4. Balance of Payments and Foreign Trade

During the third quarter, the current account deteriorated and this trend will most likely continue in the last three months of 2014. During Q3, current account deficit was 502 million euros (5.9% of GDP). Compared to Q3 2013, this level of deficit represents a substantial increase. Year-on-year growth of the current account is primarily the result of growing foreign trade deficit due to pronounced reduction of exports with almost unchanged levels of imports. The main dilemma is whether this deterioration is the result of temporary factors (floods, short delay in the production of FIAT cars, etc.) or a more permanent issue (oversaturation of foreign markets with current model of FIAT). Furthermore, the inflow of remittances is lower compared to the same period last year. At the same time, high capital inflow during Q3 (primarily due to the loan that the state took from the United Arab Emirates) was enough to cover the current deficit and to lead to an increase of NBS foreign reserves by 509 million euros. During October, the declining trend in exports continued (although at a slightly lower rate than in Q3), and even the imports were lower than last year's. Given current trends, we expect the current deficit in 2014 to be 7% of GDP. In 2015, we are anticipating lower levels of current deficit, 5-6% of GDP, bearing in mind the expected effects of fiscal consolidation measures, renewal of production in the energy sector, likely recovery of the Eurozone countries, as well as favourable impact of dinar depreciation on foreign trade trends. It remains uncertain whether the following year will see a significant recovery of exports, to what extent the plans for fiscal consolidation will be enough to secure a low level of domestic demand and contribute to long-term sustainability of Serbia's public and foreign debt, as well as whether it will, together with the new IMF arrangement, help increase the trust of investors. On the other hand, the cancellation of the South Stream construction, as was recently announced, is for many reasons not favourable for Serbia's economy.

Increased current account deficit during Q3....

...primarily due to decreased exports with almost unchanged imports

In Q3 2014, current account deficit was 502 million euros (5.9% of GDP). This represents a growth of 1.6 pp compared to the same period in 2013. This share of deficit in GDP, although it is above the last year's value realised in Q3, is at the level of the previous quarter and even slightly below the value realised in 2013 (6.1%). We expect further growth of current deficit by the end of the year, which will cause the deficit in 2014 to reach 7% of GDP. During Q4 2014, the increase of foreign trade and current deficit could be influenced primarily by seasonal factors, increased demand for energy imports as a result of the floods, as well as a possible further delay in production and exports of the automobile industry. In 2015, we expect the current deficit to be 5-6% of GDP, taking into account the expected effects of fiscal consolidation measures, expected production increase in the energy sector, possible recovery of the Eurozone countries, and a favourable impact of dinar depreciation on foreign trade trends.

Trade deficit was 1,075 million euros, i.e. 12.6% of GDP. Share of trade deficit in GDP in Q3 2014 is considerably above the level of Q3 2013 – by 4.3 pp, above the level of Q1 and Q2 2014 (by 1.6 pp and 1.1 pp respectively), while only slightly above the trade deficit recorded in 2013 (by 0.5 pp). Exports were 2,656 million euros, which is 31.2% of GDP. On the other hand, goods in the value of 3,731 million euros were imported (43.9% of GDP).

Surplus on the Services account, net outflow of Primary Income...

...and inflow of Secondary Income (Current Transfers) slightly below the last year's

Realised surplus in the services trade was 145 million euros, and significantly above the previous values. Services revenues amounted to 1,044 million euros, while expenditures were 899 million euros. Net outflow from Primary Income was lower in Q3 2014 compared to the same period in 2013, primarily due to somewhat lower expenditures from income. Secondary Income (net Current Transfers) was 768 million euros (9.0% of GDP). Realised inflow was slightly below the last year's. This is mostly due to lower net Personal Transfers, primarily remittances. In Q3, inflow of remittances amounted to 469 million euros, which is by 0.8 pp of GDP below the inflow in Q3 of last year.

Year-on-year increase of current deficit as much as 32%

In Q3 2014, there was a 32% increase in the current account deficit compared to Q3 2013. Increase of the current deficit is primarily the result of the growth in foreign trade exchange (year-on-year growth of 44%) due to a pronounced reduction of exports with almost unchanged levels of imports. In addition, during Q3 the inflow of remittances was lower compared to the same period last year.

Realised trade deficit was by 47% higher than the deficit of the same quarter in 2013. Growth of trade deficit is the result of declining exports with almost unchanged imports. Exports recorded a significant year-on-year decline of 11%. At the same time, the growth of imports is very low and is 1% y-o-y. Such trends led to a reduced coverage of imports by exports by 9 pp (from 80% in Q3 2013 to 71% in Q3 2014).

