

35 GODINA ACI SERBIA

Godišnja sednica 35. Skupštine ACI Serbia održana je na Zlatiboru 19. septembra 2010. godine. Kao i uvek okupila je veliki broj, oko 160 zaposlenih, pre svega iz bankarskog sektora Srbije, najviše onih angažovanih na poslovima trgovanja devizama.

Sednici su kao gosti prisustvovali Bojan Marković, vice guverner Narodne banke Srbije, dr Veroljub Dugalić, generalni sekretar Udruženja banaka Srbije i Gondi Ištván, predsednik ACI Mađarske.

Na ovoj sednici izabrano je novo predsedništvo: Aleksandra Kilibarda, Narodna banka Srbije; Bojan Lečić, Banca Intesa ad Beograd; Mihajlo Kosanović, Komercijalna banka ad Beograd; Filip Jelić, Erste Bank ad Novi Sad; Sonja Miladinovski, Societe Generale ad Beograd; Julije Miladinović, Privredna banka Beograd ad Beograd; Ćira Jovanović, UniCredit ad Beograd; Joko Lola Tomić, Razvojna banka Vojvodine ad Novi Sad; Aleksandar Jaredić, Volksbank ad Beograd; Gordana Ivanović, Marfin Bank ad Beograd; Branko Petrović, Alpha Bank ad Beograd; Petar Ivković, Hypo Banka ad Beograd; Željko Devčić, Eurobank EFG ad Beograd; Vladimir Suvar, Vojvodjanska banka ad Novi Sad NBG i Slobodanka Vrhovac, sekretar ACI-ja, Udruženja banka Srbije. Novi predsednik ACI Serbia je Filip Jelić, izvršni direktor u Erste banci, Novi Sad.

35 YEARS OF ACI SERBIA

The 35th annual Assembly session of ACI Serbia was held at Zlatibor on September 19th 2010. As always, it gathered a large number of participants, about 160 of them, mostly employed in the banking sector of Serbia, with the majority of them engaged in foreign exchange trading operations. The session was also attended by the following guests: Mr Bojan Markovic, Vice-Governor of the National Bank of Serbia, Mr Veroljub Dugalic, PhD, Secretary General of the Association of Serbian Banks, and Mr Gondi Istvan, President of ACI Hungary.

At this session the new Executive Board was elected with the following members: Ms Aleksandra Kilibarda, National Bank of Serbia; Mr Bojan Lecic, Banca Intesa a.d. Beograd; Mr Mihajlo Kosanovic, Komercijalna banka a.d. Beograd; Mr Filip Jelic, Erste Bank a.d. Novi Sad; Ms Sonja Miladinovski, Societe Generale a.d. Beograd; Mr Julije Miladinovic, Privredna banka Beograd a.d. Beograd; Mr Cira Jovanovic, UniCredit a.d. Beograd; Mr Joko Lola Tomic, Development Bank of Vojvodina a.d. Novi Sad; Mr Aleksandar Jaredic, Volksbank a.d. Beograd; Ms Gordana Ivanovic, Marfin Bank a.d. Beograd; Mr Branko Petrovic, Alpha Bank a.d. Beograd, Mr Petar Ivkovic, Hypo Banka a.d. Beograd; Mr Zeljko Devcic, Eurobank EFG a.d. Beograd; Mr Vladimir Suvar, Vojvodjanska banka a.d. Novi Sad NBG, and Ms Slobodanka Vrhovac, ACI Secretary, Association of Serbian Banks. The new

Udruženje banaka - podrška ACI Serbia

Pozdravnu reč imao je dr Veroljub Dugalić, generalni sekretar UBS koji je između ostalog rekao: "Ljudi koji su se kao vi opredelili za ovo polje rada imaju posebno teške zadatke. Uspešno trgovati devizama i u stabilnim monetama i ekonomskim uslovima nije lak posao. Tu je, pre svega potrebna visoka stručnost i dnevno praćenje monetarnih, ekonomskih, socijalnih i političkih zbivanja u svetu, koja mogu imati neposredne posledice po vrednost valuta. Današnja nestabilna međunarodna situacija rad dileru čini još složenijim i iziskuje posebne napore svih učesnika, puno razumevanje i saradnju na eliminisanju postojećih teškoća." Ova konstatacija izrečena je pre ravno 35 godina na osnivačkoj sednici tadašnjeg Jugoslovenskog Forex kluba, preteče današnjeg ACI Serbia, u Beogradu, u hotelu Jugoslavija. Ovaj citat iz govora tadašnjeg viceguvernera Ilije Marjanovića, kao da pripada opisu današnjeg rada dileru i okruženju u kome rade - nestabilnom svetskom finansijskom okruženju.

Dakle, drago mi je da u ime Udruženja banaka Srbije koje je od osnivanja pa do danas pomagalo logistički i finansijski rad ovog strukovnog udruženja, pozdravim sve učesnike skupštine kojom se beleži i mali jubilej - 35 godina rada dileru na ovim prostorima. Isto tako, želim da ACI Serbia i u buduću bude aktivan činilac našeg bankarskog sektora i uspešan obrazovni punkt za sve bankarske radnike koji žele da savladaju tajne ovog zanata i da se upoznaju sa svim savremenim zbivanjima i stručnim zahtevima poput svojih kolega iz inostranstva.

Nadam se da ste lepo proveli vreme u druženju i upoznavanju na ovoj lepoj planini koja je domaćin ACI-a već četvrti put, što dovoljno govori i o ovom turističkom centru Srbije, ali i o samom udruženju koje ume da prepozna prave vrednosti."

