

Impact of the War in Ukraine on Kosovo's Economy



—
April 2022

Impact of the War in Ukraine on Kosovo's Economy

April 2022

— Contents

Executive Summary	3
Introduction	4
Principal channels of influence of the Ukraine-Russia War on Kosovo's economy	5
Other Developments in Kosovo's Domestic Market	9
Government Interventions during the Price Crisis	11
Conclusion	13

This analysis was originally written in Albanian.

Executive Summary

The start of Russian invasion of Ukraine on February 24, 2022, followed by sanctions imposed on Russia by many Western countries, has caused supply-side shocks on the market and, consequently, a significant rise in prices of many products. This is because Russia and Ukraine are among the largest exporters in the world of certain major commodities, such as wheat, corn, gas, oil, vegetable oil, and fertilizers, where they together account for 10 to 40% of global exports of those commodities. Europe, in particular, relies on Russia for gas supplies at 44% of annual imports; coal at 54%; and oil at 26%. Europe's energy independence from Russia in the short and medium term, aiming to replace imports of these commodities from other countries, which based on current global production data cannot be replaced by more than 33 to 50%, is unlikely. Similarly, wheat inventories worldwide are tight and insufficient to substitute supplies from Russia due to reduced harvests in 2021–2022, in countries like Canada or the United States, but also because of the tendency of countries like Argentina to limit the amount of wheat imports as they aim to hedge against domestic inflation. All these indicate to a significant increase in commodity prices throughout 2022, with the expectation that they will be sustained in the medium term.

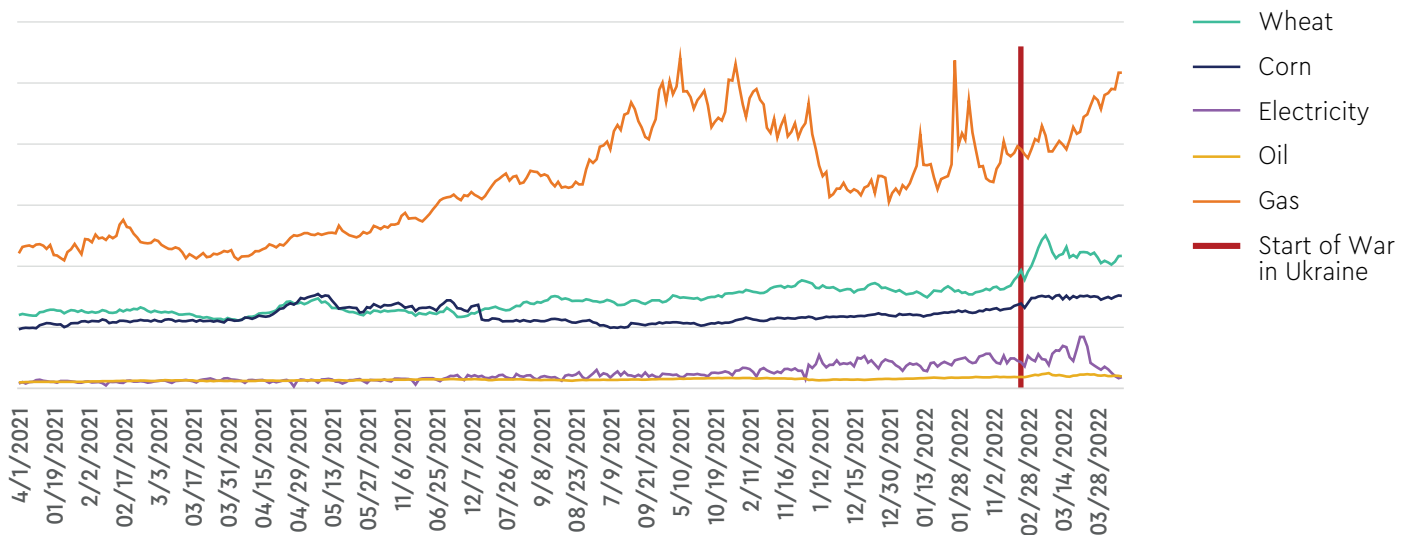
Kosovo is a net importer of electricity, oil, wheat, corn, vegetable oil, and developments in international markets are directly reflected in our national economy. Considering that the crisis has been caused by a supply-side shock, which is also accompanied by a high level of aggregate demand since 2021, Government policies should be such that they do not fuel demand for these products. At this point, the reduction of personal income tax rates for all citizens and the support of initiatives such as the withdrawal of 30% of savings from the Kosovo Pension Savings Trust can produce adverse effects on the economy. It is important for the Government, with revenues collected beyond projections, as a result of high prices, to further support the most vulnerable groups in society at risk of falling into poverty, such as citizens benefiting from the Social Assistance Scheme, those who may lose their jobs, etc. Agricultural subsidies and reduction of excise duty rates on oil for farmers in Kosovo during 2022, appear to be adequate measures to cover the risk of farmers not increasing production of these crops this year, and such support should be sustained until prices normalize. In addition, energy actors should consider choosing hedging strategies for electricity this year, considering the indications for high electricity import prices even in the medium term. Similarly, as the demand of citizens in Kosovo for oil products seems to be inelastic, measures to subsidize public transportation, as well as support to initiatives that encourage carpooling and reduced vehicle use, should be considered.

