



# MONTHLY REPORT

Analysis of Public Debt  
and General  
Government Debt

August 2023

—

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Bloomberg Page <RSMF> <GO>  
Belgrade, August 2023  
#137

# 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.

The share of central government public debt in GDP (ESA 2010 methodology) at the end of August 2023 was 50.9%, and the share of general government public debt in GDP was 51.3%. The public debt of the central level of government in August 2023, compared to the previous month of the same year, increased by 15.5 billion dinars and amounted to 4,126.6 billion dinars (35.2 billion euros).

In August, the credit rating agency Fitch Ratings confirmed the credit rating of the Republic of Serbia at BB+ level with stable prospects for its further increase. The report states that the prospects for GDP growth in Serbia are positive. GDP growth is expected to be 2.4 percent in 2023, while growth of 3.4 percent is expected in 2024.

Fitch Ratings states that, despite the great turbulence on the world market, the relative stability of the dinar exchange rate against the euro has been preserved as an important pillar of the country's overall stability. Also, foreign exchange reserves have increased to a record level. There was a high inflow of foreign direct investments and continued growth of employment, while the unemployment rate stood at low level. The agency estimates that high cost pressures led to inflation growth in 2022 and the first quarter of 2023, out of which the biggest contribution comes from energy and food prices. It is stated that inflation has reached its peak and that it will gradually decline from the second quarter, while a more pronounced decline is expected in the second half of the current year. By the end of 2023, a return to single-digit inflation is expected.

When it comes to public finances, it must be emphasized that the results achieved in the first half of 2023 are better than planned. Fitch Ratings expects the deficit to be around 2.7 percent of GDP in 2023. This represents a decrease of 0.6 percentage points compared to the original projection. It is estimated that in the next two years the deficit will be reduced to 1.5 percent, which will enable a further reduction of the share of the general government debt in the gross domestic product, and it is estimated that at the end of 2025 it will amount to about 48.1 percent.

During August 2023 funds based on project and program loans in the amount of 53.0 billion dinars were withdrawn. During the same month, liabilities in the amount of RSD 40.9 billion were repaid, out of which 33.0 billion relates to the maturity of 12M RSD treasury bills.

The share of public debt in foreign currency at the end of August 2023 was 79.5%. The share of public debt in EUR is 58.4%, in USD 13.5%, in SDR 6.9% and in other foreign currencies 0.6% (CHF, GBP, JPY, DKK, SEK, NOK, AED, KWD, CNY), while the share in RSD is 20.5%.

The share of non-residents in the portfolio of dinar government securities at the end of August 2023 amounted to 16.8%\*, or 133.1 billion dinars.

The total turnover of government securities on the secondary market in the first eight months 2023 amounted to 132.9 billion dinars, of which 89.3% is the turnover of dinar securities.

In August 2023, the total turnover on the secondary market of dinar securities amounted to 18.0 billion dinars, while the turnover of securities denominated in euros had the equivalent of 2.3 billion dinars.

Compared to the previous month, in August 2023, there was a decrease in the total turnover of dinar securities in the amount of 5.9 billion dinars.

The turnover of benchmark bonds (RSMFRSD89592, RSMFRSD55940 and RSMFRSD86176), which included the JP Morgan GBI-EM Global Diversified Index and GBI-Aggregate (GBI-AGG), accounted for 72.3% of total turnover in August 2023.

Prices and yields of bonds of the Republic of Serbia issued on the international market on August 31, 2023 are:

EUROBOND 2027/05: 91.561/5.718;

EUROBOND 2028/09: 79.062/5.915;

EUROBOND 2028/05: 99.675/6.328;

EUROBOND 2029/06: 78.920/5.888;

EUROBOND 2030/12: 76.349/6.234;

EUROBOND 2033/03: 67.944/6.220;

EUROBOND 2033/09: 98.808 /6.664;

EUROBOND 2036/09: 62.675/6.338.

*\*Including custody and omnibus accounts*

## I. GENERAL GOVERNMENT DEBT AND PUBLIC DEBT STOCK AND STRUCTURE AS OF AUGUST 31, 2023

	EUR	USD	RSD	% GDP
<b>Direct Liabilities (A)</b>				
Internal Debt	9.665.226.242	10.553.464.905	1.132.866.966.958	14,0%
External Debt	23.712.055.131	25.891.203.722	2.779.304.209.163	34,3%
<i>Direct Liabilities in Total</i>	33.377.281.373	36.444.668.627	3.912.171.176.121	48,3%
<b>Contingent Liabilities (B)</b>				
Internal Debt	573.469.719	626.171.846	67.216.729.879	0,8%
External Debt	1.255.949.426	1.371.371.746	147.210.585.781	1,8%
<i>Contingent Liabilities in Total</i>	1.829.419.145	1.997.543.592	214.427.315.660	2,6%
<b>Non-Guaranteed Local Government Debt (C)</b>				
Internal Debt	190.473.488	207.978.087	22.325.511.776	0,3%
External Debt	64.578.071	70.512.825	7.569.234.430	0,1%
<i>Non-Guaranteed Local Government Debt in Total</i>	255.051.559	278.490.912	29.894.746.206	0,4%
<b>Non-Guaranteed Debt of Public Enterprise Putevi Srbije and Koridori (D)</b>				
	22.582.532	24.657.877	2.646.912.137	0,03%
<b>Central Government Public Debt (A+B)</b>	<b>35.206.700.518</b>	<b>38.442.212.219</b>	<b>4.126.598.491.781</b>	<b>50,9%</b>
<b>General Government Public Debt (A+B+C+D)</b>	<b>35.484.334.609</b>	<b>38.745.361.008</b>	<b>4.159.140.150.124</b>	<b>51,3%</b>

