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Qeveria - Vlada - Government

Ministria e Industrisë, Ndërmarrësisë dhe Tregtisë
Ministarstvo Industrije, Preduzetništva i Trgovine
Ministry of Industry, Entrepreneurship and Trade

Departamenti i Industrisë - Divisioni për Politika Industriale

SECTOR C

PROCESSING INDUSTRY

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List of abbreviations

ASK	- Kosovo Agency of Statistics
TAK	- Kosovo Tax Administration
EuropeanUnion	- European Union
KCB	- Kosovo Consolidated Budget
GDP	- Gross Domestic Product
CBK	- Central Bank of Kosovo
know	- Department of Industry
DK	- Kosovo Customs
DIP	- Industrial Policy Development Division
FDI	- Foreign Direct Investments
ODC	- Other Depository Corporations
MINT	- Ministry of Industry, Entrepreneurship and Trade
NMVID	- Average Annual Interest Rate on Deposits
VSHP	- Production Value Added
WITS	- Integrated World Trade System
WDI	- World Development Indicators
KTOE	- Kilo tons per unit of oil equivalent

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Foreword

Industrial development in Kosovo has been a complex and often challenging process, as a result of the political, economic and social changes that have occurred since the war. The transformation of the sector aims to create a higher-income economy, creating a better standard of living and well-being.

The gradual transformation of industry in Kosovo aims to transition to a higher-income economy, improving the socio-economic well-being of Kosovo's citizens. This process continuously requires investment in production capacities to create a more favorable environment for investment in industry.

Perhaps more than other sectors, manufacturing has a higher potential to create significant productivity and value-added gains, by attracting new technologies and innovation. Furthermore, industrial development has other positive implications for manufacturing sectors, due to various linkages with other sectors of the economy. Industrial development can stimulate growth and development in sectors such as agriculture and mining in Kosovo and in related service industries.

In order to have a detailed overview of the state and development trends of the industry, industrial policy drafters within the Ministry of Industry, Entrepreneurship and Trade, based on processed statistical data, have prepared the annual report of the manufacturing industry 2024, for the analysis of the performance of the C-sector, analyzing the three main dimensions: the economic, social and environmental dimension.

The purpose of drafting the Annual Report is to present the main development trends of the Kosovo economy, with particular emphasis on the main industrial branches, during 2024, but also a comparative analysis with countries in the region, as well as the trend of developments in the processing industry sectors.

The analyzed data presented in this report can serve institutions, academics, policymakers, operating businesses (current and potential in the private sector), investors, donors, researchers, etc. The report on Sector-C (manufacturing industry) provides a more detailed overview of the main trends affecting the country's industry and facilitates the work of all relevant stakeholders in designing more effective development policies, based on measurable indicators.

Methodology

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

Quantitative and qualitative data were processed and analyzed 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 formats, combination and comparison methods were used for the presented data.

Statistical data are processed in the general section for the Manufacturing Industry of Sector-C, the general values including the codes in subsectors 10-33, comparing with the Western Balkan countries (WB6). The description of sub-sectors in this Report is arranged according to codes, as they are listed in NACE Rev.2.

Data for export and import sub-sectors, sub-activities, enterprises, employment and turnover in Kosovo are presented according to the four-digit NACE Rev.2 code.

From the processed statistical data, analyses have been compiled covering three dimensions: economic, social and environmental. These dimensions are treated in an integrated manner to reflect the state of the processing/manufacturing industry in Kosovo.

After the analysis, conclusions are presented regarding the status and trends of production in the processing/manufacturing industry (Sector C) in Kosovo.

For all data used in the Annual Report on the processing/manufacturing industry, the references or source of information are noted.

ECONOMIC ANALYSIS

Gross Domestic Product

Gross Domestic Product (GDP) is the most important economic indicator of national accounts, which represents the economic performance of a country in a given period of time.

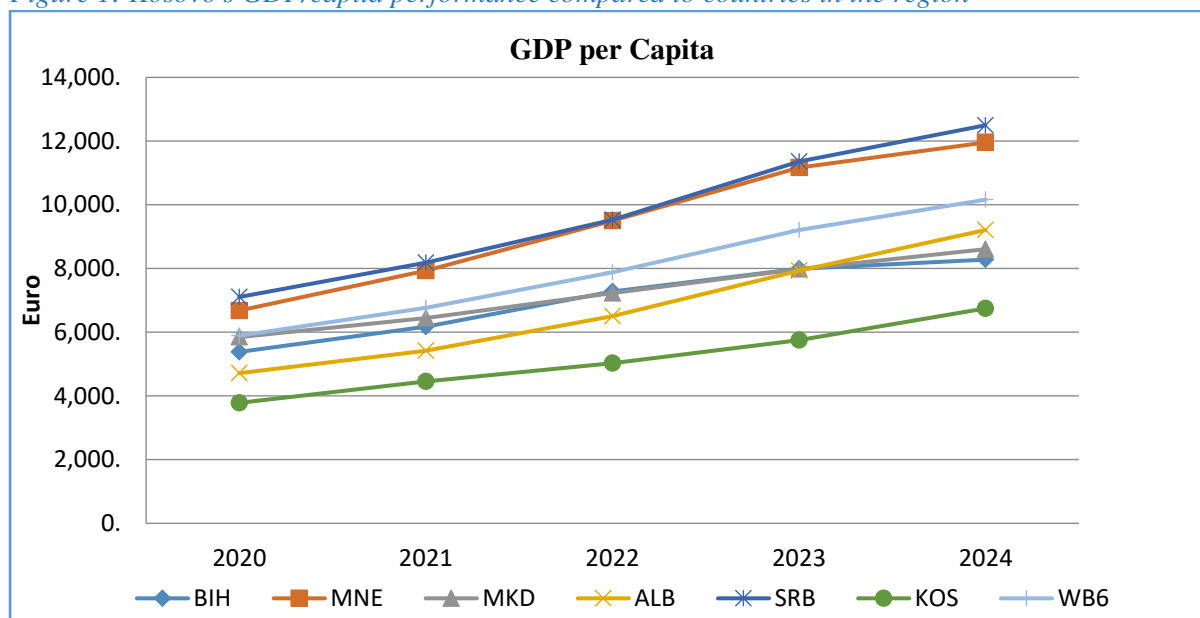
According to the CBK annual report, the Kosovo economy has recorded a stable growth of 4.4% of GDP in 2024, supported by consumption, investments and exports, while imports continued to be high, negatively affecting the calculation of GDP.

According to data from "Eurostat" and the National Statistics of Kosovo, in 2024, the Gross Domestic Product (GDP) per capita in Kosovo was 6,747.40 EUR, which means it is below the WB6 average, which is 10,159.20 EUR.

Although it started from a low base, Kosovo has a faster growth rate compared to other countries in the region. From 2021 to 2024, GDP per capita in Kosovo has seen a significant increase, from 4,455.50 EUR to 6,747.40 EUR.

Over the years, the annual increases have been, respectively, 12.9% in 2022, 14.3% in 2023 and 17.3% in 2024. However, in 2024, a decrease in the number of inhabitants of Kosovo was recorded with the latest census.

Figure 1: Kosovo's GDP/capita performance compared to countries in the region



Source: Eurostat, processed by MIET/DI/DIP

Share of Manufacturing Value Added in GDP

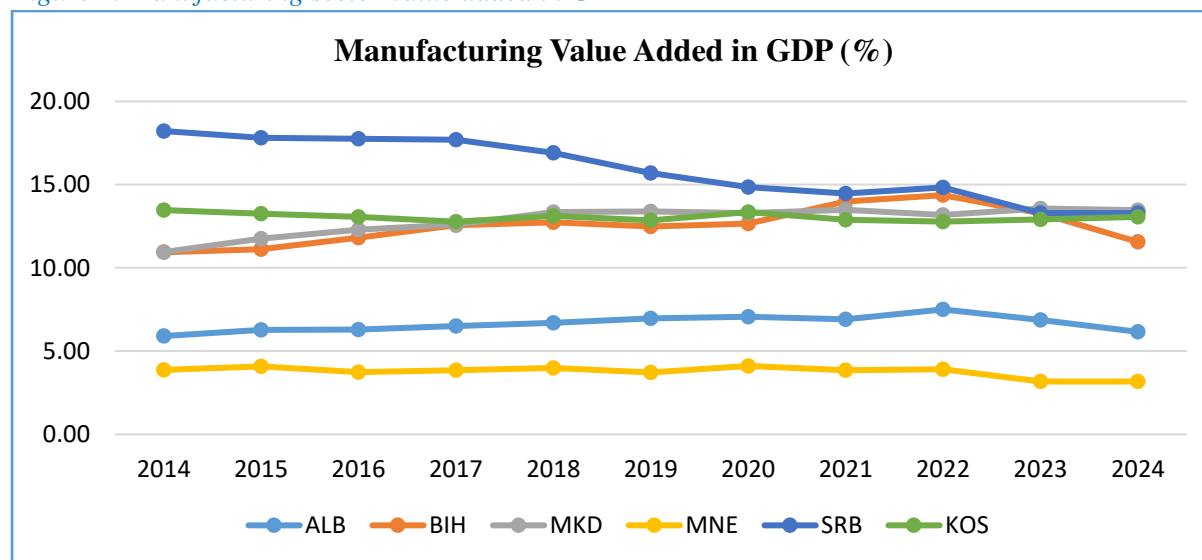
The United Nations System of National Accounts requires that value added be measured at basic prices (excluding net taxes on products), or at the prices of products produced (including net taxes on products paid by producers, but by excluding sales or value-added taxes). Both of these estimates exclude transport charges that are billed separately by producers. Total Gross Domestic Product (GDP) is measured at purchasers' prices, while value added by industry is usually measured at basic prices.

In 2024, Kosovo's industrialization, measured by the share of manufacturing value added in Gross Domestic Product (GDP), reached 13.1%, a percentage higher than the average of the Western Balkan countries (WB6), which is 10.1%. This indicates a better performance of the Kosovar industry compared to the average of the WB6.

Compared to some other countries in the region, Kosovo has a higher value of production (% GDP). For example, Montenegro is only 3.18%, Albania 6.17%, while Bosnia and Herzegovina reach 11.6%. These figures show that industrialization in Kosovo is more advanced compared to these countries.

This positive trend could serve as a signal for foreign and local investors to support more industrial sectors by further strengthening the local economy.

Figure 2. Manufacturing sector value added in GDP¹



Source: World Development Indicators

¹ Data for 2024 for Serbia and Montenegro have not been published, therefore data from 2023 have been taken.

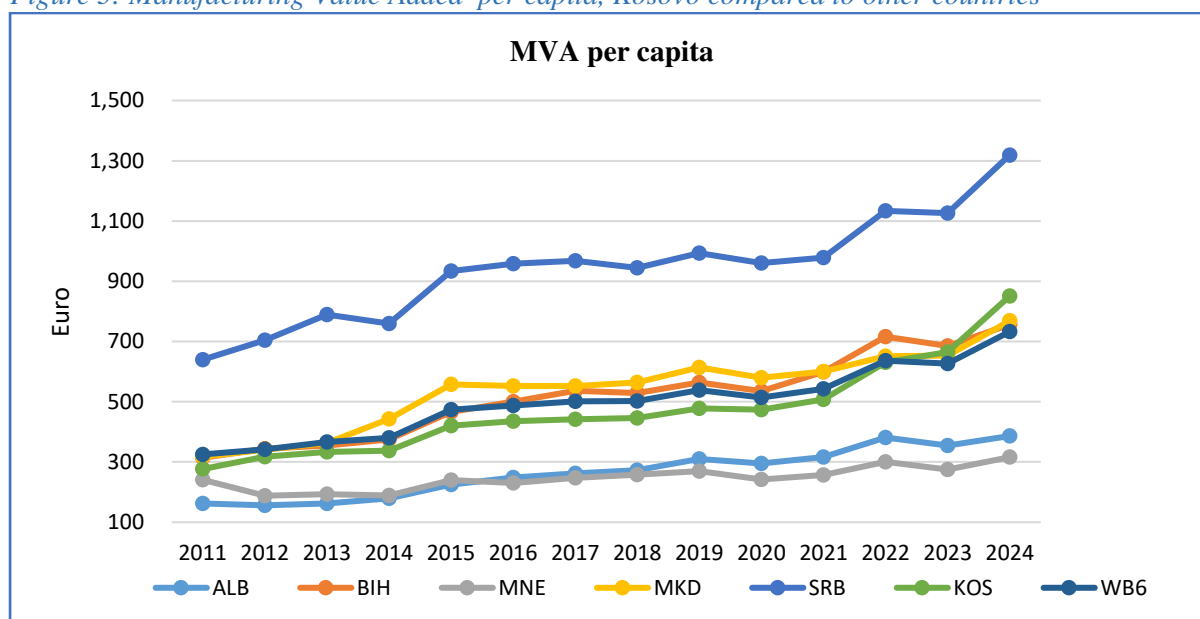
Value added per capita

Value added per capita reflects the level of industrialization of a country adjusted for the size of the economy. One of the statistical uses of MVA per capita is to classify groups of countries according to the stage of industrial development.

