

ITC by Country Report

Bosnia and Herzegovina
05/12/2014



International
Trade
Centre

Table of Contents

1. Country / Territory Brief

2. People and Economy

2.1 People

2.2 Economy

3. Trade Performance

3.1 General Trade Performance

3.2 Sector Trade Performance

4. Trade Strategy and Policy

4.1 Trade and Development Strategies

4.2 Domestic and Foreign Market Access

4.3 Trade Facilitation

4.4 Business and Regulatory Environment

4.5 Infrastructure

5. ITC and the Country/Territory

5.1 ITC Projects

5.2 Events

5.3 ITC Contacts

6. Trade Information Sources and Contacts

6.1 Trade Information Sources

6.2 Trade Contacts

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1. Country / Territory Brief



Bosnia and Herzegovina is a Southeastern European country on the Adriatic Sea that shares borders with Croatia, Montenegro, and Serbia. Exports are comprised of natural resources and low value-added goods including mineral fuels, aluminum, iron and steel, wood, and industrial supplies such as furniture and lighting. While the majority of exports are destined for the European Union, significant trade is performed within the CEFTA region. Energy and high value-added imports meanwhile drive a large trade deficit. Although not yet a member of the WTO, Bosnia and Herzegovina has increased regional integration through its participation in the Central European Free Trade Agreement and an EU Free Trade agreement. Moreover, it is considered a potential candidate for EU accession and has enhancing coordination with Europe through a Stabilization and Association Agreement. Nevertheless, trade development continues to be hindered by low productivity, administrative barriers to trade, and limited access to finance.

