



**NATIONAL BANK OF SERBIA**

# **ANALYSIS OF THE REPUBLIC OF SERBIA'S DEBT**

**March 2014**

Belgrade, May 2014



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## Overview

Down by EUR 338.2 mln from a quarter earlier, external debt of the Republic of Serbia amounted to EUR 25.5 bln at end-March 2014. Depreciation of the euro against other currencies in which the debt is denominated on the one hand, and other changes on the other (caused by reporting delays, debt write-off and rescheduling) pushed up the euro-denominated external debt by EUR 23.0 mln and EUR 6.0 mln respectively. The trend of net repayment of external debt by banks continued. By contrast to the previous period, external debt of the public sector also declined, owing to a reduction in NBS debt to the IMF. In Q1, an increase in external borrowing was noted for enterprises only.

Thanks to the reduction in external debt, **all indicators of external solvency improved as well.** Particularly important is the improvement in the indicator of external debt relative to exports of goods and services, which is often emphasised as the most significant since exports represent the basis of sustainable servicing of external debt. Owing not only to the narrowing in external debt, but also to elevated imports, this indicator fell by 8.1 pp to 171.6% (or 143.4%, remittances included), which is below the World Bank's boundary of sustainability (up to 220%). The external debt to GDP ratio continued down to 80.0%. **External liquidity indicators also improved** relative to the quarter before. The indicator observing the share of external debt repayment in exports of goods and services improved the most – by 4.0 pp to 27.2% in Q1.

As the government borrowed through the issuance of long-term securities in the domestic financial market, Serbia's public debt increased in Q1. By end-March, it amounted to EUR 20.5 bln, up by EUR 365.8 mln relative to end-2013. **Public debt sustainability indicators worsened, other than indicators observing public debt relative to exports.** The share of public debt in exports of goods and services fell by 2.1 pp to 138.0%. However, the share of public debt in estimated GDP was up by 1.3 pp to 65.1%. Furthermore, the timing of debt maturities resulted in **the worsening of sustainability indicators, following three consecutive quarters of improvement.** The indicator observing public debt repayment relative to budgetary revenues deteriorated the most, rising to 39.1% in Q1. An increase was noted also for the share of public debt repayment in GDP (15.7%), exports of goods and services (33.2%) and exports of goods and services including remittances (28.4%).

## A. External debt

**External debt** of the Republic of Serbia decreased by EUR 338.2 mln from the previous quarter to EUR 25.5 bln by end-March. The decline was prompted by government debt repayment of EUR 367.2 mln net, while depreciation of the euro against other currencies in which the debt is denominated on the one hand (EUR 23.0 mln) and other changes<sup>1</sup> on the other (EUR 6.0 mln) pushed up the euro-denominated external debt. In the period observed, enterprises engaged in fresh borrowing, while public and banking sectors were repaying their debts.

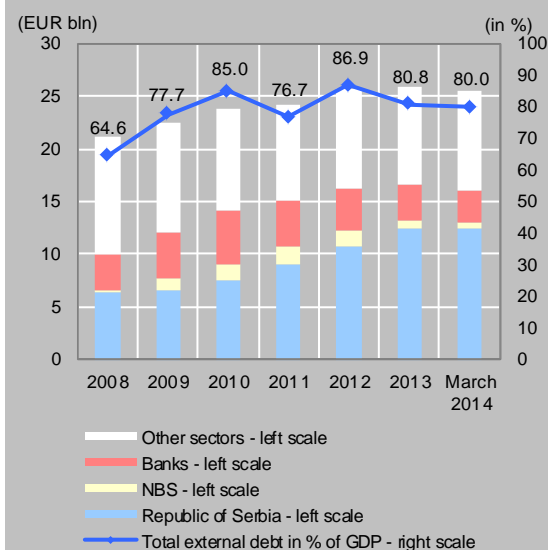
The debt structure by **original maturity** shows a 0.6% share of short-term debt by end-March, down by 0.2 pp from end-2013. In terms of **remaining maturity**, the share of short-term in total external debt equalled 16.2%, up by 0.3 pp q-o-q.

As regards the **currency structure of external debt**, the euro-denominated debt increased by 0.2 pp to 69.6%, while the share of dollar debt was up by 0.6 pp to 24.0%. The share of debt in SDRs went down by 0.6 pp to 3.7%, while debt in Swiss francs fell by mere 0.1 pp to 2.0%. The share of debt in other currencies remained unchanged (0.7%).

**External solvency** indicators improved further. The ratio of external debt to estimated GDP fell by 0.8 pp to 80.0% in Q1. The share of external debt in exports of goods and services inclusive of remittances<sup>2</sup> was down by 5.3 pp to 143.4%, which is within the boundary of sustainability according to the World Bank criterion (up to 220%). The movements of this indicator are positive also with the inflow of remittances excluded – by 8.1 pp from end-2013 to 171.6%. This suggests that the country is moving away from the risky boundary of solvency owing to a rise in exports.

As regards **external liquidity** indicators, the ratio of external debt repayment (principal and interest) to estimated GDP fell by 1.2 pp to 12.8% in Q1. At the same time, the share of principal repayment in GDP was 10.0%, and the share of interest repayment 2.8%. The ratio of external debt repayments to exports of goods and services inclusive of remittances<sup>2</sup> fell by 2.5 pp to 23.2%. Excluding remittances, the ratio fell by 4.0 pp to 27.2%.

