



Republic of North Macedonia
Ministry of Finance

International Finance and Public Debt Management Department

2018 Annual Report on Public Debt Management of the Republic of North Macedonia

June 2019

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List of Abbreviations

JSC	Joint Stock Company
GDP	Gross Domestic Product
GS	Government Securities
GB	Government Bonds
T-Bills	Treasury Bills
EU	European Union
ESM	ESM (Power Plants of North Macedonia)
EIB	European Investment Bank
EBRD	European Bank for Reconstruction and Development
IFAD	International Fund for Agricultural Development
IPA	Instrument For Pre-Accession Assistance
IDA	International Development Association
IBRD	International Bank for Reconstruction and Development
PESR	Public Enterprise for State Roads
PE	Public Enterprise
KfW	KfW Development Bank (KfW Entwicklungsbank)
MBDP	Macedonian Bank for Development Promotion
MoF	Ministry of Finance
IMF	International Monetary Fund
MEPSO	Electricity Transmission System Operator of the Republic of North Macedonia
MR	Macedonian Railways
NBRNM	Law on National Bank of the Republic of North Macedonia
p.p.	Percentage Points
FDIs	Foreign direct investments
RMDEN08	Denationalization Bond - 8 th issue
RMDEN09	Denationalization Bond - 9 th issue
RMDEN10	Denationalization Bond - 10 th issue
RMDEN11	Denationalization Bond - 11 th issue
RMDEN12	Denationalization Bond - 12 th issue
RMDEN13	Denationalization Bond - 13 th issue
RMDEN14	Denationalization Bond - 14 th issue
RMDEN15	Denationalization Bond - 15 th issue
RMDEN16	Denationalization Bond - 16 th issue
RMDEN17	Denationalization Bond - 17 th issue
CEB	Council of Europe Development Bank
PBG	Policy Based Guarantee

Pursuant to Article 27 paragraph 1 of the Law on Public Debt (Official Gazette of the Republic of North Macedonia, nos. 62/2005, 88/2008, 35/11, 139/14 and 98/19), the Parliament of the Republic of North Macedonia is informed with the 2018 Annual Report on Public Debt Management in the Republic of North Macedonia.

I. Introduction

Annual Report on Public Debt Management is prepared to the end of informing the Government and the Parliament of the Republic of North Macedonia, in details and on regular basis, and introducing the public with the features of debt portfolio of the Republic of North Macedonia, as well as with the measures undertaken in the course of the previous year aimed at its efficient management.

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

- financing the needs of the state with the lowest cost possible, in the medium and the long run, with sustainable level of risk;
- identifying, monitoring and managing the risks which public debt portfolio is susceptible to; and
- developing and maintaining efficient domestic financial market.

The Report includes definitions on general government and public debt pursuant to the Law on Public Debt ("Official Gazette of the Republic of Macedonia", no. 165/14 - consolidated version)¹. According to the definition, general government debt comprises financial liabilities incurred on the basis of borrowing by the Republic of North Macedonia, public institutions established by the Republic of North Macedonia and the municipalities, the municipalities within the City of Skopje and the City of Skopje. Furthermore, public debt comprises general government debt and debt of public enterprises established by the state or the municipalities, the municipalities within the City of Skopje and the City of Skopje, as well as companies, being fully or predominantly owned by the state or the municipalities, the municipalities within the City of Skopje and the City of Skopje, the state having issued a sovereign guarantee therefore.

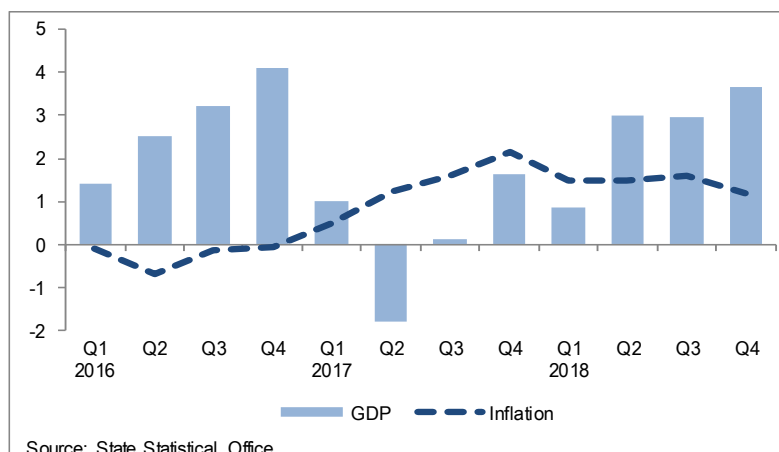
II. Macroeconomic Trends in the Republic of North Macedonia in 2018

Economic activity in 2018 experienced intensified growth of 2.7%, following the 0.2% growth, in the previous year. Upon the slight economic growth at the beginning of the year, which was reflection of the trends in the construction, significant movements at the economic activity are recorded in the period to come (Chart 1).

Observed by sectors, industry experienced real growth of 3.7%, being strongly encouraged by the intensified growth in Manufacturing of 5.6%. In line with high-frequency data, within Manufacturing, more significant contribution to growth was recorded by Manufacture of machinery and equipment, Manufacture of motor vehicles, Manufacture of equipment, Manufacture of Furniture, Manufacture of food products and Manufacture of metals. Services sector registered real growth of around 3.3%, mostly because of intensified activity in the Trade, transport and catering sector by 9.2%. Growth of activity in the construction sector moved to the positive zone in the last three quarters, thus the total growth in 2018, accounted for 0.2%, being due to the increased construction activity as regards buildings.

¹ Last amendments to the Law on Public Debt were adopted in May 2019 ("Official Gazette" no. 98/2019), under which amendments, the non-guaranteed debt has been included in the public debt definition. This report shows the scope of the debt in line with the legislation in force in 2018

Chart 1: Annual Real GDP Growth and Inflation Rate (%)



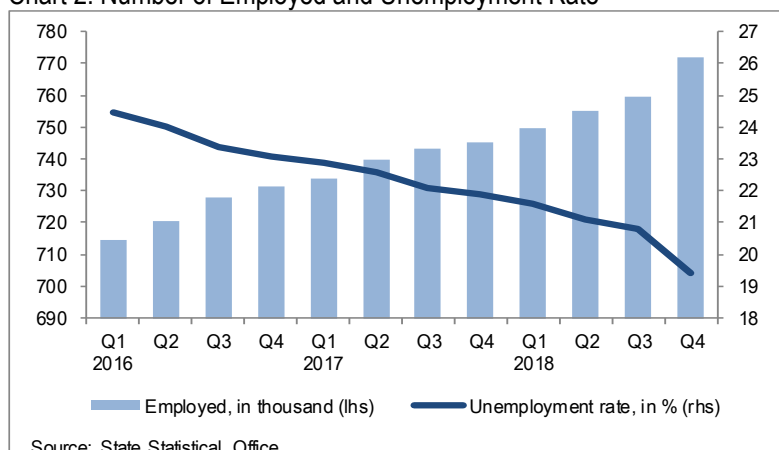
Analyzed according to the expenditure components, economic activity growth in 2018 was a result of consumption growth, as well as the positive contribution of net export to economic growth. Export of goods and service grew by almost 15.3% in real terms, mainly as a result of new export capacities, also underpinned by solid performance of part of the traditional export segments, such as Metal and Food industry. Import of goods and services experienced significantly lower growth compared to export, i.e. 9.0% growth in real terms, driven by the stronger import of intermediary goods, by which net export significantly contributed to the economic growth.

Consumption in 2018 experienced 3.5% growth in real terms, amid growth of private consumption of 2.9% and public consumption of 6.2%. Increase of private consumption was a result of increased wages and newly created job in the economy, underpinned by the increased credits to households. During this period, gross investments decreased by 7.2% in real terms, by which during the last quarter, recovery was noticed, in conditions of strong inflow of foreign direct investments and favourable developments as regards public investments.

In 2018, inflation rate accounted for 1.5%, by which moderate level of inflation has been noticed for second year in a row upon the slight decrease of consumer prices in the previous three years. Inflation is mainly a result of the higher prices of fuels, in line with the trends on global markets. Prices of food products surged by 0.9%.

Positive trends on the labour market continued in 2018 (Chart 2). Unemployment rate in the last quarter reduced to 19.4%, i.e. by 2.5 percentage points (p.p.) compared to the same quarter in 2017, whereby drop of unemployment was also recorded at the youth population and the female population. During the last quarter, employment rate reached 45.9%, being 1.6 p.p. increase in relation to the same quarter in 2017. Number of employed persons in 2018 surged by 2.5%, i.e. by 18.4 thousand persons compared to 2017, whereby employment surged at many of the sectors, mostly in the industry, in particular in Manufacturing, where the number of employees grew by 7.6 thousand persons.

Chart 2: Number of Employed and Unemployment Rate



Average net wage in 2018 surged by 5.9% in nominal terms and by 4.4% in real terms, which is an intensification compared to the previous years (Chart 3). Growth of average wage was due to the higher wages at almost all sectors, whereby highest growth was seen in the industrial sector (Mining by 18.6% and Manufacturing by 10.8%), Information and communication activity by 14.8% and Catering industry by 10.6%

Chart 3: Annual growth rate of the average net wage



Developments on the balance of payments current accounted in 2018 resulted in a low deficit of 0.3% of GDP, being significantly lower than the one in the previous years, being a result of the reduced trade deficit and the higher transfers from abroad. The current account deficit is financed from inflow of foreign direct investments, which experienced significant growth in 2018, amounting to EUR 624.5 million, accounting for 5.8% of GDP. Gross reserve assets amounted to EUR 2.9 billion at the end of 2018, providing for 4.4-month coverage of import of goods and services in the previous 12-month period, being at an adequate level to manage the possible shocks.

III. Significant Developments in 2018

III.1 International Environment

Upon the strong growth of global economy in 2017, in 2018, growth of industrial production, trade and business confidence slowed down at global level. Global trade in 2018 surged by 3.8%, being an acceleration compared to 5.4% growth in the previous year². However, American economy experienced intensified growth of 2.9%³, driven mainly by the higher demand, growing confidence of investors, tax cuts and unemployment reduction at the historically lowest level. Strengthening of the American dollar and the expectations for its further appreciation due to the higher interest rate of the Federal Reserves created additional difficulties to the developing countries, which during 2018, experienced depreciation of their currency, outflow of capital and challenges when servicing the debts.

Unlike the USA, the Eurozone recorded slowdown of economic activity growth rates in the first half of 2018 compared to the previous year, whereby this slowdown was more significant in the second half of 2018. Realized growth rates decreased from 2.4% to 2.1%⁴ in the first and second quarter to 1.6%, i.e. 1.1% in the third and fourth quarter, respectively⁵. European Central Bank continued with the policy of lower interest rates for the purpose of getting the low realized inflation rates closer to the target.

On the other hand, developing economies were subject to difficult external developments, trade tensions, higher interest rates in the USA, dollar appreciation, outflow of capital and unstable prices of fuels. By being faced with such problems and reduced economic activity, the authorities responded with stronger fiscal stimulus or easing

²<https://www.imf.org/en/Publications/WEO/Issues/2019/03/28/world-economic-outlook-april-2019#Chapter%201>

³<https://www.imf.org/en/Publications/WEO/Issues/2019/03/28/world-economic-outlook-april-2019>

⁴<https://ec.europa.eu/eurostat/documents/2995521/9102849/2-07092018-AP-EN/5ee25c3b-4e58-40df-9be9-7671859d6f37>

⁵<https://ec.europa.eu/eurostat/documents/2995521/9643458/2-07032019-AP-EN.pdf/dabf231d-dddd-4e9e-9812-12189a19871d>

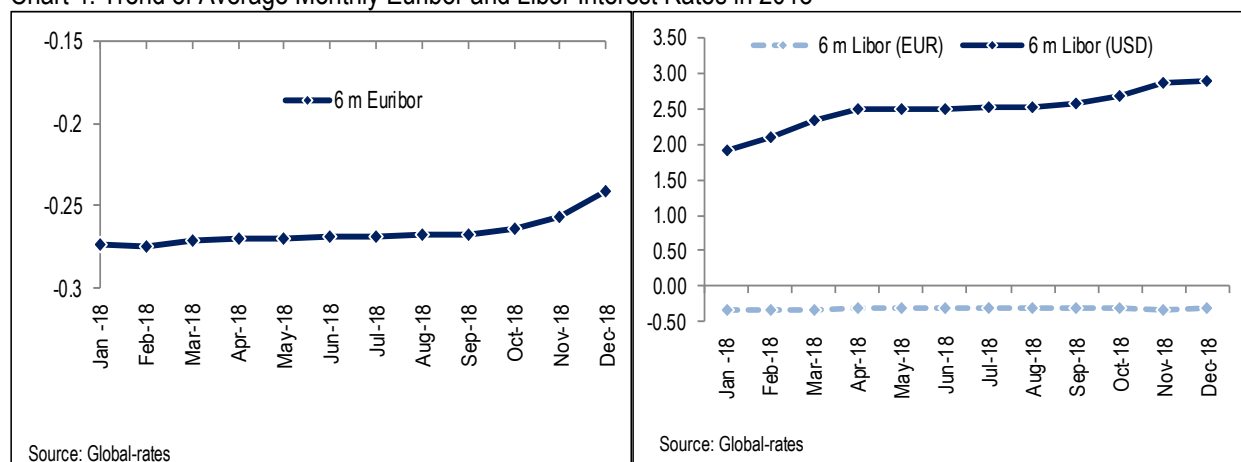
of the monetary policy. Growth rate in 2018 accounted for 4.5% on annual basis, thus slowing down compared to the 4.8% growth in the previous year⁶.