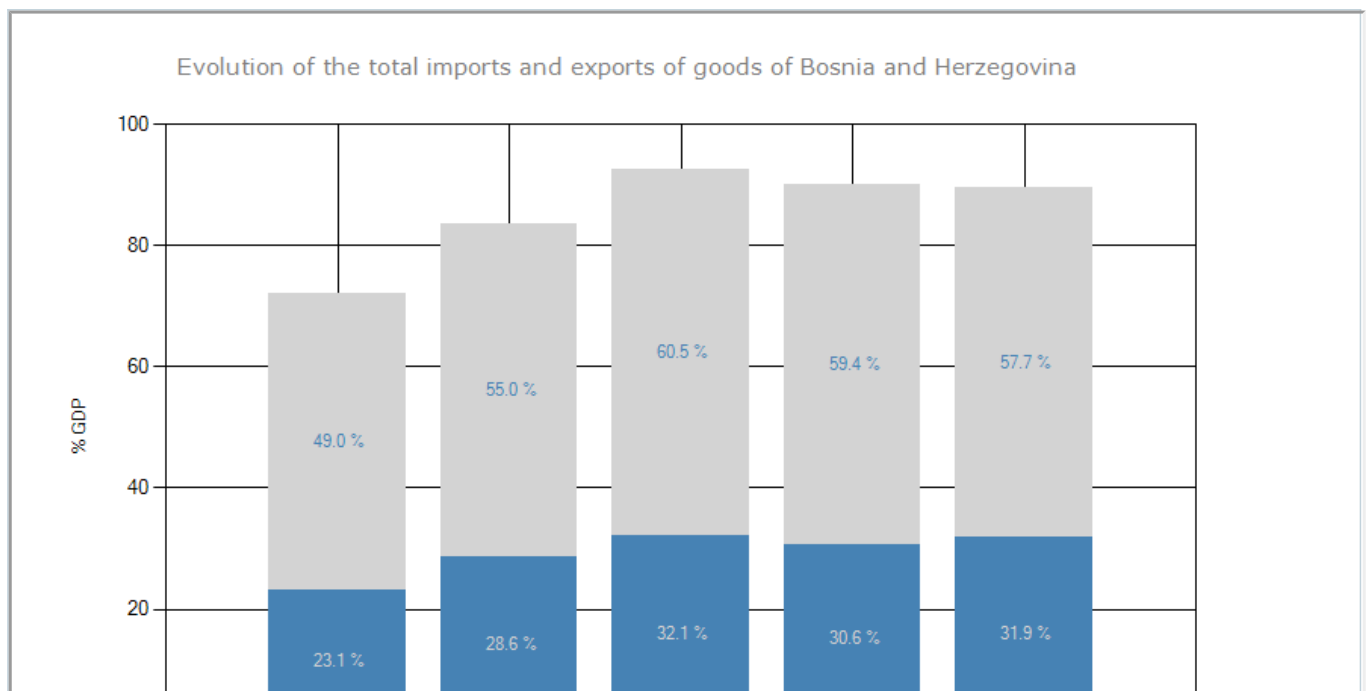
2. People and Economy

2.1 People

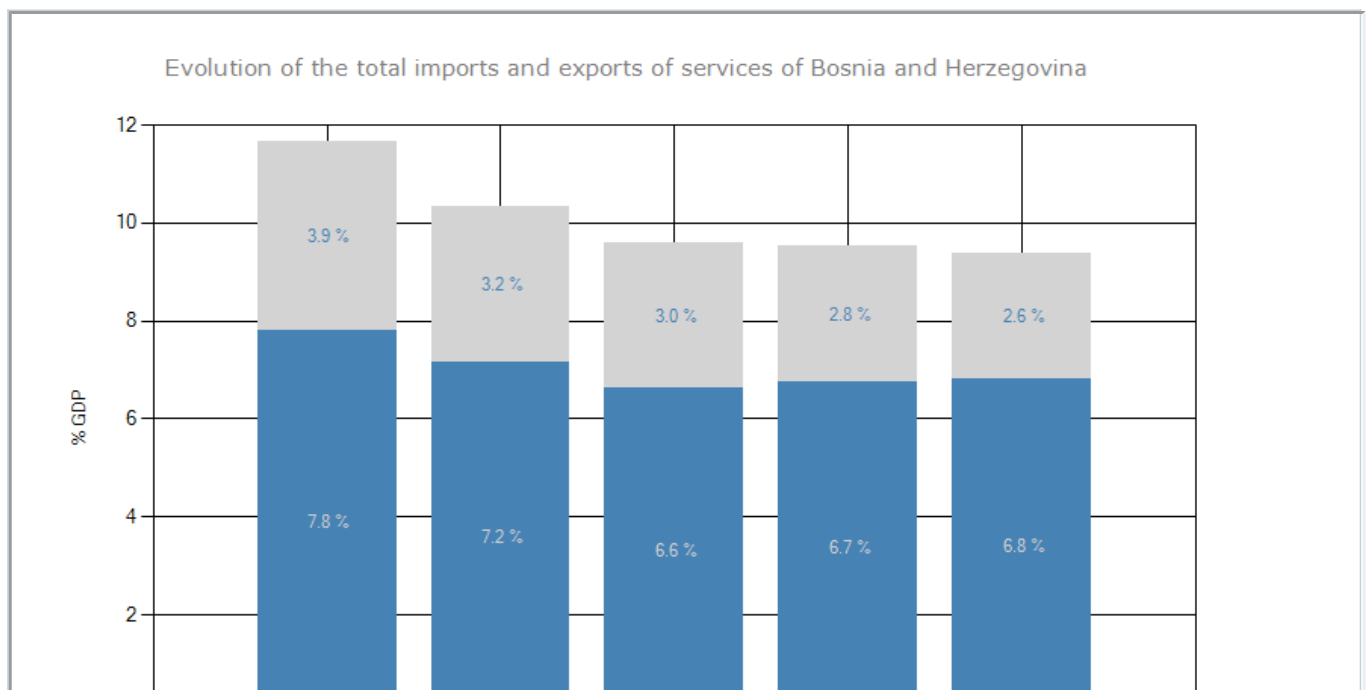
3. Trade Performance

3.1 General Trade Performance

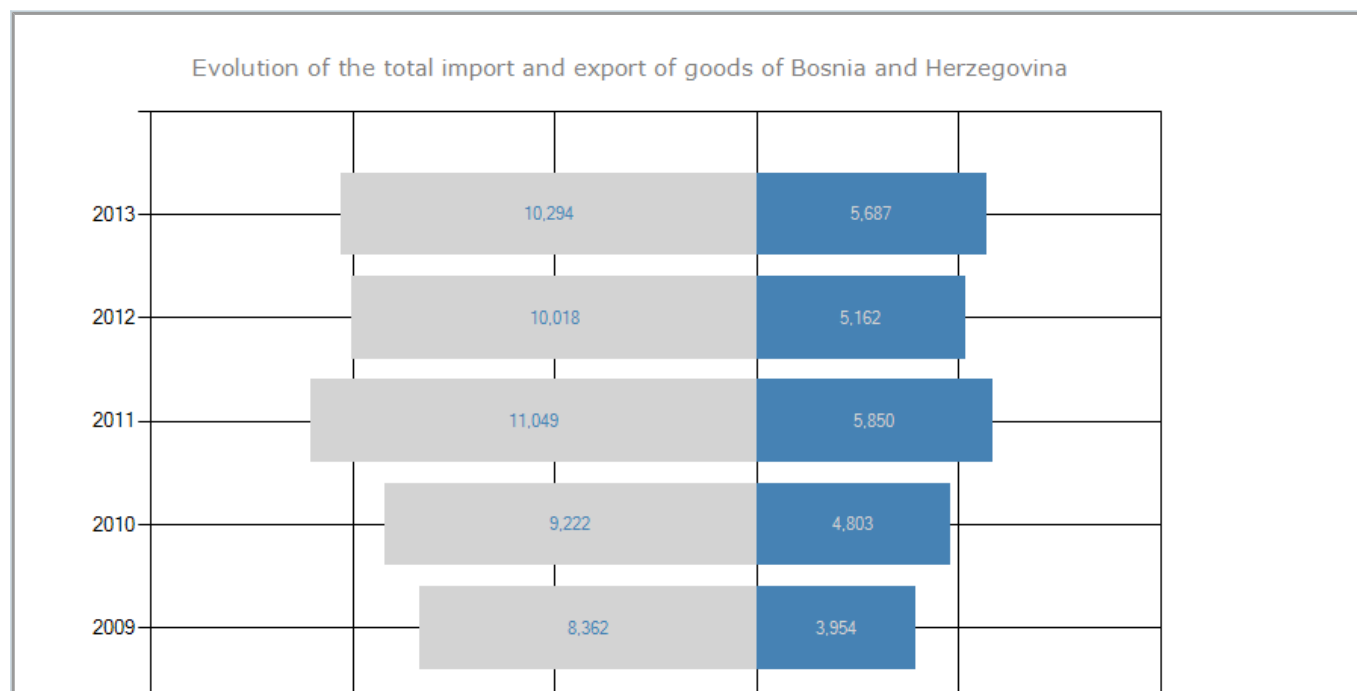
3.1.1 Evolution of Trade Ratio to GDP - Goods



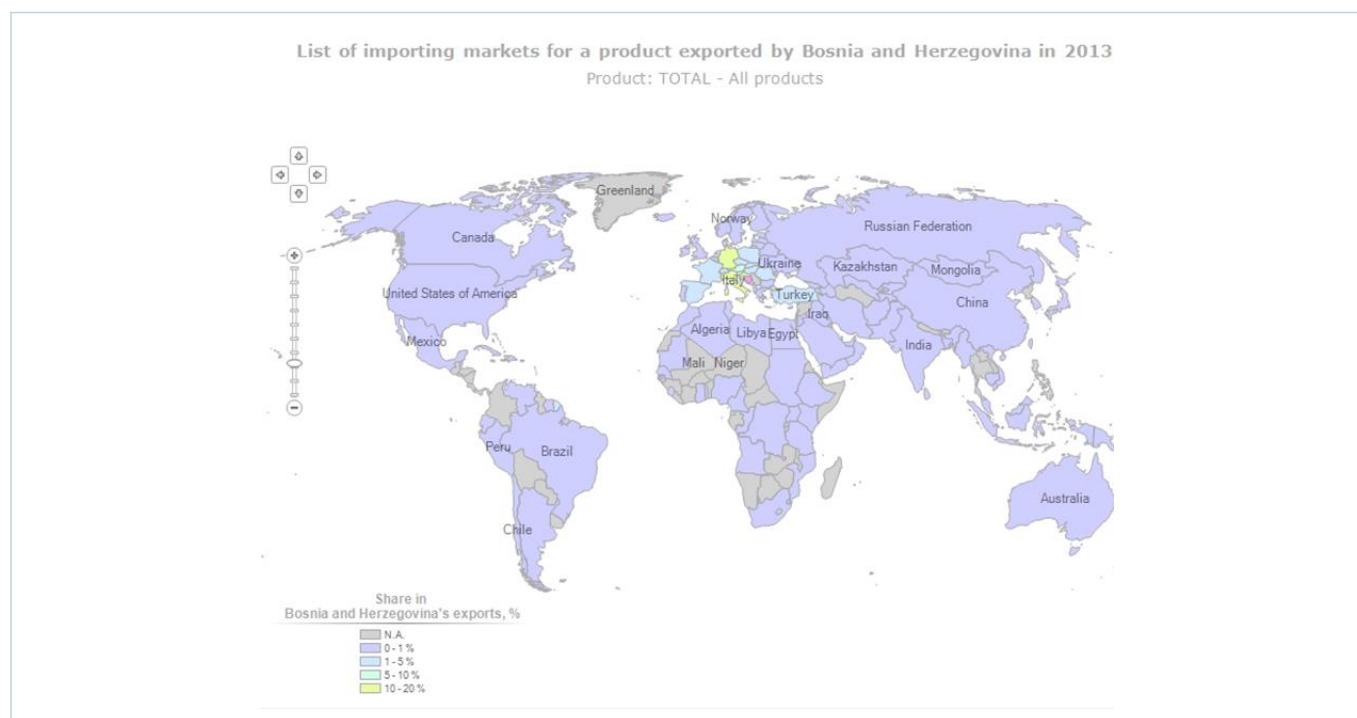
3.1.2 Evolution of Trade Ratio to GDP - Services



3.1.3 Evolution of Total Trade

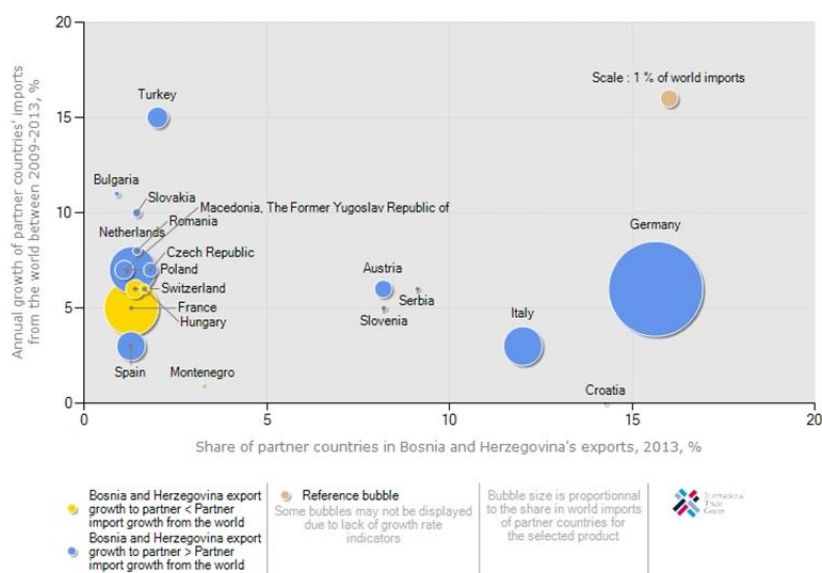


3.1.4 Trade Map



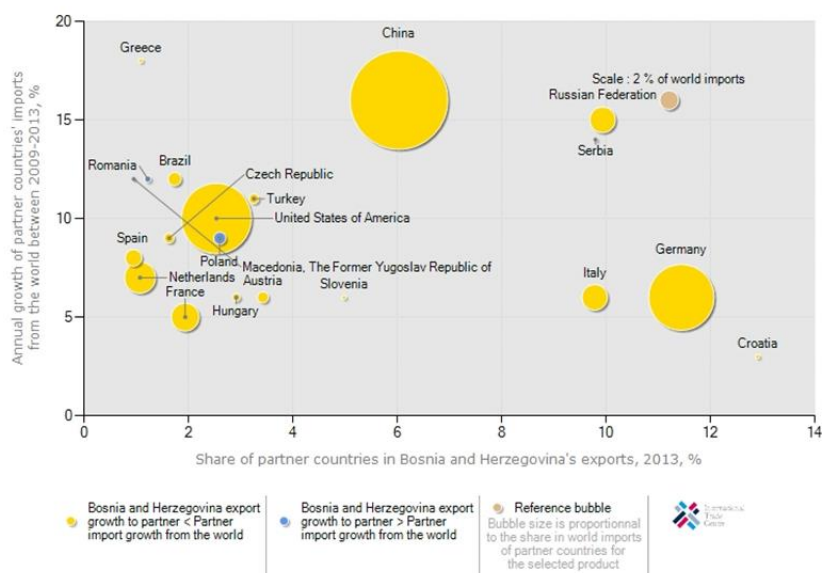
3.1.5 Export and Import by Leading Destination - Export

