

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 Sefik Dzaferovic

Head of Govt.: Chairman of the Council of Ministers Zoran Tegeltija

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

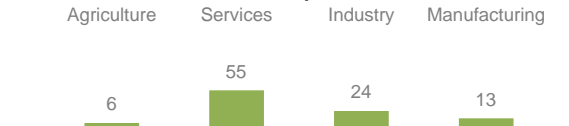
Commerce Ministry: fmt.gov.ba

Investment Promotion Agency: fipa.gov.ba

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	In Transition
GDP, PPP (current international \$):	\$49.73 billion (2018)
GDP growth (annual %):	3.62% (2018)
GDP per capita, PPP (current international \$):	\$14,962.04 (2018)
External debt stocks, total (DOD, current US\$):	\$15,824,209,911.40 (2018)
Manufacturing, value added (% of GDP):	13.21% (2018)
Current account balance (BoP, current US\$):	-\$0.75 billion (2018)
Inflation, consumer prices (annual %):	0.56% (2019)
Labor force, total:	1,306,483 (2019)
Unemployment, total (% of total labor force) (modeled ILO estimate):	18.42% (2019)
Imports of goods and services (current US\$):	\$11.25 billion (2018)
Exports of goods and services (current US\$):	\$8.18 billion (2018)

GDP Composition %



**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	89 / 180
Global Competitiveness Index	92 / 141
Global Enabling Trade Index	83 / 136
Index of Economic Freedom	83 / 179
International Logistics Performance Index (LPI)	72 / 160
KOF Index of Globalization	57 / 185
Networked Readiness Index (NRI)	97 / 139
Open Budget Index	76 / 115

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

- Regular growth
- Significant transfers from expatriate workers
- Stabilisation and Association Agreement with the EU with pre-accession funds
- Tourism (11.7% of employment and 10.2% of GDP, directly and indirectly) and hydroelectric potential (already 35% of electricity produced)

Weaknesses

- Institutional, regulatory, economic and community fragmentation (50% Muslim Bosnians, 33% Orthodox Serbs and 15% Catholic Croats)
- Lack of public investment (local transport, education, health) with only 2% of public expenditure
- Low diversity and low added value of exports
- Corruption, clientelism, administrative delays
- High emigration estimated at 50,000 people per year
- Large informal sector, low labor force participation (42%), high youth unemployment (34%)

U.S. Embassy

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