



Ministry of Finance of the Republic of Macedonia
International Finance and Public Debt Management Department

**Annual Report on Public Debt Management of the Republic of
Macedonia for 2011**

Skopje, 2012

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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 2011 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 2010-2012 Public Debt Management Strategy ("Official Gazette of the Republic of Macedonia", no. 75/10), hereinafter: the Strategy.

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 the public institutions of 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 public institutions established by the Republic of Macedonia, the municipalities, the municipalities in the City of Skopje and the City of Skopje, the 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 trends in the Republic of Macedonia in 2011

Gross Domestic Product. Economic trends in 2011 were primarily determined by the moderate acceleration of domestic economic activity - especially evident in the first half of the year, fluctuations of external demand, which were conditioned by the global economic climate, trends of global prices in primary commodities, as well as expectations of economic entities.

In the first half of the year, economic activity experienced high growth, registering real growth of 6.3% in the first quarter and 5.6% in the second quarter, being a result of the increased industrial production in conditions of gradual recovery of export demand and favorable trends of prices of metals on global markets, as well as growth of activity in the construction. Deterioration of the debt crisis in the Eurozone countries had significant impact over the international traded, being particularly evident in the second half of the year. Thus, unfavourable external surrounding limited the potential for economic growth of the country in the second half of the year, when GDP experienced real growth of 0.7% in the third and fourth quarter. Hence, average economic growth in 2011 accounted for 3.1%, following the 2.9% growth in 2010.

Inflation. Average inflation rate in 2011 amounted to 3.9%. Inflation pace was driven by factors on the supply side, i.e. mainly from import prices. Quarterly dynamics shows that inflation was higher in the first quarter of the year, while, in the second quarter, there was stabilization of consumer prices, in line with the more stable trends of oil and food on global markets, while inflation rate experienced certain downward trend in the second half of the year. Core inflation in 2011 was relatively stable, accounting for 1.1% in average.

External sector. Foreign trade in 2011 increased by 24.6% in conditions of increase of global trade flows, favorable tendencies of the price of metals on global stock markets, as well as in conditions of increased utilization of industrial capacities in the country. Nominal growth of export of goods in 2011 amounted to 27.5%, while import experienced lower nominal growth of 22.7%.

Analysis of total foreign trade, from the aspect of the most significant trading partners, shows that the European Union is again the most important trading partner to the Republic of Macedonia, participating with 56.8% in the overall trade with abroad in 2011. Current account deficit in 2011 remained low, amounting to 2.7% of GDP. Trade deficit accounted for 22.3% of GDP, being to a great extent neutralized by the positive flows in the trade of services and increased private transfers, accounting for 19.4% of GDP.

As for capital inflows, despite the uncertainty and present risks in relation to global recovery during the year, one should point out the significant growth of net inflows on the basis of foreign direct investments, given their relevance for the growth of economy in the medium run. In 2011, net inflows in the amount of EUR 302 million (4% of GDP) were realized through foreign direct investments, being higher by 91.5% compared to the previous year. Thereby, total amount of foreign direct investments was realized in the form of Greenfield investments and investments for expanding the existing capacities. Gross foreign exchange reserves at the end of 2011 were below EUR 2,069 million, surging by EUR 355 million

compared to end-2010.

Labour market. In 2011, positive trends were recorded on the labour market. According to Labour Force Survey, number of employees in 2011 was higher by 1.1% compared to previous year, being accompanied by drop of the number of unemployed persons by 1.8% on annual basis. Number of inactive population was higher by 0.2%. Such trends on the labour market caused for employment rate in 20-11 to increase to 38.9%. Unemployment rate in the analysed period reduced from 31.4% to 32%, as same as in 2010. Processing industry (19.6%), followed by agriculture (18.4%) and trade (13.2%) accounted for the most in the total number of employed persons. Average net salary in 2011 was higher by 1.4% in nominal terms compared to 2010, while average gross salary was higher by 1.2%.

Public finances. In the field of public finance in 2011, target for budget deficit of 2.5% of GDP was met. Increased efficiency of spending by budget users for the already determined projects, as well as the caution when launching new projects, contributed to realizing the projected deficit.

Budget financing was mainly provided through foreign borrowing (PCL and FFP), with deposits and through domestic borrowing.

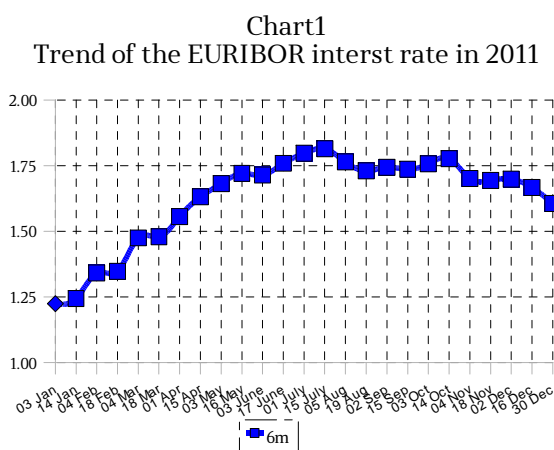
Thereby, controlled and disciplined realization of less productive expenditures during 2011, without thereby jeopardizing the regular functioning of the state administration, provided room to higher realization of capital expenditures, agricultural subsidies, as well as timely and regular funding of all projects.

III. More significant activities in the period January-December 2011

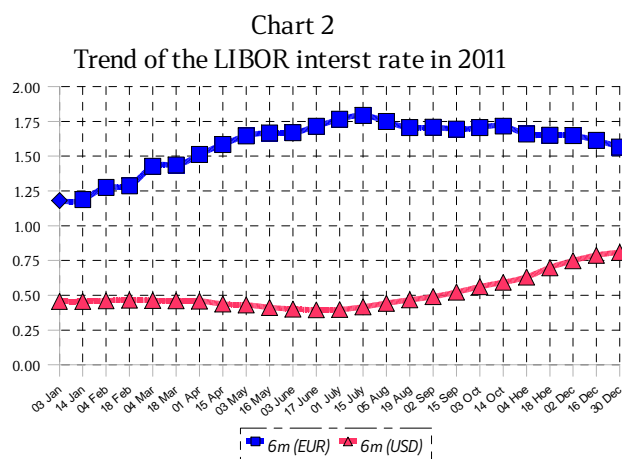
III.1 International environment (interest rates and exchange rates)

In the first half of 2011, interest rates on the interbank deposits market in the Eurozone constantly increased, while they started to gradually decrease in the second half of the year. Thus, during 2011, interbank Euribor 6-month interest rate increased by 0.40 percentage points, i.e. it accounted for 1.22% at the beginning of January, while it accounted for 1.62% at the end of December 2011. Interbank EUR Libor interest rate followed the same trend. In fact, at the interbank deposit market in London, EUR 6-month Libor amounted to 1.18 % at the beginning of 2011, amounting to 1.57% at the end of the year.

At the interbank deposit market in London, in the first semester of 2011, Dollar Libor interest rate with 6-month maturity period, experienced stable trend in its value, while it experienced slight increase in the second semester of the year. In 2011, interest rate on Dollar 6-month Libor increased by 0.35 percentage points. Thus, interest rate on Dollar 6-month Libor amounted to 0.46% at the beginning of January, while it increased to 0.81% in December.

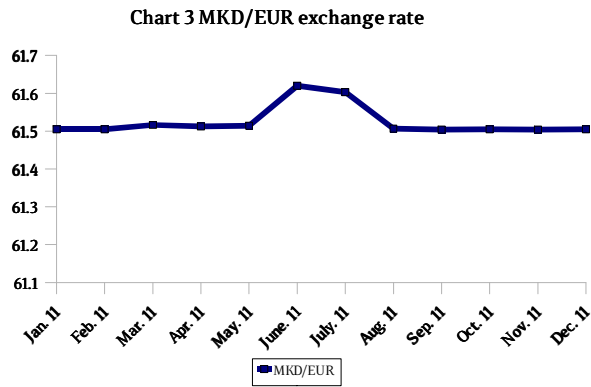


Source: European Banking Federation

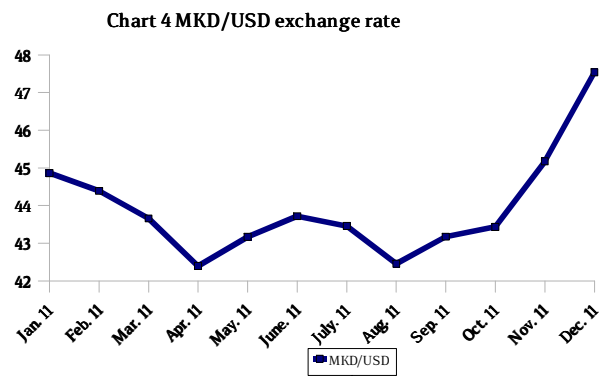


Source: British Bankers Association

As for the foreign currency market in the Republic of Macedonia, in 2011, Denar exchange rate in relation to the euro was stabled and it ranged between Denar 61.4908 and Denar 61.6572 per euro. Highest value of Denar was observed on 20th August 2011 when it amounted to Denar 61.4908 per euro, while the lowest value amounted to Denar 61.6572 per euro on 8th July 2011. In relation to Denar/US\$ exchange rate, in the period January-April 2011, Denar experienced increase of its value compared to the American dollar, while in the period May-December 2011, continuous depreciation of the Denar was recorded. In the analysed period, Denar exchange rate in relation to the American dollar ranged between Denar 41.3285 and Denar 47.7146 per American dollar.