Četvorogodišnji rad

Sonja Miladinovska, dosadašnji predsednik, govorila je o radu ACI Serbia u poslednje četiri godine, najaktuelnijim događajima između dve sednice i planovima za budućnost. Ovom prilikom ističemo najznačajnije delove njenog obraćanja na Skupštini ACI-a. Uoči ove Skupštine Predsedništvo ACI-ja je donelo odluke koje se tiču dve veoma dobre inicijative i potpuno su u skladu sa idejama ACI Intl. i ACI Europe, o formiranju posebnih radnih grupa koje će pokrivati određene segmente tržišta. Prva inicijativa je da se u okviru ACI-ja formira Radna grupa za razvoj tržišta dužničkih hartija od vrednosti, u čiji rad bi se uključili i predstavnici, odnosno spoljni savetnici Uprave za javni dug Ministarstva finansija, a kasnije tokom rada ove grupe i drugi eksperti koji bi svojim znanjem i ekspertizom doprineli bržem ostvarivanju zajedničkog cilja. Statut ACI Srbije omogućava formiranje trajnih ili privremenih radnih grupa, kojima predsedavaju članovi ACI-ja. Formirajući ovu Radnu grupu, Predsedništvo ACI-ja je imenovalo Ćiru Jovanovića, izvršnog direktora ACI za predsedavajućeg Radne grupe.

Pored ove inicijative, u poslednjih godinu dana je stigla još jedna inicijativa, da se u okviru ACI-ja formira Radna grupa za razvoj back office operacija na finansijskom tržištu. Ovu problematiku je Predsedništvo razmatralo u nekoliko navrata, budući da



Dr Veroljub Dugalić, generalni sekretar UBS
Veroljub Dugalic, PhD, Secretary General of the ASB

Chairman of ACI Serbia is Mr Filip Jelic, CEO of Erste Banka, Novi Sad.

Association of Serbian Banks - Support to ACI Serbia

In his opening address, Mr Veroljub Dugalic, PhD, Secretary General of the ASB, among other things, said the following: "People like you, who chose this field of work, face particularly challenging tasks. To trade in foreign exchange successfully even in stable currencies and stable economic conditions is not an easy job. First and foremost, it requires high expertise and daily monitoring of monetary, economic, social and political developments worldwide, which may have direct impact on the value of currencies. Today's volatile international environment makes dealers' activities even more complex and requires special efforts on the part of all participants, full understanding and cooperation regarding the eradication of existing difficulties." This statement was uttered 35 years ago at the founding session of the then Yugoslav Forex Club, the precursor of today's ACI Serbia, in Hotel Yugoslavia in Belgrade. This quote from the speech by the then Vice-Governor, Mr Ilija Marjanovic, could easily serve as a description of dealers' operations and their working environment today - the unstable global financial environment.

Therefore, it is my pleasure, on behalf of the Association of Serbian Banks which has provided continuous support from the very beginnings till the present day, both to the logistic and financial activities of this professional association, to welcome all the participants of the Assembly, whereby a small jubilee is marked - 35 years of dealing operations in this region. Also, I wish for ACI Serbia to remain an active factor of our banking sector in the future, too, as well as a successful educational unit for bank employees who wish to master the secrets of this trade and get familiar with all modern developments



Sonja Miladinovska, dosadašnji predsednik
Sonja Miladinovska, the outgoing Chairperson

and professional requirements, much like their colleagues from abroad.

I hope that you had a wonderful time getting to know each other and this beautiful mountain which has hosted an ACI session for the fourth time, which speaks volumes about this tourist centre of Serbia, but also about the Association itself, which recognizes the right values."

Activities in the Past Four Years

Ms Sonja Miladinovska, the outgoing Chairperson, spoke about the activities of ACI Serbia in the past four years, the most significant events in between two sessions and future plans. On this occasion we highlight the most important parts of her address at the ACI Assembly session. On the eve of this session, the ACI Executive Committee passed the decisions concerning two excellent initiatives which are fully in line with the ideas of ACI International and ACI Europe, in respect of the formation of special work groups to cover certain market segments. The first initiative was to form the ACI Work Group for developing debt securities market, which would involve the representatives, or external associates from the Public Debt Administration of Ministry of Finance, and later on during the operation of this group, other experts, too, whose knowledge and expertise would contribute to the faster achievement of the common goal. ACI Serbia's Statute enables the formation of permanent or



tradicionalno ne samo na nacionalnom, već i na regionalnom i internacionalnom nivou postoje podeljena mišljenja da li je asocijacija rezervisana samo za tzv. front office funkcije ili i za ostale profesionalce na finansijskom tržištu, koji rade u tzv. middle i back office-ima. ACI International je s tim u vezi jasan - ACI je zajednička asocijacija svih koji rade na finansijskom tržištu. S tim u vezi, Predsedništvo je odlučilo da se formira Radna grupa za razvoj back office operacija na finansijskom tržištu, kojom će predsedavati Violeta Jakovljević iz Razvojne banke Vojvodina, jedna od prvih naših članova koja je sertifikovala svoje znanje iz back office operacija, putem ACI Operations sertifikata.

Naša glavna preokupacija je bio rad na razvoju sekundarnog tržišta hartija od vrednosti. Usledili su kontakti sa Monetarnim sektorom Narodne banke i prvi sastanak u Upravi za javni dug, na kojem smo usaglasili zajedničko vidjenje organizacije sekundarnog tržišta. Nakon toga došlo je i do formiranja radne grupe za razvoj državnih hartija od vrednosti.

