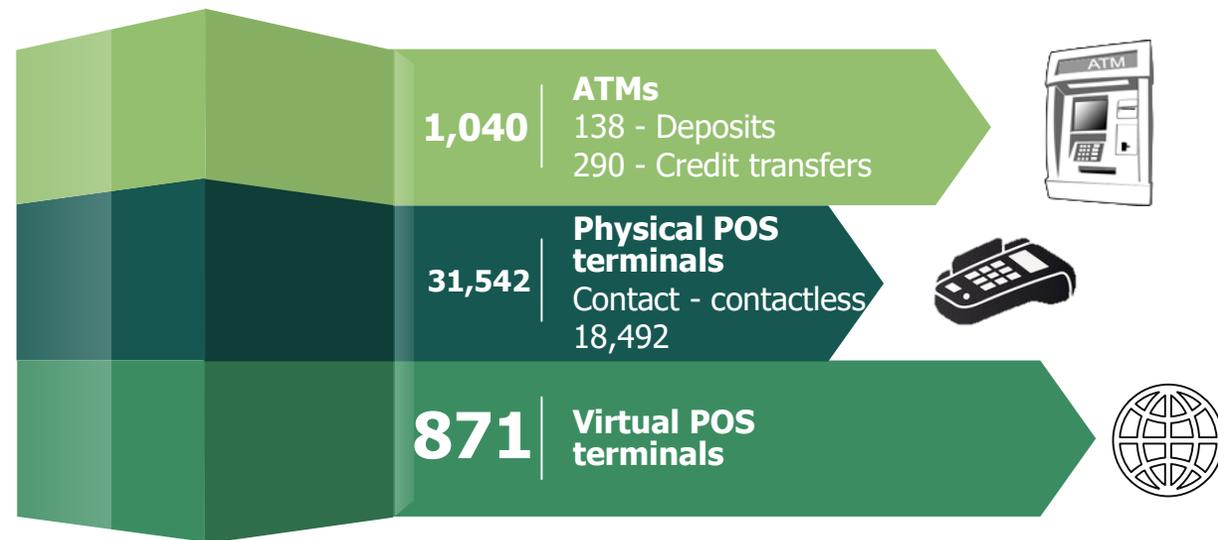
➤ The total number of payment cards remained almost unchanged compared with 2017, but a **significant change is registered in terms of the structural share of contact-contactless cards** in the total number of payment cards with a high annual growth of 52%.



Number of payment cards at the end of 2018  
**1.821.483**



**1 payment card per capita (0.88)**



- The share of the **number of POS terminals that support contact-contactless cards** in the total number of terminals, at the end of 2018, was 58.6%, **or higher by 9.2 percentage points** compared to the previous year.
- Annual growth of 3.6% of the number of **ATMs** with a **credit transfer** function in 2018. Also, an increase in the number of **ATMs with a cash deposit function** (in 2017 the number was 118).

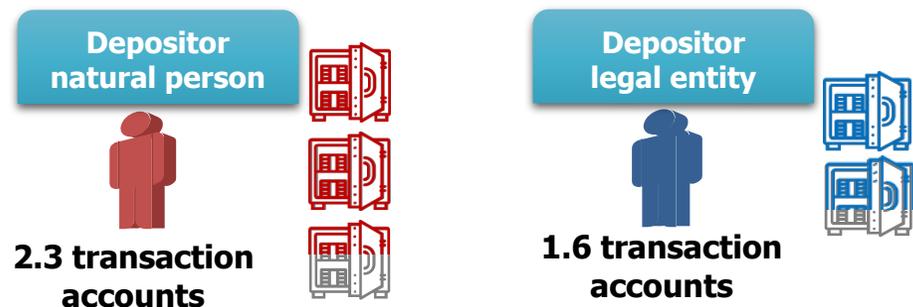
# Payment infrastructure in 2018



- The total number of transaction accounts at the end of 2018 was **3.95 million**, which is a moderate annual growth of **2.4%**.



- At the end of 2018, the total number of depositors was 1.78 million.
- Depositors (natural persons and legal entities) may have one or more accounts in a same bank or in different banks.



