

Companies that make ammunition in the Bosnian city of Gorazde fear they may not survive the tariffs imposed on the goods that they send to their biggest market — the United States.



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By Andrew Higgins

Reporting from Gorazde and Sarajevo in Bosnia and Herzegovina

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Shielded by mountains and dense forest, the ammunition makers of Gorazde in eastern Bosnia survived the Balkan wars of the early 1990s, pumping out bullets and shells that helped their new country fend off attack from Serbia.

Three decades later, they face a new menace: the scattershot tariffs announced by President Trump in early April.

The United States' appetite for guns has long provided a steady market for Gorazde's main industry — the weapons factories built when Bosnia was part of Yugoslavia, a multiethnic communist state that imploded into war in 1991.

Now, the tariffs announced by Mr. Trump for almost all of the United States' trading partners — including tiny Bosnia — have reverberated around Gorazde.

Ginex, a local company that makes ignition devices used in ammunition, known as primers, has stalled expansion plans as it figures out what the tariff will be on its exports to the United States. Will it be 35 percent, as initially announced by Mr. Trump on April 2? A temporary revised rate of 10 percent announced a week later? Or something else?

"It would stop all our exports," said Demir Imamovic, Ginex's marketing manager, referring to the initial tariff hike. Even the revised rate of 10 percent — more than double the previous rate — risks scaring off American customers, he said.



Demir Imamovic, Ginex's marketing manager, said that high tariffs had been especially disruptive for the ammunition industry. "The problem is that the U.S. is the biggest market and they consume more than they produce," he said. Vladimir Zivojinovic for The New York Times

The company has postponed its plans to increase its work force to around 1,100 from 850 to meet demand from American ammunition manufacturers, he said.

Shooters World, a South Carolina company that sells gunpowder and primers to American ammunition manufacturers, said it imported 20 million primers from Ginex in October but canceled a shipment planned for April, partly because of the tariffs.

Gorazde's mayor, Ernest Imamovic, who is not related to the Ginex manager, said he worried that the United States had abandoned a faith in free trade and economic development as a path to peace. That thinking had animated American policy in the volatile region since 1995, when a peace agreement reached in Dayton, Ohio, ended the war in Bosnia.

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Also clouding Gorazde's fortunes, he said, has been the Trump administration's dismantling of U.S.A.I.D., which had financed a now-canceled project to attract investment from the Bosnian diaspora in the United States. A second U.S.A.I.D. project to support the local government has also been canceled.

"Without the U.S.A., we are dead here," the mayor said.

A country with a population of just over three million, Bosnia has over the past five years increased its exports to the United States by more than 250 percent. But its sales to America last year, according to the trade ministry, only accounted for 1.9 percent of Bosnia's total exports, compared to 72 percent to the European Union. (Bosnia still imports more from the United States than it exports.)

For Gorazde, however, the United States, with its hunger for guns, had been a lifeline.



An ammunition factory in Gorazde. The United States had been a lifeline for the city's ammunition makers after the collapse of Yugoslavia. Vladimir Zivojinovic for The New York Times

Bosnia once produced more than half of the ammunition used by Yugoslavia's military, much of that in state-owned factories in and around Gorazde. The collapse of the Yugoslav state meant the end of Gorazde's main customer.

The town's two biggest companies, the state-controlled Ginex, and Pobjeda Technology, now a private one focused on making ammunition for pistols and sport guns, looked to the U.S. civilian market to help them stay in business — and employ more than 2,000 local residents.

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“More than 100 million Americans own guns and that means they need a lot of ammunition,” said Mr. Imamovic of Ginex. Business, he added, spiked in 2020 when the Covid pandemic in the United States and heightened tensions following the police killing of George Floyd prompted a surge in gun-buying by Americans.

“There was a huge explosion in demand for small-caliber ammunition in 2020,” he said. Ginex, he said, more than quadrupled its exports to companies in South Carolina, Texas and other mostly southern states.

Mr. Trump's election victory in November, Mr. Imamovic recalled, stirred mixed feelings. He said he was encouraged by the fact that Republican administrations usually oppose efforts to restrict gun sales. But he was anxious about Mr. Trump's oft-stated affection for tariffs.



