



REPUBLIC OF KOSOVO
Ministry of Trade and Industry



INVESTING IN KOSOVO 2008

Investor Guide

INVESTING IN KOSOVO

2008

June, 2008

Legal Notice and Information

Status of information: June 2008. Changes reserved.

Publisher:

Economic Initiative for Kosova - ECIKS

on behalf of:

Investment Promotion Agency of Kosovo - IPAK

**This brochure was published within a project financed by:
Austrian Development Cooperation**

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General Data

Geography	<p>Land area: 10,908 km²</p> <p>Terrain: Low flood plains throughout central Kosovo, surrounded by mountains to the north, west and south.</p> <p>Land Use: 53% agriculture, 39% forests</p> <p>Largest City: Prishtina - est. pop. 500,000</p>
Population	<p>Population Description: approximately 2.2 million people composed of about 90% Albanian, 5% Serbs, 2% Muslim Slavs (Bosniaks, Gorani), 2% Roma and 1% Turks</p> <p>Distribution: 42% urban, 58% rural</p> <p>Diaspora: app. 500,000 people living abroad.</p> <p>Languages: Albanian, Serbian, English</p>
Economic Description	<p>Currency: EURO, GDP 2007: €2,378 billion, Per capita: € 1.150</p> <p>Inflation: since 2004 close to 0 percent, 2007 – 2%</p> <p>Financial Sector: Two tier Banking System consisting of Central Banking Authority of Kosovo and 8 private Banks, 9 Insurance companies and 2 pension schemes</p> <p>Enterprises: 87,960 SME in 2008, app. 47% of total SME engaged in trade industry. 500 Socially Owned Enterprises of which 300 already privatized</p> <p>Budget: In 2008 totalling app. 1,090 € million.</p> <p>Tariff duties: Customs duties: 10% on imports; Excise tax on fuel, tobacco alcohol and luxury goods. No duties and taxes on exports.</p> <p>Taxes in place: VAT 15%, Corporate Profit TAX 20 %, Wage Tax progressive max. 20% (tax reform in process)</p> <p>Free trade: Customs-free access to the EU market based on the EU Autonomous Trade Preference (ATP) Regime, Central European Free Trade Area – CEFTA</p> <p>Location factors: Competitive and well educated workforce, enviable natural resources (mining, agriculture), low taxes and a transparent tax system, high purchase power through remittances (app. 400 million € annually), customs free access to the EU market and CEFTA members market</p>
Legal Framework	<p>Applicable Law: Laws of the Republic of Kosovo, UNMIK Regulations, Instructions and Administrative Directions; The law in force on 22 March 1989</p> <p>Regulations available at:</p> <p>http://www.assembly-kosova.org</p> <p>http://www.unmikonline.org/regulations/unmikgazette/index.htm</p>

1 Introduction

In previous years, Kosovo has made remarkable progress in establishing the foundations of a modern market-led economy. The real economic growth in 2007 is estimated by the IMF to be over 3.5 percent, thereby outperforming the 3.1 percent growth of the previous year. The really good news is that the main engine behind this growth is the SME sector, which is gradually becoming the backbone of the Kosovar economy. The macroeconomic stability is maintained continuously with an inflation rate below 2 percent and a continued increase in exports.

The inflow of FDI is also rising. Estimations indicate that in 2007 alone some 300 million Euro were invested in Kosovo. Among foreign investors operating profitably in Kosovo are Raiffeisen, Uniqa, Vienna Insurance Group, Xella, BNP Paribas, Telekom Slovenia, Holcim, Nova Ljubljanska Banka, Strabag, etc.

Great investment opportunities will also be available in the years to come. The Government of Kosovo is planning to proceed with the project for the construction of the new power plant Kosova C, an investment amounting to 3.5 billion Euro. In addition, the privatisation process will continue, offering great opportunities in the sectors of agriculture, tourism, energy, mining, and metal processing. Kosovo is planning to invest 1.3 billion Euro for the construction of new highways to Albania, Serbia, and Macedonia, and has announced the privatisation of the mobile telephone network operator Vala.

With the independence declaration of Kosovo and the subsequent international recognition, the last obstacle for economic development and thus the continuous inflow of foreign investments has been removed. Now, in Kosovo, it is all about economy. And we are ready to tackle all challenges Kosovo is facing in this area.

The Investment Promotion Agency of Kosovo, including its office in Vienna, is increasing its promotional activities and investment facilitation processes and will be at your service. Welcome to the New Kosovo.

ECIKS / IPAK VIENNA



2 Declaration of the Government on attracting foreign investment

Through its declaration of independence on 17 February 2008 and the subsequent international recognition by world's leading democracies and economies, Kosovo has removed the last political obstacle for foreign investors. By setting economic growth as its first priority, the Government of Kosovo has also committed to continue economic reforms in order to make the country more attractive for foreign investors.

Kosovo has low taxes and a simple tax system with additional fiscal reforms being currently planned by the government. It further offers macroeconomic stability, simple and quick business registration procedures, the Euro as its official currency, and a young, dynamic and well educated work force. Through its membership in CEFTA, investors entering Kosovo will in fact enter a market of 28 million people. In addition, Kosovo enjoys customs-free access to the EU market based on the EU Autonomous Trade Preference (ATP) Regime.

I strongly believe that Kosovo will benefit from foreign investments. I am convinced that Kosovo has great potential to become a favoured destination for foreign investments.

The last two years have shown the first signs of sustainable economic development with the private sector growing at the rate of 10 percent in 2006. The year 2007 marked the highest annual FDI inflow since the end of the conflict in 1999. At least 300 million Euro were invested in 2007 in different sectors of the Kosovo economy. However, key challenges, such as the big trade imbalance, the still existent informal economy and the high unemployment rate remain.

We think that the best way to successfully tackle these challenges is by continuing to facilitate FDI. It is bringing fresh capital, know-how and is creating new jobs in our country. It has started to help Kosovo to reactivate and mobilise its huge resources. At the same time, it is strengthening efforts for a sustainable long-term economic development of the country.

We assure you that the Government of Kosovo will remain focused in further improving the business climate and in speeding up the regional and European integration of Kosovo. We guarantee you the support of the Government for your business and investment activities in our country and we sincerely welcome you in the new Kosovo.

Lutfi Zharku
Minister of Trade and Industry

3 Principal industrial and business sectors

3.1 Mining and energy

Kosovo has an enviable endowment of natural resources. At 14.7 million tons, Kosovo possesses the world's fifth-largest proven reserves of lignite. This mineral is of outstanding importance for the country, representing in the long term one of the most crucial factors for the generation of power. Furthermore, at an exploitation cost of 1.1 Euro/GJ of energy, Kosovo's coal definitely represents the best value for money in the region.

Taking into consideration the high market demand for energy in the region, the Government of Kosovo is currently developing major projects regarding new lignite exploitation and power generation facilities. These projects offer unique opportunities for companies willing to engage in the energy or mining sectors in the region.

Apart from lignite, base-metal mining has been a mainstay of Kosovo's economy since pre-Roman times. Modern mining in this field began in the 1930s, when the Trepça Complex (a mining company in the north of Kosovo) was revamped by the British Company "Selection Trust". Zinc, lead, silver, gold, cadmium and bismuth are exploited along Trepça's Mineral Belt.

The lead and zinc reserves of Kosovo are estimated to around 48 million tons, those of nickel to 16 million tons. Chrome reserves amount to 89 million tons and bauxite reserves to 13.2 million tons.

There are different mines that can either be acquired through the ongoing privatization procedures or can be

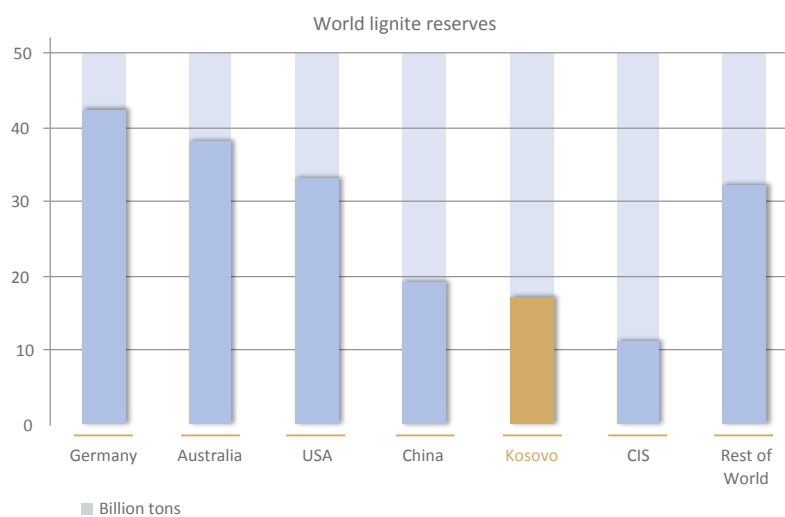
revamped by entering joint ventures with private owners. For details regarding the specific mining possibilities within the privatization process please contact the Kosovo Privatization Agency.

