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SECTOR C

Manufacturing Industry



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List of Acronyms

KAS	-	Kosovo Agency of Statistics
EU	-	European Union
GDP	-	Gross Domestic Product
CBK	-	Central Bank of Kosovo
CEFTA	-	Central Europe Free Trade Agreement
DI	-	Department of Industry
KC	-	Kosovo Customs
DIP	-	Division of Industrial Policies
EFTA	-	European Free Trade Association
FDI	-	Foreign Direct Investment
CPI	-	Consumer Price Index
PPI	-	Producer Price Index
ODC	-	Other Depository Corporations
MIET	-	Ministry of Industry, Entrepreneurship and Trade
AAIRD	-	Annual Average Interest Rate on Deposits

Introduction

In order to improve its standard of living and to balance the negative trade balance, the Republic of Kosovo needs a much faster pace of growth of exports and investments in the manufacturing industry.

Dynamic development of the private sector in small and medium enterprises (SMEs), with special emphasis on manufacture and privatization initiatives are the first steps of the processes towards the development of a market economy and integration into regional and international institutions. In Kosovo's economy micro, small and medium enterprises constitute the main pillar of the economy, with about 99%.

Historically, the economic structure of Kosovo was oriented towards agriculture and mining industry. Within the last decade, the service sector has become the main sector. However, between 2011 and 2020, Kosovo does not show any structural changes in the composition of its economy. The manufacturing sector, which remains stable at around 13% of GDP in third place after services, construction and mining.

The development of the manufacturing Industry sectors is of utmost importance for the country's economy, as the manufacturing industry contributes directly to increasing the value of manufacture in the country as well as to increasing the number of employees with different profiles.

To have a detailed overview of the state or trends of industry development, industrial policymakers within the Ministry of Industry, Entrepreneurship and Trade, based on processed statistical data, have prepared the Annual Manufacturing Industry Report 2021 on the development of industrial sub-sectors within Sector C.

The purpose of drafting the Annual Report is to present the main trends in the development of Kosovo's economy, for the period 2019-2021, with a special emphasis on the main industrial branches during 2021, but also a comparative analysis for the last two years, 2020-2021, as well as the trend of developments in the Manufacturing Industry sectors.

The data analysed, contained in this report, can be used by institutions, academicians, policymakers, operating businesses (current and those with potential in the private sector), investors, donors and researchers. Thus, the report on Sector C (Manufacturing Industry) provides a more detailed overview of the main trends influencing the country's industry and facilitates the work of all relevant actors in designing more effective development policies, based on measurable indicators.

In addition to the main indicators of the sectoral/industrial level (number of enterprises, employees, turnover, etc.), which contribute to the industrial development, this report also includes indicators of the macroeconomic level, those of the financial market, labour market, then investment as well as foreign trade.

Methodology

The report was compiled using research methods of various research reports as well as quantitative and qualitative data received from the Kosovo Agency of Statistics, the Central Bank of Kosovo and other relevant institutions.

Quantitative and qualitative data have been processed and analysed by MIET staff, specifically by statistical data processors and industrial policy makers in the Department of Industry.

In order to provide accurate information presented in tabular and figurative forms, combination and comparison methods were used for the presented data.

Statistical data are processed in the general part for the Manufacturing Industry of Sector C, the general values that include codes 10-33. The description of these sub-sectors in this Report is listed according to the codes, as listed in the international nomenclature (NACE-Rev2).

From the processed statistical data, detailed analyses have been compiled for GDP, FDI, export and import trends in the manufacturing industry, both in the region and with other countries as well as Kosovo's trade indicators (exports and imports) by countries.

After the analysis presented regarding the general data and trends for the Manufacturing Industry, Sector-C, this report also contains the conclusions related to the situation and manufacturing trends in the manufacturing industry in Kosovo.

Sources of information have been cited for all the data used in the Analytical Report on the Manufacturing Industry.

PART ONE

MACROECONOMIC ANALYSIS

Kosovo's economy is estimated to have recorded a significant increase in real GDP of 10.75% in 2021, after the contraction that characterized the previous year, an increase that was supported mainly by the improvement of public health, the vaccination trend and fiscal and financial incentives.¹

In 2021 Kosovo exported in an amount of 755.726 million Euros, whereas in 2020 the amount of exports was 474.884 million Euro, suggesting an increase of 59.14%. In 2021, imports amounted to 4.68 billion Euros, whereas in 2020 imports were 3.29 billion Euros, which shows an increase of 42.09%². The export-to-import ratio in 2021, based on the presented trade exchange data, presents a negative trade balance, where imports were covered with exports at about 16.1%.

Regarding the Manufacturing Industry, the share in exports in 2021 is 626.34 million Euros, while in 2020 it was 398.46 million Euros, expressed as a percentage, in 2021 exports increased by 57.19%.

Imports in 2021 in Sector C were 4.33 billion Euros, while in 2020 imports were 3.06 billion Euros, which shows an increase of 41.73%.

The share of the manufacturing industry in total exports in 2021 was 82.9%, whereas in total imports the share of the manufacturing industry was 92.6%.

Other challenges that are hindering Kosovo's economic development include the relatively high level of informal economy, unskilled workforce, low workforce participation (especially youth and women) and relatively high levels of perceived corruption.

1.1 Gross Domestic Product

Gross Domestic Product (GDP) is the most important economic indicator of national accounts, which represents the economic performance of a country at a given period of time. GDP is also a measure of the value of all products and services produced in an economy. Therefore, it is important that GDP is measured to reflect the state of an economy and its dynamics.

Sector C, manufacturing industry has a share of 12.9% in GDP.

Kosovo's economy in the last decade has recorded a positive rate of economic growth, despite the challenges posed by the fluctuations in the global economy, especially the European economy, and has grown steadily above the average of the Western Balkan countries.

¹ Kosovo Agency of Statistics, Gross Domestic Product (GDP) 2008-2021

² Statistical Yearbook 2021, Kosovo Agency of Statistics

The main economic activities that have contributed to GDP growth in the period from 2020-2021 were wholesale trade and construction activity.

Table 1. Gross Domestic Product by economic activity, at current prices (in %)

NaceRev.2	Economic Activities	Year 2019	Year 2020	Year 2021
A	Agriculture, hunting, forestry and fishing	7.2	7.4	6.9
B	Extractive industry	2.0	2.0	1.9
C	Manufacturing Industry	12.9	13.4	12.9
D	Electricity and gas supply	3.4	3.9	3.6
E	Water supply	0.7	0.6	0.6
F	Construction	8.2	7.7	8.5
G	Wholesale and retail trade; repair of vehicles and motorcycles	12.8	12.8	13.6
H	Transport and storage	4.4	3.9	4.3
I	Hotels and restaurants	2.1	1.6	2.1
J	Information and communication	1.9	2.0	1.9
K	Financial and insurance activities	3.9	4.1	3.7
L	Real Estate Business	7.0	7.3	6.4
M	Professional, scientific and technical activities	1.4	1.6	1.4
N	Administrative and support activities	0.7	0.7	0.7
O	Public administration and protection; compulsory social security	5.9	6.6	5.5
P	Education	3.7	3.8	3.4
Q	Health and social work activities	2.2	2.7	2.3
R	Art, entertainment and recreation	0.2	0.2	0.2
S	Other services	0.4	0.4	0.3
T	Household activities as an employer; Undifferentiated goods-and-services producing activities of households for own use	-	-	-
	GVA at basic prices	80.8	82.6	80.2
	Taxes on products	19.2	17.4	19.8
	Subsidies on products	-	-	-
	Gross Domestic Product	100	100	100

Source: Kosovo Agency of Statistics/Statistical Yearbook, 2022

According to Table no. 1, manufacturing industry is the economic activity that ranks second with 12.9% in terms of contribution to GDP, whereas Wholesale and retail trade; repair of vehicles and motorcycles ranks first in terms of contribution to GDP with 13.6%, while construction sector is third with about 8.5%, of the share in the total value of GDP.

1.2 Foreign Direct Investment by economic activity

Foreign investments directly contribute to the increase of opportunities for economic integration by creating stable and long-term links in international markets.

The world's largest companies transfer their capital to those countries that provide better investment conditions. In addition to lower taxes, cheaper and qualified workforce, companies

are also interested in the rule of law in the country of investment, but also in securing investment by the beneficiary country.

Foreign Direct Investments in Kosovo in 2021 recorded a higher increase compared to 2020, in the sector of “Information and Communication”, with an increase from 1.6 million Euros to 17.3 million Euros.

FDI, in the manufacturing sector in 2020, decreased by (4.6) million €, a decrease of (5.5) million € was also recorded in 2021.

The data also show that the economic activity of “Transport and Storage” increased at 4.4 million Euros in 2021 from a negative value that we had in 2020 (16.0) as well as the sector of “Arts, entertainment and recreation” from a negative value (0.1) million Euros, 0.1 million Euros were invested, meaning that this economic activity recorded a positive value.

From an investment value perspective, the sector that has recorded the highest investment value is the real estate activity with 384.7 million Euros, while if we compare it with the previous year, this sector has dropped by 183.6 million Euros.

Table 2. FDI by economic sectors, 2017–2021 (in million euros)

Sectors	2017	2018	2019	2020	2021
Agriculture, forestry and fishery	(1.3)	0.1	1.5	2.8	1.1
Mines and quarries	(4.9)	(2.7)	(6.9)	29.1	2.8
Manufacturing	6.1	(17.7)	14.2	(4.6)	(5.5)
Supply of energy, gas, steam and air conditioning	(0.8)	12.1	13.5	30.0	(43.2)
Water supply, sewerage, waste management	0.0	2.5	(0.6)	0.2	(0.5)
Construction	5.1	24.8	(17.1)	11.4	16.1
Wholesale and retail trade, repair of motor vehicle and motorcycles	9.0	19.6	(6.7)	(8.1)	(2.9)
Transport and storage	(0.8)	(0.2)	(6.2)	(16.0)	4.4
Accommodation and food service activities	1.1	1.8	1.4	1.1	0.7
Information and communication	(3.8)	(9.6)	2.3	1.6	17.3
Financial and insurance activities	55.2	15.5	13.9	85.1	25.0
Real estate activities	154.7	205.2	223.8	201.1	384.7
Professional, scientific and technical activities	5.7	5.2	3.4	3.6	6.8
Administrative and supporting activities	23.7	4.7	3.7	0.8	1.4
Public administration and defence; compulsory social security	1.3	0.9	1.7	1.1	1.1
Education	0.7	0.7	1.3	1.3	1.8
Health and social work activities	(1.0)	(0.4)	0.6	0.3	2.7
Art, entertainment and recreation	0.0	0.5	0.5	(0.1)	0.1
Other service activities	3.7	7.2	2.8	1.7	(1.2)
Unspecified activities	1.5	2.0	7.6	3.0	2.6

Source: Kosovo Agency of Statistics/Statistical Yearbook of Kosovo 2022

Within FDIs, classified by economic sectors, as Table 2 also demonstrates, there was a significant decline in the sector of supply with energy, gas, steam and air conditioning, mines and quarries, financial and insurance activities, etc., in 2021 compared to 2020.

