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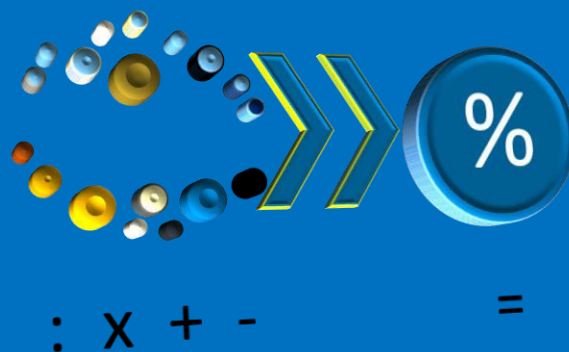
Department of Industry - Division for Industrial Policy

REPORT

SECTOR C

**PROCESSING
INDUSTRY**

2018



November, 2019

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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 Depositary Corporations
MTI	-	Ministry of Trade and Industry
CEFTA	-	Central Europe Free Trade Agreement
AARID	-	Annual Average Interest Rate in Deposits

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Introduction

As a young country, Kosovo has experienced major changes in all aspects, such as economy of the country, within a relatively small time period. It has been transformed from a semi-industrialized and centralized economy into a market economy, where Small and Medium-Sized Enterprises (SMEs) represent the main pillar of the economy with 99%. Even though Kosovo is among the few countries to have experienced a solid rate of economic growth during the global financial crisis, it needs a more rapid pace of increasing exports and investments in industry in order to improve the living standard and balance its high negative trade balance.

Development of processing industry sectors is very important for the economy of the country as it directly contributes to the increase of manufacturing value in the country and increase of the number of employees with various profiles.

To have a more detailed overview of the situation or trends of industrial development, industrial policy designers within the Ministry of Trade and Industry prepared the annual statistical and analytical report on the development of industrial sectors for 2018.

The Annual Report is aimed at presenting the main trends of Kosovo's economy development for 2016-2018, with a special emphasis on the main industrial branches during 2018 and a comparative analysis for the last two years, 2017-2018, as well as the trend of developments in the industrial sectors.

Data presented in this Report 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.

In addition to the main indicators of the sectorial/industrial level (number of enterprises, employees, turnover, etc.), which have an impact on industrial development, this Report consists of indicators of macroeconomic level, financial market, labour market, investments and foreign trade.

Methodology

Report has been drafted using research methods of various researching reports and quantitative and qualitative data received from the Kosovo Agency of Statistics, Central Bank of Kosovo and other relevant institutions.

Quantitative and qualitative data have been processed and analysed by the MTI staff, specifically the statistical processors and industrial policy designers within the Department of Industry. All data used in the Analytical Report have been referenced or sourced.

In order to ensure that accurate data are presented in tables and figures, combination and comparison methods have been employed for the data presented.

Statistical data have been processed in the general part concerning the processing industry of Sector C and in specific parts for subsectors, such as: textile and clothing, leather, wood, paper, chemical industry, manufacture of fabricated metal products (except the machinery and equipment), plastic and rubber, metals and furniture manufacture. This Report lists the description of these subsectors by codes, as listed in NACRev2.

Data on the abovementioned sectors have been presented by codes, from two-digit ones to six-digit ones, and processed statistical data served as the basis for drafting detailed analyses on GDP, FDI, number of employees in the industry, number of enterprises, value of turnover, trends of exports and imports in the processing industry, etc.

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

PART ONE

1. MACROECONOMIC ANALYSIS OF THE PRODUCTION SECTOR

Gross Domestic Product (GDP) at current prices in 2018 was € 6,725.9 million. Real growth in 2018, compared to 2017, was 3.82%, while the GDP per capita for 2018 was € 3,746.¹

However, the share of GDP from the Manufacturing Sector (C) has been relatively low (on average, 11%) for the last 3 years.

Kosovo has had a relatively low export, where in 2018 the export value amounted to € 367,500 million, whereas in 2017 the export value amounted to € 378,010 million, which implies a decrease of 2.8%. In 2018, the import amounted to € 3,347,007 million, whereas in 2017 the import amounted to € 3,047,018 million, which implies an increase of 9.8%².

Export to import ratio in 2018, based on the data related to the trade exchange, represents a negative trade balance, where coverage of import with export is 11%.

With regards to the processing industry, Sector C, share in export for 2018 amounts to € 258,252 million, whereas in 2017 it amounted to € 251,024 million, where expressed in percentage, the export in 2018 experienced an increase of 2.9%. In 2018, import in Sector C was € 3,121,766 million, whereas in 2017 import amounted to € 2,813,613 million, implying an increase of 11%.

Share of processing industry, Sector C, in total export in 2018 is around 70.27%, whereas in total import in 2018 is around 93.27%.

Other challenges hampering the economic development of Kosovo include the relatively high rate of informal economy, unqualified labour force, lack of access to finances, low labour force participation rate (in particular among youth and women) and relatively high level of assumption of corruption.

1.1 Gross Domestic Product

Gross Domestic Product (GDP) is the most important economic indicator of national accounts, which represents the economic performance of a state for a certain time period. GDP also measures the values of all products and services produced in an economy. Therefore, it is important to assess the GDP to reflect its economic situation and dynamics.

Share of Sector C – Processing Industry in GDP is 11.3%.

In the last decade, the economy of Kosovo has marked a positive rate of economic growth despite the challenges resulted from the global economy fluctuations, in particular in the European economy, and continuously increased above the average of the Western Balkans.

¹ <http://ask.rks-gov.net/sq/agjencia-e-statistikave-te-kosoves/add-news/bruto-produkti-vendor-bpv-2008-2018>

² Statistical Yearbook -2019, Kosovo Agency of Statistics

GDP by economic activities at current prices in 2017 was € 6.413.861 million, while in 2018 it was € 6.725.913 million, reflecting an increase of € 312.052 million.³

The main economic activities that have contributed to the growth of GDP during the 2016-2018 period were: wholesale and retail trade, processing industry, agriculture, hunting, forestry, fishing, real estate activities, and public and defence administration.

Table 1. Gross Domestic Product by economic activities (in %)

By activity	Year 2016	Year 2017	Year 2018
A Agriculture, hunting, forestry and fishing	10,5	9,1	7,2
B Mining and quarrying	2,1	2,3	2,2
C Processing industry	11,0	10,9	11,3
D Electricity and gas supply	3,5	3,6	3,5
E Water supply	0,7	0,8	0,7
F Construction	6,5	8,0	8,7
G Wholesale and retail trade; repair of motor vehicles and motorcycles	12,3	12,5	13,0
H Transport and storage	3,6	3,7	4,0
I Hotels and restaurants	1,2	1,3	1,3
J Information and communication	1,8	1,8	1,9
K Financial and insurance activities	2,9	3,1	3,5
L Real estate activities	8,0	7,6	7,4
M Professional, scientific and technical activities	1,5	1,5	1,5
N Administrative and supporting activities	0,6	0,7	0,7
O Public administration and defence; compulsory social security	7,7	7,4	7,8
P Education	4,0	3,8	3,8
Q Human health and social work activities	1,9	1,8	1,9
R Art, entertainment and recreation	0,4	0,4	0,4
S Other services	0,2	0,2	0,2
T Activities of households as employers; Undifferentiated goods – and services – producing activities of private households for own use	0,0	0,0	0,0
GVA at basic prices	80,4	80,5	80,8
Taxes on products	20,1	20,3	19,9
Subsidies on products	..	..	..
Gross Domestic Product	100,0	100,0	100,0

Source: Kosovo Agency of Statistics

According to Table 1. wholesale and retail trade; repair of motor vehicles and motorcycles is the main activity contributing with 13.04% to the total of GDP value. Processing industry is

³ Kosovo Agency of Statistics; <http://askdata.rks-gov.net/PXWeb>

ranked second, with a share of 11.32%, whereas the third sector is the sector of construction with around 8.70% share in the total value of GDP.

1.2 Foreign Direct Investments by economic activity

Foreign Direct Investments have an impact on the increase of opportunities for economic integration, thus creating sustainable and long-term links in the international markets.

Global large companies transfer their capital to the countries providing better investment conditions. In addition to lower taxes, cheaper qualified labour force, the companies are also interested for the rule of law in the country of investments, but also for securing the investments by the beneficiary country.

Foreign Direct Investments in Kosovo for 2018 marked the highest increase in the sector of trade services for 10%, as compared to 2017.

FDI in the industry sector in 2018 marked a decrease of 16.7 million

Table 2. FDI by economic sectors, 2014 – 2018 (in millions Euros)

Sectors	2014	2015	2016	2017	2018
Agriculture	0.2	1.0	1.2	(1.3)	0.1
Mines	4.2	(36.9)	(19.1)	(4.9)	4.0
Industry	(34.0)	20.7	4.6	(5.7)	(16.7)
Energy	13.4	11.9	3.4	(1.0)	9.1
Construction	(19.9)	46.3	28.2	5.0	(19.9)
Trade services	8.4	12.0	14.5	10.3	19.3
Hotels	0.4	0.0	0.7	0.8	1.8
Transport and communication	(9.1)	(6.1)	(9.1)	(7.9)	(13.6)
Financial services	41.9	64.3	19.0	55	14.7
Real estate	142.1	189.6	167.6	187.2	202.3
Other services	2.2	4.5	9.4	4.9	10.3
Other activities	1.4	1.4	(0.6)	1.6	2.3

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

In addition to the trade services, FDIs have been increased even in the real estate sector for 8%, then in energy sector, other services, etc., compared to 2017.

Within FDIs by economic sectors, as shown in Table No. 2, in 2018 there has been a decrease in the sector of industry, construction, transport and communication, and financial services, as compared to 2017.

1.3 Foreign Direct Investments by countries

Foreign Direct Investments (FDIs) by countries, during 2016-2018, saw a stable trend of the increase of the value of FDIs. Total value of FDIs for 2018 was € 272.1 million, which means that there has been an increase of 6.54% compared to 2017. If we consider the trend of increase over the years, then the highest increase was marked in 2015 compared to 2014 for around 100%. A sharp decrease of FDIs was marked in 2016 for 28.8% compared to 2015.

Table 3. FDIs by countries of origin, 2014 – 2018 (in million Euros)

Source: Central Bank of Kosovo, processed by DIP/MTI

Countries	2014	2015	2016	2017	2018
England	(39.5)	26.6	13.6	27	57.4
Austria	30.3	33.5	9.9	20.3	11.2
Bosnia	0.3	0.8	1.2	0.7	0.4
Bulgaria	14.5	1.6	0.4	0.5	2.1
Czech Republic	0.4	1.3	0.2	0.7	1.5
Cyprus	0.3	0.1	0.4	0.8	1.3
Egypt	0	0	0	0	0.0
Arab Emirates	1.3	1.4	3.6	13.4	(2.5)
France	3.3	3.2	2.8	3.6	5.6
Greece	(0.6)	(0.2)	(0.4)	(1.2)	(0.3)
Germany	29.4	45.3	25.7	55.9	60.3
The Netherland	(7.8)	(36.4)	(23.1)	(14.1)	(39.7)
Italy	3.3	5.7	1.9	7	2.7
Kuwait	0.5	0	0.2	0	(1.1)
Canada	0.9	1.1	2.5	3	3.2
Croatia	1.1	0	(1.7)	0.7	(1.0)
Luxembourg	1.2	0.1	0.6	2.1	1.9
Macedonia	3.2	0.1	3.2	(1.0)	1.3
Norway	5.9	2.9	3.4	3.5	5.1
Malta	0	0	0.1	0	0
Slovakia	0.2	0.1	0.8	0.1	0.5
Slovenia	(9.4)	5.6	(4.5)	1.2	(8.7)
Albania	20.4	40.1	28.6	2.4	22.3
USA	14.7	25	23.0	20.3	35.5
Turkey	20	55.4	42.7	29.5	12.2
Switzerland	38.2	72.9	61.8	50.6	71.0
Serbia	2.4	0.8	(0.6)	(1.4)	0.4
Spain	0	(0.8)	0.2	2.5	0.3
Others	16.6	22.4	23.3	27.3	29.2
Total	151.1	308.6	219.8	255.4	272.1

Switzerland is among the countries that experienced the highest increase of FDIs for 2018, with € 71 million investments from € 50.6 million in 2017. Germany is ranked second with regards to the investments with € 60.3 million, which value is almost similar with 2017, followed by

England with € 57.4 million, but which compared to the previous year marked an increase of around € 30 million.

During 2018, compared to 2017, other countries which marked a slight decrease in FDIs were: Bulgaria, France, Norway, Czech, Cyprus, Serbia, Canada, Luxembourg, etc.

1.4 Financial market

With regards to the effective interest rate at Other Depository Corporations (ODC), given the average of interest rates for the sectors presented in Table 6, in 2018 there is a slight increase of the percentage of the interest rate compared to 2017.

The effective interest rate for the industry sector marked a decrease for 0.3% compared to 2017.

Effective interest rate in the industry sector is 6.1%.

Table 4. Effective interest rates in ODC loans

Sectors	Interest rate 2017	Interest rate 2018
Consumer Loan	7.8%	7.5%
Mortgage Loan	5.9%	6%
Agricultural	7.7%	9.2%
Industrial	6.4%	6.1%
Services	6.5%	6.4%
Other sectors	6.6%	6.3%
Average interest rate	6.8%	6.9%

Source: Central Bank of Kosovo / Annual Report 2018

During 2018, a slight increase in the percentage of the interest rate has been observed in the mortgage sector, while a high increase in the effective interest rate has been observed in the agricultural sector for 1.5% compared to 2017, namely from 7.7% to 9.2% in 2018.

1.5 Labour force

According to the Law on Labour in Kosovo, the employment relationship may be established with any person from the age of eighteen (18) years.

Labour force consists of employed and unemployed persons, whereas inactive persons are not considered as part of the labour force.

The labour force participation rate is the proportion of the working-age population of a country that engages actively in the labour market.

Table 5. Labour force participation 2014-2018

Labour force	2014	2015	2016	2017	2018
Labour force participation (in %)	41.6%	37.6%	38.7%	42.8%	40.9 %
Female labour force participation (in %)	21.4%	18.1%	18.6%	20.0%	18.4%
Male labour force participation (in %)	61.8%	56.7%	58.3%	65.3%	63.3%

Source: Kosovo Agency of Statistics / Statistical Yearbook of the Republic of Kosovo 2018

Labour force participation rate in 2018 marked a decrease of 1.9% compared to 2017.

Female labour force participation in 2018 is 18.4%, whereas in 2017 was 20%, implying an increase of the female labour force participation for 1.6%. Male labour force participation is better than female participation even during 2018, with 63.3%, but even this category marked a decrease for 2% compared to the previous year.

Unemployment rate represents the proportion of labour force that is not employed. Labour force is determined as the baseline for this indicator and not the working-age population presented in Table No. 6.

Table 6. Unemployment rate 2014 - 2018

Unemployment rate	2014	2015	2016	2017	2018
Total unemployment rate (in %)	35.3%	32.9%	27.5%	30.5%	29.6%
Female unemployment rate (in %)	41.6%	36.6%	31.8%	36.6%	33.4%
Male unemployment rate (in %)	33.1%	31.8%	26.2%	28.7%	28.5%

Source: Kosovo Agency of Statistics / Statistical Yearbook of Kosovo 2019

Total unemployment rate during 2018 marked a slight decrease for 0.9% or from 30.5% in 2017 to 29.6% in 2018. Based on the Table No. 6, during 2014-2018, the highest unemployment rate was marked in 2014 with 35.3%, whereas the lowest was in 2016 with 27.5%.

Female unemployment rate during 2018 was 33.4% whereas in 2017 it was 36.6%, which implies a decrease of 3.2%. A slight decrease was marked even in the male unemployment rate for 0.2% or from 28.7% to 28.5% in 2018.

PART TWO

SECTORIAL ANALYSIS– SECTOR C

1. Number of employees, enterprises and annual turnover

Sectorial analysis in this report includes the processing industry, according to NACE REV2, sectors listed by codes 10 to 33, which are related to the number of manufacturing enterprises, number of employees and value of annual turnover in these sectors.

Manufacturing Industry – Sector C includes the physical or chemical transformation of a material, substance or content of a new product; however, it cannot be the only and universal criterion for determining the manufacturing industry and as a general rule, manufacturing transforms raw material into a new product.

In addition to the presentation of statistical data, the analyses show the decrease or increase trends in the sectors of industry not only in the last year, but also for the comparative period with the previous year and trends in the three-year period. Data in the Table No. 7 show that in the last three years an increase has been marked within three indicators presented, such as: number of employees, number of enterprises and annual turnover.

Employment – During 2018, the grand total of the share of employment in the processing industry marked a decrease of 2.9%⁴ compared to 2017.

The share of the employment in Sector C- Processing Industry by economic activity is 10.03%.

⁴ Kosovo Agency of Statistics / <http://askdata.rks-gov.net/PXWeb>

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

Code	SECTOR C – MANUFACTURING INDUSTRY	Number of enterprises			Number of employees			Turnover		
		Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018
10	Manufacture of food products	1,221	1,225	1,244	5,438	5,622	6,153	181,459,551	221,985,121	223,630,843
11	Manufacture of beverages	74	77	89	1,559	1,685	1,822	84,971,288	95,781,864	107,448,551
12	Manufacture of tobacco products	3	1	1	90	80	25	87,316	-	449,889
13	Manufacture of textiles	113	123	127	755	835	817	12,349,647	17,223,678	14,687,986
14	Manufacture of wearing apparel	207	215	226	631	746	857	6,236,979	7,420,579	7,308,961
15	Manufacture of leather and related products	33	35	37	431	428	430	8,288,819	6,672,866	6,812,630
16	Manufacture of wood and of products of wood and cork	472	456	445	1,223	1,212	1,390	36,005,511	35,778,577	37,920,774
17	Manufacture of paper and paper products	90	94	97	440	450	430	18,664,978	21,924,010	23,641,516
18	Printing and reproduction of recorded media	155	154	159	581	580	586	17,750,647	17,491,425	17,556,814
19	Manufacture of coke and refined petroleum products	4	8	7	12	49	62	2,539,058	7,667,889	12,461,750
20	Manufacture of chemicals and chemical products	92	94	104	676	561	642	37,107,778	20,971,231	24,145,349
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	10	9	8	95	219	94	1,813,696	4,007,664	3,681,554
22	Manufacture of rubber and plastic products	465	484	504	2,349	2,270	2,374	131,185,743	106,575,041	114,531,279
23	Manufacture of other non-metallic mineral products	468	469	478	3,521	3,588	3,796	167,749,558	182,765,876	195,005,726
24	Manufacture of basic metals	103	102	99	1,050	1,039	1,051	30,478,967	65,106,448	46,172,078
25	Manufacture of fabricated metal products	566	566	600	2,297	2,236	2,471	96,861,877	92,735,945	117,431,916
26	Manufacture of computer, electronic and optical products	16	23	21	42	48	54	3,919,104	2,325,824	1,915,630
27	Manufacture of electrical equipment	37	36	31	172	189	228	9,541,596	8,561,887	11,337,693
28	Manufacture of machinery and equipment n.e.c.	18	23	25	95	104	122	4,686,265	7,096,666	7,840,939
29	Manufacture of motor vehicles, trailers and semi-trailers	2	2	2	31	31	36	403,081	783,531	1,018,339
30	Manufacture of other transport equipment	3	3	5	54	49	43	2,786,176	3,334,519	1,779,881
31	Manufacture of furniture	362	380	406	1,841	1,862	2,314	47,773,665	48,959,032	63,113,256
32	Other manufacturing n.e.c.	71	80	88	159	172	219	3,793,418	3,686,814	4,777,195
33	Repair and installation of machinery and equipment	36	46	59	49	62	82	4,401,800	7,467,925	16,765,129
Total		4,621	4,705	4,862	23,591	24,117	26,098	910,856,518	986,324,412	1,061,435,679

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

Based on the data contained in Table No. 7, with regards to Sector C, data show that there is an increase of employment with 2.22% in 2017 compared to 2016 and 8.21% in 2018 compared to the previous year.

Also, Sector C marked an increase in turnover from 2016 to 2017 for 8.28% and 7.6% increase in 2018 compared to the previous year. A slighter increase is recorded in the number of enterprises, namely 3.3% in 2018 compared to 2017.

During 2018, the subsector of food products processing marked the highest employment percentage with 23.6%, turnover with 21.07% and number of manufacturing enterprises with 25.59%.

The subsector of manufacture of other non-metallic mineral products is ranked the second, with an annual turnover of 18.37% and 14.55% employees, whereas with regards to the number of manufacturing enterprises, this sector is ranked fourth with around 10%.

Data contained in Table 7 show that the share of manufacture of fabricated metal products in the total turnover of Sector C during 2018 is 11.06%, whereas the share in employment is 9.47% and number of enterprises is 12.34%.

The share of the plastics sector, which is considered as a subsector with potential for development within Sector C, in turnover is 10.8% of the total value, in employment is 9.10% and 10.37% in the total number of enterprises.

One of the subsectors of Sector C that has good potential in turnover and employment is the subsector of manufacture of beverages, the share of which in the total value of the turnover is 10.12%, employment with 6.98%, whereas for the number of enterprises the percentage is quite low, with only 1.83% of the number of enterprises.

Subsector of manufacture of furniture has shown a good trend of increase during the last three years in three indicators presented. During 2018, the share of this subsector within Sector C in turnover is 5.95%, in employment is 8.9% and in the number of enterprises is 8.35%.

The report contains data even for the wood sector, the share of which, within Sector C, is 3.6%, in employment is 5.3%, with an increase of 14.7% in 2018 and number of enterprises 9.2%.

During 2018, the turnover value of the subsector of manufacture of metals in the total of Sector C is 4.4%, whereas the share in employment is 4% and in the number of enterprises is 2%.

The other subsector which impacts to some extent Sector C in turnover, employment and number of enterprises is the subsector of manufacture of chemicals and chemical products, with the share of 2.3% in turnover, 2.5% in employment and 2.1% in the number of enterprises.

