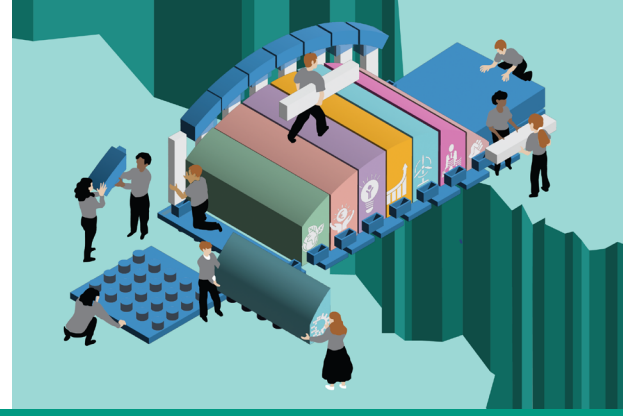


SME POLICY INDEX

Western Balkans and Turkey 2022

Bosnia and Herzegovina



Since 2019, Bosnia and Herzegovina has improved its performance across 10 of the 12 policy areas, reflecting the importance of SMEs in the government's policy agenda. Ensuring that implementation has impact is crucial in achieving governments' objectives, while monitoring and evaluation of all policy measures are essential for tracking efficiency and effectiveness.

Key facts (2021)



GDP growth:

7.1%
(EU: 5.4%)



Exports of goods and services:

44.1%
(EU: 46.8%)
of GDP



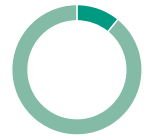
SME Employment¹:

63.2%
(EU: 65%)



SME value-added²:

61%
(EU: 53%)

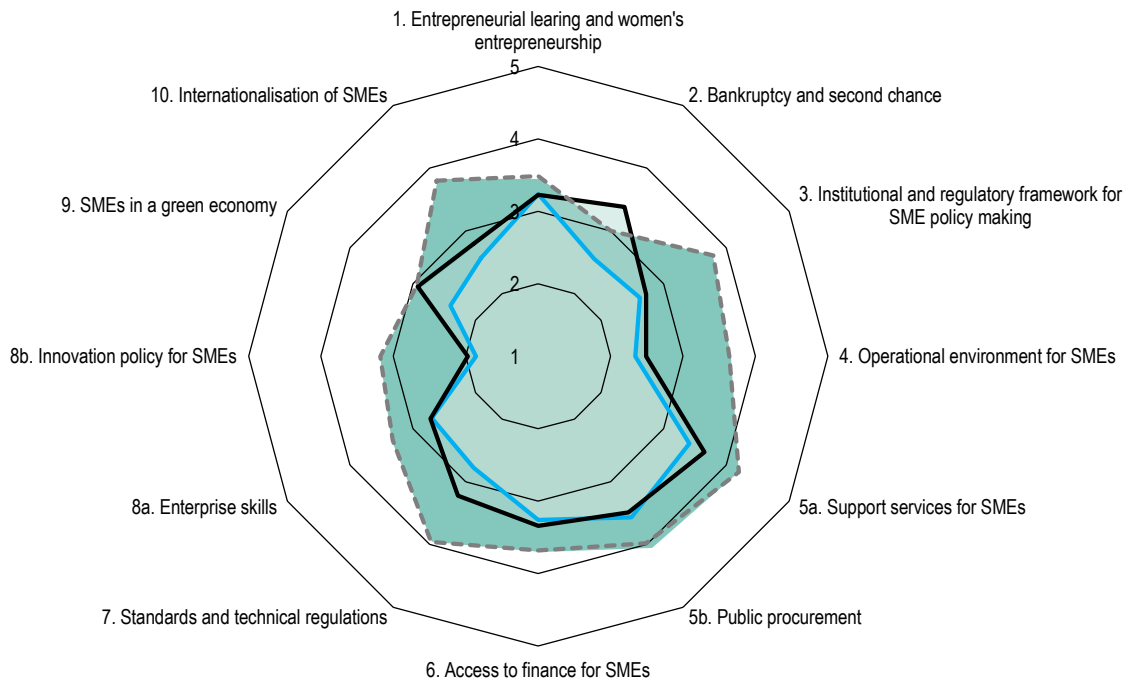


Number of SMEs per 1000 inhabitants³

9.7
(EU: 50.4)
of total labour force

¹Data for 2020
²Data for 2020
³Data for 2020

Bosnia and Herzegovina's SME Policy Index performance (2019 and 2022)



— 2019 Dimension score — 2022 Dimension score - - - 2022 WBT Dimension average score

Main achievements

- ❖ **The insolvency framework has been harmonised across the entities in Bosnia and Herzegovina.** Following a series of reforms, the regulatory framework was harmonised in 2021 for the first time across the entire territory, in line with the United Nations Commission on International Trade Law Legislative Guide on Insolvency Law.
- ❖ **Key developments in the area of streamlining the regulatory environment were undertaken to optimise procedures to start a business.**
- ❖ **SMEs have access to a wide range of public business support services (BSSs).** In both entities, informational and educational workshops, trainings, tailored mentoring and advisory services in the area of management, sales and marketing are available to SMEs.
- ❖ **Some progress has been made regarding access to finance.** Progress has been made in aligning regulations to EU standards, triggering harmonisation across entities, and the banking sector has weathered the economic downturn caused by the COVID-19 pandemic relatively well, thanks to strengthened resilience prior to the pandemic.
- ❖ **The access to standardisation and accreditation services in Bosnia and Herzegovina slightly improved compared to the 2019 assessment,** lowering export barriers for SMEs whose products and services are not aligned with EU standards and regulations
- ❖ **Environmental policies targeting SMEs are gaining momentum.** Business associations have slowly been developing and implementing green measures, as well as promoting environmental management systems.

The way forward

- ❖ **Embed entrepreneurship as a key competence across all education systems.**
- ❖ **Improve and simplify the institutional and regulatory framework for SMEs.** Further efforts could be made at all levels of governance to ensure that the regulatory environment is responsive to the needs of SMEs, including by making full use of regulatory impact assessments and public-private consultations.
- ❖ **Enhance digital government services for SMEs.** Disagreements and lack of alignment between the state level and the entities regarding the legal framework for electronic signatures lead to businesses experiencing additional hurdles for its use throughout the economy.
- ❖ **Reinforce the monitoring and evaluation mechanism of support programmes** for SMEs across all levels of government, as systematic monitoring based on performance indicators is lacking.
- ❖ **Develop a state-wide quality infrastructure strategy** or roadmap to improve inter-institutional co-operation and reduce inter-regional differences in the alignment with European legislation and standards.
- ❖ **Increase the scale of financial incentives to foster innovation.** To ensure the success of the SME innovation action plans, a sufficient budget should be allocated to design meaningful and co-ordinated financial support schemes.
- ❖ **Develop a legal framework for the adoption and promotion of e-commerce.**

SME Policy Index: Western Balkans and Turkey 2022

This sixth edition of the SME Policy Index: Western Balkans and Turkey 2022 – Assessing the Implementation of the Small Business Act for Europe assesses SME-related policy reforms in Western Balkans and Turkey across 12 policy dimensions. It is designed to help policy makers develop and implement policies to support SMEs and entrepreneurs in their recovery from the pandemic and to boost their competitiveness based on good practices in OECD and EU member states. Economy-specific profiles complement the regional assessment and provide each economy with an in-depth analysis of the implementation status of the ten Small Business Act for Europe principles and monitors progress made since 2019.