The productive capacity of a country is measured by the value added generated in the manufacturing sector, divided per capita. This figure reflects how much economic value is created by manufacturing activities for each individual in the country, which is the driving force of economic development.

In 2024, Kosovo achieved a manufacturing sector value added of 851 euros per capita, a result that places it above the average of the six Western Balkan countries (WB6), where this average value is 733 euros per capita. Yet, compared to Serbia, Kosovo lags behind, since Serbia has a manufacturing sector value added of 1,319.00 euros per capita.

Figure 3: Manufacturing Value Added per capita, Kosovo compared to other countries



Source: WDI, processed by DI/DIP staff²

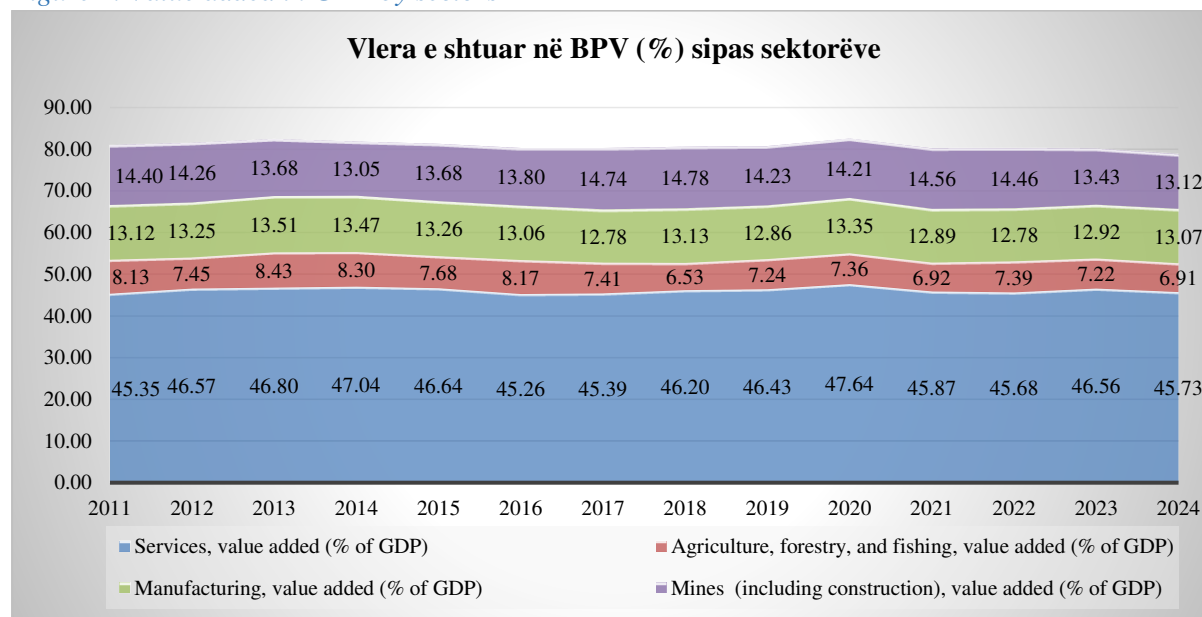
Share of value added in GDP by sectors

Between 2011 and 2024, Kosovo's economic structure has changed little. The importance of the manufacturing sector for the overall economy has remained limited. The contribution of manufacturing value added (MVA) to gross domestic product (GDP) has been stable, with little change between 2023 and 2024.

² Data for 2024 for Serbia and Montenegro have not been published, therefore data from 2023 have been taken.

The services sector has had a dominant share, maintaining an average of around 45% of GDP over the years. Meanwhile, the mining and construction sector has an average of 14% of GDP; however, there has been a slight decline in the last two years, dropping to around 13%.

Figure 4. Value added in GDP by sectors



Source: WDI, processed by DI/DIP staff

Foreign Direct Investments

Foreign direct investment increases opportunities for economic integration by creating stable and long-term connections in international markets.

Large global companies transfer their capital to countries that offer more favourable investment conditions. In addition to lower taxes, cheaper and more qualified workforce, companies are also interested in the rule of law and order in the country of investment, but also in having the investments secured by the host country.

The share of manufacturing FDI in total FDI for 2024 was 3.78%.

Foreign Direct Investments by economic activity

Data from the Central Bank of Kosovo show that in 2024, net FDI inflows in the manufacturing sector were 32.0 million euros, while in 2023, they were 17.2 million euros.

The real estate sector continues to be predominant, with 76.5% of total FDI, thus marking an increase of 25.4% and reaching a value of 648.6 million euros, mainly influenced by the increase in real estate prices and the high demand for real estate.

Table 1. FDIs by economic sectors, 2016 – 2024 (in million euros)

Sectors	2016	2017	2018	2019	2020	2021	2022	2023	2024
Agriculture, forestry and fishing	1.3	(1.3)	0.1	1.5	2.8	1.1	0.7	0.7	0.4
Mining and quarries	(19.1)	(4.9)	(2.7)	(6.9)	29.1	1.4	18.6	22.9	-2.3
Manufacturing	4.2	6.1	(17.7)	14.2	(4.6)	-0.4	8.9	17.2	32.0
Supply of electricity, gas, steam and air conditioning	(0.4)	(0.8)	12.1	13.5	30	(38.8)	29.5	58.5	-2.7
Water supply, sewerage, waste management	0.6	0.0	2.5	(0.6)	0.2	(0.5)	(0.2)	0.2	0.0
Construction	28.1	5.1	24.8	(17.1)	11.4	16.7	26.5	11.8	6.2
Wholesale and retail trade, repair of motor vehicles and motorcycles	14.0	9.0	19.6	(6.7)	(8.1)	(4.0)	17.6	16.6	0.7
Transportation and storage	0.9	(0.8)	(0.2)	(6.2)	(16.0)	4.3	(4.1)	-12.0	-4.6
Accommodation and food service activities	0.8	1.1	1.8	1.4	1.1	0.7	(4.1)	0.2	0.5
Information and communication	(4.2)	(3.8)	(9.6)	2.3	1.6	17.3	14.0	12.9	10.0
Financial and insurance activities	19.0	55.2	15.5	13.9	85.1	24.6	51.9	176.6	143.4
Real estate activities	139.7	154.7	205.2	223.8	201.1	384.0	529.5	517.1	648.6
Professional, scientific and technical activities	5.8	5.7	5.2	3.4	3.6	5.7	10.9	7.4	5.9
Administrative and support activities	21.9	23.7	4.7	3.7	0.8	1.4	10.7	-1.0	-0.5
Public administration and defense; compulsory social security	1.9	1.3	0.9	1.7	1.1	1.1	1.5	1.5	0.7
Education	0.8	0.7	0.7	1.3	1.3	1.8	2.2	1.8	0.0
Human health and social work activities	1.3	(1.0)	(0.4)	0.6	0.3	2.7	1.2	0.7	2.5
Arts, entertainment and recreation	0.1	0.0	0.5	0.5	(0.1)	0.1	0.6	0.6	0.0
Other service activities	3.9	3.7	7.2	2.8	1.7	(1.2)	1.1	-1.1	1.6
Unclassified	(0.3)	1.5	2.0	7.6	3.0	2.6	14.9	3.8	4.9

Source: Central Bank of Kosovo / <https://bqk-kos.org/statistikat/serite-kohore/> accessed on 18.09.2025

Based on the data in table no. 1 on FDIs by economic activity, the financial and insurance sector recorded 143.4 million euros of investments, with a decrease of 33.2 million euros compared to 2023.

FDIs in the manufacturing sector during 2024 are 32.0 million euros, with an increase of 14.8 million euros compared to 2023. The Energy, Gas, Steam and Air Conditioning Supply sector has marked a significant decrease in 2024 in the amount of -2.7 million euros, while during 2023 it had 58.5 million euros of investments. The sector of Mining and Quarries has marked a decrease in 2024 in the amount of -2.3 million euros of investments, compared to 2023 which had 22.9 million euros.

From the investment value perspective, the sector that has recorded the highest investment value is the sector of “Real Estate Activities”, with 648.6 million euros.

Foreign Direct Investments by countries

According to the 2024 annual report of CBK, FDI financial accounts reached 847.4 million euros (8.2% of GDP), recording a slowed growth of 0.9%, compared to the growth of 14.8% in 2023.

Table 2. FDI by country of origin, 2015 – 2024 (in million euros)

Countries		Years									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AT	Austria	33.5	9.9	20.3	11.2	11.9	27.6	22.9	44.7	63.6	72.1
DE	Germany	45.3	25.7	55.9	60.3	70.2	67.5	121.9	194.4	196.0	201.3
SI	Slovenia	5.6	-4.5	1.2	-8.7	6.1	8.1	5.8	20.0	34.3	25.9
GB	Great Britain	26.6	13.6	27.0	57.4	0.8	21.4	0.1	-25.0	49.2	21.5
CH	Switzerland	72.9	61.8	50.6	71.0	61.9	64.1	99.2	155.7	172.6	188.3
TR	Turkey	55.4	42.7	29.5	12.2	-31.9	14.6	-38	30.2	63.4	19.4
NL	Holland	-36.4	-23.1	-14.1	-39.7	1.9	0.1	7.6	61.6	14.7	9.9
AL	Albania	40.1	28.6	2.4	22.3	15.2	39.8	50.4	47.3	64.5	88.2
LU	Luxembourg	0.1	0.6	2.1	1.9	1.3	-2.7	-3.6	1.8	1.3	1.3
RS	Serbia	0.8	-0.6	-1.4	0.4	0.4	6.0	5.0	-0.7	1.5	-2.7
US	United States	25.0	23.0	20.3	35.5	22.8	29.6	63.7	97.8	66.7	87.7
FR	France	3.2	2.8	3.6	5.6	3.4	3.7	10.2	9.9	11.0	2.8
BG	Bulgaria	1.6	0.4	0.5	2.1	1.0	0.9	-0.8	1.4	0.6	0.8
MK	Macedonia	0.1	3.2	-1.0	1.3	2.0	1.8	1.8	3.0	5.1	16.0
BA	Bosnia and Hercegovina	0.8	1.2	0.7	0.4	0.1	0.1	0.4	0.3	0.7	-0.1
HR	Croatia	0.1	-1.7	0.7	-1.0	0.9	-1.2	3.0	1.5	9.4	1.5
MT	Malta	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.8	1.7	3.2
CY	Cyprus	0.1	0.4	0.8	1.3	2.9	0.9	0.9	1.7	2.1	0.0
SK	Slovakia	0.1	0.8	0.1	0.5	1.4	0.3	0.3	0.2	0.1	0.4
CA	Canada	1.1	2.5	3.0	3.2	5.3	4.7	8.8	17.8	13.3	13.3
CZ	Czech Republic	1.3	0.2	0.7	1.5	0.4	0.5	1.0	0.7	2.0	1.5
AE	United Arab Emirates	1.4	3.6	13.4	-2.5	3.8	2.8	0.6	4.2	-0.9	6.2
NO	Norway	2.9	3.4	3.5	5.1	4.9	3.2	7.7	7.0	6.3	7.2
KW	Kuwait	0.0	0.2	0.0	-1.1	0.7	0.1	-0.5	-0.1	0.4	0.1
ES	Spain	-0.8	0.2	2.5	0.3	0.7	0.0	0.3	0.1	0.9	0.3
EG	Egypt	0.0	0.0	0.0	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	10.4	12.0	19.4
GR	Greece	-0.2	-0.4	-1.2	-0.3	0.1	-0.1	-1.1	-0.1	-0.3	0.2
HU	Hungary	0.3	0.6	0.4	0.1	19.1	26.1	3.6	8.2	11.3	5.0
Other	Other	22.1	22.8	26.9	29.1	39.6	22.3	40.7	37.0	36.5	56.8
Total		308.8	220.0	255.4	272.1	254.8	345.7	420.4	732.0	840.1	847.4

Source: Central Bank of Kosovo, <https://bqk-kos.org/statistikat/serite-kohore/> accessed on 18.09.2025

The three main countries with the highest FDI values are Germany with 23.7%, Switzerland with 22.2% and the USA with 10.4%. On the other hand, direct investments of Kosovo residents from abroad marked a significant increase, reaching 224.3 million euros, representing an annual increase of 18.1%. These investments were mainly oriented towards the real estate sector in the countries of the region, thus reflecting capital diversification and the growing demand for investments outside Kosovo.

Financial market

As regards the effective interest rates on Other Depository Corporations (ODCs), taking the average of interest rates for the sectors reflected in table no. 3, in 2024, there is a decrease of 0.4% observed in the interest rate of Industry compared to 2023.

