

Preface

Lack of strategy for the development of industrial policy at the state level of Bosnia and Herzegovina, which would give an understanding of the intent of the state in that field based on which each company or individual would have a guideline and a sense of direction for their business ideas, high unemployment of working-age able-bodied persons in the Federation of Bosnia and Herzegovina, underdevelopment of stable economic system and fragmented approach in defining solutions in this field, insufficient involvement of banks, institutes and other institutions in the process of restructuring, underdevelopment of network of centers and other institutions supporting the economic and other infrastructure, all of which has led to the necessity and the need to draft a specific document which would define certain development trends in the industrial field. The goal of drafting such a document "Development of Industrial Policy in the Federation of Bosnia and Herzegovina" is to get answers to these and other issues, while keeping in mind the constant process of EU rapprochement, which gives more justification towards the realization of this project.

The project task was completed by the Federal Ministry of Energy, Mining and Industry.

The project task includes the following activities:

- the emerged changes in industrial production under the influence of scientific-technical and technological process in the world of globalization and their impact on development of industrial production in the Federation of Bosnia and Herzegovina;
- retrospective cross-section of economic and technological image of FBiH (BiH) with an analysis of industry and industrial production in FBiH;
- give a full profile of the industrial sector in FBiH;
- analyze the war sufferings and the reconstruction of industry in FBiH;
- analysis of industry and structure of industrial production by sector in FBiH:
 - Metal and electrical sector;
 - Wood processing and industry of construction materials, nonmetal products and graphic industry;
 - Sector of textile, leather and footwear;
 - Sector of chemical and pharmaceutical industry and
 - Sector of military industry;
- give a cross-section of the situation of production programs, technology and technological systems, as well as possible activities in connection with revitalization and modernization of technology and technological processes;
- state of competition in FBiH;
- identify internal and external limitations of industrial production for required industrial sectors;

- general social and economic situation in industry and industrial production in FBiH;
- analysis of external economic framework;
- improvement of internal environment as a factor for development of industrial production;
- analysis of the existing institutions responsible for technological development of FBiH and development of a unique system for integration of scientific knowledge, new technologies and the new export-evaluated production;
- give explicitly, for each industrial sector, possible strategic and development objectives in FBiH and define the basis for development of modern industrial production, taking into account the existing resources, trends of globalization and demands of new production philosophy and knowledge society;
- define major scientific and research development processes and projects that will influence and support the industrial development of FBiH in order to catch up with technologically developed countries;
- define the institutional development of FBiH (BiH), which is focused on the development of industrial production;
- analyze and make recommendations on the manner and type of incentives in industrial production as well as in trades and crafts and entrepreneurship in FBiH;
- economic and legal framework for foreign investment and promotion of export orientation;
- possible directions of the state activities to remove and mitigate technological stagnation and limitations for the purpose of industrial development and quicker access to EU funds, and to create conditions and atmosphere for a modern, profitable, export-oriented industrial production, and
- a new model of industrial policy focused on technology and industrial development of FBiH.

The project “Development of Industrial Policy in the Federation of Bosnia and Herzegovina” was implemented by a consortium, consisting of: Faculty of Mechanical Engineering of the University of Sarajevo and Faculty of Mechanical Engineering and Computer Science of the University of Mostar. The project was assigned to the consortium based on the international tender that was announced by the Government of the Federation of Bosnia and Herzegovina with one bidder from Croatia and two bidders from Bosnia and Herzegovina, which participated in the tender.

Based on the decision of the Federal Minister of Energy, Mining and Industry a committee was formed to monitor the project “Development of Industrial Policy in the Federation of Bosnia and Herzegovina”, consisting of 11 members with the mission to follow up the development of the project under the terms of reference.

In the course of the Project development two round table discussions were held, attended by all the researchers, a large number of managers of companies that were surveyed, representatives of chambers of commerce, representatives of the cantons and the Federation of BiH, representatives of the cantonal ministries of economy and representatives of the Federal Ministry of Energy, Mining and Industry.

The Feasibility Study included all suggestions arising from the round table discussions.

Forty-five researchers from five universities and seven faculties in Bosnia and Herzegovina participated in the project development.

PARTICIPANTS IN THE PROJECT DEVELOPMENT

Project leaders: full prof.dr. Ejub Džaferović, Faculty of Mechanical Engineering in Sarajevo
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