

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 12/14/2017

GAIN Report Number: BK1709

Bosnia and Herzegovina

EXPORTER GUIDE ANNUAL

2017

Approved By:

Fred Giles

Prepared By:

Sanela Stanojic

Report Highlights:

Bosnia and Herzegovina (BiH) imports approximately two-thirds of its overall food needs. The market for processed foods focuses mainly on value rather than quality, as consumers seek to extend their buying power. Advantages to U.S. exporters include relatively low food import tariffs and low costs for introduction and promotion of new products while challenges consist of a complicated dual system of government authorities, low incomes, and poor infrastructure. This report contains marketing tips, information on importing foods, and important points of contact.

Post:

Sarajevo

Author Defined:**I. Market Overview****Economic situation**

The economy in Bosnia and Herzegovina (BiH) is still recovering from the 1992-1995 war and from the transition from a socially planned to a market economy. An estimated per capita GDP in 2016 was US\$4,409, with a total estimated nominal GDP of approximately US\$16.8 billion. GDP growth in 2017 is estimated at 3 percent (World Bank), slower after 3.2 percent in 2016 due to a weaker performance in agriculture and construction services, as well as levelling off of the industrial sector (European Bank for Reconstruction and Development). The average monthly net salary is US\$473 (KM 838) (2016).

In mid-May 2014, BiH was hit by record floods. The total economic impact of the disaster (damage to property, infrastructure and goods and the effects of destruction on livelihoods, incomes and production) is estimated at US\$2.77 billion, which was the equivalent of 15 percent of GDP. One of the hardest hit sectors was agriculture, with an estimated damage of US\$256.5 million. As a result, agriculture yields fell from 12 percent for grains and up to 50 percent for fruits, and livestock production dropped from 0.7 percent for cattle and 16.5 percent for poultry. However, thanks to quite favorable weather conditions in 2015, both crop and livestock production recovered. Fruit production grew by 70 percent, vegetable production by 22 percent, industrial crops by 16.5 percent, and grain production by 5.17 percent. The 2016 agricultural output maintained a similar level. Agriculture's share of GDP has remained at the level of approximately seven – eight percent.

A degree of macro-economic stability has been achieved with the introduction of a Central Bank, adoption of the currency board and creation of a single currency, the Konvertibilna Marka (Convertible Mark, KM). The currency board ensures that the KM is fully backed by hard currency or gold, and the exchange rate is fixed at approximately 2 KM to the Euro. Due to a strict currency board regime, inflation has been relatively low, and BiH recorded a deflation of 1.1 percent in 2016.

A highly decentralized government hampers economic policy coordination and reform. Government spending, at roughly 50% of GDP, remains high because of redundant government offices at the State, Entity and municipal level. One of BiH's main economic challenges since the recession began has been to reduce spending on public sector wages and social benefits to meet the IMF's criteria for obtaining funding for budget shortfalls. BiH's private sector is growing, but foreign investment has dropped off sharply since 2014, because of the unfavorable investment climate.

The Executive Board of the International Monetary Fund (IMF) on September 26, 2012, approved a 24-month US\$520.6 million Stand-By Arrangement (SBA) for BiH in support of the government's economic program for 2012–2014. On January 31, 2014, the Executive Board approved a nine-month extension and augmentation of the arrangement by \$191 million and then on June 30, 2014

the Executive Board approved an augmentation of \$119 million to meet the country's urgent balance of payment needs caused by the severe floods in May 2014.

On September 7, 2016, the IMF Executive Board approved a new three-year arrangement, called an Extended Fund Facility (EFF) with BiH and released the first tranche of EUR 79.2 million immediately of the total EUR 553.3 million. The purpose of the loan was to support reforms in the country's economy, which are agreed upon in the EU-proposed Reform Agenda adopted in July 2015. The agenda foresees socio-economic reforms at all levels of the government in line with the EU Acquis. According to the Agenda, BiH should improve the functioning of the labor market, strengthen tax collection, enhance bank oversight, and improve the business environment.