1.3 Foreign Direct Investments by Countries

Foreign Direct Investment (FDI) by countries, during 2015-2021, have a steady trend of increasing the value of FDIs. The total value of FDIs for 2021 was 415.2 million Euros, indicating an increase of 20.1%, compared to 2020.

Table 3. FDIs by country of origin, 2015 – 2021 (in million Euros)

Countries		Years						
		2015	2016	2017	2018	2019	2020	2021
AT	Austria	33.5	9.9	20.3	11.2	11.9	27.6	22.9
DE	Germany	45.3	25.7	55.9	60.3	70.2	67.5	123.8
SI	Slovenia	5.6	-4.5	1.2	-8.7	6.1	8.1	5.9
GB	Great Britain	26.6	13.6	27.0	57.4	0.8	21.4	0.7
CH	Switzerland	72.9	61.8	50.6	71.0	61.9	64.1	99.2
TR	Turkey	55.4	42.7	29.5	12.2	-31.9	14.6	-40.1
NL	Netherlands	-36.4	-23.1	-14.1	-39.7	1.9	0.1	2.7
AL	Albania	40.1	28.6	2.4	22.3	15.2	39.8	51.2
LU	Luxemburg	0.1	0.6	2.1	1.9	1.3	-2.7	-3.6
RS	Serbia	0.8	-0.6	-1.4	0.4	0.4	6.0	5.0
US	United States of America	25.0	23.0	20.3	35.5	22.8	29.6	63.4
FR	France	3.2	2.8	3.6	5.6	3.4	3.7	10.1
BG	Bulgaria	1.6	0.4	0.5	2.1	1.0	0.9	-0.8
NMK	North Macedonia	0.1	3.2	-1.0	1.3	2.0	1.8	2.1
BA	Bosnia and Herzegovina	0.8	1.2	0.7	0.4	0.1	0.1	0.4
HR	Croatia	0.1	-1.7	0.7	-1.0	0.9	-1.2	3.0
MT	Malta	0.1	0.1	0.0	0.0	0.0	0.0	0.0
CY	Cyprus	0.1	0.4	0.8	1.3	2.9	0.9	0.9
SK	Slovakia	0.1	0.8	0.1	0.5	1.4	0.3	0.3
CA	Canada	1.1	2.5	3.0	3.2	5.3	4.7	8.8
CZ	Czech Republic	1.3	0.2	0.7	1.5	0.4	0.5	1.0
AE	United Arab Emirates	1.4	3.6	13.4	-2.5	3.8	2.8	1.1
NO	Norway	2.9	3.4	3.5	5.1	4.9	3.2	7.7
KW	Kuwait	0.0	0.2	0.0	-1.1	0.7	0.1	-0.5
ES	Spain	-0.8	0.2	2.5	0.3	0.7	0.0	0.3
EG	Egypt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IT	Italy	5.7	1.9	7.0	2.7	7.9	3.5	8.5
GR	Greece	-0.2	-0.4	-1.2	-0.3	0.1	-0.1	-0.1
HU	Hungary	0.3	0.6	0.4	0.1	19.1	26.1	2.3
Other	Other	22.1	22.8	26.9	29.1	39.6	22.3	39.0
Total		308.8	220.0	255.4	272.1	254.8	345.7	415.2

Source: Central Bank of Kosovo, <https://bqk-kos.org/statistics/time-series/?lang=en>

Germany is among the countries with the highest FDI investments, for 2021 with investments of 123.8 million Euros, marking an increase of 83.4% compared to 2020. Switzerland ranks second in terms of investments, with 99.2 million Euros, Albania with 51.2 million Euros etc.

1.4 Financial Market

Regarding the effective interest rates of Other Depository Corporations (ODCs), if we take the average interest rates for the sectors reflected in Table 4, a slight drop of 0.43% in the interest rate was observed in 2021, compared to 2020.

The effective interest rate in the industry sector is 5.9%.

Table 4. Effective Interest Rates on ODC loans

Sectors	Interest rate 2020	Interest rate 2021
Consumer loan	6.8%	6.4%
Mortgage loan	5.7%	5%
Agricultural loan	9.3%	8%
Industrial loan	6.0%	5.9%
Service loan	6.0%	5.9%
Other sectors	6.3%	6.3%

Source: Central Bank of Kosovo, Annual Report 2022

1.5 Workforce

According to the labour law in Kosovo, an employment relationship can be established with any person from the age of eighteen (18) years.

The workforce consists of employed persons and unemployed persons, while inactive persons are not considered part of the workforce.

The workforce participation rate is the percentage of the working age population of a country that is actively engaged in the labour market.

Table 5. Workforce participation 2016 - 2020

Workforce	2016	2017	2018	2019	2020
Workforce participation (in %)	38.7%	42.8%	40.9 %	40.5 %	38.3%
Women's workforce participation (in %)	18.6%	20.0%	18.4%	21.1 %	20.8%
Men's workforce participation (in %)	58.3%	65.3%	63.3%	59.7 %	56.0%

Source: Kosovo Agency of Statistics /Statistical Yearbook of Kosovo 2022

The workforce participation rate during 2020 dropped by 2.2%, compared to 2019.

Women's workforce participation in 2020 was 20.8% whereas in 2019 it was 21.1%, which means that there has been a decrease in the participation of women in the workforce by 0.30%.

Men's workforce participation in 2020 was 56%, compared to 2019, suggesting that this category has recorded a decrease of 3.7%.

Unemployment rate is the percentage of the workforce that is not employed. The workforce is defined as the basis for this indicator and not the working age population reflected in Table 6.

- Total unemployment rate 25.9%
 - Unemployment rate among women 32.3%
 - Unemployment rate among men 23.5%

Table 6. Unemployment rate 2016 - 2020

Unemployment rate	2016	2017	2018	2019	2020
Total unemployment rate (in %)	27.5%	30.5%	29.6%	25.7 %	25.9%
Unemployment rate among women (in %)	31.8%	36.6%	33.4%	34.4 %	32.3%
Unemployment rate among men (in %)	26.2%	28.7%	28.5%	22.6 %	23.5%

Source: Kosovo Agency of Statistics / Statistical Yearbook of Kosovo 2022

Based on Table 6, the total unemployment rate in 2021 recorded a decrease by 0.20 %, compared to 2019.

From 2016- 2020, the highest unemployment rate was recorded in 2017, with 30.5%, whereas the lowest rate was in 2019, with 25.7%.

Unemployment rate among women in 2020 was 32.3% while in 2019 it was 34.4%, which indicates a decrease of 2.1%, whereas the unemployment rate among men recorded an increase of 0.9%, or from 22.6% to 23.5% in 2020.

PART TWO

1. Number of enterprises, employees and annual turnover

Sector analysis in this report includes the Manufacturing Industry, according to NACE Rev2, sub-sectors listed by codes 10-33 within Sector C. This part of the report analyses data related to the number of enterprises, number of employees, value of annual turnover, as well as exports and imports.

Manufacturing industry-Sector C, involves the physical or chemical transformation of a material, substance or component into a new product, but cannot be the only and universal criterion for defining the manufacturing industry, and as a general rule, manufacture deals with conversion of raw materials into a new product.

In addition to presentation of statistical data, the analysis also shows the decreasing or increasing trends in industry sectors, not only in the last year but also for the period comparable to the previous year and trends in the three-year period.

The comparative data in Table 7 indicate that, in the last three years, there has been an increase in employment and annual turnover as well as in the number of enterprises.

Employment - The share of the Manufacturing Industry in the employment rate by economic activity in 2020 marked a decrease of 0.1%, compared to 2019.

Sector C- Manufacturing industry has a share of 11.8% in the employment rate by economic activity.³

Table 7. Sector C, number of enterprises, employees and turnover

Code	Manufacturing Industry – Sector C	Number of enterprises			Number of employees			Turnover		
		Year 2019	Year 2020	Year 2021	Year 2019	Year 2020	Year 2021	Year 2019	Year 2020	Year 2021
10	Food processing	1,160	1369	1462	6,725	8,081	9,902	272,988,285.79	320,080,653	472,344,066.98
11	Manufacture of beverages	74	78	102	1,823	2,138	2,221	118,109,350.97	106,226,278	215,310,255.20
12	Manufacture of tobacco products	1	2	7	44	26	74	3,820,491.62	1,469,544	9,410,896.98
13	Manufacture of textiles	111	176	173	629	802	809	15,382,963.26	16,064,405	21,739,125.04
14	Manufacture of apparel	210	325	350	856	1,151	1,610	8,514,956.19	9,958,677	18,494,832.71
15	Manufacture of leather and related products	29	43	39	379	420	406	7,156,650.38	5,816,943	8,339,665.13
16	Manufacture of wood and wood products and cork	408	477	521	1,429	1,766	2,389	44,504,258.47	46,187,845	78,118,256.02

³ Kosovo Agency of Statistics/Statistical Yearbook, 2022.

