
KOSOVO TO KEEP TARIFFS UNTIL SERBIA GRANTS RECOGNITION, INSISTS PM

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Ramush Haradinaj continues to stand firm – not even the latest in a line of senior world officials, US Ambassador to Priština Philip S. Kosnett, has managed to convince him to lift tariffs on imports from its two Balkan neighbours.

The tariffs not only hamper free trade in the region but also have political weight, given the extremely complex relations between Serbia and its former province, Kosovo, which declared independence in 2008.

There was speculation that Haradinaj would relent after the meeting with Kosnett and lift the taxes that are disrupting Kosovos relations with the US. At home, they could also lead to a collapse of the government.

Kosovo President Hashim Thaçi has also asked Haradinaj to meet Washingtons demand and lift the tariffs, pointing out that the US has been Kosovos most important partner.

Neither the US diplomat nor Haradinaj issued any statements right after the 22 January meeting on whether the tariffs would remain in place.

After a government session on the same day, Haradinaj said that the 100% tax on Serbian and Bosnian imports would remain in force until the mutual recognition of Kosovo and Serbia. Serbia has staunchly refused to recognise Kosovo but will need to reach a functional bilateral arrangement with Pristina to advance its own EU membership bid.

Stressing his willingness to hear out the suggestions and calls from the US and the EU to lift the tax, Haradinaj also said that such a decision cannot be made at this moment.

We are striving for annulment of the tax, as that has been suggested by our US allies, but we connect that decision with the reaching of a comprehensive agreement on mutual recognition with Serbia, Haradinaj said.

In November 2018, Kosovo imposed taxes on Serbian and Bosnian products, first 10% and soon afterwards 100%.

The levy, contrary to the provisions of the Central European Free Trade Agreement (CEFTA) and to the spirit of the Stabilisation and Association Agreement (SAA) with the EU, was expected to be abolished quickly at the request of the international community.

Since the taxes were imposed, the Serbian economy has been losing roughly 11 million per

month and according to Macroeconomic Analyses and Trends magazine analysts, Serbias GDP in 2019 will be 0.5-0.7 percentage points lower unless the taxes on exports to Kosovo are annulled.

<https://www.euractiv.com/section/enlargement/news/kosovo-to-keep-tariffs-until-serbia-grants-recognition-insists-pm/>

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