## II. OVERVIEW OF CENTRAL GOVERNMENT DEBT OF THE REPUBLIC OF SERBIA AS OF AUGUST 31, 2023.

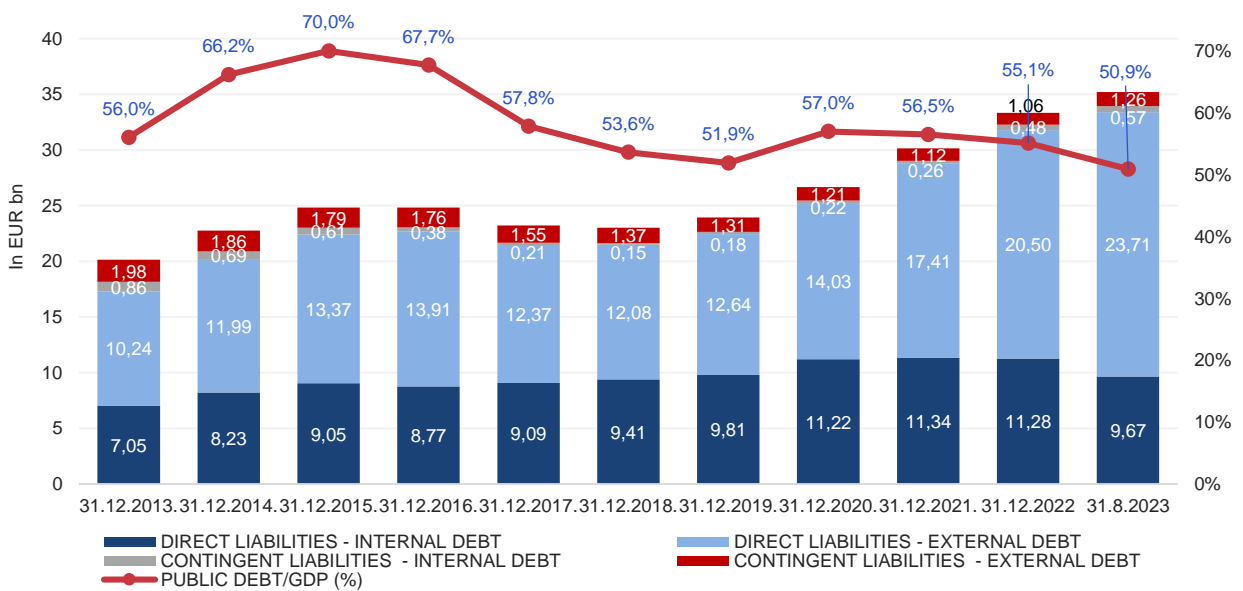
### 1. DIRECT LIABILITIES

1.1. INTERNAL DEBT			
Debt Description	Debt stock as of August 31, 2023 in EUR (000)	Debt stock as of August 31, 2023 in USD (000)	Debt stock as of August 31, 2023 in RSD (000)
GOVERNMENT SECURITIES ISSUED IN THE DOMESTIC MARKET	8.678.442	9.475.995	1.017.205.407
RETAIL BONDS	10.991	12.001	1.288.238
RESTITUTION BONDS	101.423	110.744	11.887.909
OTHER LIABILITIES	369.860	403.850	43.351.509
FROZEN FOREIGN CURRENCY BONDS	434.202	474.106	50.893.131
COMMERCIAL BANK LOANS	70.307	76.769	8.240.772
<b>INTERNAL DEBT (direct liabilities 1.1.)</b>	<b>9.665.226</b>	<b>10.553.465</b>	<b>1.132.866.967</b>
1.2. EXTERNAL DEBT			
Debt Description	Debt stock as of August 31, 2023 in EUR (000)	Debt stock as of August 31, 2023 in USD (000)	Debt stock as of August 31, 2023 in RSD (000)
EUROBONDS	8.935.026	9.756.159	1.047.279.729
COUNCIL OF EUROPE DEVELOPMENT BANK	523.742	571.874	61.388.130
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	132.803	145.007	15.565.902
EUROPEAN INVESTMENT BANK	1.421.231	1.551.843	166.583.323
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	2.223.313	2.427.637	260.595.874
INTERNATIONAL MONETARY FUND	2.394.259	2.614.293	280.632.555
INTERNATIONAL DEVELOPMENT ASSOCIATION	26.741	29.198	3.134.282
KfW DEVELOPMENT BANK	65.208	71.201	7.643.081
PARIS CLUB CREDITORS	505.785	552.267	59.283.361
FOREIGN GOVERNMENT LOANS	3.347.741	3.655.399	392.390.684
EXPORT - IMPORT BANK OF CHINA	2.430.244	2.653.585	284.850.416
INTERNATIONAL COMMERCIAL BANK LOANS	1.312.408	1.433.019	153.828.149
OTHER LIABILITIES	393.554	429.722	46.128.726
<b>EXTERNAL DEBT (direct liabilities 1.2.)</b>	<b>23.712.055</b>	<b>25.891.204</b>	<b>2.779.304.209</b>
<b>TOTAL DIRECT LIABILITIES (1.1. + 1.2.)</b>	<b>33.377.281</b>	<b>36.444.669</b>	<b>3.912.171.176</b>

