



**Ministry of Finance of the Republic of Macedonia**  
**Public Debt Management Department**

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**Annual Report on Public Debt Management of the Republic of  
Macedonia for 2010**

Skopje, 2011

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Pursuant to Article 27 paragraph 2 of the Law on Public Debt (Official Gazette of the Republic of Macedonia, nos. 62/05, 88/08, 35/11), the Parliament of the Republic of Macedonia is informed with the 2010 Annual Report on Public Debt Management of the Republic of Macedonia.

## I. Introduction

Preparing the Annual report on Public Debt Management is aimed at informing the Government of the Republic of Macedonia and the Parliament of the Republic of Macedonia, in details and on regular basis, and introducing the public with the features of total public debt of the Republic of Macedonia, as well as with the measures undertaken last year for efficient debt portfolio management in the Republic of Macedonia.

The annual report is a summary of the results from the implementation of the Public Debt Management Strategy for the period 2010-2012 ("Official Gazette of the Republic of Macedonia", no. 75/10), hereinafter: the Strategy.

Objectives of the public debt management of the Republic of Macedonia pursuant to the Law on Public Debt are the following:

1. Undertaking measures and activities by the Ministry of Finance to the end of ensuring financing of the needs of the state with the lowest possible cost, in the medium and long run, and with sustainable level of risk; and
2. Undertaking measures and activities by Ministry of Finance to the end of development and maintenance of efficient domestic financial markets.

### I.1. Methodology

**Public debt** of the Republic of Macedonia comprises the government debt and the debt of public enterprises and companies fully or predominantly owned by the state, the municipalities, the municipalities in the City of Skopje and the City of Skopje, and the National Bank of the Republic of Macedonia. Government debt comprises all financial liabilities incurred on the basis of borrowing by the Republic of Macedonia, including the debt of public institutions established by the Republic of Macedonia, the municipalities, the municipalities in the City of Skopje and the City of Skopje. Hence, the Government of the Republic of Macedonia, the municipalities, the municipalities in the City of Skopje and the City of Skopje, public enterprises and companies fully or predominantly owned by the state, the municipalities, the municipalities in the City of Skopje and the City of Skopje and the National Bank of the Republic of Macedonia can appear as public debt issuers.

This definition about the public debt is included in the Law on Public Debt and it presents the so-called **National Methodology** for calculating the public debt, being harmonized with **GFS Methodology, included in the Government Financial Statistics Manual, issued by IMF**, being frequently applied methodology for calculating the public sector debt.

## II. Macroeconomic developments in 2010

### Current macroeconomic climate

Still vulnerable macroeconomic surrounding and the low level of investment confidence as a result of the effects of the global economic crisis contributed to GDP decline by 0.5% in real terms in the first quarter of 2010, however in the second quarter already, there were signs of recovery of the economy, when GDP experienced real growth rate of 1.5%. In the third and fourth quarter, the economic activity intensified with GDP growth rate of 2.1% and 3.8%, respectively. Thus, average economic growth in 2010 was positive, amounting to 1.8% in real terms.

Following the negative inflation rates characteristic for 2009, **inflation** was maintained at low and stable level during 2010. Average inflation rate in 2010 amounted to 1.6%, being mainly a result of the increase in prices of electricity at the beginning of the year and increase of heating prices in January and August (contributing with 0.8 p.p.), as well as the higher prices of oil derivatives (contributing with 0.6 p.p.). Core inflation, excluding food and energy, during 2010, was preserved as stable, around zero.

As for the **labour market**, certain positive dynamics was noticed, which can be considered as a reflection of the recovery of the economy from the global economic crisis. Activity rate for 2010 amounted to 56.9%, being higher by 0.2 p.p. compared to the previous year, employment rate amounted to 38.7%, while unemployment rate amounted to 32%, experiencing slight decrease by 0.2 p.p. compared to 2009. At the end of 2010, active population in the Republic of Macedonia amounted to 954,928 persons, 659,557 out of which were employed, while 295,371 persons were unemployed.

As regards the **external sector**, following the contraction of external trade in 2009, during 2010, as a result of the positive performance in the world and in particular in Europe, trade with abroad, particularly export experienced high dynamic growth. Export of goods in 2010 was higher by 29.7% compared to previous year. Export of goods was adjusted with slower pace, recording average growth of 13.9% in 2010. As a result of such trends, realized trade deficit decreased by around 4.1% compared to 2009, amounting to 23.4% of GDP, compared to 25.3% of GDP in the previous year.

As for **public finance**, fiscal policy in 2010 was implemented within the prolonged effects of the global economic crisis, above all due to the unexpected external shock as a result of the debt crisis in Greece and other European countries. Thus, trends in the first quarter of the year imposed the need for adjustments of fiscal policy with the trends in the economy and consolidation of public finance. Timely and efficient conduction of fiscal policy contributed to 2010 modifications and amendments to the Budget of the Republic of Macedonia by limiting the public spending, so as to retain the projected level of budget deficit and preserve macroeconomic stability. Thus, Government of the Republic of Macedonia, in July 2010, adopted the 2010 Supplementary Budget, by which revenue and expenditure projections were revised downwards by 3%, thereby keeping the same deficit target of 2.5% of GDP.

### III. Execution of 2010 Budget of the Republic of Macedonia

Regarding **public finance**, disciplined and prudent fiscal policy, as so far, continued to be conducted in 2010.

Total budget revenues were generated in the absolute amount of Denar 132,148 billion.

In 2010, total budget expenditures were realized in the absolute amount of Denar 142,691 billion.

In 2010, the Budget of the Republic of Macedonia realized deficit in the amount of Denar 10,543 million or 2.48% of GDP, i.e. the plan was fully realized

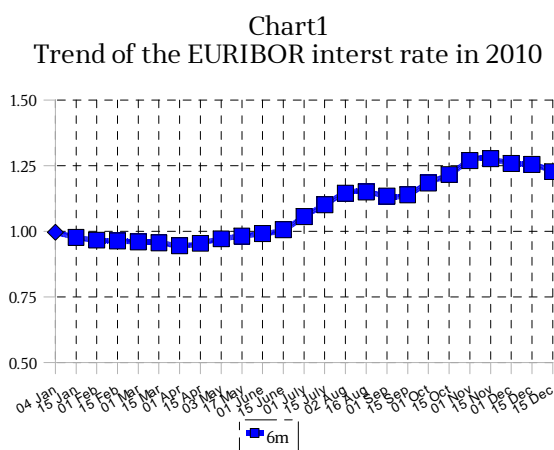
### IV. More significant activities in the period January-December 2010

#### IV.1 International environment (interest rates and exchange rates)

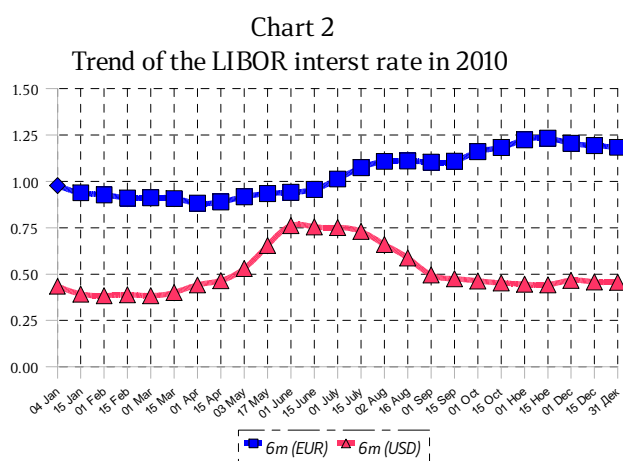
During 2010, interest rates on the interbank deposits market in the Eurozone showed stability in the first half of 2010, while they started to gradually increase in the second half. Thus, interbank Euribor 6-month interest rate increased by 0.231 percentage points in 2010, while it accounted for 0.976%, at the beginning of January, while it accounted for 1.227% at the end of December 2010. Interbank Libor interest rate followed the same trend. In fact, at the interbank deposit market in London, EUR 6-month Libor amounted to 0.977% at the beginning of 2010, amounting to 1.183% at the end of the year.

US dollar interbank Libor interest rate with 6-month maturity period experienced slight increase in the first semester of 2010, while it continuously decreased in the second semester of the year, whereby in December, its value approximately reached the same level as the one at the beginning of the year.

Thus, average US dollar 6-month Libor interest rate, amounted to 0.434% in January, amounting to 0.456% in December.



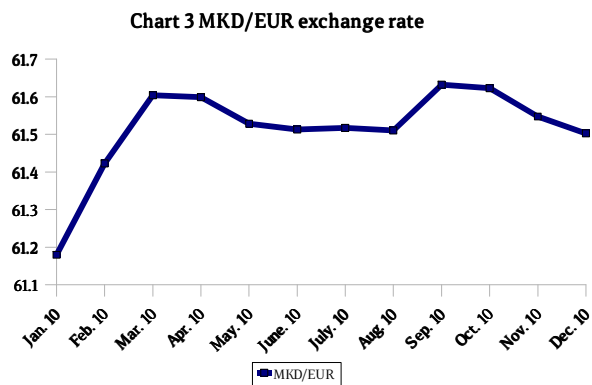
Source: European Banking Federation



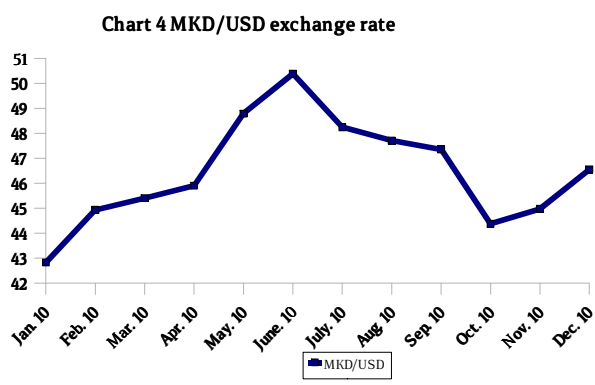
Source: British Bankers Association

As for the foreign currency market in the Republic of Macedonia, during 2010, the level of Denar exchange rate in relation to the euro ranged between Denar 61.1642 and Denar

61.6782 per euro. In the beginning of 2010, the euro/denar exchange rate was Denar 61.1659, while the euro/denar exchange rate was Denar 61,5050 t the end of December 2010. During the first six months of 2010, Denar exchange rate in relation to the American dollar constantly depreciated, whereby the Denar/American dollar exchange rate reached the highest value in June, when it amounted to Denar 51.5036 per American dollar. This period was followed by the constant decrease of the value of the dollar, due to which the Denar/American dollar exchange rate amounted to Denar 46.314 per American dollar at the end of December.

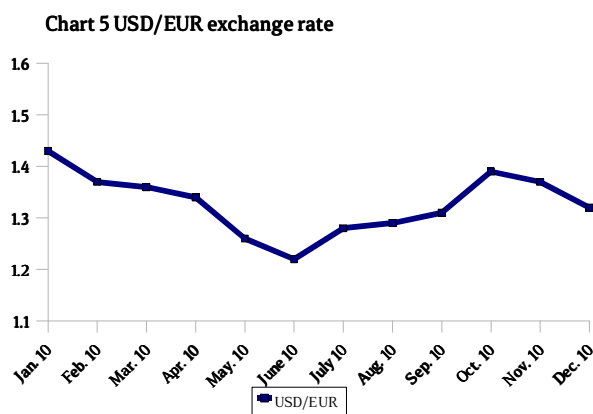


Source: NBRM

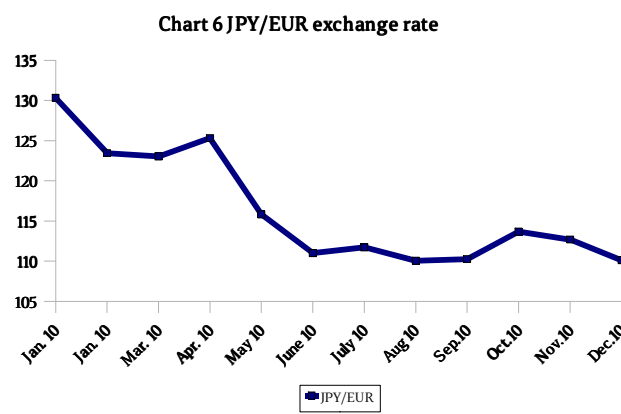


Source: NBRM

As for the international financial market, in the first semester of 2010, the value of the euro in relation to the American dollar continuously depreciated, while the value of the euro commenced to increase its value in the second semester of the year. In January, the American dollar/euro exchange rate amounted to 1.44 dollars per euro, while it amounted to 1,328 per euro in December, decreasing by 7.82%. At the same time, as for the Yen/Euro exchange rate, the euro depreciated in relation to the Japanese Yen. During the analyzed period, the value of the euro in relation to the yen depreciated by 15.52%, i.e. the average exchange rate JPY/EUR was 130.3390 yen per euro in January, amounting to 110.1096 yen per euro in December.



Source: European Central Bank



Source: European Central Bank

## IV.2. Credit rating of the Republic of Macedonia in 2010

The grades for the credit rating the Republic of Macedonia obtained in 2009 and 2010 by the international credit rating agencies: Standard & Poor's and Fitch are shown in the table below:

### Standard & Poor's Credit Rating Agency

	2009	2010
Foreign currency	BB/Stable	BB/Stable
Domestic currency	BB+/Stable	BB+/Stable

Source: Standard & Poor's

### Fitch Credit Rating Agency

	2009	2010
Foreign currency	BB+/Negative	BB+/Stable
Domestic currency	BB+/Negative	BB+/Stable

Source: Fitch

In October 2010, the credit rating agency Fitch awarded new revised credit rating grade to the Republic of Macedonia for foreign and domestic currency with changed outlook from negative to stable. Ratings were improved on the basis of high fiscal discipline, stability of public finances, low level of public debt, as well as recovery of forex reserves to a stable level.

In 2010, Standard & Poor's credit rating Agency confirmed the same grade as the one awarded in 2009. Stable credit rating is a good signal to foreign investors, and it has positive impact on the interest rate at which the country borrows on the credit market, as well as the overall economic and political image of the Republic of Macedonia.



### IV.3. Public debt trend

In line with the National Methodology, public debt<sup>[1]</sup>, in the period 1<sup>st</sup> January – 31<sup>st</sup> December 2010, increased by EUR 329.16 million, amounting to EUR 2,458.0 million at the end of 2010, i.e. 35.4% of GDP (Annex 1). Increase of public debt was mainly caused due to the increase of the debt of the National Bank of the Republic of Macedonia.

Government debt<sup>[2]</sup> increased by EUR 113.5 million, amounting to EUR 1,710.8 million at the end of 2010. Despite the slight increase by 0.7 percentage points in relation to GDP, i.e. from 23.9% to 24.6%, the government debt of the Republic of Macedonia, even in 2010, remained at a level, being below the Maastricht criterion, according to which general government debt must not exceed 60% of GDP.

Public debt level in 2010 is due to the continuation of the implementation of projects in the field of education, social housing, agriculture, health, road infrastructure, railway traffic and the energy sector.

From the point of view of **currency structure** of public debt, euro - denominated debt predominated with 58% in the total portfolio. The debt dominated in domestic currency increased by 8 percentage points compared to 2009, i.e. from 14% to 22%. This increase of the Denar - denominated debt is mainly a result of the increase of domestic debt of the National Bank of the Republic of Macedonia on the basis of issued central bank bills.

**Interest structure** of total public debt had relatively equal share of the debt with fixed and variable interest rates. Thus, at the end of 2010, debt with fixed interest rates participated with 45%, while debt with variable interest participated with 55%.

In 2010, share of the **market debt** increased compared to the previous year by EUR 207 million, being a result of the increase of debt on the basis of issued government securities and NBRM debt on the basis of issued central bank bills.

**From the point of view of the risks** the public debt portfolio of the Republic of Macedonia faces, being also identified in the Medium-Term Public Debt Management Strategy, moderate, but controlled, increase of the interest rate risk can be observed.

On the other hand, increased share of Denar - denominated debt contributed to the reduction of the exchange rate risk. Taking into account the dominant share of the euro-denominated debt and fact that the Republic of Macedonia has de facto fixed exchange rate of the Denar in relation to the Euro, the exposure of the public debt portfolio to this risk is less significant.

**[1] Public Debt** comprises sovereign debt and debt of public enterprises and companies being fully or predominantly owned by the state, the municipalities, the municipalities within the City of Skopje and the City of Skopje, as well as of the National Bank of Macedonia.

**[2] Government debt** comprises all financial liabilities incurred under borrowing by the Republic of Macedonia, including the debt of the municipalities, the municipalities in the City of Skopje and the City of Skopje, excluding the debt of public enterprises and companies fully or predominantly owned by the state, the municipalities, the municipalities in the City of Skopje and the City of Skopje, as well as of the National Bank of the Republic of Macedonia.

In order to monitor the exposure of the re-financing risk, average time to maturity indicator (Table 8) is calculated on continuous basis. Thereby, the value of this indicator for the total public debt amounted to 5.51 at the end of 2009, reducing to 5.2 years as of 31<sup>st</sup> December 2010. Observed from analytical point of view, domestic public debt experienced certain decrease of the average time to maturity, from 1.76 years to 1.38 years. Such dynamics may be explained with gradual maturity of bonds issued for structural purposes, being issued with longer maturity deadlines, while the new borrowing on the domestic market of government securities is with shorter maturity deadlines. As for external public debt, there was slight decrease at this indicator in 2010, i.e. from 7.22 to 6.95 years, being due to gradual maturity of loans extended under concessional terms.

Duration indicator (Table 9) is calculated for the domestic public debt, measuring portfolio exposure to market risk, more precisely the interest rate risk. At the end of 2009, its value amounted to 1.26 years, reducing to 1.03 years by 31<sup>st</sup> December 2010.

Indicator for exposure to the market risk- average time to re-fixing (table 10) reduced from 4.58 to 4.03 years in the course of 2010. As for domestic public debt, the downward trend as regards the value of this indicator continues to be retained. In fact, share of structural bonds which have mainly fixed interest rates, decreases, and the borrowing in continuous government securities with 1-year deadline, increases.

#### **IV.4. Ninth issue of denationalization bonds**

Pursuant to the Law on Issuance of Denationalization Bonds in the Republic of Macedonia (Official Gazette of the Republic of Macedonia, nos. 37/02, 89/08 and 161/09), the ninth issue of denationalization bond in the amount of EUR 30 million was issued on 21<sup>st</sup> April 2010. Terms and conditions for the issuance of this bond were identical as for the first eight issues, i.e. 10-year maturity period and 2% fixed annual interest rate. First installment for payment of the principal and the interest on these bonds falls due on 1<sup>st</sup> June 2011.

This issue of the denationalization bonds covers all effective decisions on denationalization as of 31<sup>st</sup> December 2009 inclusive, according to which bonds are given as compensation.

#### **IV.5. Public debt servicing**

All liabilities on the basis of public debt that fell due in 2010 were regularly and timely serviced by the Ministry of Finance, as well as by the other public debt issuers.

Liabilities on the basis of **total public debt** paid in 2010, amounted to Denar 13,075.07 million, Denar 7,164.07 out of which were for repayment of external public debt, while Denar 5,911 were paid for domestic public debt.

To the end of repaying the liabilities on the basis of the **government debt** principal in the 2010 Budget of the Republic of Macedonia, Denar 7,988 million was planned, total of Denar 7,482 million out of which was spent.

As for the liabilities on the basis of interest-related costs of the **government debt** in the 2010 Budget of the Republic of Macedonia, funds in the total amount of Denar 3,174 was paid.

## IV.6. Continuous government securities

### IV.6.1. Primary Government Securities Market (GS)

Borrowing by issuing government securities in 2010 - The decision on determining the maximum amount of new borrowing by issuing government securities by the Government of the Republic of Macedonia (Official Gazette nos. 26/10 and 160/10) determines the maximum amount of Denar 6.3 billion. Thus, new borrowing on the basis of issued GS in 2010 amounted to Denar 6.2 billion, and the stock of total issued GS as of 31<sup>st</sup> December 2010 inclusive, amounted to Denar 19.1 billion.

GS auctions - In the period January-December 2010, Ministry of Finance issued 3-month and 6-month treasury bills with and without foreign exchange clause. During this period, total of twenty two (22) GS auctions were held, i.e. three (3) auctions of 3-month treasury bills and nineteen (19) auctions of 6-month treasury bills.

Total amount offered on the GS auctions in 2010 was Denar 35.65 billion, i.e. observed by maturity, total amount offered was distributed as follows: Denar 3.34 billion was offered at auctions of 3-month treasury bills, Denar 32.31 billion at auctions of 6-month treasury bills. Total amount realized at the auctions in the same period was Denar 32.98 billion. On the basis of the presented data on the amount offered and the amount of realization of GS auctions, one can see that the percentage of success of auctions in 2010 was 92.51%, increasing by 24.36 percentage points compared to 2009, when the success percentage of auctions was 68.15%.

Portfolio of continuous GS comprises 3-month, 6-month, 2-year and 3-year securities. As of 31<sup>st</sup> December 2010, maturity structure of the government securities' portfolio is as follows:

- percentage share of 3-month treasury bills was 16.67% in the maturity structure, decreasing by 8.18 percentage points compared to 31<sup>st</sup> December 2009, when it amounted to 24.85%.

- percentage share of 6-month treasury bills was 82.97% in the maturity structure, increasing by 27.47 percentage points compared to 31<sup>st</sup> December 2009, when it amounted to 55.50%.

- percentage share of 12-month treasury bills was 0% in the maturity structure, decreasing by 14.37 percentage points compared to 31<sup>st</sup> December 2009, when it amounted to 14.37%.

- percentage share of 2-year government bonds was 0.05% in the maturity structure, decreasing by 3.08 percentage points compared to 31<sup>st</sup> December 2009, when it amounted to 3.13%, and

- percentage share of 3-year government bonds was 0.31% in the maturity structure, decreasing by 1.84 percentage points compared to 31<sup>st</sup> December 2009, when it amounted to 2.15% (Chart 14).

Trends of interest rates at auctions of government securities - Depending on the type of tender applied, interest rates on government securities since their introduction until today, are market determined (interest rate tender) or they are previously defined by the Ministry of Finance (volume tender). In 2010, volume tender was applied at GS auctions.

Downward trend of interest rates on GS commenced in the second half of 2009 continued with their continuous decrease throughout 2010. In this period, lowest interest rate achieved at auctions of 3-month treasury bills without foreign exchange clause amounted to 4.50%, while at auctions of 6-month treasury bills with foreign exchange clause accounted for 4.30% on annual basis. As an illustration, in 2009, lowest interest rates achieved at auctions of 3-month, 6-month and 12-month treasury bills amounted to 5.30%, 5.50% and 5.70%, respectively.

Given the presented data on interest rates on GS, one may conclude that in 2010, interest rates on GS (3-month and 6-month treasury bills) reduced from 0.80 percentage points to 1.20 percentage points in average compared to the interest rates in 2009 (Charts nos. 11, 12).

Ownership structure of primary realized government securities - Trend of dominant share of the banks in the ownership structure of undue GS in relation to the other entities on the primary government securities market continued during 2010 as well. As of 31<sup>st</sup> December 2010 inclusive, percentage share of banks in the ownership structure of the government securities amounted to 75.98%, while the share of the other entities was 24.02%. During the analyzed period, share of banks increased by 5.32 percentage points in relation to the share of other entities, being respectively reduced. As of 31<sup>st</sup> December 2009 inclusive, the ratio between banks and other market entities was 70.26 against 29.74, respectively (Chart 13).

#### ***IV.6.2. Secondary government securities market***

Secondary trading in government securities is carried out on the Macedonian Stock Exchange AD Skopje and on the Over-the-Counter Market (OTC). Structural bonds (nine issues of government bonds for denationalization and bonds for old foreign exchange saving) as well as continuous government bonds are traded on the Macedonian Stock Exchange, while only continuous GS are traded on the Over-the-Counter Market.

During 2010, total trading volume realized on the Macedonian Stock Exchange AD Skopje in the period amounted to EUR 23,675,328.00, increasing by 69.16% compared to 2009, when it amounted to EUR 13,995,928.00. At the same time, total realized trading turnover surged by 68.18% compared to 2009, while in 2010, it amounted to EUR 20,055,786.00. (Chart 15).

During the same period, total of 7 transactions with government securities were realized on the Over-the-Counter Market, whereby all concluded transactions referred to short-term government securities. Total nominal trading amount amounted to Denar 333,790,000.00. If one carries out comparative analysis of trading in 2010 with trading in 2009, it can be concluded that significantly lower number of transactions were realized in 2010 compared to 2009, while total nominal trading amount was lower by Denar 97,270,000.00 compared to 2009.

## IV.7. Newly concluded loans in 2010

### IV.7.1. New loans concluded by Central Government

- **Project for Housing of Vulnerable Groups** – On 8<sup>th</sup> March 2010, Ministry of Finance, on behalf of the Government of the Republic of Macedonia and the Council of Europe Development Bank (CEB) signed Framework Loan Agreement for partial financing of the Project for Housing of Vulnerable Groups. This Project is aimed at strengthening the development of social policy through the fight against poverty and social exclusion of low-income persons and vulnerable groups. One of the important elements in the social development policy is to increase the quality of life of low-income persons and the vulnerable groups by providing their appropriate housing.

Conditions, under which, this Project was signed are the following:

- amount: EUR 25,350,000.00 ;
- interest rate: interest rate will be determined for each tranche separately;
- repayment period: 20 years including grace period, and
- grace period: 5 years.

- **Agreement for the First Development Policy Loan** - on 26<sup>th</sup> March 2010, the Ministry of Finance, on behalf of the Government of the Republic of Macedonia and the World Bank signed Agreement for the First Programmatic Development Policy Loan. Beneficiary of the loan funds is the Ministry of Finance. Loan funds are intended for budget support and are awarded as a result of realizing the envisaged Government policy reforms. The Loan supports reforms in the process of public expenditures management, reforms in the social policy system, as well as strengthening financial sector stability.

Conditions, under which, this Project was signed are the following:

- amount: EUR 20,500,000.00;
- interest rate: Six month LIBOR for euro currency plus variable spread;
- repayment period: 25 years including grace period, and
- grace period: 8 years.

- **Project for Rehabilitation of Health Provider Institutions - I phase** – On 17<sup>th</sup> May 2010, Ministry of Finance, on behalf of the Government of the Republic of Macedonia and the Council of Europe Development Bank signed Agreement for financing the Project for Rehabilitation of Health Provider Institutions – first phase. Project will provide for significant improvement of the conditions for treatment of patients, as well as for work of the medical staff.

Conditions, under which, this Project was signed are the following:

- amount: EUR 23,000,000.00;
- interest rate: interest rate will be determined for each tranche separately;

- repayment period: 20 years including grace period, and
- grace period: 5 years.

- **Water Supply and Waste Water Collection Project** – On 14<sup>th</sup> July 2010, Ministry of Finance, on behalf of the Government of the Republic of Macedonia and the European Investment Bank (EIB) signed Agreement for financing the Water Supply and Waste Water Collection Project. Project covers priority investments projects for supply and sewerage, so as to improve the supply of safe drinking water, having direct effect on the health protection of citizens and environment.

Conditions, under which, this Project was signed are the following:

- amount: EUR 50,000,000.00;
- interest rate: interest rate will be determined for each tranche separately;
- repayment period: 25 years including grace period, and
- grace period: 5 years.

- **Real Estate Cadastre and Registration Project - Additional Financing** - On 24<sup>th</sup> September 2010, Ministry of Finance, on behalf of the Government of the Republic of Macedonia and the International Bank for Reconstruction and Development - World Bank signed Loan Agreement for additional financing of the Real Estate Cadastre and Registration Project. The Project realization will provide for digitalization of the existing cadastral maps and plans and availability of these graphic information to the citizens and the private and public sector via Internet, the accuracy and efficiency of the survey will also be improved, by completing and upgrading the state geodetic reference network. The project will also improve working conditions in the regional offices of the Property and Legal Affairs Office within the Ministry of Finance, and it will provide for automatization of business processes and digitalization of the existing records to the end of creating digital archives, all to the end of ensuring better performance of services for users.

Conditions, under which, this Project was signed are the following:

- amount: EUR 9,000,000.00;
- interest rate: 6-month LIBOR with variable spread (for euro currency);
- repayment period: 25 years including grace period, and
- grace period: 8 years.

- **Rail Corridor X Project** – On 15<sup>th</sup> October 2010, Ministry of Finance, on behalf of the Government of the Republic of Macedonia and the European Bank for Reconstruction and Development signed Loan Agreement for financing the Rail Corridor X Project. This Project is aimed at reconstructing railroad tracks from Tabanovce to Gevgelija, being part of Corridor 10.

Conditions, under which, this Project was signed are the following:

- amount: EUR 17,600,000.00 ;

- interest rate: 6-month Euribor variable interest rate + 1 p.p.;
  - repayment period: 15 years including grace period, and
  - grace period: 3 years.
- **Project for Reconstruction of Houses of Correction** - On 25<sup>th</sup> November 2010, Ministry of Finance, on behalf of the Government of the Republic of Macedonia and the Council of Europe Development Bank signed Agreement for financing the Project for Reconstruction of Houses of Correction. Realization of this Project would contribute to changing the appearance of the prisons in Macedonia, i.e. conditions for functioning of prisons according to the European Standards, resocialization and human treatment of convicted persons and creation of optimum conditions for stay and work of convicted persons and employees in prisons, strengthening of health services and health care, employment of new staff and their education.

Conditions, under which, this Project was signed are the following:

- amount: EUR 46,000,000.00;
- interest rate: interest rate will be determined for each tranche separately;
- repayment period: 20 years including grace period, and
- grace period: 5 years.

#### *IV.7.2. New loans concluded by local government*

- **Project for Construction of Multi-Storey Car Parks „Dame Gruev” and „Cveten Pazar”** On 10<sup>th</sup> December 2010, the City of Skopje and NLB Tutunska Banka AD Skopje signed Agreement for Long-Term Loan with Foreign Exchange Clause in the amount of EUR 8,500,000.00 for financing the Project for Construction of Multi-Storey Car Parks „Dame Gruev” and „Cveten Pazar”. Construction of the multi-storey car parks at the locations „Dame Gruev” and „Cveten Pazar”, will provide for multiple increase of the number of parking spaces in the central area of the capital city, being mostly burdened with stationary traffic.

Conditions, under which, this Project was signed are the following:

- amount: EUR 8,500,000.00;
- interest rate: 3-month Euribor variable interest rate + 5.1 p.p.;
- repayment period: 10 years including grace period, and
- grace period: 2 years.

#### *IV.7.3. New loans concluded by public enterprises*

- **Multi-Currency Credit Line Agreement** – On 8<sup>th</sup> January 2010, AD ELEM and Stopanska banka AD Skopje signed Multi-Currency Credit Line Agreement in the amount of EUR 360,000,000.00. Short-term borrowing of operating assets will lead to better economic and financial condition of the company, avoidance of untimely

payments of urgent liabilities accompanied with additional costs on the basis of interest and penalties, thus maintaining the solvency of the company. Short-term borrowing will provide for smooth performance of the main activity of AD ELEM, at the same time providing for realization of the planned electricity generation, which will contribute to decreasing the costs for import of electricity.

Conditions, under which, this Project was signed are the following:

- amount: Denar 360,000,000.00;
  - interest rate: 7.5% for short-term loans; 6.5% for short-term loan with foreign exchange clause, and
  - repayment period: up to 90 days, starting from the day of disbursement of the funds.
- **Agreement for Short-Term Loan of State Lottery of Macedonia** – On 29<sup>th</sup> July 2010, State-Owned Joint stock Company for Organizing Games of Chance AD-Skopje, State Lottery of Macedonia and Ohridska Banka AD Ohrid signed Agreement for Short-Term Loan, in the amount of Denar 91,840,000.00. Short-term borrowing by State Lottery of Macedonia provides for timely settlement of liabilities according to the Agreement for Procurement of On-Line Lottery System.

Conditions, under which, this Project was signed are the following:

- amount: Denar 91,840,000.00;
  - interest rate: 7% annually, being calculated and paid monthly;
  - repayment period: 3 years including grace period, and
  - grace period: 1 year.
- **Project for Construction of Multi-Storey Car Park 5.13 – “Mal Ring”** – On 29<sup>th</sup> December 2010, the Public Enterprise for Managing Housing and Business Premises of the Republic of Macedonia and Stopanska banka AD Skopje and Komercijalna banka AD Skopje signed Agreement for Short-Term Loan in the amount of EUR 4,116,000.00 for financing the Project for Construction of Multi-Storey Car Park 5.13 – “Mal Ring. Construction of multi-storey car park 5.13 – Small Circle will provide for long-term solution of traffic problems in the center of the city, caused by lack of parking spaces.

Conditions, under which, this Project was signed are the following:

- amount: EUR 4,116,000.00;
- interest rate: 1-year Euribor + 4.75 p.p.;
- repayment period: 12 years including grace period, and
- grace period: 2 years.



#### IV.8. Issued guarantees in 2010

- **Sovereign guarantee of the Republic of Macedonia on the basis of the liabilities under the Loan Agreement intended for financing Modernization of HPP Bitola Project** – Agreement for Borrowing between AD ELEM and Stopanska banka AD Skopje for Modernization of HPP Bitola Project, was signed on 7<sup>th</sup> May 2010, when the Guarantee Agreement concluded between the Ministry of Finance and Stopanska banka AD Skopje, was signed. Republic of Macedonia guarantees the settlement of liabilities in amount of EUR 30,000,000 Under the Loan Agreement intend for financing the Modernization of HPP Bitola Project.

Conditions, under which, this Project was signed are the following:

- amount: EUR 30,000,000;
- interest rate: 1-month Euribor variable interest rate + 4.75 p.p.;
- repayment period: 14 years including grace period, and
- grace period: 3 years.

- **Sovereign guarantee of the Republic of Macedonia on the basis of the liabilities under the Loan Agreement intended for financing the Project “Rehabilitation of Six Hydro Power Plants”** – On 29<sup>th</sup> November 2010, AD ELEM and Credit Bank for Reconstruction, KfW signed Loan Agreement, when the Guarantee Agreement between the Ministry of Finance and KfW was signed, by which the Republic of Macedonia guarantees the settlement of liabilities in the amount of EUR 27,100,000 under the Loan Agreement for the Project. The project encompasses rehabilitation/replacement of electrical and hydro-mechanical equipment, as well as certain necessary construction works in six hydro power plants: HPP Globocica, HPP Tikves, HPP Vrutok, HPP Raven, HPP Vrben and HPP Spilje. Realization of this Project will provide for increase and more efficient use of hydro-power plants, as well as increased safety at damns.

Conditions, under which, this Project was signed are the following:

- amount: EUR 27,100,000.00;
- interest rate. 6-month Euribor – 0.3% annually;
- repayment period: 15 years including grace period, and
- grace period: 5 years.

## V. Review of quantitative targets

Pursuant to the Law on Public Debt (Official Gazette nos. 62/05, 88/08 and 35/11) the debt of the National Bank of the Republic of Macedonia is included in the scope of public debt, being used for statistical purposes. However, it is not included when setting targets in the public debt management policy. Therefore, the category public debt does not include the debt of the National Bank of the Republic of Macedonia in the data shown in Table 1.

Table 1 can lead to conclusion that the parameters for the public debt portfolio are within the targets set in the Public Debt Management Strategy for the period 2010-2012. This means that Ministry of Finance manages the public debt in full compliance with the authorizations by the Parliament of the Republic of Macedonia .

Table 1

Comparison of the public debt portfolio and the quantitative targets set in the public debt portfolio 2010-2012 Public Debt Management Strategy

Targets	Public debt portfolio parameters as of December 2009*	Public debt portfolio parameters as of December 2010	Targets for the period 2010-2012
Total public debt to GDP ratio	27.1%	28.2%*	not to exceed 40%
Government debt to GDB ratio	23.9%	24.6%	not to exceed 30%
Total guaranteed public debt to GDP ratio	2.6%	3.3%	10%
Share of euro denominated -debt in the total public debt	Euro-denominated debt 77.1%	Euro-denominated debt 72.8%	not to be below 70%
Net borrowing on the basis of total public debt in 2009	EUR 211.7 million	EUR 162.4 million	EUR 350 million
Net borrowing on the basis of total guaranteed public debt in 2009	EUR 3.8 million	EUR 50.8 million	EUR 150 million

\*Pursuant to Article 7 paragraph 4 of the Law on Public Debt, NBRM debt is not part of the public debt management policy, not being included in the calculations necessary for monitoring the performance of targets.

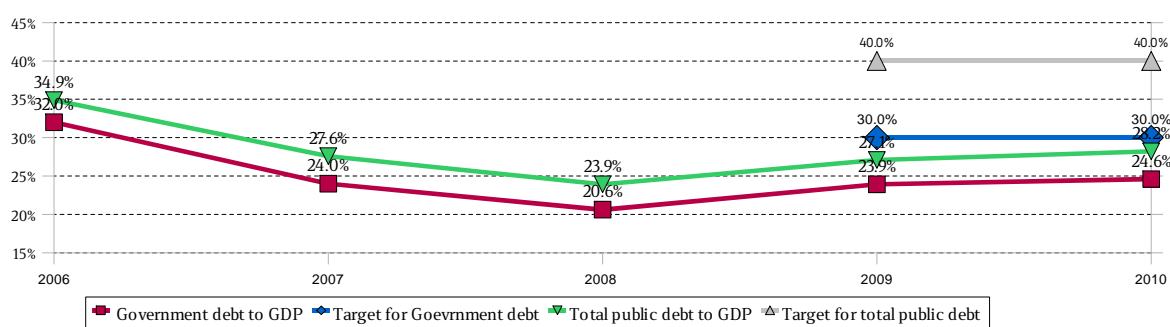
Source: Ministry of Finance (MoF)

## V.1. Public debt and government debt to GDP ratio

First target set in the 2010-2012 Public Debt Management Strategy limits the public debt level and it reads: “public debt to GDP ratio must not exceed 40% in the next three years”. Pursuant to the Law on Public Debt, NBRM debt is not part of the public debt management policy, due to which it is not included in the calculations of this target. Thus, upon prior exclusion of NBRM debt, public debt of the Republic of Macedonia for 2010 amounts to 28.2% of GDP.

Furthermore, the second target gives the maximum limit of the government debt, i.e.: “government debt must not exceed 30% in relation to GDP”. At the end of 2010, the government debt to GDP ratio, amounted to 24.6%.

Chart 7  
Comparisons of the public debt to GDP ratio, government debt to GDP ratio and the targets set in the Strategy

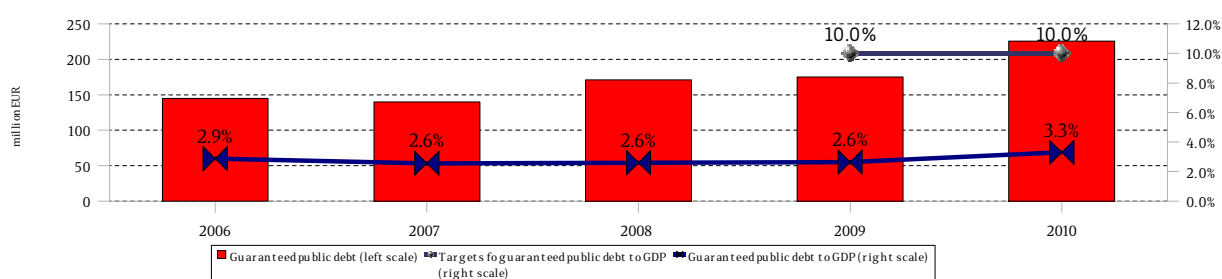


Source :MoF

## V.2. Guaranteed public debt to GDP ratio

In line with the limits set in the 2010-2012 Public Debt Management Strategy referring to the issuance of guarantees, “the guaranteed public must not exceed 10% of the Gross Domestic Product in the next three years”. As of December 2010 inclusive, the real stock of the issued guarantees was under the level of the set target, amounting to 3.3% in relation to GDP.

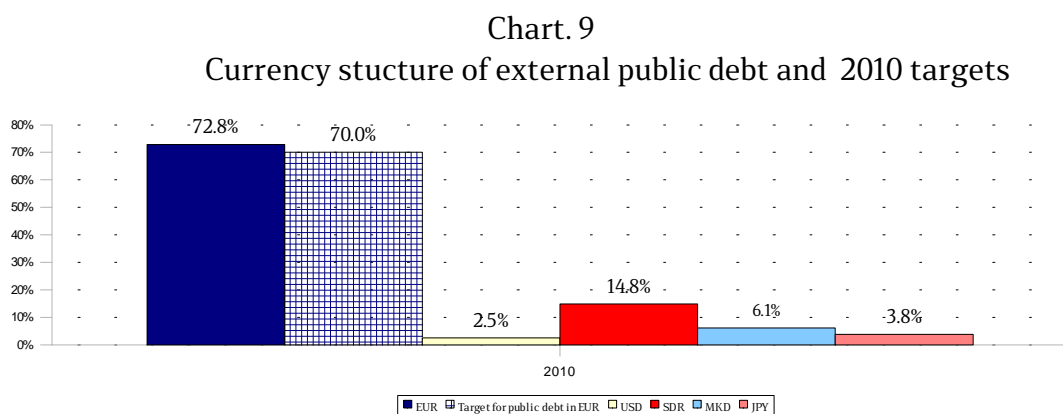
Chart.8  
Comparisons of the guaranteed public debt to GDP ratio and targets



Source:MoF

### V.3. Share of euro-denominated debt in the total public debt

In the course of 2010, the currency structure of the external public debt was within the set targets, thus retaining the commitment of the Ministry of Finance for the new borrowing to be in euro currency. This arises from the de facto fixed exchange rate of the Denar in relation to the Euro. At the end of 2010, share of euro-denominated debt in total public debt, amounted to 72.8%, within the set target, according to which the share of the euro-denominated debt in the total public debt must not be below 70%.



Source: MoF

### V.4. Net borrowing in 2010

In the course of 2010, net borrowing includes the planned disbursement of funds on the basis of the total public debt reduced for the planned repayments on the basis thereof. In line with the defined target, "net borrowing in 2010 on the basis of total public debt must not exceed EUR 350 million", while the realized net borrowing amounted to EUR 162.4 million. Thus, it can be concluded that on the basis of this target as well, net borrowing is within the determined limits defined in the Strategy.

### V.5. New issued guarantees

In order to reduce the risk of contingent liabilities, the Strategy defines the annual amount of net borrowing on the basis of guaranteed debt of public enterprises, whereby during "the maximum amount of net borrowing on the basis of guaranteed debt in 2010 must not exceed EUR 150 million". During 2010, EUR 50.8 million net borrowing, out of the planned EUR 150 million were realized on the basis of guaranteed public debt.

## VI. Public debt management activities

### VI.1. Disbursed funds on the basis of external public debt

Table 2

Disbursements on the basis of already concluded and newly concluded credits by creditors and public debt levels

<i>In million euro</i>		Jan-Dec 2010 realization of disbursement	Projected disbursement Jan-Dec 2010	percent of realization 2010
<b>Total public debt</b>		<b>145.9</b>	<b>202.3</b>	<b>72.1%</b>
<b>General Government</b>		<b>85.0</b>	<b>121.0</b>	<b>70.3%</b>
<b>Central government debt</b>		<b>85.0</b>	<b>121.0</b>	<b>70.3%</b>
	<b>Official creditors</b>	<b>82.8</b>	<b>121.0</b>	<b>68.4%</b>
	<b>Multilateral creditors</b>	<b>64.2</b>	<b>97.8</b>	<b>65.6%</b>
	IBRD	52.3	78.1	66.9%
	CEDB	9.5	10.7	88.8%
	EBRD	2.4	8.2	29.4%
	EIB	0.0	0.9	0.0%
	<b>Bilateral creditors</b>	<b>18.6</b>	<b>23.2</b>	<b>80.3%</b>
	<b>Private creditors</b>	<b>2.2</b>	<b>0.0</b>	<b>-</b>
<b>Public enterprises</b>		<b>60.9</b>	<b>81.3</b>	<b>74.8%</b>
	<b>Official creditors</b>	<b>60.9</b>	<b>81.3</b>	<b>74.8%</b>
	<b>Multilateral creditors</b>	<b>59.3</b>	<b>75.1</b>	<b>79.0%</b>
	IBRD	2.2	7.7	28.4%
	EBRD	4.6	9.2	49.9%
	EIB	52.5	58.3	90.2%
	<b>Bilateral creditors</b>	<b>1.6</b>	<b>6.2</b>	<b>25.2%</b>
	<b>Private creditors</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>

Source: MoF and NBRM

### VI.2. Primary government securities market

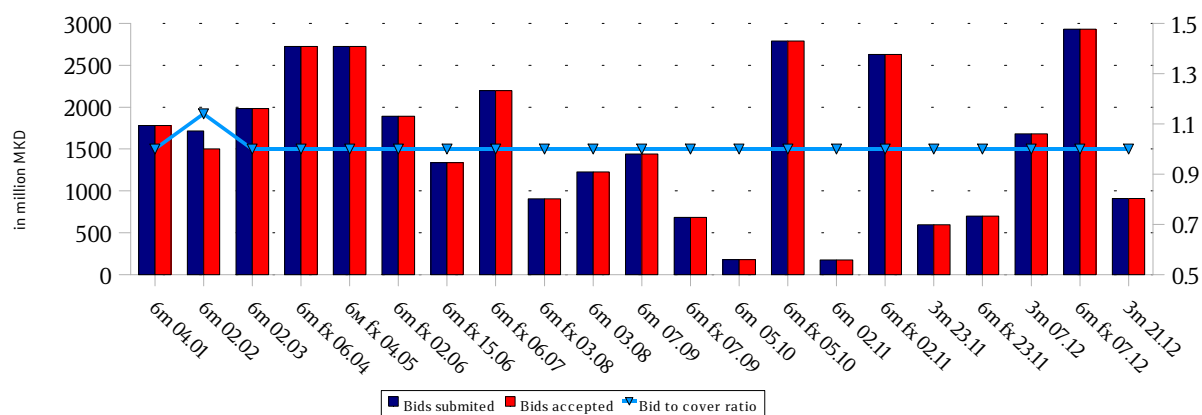
Table 3

Net issue of continuous government securities and structural bonds (EUR million)

<i>In million EUR</i>		Q1-2010	Q2-2010	Q3-2010	Q4-2010	Total Q1-Q4-2010
<b>I</b>	<b>Net issue of government securities</b>	<b>-1.2</b>	<b>31.2</b>	<b>10.6</b>	<b>60.2</b>	<b>100.7</b>
2	3-month T- Bills	-51.3	0.0	0.0	51.2	-0.1
3	6-month T- Bills	50.1	58.0	18.8	11.9	138.8
4	12-month T- Bills	-0.1	-20.6	-7.5	0.0	-28.2
5	2-year T-Bonds	0.0	-2.6	-0.7	-3.0	-6.3
6	3-year T-Bonds	0.0	-3.5	0.0	0.0	-3.5
<b>II</b>	<b>IX -th issue of denalization bonds</b>		<b>30.0</b>			<b>30.0</b>
<b>I+II</b>	<b>Total</b>	<b>-1.2</b>	<b>61.2</b>	<b>10.6</b>	<b>60.2</b>	<b>130.7</b>

Source:MoF

Chart 10  
Demand and realization of government securities auctions  
January-December 2010



\*Bid to cover ratio- coefficient showing the coverage of the realization with demand

Source: MoF

Table 4  
Average interest rates on GS without foreign exchange clause in 2010

Month	Weighted average interest rate of 3-months T-Bills	Weighted average interest rate of 6-months T-Bills	Weighted average interest rate of 12 months T- Bills
January			
February			
March			
April			
May			
June			
July			
August		5.00	
September		4.70	
October		4.70	
November	4.50	4.50	
December	4.46		

Source: MoF

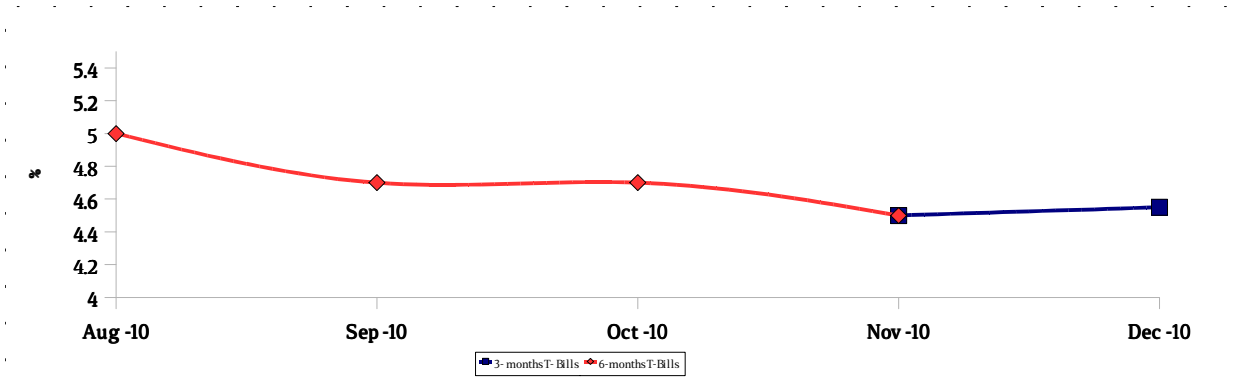
Table 5  
Average interest rates on GS with foreign exchange clause in 2010

Month	Weighted average interest rate 3 months T-Bills	Weighted average interest rate 6 months T-Bills	Weighted average interest rate 12 months T-Bills
January		5.20	
February		5.00	
March		4.99	
April		4.99	
May		4.99	
June		4.99	
July		4.70	
August		4.70	
September		4.40	
October		4.40	
November		4.30	
December		4.30	

Source: MoF

Chart 11

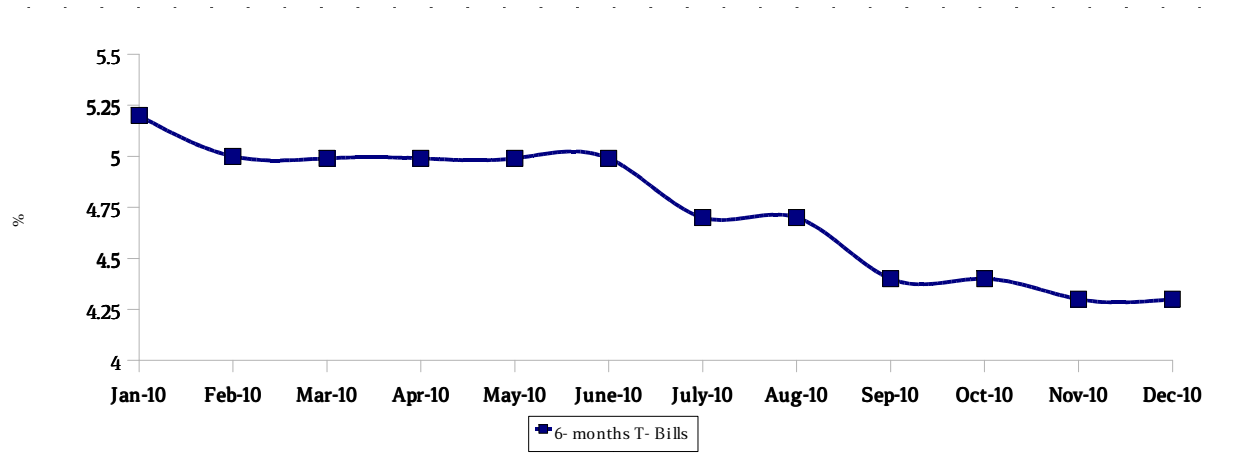
Average interest rates achieved at auctions of GS without foreign exchange clause



Source: MoF

Chart 12

Average interest rates achieved at auctions of GS with foreign exchange clause



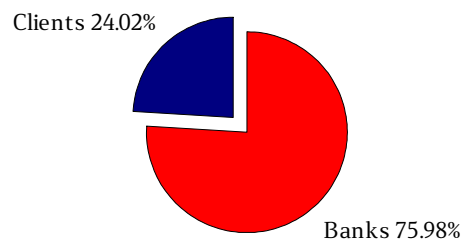
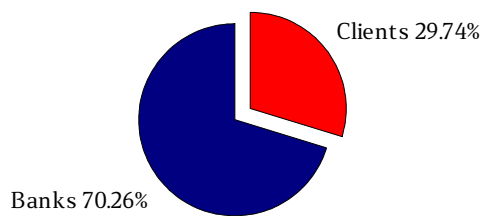
Source: MoF

Chart 13

Ownership structure of continuous GS

31<sup>st</sup> December 2009

31<sup>st</sup> December 2010



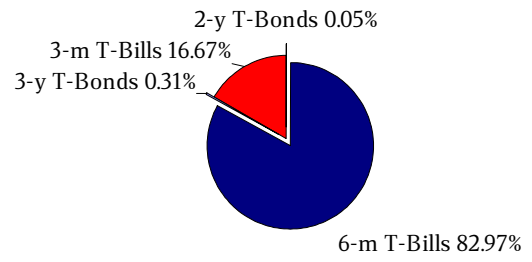
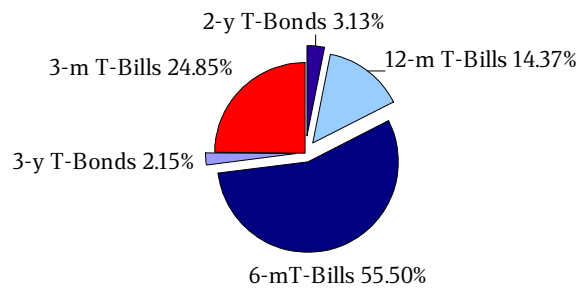
Source: MoF

Chart 14

Maturity structure of continuous GS

31<sup>st</sup> December 2009

31<sup>st</sup> December 2010



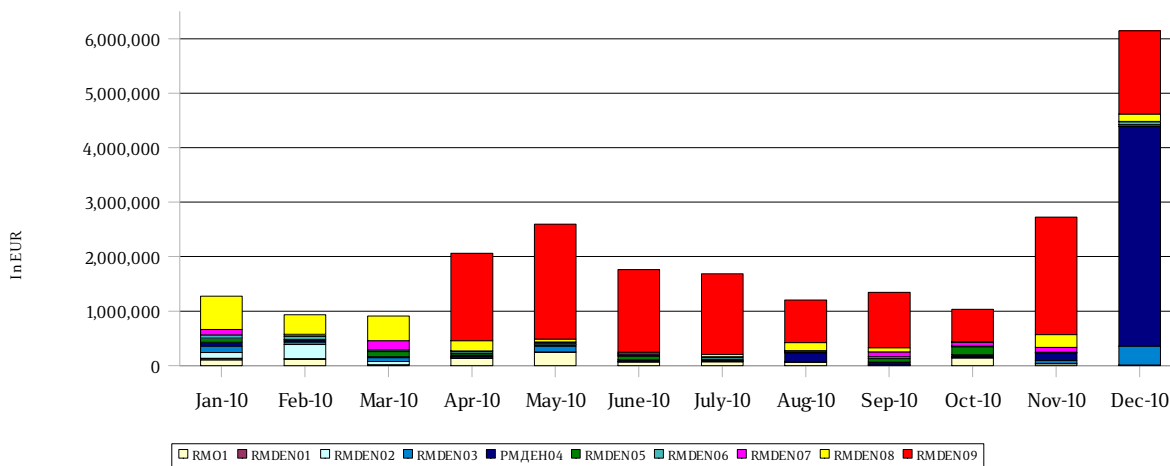
Source:MoF



## VI.3. Secondary government securities market

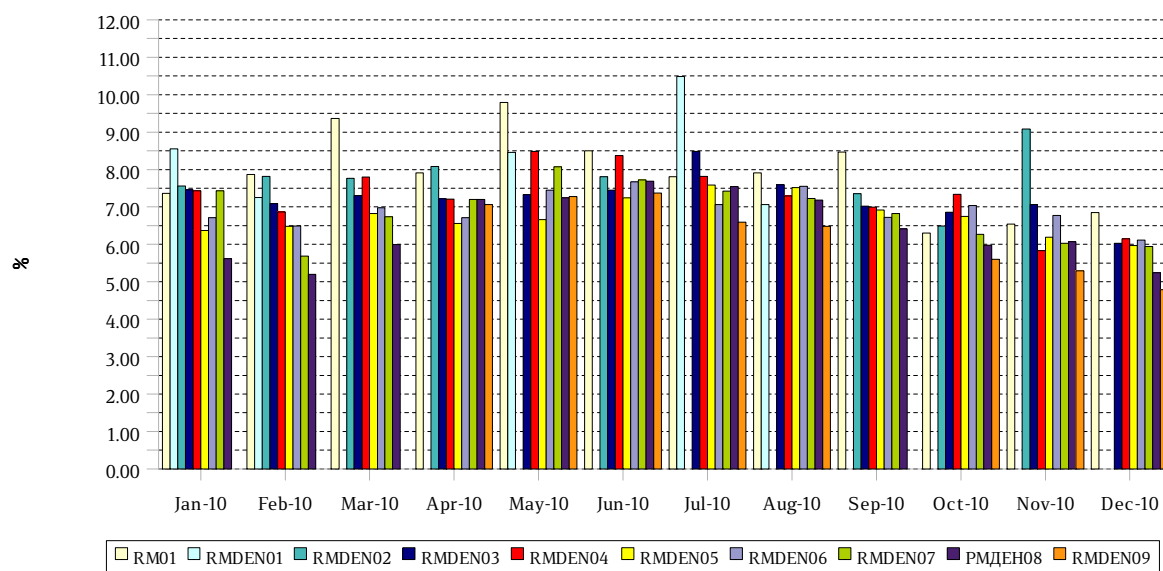
### VI.3.1. Macedonian Stock Exchange AD Skopje

Chart 15  
Trading volume for structural government bonds,  
January–December 2010



Source: Macedonian Stock exchange AD Skopje

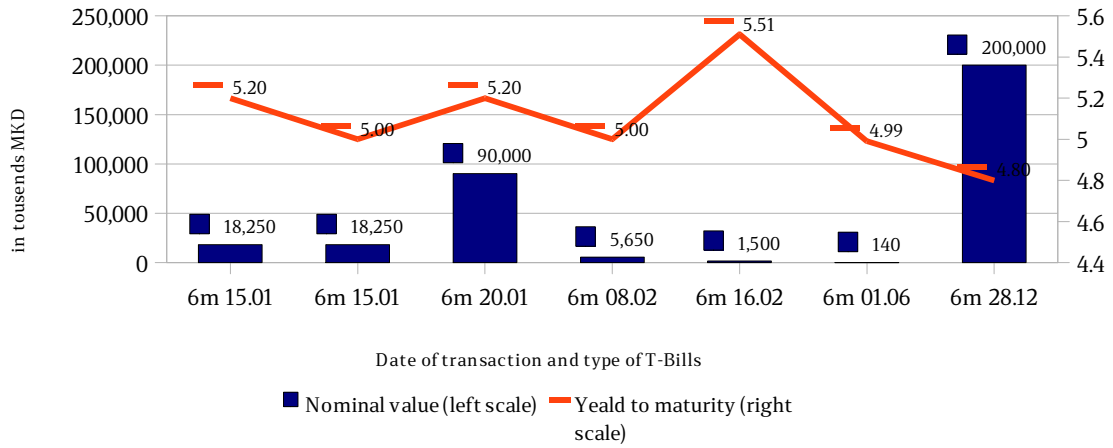
Chart 16  
Yield to maturity of structural government bonds,  
January–December 2010



Source: Macedonian Stock exchange AD Skopje

VI.3.2.Over-the-counter markets (OTC Markets)

Chart 17  
 Concluded transactions with government securities on the Over-the-Counter Market,  
 January–December 2010



Source: NBRM

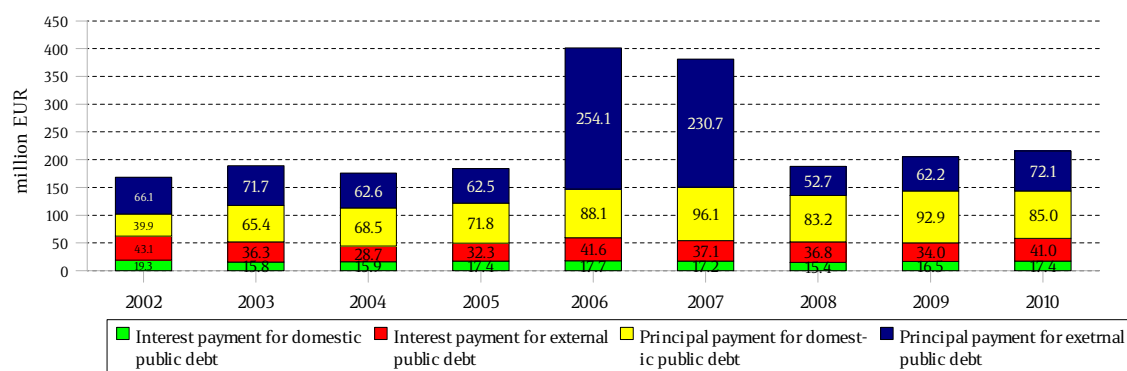
## VI.4. Total public debt servicing

Table 6  
Repayments on the basis of total public debt in 2010

million EUR	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Total 2010
Interest payment for external public debt	3.2	4.6	20.3	12.9	41.0
Interest payment for domestic public debt	1.7	8.2	3.0	4.6	17.4
<b>Interest payment for total public debt</b>	<b>4.8</b>	<b>12.8</b>	<b>23.3</b>	<b>17.5</b>	<b>58.4</b>
Principal payment for external public debt	18.4	13.0	18.1	22.6	72.1
Principal payment for domestic public debt	0.0	52.1	5.0	27.9	85.0
<b>Principal payment for total public debt</b>	<b>18.4</b>	<b>65.1</b>	<b>23.2</b>	<b>50.5</b>	<b>157.1</b>

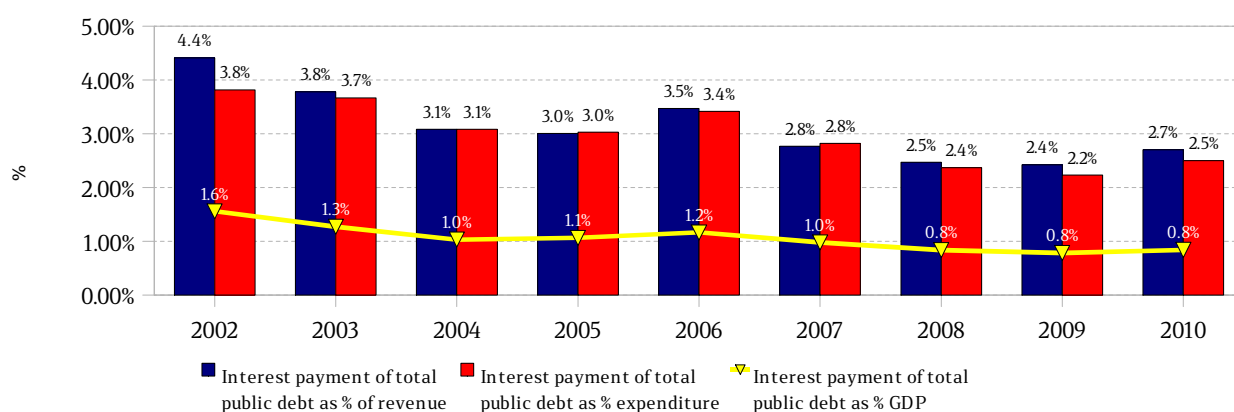
Source: MoF and NBRM

Chart 18  
Repayment of interest and principal of total public debt



Source: MoF and NBRM

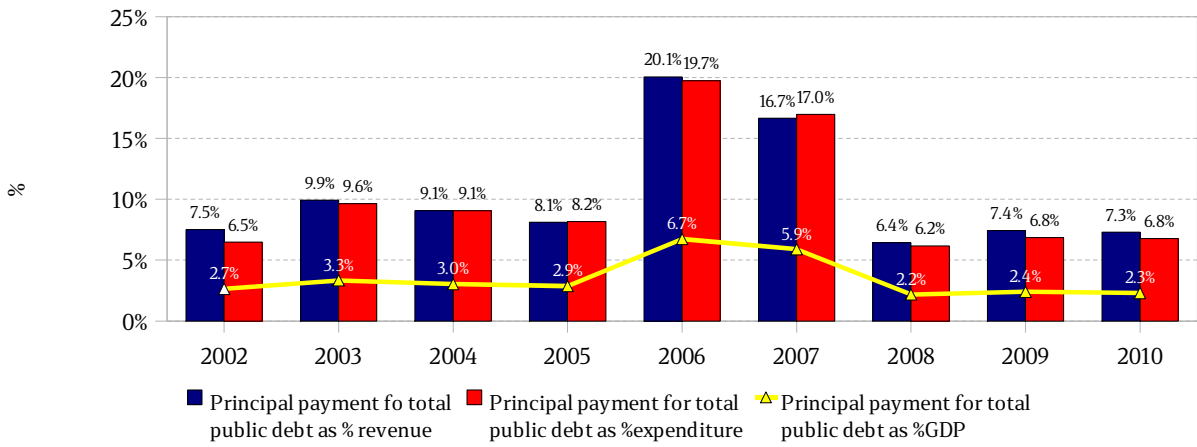
Chart 19  
Interest costs for servicing the total public debt in relation to revenues, expenditures and GDP



Source: MoF and NBRM

Chart 20

Repayment of principal for total public debt in relation to revenues, expenditures and GDP



Source: MoF and NBRM

## VII. Public debt portfolio features

### VII.1. Total public debt

Table 7

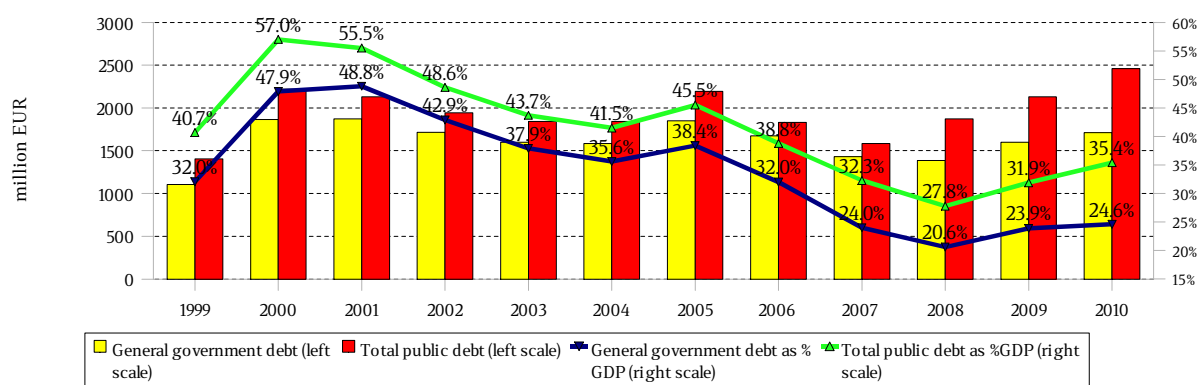
Total public debt according to GFS Methodology and pursuant to Public Debt Law

	in million eur	2006	2007	2008	2009	2010
<b>External public debt</b>		<b>1,223.0</b>	<b>1,027.9</b>	<b>1,115.7</b>	<b>1,373.8</b>	<b>1,484.3</b>
Government debt		1,025.2	877.2	921.2	1,105.3	1,173.8
Central bank		42.4	0.0	0.0	71.7	76.4
Public enterprises		155.4	150.6	194.5	196.8	234.1
<b>Domestic public debt</b>		<b>806.5</b>	<b>899.9</b>	<b>754.5</b>	<b>755.0</b>	<b>973.7</b>
Government debt		648.4	552.8	465.5	492.0	537.0
Central bank		155.3	344.3	285.2	260.4	422.5
Public enterprises		2.8	2.8	3.5	2.7	14.3
<b>Total public debt</b>		<b>2,029.5</b>	<b>1,927.8</b>	<b>1,870.2</b>	<b>2,128.8</b>	<b>2,458.0</b>
Total public debt as% of GDP		38.8	32.3	27.8	31.9	35.4
<b>Government debt</b>		<b>1,673.6</b>	<b>1,430.0</b>	<b>1,387.1</b>	<b>1,597.2</b>	<b>1,710.8</b>
Government debt as % of GDP		32.0	24.0	20.6	23.9	24.6

Source: MoF and NBRM

Chart 21

Trend of public debt in relation to GDP



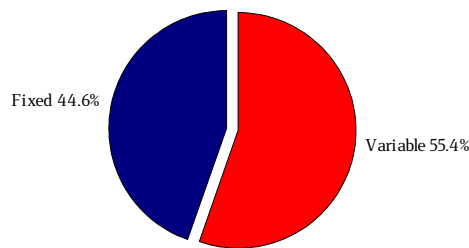
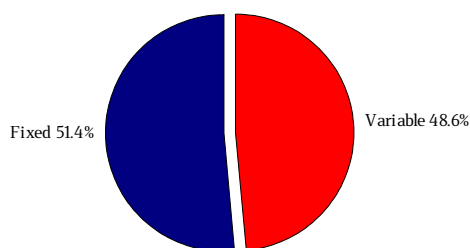
Source: MoF and NBRM

Chart 22

Total public debt interest structure

31<sup>st</sup> December 2009

31<sup>st</sup> December 2010



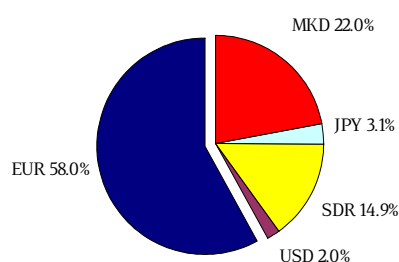
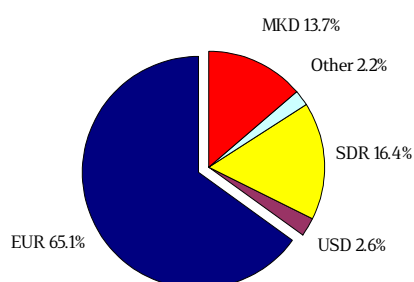
Source: MoF and NBRM

Chart 23

Total public debt currency structure

31<sup>st</sup> December 2009

31<sup>st</sup> December 2010



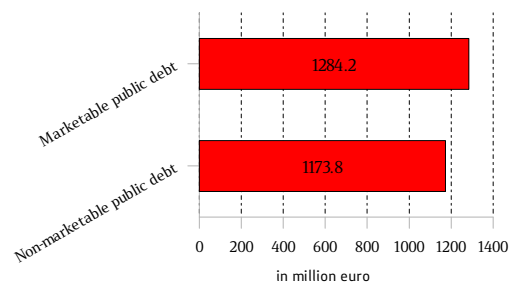
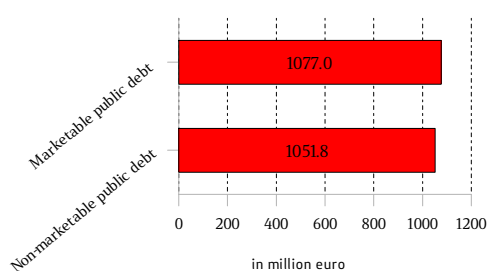
Source: MoF and NBRM

Chart 24

Market/non-market total public debt

31<sup>st</sup> December 2009

31<sup>st</sup> December 2010



Source: MoF and NBRM

Indicators for government debt portfolio risk

Table.8 Average time to maturity- ATM (in years)				
	31/12/2007	31/12/2008	31/12/2009	31/12/2010
Domestic debt	2.77	2.35	1.76	1.38
External debt	9.11	8.54	7.22	6.95
<b>Total debt</b>	<b>6.87</b>	<b>6.43</b>	<b>5.51</b>	<b>5.2</b>

Source: MoF

Table.9 Duration of the domestic debt (in years)				
	31/12/2007	31/12/2008	31/12/2009	31/12/2010
Structural bonds	2.24	2.09	1.97	2.13
Continuous government securities	0.64	0.52	0.31	0.24
<b>Domestic debt</b>	<b>1.95</b>	<b>1.68</b>	<b>1.26</b>	<b>1.03</b>

Source: MoF

Table.10 Average time to refixing- ATR (in years)				
	31/12/2007	31/12/2008	31/12/2009	31/12/2010
Domestic debt	2.37	2.03	1.56	1.26
External debt	7.35	7.03	5.95	5.31
<b>Total debt</b>	<b>5.59</b>	<b>5.33</b>	<b>4.58</b>	<b>4.03</b>

Source: MoF

## VII.2. External public debt

Table 11  
External public debt by creditors and debtors (EUR million)

Sector/debtor/creditor	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
<b>External Public Debt according GFS methodology</b>	<b>1,223.0</b>	<b>1,027.9</b>	<b>1,115.6</b>	<b>1,373.7</b>	<b>1,484.3</b>
<b>External Public Debt according Public Debt Law</b>	<b>1,180.6</b>	<b>1,027.9</b>	<b>1,115.6</b>	<b>1,302.0</b>	<b>1,407.9</b>
<b>Government of the Republic of Macedonia</b>	<b>1,025.2</b>	<b>877.2</b>	<b>921.2</b>	<b>1,105.3</b>	<b>1,173.8</b>
Official creditors	874.6	726.8	769.4	776.0	841.8
Multilateral creditors	739.2	658.4	683.0	678.0	719.0
IBRD	174.6	103.2	127.8	148.8	195.8
IDA	291.9	270.7	270.9	266.2	277.1
IFAD	12.5	12.2	12.3	12.1	12.7
CEDB	18.0	17.4	16.8	20.4	27.6
EBRD	43.1	56.9	53.1	46.9	40.7
EIB	109.2	108.1	117.1	106.6	96.2
EU	90.0	90.0	85.0	77.0	69.0
Bilateral creditors	135.5	68.5	86.4	98.0	122.8
Private creditors	150.6	150.4	151.8	329.3	332.0
Eurobond	150.0	150.0	150.0	325.0	325.0
Other private creditors	0.6	0.4	1.8	4.3	7.0
<b>National bank of the Republic of Macedonia</b>	<b>42.4</b>	<b>0.0</b>	<b>0.0</b>	<b>71.7</b>	<b>76.4</b>
IMF	42.4	0.0	0.0	71.7	76.4
<b>Public enterprises</b>	<b>155.4</b>	<b>150.6</b>	<b>194.4</b>	<b>196.7</b>	<b>234.1</b>
Official creditors	70.8	82.3	112.8	125.5	177.4
Multilateral creditors	56.2	61.6	76.0	91.4	145.2
IBRD	25.7	29.5	37.3	39.4	39.4
EBRD	7.3	10.7	18.6	20.8	23.1
EIB	13.2	13.0	12.8	24.9	77.1
EUROFIMA	5.0	5.0	3.8	3.8	3.7
CEDB	5.0	3.5	3.5	2.6	1.9
Bilateral creditors	14.6	20.6	36.8	34.1	32.2
Newly-concluded loans	14.6	20.6	36.8	34.1	32.2
Private creditors	84.6	68.4	81.7	71.2	56.7
Other private creditors	84.6	68.4	81.7	71.2	56.7

Source: NBRM

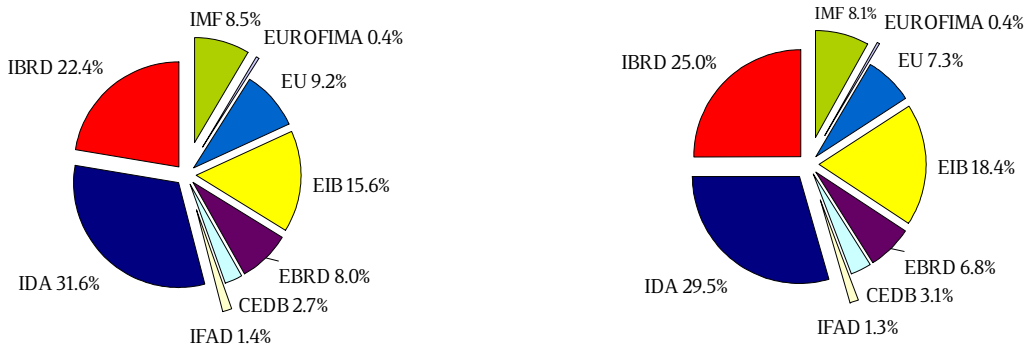
Chart 25  
External public debt structure by creditors  
31<sup>st</sup> December 2009      31<sup>st</sup> December 2010



Source: MoF and NBRM

Chart 26

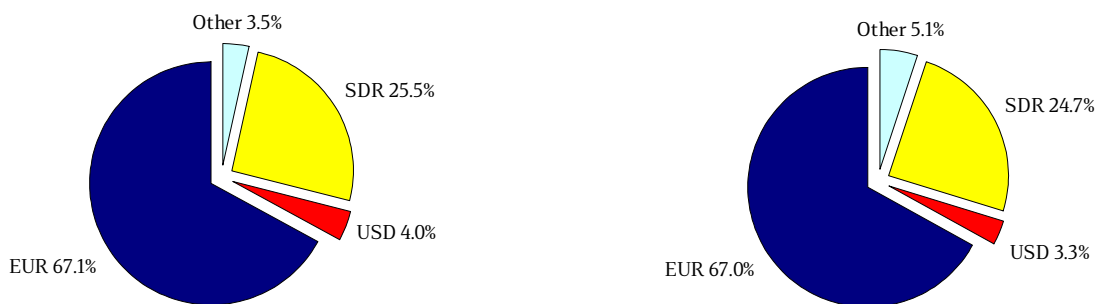
External public debt structure by multilateral creditors  
31<sup>st</sup> December 2009 31<sup>st</sup> December 2010