We do not expect the following year to bring a significant growth of imports, due to already implemented and announced measures of fiscal consolidation. Imports in October declined by as much as 2.3%, observed year-on-year. Uncertainty in the coming period lies with exports, i.e. it will depend on the character of the current reduction of exports in the automobile industry (whether the decline in production and exports in FIAT Serbia factory is temporary or there are more permanent limitations at play, such as for example low foreign demand for car models currently manufactured in Serbia). Depreciation of dinar, which started in July 2014, will have a favourable impact on the trends in foreign trade.

Surplus on the financial account...

Surplus on the financial account is 846 million euros and is primarily due to the recorded net inflow on the Other Investments account, i.e. a large amount of net borrowing of financial loans, which is primarily the result of the state loan taken from the United Arab Emirates (UAE).

.... primarily the result of the state loan from UAE

FDI are 334 million euros. Since the beginning of the year, the recorded inflow from FDI has been 1,047 million euros. If the FDI inflow in Q4 is at the average level of the first three quarters, the total FDI inflow in 2014 will amount to 1.4 billion euros. A positive impact of the concluded IMF arrangement is expected on the investors' trust. It is estimated that most of FDI in 2014 will be in manufacturing, trade and financial sector[1]. Also, EMBI for Serbia has dropped significantly as the result of general trends on the global market, while its relative growth compared to other countries indicates an increase in specific risks related to Serbia. However, if the announced cancellation of the South Stream project is realised, it would have a negative impact on the level of FDI in the coming period. Portfolio investments during Q3 were 163 million euros, i.e. at the level of investment value realised in the previous quarter.

For the first time this year, Other Investments account recorded a net inflow. This inflow was 350 million euros, mostly due to state borrowing. The financial loan borrowed was 459 million euros. NBS borrowed additional 100 million euros, most of which was for NBS repayments of the IMF loan. The state borrowed additional 674 million euros net, most of which was the loan approved by UAE for the state budget of the Republic of Serbia. Financial institutions continued to deleverage their foreign debts and the net deleveraging of these institutions in Q3 was 183 million euros. The business sector had a slight borrowing of 68 million euros net. During Q3, net inflow of trade loan was realised in the amount of 137 million euros. Inflow on the Cash and Deposit account was 246 million euros.

Increased NBS foreign reserves

High capital inflow (primarily from state borrowing) in Q3 2014 was enough to cover the current deficit and lead to an increase of NBS foreign reserves by 509 million euros.

1 Source: NBS.

Table T4-1. Serbia: Balance of Payments

	2012	2013	2013			2014		
			Q1	Q2	Q3	Q1	Q2	Q3
	mil. euros							
CURRENT ACCOUNT	-3,639	-2,107	-668	-387	-381	-503	-495	-502
Goods	-5,634	-4,152	-1,190	-1,045	-732	-874	-990	-1,075
Credit	8,394	10,540	2,151	2,578	2,979	2,510	2,769	2,656
Debit	14,028	14,693	3,341	3,623	3,712	3,384	3,759	3,731
Services	139	319	30	75	86	68	72	145
Credit	3,104	3,423	698	826	948	793	887	1,044
Debit	2,965	3,103	668	751	861	725	815	899
Primary income	-1,091	-1,428	-189	-297	-532	-320	-418	-340
Credit	657	617	113	168	164	122	176	151
Debit	1,748	2,045	302	465	695	442	595	492
Secondary income	2,947	3,153	681	879	797	623	842	768
Credit	3,286	3,523	768	968	895	708	933	876
Debit	339	369	87	89	98	85	91	108
Personal transfers, net [1)]	2,459	2,701	581	772	684	510	695	618
Of which: Workers' remittances	1,934	2,160	457	630	554	378	547	469
CAPITAL ACCOUNT - NET	-11	13	-1	10	4	2	-1	3
FINANCIAL ACCOUNT	-3,486	-1,917	-612	-356	-277	-496	-372	-337
Direct investment - net	-669	-1,229	-171	-264	-446	-316	-397	-334
Portfolio investment	-1,722	-1,916	-1,404	348	122	4	-150	-163
Financial derivatives	2	-1	2	-2	1	0	-3	1
Other investment	41	532	101	446	210	616	548	-350
Other equity	0	0	0	0	0	0	0	0
Currency and deposits	156	-228	-203	165	188	121	141	246
Loans	574	1,185	375	295	67	374	388	-459
Central banks	219	657	150	148	179	189	186	100
Deposit-taking corporations, except central bank	377	682	286	67	155	214	89	183
General government	-467	-449	-150	-43	-278	29	30	-674
Other sectors	444	296	89	124	12	-58	82	-68
Insurance, pension, and standardized guarantee schemes, net	3	0	1	0	-2	0	0	0
Trade credit and advances	-692	-426	-72	-14	-43	121	19	-137
Other accounts receivable/payable	0	0	0	0	0	0	0	0
SDR (Net incurrence of liabilities)	0	0	0	0	0	0	0	0
Reserve assets	-1,137	697	859	-886	-164	-800	-370	509
ERRORS AND OMISSIONS, net	164	177	57	21	99	5	123	162
PRO MEMORIA	in % of GDP							
Current account	-11.5	-6.1	-8.3	-4.4	-4.3	-6.3	-5.8	-5.9
Balance of goods	-17.8	-12.1	-14.9	-11.9	-8.3	-11.0	-11.5	-12.6
Exports of goods	26.6	30.8	26.9	29.4	33.8	31.6	32.3	31.2
Imports of goods	44.4	42.9	41.7	41.3	42.1	42.6	43.8	43.9
Balance of goods and services	-17.4	-11.2	-14.5	-11.0	-7.3	-10.1	-10.7	-10.9
Personal transfers, net	7.8	7.9	7.3	8.8	7.8	6.4	8.1	7.3
GDP in euros[2)]	31,592	34,268	8,010	8,779	8,821	7,946	8,580	8,505