Prospects for market diversification for a product exported by Bosnia and Herzegovina in 2013
Product: TOTAL - All products

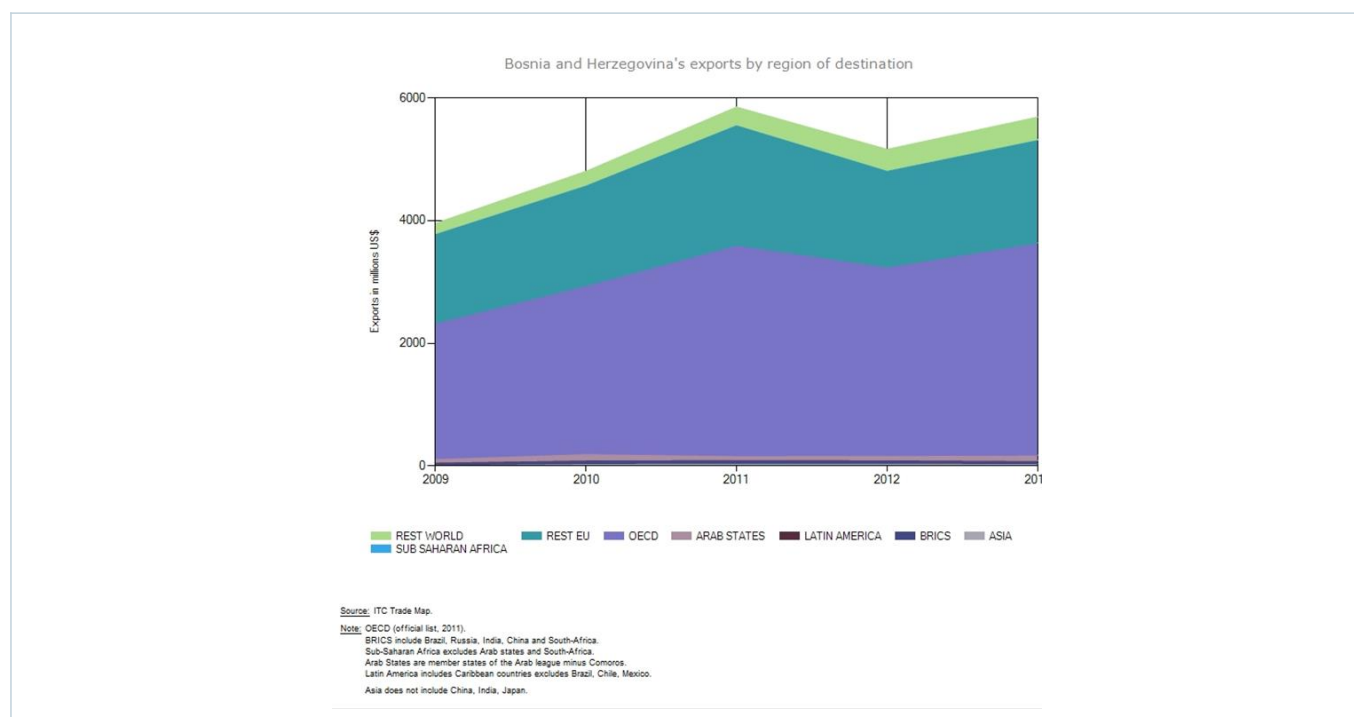


3.1.6 Export and Import by Leading Destination - Import

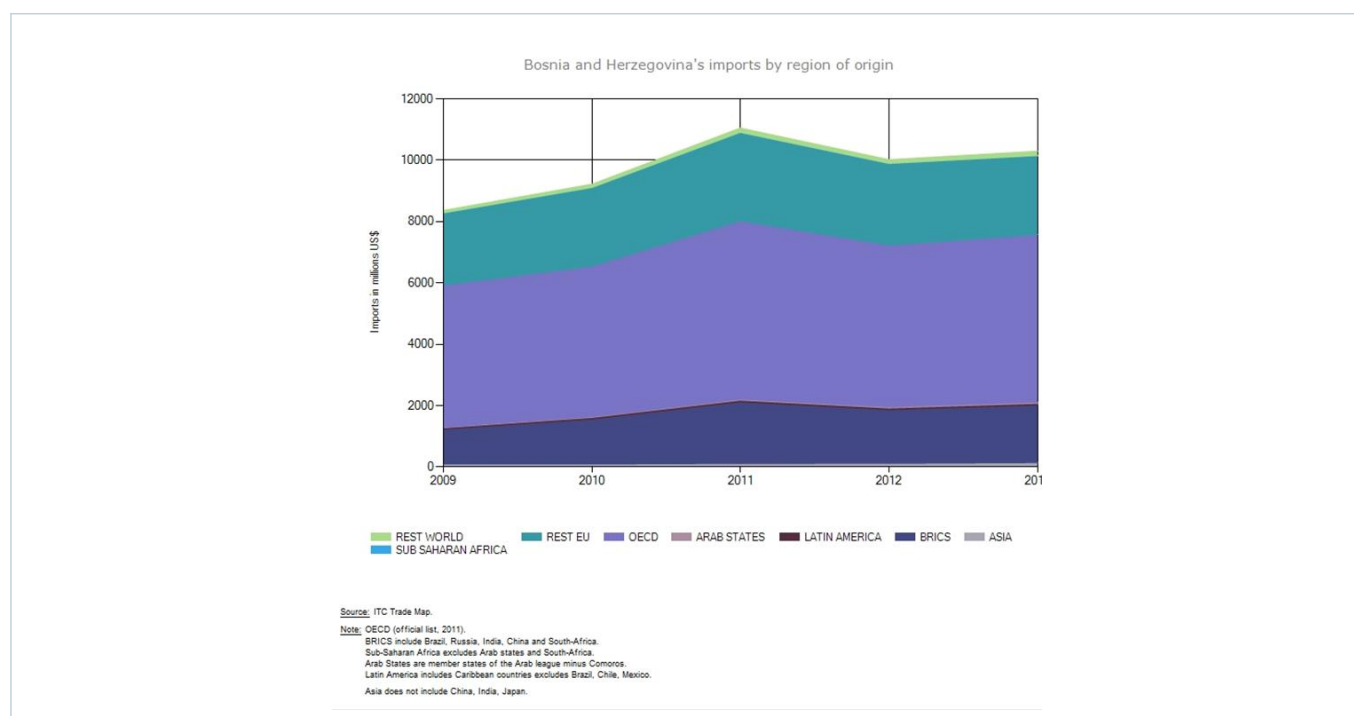
Prospects for market diversification for a product imported by Bosnia and Herzegovina in 2013
Product: TOTAL - All products



