

Monthly Economic Report - June 2004

Stockmarkets

	May 30 Turnover in KM	% change on previous month Turnover in KM
Sarajevo (SASE)	16,711,468	+61
Banja Luka	012,116	- 23.28

Trade, exchange rates and budgets

	April 04 Import / Exports		% change on previous year Imports / Exports		Jan-April Imports / Exports	
	'000s of KM					
Trade performance	932,784	249,084	+18	+8	3,014,930	926,277

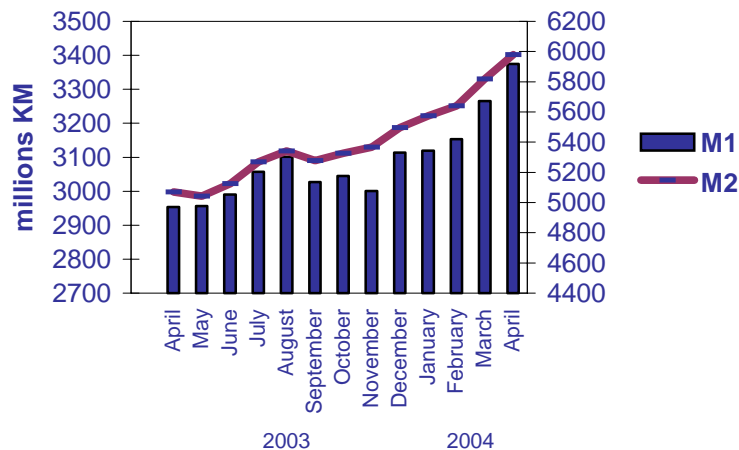
Prices and Earnings and Unemployment

Net Salaries:	FBiH	KM 526.27 (Mar. 04)
	RS	KM 410 (Apr. 04)
BiH Consumer price index	0.6%	(as of year end 2003)
Unemployment rate	Latest	Previous month
FBiH	309,875 (Mar)	308,017 (Feb)
RS	Figures not available	

Money and interest rates

Money supply (Apr. 04) % change on year ago	Narrow (M ₁)	+14%
	Broad (M ₂)	+18%
Average Interest rates % p.a. (Apr.04)	Bank Lending: Short	10.58 Long 9.08
Rates Banks pay for deposits	Demand	0.84 Term 3.48

BiH Money Supply
April 2003 - April 2004



Million	Buying	Selling	Jan-April Balance
Demand for KM	495.2	511.9	+207.7

The BiH Money Supply has expanded at a steady rate over the past year, and at the same time, holders of KM have begun using banks much more than before – which is reflected in a general increase in bank deposits. These trends indicate a sustained and growing confidence in the prospects for continuing economic recovery.

The KM continues to enjoy investor confidence. From January to April 2004, the Central Bank sold a net total of KM 200 million. This means that the holders of Euro and other foreign currencies, on balance, exchanged more money into KM than the holders of KM exchanged into other currencies. This is an encouraging sign; it means that KM 200 million came into the BiH economy in the first third of the year.

The Sarajevo Stock Exchange had a dynamic month in May – the value of turnover rose by more than 60% over the figure for April.

The Banja Luka Stock Exchange recorded a fall in turnover during the same period. Total capitalization of the two markets remains modest.

BiH's Trade Figures show a rise in imports and exports year-on-year – but the value of imports were three times bigger than exports, a significant trade deficit.

Unemployment figures in the Federation remain stubbornly high; just under 2,000 people registered as newly unemployed in March. The RS does not report monthly unemployment figures.

M_1 : *Monetary aggregate M_1 comprises cash outside banks and demand deposits in domestic currency of all domestic institutional sectors (except for deposits of the central government).*

M_2 : *Monetary aggregate M_2 consists of M_1 in addition to time and savings deposits in domestic currency, demand deposits in a foreign currency and time and savings deposits in a foreign currency of all domestic institutional sectors (except for deposits of the central government).*