Institut za međunarodnu
politiku i privredu

STRATEŠKI PRAVCI RAZVOJA I UTVRĐIVANJA POLOŽAJA SRBIJE U SAVREMENIM MEĐUNARODNIM ODNOSIMA

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INFLUENCE OF FOREIGN LENDERS ON INTERNATIONAL RELATIONS POSITION AND ECONOMIC SOVEREIGNTY (ON THE EXAMPLE OF INTERNATIONAL CREDITS FOR SERBIA AND SEE COUNTRIES)

Abstract: Given article deals with the issues of international affairs stemmed from the lending relationships between South-Eastern European countries and foreign creditors (in particular, international organizations). The risks of external indebtedness are considered not only in the frames of national financial position but also by the influence of geo-economic powers on decision-making process in the field of state economic policy.

National states sovereignty is an important issue of world economy development even in the contemporary conditions of international cooperation and trans-boundary spread of mechanisms of economic management. The right to make state policy decisions independently could be voluntarily delegate by national elites to supra-national institutions in order to share responsibilities and underline their management superiority. Besides, the political (economic, cultural etc.) sovereignty of states could be under the risk because of evident or latent actions made by different geo-economic powers pursuing their own interests. One of the forms of predominantly latent dependence is external indebtedness of states to foreign governments or international institutions. The terms of lending could be quite narrow and even in the case of loan write-off by creditor there is high probability of backstage talks limiting the autonomy of national elites economic policy. The price that national states are ready to pay for macroeconomic stability (and political stability related to it) is significantly

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higher in the conditions of world-wide or regional-wide economic recessions. Such processes for 'reshaping' of global economic map are driven by present-day crisis, when mutual interdependence could evaluate into one-sided dependence of most suffering countries to most stable ones. Some internationally important economic actors will use the chance to strengthen their position on the markets they are interested in, to mitigate the spread of crisis on their own territories and to create a sustainable basis for recovery. No doubt, if this scenario requires interference in the decision-making process in other countries, it will follow.

Role of IMF in international lending

The list of international organizations that are mostly criticized for political engagement and unclear mechanisms of management includes International Monetary Fund (IMF) and the financial institution of World Bank – International Bank for Reconstruction and Development (IBRD). Washington-based IMF is currently united nearly all of recognized states (created in 1945 by 29 countries), but the majority of its members has a rather small influence on the policy of the Fund. Among the main aims of IMF functioning is allocation of financial resources for lending operations for the member states with macroeconomic imbalances. Importance of IMF as a financial mediator was underlined by its Managing Director Christine Lagarde during Davos Forum in January, 2013: "…our job too is service: for our 188 member countries. We must be accountable to them…, to the citizens of those countries who now hold us, rightly, to a new standard of effectiveness"[3]. It is widely-known that the position of IMF Managing Director was historically occupied by the representative of European continent (11 directors since 1946; 5 of them are French), as it was privately decided on the Bretton Woods conference in 1944. In the same time, the main position in World Bank was granted to American citizens, though this decision wasn't ever mentioned in its constituent instruments. This traditional domination of U.S. and European financial experts in governing the most important international institutions (some authors consider it as 'hegemony') is currently argued by developing countries and countries with emerging markets (see BRICs statement on IMF chief selection process, 2011).

Another level of management in IMF is Executive Board: among 24 Executive Directors 8 are from countries characterized by high participation in the Fund capital (USA, Japan, Germany, France, UK, China, Saudi Arabia, Russia) and 16 represent other 180 member states grouped in so-called

[3] Christine Lagarde. A New Global Economy for a New Generation. Davos, Switzerland, January 23, 2013.

constituencies. As for participation in decision-making process, voting power of member states also differs by the size of their quota, because the number of additional votes that could be bought is limited by the quotas. So, the biggest economies of "Global Triad" not only govern the Fund but also develop its strategy: OECD member states that represented economically developed countries accumulate more than 60% of votes in IMF. More to say, if the decision after the voting procedure (key decisions requires support of 85% votes) doesn't meet the interests of USA or EU they have a right to put veto on it. By the way, U.S. Senate in some situations can regulate IMF activities such as loans approval for countries that have a low level of financial solvency. To conclude, in some way IMF plays a role of intermediate financial institution between geo-economic powers and developing countries, and, according to some estimates, guarantee the economic stability of lenders in a greater extent than the stability of borrowers.