The effective interest rate in the industry sector is 6.4%.

Table 3. Effective interest rates on loans from ODCs

Sectors	Interest Rate 2020	Interest Rate 2021	Interest Rate 2022	Interest Rate 2023	Interest Rate 2024
Consumer Loans	6.8%	6.4%	6.3%	6.4%	6.1%
Mortgage Loans	5.7%	5%	4.9%	5.3%	5%
Agricultural	9.3%	7.96%	8%	9.1%	8.7%
Industrial	6.0%	5.9%	6%	6.8%	6.4%
Services	6.0%	5.9%	6%	6.6%	6.2%
Other Sectors	6.3%	6.3%	6.5%	6.9%	6.8%

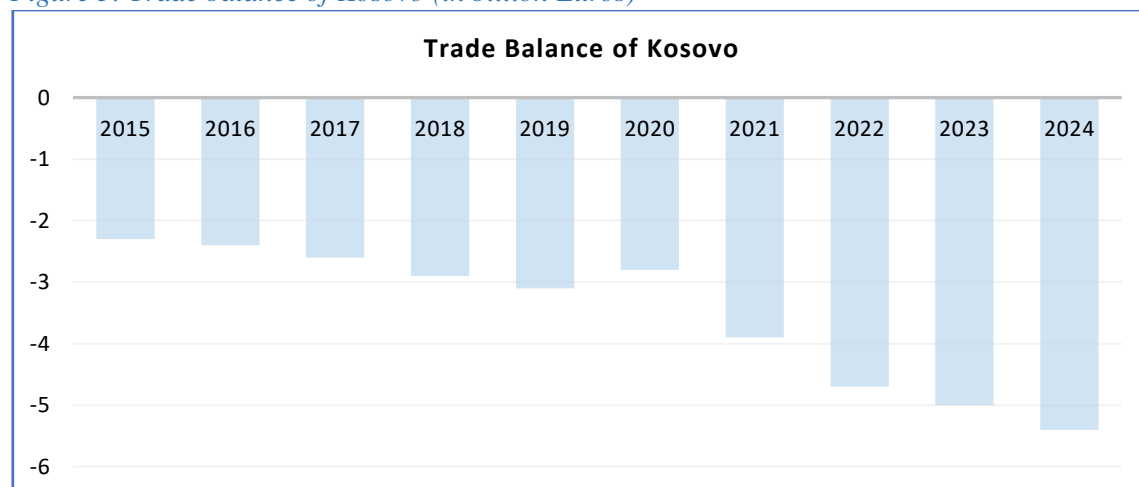
Source: Central Bank of Kosovo, <https://bqk-kos.org/statistikat/serite-kohore/>

Based on the data from table 3, a decrease in effective interest rates is observed in all sectors compared to previous years.

Trade Balance

The trade balance represents the ratio between exports and imports for a period of one year. In 2024, Kosovo, expressed in financial terms, exported 941.5 million euros, while importing reached 6.4 billion euros. The ratio between exports and imports is 1/6 or 85.2% in favour of imports, while the coverage of imports with exports for 2024 is 14.8%.

Figure 5: Trade balance of Kosovo (in billion Euros)

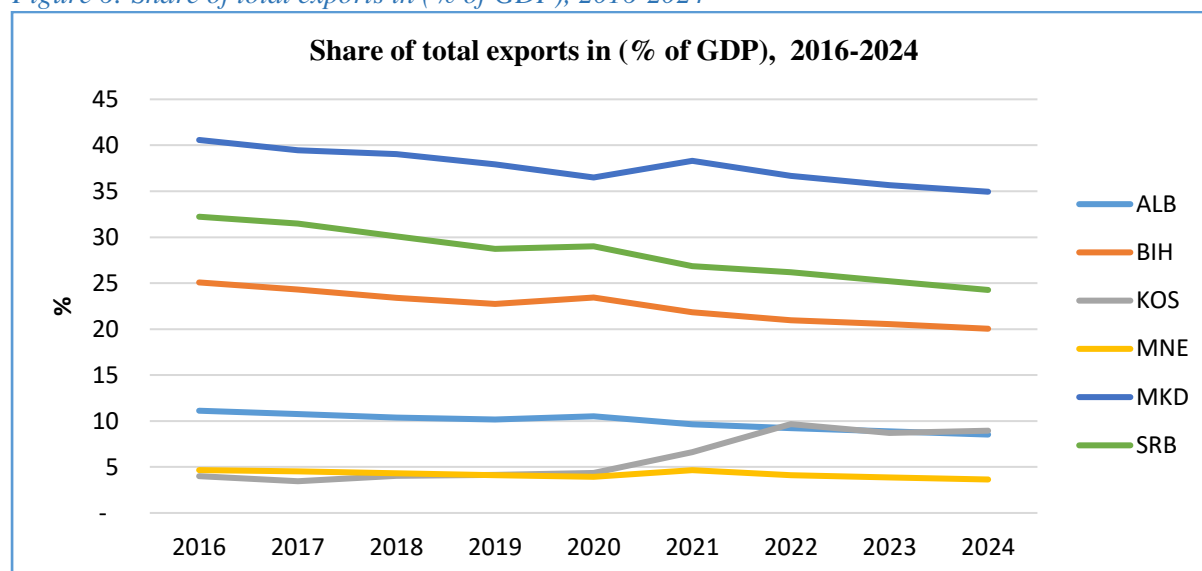


Source: KAS-Foreign Trade Statistics (FTS), 2024 (processed by DI/DIP staff)

Share of total exports in (% of GDP)

Based on the data presented in Figure 6, the highest share of exports in GDP in 2024 compared to GDP6 was recorded by North Macedonia with 35%, while the lowest share was recorded by Montenegro with 4% and Kosovo with 9%.

Figure 6: Share of total exports in (% of GDP), 2016-2024



Source: WDI, UNIDO, KAS (processed by DI/DIP staff)

Kosovo has had a solid increase in export share in GDP over the years and has recorded an increase from 4% in 2020 to 9% in 2024, while all other WB6 countries have recorded a slight decrease in 2024; North Macedonia 35%, Bosnia and Herzegovina 20% and Serbia 24%. Albania and Montenegro have not recorded any changes compared to 2023.

2. Export and Import with EU, CEFTA, EFTA and other countries, for Sector – C (Processing/manufacturing industry)

The indicator of the number of exporting enterprises, by sub-sectors of the processing industry, shows the participation of enterprises in exports.

Out of a total of 6,767 enterprises in 2024 within Sector-C, 2,644 are exporting enterprises that have exported their products worth over 10,000 euros.

The share of Sector-C in total exports is 78.5%

- **Exports, Sector – C**

The total value of exports, for 2024, to the EU, CEFTA, EFTA and other countries, was 941.50 million euros, while the processing industry sector share was amounted to 739.46 million euros, or around 78.5%, within the total of exports.

The data in table no. 8 show that the growth of Sector-C exports for 2024 is 4%, compared to previous years.

Exports during 2024, in Sector-C, are dominated by the sub-sector “Manufacture of rubber and plastic products” although there was a slight decrease of 0.67%, compared to the previous year. Rubber and plastic products were mainly exported to Germany with 20%, Switzerland with 15% and North Macedonia with 10%, etc.

The second-ranked sub-sector, in terms of export share, is the “Manufacture of fabricated metal products” sub-sector, with a share of 14.3%. Compared to 2023, this sub-sector has increased by 25.6%. The main export destination countries for this sub-sector have been: Germany with 17%, Kazakhstan with 14%, Switzerland with 13.6%, etc.

The third-ranked sub-sector is the “Processing of food products” sub-sector having a share of 10.5%, within Sector-C. This sub-sector has recorded an increased of 5.5%, compared to 2023. The products of this sub-sector have mainly been exported to Albania with 24%, to North Macedonia with 14% and to Serbia with 9%, etc.

The “Furniture Production” sub-sector, although it has been ranked fourth with a share of 10%, has recorded a significant decrease of 42% compared to 2023 as a result of the decline in export of mattresses. These products were mainly exported to Switzerland with 25%, the USA with 16% and Germany with 15%, etc.

Within the sub-sectors, the fifth sub-sector in line of exports is the “Beverage Production” sub-sector with 9%, which in 2024 has marked an increase of 26%, compared to the previous year. Beverage products were exported to Albania 40.5%, North Macedonia 20%, etc.

The “Metal Production” sub-sector, within Sector-C, participates with 8.4% , representing an increase in exports of 2.2%, compared to the previous year. Metal products were mostly exported to North Macedonia 25.6%, Serbia 20% and Albania 10.5%, etc.

- **Imports, Sector-C**

Total imports to Kosovo, from the EU, CEFTA, EFTA and other countries, for 2024, amounted to 6.4 billion euros, while the share of Sector-C has been 5.7 billion euros, or around 89%.

Sector-C accounts for 89% of total imports

In 2024, imports in Sector-C were dominated by the sub-sector "Processing of food products" with 14.4%. Compared to 2023 this sub-sector has had an increase of 10.5%. These products were imported from Germany 11%, Italy 9%, Poland 8%, Turkey 7.7%, etc.

The sub-sector "Manufacture of motor vehicles, trailers and semi-trailers" ranks third in imports, with a share of 12.4%, representing an increase of 25% compared to 2023. The products of these motor vehicles are mostly imported from Germany 71%, etc.

The third in line is the "Production of Cocoa and Refined Petroleum Products" sub-sector, having the share of 11.4% in imports of Sector-C, even though there was a slight decrease of 1% compared to the previous year. These products were mostly imported from Greece 32%, Saudi Arabia 27.5%, etc.

In fourth place is the "Metal Production" sub-sector, with the share of 8% in Sector-C and an increase of 5.2% compared to the previous year. These products were imported from Turkey 37%, Albania 22.5%, etc.

The data in table no. 4, present an overview of the import and export values with the CEFTA, EFTA, EU and other countries, for the Sector-C sub-sectors, for the years 2023-2024.

Table 4. Value of Exports and Imports with the CEFTA, EFTA, EU and Other Countries 2023– 2024

Code	Processing Industry, Sector-C	Export		Balance		Import		Balance	
		2023	2024	Difference (2023-2024)	Difference in % (2023-2024)	2023	2024	Difference (2023-2024)	Difference in % (2023-2024)
10	Processing of food products	73,554,932.28	77,580,910.04	4,025,977.76	5.47	735,216,315.74	812,088,207.65	76,871,891.91	10.46
11	Beverage production	54,115,565.27	68,139,419.57	14,023,854.30	25.91	144,149,126.94	145,535,077.41	1,385,950.47	0.96
12	Production of tobacco products	260,768.41	-	(260,768.41)	(100.00)	111,966,950.78	132,433,584.74	20,466,633.96	18.28
13	Textile Production	17,947,435.12	24,707,398.52	6,759,963.40	37.67	103,127,636.05	103,915,233.48	787,597.43	0.76
14	Clothing production	27,952,647.47	32,911,521.44	4,958,873.97	17.74	196,928,805.93	219,265,012.52	22,336,206.59	11.34
15	Production of leather and leather products	5,560,451.11	5,736,004.61	175,553.50	3.16	74,909,859.76	79,634,654.69	4,724,794.93	6.31
16	Manufacture of wood and of products of wood and cork, except furniture.....	13,544,131.21	15,557,578.72	2,013,447.51	14.87	76,942,957.25	83,284,290.35	6,341,333.10	8.24
17	Production of paper and paper products	7,771,090.18	9,373,840.40	1,602,750.22	20.62	98,128,525.14	96,332,134.86	(1,796,390.28)	(1.83)
18	Printing and reproduction of recorded media	-	-	-	-	46,778.35	13,586.00	(33,192.35)	(70.96)
19	Production of Coke and refined petroleum products	12,958,487.75	6,561,387.90	(6,397,099.85)	(49.37)	642,199,442.33	641,581,257.32	(618,185.01)	(0.10)
20	Production of chemical products	28,251,927.46	34,452,496.49	6,200,569.03	21.95	335,694,234.49	354,939,924.04	19,245,689.55	5.73
21	Production of basic pharmaceutical products and pharmaceutical preparations	1,367,004.74	2,131,309.55	764,304.81	55.91	110,805,306.91	152,303,918.66	41,498,611.75	37.45
22	Production of rubber and plastic products	117,169,886.75	116,389,492.86	(780,393.89)	(0.67)	234,134,248.44	251,637,085.52	17,502,837.08	7.48
23	Manufacture of non-metallic mineral products	24,965,606.40	31,516,871.41	6,551,265.01	26.24	275,461,173.66	277,486,803.09	2,025,629.43	0.74
24	Metal Production	60,966,557.74	62,363,330.70	1,396,772.96	2.29	423,650,769.83	445,700,846.79	22,050,076.96	5.20
25	Manufacture of fabricated metal products	79,062,813.57	106,289,566.74	27,226,753.17	34.44	281,983,342.46	195,959,255.76	(86,024,086.70)	(30.51)

26	Manufacture of computers, electronic and optical products	6,960,390.89	7,698,278.65	737,887.76	10.60	145,442,648.88	157,904,597.59	12,461,948.71	8.57
27	Production of electrical equipment	13,095,358.11	15,436,132.02	2,340,773.91	17.87	194,984,563.04	211,946,504.69	16,961,941.65	8.70
28	Manufacture of machinery and equipment n.e.c.	15,903,264.56	20,607,303.06	4,704,038.50	29.58	342,838,472.34	416,644,902.62	73,806,430.28	21.53
29	Manufacture of motor vehicles, trailers and semi-trailers	8,417,962.43	9,353,200.92	935,238.49	11.11	558,518,390.76	699,528,020.85	141,009,630.09	25.25
30	Production of other means of transport	485,476.47	687,990.71	202,514.24	41.71	12,205,363.99	16,725,760.22	4,520,396.23	37.04
31	Furniture production	130,576,131.10	75,684,446.95	(54,891,684.15)	(42.04)	62,950,837.28	67,510,582.00	4,559,744.72	7.24
32	Other production n.e.c.	11,981,685.90	16,287,972.94	4,306,287.04	35.94	92,979,002.47	93,404,227.28	425,224.81	0.46
	Total	712,869,574.92	739,466,454.20	26,596,879.28	3.73	5,255,264,752.82	5,655,775,468.11	400,510,715.29	7.62

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

2.1. Export and Import with EU countries

Exports with EU countries during 2024 amount to 281.6 million euros, which means that they have arked an increase of 16%, while the value of imports is 2.6 billion euros which represents an increase in imports of around 13%.