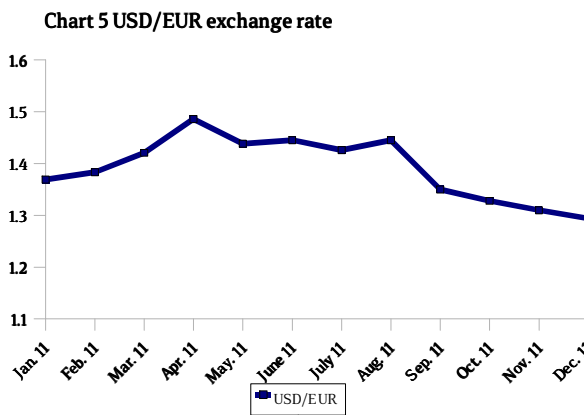


Source: NBRM

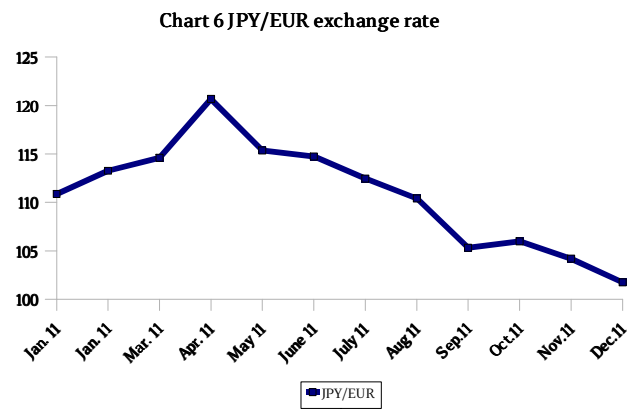


Source: NBRM

As for the international financial market, in the first semester of 2011, the value of the euro in relation to the American dollar continuously increased its value, while the value of the euro decreased in the second semester of the year. In January, the average American dollar/euro exchange rate amounted to 1.34 dollars per euro, while it amounted to 1.32 per euro in December, decreasing by 1.35%. At the same time, in the first four months of 2011, the value of the euro increased compared to the Japanese yen, while in the next period, the euro continuously depreciated compared to the Japanese yen, whereby it reached the lowest value of Yen 100.20 per euro on 31st December 2011. In 2011, the value of the euro in relation to the Japanese yen depreciated by 7.10%, i.e. the average exchange rate JPY/EUR was 110.38 yen per euro in January, amounting to 102.55 yen per euro in December.



Source: European Central Bank



Source: European Central Bank

III.2. Credit rating of the Republic of Macedonia in 2011

Republic of Macedonia on annual basis, obtains new revised credit rating by the international Credit Rating Agencies Fitch and Standard and Poor's.

In 2010, Credit Rating Agencies Fitch and Standard and Poor's affirmed the previously awarded credit rating grade of the Republic of Macedonia for foreign and domestic currency, and thereby the credit rating agency Fitch improved the outlook of the country from negative to stable. Improved outlook of the country was a result of the high fiscal discipline, stability of public finance, low level of public debt, as well as recovery of forex reserves to a stable level.

Stable credit rating of the Republic of Macedonia is a strong signal to foreign investors and it has positive impact on the interest rate at which the country borrows on the international capital market, as well as the overall economic and political image of the Republic of Macedonia.

In 2011, Fitch Credit Rating Agency announced that it retains the previously awarded credit rating grade to the Republic of Macedonia for foreign and domestic currency BB+, as well as the stable outlook of the country. Awarded credit rating grade to the Republic of Macedonia is based upon stable macroeconomic policy, low level of government debt and stable banking system. According to Fitch Credit Rating Agency, if Republic of Macedonia as so far, continues to implement sound macroeconomic policies that will contribute to higher living standard, increase of economic growth, through continuous commitment to improving the business climate, there is a possibility for improving the credit rating grade in future.

In the same period, Standard and Poor's Credit Rating Agency announced that it affirms previously awarded credit rating grade to the Republic of Macedonia for foreign currency BB, as well as the stable outlook of the country. Awarded credit rating grade to the Republic of Macedonia is based upon moderate general government debt and reforms undertaken for EU accession. At the same time, as a result of the revision of the methodology for awarding credit rating to countries, Standard and Poor's Credit Rating Agency revised the grade for domestic currency from BB+ to BB. In line with the new Methodology of Standard & Poor's, credit rating grade of the Republic of Macedonia for domestic currency equals with the foreign currency grade.

The grades for the credit rating the Republic of Macedonia obtained in 2010 and 2011 by the international credit rating agencies: Standard & Poor's and Fitch are shown in the table below:

Fitch Credit Rating Agency

	2010	2011
Foreign currency	BB+/Stable	BB+/Stable
Domestic currency	BB+/Stable	BB+/Stable

Source:Fitch

Standard & Poor's Credit Rating Agency

	2010	2011
Foreign currency	BB/Stable e	BB/Stable
Domestic currency	BB+/Stable	BB/Stable

Source:Standard & Poor's

III.3. Public debt trend

In line with the National Methodology, public debt¹, in the period 1st January – 31st December 2011, increased by EUR 546.44 million, amounting to EUR 3,004.4 million at the end of 2011, i.e. 41.1% of GDP.

Government debt² increased by EUR 382.1 million, amounting to EUR 2,092.9 million at the end of 2011. Despite the increase by 4.4 percentage points in relation to GDP, i.e. from 24.2% to 28.6%, the government debt of the Republic of Macedonia, even in 2011, 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 2011 is a result of 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 52.1% in the total portfolio. The debt dominated in domestic currency increased by 1.6 percentage points compared to 2010, i.e. from 22% to 23.6%. 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, as well as the increase of the stock of government securities.

As for **interest structure** on total public debt, there were not any changes compared to 2010. Thus, at the end of 2011, debt with fixed interest rates participated with 41%, while debt with variable interest participated with 59%.

In 2011, share of the **market debt** increased compared to the previous year by EUR 72.6 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 debt portfolio of the public debt of the Republic of Macedonia faces, moderate, but controlled increase of the re-financing risk and the interest rate risk can be observed. Such dynamics may be explained with average maturity of credits extended under concessional terms, i.e. longer repayment deadlines and fixed interest rates and the process of maturity of bonds for structural purposes, issued with longer maturity deadlines. On the other hand, increased share of Denar - denominated debt contributed to the reduction of the exchange rate risk.

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.

III.4. Tenth 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 tenth issue of denationalization bonds in the amount of EUR 11 million was issued on 30th March 2011. Terms and conditions, under which this bond was issued, were identical for both the first nine issues, i.e. 10-year maturity period and 2% fixed annual interest rate. First installment for payment of the principal and the interest on this issue of the bond falls due on 1st June 2012.

This issue of the denationalization bonds covers all effective decisions on denationalization as of 31st December 2010 inclusive, according to which bonds are given as compensation.

III.5. Public debt servicing

All liabilities on the basis of public debt that fell due in 2011 were regularly and timely serviced by the Ministry of Finance, as well as by the other public debt issuers.

To the end of repaying the liabilities on the basis of the **government debt** principal in the 2011 Budget of the Republic of Macedonia, Denar 8.101 million was planned, while total of Denar 3.471 million was spent for repaying the interest-related costs.

III.6. Continuous government securities

III.6.1. Primary government securities market (GS)

Borrowing by issuing government securities in 2011 - The decision on determining the maximum amount of new borrowing by issuing government securities by the Government of the Republic of Macedonia (Official Gazette no. 12/12), the maximum amount of Denar 2.85 billion was determined. Thus, new borrowing on the basis of issued GS in 2011 amounted to Denar 2.84 billion, and the stock of total issued GS as of 31st December 2012 inclusive, amounted to Denar 21.81 billion.

GS auctions - In the period January-December 2011, Ministry of Finance issued 3-month and 6-month treasury bills with and without foreign exchange clause, as well as 5-year government bonds. In this period, total of sixty one (61) GS auctions were held, i.e. forty one (41) auctions of 3-month treasury bills, sixteen (16) auctions of 6-month treasury bills and four (4) of 5-year government bonds.

Total amount offered on the GS auctions in 2011 was Denar 61.91 billion, i.e. observed more separately by maturity, total amount offered was distributed as follows: Denar 43.19 billion was offered at auctions of 3-month treasury bills, Denar 17.52 billion at auctions of 6-month treasury bills, while Denar 1.20 billion was offered at auctions of 5-year government bonds. Total amount realized at the auctions in the same period was Denar 56.74 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 2011 was 91.65%, decreasing by 0.86 percentage points compared to 2010, when the success percentage of auctions was 92.51%.

Portfolio of continuous GS comprises 3-month treasury bills, 6-month treasury bills and 5-year government bonds. As of 31st December 2011 inclusive, maturity structure of GS portfolio is as follows:

- percentage share of 3-month treasury bills was 73.75% in the maturity structure, increasing by 57.08 percentage points compared to 31st December 2010, when it amounted to 16.67%.

- percentage share of 6-month treasury bills was 20.89% in the maturity structure, decreasing by 62.08 percentage points compared to 31st December 2010, when it amounted to 82.97%.

- percentage share of 2-year government bonds was 0% in the maturity structure, decreasing by 0.05 percentage points compared to 31st December 2010, when it amounted to 0.05%;

- percentage share of 3-year government bonds was 0% in the maturity structure, decreasing by 0.31 percentage points compared to 31st December 2010, when it amounted to 0.31%; and

- percentage share of 5-year government bonds was 5.36% in the maturity structure, increasing by 5.36 percentage points compared to 31st December 2010, when it amounted to 0%;

Trends of interest rates at GS auctions - During 2011, volume tender was applied at GS auctions.

In the period January – December 2011, interest rates on government securities remained stable and unchanged. During the analyzed period, interest rate on three-month treasury bills, depending on whether they included foreign exchange clause or not, were 4.10% and 4.20% respectively, while interest rate on six-month treasury bills with foreign exchange clause was 4.10% and 4.30%, respectively. As for the auctions for five-year government bonds realized in September and December, coupon interest rates amounted to 5.50% for government bonds with foreign exchange clause and 5.70% for government bonds without foreign exchange clause. (Chart 11, 12)

Ownership structure of GS – Dominant share of banks in the ownership structure of government securities continued during 2011 as well. As of 31st December 2011 inclusive, percentage share of banks in the ownership structure of the government securities amounted to 64.77%, while the share of the other market entities was 35.23%. During the analyzed period, share of banks decreased by 11.10 percentage points in relation to the share of other entities, being respectively increased. As of 31st December 2010 inclusive, the ratio between banks and other market entities was 75.87 against 24.13, respectively (Chart 13).

III.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 (ten 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.

In 2011, total trading volume realized on the Macedonian Stock Exchange AD Skopje amounted to EUR 23,553,560.00, decreasing by 0.51% compared to 2010, when it amounted to EUR 23,675,328.00. At the same time, total realized trading turnover surged by 4.53% compared to 2010, while in 2010, it amounted to EUR 21,008,040.00. (Chart 15).

During the same period, total of 14 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 735,150,000.00. Compared to the trading in 2010, it can be concluded that larger number of transactions were realized in 2011 and total nominal amount of trading was higher by Denar 401,360,000.00 million compared to the total nominal trading amount in 2010.

III.7. Newly concluded loans in 2011

III. 7.1. New loans concluded by Central Government

• Borrowing by the Republic of Macedonia at the International Monetary Fund under the Precautionary Credit Line

In February 2011, Law on Borrowing Precautionary Credit Line by the Republic of Macedonia from the International Monetary Fund was adopted, amounting to 413,400,000 as Special Drawing Rights.