Given article doesn't cover the analysis of IMF lending programs variety. We will tackle only several forms of SDR (Special Drawing Rights)[4] purchasing – Credit Tranches, Stand-by Arrangements, Extended Fund Facility, etc. Current economic crisis spread triggered not only diversification of IMF credit mechanisms for developing countries with imbalanced economies but also the establishment of special Short-Term Liquidity Facility "for [developed] countries with strong economic policies that are facing temporary liquidity problems"[5].

The conditions for potential lenders and economic recovery recommendations of IMF experts are also among main critical issues. Financial support can be provide only for members that meet special set of requirements (so-called conditionality concept), but in fact the policies towards potential borrowers could be different[6]. After credit line approval the borrower had to follow IMF recommendations aimed at macroeconomic recovery (and debt repayment) in order to get new loans from the Fund. Recommendations list is often a subject of criticism because of its commonality and neglect of context or national / regional specifics; policy measures are based on liberal approach of 'Washington Consensus' and in many cases their realization lead to social

[4] SDR is a supplement to main foreign exchange reserve assets proposed by IMF. Value of SDR is based on the basket of currencies: US dollar – 43,9%, euro – 36,7%, pound – 11,3%, yen – 8,1% (as for April, 2013). According to some experts, SDR is a form of implicit dollar standard, but IMF still hasn't succeeded to make SDR an alternative international instrument of payment (see: Красавина Л.Н. Концептуальные подходы к реформированию мировой валютной системы. Деньги и кредит. № 5, 2010).

[5] IMF Creates Short-Term Liquidity Facility for Market-Access Countries. Press Release No. 08/262. October 29, 2008.

[6] Critics of IMF credit policy point out that developed countries that govern the Fund and their closest allies have less obstacles in the process of loan approval than the ordinary member states.

sphere instability.[7] Universal recommendations for borrowers includes: overall state management improvement; fiscal discipline and discipline of public spending[8] (limits for budget deficit); devaluation of appreciated currencies; accelerated privatization; financial system liberalization; external trade and capital flows liberalization. Strict adherence to IMF plan results in the significant reduction of living standards and in some cases leads to rise of social tensions and change of political regime. As we noticed in preamble to article, political and economic system autonomy is also sacrificed to money support.

The level of indebtedness of national states to IMF or other institutions has been increasing not only in nominal, but also in real terms. This fact is acknowledged by independent experts and IMF staff as well; for instance, IMF Managing Director Christine Lagarde admits that public debt “now hovers around 110 percent of GDP among the advanced economies – the highest level since World War II”.[9] This level is certainly even higher for developing countries.

Economic phenomena caused by financial arrangements with IMF are well studied on different examples. Critics say that neoliberal approach and universalism in recommendations of IMF resulted in financial destabilization, production losses and unemployment growth, while other economists argue that the problem is not the recovery program made by IMF, but low efficiency of local management to respond a crisis.

Among the examples of political transformations followed the rise of external debt is Yugoslavia in 1980s, where the burden of debt to foreign lenders influenced macroeconomic and then political stability. In the same period in Mexico IMF insisted on large-scale privatization and fiscal discipline, but after its policies implementation unemployment rocketed and capital outflow increased. As a result, Mexico became a member of NAFTA, but under the conditions of its entry American companies have got preferential terms on the local market. In the beginning of 1990s IMF strongly recommended

[7] In the book “Globalization and its Discontents” by J.Stiglitz an issue of the role of IMF in contemporary international relations is concerned. The former top manager of World Bank criticizes neoliberal monetarist policies of the Fund and consider its decisions as predominantly pro-Western (see: Stiglitz, Joseph. Globalization and its Discontents. New York, 2002.). Besides that, Stiglitz urges to enlarge the mechanisms of Washington Consensus by making them more socially oriented (see: Stiglitz, Joseph. More Instruments and Broader Goals: Moving Toward the Post-Washington Consensus. January, 1998).