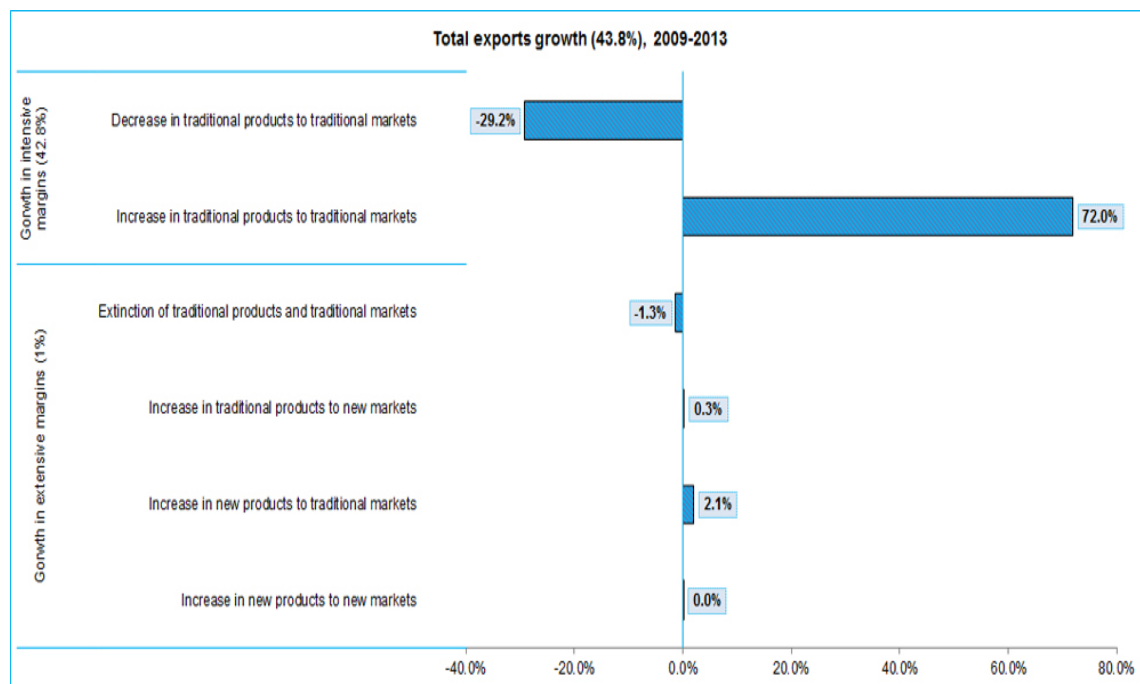
3.1.7 Evolution of Exports and Imports by Destination - Export



3.1.8 Evolution of Exports and Imports by Destination - Import



3.1.9 Total Export Growth



Source: ITC, calculations based on ITC's Trade Competitiveness Map data.

Note: Graph shows decomposition of the country's export growth in value terms by diversification pattern over the indicated period.

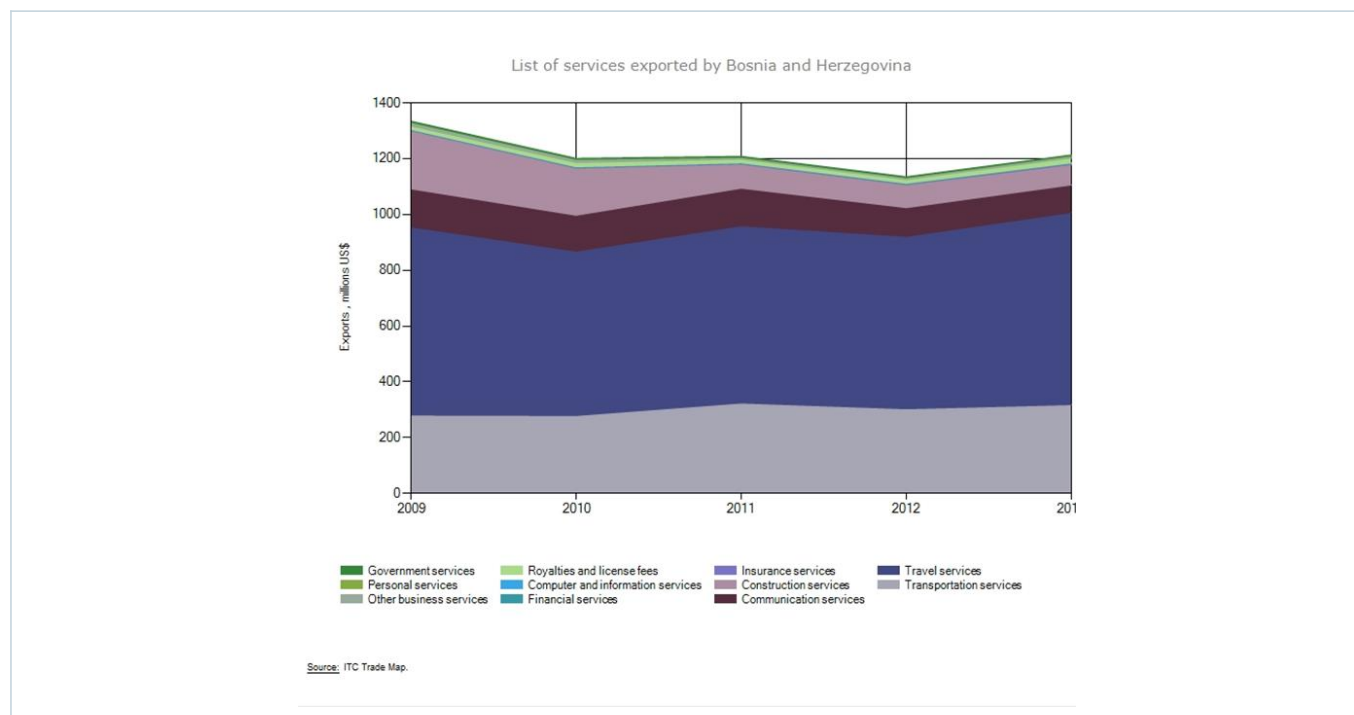
3.1.10 Marginal Export Growth

From 2009 to 2013, the country's total export in value Increased by 43.8%		
Marginal Growth Due to	US\$ change	% change
Growth due to world trade's growth	1,928,836.8	48.8
Growth due to product specialisation	-75,012.6	-1.9
Growth due to geographic specialisation	-420,292.7	-10.6
Growth due to competitiveness	299,851.5	7.6
Sum of the marginal growths	1,733,383.0	43.8

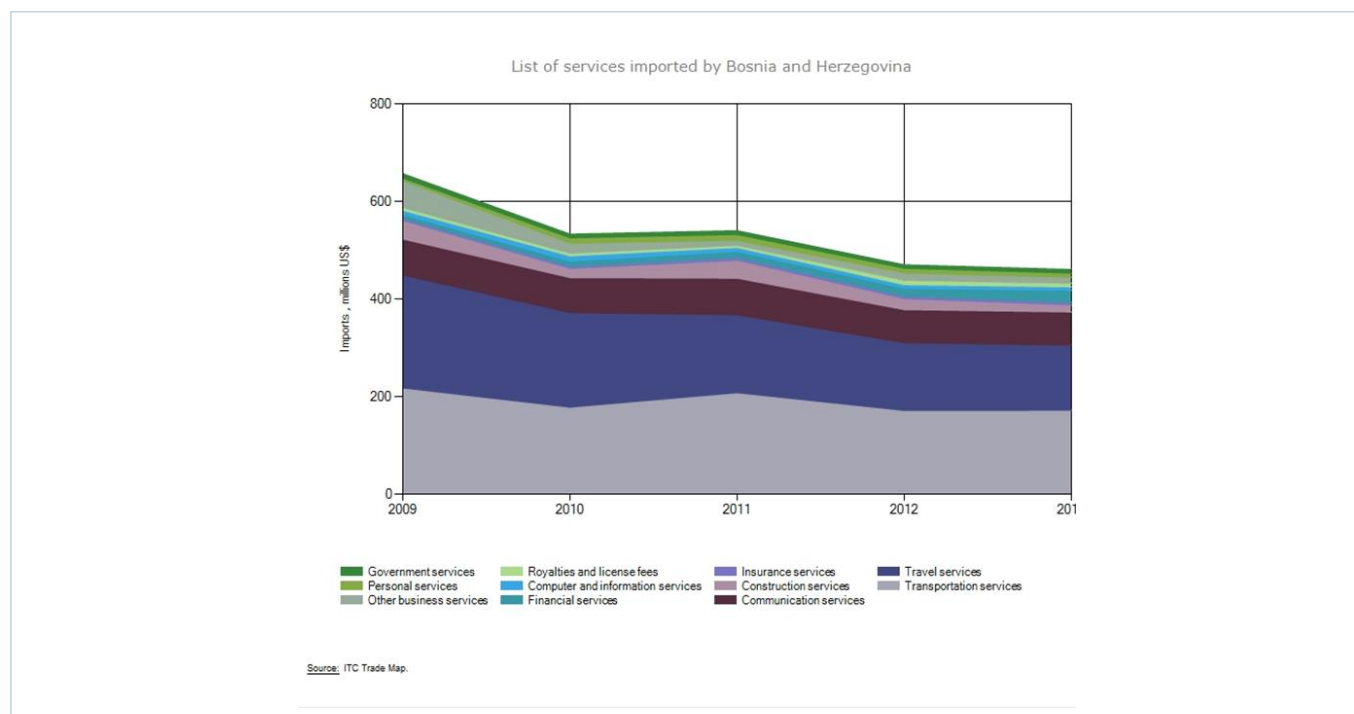
Source: ITC, calculations based on ITC's Trade Competitiveness Map data.

