

Kosovo in CEFTA: In or Out?

Executive Summary

Kosovo became a member of CEFTA in July 2007, eight months after singing the accession agreement. The accession agreement was signed by UNMIK on behalf of Kosovo. Three years after the declaration of independence, Kosovo continues to be represented in CEFTA by UNMIK. In 2008, the Kosovo institutions changed the customs stamps, from UNMIK customs to Kosovo Customs. However, the act of changing the stamp was not followed with other concrete actions, such as insisting to be represented as an independent country and no more through UNMIK. With new customs stamps, both Serbia and Bosnia immediately seized exporting Kosovo products and were determined not to allow even the transportation of Kosovo products through their countries. Hence, since 4th of December 2008 Kosovo companies cannot export to these two countries these companies had to find alternative ways like: 1. Exporting products to Bosnia and Serbia through another country as re-export; or 2. by finding other markets. Nevertheless, both alternatives carry an additional cost for local companies. The blockade put in place by Serbia and Bosnia also discourages foreign investors in Kosovo. Kosovo has a high trade deficit which has not improved even after Kosovo became part of CEFTA agreement; on the contrary, it has increased. The trade deficit is estimated to be around 2 billion euro. Despite complaints from local institutions, as well as letters sent from the SRSG (Special Representative of the Secretary-General) clarifying that the replacement of customs stamps does not breach the Resolution 1244, Serbia and Bosnia continue to block Kosovo products, while at the same time both countries continue exporting their products to Kosovo without facing any problem In order to preserve the local economy and protect Kosovo producers GAP Institute suggests the following recommendations: 1. relevant institutions should take provisionary rebalanced measures, 2. impose quotas for certain imported products 3. use all legal means through CEFTA in order to settle down the disputes with Serbia and Bosnia, and 4. if the situations does not change, Kosovo should leave CEFTA and start signing bilateral agreements with every country individually.



INTRODUCTION

Kosovo is part of CEFTA agreement since 2007. The accession agreement was signed on behalf of Kosovo by UNMIK, with the given authority to represent Kosovo in foreign affairs. Fourteen months after singing the accession agreement with CEFTA, Kosovo declared its independence in accordance with the Ahtisaari proposed model. According to this model, which did pass at the Security Council and was rejected from Serbia, UNMIK should be dissolved while a new international body would be given the authority to monitor and assist in the state-building process.

Because the Ahtisaari proposal did not have the full support by Security Council, the Resolution 1244 remained still in force and as a result the mission of UNMIK is still active. Although with very limited competences, UNMIK continues to represent Kosovo in certain international forums like in the Security Council, as well as in other agreements signed by UNMIK, with CEFTA being one of them.

After the declaration of independence, Kosovo institutions did not manage to articulate its clear position in terms of how Kosovo would be represented in such international agreements. Five years after signing the CEFTA agreement and three years after the declaration of independence, the Kosovar public is divided into those who think that Kosovo should continue to be a member of CEFTA and those who think the opposite.

In this paper GAP Institute aims to answer a number of pressing questions like what is CEFTA - all about and how is the agreement implemented. What benefits does Kosovo have by being a member of CEFTA? How the agreement affected the local businesses? Who is breaching the agreement: Kosovo, by changing its customs stamp or Serbia and Bosnia by blocking the Kosovo products? What position Kosovo needs to have vis-a-vis CEFTA agreement? Finally, beside conclusions you may find annexes as well which will show the main indicators of trading within CEFTA.

Central European Free Trade Agreement (CEFTA)

To simplify the procedures of becoming an EU member state, countries from the Central Europe: Poland, Hungary, Czech Republic and Slovakia in 1992 founded The Central European Free Trade Agreement (CEFTA). CEFTA agreement is based on the concept of free-market economy, since member state countries believed that economy will further develop by promoting market economy and fair competition.

CEFTA was formed with the aim of removing barriers for trade reciprocity among member states; creating favorable conditions for trade diversification and development; stimulating trade and economic cooperation; intensification of economic relations for mutual benefit and for



contributing towards EU Integration; developing trade relation with EU and for integrating multilateral trade system¹.

After a short period of time, other countries from South-East Europe became members of CEFTA Agreement, with the aim of becoming EU members in the future. Countries that became CEFTA member, after four founding countries, were: Slovenia (1996), Rumania (1997), Bulgaria (1998), Croatia (2003), Macedonia (2006), whereas in 2007, six more countries became CEFTA members: Albania, Bosnia and Herzegovina, Serbia, Montenegro, Moldavia and UNMIK – in the name of Kosovo.