[8] IMF proposes to reform tax system; reduce public costs on state administration and strategic social spheres; reject subsidies and selective measures of companies support; reallocation of budget resources to the efficient branches etc.

[9] Christine Lagarde. A New Global Economy for a New Generation. Davos, Switzerland, January 23, 2013.

post-socialist countries to stick to "shock therapy" mechanism of reforms; those governments that carried out such ideas led their countries to a much deeper recession. Among the biggest borrowers was Russian Federation (around 20 bn dollars)[10], but after default in 1998 the credit lines were suspended. Financial sovereignty of the country in 1990s was questioned (for instance, state budget had to be confirmed in IMF before its approval in Duma). Hopefully, Russian external debt to international organizations such as IMF or Paris Club was repaid in 2000s. One of the reasons of Russian default in 1998 was financial crisis in South-Eastern Asia in 1997. Critics impute IMF with destructive policies recommended to Asian borrowers (amount of finance exceeded 40 bn dollars) and with its disability to predict the beginning of destabilization (pre-crisis 'World Economic Outlook' report by IMF contained quite positive prospects for region's development). 'Washington Consensus' principles implementation failed in a high extent because IMF experts didn't want to acknowledge that the crisis stemmed not from excessive public spending or balance of payments deficit, but liquidity shortage (overproduction crisis). National currencies devaluation (started from Thailand) and capital outflow were followed by inflation growth, production drop and increase of unemployment. For example, in Indonesia IMF insisted on fuel subsidies abolition (which resulted in prices rocketing), suspension of banking system support, rejection to introduce fixed currency rate to stop its devaluation. Instead, the Fund recommendation was to increase interest rate and the problem with liquidity become crucial. Social tensions caused by IMF initiatives and its neglect of local peculiarities resulted in political changes: retirement of president in Indonesia and resignation of government in Thailand.[11] Malaysia was also affected by crisis, but rejected IMF help realizing the scale of possible foreign companies' intervention. Nevertheless, the Fund tried to implement its policies in Malaysia with a help of local politicians. In order to reduce IMF influence on national sovereignty during liquidity crises Asian countries worked out an arrangement based on regional reserves pool worth 240 bn dollars ('Chiang Mai Initiative', 2000, 2010). IMF activities in the beginning of 2000s mostly concern crisis in Argentina. For a long time this South American country played a role of "reference standard" for its economic policy measures grounded on 'Washington Consensus' principles. It is widely believe, that during the crisis in Argentina in 2001 IMF made a mistake when contributed to budget restrictions and accelerated privatization.

The IMF functioning problems reveal those fields of its activities that are in urgent need to reform. An internal reform was discussed by IMF specialists

[10] The USSR denied to ratify an agreement of IMF foundation because it refused to support intervention in the internal economic policy of potential borrowers. Thus, the Soviet Union didn't participate neither in IMF, nor in IBRD lending programs.

[11] It's noteworthy, than IMF chiefs considered the president deposition in Indonesia as a main achievements of the Fund activity in the country.

in the mid-2000s, they proposed to extend voting power of developing countries and rethink methods of financial support. In spite of these attempts to increase effectiveness of the Fund's activity, its experts didn't succeed in predicting the current global crisis (as well as regional crisis in South-Eastern Asia a decade before). During the crisis a new approach was developed and declared (so-called 'Istanbul Decisions', October 2009). New priorities include an expansion of IMF activities and its global presence, increase of developing countries quota shares, introduction of mechanism of Flexible Credit Line, foundation of world economy supervision system with a help of G20. By the way, at the G20 summit in London (April 2009) it was decided to triple capital of Fund on the base of member states sources allocation (up to 750 bn dollars) and a loan from G10 countries (100 bn dollars).

