



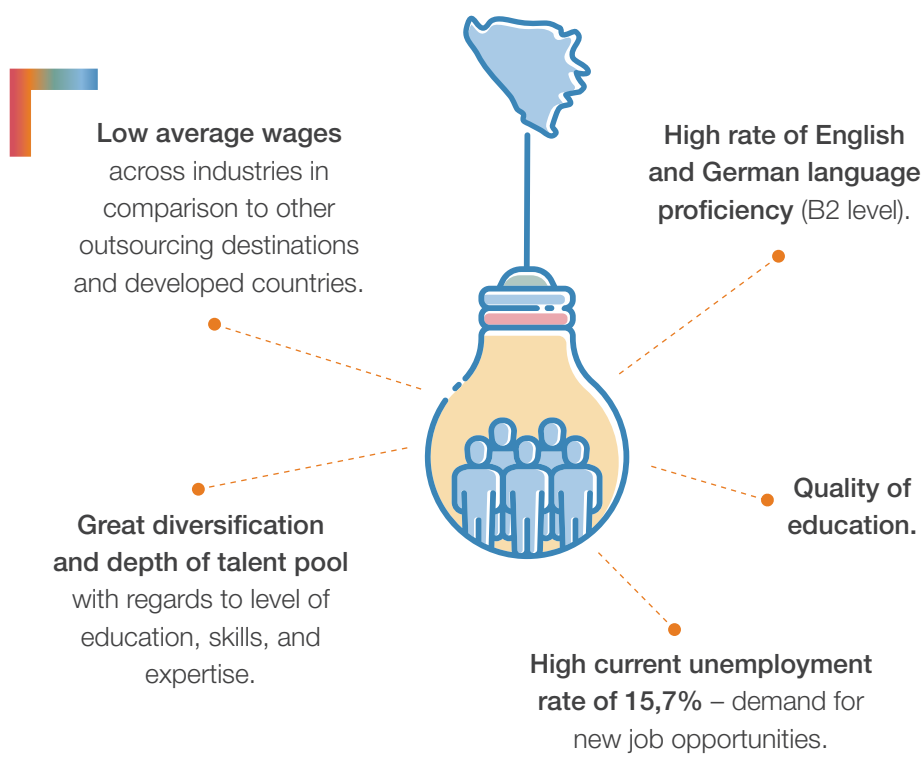
Bosnia and Herzegovina - **An Emerging Outsourcing Destination**

Introduction

Outsourcing to Bosnia and Herzegovina is incredibly effective. The opportunity of capturing cost savings of estimated approx. 20% over the lifetime of the outsourcing contract has been extremely compelling to businesses looking to dramatically reduce their cost structure, while maintaining high standard and quality of provided services.

Bosnia-Herzegovina has emerged as a new “outsourcing hotspot” over the past decade. The country’s growing talent pool of young highly skilled multi-lingual professionals, together with low labor costs has attracted a growing number of foreign investors and global BPO providers, who have established business centers in Bosnia-Herzegovina or entered into partnerships with the country’s growing number of locally owned and operated BPO service providers. Bosnia-Herzegovina’s fast-growing local technology sector is also attracting investment in more sophisticated ITO and KPO services, from software design and programming to electrical engineering and architecture. Major international players currently with a presence in Bosnia-Herzegovina include CCC, DDC, Teleperformance and Trizma.

Human Capital in Bosnia-Herzegovina



Key Numbers



Number of specialized
BPO/KPO providers ▼

65+
(est. 2020)



Number **employed in**
the BPO sector ▼

3,000
(est. 2020)



Number of
ABSL members ▼

30+

Overview of Bosnia and Herzegovina

Bosnia-Herzegovina is a developing country in the Western Balkans, the heart of South-East Europe. Located between the Danube river and the Adriatic Sea, the Western Balkans and Bosnia Herzegovina represents a bridge between East and West, a crossroad of civilizations and cultures - its capital Sarajevo is sometimes called the “European Jerusalem”. This geo-political position has through the years made Bosnia-Herzegovina a true multicultural, multilingual, and diverse jewel, but with an authentic European cultural identity. Over the past couple of decades, following the dissolution of former Yugoslavia, Bosnia-Herzegovina has made impressive economic progress and reforms, in the process emerging as an attractive location to do business and invest, particularly in the Business Process Outsourcing (BPO) sector.