Chart 1 External debt by debtor



Sources: RS Ministry of Finance and National Bank of Serbia.

Based on the stock of external debt at end-March 2014, total **principal and interest payments planned** for Q2 2014 equal EUR 1.4 bln. Of this amount, EUR 1.2 bln relate to principal and EUR 175.0 mln to interest payment. Planned repayments of the public sector are estimated at EUR 430.3 mln (principal – EUR 344.2 mln and interest – EUR 86.1 mln), and of the private sector at EUR 934.5 mln (principal – EUR 845.7 mln and interest – EUR 88.8 mln). Of total planned external debt repayments by the private sector, EUR 224.8 mln relate to banks and EUR 709.7 mln to enterprises.

<sup>1</sup> Other changes arise from reporting delays and debt write-off and rescheduling.

<sup>2</sup> According to the World Bank methodology presented in the publication "World Development Indicators", debt repayments can be analysed in relation to exports of goods and services, inclusive of remittances if they represent a stable and significant inflow, which is the case with Serbia.

Table 1 Indicators of Serbia' external position

	2008.	2009.	2010.	2011.	2012.	2013.	2014 by quarters Q1
<b>External solvency indicators (in %)</b>							
External debt/GDP	64.6	77.7	85.0	76.7	86.9	80.8	80.0
Short-term debt/GDP	16.2	17.0	18.9	12.8	15.2	12.9	12.9
External debt/exports	207.6	265.3	236.2	210.3	217.4	179.7	171.6
External debt/exports and remittances	168.7	191.8	181.2	169.1	176.6	148.7	143.4
<b>External liquidity indicators (in %)</b>							
Foreign reserves/imports (in months)	5.2	9.5	8.2	8.7	7.6	7.4	6.9
Foreign reserves/short-term debt	154.5	214.9	189.4	298.6	242.8	272.1	252.6
Foreign reserves/GDP	24.9	36.6	35.8	38.3	36.9	35.0	32.7
Debt repayment/GDP*	10.9	13.5	12.7	13.3	14.0	14.0	12.8
Debt repayment/exports*	35.1	46.0	35.3	36.5	35.0	31.2	27.2
Debt repayment/exports and remittances*	28.5	33.2	27.1	29.3	28.4	25.8	23.2

\* Превремена отплата дела дуга према Лондонском клубу поверилаца искључена је из података о отплати дуга за друго тромесечје 2013.

Source: National Bank of Serbia.

Methodological explanations:

- Foreign reserves/imports of goods and services (in months) - ratio of foreign reserves at the end of the period observed and the average monthly imports of goods and services during the same period.
- Foreign reserves/short-term external debt - ratio of the stock of foreign reserves and the stock of short-term external debt by remaining maturity at the end of the period observed.
- Foreign reserves/GDP - ratio of the stock of foreign reserves at the end of the period observed and GDP in the last four quarters.
- External debt repayment/GDP - ratio of external debt repayment and GDP during the period observed.
- External debt repayment/exports of goods and services - ratio of external debt repayment and exports of goods and services during the period observed.
- External debt repayment/exports of goods and services plus remittances - ratio of external debt repayment and exports of goods and services plus remittances during the period observed.
- External debt/GDP - ratio of the stock of external debt at the end of the period observed and GDP in the last four quarters.
- External debt/exports of goods and services - ratio of the stock of external debt at the end of the period observed and the value of exports of goods and services over the last 12 months.
- Short-term external debt/GDP - ratio of the stock of short-term external debt by remaining maturity at the end of the period observed and GDP in the last four quarters.
- External debt/exports of goods and services - ratio of the stock of external debt at the end of the period observed and the value of exports of goods and services over the last 12 months
- External debt/exports of goods and services plus remittances - ratio of the stock of external debt at the end of the period observed and the value of exports of goods and services plus remittances over the last 12 months.

**1. External debt of the public sector<sup>3</sup>** fell by EUR 198.3 mln to EUR 13.0 bln in Q1. Its share in total external debt was down by 0.1 pp to 50.9%, and by 0.5 pp to 40.7% in estimated GDP. In the period observed, debt repayment by the public sector was somewhat heftier (EUR 205.0 mln net), while depreciation of the euro and other changes pushed up debt repayments by EUR 6.7 mln.

External debt of the government, whose share in public external debt was dominant (83.5%), increased in Q1 by EUR 4.0 mln to EUR 10.8 bln (34.0% of estimated GDP). External sovereign debt fell by EUR 7.6 mln to EUR 1.3 bln. Local government debt was down by EUR 9.6 mln to EUR 269.4 mln, while debt of government funds and agencies remained unchanged (EUR 25.0 mln). The NBS reduced its share in external public debt (4.3%)

by EUR 185.1 mln to EUR 563.4 mln, mainly on account of regular debt repayment to the IMF.

**2. External debt of the private sector** contracted by EUR 139.9 mln to EUR 12.5 bln. Its share in estimated GDP fell by 0.3 pp to 39.3%. The reduction was caused by net repayment of foreign loans (EUR 162.2 mln). Other changes and euro's depreciation drove up debt (EUR 22.3 mln).

The highest net repayments of long-term loans were recorded in the banking (EUR 210.9 mln), financial leasing (EUR 11.2 mln) and construction (EUR 10.1 mln) sectors, while the highest net borrowings were observed in mining (EUR 55.9 mln), real estate business (EUR 10.2 mln) and transport and storage (EUR 8.5 mln).

**2.1. External debt of banks** was cut by EUR 264.4 mln to EUR 3.1 bln in Q1. Debt decreased on account of bank debt repayment by EUR 267.6 mln net, while other changes and euro's depreciation triggered an increase (EUR 3.2 mln). At the same time, banks reduced their long-term external debts

<sup>3</sup> External debt of the public sector of the Republic of Serbia includes government debt (including the debt of Kosovo and Metohija under loans concluded before the arrival of the KFOR mission, non-regulated debt to Libya and clearing debt to the former Czechoslovakia), debt of the NBS, local governments, government funds and agencies and government-guaranteed debt.

by EUR 207.7 mln and short-term debts by EUR 56.7 mln).

In Q1, banks concluded long-term loans worth EUR 22.5 mln, at the weighted average rate of 1.7% and the maturity of seven years and seven months. Of these loans, 55.6% were contracted at a variable interest rate.

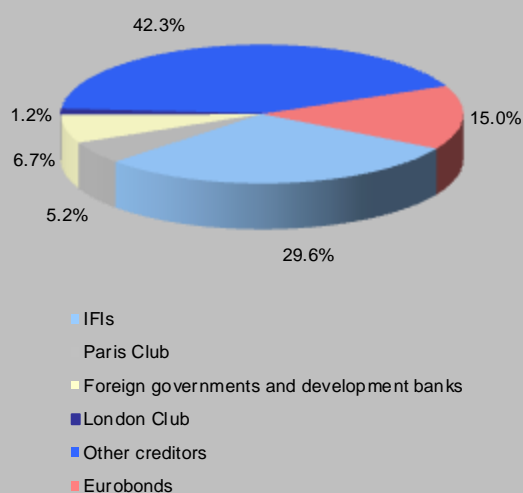
**2.2. External debt of enterprises** was up by EUR 124.5 mln to EUR 9.4 bln, which represents 75.0% of total private external debt. It is a favourable development that long-term debt went up by EUR 128.2 mln and at the same time short-term debt fell by EUR 3.7 mln. The increase in enterprise debt was fuelled by net borrowing under long-term and short-term loans by EUR 104.8 mln and EUR 0.6 mln respectively, as well as by other changes and euro's depreciation (EUR 19.1 mln).

In the period under review, enterprises disbursed EUR 297.1 mln in long-term loans, of which 24.5% were loans of related enterprises, 34.4% of foreign banks and financial institutions related to domestic banks, and 41.1% of other creditors.

Furthermore, enterprises contracted new long-term loans worth EUR 554.2 mln, at the average maturity of 7 years and 2 months, and a weighted average rate of 6.2%. A relatively high weighted average rate was contracted for two loans of related persons – these two loans excluded, the rate is much lower and equals 3.8%.

**2.3. External debt of other sectors** rose by EUR 0.03 mln to EUR 1.4 mln.

**Chart 2 Republic of Serbia's external debt by foreign creditor**  
(as at 31 March 2014)



Source: NBS.

## B. Public debt

**Public debt of the Republic of Serbia**<sup>4)</sup> amounted to EUR 20.5 bln or 65.1% of estimated GDP<sup>5)</sup> in late March 2014, up by EUR 365.8 mln on the previous quarter. Cross-currency changes pushed down the euro-denominated public debt by EUR 7.7 mln. Government borrowing through securities sale in the domestic financial market had the strongest impact on the increase in public debt.

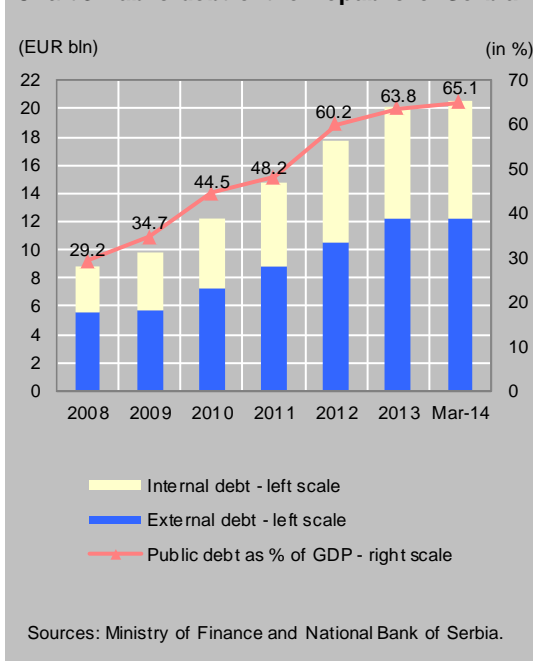
**Internal public debt** went up by EUR 362.3 mln to EUR 8.3 bln in Q1. The increase was prompted primarily by the issuance of dinar and euro long-term securities in the domestic market. Other items of government direct internal debt recorded no significant changes in the quarter under review.

**External public debt** reached EUR 12.2 bln by late Q1, up by EUR 3.4 mln on end-2013.

**Indirect government liabilities** contracted further. In Q1, they fell by EUR 39.7 mln to EUR 2.8 bln. Unlike the quarter before, government indirect internal and external debt went down by EUR 31.3 mln and EUR 8.4 mln respectively.

The public debt structure by **original maturity** shows the share of short-term debt rising by 0.2 pp to 6.6% in Q1. The share of medium-term debt (from one to five years) and long-term debt (above five years) was 20.7% and 72.6% respectively. In terms of **remaining maturity**, the share of short-term debt increased more than by original maturity – by 1.9 pp to 13.0%. Medium- and long-term debt accounted for 36.0% and 51.0% respectively.

Chart 3 Public debt of the Republic of Serbia



20.9%. By contrast to the previous quarter when the share of dollar debt increased significantly because of the sale of dollar-denominated eurobonds, Q1 saw a decline in dollar debt by 0.4 pp to 27.4%. The share of debt in SDRs fell by 0.1 pp to 4.5%. The share of euro debt remained dominant, at 45.8%. The share of debt in Swiss francs (0.9%) and other currencies (0.6%) was also unchanged.

Table 2 Stock of the Republic of Serbia's public debt

(EUR bln)

	2008	2009	2010	2011	2012	2013	2014 by quarters
							Q1
1. Internal debt	3.2	4.2	4.9	6.0	7.2	7.9	8.3
2. External debt	5.6	5.7	7.2	8.8	10.5	12.2	12.2
TOTAL (1+2)*	8.8	9.8	12.2	14.8	17.7	20.1	20.5

\* Any potential differences in the sum amount are due to rounding to one decimal place.

Sources: Ministry of Finance.

In terms of the **currency structure**, the share of dinar debt increased further in Q1 – by 0.6 pp to

As regards the **interest structure of public debt**, in contrast to the tendency noted over the previous quarters, the share of variable-rate debt rose by 1.1 pp to 26.2%. Of this, most debt was linked to the euro EURIBOR and LIBOR (69.3%), other variable rates (19.2%), USD LIBOR (9.2%), and the Swiss franc (1.7%).

<sup>4)</sup> Public debt of the Republic of Serbia is shown by the methodology of the RS Ministry of Finance. Following that methodology, external public debt does not include NBS liabilities, non-regulated RS liabilities including clearing debt, and a portion of debt of the local government and government agencies that is not government-guaranteed.

<sup>5)</sup> In its monitoring of the share of public debt in GDP, the NBS follows standard international practice and observes public debt in relation to GDP estimated for the last four quarters.



As public debt increased in Q1, the **indicators of its sustainability deteriorated, apart from the indicator observing public debt relative to exports**. The share of public debt in estimated GDP rose by 1.3 pp to 65.1%, and its share in budgetary revenues was up by 3.5 pp to 158.7%. However, owing to a rise in exports of goods and services, the indicator observing the share of public debt relative to exports improved further. In Q1, this indicator fell by 2.1 pp to 138.0%. The indicator of the share of public debt in exports inclusive of remittances also improved, though it declined less – by 0.6 pp to 115.3%.

to 27.0%. This was due to the further increase in the share of dinar securities in total public debt (to 20.3%) and the share of euro-denominated securities (to 6.7%) following two quarters of stagnation.

Of total offered RSD 119.0 bln, the amount of **dinar government securities** sold was RSD 97.9 bln nominally.<sup>6</sup> At the same time, RSD 68.8 bln fell for redemption. As a result, the stock of debt in respect of dinar securities rose to RSD 480.1 bln. At five auctions of **euro-denominated government securities**, EUR 248.3 mln were offered and EUR 235.6 mln sold, generally to domestic investors. As EUR 100.0 mln fell for redemption in the quarter

**Chart 3 Measures of public debt sustainability**  
(in %)

	2008	2009	2010	2011	2012	2013	2014 by quarters Q1
Debt/GDP	29.2	34.7	44.5	48.2	60.2	63.8	65.1
Debt/exports	86.5	116.2	120.7	128.9	149.8	140.1	138.0
Debt/exports and remittances	70.3	84.0	92.6	103.6	121.7	115.9	115.3
Debt/budget revenue	62.6	80.7	102.3	115.7	142.4	155.2	158.7
Debt repayment/GDP*	2.2	7.0	10.1	10.9	11.6	14.3	15.7
Debt repayment/exports*	7.0	23.9	28.0	29.8	29.0	31.8	33.2
Debt repayment/exports and remittances*	5.7	17.3	21.5	23.9	23.6	26.4	28.4
Debt repayment/budget revenue*	5.1	16.6	23.7	26.7	27.6	35.3	39.1

\* Early repayment of part of debt to the London Club creditors is excluded from debt repayment data for Q2 2013.

Sources: Ministry of Finance and National Bank of Serbia.

Methodological explanations:

- Public debt/GDP – ratio of the stock of public debt at the end of the period observed and GDP in the last four quarters.

- Public debt/exports of goods and services – ratio of the stock of public debt at the end of the period observed and the value of exports in the last 12 months.

- Public debt/exports of goods and services plus remittances – ratio of the stock of public debt at the end of the period observed and the value of exports and remittances in the last 12 months.

- Public debt/budget revenue – ratio of the stock of public debt at the end of the period observed and budget revenue in the last 12 months.

- Public debt repayment/GDP – ratio of public debt repayment and GDP during the period observed.

- Public debt repayment/exports of goods and services – ratio of public debt repayment and exports of goods and services during the period observed.