In the regional countries, economic activity experienced intensified growth and the growth rates in some countries exceeded 4% on annual basis. Growth rate in 2018 in Western Balkan countries reached 3.8%⁷, being mainly a result of the increased private and public investments, export, growth of consumption and higher employment. Possible tightening of the financing conditions on the international capital markets would negatively affect the regional countries, taking into account the limited possibilities for financing on the domestic capital market. In addition, the development of these economies is largely dependent on the internal and regional political stability and the realization of the necessary structural reforms and fiscal consolidation.

In the course of 2018, 6-month Euribor experienced slight growth of its value, compared to the constant drop recorded in the previous years. In fact, average value of this rate was -0.274% in January, increasing to -0.241% in December. The same trend was also observed at the interbank Euro LIBOR interest rate, which amounted to -0.331% in January, while its average value was -0.319% in December.

During 2018, 6-month US Dollar LIBOR interest rate experienced an upward trend, with an average value of 1.907% in January, surging to 2.889% in December.

Chart 4: Trend of Average Monthly Euribor and Libor Interest Rates in 2018

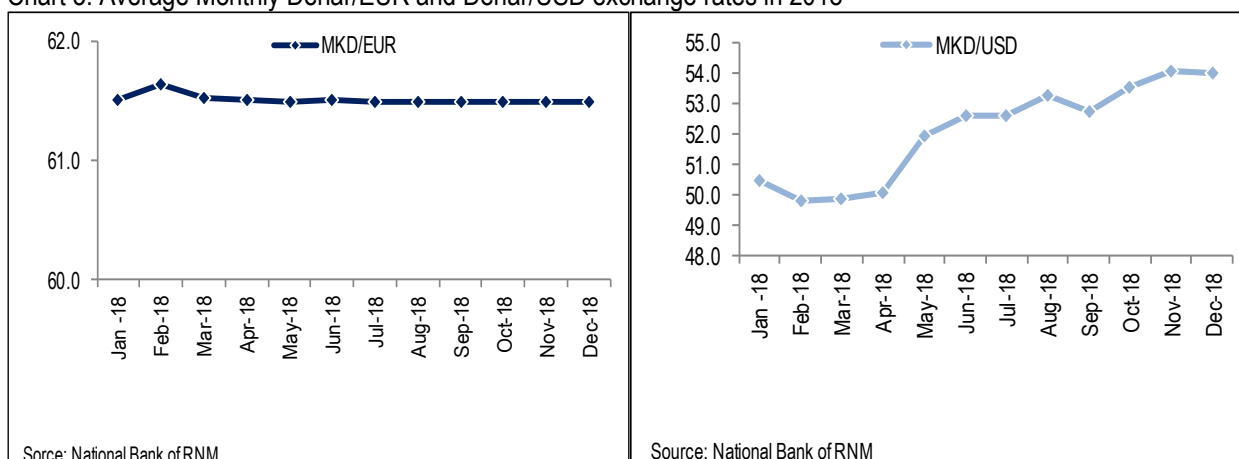


In the course of 2018, Denar exchange rate in relation to the euro was stable, ranging from Denar 61.4916 to Denar 61.6422 per one euro (average monthly exchange rate). On the other hand, value of US dollar increased in relation to the denar, hence average exchange rate in January was Denar 50.4967 per one US dollar, and Denar 54.0940 per one US dollar in December. The lowest value of US dollar to denar was registered in February, when average exchange rate was Denar 49.8496 per one US dollar.

⁶<https://www.imf.org/en/Publications/WEQ/Issues/2019/03/28/world-economic-outlook-april-2019>

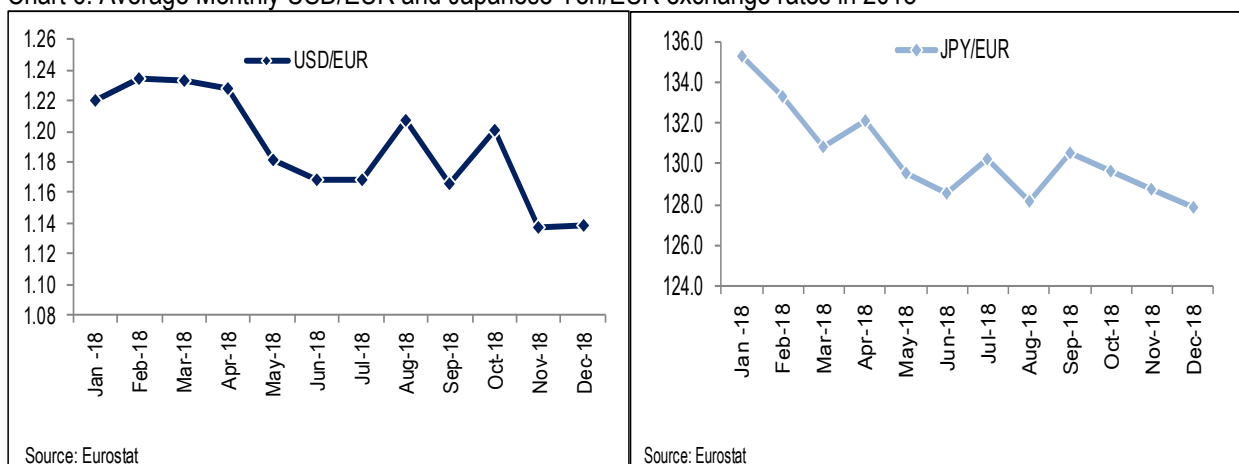
⁷<http://www.worldbank.org/en/region/eca/publication/western-balkans-regular-economic-report>

Chart 5: Average Monthly Denar/EUR and Denar/USD exchange rates in 2018



As regards the international financial market, USD value in relation to the euro appreciated in the course of 2018, reaching its highest value of USD 1.1367 per one euro in November 2018 (monthly average). Value of Japanese Yen in relation to the euro also appreciated, whereby the average exchange rate was Japanese Yen 133.3 per one euro in January, reaching the lowest level of Japanese Yen 127.9 per one euro in December.

Chart 6: Average Monthly USD/EUR and Japanese Yen/EUR exchange rates in 2018



III. 2 Credit Rating of the Republic of North Macedonia in 2018

Credit Rating Agencies „Standard & Poor’s“ and “Fitch Ratings“ carried out the regular semi-annual revision of the credit rating of the Republic of North Macedonia twice in the course of 2018, on 16th March 2018 and 14th September 2018, i.e. on 9th February 2018 and 2nd August 2018, respectively.

“Standard & Poor’s“ Credit Rating Agency affirmed, in its last report published on 14th September 2018, Republic of North Macedonia’s previously awarded credit rating for local and foreign currency at BB-, at the same time affirming the country’s stable outlook.

The stable outlook reflected the “Standard & Poor’s“ ratings of the balance between the risk from the public debt trends and the political uncertainty on one hand, and the country’s favourable economic prospects on the other. However, the report noted that the political crisis is slowly overcome compared to the previous year.

- Economic growth in 2018 started to increase, being in line with the Agency’s expectations, upon the stagnation in 2017. Despite the delay of some of the public and private investments, economic growth in 2018 surged by 3.1% in the second quarter of the year compared to the stagnation in the previous year, indicating better performance in the other economic sectors. Agency expects for the growth to account for around 3% in the period 2019-2021 in average, as a result of investments in the private and public sector, accompanied by greater political stability.

- Expected budget deficit in 2018 accounts for around 2.7%, i.e. it is assessed that it is in line with the deficit envisaged in the Supplementary Budget. Deficit reduced below 3% in the period 2016-2017, due to slowed down execution of expenditures as a result of the political insecurity. In May 2018, Government adopted the new 2019-2021 Fiscal Strategy, focusing on budgetary consolidation, improvement of the public finance management framework and implementation of priority investment projects. However, the debt of North Macedonia (the government debt and the debt of the PESR) will continue to increase by 2020, although it should be stabilized at around 45% of GDP.

The Agency pointed out that it could improve the credit rating in future if the necessary reforms are implemented and if the name dispute with Greece is solved, which would result in improving the economic outlook of the country and increasing the probability for accession of North Macedonia to the European Union. Contrary to this, they could lower the ratings if major political tensions returned, impairing growth and foreign direct investment inflows, as well if fiscal slippages or off-budget activities were to call into question the sustainability of the country's public debt.

“Standard & Poor’s” Credit Rating Agency, in their report published on 9th February 2019 affirms the rating for foreign and domestic currency BB, however it revised the outlook of the credit rating of North Macedonia from negative to positive, reflecting the stabilized political situation, the restored confidence in the economy and the improved international relations, upon the prolonged political crisis in the period 2014 - 2017. In addition, on 2nd August 2018, Fitch Ratings Credit Rating Agency affirmed the rating for foreign and domestic currency BB, as well as the positive outlook of the country.

In line with the Agency, the credit rating affirmation is based upon the coherent monetary and financial policy, providing for long-term exchange rate stability. The Positive Outlook reflects a more stable political environment that has increased economic confidence, realigned policy direction towards EU accession and strengthened international relations. Thereby, it is confirmed that the Government has successfully implemented the majority of initiatives set out under its “3-6-9” reform plan in restoring transparency, independence and confidence in public institutions.

- Economic growth in 2018 was revised at 2.7%, which is expected to account for 3.1% in 2019 and 3.5% in 2020. Political stability is expected to continue, with gradual recovery in investments, which will increase medium-term growth.
- Expected budget deficit is reduced to 2.6% of GDP, however, the upward trend of the government debt continued reaching 42.3% in 2018 from 39.9% in 2017, as a result of the higher foreign borrowing.

„Fitch Ratings“ pointed out that marked easing in political uncertainty, as well as implementation of a credible medium-term fiscal consolidation, consistent with a stabilization of the public debt/GDP ratio, could be ratings positive. Contrary to this, re-emergence of political instability, fiscal slippage or contingent liabilities, as well as widening of external imbalance, could lead to negative rating action.

Stable credit rating of the Republic of North Macedonia is a significant 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 North Macedonia. Affirming the credit rating is yet another strong signal to the foreign investors that Republic of North Macedonia is a country, which they have confidence in and could be assured of sound economic policies in future as well.

Recent credit ratings the Republic of North Macedonia was awarded in 2017 and 2018 by the Credit Rating Agencies „Standard & Poor’s“ and “Fitch Ratings” are presented in the table below:

Table 1: Recent Credit Ratings awarded to the Republic of North Macedonia in 2017 and 2018

„Standard & Poor's“ Credit Rating Agency

	2017	2018
Foreign currency	BB-/Stable	BB-/Stable
Domestic currency	BB-/ Stable	BB-/ Stable

Source: Standard & Poor's

„Fitch Ratings“ Credit Rating Agency

	2017	2018
Foreign currency	BB/ Negative	BB/ Positive
Domestic currency	BB/ Negative	BB/ Positive

Source: Fitch Ratings

III. 3 Trends in the government and public debt of the Republic of North Macedonia

Government debt of the Republic of North Macedonia at the end of 2018 amounted to EUR 4,344.4 million, i.e. 40.5% of GDP (Table 8). Given such government debt level, Republic of North Macedonia remains to be moderately indebted country with a government debt lower than the average level of debt of the 28 EU countries, accounting for 80%⁸ at the end of 2018.

Public debt of the Republic of North Macedonia amounted to EUR 5,202.2 million at the end of 2018, accounting for 48.5% of GDP (Table 7). External public debt was EUR 3,537.8 million, while internal public debt amounted to EUR 1,664.4 million.

Foreign government debt at the end of 2018 amounted to EUR 2,695.0 million, growing by EUR 318,2 million compared to 2017, while internal government debt amounted to EUR 1,649.4 million, surging by EUR million 67.7 compared to the previous year.

From the point of view of the currency structure of the government debt, at the end of 2018, the euro-denominated debt predominated, participating with 72.8% in the total portfolio, being higher by 1.2 p.p. compared to 2017 (Chart 20). During the same period, Denar - denominated debt dropped by 0.3 p.p., i.e. from 21.4% to 21.1% at the end of 2018.

Debt with fixed interest rate in the interest structure of the government debt surged by 4.7 p.p. compared to 2017, amounting to 76.9% at the end of 2018 (Chart 19). Increase of fixed interest rate debt is a result of the increased level of issued government bonds on the domestic market, having fixed interest rate and increase of external government debt with fixed interest rate on annual basis.

With respect to the realization of the thresholds determined in the Public Debt Management Policy as an integral part of 2018-2020 Fiscal Strategy, one can conclude that the public debt is within the set thresholds, i.e. Ministry of Finance manages the public debt of the Republic of North Macedonia in line with the authorizations by the Government of the Republic of North Macedonia (Table 2). In fact, under the 2018-2020 Fiscal Strategy, the maximum level of public debt of 60% of GDP in the medium and long run, was defined, also determining the maximum level of guaranteed public debt of 13% of GDP. At the end of 2018, public and guaranteed debt are within the set thresholds, whereby the public debt accounts for 48.5% of GDP, while guaranteed debt amounts to 8.0% of GDP. Furthermore, in line with the government debt interest structure threshold, euro-denominated debt in the foreign currency debt portfolio should account for at least 80%, and as of 31st December 2018 inclusive, the euro-denominated debt accounted for 92.3%.

⁸ Eurostat (2018), *Eurostat news release euro indicators No. 68/2019*

In addition, the realization of the interest rate threshold was successful. In fact, under the 2018-2020 Fiscal Strategy, the government debt interest structure threshold was determined, according to which fixed interest rate debt should account for at least 50% of the total debt portfolio, while at the end of 2018, fixed interest rate debt accounted for 76.9% of the government debt structure.

In line with the targets on determining both the optimal level and the public debt portfolio structure, short-term thresholds, pertaining only to 2018 are defined under the 2018–2020 Fiscal Strategy. Thus, short-term maximum net borrowing threshold (domestic and foreign one) on the basis of government debt in 2018 amounted to EUR 550 million, while the total net borrowing amounted to EUR 386 million mainly due to the issuance of the Eurobond amounting to EUR 500 million with historically the lowest interest rate of 2.75% on the international capital market at the beginning of 2018, under early redemption of part of the previously issued Eurobond with interest rate of 4.875% falling due in 2020, amounting to EUR 91.7 million in nominal terms. In order to reduce the risk of contingent liabilities in the public debt portfolio, annual maximum amount of net borrowing on the basis of guaranteed debt of public enterprises of EUR 200 million for 2018 is defined in the Strategy. Positive net borrowing of EUR 29.3 million was realized in 2018. Thus, net borrowing in 2018 on the basis of government and guaranteed debt of public enterprises were within the thresholds set under the Fiscal Strategy.

