

# From War-Torn to Tech-Born: Bosnia's surprising startup revolution

*As traditional European tech hubs become increasingly saturated, savvy investors and entrepreneurs are turning their attention to unexpected corners of the continent. Bosnia and Herzegovina (BiH) is emerging as a dark horse in the startup world, offering a combination of technical talent, cost-effectiveness, and untapped market potential.*

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## A gradual rise in startup activity

While exact figures for venture capital funding in BiH are not readily available, the country has shown signs of early but growing startup activity. The emergence of local investment funds like BH TechLab and angel investor networks such as Vrbas Capital and BHBAN (BH Business Angel Network) in 2023 indicates a maturing ecosystem.

## Key sectors driving growth

While BiH is seeing diverse startup activity, several sectors stand out as particular strengths:

- Fitness Tech: Rolla, based in Mostar, secured a significant €6.3M seed funding in 2023, showcasing the potential in this sector.
- Health Tech: Neybox Digital is making strides with wellness apps like Pillow and Today.

- Mobility: *Beebee*, founded in 2020, is pioneering eco-friendly transportation with electric kick scooter sharing.

## Government and International support fueling ecosystems

Support for the startup ecosystem comes from both local and international sources:

- The launch of *BH TechLab* by *BH Telekom* in late 2022 signals government interest in supporting local startups.
- International programs like the *Swiss Entrepreneurship Program* (Swiss EP) and *EBRD Star Venture* provide crucial expertise and support to the local ecosystem.
- University programs, such as those at *International Burch University* (IBU), are fostering entrepreneurship among students.

## Unique advantages over established hubs

While BiH may not yet match the scale of London or Berlin, it offers distinct advantages:

- Cost-Effective Talent: High-quality technical talent is available at competitive rates.
- Less Competition: With fewer startups vying for attention, it's easier for promising companies to stand out.
- Untapped Markets: BiH offers access to the broader Balkan region, a fast-growing and relatively underserved market.
- Cultural Bridge: The country is strategically positioned between Western Europe and emerging markets in Eastern Europe.

# Notable Startups and Success Stories

BiH has produced several promising startups and success stories:

Company	Sector	Achievement
<a href="#">Rolla</a>	Fitness Tech	€6.3M seed funding
<a href="#">eKupi</a>	E-commerce	Expanding across the Balkans
<a href="#">Neybox Digital</a>	Health Tech	Successful wellness apps
<a href="#">E387</a>	Cleantech	First locally-made EV charger
<a href="#">Gotiva Games</a>	Gaming	Innovating in creator economy
<a href="#">SympoQ</a>	Customer Support	AI-powered solutions
<a href="#">Ruya Genomics</a>	Bioinformatics	VC- backed Bioinformatics solution for forensics

## The evolution of development shops

BiH has been recognised for its strong outsourcing and IT services sector. This foundation is now evolving:

- Many IT service providers are starting to develop their own products, with Swiss EP identifying eight spin-off projects from service companies in 2022.
- This trend could lead to a new wave of innovative startups leveraging existing technical expertise.

## Rising stars: Potential unicorns

Several startups from BiH show potential for significant growth:

- [\*Rolla\*](#): With its recent funding, it's positioned to revolutionise the fitness industry. Very experienced founding team, with notable previous success at [\*nSoft software\*](#).
- [\*E387\*](#): Its focus on EV charging infrastructure aligns with global clean energy trends.
- [\*Gotiva Games\*](#): Innovating in the gaming industry's creator economy.
- [\*Ruya Genomics\*](#): Dubai-based bioinformatics powered intelligence.
- [\*Ministry of Programming\*](#): digital products studio which built

Soundscape and Amuse.

