**REPORT ON THE CENTRAL GOVERNMENT DEBT AS OF 31 DECEMBER 2019**

Total Central Government debt (deposits not included) as of 31.12.2019, was 3,708.67 million euro, or 74.91% of GDP[[1]](#footnote-1). Total Central Government Debt, including deposits, was 3,111.55 million euro, or 62.85% GDP.

The Foreign debt was 3,128.72 million euro, or 63.19% GDP, while the Domestic debt was 579.96 million euro, or 11.71% GDP. At the end of the fourth quarter of 2019, deposits amounted 597.13 million euro or 12.06% GDP.

#  TABLE 1 GOVERNMENT DEBT STOCK, IN MILLION EUR

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Creditor**  | **31.03.2019.**  | **30.06.2019.**  | **30.09.2019.**  | **31.12.2019.**  |
| **International Bank for Reconstruction and Development (IBRD)**  | 189.17  | 184.28  | 186.88  | 184.88  |
| **Paris Club of Creditors**  | 81.02  | 80.73  | 78.56  | 78.04  |
| **International Development Association (IDA)**  | 38.73  | 35.13  | 35.64  | 31.98  |
| **European Investment Bank (EIB)**  | 114.77  | 112.07  | 110.59  | 107.66  |
| **Europeant Bank for Reconstruction and Development (EBRD)**  | 17.19  | 18.18  | 20.34  | 23.27 |
| **Council of Europe Development Bank (CEB)**  | 23.74  | 30.92  | 33.05  | 32.51  |
| **European Commission**  | 0.60  | 0.30  | 0.30  | 0.30  |
| **German Development Bank (KFW)**  | 42.32  | 40.02  | 42.58  | 38.31  |
| **Loan from the Government of Hungary**  | 3.75  | 3.60  | 3.12  | 2.97  |
| **Loan from the Government of Poland**  | 5.54  | 5.19  | 5.19  | 4.85  |
| **French loan - NATIXIS**  | 3.82  | 3.45  | 3.40  | 3.02  |
| **Steiermarkische Bank und Sparkassen AG**  | 4.40  | 4.40  | 3.30  | 3.30  |
| **Credit Suisse Bank**  | 126.33  | 114.22  | 54.22  | 54.22  |
| **Chinese EXIM Bank**  | 571.13  | 582.99  | 652.00  | 671.71  |
| **Instituto del credito oficial (ICO)**  | 2.94  | 2.72  | 2.72  | 2.49  |
| **Austrian Loan- Erste bank**  | 1.94  | 1.94  | 1.33  | 1.33  |
| **Eurobond**  | 1,217.65  | 1,048.54  | 1,048.54  | 1,548.54  |
| **Bank Intesa**  | 23.33  | 23.33  | 20.00  | 20.00  |
| **Syndicated loan-OTP -Erste GroupZagrebačka banka**  | 56.70  | 56.70  | 48.60  | 48.60  |
| **IFAD**  | 1.51  | 1.51  | 1.51  | 1.89  |
| **Export Development Canada EDC**  | 24.16  | 21.51  | 21.51  | 18.85  |
| **Syndicated loan - PBG**  | 250.00  | 250.00  | 250.00  | 250.00  |
| **Total Foreign Debt**  | 2,800.74  | 2,621.73  | 2,623.37  | 3128.72  |
| **Old Currency Savings**  | 11.71  | 11.55  | 11.02  | 10.81  |
| **Restitution obligations**  | 87.34  | 87.01  | 85.47  | 86.35  |
| **Loans from commercial banks**  | 84.91  | 76.23  | 72.72  | 140.23  |
| **Pension Arrears**  | 1.91  | 1.91  | 1.91  | 1.90  |
| **T-bills**  | 72.00  | 72.00  | 72.00  | 72.00  |
| **Domestic Bond - GB16**  | 80.41  | 80.41  | 80.41  | 80.41  |
| **Domestic Bond - GB24**  | 0.00  | 92.44  | 92.44  | 92.44  |
| **Domestic Bond - GB26**  | 0.00  | 50.00  | 50.00  | 50.00  |
| **Legal persons and business organizations**  | 40.36  | 40.40  | 38.55  | 45.80  |
| **Total Domestic Debt**  | 378.64  | 511.95  | 504.52  | 579.96  |
| **TOTAL CENTRAL GOVERNMENT DEBT**  | 3,179.38  | 3,133.68  | 3,127.89  | 3,708.67  |
| **Deposits**  | 253.70  | 184.03  | 157.58  | **597.13**  |
| **TOTAL CENTRAL GOVERNMENT DEBT** **(Including deposits)**  | **2,925.68**  | **2,949.65**  | **2,970.32**  | **3,111.55**  |