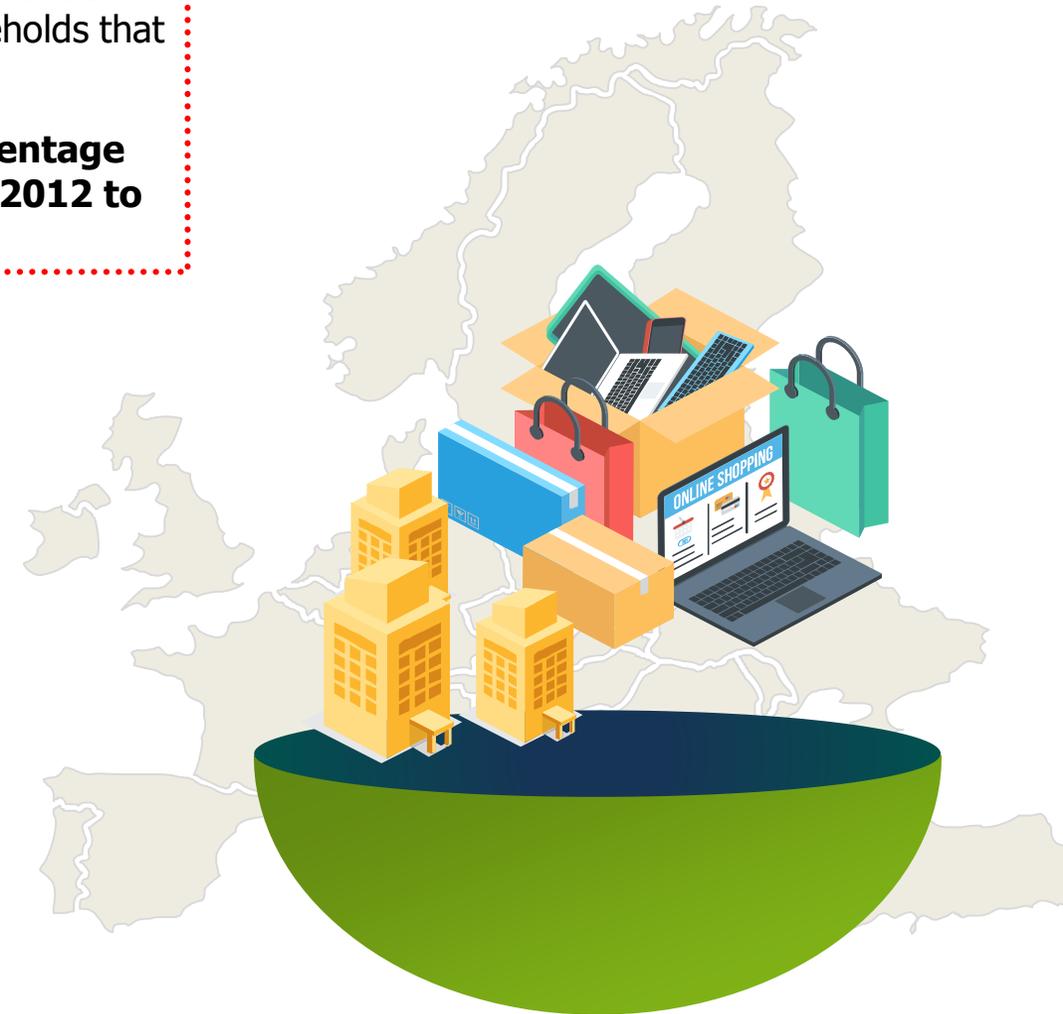
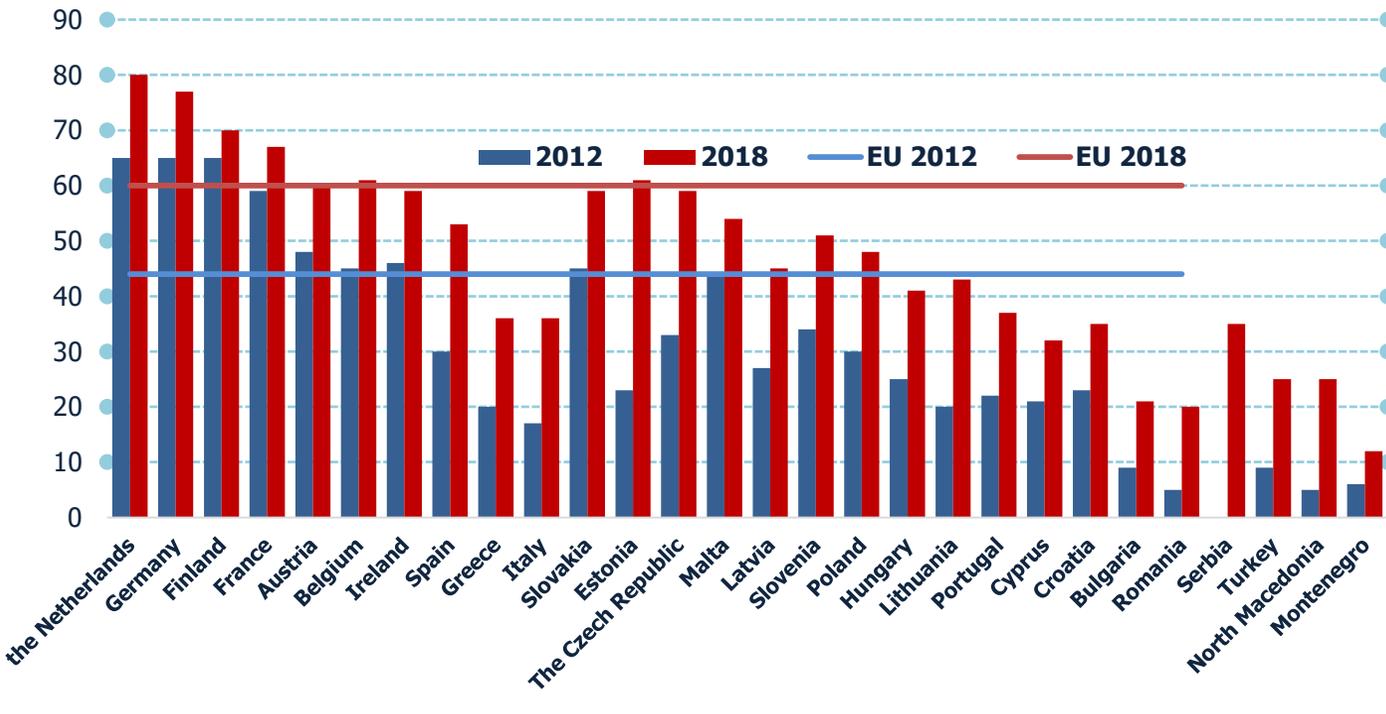
- **Increase of 2 percentage points** in the share of the number of accounts that offer an opportunity for electronic payments in the total number of transaction accounts. However, only **10% of the total number of transaction accounts offer an opportunity for electronic payments**, indicating limited use of digital banking channels for making payments.
- This limitation is especially pronounced in **natural persons where only 9%** of transaction accounts allow for initiation of electronic payments, while the situation with the **legal entities is a bit favorable, 33%**.