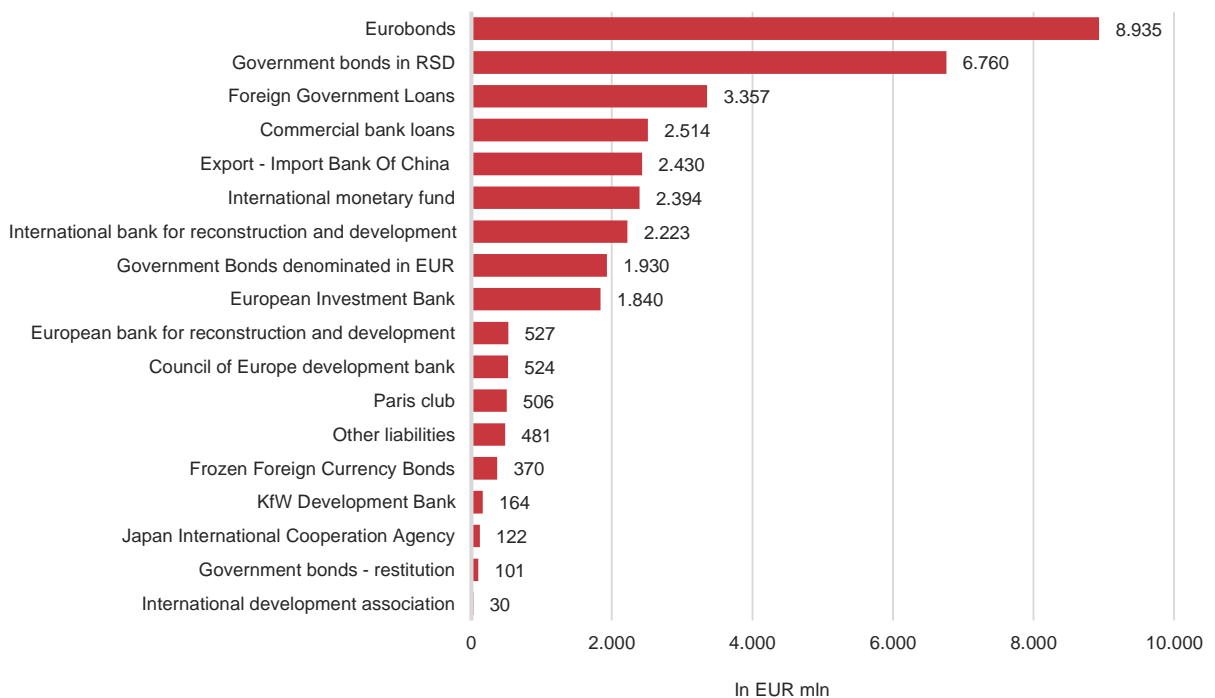
### 2. CONTINGENT LIABILITIES

2.1. INTERNAL DEBT			
Debt Description	Debt stock as of August 31, 2023 in EUR (000)	Debt stock as of August 31, 2023 in USD (000)	Debt stock as of August 31, 2023 in RSD (000)
COMMERCIAL BANK LOANS	573.470	626.172	67.216.730
<b>INTERNAL DEBT (indirect liabilities 2.1.)</b>	<b>573.470</b>	<b>626.172</b>	<b>67.216.730</b>
2.2. EXTERNAL DEBT			
Debt Description	Debt stock as of August 31, 2023 in EUR (000)	Debt stock as of August 31, 2023 in USD (000)	Debt stock as of August 31, 2023 in RSD (000)
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	393.816	430.008	46.159.425
EUROPEAN INVESTMENT BANK	419.035	457.544	49.115.335
INTERNATIONAL COMMERCIAL BANK LOANS	193.571	211.361	22.688.623
INTERNATIONAL DEVELOPMENT ASSOCIATION	3.234	3.532	379.102
KfW DEVELOPMENT BANK	98.405	107.449	11.534.134
