



Narodna Banka Srbije / The National Bank of Serbia

# Dobra makroekonomska stabilnost Srbije

## Serbia's Macroeconomic Stability Good

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Monetarna kretanja u Srbiji neprekidno su pod uticajem geopolitičkih šokova i domaćih političkih događanja. Ipak, devizni kurs nacionalne monete dinara nije izmakao kontroli zahvaljujući politici plivajućeg kursa i efikasnoj monetarnoj politici, a kretanje kursa je stabilizovano. Istovremeno, bankarski sektor Srbije nije imao posledice turbulencije finansijskog tržišta u svetu, nastale zbog kraha hipotekranog kreditiranja u SAD, jer on ne funkcioniše po modelu odobri kredit, pa ga preprodaj, već se kredit zadržava u bilansu banke do dospeća.

Prošlogodišnja suša, međutim, uzima svoj danak i na monetarnom terenu. Rast inflacije u Srbiji u velikoj meri je rezultat i povećanja cena poljoprivrednih proizvoda. Istovremeno, ravnotežni uticaj dolazi od deviznog priliva u zemlju, bilo da je reč o kreditima ili stranim direktnim investicijama, pošto investitori razmišljaju na dugi rok prilikom odlučivanja da ulažu u Srbiju.

Ipak, najveći zadatak u Srbiji je da se povрати dobar kreditni rejting koji je imala na početku prošle godine i sve što on sa sobom nosi, a pre svega novi investicioni entuzijazam.

**Kakva je makroekonomska stabilnost i kakve su perspektive?**

Bankarski sektor u Srbiji najbolje kapitalizovan u celom okruženju. – Ni jedan strani investitor se nikada nije povukao iz Srbije. – Sopstvena valuta dinar - i šansa i slika poslovanja države. – Monetarna stabilnost u Srbiji nije ugrožena

Banking sector in Serbia best capitalized in the entire region. – No foreign investor has ever withdrawn from Serbia. – The national currency, the dinar – a chance and a picture of how the state does business. – Monetary stability in Serbia is not jeopardized.

Monetary trends in Serbia are constantly under the influence of geopolitical shocks and domestic political events. Nevertheless, the exchange rate of the national currency, the dinar, has not escaped control owing to the floating exchange rate policy and an efficient monetary policy, while exchange rate trends have been stabilized.

At the same time, the banking sector in Serbia has not been affected by the turbulences on the world financial market, resulting from the US housing market crash. This is so because this banking sector does not function according to the model – grant a credit, then re-sell it, but rather the credit is retained within the bank's balance sheet total until maturity.

Last year's drought, however, is taking its toll in the monetary sphere as well. The growth of inflation in Serbia is largely also the result of the increased prices of agricultural products. At the same time, a counterbalance is coming from the country's foreign currency inflow, be it issue credits or foreign direct investments, since investors think on a long-term basis when deciding to invest in Serbia.

Nevertheless, Serbia's most important task is to restore the good credit rating it had at the beginning of last year and everything that goes with it, primarily new investing enthusiasm.

**What is the macroeconomic stability like and what are the prospects?**

– Considering the challenges from abroad and within the country, Serbia is doing well in maintaining macroeconomic stability. A result of the challenges from abroad is primarily a considerable increase in margins and more difficult borrowing than a few months ago. If to this we add the internal challenges, primarily concerning the new elections and the significant growth of the prices of agricultural products, one simply cannot help drawing the conclusion that macroeconomic stability is being maintained well and is resisting all the challenges.

– Uzimajući u obzira sa kakvim izazovima iz inostranstva i iz zemlje se sučeljava, Srbija se dobro drži što se tiče održavanja makroekonomske stabilnosti. Izazovi koji dolaze iz inostranstva pre svega imaju kao rezultat značajno povećanje marži i otežano zaduživanje u odnosu na period od pre nekoliko meseci. Ako tome pridodamo i unutrašnje izazove, pre svega sa stanovišta ponovnih izbora i značajnog povećanja cene poljoprivrednih proizvoda, onda se jednostavno nameće zaključak da se makroekonomska stabilnost dobro održava i odoleva ovim izazovima.

