

[i] [Reuters](#)

[ii] [EIT Regional Innovation Scheme](#)

[iii] Country Profile European Innovation Scoreboard 2024 Albania: URL: https://ec.europa.eu/assets/rtd/eis/2024/ec_rtd_eis-country-profile-al.pdf

[iv] [World Bank Group](#)

Bosnia and Herzegovina Startup Ecosystem Guide 2025

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Bosnia and Herzegovina's startup ecosystem is dynamic and growing, characterized by a strong community spirit and increasing global connections. While facing persistent challenges, the entrepreneurial landscape is showing resilience and maturation.

Key Startup Cities

- Sarajevo: Remains the principal hub, concentrating the largest share of startup activities, co-working spaces, incubators, and early-stage ventures. It benefits from being the political and economic capital.
- Banja Luka: Continues to solidify its position as a significant tech and entrepreneurial center, particularly strong in outsourcing but with a growing number of product-focused startups.
- Mostar: Known for its vibrant entrepreneurial community, largely anchored by initiatives like INTERA Technology Park and Nsoft company, which provides crucial infrastructure and support.
- Tuzla: Developing its footprint in the tech and startup scene, supported by local universities and developing support structures and communities.
- Emerging Clusters: Other cities like Zenica, Bihać, and others also host smaller, but active, tech communities and individual startups, often linked to university programs or specific local initiatives.

Regional Ecosystem Connections

- **Western Balkans Startup Alliance:** Bosnia and Herzegovina continues to be an active member, leveraging this platform for regional collaboration, knowledge sharing, policy discussions, and increasing cross-border visibility and opportunities for startups.
- **Cross-Border Integration:** Collaboration, particularly with neighboring countries like Serbia and Croatia, is growing. This involves shared events, co-investments (though limited), and easier movement of talent and ideas. BiH is increasingly seen as an integrated part of the Southeast European tech and startup landscape, attracting interest from regional funds and partners.
- **Diaspora Networks:** Strong ties with the large BiH diaspora, especially in countries like Germany, Austria, Switzerland, the UK, Netherlands, and the US, remain a critical asset. This diaspora provides mentorship, networking opportunities, market access, and increasingly, angel investment.

What Sets Bosnia and Herzegovina Apart

- Cost-Effectiveness: BiH remains one of the most cost-effective locations in Europe for launching and operating a startup, offering a significantly longer runway compared to

Western European hubs. This is a major advantage for early-stage bootstrapping companies.

- **Connectedness & Community:** The ecosystem is characterized by a tight-knit and collaborative community. Founders, developers, and support organizations often know each other, fostering a supportive environment despite resource constraints.
- **Tech Talent Pool:** The country boasts a growing pool of skilled ICT professionals, particularly in development and engineering. The ICT sector continues its rapid growth trajectory. Universities are increasingly aligning curriculum with industry needs.
- **Engineering & Problem-Solving Culture:** Building on a strong historical tradition in engineering and technical fields, there is a natural inclination towards problem-solving and building robust technical solutions, which is now strongly evident in the IT sector.

Challenges to Navigate

- **Limited Domestic Market:** The small population (around 3.2 million as of early 2025) necessitates a global mindset from day one, requiring startups to build products and strategies for international markets immediately.
- **Talent Gaps Beyond Tech:** While technical talent is strong, there is a recognized shortage of experienced professionals in key business areas such as international sales, marketing, growth hacking, and seasoned C-level management with scale-up experience.
- **Infrastructure and Regulatory Hurdles:** Bureaucracy remains a significant challenge, impacting business registration, accessing incentives (when available), and navigating complex administrative procedures. Limitations in the digital financial infrastructure, although slowly improving, can still pose operational challenges.
- **Brain Drain:** The emigration of highly skilled individuals, including talented graduates and experienced professionals across various sectors, continues to be a long-term risk for the ecosystem's growth potential.
- **Funding Scarcity:** Access to significant seed and Series A funding remains limited. While there is a growing number of active angel investors (many from the diaspora) and some regional funds are active, the availability of substantial capital for scaling is a primary bottleneck. The development of a local VC landscape is still in early stages.

Ecosystem Overview

The momentum in the BiH startup ecosystem largely continues to be driven from the ground up by passionate founders, community builders, and existing tech companies.

While formal government involvement in direct startup funding has been less prominent than in some neighboring countries, there is increasing political rhetoric and some policy discussions around supporting the digital economy and entrepreneurship. However, concrete, easily accessible, and substantial public funding or widespread tax incentives specifically targeting startups are still developing.

The natural inclination towards bootstrapping remains a defining characteristic. Founders are often highly resourceful, cost-conscious, and focused on achieving product-market fit efficiently before seeking external capital. The low operational costs provide a strategic advantage in this regard.

