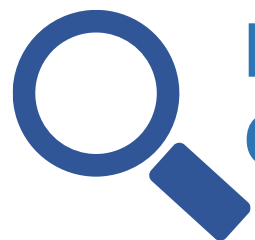


Presentation: Invest in Bosnia and Herzegovina – Explore New Opportunities

Invest in the Heart of Europe

Invest in Bosnia and Herzegovina



Explore New
Opportunities



FOREIGN INVESTMENT PROMOTION AGENCY
OF BOSNIA AND HERZEGOVINA

FIPA - who we are and what we can do for you?

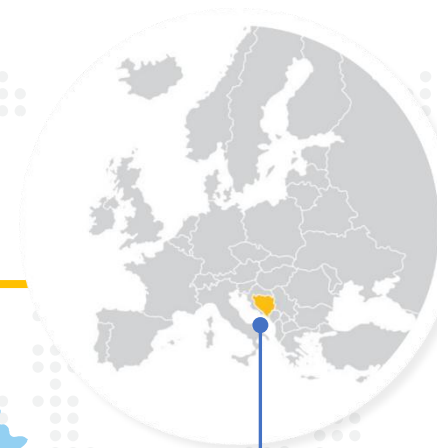


Established in 1998, FIPA BiH is the main governmental institution supporting foreign direct investment in BiH

- **inform you on:**
 - ✓ FDI related legislation
 - ✓ Macroeconomic indicators
 - ✓ Business environment
 - ✓ Investment projects, privatisation opportunities, available tenders
- **advice you:**
 - ✓ How to set up a company
 - ✓ To identify location for Greenfield investment or business service providers
- **support you to:**
 - ✓ Implement projects
 - ✓ Cooperate with local private sector
 - ✓ Organise meeting with responsible authorities

ALL FIPA SERVICES ARE CLIENT-ORIENTED AND FREE OF CHARGE!

Bosnia and Herzegovina at a Glance



Population ➤ 3,43 million

Area ➤ 51.209 km²

GDP ➤ 25.0 billion EUR (2023)

GDP per capita ➤ 6,792 EUR (2022)

Currency ➤ Konvertibilna Mark (BAM-official)

Exchange rate ➤ 1 EUR = KM 1.95 (fixed exchange rate)



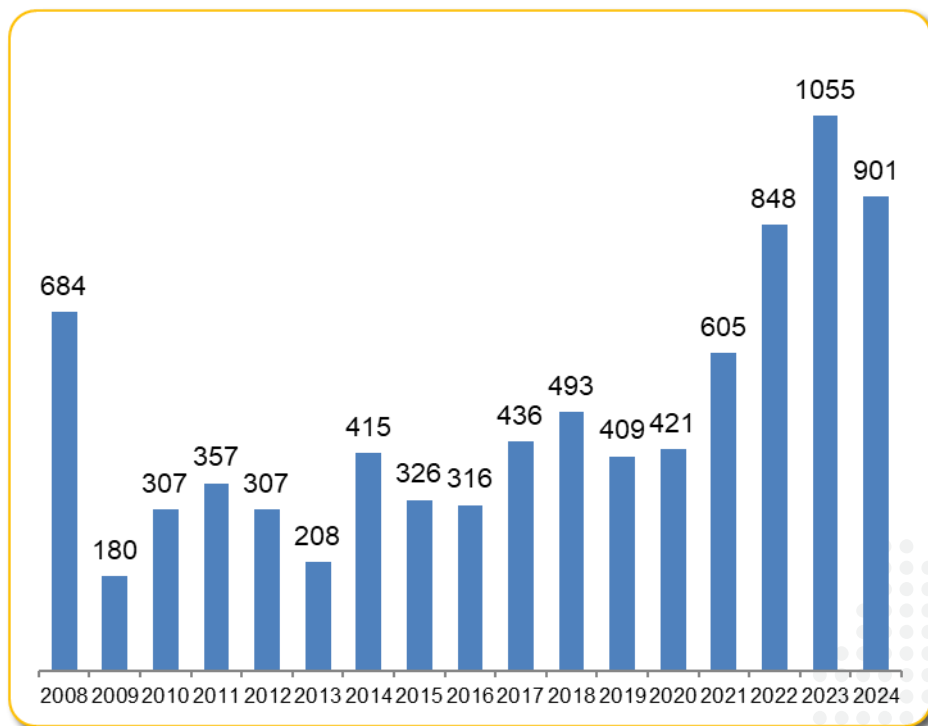
Administrative organization

- Two entities
 - Federation of BiH and Republika Srpska and
 - Brcko District of BiH

