

KCCI - Country Wrap: Bosnia & Herzegovina (FEB.'18)



Bosnia & Herzegovina – a brief overview

Bosnia and Herzegovina's declaration of sovereignty in October 1991 was followed by a declaration of independence from the former Yugoslavia on 3rd March, 1992. On 21st November 1995, in Dayton, Ohio, the warring parties initialed a peace agreement that brought to a halt three years of inter-ethnic civil strife where the Dayton Peace Accords retained Bosnia and Herzegovina's international boundaries and created a multi-ethnic and democratic government charged with conducting foreign, diplomatic, and fiscal policy. Also recognized was a second tier of government composed of two entities roughly equal in size: the Bosniak/Bosnian Croat Federation of Bosnia and Herzegovina and the Bosnian Serb-led Republika Srpska (RS). The Federation and RS governments are responsible for overseeing most government functions.

Economy of Bosnia & Herzegovina

Bosnian economy relies heavily on the export of metals as well as on remittances and foreign aid. Bosnia's private sector is growing. Bosnia and Herzegovina's top economic priorities include acceleration of integration into European Union; strengthening the fiscal system; public administration reform; World Trade Organization (WTO) membership; and securing economic growth by fostering a dynamic, competitive private sector. Bosnia and Herzegovina became a full member of the Central European Free Trade Agreement in September 2007.

Key Agri-products of Bosnia & Herzegovina

Key agri-products of the country are wheat, corn, fruits, vegetables & livestock.

Key Industries of Bosnia & Herzegovina

Key industries of the country are steel, coal, iron ore, lead, zinc, manganese, bauxite, aluminum, vehicle assembly, textiles, tobacco products, wooden furniture, ammunition, domestic appliances, and oil refining.

Bosnia & Herzegovina's major trading commodities and partners

Major export commodities of Bosnia & Herzegovina are metals, clothing, wood products while its major export partners are Slovenia 17.3%, Croatia 16.5%, Italy 13.6%, Germany 12.8%, Austria 12.7% .

Moreover, its major import commodities are machinery and equipment, chemicals, fuels, foodstuffs while its major import partners are Croatia 21.1%, Germany 12.5%, Slovenia 12.4%, Italy 9%, Russia 7.3%, Austria 6.1%, Hungary 4.9%, Greece 4.3%.

Economic Relations between Pakistan and Bosnia & Herzegovina

Both nations share close relations on the grounds of religion and politics. Pakistan was a staunch supporter of Bosnia during the civil war. Pakistan sent in UN Peacekeeping forces to the former Yugoslavia during the Yugoslav wars. Pakistan was the third Islamic country by numbers of Bosniak refugees, following Turkey and Jordan, during the Bosnian war. In June 1993, at least 380 Bosnian refugees had arrived in Pakistan, almost 200 of them were children. Pakistan recognised the independence of Bosnia from Yugoslavia in 1992, and the two established diplomatic relations. As recently as 2016, Pakistan's Prime Minister visited Bosnia on a 3-day visit and pledged support for the country.

Bilateral Trade Relations between Pakistan and Bosnia & Herzegovina

The bilateral trade between Pakistan and Herzegovina has not been very extensive and currently based on very limited trade volume. During Fiscal Year 2017, Pakistan exported goods to Bosnia of worth \$ 0.36Mn as against exports of \$ 0.48Mn in the corresponding period of last year; dropped by 25%. The imports by Pakistan from Bosnia during FY17 were worth \$ 2.6Mn as against imports of \$ 0.59Mn in the same period last year showing substantial improvement in imports. There is a dire need for enhancing bilateral trade relations between Pakistan and Bosnia as the current level of trade is very low.

Trading Commodities between Pakistan and Bosnia & Herzegovina

Pakistan export various commodities to Bosnia which include Woven fabrics, woven cotton fabrics, suits and ensembles, articles of cutlery, Kitchen table & toilet linen, rice etc. However Pakistan imports Kraft paper and paperboard from Bosnia Herzegovina.

Trade Potentials Between Pakistan & Bosnia Herzegovina

- Bosnia imported commodities of approximately \$ 80Mn combined in 2015 from India and Bangladesh. These include electronic items, textile, apparel, footwear, raw hides, articles of leather etc. A sizeable chunk of this portion can be captured by the Pakistani exporters.