Implementation of the agenda is critical for BiH's EU membership process developments, as well as for the continuation of the IMF support program. To date, BiH's authorities have not fulfilled the IMF pre-conditions for the second tranche (e.g. increase of the current excise taxes on fuel) thus the future of the arrangement is uncertain.

BiH's top economic priorities are: acceleration of EU integration, strengthening the fiscal system, public administration reform, World Trade Organization (WTO) membership, and securing economic growth by fostering a dynamic, competitive private sector. To date, work on these priorities has been inconsistent. The country has received a substantial amount of foreign assistance, but must prepare for declining assistance flows in the future. Still regarded as a transition economy, BiH sees the long-term goal of EU membership as a driver to further economic growth and development.

Structure of the economy

The structure of the BiH economy is quite stable. GDP composition by sector is: agriculture 7.9 percent, industry: 26.5 percent, services: 65.6 percent (2015 est.). In 2016, BiH industrial output increased by 4.3 percent after a 2.6 percent increase a year earlier. The major productive sectors of the economy are industry and mining, telecommunications, construction, trade, transportation, and agriculture. The leading industries are steel, aluminum, minerals, vehicle assembly, textiles, tobacco products, wooden furniture, explosives, munitions, domestic appliances, and oil refining.

During the post-war period, economic activity was characterized by the existence of large state owned enterprises. These companies operated with significant losses, at less than full capacity, and with outdated technology and management techniques. Lately, there has been significant growth in the number of registered micro, small and medium enterprises. The private sector share in the GDP is approximately 60 percent.

BiH has approximately 1.6 million hectares of land suitable for cultivation. The best prospect sectors are fruit and vegetable, livestock, and poultry in terms of natural resources that are available and productivity. The most important crop is corn followed by wheat and barley. Small, low-output, family farms averaging 2-5 hectares characterize agricultural production along with low input use (fertilizers, chemicals, and certified seeds), poor crop management and post-harvest management practices, and poor railway and road infrastructure. Agriculture contributes approximately seven –eight percent to BiH's GDP. For the most part, agricultural production is in the hands of private owners, but farms are small and inefficient. BiH is a net food importer.

The official unemployment rate is 25.4 percent. BiH's grey economy is relatively large – estimates range from 20 to 40 percent of GDP.

Business environment

BiH is composed of two entities, the Federation of Bosnia and Herzegovina (F BiH) and the Republika Srpska (RS), each with its own business environment. Although there has been an effort to create a single market in BiH, significant legislative, regulatory and institutional differences between the Entities persist. Between the two Entities, factors such as business registration requirements and most taxation and standards are separate and different. The creation of a single economic space is a precondition for: the regeneration of BiH's post-war economy; the transformation from a planned to a market economy; and, greater integration into Europe and world trade structures. Significant barriers to internal and external trade and foreign direct investment remain, and there are weaknesses in the legal base related to competition, public procurement, financial services, standards and regulations, and the regulation of essential services.

Foreign Trade

BiH has a large foreign trade deficit with imports almost two times greater than exports. From 2006 to 2016, total exports increased from \$2.3 billion to \$5.3 billion, while imports rose from \$6.8 billion to \$9.1 billion. Agricultural products only represent about 10 percent of exports, but they represent 18 percent of total imports. BiH has a liberal trade regime. Bilateral free trade agreements previously signed with many countries in the South-East European region have been replaced with the Central European Free Trade Agreement (CEFTA), which includes Albania, BiH, Macedonia, Moldova, Montenegro, Serbia, and Kosovo (UNMIK). The principal trading partners remain the European Union (EU) and the countries of ex-Yugoslavia.

