

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 mountainous. 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 which includes a private-enterprise system, combined with government regulation. Bosnia and Herzegovina is a member of the Central European Free Trade Agreement (CEFTA).



Location: Southern Europe

Capital City: Sarajevo (+1 GMT)

Chief of State: Chairman of the Presidency Denis Becirovic

Head of Govt.: Chairman of the Council of Ministers Borjana Kristo

Currency: Bosnia and Herzegovina convertible mark (BAM)

Major Languages: <p>Bosnian (official) 52.9%, Serbian (official) 30.8%, Croatian (official) 14.6%, other 1.6%, no answer 0.2% (2013 est.)</p>

Primary Religions: <p>Muslim 50.7%, Orthodox 30.7%, Roman Catholic 15.2%, atheist 0.8%, agnostic 0.3%, other 1.2%, undeclared/no answer 1.1% (2013 est.)</p>

Calling Code: 387

Voltage: 220

Key Websites

Main Government Page: fbihvlada.gov.ba

Commerce Ministry: fmt.gov.ba

Investment Promotion wbc-rti.info

Agency:

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	In Transition
GDP, PPP (current international \$):	\$65.89 billion (2022)
GDP growth (annual %):	3.90% (2022)
GDP per capita, PPP (current international \$):	\$20,376.89 (2022)
External debt stocks, total (DOD, current US\$):	\$12,986,165,818.10 (2021)
Manufacturing, value added (% of GDP):	14.90% (2022)
Current account balance (BoP, current US\$):	-\$1.10 billion (2022)
Inflation, consumer prices (annual %):	14.02% (2022)
Labor force, total:	1,366,232 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	14.05% (2022)
Imports of goods and services (current US\$):	\$14.94 billion (2022)
Exports of goods and services (current US\$):	\$11.34 billion (2022)

GDP Composition %

Agriculture Services Industry Manufacturing



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	109 / 178
Global Competitiveness Index	92 / 141
Global Enabling Trade Index	83 / 136
Index of Economic Freedom	63 / 176
International Logistics Performance Index (LPI)	72 / 160
KOF Index of Globalization	57 / 185
Networked Readiness Index (NRI)	97 / 139
Open Budget Index	81 / 114

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths

- Significant remittances from expatriate workers
- Currency pegged to the euro
- EU Membership talks since 2024
- Tourism (12% of employment and 10.5% of GDP in 2019) and hydroelectric potential (34.5% of electricity produced)
- Member of various trade agreements, including CEFTA, a regional common market of 6 Balkan countries
- Wage competitiveness

Weaknesses

Weaknesses

- Institutional, regulatory, economic, and community fragmentation, secessionist aspirations
- Lack of public investments
- Low diversification of exports
- Corruption, defective rule of law
- High emigration, lack of skilled labour
- Large informal sector (estimated at 1/3 of GDP), low labour force participation (50%), high youth unemployment (1/3)
- Dependency on external financial aid

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