17	Manufacture of paper and paper products	93	107	102	463	720	646	28,067,238.66	39,799,270	39,551,211.65
18	Printing and reproducing of recorded media	145	177	180	709	785	962	20,090,947.79	19,575,032	41,332,339.78
19	Manufacture of coke and refined petroleum products	6	8	8	109	116	179	17,136,402.83	12,659,485	22,415,373.85
20	Manufacture of chemical products	85	114	126	624	762	946	27,811,433.84	31,935,510	55,338,301.05
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	4	7	6	89	103	118	1,223,165.01	1,771,159	4,028,405.79
22	Manufacture of rubber and plastic products	481	572	579	2,793	3,513	3,661	131,057,171.90	140,418,212	198,116,219.72
23	Manufacture of mineral non-metal products	443	511	545	4,454	5,082	5,469	279,099,052.93	281,102,702	324,357,558.04
24	Metal manufacturing	93	121	128	1,110	1,280	794	90,553,454.17	93,040,815	79,981,380.12
25	Manufacturing of fabricated metal products	581	736	770	2,494	3,112	3,065	105,628,083.82	116,637,375	160,666,951.86
26	Manufacture of computers, electronic and optical products	15	25	28	48	71	80	1,733,787.38	1,820,758	3,681,731.95
27	Manufacture of electrical equipment	27	33	44	215	224	261	13,085,468.61	16,714,116	19,947,005.06
28	Manufacture of machinery and equipment n.e.c.	28	33	38	131	174	274	8,815,334.17	17,741,140	10,932,204.35
29	Manufacture of motor vehicles, trailers and semi-trailers	2	N/A	6	47	53	111	1,533,577.98	1,644,936	4,713,085.63
30	Manufacture of other means of transportation	2	8	9	44	54	55	1,680,403.73	2,044,626	2,081,758.78
31	Manufacture of Furniture	393	514	549	2,608	3,833	4,915	70,687,899.95	94,977,517	190,907,254.90
32	Other manufacture n.e.c.	80	98	106	266	281	430	7,066,347.56	6,795,081	16,536,703.69
33	Repair and installation of machinery and equipment	62	103	106	89	144	181	6,157,605.19	4,638,213	5,353,314.37
	Total	4,533	5,637	5,984	28,179	34,691	39,558	1,281,904,332.20	1,389,120,291.43	2,003,697,898.65

Source: Kosovo Agency of Statistics, processed by DIP/ DI

The data in Table no. 7, regarding Sector C, show that in 2021 there was an increase of 14% in employment. An increase was also recorded in 2020 by 23.11%, compared to 2019.

Also, Sector-C recorded an increase of 44% in turnover in 2021, and an increase of 8.36% in 2020, compared to 2019. In addition to increase in employment and turnover, in 2021 there was also an increase of 6% in the number of enterprises, compared to 2020.

Within Sector C, the “Food processing” sub-sector has the highest share in employment in 2021, with 25%, and with an increase of 22.5%, compared to 2020. This sub-sector was recorded an increase of 47.6% in turnover and 7% in the number of enterprises.

The second sub-sector of Sector C, in terms of share, is the “Manufacture of mineral non-metallic products” with 13.8% and with an increase of 7.6% in employment. This sub-sector also recorded an increase of 6.6% in the number of enterprises in 2021, as well as an increase of 15% in turnover, compared to the previous year.

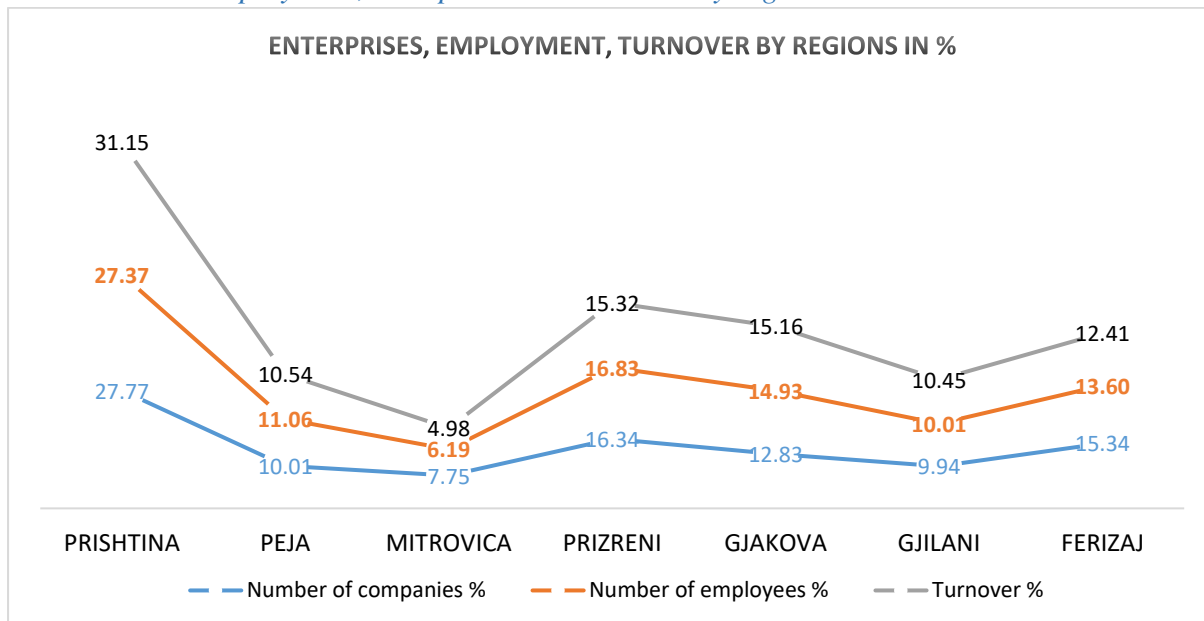
The “Manufacture of furniture” sub-sector ranks third with a share of 12.4% in employment within Sector C, and in 2021 it recorded an increase of 28% in employment, however it recorded an increase in the other two indicators as well, namely in turnover by over 101% and in the number of enterprises by 7%, compared to the previous year.

The fourth sub-sector within Sector-C in the employment indicator is the “Manufacture of rubber and plastic products” sub-sector, which during 2021 had a share of 9% in employment and recorded an increase of 4%, in the number of enterprises by 1.2%, and in annual turnover by 41%.

The fifth sub-sector within Sector-C, in terms of employment, is the “Manufacturing of fabricated metal products” sub-sector, with a share of 8%, although it dropped by 1.5% in 2021. On the other hand, this sub-sector increased in the number of enterprises by 4.62% and in turnover by 38% compared to the previous year.

The sixth sub-sector is the “Manufacture of beverages” sub-sector, with a share in employment of 5.6%. In 2021, it increased in employment by 4%, in the number of enterprises by 31% and in turnover by 103%, compared to the previous year.

1. Picture C – employment, enterprises and turnover by regions in %



Source: Kosovo Agency of Statistics, processed by DIP/DI

The data presented in figure 1 show that Prishtina region leads with the highest number of enterprises in Sector C with 27.77%, the highest number of employees with 27.37% as well as in turnover with 31.15%.

According to these indicators, Prizren region ranks second in the number of enterprises with 16.34%, in the number of employees with 16.83% and annual turnover with 15.32%.

According to the presented data, the region of Ferizaj ranks third in number of enterprises with 15.34%, employees with 13.60% and annual turnover with 13.49%, compared to other regions.

The region of Gjakova ranks fourth in number of enterprises with 12.83%, with 14.93% in employment, ranking this region in the fourth place in terms of employment and annual turnover 15.16%.

The region of Peja ranks fifth in the number of enterprises with 10.01%, employment 11.06% and annual turnover 10.54%.

The region of Gjilan ranks sixth with 9.94% in the number of enterprises, 10.01% in employment, and 10.45% in annual turnover.

Mitrovica region ranks seventh in the number of enterprises with 7.75%, in employment with 6.19%, and in annual turnover with 4.98%.

It can be concluded from these data analyses that there is an increase in some regions in terms of the indicators, e.g. in employment as a result of the trade agreements concluded which affect exports as well, such as the case of the region of Gjakova with enterprises in the textile, wood and furniture sub-sectors, but there are also cases of slight declines in some indicators and various regions

2. Exports and imports with EU, CEFTA, EFTA and other countries for Sector C (Manufacturing Industry)

The indicator of the number of export enterprises, according to the sub-sectors of the manufacturing industry, shows the share of enterprises in exports. According to the OECD, less than 10% of enterprises are exporters to all countries ⁴.

Out of a total of 5,984 enterprises within Sector C, **1333 or 22% are export enterprises.**

Data in table 8 represent a reflection of import and export values with CEFTA, EFTA, EU and other countries for Sector C sub-sectors for the period 2019-2021.

Sector C has a share of 82.9% in overall exports

• Exports, Sector C

The total value of exports, for 2021, with EU, CEFTA, EFTA and other countries was 755.72 million Euros, while the manufacturing industry sector had a share of 626.34 million Euros, or around 84%, in overall exports.

The data in Table 8 show that the increase in Sector C exports for 2021 was higher by 57% compared to the previous years, as the growth of exports in 2020 compared to 2019 was 36.6%.

Exports during 2020 in Sector-C are dominated by the “Furniture manufacturing” sub-sector by 22% and an increase of 317%, compared to the previous year. Furniture products were mainly exported to the USA with 77%, Switzerland with 8% etc.

The sub-sector “Manufacture of metals” ranks second in terms of the share in exports, with a share of 21%. Compared to 2020, this sub-sector increased by 17%. The countries where this sub-sector mostly exported are: Italy with 32%, Albania with 18%, North Macedonia with 15%, etc.

The sub-sector “Manufacture of plastic and rubber products” ranks third with a share of 12% within Sector C, while this sub-sector recorded an increase of 34% compared to 2020. The products of this sub-sector were mainly exported to Germany with 21%, Switzerland with 14%, The Netherlands with 12%, North Macedonia and Albania with 7%, Serbia with 6.7% etc.

The sub-sector “Manufacture of fabricated metallic products” has a share of 8.4% in exports, with a significant increase of 66% compared to 2020. These products were mainly exported to Kazakhstan with 18%, Switzerland and Germany with 15%, North Macedonia with 9%, Albania with 7% etc.

⁴ Exports by enterprise size class - OECD i Library / https://www.oecd-ilibrary.org/docserver/entrepreneur_aag-2013-11-en.pdf?

