



# MONTHLY REPORT

Analysis of Public Debt  
and General  
Government Debt

January 2021

—

[www.ujd.gov.rs](http://www.ujd.gov.rs)  
Bloomberg Page <RSMF> <GO>  
Belgrade, January 2021  
#106

# INTRODUCTION

The monthly report of the PDA is the report presenting a comprehensive analysis of the status, structure and dynamics of the public debt of the Republic of Serbia, as well as the risk analysis related to the process of public debt management, aimed at raising the level of transparency and accurate and timely awareness of investors, state institutions and other entities interested in the public debt of the Republic of Serbia. The PDA Monthly Report is published aiming at the improvement of the activities of the Republic of Serbia in the field of public debt through its informative contents, in accordance with internationally acknowledged standards and good business practice, as well as enabling stakeholders to grasp public debt, being the field of the public finance, in an easy and accurate manner, i.e. the activities and goals of the PDA.

COVID-19 and global slowdown, according to available data, had a less severe impact on Serbia compared to other European countries, due to achieved macroeconomic and financial stability, growth momentum, fiscal space created in previous years, large and timely monetary and fiscal package, and structure of the economy.

According to preliminary data, the public debt of the central government in January 2021 when compared to the December 2020 increased by 55.8 billion RSD and amounts to 3,191.6 billion RSD (27.1 billion EUR). The share of central government public debt in GDP (ESA 2010 methodology) at the end of January 2021 was 53.7%. The share of general government debt in GDP (ESA 2010 methodology) at the end of January 2021 was 54.5%.

The percentage of public debt in foreign currency at the end of January 2021 was 68.8%, of which in EUR 49.7%, USD 12.3%, SDR 2.3%, CHF 0.3% and other foreign currencies 4.1% (GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the percentage of public debt in RSD was 31.2%.

In order to diminish the risk of exchange rate fluctuations and to reduce interest costs, in accordance with international standards ISDA (International Swaps and Derivatives Association), the Republic of Serbia has successfully implemented a second swap transaction related the Debt Reprogramming Agreement between the Republic of Serbia and the Kuwait Investment Authority and converted payment obligations from US dollars to euros, at a significantly lower interest rate. Obligations based on the mentioned rescheduled loan, agreed in dollars at an interest rate of 1.5%, the Republic of Serbia will pay in euros at an interest rate of 0.393%. This saves around EUR 16.5 million. In accordance with the best international practice of active public debt management, the Ministry of Finance of the Republic of Serbia once again used the situation of favorable exchange rates between the euro and the US dollar, as well as the current divergence between interest rates in dollars and euros.

With this hedging transaction, the exposure to currency risk was reduced and the share of dollar debt in the total public debt portfolio was reduced from 13.1% to 12.3%.

In January 2021, 2 auctions of government securities were issued in dinars. The total revenue at nominal value in the same month amounts to RSD 37,139,110,000. Special emphasis is placed on the successful auction of a security with a maturity of 12.5Y, for which the nominal value of sold bonds amounts to RSD 27,594,780,000 RSD, while the biggest part of the demand and realization at the auction comes from foreign funds.

The share of non-residents in dinar government securities at the end of January 2021 amounted to 26.66%\*, i.e. 262,5 billion RSD.

The total turnover of government securities in secondary trading, in the the first month of 2021, amounted to 42.9 billion dinars, of which 94.8%, is the turnover of dinar securities. In January 2021, the total turnover of dinar securities amounted to 40.3 billion dinars, while the turnover of euro-denominated securities amounted to 2.6 billion dinars. When compared to December, in January there was a decrease in the total turnover of dinar securities in the amount of 11.5 billion dinars.

Seven-year benchmark bond maturing in July 2023 and Twelve-year benchmark bond maturing in August 2032, accounted for 43.3% of total turnover in January 2021.

The yields of Eurobonds of the Republic of Serbia are declining when compared to March 2020, when a global pandemic was officially declared. On January 31, 2021, prices / yields are:

EUROBOND 2021: 104.256 / 0.728

EUROBOND 2027: 111.915 / 1.147

EUROBOND 2029: 102.550 / 1.179

EUROBOND 2030: 97.187 / 2.449

*\*Including custody and omnibus accounts*

## I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF JANUARY 31, 2021

	EUR	USD	RSD	% GDP
<b>Direct Liabilities (A)</b>				
Internal Debt	11.534.566.593	13.954.520.610	1.356.128.221.961	22,8%
External Debt	14.179.464.315	17.154.318.321	1.667.090.963.114	28,1%
<i>Direct Liabilities in Total</i>	25.714.030.908	31.108.838.932	3.023.219.185.075	50,9%
<b>Contingent Liabilities (B)</b>				
Internal Debt	216.127.191	261.470.712	25.410.246.718	0,4%
External Debt	1.215.712.882	1.470.769.650	142.932.336.094	2,4%
<i>Contingent Liabilities in Total</i>	1.431.840.073	1.732.240.362	168.342.582.813	2,8%
<b>Non-Guaranteed Local Government Debt (C)</b>				
Internal Debt	211.526.272	255.904.520	24.869.313.034	0,4%
External Debt	88.999.338	107.671.414	10.463.723.319	0,2%
<i>Non-Guaranteed Local Government Debt in Total</i>	300.525.610	363.575.933	35.333.036.353	0,6%
<b>Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)</b>				
	84.694.843	102.463.835	9.957.640.425	0,17%
<b>Central Government Public Debt (A+B)</b>	<b>27.145.870.981</b>	<b>32.841.079.293</b>	<b>3.191.561.767.888</b>	<b>53,7%</b>
<b>General Government Public Debt (A+B+C+D)</b>	<b>27.531.091.433</b>	<b>33.307.119.062</b>	<b>3.236.852.444.666</b>	<b>54,5%</b>

## II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF JANUARY 31, 2021.

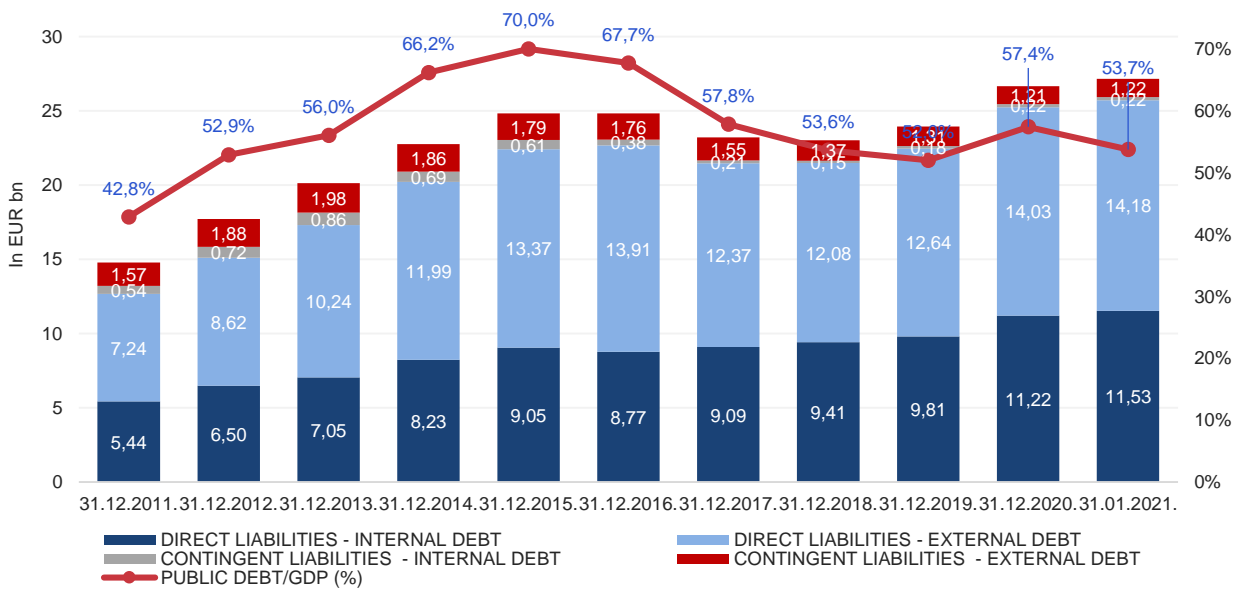
### 1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of January 31, 2021 in EUR (in 000)	Debt stock as of January 31, 2021 in USD (in 000)	Debt stock as of January 31, 2021 in RSD (in 000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	11.007.126	13.316.423	1.294.116.588
RETAIL BONDS	15.220	18.413	1.789.409
OTHER LIABILITIES	512.221	619.685	60.222.225
COMMERCIAL BANK LOANS	00	00	00
<b>INTERNAL DEBT (direct liabilities 1.1.)</b>	<b>11.534.567</b>	<b>13.954.521</b>	<b>1.356.128.222</b>
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of January 31, 2021 in EUR (in 000)	Debt stock as of January 31, 2021 in USD (in 000)	Debt stock as of January 31, 2021 in RSD (in 000)
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.199.809	2.661.329	258.633.319
INTERNATIONAL DEVELOPMENT ASSOCIATION	152.639	184.663	17.945.882
EUROPEAN INVESTMENT BANK	1.214.749	1.469.603	142.818.996
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	89.572	108.365	10.531.087
COUNCIL OF EUROPE DEVELOPMENT BANK	259.205	313.586	30.474.940
EXPORT - IMPORT BANK OF CHINA	1.095.650	1.325.518	128.816.470
EUROBONDS	5.145.040	6.224.471	604.906.501
KfW DEVELOPMENT BANK	62.663	75.810	7.367.329
PARIS CLUB CREDITORS	860.675	1.041.244	101.190.209
FOREIGN GOVERNMENT LOANS	2.588.624	3.131.718	304.346.576
INTERNATIONAL MONETARY FUND	461.840	558.734	54.298.881
OTHER LIABILITIES	48.998	59.278	5.760.772
<b>EXTERNAL DEBT (direct liabilities 1.2.)</b>	<b>14.179.464</b>	<b>17.154.318</b>	<b>1.667.090.963</b>
<b>TOTAL DIRECT LIABILITIES (1.1. + 1.2.)</b>	<b>25.714.031</b>	<b>31.108.839</b>	<b>3.023.219.185</b>