3.2 Agriculture

Kosovo is well endowed with agricultural land. Out of a total surface of 1.1 million ha app. 588,000 ha or 53 percent is cultivable land.

With some 60 percent of the population living in rural areas and mostly working in agriculture, Kosovo has a long agricultural tradition. Currently, the sector of agriculture contributes 19 percent to the GDP and is the main source of income for the majority of the population. It is one of the most important employment providers in Kosovo and it accounts for 16 percent of the value of exports.

Figure 1
Kosovo lignite reserves compared to the World



The arable land in Kosovo is considered to be of good quality. Combined with the temperate climate that prevails throughout the country, very good conditions for the agricultural production exist. These factors, together with sufficient natural irrigation possibilities, enables Kosovar farmers to achieve high yields per ha in every sub-sector of agriculture. In comparison to other countries, Kosovo additionally offers a very flexible and cost effective labour force and, due to trade liberalization within the CEFTA region, a free access to the market consisting of 28 million consumers.

Based on the area and average yield per ha, certainly the most important fields of agriculture in Kosovo are the vegetable and grain sectors. However, Kosovo is also well known as a provider of different types of fruits and grapes. Kosovo has substantial acres of vineyards largely dedicated to the production of Amselfelder branded wine for sale in Germany. Cabernet Franc, Merlot, and Gamay are all planted here. Due to its geographical composition, Kosovo also offers very good condition for livestock farming.

In order to improve the competitiveness of the sector and consequently stimulate the local production, the Government of Kosovo has recently introduced different incentives for farmers and processors. The zero percent rate for most agricultural inputs and capital goods, together with VAT exemption for a wide range of agricultural inputs, have been designed to strengthen local production and enable it to further compete with foreign products.

The promotion of the product processing businesses, support for exports and simple access to favourable financial means are some additional steps that, together with sufficient investor interest, will turn around this segment of Kosovo's economy and lead to the creation of a large export business.

3.3 Food Processing

The agro-processing in Kosovo has traditionally been dominated by socially owned enterprises, which used to obtain a substantial part of the raw materials from thousands of private farmers. Currently, the former socially owned companies in this field are not active. New private companies have started their operations in this field in recent years and their production is showing significant and continuous increase. The majority of local processors are still relatively small and able to cover just a minor part of the processed vegetable demand. According to estimations, local processors cover just some 30 percent of the local market needs, with the remaining balance being imported.

Lack of financial means needed for the revitalisation and modernisation of existing capacities and insufficient management efforts to reorganize production and distribution, have meant that capacity utilisation remains low. Therefore, the technical capacities of some agro-processing companies are currently not utilised to a high extent.

By addressing financial issues, assuring new markets and introducing new and efficient management techniques, the agro-processing industry in Kosovo could once again achieve high production rates, thus being able to compete with foreign products in international markets. Direct support for the development of private farming would also be achieved, thus enabling significant support to the development of a purely organic agriculture in general.

Table 1: Technical capacities of selected items

Type	Technical capacities t/year	Exploited
Wheat processing	1,200,000	20%
Animal food	110,000	12%
Milk	59,422	60%



There are numerous agro-industries in Kosovo with high market potential, offering potential investor immediate access to suppliers of raw materials, substantial inherited capital, technical capability and promising market prospects. The cheap workforce and the custom and tax incentives offered for agricultural inputs and capital goods, furthermore affirm the opportunities available in this business field in Kosovo.

Also taking into consideration the low prices of primary products, this field is very profitable and has the potential to expand into foreign markets. Recognising the potential, some foreign companies have already started to cooperate with local partners and are also taking advantage of Kosovo's friendly tax and customs system in order to offer competitive products in European markets.

3.4 Livestock and poultry

At present, Kosovo is experiencing a livestock recovery process. Livestock farming has made great strides in recent years – both in the number and yield.

In particular, there are two main factors in favour of livestock investments

in Kosovo. Firstly, the country offers very good natural and climatic conditions for various types of livestock farming. Secondly, market demand for livestock farming products is currently much higher than domestic production. The planned revitalisation of the food processing industry will furthermore create higher opportunities for livestock farming in the future.

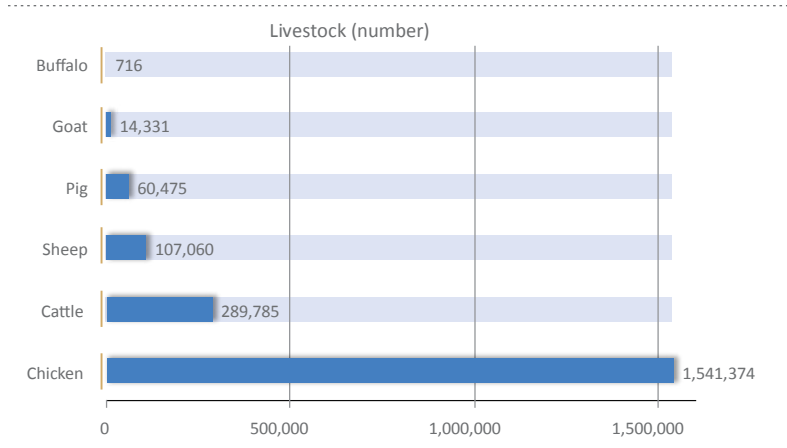
Recently introduced supportive governmental policies and incentives aim to promote business opportunities in this field and should enable Kosovo to rely increasingly on domestic meat and dairy production in the near future, or even enable Kosovo to export high quality organic products.

Currently, the most significant obstacle facing Kosovo's meat producers is still the reopening of export markets. With Kosovo's geographical location and its

Table 2: Production and domestic demand of the particular types of livestock farming products

Product	Production	Domestic requirements
Milk in tons	257,500	339,500
Meat in tons	19,500	102,500
Broiler in units	1,195	40,000

Figure 2
Kosovo Livestock



close proximity to non-EU countries such as Albania, Montenegro, Bosnia and Herzegovina, Croatia and Turkey, a short-term pragmatic approach could be to initially focus on meat exports to these destinations, with the possibility of expanding into EU markets when conditions allow.

3.5 Vineyards

Grape-growing and wine production has a long tradition in Kosovo. While local small-scale wine – production was developed rampantly during the last two centuries, the wine industry in Kosovo became large-scale in the 1970s with the founding of the first larger SOEs. During its “glory days”, the wine industry benefited from 9,000 ha vineyard area, divided into private and public ownership, and spread mainly

throughout the south and west of Kosovo. The four state-owned wine production facilities were not as much “wineries” as they were “wine factories”. Only the Rahovec facility that held app. 36 percent of the total vineyard area had the capacity of around 50 million litres annually. The major share of the wine production was intended for exports. At its peak in 1989, the exports from the Rahovec facility amounted to 40 million litres and were mainly distributed to the German market.

The viniculture still represents one of the most important sectors of the Kosovar agriculture, with a good potential to attract foreign investments. The continental climate and the height of 300-400 meters above the sea level are incredibly well-suited to vineyards and the development of wine grapes. There are more than 200 sunny days annually to help ripen the grapes, on par with some well known wine production regions. These advantages create very good conditions for the qualitative wine production in Kosovo.

The wine industry in Kosovo currently consists of some 5,000 ha of vines. In order to stimulate and support grape-growing and wine production, the Government of Kosovo has passed a Wine Law that governs wine production at a high standard and is perhaps one of the finest in the world for such a small growing region such as Kosovo.

The creation of the Wine Institute in Rahovec in 2007 that will lead the change towards quality and technology-based wine-making techniques is also an important step towards the revitalisation and modernisation of the wine industry in the future.

3.6 Tourism

The natural values of Kosovo represent high quality tourism resources. The description of Kosovo’s potential in tourism is closely related to the geographic

Table: 3 Wine Processing Capacity in the Public Sector

Enterprise	Processing capacities in million litres	Notes
NBI “Rahoveci” – Rahovec	50	The private sector has a processing capacity of about 20-30 thousand litres.
NBI Suhareka - Theranda	21	
NBI Erenikku - Gjakova	28	
Kosova Vine	13	
Total	112	

position of Kosovo. Its position in south-eastern Europe, with a central position in the Balkan Peninsula, represents a crossroad which historically dates back to Illyrian and Roman times.

The mountainous south of Kosovo has great potential for winter tourism. One of the most interesting opportunities for foreign investors in this region is the skiing resort Brezovica in the Sharr Mountains. The resort, situated between 1,700 and 2,500 meters above the sea level, has been offered for privatization by the Kosovo Trust Agency. It offers excellent weather and snow conditions as well as long ski seasons from November to May.

Assets of Brezovica also include three hotels with 680 rooms, two Restaurants and nine ski lifts with transport capacity of 10,000 skiers per hour. Through its proximity to Prishtina Airport (60 km) and Skopje Airport (70 km), the resort is a possible destination for international tourists and has the potential to become the most favourable winter tourism destination in the Balkans.