The share of subsector of paper within Sector C is not high, namely 2.2% in turnover, 1.65% in employment and 2% in the number of enterprises.

Within Sector C, the sector of textiles and wearing apparels has a very small impact on turnover, and a good impact on employment and number of enterprises. The share of the subsector of textiles in employment is 3.1% and number of enterprises is 2.61%, while the share of the subsector of wearing apparels within Sector C in employment is 3.3% and number of enterprises with 4.7%.

2. Export and import with the EU, CEFTA, EFTA and other countries, for Sector C (Processing Industry)

Data contained in Table No. 8 show an overview of the values of import and export with CEFTA, EFTA, EU and other countries for subsectors of Sector C – Processing Industry, for the period 2016-2018.

Total of exports to EU, CEFTA, EFTA and other countries for 2018 was € 367,500 million, whereas the share of the processing industry is € 258,252 million. Data contained in Table No. 8 show that the share of Sector C in total exports for 2018 is higher for 2.8%, compared to 2017.

The share of Sector C in total export is 70.27%

During 2018, the exports in Sector C are dominated by the subsector of metals with 24.4%, even though compared to 2017 this subsector marked a decrease of 24%. The subsector of rubber and plastic products is ranked second, with a share of 18%. Compared to 2017, this subsector has marked an increase of 26%.

Within Sector C, the subsector of furniture is ranked sixth, with a share of 4.1%, but this sector has a higher increase with regards to exports for 2018, namely 45% compared to the previous year.

Compared to the previous year, the subsector of leather and related products has marked a decrease of 23 %.

The total imports from EU, CEFTA, EFTA and other countries for 2018 was € 3,347,007,206 million, whereas the share of the processing industry is € 3,121,766,377 million.

In 2018, imports in Sector C are dominated by the subsector of food industry with 13.8%, although compared to 2017 this subsector increased by 1% only. The subsector of manufacture of coke and refined petroleum products is ranked second with a share of 12.61%, where compared to 2017, it marked an increase of 24%.

The metal subsector ranks third in imports with 8.45% and compared to 2017, marked a significant increase of 28%. The wearing apparel industry, although ranking twelfth within Sector C, with 3.3% imports, increased its value by 18% compared to 2017.

Table 8. The value of exports and imports with CEFTA, EFTA, EU and other third countries 2016 – 2018

Code	Sector C – Manufacturing industry	Export			Difference (2017-2018)	Difference in % (2017-2018)	Import			Difference (2017-2018)	Difference in % (2017-2018)
		2016	2017	2018			2016	2017	2018		
10	Manufacture of food products	29,803,924	37,502,152	34,588,452	(2,913,700)	(8)	406,352,461	426,988,953	430,684,698	3,695,745	1
11	Manufacture of beverages	16,978,733	24,194,115	27,565,226	3,371,111	14	71,038,392	76,485,549	78,580,038	2,094,489	3
12	Manufacture of tobacco products	-	-	-	-	-	58,269,101	62,087,168	64,847,952	2,760,784	4
13	Manufacture of textiles	5,348,256	6,205,924	6,136,824	(69,099)	(1)	49,702,654	52,144,762	58,660,752	6,515,989	12
14	Manufacture of clothing	1,364,276	1,465,161	2,179,545	714,384	49	88,145,625	89,105,965	105,171,178	16,065,213	18
15	Manufacture of leather and articles thereof	4,476,919	3,531,649	2,735,479	(796,170)	(23)	39,328,784	40,897,608	44,554,440	3,656,832	9
16	Manufacture of wood and wood products	6,138,727	5,357,327	5,408,715	51,388	1	65,594,812	64,815,776	69,299,229	4,483,452	7
17	Manufacture of paper and articles thereof	1,636,415	2,554,843	2,420,019	(134,824)	(5)	52,853,523	56,441,944	58,497,122	2,055,178	4
18	Printing and reproduction of recorded media	-	-	-	-	-	291,516	277,928	430,172	152,244	55
19	Production of coke and refined petroleum products	747,113	1,249,675	1,344,981	95,305	8	253,603,301	318,127,062	393,716,433	75,589,371	24
20	Manufacture of chemical products	4,750,605	5,714,545	5,867,275	152,730	3	199,351,724	213,552,971	226,642,896	13,089,925	6

21	Manufacture of basic pharmaceutical products	166,039	695,643	1,874,825	1,179,182	170	68,121,435	65,778,072	69,038,490	3,260,418	5
22	Manufacture of rubber and plastics products	29,948,204	36,886,716	46,454,152	9,567,436	26	140,979,408	142,299,338	151,108,932	8,809,594	6
23	Production of non-metallic mineral products	3,947,599	6,620,731	7,843,755	1,223,024	18	153,026,669	155,868,547	166,279,334	10,410,787	7
24	Production of metals	40,060,235	83,307,152	63,135,997	(20,171,155)	(24)	176,568,204	205,753,206	263,854,274	58,101,067	28
25	Manufacture of fabricated metal products	48,240,981	13,782,597	21,478,382	7,695,785	56	99,579,645	101,979,284	110,032,985	8,053,701	8
26	Manufacture of computer, electronic and optical products	1,518,603	1,540,536	3,019,766	1,479,230	96	89,319,525	90,111,453	110,119,841	20,008,387	22
27	Manufacture of electrical equipment	1,625,344	1,709,086	2,254,567	545,481	32	142,958,981	139,947,496	149,458,728	9,511,232	7
28	Manufacture of machinery and equipment p.k.t	5,260,443	5,167,934	6,554,437	1,386,503	27	163,244,389	167,303,980	214,632,827	47,328,847	28
29	Manufacture of motor vehicles, trailers and semi-trailers	1,083,559	1,216,819	2,180,302	963,483	79	204,952,786	258,995,415	253,292,372	(5,703,043)	(2)
30	Manufacture of other transport equipment	56,686	12,954	43,899	30,945	239	9,062,903	5,392,237	10,480,383	5,088,145	94
31	Manufacture of furniture	5,937,328	7,259,137	10,541,832	3,282,695	45	43,484,658	40,831,639	49,638,936	8,807,298	22
32	Other manufacturing n.e.c.	989,079	5,050,007	4,623,853	(426,154)	(8)	41,353,864	38,427,106	42,744,366	4,317,260	11
33	Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-
Total		210,079,069	251,024,702	258,252,282	7,227,580	3	2,617,184,359	2,813,613,460	3,121,766,377	308,152,916	11

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

2.1. Export and import with EU countries

In 2018, exports with EU countries amounted to € 71,970,943 implying that they have marked an increase by 14% whereas the value of import is € 1,387,193,187 marking an increase by 9% compared to 2017. Based on Table 9, in the total of trade exchange, export's share is 5% whereas import's share is 95% in the Kosovo-EU trade exchange and we can state that we have a similar trend in the last three years.

Table 9. The value of exports and imports with EU countries 2016– 2018

Code	Sector C – Manufacturing industry	Export			Difference (2017-2018)	Difference in % (2017-2018)	Import			Difference (2017-2018)	Difference in % (2017-2018)
		2016	2017	2018			2016	2017	2018		
10	Manufacture of food products	11,483,471	15,617,863	15,082,336	535,527	(3)	167,442,491	180,835,567	199,105,289	18,269,722	10
11	Manufacture of beverages	3,995,631	4,798,982	4,995,246	196,263	4	20,210,459	22,401,578	26,021,867	3,620,289	16
12	Manufacture of tobacco products	-	-	-	-	-	49,071,847	47,397,117	41,792,056	(5,605,061)	(12)
13	Manufacture of textiles	1,943,962	3,011,473	2,467,160	(544,313)	(18)	5,665,860	6,202,212	7,977,414	1,775,202	29
14	Manufacture of clothing	754,961	558,500	1,061,574	503,075	90	6,946,877	6,212,593	8,205,765	1,993,172	32
15	Manufacture of leather and articles thereof	3,059,841	2,025,120	2,128,797	103,676	5	4,160,616	3,342,015	3,763,190	421,174	13
16	Manufacture of wood and wood products	2,954,856	1,771,693	1,357,155	(414,538)	(23)	27,815,196	24,319,109	24,746,781	427,672	2
17	Manufacture of paper and articles thereof	108,175	178,685	117,956	(60,729)	(34)	20,505,688	22,861,198	24,803,666	1,942,468	8
18	Printing and reproduction of recorded media	-	-	-	-	-	102,042	77,829	64,706	(13,123)	(17)
19	Production of coke and refined petroleum products	-	5,860	78	(5,782)	(99)	177,207,710	206,727,435	216,457,787	9,730,352	5
20	Manufacture of chemical products	2,204,023	2,356,125	1,977,752	(378,373)	(16)	99,035,565	114,676,488	118,725,038	4,048,550	4

21	Manufacture of basic pharmaceutical products	13,943	15,767	81,913	66,145	420	40,214,711	39,959,156	45,105,305	5,146,149	13
22	Manufacture of rubber and plastics products	13,302,443	15,760,855	21,070,931	5,310,075	34	62,454,981	66,261,230	73,260,685	6,999,455	11
23	Production of non-metallic mineral products	635,941	861,807	1,366,795	504,988	59	48,120,461	50,617,016	54,789,671	4,172,655	8
24	Production of metals	4,821,181	1,738,870	1,804,643	65,774	4	24,362,367	26,157,403	37,867,343	11,709,940	45
25	Manufacture of fabricated metal products	3,115,685	4,571,293	7,195,531	2,624,238	57	38,697,356	38,348,352	45,162,475	6,814,124	18
26	Manufacture of computer, electronic and optical products	527,575	335,360	388,035	52,675	16	28,889,561	26,196,400	26,318,532	122,132	0
27	Manufacture of electrical equipment	604,831	392,045	609,222	217,176	55	50,270,622	42,874,097	44,070,023	1,195,926	3
28	Manufacture of machinery and equipment p.k.t	1,629,116	2,051,042	2,259,489	208,447	10	88,375,768	89,708,335	129,737,414	40,029,079	45
29	Manufacture of motor vehicles, trailers and semi-trailers	527,421	532,949	818,311	285,362	54	186,843,676	237,270,672	232,960,059	(4,310,613)	(2)
30	Manufacture of other transport equipment	19,147	600	9,559	8,959	1,493	2,740,437	2,404,295	3,036,545	632,250	26
31	Manufacture of furniture	2,252,915	2,049,385	3,649,273	1,599,888	78	9,836,202	8,429,727	11,605,332	3,175,606	38
32	Other manufacturing n.e.c.	227,397	4,242,303	3,529,191	(713,113)	(17)	11,652,156	10,555,636	11,616,242	1,060,606	10
33	Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-
Total		54,182,513	62,876,577	71,970,943	9,094,366	14	1,170,622,649	1,273,835,459	1,387,193,187	113,357,728	9

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

In 2018, the Industry of rubber and plastics manufacture, in terms of exports with EU countries, has a large value of 29.28%, and it exported 34% more than in the previous year. The food industry is ranked second with 20.96%, while it marked a decrease on exports by 3%, compared to 2017. Meanwhile in the third place is the sector of fabricated metal products with 10% and 57% increase in exports compared to the previous year.

The sector of wearing apparel, although low in value within Sector C, is ranked in the fourteenth place, and in 2018 marked an increase of 90% in exports. Similar to a high percentage of export increase, an export increase of 59% was also marked by the sector of the industry of non-metallic mineral products, although in the total of exports of Sector C with EU countries it participated with only 1.9%.

Exports in 2018 saw a decline of 16% in the chemicals sector, 17.54% in the wood sector, 34% in the leather sector and 18% in the textile sector.

In 2018, imports in the sector of processing industry are in the amount of € 1,387,193,187. The data indicate that the metal industry has marked an import increase by 45% more than in 2017, in furniture products by 38%, textile products by 29% and wearing apparel by 32%, and the food industry has marked an import increase by 10% compared to 2017.

In 2018, the tobacco products marked a decrease in imports by 12% compared to 2017.

2.2. Export and import with CEFTA countries

Table 10 shows an overview of import and export values with CEFTA countries for 2018 and the previous year for subsectors 10 to 33.

In general, we note that we still continue having a trade deficit with CEFTA countries in the amount of € 644,588,160, however, in 2018 exports marked an increase by 14% versus the increase of imports by 5%.

Table 10: The value of exports and imports with CEFTA countries for the industry sectors, 2016 – 2018

Code	Sector C – Manufacturing industry	Export			Difference in % (2017-2018)	Difference in % 2017-2018	Import			Difference in % (2017-2018)	Difference in % 2017-2018
		2016	2017	2018			2016	2017	2018		
10	Manufacture of food products	15,173,382	18,827,525	17,041,347	(1,786,178)	(9)	138,021,238	145,620,586	131,263,249	(14,357,337)	(10)
11	Manufacture of beverages	12,145,155	18,191,511	20,992,801	2,801,290	15	46,497,778	49,338,687	48,273,487	(1,065,200)	(2)
12	Manufacture of tobacco products	-	-	-	-	-	5,619,365	4,990,419	2,636,872	(2,353,547)	(47)
13	Manufacture of textiles	644,099	949,114	1,757,529	808,415	85	3,546,044	3,060,386	2,342,480	(717,906)	(23)
14	Manufacture of clothing	305,820	564,189	731,218	167,029	30	1,763,268	1,709,919	1,563,651	(146,268)	(9)
15	Manufacture of leather and articles thereof	1,410,172	1,505,617	529,905	(975,712)	(65)	1,693,984	1,571,525	1,391,126	(180,399)	(11)
16	Manufacture of wood and wood products	945,109	1,212,221	1,531,783	319,562	26	22,449,586	22,640,883	22,175,712	(465,171)	(2)
17	Manufacture of paper and articles thereof	1,450,676	2,318,053	2,228,013	(90,040)	(4)	21,401,767	22,464,254	22,118,036	(346,218)	(2)
18	Printing and reproduction of recorded media	-	-	-	-	-	-	-	-	-	-
19	Production of coke and refined petroleum products	747,113	1,243,675	1,344,903	101,228	8	49,042,555	83,327,419	116,179,032	32,851,614	39
20	Manufacture of chemical products	2,337,246	3,047,406	3,675,880	628,474	21	41,396,418	41,310,972	40,822,849	(488,124)	(1)

21	Manufacture of basic pharmaceutical products	115,927	309,596	339,795	30,199	10	10,839,021	9,996,722	9,689,289	(307,434)	(3)
22	Manufacture of rubber and plastics products	9,137,450	12,341,028	15,331,417	2,990,389	24	39,156,946	36,430,727	33,892,012	(2,538,715)	(7)
23	Production of non-metallic mineral products	2,434,628	3,851,144	4,233,047	381,903	10	69,260,610	67,919,716	67,415,416	(504,300)	(1)
24	Production of metals	15,424,670	20,348,115	23,818,193	3,470,079	17	125,393,400	150,014,214	179,309,575	29,295,361	20
25	Manufacture of fabricated metal products	4,062,236	4,493,594	5,868,510	1,374,916	31	23,576,815	25,561,151	22,086,923	(3,474,228)	(14)
26	Manufacture of computer, electronic and optical products	721,090	602,447	1,740,540	1,138,093	189	915,280	552,087	708,453	156,366	28
27	Manufacture of electrical equipment	522,566	761,255	712,460	(48,795)	(6)	27,802,721	28,279,876	28,054,917	(224,959)	(1)
28	Manufacture of machinery and equipment p.k.t	2,333,923	2,211,709	2,991,315	779,606	35	11,629,808	10,197,552	7,855,407	(2,342,146)	(23)
29	Manufacture of motor vehicles, trailers and semi-trailers	194,714	217,021	596,890	379,869	175	372,500	534,485	1,134,086	599,601	112
30	Manufacture of other transport equipment	36,275	9,706	13,624	3,918	40	182,488	88,105	172,811	84,706	96
31	Manufacture of furniture	602,074	900,190	1,196,476	296,286	33	13,712,056	12,492,331	12,171,538	(320,793)	(3)
32	Other manufacturing n.e.c.	716,215	729,515	992,123	262,608	36	1,311,924	1,220,963	999,010	(221,954)	(18)
33	Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-
Total		71,460,541	94,634,631	107,667,771	13,033,140	14	655,585,571	719,322,980	752,255,931	32,932,952	5

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

In 2018, exports to CEFTA countries are dominated by the metal industry sector, reaching the amount of € 23,818,193.0 and marking an increase of 17% compared to 2017. The subsector of plastics and rubber industry reaches the amount of € 15,331,417.00 and marked an increase of 24 % compared to 2017. In 2018, the highest growth rate in terms of exports has been marked by the sector of textiles, exporting 85% more compared to the previous year, in the second place is the subsector of furniture, reaching the value of exports by 33%. Whereas, the subsector of leather products has marked a decrease of 65% compared to the previous year.

In 2018, Kosovo's imports to CEFTA countries are characterized by a significant decrease in the Sector C of processing industry and in most of the subsectors. The food industry marked a decrease of 10%, tobacco products marked a decrease in the import value by 47%, while textile products marked a decrease of 23%. There is an import increase noted at the industry of metals in the amount of € 179,309,575.0 or 20% higher than in 2017, which was in the amount of € 150,014,214.0.

2.3 Export and import with EFTA countries

In 2018, Kosovo's exports to the Member States of EFTA amounted to € 28,932,805, with an increase of 40% compared to 2017. Compared to 2017, in 2018 there was an import increase in the amount of € 34,763,361.0, expressed in percentage, an increase of 41%.

Table 11: The value of exports and imports with EFTA countries for the industry sectors, 2016 – 2018

Code	Sector C – Manufacturing Industry	Export			Difference in (2017-2018)	Difference in % 2017-2018	Import			Difference in (2017-2018)	Difference in % 2017-2018
		2016	2017	2018			2016	2017	2018		
10	Manufacture of food products	573,155	994,663	853,603	(141,060)	(14)	1,257,258	1,134,046	1,169,213	35,166	3
11	Manufacture of beverages	471,956	736,171	784,658	48,486	7	505,042	567,665	458,167	(109,498)	(19)
12	Manufacture of tobacco products	-	-	-	-	-	-	4,293,278	12,390,823	8,097,546	189
13	Manufacture of textiles	111,089	160,181	136,364	(23,817)	(15)	133,435	102,168	107,916	5,749	6
14	Manufacture of clothing	45,013	244,526	151,060	(93,467)	(38)	966,147	793,870	1,134,346	340,476	43
15	Manufacture of leather and articles thereof	6,426	911	4,367	3,455	379	49,719	38,140	47,359	9,219	24
16	Manufacture of wood and wood products	2,115,225	2,361,701	2,466,566	104,866	4	1,330,325	1,494,573	1,383,813	(110,760)	(7)
17	Manufacture of paper and articles thereof	25,189	28,435	48,673	20,238	71	340,328	298,020	313,776	15,756	5
18	Printing and reproduction of recorded media	-	-	-	-	-	9,459	10,614	118,458	107,844	1,016
19	Production of coke and refined petroleum products	-	140	-	(140)	(100)	351,510	360,248	320,306	(39,942)	(11)
20	Manufacture of chemical products	138,798	160,248	159,264	(984)	(1)	1,402,369	1,269,456	1,315,979	46,523	4
21	Manufacture of basic pharmaceutical products	4,060	-	-	-	-	875,029	2,251,147	1,825,867	(425,280)	(19)
22	Manufacture of rubber and plastics products	3,717,951	4,807,345	5,455,867	648,522	13	999,577	1,116,016	1,456,336	340,320	30

23	Production of non-metallic mineral products	790,781	1,326,907	1,661,604	334,697	25	1,039,333	1,142,572	969,426	(173,146)	(15)
24	Production of metals	804,038	1,018,089	1,491,976	473,886	47	541,102	562,677	628,630	65,953	12
25	Manufacture of fabricated metal products	1,843,509	3,435,210	8,058,707	4,623,497	135	974,824	828,994	1,323,173	494,179	60
26	Manufacture of computer, electronic and optical products	109,839	231,942	460,069	228,127	98	2,159,663	1,580,848	1,787,039	206,191	13
27	Manufacture of electrical equipment	493,374	552,018	894,221	342,203	62	1,502,880	1,231,882	1,356,343	124,461	10
28	Manufacture of machinery and equipment p.k.t	364,175	166,477	158,636	(7,841)	(5)	4,183,293	2,800,212	3,981,647	1,181,435	42
29	Manufacture of motor vehicles, trailers and semi-trailers	27,926	78,878	400,038	321,160	407	280,950	326,545	316,356	(10,190)	(3)
30	Manufacture of other transport equipment	1,264	2,648	20,660	18,012	680	283,476	305,839	295,858	(9,981)	(3)
31	Manufacture of furniture	2,749,758	4,259,682	5,645,065	1,385,383	33	1,231,492	1,201,090	994,991	(206,099)	(17)
32	Other manufacturing n.e.c.	34,751	54,631	81,410	26,779	49	936,913	971,616	1,067,538	95,922	10
33	Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-
Total		14,428,276	20,620,803	28,932,805	8,312,003	40	21,354,125	24,681,517	34,763,361	10,081,844	41

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

In 2018, the exports to EFTA countries are dominated by the industry of fabricated metal products in the amount of EUR 8,058,707 and has a high increase of 135% followed by the industry of rubber and plastics that amounted to EUR 5,455,867 with an increase of 13%, compared to 2017. It is worth noting that the industry of wood and wood products has the import value of EUR 2,466,566.

Imports from EFTA countries are dominated by the subsectors of the tobacco product industry, which amounted to EUR 12,390,823.0 and there is an increase of 189% compared to 2017. It is worth emphasizing the industry of fabricated metal products as well, which amounted to EUR 1,323,173.0 in terms of imports, and from 2017 marked an increase of 60%.

2.4. Export and import with other countries

In 2018, the exports with other countries amounted to € 49,680.762, and compared to 2017, marked a decrease of 32% but representing 5% of trade exchange with other countries.

In 2018, imports with other countries amounted to € 947,553,910 and compared to 2017 have marked an increase of 19%, indicating that the trade exchange value between Kosovo and other countries is 95%.

