



By: Zef Dedaj; Anita Sutaj; Bulinë Gashi; Merita Fetahu

Opportunities and challenges in exporting to the EU market:
Special focus on products of animal origin



Idea in Brief

The problem

Even though animal products are considered quite crucial in the negotiation of the SAA and enjoy zero customs duty, unfortunately, the producers of animal products from Kosovo have not been able to export such products because Kosovo was not an eligible country for the EU to export animal products. Many times exporters of honey, yoghurt, meat and other animal products were refused to enter into EU countries or even transit because of the regulation EU 605/2010.

The solution

New developments are evident, e.g. on 09th July 2020, the European Union through the published decision L 220/5 informs the inclusion of Kosovo in the list of countries with the right to export products of animal origin in the countries of the European Union. The Directorate for Food Health and Safety DG SANTE, by this officially considers the Food and Veterinary Agency of the Republic of Kosovo as a contractual partner.

The steps

A country is only eligible to export food of animal origin to the EU if it has received approval from the Commission for the residue plans it submits every year to the Commission for the various animal species of interest. This means that Kosovo is eligible to submit by 31 March each year any new request for new animal products that meets EU standards to export.

Difficulties of exporting animal products to the EU market

Food safety is a vital issue for the European Union, in particular, since the launch of the White Paper on food safety in 2000, a significant overhaul of food safety laws has been undertaken based on a comprehensive food safety strategy. The EU integrated approach to food safety aims to assure a high level of food safety, animal health, animal welfare and plant health within the EU. Specific legislation protects consumers from exposure to potentially harmful residues of veterinary medicines, pesticides and environmental contaminants in the food of animal origin. A country is only eligible to export food of animal origin to the EU if it has received approval from the Commission for the residue plans it submits every year to the Commission for the various animal species of interest¹. The export situation in Kosovo remains challenging. Despite trade agreements in place (CEFTA, SAA, FTA with Turkey) Kosovo continues to face a large negative trade balance with an annual trade deficit that amounts to over 3.1 billion euros in 2019, reflecting a low level of competition in domestic and foreign markets and the lack of variety of products. In order to access markets for high-value products, producers in Kosovo must be able to meet international food standards, and to ensure that food is safe. The issue of

¹ Directive 96/23/EC:

<https://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:1996L0023:20090807:EN:PDF>

export of meat and other products of animal origin are considered quite crucial in the negotiation of the SAA between the European Union and Kosovo. These products, although negotiated in the negotiation phase, they also enjoy zero customs duty (except for some of them foreseen by the allowed quotas). In this relation, the SAA appears to have had a contribution in the diversification of trade. After the agreement came into force, new agricultural products have been traded between Kosovo and the EU however; unfortunately, the producers of animal products from Kosovo have not been able to take advantage of these export preferences in the EU. Despite the current legislation in force, meat products and products of animal origin have not been exported to the EU at all. Concerning the commission regulation no 206/2010 of March laying down lists of third countries, territories or parts therefor authorized for the introduction into the EU of certain animals and fresh meat and the veterinary certification requirements², Kosovo was not an eligible country for export of certain animals and fresh meat, including bees wax. For instance, many times exporters of honey, yoghurt, meat and other animal products origin were refused to enter EU countries or even transit through EU, thus were forced to return back, with the reason that Kosovo is not part of regulation 2011/163 for goods of animal origin and also of regulation EU 605/2010 for dairy products. As foreseen in the regulation the following two arguments were introduced:

1. Not including Kosovo which is at present under international administration pursuant to United Nations Security Council Resolution 1244 of 10 June 1999.
2. Serbia does not include Kosovo which is at present under international administration pursuant to United Nations Security Council Resolution 1244 of 10 June 1999.

Table 1 below shows the exports of some agriculture products and changes before the SAA enters into force and the increased value of exports after SAA enters into force, but what can be noticed in table 1 is that live animal products remain zero in export direction before and after the SAA.

Table1: Exports of agricultural and animal products to the EU over the years

Agricultural products sector	2015	2016	2017	2018	2019	↓↑, 2019/18	↓↑, 2019/15
Live animals	0	0	0	0	0	0	0
Vegetable products	4,569	4,699	10,195	12,334	12,516	1.5%	174.0%
Edible oils	0	7	3	4	21	449.7%	0
Foodstuffs beverages and tobacco	5,961	7,204	9,878	8,554	8,995	5.2%	50.9%
Total	10,530	11,910	20,077	20,892	21,532	3.1%	104.5%

Source: author's calculation based on KSA

As shown in table 1, regarding the agricultural exports, significant increases appear after SAA entered into force. Plant products and industrial food products and beverages remain a considerable potential to increase the level of exports. Unfortunately, exports of meat and other products of animal origin are considered to be non-existent. Given this, it can be concluded that SAA did not bring the expected results for exporters of animal products rather, it has not helped to lessen the negative trade balance.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32010R0206>

New developments

On 09 July 2020 in the official gazette³ of the European Union L 220/5, is published the decision for the inclusion of Kosovo in the list of third countries with the right to export for food products of animal origin in the countries of the European Union. Referring to the treaty on the functioning of the European Union, council directive 2002/99 / EC of 16 December 2002 laying down the animal health rules governing the production, processing, distribution and presentation of products of animal origin for human consumption for the importation of consignments in the EU based on Decision 2007/777 / EC, the European Commission determines the list of third countries from which goods are allowed to enter the EU. After requesting, Kosovo for the first time, is included in the list of exporting country for animal products. According to point⁴ of this decision, Kosovo is finally allowed only for the commodities which have been obtained from poultry and farmed feathered game (except ratites) that have

undergone specific treatment 'C' or 'D' is authorized and has submitted the relevant information. In particular, Kosovo has provided guarantees in respect of poultry raw material originating either from the Member States or from third countries which are approved to export such raw material to the Union and in respect of the treatment that these products will undergo. While according to point 7, the veterinary certificate requirements do not, however, refer to the meat of poultry originating in a Member State or satisfying the animal health requirements for import into the Union laid down in Regulation (EC) No 798/2008 and having to undergo one of the specific treatments set out to Decision 2007/777/EC. The Food and Veterinary Agency of Kosovo (FVA) for compliance with the control criteria according to EU rules, has been audited by experts sent by the EU Commission, to assess the agency control systems exercised over poultry meat products intended for export to the EU. FVA after the assessment has

received a positive result that as State authority has met all the conditions to guarantee the safety of products produced in Kosovo, for factories which apply for export to the EU. This decision is encouraging for all food producers targeting the EU market. The European Commission, respectively the Directorate for Food Health and Safety DG SANTE, from now on officially considers the Food and Veterinary Agency of the Republic of Kosovo as a contractual partner. Exports of agricultural products to the EU have marked a steady increase, a year after the entry into force of the SAA which shows that the agreement has had a positive effect on exports of agricultural products. Imports of agricultural products have also marked a positive trend; growth began in the same year when the SAA entered into force. It should be noted that the Kosovo is eligible to submit any new request for new animal products that meets EU standards to export.

