

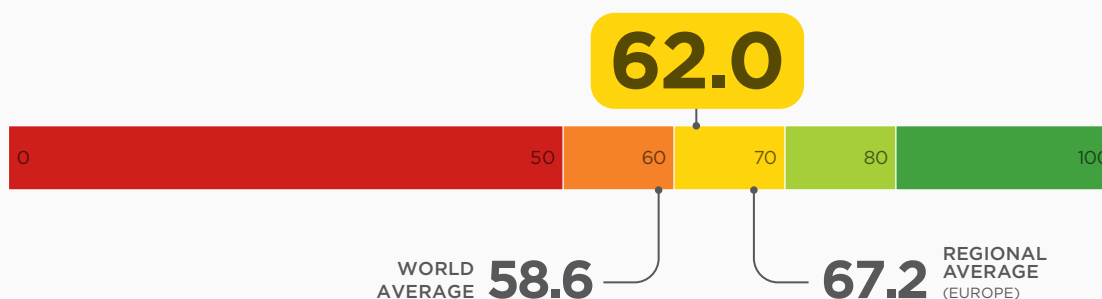
WORLD RANK:	REGIONAL RANK:
67	33
ECONOMIC FREEDOM STATUS:	
MODERATELY FREE	

BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina’s economic freedom score is 62, making its economy the 67th freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.9 point from last year, and Bosnia and Herzegovina is ranked 33rd out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world average and lower than the regional average. Bosnia and Herzegovina’s economy is considered “moderately free” according to the 2024 *Index*.

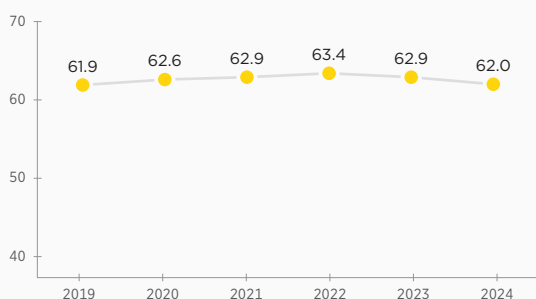
The foundations of economic freedom in Bosnia and Herzegovina are fragile and uneven. Poor protection of property rights and widespread corruption discourage entrepreneurial activity. The government’s generally slow transition to regulatory efficiency and open-market policies discourages economic dynamism. The fragmentary regulatory framework undermines business freedom. The economy relies heavily on exports of metals as well as remittances and foreign aid. Challenges include political uncertainty, high unemployment, high energy and food prices, and poor infrastructure.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +32.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
3.3 million

GDP (PPP):
\$64.3 billion
4.1% growth in 2022
5-year average growth rate: 3.0%
\$18,518 per capita

