Trade Barriers as a Political Instrument

Consequences of the Ban on Serbian Goods in Kosovo

New Social Initiative

Trade Barriers as a Political Instrument

Consequences of the Ban on Serbian Goods in Kosovo

Published by:

New Social Initiative - NSI
www.newsocialinitiative.org

Authors:

September 2025, North Mitrovica

CONTENTS

1. EXECUTIVE SUMMARY 7

2. INTRODUCTION 8

3. RESEARCH METHODOLOGY 9

4. ANALYSIS AND FINDINGS 10

Mechanisms of the Politicization of Trade 10

Economic Consequences 12

Social Consequences 14

Political Consequences 15

5. RECOMMENDATIONS 17

Option A: A Humanitarian Corridor under International Supervision 17

Option B: Digitalization of Customs Procedures 17

Option C: A Regional Rapid Dispute-Resolution Mechanism 17

Option D: Installation and Certification of Scanners at Crossings. 17

1. Executive Summary

Trade barriers in the Western Balkans are not merely an economic issue, but also one of political power. From 2018, when local authorities in Pristina introduced 100% tariffs on goods from central Serbia, to the complete suspension of imports during 2023, trade has been used as an instrument of political pressure. These measures have hit Serbian communities in Kosovo the hardest, as they depend on regular and predictable supplies of basic foodstuffs, medicines, and consumables. The result has been shortages, rising prices, the closure of small shops, and increased pressure on healthcare institutions and pharmacies. The problem is twofold. On the one hand, the measures have not delivered the political results their proponents expected. The dialogue has been further blocked, and trust between communities further eroded. On the other hand, the civilian and economic costs have become disproportionate: ordinary citizens are bearing the burden of political decisions. This has created a vicious circle in which trade, instead of connecting, is turning into an arena of conflict and a demonstration of power.

Efforts to mitigate the consequences to date have proved ineffective. Within CEFTA, rules on the free movement of goods formally existed, but they were not consistently enforced. The European Union repeatedly pointed out the inconsistency of these measures, but without exerting sufficient pressure to secure their removal. Local workarounds—such as alternative supply channels and ad hoc procurement—proved to be a temporary fix, but not a sustainable strategy.

This policy paper demonstrates that the key lies in depoliticizing essential supply chains and introducing minimum guarantees for citizens. The proposed options include:

- establishing a humanitarian corridor under international supervision for priority goods;
- end-to-end digitalization of border and customs procedures to reduce discretion and uncertainty;
- installation and third-party certification of non-intrusive inspection scanners at key crossings, with clear service-level targets for processing times;
- establishment of a regional rapid dispute-resolution mechanism within CEFTA (operationalization of Additional Protocol 7).

The optimal combination is to pair the humanitarian corridor with the digitalization of procedures, with the gradual inclusion of the regional mechanism as a long-term institutional solution. If these recommendations are implemented, the expected outcome is a reduction of shortages, price stabilization, and strengthened public trust in institutional and international guarantees. This sends a clear message that essential goods—food, medicines, and consumables—cannot be used as instruments of politics, but must serve as the foundation of security and dignity for the Serbian community in Kosovo.

2. Introduction

Trade barriers are among the most common instruments of economic protectionism, but in politically unstable environments they become tools of political pressure. In Kosovo, this phenomenon is evident in the measures that local authorities in Pristina have introduced against goods from central Serbia. From the 100% tariffs imposed at the end of 2018 to the complete import ban in 2023, trade has been used as an instrument of political signaling rather than a neutral channel of economic exchange.[1]

The key problem lies in the fact that the measures directly affected the Serbian community in Kosovo, which depends on a stable inflow of basic foodstuffs, medicines, and consumables. In practice, disruptions in supply chains have caused shortages, rising prices, and uncertainty in public services such as pharmacies and health centers. Small shops, which form the backbone of the local economy, have faced closure due to increased costs and uncertainty. These consequences are not short-term; rather, they create sustained pressure on the economic and social survival of the Serbian community.