Also in the Sharr Mountains in the very south of the country, bordering Macedonia and Albania, Kosovo is offering for privatization about 22,000 hectares of largely untouched land in the mountainous area, belonging to the socially owned enterprise "Sharrprodhimi". The region offers excellent tourism opportunities, such as skiing, eco-tourism, paragliding, mountain biking, rock climbing, trekking, kayaking, horse riding, etc. The Sharrprodhimi land in the municipality of Dragash is stunningly beautiful. It is clearly a remarkable property for eco-tourism, and will only be sold to a proven investor who is committed to a sustainable and rational development program which will have strong local support.

Apart from the above-mentioned tourism resorts, Kosovo is generally rich with mountains, artificial lakes and

rivers and therefore also offers prime possibilities for hunting and fishing.

The wellness-tourism in Kosovo also offers great potential for development. The numerous thermal springs of Kosovo are well known in the region for their healing effects. Foreign investors in this field will find high demand in the regional market.

The widespread production of rare artisan crafts in Kosovo, such as the Filigree, represents an attraction for foreign tourists. In addition, Kosovo has the potential to develop cultural tourism with numerous religious and other sites with extraordinary cultural-historical value.

3.7 Automotive components industry

The origins of the automotive components industry in Kosovo date back to the 1960s, when the first large scale auto components manufacturing companies were founded. Although these manufacturing units were primarily established to supply different parts for the production of Yugoslav vehicles, they very quickly penetrated foreign markets and cooperated with well-known European and American automotive component manufacturers. The two best known flagships of automotive component industrialization in Kosovo were the Ramiz Sadiku, which produced primarily car seats and small vehicle parts, and the Shock Absorber Factory Prishtina, which produced shock absorbers for various well-known brands such as British Armstrong, German Susta as well as French Peugeot among others. Between 1989 and 1990 the Shock Absorber Factory produced 3.3 million units each year and employed over 1,500 workers.

With the loss of foreign markets as a result of political circumstances during the 1990s, the Kosovar component manufacturers were faced with immense financial problems and consequently

many of them had to rethink their business philosophy in order to survive in the global market. Although the current output of these enterprises is still considered to be low, re-established links with the traditional partners bode well for a prospective development of this sector. The existing technology, large capacities and sufficient knowledge allow the automotive component industry to produce and support any OEM [Original Equipment Manufacturer] with parts at a competitive cost.

Furthermore, the trend of shifting production to Central and Eastern Europe makes the Kosovar automotive component industry even more interesting for investors or partners wishing to benefit from increasing opportunities in the region.

3.8 Textiles

With over 200 years of tradition, textiles were the second largest industrial sector in Kosovo, after mining. In the past, products from Kosovar manufacturers targeted the local market, as well as other markets throughout the former Yugoslavia, Western and Eastern Europe and the United States. At its peak around 1990, each of the 15 SOEs engaged in textile production employed more than 1,000 people and sales totalled some 35 million Euro.

Recent developments in the region have frozen the primary trading links of the textile industry, causing lower pro-

duction rates and resulting in a lack of competitiveness with foreign products. As a result, a major share of former SOE workers has become redundant. A minor part has, however, established private textile companies. Currently there are some 451 private companies engaged in textile production, out of which 90 percent are final product manufacturers. Although the textile industry has experienced a significant recovery during the past years, the majority of businesses are still small and take the form of micro enterprises. Consequently, they cater solely for the Kosovo market and are primarily geared towards a niche market.

Analysis indicates that some 55 to 65 million Euro in exports could be reached, assuming that trading links with former partners can be re-established. There is considerable scope in this sector for investors to recreate a vertically integrated manufacturing cluster so that Kosovo would once again produce finished clothing from thread and cloth made in the region.

In particular, Kosovo offers three major benefits for investors wishing to revamp one of the existing SOEs or found a new textile manufacturing company. These are:

- A cheap, well skilled and experienced work force
- A solid base of technology that can be acquired through the ongoing privatization process

- Numerous subcontracting and outsourcing possibilities

With the existing know-how, cheap labour force and other comparative advantages that the country offers, including the friendly business and investment environment, the textile industry in Kosovo has therefore the potential to become highly competitive internationally.

3.9 Construction

During past years the construction industry became one of the most important sectors contributing to Kosovo's economic growth. Financed mainly through foreign aid, the construction sector in Kosovo has so far utilised several hundred million Euro that were primarily used for the construction of new homes, or for the rehabilitation and development of the road infrastructure respectively.

The construction industry remains a sector with highly promising economic potential for Kosovo. Roughly estimated, in order to meet the existing market demand, in the next few years Kosovo will need some 60,000 new apartments, including the associated infrastructure, such as roads, kindergartens, schools, leisure facilities, restaurants etc.

A further factor which is helping to boost the development of this sector is the demand for road and highway construction. The Government of Kosovo has set itself a goal to connect the country in three main directions with the most important international road corridors in Macedonia, Albania and Serbia. The construction of a highway, which will connect the northern and central parts of Kosovo with Skopje (FYROM), is a mid-term goal of the Government. A much more important project represents the building of a highway between Merdare-Kukës-Durrës, which will connect Kosovo with the sea port of Durrës, Albania.

This highway will become a part of the Trans European Corridor X that will connect the Adriatic Sea with the Western Europe.

Improvements of the road infrastructure and the construction of the highway to Albania will be financed through foreign investments. In order to legally enable the Private-Public-Partnerships, the Government in Kosovo has drafted the law on concessions which should be adopted during 2008. Additionally, the law on expropriation is expected to get the green light from parliament in the near future.

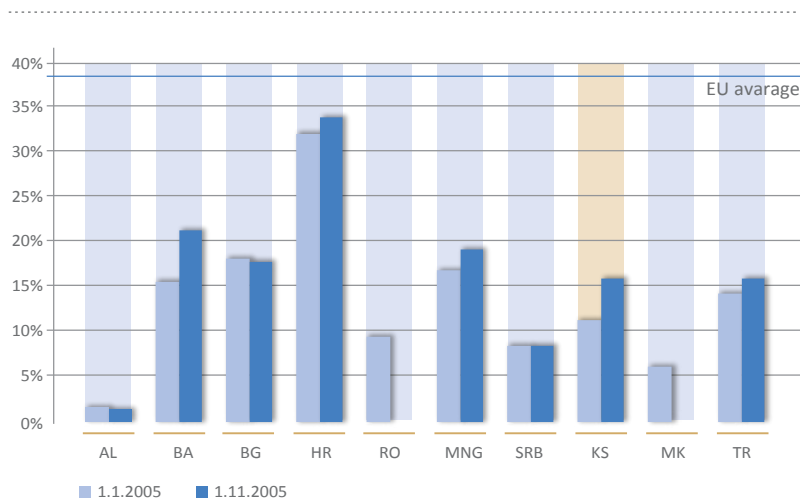
3.10 Information Technology and Telecommunications

The IT sector in Kosovo, including Internet Service Providers, has seen a remarkable development since the end of the war in 1999. From being inexistent 10 years ago, Kosovar companies in the IT sector offer today high quality services and the latest technologies to their customers both locally as well as to foreign companies who want to outsource their software development or support centres.

Kosovo has the youngest population in Europe. It is both skilled and multilingual, with English being only just short of an official language due to international administration in the last nine years. In addition, many Kosovars who have studied abroad are now returning to Kosovo, bringing with them skills and know-how. Today, public and private education institutions in the IT field, supported by companies such as CISCO or Microsoft, provide education to thousands of young Kosovars while the demand for this form of training is still rising.

Be it the outsourcing of software development, data management, establishment of call and support centres or other consulting services, Kosovar companies can offer you high quality services at low costs.

Figure 3
Internet user penetration in the region



Even though Kosovo has one of the highest internet user rates in the region, the demand is still much higher than the offer, providing great opportunities for foreign investors.

Kosovo has two mobile telephony operators, with over 200 million Euro investment by the Slovenian Telecom for one of them. The state-owned mobile telephony operator VALA with over 850,000 users will be available for privatization soon.

In addition, great opportunities for foreign investors are also available in fixed telephony, VoIP, cable TV, etc.

3.11 Wood processing

Forests and related surfaces make up around one third of the total territory of Kosovo and represent a resource of special importance for Kosovo's economy. With the annual value of wooden products and other benefits arising from forests reaching EUR 50 – 75 million Euro, this sector even assures a livelihood for 10 percent of the Kosovar population.

Due to the sufficient availability of inputs, Kosovo offers great investment possibilities in every single wood pro-

cessing cycle. The annual allowable amount of felling is currently slightly below 1 million m³ with Beech and Oak being the main species. Potentials for foreign investors range from door and window to different furniture production. There is currently a large pool of companies in Kosovo that could be your cooperation or outsourcing partners.

A large amount of traditionally gained experience, great knowledge in wood processing, and a cost effective labour force make the Kosovar wood industry particularly well suited for the manufacturing of hand made luxury products. In addition, most sawmills in Kosovo only saw logs into rough, mixed grade lumber, and do not appear to recognize, or have not yet explored, the potential value of waste products from lumber production, i.e. sawdust and wood chips.

