

Bosnia and Herzegovina and the Muslim World: Trends and Opportunities

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Abstract

This study examines trends in diplomatic relations between Bosnia and Herzegovina and five selected Muslim-majority states in the post-Dayton period in two major aspects. First, it observes and compares the quantity of their political relations and major initiatives towards enhancing cooperation in bilateral and multilateral forums. Second, it focuses on economic diplomacy, exploring bilateral trade, investment, and tourism. Using descriptive elements from both sections, the article finally reviews underlying factors, determinants, and pressures that explain why certain Muslim states have more intensive relations with B&H than others.

Key words: Bosnia and Herzegovina, Diplomatic History, Diplomatic Relations, Muslim World

Introduction

Never before has there been more unity among Muslim-majority states in their joint and coordinated support as there was for Bosnia and Herzegovina (B&H) in the early 1990s, when the besieged country faced external aggression and internal conflict. Muslim leaders voiced strong political support at bilateral and multilateral forums. Malaysian Prime Minister Mahathir Mohamad, for example, severed bilateral relations with Belgrade in 1992, and used every opportunity to criticise vocally the UN and the West for tolerating the rampant injustices and oppression of the Bosnians. During a dinner that he hosted in honour of then British Prime Minister John Major, Dr Mahathir expressed Malaysia's distress at the continued genocide and ethnic cleansing conducted by the Serbs against the Bosnian Muslims. He urged his British counterpart to "reconsider Britain's position before the situation in B&H is forever cemented in history as the blackest catastrophe of the modern world and a dark page in the annals of Europe and European civilization".¹ In 1994, Tansu Çiller and Benazir Bhutto, then prime ministers of Turkey and Pakistan respectively, visited besieged Sarajevo, and demonstrated their political support for the Bosnian government. In a joint declaration, they said, "It is shocking that this appalling human tragedy is being enacted in the heart of a continent which prides itself on its commitment to human rights and respect for human dignity". These two stateswomen of the Muslim world then added, "A sovereign and independent state is being violently dismembered along racial lines and genocide perpetrated against a peaceful and enlightened people".² Even staunch regional rivals Saudi Arabia and Iran, represented respectively by Prince Salman (the current Saudi King) and Foreign Minister Ali Akbar Velayati, coordinated their diplomatic efforts through Organisation of Islamic Cooperation (OIC) forums, and committed their governments to take concrete foreign policy action. Along with other Muslim diplomats, they formulated a strong communique at the 6th Extraordinary Conference of the Council of Foreign Ministers of the OIC, held in Jeddah in December 1992. In it, they requested the removal of the international arms embargo on B&H, adopted by UN Security Council Resolution 713 a year earlier. Foreign Minister of Saudi Arabia Saud Al Faisal informed the UN Secretary-General, UN Security Council, and UN General Assembly in a letter dated 9 December 1992, that the embargo "affect[ed] only the party against which aggression is being committed".

1 Mahathir Mohamad, "Speech at a Dinner in Honour of the British Prime Minister Mr. John Major, 21 September 1993", Speech Collection Archives of Chief Executives, Prime Minister's Office of Malaysia, accessed 10 August 2021, <http://www.pmo.gov.my/ucapan/?m=p&p=mahathir&cid=127>.

2 Carol J. Williams, "Premiers of 2 Muslim Nations Visit Sarajevo", *Los Angeles Times*, 3 February 1994, accessed 15 July 2021, <https://www.latimes.com/archives/la-xpm-1994-02-03-mn-18687-story.html>.

Accordingly, OIC member states requested that the Security Council “review, by January 15, 1993, the situation in B&H”.³ Otherwise, its member states would ignore this embargo after 1 February 1993.⁴ When the UN rejected the OIC’s request, the Iranian government committed direct military support, and covertly shipped arms into B&H under the secret green light of the US government.⁵

In the early post-Dayton period, Muslim states continued their bilateral and multilateral support in different capacities. They offered their national troops as peacekeepers, attended donor conferences, financially supported reconstruction and renovation, and offered various aid programs for refugees and others in need. Turkey actively participated in all three peacebuilding missions in B&H, from IFOR (1995-97), to SFOR (1997-2004) and EUFOR (2004-present). According to the B&H Foreign Ministry, Malaysia was the first country to implement fully the assistance promised to B&H at the Second and Third Donors’ Conferences. The High Saudi Committee for Aid to B&H, allegedly the largest single Muslim donor to the country, invested over USD 560 million in its humanitarian operations from 1992 to 2011.⁶ While Bosnian foreign policy guidelines remained limited in scope and substance for Muslim nations in general, wartime friendships, individual connections, and strong networks in the post-Dayton period offered more opportunities to pursue comprehensive relations with the Muslim world. A solid ground for long-term diplomatic relations between B&H and leading Muslim-majority states was thereby created, leading to the question: What trends, dynamics, and opportunities have since arisen?

This study focuses largely on relations between B&H and five Muslim-majority states: Iran, Malaysia, Pakistan, Saudi Arabia, and Turkey. It also highlights two major aspects of their bilateral interactions. First, it is about political dialogue to enhance closer political relations in bilateral and multilateral forums. Second, it explores their economic relations, primarily bilateral trade, investment, and tourism data. The first question in the descriptive part of this essay is: What facts can be established about B&H’s external relations with Muslim states? This is followed by an exploration of the contemporary trends and dynamics in each bilateral case. The explanatory part goes a step further, and questions those realities: why, for example, was political dialogue at the highest level more intensive with some Muslim states than others?

3 General Assembly, 47th Session, Agenda items 25 and 143, “Cooperation between the UN and the OIC: The Situation in Bosnia and Herzegovina”, <https://digitallibrary.un.org/record/157187?ln=en>, accessed 10 July 2021.