The goal of this Precautionary Credit Line is to provide for an effective protection against crisis for those IMF members with sound economic fundamentals, policies and institutional policy framework, facing moderate vulnerabilities.

Funds approved under this borrowing were intended to support the Budget of the Republic of Macedonia.

The terms and conditions under which this borrowing was provided are the following:

- amount: 413,400,000 as Special Drawing Rights;
- interest rate: SDR rate of charge determined by the International Monetary Fund;
- repayment period: Repayment period of five years and three months for each disbursed amount under the credit line, including grace period, and
- grace period: three years and three months;

• Borrowing by the Republic of Macedonia at Deutsche Bank and Citibank under Loan Agreement secured under Policy-Based Guarantee by the International Bank for Reconstruction and Development - World Bank

On 22nd November 2012, Ministry of Finance, on behalf of the Government of the Republic of Macedonia, and Deutsche Bank and Citibank signed Loan Agreement secured under Policy-Based Guarantee by the International Bank for Reconstruction and Development in the amount of EUR 130,000,000. Funds provided through this borrowing were intended for supporting the Budget of the Republic of Macedonia, being allocated under very favourable conditions as a result of implementation of the economic reforms and policies of the Government of the Republic of Macedonia.

Terms and conditions under which this borrowing was signed are the following:

- amount: EUR 130,000,000;
- interest rate: fixed interest rate calculated as sum of 5-year swap (for Euro) plus margin, whereby in line with the Agreement, the interest rate is fixed 2 days before the the day of disbursing the funds, amounting to 4.34 p.p.:
- repayment period: 5-year, one-off repayment following the end of the fifth year on the day of disbursing the funds.

• **Borrowing by the Republic of Macedonia at KfW under Loan Agreement intended for financing the Irrigation Programme Southern Vardar Valley II**

On 4th April 2011, Ministry of Finance and KfW signed Loan Agreement for Irrigation Programme Southern Vardar Valley II. This Project covers implementation of measures for rehabilitation, modernization and enlargement of systems for irrigation of land area covering around 3,904 ha in the following areas: Miravci, Valandovo, Udovo, Grciste, Kovanci, Negorci/Prdejci, Paljurci and Gevgelija.

Terms and conditions under which this loan was allocated are the following:

- amount: EUR 10,250,000.00;
- interest rate: 2.5%;
- repayment period: 20 years including grace period, and
- grace period: 5 years.

• **Borrowing by the Republic of Macedonia at European Bank for Reconstruction and Development for financing Project "Construction of New Motorway Section Demir Kapija Smokvica as Part of Pan-European Corridor X"**

On 20th September 2011, Loan Agreement was signed with EBRD in the amount of EUR 107 million, for financing the Project "Construction of New Motorway Section Demir Kapija Smokvica as Part of Pan-European Corridor X". This major Project envisages construction of new modern motorway section from Demir Kapija to Smokvica, being around 28,18 km long, in line with the European standards, thus completing the main axis of Corridor X, passing through the Republic of Macedonia. Part of the loan amounting to EUR 17 million is intended for modernization of the toll collection system of the existing toll stations and construction and equipping of four new toll stations on Corridor X.

Terms and conditions under which this loan was allocated are the following:

- amount: EUR 107,000,000;
- interest rate: 6-month EURIBOR variable interest rate increased by 1 p.p. margin on annual basis. In addition, there is possibility for selection of fixed interest rate, according to a procedure determined under the **Loan Agreement**;
- repayment period: 15 years including grace period;
- grace period: 3 years.

• **Borrowing by the Republic of Macedonia at European Investment Bank for financing Project "Construction of New Motorway Section Demir Kapija Smokvica as Part of Pan-European Corridor X"**

On 17th September 2011, Financial Agreement for the first portion of the loan was signed with EIB in the amount of EUR 65 million, for financing the Project "Construction of New Motorway Section Demir Kapija Smokvica as Part of Pan-European Corridor X".

Repayment period and interest rate will be determined for each loan tranche separately, on the day of the submission of the request for disbursement of the loan funds by the Ministry of Finance.

Repayment period for each tranche of the loan may be from 4 years to 25 years at the most

starting from the date of disbursing the tranche, including grace period that may be between 60 days and 7 years.

Interest rate will be chosen depending on which interest rate is very favorable for the Republic of Macedonia (fixed or variable one).

• Borrowing by the Republic of Macedonia at the Council of Europe Development Bank under Framework Loan Agreement for partial financing of the Project for Building Physical Education Facilities in Primary Schools and Rehabilitation of Primary and Secondary Schools in the Republic of Macedonia

On 20th October 2011, Framework Loan Agreement was signed for partial financing of the Project for Building Physical Education Facilities in Primary Schools and Rehabilitation of Primary and Secondary Schools in the Republic of Macedonia in the amount of EUR 30,000,000. Republic of Macedonia will participate in the realization of this Project with EUR 15,000,000. This Project is aimed at improving the physical education, as well as improving the overall conditions for the pupils in the primary and secondary schools.

Terms and conditions under which this loan was allocated are the following:

- amount: EUR 30,000,000;
- Repayment period for each tranche of the loan is 20 years, including 5-year grace period.
- Interest rate and currency will be determined for each loan tranche separately on the disbursement date. Interest rate for the loan servicing can be floating or fixed.

III.7.2. New loans concluded by local government

• Project for Construction of Multi-Storey Car Park “Sudska Palata”

On 29th December 2010, Centar Municipality and NLB Tutunska banka AD Skopje signed Agreement for Long-Term Loan in the amount of EUR 2,535,000.00 for financing the Project for Construction of Multi-Storey Car Park "Sudska Palata". Construction of multi-storey car park “Sudska Palata” will provide for long-term solution of traffic problems in the centre of the city, caused by the lack of parking spaces.

Terms and conditions under which this loan was signed are the following:

- amount: EUR 2,535,000.00;
- interest rate: 3-month Euribor + 5.1 p.p;
- repayment period: 10 years including grace period, and
- grace period: 2 years.

• Project for Construction of Modular School

On 25th July 2011, Ilinden Municipality and Halkbank AD Skopje signed Agreement for Long-Term Loan in the amount of EUR 992,000.00 in Denar equivalent for financing the Project for Construction of Modular School. Project realization will contribute to improving the living standard by reducing the expenditures for education, ensuring quality teaching and educational program, creating new jobs, decreasing the costs of the municipality for ensuring transport of pupils from the place of residence to the school, as well as significant

improvement of the conditions for conducting the teaching and educational program.

Terms and conditions under which this loan was signed are the following:

- amount: EUR 992,000.00;
- interest rate: 6.7%;
- repayment period: 5 years.

• **Project for Reconstruction of Old and Construction of New Streets and Pavements, as well as Improvement of Street Lighting**

On 3rd October 2011, Kisela Voda Municipality and Hallkbank AD Skopje signed Agreement for Long-Term Loan in the amount of Denar 50,000,000.00 for financing the Project for Reconstruction of Old and Construction of New Streets and Pavements, as well as Improvement of Street Lighting. Project realization will have, to a great extent, positive effects on the solving of infrastructure problems, which will contribute to increasing the quality of live in Kisela Voda Municipality.

Terms and conditions under which this loan was signed are the following:

- amount: Denar 50,000,000.00;
- interest rate: 7%;
- repayment period: 2 years.

• **Project - Through New Concepts for Efficient Traffic towards Cleaner Skopje** – On 14th October 2011, the City of Skopje and the European Bank for Reconstruction and Development (EBRD) signed Agreement for Long-Term Loan in the amount of EUR 5,600,000.00 for financing the Project - Through New Concepts for Efficient Traffic towards Cleaner Skopje. Project realization, is expected to primarily ensure safe mobility in urban zones, optimization of the necessary traffic volume by reducing trips, decreasing costs for energy consumption, using renewable energy sources and reducing negative effects from the transport, by increasing safety in traffic, reducing car accidents, decreasing emission of harmful substances and noise, reducing social barriers among people, reducing the density of the traffic and decreasing the time for waiting. No sovereign guarantee towards EBRD was issued for this loan.

Terms and conditions under which this loan was signed are the following:

- amount: EUR 5,600,000.00;
- interest rate: 6-month Euribor variable interest rate + 4.15 p.p;
- repayment period: 12 years including grace period, and
- grace period: 3 years.

III.7.3. New loans concluded by public enterprises

• **Project for Construction of Multi-Storey Car Park 5.13 – “Mal Ring”** – On 22nd September 2011, the Joint Stock Company for Construction and Management of Business and Housing Premises of the Republic of Macedonia - Skopje and Stopanska banka AD Skopje and Komercijalna banka AD Skopje signed Agreement for Short-Term Credit 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 – “Mal Ring” will provide for long-term solution of traffic problems in the center of the city, caused by the lack of parking spaces.

Terms and conditions under which this loan 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.

• **Project for Construction of Multi-Storey Car Park 9.13 – “Golem Ring”** – On 14th November 2011, the Joint Stock Company for Construction and Management of Business and Housing Premises of the Republic of Macedonia - Skopje and Stopanska banka AD Skopje and Komercijalna banka AD Skopje signed Agreement for Short-Term Credit in the amount of EUR 7,064,062.00 for financing the Project for Construction of Multi-Storey Car Park 9.13 – “Golem Ring”. The realization of this Project will provide for long-term solution for the traffic problems in this area in the City of Skopje, caused by the lack of parking spaces.

Terms and conditions under which this loan was signed are the following:

- amount: EUR 7,064,062.00;
- interest rate: 1-year Euribor + 4.75 p.p;
- repayment period: 12 years including grace period, and
- grace period: 2 years.

III.8. Issued guarantees in 2011

• **Sovereign guarantee of the Republic of Macedonia of the liabilities under the Loan Agreement for financing the Project for Main Coal Conveyor Belt System from Brod Gneotino - LOT 3** - Loan Agreement between AD ELEM and Deutsche Bank was signed on 25th February 2011 when the the Guarantee Agreement concluded between the Ministry of Finance and Deutsche Bank, was also signed. Republic of Macedonia guarantees the settlement of liabilities in the amount of EUR 16,000,000 under the Loan Agreement intended for financing the Project for Main Coal Conveyor Belt System from Brod Gneotino - LOT 3. The Project is of special importance for the stability of the energy and electricity system in the country, given that the Thermal Power Plant REK Bitola generates 70% of the domestic electricity. Realization of this Project will provide for completing the process of production and delivery of coal, and it is also expected for its realization to extend the life cycle of the Thermal Power Plant REK Bitola in the next 20 to 25 years.