In order to protect central government debt portfolio against the refinancing risk, a threshold is defined, according to which minimum level of the „average time to maturity“ indicator in 2018 should be 3 years. Taking into account that as of 31st December 2018 inclusive, the average time to maturity was 5.15 years, it can be concluded that this indicator is within the set threshold. Furthermore, the threshold for the average time to re-fixing should protect the central government debt portfolio against the interest rate risk, whereby it is determined for the minimum level of this indicator in 2018 to be 2 years. At the end of 2018, the average time to re-fixing is also within the threshold, being 4.71 years.

Table 2: Thresholds for the public debt management policy and realization in 2018

	Thresholds set in 2018-2020 Fiscal Strategy	Realisation at the end of 2018
Short-Term Limits (referring only to 2017)		
Net borrowing on the basis of government debt	Maximum net borrowing on the basis of General Government Debt in 2018 to be up to EUR 550 million	EUR 385.9 million
Net borrowing on the basis of guaranteed debt	Maximum net borrowing on the basis of guaranteed debt in 2018 to be up to EUR 200 million	EUR 29.3 million
"Average time to maturity" indicator in 2018	Minimum threshold for „Average time to maturity“ indicator in 2018 should be 3 years	5.15 years
"Average time to re-fixing" indicator in 2018	Minimum threshold for "Average time to re-fixing" indicator in 2018 to be 2 years	4.71 years
Medium-Term Limits		
Interest rate structure	In the period 2018-2020, minimum threshold of debt with fixed interest rate to be 50%	76.9%
Currency structure	In the period 2018-2020 minimum threshold of euro-denominated debt in foreign currency-denominated debt to be 80%	92.3%
Public debt/GDP	The level of total public debt in the medium and the long run not to exceed 60% of GDP	48.5%
Guaranteed debt/GDP	The level of guaranteed public debt in the next three years not to exceed 13% of GDP	8%

Source: Ministry of Finance

To the end of better transparency of public finance, within the annual 2018 Public Debt Management Report, a table for stock flow adjustment is presented, explaining the factors that affect the change of debt stock (Table 3). What is evident from the table is that the factors affecting the change of the debt stock in 2018 are almost fully identified and quantified and accordingly, the statistical discrepancy for 2018 (including exchange rate differences and other statistical discrepancies) upon the adjustment, amounts to insignificant 0.07% of GDP.

Table 3: Analysis of stock flow adjustment for the central government debt, denar million (unless otherwise indicated)

(in MKD millions)		2018
(1)	Budget balance	11,566
(2)	Opening stock of debt	242,535
(3)	Closing stock of debt	266,310
Change in central government debt (= closing minus opening stock of debt)		
(4)=(3)-(2)		23,774
(5)=(4)-(1) (Initial discrepancy)		12,208
Initial stock flow discrepancy as % of GDP		1.85%
(6)	Net acquisition of financial assets	11,235
	Currency and deposits	9,636
	On-lending to municipalities and public enterprises	1,718
	Other financial assets	-304
	Gross issuance of structural bonds	186
(7)	Issuance and redemptions above and below face value	1,458
(8)=(7)-(6)	Residual (Foreign exchange differences and other statistical discrepancies)	-485
Residual (Statistical discrepancy) as % of GDP		-0.07%

Source: Ministry of Finance

III. 4 Servicing of government and public debt of the Republic of North Macedonia

All liabilities on the basis of government and public debt that fell due in 2018 were regularly and timely serviced by the Ministry of Finance, as well as by the other public debt issuers.

As for the repayment of liabilities on the basis of the public debt in 2018, including the government debt and the guaranteed debt of public enterprises, total of EUR 680,13 million was spent, Denar 544.83 million out of which for repayment of the principal and EUR 135.3 million for repayment of interest.

III.5 Government Securities

III.5.1 Continuous Government Securities

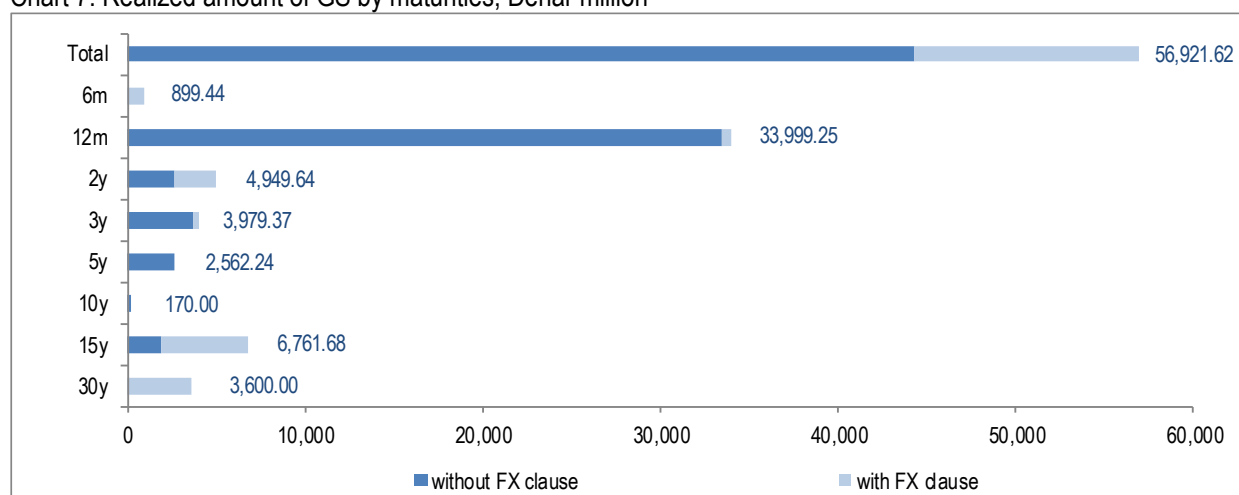
III.5.1.1 Primary Continuous Government Securities Market

Borrowing by issuing GS in 2018 - The decision on determining the maximum amount of new borrowing by issuing government securities by the Government of the Republic of North Macedonia in 2018, the maximum amount of borrowing was determined in the amount of Denar 5,454.00 million. Thus, new (net) borrowing on the basis of issued government securities in 2018 amounted to Denar 4,995.78 million (Table 4), and the stock of total issued GS as of 31st December 2018 inclusive, amounted to Denar 97,208.43 million.

GS auctions - in the period January-December 2018, Ministry of Finance regularly issued 6-month and 12-month treasury bills with and without foreign exchange clause, as well as 2-year, 3-year, 5-year, 10-year 15-year and 30-year government bonds with and without foreign exchange clause. During this period, total of sixty nine GS auctions were held, i.e. three auctions of 6-month treasury bills, twenty five auctions of 12-month treasury bills, ten auctions of 2-year government bonds, eight auctions of 3-year government bonds, four auctions of 5-year government bonds, one auction of 10-year government bonds, fifteen auctions of 15-year government bonds and three auctions of 30-year government bonds.

Total amount offered on the GS auctions in 2018 amounted to Denar 57,546.83 million, the demand amounted to Denar 87,654.88 million, while total amount realized at the auctions in this period amounted to Denar 56,921.62 million (Chart 8). In line with the Denarization Strategy, which the Government adopted in December 2018, issuance of Denar government securities predominated, amounting to Denar 44,258.72 million in 2018, compared to Denar 12,662.90 million issued as government securities indexed with euro clause. Chart 7 shows allocation of the total amount of issued GS by maturities:

Chart 7: Realized amount of GS by maturities, Denar million



Trends of interest rates at GS auctions – During 2018, volume tender was applied at GS auctions. What was characteristic for the interest rates in 2018 was their significant reduction because of the high demand (2-3 times higher than the offer). Demand is a result of the correct policies and investors' confidence in Macedonian economy. If a year ago, Ministry of Finance issued GS at interest rate ranging between 2.40% and 4.30% for instruments with maturity period from 12 months to 15 years, at the end of 2018, these same instruments are issued at interest rates ranging between 0.90% for 12-month maturity period and 4.50% for 30-year maturity period. Average interest rates in 2018 achieved at the government securities auctions with and without foreign exchange clause are shown in Table 5 and Table 6.

Maturity structure of outstanding GS - in 2018, portfolio of continuous GS comprised 6-month treasury bills, 12-month TB, 2-year GB, 3-year GB, 5-year GB, 10-year GB, 15-year GB and 30-year GB.

On 24th April 2018, government bond has been issued for the first time on the Macedonian capital market with 30-year maturity period and interest rate of 4.85%. Increased maturity is a signal for restoring the confidence of investors in Macedonian economy, being also proved by the twice higher demand. New 30-year bonds is sold in the amount of Denar 1.2 billion, being half of the demand by the investors. In July and October 2018, new 30-year bonds were issued with the same offered amount of Denar 1.2 billion and expected twice higher demand, bearing interest rate of 4.60% and 4.50%, respectively. Ministry of Finance plans to issue 30-year government bonds on quarterly basis.

As of 31st December 2018, percentage share of long-term securities in the maturity structure of government securities accounted for 66.41%, while share of short-term securities accounted for 33.59%. Whereas, compared to 31st December 2017, the ratio between long-term and short-term securities accounted for 58.42% compared to the 41.58%, respectively, meaning that compared to 2018, the long-term securities surged by 8 p.p. in the maturity structure. Increased issuance of long-term securities reduces the debt refinancing risk. Maturity structure of outstanding GS for 2017 and 2018 is shown in Chart 11.

Ownership structure of outstanding GS – Ownership of outstanding government securities portfolio was distributed among commercial banks in the Republic of North Macedonia, pension funds, insurance companies, saving houses, natural persons and legal entities, as well as other institutional investors from the country and abroad.

As of 31st December 2018 inclusive, percentage share of banks in the ownership structure of the government securities amounted to 36.10%, while the share of the other market entities was 63.90%. Compared to 31st December 2017, when the ratio between banks and other market entities was 36.07 against 63.93, respectively, share of banks decreased by 0.03 p.p. compared to the share of other entities, being respectively increased by the same ratio. Ownership structure of undue GS for 2017 and 2018 is shown in Chart 10.

III.5.1.2. Secondary Government Securities Market

During 2018, continuous government securities could be trade only on the over-the-counter markets. Throughout the year, eighteen transactions with GS were realized, out of which two transactions with GS and sixteen transactions with GB, shown in charts 15 and 16. Total nominal trading amount amounted to Denar 1,378.72 million. Compared to the trading in 2017, it can be concluded that total nominal amount of trading was lower by Denar 878.39 million in 2018.

On 19th December 2018, Ministry of Finance and Macedonian Stock Exchange AD Skopje concluded agreement on listing the continuous government securities, which will provide for their trading on the official market of the Stock Exchange, at the sub-segment stock exchange listing will start as of 2019, when GS become available to more investors - both in the country and abroad. Thus, a key step is undertaken towards developing the capital market, meaning greater liquidity and transparency.

III.5.2 Structured Government Securities

III.5.2.1. Issuance of the seventeenth Issue of Denationalization Bonds

On the basis of the Law on Issuance of Denationalization Bonds of the Republic of North Macedonia („Official Gazette of the Republic of Macedonia“, nos. 37/02, 89/08, 161/09, 6/12, 104/13, 33/15 and 161/17), on 13th June 2018, the seventeenth issuance of denationalization bonds was issued, amounting to EUR 5 million.

Terms and conditions, under which these bonds were issued, were identical for both the first sixteen 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 falls due on 1st June 2019.

This issue of the denationalization bonds covers all effective decisions on denationalization in the period 1st February 2017 – 31st December 2017, according to which bonds are given as compensation.

III.5.2.2 Secondary Market for Denationalization Bond

Existing regulation on secondary trading in the Republic of North Macedonia enables trading with all structural bonds listed on Macedonian Stock Exchange.

In 2018, total turnover of trading in bonds realized on the Macedonian Stock Exchange amounted to Denar 551.74 million, increasing by Denar 357.82 million compared to 2017, when it amounted to Denar 193.92 million. Total trading volume and yields to maturity of structural government bonds are shown in Charts 13 and 14. What is specific is that upon new issuance of denationalization bonds, it registers large trading volume compared to the other structural bonds, which can be shown in chart 13 as well.

III.5.3 Eurobonds

III.5.3.1 Primary Issue of Eurobond

In January 2018, Republic of North Macedonia issued the sixth Eurobond on the international capital market, intended for financing the budget needs and refinancing the previous liabilities, also including the first installment of PBG loan as of 2013 in the amount of EUR 95 million falling due at the end of January 2018.

Eurobond was issued in the amount of EUR 500 million, with coupon interest rate of 2.7% and maturity period of 7 years, i.e. by 2025, being traded on the Irish Stock Exchange. Ownership of the Eurobond was mainly distributed among the asset management funds, hedge funds, banks and other investors.

Interest rate of 2.75 was historically the lowest achieved for any of Macedonian Eurobonds, reflecting the great confidence of international investors in the outlook of Macedonian economy, as well as the favorable conditions on the international capital market. This was also confirmed by the greater demand of more than EUR 3.5 billion, i.e. by 7 times higher than the offer.

In parallel to issuing the Eurobond, North Macedonia for the first time carried out also a partial buyback of the existing Eurobond. More precisely, buyback of one third of the Eurobond was carried out, i.e. EUR 270 million, issued in 2015, falling due in 2020, the interest rate of which is 4.875%, being significantly higher than the interest rate of newly issued Eurobond, accounting for 2.75%. In addition to the interest savings, under the early redemption, the debt falling due in 2020, is decreased, i.e. the re-financing risk is significantly reduced in 2020.