# TABLE 2 CENTRAL GOVERNMENT DEBT AS % OF GDP

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **31.03.2019.**  | **30.06.2019.**  | **30.09.2019.**  | **31.12.2019.**  |  |
| Total Central Government Debt as % of GDP  | 64.21% | 63.29% | 63.18% | 74.91% |  |
| Total Central Government Debt (including deposits) as % of GDP  | 59.09% | 59.58% | 60.00% |  62.85%. |  |
| Domestic Debt as % of GDP  | 7.65% | 10.34% | 10.19% | 11.71% |  |
| Foreign Debt as % of GDP  | 56.57% | 52.95% | 52.99% | 63.19% |  |
| Deposits as % of GDP  | 5.12% | 3.72% | 3.18% | 12.06% |  |

3179,38

3133,68

3127,89

3708,67

2925,68

2949,65

2970,32

3111,55

2000,00

2400,00

2800,00

3200,00

3600,00

4000,00

31.03.2019

30.06.2019

30.09.2019

31.12.2020

**Figure**

**1**

**Central Government Debt in mill. EUR**

General Government Debt in mill.EUR

General Government Debt, including deposits, in mill.EUR

64

.21%

63

.29%

.18%

63

74

.91%

.09

59

%

%

.58%

59

%

60

.00

62

.85%

0

,00%

20

,00%

,00%

40

60

,00%

,00%

80

31.03.2019

30.06.2019

30.09.2019

31.12.2019

**Figure 2 Central Government Debt as % of GDP**

General Government Debt as % of GDP

General Government Debt, including deposits % of GDP

During the fourth quarter of 2019, the Central Government Debt increased mainly due to the issuance of Eurobonds in the amount of 500.00 million euro, with the interest rate of 2.55% and 10 years maturity, which represent the most favourable Eurobond borrowing conditions achieved so far. Also, the impact on the debt increase had the loan arrangement executed with Crnogorska Komercijalna banka AD Podgorica, in the amount of 30.00 million euro, for purchasing of armored vehicles, for the needs of the Ministry of Defence, as well as the long-term credit arrangement, in the amount of 47.00 million euro, concluded with the Podgorička Banka AD Podgorica, to provide the missing funds for the needs of budget financing in 2019.

At the same time, the increase in debt in the fourth quarter was also caused by the withdrawal of loan funds for the needs of implementation of the infrastructure projects, mainly the construction of the priority section of the Smokovac - Uvač - Mateševo highway, in the amount of USD 38.6 million, or 28.15[[2]](#footnote-2) million euro.

For implementation of the infrastructure projects, the remaining amount of 10.82 million euro was withdrawn for the needs of road construction, water supply, energy efficiency, social housing, tax administration reform and agriculture development.

During the fourth quarter of 2019, the following loan arrangements for development projects have been concluded:

* with the Council of Europe Development Bank, for the implementation of the Project "Preschool Infrastructure in Montenegro - 2", in the amount of 10 million euro;
* with the Council of Europe Development Bank, for the implementation of the Project "Social housing for low-income persons - Project 1000+" phase IV, in the amount of 10 million euro;
* with the European Investment Bank, for the implementation of the Project "Program for the Improvement of Montenegrin Education", in the amount of 18 million euro;
* with the German Development Bank - KfW, for the implementation of the Energy Efficiency Program in Public Buildings - Phase III, in the amount of 45 million euro.
* with the International Bank for Reconstruction and Development, for the Project "Tax Administration Reform- Additional Financing", in the amount of 4.8 million euro.

During the fourth quarter of 2019, the Central Government Debt repayment of principal was in total amount of 33.47 million euro, out of which 9.49 million euro referred to repayment of the debt to residents; while repayment of debt to non-residents was 23.98 million euro. Interest has been repaid in total amount of 22.64 million euro, out of which 4.46 million euro referred to repayment of interest to residents, while 18.18 million euro was paid to non-residence. Decrease off the debt related to the old currency savings debt amounted 0.13 million euro.

|  |  |
| --- | --- |
| **Figure3 Intrest rate structure of the debt** | **Figure 4 Share of the Domestic and Foreign Debt** |

**79**

**,8%**

**20**

**,2%**

fix

var

**84**

**,4%**

**15**

**,6%**

Foreign Debt

Domestic debt

**Figure 5 Currency Structure of the**

**Central Government Debt**

80

,4%

18

,7%

0

,9%

EUR

USD

Other

1. According to the MONSTAT-a, GDP for 2019 is 4,951 million eur [↑](#footnote-ref-1)
2. Exchange rate as of 31 December, 2019 [↑](#footnote-ref-2)