Taking into consideration all these benefits, Kosovo's wood processing industry has experienced significant developments during the past eight years. Due to better organisation and sufficient service-providing clusters, Kosovar producers have been able to increase the quality and product range, thereby allowing expansion into foreign markets. Currently, Kosovar wood processors supply furniture both for the domestic and trade markets (for example hotels) to companies in Germany, the Netherlands, Switzerland and other neighbouring countries.

Through the efforts and engagement of the members of the rich institutional environment of the wood industry, Kosovo is offering various incentives that aim to further promote and facilitate primary and secondary wood production. The Kosovar Government has recently approved a zero tariff rate for the imports of machinery and capital goods related to this sector, while further negotiations for the exception of wood raw material from VAT and Customs policy are currently taking place.

4 Foreign Direct Investments

Taking into consideration the favourable business climate, stable macroeconomic environment and the excellent opportunities across different business sectors, Kosovo is increasingly becoming a very attractive place for doing business. As result, the interest of foreign investors has been increasing steadily during the past years and together with it also the inflow of FDI. Kosovo has so far attracted over 1 billion Euro of FDI. Apart from investment pioneers such as the Raiffeisen Bank and Procredit, which entered the Kosovar market at the beginning of the transition phase, there are many other foreign companies engaged in a wide range of business sectors. According to the Business Registry data for 2007, there are 2,012 companies of foreign and mixed ownership that have already used the opportunity to invest in Kosovo. The large amount of foreign companies operating in Kosovo is a living proof of the opportunities and benefits that the country offers, and also represents a base of quality products and a sufficient service-providing community.

Table 4: Foreign Investments in Kosovo 2000-2006

	Million Euro
Greenfield	398
Privatization	236
Total	634

Figure 4

Foreign Investments in Kosovo - by country, 2000-2006 (million Euro)

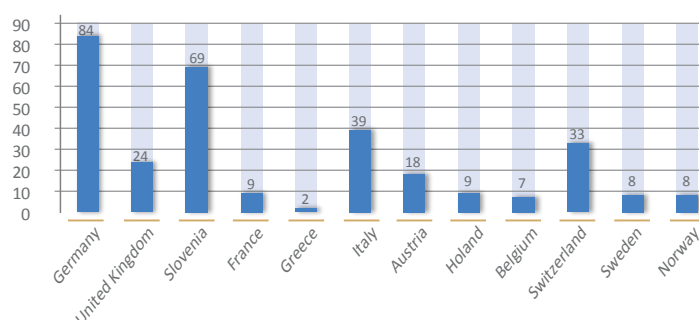
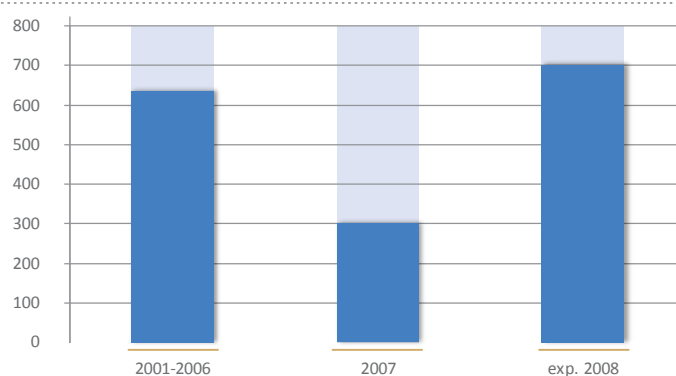


Figure 5

Foreign Investments in Kosovo - by year (million Euro)



Some foreign companies in Kosovo





5 Trade regime

Kosovo has a liberal trade regime and derives three major benefits from trade liberalisation, namely improved export possibilities, a better investment environment, and stable relations with its neighbours.

Committed to establishing principals for stable development of a pure market economy, since a very early stage of development, Kosovo's government has been working towards establishing the free movement of goods and services throughout the country's borders. As a result, Kosovo currently enjoys a free trade within Central European Free Trade Agreement – CEF-TA, enabling its producers to access the regional market comprising of 28 million consumers, free of any customs duties.

In addition, Kosovo benefits from non-reciprocal, customs-free access to the EU market based on the EU Autonomous Trade Preference (ATP) Regime (EU Council Resolution 2007/2000). Quantitative and qualitative restrictions remain in force only for a very limited number of goods.

Figure 6
Imports in Kosovo - by year

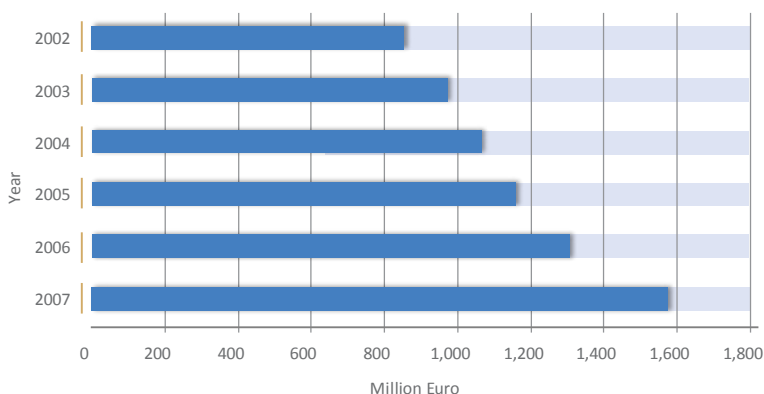


Figure 7
Imports in Kosovo by region (2007)

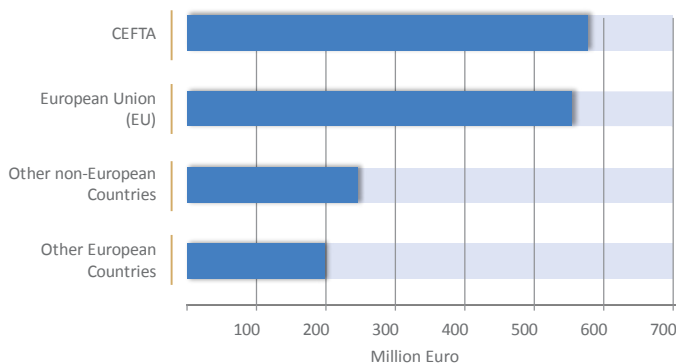


Figure 8
Top 6 imports by commodity (2007)

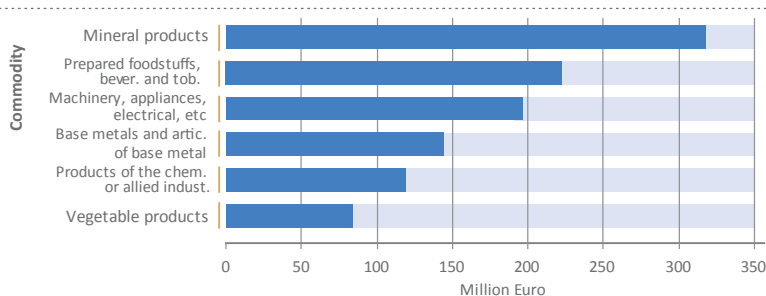


Figure 9
Exports from Kosovo - by year

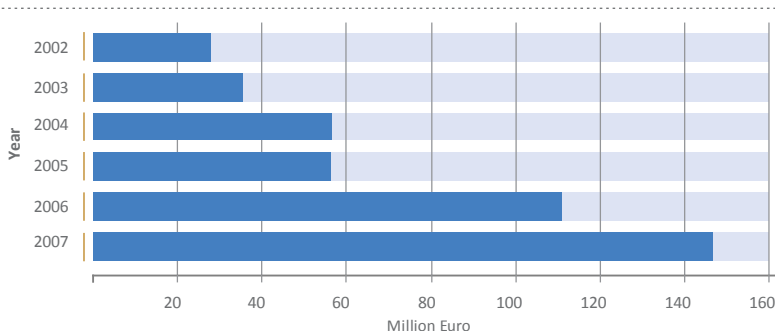


Figure 10
Exports from Kosovo by region (2007)

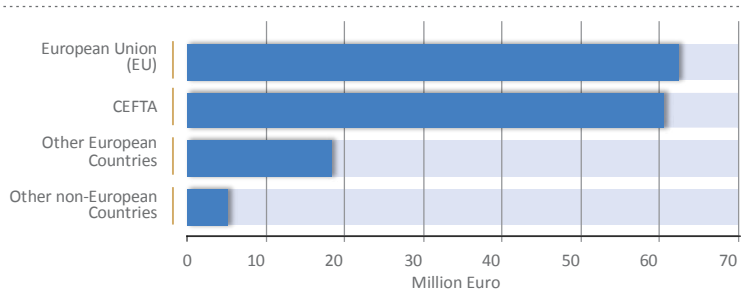
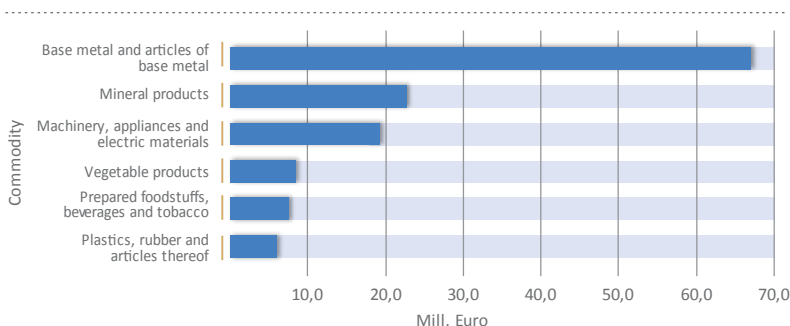


Figure 11
Top 6 Exports by Commodity



Kosovo is still an import based economy. Imports have been increasing steadily in recent years (as the figure shows) reaching some 1.6 billion Euro at the end of 2007. Due to its geographical proximity, the main importing countries in Kosovo are CEFTA-members followed by the EU-countries. Even though local production is increasing steadily, Kosovo is still forced to import goods and raw materials that are not offered by the local market. The main imports of commodity goods range therefore from minerals and prepared food stuffs to machinery and base metals.

