

SME Mapping

Report for Mitrovica
North, Zvečan, Leposavić,
and Zubin Potok

- A concise overview of the SME landscape, key findings, challenges, and recommendations.
- A snapshot of gender-based ownership, sectoral dynamics, and cross-community cooperation levels.

Methodology

To map SMEs in the northern municipalities of Kosovo, the following methodology was adopted:

1. Data Collection:

- Data was sourced from the Kosovo Business Registration Agency (ARBK) and Kosovo Agency of Statistics.
- Surveys and interviews were conducted with business owners and local stakeholders.

2. Analysis:

- Data was analyzed to identify key trends in business ownership, sectoral dynamics, and gender distribution.
- Graphs and charts were created to visualize the findings for better comprehension.

This approach ensures a comprehensive and reliable mapping of SMEs in the region.

Current State of Businesses

Registration of New Businesses

Since the opening of the Kosovo Business Registration Agency (ARBK) offices in 2024 in Northern Mitrovica, there has been an increase in interest in formalizing economic activities. A total of 26 new businesses have been registered in the region, reflecting community efforts to integrate into the formal economy.

Economic Structure

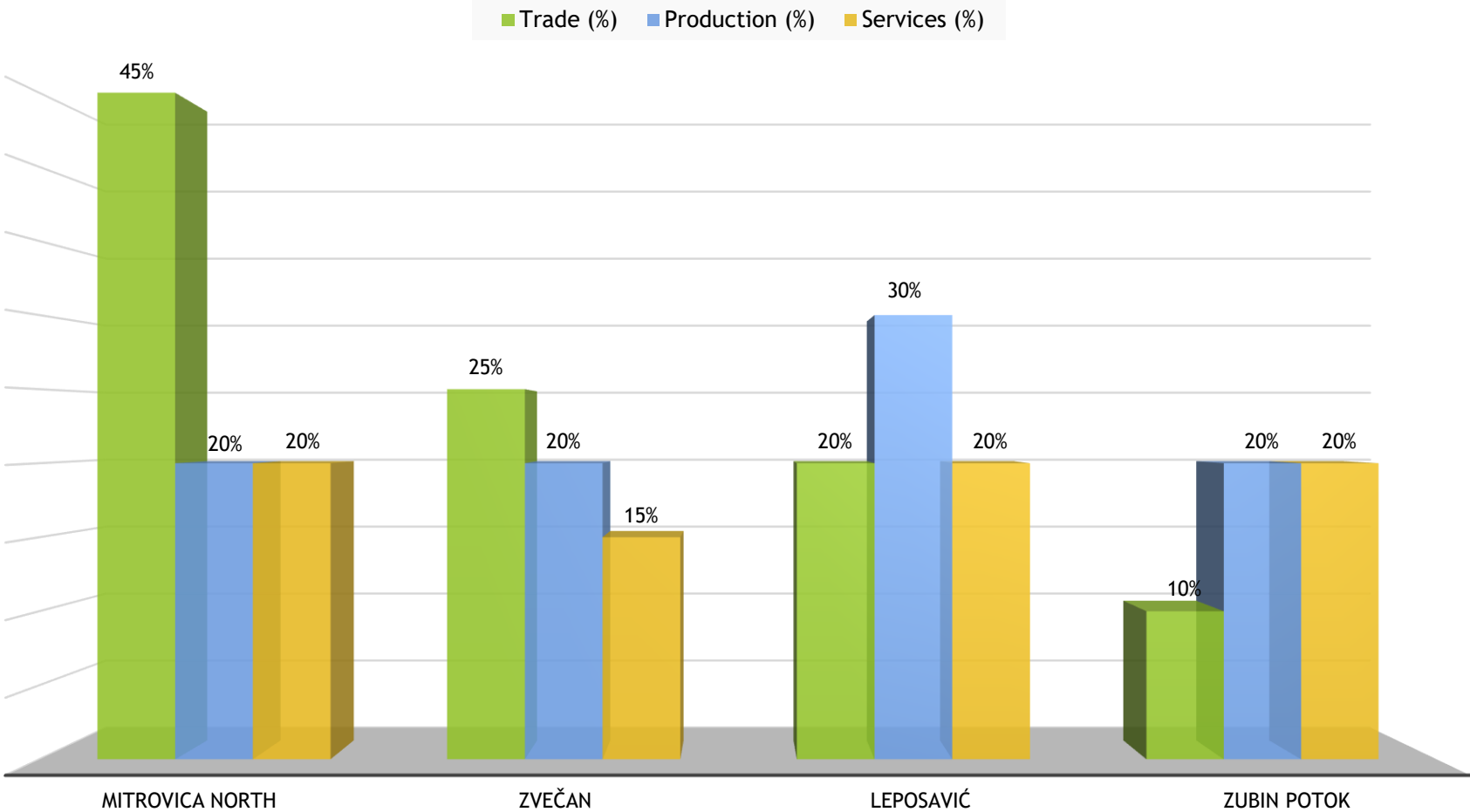
Businesses are primarily concentrated in:

- **Wholesale and retail trade**
- **Agriculture and production**
- **Services and informal sectors**

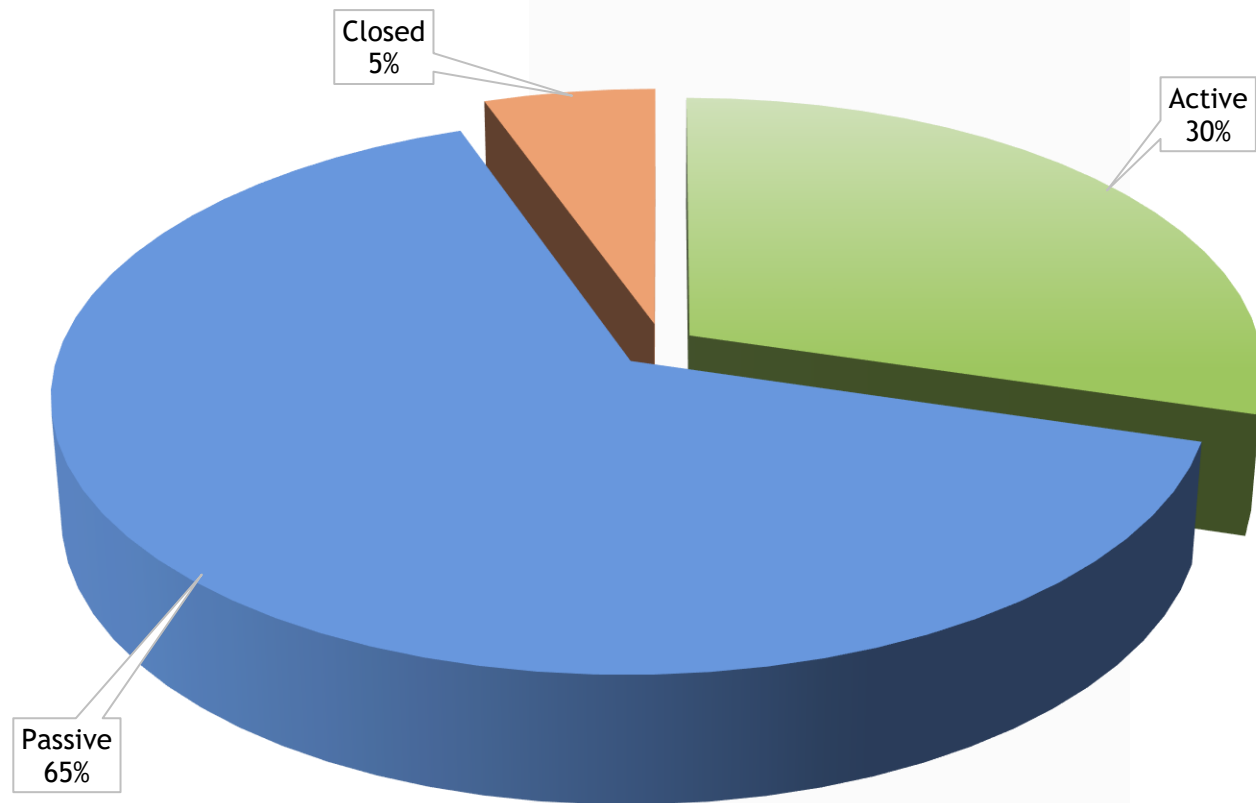
Regional Distribution of Businesses by Sector

This graph summarizes the regional distribution of businesses by sector, showing the percentage share of trade, agriculture, production, and services in each municipality, along with the total number of businesses in each region.