Serving as a temporary mechanism, on the one hand new countries joined CEFTA agreement, and on the other hand there were countries that left it. Poland, Hungary, Czech Republic and Slovakia became EU member in 2004 and therefore left CEFTA². Three years later Bulgaria and Rumania left CEFTA as well, since they became EU member states too.

As these cases show, CEFTA is a pre-accession mechanism in EU, whose main function is to achieve a degree of free trade among EU candidate countries. Even though it is not obligatory, CEFTA is an inevitable roadmap for all countries that aspire to become EU member states.

CEFTA functions in three levels:

- **Joint Committee**, which is led in rotation.
- Sub-Committees (the sub-committee on agriculture, sanitary and phyto-sanitary issues; sub-committee on customs and rules of origin; and sub-committee on technical barriers to trade and nontariff barriers), and
- CEFTA Secretariat, which is based in Brussels.

Kosovo in CEFTA

UNMIK signed the CEFTA Agreement on behalf of Kosovo on 19 December 2006; however only on 26 July 2007 Kosovo enjoyed a full membership status. Prior to CEFTA membership, Kosovo had signed bilateral free-trade agreements with Albania (2003), Macedonia (2005), Croatia (2006) and Bosnia (2006). These agreements advanced and were unified within CEFTA, since all these countries became members of this multilateral agreement.³

¹ Agreement on Amendment of and Accession to the Central European Free Trade Agreement

² CEFTA Agreement, , Article 51 Duration and Denunciation "The Parties agree that in the event of any eligible Party becoming a member of the European Union, that Party will withdraw from this Agreement. Withdrawal shall take place at the latest the day before membership takes effect and without any compensation to the other Parties subject to the altered conditions of trade.

³ Based on Annex 2 of the Agreement on Amendment of and Accession to the Central European Free Trade Agreement, all CEFTA member states are obliged to cancel their bilateral agreement which were signed before CEFTA Agreement.



Considering that the future economic development of Kosovo is based on trade, production and export, CEFTA was seen as a very important mechanism to achieve these objectives. As a member of CEFTA Kosovo is exposed to a market of 20 million consumers and to a GDP of € 120 million; moreover Kosovo is open to transfer know-how on trade, technology, and competition with other member countries, and at the same time this agreement serves as a preparation for EU and WTO (World Trade Organization) membership. In short, CEFTA had many advantages that would help in boosting Kosovo's economy.

However, Kosovo was unable to use these benefits. Eight months after it signed the agreement, Kosovo declared its independence. Three CEFTA member states didn't recognize Kosovo's independence⁴. As a result, with the request of Serbia and Bosnia in all CEFTA meeting Kosovo still is represented with a UNMIK representative.

Since 4th of December 2008, Serbia and Bosnia blocked the export of goods from Kosovo, as well as using their territory for transit purposes. The blockade occurred after Kosovo changed its customs stamps replacing UNMIK with Kosovo. For Serbia and Bosnia changing the stamp was against the CEFTA agreement.

This blockade caused a decrease in exports in 2008 for 9.8%. Companies from Kosovo faced with this problem had to use third countries in order to integrate in regional market. But this alternative means over-loaded procedures, time consuming and higher exporting costs. Apart from local businesses, international investors are too affected from this blockade. We assume that one of the reasons that discourage foreign investors to invest in Kosovo is because they have it difficult to export their products in the region. Foreign investors most likely would better invest in a country from where they can easily export in all CEFTA member states. As we mentioned above CEFTA enlarges the market for Kosovo from 2 million to 20 million consumers and this is a very strong factor in attracting foreign investors. However, since 2007, foreign investment didn't increase; in fact they decreased even more. Non compliance of the CEFTA agreement is one of the main reasons that caused the decrease in foreign investments.

⁴ CEFTA member status that did not recognize Kosovo's Independence is: Serbia, Bosnia and Herzegovina and Moldavia.



