

Dimitar Bogov: Seventy years of central banking activities in the Republic of Macedonia

Speech by Mr Dimitar Bogov, Governor of the National Bank of the Republic of Macedonia, at the ceremony of marking 70 years of central banking activities in the Republic of Macedonia and order award by his excellency Dr Gjorge Ivanov, President of the Republic of Macedonia, Skopje, 19 October 2016.

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Honorable President of the Republic of Macedonia, Your Excellency,

Dr. Gjorge Ivanov,

Distinguished Members of Parliament and representatives of the Government,

Honored Excellencies,

Esteemed guests, ladies and gentlemen,

It is my pleasure and honor, on behalf of the National Bank of the Republic of Macedonia and on my own behalf, to express my sincere gratitude to His Excellency, the President Dr. Gjorge Ivanov for the high recognition he has awarded to the National Bank tonight. I would also like to thank all of you for being present at the celebration that marks this great anniversary.

It is a great honor to be awarded the “Order of Merits for Macedonia” by the head of state, in the year when the National Bank celebrates 70 years of central banking activities in the Republic of Macedonia. This award is a great recognition for the overall work of the National Bank. It is strong confirmation of the enormous contribution of the Bank to the state all these decades – as a central institution of the monetary system and a key pillar of macroeconomic stability.

These 70 years, the National Bank has gone through various stages of transformation and evolutionary development. It has operated in various systems of social and political order. Over the years, it changed both its name and address. It has gradually acquired competencies and built its functions. With the constitution of independent Macedonia and the declaration of monetary autonomy, it established itself as an institution – carrier of the functions of a modern central bank. Today, I can proudly say that the National Bank has grown into a modern and highly professional institution, enjoying credibility domestically, and appreciated and recognized internationally.

The National Bank has been maintaining price stability in the Macedonian economy for 20 years through a stable exchange rate. The inflation rate in the past 20 years has averaged about 2%, which is a level comparable to developed countries, placing us among the most successful economies in transition. The financial stability has been successfully maintained by promoting sound, safe and competitive banking sector that successfully defies risks and delivers robust credit growth. By achieving these two legally delegated objectives, the National Bank creates the best conditions for sustainable economic growth and therewith, serves the well-being of the Macedonian society.

Yet, besides its primary activity, the National Bank has vigorously built capacities in other areas. As a result, today, the Bank has a modern foreign reserves management system in place; effective risk-based supervision; plays an active role in the financial market development; operational, oversight and catalyst role of the payment systems; enjoys a strong analytical capacity which is continually being upgraded and carry out active scientific research. Eventually, the way we decided to mark the anniversary confirms that the National Bank has always known to go beyond its specialty and focus on broader social interests, such as educating the public.

Therefore, we have focused many of the activities of this anniversary to the financial education, with the school children being our primary target group. We believe that our task, which is the same for many central banks worldwide, is to educate the public and to disseminate financial literacy as a general public good.

The National Bank has thus far repeatedly shown that it is serious, sound and mature institution that knows how to deal with challenges, to respond to internal and external shocks, speculative attacks on the domestic currency. It has demonstrated capacity to deliver price stability, exchange rate stability and soundness of the banking sector in difficult times. It has justified the confidence of citizens, which is the largest asset for a central bank.

Distinguished guests,

For me it is a great honor and privilege that the National Bank is honored with high award by His Excellency, the President during my term as a governor. I feel the need at this ceremony to pay tribute to all deserving persons of history, who left inerasable trace in the development and building of the institution and in the establishment of the monetary system of the country. Here I would mention Dr. Todor Mirovski, as the first director of the Regional Office of the National Bank of FNTY of the then National Republic of Macedonia. Then, Mr. Aleksandar Bogoev who succeeded him in office shortly afterwards, and his successor, Mr. Trajan Ivanovski. I would also pay tribute to Mr. Bozidar Dare-Dzambaz who served as a finance minister at the time of establishing the central banking in the Republic of Macedonia. To Mr. Vladimir Polezhinoski – Polezhina as a Macedonian representative of the body that adopted the Decision that made the dinar a Yugoslav currency. To academician Ksente Bogoev, who also served as a governor of the National Bank of Yugoslavia. To the Governors of the National Bank in the Socialist Republic of Macedonia, Mr. Stojan Kjosev, Andon Makraduli and Risto Filipovski. I would pay special tribute to the first prime minister of independent Macedonia, academician Nikola Kljusev, who was one of the main protagonists not only of the monetary independence, but also as a maker of other decisions of that time, which meant completion of statehood. There is also the academician Petar Hristo Ilievski, known as the man who gave the name of the Macedonian denar. I also pay tribute to my predecessors in office in the independent Macedonia, governors Borko Stanoevski, Ljube Trpeski and Petar Goshev and to all management structures of the Bank, both current and former, largely present here tonight. I extend special thanks and recognition to all generations of employees of the National Bank, that dedicated their work life to the institution, and have contributed with maximum commitment and professionalism to the continuous growth and development of the National Bank. This order is your merit, but also a responsibility to continue delivering great results. To continue investing in constant upgrade and to protect the reputation of the institution, thus helping it to come closer to the family of the central banks of the Member States of the European Union.

I am convinced that in the next period the National Bank will continue to build and develop itself, and will successfully accomplish its mandate!

May we celebrate this great event for many years!