

## U.S. Country Commercial Guides



2017

# KOSOVO

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# Doing Business in Kosovo

## Market Overview

- The Republic of Kosovo is Europe's youngest country – and one of its poorest – but it has maintained positive economic growth rates, most recently 3.8 percent in 2016. Kosovo is working to improve the investment climate by strengthening the legal environment necessary to attract and retain foreign investment.
- In 2016, the Central Bank of Kosovo estimated Foreign Direct Investment (FDI) at €234.8 million, down from €338 million in 2015. The unemployment rate is estimated at 27.5 percent. The difficult labor-market conditions affect youth and women disproportionately and risk undermining the country's social fabric. Despite these challenges, Kosovo's relatively young population, low labor costs, and abundant natural resources have attracted foreign investment, with several international firms and franchises already present in the market.
- Kosovo's main trade partners are EU countries (approximately 43.1 percent of imports and 22.6 percent of exports) and its neighbors through the Central European Free Trade Agreement (CEFTA – approximately 27.0 percent of imports and 46.6 percent of exports). Kosovo continues to run a large trade deficit, with exports covering only about 12 percent of imports.
- Switzerland was the largest investor in Kosovo in 2016 (€61.8 million). U.S. investment reached €22.5 million in 2016.
- Kosovo has much to offer U.S. investors and exporters:
  - Kosovo's **liberal trade regime** enables duty-free exports for the majority of Kosovo goods to the EU market. The Stabilization and Association Agreement (SAA) with the EU has further reinforced trade liberalization and removed many of the remaining trade and tariff barriers.
  - Kosovo's **location** in the heart of the Balkans offers easy access to the Balkans and CEFTA members, which represent a market of approximately 28 million people.
  - Improving **infrastructure** evident by the completion of a modern highway to Albania and a second highway to Skopje, Macedonia currently under construction. Kosovo's international airport terminal hosts more than one million passengers a year. Additional upgrades are under consideration to avoid flight cancellations in the winter months and accommodate larger planes.
  - Kosovo's **young workforce** has an average age of 26; most are multilingual (often speaking English and German).

- Kosovo has **competitive labor costs and tax policies**. Kosovo's average monthly salary of €360 is amongst the lowest in Europe, and the current tax regime is business-friendly with a flat, 10 percent corporate income tax. VAT rates for basic food items and public utilities are 8 percent, while VAT for all other items is 18 percent.
- Kosovo is ranked 60 out of 190 countries in the World Bank's Doing Business report. The government is working to improve its ranking by pursuing new incentives for foreign investment, including tax breaks and additional legal protections.
- Major foreign investment projects in the near term include the ongoing construction of a €600M highway to Macedonia and the revitalization and the construction of a new 450MW coal-fired thermal power plant. As a member of the EU-funded Western Balkans 6 core transportation network aimed at improving regional connectivity, Kosovo plans to revitalize key railway lines.

## Market Challenges

- **Market size:** Kosovo's population – officially 1.8 million people based on the 2012 census– may present a challenge to investment in industries requiring a substantial economy of scale to realize profitability.
- **Weak judicial system:** In addition to a significant backlog, Kosovo's judicial system lacks the competency and business orientation to enforce commercial contracts. The Kosovo Bar Association includes very few firms capable of providing legal services at the level expected in more developed markets.
- **Corruption:** Perceived and actual corruption is widespread in Kosovo. Senior-level public officials have been accused of bribery, racketeering, and other forms of corruption. Widespread corruption reflects a “cost-of-doing business” mentality prevalent in many parts of the region. Anti-corruption efforts suffer from a lack of cohesion, forceful action, and follow-through measures, including prosecution.
- **Public procurement:** The government lacks the capacity to successfully manage large-scale public-sector transactions on its own. The GoK contracts international firms as transaction advisors, which has resulted at times in conflicts of interest and delays. Local and regional distributors have consistently complained about irregularities in public tenders at the national and municipal levels. Most large contracts contain an Alternative Dispute Resolution clause.
- **Weak IPR enforcement:** Despite having EU-compliant legislation on IPR protection, there is a general shortage of awareness. Legal professionals often lack the necessary expertise to deal with IPR cases.

This situation is an impediment to franchise growth in the Kosovo market.

- **Workforce:** Kosovo's young, educated, and multi-lingual workforce is often mismatched with the skill sets required by employers, increasing training costs.

## Market Opportunities

- The World Bank estimated Kosovo's Gross Domestic Product (GDP) growth rate at 3.6 percent in 2016, among the highest in the region. The World Bank attributes this growth to diaspora revenue and domestic consumption. The Central Bank of Kosovo estimated that diaspora contributions totaled €691.0 in 2016, which is over 12 percent of GDP.
- Leading domestic industries include agriculture, metals and mining, and construction materials. The country's narrow export base has resulted in a significant trade deficit requiring an increase in local manufacturing and investment. Kosovo's largest exports are scrap metal, nickel, and lead.
- U.S. companies can benefit from opportunities in various sectors, including:
  - **Energy:** Kosovo's vast lignite-coal resources and strategic regional location, along with the substantial power deficit in Southeastern Europe, provide opportunities for energy-generation projects.
  - **Mining:** Historically an important contributor to Kosovo's economy, mining has declined in relevance due to a lack of investment in equipment, facilities, and development of new mines. The sector has significant foreign investment potential, and the Independent Commission of Mines and Minerals (ICMM) has issued over 500 exploration and mining licenses since 2007. Serbia claims ownership of one of Kosovo's largest mines, Trepca, despite its location in Kosovo. In 2016, the Government of Kosovo hired Ernst & Young, in consortium with HPC, to conduct a feasibility study analyzing core assets and options for the future development of the mining complex.
  - **Telecommunications:** Kosovo's telecommunications operators are transitioning to 3G and 4G services. Opportunities to provide support services for 4G networks may exist in the near future. Opportunities to support Kosovo's transition to its newly established country code may develop in the coming year. The Independent Media Commission is expected to initiate a tender to move from analog to digital broadcasting in 2017. The Government of Kosovo is working to position the country as a regional hub for information technology (IT)-related products and services, building on the strong IT and English-language skills within the workforce. There are a growing number of IT companies focused on outsourcing for European and U.S. companies, and the number of inbound and outbound call centers is growing.



- **Health:** Kosovo has an urgent and growing need for quality basic and specialized health and medical services, facilities, and products. The sector is dominated by public-sector services, but private-sector investment has recently increased. Many Kosovo citizens travel to other countries to meet their health-care needs, and local solutions present a potentially lucrative opportunity for outside investors.
- **Infrastructure Development:** Kosovo is in vital need of infrastructure development, including modern roads, housing, healthcare, water, and sanitation projects. The GoK and the private sector are seeking project designers, engineers, and managers, as well as high-quality production inputs, machinery, and tools. Following the completion of the Route 7 (Pristina-Albania) Highway in 2013, construction of Route 6 connecting Pristina with the Macedonian border by an American-Turkish consortium began in 2014. Further improvements to road and railway infrastructure connecting Kosovo with its neighbors are planned as part of the Western Balkans 6 initiative.
- **Food Products:** Considerable demand exists for U.S. food products, such as frozen meat, chicken, canned goods, cereals, and alcoholic and non-alcoholic beverages. Kosovo's first American food franchise opened in 2016, and there is significant demand for other U.S. brands. Demand for fresh and organic products from the region is also growing.
- **Other Services:** As Kosovo's economy develops, the need for expert financial, legal, architectural, engineering, public relations, and graphic design services will grow.

## Market Entry Strategy

- Conduct appropriate market research and due diligence to adequately assess investment climate.
- Visit Kosovo and meet potential partners, government officials, and business associations. This is essential for understanding the local business climate.
- Establish strong personal ties, which is the key to doing business in Kosovo.
- Choose good legal representation (usually international) to protect interests.
- Exercise due diligence when identifying a local agent or partner to enhance business opportunities.
- Be prepared to invest significant financial resources for business development given Kosovo's limited banking and financial sectors.
- Note that commercial and physical infrastructure, including electricity and some transport facilities, are inadequate and not reliable.

- Consider opportunities to develop company-based workforce training and development programs with local partners to build necessary labor inputs for the investments.

More information on doing business in Kosovo is available on the U.S. Embassy in Kosovo's website: [U.S. Embassy in Kosovo](#).

## **Political and Economic Environment**

For background information on the political and economic environment in Kosovo, please visit the [U.S. Department of State Background Notes](#).

## **Selling US Products & Services**

### **Using an Agent to Sell US Products and Services**

Foreign companies doing business in Kosovo are not required to have a local agent, but it is advisable to retain one in order to enhance knowledge of local economic and market conditions. Kosovo does not have laws regulating local agent and distributor agreements, except for dental products, where a contract with a licensed distributor is required. Any local agent or distributorship relationship should be clearly defined, stipulated by contract, and contain an alternative dispute resolution clause. Agreements should also be registered with local courts in case of a legal disagreement.

U.S. Embassy Pristina was established as the 59th Department of State Commercial Partnership Post in January 2014. Through our partner post (Commercial Service Vienna), we provide business facilitation and some Commercial Services to interested U.S. and U.S.-affiliated businesses. Please see our website for more information: [U.S. Embassy in Kosovo](#).

### **Establishing an Office**

The procedures for opening a business are the same for local and foreign companies. There is a single procedure to obtain a business registration, fiscal, and VAT numbers through one-stop shops operating in 26 municipalities. General steps, as detailed by the World Bank, are to: (i) open a bank account in Kosovo; (ii) register with the Kosovo Business Registration Agency (KBRA) of the Ministry of Trade and Industry; (iii) make a company seal; and (v) register local employees for the pension scheme with the Tax Administration. Business registration varies between two to eleven days. The following types of business can be registered: sole-proprietor enterprise, general partnership, limited-liability company, limited partnership, and joint-stock company.

Registration forms vary by type of business and are found on the KBRA's website at: [Ministry of Trade and Industry](#).

There is no limitation on foreign ownership of local companies, and foreign investors face no restrictions on moving capital and profits outside of Kosovo. The KBRA reported 19 new American companies registered during 2016.

### **Franchising**

There are no legal requirements for franchising; partners can agree internally on the form of such partnership. With improved legal and physical infrastructure, the Kosovo market is open for certain franchising opportunities, especially in the

hotel, restaurant, and hospitality industries. Kosovo opened its first U.S. food franchise in 2016 to much fanfare and significant demand remains for other U.S. brands.

Current U.S. franchisees and licensees include: Apple (branch of Apple Premium Reseller in Croatia), Century 21, Coca-Cola, Enterprise, Hertz Rent-a-Car, KFC, Nike (distribution license for Kosovo), Office One Superstore, and RC Cola (bottling license in Kosovo, distribution rights for Serbia, Macedonia, Albania, and Montenegro).

## **Direct Marketing**

Many foreign companies actively market their products and services in Kosovo. The Internet is used, but more traditional means of advertising, such as television, radio, and leaflets, are considered generally more effective. Direct mailing is not a viable option due to the unreliability of Kosovo's postal system. Social media marketing is gaining prevalence.

## **Joint Ventures/Licensing**

The Foreign Investment Law (Kosovo Assembly Law 04/L-220) allows foreign investors to wholly own businesses in all sectors of the economy, with the exception of the manufacturing or distribution of military products, where equity is limited to 49 percent. Foreign investors in all other areas are subject to the same licensing requirements as local investors. Licensing is done by the economic regulator in the respective sector. Foreign investors may be required to file a statement with local authorities identifying principal stakeholders and types of investment. No other filing requirements in excess of those required for similar domestic businesses are required for foreign investors.

## **Selling to the Government**

Kosovo is not a WTO member and thus not a signatory of the Government Procurement Agreement. Similarly, Kosovo is not party to a Free-Trade Agreement (FTA) with the United States, and accordingly, is not bound by any U.S. FTA commitments on government procurement. The procurement process in Kosovo is based on the tendering procedures outlined in the Public Procurement Law, which applies to all procurement-related actions involving funds from the Kosovo consolidated budget. The law provides guarantees for equal treatment and non-discrimination, transparency, fair competition, and accountability. Foreign companies bid on an equal basis with local firms. Despite an absence of local-content requirements, the amended Public Procurement Law gives preference to local bidders when the quality and price are comparable to that of foreign bidders. There are opportunities in areas such as energy, healthcare equipment, mining, and infrastructure. Nevertheless, vendors routinely complain about irregular conduct in public tenders at the national and municipal levels, and have generally found the official appeals system inadequate

to redress grievances. In an effort to enhance transparency, the GoK amended the Public Procurement Law to mandate electronic procurement across the government, and in early 2017 implemented e-procurement at the municipal level.

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information. [\[In Salesforce insert a link to the Project Financing Section of the CCG\]](#)

## **Distribution & Sales Channels**

Many local importers are also wholesalers, distributors, and retailers. Until 2001, retail goods were sold almost exclusively through small, family-owned businesses. In the last several years, locally-owned supermarket chains ETC, Meridian Express, and Viva Fresh opened large stores in key cities, and foreign companies have partnered with local businesses to open large furniture stores, such as JYSK and Lesna, and supermarkets, such as Interex and Conad. Because Kosovo is land-locked, all goods arrive by road, limited rail service from Macedonia, or air. Goods usually arrive at border crossing points and are then taken to customs terminals for clearance. The closest seaports are Durres, Albania, and Thessaloniki, Greece (about 130 miles and 170 miles from Pristina respectively). A recently-built highway connects Pristina to Durres with a drive time of less than four hours. A new highway connecting Pristina with the border of Macedonia is expected to be completed in 2018, shortening the drive time to less than an hour.

## **Express Delivery**

FedEx, DHL, and UPS operate in Kosovo. It normally takes two days for express delivery to arrive from major U.S. cities, and the service is considered reliable. Goods arriving on express delivery undergo the same customs procedures as goods arriving through other channels. The de minimis amount for customs duty purposes is applied to those goods worth less than €22 per delivery.

