



National Bank of Serbia

COVID -19 AND CHALLENGES OF COMPILING STATISTICS: Case of Serbia

December 2020



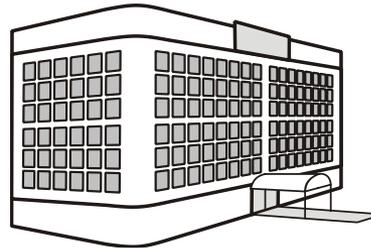
- Organization of statistical work in Serbia
- Measures in order to mitigate effects of Covid -19
- NBS Response to Covid-19
- Data sources and data collection: Financial Sector
- Data sources and data collection: External Sector
- New procedures and open issues
- Sustained Macroeconomic Stability

Organization of statistical work in Serbia



NATIONAL BANK OF SERBIA

- Balance sheets statistics;
- MFI interest rates;
- Balance of payments;
- IIP;
- Financial accounts statistics;
- EDP;
- ICPF statistics;
- OFI statistics;
- Investment funds statistics
- Security statistics.



STATISTICAL OFFICE

- National accounts
- COFOG
- Consumer prices;
- External trade;
- Demographic and social stat;
- Business statistics;
- Other.



MINISTRY OF FINANCE

- GFS;
- Public debt;
- Other.

- The whole set of monetary, fiscal and economic measures were introduced (estimated value 12.5% of GDP)
- Emergency state (17th March – 6th May)

Programme of Economic Measures to Mitigate the Negative Effects Caused by the COVID-19 Pandemic and Support the Serbian Economy

I Group – Tax policy measures
1. Deferred payment of payroll taxes and contributions in the private sector (during the state of emergency) with subsequent repayment of liabilities in instalments (starting from 2021 at the earliest)
2. Deferred payment on taxes and contributions on salaries for one month
3. Exemption of donors from the obligation to pay VAT
II Group – Direct assistance to the private sector
4. Payment of three minimum wages to entrepreneurs that are subject to the flat rate tax and pay tax on actual income, and to micro-, small- and medium-sized enterprises in the private sector
5. Payment of assistance to large private sector enterprises in the amount of 50% of net minimum wage for employees on paid temporary leave on employer's decision
III Group – Measures to preserve liquidity
6. Financial support to the corporate sector through the Development Fund
7. Corporate support guarantee scheme
IV Group – Other measures
8. Moratorium on dividend payments until the end of 2020, except for public companies
9. Wage increase measures and other direct financial assistance
10. Direct assistance to all adult Serbian citizens in the dinar equivalent of EUR 100
V Group – Additional package of measures (July/August 2020)
1. Payment of 60% of minimal wages to entrepreneurs, and to micro-, small- and medium-sized enterprises in the private sector
2. Deferred payment of income tax advances for one month
3. Direct support to the hotel sector - 350 € per bed, 150 € per room

Source: Ministry of Finance.

NBS Response to Covid-19

	March	April	May	June	July	August	September	November	
Monetary policy measures									
Key policy rate									
Cut by 0.5 pp, to 1.75%		Cut by 0.25 pp, to 1.5%		Cut by 0.25 pp, to 1.25%					
Rate corridor narrowed from ±1.25 pp to ±1 pp									
Support to dinar liquidity									
Additional swap auctions, 3M maturity								Additional swap auctions on a weekly basis (Mondays), 3M maturity	
	Lower interest rate on FX swaps								
Auctions of repo purchase of government securities 7D maturity									
Auctions of repo purchase of government securities 3M maturity								Additional repo auctions of securities purchase on a weekly basis (Thursdays), 3M maturity	
	Outright purchase of government securities in the secondary market								
	Corporate bonds included in the list of eligible collateral in NBS monetary operations								
						Outright purchase of corporate bonds in the secondary market			
More favourable conditions for Guarantee Scheme loans									
					Approval of dinar loans under the Guarantee Scheme at lower interest rates – minimum 50 bp reduction is compensated by the NBS through the higher remuneration rate on allocated required reserves				
Additional NBS measures									
Moratorium									
	Moratorium on debt payments					Moratorium on debt payments			
Housing loans									
				Reduction of mandatory downpayment for first-time home buyers from 20% to 10%					
					Reduction of the minimum degree of completion of a building eligible for financing via bank housing loans				
					Extension of repayment term for housing loans by up to five years				
Other loans									
				Extension of repayment term for household loans (except for housing) by up to eight years					
					Until end-2021 banks allowed to extend household dinar loans (up to 90,000 dinars) only based on signed statement on employment/pension				
Precautionary repo line with the ECB									
				A precautionary repo line with the ECB established to supply additional euro liquidity to local banks in case of need					