Note: Balance of Payments of the Republic ofSerbia is in line with the international guidelines laid out in IMF's Balance of Payments Manual no. 6 (BPM6).
Source: NBS
1) Personal Transfers represent current transfers between resident and non-resident households.

Exports

Table T4-2. Serbia: Exports, Year-on-Year Growth Rates, 2012–2014

	Exports share in 2013	2012	2013	2013			2014			2013			2014		
				Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3
	in %			in mil. euros						in %					
Total	100.0	8,739	11,003	2,236	2,699	3,110	2,632	2,873	2,771	20.1	18.2	37.9	17.7	6.4	-10.9
Total excluding road vehicles	85.1	8,269	9,366	1,943	2,277	2,608	2,223	2,405	2,457	6.6	2.2	21.3	14.4	5.6	-5.8
Energy	4.7	303	519	94	130	145	98	129	102	47.0	52.3	124.8	4.8	-1.2	-29.4
Intermediate products	33.1	3,126	3,638	798	937	1,002	911	949	942	8.0	6.7	23.3	14.2	1.4	-6.0
Capital products	27.1	1,667	2,980	570	758	859	720	812	643	112.8	107.3	109.4	26.3	7.1	-25.1
Capital products excluding road vehicles	12.2	1,197	1,342	278	336	358	310	344	329	21.5	8.7	17.0	11.6	2.2	-8.1
Durable consumer goods	4.8	395	523	99	136	142	122	147	150	26.9	35.7	33.6	22.9	8.0	5.8
Non-durable consumer goods	21.9	2,224	2,410	501	560	675	564	617	717	4.9	3.1	12.8	12.4	10.3	6.2
Other	8.5	1,025	933	173	179	287	218	219	217	-26.2	-42.5	9.0	25.7	22.2	-24.6

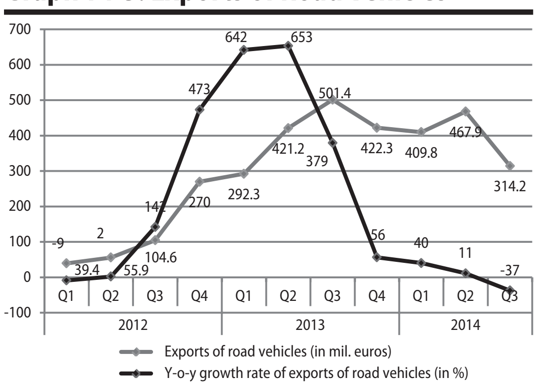
Source: SORS

Exports recorded a significant y-o-y decline of 10.9%...

In Q3, exports amounted to 2,771 million euros. This export value is significantly below the level of Q3 2013 - by 10.9%. After an exceptionally fast year-on-year growth in 2013 at a rate of 26.0%, exports since the beginning of 2014 had started to decelerate their growth – in Q1 they grew at a rate of 17.1%, while in Q2 their year-on-year growth was only 6.4%. The year--on-year decline of exports recorded in Q3 continued in October as well, but at a slightly lower rate (-6.6%).

