

**REPORT ON QUALITY FOR 2019. YEAR**

**The report on General Government Debt**

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# **1. Introduction - Basic information about research**

## **1.1 Purpose , goal and subject of research**

The research has the objective to carry out an analysis of general government debt with the aspect of its increase or decrease in the absolute amount, as well as relative to the GDP. In addition to the above, a report on the general government debt gives an overview of the public debt by creditors and the type of debt, as well as the information about the structure of debt in terms of currency structure, and the structure of interest rates. Also, the general government debt report provides an overview and analysis of domestic and foreign debt of local governments. In addition to the above, a report on public debt contains an overview of state guarantees issued to domestic and foreign creditors, along with state debt at the basis of issued guarantees.

The subject of research is the overall general government debt, which is composed of foreign, domestic debt and the debt of local self-government, ie .refers to the level of the general state. In addition to the above, the subject of the research are government guarantees issued to domestic and foreign creditors.

## **1.2 Legal basis**

Law on official statistics and system of official statistics (Official Gazette of Montenegro, No. 18/12) defines the provisions for the collection, processing and dissemination of data. At the same time, the Law on budget and fiscal responsibility (Official Gazette of Montenegro, no. 20/14, 56/14, 70/14, 04/18, 55/18 and 66/19) defines the provisions that are related to keeping records and reporting on public debt.

## **1.3 Statistical units**

Statistical units are the Central Bank of Montenegro, the International Monetary Fund - IMF, the World Bank, credit rating agencies and other international and financial institutions , as well as the entire Montenegrin public .

## **1.4 Coverage and scope of research**

### **1.4.1 Sectors**

Covered by the general level of the country, which is composed of a central government of state and local government level. The central government level comprises state bodies, bodies of states administration (ministries and authorities Administration ), as well as the legal persons and commercial companies that mainly provide services of public interest and which are mainly under the management control of the state. Local level of the government are the authorities of the municipality, legal persons and corporate society, which mainly provide services of local interest and which are mainly under the management control of the municipalities.

### **1.4.2 Statistical population**

Statistical population are spending units at the general government level.

## **1.5 Geographical reference area**

Montenegro.

## **1.6 Concepts and definitions**

According to the Law on budget and fiscal responsibility, general government debt is the debt of the general level of the government.

The general level of the government consists of the central and local level of the government.

The central level of the government are state authorities and authorities of state administration, legal entities and companies, which mainly provide services of public interest, which are mainly under the management control of the state. Local level of the government are as the authorities of the municipality, legal entities and companies, which mainly provide services of local interest and which are under the management control of the largest part financed by foreign municipalities.

The general government debt is the debt of the general level of the government. It consists of foreign and domestic debt of central government level, as well as from the debt of local self-governments. Foreign debt consists of debt to foreign creditors in the form of loans and Eurobonds, while domestic debt includes instruments such as old foreign currency savings, liabilities based on restitution, loans from commercial banks, arrears of pensions, treasury bills, Labor Fund bonds, domestic bonds, as well as the debt of legal entities and companies. The debt of local governments represents a consolidated debt of local self-government, which is composed of domestic and external debt local governments.

State guarantees are guarantees issued by Government to foreign and domestic creditors in order to securing repayment obligations under the loan contracts or securities.

The research, ie.reporting on public debt in addition to the central government debt and local government debt provides an overview of issued state guarantees to domestic and foreign creditors, as well as the state of debt based on issued guarantees.

## **1.7 Classifications**

The classification applied in this statistical survey is the economic classification, in accordance with the Regulations on the unique classification of accounts for the budget of Montenegro and budgets of municipalities ("Official Gazette of Montenegro", number 72/16). Economic classification contains class, category, group, synthetics, analytics and sub analytics.

## **1.8 Data collection frequency**

Data are collecting up to 60 days after the end of the fiscal year.

## **1.9 Dynamics of data publishing**

Annually.

## **1.10 Methodology**

This statistical survey is conducting in accordance with the Law on Budget and Fiscal Responsibility, as well as the Law on Official Statistics and the System of Official Statistics. Data are collecting through administrative sources.

### **1.11 Base period**

The base period is the previous year.

### **1.12 Unit of measure**

Data are published in millions of euros and in % of GDP.

### **1.13 Data source**

The main source of data for this statistical survey is the SAP system in the Ministry of Finance, as well as the internal records of the State Treasury Directorate.

## **2. Relevance - Data users**

### **2.1 User needs**

#### International users:

- International Monetary Fund
- World Bank
- European Commission
- Credit rating agencies

#### National users :

- Ministry of Finance, other ministries and other bodies of public administration;
- Central Bank of Montenegro
- Montenegrin public

### **2.2 Satisfaction of users**

Not available.

## **3. Accuracy and reliability**

### **3.1 Accuracy - General assessment**

Government debt data are obtained by the reporting method and are subject to the usual types of processing errors.

### **3.2 Sampling error**

Not relevant.

#### *Sampling error indicators*

Not relevant.

### **3.3 Non-sampling error**

Not relevant.

#### ***3.3.1 Coverage error***

Not relevant.

*The error indicator includes*

Not relevant.

#### ***3.3.2 Measurement error***

Not relevant.

*Unresponsive unit rate*

Not relevant.

### **3.4 Seasonal adjustments**

Not relevant.

### **3.5 Data revision**

#### ***3.5.1 Privacy audit data***

Statistics Administration has adopted a policy audit , and the same is available at the web site: <http://www.monstat.org/cg/page.php?id=1493&pageid=1493>

In accordance with the calendar of publishing data on GDP, which are published in March of the current year for the previous year as preliminary, and in September of the current year for the previous year as final, the public debt report will be revised.

#### ***3.5.2 Data audit practice***

Not relevant.

#### ***3.5.3 Average data revision size***

Not available.

## **4. Timeliness and accuracy of data publication**

### **4.1 Timeliness**

Data are published in accordance with the Annual Plan of Statistical Surveys and the Calendar of Publication of Statistical Data. The deadline for publishing data is defined by the Law on Budget and Fiscal Responsibility, which is 90 days after the end of the fiscal year, and the moment to which the data refer is the fiscal year.

*Time gap of publication of preliminary data*

Not available.

*Time gap of final data release*

Not available.

### **4.2 Accuracy of data publication**

The actual announcement is mostly in line with the plan.

## **5. Availability and clarity**

### **5.1 Announcements**

The statement on the General Government Debt of Montenegro can be found at the following link: <http://www.mif.gov.me/rubrike/drzavni-dug/>

### **5.2 Publications**

The Ministry of Finance publishes the publication at the following link: <http://www.mif.gov.me/rubrike/drzavni-dug/>

### **5.3 Availability of microdata**

Microdata are available from the report itself.

## **6. Comparability**

### **6.1 Spatial comparability**

The data are partially comparable with the data of other countries.

### **6.2 Time comparability**

Data are fully comparable