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Divizioni për Politika Industriale/Odsek za industrijske politike/ Divizion for Industrial Policy

REPORT

SECTOR C

PROCESSING INDUSTRY

SUBSECTOR COMPARISON

- Enterprises
- Employment
 - Export
 - Import

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List of abbreviations

KAS	-	Kosovo Agency of Statistics
TAK	-	Tax Administration of Kosovo
EU	-	European Union
KCB	-	Kosovo Consolidated Budget
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 Policy
EFTA	-	European Free Trade Association
FDI	-	Foreign Direct Investment
CPI	-	Consumer Price Index
PPI	-	Producer Price Index
ODC	-	Other Depository Corporations
MTI	-	Ministry of Trade and Industry, Entrepreneurship and Strategic Investments
CEFTA	-	Central Europe Free Trade Agreement
AARID	-	Annual Average Interest Rate in Deposits

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Introduction

Industrial policy is a trending topic and occupies an important place in the agendas of countries with developed economy. As a young country, Kosovo is aiming to achieve sound economic development by advancing the industrial policies.

Even though it is among the scarce countries of the region to have seen a solid rate of economic growth – even during the global financial crisis – Kosovo needs a more rapid pace of increase in employment and number of enterprises and exports in industry in order to improve the living standard and equilibrate its significant negative balance of trade.

Global production increase is a trending topic among developed countries and Kosovo should be more oriented towards the development of processing industry sectors, which directly contribute to the increase of production value in the country and increase of employees with different profiles.

In order to analyse the state of processing industry development trends (Sector C), the industrial policy developers within the Ministry of Trade and Industry Report with subsectors of Sector C.

The purpose of the Comparison Report of subsectors of Sector C is to present the main development trends of subsectors and activities of Kosovo's economy.

Data presented in this Report concern 2018, which may serve the policy-makers in Kosovo's economic development process, operating businesses (existing and potential ones in the private sector), investors, donors, researchers, academics, etc. More specifically, this Report, which provides a clearer overview of the main trends impacting the industry of the country, will facilitate the work of all relevant stakeholders in designing more effective development policies based on measurable indicators.

Methodology

This Report used quantitative and qualitative data obtained from the Kosovo Agency of Statistics. These data have been processed and analysed by the staff of MTI, specifically by the statistics processors and developers of industrial policies in the Department of Industry. All data used in this Report have been referenced with the source of information.

Part One of this Report contains general statistical data for processing industry of Sector C, where data on the number of enterprises, employment, export and import between subsectors have been analysed and compared.

Part Two presents data on the number of enterprises, employment, export and import, comparing activities of subsectors, such as: Textile, Clothing, Leather, Paper, Chemical Industry, Manufacture of Fabricated Metal Products (except machinery and equipment), Plastics and Machinery, Metals and Manufacture of Furniture. The descriptions of these subsectors have been listed according to the order presented in NACRev2.

Following the analyses presented in relation to the general data and industry trends, this Report provides also the conclusions related to the processing industry in Kosovo.

PART ONE

COMPARISON OF MANUFACTURING INDUSTRY SUBSECTORS

The manufacturing industry is among the key and influential sectors in sustainable economic development. The development of the manufacturing industry sector indirectly contributes to other economic sectors. Kosovo continues to have low development of sector C, although some of the subsectors have shown that they have the potential for development and penetration in international markets.

The role of the manufacturing sectors presented in Table 1 provides data that can be further analyzed, depending on the purpose of government policy orientation.

Table 1. Manufacturing industry subsectors by number of enterprises, employment, export and import

Code	SECTOR C – MANUFACTURING INDUSTRY	Number of enterprises	Number of employees	Export	Import
10	Processing of food products	1,244	6,153	34,588,451.58	430,684,698.03
11	Manufacture of beverages	89	1,822	27,565,225.96	78,580,037.59
12	Manufacture of tobacco products	1	25	-	64,847,952.16
13	Manufacture of textiles	127	817	6,136,824.19	58,660,751.55
14	Manufacture of wearing apparel	226	857	2,179,544.62	105,171,177.93
15	Manufacture of leather and related products	37	430	2,735,479.11	44,554,440.03
16	Manufacture of wood and of products of wood and cork	445	1,390	5,408,715.00	69,299,228.65
17	Manufacture of paper and paper products	97	430	2,420,018.61	58,497,122.07
18	Printing and reproduction of recorded media	159	586	-	430,172.03
19	Manufacture of coke and refined petroleum products	7	62	1,344,980.72	393,716,432.70
20	Manufacture of chemical products	104	642	5,867,275.26	226,642,896.45
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	8	94	1,874,824.80	69,038,489.78
22	Manufacture of rubber and plastic products	504	2,374	46,454,152.31	151,108,932.16
23	Manufacture of other non-	478	3,796	7,843,754.76	166,279,334.09

	metallic mineral products				
24	Manufacture of basic metals	99	1,051	63,135,997.19	263,854,273.63
25	Manufacture of fabricated metal products	600	2,471	21,478,381.68	110,032,985.05
26	Manufacture of computer, electronic and optical products	21	54	3,019,765.97	110,119,840.51
27	Manufacture of electrical equipment	31	228	2,254,567.39	149,458,728.23
28	Manufacture of machinery and equipment n.e.c.	25	122	6,554,436.54	214,632,826.68
29	Manufacture of motor vehicles, trailers and semi-trailers	2	36	2,180,302.39	253,292,372.48
30	Manufacture of other transport equipment	5	43	43,898.84	10,480,382.61
31	Manufacture of furniture	406	2,314	10,541,831.77	49,638,936.13
32	Other manufacturing n.e.c.	88	819	4,623,853.10	42,744,366.08
33	Repair and installation of machinery and equipment	59	82	0.00	0.00
Total		4,862	26,698	258,252,281.79	3,121,766,376.62

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

Industrial policies determine the importance of indicators elaborated with subsector data, in this Report. The subsector of food products processing is the first in terms of the number of enterprises, employment and import. In this case, the analyses show that this subsector can be further developed by focusing on import substitution and growth of export.

The subsector of food products processing has the highest number of employees and during 2018 it marked an increase of 531 employees, compared to the previous year. Similarly, the subsector of “Manufacture of furniture” has marked an increase of 452 employees, followed by the subsector of “Manufacture of fabricated metal products” with 235 employees, the subsector of “Manufacture of other non-metallic mineral products” with 208 employees etc.

The subsector of “Manufacture of furniture” has marked an increase in employment in 2018 compared to 2017, but it must be emphasized that the increase in percentage is 24.27%, while the increase in figure is for 452 employees. Among other subsectors, compared to the previous year, in 2018 there is an increase in employment, by about 15% and the subsector “Manufacture of wood and other products of wood and cork” stands relatively good, by 111 employees, too.

Analysis of export data shows that the highest growth in 2018 compared to 2017, in monetary terms, is in the subsector “Manufacture of rubber and plastic products” with over 9 million Euros, while in terms of percentage it has an increase of 25.24%. The subsector “Manufacture of fabricated metal products” is placed second with over 7 million Euros, while viewed as a percentage it has shown an increase of 55.84%. The subsector “Manufacture of beverages” is ranked after the abovementioned and in 2018 compared to 2017, it had an

increase in exports by about 3 million and 400 thousand Euros, followed by the subsector “Manufacture of furniture” with an increase in exports by about 3 million and 400 thousand Euros.

The subsector “Manufacture of basic metals” saw a high decrease in exports in 2018, compared to 2017, with a decrease in the amount of 20,171,155 Euros, or expressed in percentage there was a decrease for 24.21%.

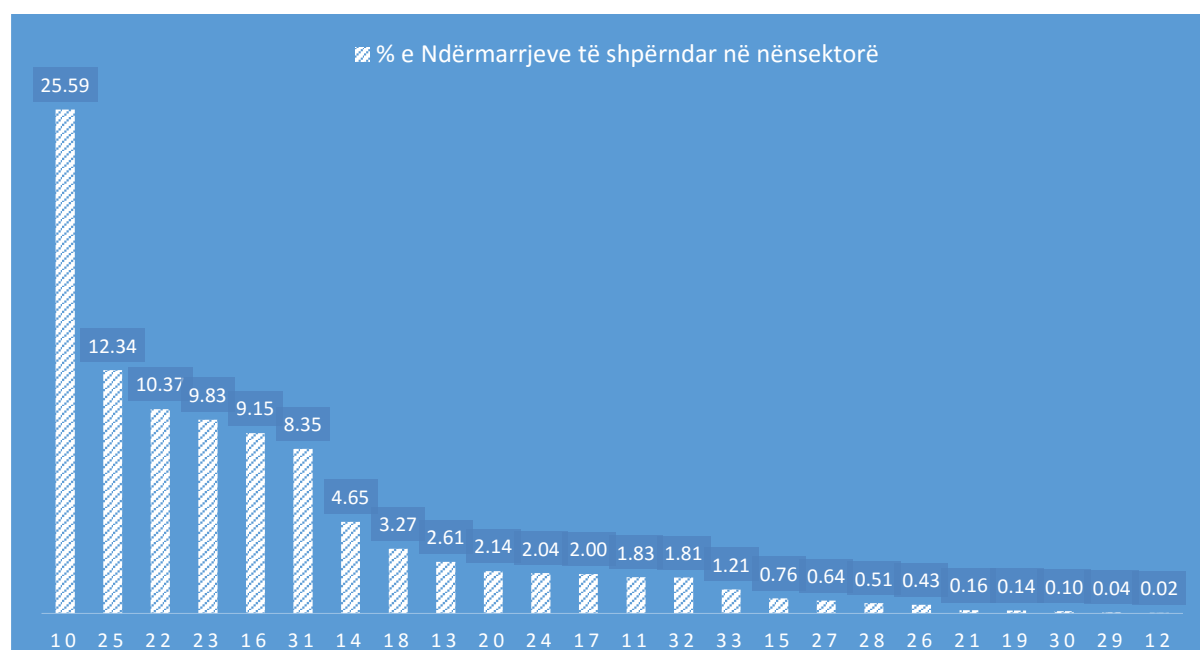
If the import among the subsectors is analyzed, they are mainly dominated by: Manufacture of coke and refined petroleum products, manufacture of basic metals, manufacture of machinery and equipment n.e.c., manufacture of chemical products, etc.

1. Enterprises by subsectors

The number of enterprises in the manufacturing subsectors affects the promotion of competition. The larger the number of enterprises, the higher the competition, which will promote quality, employment, export, etc.

Micro, small and medium enterprises affect economic sustainability; however, the large enterprises also have a positive role, as they are more innovative and more competitive in the domestic and foreign markets.

Figure 1. Listing of sector C subsectors, by percentage in number of enterprises



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

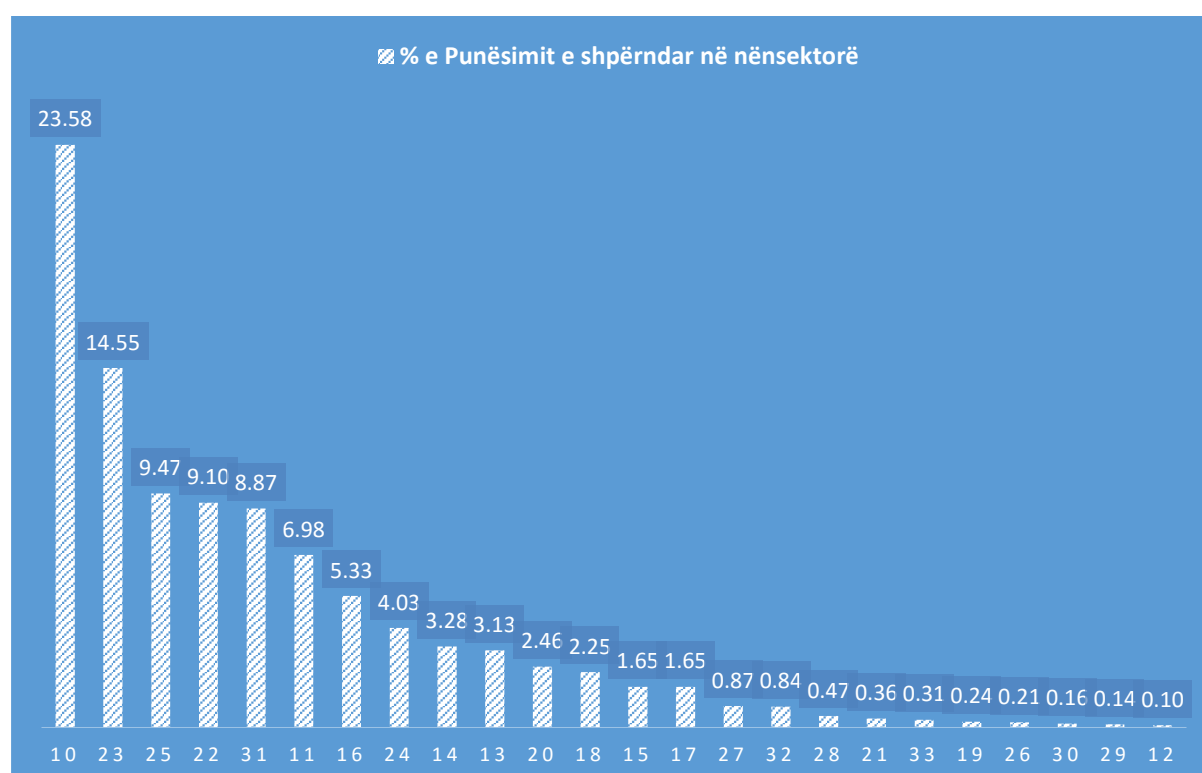
As can be seen in the figure above, in terms of the number of enterprises, the first is the subsector “Processing of food products” with 25.59%, while “Manufacture of fabricated metal products” is ranked second with 12.34%. A small difference is observed in all four subsectors, where the subsector “Manufacture of rubber and plastic products” is ranked third with 10.37%, followed by the subsector “Manufacture of non-metallic mineral products” with

9.83%, then the subsector “Manufacture of wood and wood products and cork” with 9.15%, followed by “Manufacture of furniture” with 8.35%, etc.

2. Employment by subsectors

One of the indicators that has been analyzed in this Report and which is very important, is employment. Sector C- Processing Industry, according to economic activity, participates with 10.03%¹ on employment scale. If we take into account other factors, we can say that the manufacturing subsectors have a “multiplier” effect on job generation in other sectors.

Figure 2. Employment by Sector C subsectors



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

The highest contribution to employment, according to Figure 2, has the subsector “Processing of food products” by 23.58%. The second subsector is the “Manufacture of non-metallic mineral products” with 14.55% of employees. The third subsector, which affects employment, is the “Manufacture of fabricated metal products” with 9.47%, followed by the subsector “Manufacture of rubber and plastic products” with 9.10% and the subsector “Manufacture of Furniture” with 8.87% employees within the Sector C.

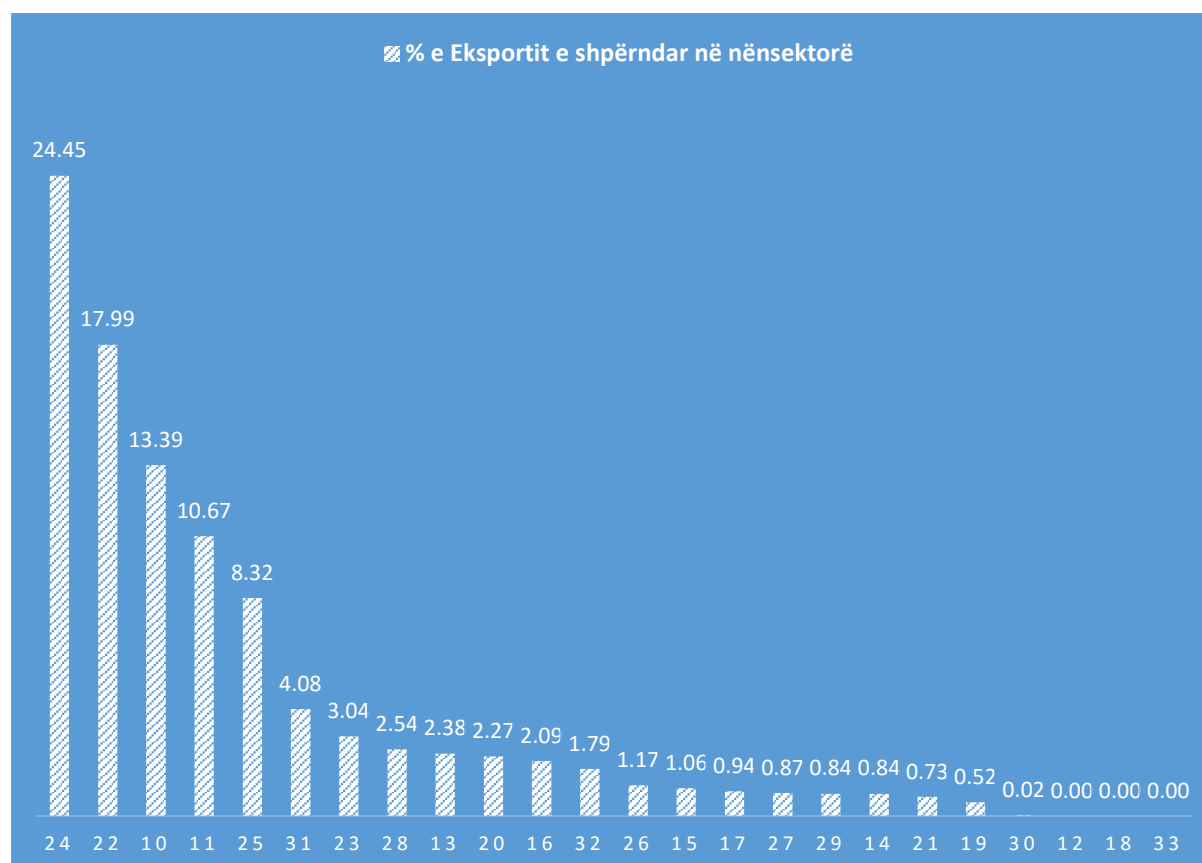
¹ Report, Sector C, Processing Industry 2018, MEETIESI – Department of Industry

3. Export by subsectors

The development of enterprises in Kosovo will affect the growth of exports and economic development in general.

Kosovo trade balance data show that the ratio of exports to imports is very low, but some of the activities reflected in Figure 3 show the potential to develop and increase exports.

Figure 3. Exports by Sector C subsectors



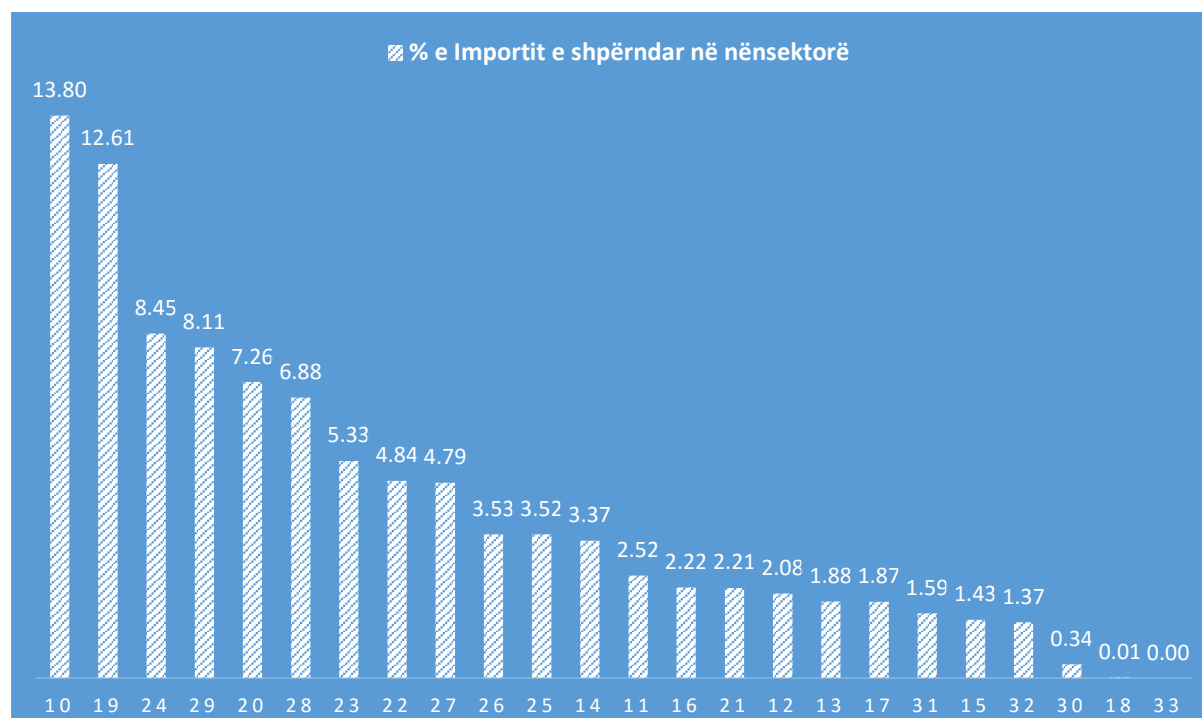
Source: Kosovo Agency of Statistics, processed by DIP / MTI

Exports within Sector C, according to Figure 3, are dominated by the subsector “Manufacture of metal” with 24.45%, while the second subsector in terms of exports is the subsector “Manufacture of rubber and plastic products” with 17.99%. The latter is followed by the subsector “Processing of food products” with 13.39%, the fourth in a row is the subsector “Manufacture of beverages” with 10.67%, followed by “Manufacture of fabricated metal products” with 8.32%, etc.

4. Import by subsectors

One of the indicators of this Report is the import of Sector C products, where Kosovo continues to have a high amount of imports, presenting a high negative balance.

Figure 4. Import by Sector C subsectors



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

Within the Sector C, in imports, the first is the subsector “Manufacture of food products” with 13.80% of imports, while this subsector in exports ranks third with 13.39%. The second subsector, with a share in imports of 12.61%, is “Manufacture of coke and refined petroleum products”, while third place is occupied by the subsector “Manufacture of metal” with 8.45%, followed by “Manufacture of motor vehicles, trailers and semi-trailers” with 8.11%, etc.

SECOND PART

COMPARISON OF SUBSECTOR ACTIVITIES

1. Manufacture of textiles

The manufacture of textiles subsector within the manufacturing industry (Sector C) is listed ninth regarding the number of enterprises, while regarding the number of employees and exports it is ranked in the eleventh place. In the total of Sector C, the import of manufacture of textile is ranked in the seventeenth place.

Table 2. Manufacture of textiles subsector by number of enterprises, employment, export and import

Code	SECTOR C - Manufacture of textiles	Number of enterprises	Number of employees	Export	Import
1399	Manufacture of other textiles n.e.c.	50	205	12,672.65	911,988.84
1330	Finishing of textiles	32	358	-	-
1320	Weaving of textiles	11	77	511,127.80	15,814,106.35
1310	Preparation and spinning of textile fibers	10	13	509,170.62	1,123,102.91
1392	Manufacture of made-up textile articles, except apparel	10	53	4,235,755.12	16,657,252.93
1391	Manufacture of knitted and crocheted fabrics	6	13	5,091.96	4,367,193.11
1396	Manufacture of other technical and industrial textiles	4	24	137,751.56	3,190,597.08
1393	Manufacture of carpets and rugs	3	3	703,760.14	11,220,597.64
1394	Manufacture of cordage, rope, twine and netting	0	0	7,368.29	968,479.85
1395	Manufacture of non-wovens and articles made from non-wovens, except apparel	1	4	14,126.05	4,407,432.84
Total		127	817	6,136,824.19	58,660,751.55

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

Within this subsector, with a number of 50 enterprises, “Manufacture of other textiles n.e.c.” is a leading activity and it is followed by the activity “Finishing of textiles” with 32 enterprises in the second place, while other activities have a smaller percentage.

Employment leads in the activity “Finishing of textiles” with 358 employees, followed by the activity “Manufacture of other textiles n.e.c.” in second place with 205 employees, while activity “Weaving of textiles” ranks third in terms of employment with 77 employees.

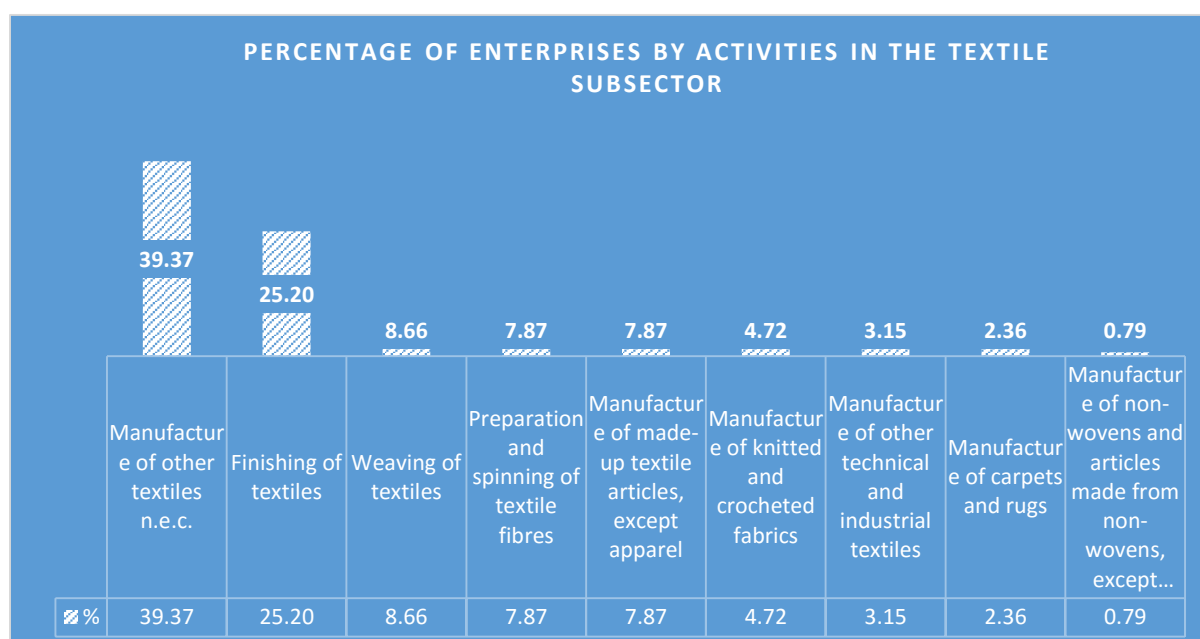
Exports in the subsector of textiles are dominated by the activity “Manufacture of made-up textile articles, except apparel”, while the activity “Manufacture of carpets and rugs” is in the second place.

