

# Embassy of India Budapest

## Economic and Commercial Report for the month of August 2016

### Executive Summary

1. EC and Hungary agree on changes to tobacco wholesale monopoly
2. Budget deficit at 16-year low
3. FDI flows into vehicle sector
4. Banks profits doubled in H1 2016
5. MOL profits 38% higher in Q2
6. Pécs to sell Ledina Kerámia
7. Bosnia & Herzegovina plans to sell aluminium plant

**EC and Hungary agree on changes to tobacco wholesale monopoly:** The European Commission has agreed to drop its infringement procedure against Hungary's tobacco wholesale monopoly, after the government promised to make modifications, PMO leader János Lázár announced. A consortium of British American Tobacco and Tabán Trafik have had a monopoly on the supply of tobacco to retailers since the beginning of this year, squeezing out other wholesalers. The European Commission is pursuing a separate proceeding against Hungary regarding the country's tax on tobacco producers, arguing in part that it unfairly favours smaller companies.

**Szijjártó praises Egyptian government:** Hungary must forge close cooperation with Egypt as that country plays a vital role in the stability of its region, Minister for Foreign Affairs and Trade Péter Szijjártó said after his talks in Cairo on 24th August. The stability of North Africa and the Middle East is of crucial importance for European security. Regarding economic ties, Szijjártó said a wide-ranging industrial, economic, and energy cooperation programme was launched, adding that its flagship could be a €900 million order for the manufacture and delivery of 700 railway cars to Egypt. A Hungarian-Russian company consortium stands the best chance of winning the contract, and intense negotiations are under way, he added.

**Central Bank leaves base rate at 0.9%:** The MNB's monetary council left the base rate at 0.9% at its meeting on 23rd August, in line with expectations.

**Budget deficit at 16-year low:** The state budget deficit for the first seven months of 2016 was Ft 464.8 billion, down from Ft 894.1 billion one year earlier, the Economy Ministry announced. The deficit for July 2016 came to Ft 62.7 billion. The ministry attributed the improvement to fewer advance payments on EU subsidies, lower interest payments on debt, and anti-corruption measures. According to analysts, the official 2016 budget deficit target of 2% of GDP remains feasible.

**GDP up in Q2:** The GDP of Hungary increased 2.6% year-on-year in the second quarter, the Central Statistics Office announced. According to seasonally and workday-adjusted indices the increase was 1.7% year on-year.

**Deflation continues in July:** Year-on-year deflation was 0.3% in July, the Central Statistics Office announced, meeting analysts' expectations. Prices were 0.2% lower than in June, when data showed annual deflation of 0.2%. The July decline was led by a 4.9% drop in fuel prices. Core inflation, which leaves out fuel and seasonal food prices, was at 1.3% year-on-year. In the first seven months, consumer prices were 0.1% higher, on average, than in the same period of last year.

**Wages 6% higher this year:** The average gross monthly wage in Hungary was Ft 259,900 in June, up 5.7% year-on-year the Central Statistics office announced. The average net wage was Ft 172,800, an increase of 7.3%. The average was highest in the finance sector, at Ft 527,200.

**Retail sales up 5% in first half:** Retail sales expanded 5.7% year-on-year in June, according to seasonally adjusted and unadjusted data, the Central Statistics Office said. Food sales rose 3.4% and non-food sales

were up 9.7%, while fuel sales rose 3.6%. Sales of clothing and textiles rose 15.4% and those of consumer electronic and furniture products by 9.5%. Online sales continued to grow robustly, up 33.7% year-on-year.

**Industrial production drops:** Industrial production was 0.3% lower, year on-year, in June, having fallen by 2.4% from May, the Central Statistics Office announced. The drop was a surprise, as analysts had forecast an increase. Despite the June decline, industrial output was up 2.3% year-on-year in the first half of 2016, down from a 7.5% year-on-year increase experienced in 2015.

**FDI flows into vehicle sector:** Foreign direct investments managed by state investment promotion agency HIPA have reached €2.3 billion this year, up from €1.4 billion in 2015 as a whole. The dominance of the automotive sector is overwhelming, as it accounts for two-thirds of all capital invested and jobs created. So far this year 16 investments related to the vehicle sector have been announced, including Mercedes's €1 billion investment to expand its factory complex in Kecskemét. In the first six months, HIPA has managed 41 investments that are to create 11,600 jobs, compared with 67 and 13,000 respectively, for all of 2015.

