Kosovo and EU discuss trade, industry, customs and taxation

Kosovo and European Union discuss trade, industry, customs and taxation, within SAA framework

Developments in trade, customs, taxation, industry and free movement of goods over the past year were discussed in Brussels today by representatives of Kosovo and the European Commission. This was the 2nd meeting of the Sub-Committee, under the Stabilisation and Association Agreement (SAA), which entered into force in April 2016. In all areas, the Commission and Kosovo agreed on the importance of implementing the relevant European Reform Agenda and Economic Reform Programme priorities as well as the recommendations from the Commission’s 2018 Kosovo Report.

As regards trade, the parties discussed trade integration and the trade balance with Kosovo’s main trade partners. Kosovo presented the CEFTA related developments. The Commission underlined the importance of deepening regional economic integration and welcomed the agreements reached in the CEFTA ministerial meeting in Pristina on 27 April 2018 under Kosovo Chairmanship. The sides agreed to regularly exchange information on Kosovo’s application for WTO observer status. The Commission stressed the importance for Kosovo to adopt and implement the revised laws on Safeguards Measures on Imports and on Trade in Petroleum Products and Renewable Fuels and to address the issue of petroleum evaporation and loss of other perishable goods.

On customs and taxation, the European Commission stressed the importance of strengthening the capacities of the Tax and Customs administrations and seeking a long-term solution for acting personnel. The Commission urged Kosovo to further combat the informal economy and continue tax administration reforms, in particular by reducing the time for VAT refunds for businesses and increasing the debt collected (tax arrears). On customs, the Commission encouraged Kosovo to amend the Kosovo Customs and Excise Code to further align it with EU legislation and practices.

On industry and SME policy, the European Commission recalled the need to carry out the restructuring of KIESA and further develop its capacities to improve its performance for promotion and support to investment, private sector and SME development. The Commission urged increased efforts on boosting competitiveness and the export potential of Kosovo businesses, to take full benefits of the SAA. Kosovo committed to accelerate the preparations in COSME, including the setting-up of the Enterprise Network Consortium.
Finally, on *free movement of goods*, Kosovo committed to increase the capacity of institutions and further align with the EU acquis the legislation improving quality infrastructure in the areas of standardization, accreditation, conformity assessment, metrology and market surveillance. The European Commission urged Kosovo to ensure the consistent enforcement of the relevant regulations across Kosovo.

**Background information**

- The Stabilisation and Association Agreement is the framework for the EU and the Kosovo administration to regularly discuss technical and policy issues in relation to the European agenda.
- The Stabilisation and Association Committee and Sub-Committee meetings are co-chaired by the European Commission and Kosovo. Each meeting results in jointly agreed follow-up actions to be taken by the Kosovo authorities. The conclusions from the meetings will be available soon on the website of the EU Office/EUSR in Kosovo [http://eueuropaeeas.fpfis.slb.ec.europa.eu:8084/delegations/kosovo_en](http://eueuropaeeas.fpfis.slb.ec.europa.eu:8084/delegations/kosovo_en). There are seven areas covered through sectorial meetings of sub-Committees, on Justice, Freedom and Security; Innovation, Information Society, Social Policy, Education and Culture; Trade, Industry, Customs and Taxation; Internal Market, Competition, Consumer and Health Protection; Agriculture, Fisheries, Forestry, Food Safety; Transport, Environment, Energy, Regional Development; Economic and Financial Issues, Statistics. Two Special Groups cover the reform of the public administration and normalisation of relations with Serbia.
- Each Sub-Committee meeting monitors and accompanies Kosovo's delivery on reforms and identifies how the EU can assist in this process. The meetings also provide direct input into the European Commission's annual reports.

www.eeas.europa.eu

**Source URL:**