Introduction

With the breakout of the pandemic in 2020, the restriction of movement of people affected important sectors of some countries that rely on labor from neighboring states. This, together with an overall decline in demand, reduced the level of production or supply in the market. However, with the rapid recovery of economies worldwide throughout 2021, the scarcity of products in the market versus high demand led to a rise in prices of many products.¹ In Kosovo, during November 2021, the price of edible oil had already spiked by 38% compared to 2020; oil by about 29%; wheat and sugar by 4% each.² Nonetheless, during the summer of 2021, high demand for electricity consumption due to high temperatures, accompanied by a significant reduction in gas supply by Russia as well as low electricity production from wind farms, affected the multiplication of electricity prices. Yet, due to regulated electricity prices in Kosovo for household and non-household customers, this increase was not reflected in the citizens' utility bills until the extraordinary review of tariffs in the period February-March 2022. However, about EUR 155 million have been spent only on imported electricity in 2021.³ Similarly, prices of electrical materials increased by 31.3% in the last quarter of 2021 compared to 2020, as well as construction materials by 21%.⁴

While it was expected that supply chain bottlenecks would begin to ease and there would be a stabilization of prices, the start of Russian invasion of Ukraine on February 24, 2022, has significantly aggravated the supply-side situation and consequently led to a surge in prices of a wide range products, in many cases multiplying them. Russia and Ukraine are among the largest producers in the world of certain energy-related commodities, such as gas and oil, as well as iron, wheat, corn, fertilizers, sunflower oil, etc.

Figure 1. Rise in commodity prices in international stock markets for the period January 2021 – March 2022



Source: GAP Institute using data from Nasdaq and HupX

¹ See GAP Institute paper "Price Increase in Kosovo and Potential Measures to Mitigate the Effect of Inflation."

Source: <https://bit.ly/3vFdd6g>

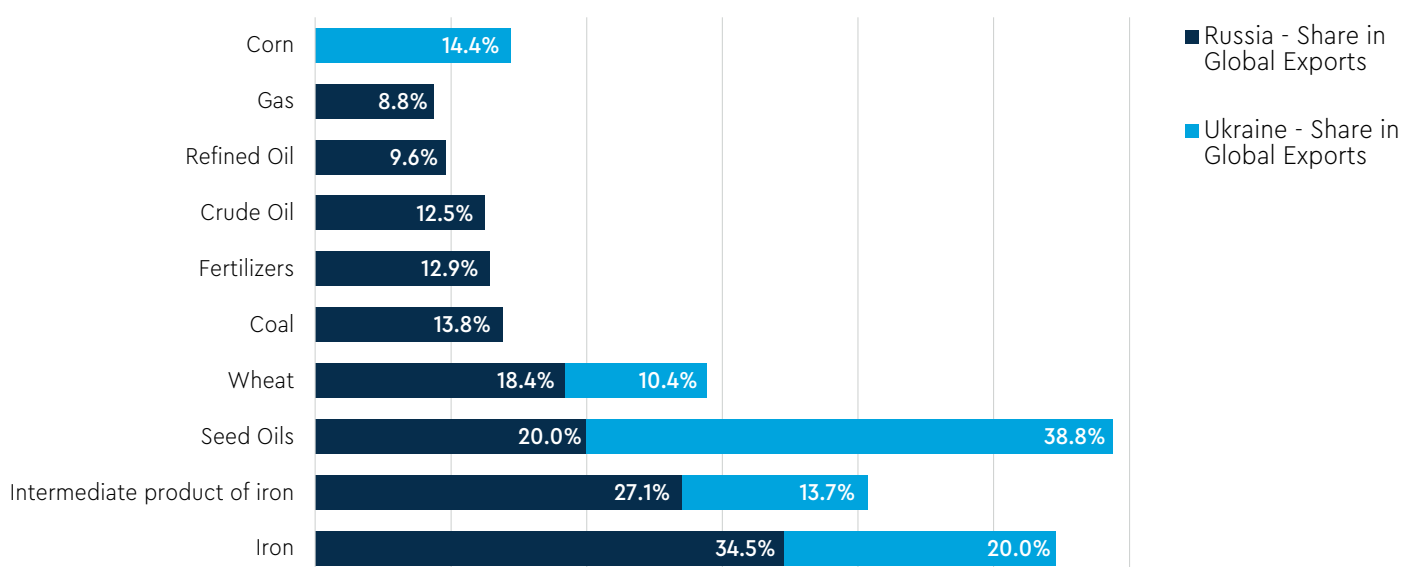
² Source: Kosovo Agency of Statistics. ASK Data: Prices.

³ Energy Regulatory Office. Source: <https://bit.ly/3rhLYx4>

⁴ Source: Kosovo Agency of Statistics. Construction Cost Index, Q4 2021. Source: <https://bit.ly/38W1bxy>

Considering that Kosovo is a small economy and highly dependent on imports, such a shock dealt to the global economy where a significant imbalance is created between supply and demand has an inevitable effect on us as well. Due to the Russian invasion of Ukraine, the European Bank for Reconstruction and Development (EBRD) has also revised its forecast for real growth for the countries where it operates, including Kosovo, where its initial forecast for real economic growth of 4.5% in 2022, has now been cut to 4%.⁵ Similarly, the World Bank (WB), in its latest report forecasts a real economic growth rate of 3.9% for Kosovo in 2022, as well as an increase in price levels of 5.4%; which according to WB could rise even further due to the war in Ukraine.⁶ In the period January-March 2022 alone, the level of consumer prices was 8.2% higher than in 2021.⁷

Figure 2. Share of Russia and Ukraine in global exports in several sectors, 2019



Source: GAP Institute using data from the Observatory of Economic Complexity

This paper aims to assess the economic impact of the Russian invasion of Ukraine on Kosovo's economy, analyzing the weight of both these countries in international markets, the principal indirect and direct channels of influence on Kosovo's economy, and the short- and medium-term perspective of price fluctuation. Further, the paper aims to present the measures introduced by the Government of Kosovo and governments in the region and to provide recommendations regarding contending with this situation.