## Commercial

**Banks profits doubled in H1 2016:** Pretax profits in the banking sector jumped to Ft 360 billion in the first half of 2016, up from Ft 156 billion a year earlier, the MNB announced. The improvement in the bank's profitability is attributed to the reversal of substantial provisions made in 2015 against potential loan write-offs, and to the rise in net interest income. Moreover, banks saved Ft 15 billion due to the lower bank tax in the second quarter alone. Of Hungary's 127 financial institutions, 83 booked a profit and 44 incurred losses.

**OTP announces huge profit growth:** OTP announced an 88% year-on-year rise in second-quarter 2016 post-tax profits to Ft 71.9 billion, exceeding analysts forecasts of Ft 61.1 billion. The banking group's results were boosted by the sale of shares in Visa Europe, for a gain of Ft 13.2 billion. Operating costs went up because of higher marketing spending. Operations in Hungary produced a Ft 30.7 billion post-tax profit, a 3% rise, year-on-year. For the group as a whole, post-tax profits for the first half expanded to Ft 104.1 billion, from Ft 69 billion one year earlier. Management attributed this to significant improvement at the Russian and Ukrainian subsidiaries.

**Audi starts production of sports car:** Audi Hungaria Motor began serial production of its new TT RS model at its Győr production base. Audi opened its Győr vehicle plant in 2013, where its 4,000 employees make the A3 Limousine, A3 Cabriolet, and TT Coupe and Roadster models. The plant's annual output capacity is 160,000 cars. Audi is to produce the Q3 model next year and is building a new 80,000m<sup>2</sup> car body production facility. Audi Hungaria revenues rose by €675 million to €7.9 billion in 2015. The company produced 1,031,887 engines in the first half of 2016, a decline of 35,638 and turned out 63,798 cars, 21,090 fewer than in the same period of 2015.

**Zwack reports 50% profit growth:** Zwack Unicum realised a Ft 532 million after tax profit in the first quarter of its 2016-17 business year, up 49.7% year-on-year, the distiller announced. Gross revenues for the April-June period rose 22% to Ft 5.3 billion, as net sales expanded 23.9% to Ft 3.2 billion.

**MOL profits 38% higher in Q2:** Hungarian oil and gas company, MOL, realised an Ft 81.6 billion profit after taxes in the second quarter of 2016, up 38% from one year earlier. EBITDA in the exploration and exploitation division dropped 9% to Ft 48.6 billion. It went down 8% to Ft 116.2 billion in refining and trading and dived 20% to Ft 8.3 billion in the gas division. The Brent price of oil was 26% lower, on average, during the second quarter, while MOL's output went up 7% to a daily 110,800 barrels. The exploitation of oil expanded 22% in Hungary and 19% in Croatia. Contrary to the excessive write-offs and devaluations of one year ago, no such items undermined the profits in the second quarter. MOL has maintained its over \$2 billion EBITDA target for 2016.

**Bus Procurement Council formed:** The government has set up a National Bus Procurement Council its task is to make preparations for procurements in line with the government's industrial policy goals and to promote the development the domestic bus manufacturing. The government intends to renew the public transport bus fleet from domestic sources, Economy Minister Mihály Varga has said. The goal is to lower the average age of these buses from the current 14 years to 10 by 2020.

**Pécs to sell Ledina Kerámia:** Pécs has decided to sell Ledina Kerámia, the firm which was established by the city with the aim of purchasing the assets of famous but ailing porcelain maker Zsolnay. However the latter has avoided liquidation by paying off its debt so there is no chance for Ledina to acquire its assets, although it took over many employees when the outlook of Zsolnay was gloomy.