III.5.3.2 Secondary Market for Eurobonds

During 2018, Eurobonds were traded on the international capital market issued by the Republic of North Macedonia, falling due in 2020, 2021, 2023 and 2025. As of December 2018, the yield to maturity of Eurobonds falling due in 2020, 2021, 2023 and 2025, accounted for 0,99%, 1,89%, 2,84% and 3,20% respectively, being shown in Chart 12.

III.6 Newly concluded loans in 2018

III. 6.1. New loans concluded by Central Government

On 2nd October 2018, Loan Agreement for Social Services Improvement Project was signed.

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

- amount: EUR 28,700,000;
- interest rate: six-month EURIBOR with variable spread;
- repayment period: 15 years including 5-year grace period;
- repayment period: by semesters;
- other costs: front-end fee/ accounting for 0.25% of the loan amount and 0.25% commitment fee on annual basis.

III. 6.2. New Loans Concluded By Local Government

III.6.2.1 Short-Term Borrowing within the Project under IPA Cross-Border Cooperation Component

On 15th January 2018, Rankovce Municipality and Macedonian Bank for Development Promotion AD Skopje signed Short-Term Loan Agreement in the amount of Denar 3,100,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital project „Common Actions for Flood Prevention in the Cross-Border Region“.

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

- amount: Denar 3,100,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;

- repayment period: one year without grace period;
- repayment manner: on quarterly basis.

On 4th April 2018, Probistip Municipality and Macedonian Bank for Development Promotion AD Skopje (MBDP) signed Short-Term Loan Agreement in the amount of Denar 3,000,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital Project "Common Investments in the Energy Efficiency".

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

- amount: Denar 3,000,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;
- repayment period: one year, including six-month grace period, and
- repayment manner: on quarterly basis.

On 16th May 2018, Konce Municipality and Macedonian Bank for Development Promotion AD Skopje (MBDP) signed Short-Term Loan Agreement in the amount of Denar 4,500,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital Project "Improvement of Tourist Potential of Kustendil and Konce Municipalities - Mutual Sustainable Future".

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

- amount: Denar 4,500,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;
- repayment period: one year, including three-month grace period, and
- repayment manner: on quarterly basis.

On 4th July 2018, Probistip Municipality and Macedonian Bank for Development Promotion AD Skopje (MBDP) signed Short-Term Loan Agreement in the amount of Denar 5,000,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital Project "Eco-Kindergartens for Sustainable Future".

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

- amount: Denar 5,000,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;
- repayment period: one year, including three-month grace period, and
- repayment manner: on quarterly basis.

On 19th July 2018, Delcevo Municipality and Macedonian Bank for Development Promotion AD Skopje (MBDP) signed Short-Term Loan Agreement in the amount of Denar 3,000,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital Project „Energy Efficient Lighting in the Region Blagoevgrad - Delchevo".

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

- amount: Denar 3,000,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;
- repayment period: one year, including six-month grace period, and
- repayment manner: on quarterly basis.

On 25th July 2018, Probistip Municipality and Macedonian Bank for Development Promotion AD Skopje (MBDP) signed Short-Term Loan Agreement in the amount of Denar 6,000,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital Project "Platform for Cross-Border Festival Tourism in the Field of Culture and Traditions - FOLKLOR".

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

- amount: Denar 6,000,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;

- repayment period: one year, including six-month grace period, and
- repayment manner: on quarterly basis.

On 26th September 2018, Staro Nagoricane Municipality and Macedonian Bank for Development Promotion AD Skopje (MBDP) signed Short-Term Loan Agreement in the amount of Denar 5,500,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital Project „Construction Of Culture Bridge - Combination Of Mutual Inheritance “.

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

- amount: Denar 5,500,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;
- repayment period: one year, including six-month grace period, and
- repayment manner: on quarterly basis.

III.6.2.2 Long-Term Borrowing within the Project under IPA Cross-Border Cooperation Component

On 22nd January 2018, Bosilovo Municipality and Macedonian Bank for Development Promotion AD Skopje (MBDP) signed Long-Term Loan Agreement in the amount of Denar 4,500,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital Project "Development of the Tourism in the Cross-Border Region Grmen - Bosilovo, by Preservation of the Local Cultural Traditions “.

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

- amount: Denar 4,500,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;
- repayment period: two years, including six-month grace period, and
- repayment manner: on quarterly basis.

On 4th July 2018, Strumica Municipality and Macedonian Bank for Development Promotion AD Skopje (MBDP) signed Long-Term Loan Agreement in the amount of Denar 5,000,000.00 for financing the Project under IPA Cross-Border Cooperation Component, for the purpose of realizing the capital Project “Promotion of Tourism and Culture”.

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

- amount: Denar 5,000,000.00;
- interest rate: fixed interest rate accounting for 5.75% on annual level;
- repayment period: two years, including six-month grace period, and
- repayment manner: on quarterly basis.

III.6.3. Issued Guarantees in 2018

On 11th September 2018, Loan and Guarantee Agreements were signed for the “**Small and Medium-Sized Enterprises and other Priority Projects**” - Stage V.ec

- amount: EUR 100,000,000;
- interest rate: it will be determined for each tranche separately;
- repayment period: at least 4 years up to 12 years at the most starting from the date of disbursing the tranche, including grace period that may be between 30 days and 4 years from the date of disbursing the tranche.
- Loan repayment period and manner of repayment will be determined for each tranche separately.

On 13th December 2018, Loan and Guarantee Agreements were signed for the Project "**Wind Farm Bogdanci - Second Phase**".

- amount: EUR 18,000,000;
- interest rate: fixed interest rate accounting for 1.15% on annual level;
- repayment period: 12 years, including 3-year grace period;
- manner of repayment: semi-annual installments falling due on 15th May and 15th November;
- other costs: 0.75% front-end fee and 0.2% commitment fee on annual level.

IV. Public Debt Management Activities - Tables and Charts

IV.1. Primary Government Securities Market

Table 4: Net issue of GS and structural bonds

in million of denars		Q1-2018	Q2-2018	Q3-2018	Q4-2018	Total 2018
I	Net issued government securities	496.44	1,672.34	652.98	2,174.02	4,995.78
	6-month treasury bills	-489.07	-1,642.15	-396.88	-0.06	-2,528.15
	12-month treasury bills	-714.70	2,468.80	-2,930.04	-1,789.48	-2,965.41
	2-year treasury bonds	800.18	300.37	0.00	2,185.86	3,286.41
	3-year treasury bonds	-699.28	-450.00	1,180.02	1,151.31	1,182.05
	5-year treasury bonds	-1,874.34	-1,223.04	-3.41	-1,414.28	-4,515.08
	10-year treasury bonds	170.00	0.00	0.00	0.00	170.00
	15-year treasury bonds	3,303.64	1,018.36	1,603.28	840.66	6,765.95
	30-year treasury bonds	0.00	1,200.00	1,200.00	1,200.00	3,600.00
II	17th issuance of denationalization bonds	0.00	307.50	0.00	0.00	307.50
I+II	Total	496.44	1,979.84	652.98	2,174.02	5,303.28

Source: Ministry of Finance

Chart 8: Demand and realization of GS auctions, January–December 2018

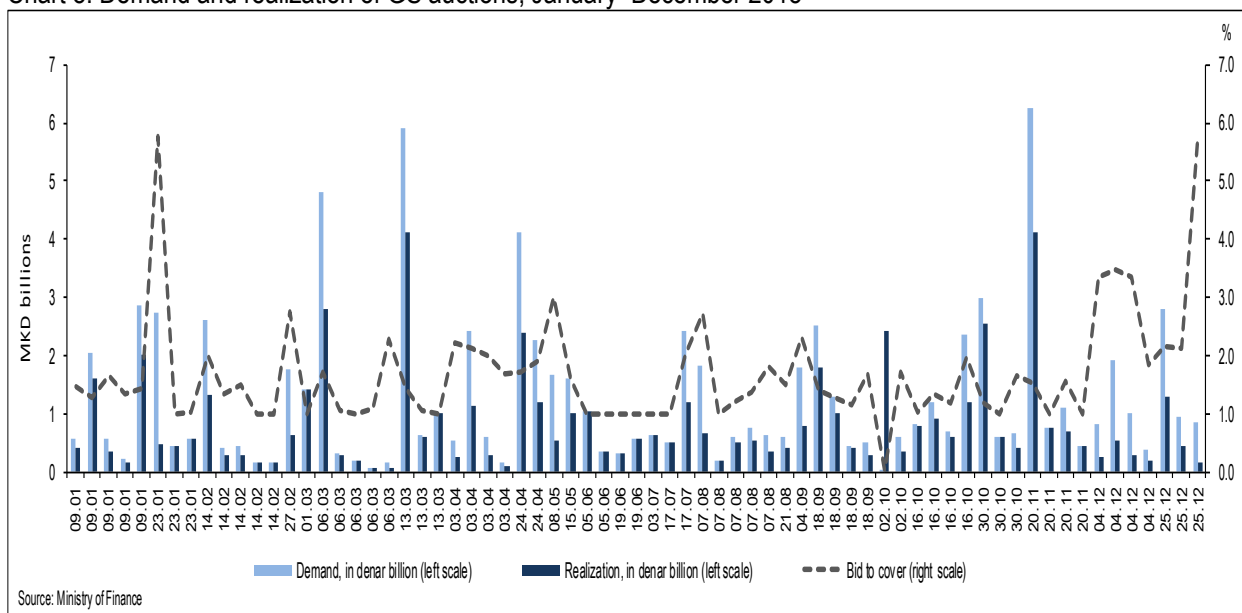


Chart 9: Realized GS January - December 2018, denar million

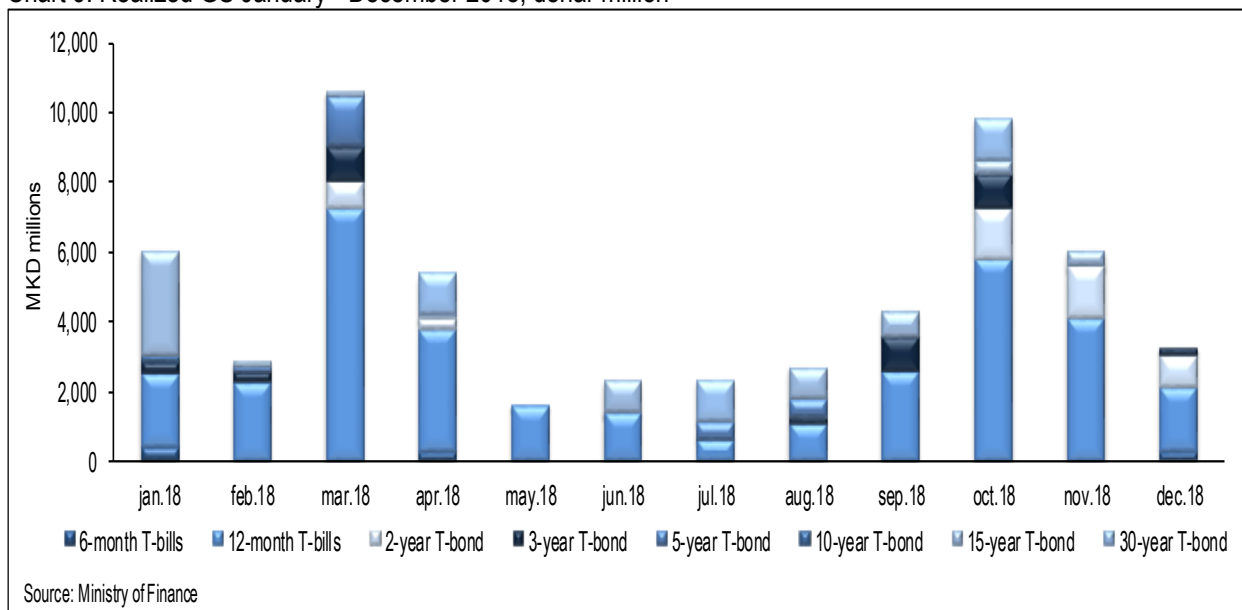


Table 5: Average interest rates on GS without foreign exchange clause in 2018

Auction date	12-month T-bills	2-year T-bonds	3-year T-bonds	5-year T-bonds	10-year T-bonds	15-year T-bonds
January	1.53%		2.35%		3.40%	3.70%
February	1.20%		1.80%	2.20%		
March	1.20%	1.60%	1.80%			3.70%
April	1.20%	1.60%				3.70%
May	1.00%					
June	1.00%					3.50%
July	1.00%			2.00%		
August	1.00%		1.60%	2.00%		3.50%
September	0.90%		1.50%			3.40%
October	0.90%	1.30%	1.50%			
November	0.90%	1.30%				
December	0.90%	1.30%	1.50%			

Source: Ministry of Finance

Table 6: Average interest rates on GS with foreign exchange clause in 2018

Auction date	6-month T-bills	12-month T-bills	2-year T-bonds	3-year T-bonds	15-year T-bonds	30-year T-bonds
January	1.45%				3.50%	
February		0.90%			3.20%	
March		0.90%			3.20%	
April	0.60%					4.85%
May						
June					3.00%	
July						4.60%
August					3.00%	
September					2.90%	
October			0.90%	1.10%	2.90%	4.50%
November			0.90%		2.90%	
December	0.30%		0.90%			

