

# BOSNIA AND HERZEGOVINA

## GENERAL DATA

**Population (approx.):** 3,8 million (approx.)

**Land:** 51,209 sq km

**Ethnic Groups:** Serb 37.1%, Bosniak 48%, Croat 14.3%, other 0.6%

**Languages:** Bosnian, Serbian and Croatian

**Religion (approx.):** Muslim 40%, Orthodox 31%, Roman Catholic 15%, other 14%

**Bordering:** Croatia on the North West and South (932 km), Serbia and Montenegro on East and Southeast (527 km).

## POLITICAL SYSTEM

Bosnia and Herzegovina is an independent European state made up of two entities: the Federation of Bosnia and Herzegovina (FBiH) and the Republika Srpska (RS), plus the District of Brčko. The State is governed by the State Presidency and the Parliamentary Assembly. Matters related to foreign trade, customs and monetary policy are governed by the State Government (Council of Ministers), while those related to international affairs and defense are governed by State Presidency. BiH was accepted into the Council of Europe in 2002, and is actively seeking candidate status for accession to the European Union (EU).

**Presidency:** consists of three members with a periodic rotation of the formal head of state.

Parliamentary Assembly: consists of two chambers, the House of Peoples and House of Representatives. Both entities have their own separate presidents and parliaments.

**Elections:** The Government successfully organized general elections on 5 October 2002, and municipal elections on October 2 2004, while the next general election is scheduled for some four years hence.

## REFUGEES AND RETURN

At the end of the war, there were 1.2 million Bosnian refugees in other countries. Around 50% of the Bosnian population from 1991 have changed their place of residence. According to UNCHR data 1 million refugees and displaced persons have returned to their pre-war municipalities since the signing of the Dayton Peace Agreement (GFA) in 1996. Official data indicate that there are approximately 100,000 refugees abroad and a further 300,000 displaced persons within BiH that wish to return to their homes.

## HUMAN DEVELOPMENT INDEX (HDI)

According to calculations for the forthcoming National Human Development Report 2004, the Human Development Index (HDI) for BiH is 0.784. This is at the upper bound of the Medium Human Development category. If applied globally, BiH would rank of 65th out of a total number of 177 participating countries. However, BiH still remains some 1.5% below the average value for Central Europe and the CIS.

## INTERNATIONAL COMMUNITY IN BiH

The High Representative is the leading figure in the international community in Bosnia and Herzegovina. With the main task to oversee the civilian implementation of the Dayton Peace Agreement. However, his agenda is becoming less Dayton-specific, and more developmental in character. He has taken steps to reflect the importance of the changing role of his office within the Board of Principals (the main coordinating body of international Community activity in BiH). In 2002 IMF, World Bank, and UNDP joined the Board previously consisting of UNMIBH (until end 2002), UNHCR, OSCE, SFOR, EU and the High Representative.

## INTERNATIONAL ASSISTANCE

Thus far the international community - countries and international organizations, friends of Bosnia and Herzegovina - have committed themselves to donating \$ 5,124,000,000 for the reconstruction of Bosnia and Herzegovina during the period 1996 - 2000. From this total amount of promised funds, approximately \$ 4,500,000,000 has been realized until 2003. For the period 2004-2006, the BiH Government has prepared the Public Investment Programme and are requesting, at the Consultative Group Meeting on 22-23 September 2004, a sum of Euros 987,000,000 of which €405,000,000 are for high priority new projects; €43,000,000 for medium priority new projects; €125,000,000 for committed projects; and €414,000,000 for on-going projects.



## ECONOMIC OVERVIEW

**Output and growth:** GDP for 2003 was recorded as USD 7,020 million, representing a real terms increase of 3.5% on 2002. Estimated GDP per capita (2003) is USD 3,043 in nominal terms. This is around sixty per cent of the 1990 level and BiH continues to suffer from substantial poverty and unemployment (UNDP NHDR, 2004). Early data and estimates for 2004, suggest that the growth rate will be somewhat higher (UNDP EWS Quarter 2, 2004). In addition authoritative studies continue to indicate that a sizeable portion of the real economy operates within the informal sector (approximately 30%) and that the actual level of GDP is therefore likely to be closer to USD 9,700 million (CBBiH Bulletin 2004 and UNDP NHDR, 2004).