Capital: Sarajevo
Major cities: Banja Luka, Bihać, Mostar, Tuzla, Zenica

Source: ¹)Central bank of B&H, preliminary results I–IX 2023.g., and IVQ 2023, Agency for Statistics of B&H;

Flow of FDI in B&H, million EUR



- According to the data of the Central Bank of BiH (CBBH), the cumulative amount of Foreign Direct Investments (FDI) in Bosnia and Herzegovina as of December 31, 2024 is 10,851.2 million € or 10.8 billion €.
- Direct foreign investments in Bosnia and Herzegovina in 2024 amounted to 901.3 million € and are less than the previous year by -14.6%.
- Decrease of FDI is, certainly, not a positive indicator, but it should be noted that the amount of FDI in 2024 is the third largest after 2007 and 2023.

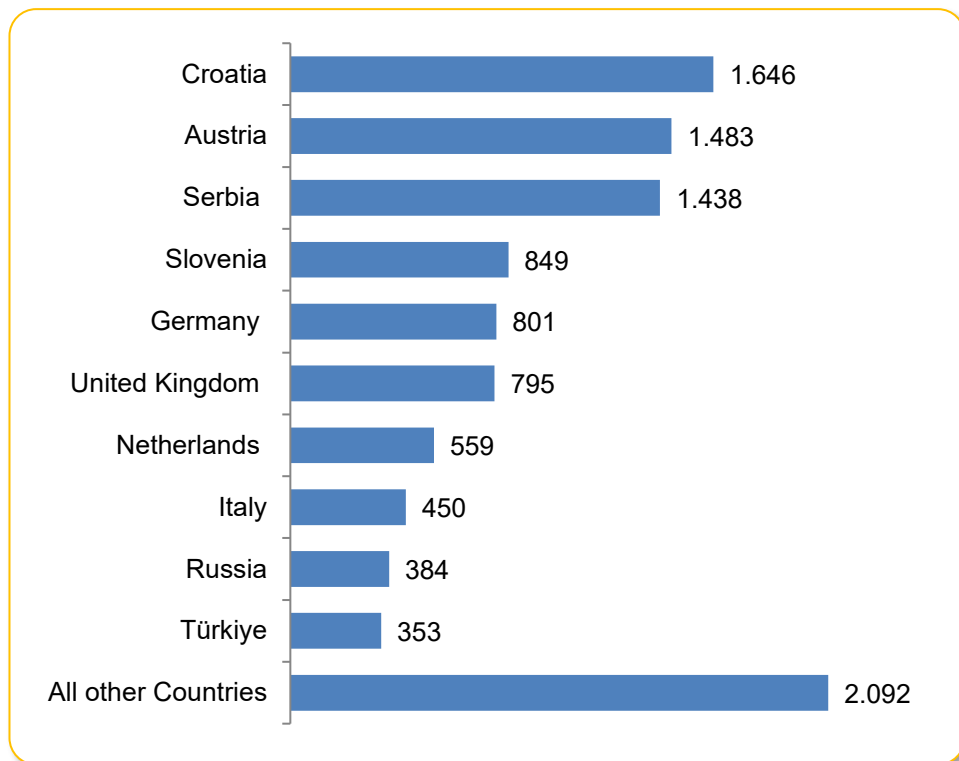
Source: Central Bank of B&H

FDI in Bosnia and Herzegovina (May 1994 – December 2024)