Podsetimo se šta smo za ove četiri godine još uradili:

- Postali smo *relevantni sagovornici* sa Narodnom bankom, sa Ministarstvom finansija, sa Svetskom bankom, sa MMF-om;
- U toku 2008. i 2009. godine smo u koordiniranoj akciji sa NBS pokretali tržišne aktivnosti kada bi se zablokiralo domaće devizno tržište;
- Mlađa postava, od kojih je većina sada na

visokim izvršnim funkcijama u svojim bankama, sastavila je naš prvi *interni dilerski kodeks*;

- Sredinom 2008. godine uz podršku NBS i UBS objavili smo prvi Priručnik o finansijskim derivatima, namenjen korporativnoj klijenteli svih naših banaka;
- Krajem prošle godine pokrenuli smo inicijativu za razvoj sekundarnog tržišta državnih zapisa.

Edukativna funkcija ACI Srbije je skup aktivnosti koji se tradicionalno uspešno

organizuju. Pored održavanja seminara za pripremu ispita za ACI dilerske sertifikate pod mentorstvom gospodina Boba Stajnera, tokom poslednje godine razmatrane su mogućnosti održavanja posebnog ispita za sticanje ACI diplome, takodje uz obuku, ali i preko elektronske aplikacije Finance Trainer-a.

U ovom periodu održane su četiri sednice skupštine: u Novom Sadu, Subotici, Beogradu i na Zlatiboru. Iz prikupljenih sredstava ACI-ja doplaćivani su troškovi edukacije članova i plaćene internacionalne članarine, a tokom prošle godine nije naplaćivana nacionalna članarina.

Strategija dinarizacije u Srbiji

Bojan Marković, viceguverner Narodne banke Srbije prezentirao je Strategiju dinarizacije u Srbiji.

U poređenju sa iskustvom velikog broja drugih zemalja, Srbija je krizu dobro prebrodila. Pad proizvodnje je bio među najnižim u Evropi, inflacija je bila u okviru ciljanog raspona, a rast nezaposlenosti umeren. Bankarski sistem, dobro kapitalizovan, izašao je iz krize neokrnjen i kredibilan.

Međutim, moj cilj danas nije da hvalim uspehe, već da govorim o onome što je moglo biti bolje, kao i o onome na čemu bi ključni akteri na finansijskom tržištu - centralna banka, Vlada i bankarski sektor - trebalo da porade kako bi se povećala otpornost naše privrede i njenog finansijskog sistema na potencijalne buduće šokove.

temporary working groups, to be presided by ACI members. After forming this Work Group, ACI Executive Committee appointed Mr Cira Jovanovic, Executive Director of ACI, as a Chairman of this Work Group.

In addition to this initiative, another one was launched in the last year, namely to form the ACI Work Group for developing back office operations in the financial market. This subject matter was considered by the Executive Committee on several occasions, given that traditionally, not only at the national, but also at the regional and international level, the opinions are divided as to whether the association is reserved only for the so-called front office functions, or also for other financial market professionals, working in the so-called middle and back offices. ACI International has a very clear position on this - ACI is a joint association of all those working in the financial market. In this respect, the Executive Committee decided to form a Work Group for developing back office operations in the financial market, to be chaired by Ms Violeta Jakovljevic from the Development Bank of Vojvodina. She is one of our first members to have certified her knowledge in back office operations by ACI Operations Certificate.

Our main preoccupation has been the development of the secondary market for securities. We have established contacts with the Monetary Department of the National Bank, and had our first meeting with the Public Debt Administration, the discussion at which led to the harmonization of the common views on the secondary market organization. After that, we formed the work group for developing government securities.

Let us recall what else we have achieved in the past four years:

- We have become *relevant counterparties* of the National Bank, Ministry of Finance, World Bank and IMF;
- In 2008 and 2009 in coordinated action with the NBS we launched market activities whenever the domestic FX market was blocked;
- Our junior staff, most of whom are now occupying top executive positions in their banks, prepared our first *internal dealing code*;

- In mid 2008, with the support of the NBS and ASB we published the first Financial Derivatives Guide, targeted at the corporate clients of all our banks;
- Towards the end of last year, we launched the initiative for developing the secondary market of T-bills.

Educational function of ACI Serbia consists of a number of activities that are traditionally organized in a successful manner. In addition to holding seminars for ACI dealing certificates exam preparation, under the mentorship of Mr Bob Steiner, in the last year we also considered the possibility of organizing a separate exam for acquiring ACI Diploma, also with the accompanying training, but via electronic Finance Trainer application.

Four Assembly sessions were held in this period: in Novi Sad, Subotica, Belgrade and at Zlatibor. From the collected ACI funds we subsidized our members' education costs and international membership fees, whereas during the last year we did not charge the national membership fee.

Dinarization Strategy in Serbia

Mr Bojan Markovic, Vice-Governor of the National Bank of Serbia presented the Dinarization Strategy in Serbia.

Judging by the experience of many other countries, Serbia has gone through the crisis well. The decline of the country's output was among the lowest in Europe, inflation was on target, the rise in unemployment was contained. The banking system - well capitalized and profitable - came from the crisis largely unscathed.

Yet, rather than boasting about successes, my purpose here is to speak about what could have gone better and what the key stakeholders - the central bank, government and the banking sector - should work on to increase the resilience of our economy and its financial system against future shocks.

In contrast to the banking sector, the financial system, on the whole, was hardly the source of strength during the crisis. Money market existed only on the shortest maturities. Spot FX market almost disappeared during the crisis, and only recently started to recover higher volumes of trade. Market making initiatives of the

Za razliku od bankarskog sektora, finansijski sistem u celini nije pružio snažniji podstrek stabilnosti tokom krize. Na tržištu novca trgovalo se samo instrumentima s najkraćom ročnošću. Spot devizno tržište, koje je tokom krize gotovo prestalo da funkcioniše, tek je nedavno počelo da ponovo beleži više obime prometa. Nove inicijative bankarskog sektora i ACI-ja - nekada glavnih inicijatora razvoja finansijskog tržišta - u poslednje vreme su retke. Čak i ono nekoliko retkih inicijativa - kao npr. za razvoj osnovnih instrumenata zaštite od deviznog rizika - vrlo se teško realizuje usled nedovoljnog stepena poverenja i postojanja kreditnih limita između tržišnih učesnika.

