



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

Skopje, 31 December 2020

### Press Release

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

At the end of the third quarter of 2020, **the gross external debt** total Euro 9,087 million and increased on a quarterly basis. A quarterly increase was also registered in the **gross external claims**, which amounted to Euro 5,946 million at the end of the quarter. Amid higher quarterly growth of liabilities relative to claims, the **net external debt** grew by Euro 187 million, and at the end of September 2020 it amounted to Euro 3.141 million. Moreover, the increase in the net external debt in the third quarter results from the increased public net debt (by Euro 201 million), amid a decline in the private net debt (by Euro 14 million).

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

	31.12.2019		30.06.2020		30.09.2020		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>72.7</b>	<b>8,787.1</b>	<b>80.6</b>	<b>9,086.6</b>	<b>83.4</b>	<b>299.5</b>	<b>3.4</b>	<b>2.7</b>	<b>932.2</b>	<b>11.4</b>	<b>10.6</b>
<i>Central Bank from Repo Arrangements</i>	<i>8,154.4</i>	<i>72.7</i>	<i>8,712.8</i>	<i>80.0</i>	<i>8,862.1</i>	<i>81.3</i>	<i>149.3</i>	<i>1.7</i>	<i>1.4</i>	<i>707.7</i>	<i>8.7</i>	<i>8.6</i>
Long-term debt	6,068.4	54.1	6,753.3	62.0	6,827.9	62.7	74.6	1.1	0.7	759.5	12.5	8.5
Short-term debt	2,086.0	18.6	2,033.8	18.7	2,258.7	20.7	224.9	11.1	2.1	172.7	8.3	2.1
Public debt	3,836.6	34.2	4,460.3	40.9	4,642.3	42.6	182.0	4.1	1.7	805.7	21.0	8.4
Private debt	4,317.8	38.5	4,326.8	39.7	4,444.3	40.8	117.6	2.7	1.1	126.5	2.9	2.3
<b>Gross External Claims</b>	<b>5,357.0</b>	<b>47.8</b>	<b>5,832.7</b>	<b>53.5</b>	<b>5,945.6</b>	<b>54.6</b>	<b>112.9</b>	<b>1.9</b>	<b>1.0</b>	<b>588.6</b>	<b>11.0</b>	<b>6.8</b>
<i>Gross external claims-excluding claims of the Central Bank from reverse repo arrangements</i>	<i>5,357.0</i>	<i>47.8</i>	<i>5,757.1</i>	<i>52.8</i>	<i>5,721.0</i>	<i>52.5</i>	<i>-36.0</i>	<i>-0.6</i>	<i>-0.3</i>	<i>364.1</i>	<i>6.8</i>	<i>4.7</i>
<b>Net External Debt</b>	<b>2,797.4</b>	<b>25.0</b>	<b>2,954.4</b>	<b>27.1</b>	<b>3,141.1</b>	<b>28.8</b>	<b>186.6</b>	<b>6.3</b>	<b>1.7</b>	<b>343.6</b>	<b>12.3</b>	<b>3.9</b>
<b>IIP, net</b>	<b>-6,458.4</b>	<b>-57.6</b>	<b>-6,720.6</b>	<b>-61.7</b>	<b>-6,831.9</b>	<b>-62.7</b>	<b>-111.3</b>	<b>1.7</b>	<b>-1.0</b>	<b>-373.5</b>	<b>5.8</b>	<b>-5.1</b>

\*/ GDP data for 2019 is preliminary (source: State Statistical Office, Press Release Gross Domestic Product, third quarter of 2020 as of 7 December 2020). The data for 2020 is forecasted by the NBRNM (November 2020).

Source: NBRNM, SSO.

At the end of September 2020, the negative **net international investment position**<sup>1</sup> amounted to Euro 6,832 million, or 62.7% of the GDP<sup>2</sup> forecast for 2020. Most of this amount (84%) is net liabilities on direct investments, of which 76% on equity.

