**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 Bakir Izetbegovic, other members of the three-member presidency rotate every eight months

**Head of Govt.:** Prime Minister Denis Zvizdic

**Currency:** Bosnia and Herzegovina convertible mark (BAM)

**Calling Code:** 387

**Voltage:** 220

**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>

**Key Economic Facts**

| Income Level (by per capita GNI): | Upper Middle Income
| Level of Development: | In Transition
| GDP, PPP (current international $): | $45.97 billion (2017)
| GDP growth (annual %): | 3.19% (2017)
| GDP per capita, PPP (current international $): | $13,107.72 (2017)
| External debt stocks, total (DOD, current US$): | $14,495,099,740.10 (2017)
| Manufacturing, value added (% of GDP): | 13.12% (2017)
| Current account balance (BoP, current US$): | -0.85 billion (2017)
| Inflation, consumer prices (annual %): | 1.17% (2017)
| Labor force, total: | 1,408,075 (2018)
| Unemployment, total (% of total labor force): | 20.84% (2018)
| Imports of goods and services (current US$): | $10.06 billion (2017)
| Exports of goods and services (current US$): | $7.02 billion (2017)

**GDP Composition %**

<table>
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<tr>
<th>Agriculture</th>
<th>Services</th>
<th>Industry</th>
<th>Manufacturing</th>
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| 6           | 56       | 23       | 13            | *Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

**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**

- IMF financial aid
- Substantial immigrant workers’ remittances
- Stabilization and association agreement with the EU
- Tourist and energy potential

**Weaknesses**

- Institutional, regulatory, ethnic, and economic fragmentation
- Weak public investment (transport, education, healthcare)
- Limited diversity and low added value of exports
- High unemployment (25%) and low participation in working life (43%)
- Inappropriate targeting of social protection
- Large size of the informal sector

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