This concerns thousands of citizens whose everyday lives depend on the availability of goods. If the problem is not resolved, there is a risk of irreversible consequences: the permanent loss of local trading networks, a deterioration in health due to shortages of medicines, and a heightened sense of isolation and insecurity. In the long term, this could weaken social cohesion and trust in any institutional processes.

The problem also goes beyond the local level. It encompasses the broader framework of regional integration (CEFTA, European processes), as well as trust in international actors mandated to oversee the implementation of agreements. If trade continues to be used as an instrument of politics, this undermines regional stability and every effort toward the normalization of relations.

This paper proceeds from the standpoint that trade must not be a means of political blackmail. It focuses on analyzing the mechanisms of the politicization of trade, identifying its economic, social, and political consequences, and formulating feasible recommendations that can provide a minimum of predictability and security for the Serbian community in Kosovo.

1 Council of the European Union, "Press statement following the 3rd meeting of the Stabilisation and Association Council between the European Union and Kosovo", December 17, 2018. Available at: https://www.consilium.europa.eu/en/press/press-releases/2018/12/17/press-statement-following-the-3rd-meeting-of-the-stabilisation-and-association-council-between-the-european-union-and-kosovo-brussels-17-december-2018/ , (accessed September 24, 2025).*

3. Research Methodology

This paper is based on a qualitative research approach, focusing on the analysis of available secondary sources and comparative examples. The aim of the methodology is not quantitative measurement (e.g., exact statistics or surveys), but rather to understand the mechanisms of the politicization of trade and the consequences they produce in the everyday life of the Serbian community.

The paper uses several types of secondary sources:

- official documents and statements of international organizations (the Europe an Union, CEFTA);
- reports by chambers of commerce and non-governmental organizations that monitor economic and political developments in the region;
- media reports and investigative articles focusing on the consequences of trade barriers The paper applies the case study method, focusing on the mea sures by local authorities in Pristina that concerned goods from central Serbia (the 100% tariffs introduced in 2018 and the import ban in 2023).

A special emphasis is placed on the consequences for the Serbian community: how the barriers affect the availability of basic foodstuffs, medicines, and consumables; what effects they have on small retailers and local economic networks; and how they shape citizens' sense of security and trust. The analysis is structured to link the technical aspects of trade measures (tariffs, certificates, procedures) with concrete outcomes in everyday life.

4. Analysis and Findings

The first major turning point occurred in November 2018, when local authorities in Pristina imposed 100% tariffs on imports of goods from central Serbia and Bosnia and Herzegovina. This decision was presented as a "response to political and security pressures," but in effect it aimed to disable the existing flows of trade. Until then, goods from Serbia covered more than two-thirds of the supply for Serbian communities in Kosovo.

Although the tariffs were formally lifted in April 2020, new administrative obstacles soon followed—additional permits, certificates, and procedures at crossings. As a result, trade remained burdened and unpredictable.

The second major turning point came in September 2023, when a complete ban was introduced on the import of certain products from central Serbia. The justification was regulatory, but the effect was total blockade. On the ground, pharmacies and retailers reported shortages and rising prices, and the presence of Serbian goods declined significantly compared to the previous period.[2]

The chronology reveals a pattern: instead of being temporary and proportionate, the measures have been escalating—from high tariffs, through invisible barriers, to a complete ban. As a result, trade has become a permanent political instrument rather than a technical matter.

Mechanisms of the Politicization of Trade

The politicization of trade in relations between Belgrade and Pristina rarely manifests itself through explicit bans. More often, it takes the form of actions that, on paper, appear technical and regulatorily neutral, but in practice create barriers with the same effect as a complete ban. These mechanisms operate cumulatively: taken individually, they can be presented as administrative or security measures, but their combined effect turns trade into an instrument of political pressure.