Recognising the opportunities that the local market is offering, and benefiting from various cross-sector incentives introduced by the Government, the local production has been growing exponentially in recent years. Not only is the local demand continuously relying on the local production but furthermore Kosovo is increasingly exporting to its main trade partners, EU-countries and CEFTA-members. At the end of 2007, exports reached 146.6 million Euro, comprising mainly of minerals and base metals that Kosovo has in sufficient quantities as well as vegetables and foodstuff. Estimations indicate that during 2008 exports will increase to 350 million Euro. Given that the country has a very favourable business climate, a modern legal framework and cheap work force, and taking into consideration that there is still immense opportunity for local producers to fulfil market demand and also approach the regional market, local production as well as exports are expected to increase further in the future.

6 Investment climate and key economic indicators

The real development of the economy measured by the gross domestic product (GDP) has been favourable in the past years, showing a positive and continuously increasing trend. As donor support is decreasing, the private sector demand and investments are becoming the most important factors behind economic growth. They are mainly being driven by the fast expanding financial sector. Moreover, the Kosovo Government runs a stable and forward-looking fiscal policy. The tax revenue base has been widened, thus enabling the government expenditures to increase and in turn support economic growth.

Apart from the favourable economic performance, Kosovo runs a very stable monetary policy. Kosovo is one of the few countries outside the EU-zone that has introduced the Euro as its official currency. The use of the Euro has provided the grounds for low inflation and a stable macroeconomic environment. By eliminating the exchange rate risk, transaction costs have been reduced, thus facilitating the promotion of trade and investment. Due to the absence of monetary instruments resulting from the use of the Euro, Kosovo does not run any monetary policy risk either. Prices are therefore expected to remain stable in the future.

Figure 12
Inflation rates by year

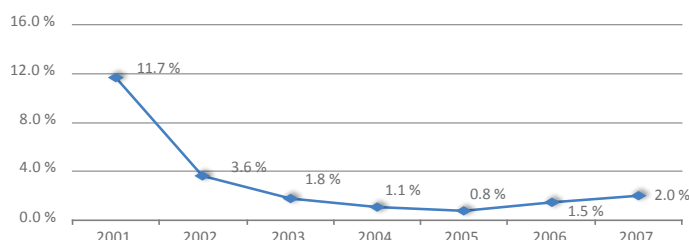


Figure 13
GDP growth by year (million Euro)

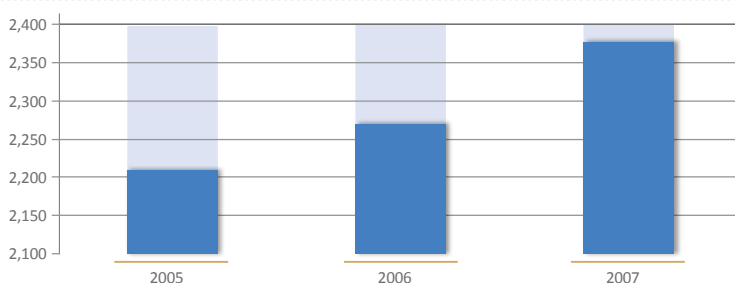


Figure 14
Interest rates on loans by year

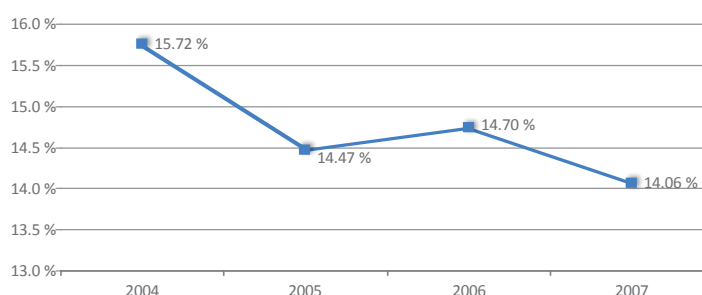
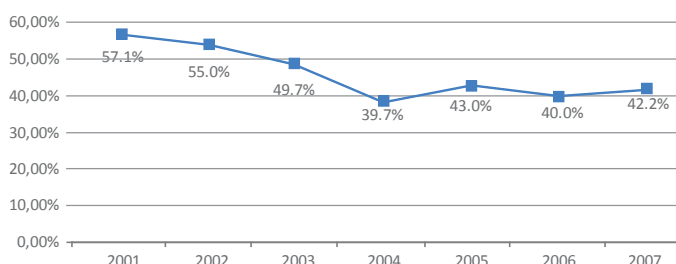


Figure 15
Unemployment in Kosovo



7 Incentives regime

The existing legal framework in Kosovo allows incentives for foreign and local investors. They are contemporary and help the growth of the SME-Sector. Additional incentives that enable Kosovo to cope with developments in the region are in preparation and will be introduced soon.

Current incentives cover the following issues:

7.1 Carrying forward of losses

Based on the Regulation No. 2004/51 on Corporate Income Tax, the tax loss stated in the tax return can be carried forward and offset against future profits over a period of up to five years.

7.2 Special Allowances of new assets

In accordance with the Corporate Income Tax Regulation No. 2004/51, special allowance of new assets can be reduced from the tax base (10 percent of the cost of the acquisition of the asset).

7.3 Avoiding Double Taxation

Based on the Regulation No. 2004/51 on Corporate Income Tax, a resident taxpayer who receives income from business activities outside of Kosovo through a permanent establishment outside of Kosovo, and who pays tax on that income to any State, shall be allowed a tax credit under this Regulation in an amount equal to the amount of tax paid to such State.

Any tax credit under the present section is limited to the amount of tax that would be paid under this Regulation on the income made in such State.

Any applicable bilateral agreement on the avoidance of double taxation shall supersede the provisions of the present section.

7.4 VAT Prolongation

According to § 15.1 related to § 18.2 of the Law on VAT of Administrative Direction No. 2001/01 for new impor-

ted machinery and equipment, a VAT prolongation period up to six months can be granted.

7.5 Customs

In order to promote the local production, the new Kosovo customs code applies a reduced rate of zero percent customs duty on capital goods, raw materials and agricultural production inputs.

7.6 Investment guarantees

1. The Multilateral Investment Guarantee Agency MIGA (a member of the World Bank Group) guarantees investments in Kosovo in the value of 20mn Euro.
2. The US Overseas Private Investment Corporation (OPIC) also provides political risk insurance for foreign investors in Kosovo.
3. For investment and credit guarantees from Austria please contact the Austrian Kontrollbank (OeKB) and for Germany the Euler Hermes Kreditversicherung.

8 Monetary stability and the banking system

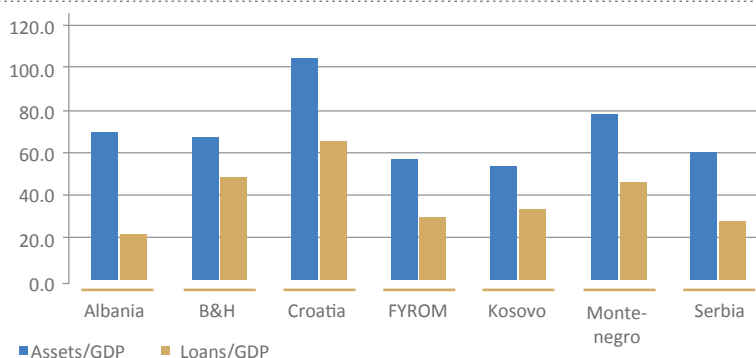
Kosovo adopted the Euro as its official currency on 1 January 2002. With the use of this stable currency as an official means of payment, the prerequisites for the development of an efficient financial sector and stable macroeconomic environment were in place. Benefits arising from the introduction of the Euro in Kosovo have been obvious and resulted in zero inflation rates and strict financial discipline. In particular, the Euro has given Kosovo a considerable advantage over its competitors in the region by making it more attractive to foreign investment, due to low transaction costs as well as the elimination of exchange rate and currency risk.

The absence of the traditional monetary policy instruments also enabled the establishment of a very strict and efficient regulatory framework, upon which a sound banking system has been developed.

Achievements in the banking sector in Kosovo have been significant in the last five years. They have resulted in the improvement of public confidence in the banking sector and the strengthening of the inter-mediation function of banks in the Kosovo economy.

