

Bosnia and Herzegovina
Ministry of Finance and Treasury

QUARTERLY REPORT
ON EXTERNAL DEBT OF BOSNIA AND HERZEGOVINA
Third quarter of 2023

Sarajevo, October 2023

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Abbreviations

ATM - Average time to maturity

ATR - Average re-fixing time

BAWAG - Labour and Economy Bank and Austrian Postal Savings Bank

GDP - Gross domestic product

CEB - Council of Europe Development Bank

CPU - Contracted accounting currency of the World Bank for obligations under the Consolidated WBIBRD loan

EBA - ERSTE Bank

EBRD - European Bank for Reconstruction and Development

EIB - European Investment Bank

EC - European Commission

EXIM BANK Hungary – Export-import bank of Hungary

Eurobonds RS –Republika Srpska bonds issued at the international market

IFAD - International Fund for Agricultural Development

KEXIM - Export-Import Bank of Korea

KfW - German Development Bank

KWT - Kuwait Fund for Arab Economic Development

Q1 - First quarter of 2023 (1 January-31 March 2023)

Q2 - Second quarter of 2023 (1 April-30 June 2023)

Q3 - Third quarter of 2023 (1 July-30 September 2023)

IMF- International Monetary Fund

OFID - OPEC Fund for International Development

RBA - Raiffeisen Bank A.G.

SDR - Special Drawing Rights, calculation unit used by IMF, World Bank and several other international institutions. SDR is comprised “a basket of currencies”, i.e. USD (43.38 per cent), EUR (29.31 per cent), CNY (12.28 per cent), JPY (7.59 per cent) and GBP (7.44 per cent)

SFD - Saudi Fund for Development

UCBA - UniCredit Bank Austria

WBIBRD - World Bank - International Bank for Reconstruction and Development

WBIDA - World Bank - International Development Association

Introduction

In accordance with the available data¹, the Ministry of Finance and Treasury of Bosnia and Herzegovina prepared the Quarterly Report on External Debt of Bosnia and Herzegovina for the third quarter of 2023, presenting the state and structure of external debt of Bosnia and Herzegovina at the end of this quarter. The Quarterly Report covers the following segments: the state of external debt of Bosnia and Herzegovina over the period and the state of external debt of Bosnia and Herzegovina by external debt state guarantees and external debt risk indicators.

The terms used in the Quarterly Report on External Debt of Bosnia and Herzegovina, in accordance with definitions determined in the Law on Borrowing, Debt and Guarantees of Bosnia and Herzegovina, Article 3 - Definitions (*Official Gazette of Bosnia and Herzegovina*, 52/05, 103/09 and 90/16), shall have the following meanings:

State debt: debt denominated in domestic currency, the borrower of which is the Ministry of Finance and Treasury of Bosnia and Herzegovina on behalf of Bosnia and Herzegovina.

External state debt: state debt created in accordance with an international agreement. Debt created between 2 April 1992 and 14 December 1995 shall not be deemed as the external state debt.

External debt state guarantee: guarantee issued by the state guaranteeing that a loan under an international agreement will be repaid partially or in its entirety in case of the default by the borrower.

Entity debt: debt denominated in domestic currency, the borrower of which is the Ministry of Finance and Treasury, directly or indirectly, on behalf of an Entity.

External debt of Entities: debt of Entities under an international agreement concluded in accordance with the procedures defined by the Law on Borrowing, Debt and Guarantees of Bosnia and Herzegovina.

Likewise, for the purpose of preparation of this Report and clarity, the following terms have been used:

BiH external debt: debt including external state debt, external debt of Entities, external debt of local government units and external debt of public enterprises.

External debt of local government units: External debt of local government units, the contracting and servicing of which is done directly between local government units and foreign creditors.

External debt of public enterprises: External debt of public enterprises, recorded in the Register of Legal Entities established by the Institutions of BiH, and managed by the Ministry of Justice of BiH. Contracting and servicing of these loans is done directly between enterprises and the foreign lenders.

Old debt: state debt created prior to 2 April 1992, i.e. the debt assumed by Bosnia and Herzegovina as succeeded international obligations created prior to 2 April 1992, reconstructed and reprogrammed following negotiations with foreign creditors.