Source: MoF and NBRM

Chart 27

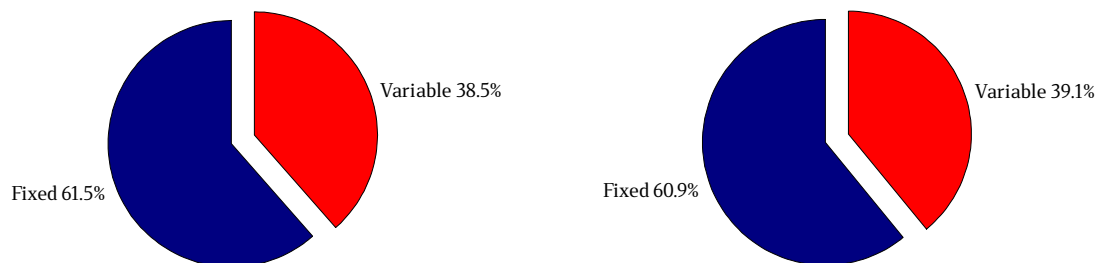
Currency structure of external public debt  
31<sup>st</sup> December 2009 31<sup>st</sup> December 2010



Source: MoF and NBRM

Chart 28

Interest structure of external public debt  
31<sup>st</sup> December 2009 31<sup>st</sup> December 2010



Source: MoF and NBRM



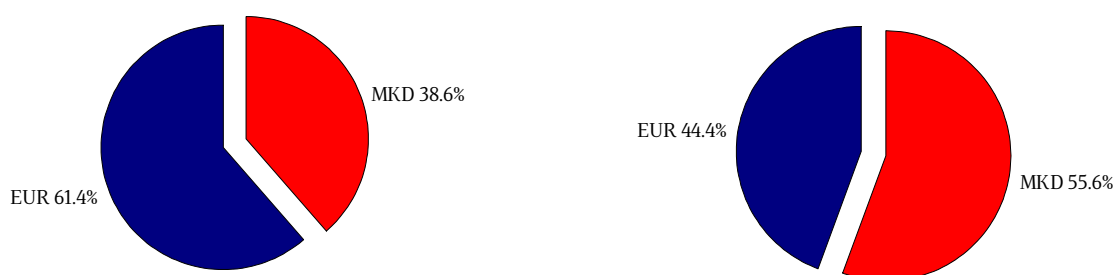
### VII.3. Domestic public debt

Table 12  
Domestic public debt according to the GFS Methodology and the Law on Public Debt

million EUR	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010
<b>Domestic public debt according GFS methodology and public debt Law</b>	<b>806.5</b>	<b>899.9</b>	<b>754.1</b>	<b>755.0</b>	<b>973.7</b>
Government debt	648.4	552.8	465.5	492.0	537.0
Central government debt	648.2	552.8	465.5	491.7	536.8
Structural bond	479.7	396.3	343.5	282.5	226.1
Bond for rehabilitation of Stopanska banka	21.3	0.0	0.0	0.0	0.0
Bond for selective creditors	17.0	17.0	16.9	16.9	16.9
Bond for privatization of Stopanska banka	68.7	60.1	51.5	42.9	34.3
Bond for old for foreign exchange saving	254.9	203.9	152.9	101.9	51.0
Denationalization bonds	117.8	115.4	122.2	120.7	124.0
Continuous government securities	168.6	156.5	122.0	209.2	310.6
o.w- T-Bills for monetary purposes	75.9	75.5	0.0	0.0	0.0
Municipality	0.2	0.0	0.0	0.3	0.2
Central Bank	155.3	344.3	285.2	260.4	422.5
Public enterprises	2.8	2.8	3.5	2.7	14.3

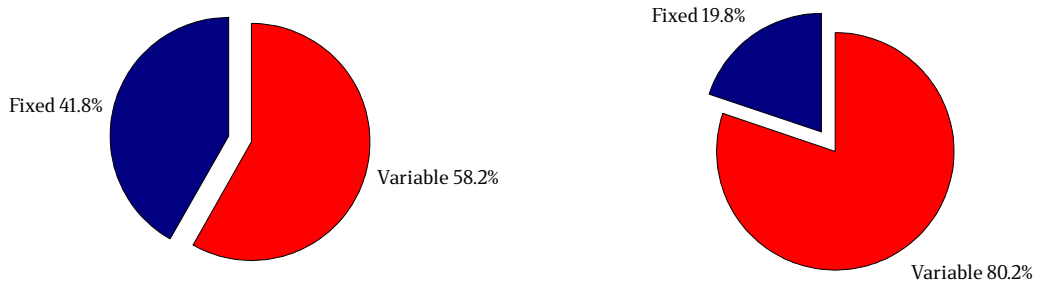
Source: MoF

Chart 29  
Domestic public debt currency structure  
31<sup>st</sup> December 2009                      31<sup>st</sup> December 2010



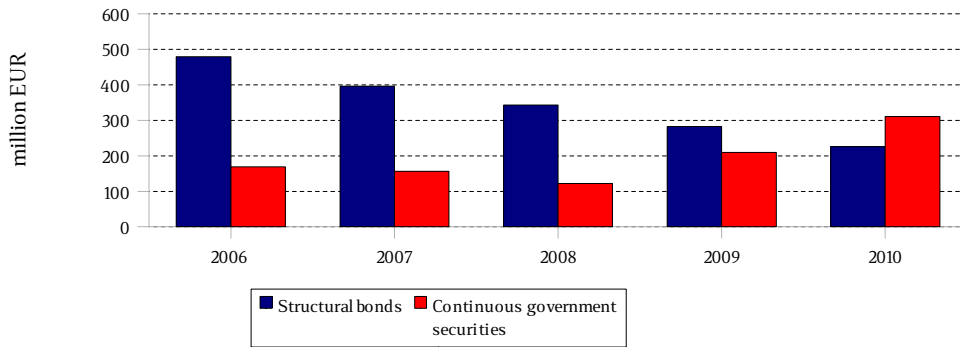
Source: MoF

Chart 30  
 Domestic public debt interest structure  
 31<sup>st</sup> December 2009 31<sup>st</sup> December 2010



Source: MoF

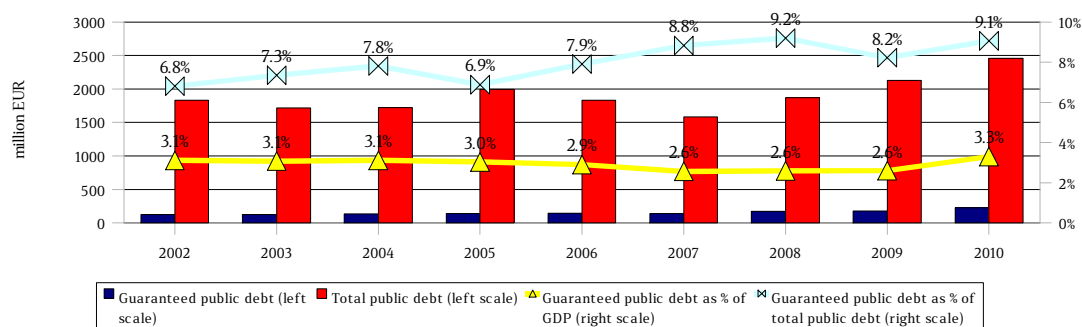
Chart 31  
 Ratio between the stock of structural bonds and continuous GS



Source: MoF

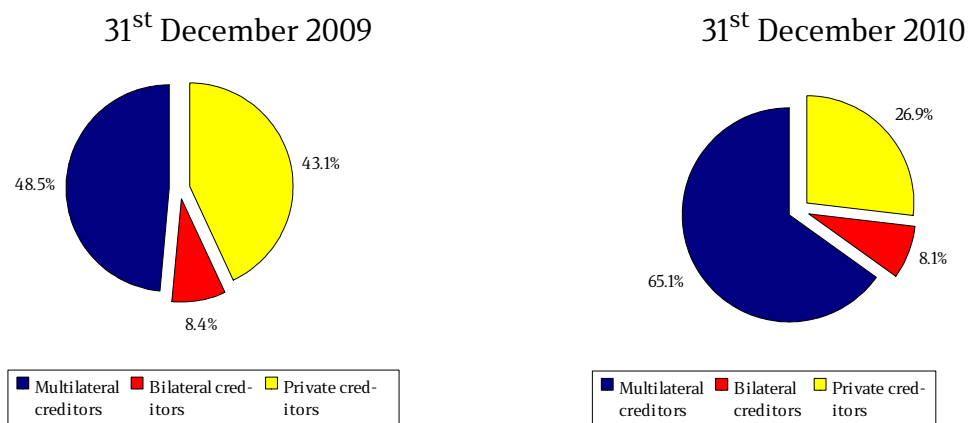
## VII.4. Guaranteed public debt

Chart 32  
Stock of guaranteed public debt



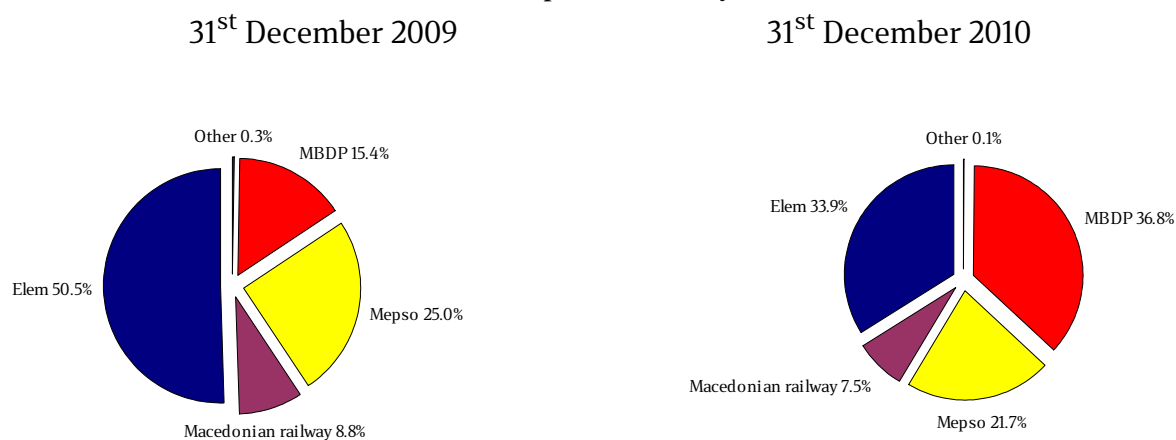
Source: MoF and NBRM

Chart 33  
Guaranteed public debt by creditors



Source: MoF and NBRM

Chart 34  
Guaranteed public debt by debtors



Source: MoF and NBRM