FOREIGN GOVERNMENT LOANS	9.287	10.140	1.088.488
JAPAN INTERNATIONAL COOPERATION AGENCY - JICA	121.841	133.038	14.281.064
OTHER LIABILITIES	16.760	18.300	1.964.414
<b>EXTERNAL DEBT (indirect liabilities 2.2.)</b>	<b>1.255.949</b>	<b>1.371.372</b>	<b>147.210.586</b>
<b>TOTAL CONTINGENT LIABILITIES (2.1. + 2.2.)</b>	<b>1.829.419</b>	<b>1.997.544</b>	<b>214.427.316</b>
<b>TOTAL INTERNAL DEBT (1.1.+ 2.1.)</b>	<b>10.238.696</b>	<b>11.179.637</b>	<b>1.200.083.697</b>
<b>TOTAL EXTERNAL DEBT (1.2.+ 2.2.)</b>	<b>24.968.005</b>	<b>27.262.575</b>	<b>2.926.514.795</b>
<b>TOTAL CENTRAL GOVERNMENT DEBT (1 + 2)</b>	<b>35.206.701</b>	<b>38.442.212</b>	<b>4.126.598.492</b>

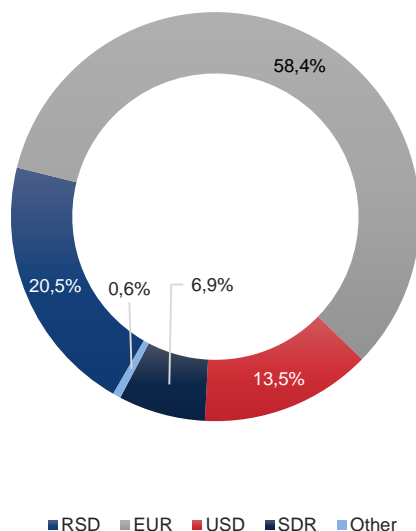
CENTRAL GOVERNMENT PUBLIC DEBT STOCK, STRUCTURE AND PUBLIC DEBT TO GDP RATIO, 31.12.2013. - 31.08.2023.



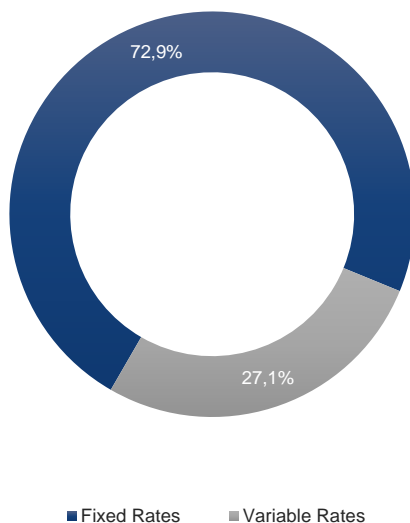
CREDITORS OVERVIEW AS OF AUGUST 31, 2023