Regional Business Data



Businesses in the Northern Municipalities of Kosovo



Passive
65%

Closed
5%

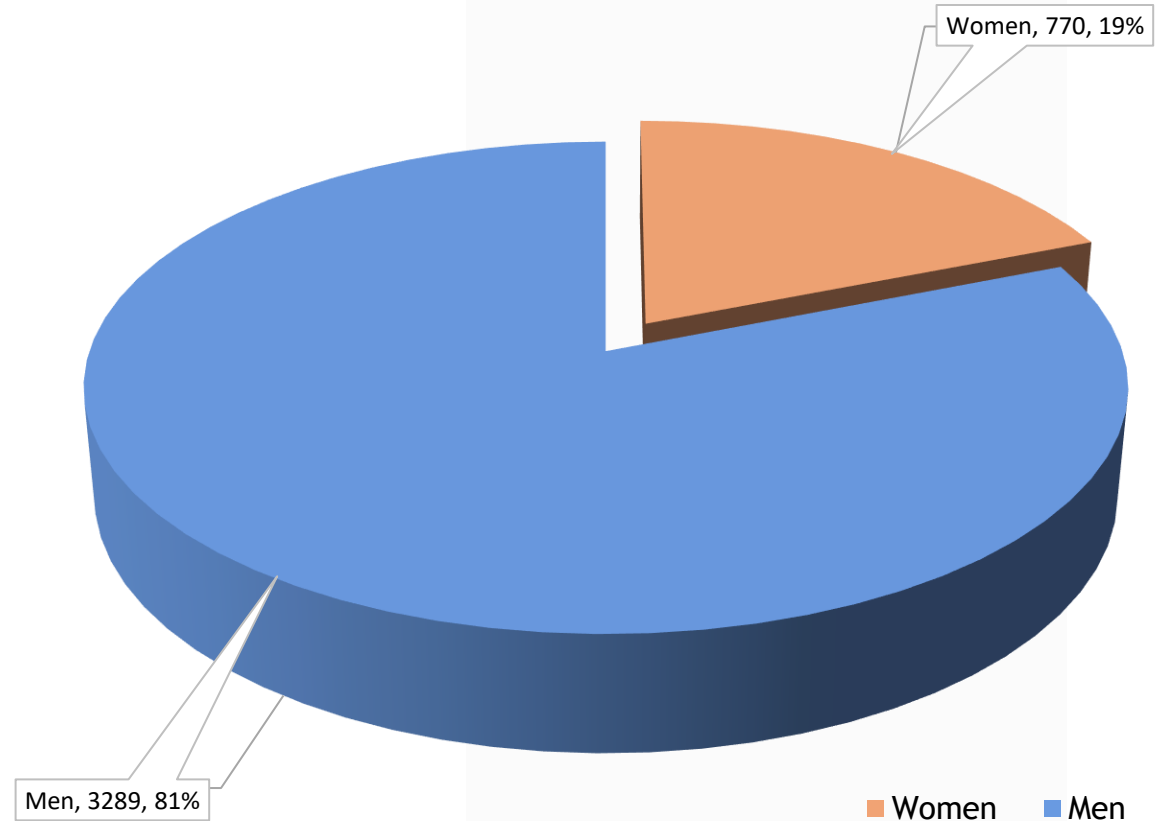
Active
30%

Active Passive Closed

Active	1201
Passive	2635
Closed	223
Total	4059

Business Ownership in the Northern Municipalities by Gender

Business ownership in the northern municipalities of Kosovo reflects various social and economic dynamics, with notable gender disparities. In a graph is an analysis of the situation based on gender



Key Challenges

Economic and Financial Factors

- **Limited access to financing:** Most businesses face obstacles in securing loans or investments due to a lack of guarantees and high financial risk.
- **Inadequate infrastructure:** Weak infrastructural connections hinder transport and trade development.
- **Competition from the informal economy:** Unregistered activities create unfair competition for formal businesses

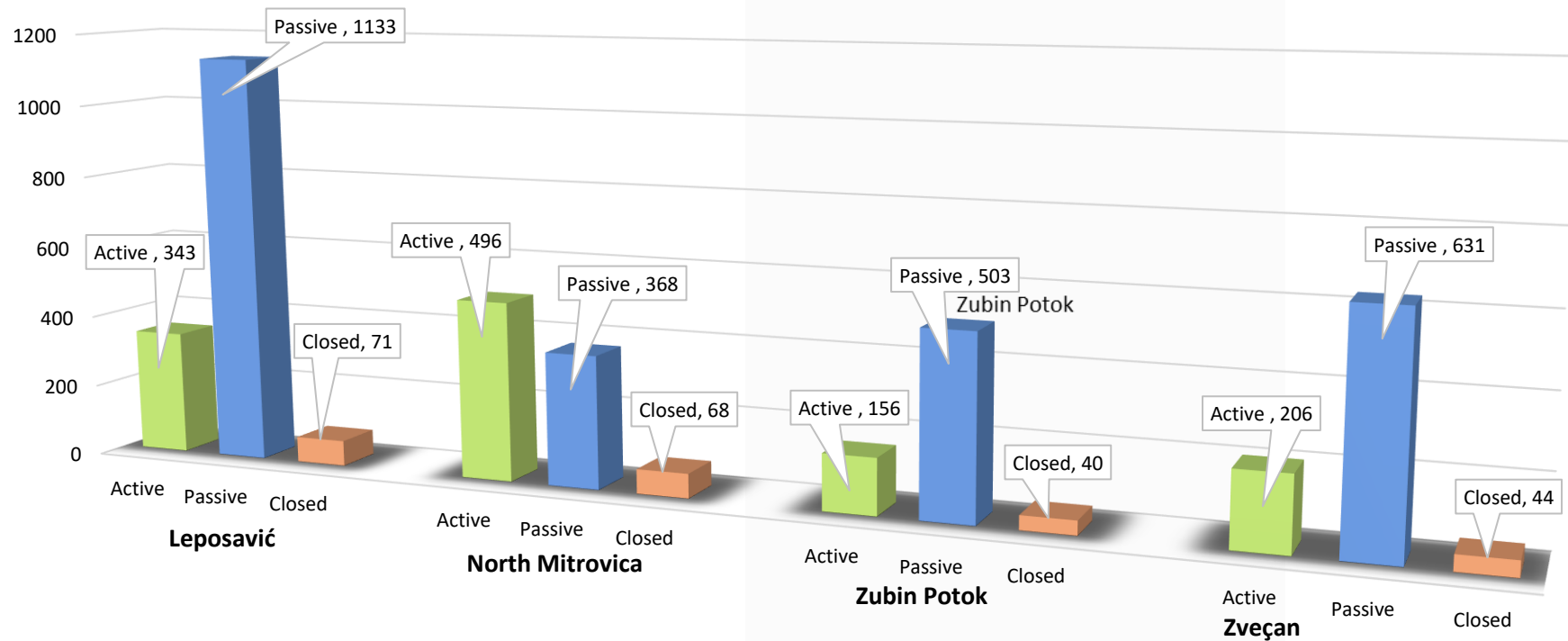
Political and Administrative Factors

- **Lack of political stability:** The political situation often undermines investor confidence and business sustainability.
- **Issues with integration into Kosovo's legal and administrative system:** Some businesses are reluctant to register in Kosovo's system due to political dynamics.

Lack of Transparency

- Low transparency at local and regional levels constitute a significant barrier to developing a favorable business environment.

This chart illustrates the distribution of registered businesses in Leposavić, North Mitrovica, Zubin Potok, and Zvečan between 2000 and 2024.



Leposavić	
Active	343
Passive	1133
Closed	71
Total	1547

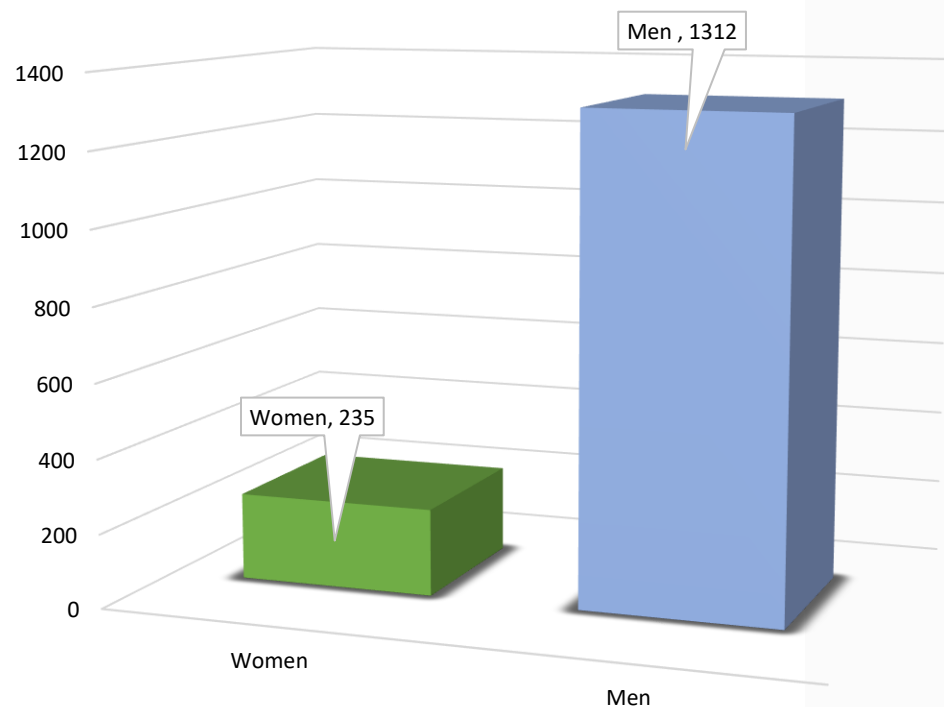
North Mitrovica	
Active	496
Passive	368
Closed	68
Total	932

Zubin Potok	
Active	156
Passive	503
Closed	40
Total	699

Zvečan	
Active	206
Passive	631
Closed	44
Total	837

Leposavić

gender-based ownership distribution

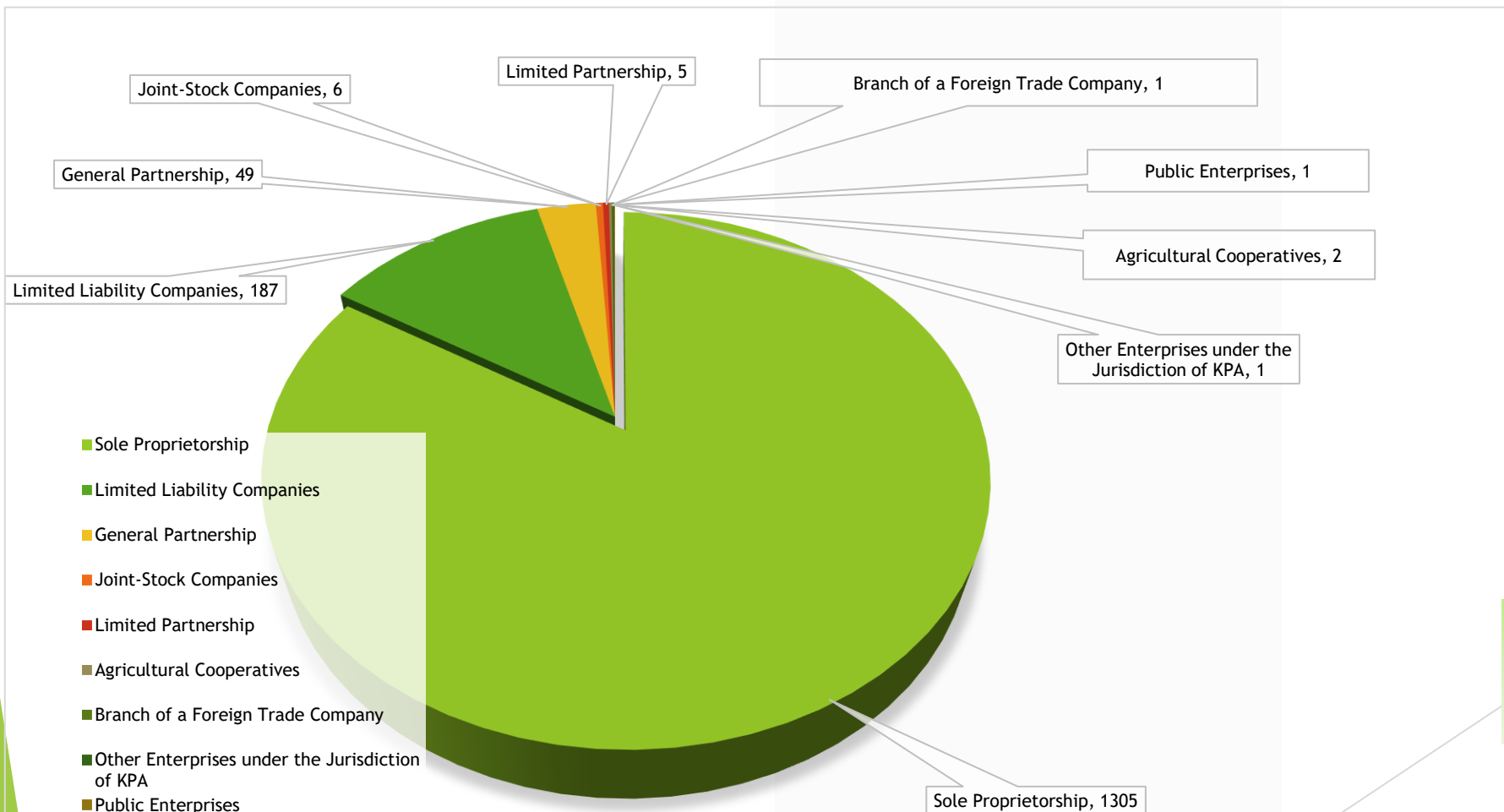


Male Dominance in Business Ownership

- Leposavić shows a significant gap with only 15% women-led businesses.
- The majority of businesses in the northern municipalities are owned by men. This trend is linked to traditional cultural and social norms that historically limited women's participation in economic activities and property ownership.
- Registered businesses, particularly those involved in trade and agriculture, are predominantly owned or managed by men.

Leposavić

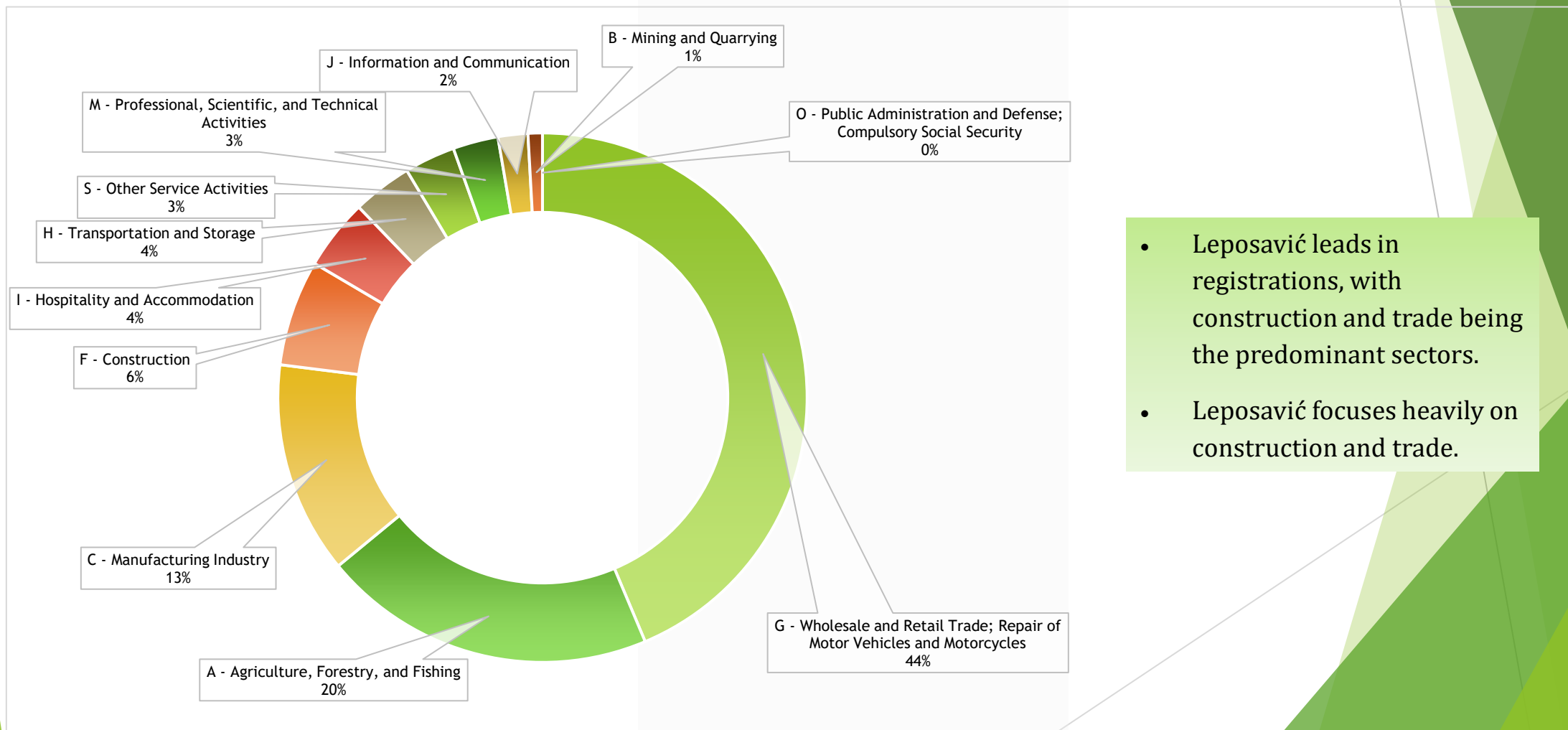
Business Categories by Type



- Trade and retail dominate across all regions.

Leposavić

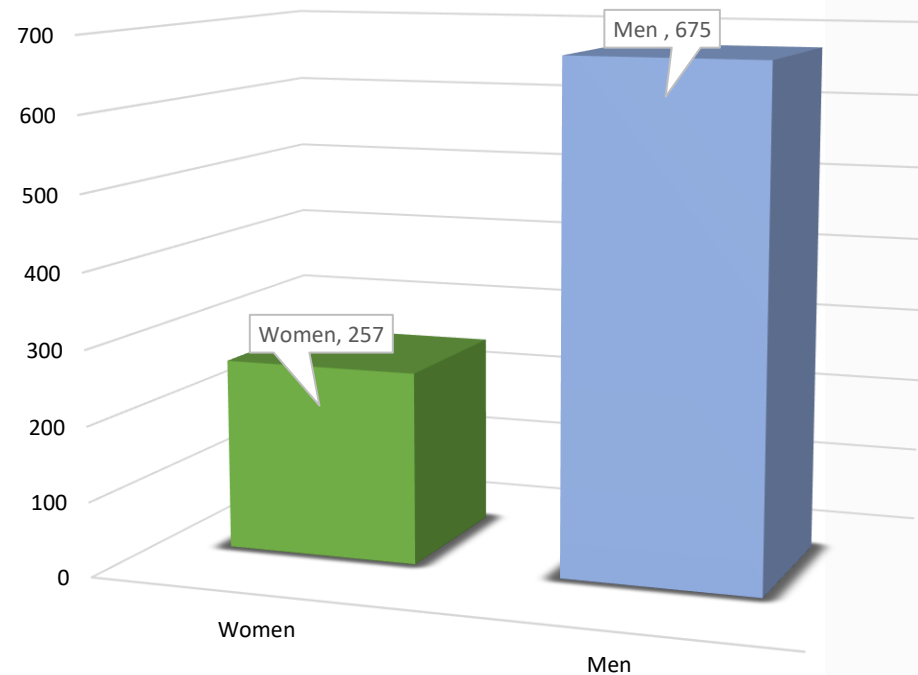
Businesses by Sector



- Leposavić leads in registrations, with construction and trade being the predominant sectors.
- Leposavić focuses heavily on construction and trade.

North Mitrovica

gender-based ownership distribution

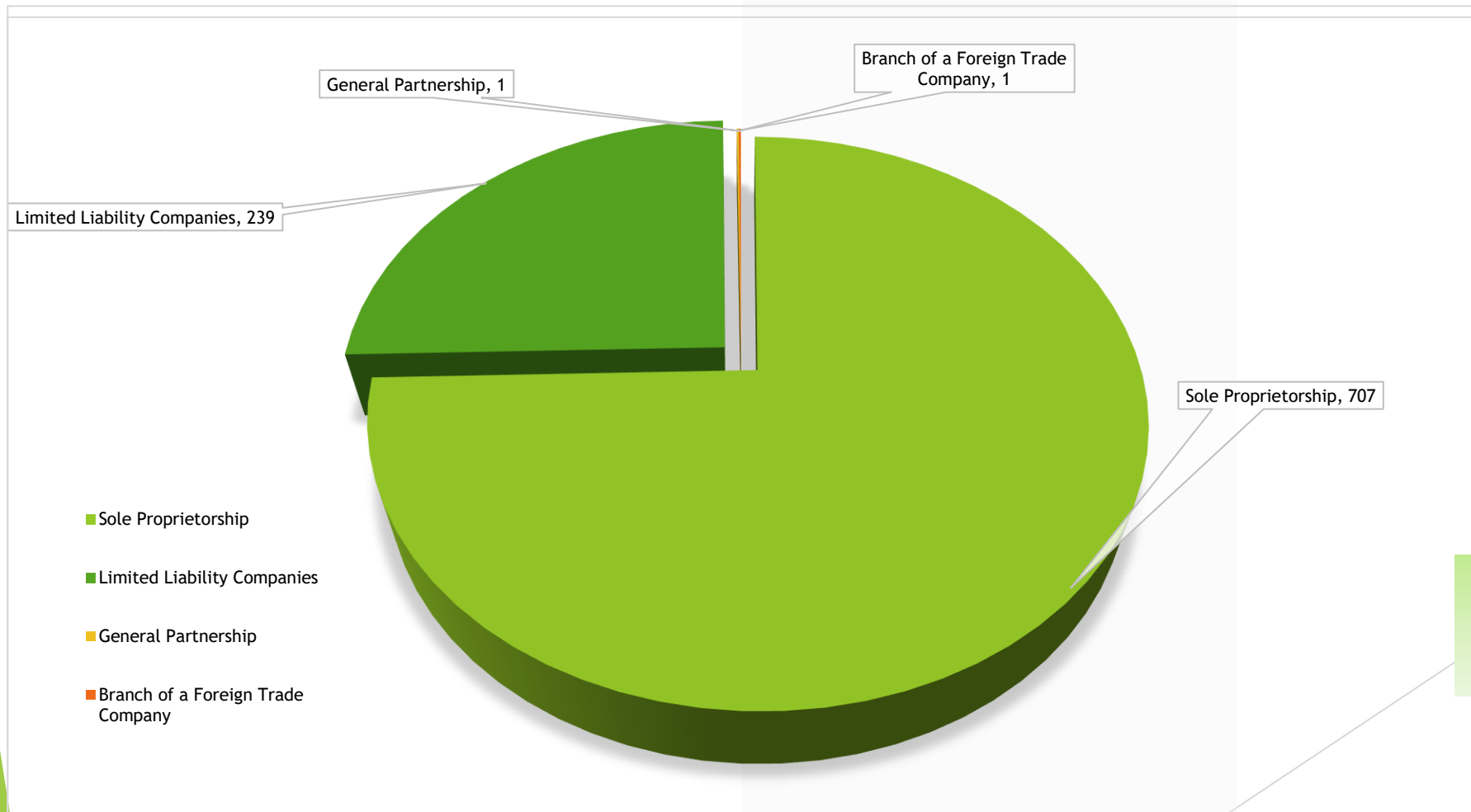


Women in Small-Scale Businesses

- North Mitrovica is comparatively balanced, with 25% female ownership.
- When women do own businesses, they are typically small-scale and focused on services, handicrafts, or other low-capital ventures.
- There are success stories where women have managed to establish sustainable businesses, often with the support of non-governmental organizations or international projects aimed at empowering women economically.

North Mitrovica

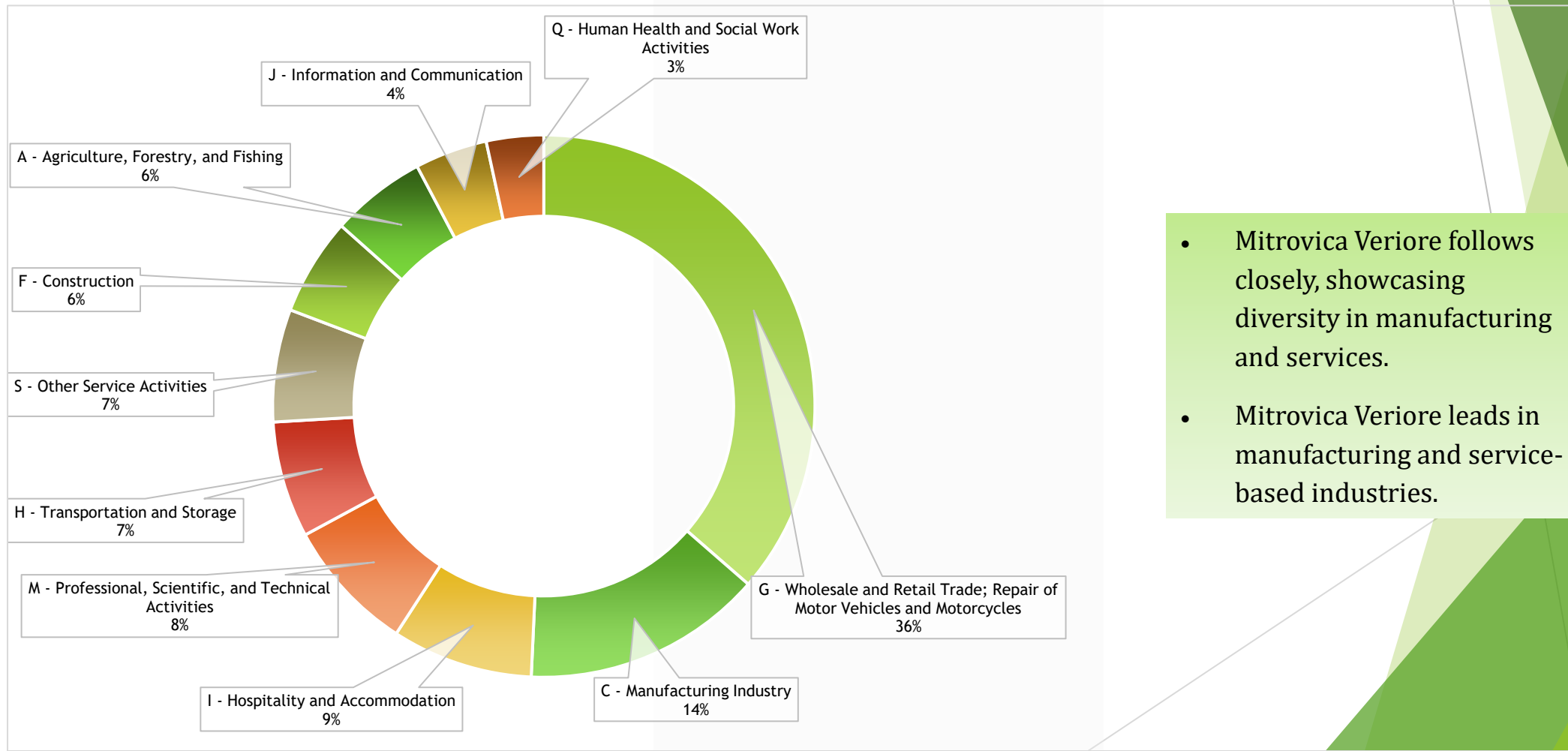
Business Categories by Type



- Trade and retail dominate across all regions.