# E-commerce users who have ordered goods/services online in the last 12 months (%)



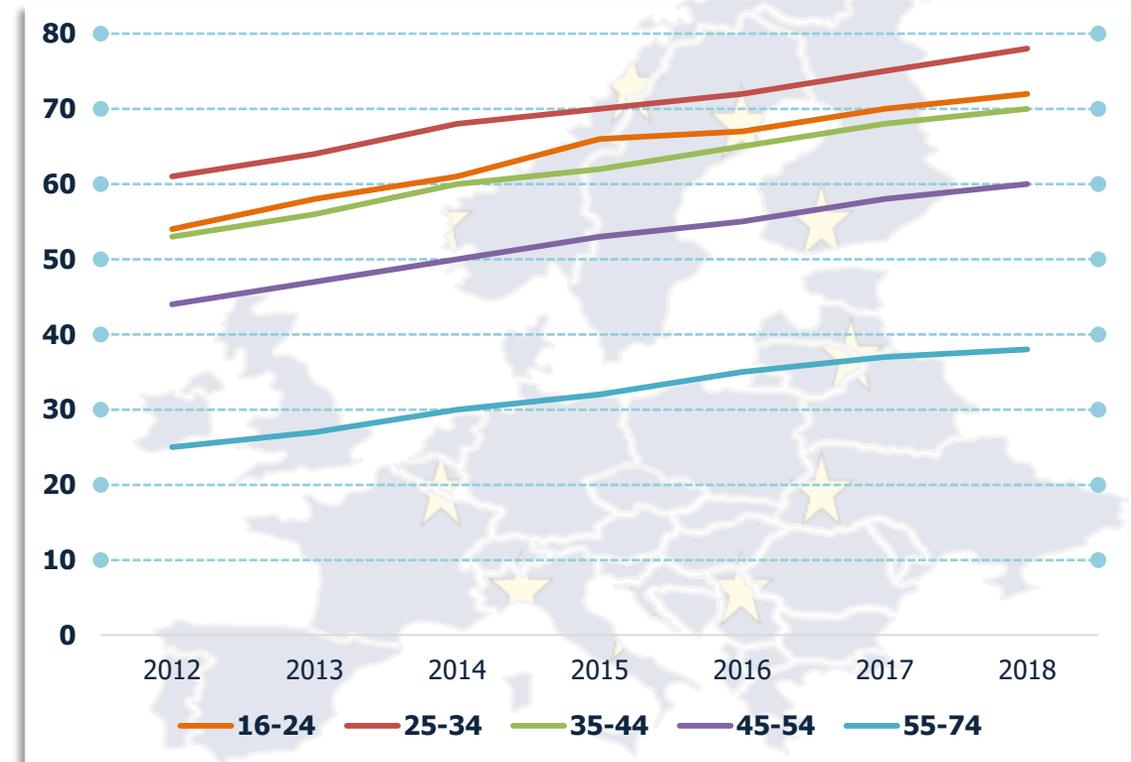
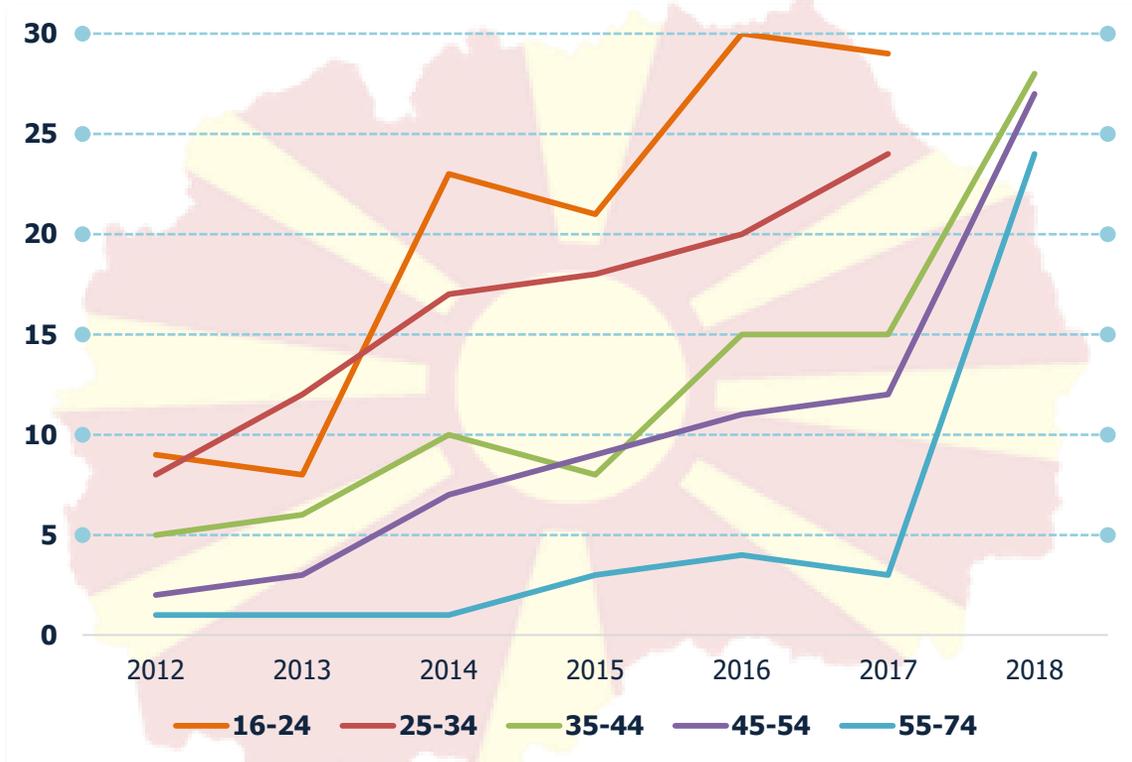
- In the six-year period (2012-2018), there is a **significant 16 percentage points increase in the share of EU households that use e-commerce**, which is **60%** of the households that used Internet in 2018.
- Similar tendencies were observed in the Republic of North Macedonia, where the **percentage of households that use Internet and use e-commerce increased from 5% in 2012 to 25% in 2018**.