4 Alija Izetbegović, *Sjećanja* (Sarajevo: TKD Šahinpašić, 2001), p. 139.

5 House Report, “Investigation into Iranian Arms Shipment to B&H”, US Government Publishing House 9 October 1998, <https://www.govinfo.gov/content/pkg/CRPT-105hrpt804/html/CRPT-105hrpt804.htmHouse>, accessed 5 September 2021.

6 Ambasada Kraljevine Saudijske Arabije, Kulturni centar “Kralj Fahd”, “Saradnja BiH i Saudijske Arabije”, <https://www.kf-cc.ba/ksa/saradnja-bosne-i-hercegovine-i-saudijske-arabije>, accessed 15 July 2021.

This paper is divided into three chapters. The first explores empirically the sum of official external relations, and the regularity of political bilateral dialogue between B&H and each Muslim state selected. It uses available event data from the Presidency of B&H, classified in this study as: (1) bilateral meetings at the highest level (heads of state/governments); and (2) bilateral meetings at a high level (including deputy prime ministers, foreign ministers, and ministers). The second chapter reviews economic relations between B&H and the selected Muslim states. It uses economic data from authorized B&H institutions to present and describe patterns in bilateral trade, investment, and tourism (arrivals and overnight stays). The final chapter examines the underlying factors that explain why certain Muslim states have more intensive political dialogue or economic relations with B&H than others. Taking into account potential patterns, it then explores perspectives that might strengthen B&H's economic, political, and security position in a world of increased global disorder and uncertainty.

Bilateral political dialogue between B&H and the selected Muslim states

The main question in this chapter is: What facts can be established about the two-way relationship between B&H and each selected Muslim state? Table 1.1 presents quantitative data on political dialogue at the highest level from 2003 to 2021, as reported on the website of the Presidency of B&H. Meetings were divided into (1) state visits/working meetings; (2) meetings on the sidelines; and (3) meetings within trilateral summits.

Table 1.1: Meetings of B&H Presidency members with heads of state/government from selected Muslim states

	B&H / Turkey	B&H / Saudi Arabia	B&H / Iran	B&H / Pakis- tan	B&H / Ma- laysia	Total
Number of reported bilateral meetings at the level of heads of state/government from 2003 to 2021 (state visits/working meetings)	23	2	3	5	4	37
Number of reported meetings on the sidelines (e.g., UN, OIC, WIEF) at the level of heads of state/government from 2003 to 2021	18	2	6	6	4	36
Trilateral summits	4	-	-	-	-	4
Total number of meetings in the two-way relationship	45	4	9	11	8	77
Percentage	58%	5%	12%	14%	11%	100%

Source: News archive from the website of the Presidency of B&H,

http://www.predsjednistvobih.ba/Aktuelnosti/Archive.aspx?langTag=en-US&template_id=156&pageIndex=1

Table 1.1. shows that for the last 20 years, B&H's most intensive political dialogue in a two-way relationship at the head of state/government level was with Turkey. Remarkably, members of the B&H Presidency have held more consultations with their Turkish counterparts than with dignitaries from the other four states combined. Further, 4 trilateral meetings in which B&H participated at the highest political level involved Turkey. No other Muslim state held such meetings with B&H between 2003 and 2021. Looking more at the substance of these bilateral sessions with Turkey, it is also remarkable that Turkish presidents/prime ministers engaged politically all three members of the B&H presidency throughout this period. The last two bilateral visits at the highest level in Ankara, for example, were led from the Bosnian side by Milorad Dodik, as the Chairman of the B&H Presidency. This is not the case in the two-way relationship between B&H and Serbia, for example, where the Serbian leadership prefers to hold exclusive political consultations with the Serbian member of the Bosnian tripartite presidency.

It might surprise some that Pakistan is in second place, ahead of Saudi Arabia, Iran, and Malaysia. Bilateral dialogue between Sarajevo and Islamabad has, however, been regular and steady, despite the various leadership crises in Pakistan. The last highest-level bilateral visit between the two states was recorded in 2020, when Chairman Sefik Dzaferovic visited Islamabad in an official capacity, and met President Arif Alivi, Prime Minister Imran Khan, and President of the Parliament, Asad Qaiser. B&H's meetings with Iran and Malaysia took place at a reasonably similar rate. The last Iranian visit to B&H at this level was President Khatami's state visit to Sarajevo in 2005, and in 2016 then Chairman of the Presidency Bakir Izetbegovic paid an official visit to the country to meet his Iranian counterpart, Hassan Rouhani. Political dialogue with Malaysia at the highest level has also been relatively rare. The last time the Malaysian prime minister officially visited B&H was in 2006, and the three members of the B&H Presidency most recently paid an official visit to Malaysia in 2008. Chairman of the B&H Presidency Dragan Covic attended an international business forum in Malaysia in 2015, on which occasion he met the Malaysian Prime Minister on the sidelines. Malaysia would be higher on the list if bilateral meetings that took place before 2002, when Mahathir Mohamad was Prime Minister, were included. Despite retiring from politics, Mahathir Mohamad has continued to visit B&H and meet with the country's presidents.

The least intensive political dialogue at this level was with Saudi Arabia, and the last recorded state visit on either side was in 2015, when B&H Presidency Chairman Dragan Covic met King Salman in Riyadh. B&H Presidency member Bakir Izetbegovic also went to Riyadh in 2015, to express his condolences to the Saudi Royal Family on the demise of King Abdullah. It is remarkable, however, that from 2003 to 2021 no state visit to Saudi Arabia (or vice versa) took place while a Bosnian (Muslim) chaired the B&H Presidency.

The B&H Presidency's practice of receiving dignitaries from selected Muslim states at lower levels may also indicate foreign policy trends and dynamics in these two-way relationships. Table 1.2 presents data on reported meetings between members of the B&H Presidency and dignitaries from Turkey, Saudi Arabia, Iran, Pakistan, and Malaysia at the level of deputy prime ministers/foreign ministers/ministers/deputy ministers/governors/members of parliament/members of royal families for the same period.