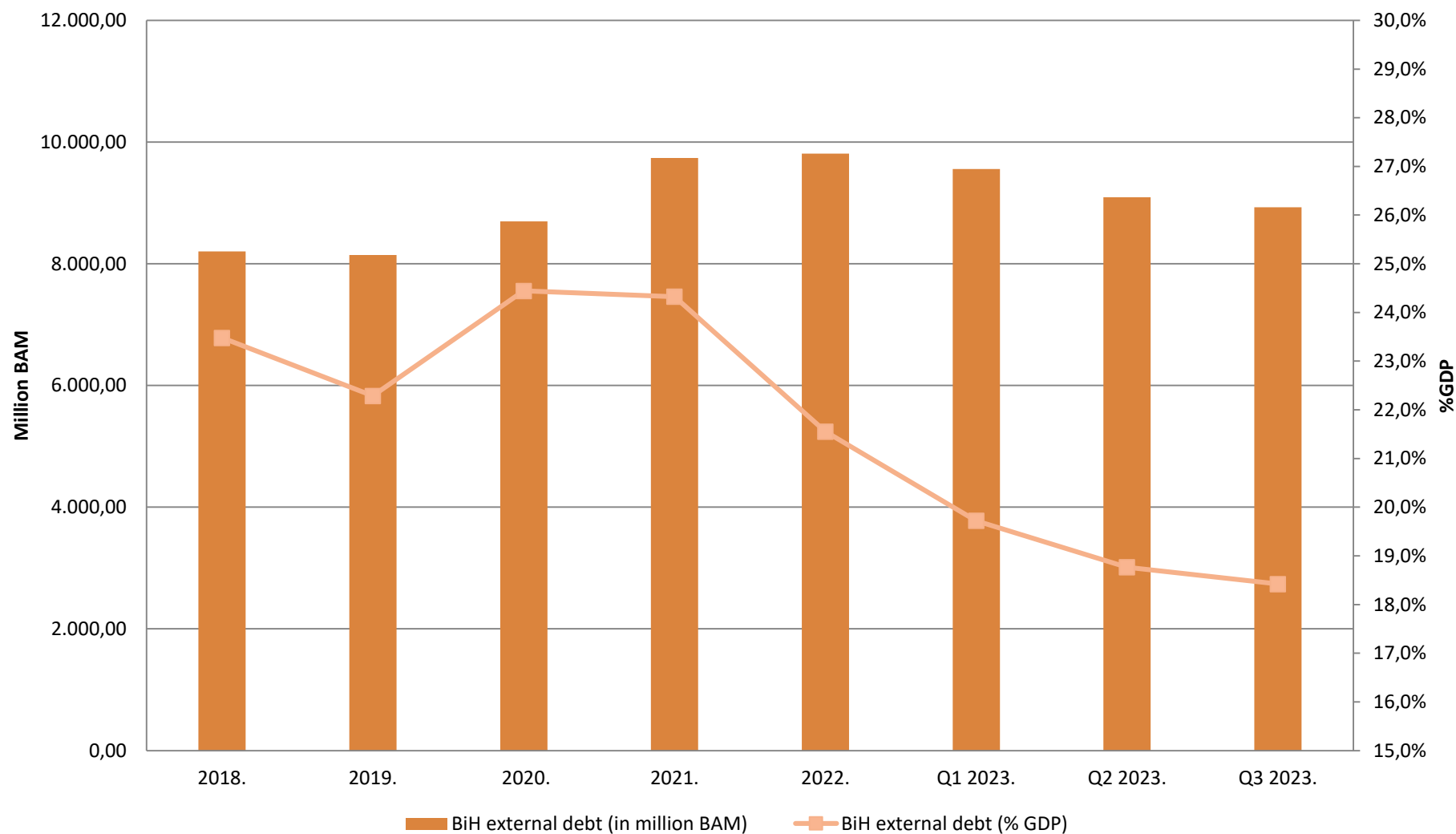
New debt: BiH external debt created after 14 December 1995.

¹ Data on the BiH external debt outstanding for second and third quarter of 2023 are preliminary.

BiH external debt outstanding (in million BAM)

