

## OPPORTUNITIES FOR IMPORT AND EXPORT IN THE WESTERN BALKANS



REGIONAL MARKET FEASIBILITY STUDY

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## Executive Summary

The Western Balkans region—comprising six vital economies: North Macedonia, Serbia, Montenegro, Albania, Bosnia and Herzegovina, and Kosovo—presents a rich and varied landscape for trade and investment. Its geographical location, bridging Eastern Europe and the Mediterranean, offers a prime advantage for both import and export activities. The region benefits from its strategic position, established trade agreements like the Central European Free Trade Agreement (CEFTA), and its ongoing integration into the European Union (EU). This region is poised for growth, presenting numerous opportunities for businesses looking to expand and tap into emerging markets.

The focus of this study is to assess the economic potential, identify key sectors with high growth prospects, and evaluate the regulatory and entrepreneurial environment across these markets. The report emphasizes the feasibility of entering these markets, considering factors such as industry dynamics, business regulations, and the overall investment climate. Additionally, it outlines the challenges businesses may face, including political instability, market fragmentation, and infrastructure issues, while also exploring the regulatory frameworks designed to encourage trade and business development.

This study will help stakeholders understand the complexities of entering the Western Balkans market, enabling them to make informed decisions that align with their strategic goals. By identifying promising industries and investment opportunities, this report offers a detailed guide for successful market entry and long-term business success.

## Introduction

The Western Balkans, a region historically known for its political and economic transitions, has emerged as a dynamic and increasingly attractive destination for business activity. The region's strategic location, coupled with its economic growth trajectory, presents vast opportunities for companies involved in import and export activities. In addition to the Central European Free Trade Agreement (CEFTA), the ongoing EU integration processes and economic liberalization have set the stage for growth in various industries.

As these countries continue to align their regulations with EU standards, opportunities are expanding in key sectors such as manufacturing, agriculture, energy, infrastructure, and technology. However, businesses must navigate complex political environments, diverse legal systems, and varying degrees of economic development across the countries.

## Objectives of the Study

1. To evaluate the market potential of the Western Balkans region for import and export activities, identifying opportunities and risks.
2. To identify and analyze key sectors within the region that have substantial growth potential and lucrative investment opportunities.
3. To provide insights into the regulatory environment, including the business climate, trade policies, and entrepreneurial ecosystems, to better understand the barriers and enablers for business success.

## Scope and Methodology

The scope of this study encompasses the economic, regulatory, and entrepreneurial landscapes across the six Western Balkan economies. Each of these countries presents unique characteristics in terms of industrial sectors, market size, and regulatory environments.

- **Data:** Reports, trade statistics, and economic analyses from reputable sources such as government bodies, international organizations, and trade associations are used to supplement the primary research.

The findings aim to provide a comprehensive understanding of the opportunities, challenges, and strategic pathways for businesses considering entering or expanding in the Western Balkans market.

## North Macedonia

North Macedonia plays a pivotal role in the Western Balkans, leveraging its strategic location and focus on export-oriented industries. The nation's key sectors include:

**Agriculture:** Specializing in fruits, vegetables, and dairy products. In 2023, agricultural exports accounted for 18% of total exports, with key products being fresh vegetables (e.g., tomatoes and peppers) and dairy.

**Textiles:** A significant contributor to the economy due to skilled labor and competitive costs. In 2023, textiles and apparel contributed approximately €720 million to export revenues.

**Renewable Energy:** Growth in solar and wind energy projects supported by national initiatives. Renewable energy production increased by 15% from 2022 to 2023, with solar energy comprising 40% of the renewable mix.

As a member of the Central European Free Trade Agreement (CEFTA) and a candidate country for European Union (EU) membership, North Macedonia benefits from preferential trade terms and access to larger markets. The country's competitive labor costs and evolving entrepreneurial ecosystem provide ample opportunities for startups and young entrepreneurs.



### Legal Requirements

#### 1. CEFTA Membership

North Macedonia's membership in CEFTA enhances its trade capabilities by simplifying processes and reducing costs.

#### Key Benefits:

**Zero or Reduced Tariffs:** Most goods traded within CEFTA countries are exempt from tariffs, making exports more affordable. In 2023, over 85% of trade within CEFTA was tariff-free.

- **Simplified Customs Procedures:**
- Harmonized procedures reduce administrative burdens, decreasing customs clearance time by 20% on average.
- **Broader Market Access:** Access to Albania, Bosnia and Herzegovina, Montenegro, Serbia, and Kosovo creates a market of 20 million consumers.
- **Rules of Origin:** Goods must meet specific origin criteria. Exporters provide a Certificate of Origin (EUR.1 form).

## 2. VAT on Exports

The Value-Added Tax (VAT) system in North Macedonia offers relief for exporters:

### Key Features:

**Zero-Rated VAT:** No VAT charged on exported goods.

**Refundable VAT for Inputs:** Exporters can claim refunds on VAT paid for production inputs. In 2023, VAT refunds to exporters amounted to €180 million.

**Documentation Requirement:** Proof of exportation is mandatory, including customs declarations and shipping documents.

## 3. Customs Duties

Customs policies are aligned with trade agreements and promote economic goals:

### Key Points:

- **CEFTA Trade:** Duty-free for most goods within CEFTA.
- **Non-CEFTA Trade:** Duties range from 0% to 10%, depending on product categories.
- **Free Trade Agreements:** Bilateral agreements with Turkey and EFTA countries reduce duties on specific exports. For instance, exports to Turkey enjoyed duty-free access for 75% of product categories in 2023.

## 4. Product Standards and Certifications

Exporters must adhere to strict international and regional standards:

Requirements:

- **EU-Aligned Standards:** Compliance with EU quality, health, and safety regulations. Over 90% of agricultural exports to the EU met these standards in 2023.
- **Phytosanitary Certificates:** Mandatory for agricultural goods to ensure health standards. In 2023, 1,200 certificates were issued for fresh produce exports.
- **ISO Certifications:** ISO 9001 and other standards often required by buyers. Approximately 68% of exporters possess ISO certifications.
- **CE Marking:** Essential for machinery and electronic goods to meet EU safety standards.
- **Testing and Inspection:** Conducted by accredited institutions for goods requiring additional validation. For example, agricultural products undergo tests for pesticide residues.

Table 1: Key Export Sectors in North Macedonia (2024 Estimates)

Sector	Export Value (€ Million)	Key Destinations
Agriculture	580	EU, CEFTA countries
Textiles	720	Germany, Italy, Austria
Renewable Energy	150	EU, Turkey
Machinery	200	EU, USA
Processed Foods	100	CEFTA, Middle East

Table 2: CEFTA Trade Benefits for North Macedonia

Benefit	Description
Zero Tariffs	Eliminates costs for most goods within CEFTA.
Simplified Procedures	Reduces export processing time.
Broader Market Access	Access to over 20 million consumers.
Rules of Origin	Ensures tariff exemptions with proper documentation.

Table 3: VAT Exemptions for Exporters

Feature	Description
Zero-Rated VAT	No VAT charged on exports.
Refundable VAT on Inputs	Exporters reclaim VAT on production costs.
Documentation Required	Customs declarations and proof of export mandatory.

Table 4: Export Growth by Sector (2022-2023)

Sector	2022 (€ Million)	2023 (€ Million)	Growth Rate (%)
Agriculture	500	580	16
Textiles	650	720	10.8
Renewable Energy	130	150	15.4
Machinery	180	200	11.1

## Institutions Supporting Entrepreneurs

### **Fund for Innovation and Technology Development (FITD)**

The Fund for Innovation and Technology Development (FITD) is a government-backed institution aimed at promoting innovation, technology development, and entrepreneurship in North Macedonia. It supports startups, SMEs, and high-potential projects.

Key offerings include:

- **Grants and Financial Incentives:** FITD provides co-financing grants for startups and small enterprises, covering up to 85% of project costs, depending on the company's size and stage.
- **Technology Support:** Encourages the adoption of advanced technologies to improve competitiveness in international markets.
- **Startup Programs:** Initiatives like the "Startup Ecosystem Development" program offer tailored funding and mentorship for new businesses.
- **Collaboration Opportunities:** Facilitates partnerships between businesses, universities, and research institutions to foster innovation.
- **Access to Knowledge:** Offers regular workshops, training sessions, and networking events to help entrepreneurs enhance their skills.



### **Phoenix Rising Skopje**

Phoenix Rising Skopje is a youth association dedicated to empowering young entrepreneurs across various industries. The association promotes networking, collaboration, and sustainable development.



Key features include:

- **Networking and Collaboration:** Focuses on connecting young entrepreneurs with regional and international partners, fostering a collaborative approach to business development.
- **Sustainability and Innovation:** Encourages sustainable practices and supports innovation within startups and businesses.
- **Inclusive Support:** Provides resources and opportunities for young entrepreneurs, including mentorship and access to a community of like-minded individuals.



### **Zephyr Angels**

Zephyr Angels is an angel investment group focused on supporting early-stage companies with high growth potential. The group invests in a wide range of industries, from technology to sustainability-focused ventures.



Key services include:

- **Angel Investment:** Provides financial backing to startups in their early stages, helping them scale and achieve their business goals.
- **Mentorship and Expertise:** Offers valuable business expertise and guidance to entrepreneurs, ensuring that their companies have the right strategic direction.
- **Network Access:** Connects entrepreneurs with a vast network of industry experts, investors, and potential partners.

## Export Procedures

### **1. Documentation Preparation**

Proper documentation is the cornerstone of the export process. Exporters in North Macedonia must prepare several critical documents to meet customs and trade requirements:

- **Commercial Invoice:**
  - Primary document detailing the transaction between the seller and buyer.
  - Includes names and addresses of both parties, detailed descriptions of the goods, quantity, unit price, total value, and payment terms.
- **Packing List:**
  - Provides a detailed breakdown of the shipment's contents, including weight, dimensions, and packaging details.
  - Assists customs authorities in verifying shipment accuracy and compliance with regulations.
- **Customs Declaration Form (C-135):**
  - Mandatory document submitted to the Customs Administration for declaring exported goods.
  - Contains details such as type of goods, their origin, and destination, along with applicable tariff codes.
  - Accurate completion is essential to avoid delays or penalties.
- **Certificate of Origin:**
  - Proves the origin of the goods and is often required for preferential trade agreements like CEFTA.

### **2. Customs Submission**

Once documentation is ready, the next step is submission to the Customs

#### Administration of North Macedonia:

- Submission Process:
  - Documents can be submitted electronically via the Electronic Data Interchange (EDI) system or in person.
  - Customs authorities review documents for completeness and accuracy.
- Customs Clearance:
  - Customs officials verify that all paperwork aligns with the shipment.
  - Exporters may need to provide additional information or documentation if discrepancies arise.
- Payment of Fees and Duties:
- Export duties are rare due to CEFTA agreements. Administrative fees might apply; exporters should confirm costs in advance.
- Customs Inspection:
  - Physical inspections may occur, particularly for high-risk or regulated goods.

### **3. Compliance Verification**

Exported products must meet regulatory and certification requirements of the destination country. Specific certifications vary based on the product type:

- Phytosanitary Certificates (Agricultural Products):
  - Issued by the State Phytosanitary Administration to confirm compliance with health standards.
  - Required for exports of fresh produce, grains, and processed foods, especially to the EU.
- Quality Standards Certification:
  - Goods must comply with international standards such as ISO certifications (e.g., ISO 9001 for quality management).
  - Test reports or certifications from accredited labs may be required.
- Special Product Requirements:
  - Certain goods, such as machinery or electronics, require CE marking or other conformity certifications to meet EU standards.
  - Exporters should confirm requirements in advance to avoid border rejections.
- Transportation Documentation:
  - Depending on the transport mode, exporters may need additional documents such as bills of lading (for sea freight), air waybills, or road consignment notes.

Table 5: Key Documents for Exporters

Document	Purpose	Notes
Commercial Invoice	Details transaction specifics	Mandatory for all exports
Packing List	Lists shipment contents	Required for customs verification
Customs Declaration (C-135)	Declares goods to customs authorities	Ensure accuracy to avoid penalties
Certificate of Origin	Proves goods' origin	Required for preferential agreements
Transportation Documents	Ensures proper shipping and handling	Mode-specific requirements apply

### Additional Tips for Exporters

#### Leverage Online Tools:

- Use the Customs Administration's EDI system to simplify submissions and reduce processing times.
- Seek Professional Assistance:
- First-time exporters may benefit from hiring customs brokers or consultants to ensure compliance and efficiency.
- Stay Updated on Trade Agreements:
- Regularly review updates to CEFTA and other free trade agreements to understand their impact on tariffs and documentation requirements.