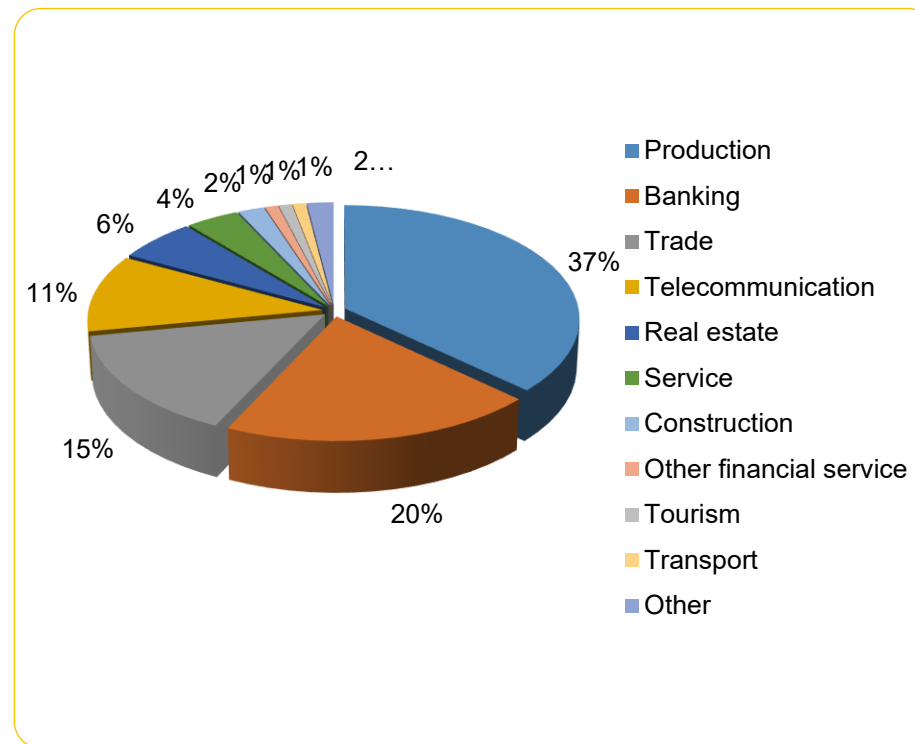
Top investor countries in B&H, December 2024 Total amount 9.9 billion EUR

Million EUR



European countries remain the most important investors in Bosnia and Herzegovina. Investments from the EU 27 countries account for 60.2% of total FDI in B&H (EUR 6.5 billion).

FDI Stocks by Industry (%) December 2024



Source: Central Bank of B&H

They Have Already Invested



Das Auto.



Bosna Bank International



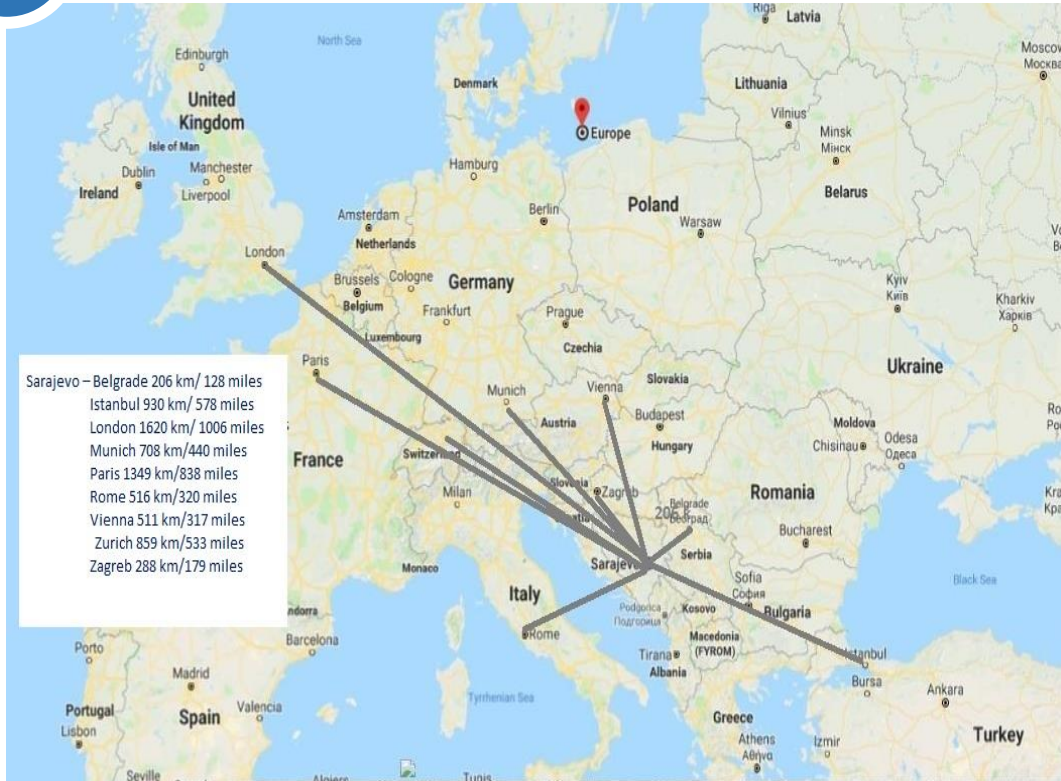
Why Bosnia and Herzegovina?