	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023
External state debt								
Republika Srpska	2.975,52	3.025,39	3.141,78	3.197,85	3.042,63	2.952,06	2.882,61	2.828,02
Federation of BiH	4.636,58	4.533,95	4.980,37	5.391,27	5.408,70	5.267,53	5.207,80	5.105,64
Brčko District	49,64	53,61	51,28	48,14	48,18	45,48	45,62	45,73
Institutions of Bosnia and Herzegovina	73,95	69,05	66,44	63,49	60,17	48,15	46,88	45,20
Total	7.735,69	7.682,00	8.239,87	8.700,75	8.559,68	8.313,22	8.182,91	8.024,59
External debt of Entities								
Republika Srpska	373,89	368,22	363,99	946,83	1.158,07	1.157,37	827,19	827,19
Federation of BiH	79,00	76,22	72,65	66,03	58,75	52,20	52,14	50,47
Total	452,89	444,44	436,64	1.012,86	1.216,82	1.209,57	879,33	877,66
External debt of local government units								
Republika Srpska	16,33	16,33	21,75	23,84	25,34	26,46	24,81	25,51
Total	16,33	16,33	21,75	23,84	25,34	26,46	24,81	25,51
External debt of public enterprises								
Institutions of Bosnia and Herzegovina	0,00	0,00	0,00	0,00	8,76	8,09	8,09	0,00
Total	0,00	0,00	0,00	0,00	8,76	8,09	8,09	0,00
BiH external debt								
Republika Srpska	3.365,74	3.409,94	3.527,52	4.168,52	4.226,04	4.135,89	3.734,61	3.680,72
Federation of BiH	4.715,58	4.610,17	5.053,02	5.457,30	5.467,45	5.319,73	5.259,94	5.156,11
Brčko District	49,64	53,61	51,28	48,14	48,18	45,48	45,62	45,73
Institutions of Bosnia and Herzegovina	73,95	69,05	66,44	63,49	68,93	56,24	54,97	45,20
Total	8.204,91	8.142,77	8.698,26	9.737,45	9.810,60	9.557,34	9.095,14	8.927,76

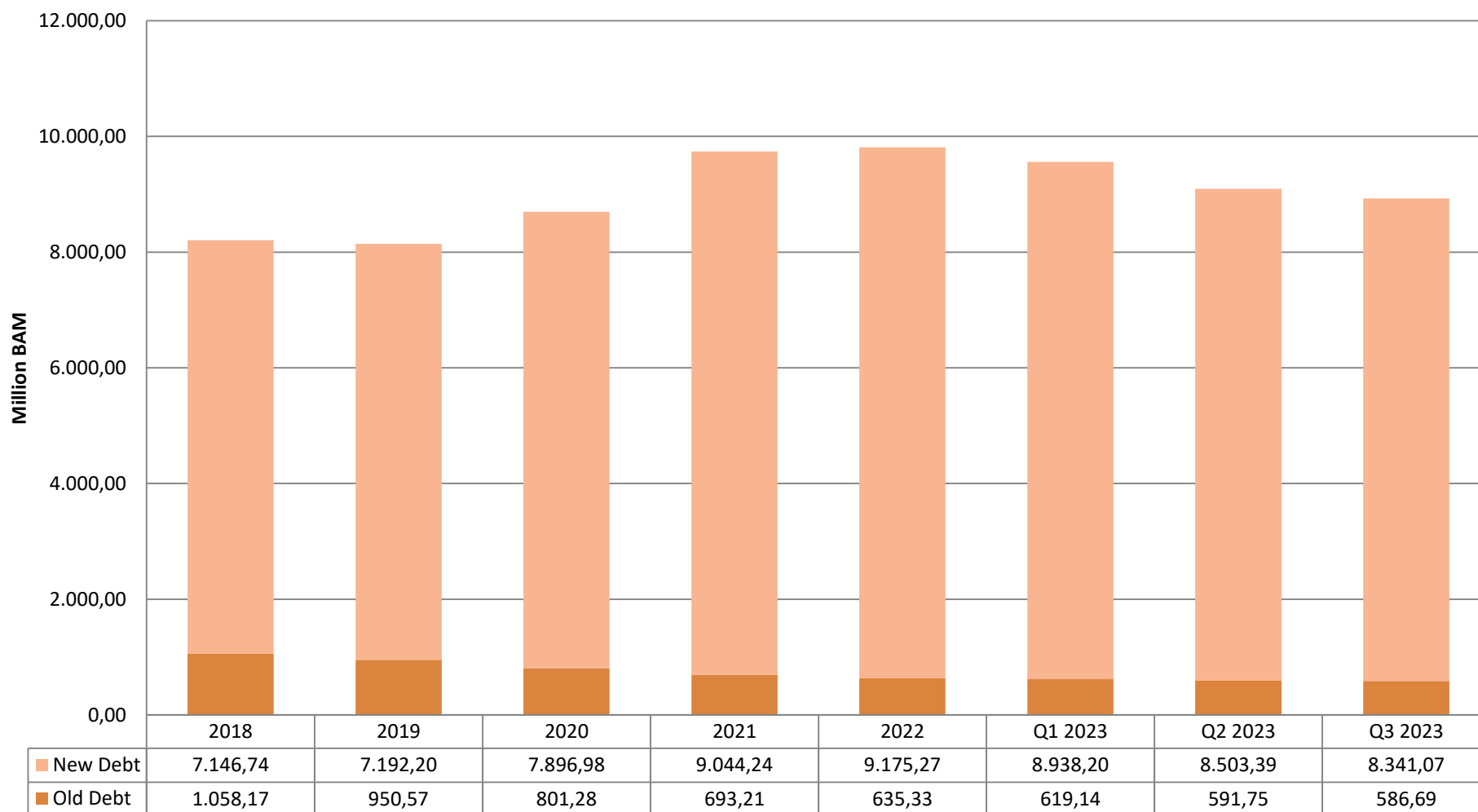
BiH external debt movements and BiH external debt-to-GDP ratio



