CIRCULAR ECONOMY AND THE GREEN TRANSITION IN THE TEXTILE INDUSTRY

REPORT SUMMARY

MAY 2026

This publication has been implemented by Rilindja Gjelbër, managed by the Community Development Fund (CDF) and produced with the financial support of the Swedish Embassy in Pristina. Its content derives from survey responses received up to the date specified in this report and is the sole responsibility of Rilindja Gjelbër, implementer of the project "Returning Values to the Circular Economy" under the framework of the program "Strengthening Environmental CSOs in Kosovo."

CIRCULAR ECONOMY AND THE GREEN TRANSITION IN THE TEXTILE INDUSTRY

REPORT SUMMARY

MAY, 2026

CONTENTS

LIST OF ABBREVIATIONS

CDF – Community Development Fund

AMMK – Kosovo Environmental Protection Agency

GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit

USAID – United States Agency for International Development

EU – European Union

SAA – Stabilisation and Association Agreement

CEFTA – Central European Free Trade Agreement

EPR – Extended Producer Responsibility

MMPHI – Ministry of Environment, Spatial Planning and Infrastructure

LIST OF FIGURES

INTRODUCTION

The textile and clothing industry in Kosovo continues to represent a sector of importance for economic development, employment and the potential for sustainable transformation. In a context where the circular economy is gaining increasing attention in public policy, European markets and business practices, the textile sector represents an important field for intervention, as it is directly linked to production, consumption, reuse, recycling and waste management.

This report has been produced as part of the annual assessment for 2025 within the framework of the project "Returning Values to the Circular Economy", implemented by Rilindja e Gjelbër through the program "Strengthening Environmental CSOs in Kosovo", managed by the Community Development Fund (CDF) and financially supported by the Swedish Embassy in Pristina. The report builds on the 2024 assessment but has been adapted to reflect the developments, data and findings of 2025, including comparisons between the two years where the data are comparable.

The main aim of the report is to provide an overview of the current state of the sector and to identify opportunities for moving from the linear "take-make-dispose" model towards a more circular model in which products and materials are kept in use longer through reuse, repair, recycling and waste reduction. To this end, the report examines the cycle of textile products in Kosovo, from import and production through to use and post-use management, combining data from citizens, businesses and policymakers to identify progress, challenges and the steps needed for a more sustainable sector.

METHODOLOGY

The methodological approach for carrying out the annual assessment of the textile industry and textile waste management practices in Kosovo during 2025 was a combined one, including:

Review of strategic and legislative documents, and additional literature.	**Analysis of secondary data** obtained from Kosovo Customs and the Kosovo Business Registration Agency.	**Survey of 400 citizens** aged 18 and above across all municipalities of Kosovo	**Interviews with 100 businesses** from the textile sector across different regions of Kosovo	**Interviews** with four (4) key institutional representatives/policy makers

The research methods combined a quantitative and a qualitative approach, with the aim of providing as complete a picture as possible of the textile sector, waste management practices and opportunities for implementing the circular economy. The results of the report are based on data collected during 2025 and, where it has been methodologically possible, are compared with the findings of 2024 to identify the main changes and trends.

STUDY RESULTS

POLICY ANALYSIS

In Kosovo there are several policies, strategies, agreements and initiatives that influence waste management, the circular economy and the textile sector:

- **Kosovo Industrial Policy 2030 –** In line with the National Development Strategy 2030, it aims to support industrial modernisation, increased productivity, integration into international markets and sustainable development of the productive sectors.
- **National Development Strategy 2030 –** Sets sustainable economic development, improved well-being and strengthening of institutional capacities as long-term priorities, establishing a general basis for the development of industrial sectors, including textiles.
- **Waste Law No. 04/L-060 and its related amendments –** Sets the general principles for the prevention, reduction, reuse and treatment of waste, but does not yet establish a specific regime for textile waste as a distinct fraction.
- **Strategy for the Integrated Management of Waste 2024–2035 and the Action Plan 2024–2026 –** Represent an important development during the 2024–2025 period, directing Kosovo towards improved waste management, separation at source, recycling, reduction of waste in landfills and alignment with EU standards.
- **Kosovo Roadmap for the Circular Economy –** Identifies priority sectors for the circular transition and provides a strategic basis for treating the textile sector as part of the circular economy, although concrete sectoral instruments are still lacking.
- **Climate Change Law No. 08/L-250 –** Adopted in 2024, it represents an important advance in the country's climate framework and sets the basis for mitigation, adaptation, monitoring and reporting measures regarding climate impacts.
- **KIESA support schemes for manufacturing and processing businesses –** In 2025 they included elements linked to the circular economy and green criteria, showing a clearer link between industrial support and the green transition.

As regards strategies, initiatives and practical implementation:

- **Institutional support for the textile industry remains limited –** The findings of the USAID study continue to be relevant, as they show that the majority of businesses have not reported sustained institutional support and that the main needs relate to qualified workers, technology upgrades and better access to finance.
- **GIZ's "Sustainable Municipal Services" project –** Has contributed to improving municipal waste-management services, expanding service coverage and reducing illegal dumpsites, providing a basis for a more structured approach to waste management.
- **SEREC project –** Promoting the circular economy as a sustainable model for the development of social enterprises – Has contributed to the collection, reprocessing and reuse of materials, including textiles, as well as to the encouragement of social entrepreneurship and employment for marginalised groups.
- **3R Thrift Store initiative –** Represents a practical example of applying the circular economy in textiles, through the promotion of second-hand clothing, extension of the life of textile products and the reduction of waste through reuse.
- **Rilindja Gjelbër and the Circular Economy Awards 2025 –** The recognition of Rilindja Gjelbër for the development of the first textile-recycling centre in Kosovo shows that practical models of reuse, recycling and social entrepreneurship have begun to be developed at the local level.
- **"Circular Economy for Green Transition in Kosovo" project –** Funded by the European Union and implemented by People in Need in cooperation with Rilindja Gjelbër, it aimed to advance the transition to the circular economy in Kosovo, with a focus on empowering civil-society organisations and small and medium-sized enterprises during 2023–2025.
- **"Circular Urban Development – Kosovo4Green" project –** Implemented by GIZ in partnership with MMPHI, it started in 2024 and aims to improve waste management and sustainable urban development through circular-economy approaches up to 2028.

However, despite these positive developments, significant structural and institutional challenges remain:

The implementation of the Circular Economy Roadmap remains limited**.**

Source separation and recycling are not yet implemented systematically.

The Deposit Refund System is not yet operational.

The National Energy and Climate Plan has experienced delays**.**

The new Waste Management Law and the Extended Producer Responsibility (EPR) mechanisms are still under development and require greater institutional, financial, and technical capacities for effective implementation.

As regards international agreements and standards:

- **Stabilisation and Association Agreement with the EU –** Remains an important framework for Kosovo's gradual alignment with European standards, including the areas linked to environmental protection, waste management, the movement of materials and the environmental performance of products.
- **CEFTA and regional agreements –** Continuously influence the movement of textile products, imports, exports and the sector's regional integration, but do not in themselves create binding standards for the management of textile waste or for circular design.
- **Sofia Declaration on the Green Agenda for the Western Balkans –** Places the circular economy at the centre of the region's green transition and is relevant to the textile sector because of its link to intensive resource consumption, waste generation, reuse and recycling.
- **Kosovo–EFTA Free Trade Agreement –** Signed on 22 January 2025, it represents a new trade development and may create additional opportunities for integrating the textile sector into new markets, although it does not create direct obligations for circular practices.

- **EU Circular Economy Action Plan –** Identifies textiles as one of the main product value chains with high environmental and economic impact, linking the sector to the need for more sustainable design, reuse, recycling and waste reduction.
- **EU Strategy for Sustainable and Circular Textiles –** Sets the direction of European policy for textiles, requiring products that are more durable, more repairable, more reusable and more recyclable.
- **EU Waste Framework Directive, as amended by Directive (EU) 2018/851 –** Requires EU Member States to establish separate systems for the collection of textiles from 1 January 2025, treating textiles as a distinct fraction that requires separation, collection, reuse and recycling.
- **The most recent revision of the Waste Framework Directive –** Entered into force in October 2025 and has a particular focus on food and textile waste, strengthening the EU's approach towards more concrete obligations for producers, importers and those placing products on the market.
- **EU Waste Shipments Regulation –** Aims to better regulate the cross-border movement of waste and to limit practices that shift the environmental burden outside the EU. For Kosovo, this increases the importance of reviewing national waste-prevention programmes and the handling of imports of used clothing.

Overall, the 2024–2025 period shows a clearer advancement of the strategic, climate and European framework for waste management and the circular economy. Nevertheless, Kosovo still does not have a dedicated policy for textile waste, has no separate system for the collection of textiles, has no functional EPR scheme for textiles and has no dedicated statistics for this fraction. For this reason, the main challenge remains the translation of strategic orientations and international standards into concrete policies, instruments and investments for the textile sector

PROFILE OF THE TEXTILE INDUSTRY

The textile sector in Kosovo continues to be dominated by micro-enterprises. Of the 7,210 companies identified in total, 98.6% are micro-enterprises, 1.1% are small enterprises, 0.2% are medium-sized enterprises, while only 0.1% are large enterprises. Compared with last year, the structure remains substantially the same, since back then too the sector was dominated by micro-enterprises at 99.2%, showing that the expansion in the number of companies has not been accompanied by a visible transformation in business size.

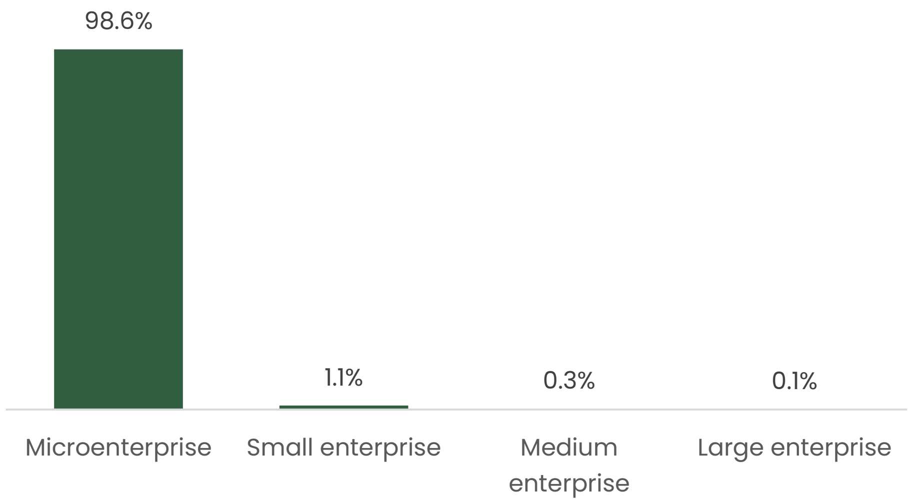

Figure 1. Categorization of businesses

The sector continues to be dominated by trade, but with a somewhat smaller weight than last year. Trade represents 71.0% of the companies, manufacturing 25.3%, and cleaning services 3.7%. Compared with the previous year, when trade accounted for 77.3% and manufacturing only 19.5%, an increase in the weight of manufacturing and a relative decline in the dominance of trade can be observed. This may indicate a more complete picture of the sector in this version, but it also suggests that productive activities play a greater role than was reflected earlier.

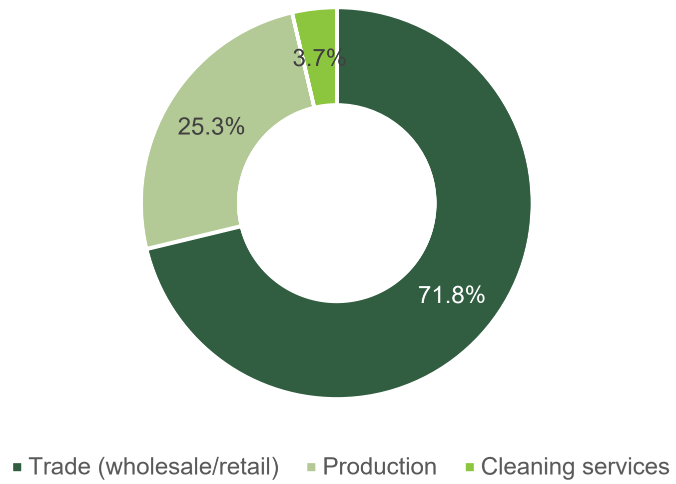

Figure 2. Types of business activities

In terms of employment, the textile sector includes a total of 13,897 registered workers, marking a considerable increase compared with the previous year. The municipalities with the highest share of workers are Pristina with 27.6%, Prizren with 11.6% and Ferizaj with 9.2%.

SUPPLY OF TEXTILE PRODUCTS

Alongside the workforce and its distribution, another key aspect for the industry remains the trade balance of textile products, which continues to be markedly in favour of imports. For clothing, imports reach 14.71 million kg, while exports are only 0.52 million kg. For accessories, imports amount to 2.16 million kg, while exports are 0.03 million kg. Household textiles record 4.69 million kg of imports and 1.04 million kg of exports. These figures show that the domestic market continues to rely primarily on imported goods and that the trade imbalance remains deep.

Compared with the previous year, the changes in textile trade are not the same in value as in volume. In some categories, especially clothing, the value of trade has increased, while the physical quantity is lower than in 2024. This suggests that the flows have been influenced not only by the volume of goods, but also by prices, the product structure and the type of items traded.

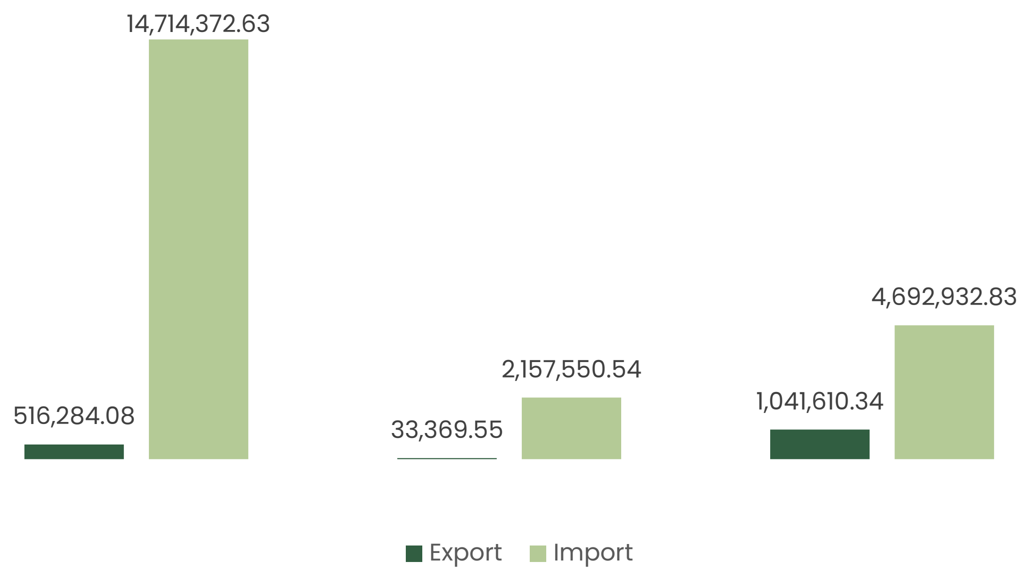

Figure 3. Export and import of textile products by main categories for 2025

The data show that Kosovo imported approximately **21.56 million kilograms** of textile products in 2025, while exporting only about **1.59 million kilograms**. This resulted in a surplus of approximately 19.97 million kilograms of textiles remaining within the country, indicating a significant imbalance in favor of imports.

The main part of the imported volume continues to be concentrated in clothing, which accounts for around **63.9%** of the total imported in these categories. It is followed by household textiles with **20.4%,** accessories with **9.4%** and used clothing with **6.3%.** This large flow of textiles entering and not leaving the country remains a direct indicator of the potential quantity of textile waste, especially in the absence of consolidated systems for reuse, separate collection and recycling.

If the category of used clothing is examined separately, the disproportion remains very strong in volume terms as well. During 2025 only 0.05 million kg were exported, while 1.45 million kg were imported. Compared with 2024, imports in this category have increased, while exports remain very low. This suggests that used clothing continues to enter the domestic market in large quantities, without being fully reintegrated into a circular cycle, which increases the risk that a considerable part of it will end up as waste.

Figure 4. Export and import of used clothing for 2025

This structure of the sector and the deepened trade balance directly influence the way in which citizens obtain their textile products, as will be examined in the section that follows.

In terms of monetary value, clothing carries **the greatest weight, with around EUR 237.03 million in imports and EUR 35.69 million in exports.** For accessories the gap also remains very deep, with EUR 17.08 million in imports against only EUR 0.47 million in exports. For household textiles the picture is the same, as imports reach EUR 24.01 million while exports remain at EUR 5.37 million. Compared with 2024, the most visible change is the strong increase in the value of imports, especially for clothing, which suggests a further expansion of dependence on foreign markets.

Figure 5. Value of goods by category for 2025

Another important aspect of this study is the way in which citizens obtain their textile products. In 2025, personal purchase remains the dominant form of clothing supply in almost all categories, rising for shoes from **87.6%** to **90.5%,** for tops/shirts from **86.0%** to **88.6%,** for jackets/coats from **80.8% to 84.0%** and for sportswear from **71.5% to 74.0%.**

However, the use of alternative forms of supply remains more limited. Purchases from family members have fallen in some basic categories, such as tops/shirts from **21.4% to 15.1%,** while reuse from family members has decreased in most categories, including jackets/coats from 18.5% to 16.1% and shoes from **11.2% to 9.1%.** This shows that the supply model remains mainly oriented towards personal purchase, while family reuse continues to play a limited role.

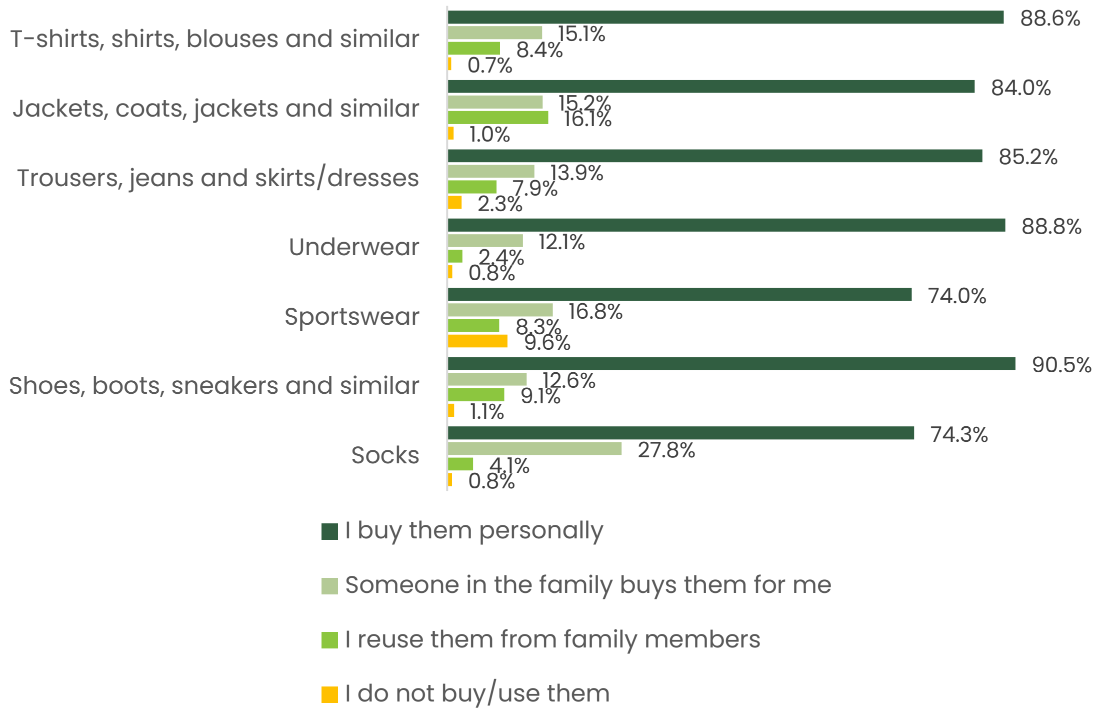

Figure 6. Which of the following types of textile products do you buy – clothing? (Multiple-choice question)

The results show that the main reasons for not buying second-hand products remain linked mainly to hygiene, personal perception and quality. Concern that reused products are not clean or hygienic has risen from **44.0% to 50.7%,** remaining the main reason for avoiding them. Dislike of the idea of using something that has been used by someone else also remains high, but almost unchanged, from **43.6% to 42.5%.**

Figure 7. What are the reasons you do not buy second-hand products? (Multiple-choice question)

Compared with the previous year, the most visible increase is seen in concerns about quality, which have risen from **23.7%** to **33.0%**, as well as in the difficulty of finding suitable products, from **25.3%** to **29.1%.** This shows that resistance to used products is not linked only to stigma or personal preference, but also to a lack of trust in cleanliness, quality and suitability. For this reason, increasing acceptance of second-hand products requires not only environmental awareness, but also clearer guarantees of their sorting, hygiene and quality.

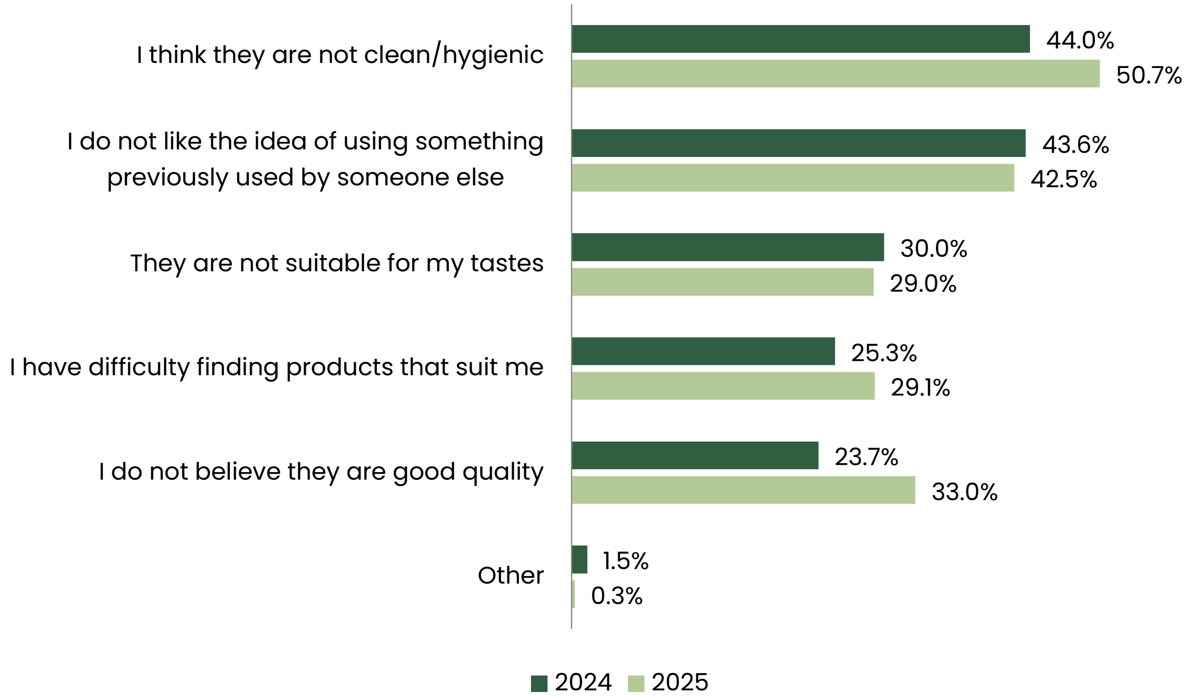

Figure 8. What are the reasons you do not buy second-hand products? Comparison 2024–2025 (Multiple-choice question)

Understanding the materials used in textile products is important for assessing their potential environmental impact as well. The results show that cotton continues to be the most used material in the products manufactured, reported in **38.5%** of cases, based on valid responses from manufacturing businesses (N=13). However, this percentage is markedly lower compared with the previous year, when cotton was reported in **63.3%** of cases. Textile fabric accounts for **23.1%,** while natural leather and synthetic materials are each reported at **15.4%.** Polyester appears more rarely, at **7.7%.** From an environmental perspective, the use of cotton and natural leather can be linked to less non-biodegradable waste, while the presence of synthetic materials and polyester, although more limited, continues to present a challenge because of their higher durability and the difficulty of handling them after use.

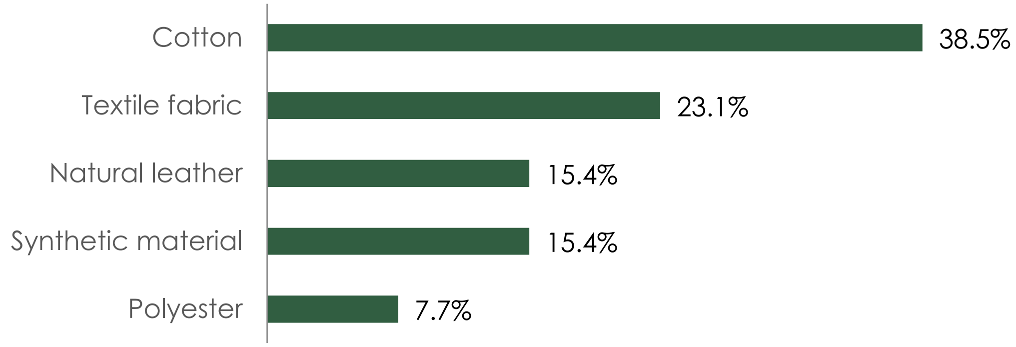

Figure 9. What is the raw material you use for the products you manufacture? (Multiple-choice question)

Cotton remains the material most requested by clients, at 60.6%, almost at the same level as in the previous year (61.0%). Polyester continues to be widely used, but has fallen slightly from 46.0% to 42.4%, while synthetic materials have decreased from 28.0% to 22.2%. Meanwhile, the use of linen fabric (29.3%) and woven/knitted materials (20.2%) shows a wider range of materials, while the "other" category (29.3%) suggests greater flexibility in supply, including cases where materials are supplied by the clients themselves.