Key Facts and Numbers



Population▼

3.3 million
(2020 estimate)



GDP per capita

5,500 EUR
(2019)



Capital▼

Sarajevo

Other major cities▼

Banja Luka, Tuzla,
Mostar, Zenica



Airports

Sarajevo, Tuzla,
Banja Luka, Mostar



VAT

17%



Languages▼

Bosnian, Serbian,
Croatian
(official languages)

Secondary languages▼

English, German
(most common)



Corporate tax

10%



Currency

BAM = 0.51 EUR



Time zone

CET (GMT + 1)



Net average monthly wage

428 EUR

Why outsource to Bosnia-Herzegovina?

#1

Low Costs

Aside from the tax advantages, Bosnia-Herzegovina is one of the most competitive European locations when it comes to doing business. The country represents real value for money when it comes to typical business costs such as utilities, communication, office rent and professional services such as accountancy, legal advice, and recruitment. Also importantly, local talent comes at a lower cost than in neighboring Central and Eastern Europe countries, without compromising in quality.

#2

Skilled Local Talent Pool and Language Proficiency

Bosnia-Herzegovina has a large, well-educated workforce - its people are its most valuable resource. Tertiary education enrollment rates have been extremely high over the past decade. Local universities produce about 16,000 graduates each year, most of which are very proficient in English and German. The expertise, skills and experience of workforce in B&H is additionally demonstrated by the fact that there is a great number of very successful companies providing outsourcing services with excellent references, as well as a big number of successful individuals employed in big international corporations. This is a guarantee for the quality of service provided.

#3

Within Easy Travelling Distance and Same Time Zone

Bosnia-Herzegovina is a one-to-two-hour flight from most major European capitals and business centers, with a number of cheap flights available. Outsourcing operations to a nearby country offers significant advantages for firms based in Western Europe. It is much more convenient for a company to set up a development center in a European country such as Bosnia-Herzegovina than in more distant locations such as India for the simple reason that it's closer to home both geographically and culturally.

#4

Low Tax Rates

Tax rates in Bosnia-Herzegovina are low compared to other locations in Europe. The local corporation tax is 10 percent, compared to a European average of 30 percent. VAT is currently 17 percent, the withholding tax rate is 10 percent and there is a single flat income taxation rate of 10 percent, with additional incentives for employees.

#5

Confidentiality Matters

In today's digital connected world data confidentiality, privacy, and security are key priorities for businesses and society in general. As a potential candidate for EU membership Bosnia-Herzegovina local businesses which manage the data of EU citizens are required to comply with GDPR regulations. Compliance with all regulations and business standards is necessary for building trust and providing a great service.

► Labor Costs - a closer look

Data from a recent labour force survey provides up to date information on the costs of some of the most commonly sought-after share service center positions from customer support to IT.