BiH currently has status as a potential candidate for EU membership. In February 2016, BiH submitted its official application for membership which the EU accepted on September 20. Trade with the European Union has been significantly liberalized and regulated through the Stabilization and Association Agreement (SAA) Interim Agreement between the EU and BiH signed in June 2008. In September 2016, BiH and EU initialed the Protocol on Trade to the SAA that was adapted to reflect Croatian EU membership in July 2013. The adapted EU-BiH SAA that entered into force on February 1, 2017 provided for unlimited duty-free access for BiH fruits and vegetables and opened higher quotas for fish and wine coming from BiH into the EU market. On the other side, BiH established higher duty-free quotas for sugar, cigarettes, beef, pork, milk, poultry products and potatoes imported from the EU.

Table 1. BiH's Total Trade 2006-2016

Total Trade (billion \$)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Exports	3.7	4.3	5.0	3.9	4.8	5.8	5.2	5.7	5.9	5.1	5.3
Imports	7.8	9.5	11.7	9.0	9.2	11.0	10.0	10.3	10.9	9.0	9.1

Source: BiH Agency for Statistics

Market share of BiH's trading partners in 2016

BiH TOTAL EXPORTS

Table 2. BiH trading partners' share in 2016 exports

Country	Share (%)
Germany	15.7
Italy	12.0
Croatia	10.5
Serbia	8.7
Slovenia	8.6
Austria	7.7
Turkey	4.3
Montenegro	2.6
The Netherlands	2.2
Hungary	2.1
USA	0.8
Other Countries	24.8

Source: BiH Agency for Statistics

BiH TOTAL IMPORTS

Table 3. BiH trading partners' share in 2016 imports

Country	Share
Germany	12.4
Italy	11.8
Serbia	11.3
Croatia	10.0
China	6.8
Slovenia	5.1
Russia	4.4
Turkey	4.2
Austria	3.4
Poland	2.9
USA*	2.0
Other Countries	25.7

Source: BiH Agency for Statistics

* Most U.S. origin products are transshipped to BiH through neighboring countries and therefore may not appear as a U.S. origin import.

Croatian, Slovenian, German, Serbian, Austrian and Italian processed food products dominate the market. The most imported food products are beverages (alcoholic and non-alcoholic), grains, tobacco products, and meat and dairy products. In 2016, total U.S. agricultural and fish export to BiH were valued at US\$36 million (1.2 percent share of BiH's total agricultural and fish imports from the world) and consisted of various food ingredients, animal and vegetable fats, dried nuts and fruits, beans, seafood, and coffee. The United States was not a key destination for BiH products, with total BiH agricultural and fish imports valued at US\$20.1 million in 2016. The key imports from BiH were mineral water, coffee, pastry mixes, cookies and wafers, and processed fruits and vegetables. BiH is not a member of the World Trade Organization (WTO) but is close to completing accession negotiation.

Size and Growth of Consumer Foods Market

Little official information is available about the size or growth of the market. BiH's consumer food retail market is estimated to be valued at US\$3 billion (KM 5.5 billion), but the sector has reportedly continued to experience a decline in sales since 2012, due to the economic crisis and BiH's high unemployment rate. BiH's purchasing power is only 17 percent of the European average. There has been significant concentration taking place in this sector, with bigger shopping centers supplanting smaller traditional shops. The largest retail chains, domestic retail chain "Bingo" from Tuzla and Croatian Konzum, (recently partially acquired by Slovenian "Mercator") recorded the largest growth in 2016 and their market share is estimated between 50 and 60 percent. Domestic retail chain "Tropic Group" from Banja Luka keeps expanding its presence. Economists believe that the domestic takeover of foreign retail chains outlets may boost the sales of locally produced foods.

Market Opportunities for Consumer Foods and Fishery Products

The following are some of the challenges to marketing high value U.S. foods in BiH:

- The weak economy affects consumer-purchasing power. An average net wage is lower than in any country in the region and the unemployment rate is high. Therefore, people are more interested in price than in quality;
- Quality and safety controls are often erratic in part because BiH government laboratories work with outdated technology and are ill-equipped. Therefore, labeling requirements are often not met and low-quality products may be found on the market that undercut other products;
- There are still active gray and black markets;
- Fraud and corruption can be a problem, especially in relation to taxation and import duties.
-

However, there are market opportunities for high quality U.S. products due to the fact that consumer awareness is improving which will eventually result in spending more money on high quality food products. Seafood, almonds and peanut butter are already in the market.