Table 12: The value of exports and imports with other countries for the industry sectors, 2016 – 2018

Code	Sector C – Manufacturing Industry	Export			Difference in (2017-2018)	Difference in % 2017-2018	Import			Difference in (2017-2018)	Difference in % 2017-2018
		2016	2017	2018			2016	2017	2018		
10	Manufacture of food products	2,573,916	2,062,101	1,611,165	(450,936)	(22)	99,631,474	99,398,753	99,146,947	(251,806)	(0)
11	Manufacture of beverages	365,992	467,450	792,521	325,071	70	3,825,113	4,177,618	3,826,516	(351,102)	(8)
12	Manufacture of tobacco products	-	-	-	-	-	3,577,889	5,406,354	8,028,201	2,621,847	48
13	Manufacture of textiles	2,649,106	2,085,156	1,775,771	(309,384)	(15)	40,357,315	42,779,997	48,232,941	5,452,944	13
14	Manufacture of clothing	258,482	97,946	235,693	137,747	141	78,469,334	80,389,583	94,267,415	13,877,832	17
15	Manufacture of leather and articles thereof	480	-	72,411	72,411	-	33,424,465	35,945,928	39,352,765	3,406,837	9
16	Manufacture of wood and wood products	123,538	11,712	53,211	41,499	354	13,999,705	16,361,211	20,992,923	4,631,712	28
17	Manufacture of paper and articles thereof	52,374	29,670	25,377	(4,293)	(14)	10,605,739	10,818,473	11,261,645	443,172	4
18	Printing and reproduction of recorded media	-	-	-	-	-	180,014	189,485	247,008	57,523	30
19	Production of coke and refined petroleum products	-	-	-	-	-	27,001,526	27,711,960	60,759,307	33,047,347	119
20	Manufacture of chemical products	70,537	150,766	54,379	(96,387)	(64)	57,517,372	56,296,055	65,779,031	9,482,976	17

21	Manufacture of basic pharmaceutical products	32,109	370,280	1,453,117	1,082,837	292	16,192,674	13,571,046	12,418,029	(1,153,017)	(8)
22	Manufacture of rubber and plastics products	3,790,361	3,977,488	4,595,938	618,450	16	38,367,905	38,491,364	42,499,899	4,008,535	10
23	Production of non-metallic mineral products	86,250	580,872	582,308	1,435	0	34,606,264	36,189,244	43,104,821	6,915,577	19
24	Production of metals	19,010,345	60,202,078	36,021,185	(24,180,893)	(40)	26,271,336	29,018,912	46,048,725	17,029,813	59
25	Manufacture of fabricated metal products	39,219,552	1,282,500	355,634	(926,866)	(72)	36,330,650	37,240,787	41,460,413	4,219,626	11
26	Manufacture of computer, electronic and optical products	160,099	370,788	431,123	60,335	16	57,355,021	61,782,118	81,305,817	19,523,699	32
27	Manufacture of electrical equipment	4,573	3,768	38,665	34,896	926	63,382,758	67,561,641	75,977,445	8,415,804	12
28	Manufacture of machinery and equipment p.k.t	933,230	738,707	1,144,997	406,290	55	59,055,520	64,597,881	73,058,359	8,460,479	13
29	Manufacture of motor vehicles, trailers and semi-trailers	333,498	387,971	365,063	(22,908)	(6)	17,455,660	20,863,713	18,881,885	(1,981,829)	(9)
30	Manufacture of other transport equipment	-	-	56	56	-	5,856,502	2,593,999	6,975,168	4,381,169	169
31	Manufacture of furniture	332,580	49,880	51,018	1,138	2	18,704,908	18,708,491	24,867,075	6,158,584	33
32	Other manufacturing n.e.c.	10,716	23,557	21,129	(2,428)	(10)	27,452,871	25,678,891	29,061,576	3,382,685	13
33	Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-
Total		70,007,738	72,892,691	49,680,762	(23,211,929)	(32)	769,622,014	795,773,505	947,553,910	151,780,406	19

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

In 2018, Kosovo's exports with other countries are dominated by the subsector of manufacture of metals with 72,51% and compared to 2017 this subsector has marked a decrease of 40%. The subsector of rubber and plastics is ranked second with 9.25%, which marked an increase of 16%, compared to 2017. The subsector of textiles is ranked third with 3.57% and marked a decrease in exports by 15% compared to 2017. In Table 12 we can see that there is a decrease in export in the subsector of fabricated metal products by 70%, then there was a significant decrease also in the subsector of the chemical industry by 64% and the paper industry by 14%.

The highest import in 2018 is in the food processing subsector, with 10.46%, continuing to follow a similar trend in the last three years. In second place is the wearing apparel sector with 9.95% and compared to 2017, there is a growth trend of 17%.

In terms of imports with other countries, a significant increase in the value of imports compared to 2017 was marked in the subsector of manufacture of coke and refined petroleum products with above 100%, while in general imports, within Sector C, the increase of imports in this subsector is 24%, compared to the previous year. Also, the wood industry subsector has marked increased imports by 28% compared to 2017.

3. TEXTILE MANUFACTURING

After 1999, the textile industry has grown with the right combination of tradition, creativity and experience where many new private enterprises have emerged from families with a tradition in processing leather, fur, footwear, knitting, weaving and sewing.

The textile products sector has been identified as a subsector with potential for the economy in Kosovo, as well as for significant increase of employment, turnover and export growth.

There are currently 127 private enterprises in Kosovo engaged in textile manufacturing, with 90% being final product manufacturers. In this subsector there is considerable space for investors to recreate a group of integrated manufacturers so that Kosovo will once again manufacture the final clothing made of thread and fabrics manufactured in the region.

The manufacturing enterprises of this Industry in Kosovo are concentrated in almost all regions of Kosovo: Prishtina, Prizren, Ferizaj, Peja, Gjilan, Mitrovica and Gjakova.

3.1 Number of enterprises, employment and turnover in the textile manufacturing subsector

Enterprises, as we know, are one of the main factors of employment and based on this fact, the number of enterprises, employees and annual turnover for the years 2016-2018 has been analysed.

In this case, the subsector of textile manufacturing, according to Table 13, has 817 employees in 127 enterprises, and turnover of € 14,687,985.88.

Employment in this subsector, in 2018, decreased by 18 employees or 2.15%, compared to 2017, and the number of enterprises increased by 3.25%, while turnover decreased by 15%.

Subsector (13) participation in total of C sector with:

- 2.61% of enterprises,
- 3.13% of employees and
- 1.38% in turnover.

Table 13. Number of enterprises, employment and turnover in the textile subsector

Code	Subsector (13): Manufacture of textiles	Number of enterprises			Number of employees			Turnover		
		Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018
1310	Preparation and spinning of textile fibres	9	12	10	15	9	13	575,931.00	461,132.57	41,747.06
1320	Weaving of textiles	10	10	11	10	58	77	46,807.00	2,697,238.20	2,237,604.04
1330	Finishing of textiles	28	33	32	485	386	358	6,251,568.00	6,151,302.38	5,755,599.36
1391	Manufacture of knitted and crocheted fabrics	2	2	6	2	3	13	33,823.00	28,176.60	37,386.77
1392	Manufacture of made-up textile articles, except apparel	7	8	10	46	87	53	1,645,751.00	2,420,088.16	1,821,818.51
1393	Manufacture of carpets and rugs	3	3	3	25	89	70	200,586.00	1,374,023.07	810,232.14
1395	Manufacture of non-wovens and articles made from non-wovens, except apparel	1	1	1	1	2	4	-	-	-
1396	Manufacture of other technical and industrial textiles	8	7	4	15	14	24	710,359.00	593,094.80	699,221.89
1399	Manufacture of other textiles n.e.c.	45	47	50	156	187	205	2,884,822.00	3,498,622.70	3,284,376.11
Total		113	123	127	755	835	817	12,349,647.00	17,223,678.48	14,687,985.88

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

According to Table 13, data on sub-activities of the textile subsector with the number of enterprises, employment and annual turnover for 2016-2018 are presented. Regarding the number of enterprises under the activity of “Manufacture of other textiles n.e.c.”, in 2018 there were 50 enterprises with 39.37% compared to 2017.

The most influential sub-activity in employment is the final textile processing processes with 358 employees or 43.81% in 2018, also the annual turnover in this sub-activity has the largest impact in the amount of: 5,755,599,368 with 39.19%.

Manufacture of non-wovens and articles from non-wovens, except apparel is sub-activity with the lowest number of enterprises, employees and turnover within this subsector.

3.2 Export and import in the textile manufacturing subsector

Exports in the textile manufacturing subsector in 2017 compared to 2016 increased by 16%, while in 2018 compared to 2017 they decreased by 1.1%.

Imports in this subsector in 2017 increased by 5% compared to 2016, also in 2018 they increased by 12.49% compared to 2017. The ratio between exports and imports in this subsector is negative for 89.12% export to 12.50% import.

Exports of this subsector account for 2.38% of total exports and 1.88% of total imports at the C sector.

Table 14. Export and import in the subsector (13), manufacture of textiles

Code	Subsector (16): Manufacture of wood and of products of wood and cork	Export			Difference (2017-2018)	Difference in % 2017-2018	Import			Difference (2017-2018)	Difference in % 2017-2018
		2016	2017	2018			2016	2017	2018		
13	Manufacture of textiles	5,348,255.98	6,205,923.58	6,136,824.19	(69,099.39)	(1.11)	49,702,654.25	52,144,762.42	58,660,751.55	6,515,989.13	12.50
13.1	Preparation and spinning of textile fibres	521,154.60	1,103,564.87	509,170.62	(594,394.25)	(53.86)	805,504.00	1,105,647.34	1,123,102.91	17,455.57	1.58
13.1	Preparation and spinning of textile fibres	521,154.60	1,103,564.87	509,170.62	(594,394.25)	(53.86)	805,504.00	1,105,647.34	1,123,102.91	17,455.57	1.58
13.2	Weaving of textiles - Total	58,157.43	275,220.37	511,127.80	235,907.43	85.72	11,984,113.53	13,614,577.73	15,814,106.35	2,199,528.62	16.16
13.2	Weaving of textiles	58,157.43	275,220.37	511,127.80	235,907.43	85.72	11,984,113.53	13,614,577.73	15,814,106.35	2,199,528.62	16.16
13.9	Manufacture of other textiles - Total	4,768,943.95	4,827,138.34	5,116,525.77	289,387.43	6.00	36,913,036.72	37,424,537.35	41,723,542.29	4,299,004.94	11.49
13.91	Manufacture of knitted and crocheted fabrics	20.00	1,228.23	5,091.96	3,863.73	314.58	3,277,032.30	4,127,881.60	4,367,193.11	239,311.51	5.80

13.92	Manufacture of made-up textile articles, except apparel	3,541,501.81	4,430,180.54	4,235,755.12	(194,425.42)	(4.39)	14,399,661.14	15,202,632.71	16,657,252.93	1,454,620.22	9.57
19.63	Manufacture of carpets and rugs	279,005.70	248,194.55	703,760.14	455,565.59	183.55	9,116,822.64	8,868,503.42	11,220,597.64	2,352,094.22	26.52
13.94	Manufacture of cordage, rope, twine and netting	6,159.92	781.31	7,368.29	6,586.98	843.07	1,565,211.91	949,833.89	968,479.85	18,645.96	1.96
13.95	Manufacture of non-wovens and articles made from non-wovens, except apparel	2,985.25	4,167.39	14,126.05	9,958.66	238.97	3,323,027.94	3,426,815.70	4,407,432.84	980,617.14	28.62
13.96	Manufacture of other technical and industrial textiles	938,871.27	141,944.38	137,751.56	(4,192.82)	(2.95)	4,218,044.30	3,951,684.09	3,190,597.08	(761,087.01)	(19.26)
13.99	Manufacture of other textiles n.e.c.	400.00	641.94	12,672.65	12,030.71	1,874.12	1,013,236.49	897,185.94	911,988.84	14,802.90	1.65

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

The total value of exports in this subsector is € 6,136,824.19, exports to EU countries are 40.20%, with CEFTA countries are 28.64%, EFTA 2.22% and other countries 28.94%.

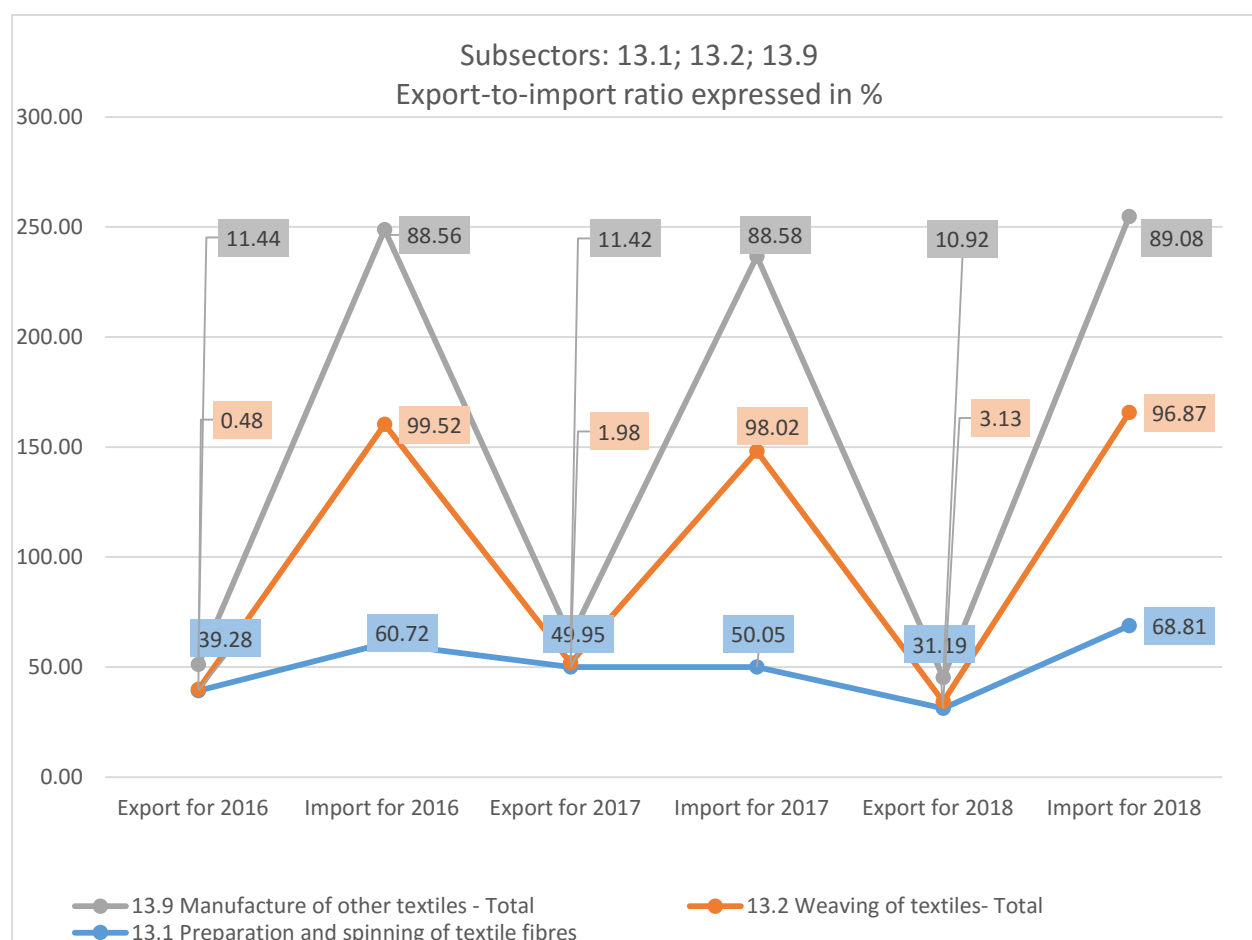
According to Table 14, manufacture of other textiles marked a high increase in exports by € 5,116,525.77, or by 6% in 2018, compared to 2017.

Manufacture of made-up textile articles, except apparel ranks second with exports of € 4,235,755.12, although there is a decrease of 4.39% in exports in 2018 compared to 2017, as well as a significant decrease in exports, specifically the “Preparation and spinning of textile fibres” worth € 509,170.62, in 2018 compared to 2017 by 53.86%.

Imports in the textile manufacturing subsector in 2017 increased by € 49,702,654.25 compared to 2016, and in 2018 imports also increased by € 58,660,751.55.

The most dominant activity in imports is the Manufacture of other textiles worth about 41,723,542.29 € in 2018 or 11.49% higher than in 2017, while the most dominant activity is the Manufacture of made-up textile articles, except apparel worth 16,657,252.93 €, for 2018, compared to 2017 or higher for 9.57%, the activity of Manufacture of carpets and rugs comes in the second place worth about 11,220,597.64 €, in 2018 compared to 2017 with an increase of 26.52%.

Figure 1. Export-to-import ratio in the textile sector



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

According to the figure 1. The trend of trade exchange of the activity “Preparation and spinning of textile fibres” has decreased in export while import has increased by 18.76%. In 2018, the activity “weaving of textiles” increased by 1.15% in export compared to 2017.

4. MANUFACTURE OF WEARING APPAREL

The clothing industry in Kosovo was the second largest in Kosovo after mining. Clothing is one of the oldest, largest and most globalized industries. In the past, products from Kosovo manufacturers have targeted the local market, as well as other markets throughout Western and Eastern Europe as well as the United States of America.⁵

The clothing industry both in terms of potential and totality of products is an important branch in the broad family of industry branches. The branches of the textile and wearing apparel industry are relatively widespread throughout Kosovo.

Kosovo clothing and leather companies or manufacturers can be broken down into three categories:

- a) Cut, Make, and Trim (CMT): Also known as “cut & sew”, lohn, and façon. This is the major opportunity in general for apparel manufacturers in the SEE region.
- b) Domestic apparel retailers: Many smaller companies sell standard apparel products and uniforms to the highly fragmented local and adjacent countries market and to local government.
- c) Fashion: There are several high-end women’s fashion designers in Kosovo that sell through their ateliers and in stores in the main cities.⁶

Apart from being labour-intensive, the clothing workforce is female-dominated, and many of the firms in this subsector are women-owned or women-run.

The clothing industry in Kosovo is also characterized by the specifications of the regional manufacturing of products. While Prishtina is a centre of academic and commercial institutions with leading manufactureres and exporters from the Peja, Gjakova and Prizren region specialized in the production of jeans, blouses and uniforms, Gjilan specializes in wedding dresses that require more handwork, Podujeva in the production of sportswear and uniforms and Suhareka is the centre of shoe production. In terms of sales, most of the products are sold in the domestic market but some of them are mainly exported to the countries of the region such as: Albania, Montenegro, Macedonia, Bosnia etc.

⁵ <http://www.universum-ks.org/blog/karriera/biznesi-tekstilit-nje-mundesi-teper-qe-ndermarresit-te-vestojne-ne-kosove>

⁶ <http://kosovowood.org/LinkClick.aspx?fileticket=y0NkNbvG-LI%3D&tabid=184&portalid=1&mid=761&language=sq-AL>

4.1 Number of enterprises, employment and turnover in the subsector of wearing apparel

Enterprises are one of the main employment factors, based on this fact the number of enterprises, employees and annual turnover for the years 2016-2018 are analysed.

In this case, the textile manufacturing subsector according to table 15, for 2018, has 857 employees in 226 enterprises, and a turnover of 7,308,961.05 €.

Employment in this subsector, in 2018, increased by 110 employees or 14.88%, compared to 2017, and the number of enterprises increased by 15.31%, while turnover decreased for 1.6%.

Subsector (14) participation in the total of C-sector:

- 4.65% of enterprises,
- 3.28% of employees and
- 0.69% in turnover.

Table 15. Number of enterprises, employment and turnover in the subsector of wearing apparels

Code	Subsector (14): Manufacture of wearing apparel	Number of enterprises			Number of employees			Turnover		
		2016	2017	2018	2016	2017	2018	2016	2017	2018
1411	Manufacture of leather clothes	4	3	3	69	50	55	246,375.00	166,853.40	163,510.37
1412	Manufacture of workwear	23	26	32	148	191	158	1,465,459.00	2,054,825.76	1,245,523.05
1413	Manufacture of other outerwear	117	125	126	321	443	494	3,580,196.00	4,325,890.83	4,265,857.81
1414	Manufacture of underwear	5	2	1	8	3	3	101,234.00	67,907.43	63,959.37
1419	Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc.)	33	31	31	39	34	109	201,793.00	479,118.29	1,191,889.37
1431	Manufacture of knitted hosiery	5	4	5	28	9	12	510,595.00	178,082.90	210,419.63
1439	Manufacture of other knitted and crocheted apparel	20	23	28	18	16	26	131,327.00	147,900.40	167,801.45
Total		207	196	226	631	746	857	6,236,979.00	7,420,579.01	7,308,961.05

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

Table 15 presents data on the subsector of wearing apparel by the number of enterprises, employment and annual turnover for 2016-2018.

The subactivity “Manufacture of other outerwear” ranks first in this subsector for 2018, with 126 companies or 0.8% compared to 2017, and with 494 employees or 11.51% more than in the previous year, as the annual turnover in this subactivity reflects a decrease of 4,265,857.81 with a decrease of 1.38% compared to 2017.

The activity of Manufacture of workwear is in second place with 158 employees or 17.28% less than in 2018, also the annual turnover in this subactivity is worth: 1,245,523.05 € with a decrease of 39.38% compared to 2017.

It is worth mentioning that the subactivity of Manufacture of other wearing apparel and accessories (gloves, hats, scarves, etc.) has marked a high increase in employment in 2018, for 75 workers although the number of enterprises is the same as in 2017, similarly with increased turnover of over 100%.

4.2. Export and import in the subsector of wearing apparel

Export in the wearing apparel subsector, compared to 2016, marked an increase of 7.39% in 2017, while in 2018 there is a light increase compared to 2017 of 48.7%.

Import in this subsector marked an increase of 1% in 2017 compared to 2016, while in 2018 there was a high increase of 18% compared to the previous year.

The trade exchange in this subsector is 98% import and 2% export.

Exports of this subsector participate with 0.84% in total exports and 3.37% in total imports, of the Sector C.

Table 16. Exports and imports in the subsector of wearing apparel

Code	Subsector (14): Manufacture of wearing apparel	Export			The difference (2017-2018)	The difference in %	Import			The difference (2017-2018)	The difference in %
		2016	2017	2018			2016	2017	2018		
14	Manufacture of wearing apparel	1,364,276.43	1,465,160.74	2,179,544.62	714,383.88	48.76	88,145,625.45	89,105,964.99	105,171,177.93	16,065,212.94	18.03
14.1	Manufacture of wearing apparel, except for apparel	1,298,776.56	1,269,754.87	1,942,304.25	672,549.38	52.97	73,680,843.31	74,913,935.62	88,060,654.36	13,146,718.74	17.55
14.11	Manufacture of leather clothes	-	108.00	231.10	123.10	113.98	126,758.81	148,689.72	160,788.65	12,098.93	8.14
14.12	Manufacture of workwear	223,061.09	141,275.72	159,970.75	18,695.03	13.23	1,171,387.89	694,806.49	1,042,102.47	347,295.98	49.98
14.13	Manufacture of other outerwear	833,923.48	661,338.56	1,073,648.55	412,309.99	62.34	34,574,605.66	35,333,075.26	42,467,790.89	7,134,715.63	20.19
14.14	Manufacture of underwear	69,288.43	224,846.24	223,060.97	(1,785.27)	(0.79)	25,414,662.82	26,600,960.45	31,678,476.32	5,077,515.87	19.09
14.19	Manufacture of other apparel and accessories (gloves, hats, scarves, etc.)	172,503.56	242,186.35	485,392.88	243,206.53	100.42	12,393,428.13	12,136,403.70	12,711,496.03	575,092.33	4.74
14.2	Manufacture of articles of fur	-	-	-	-	-	6,693.68	73,861.61	25,687.91	(48,173.70)	(65.22)
14.20	Manufacture of articles of fur	-	-	-	-	-	6,693.68	73,861.61	25,687.91	(48,173.70)	(65.22)
14.3	Manufacture of crocheted garments	65,499.87	195,405.87	237,240.37	41,834.50	21.41	14,458,088.46	14,118,167.76	17,084,835.66	2,966,667.90	21.01
14.31	Manufacture of knitted hosiery	11,567.19	26,492.65	67,273.06	40,780.41	153.93	5,405,207.74	5,297,691.74	5,684,634.23	386,942.49	7.30
14.39	Manufacture of other knitted and crocheted apparel	53,932.68	168,913.22	169,967.31	1,054.09	0.62	9,052,880.72	8,820,476.02	11,400,201.43	2,579,725.41	29.25

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

The total value of exports to this subsector is 2,179,544.62 €, export to EU countries is 48.7120%, to CEFTA countries 33.55%, to EFTA countries 6.93% and other countries 10.81%.

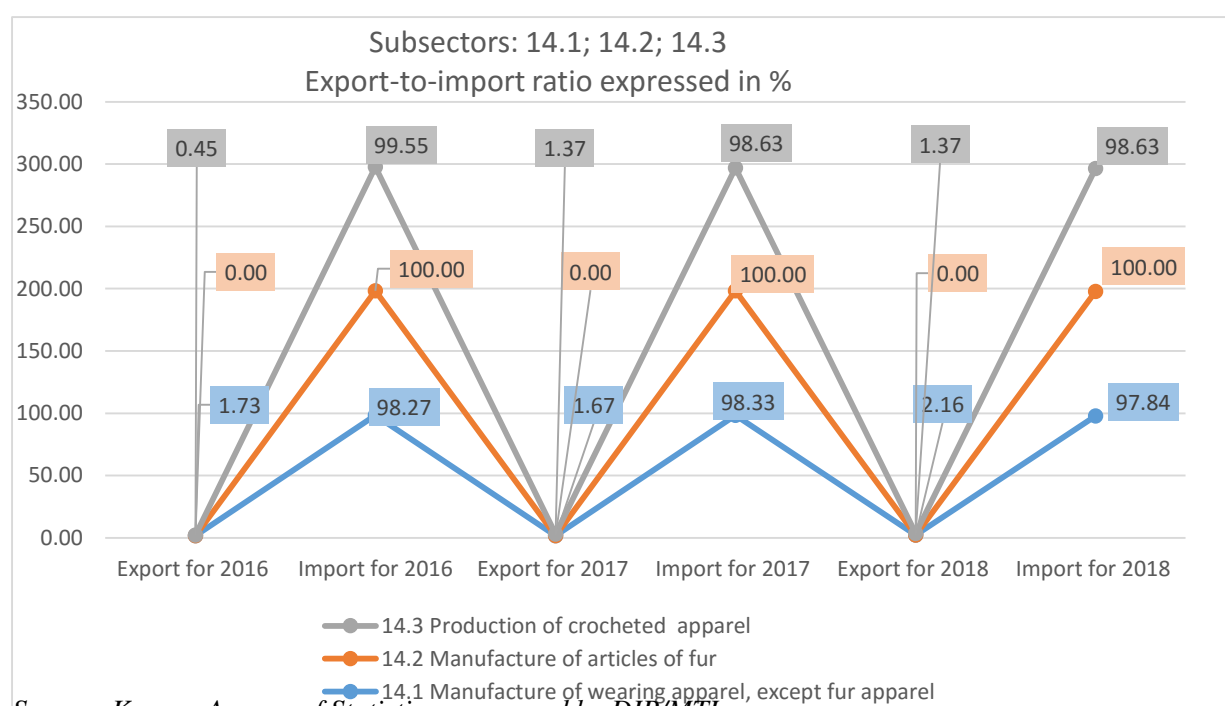
According to Table 16, there was a high increase in exports in the activity Manufacture of wearing apparel, except for apparel for 672,549.38 €, or expressed as a percentage, 52.97% in 2018, as compared to 2017.

Increase has been marked in the subactivity Manufacture of other apparel and accessories (gloves, hats, scarves, etc.) by 243,206.53 €, or 100%, compared to 2017, similarly, Manufacture of other outerwear, by value, in 2018 recorded a high increase of 412,309.99 €, compared to 2017, with 62% compared to the previous year.

High-value imports were marked by the activity Manufacture of wearing apparel, except fur apparel, which accounts for 84% in this subsector. Similarly, compared to 2017, 2018 marked an increase of 17.55% in imports.

Subactivity Manufacture of workwear increased by 49.98% in 2018, while in 2017 it marked a decrease of 40% compared to 2016, based on value, the subactivity Manufacture of other outerwear marked higher import growth for 7,134,715 €, or 20.19%.

Figure 2. Export-to-import ratio in the clothing sector



According to figure 2, the trend of trade exchange of the activity Manufacture of wearing apparel, except for apparel marked an increase in export for 0.49%, while the import had a decrease. Trade Exchange in this sector marks 98.80% import and only 1.20% export.

5. MANUFACTURE OF LEATHER AND RELATED PRODUCTS

The leather industry dates from the tradition of leather tanners and curriers in the city of Peja and leather shoe factories, which means that the beginnings of this industry go back to 1945 regarding leather processing and manufacture of footwear.

Manufacture of leather-footwear marked a systematic decrease in industrial production since 1989/1990, as a result of regime which culminated in a war in 1999.

The economy of Kosovo during this period did not operate as an economic unit, and given the economic position in the past, the punitive measures taken against this country had a negative impact on the development of industrial production of the leather-footwear sector. During this period the production capacities were used between 20% and 30%, the utilization of technology was made wildly by maximally utilizing them in manufacturign and by not maintaining them in order to destroy them.

From the statistical analysis of this subsector, foreign trade, namely trade exchange, has a downward trend in export while the import has increased in the last three years.

5.1 Number of enterprises, employment and turnover in the Manufacture of leather and related products subsector

The subsector of leather and related products has a solid impact on employment, with a slight movement over the last three years. The number of enterprises, employees and annual turnover for 2016-2018 is analysed based on this.

The number of enterprises in this subsector for 2018 is 37, the number of employees is 430, and the annual turnover is € 6,812,630.46. Employment in this subsector in 2018 increased slightly for 2 employees or 0.46% compared to 2017, as well as the number of enterprises increased by 5.4%, while turnover increased by 2.09%.

Subsector (15) participates in the total of C-sector:

- 0.76% of enterprises,
- 1.65% of employees and
- 0.64% of turnover.

Table 17. Number of enterprises, employment and turnover in the subsector of Manufacture of leather

Code	Subsector (15): Manufacture of leather and related products	Number of enterprises			Number of employees			Turnover		
		2016	2017	2018	2016	2017	2018	2016	2017	2018
1511	Tanning and dressing of leather; dressing and dyeing of fur	4	4	2	5	5	4	41,930.00	22,280.60	10,500.40
1512	Manufacture of luggage, handbags and the like, saddlery and harness	8	9	11	34	34	31	820,110.00	678,433.55	706,814.59
1520	Manufacture of footwear	21	22	24	392	389	395	7,426,779.00	5,972,151.90	6,095,315.47
Total		33	35	37	431	428	430	8,288,819.00	6,672,866.05	6,812,630.46

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

The subactivity, Manufacture of footwear ranks first in this subsector for 2018, with 24 enterprises or 5.71% compared to 2017, and with 395 employees or 1.54% more than in the previous year, in terms of annual turnover, this subactivity amounts to € 6,095,315.47 with an increase of 2.05% compared to 2017.

The Manufacture of luggage, handbags and the like, saddlery and harness occupies second place with 31 employees or 8.82% less than in 2017, and the annual turnover during 2018 in this subactivity amounts to € 706,814.59, with an increase of 4.12% compared to 2017.

5.2 Export and import in the subsector of Manufacture of leather and related products

Exports in the subsector of manufacture of leather and related products decreased by 21% in 2017 compared to 2016, while in 2018, as compared to 2017, it decreased by 22.54%.

Import in this subsector marked an increase of 3.98% for 2017, compared to 2016, while in 2018 there was an increase of 8.94 % compared to the previous year.

Trade exchange in this subsector is 94.22% import and 5.78% export.

The export of this subsector participates with 1.06% in the total of exports and 1.43% in the total of imports, of the C sector.

Table 18. Export and import in the subsector of Manufacture of leather

Code	Subsector (15): Manufacture of leather and related products	Export			The difference (2017-2018)	The difference in %	Import			The difference (2017-2018)	The difference in %
		2016	2017	2018			2016	2017	2018		
15	Manufacture of leather and related products	4,476,918.81	3,531,648.80	2,735,479.11	(796,169.69)	(22.54)	39,328,783.71	40,897,608.37	44,554,440.03	3,656,831.66	8.94
15.1	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur	1,224,276.09	963,675.58	956,459.59	(7,215.99)	(0.75)	7,358,826.64	7,841,743.02	8,857,972.36	1,016,229.34	12.96
15.11	Tanning and dressing of leather; dressing and dyeing of fur	3,772.85	-	31,722.84	31,722.84	100.00	1,242,442.37	884,142.59	987,637.36	103,494.77	11.71
15.12	Manufacture of luggage, handbags and the like, saddlery and harness	1,220,503.24	963,675.58	924,736.75	(38,938.83)	(4.04)	6,116,384.27	6,957,600.43	7,870,335.00	912,734.57	13.12
15.2	Manufacture of footwear	3,252,642.72	2,567,973.22	1,779,019.52	(788,953.70)	(30.72)	31,969,957.07	33,055,865.35	35,696,467.67	2,640,602.32	7.99
15.20	Manufacture of footwear	3,252,642.72	2,567,973.22	1,779,019.52	(788,953.70)	(30.72)	31,969,957.07	33,055,865.35	35,696,467.67	2,640,602.32	7.99

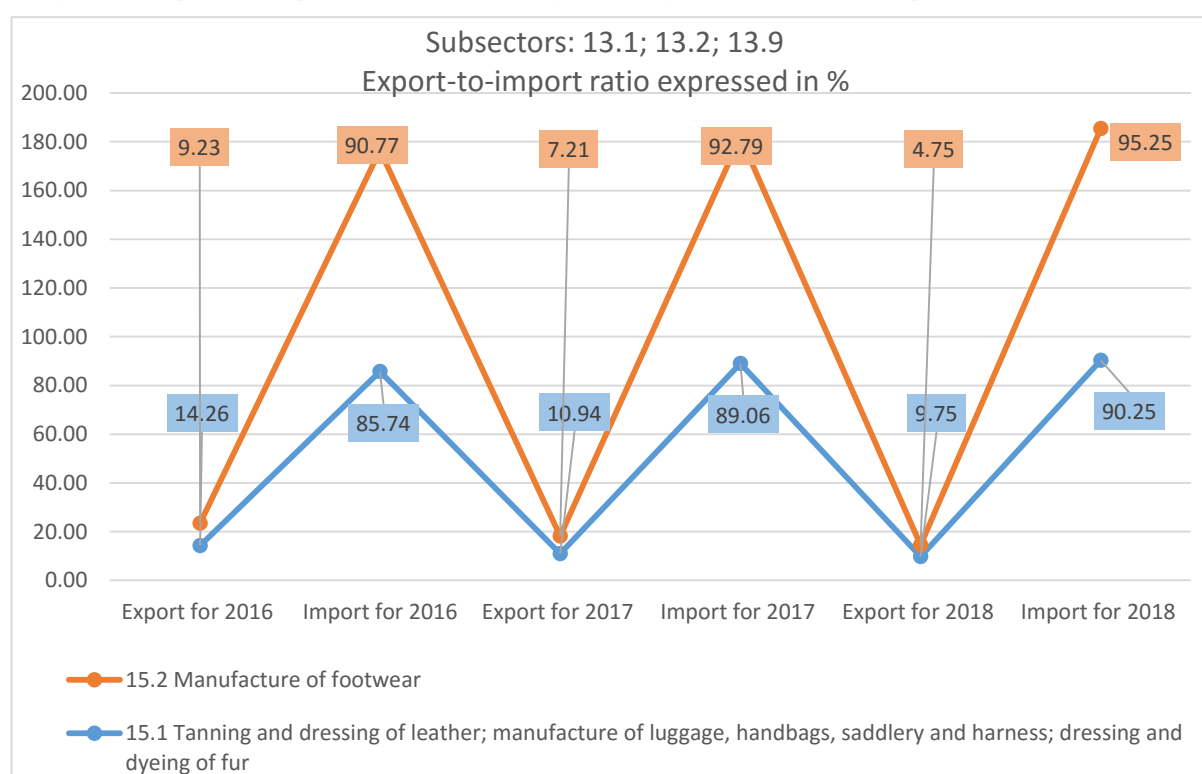
Source: Kosovo Agency of Statistics, processed by DIP/MTI

The total amount of exports in this subsector is 2,735,479.11 €, export with EU countries is 77.82 %, with CEFTA countries, 19.37%, EFTA countries 0.16% and other countries 2.65%.

According to table 18, the activity with the highest export is the manufacture of footwear for 1,779,019.52 €, however in 2018 this activity marked a decrease in export for 30.72% compared to 2017.

The activity, Manufacture of footwear, marked a high-value import with 35,696,467.67 €, similarly in 2018 there was an increase of 7.99%, compared to 2017.

Figure 3. Export-to-import ratio in the Manufacture of leather and related products sector



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

According to figure 3, trade exchange of the activity Manufacture of footwear marked a decrease in export for 2.46%, while the import marked an increase of 2.46%.

6. MANUFACTURING OF WOOD AND CORK PRODUCTS, EXCEPT FURNITURE; MANUFACTURING OF ARTICLES OF STRAW AND PLAINTING 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.

Based on (National Forest Inventory 2012/13), the forest area in Kosovo comprises of 481 000 ha (44.7% of the total area) and it may be deemed as good resource for the economy of Kosovo.

The Kosovo wood processing subsector is considered in all competitiveness analyses including the USAID EMPOWER Sector Assessment and Selection Report of 2015, Analysis of the Wood Building Material Value Chain 2018, implemented by International Development Ireland, funded by the EU for the Ministry of Trade and Industry, Study of skills needs in the wood processing sector in Kosovo 2017, implemented by the Kosovo Education Centre (KEC) in association with SPARK, funded and managed by European Union. These analyses and the UNDP assessments for this subsector show that the wood subsector in Kosovo has a great economic development potential.

The total roundwood production in the EU reached an estimated 470 million m³ in 2017; almost 8 million m³ (1.7%) more than the peak output recorded in 2007. Among EU Member States, Sweden produced (73 million m³) in 2017, followed by Finland, Germany and France (each producing between 51 and 64 million m³). Almost a quarter (23.2%) of the EU-28's roundwood production in 2017 was used as fuelwood, while the remainder was industrial roundwood used for sawnwood and veneers, or for pulp and paper production.⁷

Eurostat is not able to provide up-to-date information on the activities within the woodworking and the furniture industries in many countries on 3-digit level.⁸

Regarding the timber subsector in the Republic of Kosovo, MTI, specifically the Department of Industry, based on statistical data received from the Kosovo Agency of Statistics, has updated the data up to the level of 4 and 6 digit codes, which is a sufficient basis to analyse this subsector.

6.1 Number of enterprises, employment and turnover in the subsector of Manufacture of wood and of products of wood

Enterprises are among the main employment factors, in this case, the sector of Manufacture of wood and of products of wood and cork according to table 19, employs 1,390 workers in 445 enterprises and with a turnover of 37,920,774 €.

Employment in this subsector in 2018 increased by 178 employees or 14.7%, compared to 2017. At this subsector, the number of enterprises decreased by 2.4%, while turnover increased by 6%, which implies that the increase in employment has been affected by the expansion of the existing businesses of this subsector.

Subsector (16) participation in the total of C-sector:

- 9.15% of enterprises,
- 5.33% of employees and
- 3.57% of turnover.

Distribution of enterprises, employment and turnover are presented in more detail in table 19.

⁷ Ec.europa.eu. (2019). Annual production of roundwood, EU-28, 1999–2017

⁸ Eos-oes.eu. (2019). Annual Report of the European Sawmill Industry 207/2018

Table 19. Number of enterprises, employment and turnover in the subsector of wood

Code	Subsector (16): Manufacture of wood and of products of wood and cork	Number of enterprises			Number of employees			Turnover		
		2016	2017	2018	2016	2017	2018	2016	2017	2018
1610	Sawmilling and planing of wood	120	123	120	263	286	333	5,537,092	8,463,409.98	8,794,853.21
1621	Manufacture of veneer sheets and wood-based panels	8	9	7	15	18	19	327,500	825,666.42	1,044,726.50
1622	Manufacture of assembled parquet floors	3	3	3	16	11	8	954,928	676,625.30	684,995.90
1623	Manufacture of other builders' carpentry and joinery	271	243	239	694	682	787	19,483,674	18,567,543.16	21,080,927.57
1624	Manufacture of wooden containers	6	6	4	11	6	11	3,271,632	674,927.55	118,240.64
1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	64	72	72	224	209	232	6,430,685	6,570,404.44	6,197,030.62
Total		472	456	445	1,223	1,212	1,390	36,005,511	35,778,576	37,920,774

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

According to Table 19, the most influential subactivity in employment within this subsector is the Manufacture of other builders' carpentry and joinery with 787 or 56.6% of employees, followed by Sawmilling and planing of wood activity with 333 or 23.96% of employees, Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials with 232 or 16.70% of employees and others with about 1% of employment share of the total of the subsector - Manufacture of wood and of products of wood and cork.

In terms of larger number of enterprises and higher turnover value, the rankings of subactivities are the same as in the case of employment, with the exception of the subactivity Manufacture of veneer sheets and wood-based panels.

6.2 Export and import in the subsector Manufacture of wood and of products of wood and cork

The export in the subsector Manufacture of wood and of products of wood and cork marked a decrease of 12.7% in 2017 compared to 2016, while in 2018 there was a light increase of 1% compared to 2017.

Import in this subsector marked a light decrease of 1.20% in 2017 compared to 2016, while in 2018 there was a significant increase of 6.92% compared to 2017. Export-to-import ratio in this subsector is 7.24% export to 92.76% import.

The export of this subsector participates with 2.09% in the total of exports and 2.22% in the total of imports, of the C sector.

Table 20. Export and import in the subsector (16), Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials

Code	Subsector (16): Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	Export			The difference (2017-2018)	The difference in %	Import			The difference (2017-2018)	The difference in %
		2016	2017	2018			2016	2017	2018		
16	16. Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	6,138,727.21	5,357,326.52	5,408,715.00	51,388.48	0.96	65,594,811.99	64,815,776.40	69,299,228.65	4,483,452.25	6.92
16.1	16.1 Sawmilling and planing of wood	579,017.25	654,712.96	551,831.93	(102,881.03)	(15.71)	14,115,332.48	15,304,840.74	13,192,537.20	(2,112,303.54)	(13.80)
16.2	16.2. Manufacture of products of wood, cork, straw and plaiting materials	5,559,709.96	4,702,613.56	4,856,883.07	154,269.51	3.28	51,479,479.51	49,510,935.66	56,106,691.45	6,595,755.79	13.32
1621	1621 Manufacture of veneer sheets and wood-based panels	272,749.56	176,515.52	170,434.01	(6,081.51)	(3.45)	38,245,397.61	37,023,860.96	40,376,396.58	3,352,535.62	9.06
1622	1622 Manufacture of assembled parquet floors	55,744.44	12,537.34	19,715.00	7,177.66	57.25	1,393,191.86	1,179,323.13	1,504,235.44	324,912.31	27.55
1623	1623 Manufacture of other builders' carpentry and joinery	4,102,111.74	3,372,179.58	2,920,237.59	(451,941.99)	(13.40)	9,706,416.22	8,765,015.18	11,229,283.79	2,464,268.61	28.11
1624	1624 Manufacture of wooden containers	767,317.50	753,822.12	970,303.33	216,481.21	28.72	449,839.88	537,219.23	635,704.26	98,485.03	18.33
1629	1629 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	361,786.72	387,559.00	776,193.14	388,634.14	100.28	1,684,633.94	2,005,517.16	2,361,071.38	355,554.22	17.73

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

The total value of exports in this subsector is 5,408,715 €, export to EU countries is 25.09%, to CEFTA countries 28.32%, to EFTA countries 45.60% and other countries 0.98%.