Principal channels of influence of the Ukraine-Russia War on Kosovo's economy

Electricity

One of the principal channels of influence of the Ukraine-Russia War on Kosovo's economy is through imported electricity. Despite the fact that in recent years, countries have made progress in augmenting their electricity production capacity, including from renewable energy sources, a large number of them are still heavily reliant on gas and coal for heating and production of electricity.

⁵ European Bank for Reconstruction and Development. Source: <https://bit.ly/3xi83zE>

⁶ World Bank. Source: <https://bit.ly/3JyN5iu>

⁷ Source: Kosovo Agency of Statistics. ASK Data: Consumer Price Index

Insufficient gas supply from Russia to many European countries has further aggravated the situation in the electricity market since the beginning of fall in 2021. Annually, Russia accounts for over 8.8% of all world gas and about 14% of coal exports.⁸ Europe's dependence on Russia for gas supplies is about 44% or about 155 billion cubic meters of gas per year and for solid fuels, such as coal, it is at over 54%. In Germany, where gas is the third most important source of energy, more than 55% of gas imports came from Russia. Similarly, over 45% of the coal used to produce electricity in Germany is imported from Russia.⁹ Other countries are also reliant on Russian gas imports, e.g., Czech Republic with over 84%; Hungary 58%; and Italy 37%.¹⁰

Currently, there are some overly optimistic scenarios for Europe to rapidly become independent from Russian gas, based on the construction of liquefied natural gas terminals and more interconnection lines, faster introduction of solar and wind capacities, and enhanced energy efficiency. However, out of an average of 155 billion cubic meters of gas annually imported to the European Union from Russia, such measures, in case of successful application in the medium term, could subtract only about 80 billion cubic meters from this quantity.¹¹ While for countries like Germany, another optimistic scenario predicts that it may wean itself off Russian gas by the middle of 2024.¹² Further, the United States committed to provide the European Union with additional, at least, 15 billion cubic meters of liquefied natural gas in 2022, with the goal to have Europe's liquefied natural gas imports from the United States reach 50 billion cubic meters by 2030.¹³ In relation to current gas imports from Russia, achieving this target means replacing only one third of the imported gas. Similarly, Canada has pledged to increase the volume of liquefied natural gas exports to Europe by up to 300 barrels per day (bpd),¹⁴ however this quantity is extremely small in relation to Russia's daily supply to Europe.

Currently, the circumstances appear aggravated in terms of electricity prices, where the United Kingdom alone has announced that electricity bills will increase by over 54% from April 2022.¹⁵ Similarly, trading in long-term electricity contracts, much like in October, November, and December, remains at relatively high prices.¹⁶

Demand for electricity in Kosovo is usually covered by domestic capacity at the rate of about 85 to 87 percent of domestic production, which provides Kosovo with a high degree of energy independence. However, in 2021, there were two developments in the field of electricity with a major impact in Kosovo: a significant increase in imports at the rate of 19% and a significant increase in electricity demand by about 11.7%. Total imports of 1,300 GWh during 2021 had a cost of about EUR 155 million, which were to a great extent affected by the unplanned shutdown of certain production units of the Kosovo Energy Corporation (KEK). Similarly, about EUR 41 million were spent on electricity imported by the Kosovo Transmission, System, and Market Operator (KOSTT) for municipalities in the north. Further, companies that operate at unregulated prices, such as Ferronikeli, Sharrcem, and Trepça, have faced extremely high import prices and were forced to temporarily suspend operations (Ferronikeli).¹⁷

8 Observatory of Economic Complexity. Source: <https://oec.world/en/>

9 Journalism for the energy transition. Source: <https://bit.ly/3Jothhv>

10 Real Instituto Elcano. Source: <https://bit.ly/3v81e0T>

11 International Energy Agency. Source: <https://bit.ly/3Jm9sHG>

12 Bloomberg. Source: <https://bloom.bg/3jqAFyy>

13 European Commission Source: <https://bit.ly/370remV>

14 Reuters. Source: <https://reut.rs/3LO43e2>

15 Kallxo.com. Source: <https://bit.ly/3E071tt>

16 CME Group. Source: <https://bit.ly/3KsNFzB>

17 Energy Regulatory Office. Source: <https://bit.ly/3rhLYx4>

The introduction of new progressive electricity tariffs, which appropriately aim to encourage consumers to save electricity, may to some extent reduce energy use among household consumers. Certainly, considering the experience of the past year, it is necessary for all energy market actors to discuss the possibility of applying hedging strategies, such as concluding contracts that provide for future rights (futures or forwards contracts) to mitigate risk. Although the energy market in Kosovo operates pursuant to the day-ahead principle, according to the Energy Purchase Agreement concluded at the time of the privatization of the distribution system, finding such a solution for contracting energy at the peak time during winter months, could avert the possibility of recurring scenarios of such energy crisis in Kosovo where power outages were applied. In addition to economic impacts, the outages also caused major liquidity problems to energy market actors themselves.