Based on Table no. 5, the share of exports in trade exchanges is around 30%, while that of imports is 41%.

We can say that we have a growing trend in exports.

Table 5. Value of Exports and Imports with EU countries, including the United Kingdom for 2023–2024

Code	Processing Industry, Sector-C	Export		Balance		Import		Balance	
		2023	2024	Difference (2023-2024)	Difference in % (2023-2024)	2023	2023	Difference (2023-2024)	Difference in % (2023-2024)
10	Processing of food products	22,448,655.95	23,126,626.36	677,970.41	3.02	391,848,254.83	472,141,942.14	80,293,687.31	20.49
11	Beverage production	12,315,521.09	15,911,024.66	3,595,503.57	29.19	66,257,913.12	88,420,425.12	22,162,512.00	33.45
12	Production of tobacco products	-	-	-	-	79,295,018.17	104,719,633.00	25,424,614.83	32.06
13	Textile Production	7,386,194.21	5,857,875.39	-1,528,318.82	(20.69)	8,731,324.59	6,869,284.22	(1,862,040.37)	(21.33)
14	Clothing production	9,969,920.37	12,221,920.98	2,252,000.61	22.59	9,295,248.36	10,473,587.22	1,178,338.86	12.68
15	Production of leather and leather products	3,144,586.55	3,487,417.08	342,830.53	10.90	5,243,104.31	4,920,042.50	(323,061.81)	(6.16)

16	Manufacture of wood and of products of wood and cork, except furniture.....	7,597,672.37	8,574,325.06	976,652.69	12.85	29,123,022.25	34,220,792.02	5,097,769.77	17.50
17	Production of paper and paper products	1,913,090.42	2,190,212.54	277,122.12	14.49	37,337,378.98	39,163,219.07	1,825,840.09	4.89
18	Printing and reproduction of recorded media	-	-	-	-	17,324.96	13,586.00	(3,738.96)	(21.58)
19	Production of Coke and refined petroleum products	4,696.87	393,069.60	388,372.73	8268.76	271,985,590.37	274,686,937.58	2,701,347.21	0.99
20	Production of chemical products	16,162,768.83	20,001,856.32	3,839,087.49	23.75	167,019,376.57	184,850,745.25	17,831,368.68	10.68
21	Production of basic pharmaceutical products and pharmaceutical preparations	79,800.00	201,600.00	121,800.00	152.63	75,023,753.48	94,515,457.13	19,491,703.65	25.98
22	Production of rubber and plastic products	69,602,654.84	63,876,159.98	-5,726,494.86	(8.23)	112,870,304.73	120,138,268.12	7,267,963.39	6.44
23	Manufacture of non-metallic mineral products	6,773,181.95	8,315,370.66	1,542,188.71	22.77	93,375,973.77	95,544,525.93	2,168,552.16	2.32
24	Metal Production	7,179,120.41	16,258,558.06	9,079,437.65	126.47	84,402,222.21	69,213,362.23	(15,188,859.98)	(18.00)
25	Manufacture of fabricated metal products	35,825,473.65	42,786,202.13	6,960,728.48	19.43	76,506,298.94	75,642,819.22	(863,479.72)	(1.13)
26	Manufacture of computers, electronic and optical products	2,129,936.71	3,318,648.18	1,188,711.47	55.81	35,811,702.60	38,689,098.73	2,877,396.13	8.03
27	Production of electrical equipment	5,611,794.63	5,281,754.50	-330,040.13	(5.88)	67,959,298.32	68,010,051.09	50,752.77	0.07

28	Manufacture of machinery and equipment n.e.c.	4,282,297.97	3,744,433.01	-537,864.96	(12.56)	147,256,697.85	170,074,203.70	22,817,505.85	15.50
29	Manufacture of motor vehicles, trailers and semi-trailers	3,865,989.96	4,239,673.68	373,683.72	9.67	487,426,385.14	613,773,927.80	126,347,542.66	25.92
30	Production of other means of transport	389,523.16	435,951.40	46,428.24	11.92	3,598,151.29	4,686,910.68	1,088,759.39	30.26
31	Furniture production	15,884,652.72	27,816,412.43	11,931,759.71	75.12	15,343,572.86	13,176,337.31	(2,167,235.55)	(14.12)
32	Other production n.e.c.	10,122,737.42	13,601,439.00	3,478,701.58	34.37	31,757,586.24	19,843,157.86	(11,914,428.38)	(37.52)
	Total	242,690,270.08	281,640,531.02	38,950,260.94	16.05	2,297,485,503.94	2,603,788,313.91	306,302,809.97	13.33

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

• Exports with EU countries

The top ranked sub-sector, in terms of the share of export to EU countries, is the “Manufacture of rubber and plastic products” sub-sector with 22%, recording a decrease of 8% . The country to which the most rubber and plastic products were exported is Germany with 36%.

The “Manufacture of fabricated metal products” sub-sector participated in total exports to EU countries with 15%, representing an increase of 19.5% compared to the previous. The destination countries of this export were mainly Germany with 42.5%, Montenegro with 20%, the Netherlands with 18%, etc.

In 2024, the “Furniture Production” sub-sector participated in total exports with 10% thus marking a significant increase of 75%. The destination countries of these exports of furniture products were mainly Germany with 47%, Sweden 10%, etc.

In 2024, the “Processing of food products” sub-sector recorded a 3% increase in exports to EU countries compared to 2023. Within the total exports of Sector-C to EU countries, the share of this sub-sector is 8%. Products of this sub-sector have been exported to Germany 30%, Austria 10%, Italy 9%, etc.

- **Imports with EU countries**

Based on the data presented in Table No. 5, we note that out of 23 sub-sectors, only 17 of them recorded an increase in imports with EU countries during 2024, while six sub-sectors of Sector C recorded a decrease.

In 2024, the share of the “Manufacture of motor vehicles, trailers and semi-trailers” sub-sector in the import to EU countries, within Sector C, is 23.5%, thus marking an increase of 26%. Motor vehicle products were imported mainly from Germany 81% etc.

The “Processing of food products” sub-sector participated in imports within Sector C with 18%, thus marking an increase of 20.5% in 2024. Food products were imported from Germany 18.5%, Italy 15%, Poland 14%, Croatia 9%, etc.

The “Production of Coke and Refined Petroleum Products” sub-sector participated in imports with the EU, within Sector C, with 10.5%, which represents an increase of 1% in 2024. Imports came mainly from Greece 76% etc.

The “Production of chemical products” sub-sector participated in total imports to EU countries, within Sector C, with 7%. In 2024, it has marked an increase in imports of 11%, compared to the previous year. Chemical products are imported from Germany 25%, Italy 12%, Poland 7%, France 6.8%, etc.

The “Production of machinery and equipment n.e.c.” sub-sector participated in imports to EU countries with 6.5%, representing an increase of 15.5% in imports in 2024. Most of the import was realized by Germany with 39.5% and Italy with 28.5%, etc.

2.2. Export and Import with CEFTA countries

Table no. 6 shows the values of imports and exports with CEFTA countries for sub-sectors (10 to 33) within Sector-C.

Overall, exports to CEFTA countries, within Sector C, in 2024 marked an increase of 10%, while imports marked a decrease of 15%.

Table 6. Value of Exports and Imports with CEFTA countries by industry sectors, 2023 – 2024

Code	Processing Industry, Sector-C	Export		Balance		Import		Balance	
		2023	2024	Difference (2023-2024)	Difference in % (2023-2024)	2023	2024	Difference (2023-2024)	Difference in % (2023-2024)
10	Processing of food products	42,379,637.78	43,895,522.42	1,515,884.64	3.58	131,356,038.49	118,777,766.09	(12,578,272.40)	(9.58)
11	Beverage production	37,410,598.07	46,221,948.07	8,811,350.00	23.55	70,298,822.02	48,054,267.64	(22,244,554.38)	(31.64)
12	Production of tobacco products	59,857.60	-	-	-	2,542,478.63	3,617,604.86	1,075,126.23	42.29
13	Textile Production	6,580,889.61	12,001,724.51	5,420,834.90	82.37	1,640,500.64	1,377,564.25	(262,936.39)	(16.03)
14	Clothing production	2,445,468.15	2,197,421.21	(248,046.94)	(10.14)	1,564,065.34	1,188,258.54	(375,806.80)	(24.03)
15	Production of leather and leather products	1,109,628.89	816,839.18	(292,789.71)	(26.39)	988,985.84	1,370,743.23	381,757.39	38.60
16	Manufacture of wood and of products of wood and cork, except furniture.....	4,355,435.85	4,423,730.96	68,295.11	1.57	20,520,760.17	17,727,511.99	(2,793,248.18)	(13.61)

17	Production of paper and paper products	5,600,087.91	6,893,935.38	1,293,847.47	23.10	29,104,000.31	28,822,074.10	(281,926.21)	(0.97)
18	Printing and reproduction of recorded media	-	-	-	-	-	-	-	-
19	Production of Coke and refined petroleum products	12,952,280.88	6,168,225.93	(6,784,054.95)	(52.38)	51,658,435.34	26,340,058.11	(25,318,377.23)	(49.01)
20	Production of chemical products	9,995,486.20	11,939,724.85	1,944,238.65	19.45	35,459,558.60	35,020,993.28	(438,565.32)	(1.24)
21	Production of basic pharmaceutical products and pharmaceutical preparations	1,050,212.83	1,549,419.80	499,206.97	47.53	12,474,825.28	15,801,061.16	3,326,235.88	26.66
22	Production of rubber and plastic products	24,375,335.38	31,301,320.03	6,925,984.65	28.41	36211770.93	31664896.66	(4,546,874.27)	(12.56)
23	Manufacture of non-metallic mineral products	11,630,969.03	11,698,330.75	67,361.72	0.58	90,409,136.87	88,244,206.51	(2,164,930.36)	(2.39)
24	Metal Production	49,168,650.53	41,848,599.51	(7,320,051.02)	(14.89)	178,370,236.63	136,743,854.98	(41,626,381.65)	(23.34)
25	Manufacture of fabricated metal products	21,956,799.59	28,556,071.34	6,599,271.75	30.06	28,328,284.10	31,217,209.80	2,888,925.70	10.20
26	Manufacture of computers, electronic and optical products	2,683,421.28	2,369,548.95	(313,872.33)	(11.70)	367,677.52	68,622.63	(299,054.89)	(81.34)
27	Production of electrical equipment	4,928,140.16	6,375,127.48	1,446,987.32	29.36	16,247,983.11	17,961,228.79	1,713,245.68	10.54
28	Manufacture of machinery and equipment n.e.c.	8,983,631.45	11,566,009.02	2,582,377.57	28.75	6,612,160.05	6,291,809.99	(320,350.06)	(4.84)

29	Manufacture of motor vehicles, trailers and semi-trailers	1,791,309.45	2,429,001.39	637,691.94	35.60	2,028,225.81	438,005.14	(1,590,220.67)	(78.40)
30	Production of other means of transport	55,635.86	227,571.85	171,935.99	309.04	45,256.57	88,351.96	43,095.39	95.22
31	Furniture production	8,717,592.01	10,668,215.61	1,950,623.60	22.38	7,951,629.74	5,949,862.94	(2,001,766.80)	(25.17)
32	Other production n.e.c.	1,276,200.96	2,050,455.13	774,254.17	60.67	2,265,618.77	624,914.00	(1,640,704.77)	(72.42)
	Total	259,507,269.47	285,198,743.37	25,691,473.90	9.90	726,446,450.76	617,390,866.63	(109,055,584.13)	(15.01)

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

Export with CEFTA countries

Exports to CEFTA countries, in Sector-C, during 2024, are dominated by the “Beverage Production” sub-sector, with a share of 16%. In 2024, this sub-sector has recorded an increase of 24% in exports compared to the previous year. The destination countries to which the most metal products were exported are: Albania 60%, etc.

