Responding to the Coronavirus Crisis
Update on Bosnia and Herzegovina (13/05/20)

EBRD Policy Comparator

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Economic channels of disruption
Supply chains, exports, consumption
- Severe lockdown (curfew, schools, all non-essential businesses closed and air traffic suspended) has caused sharp halt to economic growth.
- Supply chains disrupted, and exports (above 40% of GDP) will decline.
- Services sector be hit hard due to shut down of businesses.
- Remittances (around 11% of GDP) to decline, with a negative impact on consumption, a major growth driver before the epidemic.

Selected crisis impact indicators

EBRD GDP growth outlook (May 2020)
- 2020: -4.5%
- 2021: 6%

Number of overnight stays cancelled
(Minister of Foreign Trade and Economic Relations, 16 March 2020)
- 850 thousand

Share of manufacturing companies facing difficulties in operations
(survey, April 2020)
- 92%

Crisis response measures to date
Support for healthcare, workers and businesses
- In FBIH, support through Stabilisation Fund, covering minimum wages and social contributions in affected companies, and a guarantee fund at the Development Bank to maintain and improve the liquidity of companies
- Extra funds for cantons and municipalities in FBIH; exemption from para-fiscal fees for affected businesses; advance corporate income tax payment cancelled.
- In RS, deferral of corporate income tax payment; fixed pricing margin for certain staple products; government to cover minimum wages, income taxes and contributions for affected businesses.
- Solidarity Fund established in RS to support economy of the entity
- Development bank in RS to defer overdue payments.

Selected crisis response indicators

Stabilisation Fund in FBIH
- EUR 250 million

Payment holidays for loans, for those applying (months)
- 3 months

IMF RFI: EUR 333 million

EC MFA: EUR 250 million

EU: EUR 80.5 million (reallocated from IPA)

Key short-term priorities
Provide liquidity to the economy, particularly SMEs, and revenue support to vulnerable individuals

To learn more about EBRD’s support to Bosnia and Herzegovina visit: https://www.ebrd.com/ebrd-in-bosnia-and-herzegovina.html

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