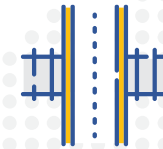
- 1 ➤ Strategic Location
- 2 ➤ Favourable Trade and Other Agreements
- 3 ➤ Skilled Labour at Competitive Price
- 4 ➤ Stable financial system
- 5 ➤ Favourable Legal Environment
- 6 ➤ Favourable Tax System
- 7 ➤ Low Operating Costs
- 8 ➤ Long Tradition of Industrial Excellence/Attractive Investment Locations

Strategic Location, Close to All Major European Capitals

1



- A strategic location to European, Middle Eastern and Asian markets
- **Pan-European Corridor:**
Corridor Vc going from Hungary through Croatia and Bosnia and Herzegovina to the Port Ploče (Croatia)



Well developed **road** and **railway network**



4 international airports

Banja Luka, Sarajevo, Mostar, Tuzla with multiple daily flights to mayor European cities



2 river ports and **2 international ports**

"... The second point that contributed to our decision to invest in Bosnia and Herzegovina was the proximity to Western European markets, the proximity to the European highway system..."

Mr. Edin Dacic, Director, Dacomet AG (Switzerland)



Favourable Trade and Other Agreement

2

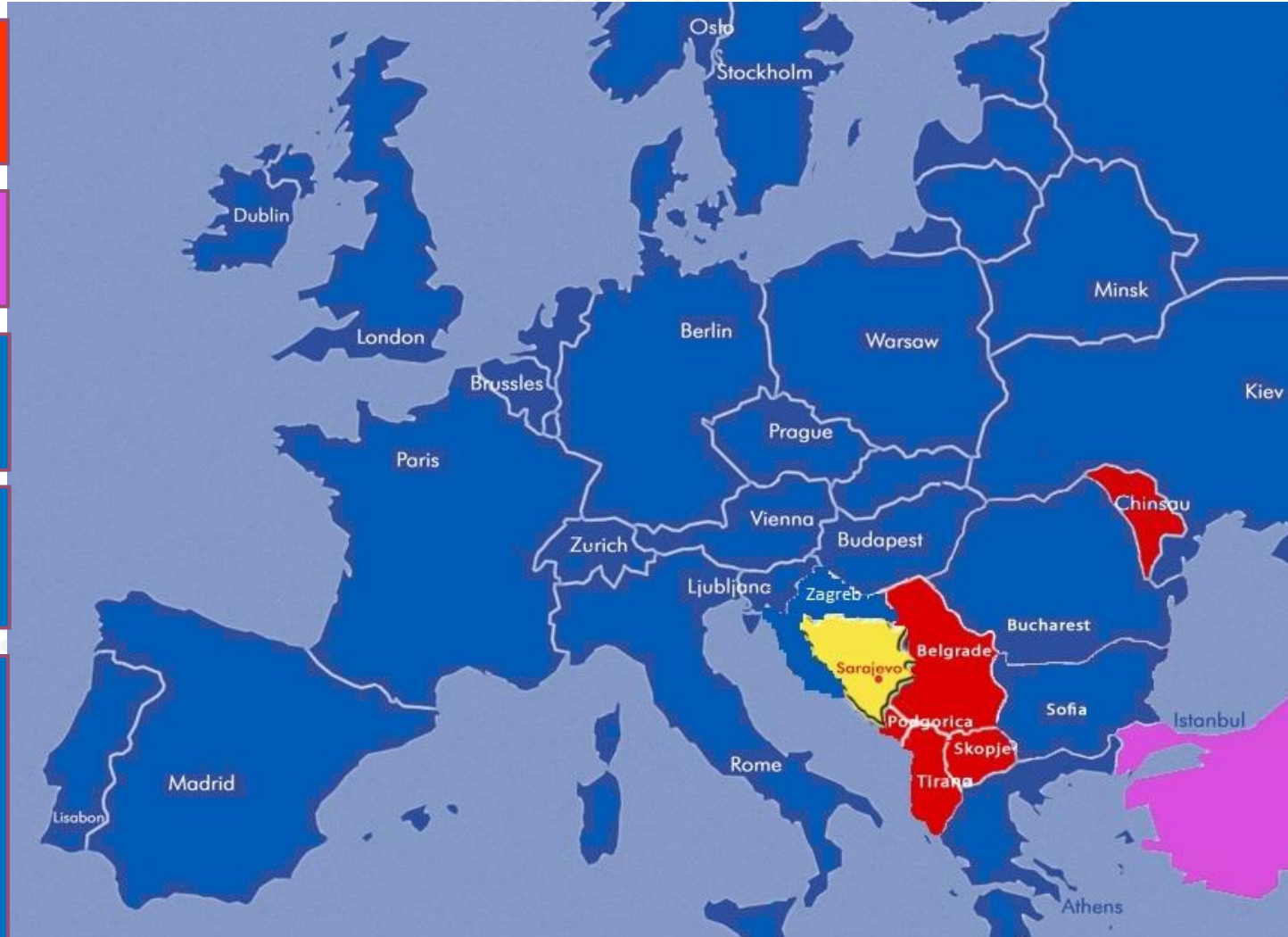
Central European Free Trade Agreement (CEFTA) -20,1mill