Food Expenditures and Consumption

It is estimated that an average Bosnian family that consists of four members spends approximately US\$5,090 annually (2016) on food products (source: Entity Institutes for Statistics).

According to the BiH Agency for Statistics based on the World Bank's methodology (minimum 2,100 calories per person on daily basis), the poverty rate for BiH is 15 percent and has not declined since the global financial crisis in 2008.

Demographic Developments and Impact on Consumer Buying Habits

BiH has a population of 3.53 million (2013 census) and an average BiH household is comprised of 3.04 members. One in ten households is run by a single parent. The population growth rate is -0.16 percent (2017 est.). The United Nations Development Program (UNDP) recently reported that BiH ranks as the fourth most rural country in Europe with approximately 60 percent of the population living in rural areas. The migration of people from rural to urban areas is by about 10 percent in every generation. Less than half of rural households are involved in agriculture, with one-third producing food solely for their own consumption on 1-3 hectares. Less than 1 percent is larger farms with significant agricultural income. The majority of rural households earn income from other employment or social benefits. The six biggest cities enjoyed 40 percent lower unemployment and 25 percent higher wages, whereas most medium-sized towns performed worse

than rural areas. In some areas, landmines remain a barrier to agricultural production although there is a significant international de-mining effort.

Advantages	Challenges
Insufficient domestic food production, imports nearly three times larger than exports	Long distance, bad transportation conditions, absence of highways, limited railway service
Increased urban population	Weak economy affects consumer purchasing power, low average net wage, high unemployment rate
High quality of U.S. products	Consumers more interested in price than in quality
Import duties low if compared to other counties in the region	Illegally imported and low-quality products compete with legitimately imported foods
Relatively low costs for introduction and promotion of new products using local broadcast and print media or in-store promotions	Different distribution systems in the two Entities, different taxation systems; difficulties in finding a reliable and capable local partner to carry out marketing and distribution
Increasing number of large retail supermarkets	Domestic market flooded with products imported from ex-Yugoslavia neighboring countries (Central European Free Trade Agreement) and EU countries (Interim Agreement lowers import duties for EU member-countries)
Fascination with American culture (language, music, TV shows, fashions) carries over to American food, such as famous "Coca Cola"	Reservations towards GM foods due to a lack of consumer education on the subject and a desire to meet EU requirements
Food imports grow year by year	Small businesses, limited access to finance and high interest rates negatively affect capacity of BiH's importers
Pork and poultry consumption increasing as a result of high beef prices	Pork consumption is relatively low because of BiH's large Muslim population

II. Exporter Business Tips

Local business customs

Importers/wholesalers/distributors provide transportation, product storage, market information, financing, and some insurance. Finding an agent and/or distributor is the most effective way to market consumer goods. The Foreign Agricultural Service Sarajevo Office can assist U.S. companies exporting to BiH by identifying local opportunities for the sale of U.S. products, providing counseling on the market, and can help you locate qualified distributors (please see the Key Contacts and Further Information).

The distribution systems are different for the Federation (F BiH) and the Republika Srpska (RS) because of differing legal frameworks. There have been efforts lately to harmonize rules between the two entities, but there are still significant differences. It is often necessary to develop multiple distribution channels and relations with distributors in both Entities in order to cover the whole country. Some foreign companies have established a representative office in order to control distribution channels, while some companies rely on strong local companies to control distribution channels. Local companies prefer to do business with people they know well. Business friendships are highly valued. Establishing a local presence and employing local people signal long-term commitment to the market, and are well received.

Wholesalers are the real channels for providing transportation, product storage, market information, financing, and risk management. Most wholesalers are independent full-service merchant wholesalers, importing and distributing goods. There is a significant degree of specialization in the wholesale sector by industry.