Within the sub-sectors, the “Food processing” sub-sector ranks fifth, with 7%, which had an increase of 33% in 2021 compared to the previous year. Food products were exported to Albania with 17%, Serbia with 14%, North Macedonia with 11%, Germany with 10% etc.

The “Beverage manufacturing” sub-sector, within Sector C, has a share of 6%, with an increase of 24% in exports, compared to the previous year. Beverage products were mostly exported to Albania with 46%, North Macedonia with 17%, etc.

- **Imports, Sector C**

The total imports from EU, CEFTA, EFTA and other countries to Kosovo in 2021 was 4.684 billion Euros, while Sector C had a share of 4.338 billion Euros, or about 92.63%.

Sector C accounts for 92.63% of total imports.

During 2021, imports in Sector C were dominated by the “Food Processing” sub-sector with 13.4% although compared to 2020, this sub-sector had a significant growth of 24.5%. These products were imported from Serbia with 10.5%, Italy with 8.74%, North Macedonia with 7.89%, Turkey with 7.75%, Poland with 6.25% etc.

The sub-sector "Manufacture of coke and refined petroleum products" ranks second, with a share of 10% in Sector C imports and with a growth of 73.4%, from the previous year. These products were mostly imported from Greece with 30%, Saudi Arabia with 14%, Italy with 12%, North Macedonia with 11%, etc.

The sub-sector "Manufacture of motor vehicles, trailers and semi-trailers" ranks third in imports, with a share of 9% and has increased by 45%, compared to 2020. The products of these motor vehicles were mostly imported from Germany with 72% etc.

“Manufacture of metals” sub-sector ranks fourth, with a share of 8.7% in Sector C and with a growth of 57% from the previous year. These products were imported from Albania with 35%, North Macedonia with 10%, Ukraine with 8%, Italy with 6.5% etc.

Subsector " Manufacture of chemical products" in 2021 had a share of 8.5% within Sector C, with a growth of 43% compared to 2020. These products were imported from Germany with 13.5%, Turkey with 13%, China with 9%, France with 6%, etc.

Table 8. Values of Exports and imports with CEFTA, EFTA, EU and other countries 2019– 2021

Code	Manufacturing Industry, Sector C	Exports			Balance		Imports			Balance	
		2019	2020	2021	Difference (2021>2020)	Difference in % (2021>2020)	2019	2020	2021	Difference (2021>2020)	Difference in % (2021>2020)
10	Food processing	28,424,151.36	33,402,372.88	44,439,203.38	11,036,830.50	33.04	459,196,871.23	466,609,046.82	580,982,202.06	114,373,155.24	24.51
11	Manufacture of beverages	28,665,800.23	29,666,793.39	36,884,711.45	7,217,918.06	24.33	82,588,664.30	77,586,544.73	116,576,207.92	38,989,663.19	50.25
12	Manufacture of tobacco products	-	-	32,000.00	-	-	68,512,606.49	63,009,976.51	87,226,753.91	24,216,777.40	38.43
13	Manufacture of textile	7,875,908.03	17,948,552.17	22,623,419.15	4,674,866.98	26.05	56,796,552.95	66,662,771.63	100,387,677.75	33,724,906.12	50.59
14	Manufacture of apparel	3,293,023.19	5,156,424.34	10,271,312.07	5,114,887.73	99.19	118,008,278.57	98,738,284.03	142,516,943.74	43,778,659.71	44.34
15	Manufacture of leather and leather products	3,080,819.54	2,335,812.77	3,321,006.18	985,193.41	42.18	49,380,964.63	38,212,879.80	50,096,010.97	11,883,131.17	31.10
16	Manufacture of wood and of wood and cork products, except furniture; manufacture of straw articles and plaiting materials.	7,677,012.54	10,409,819.21	14,021,312.71	3,611,494.50	34.69	75,584,593.05	68,913,586.17	98,133,723.16	29,220,136.99	42.40
17	Manufacture of paper and paper products	2,039,439.64	2,893,870.02	3,979,310.25	1,085,440.23	37.51	61,938,776.04	58,771,929.99	76,575,084.54	17,803,154.55	30.29
18	Printing and reproduction of recorded media	-	-	-	-	-	192,046.50	140,039.96	46,396.38	(93,643.58)	(66.87)
19	Manufacture of coke and refined petroleum products	2,655,565.82	1,428,173.61	3,527,500.88	2,099,327.27	146.99	395,650,224.84	246,979,760.45	428,218,367.37	181,238,606.92	73.38
20	Manufacture of chemical products	8,160,771.92	19,634,905.19	21,841,644.32	2,206,739.13	11.24	237,989,157.53	257,101,389.35	367,679,412.89	110,578,023.54	43.01
21	Manufacture of basic pharmaceutical	931,976.93	735,067.86	792,946.65	57,878.79	7.87	69,624,461.97	93,239,025.99	114,344,154.47	21,105,128.48	22.64

	products and pharmaceutical supplements										
22	Manufacture of rubber and plastic products	51,494,994.46	58,284,613.04	78,539,277.51	20,254,664.47	34.75	155,217,193.08	151,630,341.62	205,173,799.06	53,543,457.44	35.31
23	Manufacture of non-metallic mineral product	7,592,128.25	9,613,701.30	18,715,704.11	9,102,002.81	94.68	167,647,853.52	171,245,487.79	225,268,230.22	54,022,742.43	31.55
24	Metal manufacturing	75,872,939.29	112,420,890.58	131,693,061.35	19,272,170.77	17.14	264,476,551.92	241,185,291.40	378,882,849.22	137,697,557.82	57.09
25	Manufacture of fabricated metal products	23,451,261.04	31,730,428.78	52,724,138.82	20,993,710.04	66.16	112,031,510.36	124,107,528.74	150,806,844.07	26,699,315.33	21.51
26	Manufacture of computers, electronic and optical products	5,318,945.82	8,256,502.33	11,425,043.55	3,168,541.22	38.38	108,667,847.51	108,189,194.60	152,991,201.85	44,802,007.25	41.41
27	Manufacture of electrical equipment	4,180,545.40	3,768,112.38	5,580,052.30	1,811,939.92	48.09	148,011,315.93	151,215,298.70	189,308,975.86	38,093,677.16	25.19
28	Manufacture of machinery and equipment n.e.c	8,057,317.86	9,424,222.44	15,165,124.02	5,740,901.58	60.92	217,871,513.60	206,678,136.71	306,918,216.18	100,240,079.47	48.50
29	Manufacture of motor vehicles, trailers and semitrailers	2,924,958.97	4,086,495.42	6,167,183.79	2,080,688.37	50.92	299,743,201.02	268,176,636.63	389,833,231.61	121,656,594.98	45.36
30	Manufacture of other means of transport	87,518.23	106,339.81	136,498.63	30,158.82	28.36	8,368,461.37	15,983,817.52	54,965,924.63	38,982,107.11	243.88
31	Furniture manufacture	15,316,687.30	33,561,425.11	139,977,652.84	106,416,227.73	317.08	49,691,848.08	38,988,969.43	61,399,762.64	22,410,793.21	57.48
32	Other n.e.c. manufacture	4,599,984.53	3,596,557.03	4,483,504.59	886,947.56	24.66	46,106,308.49	47,986,428.74	60,462,523.65	12,476,094.91	26.00
	Total	291,701,750.35	398,461,079.66	626,341,608.55	227,880,528.89	57.19	3,253,296,802.98	3,061,352,367.31	4,338,794,494.15	1,277,442,126.84	30.29

Source: Kosovo Agency of Statistics, processed by DIP/DI

2.1. Exports and imports with EU countries, including the United Kingdom

Exports to EU countries for 2021 amounted to 214.7 million Euros, i.e. increasing by 48.97%, while the value of imports is 1.936 billion Euros and represents an increase in imports of about 37%, compared to 2020.

Based on Table 9, out of the total Kosovo – EU and UK trade exchanges for 2021, exports had a share of 11%, while imports had a share of 89%, indicating an increasing trend in exports compared to the previous year.

Table 9. Value of exports and imports with EU countries, including the United Kingdom for 2019– 2021

Code	Manufacturing Industry, Sector C	Exports			Balance		Imports			Balance	
		2019	2020	2021	Difference (2021>2020)	Difference (2021>2020)	2019	2020	2021	Difference (2021>2020)	Difference in % (2021>2020)
10	Food processing products	10,200,710.55	13,178,958.60	17,179,830.50	4,000,871.90	30.36	270,298,066.20	261,901,243.38	308,563,207.74	46,661,964.36	17.82
11	Manufacture of beverages	5,473,128.63	6,456,618.94	8,788,137.63	2,331,518.69	36.11	55,107,797.10	40,596,444.54	47,128,736.73	6,532,292.19	16.09
12	Manufacture of tobacco products	-	-	-	-	-	49,255,240.41	46,168,805.65	61,876,079.98	15,707,274.33	34.02
13	Manufacture of textile	3,788,717.63	3,840,869.08	6,621,300.33	2,780,431.25	72.39	7,929,205.65	7,127,854.00	8,322,175.58	1,194,321.58	16.76
14	Manufacture of apparel	2,042,388.01	1,890,517.46	2,270,618.94	380,101.48	20.11	7,432,895.22	5,676,436.48	7,355,443.44	1,679,006.96	29.58
15	Manufacture of leather and leather products	2,570,831.25	1,442,825.65	2,284,910.39	842,084.74	58.36	4,252,600.02	3,238,301.52	4,513,662.97	1,275,361.45	39.38