Oil

Another channel of influence of the Ukraine-Russia War on Kosovo's economy is through oil imports. Russia exports about 12.5% of the world's total annual exports of crude oil and over 9.6% of refined oil.¹⁸ Europe is dependent on oil imported from Russia at a rate of 26% and Germany alone imports about 34% of its crude oil from Russia, which after processing is used mostly as transportation fuel and less for power production.¹⁹ Similarly, the Netherlands import crude and refined oil from Russia at about USD 30 billion per year; Italy over USD 8 billion; Poland over USD 8 billion.²⁰ Part of the problem with oil supply is the reluctance of countries to transact with Russian financial intermediaries due to sanctions imposed by major states, such as the US, against Russia.²¹ The International Energy Agency estimates that a 38% reduction in current Russian daily supplies of crude oil could trigger one of the biggest supply-side crisis in decades.²²

What is problematic here is the positioning of two key members of the Organization of the Petroleum Exporting Countries (OPEC), Saudi Arabia and the United Arab Emirates, not to increase oil production, but to adhere to long-term plans.²³ An increase in oil supply from Iran is expected to stabilize the market for some time.²⁴ Rising fuel prices increase the cost of transportation, which directly affects the incentive of enterprises to step-up or not to step-up production.

Kosovo Customs data on oil and gasoline consumption during the period January-March of 2021 and 2022, show that the demand for these two products in Kosovo has not changed, although we have a significant increase in price. Although the price of imported oil per unit during the period January-March 2022 increased by over 89%, the quantity of imports grew by 2.5%, where the price elasticity of demand (PED) coefficient was 0.03. Similarly, in terms of gasoline, the PED coefficient was 0.1 indicating that demand is inelastic. So, despite the large increase in oil prices in Kosovo, demand remains remarkably high.

18 Observatory of Economic Complexity. Source: <https://oec.world/en/>

19 Journalism for the energy transition. Source: <https://bit.ly/3uuJxcs>

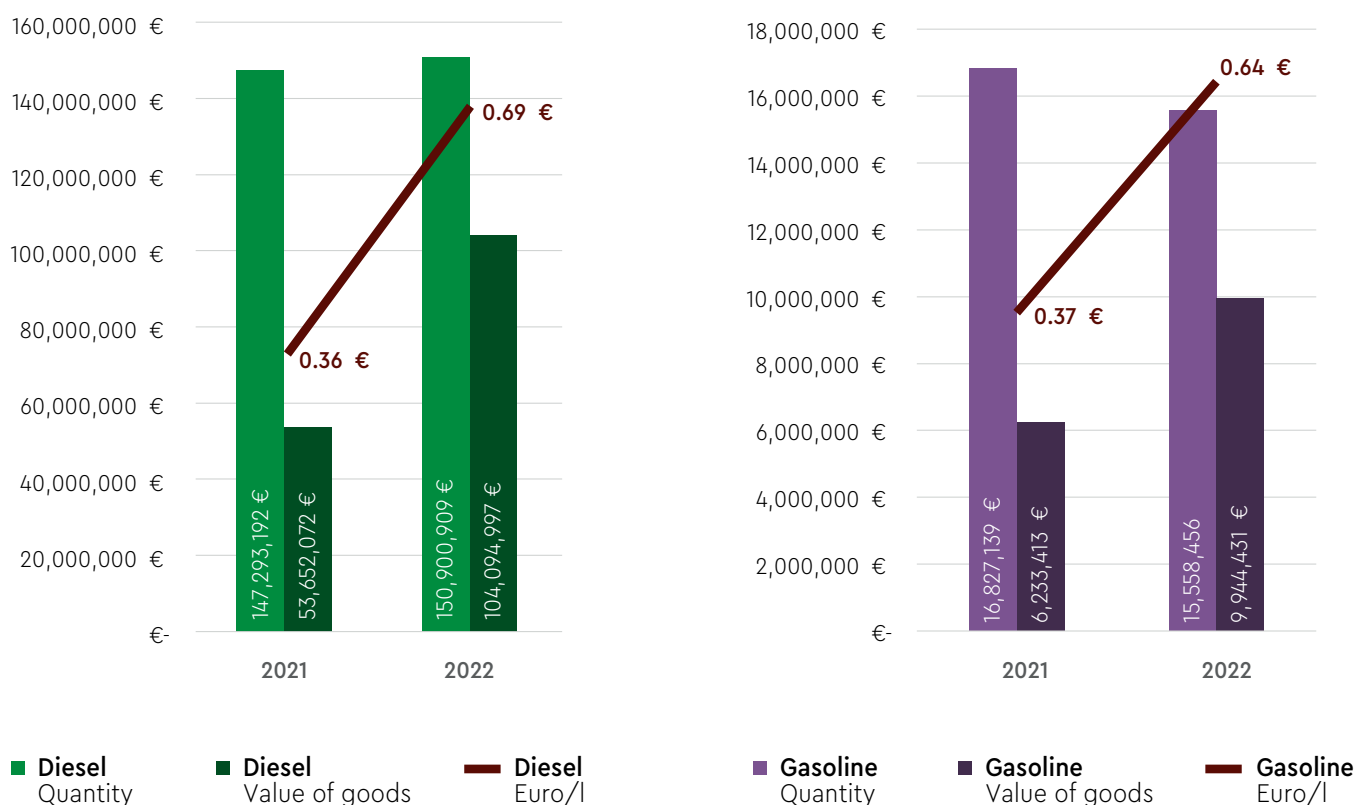
20 Observatory of Economic Complexity. Source: <https://oec.world/en/>