Sve u svemu, između ovih eksternih i internih okolnosti, Srbija se zaista dobro drži.

**Da li će Srbija nastaviti sa reformama i zbog čega je to važno?**

– Srbija će sigurno nastaviti sa reformama, koje su i te kako važne uzimajući u obzir da je zemlji potrebna finansijska podrška iz inostranstva, ne samo da bi se podržao privredni razvoj, već i da bi se finansirao tekući platni deficit, koji je i nadalje između 16 i 17 odsto bruto domaćeg proizvoda, koliko je bio i prošle godine.

**Kakva je vaša poruka stranim investitorima sa stanovišta Narodne banke Srbije i razvoja u budućnosti?**

– Kao u svim evropskim zemljama u okruženju, uključujući Evropsku centralnu banku, Narodna banka Srbije je po zakonu odgovorna za stabilnost cena. Maja prošle godine zacrtali smo cilj da bazna inflacija u 2008. bude između tri i šest odsto. Taj cilj ostaje, nezavisno i od vlade i od toga kakva je ekonomska politika. Svako treba da zna da u Srbiji postoji nezavisna Centralna banka, koja je svesna svog zadatka i izazova a spremna da preduzme sve potrebne mere da se održi monetarna i stabilnost cena u zemlji.

**Koji je najbolji pokazatelj poslovanja stranih investitora u Srbiji?**

– Za mene je najbolji pokazatelj odgovor na pitanje da li je neko od stranih investitora ko je došao u Srbiju, odlučio da proda svoj udeo. Nije mi poznato da je bilo ko od stranih investitora to uradio. Očito je da su sva strana preduzeća koja su ušla u Srbiju zadovoljna svojim investicijama, što je za nas jako važna stvar. Sasvim je normalno da u prvoj fazi posle preuzimanja ili kupovine neki investitor u prelaznom periodu ima povećane troškove. Isto tako, ocena poslovnih namera investitora mora da se posmatra i kroz činjenicu da novac dolazi u Srbiju i da je finansiranje obezbeđeno. Naravno, to ne treba da nas zavarava, ali dovoljno govori o tome kakvo je poslovno raspoloženje prema Srbiji i kakva su očekivanja.

**Kakav je kreditni rejting Srbije i kako može da se poboljša?**

– Srbija sada ima jedan od najnižih kreditnih rejtinga u regionu iz političkih razloga. Početkom prošle godine imala je kreditni rejting BB- (BeBe minus) za dugoročne obaveze i B (Be) za kratkoročne obaveze, pri čemu je u međuvremenu Kreditni odbor Agencije za utvrđivanje kreditnog rejtinga Standard and Poors iz Londona pogoršao njegov izgled, vezano za perspektivu budućeg rejtinga. Ubeđen sam da u jednom kratkom vremenskom periodu kreditni rejting zemlje može da se poboljša. Posle rešavanja političkih uslova, ključno pitanje za poboljšanje rejtinga biće nastavak ekonomskih reformi, koji podrazumeva i novi aranžman sa MMF.

All in all, in the face of these external and internal circumstances, Serbia is truly coping well.

**Will Serbia continue with the reforms and why is this important?**

– Serbia will quite certainly continue with the reforms, which are extremely important in view of the fact that the country needs financial support from abroad, not only in order to support economic development, but also for the purpose of financing the current balance-of-payments deficit, which is still between 16 and 17 percent of the gross domestic product, as it was last year as well.