...which is mostly (55.2%) due to the decline in car and energy exports

Graph T4-3. Exports of Road Vehicles



Source: SORS, *QM*

The year-on-year reduction of exported value during Q3 is mostly due to the decline of exports in the automobile industry, which can also be observed in Table T4-2 as a significant decline of exports of capital products (year-on-year decline of 25.1%). In 2013, Serbia exported 159,250 passenger vehicles, out of which 65% was exported to Italy, one fifth to USA, 5% to Germany, 2% to Poland, 1% to Montenegro, and around 6% to other countries.

In Q3 2014, contribution of the reduced exports of road vehicles to the reduction of overall exports was 55.2%. After a level that since Q2 2013 has been around 400-500 million euros (the highest level was reached in Q3 2013 of 501.4 million euros), exports of road vehicles dropped to 314 million euros in Q3 2014, i.e. by around 40% compared to Q3 2013 (Graph T4-3). Monthly values of road products exports indicate that a year-on-year decline was first recorded in June 2014 (drop rate of -9.4%), increased in July (-28.7%), peaked in August (-67.4%), dropped again in September (-27.3%), and continued further and even slightly increased in October (-34.1%). This declining trend in exports of road vehicles is very troubling, having in mind that the reduction of exports, that has been going on for almost half a year, could suggest some more serious problems that FIAT automobile factory is currently facing (market saturation with the current model produced in Kragujevac, i.e. the need to place new models), and not just a temporary slow-down in production.

Decline of exports excluding road vehicles was 5.8%...

...result of flooding...

...and the decline of global prices of energy and agricultural products

Still, exports after excluding road vehicles recorded a year-on-year decline of 5.8%. This was greatly influenced by the decline of energy exports, which was almost one third below the last year's values (Table T4-2). The floods reflected on the reduction of production and exports of electricity during Q3 (Table T4-4). Reduction of energy exports was partly the consequence of the decline of energy prices on the global market, which in Q3 were by 6.3% below the last year's prices in the same quarter. Still, after excluding the impact of prices, the decline of energy export value is due to lower exported quantities (by about one forth less than in the same quarter of the previous year). The price of metals in dollars is also below the last year's by about 12% (where the biggest decline of global prices in dollars was recorded in iron – prices in November 2014 were by almost 50% lower than in the same month in 2013). On the other hand, despite of the global price decline, Oil exports grew by 17.7% year-on-year (Table T4-4).

Table T4-4 shows export values of selected products, which have a more significant share in the total exports. Export of food products was by 4.6% higher in Q3 2014 than in Q3 of the previous year. The same period saw a considerable decline in export values of agricultural products. That is, the export of products classified under Agricultural Products, Hunting and Services was by 30.6% lower in Q3 than last year. On the one hand, there was a reduction of global prices of certain agricultural products. For example, grain prices in dollars are lower by 13% than last year's. Therefore, high year-on-year decline of exports of grain and grain products of 33.0% recorded in Q3 was partially due to flooding and partially due to price components. According to SORS data, wheat crops were 2,164 million tons and by around 19.4% below the last year's production due to unfavourable weather conditions[2]. Additionally, good wheat crops in other countries affected negatively the advance export contracts, which led to reduced quantity exports during Q3 2014, observed year-on-year[3]. On the other hand, corn exports significantly increased, observed year-on-year, due to the low last year's base[4]. Even though there were projections that the floods would affect the fruit and vegetable crops, exports of these products in Q3 2014 were by 3.9% above the Q3 2013 values. It is possible that larger consequences will be visible in the coming period.

Table T4-4. Serbia: Exports, Year-on-Year Growth Rates, Q3 2013-Q3 2014

	Exports share, jan-sep 2014	2013	2014	2014
		Q3	Q3	Q3
	in %	in mil. euros		in %
Total exports	100.0			
Manufacture of food products	11.4	345	361	4.6
Crop and animal production, hunting and related service activities	5.9	225	156	-30.6
Vegetables and fruit	4.9	166	172	3.9
Cereals and cereal preparations	4.7	161	108	-33.0
Non-ferrous metals	4.2	127	116	-8.1
Iron and steel	3.1	98	89	-9.8
Petroleum, petroleum products and related materials	3.0	76	89	17.7
Electric current	0.7	68	4	-93.8
Gas,natural and manufactured	0.3	6	9	41.9

Source: SORS

Table T4-2 clearly shows a reduction of exports of all individual components except consumer goods. Year-on-year growth of exports of durable and non-durable consumer goods was 5.8% and 6.2%, respectively. The value of other exports in Q3 2014 was by 25% lower than in Q3 2013.