Kosovo introduced a two-tier banking system back in 1999. The cornerstone for the banking sector's reorganisation was laid by UNMIK-Regulation 1999/20, based upon which the Banking and Payment Authority of Kosovo was established. The BPK (transformed to Central Banking and Payment Authority of Kosovo in 2006) functions in practice as Kosovo's central bank, which also embodies the characteristic features of an integrated financial supervisory agency. Its responsibilities cover licensing, regulation and the supervision of financial intermediaries, and ensures the proper functioning of the payment system.

Figure 16
Banking system in Kosovo compared to SEE (in percent)





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Raiffeisen Bank Kosovo

Raiffeisen Bank Kosovo is 100% subsidiary of Raiffeisen International Bank-Holding AG. It offers competitive banking products and services to all our customers: individuals, small, medium and large businesses. Raiffeisen Bank Kosovo has a network of 43 branches and sub-branches, 63 ATMs and more than 1000 POSs in Kosovo.

Raiffeisen International

Raiffeisen International Bank-Holding AG, operates one of the leading banking networks in Central and Eastern Europe (CEE). As of 31 December 2007, 18 markets are covered by

subsidiary banks, finance leasing companies and two representative offices. More than 13.7 million customers are attended to through 3,015 business outlets.

Numerous awards...

Raiffeisen Bank Kosovo's successful operations and achievements have been acknowledged by international award from renowned institutions:

- The Banker – Bank of the year 2007 in Kosovo
- Euromoney 2008 – Best Bank in Kosovo



The financial sector in Kosovo is bank-based and all of Kosovo's banks are private. There are eight registered banks, of which six are in foreign ownership. The Pro Credit Bank established at the initiative of several leading International Financial Institutions, and the Raiffeisen Bank of Austria, hold the largest market share in the sector.

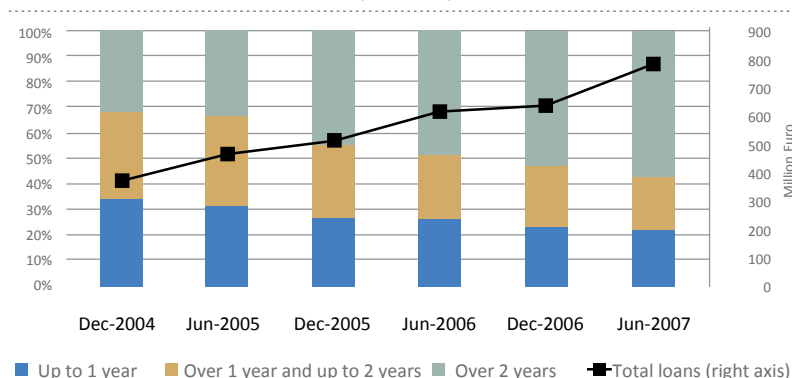
With banking sector assets accounting for 53.5 percent of GDP in June 2007, Kosovo ranks below the countries of the region that attained an average ratio of 72.8 percent. In terms of lending activity, the Kosovo banking sector compares relatively well with other SEE countries. Loans granted by the banking sector of Kosovo accounted for 33.9 percent of GDP in June 2007 compared to an average of 38.9 percent for other SEE countries. The loan to GDP ratio in Kosovo ranks higher than the ratio attained in Albania (22.3

percent), Serbia (28.2 percent) and FYROM (29.6 percent).

The lowering of interest rates and the shift from short-term to long-term financing has had a very positive impact on the overall economic growth enabling intensive long term capital investments.

Figure 17

Total loans and structure of loans by maturity



9 Labour market

Kosovo is blessed with young, skilled, multilingual and motivated labour force with a strong entrepreneurial spirit and a widespread knowledge of main European languages.

With 70 percent of the population being under the age of 35, Kosovo is

considered to have the youngest population in Europe. Due to the multi-ethnicity of the Kosovar society this young population has a high literacy of foreign languages. Albanian and Serbian are both official languages.

In addition, Kosovo has a very large international community in its territory and as a result English has de-facto been established as a third official language. Kosovars speaking German and other European languages are due to the large Kosovar Diaspora also numerous in Kosovo.

Taking into consideration the high availability of the work force and the liberal labour law that governs the local labour market, hiring employees in Kosovo is both time saving and simple. According to the Business Condition Index of the World Bank Kosovo can outperform many highly developed countries when it comes to the simplicity of hiring new employees. The same applies to the cost of making redundant which, corresponding to a salary of 20 weeks is far below the regional average.

Furthermore, the highly flexible labour market offers a sufficient work force with varied skills and levels of education and training. Although according to the data covering jobseeker statistics the majority of the labour market supply consists of basic skilled labour, there are sufficient quantities of highly educated jobseekers as well.

The main advantage of the Kosovo labour force remains its low cost. With the average monthly wage estimated at EUR 236 it is the most competitive in the region.

Figure 18
Difficulty of hiring index

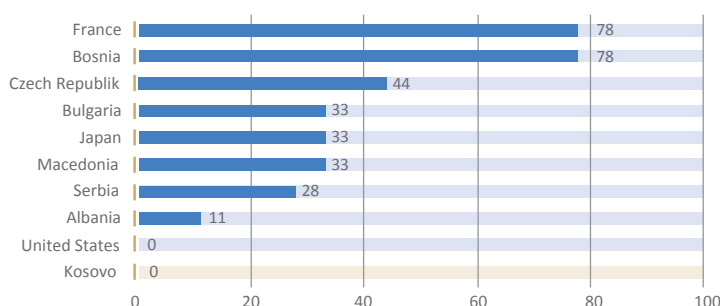


Figure 19
Firing Costs (weeks)

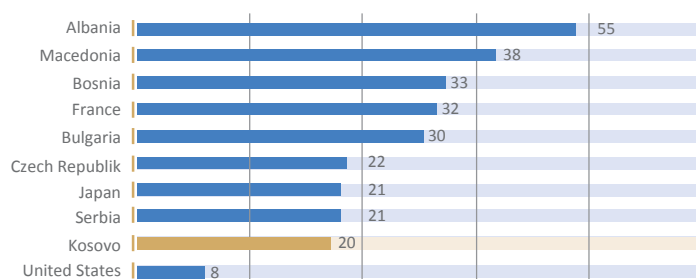
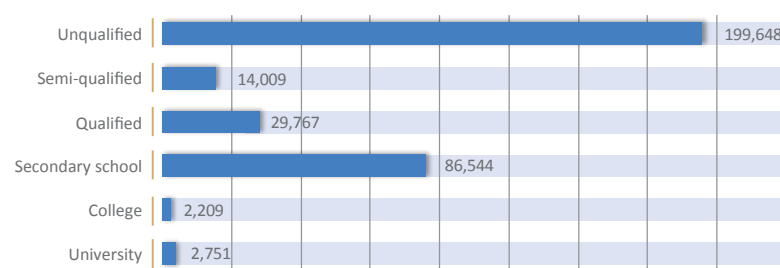


Figure 20
Jobseekers 2007



Comparison of the labour cost in the region is shown in the table 5 (right). Furthermore, the income taxes in Kosovo being only 5 percent of the average gross salary are very low, and the wages are unburdened by costly social contributions, unlike the salaries in most neighbouring countries. The only mandatory contributions are those for individual pension savings accounts, financed by the employer (5 per cent) and the employee (5 percent) contributions on total gross wages paid.

There are two main regulations governing employment issues in Kosovo, the Labour Law Provisions (Regulation No. 2001/27) and the General Collective Agreement. The labour-related legal framework has been built from scratch in recent years and as a result, specific regulations are far more compatible to those found in the European Union than in any other regional country.

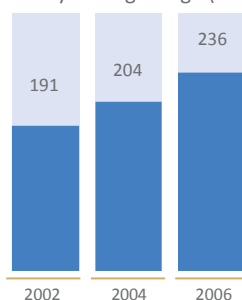
Female employees are entitled to at least 12 weeks paid maternity leave upon the birth of a child. This leave is considered as a working period and is to be paid by the employer at a rate of no less than two-thirds of the employee's current earnings.

Sickness

Employees are required to notify the employer within 48 hours of taking sick leave. Where sick leave is taken as a result of a work related accident,

Figure 21

Monthly average wage (Euro)



Wages by sector (Euro)

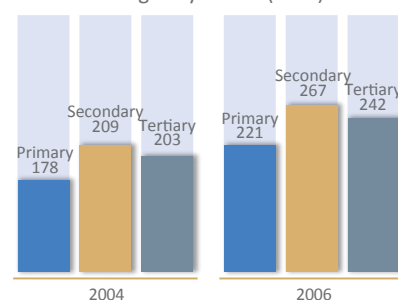


Table 5: Labour costs in the region

Country	Average Monthly Labour Costs (Euro)
Kosovo	236
Serbia	334
Croatia	798
Hungary	838

Figure 22
Total cost /
employee (2006)

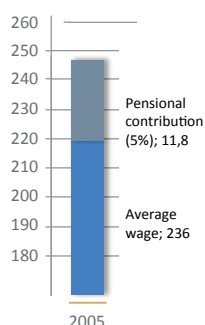


Table 6: Contribution rates in selected countries (% of salary)

Country	Employee	Employer	Total
Kosovo	5	5	10
Czech Republic	9.3	25.9	35.2
Slovakia	9.9	26.3	36.2
Hungary	13.5	33.5	47
Serbia	17.9	17.9	35.8
Austria	14	22.5	36.5
Germany	17.3	17.3	34.6

or illness, the employee is entitled to his/her normal pay for such period.