## **Selling Factors & Techniques**

U.S. goods and services enjoy an excellent reputation in Kosovo. If a U.S. representative is unable to be in Kosovo full time, a local agent or distributor is recommended. The capacity of local marketing firms is improving, but local companies distributing U.S. goods usually seek marketing assistance from the producer or let the foreign company market the product directly. Domestic and regional business exhibitions are useful for identifying and establishing contacts with local distributors. Although English is widely spoken in Kosovo, it is advisable that sales materials be printed in Albanian and Serbian if possible.

## eCommerce

### Overview

A 2013 Kosovo Association for Information and Communication Technology (STIKK) study found 84.8 percent of households and 76.6 percent of individuals regularly use the internet. While Kosovo has the highest internet penetration rate in the region, the ecommerce sector is in its nascency. The service and trade sectors are the primary users of ecommerce, but the majority of their sales are still done through traditional methods. Most commercial banks have introduced internet banking, and all utilities offer online bill payment options.

### Current Market Trends

eCommerce is regulated by the 2012 laws on Information Society Services and Consumer Protection. Kosovo follows EU standards for ecommerce and consumer protection. The average consumer in Kosovo does not make purchases via ecommerce, but online sales have increased since 2016. Existing market data is limited, but the Kosovo Agency for Statistics plans to begin gathering detailed data on ICT usage and ecommerce rates in 2017.

### Domestic eCommerce (B2C)

Kosovo's domestic ecommerce market is growing. There are a handful of new websites offering consumer goods, including:

- [Gjirafa 50Smard](#)
- [Fafi](#)
- [Agnesa Vuthaj](#)

Notably, Kosovo does not have a country-code top-level domain, so most domestic ecommerce businesses use U.S.-registered domains.

### Cross-Border eCommerce

Cross-border ecommerce increased dramatically in 2016. Per Kosovo Customs data, online purchases increased from 12,000 in 2015 to more than 200,000 in 2016. Well-known ecommerce websites, including Amazon and ASOS, recently added Kosovo to the list of countries they ship to, simplifying purchases and increasing the number of online transactions. Consumers still manage to use other large ecommerce platforms – such as Alibaba – that do not ship directly to Kosovo but support shipments to neighboring countries. Per Kosovo Statistics Agency data, the majority of online purchases in Kosovo are made with EU and U.S. retailers.

## Online Payment

Payment methods for ecommerce transactions include e-banking, credit cards (Visa and Mastercard), and cash-on-delivery for the domestic market. While third-party methods such as PayPal and Payoneer generally do not offer services in Kosovo, some users find work-arounds leveraging banks in neighboring countries.

## Major Buying Holidays

There are no major buying holidays in Kosovo similar to Black Friday in the U.S., but retailers generally offer discounts around major holidays.

## Social Media

Kosovo users are active on social media – particularly Facebook and Twitter. Per 2016 Internet World Stats data, Facebook has a 45.7% penetration rate in Kosovo with an estimated 860,000 users. A growing number of local businesses use social media to promote their products and services.

## Trade Promotion & Advertising

Local advertising and marketing firms primarily provide services to domestic companies, but also cater to a handful of established international firms operating in Kosovo. Several companies offer strictly promotional services, while others, such as Zero Pozitive and ProCon, offer fully-integrated marketing and advertising packages. In addition, Congress and Event Organization is a private company that organizes local and regional tradeshows.

Embassy Pristina's commercial unit also offers Single Company Promotion (SCP) services.

### Advertising and Marketing Firms:

#### **Zero Pozitive Publicis**

Ulpiana, te Kulla 31

10000 Pristina, Kosovo

Telephone: +381 (0)38 22 00 20/22 00 30/22 00 50

E-mail: [info@zeropozitive.com](mailto:info@zeropozitive.com)

Web: [Zero Pozitive Publicis](#)

#### **ProCon Group**

Justinian road

10000 Pristina, Kosovo

Telephone: +381 (0)38 738 383

E-mail: [info@procon-ks.com](mailto:info@procon-ks.com)

Web: [ProCon Group](#)

**Tatamata** (Marketing Agency)

Arberia/Dragodan  
10000, Pristina, Kosovo  
Telephone: +377 (0) 44 315 382  
E-mail: [info@tatamata.tv](mailto:info@tatamata.tv)  
Web: [Tatamata](#)

**Rrota** (Advertising Agency)  
Vicianum St., Bulding C2/7, Entrance 13, Office 2  
10000, Pristina, Kosovo  
Telephone: +381 (0)38 606 127 E-mail: [info@rrota.com](mailto:info@rrota.com)  
Web: [Rrota](#)

**Paper Communications**  
Mujo Ulqinaku No12  
10000 Pristina, Kosovo  
Telephone: +381 38 60 99 60  
E-mail: [ilir@paper.al](mailto:ilir@paper.al)  
Web: [Paper Communications](#)

**Pixels Production**  
26 Xhelal Mitrovica  
10010 Pristina, Kosovo  
Telephone: +381 (0)38 749 357; +377 (0)44 749 357; or +386 (0)49 749 357  
E-mail: [info@pixels-ks.com](mailto:info@pixels-ks.com)  
Web: [Pixels Production](#)

**Congress & Event Organization**  
Rrustem Statovci 14  
10000 Pristina, Kosovo  
Telephone: +381 (0)38 220 003  
E-mail: [info@ceokos.com](mailto:info@ceokos.com)  
Web: [Congress & Event Organization](#)

**Newspapers:**  
**Koha Ditore** (Albanian-language daily)  
Mother Theresa Street 31  
10000 Pristina, Kosovo  
Telephone: +381 (0)38 249-104/105; 243 875  
Fax: +381(0)38 249-106  
E-mail: [info@koha.net](mailto:info@koha.net)  
Web: [Koha](#)

**Zeri** (Albanian-language daily)  
Media House Annex, nn



10000 Pristina, Kosovo  
Telephone: +381 (0)38 249 071; 222 451; 249 751 (marketing)  
Fax: +381 (0)38 249 071; 222-451  
E-mail: [marketing@zeri.info](mailto:marketing@zeri.info)  
Web: [Zeri](#)

**Express** (Albanian news portal)  
Dardania 1/1 10000 Pristina, Kosovo  
Telephone: +381 (0)38 76 76 76 Fax: +381 (0)38 76 76 78  
E-mail: [marketing@gazetaexpress.com](mailto:marketing@gazetaexpress.com)  
Web: [Express](#)

**Kosova Sot** (Albanian-language daily)  
Interpress Compound,  
Industrial Zone  
10000 Pristina, Kosovo Telephone: +381 (0)38 60 10 10; 601 007;  
E-mail: [kosovasot.marketing@gmail.com](mailto:kosovasot.marketing@gmail.com)  
Web: [Kosova Sot](#)

**Lajm** (Albanian-language daily)  
Meto Bajraktari 18-1  
10000 Pristina, Kosovo  
Telephone: +377 44 215 791  
E-mail: [lajmgazeta@gmail.com](mailto:lajmgazeta@gmail.com)  
Web: [Lajm](#)

**Bota Sot** (Albanian-language daily)  
Bedri Pejani 3  
10000 Pristina, Kosovo  
Telephone: +381 (0)38 237 732  
E-mail: [redaksia\\_pr@botasot.info](mailto:redaksia_pr@botasot.info); [marketing@botasot.info](mailto:marketing@botasot.info)  
Web: [Bota Sot](#)

**Epoka e Re** (Albanian-language daily)  
Gazeta Epoka e Re, Across from ex- UNMIK HQ  
10000 Pristina, Kosovo  
Telephone: +377 44 127 434; +386 49 127 434  
E-mail: [epokaere@hotmail.com](mailto:epokaere@hotmail.com)  
Web: [Epoka e Re](#)

**Tribuna** (Albanian-language daily)  
Media Palace  
10000 Pristina, Kosovo  
Telephone: +381 38 227 138

E-mail: [gazeta@tribunashqiptare.info](mailto:gazeta@tribunashqiptare.info); [marketing@tribunashqiptare.info](mailto:marketing@tribunashqiptare.info)

Web: [Tribuna](#)

### **Radio Stations:**

There are three national radio stations, and three nationwide TV channels:

*RTK-Radio Televizioni i Kosoves* is a public television channel with two radio stations:

**Radio Kosova**, covers all of Kosovo

Radio Kosova Building, Mother Theresa Street

10000 Pristina, Kosovo

Telephone: +381 (0)38 242 273

Web: [Radio Kosova](#)

**Radio Blue Sky** (covers all of Kosovo)

Radio Kosova Building, Mother Theresa Street

10000 Pristina, Kosovo

Tel: +381 (0)38 242 273

Web: [Radio Blue Sky](#)

### **Television Stations:**

**RTK**–Radio Televizioni i Kosoves (Kosovo’s public TV station – also broadcasting via satellite and two radio stations)

Xhemail Prishtina 12

10000 Pristina, Kosovo

Telephone: +381 (0)38 230 102/103

Fax: +381 (0)38 235 336;

E-mail: [post@rtklive.com](mailto:post@rtklive.com); [marketing@rtklive.com](mailto:marketing@rtklive.com)

Web: [RTK](#)

**RTV21** (privately owned television station that also owns a radio station)

Media House, RTV21

10000 Pristina, Kosovo

Telephone/Fax: +381 (0)38 55 00 88

E-mail: [lajmet@rtv21.tv](mailto:lajmet@rtv21.tv)

Web: [RTV21](#)

Radio 21 – Tel: +381 (0)38 241 522

**Koha Vision** (privately owned, part of Koha Group)

Mother Theresa Street n.n.

10000 Pristina, Kosovo

Telephone: +381 (0)38 248 014/015

Fax: +381 (0)38 226 442

Web: [Koha Vision](#)

## **Klan Kosova TV (cable TV only)**

Qendra Tregtare, Bregu i Diellit, kati i dyte

10000 Pristina, Kosovo

Telephone: +381 (0) 38 767 680; +381 (0) 38 551 144

E-mail: [info@klankosova.tv](mailto:info@klankosova.tv); [yllka.hamiti@klankosova.tv](mailto:yllka.hamiti@klankosova.tv)

Web: [www.klankosova.tv](http://www.klankosova.tv)

## **Pricing**

Kosovo uses the euro as its currency. As a result, the Central Bank of Kosovo does not have an independent monetary policy, and prices largely reflect market trends in the larger eurozone. Prices include a differentiated VAT rate of 8 and 18 percent. Local consumers are price conscious and actively seek out sales and discounts. Local businesses frequently offer promotions and sales events in order to attract customers and gain market share. U.S. firms should study the market carefully to ensure that their goods and services are competitively priced.

## **Sales Service/Customer Support**

After-sales service and customer support are considered to be the responsibility of the local agent or distributor.

## **Protecting Intellectual Property**

In any foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please link to our article on [Protecting Intellectual Property](#) and also [Corruption](#).

Companies may wish to seek advice from local attorneys or IP consultants who are experts in Kosovo law. The Embassy provides a list of local lawyers on its website, at: [U.S. Embassy in Kosovo – Legal Assistance](#).

## **Due Diligence**

No credit rating agencies in Kosovo cover private-sector actors. All U.S. businesses are advised to perform their own due-diligence checks prior to developing relationships with local firms. Due-diligence checks on socially-owned enterprises are particularly essential since the Privatization Agency of Kosovo (PAK) does not extend liability warranties to purchasers. U.S. companies are strongly encouraged to perform due diligence checks on private firms as well to ensure that the local company:

- is not facing any bribery or corruption charges;
- enjoys a certain level of financial stability that will enable it to meet financial obligations; and,
- enjoys, along with its owners, a solid professional reputation in Kosovo.

Businesses are also encouraged to consult the chambers of commerce (American, Kosovo, Turkish, and German) and the Kosovo Business Alliance (KBA).

In addition, the U.S. Embassy's Economic/Commercial team offers fee-based International Company Profile (ICP) services containing limited background checks on local companies.

For more information, please visit: [U.S. Embassy in Kosovo - Commercial Opportunities](#).

## **Local Professional Services**

### **Auditing Firms:**

[Deloitte LLP Albania and Kosovo](#)

[Grant Thornton](#)

[KPMG](#)

[Price Waterhouse Coopers](#)

### **Banking:**

[ProCredit Bank](#)

[Raiffeisen Bank](#)

[NLB Banka](#)

[Banka Ekonomike](#)

[Banka per Biznes](#)

[Banka Kombetare Tregtare](#)

[TEB](#)

[Turkiye Is Bankasi](#)

[Komercijalna Banka AD Beograd](#) (NOTE: This bank operates only in Serb-majority areas)

### **Insurance Companies:**

[Illyria Insurance](#)

[SIGURIA](#)

[SIGAL](#)

[SIGMA](#)

Note: You can find more information on banks and insurance companies on the Central Bank of Kosovo's website: [Central Bank of Kosovo](#)

### **Courier Services:**

**FedEx** (express mail services only)

Eqrem Cabej St. 147

10000 Pristina, Kosovo

Contact: Astrit Gosalci, Sales Representative

Tel: +381 (0)38 550 870; +377 (0)44 550 225

E-mail: [fedexkosovo@gmail.com](mailto:fedexkosovo@gmail.com)

**UPS**

105/1 UCK Street

10000 Pristina, Kosovo

Contact: Artan Bislimi, Manager of A.L. Dushi Services (authorized service contractor for UPS)

Tel: +381 (0)38 242-222

Fax: +381 (0)38 249 999

E-mail: [artanb@aldushi.com](mailto:artanb@aldushi.com)

**DHL**

25b Mother Teresa Street

10000 Pristina, Kosovo

Tel: +381 (0)38 545-545

E-mail: [dhl@kujtesa.com](mailto:dhl@kujtesa.com)

Web: [DHL](http://DHL)

**Freight Forwarding:**

Some local shipping companies own trucks registered in third countries, making transit of goods easier across territories that do not recognize Kosovo, as well as for more efficient transport throughout the region. Memoranda of Understanding with Macedonia and Albania have been signed to smooth the transit of Kosovo-registered trucks, and several Kosovo-based companies have partnerships with firms in Albanian-majority areas of Serbia.