450 400 350 350 300 250 200 150 100 50 0

Figure no. 1: Foreign Direct Investments

Source: Central Bank of Kosovo

One problem here is that the CEFTA agreement itself does not have any provisions on what should be done in such cases when one country or a group of country blocks the goods of another CEFTA member state, and as such violating the free trade agreement. Based on CEFTA agreement⁵ parties that have disputes should solve them by cooperating and by negotiating in the Joint Committee of CEFTA, with the aim of achieving a mutual agreement. If parties in dispute still cannot reach an agreement with the intermediation of Joint Committee, than after 90 days provisionary rebalancing measurement can be applied. Moreover, the hurt party after 90 days of unsuccessful consultations can proceed with arbitrary procedures. If more than two countries require appearance in the arbitrary court, an arbitrary court is established for that specific issue, whose decision is obligatory for all members in dispute. Institutions from Kosovo several times have sent complains at authorities in Serbia, the European Commission and the Secretariat in Brussels, but they were never ready to further proceed this issue in the Joint Committee and request from the Committee to intermediate negotiations between Serbia, Bosnia and Kosovo; apply provisionary re-balancing measurement or start with arbitrary procedures.

UNMIK representatives' have declared that Kosovo stamps do not breech the Resolution 1244, and as such they are neither in conflict with CEFTA Agreement.⁷ PISG sent official letter in Serbia and Bosnia to officially inform them about this issue. Based on UNMIK, in the stamps is not written "Republic of Kosovo" but only "Kosovo" and as such this doesn't represent a violation. Nonetheless, even after the letter from UNMIK, and many

⁵ Agreement on Amendment of and Accession to the Central European Free Trade Agreement 2006, Chapter V General Disposition, Article 23 and 24, and Chapter VII Functional Rules, Articles 42 and 43

⁶ Explanation: Provisionary re-balancing measurements imply applying temporary measurements to protect local products towards a country which is violating the Agreement, and harms the state's economy.

⁷ This fact is reporter as well on Progress Report of the European Commission for Kosovo 2010



criticisms from EU, Serbia and Bosnia continue to block Kosovo products in the border.

Trade Indicators in Kosovo

Since the end of the war Kosovo has faced high trade deficit. Kosovo imports much more than it actually exports. Even though exporting capacity increased through years, import increased as well, and as such trade deficit remained high.

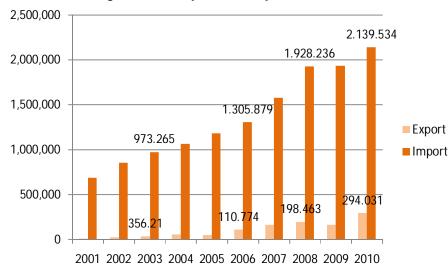


Figure no.2: Export and Import in Kosovo

Source: Statistical Office of Kosovo

Until 2007, Kosovo products were exported mainly in the region; but since 2007, due to the Autonomous Trade Measurement Agreement between Kosovo and the EU, the main exporting destination became EU. However, the Autonomous Trade Measurement Agreement expired in December 2010 and until now it was not re-negotiated. The table below presents the export and import of Kosovo with the region and EU.

Table no.1: Export and Import with the Region and EU (in 1.000€)

Years	Ex	port	Import				
	Region	BE	Region	BE			
2004	23.510	16.248	368.701	378.144			
2005	26.027	17.285	440.334	431.977			
2006	51.745	28.602	536.254	391.335			
2007	67.500	69.370	579.574	572.904			
2008	61,534	93.974*	717.640	701.982*			
2009	53,482	71.275*	692.465	755.004*			
2010	70.933	131.460*	799.015	821.233*			

* means that since 2008, EU has 27 state-members Source: Statistical Office of Kosovo



Destination of exports or imports of goods can be seen also from the load in the customs stations 'Hani i Elezit' and 'Kulla e Pejës' are customs stations with the highest load regarding exports, while for imports customs stations in Mitrovica and Merdare are loaded too. From the figure below we can see that after Serbia and Bosnia have blocked Kosovo products exports in the customs station 'Merdare' has decreased more for than two times, but it increased in the customs stations of 'Hani i Elezit' and 'Vërmica', while imports have remained the same.

