

COUNTRY FACTSHEET

Bosnia and Herzegovina



GDP growth slowed to 2.1 percent in 2025, down from 3.2 percent a year earlier, reflecting weaker consumption, elevated inflation and political uncertainty.

General elections may keep the fiscal deficit elevated in the near term, although public debt remains at moderate levels.

Growth is expected to gradually recover, but remains moderate, reaching 3.2 percent by 2028.

Bosnia and Herzegovina's economy continues to face structural constraints that slow convergence with the European Union and limit gains in living standards. While macroeconomic stability has been preserved, persistent vulnerabilities weigh on growth and resilience.

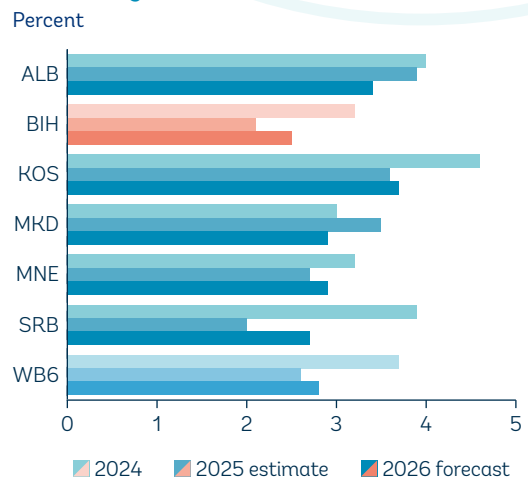
Structural weaknesses continue to weigh on long term growth and public finances. Outmigration and population aging are shrinking the workforce, while low productivity, skills mismatches, high unemployment rate and informality constrain growth. Heavy reliance on coal based energy and low carbon pricing keep production carbon intensive and expose the economy to competitiveness risks under the EU's CBAM.

Real GDP growth slowed to 2.1 percent in 2025 from 3.2 percent in 2024, reflecting reduced consumption. Over the medium term, growth is expected to remain moderate, gradually rising toward around 3.2 percent by 2028, while inflation will remain elevated in the short-term and is estimated to decline to below 2 percent in the medium-term. However, geopolitical tensions and domestic political challenges pose significant downside risks.

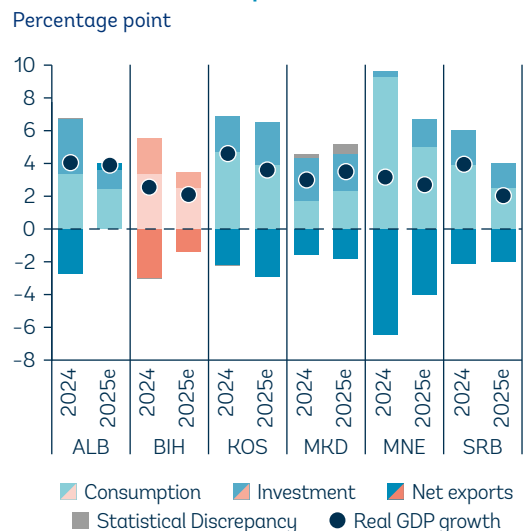
Growth is expected to remain moderate by 2028, making job creation even more important. Advancing reforms that support private investment, productivity, and skills will be key to generating employment and ensuring that growth translates into lasting economic opportunities.

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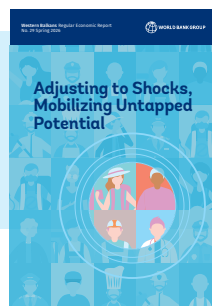
Real GDP growth



Annual Growth Composition



Source: National statistical offices and World Bank estimates.
Note: WB6 = Western Balkans six; e = estimate.



For more information and previous editions of the Western Balkans Regular Economic Report, click [here](#).