Please contact the Kosovo Transport Association or one of the following shipping companies regarding transport of goods in and out of Kosovo.

**Kosovo Transport Association**, Telephone: +377 44 30 80 00, E-mail:

**SHPK Euro Import**, Gjilan/Gnjilane, Kosovo, Telephone: +377 (0)44 133 209

**NPT Gratis Commerc**, Mitrovica/e, Kosovo, Telephone: +377 (0)44 501 100

**CINI Commerc**, Prizren, Kosovo, Telephone: +377 (0)44 119 022

**Varna, Rogocice**, Kosovo, Telephone: +377 (0)44 183 570

**NT Nderimi**, Ferizaj/Uroševac, Kosovo, Telephone: +377 (0)44 503 868

**Railtrans**, Dardania, BL9 LB4, n.n., 10000 Pristina, Kosovo

Telephone /Fax: +381 (0) 38 551 021/551 470; Cell: +377 (0) 44 333 231/329 881

E-mail: [info@railtrans.biz](mailto:info@railtrans.biz); [naim.spahiu@railtrans.biz](mailto:naim.spahiu@railtrans.biz)

Web: [RailTrans](http://RailTrans)

**Hotels:**

There are several privately-owned hotels in Pristina, as well as a handful of privatized socially-owned enterprises offering accommodations.

**Hotel Emerald**

Telephone: +381 (0) 38 588 888

E-mail: [contact@emeraldhotel.info](mailto:contact@emeraldhotel.info); [reservation@emeraldhotel.info](mailto:reservation@emeraldhotel.info)

Web: [Hotel Emerald](#)

**Hotel International Prishtina**

Telephone: +381 (0) 38 600 222

E-mail: [info@hotelinternationalprishtina.com](mailto:info@hotelinternationalprishtina.com)

Web: [Hotel International Prishtina](#)

**Hotel Prishtina**

Telephone: +381 (0) 38 22 32 84

E-mail: [reservations@hotelprishtina.com](mailto:reservations@hotelprishtina.com)

Web: [Hotel Prishtina](#)

**Hotel Sirius**

Telephone: +381 (0) 38 22 22 80; +377 (0) 44 740 126

E-mail: [info@hotelsirius.net](mailto:info@hotelsirius.net)

Web: [Hotel Sirius](#)

**Hotel Swiss Diamond**

Telephone: +381 (0) 38 220 000

Fax: +381 (0) 38 250 000

E-mail: [reservations@sdhprishtina.com](mailto:reservations@sdhprishtina.com)

Web: [Hotel Swiss Diamond](#)

**Legal Firms:**

The U.S. Embassy Prishtina assumes no responsibility for the professional ability or integrity of lawyers or law firms. Please note that all fees for services rendered by the firm selected are the responsibility of the individual who requests the services. Neither the U.S. Embassy Prishtina nor the U.S. Government can assume responsibility for the fees or expenses incurred in use of services from these lawyers.

The list of attorneys is available at: [U.S. Embassy in Kosovo – Legal Assistance](#).

The American Chamber of Commerce in Kosovo (AmCham) is home to the Alternative Dispute Resolution (ADR) Center, which provides arbitration and mediation services. The ADR Center is an efficient alternative to the Kosovo Court System, which manages a heavy workload and backlog of cases. A list of arbiters that serve in the ADR Center can be obtained on the organization's website. More information is available at: [ADR](#).

**Principle Business Associations**

The American Chamber of Commerce in Kosovo, the Kosovo Chamber of Commerce, the German Chamber of Commerce, and the Kosovo Business Alliance are the main business organizations in Kosovo; most are open to U.S. companies.

Their primary role is to protect the interests of the business community and advocate for policies to improve the business environment. These associations lobby the government on business issues. In June 2015, the government re-activated the inter-ministerial National Economic Development Council, which brings together the business community and policymakers to discuss issues of concern.

## **Limitations on Selling US Products and Services**

Kosovo legislation does not stipulate that any particular sector or service is only available to its nationals. Foreigners can own property and invest in the same way as locals.

## **Web Resources**

[Kosovo Government](#)

[UNMIK \(United Nations Mission in Kosovo\)](#)

[EULEX \(European Union Rule of Law Mission\)](#)

[Kosovo Customs](#)

[Privatization Agency of Kosovo](#)

[Kosovo Investment and Enterprise Support Agency](#)

[Business Registration Agency](#)

[Kosovo Chamber of Commerce](#)

[American Chamber of Commerce in Kosovo](#)

[Kosovo Pension Savings and Trust](#)

[Statistical Office of Kosovo](#)

[Central Bank of Kosovo](#)

[Kosovo Railways](#)

[Pristina International Airport](#)

[Radio and Television of Kosovo \(RTK\)](#)

[Kohavision](#)

[Koha Ditore Daily Newspaper](#)

[Express News Portal](#)

[Zeri Daily Newspaper](#)

[Lajm Daily Newspaper](#)

[Kosovalive News Agency](#)

[Kosovapress News Agency](#)

[Telegrafi](#)

[Kosovo Information Center](#)

[Kosovo Telecom](#)

[Kosovo Public Tenders](#)

[Economic Initiative for Kosovo](#)

Please note that all of Kosovo's laws and regulations can be found at: [Official Gazette of The Republic of Kosovo](#) or [Republic of Kosovo Assembly](#).

[Foreign Investment Law](#)

[Law on Business Organizations](#)

[Law on Public Procurement](#)

[Public Tendering Procedures](#)

[Law on Public Private Partnerships](#)



# Leading Sectors for US Exports & Investments

## Energy

### Overview

Energy is potentially an attractive sector for U.S. and foreign investment. Kosovo is currently unable to meet its domestic energy consumption needs, and demand for energy is rising locally and regionally. Electricity consumption and peak demand in Kosovo grew more than 90 percent between 2000 and 2010, and peak demand in 2016 was around 1200 MWh, according to a USAID report. Kosovo's strategic location in southeastern Europe and substantial lignite resources (5th largest in the world) provide opportunities for an independent power producer to service Kosovo and the region. The Law on Mines and Minerals allows for private entities to request exploration and mining licenses for lignite.

There is a vital need for stable, base-load power generation in Kosovo that can meet consumer demand. Power shortages and outages have grown less frequent, but can still occur when generation and import capacity do not meet demand or when there is a service failure at one of Kosovo's power plants.

Electricity in Kosovo is produced by two lignite-fired thermal power plants, known as Kosovo A and Kosovo B, which use 1960s and 1970s technology respectively, in addition to a small hydropower plant (HPP) in the north of the country. The two thermal power plants are currently capable of producing up to 880 MW, and the hydropower plant produces an additional 35 MW (reaching a capacity of over 60 MW when four other smaller HPPs are added).

The Kosovo power system was designed in different circumstances, when power generation, transmission, and distribution elements were part of a larger integrated Yugoslav power system. The ability to fully cover local demand, regulate output in accordance with demand, and provide self-sufficient ancillary services of that subsystem were not considered relevant criteria in its initial design. Kosovo continues to rely on two Yugoslav-era power plants (Kosovo A and B) and imports, which are not able to provide reliable power supply. Kosovo has not built new generation facilities in decades and needs to establish new sources of electricity before it can decommission the aging, inefficient, and polluting Kosovo A power station.

Kosovo's energy strategy for 2017 – 2026, after consultation with the European Commission, World Bank, and U.S. government, was approved by the government and is expected to be approved by the Assembly in 2017. The strategy includes four priority measures for the development of the energy sector:

1. Build new and sustainable power generation capacities;
2. Establish an open and competitive energy market;
3. Decrease energy consumption through energy efficiency measures ;  
and
4. Rational development and use of renewable energy sources.

Owners of the Kosovo Energy Distribution Services (KEDS), a Turkish consortium, have invested heavily to improve and expand the distribution network, increase collections, reduce electricity losses, and improve the security of supply and overall service quality. In January 2015, KEDS unbundled its operations, separating supply from distribution and created KESCO, the public electricity-supply provider. In March 2017, the Energy Regulatory Office (ERO) took the first steps towards energy market liberalization, following amendments of the energy legislative package in 2016 and EU directives.

In November 2015, MED awarded preferred bidder status for the construction of a new, €1 billion lignite thermal power plant to the American firm, Contour Global. The EPC tender for the project is expected to be advertised in 2017.

Renewable energy sources (RES) are an important aspect of Kosovo's energy future and have been underutilized to date. To encourage the use of RES, Kosovo has established the necessary legal framework, as well as a support program with feed-in tariffs for hydropower, wind energy, photovoltaic energy, and biomass. As a member of the Energy Community, Kosovo has committed to meet mandatory RES targets for 2020, which were defined and approved by the Energy Community Ministerial Council in 2012. For Kosovo, the commitment is to reach a 25 percent RES share of final gross energy consumption by 2020. In 2013, the Government of Kosovo set an even higher target of 29.47 percent renewables. As of 2015, renewables comprised 19.7 percent of final gross consumption in Kosovo. Beginning with a baseline of 99.5 MW of RES installed in 2017, Kosovo's energy strategy projects the country will reach 401-470 MW by 2026, depending on the development scenario.

In April 2017, Kosovo implemented a new tariff structure, which removes seasonal tariffs for all consumers, removes block tariffs, and decreases the fixed fee to €1.8 for households.

	2015	2016	2017 (Estimated)	2018 (Estimated)
Total Local Production	5,600 GWh \$192 million	5,573.2 GWh \$176.7 million	5,542.8 GWh \$187.5 million	5,542.8 GWh \$197.4 million

Total Exports	601 GWh \$22.3 million	1,064.2 GWh \$34.6 million	1,382.1 GWh \$43.2 million	1,382.1 GWh \$43.2 million
Total Imports	668 GWh \$38.6 million	556.9 GWh \$27.9 million	700.1 GWh \$35.1 million	700.1 GWh \$35.1 million
Imports from the US	0 GWh \$0	0 GWh \$0	0 GWh \$0	0 GWh \$0
<b>Total Market Size</b>	5,667 GWh \$208.3 million	5,065.9 GWh \$183.4 million	4,860.8 GWh \$179.4 million	4,860.8 GWh \$179.4 million
Exchange Rates	0.9	0.9	0.9	0.9

Unit: Gigawatt hour (GWh); millions of U.S. dollars

Total market size = (total local production + imports) - exports

Data Source: ERO measured and estimated data; IMF exchange rates

End-use energy-efficiency improvements will become increasingly attractive once collection discipline is complete and full-cost tariffs provide proper incentives. Several donors are already beginning to develop programs in this area. Increased base-load conventional generation will be needed as a back-up to any new renewable energy generation.

### Leading Sub-Sectors

- Turbines
- Generators
- Mining equipment
- Power system spare parts
- Power operation and maintenance services
- Legal and consulting services

### Opportunities

- New, independent power plants
- Renewable energy
- Energy efficiency, especially in residential dwellings

### Web Resources

[Kosovo Energy Corporation](#)

[Kosovo Energy Distribution Service](#)

[Kosovo Energy Supply Company](#)

[Kosovo Energy Regulatory Office](#)

[Kosovo Transmission, System, and Market Operator \(KOSTT\)](#)  
[Ministry of Economic Development](#)  
[World Bank Kosovo Office](#)

## Agricultural Sector

### Overview

	2015	2016	2017 (Estimated)	2018 (Estimated)
Total Local Production	715.0	743.6	773.3	804.2
Total Exports	47.4	49.3	54.8	61.6
Total Imports	720.6	718.6	731.5	749.4
Imports from the US	N/A	12.7	N/A	N/A
<b>Total Market Size</b>	1,388.2	1,412.9	1,450.0	1,492.0
Exchange Rates	0.9	0.9	0.9	0.9

Unit: millions of U.S. dollars

Total market size = (total local production + imports) – exports

Data source:

- Total Local Production: 2015–2018 Ministry of Agriculture, Forestry, and Rural Development
- Total Exports: 2015–2018, Ministry of Agriculture, Forestry, and Rural Development
- Total Imports: 2015–2018 Ministry of Agriculture, Forestry, and Rural Development
- Imports from the US: 2016 Kosovo Statistical Agency
- Exchange Rates: IMF

Kosovo has a rich agricultural history, but currently imports agricultural goods to support most of its domestic consumption. The country has abundant, productive land that is not optimally used, with economies of scale hampered by small parcels and poor, inconsistently-applied property rights regimes. Given the relative absence of valued-added food processing in Kosovo, largely due to a lack of investment over the past two decades, great potential exists for increased domestic agricultural production and expanded food processing.

Domestic demand has been growing in recent years as consumer purchasing power increases, particularly in urban areas. Over the past decade, demand for fruits and vegetables surged more than for any other food category, and is expected to continue growing. The Kosovo Investment and Enterprise Support Agency (KIESA) anticipates regional demand will bring sizeable opportunities for growth and profit in the fruit and vegetables sector. Demand for milk and dairy products in the domestic market is also expected to grow. The livestock and meat processing sector is a potentially lucrative

business opportunity as domestic production does not yet meet market demand. Purchasing power relies heavily on remittances which comprises about 12 percent of GDP. Following the April 2016 implementation of the Stabilization and Association Agreement with the EU, Kosovo benefits from duty-free exports of 2,560 different agricultural products to EU countries. The agricultural sector contributes up to 20 percent of GDP, and 62 percent of Kosovo's population lives in the rural areas. Kosovo does not offer crop insurance, but some financial help is available farmers impacted by extreme weather events.