## Bilateral

**Trends in bilateral trade:** Source: Central Statistical Office ([www.ksh.hu](http://www.ksh.hu))

### Global trade of Hungary (USD, EUR billion)

	2014	2015	2016 Jan-Jun	% change 2016H1/ 2015H1
Global imports	104.3 USD 78.2 EUR	91.4 USD 82.4 EUR	45.8 USD 41.1 EUR	+1.5% +1.3%
Global exports	112.8 USD 84.5 EUR	100.4 USD 90.5 EUR	51.8 USD 46.4 EUR	+3.3% +3.1%
<b>Total</b>	<b>217.1 USD</b> <b>167.2 EUR</b>	<b>191.8 USD</b> <b>172.9 EUR</b>	<b>97.7 USD</b> <b>87.5 EUR</b>	<b>+2.4%</b> <b>+2.3%</b>

### Bilateral Trade (USD, EUR million)

	2014	2015	2016 Jan-Jun	% change 2016H1/ 2015H1
Import from India	385.1 USD 286.7 EUR	364.9 USD 329.2 EUR	183.3 USD 164.4 EUR	-5.4% -5.5%
Export to India	210.5 USD 157.3 EUR	213.8 USD 193.7 EUR	90.5 USD 81.2 EUR	-11.9% -12.1%
<b>Total</b>	<b>595.6 USD</b> <b>444.0 EUR</b>	<b>578.7 USD</b> <b>522.8 EUR</b>	<b>273.8 USD</b> <b>245.6 EUR</b>	<b>-7.6%</b> <b>-7.8%</b>

### Top 10 items of Export to the World 2015 (USD mln)

Product	2014. year	2015. year	% growth	% total
Total Product (according to the Combined Nomenclature)	112,536.9	100,387.6	-10.8%	100%
85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	22,201.1	20,074.7	-9.6%	20%
84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	21,090.3	18,902.4	-10.4%	19%
87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	17,814.6	18,003.0	1.1%	18%
30 PHARMACEUTICAL PRODUCTS	4,990.3	4,822.7	-3.4%	5%
39 PLASTICS AND ARTICLES THEREOF	4,303.3	3,834.5	-10.9%	4%
90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	4,591.4	3,311.8	-27.9%	3%
40 RUBBER AND ARTICLES THEREOF	2,607.9	2,373.8	-9.0%	2%
27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	3,778.6	2,334.2	-38.2%	2%

94 FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	1,969.5	1,760.6	-10.6%	2%
--	---------	---------	--------	----

#### Top 10 items of import from the World (USD mln)

Product	2014. year	2015. year	% growth	% total
Total Product (according to the Combined Nomenclature)	104,188.1	91,384.8	-12.3%	100%
85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	20,096.9	18,693.9	-7.0%	20%
84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	17,232.4	15,592.7	-9.5%	17%
87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	9,839.7	9,516.3	-3.3%	10%
27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	12,480.1	7,432.8	-40.4%	8%
39 PLASTICS AND ARTICLES THEREOF	4,582.1	4,167.8	-9.0%	5%
30 PHARMACEUTICAL PRODUCTS	3,874.0	3,958.2	2.2%	4%
73 ARTICLES OF IRON OR STEEL	2,380.8	2,104.7	-11.6%	2%
90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	2,054.4	1,923.7	-6.4%	2%
40 RUBBER AND ARTICLES THEREOF	2,018.8	1,836.2	-9.0%	2%
72 IRON AND STEEL	2,474.1	1,835.7	-25.8%	2%

#### Top 10 items of Export to India 2015 (USD mln)

Product	2014. year	2015. year	% growth	% total
Total Product (according to the Combined Nomenclature)	210.5	213.8	1.6%	100%
84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	86.8	77.6	-10.6%	36%
85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	34.9	52.2	49.7%	24%
29 ORGANIC CHEMICALS	22.5	26.6	18.1%	12%
87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	6.1	9.4	53.2%	4%
39 PLASTICS AND ARTICLES THEREOF	9.4	7.5	-20.3%	4%
90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	13.0	7.1	-45.3%	3%
48 PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	5.4	4.5	-16.1%	2%
73 ARTICLES OF IRON OR STEEL	5.7	4.0	-30.8%	2%
74 COPPER AND ARTICLES THEREOF	3.8	3.8	-0.5%	2%

94 FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	5.0	2.9	-42.7%	1%
--	-----	-----	--------	----

#### Top 10 items of Import from India 2015 (USD mln)

Product	2014. year	2015. year	% growth	% total
Total Product (according to the Combined Nomenclature)	385.1	364.9	-5.2%	100%
84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	82.3	94.4	14.7%	26%
29 ORGANIC CHEMICALS	97.5	84.5	-13.3%	23%
30 PHARMACEUTICAL PRODUCTS	72.8	72.6	-0.2%	20%
85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	58.3	51.2	-12.2%	14%
87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	9.8	9.2	-5.7%	3%
64 FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	9.4	6.4	-32.0%	2%
40 RUBBER AND ARTICLES THEREOF	5.6	5.7	2.6%	2%
73 ARTICLES OF IRON OR STEEL	6.1	4.7	-23.5%	1%
39 PLASTICS AND ARTICLES THEREOF	5.5	4.0	-26.7%	1%
41 RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	3.6	2.4	-32.8%	1%

