

Report on the Central Government Debt as of 31 March 2018

Total Central Government debt as of 31 March 2018, was EUR 2,665.3 million or 57.16% of GDP. The foreign debt was EUR 2,196.1 million, while the domestic debt was EUR 469.2 million. At the end of first quarter of 2018 deposits were EUR 72.4 million or 1.55% of GDP.

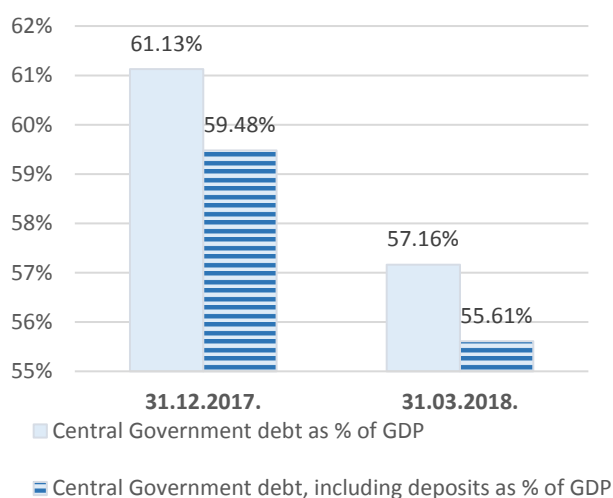
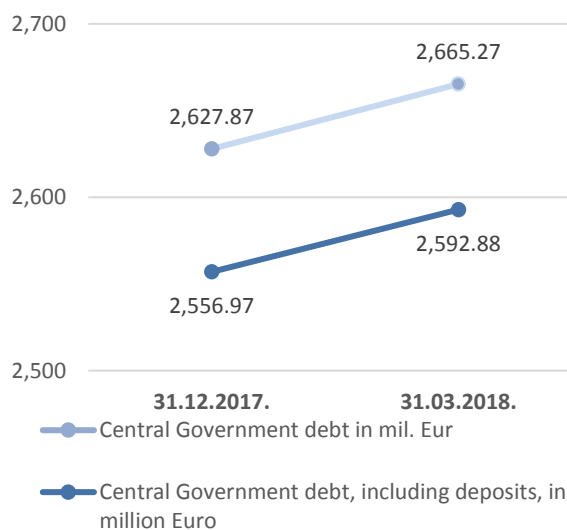
Table 1: Government debt stock, in million Euro

Creditor	Debt stock as of 31.12.2017.	Debt stock as of 31.03.2018.
International Bank for Reconstruction and Development (IBRD)	197.55	197.31
Member states of the Paris Club of Creditors	87.47	84.39
International Development Association (IDA)	44.39	43.76
European Investment Bank (EIB)	98.18	97.20
European Bank for Reconstruction and Development (EBRD)	14.90	14.99
Council of Europe Development Bank (CEB)	20.66	20.66
European Commission	1.70	1.50
Reconstruction Credit Bank (KfW) – Germany	40.76	42.14
Loan from the Government of Hungary	5.49	5.01
Loan from the Government of Poland	6.24	6.24
French loan – NATIXIS	4.72	4.67
EUROFIMA	8.55	8.49
Czech Exim Bank	1.04	1.04
Steiermarkische Bank und Sparkassen AG	7.70	6.60
Credit Suisse Bank	138.44	138.44
China Exim Bank	337.88	334.08
Instituto del credito oficial (ICO)	3.40	3.40
Austrian loan	3.76	3.15
EUROBOND	1,080.00	1,080.00
Banka Intesa	30.00	30.00
Syndicated loan-OTP -Erste Group-Zagrebačka bank	81.00	72.90
International Fund for Development IFAD	0.15	0.15
TOTAL FOREIGN DEBT	2,213.97	2,196.12
Old currency savings	13.74	13.44
Restitution obligations	87.82	87.47
Credit from commercial banks	107.47	104.55
Pension arrears	1.92	1.92
T bills	77.54	139.60
Domestic bonds - GB14	5.87	0.00
Domestic bonds - GB16	80.41	80.41
Legal persons and business organizations	39.13	41.76
TOTAL DOMESTIC DEBT	413.89	469.15
TOTAL CENTRAL GOVERNMENT DEBT	2,627,87	2,665,27
Deposits	70.90	72.39
TOTAL CENTRAL GOVERNMENT DEBT (including deposits)	2,556.97	2,592.88

Compared to GDP the Central Government debt is presented in the following table.

