

*The Single Market Highway: accelerating the single market integration of Kosovo**

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Executive summary

This policy brief provides an analytical framework to support bilateral industrial policy dialogue between Kosovo and the European Union in the context of the emerging Single Market Highway (SMH) initiative under the New Growth Plan for the Western Balkans. It assesses Kosovo's readiness for deeper economic integration, identifies the strategic industrial sectors with the highest potential to participate in the EU value chain, and recommends concrete actions to accelerate progress toward the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA).

Kosovo's readiness for economic integration varies significantly across the three SMH workstreams. Under workstream 1 on supply chain partnerships, Kosovo has identifiable entry points in sectors already participating in EU value chains, including prefabricated construction and metal processing. However, fragmented public support mechanisms and limited institutional coordination constrain readiness.

Workstream 2 concerns regulatory integration. Our analysis shows partial readiness with major gaps: while Kosovo has achieved high legal approximation with EU standards, implementation capacity remains the main bottleneck. The country lacks EA MLAs, meaning that testing laboratories and inspection bodies accredited by KAD are not recognised in the EU. Moreover, Kosovo has no ISO/CEN/CENELEC membership. In addition, all quality infrastructure institutions face extremely limited human resources and insufficient technical capacity.

Workstream 3 on business community integration reveals fragmented readiness, with active business associations and export-oriented clusters undermined by weak and inconsistent public-private dialogue mechanisms, a non-functioning Trade Facilitation Committee, limited SME absorptive capacity for EU market requirements, and insufficient structured platforms for matchmaking with EU partners.

Quantitative analysis, coupled with in-depth stakeholder interviews, allowed for the identification of four manufacturing sectors with the highest potential for EU value chain integration under ACAA:

- **Metal processing and fabricated metal products:** the top sector with the strongest export performance and existing EU market participation. However, products are subject to multiple technical regulations (up to 12 in some subsectors) that could constrain rapid integration under ACAA.
- **Construction materials and non-metallic mineral products**: the sector represents the most realistic candidate for early ACAA integration. The sector has a relatively advanced domestic testing infrastructure, and Kosovo demonstrates high regulatory alignment in this area.
- **Wood processing and carpentry products**: this sector has lower regulatory complexity than metal products and a strong SME base with export potential. Drawbacks include low technological sophistication and fragmented production structures.
- **Plastics and related industrial products:** this sector shows growing export orientation but has the highest regulatory complexity. So, the sector represents long-term strategic importance rather than a quick win.

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Our analysis identified the following actions, grouped by timing.

As **immediate steps**, Kosovo should prioritise four critical interventions. First, it has to accelerate preparations for the EA MLA by strengthening the technical, financial, and institutional capacities of the KAD and other quality infrastructure institutions. Second, establishing mirror technical committees and strengthening participation in European standardisation networks will improve domestic stakeholder involvement in the development and adoption of European standards. Third, there is a need to launch rapid, industry-oriented training and certification programmes aligned with immediate market demand, including welding certification, testing and inspection services, and other technical production skills. The fourth is a full operationalisation of the Reform Agenda support measures for laboratories, certification bodies, and export-oriented SMEs.

Medium-term reforms over the next two to four years should focus on building institutional and technical foundations for sustained integration. That includes developing integrated SMH sector roadmaps for priority industries that link regulatory alignment, certification requirements, skills development, and investment planning. Kosovo must expand its domestic conformity assessment, certification, testing, and metrology infrastructure, including establishing local Welding Examination Systems and expanding calibration capabilities. Strengthening industry-linked vocational education and technical certification systems by integrating EU technical standards into curricula is another priority. Finally, improving governance and coordination of the quality infrastructure ecosystem by clarifying institutional mandates and strengthening operational capacities will be essential.

Strategic long-term actions should position Kosovo for comprehensive participation in the single market. That requires developing a national roadmap for the EU Single Market and future ACAA integration based on sector-specific assessments and measurable milestones. Positioning quality infrastructure and metrology reform as a core pillar of industrial competitiveness will integrate these reforms into the broader industrial development strategy of Kosovo. Shifting toward coordinated sector and cluster-based industrial development models will move beyond fragmented firm-level support. Finally, establishing a permanent institutional coordination platform connecting ministries, quality infrastructure institutions, business associations, and development partners will ensure coherent implementation and alignment between regulatory reforms and industrial development priorities.

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List of abbreviations

Acronym	Signification
ACAA	Agreement on Conformity Assessment and Acceptance of Industrial Products
ADCO	Administrative Cooperation (in Market Surveillance)
ATEX	Directive on equipment to be used in potentially explosive atmosphere
CAB	Conformity assessment body
CEFTA	Central European Free Trade Agreement
CEN	Comité Européen de Normalisation / European Committee for Standardisation
CENELEC	European Committee for Electrotechnical Standardisation
CIPM	Comité International des Poids et Mesures / International Committee for Weights and Measures
CMC	Calibration and measurement capability
CPD / CPR	Construction Products Directive / Construction Products Regulation
DCFTA	Deep and Comprehensive Free Trade Area
DG	Directorate General (EU)
DoC	Declaration of Conformity
EA	European Co-operation for Accreditation
EFTA	European Free Trade Association
EMC	Electromagnetic Compatibility
EMCD	Electromagnetic Compatibility Directive
EN	European Standard
ETSI	European Telecommunications Standards Institute
EU	European Union
EURAMET	European Collaboration in Measurement Standards
FDI	Foreign direct investment
FTA	Free trade agreement
FTE	Full-time equivalent
GDP	Gross domestic product
GPSD	General Product Safety Directive

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GVC	Global value chains
HS	Harmonised System
IAF	International Accreditation Forum
ICSMS	Information and Communication System on Market Surveillance
ICT	Information and communication technology
IEC	International Electrotechnical Commission
ILAC	International Laboratory Accreditation Cooperation
ILC	Interlaboratory Comparison
ISO	International Organisation for Standardisation
IPA	Industrial Property Agency
KAD	Kosovo Accreditation Directory
KMA	Kosovo Metrology Agency
KSA	Kosovo Standardisation Agency
LVD	Low Voltage Directive
MD	Machinery Directive
MLA (EA)	Multilateral agreement
MLA (IAF)	Multilateral Recognition Arrangement
MRA (CIPM)	Mutual Recognition Arrangement under CIPM
MRA (ILAC)	Multilateral Recognition Arrangement under ILAC
MRP	Mutual Recognition Programme
MIETI	Ministry of Industry, Entrepreneurship, Trade and Innovation
MSA	Market Surveillance Authority
NLF	New Legislative Framework
OIML	International Organisation of Legal Metrology
PT	Proficiency testing
QA	Quality assurance
QI	Quality infrastructure
QMS	Quality management system
RAPEX	European Rapid Alert System for Dangerous Products

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RAPEX	Rapid Notification System for Dangerous Non-food Products in Kosovo
RAG	Risk Assessment Guideline
RED	Radio Equipment Directive
SAA	Stabilisation and Association Agreement
SEED+	Systematic Exchange of Electronic Data of Unsafe/Noncompliant Products Detected on the CEFTA Market
SI Units	International System of Units
SMA	Single Market Academy
SITC	Standard International Trade Classification
SME	Small and Medium-sized Enterprise
STEM	Science, Technology, Engineering and Mathematics
TBT	Technical Barriers to Trade
TC	Technical Committee
WB6	Western Balkans Six
WELMEC	European Cooperation in Legal Metrology
WITS	World Integrated Trade Solution

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Introduction

This policy brief is prepared as an analytical contribution to support bilateral industrial policy dialogue between Kosovo and the European Union in the context of the emerging Single Market Highway (SMH) initiative. It is intended as a structured analytical tool to inform the prioritisation and sequencing of reforms related to the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA), enabling the gradual and credible integration of Kosovo into the EU Single Market. In this regard, the brief aims to identify the sectors in which Kosovo can realistically engage, achieve early and tangible benefits, and align reform efforts with both EU and regional frameworks.

The analysis is situated within the broader framework of the European Union's New Growth Plan for the Western Balkans, which represents a shift from a predominantly accession-driven process to one that emphasises earlier economic integration and tangible benefits for partner economies. At the core of this approach is Pillar I, which focuses on enabling gradual access to selected elements of the EU Single Market ahead of full accession. For Kosovo, this pillar is particularly relevant, as it provides a structured pathway to improve export competitiveness, reduce non-tariff barriers, and integrate into EU industrial value chains.

Recent EU policy discussions increasingly frame gradual access to the EU Single Market as an intermediate and credible step within the enlargement process for the Western Balkans. In this context, regulatory convergence, participation in EU value chains, and integration into regional and European industrial ecosystems are increasingly viewed not only as accession-related obligations, but also as instruments for accelerating economic convergence and strengthening the credibility of the enlargement process itself.[1]

At the same time, the broader architecture of the Growth Plan[2] is critical to understanding the conditions under which this integration can take place. Pillar III translates strategic objectives into concrete, country-specific reform agendas, while Pillar IV provides financial incentives through the Reform and Growth Facility[3], linking disbursements to measurable reform progress. As will be highlighted in the analytical framework of this assignment, these pillars are interdependent, with reforms in regulatory alignment, quality infrastructure, and institutional capacity serving as preconditions for effective participation in the Single Market.

Within this evolving policy context, the Single Market Highway should be understood as an emerging and still flexible initiative under Pillar I of the Growth Plan, aimed at deepening the gradual integration of Western Balkan partners into the EU Single Market. It aims to go beyond general regulatory alignment by promoting sector-specific integration into EU value chains, including through instruments such as the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA), regulatory convergence, and closer business-to-business linkages. As noted in recent EU-level discussions, the SMH places particular emphasis on identifying priority industrial sectors, aligning regulatory frameworks with EU standards, and linking reforms to concrete investment and supply chain opportunities. However, as the initiative is still under development, participating economies are expected to define their own entry points,

[1] Ognjanoska, L. (2022).

[2] European Commission (2023).

[3] Government of Kosovo (2024).

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sector priorities, and sequencing strategies. This places a premium on clear national positioning and realistic assessment of capacities and constraints.

This approach is also closely linked to the Common Regional Market (CRM 2.0), which positions regional economic integration, regulatory alignment, and participation in regional and European supply chains as stepping stones toward deeper integration into the EU Single Market. Under this logic, industrial cooperation, quality infrastructure reforms, and harmonisation with EU technical standards become increasingly important not only for regional integration, but also for improving long-term competitiveness and investment attractiveness.[4]

Against this background, the purpose of this brief is to assess Kosovo's readiness and identify strategic sectors – entry points for deeper integration into the EU Single Market through the ACAA conclusion under the SMH framework.

This brief is based primarily on data analysis, stakeholder interviews and publicly available information. It is not a comprehensive gap analysis, but rather an initial, indicative assessment to inform policy dialogue and prioritisation.

The analysis focuses on several interrelated dimensions.

1. It examines the current preparedness of Kosovo in five areas of quality infrastructure: accreditation, standardisation, metrology, conformity assessment, and market surveillance.
2. It assesses prospects for progress toward ACAAs, which are a central instrument for enabling the free movement of industrial products by allowing mutual recognition of conformity assessment results.
3. The brief identifies industrial sectors with the highest potential for development and integration into EU value chains, taking into account both quantitative indicators and policy relevance.
4. It analyses the gaps that need to be addressed to enable effective integration, with particular attention to areas where targeted reforms could deliver visible results in the short to medium term.

A combination of structural constraints and emerging opportunities shapes the starting point of Kosovo for this process. The economy is characterised by a persistent structural trade deficit, reflecting a narrow productive base and limited export diversification. Goods exports accounted for only 8.6% of GDP in 2025 and the export structure is concentrated in a small number of sectors located upstream and midstream in value chains[5]. At the same time, Kosovo has made notable progress in aligning its legal framework with the EU acquis, particularly in trade and quality infrastructure. However, this legal alignment has not yet translated into equivalent operational capacity. Domestic conformity assessment services remain limited, forcing firms to rely on foreign certification bodies, thereby increasing costs and reducing competitiveness, particularly for small and medium-sized enterprises.