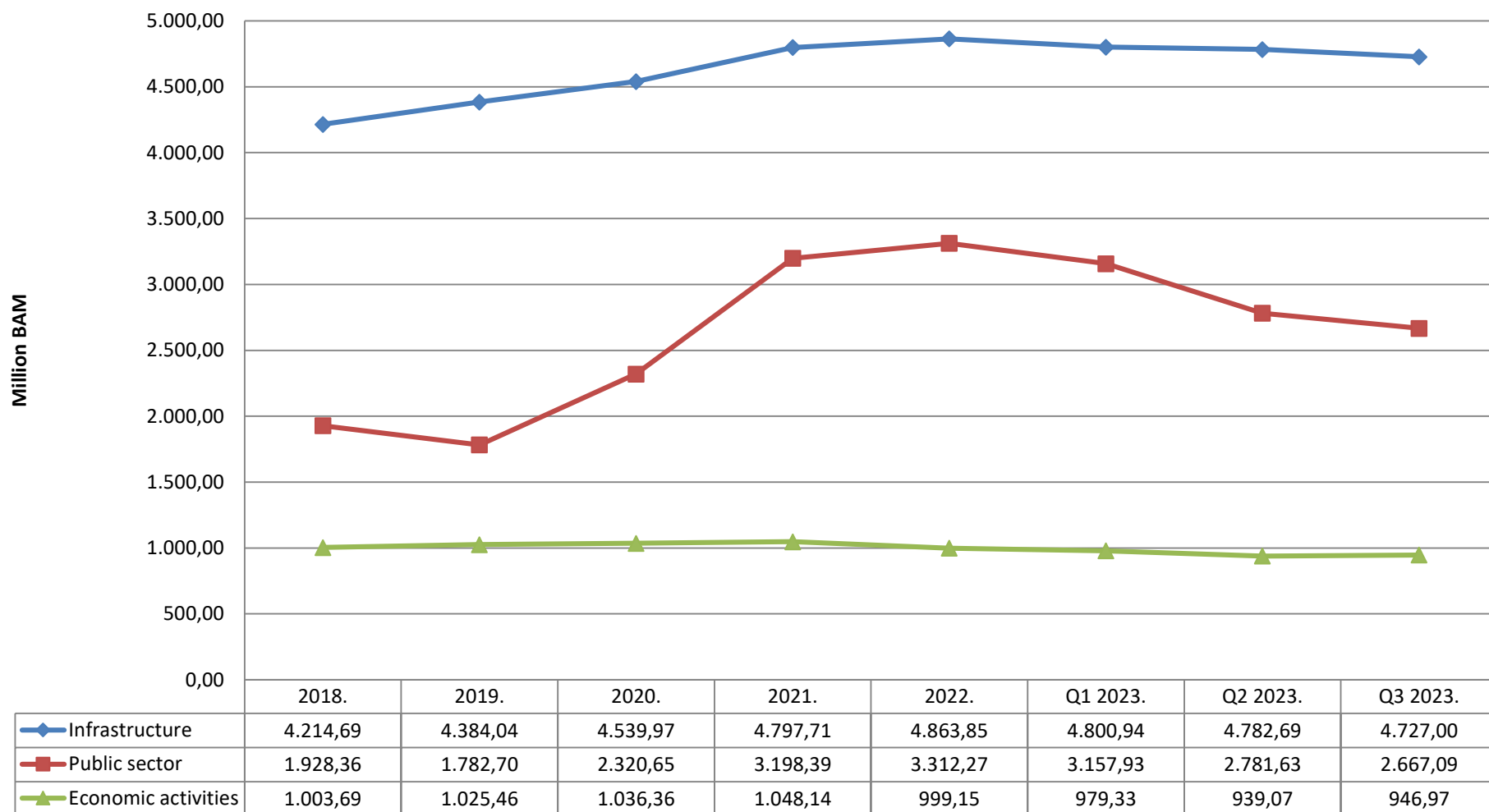
BiH external debt outstanding by creditors (million BAM)