# E-commerce users who have bought products/services for personal needs by age groups (2018, %)



- **E-commerce increased in all age groups.** In 2018, the age groups from 25 to 34, 16 to 24 and 35 to 44 years were the most frequent e-commerce users in the EU (with 78%, 72% and 70%, respectively), while in the Republic of North Macedonia, it was the age group from 35 to 44 years (28%).
- Elderly people, particularly those in the **55-74 age group shopped less via the Internet.**

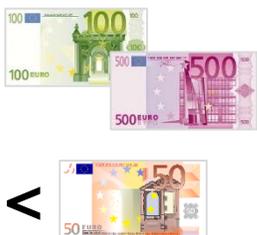
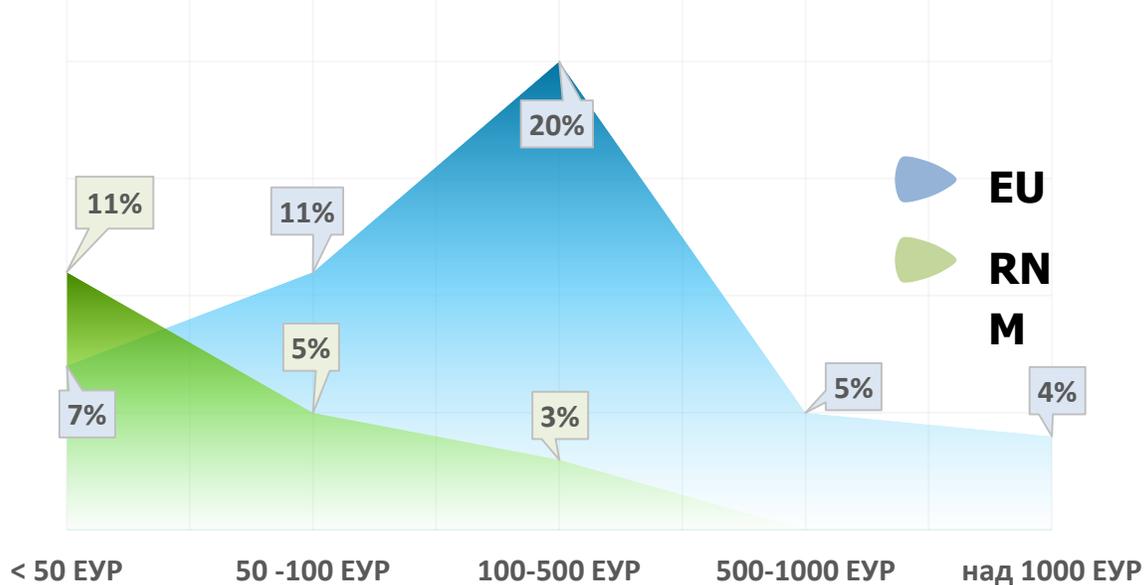


# E-commerce users who have bought products/services for personal needs in the last 3 months (2018, %)



- Most of the population **in the Republic of North Macedonia spent less than 50 euros** for purchase of goods and services in virtual point of sale, while most of the EU population spent more from 100 to 500 euros.
- Most of the e-commerce users in the **Republic of North Macedonia (12%) made 1-2 purchases** in 2018, while in the EU, the share of purchases in the categories 1-2 times and 3-5 times (17%) is the same.