Table 1.2: Meetings of B&H Presidency members with government representatives from selected Muslim states

	B&H/Turkey	B&H/Saudi Arabia	B&H/Iran	B&H/Pakistan	B&H/Malaysia	Total
Number of bilateral meetings with deputy prime ministers / foreign ministers / ministers / deputy ministers / governors / members of parliament / members of royal families from 2003 to 2021	29	7	7	1	10	54
Percentage	54%	13%	13%	2%	18%	100%

Source: News archive from the website of the Presidency of B&H
http://www.predsjednistvobih.ba/Aktuelnosti/Archive.aspx?langTag=en-US&template_id=156&pageIndex=1

Again, the most intensive bilateral dialogue took place with Turkey (54% of all meetings). Most of these consultations were held with the foreign minister (10 times); the deputy prime minister (6 times); and the agriculture minister (3 times). This suggests that political issues were on the agenda most of the time. Further, Turkish foreign ministers, such as Ahmet Davutoglu, usually held separate meetings with members of the B&H Presidency, which implies a focus on politically sensitive issues. B&H Presidency members held 10 bilateral meetings with dignitaries from Malaysia. This number would be slightly higher if meetings with former Malaysian Prime Minister Mahathir Mohamad were included: B&H Presidency members met him officially on three different occasions in Sarajevo, in 2005, 2006, and 2013. Various economic representatives and business delegates from Malaysia also attended these meetings, which suggests that economic issues were more dominant than political ones. B&H's two-way relationships with Iran and Saudi Arabia at this level were less significant. Of the 7 meetings with Iranian delegations, 5 were with the foreign minister or deputy foreign minister, which implies that the economy was not high on the agenda. Conversely, most interlocutors from Saudi Arabia were in business, trade, or finance, which suggests the bilateral focus of Sarajevo and Riyadh was different to that of Sarajevo and Tehran. Only one meeting with Pakistan was recorded at this level, but high-ranking

military delegations from Pakistan held formal discussions with members of the B&H Presidency more often. Four such meetings were recorded from 2005 to 2008 in Sarajevo, which implies that military, defence and security issues were dominant themes in bilateral talks between B&H and Pakistan. The findings in Tables 1.1 and 1.2 do not reveal how regularly these bilateral meetings were distributed between January 2003 and August 2021. Table 1.3 addresses this by presenting the annual distribution of all reported meetings at different levels.

Table 1.3: B&H Presidency meetings with dignitaries from selected Muslim states, distributed annually

	B&H/ Turkey	B&H/ Saudi Arabia	B&H/ Iran	B&H/ Pakistan	B&H/ Malaysia	Total (per year)
2003	1	1	4	1	1	8
2004	4	-	1	2	-	7
2005	5	1	2	1	3	12
2006	2	-	1	-	1	4
2007	1	-	2	2	2	7
2008	4	-	2	-	1	7
2009	4	1	-	-	3	8
2010	4	1	1	-	3	9
2011	5	3	-	-	-	8
2012	5	-	-	1	-	6
2013	2	-	1	-	-	3
2014	2	-	-	-	-	2
2015	7	2	-	1	1	11
2016	6	-	1	1	-	8
2017	3	-	-	1	-	4
2018	6	1	1	-	-	8
2019	8	1	-	1	3	13
2020	1	-	-	1	-	2
2021	5	-	-	-	-	5
Total	75	11	16	12	18	132
Percentage	56.8%	8.3%	12.1%	9.1%	13.6%	100%

Source: News archive from the website of the Presidency of B&H
http://www.predsjednistvobih.ba/Aktuelnosti/Archive.aspx?langTag=enUS&template_id=156&pageIndex=1

Table 1.3 shows that the most regular diplomatic consultations among the selected Muslim states were recorded with Turkey. On average, B&H Presidency members held almost 4 bilateral meetings with Turkish representatives at different levels every year. No single year passed without at least one bilateral consultation, 30 were recorded from 2003 to 2010, and 45 from 2011 to 2021. This relationship has therefore been relatively stable throughout this period, which is not the case with other Muslim states. As B&H focussed on peace and rebuilding, it shifted its focus towards the EU and NATO. As a result, some Muslim-majority states adjusted their foreign policy priorities to address other challenges in the Muslim world, or other geopolitical issues in their immediate neighbourhoods.

Political dialogue with Malaysia, for example, was more intensive in the initial phase of the recorded period than in later stages. B&H Presidency members recorded 15 bilateral meetings with Malaysian dignitaries at different levels from 2003 to 2010, and only 4 from 2011 to 2021. Further, the last time the Malaysian prime minister officially visited B&H was in 2006, and the last time the country's foreign minister visited was in June 2010. The most recent state visit by a B&H Presidency member to Malaysia was in 2008. Interestingly, bilateral dealings between B&H and Malaysia jumped suddenly in 2019, when three official meetings were recorded. This sudden increase happened largely as a result of the change in Malaysian leadership. In 2018, Mahathir Mohamad, who had shown great sympathy and sensitivity towards B&H during his previous tenure, returned as prime minister. In the first year of his second premiership, he sent a cabinet minister to attend the Sarajevo Business Forum, and in the second year he sent another delegation, led by two cabinet ministers, to attend the Sarajevo Halal Fair. Prime Minister Mahathir announced a state visit to Bosnia and Herzegovina in early 2020, but this visit was postponed due to the Covid-19 pandemic, and ultimately cancelled when he resigned his post.