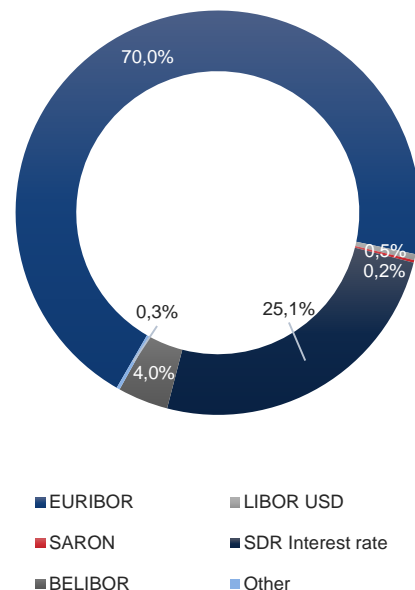
CENTRAL GOVERNMENT  
PUBLIC DEBT CURRENCY  
STRUCTURE AS OF AUGUST  
31, 2023



INTEREST RATE STRUCTURE  
AS OF AUGUST 31, 2023



VARIABLE INTEREST RATES  
STRUCTURE  
AS OF AUGUST 31, 2023

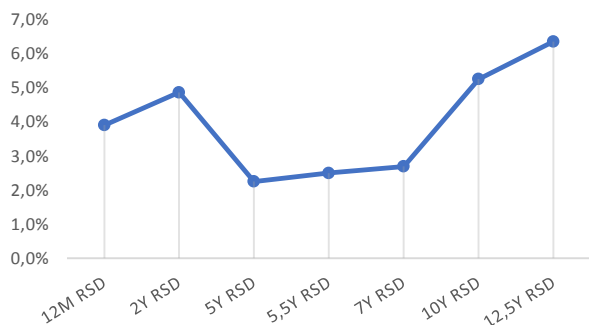


### III. OVERVIEW OF NON-MATURED GOVERNMENT SECURITIES ISSUED ON DOMESTIC MARKET

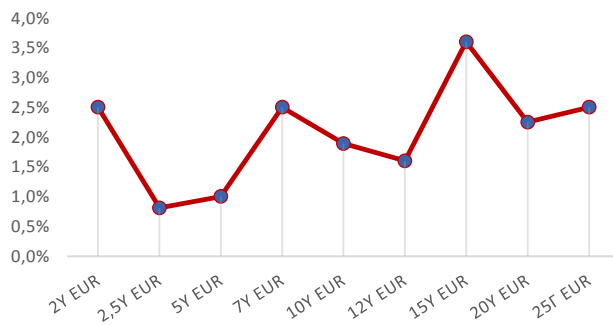
#### GOVERNMENT SECURITIES STOCK AS OF AUGUST 31, 2023

Maturity	Nominal value of debt stock	Last coupon rate	Last accepted rate
<b>Government Bonds Denominated in RSD</b>			
12M Government Notes	0,00	-	3,90%
2Y Government Bond with fixed coupon rate	158.084.870.000,00	5,00%	4,86%
5Y Government Bond with fixed coupon rate	23.300.238.250,00	4,00%	2,25%
5.5Y Government Bond with fixed coupon rate	106.423.790.000,00	3,00%	2,50%
7Y Government Bond with fixed coupon rate	150.000.000.000,00	4,50%	2,69%
10Y Government Bond with fixed coupon rate	164.308.976.000,00	5,88%	5,25%
12.5Y Government Bond with fixed coupon rate	190.174.000.000,00	4,50%	6,35%
<b>Total in RSD</b>	<b>792.291.874.250 RSD</b>		
<b>Government Bonds Denominated in EUR</b>			
2Y Government Bond with fixed coupon rate	237.530.000,00	2,50%	2,50%
2,5Y Government Bond with fixed coupon rate	115.532.000,00	0,85%	0,81%
5Y Government Bond with fixed coupon rate	155.981.000,00	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	642.710.700,00	3,25%	1,89%
12Y Government Bond with fixed coupon rate	148.606.000,00	1,50%	1,60%
15Y Government Bond with fixed coupon rate	321.882.000,00	3,50%	3,60%
20Y Government Bond with fixed coupon rate	235.596.000,00	2,25%	2,25%
25Y Government Bond with fixed coupon rate	6.908.000,00	2,30%	2,50%
<b>Total in EUR</b>	<b>1.929.874.700 EUR</b>		

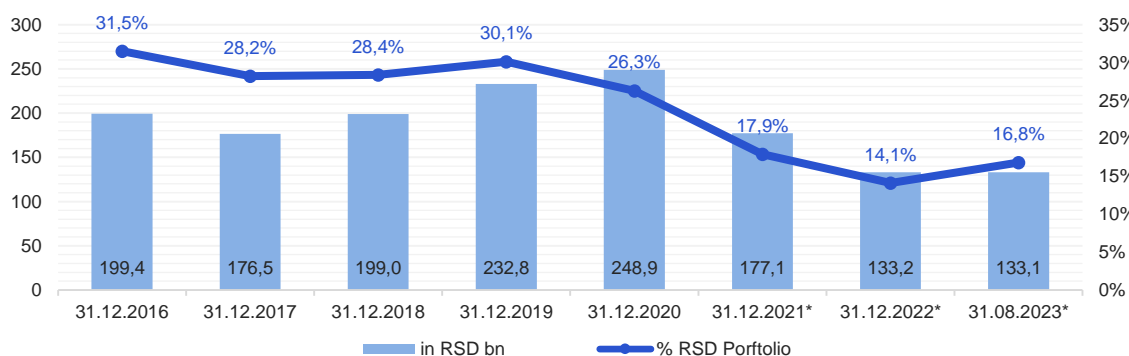
### ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN RSD AS OF AUGUST 31, 2023



### ACCEPTED RATES ON GOVERNMENT SECURITIES ISSUED IN EUR AS OF AUGUST 31, 2023

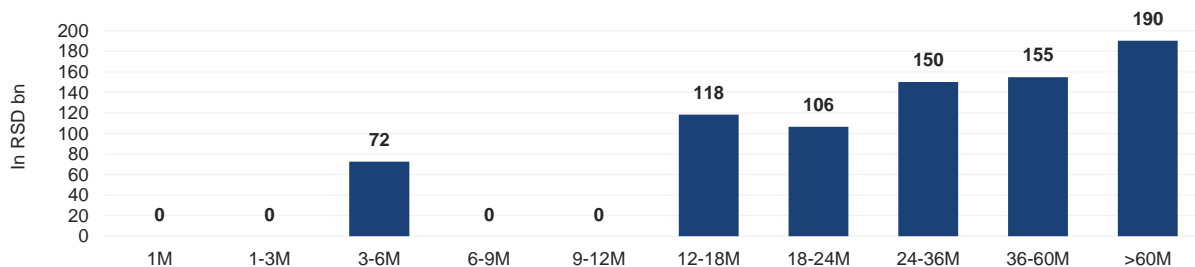


### THE SHARE OF FOREIGN LEGAL ENTITIES IN RSD GOVERNMENT SECURITIES PORTFOLIO AS OF AUGUST 31, 2023

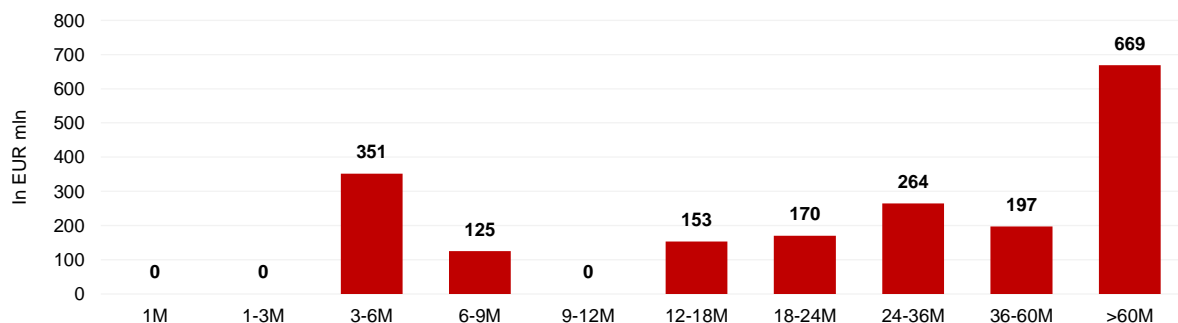


\*Including custody and omnibus accounts

### RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN RSD AS OF AUGUST 31, 2023



### RESIDUAL MATURITY OF GOVERNMENT SECURITIES DENOMINATED IN EUR AS OF AUGUST 31, 2023

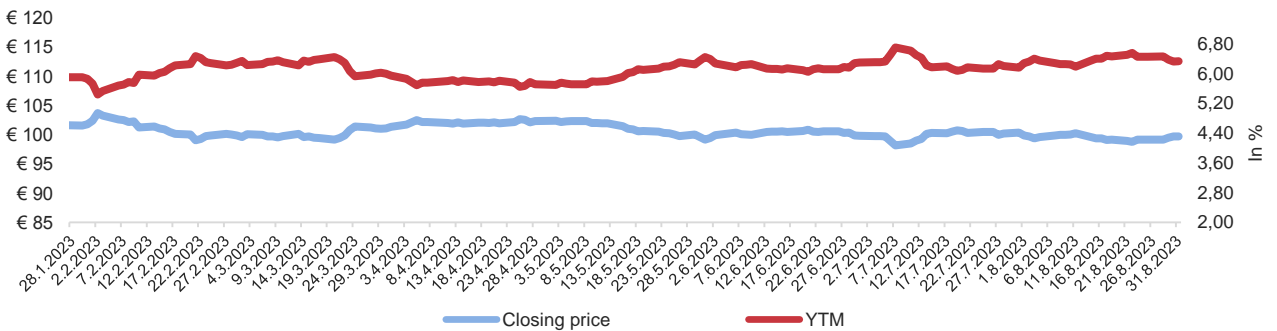


OVERVIEW OF THE ISSUED EUROBONDS OF THE REPUBLIC OF SERBIA

Security name	Year	Currency	Issued Amount	Amount Outstanding	Issue Date	Maturity Date	Coupon (%)	Re-Offer Yield (%)	Issuance Price
SERBIA 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
SERBIA 1,65 03/03/33	2021	EUR	1.000.000.000	1.000.000.000	03.03.2021	03.03.2033	1,650	1,920	97,131
SERBIA 1.00 09/23/28	2021	EUR	1.000.000.000	1.000.000.000	23.09.2021	23.09.2028	1,000	1,262	98,255
SERBIA 2.05 09/23/36	2021	EUR	750.000.000	750.000.000	23.09.2021	23.09.2036	2,050	2,305	96,797
SERBIA 6.25 05/26/28	2023	USD	750.000.000	750.000.000	26.01.2023	26.05.2028	6,250	6,336	99,627
SERBIA 6.50 09/26/33	2023	USD	1.000.000.000	1.000.000.000	26.01.2023	26.09.2033	6,500	6,808	97,703