According to Table 20, there was a high increase in exports of € 776,193.14, with the Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials, whereby expressed as a percentage the export growth in 2018 compared to 2017 was 100%. Export of wooden containers and flooring products increased by 28.72%.

If we look at monetary value, it should be noted that the most negative value of export trend was the subactivity Manufacture of other builders' carpentry and joinery which decreased by 13.40% in 2018 compared to 2017. In this subactivity there is a negative trend of export, while the import has increased for 28.11%.

Export to EFTA countries was 2,466,566 €, or 64%, compared to import which was 1,383,812€ or 36%, in the total of trade exchange with EFTA countries.

Exports in the wood sector, specifically in the Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials to EFTA countries is 99.25% with Switzerland, while for the total exports of this subsector, data show that Switzerland participates with 45.26%.

Among the main products exported to Switzerland in this subsector are: windows, their frames, doors, frames and their wooden thresholds of about 45%, followed by about 29% export of prefabricated wooden buildings, the manufacture of wooden wool, marqeti and enclosed wood, cases for jewellery or cutlery and similar wooden articles, statues and other wooden ornaments participate with 13%.

EU countries are dominated by a negative trend of exports in this subsector, where the decrease in exports in 2018 is 23.40% or a decrease in value of € 414,538; while imports have increased by 1.27%.

Imports in the subsector Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials is dominated by the EU countries, while imports increased in 2018 compared to 2017; other countries had high increase of imports with 28.31%.

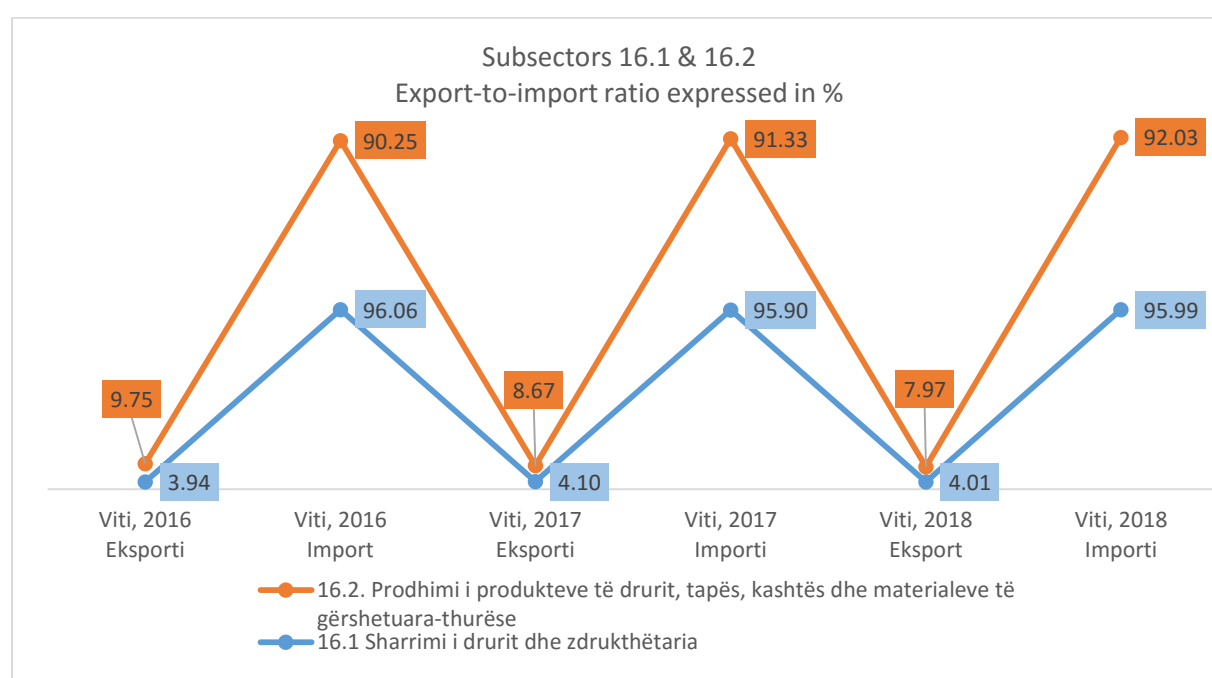
Among the most influential subactivities in increasing imports is the Manufacture of veneer sheets and wood-based panels, a subactivity which participates in the total of this subsector with € 40,376,396, or expressed in percentage by approx. 60% of imports of this subsector.

Import in this subsector is dominated by: Turkey with 19.13%, Germany with 15.88%, Serbia with 12.41%, Montenegro with 11.43%, China 6.92%, Austria, Romania, Poland, Slovenia and Bosnia, about 2 to 3% and others with about 1%.

Among the countries that have affected the increase in imports in this subsector, from other countries is Turkey whereby in 2018 the import from this country has increased by around 45% compared to 2017.

Figure 4 presents the export-to-import ratio by activities at the 3-digit level for 2016, 2017 and 2018, which shows the trend of exports and imports over the years.

Figure 4. Export-to-import ratio in the wood sector



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

The trend of trade exchange through years of the Sawmilling and planing of wood activity, according to Figure 4, is in favour of imports, where compared to 2017, in 2018, imports have slightly increased, while exports decreased by 0.09%. Imports and exports in the Manufacture of products of wood, cork, straw and plaiting materials activity have increased slightly for 0.7%.

7. MANUFACTURE OF PAPER AND PAPER PRODUCTS

The paper subsector is one of the main industries in the world, paper consumption and manufacturing is at a constant increase.

The global manufacture of paper and cardboard stood at approximately 411 million metric tons in 2016. More than half of that production was attributable to packaging paper, while almost one third was attributable to graphic paper. The world's three largest paper producing countries are China, the United States, and Japan. These three countries account for more than half of the world's total paper production.⁹

The pulp and paper industry has received a lot of criticism from around the world, especially from environmental groups, cutting the timber for the paper industry has been linked to increased forest deforestation in the world.¹⁰

⁹ www.statista.com, 2019

¹⁰ <https://www.statista.com/topics/1701/paper-industry>

The paper subsector in this report includes the Manufacture of pulp, paper and paperboard and the manufacture of paper and paperboard articles, which includes the Manufacture of corrugated paper and paperboard and manufacture of sacks and bags of paper, the Manufacture of household and sanitary goods and of toilet requisites, Manufacture of paper stationery, Manufacture of wallpaper, Manufacture of other articles of paper and paperboard n.e.c.

Kosovo mainly produces: paper sacks, paper bags, corrugated paperboard packaging, boxes according to market requirements, kitchen paper, toiletries, handkerchiefs, etc.

The paper industry in Kosovo has been researched in other reports as well, hereby according to the GAP Institute (Analysis on Paper and Cardboard Industry, May 2016), in Kosovo, the manufacturing and processing of paper and cardboard is divided into two broad areas: that of sanitary toilet processing and the production and processing of paperboard.

Regarding the paper sector in the Republic of Kosovo, MTI, specifically the Department of Industry, based on statistical data received from the Kosovo Agency of Statistics, subactivity of the Manufacture of paper and corrugated paperboard, as well as paper and paperboard packaging marked a positive trend and development in export. If we take into account the number of enterprises and employment within the paper sector, then the Manufacture of household and sanitary goods and of toilet requisites is a leader in the number of enterprises and in employment.

7.1 Number of enterprises, employment and turnover in the subsector Manufacture of paper and paper products

Looking at the number of enterprises and employment, the paper sector does not have such a high impact on the number of enterprises and employment, however, as a subsector, it has maintained stability although the number of employees in 2018 has decreased compared to 2017.

Based on Table 21, the paper subsector has a total of 430 employees in 97 enterprises and with a turnover of 23,641,515.80 €.

Compared to 2017, in 2018 this subsector has experienced a decrease in employment by 4.4%, while the number of enterprises has increased by only 3 companies, and turnover in this subsector has increased by 7.8%. The decline in employment has had an impact on the Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper, which has had a decrease in the number of enterprises and employment and has a high impact, accounting for 32.3% of total employment of this subsector.

Subsector (17) participation in the total of C-sector:

- 2% of enterprises,
- 1.65% of employees and
- 2.23% of turnover.

Distribution of enterprises, employment and turnover are presented in more detail in table 21 below.

Table 21. Number of enterprises, employment and turnover in the paper subsector

Code	Subsector (17): Manufacture of paper and paper products	Number of enterprises			Number of employees			Turnover		
		2016	2017	2018	2016	2017	2018	2016	2017	2018
1712	Manufacture of paper and paperboard	13	16	15	25	38	42	5,335,596.00	6,484,843.85	7,052,083.73
1721	Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper	23	22	20	179	153	139	6,570,515.00	7,142,704.89	6,965,685.70
1722	Manufacture of household and sanitary goods and of toilet requisites	27	27	31	164	172	173	5,181,756.00	6,127,862.16	7,414,236.88
1723	Manufacture of paper stationery	7	10	12	8	21	17	487,646.00	777,560.53	508,858.10
1724	Manufacture of wallpaper	1	2	2	2	5	4	29,061.00	31,794.83	8,986.37
1729	Manufacture of other articles of paper and paperboard n.e.c.	19	17	17	62	61	55	1,060,404.00	1,359,243.55	1,691,665.02
Total		90	94	97	440	450	430	18,664,978.00	21,924,009.81	23,641,515.80

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

According to Table 21, the most influential subactivity in employment is the Manufacture of household and sanitary goods and of toilet requisites, with 173 or 40.23% of employees, followed by Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper with 139 or 32.32% of employees, Manufacture of other articles of paper and paperboard n.e.c. with 55 or 12.79% of employees etc.

The subactivity, Manufacture of household and sanitary goods and of toilet requisites, leads by the number of enterprises and turnover as well, which compared to 2017 has shown an increasing trend in 2018.

7.2 Export and import in the subsector Manufacture of paper and paper products

Exports in the paper and paper products subsector increased by 56.12% in 2017 compared to 2016, while in 2018 there was a decrease of 5.28% compared to 2017.

In 2017, import in this subsector increased by 6.79% compared to 2016, also in 2018 it increased by 3.64% compared to 2017. The export-to-import ratio in this subsector is 3.97% export to 96.03% import.

The export of this subsector participates with 0.94% in the total of exports and 1.87% in the total of imports, of the C sector.

Table 22. Export and import in the subsector (17) Manufacture of paper and paper products

Code	Subsector (17): Manufacture of paper and paper products	Export			The difference (2017-2018)	The difference in %	Import			The difference (2017-2018)	The difference in %
		2016	2017	2018			2016	2017	2018		
17	Manufacture of paper and paper products	1,636,414.62	2,554,842.69	2,420,018.61	(134,824.08)	(5.28)	52,853,522.84	56,441,943.96	58,497,122.07	2,055,178.11	3.64
17.1	Manufacture of pulp, paper and paperboard	589,354.77	479,226.78	210,940.22	(268,286.56)	(55.98)	18,567,064.19	20,456,218.12	20,811,670.21	355,452.09	1.74
17.11	Manufacture of pulp	1,012.01	-	1,107.00	1,107.00	100.00	313,812.24	222,648.59	293,600.86	70,952.27	100.00
17.12	Manufacture of paper and paperboard	588,342.76	479,226.78	209,833.22	(269,393.56)	(56.21)	18,253,251.95	20,233,569.53	20,518,069.35	284,499.82	1.41
17.2	17.2. Manufacture of articles of paper and paperboard	1,047,059.85	2,075,615.91	2,209,078.39	133,462.48	6.43	34,286,458.65	35,985,725.84	37,685,451.86	1,699,726.02	4.72
17.21	Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper	571,488.16	1,524,950.65	1,666,324.86	141,374.21	9.27	9,490,833.19	10,220,795.24	10,114,338.37	(106,456.87)	(1.04)
17.22	Manufacture of household and sanitary goods and of toilet requisites	148,384.07	80,985.25	66,514.35	(14,470.90)	(17.87)	20,717,785.75	21,459,965.19	22,955,400.67	1,495,435.48	6.97
17.23	Manufacture of paper stationery	122,181.60	129,718.30	124,093.90	(5,624.40)	(4.34)	1,744,364.03	2,132,720.63	2,233,534.83	100,814.20	4.73
17.24	Manufacture of wallpaper	30,824.67	1,319.78	14,900.17	13,580.39	1028.99	385,254.98	294,940.02	319,116.91	24,176.89	8.20
17.29	Manufacture of other articles of paper and paperboard n.e.c.	174,181.35	338,641.93	337,245.11	(1,396.82)	(0.41)	1,948,220.70	1,877,304.76	2,063,061.08	185,756.32	9.89

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

Total value of exports in this subsector is € 2,420,018.61, to EU countries 4.87%, CEFTA countries 92.06%, EFTA countries 2.01% and other countries 1.05%.

According to Table 22, in 2018 there was an increase in export, taking into consideration the value that affects economic growth, at subactivity manufacture of paper and corrugated cardboard, as well as paper and cardboard packaging in the value € 141,374 or 9.27%, compared to 2017.

If viewed in monetary value, it should be noted that the most negative value of export trend was at sub-activity Manufacture of paper and cardboard which compared to 2017, in 2018 decreased by 56.21%, while the import marked an increase by 1.74%.

Kosovo with CEFTA countries, in exports, had a positive trend in the activity Manufacture of paper and cardboard products increased by 8.13%, while imports in this activity indicated a slight increase by 0.62%.

Exports of manufacturing of paper and paper products to CEFTA countries had a negative trend in export and import, where in 2018 the negative trend was 3.88%, compared to the previous year, where also the import has marked a decrease by 1.54%.

Subactivity Manufacture of paper and corrugated cardboard, as well as paper and cardboard packaging, within this subsector accounts for 68.83% of exports. With CEFTA countries this subactivity marked the highest export by 60.57% with Albania.

Exports to EFTA countries, compared to 2017, indicate a positive trend compared to imports. The subsector Manufacture of paper and paper products with EFTA countries in 2018 increased by 17.17% in export, and imports by 5.29% compared to the previous year.

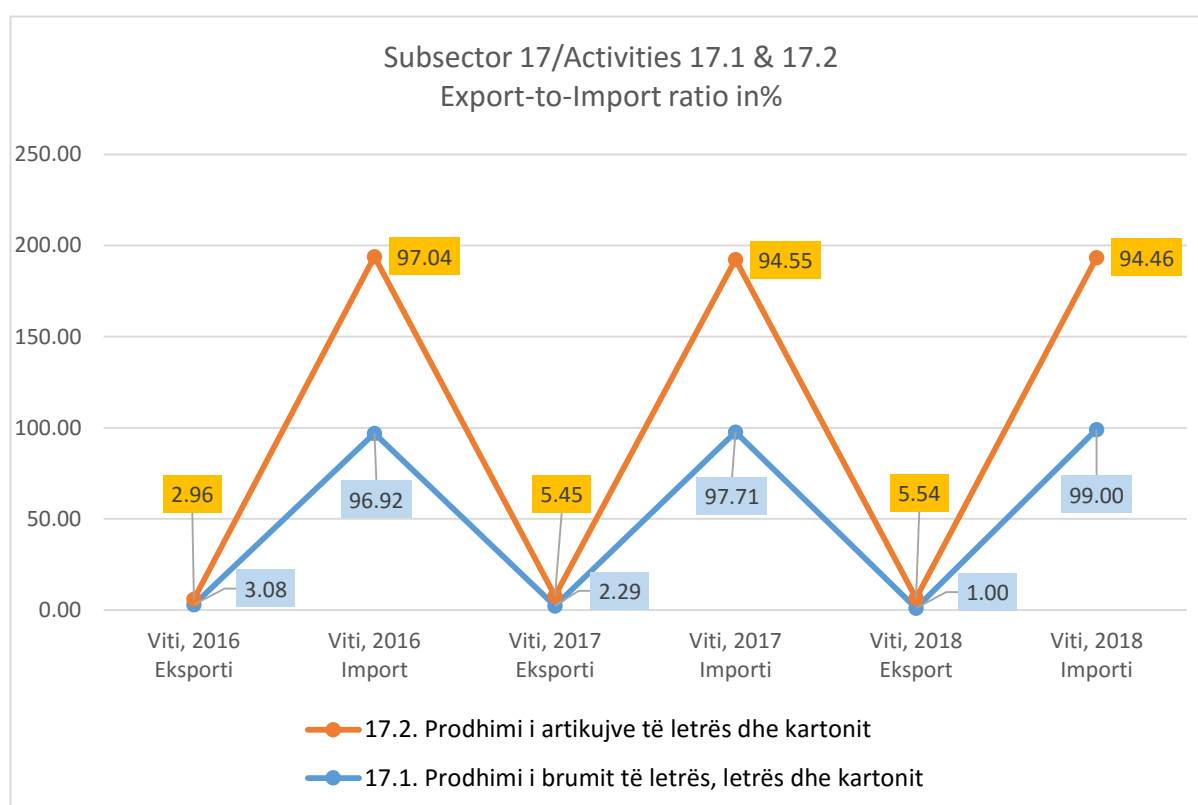
In total exports of the subactivity Manufacture of paper and corrugated cardboard, as well as paper and cardboard packaging, the product sacks and paper bags dominate with a share of 79.43%.

Imports dominate mainly at the subactivity Manufacture of household and sanitary paper goods, and of toilet requisites, where in this subactivity export amounted to € 66,514, where also there was a decrease year by year, while imports amounted to € 22,955,400, thus increasing year by year.

Among the activities which had a slight decrease in imports is the manufacture of paper and corrugated cardboard, as well as paper and cardboard packaging which decreased by € 106,456, compared to 2017 by 1%.

Based on statistical data, the subsector of paper should aim improving the trade balance in two activities of this subsector: manufacture of paper and corrugated cardboard, as well as paper and cardboard packaging and the manufacture of household and sanitary paper goods, and of toilet requisites.

Figure 5. Export-to-Import ratio in the subsector of paper



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

The trend of trade exchange in the manufacture of paper pulp, paper and cardboard has marked a negative trade balance, since imports have increased, while exports have decreased in the last three years.

8. MANUFACTURE OF CHEMICAL PRODUCTS

Chemical industry is one of the most important basic branches of the modern economy. Its production has around 70 thousand items and is widely used for the manufacture of goods.

In large volumes, chemical industry products are used in other sectors of the economy, such as agriculture, manufacture, construction and services.

Chemical industry is very complex; there are more than 200 subsectors, where the number of products of this subsector reaches 1 million products. A cluster of the subsectors of chemical industry usually has three components such as¹¹:

- Chemical industry related to the extraction and enrichment of mines and chemical raw materials - phosphate rock, sodium and potassium salts, sulphur, etc.
- Main chemical industry, manufacture of mineral fertilizers, acids, salts, alkali, etc.

¹¹ <https://farbitis.ru/sq/geography-of-the-world-economy/world-chemical-industry/>

- Polymer industry, mainly based on organic synthesis and including the manufacture of synthetics and plastics, chemical fibres, synthetic rubber, synthetic dyes etc.

It is worth pointing out that most of the raw materials and intermediate factors used by Kosovar businesses in this industry are imported. Import is mainly carried out in the European Union (EU) countries, as well as the member states to the Central European Free Trade Agreement (CEFTA).

One fifth of the companies are supplied with raw materials by local traders, while almost 13% of them are supplied directly by foreign producers. In addition, 25% of companies stated that they use locally manufactured and also imported raw materials and intermediate products. In the end, only 10% of companies rely on local supplies from their own production or other local suppliers.¹²

Statistical data were mainly obtained from the database for processing of chemical industry in Kosovo from the Kosovo Agency of Statistics (KAS).

8.1 Number of enterprises, employment and turnover in the subsector of Manufacture of chemical products

Enterprises are among the key employment factors, in this case the subsector of Manufacture of chemicals and chemical products, where according to table 23, in 2018 this subsector employs 642 employees in 104 enterprises, with an annual turnover of € 24,145,349. In 2018, compared to 2017, employment in this subsector marked an increase by 14.43%, increase of enterprises by 10.63%, also increase of turnover by 15.30%.

Subsector (20) participation in the total of Sector C:

- 2.14% of enterprises,
- 2.46% of employees, and
- 2.26% of turnover.

¹² Chemical Industry Profile, 2016/MTI

Table 23. Number of enterprises, employment and turnover in activities of the subsector of chemical industry

Code	Subsector (20): Manufacture of chemicals and chemical products	Number of enterprises			Number of employees			Turnover		
		Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018
2011	Manufacture of industrial gases	4	3	3	16	13	14	354,538.00	299,425.79	299,679.47
2012	Manufacture of dyes and pigments	3	2	2	16	17	8	959,464.00	595,331.79	471,050.06
2013	Manufacture of other inorganic basic chemicals	3	4	3	34	43	47	1,216,054.00	1,479,770.31	1,727,891.63
2014	Manufacture of other organic basic chemicals	2	4	4	2	13	23	8,664.00	24,713.10	113,274.10
2015	Manufacture of fertilisers and nitrogen compounds	2	1	4	3	2	4	263,853.00	244,530.12	247,404.65
2016	Manufacture of plastics in primary forms	26	24	25	116	148	196	3,306,292.00	3,691,338.17	4,933,653.21
2017	Manufacture of synthetic rubber in primary forms	1	1	0	0	1	0	52,400.00	58,349.50	-
2020	Manufacture of pesticides and other agrochemical products	1	1	1	0	9	8	247,776.00	211,731.68	247,535.86
2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	16	16	16	153	166	187	8,114,302.00	9,342,372.00	12,033,722.66
2041	Manufacture of soap and detergents, cleaning and polishing preparations	21	26	28	96	118	117	3,688,972.00	4,610,112.03	3,206,250.87
2042	Manufacture of perfumes and toilet preparations	2	2	5	3	3	6	98,279.00	119,791.07	80,762.87
2051	Manufacture of explosives	2	2	3	5	5	8	19,952.00	-	279,502.69
2052	Manufacture of glues	4	4	6	8	7	11	175,339.00	89,001.14	254,957.35
2053	Manufacture of essential oils	2	2	2	10	11	10	84,430.00	60,769.02	230,596.65
2059	Manufacture of other chemical products n.e.c.	2	1	1	201	0	0	18,433,750.00	55,564.04	16,949.15
2060	Manufacture of synthetic or artificial filament tow	1	1	1	0	5	3	83,713.00	88,431.55	2,118.23
Total		92	94	104	663	561	642	37,107,778	20,971,231	24,145,349

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

According to Table 23, the most influential activity in employment is the manufacture of plastics in primary forms with 196 employees in 2018, which participates with 30.53% within this subsector. Manufacture of paints, varnishes and similar coatings, printing ink and mastics, accounts for 187 employees or 29%, in this subsector.

