

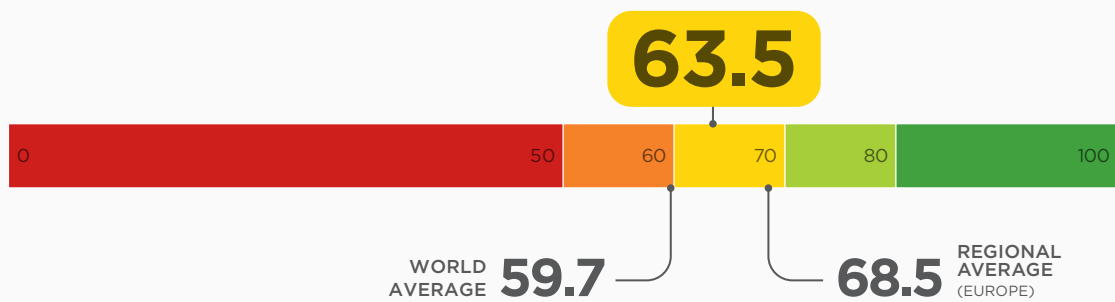
| | |
|--------------------------|----------------|
| WORLD RANK: | REGIONAL RANK: |
| 70 | 34 |
| ECONOMIC FREEDOM STATUS: | |
| MODERATELY FREE | |

BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina’s economic freedom score is 63.5, making its economy the 70th freest in the 2025 *Index of Economic Freedom*. Its rating has increased by 1.5 points from last year, and Bosnia and Herzegovina is ranked 34th out of 44 countries in the Europe region. The country’s economic freedom score is higher than the world average but lower than the regional average. Bosnia and Herzegovina’s economy is considered “moderately free” according to the 2025 *Index*.

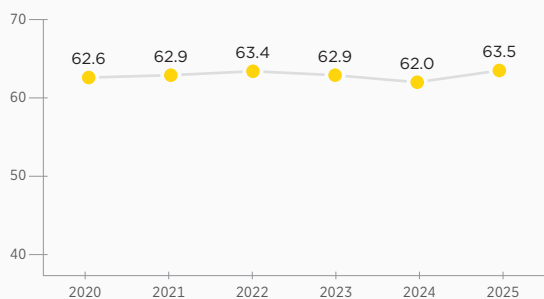
The foundations of economic freedom in Bosnia and Herzegovina are fragile and uneven. Widespread corruption and poor protection of property rights discourage entrepreneurial activity. The government’s generally slow transition to regulatory efficiency and open-market policies dampens economic dynamism.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