IMF as a main element in international financial architecture provides an access to credit instruments of other organizations. The decisive role of international mediator allows to advice commercial banks, governments of advanced economies or World Bank institutions whether potential borrowers are able to repay a loan in future.[12] That means, if country didn't succeed to get a credit in IMF for some reasons, the other financial institutions will likely deny the expected loan as well. The formal base for such practice was broaden at UN conference in Monterrey in 2002 (known as 'Monterrey Consensus'): governments and heads of international organizations worked out a list of requirements (from sound monetary policy to democracy and freedom support) for lenders to follow. Since that, supra-national creditors protect their right to make decision together whether potential borrower is responsible or not. According to J.Stiglitz, the present-day world order constitutes "global governance without global government", because "international institutions like the World Trade Organization, the IMF, the World Bank, and others provide an ad hoc system of global governance, but it is a far cry from global government and lacks democratic accountability".

The problem of indebtedness in SEE countries

Global financial crisis manifests itself in a form of debt crisis for a lot of countries situated in Europe. In this article we will consider the indebtedness problems in South-Eastern European countries (with some examples in Central-Eastern Europe). Having sufficient similarity in some macroeconomic trends, they, nevertheless, differ from each other by the relative amount and structure of debts.

[12] In some cases IBRD credits for countries aimed at economic reconstruction and social sphere recovery after the period of IMF policies implementation – in other words, IBRD loans follow IMF loans.

Among the main factors of indebtedness growth in SEE before crisis is availability of short-term and long-term loans on the global market for financing of persistent deficits of state budget and current accounts. This situation, in addition, stimulated excessive public spending and import-oriented development model. The measures of fiscal discipline resulted in contraction of budget deficits in some countries: for example, in Albania and Romania it was reduced from 7% to GDP in 2009 to 3,5-4% to GDP in 2011. But in majority of countries budget deficit grew significantly: in Montenegro and Slovenia – from 'zero-mark' in 2008 to 6-6,5% to GDP in 2011, in Serbia – from 2% to 4%, in Croatia – from 1,5 to 5,5%.[13] It is clear, that public finance imbalances forced SEE countries to arrange new loans. As for balance of payments, the current account deficit in given countries decreased thanks to currencies devaluation and price drop for import commodities. For instance, in Bulgaria current account balance changed from -23% to GDP in 2008 to positive figures in 2011. Deficit lowered significantly also in Serbia (from 21 to 9% to GDP in 2008-2011), Macedonia (from 13 to 3%) and Romania (from 12 to 4%). Macroeconomic imbalances increase interest rates for borrowing due to higher risks and, thus, deteriorate situation with indebtedness.

Growth rates of public debts in Eastern European countries in 2008-2011 were by 3/4 higher than growth rates of overall debt, so, the role of state institutions in indebtedness extension was rather significant. Graph 1 shows the dynamic of public debt in SEE countries in 2008-2012. The highest amount of public debt and its growth rates are in Serbia: because of state borrowing in international financial organizations (IMF, EIB, IBRD, etc.) and Eurobonds issue public debt increased from 29,2% to 63% to GDP and exceeded Maastricht criterion. Situation with public debt deteriorated during the crisis in Slovenia (22 –> 54% to GDP), Croatia (29,3 –> 53%), Montenegro (29 –> 51%), while in Albania public debt indicators were high, but stable (55,1 –> 59,4%).

Overall external debt of state-controlled institutions, banks, companies and household is generally higher than public debt (exceptions are BiH and Montenegro) (see Graph 2). The most critical indicators of external indebtedness are again in Slovenia (111,5% to GDP in 2012) and Croatia (102%); thus, these countries debt burden caused by state borrowing abroad. Bulgaria's external debt is also relatively high (96,8% to GDP), but taking into consideration the low burden of its public debt (17% to GDP), we can conclude that mostly private entrepreneurs are responsible for foreign borrowing. Given countries have different structure of private debts represented by corporate and household foreign debts. According to WIIW

[13] Князев Ю.К., Куликова Н.В. Долговой кризис в мире и проблема задолженности стран Центрально-Восточной Европы. – М.: Институт экономики РАН, 2013.