In terms of comparing exports and imports in this subsector, in general activities have recorded higher value of imports compared to exports.

1.1 Enterprises by textile subsector activities

Data analysis on the number of enterprises in the textile subsector shows that, in terms of the number of enterprises, the activity “Manufacture of other textiles n.e.c.” occupies the first place with 39.37%, followed by “Finishing of textiles” by 25.20%, while other activities are represented by a lower percentage within this subsector.

Figure 5. Distribution of enterprises by activities in the textile subsector



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

Regarding the coverage of these enterprises, the data show that the largest number of enterprises is in the activity “Manufacture of other textiles n.e.c.”. The largest concentration of enterprises in this activity lies in the region of Prishtina, with 24%, then in the region of Ferizaj with 20%, Prizren with 14% and Gjilan with 12%, while Peja, Mitrovica and Gjakova have the same number of enterprises with 10% each.

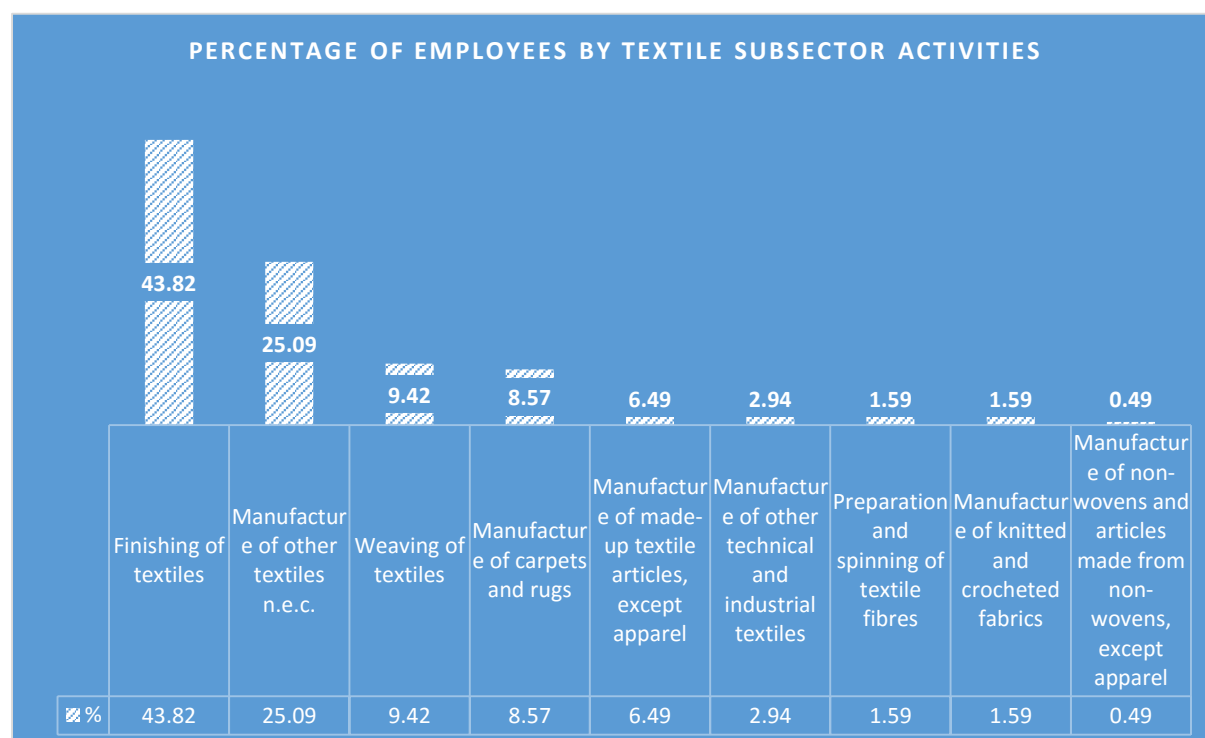
The data show that the activity “Finishing of textiles” has the largest share in the region of Prishtina with 46.9%, then in that of Gjakova with 15.6%, Mitrovica with 12.5%, Prizren with 9.4%, while Ferizaj and Gjilan has the same number of enterprises with 6.3% and Peja has the least with 3%.

The activity “Weaving of textiles”, in terms of the number of enterprises, covers only 4 regions of Kosovo. The largest number of enterprises is in the region of Gjakova, with 63.6%, then in the region of Prishtina with 18.2%, while Ferizaj and Mitrovica with 9.1%.

1.2 Employment by textile subsector activities

In the textile subsector activities, employment is highly concentrated in “Finishing of textiles” with 43.82%, and then we have an involvement of employees in the activity “Manufacture of other textiles n.e.c” with 25.09% and the activity “Weaving of textiles” with 9.42%.

Figure 6. Employment by activities in textile subsectors



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

In addition to the concentration of employees in the textile subsector activities, the largest number of employees within the activities in the regions of Kosovo has been analyzed.

The activity “Finishing of textiles”, in the region of Gjakova, employs 61.77%, in the region of Prishtina 18.56%, in that of Gjilan 8.86%, in Ferizaj 7%, and Prizren and Mitrovica about 2%, while Peja does not have any employees in this activity.

The largest involvement of the number of employees, within the activity “Manufacture of other textiles n.e.c.” is in Prishtina with 43%, then Mitrovica with 20%, Gjilan with 12%, Ferizaj with 11%, Gjakova with 9% employees, while there are fewer in the Prizren region with 4% and Peja with 2%.

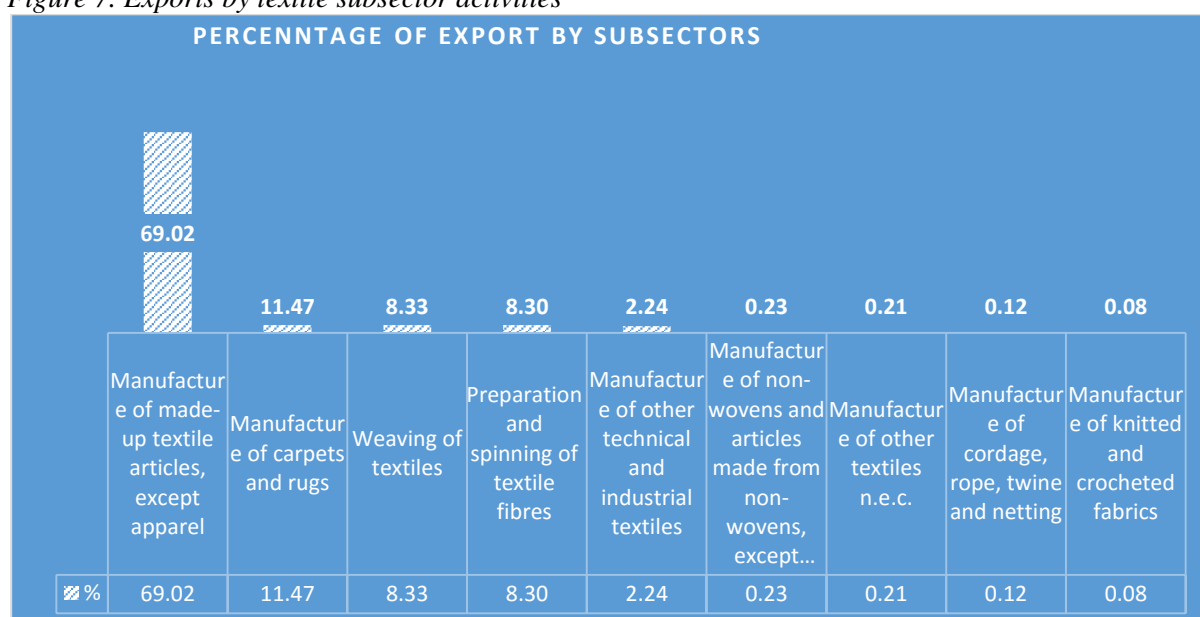
The activity “Manufacture of carpets and rugs” has a greater involvement in the region of Gjilan with 91% and Peja with 9% while in other regions there are no employees.

1.3 Export by textile subsector activities

The export of the manufacture of textile subsector is another indicator that has been analyzed in this report, after that of employment and the number of enterprises. Compared to other subsectors of the manufacturing industry, this subsector ranks eleventh.

The data, for the comparison of exports of activities within the textile subsector, show that the leading activity is “Manufacture of made-up textile articles, except apparel” with 69.02%, then “Manufacture of carpets and rugs” with 11.47% and “Weaving of textiles” activity with 8.33%.

Figure 7. Exports by textile subsector activities



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

Export to the textile subsector is higher with other countries, then with EU countries, CEFTA and less exported to EFTA countries.

The activity “Manufacture of made-up textile articles, except apparel” to EU countries exports 44.51%, other countries 37.15%, in CEFTA’s 16.05% and EFTA countries 2.29% of products.

Countries where the activity products “Manufacture of made-up textile articles, except apparel” are mostly exported are as follows: USA 32.13%, Germany 23.56%, Albania 9.05% etc.

Activity “Manufacture of carpets and rugs” has focused the export to the CEFTA countries 93.76%, other countries 2.99%, EFTA countries 2.74% and EU countries with only 0.51%.

Activity products “Manufacture of carpets and rugs” are mostly exported to Bosnia and Herzegovina with 31.04%, then to Serbia with 29.17%, Macedonia with 20.42%, Albania with 8.54%, etc.

Activity “Weaving of textiles” mostly exports to CEFTA countries, with 62.75%, followed, almost halved, with EU countries with 31.50%, EFTA countries with 3.85% and other countries with only 1.91%.

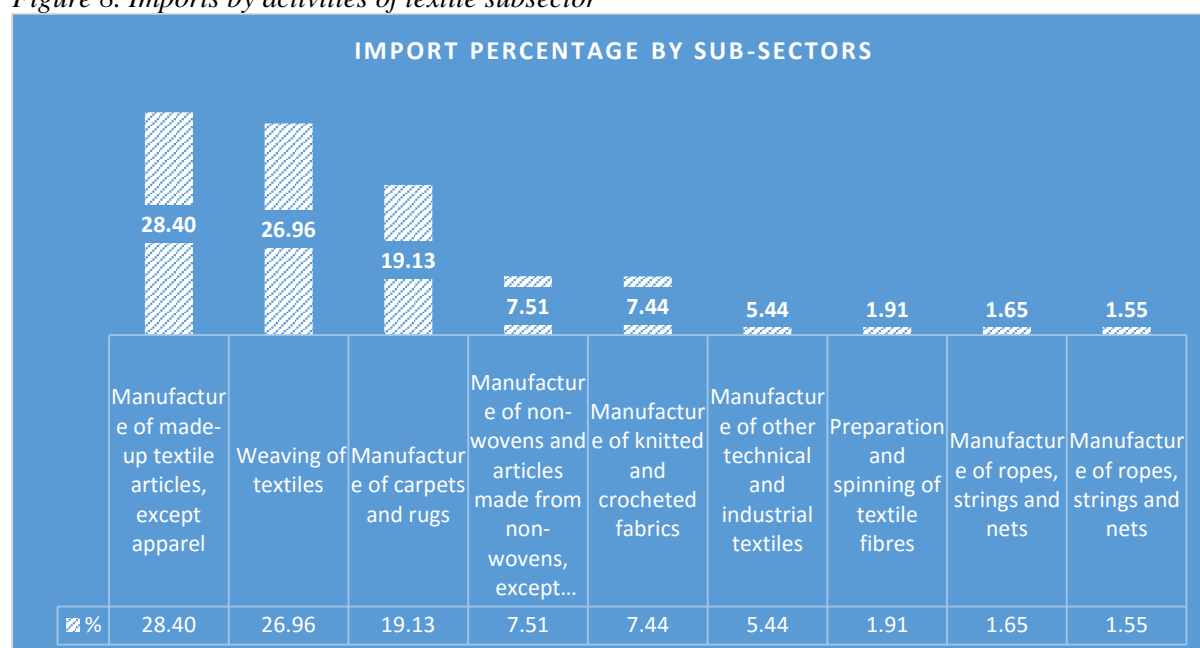
The countries in which the products of this activity are mostly exported are: Albania 36.15%, Bulgaria 29.01% and Serbia 17.62%.

1.1 Import by activities of textiles subsector

Import of textile manufacture subsector, compared to other subsectors of processing industries, Sector C, ranks in the seventeenth place.

The data for comparing the import of activities within the textile subsector show that the activity “Manufacture of made-up textile articles, except apparel” leads with 28.40%, followed by 26.96% ranking the activity “Weaving of textiles” and the “Manufacture of carpets and rugs” by 19.13%, in import.

Figure 8. Imports by activities of textile subsector



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

Import of activity “Manufacture of made-up textile articles, except apparel”, 86.83 % is from other countries, 7.48% from CEFTA countries, 5.47 %, from EU countries and with a fairly low percentage, namely only with 0.21 %, from EFTA countries.

As regards the activity “Manufacture of made-up textile articles, except apparel”, the countries where the import is focused are as follows: China, 42.83%, followed by Turkey, 32.94% and India 4.53%.

Activity “Weaving of textiles” has focused the import to other countries in a percentage of 86.68%, from EU countries 11.46% and CEFTA countries with only 1.84%.

The countries from which these products are imported are: Turkey with 42.36%; China with 40.29%; United Kingdom with 2.60%, Italy with 1.93% etc.

Product activity “Manufacture of carpets and rugs” has focused the import to other countries in a percentage of 81.84%, EU countries 16.27%, CEFTA countries 1.49% and EFTA countries 0.40%.

The countries from which this product is imported are: Turkey 77.05%, Belgium with 8.70% and Netherlands with 4.96%.

2. Manufacture of wearing apparel

The wearing apparel manufacture subsector within the processing industry (Sector C), in terms of the number of enterprises ranks seventh and with the number of employees ranks the ninth. This subsector ranks twentieth in terms of exports, while imports rank the twelfth.

Table 3. The wearing apparel manufacture subsector by number of enterprises, employment, export and import

Code	SECTOR C - Manufacture of wearing apparel	Number of enterprises	Number of employees	Export	Import
1413	Manufacture of other outerwear	126	494	1,073,648.55	42,467,790.89
1412	Manufacture of work-wear	32	158	159,970.75	1,042,102.47
1419	Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc.)	31	109	485,392.88	12,711,496.03
1439	Manufacture of other knitted and crocheted apparel	28	26	169,967.31	11,400,201.43
1431	Manufacture of knitted hosiery	5	12	67,273.06	5,684,634.23
1411	Manufacture of leather clothes	3	55	231.10	160,788.65
1414	Manufacture of underwear	1	3	223,060.97	31,678,476.32
1420	Manufacture of fur items	0	0	-	25,687.91
Total		226	857	2,179,544.62	105,171,177.93

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

Within this subsector, the activity “Manufacture of other outerwear”, compared to other activities, leads in terms of the number of enterprises, the number of employees and exports and imports.

This activity, “Manufacture of other outerwear”, compared to other activities, within this subsector, participates in export with 49.26%, while in import participates with 40.38%.

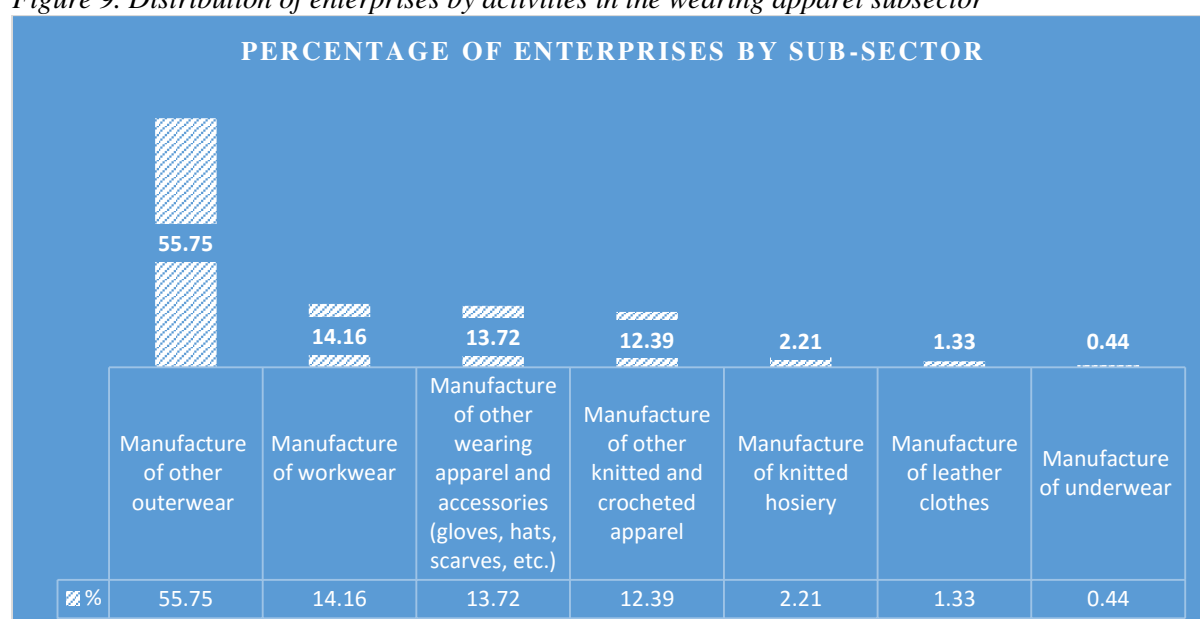
The export of the products of activity “Manufacture of underwear” ranks in the third place with 10.23%, while the import of the products of this activity ranks in the second place, with 30.12%.

The share of activity “Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc)”, under this subsector, in export is 22.27%, compared to other activities, while in import is 12.09%.

2.1 Enterprises by activities in the subsector of wearing apparel

Data analysis, for the number of enterprises, for the subsector of wearing apparel manufacture shows that, in terms of the number of enterprises, in the first place ranks the activity “Manufacture of other outerwear” with 55.75%, followed by "Manufacture of workwear” with 14.16%. The activity "Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc)" ranks in the third place with 13.72%.

Figure 9. Distribution of enterprises by activities in the wearing apparel subsector



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

Regarding the extent of these enterprises, the data show that the largest number of enterprises, within the activity “Production of other outerwear” lies in the region of Pristina, with 27%, followed by the region of Gjakova, with 21 %. An approximate extent of enterprises is in the region of Prizren with 20%, then in the region of Mitrovica with 10% followed by Gjilan with 9%, Ferizaj with 7% and Peja with 6%.

The data show that the activity “Manufacture of workwear” has the largest extent in the region of Ferizaj and Gjakova, with the same percentage of 19%, also the region of Peja and Mitrovica with 16%, followed by that of Prishtina with 12.50%, while a lower number of enterprises is marked in the region of Prizren and Gjilan, with 9%.

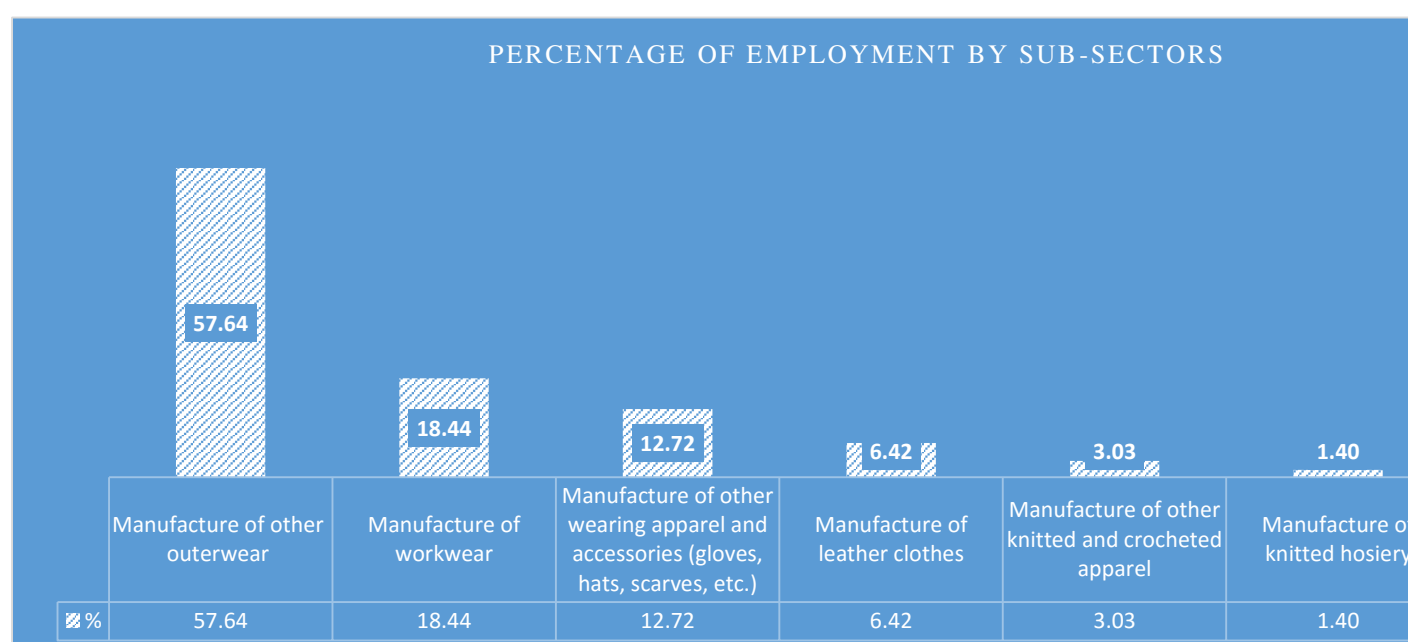
The activity related to “Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc)” in terms of the number of enterprises has a greater extent in the region of

Prishtina with 35.48%, then we have the region of Prizren and Gjilan with 16% each, that of Ferizaj and Gjakova with 10%, while Peja and Mitrovica have the lowest percentage, with 6%.

2.2 Employment by activities in the wearing apparel subsector

In the activities of the wearing apparel subsector, employment is mostly concentrated in “Manufacture of other outerwear” with 57.64%, then there is an involvement of employees in “Manufacture of workwear”, with 18.44% and a number of 12.72%, of employed is with the activity “Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc)”.

Figure 10. Employment by activities in the wearing apparel subsector



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

In addition to the concentration of employees in the activities of the wearing apparel manufacture subsector, we have also analyzed the scope of these activities in the regions of Kosovo. Analyses show that the largest involvement of employees in the activity “Manufacture of other outerwear” is in the region of Prishtina with 37%, followed by Gjakova with 31%, Prizren with 12%, the region of Gjilan with 10 %, that of Ferizaj with 7%, Peja with 3% and that of Mitrovica with only 0.6%.

Within the activity “Manufacture of workwear”, the largest involvement of the number of employees is in the region of Peja with 44%, that of Gjakova with 33%, then Prishtina with 9% and less in the region of Prizren and Gjilan with 4% and in Ferizaj and Mitrovica with 3%.

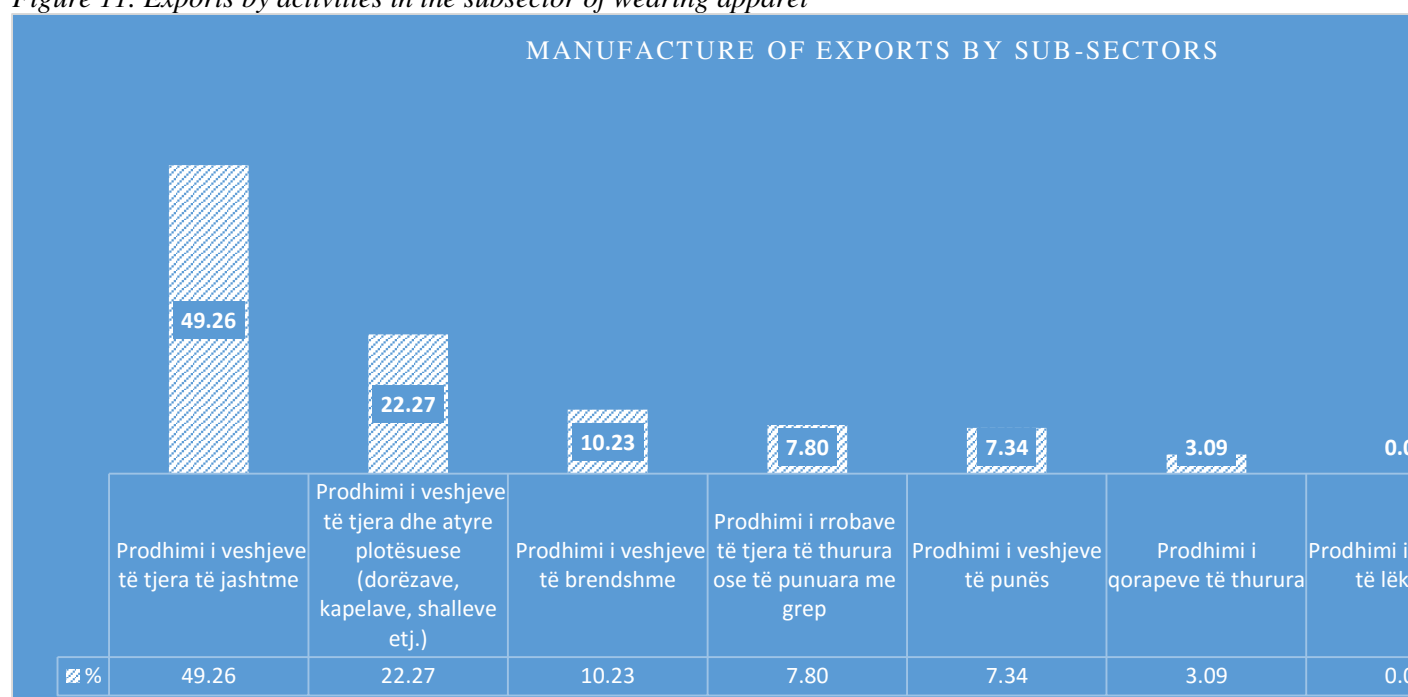
The largest involvement of the number of employees within the activity “Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc)” is in the region of Peja with 66%, Prishtina with 13%, Prizren with 8.26%, Gjilan with 7%, then a smaller involvement is in that of Ferizaj with 3%, Gjakova with 2% and the region of Mitrovica with 1%.

2.3 Export by activities in the wearing apparel subsector

Export in the wearing apparel manufacture subsector is another indicator that is analyzed in this Report, after that of employment and the number of enterprises, compared to other subsectors of the processing industry, ranks in twentieth place.

Comparison of export data for activities, within the wearing apparel manufacture subsector, shows that the activity “Manufacture of other outerwear” leads with 49.26%, then with 22.27% ranks “Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc)”, and the activity “Manufacture of underwear” with 10.23%.