Broader institutional and coordination challenges compound these constraints. Capacity gaps persist across key institutions responsible for standardisation, accreditation,

[4] Dodd, P. (2024).

[5] Kosovo Agency of Statistics (2026a, b).

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metrology, and market surveillance, while coordination between these pillars remains weak. Nevertheless, the current policy context also presents an opportunity. The combined effect of the Growth Plan, CRM 2.0[6], and the emerging Single Market Highway creates a framework in which regulatory reforms, institutional strengthening, and sectoral development can be more directly linked to market access and investment opportunities. Importantly, the logic of the Growth Plan emphasises identifying "low-hanging fruit" reforms that are relatively feasible yet capable of delivering tangible, visible benefits. For Kosovo, this implies focusing on areas where existing legal alignment can be translated into operational capacity, where institutional improvements can unlock access to regional and EU markets, and where selected sectors can be supported to integrate into broader value chains.

In this context, the brief adopts a forward-looking and action-oriented perspective. Rather than providing a comprehensive overview of all aspects of trade and industrial policy, it focuses selectively on the areas most relevant to advancing integration under the Single Market Highway. The analysis is therefore structured around identifying concrete entry points, prioritising reforms, and sequencing actions that reflect both the current capacities of Kosovo and the evolving nature of EU initiatives. By doing so, the brief aims to contribute to a more focused and strategic policy dialogue between Kosovo and the European Union, supporting the transition from general commitments to targeted, implementable actions that can accelerate integration into the EU Single Market.

[6] Regional Cooperation Council (2024).

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1. Analytical framework

The analysis is based on a mixed-method approach, drawing on desk research, stakeholder interviews, and quantitative data analysis to capture both measurable trends and underlying institutional dynamics.

The desk research encompassed:

- **EU-level documents and reports**, including the EU Growth Plan for the Western Balkans, Single Market Highway concept notes, Kosovo Progress Reports, and relevant communications and analytical studies prepared by the European Commission.
- **National policy and administrative documents**, such as Kosovo's Reform Agenda, sectoral strategies, legal acts, and institutional mandates related to quality infrastructure.
- **Analytical reports and diagnostics** produced by international organisations and development partners (e.g. GIZ), particularly those addressing quality infrastructure and regional integration.

The findings feed into the research, which is cross-referenced with quantitative data analysis and stakeholder interview conclusions.

Quantitative analysis is primarily used to identify the sectors with the highest potential for participation in EU industrial chains, given the ACAA alignment. The selection methodology is based on Berlin Economics' approach to identifying the priority ACAA sectors for Moldova and Georgia. It has been adapted to meet the needs of this policy brief.

The analysis is conducted for non-food manufacturing sectors using NACE 2.0 classes (four-digit code) for four dimensions:

- Dimension 1 (D1): Kosovo's total exports
- Dimension 2 (D2): importance of goods subject to potential ACAA in Kosovo's trade with the EU and CEFTA
- Dimension 3 (D3): Kosovo's domestic economy
- Dimension 4 (D4): Kosovo's trade links with the EU

Each dimension consists of several indicators, and for each indicator, the sector's score, ranging from 0 to 100, is calculated based on the inverse ranking, with rank 1 corresponding to a score of 100 (see Annex I for methodological details). The dimension score is calculated as the simple average of indicators within the dimension, while the compound score is a weighted sum of the four-dimension scores. The sectors are ranked by their compound score, with higher scores indicating greater potential.

The top sectors identified at this stage have been further verified through stakeholder interviews and desk research.

The analysis is based on data from the Kosovo Agency of Statistics (KAS), Kosovo Customs, World Integrated Trade Solution (WITS), and Eurostat. The concordance between trade nomenclature and NACE sectors is established using the mapping provided by the UN Classification Division with BEC revision 5.0.

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We focus the ACAA potential analysis on 25 harmonised sectors (spheres), covering most of the new legislative framework for the EU internal market for goods. Table 1 lists the analysed sectors.

Table 1: List of potential ACAA sectors (spheres)

No	Potential ACAA Sector	EU Regulation/Directive
1	Machines	Regulation (EU) 2023/1230 (Machinery Regulation; applies Jan 20, 2027; replaces Directive 2006/42/EC)
2	Electromagnetic compatibility	Directive 2014/30/EU (EMC)
3	Simple pressure vessels	Directive 2014/29/EU
4	Pressure equipment	Directive 2014/68/EU
5	Transportable pressure equipment	Directive 2010/35/EU (TPED)
6	Lifts	Directive 2014/33/EU
7	Toys	Directive 2009/48/EC
8	Low-voltage equipment	Directive 2014/35/EU (LVD)
9	Hot-water boilers fired with liquid or gaseous fuels	Directive 2010/30/EU (as amended; energy labelling) + Directive 92/42/EEC
10	Household gas appliances	Regulation (EU) 2016/426
11	Personal protective equipment	Regulation (EU) 2016/425
12	Energy efficiency requirements for household refrigerating appliances	Regulation (EU) 2017/1369 (labelling; ecodesign via 2009/125/EC)
13	Measuring instruments	Directive 2014/32/EU (MID)
14	Marine equipment	Directive 2014/90/EU
15	Medical devices	Regulation (EU) 2017/745 (MDR)
16	In vitro medical devices	Regulation (EU) 2017/746 (IVDR)
17	Equipment and protective systems intended for use in potentially explosive atmospheres (ATEX)	Directive 2014/34/EU
18	Radio equipment	Directive 2014/53/EU (RED)
19	Recreational crafts	Directive 2013/53/EU
20	Construction products	Regulation (EU) No 305/2011 (CPR)
21	Packaging	Directive 94/62/EC
22	Explosives for civil use	Directive 2014/28/EU
23	Energy efficiency labelling	Regulation (EU) 2017/1369
24	Rail systems	Directive (EU) 2016/797 (TSI; Interoperability)
25	Pyrotechnic articles	Directive 2013/29/EU

Source: own display based on European Commission (n.d.)

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The desk research and quantitative analysis findings have been further verified, updated and expanded through a series of in-depth semi-structured interviews with stakeholders.

The interviews were conducted with four stakeholder categories: public institutions, private-sector actors, civil society and non-governmental organisations, and international and development partners. Altogether, the team met with representatives of three public institutions and two of each of the other stakeholder groups. Table 2 details the organisations for each group.

Table 2: List of interviewed stakeholders

Stakeholder category	Organisations/persons
Public institutions	Prime Minister's Office
	Kosovo Accreditation Directorate
	Ministry of Industry, Entrepreneurship, Trade and Innovation; Department of Trade
	Ministry of Industry, Entrepreneurship, Trade and Innovation; Department of Industry
Private-sector actors	Prefabricated Construction Cluster
	KIMERK – Metal Industry Cluster
Civil society & NGOs	Riinvest Institute
	German-Kosovar Business Association
International & development partners	GIZ; EU4Trade Project
	Regional Cooperation Council

Source: own display. See Annex II for further details

As noted above, our methodological approach placed particular emphasis on cross-referencing quantitative findings and conclusions from the regulatory analysis with interview results and secondary literature. We will further validate the findings in discussions during the roundtables. This triangulation ensures that numerical trends are interpreted in light of policy and institutional realities, producing a more grounded analysis.

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2. Kosovo's readiness for the Single Market Highway

2.1. Readiness under workstream 1: supply chain partnerships

Kosovo has already begun positioning itself under the first workstream of the Single Market Highway, which focuses on identifying sectors with potential to integrate into EU value chains and developing tailored sector roadmaps. This approach is closely aligned with the objectives of the Common Regional Market (CRM 2.0)[7] and the EU Growth Plan[8], which increasingly emphasise regional industrial integration, participation in European value chains, and gradual integration into the EU Single Market through regulatory convergence and sector-based cooperation.

At the strategic level, Kosovo has adopted sectoral and industrial policy frameworks, and sector prioritisation is gradually emerging. However, the interviews suggest that these priorities are not yet translated into fully operational sector roadmaps that link regulatory requirements, quality infrastructure needs, skills development, investment pipelines, and market access strategies. Institutional capacity to perform this integrative function remains limited.

A key constraint is that institutions are not yet equipped to systematically identify, coordinate, and promote sector-level value chain integration. Public support mechanisms tend to focus on individual firms or broad-level measures rather than on cluster- or sector-level development, while coordination among industrial policy, investment promotion, and trade facilitation remains weak. In addition, public-private dialogue is not sufficiently structured to ensure that sector priorities reflect real industry needs and constraints.

Stakeholders also noted that support instruments remain fragmented across institutions and donors, with limited coordination between industrial policy, skills development, export promotion, innovation support, and quality infrastructure investments. That weakens the ability to develop coherent sector ecosystems capable of supporting long-term value chain integration.

Interviews furthermore highlighted that quality infrastructure constraints are increasingly limiting industrial competitiveness. Firms operating in export-oriented sectors frequently face difficulties with certification, testing, standards compliance, and access to internationally recognised conformity assessment services, which limit their ability to scale production and integrate more deeply into EU supply chains.

At the firm level, several structural constraints limit readiness for supply chain integration. These include shortages of skilled labour, particularly in technical and industrial occupations; weak training ecosystems; and high certification and compliance costs. In sectors such as prefab construction and metal processing, firms face additional challenges related to access to specialised expertise and the complexity of meeting EU technical standards.

Access to finance for industrial upgrading also remains limited, particularly for SMEs seeking to invest in certification, advanced equipment, digitalisation, and compliance with

[7] Regional Cooperation Council (2024).

[8] European Commission (2023).

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EU technical standards. Several stakeholders highlighted that existing support schemes are often too small, fragmented, or insufficiently targeted toward industrial upgrading and export readiness.

Still, there is evidence that sectors already demonstrate integration potential. The prefabricated construction sector, for example, includes firms that export modular and industrial construction components to EU markets and beyond, benefiting from growing demand for scalable, energy-efficient solutions. Similarly, the metal processing sector shows relatively advanced readiness, with some firms operating under EU technical standards such as EN 1090 and participating in cross-border supply chains.

These examples indicate that Kosovo does not start from zero and that there are identifiable entry points for supply chain integration. However, this potential is unevenly distributed across a limited number of firms and sectors. The broader industrial base remains dominated by small and medium-sized enterprises with limited capacity to scale, invest in certification, or engage in complex EU value chains.

Taken together, Kosovo demonstrates emerging readiness under Workstream 1, with identifiable sectors and firms capable of integrating into EU value chains. However, what is holding Kosovo back is the absence of a structured, institutionalised approach to sector prioritisation and roadmap development. Without clear sector strategies that integrate industrial policy, regulatory alignment, quality infrastructure, skills, and investment planning, there is a risk that Kosovo's engagement under the Single Market Highway will remain fragmented and fail to translate into scalable economic outcomes.

Conclusion 1: Kosovo has advanced through sectoral and industrial policies aligned with the objectives of the Single Market Highway. However, it lacks a coordinated and institutionalised framework for sector prioritisation that integrates regulatory alignment, quality infrastructure, skills development, investment promotion, and trade facilitation. Public-private dialogue is weak, support instruments fragmented, and targeted financial schemes to SMEs should better enhance EU supply chain integration and compliance.

2.2. Readiness under workstream 2: regulatory integration

Workstream 2 of the Single Market Highway focuses on regulatory integration and is likely the area where Kosovo's most significant binding constraints remain. While Kosovo has made visible progress in legislative alignment with the EU acquis, implementation capacity and the operational readiness of the quality infrastructure system remain substantially weaker. The gap between formal legal approximation and effective institutional enforcement continues to limit Kosovo's readiness for deeper integration into the EU Single Market and for eventual progress toward the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA).