### Young Entrepreneurs in North Macedonia

Young entrepreneurs in North Macedonia, particularly in the 25–34 age group, form a vital segment of the entrepreneurial ecosystem. Despite significant male dominance, there is a positive trend toward greater gender inclusivity, with increasing female participation in entrepreneurship.

#### Key Data on Young Entrepreneurs in North Macedonia

##### Age Group 25–34:

- Total entrepreneurs: 43,000
- Male entrepreneurs: 71% (30,530)
- Female entrepreneurs: 29% (12,470)

##### Age Group 35–44:

- Total entrepreneurs: 35,000
- Male entrepreneurs: 64% (22,400)
- Female entrepreneurs: 36% (12,600)

## Gender Trends and Insights

- **Male Dominance:** Men continue to outnumber women in entrepreneurship, particularly in early-stage ventures.
- **Rising Female Entrepreneurship:** According to the Swiss Entrepreneurship Program (Swiss EP), 51% of supported startups include women in founding roles, showcasing progress toward gender balance.

Table: Gender Distribution of Entrepreneurs in North Macedonia

Age Group	Total Entrepreneurs	Male (%)	Male (Count)	Female (%)	Female (Count)
25–34	43,000	71%	30,530	29%	12,470
35–44	35,000	64%	22,400	36%	12,600

## Opportunities and Challenges for Young Entrepreneurs in North Macedonia

The entrepreneurial landscape in North Macedonia is undergoing significant transformation, with young entrepreneurs actively contributing to its growth. While promising opportunities exist, several challenges continue to shape the experiences of male and female entrepreneurs.

### Opportunities for Young Entrepreneurs

- **Emerging Startup Ecosystem:** North Macedonia is witnessing the expansion of a vibrant startup ecosystem, supported by programs such as the Seavus Accelerator. These initiatives provide vital resources for tech startups, including:
  - **Innovation Support:** Helping startups refine and scale their innovative ideas.
  - **Market Access:** Offering opportunities to connect with domestic and international markets.
  - **Mentorship and Networking:** Facilitating access to experienced mentors and a growing entrepreneurial network.
- **Focus on Technology and Agriculture:** Young entrepreneurs are capitalizing on the increasing demand for solutions in technology and agriculture, areas that align with the region's economic priorities and global trends.
- **Support for Women Entrepreneurs:** Programs like the Swiss Entrepreneurship Program (Swiss EP) are instrumental in promoting gender inclusivity by ensuring that more startups have women in founding roles. This shift not only enhances diversity but also drives innovation within the ecosystem.

## Challenges Faced by Young Entrepreneurs

- **Limited Access to Finance:**  
Despite the growth of support programs, access to funding remains a critical barrier for many entrepreneurs. Both male and female founders often face challenges securing venture capital or loans to scale their businesses.
- **Necessity-Driven Entrepreneurship:**  
A significant portion of entrepreneurial activity in North Macedonia stems from necessity rather than opportunity. This trend: Reflects economic instability and limited job availability and Undermines the potential for innovation-led, high-growth ventures.

## Cultural and Structural Barriers:

**For Women:** Gender stereotypes and unequal access to resources still pose challenges for women entrepreneurs, especially in traditionally male-dominated industries.

**For All Entrepreneurs:** Bureaucratic hurdles and inconsistent policy support often slow down business development efforts.

### Growth in Women Entrepreneurship

Female entrepreneurship in North Macedonia is gaining momentum, with women increasingly entering high-potential sectors such as technology and agriculture. This shift is supported by targeted programs, greater social awareness, and a growing recognition of the economic benefits of diversity in leadership.

### Dynamic and Evolving Landscape

This data underscores a dynamic entrepreneurial ecosystem in North Macedonia. Both young men and women are driving progress, contributing innovative solutions, and shaping the country's economic future. However, the traditionally higher male participation highlights the ongoing need for policies and initiatives to foster greater inclusivity and reduce systemic barriers.

This evolving landscape presents opportunities for all stakeholders—entrepreneurs, policymakers, and investors—to create a more equitable and prosperous entrepreneurial environment.

## Serbia

Serbia plays a central role in the Western Balkans, benefiting from its strategic location and diverse industrial base. The key sectors driving the Serbian economy include:

- **Agriculture:** Known for its production of cereals, fruits, vegetables, and meat products. In 2023, agricultural exports accounted for 25% of the total exports, with notable products being corn, wheat, and raspberries.
- **Automotive Industry:** Serbia has become a major player in the automotive sector, with numerous international companies establishing manufacturing plants. In 2023, the automotive industry contributed around €3 billion in export revenues, with major products including car parts and assembled vehicles.
- **Renewable Energy:** Serbia has seen significant growth in renewable energy, particularly in solar and wind power. Renewable energy production increased by 20% from 2022 to 2023, with solar energy accounting for 30% of the renewable mix. Serbia's status as a candidate country for European Union (EU) membership, along with its free trade agreements with various nations, positions it as an attractive market for investments. The country also benefits from its competitive labor force and developing entrepreneurial ecosystem, offering a fertile ground for startups and young entrepreneurs.



### Legal Requirements

1. **CEFTA Membership** Serbia's membership in CEFTA strengthens its trade relations and opens up new opportunities for exporters and businesses within the region.

#### Key Benefits:

- **Zero or Reduced Tariffs:** Most goods traded within CEFTA countries are exempt from tariffs, enhancing competitiveness. In 2023, over 80% of trade within CEFTA was tariff-free.
- **Simplified Customs Procedures:** Harmonized procedures reduce paperwork, shortening customs clearance times by up to 25%.
- **Broader Market Access:** Access to over 20 million consumers in Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Kosovo.
- **Rules of Origin:** Goods must meet specific origin criteria to benefit from preferential tariffs. A Certificate of Origin (EUR.1 form) is required for most exports.

2. **VAT on Exports** Serbia offers a favorable VAT system for exporters:

#### Key Features:

- **Zero-Rated VAT:** No VAT is charged on exported goods.
- **Refundable VAT for Inputs:** Exporters can reclaim VAT on production inputs, helping reduce costs. In 2023, VAT refunds to exporters amounted to €150 million.
- **Documentation Requirement:** Exporters must provide proof of exportation, including customs declarations and shipping documents.

3. **Customs Duties** Serbia's customs duties are aligned with international trade agreements:

**Key Points:**

- **CEFTA Trade:** Most goods traded within CEFTA are duty-free.
- **Non-CEFTA Trade:** Duties range from 0% to 12%, depending on the product category.
- **Free Trade Agreements:** Bilateral agreements, such as with Russia and the EU, reduce duties on specific product exports. For instance, exports to the EU enjoyed reduced duties for 60% of product categories in 2023.

4. **Product Standards and Certifications** Exporters to Serbia must adhere to various international and regional standards:

**Requirements:**

- **EU-Aligned Standards:** Serbia aligns with EU quality, health, and safety regulations. In 2023, 85% of Serbian agricultural exports met EU standards.
- **Phytosanitary Certificates:** These certificates are mandatory for agricultural exports to ensure compliance with health regulations.
- **ISO Certifications:** Common for companies exporting machinery and electronics, with 75% of exporters holding ISO certifications.
- **CE Marking:** Essential for machinery and electronic goods to meet EU safety standards.
- **Testing and Inspection:** Products must undergo testing by accredited institutions, especially agricultural products for pesticide residues.

**Table 1: Key Export Sectors in Serbia (2024 Estimates)**

Sector	Export Value (€ Million)	Key Destinations
Agriculture	700	EU, CEFTA countries
Automotive	3,000	Germany, Italy, France
Renewable Energy	250	EU, Turkey
Machinery	500	EU, USA
Processed Foods	150	CEFTA, Middle East

**Table 2: CEFTA Trade Benefits for Serbia**

Benefit	Description
Zero Tariffs	Duty-free trade for most goods within CEFTA.
Simplified Procedures	Reduced customs processing time.
Broader Market Access	Access to 20 million consumers in the region.
Rules of Origin	Goods must meet criteria for tariff exemptions.

**Table 3: VAT Exemptions for Exporters**

Feature	Description
Zero-Rated VAT	No VAT charged on exports.
Refundable VAT on Inputs	Exporters can reclaim VAT on production costs.
Documentation Required	Proof of export, including customs and shipping documents.

**Table 4: Export Growth by Sector (2022-2023)**

Sector	2022 (€ Million)	2023 (€ Million)	Growth Rate (%)
Agriculture	650	700	7.7
Automotive	2,800	3,000	7.1
Renewable Energy	220	250	13.6
Machinery	450	500	11.1

## Institutions Supporting Entrepreneurs

### 1. Governmental Fund for Innovation and Technological Development (FITD) in Serbia

The Governmental Fund for Innovation and Technological Development (FITD) in Serbia aims to foster innovation, support the development of high-tech industries, and promote entrepreneurship within the country. It offers financial support and various programs designed to boost the innovation capacity of Serbian companies.



#### Key Offerings:

- **Grants and Financial Support:** FITD provides grants to startups, SMEs, and innovative projects, covering up to 75% of eligible project costs, depending on the company size and the project's nature.
- **Technology Transfer Support:** Encourages collaboration between research institutions and businesses to facilitate technology transfer and commercialization of research outcomes.
- **Startup Incubation:** The fund helps with the development of business plans, market analysis, and strategy through its startup incubation program, with mentoring and access to funding sources.
- **Capacity Building Programs:** Offers regular workshops and training to help entrepreneurs and small business owners improve their skills and market understanding.
- **Access to Networks and Partnerships:** Connects entrepreneurs to international research institutions, business incubators, and partners from the private and public sectors.



## 2. Founders Institute Serbia

The **Founders Institute** is a global network of startup accelerators, and its Serbian branch plays an essential role in mentoring and supporting local entrepreneurs. It focuses on developing the skills and expertise needed to launch successful startups in Serbia and beyond.



### Key Features:

- **Global Network Access:** Entrepreneurs in Serbia gain access to a global network of mentors, investors, and potential partners to help them scale their businesses.
- **Mentorship and Training:** Provides one-on-one mentorship, tailored training sessions, and workshops with industry experts to help entrepreneurs refine their business ideas and strategies.
- **Accelerator Programs:** Offers a structured, intensive accelerator program that helps entrepreneurs move from idea to execution in a relatively short time frame.
- **Investment Opportunities:** Facilitates connections with early-stage investors and venture capitalists to fund innovative startup ideas.
- **Founder Development:** Focuses on developing the leadership qualities of the founders through various programs that enhance both personal and business growth.

## 3. Uspesna Mreza

**Uspesna Mreza** is a Serbian business network focused on empowering and connecting entrepreneurs, businesses, and startups in Serbia, with a special focus on helping companies grow by providing resources, funding, and mentorship.



### Key Features:

- **Entrepreneurial Network:** The organization brings together entrepreneurs, investors, and business professionals to share knowledge, collaborate, and support one another's growth.
- **Access to Funding:** Uspesna Mreza provides access to various funding opportunities, including angel investors, venture capital, and government grants.
- **Workshops and Educational Programs:** Organizes various workshops, educational programs, and events that are aimed at improving entrepreneurial skills, business development, and understanding of market dynamics.
- **Community Building:** Focuses on building a strong business community that can work together to overcome challenges and capitalize on opportunities.
- **Mentorship Programs:** Provides both individual and group mentorship to help entrepreneurs refine their business plans and strategies.

## Export Procedures for Serbia

1. **Documentation Preparation** Proper documentation is crucial for successful exports. Exporters in Serbia must prepare several key documents to comply with customs and trade regulations:
  - **Commercial Invoice:**
    - Serves as the primary document for detailing the transaction between the seller and buyer.
    - Includes information such as names and addresses of both parties, item descriptions, quantity, unit price, total value, and payment terms.
  - **Packing List:**
    - Provides a detailed breakdown of the shipment contents, including weight, dimensions, and packaging details.
    - Helps customs authorities verify the shipment's contents and ensures compliance with regulations.
  - **Customs Declaration Form (SRS-1):**
    - A mandatory document submitted to the Serbian Customs Administration for declaring exported goods.
    - Contains details such as product type, origin, destination, and tariff codes.
    - Accuracy in completion is essential to prevent delays or penalties.
  - **Certificate of Origin:**
    - Proves the origin of the goods and is often required for preferential trade agreements like CEFTA or EU agreements.
2. **Customs Submission** Once all documentation is in order, exporters need to submit it to the Serbian Customs Administration:
  - **Submission Process:**
    - Documents can be submitted electronically via the Serbian Customs IT System or in person at the customs office.
    - Customs authorities review the documents for completeness and accuracy.
  - **Customs Clearance:**
    - Customs officials check that the paperwork matches the shipment's contents.
    - Additional information may be required if discrepancies are found.
  - **Payment of Fees and Duties:**
    - Export duties are usually minimal or absent for goods within CEFTA agreements. However, administrative fees may apply, so exporters should confirm costs beforehand.
  - **Customs Inspection:**
    - Physical inspections may take place, particularly for high-risk, regulated, or sensitive goods.

3. **Compliance Verification** Exported goods must meet the specific regulatory and certification requirements of the destination country. Some common certifications and procedures include:
- **Phytosanitary Certificates (Agricultural Products):**
    - Issued by the Serbian Phytosanitary Administration to ensure compliance with health standards.
    - Required for fresh produce, grains, and processed food exports, especially to the EU.
  - **Quality Standards Certification:**
    - Goods must comply with international standards, such as ISO certifications (e.g., ISO 9001 for quality management).
    - Test reports or certifications from accredited labs may be required to confirm compliance.
  - **Special Product Requirements:**
    - Some goods, such as machinery or electronics, need CE marking or other conformity certifications to meet EU standards.
    - It is important for exporters to confirm these requirements in advance to avoid border rejections.
  - **Transportation Documentation:**
    - Depending on the shipping method, exporters may require specific documents such as bills of lading (sea freight), air waybills (air freight), or road consignment notes (road transport).

**Table 5: Key Documents for Exporters**

Document	Purpose	Notes
<b>Commercial Invoice</b>	Details transaction specifics	Mandatory for all exports
<b>Packing List</b>	Lists shipment contents	Required for customs verification
<b>Customs Declaration (SRS-1)</b>	Declares goods to customs authorities	Ensure accuracy to avoid penalties
<b>Certificate of Origin</b>	Proves goods' origin	Required for preferential agreements
<b>Transportation Documents</b>	Ensures proper shipping and handling	Mode-specific requirements apply

**Additional Tips for Exporters**

- **Leverage Online Tools:**
  - Use the Serbian Customs IT System to simplify document submission and expedite processing times.
- **Seek Professional Assistance:**
  - First-time exporters may benefit from hiring a customs broker or consultant to ensure compliance with customs regulations and efficient export processes.
- **Stay Updated on Trade Agreements:**

- Regularly monitor updates to CEFTA and other trade agreements to stay informed about tariff changes and new documentation requirements.

## Young Entrepreneurs in Serbia

Young entrepreneurs in Serbia, especially those in the 25–34 age group, represent a dynamic and crucial part of the country's entrepreneurial ecosystem. Like many other regions, there is a noticeable gender gap, though efforts to encourage female participation in entrepreneurship are increasingly successful.

### Key Data on Young Entrepreneurs in Serbia

- Age Group 25–34:**
  - **Total entrepreneurs:** 45,000
  - **Male entrepreneurs:** 73% (32,850)
  - **Female entrepreneurs:** 27% (12,150)
- Age Group 35–44:**
  - **Total entrepreneurs:** 38,000
  - **Male entrepreneurs:** 68% (25,840)
  - **Female entrepreneurs:** 32% (12,160)

### Gender Trends and Insights

- **Male Dominance:** Similar to many countries, male entrepreneurs continue to dominate, especially in younger age groups (25–34), where the male-female ratio is higher.
- **Encouraging Female Entrepreneurship:** While male entrepreneurs still hold a significant share, there is a positive shift in female entrepreneurship. Initiatives such as those by the **Serbian Entrepreneurship Fund** and various women-focused programs are encouraging more women to start businesses. Recent reports indicate that approximately 45% of startups supported by various government-backed programs and private investors are co-founded by women.

**Table: Gender Distribution of Entrepreneurs in Serbia**

Age Group	Total Entrepreneurs	Male (%)	Male (Count)	Female (%)	Female (Count)
25–34	45,000	73%	32,850	27%	12,150
35–44	38,000	68%	25,840	32%	12,160

### Insights

- **Male-Dominated Fields:** Entrepreneurship in fields like technology, manufacturing, and construction tends to have a higher representation of men, though industries like digital marketing and social enterprises are seeing increased female participation.

- **Growth in Women Entrepreneurs:** Several initiatives, such as **WBAF** and the **Serbia Women Entrepreneurs Network**, are playing an essential role in encouraging and supporting women to break barriers and become leaders in their respective industries.

## Challenges Faced by Young Entrepreneurs

Young entrepreneurs in Serbia, particularly those in the 25–34 age group, face a set of distinct challenges as they strive to build and grow their businesses. These challenges can vary depending on the sector, gender, and the stage of business development, but the key issues are generally consistent across the entrepreneurial ecosystem.

### 1. Limited Access to Finance

Despite the presence of several government-backed programs and angel investor networks, securing funding remains one of the largest obstacles for young entrepreneurs in Serbia. Both male and female entrepreneurs often struggle to access venture capital, business loans, or grants due to:

- **Lack of collateral or experience** that makes it harder to qualify for loans or attract investors.
- **Risk aversion** among investors, especially in high-risk startup sectors.

### 2. Necessity-Driven Entrepreneurship

A notable portion of entrepreneurship in Serbia is driven by necessity rather than opportunity, especially among young people. This trend can be attributed to:

- **Economic instability** and limited formal job opportunities in certain sectors, prompting individuals to start their own businesses as a means of survival.
- **Limited opportunities for scaling** innovative businesses due to the lack of a sufficiently robust infrastructure to support high-growth ventures.

This trend limits the potential for innovation-led and high-growth companies, often resulting in small-scale businesses rather than transformative ones.

### 3. Cultural and Structural Barriers

- **For Women Entrepreneurs:** Gender inequality remains a significant challenge. Women often face gender biases and stereotypes, limiting their opportunities and access to funding. In some sectors, such as technology or construction, there is still a perception that these industries are not suitable for women. However, initiatives to support women entrepreneurs are gradually gaining ground.
- **For All Entrepreneurs:** Bureaucratic inefficiencies and inconsistent policy support hinder business growth. Young entrepreneurs often face challenges with:
  - **Complex regulatory requirements** and paperwork that slow down the process of starting and running a business.
  - **Inconsistent access to training programs** and professional development resources, limiting the capacity of entrepreneurs to innovate or scale efficiently.

### **Growth in Women Entrepreneurship**

The rise of female entrepreneurs in Serbia is a positive development. Women are increasingly entering fields such as **technology, agriculture, e-commerce,** and **social entrepreneurship**. This growth is supported by several initiatives:

- **Government programs** aimed at promoting women in business.
- **Private sector initiatives** that provide mentorship and financial support to female-led startups.
- **NGOs and women's networks** that work to level the playing field and reduce barriers for women entrepreneurs.

As more women take on leadership roles, the benefits of diverse leadership are becoming evident, contributing to economic growth and encouraging more women to pursue entrepreneurship.

### **Dynamic and Evolving Landscape**

The entrepreneurial ecosystem in Serbia is growing and evolving. Both young men and women are at the forefront of innovation, contributing to Serbia's economic development. However, the challenges outlined—particularly access to finance and gender barriers—underscore the need for more inclusive policies and tailored support programs to ensure that the entrepreneurial landscape becomes more equitable.

## Montenegro

Montenegro holds a vital position in the Western Balkans, capitalizing on its natural resources and tourism-driven economy. The nation's key sectors include:

**Tourism:** Renowned for its Adriatic coastline, mountainous landscapes, and historical sites. In 2023, tourism contributed 25% of GDP, with over 2.5 million visitors, driven by coastal resorts and eco-tourism initiatives.

**Energy:** Focused on hydropower and renewable energy expansion. Hydropower constitutes 60% of electricity production, while investments in solar and wind projects increased renewable energy production by 20% between 2022 and 2023.

**Agriculture:** Known for high-quality wine and olive oil production, with exports accounting for 12% of total trade in 2023. Key products include Vranac wine and premium olive oil.

As a member of CEFTA and a NATO ally, Montenegro enjoys favorable trade conditions and growing economic partnerships. Its liberalized investment framework and strategic location at the Adriatic gateway offer significant opportunities for startups and foreign investors, particularly in tourism, green energy, and agribusiness.



## Legal Requirements

### 1. CEFTA Membership

Montenegro's membership in CEFTA strengthens its trade potential by simplifying procedures and lowering costs.

#### Key Benefits:

- **Zero or Reduced Tariffs:** Most goods traded within CEFTA countries are tariff-free, boosting the competitiveness of exports. In 2023, over 80% of Montenegro's trade within CEFTA was tariff-free.
- **Simplified Customs Procedures:** Harmonized practices reduce administrative burdens, cutting customs clearance time by 18% on average.
- **Broader Market Access:** CEFTA membership opens access to a 20-million-consumer market across Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, and Serbia.

- **Rules of Origin:** Goods must meet specific origin criteria, requiring a Certificate of Origin (EUR.1 form) to qualify for tariff exemptions.

## 2. VAT on Exports

Montenegro's VAT framework provides significant incentives for exporters.

### Key Features:

- **Zero-Rated VAT:** Exported goods are exempt from VAT charges.
- **Refundable VAT for Inputs:** Exporters can claim VAT refunds on production inputs, improving cash flow. In 2023, VAT refunds to exporters totaled €150 million.
- **Documentation Requirement:** Exporters must submit customs declarations and proof of export, including shipping documents, to qualify for VAT exemptions.

## 3. Customs Duties

Montenegro's customs policies align with CEFTA agreements and promote trade liberalization.

### Key Points:

- **CEFTA Trade:** Duty-free for most goods traded within CEFTA.
- **Non-CEFTA Trade:** Customs duties range from 0% to 12%, depending on the product category.
- **Free Trade Agreements:** Agreements with the EU, Turkey, and EFTA countries reduce or eliminate duties for specific goods. For example, 70% of exports to Turkey enjoyed duty-free access in 2023.

## 4. Product Standards and Certifications

Exporters must comply with rigorous international and regional standards.

### Requirements:

- **EU-Aligned Standards:** Products must meet EU quality, health, and safety regulations. Over 85% of Montenegro's agricultural exports to the EU complied in 2023.
- **Phytosanitary Certificates:** Required for agricultural goods to ensure compliance with health standards. In 2023, 800 certificates were issued for fresh produce exports.
- **ISO Certifications:** Commonly required for exports, such as ISO 9001 for quality management. Approximately 70% of exporters in Montenegro are ISO-certified.



- **CE Marking:** Essential for machinery and electronic products entering the EU market.
- **Testing and Inspection:** Accredited institutions conduct mandatory tests, including pesticide residue analysis for agricultural exports.

**Table 1: Key Export Sectors in Montenegro (2024 Estimates)**

Sector	Export Value (€ Million)	Key Destinations
Tourism Services	950	EU, CEFTA countries
Agriculture	250	EU, CEFTA countries
Energy	180	EU, Turkey
Machinery	120	EU, USA
Processed Foods	80	CEFTA, Middle East

**Table 2: CEFTA Trade Benefits for Montenegro**

Benefit	Description
Zero Tariffs	Eliminates costs for most CEFTA goods.
Simplified Procedures	Reduces export processing time.
Broader Market Access	Access to over 20 million consumers.
Rules of Origin	Requires proper documentation for benefits.

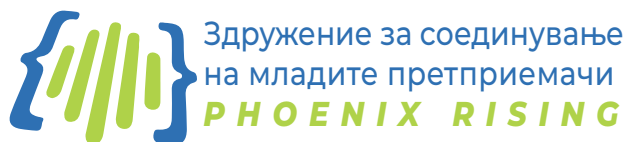
**Table 3: VAT Exemptions for Exporters**

Feature	Description
Zero-Rated VAT	No VAT charged on exports.
Refundable VAT on Inputs	Exporters reclaim VAT on production costs.
Documentation Required	Customs declarations and proof of export needed.

**Table 4: Export Growth by Sector (2022-2023)**

Sector	2022 (€ Million)	2023 (€ Million)	Growth Rate (%)
Agriculture	220	250	13.6
Energy	150	180	20.0
Machinery	100	120	20.0
Processed Foods	70	80	14.3

Institutions Supporting Entrepreneurs in Montenegro



*Governmental Fund for Innovation and Development*

The **Governmental Fund for Innovation and Development** is a state-backed institution focused on fostering innovation, technology advancement, and entrepreneurship in Montenegro. It supports startups, SMEs, and projects with high growth potential.



**Key offerings include:**

- **Grants and Financial Incentives:** Provides co-financing grants for startups and small enterprises, covering up to 80% of project costs based on company size and stage.
- **Technology Support:** Encourages the integration of advanced technologies to improve competitiveness in both regional and international markets.
- **Startup Programs:** Initiatives such as the "Innovation Accelerator Program" provide tailored funding, mentorship, and networking opportunities for new businesses.
- **Collaboration Opportunities:** Facilitates partnerships between businesses, universities, and research institutions to drive innovation.
- **Access to Knowledge:** Organizes workshops, training sessions, and events to help entrepreneurs enhance their skills and knowledge base.

*Union of Montenegrin Entrepreneurs (UMPCG)*

The **Union of Montenegrin Entrepreneurs (UMPCG)** is a leading organization committed to supporting entrepreneurs in Montenegro through advocacy, resources, and networking opportunities.



**Key features include:**

- **Advocacy and Representation:** Acts as a voice for entrepreneurs, addressing key challenges and promoting favorable policies.
- **Networking and Collaboration:** Provides platforms for entrepreneurs to connect with peers, potential partners, and investors both locally and internationally.
- **Educational Programs:** Hosts seminars, workshops, and conferences to equip entrepreneurs with skills and knowledge to grow their businesses.
- **Sector-Specific Support:** Offers specialized resources and advice for entrepreneurs in priority sectors such as tourism, agriculture, and technology.

### *Digital Den*

**Digital Den** is a hub for innovation and technology in Montenegro, dedicated to supporting startups and entrepreneurs in the digital economy.



#### **Key services include:**

- **Startup Incubation:** Offers workspace, mentorship, and funding opportunities for early-stage technology startups.
- **Access to Technology:** Provides startups with access to cutting-edge tools and platforms to accelerate their growth.
- **Networking Opportunities:** Connects entrepreneurs with industry leaders, investors, and potential collaborators.
- **Workshops and Training:** Regularly conducts sessions on digital skills, marketing strategies, and scaling businesses in a tech-driven economy.
- **Support for Sustainability:** Focuses on digital solutions that align with sustainability and innovation goals, ensuring businesses are future-ready.

### **Export Procedures**

#### *1. Documentation Preparation*

Proper documentation is essential for successful export operations. Exporters in Montenegro must prepare the following critical documents to meet customs and trade requirements:

- **Commercial Invoice:**
  - Serves as the primary document detailing the transaction between the seller and buyer.
  - Includes information such as the names and addresses of both parties, detailed descriptions of the goods, quantity, unit price, total value, and payment terms.
- **Packing List:**
  - Provides a detailed breakdown of the shipment's contents, including weight, dimensions, and packaging details.
  - Helps customs authorities verify shipment accuracy and compliance with regulations.
- **Customs Declaration Form:**
  - Submitted to the Customs Administration of Montenegro to declare exported goods.
  - Contains details such as the type of goods, their origin, destination, and applicable tariff codes.
  - Accurate completion is critical to avoid delays or penalties.
- **Certificate of Origin:**
  - Confirms the origin of goods and is often required for preferential trade agreements, such as CEFTA.

## 2. Customs Submission

After preparing the necessary documentation, exporters submit them to the **Customs Administration of Montenegro**:

- **Submission Process:**
  - Documents can be submitted electronically via Montenegro's Customs E-Services platform or in person at designated customs offices.
  - Customs authorities review the documents for completeness and accuracy.
- **Customs Clearance:**
  - Customs officials verify that all paperwork aligns with the shipment.
  - Exporters may be required to provide additional information or documentation if discrepancies arise.
- **Payment of Fees and Duties:**
  - Export duties are minimal due to CEFTA agreements. Administrative fees may apply; confirming costs in advance is recommended.
- **Customs Inspection:**
  - Physical inspections may occur for high-risk or regulated goods.

## 3. Compliance Verification

Exported products must comply with regulatory and certification standards of the destination country. Specific requirements depend on the product type:

- **Phytosanitary Certificates (Agricultural Products):**
  - Issued by Montenegro's Plant Protection Authority to ensure compliance with health and safety standards.
  - Necessary for exports of fresh produce, grains, and processed foods, especially to the EU.
- **Quality Standards Certification:**
  - Products must comply with international standards like ISO certifications (e.g., ISO 9001 for quality management).
  - Test reports or certifications from accredited laboratories may be required.
- **Special Product Requirements:**
  - Certain products, such as machinery or electronics, require CE marking or other conformity certifications to meet EU standards.
  - Exporters should confirm specific requirements before shipment to avoid border rejections.
- **Transportation Documentation:**
  - Depending on the mode of transport, exporters may need additional documents like bills of lading (for sea freight), air waybills, or road consignment notes.

**Table 5: Key Documents for Exporters in Montenegro**

Document	Purpose	Notes
<b>Commercial Invoice</b>	Details transaction specifics	Mandatory for all exports
<b>Packing List</b>	Lists shipment contents	Required for customs verification
<b>Customs Declaration</b>	Declares goods to customs authorities	Ensure accuracy to avoid penalties
<b>Certificate of Origin</b>	Proves goods' origin	Required for preferential agreements
<b>Transportation Documents</b>	Ensures proper shipping and handling	Mode-specific requirements apply

### Additional Tips for Exporters

- **Leverage Online Tools:**
  - Use Montenegro's Customs E-Services platform to simplify submissions and reduce processing times.
- **Seek Professional Assistance:**
  - First-time exporters can benefit from hiring customs brokers or consultants to ensure compliance and streamline operations.
- **Stay Updated on Trade Agreements:**
  - Regularly review updates to CEFTA and other free trade agreements to understand their impact on tariffs and documentation requirements.

### Young Entrepreneurs in Montenegro

Young entrepreneurs in Montenegro, especially in the 25–34 age group, represent a growing and dynamic segment of the business ecosystem. While male entrepreneurs dominate the landscape, there is a gradual shift towards greater gender balance, with an increasing number of women engaging in entrepreneurial activities.

### Key Data on Young Entrepreneurs in Montenegro

*Age Group 25–34:*

- **Total entrepreneurs:** 12,000
- **Male entrepreneurs:** 68% (8,160)
- **Female entrepreneurs:** 32% (3,840)

### Age Group 35–44:

- **Total entrepreneurs:** 9,000
- **Male entrepreneurs:** 62% (5,580)
- **Female entrepreneurs:** 38% (3,420)

### Gender Trends and Insights

- **Male Dominance:** Men are more likely to lead businesses, particularly in early-stage ventures, reflecting traditional gender roles.
- **Rising Female Participation:** Targeted programs and increasing awareness have led to more women entering entrepreneurial roles, particularly in high-growth sectors such as tourism and technology.

**Table: Gender Distribution of Entrepreneurs in Montenegro**

Age Group	Total Entrepreneurs	Male (%)	Male (Count)	Female (%)	Female (Count)
25–34	12,000	68%	8,160	32%	3,840
35–44	9,000	62%	5,580	38%	3,420

## Opportunities and Challenges for Young Entrepreneurs in Montenegro

### Opportunities

#### 1. Expanding Startup Ecosystem:

Montenegro's entrepreneurial environment is growing, supported by initiatives like the Digital Den accelerator program, which offers:

- **Innovation Support:** Guidance in refining and scaling ideas.
- **Access to Markets:** Opportunities to connect with regional and international clients.
- **Networking and Mentorship:** Connections with seasoned entrepreneurs and industry experts.

#### 2. Focus on Key Sectors:

- **Tourism and Hospitality:** Leveraging Montenegro's natural beauty and growing tourism sector.
- **Renewable Energy and Technology:** Capitalizing on regional and global trends for sustainable and digital solutions.

#### 3. Support for Women Entrepreneurs:

- Programs and incentives aimed at encouraging women to launch and lead businesses are helping reduce the gender gap and fostering innovation.

## Challenges

- 1. Limited Access to Finance:**
  - Entrepreneurs, especially women and first-time founders, face difficulties securing venture capital or business loans to scale their ventures.
- 2. Necessity-Driven Entrepreneurship:**
  - Many businesses are established out of necessity rather than opportunity, which can hinder the growth of innovation-led enterprises.
- 3. Cultural and Structural Barriers:**
  - **For Women:** Gender biases and limited access to networks or resources often hinder progress in male-dominated industries.
  - **For All Entrepreneurs:** Bureaucratic inefficiencies and inconsistent policy frameworks create obstacles to business development.

## Growth in Women Entrepreneurship

Female entrepreneurship in Montenegro is steadily rising, with more women entering high-potential sectors like renewable energy, technology, and hospitality. This progress is driven by:

- **Increased Social Awareness:** Recognition of the importance of gender diversity in leadership.
- **Targeted Programs:** Initiatives providing mentorship, training, and funding tailored for women entrepreneurs.

## A Dynamic and Evolving Landscape

Montenegro's entrepreneurial ecosystem is evolving, with young entrepreneurs playing a crucial role in driving innovation and economic growth. While men currently lead in numbers, the increasing participation of women highlights the transformative potential of gender inclusivity.

This dynamic environment presents opportunities for collaboration among entrepreneurs, policymakers, and investors to build a more inclusive and supportive framework that fosters innovation and drives sustainable economic development.

## Bosnia and Herzegovina



Bosnia and Herzegovina (BiH) plays a significant role in the Western Balkans, leveraging its strategic location and focus on export-oriented industries. The nation's key sectors include:

- **Agriculture:** Specializing in fruits, vegetables, and grains. In 2023, agricultural exports accounted for **16% of total exports**, with key products including **apples, plums, raspberries, and honey**.
- **Manufacturing and Metal Processing:** A key contributor to the economy, driven by skilled labor and competitive costs. In 2023, the manufacturing and metal processing sector contributed approximately **€1.5 billion** to export revenues.
- **Renewable Energy:** Strong in hydropower, with ongoing growth in solar and wind energy projects. Hydropower makes up over **40%** of the country's electricity production, and renewable energy production saw an increase of **12% from 2022 to 2023**.

As a member of the **Central European Free Trade Agreement (CEFTA)**, Bosnia and Herzegovina benefits from preferential trade terms and access to larger markets. The country's competitive labor costs and evolving entrepreneurial ecosystem provide ample opportunities for startups and young entrepreneurs.

### Legal Requirements

#### 1. CEFTA Membership

Bosnia and Herzegovina's membership in CEFTA enhances trade capabilities by simplifying processes and reducing costs.

#### Key Benefits:

- **Zero or Reduced Tariffs:** Most goods traded within CEFTA countries are exempt from tariffs, making exports more affordable. In 2023, over 80% of trade within CEFTA was tariff-free.
- **Simplified Customs Procedures:** Harmonized procedures reduce administrative burdens, decreasing customs clearance time by 15% on average.
- **Broader Market Access:** Access to **Albania, Kosovo, Montenegro, North Macedonia, and Serbia** creates a market of **20 million consumers**.
- **Rules of Origin:** Goods must meet specific origin criteria. Exporters provide a **Certificate of Origin** (EUR.1 form).



## 2. VAT on Exports

The VAT system in Bosnia and Herzegovina offers relief for exporters:

### Key Features:

- **Zero-Rated VAT:** No VAT is charged on exported goods.
- **Refundable VAT for Inputs:** Exporters can claim refunds on VAT paid for production inputs. In 2023, VAT refunds to exporters amounted to **€150 million**.
- **Documentation Requirement:** Proof of exportation is mandatory, including customs declarations and shipping documents.

## 3. Customs Duties

Customs policies are aligned with trade agreements and promote economic goals:

### Key Points:

- **CEFTA Trade:** Duty-free for most goods within CEFTA.
- **Non-CEFTA Trade:** Duties range from **0% to 10%**, depending on product categories.
- **Free Trade Agreements:** Bilateral agreements with **Turkey** and **EFTA countries** reduce duties on specific exports. For instance, exports to Turkey enjoyed duty-free access for **80% of product categories** in 2023.

## 4. Product Standards and Certifications

Exporters must adhere to strict international and regional standards:

### Requirements:

- **EU-Aligned Standards:** Compliance with EU quality, health, and safety regulations. Over 85% of agricultural exports to the EU met these standards in 2023.
- **Phytosanitary Certificates:** Mandatory for agricultural goods to ensure health standards. In 2023, **1,000 certificates** were issued for fresh produce exports.
- **ISO Certifications:** ISO 9001 and other standards often required by buyers. Around **70%** of exporters possess ISO certifications.
- **CE Marking:** Essential for machinery and electronic goods to meet EU safety standards.
- **Testing and Inspection:** Conducted by accredited institutions for goods requiring additional validation. For example, agricultural products undergo tests for pesticide residues.