Political dialogue with Iran was also more regular in the early post-Dayton period: the website of the B&H Presidency recorded 13 bilateral meetings from 2003 to 2010, and only 3 from 2010 to 2021. The last time an Iranian president officially visited B&H and met his presidential counterparts was in 2005. Neither President Mahmoud Ahmadinejad (2005-2013) nor his successor Hassan Rouhani (2013-2021) paid state visits to B&H during their respective two-term mandates. They did, however, meet with Chairmen of the Bosnian Presidency on the sidelines of international gatherings. Haris Silajdzic (2009), Zeljko Komsic (2009), and Bakir Izetbegovic (2013) met President Ahmadinejad on the sidelines of the UN General Assembly and OIC conferences. Bakir Izetbegovic also made a state visit to Iran in 2016, where he met President Rouhani.

The otherwise limited number of bilateral meetings with Saudi officials suddenly increased in 2011, when the ministers of finance and education, and the president of the Islamic Chamber for Business and Industry held consultations with B&H Presidency member Bakir Izetbegovic. This happened after B&H, a non-permanent member of the UN Security Council at the time, had voted in favour of sanctions against Iran the previous year. Although limited in number, bilateral meetings with Pakistan were distributed equally throughout the whole period, as the two countries retained their mutual interest.

Now it remains to be ascertained what economic, trade and investment outputs have been created by these bilateral consultations.

Economic relations between B&H and the selected Muslim states

This chapter examines economic relations between B&H and the selected Muslim states, by analysing trade exchange, investment, and tourist arrival data, and their trends and dynamics. Table 2.1 compares data on the trade exchange between B&H and the selected Muslim states from 2015 to 2020 (in million KM).

Table 2.1: Trade exchange between B&H and selected Muslim states from 2015 to 2020

	Trade exchange B&H/ Turkey	Trade exchange B&H/ Saudi Arabia	Trade exchange B&H/ Iran	Trade exchange B&H/ Pakistan	Trade exchange B&H/ Malaysia	Trade exchange with 5 Muslim states	Total B&H trade exchange
2015-2020							
Export (KM)	2,125.7	355.6	18.1	19.4	28.1	2,546.9	65,330
Import (KM)	4,160.4	8.0	28.6	20.2	20.0	4,237.2	106,790
Total (KM)	6,286.1	363.6	46.7	39.6	48.1	6,784.1	172,120

Source: Foreign Trade Chamber of Bosnia and Herzegovina
<https://www.komorabih.ba/vanjskotrgovinska-spoljnotrgovinska-razmjena/>

Table 2.1 shows that the trade exchange data is compatible with political relations data. Turkey has the highest export/import rate with B&H among the selected Muslim states. The B&H/Turkey trade exchange amounted to 6,286 billion KM from 2015 to 2020, and covered 92% of the combined trade exchange with the 5 states (6,784 billion KM). If Bosnian export data to 5 selected states is taken, then Turkey covers 83%. As far as Bosnian import data from 5 Muslim states, Turkey covers 98%. This indicates that B&H has a larger trade deficit with Turkey than its average trade deficit with the other selected states. Saudi Arabia is in a distant second place, with an accumulated trade exchange of 363 million KM (around 6%) over the last six years. B&H has a much more favourable trade exchange with Saudi Arabia, however, with a total trade surplus of 347 million KM from 2015 to 2020. Iran, Pakistan, and Malaysia are marginal in this regard: their combined trade exchange with B&H is around 2% of the total for the 5 selected states. There are other Muslim states that are not on this list, but are worth mentioning. Egypt's trade exchange with B&H, for example, accounted for more than 440 million KM from 2015 to 2020, with a huge trade surplus for B&H (exports totalled 401 million KM, and imports 39 million KM). Military industry goods rank highest on the list of exported products from B&H to Egypt, Saudi Arabia, Pakistan, and Malaysia, and are also high on Turkey's list. Table 2.1 shows that B&H's trade exchange with the 5 selected Muslim states (6,784.1 billion KM) covers 4% of its total trade exchange (172,120 billion KM) for the same period. With the largest share of that 4%, Turkey is high on B&H's trade exchange list of for all states (7th place in import and 8th place in export).

This chapter also observes the trends and dynamics in trade relations over several years between B&H and the selected Muslim states. Table 2.2 shows that B&H's trade exchange with Turkey and Saudi Arabia has risen every year except 2020, which was negatively affected by the Covid-19 pandemic. Although minimal, the trade exchange with Iran, Pakistan, and Malaysia fluctuated. Table 2.2 shows the annual trade distribution between B&H and the selected Muslim states from 2015 to 2020 (in million KM).

Table 2.2: Trade exchange between B&H and selected Muslim states from 2015-2020, distributed annually

	Trade exchange B&H/Turkey	Trade exchange B&H/Saudi Arabia	Trade exchange B&H/Iran	Trade exchange B&H/Pakistan	Trade exchange B&H/Malaysia	Trade exchange with 5 Muslim states	Total B&H trade exchange
2020							
Export (KM)	316.1	35.1	1.8	1.2	4.1	358.3	10,830
Import (KM)	781.9	1.2	5.2	3.7	5.3	797.3	17,210
Total (KM)	1,098.0	36.3	7.0	4.9	9.4	1,155.6	28,040
2019							
Export (KM)	296.1	83.8	6.9	5.9	3.3	396.0	11,870
Import (KM)	828.4	1.4	9.8	4.0	3.9	847.5	19,880
Total (KM)	1,124.5	85.2	16.7	9.9	7.2	1,243.5	31,750
2018							
Export (KM)	325.5	87.8	3.2	2.8	2.7	422.0	12,260
Import (KM)	753.1	1.9	6.9	3.7	4.1	769.7	19,590
Total (KM)	1,078.6	89.7	10.1	6.5	6.8	1,191.7	31,850
2017							
Export (KM)	432.1	57.3	1.8	0.1	3.0	494.3	11,380
Import (KM)	656.1	1.2	4.2	3.4	2.2	667.1	18,450
Total (KM)	1,088.2	58.5	6.0	3.5	5.2	1,161.4	29,830
2016							
Export (KM)	401.3	47.5	2.8	9.4	9.6	470.6	9,770
Import (KM)	597.2	1.4	1.3	2.5	2.4	604.8	16,260
Total (KM)	998.5	48.9	4.1	11.9	12.0	1,075.4	26,030