Creditor	2018	2019	2020	2021	2022.	Q1 2023	Q2 2023	Q3 2023
BAWAG	4,80	2,61	0,41	0,00	0,00	0,00	0,00	0,00
Government of Belgium	3,68	3,26	2,85	2,43	2,01	2,01	2,01	2,01
CEB	116,15	126,98	144,73	171,58	172,55	171,05	167,11	170,92
EBA	14,89	14,40	12,65	10,89	9,13	8,50	8,25	7,61
EBRD	549,93	528,41	620,62	731,18	817,23	834,67	834,40	825,60
EIB	1.882,51	2.001,81	2.019,54	2.101,67	2.152,73	2.129,70	2.182,81	2.153,75
EC	211,23	183,85	160,38	381,39	361,83	264,04	264,04	244,48
EXIM BANK Hungary	0,00	0,00	0,00	0,00	215,14	215,14	215,14	215,14
Government of Spain	120,38	103,12	85,85	68,58	51,31	51,06	42,68	42,44
IFAD	82,93	87,49	90,05	93,32	94,00	91,28	88,90	90,95
Government of Japan	162,93	200,18	212,72	200,33	175,49	170,92	151,84	151,49
Export-Import Bank of Korea	150,96	134,56	127,59	120,62	105,30	105,30	101,27	101,27
KfW	143,82	154,22	196,31	209,04	171,04	165,04	152,81	146,81
Kuwait Fund	70,43	73,71	62,99	62,16	84,85	85,27	88,07	91,87
The London Club	109,13	72,75	36,38	0,00	0,00	0,00	0,00	0,00
IMF	414,14	306,56	907,70	923,24	895,90	861,27	847,55	757,61
OFID	146,62	164,55	202,07	246,75	238,87	228,81	224,62	220,67
The Paris Club	638,61	601,11	545,24	502,12	478,87	476,70	460,55	463,60
Government of Poland	26,49	24,32	22,14	19,97	17,80	17,80	16,71	16,71
Republic of Portugal	66,04	65,35	64,65	59,14	53,64	48,13	48,13	48,13
Raiffeisen Bank A.G.	48,74	41,15	33,11	25,07	18,68	16,52	15,70	13,93
Saudi Fund for Development	95,96	100,75	99,82	110,62	132,09	128,02	126,47	122,74
Republic of Serbia	15,35	12,55	11,19	10,15	9,11	9,11	8,59	8,59
UniCredit Bank Austria	51,07	43,55	36,64	31,01	24,18	22,72	20,92	19,46
WBIBRD	956,31	1.003,33	1.077,95	1.196,58	1.224,27	1.204,76	1.195,15	1.193,12
WBIDA	1.793,23	1.763,62	1.596,10	1.544,28	1.389,25	1.334,19	1.244,67	1.232,11
Eurobonds RS	328,58	328,58	328,58	915,33	915,33	915,33	586,75	586,75
Total BiH external debt	8.204,91	8.142,77	8.698,26	9.737,45	9.810,60	9.557,34	9.095,14	8.927,76

BiH external debt outstanding by period of the obligation (million BAM)



External debt (New Debt) by sectors/purpose



BiH external debt currency composition (million BAM)

Currency	2018.	2019.	2020.	2021.	2022.	Q1 2023	Q2 2023	Q3 2023
EUR	4.807,12	4.902,60	5.103,48	6.222,99	6.517,69	6.387,17	6.071,93	6.013,35
USD	588,85	551,86	492,31	478,18	457,06	430,00	420,33	413,44
SDR	2.140,68	2.008,59	2.456,03	2.418,02	2.232,65	2.146,79	2.042,81	1.940,00
CPU	142,48	126,23	102,13	84,93	66,16	65,01	54,14	54,86
Other currencies ²	525,78	553,49	544,31	533,33	537,04	528,37	505,93	506,11
Total	8.204,91	8.142,77	8.698,26	9.737,45	9.810,60	9.557,34	9.095,14	8.927,76