**What is your message to foreign investors from the standpoint of the National Bank of Serbia and development in the future?**

– As is the case in all European countries in the region, including at the European Central Bank, the National Bank of Serbia is responsible, under the law, for price stability. In May last year, the goal we set was for core inflation in 2008 to be between three and six percent. This goal remains, irrespective of the government and of what the economic policy is like. Everyone should know that Serbia truly does have an independent central bank, one that is aware of its task and challenges and is ready to take all the necessary measures to preserve monetary and price stability in the country.

**What is the best indicator of the business operations of foreign investors in Serbia?**

– For me, the best indicator is the answer to the question as to whether any of the foreign investors who have come to Serbia have decided to sell their stakes. I do not know of any foreign investor who has done so. All the foreign companies that have entered Serbia are satisfied with their investments, which is very important for us. It is quite normal for an investor to have larger expenses in the first phase after a takeover or purchase in the transitional period. Furthermore, any assessment of the business intentions of investors must also be observed through the fact that money is coming to Serbia and that financing has been ensured. Of course, we should not be deceived by this, but it does say a lot about the business attitude to Serbia and what the expectations are.

**What is Serbia's credit rating and how can it be improved?**

– Serbia now has one of the lowest credit ratings in the region, for political reasons. At the beginning of last year it had the BB- long-term credit rating and the B short-term credit rating, but in the meantime the Credit Board of the Standard & Poors credit rating agency in London downgraded its outlook, in connection with the prospects of the future rating. I am convinced that the country's credit rating can improve within a short period of time. Once the political conditions are settled, the key issue for improving the rating will be the continuation of economic reforms, which also implies a new arrangement with the IMF.

**How did banks contribute to the growth of economic activity last year?**

– Last year, banks granted directly from abroad more cross-border credits than was granted by the banking sector within Serbia. This additionally contributed not only to the citizens' standard, but also to economic activity. Thanks



### Adekvatnost kapitala

U Srbiji su banke dužne da pokazatelj adekvatnosti kapitala ne bude manji o 12% u odnosu na rizikom ponderisanu aktivu. Na kraju četvrtog kvartala 2007. godine prosečna vrednost pokazatelja adekvatnosti kapitala je iznosila 27,9%.

#### Kako su banke doprinele rastu privredne aktivnosti u prošloj godini?

- Banke su tokom prošle godine direktno iz inostranstva odobrile više cross-border kredita, nego što je odobreno od strane bankarskog sektora unutar Srbije. To je dodatni doprinos ne samo standardu građana, nego i privrednoj aktivnosti. Zahvaljujući tome, prošle godine smo imali privredni rast između sedam i osam odsto, a ove godine se očekuje nastavak tog trenda, iako na nešto nižem nivou od oko šest odsto. U svakom slučaju, sve dotle dok postoji određeni priliv sredstava iz inostranstva, kroz zaduživanje ili strane direktne investicije, može se očekivati da će se privredni rast nastaviti.

Narodna banka u međuvremenu pokušava da preduzme mere kako bi veći deo novca koji dolazi u zemlju putem zaduživanja u inostranstvu, išao u investicije, a manji deo u potrošnju.

#### Kakva je adekvatnost kapitala banaka u Srbiji?

- Bankarski sektor u Srbiji je jedan od najbolje kapital-ozivnih bankarskih sektora u celom okruženju. Uzimajući u obzir šta se dešava na svetskom finansijskom tržištu poslednjih meseci, pokazalo se da su visoki zahtevi oko adekvatnosti kapitala bili dalekovidni. Sada ne vidimo potrebu da preduzmemo dodatne mere u vezi sa tim, zbog svega onoga što se dešava van Srbije, jer je nivo adekvatnosti kapitala banaka dovoljno visok da se banakrski sektor Srbije sučeli i sa tim izazovima koji sada postoje na finansijskoj sceni sveta.

#### Kako ocenjujete poslovanje banaka tokom 2007. godine?

- Banke su tokom 2007. godine zaradile 24 milijarde dinara. Ta dobit nekome može da izgleda velika, ali ona predstavlja svega osam odsto prinosa na kapital bankarskog sektora. Kapital banaka dostigao je 328 milijardi dinara, u odnosu na kraj 2006. godine uvećan je za 51,8 %, a u toku poslednjeg kvartala 2007. godine za 13,4 %, ali ne znači da je to kraj. Bankarski sektor očekuje da 2008. i iduća godina budu još profitabilnije. U razvijenim zemljama prinos na kapital je iznad 20 procenata, kao i u drugim zemljama u okruženju i narednih godina banke u Srbiji će nastojati da se unovči njihova investicija i to je dobro, jer one ipak odslkavaju privredna kretanja u zemlji.

#### Da li se bankarski sektor u Srbiji proširuje?

- Broj banaka u Srbiji se smanjuje, ali se to dešava zbog pripajanja i preuzimanja banaka. Neke banke su povećavale svoj udeo na bankarskom tržištu pripajanjem i kupovinom drugih banaka. Isto tako, nedavno smo dali grinfield licencu za jednu banku iz Rusije.

Mi ostajemo i dalje otvoreni za grinfield licencu u bankarskom sektoru. Prvi uslov je da banka koja želi ovakvu licencu ima takozvani investicioni rejting, odgovarajuće iskustvo, znanje iz sfere bankarstva u regionu i da postoji duže vreme.

#### Kako vidite dalji razvoj bankarskog sektora u Srbiji?

- Veliki i brzi razvoj u bankarskom sektoru do sada je postignut u oblasti kartičarstva i hipotekarnih kredita, a

### Capital adequacy

In compliance with regulations, banks are required to maintain their capital adequacy ratio at a level of not less than 12% of risk-weighted assets. Average capital adequacy ratio for the banking system came to 27.9%.

to this, last year we had an economic growth of between seven and eight percent, and a continuation of this trend is expected this year, albeit at a somewhat lower level of around six percent. In any case, as long as there is a certain inflow of funds from abroad, through borrowing or foreign direct investments, one can expect a continuation of economic growth. In the meantime, the National Bank is trying to take measures in order for a larger part of the money entering the country through borrowings abroad to go into investments, and a smaller part into consumption.

#### What is the capital adequacy of the banks in Serbia?

- The banking sector in Serbia is one of the best capitalized banking sectors in the entire region. In view of what has been happening on the world financial market over the previous months, the high requests regarding capital adequacy proved to be far-sighted. We now see no need to take any additional measures in this regard, because of everything that is happening outside Serbia, since the level of the banks' capital adequacy is sufficiently high for Serbia's banking sector to confront the challenges now present on the world financial scene.

#### How do you assess the business performance of banks in 2007?

- In 2007, banks earned 24 billion dinars. This may seem to some as a large profit, but it represents only eight percent of the yields on the banking sector's capital. The capital of banks reached 328 billion dinars, it increased by 51.8% compared to the end of 2006, and in the last quarter of 2007 by 13.4%, but it does not end here. The banking sector expects the year 2008 and the following year to be even more profitable. In developed countries the yield on capital is above 20 percent, as it is in other countries of the region and in the coming years banks in Serbia will endeavor to cash their investments, which is good, because, after all, they reflect the economic trends in the country.

#### Is the banking sector in Serbia expanding?

- The number of banks in Serbia is being reduced, but this is because of bank mergers and takeovers. Certain banks have increased their share on the banking market through the integration and purchase of other banks. Also, we recently granted a greenfield license to a bank from Russia.

We remain open for greenfield licenses in the banking sector. The first condition is for a bank that wants such a license to have a so-called investment rating, adequate experience, knowledge in the sphere of banking in the region and that it has been in existence for a longer period of time.

#### How do you see the further development of the banking sector in Serbia?

- Large and speedy development in the banking sector has so far been achieved in the sphere of debit and credit card operations and mortgage loans, and all the credits to physical persons experienced a real boom over the past two years. I am certain that much more can be done. Transparency of

svi krediti fizičkim licima doživeli su pravi bum u poslednje dve godine. Siguran sam da može još mnogo što šta da se uradi. Transparentnost bankarskih uluga i smanjenje provizije značajno bi doprinelo povećanju obima transakcija. I provizije na platni promet moraju da se smanje.

#### Da li dinar kao nacionalna moneta treba da ima veću ulogu u bankarskim poslovima?

- Banke treba da rade što više u dinarima i da odobravaju što više kredita u dinarima. Smatramo da je nesavesno i neodgovorno da se većina transakcija obračunava u evrima, jer se povećava rizik i građana i poslovnih banaka. Nije dobro da jedan veliki deo bilansne sume bude izložen deviznom riziku i to pre svega u jednoj zemlji koja nije slična ni jednoj drugoj u okruženju, zemlji koja ima tradiciju nacionalne valute i koja zaista ima plivajući kurs. Kada bi se transakcije obračunavale u dinarima, postigli bismo i to da građani svako jutro, kada ustanu, prvo pogledaju kakvo je vreme i šta se dešava, a ne koji je kurs.

Obračun zaduženja u evrima sigurno povećava pritisak na devizni kurs dinara na domaćem deviznom tržištu. S druge strane, nije poznato da su neke zemlje koje su uvele tuđu valutu preko noći rešile ceo problem inflacije. Da to tako funkcioniše, onda bi se verovatno ceo svet finansirao ne samo u japanskim jenima, već bi prešao na islamsko bankarstvo, gde je eksplicitno zabranjeno uzimanje ikakve kamate.

[www.nbs.yu](http://www.nbs.yu)

## Bogata istorija NBS

### Rich NBS History

Biblioteka Narodne banke Srbije je osnovana 1928. godine. Istorija Narodne banke ispunjena je ekonomsko-finansijskim radom, koji je uticao i na koji su uticale društveno-političke promene i različita širina delovanja - Kraljevina Srbija, Kraljevina Jugoslavija, period nemačke okupacije, SFRJ, SRJ, SCG, Republika Srbija - čime se ona uključuje u red istorijski najzanimljivijih emisionih i centralnih banaka Evrope.



Zgrada Narodne banke Srbije iz 19. veka – palata u Kralja Petra 12

NBS building from the 19th century - palace in Kralja Petra st. no. 12

banking services and a reduction of fees would considerably contribute to an increase in the volume of transactions. The fees on payment operations must also be reduced.

#### Should the dinar as the national currency have a larger role in banking jobs?

- Banks should operate with dinars as much as possible and grant as many credits in dinars as possible. We consider unconscientious and irresponsible the fact that most of the transactions are calculated in euros, because this increases the risk for both the citizens and commercial banks. It is not good for a large part of the balance sheet total to be exposed to a hard currency risk and this primarily in a country that is not similar to any other country in the region, one with the tradition of having its national currency and which truly does have a floating exchange rate. If transactions were to be calculated in dinars, when the citizens wake up every morning, they would first take a look at what the weather is like and what is happening, and not at the exchange rate.

The calculation of debts in euros quite certainly increases the pressure on the dinar's exchange rate on the domestic foreign currency market. On the other hand, there is no evidence that any country that has introduced a foreign currency has resolved its entire inflation problem overnight. If this was how things functioned it would not be only Japanese yens that the whole world would probably be financed in, but it would rather transfer to Islamic banking, where the charging of any interest is explicitly banned.



Nova zgrada NBS locirana je na Slaviji  
The new NBS building is located at Slavija square

The Library was established in 1928. Throughout its rich history of economic and financial activities, the National Bank influenced and was influenced by social and political changes. Its scope of activity also changed quite frequently - Kingdom of Serbia, Kingdom of Yugoslavia, German occupation, SFRY, FRY, SCG, Republic of Serbia - making the National Bank of Serbia one of the most historically interesting issuing central banks of Europe.