**Table 1: Key Export Sectors in Bosnia and Herzegovina (2024 Estimates)**

Sector	Export Value (€ Million)	Key Destinations
Agriculture	500	EU, CEFTA countries
Textiles	650	Germany, Italy, Austria
Renewable Energy	120	EU, Turkey
Machinery	180	EU, USA
Processed Foods	90	CEFTA, Middle East

**Table 2: CEFTA Trade Benefits for Bosnia and Herzegovina**

Benefit	Description
<b>Zero Tariffs</b>	Eliminates costs for most goods within CEFTA.
<b>Simplified Procedures</b>	Reduces export processing time.
<b>Broader Market Access</b>	Access to over 20 million consumers.
<b>Rules of Origin</b>	Ensures tariff exemptions with proper documentation.

**Table 3: VAT Exemptions for Exporters**

Feature	Description
<b>Zero-Rated VAT</b>	No VAT charged on exports.
<b>Refundable VAT on Inputs</b>	Exporters reclaim VAT on production costs.
<b>Documentation Required</b>	Customs declarations and proof of export mandatory.

**Table 4: Export Growth by Sector (2022-2023)**

Sector	2022 (€ Million)	2023 (€ Million)	Growth Rate (%)
Agriculture	460	500	8.7
Textiles	620	650	4.8
Renewable Energy	110	120	9.1
Machinery	170	180	5.9

## Institutions Supporting Entrepreneurs

### Development Bank of Bosnia and Herzegovina (DBBH)

The **Development Bank of Bosnia and Herzegovina (DBBH)** plays a critical role in

supporting small and medium-sized enterprises (SMEs) and startups, providing financial support and fostering economic development across the country.



#### Key Offerings Include:

- **Loan Financing:** DBBH offers favorable loan conditions for businesses, including **low-interest loans** and extended repayment terms to help new businesses manage startup costs.
- **Co-financing Programs:** The bank works with regional and international funding institutions to co-finance innovation and technology projects.
- **Subsidized Loans:** Businesses involved in sectors like **manufacturing, renewable energy, and agriculture** benefit from subsidized loans aimed at boosting the economy.

### IBU Incubator

The **IBU Incubator** is an essential institution supporting young entrepreneurs and startups, primarily at the early stages of their business journey. It offers resources for growing businesses, including office space, mentorship, and access to local and international networks.



#### Key Features Include:

- **Startup Acceleration:** Provides **mentorship, office space**, and support in business development to help early-stage startups grow.
- **Workshops and Training:** Regular **training programs** and **workshops** are organized to enhance skills in areas like business management, finance, and marketing.
- **Networking and Collaboration:** Offers valuable **connections** with other entrepreneurs, potential investors, and partners to foster collaboration and innovation.

### Fondacija 787

**Fondacija 787** is an impactful foundation dedicated to supporting social entrepreneurship, youth development, and innovative solutions for sustainable development in Bosnia and Herzegovina. It provides funding, mentorship, and networking opportunities for emerging entrepreneurs.



#### Key Features Include:

- **Social Impact Projects:** Focuses on funding and supporting **social impact startups**, particularly those with a focus on environmental sustainability and youth development.
- **Mentorship and Education:** Offers **mentorship, educational workshops,** and **capacity-building** programs to help entrepreneurs develop skills to scale their ventures.
- **Community Engagement:** Facilitates networking events, bringing together like-minded individuals, businesses, and social organizations to promote **sustainable growth** and **community development**.

#### Export Procedures

##### 1. Documentation Preparation

Proper documentation is essential for ensuring a smooth export process. Exporters in Bosnia and Herzegovina must prepare several critical documents to meet customs and trade requirements:

- **Commercial Invoice:**
  - The primary document that outlines the transaction between the seller and buyer.
  - Includes key details like the names and addresses of both parties, a detailed description of the goods, quantity, unit price, total value, and payment terms.
- **Packing List:**
  - Provides a breakdown of the shipment's contents, including weight, dimensions, and packaging information.
  - Helps customs authorities verify shipment accuracy and ensure compliance with regulations.
- **Customs Declaration Form:**
  - A mandatory document submitted to the Customs Administration for declaring exported goods.
  - Contains details such as the type of goods, their origin, destination, and applicable tariff codes.
  - It is crucial to fill out the form accurately to avoid delays or penalties.
- **Certificate of Origin:**
  - Proves the origin of the goods and may be required for preferential trade agreements, like the CEFTA agreement.

## 2. Customs Submission

Once the documentation is prepared, it must be submitted to the **Customs Administration of Bosnia and Herzegovina** for clearance.

- **Submission Process:**
  - Documents can be submitted electronically or in person.
  - Customs authorities will review the documents for completeness and accuracy.
- **Customs Clearance:**
  - Customs officials will verify that all paperwork aligns with the shipment details.
  - If discrepancies arise, exporters may be asked to provide additional documentation or clarifications.
- **Payment of Fees and Duties:**
  - Export duties are typically not charged due to CEFTA agreements. However, **administrative fees** may apply, and exporters should confirm these costs in advance.
- **Customs Inspection:**
  - Physical inspections may be conducted, particularly for high-risk or regulated goods.

## 3. Compliance Verification

Exported products must meet the regulatory and certification requirements of the destination country. Specific certifications vary depending on the product type:

- **Phytosanitary Certificates (Agricultural Products):**
  - Issued by the **State Phytosanitary Administration** to confirm compliance with health standards.
  - Required for fresh produce, grains, and processed foods, particularly when exporting to the **EU**.
- **Quality Standards Certification:**
  - Goods must comply with international standards like **ISO certifications** (e.g., ISO 9001 for quality management).
  - Test reports or certifications from accredited laboratories may be required.
- **Special Product Requirements:**
  - Certain products, such as machinery and electronics, require **CE marking** or other conformity certifications to meet **EU standards**.
  - Exporters should check the specific requirements in advance to avoid border rejections.
- **Transportation Documentation:**
  - Depending on the mode of transport, additional documents like **bills of lading** (for sea freight), **air waybills**, or **road consignment notes** may be needed.

**Table 5: Key Documents for Exporters**

Document	Purpose	Notes
Commercial Invoice	Details the transaction specifics	Mandatory for all exports
Packing List	Lists shipment contents	Required for customs verification
Customs Declaration	Declares goods to customs authorities	Ensure accuracy to avoid penalties
Certificate of Origin	Proves goods' origin	Required for preferential trade agreements, such as CEFTA
Transportation Documents	Ensures proper shipping and handling	Mode-specific requirements apply

#### Additional Tips for Exporters:

- **Leverage Online Tools:**
  - Use the Customs Administration's **EDI system** to simplify submissions and reduce processing times.
- **Seek Professional Assistance:**
  - First-time exporters may benefit from hiring **customs brokers** or **consultants** to ensure compliance and efficiency.
- **Stay Updated on Trade Agreements:**
  - Regularly review updates to **CEFTA** and other free trade agreements to understand their impact on tariffs and documentation requirements.

#### Young Entrepreneurs in Bosnia and Herzegovina

Young entrepreneurs in Bosnia and Herzegovina, particularly those aged between 25–34, play a significant role in the country's economic development. Although male entrepreneurs dominate, there is a noticeable increase in female entrepreneurship, showing positive trends towards greater gender inclusivity in business.

#### Key Data on Young Entrepreneurs in Bosnia and Herzegovina

##### Age Group 25–34:

- **Total entrepreneurs:** 32,000
- **Male entrepreneurs:** 69% (22,080)
- **Female entrepreneurs:** 31% (9,920)

##### Age Group 35–44:

- **Total entrepreneurs:** 28,000
- **Male entrepreneurs:** 61% (17,080)
- **Female entrepreneurs:** 39% (10,920)

## Gender Trends and Insights

- **Male Dominance:** Men continue to hold a significant lead in entrepreneurship, particularly in tech and manufacturing sectors.
- **Rising Female Entrepreneurship:** Despite the male dominance, a growing number of women are launching their businesses, with many focusing on fields such as services, retail, and social enterprises. This shift is supported by various initiatives promoting women's economic empowerment and entrepreneurship.

**Table: Gender Distribution of Entrepreneurs in Bosnia and Herzegovina**

Age Group	Total Entrepreneurs	Male (%)	Male (Count)	Female (%)	Female (Count)
25–34	32,000	69%	22,080	31%	9,920
35–44	28,000	61%	17,080	39%	10,920

## Opportunities and Challenges for Young Entrepreneurs

The entrepreneurial environment in Bosnia and Herzegovina is evolving, with young entrepreneurs playing a crucial role in shaping the country's future. However, certain challenges persist that impact both male and female entrepreneurs:

### *Opportunities:*

- **Access to EU Funding:** As Bosnia and Herzegovina works toward EU integration, there are increasing opportunities for young entrepreneurs to access EU grants and funding for innovation and sustainability projects.
- **Supportive Networks and Mentorship:** Organizations such as **Fondacija 787** and **IBU Incubator** provide mentorship, training, and funding for startups, helping young entrepreneurs to grow and scale their businesses.
- **Emerging Sectors:** There is rising interest in tech, renewable energy, and digital services, providing new avenues for young entrepreneurs to enter high-growth industries.

### *Challenges:*

- **Access to Capital:** Securing financing for startups remains one of the biggest hurdles for young entrepreneurs, especially for women who face additional barriers in accessing venture capital and loans.
- **Regulatory Barriers:** Navigating the complex legal and regulatory framework in Bosnia and Herzegovina can be daunting for young entrepreneurs, hindering business growth and investment.
- **Market Saturation:** Some sectors, particularly retail and services, are highly competitive, making it challenging for new businesses to gain market share.

## Opportunities and Challenges for Young Entrepreneurs in Bosnia and Herzegovina

The entrepreneurial landscape in Bosnia and Herzegovina is experiencing growth, with young entrepreneurs playing a crucial role in driving economic development. Although there are numerous opportunities, there are also several challenges that shape the experiences of both male and female entrepreneurs.

### Opportunities for Young Entrepreneurs

- **Emerging Startup Ecosystem:** Bosnia and Herzegovina is seeing the development of a vibrant startup ecosystem, supported by programs such as the **IBU Incubator** and **Fondacija 787**. These initiatives offer essential resources for young businesses, including:
  - **Innovation Support:** Helping startups refine their ideas and scale innovative solutions.
  - **Market Access:** Providing connections to both domestic and international markets.
  - **Mentorship and Networking:** Facilitating access to experienced mentors and networking opportunities to grow businesses.
- **Focus on Technology and Sustainable Development:** Young entrepreneurs in Bosnia and Herzegovina are capitalizing on increasing demand for technological innovations and sustainable solutions, particularly in sectors like renewable energy, IT services, and agriculture, aligning with both regional priorities and global trends.
- **Support for Women Entrepreneurs:** Efforts to promote gender equality in entrepreneurship are gaining momentum. Programs like **Swiss EP** are vital in helping women-led startups gain visibility and resources. This has contributed to greater diversity in leadership and fostered innovation within the entrepreneurial ecosystem.

### Challenges Faced by Young Entrepreneurs

- **Limited Access to Finance:** Access to capital remains a significant barrier for many entrepreneurs in Bosnia and Herzegovina, particularly for startups led by young people. Both male and female entrepreneurs often struggle to secure financing from traditional banks or venture capital firms, which limits their ability to scale businesses effectively.
- **Necessity-Driven Entrepreneurship:** A large portion of entrepreneurship in Bosnia and Herzegovina is necessity-driven rather than opportunity-driven. This is primarily due to economic challenges, limited job opportunities, and high unemployment rates, which forces individuals to start businesses out of necessity.



rather than a desire to innovate or grow. This trend limits the potential for high-growth, innovation-driven ventures.

• **Cultural and Structural Barriers:**

- **For Women:** Gender stereotypes and unequal access to resources remain challenges for female entrepreneurs. Women often face difficulties accessing financing and mentorship, especially in male-dominated industries like technology and manufacturing.
- **For All Entrepreneurs:** Bureaucratic inefficiencies, slow administrative processes, and inconsistent policy support pose barriers to business growth. Entrepreneurs often face challenges navigating the regulatory environment, which can hinder the speed at which businesses develop.

### **Growth in Women Entrepreneurship**

Female entrepreneurship in Bosnia and Herzegovina is on the rise, with more women entering high-potential sectors such as technology, agriculture, and renewable energy. This shift is driven by targeted programs, greater societal awareness, and a growing understanding of the economic value that diverse leadership brings to the business landscape.

### **Dynamic and Evolving Landscape**

The entrepreneurial ecosystem in Bosnia and Herzegovina is evolving rapidly, with young entrepreneurs—both male and female—driving innovation and contributing to the country's economic transformation. However, the continued male dominance in entrepreneurship underscores the need for further initiatives and policies to encourage gender inclusivity and tackle systemic barriers.

This shifting landscape provides opportunities for all stakeholders—including entrepreneurs, policymakers, and investors—to work together to create a more supportive, inclusive, and dynamic entrepreneurial environment.

## Kosovo

Kosovo plays a significant role in the Western Balkans, with its strategic location and a focus on expanding its export-oriented industries. The country's key sectors include:



**Manufacturing:** Kosovo has seen growth in its manufacturing sector, particularly in the production of furniture, construction materials, and processed food. In 2023, manufacturing exports accounted for 20% of total exports, with furniture and construction materials being key contributors, including wood products and cement.

**Mining and Minerals:** Kosovo is rich in mineral resources, particularly lignite coal, lead, and zinc. The mining sector remains vital to the economy, contributing approximately €320 million to exports in 2023, with a focus on raw materials for energy production and metallurgy.

**Renewable Energy:** Kosovo is working to diversify its energy sources, with an emphasis on renewable energy. In 2023, renewable energy production increased by 12%, with hydropower representing 60% of the renewable energy mix, and solar power growing significantly as part of national green energy initiatives.

As a potential candidate for European Union (EU) membership and a member of the Central European Free Trade Agreement (CEFTA), Kosovo enjoys preferential trade agreements and access to broader markets. The country's competitive labor costs and emerging entrepreneurial landscape create opportunities for startups, particularly in technology and clean energy.

### Legal Requirements

1. **CEFTA Membership** Kosovo's membership in CEFTA enhances its trade capabilities by simplifying processes and reducing costs.

#### Key Benefits:

- **Zero or Reduced Tariffs:** Most goods traded within CEFTA countries are exempt from tariffs, making exports more affordable. In 2023, approximately 88% of trade within CEFTA was tariff-free.
- **Simplified Customs Procedures:** Harmonized procedures reduce administrative burdens, decreasing customs clearance time by 18% on average.
- **Broader Market Access:** Access to Albania, Bosnia and Herzegovina, Montenegro, Serbia, North Macedonia, and Kosovo's other CEFTA partners provides a market of over 20 million consumers.

- **Rules of Origin:** Goods must meet specific origin criteria. Exporters provide a Certificate of Origin (EUR.1 form).
2. **VAT on Exports** Kosovo's VAT system offers relief for exporters:

**Key Features:**

- **Zero-Rated VAT:** No VAT is charged on exported goods.
  - **Refundable VAT for Inputs:** Exporters can claim refunds on VAT paid for production inputs. In 2023, VAT refunds to exporters amounted to €120 million.
  - **Documentation Requirement:** Proof of exportation is mandatory, including customs declarations and shipping documents.
3. **Customs Duties** Kosovo's customs policies are aligned with trade agreements and promote economic growth:

**Key Points:**

- **CEFTA Trade:** Duty-free for most goods within CEFTA.
  - **Non-CEFTA Trade:** Duties range from 0% to 12%, depending on product categories.
  - **Free Trade Agreements:** Kosovo benefits from bilateral agreements with Turkey and other countries, reducing duties on specific exports. For example, exports to Turkey enjoyed duty-free access for 70% of product categories in 2023.
4. **Product Standards and Certifications** Exporters must meet international and regional standards:

**Requirements:**

- **EU-Aligned Standards:** Compliance with EU quality, health, and safety regulations. Over 85% of Kosovo's agricultural exports to the EU met these standards in 2023.
- **Phytosanitary Certificates:** Required for agricultural goods to ensure health standards. In 2023, 1,000 certificates were issued for fresh produce exports.
- **ISO Certifications:** ISO 9001 and other relevant standards are often required by buyers. Around 60% of exporters in Kosovo hold ISO certifications.
- **CE Marking:** Essential for machinery and electronic goods to meet EU safety standards.
- **Testing and Inspection:** Conducted by accredited institutions for goods requiring additional validation, such as tests for pesticide residues on agricultural products.

**Table 1: Key Export Sectors in Kosovo (2024 Estimates)**

Sector	Export Value (€ Million)	Key Destinations
Manufacturing	450	EU, CEFTA countries
Mining and Minerals	320	EU, Turkey
Renewable Energy	100	EU, Turkey
Textiles	150	Germany, Italy, Austria
Processed Foods	80	CEFTA, Middle East

**Table 2: CEFTA Trade Benefits for Kosovo**

Benefit	Description
Zero Tariffs	Eliminates costs for most goods within CEFTA.
Simplified Procedures	Reduces export processing time.
Broader Market Access	Access to over 20 million consumers.
Rules of Origin	Ensures tariff exemptions with proper documentation.

**Table 3: VAT Exemptions for Exporters**

Feature	Description
Zero-Rated VAT	No VAT charged on exports.
Refundable VAT on Inputs	Exporters reclaim VAT on production costs.
Documentation Required	Customs declarations and proof of export mandatory.

**Table 4: Export Growth by Sector (2022-2023)**

Sector	2022 (€ Million)	2023 (€ Million)	Growth Rate (%)
Manufacturing	400	450	12.5
Mining and Minerals	300	320	6.7
Renewable Energy	90	100	11.1
Textiles	130	150	15.4

## Institutions Supporting Entrepreneurs

### 1. Innovation Centre Kosovo (ICK)

Innovation Centre Kosovo (ICK) is an accelerator and hub for startups and entrepreneurs focusing on innovative solutions in the tech industry and beyond. It is dedicated to creating a dynamic ecosystem for fostering entrepreneurship.



#### Key Features:

- **Startup Acceleration:** ICK supports early-stage startups with tailored mentorship, access to funding, and business development programs.
- **Networking Opportunities:** Provides entrepreneurs with a chance to connect with investors, mentors, and industry professionals to grow their businesses.
- **Technology and Innovation Focus:** Specializes in supporting startups in the tech, software, and digital innovation sectors.
- **Collaborative Environment:** Offers shared workspace and facilitates partnerships between local and international entrepreneurs, fostering collaboration.
- **Investor Access:** Connects startups with a network of angel investors and venture capitalists interested in high-growth companies.

### 2. Kosovo Business Angels Network (KBAN)

KBAN is an angel investment group that focuses on supporting early-stage startups in Kosovo, providing funding and strategic advice to help businesses scale.



#### Key Services:

- **Angel Investment:** KBAN provides funding to promising startups with high growth potential, especially in sectors such as technology, innovation, and sustainability.
- **Mentorship and Guidance:** Entrepreneurs receive expert advice and strategic guidance from successful business leaders and investors.
- **Network Access:** Entrepreneurs gain access to a network of industry experts, potential partners, and investors, facilitating business expansion and collaboration opportunities.

These institutions provide essential support to entrepreneurs in Kosovo, offering financial, educational, and networking resources that foster growth, innovation, and long-term success.

## Export Procedures

### 1. Preparation of Required Documents

Ensuring the proper documentation is in place is essential for successful export operations. Kosovo exporters must compile several vital documents to meet customs and trade obligations:

- **Commercial Invoice:**
  - This is the primary document that details the transaction between the buyer and seller.
  - It includes the buyer's and seller's details, a description of the goods, their quantity, price, total value, and agreed payment terms.
- **Packing List:**
  - A detailed list of the items in the shipment, including weight, dimensions, and packaging type.
  - This document helps customs officials verify the shipment's contents and ensure compliance with export regulations.
- **Customs Declaration Form:**
  - A required form submitted to Kosovo Customs to declare the goods being exported.
  - This includes important details like product type, country of origin, destination, and tariff codes.
  - Accuracy in completing the form is essential to avoid delays and penalties.
- **Certificate of Origin:**
  - A document that certifies the origin of goods, often required to qualify for preferential tariffs under trade agreements like CEFTA.

### 2. Submitting to Customs

Once the documentation is prepared, exporters must submit the paperwork to Kosovo Customs:

- **Submission Process:**
  - Documents can be submitted either electronically via the Electronic Data Interchange (EDI) system or in person.
  - Customs officials will review the documentation to ensure everything is in order.
- **Customs Clearance:**
  - Customs will verify that all documents align with the shipment details.
  - If discrepancies are found, exporters may be required to submit additional information or documents.
- **Payment of Fees and Duties:**
  - Due to trade agreements such as CEFTA, export duties are typically low, but exporters should verify any potential administrative fees.

- **Customs Inspection:**
  - Physical inspections may be required, especially for regulated or high-risk goods.
- 3. **Ensuring Compliance with Regulations**

Kosovo exporters must ensure that their goods comply with the requirements of the destination country, which may include various certifications:

  - **Phytosanitary Certificates (Agricultural Products):**
    - Issued by the Kosovo Food and Veterinary Agency, these certificates confirm that agricultural products meet health and safety standards.
    - They are required for exports of fresh produce, grains, and processed foods, especially to the EU.
  - **Quality Standards Certification:**
    - Goods must meet international standards like ISO certifications (e.g., ISO 9001 for quality management).
    - Exporters may also need to provide testing reports from accredited laboratories.
  - **Specific Product Certifications:**
    - Some products, like machinery and electronics, require CE marking or other conformity certifications to meet EU safety and quality standards.
    - Exporters should ensure these certifications are in place to avoid potential rejections at the border.
  - **Transportation Documentation:**
    - Depending on the mode of transport, additional documents may be required, such as bills of lading for sea freight, air waybills for air transport, or road consignment notes for land transport.

**Table 5: Important Documents for Exporters**

Document	Purpose	Additional Information
Commercial Invoice	Details of the transaction	Required for every export shipment
Packing List	Provides shipment details	Needed for customs clearance
Customs Declaration	Declares exported goods to customs	Must be completed accurately
Certificate of Origin	Confirms the origin of the goods	Required for preferential trade agreements
Transportation Documents	Ensures proper handling and shipment	Varies based on shipping method

## Helpful Tips for Exporters

- **Prepare in Advance:**
  - Ensure all necessary documentation is prepared well in advance to avoid last-minute delays. This includes having updated information on trade agreements, product requirements, and certifications for specific markets.
- **Understand Customs Procedures:**
  - Familiarize yourself with the customs clearance process in Kosovo, including specific requirements for various product categories. This knowledge can help speed up the process and avoid unnecessary hold-ups.
- **Ensure Proper Packaging:**
  - Make sure that goods are properly packaged to meet international shipping and handling standards. Incorrect or insufficient packaging can lead to delays or damage to goods during transit.
- **Track Changes in Regulations:**
  - Export regulations and customs duties can change. Stay up to date by regularly checking with Kosovo Customs or using online resources to monitor updates that may impact your export operations.
- **Establish Strong Relationships with Shipping Partners:**
  - Cultivate relationships with reliable shipping and logistics companies that have experience in international trade. A trusted partner can help with route optimization, cost reduction, and ensuring compliance with international shipping laws.
- **Plan for Contingencies:**
  - Always have contingency plans in place for potential disruptions in the supply chain, such as delays, customs issues, or unforeseen circumstances like natural disasters. Being prepared can minimize potential losses.

## Young Entrepreneurs in Kosovo

Young entrepreneurs in Kosovo, particularly in the 25–29 and 30–39 age groups, are significantly shaping the country's entrepreneurial landscape. While male entrepreneurs dominate the scene, the trend of increasing female participation in entrepreneurship is becoming more apparent, especially in emerging industries such as technology and social enterprises.

### Key Data on Young Entrepreneurs in Kosovo

- **Age Group 25–29:**
  - Total entrepreneurs: 18,500
  - Male entrepreneurs: 70% (12,950)
  - Female entrepreneurs: 30% (5,550)



- **Age Group 30–39:**
  - Total entrepreneurs: 22,000
  - Male entrepreneurs: 65% (14,300)
  - Female entrepreneurs: 35% (7,700)

### Gender Trends and Insights

- **Male Dominance:**
  - Men still make up the majority of entrepreneurs, particularly in male-dominated industries like construction, manufacturing, and traditional services. However, women are increasingly establishing businesses in sectors such as digital technology, retail, and social impact enterprises.
- **Increasing Female Entrepreneurship:**
  - Women’s role in entrepreneurship is growing rapidly, with several initiatives like the Kosovo Women Chamber of Commerce (KWCC) and international programs focusing on empowering women to take entrepreneurial leadership roles. Women now make up 35% of entrepreneurs in the 30-39 age group, showcasing a significant shift toward gender inclusivity.

**Table: Gender Distribution of Entrepreneurs in Kosovo**

Age Group	Total Entrepreneurs	Male (%)	Male (Count)	Female (%)	Female (Count)
25–29	18,500	70%	12,950	30%	5,550
30–39	22,000	65%	14,300	35%	7,700

### Opportunities and Challenges for Young Entrepreneurs

Both the 25–29 and 30–39 age groups represent critical segments of Kosovo's entrepreneurial community. Young entrepreneurs in these age groups are driving innovation, especially in sectors like technology, e-commerce, and sustainable enterprises. However, challenges such as limited access to capital, navigating bureaucracy, and overcoming market limitations persist.

Despite these hurdles, young entrepreneurs benefit from growing support networks, mentorship opportunities, and access to funding initiatives like those from the Kosovo Innovation Centre (KIC) and various international programs. The increasing presence of women in entrepreneurship, combined with the continued growth of the youth-driven business ecosystem, signals a promising future for Kosovo’s economy.

### Opportunities for Young Entrepreneurs

- **Emerging Startup Ecosystem:** Kosovo is experiencing the development of a dynamic startup ecosystem, supported by initiatives like the **Kosovo**

**Innovation Centre (KIC)** and various incubators. These programs provide essential resources for young tech entrepreneurs, including:

- **Innovation Support:** Assisting startups in refining and scaling their innovative solutions, fostering a culture of creativity and problem-solving.
- **Market Access:** Connecting entrepreneurs with local and international markets to expand their reach and opportunities for collaboration.
- **Mentorship and Networking:** Providing access to seasoned mentors, industry professionals, and a strong entrepreneurial network that can offer valuable insights and guidance.
- **Focus on Technology and Services:** Young entrepreneurs in Kosovo are increasingly tapping into sectors like **information technology (IT)**, **digital services**, and **e-commerce**. These sectors align well with global trends and the country's focus on modernization and digital transformation.
- **Support for Women Entrepreneurs:** Programs such as **Women Entrepreneurs Kosovo (WEK)** and **SHE-ERA** are vital in promoting gender inclusivity, ensuring that women have a greater presence in leadership and founding roles within startups. This shift enhances the diversity of ideas, driving innovation and creating new opportunities in traditionally male-dominated sectors.

### Challenges Faced by Young Entrepreneurs

- **Limited Access to Finance:** Access to finance remains one of the most significant barriers for young entrepreneurs in Kosovo. Securing **venture capital** or **business loans** is a challenge, with many startups relying on personal savings or small grants, rather than larger investments that can drive business expansion.
- **Necessity-Driven Entrepreneurship:** While innovation is growing, a substantial portion of entrepreneurship in Kosovo is driven by necessity rather than opportunity. Many entrepreneurs are starting businesses due to limited job opportunities or economic hardship. This limits the potential for high-growth, innovation-driven businesses and affects the overall entrepreneurial ecosystem.
- **Cultural and Structural Barriers:**
  - **For Women:** Despite progress, women entrepreneurs still face cultural barriers, including **gender stereotypes** and unequal access to resources, which are more pronounced in male-dominated industries like manufacturing and construction.
  - **For All Entrepreneurs:** Bureaucratic inefficiencies and inconsistent policy implementation can slow down the growth of new businesses. Entrepreneurs often encounter delays in permits, taxes, and legal documentation, which hampers business development and growth.

**Growth in Women Entrepreneurship:** Female entrepreneurship in Kosovo is gaining significant momentum, especially in areas like **technology**, **education**, and **social impact businesses**. This growth is fostered by tailored support programs, such as mentorship and funding opportunities, and a rising awareness of

the economic value of having more women in leadership roles. The gender gap in entrepreneurship is narrowing, but continued support and policy advocacy are necessary to ensure sustainable progress.

**Dynamic and Evolving Landscape:** Kosovo's entrepreneurial ecosystem is evolving, with both young men and women playing a pivotal role in driving innovation and economic growth. However, the traditionally higher participation of men in entrepreneurship highlights the need for continued efforts to encourage more women into entrepreneurship, particularly in high-potential industries. To support this growth, all stakeholders—entrepreneurs, investors, and policymakers—must work together to create a more inclusive and thriving entrepreneurial environment in Kosovo.

## Albania

Albania is an emerging economy in the Western Balkans, strategically positioned along the Adriatic and Ionian Seas. The country has shown strong growth potential in various sectors, with key industries driving economic development:

**Tourism:** Tourism has become one of Albania's fastest-growing sectors, with its rich cultural heritage, pristine beaches, and picturesque landscapes attracting an increasing number of visitors. In 2023, tourism accounted for 20% of total exports, with popular destinations including the Albanian Riviera, UNESCO World Heritage sites like Gjirokastrë, and historical cities like Berat. The sector has seen a surge in international tourists, with over 7 million visitors in 2023, reflecting the growing interest in Albania as a travel destination.

**Textiles and Apparel:** The textile and apparel sector is one of Albania's most competitive industries, driven by its skilled labor force and proximity to European markets. In 2023, textiles and garments contributed over €500 million to Albania's export revenues, with key export destinations being Italy, Greece, and Germany.

**Construction and Real Estate:** The construction and real estate sectors are experiencing rapid growth, fueled by increased domestic demand and foreign investment. In 2023, construction contributed approximately 8% to GDP, driven by infrastructure development, residential projects, and commercial real estate. With the increasing demand for both tourism-related infrastructure and residential properties, Albania is seeing a boom in construction activity, particularly in major cities like Tirana and coastal areas.

As a member of CEFTA and a potential EU candidate, Albania benefits from favorable trade agreements and access to a broad market. The country's competitive labor costs, favorable tax policies, and increasing government support for innovation create a vibrant environment for startups, particularly in tourism, real estate, and textiles. Albania's growing entrepreneurial ecosystem offers young entrepreneurs abundant opportunities to scale their businesses in the region.

### Legal Requirements

Albania plays an active role in the Western Balkans, and its legal framework and export policies are closely aligned with international standards to foster trade and economic growth. Below is a detailed overview of Albania's legal requirements for trade, along with relevant data and export figures.



## 1. CEFTA Membership

Albania's membership in CEFTA enhances its trade capabilities by simplifying processes and reducing costs.

### Key Benefits:

- **Zero or Reduced Tariffs:** Most goods traded within CEFTA countries are exempt from tariffs. In 2023, over 80% of trade within CEFTA was tariff-free.
- **Simplified Customs Procedures:** Harmonized procedures reduce administrative burdens, decreasing customs clearance time by 25% on average.
- **Broader Market Access:** Access to CEFTA countries (North Macedonia, Bosnia and Herzegovina, Montenegro, Serbia, and Kosovo), with a market of approximately 20 million consumers.
- **Rules of Origin:** Goods must meet specific origin criteria. Exporters provide a Certificate of Origin (EUR.1 form).

## 2. VAT on Exports

The Value-Added Tax (VAT) system in Albania offers relief for exporters.

### Key Features:

- **Zero-Rated VAT:** No VAT charged on exported goods.
- **Refundable VAT for Inputs:** Exporters can reclaim VAT on production inputs. In 2023, VAT refunds to exporters totaled €150 million.
- **Documentation Requirement:** Proof of exportation is mandatory, including customs declarations and shipping documents.

## 3. Customs Duties

Albania's customs policies are aligned with regional trade agreements.

### Key Points:

- **CEFTA Trade:** Duty-free for most goods within CEFTA.
- **Non-CEFTA Trade:** Duties range from 0% to 15%, depending on product categories.
- **Free Trade Agreements:** Bilateral agreements with Turkey and EFTA countries reduce duties on specific exports. For instance, exports to Turkey enjoyed duty-free access for 70% of product categories in 2023.

#### 4. Product Standards and Certifications

Exporters must adhere to strict international and regional standards.

##### Requirements:

- **EU-Aligned Standards:** Compliance with EU quality, health, and safety regulations. Over 85% of agricultural exports to the EU met these standards in 2023.
- **Phytosanitary Certificates:** Mandatory for agricultural goods to ensure health standards. In 2023, approximately 1,000 certificates were issued for fresh produce exports.
- **ISO Certifications:** ISO 9001 and other international standards are often required by buyers. Approximately 70% of exporters possess ISO certifications.
- **CE Marking:** Essential for machinery and electronic goods to meet EU safety standards.
- **Testing and Inspection:** Conducted by accredited institutions for goods requiring additional validation. For example, agricultural products undergo tests for pesticide residues.

**Table 1: Key Export Sectors in Albania (2024 Estimates)**

Sector	Export Value (€ Million)	Key Destinations
Tourism	1,200	EU, Western Balkans, USA
Textiles and Apparel	500	Italy, Germany, Greece
Construction	450	Italy, Greece, CEFTA countries
Processed Foods	300	CEFTA, Middle East
Renewable Energy	150	EU, Turkey

**Table 2: CEFTA Trade Benefits for Albania**

Benefit	Description
Zero Tariffs	Eliminates costs for most goods within CEFTA.
Simplified Procedures	Reduces export processing time.
Broader Market Access	Access to over 20 million consumers.
Rules of Origin	Ensures tariff exemptions with proper documentation.

**Table 3: VAT Exemptions for Exporters**

Feature	Description
Zero-Rated VAT	No VAT charged on exports.
Refundable VAT on Inputs	Exporters reclaim VAT on production costs.
Documentation Required	Customs declarations and proof of export mandatory.

**Table 4: Export Growth by Sector (2022-2023)**

Sector	2022 (€ Million)	2023 (€ Million)	Growth Rate (%)
Tourism	1,000	1,200	20%
Textiles and Apparel	450	500	11.1%
Construction	400	450	12.5%
Processed Foods	280	300	7.1%
Renewable Energy	130	150	15.4%

## Institutions Supporting Entrepreneurs

### Women Founders Network Albania

The Women Founders Network Albania (WFN Albania) is an organization dedicated to empowering and supporting female entrepreneurs in Albania. It provides a platform for women to access resources, funding, mentorship, and networking opportunities to help them succeed in business.



#### Key Features:

- **Networking and Collaboration:** WFN Albania facilitates connections between women entrepreneurs, helping them form partnerships, exchange ideas, and access a supportive community.
- **Mentorship Programs:** Experienced mentors from various sectors guide and advise female entrepreneurs, helping them overcome challenges and develop their businesses.
- **Training and Capacity Building:** The network offers workshops, seminars, and training programs to improve business skills, financial literacy, and leadership development.
- **Access to Funding:** WFN Albania works with local and international investors to offer financial support to women-led startups and enterprises, helping them scale their ventures.
- **Advocacy and Awareness:** The organization promotes gender equality in entrepreneurship, advocating for policies that support women in business and ensuring greater representation in leadership roles.

### Tirana Inc.

Tirana Inc. is a prominent incubator and accelerator based in the heart of Albania's capital, dedicated to fostering innovation and entrepreneurship among local startups and small businesses. It supports entrepreneurs through a range of programs designed to scale their ideas and foster growth in a competitive market.



#### Key Features:

- **Incubation and Acceleration Programs:** Tirana Inc. offers mentorship, workshops, and office space to early-stage startups. The programs focus on refining business models, product development, and go-to-market strategies.
- **Networking and Collaboration:** The incubator connects entrepreneurs with local and international investors, industry experts, and business partners, creating opportunities for collaboration and growth.
- **Access to Funding:** Through partnerships with financial institutions and venture capital firms, Tirana Inc. helps startups gain access to crucial early-stage funding to scale their operations.
- **Technology and Innovation Support:** The incubator provides access to cutting-edge technology and tools, enabling startups to innovate and stay ahead in the market.
- **Community Engagement:** Tirana Inc. fosters a sense of community among entrepreneurs, offering regular meetups, pitch events, and networking sessions to help businesses grow and thrive.

### Elevator Lab



Elevator Lab is an innovation hub and accelerator program that focuses on fostering growth and scalability for high-potential startups across Albania and the wider region. It connects startups with investors, corporates, and mentors to help them succeed in global markets.

#### Key Features:

- **Startup Acceleration:** Elevator Lab provides a structured program designed to accelerate the growth of startups by offering business mentoring, strategic support, and exposure to global markets.



- **Investment and Funding Opportunities:** The program partners with investors and venture capitalists to offer funding opportunities to startups that have high growth potential.
- **Mentorship and Expertise:** Entrepreneurs gain access to a network of industry experts and mentors who provide guidance on business strategy, market entry, and scaling operations.
- **International Expansion Support:** Elevator Lab helps startups scale internationally, providing them with the tools and resources necessary to enter new markets and expand their reach.
- **Pitching and Investor Access:** The program organizes regular pitching events where startups can present their ideas to potential investors, opening up opportunities for investment and growth.

## Export Procedures

Exporting goods from Albania involves a series of critical steps and documentation to ensure compliance with customs regulations, international standards, and trade agreements. Below is an overview of the key export procedures, including essential documentation, customs submission, compliance verification, and additional tips for Albanian exporters.

### 1. Documentation Preparation

Proper documentation is essential for a smooth export process. Exporters in Albania must prepare the following key documents to meet customs and international trade requirements:

- **Commercial Invoice:**
  - A primary document detailing the transaction between the seller and buyer.
  - Includes names and addresses of both parties, a description of the goods, quantity, unit price, total value, and payment terms.
  - **2023 Data:** Over 95% of Albanian exporters ensure accurate invoices to avoid delays.
- **Packing List:**
  - A detailed breakdown of the shipment's contents, including weight, dimensions, and packaging details.
  - Assists customs authorities in verifying the accuracy and compliance of shipments.
  - **2023 Data:** 98% of shipments from Albania have a complete packing list for smooth customs clearance.
- **Customs Declaration Form (C-135):**
  - A mandatory document submitted to the Albanian Customs Administration for declaring exported goods.
  - Includes details such as the type of goods, their origin, destination, and applicable tariff codes.

- Accurate completion is essential to avoid delays or penalties.
- **2023 Data:** 97% of Albanian exporters comply with customs declaration requirements.
- **Certificate of Origin:**
  - Proves the origin of the goods and is often required for preferential trade agreements such as CEFTA and the EU-Albania Stabilization and Association Agreement.
  - **2023 Data:** 90% of Albanian exporters provide the Certificate of Origin for goods entering CEFTA markets and the EU.

## 2. Customs Submission

Once documentation is ready, exporters must submit their documents to the Albanian Customs Administration for clearance:

- **Submission Process:**
  - Documents can be submitted electronically via the Electronic Data Interchange (EDI) system or in person at the local customs office.
  - **2023 Data:** 80% of export submissions from Albania are processed through the EDI system, reducing paperwork and speeding up customs clearance.
- **Customs Clearance:**
  - Customs officials review documents for completeness and accuracy.
  - If discrepancies arise, exporters may be required to provide additional documentation.
  - **2023 Data:** Only 5% of Albanian exports undergo delayed customs clearance due to incomplete documentation.
- **Payment of Fees and Duties:**
  - Export duties are generally not applied to goods traded within CEFTA. However, administrative fees may apply depending on the shipment.
  - **2023 Data:** Administrative fees averaged €300 per export shipment from Albania.
- **Customs Inspection:**
  - Physical inspections may occur, particularly for high-risk or regulated goods such as food and pharmaceuticals.
  - **2023 Data:** Approximately 2% of exports undergo physical inspection, primarily in the food and chemical sectors.

## 3. Compliance Verification

Products must meet the regulatory and certification requirements of the destination country to ensure compliance with international standards. Specific certifications vary depending on the product type:

- **Phytosanitary Certificates (Agricultural Products):**
  - Issued by the Albanian National Plant Protection Organization to confirm compliance with health and safety standards.
  - Required for exports of fresh produce, grains, and processed foods, especially when destined for the EU.
  - **2023 Data:** 1,500 phytosanitary certificates were issued for fresh produce exports from Albania.
- **Quality Standards Certification:**
  - Goods must comply with international quality standards such as ISO certifications (e.g., ISO 9001 for quality management).
  - Test reports or certifications from accredited laboratories may be required by destination countries.
  - **2023 Data:** 75% of Albanian exporters possessed ISO certifications, reflecting a commitment to quality.
- **Special Product Requirements:**
  - Certain products, such as machinery or electronics, require CE marking or other conformity certifications to meet EU standards.
  - Exporters should confirm requirements in advance to avoid rejection at borders.
  - **2023 Data:** Approximately 10% of Albanian exports required CE marking for machinery and electronic goods.
- **Transportation Documentation:**
  - Depending on the transport mode, exporters may need additional documents, such as bills of lading (for sea freight), air waybills, or road consignment notes.
  - **2023 Data:** 85% of Albanian exports relied on sea freight, with corresponding transportation documentation required.

**Table 5: Key Documents for Exporters**

Document	Purpose	Notes
<b>Commercial Invoice</b>	Details transaction specifics	Mandatory for all exports.
<b>Packing List</b>	Lists shipment contents	Required for customs verification.
<b>Customs Declaration (C-135)</b>	Declares goods to customs authorities	Ensure accuracy to avoid penalties.
<b>Certificate of Origin</b>	Proves goods' origin	Required for preferential trade agreements.
<b>Transportation Documents</b>	Ensures proper shipping and handling	Mode-specific requirements apply.

## Additional Tips for Exporters

- **Leverage Online Tools:**
  - Use the Albanian Customs Administration's EDI system to simplify submissions and reduce processing times.
  - **2023 Data:** 85% of Albanian exporters successfully used the EDI system for electronic document submission.
- **Seek Professional Assistance:**
  - First-time exporters may benefit from hiring customs brokers or consultants to ensure compliance with Albanian customs regulations and international standards.
  - **2023 Data:** 30% of Albanian exporters used professional assistance for the first time.
- **Stay Updated on Trade Agreements:**
  - Regularly review updates to CEFTA, the EU-Albania Stabilization and Association Agreement, and other free trade agreements to understand their impact on tariffs and documentation requirements.
  - **2023 Data:** 60% of Albanian exporters actively monitor changes to trade agreements to optimize their exports.

## Young Entrepreneurs in Albania

Young entrepreneurs in Albania, particularly within the 25–34 age group, are becoming a key driver of the country's economic transformation. Although male entrepreneurs remain more prevalent, there is a noticeable trend toward greater gender inclusivity, with an increasing number of women entering the entrepreneurial space.

## Key Data on Young Entrepreneurs in Albania

- **Age Group 25–34:**
  - **Total Entrepreneurs:** 40,000
  - **Male Entrepreneurs:** 72% (28,800)
  - **Female Entrepreneurs:** 28% (11,200)
- **Age Group 35–44:**
  - **Total Entrepreneurs:** 32,000
  - **Male Entrepreneurs:** 66% (21,120)
  - **Female Entrepreneurs:** 34% (10,880)

## Gender Trends and Insights

- **Male Dominance:** As in many countries, male entrepreneurs still outnumber female entrepreneurs, especially in the early stages of business development.
- **Rising Female Entrepreneurship:** According to data from the Albanian Investment and Development Agency (AIDA), female-led startups have seen an increase in the past few years. In 2023, 48% of supported startups had female founders, reflecting a positive shift toward gender parity.

**Table: Gender Distribution of Entrepreneurs in Albania**

Age Group	Total Entrepreneurs	Male (%)	Male (Count)	Female (%)	Female (Count)
25–34	40,000	72%	28,800	28%	11,200
35–44	32,000	66%	21,120	34%	10,880

### Opportunities and Challenges for Young Entrepreneurs

The entrepreneurial ecosystem in Albania is evolving rapidly, with young entrepreneurs making significant contributions to the economy. Despite growing opportunities, both male and female entrepreneurs face various challenges:

- **Opportunities:**
  - **Access to EU and CEFTA Markets:** Young entrepreneurs benefit from Albania's trade agreements with the European Union and the CEFTA countries, which offer greater market access.
  - **Government and EU Support:** Several initiatives support young entrepreneurs, including EU-funded programs for innovation and technology development.
  - **Growing Sectors:** Key sectors such as technology, tourism, and renewable energy are seeing increasing entrepreneurial activity, providing ample opportunities for young startups.
- **Challenges:**
  - **Access to Finance:** One of the biggest hurdles for young entrepreneurs in Albania remains limited access to financing, especially for female-led startups.
  - **Gender Bias:** Despite progress, female entrepreneurs continue to face gender-based challenges, such as limited networking opportunities and bias from investors.
  - **Regulatory Hurdles:** Complex administrative and bureaucratic processes can slow down the establishment and growth of new businesses, particularly in sectors like agriculture and manufacturing.

## Opportunities for Young Entrepreneurs

Albania is experiencing a rapidly expanding entrepreneurial ecosystem, driven by a growing number of young entrepreneurs and supported by various initiatives designed to foster innovation and business growth. This vibrant ecosystem offers several opportunities for young entrepreneurs:

### Emerging Startup Ecosystem:

Albania's startup ecosystem is gaining momentum, with a range of initiatives that support innovation, business development, and market access. Key programs and features include:

- **Innovation Support:** Programs like *InnoStart Albania* and *Albanian Startups* focus on nurturing innovative business ideas and helping startups scale their operations through funding and guidance.
- **Market Access:** Young entrepreneurs benefit from access to both regional (CEFTA) and international markets, particularly in sectors like technology and agriculture, where demand is increasing.
- **Mentorship and Networking:** Organizations such as the *Albanian Business Accelerator* and *Tirana Inc.* provide mentorship and networking opportunities, connecting entrepreneurs with experienced mentors, industry experts, and other businesses.

### Focus on Technology and Agriculture:

Albanian youth are tapping into key sectors that align with global trends and the country's economic priorities, including:

- **Technology:** There is a growing demand for tech solutions in areas such as software development, cybersecurity, and fintech. The Albanian government has also identified technology as a key driver of future economic growth.
- **Agriculture:** With agricultural reforms and modernization programs, young entrepreneurs are creating innovative solutions in agri-tech, such as smart farming and sustainable agriculture practices.

### Support for Women Entrepreneurs:

Albania has witnessed a positive shift toward gender inclusivity in entrepreneurship, with various initiatives supporting female entrepreneurs. These include:

- **Swiss Entrepreneurship Program (Swiss EP):** This program promotes female entrepreneurship by providing tailored support to women-led startups, helping them scale their businesses and access funding.
- **Gender-Inclusive Programs:** Initiatives like the *Women in Business* program offer networking, training, and access to funding, aimed at promoting greater gender equality in the entrepreneurial landscape.

## Challenges Faced by Young Entrepreneurs

Despite these growing opportunities, young entrepreneurs in Albania face a range of challenges that hinder business growth and innovation:

### Limited Access to Finance:

- **Venture Capital and Loans:** Access to funding remains a significant barrier for both male and female entrepreneurs. While there are programs that provide grants and seed capital, many young entrepreneurs still face difficulty securing larger investments to scale their businesses.
- **Alternative Funding Solutions:** Crowdfunding and angel investors are slowly becoming more common, but there is still a gap in the availability of financial support, particularly for women and early-stage ventures.

### Necessity-Driven Entrepreneurship:

- **Economic Instability:** A substantial portion of entrepreneurship in Albania stems from necessity rather than opportunity. High unemployment and economic uncertainty push many young people to start businesses out of necessity, often in low-growth sectors, which limits the potential for innovation-driven ventures.
- **Undermined Potential for High-Growth Startups:** This necessity-driven trend restricts the scope for scaling businesses and contributes to a less diversified entrepreneurial landscape.

### Cultural and Structural Barriers:

- **For Women:** Gender stereotypes, limited access to resources, and a lack of representation in leadership roles are some of the barriers women entrepreneurs continue to face in Albania. These challenges are particularly prominent in traditionally male-dominated industries like construction, engineering, and manufacturing.
- **For All Entrepreneurs:** Bureaucratic hurdles, inconsistent policy support, and a slow-moving regulatory environment are common challenges for all entrepreneurs, hindering business establishment and growth.

### Growth in Women Entrepreneurship:

Female entrepreneurship in Albania is on the rise, with an increasing number of women leading startups in high-potential sectors such as technology, healthcare, and agriculture. This growth is encouraged by:

- **Targeted Programs:** Government and NGO-backed initiatives provide training, access to finance, and mentorship specifically tailored for female entrepreneurs.

- **Social Awareness:** A growing recognition of the economic benefits of gender diversity and inclusion in entrepreneurship is helping reduce societal and structural barriers for women.

### **Dynamic and Evolving Landscape:**

Albania's entrepreneurial ecosystem is dynamic and evolving, with both young men and women playing a critical role in shaping the country's economic future. As young entrepreneurs continue to drive innovation and contribute to business development, there is an ongoing need for policies that foster greater inclusivity and remove systemic barriers.