2015							
Export (KM)	354.6	44.1	1.6	0.0	5.4	405.7	9,220
Import (KM)	543.7	0.9	1.2	2.9	2.1	550.8	15,400
Total (KM)	898.3	45.0	2.8	2.9	7.5	956.5	24,620
(2015/2021)							
Export (KM)	2,125.7	355.6	18.1	19.4	28.1	2,546.9	65,330
Import (KM)	4,160.4	8.0	28.6	20.2	20.0	4,237.2	106,790
Total (KM)	6,286.1	363.6	46.7	39.6	48.1	6,784.1	172,120

Source: Foreign Trade Chamber of Bosnia and Herzegovina
<https://www.komorabih.ba/vanjskotrgovinska-spoljnnotrgovinska-razmjena/>

The second parameter to discuss here is foreign direct investments (FDI). Table 2.3 shows that accumulated FDI from the selected Muslim states (691.8 million KM) covers 4.58% of all investments to B&H (15,082 billion KM). This figure is comparable with data on B&H's trade exchange with the same states, which is around 4% of the total. With total investments to B&H amounting to 375 million KM, Turkey again has the largest FDI share (54%) among 5 selected states. It has also the largest share of FDI in B&H among all other Muslim states that are not included in this analysis. Its relative FDI dominance is, however, much smaller than its trade exchange dominance, which stands at 92%, and accordingly Saudi Arabia is no longer in a distant second place; it is much closer to Turkey, with its total investments in B&H amounting to 278.7 million KM (40% of all investments from the selected states). Malaysia is in a distant third place, with 38.1 million KM (5.5% of all investments from the selected states). No figures are available for Pakistan and Iran, but there are two other Muslim states that are worth mentioning in this regard: Kuwait and the United Arab Emirates. The former invested 235.2 million KM in B&H during this period, and the latter 207.2 million KM.

Table 2.3: Total FDI to B&H from selected Muslim states

	Total FDI 31.12. 2020	FDI % of 5 Muslim states	% of total FDI
Total all countries	15,082.0		100%
Total 5 Muslim states	691.8	100%	4.58%
Turkey	375.0	54.26%	2.48%
Saudi Arabia	278.7	40.2%	1.84%
Iran	N/A	N/A	N/A
Pakistan	N/A	N/A	N/A
Malaysia	38.1	5.5%	0.25%

Source: Central Bank of B&H

http://statistics.cbbh.ba/Panorama/novaview/SimpleLogin_bs_html.aspx

To see how this plays out longer term, FDI trends and dynamics can be observed over several years. Table 2.4 shows that Turkey and Saudi Arabia's FDI to B&H has increased every year except 2020, which declined as a result of the Covid-19 pandemic. Malaysian FDI increased suddenly in 2018, when Mahathir Mohamad became prime minister for the second time. Table 2.4 shows FDI flows in B&H (in million KM) from 2015 to 2020, classified by country.

Table 2.3: Annual distribution of FDI in B&H from selected Muslim states

	31.12. 2015	31.12. 2016	31.12. 2017	31.12. 2018	31.12. 2019	31.12. 2020
Total for all countries	12.864.4	13.247.7	13.949.0	14.745.4	15.039.9	15.082
Total for 5 Muslim states	565.5	628.9	665.5	728.1	749.9	691.8
Turkey	358.4	392.2	415.5	423.3	424.5	375.0
Saudi Arabia	221.7	256.6	266.2	272.2	289.7	278.7
Iran	N/A	N/A	N/A	N/A	N/A	N/A
Pakistan	N/A	N/A	N/A	N/A	N/A	N/A
Malaysia	-14.6	-19.9	-16.2	32.6	35.7	38.1

Source: Central Bank of B&H

http://statistics.cbbh.ba/Panorama/novaview/SimpleLogin_bs_html.aspx

The third and final parameter to be discussed here is tourism. Table 2.4 shows data on B&H arrivals and overnight stays by tourists from the selected Muslim states from 2016 to 2019. It shows that the total arrivals from these states in 2019 (156,335) made up 13% of all arrivals in B&H that year (1,198,059). A similar ratio of 13 of every 100 tourist arrivals in B&H was measured in 2016, 2017, and 2018. The ratio on overnight stays for the same period was slightly lower: around 11 in every 100. This percentage, however, is much higher than the ratios for trade exchange (4%) and investment (4.56%). This implies that relative to all other states, the selected Muslim countries provide greater benefits to B&H through tourism than in trade exchange or FDI.

Table 2.4: Arrivals and overnight stays in B&H from selected Muslim states, 2016-19

	Turkey	Saudi Arabia	Iran	Pakistan	Malaysia	Five Muslim states	All states
2019 Arrivals Nights	70,988 112,035	65,853 158,036	572 1,745	N/A	18,922 24,062	156,335 291,878	1,198,059 2,419,105
2018 Arrivals Nights	85,416 131,989	30,930 77,443	899 2,131	N/A	18,779 24,478	136,024 236,041	1,052,898 2,165,404
2017 Arrivals Nights	90,712 139,725	24,402 61,484	348 1,164	N/A	14,212 17,816	129,674 220,189	923,050 1,913,444
2016 Arrivals Nights	83,333 132,775	18,362 44,826	301 711	N/A	N/A	101,996 178,312	778128 1,647,275

Source: Agency for Statistics of Bosnia and Herzegovina
<https://bhas.gov.ba/Calendar/Category/19>

The largest number of all tourist arrivals in B&H from the selected Muslim states in 2019 was from Turkey (70,988 arrivals), but this number has been steadily decreasing since 2017, which saw a record number of tourist arrivals from the country (90,712). The 2019 figures for tourist arrivals from Saudi Arabia are similar to those from Turkey, and Saudi Arabia leads the group of five for overnight stays that year. There was a gradual increase in arrivals and overnight stays by Saudi citizens in B&H from 2016 to 2019, and had 2020 been without disruption, arrivals from Saudi Arabia would have probably surpassed those from Turkey. Malaysia is in third place, and its 2016 figures are so small that they are not available in B&H's official statistics. Since then, however, the numbers have risen every year, even though Malaysia is geographically more distant than any other Muslim state.

Data on arrivals and overnight stays from Iran and Pakistan are so small as to be insignificant.

The reasons behind the numbers

This concluding chapter explores why certain Muslim states have more intensive relations with Bosnia and Herzegovina than others. In particular, why does Turkey, on average, hold more bilateral political consultations with B&H at the highest level than all other selected Muslim states combined? Further, why do Turkish investments and trade exchanges with B&H exceed those between B&H and Saudi Arabia, Iran, Pakistan, and Malaysia combined? To answer these questions, a combination of geographic, geopolitical, and historical factors are taken into account, along with the foreign policy commitments, interests, and actions of the selected Muslim states.

First, B&H and Turkey share the same geographic and regional integrations. In addition to their regular meetings within OIC, Turkey and B&H are part of other regional forums that exclude the other selected Muslim states. The Southeast European Cooperation Process (SEECF), for example, brings together Turkey, B&H, and other regional states, to enhance their political dialogue and economic collaboration. The operational arm of the SEECF, the Regional Cooperation Council (RCC) has the task “of developing regional cooperation in Southeast Europe and promoting the integration of the region to the European and Euro-Atlantic structures”.⁷ Turkey attaches great importance to trilateral forums founded upon Turkey-B&H-Serbia and Turkey-B&H-Croatia initiatives. These cooperation mechanisms are accepted as outstanding confidence-building measures, which aim to enhance peace, stability, and prosperity not only in B&H, but in the whole Balkan region. They also provide additional platforms for meetings between foreign ministers and heads of state. To date, foreign ministers from Turkey and B&H have met their Serbian counterparts six times, and their Croatian ones four times. In addition, four trilateral summits at the highest level have been held.

Beyond their regional ties, B&H and Turkey also share European and Euro-Atlantic integration. According to the Turkish Foreign Ministry, the Balkans connects Turkey geographically to the rest of Europe. The region “shaped the Turkish nation and the future potential it carries within the context of regional integration and the EU accession objective”.⁸ Turkey and Albania are the only Muslim-majority NATO members, and they support all the countries of the region in the Euro-Atlantic institutions. The process of Euro-Atlantic integration is one of the key priorities of B&H’s foreign policy, so Turkey’s support of the country’s NATO accession and foreign policy aspirations is not one that is relevant or applicable to the other selected Muslim states.

7 Ministry of Foreign Relations, Republic of Turkey, “Relations with the Balkan Region”, <https://www.mfa.gov.tr/relations-with-the-balkan-region.en.mfa>, accessed 3 June 2021.

8 Ministry of Foreign Relations, Republic of Turkey, “Relations with the Balkan Region”.

The Balkan region is a long-term priority for Turkey, from both geopolitical and strategic perspectives. Turkey therefore projects its soft power throughout the Balkans, including B&H, relying on historical, cultural, and personal ties. Considering these patterns, Ankara represents an important geopolitical substitute for the Bosnian people, should the EU, EUFOR, and NATO decide to abandon their commitments to safeguarding peace, security, and liberal order in B&H. Their immediate and complete withdrawal from Bosnia, which is less probable, would invite other extra-regional actors to fill the vacuum, in which case power relations would inevitably become subject to reconfiguration, and different visions for both B&H and south-eastern Europe would inevitably emerge. In the event of conflicting visions in Bosnia, Turkey could oppose a Serbian offensive to some degree. This scenario could set Turkey and Russia on a collision course, because Vladimir Putin perceives Republika Srpska and Serbia as natural, historic, and strategic allies. At a minimum, the Turkish double-track with Russia would have to pass an additional test. Both these countries, however, possess a formidable capacity for mediation with conflicting parties in the Bosnian theatre, which some European powers would oppose on geopolitical grounds, and other more liberal ones would object to ideologically.

Turkey and B&H also share a common historical heritage that the other selected Muslim states do not. Officially, Ankara is more interested than the other Muslim capitals in rebuilding a common cultural and religious heritage with B&H, which is reflected in the restoration of the Old Bridge in Mostar, the Ferhadija mosque in Banja Luka, and other monuments destroyed during the war in B&H. Turkish assistance in areas other than political relations has extended to the present day, and includes the recent restoration of the Turkish hammam and the completion of the Islamic Community Headquarters, both in Sarajevo.

Turkish minorities in Balkan countries are better represented than minorities from other Muslim states, and there are more citizens of Balkan origin living in Turkey. Thus, any crisis in the Balkans affects Turkey closely and vice versa. Saudi Arabia, Iran, Pakistan, and Malaysia are located in different regional sub-systems – the Middle East, South Asia, and Southeast Asia respectively – and have corresponding geopolitical features. It was expected that these Muslim states would gradually adjust their foreign policy priorities in the post-Dayton period, as new challenges appeared in their immediate neighbourhoods and B&H shifted its focus from immediate post-war recovery to European and Euro-Atlantic integration.