### Leading Sub-Sectors

- Fruits and vegetables sector
- Livestock and dairy sector
- Value-added food processing

### Opportunities

- Greenhouses
- Livestock
- Food processing facilities
- Dairy processing facilities

### Web Resources

[Ministry of Agriculture, Forestry, and Rural Development](#)  
[Kosovo Investment and Enterprise Support Agency \(KIESA\)](#)  
[Kosovo Ministry of Economic Development](#)

## Health

### Overview

Kosovo's poor health and medical facilities lead many local residents to seek health-care services in neighboring countries, even for routine check-ups. The growing demand for quality health care and the lack of government resources to meet these needs create opportunities for U.S. companies to provide a variety of health-related services, including basic and specialized treatments, hospitals, clinics, emergency medical treatment facilities, and high-quality medicines and pharmaceutical products. Although Kosovo's public health facilities are available to all Kosovo citizens, many public health services in Serb-majority areas are paid for by the Government of Serbia. In 2015, the American Hospital opened in Kosovo, offering state-of-the-art technology and equipment, as well as more advanced procedures than typically offered locally.

### Leading Sub-Sectors

- Hospitals, clinics, and other medical facilities
- Emergency medical treatment services and equipment
- Medicines, pharmaceutical products, and pharmacies
- Hospital management, staff training, legal services
- Dental clinics

### Opportunities

- Private hospitals, clinics, and emergency medical facilities
- Dental clinics
- Medical supplies and pharmacies
- Provision of medical equipment and supplies
- Professional staff training and consulting

### Web Resources

#### **National Institute of Public Health**

Prof. Naser Ramadani, Executive Director

Telephone: +381 (0)38 541 432; +377 (0)44 503-526

E-mail: [naser.ramadani@niph-kosova.org](mailto:naser.ramadani@niph-kosova.org)

#### **Kosovo Medicine Agency**

Address: City Hospital Roundabout

University Clinic Center

10000 Pristina, Kosovo

Telephone: +381 (0)38 512 807

Fax: +381 (0)38 512 810

Web: [Kosovo Medicine Agency](#)

Jeton Shala, Chief Executive Officer

E-mail: [jeton.shala@rks-gov.net](mailto:jeton.shala@rks-gov.net)

Ardian Rugova, Head of Medicine Registration and Licensing

E-mail: [ardian.rugova@rks-gov.net](mailto:ardian.rugova@rks-gov.net)

Granita Selimaj, Head of Licensing and Imports

E-mail: [granite.selimaj@rks-gov.net](mailto:granite.selimaj@rks-gov.net)

**Ministry of Health**

Zagreb st. nn. (Former Lung Hospital in Dragodan/Arberi)

Pristina, Kosovo

Web: [Ministry of Health](#)

Ardian Mehmetaj, Acting Secretary General

Telephone: +381 (0)38 212 113

E-mail: [ardian.mehmetaj@rks-gov.net](mailto:ardian.mehmetaj@rks-gov.net)

Hilmi Shala, Head of Pharmaceutical Department

Telephone: +381 (0)38 200 24 091

E-mail: [hilmi.shala@rks-gov.net](mailto:hilmi.shala@rks-gov.net)

Lindita Avdyli, Director of Pharmaceutical Services Division and Health Insurance

Telephone: +381 (0)38 212 298

E-mail: [lindita.avdyli@rks-gov.net](mailto:lindita.avdyli@rks-gov.net)



## Infrastructure

### Overview

Infrastructure improvements are essential to Kosovo's economic development. Demand is growing for quality urban housing, Class-A office space, government buildings, schools, roads, highways, and basic health and sanitation systems, among other infrastructure needs.

The GoK has completed the first phase of urban planning strategies for Pristina and major roads and highways throughout the country. The most visible foreign project in Kosovo is Route 7 (the Ibrahim Rugova National Highway) constructed by a U.S.-Turkish consortium. The highway, a modern dual carriageway, connects the greater Pristina area to the border with Albania. The same consortium is building a new highway, Route 6, which will connect Pristina and the Macedonian border near Skopje.

The GoK will continue to allocate funding toward infrastructure development, increasing the demand for qualified private contractors to implement these projects. Kosovo's participation in the Western Balkans 6 initiative will likely include additional funding for infrastructure projects, such as railway infrastructure and road construction. In 2017, the GoK is expected to initiate a public tender for the construction of a new highway connecting Kosovo with south-west Serbia.

Due to limited government revenue, the Government of Kosovo may need to pursue alternative funding models, such as public-private partnerships, for some infrastructure projects. Donors, such as EBRD, provide long-term financing and advisory services for select initiatives to help build and rehabilitate key transport links.

The U.S. Government has urged Kosovo to consider legislation conducive to attracting commercial real-estate investment, including allowing purchasers to obtain 99-year commercial leases.

Several U.S. citizens have invested significant resources in construction, real estate, financial services, and infrastructure development in anticipation of growth in this sector.

### Leading Sub-Sectors

- Project designers
- Project managers
- Engineering specialists
- Architectural services
- Interior design services
- Heavy machinery
- High-quality tools, accessories, and production inputs

## Opportunities

- Transportation routes
- Residential housing
- Commercial buildings, office space
- Professional architectural and engineering design and management services
- First-rate hardware store or supplying of equipment, tools, accessories and inputs

## Web Resources

[Ministry of Infrastructure](#)

[Pristina International Airport](#)

[Kosovo Telecom](#)

[Kosovo Railways](#)

## Mining and Minerals

### Overview

	2014	2015	2016
Total Local Production	76.7	N/A	N/A
Total Exports	50.5	47.0	69.7
Total Imports	528.2	456.4	357.3
Imports from the US	N/A	N/A	7.4
<b>Total Market Size</b>	554.4	N/A	N/A
Exchange Rates	0.9	0.9	0.9

Unit: millions of U.S. dollars

Total market size = (total local production + imports) - exports

Source: Independent Commission for Mines and Minerals; IMF exchange rates

The mining sector has traditionally been an important contributor to Kosovo's economy. The industry declined during the 1990s due to a lack of investment in equipment, facilities, and the development of new mines. Significant foreign investment potential exists in this sector. Kosovo has a varied geology containing a range of exploitable metal and mineral deposits including gold, chrome, nickel, aluminum, copper, iron metals, and lead-zinc. Kosovo also possesses the world's fifth-largest proven reserves of lignite.

Many of the existing mines have been privatized, with varying degrees of success. The Privatization Agency of Kosovo (PAK) is in the process of re-privatizing many mines where investors failed to fulfill their obligations. The Trepca mining complex contains Kosovo's largest and most developed mines. At the height of production in the 1960s and 1970s, Trepca employed over 22,000 workers throughout the former Yugoslavia, although most mining operations and processing facilities were located in Kosovo. Significant investment in the complex is at a standstill pending the Government of Kosovo's implementation of the 2016 Law on Trepca. The Privatization Agency of Kosovo is expected to publish a Trepca comprehensive feasibility study in 2017 that will help determine the future of the enterprise. Serbia claims ownership of Trepca's assets in contrast with Kosovo law and U.S. government policy.

The Independent Commission for Mines and Minerals (ICMM) regulates Kosovo's minerals sector, issues exploration and mining licenses, and

ensures legislative compliance with international mining, environment, and safety standards. ICMM provides key technical information to prospective bidders.

### Leading Sub-Sectors

- Exploration, mining, and extraction
- Legal and consulting services
- Equipment and spare parts sales; maintenance services

### Opportunities

- Possible ownership or operation of new or existing mines
- Sales of equipment, spare parts, and maintenance services
- Minerals export to global markets

### Web Resources

[Kosovo Energy Regulatory Office](#)

[Kosovo Ministry of Economic Development](#)

[Kosovo Privatization Agency](#)

[Independent Commission on Mines and Minerals](#)

### **Ramiz Krasniqi, Director of ICMM**

Armend Daci Street

Pristina, Kosovo

Telephone: +381 (0)38 240 252 ext. 228

Fax: +381 (0)38 245 844

E-mail: [rkrasniqi@kosovo-mining.org](mailto:rkrasniqi@kosovo-mining.org)

Web: [Kosobo Mining](#)

## Telecommunications

### Overview

Public operator Kosovo Telecom (TK) is the major provider of landline services. Due to its failed privatization process in late 2013, TK lagged in investments, but is in the process of upgrading to 3G and 4G technology.

The Regulatory Authority of Electronic and Postal Communications (RAEPC) estimated the total number of fixed and mobile internet users was 1,237,755 in 2016, representing a 68.17 percent penetration rate – up from the 2015 penetration rate of 58.1 percent. Three main companies – IPKO, TK, and Kujtesa – provide internet service for about 87.7 percent of Kosovo’s market, while TK and IPKO provide mobile internet (3G and 4G).

Kosovo Telecom offers mobile telephone services through its subsidiary Vala and has over 1,000,000 customers (57.26 percent of the overall market). Kosovo’s telecommunications sector is one of the least expensive in the region and has similar quality voice services in comparison with other providers in the region. RAEPC data indicates mobile telephony penetration in Kosovo is over 110.7 percent, covering over 100 percent of inhabited places and 94 percent of Kosovo’s territory.

In early 2017, a branch of Serbia’s telecom company, MTS, was licensed to provide mobile services in Kosovo. Two other mobile companies from Serbia – VIP and Telenor – suspended their unlicensed operations in May 2017.

Through the auspices of the EU, Kosovo and Serbia have worked with ITU to grant Kosovo a dialing code. Kosovo began transitioning to the new (383) code in March 2017 and plans to migrate all phone numbers to the dialing code by June 2018.

Services	Revenues in 2014	Revenues in 2015	Revenues in 2016
Mobile	162.0	139.4	112.4
Landline	12.5	11.7	10.1
ISP	22.8	23.3	24.5
Infrastructure	1.4	0.6	0.5
Cable TV	21.6	23.0	24.3
TOTAL	220.3	198.0	171.8

Unit: millions of U.S. dollars

Data Source: Regulatory Authority of Electronic and Postal Communications

### Leading Sub-Sectors

- General service mobile (GSM) operator

- GSM network supplies, equipment, and technology
- Network management
- Telecommunications infrastructure development, including WiMax and other municipal wireless internet services.
- Digitalization of TV broadcasting

### Opportunities

IPKO launched 3G and 4G services in 2014, and Vala launched 4G in 2015. Both operators are committed to improving their 4G services so there will be opportunities for provision of related infrastructure. The Independent Media Commission will soon initiate the transition of TV broadcasting from analog to digital, so opportunities may arise in the near future in this sub-sector.

### Web Resources

[Regulatory Authority of Electronic & Postal Communications](#)

[Independent Media Commission](#)

[IPKO Telecommunications, LLC](#)

[Kosovo Telecom](#)

[Z-Mobile](#)

# Customs, Regulations and Standards

## Trade Barriers

Kosovo has no general restrictions on imports. When applicable, products are required to undergo sanitary, phytosanitary, or veterinary inspections at border control. The Food and Veterinary Agency (FVA), which functions under the Prime Minister's Office, waived import permits for milk and dairy products in 2012, while still requiring them for imported meat, poultry, and live animals. The permits are issued upon the importing companies' presentation of health certificates from the exporting country and certificates of origin.

U.S. companies' local distributors must complete an application form and health certificate to import animal food products, including poultry products. Kosovo accepts USDA food-safety inspection service certificates. The FVA's Phytosanitary Division requires control certificates and certificates of origin for all imports.

Import licenses are required for pharmaceutical, live animals, and tobacco products. An import license is required for production inputs and raw materials associated with manufacturing of pharmaceutical products. Licenses can be obtained from the Kosovo Medicines Agency (KMA) for six months, with an additional six months in case the import was not completed as scheduled. The KMA requires that the shelf-life of imported pharmaceutical products must be valid for at least one year from the date of entry into Kosovo. Its quality and safety requirements for pharmaceutical products also demand every import is accompanied by the following:

- Business license issued by the Competent Authority;
- Marketing authorization for medicinal product issued by KMA;
- Importing authorization held by the importer granted by the KMA, or an
- Import license issued by KMA that should meet the Good Manufacturing Practice standards for pharmaceuticals;
- Batch Certificate of Analysis for each batch of medicinal product imported.

These procedures are subject to change; please contact the KMA for up-to-date guidance. Information on sanitary requirements can be obtained from Kosovo Ministry of Health. Information on phytosanitary and veterinary requirements can be obtained from the Kosovo Food and Veterinary Agency in the Office of the Prime Minister.

**For more information and help with trade barriers please contact:**

- **International Trade Administration**

**Enforcement and Compliance**  
**(202) 482-0063**  
**[ECCooperations@trade.gov](mailto:ECCooperations@trade.gov)**  
**[Trade.gov](http://Trade.gov) – [Enforcement and Compliance](#)**

## **Import Tariff**

Kosovo is a member of the Central European Free Trade Agreement (CEFTA) and the World Customs Organization. Most agricultural equipment is imported free of customs duties, while an 18 percent VAT must be paid for construction materials coming from CEFTA members. Most imports from CEFTA countries are duty free, except for certain agricultural products, such as wheat. A 10 percent customs duty and 8 percent VAT must be paid on essential goods, while an 18 percent VAT must be paid on all other imported goods. In April 2016, Kosovo implemented a Stabilization and Association Agreement (SAA), which lifted customs duties on over 1044 agricultural and 487 fishery imports from the EU. Under the same agreement, customs tariffs on industrial imports will be phased out gradually over a period of 10 years.

VAT is assessed on the cost, insurance, and freight of the goods. Certain products are also subject to an additional excise tax. These include petroleum, tobacco, vehicles, and alcohol. The excise tax is applied as a flat percentage rate of the value of the item or as a pre-determined amount depending on the item. This tax can significantly increase the final price of the good for consumers. In 2014, a law was enacted to expand to the list of VAT-exempt goods, mostly agricultural inputs, chemical agents, wood products, health and medical devices, and some medicines. In 2015, production-line expenses, raw materials, machinery used in production, and IT equipment purchases also became exempted from the tax.