The most significant development in the retail market is the appearance of large retailers, such as foreign chain Konzum from Croatia, and locally-owned retailers Bingo, Tropic and AMKO Komerc. The introduction of the shopping mall concept has changed consumer habits and enabled larger retailers to shift the effort of financing onto manufacturers and distributors, especially in the consumer goods sector.

General Consumer Tastes and Preferences

Generally speaking, most consumers view price as the primary factor in their food purchasing decision. Preferences tend toward large packages at lower prices. Shopping centers are becoming an increasingly popular retail food sales point. Most people usually buy non-perishable foods at large supermarket centers once or twice a month. Perishable foods, fruits, vegetables, bread and fresh meat are usually bought at small grocery stores, specialized stores or green markets.

Consumption of red meats is traditionally high. However due to the economic downturn, consumption of poultry meat and pork has increased since 2012, while consumption beef and lamb has declined also with per capita purchasing power and rising prices. We expect this trend to continue in 2018. Pork consumption is much higher in the RS than in the F BiH, because of F BiH's large Muslim population. Although there continue to be periodic outbreaks of animal diseases such as brucellosis and classical swine fever, these outbreaks do not appear to have shaken consumer confidence. Bovine spongiform encephalopathy and Foot and mouth disease have not been reported in BiH.

A typical Bosnian meal is comprised of either red or white meat, potatoes or some other vegetables. Rice is a common dish that on average is eaten once a week. Apples are the most popular fruit. There are only a few ethnic restaurants (e.g., Italian, Chinese and Mexican). Fish consumption is traditionally low (approximately 2.5 kilograms/year). The demand for organic foods is quite low. Imported organic foods are usually sold in specialized stores, and are consumed by the ex-patriot community and as a pseudo-medicinal treatment for the sick. BiH consumers, in general, are un-informed about genetically engineered (GE) foods and therefore leery of them. Some consumers report they would eat biotech foods after proper testing and labeling, but they need more information to decide whether they want to buy the product. More information could potentially change consumer attitudes towards biotechnology in a positive direction.

In general, most people prefer to prepare meals at home from fresh food items than buy ready-to-eat and frozen meals. There is the belief that fresh cooked food is healthier and that frozen ready-to-eat foods are overpriced. Supermarkets do offer ready-to-eat meals, but at relatively high prices. There is a small, but strong market segment made up of all of the foreigners in BiH (especially in Sarajevo and Banja Luka) that work for foreign diplomatic, humanitarian and military organizations.

General Import and Inspection Procedures

Foreign exporters can import food products into BiH using a locally registered office or a local company/shipping agency registered for import activities. It is common for agents to help with food import regulations. Prior import approvals and licenses are required for live animals and non-heat treated animal products, and seeds and pesticides. For animals and non-heat treated animal products the State Veterinary Office (SVO) provides final approvals. For seeds, planting materials

and pesticides the Entity agricultural ministries provide prior approvals. Forms are available at the SVO and the Agricultural Ministries (see Key Contacts and Further Information). It is important to note that requirements for prior import approvals might differ between the two Entities. All products must be accompanied with standard documents that accompany each shipment and by health certificates issued by relevant authorities of exporting countries (e.g. veterinary certificate for meat and meat products, phyto-sanitary certificates for fruits, vegetables, seeds etc.) and are subject to veterinary and phyto-sanitary inspections at border crossings and sanitary and market inspections at customs points.

A GMO free certificate or a GMO-related statement included in the health certificate is often required for grains and similar products. That's because BiH's has adopted GMO Law and enforcing by-laws stipulate mandatory labeling of GMO content above a 0.9 percent threshold.

Sanitary inspectors visually inspect all food for sanitary wholesomeness prior to customs clearance and take samples for laboratory testing (Appendix II). Imported goods are held at the customs point until testing is complete.