Note: Graph shows decomposition of the country's export growth in value by structural driving effects over the indicated period. Values are in US\$ thousands.

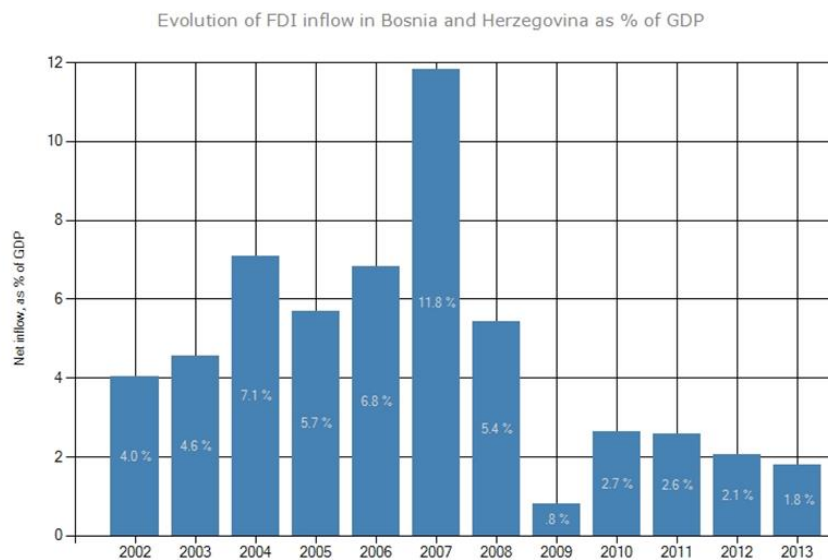
3.1.11 Composition of Trade in Services - Export



3.1.12 Composition of Trade in Services - Import



3.1.13 Evolution of FDI



Source: ITC based on World Bank WDI.

3.2 Sector Trade Performance

3.2.1 Sectoral Diversification in Products - Export

Sectoral diversification in products for Bosnia and Herzegovina's exports

Sector	Average share of sector in country's exports 2009-2013	Share of top 3 detailed products (HS6) in sector's exports		Sector's leading exported product HS6
		2009	2013	
Basic manufactures	19.3 %	40.2 %	43.4 %	760120 Aluminium unwrought, alloyed
Minerals	18.5 %	66.3 %	52.4 %	271600 Electrical energy
Miscellaneous manufacturing	12.2 %	61.0 %	59.0 %	940190 Parts of seats other than those of heading No 94.02
Wood products	8.9 %	37.3 %	35.8 %	440710 Lumber, coniferous (softwood) 6 mm and thicker
Non-electronic machinery	6.9 %	40.9 %	37.8 %	840999 Parts for diesel and semi-diesel engines
Leather products	6.7 %	66.3 %	63.0 %	640399 Footwear, outer soles of rubber/plastics uppers of leather
Processed food	5.9 %	27.5 %	30.8 %	040120 Milk not concentrated & unsweetened exceeding 1% not exceeding 6% fat
Chemicals	5.5 %	41.2 %	42.8 %	283620 Disodium carbonate
Clothing	3.7 %	17.1 %	18.2 %	620211 Womens/girls overcoats&sim articles of wool/fine animal knit
Electronic components	2.8 %	50.0 %	42.2 %	854449 Electric conductors, for a voltage not exceeding 80 V, ne
Unclassified products	2.8 %	99.9 %	99.8 %	999999 Commodities not elsewhere specified
Fresh food	2.6 %	34.9 %	49.5 %	410150 Whole raw hides and skins of bovine "incl. buffalo" or eq
Transport equipment	2.5 %	54.8 %	70.2 %	870830 Brakes and servo-brakes and their parts, for tractors, mo
Textiles	0.9 %	66.1 %	51.3 %	550911 Yarn, >=85% nylon or other polyamides staple fibres, single, not put up
IT & consumable electronics	0.1 %	33.9 %	47.8 %	852910 Aerials&aerial reflectors of all kinds; parts suitable f use therewith

Source: ITC Trade Competitiveness Map.

Note: HS codes refer to the revision 2007.

N/A in product labels means not elsewhere specified

3.2.2 Sectoral Diversification in Products - Import

Sectoral diversification in products for Bosnia and Herzegovina's imports

Sector	Average share of sector in country's imports 2009-2013	Share of top 3 detailed products (HS6) in sector's imports		Sector's leading imported product HS6
		2009	2013	
Minerals	20.5 %	67.4 %	74.4 %	270900 Petroleum oils and oils obtained from bituminous minerals crude
Chemicals	13.1 %	23.6 %	21.4 %	300490 Medicaments nes, in dosage
Processed food	12.6 %	21.7 %	20.2 %	220300 Beer made from malt
Basic manufactures	11.0 %	13.9 %	14.4 %	760110 Aluminium unwrought, not alloyed
Non-electronic machinery	6.6 %	13.7 %	12.9 %	841490 Parts of vacuum pumps, compressors, fans, blowers, ho
Fresh food	6.5 %	27.2 %	26.2 %	100190 Wheat nes and meslin
Transport equipment	6.0 %	43.2 %	51.1 %	870332 Automobiles with diesel engine displacing more than 1500 to 2500 cc
Miscellaneous manufacturing	5.4 %	13.9 %	12.9 %	392690 Articles of plastics or of other materials of Nos 39.01 to 39.05 nes
Electronic components	3.5 %	16.5 %	14.7 %	854449 Electric conductors, for a voltage not exceeding 80 V, nes
Leather products	3.4 %	29.1 %	34.1 %	420500 Articles of leather or of composition leather, nes
Wood products	3.2 %	22.0 %	22.8 %	441011 Waferboard, including oriented strand board of wood
Textiles	3.2 %	18.4 %	25.0 %	590320 Textile fabrics impregnated, ctd, cov, or laminated with polyurethane, nes
IT & consumable electronics	2.6 %	30.9 %	45.4 %	851712 Telephones for cellular networks mobile telephones or for other wirele
Clothing	1.8 %	16.5 %	19.7 %	610910 T-shirts, singlets and other vests, of cotton, knitted
Unclassified products	0.1 %	99.1 %	99.1 %	999999 Commodities not elsewhere specified

Source: ITC Trade Competitiveness Map.

Note: HS codes refer to the revision 2007.