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1998): +34.1

RECENT FREEDOM TREND

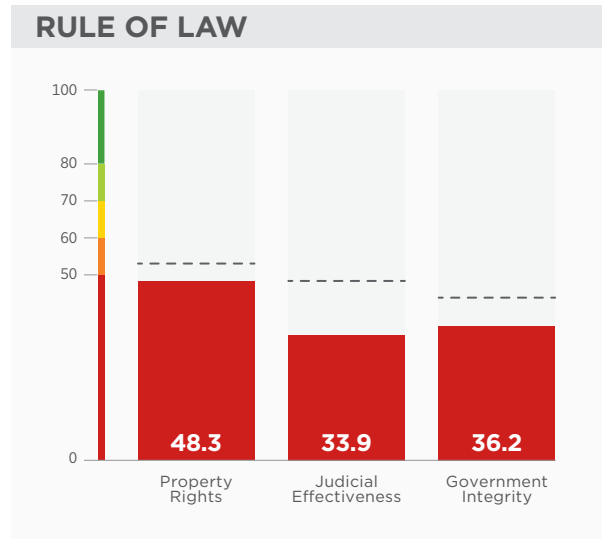


QUICK FACTS

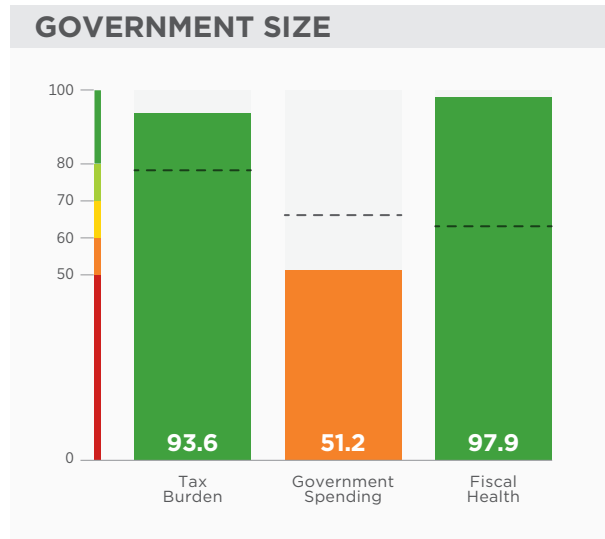
- POPULATION:** 3.5 million
- GDP (PPP):** \$70.8 billion
1.7% growth in 2023
3-year average growth rate: 4.4%
\$20,431 per capita
- UNEMPLOYMENT:** 10.4%
- INFLATION (CPI):** 6.1%
- FDI INFLOW:** \$661.0 million
- PUBLIC DEBT:** 32.2% of GDP

2023 data unless otherwise noted. Data compiled as of November 2024.

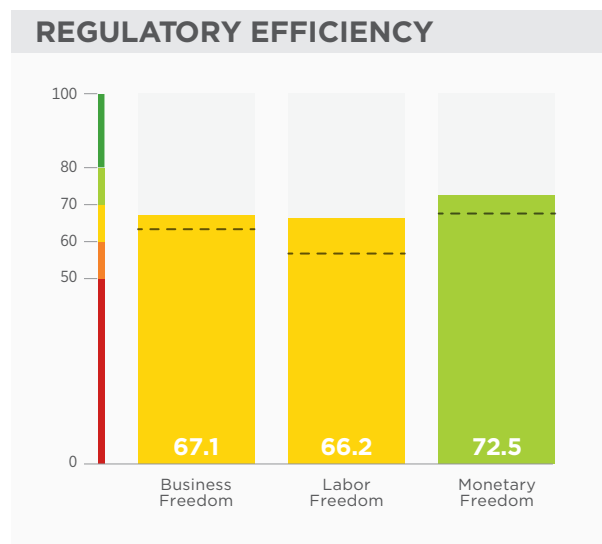
12 ECONOMIC FREEDOMS | BOSNIA AND HERZEGOVINA



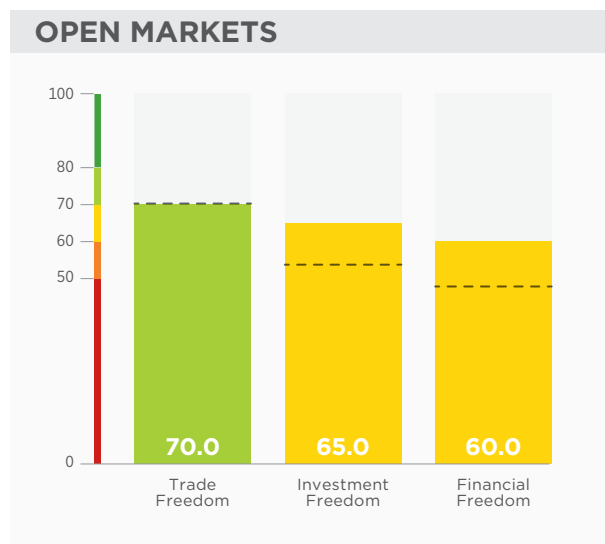
The overall rule of law is weak in Bosnia and Herzegovina. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 21.0 percent of GDP. Three-year government spending and budget balance averages are, respectively, 40.3 percent and -0.1 percent of GDP. Public debt amounts to 32.2 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 7.5 percent, and a multiplicity of nontariff barriers further restricts trade flows. Complex regulatory frameworks discourage new foreign investment. The banking sector remains stable, but the number of nonperforming loans is sizable.