Terms and conditions under which this loan was allocated are the following:

- amount: EUR 16,000,000;
- interest rate: Euribor variable interest rate + 1.55 p.p;
- repayment period: 17 semi-annual instalments.

• **Sovereign guarantee of the Republic of Macedonia of the liabilities under the Loan Agreement for financing the previous and preparatory works for the Lukovo Pole Water Storage and Renewable Energy Project-** Loan Agreement between AD ELEM and the World Bank for the Lukovo Pole Water Storage and Renewable Energy Project was signed on 7th April 2011, when the the Guarantee Agreement concluded between the Ministry of Finance

and the World Bank was also signed. Republic of Macedonia guarantees the settlement of liabilities in the amount of US\$ 3,000,000 under the Loan Agreement intended for financing the previous and preparatory works for the Lukovo Pole Water Storage and Renewable Energy Project.

Terms and conditions under which this loan was signed are the following:

- amount: US\$ 3,000,000;
- interest rate: 6-month LIBOR for US dollar with fixed spread.

• **Sovereign guarantee of the Republic of Macedonia of the liabilities under the Loan Agreement for financing the Wind Farm Bogdanci Project** - Loan Agreement between AD ELEM and KfW was signed on 9th April 2011, when the the Guarantee Agreement concluded between the Ministry of Finance and KfW, was also signed. Republic of Macedonia guarantees the settlement of liabilities in the amount of EUR Wind Farm Bogdanci Project 32,900,000 Under the Loan Agreement intend for financing the Wind Farm Bogdanci Project. Project is aimed at using the wind as renewable source of energy by constructing wind power plants. By constructing the wind power plants, annual generation of 100 GWh naturally sustainable energy will be achieved, thus increasing installed power of AD ELEM by around 30-40 MW. The realization of this Project will increase the share of renewable resources in the AD ELEM generation and will contribute to realizing the set goal supported by all relevant institutions in the Republic of Macedonia, achieving 20% of the generation of electricity from renewable sources in the energy balance, as well as reduction of both the electricity price and the import dependence of Macedonia on electricity.

Terms and conditions under which this loan was allocated are the following:

- amount: EUR 32,900,000;
- interest rate: 3.3 %;
- repayment period: 12 years including grace period, and
- grace period: 3 years.

• **Sovereign guarantee of the Republic of Macedonia of the liabilities under the Loan Agreement for Additional Financing for the Republic of Macedonia Component - AD MEPSO Project** and the World Bank was signed on 11th April 2011, when the Guarantee Agreement concluded between the Ministry of Finance and the World Bank, was also signed. Republic of Macedonia guarantees the settlement of liabilities in the amount of EUR 14,000,000 for Additional Financing for the Republic of Macedonia Component - AD MEPSO Project.

Terms and conditions under which this loan was signed are the following:

- amount: EUR 14,000,000;
- interest rate: six-month EURIBOR with variable spread;
- repayment period: 22 years including grace period, and
- grace period: 6 years.

• **Sovereign guarantee of the Republic of Macedonia of the liabilities under the Loan Agreement for financing the Boskov Most Hydro Power Plant Project.**

On 10th November 2011, Loan Agreement was signed between AD ELEM and the European Bank for Reconstruction and Development (EBRD), as well as the Guarantee Agreement concluded between Ministry of Finance and EBRD. Republic of Macedonia guarantees the settlement of liabilities in the amount of EUR 65,000,000 for financing of the Boskov Most Hydro Power Plant Project. Boskov Most Hydro Power Plant Project is a complex hydro power system, which envisages total utilization of the hydro power potential of River Mala Reka, i.e. its tributaries. Project covers construction of dam and reservoir, activities on all tributaries from the Mala Reka River basin area, derivation channels, tunnel, pipeline and machine hall.

Terms and conditions under which this loan was signed are the following:

- amount: EUR 65,000,000;
- interest rate: variable six-month EURIBOR increased by 1 p.p. annual margin;
- repayment period: 15 years including grace period, and
- grace period: 5 years.

• **Sovereign Guarantee of the Republic of Macedonia of the liabilities under the Financial Agreement intended for financing small- and medium-sized enterprises and other priority projects – II phase, to be concluded between the European Investment Bank and the Macedonian Bank for Development Promotion**

For the purpose of realizing the second phase of this credit line, two Agreements were signed, Macedonian Bank for Development Promotion (MBDP) and EIB concluded Financial Agreement on 14th October 2011, while the Ministry of Finance and EIB concluded Guarantee Agreement.

MBDP awarded this credit line through the commercial banks to the final beneficiaries. At least 70% of this credit line was intended for financing small- and medium-sized enterprises, while other priority projects, which could be financed with 30% of the funds envisaged for this credit line at the most, meant small and medium investments, to be undertaken by the final beneficiaries in the field of environment protection, based on knowledge, energy, infrastructure (including health and education), industry, tourism, trade and other services.

Terms and conditions under which this loan was signed are the following:

- amount: EUR 50,000,000;
- repayment period for each tranche of the loan will be determined for each tranche separately and may be from 4 years to 8 years from the date of disbursing the tranche, including grace period of 2 years at the most.
- interest rate will be determined for each loan tranche separately, depending on which interest rate is very favorable for the Republic of Macedonia (fixed or variable one).

IV. 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 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. As for the performance of 2011 targets compared to the targets set in the 2010-2012 Public Debt Management Strategy, successful realization may observed at the following limits:

- Total public debt to GDP ratio,
- Government debt to GDP ratio and
- Total guaranteed debt to GDP ratio.

As regards the share of the euro-denominated debt within the total public debt, there is small deviation of the targeted value. The reason for this was a result of the borrowing Precautionary Credit Line from the IMF, loan denominated in Special Drawing Rights (SDR) and it led to decrease of the euro-denominated debt share in the currency structure.

Table 1
Comparison of the public debt portfolio and the quantitative targets set in the 2010-2012
Public Debt Management Strategy

Targets	Public debt portfolio parameters as of December 2011 inclusive*	Limits for the period 2010-2012
Total public debt to GDP ratio	32.9%*	not to exceed 40%
Government debt to GDB ratio	28.6%	not to exceed 30%
Total guaranteed public debt to GDP ratio	4.4%	not to exceed 10%
Share of euro denominated -debt in the total public debt	euro- denominated debt - 65.2%**	not to be below 70%

**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.*

*** Borrowing Credit Precautionary Line from the IMF, loan denominated in Special Drawing Rights lead to slight decline of the share of the euro-denominated debt in the public debt currency structure.*

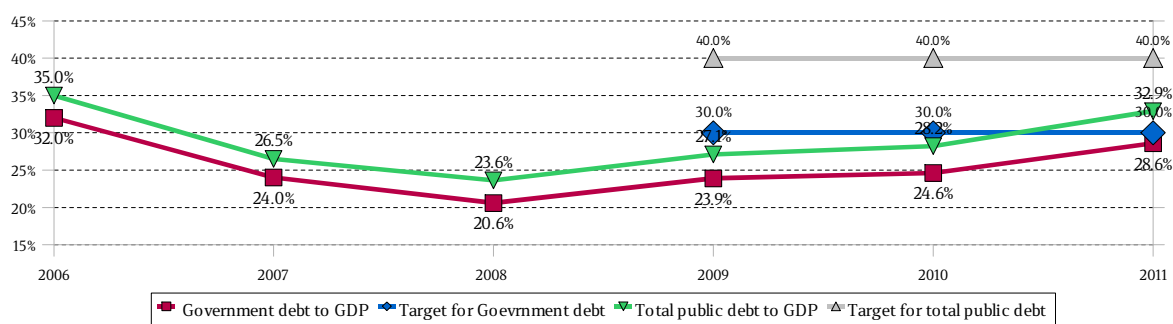
Source: Ministry of Finance (MoF)

IV.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 2011 amounts to 32.9% of GDP.

Furthermore, the second target gives the maximum limit of the the government debt, i.e.: “*government debt must not exceed 30% in relation to GDP*”. At the end of 2011, the government debt to GDP ratio amounted to 28.6%.

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

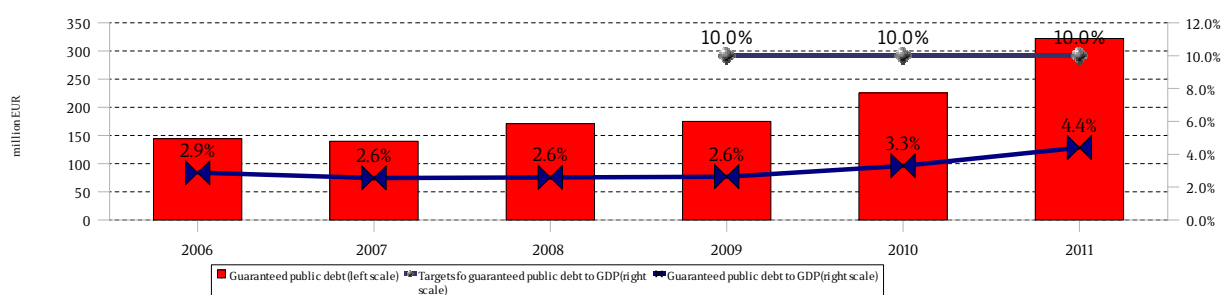


Source :MoF

IV.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 GDP in the next three years*”. As of December 2011 inclusive, the real stock of the issued guarantees was under the level of the set target, amounting to 4.4% in relation to GDP.

Chart 8
Comparison of the guaranteed debt to GDP ratio and the targets

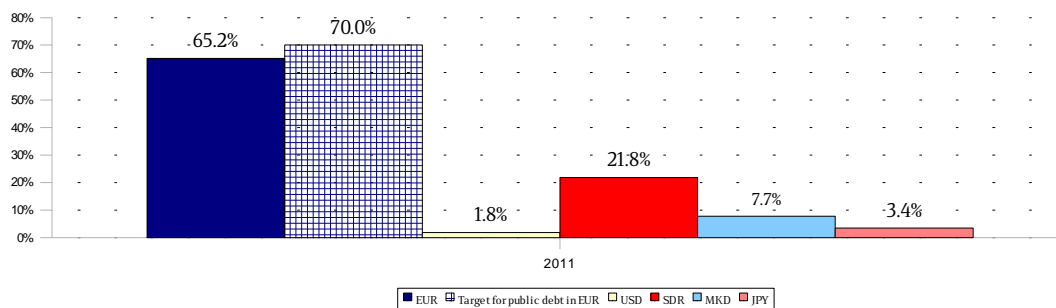


Source: MoF

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

At the end of 2011, share of euro-denominated debt in total public debt, amounted to 65.2%, i.e. there is deviation from the target, according to which the share of the euro-denominated debt in the total public debt must not be below 70%. Reason for this borrowing Precautionary Credit Line from the IMF, a debt denominated in Special Drawing Rights.

Chart 9
Currency structure of external public debt and 2011 target



Source:MoF

V. Public debt management activities

V.1. Disbursed funds on the basis of external public debt

Table 2

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

<i>In million euro</i>		Jan-Dec 2011 realization of disbursement
Total public debt		546.7
General Government		443.2
Central government debt		443.2
Official creditors		267.8
Multilateral creditors		262.0
	IBRD	32.0
	CEDB	3.7
	EBRD	5.1
	EIB	0.0
	IMF	221.2
Bilateral creditors		5.8
Private creditors		175.4
Public enterprises		103.5
Official creditors		79.9
Multilateral creditors		64.4
	IBRD	5.7
	EBRD	0.5
	EIB	58.3
Bilateral creditors		15.5
Private creditors		23.6

Source: MoF and NBRM

V.2. Primary government securities market

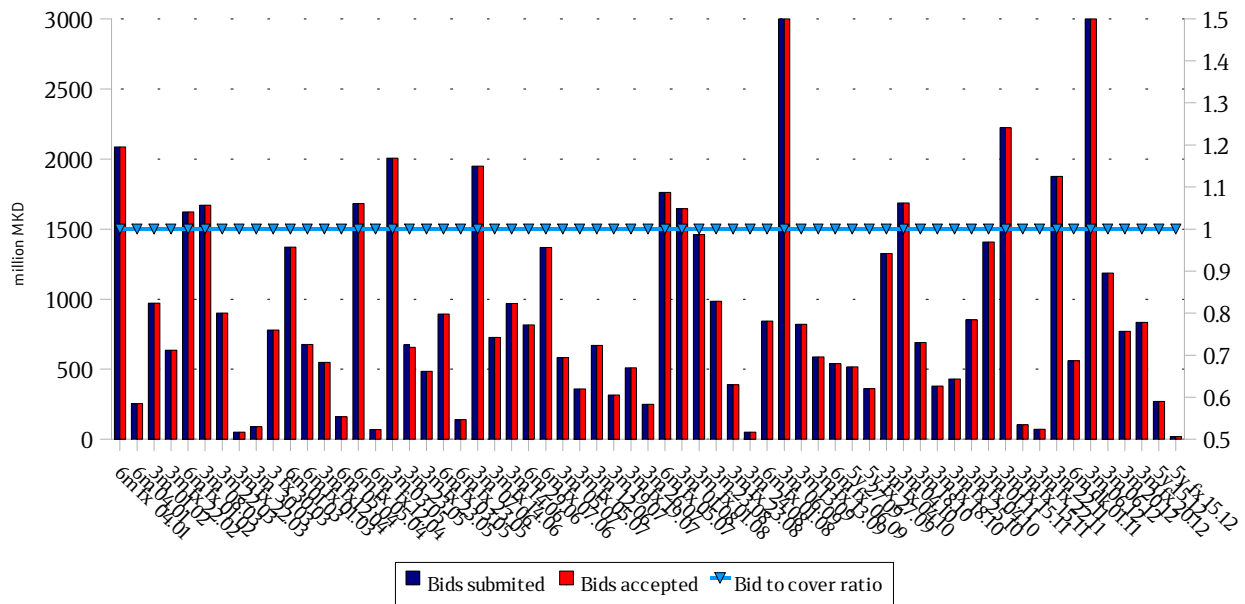
Table 3

Net issue of continuous government securities and structural bonds

<i>in million EUR</i>		Q1-2011	Q2-2011	Q3-2011	Q4-2011	Total Q1-Q4-2011
I	Net issue of government securities	9.84	-4.06	18.32	22.06	46.16
2	3-month T- Bills	16.8	77.6	49.9	63.5	207.7
3	6-month T- Bills	-6.8	-80.8	-45.7	-46.2	-179.5
4	12-month T- Bills	0.0	0.0	0.0	0.0	0.0
5	2-year T-Bonds	-0.2	0.0	0.0	0.0	-0.2
6	3-year T-Bonds	0.0	-0.8	-0.1	0.0	-0.9
7	5-year T-Bonds	0.0	0.0	14.3	4.7	19.0
II	IX -th issue of denalization bonds	11.0	0.0	0.0	0.0	11.0
I+II	Total	20.8	-4.1	18.3	22.1	57.2

Source: MoF

Chart 10
Demand and realization of government securities auctions
January–December 2011



*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 2011

Month	Weighted average interest rate of 3-months T-Bills	Weighted average interest rate of 6-months T-Bills	Weighted average interest rate of 5-year T- Bonds
January		4.30	
February	4.20		
March	4.20	4.30	
April		4.30	
May	4.20		
June	4.20		
July	4.20		
August	4.20		
September	4.20		5.70
October	4.20		
November	4.20		
December	4.20		5.70

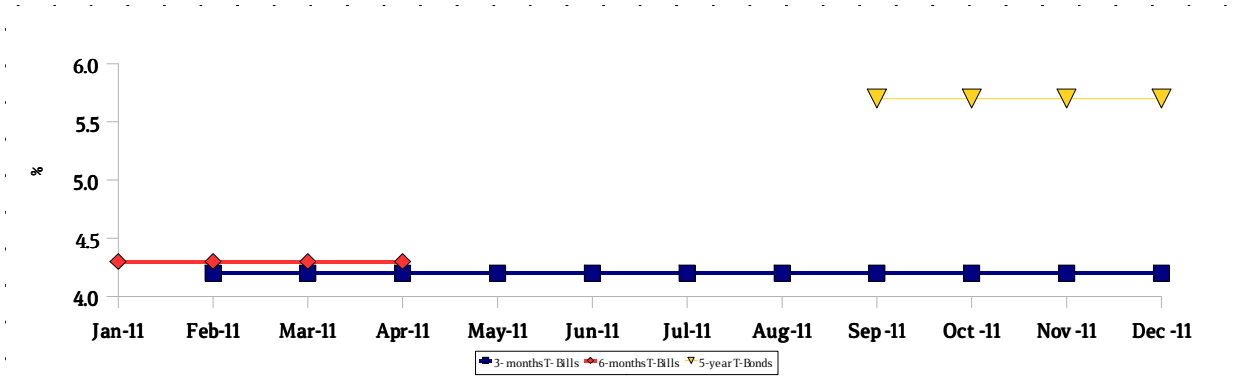
Source: MoF

Table 5
Average interest rates on GS with foreign exchange clause in 2011

Month	Weighted average interest rate 3 months T-Bills	Weighted average interest rate 6 months T-Bills	Weighted average interest rate of 5-year T- Bonds
January		4.15	
February		4.10	
March	4.10	4.10	
April	4.10	4.10	
May	4.10	4.10	
June	4.10	4.10	
July	4.10	4.10	
August	4.10	4.10	
September	4.10	4.10	5.50
October	4.10	4.10	
November	4.10	4.10	
December	4.10	4.10	5.50

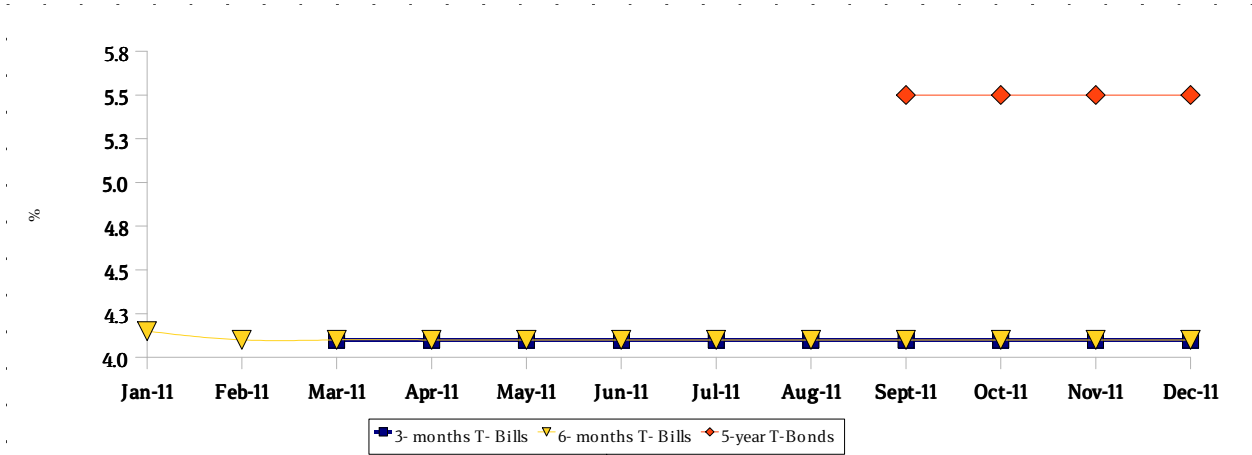
Source: MoF

Chart 11
Average interest rates achieved at auctions of GS without foreign exchange clause



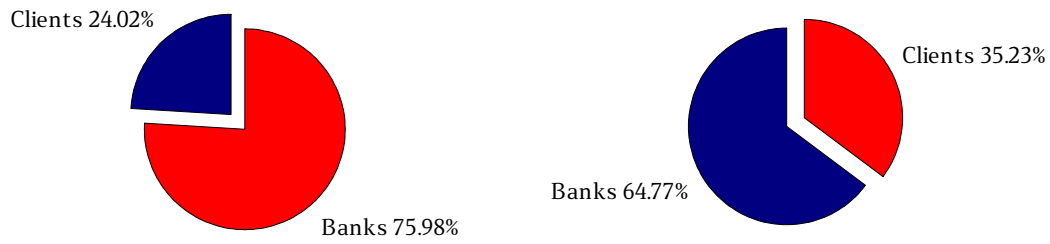
Source: MoF

Chart 12
Average interest rates achieved at auctions of GS with foreign exchange clause



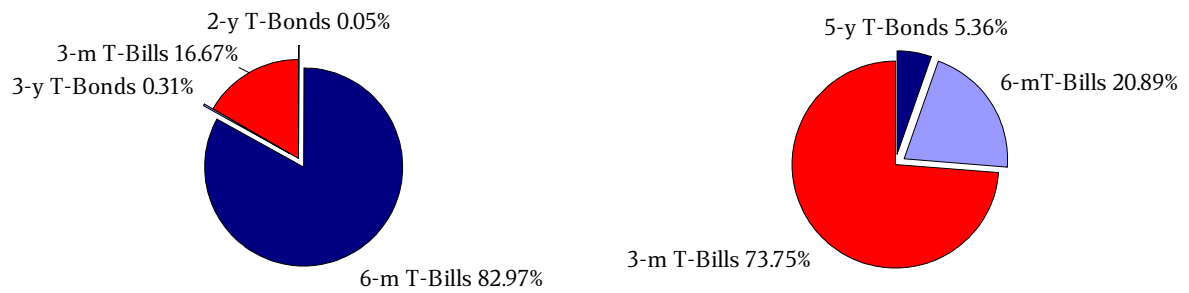
Source: MoF

Chart 13
 Ownership structure of continuous GS
 31st December 2010 31st December 2011



Source: MoF

Chart 14
 Maturity structure of continuous GS
 31st December 2010 31st December 2011

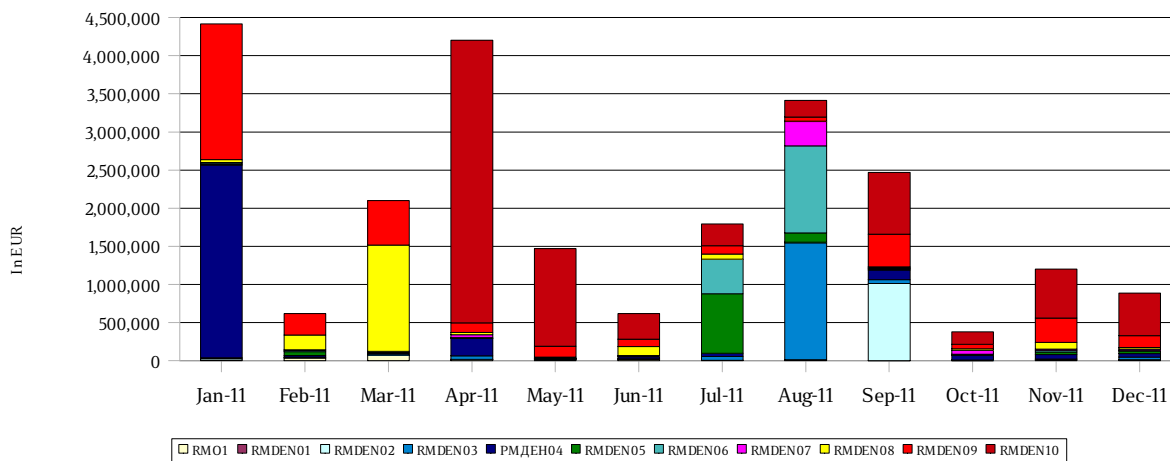


Source: MoF

V.3. Secondary government securities market

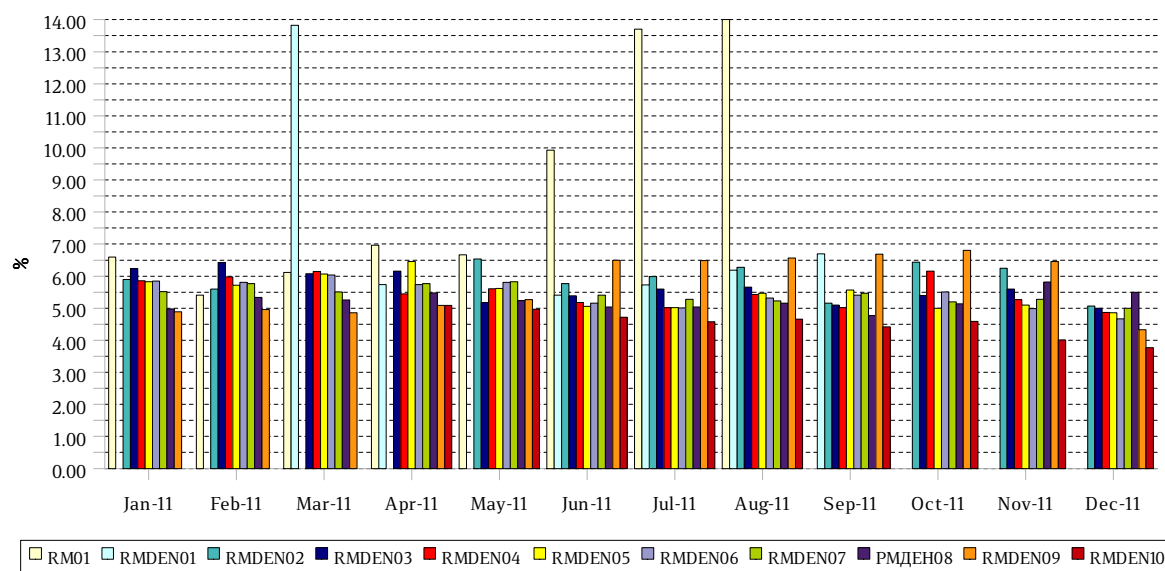
V.3.1. Macedonian Stock Exchange AD Skopje

Chart 15
Trading volume for structural government bonds,
January–December 2011



Source: Macedonian Stock exchange AD Skopje

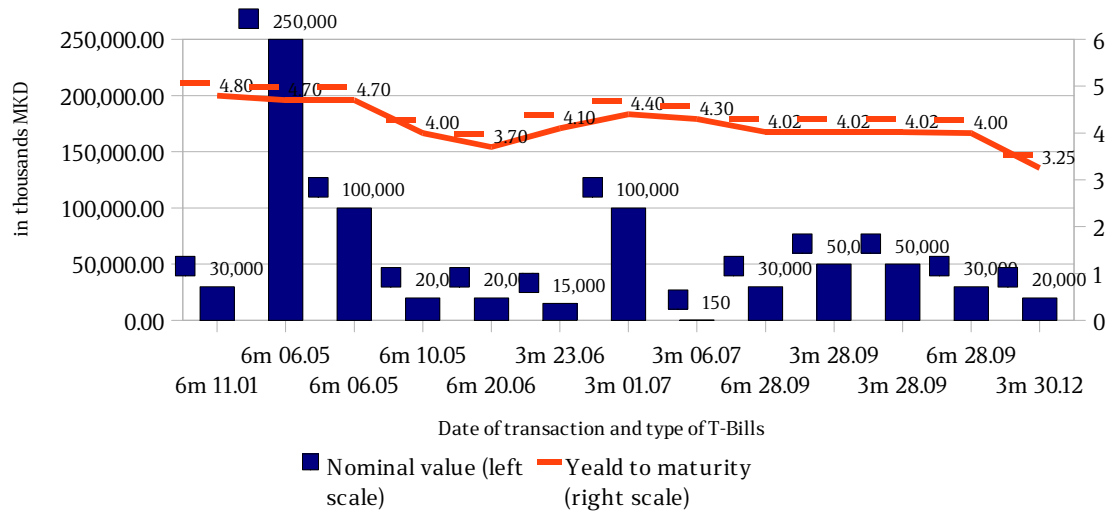
Chart 16
Yield to maturity of structural government bonds,
January–December 2011



Source: Macedonian Stock exchange AD Skopje

V.3.2.Over-the-counter market (OTC Market)

Chart 17
Transactions of T-bills carried out through OTC,
January–December 2011



Source: NBRM

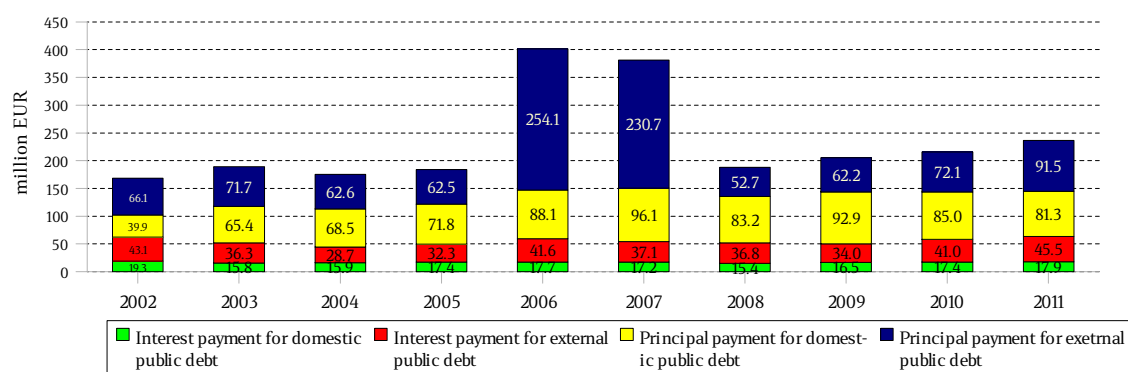
V.4. Total public debt servicing

Table 6
Repayments on the basis of total public debt in 2011

million EUR	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Total 2011
Interest payment for external public debt	2.9	6.3	22.1	14.2	45.5
Interest payment for domestic public debt	3.2	7.2	3.6	3.9	17.9
Interest payment for total public debt	6.1	13.5	25.7	18.1	63.4
Principal payment for external public debt	18.7	26.3	20.9	25.5	91.5
Principal payment for domestic public debt	2.3	49.1	2.3	27.6	81.3
Principal payment for total public debt	21.0	75.4	23.2	53.1	172.8

Source: MoF and NBRM

Chart 18
Repayment of interest and principal of total public debt



Source: MoF and NBRM

VI. Public debt portfolio features

VI.1. Total public debt

Table 7

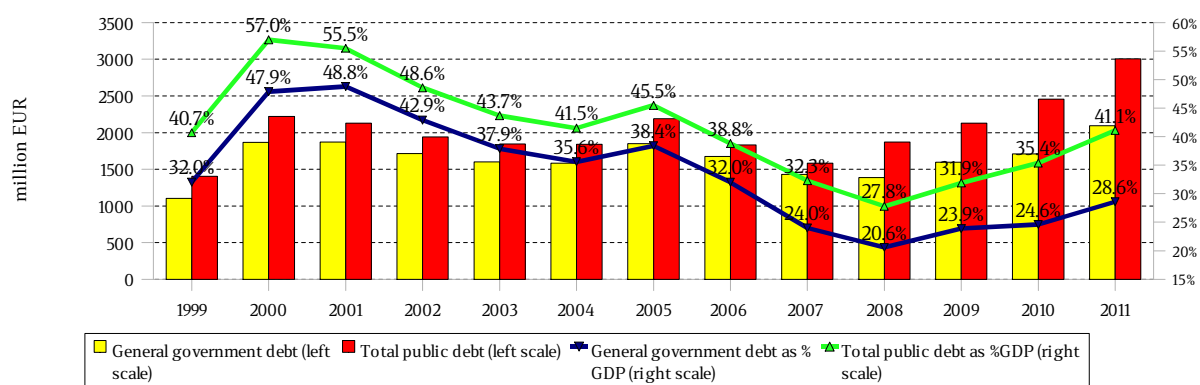
Total public debt according to GFS Methodology and pursuant to Public Debt Law

	in million eur	2006	2007	2008	2009	2010	2011
External public debt		1,223.0	1,027.9	1,115.7	1,373.8	1,484.3	1,944.6
Government debt		1,025.2	877.2	921.2	1,105.3	1,173.8	1,582.1
Central bank		42.4	0.0	0.0	71.7	76.4	78.2
Public enterprises		155.4	150.6	194.5	196.8	234.1	284.3
Domestic public debt		806.5	899.9	754.5	755.0	973.7	1,059.8
Government debt		648.4	552.8	465.5	492.0	537.0	510.8
Central bank		155.3	344.3	285.2	260.4	422.5	524.9
Public enterprises		2.8	2.8	3.5	2.7	14.3	24.1
Total public debt		2,029.5	1,927.8	1,870.2	2,128.8	2,458.0	3,004.4
Total public debt as% of GDP		38.8	32.3	27.8	31.9	35.4	41.1
Government debt		1,673.6	1,430.0	1,387.1	1,597.2	1,710.8	2,092.9
Government debt as % of GDP		32.0	24.0	20.6	23.9	24.6	28.6

Source: MoF and NBRM

Chart 19

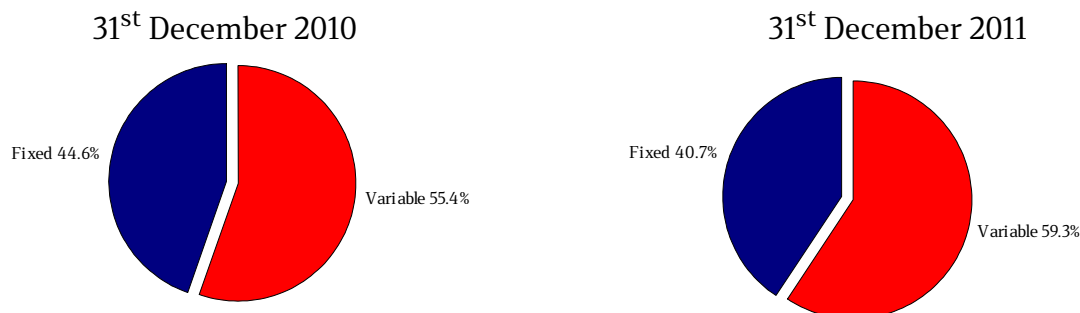
Trend of public debt in relation to GDP



Source: MoF and NBRM

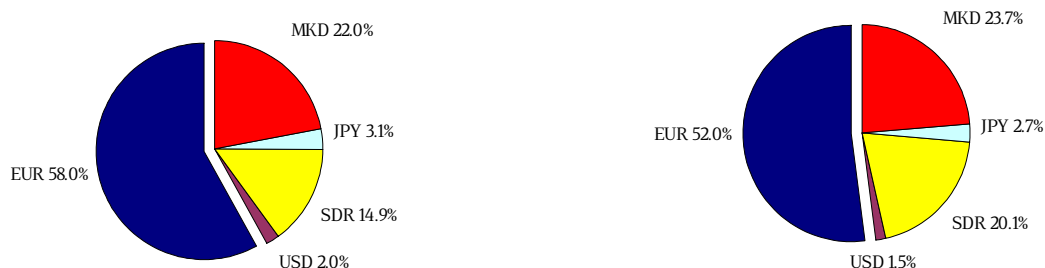
Chart 20

Total public debt interest structure



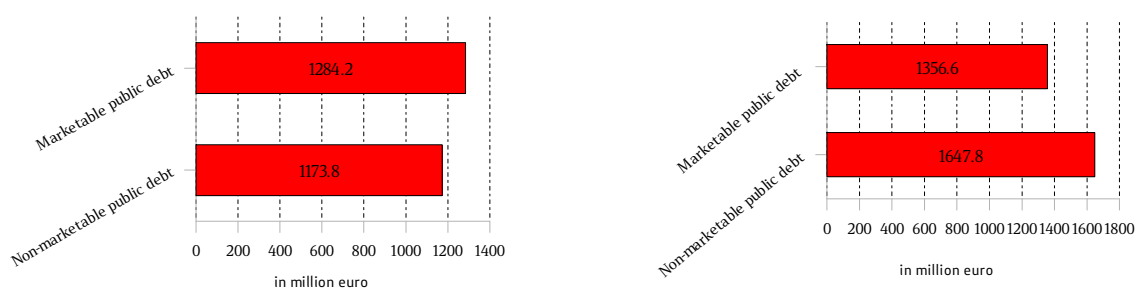
Source: MoF and NBRM

Chart 21
Total public debt currency structure
31st December 2010 31st December 2011



Source: MoF and NBRM

Chart 22
Market/non-market total public debt
31st December 2010 31st December 2011



Source: MoF and NBRM

Indicators for government debt portfolio risk

Table.8 Average time to maturity- ATM (in years)			
	2009	2010	2011
Domestic debt	1.8	1.4	1.3
External debt	7.2	7.0	6.1
Total government debt	5.5	5.2	4.9

Source: MoF

Table.9 Average time to refixing- ATR (in years)			
	2009	2010	2011
Domestic debt	1.6	1.3	1.2
External debt	6.0	5.3	4.4
Total government debt	4.6	4.0	3.6

Source: MoF

VI.2. External public debt

Table 10
External public debt by creditors and debtors (EUR million)

Sector/debtor/creditor	31/12/05	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10	31/12/11
External Public Debt according GFS methodology	1,441.2	1,223.0	1,027.9	1,115.6	1,373.7	1,484.3	1,944.6
External Public Debt according Public Debt Law	1,388.5	1,180.6	1,027.9	1,115.6	1,302.0	1,407.9	1,866.4
Government of the Republic of Macedonia	1,245.3	1,025.2	877.2	921.2	1,105.3	1,173.8	1,582.1
Official creditors	906.1	874.6	726.8	769.4	776.0	841.8	1,092.5
Multilateral creditors	751.8	739.2	658.4	683.0	678.0	719.0	959.4
IBRD	185.2	174.6	103.2	127.8	148.8	195.8	218.8
IDA	307.1	291.9	270.7	270.9	266.2	277.1	277.1
IFAD	11.0	12.5	12.2	12.3	12.1	12.7	12.5
CEDB	16.8	18.0	17.4	16.8	20.4	27.6	29.6
EBRD	29.2	43.1	56.9	53.1	46.9	40.7	39.9
EIB	112.5	109.2	108.1	117.1	106.6	96.2	85.7
EU	90.0	90.0	90.0	85.0	77.0	69.0	61.0
IMF	0.0	0.0	0.0	0.0	0.0	0.0	234.9
Bilateral creditors	154.3	135.5	68.5	86.4	98.0	122.8	133.1
Private creditors	339.3	150.6	150.4	151.8	329.3	332.0	489.6
Eurobond	150.0	150.0	150.0	150.0	325.0	325.0	325.0
Other private creditors	189.3	0.6	0.4	1.8	4.3	7.0	164.6
National bank of the Republic of Macedonia	52.7	42.4	0.0	0.0	71.7	76.4	78.2
IMF	52.7	42.4	0.0	0.0	71.7	76.4	78.2
Public enterprises	143.2	155.4	150.6	194.4	196.7	234.1	284.3
Official creditors	60.0	70.8	82.3	112.8	125.5	177.4	231.0
Multilateral creditors	43.1	56.2	61.6	76.0	91.4	145.2	190.8
IBRD	25.2	25.7	29.5	37.3	39.4	39.4	39.8
EBRD	5.9	7.3	10.7	18.6	20.8	23.1	20.6
EIB	5.8	13.2	13.0	12.8	24.9	77.1	126.7
EUROFIMA	6.1	5.0	5.0	3.8	3.8	3.7	2.4
CEDB	0.0	5.0	3.5	3.5	2.6	1.9	1.3
Bilateral creditors	16.8	14.6	20.6	36.8	34.1	32.2	40.2

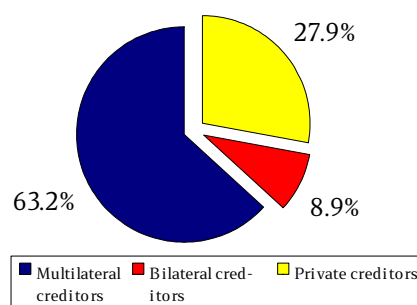
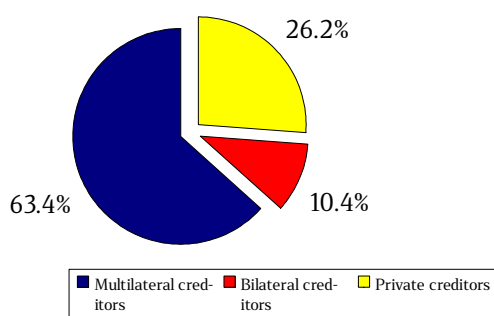
Source: NBRM