#### Average Monthly Exchange rates for August 2016

1US\$= 276.91 HUF

1EUR= 310.36 HUF

Source: MNB-Hungarian National Bank [www.mnb.hu](http://www.mnb.hu)

#### Upcoming Trade Fairs in Hungary:

(I) <u>Autumn Wedding Exhibition</u> , 5-6 November 2016 –Featuring all related products
(II) <u>AGROMash Expo</u> 25-28th January 2017 –International trade fair for Agricultural machinery
(III) <u>FEHOVA</u> 9-12th February 2017 -International Exhibition for Fishing, Hunting and Arms

Further information: [www.hungexpo.hu](http://www.hungexpo.hu)

**Trade enquiries:** In the month of August 2016 Embassy of India, Budapest received 21 enquiries from India and 0 trade enquiries from Hungary.

### Indian Trade inquiries for the month of August 2016

S. No.	Enquiry originator	Product	HS codes	Nature Export/Import value (\$ mln)	Action taken
1	M.B. Metal India,	Miscellaneous		Export to Hungary	All inquires have been answered
2	Guta Engineers	Engineering: fasteners		Export to Hungary	
3	Munish Forge.	Defense: Tank tracks		Export to Hungary	
4	Indo German Industries	Engineering: Marine and railway spares		Export to Hungary	
5	Keshavlal Vajechand	Pharmaceuticals, medical products		Export to Hungary	
6	Arihant Dyechem	Chemicals: dyes		Export to Hungary	
7	Aonehouse	Ceramic sanitary wares		Export to Hungary	
8	Parth Solanki	Ceramic tiles		Export to Hungary	
9	Navigo Exports	Miscellaneous		Export to Hungary	
10	Tej Enterprise	Ceramic sanitary wares, tiles, bathroom accessories, pharmaceuticals		Export to Hungary	
11	Cinvim Global	Guar Gum		Export to Hungary	
12	Bona Dea	Jewellery: fashion		Export to Hungary	
13	Steelfab Industries	Engineering: steel and metal fasteners, pipes, tubes, etc		Export to Hungary	
14	Heal Thy Self Pharmaceuticals	Agro: fruits and vegetables, Pharmaceuticals		Export to Hungary	
15	Electromech Instruments	Scientific instruments, testing equipment		Export to Hungary	
16	Abletion Exim	Miscellaneous		Export to Hungary	
17	Excel Pumps	Engineering: Pumps		Export to Hungary	
18	Lotus Exim	Agro: vegetables and food		Export to Hungary	
19	Apparatus International	Engineering: Flanges for fittings		Export to Hungary	
20	ALS EXPORTS	Textiles: garments		Export to Hungary	
21	Santosh Kuchekar	Agro: fruit and vegetables, rice		Export to Hungary	

### Bosnia & Herzegovina (BiH)

**Ambassador Chhabra visited BiH on 15-21 August 2016:** During his visit, he had various high level meetings and also attended the Sarajevo Film Festival in which India also participated. He met Deputy Prime Minister Mirko Sarovic and invited him to India- Europe 29 Business Forum that aims to enhance cooperation between business and industry from India and the countries of Europe, and which will be held on 8- 9 December, 2016 in New Delhi. He also met Ms. Aida Soko, Advisor to Prime Minister of FBiH to follow up on the visit of Railway Minister in July 2016. Ambassador also interacted with University Vice-Chancellors and President of the BiH Chamber of Commerce and Industry, and discussed bilateral cooperation.

**Government Plans Sale of Mostar 's Aluminij:** The Federation entity government plans to offer its stake in Aluminij d.d. Mostar for sale by end of 2016, as part of a privatization initiative involving five other companies. It will be the second attempt by the Bosnian government to sell Aluminij after it halted the privatization process launched in 2007, despite a high level of interest among international companies Aluminij d.d. Mostar is 44% owned by the Federal of BiH government, another 44% is in the possession of small shareholders (existing and former workers of Aluminij). The remaining 12% is owned by the Croatian government, which invested in restarting Aluminij after the war period of 1992-95. Employing some 850 workers Aluminij's exports are worth over €150 million / year, its main buyers being Glencore and TLM Sibenik. However, due to high electricity costs (€ 51.5 / MWh in 2015) and unfavorable aluminum prices, Aluminij has recorded a permanent loss in recent years.