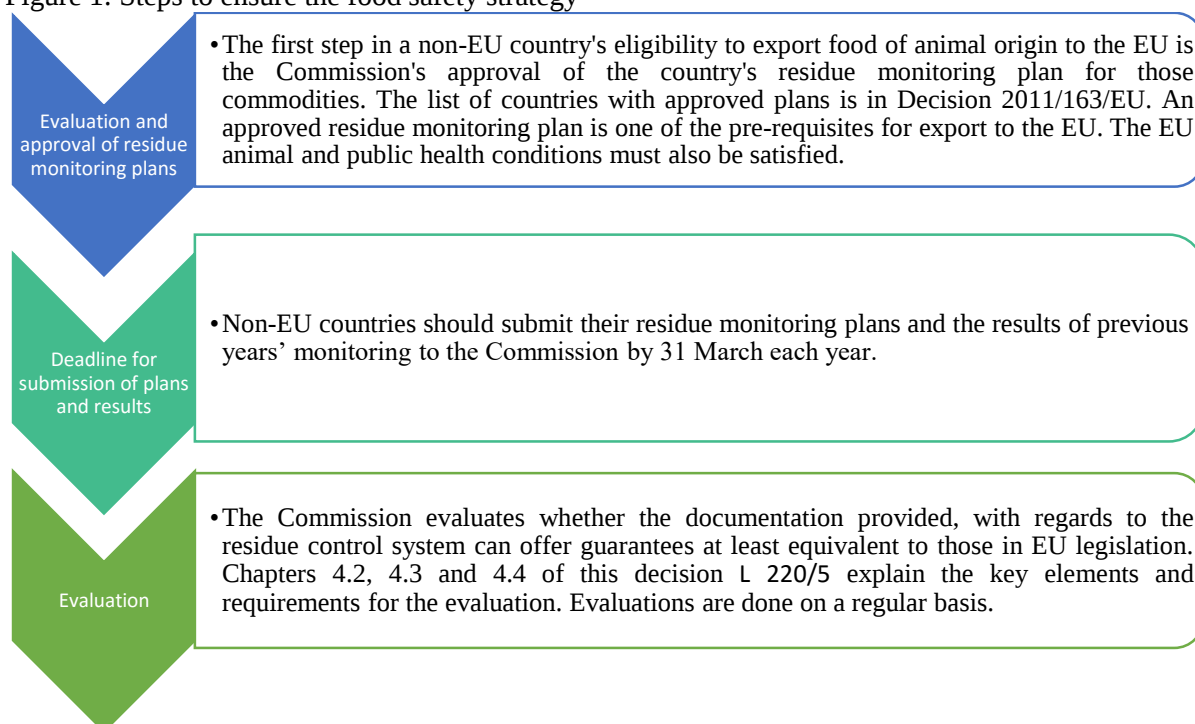
³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2020:220:FULL&from=EN>

⁴ <http://www.auv-ks.net/sq/aktivitete/kosova-arrine>

Remaining challenges and steps to be taken

Exporters originating from Kosovo for the production of meat and other products of animal origin must meet international standards which are provided by legal regulations in this field such as international quality standards; microbiological criteria, animal health must be confirmed; and waste plan. Moreover, Kosovo needs to invest in capacity development that will allow more and better coordination both nationally and internationally so that any signals of change in the food systems will be picked up and interpreted early. Current legislation in force needs to be fully harmonized with that of the EU. FVA should focus on animal health and the elimination of all diseases that are currently in live animals in order to be a safe place not only for the export of these products but also in reducing the import difference. Product quality assurance to be harmonized with the international quality standard. Processing products from manufacturers to be tested in accredited laboratories in the country. To have a fair export for other food products of animal origin (not only for poultry products) the FVA must continue to meet the standards and control criteria set by the EU, thus it is important that FVA become a member of the Organization for Animal Health (OIE). Figure 1 shows the steps which should be taken in order to ensure the food safety strategy as well as the steps to submit any new request for new animal products that meets EU standards to export.

Figure 1: Steps to ensure the food safety strategy



In conclusion, some achievements are evident, but many challenges remain for Kosovo not only from policymaking but also from the businesses to increase the quality and capacity and be able to compete internationally. Although animal products were considered quite crucial in the negotiation of the SAA, unfortunately, in practice, the producers of animal products from Kosovo have not been able to export such products. However, it should be noted that European Union recently published decision L 220/5 that informs the inclusion of Kosovo in the list of countries with the right to export products of animal origin in the countries of the European Union. In so doing, Kosovo as an eligible country should have to submit by 31 March each year any new request for new animal products that meets EU standards.