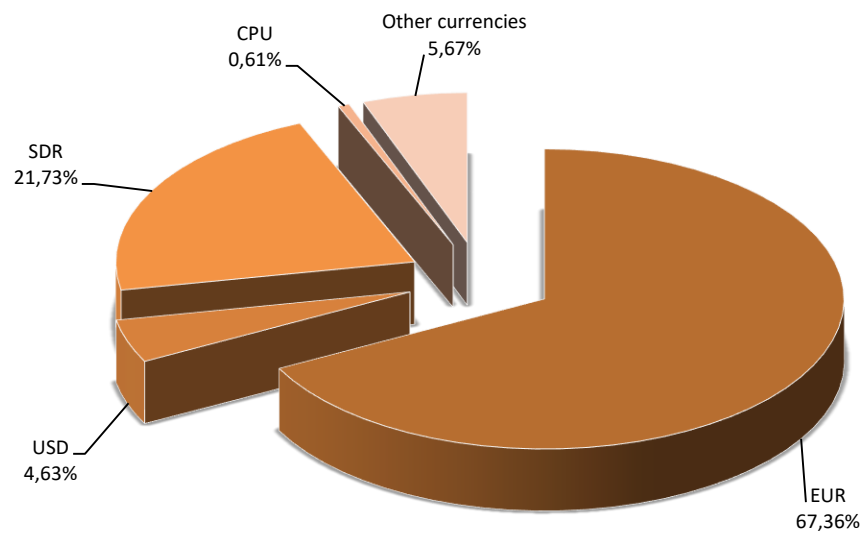
BiH external debt interest rates composition (million BAM)

Interest rate	2018.	2019.	2020.	2021.	2022.	Q1 2023	Q2 2023	Q3 2023
Fixed interest rate	4.894,41	5.546,65	5.424,11	6.321,62	6.362,06	6.164,87	5.725,94	5.666,83
Variable interest rate	3.310,50	2.596,12	3.274,15	3.415,83	3.448,54	3.392,47	3.369,20	3.260,93
Total	8.204,91	8.142,77	8.698,26	9.737,45	9.810,60	9.557,34	9.095,14	8.927,76

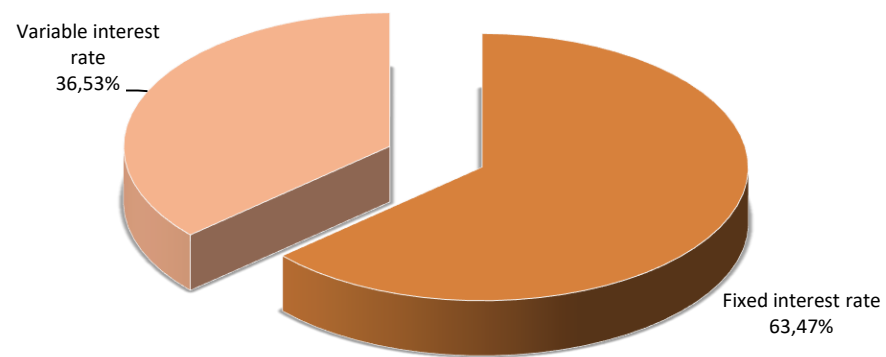
² Other currencies: JPY, KRW, CHF, KWD, SAR, CAD, SEK, DKK, GBP.

BiH external debt currency and interest rate composition – Q3 2023

**BiH external debt currency composition -
30 September 2023**



**BiH external debt interest rates composition -
30 September 2023**



BiH external debt service structure by allocation of obligations (in million BAM)

Debt service	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023
External state debt								
Republika Srpska	330,48	271,05	239,51	241,83	254,23	99,72	81,45	110,31
Federation of BiH	612,34	506,40	487,27	516,34	534,60	220,37	155,17	234,78
Brčko District	7,11	8,50	9,23	7,12	7,70	3,87	0,51	4,84
Institutions of Bosnia and Herzegovina	5,42	7,74	8,52	7,50	5,82	12,16	1,41	2,80
Total	955,35	793,69	744,53	772,79	802,35	336,12	238,54	352,73
External debt of Entities								
Republika Srpska	14,09	21,80	20,33	19,92	47,73	0,72	365,98	0,00
Federation of BiH	6,28	5,37	4,81	9,41	9,80	8,20	0,00	0,45
Total	20,37	27,17	25,14	29,33	57,53	8,92	365,98	0,45
External debt of local government units								
Republika Srpska	0,71	0,68	1,65	3,19	3,72	0,00	2,43	0,00
Total	0,71	0,68	1,65	3,19	3,72	0,00	2,43	0,00
External debt of public enterprises								
Institutions of Bosnia and Herzegovina	0,00	0,00	0,00	0,00	0,97	0,84	0,10	8,34
Total	0,00	0,00	0,00	0,00	0,97	0,84	0,10	8,34
BiH external debt								
Republika Srpska	345,28	293,53	261,49	264,94	305,68	100,44	449,86	110,31
Federation of BiH	618,62	511,77	492,08	525,75	544,40	228,57	155,17	235,23
Brčko District	7,11	8,50	9,23	7,12	7,70	3,87	0,51	4,84
Institutions of Bosnia and Herzegovina	5,42	7,74	8,52	7,50	6,79	13,00	1,51	11,14
Total	976,43	821,54	771,32	805,31	864,57	345,88	607,05	361,52