I mada su pomenuti problemi značajni, oni su ipak manjih razmera. Ono što zahteva više pažnje i napora jeste otklanjanje potencijalne ranjivosti našeg finansijskog sistema na rizik promene deviznog kursa u bilo kojoj eventualnoj budućoj krizi. Stabilnost našeg finansijskog sektora tokom poslednje krize nije, kao u velikom broju drugih zemalja, bila ugrožena toksičnim ABS hartijama od vrednosti; pravu pretnju za nas je predstavljao veliki obim devizno indeksiranih i deviznih kredita datih stanovništvu i privredi, koji su često bili nezaštićeni od rizika promene deviznog kursa.

Mislim da ćemo se svi složiti da su visok nivo finansijske evroizacije i, s tim u vezi, prekomerno oslanjanje na strane izvore finansiranja, predstavljali najveći pojedinačni problem za efikasnije prebrođavanje krize u Srbiji.

Mi u centralnoj banci - a verujem i vi u finansijskom sektoru - sa izvesnom zebnjom smo pratili promene deviznog kursa za vreme krize. Deprecijacija je, s jedne strane, bila dobrodošla jer je ublažavala efekte globalne krize na našu privredu. S druge strane, deprecijacija je produbljivala bilansne rizike dela privatnog i državnog sektora nezaštićenog od rizika promene deviznog kursa. Pojedinci najizloženiji deviznom riziku, iako u manjini, bili su veoma glasni. U vođenju privrede kroz ovo burno vreme, makroekonomska politika je nailazila na dodatne prepreke.

Upravo sada, dok je sećanje na proteklu krizu sveže, pravo je vreme da osmislimo kako da smanjimo stepen evroizacije i time olakšamo

rešavanje sličnih izazova u budućnosti. Period posle krize pruža odličnu priliku za brže širenje upotrebe dinara i pokretanje dinarskog finansijskog tržišta i obično karakteriše relativno predvidivo makroekonomsko okruženje s niskom stopom inflacije. Mnogi klijenti banaka su tokom krize postali svesni rizika promene deviznog kursa, dok su banke uvidele implicitni kreditni rizik po svoje bilanse. Dinarski poslovi bi u budućnosti takođe mogli da budu jedan od načina širenja bankarskog poslovanja sa stanovništvom, budući da inostrani izvori sredstava verovatno neće biti dostupni u istoj meri i po istoj ceni kao pre krize. Umesto deevroizacijom, taj proces bi trebalo zvati **dinarizacijom**.

Ne treba biti nerealan - izazov s kojim se suočavamo je velik. Srbija je jedna od istočnoevropskih zemalja s najvećim stepenom finansijske evroizacije. Više od 70% aktive i pasive bankarskog sektora je ili u stranoj valuti ili je indeksirano u njoj. Visok stepen evroizacije u Srbiji posledica je duge istorije makroekonomske nestabilnosti (što je smanjilo interes za držanje dinarskih depozita), obimnijih i jeftinijih deviznih izvora finansiranja pre krize i nedovoljno razvijenog dinarskog finansijskog tržišta.

Dinarizacija će zato biti dugoročan proces postepenog prilagođavanja aktivne i pasivne strane bilansa banaka i nebankarskih institucija. Taj dugoročni proces će se sastojati iz niza malih koraka koji moraju biti dobro koordinirani. Neke od tih koraka već preduzimamo, ali ne treba mnogo čekati ni s drugim.

Ono što mi uliva nadu jeste činjenica da je smanjenje stepena evroizacije zasigurno moguće. Nekoliko zemalja je u poslednje vreme trajno smanjilo stepen evroizacije ili dolarizacije. Od evropskih zemalja u tranziciji primere nalazimo u Turskoj i Poljskoj. Turska je, na primer, smanjila udeo deviznih depozita sa 60 na 30% i deviznih kredita sa 40 na 10% u deceniji koja je prethodila izbijanju krize. Uspeh je postignut i u nekoliko južnoameričkih zemalja.

Razloge za optimizam nalazim i u tome što u ovom procesu nismo usamljeni. Razvoj tržišta u domaćoj valuti postao je prioritet na globalnom nivou u kontekstu stvaranja nove finansijske infrastrukture, što se vidi i po

banking sector and the ACI - the drivers of the markets development in the past - have been scarce in recent times. And the few existing initiatives -such as the one on the development of basic hedging instruments - are stifled by low trust and credit limits among the market participants.

These are important but small problems. What requires more attention and concerted efforts is to prevent a potential vulnerability of our financial system to the exchange rate risk in any future crisis. It is not the toxic assets such as ABSs that were the risk for our financial sector stability during the crisis, it was the sheer quantity of FX denominated or indexed loans to households and businesses who - for the most part - were not hedged against FX risks.

And I think we will all agree that if there was one single important problem for management of the crisis in Serbia, it would be the high level of financial euroization and, related to it, excessive reliance on foreign resources.

For us at the central bank - and also I believe for yourselves - it was a wary experience to watch the exchange rate swings during the crisis. On one side, depreciation was welcome since it was sheltering the economy from the world crisis. On the other, the consequences for the unhedged private and public sector balance sheets were potentially risky, especially in case of individuals who (although in minority) were quite vocal.