N/A in product labels means not elsewhere specified

3.2.3 Sectoral Diversification in Destinations - Export

Sectoral diversification in destination for Bosnia and Herzegovina's exports

Sector	Sector's export growth in value (% p.a) 2009-2013	Share of top 3 importing countries in sector's exports		List of the top 3 importing countries	
		2009	2013	2009	2013
Fresh food	16.7 %	51.0 %	49.2 %	Croatia ; Turkey ; Italy	Austria ; Italy ; Croatia
Transport equipment	15.4 %	61.3 %	54.0 %	Germany ; Luxembourg ; Slovenia	Germany ; Luxembourg ; Slovenia
Miscellaneous manufacturing	12.5 %	61.1 %	58.3 %	Germany ; Croatia ; Austria	Germany ; Croatia ; Austria
Chemicals	12.4 %	47.0 %	47.3 %	Italy ; Serbia ; Croatia	Area Nes ; Italy ; Serbia
Leather products	11.7 %	81.3 %	72.8 %	Italy ; Germany ; Austria	Italy ; Germany ; Austria
Unclassified products	10.7 %	99.8 %	98.1 %	Area Nes ; Slovenia ; Germany	Area Nes ; Turkey ; Italy
Basic manufactures	9.4 %	54.7 %	45.1 %	Croatia ; Serbia ; Italy	Croatia ; Germany ; Italy
Wood products	9.4 %	52.2 %	43.2 %	Serbia ; Croatia ; Italy	Italy ; Croatia ; Slovenia
Processed food	8.6 %	66.6 %	57.4 %	Croatia ; Serbia ; Italy	Croatia ; Serbia ; Montenegro
Electronic components	8.6 %	56.9 %	70.3 %	Slovenia ; Austria ; Serbia	Slovenia ; Austria ; Germany
Minerals	7.4 %	60.1 %	59.5 %	Serbia ; Croatia ; Montenegro	Croatia ; Serbia ; Montenegro
Non-electronic machinery	6.9 %	67.6 %	69.5 %	Slovenia ; Germany ; Italy	Slovenia ; Austria ; Germany
Clothing	2.8 %	80.7 %	77.9 %	Germany ; Italy ; Austria	Germany ; Italy ; Austria
Textiles	-0.2 %	67.5 %	81.2 %	Italy ; Germany ; Area Nes	Italy ; Austria ; Germany
IT & consumable electronics	-1.8 %	53.8 %	58.5 %	Slovenia ; Austria ; Croatia	Slovenia ; Austria ; Netherlands

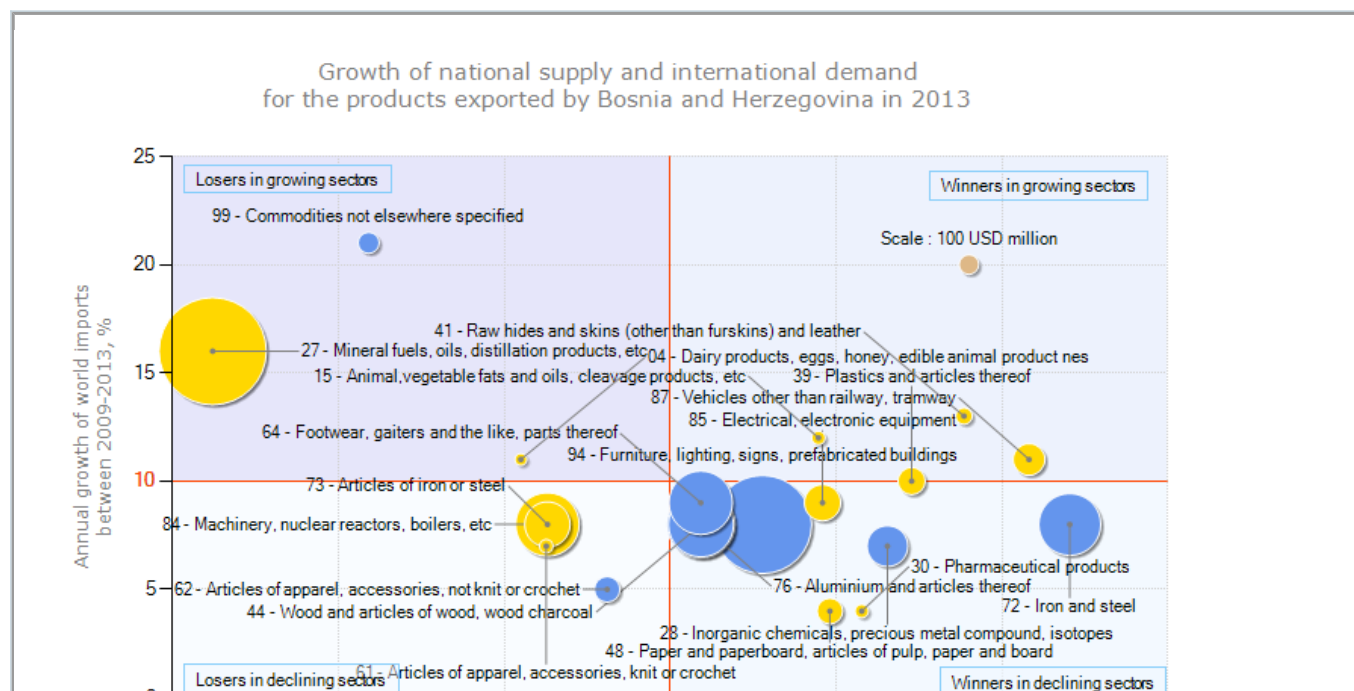
Source: ITC Trade Competitiveness Map.

3.2.4 Sectoral Diversification in Destinations - Import

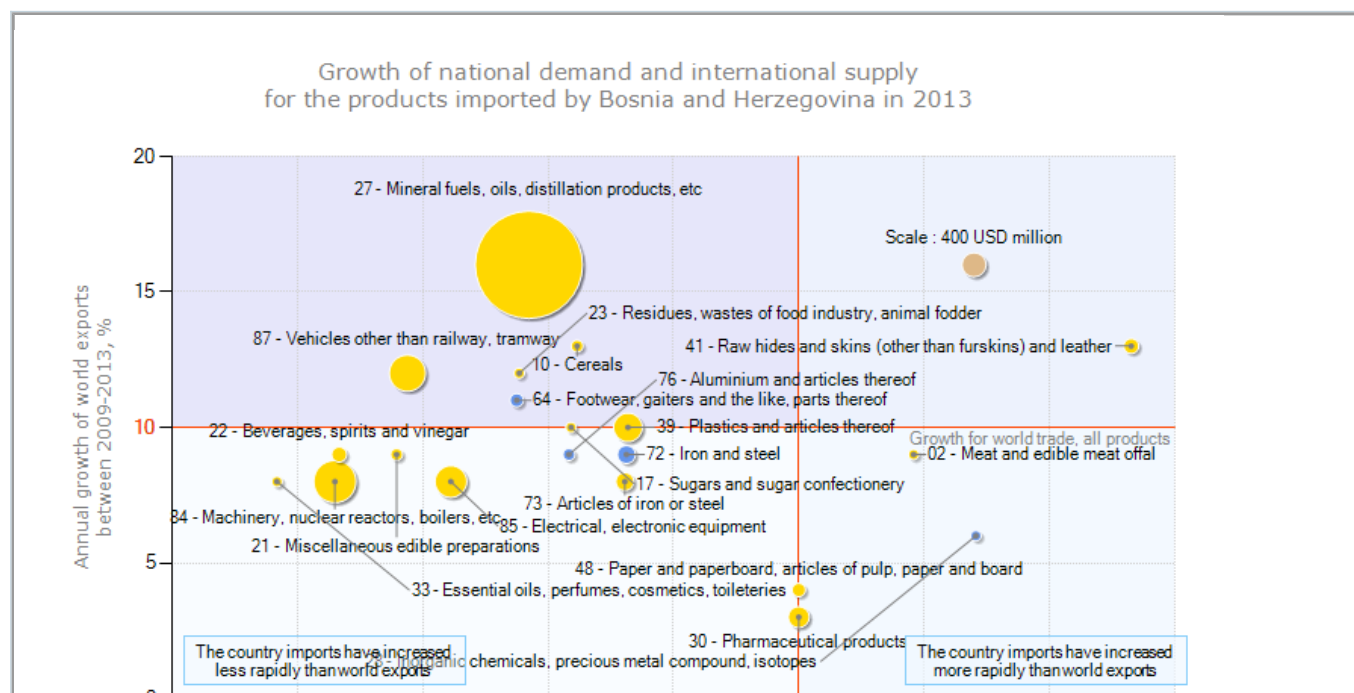
Sectoral diversification in origin for Bosnia and Herzegovina's imports