## Active Support Organisations in the Region

Several organisations are actively supporting the BiH startup ecosystem:

- International Burch University (IBU): Runs regular incubation programs and has graduated 34 startups.
- Foundation 787 (F787): Organises the Business Angel Summit and co-creates support programs.
- Virtuo: Collaborates on programs like Katalizator to support early-stage startups.
- Swiss Entrepreneurship Program (Swiss EP): Provides international expertise and connections.
- Fil Rouge Capital - early stage VC fund from Croatia

## Challenges

1. **Limited Funding Options:** The lack of diverse funding sources remains a significant hurdle for Bosnian startups. While initiatives like BH TechLab and angel investor networks are emerging, the funding landscape is still underdeveloped compared to more mature ecosystems.
2. **Brain Drain:** Bosnia and Herzegovina faces a significant challenge with emigration. According to the World Bank, the country's population decreased from 4.3 million in 1991 to 3.5 million in 2013, potentially limiting the pool of talent and entrepreneurs.
3. **Complex Political Structure:** The country's unique tripartite presidency and division into two main regions and multiple cantons can create bureaucratic hurdles for startups.
4. **Limited Support for Growth-Stage Startups:** While there are programs for idea-stage startups, support for growing companies is limited, potentially creating a bottleneck in the ecosystem's development.

5. Economic Disparities: Social and economic inequalities are increasing, particularly in rural areas, which may limit entrepreneurial opportunities outside major cities.
6. Gender Inequality: With only 34% of working-age women employed or actively seeking employment (compared to 57% for men), there's a significant gender gap in the labour force that likely extends to the startup ecosystem.

## Opportunities

1. Strong Tech Talent: Bosnia boasts a significant pool of tech talent, particularly in outsourcing companies across Sarajevo, Mostar, and Banja Luka. This talent could be leveraged to build innovative startups.
2. Design and UX Skills: The country has demonstrated strong capabilities in design and user experience, crucial for creating competitive digital products.
3. Growing Support Programs: The expansion of entrepreneurship programs and incubators across the country provides more opportunities for aspiring founders to enter the ecosystem.
4. Emerging Angel Networks: The formation of angel investor groups like *Vrbas Capital* and *BHBAN* could help bridge the early-stage funding gap.
5. Product Development Trend: A notable trend of IT service providers developing their own products could lead to innovative spin-off startups.
6. International Interest: Programs like the Swiss Entrepreneurship Program indicate growing international interest in supporting Bosnia's startup ecosystem. Also, engaging prominent Bosnian diaspora members such as *Damir Becirovic* from Index Venture, *Dino Becirovic* from Aven, *Amir Salihfendic* from Doist and others, would be very beneficial.

7. Untapped Market Potential: With a population of 3.5 million and connections to the broader Balkan region, there's potential for startups to address local needs and expand regionally.

## The Road Ahead

Bosnia and Herzegovina's startup ecosystem, while still in its early stages, shows promising signs of growth. The combination of strong tech talent, emerging support structures, and increasing international interest creates a foundation for future development.

However, to truly flourish, the ecosystem needs to address its key challenges. Expanding funding options, particularly for growth-stage startups, is crucial. Efforts to stem brain drain, promote gender equality in entrepreneurship, and connect with diaspora could help broaden the talent pool. Simplifying bureaucratic processes and creating more supportive policies for startups could also accelerate growth.

As *Martin Bjerregaard*, an author and investor who spent time in Bosnia observing the ecosystem, noted, "Startup ecosystem development is never linear, it evolves in waves." While Bosnia may have experienced a slight decline in early 2023 following the global VC slowdown, this could simply be setting the stage for the next wave of growth.

The country's startups are increasingly looking beyond local markets, with companies like eKupi and Rolla showing the potential for regional and international expansion. This outward focus, combined with the growing domestic support infrastructure, could be the key to Bosnia and Herzegovina establishing itself as an emerging hub for innovation in the Balkans.

As the ecosystem continues to mature, tracking key metrics such as the number of new startups formed, total investment raised, and the survival

rate of startups beyond their initial years will be crucial in assessing its health and growth. While comprehensive data is currently limited, the establishment of more formal structures like BHBAN and increased international attention may lead to better documentation and understanding of the ecosystem's development.

In conclusion, Bosnia and Herzegovina's startup ecosystem, while facing significant challenges, is showing resilience and potential. With continued support, strategic investments, and policy improvements, it has the opportunity to become a notable player in the broader European startup landscape. The coming years will be crucial in determining whether the country can capitalise on its strengths and overcome its hurdles to foster a truly thriving startup ecosystem.

*Josipa Majic* is a Serial technology entrepreneur with 10+ years of experience building scalable tech ventures; leading product and development teams, selling to and co-developing products with Fortune 100 customers, raising capital from global professional investors.



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Article by Josipa Majic