**Currency:** Bosnia and Herzegovina has a fully convertible currency, permanently pegged to the EURO. This currency, Convertible Mark (KM), is underwritten by a national currency board arrangement and hence is one of the most stable currencies in Southeast Europe.

**Industrial production growth:** Industrial production moved in opposite directions in the two Entities during 2003, yielding a balanced position overall. Industrial output in the FBiH ended the year some 4% lower, whilst, the RS figures showed an annual increase (although on a smaller base) of approximately 8% (CBBiH Bulletin, 2004). The early months of 2004, however show stronger figures for both Entities and if these trends continue the year-end position will be considerably more favorable (UNDP EWS Quarter 2, 2004).

**Balance of trade in goods:** During 2003, the foreign trade deficit remained high at approximately 40% of GDP, and exports continued to represent a mere 28% of imports. This has serious consequences for the current account, adversely affects foreign reserves, and signals serious imbalances in the macro-economy. More recent 2004 data shows some improvement particularly in relation to the RS' export position (UNDP EWS Quarter, 2004).

**Stock market:** The volumes of shares traded on the two stock exchange established in 2002 in Banja Luka and Sarajevo, have grown considerably in 2003.

**Foreign debt:** According to the Ministry of Finance and the Treasury the total foreign debt of BiH (not including debts contracted by the entities directly or non-governmental debts) was 4,017 million KM at the end of 2003. This represents 33% of official GDP and is not high by international standards (CBBiH Bulletin, 2004).

**Poverty:** Close to one fifth of the population are estimated to live below a consumption-based poverty line, yet only de minimis numbers are in absolute poverty (Living Standards Measurement Survey - LSMS 2002). Subjective perceptions of poverty remain considerably higher with approximately 30% of households describing their livelihoods as being 'very below average' or worse (UNDP EWS Quarter 2, 2004).

**Unemployment:** According to the LSMS the national unemployment rate is approximately 16% (based on ILO definitions); this contrasts with official sources (principally the Entity Employment Bureau) which quote figures of 41% for the Federation and 37% for the RS (Entity Statistical Institutes). The discrepancy between these figures is a product of the size of informal sector, yet although the so-called grey economy provides a livelihood to many workers, the terms and conditions of employment are often precarious (UNDP NHDR, 2002 and 2003).

**e-Readiness:** One third of the population uses computers (60% of the users are in the F BiH and 40% in the RS), while one fifth has access to the Internet (65% in the F BiH and 35% in the RS). In BiH there are approximately 1.2 million GSM subscribers (31% of the population), and 1.1 million telephone land-lines (coverage of about 95% of households). Source: The ICT Sector Status Report, UNDP and eSEE Initiative, 2004.

## INSCRIPTION OF A LAND

Once upon a time a worthy  
Caller asked:  
Who is that what is that  
Forgive  
Where is that  
Whence is that  
Where to is that  
Bosnia  
Tell

And the questioned gave then  
A prompt reply to him:  
Bosnia forgive there is a land  
Both barren And barefoot  
Forgive  
Both cold and hungry  
And even more  
Forgive  
Da prosti  
And even more  
Da prosti  
Prkosna  
Od sna  
By a dream

## ZAPIS O ZEMLJI

Pitao tako jednom jednog vrli  
Pitac neki:  
A kto je ta, šta je ta  
Da prosti  
Gdje li je ta  
Ođakle je ta  
Kuda je ta  
Bosna  
Rekti

A zapitani odgovor njemu  
Hitan tad dade:  
Bosna da prosti jedna zemlja  
Imade  
I ponosna i bosa da prosti  
I hladna i gladna  
I k tomu još  
Da prosti  
Prkosna  
Od sna

Mak DIZDAR

Mak DIZDAR