ECONOMIC HURDLES AMID ALTERED DYNAMIC:

DIFFICULT TIMES FOR BUSINESSES IN NORTHERN KOSOVO

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Economic hurdles amid altered dynamic:

Difficult times for businesses in northern Kosovo

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Introduction

After the declaration of independence, despite formally being under the jurisdiction of Kosovo's authorities, the northern region (comprising four municipalities with a Serb majority) functioned outside the newly established legal framework in practice, maintaining strong ties with the Republic of Serbia's system. This situation was also reflected in the economic and business sectors, where most enterprises remained outside the "new" structures, operating instead in the so-called "gray" or informal economy. The dynamics began to shift somewhat with the initiation of the EU-facilitated dialogue in 2011, which, in the following years, promoted the integration of various political and institutional structures into Kosovo's system, including the business sector. A major step toward the integration of the North into Kosovo's legal framework came after the signing of the First Agreement on Principles Governing the Normalization of Relations, commonly known as the Brussels Agreement (2013). Under this agreement, authorities in Belgrade committed to integrating police and judicial structures while also permitting the organization of the first local elections in the region, leading to the establishment of local self-governments in line with Kosovo's system. However, informality and a degree of autonomy in the region continued to be tolerated. A key reason for this was the failure to establish the Association/Community of Serb-Majority Municipalities, which was envisioned as an umbrella institution to facilitate the seamless integration of remaining Serbia-administered institutions into Kosovo's framework.

Over the past year, however, Kosovo's central-level institutions have adopted certain decisions that have directly or indirectly negatively impacted the business sector in northern Kosovo, as well as in other Serbian-majority areas. On June 14, 2023, the Kosovo government issued an "oral" decision to ban the import of Serbian goods, initially targeting all trucks with Serbian license plates before later expanding the restriction to all products manufactured by Serbian producers. Eventually, an exception was made for certain essential categories, including raw materials, semi-finished products, mineral fertilizers, animal feed, machinery, and equipment. This decision was lifted on October 7, 2024, but only at one border crossing—Merdare—while the removal of restrictions at other crossings remains contingent on the installation of so-called "scanners" to ensure security checks for imported goods. Another significant decision was the regulation issued by the Central Bank of Kosovo on December 27, 2023, concerning cash transactions. Under this regulation, the euro (EUR) was designated as the sole legal currency for payments in Kosovo, effectively prohibiting the use of the Serbian dinar (RSD). Furthermore, this measure effectively abolished the Serbian payment system, preventing the transfer of funds from the budget of the Republic of Serbia to beneficiaries in Kosovo, including salaries, pensions, scholarships, and social benefits. It also severely disrupted the operations of Serbia-administered institutions in Kosovo, making their functioning significantly more difficult.

Additionally, over the past year, Kosovo's authorities have shut down at least 59 Serbia-administered institutions and services. [1]

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1 Kossev, "Gašenje srpskih institucija, zatvoreno najmanje 59 službi," accessed February 10, 2025, https://kossev.info/gasenje-srpskih-institucija-zatvoreno-najmanje-59-sluzbi/.

There has also been a noticeable expansion of businesses owned by ethnic Albanians into northern Kosovo, with strong suspicions that this expansion is driven more by political motives than economic interests. The privatization of properties where these businesses have been established—many of which were once part of socially-owned enterprises—has deepened distrust among the local Serbian population. The frequent visits by high-ranking Kosovo government officials during and after the opening of these businesses have further intensified resentment within the Serbian community. This perception is exacerbated by the fact that the rise of Albanian-owned businesses coincides with an extremely challenging period for Serbian-owned businesses in the region, largely due to the policies mentioned in the previous paragraphs. As a result, there is a growing sense of discrimination and systemic repression against Kosovo Serbs. Consequently, since the opening of these businesses, the vast majority of the local Serbian community in the north has boycotted them, reflecting deeply rooted tensions and a lack of trust in institutions and economic processes perceived as politically motivated.

Moreover, in recent years, the global economic climate has deteriorated due to major international events, including the COVID-19 pandemic and the war in Ukraine. Several indicators reflect this downturn:

- **Slow economic growth** — The Western Balkans region experienced an average growth rate of only 2.6% in 2023, limiting demand for goods and services and restricting market opportunities for businesses. This stagnation could further reduce consumer activity and lower real wages.

- ***High inflation*** — At the beginning of 2023, inflation in the Western Balkans stood at 14.3%, increasing operational costs for businesses, including wages, raw material imports, and equipment. This, in turn, narrows profit margins and potentially raises product prices, further contributing to reduced individual consumption.

Methodology

This study employs a mixed-methods approach, combining quantitative and qualitative techniques to examine the impact of political and economic processes on the business sector in northern Kosovo.

The quantitative component was conducted through a survey designed by NSI, completed by more than 40 business owners from the Serbian community in northern Kosovo. The sample includes various business categories, with the largest share represented by the retail and trade sector (42.9%), tourism and hospitality (16.7%), and other service industries (16.7%). Surveyed businesses are distributed across all four northern municipalities, with the highest concentration in Leposavić/q (50%) and North Mitrovica (31%).

The qualitative component consisted of two focus groups held in North Mitrovica and Leposavić/q, each comprising 5-10 participants, along with several in-depth interviews with business owners. These methods provided deeper insights into the challenges and perceptions of participants regarding business operations in the current political and economic context.

The majority of surveyed firms fall into the microenterprise category, with 1-5 employees (71.4%), while slightly larger firms with 11-25 employees make up 19% of the sample. This suggests a predominantly small-scale business environment, likely a result of an uncertain economic climate and limited opportunities for expansion.

Research Findings

Overall Business Climate

The overall business climate is highly unfavorable—95% of respondents reported that general business conditions have deteriorated over the past year, while only one respondent indicated a positive change.

The business environment is directly influenced by the broader political situation. Respondents emphasized that persistent political and security instability has had a severe negative impact on the business sector. In a climate of ongoing crises, consumers are more cautious with their spending, affecting both goods and services industries. Additionally, population emigration has been highlighted as a significant concern—a largely irreversible trend that weakens local demand and, consequently, threatens the sustainability of businesses in the region.