Source: Ministry of Finance

Chart 10: Ownership structure of continuous GS

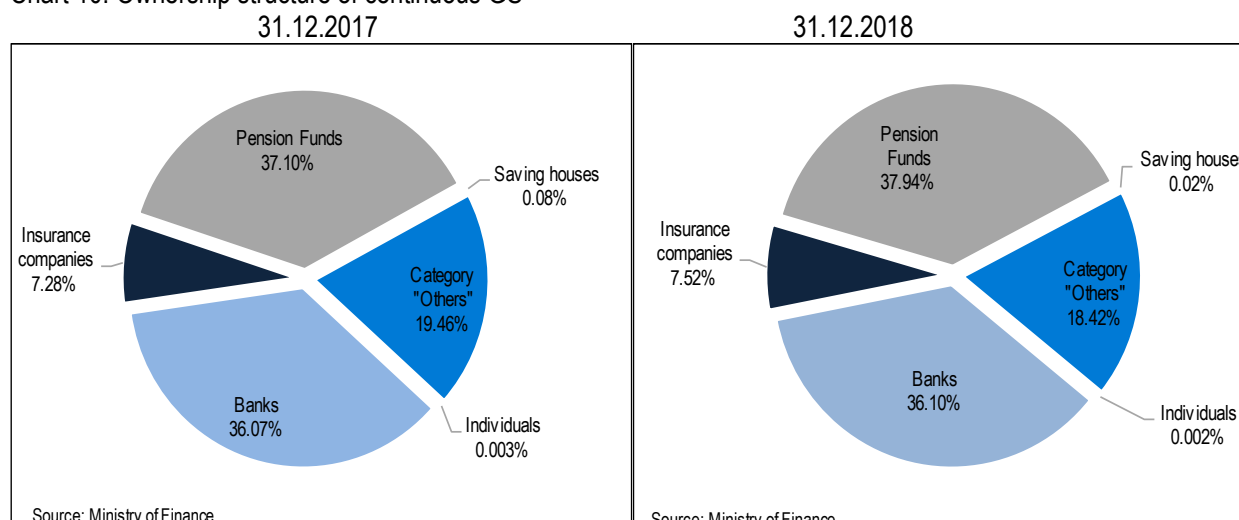
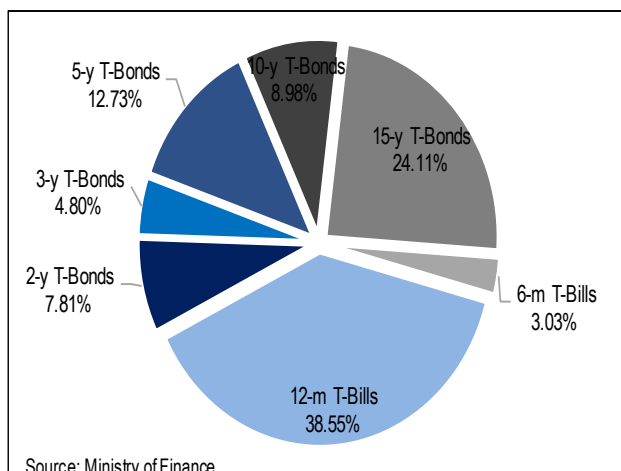


Chart 11: Maturity structure of continuous GS
31.12.2017



31.12.2018

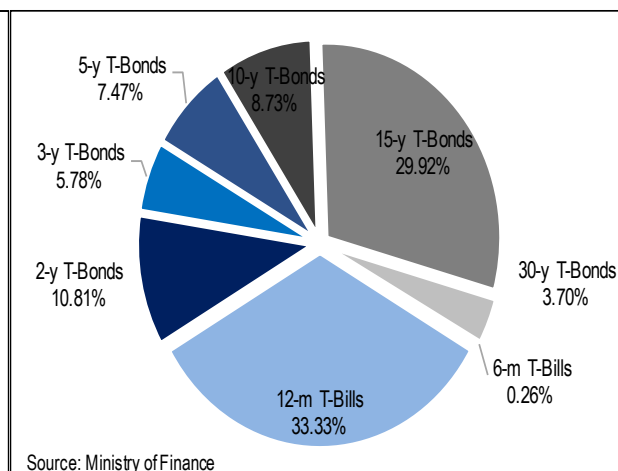
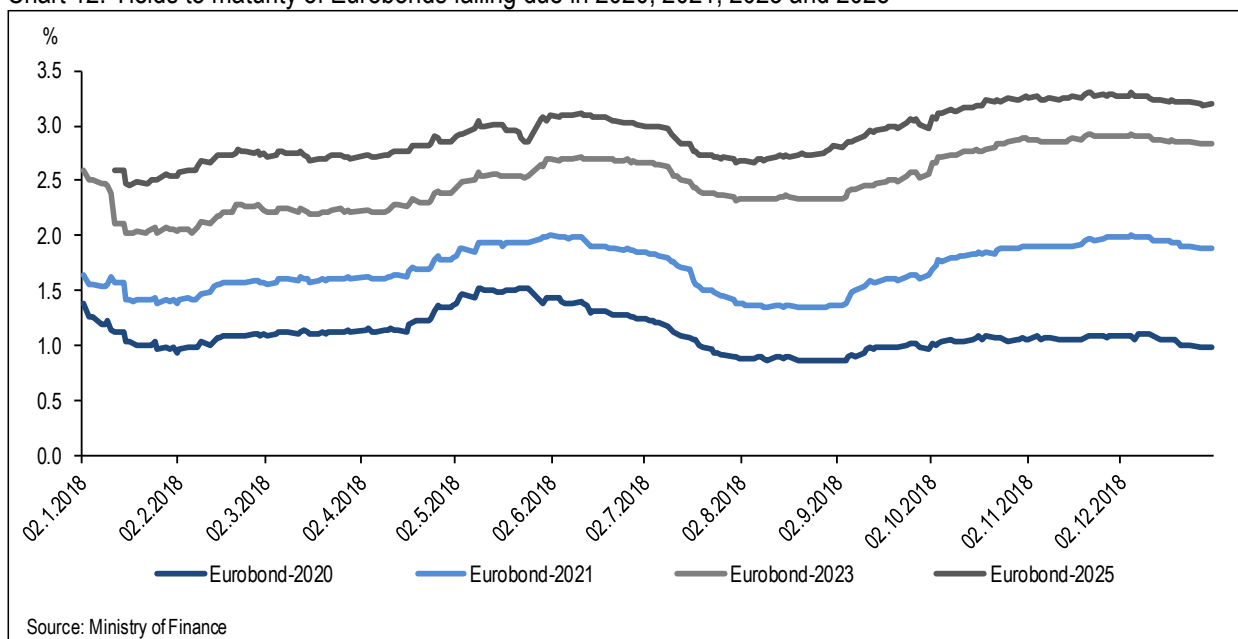


Chart 12: Yields to maturity of Eurobonds falling due in 2020, 2021, 2023 and 2025



IV.2. Secondary Government Securities Market

IV.2.1. Macedonian Stock Exchange AD Skopje

Chart 13: Trading volume for structural government bonds January – December 2018, in EUR

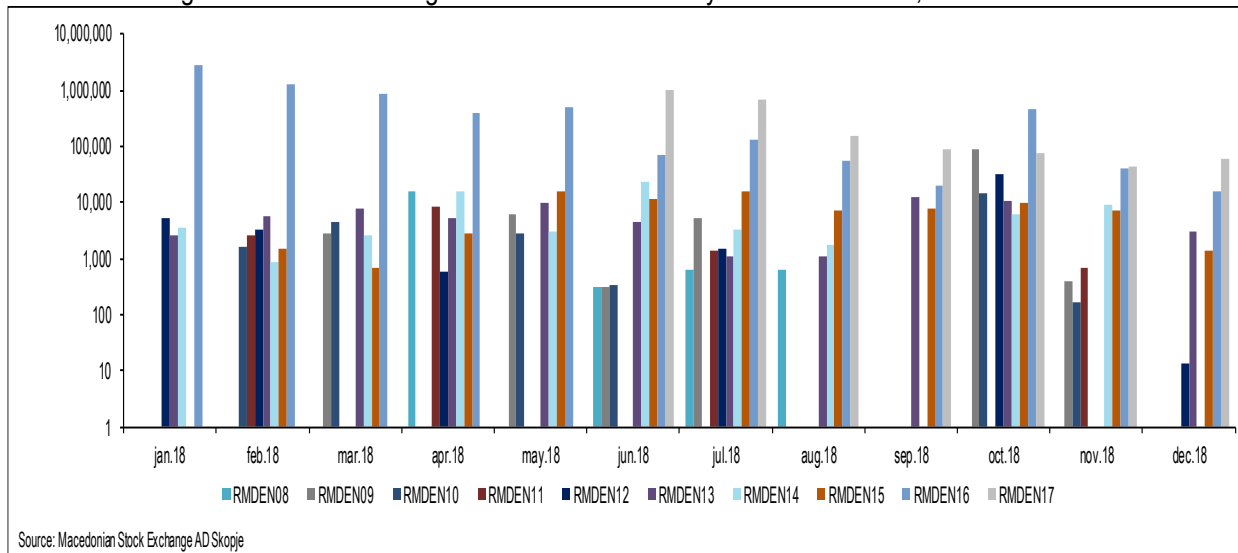
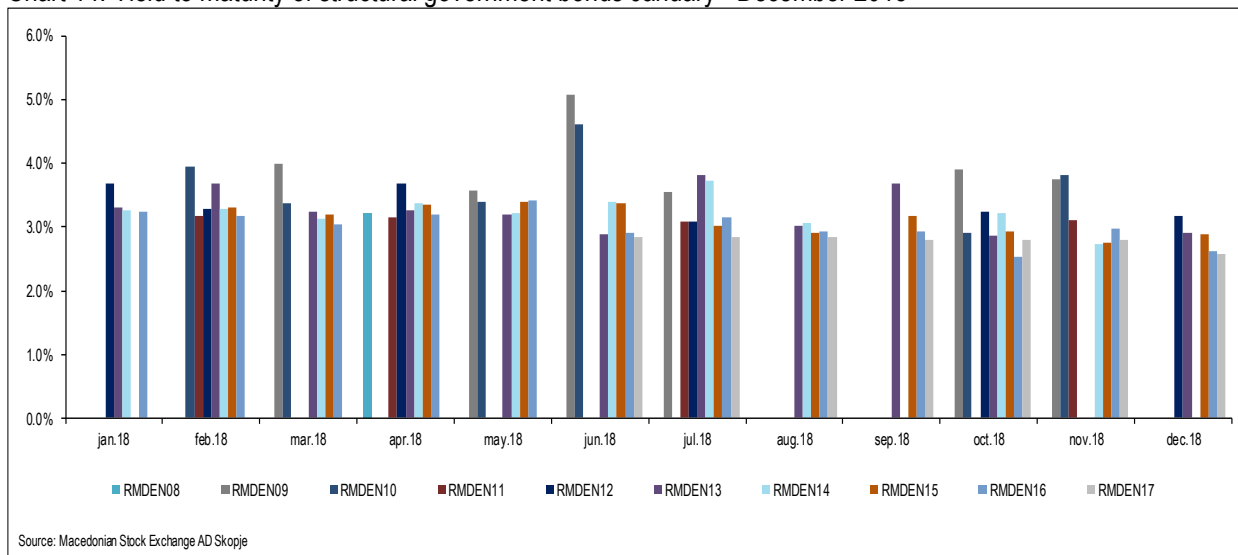


Chart 14: Yield to maturity of structural government bonds January– December 2018



IV.2.2. Over-The-Counter Markets

Chart 15: Concluded transactions on the over-the-counter market of treasury bills January-December 2018

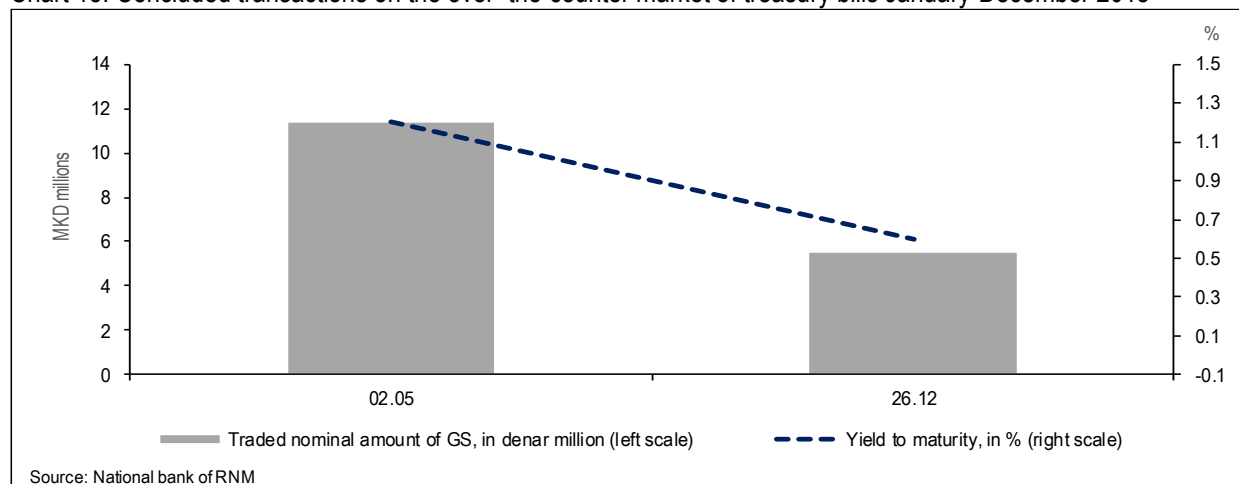
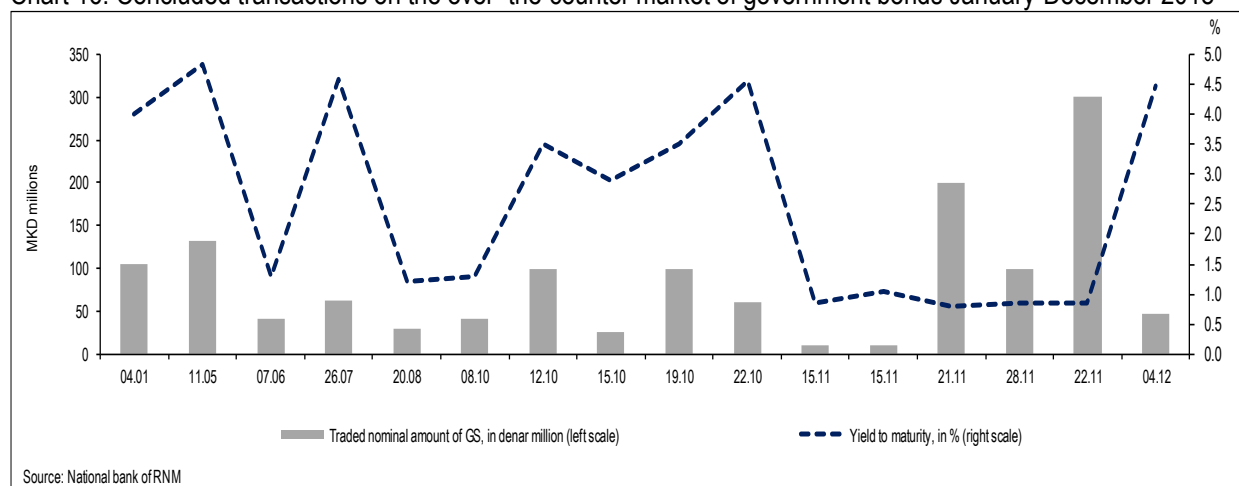