Free Trade Agreement with Turkey - 76,7 mill

Free Trade Agreement with EFTA – 16,3 mill

Preferential Trade Agreement with EU, 27 countries - 506,8 mill

B&H has generalized system of preferences with: New Zealand, Japan, Australia and member states of the Eurasian Economic Union (Republic of Armenia, Republic of Belarus, Republic of Kazakhstan, Kyrgyzstan Republic and Russian Federation)



Favourable Trade and Other Agreement

"... It is very important to emphasize that Bosnia and Herzegovina has a very liberal foreign trade regime with a major number of countries... Also, B&H has signed Agreements on Promotion and Protection of Investment with many countries."

Mr. Vladan Nastic, Marketing Director, Alpro doo Vlasenica-Alumil Group (Greece)



Agreements on Avoidance of Double Taxation

Albania	Algeria	Austria
Azerbaijan	Belgium	Czech Republic
Finland	France	Greece
Croatia	Holland	Iran
Ireland	Italy	Jordan
Kuwait	Qatar	China
Cyprus	Hungary	Malaysia
Macedonia	Montenegro	Moldova
Norway	Germany	Pakistan
Poland	Romania	Slovakia
Slovenia	Serbia	Spain
Sweden	Sri Lanka	Turkiye
United Arab Emirates	United Kingdom and Northern Ireland.	

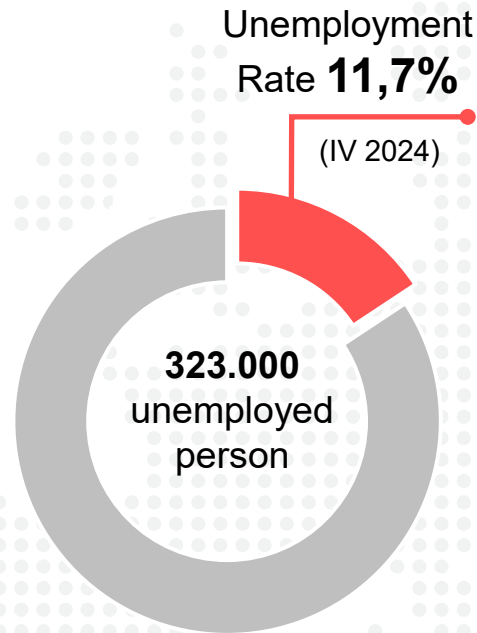
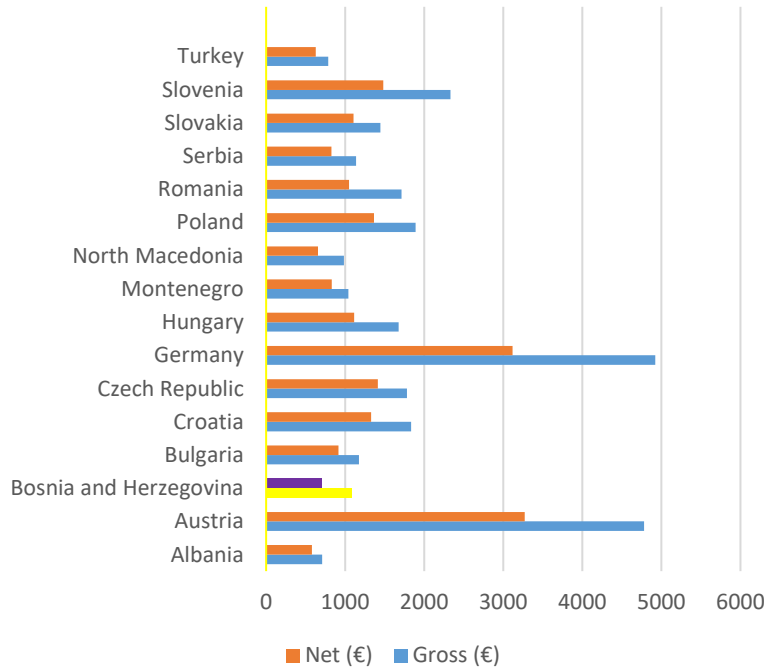
Agreements on Promotion and Protection of Investments