Work Permits for foreigners

Beside the minimal working age (18) there are no further restrictions in

entering into a contract of employment. Foreigners are only obliged to apply for a temporary tax number at the local tax administration authority.

Types of Employment Contract

The employment types are: full time, part time and work at home. Specific clauses that must be included in the contract can be found in Kosovo's Labour Law (Regulation No. 2001/27).

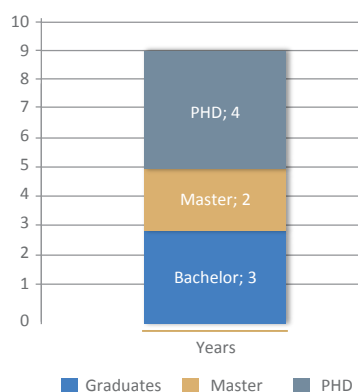
Table 7: Working Time and Vacation

The length of a working week	5 – 6 days
The length of a working day	8 – 12 hours
General vacation	18 days
Age of retirement (for both men and women)	65 years

10 Educational levels

The school-system and higher education in Kosovo have been reformed in recent years giving great importance to the quality of the education, and thus creating the basic preconditions for the development of a knowledge based society coming from the young population. With the ratification of the new university law by the Government back in 2004, Kosovo's higher education authority has introduced educational levels in accordance with the Bologna Declaration.

Figure 23
University Levels



Great importance has been given to establishing a privately-driven educational system. Currently Kosovo has two state and 30 private universities, with worldwide known educational institutions among them.

With approximately 30,000 students at the two state universities, and at least 10,000 students at the private universities, a sufficient stream of highly educated labour is guaranteed. The number of graduates is increasing continuously, with social science graduates over performing those studying natural sciences.

Figure 24

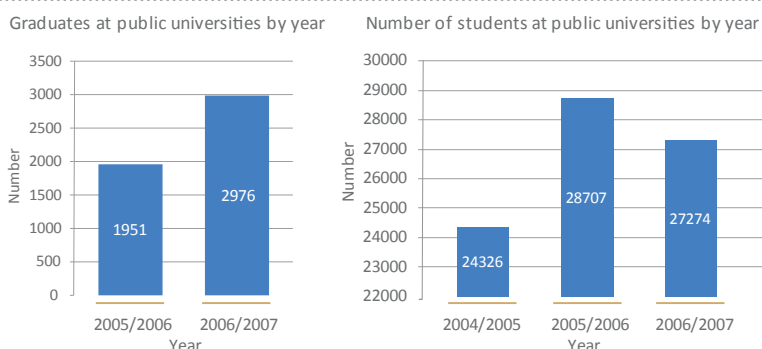
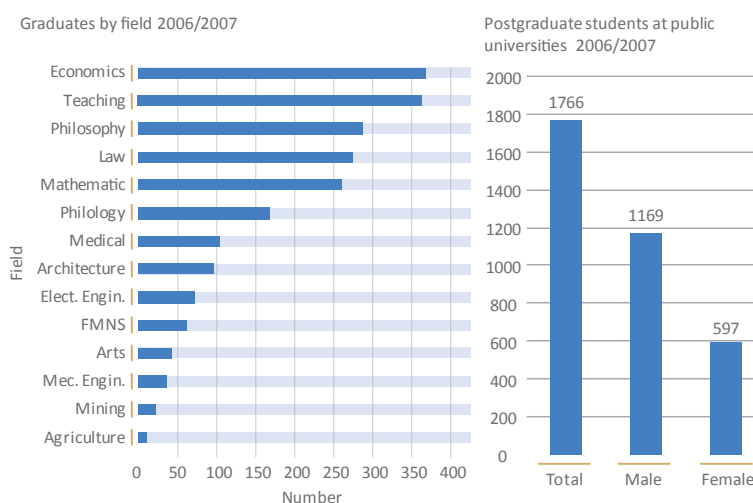


Figure 25



11

Customs regime

Kosovo is an independent customs entity with a liberal trade regime.

Custom duties and border taxes are regulated across two layers as follows:

- According to the Regulation No. 2000/55 on the Establishment of the Customs, a general 10 percent flat rate is imposed on imports and zero percent on exports. Exemptions exist for imports of raw materials, a range of capital and intermediary goods, but also for pharmaceutical goods, which are zero rated.
- Based on the Regulation No. 2000/2 and 2003/23 there is an excise tax of between 10 and 50 percent of the value of the goods, varying according to product or a fixed amount per specified quantity, applied to coffee, soft drinks, beer, wines, ethyl, alcohol, spirits, liquors and other spirit beverages, cigarettes, other tobacco, cars, petrol, diesel for motor engines and kerosene.

The Customs Code is based on the EU custom code and is fully compliant with WCO agreed rules on customs procedures and the Harmonized Commodity Description and Coding System. It additionally allows the use of a number of business friendly trade-facilitating instruments such as:

- **Bonded warehousing** – allowing storage in customs warehouse for non-domestic goods, without import duties being imposed. Under this procedure the goods may undergo any form of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.
- **Inward processing relief** – allowing non-domestic

goods which are intended for re-export from Kosovo to be used in Kosovo in one or more processing operations without such goods being subject to custom duties. This offers a great opportunity for outsourcing projects.

- **Processing under customs control** - The procedure for processing under customs control allows goods which are not domestic goods to be used in Kosovo in operations which alter their nature or state, without being subject to import duties or commercial policy measures, and shall allow the products resulting from such operations to be released for free circulation at the rate of import duty appropriate to them.
- **Transit** – permitting the movement of the goods, which do not originate in Kosovo from one point within Kosovo to another, without such goods being subject to custom duties.
- **Temporary admission** – allowing the use in Kosovo, with total or partial relief from import duties, of goods which are non-domestic goods and intended for re-export without having undergone any change except normal depreciation.
- **Outward processing** – allowing for domestic goods to be temporarily exported in order to undergo any processing operations, with the products resulting from such operations to be released for free circulation with total or partial relief from import duties.

For details concerning the import of goods please contact Customs Service at www.unmikcustoms.org.

12 Taxation

Kosovo's tax policies are streamlined and efficient. Unlike many other countries in the region, Kosovo has laid out a taxation system that is simple and that reduces the tax burden for individuals and businesses. Compliance is straightforward and taxes are few. Furthermore, the Government is introducing tax incentives to support domestic production.

Corporate tax

Depending on annual income, domestic legal entities and permanent establishments of foreign legal entities are taxed as follows (Regulation no. 2004/51):

Annual income € 0 - € 5,000	37.5 € / quarter
Annual income € 5,001 - €50,000	3-16% of income
Annual income € 50,000	20% of income

Corporate income tax is paid quarterly in advance, based on quarterly net income predictions.

Value added tax

Value added tax (Regulation no.2001/11) is applied to all importers and businesses with an annual turno-

ver in excess of 50,000 Euro. The common VAT rate is 15 percent on all goods and services, with exemption for certain agricultural and capital goods on which VAT is zero percent. Exporters receive full VAT reimbursement for goods exported.

Personal income tax

Personal income tax (Regulation no. 2004/51) applies to natural persons receiving income from Kosovo sources and also to foreign incomes, received by Kosovo residents. The rate of personal income tax depends on annual income and ranges from zero percent to 20 percent.

Annual income €0 - € 960	0%
Annual income €960 - € 3,000	5% of the amount over € 960
Annual income €3,001 - € 5,400	€ 102 + 10% of the amount over € 3,000
Annual income €5,401	€ 342 + 20% of the amount over € 5, 400

Specific tax code on depreciation

According to section 14.5 of the Regulation No. 2004/51 on Corporate Income Tax the amount allowed as a depreciation deduction for the tax period

is to be determined by applying the following percentages to the capital accounts under the reducing balance method:

- (a) Category 1: Buildings; five percent (5%);
- (b) Category 2: Vehicles and office equipment; twenty percent (20%); and
- (c) Category 3: Machinery and heavy transport vehicles; fifteen percent (15%)

Repatriation of profits

The transfer of profits and invested capital in foreign currency outside Kosovo is free and unrestricted. The law states that “subject to tax and other business liabilities, foreign investment may freely transfer lawfully acquired funds, regardless of their source and without delay to and out of Kosovo.