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

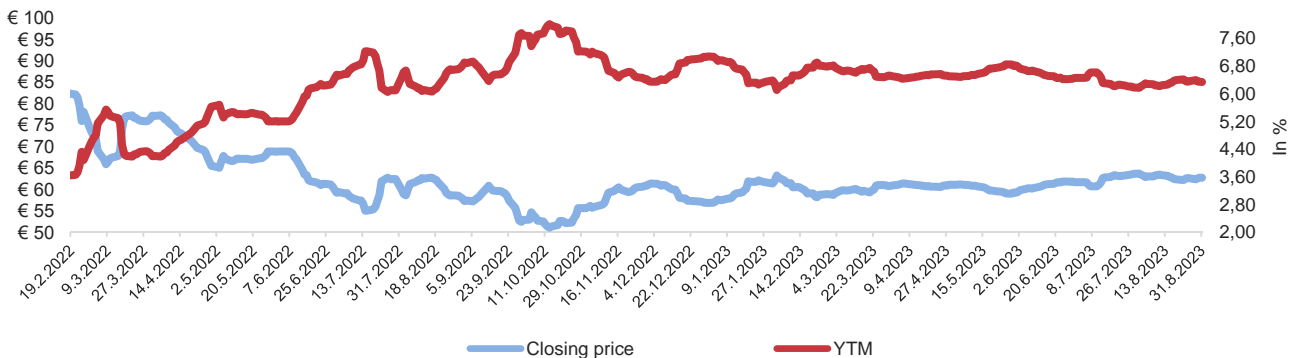
YIELD/PRICE CURVE – EUROBOND 2028/05



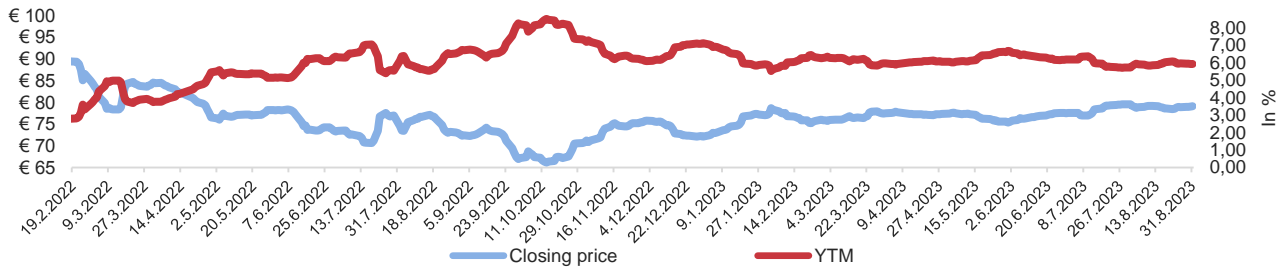
YIELD/PRICE CURVE – EUROBOND 2033/09



YIELD/PRICE CURVE – EUROBOND 2036/09



YIELD/PRICE CURVE – EUROBOND 2028/09



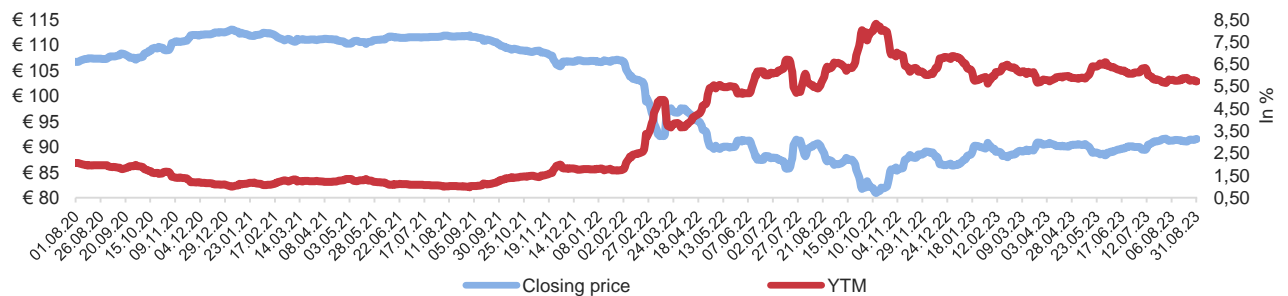
YIELD/PRICE CURVE – EUROBOND 2033/03



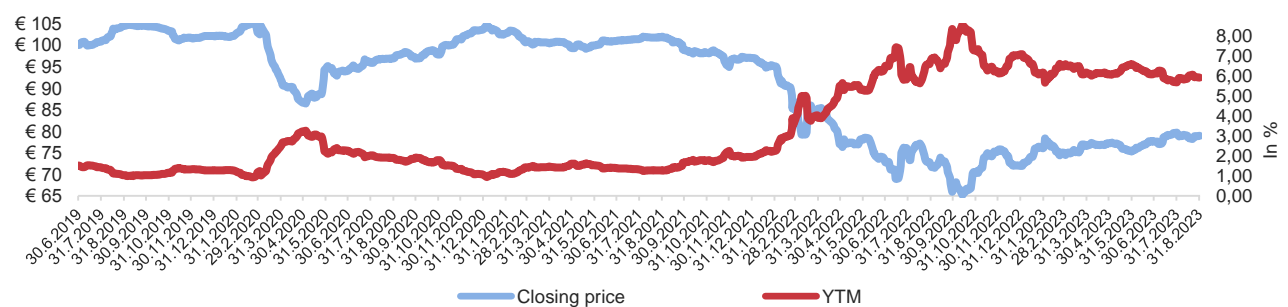
YIELD/PRICE CURVE – EUROBOND 2030/12



YIELD/PRICE CURVE – EUROBOND 2027/05

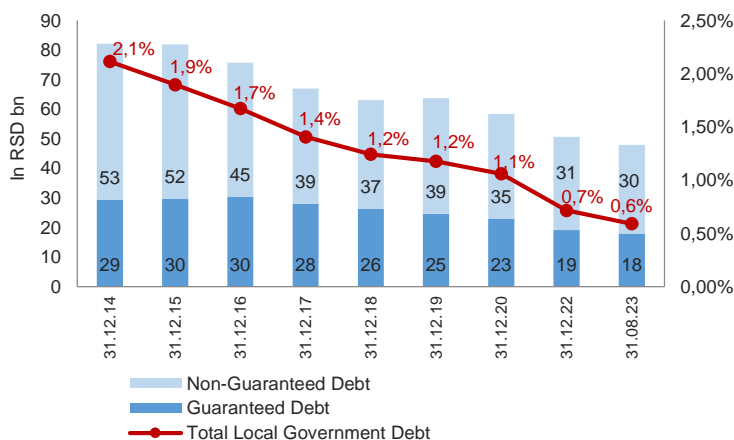


YIELD/PRICE CURVE – EUROBOND 2029/06

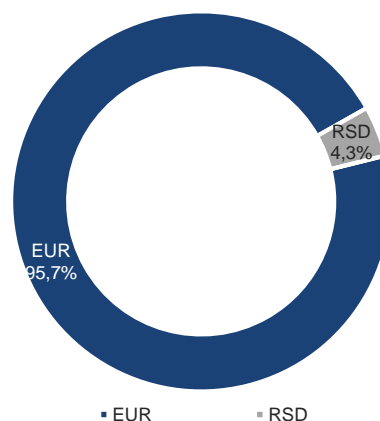


## IV. LOCAL GOVERNMENT DEBT ANALYSIS

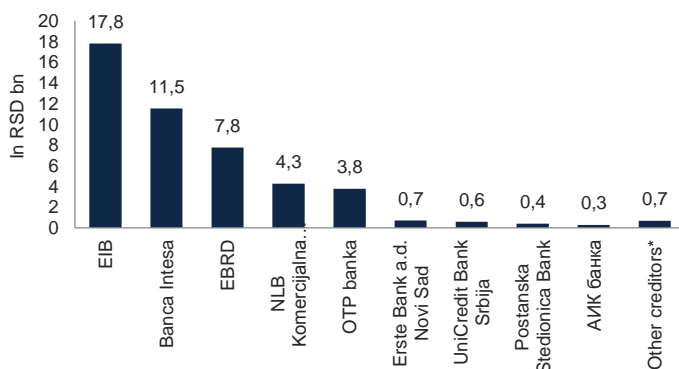
### LOCAL GOVERNMENT DEBT DYNAMICS AS OF AUGUST 31, 2023



### CURRENCY COMPOSITION AS OF AUGUST 31, 2023

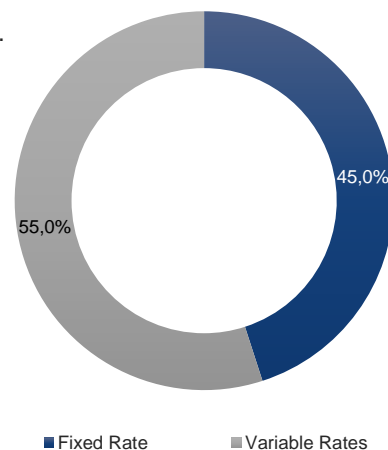


### CREDITORS OVERVIEW AS OF AUGUST 31, 2023



\*Including municipal bonds

### INTEREST RATE STRUCTURE AS OF AUGUST 31, 2023



Share of the top 5 Local Governments in total debt	83,8%
O/W Belgrade	64,0%
Debt maturing till the end of 2022	3.739.894.821
Debt maturing in 2024	8.868.178.391
Debt maturing in 2025	8.562.465.354
Maximum level of debt based on contracted amount	58.032.096.766
Interest Rate Risk	55,0%
FX Risk	95,7%
Local Government Debt to GDP	0,6%
O/W Non-Guaranteed Debt	0,4%
Maximum Debt Level to GDP	0,7%
Share of the top 10 Creditors in total Local Government Debt	98,5%
Share of Foreign Creditors in Total Local Government Debt	61,2%
<b>Total Available Credit Potential</b>	<b>108.624.912.508</b>
Share of the top 10 Local Governments with the highest available credit potential	<b>53,9%</b>
Share of Investment Project Loans in total Local Government Debt	<b>99,6%</b>

Local Government	Debt Stock as of August 31, 2023
Beograd	30.665.846.457
AP Vojvodina	3.567.606.331
Novi Sad	3.451.580.540
Kragujevac	1.648.988.107
Vranje	808.081.077
Novi Pazar	513.208.798
Nis	455.718.811
Pancevo	409.065.795
Kula	361.472.189
Backa Palanka	356.000.000
<b>% of total</b>	<b>88,2%</b>