Sector	Sector's import growth in value (% p.a) 2009-2013	Share of top 3 supplying countries in sector's imports		List of the top 3 supplying countries	
		2009	2013	2009	2013
Leather products	12.4 %	65.0 %	54.7 %	Italy ; China ; Slovenia	Italy ; China ; Croatia
Minerals	11.7 %	74.3 %	76.7 %	Russian Federation ; Croatia ; United States of America	Russian Federation ; Croatia ; United States of America
Textiles	7.3 %	53.3 %	53.7 %	Germany ; Italy ; Turkey	Germany ; Italy ; Turkey
Unclassified products	7.2 %	82.5 %	87.0 %	Area Nes ; United Kingdom ; Germany	Area Nes ; Germany ; Netherlands
Fresh food	6.6 %	44.1 %	41.6 %	Serbia ; Croatia ; Hungary	Serbia ; Croatia ; Hungary
Chemicals	5.4 %	38.4 %	36.1 %	Germany ; Serbia ; Croatia	Germany ; Serbia ; Italy
Basic manufactures	4.9 %	44.7 %	37.5 %	Croatia ; Italy ; Serbia	Italy ; Germany ; Croatia
Transport equipment	4.0 %	58.0 %	68.1 %	Germany ; France ; Czech Republic	Germany ; France ; Italy
Wood products	3.9 %	39.4 %	42.8 %	Croatia ; Serbia ; Italy	Serbia ; Croatia ; Italy
Processed food	3.0 %	60.1 %	58.0 %	Croatia ; Serbia ; Brazil	Serbia ; Croatia ; Brazil
Electronic components	2.7 %	38.4 %	42.8 %	Slovenia ; Germany ; Croatia	Slovenia ; China ; Germany

3.2.5 Sectors by World Demand - Export

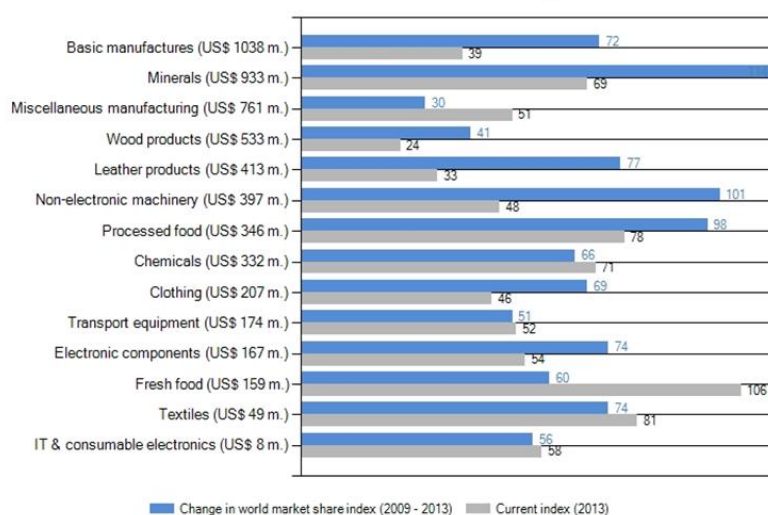


3.2.6 Sectors by World Demand - Import



3.2.7 Trade Performance Index

Trade Performance Index of Bosnia and Herzegovina



Source: ITC Trade Competitiveness Map
Note: The figures displayed on the bars correspond to the country's global rankings among other countries that export the same category of products. The current index and change in world market share index are the world country ranking for the sector under review. Only sectors with more than 1 US\$ million exports are considered.

4. Trade Strategy and Policy

4.1 Trade and Development Strategies

Year	Strategy name	Sector
2011	Draft Bosnia and Herzegovina Export Growth Strategy The strategy provides an overview of the current economic, institutional and strategic...	Forestry, Wood Industry, Furniture, Metalworking, Automotive Industry, Equipment and Machinery, Fruits...
2009	Small and Medium-Sized Enterprise Development Strategy in Bosnia and Herzegovina The strategy identifies the improvements of the legal framework and institutional structures...	
2009	UNDAF Bosnia and Herzegovina 2010-2014 The United Nations Development Assistance framework is aligned with the Millennium Development...	
2007	Tourism Master Plan Jahorina The plan aims at the development of tourism in the mountain location...	Tourism
2003	Mid-Term Development Strategy for Bosnia and Herzegovina The Mid-Term Development Strategy for Bosnia and Herzegovina (PRSP) is the result...	Milk, Meat, Fisheries, Seeds and Seedlings, Grain, Vegetables, Fruits and Grapes,...

4.2 Domestic and Foreign Market Access

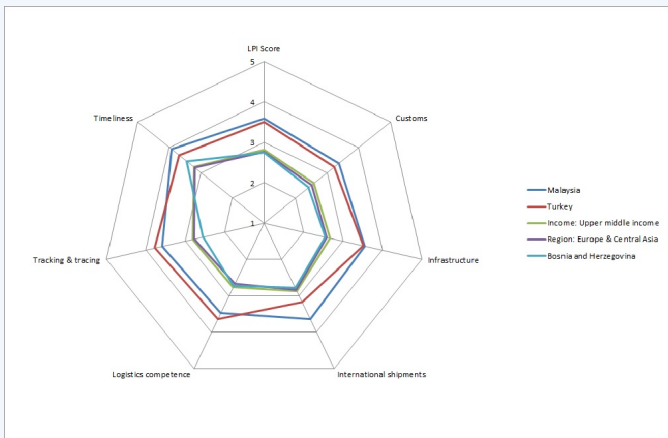
Overview: Trade Policy and Business Environment

INDICATOR, UNITS	RANK/132	SCORE
Domestic Market Access <i>The pillar assesses the level and complexity of a country's tariff protection as a result of its trade policy. This component includes the effective trade-weighted average tariff applied by a country, the share of goods imported duty free and the complexity of the tariff regime, measured through tariff variance, the prevalence of tariff peaks and specific tariffs, and the number of distinct tariffs.</i>	30	5.25
Foreign Market Access <i>The pillar assesses tariff barriers faced by a country's exporters in destination markets. It includes the average tariffs faced by the country as well as the margin of preference in destination markets negotiated through bilateral or regional trade agreements or granted in the form of trade preferences.</i>	62	2.68
Tariff rate (%) <i>This indicator is calculated as a trade-weighted average of all the applied tariff rates, including preferential rates that a country applies to the rest of the world. The weights are the trade patterns of the importing country's reference group (2012 data). An applied tariff is a customs duty that is levied on imports of merchandise goods.</i>	66	4.96
Complexity of tariffs , index 1-7 (best) <i>This indicator is calculated as the average of the following indicators: Tariff dispersion, Specific tariffs and Number of distinct tariffs. See description of each individual indicator for more details. Prior to averaging, values for each indicator were transformed to a 1-7 score, using the min-max method.</i>	99	4.62
Tariffs dispersion (standard deviation) <i>This indicator reflects differences in tariffs across product categories in a country's tariff structure. The variance is calculated across all the tariffs on imported merchandise goods, at the 6-digit level of the Harmonized Schedule.</i>	40	7.38
Tariffs peaks (%) <i>This indicator is the ratio of the number of tariff lines exceeding three times the average domestic tariff (across all products) to the MFN (most-favoured nation) tariff schedule. The tariff schedule is equal to the total number of tariff lines for each country. These tariffs are revised on a yearly basis.</i>	82	6.67
Specific tariffs (%) <i>This indicator is the ratio of the number of Harmonized System (HS) tariff lines, with at least one specific tariff, to the total number of HS tariff lines. A specific tariff is a tariff rate charged on fixed amount per quantity (as opposed to ad valorem)</i>	105	7.77
Number of distinct tariffs <i>This indicator reflects the number of distinct tariff rates applied by a country to its imports across all sectors.</i>	105	798.00
Share of duty-free imports (%) <i>Share of trade, excluding petroleum, that is imported free of tariff duties, taking into account MFN tariffs and preferential agreements. Tariff data is from 2013 or most recent year available and imports data is from 2012</i>	15	85.34
Tariffs faced (%) <i>This indicator is calculated as the trade-weighted average of the applied tariff rates, including preferential rates that the rest of the world applies to each country. The weights are the trade patterns of the importing country's reference group (2012 data). A tariff is a customs duty that is levied by the destination country on imports of merchandise goods</i>	131	5.94
Index of margin of preference in destination markets, 0-100 (best) <i>This indicator measures the percentage by which particular imports from one country are subject to lower tariffs than the MFN rate. It is calculated as the average of two components: 1) the trade-weighted average difference between the MFN tariff and the most advantageous preferential duty (advantage score), and 2) the ratio of the advantage score to the trade-weighted average MFN tariff level. This allows capturing both the absolute and the relative margin of preference.</i>	22	53.48

Source : [World Economic Forum, Global Enabling Trade Report 2014](#)