Amount of funds spent on online shoppings

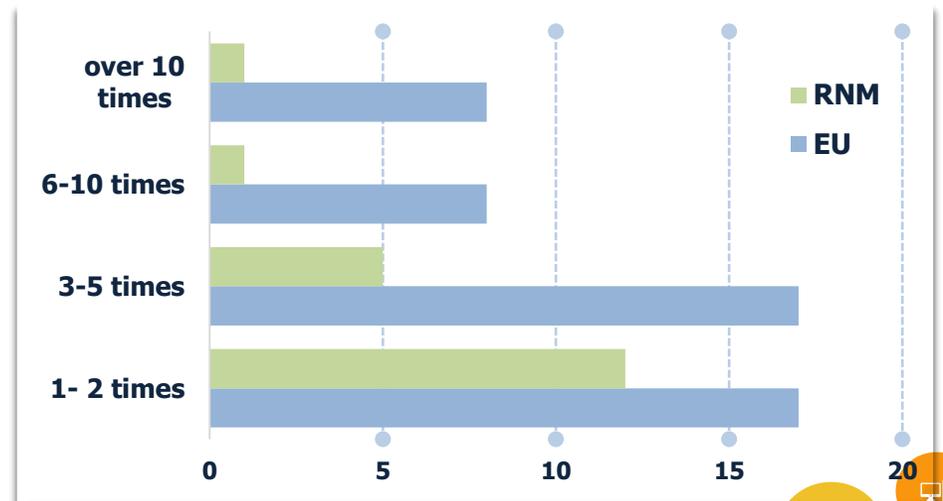


20%

11%

EU  
RNM

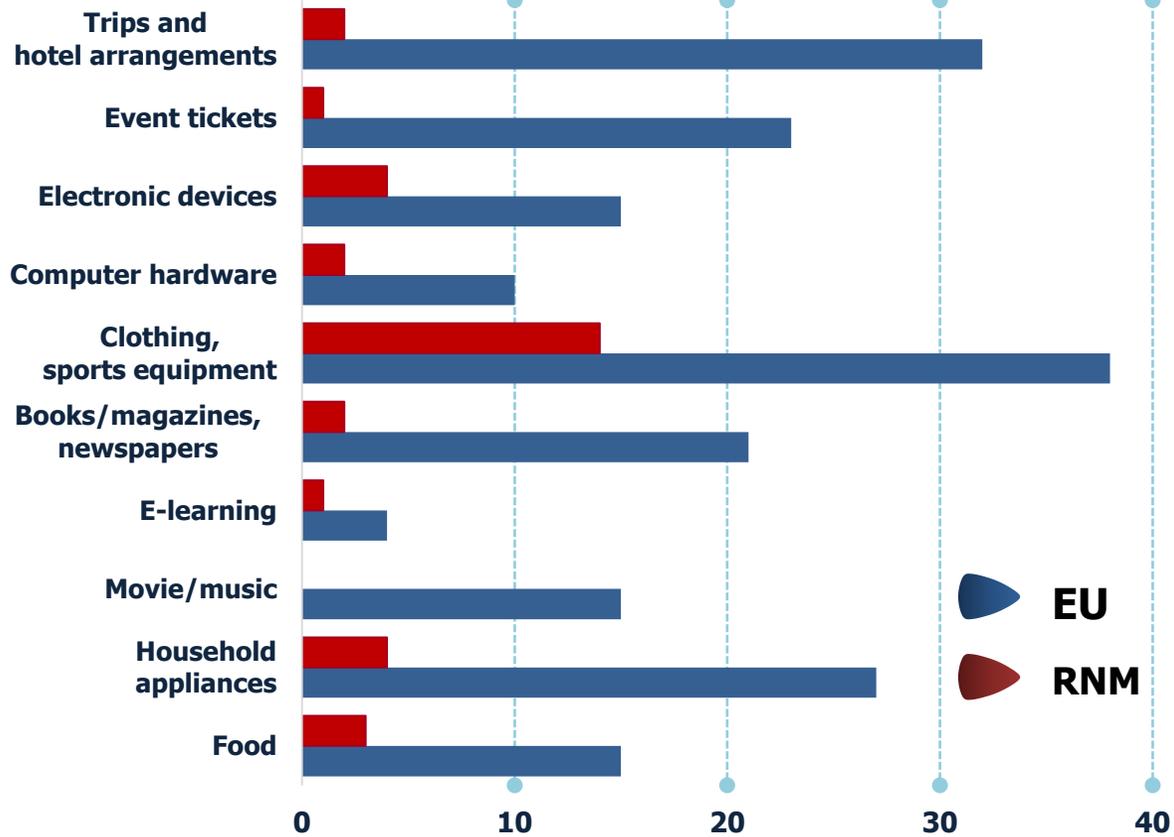
Number of online shoppings (2018, % EU/RNM)