16	Manufacture of wood and of wood and cork products, except furniture; manufacture of straw articles and plaiting materials	3,112,584.10	4,743,204.51	5,602,674.06	859,469.55	18.12	38,620,394.41	30,195,842.71	41,126,446.57	10,930,603.86	36.20
17	Manufacture of paper and paper products	192,086.18	590,510.97	983,641.10	393,130.13	66.57	34,051,389.79	27,748,346.19	31,268,884.43	3,520,538.24	12.69
18	Printing and reproduction of recorded media	-	-	-	-	-	47,165.52	21,713.70	15,709.20	(6,004.50)	(27.65)
19	Manufacture of coke and refined petroleum products	535.05	45,994.86	53,090.28	7,095.42	15.43	205,572,380.02	135,657,078.52	204,390,317.26	68,733,238.74	50.67
20	Manufacture of chemical products	3,137,342.94	10,259,254.03	11,095,702.02	836,447.99	8.15	139,793,906.33	140,242,511.42	197,631,933.27	57,389,421.85	40.92
21	Manufacture of basic pharmaceutical products and pharmaceutical supplements	17,520.00	-	188,217.30	-	-	47,944,225.47	57,724,657.19	72,364,412.75	14,639,755.56	25.36
22	Manufacture of rubber and plastic products	25,466,885.43	28,403,227.43	43,512,318.02	15,109,090.59	53.19	81,664,634.12	73,875,700.18	102,356,952.76	28,481,252.58	38.55
23	Manufacture of non-metallic mineral products	1,834,013.95	2,290,815.98	5,087,419.34	2,796,603.36	122.08	60,825,685.50	51,408,920.13	75,867,923.83	24,459,003.70	47.58
24	Metal manufacturing	20,690,712.12	36,720,531.68	60,598,720.23	23,878,188.55	65.03	59,298,364.72	46,357,191.42	69,573,854.37	23,216,662.95	50.08
25	Fabricated Metal Product Manufacturing	9,464,910.03	15,629,796.69	22,124,098.14	6,494,301.45	41.55	52,897,096.94	51,310,860.99	60,002,250.16	8,691,389.17	16.94
26	Manufacture of computers, electronic and optical products	2,287,040.96	3,291,252.08	5,301,162.67	2,009,910.59	61.07	28,988,870.78	25,053,553.88	30,385,260.62	5,331,706.74	21.28

27	Manufacture of electrical equipment	869,658.06	888,130.18	1,445,195.53	557,065.35	62.72	53,098,346.80	48,787,559.90	61,554,973.30	12,767,413.40	26.17
28	Manufacture of machinery and equipment n.e.c.	2,944,540.30	3,833,599.99	6,308,983.77	2,475,383.78	64.57	112,081,734.77	99,365,153.16	166,765,317.33	67,400,164.17	67.83
29	Manufacture of motor vehicles, trailers and semi-trailers	1,329,593.58	1,219,522.33	3,152,393.75	1,932,871.42	158.49	275,939,984.88	234,483,389.92	355,053,751.17	120,570,361.25	51.42
30	Manufacture of other means of transport	9,133.96	5,660.66	69,751.44	64,090.78	1132.21	2,003,524.33	2,078,898.90	4,398,768.87	2,319,869.97	111.59
31	Furniture manufacturing	5,518,831.18	6,863,507.74	9,132,559.59	2,269,051.85	33.06	11,603,778.03	7,456,528.64	10,879,403.78	3,422,875.14	45.90
32	Other n.e.c equipment	3,519,163.57	2,579,009.15	2,970,800.84	391,791.69	15.19	14,667,964.57	15,902,511.31	15,139,025.31	(763,486.00)	(4.80)
	Total	104,470,327.48	144,173,808.01	214,771,525.87	70,597,717.86	48.97	1,613,375,251.58	1,412,379,503.73	1,936,534,491.42	524,154,987.69	37.11

Source: Kosovo Agency of Statistics, processed by DD PI/DI

- Exports to EU countries, including the United Kingdom

The subsector "Manufacture of metals" is ranked first in exports with EU countries with 28%, while it has recorded a high increase of exports of 65%, compared to 2020. The country where most of the metal products were exported to is Italy with 70%.

The sub-sector "Manufacture of rubber and plastic products" has a share of 20% in the total exports to EU countries, while compared to the previous year, it increased by 53%. These exports were mainly destined for Germany with 38%, the Netherlands with 22%, Italy with 9%, etc.

In 2021, the sub-sector "Manufacture of fabricated metal products" participated with 10%, recording an increase of 41.6% compared to the previous year. Exports of fabricated metal products are destined for the German market with 36%, the Netherlands with 17%, France with 13%, etc.

An increase in exports to EU countries in 2021 compared to 2020 was recorded by the sub-sector “Food processing” by 30%. In the total exports of the Sector C with EU countries, this sub-sector has a share of 8%. The products of this sub-sector were exported to Germany with 27%, Italy with 18%, the Netherlands with 11% etc.

- **Imports from EU countries, including the United Kingdom**

The data presented in Table 9 show that only 21 out of the 23 sub-sectors have marked an increase in imports from the EU countries during 2021, while a decline was recorded by two sub-sectors of the Sector Cs.

The sub-sector "Manufacture of motor vehicles, trailers and semi-trailers" in 2021 had a share of 18% in the imports from EU countries within the Sector C, and it recorded an increase of 51%, other motor products were mainly imported from Germany with 79% etc.

The share of the “Food processing” sub-sector within the Sector C in imports is 16%, but in 2021 it marked an increase in imports by 18% compared to 2020. Food products were imported from Italy with 16, Croatia with 10%, Poland with 12%, Slovenia with 9%, etc.

The share of the “Manufacture of coke and refined petroleum products” in the Sector C in terms of imports with EU countries is 10%, with an increase of 51% in 2021 compared to the previous year. The imports were mainly from Greece with 62% and Italy with 25%.

The “Manufacture of chemical products” sub-sector participates with 10% in the total imports with EU countries within the Sector C. In 2021, it recorded an increase in imports by 41% compared to the previous year. Chemical products are imported from Germany with 25%, France with 12%, Italy with 10.59%, Poland with 9.2%, etc.

The sub-sector of “Manufacture of machinery and equipment n.e.c.” accounts for 8.6% of imports with EU countries, with an increase of 68% in imports in 2021 compared to the previous year. The highest import was realized from Germany with 43.6% and Italy with 21%, Spain with 12.7%, etc.

The share in imports of the sub-sector "Manufacture of rubber and plastic products" is 5.2%, with an increase of 38.6% compared to 2020. The products of this sub-sector are imported from Germany 46%, Italy 10%, Bulgaria 9%, etc.

2.2. Exports and Imports with CEFTA countries

Table 10 shows the values of exports and imports with CEFTA countries for sub-sectors (10 to 33) of Sector C.

In general, exports with CEFTA countries within Sector C, in 2021, marked an increase of 19%, while imports marked an increase of 45.5%.

Table 10. Value of exports and imports with CEFTA countries for industry sectors, 2019 – 2021

Code	Manufacturing Industry, Sector C	Exports			Balance		Imports			Balance	
		2019	2020	2021	Difference (2021 > 2020)	Difference in % (2021 > 2020)	2019	2020	2021	Difference (2021 > 2020)	Difference in % (2021 > 2020)
10	Food processing	14,357,962.18	15,822,484.52	22,767,316.22	6,944,831.70	43.89	63,581,293.51	93,560,843.04	135,004,596.35	41,443,753.31	44.30
11	Manufacture of beverages	21,341,142.71	20,740,122.01	25,583,798.36	4,843,676.35	23.35	22,472,368.09	32,540,492.94	60,383,339.42	27,842,846.48	85.56
12	Manufacture of tobacco products	-	-	32,000.00			1,645,261.50	2,277,951.00	2,304,417.39	26,466.39	1.16
13	Manufacture of textile	3,040,604.31	5,228,563.64	6,765,045.39	1,536,481.75	29.39	1,108,200.27	2,822,984.26	3,539,437.39	716,453.13	25.38
14	Manufacture of apparel	517,408.79	488,449.48	701,680.57	213,231.09	43.65	511,477.99	1,132,013.28	1,860,176.61	728,163.33	64.31
15	Manufacture of leather and leather products	500,696.70	877,298.80	991,476.72	114,177.92	13.01	719,700.93	1,222,866.53	1,485,880.59	263,014.06	21.51
16	Manufacture of wood and of wood and cork products, except furniture; manufacture of straw articles and plaiting materials	1,879,859.73	1,744,933.42	3,217,748.30	1,472,814.88	84.41	15,500,859.88	19,325,981.97	26,047,554.60	6,721,572.63	34.78
17	Manufacture of paper and paper products	1,790,001.45	2,188,547.87	2,855,782.09	667,234.22	30.49	13,921,943.96	17,775,005.88	24,872,627.95	7,097,622.07	39.93
18	Printing and reproduction of recorded media	-	-	-			-	-	-	-	

19	Manufacture of coke and refined petroleum products	2,655,010.77	1,382,178.75	3,474,410.60	2,092,231.85	151.37	70,576,780.70	33,593,347.96	80,178,589.36	46,585,241.40	138.67
20	Manufacture of chemical products	4,795,288.74	6,602,405.92	8,373,783.40	1,771,377.48	26.83	17,719,070.31	33,877,240.24	43,869,214.50	9,991,974.26	29.49
21	Manufacture of basic pharmaceutical products and pharmaceutical supplements	579,108.09	86,049.36	362,227.18	276,177.82	320.95	5,823,574.61	10,450,113.77	11,783,801.83	1,333,688.06	12.76
22	Manufacture of rubber and plastic products	14,537,627.77	15,555,357.82	19,420,942.46	3,865,584.64	24.85	21463573.9	26,491,523.57	38,593,792.36	12,102,268.79	45.68
23	Manufacture of non-metallic mineral products	3,597,513.73	4,921,744.61	8,758,261.02	3,836,516.41	77.95	56,526,379.01	72,491,495.96	80,660,753.42	8,169,257.46	11.27
24	Metal manufacturing	21,059,759.26	66,234,411.33	63,720,210.12	-2,514,201.21	-3.80	134,771,893.14	136,655,869.68	201,607,539.75	64,951,670.07	47.53
25	Fabricated Metal Product Manufacturing	7,218,038.23	9,224,505.71	11,356,341.40	2,131,835.69	23.11	8,159,565.03	18,128,793.07	23,641,801.82	9,969,228.04	30.41
26	Manufacture of computers, electronic and optical products	1,932,229.50	3,201,790.63	3,955,946.95	754,156.32	23.55	49,994.83	230,590.18	523,521.50	292,931.32	127.04
27	Manufacture of electrical equipment	2,108,626.08	1,498,768.21	2,185,450.47	686,682.26	45.82	12,778,039.02	19,164,292.92	24,509,876.26	6,386,253.90	27.89
28	Manufacture of machinery and equipment n.e.c.	3,495,179.99	3,957,021.33	5,412,952.68	1,455,931.35	36.79	3,163,047.99	8,038,065.30	11,286,908.01	4,875,017.31	40.42
29	Manufacture of motor vehicles, trailers and semi-trailers	810,090.04	1,538,426.36	1,242,990.34	(295,436.02)	(19.20)	344,331.00	634,105.24	398,200.90	(289,774.24)	(37.20)
30	Manufacture of other means of transport	43,530.78	47,315.01	51,976.97	4,661.96	9.85	8,487.17	165,502.77	223,385.13	157,015.60	34.97
31	Furniture manufacturing	3,282,665.87	4,387,380.58	6,086,720.15	1,699,339.57	38.73	6,715,247.71	7,349,145.23	11,146,903.75	3,797,758.52	51.68
32	Other n.e.c equipment	775,137.63	786,967.29	1,010,302.56	223,335.27	28.38	133,691.20	1,065,362.68	818,945.86	(246,416.82)	(23.13)
	Total	110,317,482.35	166,514,722.65	198,327,363.95	31,812,641.30	19.11	457,694,781.75	538,993,587.47	784,741,264.75	245,747,677.28	45.59

