Bosnia and Herzegovina

Introduction

Bosnia and Herzegovina is a country in Southeastern Europe on the Balkan Peninsula. It borders Croatia, Serbia, and Montenegro and has a small Adriatic Sea coastline. The geography of Bosnia and Herzegovina is mountains. The government system is an emerging federal democratic republic. Three members (one Bosniak, one Croat and one Serb) make up the presidency but the chief of state is the Chairman of the Presidency, a rotating position between the three. The head of government is the Chairman of the Council of Ministers. Formally a planned economy, Bosnia and Herzegovina is transitioning to a mixed economic system in which the economy includes a private-enterprise system, combined government regulation. It is a member of the Central European Free Trade Agreement (CEFTA).

Location: Southern Europe
Capital City: Sarajevo (+1 GMT)
Chief of State: Tripartite Precidency: Bakir Izetbegovic, Zeljko Komsic and Nebojsa Radmanovic
Head of Govt.: Chairman of the Council of Ministers Vjekoslav Bevanda
Currency: Bosnia and Herzegovina convertible mark (BAM)
Major Languages: Bosnian, Croatian, Serbian
Primary Religions: Muslim 40%, Orthodox 31%, Roman Catholic 15%, other 14%
Calling Code: 387
Voltage: 220

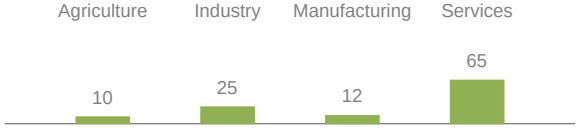
Key Websites

Main Government Page:	fbihvlada.gov.ba
Commerce Ministry:	fmt.gov.ba
Export Promotion Agency:	bhexport.ba
Investment Promotion Agency:	fipa.gov.ba

Key Economic Facts

Budget Expenditures:	$.01 trillion (2011)
Budget revenues:	$.01 trillion (2011)
Debt - external:	$.01 trillion (2011)
Distribution Of Family Income - GINI Index:	36.20% (2007)
Exports:	$6.03 billion (2011)
GDP per capita, PPP:	$9,089.12 (2011)
GDP, PPP:	$.03 trillion (2011)
Imports:	$11.06 billion (2011)
Industrial production growth rate:	3.10% (2011)
Inflation rate (consumer prices):	3.70% (2011)
Labor force:	2.60 million (2010)
Population:	3.88 million (2012)
Unemployment rate:	43.30% (2011)

GDP Composition %



Rankings

Index	Rank
Freedom of the Press	95/197
Global Competitiveness Report	88/144
Global Enabling Trade Report	80/132
Index of Economic Freedom	103/177
International Logistics Performance Index (LPI)	55/155
KOF Index of Globalization	60/187
Networked Readiness Index (NRI)	84/142
Open Budget Index	40/100

Risk Assessment (Provided by Coface)

Country rating: D - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behaviour. Corporate default probability is very high.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Substantial inflows of private transfers thanks to the increasing mobility of workers in the region
- Banking reform (building equity)
- 67% cancelation of debt with the Paris Club (2000) and IMF financial assistance
- Conclusion of a Stabilization and Association Agreement with the European Union in June 2008

Weaknesses

- Weak diversification of exports and vulnerability to world prices shocks
- High exposure of borrowers to foreign currency risk
- Deficiencies in infrastructure and business environment
- High unemployment rate
- Institutional and ethnical fragmentation

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