8.2 Export and import in the subsector of manufacture of chemicals

In 2017, compared to 2016, exports in the subsector of manufacture of chemicals increased by 19%, while in 2018 compared to 2017 it increased by 3.45%.

In 2017, compared to 2016, imports in the subsector of manufacture of chemicals increased by 7.12%, and also in 2018, compared to 2017, increased by 6.13%.

Table 24. Exports and imports in the subsector (17) of manufacture of chemical products

Code	Subsector (20): Manufacture of chemicals and chemical products	Export			Difference (2018-2017)	Difference in % 2018-2017	Import			Difference (2018-2017)	Difference in % 2018-2017
		Year 2016	Year 2017	Year 2018			Year 2016	Year 2017	Year 2018		
20	Chemical industry	4,750,604.72	5,671,848.94	5,867,275.26	195,426.32	3.45	199,351,723.65	213,552,971.43	226,642,896.45	13,089,925.02	6.13
20.1	Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	1,349,194.84	1,328,914.82	566,872.29	(762,042.53)	(58.33)	73,385,502.13	79,942,768.02	90,067,083.28	10,124,315.26	12.66
2011	Manufacture of industrial gases	-	-	-	-	0.00	750,140.40	1,120,978.59	1,184,842.42	63,863.83	5.70
2012	Manufacture of dyes and pigments	964,876.48	573,083.38	45,956.35	(527,127.03)	(91.98)	1,529,832.54	2,026,404.80	2,558,711.92	532,307.12	26.27
2013	Manufacture of other inorganic basic chemicals	7,739.90	7,380.05	20,349.70	12,969.65	175.74	2,750,670.61	2,861,925.92	2,655,992.74	(205,933.18)	(7.20)
2014	Manufacture of other organic basic chemicals	56,798.75	100,242.46	69,929.06	(30,313.40)	(30.24)	4,017,482.34	6,474,784.58	7,922,530.79	1,447,746.21	22.36
2015	Manufacture of fertilisers and nitrogen compounds	77,386.63	137,527.80	119,476.86	(18,050.94)	(13.13)	17,613,434.15	16,050,757.11	13,627,903.97	(2,422,853.14)	(15.09)
2016	Manufacture of plastics in primary forms	242,317.98	510,681.13	311,160.32	(199,520.81)	(39.07)	45,760,029.42	50,591,636.28	60,887,098.63	10,295,462.35	20.35
2017	Manufacture of synthetic rubber in primary forms	75.10	-	-	-	0.00	963,912.67	816,280.74	1,230,002.81	413,722.07	50.68

20.2	Manufacture of pesticides and other agrochemical products	57,422.38	-	294,871.58	294,871.58	0.00	4,114,534.94	3,714,670.87	3,496,322.12	(218,348.75)	-5.88
20.3	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	1,083,586.91	1,543,941.25	1,723,577.99	179,636.74	11.63	31,119,262.64	33,297,740.63	34,178,607.51	880,866.88	2.65
20.4	Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	1,883,749.55	2,202,954.03	2,768,627.84	565,673.81	25.68	64,514,063.17	67,404,332.51	69,361,328.31	1,956,995.80	2.90
2041	Manufacture of soap and detergents, cleaning and polishing preparations	245,498.34	212,829.17	571,795.84	358,966.67	168.66	28,691,002.34	30,297,162.84	30,678,036.67	380,873.83	1.26
2042	Manufacture of perfumes and toilet preparations	1,638,251.21	1,990,124.86	2,196,832.00	206,707.14	10.39	35,823,060.84	37,107,169.67	38,683,291.64	1,576,121.97	4.25
20.5		284,627.48	504,390.10	402,265.37	(102,124.73)	(20.25)	22,934,193.79	25,751,657.99	25,917,944.44	166,286.45	0.65
2051	Manufacture of explosives	-	6,505.00	-	(6,505.00)	(100)	2,189,522.10	1,773,388.98	1,682,876.82	(90,512.16)	(5.10)
2052	Manufacture of glues	70,794.50	71,105.97	128,279.37	57,173.40	80.41	2,941,097.63	3,263,027.42	3,652,413.81	389,386.39	11.93
2053	Manufacture of essential oils	42,859.74	230,070.92	59,200.55	(170,870.37)	(74.27)	3,433,808.35	3,814,695.83	3,926,127.20	111,431.37	2.92
2059	Manufacture of other chemical products n.e.c.	170,973.24	196,708.21	214,785.45	18,077.24	9.19	14,369,765.71	16,900,545.76	16,656,526.61	(244,019.15)	(1.44)
20.6	Manufacture of synthetic or artificial filament tow	92,023.56	91,648.74	111,060.19	19,411.45	21.18	3,284,166.98	3,441,801.41	3,621,610.79	179,809.38	5.22

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

Total value of exports in this subsector is € 5,867,275.26, to EU countries 33.71%, to CEFTA countries 62.65%, EFTA countries 2.71% and other countries 0.93%.

In 2018, compared to the previous year, exports to EU countries in this subsector decreased by 16.06%.

Exports to CEFTA countries were € 3,675,880.08, or 9% compared to imports of € 40,822,848.83, or 91%, of the total trade exchange in the sector of chemical industry.

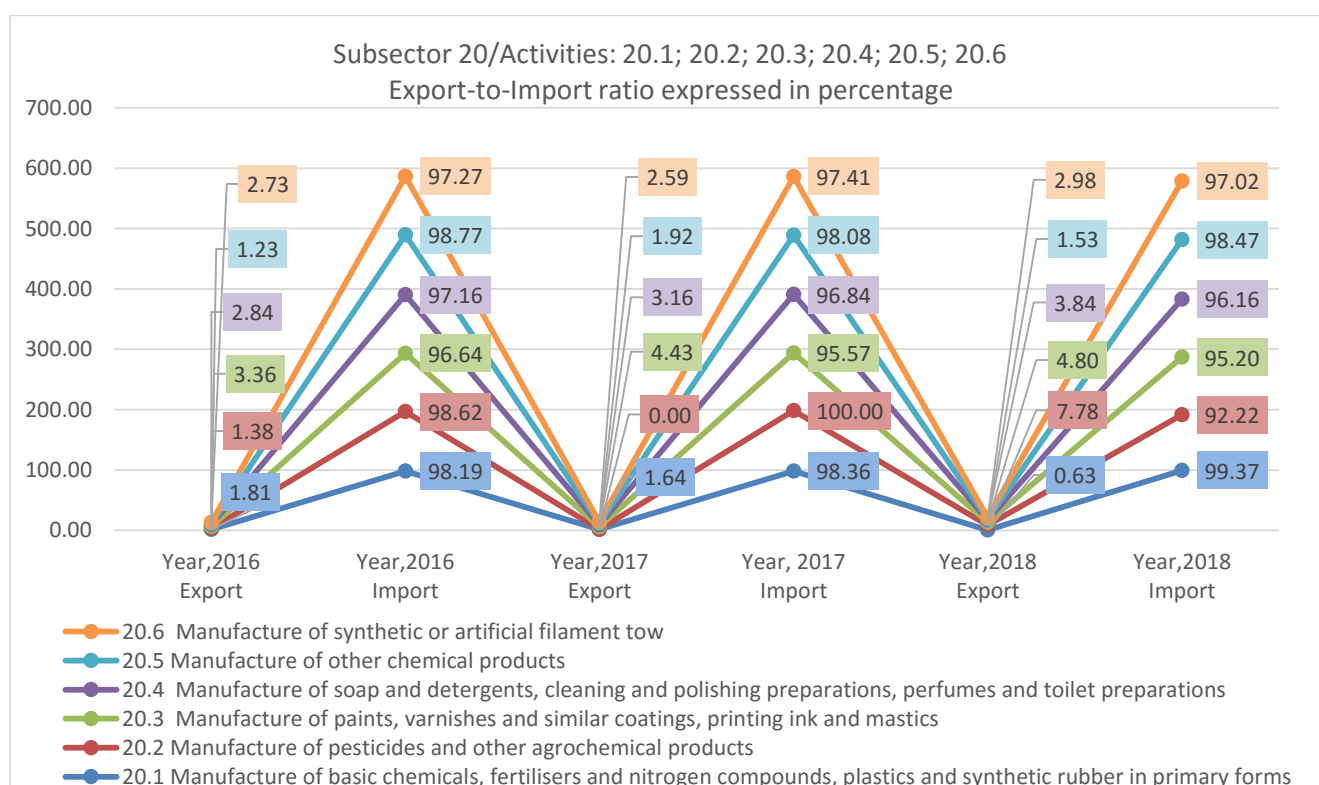
In 2018, imports in the subsector Manufacture of chemicals accounted to € 226,642,896.45, or 7.26% of total Sector C exports, whilst the value of imports is € 3,121,766,376.51.

The highest value of import is in the activity of manufacture of plastics in primary forms, with € 10,295,462.35 or expressed in percentage 20.35%.

In 2018, the value of imports with EFTA countries for the subsector of chemical industry, increased by 3.66%. The highest import was from the state of Switzerland, amounting to € 1,258,640.95 or 0.55%.

According to countries, the import in this subsector ranks as follows: Germany 11.90%, Serbia 11.85%, Turkey 8.62%, China 8.85%, Italy 6.1%, Slovenia 3.36% and Albania 2.23%.

Figure 6. Export-to-Import ratio in the sector of chemical industry



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

Figure 6, presents the exports-to-imports ratio; in this case, in 2018 the manufacture of pesticides and other agrochemical products reached 7.78% of exports, while in 2017 there was no export.

9. MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS

Plastic is an organic substance originally obtained from fuel processing. A plastic bag can usually be used for only 30 minutes, but it will take 500 years to decompose. Plastic is durable and has obvious flexibility, therefore, plastic has reached practically applicable levels in every field. The biodegradation of plastic takes 500 to 1000 years.¹³

Despite public concerns about plastic pollution, we must admit that plastic materials are very resource-efficient, not only in their manufacture phase but also during their exploitation phase. Moreover, the plastics industry is of key importance to Europe. About 60,000 companies operate in this industry providing over 1.5 million jobs. The turnover of these companies can be estimated at 350 billion Euros. The overall European plastics industry has a trade balance of approximately 15 billion Euros in 2016. About 60% of world plastics production appeared in Europe (60 million tonnes in 2016), mainly thermoplastics, polyurethane and other plastics, such as thermosets, clothing or glue. The six largest European countries (Germany, Italy, France, Spain, the United Kingdom and Poland) and Benelux countries covered almost 80% of European demand in 2016. But also for the Republic of Kosovo, manufacture of plastics has an important role in industrial development.¹⁴

Main products manufactured by rubber and plastics enterprises in Kosovo are: manufacture of bags, waste bags, inflatable bottles, plastic bottles, plastic pharmaceutical and jewellery boxes, plastic doors and windows, shutters, plastic water pipes and sewage, plastic buckets, plastic yogurt packing, and then tire wrappers, rubber plastics, trapeze belts, conveyor belts, various rubber and plastic toys, etc.

Below we will present some data of plastics and rubber industry, related to export and import by subsectors, number of employees, number of enterprises, and turnover.

9.1 Number of enterprises, employment and turnover in the subsector of rubber and plastic products

Enterprises are the main employment factors, in this case, the subsector of manufacture of rubber and plastics, according to table 27, in 2018, there were 2,374 employees in 504 enterprises, with annual turnover of € 15,331,123.86.

In 2018, compared to 2017, employment in this subsector increased by 4.58%, while the number of enterprises increased by 4.13%, and turnover decreased by 5.84%.

Subsector (22) participation in the total of Sector C:

- 10.4% of enterprises,
- 9.1% of employees, and
- 10.8% of turnover.

¹³ <http://akm.gov.al/assets/riciklimi-i-plastikes.pdf>

¹⁴ Report, Value Chain Analysis on the Sector of Plastic (2019) / MTI-DI

Table 25. Number of enterprises, employment and turnover in the sector of rubber and plastics industry

Code 22	Subsector (22): Manufacture of rubber and plastic products	Number of enterprises			Number of employees			Turnover		
		Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018
2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	6	4	5	296	29	29	258,068.00	474,163.49	883,029.58
2219	Manufacture of other rubber products	3	3	3	3	3	3	5,624.00	7,495.80	5,602.00
2221	Manufacture of plastic plates, sheets, tubes and profiles	28	29	32	142	168	192	770,576.00	651,046.65	691,207.88
2222	Manufacture of plastic packing goods	29	30	31	183	230	276	24,009.00	35,371.81	72,726.14
2223	Manufacture of builders' ware of plastic	324	340	352	1408	1521	1565	12,531,403.00	14,869,025.24	13,450,364.72
2229	Manufacture of other plastic products	75	78	81	317	319	309	205254	245136.47	228193.54
Total		465	484	504	2349	2270	2374	13,794,934.00	16,282,239.46	15,331,123.86

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

According to table 25, the activity with the most influence in employment is the manufacture of builders' ware of plastic with 1,565 employees in 2018 or 65.9%. We also see that the number of employees in the rubber industry in 2016 was 296 employees, while a significant decrease took place in 2017 and 2018 for 90% of employees.

The number of enterprises has an increasing trend over the years in this subsector, from 465 companies as it was in 2016, also in 2018, it has increased by 8.38% more than in 2017.

9.2 Export and import in the subsector of manufacture of rubber and plastic products

In 2018, compared to 2017, the export of the subsector of manufacture of rubber and plastic industry, was € 16,454,436.21, where exports marked an increased by 20.6%, while increase in 2017, compared to 2016, was by 18.8%.

In 2017, compared to 2016, imports in the subsector of manufacture of rubber and plastics increased by 0.93%, while in 2018 compared to 2017, they increased by 6.19%.

Exports of this subsector account for 17.9% of total exports and 4.48% of total imports of Sector C.

Table 26. Export and import in the subsector (17) of manufacture of rubber and plastic products

Code	Subsector (22): Manufacture of rubber and plastic products	Export			Difference (2018-2017)	Difference in % 2018-2017	Import			Difference (2018-2017)	Difference in % 2018-2017
		2016	2017	2018			2016	2017	2018		
22	Manufacture of rubber and plastic products	29,948,204.41	36,886,716.18	46,454,152.31	9,567,436.13	25.94	140,979,408.42	142,299,337.72	151,108,932.16	8,809,594.44	6.19
22.1	Manufacture of rubber products	5,318,055.11	5,261,908.91	5,467,377.83	205,468.92	3.90	26,039,969.89	24,919,855.99	27,518,551.20	2,598,695.21	10.43
2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	53,431.63	19,333.00	16,323.14	(3,009.86)	0.00	16,585,529.08	16,127,322.74	16,772,045.94	644,723.20	4.00
2219	Manufacture of other rubber products	5,264,623.48	5,242,575.91	5,451,054.69	208,478.78	3.98	9,454,440.81	8,792,533.25	10,746,505.26	1,953,972.01	22.22
22.2	Manufacture of plastics products	24,630,149.30	31,624,807.27	40,986,774.48	9,361,967.21	29.60	114,939,438.54	117,379,481.73	123,590,380.96	6,210,899.23	5.29
2221	Manufacture of plastic plates, sheets, tubes and profiles	9,524,416.57	11,460,280.15	13,922,652.58	2,462,372.43	21.49	71,141,132.41	70,380,736.36	73,521,836.04	3,141,099.68	4.46
2222	Manufacture of plastic packing goods	7,265,490.67	8,625,565.35	12,140,878.57	3,515,313.22	40.75	13,818,282.59	14,668,738.53	16,372,440.42	1,703,701.89	11.61
2223	Manufacture of builders' ware of plastic	5,580,179.31	7,768,287.12	11,285,917.03	3,517,629.91	45.28	11,698,713.20	12,290,686.16	12,027,697.31	(262,988.85)	(2.14)
2229	Manufacture of other plastic products	2,260,062.75	3,770,674.65	3,637,326.30	(133,348.35)	(3.54)	18,281,310.34	20,039,320.68	21,668,407.19	1,629,086.51	8.13

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

In 2017, compared to 2016, exports to EU countries increased by 15.6%, and also in 2018, compared to 2017, they increased by 25%.

In 2017, compared to 2016, exports with CEFTA countries increased by 25.96%, and also in 2018 compared to 2017, they increased by 19.5%.

Manufacture of rubber products participates with € 1,453,853.40 or 9.48% in the subsector of rubber and plastics.

In 2018, exports to EFTA countries were € 5,455,866,800 or 73% compared to imports which were € 1,456,336,190 or 27%, in total trade exchange in the sector of rubber and plastics. The highest export in the subsector of rubber and plastics with EFTA countries is in Switzerland with 99.8%.

Among the main products exported to Switzerland are rubber and plastic products such as: builders' ware of plastic, worth € 4,825,464.9 or 85.9% of this subsector.

In 2017, compared to 2016, imports in the subsector of manufacturing rubber and plastics industry decreased slightly by 1.1%, while in 2018, compared to 2017 there was a significant increase by 5.83%. The imbalance between exports and imports of this subsector indicates that there was a trend of increasing imports compared to exports.

In 2017, compared to 2016, imports with EU countries increased by 5.74%, while in 2018, compared to 2017 imports, they increased by 9.55%.

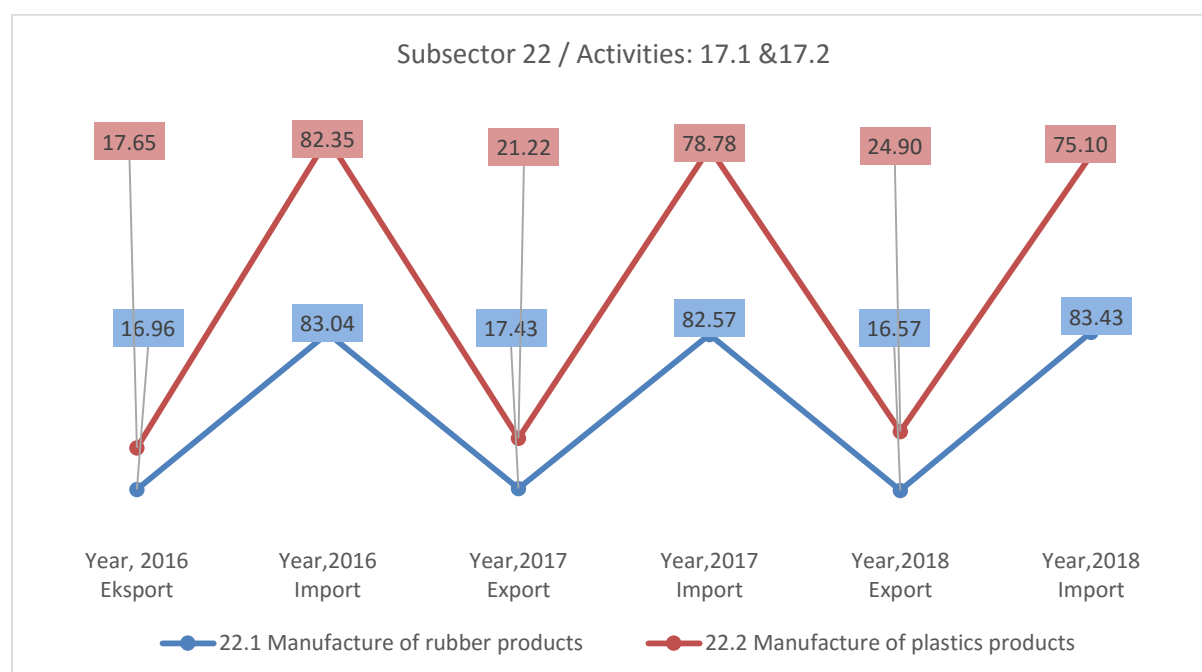
Imports with CEFTA countries have decreased over the years, in 2017 there was an import decrease compared to 2016 by 7.48%, as well as in 2018, compared to 2017, we have the same decrease by 7.49%.

Imports in the subsector of rubber and plastics accounts for 4.51% with CEFTA countries, in sector C of the manufacturing industry.

In 2018, Kosovo had a positive balance in the export-import ratio with EFTA countries in the sector of rubber and plastics industry. Exports are up to 79% higher than imports, worth € 1,456,336.19 equal to € 5,455,866,800.

Exports of rubber products have low value to € 468,787.13, or 32.8% of this subsector, Switzerland is where most of these products are exported: plastic plate, sheets, tubes and profiles, in the amount of € 618,196.88 or 42.5% of this subsector.

Figure 7. Export-to-import ratio in the sector of rubber and plastics industry



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

Figure 7, presents the export-to-import ratio in the subsector of rubber and plastics for 2016-2018.

10. MANUFACTURE OF METAL

Manufacture of metal includes the activities of smelting and/or refining ferrous and non-ferrous metals from ore, pig or scrap, using electrometallurgical and other process metallurgical techniques. It also involves the production of metal mixtures and super-mixtures by introducing other chemical elements into the pure metals.

The output of smelting and refining, usually in ingot form, is used in rolling, drawing and extruding operations to make products such as plate, sheet, strip, bars, rods, wire or tubes, pipes and hollow profiles and in molten form to make castings and other basic metal products.