Source: Kosovo Agency of Statistics, processed by DIP/DI

- **Exports with CEFTA countries**

During 2020, exports to CEFTA countries, in Sector C, were dominated by the sub-sector “Manufacturing of metals” with a share of 32%. In 2021, this sub-sector has marked a decline in exports by 4% compared to 2020. The countries to which most metal products were exported are: Albania with 38%, North Macedonia with 30%, Serbia with 24% etc.

The sub-sector "Manufacture of beverages" accounts for 12.9% of exports to these countries. this sub-sector recorded an increase in exports by 23% compared to 2020. Beverage products are exported mainly to Albania with 66%, North Macedonia with 24%, etc.

The sub-sector "Food products processing" in the exports of the Sector C with CEFTA countries has recorded a share of 11.4%. In 2021, this sub-sector recorded an increase of 43.8% compared to the previous year.

The products of this sub-sector were exported to Albania 33%, Serbia 27%, North Macedonia 23% etc.

Subsector "Manufacture of rubber and plastic products" within the Sector C has a share in exports of 10%. This sub-sector has recorded an increase in exports by 24.85% compared to the previous year.

The countries where most of the rubber and plastic products were exported to were Albania with 29%, North Macedonia with 29.6%, and Serbia 27%.

An increase of 13% in exports was recorded in the sub-sector of “Manufacture of leather and leather products”, but with a low share in the Sector C by only 0.53%. The countries where leather products were mostly exported are Albania with 76.06%, Montenegro with 5.54, etc.

- **Imports with CEFTA countries**

Kosovo's imports with CEFTA countries, in 2021, are characterized by a significant increase in products from Sector-C, (Manufacturing Industry), in most sub-sectors.

Within the sub-sectors of Sector C, the highest share in imports with CEFTA countries is marked by the sub-sector " Metal manufacturing " with 25.7%. In 2021, this sub-sector recorded an increase in imports by 47.5% compared to 2020. Metal products were mainly imported from Albania with 66%, North Macedonia with 19%, etc.

The "Food processing" sub-sector accounts for 17% of imports with CEFTA countries. However, in 2021 there was an increase of 44.3% in imports compared to the previous year. Food products were imported from Serbia with 45%, North Macedonia with 34%, etc.

The "Manufacture of non-metallic mineral products" ranks third with a share of 10% in imports. In 2021, this sub-sector recorded an increase of 11% in imports compared to 2020. The products for this sub-sector were imported from Albania with 41%, North Macedonia 40% etc.

The highest increase in imports with CEFTA countries, within Sector C in 2021, was recorded by the sub-sector "Manufacture of coke and refined petroleum products" with over 100% compared to 2020. Coke products were imported from North Macedonia with 60%, Albania with 18%, Serbia with 22%, etc.

2.3 Exports and Imports with EFTA countries

Kosovo's exports to EFTA member countries for 2021, recorded a value of 50 million Euros, an increase of 29%, while imports recorded a value of 34.6 million Euros, an increase of 39% compared to 2020.

Table 11. Value of exports and imports with EFTA countries for industry sectors, 2019 - 2021

Code	Manufacturing Industry, Sector C	Exports		2021	Balance		Imports			Balance	
		2019	2020		Difference (2021>2020)	Difference % (2021> 2020)	2019	2020	2021	Difference (2021 >2020)	Difference in % (2021>2020)
10	Food processing	769,721.14	940,383.22	896,030.46	(44,352.76)	(4.72)	1,174,757.97	1,269,685.90	1,440,169.39	170,483.49	13.43
11	Manufacture of beverages	936,411.26	1,165,846.05	1,285,285.42	119,439.37	10.24	520,749.71	334,431.68	469,526.79	135,095.11	40.40
12	Manufacture of tobacco products	-	-	-			9,304,367.00	4,924,526.54	7,225,952.56	2,301,426.02	46.73
13	Manufacture of textile	81,883.57	474,158.46	359,836.12	(114,322.34)	(24.11)	119,480.66	110,129.59	108,644.07	(1,485.52)	(1.35)
14	Manufacture of apparel	121,479.90	351,781.10	340,398.27	(11,382.83)	(3.24)	1,000,551.16	1,114,344.29	1,353,448.97	239,104.68	21.46
15	Manufacture of leather and leather products	7,137.07	4,551.06	4,782.75	231.69	5.09	31,469.11	58,184.98	33,822.05	(24,362.93)	(41.87)
16	Manufacture of wood and of wood and cork products, except furniture; manufacture of straw articles and plaiting materials	2,601,368.57	3,869,950.84	4,730,568.65	860,617.81	22.24	1,722,671.09	1,417,783.31	1,675,787.13	258,003.82	18.20
17	Manufacture of paper and paper products	38,656.39	89,680.54	98,626.44	8,945.90	9.98	408,142.57	420,023.52	387,783.89	(32,239.63)	(7.68)
18	Printing and reproduction of recorded media	-	-	-				-	-		
19	Manufacture of coke and refined petroleum products	20.00		-			520,882.13	353,981.98	388,517.99	34,536.01	9.76

20	Manufacture of chemical products	164,444.14	293,053.61	2,125,023.41	1,831,969.80	625.13	798,371.46	912,702.40	2,008,042.19	1,095,339.79	120.01
21	Manufacture of basic pharmaceutical products and pharmaceutical supplements	-	540,300.00				2,171,639.95	1,981,112.15	1,784,475.36	(196,636.79)	(9.93)
22	Manufacture of rubber and plastic products	7,498,335.98	10,592,959.00	10,884,862.08	291,903.08	2.76	1,329,700.29	950,653.8	1,962,641.09	1,011,987.29	106.45
23	Manufacture of non-metallic mineral products	1,584,746.34	2,136,675.17	3,578,711.16	1,442,035.99	67.49	1,255,337.25	881,333.64	1,095,502.76	214,169.12	24.30
24	Metal manufacturing	1,434,712.54	1,320,338.20	1,822,666.42	502,328.22	38.05	766,561.06	822,106.27	1,360,596.91	538,490.64	65.50
25	Fabricated Metal Product Manufacturing	4,971,062.92	5,705,004.31	8,639,380.62	2,934,376.31	51.44	1,777,431.56	906,513.45	1,369,090.92	462,577.47	51.03
26	Manufacture of computers, electronic and optical products	603,544.66	439,115.44	717,524.39	278,408.95	63.40	1,718,210.78	2,421,932.54	4,363,064.53	1,941,131.99	80.15
27	Manufacture of electrical equipment	1,128,991.17	1,318,182.27	1,756,016.24	437,833.97	33.21	1,061,129.13	1,017,043.46	1,101,156.70	84,113.24	8.27
28	Manufacture of machinery and equipment n.e.c.	378,588.70	218,351.44	259,835.02	41,483.58	19.00	3,250,076.84	2,614,280.30	2,774,468.14	160,187.84	6.13
29	Manufacture of motor vehicles, trailers and semi-trailers	276,287.72	471,186.08	390,298.40	(80,887.68)	(17.17)	238,394.11	250,053.79	380,193.87	130,140.08	52.04
30	Manufacture of other means of transport	31,353.49	53,274.14	14,520.22	(38,753.92)	(72.74)	248,216.59	406,871.36	309,589.87	(97,281.49)	(23.91)
31	Furniture manufacturing	6,337,998.92	8,596,968.62	11,748,506.87	3,151,538.25	36.66	1,033,619.27	836,766.14	999,467.30	162,701.16	19.44
32	Other n.e.c equipment	207,443.92	158,198.95	381,545.22	223,346.27	141.18	1,160,181.67	828,910.48	2,021,349.01	1,192,438.53	143.86
	Total	29,174,188.40	38,739,958.50	50,034,418.16	11,294,459.66	29.15	31,611,941.36	24,833,371.57	34,613,291.49	9,779,919.92	39.38

Source: Kosovo Agency of Statistics, processed by DIP/DI

- **Exports to EFTA countries**

The sub-sector “Manufacture of furniture”, in 2021, within Sector C, had a share of 23.4% in exports to EFTA countries. On the other hand, it recorded an increase of 36% within the sub-sector compared to 2020. Those products were mostly exported to Switzerland with 98%.

The sub-sector “Manufacture of rubber and plastic products” ranks second in terms of exports to EFTA countries, with a share of 21.7% within Sector C. In 2021, this sub-sector recorded an increase of 3% compared to 2020. The products of this sub-sector were exported to Switzerland with 99.6%.

The sub-sector "Manufacture of fabricated metal products" with EFTA countries has a share of 17%. In 2021, this sub-sector recorded an increase of 51.4% in exports compared to the previous year. The products of this sub-sector exported mostly to Switzerland with 91.8%.

The sub-sector "Manufacture of wood and of wood and cork products, except furniture; manufacture of straw articles and plaiting materials", ranks fourth within Sector C with a share of 9% in exports to these countries. In 2021, exports marked an increase of 22% compared to the previous year. Wood products were exported to Switzerland with 99.8%.