Market inspectors inspect the quality certificates at inspection points (see Appendix I). Quality control inspections are done at the exporter/importer's written request, which should be received at least 24 hours prior to the customs clearance. The request for quality control must include the basic documents that accompany the shipment, translated into Bosnian/Croatian for the F BiH or into Serbian for the RS. The following information must be provided in the documents: type and name of product, country of origin, exporter's name, manufacturer's name, type and number of transport means, port of loading and unloading, total pieces, packaging unit, gross and net weight and product's basic quality data. If the same product is imported again, and has been tested within 90 days, only a visual check is done. Both Entities have officially recognized laboratories to test imported food products. If a market inspector rejects an importer's request, goods are stored until the procedure is complete - the inspector can order the return or destruction of goods, if necessary, at the importer's expense, or can order certain actions to be taken prior to customs clearance.

III. Market Sector Structure and Trends

Domestic Industrial Capacity

Before the war, the food industry was concentrated in large state-owned companies that were also involved in primary agricultural production, processing and wholesale and retail operations. However, at the end of the war, the agro-processing industry was operating at less than 10 percent of its pre-war capacity due to heavy damage to buildings and equipment. In addition, the raw material supply and sales channels had been disrupted. The agricultural production and the food industry continued to suffer during the transition from a planned to a market economy. Some large pre-war companies are still being privatized and are racking up losses. There are still a few companies that have rebuilt successful fruit, vegetable, and meat processing operations. In general, the BiH food industry is still too small and inefficient to compete with large foreign industries. Domestic food production is insufficient and covers approximately 30 – 35 percent of total needs.

Food Retail Sector

In general, small retailers are slowly losing out to large wholesalers with developed retail operations. Over the last fifteen years, the appearance of shopping centers (malls) has been significant and has prompted significant changes in the retail market. The largest foreign retail chain, Croatian Konzum is being challenged by local food retailers (Bingo, Tropic and Amko

Komerc) that have consolidated their presence and are becoming increasingly competitive.

Shopping centers import and distribute food and offer a great variety of fresh meat, exotic and new-to-market foods, and ready-to-eat foods. They also provide good professional service, restaurants with ready meals at favorable prices and a festive environment (entertainment for kids, clowns, and games/ lotteries). Quite often, they organize in-store promotions and product tastings and provide small gifts with purchased products. A special discount is offered to faithful customers. Food items are also sold in a number of small independent groceries and open markets.

Hotel, Restaurant and Institutional (HRI)

Table 4. Turnover in catering -2011-2015

Year	Federation of BiH Total turnover (000 KM)	Republika Srpska Total turnover (000 KM)
2011	41,852	77,000
2012	52,899	81,091
2013	53,795	85,336
2014	79,954	N/A
2015*	88,807	N/A

Source: Federation and Republika Srpska Institutes for Statistics

US\$ 1.00 = KM 1.67

*Latest available data.

The HRI sector prepares the meals themselves. They buy ingredients from a range of suppliers, including small grocery stores and green markets to big producers, retail centers and wholesalers, depending on the size of the commercial entity/institute and the number of meals.

Tourism, tourism promotion, and the hospitality and catering industry are regulated at the Entity level. This has resulted in significant differences in the requirements across the sector, differences based on the way funding for tourism promotion is collected and distributed, and differences in the way accommodation is classified. Lately, there has been a growing consensus that tourism can be a major source of job growth and foreign exchange earnings for Bosnia and Herzegovina. According to foreign experts, BiH has a large potential as a tourist destination that could generate significant jobs and revenue for the BiH economy.

Promotional and Marketing Strategies

Advertising that used to be the single marketing tool in BiH is now combined with direct marketing (door-to-door contacts, material distribution and special offers). The most popular advertising media are television, radio, newspapers and magazines. In addition, outdoor advertising is becoming more and more popular (billboards, bulletins, and displays in urban areas and on sides of the road). Recent data indicates that 68 percent of advertising is conducted through TV, followed by 20 percent through outdoor advertising, while radio and print media account for 6 percent each. Also, cable television is rapidly developing in the urban areas of BiH. Radio is the most popular marketing tool at the local level. Direct mailing is also becoming a popular advertising tool (leaflets placed under car windshield wipers, mailbox brochures, or advertising materials placed in newspapers). Quite often, in-store promotions and informal gatherings are used for presentations of the product. Supermarkets often deliver flyers about products and special discounts.