Table 2: Central Government Debt as % of GDP

	31.12.2017.	31.03.2018.
TOTAL CENTRAL GOVERNMENT DEBT AS % OF GDP	61.1%	57.16%
TOTAL CENTRAL GOVERNMENT DEBT (including deposits) AS % OF GDP	59.5%	55.61%
DOMESTIC DEBT AS % OF GDP	9.6%	10.06%
TOTAL FOREIGN DEBT AS % OF GDP	51.5%	47.10%
DEPOSITS AS % OF GDP	1.6%	1.55%

Figure 1 Central Government debt as % of GDP**Figure 2 Central Government debt in million eur**

GDP in 2017: EUR 4,299 million

GDP in 2018: EUR 4,663 million

The Central Government debt increased by EUR 37.4 million if compared to the end 2017, mainly as a result of borrowings under Treasury bills.

During the first quarter of 2018, the Government of Montenegro borrowed the amount of EUR 8,2 million for the needs of implementation of infrastructure projects, including the construction of the first section of the Bar-Boljare Highway.

For the Project of financing the construction of the first section of the Bar-Boljare Highway, Smokovac - Mateševo, during the first quarter of 2018, the total amount of USD 6.4 million, or EUR 5.2 million¹, was borrowed from the loan with the Chinese Exim Bank, while for the above mentioned project, in the same period, an amount of around EUR 0.8 million was provided from the budget.

In the period from 01. January, 2018 to 31. March, 2018 the following loan facilities have been concluded:

¹ Exchange rate as of 31-March-2018

- „MIDAS 2“ - Strengthening the institutions and agriculture of Montenegro II Project, with the International Bank for Reconstruction and Development (IBRD), in amount of EUR 30 million;
- „Revenue Administration Reform Project“, with the International Bank for Reconstruction and Development (IBRD), in amount of EUR 14 million;
- for the needs of the Ministry of Defense, for the procurement of three helicopters, with Export Development Canada (EDC), in amount of EUR 26.55 million;

During the first quarter of 2018, the central government debt repayment was in the total amount of EUR 99.75 million, out of which EUR 82.57 million referred to repayment of debt to residents, which includes EUR 74.53 million for refinancing Treasury bills, while repayment of debt to non-residents amounted to EUR 17.18 million. The reduction of debt for old foreign currency savings, in the reporting period, amounted to EUR 0.3 million.

Figure 1: Currency structure of Central Government debt (31.03.2018.)

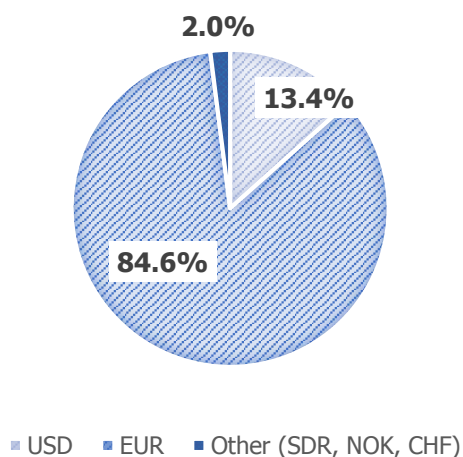


Figure 2: Interest rate structure of Central Government debt (31.03.2018.)

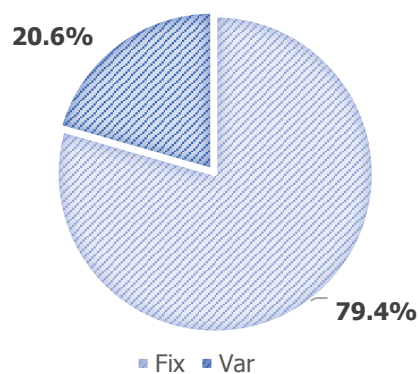


Figure 3: Share of domestic and foreign debt (31.03.2018.)