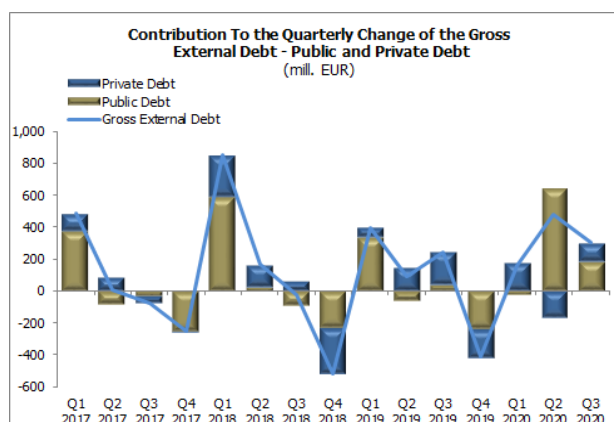
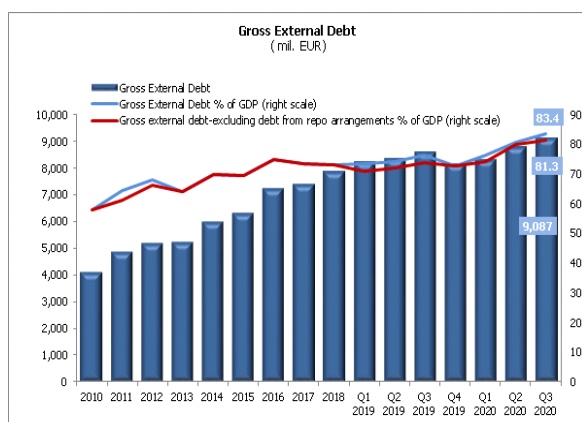
<sup>1</sup> The international investment position (IIP) is a statistical report which presents the balances of the external financial assets and financial liabilities of the Republic of North Macedonia on a specific date, i.e. claims from and liabilities to nonresidents based on financial instruments.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

<sup>2</sup> The GDP data for 2020 is forecasted by the NBRNM (November 2020).



### **Gross external debt**

At the end of September 2020, the gross external debt amounted to Euro 9,087 million (or 83.4% of GDP), which is a quarterly increase of Euro 300 million (or by 3.4%). Corrected for the effect of the specific foreign reserves management activities of the central bank<sup>3</sup> from the debt, gross debt registers quarterly increase of Euro 149 million. The growth is due mostly to the increased private debt by Euro 118 million, and to a lesser extent to the increased public debt (by Euro 32 million). The private debt growth is explained by the increased liabilities of the non-banking private sector and intercompany lending (by Euro 77 million and Euro 56 million, respectively), contrary to the reduced liabilities of private banks (by Euro 15 million). Regarding the public external debt (excluding the specific activities for managing the foreign reserves of the central bank), growth was registered in the liabilities of public banks and public enterprises (of Euro 31 million) and of the government sector (of Euro 2 million).



Source: NBRNM, SSO.

Compared to the end of 2019, the gross external debt increased by Euro 932 million, or 11.4%. With the effect of the specific activities for managing the foreign reserves of the central bank being excluded, the gross external debt increased by Euro 708 million, amid growth in the public external debt (of Euro 581 million) and in the private external debt (of Euro 127 million). The public debt growth is almost entirely explained by the increased liabilities of the government sector (by Euro 569 million), and a moderate growth is registered in the debt in public banks and public enterprises (Euro 15 million). At the same time, the private debt growth results from the

<sup>3</sup> The specific foreign reserves management activities of the central bank include repo agreements and other foreign reserves management operations. Repo transactions create liabilities (classified under the loan category) that increase gross debt. At the same time, claims created from reverse repo agreements 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.

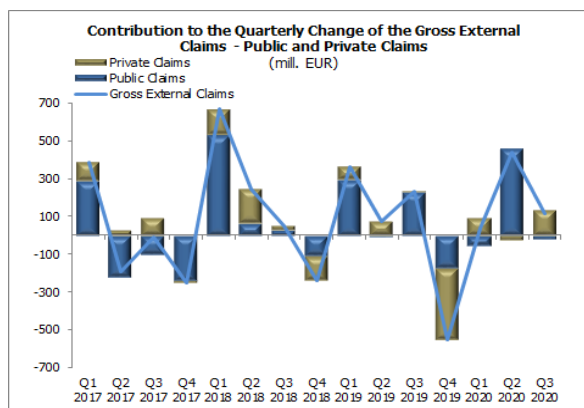
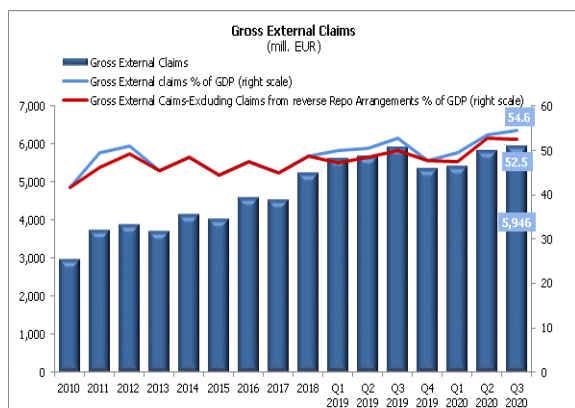


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increased liabilities of intercompany lending (by Euro 102 million), as well as of the non-banking private sector and private banks (by Euro 14 million and Euro 10 million, respectively).