Subsector of the metal processing is characterized by a small group of large enterprises (traditional industries developed in Kosovo before 1990s, most of which have already been privatized), which consist of the majority of manufacturing, exports and employment. Enterprises of this subsector exploit Kosovo's rich resources of metal ores (e.g. nickel) to produce base metals commonly exported, production of end products (steel tubes, steel pipes, heat radiators, galvanized steel products, etc.).

In this subsector, the largest number of registered enterprises are micro and small enterprises, most of which deal with the manufacture of metal constructions and products used in the construction industry. Also, a large number of enterprises have the manufacture of metal

components, through processing activity powder metallurgy, treatment and coating of metals, and production of precious metal products, yarns and aluminium.

In terms of product-market value, the most important persuasive activity is that of ferronickel processing, followed by end-use iron and steel products.

So far there have been no government incentives directly targeting the sector of metal processing.¹⁵

However, there are some incentives aimed at supporting local producers in general and which are important for metal processing companies as well, such as exemption of goods from customs duty. The most important incentive in this regard is the 0% customs duty on imports of machinery and raw materials destined for further processing by manufacturing companies.

10.1 Number of enterprises, employment and turnover in the subsector of metal

Enterprises are mechanisms that enable employment. In 2018 in this subsector, 99 enterprises were identified, with 1051 employees and a turnover of € 46,172,078.

In 2018, compared to 2017, employment in this subsector has increased by 1.15%. While the number of enterprises has decreased by 4.8% compared to the previous year, turnover has also decreased by 29%.

Subsector (24) participation in the total of Sector C:

- 2.04% of enterprises,
- 4.03% of employees, and
- 4.35% of turnover.

¹⁵ Metal processing industry profile (2014)/MTI

Table 27. Number of enterprises, employment and turnover in the subsector of manufacture of metal

Code	Subsector (24): Manufacture of basic metals	Number of enterprises			Number of employees			Turnover		
		Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018	Year 2016	Year 2017	Year 2018
2410	Manufacture of basic iron and steel and of ferro-alloys	23	25	22	906	882	867	27,688,324.00	59,537,285.43	38,129,953.58
2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	2	7	4	8	9	18	88,882.00	112,077.73	283,224.11
2433	Cold forming or folding	9	8	1	16	12	13	309,980.00	177,196.58	1,345,677.12
2434	Cold drawing of wire	2	25	9	6	32	12	104,325.00	398,234.14	207,999.28
2441	Precious metals production	29	23	22	34	60	28	232,565.00	4,107,516.26	266,901.07
2442	Aluminium production	22	2	24	39	8	64	1,367,060.00	16,896.98	4,849,685.85
2444	Copper production	1	1	1	5	1	4	24,258.00	-	18,467.28
2451	Casting of iron	6	4	4	14	10	6	392,335.00	353,677.70	324,765.49
2452	Casting of light metals		1	3	21	1	9	-	-	40,341.52
2453	Casting of light metals	7	1	8	1	24	30	252,721.00	399,213.47	702,213.06
2454	Casting of other non-ferrous metals	2	7	1	-	-	-	18,517.00	4,350.00	2,850.00
	Total	103	104	99	1050	1039	1051	30,478,967.00	65,106,448.29	46,172,078.36

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

Based on Table 27, the subactivity generating the most employment is the manufacture of basic iron and steel, as well as ferro-alloys with a total of 867 employees, or expressed as a percentage by 82.49%. This trend is followed by the subactivity, manufacture of aluminium with 64 employees, or 6.09%, then the subactivity of the casting of light metals with 30 employees or 2.85% of the total employment of this subsector.

Manufacture of aluminium is the subactivity which has the highest employment growth for 56 employees, or expressed in percentage 5.33% compared to 2017, where there were only 8 employees, while the cold drawing of wire was lower for 20 employees or 1.90%, less than in 2017.

10.2 Export and import in the subsector of metal

In 2017, compared to 2016, exports in the subsector of manufacturing of metal increased by over 100 %, while in 2018, compared to 2017, there was a 24% decrease.

In 2017, compared to 2016, imports in the subsector of manufacturing of metal increased by 16.53%, while in 2018, compared to 2017, there was a great increase of 28.24%. Trade exchange (export and import) of this subsector indicates that there was an increasing trend of imports compared to exports.

Exports of this subsector account for 24.45% of total exports and 8.45% of total imports of Sector C.

Table 28. Presents export and import data in the subsector (24) Manufacture of metals, at 3 and 4 digit levels

Code	Subsector (24): Manufacture of metals	Export			Difference (2017-2018)	Difference in % (2017-2018)	Import			Difference (2017-2018)	Difference in % (2017-2018)
		2016	2017	2018			2016	2017	2018		
24	Manufacture of metals	40,060,234.65	83,307,151.89	63,135,997.19	(20,171,154.70)	(24.21)	176,568,204.04	205,753,206.18	263,854,273.63	58,101,067.45	28.24
24.1	Manufacture of basic iron and steel and of ferro-alloys	23,297,747.60	61,054,910.35	36,945,115.30	(24,109,795.05)	(39.49)	130,428,893.13	155,914,705.53	206,344,411.50	50,429,705.97	32.34
24.1	Manufacture of basic iron and steel and of ferro-alloys	23,297,747.60	61,054,910.35	36,945,115.30	(24,109,795.05)	(39.49)	130,428,893.13	155,914,705.53	206,344,411.50	50,429,705.97	32.34
24.2	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	14,856,335.71	19,384,493.40	22,663,168.17	3,278,674.77	16.91	7,373,611.39	6,744,399.30	9,457,833.00	2,713,433.70	40.23
24.2	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	14,856,335.71	19,384,493.40	22,663,168.17	3,278,674.77	16.91	7,373,611.39	6,744,399.30	9,457,833.00	2,713,433.70	40.23
24.3	Manufacture of other products of first processing of steel	829,936.02	675,953.59	1,101,923.64	425,970.05	63.02	14,155,763.93	16,249,486.97	16,662,483.48	412,996.51	2.54

24.31	Cold drawing of bars	23,858.99	12,141.04	14,776.95	2,635.91	21.71	271,082.23	356,667.15	409,358.07	52,690.92	14.77
24.32	Cold rolling of narrow strip	32,030.90	47,122.03	76,267.46	29,145.43	61.85	1,295,771.33	1,193,444.44	1,697,518.07	504,073.63	42.24
24.33	Cold forming or folding	226,152.23	100,846.72	208,814.44	107,967.72	107.06	9,838,916.12	11,903,864.53	11,048,187.10	(855,677.43)	(7.19)
24.34	Cold drawing of wire	547,893.90	515,843.80	802,064.79	286,220.99	55.49	2,749,994.25	2,795,510.85	3,507,420.24	711,909.39	25.47
24.4	Manufacture of basic precious and other non-ferrous metals	1,059,095.05	2,154,421.88	2,371,727.03	217,305.15	10.09	23,304,639.96	25,767,484.10	30,310,007.21	4,542,523.11	17.63
24.41	Precious metals production	110.30	-	-	-	-	20,144.36	5,090.29	5,329.75	239.46	4.70
24.42	Aluminium production	345,308.37	248,838.86	318,485.67	69,646.81	27.99	15,328,495.27	16,046,423.42	19,160,183.81	3,113,760.39	19.40
24.43	Lead, zinc and tin production	688,470.77	1,890,733.46	2,018,309.81	127,576.35	6.75	1,173,247.05	1,729,635.43	2,217,062.07	487,426.64	28.18
24.44	Copper production	25,205.61	14,849.56	34,491.55	19,641.99	132.27	6,744,962.31	7,835,763.02	8,619,172.42	783,409.40	10.00
24.45	Other non-ferrous metal production	-	-	440.00	440.00	-	37,790.97	150,571.94	308,259.16	157,687.22	104.73
24.46	Processing of nuclear fuel	-	-	-	-	-	-	-	-	-	-
24.5	Casting of metals	17,120.27	37,372.67	54,063.05	16,690.38	44.66	1,305,295.63	1,077,130.28	1,079,538.44	2,408.16	0.22
24.51	Casting of iron	17,120.27	27,830.28	54,063.05	26,232.77	94.26	1,032,613.81	904,261.83	820,338.08	(83,923.75)	(9.28)
24.52	Casting of steel	-	9,542.39	-	(9,542.39)	(100)	272,681.82	172,868.45	259,200.36	86,331.91	49.94
24.53	Casting of light metals	-	-	-	-	-	-	-	-	-	-
24.54	Casting of other non-ferrous metals	-	-	-	-	-	-	-	-	-	-

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

The total value of exports in this subsector is € 63,135,997, to EU countries is 2.86%, CEFTA countries, 37.73% EFTA countries 2.36% and other countries 57.05%.

In 2018, compared to 2017, exports with EU countries increased by 3.78%, while imports increased by 44.77%.

In 2018, compared to 2017, exports with CEFTA countries, increased by 17.05%, while imports increased by 19.53%.

In 2018, compared to 2017, exports with EFTA member countries increased by 46.55 %, this export was high mainly with Switzerland, while imports in 2018 compared to the previous year decreased by 11.72%.

While with other countries, the export trend of this subsector, during 2018, compared to the previous year, decreased by 40.17%, while imports increased by 58.69%.

In 2018, compared to 2017, according to table 28, export of the activity Manufacture of other products of first processing of steel increased by 63.02%.

In 2018, compared to 2017, the activity, manufacture of tubes, pipes, hollow profiles and related fittings, of steel had a high value in exports for € 22,663,168.17 or 16.91%.

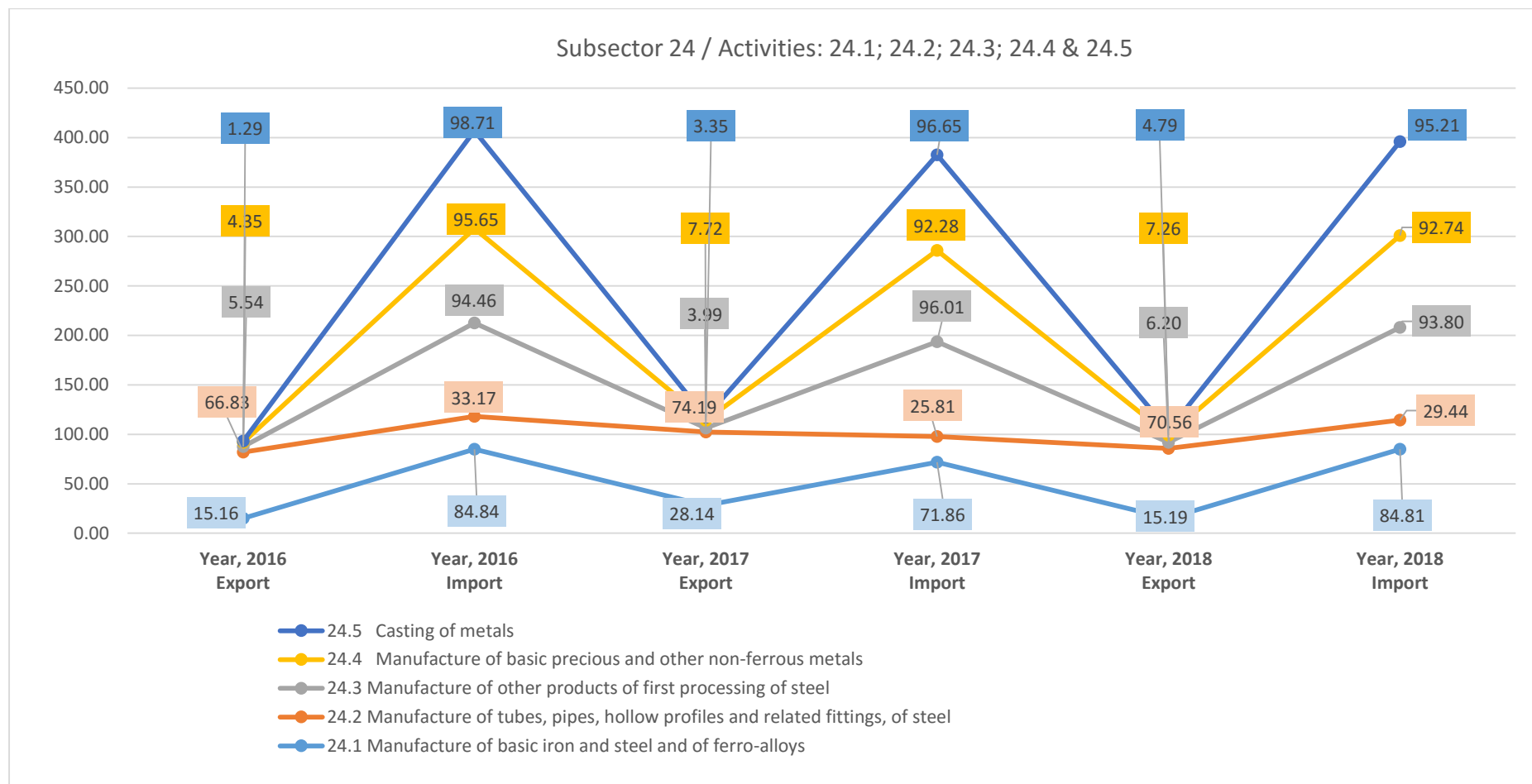
In 2018, compared to the previous year, the exports of the activity Manufacture of basic iron and steel and of ferro-alloys decreased by 39.49%.

In 2018, compared to 2017, the trend of higher imports is in the manufacture of tubes, pipes, hollow profiles and related fittings, of steel, with an increase by 40.23%.

Imports have mainly been with CEFTA countries, according to the data from table 28, where Albania dominates with € 91,334,413.59, expressed in percentage by 50.94%.

In 2018, compared to 2017, imports within CEFTA countries increased by 32.34% in the manufacture of basic iron and steel and of ferro-alloys.

Figure 8. Export-to-import ratio in the subsector of manufacture of metals



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

Over the years, the trend of trade exchange of the activity of manufacture of basic iron and steel, as well as ferro-alloys, according to Figure 8, has dominated with imports around 70% in 2016 and 2018, while in 2017 the import in trade exchange was 43.72%, concluding that export in 2017 has been higher in the last three years.

Regarding the activity of pipes, tubes, hollow profiles and other steel equipment manufacture in the trade exchange, export increased by 7.36% in 2017, while in 2018 decreased by 3.63%.

11. MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT

This subsector includes processing of metal products into final products such as: knives, locks, hinges, various tools, screwdrivers, wires, and some other products.

Metal processing enterprises are almost entirely privately owned and are distributed throughout Kosovo, the largest number being in Prishtina's region. These enterprises employ about 1.5% of the total employed population in Kosovo. The enterprises of this subsector are mainly men-owned since only 5% of the workforce are women and in 7% of companies women are shareholders.¹⁶

The metal processing sector continues to be an important source of revenues in Kosovo, although not to the same extent as in the past. Most metal processing enterprises deal with the treatment and coating of metals or the manufacture of metal structures and elements for the construction industry. The investments of metal processing enterprises are of a capital rather than workforce-related nature. However, the metal processing sector has the potential for increased production and cooperation with other sectors.

Metal processors in Kosovo can greatly add value to metals destined for export and at the same time meet local market demands with better quality and lower prices. Support for this subsector includes addressing capital gaps and skills, facilitating sector categorization, as well as encouraging and obtaining quality certifications.¹⁷

11.1 Number of enterprises, employment and turnover in the subsector of manufacture of fabricated metal products, except machinery and equipment

Enterprises are among the main employment factors, in this case the subsector of manufacture of metal fabricated products according to table 29, in 2018 has 2,471 employees in 600 enterprises and €117,431,916 turnover.

Employment in this subsector, compared to 2017, has increased by 10.50% in 2018, as well as the number of enterprises increased by 6%, and turnover by 26%.

Subsector (25) participation in the total of sector C:

- 12.34% of enterprises,
- 9.46% of employees and
- 11.06% in turnover

¹⁶ Sector Profile of the Metal Processing Industry (2014)/MTI

¹⁷ <http://empowerkosovo.org/al/perpunimi-i-metalit/>

Table 29. Number of enterprises, employment and turnover in the subsector of Manufacture of fabricated metal products

Code	Subsector (25): Manufacture of fabricated metal products	Number of enterprises			Number of employees			Turnover		
		2016	2017	2018	2016	2017	2018	2016	2017	2018
2511	Manufacture of metal structures and parts thereof	180	179	208	1,390	1,277	1,435	69,025,027	65,457,924.85	82,246,440.01
2512	Manufacture of metal doors and windows	119	119	121	237	265	298	7,428,180	7,771,445.85	8,123,751.84
2521	Manufacture of radiators and boilers for central heating	5	5	7	13	16	16	227,178	183,788.89	265,978.61
2529	Manufacture of tanks, reservoirs and other metal containers	3	3	4	4	4	3.00	807,995	275,269.91	18,913.57
2540	Manufacture of weapons and ammunition	1	1	-	-	-	-	114	944.90	-
2550	Metal forging, pressing, stamping and roll-forming; powder metallurgy	57	55	59	156	172	181	6,989,270	5,794,567.84	7,226,231.29
2561	Treatment and coating of metals	41	39	41	72	78	81	1,752,150	1,951,008.13	2,161,903.66
2562	Machining	80	71	69	191	164	175	4,292,681	4,813,040.85	8,155,592.56
2571	Manufacture of knives	2	2	2	1	3	3	8,245	10,403.86	6,395.30
2572	Manufacture of locks and hinges	2	2	2	2	2	2	-	21,051.00	-
2573	Manufacture of tools	2	3	3	-	2	2	4,450	2,952.00	2,583.00
2591	Manufacture of steel drums and other similar containers	1	1	1	2	2	3	34,787	39,512.51	48,541.50
2592	Manufacture of light metal packaging	3	4	2	9	11	5	503,675	143,503.22	84,391.17
2593	Manufacture of wire, chain and spring products	17	17	16	62	63	71	2,406,599	2,724,165.74	3,375,177.55
2594	Manufacture of screws and screwdrivers	4	4	4	8	10	9	13,588	58,067.35	194,467.22
2599	Manufacture of other metal products n.e.c.	49	61	61	150	167	187	3,367,938	3,488,298.06	5,521,548.93
Total		566	566	600	2,297	2,236	2,471	96,861,877	92,735,945	117,431,916

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

According to Table 29, in this subsector, in 2018, the subactivity of manufacture of metal structures and parts thereof dominates with 1,435 employees, followed by the subactivity of manufacture of metal doors and windows with 298 employees, while the third is the subactivity of manufacture of other metal products n.e.c. with 189 employees.

In this subsector, it is important that subactivities have constantly increased in the number of employees, number of enterprises and turnover, with the exception of two subactivities.

11.2 Export and import in the subsector of manufacture of fabricated metal products, except machinery and equipment

Export in the manufacture subsector of fabricated metal products, except machinery and equipment, increased by 55.84% in 2018, compared to 2017.

Import in the subsector of fabricated metal products, except machinery and equipment, increased by 7.9% in 2018, compared to 2017.

Exports of this subsector account for 8.32% of total exports and 3.52% of total C sector imports.

Table 30. Export and import in the subsector of manufacture of fabricated metal products

Code	Subsector (25): Manufacture of fabricated metal products	Export			Change (2017-2018)	Change in % 2017-2018	Import			Change (2017-2018)	Change in % 2017-2018
		2016	2017	2018			2016	2017	2018		
25	Manufacture of fabricated metal products	48,240,981.20	13,782,596.54	21,478,381.68	7,695,785.14	55.84	99,579,644.69	101,979,284.00	110,032,985.05	8,053,701.05	7.90
25.1	Manufacture of structural metal products	41,685,094.70	5,616,414.37	9,952,232.96	4,335,818.59	77.20	23,007,057.84	21,035,788.56	22,009,763.39	973,974.83	4.63
25.11	Manufacture of metal structures and parts thereof	2,771,827.86	2,705,137.81	3,942,042.29	1,236,904.48	45.72	20,129,627.29	18,705,417.84	19,084,325.68	378,907.84	2.03
25.12	Manufacture of metal doors and windows	38,913,266.84	2,911,276.56	6,010,190.67	3,098,914.11	106.45	2,877,430.55	2,330,370.72	2,925,437.71	595,066.99	25.54
25.2	Manufacture of metal tanks, reservoirs and containers	2,154,947.92	2,872,096.12	2,998,453.49	126,357.37	4.40	10,515,972.51	11,219,433.24	8,936,208.52	(2,283,224.72)	(20.35)
25.21	Manufacture of radiators and boilers for central heating	2,132,948.72	2,866,217.05	2,914,896.10	48,679.05	1.70	9,213,535.61	9,940,606.68	7,616,085.47	(2,324,521.21)	(23.38)
25.29	Manufacture of other metal tanks, reservoirs and containers	21,999.20	5,879.07	83,557.39	77,678.32	1,321.27	1,302,436.90	1,278,826.56	1,320,123.05	41,296.49	3.23
25.3	Manufacture of steam generators, except central heating boilers	77,405.00	87.00	789.00	702.00	806.90	900,247.67	561,203.32	276,184.65	(285,018.67)	(50.79)

25.31	Manufacture of steam generators, except central heating boilers	77,405.00	87.00	789.00	702.00	806.90	900,247.67	561,203.32	276,184.65	(285,018.67)	(50.79)
25.4	Manufacture of weapons and ammunition	-	-	-	-	-	2,873,996.15	2,481,654.05	2,601,674.24	120,020.19	4.84
25.4	Manufacture of weapons and ammunition	-	-	-	-	-	2,873,996.15	2,481,654.05	2,601,674.24	120,020.19	4.84
25.7	Manufacture of kitchen cutlery, general metal tools and hardware	261,412.42	368,479.88	803,092.37	434,612.49	117.95	24,779,271.62	25,468,499.36	27,478,669.54	2,010,170.18	7.89
25.71	Manufacture of knives	4,908.72	4,566.86	8,967.07	4,400.21	96.35	3,431,034.42	3,965,512.18	3,953,026.08	(12,486.10)	(0.31)
25.72	Manufacture of locks and hinges	163,094.58	281,682.19	402,118.41	120,436.22	42.76	15,664,723.71	14,967,518.72	16,133,100.15	1,165,581.43	7.79
25.73	Manufacture of tools	93,409.12	82,230.83	392,006.89	309,776.06	376.72	5,683,513.49	6,535,468.46	7,392,543.31	857,074.85	13.11
25.9	Manufacture of other metal products	4,062,121.16	4,925,519.17	7,723,813.86	2,798,294.69	56.81	37,503,098.90	41,212,705.47	48,730,484.71	7,517,779.24	18.24
25.91	Manufacture of steel drums and other similar containers	93,163.53	71,132.47	55,567.66	(15,564.81)	(21.88)	833,432.12	784,140.60	748,069.67	(36,070.93)	(4.60)
25.92	Manufacture of light metal packaging	29,910.70	34,657.80	1,802.00	(32,855.80)	(94.80)	7,210,108.94	9,433,241.04	9,398,198.87	(35,042.17)	(0.37)
25.93	Manufacture of wire, chain and spring products	823,790.97	736,822.95	2,501,321.25	1,764,498.30	239.47	5,840,955.27	6,722,311.47	9,006,153.56	2,283,842.09	33.97
25.94	Manufacture of screws and screwdrivers	1,058,988.08	1,419,593.89	1,165,995.21	(253,598.68)	(17.86)	3,606,469.84	3,659,294.91	5,317,673.28	1,658,378.37	45.32
25.99	Manufacture of other metal products n.e.c.	2,056,267.88	2,663,312.06	3,999,127.74	1,335,815.68	50.16	20,012,132.73	20,613,717.45	24,260,389.33	3,646,671.88	17.69

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

The total value of exports in this subsector is € 21,478,381.68, export to EU countries is 33.5%, export to CEFTA countries is 27.32%, to EFTA countries 37.52% and other countries 1.66%.