Growth of exports in 2015 will be positively affected by the delayed effects of dinar depreciation and a possible economic recovery of EU countries.

Imports

Year-on-year decline of imports in Q3 0.3%

Total imports in Q3 2014 were 3.9 billion euros and, according to SORS data, by 0.3% below the values from the same quarter last year (Table T4-5).

***Decline recorded in all components except in products classified under** Other*

Decline of imports was recorded in all components except in products classified under *Other*, which recorded a considerable growth of 72.7% year-on-year. The biggest decline in import values was realised in Capital Products (18.6% year-on-year) due to the reduced production in the automobile industry and, therefore, lower imports of components. Also, low business investments

2 http://webrzs.stat.gov.rs/WebSite/repository/documents/00/01/43/06/PO13_174_srb_2014.pdf
3 Inflation report, NBS, p. 31.
4 Inflation report, NBS, p. 31.

and lack of significant investments in increasing production capacities affected the low imports of capital products. Decline in economic activity, especially industrial production, affected the reduction of imports of Intermediate Goods, due to reduced demand for importing production components. Gas imports increased as well by 15.5%, probably in order to create stock for the upcoming winter season. Low domestic demand affected the low imports of consumer goods, due to the announced measures of fiscal consolidation.

Growth of energy imports after excluding effects of global price decline

Even though a year-on-year decline of energy imports was realised in Q3 2014 (Table T4-5), it is due to the reduction in energy prices on the global market. That is, energy prices in Q3 were lower by 6.3% compared to Q3 2013 prices. After excluding effects of price reduction, we find that the quantity of imported energy is by 5.9% above the last year's. This increase in energy imports is the result of the fact that certain domestic plants were damaged during the May floods. Thus, electricity imports increased by 81.7% year-on-year.

According to SORS data, there was a reduction of imports in October by 2.3%. All factors indicate that Q4 2014 and 2015 will not see significant changes in current levels/trends, since the reduction of imports will be affected by low domestic demand as the result of consolidation, recovery of electricity production with renewed damaged capacities during May floods, provided the energy prices and depreciation of dinar, which had started in the second half of 2014 and has recently intensified, continue.

Table T4-5. Serbia: Imports, Year-on-Year Growth Rates, 2012-2014

	Imports share in 2013	2012	2013	2013			2014			2013			2014		
				Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3
	in %			in mil. euros								in %			
Total	100.0	14,717	15,449	3,509	3,820	3,904	3,543	3,912	3,893	-0.4	3.1	9.9	1.0	2.4	-0.3
Energy	15.0	2,570	2,316	532	476	563	491	484	558	-34.9	-13.9	5.1	-7.6	1.5	-0.8
Intermediate products	33.0	5,132	5,104	1,164	1,310	1,357	1,145	1,255	1,257	0.6	-5.2	4.3	-1.6	-4.2	-7.3
Capital products	24.3	2,996	3,748	799	975	967	790	958	787	25.4	31.2	33.2	-1.0	-1.8	-18.6
Durable consumer goods	2.1	323	317	77	80	76	69	73	74	-0.1	-3.4	-5.6	-10.7	-9.0	-2.2
Non-durable consumer goods	14.5	2,175	2,247	510	554	573	494	552	579	7.4	7.1	4.0	-3.2	-0.4	1.0
Other	11.1	1,520	1,717	428	425	369	554	592	638	18.6	0.0	2.4	29.4	39.3	72.7
Imports excluding energy	85.0	12,147	13,133	2,978	3,344	3,342	3,052	3,429	3,335	10.0	6.1	10.7	2.5	2.5	-0.2

Source: SORS

Foreign Debt

Foreign debt of 26,361, i.e. 78% of GDP...

Foreign debt at the end of September 2014 was 26,361 million euros (78% of GDP, Table T4-6). Foreign debt is by 1.05 billion euros higher than the recorded value three months earlier. This is exclusively due to public sector borrowing, while the private sector slightly deleveraged its debt. Still, we should bear in mind that the share of foreign debt (and its components) in GDP would be higher if it were not for increased value of GDP due to the changed methodology of SORS. According to the NBS methodology, foreign debt is calculated according to the "matured debt" principle. Data from 2013 is preliminary and is updated quarterly. Foreign debt includes the principle and the amount of accrued unpaid interest.