Chart 16: Concluded transactions on the over-the-counter market of government bonds January-December 2018



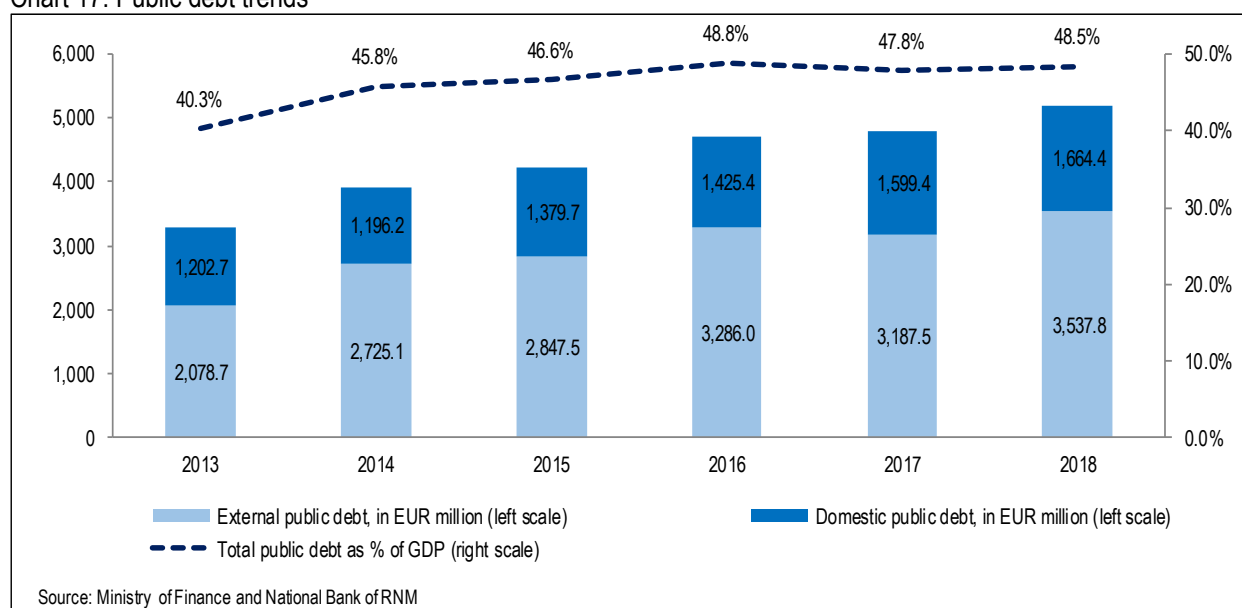
V. Public Debt Portfolio Features

Table 7: Stock of public debt

(EUR million)	2013	2014	2015	2016	2017	2018
General government debt	2,771.6	3,262.5	3,453.3	3,851.5	3,958.5	4,344.4
Guaranteed public debt	509.8	658.9	774.0	859.9	828.4	857.7
Total public debt (general government debt + guaranteed debt)	3,281.4	3,921.3	4,227.2	4,771.4	4,786.9	5,202.2
External public debt	2,078.7	2,725.1	2,847.5	3,286.0	3,187.5	3,537.8
Domestic public debt	1,202.7	1,196.2	1,379.7	1,425.4	1,599.4	1,664.4
Total public debt as % of GDP	40.3%	45.8%	46.6%	48.5%	47.6%	48.5%

Source: Ministry of Finance and National Bank RNM

Chart 17: Public debt trends



V.1. Government Debt

Table 8: Stock of government debt

(EUR million)	2013	2014	2015	2016	2017	2018
EXTERNAL GENERAL GOVERNMENT DEBT	1,597.5	2,092.2	2,096.7	2,446.6	2,376.8	2,695.0
Central government debt	1,591.9	2,086.9	2,091.5	2,442.0	2,373.1	2,692.2
Municipal debt	5.6	5.3	5.2	4.6	3.7	2.9
DOMESTIC GENERAL GOVERNMENT DEBT	1,174.1	1,170.3	1,356.6	1,404.9	1,581.7	1,649.4
Central government debt	1,165.1	1,159.5	1,344.1	1,393.7	1,571.2	1,638.4
Municipal debt	9.0	10.8	12.5	11.2	10.5	11.0
GENERAL GOVERNMENT DEBT	2,771.6	3,262.5	3,453.3	3,851.5	3,958.5	4,344.4
General government debt as % of GDP	34.0%	38.1%	38.1%	39.9%	39.5%	40.5%

Source: Ministry of Finance and National Bank of RNM

Chart 18: Government debt trends

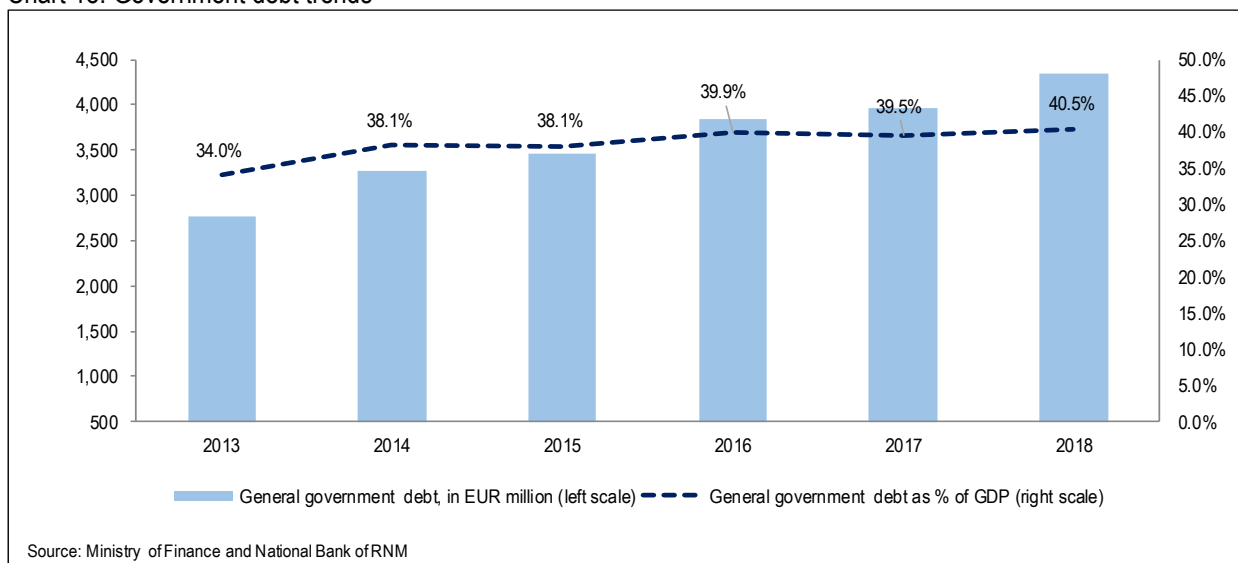
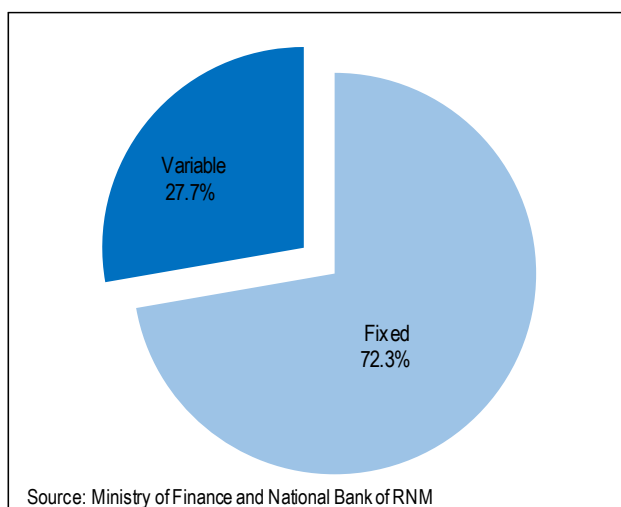


Chart 19: Interest Structure of Government Debt
31.12.2017



31.12.2018

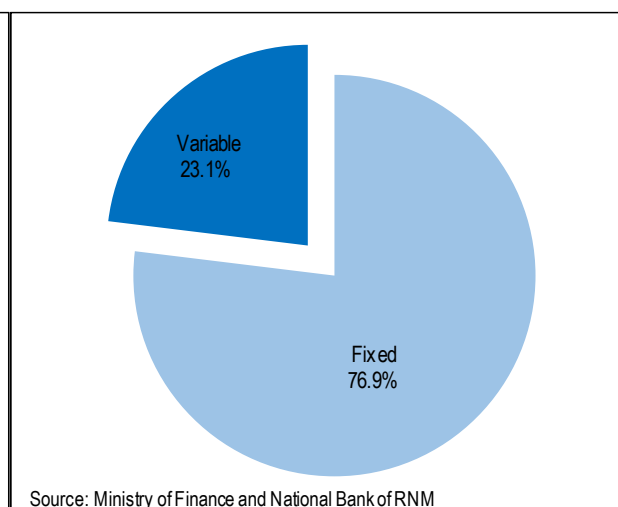
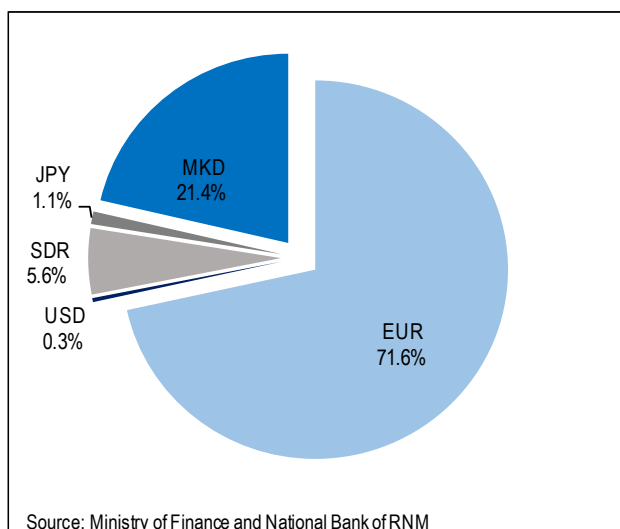


Chart 20: Currency structure of the government debt
31.12.2017



31.12.2018

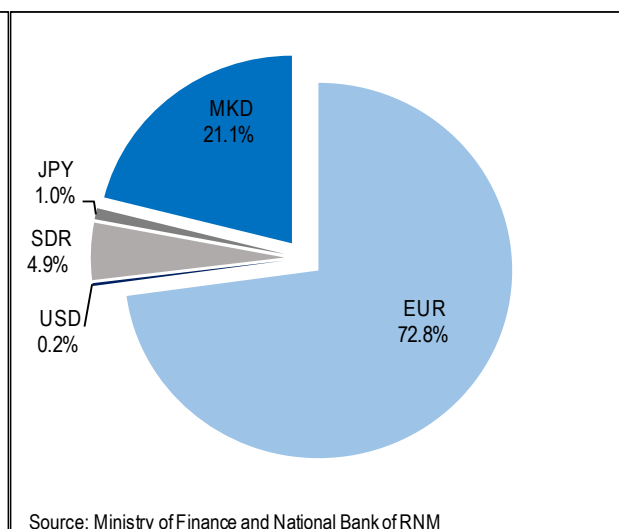
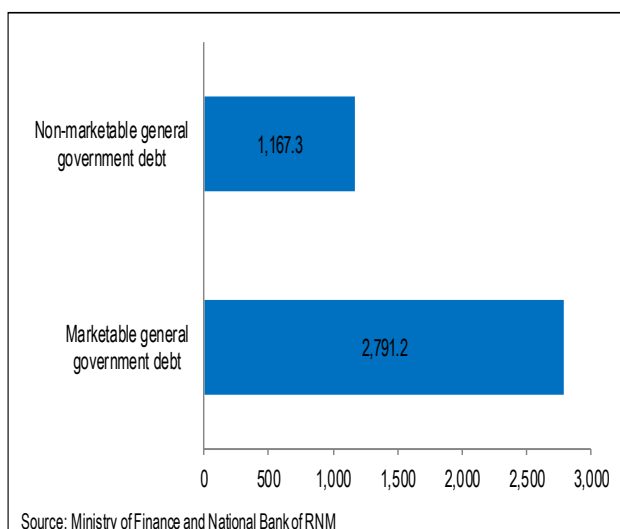