The “Production of food products” sub-sector participates in exports to these countries with 15%. This sub-sector has recorded an increase of 4% in exports compared to 2023. Food products were exported mainly to Albania 43%, North Macedonia with 24%, etc.

The participation of the “Metal Production” sub-sector in Sector-C exports to CEFTA countries is 15%. In 2024, this sub-sector has marked a decreased of 15% compared to the previous year. The products of this sub-sector were exported to Albania 38%, Serbia 33%, etc.

The “Production of rubber and plastic products”, within Sector-C, has a share of 11% in exports. This sub-sector has recorded an increase of 28% in exports compared to the previous year. The countries to which most of the rubber and plastic products were exported are North Macedonia 38%, Albania 30%, etc.

An increase of 30% in exports was recorded in the “Manufacture of fabricated metal products”, but with a low participation of only 10% in Sector - C. The countries where these products were exported are Albania 34%, Montenegro 30%, etc.

- **Import with CEFTA countries**

Kosovo's imports with CEFTA countries, in 2024, are characterized by a significant decrease of products from Sector-C (Processing Industry), in the majority of sub-sectors.

The “Metal Production” sub-sector has highest share, within Sector C, in imports from CEFTA countries with 22%. However, in 2024, this sub-sector has recorded a decrease of 23.3% in imports compared to 2023. Metal products were mainly imported from Albania 73%, North Macedonia 17%, etc.

The “Processing of food products” sub-sector participates in imports from CEFTA countries with 19%. However, in 2024 it has recorded a decrease of 9% in imports compared to the previous year. Food products were imported from North Macedonia 43%, Serbia 25%, etc.

The third ranked sub-sector is the “Manufacture of non-metallic mineral products” sub-sector with a share of 14% in imports. In 2024, this sub-sector has recorded a decrease of 2.4% in imports compared to 2023. Products for this sub-sector were imported from Albania 51%, North Macedonia 43.4%, etc.

In 2024, the highest decrease in imports from CEFTA countries within Sector C was recorded by the “Beverage production”, which fell by 32% compared to 2023. Beverages were imported from North Macedonia 55%, Albania 28%, etc.

2.3 Export and Import with EFTA countries

In 2024, Kosovo's exports to EFTA member states have reached the value of 80 million euros, representing an increase of 12%, while imports amounted to 40 million euros, representing an increase of 14% compared to 2023.

Table 7. Value of Exports and Imports with EFTA countries by industry sectors, 2023 - 2024

Code	Processing Industry, Sector-C	Export		Balance		Import		Balance	
		2023	2024	Difference (2023-2024)	Difference in % (2023-2024)	2023	2024	Difference (2023-2024)	Difference in % (2023-2024)
10	Processing of food products	1,645,826.62	1,532,128.48	(113,698.14)	(6.91)	1,509,278.38	1,797,335.82	288,057.44	19.09
11	Beverage production	2,253,982.33	3,088,016.43	834,034.10	37.00	187,973.02	90,001.03	(97,971.99)	(52.12)
12	Production of tobacco products	-	-	-	-	4,821,480.77	5,783.82	(4,815,696.95)	(99.88)
13	Textile Production	321,227.53	676,818.38	355,590.85	110.70	272,177.18	99,636.11	(172,541.07)	(63.39)
14	Clothing production	656,603.05	715,735.70	59,132.65	9.01	1,256,303.04	1,159,263.91	(97,039.13)	(7.72)
15	Production of leather and leather products	671,524.37	742,910.56	71,386.19	10.63	603,861.47	722,257.03	118,395.56	19.61
16	Manufacture of wood and of products of wood and cork, except furniture.....	1,572,531.66	2,502,682.29	930,150.63	59.15	858,065.80	1,135,403.88	277,338.08	32.32
17	Production of paper and paper products	114,085.21	138,733.93	24,648.72	21.61	375,380.35	356,352.51	(19,027.84)	(5.07)

18	Printing and reproduction of recorded media	-	-	-	-	-	-		
19	Production of Coke and refined petroleum products	1,510.00	43.90	(1,466.10)	(97.09)	214,235.53	452,542.63	238,307.10	111.24
20	Production of chemical products	1,572,156.10	1,360,783.00	(211,373.10)	(13.44)	2,535,660.29	2,226,972.99	(308,687.30)	(12.17)
21	Production of basic pharmaceutical products and pharmaceutical preparations	-	3.50	-	-	2,244,361.24	8,862,653.68	6,618,292.44	294.89
22	Production of rubber and plastic products	17,584,501.33	17,039,828.13	(544,673.20)	(3.10)	1579510.67	1714216.585	134,705.92	8.53
23	Manufacture of non-metallic mineral products	5,264,159.18	5,689,885.08	425,725.90	8.09	940,258.51	1,104,737.97	164,479.46	17.49
24	Metal Production	3,177,458.16	3,098,128.82	(79,329.34)	(2.50)	1,480,396.80	1,662,972.45	182,575.65	12.33
25	Manufacture of fabricated metal products	13,653,159.67	15,101,322.02	1,448,162.35	10.61	2,806,987.24	3,269,973.56	462,986.32	16.49
26	Manufacture of computers, electronic and optical products	627,033.77	780,344.56	153,310.79	24.45	2,463,111.09	2,329,385.20	(133,725.89)	(5.43)
27	Production of electrical equipment	2,212,921.71	3,543,937.77	1,331,016.06	60.15	2,016,866.83	1,283,906.09	(732,960.74)	(36.34)
28	Manufacture of machiner and equipment n.e.c.	684,324.01	559,296.25	(125,027.76)	(18.27)	4,601,433.37	7,270,026.24	2,668,592.87	57.99
29	Manufacture of motor vehicles, trailers and semi-trailers	581,758.25	727,696.58	145,938.33	25.09	403,928.11	701,547.17	297,619.06	73.68

30	Production of other means of transport	40,267.45	23,955.46	(16,311.99)	(40.51)	316,056.60	325,087.54	9,030.94	2.86
31	Furniture production	18,378,445.83	22,107,028.78	3,728,582.95	20.29	1,149,010.96	1,222,812.00	73,801.04	6.42
32	Other production n.e.c.	466,215.54	367,678.05	(98,537.49)	(21.14)	2,726,664.88	2,449,799.63	(276,865.25)	(10.15)
	Total	71,479,691.77	79,796,957.67	8,317,265.90	11.64	35,363,002.13	40,242,667.85	4,879,665.72	13.80

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

- **Export with EFTA countries**

In 2024, the share of the “Furniture Production” sub-sector, within Sector-C, in exports to EFTA countries is 28%. It represents an increase by of 20% compared to 2023, within Sector C. These products were mainly exported to Switzerland 99.5%.

The second ranked sub-sector in terms of exports to EFTA countries, is the “Production of rubber and plastic products” sub-sector having the share of 21% within Sector C. In 2024, this sub-sector has marked a decrease of 3% compared to 2024. Products of this sub-sector were exported mainly to Switzerland 99.9%.

The share of the “Manufacture of fabricated metal products” sub-sector in export to EFTA countries is 18%. In 2024, this sub-sector has recorded an increase of 10.6% in exports compared to the previous year. Products of this sub-sector have marked the highest export to Switzerland with 92%.

- **Import with EFTA countries**

Imports with EFTA countries are dominated by the share of 22% of imports by the “Production of basic pharmaceutical products and pharmaceutical preparations” sub-sector. In 2024, the said sub-sector has marked a significant increase of over 100% compared to the previous year. These products were imported mainly from Switzerland 98%.

The “Manufacture of machinery and equipment n.e.c.” sub-sector ranks second with a share of 18%. In 2024, this sub-sector has marked an increase of 58%, compared to 2023. Machinery was imported from Switzerland with 97%.

The sub-sector “Manufacture of fabricated metal products.”, participates in imports with 8%, while within the sub-sector, in 2024, it has marked an increase of 16.5% compared to the previous year. These products were imported from Switzerland with 94.5%.

2.4. Export and Import with other countries

In 2024, exports with other countries have recorded a value of 92.8 million euros, while in 2023 they recorded a significant decrease of 33%.

Imports with other countries in 2024 have marked a value of 2.4 billion euros, which, compared to 2023 represents an increase of 9%.

Table 8. Value of Exports and Imports with other countries for the years 2023 - 2024

Code	Processing Industry, Sector-C	Export		Balance		Import		Balance	
		2023	2024	Difference (2023-2024)	Difference in % (2023-2024)	2023	2024	Difference (2023-2024)	Difference in % (2023-2024)
10	Processing of food products	7,080,811.93	9,026,632.78	1,945,820.85	27.48	210,502,744.04	219,371,163.60	8,868,419.56	4.21
11	Beverage production	2,135,463.78	2,918,430.41	782,966.63	36.66	7,404,418.78	8,970,383.62	1,565,964.84	21.15
12	Production of tobacco products	200,910.81	-	-	-	25,307,973.21	24,090,563.06	(1,217,410.15)	(4.81)
13	Textile Production	3,659,123.77	6,170,980.24	2,511,856.47	68.65	92,483,633.64	95,568,748.91	3,085,115.27	3.34
14	Clothing production	14,880,655.90	17,776,443.55	2,895,787.65	19.46	184,813,189.19	206,443,902.85	21,630,713.66	11.70
15	Production of leather and leather products	634,711.30	688,837.79	54,126.49	8.53	68,073,908.14	72,621,611.93	4,547,703.79	6.68
16	Manufacture of wood and of products of wood and cork, except furniture.....	18,491.33	56,840.41	38,349.08	207.39	26,441,109.03	30,200,582.46	3,759,473.43	14.22

17	Production of paper and paper products	143,826.64	150,958.55	7,131.91	4.96	31,311,765.50	27,990,489.17	(3,321,276.33)	(10.61)
18	Printing and reproduction of recorded media	-	-	-	-	29,453.39	-	-	-
19	Production of Coke and refined petroleum products	-	48.47	-	-	318,341,181.09	340,101,719.00	21,760,537.91	6.84
20	Production of chemical products	521,516.33	1,150,132.32	628,615.99	120.54	130,679,639.03	132,841,212.53	2,161,573.50	1.65
21	Production of basic pharmaceutical products and pharmaceutical preparations	236,991.91	380,286.25	143,294.34	60.46	21,062,366.91	33,124,746.69	12,062,379.78	57.27
22	Production of rubber and plastic products	5,607,395.20	4,172,184.72	(1,435,210.48)	(25.59)	83,472,662.11	98,119,704.16	14,647,042.05	17.55
23	Manufacture of non-metallic mineral products	1,297,296.24	5,813,284.92	4,515,988.68	348.11	90,735,804.51	92,593,332.67	1,857,528.16	2.05
24	Metal Production	1,441,328.64	1,158,044.31	(283,284.33)	(19.65)	159,397,914.19	238,080,657.14	78,682,742.95	49.36
25	Manufacture of fabricated metal products	7,627,380.66	19,845,971.25	12,218,590.59	160.19	174,341,772.18	85,829,253.18	(88,512,519.00)	(50.77)
26	Manufacture of computers, electronic and optical products	1,519,999.13	1,229,736.96	(290,262.17)	(19.10)	106,800,157.67	116,817,491.02	10,017,333.35	9.38
27	Production of electrical equipment	342,501.61	235,312.27	(107,189.34)	(31.30)	108,760,414.78	124,691,318.71	15,930,903.93	14.65
28	Manufacture of machinery and equipment n.e.c.	1,953,011.13	4,737,564.78	2,784,553.65	142.58	184,368,181.07	233,008,862.70	48,640,681.63	26.38

29	Manufacture of motor vehicles, trailers and semi-trailers	2,178,904.77	1,956,829.27	(222,075.50)	(10.19)	68,659,851.70	84,614,540.75	15,954,689.05	23.24
30	Production of other means of transport	50.00	512.00	462.00	924.00	8,245,899.53	11,625,410.04	3,379,510.51	40.98
31	Furniture production	87,595,440.54	15,092,790.13	(72,502,650.41)	(82.77)	38,506,623.72	47,161,569.74	8,654,946.02	22.48
32	Other production n.e.c.	116,531.98	268,400.76	151,868.78	130.32	56,229,132.58	70,486,355.79	14,257,223.21	25.36
	Total	139,192,343.60	92,830,222.14	(46,362,121.46)	(33.31)	2,195,969,795.99	2,394,353,619.72	198,383,823.73	9.03

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

- Export with other countries**

Based on the data shown in tab. no. 8, we note that exports to other countries, are led by the “Manufacture of fabricated metal products” sub-sector, which participates in exports within Sector-C with 21%; namely in 2024 it has marked a significant increase of over 100% compared to the previous year. Products manufactured by this sub-sector were mainly exported to Kazakhstan 77%.