The critical role of the diaspora and connections to international markets cannot be overstated. Many successful Bosnian entrepreneurs living abroad are actively contributing through mentorship, networking, establishing satellite offices, or direct investment.

Key Ecosystem Players (Confirmed & Active in 2024/Early 2025)

- Incubators and Accelerators:
 - INTERA Technology Park (Mostar)
 - Foundation 787 (Sarajevo)
 - Innovation Centre Banja Luka – ICBL (Banja Luka)
 - Mozaik Foundation / Startup Studio (Sarajevo)
 - Center for Advanced Technology – CNT (Sarajevo)
 - GrowUp HUB – UNSA (Sarajevo)
 - International Burch University Incubator (Sarajevo)
 - Sarajevo School of Science and Technology – SSST Incubator (Sarajevo)
 - Linnovate Technology Park (Livno, Mostar)
 - Preduzetnički centar Banja Luka (Banja Luka)
 - BIT Centar (Tuzla)
- Supporting Organizations:
 - BIT Alliance: The largest IT business association, playing a crucial role in policy advocacy, education, and industry development.
 - Swiss Entrepreneurship Program (Swiss EP): Continues to be a significant international partner, providing expertise, mentorship connections, and program support.
 - Educational centres and platforms:
 - [Elevate.ba](#)
 - Start,
 - FabLab BiH (Sarajevo)
 - German Center for Robotics – DKR (Tuzla)
 - Association for internet trade BiH “eComm”
 - Western Balkans Startup Alliance: Active in regional initiatives.
 - Various co-working spaces and community-led meetups across the key cities:
 - HUB387 (Sarajevo)
 - Tershouse (Sarajevo)
 - Smart Office (Banja Luka)
 - Code Hub Network (Mostar, Tuzla, etc.)
- Funding Sources (Limited but Growing):
 - Business Angel Network in Bosnia and Herzegovina
 - Mozaik Foundation's funds (focused on social and impact entrepreneurship, but also tech).
 - Limited local angel investors.
 - Diaspora investors.
 - Regional VC funds with an interest in the Western Balkans (e.g., South Central Ventures, though not exclusively focused on BiH).
 - Occasional grants from international donors or specific project calls.

Startup Success Stories (Examples)

- Pik.ba: (Acquired by OLX Group) - A foundational success story, demonstrating the potential of the local online market.

- MojPosao.ba: Continues to be a leading online job portal with regional presence.
- NSoft.ba: A major success, growing from a startup into a large, established international company in the betting and gaming software sector.
- Rolla: (Fitness apps) - Notably successful in attracting international investment (€1M+ round confirmed earlier) and demonstrating global reach potential.
- Other growing companies: A new wave of companies is gaining traction in areas like software development, specific SaaS products, e-commerce, and IT services, though often scaling initially through bootstrapping or smaller angel rounds.

Innovation and Performance

- According to the Global Innovation Index (GII):
 - Bosnia and Herzegovina ranked 81st in 2024, a slight drop from 77th in 2023 (which was down from 70th in 2022). This indicates challenges in maintaining upward momentum compared to other nations.
 - The country generally shows a better performance in innovation *inputs* (like human capital and research, infrastructure) compared to innovation *outputs* (like knowledge and technology outputs, creative outputs), highlighting a potential gap in translating foundational elements into concrete innovative products and services and their commercialization.
 - Areas consistently requiring improvement include business sophistication, market sophistication (particularly access to finance), and certain aspects of institutional support.

Trends and Outlook

- Continued Bottom-Up Growth: The community-driven nature of the ecosystem remains its core strength.
- Increasing Focus on Product: While IT outsourcing is still a major sector, there is a discernible and growing trend towards developing proprietary products and SaaS solutions aimed at global markets.
- Formalization of Support (Slowly): Discussions around establishing more structured funding mechanisms, potentially involving a mix of public and private capital, continue. The effectiveness and implementation pace of such initiatives remain a key area to watch.
- Stronger Regional and Diaspora Linkages: These connections are becoming more formalized and active, leading to more cross-border events, shared projects, and investment flows.
- Emphasis on Talent Development: Efforts to bridge the business/sales talent gap are underway through various training programs and mentorship initiatives. Retaining talent remains a major challenge, spurring interest in creating globally competitive job opportunities locally.
- Diversification: The ecosystem is seeing increased activity in areas beyond traditional IT services, including fintech, proptech, e-commerce, digital health, and solutions leveraging AI/ML.
- Youth and Women in Innovation: Programs specifically targeting young entrepreneurs and increasing the participation and leadership of women in tech and startups continue to grow and show positive results.

In summary, the Bosnian and Herzegovinian startup ecosystem is a resilient and resourceful environment with significant potential, primarily driven by its talented tech pool, cost-effectiveness,

and strong community/diaspora ties. Addressing the persistent challenges related to funding access, bureaucracy, and talent retention will be crucial for accelerating its growth and improving its international innovation standing in the coming years.