Figure 11. Exports by activities in the subsector of wearing apparel



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

The largest concentration of Kosovo's exports for wearing apparel manufacture subsectors, within the activities of this subsector, is in EU countries, other countries, CEFTA countries and less are exported to EFTA countries.

The products of the activity, which includes “Manufacture of other outerwear”, are exported to EU countries with 73.53%, other countries with 13.39%, CEFTA countries with 8.11% and only 4.97% to EFTA countries.

The countries in which “Manufacture of other outerwear” are mostly exported are: the Netherlands with 34.90%, Italy with 23.43%, Germany with 11.99%, etc.

Activity “Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc.)” concentrated exports in CEFTA countries with 75.71%, in other countries with 15.13%, in EU countries with 6.26% and in EFTA countries with 2.89%.

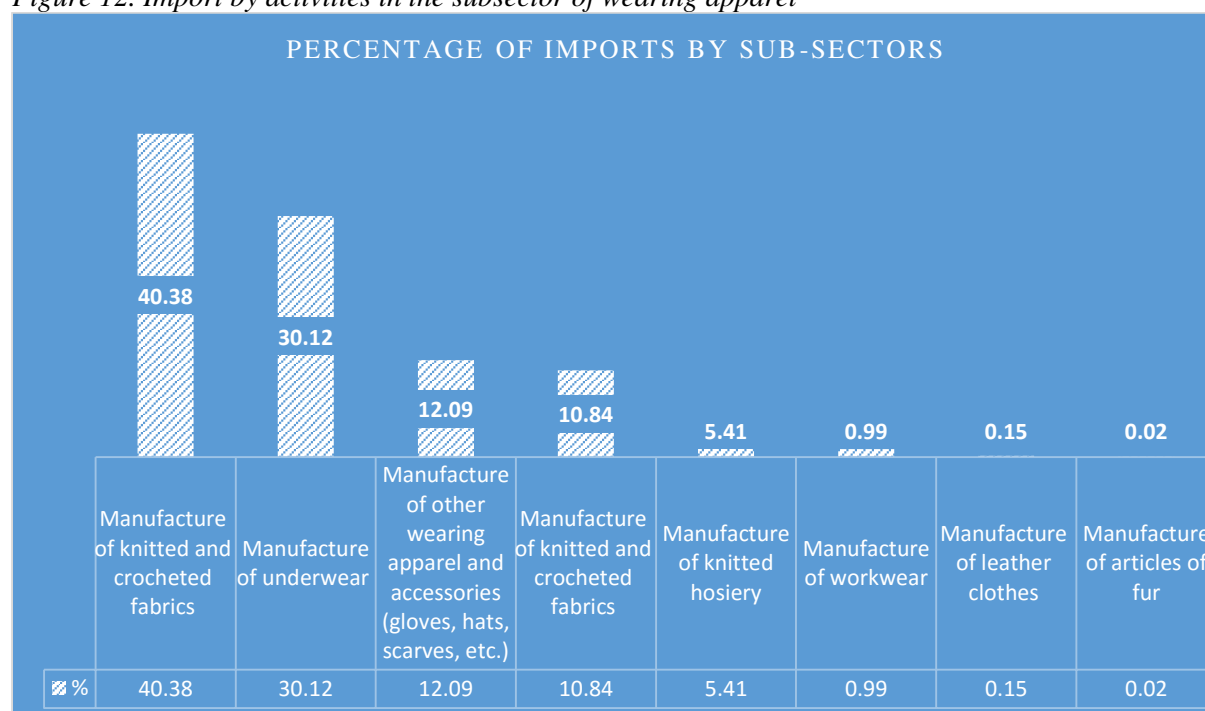
The countries in which the products of this activity are mostly exported are: Montenegro with 29.78%, then Macedonia with 24.82%, Albania 19.11% and Turkey with 15.13%.

Products of the Activity “Manufacture of underwear“ with 38.11% exports to the CEFTA countries, with 29.38% to EFTA countries, with 24.26% to EU countries and with 8.25% to other countries. The countries in which the products of this activity are exported are: Switzerland with 29.38%, then Albania with 14.46%, Germany with 13.29% and Montenegro with 12.43%.

2.4 Import by activities in the subsector of wearing apparel

Import to the wearing apparel manufacture subsector, compared to other sectors of the processing industry, Sector C, ranks the twelfth. If we compare the import of activities within the wearing apparel manufacture subsector, the activity “Manufacture of other outerwear” leads by 40.38%, then “Manufacture of underwear” by 30.12%, and “Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc.)”, by 12.09%.

Figure 12. Import by activities in the subsector of wearing apparel



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

Import of products of activity “Manufacture of other outerwear” is dominated by other countries with 88.41%, EU countries with 8.39%, FFTA countries with 2.33% while CEFTA countries with 0.87%.

The import of products of the activity “Manufacture of other outerwear” is mainly concentrated from Turkey, with 45.48%, China with 20.36%, Bangladesh with 11.61%, Vietnam with 2.61%, etc.

Import of products of activity “Manufacture of underwear” is dominated by other countries with 91.5 %, EU countries with 6.41%, CEFTA countries with 1.89% and EFTA countries only with 0.20%

In terms of countries, import of this activity is mainly concentrated from Turkey with 52.98%, China with 14.67%, Bangladesh with 13.73%, Pakistan with 1.93%, etc.

As regards imports, the activity “Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc.)” other countries leads with 91.36%, followed by EU countries with 7.02%, CEFTA countries with 1.27% and EFTA countries with 0.36%.

The countries from which most of this activity is imported are: China with 39.84%, Turkey with 36.15%, Bangladesh with 5.11%, Cambodia with 3.37%.

3. Manufacture of Leather and Related Products

The subsector of leather and related products manufacture, within the processing industry - Sector C, in terms of number of enterprises, it ranks in the sixteenth place, with the number of employees in the fourteenth place, while in terms of exports, it ranks in the sixteenth place and in terms of imports in the twentieth place.

Table 4. Leather manufacture subsector by the number of enterprises, employment, Export and import

Code	SECTOR C - Manufacture of leather	Number of enterprises	Number of employees	Export	Import
1520	Manufacture of footwear	24	395	1,779,019.52	35,696,467.67
1512	Manufacture of luggage, handbags and the like, saddlery and harness	11	31	924,736.75	7,870,335.00
1511	Tanning and dressing of leather; dressing and dyeing of fur	2	4	31,722.84	987,637.36
Total		37	430	2,735,479.11	44,554,440.03

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

Within this subsector, the activity “Manufacture of footwear”, compared to other activities leads in all areas, both in number of enterprises and the number of employees, as well as in export, with 65.04 % and in import with 80.12%.

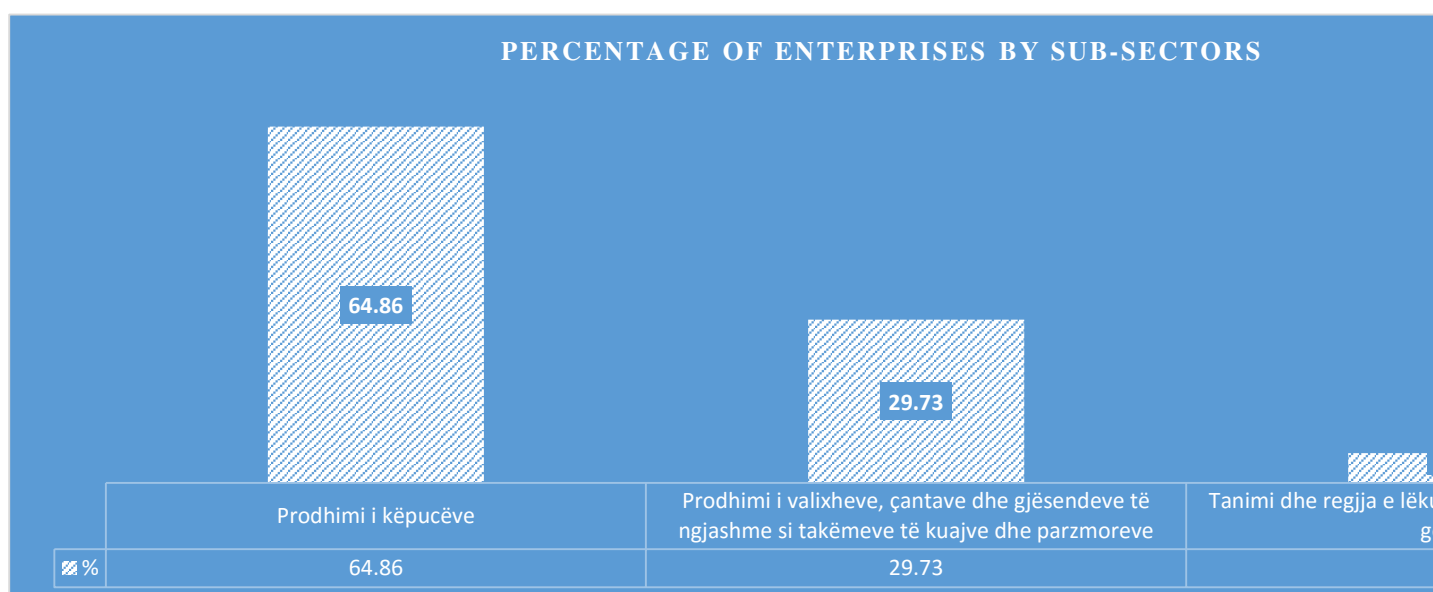
The share of activity “Manufacture of luggage, handbags and the like, saddlery and harness” in the total export of this subsector is 33.81%, while in import is 17.66%.

The share activity “Tanning and dressing of leather; dressing and dyeing of fur” in the total export of this subsector is 1.16 %, while in import is 2.22%.

3.1 Enterprises by activities in the subsector of leather and related products

Data analysis in the subsector “Manufacture of leather and related products” shows that in terms of the number of enterprises, the activity “Manufacture of footwear” ranks in the first place with 64.86%, followed by the “Manufacture of luggage, handbags and the like, saddlery and harness” with 29.73%, and the next activity “Tanning and dressing of leather; dressing and dyeing of fur” with 5.41%.

Figure 13. Distribution of enterprises by activities in the subsector of Manufacture of leather and related products



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

Regarding the extent of these enterprises, the data show that the largest number of enterprises, within the activity "Manufacture of footwear", lies in the region of Prizren with 50%, Prishtina with 17%, Ferizaj and Peja with 13% each, followed by the region of Gjilan and Mitrovica by 4%, while in Gjakova there are no enterprises.

The data show that the activity “Manufacture of luggage, handbags and the like, saddlery and harness” ranks the second and has the largest extent in the region of Prishtina with 36.36%,

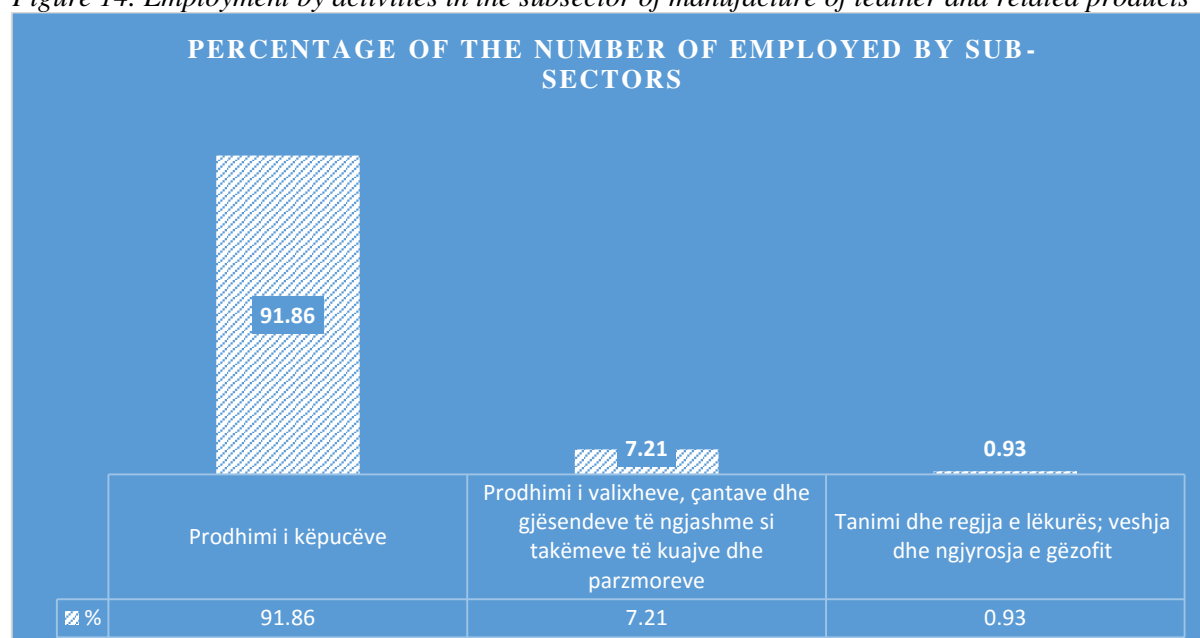
then that of Peja with 27.27% and Prizren 18.18%, in Ferizaj and Gjilan with 9%, while in the region of Mitrovica and Gjakova there are no enterprises.

The activity which is related to “Tanning and dressing of leather; dressing and dyeing of fur” lies only in two regions of Kosovo, that of Mitrovica and Gjakova with 50% each.

3.2 Employment by activities in the subsector of leather and related products

In the activities of the subsector “Manufacture of leather and related products”, employment is mostly concentrated in the activity “Manufacture of leather” with 91.86%. The involvement of employees in the “Manufacture of luggage, handbags and the like, saddlery and harness” is 7.21% and the activity “Tanning and dressing of leather; dressing and dyeing of fur” has a smaller number of employees with 0.93%.

Figure 14. Employment by activities in the subsector of manufacture of leather and related products



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

In addition to the concentration of employees in the different activities of the manufacture of leather and related products subsector, we also analyzed the distribution of these activities in the regions of Kosovo.

While 91.86% of employees are employed in the activity “Manufacture of footwear”, the analysis shows that the largest involvement of these employees is in the region of Prizren (56.2%), followed by Ferizaj (18.73%), Peja (15.44%), Mitrovica (9%) and Prishtina (only 1%), while no employees are engaged in this activity in the regions of Gjilan and Gjakova.

Regarding the activity “Manufacture of luggage, handbags and the like, saddlery and harness”, the largest involvement of employees is in the region of Prishtina (67.74%),

followed by Ferizaj (25.81%) and 3% in Peja and Gjilan, while there are no employees involved in this activity in the other regions.

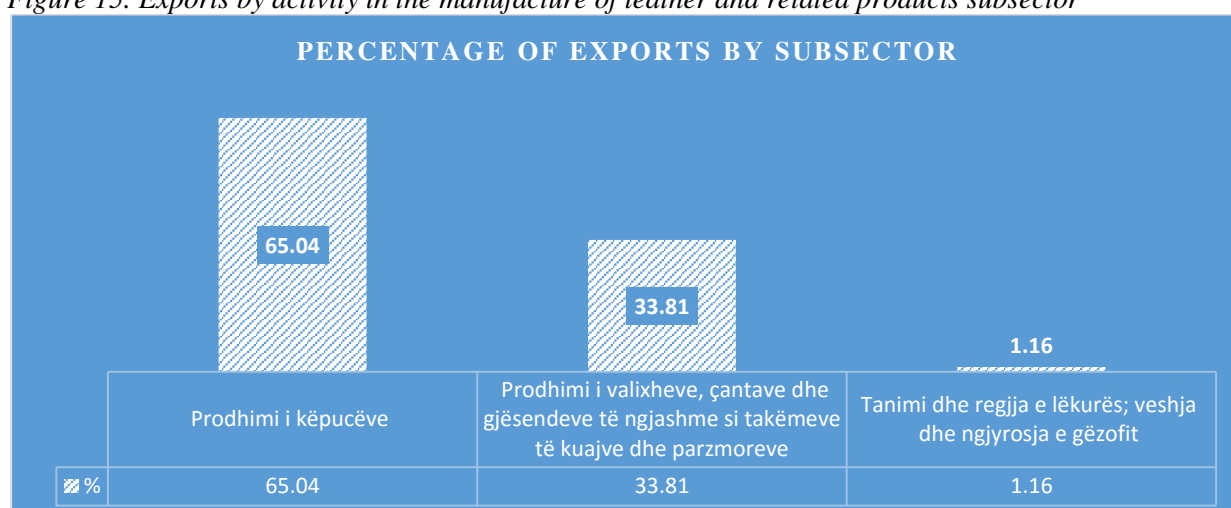
The activity of “Tanning and dressing of leather; dressing and dyeing of fur” is only exercised in the regions of Gjakova and Mitrovica, with 75% and 25%, respectively.

3.3. Exports by activity in the manufacture of leather and related products subsector

The exports of the subsector of manufacture of leather and related products are another indicator analyzed in this report along with employment and the number of enterprises. This subsector ranks sixteenth compared to other subsectors of the manufacturing industry.

The exports of products within the activities of the manufacture of leather and related products subsector are dominated by “Manufacture of footwear” (65.04%), followed by “Manufacture of luggage, handbags and the like, saddlery and harness” (33.81%) and “Tanning and dressing of leather; dressing and dyeing of fur” (1.16%).

Figure 15. Exports by activity in the manufacture of leather and related products subsector



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

The largest concentration of exports of products within the activities of this subsector is in EU countries, followed by CEFTA and other countries, while much less is exported to EFTA countries.

The products of the activity “Manufacture of footwear” are exported to EU countries (68.54%), to CEFTA countries (27.35%), and other countries (4.07%), while much less is exported to EFTA countries (only 0.04%). The products manufactured under this activity are exported to: France - 36.14%, Italy - 14.46%, Croatia - 11.56%, etc.

The exports of “Manufacture of luggage, handbags and the like, saddlery and harness” are concentrated in EU countries, mainly in France (50.66%), Italy (33.64%), Romania (12.13%), etc.

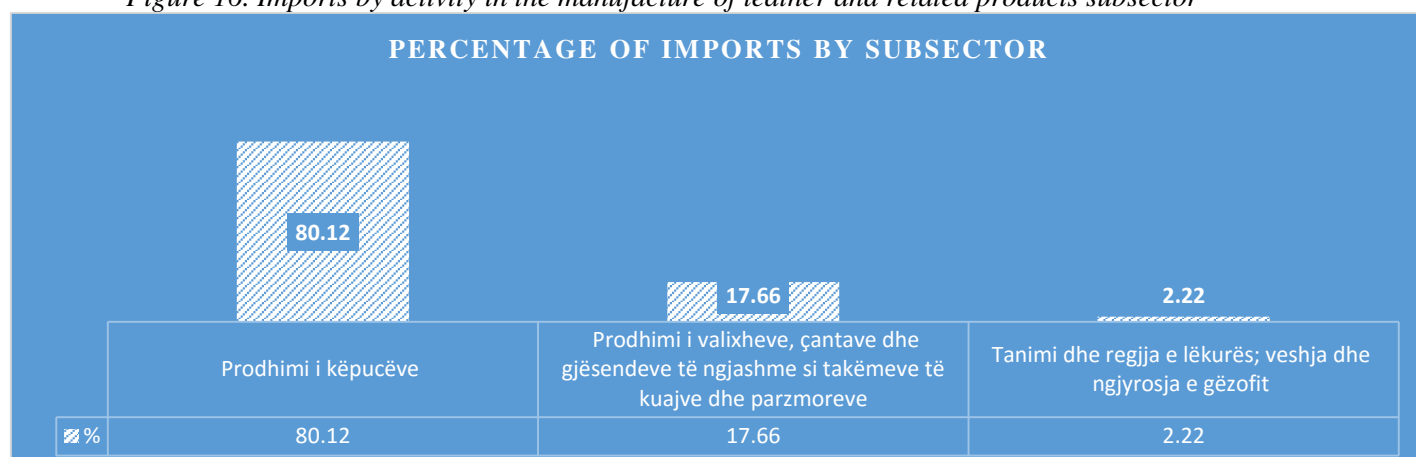
Products of the activity “Tanning and dressing of leather; dressing and dyeing of fur” are mostly exported to CEFTA countries, such as Serbia (88.55%) and EU countries - Austria (8.05%) and Italy (3.40%).

3.4. Imports by activity in the manufacture of leather and related products subsector

Imports of products under the manufacture of leather and related products subsector rank twentieth in comparison to other subsectors of the manufacturing industry.

The analysis of imports of products under the activities of this subsector shows that “Manufacture of footwear” leads with 80.12%, followed by “Manufacture of luggage, handbags and the like, saddlery and harness” with 17.66% and “Tanning and dressing of leather; dressing and dyeing of fur” with 2.22%.

Figure 16. Imports by activity in the manufacture of leather and related products subsector



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

The largest concentration of imports to Kosovo of products within the activities of this subsector is from other countries, followed by EU and CEFTA countries, while very little is imported from EFTA countries.

The products for the activity “Manufacture of footwear” are mainly imported from other countries (89.22%), from EU countries (7.02%), from CEFTA countries (3.71%) and from EFTA countries (0.06%). More specifically, the products for this activity are imported from the following countries: China (41.35%), Turkey (24.72%), Vietnam (12.52%) and Indonesia (5.52%).

Regarding the activity “Manufacture of luggage, handbags and the like, saddlery and harness”, imports mainly come from other countries, such as China (57.7%), Turkey (30.28%) and Italy (2.54%).

On the other hand, imports for the activity “Tanning and dressing of leather; dressing and dyeing of fur” dominantly come from EU countries, i.e. Italy (93.69%), followed by other countries, such as Turkey (2.31%), Thailand (1.33%), etc.

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

This subsector includes the manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials. More specifically, this division includes the manufacture of wooden products, such as lumber, plywood, veneers, wooden containers, wooden flooring, wooden trusses, and prefabricated wooden buildings. The production processes include sawing, planing, shaping, laminating, and assembling of wood products starting from logs, or shaped by lathes or other shaping tools. The lumber or other transformed wood shapes may also be subsequently planed or smoothed, and assembled into finished products, such as wooden containers.²

The manufacture of wood subsector within the processing industry (Sector C) ranks seventh in terms of employment and fifth in terms of the number of enterprises. In terms of exports and imports, this subsector ranks eleventh and fourteenth respectively.

Table 5. Subsector of manufacture of wood and of products of wood and cork, except furniture, by number of enterprises, employment, export and import

Code	SECTOR C –Manufacture of wood and of products of wood and cork	Number of enterprises	Number of employees	Export	Import
1610	Sawmilling and planing of wood	120	333	551,831.93	13,192,537.20
1621	Manufacture of veneer sheets and wood-based panels	7	19	170,434.01	40,376,396.58
1622	Manufacture of assembled parquet floors	3	8	19,715.00	1,504,235.44
1623	Manufacture of other builders’ carpentry and joinery	239	787	2,920,237.59	11,229,283.79
1624	Manufacture of wooden containers	4	11	970,303.33	635,704.26
1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	72	232	776,193.14	2,361,071.38
Total		445	1,390	5,408,715.00	69,299,228.65

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

“Manufacture of other builders’ carpentry and joinery” is the most influential activity in terms of the number of enterprises, employment and export as compared with other activities.

² Report, Sector C, Processing Industry 2018, MEETIESI– Department of Industry

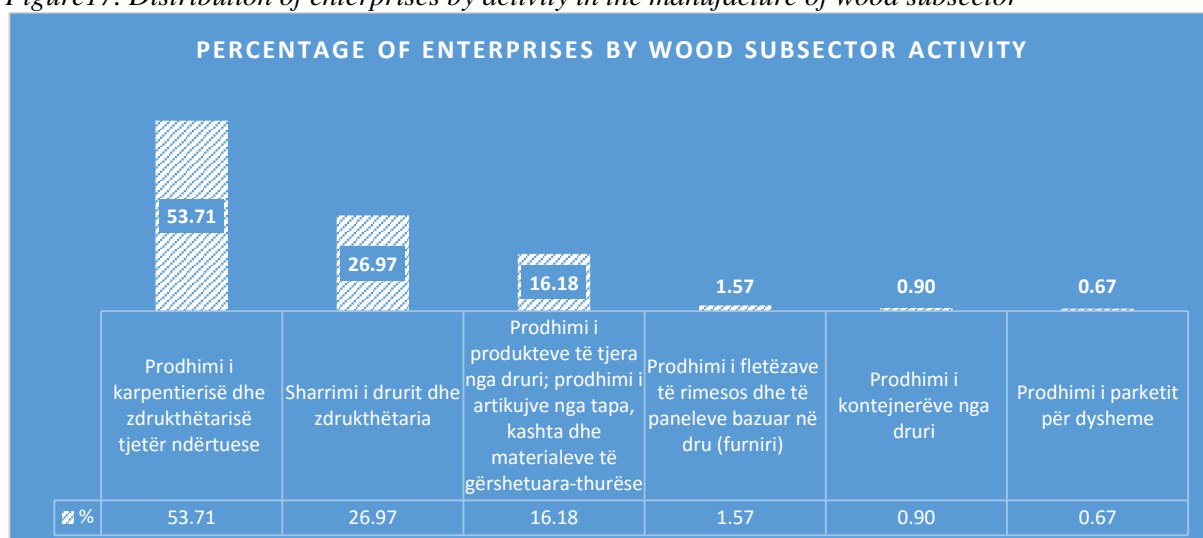
“Manufacture of wooden containers” has a higher export-to-import ratio albeit with a value of under one million, while “Manufacture of assembled parquet floors” has a higher import-to-export ratio.

In terms of trade exchange, the exports and imports in the subsector of manufacture of wood and of products of wood and cork have a share of 7.24% and 92.76%, respectively.

4.1. Enterprises by activity in the wood subsector

The analysis of data on the activities of the wood subsector shows that “Manufacture of other builders’ carpentry and joinery” leads in terms of the number of enterprises (53.71%), followed by the activity “Sawmilling and planing of wood” (26.97%), while the activity “Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials” ranks third with 16.18%.

Figure17. Distribution of enterprises by activity in the manufacture of wood subsector



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

Regarding the distribution of enterprises across regions, in the activity “Manufacture of other builders’ carpentry and joinery”, the region of Prishtina leads with 20.08%, followed by Prizren with 16.74%, Gjiilan with 14.64%, Peja with 13.81%, Gjakova with 13.39%, Ferizaj with 12.13% and Mitrovica with 9.21%.

The distribution of enterprises under the activity “Sawmilling and planing of wood” is not characterized by any significant difference between the regions. Thus, Gjakova leads with 19.17% of enterprises, followed by Prishtina with 16.67%, Gjiilan and Mitrovica with 15% each, Prizren with 12.50%, Peja with 11.67% and Ferizaj with 10%.