200,000 173.923 180,000 160,000 140,000 ■ Hani I Elezit 120,000 95.845 ■ Kulle Peje 100,000 71.158 80,000 ■ Mitrovica 60,000 37.195 ■ Merdare 40,000 12.65 .715 Airport 20,000 3.466 0 Vermica 2004 2005 2006 2007 2008 2009 2010 **Export**

Figure no.3: Export based on custom points

Source: Statistical Office of Kosovo

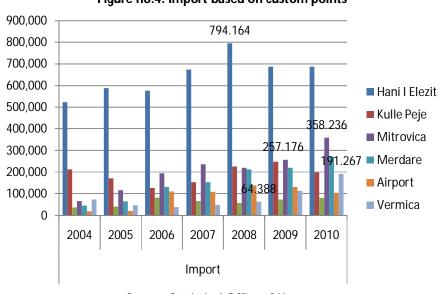


Figure no.4: Import based on custom points



Impact of CEFTA in the economy of Kosovo

Kosovo signed CEFTA agreement without any condition. Even though the CEFTA agreement allows negotiating countries to put quotas for some specific products, with the aim of protecting certain local products, Kosovo didn't put any kind of quota. Since the beginning this turned to be problematic for local producers, who were not competitive in their own market, since their products were more expensive then the imported ones. Moreover, all regional countries put quotas for some specific products in their countries, and as such products from Kosovo were not competitive in their markets.⁸

If we analyze the export value with CEFTA members we can see that export increased slowly after Kosovo became member of CEFTA. In 2006 export with CEFTA member countries was $\{51.7\ \text{million}\}$, whereas in 2010 it increased at $\{70.9\ \text{million}\}$. It was an increase of 37% within 4 years, which is not a desirable achievement when we take into consideration the low level of export in general.

Table no. 2: Export with CEFTA member countries (in € 1.000)

	Export											
	2004	2005	2006	2007	2008	2009	2010					
Bosnia and												
Herzegovina	1,503	3,399	5,126	5,287	5,919	1,206	1,877					
Montenegro	10,060	622	2,207	2,913	3,770	3,084	3,917					
Serbia	10,000	6,265	20,910	19,280	9,893	3,504	3,846					
Macedonia	9,641	9,619	9,734	17,384	20,046	17,355	26,296					
Albania	1,793	5,240	12,645	20,799	21,113	26,182	32,288					
Croatia	513	882	1,123	1,837	793	2,151	2,709					
Moldavia	n/a											
Total	23,510	26,027	51,745	67,500	61,534	53,482	70,933					

We notice a decrease in export in 2008 and 2009 that resulted after the blockade of local goods in Serbian and Bosnian border. In 2010 we marked an increase in exports, which came as a result of increase in exports with Albania and Macedonia. Companies from Kosovo used these two countries as alternative ways to export their products, after the blockade.

⁸ A known example is the quota that Albania put for potatoes, since it decided to protect its local potato producers.



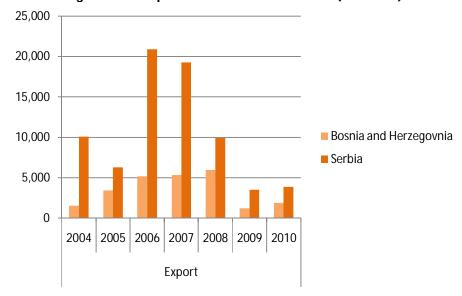


Figure no.5: Export with Bosnia and Serbia (in € 1.000)

Source: Statistical Office of Kosovo

Until 2008, Kosovo has exported with Bosnia mainly in these categories: 'Leather and similar articles', "Food, drinking and cigarettes', 'Handmade products', and 'Metals', whereas with Serbia mainly has exported in these categories: 'Metal bases', 'Food', and 'Vegetables'. Hence, as a result of the blockade from Bosnia and Serbia, these categories were influenced mostly.

Companies that export the most with Bosnia are the followings:

- "Adi" SH.P.K. Different animal leather
- "Viski Comerc" Different animal leather
- "Leather Holding" N.Sh. Different animal leather
- "Donna" Different animal leather
- "Laberion" Fruit Juices
- "Fluidi" Energetic Drinks, with gas, RC Cola
- "Ekocon" steel bar

Whereas companies that exports the most with Serbia are the followings:

- "EXIM Shped" Steel tubes
- "Trepça" waste metal
- "Stone Castle" white and red wine
- "Haxhijaha" wine
- "Fungo", mushrooms; and
- "Pestova" potato and chips

Companies have found different alternative ways not to lose their total market shares. Most of the companies tried two different options:



- 1. Exporting their products in Serbia and Bosnia through another country, such as Macedonia and Albania, although the transporting cost have increased for 5-10%; and
- 2. Looking for new markets in the region.