Albania	Austria	Belgium and Luxemburg
Belarus	Canada	China
Croatia	Czech Republic	Denmark
Egypt	Finland	France
Germany	Greece	Hungary
Iran	Italy	Jordan
Kuwait	Lithuania	Macedonia
Malaysia	Moldova	Netherlands
OPEC Fund	Pakistan	Portugal
Qatar	Romania	San Marino
Serbia	Slovakia	Slovenia
Spain	Switzerland	Sweden
Turkiye	Ukraine	United Kingdom
USA – DFC.		

Skilled Labour at Competitive Price

3

Average Monthly Wages, EUR



- ❖ Highly talented, creative and skilled labor
- ❖ Price competitive (in comparison to other EU countries)
- ❖ A “can do” business attitude that reduces the risk of investment, within collaborative and innovative environment
- ❖ Fluency in foreign languages - mostly English and German

Source: Agency for Statistic of BiH, EUROSTAT

Stable financial system


4

- ✓ Most stable currency in the South East Europe linked to Euro

1 BAM = 0.51129 €

1 € = 1.95583 BAM

- ✓ There are 23 commercial banks in B&H. Only one bank in B&H is majority state-owned and 22 banks are predominantly privately owned with majority of foreign ownership (app 81% of total banking equity capital).

- ✓  In August 2025, the international rating agency Standard and Poor's (S&P) confirmed the credit rating of Bosnia and Herzegovina "B+ with a stable outlook".

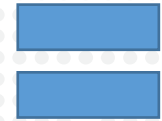
- ✓ **MOODY'S** In August 2024, Moody's Investors Service has affirmed sovereign credit rating on B&H at "B3 with stable outlook"

- ✓ High Central bank reserves

- ✓ BiH's external debt is duly serviced)

"It is a really good time for development in Bosnia and Herzegovina. We are seeing strong growth in the country, and in fact we are planning to invest at record levels over the next two years here, about €200 million each year. Our investment will really try and unlock this country's potential in many areas, from manufacturing to clean energy."

Sir Suma Chakrabarti, EBRD President



Favourable Legal Environment

5

National treatment of a foreign investor ▼

- ✓ Foreign investors are entitled to transfer abroad, freely and without delay, in convertible currency, proceeds resulting from their investment in BiH
- ✓ Protection **against nationalization**, expropriation or similar measures
- ✓ Foreign investors **may own real estate** in BiH-Foreign investors enjoy the same property rights in respect to real estate as BiH legal entities
- ✓ Foreign investors are entitled to freely employ foreign nationals, subject to the labor and immigration laws in B&H
- ✓ The rights and benefits of foreign investors granted and obligations imposed by the Law on the Policy of Foreign Direct Investment **can not be terminated** or overruled by subsequent laws and regulations. Should a subsequent law or regulation be more favorable to foreign investors, the investor will have the right to choose the regime by which the investment will be regulated.



"Investment climate in Bosnia is in our view very attractive for the investors."

Mr. Vuk Hamović, EFT Group
Chairman (United Kingdom)