Chart 21: Market/non-market government debt (EUR million)
31.12.2017



31.12.2018

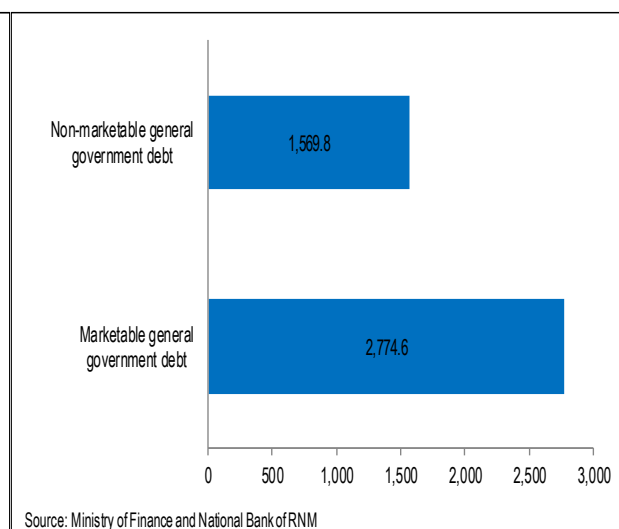


Table 9: Average Time to Maturity– ATM (years)

	2018
Domestic debt	6,1
External debt	4,6
Total general government debt	5,2

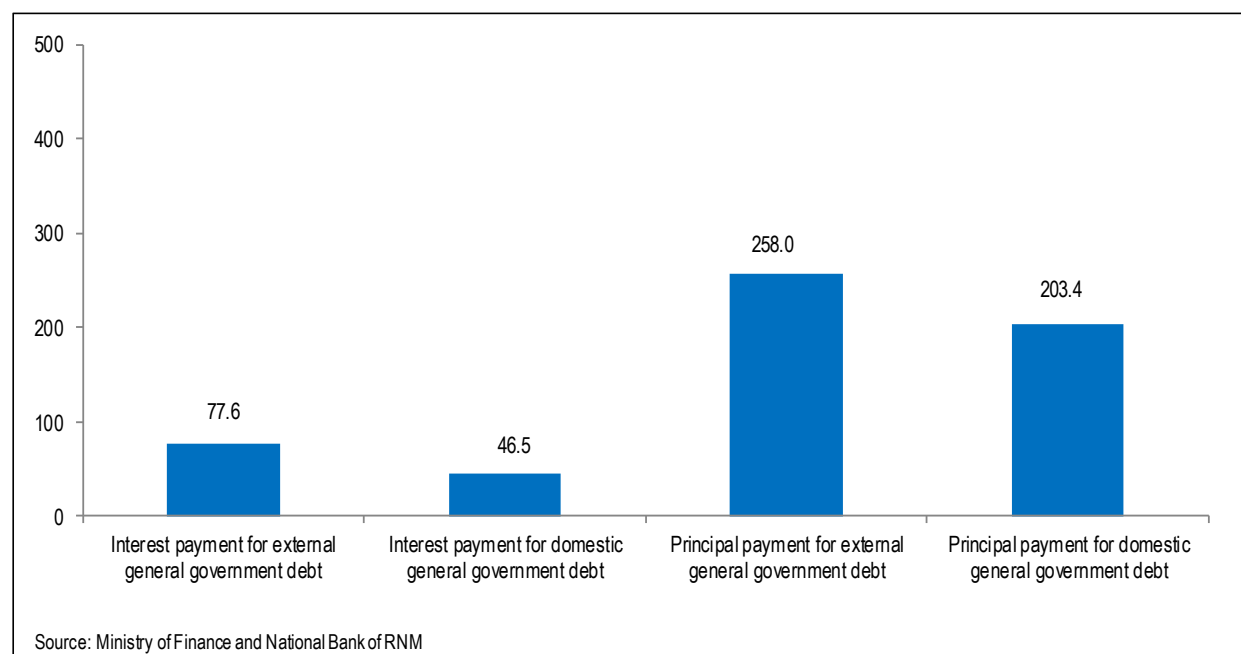
Source: Ministry of Finance

Table 10: Average time to refixing (years)

	2018
Domestic debt	6,1
External debt	3,9
Total general government debt	4,7

Source: Ministry of Finance

Chart 22: Repayment of interest and principal on the basis of government debt, EUR million



Source: Ministry of Finance and National Bank of RNM

V.1.1. External Government Debt

Table 11: Stock of foreign government debt by creditors

(EUR million)	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
External general government debt	1,597.5	2,092.2	2,096.8	2,446.6	2,376.8	2,695.0
Official creditors	981.1	983.2	858.4	863.2	838.9	819.0
Multilateral creditors	883.1	888.7	764.8	773.8	761.6	745.9
IBRD	216.3	251.3	246.0	237.5	228.5	215.2
IDA	242.3	249.3	253.8	240.8	213.4	203.8
IFAD	10.8	11.1	11.3	10.8	9.7	9.4
CEB	49.1	53.0	64.1	71.0	88.6	89.1
EBRD	27.5	67.1	64.6	80.2	100.2	94.8
EIB	73.7	76.6	101.4	119.7	115.5	133.5
EU	43.6	33.6	23.6	13.6	5.6	0.0
IMF	219.7	146.7	0.0	0.0	0.0	0.0
Bilateral creditors	98.0	94.5	93.6	89.4	77.4	73.2
Private creditors	616.5	1,109.0	1,238.3	1,583.4	1,537.8	1,876.0
Eurobond	150.0	650.0	770.0	1,220.0	1,220.0	1,628.3
Other private creditors	466.5	459.0	468.4	363.4	317.8	247.6

Source: Ministry of Finance and National Bank of RNM

Table 12: Disbursements on the basis of concluded undisbursed loans of external government debt

(EUR million)	Disbursed funds Jan – Dec 2018
Disbursements on the basis of loans within external general government debt	568.7
Central government debt (consolidated)	568.7
Official creditors	43.7
Multilateral creditors	43.5
IBRD	8.1
CEB	4.0
EBRD	6.9
EIB	24.5
Bilateral creditors	0.2
Private creditors	525.0
Municipal debt	0.0
Private creditors	0.0

Source: Ministry of Finance and National Bank of RNM

Chart 23: External government debt structure by creditors

31.12.2017

31.12.2018

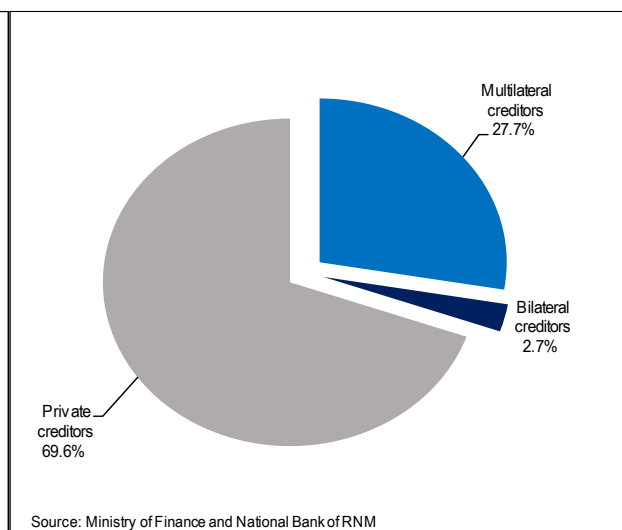
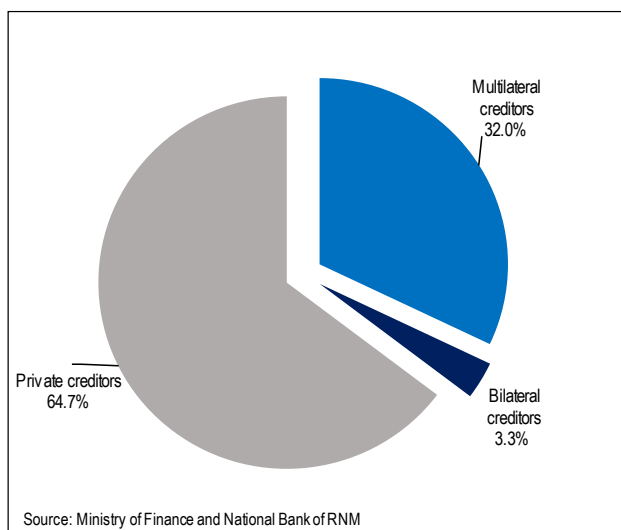


Chart 24: External government debt structure by multilateral creditors

31.12.2017

31.12.2018

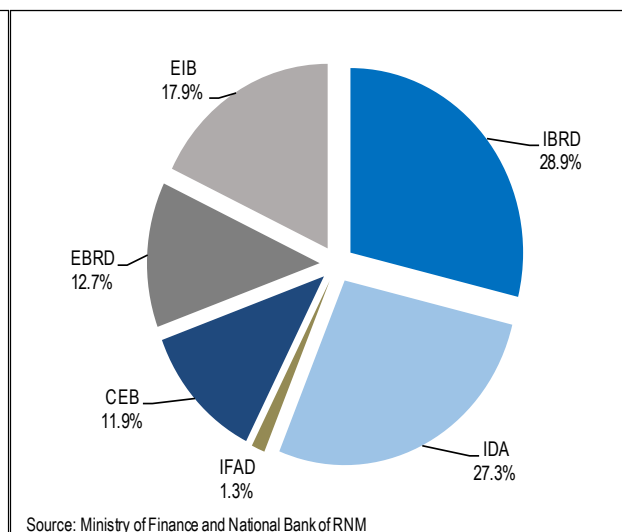
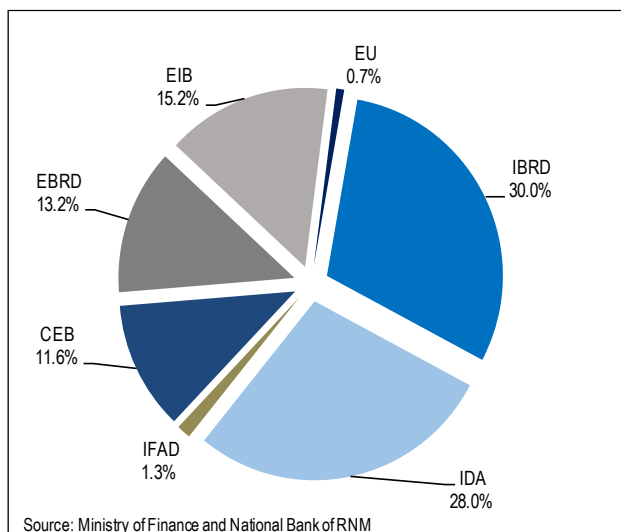
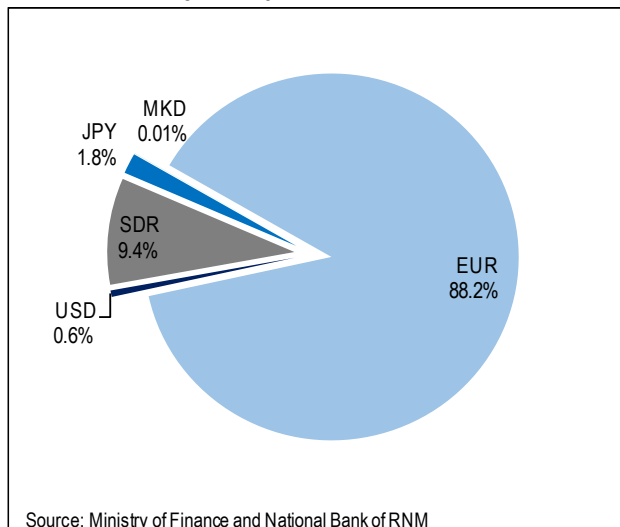


Chart 25: Currency structure of external government debt
31.12.2017



31.12.2018

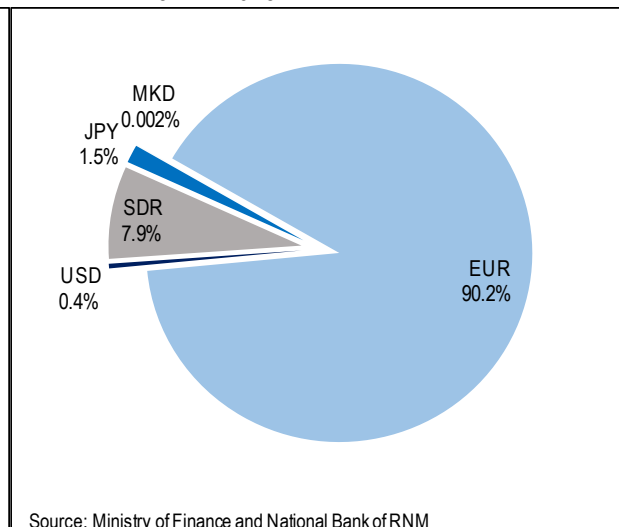
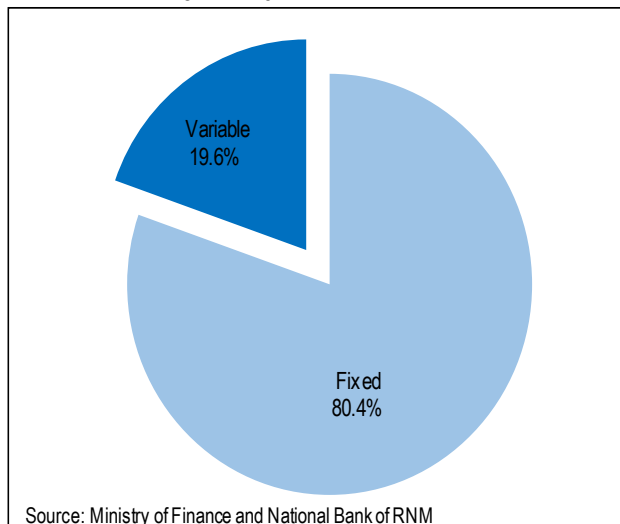
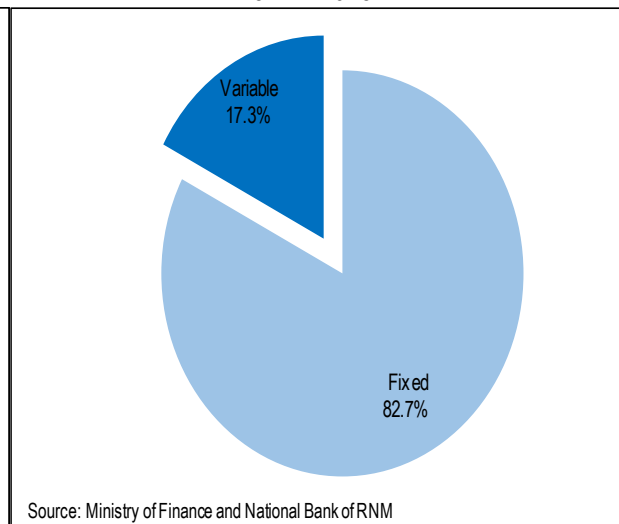