21 The Economist. Source: <https://econ.st/3rfsKrY>

22 The New York Times. Source: <https://nyti.ms/3jqxqqE>

23 Ibid.

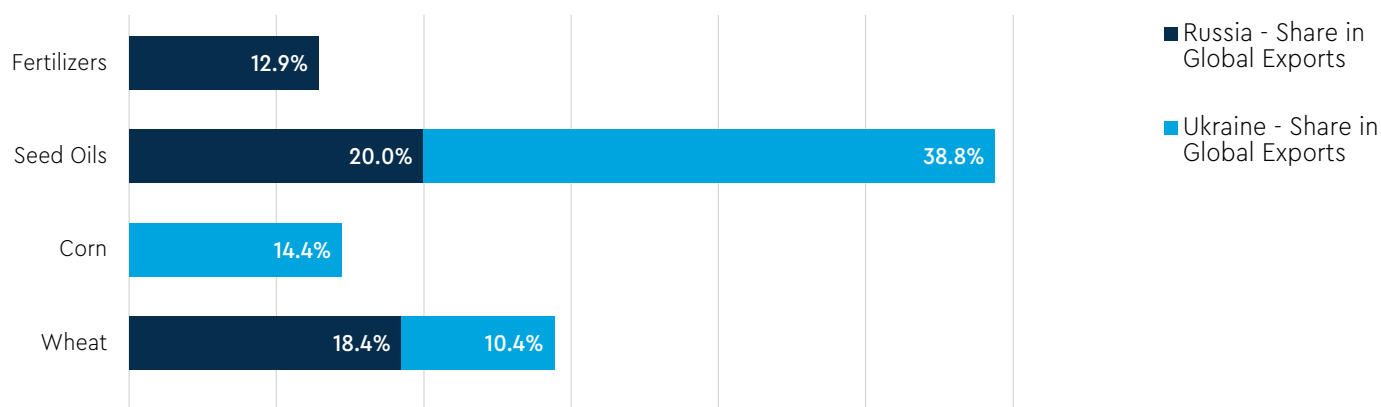
24 JP Morgan. Source: <https://bit.ly/3xi2Qrm>

Figure 3. Demand for diesel and gasoline in Kosovo, January-March 2021-2022

Source: GAP Institute using data from Kosovo Customs

Foodstuffs and Raw Materials

One of the other principal channels of influence on prices, due to the Ukraine-Russia War, in our domestic economy is through the increase of import prices of foodstuffs and raw materials. Russia is the world's largest exporter of wheat with over 18% of total annual exports in the world, while it also exports high quantities of barley with over 11.4% share in the world market. Meanwhile, Ukraine is also a leading global exporter of seed oils with 38.8% of total world exports, as well as 14.4% of total corn exports.²⁵

Figure 4. Share of Russia and Ukraine in global exports of foodstuffs and fertilizers, 2019

Source: GAP Institute using data from the Observatory of Economic Complexity

²⁵ Observatory of Economic Complexity. Source: <https://oec.world/en/>

According to a report by the Food and Agriculture Organization of the United Nations (FAO), published in March 2022, although the decline in wheat and corn exports from Russia and Ukraine may give rise to import orientation to other countries of origin, wheat inventories are already especially tight in Canada and the United States, following reduced harvests in 2021–2022. Similarly, according to this report, Argentina's exports will likely remain limited by Government efforts to control domestic inflation, while Australia has already reached its maximum shipment capacity logistically. In such a setting, other countries could err on the side of caution and enforce restrictions on wheat exports to protect against inflationary pressures that could be caused by the lack of this product in their domestic market. Consequently, and because of Ukraine's inability to plant or harvest crops such as corn or sunflower, according to FAO, food and feed prices in 2022 could rise by 8 to 22 percent. Meanwhile, in the medium term, scenarios presented by FAO forecast that Russian and Ukrainian products could be substituted by expanding production in other countries, where the compensation rate for wheat alone would range between 19 and 48 percent, which could affect the prevalence of high prices of foodstuffs even in the medium term.²⁶

Russia is also a major exporter of nitrogen-based fertilizers, such as urea, accounting for over 12% of total global exports. Since the start of the war between Russia and Ukraine, the price of this product in global markets has soared to over 10% on a weekly basis during March.²⁷ During 2021, this agricultural input had already doubled in price due to Russian exporters' price hike, but also because of the sudden spike in global demand during 2021 and the market concentration on just a few large producers in the world who could engage in price gouging.²⁸ According to FAO, if the price of oil continues to rise, in the five-year period, the price of fertilizers will also rise by over 25%.²⁹

Other Developments in Kosovo's Domestic Market

In 2020, Kosovo had a self-sufficiency rate of 73% for wheat and 75% for corn. In the period 2016–2019, the self-sufficiency rate for wheat ranged from 57 to 70%, while for corn there was less fluctuation (72–77%).³⁰ During 2021, Kosovo imported over 84% of its wheat and 89% of its corn supplies from Serbia, worth about EUR 19 million and EUR 11 million, respectively. With the start of the war in Ukraine, Serbia has banned exports of oil, flour, corn, and wheat to other countries. However, according to Kosovo Customs data, in the first quarter of 2022 alone, Kosovo has imported over EUR 5.6 million worth of wheat from Serbia and most of it (over EUR 3.5 million) was imported in March. Additionally, Kosovo has imported about EUR 4 million worth of corn during Q1 2022, where again, over 89% was imported from Serbia.³¹ In 2019, when Kosovo had imposed a 100% tax on raw materials, Kosovo imported wheat and corn mostly from Croatia, Bulgaria, and Hungary, which shows that Kosovan producers have already established business contacts in these countries. Even during 2022, Kosovo has imported wheat from Croatia and Hungary, but in smaller quantities, worth about EUR 700 thousand from both countries together. Similarly, corn worth about EUR 441 thousand was imported from these three countries during Q1 2022.