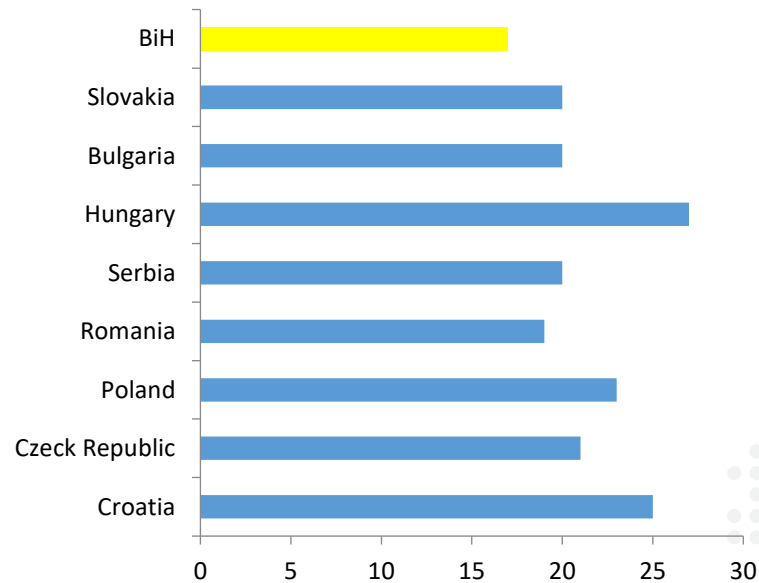


Favourable Tax System

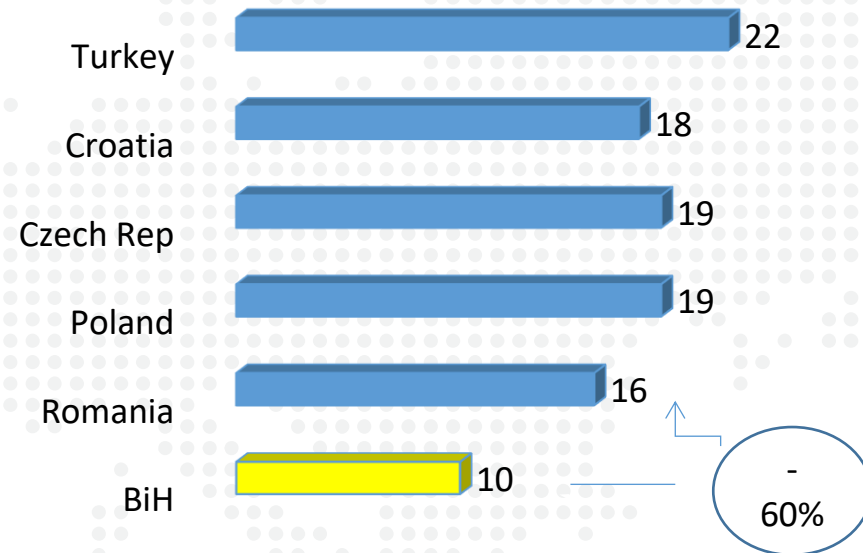
6

- ✓ VAT and CIT in Bosnia and Herzegovina are **among the lowest** in the Region and EU

VAT standard rate (%)



Corporate Income Tax (%)



Source: Agency for Statistic of BiH, Deloitte

Favourable Tax System

6

Personal income tax rates

- In Federation of Bosnia and Herzegovina

- Personal income tax is 10 % on net salary (in accordance with gross model).

- In Republic of Srpska

- Personal income tax is 8% on net salary (in accordance with gross model).

- Tax on income from self-employment is paid at the rate of 10%.

- Tax on income from copyright, capital, capital income and other income is paid at a rate of 13%.

Customs rates 0-15%

✓ **Equipment** of the foreign investor being imported as part of share capital **is exempt from paying customs duties.** (with the exception of passenger vehicles, slot and gambling machines)

"... Moreover the favourable tax system provides a unique advantage and a position to international investors ... Prevent Group is one of the clear examples that Bosnia and Herzegovina has the capacity and has the business environment to attract foreign direct investment."

Mr. Almir Jazvin, Managing Director, Prevent BH (Germany)





