

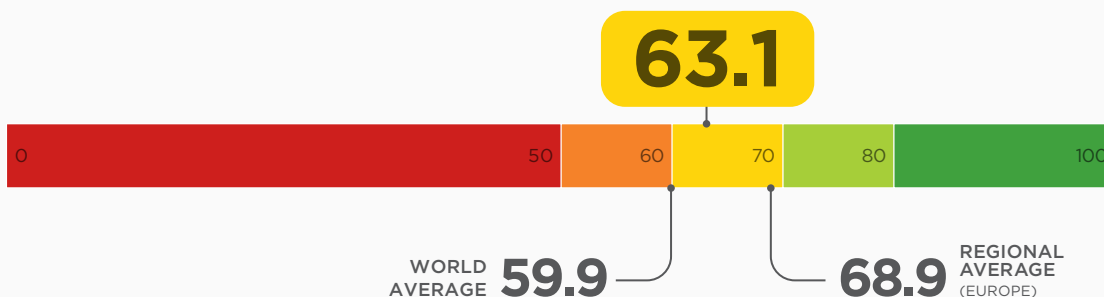
WORLD RANK:	REGIONAL RANK:
76	38
ECONOMIC FREEDOM STATUS:	
MODERATELY FREE	

BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina’s economic freedom score is 63.1, making its economy the 76th freest in the 2026 *Index of Economic Freedom*. Its rating has decreased by 0.4 point from last year, and Bosnia and Herzegovina is ranked 38th 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 2026 *Index*.

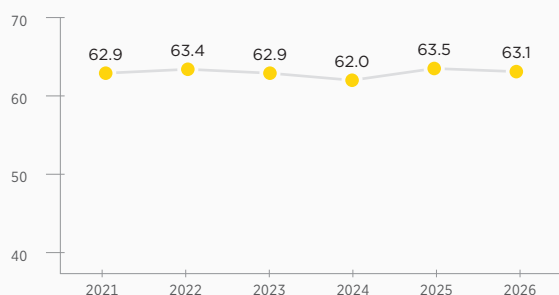
The foundations of economic freedom in Bosnia and Herzegovina are fragile and uneven. Widespread corruption and poor protection of property rights discourage entrepreneurial activity. The government’s generally slow transition to regulatory efficiency and open-market policies dampens economic dynamism. 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): +33.7