26 Food and Agriculture Organization. Source: <https://bit.ly/3xplfh8>

27 Yahoo Finance. Source: <https://yhoo.it/3DYEnJ9>

28 Financial Times. Source: <https://on.ft.com/3OdoJlI>

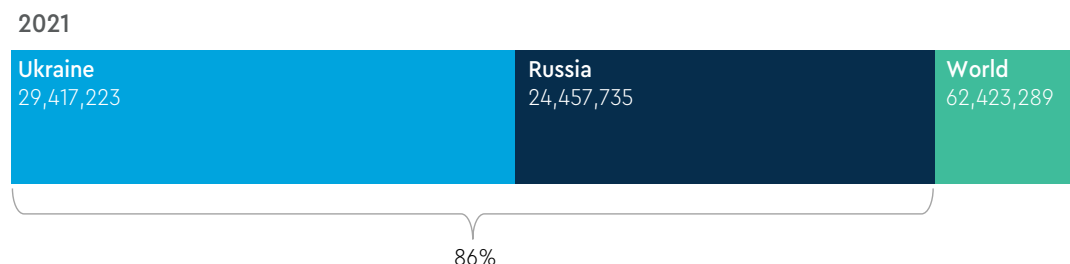
29 Food and Agriculture Organization. Source: <https://bit.ly/3xplfh8>

30 Ministry of Agriculture, Forestry and Rural Development of Kosovo. Green Report 2021. Source: <https://bit.ly/3xLjOi8>

31 Kosovo Customs. Open Data.

One of the products that Kosovo imports directly from Ukraine and Russia, and where it is most dependent on these countries, is sheet metal. During 2021, Kosovo imported over 85% of flat-rolled products of iron or non-alloy steel from these two countries worth about EUR 54 million. While total imports of Kosovo from around the world for this product were about EUR 62 million. During March 2022, there were no quantities of this product imported from Russia, while over EUR 1.5 million were imported from Ukraine. In terms of direct supply from Ukraine, there are businesses which are already facing problems in parquet supplies from this country with waiting times up to 14 months.³²

Figure 5. Sheet metal imports to Kosovo from Russia, Ukraine, and the world, 2021



Source: GAP Institute using data from Kosovo Customs

Kosovo also imports from Russia about a quarter of the fertilizers used in agriculture, including urea. Accordingly, despite the fact that prices for this product have increased significantly since 2021 and are rising steadily, now Kosovan companies are also going to struggle with securing supplies, especially in terms of direct supply.

Figure 6. Fertilizer imports to Kosovo from Russia and the world, 2021



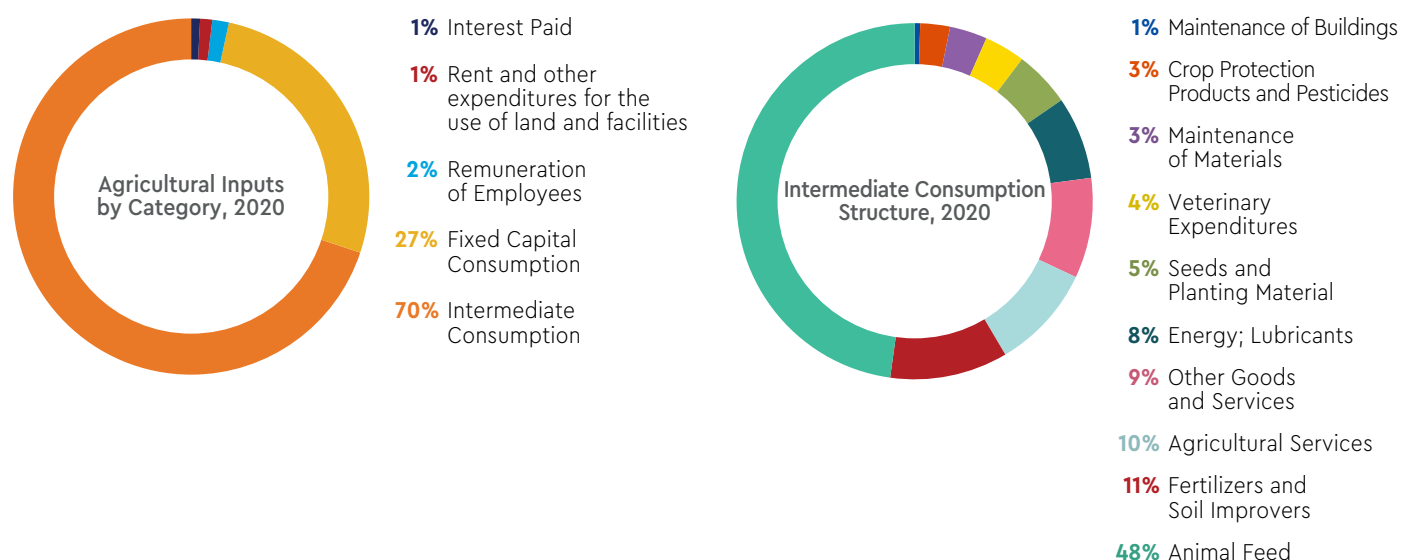
Source: GAP Institute using data from Kosovo Customs

According to the Green Report of the Ministry of Agriculture 2021, fertilizers such as urea account for about 10% of intermediate consumption costs. While electricity accounts for over 7.5% of intermediate consumption costs.³³ The increase of the amount awarded from the Government to subsidize many agricultural crops in 2022, provides for the coverage of the increase in cost of inputs like urea, while the cost of electricity remained unchanged for farmers in 2022 according to the new tariffs by ERO and does not represent any additional cost.