The logic of ACAA integration goes beyond legislative harmonisation. As increasingly highlighted in EU enlargement discussions, gradual access to the EU Single Market depends not only on formal legislative alignment but also on the credibility, operational readiness, and international recognition of domestic regulatory and quality infrastructure systems.[9] For industrial products to circulate freely and for conformity assessment results to be recognised by the EU, countries must demonstrate that their entire quality

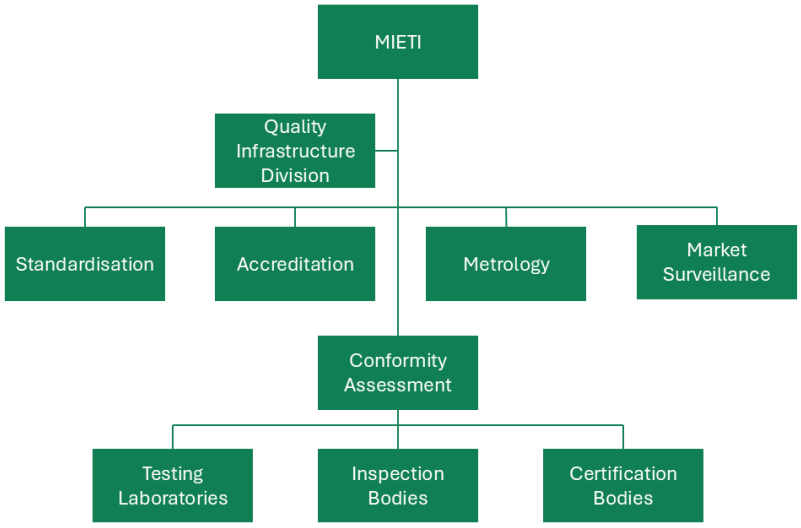
[9] Ognjanoska, L. (2022).

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infrastructure system is operational, credible, independent, and capable of enforcing EU standards in practice. That requires a functioning ecosystem of standardisation, accreditation, metrology, conformity assessment bodies, and market surveillance working in an integrated manner.

Kosovo has established the basic institutional framework for the designation and oversight of conformity assessment bodies through the Ministry of Industry, Entrepreneurship, Trade and Innovation (MIETI), which acts as the National Designation Authority. The ministry is responsible for designating conformity assessment bodies in regulated sectors, including machinery, electrical equipment, and construction products, based on their technical competence and compliance with regulatory requirements.

Figure 1: core components of Kosovo's quality infrastructure



Source: own display based on interview results

According to interview findings and the regional Quality Infrastructure assessment, Kosovo has procedures in place to support independence, transparency, and conflict-of-interest management in designation processes. These procedures include the use of a Designation Commission and the requirements for declarations of conflict of interest under Administrative Instruction No. 12/2018. However, unlike most other Western Balkan economies, Kosovo still lacks a formal administrative complaints mechanism allowing stakeholders to challenge designation decisions outside the court system, reflecting broader institutional gaps in the governance and maturity of the quality infrastructure framework.

Institutional and administrative capacities within the National Designation Authority remain particularly constrained. The regional assessment[10] notes that Kosovo's MIETI operates with one dedicated staff member responsible for designation-related functions. Limited staffing and insufficient technical expertise constrain the authority's ability to effectively support conformity assessment activities, participate in international cooperation mechanisms, and strengthen the broader quality infrastructure system.

[10] GIZ (2024).

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These limitations are particularly relevant in sectors aligned with future ACAA, where robust technical oversight and institutional coordination are essential.

Kosovo has achieved a relatively high level of legal approximation in several horizontal and sectoral areas relevant for industrial integration. According to the legal overview and institutional interviews, there are no major gaps in alignment with the EU acquis regarding accreditation and conformity assessment legislation. Kosovo has also partially transposed important components of the New Legislative Framework, including Decision No. 768/2008/EC and Regulation 1025/2012 on European standardisation.

At the same time, several important reforms remain incomplete. EU Regulation 2019/1020 and Regulation (EU) 2019/515 on the mutual recognition of goods, both of which are fundamental to the functioning of the EU Single Market, have not yet been fully reflected in Kosovo's regulatory framework. While Regulation 2019/1020 strengthens market surveillance and product compliance, Regulation 2019/515 facilitates the free movement of goods by ensuring the mutual recognition of products lawfully marketed in another Member State. In addition, the draft Law on Product Conformity remains under preparation[11]. Similarly, Kosovo has not yet fully transposed Regulation (EU) 2023/988 on General Product Safety, although preparatory work has started.

As for sectoral alignment, Kosovo has no major gaps to the EU acquis regarding non-automatic weighing instruments. In the construction products area, Kosovo has aligned its legal framework with Regulation 305/2011. Still, the newer Regulation (EU) 2024/3110, which will gradually replace the previous framework across the EU, has not yet been transposed.

These developments suggest that Kosovo is broadly moving in the right direction in terms of legal approximation. However, interviews consistently emphasised that legislative alignment alone is insufficient. A recurring theme across interviews was that Kosovo's main challenge is no longer drafting legislation, but implementing and operationalising it effectively.

The most important structural constraint under workstream 2 is the underdevelopment of the quality infrastructure system. While all five pillars of the QI system formally exist, they do not yet operate as a fully integrated and coordinated framework capable of supporting ACAA-related integration. Weak coordination between accreditation, standardisation, metrology, and market surveillance reduces the overall effectiveness of the system and creates implementation gaps across the regulatory chain. Interviewees repeatedly highlighted the lack of operational cooperation between the institutions and the absence of a strong coordinating mechanism.

Conclusion 2: Kosovo has achieved significant progress in legal approximation with the EU acquis and has established the core institutional components of the quality infrastructure system. However, the country's readiness under workstream 2 remains constrained by weak implementation capacity, limited technical and administrative resources, and insufficient coordination across the quality infrastructure pillars. While the legal framework is increasingly aligned with EU requirements, the operational credibility and

[11] According to MIETI, the law has been drafted with the support of EU experts and is currently close to finalisation. The deadline foreseen for adoption by the Government is Q4 2026.

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effectiveness of institutions remain the main bottleneck to deeper Single Market integration and future ACAA readiness.

2.2.1. Accreditation

The Kosovo Accreditation Directorate (KAD) represents one of the more institutionally developed components of Kosovo's quality infrastructure system. According to the regional quality infrastructure assessment, KAD operates under a governance framework aligned with the ISO/IEC 17011 principles and maintains formal procedures for impartiality, transparency, and conflict-of-interest management. The institution publishes accreditation procedures and information on accredited conformity assessment bodies online and relies primarily on state funding. However, despite progress in strengthening internal systems and governance practices, Kosovo's accreditation system remains constrained by the absence of an EA Multilateral Agreement (MLA), which limits international recognition of accreditation results and reduces the practical value of domestic conformity assessment services for export-oriented firms.

Based on the interviews, manufacturers in Kosovo continue to rely heavily on foreign accredited laboratories and notified bodies for CE-marking procedures and specialised testing services, particularly in electrical-related sectors. Even where domestic laboratories are accredited by KAD, EU clients do not recognise certificates issued by Kosovo-based bodies, increasing costs, certification timelines, and barriers to accessing EU markets.

The Accreditation Directorate has undertaken substantial reforms in recent years to align procedures and institutional structures with European requirements. A new concept document on accreditation has been finalised, and a revised draft law prepared, aiming to harmonise Kosovo's accreditation framework further with the EU acquis and the requirements of the European Cooperation for Accreditation (EA), even though the existing law is also highly aligned and would not pose any issues in terms of ACAA alignment.

KAD has also strengthened its operational systems through an external audit process, institutional restructuring, staff training, and digitalisation efforts. According to interviewees, a full external audit of accreditation procedures aligned with EA requirements was conducted with GIZ support. At the same time, new organisational regulations are expected to strengthen accreditation staff's responsibilities and professionalisation.

Kosovo does not yet hold any Multilateral Agreement (MLA) signatory status with the European co-operation for Accreditation (EA).[12] However, the Kosovo Accreditation Directorate became an Associate Member of the Global Accreditation Cooperation Incorporated (GLOBAC) in 2025 and has formally initiated the process toward EA MLA recognition. According to KAD, Kosovo has applied for MLA evaluation in selected accreditation scopes (Testing Laboratories ISO/IEC 17025 and Inspection Bodies ISO/IEC

[12] Kosovo is part of EA MLA, Category B – this means KOS participates in EA activities but has not yet achieved full signatory status. As a result, certificates issued by Kosovo-accredited bodies are not automatically recognized across EU markets.

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17020)[13]. Despite the progress made, full international recognition has not yet been achieved.

Gaining EA MLA recognition is a critical step. Without international recognition of conformity assessment bodies accredited in Kosovo, businesses must continue to seek certification abroad, which increases costs and delays market access. Interviews confirmed that the inability of local conformity assessment bodies to issue internationally recognised certificates is one of the main obstacles facing export-oriented firms.

At the same time, accreditation capacity remains constrained by staffing and resource limitations. KAD currently operates with approximately seven staff members, despite the increasing complexity of accreditation processes and the preparation required for the MLA evaluation. According to information provided during interviews, the operational structure currently includes two officers within the Sector for Accreditation of Testing Laboratories, Inspection and Certification Bodies and one officer responsible for training and communication with international organisations, in addition to the General Director, Quality Manager, Director of the Directorate, and Assistant Director. Two additional positions are budgeted and expected to be filled during this year, while the new functional organisational structure (not yet in place) foresees a total of 17 positions. Despite these planned increases, stakeholders highlighted that staffing and specialised technical expertise remain limited relative to the growing scope and complexity of accreditation and conformity assessment activities. KAD also operates with a relatively modest annual budget of approximately EUR 155,000–165,000[14], significantly lower than some regional counterparts such as Serbia's ATS, which operates with a budget exceeding EUR 2 m. KAD's limited financial resources constrain long-term strategic investments, including technology upgrades, staff expansion, expertise development, and participation in international cooperation activities.

Unlike several other economies in the region that rely almost entirely on state financing, KAD combines government allocations (approximately 75%) with accreditation fees (approximately 25%). Nevertheless, interviewees indicate that the current funding level remains insufficient to support the growing technical and operational demands associated with alignment to EU quality infrastructure requirements and future ACAA-related obligations.

Conclusion 3: Kosovo has made substantial progress in strengthening its accreditation framework and aligning it with European requirements, including initiating the process toward EA MLA recognition. However, limited staffing, modest financial resources, and the absence of an EA MLA continue to constrain the international credibility and practical effectiveness of Kosovo's accreditation system.

2.2.2. Standardisation

The standardisation system remains significantly weaker. Kosovo is not yet a member of key international standardisation organisations and has limited participation in European and international standardisation structures. According to interviewees, Kosovo is the

[13] On April 24th 2026, MIETI officially submitted the application for the MLA. On April 29th, MIETI received a confirmation that the application was well received. A Pre-Assessment Mission is expected during 2026.

[14] Assembly of the Republic of Kosovo (2026b).

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only economy in the region without ISO membership, which creates barriers to deeper integration into European standardisation systems.

The Kosovo Standardisation Agency (KSA), operating under the Ministry of Industry, Entrepreneurship, Trade and Innovation (MIETI), currently cooperates with CEN and CENELEC through a License Agreement. That enables the KSA to adopt European standards as Kosovar standards, although Kosovo does not currently hold affiliate or member status within the CEN/CENELEC system. Similarly, Kosovo does not participate directly in the European Standardisation Organisation (ESO) technical committees and has no membership status within ETSI. Instead, the KSA relies on indirect access mechanisms to monitor and adopt European standards and maintain alignment with European Harmonised Standards.[15]

That creates important practical and institutional limitations. Because Kosovo is not directly involved in technical committees, it has limited ability to participate in shaping new standards or to follow standardisation developments in real time. Interviewees also highlight that Kosovo has established mirror Technical Committees (TCs), although these have yet to meet formally. The lack of functioning mirror TCs further limits domestic stakeholder participation in the development and review of European standards, particularly in technically demanding sectors such as electrical products and construction products. Staffing is also extremely limited, with approximately five employees covering the entire function.

In addition, the regional assessment notes that the KSA currently lacks a formal Quality Management System (QMS). Also, it operates with a relatively modest annual budget of approximately EUR 140,000[16]. This limited budget constrains the agency's ability to undertake more strategic activities, including participation in European and international standardisation structures and pursuing membership in European standards organisations. The assessment further highlights that Kosovo lacks substantial external funding mechanisms and diversified revenue sources, making the institution highly dependent on public financing. Limited financial diversification, combined with fluctuating domestic demand for standards and the relatively high costs associated with international memberships and participation, continues to constrain KSA's institutional development and operational capacity.

Limited financial and human resources constrain the agency's ability to establish a systematic quality management system, monitor internal processes, and strengthen stakeholder engagement mechanisms. These constraints further affect Kosovo's capacity to align more effectively with EU standardisation practices and participate more actively in European standardisation structures.

Conclusion 4: Standardisation remains one of the weakest components of Kosovo's quality infrastructure system, constrained by limited international integration, low institutional capacities, and insufficient financial and human resources. While Kosovo can formally adopt European standards through indirect mechanisms, limited participation in European standardisation structures and technical committees continues to reduce its ability to actively shape, implement, and operationalise EU standards in practice.

[15] GIZ (2024).

[16] Assembly of the Republic of Kosovo (2026b).

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2.2.3. Metrology

In metrology, Kosovo has achieved partial progress, particularly in legal metrology. The Kosovo Metrology Agency (KMA), operating under the Ministry of Industry, Entrepreneurship, Trade and Innovation (MIETI), functions as the central state authority and National Metrology Institute responsible for scientific, industrial, and legal metrology in Kosovo. KMA operates several laboratories covering mass, electricity, volume and flow, thermometry, force, and precious metals testing, while legal metrology activities are implemented through regional branches in Pristina and Prizren. Kosovo has partially aligned its legislation with the Directives 2014/32/EU on measuring instruments and 2014/31/EU on non-automatic weighing instruments through Regulations No. 06/2016 and No. 04/2018, while additional implementing regulations are largely based on international standards and OIML recommendations.

Kosovo is a full member of WELMEC in the field of legal metrology and participates in certain regional and European cooperation mechanisms. KMA is also a full member of the International Measurement Confederation (IMEKO), with full membership rights, strengthening its integration into international metrology networks and opportunities for technical and scientific cooperation. However, Kosovo remains only a Liaison/Corresponding Organisation within EURAMET and is not yet fully integrated into broader European scientific metrology and mutual recognition structures.[17] Although Kosovo's legislation allows automatic recognition of EU-type approval certificates for measuring instruments under certain conditions, implementation capacity remains constrained by limited technical infrastructure, laboratory capacity, and specialised expertise.

According to the Annual Budget Law 2026, the Kosovo Metrology Agency is projected to operate with an annual budget of approximately EUR 950 thsd. to EUR 1 m, of which around EUR 600 thsd. is allocated to capital expenditures to strengthen technical infrastructure and laboratory capacities. Despite these planned investments, staffing and operational capacities remain constrained. The agency has approximately 25 budgeted staff positions. However, not all positions have yet been filled, while regional assessments indicate that the agency currently operates with around 18 employees, significantly below the regional median for national metrology institutes. Interviewees and regional findings highlighted continuing shortages of specialised technical expertise and the absence of a formal long-term staffing and capacity development strategy.

The agency performs calibration, verification, conformity assessment support, and market control functions across Kosovo and participates in interlaboratory comparisons to strengthen technical credibility. KMA also maintains national databases of type approvals and conducts metrological control of pre-packaged products and measuring containers in line with EU-derived regulations. However, implementation capacity remains constrained by limited technical equipment, insufficient laboratory space, and shortages of specialised experts. Several laboratories are still undergoing accreditation procedures, while additional capacities in areas such as torque measurements, length, chemical, and time-frequency metrology remain under development. Regional assessments[18] also indicate that Kosovo's capacity for verification and in-service inspections of regulated measuring instruments remains weaker than that of more advanced regional systems, requiring

[17] European Cooperation in Legal Metrology (n.d.).

[18] GIZ (2024).

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further strengthening, particularly in coordination with market surveillance authorities. In addition, while KMA provides calibration and testing services, its participation in research, innovation, and development of advanced measurement techniques remains lower compared to several regional peers. Interviewees stressed that although the legal framework is broadly aligned, the lack of advanced calibration infrastructure and internationally recognised technical capacities continues to limit the effectiveness and credibility of Kosovo's metrology system.

Conclusion 5: Kosovo has established the core institutional and legal foundations for metrology and has made progress in both legal metrology and scientific metrology. However, limited technical capacities, staffing shortages, and incomplete integration into European scientific metrology and mutual recognition structures continue to constrain the credibility and effectiveness of the system.

2.2.4. Conformity assessment bodies and laboratories

A major cross-cutting challenge under workstream 2 concerns the operational readiness, international recognition, and sectoral coverage of conformity assessment bodies (CABs) and laboratories. While Kosovo has established an emerging conformity assessment ecosystem, the system remains unevenly developed and insufficiently integrated into European accreditation and certification structures.

According to interviews with KAD, Kosovo currently has 53 accredited testing laboratories and 18 accredited inspection bodies, indicating that the country has moved beyond the initial establishment phase and already possesses a functioning technical infrastructure in several sectors. However, Kosovo currently lacks any accredited certification bodies, which represents a major gap in its domestic conformity assessment system. Among accredited testing laboratories, 9 operate in electrical products, while 21 operate in construction products. These sectors are particularly relevant for future alignment and integration into EU value chains under the ACAA.

Despite these developments, the effectiveness of the CAB and laboratory system in place remains constrained by the absence of international recognition through a Multilateral Agreement (MLA) with the European Cooperation for Accreditation (EA). Until the MLA is secured, accreditation results issued by domestic conformity assessment bodies are not automatically recognised internationally, limiting their practical value for export-oriented firms.

As a result, many businesses continue to rely on foreign laboratories and certification bodies for conformity assessment services, particularly in sectors targeting EU markets. That increases certification costs, prolongs time-to-market, and creates additional administrative burdens, especially for small and medium-sized enterprises that lack the financial capacity to repeatedly seek services abroad. Interviewees also stressed that the challenge is not only institutional recognition but also limited technical capacity and sectoral coverage within domestic laboratories and certification systems.

The Reform Agenda measure which is also part of Kosovo's Industrial Strategy[19] aimed at supporting six laboratories and four certification bodies is therefore particularly significant. Stakeholders say this measure emerged directly from private-sector demands

[19] Ministry of Infrastructure, Industry, Entrepreneurship, Trade and Innovation (2023)

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and reflects recognition that strengthening domestic conformity assessment capacity is essential to enabling export competitiveness and future Single Market integration. The measure is expected to support laboratories and certification bodies in improving technical capacity, achieving accreditation readiness, and preparing for international recognition processes linked to future ACAA-related developments.

However, interviews also suggest that strengthening laboratories and conformity assessment bodies alone will not be sufficient unless accompanied by broader reforms in accreditation, market surveillance, staffing, and institutional coordination. The overall effectiveness of the conformity assessment system depends on the functioning of the entire quality infrastructure ecosystem, including internationally recognised accreditation, updated technical legislation, specialised inspectors, and stronger cooperation between institutions and industry. Again, Kosovo's challenge is no longer primarily the absence of legal frameworks, but the operational readiness and international credibility of the institutions responsible for implementing them, as several stakeholders emphasised.

Conclusion 6: Kosovo has developed an emerging conformity assessment infrastructure with a growing number of accredited laboratories and inspection bodies. However, the absence of internationally recognised accreditation, accredited certification bodies, and strategic prioritisation of conformity assessment capacities continues to limit the system's effectiveness and Kosovo's readiness for deeper Single Market integration. Strengthening the system requires an institutionalised public-private dialogue to identify which conformity assessment services are most critical for priority industrial sectors and export development.

2.2.5. Market surveillance

Market surveillance remains one of the most critical bottlenecks to Kosovo's readiness under workstream 2, despite recent legislative progress. In January 2026, Kosovo adopted Law No. 08/L-279 on the Central Inspectorate of Market Surveillance, establishing a centralised executive agency within the Ministry of Industry, Entrepreneurship, Trade and Innovation, responsible for market surveillance across Kosovo's territory. The law clarifies institutional responsibilities, expands inspection competencies, introduces risk-based inspection planning, and strengthens coordination with customs and other institutions.[20] In February 2026, an additional regulation on the internal organisation and systematisation of positions within the Central Inspectorate was adopted, defining the institutional structure and increasing the total number of planned staff positions to 48.[21] This reform process would significantly improve the process, as interviews highlighted major staffing and expertise gaps.

The new law and the reform process represent an important step toward alignment with EU market surveillance requirements, particularly Regulation (EU) 2019/1020[22] **on market surveillance and compliance of products**. At the same time, effective integration into the EU Single Market also requires alignment with **Regulation (EU) 2019/515 on the mutual recognition of goods**, which facilitates the free movement of products lawfully marketed in another Member State and complements the market surveillance framework by

[20] Assembly of the Republic of Kosovo (2026a).

[21] Prime Minister of the Republic of Kosovo (2026).

[22] European Parliament, Council of the European Union (2019).

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reducing unnecessary barriers to trade. Together, these regulations provide the legal basis for ensuring both effective product compliance and the free circulation of goods within the EU Single Market.

However, interviews suggest that implementation capacity remains significantly weaker than the legal framework itself. Despite institutional restructuring, the system continues to face shortages of specialised technical staff, limited sector-specific expertise, weak operational coordination, and insufficient participation in EU technical networks and expert groups.

The finding that operational coordination is weak is also supported by the 2025 Performance Audit on Consumer Protection and Market Surveillance[23], which identified operational weaknesses in the Central Market Surveillance Inspectorate (CMSI) and the Consumer Protection Department (CPD). The audit concluded that complaint management, inspection follow-up, and enforcement processes remain highly fragmented, insufficiently digitalised, and weakly coordinated. Existing systems lack full traceability of complaints and inspection actions, while communication between institutions continues to rely heavily on manual procedures and email-based exchanges rather than integrated digital systems. These shortcomings reduce transparency, weaken institutional accountability, and limit the effectiveness of market surveillance and consumer protection mechanisms. The audit further highlighted that inspection planning and implementation are not yet systematically grounded in structured risk analysis, complaint data, or sectoral prioritisation methodologies, despite the introduction of risk-based principles in the new legislative framework. Instead, inspection activities continue to rely heavily on inspector experience and ad hoc case management. At the same time, the absence of integrated databases and analytical tools limits evidence-based planning, monitoring, and evaluation of enforcement measures.

According to Quality Infrastructure assessments[24][25] and Kosovo's legal framework[26], Kosovo already applies CE marking requirements for product conformity and uses standard market surveillance methods, including document checks, visual inspections, and product testing. However, laboratory testing capacities and technical infrastructure remain limited, reducing the effectiveness of inspection and product verification procedures in practice

The assessment also identified governance-related weaknesses within Kosovo's market surveillance system. While enforcement activities are formally separated from other institutional functions, Kosovo still lacks fully formalised procedures for conflict-of-interest management, independent review mechanisms, and complaint handling. Existing legislation provides a general basis for impartiality and equal treatment of economic operators. Still, interviewees and regional findings suggest that more formal internal procedures and operational guidelines would strengthen institutional credibility, transparency, and public trust in enforcement activities.

Coordination among market surveillance authorities, accreditation institutions, and standardisation bodies exists but remains operationally weak and insufficiently institutionalised. In contrast, cooperation between the Market Inspectorate and Customs

[23] Kosovo National Audit Office (2025).

[24] GIZ (2024).

[25] Dervisholli, S. (2025).

[26] Assembly of the Republic of Kosovo (2018).

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is more established, supported by the Inspectorate's direct access to the Customs ASYCUDA system. Limited participation in EU technical networks, expert groups, and information-exchange systems further constrains Kosovo's ability to align with evolving EU market surveillance and product safety practices. Particularly important for future EU alignment is the functionality of the RAPEX Kosovo system for dangerous non-food products. According to the 2025 audit report, the RAPEX platform, initially developed with EU support and previously used to notify and withdraw dangerous products from the market, is not functional. The system is currently not maintained and updated regularly, limiting transparency and reducing Kosovo's ability to align with EU rapid alert and product safety mechanisms. The absence of a fully functioning rapid alert and information-sharing system represents a significant gap for future ACAA-related integration and broader alignment with EU product safety requirements.

Kosovo continues to apply a domestic conformity marking system alongside CE-related requirements. That creates additional administrative burdens for economic operators and may complicate future pathways toward ACAA integration and full alignment with EU principles for the circulation of products.[27]

Conclusion 7: Kosovo has recently strengthened the legal and institutional framework for market surveillance, particularly through the establishment of the Central Inspectorate aligned with EU requirements. However, weak technical capacities, limited specialised expertise, insufficient digitalisation, and weak risk-based inspection systems continue to constrain the effectiveness and credibility of the market surveillance system in practice.

2.2.6. Summary of the regulatory integration readiness

As highlighted throughout the interviews and institutional analysis, Kosovo has made important progress in establishing the legal and institutional foundations required for deeper integration into the EU Single Market under Workstream 2. Significant legislative approximation has taken place across several areas of the quality infrastructure system, including accreditation, standardisation, metrology, conformity assessment, and market surveillance. However, the analysis demonstrates that legal alignment alone is not sufficient for future ACAA readiness.

The main challenge increasingly relates to operational readiness, international recognition, and institutional credibility. While Kosovo has established the core institutions required for a functioning quality infrastructure system, most institutions continue to face major constraints in staffing, technical expertise, laboratory capacity, financing, international integration, and interinstitutional coordination. Several institutions remain heavily dependent on public funding, while participation in European technical bodies and decision-making structures remains limited.

Particularly important is Kosovo's limited integration into European recognition systems. In accreditation, Kosovo has initiated preparations for the European co-operation for Accreditation (EA) Multilateral Agreement (MLA), but accreditation results issued domestically are still not automatically internationally recognised. In standardisation, Kosovo continues to operate outside formal ISO, CEN/CENELEC, and ETSI membership structures, relying primarily on indirect access mechanisms. In metrology, Kosovo

[27] GIZ (2024).

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participates in WELMEC and EURAMET cooperation mechanisms only partially and is not yet fully integrated into broader scientific metrology and mutual recognition systems.

At the same time, important progress is visible in several areas. Kosovo already possesses a functioning ecosystem of testing laboratories and inspection bodies, has advanced legal approximation in market surveillance and metrology, and demonstrates emerging industrial readiness in sectors such as construction materials, metal processing, and electrical products. Recent reforms, particularly the establishment of the Central Inspectorate for Market Surveillance and planned investments in laboratories and certification systems, indicate a growing institutional commitment to aligning with EU requirements.

Overall, Kosovo demonstrates partial, yet uneven, readiness under Workstream 2. The country has established the foundational legal framework and institutional architecture necessary for future ACAA integration. Still, substantial efforts remain necessary to strengthen technical capacities, achieve international recognition, operationalise institutions, and ensure effective implementation.

Table 3: Summary of Kosovo's regulatory integration readiness

	EU / international recognition requirements		Kosovo's status
Accreditation	EA MLA (European Cooperation for Accreditation)	Recognition of the Kosovo accreditation system	Preparatory phase initiated; 0 out of 11 EA MLA scopes recognised
Standardisation	ISO / CEN / CENELEC alignment	Participation in European and international standardisation systems	No membership; cooperation through a License Agreement with CEN/CENELEC
Metrology	WELMEC/ EURAMET	EURAMET integration and participation in mutual recognition systems	Full member of WELMEC; liaison/corresponding organisation in EURAMET
Conformity assessment		International recognition of testing, inspection, and certification systems	53 KAD accredited testing laboratories; 18 KAD inspection bodies; no accredited certification bodies
Market surveillance	EU market surveillance rules	Alignment with Regulation 2019/1020 and related acquis including 2019/515	New legal framework adopted; implementation and technical capacities remain limited

Source: own display.

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2.3. Readiness under workstream 3: integration of business communities

The third workstream of the Single Market Highway emphasises the integration of business communities and the private sector's co-ownership of reforms. In this area, Kosovo demonstrates some important entry points, but overall readiness remains limited and fragmented.

Kosovo has several active business associations, chambers, and clusters that engage in trade and industrial policy processes. Organisations such as business chambers play a key intermediary role in connecting local firms with EU partners, facilitating investment linkages, and promoting regulatory alignment. There is also increasing awareness among firms of the importance of standards, certification, and export requirements.

At the sector level, clusters such as those in metal processing and prefabricated construction provide a basis for more structured engagement. Firms in these sectors are already participating in international markets and, in some cases, EU value chains. Regional initiatives, including those supported by the RCC, aim to strengthen such linkages by connecting industrial parks, promoting value chain integration, and developing thematic industrial alliances.

However, these elements are not yet part of a coherent and institutionalised system for business integration. Public-private dialogue mechanisms are weak or inconsistently applied. According to interviews with MIETI, the Trade Facilitation Committee, led by the Trade Department, intended to provide a formal platform for engagement between government and business, but has not been functioning regularly, thereby reducing opportunities for feedback, coordination, and joint problem-solving.

Private sector participation in policy design is also limited in practice. While consultations do take place, they are often ad hoc, occur late in the policy process, and do not consistently influence final decisions. That reduces trust in institutions and weakens the alignment between policy measures and business needs. Several interviewees noted that business associations and chambers are often included in working groups and consultation processes only at later stages of policy development, primarily to validate drafts or findings that have already been prepared rather than to shape reforms from the beginning. As a result, engagement tends to be procedural rather than genuinely co-creative, limiting private sector actors' ability to influence strategic priorities, implementation sequencing, and sector-specific regulatory solutions. Stakeholders also stressed that consultation practices remain inconsistent across institutions and reforms, with reforms largely driven by individual initiatives rather than institutionalised mechanisms for continuous public-private dialogue.

At the firm level, absorptive capacity remains a key constraint. Many SMEs lack the financial resources, technical expertise, and organisational capacity to engage in EU markets, comply with standards, or participate in complex value chains. Certification costs, lack of access to testing facilities, and limited awareness of support schemes further constrain their participation.

In addition, there are limited structured platforms for matchmaking, networking, and industrial cooperation with EU partners. While some sector-specific initiatives exist, they are not scaled or institutionalised. Opportunities to connect Kosovar firms with EU-based certification bodies, investors, and industrial partners remain underdeveloped. That remains particularly important in the context of the Single Market Highway and future

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ACAA-related integration, where successful implementation depends heavily on early and continuous engagement between institutions, industry associations, conformity assessment actors, and exporting firms.

Taken together, Kosovo demonstrates emerging, yet still fragmented, readiness under Workstream 3. While active business associations, clusters, and exporting firms provide an important foundation for deeper integration, the absence of structured public-private dialogue, limited absorptive capacities among SMEs, and weak institutionalised cooperation mechanisms continue to constrain the effective integration of Kosovo's business community into EU industrial ecosystems and reform processes.

Conclusion 8: Kosovo has an active and increasingly export-oriented business community, with several sectors already demonstrating integration potential into EU value chains. However, weak institutionalised public-private dialogue, limited SME absorptive capacity, and insufficiently structured cooperation mechanisms continue to constrain deeper and more systematic business integration under the Single Market Highway.

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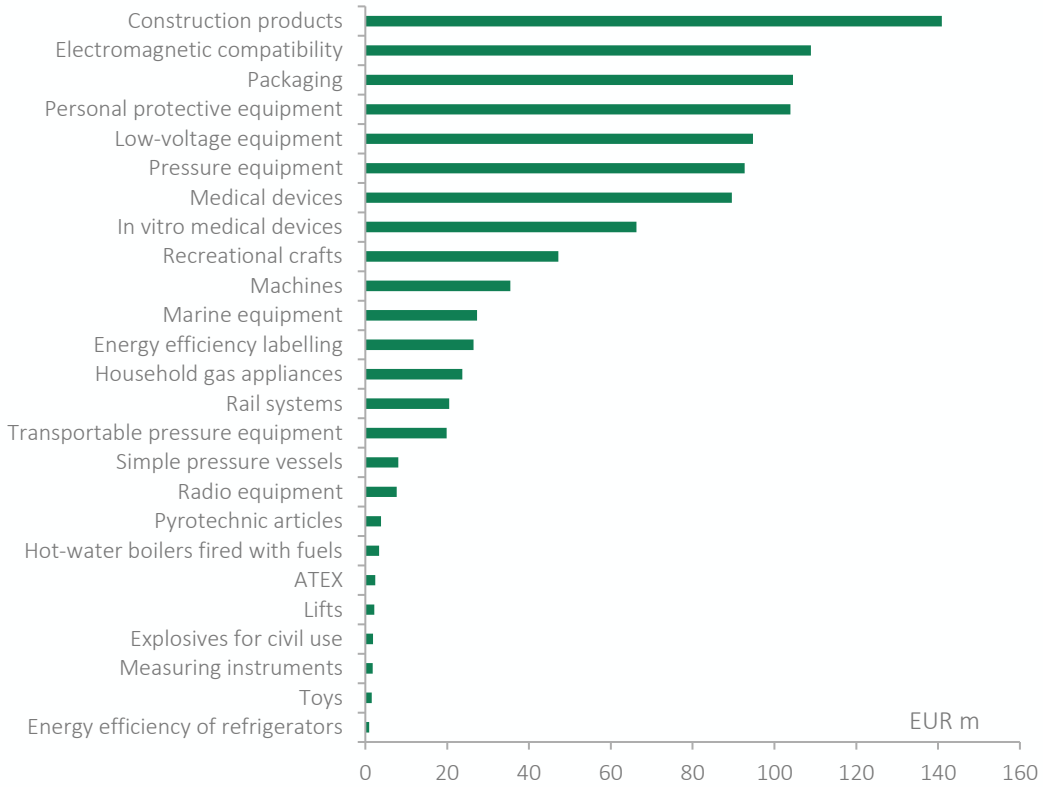
3. Strategic industrial sectors and entry points for Kosovo

3.1. Kosovo's current links to the EU through ACAA lenses

The analysis considers both exports and imports because they capture two complementary dimensions of Kosovo's readiness for ACAA. Export patterns identify the sectors that stand to benefit most from reduced technical barriers and improved access to the EU market through mutual recognition. Import patterns, in turn, indicate which technical regulations are most relevant for Kosovo's domestic market and therefore where regulatory alignment, market surveillance, conformity assessment, and quality infrastructure capacities are most critical. Analysing both flows provides a more comprehensive basis for identifying priority ACAA spheres and sectoral reform needs.

Kosovo's trade in goods with the EU accounted for ca. 34% of exports and 43% of imports in 2025[28], remaining below the typical intensity of EU member states. For goods covered by at least one out of the 25 potential ACAA spheres listed in Table 1 (hereafter, at least one potential ACAA), the situation is not much different.

Graph 1: Kosovo's exports to the EU of products subject to potential ACAA, by ACAA spheres, 2025



Source: own display based on Kosovo Customs (2026a), UNCTAD (2026)

In 2025, Kosovo's exports of goods subject to at least one potential ACAA to the EU amounted to EUR 189 m, or 40% of its worldwide exports of these products. Since many industrial products are simultaneously covered by more than one EU technical regulation,

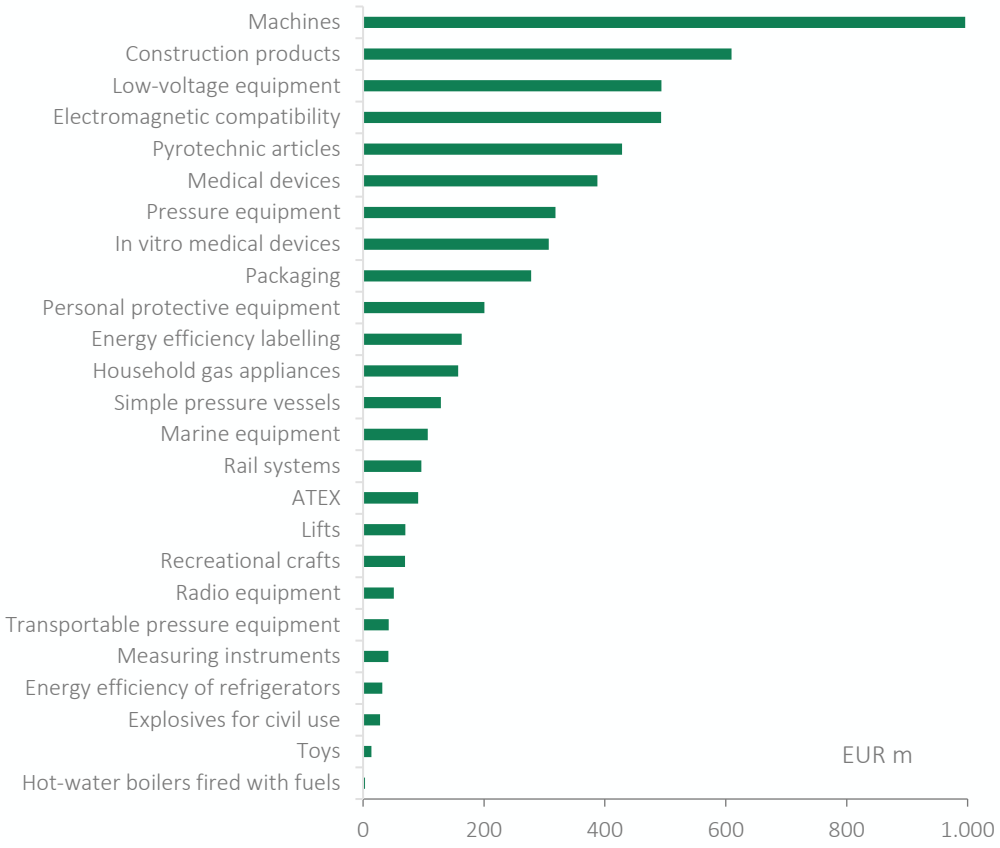
[28] Kosovo Agency of Statistics (2026a).

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the values presented in Graph 1 are **not additive**. Instead, they illustrate the extent to which Kosovo's exports are affected by each individual ACAA sphere. The technical regulation covering the largest value of Kosovo's exports to the EU is the Construction Products Regulation, affecting exports worth EUR 141 million (approximately 45% of total exports to the EU). The next three technical regulations, each affecting ca. 33% of Kosovo's exports to the EU, are the directives on electromagnetic compatibility, on packaging, and on personal protective equipment. Altogether, 60% of Kosovo's exports to the EU are subject to at least one potential ACAA.[29][30]

For imports, Kosovo's reliance on the EU is much higher in absolute values. In 2025, imports of goods from the EU subject to at least one potential ACAA amounted to EUR 1,949 m[31][32], 10x the value of exports. When looking at imports in relative terms, however, the EU accounted for 42% of total imports of these products, making it the largest but not the dominant supplier.

Graph 2: Kosovo's goods imports from the EU subject to potential ACAAs, by ACAA spheres, 2025



Source: own display based on Kosovo Customs (2026b), UNCTAD (2026)

[29] Kosovo Customs (2026a).

[30] UNCTAD (2026).

[31] Kosovo Customs (2026b)

[32] UNCTAD (2026)

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At the same time, the ACAA-related goods have played an important role in Kosovo's imports from the EU. Almost two-thirds of these imports are subject to at least one potential ACAA. The most important ACAA sphere, accounting for 33% of Kosovo's total imports from the EU, was machinery regulations, imports under which amount to EUR 996 million. It is followed by construction products regulation (20%), and directives on low voltage equipment (16%) and on electromagnetic compatibility (16%). Altogether, 65% of Kosovo's total imports are subject to at least one potential ACAA.[3334]

Conclusion 9: Goods subject to potential ACAAs play an important role in Kosovo's trade with the EU, accounting for 60% of exports[35] and 65% of imports.[3637] The construction products regulation has the most extensive trade coverage. It dominates exports and ranks second in imports. Directive on electromagnetic compatibility is another directive ranked high in both exports and imports. For exports, other important technical regulations are on packaging and personal protective equipment. For imports, these include machinery, and low-voltage equipment.

3.2. Selection of manufacturing sectors with the highest potential for integration into EU value chains

The selection of Kosovo's non-food manufacturing sectors with the highest potential to integrate into EU value chains, against the background of the ACAA-related reforms and the ACAA conclusion, was based on the four dimensions described in section 1. The dimensions represent characteristics of Kosovo's total exports, including:

- D1: The size and dynamics of the sectors' global revealed comparative advantage (RCA)
- D2: The importance of the potential ACAA for Kosovo's trade with the EU and CEFTA
- D3: The key characteristics of Kosovo's production (sectors' value added, employment and the role of SMEs)
- D4: Kosovo's trade links with the EU, including the sectors' RCA on the EU market and the partner's trade complementarity by sectors

For each dimension, the score was calculated from the indicator scores that comprise it. The aggregate score is the average across four dimensions, controlling for the size of Kosovo's exports, the existence of at least one potential ACAA applied to the sector and the sector's product complexity. The score ranges from 0 to 100, with higher scores indicating better performance.

Table 4 presents the top 10 sectors at the NACE 2.0 four-digit code (class) level identified as having the highest potential for integration into EU value chains and as being subject to at least one potential ACAA. The interviews largely confirmed the sector prioritisation.

[33] Kosovo Customs (2026a).

[34] UNCTAD (2026).

[35] Kosovo Customs (2026a)

[36] Kosovo Customs (2026b)

[37] UNCTAD (2026)

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Table 4: Kosovo's top non-food manufacturing sectors with the highest potential for integration in the EU value chains

NACE 2.0	Description	D1 score	D2 score	D3 score	D4 score	Compound score
25.12	Manufacturing of tanks, reservoirs and containers of metal	72	99	82	78	83
25.11	Manufacturing of structural metal products	78	98	79	60	79
23.92	Manufacturing of clay building materials	65	98	80	61	76
16.23	Manufacturing of wooden containers	58	98	73	76	76
16.22	Manufacturing of builders' carpentry and joinery	58	98	65	64	71
22.20	Manufacturing of plastic products	84	51	73	65	68
25.99	Manufacturing of other fabricated metal products n.e.c.	83	50	83	55	68
23.10	Manufacturing of glass and glass products	78	45	80	65	67
24.10	Manufacturing of basic iron and steel	68	79	74	43	66
16.10	Sawmilling and planing of wood	46	77	76	56	64

Source: own analysis based on Kosovo Agency of Statistics (2026c), Tax Administration of Kosovo (2026a, b)

The leader is **manufacturing basic metals and fabricated metal products** (C24-25), represented by four classes. The top sector is the manufacturing of tanks, reservoirs and metal containers, including also boilers. Three other sectors related to metal manufacturing that made the top 10 list include structural metal products, other fabricated metal products, and basic iron and steel.

The second most potent sector is **the manufacturing of other non-metallic mineral products (C23),** represented by two sub-sectors: the manufacturing of clay building materials and the manufacturing of glass and glass products.

The third is the **manufacturing of wood products, except furniture** (C16), with three subsectors in the top 10 list. These are the manufacturing of wooden containers, builders' carpentry and joinery, and sawmilling and planing of wood.

Also, the top 10 list includes one subsector of the **manufacturing of rubber and plastic products** (C22): the manufacturing of plastic products.

Next, we analyse which ACAA spheres are relevant for each of these top 10 sectors.

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Conclusion 10: The four manufacturing sectors of Kosovo's economy subject to potential ACAAs that have the strongest potential for integration into EU value chains are manufacturing of (1) metal and products thereof, (2) other non-metallic mineral products, (3) wood products, and (4) plastics.

3.3. Priority spheres of ACAA needed for sectoral integration

We consider a sector to be subject to at least one potential ACAA if at least one product at the HS subheading (six-digit code) is subject to one of the 25 technical regulations listed in Table 1. Therefore, the potential ACAA coverage presented below is indicative, as not all products within the sector are subject to all regulations.

Table 4 presents a matrix showing which sectors could be subject to which of the 25 technical regulations under the new legislative approach and, thus, the potential ACAA, and the importance of each ACAA sphere for the selected sectors with the highest integration potential.

Table 5: Sector – technical regulation matrix for the top 10 sectors with the highest potential for integration into EU value chains

	Wood products			**Plastics**	**Other non-metallic mineral products**		**Metals and products thereof**				
	1610	1622	1623	2220	2310	2392	2410	2511	2512	2599	
	Sawmilling and planing of wood	Manufacturing of builders' carpentry and joinery	Manufacturing of wooden containers	Manufacturing of plastic products	Manufacturing of glass and glass products	Manufacturing of clay building materials	Manufacturing of basic iron and steel	Manufacturing of structural metal products	Manufacturing of tanks, reservoirs and containers of	Manufacturing of other fabricated metal products	**Number of priority sectors subject to the regulation**
Machines										Yes	**1**
Electromagnetic compatibility				Yes	Yes				Yes	Yes	**4**
Simple pressure vessels							Yes		Yes		**2**
Pressure equipment				Yes			Yes		Yes	Yes	**4**
Transportable pressure equipment									Yes	Yes	**2**
Low-voltage equipment				Yes	Yes				Yes		**3**
Hot-water boilers fired with liquid or gaseous fuels									Yes		**1**
Household gas appliances									Yes	Yes	**2**

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Personal protective equipment				Yes						Yes	**2**
Medical devices				Yes						Yes	**2**
In vitro medical devices				Yes	Yes						**2**
Recreational crafts								Yes		Yes	**2**
Construction products	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	**9**
Packaging	Yes		Yes	Yes	Yes				Yes	Yes	**6**
Energy efficiency labelling									Yes	Yes	**2**
Rail systems	Yes						Yes			Yes	**3**
Number of potential ACAA per sector	**3**	**1**	**1**	**8**	**5**	**1**	**4**	**2**	**10**	**12**	

Source: own display based on European Commission (n.d.)

The analysis of the sector–technical regulation matrix brings several conclusions:

1. Three sectors are subject to one relevant ACAA sphere, and one sector is subject to two spheres. These are potential low-hanging fruit sectors in terms of integration impact when the ACAA covering the relevant technical regulations is concluded:
    - For the manufacturing of clay building materials and for builders' carpentry and joinery, the Construction Products Regulation applies.
    - For the manufacturing of wooden containers, it is a Packaging Directive.
    - For the manufacturing of structural metal products, the Construction Products Regulation and the Recreational Craft Directive apply. Likely, the latter concerns only a small subset of products within the sector, making it potentially a one-ACAA-sphere sector.
2. The Construction Products Regulation is cross-cutting for the top 10 sectors with the highest potential. It is applied to products in 9 out of 10 sectors. Interviews showed that Kosovo is almost fully aligned with this regulation, making it a strong candidate for the first round of the ACAA, as soon as cross-sectoral (vertical) regulatory and institutional alignment are completed.
3. Other technical regulations with high cross-sectoral importance for the top 10 priority sectors and thus a strong case for the inclusion of the first round of the ACAA are:
    - Packaging Directive: 6 sectors
    - Electromagnetic Compatibility Directive: 4 sectors
    - Pressure Equipment Directive: 4 sectors
4. To achieve a strong economic impact through the ACAA, it must have broad coverage. Altogether, removing technical barriers to Kosovo-EU trade in the top 10 priority sectors would require the conclusion of an ACAA covering at least 16 different legal acts under the new legislative approach. The products of these sectors may also be subject to non-harmonised technical regulations, e.g., REACH, which are not included in this analysis.

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5. There are three sectors, of which two belong to metal manufacturing, whose products are subject to 8 or more technical regulations. For these sectors, realising the ACAA's potential would require the greatest effort, and the impact could be significantly delayed. These sectors are:
    - Manufacturing of other fabricated metal products (#7 out of 10): up to 12 technical regulations
    - Manufacturing of tanks, reservoirs and metal containers (#1 out of 10): up to 10 regulations
    - Manufacturing of plastic products (#6 out of 10): up to 8 regulations

Conclusion 11: The realisation of integration potential related to the ACAA could vary significantly across sectors depending on the number of technical regulations applicable to sector products. There are three potential “low-hanging fruits” in terms of sectors (the manufacturing of (1) structural metal products, (2) clay building materials and (3) builders’ carpentry and joinery), depending on the ACAA covering the Construction Products Regulation, and one sector (the manufacturing of wooden containers) requiring the Packaging Directive.

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4. Sector-specific opportunities and bottlenecks

4.1. Metal processing and fabricated metal products

The metal processing sector represents Kosovo's strongest industrial entry point for integration into EU value chains under the Single Market Highway and future ACAA-related integration. The sector demonstrates relatively strong export performance, growing revealed comparative advantage, and existing participation in regional and EU supply chains, particularly in structural metal products, tanks and reservoirs, fabricated metal products, and steel-related manufacturing. Several firms already operate in accordance with EU technical standards, such as EN 1090, and have experience exporting to EU markets. Interviews also highlighted increasing regional and European demand for industrial metal structures, prefab systems, and construction-related metal products, creating favourable conditions for further expansion.

From an ACAA and Single Market perspective, the sector is particularly relevant because many of its products fall directly under harmonised EU technical legislation, especially the Construction Products Regulation, Pressure Equipment Directive, Machinery Directive, Low Voltage Directive, and Electromagnetic Compatibility Directive. That creates a direct link between industrial upgrading and Kosovo's broader regulatory integration agenda, as future market access increasingly depends on compliance with EU technical standards, recognised conformity assessment procedures, and functioning quality infrastructure systems.

The sector also benefits from an already established industrial base in metalworking, fabrication, machining, and assembly, allowing firms to build on existing capabilities rather than requiring entirely new industrial ecosystems. According to stakeholder interviews and sector assessments, Kosovo firms increasingly compete through precision processing, customisation, and integration into project-based industrial supply chains rather than solely through low-cost commodity production. This positioning aligns closely with the objectives of the Single Market Highway, which seeks to strengthen industrial partnerships and integration into European manufacturing ecosystems.

At the same time, the sector faces some of the most complex technical and regulatory requirements among Kosovo's priority industries. Products in the metal manufacturing industry are often subject to multiple technical regulations simultaneously. As a result, firms face high compliance costs, dependence on foreign conformity assessment bodies, and difficulties accessing specialised testing and certification services domestically.

Sector assessments further indicate that many firms continue to rely on foreign laboratories and notified bodies for critical testing and certification for CE marking and compliance with EU standards. That reflects broader weaknesses within Kosovo's quality infrastructure ecosystem, particularly the absence of internationally recognised accreditation through the EA MLA, limited domestic certification capacities, and insufficient specialised testing infrastructure. For export-oriented firms, these gaps increase certification costs, prolong lead times, and reduce competitiveness in EU markets, while also limiting Kosovo's readiness for future ACAA-related recognition arrangements.

Interviews highlighted several operational bottlenecks, including shortages of certified welders, welding inspectors, industrial engineers, and technical specialists. Firms also reported limited access to specialised industrial testing services, including welding,

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pressure, and material testing. The absence of domestic Welding Examination Systems (WES), limited local certification capacities, and weak technical training ecosystems further constrain sector competitiveness and scaling potential. Several firms indicated that certification and testing procedures abroad significantly increase production costs and delay market access.

The broader assessment also identified shortages of qualified technical staff, high attrition rates, and limited specialised industrial training ecosystems as key structural constraints affecting manufacturing competitiveness. Firms increasingly require technical profiles in CNC operations, automation, industrial design, welding systems, quality control, and compliance with certification requirements. Stakeholders stressed that higher manufacturing value added in the sector is increasingly driven by digitalisation, automation, precision engineering, and integrated production systems, requiring substantially more advanced technical skills than traditional metal fabrication activities.

In addition, the sector underscores the strategic importance of strengthening Kosovo's broader quality infrastructure system, including accreditation, standardisation, metrology, conformity assessment, and market surveillance. Industrial firms repeatedly highlighted that regulatory alignment alone is insufficient without domestic institutions capable of supporting testing, certification, calibration, inspection, and internationally recognised compliance procedures required for participation in EU markets.

Despite these constraints, the sector remains one of Kosovo's strongest candidates for early ACAA-related integration, particularly through the Construction Products Regulation, where Kosovo already demonstrates a relatively advanced level of alignment. Future sector development will depend on strengthening conformity assessment capacities, expanding technical and vocational training systems, improving access to specialised certification services, and developing cluster-based industrial support mechanisms linked to export and investment promotion.

Conclusion 12: The metal processing sector represents Kosovo's strongest industrial entry point for deeper integration into EU value chains and future ACAA-related processes, supported by existing export capacity and partial alignment with EU technical standards. However, long-term competitiveness and scaling will depend on strengthening technical skills, domestic quality infrastructure capacities and conformity assessment systems aligned with Single Market requirements.

4.2. Construction materials and non-metallic mineral products

The manufacturing of construction materials and non-metallic mineral products represents one of the most promising sectors for Kosovo's integration into EU value chains through future ACAA-related integration. The sector already demonstrates relatively strong export performance and high relevance to the Construction Products Regulation, which applies across most of the sector's products. Interviews confirmed that Kosovo has achieved a relatively advanced level of legal alignment in this area and that several firms already have experience with EU technical requirements and regional export markets.

The sector benefits from growing regional demand for construction materials, prefabricated construction components, glass products, and energy-efficient building solutions. Construction materials testing also represents one of the most developed areas

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within Kosovo's domestic conformity assessment infrastructure, compared to other industrial sectors. That creates relatively favourable conditions for faster operational alignment and future export expansion. The sector is therefore frequently identified by stakeholders as one of the most realistic candidates for phased ACAA-related integration, particularly given its relatively advanced alignment with the Construction Products Regulation and the existing presence of domestic testing laboratories in this field.

However, important bottlenecks remain. Firms continue to face high certification and compliance costs, because domestic testing capacities remain incomplete for more advanced and specialised product categories and are not recognised in the EU market. Several stakeholders highlighted that although Kosovo has basic testing infrastructure, businesses still frequently rely on foreign laboratories, notified bodies, and certification providers for internationally recognised testing, certification, and CE-related compliance procedures. Limited international recognition of domestic conformity assessment results remains a major obstacle for export-oriented producers. Deeper integration into EU markets will therefore require not only legal alignment with the Construction Products Regulation, but also stronger domestic quality infrastructure capacities, including internationally recognised testing, certification, standardisation and market surveillance systems.

Additional constraints include shortages of specialised technical expertise, limited product innovation, fragmented industrial cooperation, and weak integration between industrial policy, certification support, and workforce development measures. Smaller firms in particular often lack the financial capacity to invest in certification, quality management systems, and technological upgrading required for participation in more sophisticated EU value chains.

Conclusion 13: The construction materials sector represents one of Kosovo's strongest candidates for future ACAA-related integration due to existing export capacity, partial regulatory alignment, and relatively developed testing infrastructure. However, further integration into EU value chains will depend on strengthening internationally recognised conformity assessment and broader quality infrastructure capacities.

4.3. Wood processing and carpentry products

The wood processing sector represents an important manufacturing segment with integration potential into EU value chains, particularly in builders' carpentry and joinery, wooden containers, and semi-processed wood products. The sector benefits from lower regulatory complexity than sectors such as electrical products or machinery, while several subsectors are linked primarily to the Construction Products Regulation and the Packaging Directive. That creates opportunities for faster regulatory alignment and lower compliance burdens for firms.

Interviews highlighted that Kosovo already has a broad base of SMEs operating in the wood processing sector, with several firms demonstrating export potential to the EU and regional markets. The sector also benefits from relatively strong labour intensity and opportunities for rural and regional industrial development. Compared with more technically demanding sectors, firms in the wood processing sector face fewer barriers to advanced testing and specialised conformity assessment requirements.

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However, the sector remains characterised by low technological sophistication, fragmented production structures, limited scaling capacity, and weak product differentiation. Many firms remain concentrated in lower-value-added production segments and face difficulties moving toward higher-value processing, branding, design-intensive production, and certified sustainable production standards. Limited investment capacities and weak integration into international distribution networks also constrain export growth.

Stakeholders also highlighted skills-related bottlenecks, particularly shortages of specialised technicians, machine operators, and technical production profiles. In addition, firms face challenges related to access to modern production technologies, quality certification, and export-oriented business support services. Public support mechanisms remain fragmented and insufficiently targeted toward sector upgrading and internationalisation. Although regulatory barriers are lower than in more technically intensive sectors, firms still require stronger support for standardisation, certification, quality management systems, and compliance with EU market requirements, particularly in higher-value, export-oriented production segments.

Conclusion 14: The wood processing sector offers significant opportunities for gradual integration into EU value chains, given its existing industrial base, lower regulatory complexity, and export potential. However, long-term competitiveness will depend on technological upgrading, stronger quality and certification systems, and workforce modernisation.

4.4. Plastics and related industrial products

The plastics manufacturing sector demonstrates important export and integration potential, but also faces some of the most demanding technical and regulatory requirements among Kosovo's priority manufacturing sectors. Kosovo would need to advance alignment with the Packaging Directive, Low Voltage Directive, Electromagnetic Compatibility Directive, Machinery Directive, Pressure Equipment Directive, and CE marking requirements under the Construction Products Regulation (EU 305/2011) for construction-related plastic products. Firms also increasingly require compliance with internationally recognised standards and certification frameworks, such as ISO 9001 for quality management systems, ISO 14001 for environmental management systems, and the REACH Regulation (EC 1907/2006) on chemical safety and material compliance, particularly for recycled plastic materials and products intended for EU markets.

The sector already shows growing export orientation and integration into industrial supply chains, particularly in packaging and industrial plastic components. However, technical compliance and conformity assessment requirements remain major barriers. Interviews and quality infrastructure studies[38][39] highlighted significant gaps in domestic testing capacity for electrical safety, EMC testing, and specialised industrial standards. As a result, many firms continue to rely on foreign laboratories and notified bodies for testing and certification required for EU market access, increasing costs and delaying market entry.

[38] GIZ (2024).

[39] Dervisholli, S. (2025).

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Additional constraints include limited access to advanced machinery, shortages of specialised technical staff, and weak industrial innovation capacities. Firms also face difficulties scaling production and moving toward higher-value industrial segments due to limited domestic certification and technical support services. Stakeholders also highlighted the growing demand for technical profiles in automation, industrial process control, quality management, and specialised machine operation. Limited participation in higher-value industrial networks further constrains technology transfer and product upgrading.

Although the plastics sector is unlikely to represent a rapid "low-hanging fruit" for ACAA integration due to its regulatory complexity, it remains strategically important for Kosovo's longer-term industrial upgrading. Future support should focus on specialised testing capacities, industrial training, technological upgrading, and stronger integration between industrial policy and the development of quality infrastructure.

Conclusion 15: The plastics sector holds important long-term potential for integration into EU industrial value chains, particularly in packaging and industrial components, but remains constrained by high regulatory complexity and weak domestic conformity assessment capacities.

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5. Recommended actions

5.1. Immediate actions (so-called 'low-hanging fruits')

Our analysis allowed us to identify the following immediate actions that could bring quick and tangible results:

1. **Accelerate preparations for the EA Multilateral Agreement (MLA)** by strengthening the technical, financial, and institutional capacities of KAD and other quality infrastructure institutions, including targeted recruitment and retention of specialised technical staff in accreditation, metrology, standardisation, and market surveillance.
    - Lead institutions: KAD, MIETI, KSA, Market Inspectorate
    - Key enablers: Targeted recruitment, sustainable financing, donor technical assistance, staff retention and training
    - Timeline: 6-12 months

2. **Establish mirror technical committees and strengthen participation in European standardisation and accreditation networks** to improve domestic stakeholder involvement in the development, adoption, and monitoring of European standards, particularly in priority industrial sectors.
    - Lead institutions: KSA, MIETI
    - Key enablers: Industry participation, donor support, cooperation with CEN/CENELEC partners
    - Timeline: 6–12 months

3. **Launch rapid industry-oriented training and certification programmes** aligned with immediate market demand, including welding certification (IWS), testing and inspection services, industrial automation, machine operation, prefab construction technologies, and other technical production skills.
    - Lead institutions: MIETI, KIESA, VET institutions
    - Key enablers: ToT programmes, donor co-financing, industry partnerships
    - Timeline: 6–12 months

4. **Fully operationalise the Reform Agenda support measures** for laboratories, certification bodies, and export-oriented SMEs, including targeted co-financing for certification, testing, CE marking, and compliance costs in sectors with strong export and EU integration potential.
    - Lead institutions: KIESA, MIETI
    - Key enablers: Reform Agenda financing, donor support, interinstitutional coordination
    - Timeline: 6–12 months

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5.2. Medium-term reforms

The list of the medium-term reforms includes:

1. **Develop integrated Single Market Highway sector roadmaps for priority industries** (e.g. metal processing, electrical products, prefab construction, wood processing) linking regulatory alignment, certification, investment promotion, skills development, export readiness, and quality infrastructure needs.
    - Lead institutions: MIETI, KIESA
    - Key enablers: Interinstitutional coordination, industry consultation, donor technical assistance
    - Timeline: 2–3 years

2. **Expand domestic conformity assessment, certification, testing, and metrology infrastructure.**
   Strengthen long-term domestic technical infrastructure through investments in laboratories, calibration systems, accredited industrial testing centres, and scientific metrology capacities. That should include establishing local Welding Examination Systems (WES), expanding calibration and measurement capabilities, and gradually integrating into European scientific metrology and cooperation frameworks such as EURAMET and WELMEC.
    - Lead institutions: MIETI, KAD, KMA, KIESA
    - Key enablers: Capital investment financing, donor support, EA MLA progress, private-sector partnerships
    - Timeline: 2–4 years

3. **Strengthen industry-linked vocational education and technical certification systems.**
   Integrate EU technical standards, certification requirements, and work-based learning into vocational education programmes to address industrial skills shortages and improve transition from education to employment in strategic sectors.
    - Lead institutions: MESTI, MIETI, VET institutions
    - Key enablers: Business partnerships, curriculum reform, dual education financing
    - Timeline: 2–3 years

4. **Strengthen governance and coordination of the quality infrastructure ecosystem.**
   Improve coordination among accreditation, standardisation, metrology, market surveillance, industrial policy, and investment promotion institutions by clarifying institutional mandates, strengthening operational capacities, and separating policy-making and implementation functions.
    - Lead institutions: MIETI, KAD, KSA, KMA, Market Inspectorate
    - Key enablers: Legal amendments, institutional restructuring, sustainable financing
    - Timeline: 2–3 years

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5. **Establish a permanent institutional coordination platform for Single Market integration.**
   Create a formal coordination mechanism to connect ministries, quality infrastructure institutions, business associations, donors, and development partners, ensuring coherent implementation of reforms, stronger public-private dialogue, and alignment between regulatory reforms, investment pipelines, and industrial development priorities under the EU Growth Plan, the Reform and Growth Facility, and CRM 2.0.
   - Lead institutions: Office of the Prime Minister, MIETI, European integration structures
   - Key enablers: Formal government mandate, regular public-private consultation mechanisms, donor coordination, monitoring and reporting framework
   - Timeline: 2-3 years

5.3. Long-term (strategic) actions

1. **Develop a comprehensive national roadmap for the EU Single Market and future ACAA integration.**
   Prepare a sequenced national action plan for Single Market integration and future ACAA processes, based on sector-specific gap assessments, measurable milestones, and institutional responsibilities, with prioritisation of sectors with higher readiness, such as construction materials, metal processing, and electrical products.
   - Lead institutions: Office of the Prime Minister, MIETI, European integration structures
   - Key enablers: High-level political coordination, EU technical assistance, sectoral gap assessments, interinstitutional coordination mechanisms
   - Timeline: 3–5 years

2. **Position quality infrastructure and metrology reform as a core pillar of industrial competitiveness**
   Integrate accreditation, standardisation, conformity assessment, scientific metrology, and market surveillance reforms into Kosovo's broader industrial development strategy, linking them directly with export growth, industrial upgrading, and participation in EU value chains. That should include gradual strengthening of participation in European technical and metrology cooperation structures such as EURAMET and WELMEC.
   - Lead institutions: MIETI, KAD, KSA, KMA, Market Inspectorate
   - Key enablers: Sustainable public financing, international memberships and cooperation, technical capacity building, donor and EU support
   - Timeline: 3–5 years

3. **Shift toward coordinated sector and cluster-based industrial development models.**
   Move beyond fragmented firm-level support by developing integrated industrial cluster approaches that combine supplier development, workforce modernisation, certification support, technological upgrading, innovation, and access to EU manufacturing ecosystems and industrial partnerships.

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- Lead institutions: MIETI, KIESA, Business associations, municipalities
- Key enablers: Cluster financing mechanisms, industry partnerships, export promotion instruments, innovation and skills programmes
- Timeline: 3–5 years

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Annexes

Annex I. List of indicators for the sectors' selection

Dimension 1: exports

- Nominal value of exports, to measure the sector's importance
- Growth of exports, to capture the sectors' dynamism
- Revealed Comparative Advantage (RCA), to identify sectors where Kosovo demonstrates export competitiveness relative to global benchmarks
- Product Complexity Index (PCI), to estimate the exports' technological content

Dimension 2: TBT coverage

- Share of exports to the EU and CEFTA, covered by the ACAA-related codes, to capture the importance of the ACAA for the sector's exports
- Share of imports from the EU and CEFTA, covered by the ACAA-related codes, to capture the significance of the ACAA for the sector's imports

Dimension 3: domestic economy

- Nominal value added, to measure the sector's importance
- Number of employees, to measure the sector's role in employment and thus its impact on the labour market
- Share of SMEs among registered firms in the sector, to measure the role of SME's in the sector

Dimension 4: links with partners

- Nominal value of exports to the EU, to measure the sector's importance in exports to a partner
- Nominal value of imports from the EU, for each partner, to measure the sector's importance in imports from a partner
- Revealed Comparative Advantage (RCA) vis-à-vis the EU
- Trade Complementarity Index (TCI) vis-à-vis the EU to assess how well Kosovo's export structure aligns with EU import demand.

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Annex II. List of stakeholders covered by the interviews in April 2026

	Name and surname	Institution
1	Jeton Karaqica	Prime Minister's Office (PMO)
2	Valbona Dushi	MIETI, Director of the Department of Industry
3	Gurakuq Kastrati	MIETI, Director of Quality Infrastructure Division
4	Doruntina Shala	MIETI, Department of Trade
5	Anita Sutaj	MIETI, Department of Trade
6	Sytrime Dervisholli	Prefabricated Cluster, Trade Expert
7	Alban Hashani	RIINVEST Institute
8	Irfan Lipovica	Accreditation Agency, MIETI
9	Astrit Rexhaj	KIMERK
10	Besnik Vasolli	German-Kosovar Business Association
11	Agon Nixha	RCC
12	Ilir Rexha	GIZ, EU4T project
13	Adnan Hoxha	GIZ, EU4T project
14	Elma.Krasniqi	Market Inspectorate
15	Naim Hajra	Market Inspectorate
16	Bujar Istogu	Kosovo Metrology Agency
17	Nol Buzhala	Kosovo Standardization Agency
18	Avdullah Jasiqi	Kosovo Metrology Agency

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Annex III. Full scoring results for sector's potential for integration in EU value chains

NACE	Description	D1 score	D2 score	D3 score	D4 score	Compound score
2512	Manufacture of tanks, reservoirs and containers of metal	72	99	82	78	83
2511	Manufacture of structural metal products	78	98	79	60	79
2392	Manufacture of clay building materials	65	98	80	61	76
1623	Manufacture of wooden containers	58	98	73	76	76
1622	Manufacture of builders' carpentry and joinery	58	98	65	64	71
2220	Manufacture of plastics products	84	51	73	65	68
2599	Manufacture of other fabricated metal products n.e.c.	83	50	83	55	68
2310	Manufacture of glass and glass products	78	45	80	65	67
2410	Manufacture of basic iron and steel	68	79	74	43	66
1610	Sawmilling and planing of wood	46	77	76	56	64
1621	Manufacture of veneer sheets and wood-based panels	41	98	68	39	62
2395	Manufacture of articles of concrete, cement and plaster	76	40	80	48	61
2720	Manufacture of batteries and accumulators	48	98	71	27	61
2825	Manufacture of machinery for food, beverage and tobacco processing	45	98	48	52	61
2022	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	77	47	48	70	61
2822	Manufacture of metal-forming machinery and machine tools	46	98	59	39	61
2824	Manufacture of machinery for mining, quarrying and construction	43	80	71	48	60
1702	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	71	80	50	32	58
2750	Manufacture of domestic appliances	49	98	54	30	58
2829	Manufacture of other special-purpose machinery	51	98	57	25	58
2219	Manufacture of other rubber products	57	37	73	61	57
2593	Manufacture of cutlery, hand tools and general hardware	50	39	73	59	55
2732	Manufacture of other electronic and electric wires and cables	42	100	47	29	54
2630	Manufacture of communication equipment	48	98	39	30	54
1709	Manufacture of other articles of paper and paperboard	71	33	50	60	53
2821	Manufacture of agricultural and forestry machinery	76	36	71	30	53
2710	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	39	81	54	38	53
2816	Manufacture of lifting and handling equipment	34	80	55	40	52
2399	Manufacture of other non-metallic mineral products n.e.c.	41	45	77	44	52
2819	Manufacture of other general-purpose machinery	54	56	55	34	50
1410	Manufacture of wearing apparel, except fur apparel	62	50	47	34	48
2420	Manufacture of basic precious and other non-ferrous metals	56	42	63	29	47
2910	Manufacture of motor vehicles	45	55	43	37	45
3290	Other manufacturing n.e.c.	47	27	31	69	43
2013	Manufacture of plastics and synthetic rubber in primary forms	56	27	49	34	41
1312	Weaving of textiles	43	21	61	38	41

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NACE	Description	D1 score	D2 score	D3 score	D4 score	Compound score
1520	Manufacture of footwear	42	49	24	44	39
2029	Manufacture of other chemical products n.e.c.	44	31	48	31	39
2930	Manufacture of parts and accessories for motor vehicles	41	48	27	34	37
2011	Manufacture of basic chemicals	45	27	40	26	35
2100	Manufacture of pharmaceuticals, medicinal chemical and botanical products	55	25	13	30	31
1920	Manufacture of refined petroleum products	40	22	9	20	23

Note: Annex III contains sectors with positive compound score after the cut-off criteria are applied. Cut-off criteria include the level of exports, export complexity and applicability of ACAA *spheres*

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Annex IV. Matrix linking recommendations to Reform Agenda / Growth Plan / SMH workstreams

Recommendation	Reform Agenda / Growth Plan Link	SMH Workstream	Timeframe
Accelerate preparations for the EA MLA.	Supports regulatory alignment and export readiness under the Growth Plan and EU Single Market integration objectives	Workstream 2	Immediate
Establish mirror technical committees and strengthen participation in European standardisation and accreditation networks.	Linked to EU acquis approximation and stakeholder participation in standards development	Workstream 2 & 3	Immediate
Launch rapid industry-oriented training and certification programmes	Linked to the Reform Agenda, labour market and VET reforms focused on employability and technical skills development	Workstream 1	Immediate
Fully operationalise the Reform Agenda support measures for laboratories, certification bodies, and export-oriented SMEs	Directly linked to industrial upgrading, export promotion, and competitiveness measures under the Kosovo Reform Agenda Policy Area 3	Workstream 1 & 2	Immediate
Develop integrated Single Market Highway sector roadmaps for priority industries.	Linked to Reform Agenda 3.1.1 and 3.1.3 on FDI attraction, industrial upgrading, export promotion, and support for higher value-added production sectors	Workstream 1	Medium-term
Expand domestic conformity assessment, certification, testing, and metrology infrastructure.	Supports acquis alignment, industrial competitiveness, certification capacities, and export readiness under the Reform Agenda industrial and business environment reforms	Workstream 2	Medium-term
Strengthen industry-linked vocational education and technical certification systems.	Linked to Reform Agenda 4.2.2 on aligning education and VET systems with labour market needs and business cooperation	Workstream 1 & 3	Medium-term

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Strengthen governance and coordination of the quality infrastructure ecosystem.	Supports implementation capacities for acquis alignment, market surveillance, and industrial competitiveness	Workstream 2	Medium-term

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