Kosovo adopted a Customs and Excise Code in compliance with European Union and World Customs Organization standards in early 2009: [Official Gazette - Law NO. 04](#).

Kosovo uses an integrated tariff schedule broken down into goods categories and applicable rates: [Kosovo Customs](#).

Detailed information on the SAA between Kosovo and the EU is available at: [European Council – \(SAA\) Signed between the EU and Kosovo](#).

## **Import Requirements & Documentation**

Kosovo's Customs Law requires a single administrative document (SAD) be completed by the importer. The SAD must be obtained from the Kosovo Customs' office in Pristina and is not available online. Completion of the SAD requires the certificate of origin, commercial invoice, and customs goods declaration.



More information on import requirements and documentation can be found at: [Dogana](#).

## **Labeling/Marking Requirements**

Labels must contain the name of the product, full address of the importer and country of origin, net quantity/weight/volume of the product, ingredients, method of storage (transport, use, or maintenance), and any applicable consumer warnings. Labels must be in Kosovo's official language and labeling in more than one language is permitted.

Consumer protection legislation requires that technical products be accompanied by instructions for usage, the manufacturer's specifications, a list of authorized maintenance offices, warranty information, warranty period, and other applicable data.

For food importers, it is advisable to use the European date system of expiry or spell out the month of expiration on the label.

More information on labeling requirements can be found on the website of the Ministry of Trade and Industry at: [Ministry of Trade and Industry](#) , and the Regulation on Labelling, Presentation, and Advertising Food Products: [Official Gazette of the Republic of Kosovo](#).

## **U.S. Export Controls**

Most electronic equipment and products can enter Kosovo without a U.S. export license. However, U.S. businesses are strongly advised to obtain export licenses from the Department of Commerce's Bureau of Industry and Security (BIS) or the Department of State's Bureau of Verification, Compliance, and Implementation (VCI), depending on the product. BIS and VCI coordinate the licensing process with each other, as well as with the Department of Defense.

If a U.S. firm has a product that may require an export license, the company must obtain the export commodity control number (ECCN) from the manufacturer. The U.S. exporter can also obtain the ECCN by filling out the BIS-748 Multipurpose Form.

To order forms, you may submit a request by fax at (202) 219-9182 or call our Export Counseling Division at (202) 482-4811 or from the following link: [Bureau of Industry and Security: Forms and Documents](#).

More detailed information on export controls can be obtained from the U.S. Department of Commerce, Export Controls – Bureau of Industry and Security at: [Bureau of Industry and Security: Export Control Classification Number \(ECCN\)](#).

A search tool for the consolidated export-screening lists of the Departments of Commerce, State, and Treasury is available at: [Trade.gov - Consolidated Screening List API](#)

## **Temporary Entry**

Kosovo permits the temporary importation of products for re-exportation provided they do not undergo any change while in country. Such goods are assessed import duties at a rate of 3 percent of value for every month or fraction of a month in storage. Kosovo has “bonded” customs warehouses, which are privately owned storage facilities that allow importers to store goods duty free until they are released into the local economy or re-exported free-of-charge. Their use, however, is limited. Companies importing warranty and non-warranty items for repair must be authorized by Customs for internal repair or repair under Customs’ control.

## **Prohibited & Restricted Imports**

The importation of narcotics is prohibited. The importation of most non-hunting use firearms is prohibited. The importation of certain chemicals and pharmaceuticals is restricted.

More information on chemical import regulations can be found at: [Official Gazette – Law on Chemicals](#).

More information on pharmaceutical import regulations can be found at: [Official Gazette – Law on Medicinal Products and Medical Devices](#)

More information on firearm import regulations can be found at: [Official Gazette – Law on Weapons](#).

## **Customs Regulations**

### **Kosovo Customs**

Telephone: +381 (0)38 541 031

Web: [Kosovo Customs](#)

Laws and regulations are translated into English and are available online.

[Customs and Excise Code](#)

[Integrated Tariff Schedule](#)

[Kosovo International Trade Guide](#)

## **Standards for Trade**

### **Overview**

Kosovo’s Law on Standardization reflects European and international systems of standards, and outlines procedural rules on drafting, approval, determination, and application of these standards in Kosovo. Product certification also falls under this law. Kosovo implements European and international standards as Kosovo standards. The law is available online in English: [Law on Standardization](#).

The Kosovo Standardization Agency (KSA) identified and adopted construction codes/euro codes. Kosovo is not a member of the ISO or any other international or regional standardization bodies. The government is pursuing membership and/or alternatives methods of cooperation with these organizations.

## Standards

The KSA and Accreditation Directorate (AD) within the Ministry of Trade and Industry are the only government bodies responsible for standardization and accreditation activities in Kosovo. The government requires the KSA to:

- Organize procedures on the formulation of standards; approve and apply such standards; certify products, services, quality systems, and personnel.
- Organize procedures on standardization, accreditation, and certification based on international and European standardization systems.
- Approve, adapt, and implement international and European standards, except in the area of telecommunications.
- Revise existing standards in Kosovo.
- Maintain and administer a standardizations archive on foreign and local standards; upon request, communicate technical information to domestic and foreign subjects that conduct business activities in the territory of Kosovo.
- Prepare the laws and by-laws for activities it covers.

Kosovo standards are identified as “SK”, with other letters based on the origin of the product. For example, a product that complies with Kosovo Standards and was produced in Europe in accordance with ISO standards would be marked “SK EN ISO.”

## Testing, inspection and certification

The KSA and AD are the primary conformity and accreditation assessment bodies in Kosovo. Kosovo does not have a national product certification body, but it has certifier cooperating with relevant foreign companies in the certification of Kosovo businesses. U.S. exporters have not reported problems related to product-certification requirements. Kosovo has no product certification agreements with the United States. It is a member of the European co-operation for Accreditation (EA), the International Laboratory Accreditation Cooperation (ILAC), and International Accreditation Forum (IAF). Test certificates are accepted from laboratories in countries that have signed multilateral agreements with ILAC, IAF, and EA and from countries with which AD has agreements. Eight inspection bodies, 30 testing laboratories, and one calibration laboratory are currently

accredited by the AD. Accredited U.S. testing laboratories are assumed to be qualified to test to Kosovo regulatory requirements.

More information on accreditation is available at the AD's website: [Ministry of Trade and Industry](#)

### Publication of technical regulations

The Government publishes all laws and regulations in the Official Gazette: [Official Gazette of the Republic of Kosovo](#) Only final regulations are published. U.S. entities can comment on regulations by attending the relevant working groups or upon invitation by the government agency sponsoring the regulation. Business associations such as the American Chamber of Commerce also regularly collect comments from members on proposed legislation. Kosovo maintains an annual legislative program available on the website of the Office of Prime Minister at: [The Republic of Kosovo: The Office of the Prime Minister](#).

### Contact Information

#### **U.S. Embassy Pristina**

Yllka Bina, Commercial Advisor

Telephone: +381 (0)38 5959 3211

E-mail: [PristinaCommercial@state.gov](mailto:PristinaCommercial@state.gov)

#### **Kosovo Standardization Agency**

Hafiz Gara, Chief Executive

Telephone: +381 (0)38 200 36 539; +377 (0)44 626 802

E-mail: [hafiz.gara@rks-gov.net](mailto:hafiz.gara@rks-gov.net); [askinfo@ks-gov.net](mailto:askinfo@ks-gov.net)

#### **Kosovo Accreditation Directorate**

Ibush Luzha, Director of KAD

Telephone: +381 (0)38 200 36 572; +377 (0)44 124 889

E-mail: [ibush.luzha@rks-gov.net](mailto:ibush.luzha@rks-gov.net)

#### **Kosovo Department of Metrology**

Isa Elshani, Director of Legal Department

Tel: +383 (0)38 512 798

Mobil: +383 (0)44 413 241

E-Mail: [isa.elshani@rks-gov.net](mailto:isa.elshani@rks-gov.net)

#### **Office of the Prime Minister**

##### **Kosovo Food and Veterinary Agency**

Valdet Gjinovci, Executive Director

Telephone: +381 (0)38 551 957; +377 (0)44 800 444

E-mail: [valdet.gjinovci@rks-gov.net](mailto:valdet.gjinovci@rks-gov.net)

## **Kosovo Medicines Agency**

Jeton Shala, CEO

Telephone: +381 (0)38 200 24 267

E-mail: [jeton.shala@rks-gov.net](mailto:jeton.shala@rks-gov.net)

## **Trade Agreements**

Kosovo's Ministry of Trade and Industry manages its international trade relations. In some cases, opposition by non-recognizing states means that Kosovo is included under the name Kosovo\*, with a footnote clarifying that the name is made without prejudice to Kosovo's legal status. In other cases, UNMIK ensures Kosovo's ability to fulfill international obligations under agreements where UNMIK is the signatory on behalf of Kosovo.

Kosovo is a member of the Central European Free Trade Agreement (CEFTA) and has signed Free-Trade Agreements (FTA) with Albania, Macedonia, Croatia, Bosnia-Herzegovina, and Turkey. The Stabilization and Association Agreement aimed at liberalizing trade with the EU entered into force in April 2016. Additionally, Kosovo has signed double taxation treaties with Albania, Macedonia, Slovenia, Turkey, the United Arab Emirates, and the United Kingdom. Older treaties with Hungary, Netherlands, Germany, Finland, and Belgium from the time of the former Yugoslavia still apply for Kosovo.

Kosovo is member of the European Common Aviation Area and member of the Athens Process on Energy for the Southeastern Europe Energy Community Treaty.

More information on Kosovo's trade agreements can be found on the website of the Ministry of Trade and Industry at: [Ministry of Trade and Industry](#).

## **Licensing Requirements for Professional Services**

According to the KBRA, many professional services do not require a license. The Law on the License and Permit System adopted in 2013 stipulates the procedures and general criteria for licensing of foreign professional services by competent boards of respective ministries. Legal and accountancy professions require a license, while consulting does not.

Foreigners who wish to practice law in Kosovo must register with the Kosovo Bar Association, present their home country Bar Association certificate and law license, and pass a test on their knowledge of Kosovo legislation before applying for a license at the Ministry of Justice. Details on licensing of foreign lawyers may be found on the website of Kosovo Bar Association at: [Kosovo Bar Association](#).

Similarly, to become a licensed accountant, a foreign professional must apply for registration with the Society of Certified Accountants and Auditors of Kosovo (SCAAK), documenting their professional standing from their respective home country, and pass SCAAK's eligibility test. The licensing determination is made by the Kosovo Council for Financial Reporting, which is part of the Ministry of Finance.

## **Web Resources**

[Kosovo Customs](#)

[Official Gazette](#)

[Ministry of Finance](#)

[Ministry of Trade and Industry](#)

[Kosovo International Trade Guide](#)

[Kosovo Bar Association](#)

[Society of Certified Accountants and Auditors \(SCAAK\)](#)

[Law on Permit and License System](#)

## **Investment Climate Statement**

### **Executive Summary**

The Republic of Kosovo is Europe's youngest country – and one of its poorest – but it has managed to record positive economic growth rates, 2.8 percent on average since 2012. Kosovo declared independence on 17 February 2008 and has been recognized by more than 100 UN Member States. Since 1999 the United Nations Interim Administrative Mission in Kosovo (UNMIK) has continued to implement its mandate in a status-neutral manner, operating under Security Council resolution 1244 (1999).

Kosovo has a flat corporate tax of 10 percent. In 2016, Kosovo ratified a strategic investment law intended to ease market access for investors in key sectors, and partnered with international donors to launch the Credit Guarantee Fund, which improves access to credit. With USAID assistance, the Ministry of Trade and Industry has made strides on efforts to enhance its rankings in the World Bank's Doing Business Index. All legal, regulatory, and accounting systems in Kosovo have been created in line with EU standards and international best practices. Publicly listed companies comply with international accounting standards. In an attempt to improve commercial legislation, the Assembly approved a new Law on Bankruptcy in July 2016.

Kosovo's economy – while outperforming its neighbors – is characterized by: extremely limited regional or global economic integration; political instability; corruption; unreliable energy supply; a large informal economy estimated at 35 percent of GDP; and a tenuous rule of law, including a lack of contract enforcement. It continues to rely on significant international financial support.

Resolution of residential, agricultural, and commercial property claims remains a serious and contentious issue in Kosovo. Most property records were destroyed or removed to Serbia by the Serbian government during the 1998–1999 conflict, making determination of rightful ownership for the majority of properties complex. Cases of multiple ownership claims on a single property with each claimant presenting a variety of ownership documents as proof are common. The EU-facilitated Kosovo-Serbia dialogue process is helping address the cadastral records taken from Kosovo.

Despite the challenges, Kosovo’s relatively young population, low labor costs, and natural resources have attracted some foreign investment, with several international firms and franchises already present in the market. Additionally, its significant diaspora community in foreign labor markets provides a steady stream of remittances back to the economy. Subject to market conditions, GOK plans to launch diaspora bonds – a coupon based treasury bill specifically tailored to attract investment remittances – in late 2017.

In 2016, Foreign Direct Investment (FDI) in Kosovo was estimated at €234.8 million, down from €338 million in 2015. Portfolio investment in 2015 totaled €1.388 billion, with equity securities of €1.085 billion and debt securities of €302 million. These totals compared to €1.025 billion in equity securities and €250 million in debt securities in 2014. Real estate and leasing activities have received the most FDI, followed by financial services and construction. The food, IT, infrastructure, and energy sectors are growing and hold the most potential to attract new FDI.

Kosovo’s official unemployment rate was 32.9 percent in 2015, although some estimates are as high as 40 percent. Unemployment levels for youth and first-time job seekers are considerably higher than the official rate.