1. Normative Indeterminacy

When imprecise language such as "enhanced checks" or "additional verification" is used, the rules become subject to discretionary interpretation. This enables selective application depending on the political moment, turning trade into a means of signaling power.

2. Increasing Procedural Complexity

The introduction of additional permits, scanning, and multiple physical inspections does not formally abolish trade, but it slows it down and increases its cost to the point that it loses economic sense. This mechanism especially affects small suppliers who lack the capacity to absorb the new costs.

3. Unpredictability of Rules

Sudden changes to procedures without a transition period erode trust in the system. Public and private procurement become risky because suppliers cannot plan either costs or timelines. In this way, trade loses its basic function of being a stable and predictable channel of exchange

4. Certificates and Standards as a Filter

Non-recognition of sanitary and technical certificates from central Serbia leads to so-called "ping-pong" administration, in which documentation is sent back for revision without clear criteria. The result is prolonged deliveries or their de facto prevention, even while "quality and safety" are formally invoked.

5. Asymmetric Application

Import-restricting measures targeting Serbia have particularly affected international companies and brands present on the Kosovo market. According to AmCham Kosovo data, imports from companies with significant U.S. ownership fell by more than 39% compared to 2022. In addition, AmCham has publicly warned that any trade barrier inevitably leads to higher consumer prices and an additional burden on household budgets.[3]

6. Spatial and Capacity Constraints

A limited number of crossings and reliance on constrained infrastructural capacities (e.g., a small number of inspectors or scanners) create bottlenecks that easily grow into systemic blockages. Even when the documents are in order, freight flows remain vulnerable to stoppages.

7. Narrative of Justification

All these measures are typically presented as security- or regulation-related, thereby conferring political legitimacy. However, the real costs are shifted to the end of the chain—onto small retailers and end consumers in Serbian communities—who bear the consequences without any ability to influence them.

8. Monetization of Uncertainty

Uncertainty generates additional costs: more expensive transport, higher insurance and interest, mandatory reserves. The end result is an increase in the prices of basic

2 KoSSev, "What is happening with supplies of food and medicine in the north?", August 4, 2023. Available at: https://kossev.info/what-is-happening-with-supplies-of-food-and-medicine-supplies-in-the-north/ , (accessed September 26, 2025).

3 Euronews Albania, "American Chamber of Commerce calls for reversal of import restrictions from Serbia", September 5, 2023. Available at: https://euronews.al/en/american-chamber-of-commerce-calls-for-reversal-of-import-restrictions-from-serbia/ , (accessed September 24, 2025).

products, which disproportionately affects households with modest incomes and small shops operating on thin margins.

Pharmacy and Expiration Dates

A shipment of insulin and antibiotics was held at the crossing for additional verification. Although the cold chain was preserved, the expiration period was significantly shortened. The supplier raised the price, and the pharmacy switched to urgent, more expensive procurement of smaller quantities. On paper—consumer protection. In practice—a risk to patients' therapy.

Small Retailer and Additional Cost per Delivery Unit

A family-run shop in a Serbian community operates on minimal margins. Two additional inspections and mandatory scanning increase the cost of each shipment per delivery unit by several percentage points. That is enough to make promotional prices unsustainable and to remove part of the assortment from the shelves. The neighborhood is left without choice, and the retailer loses customers it has had for decades.

Economic Consequences

The economic consequences of the trade barriers imposed by local authorities in Pristina are most visible precisely in the Serbian communities in Kosovo. These communities depend on a stable inflow of products from central Serbia, and when supply chains were severed, the effect was direct and measurable. Marko Čadež, President of the Serbian Chamber of Commerce, assessed that the import ban policy is irrational, harms everyone in the chain, and that it is necessary to allow the economy to function normally.[4]

Sudden disruptions in deliveries led to impeded supply and rising prices of basic products on the market. According to the GIZ report on non-tariff measures in CEFTA, companies reported that such disruptions created additional costs and hindered regular operations, which had negative consequences for consumers and small businesses.[5]Empirical field findings confirm this picture. According to research by the New Social Initiative (NSI), 95.2% of surveyed business owners in northern Kosovo assessed that business conditions had deteriorated in the previous year, while as many as 92.9% of firms rated the impact of the ban on imports of Serbian goods as "absolutely negative" for their operations. [6]

4 Kosovo Online, "Cadez: Pristina has gone too far, it is important to stop the irrational import ban policy", September 27, 2023. Available at: https://www.kosovo-online.com/en/news/business/cadez-pristina-has-gone-too- far-it-important-stop-irrational-import-ban-policy-27-9/ , (accessed September 26, 2025).

5 GIZ, "Report on Non-Tariff Measures in CEFTA", 2022. Available at: https://www.giz.de/en/downloads/giz2022-en-report-on-non-tariff-measures-in-cefta.pdf , (accessed September 26, 2025).

6 Milica Radovanović, Aleksandar Šljuka, and Marko Milenković, "Economic Hurdles amid Altered Dynamic: Difficult Times for Businesses in Northern Kosovo", North Mitrovica: New Social Initiative, 2025. Available at: https://newsocialinitiative.org/wp-content/uploads/2025/03/PUBLIKACIJA-ENG.pdf, (accessed September 26, 2025).

Certain product categories have become intermittently unavailable. This has particularly affected medicines and medical supplies, where alternative sources cannot always ensure continuity. When the availability of goods is unpredictable, households stock up, thereby further exacerbating short-term shortages. Small retailers have been the most affected because they operate on thin margins and lack the capacity to withstand the cost of longer procedures or waiting times at crossings. Transport, storage, and documentation costs rise per delivery unit, which reduces profitability and leads to the closure of smaller shops. In the long term, this erodes the local economic network and increases the community's reliance on irregular supply channels.

During 2023, the presence of Serbian goods, according to local observations, was halved compared to the earlier period, while alternative suppliers (e.g., Albania, North Macedonia) captured a larger share—which further changed the price structure and consumer choice in Serbian communities. [7]

Table 1: "Green Lane" – Priority Product Groups

The proposed measure to mitigate the consequences is the creation of a "green lane" for essential products that should not be subject to political blockades. This list is based on categories that have a direct impact on everyday life and public health.

Product Category	Examples of Items	Reason for Priority
Medicines and medical supplies	Insulin, antibiotics, medical supplies	Continuity of healthcare
Baby food and hygiene products	Infant formula, diapers	Vulnerable population groups (children)
Basic foodstuffs	Bread, flour, oil, milk	Maintaining a minimum level of nutrition
Consumable sanitary supplies	Soap, detergent, hygiene products	Prevention of public health risks

Note: The proposal draws on the regional precedent of "Green Corridors/Green Lanes" within CEFTA/RCC during COVID-19, whose aim was to ensure the flow of essential goods and medical equipment and to prevent shortages.[8]

7 KoSSev, "A whole year without Serbian goods in Kosovo — who is paying the price?", June 14, 2024. Available at: https://kossev.info/a-whole-year-without-serbian-goods-in-kosovo-who-is-paying-the-price-kosovo-online-new-news/ , (accessed September 26, 2025).

8 CEFTA, "Green Corridors/Green Lanes". Available at: https://cefta.int/what-we-do/cross-cutting-trade-areas/green-lanes/ , (accessed September 26, 2025).

Social Consequences

Economic barriers always leave a mark on society, but in communities that already operate under conditions of political insecurity, those consequences take on a far deeper dimension. Serbian communities in Kosovo have long lived in an environment where institutions are fragile, where trust in the stability of rules is limited, and where everyday life is often shaped by crisis circumstances. When trade barriers are added to this, the effect is not merely a spike in prices or shortages of certain items; it is a transformation of the entire social rhythm of life. The most visible effect of the barriers is felt in pharmacies and healthcare institutions. A patient coming for medications for chronic therapy is not interested in political debate, but in the availability of the medicine on the shelf. When shipments sit at the crossing for days or when the expiration dates of medicines are shortened, the consequence is a break in continuity of treatment. For chronic patients, such as diabetics or those with cardiovascular problems, even a few days without therapy can pose a serious health risk. Doctors and pharmacists in Serbian communities often find themselves in an unenviable position: they must explain to patients that medicines are unavailable and make do as best they can. This creates additional frustration and the sense that health has become a currency for political bargaining.

One of the most dangerous social effects is the gradual loss of trust in institutional processes. When a community sees that the rules of the game are not stable, that international agreements do not guarantee the free flow of goods, and that the recommendations of international actors have no real effect, the conviction grows that citizens have been left to fend for themselves. This feeling leads to the community closing in on itself, to greater reliance on informal supply channels, and to the strengthening of the gray economy. In the long term, this destroys social cohesion because people stop expecting that institutions will ever function in their favor.

Life in constant uncertainty also carries a psychological cost. Families that must think every day about how to obtain food and medicines develop chronic stress and a sense of insecurity. Young people, faced with a prospect in which even the most basic things are the subject of political struggle, more often decide to leave the community and seek security elsewhere. In this way, trade barriers indirectly contribute to migration trends, accelerating the departure of the working-age population and further weakening the community's resilience.

For Serbian communities in Kosovo, trade barriers are not only a matter of prices and stocks, but also a question of identity and a sense of belonging. When the impression is created that an entire community has been cut off from its basic sources of supply, a sense of collective isolation emerges. This further widens the gap between communities, because while other groups can find alternative suppliers through regional channels, Serbs remain tied to the inflow of goods from central Serbia. The feeling that the collective is being punished through trade measures has a powerful symbolic effect: it turns economic barriers into a social wall.

Political Consequences

While the economic and social consequences of trade barriers affect everyday life, their political dimension shapes the broader picture of relations between communities and institutions. Trade, which should be a neutral channel for connecting people and markets, has been turned into a field of contestation and power signaling. This development has three key political consequences: deepening distrust, weakening of dialogue, and the instrumentalization of international processes.

The Belgrade–Pristina dialogue has long operated under crisis conditions. Trade barriers further erode the space for trust and compromise: instead of being a field of cooperation, economic flows become yet another point of conflict. As early as 2018, the EU assessed that the 100% customs tariffs were clearly at odds with CEFTA and called for their immediate removal.[9] EU Special Representative for the dialogue, Miroslav Lajčák, stated that such measures should be removed immediately and that both sides must respect the agreements previously reached in the dialogue. [10] In its 2024 Report, it noted that the 2023 ban had only been partially lifted and replaced by manual checks, which continues to burden the system.[11] Such steps push the dialogue onto the defensive: instead of strategic topics, attention is redirected to continuous operational crises (waiting times, disputes over procedures, uncertainties regarding control).

Every new barrier is perceived in Serbian communities as a message that their basic interests and needs are not protected. When bread or medicine is turned into an instrument of political competition, citizens lose faith that institutions can function in their favor. This feeling affects not only trust in the local authorities in Pristina, but more broadly in international actors and in the very process of regional integration.

Instrumentalization of International Processes

Trade barriers do not exist in a vacuum. They are refracted through the broader framework of regional and European integration. CEFTA, as an agreement that formally guarantees the free movement of goods, has proven powerless in the face of the political will of the local authorities in Pristina. The European Union, although it has reacted multiple times, has not succeeded in ensuring the implementation of its own rules. This situation sends a strong message to Serbian communities: international processes do not provide real protection when interests are politically contested. That conclusion fosters distance and a sense of isolation from the main currents of European integration.

