

CENTRALNA BANKA  
BOSNE I HERCEGOVINE



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# INFO CBBH



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## THE CBBH STATISTICS INCLUDED IN THE EU TWINNING PROJECT OF SUPPORT TO THE REFORM OF THE STATISTICAL SECTOR IN BH

On February 16, 2018, the EU Twinning Project in BH entitled „Support to the reform of the statistical sector in Bosnia and Herzegovina“ has been officially opened in Sarajevo, which, with the state and entity Statistics Agencies, includes also the Central Bank of Bosnia and Herzegovina (CBBH).

The Head of the Delegation of the EU to BH and the EU Special Representative, Ambassador Lars-Gunnar Wigemark said that statistics is very important for each country that wants to become an EU member, because reliable statistics and data are of crucial importance for determining the kinds of reforms that will be implemented. Wigemark expressed his pleasure that the EU has the opportunity to support again the state and entities Statistical Agencies which are playing important role in collecting and processing data for the whole of BH.

As he said, within this twinning project, Denmark, which is an EU member, will share with BH its national experience, as well as the experience of working within the European framework of work with EUROSTAT, which will contribute to the enhancement of the capacities of the BiH statistical bureaus and agencies.

The Head of the Delegation of the EU believes that the statistical data are also important in the context of the recently presented EU Strategy for the Western Balkans.

„It is important to have reliable indicators which will enable long-term planning of some future measures, and what the Strategy carries with it is, in fact, planning“, he said.

The CBBH is very focused on the compilation of good quality and timely statistics in accordance with the EU and other international standards, being one of the strategic objectives of the CBBH in order to ensure reliable, high quality, comprehensible, timely and internationally comparable statistical data for the needs of the CBBH and all domestic and foreign users.

In these efforts, the technical assistance from the European Union is a key support, and in many previous instances it helped the CBBH to make the process of the introducing of new statistics easier.

Opening of the project, on behalf of the CBBH, was attended by the Vice Governor Ernadina Bajrović, M.A., who on this occasion pointed out that the CBBH, the same as any central bank, is very interested in improving the quality, reliability, coverage and timeliness of statistics.

„On one hand, we have strong needs as a user of macroeconomic statistics, which represent irreplaceable inputs for analysis and monitoring of economic impacts, and timely formulation of economic policies and plans. Without reliable statistics, it is impossible to manage economy or present and explain certain economic measures to the public. On the other hand, our institution is the official producer of statistics in BH and compiles a wide range of statistics and indicators, made available to the domestic public, while at the same time fulfilling international obligations in terms of the presentation of economic indicators. We invest great efforts and resources to improve quality and expand macroeconomic statistics within our jurisdiction. In these endeavors, technical

assistance from the EU is a key support, and in many previous instances, it helped us to shorten the process of introducing new statistics“, pointed out Vice Governor Bajrović.

The Twinning Project will, within the statistics produced by the CBBH, include the balance of payments statistics and the international investment position statistic. This project also introduces a quality report, according to the EU practices, with all the elements on the basis of which users will have an insight into the consistency and coherence of BH balance of payments statistics, and they will be in a position to compare it with other countries. The international investment position statistics will be produced on a quarterly basis, instead of the annual basis as before, and will therefore require additional data sources, a new way of processing and appropriate methodological adjustments.

„We are very pleased that the European Commission recognizes our needs and growing demands, and provides a significant technical and financial assistance to us through various national and multiuser IPA projects. All working bodies and forums between BH and the EU point out the need for statistical information and this Twinning Project gives us support to make the necessary progress. Our partners from Denmark, together with the institutions from other EU countries, whom we can call friends after many years of cooperation, will help us in the next two years to successfully accomplish what is planned“, concluded her presentation Vice Governor Bajrović.

The Director of the BH Agency for Statistics and the Leader of the Twinning Project, Velimir Jukić, reminded that this kind of project is actually the EU help to the countries that are on their ways to become the member countries, in terms of adopting the European standards and bringing the EU acquis closer. He stressed that this project is significant for BH, as it will achieve results in several statistics areas through the realization of the goals of the project, and that the creation of indicators at the regional level is expected in the area of national accounts, which will show the level of development. Among other things, BH statistical business registry will be improved through this project, which is important not only for the economy, but also for institutions and professional public. Given the experience from previous twinning projects in the field of statistics, Jukić expressed the expectation that this project will also give good results and that BH experts will acquire new knowledge through the implementation of the project.