- **Imports with EFTA countries**

Imports with EFTA countries are dominated by the subsector "Manufacture of tobacco products" with 20.9%. In 2021, this sub-sector recorded an increase of 47%, compared to 2020. Tobacco products were imported from Switzerland with 100%.

The sub-sector “Manufacture of computers, electronic and optical products” has a share of 12.6% in EFTA countries. In 2021, on the other hand, it recorded an increase of 80% compared to the previous year. These products are imported from Switzerland with 55.1% and Norway with 44.9%.

Sub-sector "Manufacture of machinery and equipment n.e.c." has a share of 8%, whereas within the sub-sector, in 2021 it recorded an increase of 6% compared to the previous year. These products are imported from Switzerland with 98.7%.

Five of the 23 sub-sectors recorded declines in imports with EFTA countries. In 2021, the sub-sectors “Manufacture of leather and leather products” and “Manufacture of other means of transport” recorded the largest decline with 42% and 24%, respectively, compared to the previous year.

2.4. Exports and Imports with other countries

Exports to other countries in 2021 reached the amount of 163 million Euros. Compared to 2020, it recorded an increase of 100% (232%).

Imports with other countries in 2021 reached the amount of 1.528 billion Euros. Compared to 2020, it recorded an increase of 45.8%. Kosovo's trade exchange with other countries is 90% of the import value and 10% of the export value.

Table 12. Value of Exports and Imports with other countries for 2019 - 2021

Code	Manufacturing Industry, Sector C	Exports			Balance		Imports			Balance	
		2019	2020	2021	Difference (2020 > 2019)	Difference in % (2020 > 2019)	2019	2020	2021	Difference (2020 > 2019)	Difference in % (2020 > 2019)
10	Food processing	3,095,757.49	3,460,546.54	3,596,026.20	135,479.66	3.91	124,142,753.55	109,877,274.50	135,974,228.58	26,096,954.08	23.75
11	Manufacture of beverages	915,117.63	1,304,206.39	1,227,490.04	(76,716.35)	(5.88)	4,487,749.40	4,115,175.57	8,594,604.98	4,479,429.41	108.85
12	Manufacture of tobacco products	-	-	-			8,307,737.58	9,638,693.32	15,820,303.98	6,181,610.66	64.13
13	Manufacture of textile	964,702.52	8,404,960.99	8,877,237.31	472,276.32	5.62	47,639,666.37	56,601,803.78	88,417,420.71	31,815,616.93	56.21
14	Manufacture of apparel	611,746.49	2,425,676.30	6,958,614.29	4,532,937.99	186.87	109,063,354.20	90,815,489.98	131,947,874.72	41,132,384.74	45.29
15	Manufacture of leather and leather products	2,154.52	11,137.26	39,836.32	28,699.06	257.69	44,377,194.57	33,693,526.77	44,062,645.36	10,369,118.59	30.77
16	Manufacture of wood and of wood and cork products, except furniture; manufacture of straw articles and plaiting materials	83,200.14	51,730.44	470,321.70	418,591.26	809.18	19,740,667.67	17,973,978.18	29,283,934.86	11,309,956.68	62.92
17	Manufacture of paper and paper products	18,695.62	25,130.64	41,260.62	16,129.98	64.18	13,557,299.72	12,828,554.40	20,045,788.27	7,217,233.87	56.26
18	Printing and reproduction of recorded media	-	-	-			144,880.98	118,326.26	30,687.18	(87,639.08)	(74.07)

19	Manufacture of coke and refined petroleum products	-	-				118,980,181.99	77,375,351.99	143,260,942.76	65,885,590.77	85.15
20	Manufacture of chemical products	63,696.10	2,480,191.63	247,135.49	(2,233,056.14)	(90.04)	79,677,809.43	82,068,935.29	124,170,222.93	42,101,287.64	51.30
21	Manufacture of basic pharmaceutical products and pharmaceutical supplements	335,348.84	108,718.50	242,502.17	133,783.67	123.06	13,685,021.94	23,083,142.88	28,411,464.53	5,328,321.65	23.08
22	Manufacture of rubber and plastic products	3,992,145.28	3,733,068.79	4,721,154.95	988,086.16	26.47	50,759,284.77	50,312,464.07	62,260,412.85	11,947,948.78	23.75
23	Manufacture of non-metallic mineral products	575,854.23	264,465.54	1,291,312.59	1,026,847.05	388.27	49,040,451.76	46,463,738.06	67,644,050.21	21,180,312.15	45.58
24	Metal manufacturing	32,687,755.37	8,145,609.37	5,551,464.58	(2,594,144.79)	(31.85)	69,639,733.00	57,350,124.03	106,340,858.19	48,990,734.16	85.42
25	Fabricated Metal Product Manufacturing	1,797,249.86	1,171,122.07	10,604,318.66	9,433,196.59	805.48	49,197,416.83	53,761,361.23	65,793,701.17	12,032,339.94	22.38
26	Manufacture of computers, electronic and optical products	496,130.70	1,324,344.18	1,450,409.54	126,065.36	9.52	77,910,771.12	80,483,118.00	117,719,355.20	37,236,237.20	46.27
27	Manufacture of electrical equipment	73,270.09	63,031.72	193,390.06	130,358.34	206.81	81,073,800.98	82,246,402.42	102,142,969.60	19,896,567.18	24.19
28	Manufacture of machinery and equipment n.e.c.	1,239,008.87	1,415,249.68	3,183,352.55	1,768,102.87	124.93	99,376,654.00	96,660,637.95	126,091,522.70	29,430,884.75	30.45
29	Manufacture of motor vehicles, trailers and semi-trailers	508,987.63	857,360.65	1,381,501.30	524,140.65	61.13	23,220,491.03	32,809,087.68	34,001,085.67	1,191,997.99	3.63
30	Manufacture of other means of transport	3,500.00	90.00	250.00	160.00	177.78	6,108,233.28	13,332,544.49	50,034,180.76	36,701,636.27	275.28
31	Furniture manufacturing	177,191.33	13,713,568.17	113,009,866.23	99,296,298.06	724.07	30,339,203.07	23,346,529.42	38,373,987.81	15,027,458.39	64.37
32	Other n.e.c equipment	98,239.41	72,381.64	120,855.97	48,474.33	66.97	30,144,471.05	30,189,644.27	42,483,203.47	12,293,559.20	40.72
	Total	47,739,752.12	49,032,590.50	163,208,300.57	114,175,710.07	232.86	1,150,614,828.29	1,085,145,904.54	1,582,905,446.49	497,759,541.95	45.87

Source: Kosovo Agency of Statistics, processed by DIP/DI

- **Exports with other countries**

The data presented in Table 12 demonstrates that exports with other countries is led by the sub-sector “Manufacture of furniture” and “Manufacture of textile”, as a result of the trade agreements between domestic companies with the USA.

The sub-sector of “Manufacture of furniture” ranks first with a share of 69% in exports to other countries, with an increase of over 100% of exports in 2021 compared to the previous year, an increase of about 100 million Euros. Furniture products are exported to the USA with 95%, etc.

The sub-sector “Manufacture of fabricated metallic products” with other countries, within Sector C, has a share of 6.5% in exports, whereas in 2021, it recorded a significant increase of over 100% compared to the previous year. The products manufactured by this sub-sector are exported to Kazakhstan with 90%.

The sub-sector “Manufacture of textile” ranks third with a share of 5.5% in exports to these countries. In 2021, it recorded an increase of over 5.6% compared to the previous year. Textile products were mainly exported to the USA with 88.7%.

- **Imports with other countries**

Within Sector C, the sub-sector “Manufacture of coke and refined petroleum products” accounts for 9% of imports, while in 2021 this sub-sector recorded an increase of 85% compared to 2020. The products were imported from Saudi Arabia with 43%, Israel with 15%, Turkey with 14%, etc.

The “Food processing” sub-sector ranks second with a share of 8.5% in imports, within Sector C in 2021. This sub-sector recorded an increase of 23.8% in imports compared to 2020. Apparel products were imported from Turkey with 33%, Brazil with 31%, etc.

Sub-sector “Manufacture of apparel” has a share of 8.3% in imports, with an increase of 45% in 2021 compared to the previous year. Apparel products were imported from Turkey with 57%, China with 19%, etc.

Sub-sector “Manufacture of machinery and equipment n.e.c.”, ranks third with a share of imports of 7.9% in 2021, and recorded an increase of 30% compared to the previous year. Machinery products were imported from China with 45.4%, Turkey with 35.8%, etc.

In terms of declines, sub-sector “Printing and reproduction of recorded media” is the only sub-sector that recorded a decline of 74%.

Summary – Sector C (Manufacturing Industry)

In 2021, Sector C recorded an increase of 57.2% in exports, whereas imports marked an increase of 41.73% compared to the previous year. Of 23 sub-sectors comprising the Sector C category, all sub-sectors recorded an increase in exports in 2021, compared to 2020. 22 sub-sectors increased in imports while one sub-sector dropped. The data show that Sector C had a significant impact in economic development, a potential to generate jobs, an impact in improving trade balance, meeting market demands with quality products, replacing demands for imported products, increasing revenues for the state budget, etc.

- Sector C (Manufacturing Industry) has a share of 12.9 % of Kosovo's GDP;
- In 2021, the share of Sector C in GDP dropped by 0.5%, compared to 2020;
- Sector C (Manufacturing Industry) had a share of about 82.8% in overall exports in 2021, and about 92.6% in overall imports;
- Export share in 2021 was 626 million Euros, while in 2020 it was 398 million Euros, indicating that exports in Sector C recorded an increase of 57.2%;
- Imports in 2020, in Sector C was 3.06 billion Euros, while in 2021 it was 4.33 billion Euros, i.e. it increased by 41.73%, whereas in 2020, compared to 2019, it had dropped by 5.9%;
- In 2020, Sector C has a share of 11.8% in the employment rate by economic activity;
- Within Sector C, 22% are export enterprises;
- The effective interest rate in Sector C during 2021 was 5.9 %.