A study conducted by NSI from February 29 to March 7, 2024, on a sample of 460 respondents from North and South Mitrovica revealed that a significant portion of the population is considering leaving Kosovo—23% of Albanians and 36% of Serbs expressed plans to emigrate. [2]

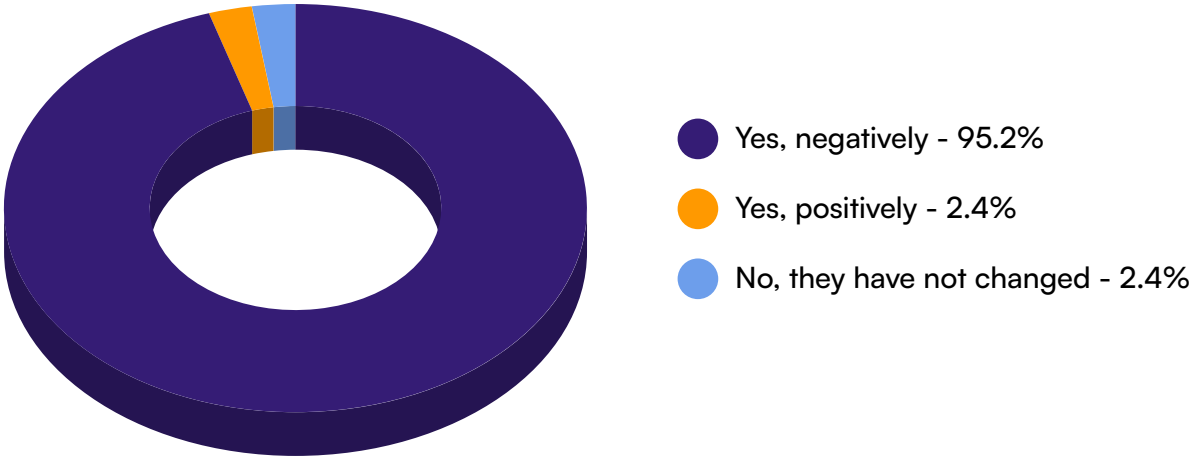
2 *New Social Initiative, U središtu oluje: Kriza na severu Kosova iz različitih perspektiva (2024), accessed February 10, 2025, https://newsocialinitiative.org/wp-content/uploads/2024/06/PUBLIKACIJA_A5-SRB.pdf.*

The survey examined whether any family members of the respondents had left Kosovo in the past year. The results showed that 43% of Albanians, 39% of Serbs, and 8% of respondents from other ethnic groups reported that at least one family member had emigrated.

Additionally, the survey explored whether respondents had friends who had moved away from Kosovo within the last year. Among them, 60% of Albanians, 73% of Serbs, and 42% of individuals from other ethnic groups reported knowing at least one friend who had left.

For Serbs, the primary driver of migration was ethnic tensions, cited by 66% of respondents as their main reason for leaving. This was followed by political instability, identified by 44% as a significant factor influencing their decision to emigrate. Economic conditions were the third most common reason, with 28% citing them as a motivating factor.

In your opinion, have general business conditions changed in the past year?



Findings from NGO Aktiv's 2023 Trend Analysis further support these concerns, indicating a decline in satisfaction with key aspects of life for Serbs in Kosovo. Respondents rated the political, economic, security, and material conditions on a scale from 1 to 5, where 1 represents the lowest satisfaction and 5 the highest. Compared to previous years, there is a notable decline:

- Political situation: 1.51 in 2023 (compared to 2.06 in 2020)
- Security situation: 1.46 in 2023 (compared to 2.17 in 2020)
- Economic situation: 1.85 in 2023 (compared to 2.2 in 2021)
- Material conditions: 2.70 in 2023 (compared to 2.74 in 2021)

Overall, the perception of basic living conditions for Serbs in Kosovo remains extremely poor. Regarding the economic situation, dissatisfaction is particularly pronounced in northern Kosovo, where negative perceptions are 18% higher than in the south. More than two-thirds of

residents on both sides of the Ibar River view the economic situation as poor or very poor. [3]

Similar concerns were raised during a focus group in North Mitrovica, where participants emphasized the significantly lower purchasing power of the population. This decline is mainly driven by high inflation, which has led to rising prices, weakening the local market.

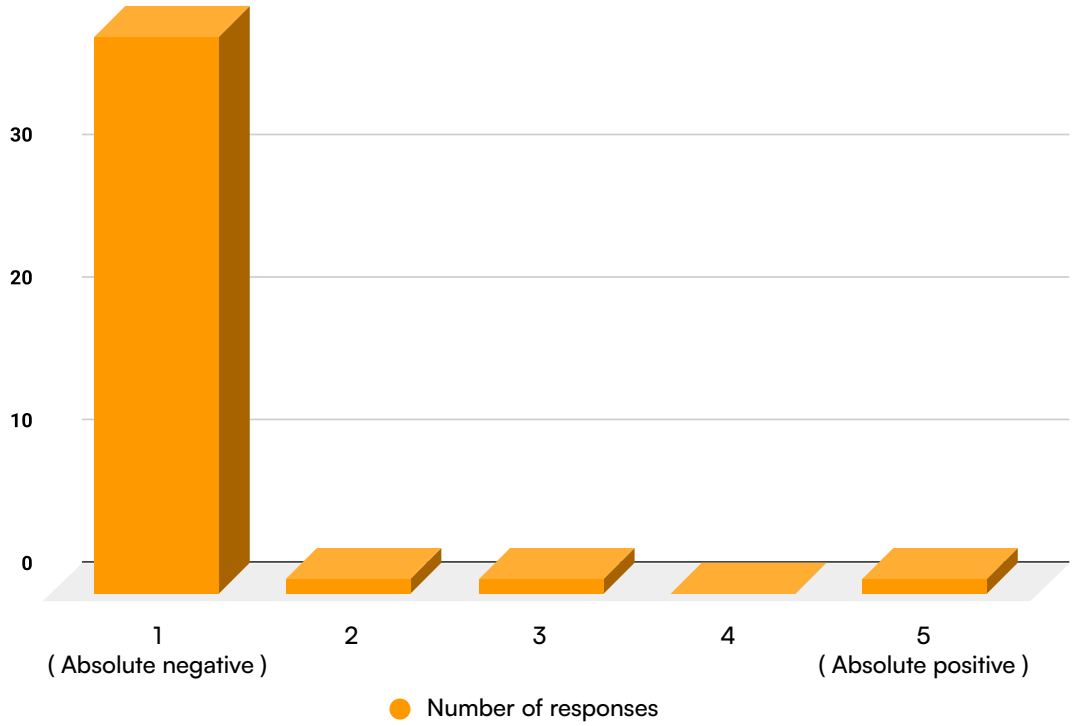
Impact of Political Decisions

According to research findings, recent decisions by the Government of Kosovo are perceived as the primary obstacle to business operations in northern Kosovo.

Kosovo Government's Decision to Ban the Import of Serbian Goods

When asked to evaluate how this decision has affected their business operations—on a scale from 1 (absolutely negative) to 5 (absolutely positive)—39 respondents (92.9%) rated the impact as 1 (absolutely negative), while only 3 respondents provided a slightly more positive assessment.

How have the following regulatory measures affected the overall business conditions of your company? (Ban on the import of Serbian goods)



3 NGO Aktiv, Analiza trendova 2023, Stavovi srpske zajednice na Kosovu, decembar 2023 (2024), accessed February 10, 2025, https://ngoaktiv.org/wp-content/uploads/2024/02/Analiza-trendova-2023-srb-1-2.pdf.

The ban on importing goods has significantly affected business operations, both directly and indirectly. During a focus group held in Leposavić/q, business owners emphasized their strong connection to and, to some extent, dependence on companies from Serbia and the import of "Serbian" products. In this regard, the disruption of these established supply chains has placed many Serbian-owned businesses in the region in a highly unfavorable position, threatening their survival.

During the same focus group, several participants stated that they were forced to close their businesses precisely because of the import ban, while almost all agreed that it had severely impacted their operations and overall functionality. Many had to adapt to the new circumstances by reducing their business scope, downsizing their workforce, and modifying supply chains. In many cases, this led to increased procurement costs, which in turn resulted in higher product prices and a decline in demand.

Additionally, the local population is accustomed to Serbian goods and is unwilling to accept substitute products from other regional countries, further jeopardizing the survival of businesses in northern Kosovo.

These measures have caused a significant loss of customers because we were forced to procure goods from southern Kosovo. This meant additional costs, leading to higher retail prices compared to our competitors in the south. As a result, our customers increasingly chose to shop in the south instead of with us.

We also lost a substantial number of customers from the south who previously purchased Serbian goods from us, as we could no longer stock them.

We had to change almost all our suppliers. Previously, we sourced goods from Serbia and sold them to both local customers and those from the south. After the import ban, we became buyers of goods from the south, which automatically reduced our profitability and put us at a disadvantage. [4]

The recent decision to partially lift the import ban on Serbian goods—applicable only at the Merdare border crossing—is perceived by focus group participants in Leposavić/q and North Mitrovica as a "political decision" and "manipulation" aimed at easing pressure on the government in Pristina and enabling the continuation of regional cooperation through CEFTA. However, in practical terms, this decision has not significantly improved the situation. The "northern" border crossings remain inaccessible for Serbian products, and due to strict inspections, delays at Merdare are excessive, causing extremely slow entry of goods into Kosovo—barely any of which reach the North.

We are all equally dissatisfied because both customers in the north and the south prefer higher-quality products at lower prices. We are currently facing significant import difficulties—even though it is technically allowed via Merdare, the waiting times are too long. The process takes between five and seven days, making it logistically unfeasible and financially unsustainable. The prolonged waiting increases transport costs, as our drivers must rotate shifts, further raising per diem and travel expenses.[5]

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4 Interview 1

5 Interview 2

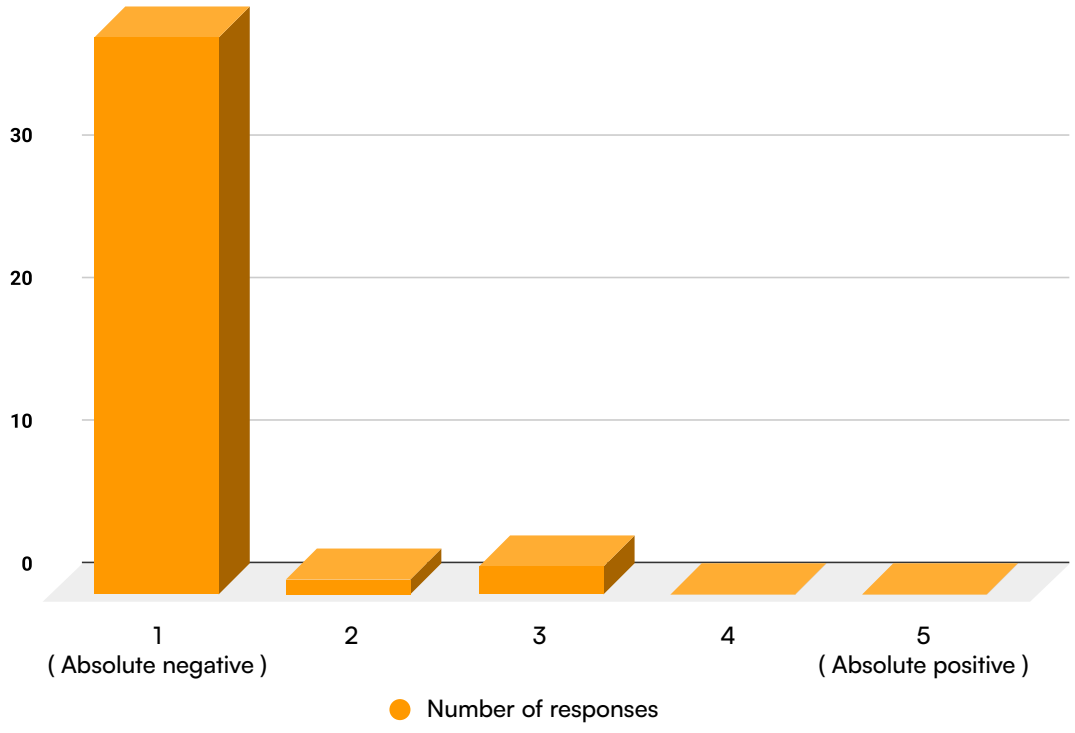
They claim the goods have been released, but as a restaurant owner, I don't see any difference. There is just as much Serbian merchandise in northern Kosovo as before, with no real change. Serbian goods are actually easier to find in Pristina than here.

The second issue is the significant price difference between Serbian goods here and in Raška. For example, the price difference for a pack of juice or beer can be as much as 500-600 dinars (around 5 euros), which substantially impacts the costs for both hospitality businesses and consumers. [6]

Regulation of the Central Bank of Kosovo on Cash Operations

In addition to the ban on importing Serbian goods, which directly affected the business sector in the North, the Central Bank of Kosovo's regulation on cash operations has had extensive negative indirect effects on the activities of Serbian-owned businesses. This was also reflected in the survey responses. When asked to rate the impact of this decision on their business, with 1 being absolutely negative and 5 absolutely positive, 39 respondents (92.9%) chose 1, while only 3 provided a somewhat more positive response.

How have the following regulatory measures affected the overall business conditions of your company? (CBK Regulation)



Although the regulation did not directly affect business operations, the restriction on money transfers from the budget of the Republic of Serbia and the inability to withdraw these funds

6 *Interview 3*

in Kosovo have forced Serbian citizens who rely on such payments to travel to the nearest cities in Serbia to access their money. In this context, residents of the North primarily go to Raška. Since the same regulation has effectively abolished the Serbian payment system and there are no longer any "Serbian" products available in northern Kosovo, citizens end up spending most of the money they withdraw in Raška—whether on administrative and financial transactions or on purchasing goods. As a result, only a portion of the withdrawn money makes its way back to Kosovo, significantly reducing the purchasing power of local residents. This, in turn, has led to a drastic drop in demand, directly affecting the "Serbian" business sector. During a focus group held in North Mitrovica, participants noted that people have become more cautious about spending money in Kosovo due to the difficulties they face in accessing their income. They described traveling to Raška as "expensive and far," further complicating their access to cash. As a consequence, citizens increasingly rely on store credit, as many cannot afford to travel regularly to collect their payments.

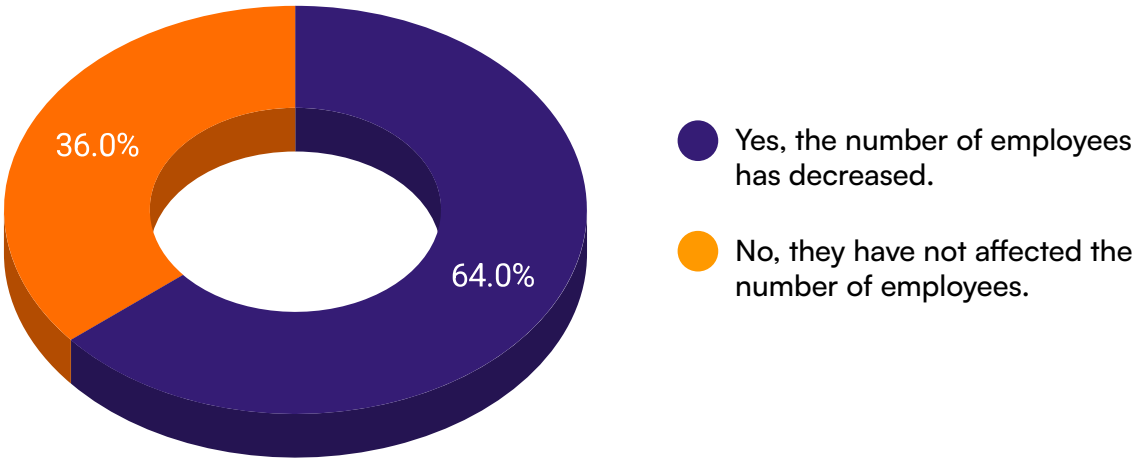
In this regard, participants also pointed out that the "center of economic gravity has shifted to central Serbia."

We have observed significant changes both in economic conditions and consumer behavior. First and foremost, the worsening political situation has forced many small business owners among our customers to close their businesses and leave northern Kosovo.

Another major issue is product quality—goods from the south are more expensive and of lower quality compared to the Serbian products we previously offered. This has led to a decline in consumer trust and a reduced willingness to invest in business growth.

Additionally, we had to reconsider our workforce and wages, as maintaining business operations at the same scale became unsustainable. Our solution was to shorten working hours and reduce salaries, but we did not lay off employees. [7]

Have these measures affected the number of employees in your company?

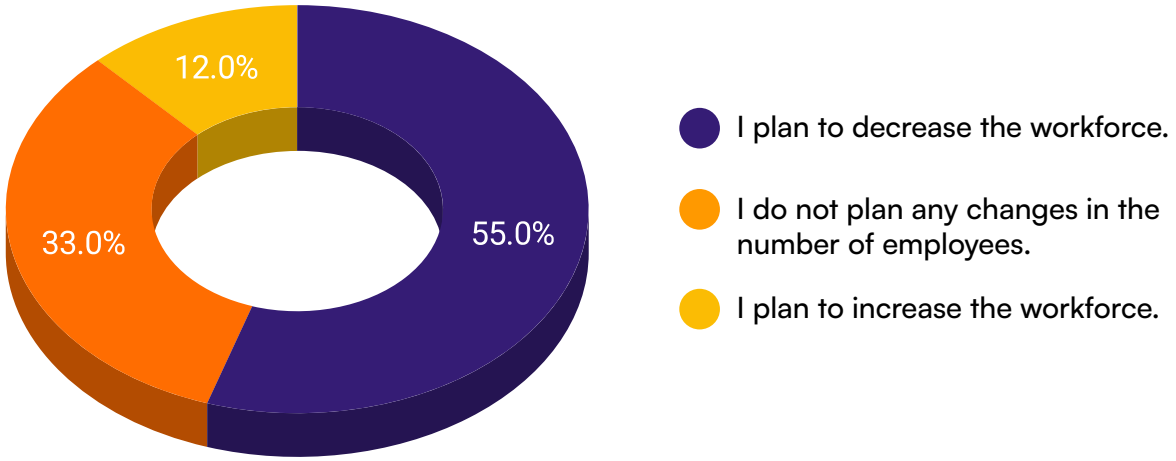


7 *Interview 4*

During the same focus group, participants described these political decisions as a "direct economic pressure on the Serbian community." When asked whether these measures had impacted their workforce, 64.3% responded that they had been forced to reduce the number of employees, while 35.7% said they had not. Although an option was provided to indicate an increase in workforce, no respondents selected it.

As a follow-up question, respondents were asked about potential workforce fluctuations in the future. A total of 54.8% stated that they plan to reduce their workforce, 33.3% indicated no planned changes, while 11.9% said they intend to increase the number of employees.

Do you plan to increase or decrease your workforce in the upcoming period?



Arrival of Businesses Owned by Ethnic Albanians

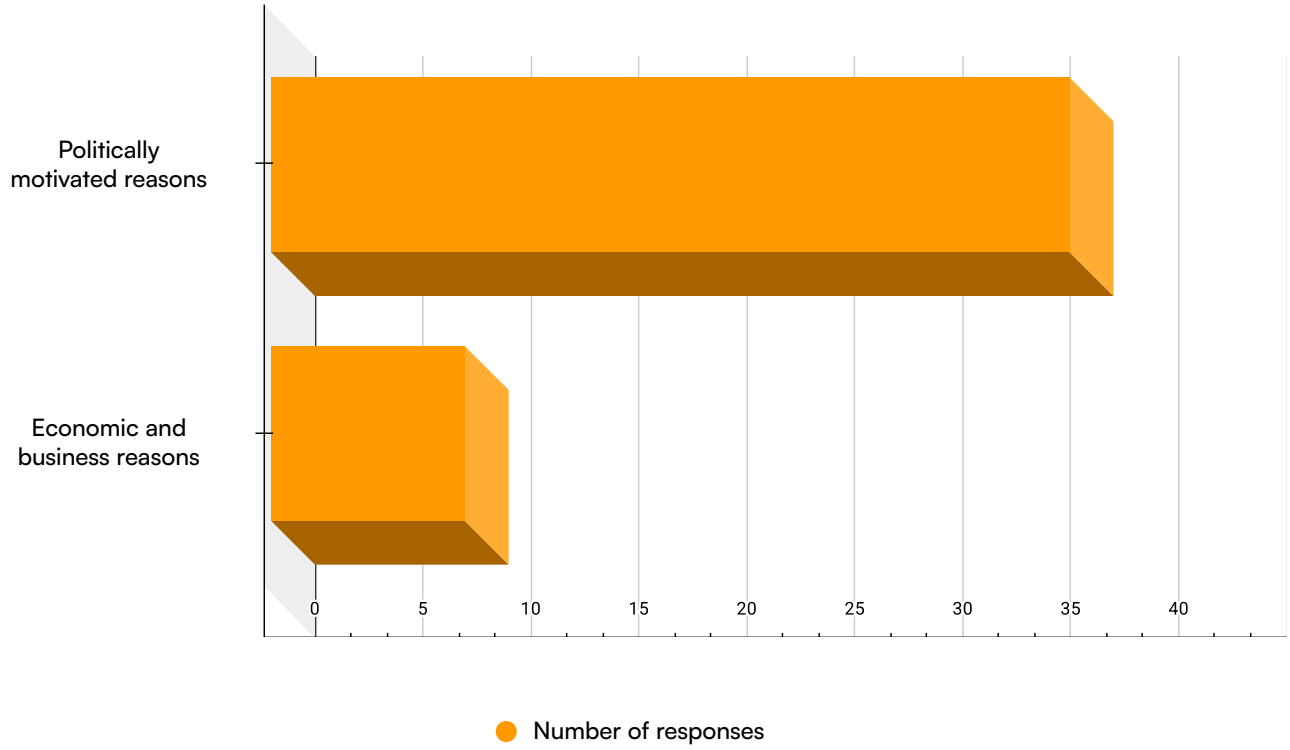
A topic that has sparked significant controversy in recent months was also examined in our research. Reactions to this trend among owners of Serbian-owned businesses were largely negative.

When asked, "In your opinion, are businesses coming from other parts of Kosovo to the North primarily driven by“:

1. Economic and business interests, or
2. Politically motivated reasons

— where respondents could select one or both options—option 2 was chosen 37 times, while option 1 was selected only 9 times.

In your opinion, are businesses coming from other parts of Kosovo to the North doing so driven by:



Given these survey responses, it is unsurprising that focus group participants also highlighted the arrival of Albanian-owned businesses in the North as a "political issue." It was repeatedly emphasized that these businesses are economically unsustainable and are likely subsidized or supported by institutions. From the perspective of Serbian business owners, the ultimate goal appears to be "market takeover." A notable example cited was the case of the Veda Petrol gas station, which took over several stations previously owned by Serbs—stations that had been shut down by Kosovo institutions for not complying with Kosovo's legal framework.

Focus group participants revealed that the retail price of fuel at Veda Petrol was only 1 euro cent higher than its wholesale purchase price. Additionally, the price at this station was lower in the North compared to the rest of Kosovo. In this context, the situation closely resembles dumping, where goods are sold below the competitive or equilibrium market price—potentially threatening other businesses in the region and fostering monopolization. Furthermore, a documented case from Zubin Potok showed that even the new owner failed to comply with Kosovo's legal regulations, as the gas stations were not equipped with fiscal cash registers.

How do you assess competition and cooperation with businesses from other ethnic communities? What is your perception of the arrival of Albanian-owned businesses in northern Kosovo? Do you believe their presence is driven by economic or political motives?

We have practically lost competitiveness compared to Albanian-owned businesses in the South because our prices automatically increased when we had to start sourcing goods from them. Although we receive certain wholesale discounts, after accounting for all costs and taxes, our products are now more expensive than those in stores just 15 kilometers away in the

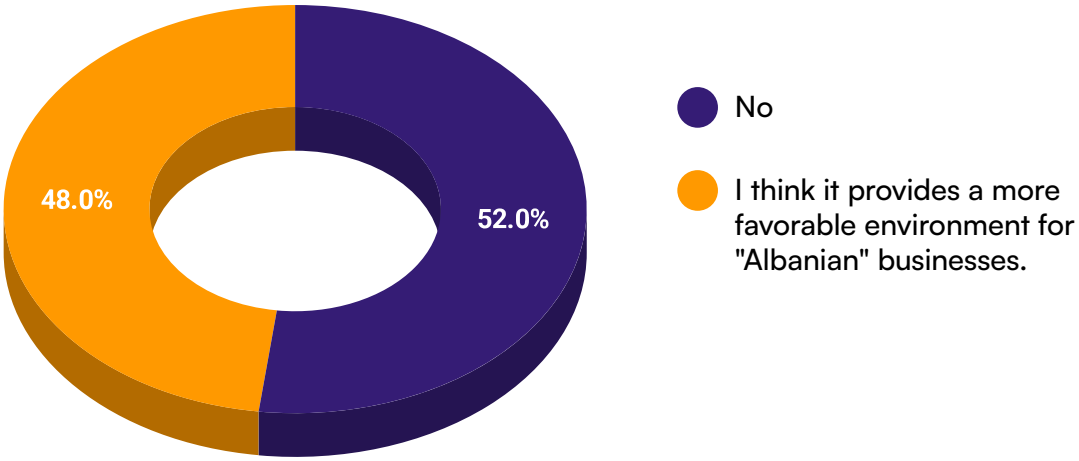
South. This has led to a loss of customers who seek more affordable options.

For example, we used to purchase the same product from Serbia for €16, but now we buy it from the South for €25. This drastic price increase has severely impacted our business. Regarding the Albanian-owned businesses opening in the North, Serbian-owned business owners generally believe their arrival is politically rather than economically motivated. "Serbian customers do not enter those stores, they are not profitable, and their presence further complicates the situation because some of their visitors behave provocatively toward the local population. [8]

Another business owner from the North Mitrovica promenade emphasized that businesses in this area have been hit hardest by the arrival of Albanian-owned businesses. He specifically pointed to the presence of extremist elements frequenting these establishments, which, in his view, has deterred part of the Serbian community from visiting the promenade:

The biggest changes have been felt right here. In the hospitality sector, the most successful establishments are those located outside the promenade—areas that Albanians have not yet found attractive for leisure. Their main gathering point is the promenade, as evident from the locations they choose to open businesses. I believe that in a few months, the situation will resemble the post-war period when Serbs would go to Zvečan/Zveçan for coffee because they felt safer there. [9]

In your opinion, do you think that the Government of Kosovo provides a favorable business environment for businesses of all communities in the North?



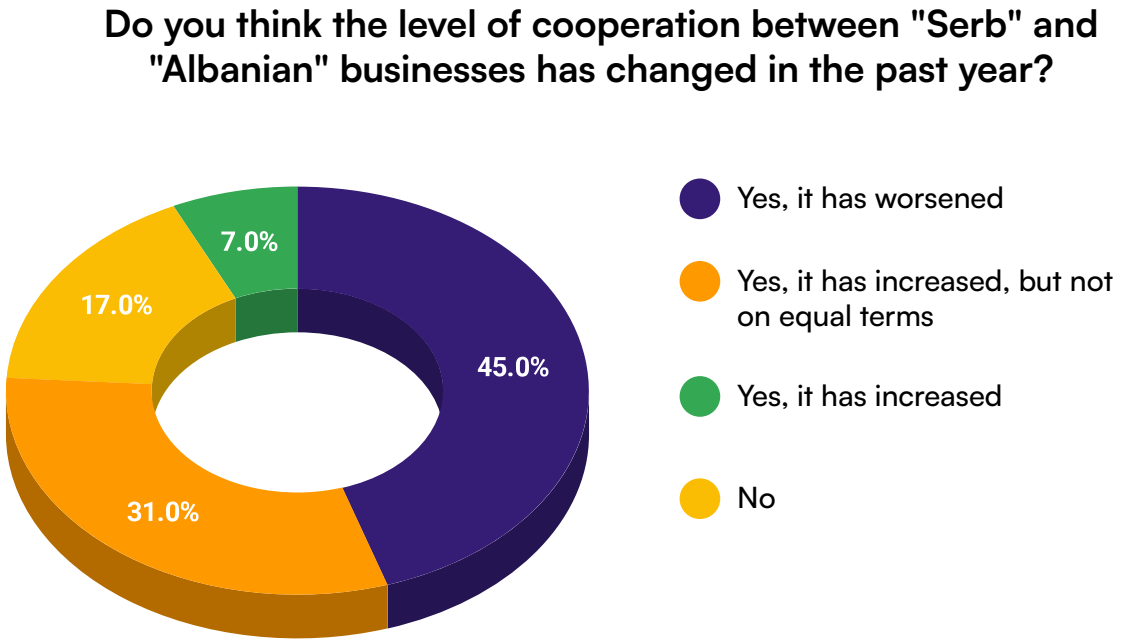
As the driver of these political or politico-economic decisions, participants in the research most commonly point to discrimination. When asked, "Do you think that, in your opinion, the Kosovo government provides a favorable business environment for businesses of all communities in the North?" 52.4% of respondents answered "no," while the remaining 47.6% stated that they "believe it provides more favorable conditions for Albanian-owned businesses." None

8 *Interview 5*

9 *Interview 6*

of the respondents selected the option “yes” or the one that favors Serbian-owned businesses.

Additionally, when asked, "Do you think the level of cooperation between Serbian-owned and Albanian-owned businesses has changed in the past year?", 45.2% of respondents answered "Yes, it has worsened," 31% said "Yes, it has increased, but not on an equal basis," 16.7% believed there had been no change in cooperation, and 7.1% responded "Yes, it has increased," without claiming any imbalance in this context.



In addition to the issues surveyed, during the focus groups and in-depth interviews, we identified numerous other challenges faced by the owners of Serbian-owned businesses in the North.

Administrative Issues

Participants in the focus group in Leposavić/q highlighted the problem of many citizens being unable to obtain Kosovo documents (such as ID cards and driver's licenses) due to unresolved issues between Kosovo and Serbia, which directly affects businesses. The issue is particularly evident when it comes to worker registration, which is practically impossible without Kosovo-issued documents.

Lack of Communication and Unequal Business Conditions

Both focus groups emphasized the serious problem of inadequate communication between central and local authorities and citizens. They specifically noted that many decisions are made without consultations or coordination, which complicates adjustments and creates barriers for business owners.

Furthermore, there is widespread suspicion that Serbian-owned businesses in northern Kosovo are under stricter scrutiny than Albanian-owned businesses, whether it concerns taxes, inspections, or quality control. This perception was confirmed by one Serbian entrepreneur, who pointed out logistical discrimination and the selective application of regulations by local authorities.

An even greater problem is that we are prohibited from doing what newly opened Albanian-owned businesses on the North are allowed to do. Their trucks with goods arrive unhindered, even at 2:00 PM, and park right on the promenade. On the other hand, I have to carry crates of drinks from a much greater distance because I have nowhere to park. [10]

In this context, Serbian-owned business owners expressed deep distrust in the current local authorities, believing that the only way to improve the situation is through their replacement.

The situation can only improve when the mayors in the North resign and are replaced by people truly elected by the people. Citizens need direct contact with local authorities and their support in solving everyday problems. For example, the ramp on the promenade should be open at certain morning hours to allow for deliveries. Currently, this is completely blocked — trucks with goods have to stop at the roundabout, and suppliers are forced to carry goods by hand. At the same time, Albanian-owned businesses enjoy far more favorable treatment — their trucks arrive unhindered several times a day, the ramp on the southern side opens without issue, and they are allowed everything. [11]

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10 Interview 7

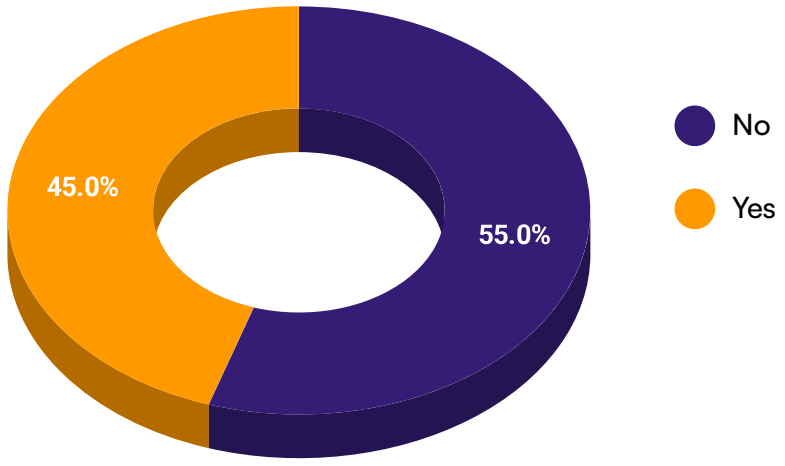
11 Ibidem.

Boycott of "Serbian" Products

For a long time, there has been a campaign in Kosovo-Albanian public discourse advocating the boycott of "Serbian products," [12] [13] [14] which, without distinguishing the origin of products, indirectly targets those produced by Serbs from Kosovo. Well-known cases include the difficulties faced by beer producers (e.g., "Pivdžan" from Gračanica/Graçanicë) and wine producers (e.g., "Lakićević" Winery from Leposavić/q) in marketing their goods on the Kosovo-Albanian market. The lack of concrete action from authorities against this discriminatory practice contributes to the spread of such a narrative and the acceptance of this pattern as socially desirable. Concerns about the boycott campaign were also expressed during the focus group with business owners in Leposavić/q.

Considering all the issues highlighted, it is clear that the owners of Serbian-owned businesses in Northern Kosovo are in an extremely difficult position. Our survey findings show that as many as 45.2% of respondents (19/42) plan to cease their business activities in the near future. Among these, "Kosovo institutions' policies" were cited 16 times as the primary reason for this decision, followed by "general political-security situation" with 7 mentions. "Global economic challenges" and "decreased volume of business" were each mentioned once as key factors. Therefore, it is not surprising that, according to their statements, a complete reset is necessary to improve the current situation, primarily in a political sense, meaning the normalization of relations on the ground.

Do you plan to suspend your business activity ("close your business") in the near future?

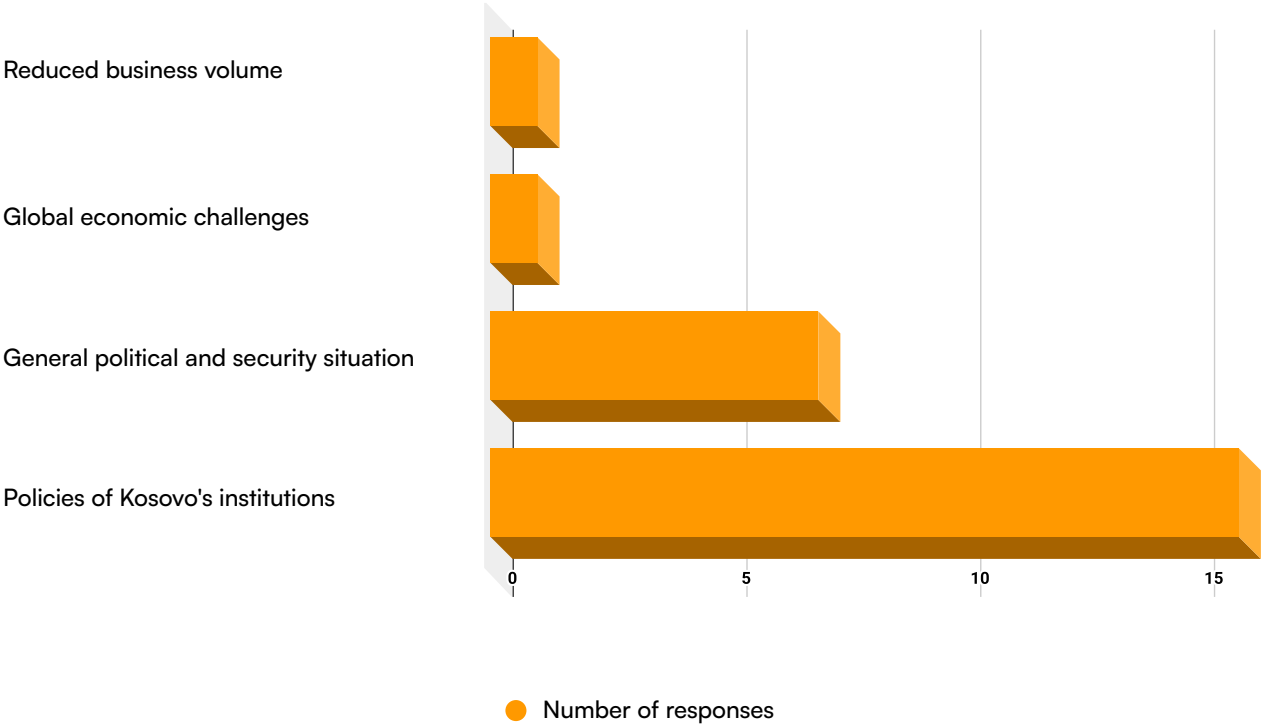


12 *Facebook, "Mos bli prodhime Serbe," Facebook group, accessed February 10, 2025, https://www.facebook.com/groups/2281262918681383.*

13 *KoSSev, "Kad slatkiši postanu meci: Još jedna kampanja za bojkot srpskih proizvoda na Kosovu," KoSSev, February 10, 2025, https://kossev.info/kad-slatkisi-postanu-meci-jos-jedna-kampanja-za-bojkot-srpskih-proizvoda-na-kosovu/.*

14 *KoSSev, "Srpsko civilno društvo: Kampanja neformalna, ali odgovor institucija neophodan," KoSSev, February 10, 2025, https://kossev.info/srpsko-civilno-drustvo-kampanja-neformalna-ali-odgovor-institucija-neophodan/.*

If the answer is affirmative, what is the reason for your decision?



We plan to continue our work, although we hope the situation improves. The opening of the Merdare crossing has somewhat eased business operations, but problems still persist.

For example, in the summer season, one of our sales locations used to generate around €2,000 in daily revenue. After July 2023, the average dropped five times—now it ranges between €200 and €500 per day.

If the situation does not change, we will adjust to the new conditions, but in the long run, no one will be able to stay in business with a salary that does not provide basic subsistence. [15]

15 *Interview 8*

Conclusion

In a time of significant global economic challenges, Serbian entrepreneurs in Northern Kosovo face numerous specific pressures.

The unconstructive approach of the current Kosovo government, marked by numerous controversial, unilateral decisions, has caused a permanent crisis in the relations between Pristina and Belgrade, but also in the relations between Pristina and local Kosovo Serbs, leading to a destabilization of the political and security situation. This set of circumstances has created an unfavorable environment for the proliferation of business activity. Additionally, the instability in this context has motivated emigration flows in the region, reducing the supply of labor and the number of potential consumers/customers, which has affected demand for products and services. In this sense, over the past year, certain controversial decisions have come into force that have directly or indirectly affected the business sector in Northern Kosovo, such as the decision to ban the import of "Serbian" products and the Central Bank of Kosovo's regulation on cash transactions.

Focusing our research on this specific timeframe, the findings revealed that the general perception among business owners in Northern Kosovo is that business activity in the region has shifted in a negative direction, and that the aforementioned decisions have significantly contributed to this belief. As a consequence of these regulations, there has been a reduction in the workforce within businesses, and there is a perception that this trend will continue if the decisions remain in effect. Ultimately, Serbian entrepreneurs view the controversial expansion of Albanian-owned businesses in the North as politically motivated rather than economically driven, along with other "related" problems—such as the boycott campaign against "Serbian" products and the general unfavorable environment for marketing local products in the "Kosovo-Albanian market."

In this context, the "leitmotif" of conversations with business owners was rooted in a sense of systemic discrimination directed at Kosovo Serbs, which also involves a lack of communication/internal dialogue to address their concerns. In addition to deepening distrust in Kosovo's institutions, this situation is concerning in the context of interethnic relations, as the continued prevalence of feelings of discrimination among the Serbian community members threatens to permanently undermine them.

Finally, as an appeal and a form of warning, it should be emphasized that many business owners have announced the possibility of halting their activities in the near future if acute issues are not resolved. To stop this negative trend, a complete "reset" of Pristina's current policy is necessary, which will require significant political will from all relevant actors.

Recommendations

1. Kosovo Government

• Completely remove the ban on the import of "Serbian" goods, especially concerning the crossing points in the North.

• Engage more significantly in the EU dialogue to mitigate the negative repercussions of the Central Bank of Kosovo's regulation on cash transactions.

• Introduce a mandatory consultation process with local communities before making decisions that directly affect the North.

• Establish a program of subsidies and credit facilities for all entrepreneurs in the North, regardless of ethnic background, to reduce the gap between Serbian-owned and Albanian-owned businesses.

2. International Actors

• Intensify monitoring of the implementation of economic decisions that affect the Serbian community to prevent discrimination.

• Fund workshops and programs for cooperation between Serbian and Albanian entrepreneurs to build mutual trust.

• Provide additional funds for the development of economic zones that will encourage sustainable business growth.

3. Local Authorities in the North

• Organize regular meetings with business owners to better understand the needs and issues of the local population.

• Support businesses in transitioning to legal business operations in compliance with Kosovo's laws, with minimal costs and complications.

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