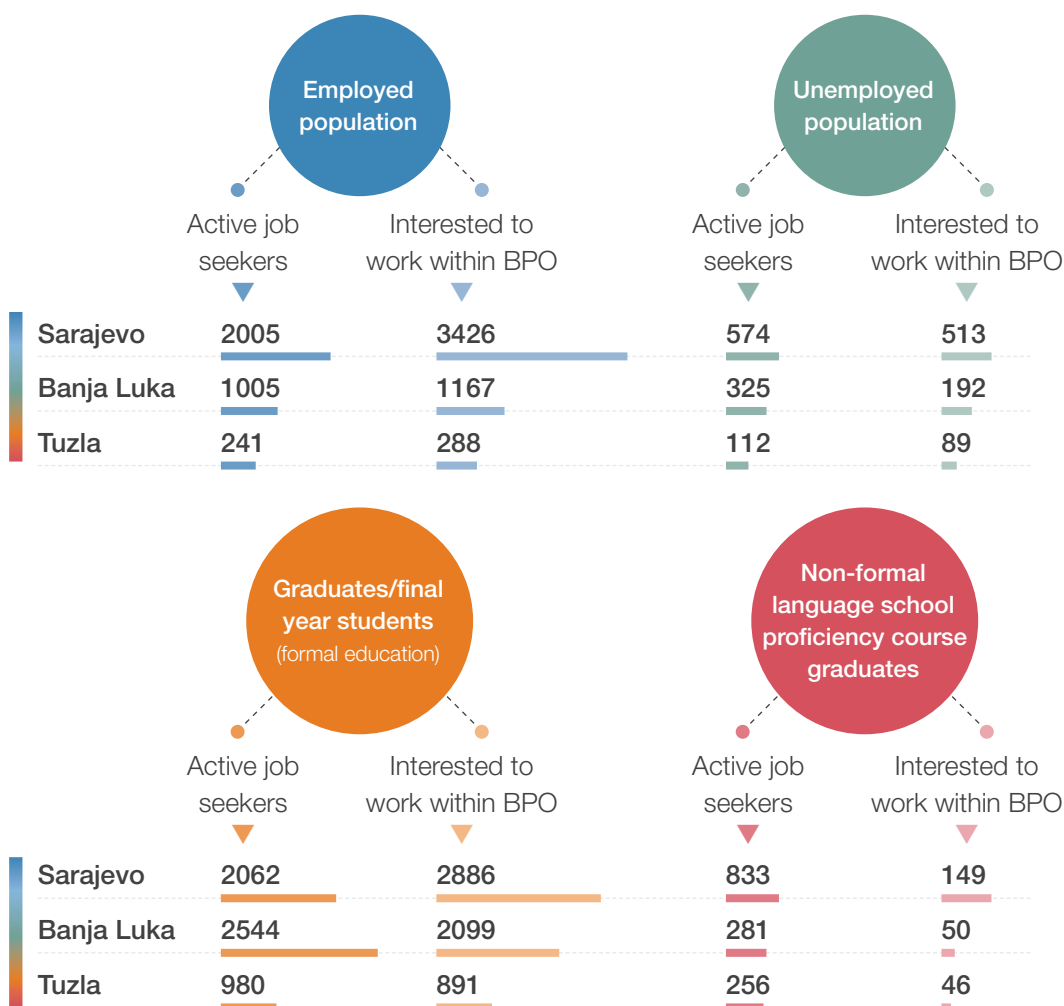
Monthly Salary Costs			
Sector	Position	Net Monthly Salary (EUR)	
		Low-end	High-end
Finance & Accounting	Junior Accountant	333	570
	Accountant	327	678
	Senior accountant	388	856
	Auditor	330	1378
	Data analyst	362	913
	Financial analyst	326	976
Human Resources	Recruitment specialist	357	871
	HR coordinator	412	783
	HR training specialist	423	1062
	HR Assistant	354	730
	HR motivational specialist	428	1086
	Department manager	512	1467
Customer support	Customer service	302	715
	Inbound specialist	363	651
Marketing	Account manager	520	951
	Graphic designer	291	621
	Marketing analyst	380	1042
	Media planner	350	921
	Social media specialist	281	848
	CRM specialist	554	1118
IT	.NET Programmer	583	1234
	Database administrator	405	987
	ABAP Programmer	490	1716
	Android Developer	534	1370
	C++ Programmer	513	1248
	Data security specialist	571	1433
	Java Programmer	486	1141
	Oracle Programmer	494	1656
	iOS Developer	628	1525
	IT customer support specialist	385	797
	Software engineer	522	1645

Source: Plata.ba

► Talent Pool - a closer look

Currently, Bosnia-Herzegovina has about 90,000 students within tertiary education of which a quarter are estimated to be very proficient in English and/or German (B2 level and above), this amounts to almost 18,000 potential BPO industry employees. At the national level including Sarajevo, Tuzla and Banja Luka there are over 200,000 enrolled students at all levels of educational institutions across the country.

An estimated 300,000 high school students in Bosnia-Herzegovina are currently learning German. Most of these young people take advanced language courses to get access to work opportunities abroad or for international companies that operate on foreign markets, after their education. Young people wish to work in the modern professional service industries and also with international companies and clients. The growth of the BPO/KPO industries in BiH is giving young people the opportunities they are looking for.