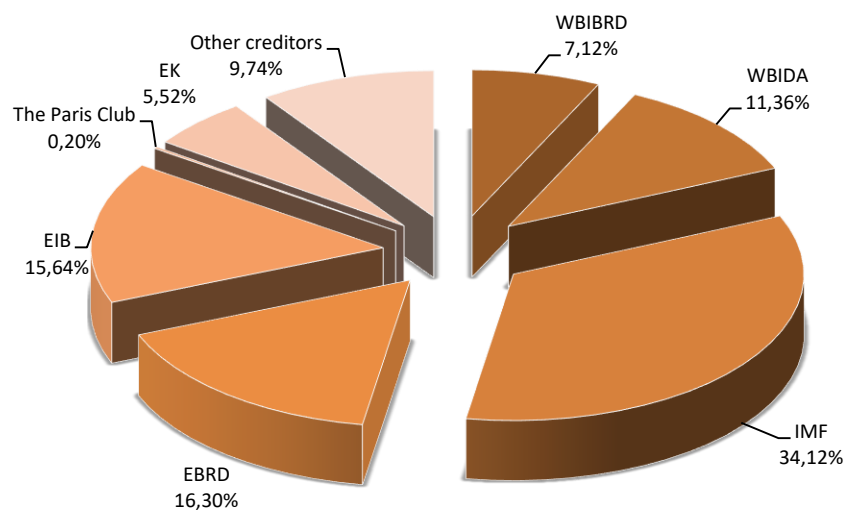
BiH external debt service by creditors and structure of obligations (in million BAM)

Creditor	Debt repayment	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023
WBIBRD	Principal	41,39	47,00	51,87	51,87	59,27	18,16	14,08	17,96
	Interest rate, service and other costs	11,39	17,73	19,05	16,50	18,38	6,32	8,54	7,79
	Total	52,78	64,73	70,92	68,37	77,65	24,48	22,62	25,75
WBIDA	Principal	92,93	105,88	120,65	127,66	185,09	40,51	71,08	37,86
	Interest rate, service and other costs	37,65	38,40	41,80	15,44	15,63	3,70	3,07	3,19
	Total	130,58	144,28	162,45	143,10	200,72	44,21	74,15	41,05
IMF	Principal	337,09	114,22	0,00	24,80	39,91	25,79	0,00	103,33
	Interest rate, service and other costs	16,02	12,91	12,03	10,62	24,44	15,91	17,79	20,03
	Total	353,11	127,13	12,03	35,42	64,35	41,70	17,79	123,36
EBRD	Principal	110,06	110,76	114,14	125,89	114,47	36,89	28,75	45,46
	Interest rate, service and other costs	8,18	8,55	6,82	15,76	13,02	7,57	5,41	13,48
	Total	118,24	119,31	120,96	141,65	127,49	44,46	34,16	58,94
EIB	Principal	76,34	78,47	96,77	97,61	101,55	37,30	18,96	39,04
	Interest rate, service and other costs	21,74	21,87	21,96	20,45	22,60	11,24	9,85	17,49
	Total	98,08	100,34	118,73	118,06	124,15	48,54	28,81	56,53
The Paris Club	Principal	36,89	41,95	46,71	52,23	30,69	0,00	16,56	0,00
	Interest rate, service and other costs	9,36	8,25	6,72	5,07	3,84	0,62	1,26	0,72
	Total	46,25	50,20	53,43	57,30	34,53	0,62	17,82	0,72
The London Club	Principal	36,38	36,38	36,38	36,38	0,00	0,00	0,00	0,00
	Interest rate, service and other costs	0,70	0,52	0,31	0,09	0,00	0,00	0,00	0,00
	Total	37,08	36,90	36,69	36,47	0,00	0,00	0,00	0,00
EC	Principal	7,83	27,38	23,47	23,47	19,56	97,79	0,00	19,56
	Interest rate, service and other costs	3,90	3,90	3,52	3,12	3,34	1,96	0,61	0,39
	Total	11,73	31,28	26,99	26,59	22,90	99,75	0,61	19,95
Other creditors ³	Principal	100,61	110,47	132,38	140,48	144,57	32,79	371,64	27,68
	Interest rate, service and other costs	27,94	36,84	36,70	37,80	68,12	9,07	39,44	7,53
	Total	128,55	147,31	169,08	178,28	212,69	41,86	411,08	35,21
Total		976,40	821,48	771,28	805,24	864,49	345,62	607,04	361,51
Commissions and banking costs		0,03	0,06	0,04	0,07	0,08	0,26	0,01	0,01
Grand total		976,43	821,54	771,32	805,31	864,57	345,88	607,05	361,52

