This study investigates the impact of external trade on unemployment in B&H from 2007 to 2012 on a monthly basis. Data for unemployment and international trade is collected from “Agency for statistics in B&H”. Analysis is done in SPSS, firstly calculations are made in descriptive statistics to show minimum, maximum and average unemployment, export, import and trade deficit. Then, regression analysis is used, in whose model unemployment is the dependent variable, while export, import, trade deficit, minimum wages, net salaries, GDP, inflation rate and industrial production growth rate are independent variables. Result showed that export, minimum wages, net salaries, GDP, inflation rate and industrial production growth rate are affecting unemployment. This analysis should help government and CEO to improve export, GDP, inflation, industrial production, salaries and to reduce import and unemployment.

Keywords: International Trade, Export, Import, Labor Market, Unemployment, GDP, Wages, Inflation.