The Director of the Republic of Srpska Institute of Statistics Radmila Čičković also said that this project, as well as the previous ones, will give clear, specific and measurable results, while Director of the Institute of Statistics of the Federation of BH Emir Kremljčić concluded that BH statistics will play an important role in further progress towards the EU.

The project is financed by the EU with EUR 1.5 million from the Instrument for Pre-Accession Assistance - IPA 2015, it will last for two years, and will be implemented through cooperation with experts from the Central Bank of Denmark and statistical institutions of Denmark, Finland, France and Croatia.

## COUNTERFEITED BANKNOTES OF KM 100 DENOMINATION EXAMINED BY THE CASH MANAGEMENT DEPARTMENT



The Cash Management Department of the Head Office of the Central Bank of Bosnia and Herzegovina (HO CBBH) examined the counterfeited banknotes of KM 100 denomination beginning with the serial numbers D37, which appeared in circulation.

The total of 15 pieces of counterfeits of this type were registered in the SEK register – 11 pieces in 2018, and 1 piece per year in 2017, 2016, 2014 and 2013, and it was found that these were poor quality counterfeits. The paper on which the

counterfeits were printed is commercial, the counterfeits were made with an ordinary ink-jet print, the intaglio sign was imitated on the reverse side – impressed signs, OVI form – covered with varnish.

The number of registered counterfeits was not high, and the monitoring of their appearance continued.

## US AMBASSADOR TO BH VISITED THE CBBH

On January 26, 2018, the Ambassador of the United States of America (USA) in Bosnia and Herzegovina, H.E. Maureen E. Cormack visited the Central Bank of Bosnia and Herzegovina (CBBH), where she met with the Governor of the CBBH Senad Softić, Ph.D.

During the meeting, they exchanged the information on the situation in the BH economy and financial sector and on the current and planned activities of the CBBH.

During the visit, the Governor thanked Ambassador Cormack for the great support that the US Government had provided so far in the process of reforming the financial sector in Bosnia and Herzegovina.

„The US Government has made a key contribution to the efficient and rapid reform of the financial sector in BH, especially through the USAID-funded projects. The assistance that we had in the payment system reform, which is considered one of the most successful reforms in Bosnia and Herzegovina, and in the establishment of the Central Credit Registry for citizens and legal entities, as well as other projects, enabled the CBBH to perform better. The successful implementation of these projects has also given commercial banks the opportunity to introduce new services, thanks to which BH citizens have financial services at the level of developed western economies available“, Governor Softić said, pointing out that these are just some examples of the successful cooperation of the CBBH with the US Government, and stressed his belief that it will continue in the future.

During the discussion, Governor Softić presented to Ambassador Cormack the latest macroeconomic indicators for BH and commented on the situation in the banking sector, where he pointed out that 2017 was marked with the strengthening of the sector stability through the continuous process of consolidation and the adoption of new legislation

regulating the sector. The new legislation represents modernization and harmonization of domestic regulations with EU regulations, which should contribute further to strengthening the stability of the banking sector.

„The CBBH has taken significant obligations regarding the European integration of BH, and successfully completed its part of the job related to the questionnaire of the European Union, in which the CBBH has a significant role. We are aware that this is only the first step on the long road to the full membership of BH in the EU and the CBBH joining the European System of Central Banks (ESCB). This path will require a significant improvement in competencies, which we will continue to work on“, said Governor Softić.

Ambassador Cormack emphasized the importance of the CBBH in the financial sector and supported its current and future activities.





## THE FUNDS OF THE SECOND TRANCHE BASED ON THE EXTENDED FUND FACILITY TRANSFERRED TO THE ACCOUNT OF THE CBBH

On February 14, 2018, the second tranche under the Extended Fund Facility (EFF) with the International Monetary Fund (IMF) was transferred to the account of the Central Bank of Bosnia and Herzegovina (CBBH).