...the result of public sector borrowing

Public sector foreign debt at the end of Q3 accounts for more than half of the total foreign debt

Trends from previous quarters continue – the state is still increasing the level of its foreign debt, while the private sector is gradually decreasing it. Thus, public sector foreign debt at the end of September accounted for 53% of total foreign debt. Over Q3, the state borrowed additional 1.08 billion euros. This is primarily the consequence of the UAE loan for the purposes of securing funds for the state budget. In addition, part of the increase of public sector's debt was due to withdrawing several loans taken from Council of Europe Development Bank, EIB and EBRD[5].

On the other hand, the private sector is slowly decreasing its foreign debt (Table T4-6). The banks have deleveraged their foreign long-term debts by 150 million euros, while companies additionally borrowed almost the same amount (147 million euros). The level of short-term loan additionally decreased compared to the previous quarterly level.

5 Inflation report, NBS.

Key for sustainability of foreign debt are investments and tightly implemented fiscal consolidation

What could have a negative affect on the level of the debt is the announced cancellation of the South Stream. If this cancellation turns out to be definite, it could have multiple negative effects on the level of investments, production and employment. Positive effects on the growth of investments and sustainability of Serbia's public and foreign debt are expected in the coming period from the new arrangement with IMF, as well as the fiscal consolidation.

Table T4-6. Serbia: Foreign Debt Structure, 2011–2014

	2011	2012	2013				2014		
			Mar.	Jun	Sep.	Dec.	Mar.	Jun	Sep.
Total foreign debt	24,123	25,645	26,593	25,889	25,632	25,764	25,650	25,310	26,361
(in % of GDP) [4]	*72.0*	*81.2*	*82.3*	*78.2*	*75.3*	*75.2*	*75.0*	*74.4*	*78.2*
Public debt[1]	10,800	12,185	13,478	12,892	12,790	13,166	12,969	12,796	13,876
(in % of GDP)[4]	*32.2*	*38.6*	*41.7*	*38.9*	*37.6*	*38.4*	*37.9*	*37.6*	*41.2*
Long term	10,800	12,185	13,478	12,892	12,790	13,166	12,969	12,796	13,876
o/w: to IMF	1,618	1,389	1,245	1,079	890	697	515	333	247
o/w: Government obligation under IMF SDR allocation	459	452	454	447	441	434	436	439	455
Short term	0	0	0	0	0	0	0	0	0
Private debt[2]	13,323	13,460	13,115	12,997	12,843	12,598	12,681	12,514	12,485
(in % of GDP) [4]	*39.8*	*42.6*	*40.6*	*39.2*	*37.7*	*36.8*	*37.1*	*36.8*	*37.1*
Long term	12,722	13,005	12,783	12,711	12,683	12,401	12,540	12,359	12,356
o/w: Banks debt	3,869	3,722	3,535	3,503	3,457	3,231	3,038	2,935	2,785
o/w: Enterprises debt	8,854	9,283	9,247	9,207	9,225	9,168	9,501	9,422	9,569
o/w: Others			1	1	1	1	2	2	2
Short term	601	455	332	286	160	197	141	155	129
o/w: Banks debt	582	428	303	261	135	171	115	128	89
o/w: Enterprises debt	19	27	29	24	25	26	26	27	40
Foreign debt, net 3), (in% of GDP)[4]	36.0	46.6	45.7	45.9	44.6	42.5	44.5	44.7	46.0

Note: The foreign debt of the Republic of Serbia is calculated according to the "matured debt" principle, which includes the principle amount of the debt and the amount of calculated interest unpaid at the time of the agreed maturity date.
Source: NBS, *QM*
1) Republic of Serbia public sector's foreign debt includes the debt of the state (including the debt of Kosovo and Metohija for the loans concluded before the arrival of KFOR, unregulated debt toward Libya, and the clearing debt toward the former Czechoslovakia), National Bank of Serbia, local self-government, funds and agencies formed by the state, as well as debts for which state guarantees had been issued.
2) Republic of Serbia private sector's foreign debt includes the debt of the banks, companies and other sectors for which state guarantee had been issued. Private sector foreign debt does not include loans concluded before December 20, 2000 for which no payments are being made (859.6 million euros, out of which 382.0 million euros is related to domestic banks, and 477.6 million euros to domestic companies).
3) Total foreign debt less the NBS foreign reserves.
4) Sum of values of the observed quarter's GDP and previous three quarterly values of GDP.