estimates, in CEE and SEE countries corporate debts is about twice higher to household debts. Fast growth of private debt characterized Bulgaria, Romania and Croatia even before crisis, while relative indicators of public debt in these countries were usually decreasing. In contrast, in Albania state debt burden is traditionally higher than the same indicators for private debt. It's important to notice, that the share of short-term debt in external debt is still high in Bulgaria and Croatia (the lowest level – in BiH and Albania). As for debt value it is obviously corresponds to the size of national economy: in 2012 external indebtedness reached 99,2 bn dollars in Romania, 46,0 bn dollars in Croatia, 40,6 bn dollars in Slovenia, 38,4 bn dollars in Bulgaria and 25,5 bn dollars in Serbia[14].

Countries of the region have different strategies concerning mechanisms of borrowing abroad. They relied on European funds or EIB support (for long-term projects mostly), issue of bonds or borrowing from global financial institutions (IMF, IBRD). Table 1 shows transactions of SEE countries with IMF and their total indebtedness as of February 2013. Most of transactions deal with Stand-by Arrangements, in some cases – with Extended Fund Facility, Extended Credit Facility, Precautionary and Liquidity Line.

It should be noticed that Montenegro has still never had transactions with the Fund. Slovenia repaid debts to IMF in 1997, Croatia – in 2002 and Bulgaria – in 2007 (see the Table). In pre-crisis period (2007-2008) there were no IMF loans to SEE countries, except for negligible quantities to Albania. On the contrary, in 2009-2012 Romania, Serbia, BiH and Macedonia drawn from IMF more than 12,5 bn SDR (around 85% of this sum borrowed by Romania).

Outstanding loan for Macedonia makes up just one tranche in 2011 (Precautionary and Liquidity Line facility, PLL). Macedonia's both public and external debts are relatively low, and this borrowing just slightly influenced it. IMF missions in Macedonia are regular and they don't concern PLL arrangement, because these resources will be used only in the case of unexpected economic shocks.

BiH has got several tranches in the frames of two Stand-by Arrangements in 2009, 2010 and 2012 (the country has already started to repay loans). The importance of second arrangement was rather high because of fiscal imbalances, but, as WIIW mentioned, "fears are being voiced about the conditionality of that support"[15]. IMF mission in 2012 welcomed the measures that Bosnian authorities made in order to get access

[14] WIIW. Current Analyses and Forecasts. № 11, March 2013. There is a risk that countries with high indebtedness will not be able to get rid of macroeconomic imbalances and further borrowings will end in default. It could happen if authorities loose control over the interest rate increase and fiscal deficits deterioration. In order to maintain the sustainability of public debt some experts recommend to set a ceiling for it and to determine benchmark for budget balance in the frames of fiscal discipline policy.

[15] Ibid.

to new loans, namely fiscal restraint. It is expected that BiH will work out reform of pension system, improve tax administration and enhance control over municipal spending, extra-budgetary funds and public companies.[16]

Romania is the biggest borrower in IMF among SEE countries. It has signed two Stand-by Arrangements (in 2009 and 2011), and, besides that, has used credits from EBRD, World Bank and EU institutions (overall amount of loans exceeds 26 bn EUR). These precautionary agreements with international organizations providing support in case of unexpected problems were multilateral. Interest rates for national bonds in the beginning of crisis were rather high, so Romanian authorities relied on lending instruments. The most important requirement is fiscal discipline. State budgets have to be approved by IMF, but authorities made unsuccessful attempts to increase public spending. Implementation of structural reforms aimed at state expenditures reduction is not so fast and the government asked IMF to postpone deadlines for privatization process, healthcare and pension system modernization. Romanian political elite was against the Fund's plans for strategic companies privatization and restructuring (for example, transport ones), but the possibilities to defend its position are limited. Healthcare system reform is under question due to active public opposition to it. It should be noticed, that first installments of debt to IMF were paid from the gold and foreign currency reserves which are under the supervision of the Fund experts. As for further strategy of borrowing, most probably Romania will concentrate on bonds issue rather than participation in lending programs.