This brings us to Turkish foreign policy commitments, interests, and actions, which are more specific than the foreign policy goals expressed by the other selected Muslim states. According to the Turkish Foreign Ministry, Turkey's

Balkan policy is officially based on four specific guidelines: (1) high-level political dialogue; (2) security for all; (3) the utmost economic integration; and (4) the preservation of the multi-ethnic, multi-cultural and multi-religious social structures in the region.⁹ Turkey also maintains its policy that the international borders of the newly independent states in the region (Montenegro since 2006, and Kosovo since 2008) “have become definite”. As for B&H specifically, Turkey believes that the international presence is still “important and necessary both for the strengthening of the state structures and regional stability”.¹⁰ It is therefore unsurprising that Turkey is the only Muslim country that has participated in all three peacekeeping missions in B&H: IFOR from 1995 to 1997; SFOR from 1997 to 2004; and EUFOR from 2004 to the present. Today, Turkey is among EUFOR’s 20 contributing countries that provide conflict deterrence and contribute to a safe and secure environment. Ankara is also on the same page as the US and EU members of the Peace Implementation Council (PIC) and its steering board’s communiqués, which Russia usually opposes. Notwithstanding its proximity and commonalities with B&H, Turkey’s foreign policy commitments toward B&H are largely shared with other Muslim states. For this reason, Turkey also represents other OIC member states in the PIC.

The foreign policy commitments of the other selected Muslim states were more relevant during the aggression on B&H, and the immediate post-war reconstruction. The heightened need during this period also explains why Malaysia’s foreign policy gave B&H a high priority, even though the two states are geographically distant. The Malaysian side qualified their bilateral relations as strategic, and confirmed this with its continued institutional and economic support during the early post-Dayton years. In contrast with Turkey, whose foreign policy highlights its various commonalities with B&H (such as shared history, culture, geopolitics, and human ties), Malaysia’s foreign policy was based more on the country’s strong and outspoken leadership, both pre- and early post-Dayton. According to a senior official in the Malaysian Foreign Ministry, policy decisions on B&H were discussed and decided by a small group of advisers, with Prime Minister Mahathir at the core.¹¹

Malaysian support for B&H during and immediately after the war was also grounded on strong Islamic sentiments among the country’s people. As a country with a large Muslim majority, Malaysia greatly values “the solidarity of the Ummah and the spirit of cooperation among the Organization of Islamic Cooperation”.¹²

9 Ministry of Foreign Relations, Republic of Turkey, “Relations with the Balkan Region”.

10 Ministry of Foreign Relations, Republic of Turkey, “Relations with the Balkan Region”.

11 Ahmad Faisal Muhamad, *The Struggle for Recognition in Foreign Policy: Malaysia under Mahathir 1981-2003*, Unpublished Ph.D. Dissertation, (London: The London School of Economics and Political Science, 2008): 229, <http://etheses.lse.ac.uk/2318/>, accessed 10 June 2021.

12 Official Portal, Ministry of Foreign Affairs, Malaysia, “Malaysian Foreign Policy”, accessed 15 June 2021, <https://www.kln.gov.my/web/guest/foreign-policy>

Malaysian prime ministers have therefore been vocal when non-Muslim states have victimised Muslim people, such as Palestinians, Bosnians, and the Rohingya. The significance of Islam in the nation's foreign policy must be perceived in terms of its understanding of the significant role that Islam plays in the mindset and values of the Malays.¹³ Malaysia is also firmly committed to multilaterally advancing peace, security, and prosperity. Its record in UN peacekeeping operations is testament to its dedication to carry out the international community's mandate.¹⁴ In this regard, the Malaysian MALBAT mission served in B&H as part of UNPROFOR from 1993 to 1995, later becoming the Malaysian Contingent (MALCON) under NATO-led IFOR and SFOR in the post-Dayton period.

Iran was the first Muslim state to open an embassy with a resident ambassador in Sarajevo, in 1993. Although it also addresses other issues, Iranian foreign policy is based on Islamic principles. Article 152 of the Iranian Constitution underlines its foreign policy, which includes the "defence of the rights of all Muslims". Article 154 also "supports the just struggles of the *Mustad'afun* (oppressed) against the *Mustakbirun* (oppressors) in every corner of the globe".¹⁵ In this regard, Iranian support for B&H can be seen as an example of Islamic solidarity, in the face of problems raised by some Western governments. Iran's commitments and activities in B&H decreased suddenly in the early post-Dayton period, when NATO-led peacekeepers raided the secret Pogorelica camp in B&H, and arrested Bosnian security officials and two Iranian instructors. Nevertheless, the Iranian side continued to express messages of brotherly friendship, irrespective of Bosnian strategic interests in the EU and NATO. These efforts culminated in 2005, when then Iranian President Mohammad Khatami made the country's only official visit to B&H at this level. Today, Iranian semi-governmental organisations, such as the Ibn Sina Institute, the Iranian Cultural Centre, and the Mulla Sadra Foundation, continue to play an active role in promoting Iranian science, culture, and ideology in B&H and the wider region, but their common reach is felt far less than the outcomes of Turkey's soft policy.

Unsurprisingly, Saudi Arabia's foreign policy is also founded on Islamic solidarity. The country established diplomatic relations with B&H immediately after the latter was internationally recognised in April 1992, and opened its embassy in Sarajevo in March 1998, somewhat later than other Muslim states. During the

13 Ahmad Faisal Muhamad, "The Struggle for Recognition in Foreign Policy: Malaysia under Mahathir 1981-2003", 245.

14 Ministry of Foreign Affairs, "Malaysian Foreign Policy", accessed 15 June 2021.

15 "Constitution of the Islamic Republic of Iran 1979", https://en.parliran.ir/UploadedData/previmages/iran-parliament_English_SHR01.pdf, accessed 11 July 2021. See also: Article 152 of the Iranian Constitution. For a translation of the Constitution, see Tschentscher, Axel (ed.), "Iran-Constitution [A Translation of the Constitution of the Islamic Republic of Iran]", *International Constitutional Law*, last updated in 1995.

war, Saudi Arabia supported all UN resolutions related to the preservation of the sovereignty and territorial integrity of B&H. It also attended international gatherings held by the Non-Aligned Movement and the Organization of Islamic Cooperation, where it reaffirmed the B&H's right to defend its borders. In 1992, the Saudi Government created the High Saudi Committee for Aid to B&H, which allegedly became the largest single Muslim donor to B&H.¹⁶ The Committee was a critical institution for providing humanitarian aid to B&H, and its assistance was used to build and rebuild homes, schools, religious buildings, and cultural centres, from 1992 to 2011. The Committee invested USD 560 million in these activities during the years of its operation.¹⁷ Although other Gulf Cooperation Council (GCC) states have set out on their own economic quests in the Balkans, Saudi Arabia has also taken an ideological path, seeking a strong influence over the region's Muslims.¹⁸ This aside, the Saudi Government has demonstrated other foreign policy tendencies in recent years. In early 2017, the Saudis announced a broad scope of investment in the region, exemplified by the building of a new complex in Serbia worth EUR 100 million. As presented earlier, Saudi Arabia's FDI to B&H has increased as well.