TEXTILE WASTE MANAGEMENT

The management of textiles that are no longer used by citizens in Kosovo continues to rely mainly on traditional practices such as donation and storage for reuse. For clothing and accessories, citizens most often donate to family members or friends **(58.3%)** and to families in need (**41.4%**), while **16.6%** discard them as waste. For household textiles, the main practice remains donation to family members **(49.6%),** followed by donation to families in need **(27.2%)** and storage for reuse **(25.5%),** while discarding as waste has fallen to **22.8%.**

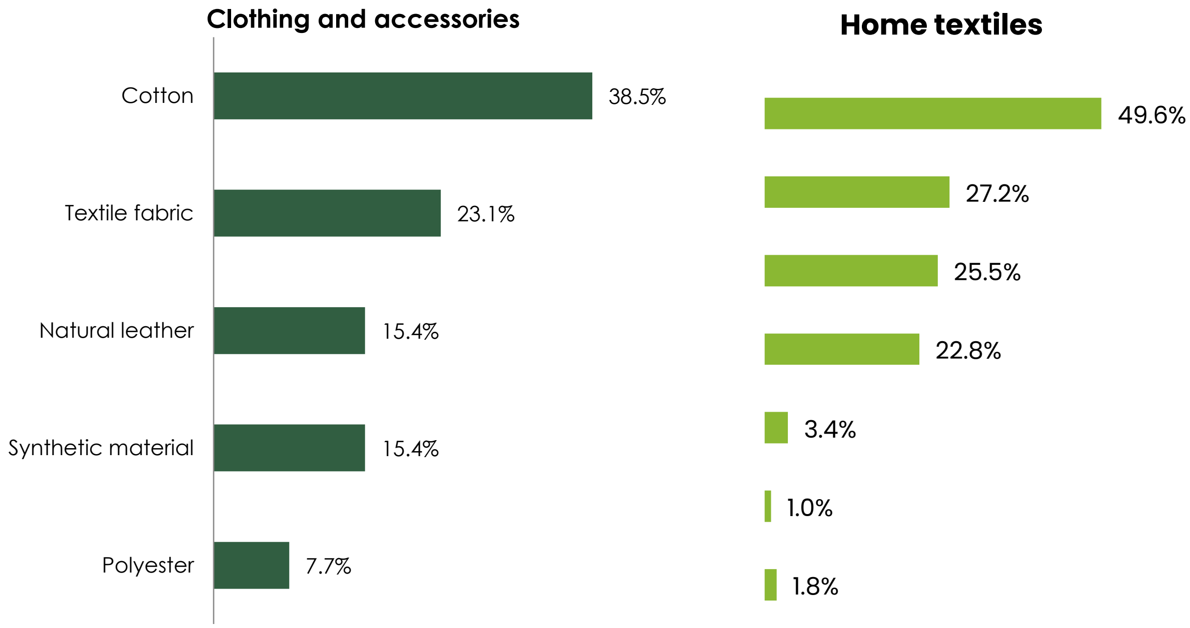

Figure 10. How do you manage the clothing and household textile accessories/products that you no longer use? (Multiple-choice question)

Regarding the quantity of clothing discarded over a year, the 2025 data show more dispersed reporting and generally in lower weight categories. Responses for **1–2 kg** and **3–5 kg** together account for **35.0%,** while categories above 10 kg remain more limited. Compared with the previous year, when **44.7%** reported **1–5 kg** and **21.8%** reported **11–15 kg**, the declared quantity appears to be lower. However, the increase in "don't know" responses from **8.6%** to **31.4%** indicates greater uncertainty in estimating the quantity of textile waste.

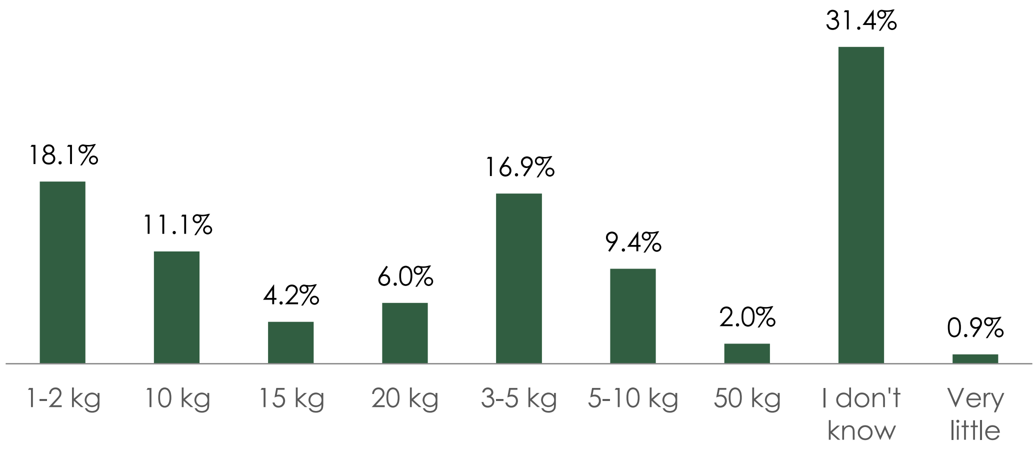

Figure 10. Approximately how many kilograms of clothing do you discard each year?

Based on these data, a calculation has been carried out to estimate the quantity of textile waste generated by citizens. Of the respondents, 16.6% stated that they discard clothing as waste, reporting a total of 485 kg per year. This corresponds to an average of around 9.70 kg per person per year within this group. By applying this average to the population that this behaviour represents, **it is estimated that citizens in Kosovo generate approximately 2,695.68 tonnes of textile waste per year from clothing.**

However, it is important to stress that this is an **approximate estimate** and not an official figure, due to the lack of real and structured data at national level.

In addition to citizens, businesses also play an important role in generating textile waste. The way companies manage their waste is key to assessing the environmental impact and the potential for reuse and recycling. The following analyses the current practices and the room for improvement in this regard.

The data show that in 2025 companies relied more on municipal landfills for managing material waste, at 70.0% compared with 61.0% in 2024. Meanwhile, practices more closely linked to the circular economy have declined: the use of leftover materials has fallen from 37.0% to 15.0%, cooperation with reuse initiatives from 10.0% to 4.0%, and recycling from 6.0% to 4.0%. This may also be linked to the profile of the companies surveyed, which this year is more dominated by retail-sale activities and less by manufacturing, reprocessing or repair. As a result, fewer companies appear to have internal processes for returning materials to use. Overall, the comparison shows a shift away from circular practices towards more traditional waste management, highlighting the need for practical support, links with recycling companies and more workable reuse mechanisms.

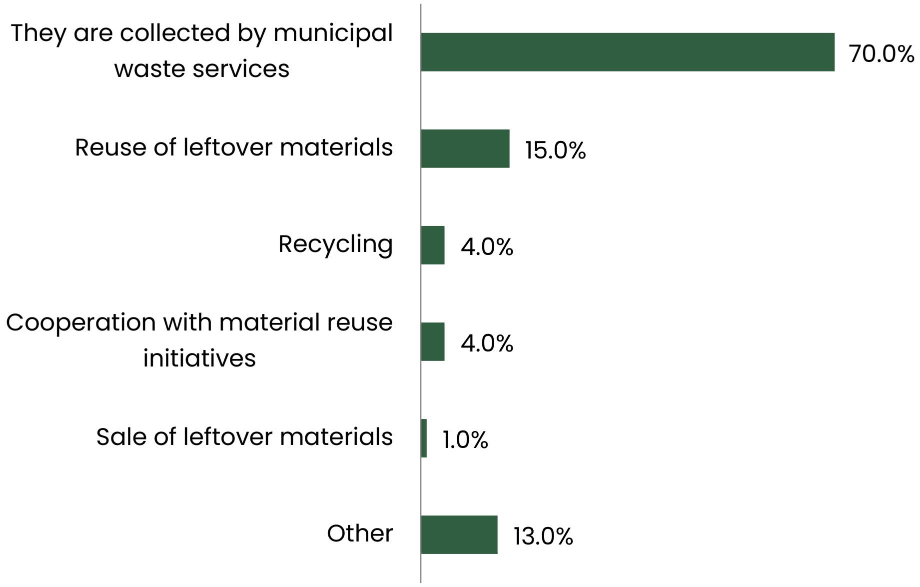

Figure 11. How does your company manage material waste in the production process? (Multiple-choice question)

The 2024–2025 comparison shows that waste management by businesses has shifted further towards municipal landfilling, while more circular practices have declined. The use of leftover materials, cooperation for reuse and recycling are less present than last year, suggesting a weakening of internal reuse practices. This may also be linked to the profile of the businesses surveyed this year, where activities appear to be more oriented towards sales than towards manufacturing or reprocessing. Overall, the data underline the need for more practical mechanisms that make reuse and recycling more workable for businesses.

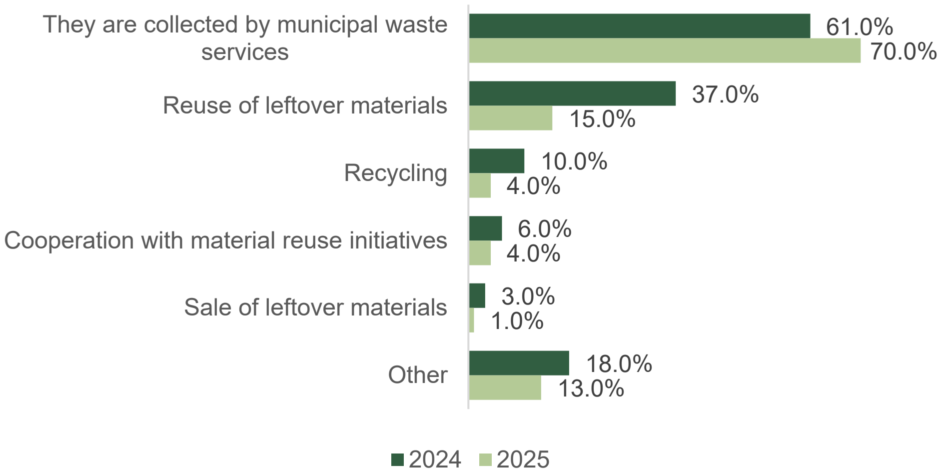

Figure 12. How does your company manage material waste in the production process? Comparison 2024-2025 (Multiple-choice question)

The most common type of waste generated is textile waste, reported by 49.0% of businesses, followed by paper/cardboard (28.0%) and plastic (24.0%). This shows that, alongside waste from textile material, auxiliary and packaging materials also account for a significant share of the waste structure. The other categories are less widespread, while 16.0% chose "Other", mainly stating that they do not generate waste. Overall, textile waste remains the dominant category, while packaging materials appear as a secondary source of waste.

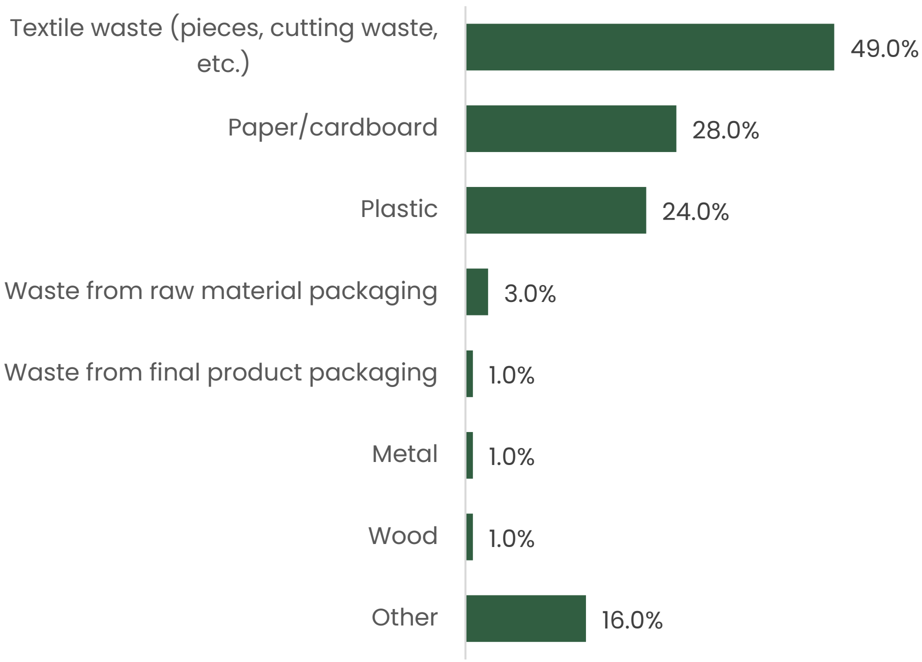

Figure 13. What are the main types of waste you generate during the work process?

In 2025, the waste profile is more dispersed and appears more linked to sales, packaging and product-distribution activities. Although textile waste remains the main category, the fall from 73.0% to 49.0% suggests less waste linked directly to manufacturing or processing. Meanwhile, the rise in paper/cardboard and plastic shows the greater presence of packaging materials. The change therefore reflects not only a decline in textile waste, but also a more commercial profile of the companies surveyed.

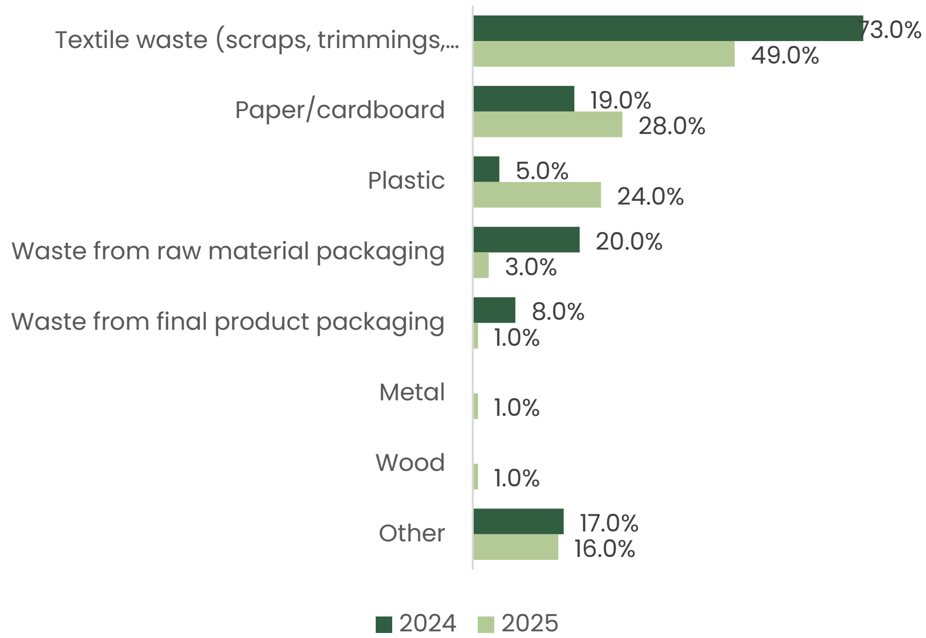

Figure 14. What are the main types of waste you generate during the work process? Comparison 2024-2025

Around 9% of companies do not know how much textile waste they generate per year, suggesting a lack of measurement or monitoring. The majority (69%) report that they do not generate any textile waste at all, while only around 22% declared a positive amount. Among these companies, generation remains mainly below 1 tonne per year, with a few cases above 1 tonne and only isolated cases above 50 tonnes. In total, the volume of waste appears concentrated in a small number of companies with higher production levels.

Based on these data for the textile business sector, we have estimated the overall generation of textile waste. By using the reported average waste generation rates across the main activity categories and scaling them according to the current distribution of active businesses in Kosovo, it is estimated that the sector **generates approximately 10,338.62 tonnes of textile waste annually.**

This calculation represents an indicative estimate, given the lack of systematic and official data on the management of textile waste in the private sector in Kosovo.

These in-depth data on citizens and businesses serve as a basis for also assessing knowledge and awareness of the environmental impact of this sector.

KNOWLEDGE AND AWARENESS

With growing awareness of the environmental impact of the textile industry, this section examines how much and how citizens engage in the reuse and recycling of textile products. The results help to understand the level of awareness and the main barriers affecting these practices.

In the most recent measurement, 50.8% state that they have knowledge of this impact, compared with 53.9% in 2024. In parallel, the percentage of those who state that they have no knowledge has risen slightly, from 46.1% to 49.2%.

These findings show that the level of environmental awareness regarding textiles remains relatively balanced, with no marked changes between the two measurement periods. The high percentage of respondents who have no knowledge of this issue points to the need for more structured information and educational interventions, particularly regarding the impact of production, fast consumption, disposal and opportunities for the reuse and recycling of textile products.

In both measurements, the lack of information in the media remains the main reason for being uninformed, although it has fallen slightly from 66.2% to 62.5%. Meanwhile, the lack of awareness campaigns has risen from 32.4% to 36.0%, while the lack of personal interest remains almost unchanged. An increase is also seen among those who do not see the issue as an important problem, from 9.7% to 14.9%, suggesting a need for clearer public communication on the importance of the topic.

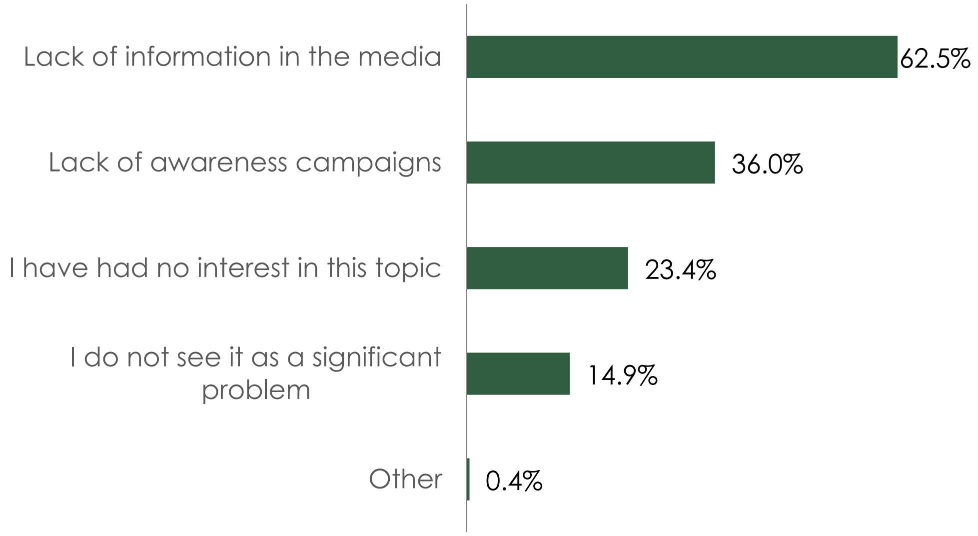

Figure 15. What do you think is the main reason for your lack of information on this issue? (Multiple-choice question)

IMPLEMENTATION OF THE CIRCULAR ECONOMY

The implementation of circular-economy principles in the textile industry in Kosovo is still at an early stage and is fragmented. According to interviews with policymakers, textiles are not yet treated as a distinct fraction in practice, as separation at source, treatment infrastructure and a sustainable system for collection and recycling are lacking. Nevertheless, a positive development has been recorded at the legal level, since the new Waste Law, which is in the drafting process, is expected to include textiles as a specific category. This shows that the sector is starting to be recognised more clearly in waste policy, but practical implementation still depends on financing, institutional capacities and the building of a functional chain for separation, collection, transport and treatment.

Knowledge of the circular economy remains limited, but with modest improvement. In the latest measurement, 12.7% state that they know the concept very well, compared with 5.6% previously. Meanwhile, the share of those who do not know the concept remains the majority, but has fallen from 56.0% to 51.9%. This shows a slight increase in awareness, but also a continuing need for clearer information on the circular economy.

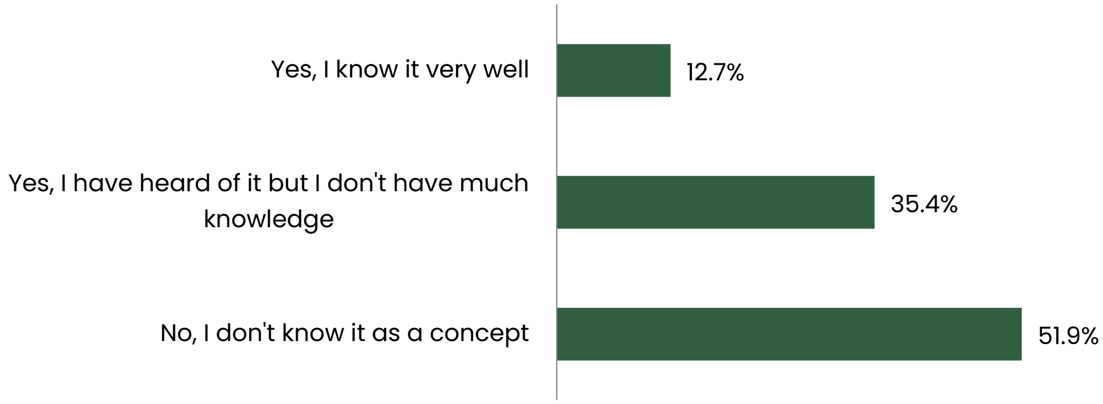

Figure 16. How knowledgeable are you about the concept of the circular economy?

The comparison with 2024 shows a slight improvement in the recognition of the circular economy, but not yet a deep change in information. The fall in those who do not know the concept from 56.0% to 51.9%, and the rise in those who know it very well from 5.6% to 12.7%, indicate positive movement. Nevertheless, more than half still do not know the concept, while another part has only superficial knowledge. This suggests the need for more practical information, linked to concrete examples of recycling, reuse and everyday consumption.

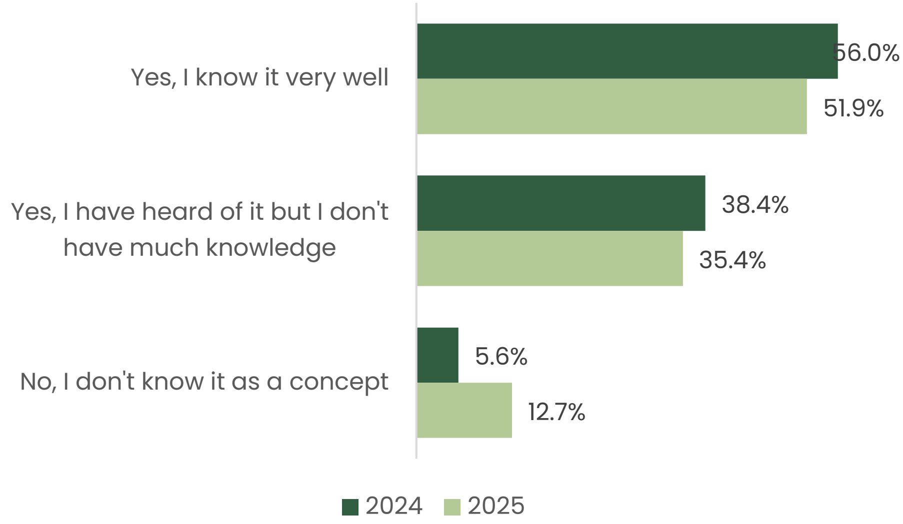

Figure 17. How knowledgeable are you about the concept of the circular economy? Comparison 2024-2025

Among businesses too, awareness of the circular economy remains low: **81.0% have not heard of the concept, while only 19.0% state that they are familiar with it.** Nevertheless, among the companies that have heard of the circular economy, the majority express interest in putting it into practice, with 63.2% stating their readiness to apply its principles. This shows that the main obstacle is not necessarily linked to a lack of interest, but to a lack of information and practical guidance for businesses.

CLIMATE CHANGE AND THE CARBON FOOTPRINT

Alongside the concept of the circular economy, the issue of climate impact has received increasing attention from businesses. Compared with 2024, companies' concern about environmental impact has improved slightly, with an increase in those who are "concerned" from 20.0% to 27.0% and a decrease in those who are "not at all concerned" from 22.0% to 15.0%. However, the readiness to invest in practices that reduce environmental impact and the carbon footprint has fallen markedly, from 70.0% to 27.0%. This shows that environmental awareness has risen slightly, but has not translated into concrete readiness to invest, suggesting a need for financial incentives, practical support and clearer information for businesses.

INTEREST AND CHALLENGES FOR RECYCLING AND REUSE

A key component in meeting sustainability objectives is active involvement in recycling and reuse practices. Companies' involvement in reuse and recycling initiatives remains low, with only 5.0% stating that they are currently engaged, while 64.0% are not involved and 31.0% are unsure. Compared with 2024, the obstacles appear more dispersed, ranging from a lack of information to uncertainty, lack of knowledge and the perception that there is no need for involvement. This shows that companies need not only general information, but practical guidance, applicable examples and solutions tailored to businesses with different capacities and different waste quantities.

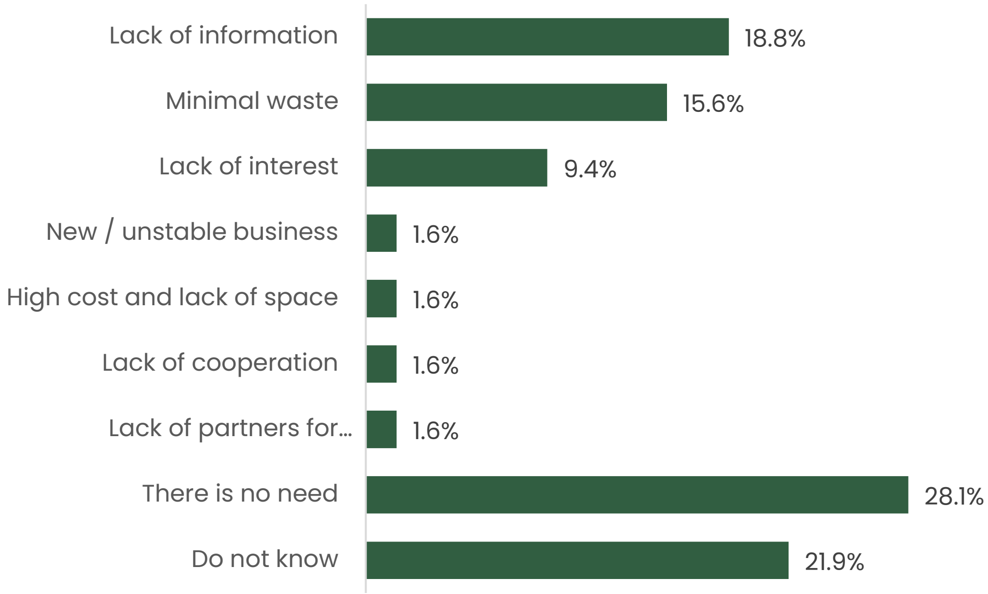

Figure 18. If not, why are you not involved?

Cooperation with recycling companies remains very limited, with only 4.0% of companies reporting active cooperation, while 79.0% do not cooperate with such companies. Compared with the previous year, the lack of information has fallen, but the share of companies that are not engaged has risen, suggesting that the problem is linked more to the lack of functional links and practical solutions in the market. Interest in cooperation has also fallen from 67.0% to 41.0%, indicating the need for clearer offerings, incentives and mechanisms that make cooperation with recyclers easier for businesses.

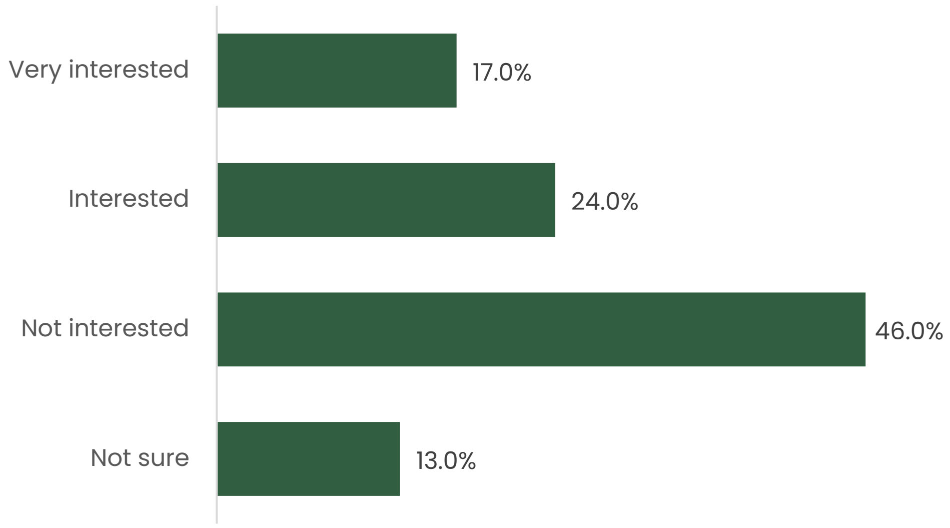

Figure 19. Would your company be interested in cooperating with a recycling company specialising in the management of clothing waste?

In 2025, companies' interest in cooperating with recycling companies has fallen markedly compared with the previous year. Positive interest has dropped from 67.0% to 41.0%, while companies that are not interested have risen from 17.0% to 46.0%. This suggests that, to increase cooperation, information alone is not enough; clearer, more affordable and practically workable models are needed for businesses.

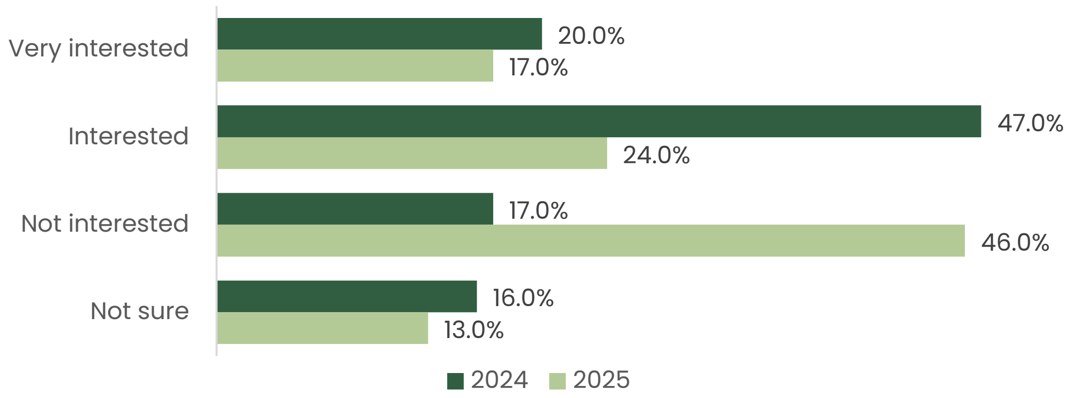

Figure 20. Would your company be interested in cooperating with a recycling company specialising in the management of clothing waste? Comparison 2024-2025

Compared with last year, the structure of obstacles to cooperation with recycling companies has changed markedly. Whereas previously the main obstacle was the lack of information (77.0%), this year the financial factor clearly dominates, with 70.0% of companies identifying unaffordable costs as the main barrier. At the same time, the lack of information has fallen to

39.0%, suggesting a partial improvement in access to or awareness of recycling services. Logistical challenges have seen a relative increase, from 8.0% to 15.0%, showing that operational aspects are becoming more visible as an obstacle in practice.

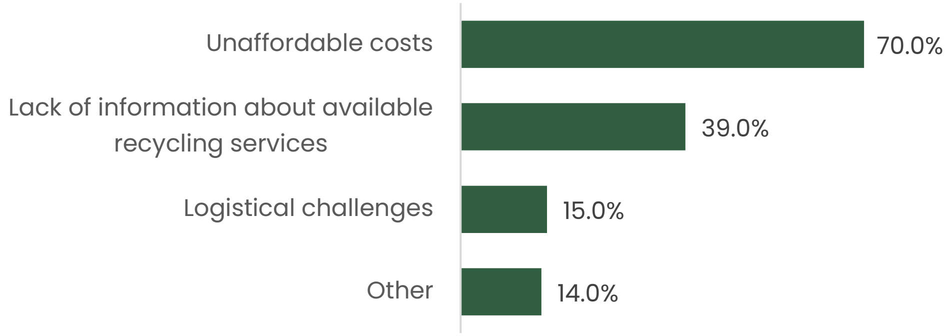

Figure 21. Please specify the main obstacles your company has regarding cooperation with a recycling company.

In 2025, the obstacles to cooperation with recycling companies have changed markedly. The lack of information has fallen from 77.0% to 39.0%, while unaffordable costs have risen from 17.0% to 70.0%, becoming the main obstacle. This suggests that companies are more aware of recycling options, but face greater financial and practical constraints in implementing them.

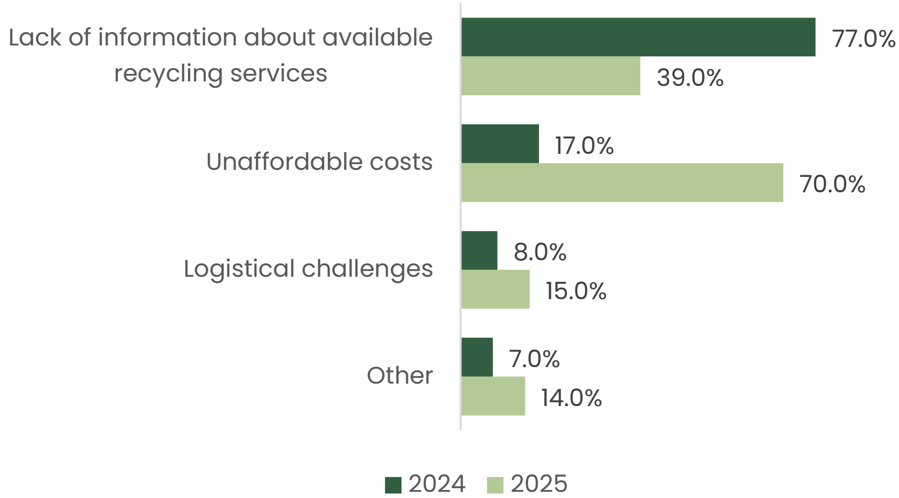

Figure 22. Please specify the main obstacles your company has regarding cooperation with a recycling company. Comparison 2024-2025

CONCLUSIONS AND RECOMMENDATIONS

The textile industry in Kosovo remains an important component of the domestic economy, because of the number of active businesses, employment capacities and the potential for development. However, the results of this assessment show that the sector continues to be oriented mainly towards trade and imports, while the transition to a more sustainable and circular model remains limited.

Based on the data collected through surveys with citizens, interviews with businesses and interviews with policymakers, the findings show that the main challenges relate to the lack of a specialised system for the management of textile waste, the lack of separation at source, the limited cooperation with recyclers and the still low level of knowledge of the circular economy.

From an economic perspective, the sector is dominated by micro-enterprises and trade activities, especially the retail trade in textiles and clothing. Although during 2025 an increase in the number of businesses and workers was recorded compared with the previous year, this increase has not been accompanied by a visible structural transformation towards manufacturing, reprocessing or more sustainable business models. In this sense, the sector remains economically active, but still fragile in terms of capacities for the circular economy.

The data show that Kosovo continues to be highly dependent on imports of textile products. Imports are markedly higher than exports in all the main categories, including clothing, accessories and household textiles. This gap is important because a large part of the textile that enters the domestic market is ultimately left to be managed within Kosovo. The negative trade balance therefore represents not only an economic challenge, but also direct pressure on the waste-management system.

Based on the calculations conducted for both citizens and businesses, it is estimated that approximately 13,034.30 tonnes of textile waste are generated annually in Kosovo. Of this amount, around 2,695.68 tonnes originate from clothing discarded by citizens, while approximately 10,338.62 tonnes are estimated to be generated by the textile business sector. This estimate remains approximate due to the lack of official statistics specifically disaggregated for textile waste; however, it clearly demonstrates the scale of the issue and highlights the need for a more structured system for measuring, collecting, and managing textile waste.

As regards citizens, the results show that consumption and textile-management practices are not yet sufficiently oriented towards reuse and recycling. A share of citizens continue to discard textile products as waste, while knowledge of environmental impact, the circular economy and recycling opportunities remains limited. Nevertheless, there is room for change, especially if citizens are offered more practical information, clear collection points and easier opportunities for donation, reuse and recycling.

From the business side, the findings show that circular-economy practices remain limited. Companies rely mainly on municipal landfills for waste management, while the use of leftover materials, cooperation with reuse initiatives and recycling have all declined compared with the previous year. Active cooperation with recycling companies remains very low, while the main obstacles relate to costs, the lack of functional links with recyclers and the lack of practical mechanisms for engagement.

Another important challenge is the lack of measurement and monitoring of the waste generated by businesses. A large share of companies report that they do not generate textile waste or do not have clear knowledge of the quantity generated, which makes it difficult to plan appropriate policies and interventions. Where waste is reported, it is often concentrated in a smaller number of companies with higher production activity.

Interviews with policymakers and institutions show that Kosovo still does not have a functional national system for the management of textile waste as a distinct fraction. Textiles are not separated at source, there are no dedicated statistics on the quantity that ends up in landfills and there is no full chain for collection, transport, treatment and recycling. Although there are positive developments at strategic and legal level, including discussions on including textiles in the new Waste Law, practical implementation still lags behind the strategic documents.

Overall, the results show that the textile industry in Kosovo has potential for sustainable development, but at present there are serious gaps in infrastructure, policy, financing, data, awareness and cooperation among actors. To move from the linear model towards the circular economy, raising awareness alone is not enough. An integrated approach is needed, including dedicated policies, infrastructure investments, support for businesses, public education and the creation of functional partnerships among institutions, municipalities, businesses, organisations and recyclers.

For public institutions:

- A dedicated approach should be developed for textile waste within the general framework of waste management.
- Textiles should be formally recognised as a specific waste fraction, with clear targets for separation at source, separate collection and specialised treatment.
- Textiles should be integrated into national and municipal waste-management plans, so that they do not remain invisible in statistics and untreated in practice.

- Policies on textiles should be gradually harmonised with European Union standards, especially regarding separate collection, Extended Producer Responsibility and the treatment of textiles as a distinct fraction.
- A clearer basis should be established for the financing, organisation and monitoring of textile recycling.
- Coordination among ministries, municipalities, environmental agencies, waste operators and the private sector should be strengthened.

For MMPHI, the Kosovo Customs and Trade Institutions:

- Stricter measures for the import of used clothing should be considered, in particular regarding quality, condition and destination.
- The entry of textile categories that are not suitable for real reuse and that have a very short lifespan should be restricted.
- Monitoring of materials that may quickly end up as waste and increase pressure on the domestic waste-management system should be strengthened.

For Municipalities, Waste Operators and Recycling Enterprises:

- Operational capacities for the management of textile waste should be strengthened.
- Dedicated points should be established for the separate collection of textiles at local level.
- Pilot models should be developed for the sorting, collection, reuse and recycling of textiles.
- Functional partnerships should be built among municipalities, waste operators, community organisations and enterprises engaged in reuse or recycling.
- It should be ensured that textile policies are accompanied by concrete investments in infrastructure and operational capacities.

For Institutions Supporting the Private Sector:

- Financial and technical incentives should be established for businesses that adopt circular-economy practices.
- Grants should be offered for equipment and technologies that help to reduce and treat textile waste.
- The reuse of leftover materials within the production process should be supported.
- Specific schemes should be created for businesses moving from the linear model to more circular models.
- It should be ensured that support is also accessible to micro-enterprises and small businesses.
- Support schemes should be linked to green criteria, such as waste reduction, circular design, efficient use of materials and extension of product life.

For Statistical and Environmental Institutions:

- The data system for the textile sector and textile waste should be improved.
- Mechanisms should be developed for collecting disaggregated data on the import, export, generation, collection, treatment and landfilling of textiles.

- Clear indicators should be established for measuring progress in textile-waste management and the implementation of the circular economy.
- The current lack of statistics on the textile fraction should be addressed, as this hinders the planning and monitoring of policies.

For Educational Institutions, Schools and the Media:

- Public awareness should be raised on sustainable consumption, reuse, separation at source and the recycling of textiles.
- Information activities should be developed for citizens, businesses, municipalities and educational institutions.
- The circular economy should be included in educational activities, with a practical focus on the supply, use and disposal of textile products.
- Behavioural change among citizens and businesses should be promoted through concrete and applicable examples.

For Civil-Society Organisations and Non-Governmental Organisations:

- Awareness campaigns should be developed on the environmental impact of textiles and the opportunities for reuse and recycling.
- Community initiatives should be established for the collection, donation, reuse and recycling of textiles.
- Partnerships should be built with municipalities, schools, businesses and recycling enterprises for the implementation of pilot models.
- Continuous research should be undertaken and practical information should be published on the application of the circular economy in the textile sector.

For Donors and Development Partners:

- Companies that invest in recycling, upcycling, reuse or sustainable production should be supported with grants or favourable loans.
- Programmes for the development of the recycling chain and the construction of infrastructure for the separation and collection of textiles should be financed.
- Municipalities and local organisations should be supported in the development of pilot models for textiles as a distinct fraction.
- Technical and financial support should be provided for capacity-building in public institutions, businesses and civil-society organisations.

For Investors and the Private Sector:

- Investment should be made in technologies for the recycling, processing and reuse of textiles.
- The development of new enterprises focusing on sustainable design, repair, upcycling and recycled products should be supported.
- Partnerships should be created with local businesses, municipalities and community organisations for dedicated centres for the collection and processing of textiles.
- Co-financing schemes from the EU, international donors and domestic institutions should be used.

- The certification and standardisation of recycled products should be supported, for easier access to domestic, regional and international markets.

For the Textile Sector as a Pilot Field for the Circular Economy:

- The textile sector should be used as a pilot field for the practical implementation of the circular economy.
- New models for collection, reuse, recycling, social entrepreneurship and public–private cooperation should be tested.
- Textiles should be treated as a priority sector for circular interventions, taking into account their economic weight, import dependence and potential for waste generation.
- The aim should be not only to reduce environmental impact, but also to create added economic value and new jobs in green sectors.

Comparison with the recommendations of the previous report shows that during the 2024–2025 period there have been some developments at strategic and institutional level, but practical implementation in the textile sector remains limited. At the level of public policy, progress is linked mainly to the advancement of the framework for integrated waste management, discussions on the new Waste Law and the possible treatment of textiles as a specific category. However, up to the reporting period there is still no functional system for separate collection, recycling of textiles or implementation of Extended Producer Responsibility for this sector.

At the business level, the 2025 data show that the recommendations on waste measurement, the reuse of materials, separation by type and cooperation with recyclers have not been implemented on a wide scale. On the contrary, companies rely more on municipal landfills than last year, while the use of leftover materials, cooperation with reuse initiatives and recycling have declined. Active cooperation with recycling companies also remains very low, while readiness for environmental investments is weaker than in the previous year.

In terms of awareness, the results show a continuing need for more structured information. Knowledge of the circular economy has improved slightly among citizens, but remains limited for a large share of respondents and especially among businesses. This shows that the recommendations on awareness campaigns, education and the dissemination of practical information are still not implemented at the necessary scale.

Overall, the recommendations of the previous report remain valid, but progress over the year has been more visible at the level of documents and strategic orientation than in practical implementation. For the next phase, a clearer move from planning to concrete measures is needed, with shared responsibilities for public institutions, municipalities, businesses, civil-society organisations, donors and investors.

We express our deep gratitude to all contributors who participated in the realization of this research. We thank the businesses that shared their time and experience, the citizens who gave their opinions with sincerity, as well as the institutional representatives who offered valuable knowledge and important perspectives. Their contribution has been essential for the realistic reflection of the situation and for the formulation of recommendations aimed at improving the textile sector in Kosovo.

This publication has been implemented by Rilindja Gjelbër, managed by the Community Development Fund (CDF) and produced with the financial support of the Swedish Embassy in Prishtina. Its content is derived from the survey responses received up to the date specified in this report and is the sole responsibility of Rilindja Gjelbër, implementing the project "Returning Values to the Circular Economy" under the framework of the program "Strengthening Environmental CSOs (Civil Society Organizations) in Kosovo.