The “Clothing Production” sub-sector, is ranked the second with a share of 19%, representing an increase of 20% compared to 2023. The countries where it has exported are the United States of America with 67%.

The “Furniture Production” sub-sector participates in exports to other countries with 16%. It has suffered a significant decrease of 83% of exports in 2024 compared to the previous year. Furniture products are exported to the USA with 92%, etc.

- **Import with other Countries**

The “Manufacture of Coke and Refined Petroleum Products” has a 14% share in imports within Sector C. In 2024, this sub-sector has recorded an increase of 7% compared to 2023. These products were imported from Saudi Arabia 52%, the USA 12%, Turkey 10%, etc.

In 2024, the “Metal Production” sub-sector ranks second in terms of imports, within Sector C, with a 10% share. This sub-sector has increased imports by 49% compared to 2023. Metal products were imported from Turkey 70%, etc.

In 2024, the “Manufacture of machinery and equipment n.e.c.”sub-sector, participates in imports with 10%, which represents an increase of 26.3% compared to the previous year. Machinery is imported from China 58%, from Turkey 28%, etc.

SOCIAL ANALYSIS

Workforce

According to the Law on Labour in Kosovo, an employment relationship can be established with any person of the age of eighteen (18). The workforce consists of employed 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.

According to the CBK report, referring to (KAS Workforce Survey), the workforce participation rate in 2024 was 43.2%, which represents an annual increase of 2.5%.

The employment rate was higher among men, with 55.9% and an annual increase of 2.5% compared to the previous year, while the percentage of employed women was 21.2%, representing an annual increase of 1.4.% compared to 2023.

Official labour market statistics show that the average unemployment rate in 2024 was 10.8%, a level lower than in the same period of the previous year.

On a gender basis, Kosovo's labour market is characterized by a higher unemployment rate among women 18% compared to men 7,7%. Nevertheless, education has improved prospects in the labour market in Kosovo, where the highest unemployment rate is among people without education - around 55.9%, while the lowest rate is among those with higher(tertiary) education - 6.5%.

The share of Sector-C, in total employment , number of enterprises, and annual turnover

This section of the report analyzes data with regard to the number of enterprises, employees and turnover in the last three years. In addition to presenting statistical data, the analysis also shows the declining or increasing trends of employment, enterprises and annual turnover in the industry.

The comparative data in table no. 9 show that, over the last three years, only employment has increased, while the number of enterprises and turnover decreased in 2024 compared to the previous year.

Sector C in the employment rate by economic activity participates with 10.74%

The analyzed data show that, compared to 2023, the participation of the total number of enterprises in 2024 increased by 5%, while the number of employees decreased by 6.6% and annual turnover decreased by 0.8%. The manufacturing sector, given its potential, can make a significant contribution to all these indicators but also to the overall economic structure of the country. However, the manufacturing sector is offering relatively limited employment opportunities, currently employing around 10.74% of the workforce in 2024, compared to 11.09% in 2023 and 10.62% in 2022.

Table 9. Sector C, number of enterprises, employees and turnover, 2022-2024

Code	Processing Industry	Number of enterprises			Number of employees			Turnover		
	Sector-C	Year 2022	Year 2023	Year 2024	Year 2022	Year 2023	Year 2024	Year 2022	Year 2023	Year 2024
10	Processing of food products	1503	1535	1620	10,931	12,360	8,921	490,162,510.96	561,085,852.31	660,164,389.40
11	Beverage production	102	94	89	2,151	2,327	2,773	156,508,456.41	196,667,417.27	148,014,883.41
12	Production of tobacco products	5	4	9	56	48	37	4,866,541.49	5,839,657.34	5,604,569.61
13	Textile production	179	200	205	938	1,151	1,549	28,675,745.45	31,186,657.96	27,601,472.24
14	Clothing production	397	404	430	1,841	2,118	1,193	18,692,419.49	22,958,140.57	28,116,087.29
15	Production of leather and leather products	39	39	32	404	365	360	11,597,152.83	10,527,865.53	10,307,597.18
16	Manufacture of wood and of products of wood and cork	506	504	507	2,655	2,910	1,965	85,983,088.64	88,625,018.18	108,771,505.13
17	Production of paper and paper products	111	120	124	628	827	488	43,321,984.42	50,665,776.87	46,261,876.30
18	Printing and reproduction of recorded media	174	179	192	1,072	1,235	342	31,049,794.57	33,840,325.42	54,389,149.73
19	Production of Coke and refined petroleum products	5	6	4	177	186	57	16,482,741.52	15,672,577.76	13,159,608.61
20	Production of chemical products	123	139	141	1,006	1,127	395	45,075,279.29	51,600,390.37	70,009,989.83
21	Production of basic pharmaceutical products and pharmaceutical preparations	7	7	7	124	217	471	2,716,465.32	4,661,311.69	5,008,936.04
22	Production of rubber and plastic products	626	670	657	4,035	4,655	3,563	257,367,563.53	278,546,416.86	251,494,648.47
23	Manufacture of non-metallic mineral products	547	562	568	5,458	5,851	4,151	439,618,261.48	487,503,084.12	488,371,124.33
24	Metal Production	122	124	134	875	955	1,207	102,686,591.35	111,455,645.52	144,061,478.22
25	Manufacture of fabricated metal products	790	836	894	3,292	3,869	5,606	198,982,656.43	246,434,152.11	237,150,073.36
26	Manufacture of computers, electronic and optical products	27	29	27	97	131	189	-	5,072,127.09	4,585,598.30
27	Production of electrical equipment	39	44	47	263	306	173	21,635,183.03	23,538,225.43	22,821,912.12
28	Manufacture of machinery and equipment n.e.c.	34	38	42	289	324	499	9,029,384.12	8,680,562.01	14,896,945.69
29	Manufacture of motor vehicles, trailers and semi-trailers	8	6	10	120	119	33	2,151,554.95	2,345,947.16	5,463,654.24
30	Production of other means of transport	4	3	5	50	54	41	2,091,799.46	1,894,727.98	2,002,673.55
31	Furniture production	600	655	736	5,684	5,739	8,976	249,330,671.03	231,832,198.56	98,649,056.07
32	Other production n.e.c.	110	129	144	549	644	438	21,287,159.64	24,259,084.38	24,218,448.92
33	Repair and installation of machinery and equipment	104	117	143	192	250	1,174	4,042,196.70	4,533,136.45	8,515,330.90
	Total	6,162	6,444	6,767	42,887	47,768	44,601	2,243,355,202.11	2,499,426,298.94	2,479,641,008.94

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

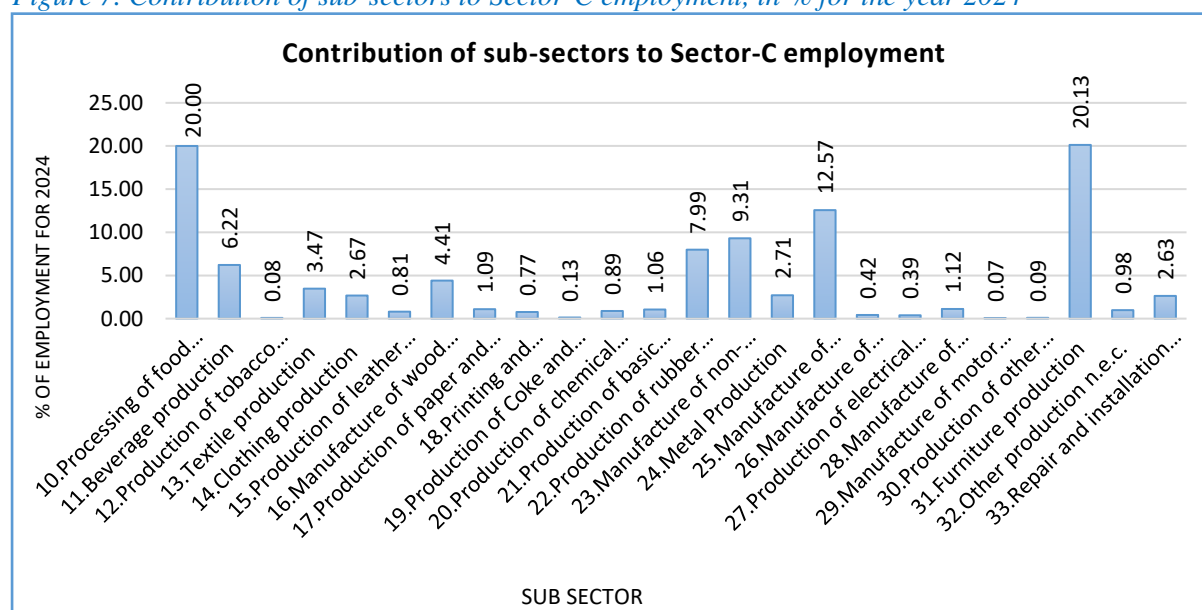
Based on the data presented in table no. 9 for Sector-C, the highest increase was recorded in the number of enterprises in 2024, with 6,767 or 323 more enterprises compared to the previous year, while there was a decrease in employment, with 3,167 workers less than in 2023. Also, annual turnover in 2024 decreased by nearly 1%, compared to 2023. According to these data analyzed, in the last three years 2022-2024, it is noted we have instability in some economic indicators.

Contribution of sub-sectors to total employment in Sector-C,

In 2024, the contribution of the Manufacturing/Processing Sector to total employment in Kosovo, by economic activity, is 10.74%.

Employment by sub-sector shows the contribution of each sub-sector to the creation of new jobs within Sector-C, (Manufacturing/Processing Sector), as presented below.

Figure 7. Contribution of sub-sectors to Sector-C employment, in % for the year 2024



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

Based on the data presented in Figure 7, the highest contribution to employment in the manufacturing/processing sector in Kosovo is made by the “Furniture production” sub-sector with around 20.13%, followed by the “Processing of food products” sub-sector with around 20%, while the third ranked sub-sector for contribution to employment is the “Manufacture of fabricated metal products” sub-sector with around 12.57%.

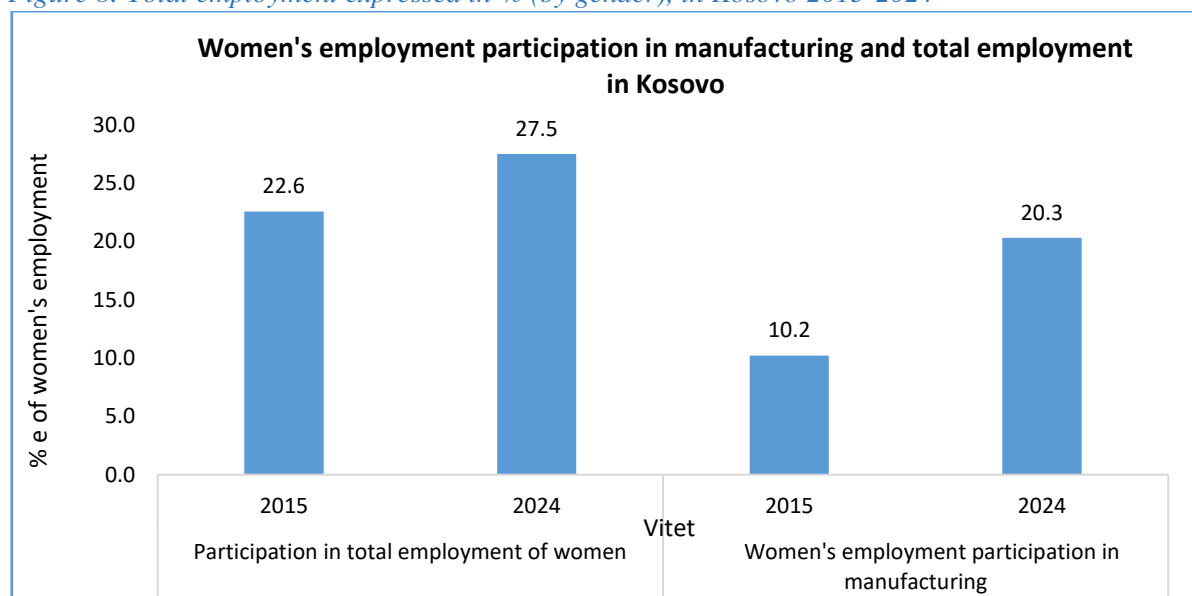
The “Manufacture of non-metallic mineral products” sub-sector with around 9.31% of the contribution to total employment in Sector – C. All other sub-sectors contribute to employment with less than 10%.