Chart 23

External public debt structure by creditors

31st December 2010

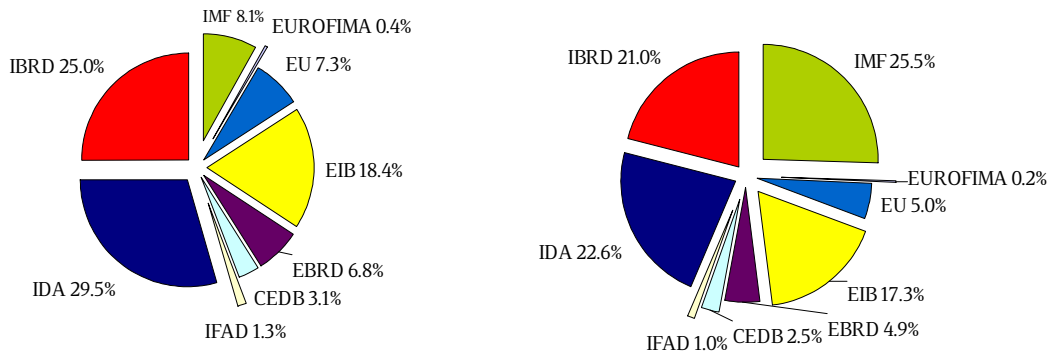
31st December 2011



Source: MoF and NBRM

Chart 24

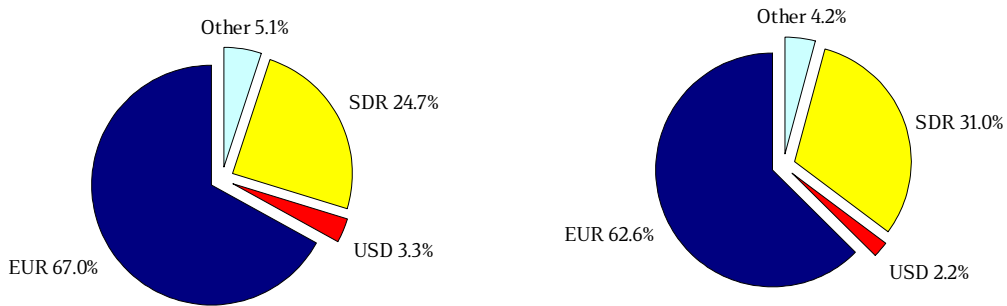
External public debt structure by multilateral creditors
31st December 2010 31st December 2011



Source: MoF and NBRM

Chart 25

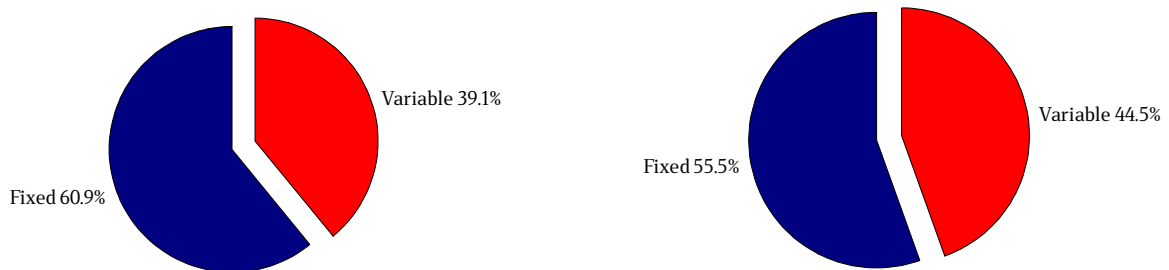
Currency structure of external public debt
31st December 2010 31st December 2011



Source: MoF and NBRM

Chart 26

Interest structure of external public debt
31st December 2010 31st December 2011



Source: MoF and NBRM

VI.3. Domestic public debt

Table 11
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	31/12/2011
Domestic public debt	806.5	899.9	754.1	755.0	973.7	1059.8
Government debt	648.4	552.8	465.5	492.0	537.0	510.8
Central government debt	648.2	552.8	465.5	491.7	536.8	506.7
Structural bond	479.7	396.3	343.5	282.5	226.1	152.1
Bond for rehabilitation of Stopanska banka	21.3	0.0	0.0	0.0	0.0	0.0
Bond for selective creditors	17.0	17.0	16.9	16.9	16.9	16.9
Bond for privatization of Stopanska banka	68.7	60.1	51.5	42.9	34.3	27.9
Bond for old for foreign exchange saving	254.9	203.9	152.9	101.9	51.0	0.0
Denationalization bonds	117.8	115.4	122.2	120.7	124.0	107.3
Continuous government securities	168.6	156.5	122.0	209.2	310.6	354.6
Municipality	0.2	0.0	0.0	0.3	0.2	4.1
Central Bank	155.3	344.3	285.2	260.4	422.5	524.9
Public enterprises	2.8	2.8	3.5	2.7	14.3	24.1

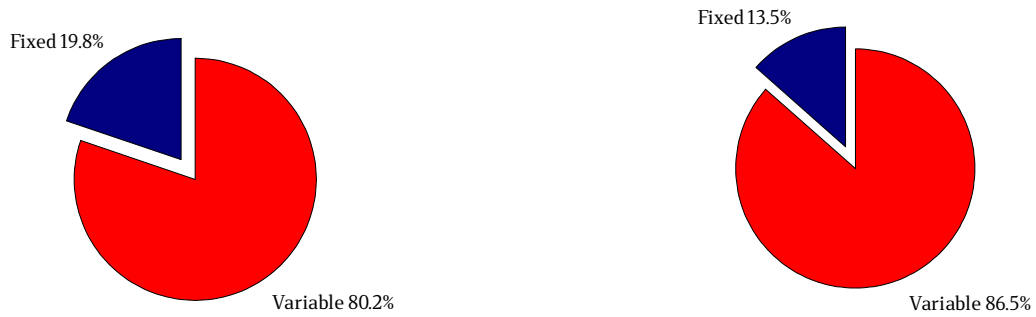
Source: MoF

Chart 27
Domestic public debt currency structure



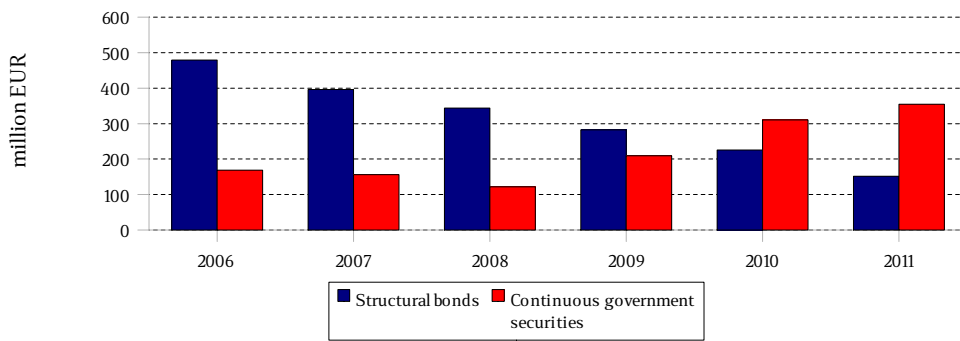
Source: MoF

Chart 28
 Domestic public debt interest structure
 31st December 2010 31st December 2011



Source: MoF

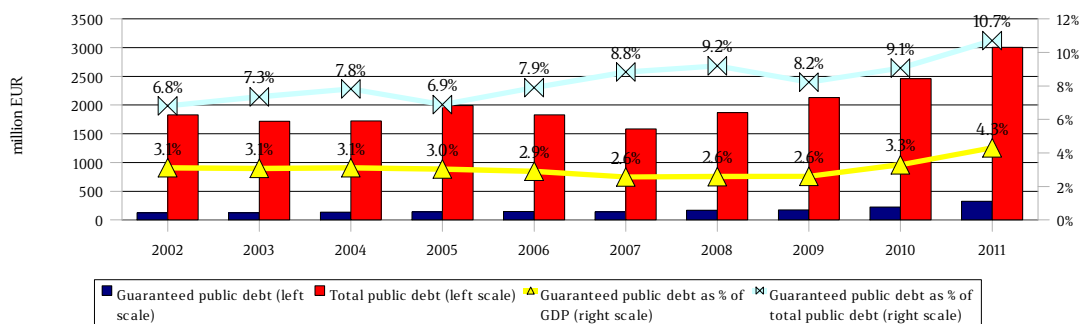
Chart 29
 Ratio between the stock of structural bonds and continuous GS



Source: MoF

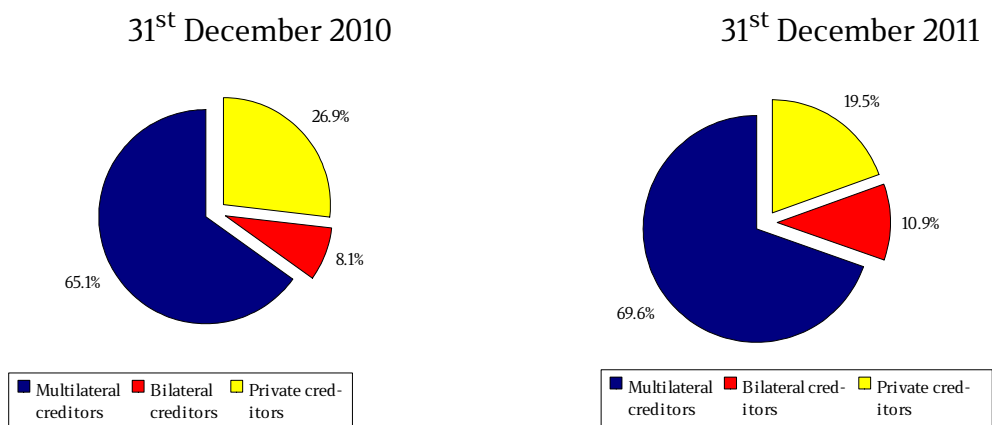
VI.4. Guaranteed public debt

Chart 30
Stock of guaranteed public debt



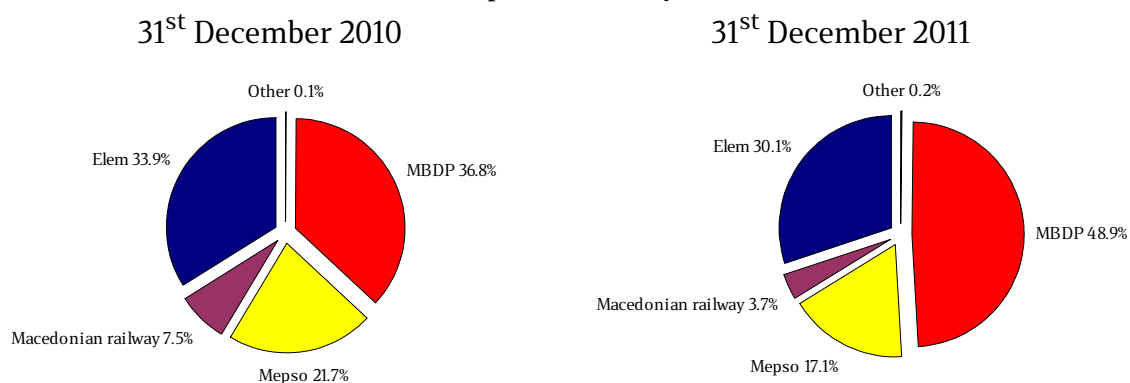
Source: MoF and NBRM

Chart 31
Guaranteed public debt by creditors



Source: MoF and NBRM

Chart 32
Guaranteed public debt by debtors



Source: MoF and NBRM