Bosnia and Herzegovina Country Report - Issue 12, 2015

Description: This report covers the main macroeconomic releases from December 6 until January 5, 2015 as well as the financial and political events that took place in Bosnia during this period.

The government of Bosnia's Republika Srpska said on December 10 it will end cooperation with national courts, prosecutors and the State Investigation and Protection Agency (SIPA) following raids in the town of Novi Grad, apparently in connection to a war crimes investigation.

Few days later, Republika Srpska stepped back from its decision to break ties with the State Investigation and Protection Agency (SIPA) and initiated efforts to sign a new cooperation agreement.

Bosnia's State Investigation and Protection Agency (SIPA) has carried raids on several locations and arrested 11 people suspected to participate in radical terrorist organisations, having close ties with ISIS.

The parliament of Bosnia's Republika Srpska elected the daughter of former Bosnian Serb leader Radovan Karadzic, Sonja Karadzic-Jovicevic, as deputy speaker.

The European Parliament decided to suspend the trade privileges of Bosnia as of January 2016 unless the country adjusts its Stabilisation and Association Agreement (SAA) with Croatia's entry in the bloc.

The World Bank has adopted a new Country Partnership Framework (CPF) for Bosnia & Herzegovina for 2016-2020, which includes some $750mn of new lending.

Key points:
- CPI deflation stayed at 1.8% y/y for the third month in a row in November
- The working-day adjusted industrial production rose by 2.7% y/y in November
- The foreign trade gap narrowed 8.1% y/y to BAM6.3bn (€3.2bn) in the first 11 months of 2015

Contents:

1. Executive Summary

2. Real Sector
   2.1 GDP
   - Bosnia's GDP growth slows to 3.1% y/y in Q3
   - Bosnia's economic growth improves in Q3 – DEP
   - Bosnia's GDP per capita at 29% of EU average in 2014 – Eurostat
   - Bosnian Federation's GDP growth cools to 3.3% y/y in Q3
   - Bosnia's Republika Srpska GDP growth cools in Q3
   - Bosnia's Republika Srpska projects 2.4% economic growth in 2016

2.2 Inflation
   - Bosnia's industrial producer prices fall 1.3% y/y in November
   - Bosnia's CPI deflation stays at 1.8% y/y in November
   - Bosnia's Federation CPI falls further y/y in November
   - Bosnia's Republika Srpska CPI deflation slightly eases in November

2.3 Industry and Trade
   - Bosnia's retail sales growth boosts to 5.2% y/y in November
   - Bosnia's industrial production growth slows to 2.7% y/y in November
   - Bosnian Federation's retail sales swing to 1.1% y/y rise in November
   - Growth in Bosnian Federation's industrial production slows in November
   - Bosnian Federation industrial PPI declines by 2.0% y/y in November
   - Bosnia's Republika Srpska industrial production swings to 0.3% y/y fall in November
   - Bosnia's Republika Srpska industrial PPI inches down 0.2% y/y in November

2.4 Tourism
   - Foreign tourist arrivals to Bosnia rise 28.2% y/y through October

2.5 Labour Market
   - Bosnia's registered unemployment rate falls to 42.8% in October
- Bosnia's average net wage falls 1.0% y/y in October
- Bosnian Federation real net wage ticks up 0.2% y/y in October
- Bosnia's Republika Srpska real wage growth slows to 1.8% y/y in November

3. Fiscal Sector, Monetary Policy
- Bosnia's central parliament upper chamber passes 2016 budget
- Bosnia's 9-mo consolidated budget posts €385mn revenue
- Bosnia's central govt adopts 2016 budget plan with higher spending
- Bosnian Federation parliament’s lower chamber adopts 2016 revised budget
- Bosnian Federation sells out €30.7mn in three-year T-bonds
- Bosnian Federation upper chamber rejects 2016 budget draft as MPs from ruling coalition disagree on changes
- Bosnian Federation sells out €10.2mn 9-month T-bills issue
- Bosnian Federation revises up 2016 budget revenue plan
- Bosnian Federation sells out €35.8mn in five-year T-bonds
- Bosnian Federation's govt to borrow €720mn for public projects in 2016-2018
- Bosnia's Republika Srpska 2015 public revenues rise 5.0% y/y
- Bosnia's Republika Srpska cancels $300mn loan deal with US fund
- Bosnia's Republika Srpska plans to auction €112.5mn securities in H1
- Bosnia's Republika Srpska raises €17.8mn from 5-year T-bonds
- Bosnia's Republika Srpska parliament approves 2016 budget, economic policy
- Bosnia's Serb Republic sells six-month T-bills worth €6.0mn, yield falls
- Bosnia's Republika Srpska revises 2016 budget plan
- Bosnian Serb Republic’s 11-mo public revenues rise 6% y/y