---

9 Council of the EU, "Outcome of the Council Meeting – Foreign Affairs", December 10, 2018 (No. 15386/18). Available at: https://www.consilium.europa.eu/media/37459/st15386-en18.pdf , (accessed September 26, 2025).

10 European Western Balkans, "Lajčák criticises new measures on import from Serbia introduced by Kosovo Government", June 1, 2020. Available at: https://europeanwesternbalkans.com/2020/06/01/lajcak-criticises-new-measures-on-import-from-serbia-introduced-by-kosovo-government/ , (accessed September 26, 2025).

11 European Commission, "Kosovo Report 2024", October 30, 2024. Available at: https://enlargement.ec.europa.eu/document/download/c790738e-4cf6-4a43-a8a9-43c1b6f01e10_en?filename=Kosovo%20Report%202024.pdf , (accessed September 26, 2025).

Politicization of Everyday Life

When trade barriers become a routine means of political competition, everyday life itself loses its neutrality. Buying food or going to a pharmacy ceases to be a technical matter and becomes a politically colored act. In this way, politics enters citizens' private space and undermines the possibility of a normal, depoliticized life. In the long term, this leads to chronic social tension and reduces the scope for peacefully resolving disputes.

After additional bans were introduced in the autumn of 2023, media reported trucks carrying goods from central Serbia standing at the crossing for days. [12] For the local population, this image is not just a logistical problem but a political message: "your everyday life depends on political will." It is a signal that deepens the divide and reminds the community that even the most basic goods are a matter of contestation, not a right guaranteed by agreements.

12 Kosovo Online, "Truck drivers with goods still waiting for days at Merdare: 'We sleep on the street, no one cares'", July 8, 2025. Available at: https://www.kosovo-online.com/en/news/business/truck-drivers-goods-still-waiting-days-merdare-we-sleep-street-no-one-cares-8-7-2025/ , (accessed September 26, 2025).

5. Recommendations

Option A: A Humanitarian Corridor under International Supervision

The first recommendation concerns the establishment of a permanent humanitarian corridor that would guarantee the unimpeded flow of essential products—specifically medicines, food,and consumables. This corridor would be under the supervision of international actors, such as the European Union or the United Nations, thereby ensuring neutrality and the depoliticization of the civilian sector. Its main advantage is stable supply and reduced risk of shortages, while a potential risk may be political resistance, as such an initiative can be perceived as limiting local control. The feasibility of this solution is assessed as medium, as it depends on international consensus and political will.

Option B: Digitalization of Customs Procedures

The second recommendation entails introducing digital systems for tracking and approving shipments. In this way, the discretionary power of officials would be reduced and the processing of goods accelerated. The advantages of this approach are transparency, predictability, and a reduced scope for manipulation, while the main challenge is the need for initial investment and technical training. Feasibility is considered high, because digitalization requires technical rather than political capacities, which makes it more acceptable and more realistic to implement.

Option C: A Regional Rapid Dispute-Resolution Mechanism.

The third recommendation concerns the establishment of a joint body within CEFTA that would be obligated to respond to trade disputes and blockades within seven days. The advantage of this mechanism lies in the speed of response and in limiting the possibility that political decisions remain unanswered for a longer period. The main risk is that the decisions of this body might not be binding, so trust could weaken if their consistent implementation is not ensured. Feasibility is medium, as it depends on the willingness of all CEFTA members to accept a binding mechanism.

Option D: Installation and Certification of Scanners at Crossings.

The fourth recommendation is directed at the technical enhancement of border crossings through the introduction of modern scanners and their certification by neutral international actors. Scanners would enable faster, more objective, and less discretionary inspection of goods, thereby reducing bottlenecks and the scope for arbitrary delays. The advantage of this solution lies in its combination of security and economic aspects: control of goods is maintained, while the politicization of inspections is avoided. The risk lies in the possibility that the installation of scanners could be politically conditioned, but with international mediation (EU, OSCE), feasibility is high.

NEW
SOCIAL
INITIATIVE