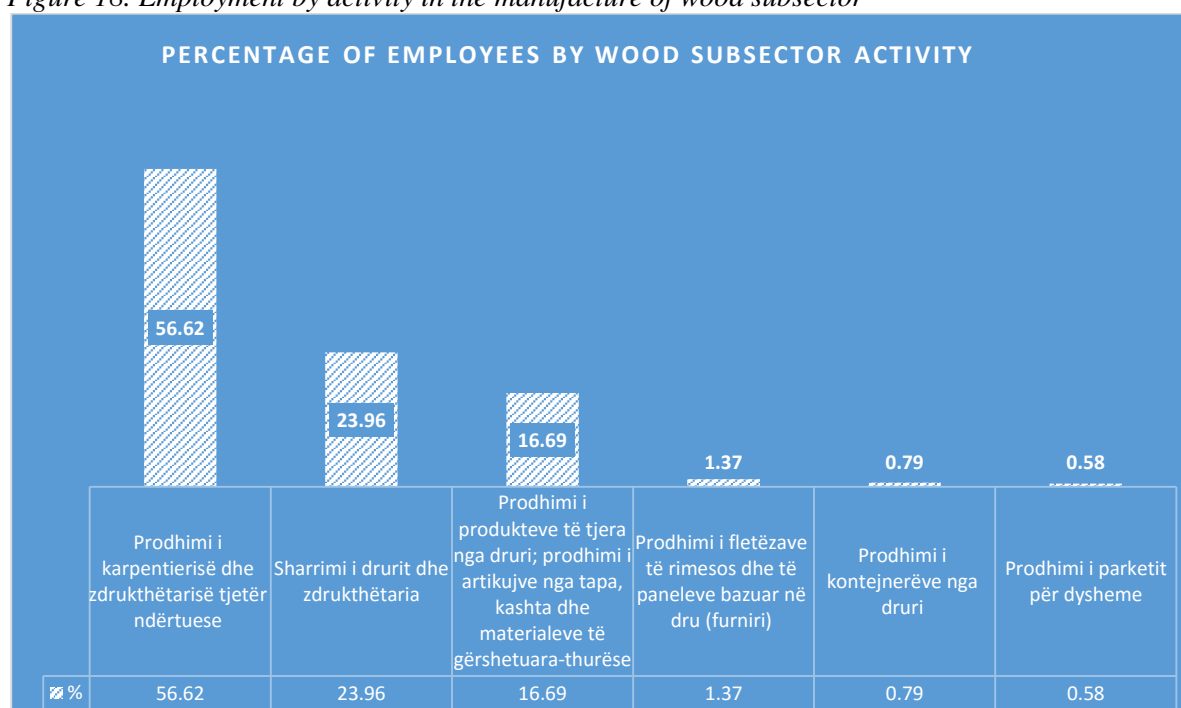
The data show that the activity “Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials” is concentrated in the region of Prishtina with

23.61%, followed by Ferizaj with 16.67%, Gjakova 15.28%, Peja and Gjilan with 13.89% each, Mitrovica with 9.72% and Prizren with 6.94%.

4.2. Employment by activity in the wood subsector

In the wood subsector, employment is concentrated in the activity “Manufacture of other builders’ carpentry and joinery” (56.62%), followed by the activity “Sawmilling and planing of wood”(23.96%) and the activity “Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials” (16.69%).

Figure 18. Employment by activity in the manufacture of wood subsector



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

The comparison of employment distribution in the regions reveals differences across activities. Thus, “Manufacture of other builders’ carpentry and joinery” leads in the region of Mitrovica with 24.40%, followed by Peja with 19.19%, Prishtina with 13.47%, Prizren with 12.71%, Ferizaj with 11.94%, Gjakova with 10.55% and Gjilan with 7.75% employees.

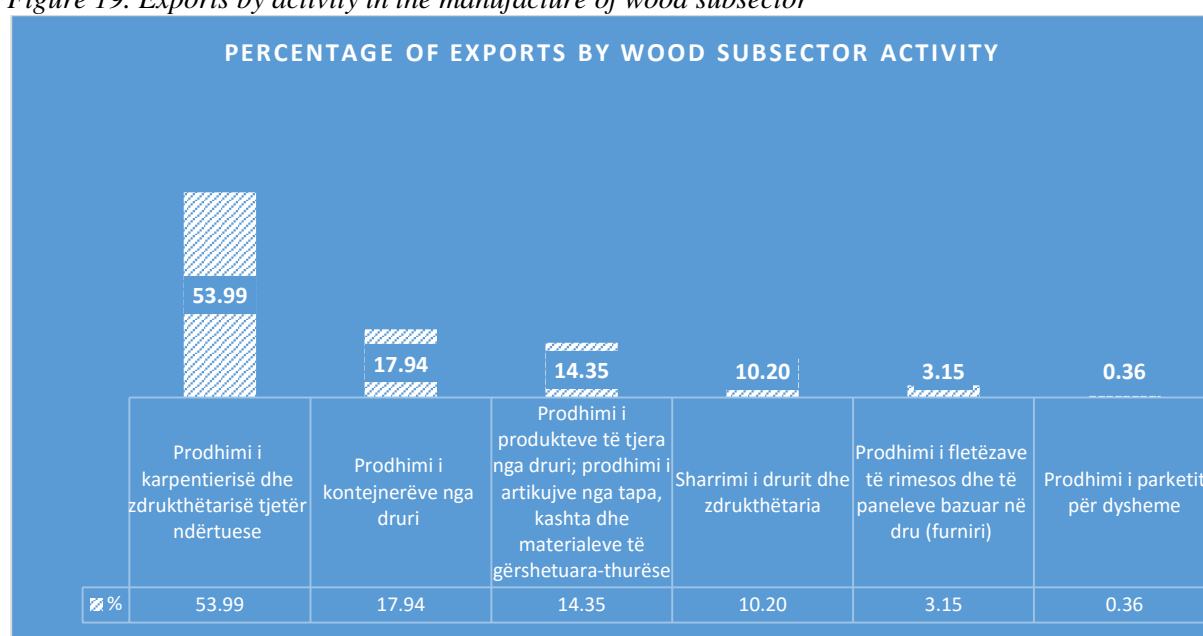
With regards to the activity “Sawmilling and planing of wood”, the number of employees is the highest in the region of Prishtina (24.92%), followed by Gjakova with 17.12%, Gjilan and Mitrovica with 15% each, Prizren with 11.11% and Ferizaj and Peja with around 8% each.

4.3. Export by activity in the wood subsector

Export was one of the indicators analyzed in this report. Compared to other subsectors of the processing industry, the wood subsector ranks eleventh with a share of 2.09% in the total exports of sector C.

The comparison of exports by activity in the wood subsector shows that the share of the activity is 53.99% in the total exports of this subsector, followed by “Manufacture of wooden containers” with 17.94 %, “Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials” with 14.35%, “Manufacture of other builders’ carpentry and joinery” with 10.20%, etc.

Figure 19. Exports by activity in the manufacture of wood subsector



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

In the wood subsector, exports are mainly concentrated in EFTA countries with 45.60%, followed by EU countries with 25.09% and CEFTA countries with 28.32%, while exports to other countries only amount to 0.98%.

Kosovo exports most of the products of the activity “Manufacture of other builders’ carpentry and joinery” to EFTA countries (67.70%), specifically to Switzerland with 67.20%, followed by EU countries with 24.53% (Germany - 10.98%, Sweden - 5.80%, etc.), CEFTA countries with 6.14% and other countries with 1.63%.

The products of the activity “Manufacture of wooden containers” are exported mainly to CEFTA countries with 65.22%, as well as to EU countries with 34.68%. Specifically, Kosovo exported the products of this activity to the following countries: Serbia (57.7%), Slovenia (21.72%), Germany (7.17%), Albania (5.59%), etc.

“Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials” ranks third in the wood subsector in terms of value of exports. The products of this activity are dominantly exported to EFTA countries (51.80%), concentrating in Switzerland, followed by EU countries with 34.77%, CEFTA countries 12.94% and other countries with only 0.49%. This export activity is concentrated in Switzerland with 51.30%, followed by Germany with 21.43%, Albania with 6.94%, etc.

The activity “Sawmilling and planing of wood” participates with 10.20% in exports under the wood sector. Exports under this activity are concentrated in CEFTA countries (87.46%), followed by EFTA countries (10%), EU countries (2.33%) and other countries (only 0.21%).

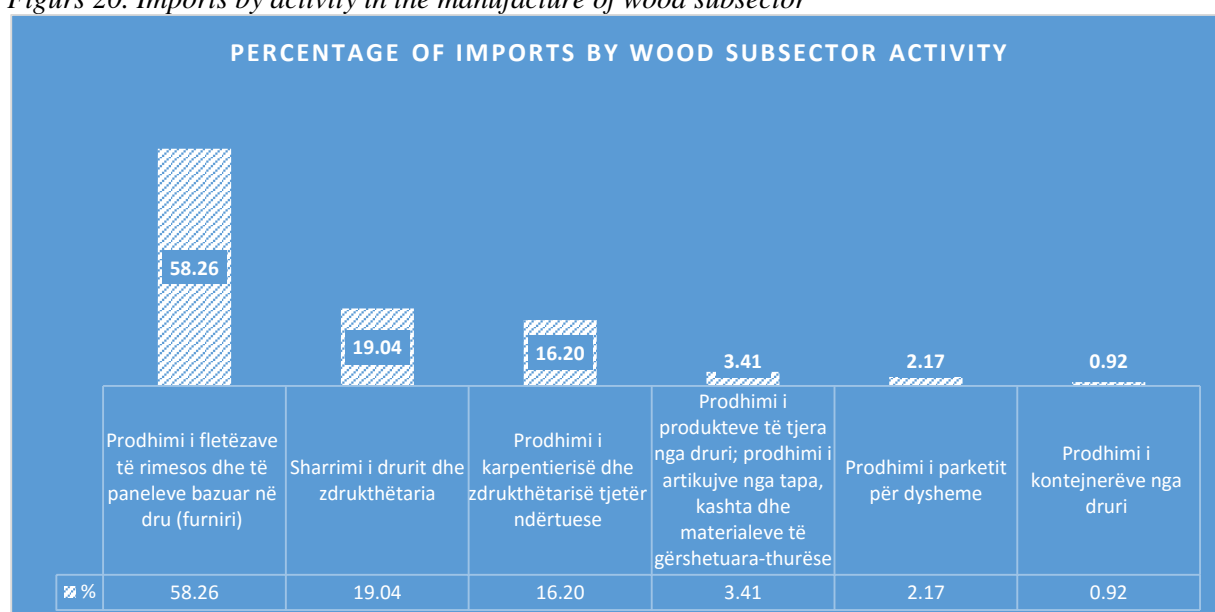
Kosovo’s exports under this activity are mainly with Albania (68.93%), followed by Serbia (17.04%), Switzerland (10%), etc.

4.4. Imports by activity in the wood subsector

After analyzing the enterprises, employment and exports in the wood subsector as compared to other subsectors of the processing industry, this report also analyzes imports. This subsector ranks fourteenth with 2.22% in the total imports of the processing industry (sector C).

Out of the wood subsector activities, imports are led by the activity “Manufacture of veneer sheets and wood-based panels” with 58.26%, followed by “Sawmilling and planing of wood” with 19.04% and “Manufacture of other builders’ carpentry and joinery” with 16.20%.

Figurs 20. Imports by activity in the manufacture of wood subsector



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

Imports in the wood subsector have roughly the same distribution. Thus, imports from EU countries amount to 35.71%, from CEFTA countries 32% and other countries 30.29%, while imports from EFTA countries represent only 2%.

Imports of “Manufacture of veneer sheets and wood-based panels” products from EU countries amount to 42.72%, from other countries 36.82%, CEFTA countries 17.93% and from EFTA countries 2.54%. These products are predominantly imported from Turkey (27.28%), Germany (22.15%), Serbia (16.17%), etc.

The activity “Sawmilling and planing of wood” ranks second in terms of imports in the wood subsector. The products of this activity are mainly imported from CEFTA countries with 95.02% and EU countries with 4.55%, while EFTA countries and other countries participate with only 0.40% each. The main countries from which Kosovo imports the products of this activity are: Montenegro (59.13%), Bosnia (30.7%), Serbia (5.17%), etc.

Within the wood sector, imports are greatly affected by the activity “Manufacture of other builders’ carpentry and joinery”. In this activity, imports are dominated by EU countries with 46.32% and other countries with 42.06%, while imports from CEFTA countries are 9.06% and from EFTA countries only 2.56%.

The countries from which most products of this activity are imported are: China (24.10%), followed by Turkey (17.79%), Germany (15.27%), Bosnia and Herzegovina (5.91%), etc.

5. Manufacture of Paper and Paper Products

The data for the subsector of manufacture of paper and paper products show that this subsector has potential for development in Kosovo and affects employment with averagely 5 employees per enterprise. The development potential of this subsector is also noticeable in Table 6, where imports are quite high compared to exports. In terms of the trade exchange (export-import) ratio, the share of exports is only 3.97%, while imports represent 96.03%.

Compared to other subsectors of the processing industry (Sector C), this subsector ranks fourteenth in terms of employment, fifteenth in terms of export and eighteenth in terms of import.

Table 6. Subsector of manufacture of paper by number of enterprises, employment, export and import

Code	SECTOR C –Manufacture of paper	Number of enterprises	Number of employees	Export	Import
1711 1712	Manufacture of paper pulp, paper and paperboard	15	42	210,940.22	20,811,670.21

1721	Manufacture of corrugated paper and paperboard, and paper and cardboard packaging	20	139	1,666,324.86	10,114,338.37
1722	Manufacture of household and sanitary goods and of toilet requisites	31	173	66,514.35	22,955,400.67
1723	Manufacture of paper stationery	12	17	124,093.90	2,233,534.83
1724	Manufacture of wallpaper	2	4	14,900.17	319,116.91
1729	Manufacture of other articles of paper and paperboard n.e.c.	17	55	337,245.11	2,063,061.08
Total		97	430	2,420,018.61	58,497,122.07

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

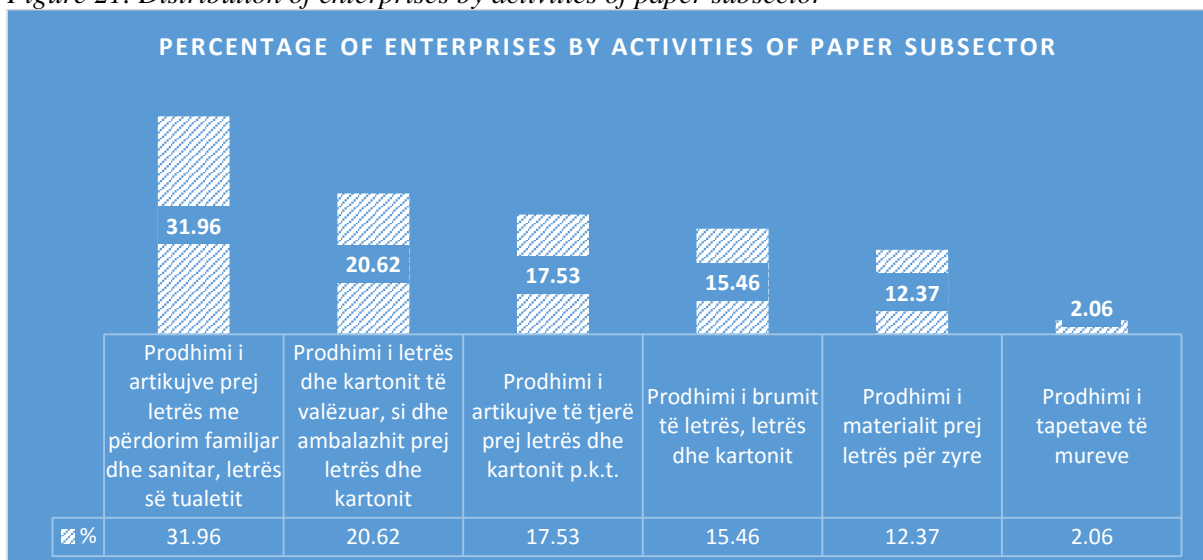
The activity “Manufacture of household and sanitary goods and of toilet requisites” ranks first in the manufacture of paper and paper products subsector in terms of the number of enterprises and employment.

In terms of export, the activities “Manufacture of corrugated paper and paperboard, and paper and cardboard packaging” and “Manufacture of other articles of paper and paperboard n.e.c.” stand better compared to other activities within this subsector.

5.1. Enterprises by activities of the subsector of paper and paper products

In the subsector of paper, in terms of the number of enterprises, the activity “Manufacture of household and sanitary goods and of toilet requisites” leads with 31.96%, compared to other activities within this subsector. The second activity is “Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper” with 20.62%, while the third activity is “Manufacture of other articles of paper and paperboard n.e.c.” with 17.52%.

Figure 21. Distribution of enterprises by activities of paper subsector



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

Viewed in the total number of enterprises, the region of Prishtina leads in the paper subsector and is followed by the region of Prizren, Ferizaj, etc.

The data show that according to the activities of the paper subsector, the distribution of the number of enterprises differs between regions. Thus, as for the activity “Manufacture of household and sanitary goods and of toilet requisites”, enterprises are concentrated in the region of Prishtina with 38.71%, then Prizren with 22.58%, followed by the region of Peja with 16.13%, while the share of the region of Ferizaj, Gjiilan and Mitrovica is 6.45% and of the region of Gjakova is only 3.23%.

As for the activity “Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper”, in terms of the number of enterprises, the region of Prizren leads with 35%, followed by the region of Prishtina with 20%, the region of Ferizaj and Peja with 15%, the region of Gjiilan with 10%, the region of Mitrovica with 5%, whereas in the region of Gjakova no enterprise has been identified in this activity.

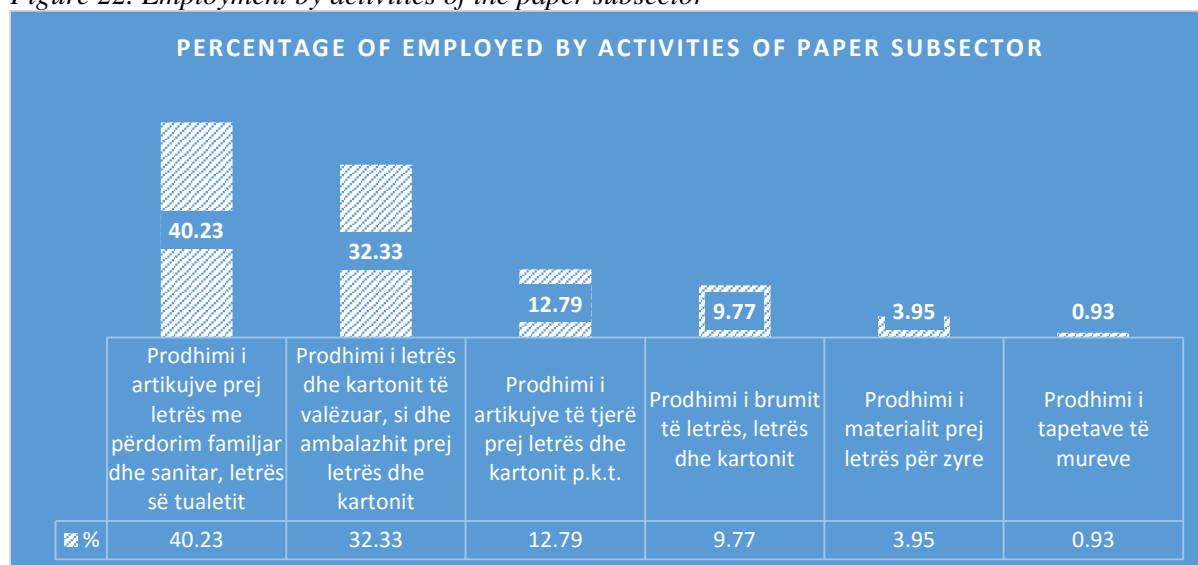
Regarding the number of enterprises within the activity “Manufacture of other articles of paper and paperboard n.e.c.”, the region of Prishtina significantly leads with 47.06%, followed by the region of Ferizaj with 23.53%, the third is the region of Prizren with 17.64 % and then the region of Gjiilan with 11.76% enterprises. This activity is not extended to the region of Peja, Mitrovica and Gjakova.

5.2 Employment by activities in the sub-sector of paper and paper products

Another important indicator to be analysed is employment, although compared to other subsectors of the processing industry (sector C), this subsector ranks fourteenth with 1.65% employed.

As for the employment in the paper subsector, the leading activity is “Manufacture of household and sanitary goods and of toilet requisites” with 40.23%, “Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper” with 32.33% and the third activity is “Manufacture of other articles of paper and paperboard n.e.c.” with 12.79%.

Figure 22. Employment by activities of the paper subsector



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

In terms of employment in the paper subsector, the region of Prishtina leads with 33.49%, followed by Prizren with 31.40%, Ferizaj with 14.19%, the region of Peja with 10.47%, Gjilan with 6.98%, Gjakova with 2.79% and the region of Mitrovica with only 0.70%.

Regarding the activity “Manufacture of household and sanitary goods and of toilet requisites”, employment is mainly concentrated in the region of Prishtina with 60.12%, followed by the region of Peja with 21.97%, Gjilan with 8.67%, the region of Prizren 4.62%, Ferizaj 1.73%, Mitrovica also with 1.73%, and the region of Gjakova with 1.16%.

The concentration of employment in the activity “Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper”, is in the region of Prizren with 74.82%, then the region of Ferizaj and Gjilan are ranked with 8.63% each, the region of Prishtina with 5.04%, the region of Peja and Mitrovica with less than 4%, while the region of Gjakova has no enterprise, hence no employed people in this activity.

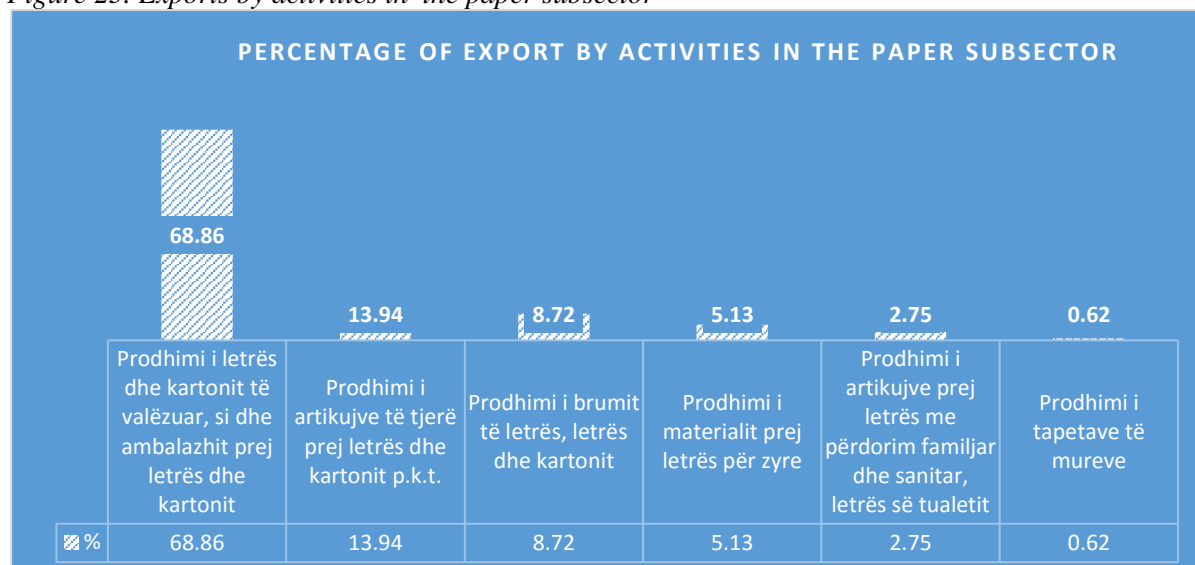
Employment in the activity “Manufacture of other articles of paper and paperboard n.e.c.”, is significantly concentrated in the region of Ferizaj with 67.27%, then the region of Prishtina ranks with 18.18%, the region of Prizren with 9.09%, the region of Gjilan with 5.45%, while the regions of Peja, Mitrovica and Gjakova have no employed people in this activity.

5.3 Export by activities in the subsector of paper and paper products

Exports to the subsector of paper and paper products, compared to other activities of the processing industry, ranks the fifteenth with 0.94%, in total of sector C. Comparison of activities within this subsector, reveals that the activity “Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper” prevails with 68.86%, followed by the

activity “Manufacture of other articles of paper and paperboard n.e.c.” with 13.94%, while “Manufacture of pulp and paperboard” with 8.72%, and so on.

Figure 23. Exports by activities in the paper subsector



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

Regarding the subsector of paper and paper products, Kosovo's exports is concentrated in CEFTA countries with 92.07%. This sub-activity exports to EU countries with 4.87%, EFTA countries with 2.1%, while in other countries with only 1.05%.

The activity "Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper" leads in terms of exports within the subsector of paper, and exports are concentrated in CEFTA countries with 93.02%, where Albania participates with 60.75% and Northern Macedonia with 28.86%, while in EU countries the export is only 6%.

Within the subsector of paper and paper products, the activity "Manufacture of other articles of paper and paperboard n.e.c." ranks second in exports. Exports to CEFTA countries are 88.68%, to EFTA countries 5.5%, to other countries 5.5%, while in EU countries it exports only 0.07%.

The countries where the products of the activity “Manufacture of other articles of paper and paperboard n.e.c.” are mostly exported are: Bosnia and Herzegovina with 59.16%, Albania with 12.99%, Northern Macedonia 8.41%, Switzerland 5.54%.