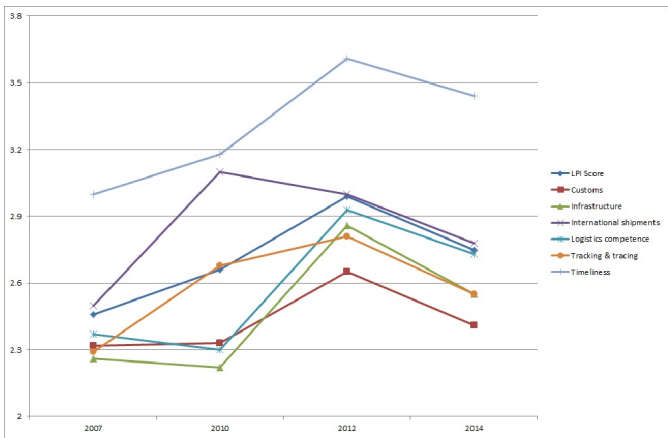
4.3 Trade Facilitation

Logistics Performance Index (LPI): Country Comparison



Source: World Bank, Logistics Performance Index (LPI)

Logistics Performance Index – Evolution



Source: World Bank, Logistics Performance Index (LPI)

4.4 Business and Regulatory Environment

Multilateral Trade Instruments

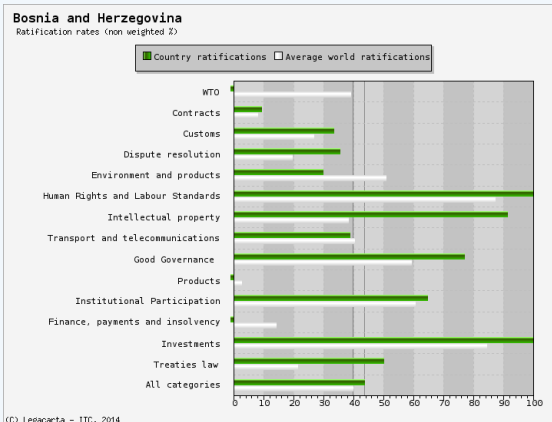
Abstract

The *Trade Treaties Map* tool is a web-based system on multilateral trade treaties and instruments designed to assist trade support institutions (TSIs) and policymakers in optimizing their country's legal framework on international trade

Instrument ratified :	116 / 266 instruments		
Ratification rate :	43.6%		
Weighted score :	54.1/100		
		Ratification Rate Rank	Weighted Score Rank
In World :		66 / 193	70 / 193
In Region :	Europe	39/ 45	40/ 45
In Development level :	Transition economy	20/ 28	21/ 28

Graph

Presents a visual illustration breaking down a country's ratification level according to various categories and compares it to the world average.



Instruments ratified

[Click here for a full list and more details about these multi-lateral trade instruments](#)

4.5 Infrastructure

Indicator	Value	Rank/148
Quality of overall infrastructure <i>How would you assess general infrastructure (e.g., transport, telephony, and energy) in your country? [1 = extremely underdeveloped—among the worst in the world; 7 = extensive and efficient—among the best in the world] 2012–13 weighted average.</i>	3.44	88
Quality of roads <i>How would you assess roads in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards) 2010, 2011.</i>	3.06	96
Quality of railroad infrastructure <i>How would you assess the railroad system in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards) 2010, 2011.</i>	3.04	53
Quality of port infrastructure <i>How would you assess port facilities in your country? (1 = extremely underdeveloped; 7 = well-developed and efficient by international standards). For landlocked countries, this measures the ease of access to port facilities and inland waterways 2010, 2011.</i>	1.76	137
Quality of air transport infrastructure <i>How would you assess passenger air transport infrastructure in your country? (1 = extremely underdeveloped; 7 = extensive and efficient by international standards) 2010, 2011.</i>	1.99	138
Individuals using Internet (%) <i>Internet users are people with access to the worldwide network.</i>	87.58	100
Mobile telephone subscriptions/100 pop <i>According to the World Bank, mobile cellular telephone subscriptions are subscriptions to a public mobile telephone service using cellular technology, which provides access to switched telephone technology. Postpaid and prepaid subscriptions are included. This can also include analogue and digital cellular systems but should not include non-cellular systems. Subscribers to fixed wireless, public mobile data services, or radio paging services are not included.</i>	65.36	39
Fixed broadband Internet subscriptions/100 pop: <i>The International Telecommunication Union considers broadband to be any dedicated connection to the Internet of 256 kilobits per second or faster, in both directions. Broadband subscribers refers to the sum of DSL, cable modem and other broadband (for example, fiber optic, fixed wireless, apartment LANs, satellite connections) subscribers.</i>	10.61	54
Source: World Economic Forum, Global Enabling Trade Report 2014		

5. ITC and the Country/Territory

5.1 ITC Projects

5.1.1 Current projects

No Current Projects Found!

5.1.2 Recent projects

No Recent Projects Found!

5.2 Events

5.2.1 Upcoming events

No data

5.2.2 Recent events

Workshop on the General Scheme of Preferences and the accession of Bosnia and Herzegovina to the
Rev01/09/2014-Sarajevo

5.3 ITC Contacts

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Chief, Office for Eastern Europe and Central Asia

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boutrimova@intracen.org

6. Trade Information Sources and Contacts

6.1 Trade Information Sources

This section provides a list of country specific print and online publications on trade-related topics, including both ITC and external sources.

6.1.1 ITC publications

Bosnia and Herzegovina : A Strategic Balance : FDI and In-Country Business Alliances



Paper presented at ITC Regional Executive Forum : 'The International Competitiveness of Economies in Transition ; The Untapped Potential : A Challenge for Business and Government', Sofia, Bulgaria, 12-15 November,...

[Read more](#)

6.1.2 Selected printed information sources

- 2007 - Gligorov, Vladimir Special Issue on Economic Prospects for Central, East and Southeast Europe : Private Consumption and Flourishing Exports Keep the Region on High Growth Track
- 2009 Sector Specific Sources of Competitiveness in the Western Balkans : Recommendations for a Regional Investment Strategy
- 2000 Bosnia and Herzegovina Business Directory
- 2003 Trade Policies and Institutions in the Countries of South Eastern Europe in the EU Stabilization and Association Process
- 2004 LAMP (Linking Agricultural Markets to Producers): Market Profiles and Competitiveness Inventory Report. - Vol. 2 : A Subsector Analysis
- 2006 Tourism Sector in Bosnia and Herzegovina : Draft Report (Revised)
- 2014 Emerging Europe Monitor: South-East Europe
- 2003 Trade Policies and Institutions in the Countries of South Eastern Europe Stabilization and Association Process
- 2008 Economic Gardening in Bosnia-Herzegovina : Linking Agricultural Markets to Producers (LAMP) Project Case
- 2008 Voices of Women Entrepreneurs in Bosnia and Herzegovina
- 2008 Case Studies in Enterprise Development in Post-Conflict Situations : Bosnia, Philippines, Afghanistan

6.1.3 Selected online information sources

- [Southeast Europe Online](#)
- [Bosnian Handicrafts](#)
- [Chamber of Economy of Bosnia and Herzegovina](#)

6.2 Trade Contacts

Official Name	Address	City	Phone Number	Fax Number	Email	Website
Bhcrafts	Izeta Sarajlica 5	Tuzla	387 35 314 460	387 35 314 461	bhcrafts@bih.net.ba	http://www.bhcrafts.org/
Organska Kontrola	Butmirska cesta 40	Sarajevo	+387 33 637 301	+387 33 636 768	office@organskakontrola.ba	www.organska.ba
Chamber of Commerce of the Federation of Bosnia and Herzegovina	Branislava Djurdjeva 10	Sarajevo	+387 33 217782	+387 33 217783	info@kfbih.com	http://www.kfbih.com
Chamber of Economy of Sarajevo Canton	La Benevolencije 8	Sarajevo	+387 33 250126	+387 33 666718	webmaster@pkasa.com.ba	http://www.pkasa.com.ba
Bosnia and Herzegovina Export Promotion Agency	Branislava Đurđeva 10	Sarajevo	+ 387 33 202 809	+ 387 33 202 649	info@bh-epa.ba	www.bhepa.ba