

REPORT ON THE CENTRAL GOVERNMENT DEBT AS OF 30 JUNE 2020

Total Central Government debt (deposits not included) as of 30 June 2020, was 3,664.55 million EUR or 87.39% of GDP¹. Total Central Government Debt, including deposits, as of 30 June 2020 was 3,284.93 million EUR or 78.34% of GDP.

The foreign debt was 3,105.17 million EUR or 74.05% of GDP, while the domestic debt was 559.38 million EUR or 13.34% of GDP. At the end of the second quarter of 2020, deposits were 379.62 million EUR including 38,477 ounces of gold (amount of gold was EUR 60,49 million) or 9.05% of GDP.

Table 1 Government debt stock, in million eur

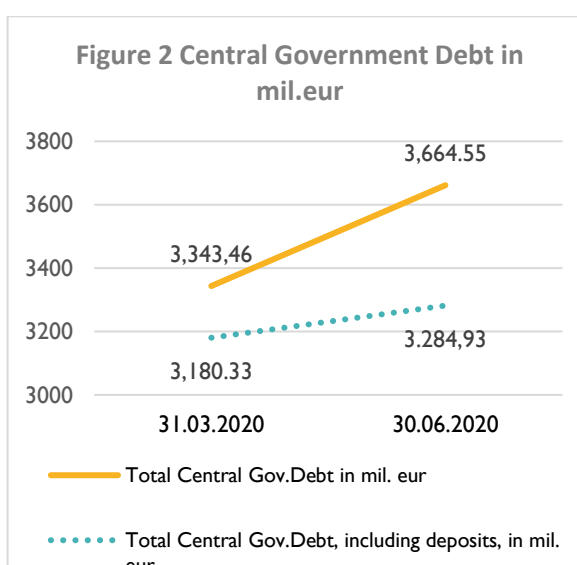
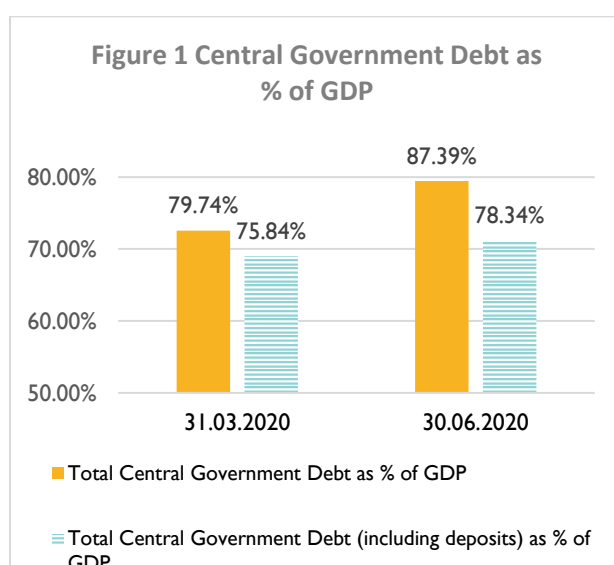
Creditor	31.03.2020	30.06.2020
International Bank for Reconstruction and Development (IBRD)	185.60	182.77
Member states of the Paris Club of Creditors	75.04	74.55
International Development Association (IDA)	31.88	28.26
European Investment Bank (EIB)	106.88	103.95
European Bank for Reconstruction and Development (EBRD)	25.31	29.01
Council of Europe Development Bank (CEB)	32.00	31.46
European Commission	0.30	0.00
Reconstruction Credit Bank (KfW) – Germany	39.64	36.86
Loan from the Government of Hungary	2.48	2.34
Loan from the Government of Poland	4.85	4.50
French loan – NATIXIS	2.97	2.60
Steiermarkische Bank und Sparkassen AG	2.20	2.20
Credit Suisse Bank	54.22	42.11
China Exim Bank	685.07	677.68
Instituto del credito oficial (ICO)	2.49	2.26
Austrian loan	1.00	1.00
Eurobond	1,227.45	1,227.45
Banka Intesa	16.67	16.67
Syndicated loan-OTP -Erste Group-Zagrebačka bank	40.50	40.50
International Fund for Agricultural Development (IFAD)	2.46	2.46
Export Development Canada EDC - Helicopters	18.85	16.20
HAPOALIM - armoured vehicles	0.00	6.03
Rapid Financing Instrument - MMF	0.00	74.33
Syndicated loan - PBG	250.00	250.00
Syndicated loan - PBG 2	0.00	250.00
Total Foreign Debt	2,807.84	3,105.17
Old currency savings	10.70	10.65
Restitution obligations	86.28	85.60
Credit from commercial banks	132.45	141.89
Pension arrears	1.90	1.90
T bills	37.90	52.90
Domestic bonds - GB16	80.41	80.41
Domestic bonds – GB24	92.44	92.44
Domestic bonds – GB26	50.00	50.00

¹According to MONSTAT data, the preliminary GDP for 2020 amounts to 4,193.2 million EUR

Legal persons and business organizations	43.54	43.58
Total Domestic Debt	535.61	559.55
TOTAL CENTRAL GOVERNMENT DEBT	3,343.46	3,664.55
Deposits	163.13	379.62
TOTAL CENTRAL GOVERNMENT DEBT (including deposits)	3,180.33	3,284.93

Table 2: Central government debt as % of GDP

	31.03.2020	30.06.2020
Total Central Government Debt as % of GDP	72.57%	87.39%
Total Central Government Debt (including deposits) as % of GDP	69.03%	78.34%
Domestic Debt as % of GDP	11.63%	13.34%
Foreign Debt as % of GDP	60.94%	74.05%
Deposits as % of GDP	3.54%	9.05%



During the second quarter of 2020, the Government disbursed the amount of 349.9 million EUR for the needs of realization of infrastructure and development projects, as well as for the needs of budget financing.

From the mentioned amount, 8.79 million USD (7.96 million EUR)² was disbursed from the loan with Exim China Bank for the Project of financing the construction of the first section of the Highway Bar-Boljare; Smokovac-Matešev. For other infrastructure and development projects, for the needs of road construction, water supply, energy efficiency, social housing, agricultural development, procurement of military equipment and similarly, the amount of 17.61 million EUR was withdrawn. The rest of the withdrawn funds refer to withdrawals based on two credits arrangements, concluded in the second quarter of 2020, for the purpose of financing the budget.

Credit arrangements concluded with foreign creditors in the second quarter of 2020 are:

- with Hapoalim Bank from Israel, for upgrade of armored vehicles for the Ministry of Defense, in the amount of 30.01 million EUR;
- with the trade union of banks (OTP, Credit Suisse, Crnogorska komercijalna banka and Societe Generale), with a guarantee from the World Bank, which provided the amount of 250 million EUR, which will be used for the budget financing;

² Exchange rate as of 30 June, 2020

- with the International Monetary Fund - IMF, in the amount of 74.3 million EUR implemented through the Rapid Financing Instruments (RFI) program, for the purposes of budget financing;

In addition to the above mentioned, during the second quarter, the following long-term credit arrangements were concluded with domestic banks for the purpose of financing capital projects of the Public Works Administration:

- NLB Banka, in the amount of 10.0 million EUR,
- Komercijalna Banka A.D. Podgorica, in the amount of 5.0 million EUR.

During the second quarter of 2020, repayment of principal of the Central Government Debt was in the total amount of 40.66 million EUR, out of which 5.55 million EUR referred to repayment of debt to residents. Repayment of debt to non-residents was 35.10 million EUR. Interest has been repaid in total amount of 29.54 million EUR, out of which 5.73 million EUR referred to repayment of interest to residents, while 23.81 million EUR was paid to non-residence. During the second quarter of 2020, repayment of old currency savings debt was 0.05 million EUR.

Figure 3 Interest Rate Structure of Central Government Debt (30.06.2020)

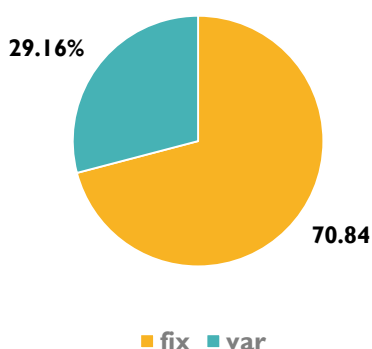


Figure 4 Currency Structure of Central Government Debt (30.06.2020)

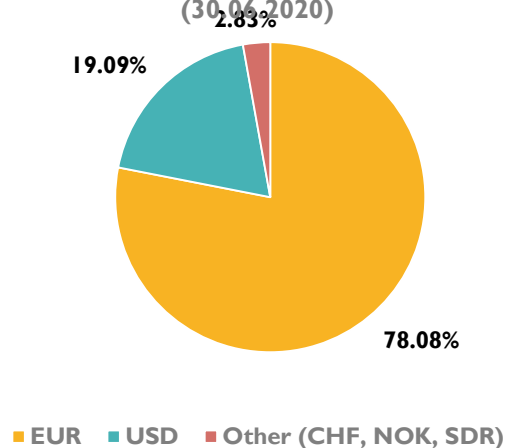


Figure 5 Share of Domestic and Foreign Debt (30.06.2020.)