Policy mix on occasions had to act as a compromise in steering the economy through the turbulent waters.

Now, with these memories are still fresh and vivid, it is a good time to think how we could reduce the level of euroization and thus improve our capacity to deal with such situations in the future. Indeed, the post-crisis environment provides a genuine window of opportunity to speed up our efforts towards a greater use of dinars and building dinar-based financial markets and offers a fairly predictable macro-environment with low inflation. Many bank clients are

now acutely aware of the FX risk and so are the banks of the implied indirect credit risk to their balance sheets. The dinar balance sheet may also be a perspective way of expanding the retail banking business in the future, as the FX financing may be more constrained than in the past. Rather than de-euroization, I therefore call this - **the agenda of dinarization**.

I am not naive - the size of the problem is large. Serbia is one of the most financially euroized countries in Eastern Europe. More than 70% of both assets and liabilities in the banking system are either held in a foreign currency or indexed to it. The high level of euroization in Serbia reflects a history of macroeconomic instability, hence a dearth of local currency deposits, as well as abundant availability of foreign currency funding pre-crisis, and underdeveloped financial markets.

Dinarization will therefore be a long-term process to gradually transform both sides of the balance sheets of both banks and nonbanks. This long-term process will consist of a series of small steps that must be well coordinated. Some of these steps are already being taken, but there is no time to waste.

What gives me hope is the fact that reducing the level of euroization is certainly possible. Several countries have achieved sustained reductions in euroization or dollarization levels in the recent past. In our vicinity, it was Turkey or Poland. Turkey, for instance, has reduced the share of FX deposits from 60 to 30% and the FX



Bojan Marković, viceguverner Narodne banke Srbije
Bojan Markovic, Vice-Governor of the National Bank of Serbia

velikom broju inicijativa zemalja G-20, MMF-a ili Svetske banke. U našem regionu, Evropska banka za obnovu i razvoj igra ključnu ulogu u koordinaciji sličnih aktivnosti u okviru tzv. Bečke inicijative plus.

Koje uslove, dakle, naša strategija dinarizacije treba da ispuni? Ona mora biti zasnovana na realnim ciljevima i tehnički izvodljiva. Mora da uključi sve bitne aktere i da što je moguće više izbegne negativne efekte procesa po ekonomski oporavak ili druge privredne aktivnosti.

Koji nivo dinarizacije je realno ostvariv? Povećanje učešća dinarskih kredita privredi u ukupno odobrenim sa sadašnjeg nivoa od 28% na oko 45% u periodu od dve do četiri godine predstavlja jasan i dostižan cilj (polazim od pretpostavke da se u inostranstvu direktno zadužuju samo preduzeća koja imaju devizne prilive, te, shodno tome, ti krediti i neće biti predmet kampanje dinarizacije). Polazeći od realnih pretpostavki, taj cilj podrazumeva neto povećanje stanja kredita u dinarima za oko 800 milijardi u naredne četiri godine. Njihov sadašnji nivo je oko 300 milijardi pod pretpostavkom da realni rast kredita sektoru privrede iznosi 20% na godišnjem nivou (prosečna stopa rasta od 2007. do 2009. godine). Iz praktičnih razloga, takođe polazimo od pretpostavke da će doći do znavljanja postojećeg obima kredita. Iako ambiciozan, ovaj cilj ostavlja dovoljno prostora za rast deviznih kredita - oni bi mogli da nastave da rastu po nominalnoj stopi od 20%, po kojoj su krediti sektoru privrede rasli u 2009. godini uz inflaciju koja opada u skladu s ciljanim stopama, to podrazumeva rastuće realne stope deviznih kredita.

NBS spremna za direktne repo operacije

Dalje, da li ima dovoljno dinarskih izvora za takvu ekspanziju dinarskih kredita? Da, izvora ima dovoljno, a u slučaju pojave strukturnog manjka centralna banka je spremna da zadovolji potrebnu tražnju za dinarskom likvidnošću (pod uslovom da je ova obezbeđena dinarskim trezorskim zapisima). Rezultati analize koju smo u Narodnoj banci Srbije sprovedi (na bazi prosečnog novčanog multiplikatora u poslednjih nekoliko godina) pokazuju da bi trenutno stanje repo hartija od vrednosti i dinarski deo obaveznih deviznih rezervi mogli da obezbede potreban rast

dinarskih kredita u naredne dve godine. Želim, međutim, da uputim jasan signal bankarskom sektoru da je Narodna banka Srbije spremna da započne sa sprovođenjem tzv. direktnih repo operacija kojima se obezbeđuje likvidnost ukoliko se za tim ukaže potreba, te stoga nema razloga za brigu u pogledu raspoloživosti dinarskih sredstava. Direktne repo operacije su standardne u većini vodećih svetskih centralnih banaka, a u Narodnoj banci Srbije smo već pripremili infrastrukturu potrebnu za taj korak, premda ne očekujemo da će do njega doći tokom ove godine.

Strategija dinarizacije mora obuhvatiti sve ključne aktere - Narodnu banku Srbije, bankarski sektor, Vladu i javnost. Većinu aktivnosti će, po prirodi stvari, odraditi Narodna banka Srbije i bankarski sektor. Međutim, za uspeh dinarizacije vrlo je važno razumevanje šire javnosti, kao i aktivna podrška Vlade. Fiskalna politika je u prošlosti ponekad davala prednost evru nad dinarom, što nije bio dobar signal široj javnosti. Na primer, subvencionisani krediti su do maja ove godine bili i u devizama. Najveći deo državnog duga je u deviznom znaku, zbog čega je fiskalna politika izložena rizicima promene deviznog kursa. Neka javna preduzeća i dalje drže depozite u devizama i uzimaju devizne kredite bez obzira na prirodu svojih potreba za zaštitom od deviznog rizika. Srećom, situacija se brzo menja i država je vrlo aktivno počela da daje prednost korišćenju dinara.