Women employed in Sector-C

Kosovo had the lowest rate of women's participation in manufacturing in the country, considering several barriers such as non-compliance with employment contracts, which is still characterized by a high rate of informality and unfavourable working conditions, especially for women and young people.

So far, women's employment participation, based on the data referring to the years 2015-2024, is extremely low, particularly in the manufacturing sector, with a slow trend of women's employment that has been continuously observed in the country, yet there are promising data of positive growth in employment by gender.

Figure 8: Total employment expressed in % (by gender), in Kosovo 2015-2024



Source: KAS (processed by DI/DIP)

Based on the data shown in Figure 8, we note that the participation of women in total employment in Kosovo in 2015 was 22.6%, while in 2024 it had increased to around 27.5%, which represents an increase of approximately 5%, while the participation of women in total employment in manufacturing in Kosovo was low, in 2015 it was 10.22% while in 2024 it was 20.3%, which represents an increase of 10% in favour of employment.

Employment resilience

Global changes in labour markets have created great opportunities for even developed economies to face difficulties in maintaining employment resilience. Changes can also come from many factors, whether from crises that may not be foreseen, such as the Covid-19 pandemic, or as a result of digital transformation. Resilience may change in relation to labour productivity depending on where the annual growth rate will be oriented, whether towards employment or productivity.

Table 10: Employment elasticity compared to other countries for the years 2015-2023

Country	Annual employment growth rate	Annual growth rate of MVA	EE	Classification
Albania	3.3%	9.7%	0.34	Oriented towards productivity
Bosnia and Herzegovina	2.3%	8.3%	0.27	Oriented towards productivity
Montenegro	1.2%	4.4%	0.28	Oriented towards productivity
North Macedonia	0.5%	7.1%	0.7	Oriented towards productivity
Serbia	3.8%	4.7%	0.81	Oriented towards productivity
Kosovo	7.8%	5.8%	1.35	Oriented towards employment
WB6	3.1%	5.9%	0.52	Oriented towards productivity

Source: MVA - WDI; Employment in manufacturing, UNIDO, KAS (processed by DI/DIP staff)

The analysis presented in Table 10 shows that between 2015-2023, the manufacturing sector in Kosovo grew at an annual rate of 5.8%, while labour productivity, in relation to employment in the industry, has marked an increase of 7.8% over the same period. Based on these data, it is estimated that the growth rate in Kosovo is driven by employment, namely the focus of business was aimed at expanding employment in relation to the interest in investing in digitalization and advanced production technology. In general, if we look at Table 10, it turns out that in the Western Balkan countries we have a situation where most countries have a growth rate driven by labour productivity, while this year the analysis for the country of Kosovo presents to us a change in the employment resilience oriented towards employment growth rate, specifically in the opening of new jobs. The percentages in the WB6 countries do not present any significant discrepancy, but the data in both indicators are below 10% of the level of the growth rate.

Salaries in Manufacturing

The increase in labour productivity translates positively into an increase in salaries in manufacturing. Referring to the data from table no. 11, the productivity growth rate in Kosovo in 2022 was 7.13% while the salary growth rate was 11.87%, which speaks of a positive trend in the annual productivity growth rate and a reflection of growth in salaries as well. Albania marks a positive trend in these two indicators, a salary growth rate of 13.08% and a productivity growth rate of 4.93%. If we make an analogy with Kosovo, we note that in Kosovo we have a faster increase in the productivity rate while a slower increase in the salary growth rate compared to Albania. It is worth noting that in these analyzed indicators, Kosovo stands alongside the WB6 countries, and in some of the indicators it stands even better. Meanwhile, in all the comparable WB6 countries, the salary growth rate was positive even though only the state of Serbia has recorded a negative annual labour productivity rate.

Table 11: Salaries for 2022

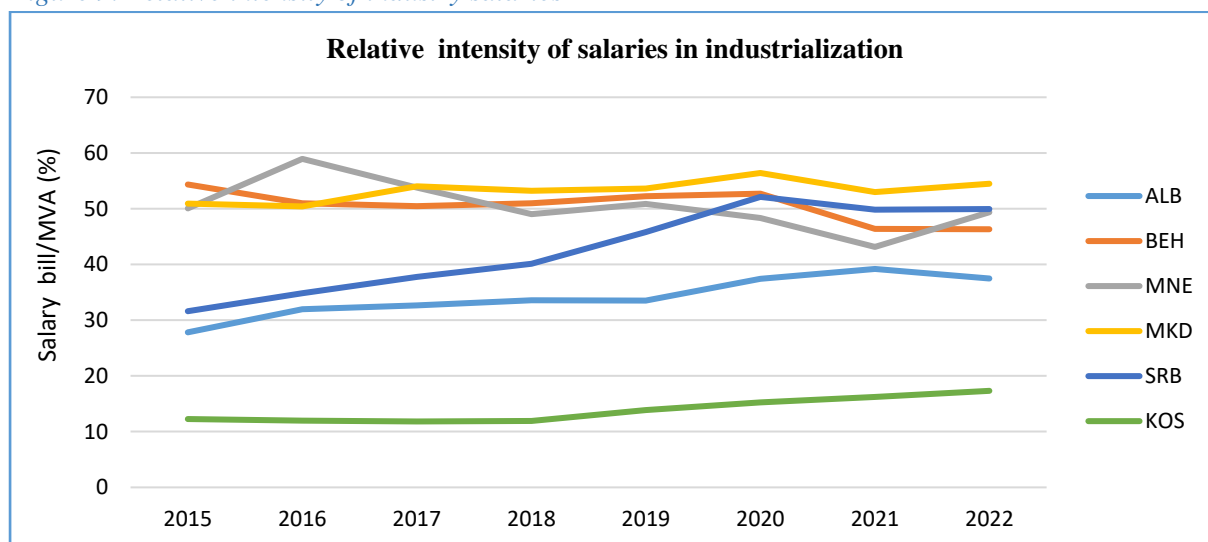
Countries	Salary growth rate	Productivity growth rate
Albania	13.08%	4.93%
Bosnia and Herzegovina	6.44%	5.73%
Montenegro	4.73%	2.67%
North Macedonia	6.53%	5.17%
Serbia	9.90%	-0.35%
Kosovo	11.87%	7.13%

Source: WDI, UNIDO, KAS (processed by DI/DIP staff)

Relative intensity of salaries in industrialization

Between 2015 and 2022, manufacturing sector salaries increased by an average of around 12%. The increase in earnings for workers is also confirmed by the study of relative intensity of salaries, measured as a percentage of manufacturing salaries as a share of MVA. This indicator measures the share of MVA that goes to manufacturing sector workers in the form of salaries. Figure 9, below, shows that the relative intensity of salaries in Kosovo has increased from 12.25% (2015) to 17.32% (2022). In short, with a growing manufacturing sector, the total manufacturing salary bill in relation to MVA has increased with positive intensity, but at a slow pace despite the contribution to the salary bill that the manufacturing/processing sector in Kosovo can provide. Nevertheless, it still results in the lowest relative intensity of salaries in the region. All comparable countries account for an average of 40% of the salary share in the MVA.

Figure 9. Relative intensity of industry salaries



Source: Country indicators WDI, UNIDO, KAS (processed by DI/DIP staff)

Average salary in Kosovo by economic activities

Sipas të dhënave të prezantuara në tabelën 12, kemi të paraqitur pagën mesatare për dy vite në sektorin e prodhimin/përpunimit 2023/24, që tregon për përqindje të ulët të rritjes prej vetëm 17.1% në pagën bruto në vitin 2024, krahasuar me vitin paraprak në Kosovë, prandaj efekti është i ngadalshëm edhe në faturën e përgjithshme të pagës në këtë sektor.

Table 12 Average salary in Kosovo by economic activity, 2023-2024, (Euro)

Year	Sector	Gross	Net
2023	C – Manufacturing	451.00€	404.00€
2024	C - Manufacturing	528.00€	451.00€

Source: KAS (processed by DI/DIP staff)

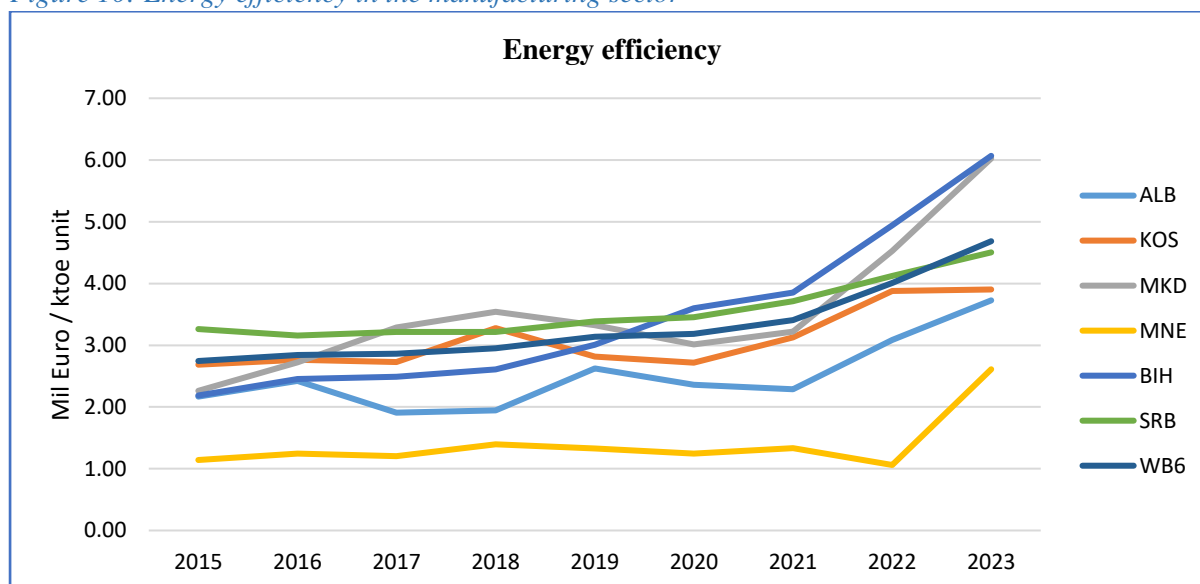
ENVIRONMENTAL ANALYSIS

Energy efficiency in the manufacturing sector

In 2023, the value of Kosovo's energy efficiency in manufacturing was 3.73 million euros per ktoe (kilo tonne of oil equivalent), which is lower than the average of WB6 countries of 4.69 million euros/ktoe. Bosnia and Herzegovina recorded the highest value of energy efficiency with 6.07 million euros/ktoe, while Montenegro had the lowest value with 2.61 million euros/ktoe.

It is worth noting that the average energy efficiency for the Western Balkan countries (BP6) in 2015 was 2.75 million euros/ktoe, while in 2023 there was an increase in energy efficiency to 4.69 million euros/ktoe.

Figure 10: Energy efficiency in the manufacturing sector

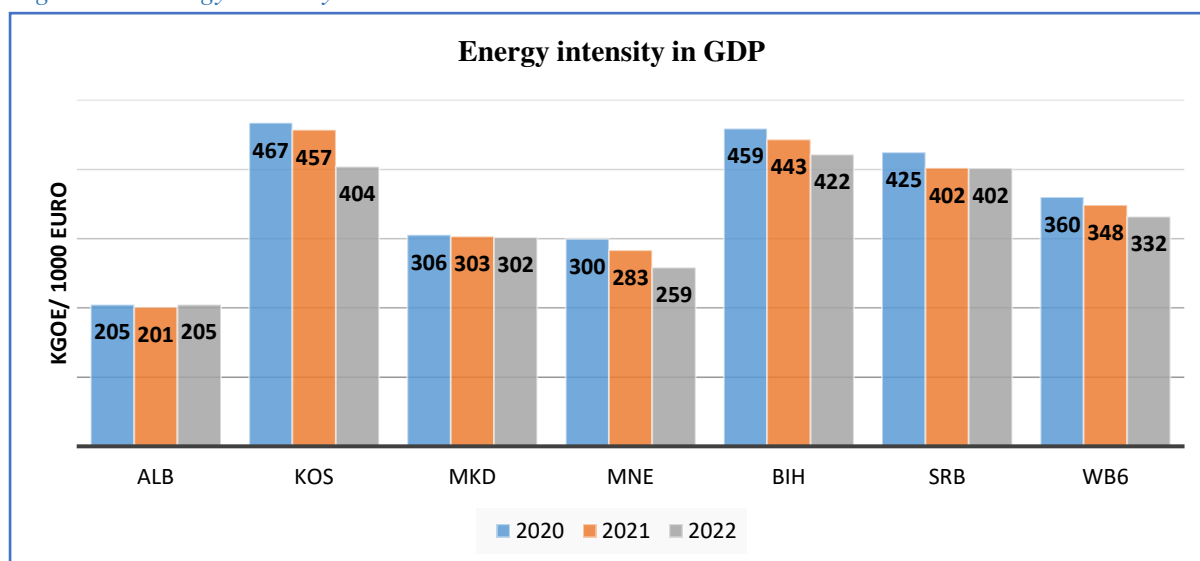


Source: Eurostat (processed by DI/DIP staff)

Energy intensity in manufacturing

Energy intensity in Kosovo (the amount of energy used to produce a unit of 1000 euros of GDP) has improved significantly over time. While in 2020 476 kgoe (kilograms per unit of oil equivalent) were spent for 1000 euros of GDP, in 2022 we have a decrease in energy intensity, for the same value of GDP 404 kgoe were spent.