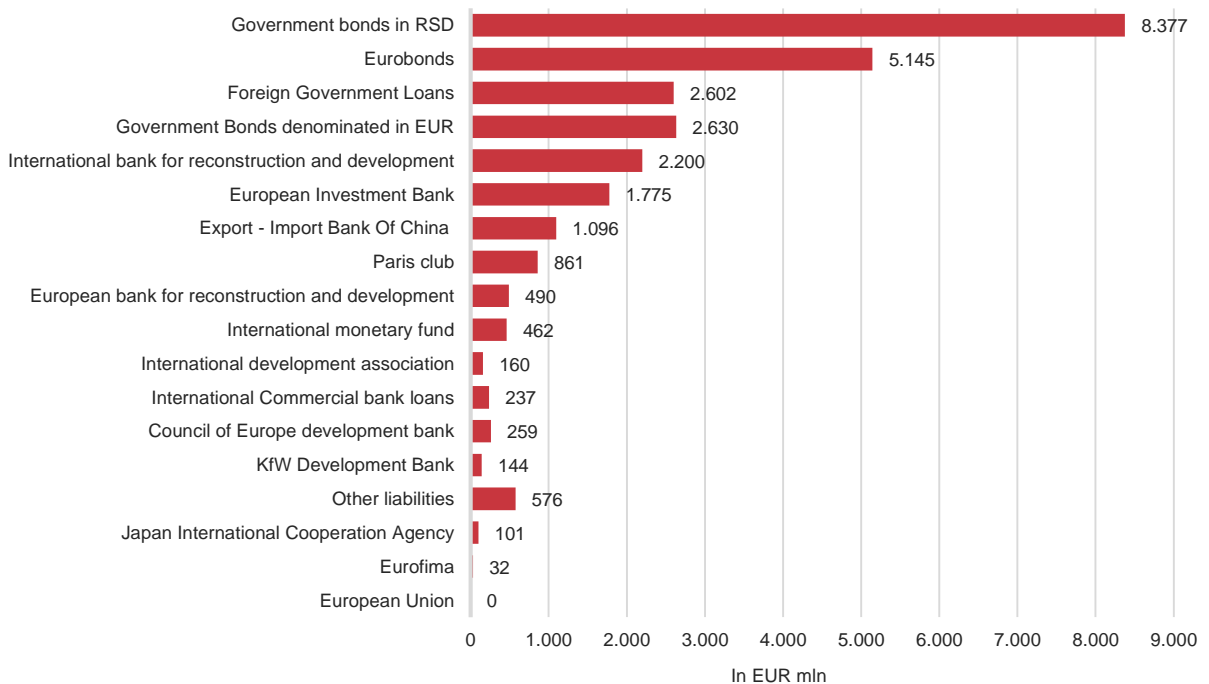
### 2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT			
Debt Description	Debt stock as of January 31, 2021 in EUR (in 000)	Debt stock as of January 31, 2021 in USD (in 000)	Debt stock as of January 31, 2021 in RSD (in 000)
COMMERCIAL BANK LOANS	216.127	261.471	25.410.247
<b>INTERNAL DEBT (indirect liabilities 2.1.)</b>	<b>216.127</b>	<b>261.471</b>	<b>25.410.247</b>
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of January 31, 2021 in EUR (in 000)	Debt stock as of January 31, 2021 in USD (in 000)	Debt stock as of January 31, 2021 in RSD (in 000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	400.333	484.323	47.067.449
EUROPEAN INVESTMENT BANK	559.817	677.267	65.818.117
KfW DEVELOPMENT BANK	81.112	98.129	9.536.383
TOTAL EUROPEAN COMPANY FOR THE FINANCING OF RAILROAD ROLLING STOCK - EUROFIMA	32.018	38.735	3.764.361
INTERNATIONAL DEVELOPMENT ASSOCIATION	7.104	8.594	835.221
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	101.127	122.344	11.889.618
FOREIGN GOVERNMENT LOANS	12.983	15.707	1.526.392
INTERNATIONAL COMMERCIAL BANK LOANS	21.220	25.671	2.494.794
<b>EXTERNAL DEBT (indirect liabilities 2.2.)</b>	<b>1.215.713</b>	<b>1.470.770</b>	<b>142.932.336</b>
<b>TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)</b>	<b>1.431.840</b>	<b>1.732.240</b>	<b>168.342.583</b>
<b>TOTAL INTERNAL DEBT (1.1.+ 2.1.)</b>	<b>11.750.694</b>	<b>14.215.991</b>	<b>1.381.538.469</b>
<b>TOTAL EXTERNAL DEBT (1.2.+ 2.2.)</b>	<b>15.395.177</b>	<b>18.625.088</b>	<b>1.810.023.299</b>
<b>TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)</b>	<b>27.145.871</b>	<b>32.841.079</b>	<b>3.191.561.768</b>