Trade events and fairs are a good way to market products and services in BiH and to find partners and distributors. The trade fair sector in BiH has been growing rapidly. Fairs provide opportunities

for local and foreign companies to establish business connections. Trade events are held throughout BiH. Mostar's "International Trade Fair" is the most popular in the Federation and Banja Luka's "Food and Beverages Fair" is the most popular in the Republika Srpska. Regional centers like Zenica, Tuzla, and Bihac are very active in trade promotion. Approximately 60 percent of the BiH population uses the Internet regularly, but food sales are still very small.

Product Category	Market Size	2016 imports (in million US\$)	Average Annual Import Growth (2011-2016)	Import Tariff Rate 2017	Key Constraints of Market Development	Market Attractiveness for USA
Beverages and Mineral Water	N/A	85.8	3.8 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	Competition from key suppliers such as Croatia and Serbia	N/A
Chocolate	N/A	80.2	2.7 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	Competition from key European companies	Negligible local production

Beer	1,900,000 hectoliters (est.)	72.8	1.6 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	Breweries producing more than 400,000 hl annually pay higher excise tax (US\$0.25/liter)	Traditional high consumption, demand and consumption should continue to grow
Biscuits and Cookies	N/A	72.0	2.6 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	No	N/A
Cheese	40,000 MT	39.3	4.6 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	Competition from key European suppliers	Insufficient local production and growing demand
Sauces and Spices	N/A	27.1	1.6 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	No	Insufficient local production
Citrus Fruit	N/a	22.0	3.3 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	Competition from key suppliers: Greece, Italy and Turkey	Insufficient local production and growing demand

Wine	24,500 hectoliters (est.)	16.3	2.1 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	Increasing local production of good quality wines, competition from European suppliers	Consumption of high quality wines is expected to grow with standard of living.
Ice-cream	2,500 MT (est.)	12.0	76.0 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	Competition from key suppliers such as Croatia	BiH has limited domestic production
Tree Nuts	10.3	7.8	7.0 %	http://www.mvteo.gov.ba/zakoni/podzakonski_akti/Carinska_tarifa/?id=8498	Competition from key suppliers (i.e. Romania, Italy and Iran), and most economic supply preferred even if lower quality	Insufficient local production

V. Key Contacts and Further Information

FAS/USDA

U.S. Embassy to BiH
1 Robert Frasure Street
71000 Sarajevo
Bosnia and Herzegovina
Phone: +387 33 704 305
Fax: +387 33 659 722
E-mail: AgSarajevo@fas.usda.gov

<https://ba.usembassy.gov/embassy/sarajevo/sections-offices/fas/>

State Veterinary Office

Titova 9a
71000 Sarajevo
Bosnia and Herzegovina
Phone: +387 33 565 700
Fax +387 33 565 725
E-mail: info@vet.gov.ba
<http://www.vet.gov.ba/>

BiH Plant Health Administration

Titova 9a
71000 Sarajevo
Bosnia and Herzegovina
Phone/fax: +387 33 290 700 and 290 711
E-mail: upravabihzzb@bih.net.ba
<http://www.uzzb.gov.ba/>

F BiH Ministry of Agriculture, Water Management and Forestry

Marka Marulica 2
71000 Sarajevo
Bosnia and Herzegovina
Phone: +387 33 726 537
Email: kabinet@fmpvs.gov.ba
<http://fmpvs.gov.ba/>

RS Ministry of Agriculture, Forestry and Water Management

Trg Republike Srpske 1
78000 Banja Luka
Bosnia and Herzegovina
Phone: +387 51 338 415
Fax: +387 51 338 865
<http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/mps/Pages/default.aspx>
E-mail: mps@mps.vladars.net

F BiH Inspectorate

Fehima ef. Curcica 6
71000 Sarajevo
Bosnia and Herzegovina
Phone: + 387 33 563 350
Fax + 387 33 563 351
info@fuzip.gov.ba
<http://www.fuzip.gov.ba/>