UNEMPLOYMENT:
15.2%

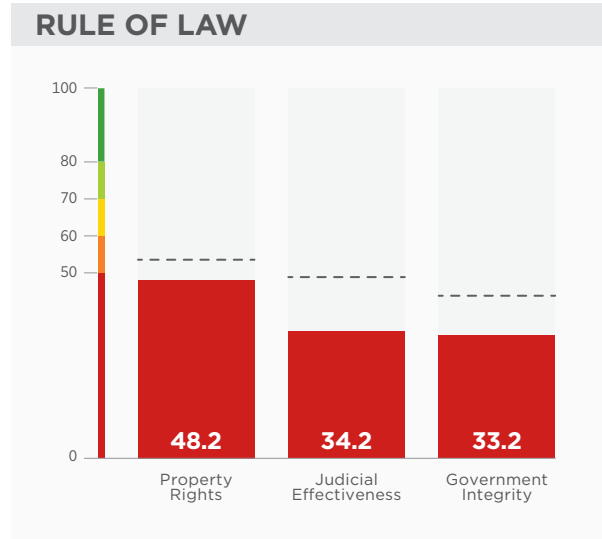
INFLATION (CPI):
14.0%

FDI INFLOW:
\$661.0 million

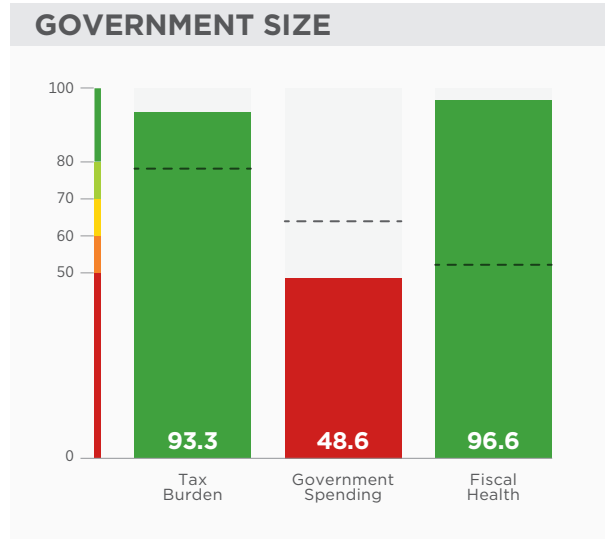
PUBLIC DEBT:
29.7% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

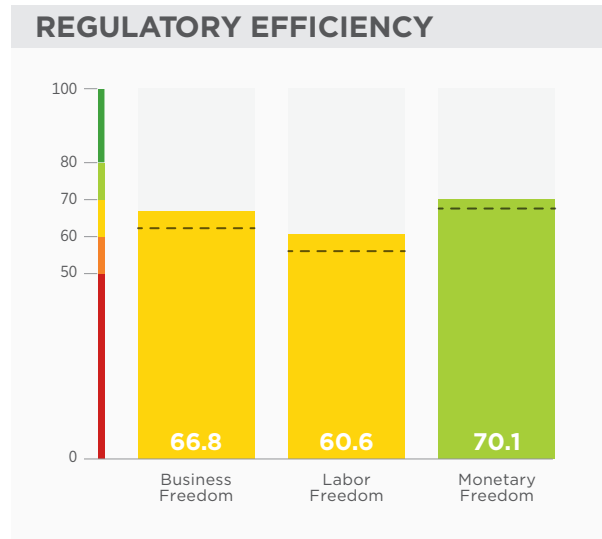
12 ECONOMIC FREEDOMS | BOSNIA AND HERZEGOVINA



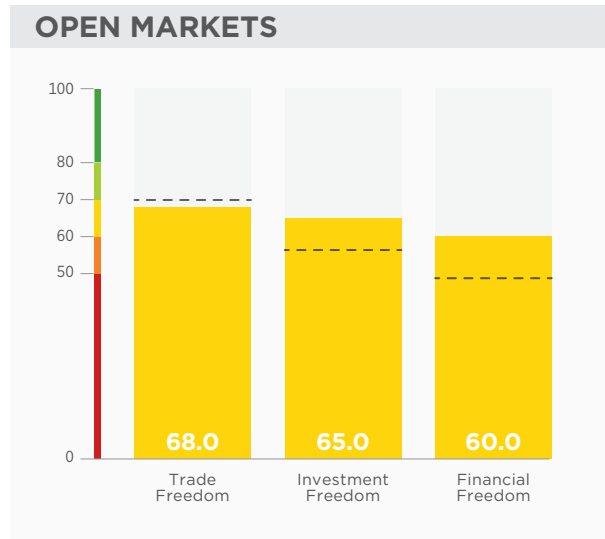
The overall rule of law is weak in Bosnia and Herzegovina. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 21.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.4 percent and -1.0 percent of GDP. Public debt amounts to 29.7 percent of GDP.



Bosnia and Herzegovina's overall regulatory environment is relatively well institutionalized but lacks efficiency. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate is 8.5 percent, and multiple nontariff barriers further restrict trade flows. Complex regulatory frameworks discourage new foreign investment. The banking sector remains stable, but the number of nonperforming loans is sizable.