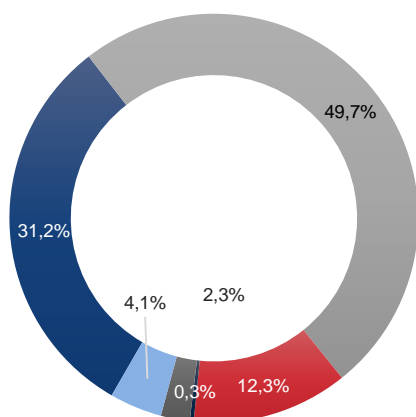
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12. 2010. - 31.01.2021.



CREDITORS OVERVIEW AS OF JANUARY 31, 2021

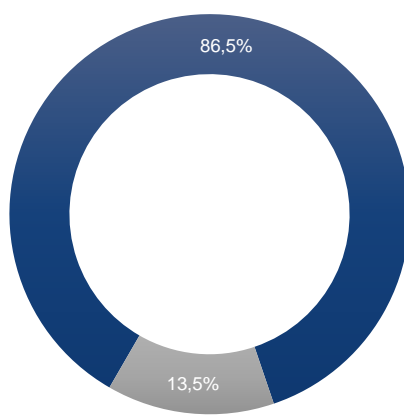


CENTRAL GOVERNMENT  
PUBLIC DEBT CURRENCY  
STRUCTURE AS OF JANUARY  
31, 2021



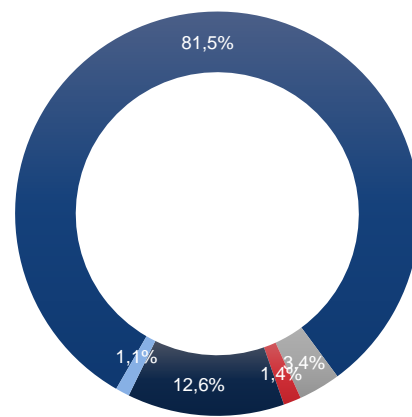
■ RSD ■ EUR ■ USD ■ CHF ■ SDR ■ Other

INTEREST RATE STRUCTURE  
AS OF JANUARY 31, 2021



■ Fixed Rates ■ Variable Rates

VARIABLE INTEREST RATES  
STRUCTURE  
AS OF JANUARY 31, 2021



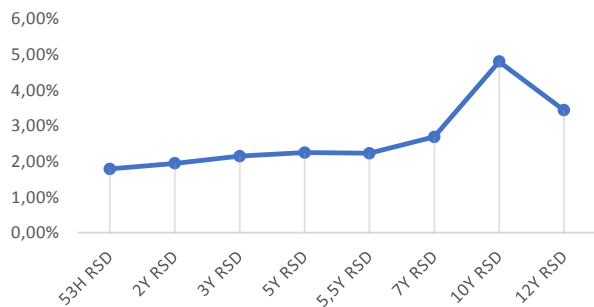
■ EURIBOR and LIBOR on EUR  
■ LIBOR USD  
■ LIBOR CHF  
■ SDR Interest rate  
■ Other