- Public debt repayment/exports of goods and services plus remittances – ratio of public debt repayment and exports and remittances during the period observed.

- Public debt repayment/budget revenue – ratio of public debt repayment and budget revenue during the period observed.

### Following three quarters of improvement, sustainability indicators of public debt repayment worsened on account of increased repayments.

The indicator monitoring public debt repayment relative to budgetary revenues deteriorated the most – it reached 39.1% in March. Further, an increase was observed for the share of public debt repayment in GDP (to 15.79%), exports of goods and services (to 33.2%), and exports of goods and services inclusive of remittances (to 28.4%).

Since March last year, the share of **government securities sold in domestic market** in total public debt has been on the increase. This tendency continued into Q1 when the share of government securities sold in the domestic market rose by 1.5 pp

under review, the stock of debt in respect of euro-denominated securities rose to EUR 1.4 bln by end-March.

### Interest rates in the primary market of dinar securities

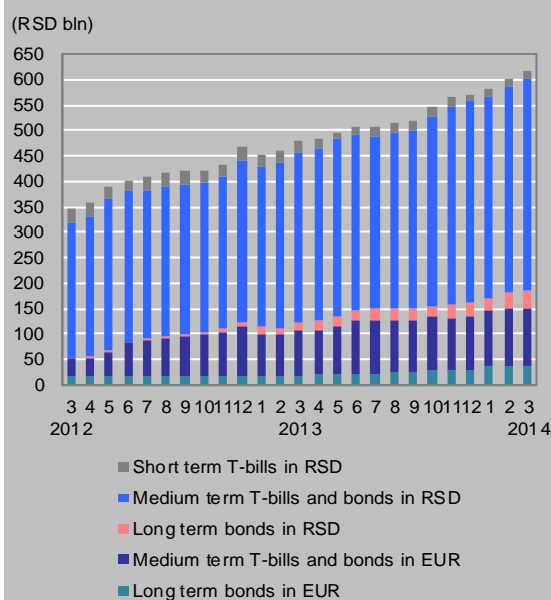
recorded divergent movements. Rates on the shortest-maturity securities – of three and six months, declined partly on the back of a small volume of securities offered for sale. Movements in longer-maturity rates were determined by the behaviour of non-residents. External factors, notably the Fed's QE tapering and heightened geopolitical tensions, dragged down non-resident investment in February. Interest rates thus increased following the January reduction. A decline in investor interest was

<sup>6</sup> In public debt statistics, securities are recorded according to the settlement date.

temporary and already from the second half of March, non-residents stepped up investment, although significant amounts of securities in their possession fell due. In late March, rates in the primary market of government securities ranged from 8.9% for one-year to 13.0% for seven-year maturity. The weighted average rate on dinar government securities reached 10.4% in March, up by 0.8 pp on end-2013.

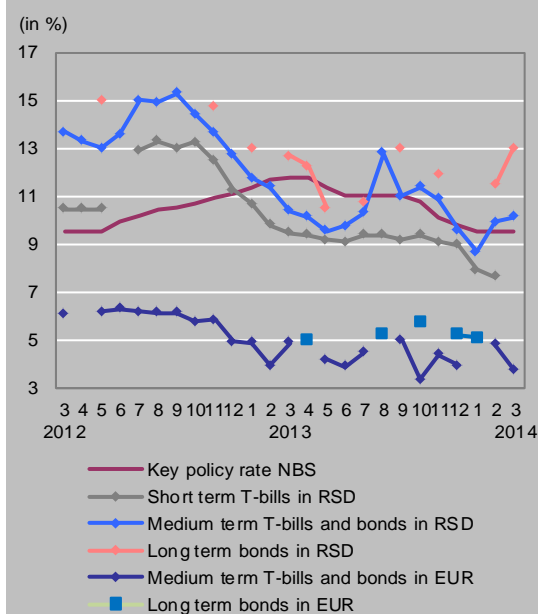
In Q1, rates were on a decline at auctions of **euro-denominated government securities**. Rates fell by 0.2 pp for one-, two- and three-year maturities alike, and by 0.1 pp for five-year maturity, thus ranging between 3.3% for the shortest and 5.1% for the longest maturity. Unlike the previous quarter when almost all government securities were sold to domestic investors, the participation of non-residents in primary trading has been on a moderate increase since the start of the year.

**Chart 4 Maturity structure of government debt under sold T-bills on primary market**



Source: Ministry of Finance.

**Chart 5 Accepted rates on government securities and NBS key policy rate**



Source: Ministry of Finance.

**Annex 1. External debt of the Republic of Serbia**

(preliminary data as at 31 March 2014)

Sector / Creditor	in EUR mln USD/EUR = 0,7270				
	Outstanding debt (principal)	Principal arrears	Interest arrears	Late interest	Total
	1	2	3	4	5=1+3+4
<b>TOTAL EXTERNAL DEBT</b>	<b>25,208.9</b>	<b>1,506.8</b>	<b>294.7</b>	<b>-</b>	<b>25,503.6</b>
<b>1. PUBLIC SECTOR<sup>1)</sup></b>	<b>12,974.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,974.9</b>
<b>1.1. Medium and long-term debt</b>	<b>12,974.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,974.9</b>
<b>1.1.1. Monetary authority – National Bank of Serbia</b>	<b>563.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563.4</b>
IMF	515.4	-	-	-	515.4
China – restructured finan. loan worth USD 100 mln	48.0	-	-	-	48.0
<b>1.1.2. General government</b>	<b>12,411.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,411.5</b>
<b>1.1.2.1. Central government – total</b>	<b>12,117.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,117.2</b>
<b>1.1.2.1.1. Central government debt</b>	<b>10,836.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,836.8</b>
Multilateral institutions	3,852.7	-	-	-	3,852.7
IMF SDR allocation	435.9	-	-	-	435.9
IBRD – consolidated debt	970.7	-	-	-	970.7
IBRD	462.6	-	-	-	462.6
IDA	490.9	-	-	-	490.9
European Community	282.0	-	-	-	282.0
EIB	1,119.7	-	-	-	1,119.7
EUROFOND-CEB	58.5	-	-	-	58.5
EBRD	32.5	-	-	-	32.5
Foreign governments and governments' development bank:	2,497.0	-	-	-	2,497.0
Paris Club consolidated debt	1,338.2	-	-	-	1,338.2
o/w capitalised interest	-	-	-	-	-
Governments	824.1	-	-	-	824.1
Governments – Libya	36.5	-	-	-	36.5
Governments' development banks	298.3	-	-	-	298.3
London Club – regulated debt	295.3	-	-	-	295.3
Eurobonds	3,816.8	-	-	-	3,816.8
Other creditors	352.6	-	-	-	352.6
-o/w IBRD guarantee	292.6	-	-	-	292.6
Debt in non-convertible currency	22.4	-	-	-	22.4
<b>1.1.2.1.2. Central government – guaranteed debt</b>	<b>1,280.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,280.3</b>
Multilateral institutions	823.1	-	-	-	823.1
EUROFIMA	92.6	-	-	-	92.6
EBRD	332.9	-	-	-	332.9
EIB	397.6	-	-	-	397.6
Governments' development banks	187.2	-	-	-	187.2
Governments	35.8	-	-	-	35.8
Other creditors	234.2	-	-	-	234.2
<b>1.1.2.2. Government – funds and agencies</b>	<b>25.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.0</b>
Other creditors – non-guaranteed debt	25.0	-	-	-	25.0
<b>1.1.2.3. Local governments – total</b>	<b>269.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>269.4</b>
<b>1.1.2.3.1. Local governments – non-guaranteed debt</b>	<b>127.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127.7</b>
EBRD	127.3	-	-	-	127.3
Other creditors	0.5	-	-	-	0.5
<b>1.1.2.3.2. Local governments – guaranteed debt</b>	<b>141.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141.6</b>
EIB	135.3	-	-	-	135.3
EBRD	6.4	-	-	-	6.4
<b>1.2. Short-term debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>2. PRIVATE SECTOR<sup>2)</sup></b>	<b>12,234.0</b>	<b>1,506.8</b>	<b>294.7</b>	<b>-</b>	<b>12,528.7</b>
<b>2.1. Medium and long-term debt</b>	<b>12,083.1</b>	<b>1,490.6</b>	<b>294.0</b>	<b>-</b>	<b>12,377.1</b>
<b>2.1.1. Banks</b>	<b>3,018.2</b>	<b>18.7</b>	<b>2.8</b>	<b>-</b>	<b>3,021.0</b>
International financial organisations	1,151.6	6.8	0.7	-	1,152.4
IFC	234.0	3.5	0.4	-	234.4
EIB	360.8	1.0	0.2	-	361.0
EUROFOND-CEB	20.0	-	-	-	20.0
EBRD	351.1	2.3	0.2	-	351.2
EFSE	185.7	-	-	-	185.7
Governments' development banks	162.6	-	-	-	162.6
Other creditors	1,704.0	11.9	2.0	-	1,706.0
-o/w MIGA insurance	8.0	-	-	-	8.0
<b>2.1.2. Enterprises</b>	<b>9,063.5</b>	<b>1,471.3</b>	<b>291.2</b>	<b>-</b>	<b>9,354.7</b>
International financial organisations	924.4	38.3	14.7	-	939.1
IFC	219.2	14.0	8.2	-	227.5
EIB	349.7	1.3	0.8	-	350.5
EUROFOND-CEB	21.1	1.6	0.0	-	21.1
EBRD	329.4	21.4	5.7	-	335.1
EFSE	5.0	-	-	-	5.0
Governments	0.0	0.0	-	-	0.0
Governments' development banks	99.6	4.4	0.4	-	100.0
Other creditors	8,039.5	1,428.6	276.1	-	8,315.5
-o/w MIGA insurance	81.3	1.2	0.4	-	81.7
<b>2.1.3. Other Sectors</b>	<b>1.4</b>	<b>0.6</b>	<b>0.0</b>	<b>-</b>	<b>1.4</b>
Other Creditors	1.4	0.6	0.0	-	1.4
<b>2.2. Short-term debt</b>	<b>150.9</b>	<b>16.3</b>	<b>0.7</b>	<b>-</b>	<b>151.5</b>
<b>2.2.1. Banks</b>	<b>114.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114.6</b>
EBRD	-	-	-	-	-
Bank deposits and credit lines	114.6	-	-	-	114.6
<b>2.2.2. Enterprises</b>	<b>36.3</b>	<b>16.3</b>	<b>0.7</b>	<b>-</b>	<b>36.9</b>
Other creditors	32.1	16.3	0.7	-	32.7
Russia – trade debt for gas import	4.2	-	-	-	4.2

Source: National Bank of Serbia.

