KOSOVO TAX HIKE HALVES IMPORTS FROM SERBIA, BOSNIA

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Serbia's Chamber of Commerce said exports to Kosovo had fallen by 50 per cent since Pristina slapped taxes on goods from Serbia and Bosnia, while the trade deadlock continues.

Kosovo imposed tariffs of 10 per cent on products from Serbia and Bosnia for their negative behaviour towards Kosovo, on November 6. Neither country recognises Kosovo's independence.

About 130 trucks [of goods] entered Kosovo daily in November 2017 at the most commonly used crossing of Merdare, while the number dropped to 60 [after the tax imposition], the Chamber of Commerce said.

Kosovo's Trade and Industry Ministry also said that imports from Serbia and Bosnia and Herzegovina had decreased by 50 per cent.

Spokesperson Elhami Ismaili said the ministry wanted the measure kept in place because Serbia and Bosnia are damaging any Kosovo initiatives to join international mechanisms.

These two countries do political and economic damage to Kosovo, even jeopardising its statehood, he told BIRN.

Kosovo Customs spokesperson Adriatik Stavileci said the state budget had collected 300,000 euros from the protective fiscal measure imposed on products from Serbia and Bosnia and Herzegovina by November 15, of which 270,000 euros came from Serbian products and 30,000 euros from Bosnia and Herzegovina.

Like Serbia, Bosnia had a large trade sufficit with Kosovo in 2017, exporting products to Kosovo worth about 80 million euros against imports of only 8 million euros.

Serbia's Chamber of Commerce said Serbian companies sold 349.6 million euros worth of goods to Kosovo from January to September 2018, and the trade sufficit was 329.9 million.

It said the only goods currently being delivered were international brands, which are exempted from the additional taxes, or low-value goods, like sand.

It said also that it communicates daily with companies that have practically suspended delivery to Kosovo because their products have become uncompetitive.

The only other companies still delivering goods to Kosovo were those pressed with tight deadlines or with advance payments; others were waiting for the tax to be eliminated, the Chamber said.

It warned that Pristinas decision was harming Kosovo producers who buy materials from Serbia, and might lead to increased prices for Kosovo consumers.

Pristinas decision to impose tariffs was criticised for violating its membership of the CEFTA free-trade agreement, but the government has resisted international pressure to rescind the measures.

Kosovo Prime Minister Ramush Haradinaj said last week that the tariffs may go even higher.

Serbian Trade Minister Rasim Ljajic said last Thursday that Belgrade could not reciprocate much, as it imports little from Kosovo. However, he warned that Serbia will not take part in CEFTA meetings scheduled for November and December in Pristina.

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