Serbia has a long history of relations with IMF (see Table 2, Graph 3). In 2000-2012 there were only two years when Serbia didn't draw money from the Fund. The present-day outstanding loan stems from Stand-by Arrangement completed in 2009. In order to meet IMF requirements (or just for appearance) it was declared that Serbia will be able to reduce budget deficit to 1% to GDP in 2015. Besides that, the government put a limit on public debt (45% to GDP), but this ceiling was significantly exceeded in the following years (63% to GDP in 2012). The IMF mission criticized economic policies in Serbia and postponed the approval of new loan for the period after parliamentary elections. An urgent problem is persistent current account deficit which have to be compensate by capital inflow and, thus, further foreign borrowing is needed.

According to EBRD estimates, the Serbian economy in 2013 will grow by 2,1%. Optimistic forecast of GDP growth is currently in the shadow of double-digit inflation, high budget and external deficits and growing external debt. In addition, the economy is burdened by actual credit rating, which was lowered after the freezing of IMF credit arrangement in February 2012

[16] IMF Completes First Review under Stand-By Arrangement with Bosnia and Herzegovina and Approves €58.9 Million Disbursement. Press Release No. 12/497. December 19, 2012.

(1.1 bn EUR). The previous IMF program has contributed to some financial control, but hasn't succeeded to maintain the economy to deal with medium-term challenges. Despite the fact that the Stand-by Arrangement mitigated the process of banking and financial instability and initiated structural reforms, given proposals were not resulted in strengthening of real sector. The main problems are very slow and inadequate implementation of economic reforms, the lack of free, independent and strong institutions and political will to carry out reforms.

Serbia is especially vulnerable to external challenges influenced level of public debt, budget deficit and public spending. Conditions of IMF financial support include measures of fiscal adjustment and structural reforms dealing with public enterprises, labor market, pension system, etc. In order to ensure fiscal sustainability, it is proposed to reduce public spending to GDP ratio by contraction of current expenditures and to achieve sustainable level of public debt, making a room for necessary infrastructure investments. Tax reform would stimulate such macro-economic aggregates as exports, savings, investment and employment, and limit the development of others such as consumption and imports. Unfortunately, the planned reduction in public sector spending has not fulfilled, since the budget is still burdened by funding of numerous agencies and funds whose work is inefficient and / or whose responsibilities overlap. According to IMF officials, one of significant obstacles in the light of efforts to maintain fiscal discipline is Law on Local Government Financing (2011), because its implementation contributes to further increase of budget deficit.

IMF argues that Serbia should encourage export-oriented production and reject a previous model of economic growth that is heavily reliant on spending effects and activities in non-tradable sectors. Sustainability of the pension system could be achieved only by further reforms concerning retirement age, employment of pensioners and pension funds foundation. Increase in pensions and salaries of employees in public sector within established fiscal policies represent a key lever of fiscal adjustment. One of the prerequisites for the success of proposed IMF program is labor market rigidities reduction using a mechanism when a favorable business environment helps to attract foreign capital. However, the question that arises in circumstances of privatization cancellation and return of privatized assets is how to eliminate institutional uncertainties that reduce the attractiveness of Serbia for foreign investors. Recommendations of IMF concern the problem of institutional barriers overcoming and legal certainty increase to intensify capital flows.

Many experts say that the re-establishment of cooperation with IMF would lead to creating a better image of Serbia in terms of macroeconomic developments and maintaining a solid position with regard to a possibility of further borrowing on international financial market. New agreement could be a clear signal to foreign investors that Serbia follows the rules of fiscal restraining and proves its image of responsible borrower. Policymakers generally consider IMF support as one of the most beneficial solutions for all the current economic problems. However, an adherence to the IMF recommendations implementation starting from democratic transformations in 2000 has resulted in far-reaching consequences for the socio-economic development of the country. Therefore, it is important to make an adequate analysis oa the positive and negative effects of IMF recommendations implementation.