Graphic 1: Estimations of the talent pool size per categories of interest on the city level¹

¹ Manpower study

Real Estate Insights

Sarajevo is the most developed office market in Bosnia-Herzegovina due to the high density of businesses, governmental and non-governmental organizations, as well as international companies, basing their offices in the capital. The remaining office stock is located in major cities like Banja Luka (the capital of Republika Srpska entity), Zenica, Tuzla, Bijeljina and Mostar, all of which have more than 100,000 residents. Current office class 'A' and class 'B' stock in Sarajevo amounts to around 125,000 squared meters GLA (gross leasable office area). Of this, class 'A' office space accounts for approx. 70% and class 'B' and 'B+' account for the remaining 30%.

► Demand

Rents and vacancy rates are below 10% in the Sarajevo office market class 'A' buildings. The monthly rents are around €14 – €18/m²/month for class 'A' and around €9 – €13/m²/month for class 'B' office premises. The monthly rent in Sarajevo suburban areas ranges between €5 – €9/m²/month.



Recent years have seen an upturn in the quality of available business premises, with both new construction and refurbishments in prime city locations. The municipalities of Centar, Novo Sarajevo, and Novi Grad have the best combination of real estate quality and connectivity, though less expensive real estate and pleasant surroundings can also be found on the university and airport side of town in Ilidža.

The size and layout of the city is such that, with moderate traffic, few places within city limits are more than 10-15 minutes commuting time to the central business district. It is equally possible to travel across the whole city from east to west and arrive at the airport within 20 minutes.

Why Restart

Our goal is to help Restart's clients choose the best outsourcing service provider matched to their specific needs and resources. We work on our client's behalf by representing their best interest before potential outsourcing providers.

Key Points



Top Talent & Quality Gurantee

We will match you with experts that have been assessed and quality assured by **Restart**. Only a small percentage of experienced companies with strong referrals have been accepted into **Restart's** network.



Time Efficient & Customized Solutions

There is no need to waste time on an analysis, shortlisting and researching of potential partners. **Restart** does all that for you, pairing you with the perfect match. Based on our data-driven input and advice, you can make an informed decision before moving forward.



Risk Free & Cost Effecticve

Having a European partner that complies with all professional and legal standards and facilitates operations in one the most price-competitive outsourcing destinations, without jeopardizing the quality of service, ensures a risk-free and cost-effective investment.

Restart can help you to invest in Bosnia-Herzegovina

As a provider of high-quality information, investment facilitation and match-making services, **Restart** is a trusted partner for industry stakeholders interested in growing the outsourcing sector in Bosnia and Herzegovina.

We are your local guide to Bosnia-Herzegovina, your business concierge. We provide services to corporate clients visiting our country. These services cover all aspects of your business needs, from administrative support to visit planning and travel and itinerary coordination.

We have adjusted our service offering to the current challenging operating conditions under the COVID 19 pandemic, and we can provide and deliver value through our services via online and virtual platforms. For detailed info please contact us.

We take care of the details, so you can focus on your business.



Connecting & Matchmaking

Leveraging our knowledge and connections in international markets, **Restart** will broker new partnerships between foreign investors interested in BiH and existing local BPO suppliers. Our local partners can provide services across a wide range of industries including IT(development, programming, IoT. etc.), Call Centers (Customer Service, Sales, Telemarketing, Virtual assistance, etc.) and other professional/consulting services (HR, Recruitment, Marketing, Payroll, Accounting and Finance, Architecture Design, Engeneering Design, etc.)