4. Financial Intermediation
- Bosnia's M1 money supply growth speeds up to 11.8% y/y at end-November
- Bosnia's FX reserves growth improves to 11.9% y/y at end-November
- Share of non-performing loans in Bosnia falls to 13.8% in Q3

5. External Sector
- Bosnia's 11-mo foreign trade deficit narrows 8.1% y/y
- Bosnian Federation foreign trade deficit at €2.1bn through November
- Bosnia's Republika Srpska 11-mo foreign trade deficit shrinks 19.6% y/y

6. Structural Reforms, Corporate Plans
- Bosnia's Republika Srpska to invest €700mn in public projects over 2016-2018
- Bosnian public broadcasters face shutdown on lack of funding
- World Bank to lend Bosnia up to $750mn in 2016-2020
- EU approves €1bn financial package for Western Balkans, Turkey

7. Politics
- Bosnian police arrest 11 suspect on close ties with ISIS
- Radovan Karadzic’s daughter gets key parliament post in Bosnia's Republika Srpska
- Bosnian police arrest six people for arms trafficking
- Bosnia to apply for EU membership in January 2016 – presidency
- EU to freeze Bosnia’s trade privileges until adjusting SAA with Croatia’s entry in the bloc
- Bosnia's Republika Srpska seeks to restore cooperation with state investigation
- Western diplomats condemn Bosnian Republika Srpska’s decision to break ties with state police, courts
- Bosnia's Republika Srpska to break with state police, courts
- Bosnian constitutional court bans Serb Republic’s Republic Day celebration

Ordering:
Order Online - http://www.researchandmarkets.com/reports/3599282/
Fax Order Form
To place an order via fax simply print this form, fill in the information below and fax the completed form to 646-607-1907 (from USA) or +353-1-481-1716 (from Rest of World). If you have any questions please visit http://www.researchandmarkets.com/contact/

Order Information
Please verify that the product information is correct and select the format(s) you require.

- **Product Name:** Bosnia and Herzegovina Country Report - Issue 12, 2015
- **Web Address:** [http://www.researchandmarkets.com/reports/3599282/](http://www.researchandmarkets.com/reports/3599282/)
- **Office Code:** SCH346BH

Product Formats
Please select the product formats and quantity you require:

<table>
<thead>
<tr>
<th>Format</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic (PDF)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single User</td>
<td>[ ]</td>
<td>USD 475</td>
</tr>
<tr>
<td>Site License</td>
<td>[ ]</td>
<td>USD 1425</td>
</tr>
<tr>
<td>Enteprisewide</td>
<td>[ ]</td>
<td>USD 2375</td>
</tr>
</tbody>
</table>

Contact Information
Please enter all the information below in **BLOCK CAPITALS**

- **Title:** [ ] Mr  [ ] Mrs  [ ] Dr  [ ] Miss  [ ] Ms  [ ] Prof
- **First Name:** ____________________________  **Last Name:** ____________________________
- **Email Address:** * ____________________________
- **Job Title:** ____________________________
- **Organisation:** ____________________________
- **Address:** ____________________________
- **City:** ____________________________
- **Postal / Zip Code:** ____________________________
- **Country:** ____________________________
- **Phone Number:** ____________________________
- **Fax Number:** ____________________________

* Please refrain from using free email accounts when ordering (e.g. Yahoo, Hotmail, AOL)
Payment Information

Please indicate the payment method you would like to use by selecting the appropriate box.

☐ Pay by credit card: You will receive an email with a link to a secure webpage to enter your credit card details.

☐ Pay by check: Please post the check, accompanied by this form, to:
Research and Markets,
Guinness Center,
Taylors Lane,
Dublin 8,
Ireland.

☐ Pay by wire transfer:
Please transfer funds to:
Account number: 833 130 83
Sort code: 98-53-30
Swift code: ULSBIE2D
IBAN number: IE78ULSB98533083313083
Bank Address: Ulster Bank,
27-35 Main Street,
Blackrock,
Co. Dublin,
Ireland.

If you have a Marketing Code please enter it below:
Marketing Code: ____________________________

Please note that by ordering from Research and Markets you are agreeing to our Terms and Conditions at http://www.researchandmarkets.com/info/terms.asp