# E-commerce in terms of the type of goods and services (2018, %, EU/RNM)



➤ **Analyzing the type of goods and services, the population in the Republic of North Macedonia mostly purchased clothes and sports equipment on the Internet**, while in the EU, there is a greater variety of goods and services purchased online (clothing and sports equipment, travel and hotel arrangements, household products, event tickets, books, magazines and newspapers, etc.).



Clothing, sports apparel,



Trips and hotel arrangements



Household appliances



Clothing, sports apparel,



Electronic devices



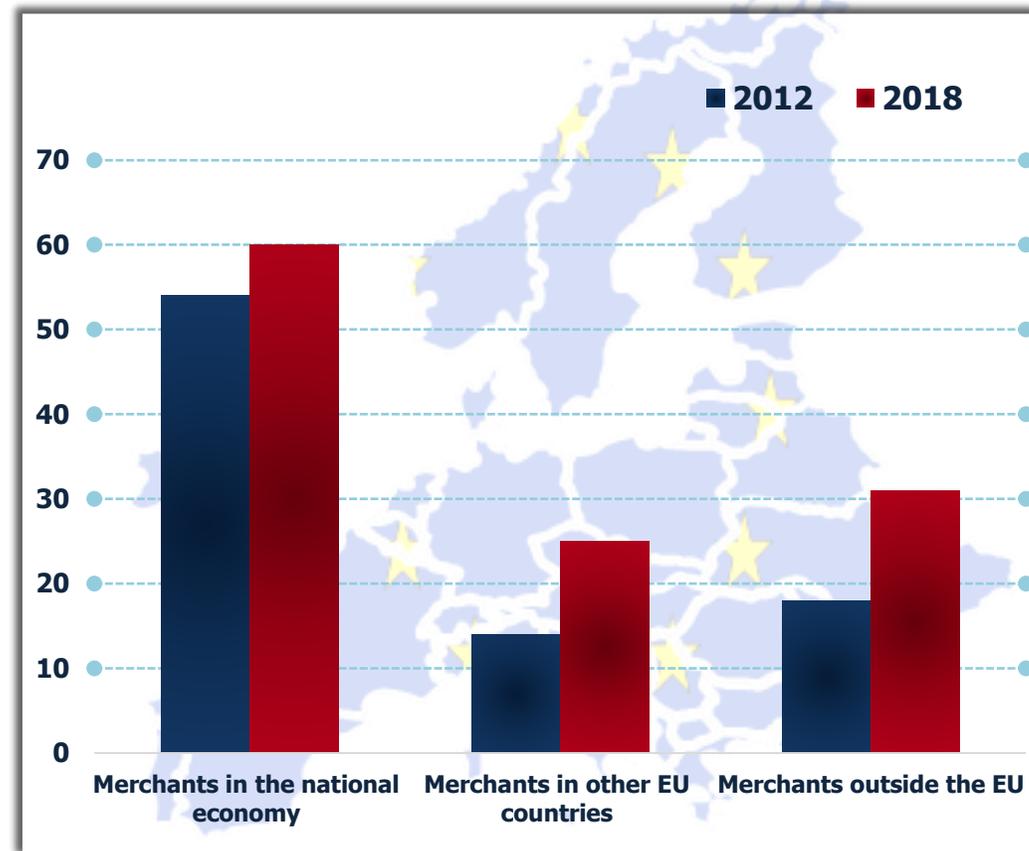