RECENT FREEDOM TREND

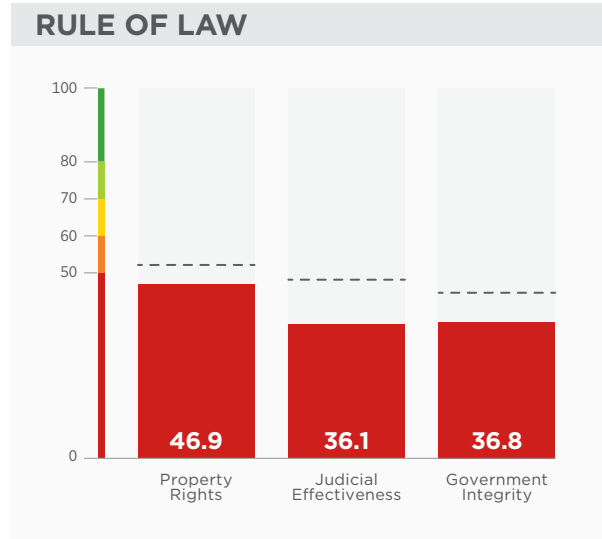


QUICK FACTS

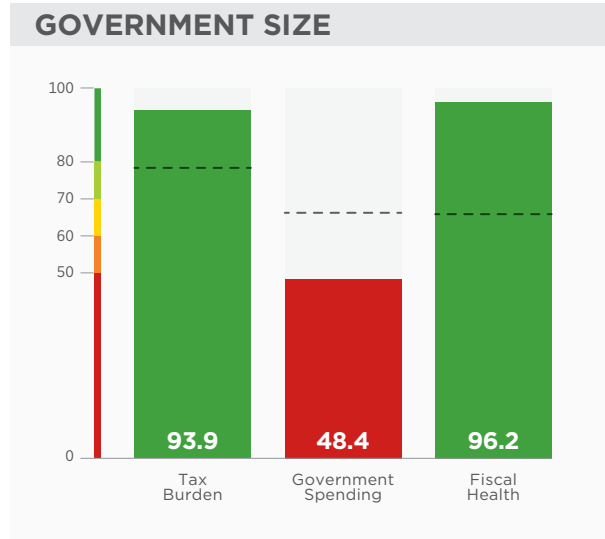
- | | |
|--|---|
| <p>POPULATION:
3.5 million</p> <p>GDP (PPP):
\$75.0 billion
2.4% growth in 2025
3-year average growth rate: 2.5%
\$22,830 per capita</p> | <p>UNEMPLOYMENT:
10.8%</p> <p>INFLATION (CPI):
1.7%</p> <p>TRADE AS % OF GDP: 100.0%</p> <p>PUBLIC DEBT:
29.5% of GDP</p> |
|--|---|

2025 data unless otherwise noted. Data compiled as of January 2026.

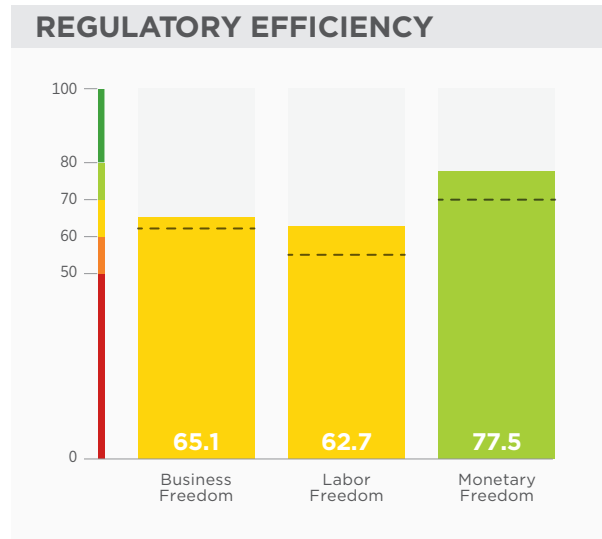
12 ECONOMIC FREEDOMS | BOSNIA AND HERZEGOVINA



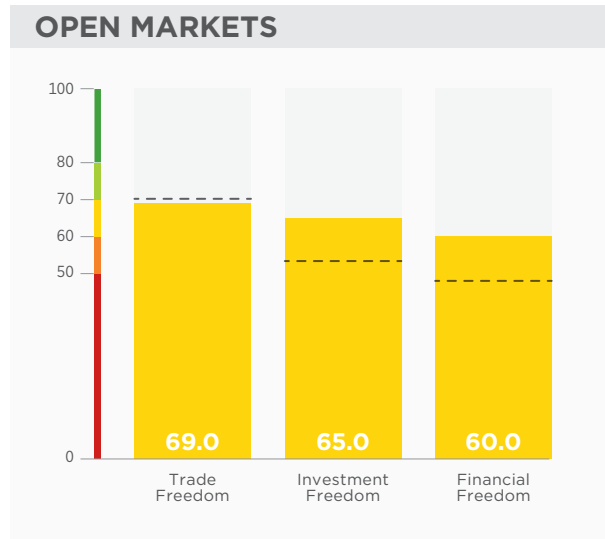
The overall rule of law is weak in Bosnia and Herzegovina. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 10 percent. The tax burden equals 20.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.5 percent and -1.1 percent of GDP. Public debt amounts to 29.5 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 well above the world average.



The trade-weighted average tariff rate is 8.0 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.