### III. OVERVIEW OF NON-MATURED GOVERNMENT SECURITIES ISSUED ON DOMESTIC MARKET

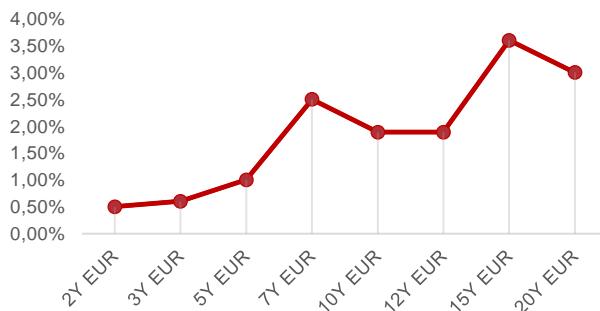
#### GOVERNMENT SECURITIES STOCK AS OF JANUARY 31, 2021

Maturity	Nominal value of debt stock	Last coupon rate	Last accepted rate
<b>Government Bonds Denominated in RSD</b>			
53W Government Bills	35.000.000.000,00	-	1,79%
2Y Government Bond with fixed coupon rate	49.233.670.000,00	1,70%	1,95%
3Y Government Bond with fixed coupon rate	145.947.580.000,00	2,00%	2,15%
5Y Government Bond with fixed coupon rate	123.813.688.250,00	4,00%	2,25%
5.5Y Government Bond with fixed coupon rate	72.676.380.000,00	3,00%	2,23%
7Y Government Bond with fixed coupon rate	336.408.840.000,00	4,50%	2,69%
10Y Government Bond with fixed coupon rate	110.882.410.000,00	5,88%	4,80%
12,5Y Government Bond with fixed coupon rate	110.903.900.000,00	4,50%	3,44%
<b>Total in RSD</b>	<b>984.866.468.250 RSD</b>		
<b>Government Bonds Denominated in EUR</b>			
2Y Government Bond with fixed coupon rate	245.200.000,00	0,50%	0,50%
3Y Government Bond with fixed coupon rate	326.616.000,00	1,25%	0,60%
5Y Government Bond with fixed coupon rate	789.766.000,00	1,00%	1,00%
7Y Government Bond with fixed coupon rate	65.129.000,00	2,50%	2,50%
10Y Government Bond with fixed coupon rate	632.371.000,00	3,25%	1,89%
12Y Government Bond with fixed coupon rate	99.367.000,00	2,00%	1,89%
15Y Government Bond with fixed coupon rate	321.882.000,00	3,50%	3,60%
20Y Government Bond with fixed coupon rate	150.000.000,00	3,50%	3,00%
<b>Total in EUR</b>	<b>2.630.331.000 EUR</b>		

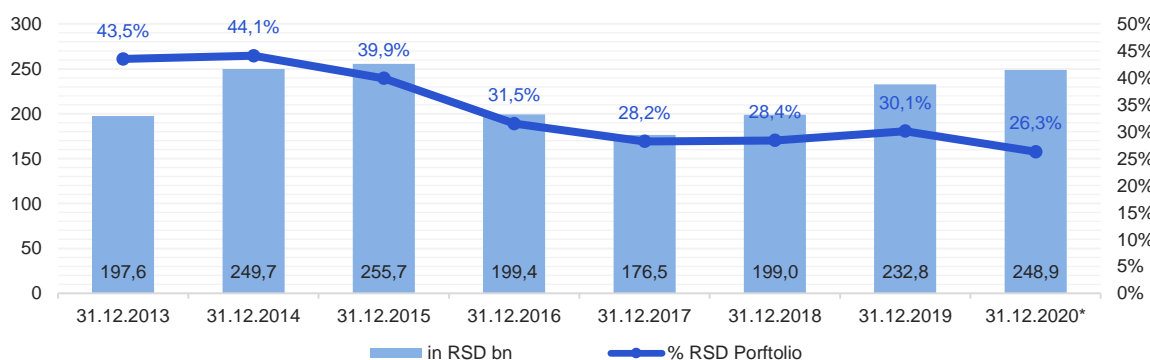
ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF JANUARY 31, 2021



ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF JANUARY 31, 2021

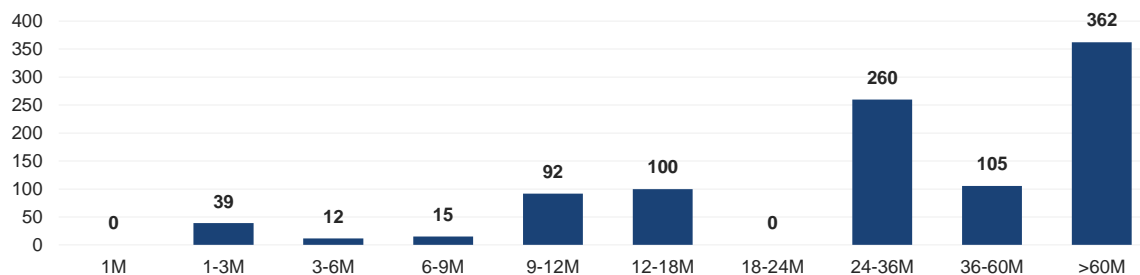


THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF JANUARY 31, 2021

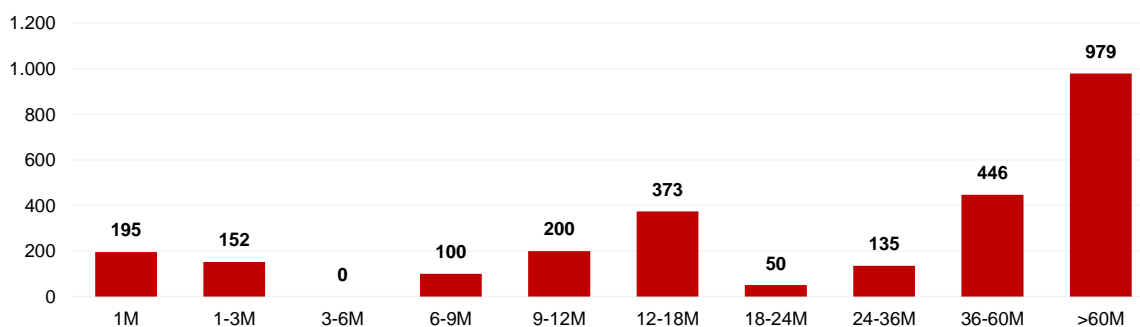


\*Including custody and omnibus accounts

RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF JANUARY 31, 2021



RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF JANUARY 31, 2021



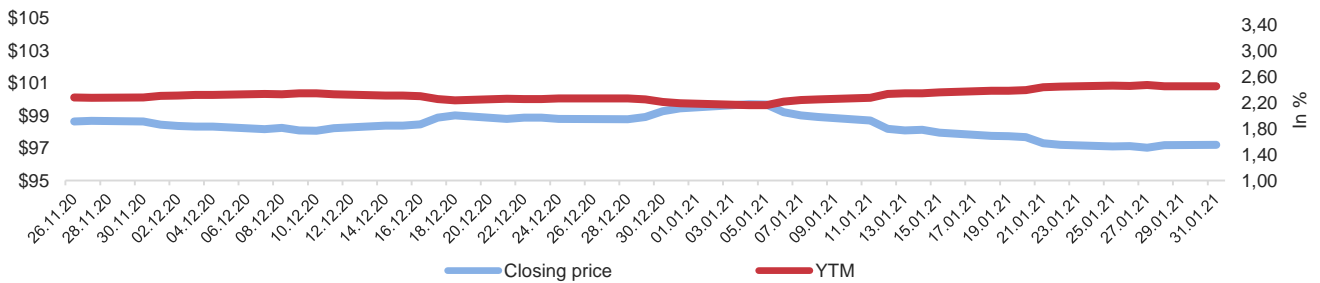
## OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

Security name	Year	Currency	Issued Amount	Amount Outstanding	Issue Date	Maturity Date	Coupon (%)	Re-Offer Yield (%)	Issuance Price
SERBIA 7 1/4 09/28/21*	2011	USD	2.000.000.000	700.000.000	28.09.2011	28.09.2021	7,250	7,500/6,625	98,263/104,179
SERBIA 1 1/2 06/26/29**	2019	EUR	1.550.000.000	1.550.000.000	26.06.2019	26.06.2029	1,500	1,619/1,250	98,909/102,251
SERBIA 3 1/8 05/15/27	2020	EUR	2.000.000.000	2.000.000.000	15.05.2020	15.05.2027	3,125	3,375	98,464
SERBIA 1 1/8 12/01/30	2020	USD	1.200.000.000	1.200.000.000	01.12.2020	01.12.2030	2,125	2,350	98,005