-Bosnia imports live animals, raw hides, meat and edible meat offal, cereals and dairy products from the world. The country can import these items from Pakistan which has a well-developed base of all such commodities.

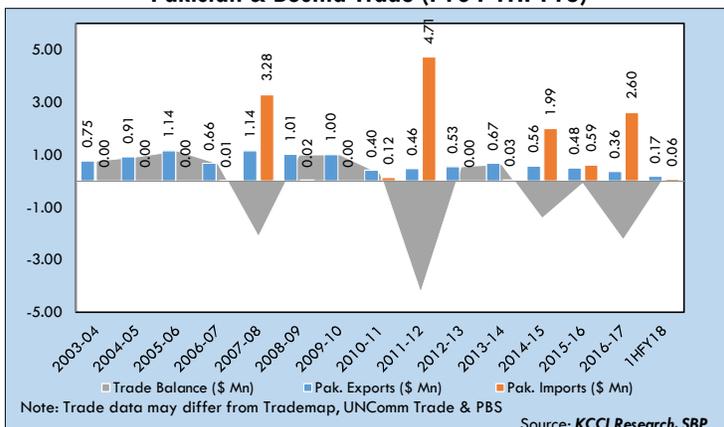
- The trade cooperation can also be sought on the basis of govt.-to-govt. and people-to-people exchange between the two countries.

Economic Indicators

Indicators	Unit	2016	2017	Change
GDP (PPP)	\$ Bn	42.78	43.85	2.50%
GDP per Capita	\$	11,100	11,400	2.70%
GDP growth	%	2.00	2.50	0.50%
Forex Reserves	\$ Bn	5.14	5.37	4.54%
External Debt	\$ Bn	10.64	10.45	-1.79%
Exports of Goods	\$ Bn	4.29	4.80	12.01%
Imports of Goods	\$ Bn	8.36	9.11	8.99%
Trade Balance	\$ Bn	-4.07	-4.31	-5.82%
Current Account	\$ Bn	-741.00	-752.00	-1.48%
FDI - at Home	\$ Bn	0.00	0.00	N/A
FDI - at Abroad	\$ Bn	0.00	0.00	N/A
CPI	%	-1.1	1.8	2.90%
Prime Lending Rate	%	5.2	4.5	-0.74%
Population	Mn	0.00	3.86	N/A
Unemployment	%	25.40	20.50	-4.90%
Literacy Rate	%	0.00	98.50	N/A

Sources: KCCI Research, CIA Factbook

Pakistan & Bosnia Trade (FY04-1HFY18)



Bosnia & Herzegovina's Top 10 Trade Items (2016)

Imports Items	(\$ Mn)	Exports Items	(\$ Mn)
Mineral fuels, oils	1094.33	Furniture; bedding, mattresses	601.43
Machinery & Appliances	726.35	Wood and articles of wood	403.32
Vehicles excl. railway	638.72	Footwear & gaiters	369.62
Elect. machinery & equip.	542.92	Mineral fuels, oils	362.51
Plastics, articles thereof	487.34	Machinery, mech. Appliances	348.66
Pharmaceuticals	306.41	Inorganic chemicals	278.95
Articles of iron or steel	257.63	Aluminium and articles	276.95
Iron and steel	249.99	Articles of iron or steel	252.68
Raw hides and skins	192.13	Elect. machinery & equipment	239.34
Beverage, spirit, vinegar	181.66	Iron and steel	221.16

Sources: KCCI Research, Trademap

Pakistan - Bosnia & Herzegovina Top 10 Trade Items (2016)

Pakistan Export Items	(\$ Mn)	Pakistan Imports Items	(\$ Mn)
Tools, implements, cutlery	0.048	Wood and articles of wood	0.029
Unknit Articles of apparel	0.030	Machinery, mechanical appliance	0.023
Carpets & Tex. floor coverin	0.026	Furniture; bedding, mattresses	0.003
Articles of iron or steel	0.011	Articles of iron or steel	0.002
Articles of leather	0.009	Electrical machinery and equipment.	0.001
Optical, photographic	0.007	Live animals	0.001
Knitted Articles of apparel	0.005	Meat and edible meat offal	0.000
Special woven fabric	0.000	Fish and crustaceans	0.000
Laminated textile fabrics	0.000	Dairy produce; birds' eggs; natural ho	0.000
Knitted or crocheted fabrics	0.000	Products of animal origin nes	0.000

Sources: KCCI Research, Trademap