Based on Table 30, in this subsector, export has been steadily increasing in the last three years, with the most pronounced increase in 2018 at 55% compared to 2017, with the largest export activity being manufacture of metal structures with € 9,952,232.96, followed by the activity of manufacture of other metal products with € 7,723,813.86.

In this subsector, exports to Switzerland amounted to € 7,958,459.78, making it the most targeted country for market. Kosovo has also managed to export to EU countries with an export of € 7,195,530.59, with most exported to: the Netherlands with € 1,473,584.54 and Germany with € 1,968,737.17.

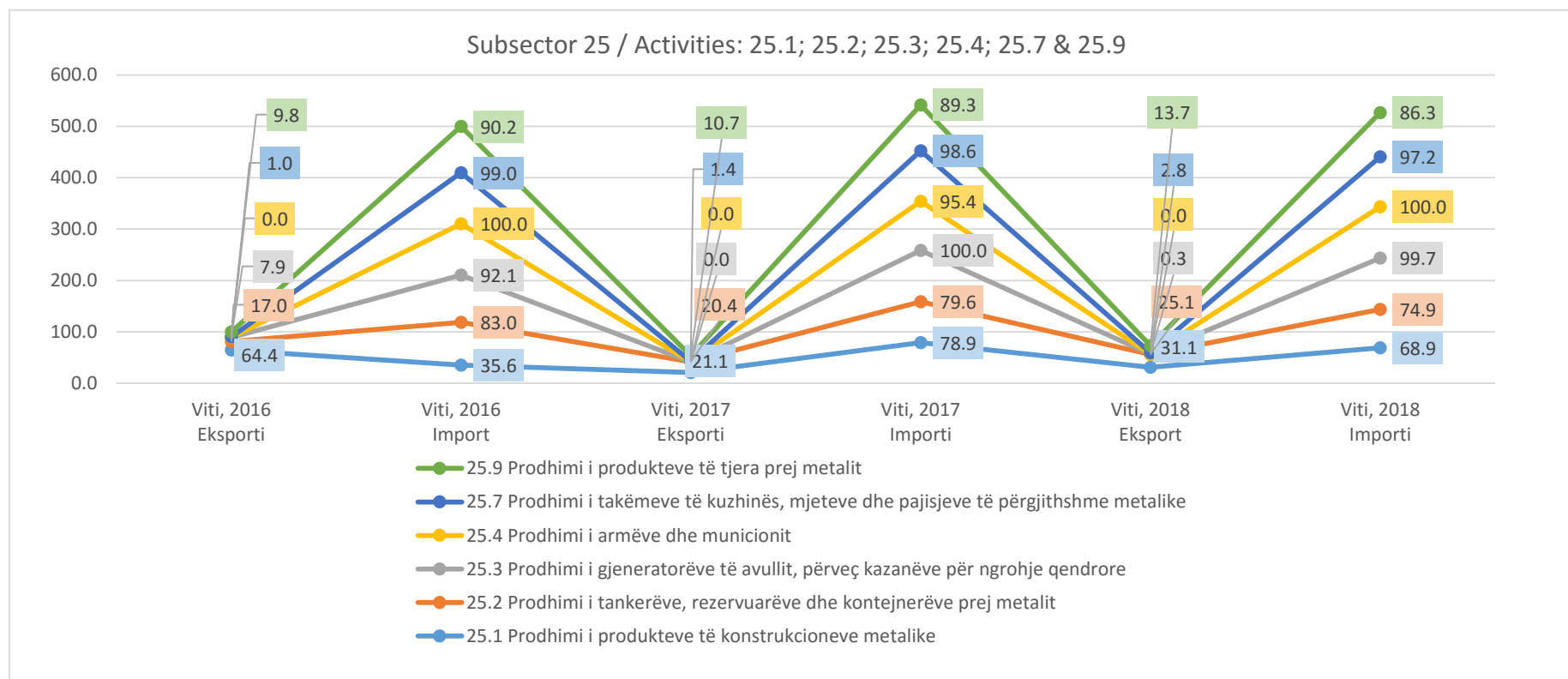
Regarding export to CEFTA countries, the enterprises mostly export to Northern Macedonia with € 1,941,929.17, then to Serbia with € 1,759,695.20 and Albania with € 1,663,238.78.

In this subsector, in terms of value, imports are dominated by EU countries, with the highest imports being from the following countries: Germany with € 13,420,819.11 and Italy with € 9,175,458.15.

Among the activities that have an impact on increasing imports is the manufacture of other metal products with 18.24% for 2018 compared to 2017, followed by the manufacture of cutlery, tools and general hardware with 7.89% for 2018.

Figure 9 shows the export-to-import ratio by activities at a three-digit level for 2016, 2017 and 2018, and represents the trend of exports and imports over the years.

Figure 9. The export-to-import ratio in the subsector of Manufacture of fabricated metal products.



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

The trend of trade exchange according to Figure 9 shows that the activity of manufacture of metal structure products had a positive trade balance in 2016, while in 2017 and 2018 it had a negative balance.

12. FURNITURE SUBSECTOR

The furniture industry is an industry dominated by micro, small and medium enterprises, both in Kosovo and in other EU countries.

EU countries are world leaders in the high-level segment of the furniture market. Nearly two out of every three high-level furniture products sold in the world are manufactured in the EU. Also, in the EU countries, employment in this subsector is about 1 million workers in 130 thousand enterprises, generating an annual turnover of about 96 billion Euros.¹⁸

In the report, (Report “The EU Furniture Market Situation and a Possible Furniture Products Initiative”, 2014), Germany, Italy, Poland and France are ranked among the top 10 European manufacturers in the furniture industry and hold a combined share of 17% of world manufacturing and almost 60% of EU manufacturing. Globally, 77% of furniture manufacturing is in the top 10 countries such as China 40%, United States of America 14%, Germany 5%, Italy 4%, India 3%, Japan 3%, Poland 2%, Canada 2%, Brazil 2% and France 2%.

The furniture import/consumption ratio, expressed in percentage, by country was: Asia and the Pacific 8%, North America 40%, 28 EU countries 47%, Norway, Switzerland, Iceland 76%, Europe outside the EU (including Russia) 33%, South America 10%, Middle East and Africa 49%.¹⁹

Furniture manufacturing companies are installing the modernized technological process, albeit with financial difficulties. However, the products in this subsector are of good quality with an increasing trend in exports.

The furniture manufacturing subsector in Kosovo plays an important role on the participation of enterprises, employment, exports and turnover in the manufacturing industry.

Exports of this subsector, compared to the previous year, have increased by 45% in 2018, and import has increased by 22%.

12.1 Number of enterprises, employment and turnover in the furniture subsector

Subsector of furniture as well as other subsectors affect employment and turnover. The number of employees in this subsector is 2,314 in 406 enterprises and turnover is € 63,113,256.

In this subsector, in 2018, employment increased by 24.27%, compared to 2017, the number of enterprises increased by 6.84%, and turnover increased by 28.91%.

The distribution of enterprises, employment and turnover is presented in more detail in Table 31.

Subsector (31) in total C Sector accounts for:

- 8.35% of enterprises,
- 8.87% of employees and
- 5.95% in turnover.

¹⁸ Furniture Industry - Internal Market, Industry, Entrepreneurship and SMEs - European Commission (2019)

¹⁹ Report “The EU Furniture Market Situation and a Possible Furniture Products Initiative”. (2014)

Table 31. Number of enterprises, employment and turnover in the furniture subsector

Code	Furniture Manufacture Subsector (31)	Number of enterprises			Number of employees			Turnover		
		2016	2017	2018	2016	2017	2018	2016	2017	2018
3101	Manufacture of office and shop furniture	55	64	72	253	239	305	4,703,844.00	3,357,478.44	4,915,731.80
3102	Manufacture of kitchen furniture	141	148	166	394	452	582	6,020,695.00	7,056,919.49	7,954,702.10
3103	Manufacture of mattresses	12	13	15	208	263	418	16,162,302.00	19,234,785.07	29,059,984.09
3109	Manufacture of other furniture	154	155	153	986	908	1,009	20,886,824.00	19,309,848.61	21,182,838.09
Total		362	380	406	1,841	1,862	2,314	47,773,665.00	48,959,031.61	63,113,256.08

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

According to Table 31, the subactivity with most influence on employment in this subsector is the subactivity of other furniture manufacture with 1,009 or 43.6% of employees, in the second place, by employment, is the subactivity of manufacture of kitchen furniture ranks with a number of 166 enterprises or 40.90%, whilst in turnover the activity of manufacture of mattresses leads with € 29,059,984.

12.2 Export and import in the furniture subsector

Compared to 2016, export in the furniture manufacture subsector increased by 22.26% in 2017, while compared to 2017, it increased by 45.22% in 2018.

Compared to 2016, import in furniture manufacture subsector decreased by 6.49% in 2017, while compared to 2017, there was a high increase by 21.57% in 2018.

Export-to-import ratio in this subsector is 17.52% of export and 82.43% of import.

Exports of this subsector account for 4.08% of total exports and 1.59% of total C sector imports.

Table 32. Export and import in subsector (31), manufacture of furniture

Code	Subsector (31): Manufacture of furniture	Export			Change (2017- 2018)	Change in % 2017-2018	Import			Change (2017- 2018)	Change in % 2017-2018
		2016	2017	2018			2016	2017	2018		
31	Manufacture of furniture	5,937,328.06	7,259,136.72	10,541,831.77	3,282,695.05	45.22	43,484,657.57	40,831,638.62	49,638,936.13	8,807,297.51	21.57
31.0	Manufacture of furniture	5,937,328.06	7,259,136.72	10,541,831.77	3,282,695.05	45.22	43,484,657.57	40,831,638.62	49,638,936.13	8,807,297.51	21.57
31.00	Manufacture of furniture	1,340,972.61	1,144,508.57	1,381,880.33	237,371.76	20.74	15,956,395.29	15,655,959.19	19,611,908.46	3,955,949.27	25.27
31.01	Manufacture of office and shop furniture	222,406.84	440,797.85	385,793.92	(55,003.93)	(12.48)	2,101,413.98	2,094,623.98	3,207,958.17	1,113,334.19	53.15
31.02	Manufacture of kitchen furniture	1,428,491.22	2,165,839.41	2,578,071.89	412,232.48	19.03	992,365.28	785,214.34	860,199.63	74,985.29	9.55
31.03	Manufacture of mattresses	137,358.03	304,005.71	848,175.87	544,170.16	179.00	2,472,925.09	2,644,015.27	2,507,772.95	(136,242.32)	(5.15)
31.09	Manufacture of other furniture	2,808,099.36	3,203,985.18	5,347,909.76	2,143,924.58	66.91	21,961,557.93	19,651,825.84	23,451,096.92	3,799,271.08	19.33

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

The total value of exports in this subsector is €10,541,831.77, with exports to EU countries 34.62%, exports to CEFTA countries 11.35%, exports to EFTA countries 55.53% and exports to other countries 0.48%.

According to Table 32, in monetary terms, the subactivity of manufacture of other furniture has highly increased in export in 2018 by €2,143,924.58 (66.91%) compared to 2017. Also, manufacture of mattresses has highly increased in export in 2018 by € 544,170.16, compared to 2017 etc.

If we consider the trade balance, table 32 shows that the subactivity of manufacture of kitchen furniture has a positive balance, with €2,578,071.89 of exports and €860,199.63 of imports in 2018. Also, regarding this subactivity, the percentage of export compared to 2017, has increased by 19.03% in 2018 while the import has increased by 9.55%.

The subactivity of manufacture of office and shop furniture has had a negative trend in export and high increase in import in 2018 compared to the previous year, with export decreasing by 12.48% and import increasing by 53.15%.

In this subsector, export to EU countries, compared to 2017, showed an increase trend of 78.07% in 2018, while import in this subsector in 2018 has increased by 37.67%.

A poor trend of exports compared to imports has appeared with other countries, in which compared to 2017, exports have increased only by 2.28% in 2018 and imports have increased by 32.92%.

In this subsector, Kosovo has had advancement and positive balance with EFTA countries, with export increased by 32.52% in 2018 and import decreased by 17.16%. The furniture subsector has a positive balance with EFTA countries in all subactivities.

Kitchen furniture subactivity leads in export to Switzerland with €2,009,235 or 78% within the subsector.

Exports are dominated by mattresses, excluding mattress supports, with Albania being the main country which Kosovo exports to. Kosovo exports this product with about 52% to Albania, 17% to Greece, 13% to Switzerland etc.

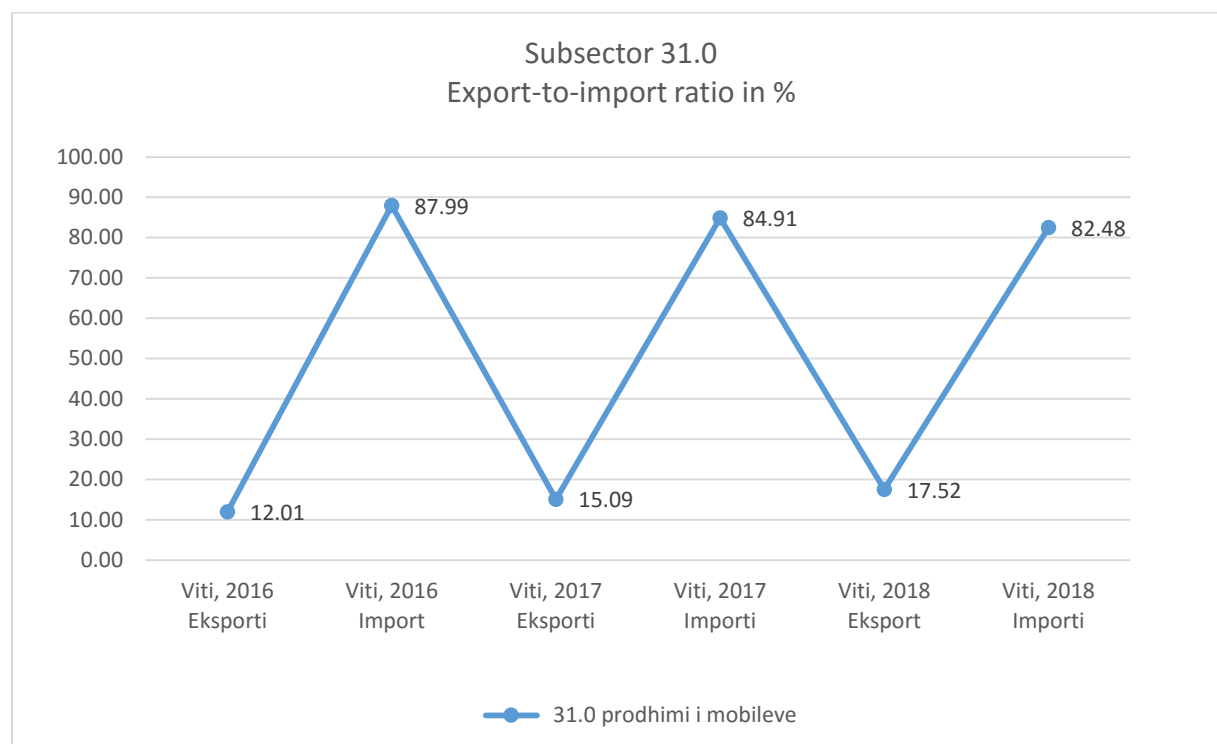
Regarding import, Kosovo has shown a negative trend in the subactivity of manufacture of office and shop furniture, the highest import of this subactivity being the wooden furniture products from shops with about 54% of the total imports of the subactivity.

Within the subactivity of manufacture of office and shop furniture, the import is dominated by wooden furniture for shops with about 54% of the total import of this subactivity. The countries that import to Kosovo most of the products of wooden furniture for shops are: Turkey with 19.59%, Spain with 18%, Slovenia with 17.76% Serbia with 10.97%, Germany with 9.46% etc.

Countries that have the largest import of wooden furniture products of a kind used in offices are: Turkey with 35.53%, China with 21.84%, Albania with 17.05% etc. Metal furniture

products of a kind used in offices are mainly imported to Kosovo from China with about 43% and Turkey with about 21%.

Figure 10. Export-to-import ratio in the furniture sector



Source: KAS, processed by DIP/MTI

The trend of trade exchange over years of the activity of furniture manufacture, according to Figure 10 is better at import, however from 2016, a slight decrease of imports compared to exports is noted.

13. Summary

- C Sector, Processing Industry, accounts for 11.3% of GDP;
- C Sector accounts for 70.27% of total exports;
- C Sector accounts for 93.97% of total imports;
- C Sector, at the employment rate by economic activity is 10.03%;
- C Sector accounts for 7.36% of total number of active enterprises;
- The effective interest rate in the industry sector in 2018 is 6.1%;
- Textile subsector in employment accounts for 3.13% of total C sector;
- Textile subsector in the number of enterprises accounts for 2.61% of the total of C sector;
- In exports, within the C sector, the textile subsector accounts for 2.38%;
- In imports, within the C sector, the textile subsector accounts for 1.88%;
- The wearing apparel subsector in employment accounts for 3.28% of the total of C sector;
- The wearing apparel subsector in the number of enterprises accounts for 4.65% of the total of C sector;
- In exports, within C sector, the wearing apparel subsector accounts for 0.84%;
- In imports, within C sector, the wearing apparel subsector accounts for 3.37%;
- The leather subsector in employment accounts for 1.65% of the total of C sector;
- The leather subsector in the number of enterprises accounts for 0.76% of the total of C sector;
- In exports, within C sector, the leather subsector accounts for 1.06%;
- In imports, within the C sector, the leather subsector accounts for 1.43%;
- The wood subsector in employment accounts for 5.33% of the total of C sector;
- The wood subsector in the number of enterprises accounts for 9.15% of the total of C sector;
- In exports, within the C sector, the wood subsector accounts for 2.09%;
- In imports, within the C sector, the wood subsector accounts for 2.22%;
- The paper subsector in employment accounts for 1.65% of total C Sector;
- The paper subsector, in the number of enterprises accounts for 2% of the total of C sector;
- In exports, within the C sector, the subsector of paper accounts for 0.94%;
- In imports, within the C sector, the subsector of paper accounts for 1.87%;
- Subsector of chemical products manufacturing in employment accounts for 2.46% of the total of C sector;
- Subsector of chemical products manufacturing in the number of enterprises accounts for 2.14% of the total of C sector;
- In exports, within the C sector, the subsector of chemical products manufacturing accounts for 2.27%;
- In imports, within the C sector, the subsector of chemical products manufacturing accounts for 7.26%;
- The rubber and plastics subsector in employment accounts for 9.1% of the total of C sector;
- Subsector of rubber and plastics in the number of enterprises accounts for 10.4% of the total of C sector;
- In exports, within the C sector, the rubber and plastics subsector accounts for 17.9%;

- In imports, within the C sector, the rubber and plastics subsector accounts for 4.48%;
- Subsector of metal manufacturing in employment accounts for 4.03% of the total of C sector;
- Subsector of metal manufacturing in the number of enterprises accounts for 2.04% of the total of C sector;
- In exports, within the C sector, the subsector of metal manufacturing accounts for 24.45%;
- In imports, within the C sector, the subsector of metal manufacturing accounts for 8.45%;
- The subsector of fabricated metal products in employment accounts for 9.46% of the total of C sector;
- The subsector of fabricated metal products in the number of enterprises accounts for 12.34% of the total of C sector;
- In exports, within the C sector, the subsector of fabricated metal products accounts for 8.32%;
- In imports, within the C sector, the subsector of fabricated metal products accounts for 3.52%;
- Furniture subsector in employment accounts for 8.87% of the total of C sector;
- Furniture subsector in the number of enterprises accounts for 8.35% of the total of C sector;
- In exports, within the C sector, the furniture subsector accounts for 4.08%;
- In imports, within the C sector, the furniture subsector accounts for 1.59%;

Conclusions on increasing manufacture in processing industry sectors

- In order to improve the living standard, equilibrate the large negative trade balance and increase exports, Kosovo should invest on the subsectors of the processing industry, namely in manufacturing;
- 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;
- Investments in advanced technologies should take place, which enable the increase of product value by applying the required standards, in accordance with the requirements of the EU market;
- 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;
- Programs for researching the export market should be developed as well as vocational training programs should be developed in order to meet market needs;
- 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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