Kosovo companies say these alternatives are only temporary solutions, and they cannot be applied for a very long time, since they carry additional costs.

Kosovo imports much more from Bosnia and Serbia, compared to exporting capacity. In 2010, Kosovo imported € 82.9 million from Bosnia and € 260 million from Serbia.

300,000 250,000 150,000 100,000 0 2004 2005 2006 2007 2008 2009 2010 Import

Figure no.6: Imports from Bosnia and Serbia (in € 1.000)

Source: Statistical Office of Kosovo

As you can see from the figures above, if Kosovo would eventually block products from Bosnia and Serbia, both countries will face more economic consequences than Kosovo is facing now. Hence, it is very unlikely that these two countries would risk trade relations with Kosovo, if Kosovo decided to apply reciprocity measures. If businesses exporting huge amounts of goods in Kosovo would face a blockade, most probably they themselves will require from their own governments to find possible solutions.



Summary and Conclusions

Kosovo became a member of CEFTA in a time when Kosovo was facing a huge trade deficit and had a weak economy. CEFTA membership was seen as a solution in improving this situation. People in Kosovo believed that by integrating in an open market, foreign direct investment will boost, local producers will have easiness in exporting, and that Kosovo will be one step closer toward the EU.

Four years after membership in CEFTA, none of these have happened. Foreign direct investments plugged in half, trade deficit remained the same; local producers are discriminated compared to other procurers in CEFTA countries (either as a result from quotas that are not applied in Kosovo, or as a result that they can't export in Bosnia and Serbia).

Because of the slow economic growth, Kosovo was in an unfavorable situation within CEFTA. The situation became even worse after Bosnia and Serbia blocked Kosovo products. Due to this blockade the export of local products decrease, making it much harder for local companies to survive. The Kosovo Government changed the customs stamps, although it was not prepared to take the process further, , by insisting that Kosovo should be represented with its own institutions and not through UNMIK representatives.

Faced with these crises, local companies had to find alternative ways for exporting their products. Hence, they found two alternative ways: 1. Exporting their goods through another country (which increased transporting cost from 5-10%), or 2. by exploring new markets. The second alternative influenced the increase in exports with EU, which was made easier as well through the Agreement for Autonomous Trade Measurements, signed by EU and Kosovo. However, in the end of 2010 this agreement expired as will, re-signing of which is prohibited from 5 EU members states that did not recognize Kosovo independence.

By taking into consideration these effects and losses that (non)application of CEFTA agreement from Bosnia and Serbia causes to Kosovo, Institute for Advanced Studies GAP recommends the followings:

- 1. Applying provisionary re-balancing measures. Until an agreement is reached with Bosnia and Serbia, Kosovo should increase temporary customs tax for goods imported from the two countries. In effect, it would re-balance the losses that these two countries cause for Kosovo. However, the increase in customs taxes should be done after Kosovo had notified the Joint Committee and authorities in Bosnia and Serbia.
- Applying quotas. The Kosovo Government should apply quotas for protecting some of its local products, which will make them more competitive in the local market, compared to the imported products.



- 3. Opening a discussion with Bosnia and Serbia in a Joint Committee, just like the CEFTA agreements foresees in cases when two or more members have disagreements. As Kosovo prepares to chair the Committee this year, local institutions should put in their agenda the discussion about this disagreement and try to achieve a compromise. If the discussion does not result in an agreement within 90 days, Kosovo should take this issue in arbitrary.
- 4. Leaving CEFTA and signing bilateral agreements with each country separately. Statistics show that Kosovo didn't gain much from CEFTA membership, as it was expected in the beginning. If Croatia joins the EU, and Bosnia and Serbia continue to block Kosovo goods in the border, then Kosovo should leave CEFTA and sign bilateral agreements with Albania, Macedonia and Montenegro. The request from Kosovo local companies for applying reciprocity measures is against CEFTA agreement, and as such we do not recommend it. Therefore leaving CEFTA in this case would be the appropriate decision. However, this should be the last option; after all other alternatives are tried.