Being involved in IMF lending programs Serbia is facing with the drastic growth of indebtedness which seriously undermines the viability of financial system. There are assumptions that because of uncontrolled borrowing state authorities can't contradict IMF and their attempts to stick to more independent policy would threaten economic system. In 2000s in Serbia has maintained policy of overvalued dinar exchange rate which resulted in higher values of GDP in dollar equivalent. Therefore, external debt to GDP ratio in fact was significantly higher.

As we have already noticed, peremptory accept of IMF demands and its influence on important decisions could undermine economic sovereignty of the country. The requirement to implement 'Washington Consensus' neoliberal principles indirectly shows that the host country still hasn't succeeded in independent institutions formation that are essential for the functioning of market economy. In addition, the drop in living standards and arising social tensions could be a result of adopted restrictions and unsuccessful privatization accelerated by IMF. Taking into consideration the experience of relations between national states and supra-national financial organizations, Serbia should aim at independent definition of strategy for crisis-induced problems solution and to use alternative opportunities of borrowing which conceal fewer conditions for the debtor.

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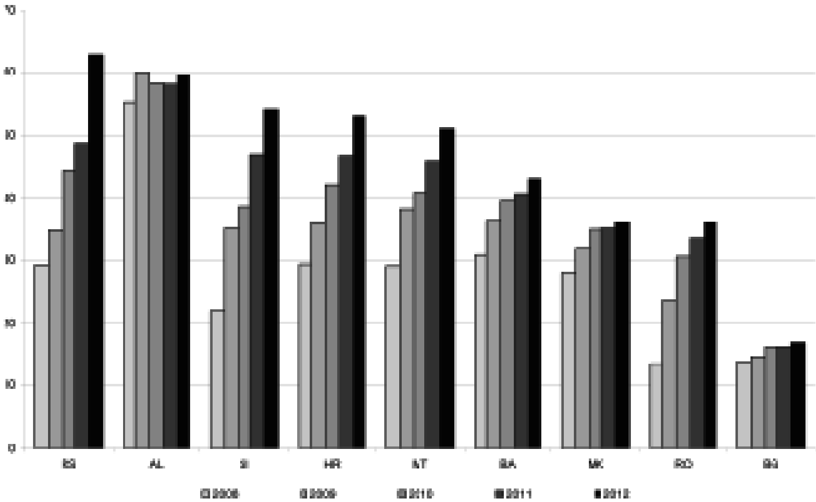
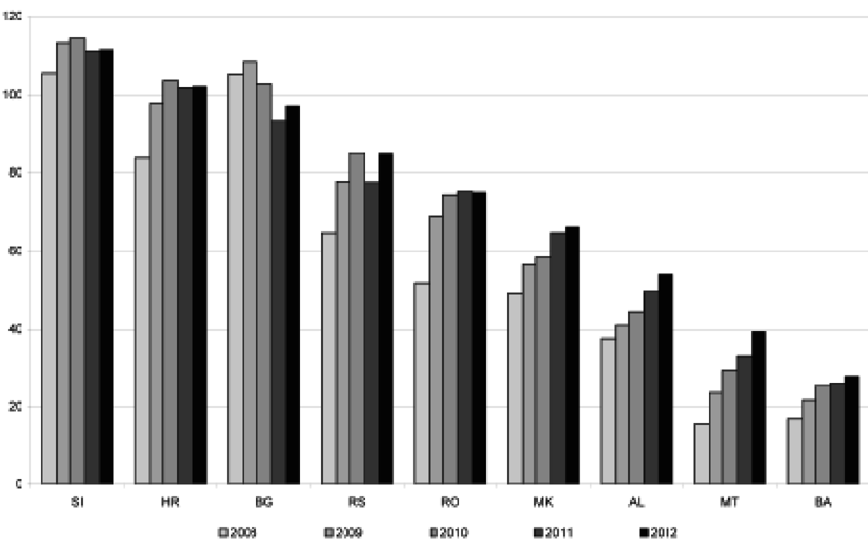
Graph 1. Public debt in SEE countries (% of GDP)



Plotted by authors on the basis of WIIW data. (Current Analyses and Forecasts. № 11, March 2013).