Data sources and data collection: Financial Sector/1

- Banks [26];
- NBS;
- Statistics of Insurance corporations and pension funds [20+7];
- Statistics of other financial intermediaries: Factoring and Leasing Companies [12+13];
- Investments funds statistics [10];
- Money market funds [8];
- Financial auxiliaries
 - Stock brokers and dealers [16];
 - Investment fund management companies [5];
 - Belgrade Stock Exchange, Securities Commission and Central Securities Depository and Clearing House;

Direct reporting, quarterly

Supervision within the Securities Commission

Data sources and data collection: Financial Sector/2

- **NBS has not change any deadline regarding reports to any reporting institutions.**
- **NBS has not reduced any reporting burden to any reporting institutions.**
- Moreover, due to moratorium and other measures, we asked banks for more detail data in existing reports in order to calculate effect of measures (subsidized loans etc).
- Instructions to banks regarding reporting, clarification of reporting requirements:
 - MIR statistics - change of loans original maturity due to moratorium, not to influence new business
 - BSI statistics – accounting scheme for accrued interest and changing of loans maturity

Data sources and data collection: External Sector

- **Collection of data** for External Sector Statistics during the pandemics **remained the same** even though the important respondents (e.g. the Statistical Office, banks) were (and still are) working from home office.
- The NBS **did not postponed the calendar** for submission of data needed for BOP and IIP statistics.
- The importance of timely data and goods statistics for design of proper measures during the crises was communicated with respondents and they understood it.
- **Dissemination** of data during this period was done in accordance with the previously published release calendar.
- Data were submitted to all relevant institutions without exceptions in coverage and on time.

New procedures and open issues

- Although, most of reporting institutions mostly worked from home office from the very beginning, we had no real problems with data reporting.
- There was isolated issue and examples, but generally no problems.
- NBS immediately react on Covid-19 situation with clear procedures and plans.
- We have worked with 30% to 50% human capacity, depends on health situation in the country.
- Not all employees have good working conditions at home, so we reorganized work from home.
- We have restrictions regarding using of databases from home computers, this is the issue that we should resolve in the future.
- One curiosity, during this hard time we have launched new, modern web site



Sustained Macroeconomic Stability

- COVID-19 and global slowdown will have a less severe impact than in other European countries, due to achieved macroeconomic and financial stability, growth momentum, fiscal space created in previous years, large and timely monetary and fiscal package, and favorable structure of the economy.
- We revised upwards our GDP projection for 2020 from -1.5% to -1.0%. Projection for 2021 has been kept at +6%.
- In seven years, Serbia has transformed to a low inflation and stable growing economy, with a balanced fiscal position, declining public debt, significantly reduced external imbalances and labour market recovery, which helped our economy to respond readily to ongoing challenges.
- The adopted economic measures (EUR 5.8 bn) should allow GDP to return to pre-crisis level early next year and to sustainable growth of around 4% in the medium term. The level of public debt will almost certainly remain below Maastricht criteria of 60% of GDP.
- Inflation has moved in accordance with our expectations, and in October it measured 1.8% y/y. Inflation is expected to average 1.6% and 1.9% in 2020 and 2021, respectively.
- External imbalances will be reduced this year with CAD set to decline to around 5% of GDP. On the other hand, macroeconomic stability and improved business environment that led to high FDI inflows of EUR 7.3 bn in 2018–19, enabled FDI inflow to continue in Jan-Sep 2020 (EUR 1.8 bn).
- Despite global value chains disruption and the decline of external demand, exports remained relatively resilient on the back of increased product and geographic diversification and activation of export oriented investments.
- Unemployment rate reached the lowest level in Q2 2020 (7.3%).
- Banking sector stability has been preserved and further reinforced. Encouraged by the NBS measures, the share of NPLs in total loans declined to 3.4% at end-September 2020. Capital adequacy indicators are even stronger after the application of Basel III standards in Serbia.
- **Results were acknowledged by confirmed credit ratings in 2020 (Fitch and S&P) despite global crisis caused by COVID-19 pandemic. In 2018, a PCI arrangement with the IMF has been approved, with successfully completed 4th review.**



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Thank you