Low Operating Costs

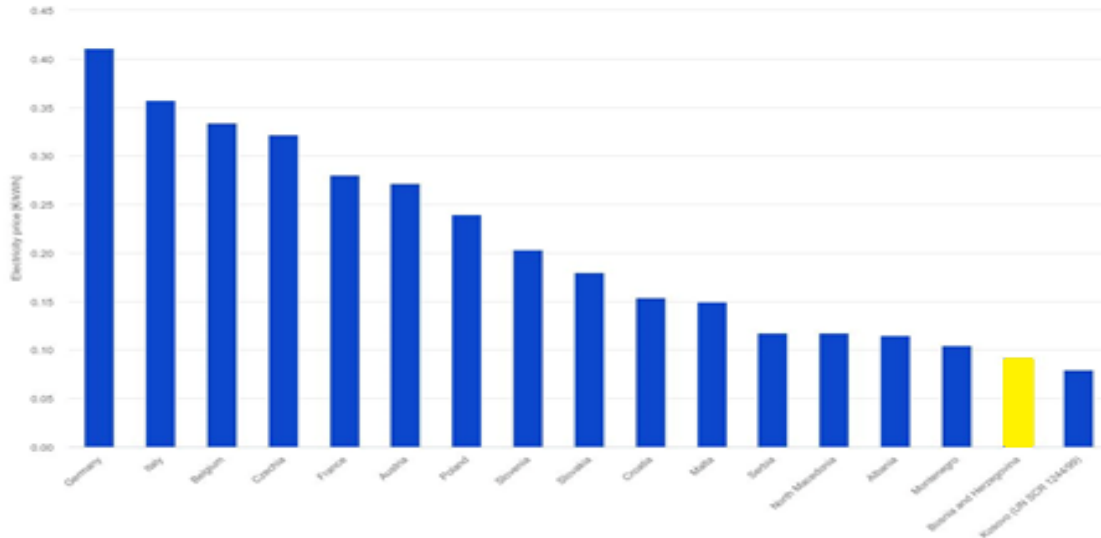
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Operating costs – significantly lower than in EU

“... It is important to say here that BiH has been known for its low production costs and it provides a great opportunity for the clients who seek for a good and low cost, but still great quality product.”

Mr. Jozo Miskic, Director, Bogner Edelstahl doo Vitez (Austria)

Electricity components for prices for household consumers - annual data (from 2007 onwards) - 2024, All bands: Consumption of kWh












Source: Eurostat

- 0,064 EUR/kWh
- 0,425 EUR/Sm³
- 0,511 €/m³
- int.calls:0,153-0,392 €/min
- Purchase: 3 €/m² – 100 €/m²
- Rent: 4 €/m² – 50 €/m²
- Purchase: 400 – 3.500 €/m²
- Rent: 2 €/m² – 10 €/m²
- Purchase: 20 €/m² – 1.000 €/m²
- Construction costs: 200 - 550 €/m²

Long Tradition of Industrial Excellence/ Attractive Investment Locations

8

INVESTMENT
Foreign Investment Promotion Agency of Bosnia and Herzegovina

 <p>AGRICULTURE SECTOR To see the most interesting projects in this sector click on the picture</p>	 <p>METAL SECTOR To see the most interesting projects in this sector click on the picture</p>	 <p>ENERGY SECTOR To see the most interesting projects in this sector click on the picture</p>
 <p>TOURISM SECTOR To see the most interesting projects in this sector click on the picture</p>	 <p>WOOD SECTOR To see the most interesting projects in this sector click on the picture</p>	 <p>REAL ESTATE SECTOR To see the most interesting projects in this sector click on the picture</p>
 <p>TEXTILE SECTOR To see the most interesting projects in this sector click on the picture</p>	 <p>INNOVATIONS SECTOR To see the most interesting projects in this sector click on the picture</p>	 <p>OTHER SECTORS To see the most interesting projects in this sector click on the picture</p>

- ✓ Due to the good reputation and long industrial tradition of BiH, the **manufacturing sector** received the most amount of FDI
- ✓ **Auto, metal, agri, textile and wood processing industries** traditionally have been country's strongest and most successful industries
- ✓ **ICT** is a booming sector
- ✓ Experience of local processing companies in **exporting to the EU market**
- ✓ Opportunity to integrate small companies for production of **higher value added products**
- ✓ **Investment projects:**
 - Greenfield
 - Joint ventures
 - PPP
 - Concessions

Long Tradition of Industrial Excellence/ Attractive Investment Locations

FIPA Web site Database of Investment Locations

- [BUSINESS BUILDINGS](#)
- [BUSINESS ZONES](#)
- [FREE ZONES](#)
- [LAND PLOTS](#)
- [POTENTIAL BUSINESS ZONES](#)
- [LOCAL INVESTMENT OPPORTUNITIES](#)



http://www.fipa.gov.ba/investiranje/lokacije/poslovni_objekti/Archive.aspx?langTag=en-US&template_id=124&pageIndex=1

FIPA Support



- Servicing potential and existing investors, especially during the process of business registration
- Legal advice for foreign investors
- Providing of all information related to BiH business environment
- Investor aftercare
- Policy advocacy
- Analysis and presentation of attractive sectors for foreign investors
- Good co-operation with all levels of Government in BiH



OUR SERVICES ARE FREE AND CONFIDENTIAL!

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