Graph 2. Gross external debt in SEE countries (% of GDP)



Plotted by authors on the basis of WIIW data. (Current Analyses and Forecasts. № 11, March 2013). For Montenegro: gross external public debt (% to GDP).

Table 1. The indebtedness of SEE countries to IMF (in mln SDR)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Outstanding purchases and loans (total indebtedness to IMF)*
Serbia	117	100	200	200	162	125	63	0	0	1021	300	47	0	0	1105
			650 / 650									935 / 0			
		200 / 200								2619 / **1368**					
BiH	27	14	32	24	12	0	0	0	0	183	156	0	101	0	394
	94 / 94		68 / 68							1015 / **338**			338 / **101**		
Macedonia	1	0	0	12	8	11	0	0	0	0	0	197	0	0	197
	24 / 1			20 / 20		52 / 11						413 / **197**			
Croatia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		200 / 0		106 / 0		99 / 0									
Albania	14	9	4	8	8	8	2	2	2	2	0	0	0	0	21
	45 / 45		28 / **28**				8 / **8**								
Bulgaria	209	105	84	104	52	0	0	0	0	0	0	0	0	0	0
	628 / 628				100 / 0										
			240 / 240												
Romania	87	52	83	165	0	0	0	0	0	6088	3712	769	0	0	8716
		300 / 300			250 / 0							3091 / 0			
	400 / 140									11443 / **10569**					

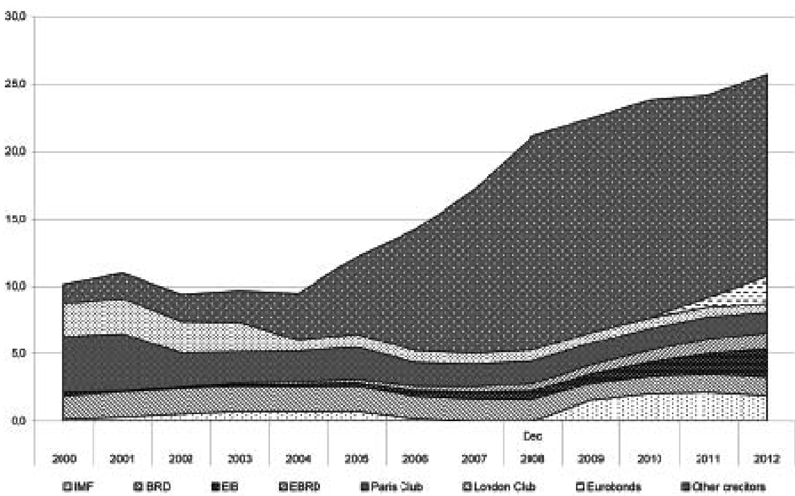
Tabulated by authors on the basis of IMF data. * As of February 2013
Yearly transactions with the Fund are shown in the table cells. In the lower part of the cells total amount of financial arrangements are shown (2619 / 1368 = amount agreed by IMF / amount drawn by country). Bold type is used for the arrangement that form current indebtedness; an amount of outstanding purchases and loans is shown in the rightmost column. Dark colour of table cell indicates a year of debt repayments to IMF.

Table 2. Serbia: stock of external public debt by creditors (mln EUR) (preliminary data as of January 31, 2013)

	Public sector		
	NBS	Government and gov. organizations	Other institutions
IMF	1352,4	440,5	–
Paris Club	–	1454,2	–
London Club	–	633,5	–
IBRD	–	1455,9	–
IDA	–	523,5	–
EIB	–	1334,1	95,8
EBRD	–	373,9	142,1
Eurobonds	–	2024,6	–
Other creditors	55,6	2025,5	0,7
Total	1408,0	10265,7	238,6

Tabulated by authors on the basis of NBS data

Graph 3. Serbia: external debt by creditor (billion EUR)



Plotted by authors on the basis of NBS data.