Crucially, the Bosnian war came at a time when Saudi Arabia and Iran had already reached a level of bilateral understanding, and restored their diplomatic ties after a decade of serious tensions in the 1980s. As a result, the two regional rivals managed to coordinate their foreign policy assistance during the Bosnian crisis. As B&H pacified, however, they began to compete for influence. Although the countries value centrality in their subsystems, each has attempted to expand its political, cultural, and religious influence beyond its immediate neighbourhood. In this regard, their position, status, and foreign policy behaviour in external affairs have demonstrated that Islam is not completely isolated from their security dilemmas.

Pakistan's foreign policy is also based on Islamic solidarity, which was more pressing for B&H during the war and the immediate post-war recovery period. Pakistan's stated aim is to "endeavour to preserve and strengthen fraternal relations among Muslim countries based on Islamic unity ...",¹⁹ and to this end it hosted two OIC Foreign Ministers' Meetings dedicated to B&H, and shared the common position to support its independence, territorial integrity, and sovereignty. Pakistan officially recognised B&H on 3 June 1992, and the two countries began

16 Briefing European Parliamentary Research Centre, "Saudi Arabia in the Western Balkans", November 2017, [https://www.europarl.europa.eu/RegData/etudes/ATAG/2017/614582/EPRS_ATA\(2017\)614582_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2017/614582/EPRS_ATA(2017)614582_EN.pdf), accessed 10 September 2021?

17 Ambasada Kraljevine Saudijske Arabije, "Saradnja BiH i Saudijske Arabije".

18 Briefing European Parliamentary Research Centre, "Saudi Arabia in the Western Balkans".

19 Ministry of Foreign Affairs, Government of Pakistan, "Guiding Principles and Objectives", <http://mofa.gov.pk/guiding-principles-and-objectives/>, accessed 10 September, 2021.

diplomatic relations on 16 November 1994. Among its immediate post-Dayton activities was Pakistan's participation in the Army of FB&H's Train and Equip programme, and its post-Dayton contributions to the peacebuilding SFOR and IPTF missions. The country has also provided humanitarian aid and scholarships, and written off its wartime loans.

Realities different to those presented in this paper could have been possible in relations with Malaysia, Saudi Arabia, Iran, and Pakistan, had Bosnian foreign policy been committed to its relationship with the Muslim world, beyond courtesy meetings within OIC forums or occasional highest-level bilateral meetings. Foreign policy strategic guidelines with the selected Muslim states were limited in scope, and the General Directions and Priorities for the Implementation of Foreign policy of B&H, which the B&H Presidency adopted in March 2003, lacked substance. Other than a couple of sentences that stated bilateral relations with OIC member states should be fostered with a particular focus on economic relations, it did not provide specific guidelines. Further, no major changes to B&H's interaction with the Muslim world were adopted in the country's revised, and more comprehensive, 2018 Foreign Policy Strategy. This document merely mentions "the consequences of the so-called 'Arab Spring' that led to new conflict spots in the Middle East", and the "deteriorated relations in the Persian Gulf region". It also neglected to include specific guidelines for B&H's relations with Muslim-majority states, except that it will intensify "its participation and cooperation with the OIC", and with other major international organisations, at the multilateral level.

The lack of strategic guidelines and political instructions has left diplomats in the B&H embassies of 13 Muslim-majority states without clear instructions on what their focus should be. Unless B&H's foreign policy interests are specified, it is not feasible to expect any major change in the intensity of the country's political and economic relations with Malaysia, Saudi Arabia, Iran, and Pakistan. Bilateral exchanges and political dialogue at the highest level will remain rare, and investments and trade exchange with these states will be limited.

In this environment, political and economic relations between B&H and Turkey will remain more effective than Bosnian relations with other Muslim majority states, as a result of the favourable factors, determinants and pressures presented in this study.

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Diplomatski odnosi Bosne i Hercegovine i pet odabranih država s muslimanskom većinom: trendovi i prilike

Sažetak

Ova studija istražuje trendove u diplomatskim odnosima između Bosne i Hercegovine i pet odabranih država s muslimanskom većinom (Turska, Saudijska Arabija, Iran, Pakistan i Malezija) u vremenskom periodu od 2003. do 2021. godine. U prvom dijelu se daje uporedni prikaz bilateralnih odnosa Bosne i Hercegovine i pet odabranih država na najvišem političkom nivou uzimajući u obzir kvantitet diplomatskih razmjena u datom periodu. U drugom dijelu se daje uporedni prikaz

ekonomskih odnosa Bosne i Hercegovine i pet država u trima specifičnim oblastima – vanjskotrgovinskoj razmjeni, investicijama i turizmu. Koristeći deskriptivni sadržaj, autor se na kraju osvrće na temeljne faktore koji objašnjavaju zašto pojedine muslimanske države imaju intenzivnije političke i ekonomske odnose sa Bosnom i Hercegovinom od drugih.

Ključne riječi: Bosna i Hercegovina, muslimanski svijet, diplomatski odnosi, historija diplomatije