Table 1

Measure	Year	Index/Rank	Website Address
<b>TI Corruption Perceptions Index</b>	2016	95 of 175	<a href="http://transparency.org/news/feature/corruption_perceptions_index_2016">transparency.org/news/feature/corruption_perceptions_index_2016</a>
<b>World Bank’s Doing Business Report “Ease of</b>	2016	60 of 190	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
<b>Global Innovation Index</b>	2016	x of 128	<a href="http://globalinnovationindex.org/content/page/data-analysis">globalinnovationindex.org/content/page/data-analysis</a>



<b>U.S. FDI in partner country (\$M USD, stock positions)</b>	2015	\$26.4 million	<a href="http://bqk-kos.org/?id=55">http://bqk-kos.org/?id=55</a>
<b>World Bank GNI per capita</b>	2015	\$3,970	<a href="http://data.worldbank.org/indicator/NY.GNP.PC.AP.CD">data.worldbank.org/indicator/NY.GNP.PC.AP.CD</a>

## **Openness To, and Restrictions Upon, Foreign Investment**

### **Policies Towards Foreign Direct Investment**

Kosovo's laws do not discriminate against foreign investors. The Government – including the Prime Minister's Office, Ministry of Trade and Industry (MTI) through its Kosovo Investment Enterprise and Support Agency (KIESA), Ministry of Finance, and Ministry of Economic Development – actively promote FDI and welcome expansion of the private sector. However, the lack of a single GOK entity empowered and responsible for coordinating all FDI opportunities is a hurdle to some projects.

### **Limits on Foreign Control and Right to Private Ownership and Establishment**

Foreign and domestic private entities have the right on an equal basis to establish and own business enterprises, and engage in all forms of remunerative activity. Kosovo legislation does not interfere with the establishment, acquisition, expansion, or sale of interests in enterprises by private entities. Under Kosovo law, foreign firms operating in Kosovo are granted the same privileges as local businesses except in the production and selling of military related-goods, where foreign firms cannot hold more than 49 percent of ownership (Reg. No. 2001/3, Section 6). Foreign investors can receive private ownership rights. Foreign investment is not subject to government approval, except when such approval would be required for similar domestic businesses. The following rights also apply:

- a) Foreign investors may transfer property rights, including permits, to other legally-qualified persons in the same manner and to the same extent as domestic investors;
- b) Foreign investors have the right to purchase residential and non-residential property to the same extent as domestic entities;
- c) Foreign investors with less than a majority stake in an investment are protected as domestic minority shareholders in accordance with applicable law;
- d) Foreign investments are subject to the same tax obligations as domestic businesses; and



- e) Foreign investors may establish subsidiary enterprises, branches, and representative offices in the same manner and to the same extent as domestic businesses.

We have no reports of sector-specific restrictions from U.S. investors. There are no licensing restrictions particular to foreign investors and no mandatory domestic partners for joint ventures.

### Other Investment Policy Reviews

In late 2014, the NGO “RIINVEST Institute” and the European Union issued “Business Climate for Kosovo, A Cross Regional Perspective.” The report reviewed the business environment in Kosovo from 2009–2012, as well as the current business climate, and identified mid-term opportunities and risks. The report is available in English at: [Business Climate in Kosovo](#)

Kosovo is not a member of OECD, WTO, or UNCTAD; there are no investment policy reviews from these organizations. Kosovo made significant gains in the 2017 World Bank “Doing Business” Index.

### Business Facilitation

The Kosovo Business Registration Agency (KBRA) under the Ministry of Trade and Industry registers all new businesses, business closures, and business modifications. The KBRA website is available in English and can be accessed through the following link: [ARBK](#). Business registration must be submitted in person at a KBRA center. Application documents and instructions can be downloaded from the website. Successful applicants will receive a business-registration certificate, the business-information document, a fiscal number, and a VAT number. New businesses must register employees for tax and pension programs with the Tax Administration under the Ministry of Finance. Business registration takes one day for an individual business and up to three days for joint ventures. A notary is not required when opening a new business unless the business registration also involves transaction of real property.

The Kosovo Investment and Enterprise Support Agency (KIESA) is GOK’s official investment promotion agency, providing investment-support services to all potential investors. The KIESA website is available in English and can be accessed at: [Ministry of Trade and Industry](#)

Enterprises with up to nine employees are classified as micro enterprises; 10–49 employees are small enterprises; and 50–249 employees are medium enterprises. Per the amended Law on Support to Small and Medium Enterprises, KIESA offers support to both domestic and foreign-owned micro, small, and medium enterprises (MSMEs), without any specific criteria. Such services include voucher programs for training and advisory services, investment facilitation, assistance to

female and young business owners, and the provision of business space with complete infrastructure at industrial parks, at minimal cost.

### **Outward Investment**

Kosovo does not promote or incentivize outward investment. There are no restrictions on investments abroad.

### **Bilateral Investment Agreements and Taxation Treaties**

Kosovo is signatory of the Central European Free Trade Agreement (CEFTA) and has finalized negotiations on a free trade agreement with Turkey that has not yet been ratified by the Kosovo Assembly. The United States does not have a bilateral investment or taxation treaty with Kosovo, but designated Kosovo as a beneficiary developing country under the Generalized System of Preferences (GSP) program in 2008. While only a few companies currently take advantage of this designation, the GSP program provides an incentive for investors to export certain products duty-free to the United States.

Kosovo has signed double-taxation treaties with Albania, Macedonia, Slovenia, Turkey, and the United Kingdom. Older treaties with Hungary, Netherlands, Germany, Finland, and Belgium from the time of the former Yugoslavia still apply for Kosovo.

### **Legal Regime**

#### **Transparency of the Regulatory System**

The Law on Public Procurement devolves the power of procurement to budgetary units (i.e., ministries, municipalities, and independent agencies) except when the government authorizes the Ministry of Finance's Central Procurement Agency to procure goods and/or services on its behalf. All tenders are advertised in Albanian and Serbian, as well as in English in cases of large tenders. The Public Procurement Regulatory Commission (PPRC) initiates procurement audits of the various Kosovo ministries, municipal authorities, and agencies receiving funds from the Kosovo consolidated budget. In 2015, the law was amended to mandate the use of electronic procurement as means of increasing transparency in tendering procedures.

Rule-making and regulatory authority lies at the central level with the Kosovo Assembly, while government ministries and agencies draft and authorize secondary legislation (i.e. implementing regulations). Municipal assemblies have regulatory authority at the local level. All legal, regulatory, and accounting systems in Kosovo have been created in line with EU standards and international best practices. Publicly listed companies comply with international accounting standards.

Draft laws are published on the Assembly website and distributed to stakeholders. Public hearings are held on proposed laws, including for investment laws. The 2016 regulation on the Minimum Standards for Public Consultation Process clarifies the standards, principles, and procedures for consultations during the drafting of legislation. The GOK recently developed an online platform for public comments, at [Republic of Kosovo: Office of Good Governance](#) and publishes rules, regulations, and laws in the official Kosovo Gazette at [Official Gazette](#), and on the Kosovo Assembly website at [Republic of Kosovo - Assembly](#).

Kosovo's Better Regulation Strategy 2014-2020 is a government initiative to implement a smart regulatory system with sound implementation and effective communication. The Law on Public Financial Management and Accountability requires a detailed impact assessment of any budgetary implications before new regulations can be implemented.

### [International Regulatory Considerations](#)

Kosovo is a CEFTA member and is pursuing EU integration. Through the Stabilization and Association Agreement (SAA) with the EU, Kosovo is working to harmonize its laws and regulations with EU standards. Kosovo is not a member of the WTO.

### [Legal System and Judicial Independence](#)

Kosovo's judicial system, although improving, still faces many challenges. In 2016, the Kosovo Assembly amended the constitution to enhance the independence of the judiciary in line with EU requirements. Enforcement remains weak and time-consuming. The judiciary lacks the subject-matter expertise to effectively handle complex economic issues. Regulations and enforcement actions may be challenged in the regular court system, as well as the constitutional court.

The courts are perceived as being influenced by the executive branch. USAID, the EU Rule of Law Mission in Kosovo (EULEX), and other international partners are working to reform the judicial system by assisting local institutions with court reform and decentralization. In addition, USAID is implementing programs on contract enforcement and property rights.

Kosovo has a civil legal system. Property and contracts ownership is enforced according to relevant legislation. The Law on Enforcement Procedures permits claimants to utilize bailiffs licensed by the Ministry of Justice to execute court-ordered judgments. The 2012 Law on Obligations repeals the former Yugoslav Law on Obligations and provides the basic legal framework for contracts and torts. In addition, the government adopted Laws on Arbitration and Mediation in

2007, and later harmonized these laws with the Law on Contested Procedures. These have all addressed key impediments to enforcing arbitral awards.

Significant legislation overhauling the 2004 Criminal Code and the Criminal Procedure Code, developed by the United Nations Mission in Kosovo (UNMIK), went into force in 2013. This legislation brought Kosovo's Criminal Law in compliance with the EU Convention on Human Rights and updated definitions and best practices. The Criminal Code contains penalties for tax evasion, bankruptcy, fraud, intellectual property offenses, antitrust, securities fraud, money laundering, and corruption offenses.

The Law on Courts also changed the structure and jurisdiction of the Commercial Court, creating a Department for Commercial Matters within the Basic Court of Pristina that has jurisdiction for the entire territory of Kosovo and a Department within the Court of Appeals. The Court's jurisdiction changed to specifically include "disputes between domestic and foreign economic persons in their commercial affairs." It also includes reorganization, bankruptcy, and liquidation of economic persons; disputes regarding impingement of competition; and protection of property rights and intellectual property. The Department for Commercial Matters has jurisdiction over economic disputes between both legal and natural persons. Commercial cases can take anywhere from six months to two years to resolve. The Court of Appeals also includes a Commercial Matters Department and addresses all appeals coming from the Pristina Basic Court's Department for Commercial Matters.

### **Laws and Regulations on Foreign Direct Investment**

The legal system in Kosovo has three layers of legislation operating simultaneously: laws enacted by the former Yugoslavia through 1989; regulations issued by the United Nations Interim Administrative Mission in Kosovo (UNMIK); and laws passed by the Kosovo Assembly. The Law on Foreign Investment, passed by the Assembly in late 2013, has improved the legal infrastructure and helped address any inconsistencies in current legislation that unduly discourage foreign investment. With international assistance, GOK has been moving towards a legal structure that complies with European standards. These efforts have intensified in accordance with the 2016 entry into force of the European Union's Stabilization and Association Agreement (SAA) with Kosovo. Although the legislative framework for a market-oriented economy is in place, poor enforcement, uncertainties regarding legal recognition of foreign arbitral awards, and a nascent modern judiciary hinder economic growth and investment. To address these challenges, the United States and the EU provide assistance aimed at improving Kosovo's judiciary. Licensed private enforcement agents began assisting enforcement of judicial decisions in 2014; they have had moderate success in executing collections on non-performing loans.

All major sectors of the Kosovo economy are open to foreign investment. The Kosovo Assembly and UNMIK, which governed Kosovo until 2008 under UN Security Council Resolution 1244, have passed pro-business legislation that specifically seeks to attract foreign investment. Under Kosovo law, foreign firms operating in Kosovo are granted the same privileges as local businesses except that foreign investors may not hold more than 49 percent ownership in a business producing or selling military-related products (Reg. No. 2001/3, Section 6).

In 2016, Kosovo passed a series of laws with bearing on economic issues. Most notably, the Law on Strategic Investments enables fast track negotiations between the GoK and private companies in targeted sectors. The Law on Late Payments in Commercial Transactions seeks to discourage late payments and regulates the calculation of interest on late payments. The Law on Bankruptcy regulates all matters related to the insolvency of business organizations; the provisions for the protection, liquidation and distribution of the assets of a bankrupt debtor to its creditors; and the reorganization and discharge of debt for qualified business organizations. The Law on Prevention of Money Laundering and Combating Terrorist Financing enabled Kosovo to join Egmont Group, an inter-governmental network of 152 Financial Intelligence Units whose members exchange expertise and financial intelligence to combat money laundering and terrorist financing. The Credit Guarantee Fund Law increased access to finance for all micro- and SMEs in Kosovo in an effort to increase employment, boost local production, and improve the trade balance.

Kosovo's commercial laws are available to the public in English, as well as Kosovo's official languages (Albanian and Serbian). They can be found on the Kosovo Assembly's website at: [Republic of Kosovo - Assembly \(Laws by Name\)](#) and on Official Gazette website at: [Official Gazette: List of Acts](#).

### **Competition and Anti-Trust Laws**

The Law on Competition and Law on Antidumping and Countervailing Measures were adopted in 2010 and amended in 2014. The Competition Authority, established in 2008 and consisting of four members and a chairperson appointed by the Assembly, is in charge of implementing these laws, as well as the Law on Consumer Protection. The Competition Authority's board was reconstituted in late 2016 after three years of inactivity.

### **Expropriation and Compensation**

Articles 7 and 8 of the Foreign Investment Law protect foreign investments from unreasonable expropriation not in the public interest, guaranteeing due process and timely compensation payment, based on fair market prices. The Law on Expropriation of Immovable Property permits the expropriation of private

properties by the government or municipalities when such action is in the public interest. Articles 5 through 13 of the Law on Expropriation of Immovable Property define expropriation procedures. An eminent domain clause additionally limits the possibility of lawsuits arising from the expropriation and sale of property through the privatization of state owned enterprises.

In the mining sector, the expropriation of properties is conducted through the Resettlement Framework Policy, which GOK drafted with World Bank support.

## Dispute Settlement

### *ICSID Convention and New York Convention*

In 2009, Kosovo became a party to the International Center for Settlement of Investment Disputes (ICSID) Convention and has incorporated the Convention into national law.

There is no specific legislation providing for the enforcement of the ICSID Convention, but in accordance with the Law on Foreign Investments, investors may agree upon arbitration or other alternative dispute resolution mechanisms. Kosovo is not a signatory to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Law.

### *Investor-State Dispute Settlement*

The Commercial Department of Pristina Basic Court has jurisdiction over investment disputes involving SOEs. There are no records available detailing the frequency with which domestic courts have ruled in SOEs' favor.

Kosovo's courts recognize international arbitration awards. There is no history of extrajudicial action against foreign investors.

Kosovo is party to ICSID. Over the past ten years, Kosovo has had three investment dispute claims brought by foreign investors. Kosovo's state-owned telecom company has lost two cases before the London Court of International Arbitration (LCIA), with one case involving a foreign investor. In May 2013, the LCIA determined Post & Telecom Kosovo owed an Israeli company €8.7 million following a breach of contract. In July 2016, the International Court of Arbitration in Paris determined Kosovo owed an Austrian printing company €5 million for illegally terminating a passport manufacturing contract. In June 2015, a German company filed a case before ICSID related to the failed privatization of Kosovo's telecom company; as of March 2017, the case is pending.

### *International Commercial Arbitration and Foreign Courts*

The Foreign Investment Law stipulates that investors may utilize the following alternative dispute resolution mechanisms:



- a) The ICSID Convention if both the foreign investor's country of citizenship and Kosovo are parties to said convention at the time of the request for arbitration;
- b) The ICSID Additional Facility Rules if the jurisdictional requirements for personal immunities per Article 25 of the ICSID Convention are not fulfilled at the time of the request for arbitration;
- c) The United Nations Commission on International Trade Law Rules. In this case, the appointing authority referred to therein will be the Secretary General of ICSID; or
- d) The International Chamber of Commerce Rules.

Since 2011, arbitration services have been available at arbitral tribunals within the Kosovo Chamber of Commerce and American Chamber of Kosovo. Kosovo's Arbitration Rules are a set of model rules based on the 2010 United Nations Commission on International Trade Law (UNCITRAL) Model Rules for Commercial Arbitration. They are consistent with international best practices. The Law on Foreign Investment also favors the use of arbitration. To utilize this option, the law requires the disputed agreement/contract include an arbitration clause.

In addition, in accordance with the Law on Mediation, the Ministry of Justice has established a Mediation Commission, which has adopted the necessary rules to create mediation services and has trained and certified several mediators. For more information, visit [Kosovo Permanent Tribunal of Arbitration](#).

### **Bankruptcy Regulations**

In the World Bank's 2017 Doing Business report, Kosovo ranked 163 out of 171 countries in addressing insolvency. In an attempt to improve commercial legislation, the Assembly approved a new Law on Bankruptcy in July 2016. The law regulates bankruptcy and insolvency procedures; provisions for the protection, liquidation, and distribution of the assets of a bankrupt debtor to its creditors; and the reorganization and discharge of debt for qualified business organizations. Under the law, foreign creditors have the same rights as domestic investors and creditors when launching and participating in bankruptcy proceedings.

### **Industrial Policies**

#### **Investment Incentives**

To encourage investment, the government can grant certain VAT-related privileges, such as a six-month VAT deferment upon presentation of a bank guarantee for companies importing capital goods. Suppliers may export goods and services without being required to collect VAT from foreign buyers. A Customs internal administrative instruction reduces the number of documents

required for export and import. Only two documents are needed to export – a commercial invoice and a customs export declaration – and only three are now required to import – a commercial invoice, a customs import declaration, and a certificate of origin. Suppliers may claim credit for taxes on inputs by offsetting those taxes against gross VAT liabilities or claiming a refund. Kosovo’s flat corporate tax of 10 percent helps attract FDI.

### **Foreign Trade Zones/Free Ports/Trade Facilitation**

The Kosovo Customs and Excise Code is business-friendly with the aim of facilitating trade and stimulating export growth. It is compliant with EU and World Customs Organization standards, and addresses topics such as bonded warehouses, inward and outward processing, transit of goods, and free-trade zones. In addition to imported goods, some domestically-produced goods from designated industries can be stored in bonded warehouses when these goods meet export criteria. Foreign firms are permitted to import production inputs for the manufacture of export goods without paying taxes or customs duties.

The Customs Code permits the establishment of zones for manufacturing and export purposes, and the Law on Economic Zones regulates their establishment. In 2014, GOK established three economic zones in the municipalities of Mitrovica/e, Gjakovë/Djakovica, and Prizren. Currently only the economic zone of Mitrovica/e has completed the legal and administrative procedures for building infrastructure. Three business parks and one business incubator are operational, while investment is being made in several others.

### **Performance and Data Localization Requirements**

Depending on the tender, GOK may require foreign IT providers to turn over source code and/or provide access to surveillance. Kosovo does not yet have standard rules on data transmission or storage. The Agency for Information Society is charged with storage of government-level data, and other institutions store their respective data as well.

Otherwise, GOK does not specify performance requirements as a condition for establishing, maintaining, or expanding investments in Kosovo. There are no onerous requirements that would inhibit the mobility of foreign investors or their staff. There are no conditions on permissions to invest, and the government does not mandate local employment. Investment incentives apply uniformly to both domestic and foreign investors, on a case-by-case basis.

## **Protection of Property Rights**

### **Real Property**

In 2017, the World Bank's Doing Business Report ranked Kosovo 33 out of 190 economies for ease of registering property. The report noted Kosovo made



transferring property easier in 2014 by introducing a new notary system and combining procedures for drafting and legalizing sale and purchase agreements.

Property rights are enforced based on the Law on Property and other Real Rights and the Law on Contested Procedure. Other laws that directly regulate property rights issues include the Law on Obligational Relationships, Law on Sale of the Apartments in which there is Tenure Right, Law on the Condominium, Law on Expropriation and Immovable Property, and Law on Enforcement Procedure. The Law on Property Rights and other Real Rights defines security interests on property as a pledge used over tangible/intangible assets except on immovable property, and a mortgage as a pledge used only over immovable property and personal guarantees. Mortgage agreements must be registered in cadastral records by the Kosovo Cadastral Agency, while Pledge agreements must be registered with the pledge registry that is a centralized registry office in the Business Registration Agency. Personal guarantees do not need to be registered. Enforcement is handled through municipal courts or extra-judicial procedures.

Generally, Kosovo's de jure property-related laws are well structured and provide for security and transferability of rights. The country's legal and regulatory framework is complex. Although general agreement exists that many of Kosovo's property laws reflect international best practice, the pluralistic legal environment would benefit from harmonization. Government ministries, municipal authorities, and independent agencies often have overlapping jurisdictions, and the court system is backlogged with property-related cases. Many cadastral records were destroyed, lost, or moved out of the country in 1999 (see below), though the registry is being rebuilt. Issues with records limit the development of the formal property market needed for more stable economic growth. Concerns about restitution of property and the privatization of SOEs have not yet been fully resolved, and issues related to the rights of minority communities sometimes lead to inter-ethnic tensions.

Resolution of residential, agricultural, and commercial property claims remains a serious and contentious issue in Kosovo. Most property records were destroyed or removed to Serbia by the Serbian government during the 1998-1999 conflict, making determination of rightful ownership for the majority of properties complex. Cases of multiple ownership claims on a single property, with each claimant presenting a variety of ownership documents as proof are common. The EU-facilitated Kosovo-Serbia dialogue process is helping address the cadastral records taken from Kosovo. The Kosovo Property Comparison and Verification Agency (KPCVA), formerly the Kosovo Property Agency (KPA), formerly the Housing and Property Directorate (HPD), has the authority to receive, register, and resolve property claims on private immovable property, including agricultural and commercial property. Decisions taken by the Kosovo Property Claims Commission within the KPCVA are subject to a right of appeal to

the Supreme Court. KPCVA has received 42,749 total claims, the vast majority of which relate to agricultural property. The KPCVA is also mandated to deal with a limited number of activities that formerly belonged to the UNMIK-era HPD and to implement the decision of the Housing and Property Claims Commission (HPCC) pending enforcement. In June 2016, the National Assembly passed legislation to expand the agency's mandate, allowing it to implement the EU dialogue agreement on cadastral records. The legislation came into effect in December 2016, following a challenge to the new law in the Constitutional Court.

In an attempt to better identify owners of agricultural lands, the government conducted an agricultural census in November 2014, over 50 years after the last such census took place. The Kosovo-Serb municipalities in the north and, to a lesser degree, in the south did not participate. The results show 413,635 hectares of agricultural land in use, of which 405,429 are in use by agricultural households and individual businesses and the rest by legal persons. The government is currently negotiating with the northern municipalities to incorporate their data into the national census.

While Article 121.2 of the Constitution states foreign nationals and organizations may acquire ownership rights over immovable property in accordance with conditions established by law or international agreement, Kosovo has no specific legislation establishing relevant conditions. In early 2017, the GoK launched the national strategy on land and property rights reform, which includes a provision to clarify and codify regulations regarding property ownership by foreign and/or non-resident investors.

Per Article 40 in the Law on Property and Other Real Rights, a proprietary possessor acquires ownership of immovable property after ten years of uninterrupted and uncontested possession.

## Intellectual Property Rights

The law also establishes a monthly minimum wage, which the government set in 2011 at €130 for employees under 35 and €170 for those over 35 years of age. Kosovo has no unemployment insurance or any other safety net programs for workers laid off for economic reasons.

Private-sector employers often do not provide contracts to their employees and pay them in cash. In the public sector, employers sometime hire employees as contract workers and enroll them in the regular payroll when the budget for salaries becomes available.

The Labor Law does not require the hiring of Kosovo nationals. Labor laws are not waived for investment purposes. There are no additional or different labor laws for special economic zones or free zones.

Labor unions are independent by law, but not in practice, as many of them are divided and cannot survive without political/government support. A collective bargaining agreement between the government, labor unions, and private sector representatives was signed in 2014 and has been partially implemented. Kosovo's Statistical Agency and the Ministry of Labor and Social Welfare do not collect specific data on implementation. Public-sector employees – including doctors, teachers, and judges – sporadically go on strike to demand implementation of the entire agreement and better working conditions. Labor disputes are formally adjudicated in local courts, but access to the courts and the unpredictability of judicial decisions create significant risks to investors.

The Ministry of Labor and Social Welfare established a compliance office with the authority to inspect employer adherence to labor laws. The International Labor Organization office in the country is project-focused and does not serve as a government advisor on labor legislation or international labor standards. The Labor Inspectorate suffers from inadequate staffing and a limited budget. With 50 inspectors conducting inspections in 38 municipalities, the Inspectorate cannot meet all the inspection needs of the labor market. The Inspectorate issues fines and penalties depending on the extent of the violation of labor legislation. Investigation and prosecution of labor practice violations is conducted and executed by the Labor Inspectorate and the judicial system. Child labor occurrences are investigated and reported by municipal social work centers to the Ministry of Labor and Social Welfare, while the Labor Inspectorate inspects violations of child labor practices for children aged 15-18 years. The Labor Law is in the process of being amended.

Kosovo's education system has been criticized for not sufficiently linking its curriculum to the needs of Kosovo's business community. Kosovo's large, young labor force often remains idle due to mismatches between applicant skills and employer needs.

### **OPIC and Other Investment Insurance Programs**

The U.S. Overseas Private Investment Corporation (OPIC) has been active in Kosovo since 2000. OPIC provides financing, political risk insurance, and other investment vehicles to U.S. investors. In June 2009, OPIC signed an investment agreement with Kosovo which streamlines OPIC's ability to support U.S. investments. Kosovo is also a member of the World Bank Group's Multilateral Investment Guarantee Agency (MIGA), the International Monetary Fund (IMF), and the European Bank for Reconstruction and Development (EBRD).

## Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Kosovo Statistical Agency		USG or international statistical		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2015	\$6,277	2015	\$6,401	World Bank
Foreign Direct Investment	Central Bank of Kosovo		USG or international statistical		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2015	\$26.4	2015	\$26.1	IMF
Host country's FDI in the United States (\$M USD, stock positions)	2015	\$0.23	2015	\$0.23	IMF
Total inbound stock of FDI as % host GDP	2015	1.53%	2015	1.52%	IMF

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	3,543	100%	Total Outward	230	100%
Turkey	380	11%	Albania	51	22%
Germany	326	9%	Germany	29	13%
Switzerland	261	7%	Macedonia	21	9%
Slovenia	242	7%	Netherlands	17	7%
Netherlands	200	6%	Switzerland	14	6%

"0" reflects amounts rounded to +/- USD 500,000.

Data from the CBK is consistent with the IMF data in terms of ranking of the top five partners in each column of the table, but amounts for each country, in each category are different. According to the CBK, total inward direct investment was \$3,270 million and total outward direct investment was \$212 million.

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	1,511	100%	All Countries	1,183	100%	All Countries	329	100%
Ireland	630	42%	Ireland	629	53%	Germany	80	24%
Luxembourg	555	37%	Luxembourg	513	43%	Netherlands	45	14%
Germany	80	5%	France	38	3%	Luxembourg	42	13%
France	56	4%	United States	1	0%	United States	28	9%
Netherlands	45	3%	Germany	0	0%	Italy	28	9%

Data from the CBK is consistent with the IMF data in terms of ranking of the top five partners in each column of the table, but amounts for each country in each category are different. According to the CBK, total portfolio investment assets for 2015 were €1.388 billion, with total equity securities €1.085 billion, and total debt securities of €302 million. There are no tax havens in portfolio investment.

### Contact for More Information

Yllka Bina  
Commercial Advisor  
U.S. Embassy Pristina  
Nazim Hikmet 30  
Pristina, Kosovo  
+381 38 5959 3211  
binayl@state.gov

# Trade & Project Financing

## Methods of Payment

About 75 percent of Kosovo importers regularly receive goods under short-term supplier credits. Longer term financing may be sought for larger purchases, but may be difficult to obtain. For payments abroad, remittances, documentary collections, checks, and letters of credit are used in Kosovo. No credit rating agencies currently operate in Kosovo. Kosovo obtained a SWIFT code in 2013 and the IBAN format for bank accounts in 2014.