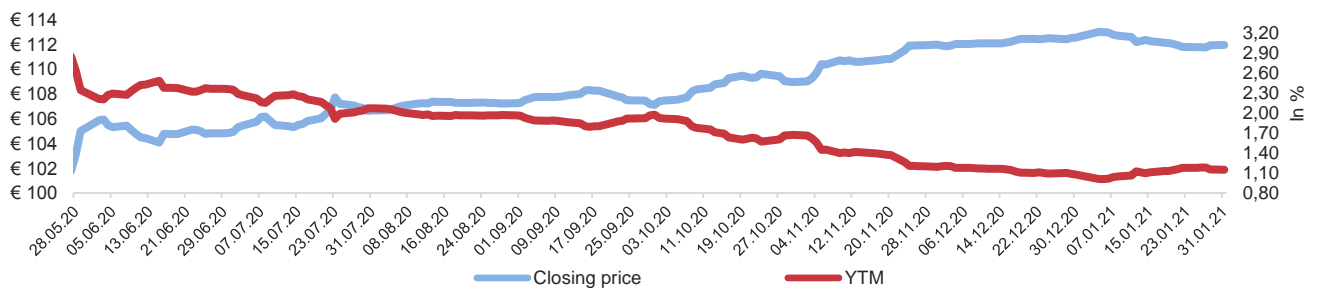
\*The data presented includes primary issue data and data from the reopening for the Eurobond 2021 (reopened on September 27, 2012)

\*\*The data presented includes primary issue data and data from the reopening for the Eurobond 2029 (reopened on November 12, 2019)