³² Koha Net. Source: <https://bit.ly/37GA5Ks>

³³ Ministry of Agriculture, Forestry and Rural Development of Kosovo. Green Report 2021. Source: <https://bit.ly/3xLjOi8>

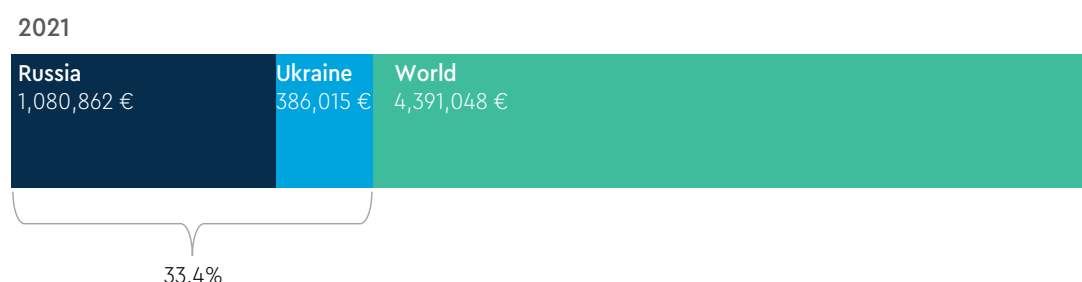
Figure 7. Cost structure of agricultural inputs in Kosovo, 2020



Source: GAP Institute using data from Kosovo Ministry of Agriculture

Russia and Ukraine, in 2021, delivered to Kosovo over a third of its baker's yeast imports. The largest share of imports of this product originated from Russia.

Figure 8. Baker's yeast imports to Kosovo from Russia and Ukraine and the world, 2021



Source: GAP Institute using data from Kosovo Customs

Government Interventions during the Price Crisis

There are three principal forms through which the governments of neighboring countries and that of Kosovo are intervening at this time of price crisis: subsidies, tax breaks, and/or any combination of the first two options. So far, North Macedonia has mostly introduced measures aimed at reducing the effect of rising prices by temporarily reducing the VAT rate on essential products, including electricity, as well as excise duties on fuel. The Government of Albania has reduced the rate of personal income tax for some groups of citizens, mostly lower income, increased minimum wage, and allocated funds to subsidize oil for farmers and to compensate for the price increase of public transportation services. To date, the only subsidy provided by Serbia was EUR 100 for young people, while in Montenegro there are no measures in application due to Parliament deadlock.

Kosovo has allocated EUR 100 million to support citizens mostly with one-off payments of EUR 100 each for all employees, pensioners, and students. The Government has subsidized electricity with over EUR 120 million, to provide relief to citizens, especially those most in need; allocated funds to increase state reserves; amplified subsidies for key agricultural crops and introduced oil excise subsidies for farmers. Further, throughout 2022, the Government of Kosovo is concurrently executing measures that provide for the allocation of funds for citizens and households affected by the pandemic.

Table 1. Measures of the Government of Kosovo and neighboring countries in relation to the economic situation caused by rising prices, 2022

North Macedonia	Kosovo	Albania	Serbia	Montenegro
Reduction of VAT on essential foodstuffs from 5 to 0% by May 2022 ³⁴	EUR 100 million: EUR 100 for employees, students, pensioners, and 40 thousand food packages. ³⁵	0% tax on wages up to EUR 335, halving taxes on wages up to EUR 420 ³⁶	EUR 100 youth subsidy ³⁷	No measures in application due to Parliament deadlock ³⁸
Reduction of VAT on electricity; remains 5% until December 2022	EUR 120 million electricity subsidy ³⁹	EUR 235 million subsidy or increased liquidity for the energy sector		
10% preferential VAT rate for fuel and reduction of excise duty on fuel by 1, 2 or 4 denars per liter, in accordance with stock market trends	EUR 10 million to increase state reserves ⁴⁰	EUR 12 million for tax-free oil for farmers		
0% VAT on electricity imports	EUR 5 million or 36 cents per liter subsidy for oil in agriculture, as well as reduction of oil profit margin	EUR 4.2 million to offset the increase in the price of public transportation		
Distribution of coupons for food packages	Doubling subsidies for key agricultural crops for 2022	EUR 27.5 million for pension indexing		
Other Government expenditures	Other measures from the Economic Recovery Package were introduced in 2021 and are being applied during 2022, such as for persons who lost their jobs or relatives due to the pandemic, distribution of food packages, increase of basic pensions, etc.	Minimum wage increased to about EUR 267.		
		Other Government expenditures		

³⁴ Customs Administration of North Macedonia. Source: <https://bit.ly/3O1i9L7>

³⁵ Office of the Prime Minister of Kosovo. Source: <https://bit.ly/3xmHZU0>

³⁶ Ministry of Finance and Economy of Albania. Source: <https://bit.ly/3utsisk>

³⁷ Ministry of Finance of Serbia. Source: <https://bit.ly/3jqhJil>

³⁸ Balkan Insight. Source: <https://bit.ly/3JyzKGK>

³⁹ Ministry of Finance and Office of the Prime Minister of Kosovo.

⁴⁰ Office of the Prime Minister of Kosovo. Source: <https://bit.ly/3772ucw>

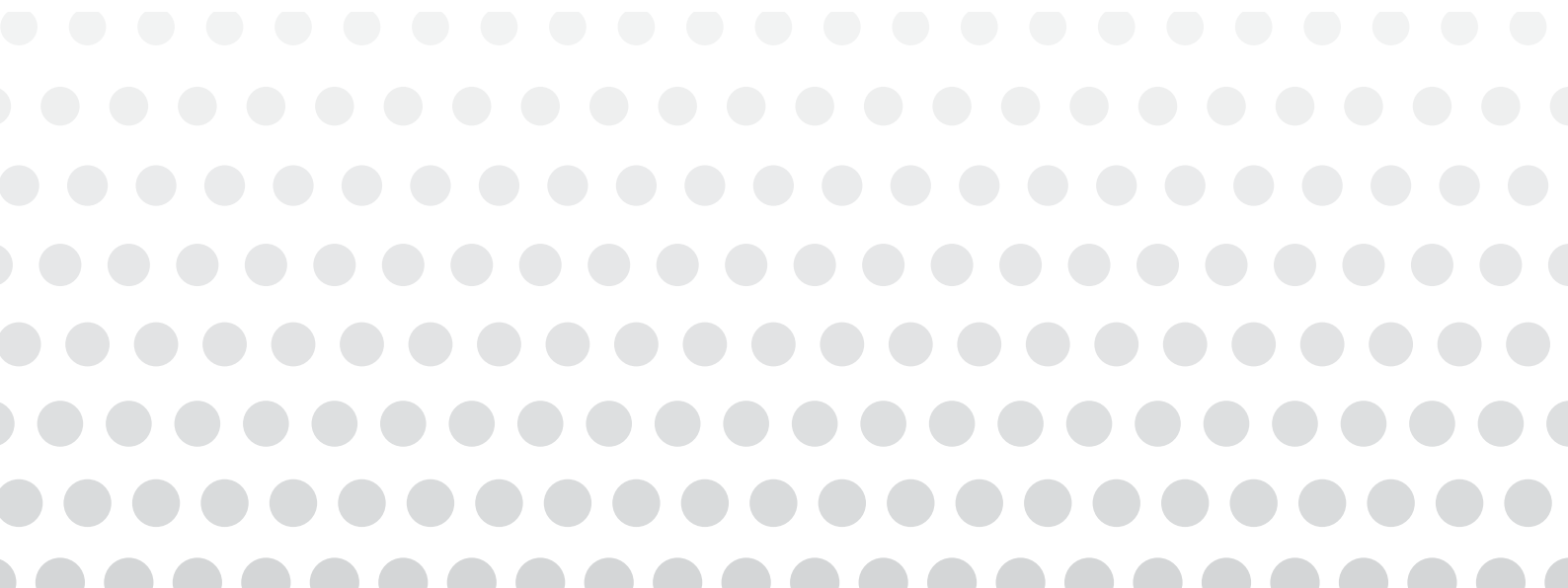
Conclusion

The Russian invasion of Ukraine has caused a significant surge in commodity prices. Considering that Kosovo is a net importer of most products, the increase in prices is immediately reflected in this direction as well. Although it is not known when the war between these two countries will end, the expectation is that in the medium term there will be no stabilization of consumer prices and easy substitution of Russian products with products of other countries. In light of the current situation, GAP Institute recommends the following:

- Although the Government is implementing certain measures under the Recovery Package which help some subsets of citizens, most of them are related to events during 2020 or 2021, therefore, it is necessary to design measures related to the rising cost of the basket of consumer goods for citizens in need. This may include the ongoing distribution of food packages or food stamps, reviewing the current amount under the Social Assistance Scheme per household whether it is sufficient to protect them from falling below the poverty line, supporting citizens who may lose their job, and more;
- The Government should increase the minimum wage but exercise caution to observe a median wage limit, indicating the rate of wages at which 50% of citizens are paid, as practices of other countries suggest. A higher minimum wage according to this principle would make it easier for private sector employees, who receive lower wages, to cope with the situation and at the same time would not produce a counter-effect in the labor market (job loss);
- The Government must exercise caution not to pursue policies that are pro-cyclical, namely policies that further drive high aggregate demand for the products discussed in this paper, which could produce an economic counter-effect. In particular, the initiative of some MPs to allow citizens to withdraw 30% of their savings from the Kosovo Savings Pension Trust, in addition to undermining the stability of public finances, will bring an effect contrary to expectations;
- Considering the inelastic demand of citizens in Kosovo for oil products, the Government should design measures that encourage citizens to use cars less, such as allowing vehicles to circulate according to a predetermined schedule, supporting initiatives such as "car-free Sundays", initiatives that incentivize carpooling, as well as find ways to subsidize public transportation;
- The Government, the Energy Regulatory Office, and key actors in the energy market should coordinate to elaborate options to introduce hedging strategies related to electricity purchases to mitigate risk, in light of indications of high electricity prices throughout 2022;
- Subsidies in agriculture, covering both crops and excise duty on oil, are well designed to encourage production and should be sustained at a high level until prices normalize.



GAP Institute is a Think Tank established in October 2007 in Kosovo. GAP's main goal is to attract professionals to create an environment of professional development and research, as seen in similar institutions in Western countries. This also provides Kosovars with opportunities to research, develop and implement projects in order to advance the Kosovo society. Priority for this Institute is the mobilization of professionals to address the country's economic, political and social challenges. GAP's main goals are to fill the gaps between government and citizens, and between problems and solutions.



The GAP Institute is supported by:

