

Kosovo

In September 2012, Kosovo's four year period of internationally 'supervised independence' came to an end. If this was the good news, the bald bad news was that unemployment stood at over 40 per cent, almost half the population lived below the poverty line and Kosovo's first general election since independence (in 2010) had been marred by serious fraud. Kosovo's shabby capital, Pristina, has not succeeded in exercising control over the Serb-dominated north, whose residents, tacitly backed by Belgrade, reject the realities, as well as the trappings of Kosovan statehood.

The European Union beckons?

In October 2013 Kosovo launched itself on the lengthy process of EU membership. Initial discussions focussed on the so called 'Stabilisation and Association' agreement, which is the first step to future European Union (EU) membership for any potential candidate country. Kosovo's Prime Minister Hashim Thaci said that it was an 'historic day' for Kosovo and that an 'irreversible chapter' had been opened. The EU negotiations came five years after Kosovo had declared independence from Serbia. Serbia does not officially accept the secession but has bowed to pressure from the EU to co-operate with Kosovo, in pursuit of its own membership agenda. In June 2013, Kosovo announced that 100 countries had recognised its independence. They included the United States, but only 23 of the EU's 28 member states.

Elections

Meanwhile, as Kosovo approached its 2013 local elections, a United Nations Development Programme (UNDP) report observed that while it was 'encouraging' that 16 per cent of Serbs in northern Kosovo would definitely vote in the November elections and another 17 per cent 'might' vote, a whopping 44 per cent said they definitely would not vote. The same survey also noted that 48 per cent of the Serbs in the north of Kosovo in Mitrovica apparently had no idea which parties were running in the elections and 47 per cent did not know the names of the candidates

running as mayors. The result of the poll will disappoint Kosovo-Serb officials who had called for a mass turnout in the elections, which had been described as historic because the government of Serbia had, for the first time, backed the elections, which were designed to pave the way towards the establishment in Kosovo of an association of Serbian municipalities, entrusted with broad powers of self-government. The political legitimacy of the association would obviously depend to some extent on the size of the turnout in the north, where most Kosovo Serbs are concentrated and where they form the majority community in four municipalities. The November 3 polls form a crucial part of implementing an EU-mediated agreement between the governments of Kosovo and Serbia intended to 'normalise' relations. Serbia still does not recognise Kosovo's independence, proclaimed in 2008. The previous local elections in Kosovo were held in November 2009, but at the time most people in the Serb-run municipalities ignored the poll and elected their own leaders in a separate vote organised by Serbia.

The economy

In its July 2013 assessment of the Kosovo economy, the International Monetary Fund (IMF) noted that Kosovo's annual gross domestic product (GDP) growth had averaged 4.5 per cent between 2007 and 2012, despite the headwinds from the global financial crisis and euro-zone turbulence. With this, growth was among the highest in the region, although incomes were affected negatively by secular price increases for imported foodstuffs and energy. At around 40 per cent, unemployment remains very high, although much of it reflected arguably informal employment. Kosovo's solid performance owed much to its low exposure to crisis affected countries and its exposure instead to Germany and Switzerland, countries in which two-thirds of the Kosovo diaspora reside. Remittances and direct investment from the diaspora had held up well and had continued to support domestic demand.

In its own assessment of the Kosovo economy, the World Bank describes the

KEY FACTS

Official name: Republic of Kosovo

Head of State: President Atifete Jahjaga (from 7 Apr 2011)

Head of government: Prime Minister Hashim Thaçi (PDK) (from 11 Nov 2007)

Ruling party: Coalition led by Partia Demokratike e Kosovës (PDK) (Democratic Party of Kosovo), Lidhja Demokratike e Kosovës (LDK) (Democratic League of Kosovo) and Aleanca Kosova e Re (AKR) (New Kosovo Alliance) (from 11 Feb 2011)

Area: 10,887 square km

Population: 1.73 million (2011; census figure)

Capital: Pristina

Official language: Albanian, Serbian (English was the official language of the UN Interim Administration Mission in Kosovo (UNMIK))

Currency: Euro (€) = 100 cents

Exchange rate: €0.75 per US\$ (Jul 2013)

GDP per capita: US\$3,693 (2011)*

GDP real growth: 2.15% (2012)*

GDP: US\$6.25 billion (2012)*

Unemployment: 40.00% (2010)*

Inflation: 2.48% (2012)*

Balance of trade: -US\$2.63 billion (2012)*

* estimated figure

country as 'a lower middle-income country (sic) with a solid economic growth performance since the end of the war in 1999'. According to the World Bank, Kosovo is one of only four countries in Europe that managed to record positive growth rates in every year during the crisis period 2008–12, averaging 4.5 per cent. Echoing the IMF, it attributes the resilience of Kosovo's economy in the first instance to its limited international integration into the global economy; and secondly to the success of its diaspora in the labour markets of, especially, the German-speaking countries of Central Europe, resulting in a steady reflux of remittances. The Bank also acknowledges Kosovo's generally pro-growth budgets, allowing for about 40 per cent of public expenditures to be spent on public investments; and finally the steady influx of donor support. Efforts aimed at strengthening domestic productivity – particularly critical in a 'euro-ised' country (that is, a country that uses the euro as its currency) – will need to remain a key policy anchor, as Kosovo continues to struggle with high rates of unemployment and poverty. Joblessness in particular remains a central economic-policy challenge. With the difficult labour market conditions affecting youth and women disproportionately, these adverse conditions risked undermining Kosovo's social fabric. Largely reflecting historical legacies, Kosovo is one of the poorest countries in Europe, with a per-capita gross domestic product (GDP) of about €2,700 (US\$3,600) and about one-third of the population living below the poverty line –

and roughly one-eighth in extreme poverty.

Kosovo declared independence in February 2008, but this step has not been universally supported. By early 2013, 98 of a total 193 UN member states (51 per cent) had recognised Kosovo's independence (although some reports put the figure as high as 105), including 23 EU member states. The unresolved status issue remains a key obstacle to attaining the country's over-arching objectives of political integration and socio-economic development. In mid-2009, Kosovo joined the IMF and the World Bank Group and, three and a half years later it became a full member of the European Bank for Reconstruction and Development (EBRD). Kosovo's candidacy for EU membership was given a perspective, following the European Commission's Feasibility Study in October 2012, according to which as there were no legal obstacles to prevent the EU from opening negotiations for a Stabilisation and Association Agreement with the EU. It took a while, but in October 2013 negotiations began. The World Bank Group's Country Partnership Strategy (CPS) also supported Kosovo's EU aspirations.

Risk assessment

| | |
|--------------------|------|
| Politics | Poor |
| Economy | Poor |
| Regional stability | Poor |

COUNTRY PROFILE

Historical profile

1389 The battle of Kosovo was lost by the Serbian people and the Turkish Ottoman

Empire began a 500-year rule. During this time the population changed from Christian Serbs to Muslim Albanians.

1912 During the Balkan Wars Serbia regained control of Kosovo.

1918 Kosovo became part of the Kingdom of Serbs, Croats and Slovenes.

1941 During World War II the Italian army controlled the entire region.

1945 The Federal People's Republic of Yugoslavia was formed into a communist republic by Josip Broz Tito, and included the province of Kosovo with its own constitutional rights.

1974 Yugoslavia increased the autonomy of constituent republics, allowing Kosovo *de facto* self-government.

1980 Tito died.

1987 Serbian nationalist politician, Slobodan Milosevic, incited Serbian Kosovans to protest at alleged harassment by the majority ethnic Albanians.

1989 Yugoslav president Milosevic stripped Kosovo of its constitutional rights.

1990 Ethnic Albanians declared Kosovo independent. The Yugoslav government dissolved the Kosovo government and sacked 100,000 workers, which led to a general strike.

1991 Two major Yugoslav republics (Slovenia and Croatia) declared their independence. Slovenia became independent with little dispute. Croatia with its 12 per cent Serbian population fought the remaining Yugoslav army and evicted its Serbs to gain its independence. The Yugoslav government in Belgrade began a process of disenfranchising Albanian Kosovans by closing down schools and marginalising the Albanian language.

1992 Macedonia and Bosnia and Herzegovina (BiH) declared their independence. Nationalist and ethnic tensions in BiH, the most ethnically diverse Yugoslav republic, strained until the territory erupted into war. Thousands died in 'ethnic cleansing' as one faction tried to clear a region of civilians of another faction; a million people were displaced. Ibrahim Rugova was elected president of the self-proclaimed Republic of Kosovo.

1996 The Ushtria Çlirimtare e Kosovës (UÇK) (Kosovo Liberation Army) began attacking Serbian police.

1998 Confrontation between Serbian forces and the UÇK increased, culminating in a brutal crackdown by Serbian police and paramilitary units which resulted in massacres and thousands of civilians being driven from their homes. NATO gave the Milosevic government an ultimatum to halt the crackdown or risk air attacks.

1999 An international peace deal failed and NATO began air attacks on Serbia, which finally agreed to withdraw troops and the UN Kosovo Peace

KEY INDICATORS

Kosovo

| | Unit | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------------|----------|----------|----------|----------|----------|-----------|
| Population | m | *2.00 | *2.00 | *2.30 | 1.73 | *1.73 |
| Gross domestic product (GDP) | US\$bn | 5.08 | 4.77 | 5.23 | 6.40 | *6.25 |
| GDP per capita | US\$ | 3,066 | 2,837 | 3,060 | 3,690 | 0 |
| GDP real growth | % | 6.9 | 2.9 | 3.9 | 5.0 | *2.1 |
| Inflation | % | 9.4 | -2.4 | 3.5 | 7.3 | *2.5 |
| Unemployment | % | 47.5 | 45.4 | 45.1 | – | – |
| Exports (fob) (goods) | US\$m | 115.0 | 242.0 | 403.0 | 441.2 | *362.1 |
| Imports (fob) (goods) | US\$m | 1,254.1 | -2,608.0 | 2,679.0 | 3,289.1 | *2,990.3 |
| Balance of trade | US\$m | -1,139.0 | -2,367.0 | -2,276.0 | -2,847.9 | *-2,628.2 |
| Current account | US\$m | -494.1 | -882.0 | -971.0 | -1,028.2 | *-1,271.0 |
| Total reserves minus gold | US\$m | 892.1 | 830.2 | 846.4 | 965.8 | *1,108.1 |
| Foreign exchange | US\$m | 892.1 | 721.2 | 739.6 | 855.7 | *1,002.8 |
| Exchange rate | per US\$ | 0.68 | 0.72 | 0.78 | 0.75 | *0.77 |

* estimated figure

Implementation Force (Kfor) began peace-keeping operations. The UN Interim Administration Mission in Kosovo (UNMIK) came into operation, charged with determining the future of Kosovo. The UÇK agreed to disarm, while Serb civilians fled the province in the face of revenge attacks.

2000 Local elections were won by the Lidhja Demokratike e Kosovës (LDK) (Democratic League of Kosovo), led by Ibrahim Rugova.

2002 The parliament elected Ibrahim Rugova as president and Bajram Rexhepi of the Partia Demokratike e Kosovës (PDK) (Democratic Party of Kosovo) was elected prime minister of a power-sharing 10-member cabinet.

2003 Official negotiations between Kosovo and Serbia began. Conditions for the talks to determine Kosovo's final status were announced by the UN in December.

2004 The LDK won parliamentary elections and incumbent President Ibrahim Rugova was re-elected. Ramush Haradinaj became prime minister. Serbian Kosovans boycotted the elections. The worst inter-ethnic violence since 1999 erupted in Mitrovica, with up to 22 people killed and hundreds injured.

2005 Prime minister Haradinaj resigned and Adem Salihaj replaced him.

2006 President Ibrahim Rugova died; as a moderate Kosovan leader his death just as negotiations on Kosovo's future were about to start, was a setback. He was succeeded by Fatmir Sejdiu. Agim Çeku became prime minister. Joachim Rucker took office as the head of UNMIK.

2007 The UN Special Envoy Martti Ahtisaari submitted a *Comprehensive Proposal for the Kosovo Status Settlement* (the Ahtisaari Plan) for the independence of Kosovo which also focused on protecting the rights, identity and culture of Kosovo's non-Albanian communities, including establishing a framework for their active participation in public life. Ahtisaari also proposed that Kosovo become independent, subject to a period of international supervision. Agim Çeku said that no unilateral declaration of independence would be made (by ethnic Albanian leaders) without the support of the EU and US. No agreement was reached during the first round of talks concerning the future of Kosovo: Serbian authorities offered broad autonomy while the province's ethnic Albanians demanded full independence. Parliamentary elections were won by the PDK with 34.3 per cent of the vote (37 seats out of 120), led by Hashim Thaçi, former leader of the UÇK.

2008 President Sejdiu resigned and took part in fresh elections, held on the same day, under Kosovo's new constitutional framework. After three rounds he won a

simple majority of 61 votes to become president for a second time. The Kosovo Assembly issued a unilateral declaration of independence (UDI), in line with the Ahtisaari Plan. The new constitution came into force and the Kosovo government took over most of the powers previously held by the UN. Although Russia initially rejected the deployment of the EU Law and Order Mission (Eulex), a 2,200 policing force, it was eventually used after UN agreement. Ethnic Serbs insisted that the new constitution did not apply to them and as a last act of the outgoing government in Serbia, the Serbian minister for Kosovo set up a new parliament in the divided city of Mitrovica for minority Serbs. The new Kosovan Serb Assembly may challenge the legitimacy of the Kosovan Assembly and entrench *de facto* partition of Kosovo. The issuing of Kosovan passports began. Kosovo's UDI was referred to the International Court of Justice (ICJ) by the UN General Assembly to give its opinion.

2009 A new 2,500-strong Kosovo Security Force (KSF), trained by the UN, became operational. Members of the KSF were drawn from all members of the community to undertake civil protection and crisis response. Serbian President Boris Tadic attended a religious service at the Serb Orthodox monastery of Visoki Decani. Kosovo was offered membership of the International Monetary Fund (IMF). The number of NATO (Kfor) troops was reduced from around 14,000 to 10,000.

2010 Former prime minister Haradinaj was ordered to stand trial for a second time, as his earlier acquittal on murder and torture charges was ruled to have been a miscarriage of justice, due to the intimidation of prosecution witnesses. The ICJ ruled that Kosovo's UDI from Serbia did not violate international law. The ruling should allow more countries to recognise Kosovo as a sovereign state. Serbia rejected the ruling and called for fresh talks at the UN over Kosovo's status. The number of Kfor troops was reduced from around 10,000 to 6,300. The constitutional court ruled that the leader of a political party may not serve as president. This caused Fatmir Sejdiu (LDK) to step down as president and for him to withdraw the LDK from the coalition government. Prime Minister Hashim Thaçi lost a vote of no-confidence by 66–1, which resulted in a snap general election, in which the PDK again won the largest share of the vote (32.1 per cent; 34 seats out of 120) and began coalition negotiations with the next largest party LDK.

2011 PDK and LDK agreed a coalition with Aleanca Kosova e Re (AKR) (New Kosovo Alliance) in February. Parliament re-elected Hashim Thaçi (PDK) as prime

minister, after three rounds of voting. Behgjet Pacolli was elected as president, despite most opposition members boycotting the vote. He replaced Jakup Krasniqi who had been acting-president since former president Sejdiu had been forced to step down. In March the Constitutional Court ruled that the election of President Pacolli was unconstitutional as there was not a quorum in parliament when the vote to elect him was taken. In April, parliament elected Atifete Jahjaga president by 80 votes (with 10 for Suzanna Novoberdaliu); he was sworn in the same day. The first state census was completed on 15 April and preliminary results published in July showed a total population of 1,733,872 with 295,070 households. The Kosovo police attempted to replace Kosovan-Serbs manning the border crossing between Kosovo and Serbia in July, but were repelled by the Kosovan-Serbs. NATO-led peacekeepers were required to restore order. The EU and US criticised Kosovo for this unannounced move to assert its authority in Northern Kosovo. Ramush Haradinaj re-appeared before the ICJ in August, along with two other defendants, on charges of joint criminal enterprise during the civil war; all three were acquitted of the charges in November 2012. Forces, led by NATO-peacekeepers, dispersed Kosovan-Serb protestors and dismantled their barricades in October. In December, an EU-mediated the integrated border management (IBM) agreement was reached between Serbia and Kosovo to jointly manage and to 'gradually set up joint, integrated, single and secure posts at all their common crossing points.'

2012 On 24 February, Serbia and Kosovo reached an agreement whereby Kosovo can be represented at any regional forum without provoking a Serbian boycott. The complex formula has Kosovo registered under its name but with an addendum saying that giving the name and status does not prejudice UN Resolution 1244 and the ICJ opinion on Kosovo's UDI. This agreement concludes a technical protocol on the implementation of the IBM deal, reached in December 2011. On 7 June, the Constitutional Court ruled that changes to the constitution, which scrapped 21 amendments and ended Kosovo's international supervised independence by the end of 2012, was legitimate. The Court also ruled these changes did not undermine any fundamental right or freedoms that the constitution guaranteed. On 2 August, the government announced that the mandate for Eulex will cease, following a transitional period managed in three stages. The first begins in September and runs through to March 2013, with the second stage following-on

until September 2013 and the final one running up to 15 June 2014, at which time all personnel will have been withdrawn. On 19 September, Prime Minister Hashim Thaci met Prime Minister Dacic of Serbia. This was the first meeting of the two leaders since Kosovo's UDI in 2008. 2013 Kosovo began the long road to EU membership in October when negotiations for a Stabilisation and Association Agreement were opened. Municipal elections were held on 3 November. The government in Serbia, which is applying for membership of the EU, encouraged ethnic Serbs to vote, in line with an agreement between Kosovo and Serbia to normalise relations. However, turnout was low and ballot boxes were destroyed in violent episodes, including in Mitrovica in the north.

Political structure

Constitution

An interim constitutional framework was ratified in 2001 providing legitimacy for the provisional institutions of self-government, with deferral to the UN Special Representative based on the UN Security Council Resolution 1244.

A draft constitution was being prepared in 2008.

On 7 June 2012 the Constitutional Court ruled that changes to the constitution, which scrapped 21 amendments and ended Kosovo's international supervised independence by the end of 2012, was legitimate. The Court also ruled these changes did not undermine any fundamental right or freedoms that the constitution guaranteed. However of one amendment (referring to Article 156), dealing with refugees and internally displaced persons (IDPs), this was judged could not be deleted.

Independence date

17 February 2008

Form of state

Parliamentary democracy

The executive

The president is elected by parliamentary members for a term of three years. The president represents the country in foreign affairs and in domestic matters acts on the advice of the prime minister and cabinet. The executive branch of government is headed by the prime minister, deputy prime ministers and all other ministers.

National legislature

The unicameral Assembly of Kosovo (Kuvendi i Kosovës) has 120 members; 100 seats directly elected by the Albanian majority population, 10 seats are reserved for Serbs and 10 seats for all other nominated ethnic groups. Legislative power is vested in the assembly and government.

Last elections

12 December 2010 (parliamentary); 9 January 2008 (presidential).

Results: Parliamentary: the Partia Demokratike e Kosovës (PDK) (Democratic Party of Kosovo) won 32.1 per cent of the vote (34 seats out of 120), Lidhja Demokratike e Kosovës (LDK) (Democratic League of Kosovo) 24.7 per cent (27), Vetevendosje! (Self-Determination) 12.7 per cent (14), Aleanca për Ardhmërinë e Kosovës (AAK) (Alliance for the Future of Kosovo) 11 per cent (12), Aleanca Kosova e Re (AKR) (New Kosovo Alliance) 7.29 per cent (eight); four other political parties each won less than 3 per cent (five seats between them) and 10 seats were reserved for Serb candidates and 20 seats were reserved for other minorities groups. Turnout was 47.5 per cent.

Presidential: round one, Fatmir Sejdiu won 62 votes (percentage not enough for an outright win), Naim Maloku won 37 votes. Round two (a simple majority for a win), Sejdiu won 61 votes, Maloku won 37 votes.

Next elections

2015 (parliamentary)

Political parties

Ruling party

Coalition led by Partia Demokratike e Kosovës (PDK) (Democratic Party of Kosovo), Lidhja Demokratike e Kosovës (LDK) (Democratic League of Kosovo) and Aleanca Kosova e Re (AKR) (New Kosovo Alliance) (from 11 Feb 2011)

Main opposition party

Lidhja Demokratike e Kosovës (LDK) (Democratic League of Kosovo)

Population

1.73 million (2011; census figure)

The first national census was undertaken on 15 April 2011 with the final results published in 2012.

Last census: 1991: 1,956,000 (during political troubles)

2001: 2,400,000 (estimate: Office for Security and Co-operation in Europe)

Population density: 202 per square km

Internally Displaced Persons (IDP)

Internal Displacement Monitoring Centre

Ethnic make-up

Estimated demographics: Albanian (92 per cent) Serbian (5.3 per cent) and others (Croats, Roma, Turks) (2.7 per cent).

Religions

Muslim 90 per cent, the majority of which are Sunni, Christian Orthodox 5 per cent.

Education

Before 1991 educational institutions were administered independently of Serbian influence by Kosovan authorities, which were at liberty to construct a national curriculum and system of education. All levels of education were provided in the Albanian and Serbian languages and schools were charged with maintaining levels of instruction for all minority

communities. Enrolment rates were typically almost 100 per cent and this resulted in literacy levels that matched the average of surrounding territories. From 1991, the independence of Kosovo's education service was abolished by Serbian authorities, which closed down schools and dismissed over 14,000 primary and 4,000 secondary school teachers plus over 860 university lecturers of Albanian ethnicity and required all teaching to be in the Serbian language. A parallel schooling system developed whereby Serbian schools were enhanced at the expense of Albanian schools which began to lag behind in books and equipment. Albanian students were denied access to Serbian libraries and so took up informal learning provided by sacked teachers. However, at this time Serbian investment was cut due to the economic crisis following the conflict in Croatia and even the Serbian schools became poorly stocked and maintained.

The University of Pristina was badly damaged by vandalism and looting during the NATO attacks on Serbia in 1999, but was finally reopened to all students by 2000. Around 45 per cent of all schools were severely damaged or destroyed and many were within minefields which prevented their use until cleared. When the 2000/01 school-year began only around 50 per cent of school students attended remedial classes; the percentage began to rise as facilities improved. Apart from war damage, the previous nine years of under-investment also added to the problems of rehabilitation for the UN Administration authorities (UNMIK).

UNMIK began the reconstruction of the educational system with a three-way split into priority areas of consideration, which included the physical (buildings, books and equipment), legal aspects (new teaching structures that provided for or moderated opposing orthodoxy) and academic reform (curricula development and educational management). Teacher training was implemented under UN-sponsored programmes from 2004/05.

Finding an ongoing consensus was hampered in 2006 following the Serbian constitutional referendum (that excluded Kosovans), which voted to enshrine the Cyrillic alphabet as the official script for all territories; Albanians use the Latin script.

In 2007 Unesco stated that less than 10 per cent of 3–6 year olds had access to early childhood education, with the majority of facilities located in larger urban areas.

The conflict with Serbia led to a massive population shift from the country to towns and resulted in the overcrowding of many

primary schools, which have had to operate at least a two shift system.

Literacy rate: 89.8 per cent female rate; 97.7 per cent male. Around 14 per cent of rural females are illiterate (Unesco 2007).