### **Gross external claims**

At the end of the third quarter of 2020, the gross external claims amounted to Euro 5,946 million (or 54.6% of GDP) and registered quarterly increase of Euro 113 million (or by 1.9%). If we exclude the effect of the central bank specific activities related to foreign reserves management, the gross external claims are lower by Euro 36 million. This quarterly change is a result of the lower public claims by Euro 168 million, in conditions of higher private claims by Euro 132 million. The fall in public claims results from the reduced claims of the central bank, and the growth of private claims results from the increased claims of other sectors and intercompany lending.



Source: NBRNM, SSO.

Compared to the end of the preceding year, the external claims increased by Euro 589 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 364 million, as a result of increased private and public claims (Euro 201 million and Euro 163 million, respectively). The growth of private claims is explained by the increased claims of other sectors and intercompany lending (by Euro 119 million and Euro 100 million, respectively), amid reduced claims in deposit-taking corporations (by Euro 18 million). The growth of public claims is a reflection of the growth of the claims of the central bank.

### **Net external debt**

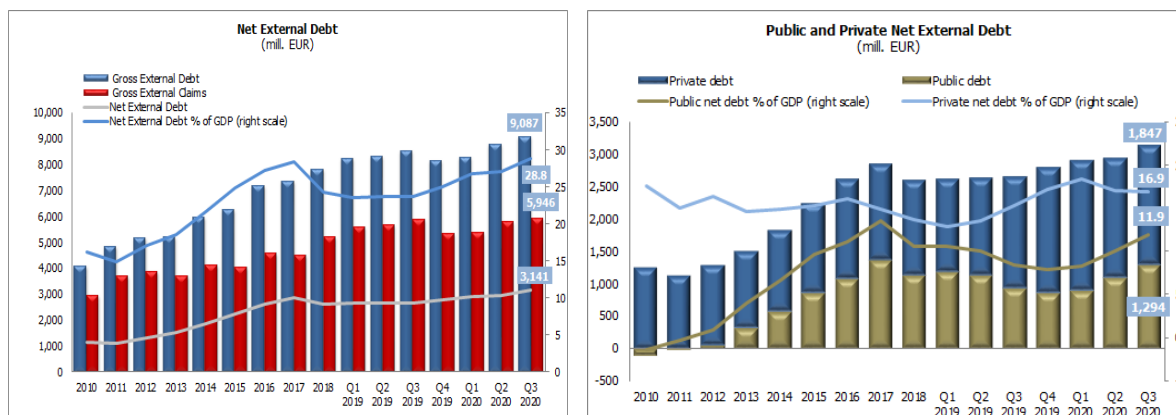
Thus, as of 30.9.2020, the net external debt equaled Euro 3,141 million (or 28.8% of the GDP). In the third quarter of 2020, the net external debt of the country increased by Euro 187 million,



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or by 6.3%. Analyzing the structure, the private net debt (59%) still has a larger share in the total net debt.

Compared to the end of 2019, the net external debt increased by Euro 344 million (or by 12.3%), as a result of the increased net public debt (by Euro 418 million) amid a decline in the net private debt (by Euro 75 million).



Source: NBRNM, SSO.

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

The negative net international investment position (IIP) during the third quarter of 2020 increased by Euro 111 million and amounted to Euro 6,832 million, representing 62.7% of the GDP forecast for 2020.

The quarterly increase in the negative net IIP reflects the faster increase in liabilities (of Euro 269 million) compared to the assets increase (of Euro 157 million). Observed by instrument, the net liabilities based on debt instruments increased by Euro 187 million, while net liabilities based on equity instruments decreased by Euro 75 million.

Compared to the end of 2019, the negative net IIP increased by Euro 373 million, for the most part due to the increase in the net liabilities based on debt instruments (of Euro 344 million) coupled with the growth of the net liabilities based on equity instruments (of Euro 30 million).



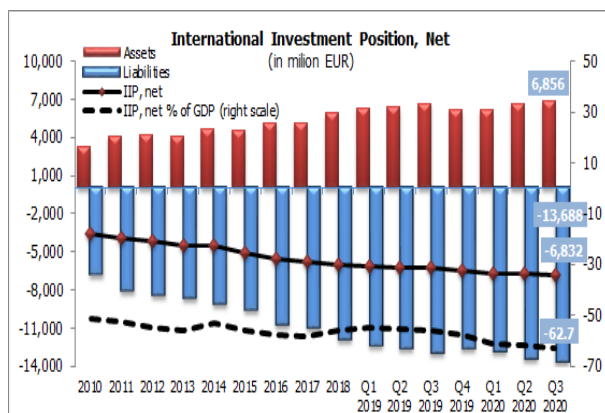
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## International Investment Position of the Republic of North Macedonia

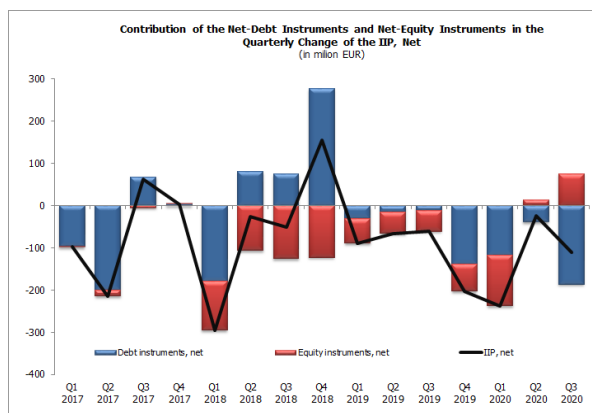
(in millions of euros)

IIP, by instruments	2010	2011	2012	2013	2014	2015	2016	2017	2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020	Q2-2020	Q3-2020
<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>-6,039.5</b>	<b>-6,128.1</b>	<b>-6,194.5</b>	<b>-6,255.3</b>	<b>-6,458.4</b>	<b>-6,696.0</b>	<b>-6,720.6</b>	<b>-6,831.9</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>5,913.6</b>	<b>6,307.8</b>	<b>6,416.1</b>	<b>6,692.4</b>	<b>6,163.8</b>	<b>6,179.1</b>	<b>6,698.8</b>	<b>6,856.1</b>
Direct investment	333.6	393.6	533.6	617.8	475.6	655.0	811.9	967.6	896.2	1,048.7	1,149.1	1,187.6	936.8	1,034.0	1,018.9	1,063.1
Portfolio investment	25.9	45.5	63.1	107.7	155.0	212.6	255.2	300.2	321.2	341.1	366.2	381.5	406.1	352.5	402.3	429.1
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
Other equity	0.0	0.0	0.0	0.9	0.9	1.0	1.2	2.8	2.9	3.3	3.6	4.0	4.4	4.4	4.4	3.9
Currency and deposits	555.1	588.2	537.0	540.0	623.6	615.4	627.3	635.5	694.0	674.6	591.0	618.3	580.0	559.8	556.7	559.1
Loans	86.3	320.1	246.4	91.3	98.2	67.1	52.1	56.1	74.5	374.4	336.9	393.4	79.1	295.1	161.0	311.5
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
Trade credit and advances	543.0	696.9	684.1	730.3	842.7	757.4	809.6	858.8	1,057.2	998.8	1,040.8	979.5	894.4	915.7	915.5	1,009.0
Other accounts receivable/payable	0.0	0.0	0.0	1.4	1.5	1.7	0.5	0.1	0.5	0.5	0.2	0.6	0.3	0.3	0.4	0.2
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	2,867.1	2,866.4	2,928.2	3,127.5	3,262.6	3,017.3	3,639.7	3,480.2
<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>11,953.0</b>	<b>12,435.9</b>	<b>12,610.6</b>	<b>12,947.7</b>	<b>12,622.2</b>	<b>12,875.1</b>	<b>13,419.4</b>	<b>13,688.0</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	6,141.3	6,256.0	6,400.2	6,588.3	6,580.0	6,831.8	6,795.0	6,821.4
Portfolio investment	398.6	324.7	408.3	253.2	776.6	848.8	1,362.2	1,476.3	1,813.2	1,822.8	1,828.6	1,783.4	1,730.7	1,655.7	2,288.3	2,288.0
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
Other equity	0.0	0.0	0.0	4.1	4.4	4.3	6.0	2.3	4.2	4.2	4.1	4.1	4.0	4.1	4.1	4.2
Currency and deposits	195.8	134.0	198.7	168.4	157.7	148.5	174.2	195.2	206.2	208.7	221.5	207.9	254.2	259.6	276.5	238.6
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	2,883.4	3,202.6	3,181.9	3,312.7	3,100.9	3,190.7	3,206.2	3,407.4
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
Trade credit and advances	673.8	841.7	832.8	773.2	763.4	656.7	714.6	757.7	824.8	860.4	894.1	916.4	871.1	852.0	769.2	849.5
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	52.9	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	79.8	81.2	80.2	81.9	81.3	81.3	80.0	78.9

Source: NBRNM.



Source: NBRNM, SSO.



### Data revisions

The data on the gross external debt and claims in this press release contain regular data revisions for the period January - June 2020. Changes in gross external debt and claims arise from the improved coverage of data on trade credits, advances and loans. Regarding the direction of changes, in the two quarters of 2020, the revision of the data led to an increase in the gross external debt (of Euro 2.1 million and Euro 5.4 million, respectively) and the gross external claims (by Euro 0.1 million and Euro 3.5 million, respectively). At the same time, these changes were reflected in both the net external debt and the net IIP, as an increase in the net external debt and higher negative net IIP (by Euro 1.9 million in both quarters).



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

***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\\_investigiciska\\_pozicija-en.nspix](http://nbrm.mk/megunarodna_investigiciska_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 March 2021 (reference period as of December 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).