**Bosnia's Industrial Output Growth Slows in July:** The industrial output of Bosnia and Herzegovina increased by 0.3% on the year in July, slowing down from a growth of 7.2% a month earlier, preliminary data from the country's Statistics Agency indicated. Month-on-month, industrial production in Bosnia dropped

4.4% in July, after growing 1.5% in June. The figures are seasonally adjusted. Bosnia and Herzegovina's domestic industrial producer prices dropped by annual 0.5% in July, after staying flat in June, data from the Statistics Agency indicated.

**Foreign Tourist Arrivals Rise by 9.9%:** The number of foreign tourists who visited Bosnia in the first half of 2016 grew 9.9% on the year to 325,961, data from the country's statistics office showed. The total number of tourists in the country increased by an annual 8% to 505,991 through June. Total tourist overnights in January-June totaled 1,016,778, up 6.9% year-on-year. Out of them, foreign tourist overnights accounted for 65.9%, or 670,080, up 10.4% on the year. Visitors from Croatia accounted for 14.5% of foreign overnights in the first six months, followed by nationals from Turkey with an 11.1% share, and from Serbia with 10.9%.

**Deflation Slows to 1% in July on Yearly Basis:** Consumer prices in Bosnia and Herzegovina dropped 1% on the year in July, after falling 1.5% a month earlier, the country's statistics office said. The decline reflected a fall in the prices of food and non-alcoholic beverages by 0.1%, clothing and footwear by 8.6%, housing, water, electricity, gas and other fuels by 0.8%, furniture by 0.9%, transport by 6.5%, and communications by 1.2%. In 2015, Bosnia and Herzegovina posted an average annual deflation of 1%, following a deflation of 0.9% in 2014. The IMF has projected that the country will post an average annual inflation of 1.1% for 2016.

**Average June Salary at 837 KM:** The average net salary in BiH in June 2016 amounted to 837 KM, which represents nominal decrease of 0.6 percent compared with December 2015, while compared to the same month last year it increased by 0.4 percent. The lowest average net salary of 516 KM was in accommodation and food service, while in construction industry, as well as in administrative and support services it amounted to 528 KM, the BiH Statistics Agency announced. The average gross salary in BiH in June 2016 amounted to 1,299 KM, which represents the nominal decrease of 0.7 percent compared to December 2015, and it increased by 0.3 percent compared to June last year.

**Construction Starts of First Hydro Power Plant since 1990:** The construction of a hydro power plant started in Vranduk, near Zenica. The works are expected to be completed by 2020. Government-controlled Elektroprivreda BiH power company signed an agreement earlier this year with the Strabag AG Austria and Koncar - KET, worth 112.3 million. Elektroprivreda BiH invested 1.5 million in the implementation of 34 infrastructure projects in villages near the plant. Preliminary work began on February 1, 2016 and the completion is planned for 11 November 2019.

#### TRADE FAIRS in Bosnia and Herzegovina

ZEPS	23rd General B&H Fair	Kamberovića polje, in Zenica	04-08.10.2016	<a href="http://zeps.com">http://zeps.com</a>
ZEPS	13 <sup>th</sup> International Metal Fair	Kamberovića polje, in Zenica	04-08.10.2016	<a href="http://zeps.com">http://zeps.com</a>
RENEXPO	International Trade Fair and Conferences on Renewables and Energy Efficiency	Hotel Hollywood DeLuxe, Sarajevo	03-04.11 2016	<a href="http://www.renexpo-bih.com">www.renexpo-bih.com</a>

<http://www.tradefairdates.com/Fairs-Bosnia-and-Herzegovina-Z18-S1.html>

#### Average Monthly Exchange rates for August 2016

1US\$= 1.743797 KM

1EUR= 1.955830 KM

Source: Central Bank BiH <http://cbbh.ba>

Vijay Khanduja  
First Secretary (Com/Pol)  
Embassy of India  
Budapest