Note: External debt of the Republic of Serbia is calculated on a due-for-payment basis and includes the amount of debt under principal and the amount of accrued interest which is not paid at the agreed due date.

<sup>1)</sup> External debt of the public sector of the Republic of Serbia comprises government debt (including debt of Kosovo & Metohija under loans concluded before the arrival of the KFOR mission, non-regulated debt towards Libya and clearing debt towards former Czechoslovakia), debt of the National Bank of Serbia, local governments, state funds and agencies, and government-guaranteed debt.

<sup>2)</sup> External debt of the private sector of the Republic of Serbia comprises debt of banks, enterprises and other sectors which is not government-guaranteed. External debt of the private sector does not include loans concluded before 20 December 2000 in respect of which no payments are made (EUR 838.8 million, of which EUR 384.7 million relating to domestic banks and EUR 454.1 million to domestic enterprises).

**Annex 2. External debt stock and flow**

(by month of 2014 and total for 2013)

	PRELIMINARY DATA				
	in EUR mln*				
	Total 2013	Jan. 14	Feb. 14	March 14	Total Jan-Dec. 2014
	1	2	3	4	14 (2 до 13)
<b>Foreign net loans</b>	<b>545.09</b>	<b>-90.72</b>	<b>-182.15</b>	<b>-94.30</b>	<b>-367.16</b>
<b>A) Medium/long term, net (1.- 2.)</b>	<b>794.48</b>	<b>-71.75</b>	<b>-138.56</b>	<b>-100.75</b>	<b>-311.07</b>
1. Disbursements (1.1.+ 1.2.)	4,797.33	150.42	98.62	167.62	416.66
1.1. official	2,867.29	25.23	44.63	39.59	109.45
o/w IMF	0.00	0.00	0.00	0.00	0.00
1.2. private (1.2.1.+ 1.2.2.)	1,930.04	125.19	53.99	128.03	307.21
1.2.1 banks	467.96	0.00	10.06	0.00	10.06
1.2.2. other private	1,462.08	125.19	43.93	128.03	297.15
1.2.2.1. other private borrowing from non-resident	501.33	62.01	3.25	48.31	113.58
2. Amortisation - principle (2.1.+ 2.2.)	4,002.85	222.16	237.18	268.38	727.72
2.1. official	1,551.38	56.50	131.15	126.78	314.43
o/w IMF	649.56	22.59	98.35	64.30	185.24
2.2. private (2.2.1.+ 2.2.2.)	2,451.47	165.66	106.03	141.60	413.29
2.2.1 banks	953.87	112.20	40.89	67.85	220.94
2.2.2. other private	1,497.60	53.46	65.14	73.75	192.35
2.2.2.1. other private borrowing from non-resident banks	681.93	27.17	22.66	33.57	83.40
3. Amortisation - interest (3.1.+ 3.2.)	781.94	23.54	51.35	125.44	200.33
3.1. official	441.57	12.70	42.07	97.83	152.61
o/w IMF	12.99	0.00	2.27	0.00	2.27
3.2. private (3.2.1.+ 3.2.2.)	340.36	10.83	9.28	27.61	47.72
3.2.1 banks	97.41	3.51	2.41	10.84	16.76
3.2.2. other private	242.96	7.32	6.87	16.77	30.96
3.2.2.1. other private borrowing from non-resident banks	79.08	2.12	2.49	7.81	12.43
<b>B) Short term, net (1.+ 2.)</b>	<b>-249.39</b>	<b>-18.97</b>	<b>-43.59</b>	<b>6.46</b>	<b>-56.10</b>
1. official, net	0.00	0.00	0.00	0.00	0.00
2. private, net (2.1.+ 2.2.)	-249.39	-18.97	-43.59	6.46	-56.10
2.1 banks, net (2.1.1+ 2.1.2)	-256.63	-19.07	-42.06	4.41	-56.71
2.1.1 other short term credits, net	1.00	0.00	0.00	-1.00	-1.00
2.1.2 deposit and credit lines, net	-257.63	-19.07	-42.06	5.41	-55.71
2.2. other private, net	7.24	0.10	-1.52	2.04	0.62
	in million EUR*				
	Dec. 31, 2013	Jan. 31, 2014	Feb. 28, 2014	March 31, 2014	in % GDP March 31, 2014
	1	2	3	4	14
<b>Stock of external debt</b>	<b>25,841.85</b>	<b>25,863.35</b>	<b>25,604.14</b>	<b>25,503.62</b>	<b>80.0%</b>
A) Official (1.+ 2.)	13,173.24	13,273.64	13,095.73	12,974.93	40.7%
1. Medium/long term	13,173.24	13,273.64	13,095.73	12,974.93	40.7%
2. Short term	-	-	-	-	0.0%
B) Private	12,668.61	12,589.71	12,508.41	12,528.69	39.3%
1. Medium/long term	12,456.66	12,405.03	12,366.33	12,377.15	38.8%
2. Short term	211.95	184.68	142.08	151.54	0.5%
Banks (1.+ 2.)	3,400.05	3,271.33	3,197.60	3,135.60	9.8%
1. Medium/long term	3,228.74	3,119.09	3,087.42	3,021.01	9.5%
2. Short term	171.31	152.24	110.18	114.59	0.4%
Other private (1.+ 2.)	9,268.56	9,318.38	9,310.81	9,393.08	29.5%
1. Medium/long term	9,227.92	9,285.94	9,278.91	9,356.14	29.3%
2. Short term	40.64	32.44	31.90	36.95	0.1%

Source: National Bank of Serbia.