Compulsory years: Six to 14

Enrolment rate: 97.5 per cent (Albanian), 99 per cent (Serbian), 77 per cent (all others, of which only 69 per cent female) (Unesco 2007).

Pupils per teacher: The average was 19 per class (in primary schools) before 1999; the average has increased to 35 students per class.

Health

Kosovo, as one of the poorest territories in Europe has, as a UN report in 2007 reported, 37 per cent of the population living in poverty and 15.2 per cent in absolute poverty. The healthcare system is chronically under funded with a lack of medical equipment and drugs. Poorly educated mothers and lack of access to facilities has resulted in Kosovo having the highest fertility rate in Europe, and also the highest maternal mortality rate, despite 95 per cent of all births taking place in medical facilities. Measures to reach UN Millennium Development Goals (MDG) have been included in necessary restoration policies since 1999. Childhood immunisation reached levels of 90 per cent by 2007, although parents in some minority ethnic communities delayed vaccinations.

In 2005 a total of 72.4 per cent of the population had access to clean water, of which 96 per cent were urban dwellers, around 70 per cent of total households were connected to the sewage system, of which 95 per cent were urban dwellers.

HIV/Aids

The young have not been or are poorly informed about HIV/Aids, sex education and the risks of drugs. Less than 41 per cent of sexually active young people used a condom, according to a 2007 Unesco report.

Life expectancy: 68.8 years (67.8 male; 69.9 female) (2006 Kosovo Government)

Fertility rate/Maternal mortality rate: Separate figures from Serbia for Kosovo are unavailable.

Child (under 5 years) mortality rate (per 1,000): 69 per 1,000 (estimated, Unicef 2006)

Head of population per physician: 1 doctor per 840 head of population (2004, Kosovo Statistics Office)

Welfare

At a time when Europe's populations are ageing Kosovo's average age is 22–23 years, with around 33 per cent less than 15 years old. This group will be an ongoing burden of responsibility for the

government to educate, find work and house at a time of economic hardship. There is no social welfare although international donors provide funds for programmes to aid the vulnerable. There are high levels of unemployment and poor prospects for improvement.

Main cities

Priština (capital, estimated population 172,033 in 2012), Prizren (102,117), Urosevac (81,988), Pec (75,411), Mitrovica (71,162), Dakovica (65,282), Gnjilane (57,432).

Languages spoken

Albanian, Serbian, Bosniak and Turkish. Since the arrival of the UN English has increased in popularity.

Official language/s

Albanian, Serbian (English was the official language of the UN Interim Administration Mission in Kosovo (UNMIK))

Media

Press

Periodicals: UNMIK started the publication of a quarterly *Focus* (www.euinkosovo.org) with a variety of background articles on people and events in Kosovo.

Broadcasting

The national, public broadcaster is RTK (www.rtklive.com).

Radio: RTK operates two stations, Radio Kosova and Radio Blue Sky. Other, private radio stations in operation include Radio Dukagjini (www.radio-dukagjini.com), Radio Kim (www.kimradio.net) and Radio Tema (www.radiotema.net).

National news agency: Kosova Press

Other news agencies: Kosovalive:

www.kosovalive.com
Kosova Information Center:
www.kosova.com

Economy

Since declaring unilateral independence in 2007, the fledgling economy has had to contend with the severe downturn in the global economy. It has begun to set up the infrastructure to provide financial services necessary. The Central Bank of Kosovo (CBK) began work in 1999 and by 2009 there were eight commercial banks, 19 micro-financial institutions, 11 insurance companies and two pension funds in operation. Kosovo became a member of the International Monetary Fund (IMF) in June 2009, with an initial capital subscription of US\$91.5 million, which amounted 0.027 per cent of the total fund membership quota.

GDP growth was 5.0 per cent in 2007, rising to 6.9 per cent in 2008; in 2009 growth fell sharply to 2.9 per cent, as indicated by the contraction in imports and remittances; growth increased in 2010 by

3.9 per cent and is estimated to have grown by 5 per cent in 2011. Government revenues averaged 27 per cent of GDP (2008–10), while expenditure rose by almost 30 per cent in 2009, as the government assumed more responsibility for loss of earnings. From mid-2007 inflation rose from 4.4 per cent to a peak of 9.4 per cent in 2008, before falling sharply to a deflationary rate of -2.4 per cent in 2009 and increasing to 3.5 per cent in 2010. It was sharply higher at an estimated 7.3 per cent in 2011.

Investment is a priority for Kosovo. Political relations with Serbia and the tensions between the majority ethnic Albanian and minority Serbian populations have dampened the prospects of much foreign direct investment (FDI) (€2.5 billion (US\$3.6 billion) in 2008) and risks leading to a stagnating economy. Donor countries pledged €1.2 billion (US\$1.65 billion) in 2009, but with little prospects of domestic-driven growth there is concern that loans and aid will hide systemic problems; in 2011 FDI was US\$546 billion.

With the world's fifth largest stock of lignite coal, Kosovo is planning to privatise two existing coal plants, to realise around US\$4.8 billion, and construct another. Sales of other assets are also under consideration, such as the mobile/cell operator Vala. By mid-2010 the Kosovo Privatisation Agency had privatised some 625 enterprises. The sale of the state-owned Kosovo Energy Corporation (KEK) had been unsuccessful.

Around 60 per cent of the population live in rural areas with agriculture contributing 25 per cent of GDP; it is also an important sector for employment. Industrial production is centred on mining, agribusiness, including wood processing, and manufacturing of textiles and automotive components. Tourism is still nascent, but has the potential for strong growth when the infrastructure is brought up to international standards. The official unemployment rate for 2010 was 45.1 per cent.

External trade

Kosovo has a customs-free access to the European Union market, based on an EU Autonomous Trade Preference (ATP) regime. It also has free trade agreements (FTA) with Albania, Croatia, Bosnia and Herzegovina and Macedonia (FYROM). Around 20 per cent of all exports are agricultural, including wheat, meat and wine.

Major trading partners include the European Union, Balkans region, Turkey and US.

Exports

Principal exports are base metals (including scrap) (50 per cent), leather goods

(18 per cent), food stuffs (15 per cent), plastics and rubber (10 per cent).

Main destinations: Balkans region (typically 50 per cent), Turkey (20 per cent), US (15 per cent) and rest of the world (15 per cent).

Agriculture

Of the 1.1 million hectares (ha) of Kosovo land, 53 per cent (577,000ha) is arable. Over 85 per cent is privately owned, however the average size of land per rural household is 3ha. Of the arable land 51 per cent is grain, 45 per cent pastures and meadows, 2 per cent orchards and less than 1 per cent vineyards. Principal crops are wheat, corn, potatoes, watermelons and lucerne (animal fodder). The government regards small farms as less than 5ha and large farms over 5ha, around 96 per cent of farming households work small farms. Many farms were abandoned in 1999 and rural infrastructure is in disrepair. There is an urgent need to modernise traditional practices that provide little more than subsistence production. Around 65 per cent of the working population is employed in agriculture, providing 30 per cent of GDP. Kosovo has fallen from being a net exporter of agriculture products to foodstuffs accounting for around 30 per cent of all imports, the largest single import segment.

Since the early 1990s the number of livestock has fallen and the trend has continued. From 2003 small farms have mostly invested in beef cattle, donkeys and bee hives; larger farms have invested in breeding pigs and donkeys, all other farm animals have fallen in number. Government statistics acknowledge that all but the largest of farms fail to keep records and the number of animals reported may be incorrect.

Forests represent an important resource but historic mismanagement has resulted in heavy degradation; the high demand for timber following the conflict with Serbia has increased the pressure on forestry's long-term sustainability.

Timbered areas make up 47 per cent of all land, of which forests are 460,800ha. Around 62 per cent of forests are publicly owned. Forest products, before the break-up of Yugoslavia, were a significant export sector. In 2007 manufactured products included doors, window frames and furniture, although exports remain limited.

Industry and manufacturing

Industrial development was historically dictated by the economic interests of firstly Yugoslavia and later Serbia, with widespread exploitation of natural resources. Mining and forestry products formed the majority of intra-exports.

Due to war damage and the lack of investment in what were state-owned industries and manufacturing, food processing, tobacco, wood processing and textiles were all disrupted and non-productive by 2006. Privatisation was begun but the problems may be long term as poor transport infrastructure, with 25 per cent of the road network in serious need of remedial work, a serious impediment to redevelopment.

Kosovo has limited water resources, as most rivers run out of the country, any process that requires water to facilitate production will be severely hampered.

Tourism

Kosovo has had positive growth in tourism since 2007, albeit from a low base. Leisure tourism has grown to replace business trips for most reasons to visit, as the political situation has settled down. Kosovo has spectacular natural landscapes and historic architecture of both Ottoman and Christian Orthodox religious sites. Three sites of Byzantine-Romanesque medieval monuments are included on Unesco's World Heritage List. In January 2012, the Illyria Hotel in Pristina was reopened following a €40 million (US\$51.6 million) refurbishment and renamed the Swiss Diamond Pristina. The luxury hotel has spa facilities, bars, a restaurant and an executive club. Plans for a new ski resort close to Brezovica were proposed by Ecosign Europa in February 2012, and presented to the European Commission, which recognised the location as having the greatest potential for development in the Balkans. The resort could provide up to 3,000 new jobs and generate hundreds of millions of euros from the planned new mountain resort with a ski village, five major lifts and over 25km of pistes.

Environment

The US committed an initial US\$15.5 million to repairing war damage, which included water contamination, minefields and unexploded ordinance (UXO). In 2007, the ongoing clearance programme concentrated on unmarked minefields and UXO in forested areas.

Archaic communist industrial practices degraded land, water and air quality and until production plants are either upgraded or closed the pollution is likely to continue. A government environmental plan was proposed in 2006 to introduce legislation to develop policies and guidelines for international funding and donor communities to deal with the problems and plan for the future. It was also recognised that a full inventory of fauna and flora for Kosovo was needed.

Kosovo, in 2006, had one national park and 11 natural reserves, 37 natural

monuments and two protected landscapes totalling 46,000ha (4.27 per cent of the country). The richest area for wildlife is the Sharr Mountains and the Bjeshkët e Nemuna area.

Rivers around industrial regions are heavily polluted and denuded of aquatic life.

Energy production is the major polluter in Kosovo, producing acid rain and contaminated water with high concentrates of phenols.

Mining

The large industrial complex of Trepca, near the town of Mitrovica, is a conglomerate of 40 mines, foundries, refineries and subsidiary plants. It has one of Europe's richest deposits of lignite, lead, zinc and non-ferrous ores, as well as gold, silver and over 1.6 billion tonnes of coal, valued at an estimated eur13 billion (US\$18.9 billion). However, the only railway capable of transporting coal is through Serbia and an alternative route through Albania or Macedonia is not expected for many years. Trepca had previously been the source of much of former Yugoslavia's mining wealth and after the 1999 conflict was realised as Kosovo's principal economic asset, despite the need for investment to revitalise its infrastructure.

Geophysical studies undertaken in 2007 showed a high potential for larger than already known gold, nickel and chrome deposits.

There are large stocks of decorative stone, including onyx, white, grey and black marble, gray granite and other stone such as gneiss, magnesite, quartzite and porphyry which may have an important as export goods, but have yet to be fully exploited.

Hydrocarbons

Kosovo has no hydrocarbon resources or refineries. All petroleum products must be imported from neighbouring countries, where refining capacity allows. An estimated 600,000 tonnes (4.4 million barrels) of oil will be imported in 2010, but the global price of oil and the transport costs will keep the level of imports low. There are large deposits, estimated at around 18 billion tonnes, of lignite coal typically used in power stations.

Energy

The Kosovo Energy Corporation (KEK), operates two large coal-fired power plants and was scheduled to produce 4,483GW of electricity and import 497GW in 2008. These power stations are close to the open cast lignite mines of Bardhi and Mirash and burn 7 million tonnes per annum. Energy production is the major polluter in Kosovo, producing acid rain and

contaminated water with high concentrations of phenols. A 1,000MW coal-fired power plant was put out to tender in 2010. The plant is expected to take around five years to complete and is scheduled to be operational by 2015/16. Long-term energy development and electricity supply is also being provided for as Kosovo's national power grid is brought up to international standards.

Banking and insurance

The World Bank is providing grants and technical assistance to the Central Banking Authority to oversee the financial system and provide stability and development, including supervision of banks and non-bank financial institutions (insurance and pension funds).

Central bank

Banka Qendrore e Republikës së Kosovës (BQK) (Central Bank of Kosovo)

Main financial centre

Pristina

Time

GMT plus one hour (daylight saving, late March to late October, GMT plus two hours)

Geography

This land-locked country, roughly square in shape standing on a corner is surrounded by Serbia from the north to the south-east, Macedonia (FYROM) in the south, Albania to the west and Montenegro in the north-west. The average altitude is 800 metres above sea level, however, there are several mountain ranges encircling the country, with the highest ranges in the south-west, north-west and north. The highest mountain, Gjeravica, in Peja in the south-west, is 2,656 metres high, with deep, wide valleys and the largest river, the White Drin at 122 km, flowing down into the central plain, on which most of the urban areas are located. The largest lake, Gazivoda, in Mitrovica, is 9.1 square km.

Hemisphere

Northern

Climate

With a continental climate summers in Kosovo are warm and winters are cold. Temperature ranges average from +30 degrees Celsius (summer July–August) to -10 degrees C (winter December–January). Snowfalls are typical between November and March even on the lowland flat plains. The large mountain ranges also produce local variations and rainfall distributions.

Entry requirements

Passports

Required by all and must be valid for up to 90 days from date of entry.

Serbian authorities will not allow entry to Serbia from Kosovo, unless as a through journey from Albania or Macedonia, or as part of a return journey.

Visa

As of February 2008, for visits of less than 90 days, visitors with US passports do not require visas. EU citizens from countries that recognised Kosovo's independence also do not require visas. All other visitors and those staying over 90 days must provide documentary evidence for purpose of visit, such as employment or education. A 90-day entry stamp will be issued at the border.

For further information see www.unmikonline.org/regulations/ADMDIRECT/2005/ADE2005_08.pdf or visitors should contact the consular section of their own ministry of foreign affairs for advice.

Currency advice/regulations

The banking system is embryonic and a cash economy exists so visitors should expect to travel with enough cash for their stay. There are a few ATMs in Pristina; credit cards are not widely accepted.

The Serbian dinar is in use in Serbian-populated regions.

Customs

UNMIK has been responsible for customs, before trained Kosovan officials are deployed.

Consumer items are limited and should be declared, including jewellery, only two cameras (including a video camera allowed), binoculars, one bicycle and camping equipment, electronic equipment such as laptops and musical players. Sporting equipment may have added restrictions and further information should be obtained.

Prohibited imports

Regulations may be altered with little notice, check details before travelling. Weapons and ammunitions. Animals may be imported with a vet certificate and proof of healthy condition.

Health (for visitors)

Mandatory precautions

None

Advisable precautions

It is advisable to be in date for the following immunisations: diphtheria, polio and tetanus (within 10 years), typhoid fever, hepatitis A (moderate risk only), hepatitis B and tuberculosis; rabies is a risk. Crimean Congo Haemorrhagic Fever (CCHF) is endemic, particularly in the central Kosovo region and visitors suffering from flu-like systems with a red rash or bleeding in the mouth should seek medical advice.

The health system is severely underfunded and care may not reach visitors expectations, so comprehensive travel

insurance, including medical evacuation, should be purchased before travelling.

There is a shortage of medicines and visitors should travel with all necessary medications for the duration of their stay.

Hotels

There are no four- or five-star hotels, Pristina has the largest stock of hotels, but elsewhere there is little choice beyond mid-range and budget accommodation.

Credit cards

Are not widely accepted.

Public holidays (national)

Public holidays that fall at the weekend are taken on the following Monday.

Fixed dates

1–2 January (New Year), 7 January (Orthodox Christmas), 17 February (Independence Day), 1–2 May (Labour Day), 28 November (Flag Day), 25 December (Christmas Day)

Variable dates

Orthodox Christmas, Easter Monday, (first Monday in May), Start of Ramadan, Eid al Fitr, Eid al Adha.

Working hours

Banking

Mon–Fri 0800–1900; Sat 0800–1500; a few open on Sun.

Business

Mon–Fri: 0700/0800–1500/1600.

Government

Mon–Fri: 0700/0800–1500/1600.

Shops

Mon–Fri: 0800–1200, 1500–2000; Sat: 0800–1500. Supermarkets and food shops open for longer.

Telecommunications

Mobile/cell phones

There is an uneven coverage of GSM 900/1800 services.

Electricity supply

230 volts AC, 50Hz. Type C electrical outlets (two-pin plugs).

Social customs/useful tips

A 10 per cent tip is expected.

Avoid taking photographs of military installations and obvious war damage.

Security

In 2008, landmines and unexploded ordnance (UXO) still posed a threat, particularly in border areas with Albania, the Dulje Pass area (in central Kosovo) and in the west and south of the country. All roads and tracks have been cleared. Political demonstrations have been known to spill over into violence and should be avoided. Criminal activity is largely centred on pickpockets and theft of vehicles, particularly four-wheel drive and luxury cars.

Getting there

Air

National airline: Kosova Airlines (HHI)
International airport/s: Pristina International Airport (PRN), 18km south-west of the capital, with a business lounge, duty free, restaurants, car hire and banking. Taxis from the airport are available between 0500–2230 for a 20 minute journey; airport buses start running two hours before the first flights at 0500 up to 2300. It handled 1.2 million passengers in 2008, and 14,000 aircraft operations. In 2009 the government announced it was looking to agree a design-build-finance-operate-transfer (DBFOT) contract with a private operator to expand the infrastructure, including a new landmark terminal, and thereafter manage and maintain the airport.

Airport tax: A eur15 departure tax is typically included in the price of a ticket.

Surface

Road: There are several frontier posts between Serbia, a few between Albania and Macedonia of which delays are common due to the poor road conditions.

Rail: The railway system operates an irregular service and should not be considered reliable.

Getting about

National transport

Road: There is a 1,925km network of two-lane main and secondary roads of which 1,576km is paved, but even the standard of this is fair to poor and conditions deteriorate in rural areas and after bad weather.

Rail: The railway system operates an irregular service and should not be considered reliable. A 300km single-track railway runs north-south and from the north to the east-west. These are part of the railway that ran from Serbia to either Macedonia or Albania through Kosovo. Domestic services are poor and slow in winter and prone to delays.

City transport

Taxis: As most people's first choice for any distance most taxis are marked and have metres. The destination should be written in Albanian, as English is not spoken by all and the condition of taxis and standard of driving varies.

Buses, trams & metro: Public transport is limited.

Car hire

International car hire firms offer modern vehicles from Pristina and its airport. The European Green Card vehicle insurance is not valid in Kosovo and vehicle insurance, preferably comprehensive, is necessary and should be purchased before driving. everywhere so sufficient euro should be carried to pay for insurance and petrol.

Traffic and local drivers may pose a hazard to unwary foreign drivers and traveling at night can be risky. Fuel, although widely available, varies in quality. In summer during dry hot weather there is a danger of forest fires and care must be taken when driving through wooded areas and lighted cigarette ends should not be thrown away.

Note that Serbian car hire firms do not permit their rented vehicles to enter Kosovo.

BUSINESS DIRECTORY

Telephone area codes

The international direct dialling code (IDD) for Kosovo is +381, followed by area code and the subscriber's number.

| | | | |
|-----------|-----|----------|----|
| Ferizaj | 29 | Peja | 39 |
| Gjakova | 390 | Pristina | 38 |
| Gjilan | 280 | Prizren | 29 |
| Mitrovica | 28 | | |

Useful telephone numbers

Emergency number 112
 Police: 92
 Fire service: 93
 First aid: 94

Chambers of Commerce

Kosovo Chamber of Commerce, Mother Theresa No 20, Pristina 10000 (tel: +381 224-741; fax: +381 224-299; email: info@oek-kcc.org; internet: www.oek-kcc.org).

Banking

Bank for Business, UÇK Street No 41, 10000 Pristina (tel: 244-666).

Economic Bank, Migjeni Street No 1, 10000 Pristina (tel: 244-396).

KASA Bank, Rexhep Luci Street No 5, 10000 Pristina (tel: 246-180).

New Bank of Kosova, Nëna Terezë Street No 49a, Pristina 10000 Pristina (tel: 223-976).

ProCredit Bank, Skenderbeu Street, 10000 Pristina (tel: 240-248).

Raiffeisen Bank Kosovo UÇK Street No 51, 10000 Pristina (tel: 226-400/1)

Central bank

Central Bank of Kosovo, 33 Garibaldi Street, Pristina (tel: 222-055; fax: 243-763; email: publicrelations@bpb-kos.org; internet: www.cbak-kos.org).

Travel information

Kosova Airline, Vellusha e Poshtme 17, Te Kino Rinia (tel: 249-184/5; fax: 249-186; email: info@kosovaairlines.com; internet: www.flyksa.com).

Kosovo Railways, Sheshi i Lirisë pn, Fushë Kosovë (tel: 536-355; fax: 536-307; email: info@kosovorailway.com; internet: www.kosovorailway.com).

Ministries

Ministry of Trade and Industry, Perandori Justinian Street, Pejton Square, 3–5 Pristina (tel: 38 20 036-015; internet: www.mit-ks.org)

Other useful addresses

Auditor General, Gazmend Zajmi No 59, 10000 Pristina (internet: www.ks-gov.net/oag).

Constitutional Secretariat, New Bld, 8th Floor, Office 803, Skenderbeg Square, 10000 Pristina (tel: email: info@kushtetutakosoves.info; internet: www.kushtetutakosoves.info).

Economic Initiative for Kosovo (ECIKS), Nussdorfer Strasse 20–23, A-1090 Vienna, Austria (+43 1-890-5026; internet: www.eciks.org).

British Consulate, Ismail Qemajli 6, Arbëri Dragodan, Pristina (tel: 254-700; fax: 249-799; email: britishoffice.pristina@fco.gov.uk).

Independent Media Commission, Gazmend Zajmi Street, No 1 Pristina (tel: 245-031; fax: 245-034; email: info@imc-ko.org; internet: www.imc-ko.org).

Investment Promotion Agency of Kosovo, Perandori Justinian No 3-5, Qyteza Pejton, Pristina (tel/fax: 38 200-360; email: infor@invest-ks.org; internet: www.invest-ks.org).

National Assembly (Media Office), Mother Theresa No 20, Pristina 10000 (tel: 211-186/189; fax: 211-188; internet: www.assembly-kosova.org).

Statistics Office of Kosovo, Zenel Salihu Street No 4, Pristina (tel: 235-111; fax: 235-545; email: esk@ks-gov.net; internet: www.ks-gov.net/esk).

National news agency: Kosova Press, No 20, Mother Teresa Square, 10000 Pristina (tel/fax: 38 248-721; internet: www.kosovapress.com).

Kosova Information Center: www.kosova.com

Internet sites

Kosovo Force (KFOR): www.nato.int/KFOR

Kosovo map: http://kosova.org/maps/atlas/index.asp

Kosova Tourism Association: www.kotas-ks.org

Ministry of Trade and Industry, (internet: www.mti-ks.org).

OSCE: http://www.osce.org/kosovo

Republic of Kosovo Assembly: www.assembly-kosova.org

UNMIK: www.unmikonline.org