North Mitrovica

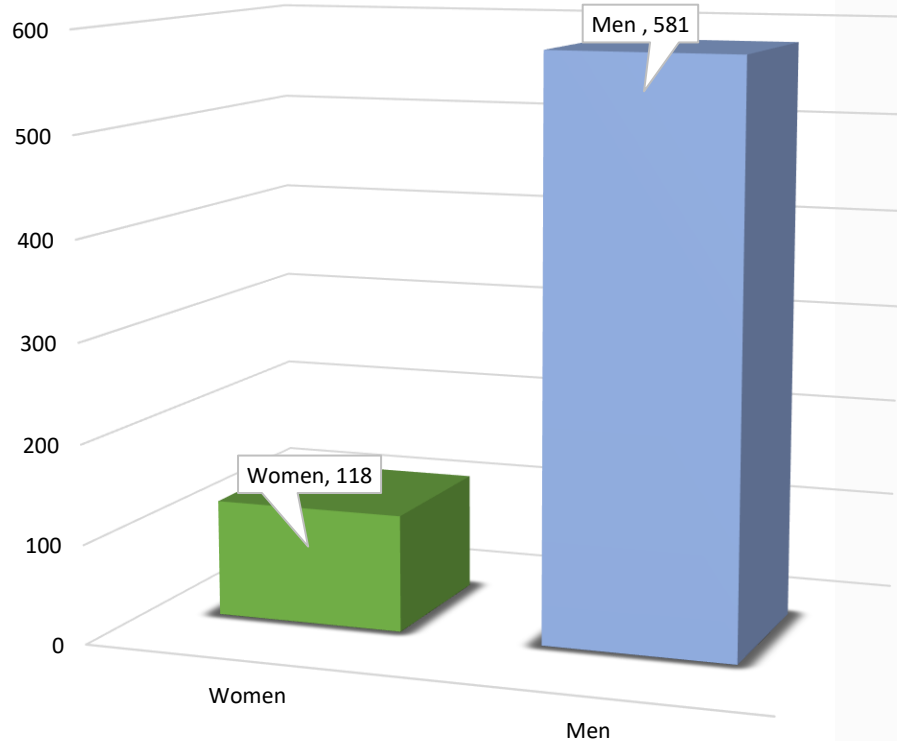
Businesses by Sector



- Mitrovica Veriore follows closely, showcasing diversity in manufacturing and services.
- Mitrovica Veriore leads in manufacturing and service-based industries.

Zubin Potok

gender-based ownership distribution

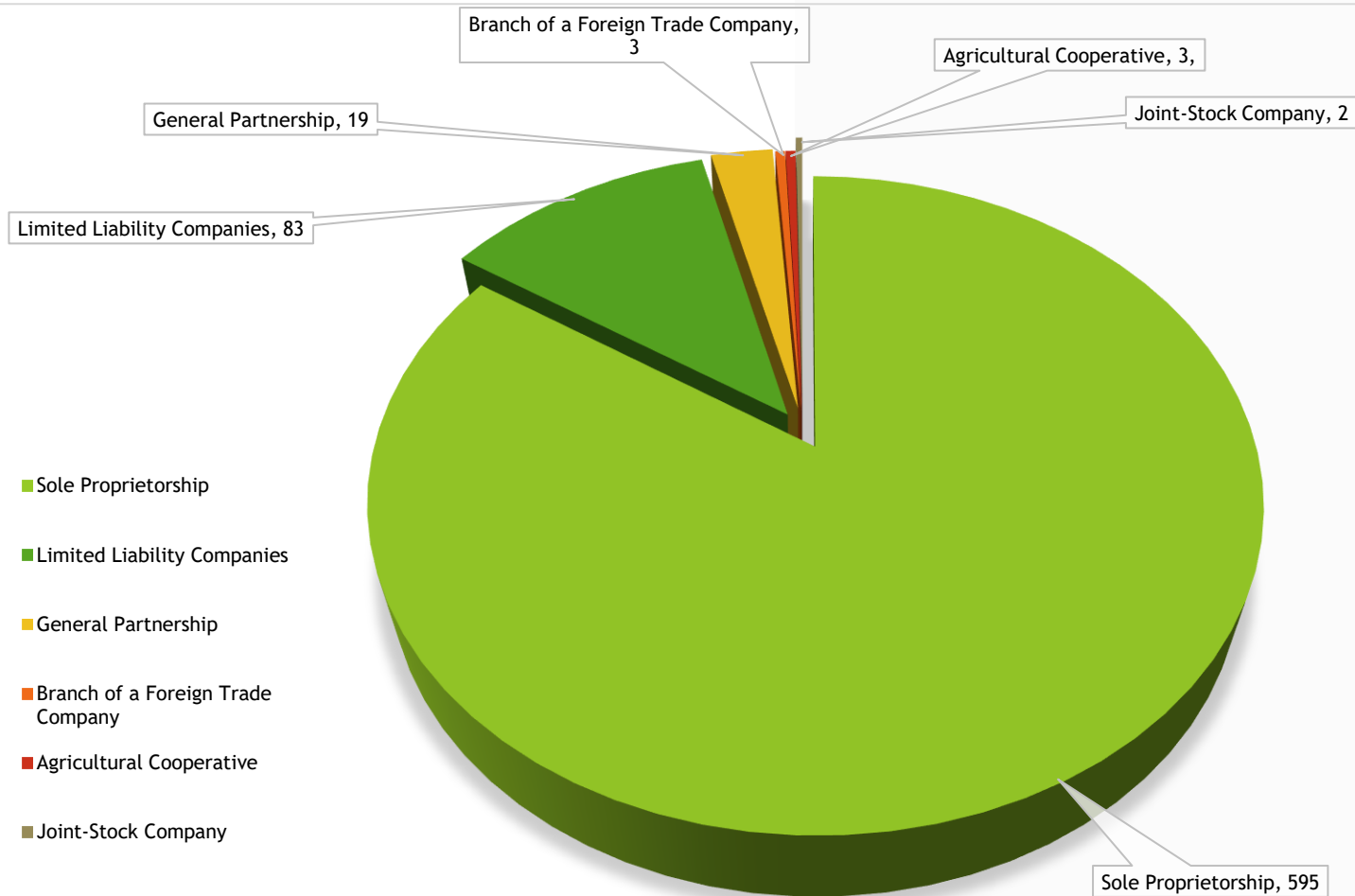


Limited Female Participation in Business

- Zubin Potok has the low percentage of women-led enterprises (17%), indicating barriers to inclusivity.
- Women have a low representation in business ownership. They are often involved in informal activities or support roles within families, without being officially listed as business owners.
- Key barriers for women include limited access to financing, lack of supportive networks, and fewer opportunities for professional training or mentorship in business.

Zubin Potok

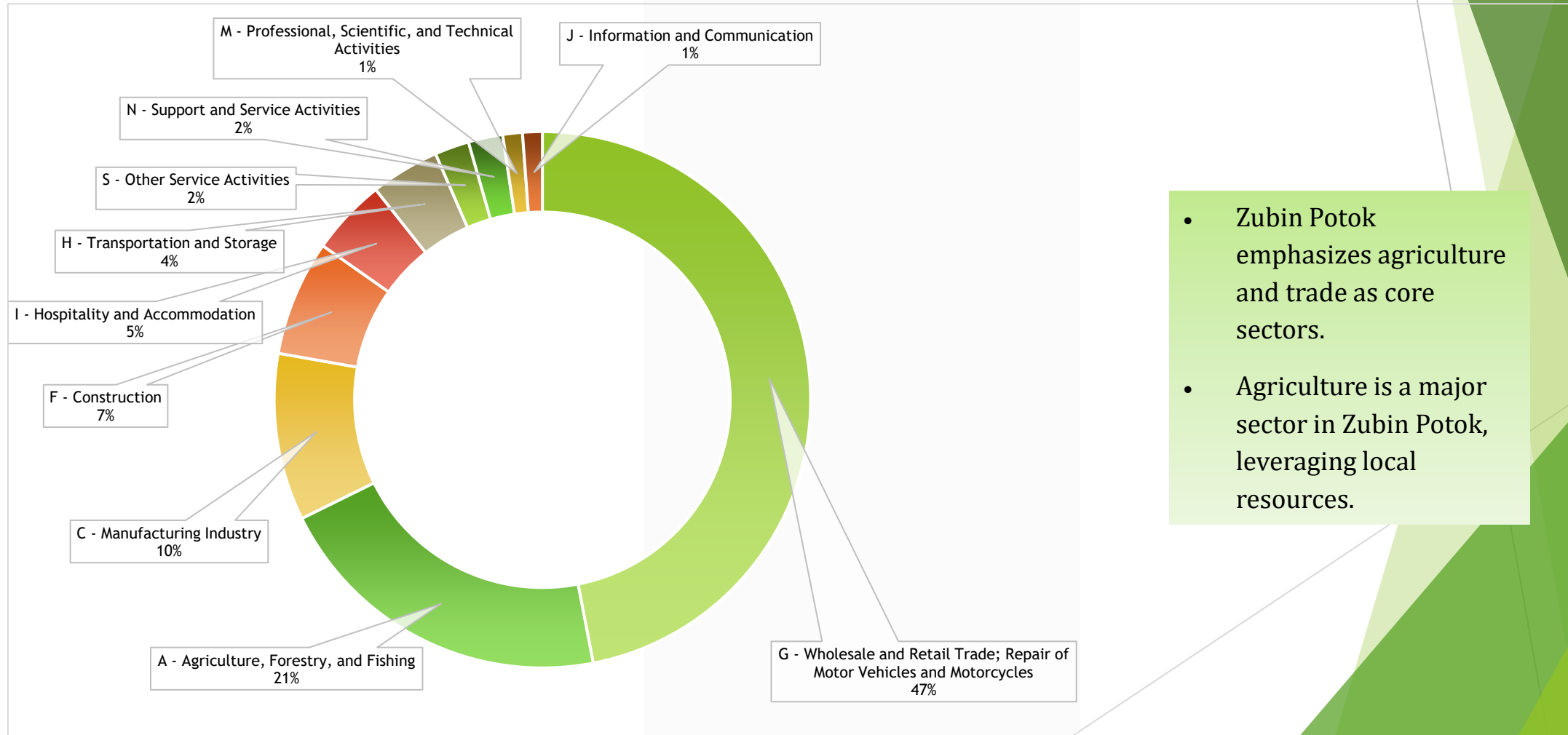
Business Categories by Type



- Trade and retail dominate across all regions.

Zubin Potok

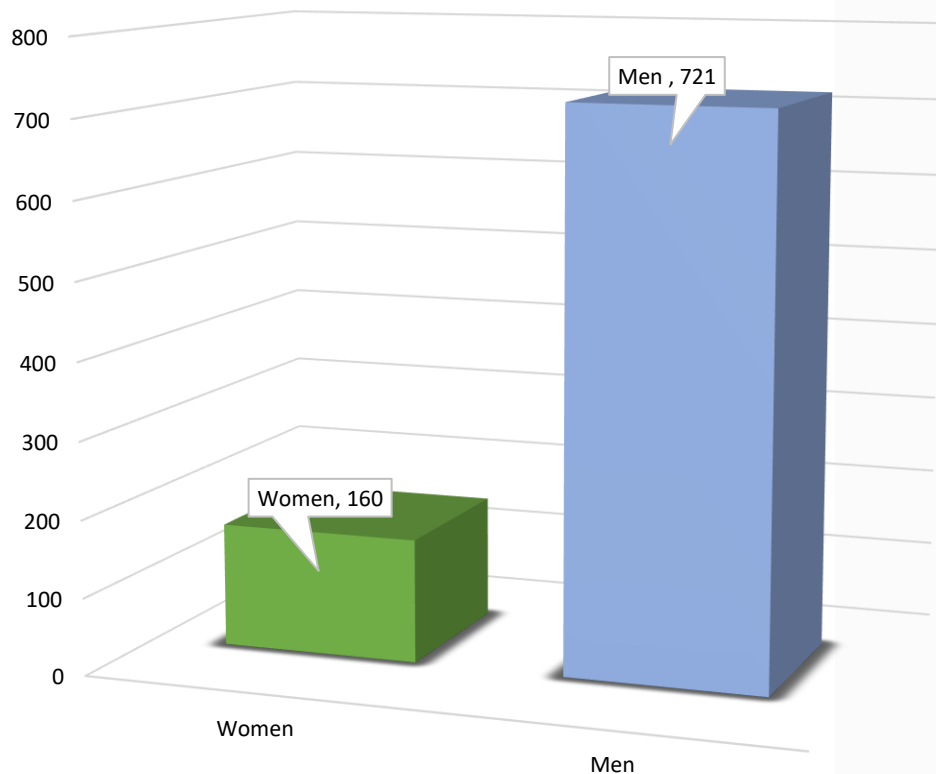
Businesses by Sector



- Zubin Potok emphasizes agriculture and trade as core sectors.
- Agriculture is a major sector in Zubin Potok, leveraging local resources.

Zvečan

gender-based ownership distribution

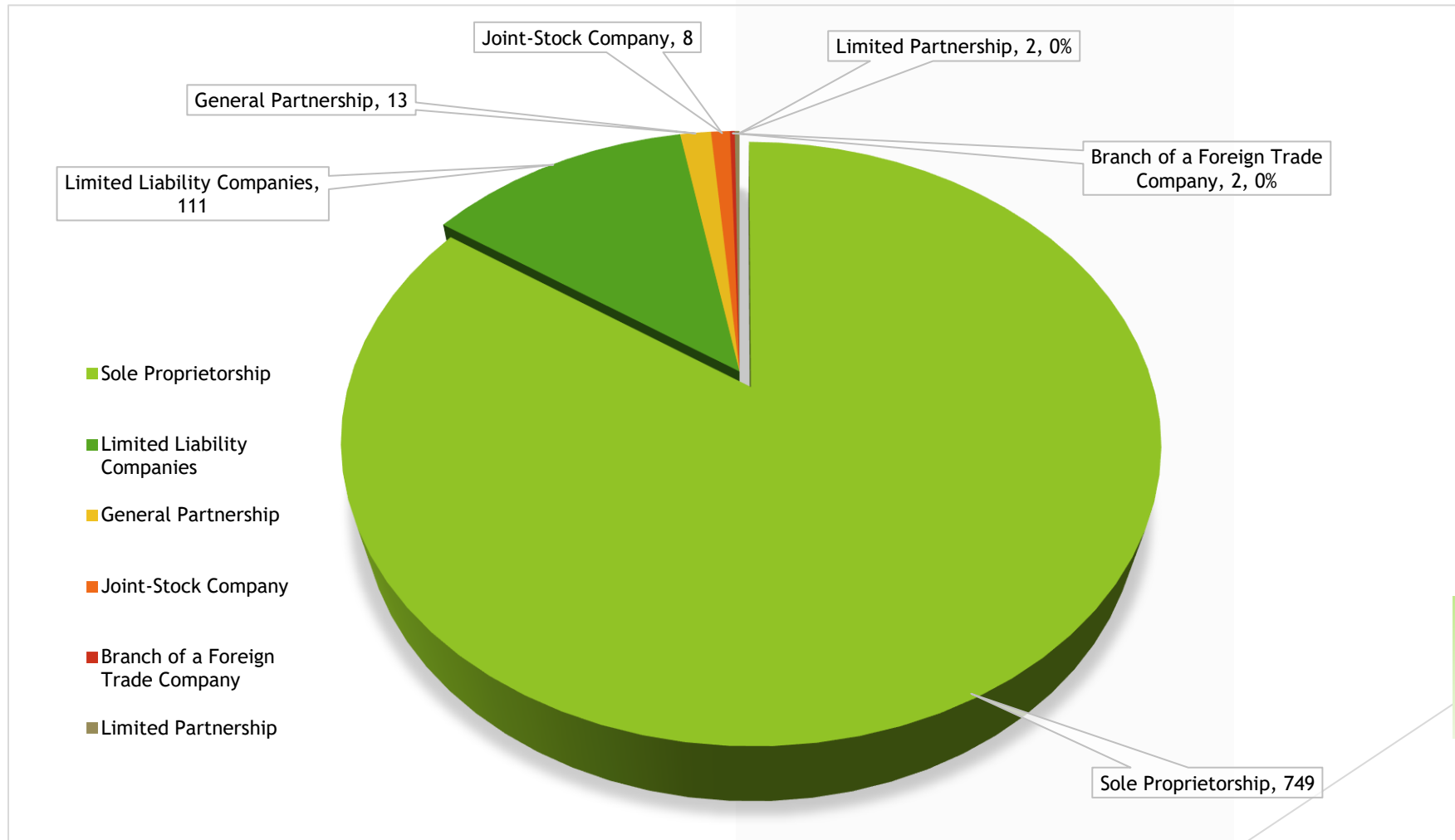


Efforts to Increase Women's Participation

- Zvečan has 18 % women-led businesses, reflecting potential for further inclusion initiatives.
- The opening of Kosovo Business Registration Agency (ARBK) offices and support from international donors have created opportunities for women to formalize their businesses.
- Programs focusing on vocational education and training for women aim to encourage their participation in the economy as business owners and entrepreneurs.

Zvečan

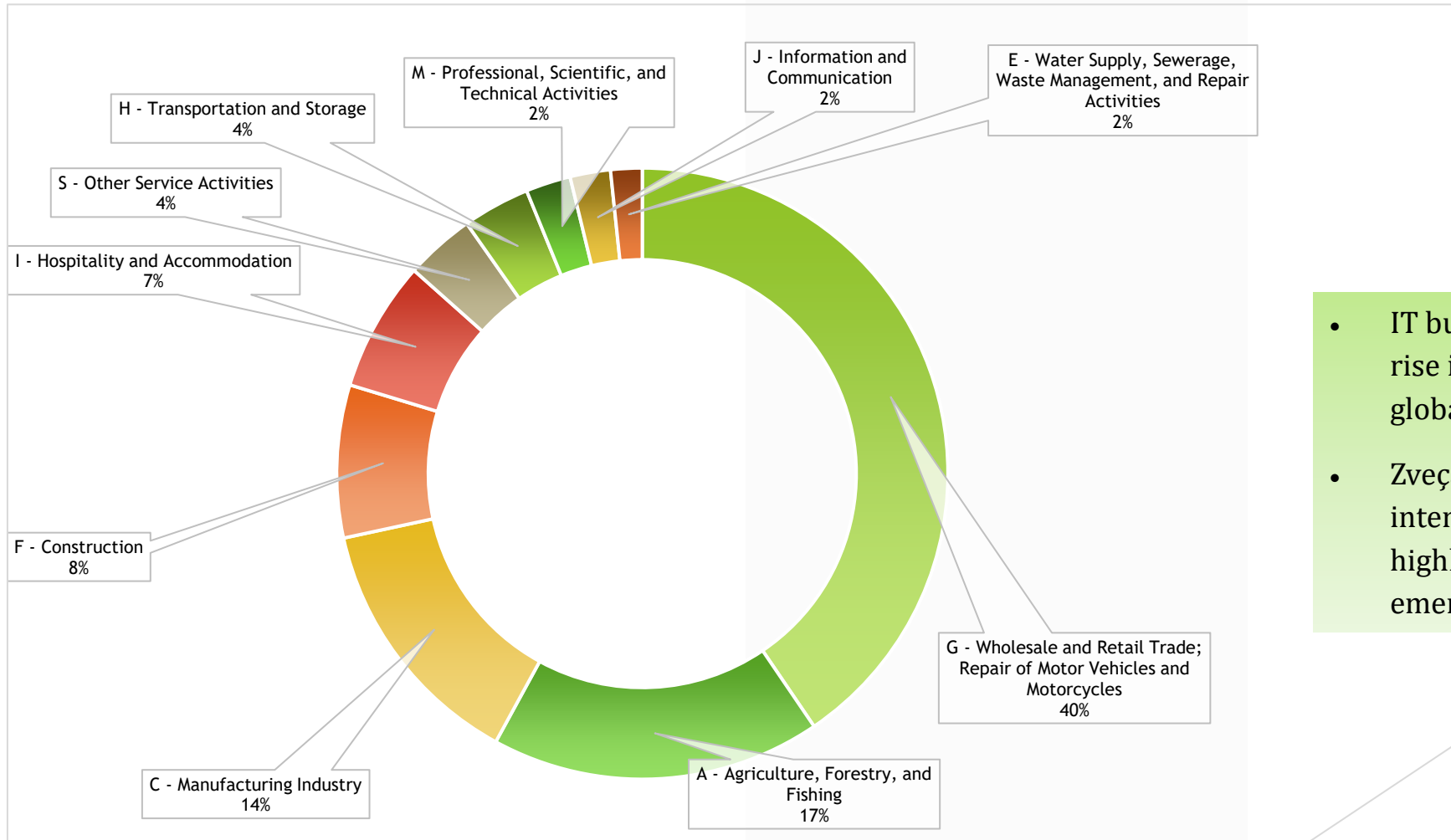
Business Categories by Type



- Trade and retail dominate across all regions.

Zvečan

Businesses by Sector



- IT businesses show a gradual rise in Zvečan, aligning with global digital trends.
- Zvečan reflects a growing interest in IT and retail, highlighting modern sector emergence.

Challenges and Opportunities

Challenges

- ▶ Access to finance is limited, especially for women and small enterprises.
- ▶ Bureaucratic complexities deter business formalization.
- ▶ Cross-community collaborations are sparse, representing under 10% of all businesses.
- ▶ High levels of informal economy.
- ▶ Political instability affecting business confidence.

Opportunities

- ▶ Growth in IT and high-value manufacturing offers modernization potential.
- ▶ Cross-community ventures in agriculture and tourism could bolster socio-economic ties.
- ▶ Development of agriculture for export.
- ▶ Formalization incentives for informal businesses.
- ▶ Investments in infrastructure and training programs.

Key Metrics

- Total registered SMEs: 4059 (2000–2024).
- Average firm size: 7 employees, showcasing their importance as local employers.
- Women-led businesses: 20%, highlighting the gender gap in business ownership
- Emerging sectors like IT and retail in Zvečan reflect a move towards innovation.
- Challenges: Limited access to finance, high levels of informality, and political instability
- Opportunities: Growth in IT, cross-community collaborations, and export-oriented agriculture

Recommendations for Improvement

- **Financial Support for Women Entrepreneurs:**

Establish dedicated funds and ease access to credit for women to start and grow businesses.

- **Training and Mentorship:**

Organize programs to enhance women's skills in business management and development.

- **Encouraging Formalization:**

Provide incentives for women to formalize their informal activities and register as business owners.

These efforts can contribute to reducing gender disparities in business ownership and fostering a more inclusive economic environment in the northern municipalities of Kosovo.