## Banking Systems

Kosovo uses the euro as its national currency even though the country is not a member of the European Central Bank and has no independent monetary policy of its own.

Kosovo's banking system is well regulated, profitable, and liquid. The Central Bank of Kosovo (CBK) is an independent public agency with the authority to license, supervise, and regulate financial institutions and insurance companies in Kosovo. The CBK has adopted banking rules and regulations in line with the Basel Accords and EU directives.

Ten commercial banks operate in Kosovo, representing 67.5 percent of total assets in the financial sector, eight of which are foreign-owned and comprise about 88.9 percent of total banking system assets. Two domestic banks account for the remaining 11.1 percent. Commercial banks account for 67.5 percent of financial sector assets. Pension funds, insurance companies, and other financial intermediaries comprise the rest. In December 2016, financial-sector assets amounted to €5.4 billion, recording an annual growth rate of about 10 percent.

Neither the banking sector nor local commercial enterprises are sufficiently capitalized to finance large investment projects. In 2016, private investment represented over 74.5 percent of overall investment due to the improvement in access to credit. As of December 2016, approximately 72.8 percent of bank loans have maturities of two years or more, with maturities of two to five years accounting for 36.5 percent of loans. Nearly 64.1 percent of loans are directed towards enterprises and 4.2 percent towards the agricultural sector. Transferable deposits represent 46.2 percent of banks' liabilities.

Kosovo signed the Foreign Account Tax Compliance Act (FATCA) with the United States in March 2015. FACTA is an information-sharing agreement between the GoK and the U.S. Department of Treasury that ensures that American citizens and legal permanent residences with foreign-held bank accounts comply with their U.S. tax obligations.

There are no special rules or regulations that might impact U.S. businesses.

## **Foreign Exchange Controls**

Kosovo unilaterally adopted the euro as its national currency in 2002. The CBK has no monetary policy tools to influence its currency. Other than reporting to Kosovo Customs the removal or importation of €10,000 into the country, there are no currency or payment restrictions related to the use of the euro in Kosovo.

## **US Banks & Local Correspondent Banks**

There are no U.S. banks or local correspondent banks in Kosovo. Ex-Im Bank does not have any programs in Kosovo.

## **Project Financing**

The following are international bilateral and multilateral institutions that provide project financing:

### **Overseas Private Investment Corporation (OPIC):**

OPIC is a U.S. Government agency that promotes economic growth in developing and high-risk countries or regions by encouraging U.S. private investment. OPIC's investment incentive tools are loan guarantees, direct loans, and political risk insurance. OPIC has supported two projects in Kosovo – a hydro power plant project and a real estate development project. OPIC funds also supported the development of the American Hospital.

OPIC

1100 New York Ave, NW

Washington, DC, 20572

Telephone: (202) 336-9700

Fax: (202) 408-5155

Web: [OPIC](#)

### **U.S. Trade and Development Agency (USTDA):**

USTDA is a U.S. Government agency that advances economic development and U.S. commercial interests in developing and middle-income countries. The Agency funds various forms of technical assistance, early investment analysis, training programs, orientation visits, and business workshops that support the development of a modern infrastructure and a fair and open trading environment. Contracts funded by USTDA grants must be awarded to U.S. companies. USTDA has been active in Kosovo's telecommunications and information technology sectors.

### **The United States Trade and Development Agency**

1000 Wilson Blvd., Suite 1600

Arlington, VA 22209

Telephone: (703) 875-4357



Fax: (703) 875-4009

E-mail regional office for Europe: [mena\\_ee@ustda.gov](mailto:mena_ee@ustda.gov)

Web: [The United States Trade and Development Agency](#)

### **World Bank:**

The World Bank serves as a vital source of financial and technical assistance to developing countries around the world.

Kosovo Resident Representative: Marco Mantovanelli, Country Manager  
Pristina, Kosovo

Telephone: +381 38 224 454

Web: [World Bank](#)

### **European Investment Bank (EIB):**

The EIB is the European Union's bank. It is owned by and represents the interests of European Union Member States. It works closely with other EU institutions to implement EU policy. In June 2013, the EIB signed a Framework Agreement with Kosovo, allowing it to finance priority projects, particularly in the areas of the environment, transport, telecommunications, and energy infrastructure. EIB's involvement will facilitate the co-financing of projects with other donors and support the implementation of the Western Balkans Investment Framework and the Western Balkans Enterprise Development and Innovation Facility. Kosovo has identified eight priority projects for potential EIB support, six of which are in the infrastructure sector, including the rehabilitation and modernization of railways.

Konstantions Mastrogiannopoulos, Country Manager for Kosovo  
Luxembourg

Telephone: +352 43791

Web: [European Investment Bank](#)

### **Council of Europe Development Bank (CEB):**

The CEB is a multilateral development bank with a social vocation. Established in 1956 to bring solutions to the problems of refugees, its scope of action has progressively widened to other sectors of action directly contributing to strengthening social cohesion in Europe.

Representative to the Governing Board:  
Edon Cana, Consul General of Kosovo, Strasbourg

Telephone: Tel: +33 (0)1 45 00 02 06

Web: [Council of Europe Development Bank](#)



## **European Bank for Reconstruction and Development (EBRD):**

The EBRD is an international financial institution that supports projects in 30 countries from central Europe to central Asia. Investing primarily in private sector clients whose needs cannot be fully met by the market, the EBRD promotes entrepreneurship and fosters transition towards open and democratic market economies.

EBRD

Pristina-Fushe Kosove Main Road

PO Box 122

Pristina, Kosovo

Telephone: +381 (0)38 242 07000

Fax: +381 (0)38 242 07071

Web: [EBRD](#)

## **Multilateral Development Banks:**

### **U.S. Commercial Service Liaison Offices at the Multilateral Development Banks**

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks, including the European Bank for Reconstruction and Development and the World Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting the Commercial Liaison Offices to the European Bank for Reconstruction and Development ([Export.gov - EBRD](#)) and the World Bank ([Export.gov - World Bank](#)).

### **Web Resources**

[Commercial Liaison Office to the European Bank for Reconstruction and Development](#)

[Commercial Liaison Office to the World Bank](#)

### **Financing Web Resources**

**Trade Finance Guide: A Quick Reference for U.S. Exporters**, published by the International Trade Administration's Industry & Analysis team, [Trade Finance Guide](#)

[Export-Import Bank of the United States](#)

[Country Limitation Schedule](#)

[OPIC](#)

[Trade and Development Agency](#)  
[SBA's Office of International Trade](#)  
[USDA Commodity Credit Corporation](#)  
[U.S. Agency for International Development](#)  
[World Bank](#)  
[European Investment Bank](#)  
[Council of Europe Development Bank](#)  
[European Bank for Reconstruction and Development](#)

# **Business Travel**

## **Business Customs**

Business meetings occur at any time of the business day, which usually starts at 8:00 a.m. and ends at 4:00 p.m. Government ministries and offices are open Monday through Friday during these hours. Business meetings can be formal or informal.

English is generally understood by business professionals in most communities in Kosovo, but not always by the general public. Depending on one's audience, saying a few words in Albanian or Serbian or knowing a few greetings or phrases in other local languages, such as Turkish, will impress locals who nearly universally admire the United States. Most Kosovo Albanians over the age of 35 speak Serbian; however, unless you know your interlocutors well, it is preferable to use English or Albanian. Kosovo Serbs who operate businesses are generally fluent in English, but rarely in Albanian. Many Kosovo nationals – Albanians more so than Serbs – have studied in the United States.

Kosovo nationals of all ethnic backgrounds are hospitable to foreigners, especially westerners. Invitations to lunch, dinner, receptions, even religious family customs and other official and/or private family hospitalities are normally offered and should be accepted if possible. Be prepared for small talk dominating much of the discussion and do not be concerned if your interlocutor does not immediately get down to business. If offered, be prepared to accept coffee, tea, or other beverages, which are signs of respect for the host.

Dress at meetings should be business attire, but a formal suit is not expected. It is preferable to print business cards with one side in English and the other side in Albanian and/or Serbian. It is advisable, but not necessary, to have a temporary local or international mobile phone, which can be obtained locally. While not expected, giving gifts depends on the closeness of the relationship. If it is known that your local contact will provide you with a gift, be prepared to offer one in exchange. Emphasis is not placed on the value of the item, but on the thought.

## **Travel Advisory**

The State Department Consular Information Sheet for Kosovo is available at: <https://xk.usembassy.gov/u-s-citizen-services/local-resources-of-u-s-citizens/travel-information/>

## **Visa Requirements**

To enter Kosovo, U.S. citizens need a passport that will be valid at least six months upon entry. No visa is required, but visitors may be asked to produce documentation to demonstrate the purpose of their visit. Visitors authorized entry into Kosovo are permitted to stay up to 90 days within a six month period. Persons who wish to prolong their stay beyond 90 days will need to register at

the Office for Registration of Foreigners, located in the Main Police Headquarters in Pristina. Any cash carried in the amount of \$10,000 or more should be declared.

Prior to traveling to Kosovo, U.S. business travelers are strongly encouraged to obtain general and country-specific travel information from the U.S. Department of State's website at: [U.S. Passports & International Travel: Kosovo](#).

U.S. companies that require travel of foreign business persons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

[State Department Visa Website](#)

[United States Embassy in Pristina, Kosovo](#)

[United States Embassy in Skopje, Macedonia](#)

## **Currency**

Kosovo has adopted the euro as its currency. Serbia's dinar is also used in the northern part of the country. Visa and MasterCard are increasingly accepted, and ATMs are available throughout Kosovo. Travelers' checks are not routinely accepted.

## **Telecommunications/Electric**

Kosovo has both fixed line and mobile telephony services, which are in the process of being modernized and updated. Telephone charges are the lowest in the region. U.S. calling cards are not accepted in Kosovo. Most major U.S. cell phone carriers work in Kosovo, including AT&T, Verizon, TMobile, and Nexttel (through Kosovo Telecom only). Please note that roaming charges will apply. Prepaid cellular phones may be rented locally for a fee. There are charges on all calls made from and received on cellular phones.

Kosovo's Internet service is provided by two privately-owned companies, Kujtesa and IPKO, and through the public provider Kosovo Telecom. According to a February 2017 report by the telecom regulator, 80.6 percent of households have internet at home. Free Wi-Fi is common in Pristina's cafes, restaurants, and hotels. Like elsewhere in Europe, appliances in Kosovo run on 220 volts. Plug adapters and power converters are needed for U.S. appliances.

## **Transportation**

The most convenient way to travel to and from Kosovo is through its modern international airport, located in Slatina, 20 minutes from the capital Pristina. Road transportation options for business travelers are limited to car rentals or private taxi.

International rental firms, including Enterprise, Europcar, and Hertz, operate in Kosovo. Local travel company MCM offers similar services, with locations at the airport and downtown Pristina. Another local firm, Limo Prishtina, offers car rentals with or without a driver, and also acts as a travel agent. A considerable number of private taxis are available.

## **Language**

Albanian and Serbian are the official languages in Kosovo. English is widely spoken and understood, but it is advisable to use an interpreter.

## **Health**

Kosovo's public health and medical facilities are in poor condition. The quality of the numerous private clinics varies. Many locals and internationals travel to Macedonia, Albania, Serbia, and Turkey for more complex health-care services and medical treatment. In 2015, the American Hospital opened in Kosovo, offering state-of-the-art technology and equipment, as well as more advanced procedures than typically offered locally.

For additional medical information, visit the U.S. Embassy Pristina's website at: [U.S. Embassy in Kosovo: Medical Assistance](#).

## **Local Time, Business Hours and Holidays**

Kosovo is six hours ahead of U.S. Eastern Standard Time. Kosovo local time is GMT plus one hour. The Government of Kosovo's official working hours are from 8:00 a.m. to 4:00 p.m., Monday through Friday. Banking hours depend on the bank and the location, although most are open from 9:00 a.m. to 5:00 p.m. and closed on public holidays. Some banks are open on Saturdays from 9:00 a.m. to 2:00 p.m.

U.S. Embassy Pristina hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. The Embassy closes for U.S. and Kosovo holidays. The list of public holidays for U.S. Embassy Pristina is available at: [U.S. Embassy in Kosovo: Holiday Calendar 2017](#).

Kosovo adheres to the western calendar. Two major Muslim holidays are observed based on the lunar calendar: Eid al-Fitr marks the end of the fasting month of Ramadan and Eid al-Adha marks the conclusion of the pilgrimage (Hajj) to Mecca. The exact dates of these holidays are determined by the government and religious leaders in advance of their observance. Catholic and Orthodox Christian holidays are also observed.

Public-sector officials and private-industry representatives often take vacation from July to September. The week between New Year's and Orthodox Christmas is also a popular time to take leave.

The list of Kosovo's national holidays is available on the Ministry of Public Administration website at: [Ministry of Public Administration](#).

### **Temporary Entry of Materials or Personal Belongings**

Most standard business equipment for individual use may be brought into Kosovo temporarily without incurring customs duties. Exhibition materials may be imported for temporary use, but a tax-based bank guarantee must be paid. Upon departure, the guarantee is reimbursed to the importer. If the items are sold in Kosovo, customs duties will be applied.

Exhibition organizers generally designate a local freight forwarder and a clearing agent for specific events in order to assist foreign exhibitors with entry procedures.

### **Travel Related Web Resources**

[State Department Visa Website](#)

[United States Embassy in Pristina, Kosovo](#)

[United States Embassy in Skopje, Macedonia](#)

[Kosovo Embassy in Washington, D.C.](#)

[Kosovo National Holidays](#)