Strategija dinarizacije počiva na tri međusobno povezana stuba. Iako se aktivnosti u okviru svakog stuba mogu sprovoditi nezavisno jedne od drugih, napredak u svakoj od njih podstiče druge. Međutim, potrebno je pažljivo koordinirati svaku aktivnost na polju kako bi se na najmanju moguću meru sveli eventualni nepovoljni uticaji na privredne aktivnosti.

Tri stuba strategije dinarizacije

Prvi stub strategije je najopštijeg karaktera, ali ujedno i najvažniji. On podrazumeva jačanje makroekonomskog okruženja obezbeđivanjem niske i stabilne inflacije uz fleksibilan devizni kurs, kao i održivog privrednog rasta i stabilnog finansijskog sistema. Prema analizi stručnjaka Evropske banke za obnovu i razvoj i Međunarodnog monetarnog fonda, glavni

loans from 40 to 10% in the decade preceding the crisis. Several Latin American countries have been successful too.

Another good thing is that we are not alone in this process. The development of local currency markets has become a priority item in the global agenda of creating a new world financial infrastructure. This is reflected in a number of initiatives by the G20, IMF or the World Bank. In our region, the EBRD is playing a key role in coordinating these efforts under the Vienna plus initiative.

So, what should be the key requirement on our dinarization strategy? The strategy needs to have realistic objectives, and be technically feasible. It also has to involve all key stakeholders and to minimize the risks of adverse side-effects on the economic recovery or other segments of the economy.

Next, what extent of dinarization is achievable? I believe reducing the share of FX linked corporate loans in the banking sector from the current 72 to 55% in the period of 2-4 years is a simple and appropriately ambitious objective (I am assuming the cross-border loans are granted to entities with FX denominated revenues and will not be a focus of dinarization campaign). Under plausible assumptions, such an objective implies a net addition of circa 800 bn of new dinar denominated loans in the next 4 years compared to the existing stock of almost 300 bn. Assuming that the real credit volume in the corporate sector will grow at an average annual rate of 20% (the average between 2007 and 2009). For simplicity we also assume a full roll-over of the existing stocks. Although ambitious, this objective still provides enough room for the expansion of the FX credits - they could continue growing at 20% in nominal terms, which was the rate of growth of corporate credits in 2009 with declining inflation along the targets, this implies rising real rates of FX credit growth.

NBS Ready for Direct Repo Operations

Now, are there enough dinar sources for such dinar credit expansion? Yes, and the central bank is ready to supply as much as needed (as long as are collateralized by dinar T-bonds), should there be a structural dinar liquidity shortage in the future. Our analysis (based on an average multiplier from the recent

years) shows that the current stock of repos and dinar part of FX required reserves should comfortably support the needed dinar credit growth in the next 2 years. However, I would like to send a strong signal that the NBS is ready to start liquidity providing repo operations, if need be, so that the banking sector is not worried about the sufficient sources of dinars in the future. Also, we have already prepared all the necessary infrastructure for such potential move, although we do not expect the need for such a move to arise this year.

The dinarization strategy must involve all the key stakeholders - the NBS, banking sector government, and the public. Most activities will inevitably be done by the NBS and the banking sector. However, increasing the public awareness and receiving an active support of the government are also key conditions for success. For instance, government policies in the past had sometimes prioritized euro over dinar, not really providing a good example to the public. Subsidies extended to FX-based financial products until last year is yet another example. Also, a vast majority of government debt is in foreign currency, making fiscal policy exposed to FX risks. Public companies continue to make FX deposits and take FX loans regardless of the nature of their hedging needs. Fortunately, the situation is changing rapidly and we welcome warmly the fact that government started actively to prioritize the use of dinars.

The dinarization strategy we have in mind has three interconnected pillars. Although activities in each pillar can be pursued independently, the progress is mutually reinforcing. However, careful coordination is needed to minimize potential adverse effects on other economic activities.

Three Pillars of Dinarization Strategy

The first pillar is the most general but also the most important. It calls for strengthening the macroeconomic environment by delivering low and stable inflation through a flexible exchange rate, alongside durable economic growth and stable financial system. An analysis undertaken by experts from the EBRD and IMF has identified the macroeconomic environment - low volatility of exchange rate relative to volatility of inflation - combined

razlog visokog stepena evroizacije u Srbiji predstavlja makroekonomsko okruženje - male fluktuacije deviznog kursa u odnosu na fluktuacije inflacije - u kombinaciji sa histerezom i lošim iskustvom iz prethodnih perioda (videti predstojeći stručni rad EBRD-a čiji su autori Chailloux, Ohnsorge i Vavra).

U okviru aktivnosti koje ovaj stub obuhvata, Narodna banka Srbije bi trebalo da nastavi s primenom i jačanjem politike fleksibilnog deviznog kursa u okviru režima ciljanja inflacije. Dalje, trebalo bi da unapredimo kapacitete za obezbeđivanje stabilnosti na finansijskom tržištu. Strukturne reforme u realnom sektoru i održiva fiskalna politika usmerena na obezbeđivanje dugoročnog rasta jednako su važne i, iako su van domašaja monetarne politike, Narodna banka Srbije će podržati aktivnosti države u toj oblasti.

Treba imati u vidu i da će potpun uspeh mera prvog stuba biti postignut tek nakon dužeg vremena i da će zahtevati istrajnu politiku. Uvereni smo da će kombinacija ciljanih mera, subvencija i kampanja najpre dovesti do povećanja kratkoročne dinarske štednje i kredita. Ali svesni smo da će biti potreban duži period makroekonomske stabilnosti da bi se potpuno povratilo poverenje u dinar kao valutu u kojoj se štedi na duži rok.

Drugi stub naše strategije dinarizacije sastoji se od mera usmerenih na stvaranje povoljnih uslova za razvoj tržišta dinarskih obveznica. Te mere bi trebalo da podstaknu dinarsku kreditnu aktivnost banaka kroz promovisanje dinarskih instrumenata i razvoj dinarskog tržišta. Razvoj dinarske krive prinosa je važna okosnica ovog stuba.

Veliki deo aktivnosti na ovom polju se već sprovodi. Nekoliko poslovnih banaka je pokrenulo programe koji sadrže ponudu dugoročnijih dinarskih kredita s varijabilnom i fiksnom kamatnom stopom. Država povećava udeo duga u domaćoj valuti u ukupnom državnom dugu, nastojeći da produži dinarsku krivu prinosa do dve godine. Pokrenuto je nekoliko projekata u okviru „Bečke inicijative plus“ s ciljem razvoja sekundarnog tržišta državnih obveznica. Pojedine međunarodne finansijske institucije su iskazale interes za emitovanjem dinarskih obveznica na našem tržištu.

Međutim, još dosta toga treba uraditi pre nego što rezultati mera postanu vidljivi. Sekundarno tržište državnih obveznica je i dalje nelikvidno, a Uprava za javni dug u poslednje vreme ima problema u pogledu realizacije emisije trezorskih zapisa.

Treći stub strategije dinarizacije ima za cilj unapređenje zaštite od postojećih deviznih rizika u nebankarskom sektoru i sprečavanje njihovog daljeg gomilanja. Narodna banka Srbije predvodi zajedničke napore u ovoj oblasti, sarađujući s bankarskim sektorom na uvođenju osnovnih instrumenata zaštite od deviznog rizika kako na međubankarskom tržištu, tako i u poslovanju s klijentima. Narodna banka Srbije je uvela i redovne svop aukcije deviza kako bi pomogla bankama da lakše upravljaju likvidnošću, ali i da bi podstakla banke da međusobno zaključuju te transakcije.

U narednim mesecima, još više pažnje posvetićemo zaštiti korisnika finansijskih usluga. Cilj nam je da klijenti banaka budu svesniji rizika s kojima se suočavaju i da poboljšaju svoju finansijsku pismenost. Od jula ove godine Narodna banka Srbije je pokrenula kampanju edukacije javnosti održavanjem niza konferencija na temu zaštite od deviznog rizika i pokretanjem Internet strane "Devizni hedžing" na našem veb sajtu. Želeli bismo da ohrabrimo i banke da proaktivno reklamiraju dinarske instrumente i instrumente zaštite od deviznog rizika i ulože više vremena u širenje svesti o deviznom riziku među svojim klijentima.

Na kraju, dalje prudencijalne mere i dalje ostaju opcija, ali ne bismo želeli da ih koristimo kao svoje glavno sredstvo. Ove mere mogu se koristiti da bi se npr. ograničila izloženost deviznom riziku najosetljivijih segmenata tržišta i sprečila isplativost modela bankarskog ponašanja zasnovanog na automatskom prenosu rizika deviznog kursa s banaka na klijente.

Narodna banka Srbije izmene i dopune regulative uvodi uvek postepeno, vodeći računa da se ne ugrozi još krhak privredni oporavak. Snizili smo dinarsku obaveznu rezervu sa 10 na 5%, uz plaćanje nadoknade od 2,5%. Takođe smo izmenili regulatorni okvir u smislu maksimalno dozvoljenog odnosa kreditnih obaveza dužnika i njegovih prihoda kako bismo napravili razliku između dužnika sa

with hysteresis and bad memory as the main source of high euroization in Serbia. (See the following EBRD Working Paper by Chailloux, Ohnsorge and Vavra.)

Understandably, the NBS should continue and further reinforce its flexible exchange rate inflation targeting policies under this pillar. Similarly, we should be strengthening our capacity to provide for stability in financial markets. Structural reforms in the real economy and sustainable fiscal policies delivering long-term growth are equally important. Although they rest outside of the monetary policy control, the NBS will support the government efforts in this area.

We should also bear in mind that the real success in this pillar will come only over a long period, requiring prolonged efforts. We are positive that targeted measures, subsidies and campaigns will increase short-term dinar savings and loans. However, a sustained period of macroeconomic stability will be needed before the trust in dinar as a means of storing wealth is re-established.

The second pillar in our dinarization strategy should consist of measures creating favorable conditions for the development of the dinar bond market. The measures should facilitate expansion of the dinar credit activity of banks through promoting dinar denominated instruments and markets. Development of an actively traded dinar yield curve is an important milestone of this pillar.

In this sense, much activity is already taking place. Several commercial banks have started programs offering longer-term dinar credits under both flexible and fixed terms. The government has been raising the local currency share in government debt, trying to extend the yield up to 2Y. Several initiatives under the Vienna plus are taking place focusing on the secondary market for government bonds. Also some IFIs expressed an interest in issuing dinar bonds locally.

However, more still needs to be done before we can see tangible results. The secondary government bond market remains illiquid and the Treasury has been struggling lately with its T-bill program.

The third pillar of our dinarization strategy aims to promote hedging of the existing foreign

currency risks in the nonbank sector and to discourage further buildup of these risks. The NBS has been taking a leading role in this field. It has worked with the banking sector on introducing basic hedging instruments both in the inter-bank market and in client transactions. It has also introduced regular FX swap auctions to ease the liquidity management of banks.

In the coming months more attention will be paid to consumer protection. Our goal is to increase the risk awareness of banks' clients and to improve basic financial literacy. The NBS has launched a public educational campaign through a series of FX hedging conferences and a page at our website. We encourage the banks to take an active role by marketing dinar based and hedging instruments, and building FX risk awareness with their clients.

Finally, regulation remains an option, but the *one* we would not like to use as a main means. The regulatory measures should be used to restrict the most vulnerable segments from FX risk exposure, and to ensure that a banking model based on a blunt pass-on of exchange rate risk to clients is not viable.

The NBS has been making regulatory changes gradually always careful that potential side effects do not jeopardize the still fragile economic recovery. We reduced dinar reserve requirement to 5% from 10%, with 2.5% remuneration. We have also amended the prudential debt service-to-income ratios to differentiate by currency matching with borrower income. Also, the compulsory deposit for loans taken in dinars has been abolished, whereas for loans indexed to foreign currency it is still 30%. Government has been on board too, and from May 2010, state-subsided cash and liquidity loans are extended in dinars only.

Initiative of the Banking Sector Welcome

The NBS is cooperating and intends to further intensify its interactions with the banking sector and ACI in all of these pillars. We would very much wish this to be a two-way process with the banking sector taking a lead in many areas. For instance, we welcomed the decision of the domestic banks to discontinue entirely their small lending programs in Swiss francs. We would be happy to see further voluntary restrictions to target consumer loans

usklađenom i onih sa neusklađenom deviznom pozicijom. Ukinuto je i obavezno učešće za dinarske kredite, dok učešće za kredite indeksirane deviznom klauzulom još uvek iznosi 30%. I država radi svoj deo posla - od maja 2010. godine subvencionisani gotovinski krediti i krediti za likvidnost odobravaju se isključivo u dinarima.

Dobrodošla inicijativa bankarskog sektora

Narodna banka Srbije sarađuje i namerava da unapredi saradnju s bankarskim sektorom i ACI-jem u okviru sva tri stuba strategije dinarizacije. Želeli bismo da naša saradnja bude dvosmeran proces, s bankarskim sektorom kao glavnim inicijatorom u mnogim aspektima strategije. Na primer, pozdravljamo odluku domaćih banaka da u potpunosti prekinu sa odobravanjem kredita u švajcarskim francima, koji su ionako imali malo učešće u ukupnim kreditima. Radovalo bi nas da vidimo dodatna dobrovoljna ograničenja na potrošačke kredite koji se odobravaju fizičkim licima nezaštićenim od deviznog rizika. Rado ćemo razgovarati i aktivno podržati svaku dobronamernu inicijativu u smeru dinarizacije privrede. Na primer, uvođenje formalnih tržišnih lidera ili primarnih dilera može biti uzeto u obzir ukoliko bude postojao konsenzus da bi to pomoglo razvoju tržišta.

Sve u svemu, jačanje otpornosti našeg finansijskog sistema mora biti zasnovano na većoj upotrebi dinara. Cilj programa dinarizacije je destimulisanje gomilanja novog deviznog rizika u nebankarskom sektoru, zaštita od postojećeg deviznog rizika i razvoj tržišta finansijskih instrumenata u našoj domaćoj valuti. To iziskuje niz veoma različitih aktivnosti - od sprovođenja režima ciljanja inflacije do edukacije zajmoprimaca o deviznom riziku, kao i dobru koordinaciju bankarskog sektora, Vlade i Narodne banke Srbije.

Mnogo je već urađeno tokom poslednjih 18 meseci, ali dosta posla nas tek čeka. U periodu od marta do juna ove godine, udeo dinarskih u ukupnim bankarskim kreditima povećan je sa 24,6 na 27,4%, a više od 40% novoodobrenih kredita je u dinarima. Tačno je da je dobar deo ovog rasta zasnovan na Vladinom programu subvencija, ali jedan broj banaka je u svoju ponudu uključilo i dinarske kredite s rokom otplate od nekoliko godina. Ipak, još uvek nema promena u valutnoj strukturi štednje, iako je štednja u dinarima tokom poslednjih nekoliko godina bila isplativija od štednje u evrima. Ali, kao što sam već pomenuo, za promene u ponašanju štediša potrebne su godine održive makroekonomske i finansijske stabilnosti, i do njih će doći postepeno.

to unhedged retail customers. We are ready to discuss and encourage any well meant initiative to help with dinarizing the economy. For instance, formal market making or primary dealership arrangements could be considered - for example - if there is consensus that such arrangements could help.

All in all, strengthening the resilience of our financial system must be based on increasing the use of dinars. The aim of the dinarization agenda is to discourage the buildup of foreign currency risk in the nonbank sector, to hedge any remaining risks, and to develop the market for local currency financial instruments. It involves a number of very different activities - from pursuing an Inflation Targeting regime to educating borrowers about the FX risk. And it also requires a good coordination among the

banking sector, government and the NBS.

A lot has already been done in the past 18 months, but more rests ahead of us. In the period from March to June this year the share of dinar denominated bank assets increased from 24.6% to 27.4% and more than 40% of the newly granted credits were in dinars. True, much of it drew on the government subsidy programs, but several banks have started offering fixed-term dinar credits with a maturity of several years. However, we are not seeing any movements in the currency composition of savings so far. This is despite the fact that saving in dinars has been a more profitable strategy than saving in Euros in the past several years. But as I said earlier - changes in savers' behavior require years of sustained macroeconomic and financial stability, and they will come gradually.

Zlatibor