RS Inspectorate

Trg Republike Srpske 8
51000 Banja Luka
Bosnia and Herzegovina
Phone: + 387 51 337 627
Fax: +387 51 307 955
Email: uprava@inspektorat.vladars.net
<http://www.inspektorat.vladars.net/>

Indirect Tax Administration

Ulica Bana Lazarevića bb.
78000 Banja Luka
Bosnia and Herzegovina
Phone: +387 51 335 494
Fax: +387 51 335 101
Email: info@uino.gov.ba
<http://www.uino.gov.ba/>

American Chamber of Commerce in Bosnia and Herzegovina

PC Unitic, Tower B, 3, Floor
Fra Andjela Zvizdovica 1
71000 Sarajevo
Bosnia and Herzegovina
Phone: 387-33-295 500
Fax: 387-33-295 503
Email: amcham@amcham.ba
<http://www.amcham.ba/>

BiH Foreign Trade Chamber

Branislava Djurdjeva 10
71000 Sarajevo
Bosnia and Herzegovina
Phone: +387 33 566 222
Fax: +387 33 214 292
E-mail: cis@komorabih.ba
[http://komorabih.ba/en /](http://komorabih.ba/en/)

F BiH Chamber of Economy

Branislava Djurdjeva 10
71000 Sarajevo
Bosnia and Herzegovina
Phone: +387 33 663 370 and 667 940
Fax: +387 33 663 632 and 663 635
E-mail: a.rapa@kfbih.com
<http://www.kfbih.com/>

RS Chamber of Commerce

Djure Danicica 1/II
78000 Banja Luka
Bosnia and Herzegovina
Phone: +387 51 215 744
Fax: +387 51 215 565
E-Mail: pkrs@blic.net; info@komorars.ba
<http://www.komorars.ba/pkrs/#>

FIPA - Foreign Investment Promotion Agency

Grbavicka 4
71000 Sarajevo
Bosnia and Herzegovina
Phone: +387 33-278 080
Fax: +387-33 278 081

Email: fipa@fipa.gov.ba
www.fipa.gov.ba

BiH Institute for Accreditation

Hamdije Cemerlica 2/7
 71000 Sarajevo
 Bosnia and Herzegovina
 Phone: +387-33-715-560
 Fax: +387-33-715-561
 E-mail: info@bata.gov.ba
<http://www.bata.gov.ba>

BIH Intellectual Property Rights Institute

Kralja Petra Kresimira IV/8a.
 88000 Mostar
 Bosnia and Herzegovina
 Phone: +387 36 334 381
 Email: info@ipr.gov.ba
<http://www.ipr.gov.ba/en>

APPENDIX I. STATISTICS

TABLE A. KEY TRADE & DEMOGRAPHIC INFORMATION	YEAR	VALUE
Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%) ^{1/}	2016	332.7/8.4
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%) ^{1/}	2016	1,284.6/0.6
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%) ^{1/}	2016	31.9/0.03
Total Population (Millions) / Annual Growth Rate (%)	2013/2016	3.5/ -0.16
Urban Population (Millions) / Annual Growth Rate (%) ^{2/}	2006	1.7/0.3
Number of Major Metropolitan Areas ^{3/}	2016	0
Size of the Middle Class (Millions) / Growth Rate (%)	n/a	n/a
Per Capita Gross Domestic Product (U.S. Dollars)	2015	4,409
Unemployment Rate (%)	2015	25.4%
Per Capita Food Expenditures (U.S. Dollars) ^{4/}	2016	1,272.5
Percent of Female Population Employed	2014	41%
Exchange Rate	11/22/2017	US\$1.00 = 1.67KM
Footnotes:		
^{1/} Data from BiH Agency for Statistics		
^{2/} The latest available data		
^{3/} There are no metropolitan areas with population in excess of 1,000,000		

^{4/} The figure represents food expenditures for a basket composed of necessary food products