Chart 26: Interest structure of external government debt
31.12.2017



31.12.2018



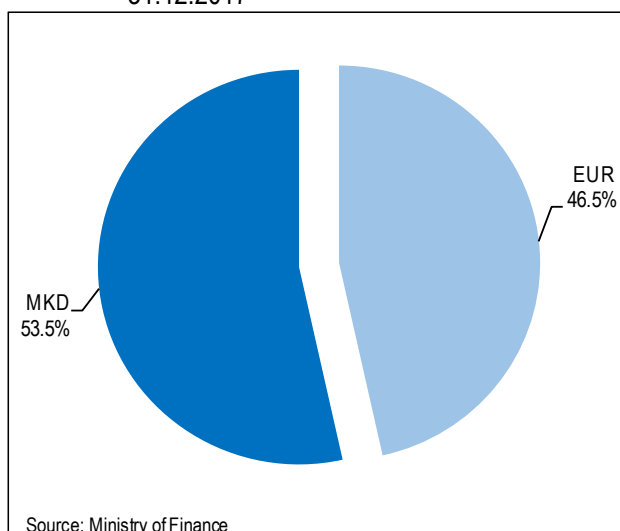
V.1.2. Domestic Government Debt

Table 13: Stock of domestic government debt

(EUR million)	2013	2014	2015	2016	2017	2018
Domestic General Government Debt	1,174.1	1,170.3	1,356.6	1,404.9	1,581.7	1,649.4
Central government debt (consolidated)	1,165.1	1,159.5	1,344.1	1,393.7	1,571.2	1,638.4
Structural bonds	103.2	83.3	72.3	70.2	65.5	57.7
Bond for selective loans	16.9	16.9	16.9	16.9	16.9	16.9
Stopanska Banka privatization bond	10.7	2.1	0.0	0.0	0.0	0.0
Denationalization bond	75.6	64.4	55.4	53.3	48.6	40.8
Continuous government securities	1,061.9	1,076.1	1,271.8	1,323.5	1,505.7	1,580.8
Municipalities	9.0	10.8	12.5	11.2	10.5	11.0

Source: Ministry of Finance

Chart 27: Domestic government debt currency structure
31.12.2017



31.12.2018

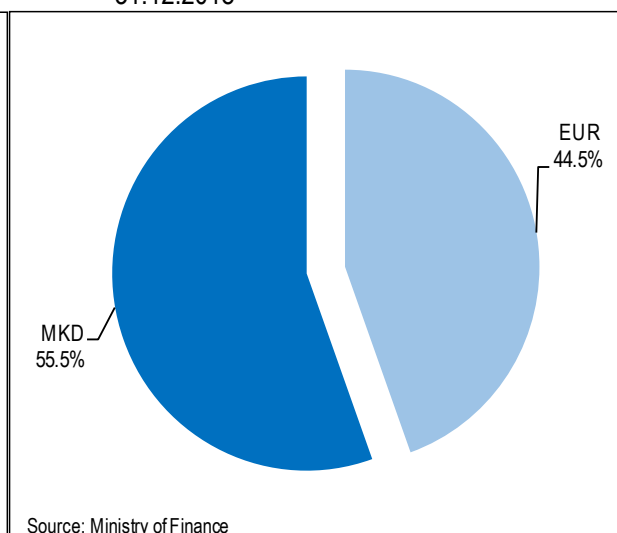
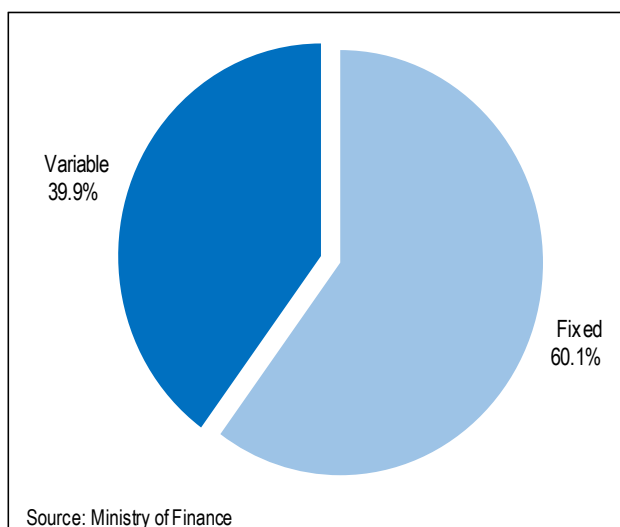
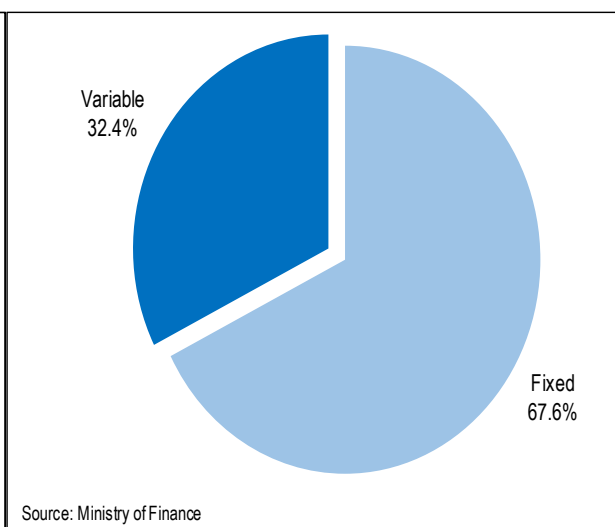


Chart 28: Domestic government debt interest structure
31.12.2017



31.12.2018



V.2. Guaranteed Public Debt

Chart 29: Stock of guaranteed public debt

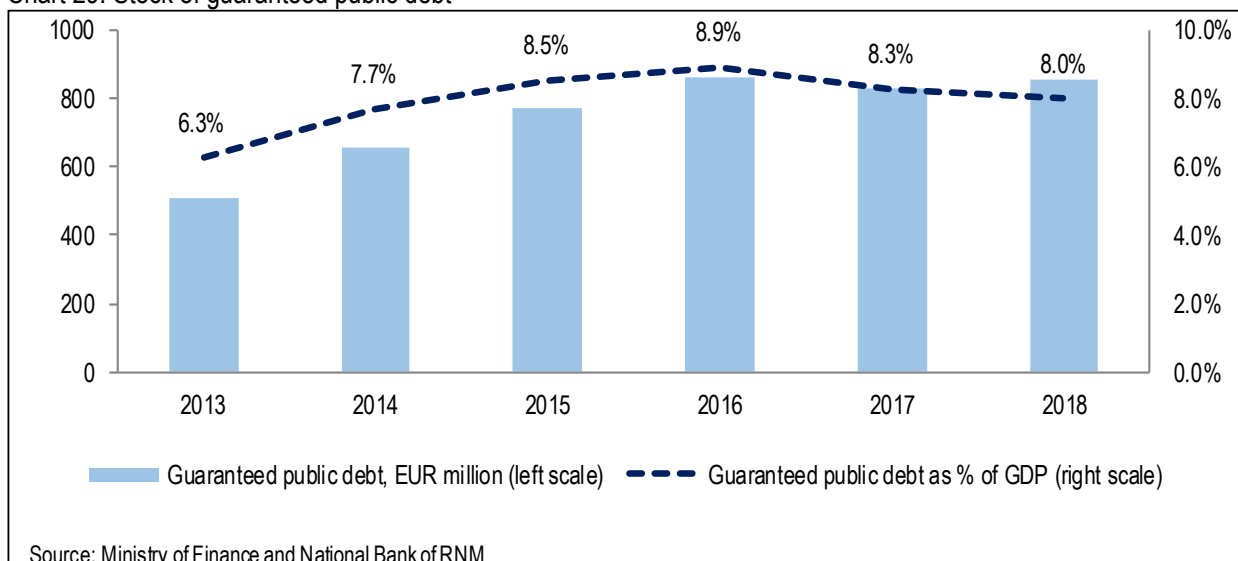
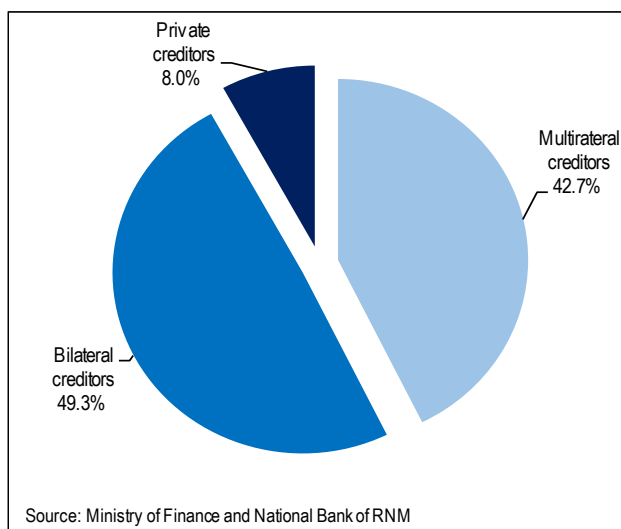


Chart 30: Guaranteed public debt by creditors
31.12.2017



31.12.2018

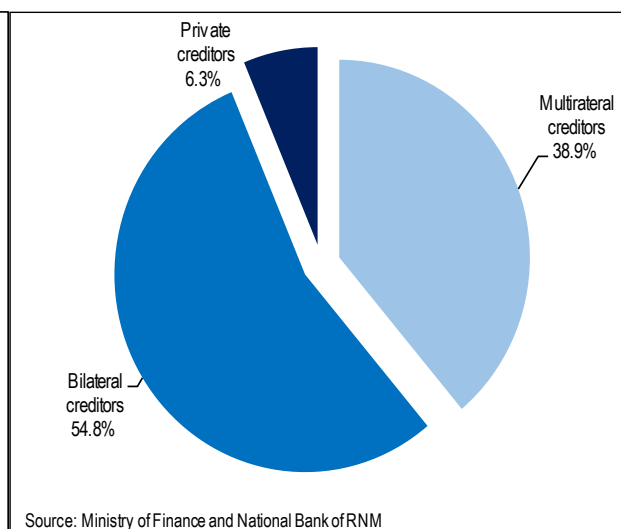
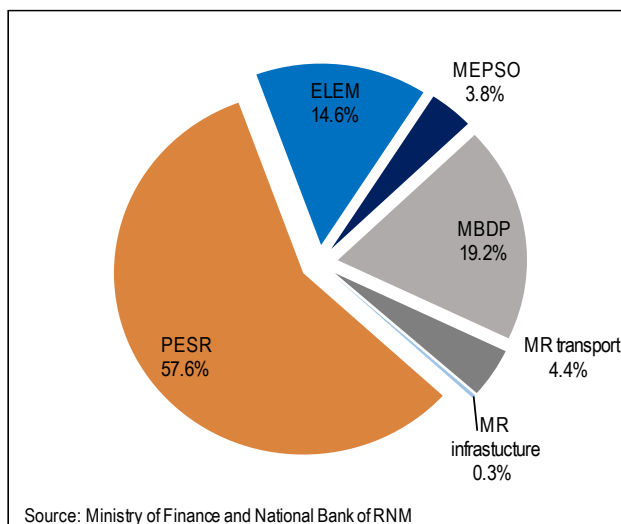


Chart 31: Guaranteed public debt by debtors
31.12.2017



31.12.2018

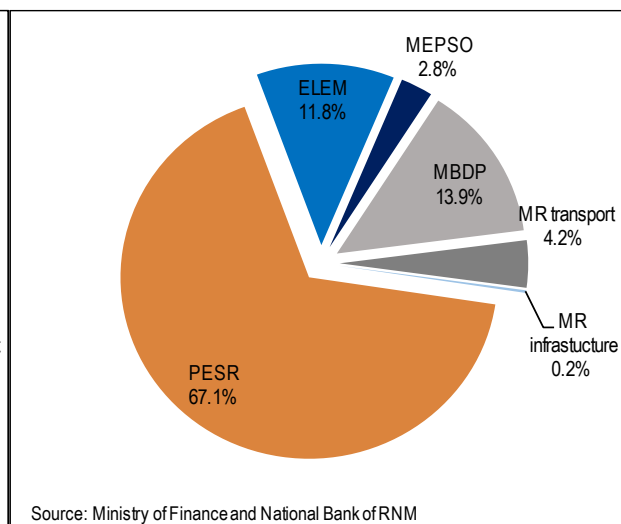


Table 14: Guaranteed public debt by debtors

	The structure of guaranteed debt by debtors 31.12.2017			The structure of guaranteed debt by debtors 31.12.2018		
	EUR million	% of GDP	% of total guaranteed public debt	EUR million	% of GDP	% of total guaranteed public debt
ELEM	121.3	1.2%	14.6%	101.4	0.9%	11.8%
MEPSO	31.3	0.3%	3.8%	23.8	0.2%	2.8%
MBDP	159.2	1.6%	19.2%	119.3	1.1%	13.9%
MR transport	36.6	0.4%	4.4%	36.1	0.3%	4.2%
MR infrastructure	2.5	0.02%	0.3%	2.0	0.02%	0.2%
PESR	477.5	4.8%	57.6%	575.2	5.4%	67.1%
Total	828.4	8.3%	100.0%	857.7	8.0%	100.0%

Source: Ministry of Finance and National Bank of RNM