These were funds in the amount of KM 145,828,711.65 (equivalent to SDR 63,412,500).

After increasing the above amount by the amount of the reimbursement of the IMF's commitment fee and reducing it by the IMF service charges, the total amount for the allocation of funds is KM 145,822,158.02.

The distribution has been performed according to the usual ratio: 1/3 for the account of the Ministry of Finance of the Republic of Srpska, i.e. KM 48,607,386.00 and 2/3 for the account of the Federal Ministry of Finance, i.e. KM 97,214,772.02.

The total amount of the overall Extended Fund Facility for BH is SDR 443.04 million.



## MOODY'S AFFIRMED THE CREDIT RATING OF BOSNIA AND HERZEGOVINA

International agency for the assessment of sovereign credit rating, Moody's Investors Service affirmed the credit rating of Bosnia and Herzegovina, as „B3 with the Stable Outlook“.

In support to the affirmed credit rating, the analysts of the Moody's have emphasized resilient economic growth of Bosnia and Herzegovina, although structural challenges, including high unemployment, have had negative effects on the economic strength. Analysts said that Bosnia and Herzegovina has been moderately indebted country with relatively low interests, and that this has contributed to its fiscal strength.

Analysts comment the ongoing political volatility as the one not contributing to the effectiveness of the policies' formation and implementation, and in particular that it has affected the implementation of the agreed reform programme.

The Stable Outlook is based on the expectation that Bosnia and Herzegovina will continue to meet the conditions for the favourable external financing, especially the one by the International Monetary Fund (IMF), which would provide the needed financial and technical assistance for the gradual implementation of the Reform Agenda. Moody's rating agency also expects that the authorities will continue the progress on the path to EU accession, especially with regards to the recently announced European Commission Strategy for the Western Balkans countries.



## CBBH REPRESENTATIVES AT THE WORKSHOP IN THE EMBASSY OF SWITZERLAND IN BOSNIA AND HERZEGOVINA



On February 23, 2018, the Embassy of Switzerland in Bosnia and Herzegovina organized a workshop for PR officers and project leaders from the partner organisations in BiH, financed by the Swiss Government agencies - SDC, SECO and SEM. The workshop was also attended by the representatives of the Central Bank of Bosnia and Herzegovina (CBBH), those being the officers of the European Integrations Department and Public Relations Section.

The Ambassador of Switzerland in Bosnia and Herzegovina,

Andrea Rauber Saxer, welcomed the participants of the workshop, the subject of which was the practical usage of the Swiss Embassy's communication and visibility guidelines 2017-2020 and their implications on the Swiss partners in BiH.

Within the mentioned topic, PR officers and project leaders were discussing with representatives of the Swiss Embassy in BH the main communication tools of the Swiss Embassy in BH – synergies with partners, communication and visual identity guidelines 2017-2020 and their implications for partners, partners' key communication opportunities- presentations and discussion and identification of the success stories.

For representatives of the CBBH, the exchange of experiences and information was valuable, since the CBBH, through its partner organizations, is included in the projects of the Swiss Government.

## THE CBBH REPRESENTATIVE APPOINTED TO THE WORK GROUP FOR PREPARING THE STRATEGY FOR COOPERATION WITH DIASPORA

The Governor of the Central Bank of Bosnia and Herzegovina (CBBH) has appointed Feriha Imamović, Economic Researcher – Expert at the Office of the Chief Economist of the CBBH, to the Work Group for preparing the Strategy for cooperation with diaspora.

Namely, at its session held in April 2017, the Council of Ministers of BH passed the Decision on adoption of the Policy on cooperation with diaspora, envisaging the development of a framework strategy for cooperation with diaspora. The Ministry of Human Rights and Refugees of BH is obliged to initiate the implementation of the planned activities as soon as possible.

As a framework document, the Strategy for cooperation with diaspora will be an important step in the process of establishing and regulating relations of Bosnia and Herzegovina with diaspora. The preparation of the framework strategy, which implies the involvement of authorities and institutions at all the levels, should create the necessary conditions for mid-term systematic and quality improvement of cooperation with diaspora.