Figure 11: Energy intensity

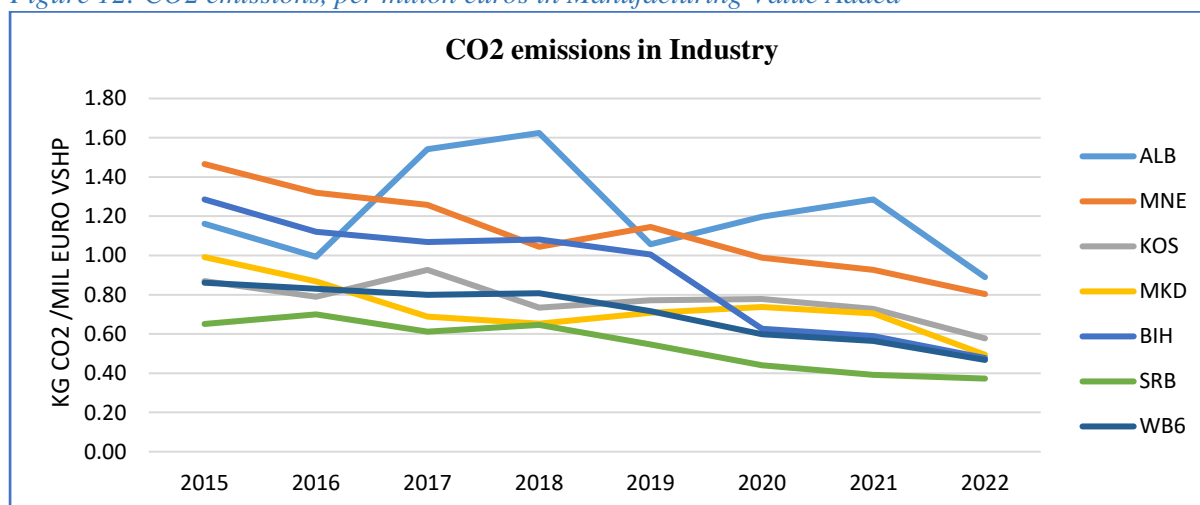


Source: Eurostat (processed by DI/DIP staff)

CO2 Emissions

Kosovo's CO₂ emissions in the manufacturing sector for 2022 are 0.657 Mt CO₂ at 1137 million euros of manufacturing value added (MVA), or 0.58 kg CO₂ per million euros in MVA). Between 2015 and 2022, CO₂ emissions decreases by 26%, but still remain above the average of WB6. The countries with the lowest emissions in 2022 are Serbia with 0.37 kg CO₂ /million euros followed Bosnia and Herzegovina with 0.48 kg CO₂ per million euros of MVA. Albania has a decrease in CO₂ emissions compared to the previous year, but still has high level values of 0.89 kg CO₂/million euros, while Montenegro emits 0.80kg CO₂ /million euros of MVA.

Figure 12: CO2 emissions, per million euros in Manufacturing Value Added

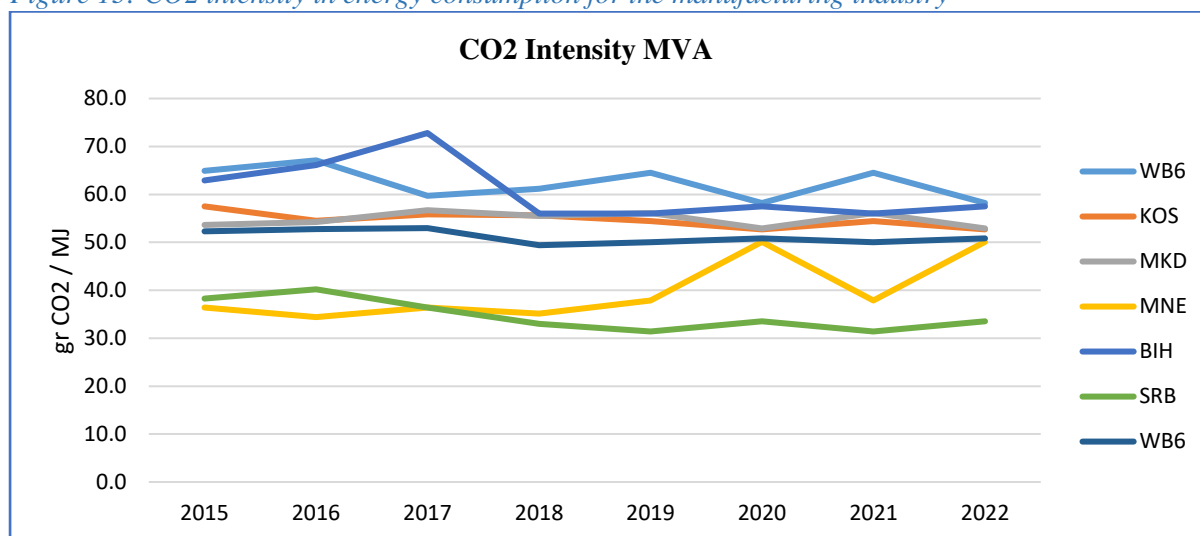


Source: International Energy Agency (IEA) (processed by DI/DIP staff)

CO2 intensity for value added in Manufacturing

The CO2 intensity of energy consumption in Kosovo in 2021 was 54.4 g/MJ, representing an increase of 10% compared to 2015, when it was 49.9 g/MJ. The average of the Western Balkan/WB6 countries was 50 g/MJ. Albania has the highest CO2 intensity of energy consumption with 64.5 g/MJ of CO2, while Serbia has the lowest CO2 intensity of energy consumption with 31.4 g/MJ of CO2.

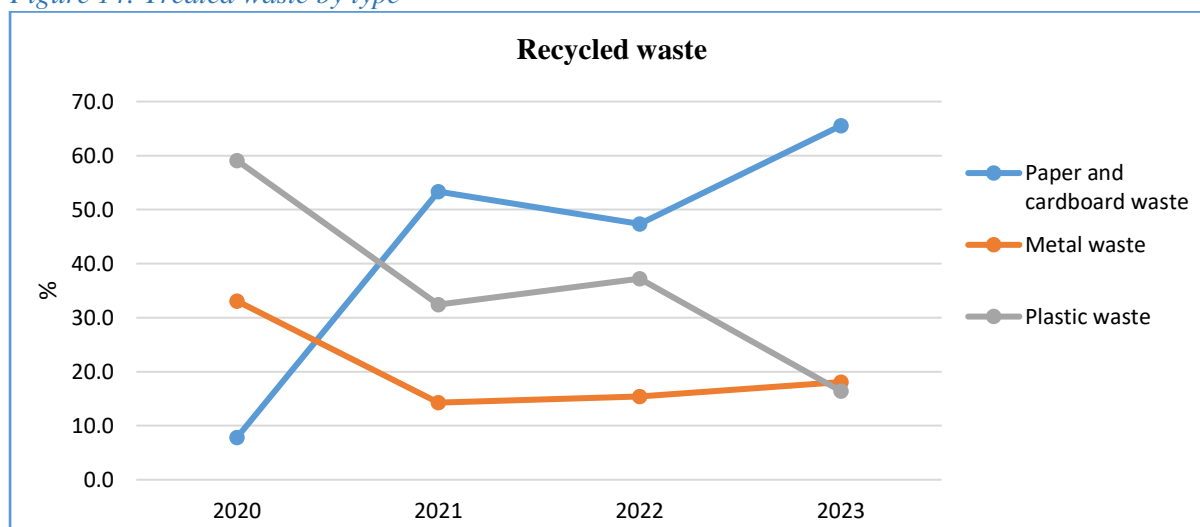
Figure 13: CO2 intensity in energy consumption for the manufacturing industry



Source: International Energy Agency (IEA) (processed by DI/DIP staff)

GREEN AND CIRCULAR ENERGY

Figure 14: Treated waste by type



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

The amount of waste treated over the years: 2020 was 3,882 tons, in 2021 it was 23,328 tons, in 2022 it was 24,904 tons and in 2023 it was 25,736 tons.

The amount of waste treated by type, expressed as a percentage for 2023 was:

Paper and cardboard waste (65.5%);

Plastic waste (16.4%);

Metal waste (18.1%).

Based on the above data, we see that we have a significant decrease in the treatment of plastic waste, from 37.2% in 2022 to 18.1% in 2023 and a significant increase in the treatment of paper and cardboard waste from 47.4% in 2022 to 65.5% in 2023.

Summary of indicators

- Kosovo presents the lowest overall economic performance in GDP/capita of €6,747.40 for 2024, which means it is below the WB6 average of €10,159.20;
- Manufacturing industry (Sector C) contributes to GDP with 13.1%;
- In 2024, Kosovo's industrialization, measured by the share of MVA in GDP, is (13.1%) that is higher than the average of the WB6 countries (10.1%);
- FDI inflow in the manufacturing sector in 2024 was 32 million euros;
- The share of manufacturing FDIs in total FDIs for 2024 is 3.78%;
- The effective interest rate in the manufacturing sector for 2024 is 6.4%;
- Around 60% of exports are made to 6 countries: Albania, Germany, North Macedonia, Switzerland, USA and Serbia;
- Around 60% of imports come from 7 countries: Germany, Turkey, China, Italy, Greece, North Macedonia, Albania;
- Sector C - Manufacturing industry, participates in the employment rate according to economic activity with 10.74%;
- Women's employment share in manufacturing is 21%;
- The average salary in sector C for 2024 is €528.00 gross and €451.00 net;
- Kosovo's CO2 emissions in the manufacturing sector for 2022 are 0.657 Mt (million/tons) CO2;
- In 2023, the amount of treated (recycled) waste was 25,736 tons, which by percentage of sub-sectors is as follows: Paper and cardboard (65.5%); Plastics (16.4%) and Metals (18.1%).

Conclusions

- Although Kosovo has shown an increase in GDP per capita and has grown at a faster rate than the countries in the region, it is still below the average of the WB6 countries;
- Kosovo's industrialization, measured by the share of MVA in GDP, shows stability over the years and is higher than in Montenegro, Albania, and Bosnia and Herzegovina;
- The structure of Kosovo's economic composition, based on the share of MVA in GDP, continues to be dominated by the services sector, which accounts for an average of 46%, while the manufacturing sector participates in GDP with an average of 13% of MVA;
- Foreign Direct Investments are one of the factors influencing economic growth. In Kosovo, FDIs are still oriented towards the real estate and financial, and insurance sectors, which have a lesser dissemination/extension effect on the economy(spillover effect);
- Bank interest rates are still high for the manufacturing industry at 6.4%, which prevents businesses from expanding their production capacities.;
- The manufacturing/processing industry has high potential in reducing the trade deficit, given its share in total exports of 78.5%, where the import-export coverage is only 14.8%;
- Manufacturing/processing industry products are exported to countries where the diaspora is concentrated, thus reflecting the limited diversification of exports in the overall market;
- Imports of the processing industry continue to be high, for the reason that Kosovo's economy has not managed to intensify the provision of raw materials from domestic sources that would contribute to reducing imports;
- The manufacturing sector has potential for higher women's employment, but women's employment share in this sector continues to be low, compared to WB6 countries;
- Having assessed productivity and salaries, Kosovo and other WB6 countries have recorded salary increases. However, Kosovo has recorded an increase in productivity and still results in the lowest salary intensity compared to the countries in the region;
- Energy efficiency in the manufacturing/processing industry in Kosovo continues to increase over the years; however, it remains below the average of the WB6 countries, though it is better than in Albania and Montenegro;
- CO2 emissions in the manufacturing/processing industry in Kosovo continue to decline over the years, but yet remain above the average of the WB6 countries and has lower CO2 emissions than in Albania and Montenegro.
- Kosovo's approach to meeting general environmental protection rules has begun with the initiative to develop circular industry in order to reduce waste.

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