



## National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 September 2020

### Press Release

### Significant changes in the external debt, external claims and international investment position: second quarter of 2020

At the end of the second quarter of 2020, **the gross external debt** total Euro 8,782 million and increased on a quarterly basis by Euro 472 million. **Gross external claims** increased by Euro 433 million to Euro 5,829 million. The larger quarterly increase in liabilities against claims led to a growth of **the net external debt** by Euro 39 million, and at the end of June 2020 it equaled to Euro 2,953 million. Thus the increase in the net external debt in the second quarter reflects the higher public net debt by Euro 184 million, amid quarterly decrease in the private net debt by Euro 146 million.

### External Debt and International Investment Position of the Republic of North Macedonia

	31.12.2019		31.03.2020		30.06.2020		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.
<b>Gross External Debt</b>	<b>8,154.4</b>	<b>71.9</b>	<b>8,309.6</b>	<b>76.0</b>	<b>8,781.7</b>	<b>80.3</b>	<b>472.1</b>	<b>5.7</b>	<b>4.3</b>	<b>627.3</b>	<b>7.7</b>	<b>8.4</b>
<b>Central Bank from Repo Arrangements</b>	<b>8,154.4</b>	<b>71.9</b>	<b>8,097.4</b>	<b>74.1</b>	<b>8,707.4</b>	<b>79.7</b>	<b>610.0</b>	<b>7.5</b>	<b>5.6</b>	<b>553.0</b>	<b>6.8</b>	<b>7.8</b>
Long-term debt	6,068.4	53.5	5,936.0	54.3	6,750.7	61.8	814.8	13.7	7.5	682.3	11.2	8.2
Short-term debt	2,086.0	18.4	2,373.7	21.7	2,031.0	18.6	-342.7	-14.4	-3.1	-54.9	-2.6	0.2
Public debt	3,836.6	33.8	3,816.5	34.9	4,460.3	40.8	643.9	16.9	5.9	623.8	16.3	7.0
Private debt	4,317.8	38.1	4,493.2	41.1	4,321.4	39.5	-171.8	-3.8	-1.6	3.6	0.1	1.5
<b>Gross External Claims</b>	<b>5,357.0</b>	<b>47.2</b>	<b>5,395.9</b>	<b>49.4</b>	<b>5,829.2</b>	<b>53.3</b>	<b>433.3</b>	<b>8.0</b>	<b>4.0</b>	<b>472.2</b>	<b>8.8</b>	<b>6.1</b>
<b>Gross external claims-excluding claims of the Central Bank from reverse repo arrangements</b>	<b>5,357.0</b>	<b>47.2</b>	<b>5,182.8</b>	<b>47.4</b>	<b>5,753.5</b>	<b>52.6</b>	<b>570.7</b>	<b>11.0</b>	<b>5.2</b>	<b>396.6</b>	<b>7.4</b>	<b>5.4</b>
<b>Net External Debt</b>	<b>2,797.4</b>	<b>24.7</b>	<b>2,913.7</b>	<b>26.7</b>	<b>2,952.5</b>	<b>27.0</b>	<b>38.9</b>	<b>1.3</b>	<b>0.4</b>	<b>155.1</b>	<b>5.5</b>	<b>2.3</b>
<b>IIP, net</b>	<b>-6,458.4</b>	<b>-56.9</b>	<b>-6,694.1</b>	<b>-61.2</b>	<b>-6,718.7</b>	<b>-61.5</b>	<b>-24.6</b>	<b>0.4</b>	<b>-0.2</b>	<b>-260.3</b>	<b>4.0</b>	<b>-4.5</b>

\*/ The gross domestic product data (GDP) for 2019 is estimated (source: State Statistical Office, Press Release Gross Domestic Product, second quarter of 2020 as of 7 September 2020). The data for 2020 is forecasted by the NBRNM.

Source: NBRNM, SSO.

At the end of June 2020, the negative **net international investment position**<sup>1</sup> amounted to Euro 6,719 million, or 61.5% of the GDP forecasted for 2020. Most of this amount (86%) is net liabilities on direct investments, of which 77% on equity.

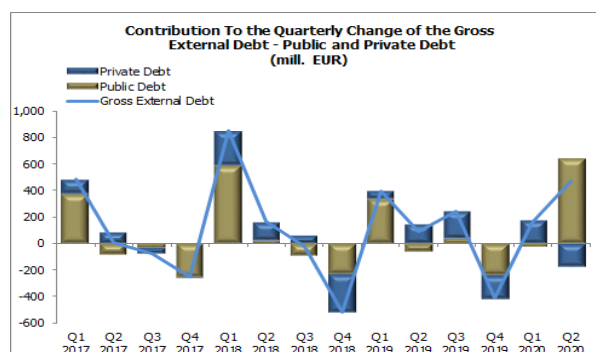
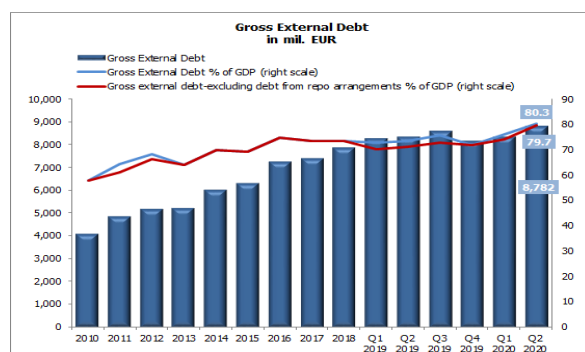
<sup>1</sup> The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments. In addition, negative net international investment position means that the financial liabilities exceed the financial claims on non-residents.



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### Gross external debt

At the end of June 2020, the gross external debt amounted to Euro 8,782 million (or 80.3% of GDP), which is a quarterly increase of Euro 472 million (or by 5.7%). If the effect of central bank specific activities for foreign reserves management is excluded from the debt<sup>2</sup>, gross debt registers quarterly increase of Euro 610 million. This quarterly change is a result of the higher public debt by Euro 782 million in conditions of fall of private debt of Euro 172 million. The quarterly increase in the public debt (excluding the specific activities for managing the foreign reserves of the central bank) is a result of the increased debt of the government sector by Euro 795 million<sup>3</sup>, conversely to the fall in the debt of public banks and public enterprises (by Euro 12 million). The decrease in private external debt is due to the decreased intercompany debt (by Euro 110 million), non-banking private sector (by Euro 81 million) amid higher debt of private banks (by Euro 19 million).



Source: NBRNM.

Compared to the end of 2019, the gross external debt increased by Euro 627 million, or 7.7%. However, in the first half of 2020, the debt, with the effect of specific activities for foreign reserves management with foreign reserves of the central bank being excluded, increased by Euro 553 million. The growth is due mostly to the increased public external debt (of Euro 549 million) and less to the increased private debt (of Euro 4 million). The public debt growth reflects the increased liabilities of the government sector (by Euro 567 million), conversely to the lower liabilities of public banks and public enterprises (by Euro 16 million). Analyzing the private debt, a growth was registered in intercompany lending

<sup>2</sup> The specific foreign reserves management activities of the central bank include repo agreements and other foreign reserves management operations. These transactions create liabilities (classified under the loan category) that increase gross debt. At the same time, claims created from reverse transactions tend to increase gross claims. The NBRNM usually executes these transactions simultaneously, in almost identical amounts. In general, as they are concluded simultaneously, these transactions have a neutral net effect as they appear in almost identical amount on both the liabilities and the assets side, and accordingly have no effect on the total net external debt.

<sup>3</sup> Seventh issue of Eurobond in the nominal amount of Euro 700 million.

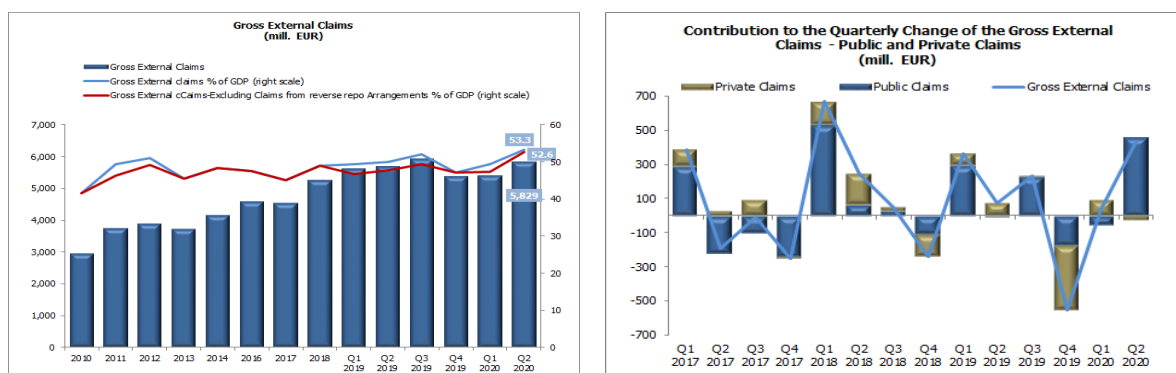


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(by Euro 41 million) and private banks (by Euro 25 million), contrary to the lower liabilities of the non-banking private sector (by Euro 62 million).

### **Gross external claims**

At the end of the second quarter of 2020, the gross external claims amounted to Euro 5,829 million (or 53.3 % of GDP) and registered quarterly increase of Euro 433 million (or by 8%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are higher by Euro 571 million. This quarterly change is a result of the higher public claims by Euro 597 million amid lower private claims of Euro 26 million. The growth of public claims reflects the increased central bank claims within the foreign reserves.



Source: NBRNM.

Compared to the end of the preceding year, the external claims increased by Euro 472 million. If the effect of the central bank specific activities related to foreign reserves management is excluded, the gross external claims are higher by Euro 397 million, as a result of increased public and private claims (Euro 331 million and Euro 66 million, respectively). The growth in public claims reflects the increase in the official foreign reserves of the central bank, while the growth in private claims is explained by the increased intercompany claims (by Euro 63 million) and other sectors (by Euro 23 million), amid reduced claims of deposit-taking corporations (by Euro 20 million).

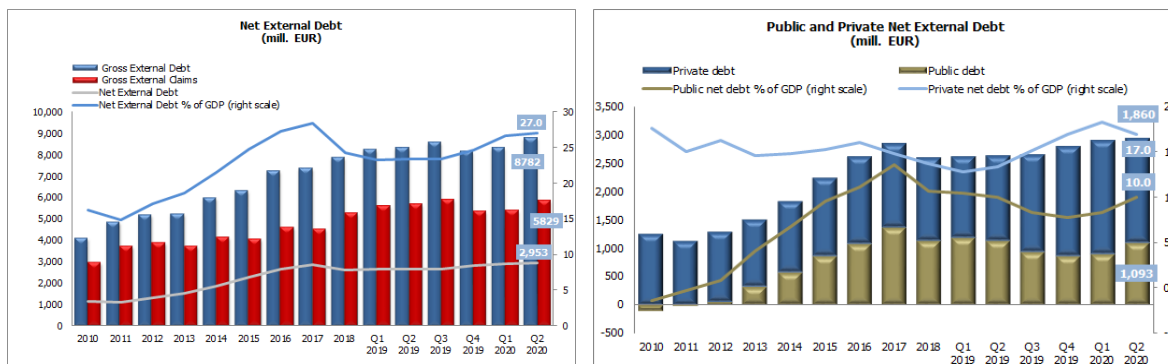
### **Net external debt**

Thus, as of 30.6.2020, the net external debt equaled Euro 2,953 million (or 27% of the GDP). In the second quarter of 2020, the net external debt of the country increased by Euro 39 million, or by 1.3%. Analyzing the structure, the private net debt (63%) still has a larger share in the total net debt.



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Compared to the end of 2019, the net external debt increased by Euro 155 million (or by 5.5%), given the rise of the net public debt (of Euro 217 million), and a fall in net private debt (of Euro 62 million).



Source: NBRNM.

### ***International Investment Position, net***

The negative net international investment position (IIP) during the second quarter of 2020 increased by Euro 25 million and amounted to Euro 6.719 million, representing 61.5% of the GDP forecast for 2020.

The quarterly increase in the **negative net IIP** reflects the faster increase in liabilities (of Euro 541 million) compared to the assets increase (of Euro 516 million). Observed by instrument, the net liabilities based on debt instruments increased by Euro 39 million, while net liabilities based on equity instruments decreased by Euro 14 million.

Compared to the end of 2019, the negative net IIP increased by Euro 260 million, as a result of the increase in the net liabilities based on debt instruments (of Euro 155 million) and equity instruments (of Euro 105 million).



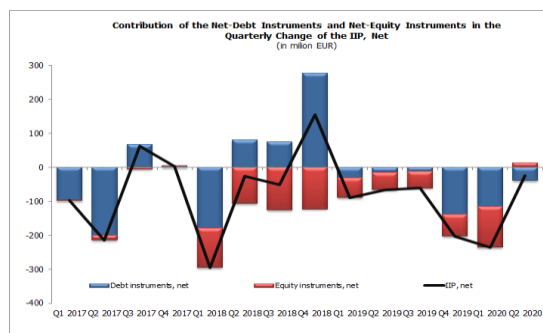
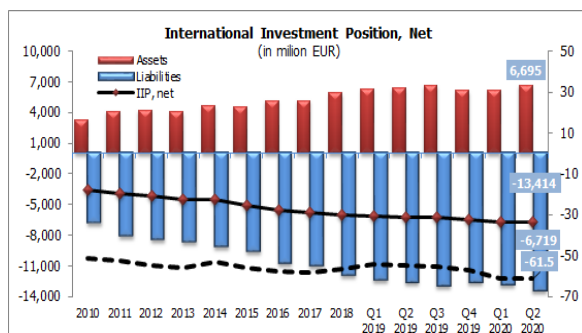
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## International Investment Position of the Republic of North Macedonia

(in millions of euros)

IIP, by instruments	2010	2011	2012	2013	2014	2015	2016	2017	Q1-2018	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020	Q2-2020
<b>Net International Investment Position</b>	<b>-3,629.5</b>	<b>-3,965.8</b>	<b>-4,177.6</b>	<b>-4,558.4</b>	<b>-4,549.0</b>	<b>-5,082.7</b>	<b>-5,576.0</b>	<b>-5,822.5</b>	<b>-6,118.0</b>	<b>-6,143.3</b>	<b>-6,193.7</b>	<b>-6,039.5</b>	<b>-6,128.1</b>	<b>-6,194.5</b>	<b>-6,255.3</b>	<b>-6,458.4</b>	<b>-6,694.1</b>	<b>-6,718.7</b>
<b>Assets</b>	<b>3,258.4</b>	<b>4,113.2</b>	<b>4,257.5</b>	<b>4,082.5</b>	<b>4,634.0</b>	<b>4,571.9</b>	<b>5,171.3</b>	<b>5,157.3</b>	<b>5,835.1</b>	<b>6,105.6</b>	<b>6,156.4</b>	<b>5,913.6</b>	<b>6,307.8</b>	<b>6,416.1</b>	<b>6,692.4</b>	<b>6,163.8</b>	<b>6,178.9</b>	<b>6,695.3</b>
Direct investment	333.6	393.6	533.6	617.8	475.6	655.0	811.9	967.6	1,021.2	1,083.9	1,125.3	896.2	1,048.7	1,149.1	1,187.6	936.8	1,033.9	1,017.5
Portfolio investment	25.9	45.5	63.1	107.7	155.0	212.6	255.2	300.2	310.4	337.2	345.1	321.2	341.1	366.2	381.5	406.1	352.5	402.3
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	0.9	0.9	1.0	1.2	2.8	2.8	2.8	2.9	2.9	3.3	3.6	4.0	4.4	4.4	4.4
Currency and deposits	555.1	588.2	537.0	540.0	623.6	615.4	627.3	635.5	668.8	675.9	683.7	694.0	674.6	591.0	618.3	580.0	559.8	556.7
Loans	86.3	320.1	246.4	91.3	98.2	67.1	52.1	56.1	348.5	349.8	312.7	74.5	374.4	336.9	393.4	79.1	295.1	161.0
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	543.0	696.9	684.1	730.3	842.7	757.4	809.6	858.8	906.1	1,013.7	977.4	1,057.2	998.8	1,040.8	979.5	894.4	915.6	913.3
Other accounts receivable/payable	0.0	0.0	0.0	1.4	1.5	1.7	0.5	0.1	0.1	0.2	0.4	0.5	0.5	0.2	0.6	0.3	0.3	0.4
Reserve assets	1,714.5	2,068.9	2,193.3	1,993.0	2,436.5	2,261.8	2,613.4	2,336.3	2,577.1	2,642.2	2,709.1	2,867.1	2,866.4	2,928.2	3,127.5	3,262.6	3,017.3	3,639.7
<b>Liabilities</b>	<b>6,887.9</b>	<b>8,079.0</b>	<b>8,435.1</b>	<b>8,640.8</b>	<b>9,183.0</b>	<b>9,654.6</b>	<b>10,747.3</b>	<b>10,979.8</b>	<b>11,953.1</b>	<b>12,248.9</b>	<b>12,350.1</b>	<b>11,953.0</b>	<b>12,435.9</b>	<b>12,610.6</b>	<b>12,947.7</b>	<b>12,622.2</b>	<b>12,873.0</b>	<b>13,414.0</b>
Direct investment	3,514.8	3,914.4	4,146.8	4,485.7	4,378.3	4,951.3	5,392.2	5,598.1	5,915.3	6,133.3	6,250.9	6,141.3	6,256.0	6,400.2	6,588.3	6,580.0	6,829.8	6,789.6
Portfolio investment	398.6	324.7	408.3	253.2	776.6	848.8	1,362.2	1,476.3	1,891.8	1,876.2	1,838.7	1,813.2	1,822.8	1,828.6	1,783.4	1,730.7	1,655.7	2,288.3
Financial derivatives (other than reserves) and employee stock options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity	0.0	0.0	0.0	4.1	4.4	4.3	6.0	2.3	2.7	3.2	3.7	4.2	4.2	4.1	4.1	4.0	4.1	4.1
Currency and deposits	195.8	134.0	198.7	168.4	157.7	148.5	174.2	195.2	191.8	192.7	191.8	206.2	208.7	221.5	207.9	254.2	259.6	276.5
Loans	2,028.5	2,785.9	2,771.8	2,883.1	3,024.4	2,961.7	3,014.7	2,872.0	3,070.9	3,159.2	3,159.8	2,883.4	3,202.6	3,181.9	3,312.7	3,100.9	3,191.0	3,207.7
Insurance, pension, and standardized guarantee schemes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	673.8	841.7	832.8	773.2	763.4	656.7	714.6	757.7	803.0	805.0	825.9	824.8	860.4	894.1	916.4	871.1	851.6	767.8
Other accounts receivable/payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special drawing rights (Net incurrence of liabilities)	76.4	78.3	76.7	73.2	78.2	83.2	83.2	78.2	77.5	79.2	79.2	79.8	81.2	80.2	81.9	81.3	81.3	80.0

Source: NBRNM.



Source: NBRNM.

## Data revisions

The 2019 data in this press release contains the changes that arise from the regular annual revision for 2019. More information on the effect of the annual revision on the gross external debt, gross external claims and IIPs for 2019 is available in the following press releases: Revision of external statistics for 2018 and 2019. In addition, the changes in the data for the period January - March 2020, to a lesser extent, result from better data coverage on loans and trade credits and advances. Regarding the direction of changes, in the first quarter of 2020, the revisions mainly reflect on reduction of **the gross external debt** (of Euro 29.3 million), as well as decrease in



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the **gross external claims** (of Euro 5.1 million). Consequently, these changes reflected on the decrease in the net external debt (of Euro 24.3 million). The change in the **net international investment position** in the first quarter of 2020 is towards an increase in the negative IIP of Euro 44 million.

### ***Supporting information***

Time series data - annual and quarterly data on gross external debt and gross external claims:  
[http://nbrm.mk/nadvoresen\\_dolg-en.nspix](http://nbrm.mk/nadvoresen_dolg-en.nspix)

Time series data - annual and quarterly data on international investment position:  
[http://nbrm.mk/megunarodna\\_investiciska\\_pozicija-en.nspix](http://nbrm.mk/megunarodna_investiciska_pozicija-en.nspix)

Methodological explanations on gross external debt and claims:  
[http://nbrm.mk/content/statistika/ND/metodologija/Methodological\\_Notes\\_debt\\_5\\_2\\_2018.pdf](http://nbrm.mk/content/statistika/ND/metodologija/Methodological_Notes_debt_5_2_2018.pdf)

Methodological explanations on international investment position:  
[http://nbrm.mk/content/statistika/mip/metodologija/Methodology\\_IIP\\_BPM6\\_9\\_10\\_2018.pdf](http://nbrm.mk/content/statistika/mip/metodologija/Methodology_IIP_BPM6_9_10_2018.pdf)

Next publications: Advance Release Calendar:  
[https://www.nbrm.mk/content/statistika/kalendar/Advance\\_Release\\_Calendar.pdf](https://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf)

Quarterly gross external debt, gross external claims and international investment position: 31 December 2020 (reference period as of September 2020).

We kindly ask journalists to contact the Governor's Office for any queries.

For more details about the disseminated statistical data, please contact us at:  
[contact.statistika@nbrm.mk](mailto:contact.statistika@nbrm.mk) or phone: 02 3215 181 extension 103 (or 110/108).