Appendix: Kosovo Trading data with CEFTA Members and EU

Table No. 3: CEFTA Membership

State	Entrance	Part from
Poland	1992	2004
Hungary	1992	2004
Czech Republic	1992	2004
Slovakia	1992	2004
Slovenia	1996	2007
Rumania	1997	2007
Bulgaria	1999	2007
Croatia	2003	Member
Macedonia	2006	Member
Albania	2007	Member
Bosnia and		Member
Herzegovina	2007	
Moldavia	2007	Member
Montenegro	2007	Member
Serbia	2007	Member
Kosovo	2007	Member

Source: CEFTA 2006

Table no.4: Export and Import in Kosovo (in € 1.000)

	Export	Import	Trade Balance	Percentage of coverage
2001	10.559	684.500	-673.941	1,5%
2002	27.599	854.758	-827.159	3,2%
2003	35.621	973.265	-937.644	3,7%
2004	56.567	1.063.347	-1.006.780	5,3%
2005	48.939	1.180.022	-1.131.083	4,1%
2006	110.774	1.305.879	-1.195.105	8,5%
2007	165.112	1.576.186	-1.411.074	10,5%
2008	198.463	1.928.236	-1.729.773	10,3%
2009	165.328	1.935.541	-1.770.214	8,5%
2010	294.031	2.139.534	-1.845.503	13,7%



Table no. 5: Export with the Region and EU (in € 1.000)

		Export											
	2004	2005	2006	2007	2008	2009	2010						
Bosnia and													
Herzegovina	1.503	3.399	5.126	5.287	5.919	1.206	1.877						
Montenegro	10.060	622	2.207	2.913	3.770	3.084	3.917						
Serbia	10.000	6.265	20.910	19.280	9.893	3.504	3.846						
Macedonia	9.641	9.619	9.734	17.384	20.046	17.355	26.296						
Albania	1.793	5.240	12.645	20.799	21.113	26.182	32.288						
Croatia	513	882	1.123	1.837	793	2.151	2.709						
Moldavia	n/a	n/a	n/a	n/a	n/a	n/a	n/a						
Total	23.510	26.027	51.745	67.500	61.534	53.482	70.933						
EU													
Countries	16.248	17.285	28.602	69.370	93.974*	71.275*	131.460						

Source: Statistical Office of Kosovo

Table no.6: Import with the Region and EU (in € 1.000)

		Import										
	2004	2005	2006	2007	2008	2009	2010					
Bosnia and												
Herzegovina	12.845	18.450	18.465	29.838	38.747	59.739	82.979					
Montenegro	161.281	6.411	17.800	15.063	13.789	13.059	11.388					
Serbia	101.201	152.257 191.053 2		222.534	208.951	210.901	260.156					
Macedonia	149.218	220.148	257.754	237.895	346.536	291.837	316.062					
Albania	20.237	18.093	23.108	35.262	59.632	58.385	69.092					
Croatia	25.120	24.975	28.074	38.982	49.985	58.544	59.338					
Moldavia	n/a	n/a	n/a	n/a	n/a	n/a	n/a					
Total	368.701	440.334	536.254	579.574	717.640	692.465	799.015					
EU												
Countries	378.144	431.977	391.335	572.904	701.982*	755.004*	821.233					

Source: Statistical Office of Kosovo

Table no.7: Export by custom point (in € 1.000)

	Export										
	2004 2005		2006	2007	2008	2009	2010				
Hani i Elezit	31.600	29.270	43.324	80.399	74.484	95.845	173.923				
Kulle Peje	6.520	6.450	4.402	10.111	71.158	19.705	29.652				
Dheu i Bardhe	2.300	810	2.256	2.012	2.501	461	1.768				
Mitrovica	9.916	4.235	29.117	37.925	13.971	19.705	27.519				
Merdare	1.361	3.336	12.092	5.453	9.715	3.530	3.466				
Airport	1.481	348	2.948	3.172	6.155	3.534	8.584				
Vermica	2.823	3.278	8.033	12.210	11.134	12.653	37.195				
Electric											
Energy	:	1.207	8.462	12.532	8.238	6.999	10.122				



Table no.8: Import by custom point (in € 1.000)

		Import										
	2004	2005		2006 2007		2009	2010					
Hani i Elezit	521.552	587.878	576.796	673.062	794.164	685.974	687.914					
Kulle Peje	213.147	170.910	125.980	152.784	226.133	248.983	198.600					
Dheu i												
Bardhe	36.446	41.658	81.486	66.550	57.486	74.059	80.687					
Mitrovica	66.727	117.297	194.149	236.035	219.421	257.176	358.236					
Merdare	46.450	65.261	130.568	152.285	211.998	219.774	271.892					
Airport	19.826	21.127	111.531	108.131	139.376	131.040	103.969					
Vermica	73.853	47.705	37.773	48.869	64.388	114.557	191.267					
Electric												
Energy	19.171	16.723	24.548	47.836	57.424	51.005	38.487					