Food Processing sub-sector

- The Food Processing sub-sector accounts for 25.03% of employment, and 24.43% in the number of enterprises, and 23.57% in annual turnover in Sector C;
- In overall exports, Food Manufacturing has a share of 5.9%;
- In Sector C exports, this sub-sector accounts for 7.1%;
- In overall imports, Food Manufacturing has a share of 12.4%;
- In imports of Sector C, this sub-sector has a share of 13.39%;
- In 2021, the difference in the Food Processing sub-sector, in the five analysed indicators, increased in: the number of enterprises 6.79%, employment 22.53%, turnover 47.57%, exports 33.04 % and imports 24.51%, compared to 2020.

Beverage Manufacturing sub-sector

- The "Beverage Manufacturing" sub-sector accounts for 5.61% of employment, 1.70% of the number of enterprises, and 10.75% of annual turnover in Sector C;
- In overall exports, Beverage Manufacturing has a share of 4.9%;
- In Sector C exports, this sub-sector has a share of 5.9%;
- In overall imports, Beverage Manufacturing has a share of 2.5%;
- In Sector C imports, this sub-sector has a share of 2.7.%;
- In 2021, the difference in the beverage sub-sector, in the five analysed indicators increased in: the number of enterprises 30.77%, employment 3.88%, turnover of over 100%, exports 24.33 % and imports 50.25%, compared to 2020.

Manufacture of textile sub-sector

- Sub-sector “Manufacture of textile” accounts for 2.05% of employment, 2.89% of the number of enterprises, and 1.08% of annual turnover in Sector C;
- In overall exports, Manufacture of textile has a share of 3.0%;
- In Sector C exports, this sub-sector has a share of 3.61%;
- In overall imports, Manufacture of textile has a share of 2.14%;
- In Sector C imports, this sub-sector has a share of 2.31%;
- In 2021, the difference in the textile sub-sector is as follows: in the number of enterprises -1.7%, in employment 0.87%, in turnover 35.32%, in exports 26.05% and in imports 50.59%, compared to 2020.

Manufacture of apparel Sub-sector

- Sub-sector “Manufacture of apparel” accounts for 4.07 % of employment, 5.85% of the number of enterprises, and 0.92% of annual turnover in Sector C;
- In overall exports, Manufacture of apparel has a share of 1.4%;
- In Sector C exports, this sub-sector has a share of 1.64%;
- In overall imports, Manufacture of apparel has a share of 3.04%;
- In Sector C imports, this sub-sector has a share of 3.28%;
- In 2021, the difference in the apparel sub-sector, in the five analysed indicators increased in: the number of enterprises 7.69%, employment 39.88%, turnover 85.72%, exports 99.19%, and imports 44.34%, compared to 2020.

Manufacture of Leather and Leather Products Sub-sector

- Sub-sector “Manufacture of leather and leather products” accounts for 1.03% of employment, 0.65% of the number of enterprises, and 0.42% of annual turnover in Sector C;
- In overall exports, Manufacture of leather and leather products has a share of 0.44%;
- In Sector C exports, this sub-sector has a share of 0.53%;
- In overall imports, Manufacture of leather and leather products has a share of 1.07%;
- In Sector C imports, this sub-sector has a share of 1.15%;
- In 2021, the difference in the sub-sector of leather and leather products is as follows: in the number of enterprises -9.3%, in employment -3.3%, in turnover 43.37%, in exports 42.18%, and imports 31.1%, compared to 2020.

Manufacture of wood and of wood and cork products, except furniture; manufacture of straw articles and plaiting materials

- The “Wood manufacturing” sub-sector accounts for 6.0% of employment, 8.71% of the number of enterprises, and 3.9% of annual turnover in Sector C;
- In overall exports, Wood manufacturing has a share of 1.86%;

- In Sector C exports, this sub-sector has a share of 2.24%;
- In overall imports, Wood manufacturing has a share of 2.09%;
- In Sector C imports, this sub-sector has a share of 2.26%;
- In 2021, the difference in the wood sub-sector, in the five analysed indicators, increased in: the number of enterprises 9.22%, employment 35.28%, turnover 69.13%, exports 34.69% and imports 42.4%, compared to 2020.

Manufacture of Paper and Paper Products Sub-sector

- The sub-sector “Manufacture of paper and paper products” accounts for 1.63% of employment, 1.7% of the number of enterprises, and 1.97% of annual turnover in Sector C;
- In overall exports, Manufacture of paper and paper products has a share of 0.53%;
- In Sector C exports, this sub-sector has a share of 0.64%;
- In overall imports, Manufacture of paper and paper products has a share of 1.63%;
- In Sector C imports, this sub-sector has a share of 1.76%;
- In 2021, the difference of the paper and paper products sub-sector is as follows: in the number of enterprises -4.67%, in employment -10.28%, in turnover -0.62%, in exports 37.5% and in imports 30.29%, compared to 2020.

Manufacture of Chemical Products Sub-sector

- Sub-sector “Manufacture of Chemical Products” accounts for 2.39% of employment, 2.11% of the number of enterprises, and 2.76% of turnover in Sector C;
- In overall exports, Manufacture of chemical products has a share of 2.89%;
- In Sector C exports, this sub-sector has a share of 3.49%;
- In overall imports, manufacture of chemical products has a share of 7.85%;
- In Sector C imports, this sub-sector has a share of 8.47%;
- In 2021, the difference in the chemical products sub-sector in the five analysed indicators increased in: the number of enterprises 10.53%, employment 24.15%, turnover 73.28%, exports 11.24% and imports 43.01%, compared to 2020.

Manufacture of Rubber and Plastic Products Sub-sector

- Sub-sector “Manufacture of Rubber and Plastic Products” accounts for 9.25% of employment, 9.68% of the number of enterprises, and 9.89% of annual turnover in Sector C;
- In overall exports, Manufacture of rubber and plastic products has a share of 10.39%;
- In Sector C exports, this sub-sector has a share of 12.54%;
- In overall imports, Manufacture of rubber and plastic products has a share of 4.38%;
- In Sector C imports, this sub-sector has a share of 4.73%;

- In 2021, the difference in the Manufacture of rubber and plastic products sub-sector, in the five analysed indicators, increased in: the number of enterprises 1.22%, employment 4.21%, turnover 41.09%, exports 34.75% and imports 35.31%, compared to 2020.

Manufacture of Non-Metallic Minerals Sub-Sector

- Sub-sector “Manufacture of non-metallic minerals” accounts for 13.83% of employment, 9.11% of the number of enterprises, and 16.19% of annual turnover in Sector C;
- In overall exports, Manufacture of non-metallic minerals has a share of 2.48 %;
- In Sector C exports, this sub-sector has a share of 3.0%;
- In overall imports, Manufacture of non-metallic minerals has a share of 4.81%;
- In Sector C imports, this sub-sector has a share of 5.19%;
- In 2021, the difference in the non-metallic mineral products sub-sector, in the five analysed indicators, increased in: the number of enterprises 6.65%, employment 7.62%, turnover 15.39%, exports 94.68% and imports 31.55%, compared to 2020.

Metal Manufacturing Sub-Sector

- The “Metal Manufacturing” sub-sector accounts for 2.01% of employment, 2.14% of the number of enterprises, and 3.99% of annual turnover in Sector C;
- In overall exports, metal manufacturing has a share of 17.43%;
- In Sector C exports, this sub-sector has a share of 21.03%;
- In overall imports, metal manufacturing has a share of 8.09%;
- In Sector C imports, this sub-sector has a share of 8.73%;
- In 2021, the difference in the metal sub-sector is as follows: in the number of enterprises 5.79%, in employment -38%, in turnover -14%, in exports 17.14% and in imports 57%, compared to 2020.

Sub-sector of Manufacture of fabricated metallic products, except for machinery and equipment

- Sub-sector “Manufacture of fabricated metallic products, except for machinery and equipment” accounts for 7.75% of employment, 12.87% of the number of enterprises, and 8.02% of annual turnover in Sector C;
- In overall exports, Manufacture of fabricated metallic products has a share of 6.98%;
- In Sector C exports, this sub-sector has a share of 8.42%;
- In overall imports, Manufacture of fabricated metallic products has a share of 3.22%;
- In Sector C imports, this sub-sector has a share of 3.48%;
- In 2021, the difference in the Fabricated metallic products sub-sector is as follows: in the number of enterprises 4.62%, in employment -1.51%, in turnover 37.75%, in exports 66.16% and imports 21.51%, compared to 2020.

Manufacture of Furniture Sub-Sector

- Sub-sector “Manufacture of furniture” accounts for 12.42% of employment, 9.17% of the number of enterprises, and 9.53% of annual turnover in Sector C;
- In overall exports, manufacture of furniture has a share of 18.52%;
- In Sector C imports, this sub-sector has a share of 22.35%;
- In overall imports, Manufacture of furniture has a share of 1.31%;
- In Sector C imports, this sub-sector has a share of 1.42%;
- In 2021, the difference in the furniture manufacturing sub-sector, in the five analysed indicators, increased in: the number of enterprises 6.81%, employment 28.23%, turnover 100%, exports in the amount of 106 million Euros or over 300%, and imports in the amount of 22 million Euros or 57.48%, compared to 2020.

Conclusions

- The manufacturing/processing industry has a high potential to reduce the trade deficit, taking into account the share of 83% in the overall export, where the coverage of import with export is only 14.4%.
- Exports of manufacturing/processing industry products are from countries where the diaspora is concentrated, which reflects the limited diversification of exports in the global market. The importance of diversification is observed with the expansion of exports to the USA, specifically in the industry of “Furniture manufacturing” sub-sector.
- The manufacturing sector remains stable at around 13% of GDP and continues to hold the third place after services, construction and mining although it contributes to the increase in the value added in manufacturing in the country as well as to the increase in the number of employees.
- The manufacturing industry sector has seen a decline in FDI over the last two years, considering that the diaspora's investments are concentrated in real estate. FDIs in Kosovo come from Germany, Switzerland, USA, etc.
- Bank interest rates are still high for the manufacturing industry at around 6%, which prevents businesses from expanding their production capacities.
- The participation of women in the manufacturing/processing industry continues to be low, although the manufacturing industry sector has the potential for higher employment.
- Imports of the Manufacturing Industry continue to be high, due to the fact that the economy of Kosovo is not managing to intensify the provision of raw materials from local sources that would contribute to the reduction of imports.

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