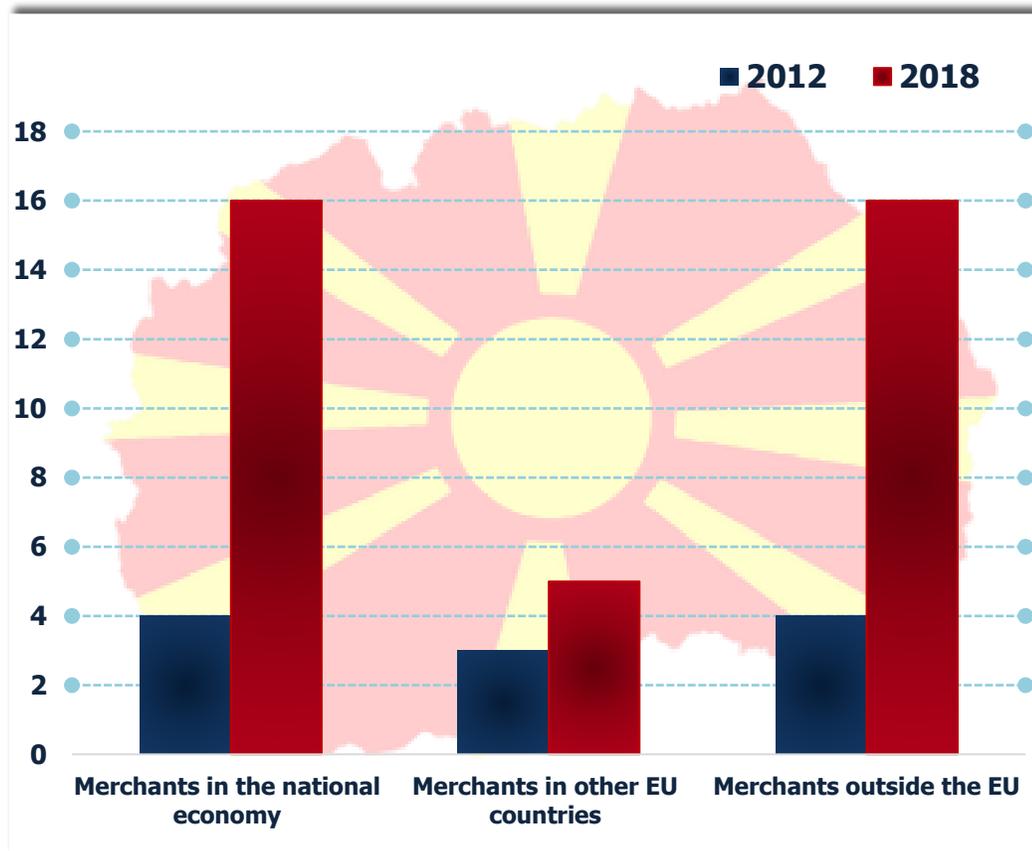
Household appliances



# National and cross-border online shoppings (2018, %)



- **The population of the Republic of North Macedonia equally purchased from Internet merchants in the national economy and from Internet merchants outside the EU (16% in 2018), which is an increase of 12 percentage points compared to 2012.**
- On the other hand, the largest percentage **of the EU population purchased from Internet merchants in the national economy (60% in 2018)**. However, there is an increase in the population that purchased from Internet merchants in other EU countries and outside the EU compared to 2012.



**THANK YOU**