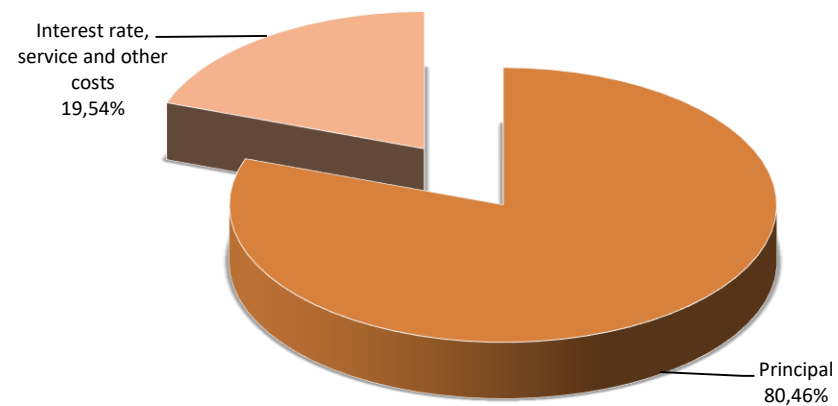
³ Other creditors: BAWAG, EBA, KEXIM, KWT, IFAD, KfW, OFID, RBA, CEB, SFD, UCBA, Government of Belgium, Government of Japan, Government of Spain, Government of Poland, Government of Serbia, Eurobonds RS, EXIM BANK Hungary.

BiH external debt service by creditors and structure of obligations for Q3 2023

Debt service by creditors - Q3 2023



Debt service by principal and interest and other costs - Q3 2023



Stock of the external debt state guarantees (in million BAM)

Creditor	Borrower	2018	2019	2020	2021	2022	Q1 2023	Q2 2023.	Q3 2023.
EBRD	A.D. Vodovod i kanalizacija Bijeljina	5,77	4,95	4,12	3,30	2,47	2,06	2,06	1,65
EBRD	PC „Autoputevi Republike Srpske“ Banja Luka (Project: Corridor Vc in Republic of Srpska first part)	0,00	40,92	106,47	126,08	116,35	110,53	110,53	104,71
EBRD	PC „Autoputevi Republike Srpske“ Banja Luka (Project: Highway Banja Luka - Doboj first part)	281,51	248,87	216,23	183,59	150,96	150,96	134,64	134,64
EBRD	Toplana A.D. Prijedor Prijedor	12,55	11,41	10,27	9,13	7,99	7,99	7,42	7,42
Total		299,83	306,15	337,09	322,10	277,77	271,54	254,65	248,42

BiH external debt risk indicators

	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023
GDP (in million BAM) ⁴	34.946,6	36.538,0	35.584,4	40.030,6	45.518,0	48.462,0	48.462,0	48.462,0
External debt/GDP (%)	23,5%	22,3%	24,4%	24,3%	21,6%	19,7%	18,8%	18,4%
ATM for external debt (years)	7,3	7,2	6,7	6,6	6,3	6,3	6,7	6,7
ATR for external debt (years)	4,4	5,1	4,5	4,6	4,4	4,2	4,5	4,5
Debt by variable interest rate (%)	40,3%	31,9%	37,6%	35,1%	35,2%	35,5%	37,0%	36,5%
Debt in non-EUR foreign currencies (%)	41,4%	39,8%	41,3%	36,1%	33,6%	33,2%	33,2%	32,6%

⁴ Source: For year 2018 Agency for Statistics of BiH, Gross domestic product-expenditure approach published 9 February 2023, for period 2019-2022 Agency for Statistics of BiH, Gross domestic product-expenditure approach published 29 September of 2023. For year 2023 the Directorate for Economic Planning, Framework budget document, Macroeconomic projections 2024-2026, (Macroeconomic indicators for the period 2021-2026), September 2023.