A machine that making casings for primers, the tiny ignition devices at the base of an ammunition round. Vladimir Zivojinovic for The New York Times



A batch of finished primer casings. Vladimir Zivojinovic for The New York Times

Hoping for the best, his company in January took a booth at a hunting and shooting trade fair in Las Vegas. Those hopes were based in part on a calculation that even if Mr. Trump raised tariffs, many ammunition makers in the United States would still need to import primers since increasing production domestically would be difficult.

Unlike bullet casings and their tips, which are relatively easy to make, the manufacture of primers involves dangerous and highly skilled work.

Then came Mr. Trump's announcement of 35 percent tariffs on imports from Bosnia, which caused dismay for Gorazde's ammunition makers — and their customers.

Karen Gerard, Shooter World's chief financial officer, said it could make sense to impose high tariffs on imports of low-priced finished ammunition, which she said had flooded the U.S. market in recent years and forced many small American bullet makers to close.

But, Ms. Gerard added, across the board tariffs hurt everyone.

"Every industry in America needs something that is imported," she said, noting that America produces only around 2 percent of the primers that domestic companies need to make ammunition. "If you want to get people back in work in America, you can't just do tariffs in broad strokes."



Ernest Imamovic, mayor of Gorazde, at the town hall in April. Vladimir Zivojinovic for The New York Times

Bosnia's response to the Trump administration's tariffs is being led by Trade Minister Stasa Kosarac. A Serb nationalist from Republika Srpska, a largely self-governing Serb region of Bosnia, he was appointed to manage trade for the whole country under convoluted power-sharing arrangements mandated by the Dayton accord.

In an interview in Sarajevo, the capital, he said he was “very happy” Mr. Trump was back in the White House and expressed no interest in trying to save Bosnia’s gun and ammunition companies, mostly located in Muslim towns like Gorazde, from high American tariffs.

“Our ministry has more important things to do,” he said.

Declaring that the United States is “right to protect its own interests,” he said he saw no reason to complain about tariffs. He said he was glad to see the back of the Biden administration, which frequently denounced Bosnia’s more stridently nationalist Serb politicians and sanctioned their leader, Milorad Dodik, the Republika Srpska president.

The trade minister’s office is decorated with photographs of Mr. Dodik wearing a red Make America Great Again hat.

Mr. Kosarec said he has not reached out to Washington to get a deal on tariffs and was instead waiting for Bosnia’s fractious, ethnically divided leadership to approve a proposal he said had been made by Mr. Dodik for zero tariffs on both sides.

“I can’t do anything until they all agree,” he said.



Workers at the Ginex and Pobjeda Technology factory on a break. It employs 2,000 local residents.

Vladimir Zivojinovic for The New York Times

Bosnia's Muslim politicians have no interest in blocking a tariff deal with the United States but are wary of Mr. Dodik exploiting the trade issue to curry favor with President Trump in an effort to get U.S. sanctions against him lifted.

They want Mr. Dodik arrested and jailed following his conviction by a Sarajevo court in February for flouting rulings by the international official responsible for overseeing the Dayton agreement. Mr. Dodik was given a one-year prison sentence but, protected by armed bodyguards, has resisted arrest.

The risk that the muddle in both Washington and Sarajevo will cost jobs in Gorazde has left the town's mayor, Mr. Imamovic, aghast. "How do I explain to ordinary people what is happening?" he said.

Ginex's marketing manager said he was still confused by the situation.

Desperate to divine which way the tariff winds are blowing, Mr. Imamovic said he started following the news on CNN, Fox News and other American networks. Though accustomed to Bosnia's polarized ethnic politics, he said he was shocked to discover that "the U.S. is just as much divided as we are."

Una Regoje contributed reporting from Sarajevo.

Andrew Higgins is the East and Central Europe bureau chief for The Times based in Warsaw. He covers a region that stretches from the Baltic republics of Estonia, Latvia and Lithuania to Kosovo, Serbia and other parts of former Yugoslavia.