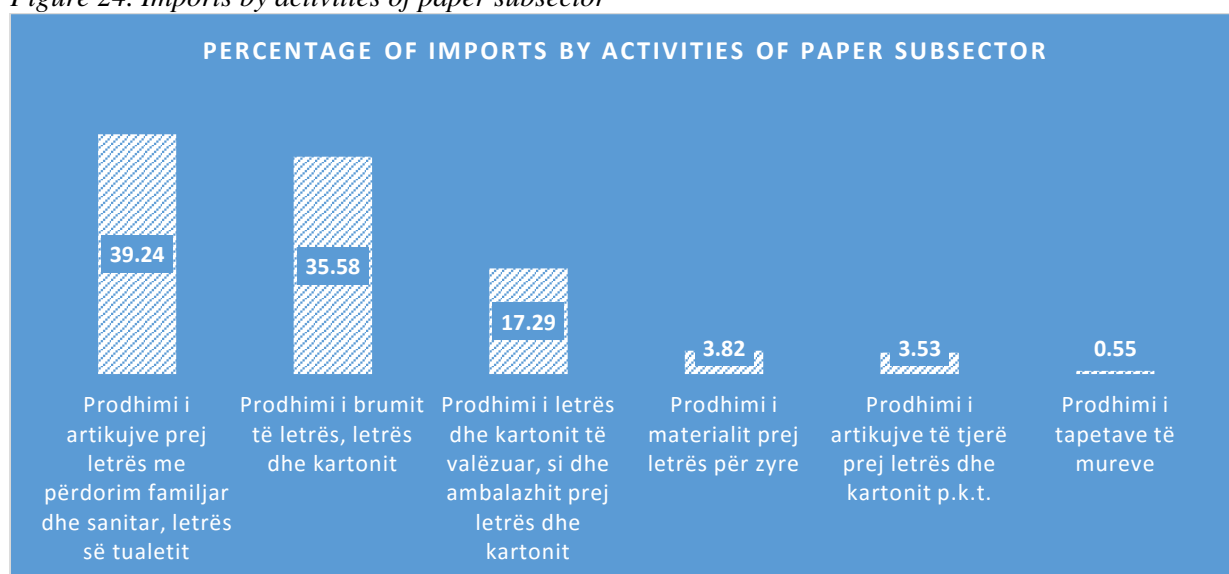
Manufacture of pulp and paperboard in export is concentrated in CEFTA countries with 93.86%, mainly in Northern Macedonia with 54.98%, Montenegro 21.78%, Albania 11.65%, Serbia 5.44%, etc. Analyses show that exports with over 99.5% are mainly articles of paper and cardboard and only about 0.5% of pulp.

5.4 Import by activities of subsector of paper and paper products

Subsector of paper, compared to other subsectors of the processing industry, ranks eighteenth with 1.87%, in the total import of sector C.

Imports are led by the activity "Manufacture of household and sanitary goods and of toilet requisites" with 39.24%, followed by "Manufacture of pulp, paper and paperboard" with 35.58%, "Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper" with 17.29%

Figure 24. Imports by activities of paper subsector



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

Imports of the paper subsector, from EU countries are 42.40%, CEFTA countries 37.81%, from other countries 19.25% and from EFTA countries with only 0.54%.

The products of the activity "Manufacture of household and sanitary goods and of toilet requisites" are imported from CEFTA countries with 42.97%, EU countries with 40.46%, other countries with 15.44% and EFTA countries with 1.13%.

The import of this activity is mainly from Albania with 23.85%, then Serbia with 13.14%, the third place in the import of this activity is Turkey with 12.84%, then Poland with 10.37%, etc.

The highest rate of import, in terms of products of the activity "Manufacture of pulp, paper and paperboard" is from EU countries with 52.12%, then from CEFTA countries with 24.39%, other countries with 23.27% and EFTA countries with only 0.22%.

The countries from which the products of this activity are imported are: Serbia 19.14%, Italy 11.53%, Germany 10.28%, Turkey 8.38%, etc.

The import of the products of the activity "Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper" is from CEFTA countries with 51.98%, EU countries 35.42%, other countries 12.58% and from EFTA countries with only 0.02%.

The highest rate of import of products of this activity, by countries is: from Serbia 36.01%, Germany 15.20%, Northern Macedonia 11.99%, Turkey 9.80%, Romania 7.75%, etc.

6 Manufacture of chemical products-

As regards the employment, the subsector "Manufacture of chemical products" within the processing industry (Sector C), compared to other subsectors, ranks eleventh. This subsector, in terms of the number of enterprises as well as in exports ranks tenth, while in imports ranks fifth.

Table 7. Subsector of manufacture of chemical products by the number of enterprises, employment, export and import

Code	SECTOR C - Manufacture of chemical products	Number of enterprises	Number of employees	Export	Import
2041	Manufacture of soap and detergents, cleaning and polishing preparations	28	117	571,795.84	30,678,036.67
2016	Manufacture of plastics in primary forms	25	196	311,160.32	60,887,098.63
2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	16	187	1,723,577.99	34,178,607.51
2052	Manufacture of glue	6	11	128,279.37	3,652,413.81
2042	Manufacture of perfumes and toilet preparations	5	6	2,196,832.00	38,683,291.64
2015	Manufacture of fertilisers and nitrogen compounds	4	4	119,476.86	13,627,903.97
2014	Manufacture of other organic basic chemicals	4	23	69,929.06	7,922,530.79
2013	Manufacture of other inorganic basic chemicals	3	47	20,349.70	2,655,992.74
2051	Manufacture of explosives	3	8	-	1,682,876.82
2011	Manufacture of industrial gases	3	14	-	1,184,842.42
2012	Manufacture of dyes and pigments	2	8	45,956.35	2,558,711.92
2053	Manufacture of essential oils	2	10	59,200.55	3,926,127.20
2020	Manufacture of pesticides and other agrochemical products	1	8	294,871.58	3,496,322.12
2059	Manufacture of other chemical products n.e.c.	1	0	214,785.45	16,656,526.61

2060	Manufacture of synthetic or artificial filament tow	1	3	111,060.19	3,621,610.79
2017	Manufacture of synthetic rubber in primary forms	0	0	-	1,230,002.81
	Total	104	642	5,867,275.26	226,642,896.45

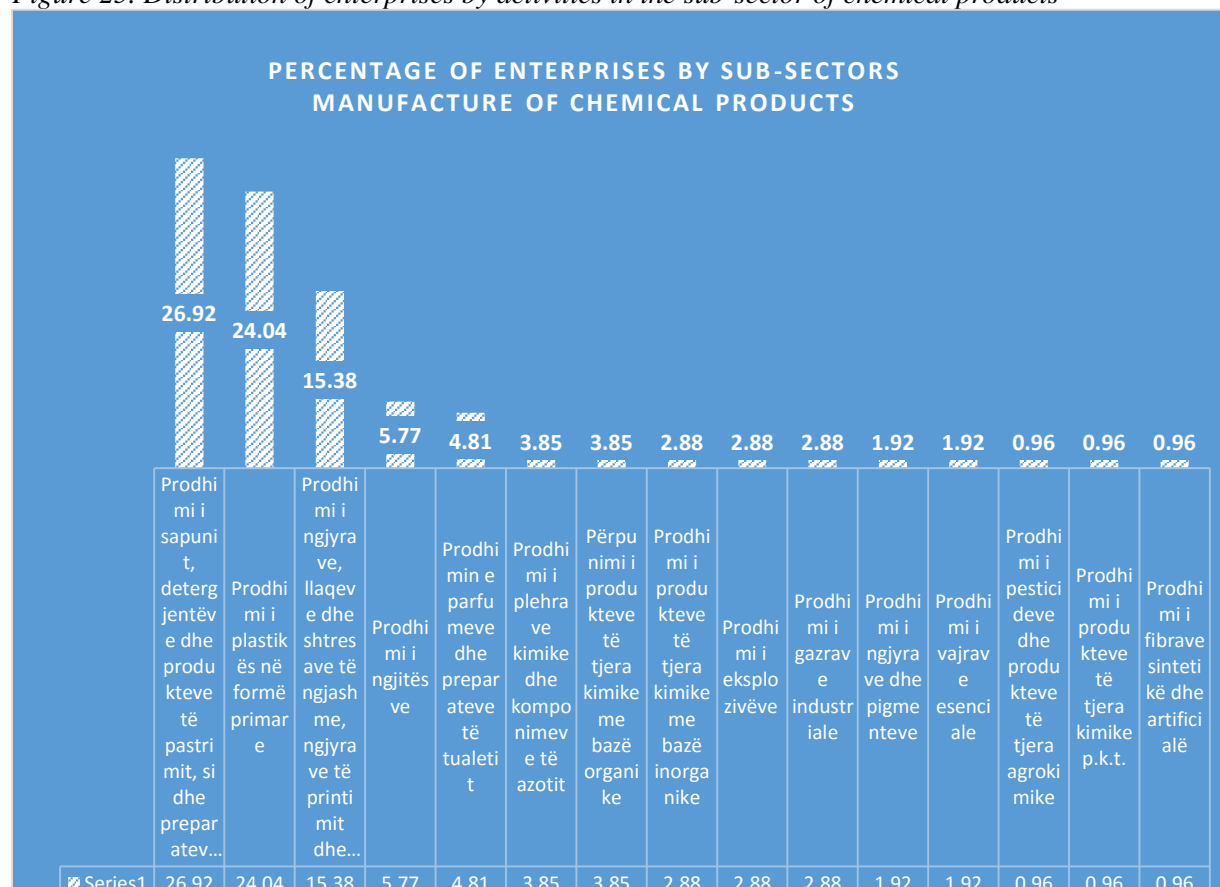
Source: Kosovo Agency of Statistics, processed by DIP / MEPTINIS

Within this sub-sector, the activity “Manufacture of soap, detergents and cleaning products, and polishing preparations” leads in terms of the number of enterprises, while the activity “Manufacture of plastics in primary form” leads in employment, the activity “Manufacture of perfumes and toilet preparations” leads in exports, and the activity “Manufacture of plastic in primary form” leads in imports.

6.1 Enterprises by activities in the sub-sector of chemical products

Analysis of data on the number of enterprises in the sub-sector of chemical products shows that the activities of hygienic means “Manufacture of soap, cleaning products and polishing preparations” lead in terms of the number of enterprises with 26.92%, then the activity “Manufacture of plastic in primary form” with 24.04%, and in the third place is ranked the activity “Manufacture of paints, varnishes and similar coatings, printing ink and mastics” with 15.38%.

Figure 25. Distribution of enterprises by activities in the sub-sector of chemical products



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

The regional extent of the activity “Manufacture of soap, detergents and cleaning products, and polishing preparations” according to the number of enterprises, is: Prishtina with 53.6%, Prizren with 14.29%, then Ferizaj, Gjilan, Mitrovica and Gjakova with 7.1% and Peja with 3.6%.

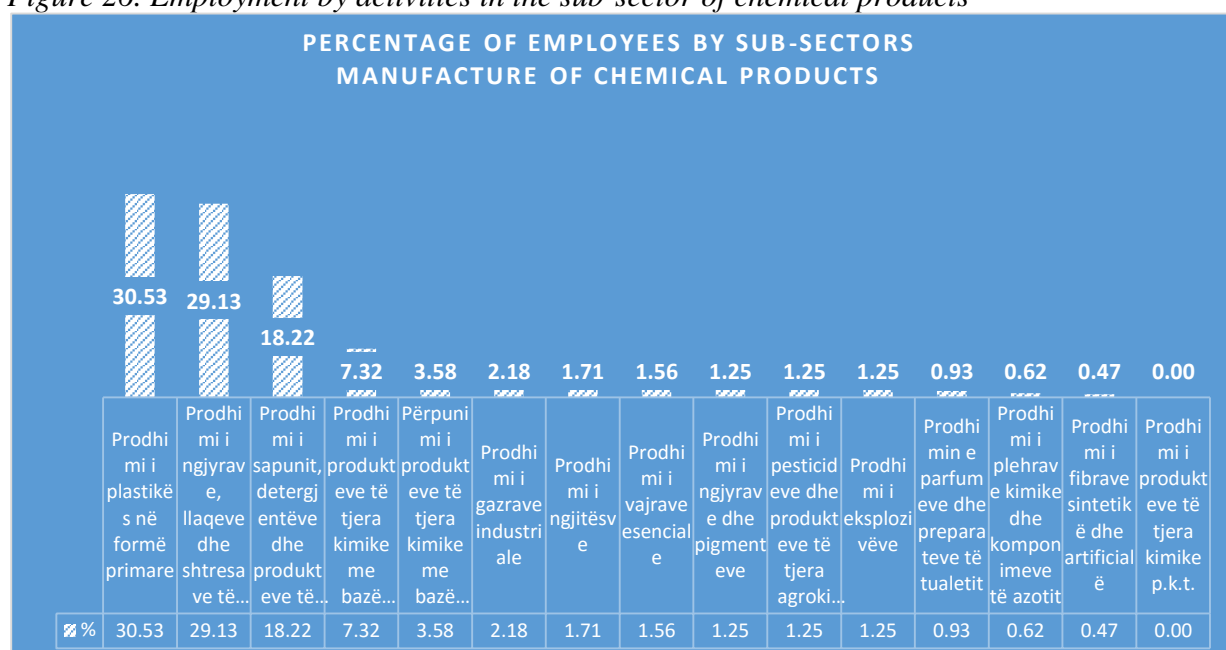
The region of Gjilan leads in the activity "Manufacture of plastic in primary form" with 32%, followed by Prishtina with 24%, the region of Ferizaj with 20%, Gjakova 12%, Prizren 8%, Mitrovica 4%, while Peja has no enterprise in this activity.

The largest number of enterprises in the activity “Manufacture of paints, varnishes and similar coatings, printing ink and mastics”, is in the region of Mitrovica with 25%, Peja with 18.8%, Ferizaj 18.8%, Prizren 18.8%, Prishtina 12.5%, Gjakova 6.3%, and Gjilan has no enterprise in this activity.

6.2 Employment by activities in the sub-sector of chemical products

Employment in the activities of the sub-sector of chemical products is mostly concentrated in “Manufacture of plastic in primary form” with 30.53%, followed by “Manufacture of paints, varnishes and similar coatings, printing ink and mastics” with 29.13%, and the third activity that affects employment in the sub-sector of chemical products is “Manufacture of soap, detergents and cleaning products, and polishing preparations” with 18.22%.

Figure 26. Employment by activities in the sub-sector of chemical products



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

In addition to the concentration of the number of employees in the activities of the sub-sector of chemical products, we have also analysed the extent of these activities in the regions of Kosovo. While 30.53% of employees were employed in the activity “Manufacture of plastic in primary form”, the analysis show that the largest involvement of these employees is in the

region of Gjilan 69.4%, Ferizaj 14.3%, Gjakova 4.6%, Prizren 3.1%, Prishtina 0.9%, while Mitrovica and Peja have no employees in this activity.

Within the activity “Manufacture of paints, varnishes and similar coatings, printing ink and mastics”, the largest involvement in the number of employees is in the region of Mitrovica with 36.4%, followed by the region Prizren with 26.2%, the region of Peja with 21.9%, Prishtina with 12.8%, Ferizaj with 1.6% and Gjakova with 1.1%, while in the region of Gjilan and Peja, there are no employees in this activity.

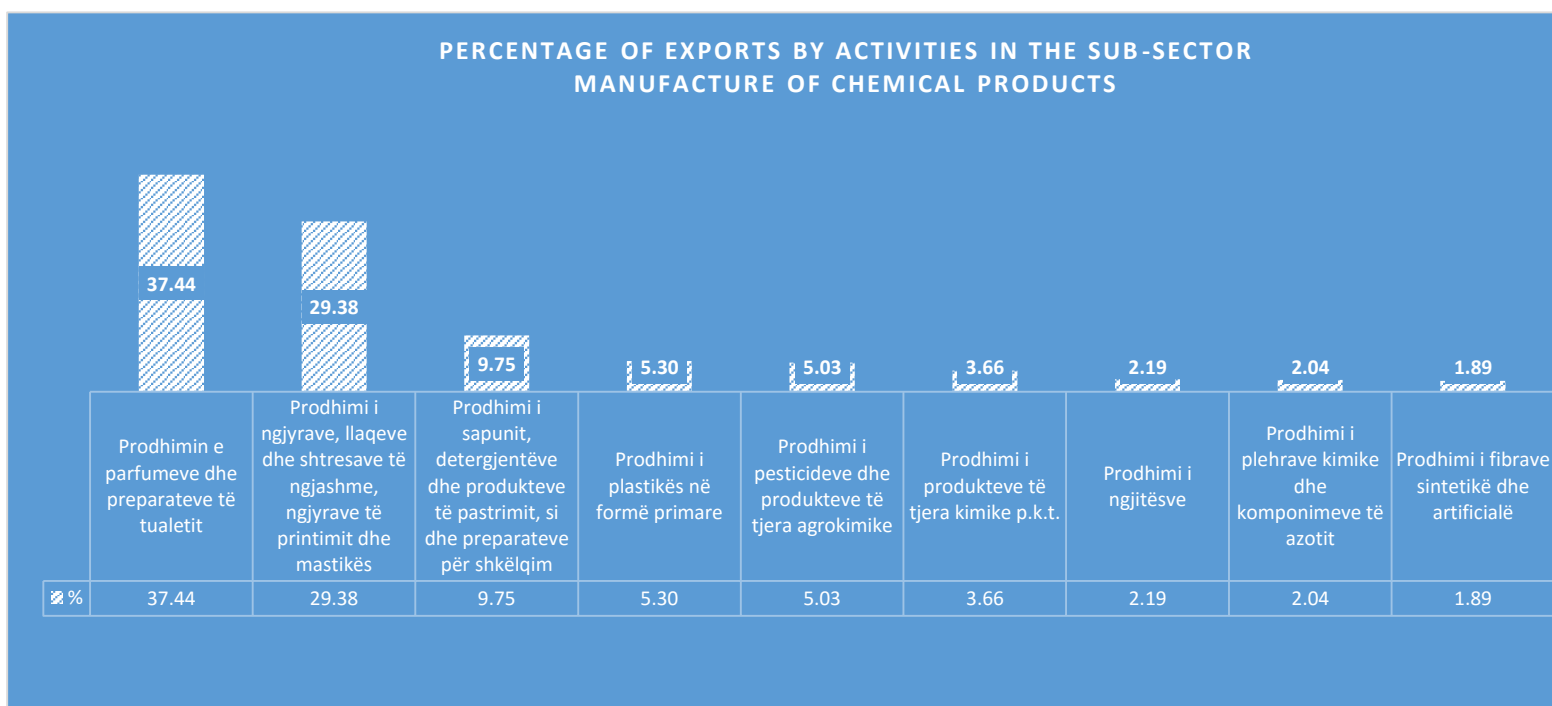
The largest involvement in the number of employees, within the activity “Manufacture of soap, detergents and cleaning products, and polishing preparations” is in the region of Prishtina with 56.4%, followed by the region of Prizren with 22.2%, Mitrovica with 6.8%, Gjakova with 5.1%, Gjilan with 4.3%, Ferizaj with 2.6%, and Peja with 2.6%.

6.3 Exports by activities in the sub-sector of chemical products

The export in the sub-sector of chemical products is another indicator that has been analysed in this report, after that of employment and the number of enterprises, and compared to other sub-sectors of the processing industry (Sector C), is ranked tenth.

Data on the comparison of exports of activities within the sub-sector of chemical products show that the activity “Manufacture of perfumes and toilet preparations” leads with 37.34%, followed by the activity “Manufacture of paints, varnishes and similar coatings, printing ink and mastics” with 29.38%, the activity “Manufacture of soap, detergents and cleaning products, and polishing preparations” with 9.75%, and “Manufacture of plastic in primary form” with 5.3. %.

Figure 27. Exports by activities in the sub-sector of chemical products



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

The largest concentration of Kosovo's exports for the manufacture of chemical products is in CEFTA countries with 62.65%, followed by EU countries with 33.71%, EFTA countries with 2.71% and other countries with only 0.93%.

Thus, the activity that includes “Manufacture of perfumes and toilet preparations”, exports to CEFTA countries in the amount of 53.38%, in EU countries in the amount of 45.85% and 0.76% in EFTA countries. The countries in which the products of the activity “Manufacture of perfumes and toilet preparations” are mostly exported are: in Albania 24.88%, in the Netherlands 18.26%, in Macedonia 16.41%, Italy 13.26%, etc.

Export of the activity “Manufacture of paints, varnishes and similar coatings, printing ink and mastics” is concentrated in CEFTA countries at 62.76%, EU countries 29.06%, EFTA 7.73% and in other countries 0.80%. The countries in which these products are mostly exported are: in Albania 23.86%, in Germany 22.02%, in Montenegro 21.78%, in Macedonia 14.31%, etc.

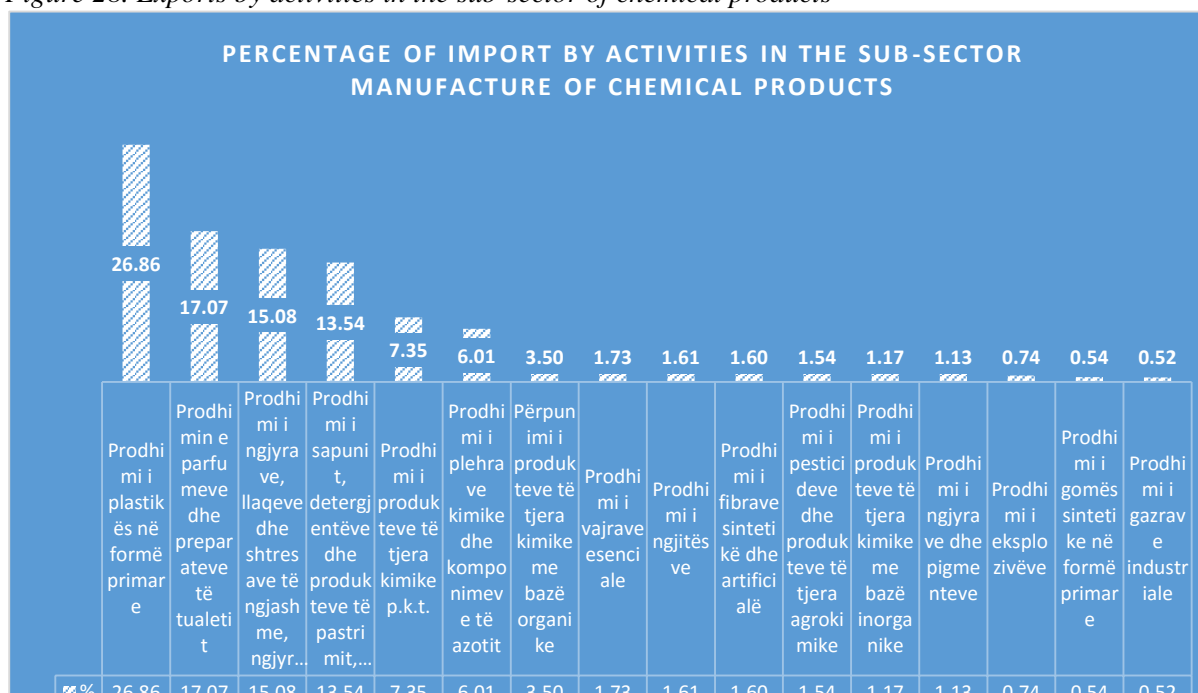
The products of the activity “Manufacture of soap, detergents and cleaning products, and polishing preparations” are mostly exported in CEFTA countries, in the amount of 90.2% and in EU countries with 9.40%. The countries in which they are mostly exported are: Albania with 39.05%, Macedonia 30.73%, Belgium 9.31%, Montenegro 8.41%, etc.

6.4 Import by activities in the sub-sector of chemical products

The import in the sub-sector of chemical products is another indicator that has been analysed in this report compared to other sub-sectors of the processing industry (Sector C), and it is ranked the fifth.

Data on the comparison of imports of activities within the sub-sector of chemical products show that the activity “Manufacture of plastic in primary form” leads with 26.86%, followed by the activity “Manufacture of perfumes and toilet preparations” with 17.07%, “Manufacture of paints, varnishes and similar coatings, printing ink and mastics” with 15.08%, and “Manufacture of soap, detergents and cleaning products, and polishing preparations” with 13.54%.

Figure 28. Exports by activities in the sub-sector of chemical products



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

The largest concentration of Kosovo's imports for chemical products within the activities of this subsector, for 2018 is from EU countries with 52.38%, then from other countries with 29% and from CEFTA countries 18%.

Thus, the activity that includes "Manufacture of plastic in primary form" has the highest import from other countries with 52%, then from EU countries with 20%, from CEFTA countries in the amount of 6.44% and only 13.8% from EFTA countries.

The countries from which most "Manufacture of primary plastic" is imported are: China with 19.53%, then Iran with 14.78%, Germany with 11.54%, etc.

In the activity "Manufacture of perfumes and toilet preparations" import is concentrated in EU countries with 72.81%, then in other countries 25.32%, as well as in CEFTA countries with 5.44%.

The activity "Manufacture of paints, varnishes and similar coatings, printing ink and mastics" 61.05% of imports are from EU countries, then from CEFTA countries 28.43% and other countries 10.43%.

7. Manufacture of Rubber and Plastic Products

Sub-sector of the manufacture of rubber and plastic products, within the ten comparative subsectors in the employment of the manufacturing industry, Sector C, is in fourth place. This sub-sector, in terms of the number of enterprises, is in third place, exports are ranked second and imports are ranked in the eighth place.

Table 8. Subsector of the manufacture of rubber and plastic by the number of enterprises, employment, export and import

Code	SECTOR C - Manufacture of rubber and plastic products	Number of enterprises	Number of employees	Export	Import
2223	Manufacture of plastic products for construction	352	1566	11,285,917.03	12,027,697.31
2229	Manufacture of other rubber products	81	309	3,637,326.30	21,668,407.19
2221	Manufacture of plastic plates, sheets, tubes and profiles	32	192	13,922,652.58	73,521,836.04
2222	Manufacture of plastic packing goods	31	276	12,140,878.57	16,372,440.42
2211	Manufacture of external and internal tires of vehicles; tire coating and repair	5	29	16,323.14	16,772,045.94
2219	Manufacture of external and internal tires of vehicles; tire coating and repair	3	3	5,451,054.69	10,746,505.26
	Total	504	2,375	46,454,152.31	151,108,932.16

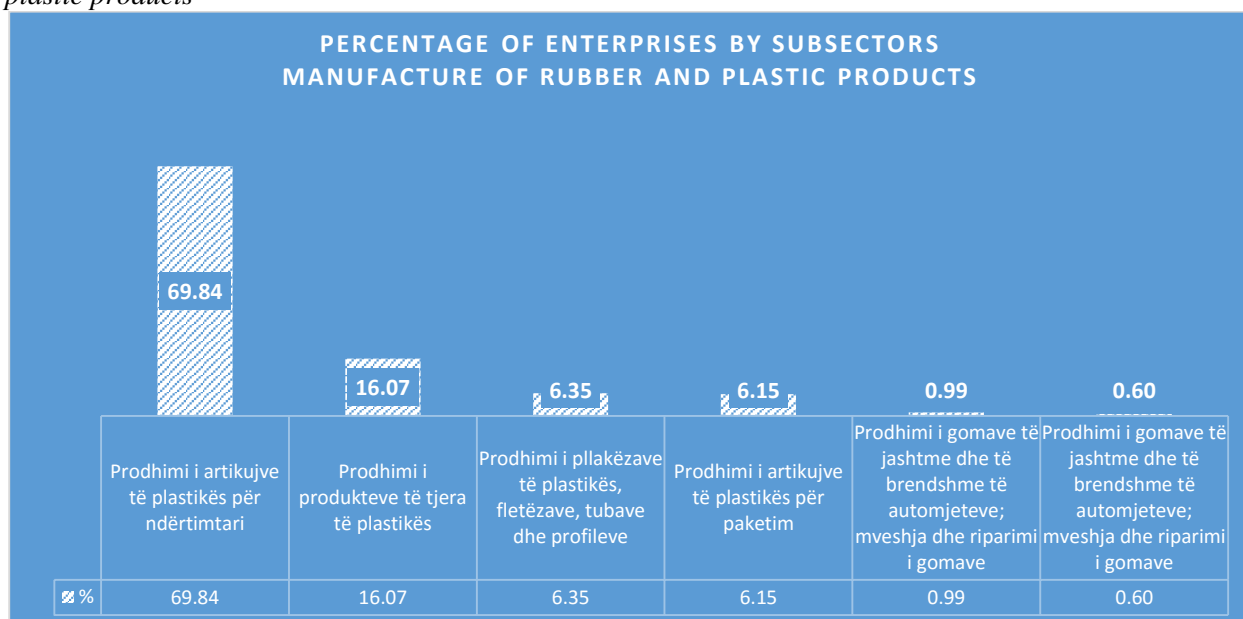
Source: Kosovo Agency of Statistics, processed by DIP/ MTI

Within this subsector, in terms of the number of enterprises, the activity "Manufacture of plastic products for construction", leads while in employment, leads as well the "Manufacture of plastic products for construction", in export leads "Manufacture of plastic plates, sheets, tubes and profiles" which is the same activity which leads for import.

7.1 Enterprises by activities in the subsector of manufacture of rubber and plastic products

Data analysis for the number of enterprises in the subsector of manufacture of rubber and plastic products, in terms of the number of enterprises leads the activity "Manufacture of plastic products for construction" with 69.84%, then the activity "Manufacture of other plastic products" with 16.07%, as well as in the third place the activity "Manufacture of plastic plates, sheets, tubes and profiles" with 6.35%

Figure 29. Distribution of enterprises by activities in the subsector of manufacture of rubber and plastic products



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

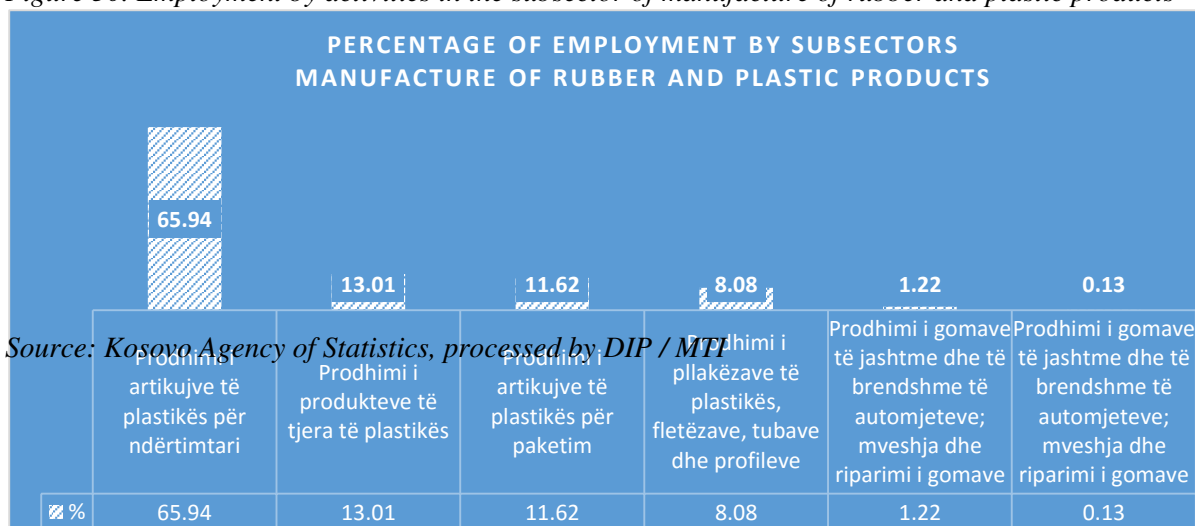
Whithin the activity "Manufacture of plastic products for construction" the largest number of enterprises is in the region of Prishtina with 25.2%, then in Prizren with 19.3%, Gjilan 14.2%, Ferizaj 13.4%, Peja 9.9%, Gjakova 9.7%, and in the region of Mitrovica with 8.2%.

The activity "Manufacture of other plastic products" leads in the region of Prishtina with 25.92%, then in Prizren with 23.45%, Ferizaj and Gjakova with 13.6%, Gjilan with 8.6%, Peja with 7.4%, and Mitrovica with 7.4%.

7.2 Employment by activities in the subsector of manufacture of rubber and plastic products

Employment in the activities in the subsector of manufacture of rubber and plastic products, is mostly concentrated on the activity "Manufacture of plastic products for construction" with 65.94.%, then followed by the "Manufacture of other plastic products" with 13.01% and the third activity in a row that influences in employment in the subsector of manufacture of rubber and plastic products is "Manufacture of plastic packing goods" with 11.62%.

Figure 30. Employment by activities in the subsector of manufacture of rubber and plastic products



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

In addition to the concentration of employees in the activities of the subsector of manufacture of rubber and plastic products, we have also analyzed the scope of these activities in the regions of Kosovo. While 65.92% of employees were employed in the activity “Manufacture of plastic products for construction”, the analysis indicate that the largest involvement of these employees is in the region of Prishtina with 24.7%, Prizren with 22.5%, Gjiilan with 17.2, Ferizaj with 9.9%, Peja with 9.2%, Gjakova with 8.4%, and Mitrovica with 8.1%.

Within the activity "Manufacture of other plastic products" the number of employees was 13.01%. The largest inclusion of the number of employees is in the region of Prishtina with 40.5%, then in Prizren with 21.4%, Gjakova with 11.7%, Ferizaj with 11.3%, Peja with 6.1%, Gjiilan with 4.9% and Mitrovica with 4.2%.

Within the third activity in a row "Manufacture of plastic packing goods" the number of employees is 11.62%. In this percentage the region of Ferizaj participates with 39.5%, Prizren with 22.1%, Mitrovica with 18.5%, Prishtina with 9.1%, Gjakova with 8.7%, Gjiilan with 2.2%, while in Peja this activity is not developed.

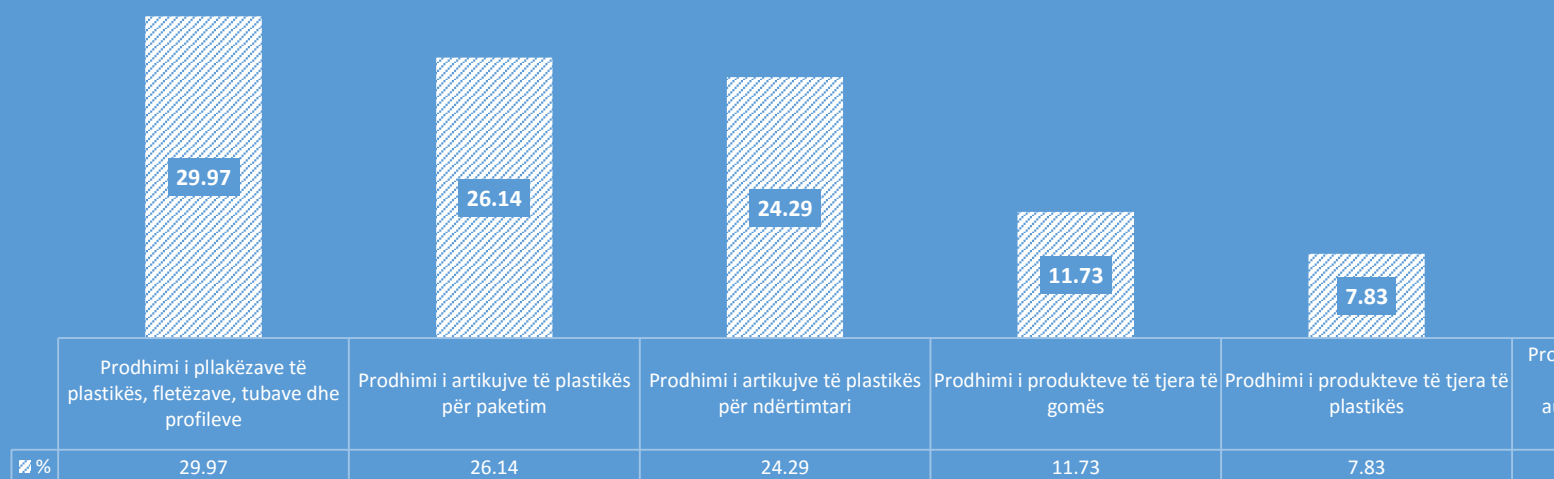
7.3 Exports by activities in the subsector of manufacture of rubber and plastic products

Another indicator that is analyzed in this report is the export in the subsector of manufacture of rubber and plastic products, after the activity of employment and the number of enterprises where comparing other subsectors of processing industry, Sector C, ranks in the second place.

The data for comparing the exports of activities within the subsector of manufacture of rubber and plastic products, indicate that the activity "Manufacture of plastic plates, sheets, tubes and profiles", leads with 29.97%, then "Manufacture of plastic packing goods" ranks with 26.14% and the activity “Manufacture of plastic products for construction” with 24.29%.

Figure 31. Exports by activities in the subsector of manufacture of rubber and plastic products

PERCENTAGE OF EXPORT BY ACTIVITIES IN THE SUBSECTOR MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS



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

The largest concentration of Kosovo's exports of rubber and plastic products is in EU countries with 45.37%, in those of CEFTA with 15.33%, in EFTA countries with 5.45% and in other countries with 4.59%.

Therefore, the activity that includes the "Manufacture of plastic plates, sheets, tubes and profiles", exports to CEFTA countries 71.13% of products, in EU countries in the amount 12.8% and 4.8% in EFTA countries. The countries in which most of this activity is exported are: Albania 27.81%, North Macedonia 25.84%, Serbia 16.36%, Bulgaria 6.56%, etc.

The export in the activity "Manufacture of plastic packing goods" is concentrated in EU countries with 86.13% and in CEFTA countries with 13.69%. The countries in which "Manufacture of plastic packing goods" is mostly exported are: the Netherlands with 76.13%, Serbia with 8.77%, Belgium with 7.66%, Albania with 3.01%, etc.

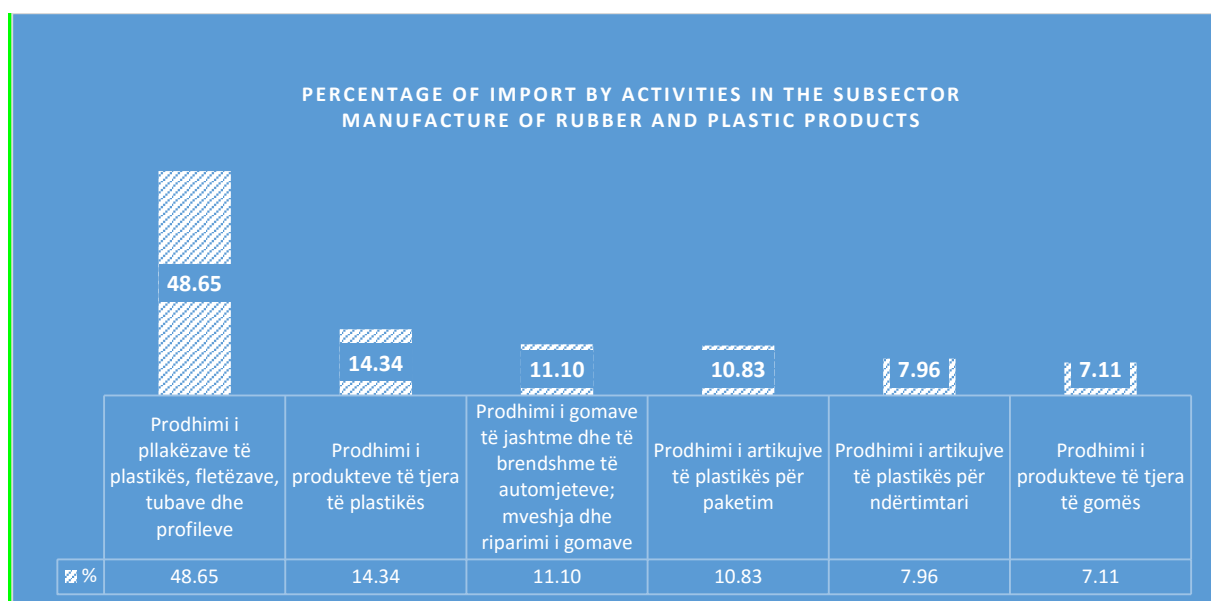
The products included in the activity "Manufacture of plastic products for construction", are exported to EU countries in the amount of 44.88%, in EFTA countries 43.81%, in CEFTA countries with 6.28% and in other countries with 5.03%. The countries in which "Manufacture of plastic products for construction" is mostly exported are: Switzerland 42.76%, Kazakhstan 34.53%, Albania 3.93%, North Macedonia 1.19% etc.

7.4 Import by activities in the subsector of manufacture of rubber and plastic products

The import in the subsector of manufacture of rubber and plastics products is another indicator analyzed in this report, compared to other sectors of the manufacturing industry, where Sector C, ranks in the eighth place.

The data for comparing the imports of activities within the subsector of manufacture of rubber and plastic products, indicates that the activity of "Manufacture of plastic plates, sheets, tubes and profiles", leads with 48.65%, then "Manufacture of other plastics products", is ranked with 14.34%, the activity "Manufacture of external and internal tires of vehicles; tire coating and repair" with 11.10% and "Manufacture of plastic products for packaging" with 10.83%.

Figure 32. Import by the activities in the subsector of manufacture of rubber and plastic products



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

The largest concentration of imports for rubber and plastic products in Kosovo within the activities of this subsector, for 2018 is from EU countries with 48.48% then from other countries with 28.13%, and from CEFTA countries with 22.43%.

The activity that includes "Manufacture of plastic plates, sheets, tubes and profiles" is ranked in the first place for imports. Imports from EU countries are 59.08%, from CEFTA countries with 24.50%, other countries with 15.58% and EFTA countries with 0.84%.

The countries from which the "Manufacture of plastic plates, sheets, tubes and profiles" are mostly imported are: Germany with 33.36%, North Macedonia with 11.52%, Turkey with 11.48% and Serbia with 10.80%.

Imports from the activity "Manufacture of other plastic products" is: from other countries with 54.94%, then from EU countries with 27.57% and from CEFTA countries with 14.32%.

The countries from which the "Manufacture of other plastic products" is mostly imported are: 29.57% from China, 27.29% from Turkey, 9.10% from Italy, 9% from Serbia and 6.33% from Germany.

Import of products from the activity "Manufacture of external and internal tires of vehicles; tire coating and repair" is concentrated by EU countries with 40.06%, then by other countries with 53.79% and by CEFTA countries with 6%.

The countries from which the "Manufacture of external and internal tires of vehicles; tire coating and repair" is mostly imported are: China 41.06%, Germany 9.6%, Poland 8.7%, Turkey 17.13%, Serbia 6.08%, etc.

8. Manufacture of metal

The subsector of the manufacture of metal, within Sector C, (Processing Industry), in terms of the number of enterprises ranks in eleventh place, while in terms of the number of employees ranks in eighth place, in exports this sub-sector ranks in the first place, within the Sector C, as well as in imports in the total of Sector C, is ranked in the third place.

Table 9. Subsector of metal by number of enterprises, employment, export and import

Code	SECTOR C - Manufacture of Metal	Number of enterprises	Number of employees	Export	Import
24.1	Manufacture of basic iron and steel and of ferro-alloys	22	867	36,945,115.30	206,344,411.50
24.2	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	4	18	22,663,168.17	9,457,833.00
24.33	Cold forming or folding	1	13	208,814.44	11,048,187.10
24.34	Cold drawing of wire and of bars, and cold rolling of narrow strip	9	12	893,109.20	5,614,296.38
24.41	Precious metals production	22	28	-	5,329.75
24.43	Lead, aluminium, zinc and tin production	24	64	2,336,795.48	21,377,245.88
24.44	Copper production	1	4	34,491.55	8,619,172.42
24.51	Casting of iron	4	6	54,063.05	820,338.08
24.52	Casting of steel	3	9	-	259,200.36
24.53	Casting of light metals	8	30	-	-
24.54	Casting and production of other non-ferrous metals	1	-	440	308259.16
Total		99	1051	63,135,997.19	263,854,273.63

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

Within this subsector, the activity "Lead, aluminium, zinc and tin production" leads in terms of the number of enterprises, while "Manufacture of basic iron and steel and of ferro-alloys" leads in employment, export and import.

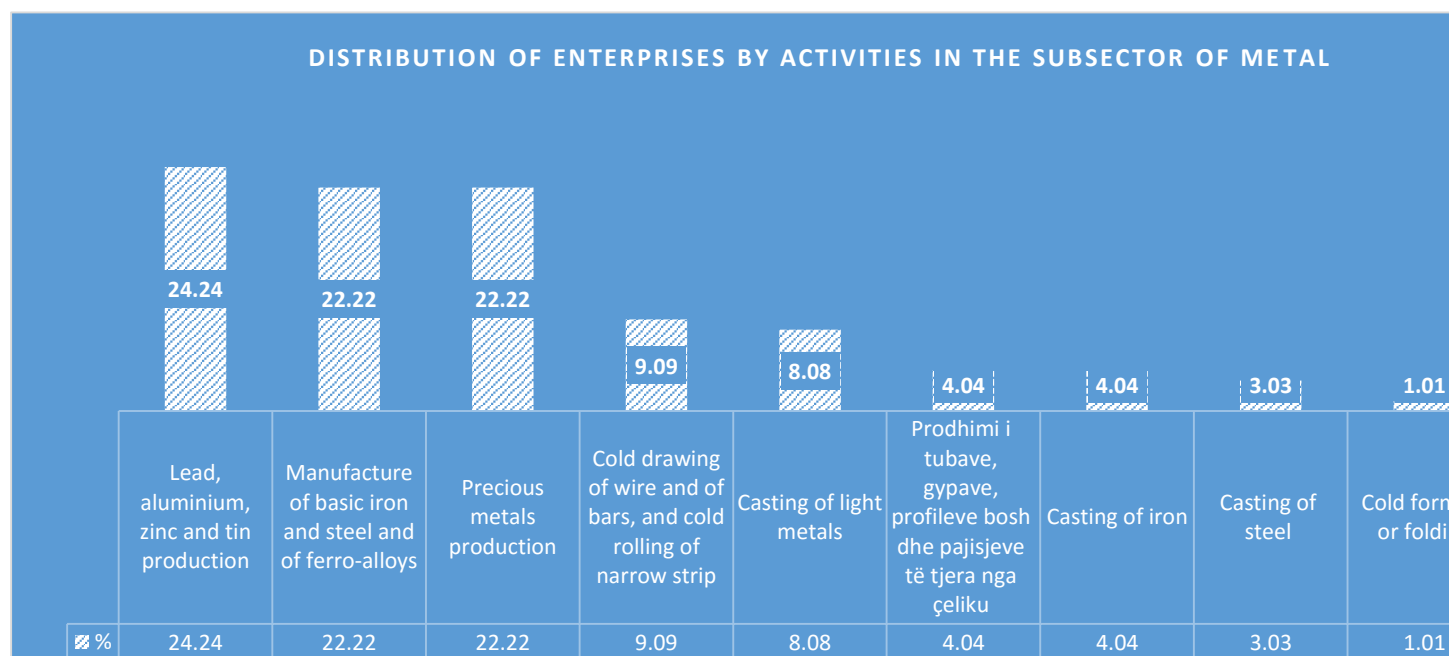
The activity of "Manufacture of tubes, pipes, hollow profiles and related fittings, of steel" has a better share in exports, where it participates with 70.55%, compared to imports, participating with 29.45%.

8.1 Enterprises by activities in the subsector of manufacture of metal

Analysis of data on the number of enterprises in the subsector of metal shows that, in terms of the number of enterprises, the activity "Lead, aluminium, zinc and tin production" ranks in the first place with 24.24%", followed by the activities "Manufacture of basic iron and steel

and of ferro-alloys" and "Precious metals production" both with identical percentage of 22.22%, while the activity "Cold drawing of wire and of bars, and cold rolling of narrow strip" ranks in the fourth place, with 9.09%.

Figure 33. Distribution of enterprises by activities in the subsector of metal



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

Regarding the extent of these enterprises, the data show that the largest number of enterprises within the activity "Lead, aluminium, zinc and tin production" is located in the region of Prishtina with 50%, then that of Mitrovica with 20.83%, in three other regions such as: Prizren, Peja and Gjakova with 8.33%, of active enterprises, while in the region of Gjiilan there is no extension of this activity. The activity "Manufacture of basic iron and steel and of ferro-alloys" has an extension of enterprises in the region of Prishtina with 39.13%, followed by the region of Gjakova with 26.08%, then that of Ferizaj with 13.04%, the region of Peja and Mitrovica with 8.69%, while the region of Prizren has no enterprises identified in this activity.

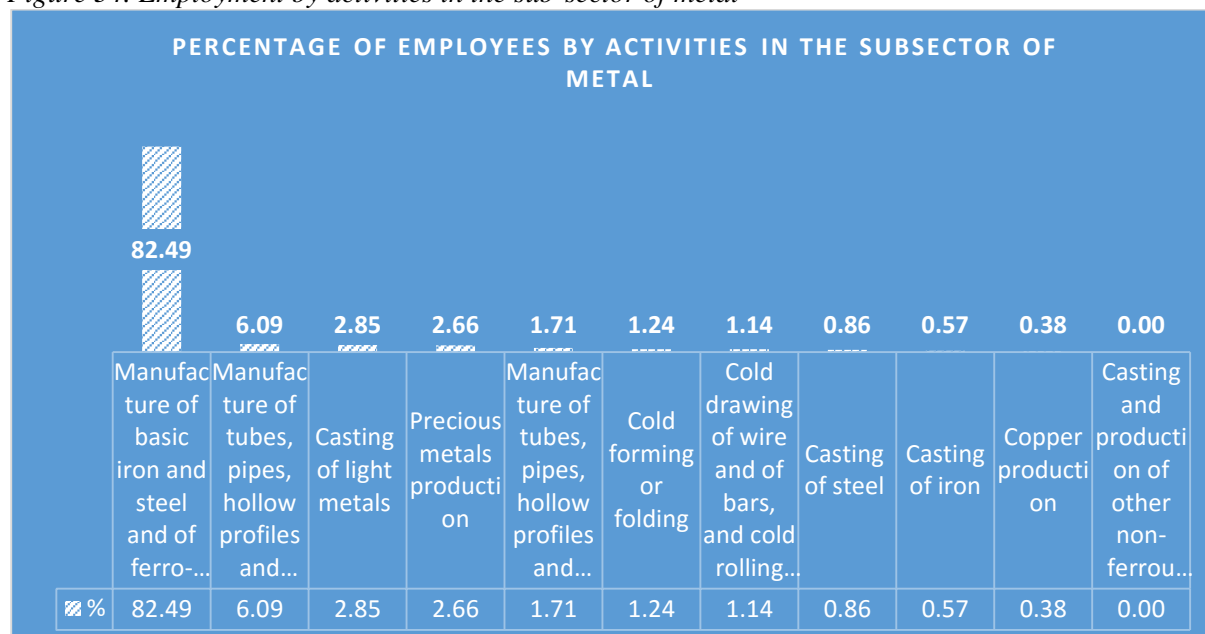
By number of enterprises of this subsector, the activity "Precious metals production" ranks in the third place. The enterprises of this activity are extended in the region of Ferizaj with 36.36%, followed by Prizren with 31.81%, and then by the region of Prishtina with 22.72%, by the number of enterprises in this activity. The region of Gjiilan has no active enterprises in this activity.

Based on the data analysed, the largest number of enterprises, compared to the total number of enterprises, is located in the region of Prishtina with 33.33%, followed by the region of Prizren with 16.16% of enterprises, while the regions of Ferizaj and Gjakova rank in third place with 14.14%, whereas the region of Peja has the smallest number of enterprises in this subsector, with 6.06%.

8.2 Employment by activities in the sub-sector of manufacture of metal

In the activities of the subsector of metal, employment is mostly concentrated on "Manufacture of basic iron and steel and of ferro-alloys" with 82.49% of people employed, followed by the activity "Lead, aluminium, zinc and tin production" with 6.09% of people employed, while the activity "Casting of light metals" is ranked in the third place, with only 2.85% of people employed.

Figure 34. Employment by activities in the sub-sector of metal



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

In addition to the concentration of employees on the activities of the subsector of metal, we have also analysed the extent of these activities in the regions of Kosovo. While in the activity "Manufacture of basic iron and steel and of ferro-alloys" were employed 82.49% of employees, analyses show that the largest distribution of these employees is in the region of Prishtina with 95.15%, followed by the region of Peja with 1.38 % of employees, the regions of Mitrovica and Gjakova with 1.03%, Gjilan with 0.80%, and Ferizaj with 0.46% of employees. The data show that the region of Prizren does not have employees engaged in this activity.

Within the activity "Lead, zinc and tin production", the largest number of employees is in the region of Prishtina, with 54.68% of employees, followed by the region of Ferizaj with 15.62%, while there is a rough distribution in the region of Peja and that of Mitrovica with 14.06%, and then Prizren with 1.56%. The region of Gjilan and that of Gjakova do not have employees engaged in this activity. In the analysis of the highest number of employment amongst the regions, the region of Prishtina ranks in the first place in terms of employment with 84.49%, followed by the region of Prizren with 4.95 while the region of Peja ranks in the third place with 2.47%, then we have the region of Ferizaj with 2.28%, Gjakova with

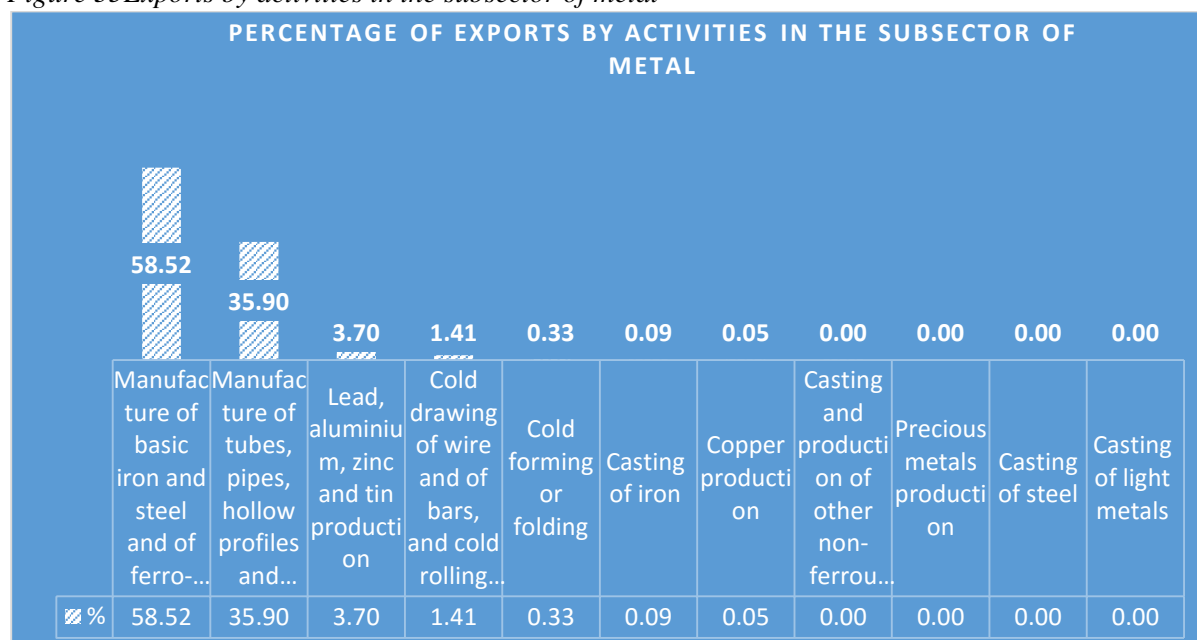
2.18%. We have the lowest employment in the regions of Gjilan and Mitrovica with only 1.81% of employees in this subsector.

8.3 Exports by activities in the subsector of manufacture of metal

The export within the subsector of manufacture of metal is another indicator that has been analysed in this report after that of employment and the number of enterprises. Compared to other subsectors of the processing industry, Sector (C), this subsector ranks first in export.

The data for comparing the exports of activities within the subsector of metal show that the activity "Manufacture of basic iron and steel and of ferro-alloys, as well as ferrous alloys" leads with 58.52%, followed by "Manufacture of tubes, pipes, hollow profiles and related fittings, of steel" with 35.90% and the activity "Lead, aluminium, zinc and tin production" with 3.70% of export of products. Other activities have lower export value.

Figure 35 Exports by activities in the subsector of metal



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

The main concentration of Kosovo's exports for the manufacture of products within the activities of this sub-sector is in other countries, 97.45% taking into account India, then the countries of CEFTA, with 1.71% and less exported to EU countries, by 0.71%, in total exports from this activity. The countries in which "Iron, base steel and ferroalloys" are mostly exported are as follows: India with a value of 97.45%, Belgium with 80.66% of exports, Albania with 45.16% and Northern Macedonia with 42.12%.

The exports of activity "Manufacture of tubes, pipes, blank profiles, and other equipment", are concentrated in CEFTA countries with a value of 97.43%, mainly in Serbia 27.65% then in EFTA countries with 2.17%, and in Switzerland with 85.84% as well as in EU countries with 0.40%, mainly in the Netherlands with 90.99% of exports from EU countries.

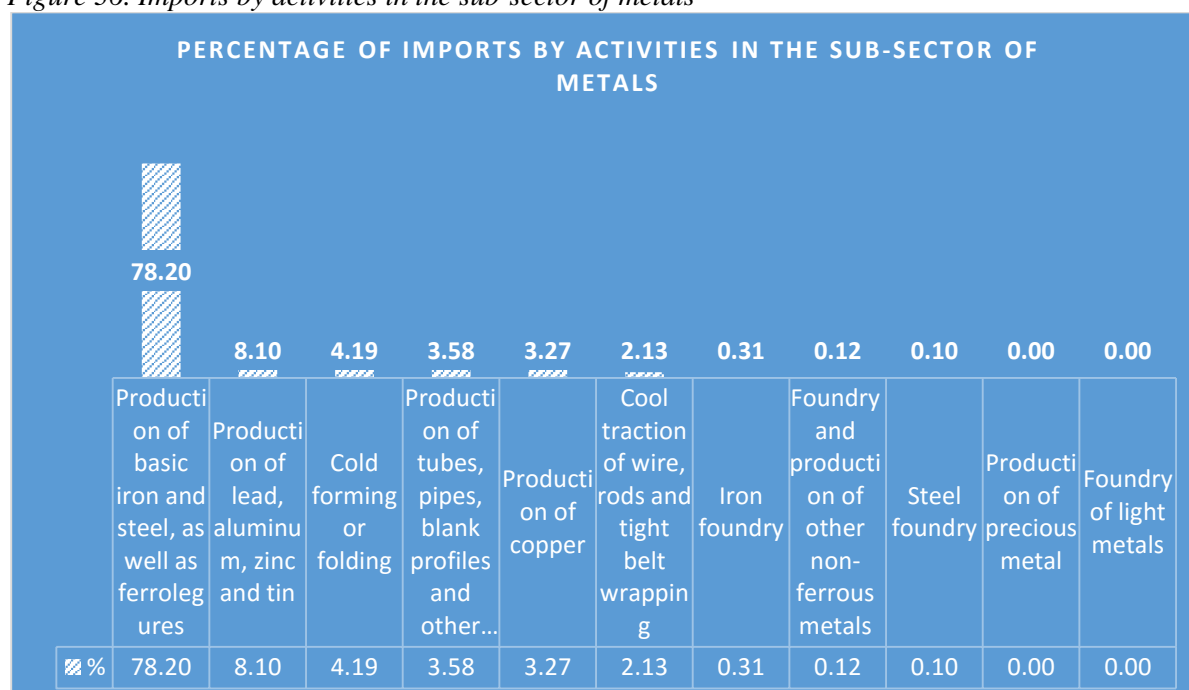
The products of the activity "Manufacture of lead, zinc, aluminium, and tin", to be exported to CEFTA countries in the value of 35.92%, mainly in Serbia with the value of 30.02%,

second is Albania with 3.23%, and Northern Macedonia with 1.61 %. EU countries rank second in terms of exports of these products, i.e. Bulgaria in the value of 27.33% and in the EFTA countries, Switzerland with a value of 4.75% and in other countries, mainly in Turkey with value of 0.66% of exports.

8.4 Import by activities to the sub-sector of metal production

The import of metal products compared to other sectors of the manufacturing industry - Sector C, ranks first in terms of imports. If we compare the import of activities within the metal sector the activity of "Manufacture of iron, steel, base and ferro alloys" leads with 78.20%, followed by "Manufacture of lead, zinc, aluminium and tin" with 8.10%, then activity "Formation or folding in the cold with 4.19%, other activities have more solid import values.

Figure 36. Imports by activities in the sub-sector of metals



Source: Kosovo Agency of Statistics, processed by DPI / MTI

The main concentration of Kosovo imports for manufacture of products within the activity "Manufacture of iron, steel, base and ferro alloys" within this sub-sector is from CEFTA countries, with 76.97%, then by other countries with 15.95%, followed by EU countries with 7.05% and in a small percentage from EFTA countries with 0.01%.

Thus, the activity "Manufacture of iron, steel, base and ferro alloys" is imported from CEFTA countries, specifically Albania with 57.50%, followed by Bosnia and Herzegovina with 17.49%, and from Northern Macedonia with 15.05%, as well as from Serbia with 9.95%.

Regarding the highest import in this activity from other countries we have the following percentage: Ukraine with 41.35%, followed by Russia with 40.60% and from China with 9.59%.

Import of the activity "Manufacture of lead, zinc, aluminium and tin", is presented with 44.62% of imports with other countries, mainly from Turkey with 57.82% and from China with 22.54%, India with 12.50%, followed by CEFTA countries with 34.65%, specifically from Albania with 87.84%, then from EU countries, with 19.72%, specifically Germany with 24.81% and from EFTA countries with 0.99%, specifically from Switzerland with 0.99%.

The activity "Cold formation or folding" in imports, the EU countries lead with 58.60%, mainly from Greece with 60.61%, followed by CEFTA countries with 32.98%, namely Northern Macedonia with 40.09%, then from other countries with 6.76%, namely Turkey with 95.93%, EFTA countries with 1.65%, specifically Switzerland with the total imports from this activity. Although the sub-sector of Metal Production had the highest export in 2018, the high value of imports in this sub-sector remains a concern.

9. Manufacture of Fabricated Metal Products, except Machinery and Equipment

Sub-sector of the manufacture of fabricated metal products, except machinery and equipment, is one of the most potential sub-sectors in the country. Within the C sector, this sub-sector ranks second in terms of the number of enterprises, while in employment it ranks the third, the focus of this sub-sector is exports in which it ranks fifth, whereas in imports ranks in the eleventh place.

Table 10. Subsector of manufacture of fabricated metal products except machinery and equipment according to the number of enterprises, employment, export and import

Code	SECTOR C - Manufacture of fabricated metal products, except machinery and equipment	Number of enterprises	Number of employees	Export	Import
2511	Manufacture of metal structures and parts thereof	208	1,435	3,942,042.29	19,084,325.68
2512	Manufacture of metal doors and windows	121	298	6,010,190.67	2,925,437.71
2521	Manufacture of radiators and boilers for central heating	7	16	2,914,896.10	7,616,085.47
2529	Manufacture of tanks, reservoirs and other metal containers	4	3.00	83,557.39	1,320,123.05
2540	Manufacture of weapons and ammunition	0	0	0	2,601,674.24
2550	Metal forging, pressing, stamping and roll-forming; powder metallurgy	59	181	0	0
2561	Treatment and coating of metals	41	81	0	0
2562	Machining	69	175	0	0
2571	Manufacture of knives	2	3	8,967.07	3,953,026.08
2572	Manufacture of locks and hinges	2	2	402,118.41	16,133,100.15
2573	Manufacture of tools	3	2	392,006.89	7,392,543.31

2591	Manufacture of steel drums and other similar containers	1	3	55,567.66	748,069.67
2592	Manufacture of light metal packaging	2	5	1,802.00	9,398,198.87
2593	Manufacture of wire, chain and spring products	16	71	2,501,321.25	9,006,153.56
2594	Manufacture of screws and screwdrivers	4	9	1,165,995.21	5,317,673.28
2599	Manufacture of other metal products n.e.c	61	187	3,999,917	24,536,574
Total		600	2,471	21,478,381.68	110,032,985.05

Source: Kosovo Agency of Statistics, processed by DPI / MTI

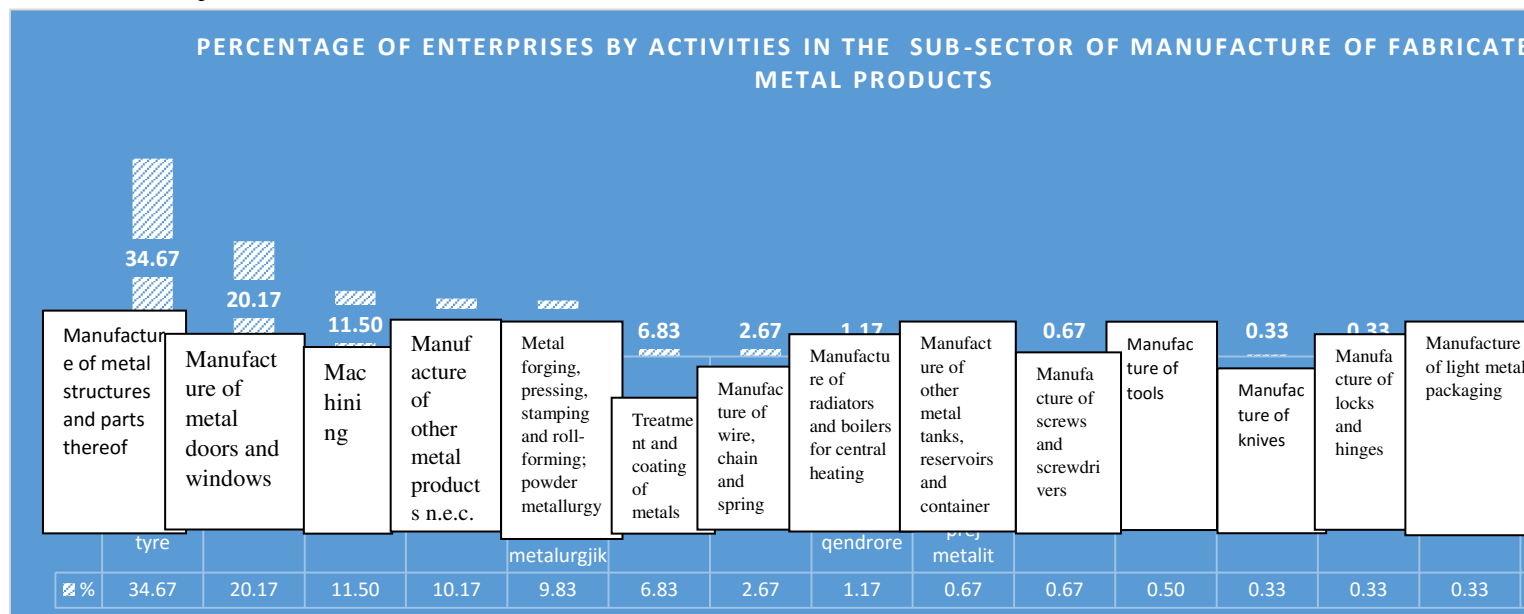
Within this sub-sector, in terms of the number of enterprises and employment, the activity "Manufacture of metal structures and parts thereof" dominates, whereas the activity "Manufacture of metal doors and windows" has the largest export, whereas in import leads the "Manufacture of metal structures and parts thereof".

The activity of "Manufacture of metal doors and windows", has a better ratio in exports compared to imports. In this activity, the export in relation to the total value of the export participates with 27.98% whereas the import participates with 2.66%.

9.1 Enterprises by activities in the sub-sector of manufacture of fabricated metal products, except machinery and equipment

Data analysis on the number of enterprises in the sub-sector of manufacture of fabricated metal products, except machinery and equipment, shows that in terms of the number of enterprises in the first place is the activity "Manufacture of metal structures and equipment thereof" with 34.67%, followed by "Manufacture of metal doors and windows" with 20.17%, whereas "Mechanical processing" is in third place with 11.50%.

Figure 37. Distribution of enterprises by activities in the sub-sector of manufacture of fabricated metal products



Source: Kosovo Agency of Statistics, processed by DPI / MTI

Regarding the extent of these enterprises, the data show that the largest number of enterprises, within the activity "Manufacture of metal structures and parts thereof", lies in the region of Prishtina, with 26%, then in the region of Peja, with 18% and the same extent of enterprises is in the region of Prizren and Ferizaj with 15%, followed by Gjilan with 12%, Gjakova with 8% and Mitrovica with 5%.

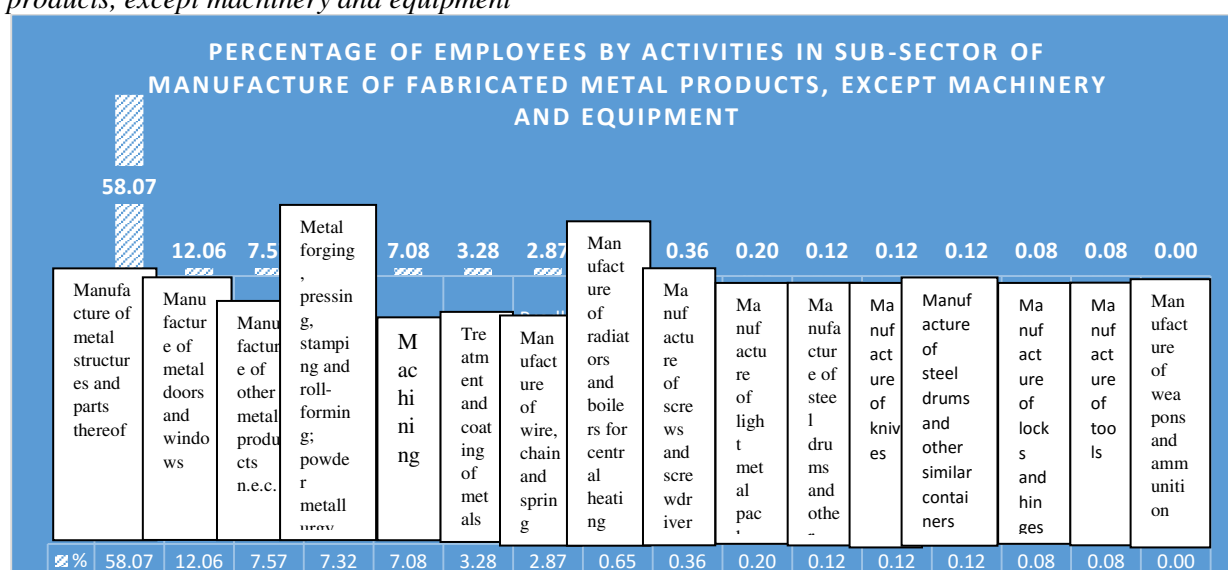
The data show that the activity "Manufacture of metal doors and windows" ranks second and has the largest extent in the region of Prishtina, with 21%, followed by the region of Gjilan with 20% and the region of Peja with 14%, although in other regions there is a smaller inclusion, in Ferizaj with 13%, Gjakova with 12%, Prizren and Mitrovica with 10% each.

The activity "Mechanical Processing", in terms of the number of enterprises ranks third and has a larger extent in the region of Prizren, with 30%, followed by the region of Prishtina, with 28%, Ferizaj with 13%, Gjakova with 10%, the region of Peja and Mitrovica with 7% and the region of Gjilan with 4%.

9.2 Employment according to activity in the sub-sector of manufacture of fabricated metal products, except Machinery and Equipment

In the activities of the sub-sector of manufacture of fabricated metal products, except machinery and equipment, employment is mostly focused on "Manufacture of metal structures and equipment thereof" with 58.07%, followed by an inclusion of employees in the activity "Manufacture of metal doors and windows", with 12.06% and a number of 7.57% of employed is on the activity that is related to "Manufacture of other metal products n.e.c."

Figure 38. Employment according to activities in the sub-sector of manufacture of fabricated metal products, except machinery and equipment



Source: Kosovo Agency of Statistics, processed by DPI / MTI

In addition to the concentration of employees in the activities of the sub-sector of manufacture of fabricated metal products, except machinery and equipment, we have analyzed the scope of these activities in the regions of Kosovo. The analyses show that in the activity "Manufacture of metal constructions and equipment thereof" there is 58.7% of employees, where the largest inclusion of these employees is in the region of Ferizaj with 41%, followed by the region of Prizren and Prishtina with 16%, Peja with 12%, Gjakova with 9%, Gjilan with 4% and in the region of Mitrovica with 2%.

Prishtina region marks the largest number of employees included within the activity "Manufacture of metal doors and windows" with 28%, followed by Peja region with 20% and Gjilan region with 17%. Prizren, Ferizaj and Gjakova regions have approximately the same inclusion with 10%, and then Mitrovica region with 6%.

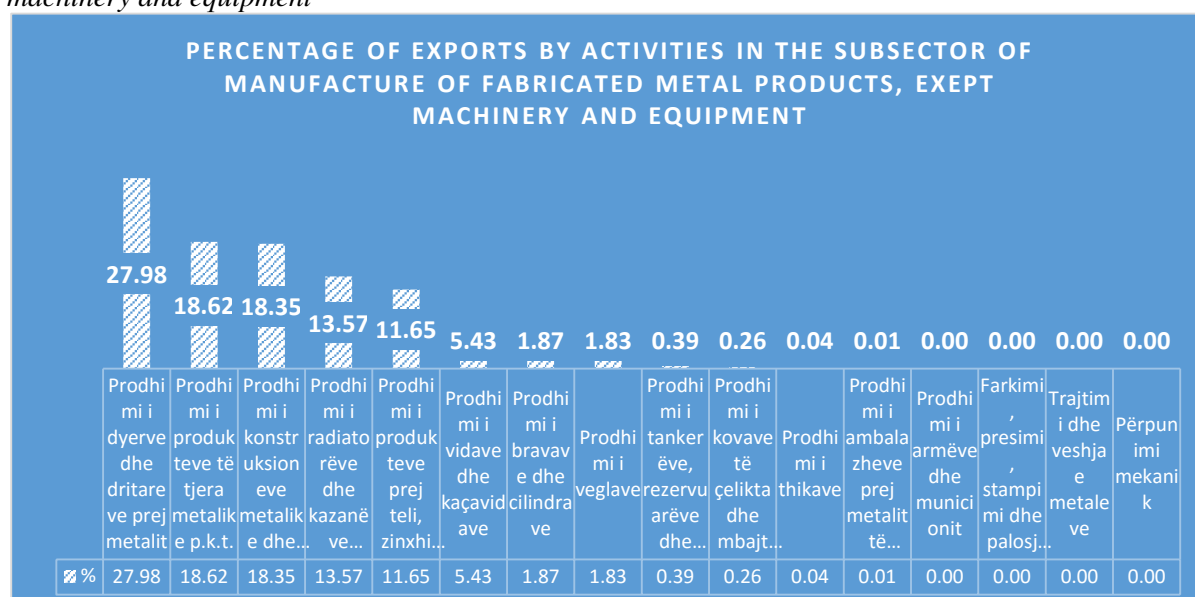
Prishtina region marks the largest number of employees included within the activity "Manufacture of other metal products n.e.c", with 27%, followed by Gjilan region with 25%, Ferizaj region with 17%, Gjakova region with 11%, Prizren region with 8%, Peja region with 7%, and the region with the lowest inclusion is that of Mitrovica with 4%.

9.3 Export by activities in the subsector of manufacture of fabricated metal products, except machinery and equipment

Export by activities in the subsector of manufacture of fabricated metal products, except machinery and equipment, is another indicator that has been analyzed in this report after that of employment and the number of enterprises, therefore, comparing this subsector to others of the processing industry, in terms of export, it ranks the fifth.

Data for comparing exports within the subsector of fabricated metal products, except machinery and equipment, show that the activity "Manufacture of metal doors and windows" leads with 27.98%, followed by the activity "Manufacture of other metal products n.e.c" with 18.62%, and the activity "Manufacture of metal constructions and their equipment" with 18.35%.

Figure 39. Export by activities in the subsector of manufacture of fabricated metal products, except machinery and equipment



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

Regarding the manufacture of products within the activities of this subsector, Kosovo has the largest concentration of exports in the EFTA countries, considering Switzerland, then those of the EU, whereas much less are exported to CEFTA countries, and to other countries..

Export within the activity "Manufacture of metal doors and windows" to EFTA countries reaches 61.5%, followed by EU countries with 10.8%, and CEFTA countries with only 3.18%. Countries exported the most by this activity are: Switzerland with 61.31%, Germany with 7.47% and France with 1.86%, etc.

The export of this activity "Manufacture of other metal products n.e.c", is concentrated in EU countries with 33.50%, mainly in the Netherlands with 41.73%, then in EFTA countries, in Switzerland with 17.77% and CEFTA countries, in Albania with 4.62 etc.

As regards the export of the activity "Manufacture of metal structures and their equipment', 37.48%' is concentrated in CEFTA countries, mainly in Albania with 28.23% and Macedonia with 21.30%, then in EFTA countries such as Switzerland with 17.83% etc.

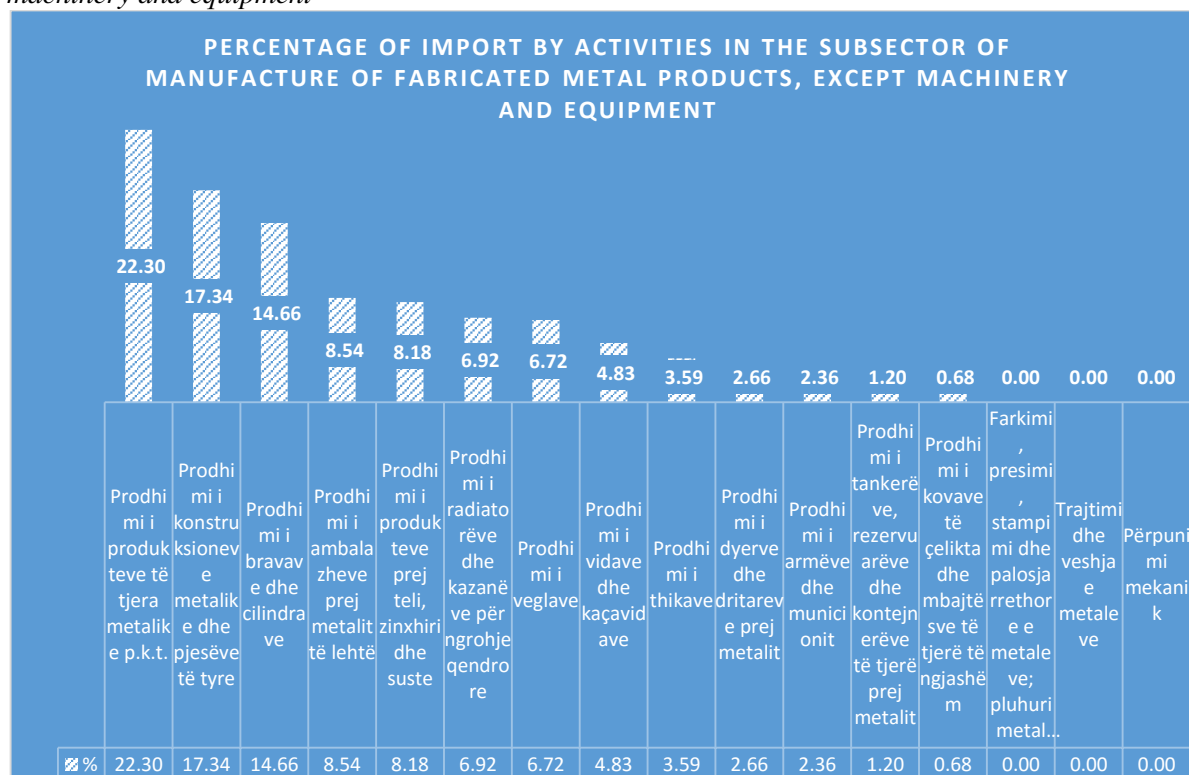
9.4 Import by activities in the subsector of manufacture of fabricated metal products, except machinery and equipment

Import in the subsector of manufacture of fabricated metal products, except machinery and equipment, compared to other subsectors of the manufacturing industry, ranks eleventh.