Source: Statistical Office of Kosovo

Tabela nr.9: Eksporti dhe Importi i produkteve

				Export							Import			
Produktet	2004	2005	2006	2007	2008	2009	2010	2004	2005	2006	2007	2008	2009	2010
Live animals; animal products	34	450	335	616	1,158	1,077	927	52,417	54,177	50,477	61,211	85,426	84,598	87,017
Vegetable products	2,569	2,766	5,062	9,111	8,986	9,484	12,137	68,147	57,486	72,991	83,444	103,634	90,035	108,492
Edible oils	21	2	54	:	23	76	100	7,255	11,079	15,313	17,301	22,719	18,171	18,997
Prepared foodstuffs, beverages and tobacco	3,836	4,551	6,195	8,407	10,597	9,356	11,408	165,406	164,772	180,644	222,156	261,917	241,566	261,678
Mineral products	2,438	3,209	18,790	27,316	18,669	24,952	38,756	173,072	212,307	241,667	295,295	378,629	331,303	413,776
Products of chemical industries	1,021	956	1,174	889	1,773	1,482	1,323	97,966	91,366	107,730	119,858	138,783	142,902	146,615
Plastics, rubber and articles thereof	3,675	912	3,214	6,514	6,476	6,357	8,030	42,500	51,016	60,677	72,764	86,082	95,748	108,098
Leather and their articles	5,867	6,114	7,232	6,488	4,861	4,454	9,650	1,011	1,514	2,150	2,541	2,801	3,367	3,822
Wood and articles of wood	434	417	758	1,712	1,730	876	1,248	29,921	30,724	30,305	35,429	41,685	44,922	48,983
Paper and their articles	368	362	671	1,039	1,099	1,033	1,042	33,415	25,013	27,555	31,884	39,012	45,412	49,315
Textiles and textile articles	1,371	581	724	1,224	2,536	5,241	8,329	31,154	36,741	45,122	53,036	63,982	69,089	71,568
Footwear	118	143	70	103	102	95	49	10,350	11,315	14,287	16,335	18,275	18,805	24,338
Art.of stone, plaster, ceramic prod. and glass	1,819	354	716	1,218	1,460	1,240	1,402	54,948	51,487	56,994	63,028	67,195	73,465	84,705
Pearls, precious stones, metals etc.	149	207	201	161	91	31	27	282	267	357	623	1,008	1,294	1,441
Base metal and articles of base metal	19,723	23,751	53,119	74,112	124,774	88,363	185,159	77,455	90,660	112,609	144,346	179,625	159,368	189,965
Machinery, appliances and electric materials	9,164	2,711	7,658	21,326	8,789	7,206	11,312	116,765	133,924	153,315	203,422	239,927	278,689	288,239
Transport means	1,980	921	1,398	1,504	2,342	1,620	1,468	50,218	110,332	79,341	95,907	131,148	162,215	155,947
Optical,medical,potog. musical instr.	1,141	214	274	438	652	529	357	15,054	16,080	14,265	19,269	21,410	23,091	35,055
Arms and ammunition	2	i.	2,474	:	i	ŀ	0	459	166	481	360	368	410	4,976
Miscellaneous manufactured articles	699	318	629	2,831	2,345	1,853	1,897	35,364	29,558	29,496	37,862	44,512	50,946	57,318
Works of art	138	į.	27	92	i	ŀ	0	188	38	103	115	100	146	5,405
Total	56,567	48,939	110,774	165,112	198,463	165,328	294,621	1,063,347	1,180,022	1,305,879	1,576,186	1,928,236	1,935,541	2,165,750





The **Institute for Advanced Studies** GAP is a leading Kosovo Think Tank. GAP's main purpose is to attract professionals by creating a professional research and development environment commonly found in similar institutions in Western countries. This will include providing Kosovars with an opportunity to research develop and implement projects that would strengthen Kosovo society. A priority of the Institute is to mobilize professionals to address the country's pressing economic, political and social challenges. GAP's main objectives are to bridge the gap between government and people, and to bridge the gap between problems and solutions.

The **Institute for Advanced Studies** GAP is funded by:



