

The visa business

Report on the cost of visas for
Kosovars in the period 2010-2012

DENIED



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Executive summary

Kosovo is the only country in the Western Balkans region against which the European Union (EU) applies visa regime. At the same time, Kosovo remains the poorest country in Europe, with the highest unemployment rate. Nevertheless, Kosovars have to spend a great deal when applying to obtain visas for travel to EU member states. In three years, 217.862 kosovars applied for “Schengen” visas, of whom 82.450 in 2010, 67.901 in 2011 and 67.556 in 2012. Over 17% of visa applications were rejected by states of the “Schengen” area. Over the past three years kosovars spent 15 million euro for visa application processes, of which 9 million were spent on direct payment in embassies (visa fee), whereas at least 5.8 million in expenditures for obtaining various supporting documents needed to complete the visa application form, including bank fees and travel expenses. The largest number of applications for “Schengen” visas is submitted in the German and Swiss Embassy. Kosovo has long way to go in the visa liberalization process, therefore it is expected that kosovars will continue to spend a considerable amount of money for visa applications throughout 2013. Considering the trends since 2010, it is expected that over 65.000 kosovars will apply for visas in 2013, and the estimated cost of 4.5 million euro.



Introduction

The “Schengen Agreement” designed to eliminate internal border control was signed by seven EU member states and begun its implementation in 1995. Today, the “Schengen” area comprises all EU member states, except for Bulgaria, Romania, Cyprus, United Kingdom and Ireland. Norway, Switzerland, Iceland and Liechtenstein are not EU member states, but are part of the “Schengen” agreement. The creation of “Schengen” area led to the concept of external border of the EU, which implied a joint visa policy for countries out of this area. Through secondary legislation,¹ the EU has defined countries whose citizens need to be equipped with “Schengen” visa, in order to travel within the “Schengen” area.

In 2011, 26 “Schengen” area states issued around 12.6 million visas for citizens out of the “Schengen” area.² To date, all Western Balkan states (beside Kosovo), have signed agreements with the EU, which enables their citizens traveling to the “Schengen” area without visas. In the case of Western Balkan states, this agreement is often referred to as the visa liberalization agreement. Kosovo began the dialogue on visa liberalization with the European Commission in January 2012 and received the visa liberalization road map in June 2012. This analysis of the Group for Legal and Political Studies (GLPS) and GAP Institute provides insights on the cost that Kosovo citizens face when applying to obtain a “Schengen” visa.



1 Council Regulation No. 539/2001 date March 15, 2001: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2001R0539:20110111:EN:PDF>

2 European Commission, Directorate General for Home Affairs: http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/visa-policy/index_en.htm

Methodology

GAP Institute and GLSP conducted a research on how much Kosovo citizens spend when applying for a ‘Schengen’ visa. The calculation was based on the European Commission statistics on the number of “Schengen” visa applicants in Prishtina, for the period 2010-2012³. Further, all embassies issuing visas in Prishtina were asked about the prices applied for the visa fee. The research found that not all embassies apply the same fees, as for example the visa fee in the Embassy of Belgium is 35 Euro for categories A, B and C, whereas for type D the fee is 180 Euro. Considering these variations, the calculation of cost in annual basis was made by multiplying the average price for the visa fee with the number of applications, and then for all three years. In addition, the cost also included expenses related to supporting documents needed for the visa application, such as biometric photos, health insurance, obtaining of various certificates and copying of documents. The same calculation method, by finding an average price for each item was applied here too.

It is important to clarify, as noted above, that all statistics were taken by the European Commission and Eurostat. These statistics differ significantly from the statistics reported by individual embassies in Kosovo. For example, the statistics provided by the Swiss Embassy show that 24,460 visa applications were received and 19.84% were rejected, whereas the statistics of the European Commission reveal that 17,646 applications were received and only 27 applications or less than 0.15% were rejected. The confusion between the data of the European Commission and Eurostat exists due to the Schengen Limit Territorial Validity visas, which are issues only in Kosovo, as a consequence of the fact that five Schengen area states do not recognize Kosovo’s statehood. Being aware of these differences and their impact in the model chosen to calculate the cost for visa application, we have used only the data provided by the European Commission and Eurostat. We do not question the reliability of the data provided by embassies, but in the absence of data from each individual embassy in Prishtina we chose to use the data from the European Commission and Eurostat, primarily due to the uniformity.

3 Applications for short-term Schengen visas in Prishtinë/Prishtina, Kosovo 2010-2011: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0066:FIN:EN:PDF>

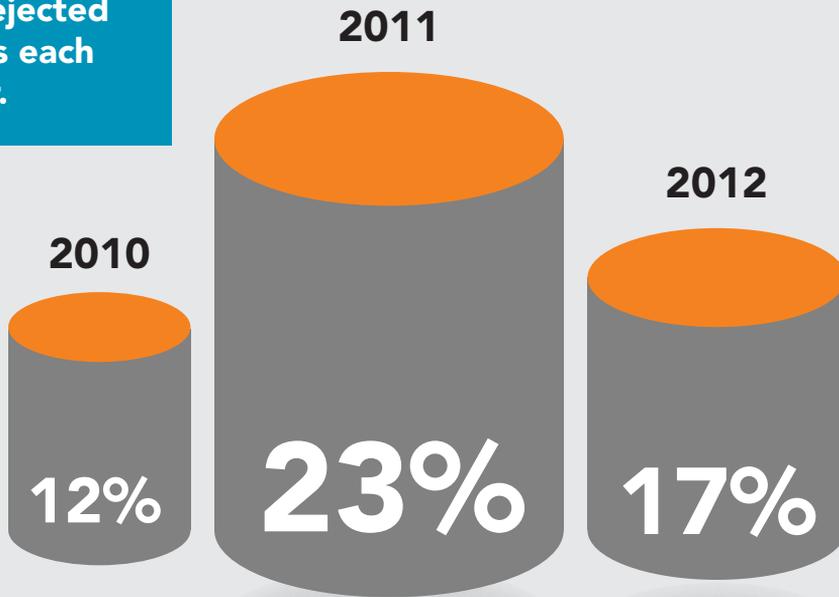
Application of Kosovars for “Schengen” visas in the period 2011-2012

Based on the official statistics of the European Commission for years 2010-2012, “Schengen” visas for the citizens of Kosovo where issues by the embassies of Belgium, Germany, Greece, Finland, Hungary, Italy, Slovenia, Switzerland and Norway. In 2010, 82.405 Kosovo citizens submitted visa applications in these embassies, 67.901 applied in 2011, whereas 67.556 applied in 2012. In total, for three years, 217.862 visa applications where submitted. When comparing number of applications per embassy, the research found that the German embassy leads with 71.942 visa applications for the three year period. The second is Switzerland with 58.487 applications for the same period.

When analyzing statistics related to the number of “Schengen” visa applications rejected by the all above mentioned embassies, it shows that 10.0000 applications were refused in 2010, 16.000 in 2011 and around 11.600 in 2012. In total, 37.500 applications for “Schengen” visa, were rejected for the three year period. When comparing annual statistics, it is noticed that in 2011 there were about 6.000 rejected applications more than in the previous year (2010). But this number was reduced in the following years, as a comparison of the period 2011-2012 reveals that the number of rejected applications was reduced by 4.315. When looking at number of applications rejected per embassy, it is noticed that the German embassy has the largest number of rejected applications for each year. As expenses for these applications did not result with obtaining the visa, then expensed for around 37.500 applications are considered as wasted money.

Percentage of rejected visas each year.

Number of visa applications in Prishtina in the period 2010-2012



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REJECTED
9,910
APPLICATIONS
82,405

∨

REJECTED
15,986
APPLICATIONS
67,901

∧

REJECTED
11,671
APPLICATIONS
67,556

REJECTED

Percentage of rejected visas per country 2010-2012

BEL	26%	39%	33%
GER	11%	26%	20%
GRE	4%	3%	1%
FIN	55%	53%	56%
HUN	28%	29%	29%
ITA	8%	19%	24%
SLO	18%	27%	28%
SCH	7%	21%	0%
NOR	17%	12%	17%

Year	Type of visa	Belgium	Germany	Greece	Finland	Hungary	Italy	Slovenia	Switzerland ¹	Norway	Total
2010	A, B, C ²	2,945	17,080	5,496	742	3,981	1,040	3,073	4,668	759	39,784
	D ³	135	3,585	39	0	160	3,087	35	2,481	17	9,539
	LTV ⁴	5	11,629	3,749	563	8	4,301	3	12,305	519	33,082
	Rejected	-816	-3,796	-378	-725	-1,175	-693	-579	-1,521	-227	-9,910
Total applications		3,085	32,294	9,284	1,305	4,149	8,428	3,111	19,454	1,295	82,405
2011	A, B, C	2,735	6,170	725	916	4,152	2,037	3,884	5,099	820	26,538
	LTV	0	12,526	4,083	769	1	7,066	0	16,288	630	41,363
	Rejected	-1,088	-4,889	-160	-909	-1,215	-1,779	-1,080	-4,683	-183	-15,986
Total applications		2,735	18,696	4,808	1,685	4,153	9,103	3,884	21,387	1,450	67,901
2012	A, B, C	2,774	5,959	485	1,282	2,289	3,034	4,631	293	759	21,506
	LTV	-	14,993	3,794	968	3	8,419	-	17,353	520	46,050
	Rejected	-926	-4323	-44	-1273	-671	-2844	-1336	-27	-227	11,671
Total applications		2,774	20,952	4,279	2,250	2,292	11,453	4,631	17,646	1,279	67,556
Total 2010-2012		8,594	71,942	18,371	5,240	10,594	28,984	11,626	58,487	4,024	217,862



VISAS REJECTED 2010-2012

37,567



17%

1. Applications for Austria are also included here, as the Embassy of Switzerland receives applications for all citizens whose destination in Austria.

2. A Visa allows transit travel via an airport within Schengen area, B Visa has a five day limit for staying in the Schengen area and allows for transit when driving, C Visa allows for traveling within Schengen area for a period between 3 to 6 months.

3. D Visa serves for staying longer than 3 months in the Schengen area, and is often issued for individuals studying or working.

4. LTC is the acronym for "Limited Territorial Validity" which means that it is valid for one or more states within the "Schengen" area, but all not states.

During 2010-2012 period there was on average 17% rate of visa rejections.



217,862 TOTAL APPLICATIONS 2010-2012



Expenses of kosovars for visa application

As noted in the introductory part, embassies that issues visas in Prishtina do not apply the same fees. Beside variations of prices from one embassy to another, there are also variations depending on the type of visas. For example, for A, B, C and LTV visas, the German Embassy applies a fee of 35 Euros, whereas the fee in the Italian Embassy for the same type of visas is 60 Euros. On the other hand, for D visa, the Embassy of Greece applies a fee of 60 Euro, whereas the Embassy of Belgium of 180 Euro. Based on the number of applications and the cost for each type of visas, we found that 9.180.805 Euros were spent in three years. 3.511.547 Euro were spent in 2010, 2.837.118 Euro in 2011 and 2.832.140 were spent in 2012 (table 2).⁴

But, there are additional expenses, beside the visa application fee. Supporting documents requests by embassies include photos of specific format set forth by the embassy, health insurance at least for the intended period of stay, family certificate or birth certificate (depending on the profile of applicants and requirements of embassies), bank account statement for the last six months and copies of each document. These documents need to be accompanied by a filled visa application form. Travel agencies surrounding the embassies provide services for filling the visa application form against a certain fee, and a considerable number of applicants use these services.

⁴ Except for the specific visa application fee applied by embassies, we have also assumed that not all applicants pay the fee. While assuming that 95% of applications pay the visa fee, the remaining application do not pay as they invited for academic or humanitarian purpose.



When looking at expenses for supporting documents, health insurance has the highest cost, with about 3.2 million spent in the period 2010-2012. As in other categories of expenses, an average was taken for all items under this category and multiplied with the number of applications shown in the previous table. The total cost for supporting documents, during the three year period is estimated to be 5.882.274 Euros. The total cost for visa application fee and supporting documents, spent by Kosovo citizens during 2010-2012, is 15.063.079 million Euros (table 3). We must acknowledge that this sum of costs does not include other subtle or immeasurable expenses that one occurs while obtaining a visa, such as travel expenses, and, most importantly, the opportunity cost of time spent while preparing all the documents and waiting in line for application or getting the visa.

Considering the justification of embassies that visa application fee is used to cover the salaries of staff (primarily local staff), and the fact that reviewing of visa applications and services related to supporting documents generate employment requires people qualified for those services, we can say that these expenses create employment opportunities. As certain services as photocopying, photography and other services are provided by small enterprises, and the fact that many families are depended of one family member that is employed, we can say that a considerable number of families are depended from these expenditures. In addition, it is important to highlight that beside the direct effect, these expenditures have, through economic multiplication, have greater impact that the sum shown in the table below. In other words, there is a whole visa business.

**Direct
visa
costs**

Direct visa costs (visa application fee in embassies)
for kosovars 2010-2012

DIRECT VISA COSTS 2010-2012

9,180,805€

GERMANY

1.158.919	< 2010
621.642	< 2011
696.654	< 2012
2.477.215	< TOTAL

NORWAY

78.983	< 2010
82.650	< 2011
72.903	< 2012
234.536	< TOTAL

FINLAND

61.988	< 2010
80.038	< 2011
106.875	< 2012
248.900	< TOTAL

BELGIUM

121.173	< 2010
90.939	< 2011
92.236	< 2012
304.347	< TOTAL

SWITZERLAND⁶

924.065	< 2010
1.015.883	< 2011
838.185	< 2012
2.778.133	< TOTAL

ITALY

612.365	< 2010
518.871	< 2011
652.821	< 2012
1.784.057	< TOTAL



The cost for supporting documents for visa application in euros (€)*

	2010	2011	2012	TOTAL
Photography	370,823	305,555	304,002	980,379 €
Health/travel Insurance	1,236,075	1,018,515	1,013,340	3,267,930 €
Certificates	82,405	67,901	67,556	217,862 €
Bank services	164,810	135,802	135,112	435,724 €
Photocopying and other services	370,823	305,555	304,002	980,379 €
Total visa fee payment in embassies	2,224,935 €	1,833,327 €	1,824,012 €	5,882,274 €
Grand total	5,736,482 €	4,670,445 €	4,656,152 €	15,063,079 €

* The cost of these services is calculated based on the price for services, number of applicants, and an assumed percentage of applicants using these services (such as services for filling the application form obtaining the certificates).

HUNGARY

141.754 < 2010
138.087 < 2011
76.209 < 2012
356.051 < TOTAL

THE COST FOR SUPPORTING DOCUMENTS FOR VISA APPLICATION 2010-2012

15,063,079€

SLOVENIA

103.607 < 2010
129.143 < 2011
153.981 < 2012
386.731 < TOTAL

2.477.215

GERMANY

COUNTRY WITH MOST INCOME FROM VISA APPLICATIONS BY KOSOVO CITIZENS

GREECE

308.693 < 2010
159.866 < 2011
142.277 < 2012
610.836 < TOTAL

234.536

NORWAY

COUNTRY WITH LEAST INCOME FROM VISA APPLICATIONS BY KOSOVO CITIZENS



6 If we use the data from the Swiss Embassy for the period between 2011-2012, then the cost would be 1,161,580 Euro for 2011 and 1,129,550 for 2012. The total for three years would vary from 2,832,140 to 3,215,465 Euro.

Conclusion

Kosovo has a long way to go in fulfilling the criteria for visa liberalization. Kosovo citizens will remain the only ones in Europe to be required visa for traveling in the “Schengen” area, at least for another year (2013). Visa application trends since 2010 indicate that in 2013 it is expected that over 65.000 kosovars will apply for visas, with an additional cost of 4.5 million Euros.

Despite efforts to estimate the cost of all procedures for obtaining a visa, not everything can be measured in terms of financial expenses. Kosovo citizens spend much more than the financial expenses described in this analytic report. Visa application process may require them to be absent at work for certain ours, an element that is difficult to measure in terms of financial implications. Also, the travel costs in form of bus tickets or fuel for vehicle, needed to get to the embassies is not included in the cost.

Regardless of the fact that a certain category of small businesses such as photographers, insurance companies, tourist agencies, translation services etc, benefit from visa application procedures, still this process carries major economic and social impact.

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