If we compare the import of activities within this sub-sector, the activity "Manufacture of other metal products n.e.c" leads with 22.30%, followed by "Manufacture of metal

constructions and their equipment" with 17.34%, and "Manufacture of door handles and cylinders" with 14.66%.

Figure 40. Import by activities in the subsector of manufacture of fabricated metal products, except machinery and equipment



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

Within the activities of this sub-sector, the largest concentration of Kosovo's imports as regards products is from EU countries, then from other countries, and less is imported from CEFTA and EFTA countries.

The activity "Manufacture of other metal products n.e.c", imports from other countries in value of 30.7%, from EU countries 17%, and from CEFTA countries 15%.

Countries from which the products of the activity "Manufacture of other metal products n.e.c" are mostly imported are: Turkey with 28.6%, China with 22.3%, Germany with 11.3% etc.

The import of the activity "Manufacture of metal constructions and their equipment" is concentrated in EU countries with 22.5%, mainly Italy with 22.2%, and from CEFTA countries such as Serbia with 9.6% and Albania 9%.

The import of the activity "Manufacture of door handles and cylinders" is concentrated in EU countries with 8.9%, mainly from Germany with 24.2%, then from China with 18.1% and Austria with 17.4% etc.

10.Manufacture of furniture

Manufacture of furniture subsector, within the subsectors of the processing industry (sector C), ranks fifth in terms of employment with 8.87%. This subsector in terms of number of enterprises and exports ranks sixth, while in terms of imports, ranks nineteenth compared to other sub-sectors of the processing industry - Sector C.

Table 11. Subsector of the Manufacture of furniture, by the number of enterprises, employment, export and import

Code	SECTOR C - Manufacture of furniture	Number of enterprises	Number of employees	Export	Import
310 & 3101	Manufacture of furniture and manufacture of offices and shops furniture	72	305	1,767,674.25	22,819,866.63
3102	Manufacture of kitchen furniture	166	582	2,578,071.89	860,199.63
3103	Manufacture of mattresses	15	418	848,175.87	2,507,772.95
3109	Manufacture of other furniture	153	1,009	5,347,909.76	23,451,096.92
Total		406	2,314	10,541,832	49,638,936

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

Within this subsector, in terms of the number of enterprises, the activity "Manufacture of kitchen furniture" leads, while in terms of employment, export and import, "Manufacture of other furniture" leads.

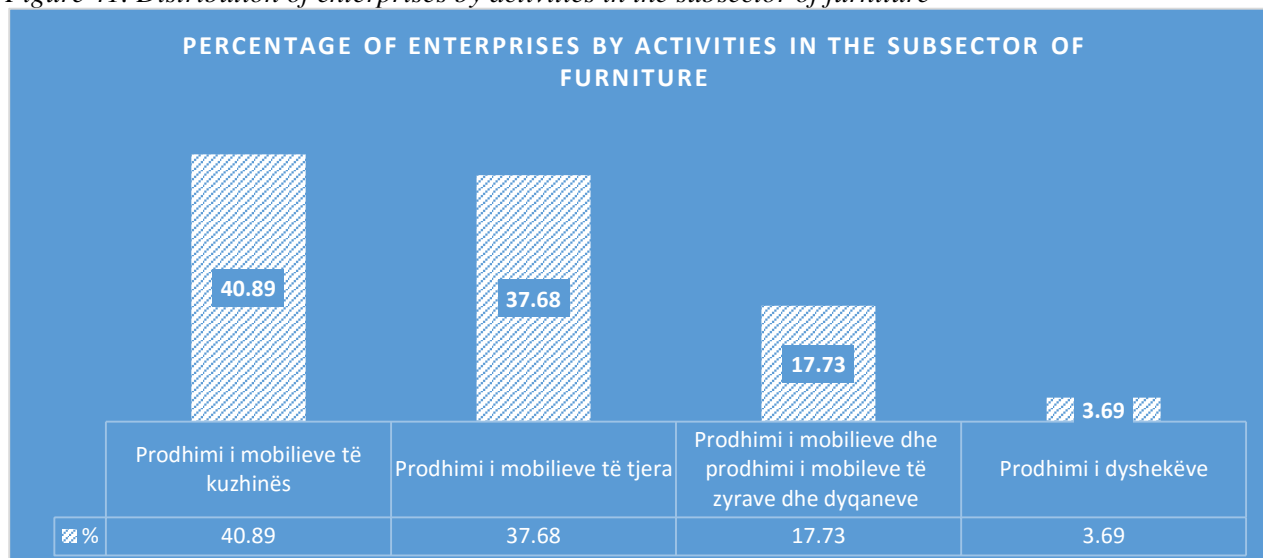
The activity of kitchen products has a better ratio in exports compared to imports. In this activity, the export in relation to the total value of the export-import of this activity, participates with 74.98%, while the import participates with 25.02%.

The ratio between exports and imports, although with high imports, compared to other activities is positive in the activity of mattress manufacture, where out of the total value of export-import, of this activity, the export participates with 25.27% compared to the import participating with 74.73%.

10.1 Enterprises by activities in the subsector of furniture

The data analysis on the number of enterprises, in the sub-sector of furniture, shows that in terms of the number of enterprises, the activity "Manufacture of kitchen furniture" ranks in the first place with 40.89%, followed by "Manufacture of other furniture" with 37.68%. The activity "Manufacture of general furniture (living room, sleeping and waiting) and furniture of offices and shops" ranks in third place, with 17.73%.

Figure 41. Distribution of enterprises by activities in the subsector of furniture



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

The largest number of enterprises, within the activity "Manufacture of kitchen furniture", is in the region of Ferizaj, with 43.98%, followed by region of Prishtina with 19.88%, region of Gjilan with 11.45%, region of Peja with 9.64%, region of Prizren with 8.43%, region of Mitrovica with 5.42% and region of Gjakova with 1.20%.

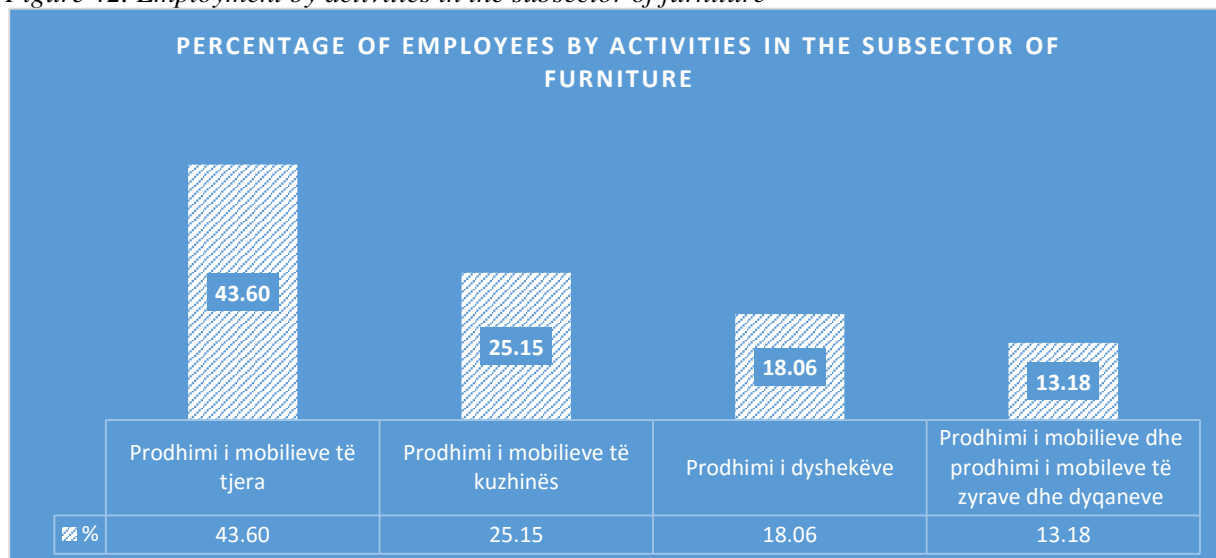
The data show that the activity "Manufacture of other furniture", in terms of number of enterprises, dominates in the region of Ferizaj with 40.52%, followed by region of Prishtina with 16.99%, region of Prizren with 15.69%, region of Gjilan with 9.80%, region of Peja with 8.5%, region of Mitrovica with 4.58% and region of Gjakova with 3.92%.

The activity "Manufacture of furniture in general (living rooms, bedrooms, waiting rooms, etc.) and furniture of offices and shops", in terms of the number of enterprises is concentrated in the region of Ferizaj, with 40.28%, followed by region of Peja with 15.28%, region of Gjilan with 9.72%, region of Mitrovica with 9.72%, region of Gjakova with 9.72%, region of Prishtina with 8.33%, and region of Prizren with 6.94%.

10.2 Employment by activities in the subsector of furniture

Employment in the furniture subsector is mostly focused on the activity "Manufacture of other furniture" with 43.60%, then we have the inclusion of employees in the "Manufacture of kitchen furniture" with 25.15% and the "Manufacture of Mattresses" is with 18.06%.

Figure 42. Employment by activities in the subsector of furniture



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

In addition to the concentration of employees in the activities of the subsector of furniture, the extent of these activities in the regions of Kosovo has also been analyzed. While 43.60% were employed in the activity “Manufacture of other wooden furniture”, analyses show that the largest concentration of employees is in the region of Ferizaj with 28.74%, then Gjilan region ranks with 18.83%, Peja 18.04%, Prishtina with 16.55%, Prizren with 13.18%, Mitrovica 3.27% and the region of Gjakova with 1.39%.

In framework of the activity “Manufacture of kitchen furniture” The largest involvement of the number of employees is in the region of Ferizaj with 48.63%, Prishtina with 18.56%, followed by Gjilan with 15.64%, Peja 7.56%, Prizren 6.53% and in the region of Mitrovica and Gjakova we have less than 3.5% of employees in this activity.

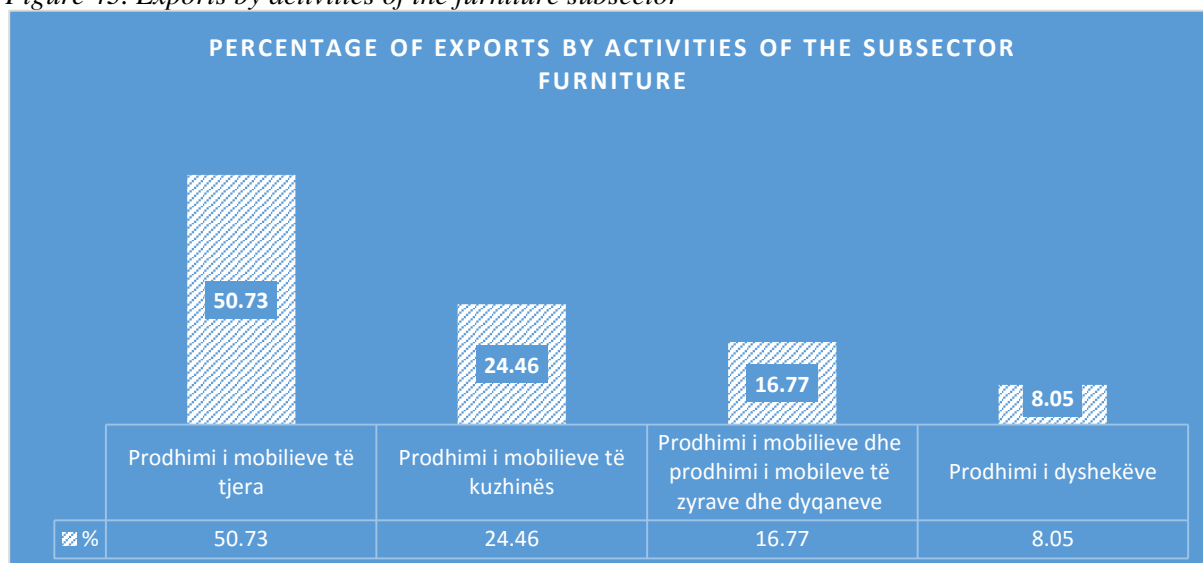
The largest concentration of the number of employees, within the activity “Manufacture of mattresses” is in the region of Gjakova with 53.59%, then in the region of Peja with 37.08%, of Ferizaj with 6.46%, while the region of Prizren and Gjilan have less than 3% of employees in this activity. The region of Prishtina and Mitrovica has no employees in this activity.

10.3 Exports by activities in the subsector of furniture

Export in the furniture sub-sector, is another indicator that is analyzed in this report, in addition to employment and number of enterprises and which compared to other subsectors of the manufacturing industry, ranks sixth.

Data for comparing the exports of activities within the subsector of furniture, show that the activity "manufacture of other wooden furniture" leads the way with 50.73%, then with 24.46% “kitchen furniture manufacturing”, with 16.77%, the activity “manufacture of general furniture and office and shop furniture” and the manufacturing of mattresses, with 8.05%, excluding the supports of mattresses.

Figure 43. Exports by activities of the furniture subsector



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

The largest concentration of Kosovo's exports for manufacture of products within the activities of this subsector, is in the EFTA countries with 53.55%, taking into account Switzerland, then the EU with 34.62%, in CEFTA countries by 11.35% and in other countries only by 0.48%.

Activity products "Manufacture of other wooden furniture", exported to EFTA countries by 60.89%, in EU countries with 33.59%. in CEFTA countries of 5.29% and in other countries only by 0.23%. The countries in which the products of this activity are mostly exported are: Switzerland 53.62% and in Germany 26.37%.

Exports of kitchen furniture products are concentrated in EFTA countries with a share of 79.76%, mainly in Switzerland with 77.94%, then in EU countries with 17.55%, (highest value in Germany 6.71%) and CEFTA countries with only 2.69%.

Furniture manufacturing products in general (bedroom furniture, dining room, living room and office and shop furniture), are exported to EU countries by 58.63%, mainly to Germany by 31.07% and to Belgium by 14.42%, then 29.39% in EFTA countries, then in Switzerland with 28.95% and in CEFTA countries with 10.62%, the largest value in Macedonia 5.48% and with other countries 1.36%.

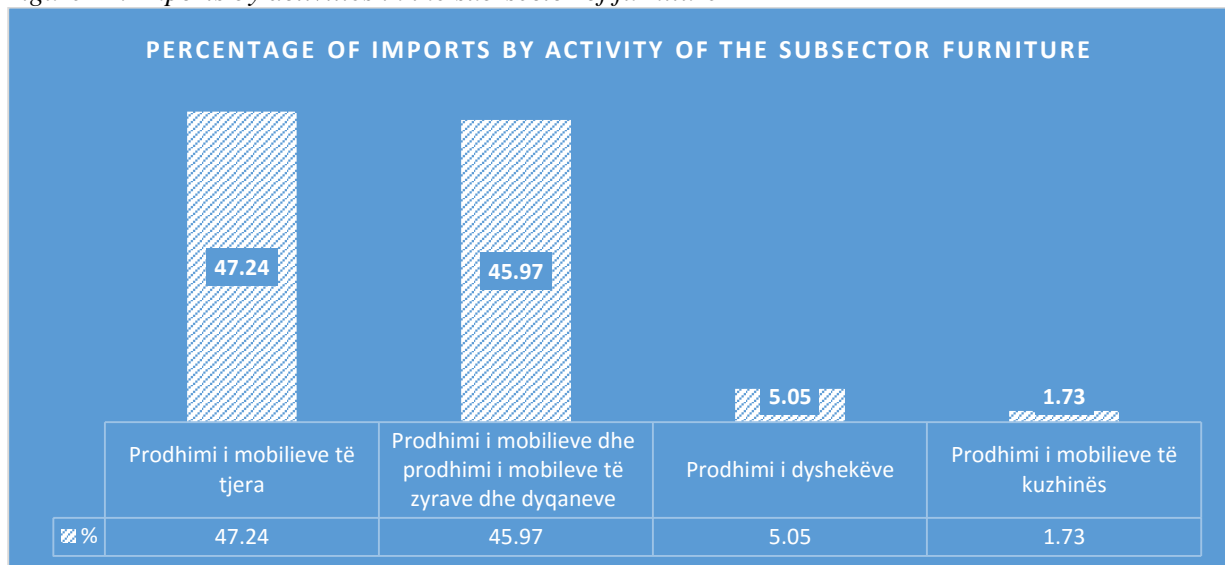
10.4 Import by activities in the subsector of furniture

After the analysis of enterprises, employment and export, in this report is also analyzed the import of the subsector of furniture, compared to other subsectors of the manufacturing industry -Sector C.

This subsector ranks nineteenth in the import of sector C.

The comparison of the import of activities in the subsector of furniture, indicates that the activity of "manufacture of other wooden furniture", leads with 47.24%, then ranks "manufacture of furniture in general and other furniture for office and shops", with 45.97%, "Mattress manufacturing" with 5.05% and "kitchen furniture manufacture" with 1.73%.

Figure 44. Imports by activities in the sub-sector of furniture



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

The largest concentration of imports of this subsector, is from other countries with 50.10%, specifically from Turkey, then from CEFTA countries with 24.52%, from EU countries with 23.38% and, in a small percentage, from EFTA countries with 2%.

Kosovo imports products of activity "Manufacture of other wooden furniture", from other countries with 49.89%, from CEFTA countries 24.40%, from EU countries 23.29% and only 2.41% from EFTA countries.

Countries from which the products of the activity "manufacturing of other wooden furniture", are mostly imported are from Turkey with 27.23%, China with 19.52%, Serbia with 10.09%, Albania 6.93%, Northern Macedonia with 6.51%, Poland 5.69%, Italy 5.51% etc.

Products of Activity "Manufacturing in general (bedroom furniture, dining room, living room and office furniture and shops)", are mainly imported from other countries with 52.02%, then from CEFTA countries with 24.84%, from EU countries 21.66% and from EFTA countries with 1.47%.

The countries from which the products of the activity are imported “furniture manufacturing in general (bedroom furniture, dining room, living room and office and shop furniture)”, are: Turkey with 27.26%, followed by China with 22.64%, Albania 9.58%, with a percentage of almost the same imports from Serbia with 9.43%, then from Italy with 6.95%, from Northern Macedonia with 4.55% etc.

Import of activity products “Manufacture of Mattress”, leads from other countries with 37.63%, then EU countries are ranked with 33%, CEFTA countries with 27.84% and EFTA countries with 1.52%.

Products of Activity “Manufacture of Mattress”, are imported from these countries: China with 29.83%, followed by Poland with 20.08%, Northern Macedonia 16.97%, Italy 6.93%, Turkey 6.52%, Albania 5.66%, Serbia 5.2% etc.

Summary

- The “Textile manufacturing” subsector during 2018, compared to 2017, decreased in employment by 18 employees or 2.15%, while the number of enterprises increased by 3.25%. The most influential employment activity during 2018 is “Finishing of textiles” with 358 employees or 43.81%, while subsector “Manufacture of non-woven fabrics and non-woven items, in addition to clothing”, is the subactivity with the lowest number of enterprises and the number of employees. Exports in the subsector of textile manufacturing marked an increase 16% in 2017 but in 2018 compared to the previous year there decreased by 1.11%, while importing to this subsector, in 2018, compared to 2017, increased by 12.49%.
- The “Manufacture of wearing apparel”, subsector in 2018, there is potential for employment as it has marked an increase in employment for 110 employees or 14.88% and in the number of enterprises by 15.31%, compared to the previous year. Under the activity with the largest number of employees and enterprises is “Manufacture of other outerwear”, with 126 enterprises or increasing by 0.8%, compared to 2017, and with 494 employees or 11.51% more than in the previous year. It is worth emphasising that the employment growth, in 2018, has marked, subactivity “manufacture of other and additional clothing (gloves, hats, scarves, etc.)”, for 75 workers, in addition to gold in 2017, although the number of enterprises has remained the same as in the previous year. Export to the wearing apparel subsector, in 2018 compared to 2017 marked a high increase by 48.7%, while Import has increased by 18%.
- The "Manufacture of leather and leather products", subsector has a solid impact on employment, with slight movement over the last three years. Employment in this subsector, in 2018, has marked a slight increase for 2 employees or 0.46%, compared to 2017. Number of enterprises in this subsector, has increased by 5.4%. Subactivity, “Manufacture of footwear”, ranks first in this sub-sector for 2018, with 24 enterprises or 5.71%, compared to 2017, and with 395 employees or 1.54% more than in the previous year.
Exports to the subsector of leather manufacturing and leather products, in 2018, compared to 2017, has decreased by 22.54%. Imports to this subsector in 2018 increased by 8.94% compared to the previous year.
- The “Manufacturing of wood and of products of wood and cork”, subsector based on employment and exports, has potential for development. In 2018, compared to 2017 in employment there was an increase of about 15%, in exports growth has been solid with only 0.96%, while imports have had high growth by 6.96%.
- Under the paper sector, although compared to other sub-sectors, there are a small number of employees, however, it is promising in certain activities when we analyze exports and imports. Exports to this subsector in 2018, compared to the

previous year decreased by 5.28%, while imports increased by 3.64%. There was a high decrease of 17.87% in this subsector “Manufacture of household and sanitary paper articles, toilet paper”, while imports increased by 6.97%. This activity also has a higher value in terms of import value than other activities and the items of this activity that dominate in import are (toilet paper, cleaning cloth or face and towel tissue, tablecloths, cellulose wire or cellulose fiber mesh; sanitary towels and tampons, napkins and napkins for babies and similar sanitary items and clothing items and clothing accessories, cellulose).

- The “Manufacturing of chemical products” subsector has development potential when we consider employment and exports. In 2018, compared to 2017, it marked an increase of 15%, exports also increased by 3.45%, but also increased imports by 6.13%.

It is worth noting that the number of enterprises of the subsector “Manufacturing of chemical products” participates with 2.14%, in the total enterprises of the processing industry Sector C. In terms of employment, in the total number of employees, in Sector C, under the sector “Manufacturing of chemical products” participates with 2.46% employees. In 2018 subsector exports “Manufacturing of chemical products” participate with 2.27% in the total export of Sector C while Imports participate with 7.26% in the total import of Sector C.

- The “Manufacture of Rubber and Plastic products” subsector has development potential for employment, and export particularly. During 2018, it marked an increase of 4.6% in employment compared to 2017, whereas there was a significant increase of 26% in export and 6.19% in imports. It is worth emphasising that the number of enterprises in the “Manufacture of Rubber and Plastic products” subsector holds a significant percentage of 10.4% in total enterprises engaged in the processing industry within sector C. With regard to employment, the total number of people employed in Sector C – “Manufacture of Rubber and Plastic products” subsector, participates with 9.1% of the employees. Exports in the “Manufacture of Rubber and Plastic products” subsector participate with a significant share of 18% in the overall export under Sector C. Additionally, imports under “Production of Rubber and Plastic products” subsector accounted for 4.48% of the overall import under Sector C during 2018.

- The “Metal manufacturing” subsector under Sector C, based on the data gathered for the indicators presented (employment, number of enterprises, export and import) represents a promising subsector for economic development, generation of employment and opportunities to influence trade balance equilibration in the country. Based on the data of 2018, it is noted that this sector had highest export levels, i.e. 24.45%, and is ranked as first, compared to other subsectors under Sector C. The activity with highest export levels under this subsector is “Manufacturing of tubes, pipes and hollow profiles and other related fittings from metal” with 70.65% export and 29.44% import. When stating that this sub-sector

is promising in terms of employment, we are referring to the analysis of most recent data from 2018, and comparing the same to 2017, whereby it is noted that there was an increase of 1.15% in this subsector, i.e. 1051 employees. The activity with the largest concentrated number in employment would be “Manufacturing of basic iron and steel and of ferro-alloys” with 82.49% of employees in this sub-sector. With regard to the number of active enterprises, from 2017 to 2018 we have noted fluctuations in this subsector, whereby there was a decline of 2.94% in the total number of enterprises. Comparative data from export reports of 2018 show that in 2017 there was a decline of 24.21%, whereas import had a solid increase of 28.24% for the same comparative period. In general, this sub-sector aims to be, compared to other subsectors, a promoter of sustainable economic development in the country.

- The “Manufacture of fabricated metal products, except machinery and equipment” subsector under Sector C, takes the third place in terms of employment, fifth place in terms of export and number of enterprises, and eleventh place in terms of import. Based on three measuring indicators: Employment, Export and Import, this subsector has potential for further development if we are to make a comparison between 2017-2018, whereby employment in this subsector has marked an increase of 11% compared to 2017, whereas export during 2018 increased for 55.84%, and import declined for 7.90% compared to 2017.

Within this sub-sector, in terms of the number of enterprises and employment, the activity of “Manufacture of metal structures and parts thereof” prevails, whereas the activity “Manufacture of metal doors and windows” has the highest exports, and “Manufacture of metal structures and parts thereof” leads in imports.

- The “Furniture Manufacturing” subsector has shown that it has development potential, namely compared to other subsectors in the processing industry is ranked as fifth in terms of employment and sixth in exports. The employment and export shows that “Furniture Manufacturing” subsector in 2018, when compared to 2017, had high performance levels, with an increase of 24.27% in employment or 452 employees, whereas export increased for 45.22% and import 21.57%. The sub-activity that had the highest increase in (%) for export during 2018 compared to the previous year is that of “Mattresses, excluding mattress supporters” followed by “Manufacturing of other furnitures”, “Manufacturing of furniture” and “Manufacturing of kitchen furniture”.

Conclusions on increasing manufacture in processing industry sectors

- Increased production activities would affect the living standard and improve the trade balance. Kosovo must invest in the processing industry subsectors, i.e. in manufacturing;
- Investing in advanced SME oriented technology would allow for increased value of products by applying required standards in compliance with EU market requirements.
- Cross-cutting connections, networking between manufacturers, suppliers and carriers in collaboration with relevant institutions should be established in order to identify challenges and take concrete steps to intervene and overcome obstacles;
- The responsible education institutions and other stakeholders, together with the business, should cooperate in drafting vocational education programs that will respond to the needs and requirements of businesses for skilled workers in the subsectors of the C Sector;
- Provision of programs for encouraging companies to cooperate with scientific/research institutions with the aim of developing new products.
- Development of export market research programs as well as professional training programs to meet market needs;
- Establishment of a special subsidies fund (funds dedicated to manufacturing businesses, which can be used to purchase machinery, fulfil international standards and staff training);
- Obstacles caused to businesses due to lack of electricity during the manufacture process should be overcome, enabling their supplementation through other alternatives.

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