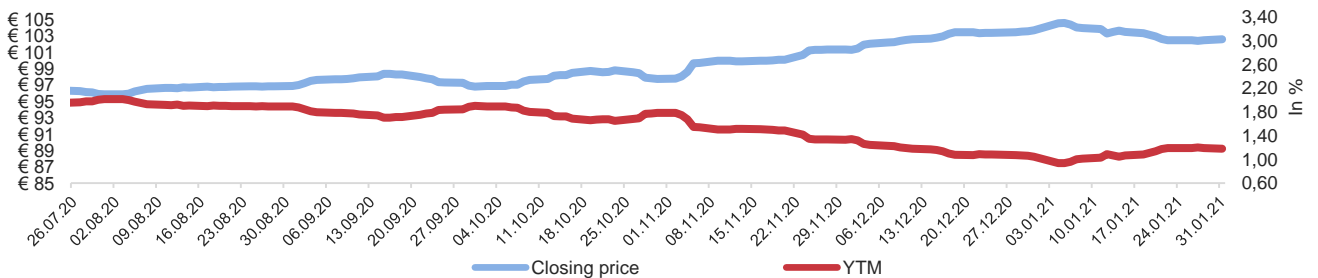
### YIELD/PRICE CURVE – EUROBOND 2030



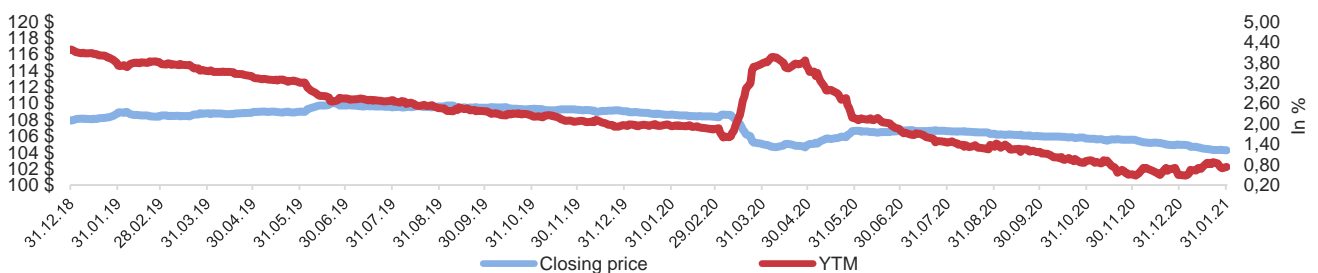
### YIELD/PRICE CURVE – EUROBOND 2027



### YIELD/PRICE CURVE – EUROBOND 2029

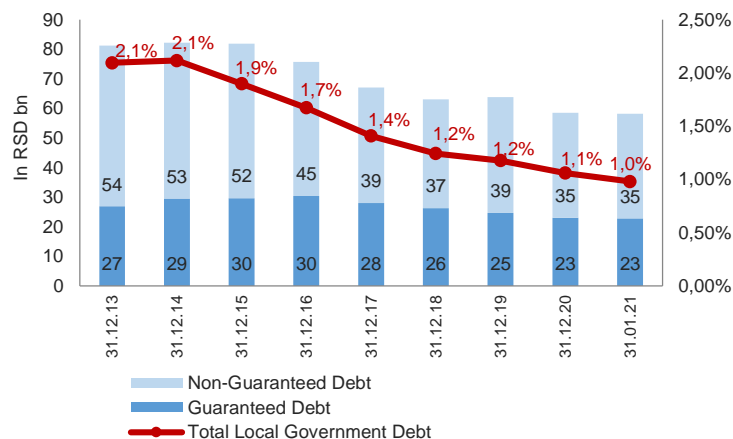


### YIELD/PRICE CURVE – EUROBOND 2021

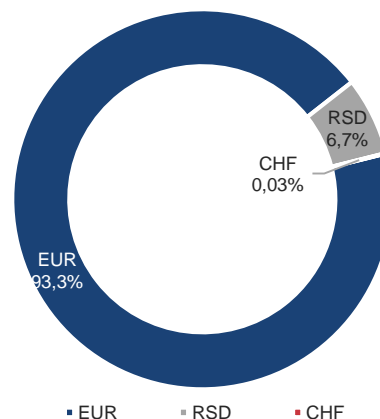


## IV. LOCAL GOVERNMENT DEBT ANALYSIS

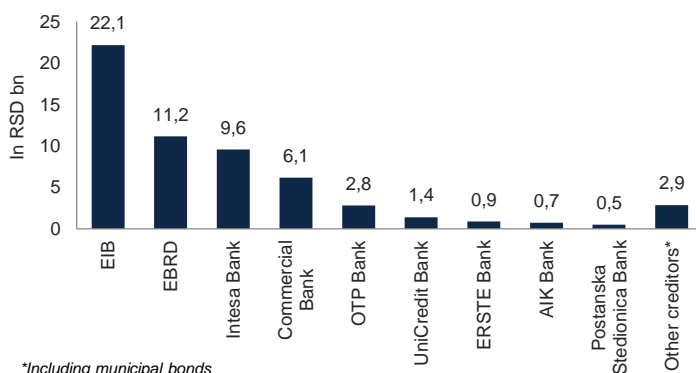
### LOCAL GOVERNMENT DEBT DYNAMICS AS OF JANUARY 31, 2021



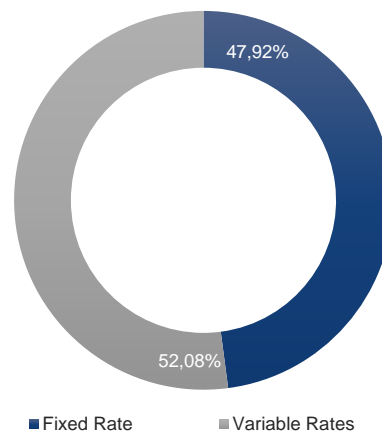
### CURRENCY COMPOSITION AS OF JANUARY 31, 2021



### CREDITORS OVERVIEW AS OF JANUARY 31, 2021



### INTEREST RATE STRUCTURE AS OF JANUARY 31, 2021



Share of the top 5 Local Governments in total debt	79,5%
O/W Belgrade	60,4%
Debt maturing till the end of 2020	9.090.837.214
Debt maturing in 2021	8.979.990.446
Debt maturing in 2022	7.696.497.887
Maximum level of debt based on contracted amount	66.184.261.583
Interest Rate Risk	52,1%
FX Risk	93,3%
Local Government Debt to GDP	1,1%
O/W Non-Guaranteed Debt	0,6%
Maximum Debt Level to GDP	1,2%
Share of the top 10 Creditors in total Local Government Debt	95,1%
Share of Foreign Creditors in Total Local Government Debt	57,2%
<b>Total Available Credit Potential</b>	<b>82.602.544.375</b>
Share of the top 10 Local Governments with the highest available credit potential	44,5%
Share of Investment Project Loans in total Local Government Debt	99,7%

Local Government	Debt Stock as of January 31, 2021
Beograd	35.158.578.790
AP Vojvodina	5.321.054.348
Novi Sad	2.457.770.702
Kragujevac	2.330.203.397
Sabac	989.019.303
Nis	949.359.704
Subotica	700.098.022
Vranje	693.532.263
Indjija	481.129.776
Novi Pazar	428.779.791
<b>% of total</b>	<b>85,1%</b>

