

Kosovo: Fuel Smugglers Flourishing

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The security zone between Montenegro and Kosovo has become a paradise for petrol smugglers.

At first nothing looked unusual about the oil tanker that stopped one Sunday afternoon in Kula, in the security zone between Kosovo and Montenegro, except for the fact that it had no number plates.

It appeared to be joining the queue for the Kosovo customs inspectors, standing about 100 m away. But moments later, two people jumped out from the nearby bushes. After taking a careful look about the place, they connected a pipe to the tanker.

The pipe is 5 km long. It transports fuel illegally from the buffer zone to the Kosovo villages of Novo selo, Jablanica and Radaci, at the foot of the nearby mountains. There, tankers are waiting to be filled with the contraband petrol, which is distributed to petrol stations all over Kosovo.

The Ground Safety Zone, which lies between Kosovo, Serbia and Montenegro, was set up after Belgrade withdrew its forces from Kosovo in 1999, following NATO air strikes against Yugoslav forces in the province.

The five km-wide zone was created to stop forces then controlled by Yugoslavia's ex-president, Slobodan Milosevic, from even coming close to Kosovo. Only lightly armed Montenegrin police are allowed to patrol the area.

But since it was created in 1999, the zone has developed into a paradise for smugglers. They have learned how to take advantage of its status as a kind of no-man's-land, which international peacekeepers in Kosovo cannot enter, to smuggle fuel and earn immense profits.

Almost 50 per cent of Kosovo's fuel is smuggled across the border to avoid paying taxes and customs duties. One sign of this flourishing trade is the huge number of petrol stations. In a land of 2 million people, there are 4,000 of them. And the price of a litre of petrol is only 0.75 euro, making it the cheapest in the Balkans.

One of the smugglers, who called himself Afrim, said there were several ways to smuggle petrol over the border. If the police in Kosovo dismantle the tubes connecting the buffer zone to Kosovo, tankers can still sell the fuel they carry inside the security zone and avoid paying customs or taxes. Another method simply involves paying hefty bribes to the customs officials.

Afrim disclosed that two Montenegrin companies whose owners, he said, hold key government positions in Podgorica and Belgrade were involved in the contraband trade. These firms have close ties with criminals in Kosovo, he went on, who distribute the petrol in the province and often have their own petrol stations.

So far, the authorities have been unsuccessful in their attempt to catch those involved in the smuggling operation.

Ylber Rraci, director of the Kosovo customs service, admits the illegal trade is out of hand. "The fact that smuggling has assumed such dimensions testifies to the fact that corruption is present in the custom

service," he said. "We shall fight this by all means."

Bashkim Stavileci, another customs official, said he had been notified of more than 800 cases of customs duty evasion during 2001, of which 10 per cent involved fuel. "We are investigating these cases," he said.

But Stavileci says given that his officers are only responsible for goods coming through border crossings, UNMIK and local police must share some of the blame for the smuggling.

Few observers hold out much hope for the police on the Montenegrin side clamping down on the traders. In fact, they have been spotted chatting amicably to the smugglers, which suggests they may even be protecting them.

UNMIK spokesperson, Derek Chappel, said they were aware of the problem on the border and would take appropriate measures. "But it is difficult to freeze this activity in general, as we do not patrol mountainous, mined areas," he said. " We do not know the area well."

The biggest loser, of course, is the Kosovo administration. Tony Preston, co-chairman of the central fiscal authority in Pristina, has warned that the smuggling could deal a heavy blow to the protectorate's finances.

The local Kosovo police proposed that the buffer zone between Kosovo and Montenegro be narrowed. It would also help to position the Montenegrin and Kosovo customs stations so that they face each other. This would allow policemen to observe dealings within the zone.

"The dimensions of this zone have caused lots of problems," Chappel admitted. "I think its narrowing would be a step forward. But this is a political decision that cannot be taken immediately."

In the meantime, some people are making fortunes. And it appears they will be doing so for some time to come.

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