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## THE COVID-19 CRISIS IN BOSNIA AND HERZEGOVINA

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31 January 2021

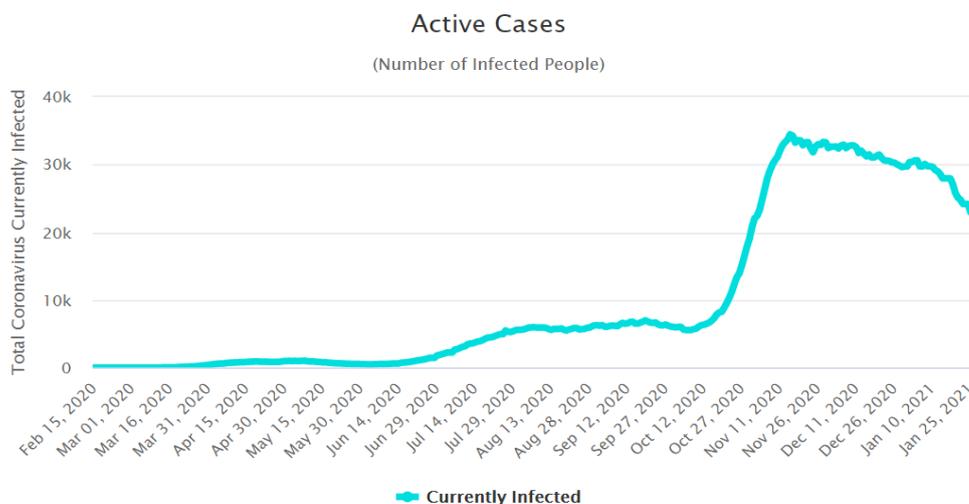
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### COVID-19 health situation – December 2020/January 2021

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- While the number of active COVID-19 cases in Bosnia and Herzegovina (BiH) continued to grow until November, the months of December and January saw a gradual decline in active cases, and relative improvement of the epidemiological situation. However, the absolute number of new COVID-19 cases still remains high, and authorities in both entities of BiH and the Brčko District (BD) continue to call for caution and respecting of the measures in force to avoid a relapse in infections. As of 27 January, [Bosnia and Herzegovina](#) ranks 47<sup>th</sup> in the world regarding the number of confirmed cases (3 437 cases per 100 000 inhabitants), 24<sup>th</sup> globally in terms of the number of active cases (644 cases per 100 000 inhabitants) and 13<sup>th</sup> regarding fatalities (132 per 100 000 inhabitants).
- There is no vaccination campaign underway in BiH, however, both entities have unveiled vaccination plans and made efforts to procure vaccines.

#### Evolution of active cases in Bosnia and Herzegovina



Source: Worldometers.info

- In all of BiH, the wearing of facemasks is mandatory in public (everywhere indoors and outdoors whenever it is not possible to maintain a distance of two meters) and gatherings have a limited number of participants allowed (numbers vary in the entities). Intensified controls of business entities and catering facilities are performed, and penalties, such as temporary closure of businesses, are imposed where sanitary measures are not respected.
- The borders of BiH are open for foreigners given that they provide a negative PCR test no older than 48 hours, whereas citizens of Croatia, Montenegro and Serbia are allowed to enter BiH without any testing, provided that they are entering directly from one of these countries.

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## Policy reactions – December 2020/January 2021

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- In the Republika Srpska (RS) entity, the new school semester [started on 21 January](#) in all primary and secondary schools, as all the safety and health conditions for students and teachers were deemed assured. In the Federation of Bosnia and Herzegovina (FBiH) entity, the schooling policy is determined on the level of the individual Cantons, with the Sarajevo Canton [opting to continue mixed-model](#) learning for the new semester.
- In the RS, [restrictions are in force](#) limiting public gatherings to 50 participants, private gatherings to ten participants and banning the playing of live music in bars, restaurants and other such premises. Additionally, businesses such as bars, cafes and restaurants must close from 22:00 to 6:00, the sale of alcoholic beverages is prohibited from 22:00 to 6:00 and sporting events must take place without audiences. These restrictions are currently in force until 1 February and will be extended or modified upon review by the RS Headquarters for Emergency Situations.
- In the FBiH, a curfew is in force from 23:00 to 6:00 and gatherings are limited to 30 people. [These restrictions](#) are currently in force until 1 February and will be extended or modified upon review by the FBiH Ministry of Health's COVID-19 Crisis Headquarters.
- BiH and its entities are working on procuring vaccines against COVID-19 to begin vaccination campaigns of the population. On 21 January, the Chairman of the Council of Ministers of BiH, Zoran Tegeltija, [announced](#) that 1 232 000 vaccine doses have been ordered through the WHO-led COVAX programme and another 892 000 doses from joint procurement with the EU. These doses are meant to be distributed among the entities and the BD, who will each vaccinate their populations according to their respective vaccination campaigns. Additionally, RS health authorities [have announced](#) the ordering of 200 000 doses of the Russian Sputnik V vaccine, expected to arrive in February.
- Both entities continue to take measures to mitigate the economic impact of the pandemic. For example, the FBiH Government [put a ten-year moratorium](#) on the payment of dividends from the public company managing Sarajevo International Airport, so that these financial resources can instead be reinvested into the airport, whose activity was reduced by the pandemic. In the RS, the Republika Srpska Compensation Fund [continues to make payments](#) to firms and entrepreneurs whose activity was impacted by the crisis.

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## Economic impact/outlook

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- *Macroeconomic data:* Due to the COVID-19 pandemic, BiH's GDP is expected to have [shrunk between -3.2% and -5%](#) in 2020 (pre-COVID 2019 predictions estimated a growth of 3.4%) whereas the international rating agency Standard and Poor's (S&P) expects real GDP in 2020 to have [dropped by 5%](#). In their [most recent report](#), the World Bank estimates a recession of 3.2% of GDP in 2020, and predicts a recovery of 3% in 2021. According to data gathered by the European Commission and the Statistical Agency of BiH (BHAS), [unemployment rates increased to 34.7% in July 2020](#), the highest since February 2019, and [decreased to 33.9% in October](#). The youth unemployment rate remains twice as high as the overall rate, while the share of long-term unemployed, i.e. persons without employment for more than 12 months, is still at around three quarters of the total unemployed.
- The COVID-19 pandemic has particularly affected BiH's foreign trade, with [an 8.5% decrease in December 2020](#) as compared to the same month in 2019 (mainly due to significantly lower exports) whereas imports recorded a drop of 13.4% in relation to the same month (December) in 2019. Although the disturbance of trade routes and supply chains created an opportunity for domestic

companies to step in and grow, the pandemic posed a major challenge to the manufacturing sector, whose value chains have been obstructed in the upstream and downstream.

- *Fiscal data:* According to the European Commission, public-sector revenue was hit hard by the COVID-19 crisis, [with overall revenues dropping by 4% year-on-year in the first nine months of 2020](#), driven by a decrease in tax revenues and increase in expenditures, but mitigated by other revenue sources such as grants. The government's fiscal position went from a surplus of 1.9% of GDP to a deficit of 1.3% during the first three quarters of 2020.

**All previously published COVID-19 notes for Bosnia and Herzegovina can be accessed [here](#)**

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