Investment Facilitation

Restart will support new foreign investors and ease the investment process in BiH by providing key information, facilitating communication with central and local government authorities, as well as introductions to trusted local professional services providers

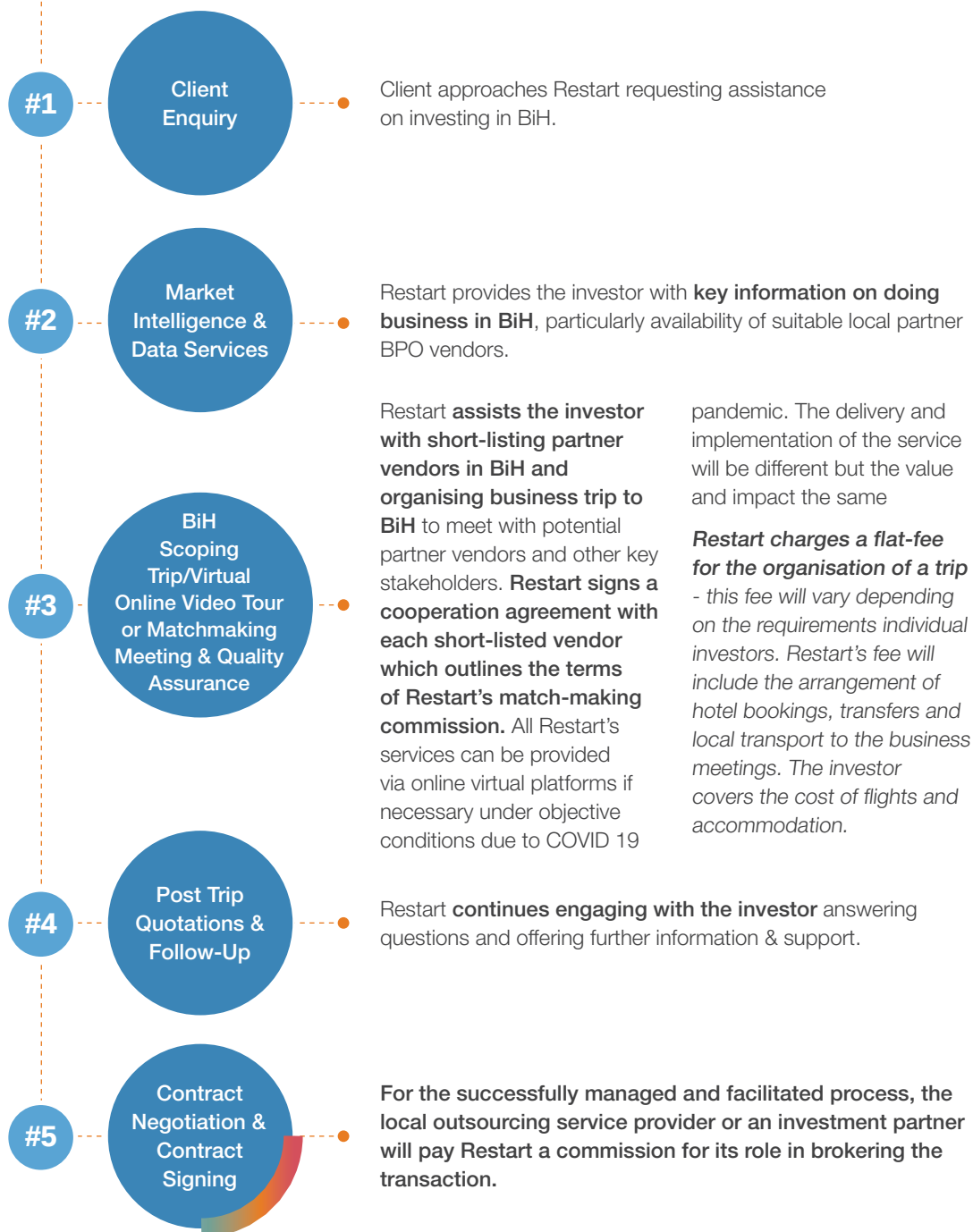


Promoting and raising awareness of BiH

Restart will actively promote and raise awareness of outsourcing opportunities in BiH through the organisation of marketing campaigns, regular attendance at international industry events and the hosting of domestic networking events

Restart service offering-how it works

A potential client from international markets (UK, US, Germany etc.), an investor or a company wishing to outsource/nearshore to B&H, wants an investment partner and facilitation or a third party service provider in BiH and requests Restart's support.





Restart.ba d.o.o.

Šenoina 16/2,
71000 Sarajevo

E: office@restart.ba

P: +387 61 10 10 77