\* f/x on date of transaction.

### Annex 3. Disbursements, repayments of principal and interest on long-term external loans of the private sector (by month of 2014)

		PRELIMINARY DATA in EUR mln					
ECONOMIC SECTORS		Jan.	Feb.	Mar.	TOTAL	Share %	Exports <sup>1)</sup>
Financial and insurance activities	Disb.	24.33	12.08	54.97	91.38	30%	
	Rep. princ.	124.75	54.05	83.12	261.92		
	Rep. int.	4.37	3.83	16.18	24.37		
Agriculture, forestry and fishing	Disb.	3.00	1.20	1.64	5.84	2%	167.62
	Rep. princ.	0.40	0.27	0.12	0.79		
	Rep. int.	0.10	0.06	0.05	0.21		
Mining and quarrying	Disb.	40.95	0.50	21.68	63.13	21%	21.85
	Rep. princ.	0.00	0.00	7.17	7.18		
	Rep. int.	0.13	0.93	1.87	2.93		
Manufacturing	Disb.	26.01	8.47	25.12	59.59	19%	2,369.90
	Rep. princ.	17.67	15.42	22.89	55.97		
	Rep. int.	2.96	1.77	1.81	6.53		
Electricity, gas, steam and air conditioning supply	Disb.	0.20	0.01	0.03	0.25	0%	24.78
	Rep. princ.			0.40	0.40		
	Rep. int.	0.00	0.00	0.00	0.00		
Water supply; sewerage, waste management and remediation activities	Disb.	0.13	0.52	1.60	2.25	1%	40.05
	Rep. princ.	0.03	0.05	3.09	3.17		
	Rep. int.	0.00	0.00	0.05	0.05		
Construction	Disb.	1.42	2.93	2.30	6.65	2%	
	Rep. princ.	0.98	13.32	2.43	16.72		
	Rep. int.	0.39	0.53	1.08	2.00		
Wholesale and retail trade; repair of motor vehicles and motorcycles	Disb.	6.26	3.87	5.56	15.68	5%	
	Rep. princ.	4.28	6.85	6.46	17.58		
	Rep. int.	1.53	0.79	1.81	4.13		
Transportation and storage	Disb.	0.26	14.23	7.60	22.09	7%	
	Rep. princ.	7.04	4.69	1.86	13.59		
	Rep. int.	0.39	0.13	1.28	1.80		
Accommodation and food service activities	Disb.	0.05	1.51		1.56	1%	
	Rep. princ.	0.22	1.02	0.68	1.92		
	Rep. int.	0.02	0.15	0.32	0.50		
Information and communication	Disb.	7.27	2.07	6.14	15.47	5%	11.86
	Rep. princ.	4.88	5.69	3.84	14.42		
	Rep. int.	0.56	0.49	0.40	1.45		
Real estate activities	Disb.	11.31	6.10	0.94	18.35	6%	
	Rep. princ.	2.56	2.73	2.84	8.14		
	Rep. int.	0.27	0.26	2.20	2.73		
Professional, scientific and technical activities	Disb.	1.11	0.50	0.45	2.06	1%	0.03
	Rep. princ.	0.55	0.37	1.64	2.56		
	Rep. int.	0.04	0.04	0.13	0.21		
Administrative and support service activities	Disb.	2.90	0.02		2.91	1%	
	Rep. princ.	2.29	1.55	4.95	8.80		
	Rep. int.	0.07	0.27	0.44	0.78		
of which Renting and leasing of motor vehicles	Disb.	2.63			2.63	1%	
	Rep. princ.	2.18	1.47	4.75	8.40		
	Rep. int.	0.05	0.24	0.43	0.72		
Education	Disb.					0%	
	Rep. princ.						
	Rep. int.						
Human health and social work activities	Disb.					0%	
	Rep. princ.	0.00	0.00	0.00	0.01		
	Rep. int.	0.00	0.00	0.00	0.01		
Arts, entertainment and recreation	Disb.	0.00			0.00	0%	0.10
	Rep. princ.		0.00	0.11	0.11		
	Rep. int.		0.00	0.00	0.00		
Other service activities	Disb.					0%	
	Rep. princ.		0.00	0.00	0.01		
	Rep. int.		0.00	0.00	0.00		
Others	Disb.					0%	
	Rep. princ.						
	Rep. int.						
<b>TOTAL</b>	Disb.	<b>125.19</b>	<b>53.99</b>	<b>128.03</b>	<b>307.21</b>	<b>100%</b>	<b>2,636.20</b>
	Rep. princ.	<b>165.66</b>	<b>106.03</b>	<b>141.60</b>	<b>413.29</b>		
	Rep. int.	<b>10.83</b>	<b>9.28</b>	<b>27.61</b>	<b>47.72</b>		

Source: National Bank of Serbia.

<sup>1)</sup> Serbia's exports in the period January-March 2014 totalled EUR 2,636.44 mln.

Data on exports by economic activity in the period January-March 2014 do not include EUR 0.24 mln for unclassified categories.