Property taxes

Property tax was introduced in 2002 and is collected at local government level by the Municipal Assemblies. The Municipal Assembly of each municipality defines tax rates on property on an annual basis. The tax rates range between 0.05 percent to one percent of the market value of the property for each of the following property categories:

- Residential property
- Commercial property
- Industrial property
- Agricultural property
- Immovable abandoned property and uninhabited buildings

Accounting practices

Kosovo has a modern financial reporting system based on the International Accounting Standards. In 2001, with the UNMIK Regulation No.2001/30, the Board on Standards for Financial Reporting was established and to date 18 accounting standards in conformity with IAS have been issued. According to this regulation, all business organisations with annual turnover in excess of 100.000 EUR or total assets worth in excess of 50.000 EUR are obliged to prepare four statutory financial statements on an annual basis (Balance sheet, income statement, cash flow statement, and changes in equity, and accompanying notes, along with a tax return). Businesses with a turnover below 100,000 EUR are required only to prepare a tax return.

The overview of the comparison of the Kosovo tax system with its neighbouring countries is shown in the table 8 (left).

Tax reform

The Government of Kosovo is preparing a tax reform which will include the introduction of a flat tax at a rate of 10 percent, and tax incentives and tax breaks for foreign investors. More information can be obtained by contacting the Investment Promotion Agency of Kosovo.

Table 8: Comparison of Tax Systems in the region

Contribution rates in selected countries (% of salary)			
Kosovo	15%	20%	0-20%
FYROM	18%	10%	10%
Serbia	18%	10%	12-20%
Bosnia and Herzegovina	17%	10%	5-30%
Croatia	22%	20%	0-45%
Germany	17,3	17,3	34,6

13 Legal framework

Kosovo's legal system has been rebuilt since 1999. While other countries in the region have to undergo the difficult and complicated procedure of making more than 80,000 laws compatible with European Union regulations, Kosovo's legislation is to a large extent already EU-compatible.

On 10 June 1999 the United Nations Security Council passed its resolution number 1244, establishing the United Nations Interim Administration Mission for Kosovo (UNMIK).

The legislation in force includes:

- a) The regulations promulgated by the Special Representative of the Secretary-General and subsidiary instruments issued thereunder;
- b) The law in force in Kosovo on 22 March 1989, and
- c) Laws and regulations adopted by the Assembly of the Republic of Kosovo.

On 17 February 2008 Kosovo declared its independence, becoming the latest state to emerge following the disintegration of Yugoslavia. The declaration of independence established Kosovo as a democratic, secular and multi-ethnic republic promoting the rights of all communities in Kosovo. In April 2008 the Assembly of the Republic of Kosovo adopted the country's constitution that has entered into force in June 2008.

Law on Foreign Investment

In order to put in place certain legal guarantees that are necessary to encourage foreign investment,

in April 2006 the Government of Kosovo promulgated a Law on Foreign Investment (UNMIK Regulation No. 2006/28). According to this regulation a foreign investor, defined as a physical person who is not a habitual resident of Kosovo or a business or other organization, entity or association established under a jurisdiction other than Kosovo, is to be governed by the principle of national treatment, meaning that foreign enterprises will be treated no less favourably than similar domestic enterprises. In particular the right vested to a foreign investor are:

- Non-discriminatory treatment
- Constant protection and security
- Compensation in case of nationalization, expropriation, including payment of interest;
- Compensation in case of violation of applicable law and international law attributable to Kosovo
- Freely transferable and otherwise in an unrestricted manner used income
- Protection against retroactive application of laws

Legal Forms of Enterprises

Similar to common practices in EU countries, only certain types of business can be registered in Kosovo. According to the Law on Business Organisation (Regulation No. 2001/6) these types are: a single person enterprise, a general partnership, a limited liability company, a limited partnership and a joint stock company. The characteristics of each type are listed in the table below.

Table 9: Characteristics of business types in Kosovo

	single person enterprise	general partnership	limited partnership	limited liability company	joint stock company
Start-up requirements	None	None	Memorandum of association	Memorandum of association	Memorandum of association
Founding documents	Registration form	Registration form	Registration form Partnership contract	Registration form Charter	Registration form Charter
Size	Small - one owner	Small - two or more owners	Small- two or more owners	Middle - maximum 50	Large - unlimited
Minimum capital	None	None	None	€2,500	€25,500
Directors	The owner	As agreed between partners	Based on the memorandum of association	By more than 20 members stated in the memorandum of association, otherwise as decided by the general assembly	By more than 20 members stated in the memorandum of association, otherwise as decided by the general assembly
Partners	None	At least 2	At least one general and one limited partner	Regardless	Regardless
Liability	Full liability	Full liability	General partner - full liability	Limited liability or fully liable to the extent of unpaid stocks	Limited liability or full liability to the extent of unpaid stock
Tax regime	VAT if the annual turnover over 50,000, Corporate Income Tax	VAT if the annual turnover over 50,000, Corporate income tax	VAT if the annual turnover over 50,000, Corporate income tax	VAT, Corporate income tax	Vat, Corporate income tax

In accordance with the clauses of the Foreign Investment Law, foreign companies are permitted to engage in any business activity open to domestic business. Additionally, there is no restriction regarding the share of capital that foreign entities are allowed to hold. Therefore, foreign entities may establish subsidiary enterprises and branches in the same manner and to the same extent as similar domestic business organizations.

Representative office

Apart from establishing a new company, foreign investors also have the right

to establish a representative office in Kosovo. However, a representative office is not considered to be a legal entity and may only engage in market research, promotional and other marketing activities. It cannot engage in commercial activities or conclude contracts.

Land acquisition and related matters

Land in Kosovo is categorised as agricultural and construction land.

Public construction land can be acquired by the private sector only, by the

decision of the municipality and/or Ministry of Environment, or privatisation procedures. In contrast, construction land other than public or social can be acquired from private individuals.

Registering property in Kosovo is both quick and simple. Due to efficient property registers and cadastral systems in Kosovo, the average procedures needed to register a property and the total duration are quite below the regional average.

A construction licence issued by the Municipality is always required for construction purposes.

Information on the particular Land and/or existing pledges can be obtained from the Municipalities where the property is registered in the municipal register. For details visit <http://www.komunat-ks.net>

Land lease

According to the UNMIK Regulation No. 2003/13 on the Transformation of the Right of use to Socially-Owned Property, there is also the possibility to lease land for commercial purposes for a term of 99 years.

Gender Equality

The law on gender equality establishes equal gender treatment in Kosovo, which means the elimination of

all direct and indirect forms of gender discrimination in economic, financial, employment and social welfare legislation. Public and private sector undertakings and legislative and executive institutions are obliged to provide equal rights and opportunities for females and males.

Figure 26
Registering property - number of days

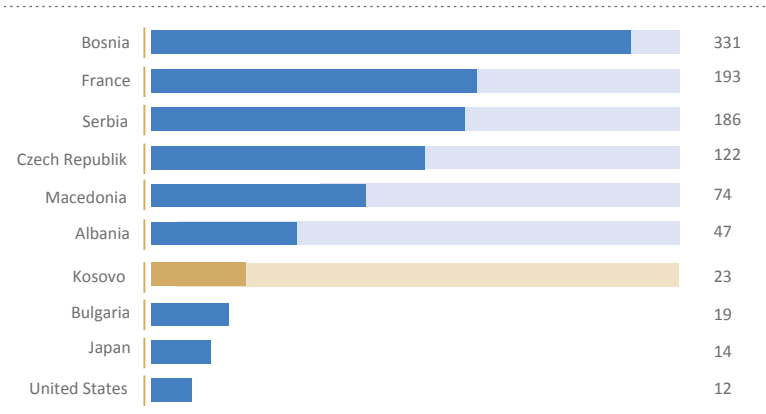
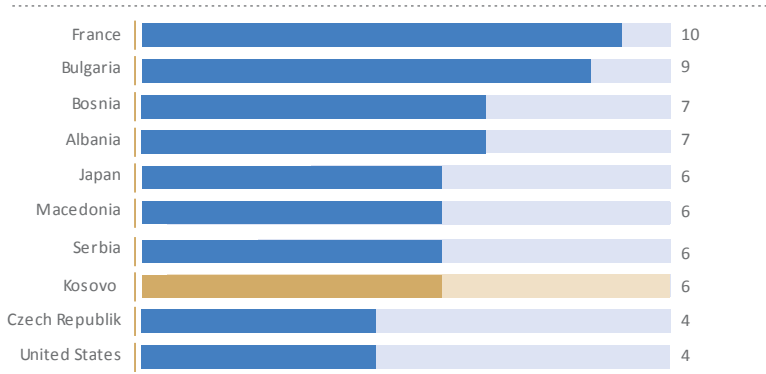


Figure 27
Registering property - number of procedures



Contracts Enforcement

Legal procedures concerning the enforcement of contracts are regulated by the Law on Contested Procedure (Civil Procedure Law) and the Law on Execution. In general, the municipal courts have jurisdiction to enforce contracts, with the exception of matters falling within the jurisdiction of the Commercial Court, which is responsible for enforcement.

With 16 procedures required to enforce a contract and a total duration of enforcement at 153 days for this purpose, the Kosovo judiciary is one of the most efficient in the region and can be compared to others in Europe.

Figure: 28
Enforcing contracts - number of procedures

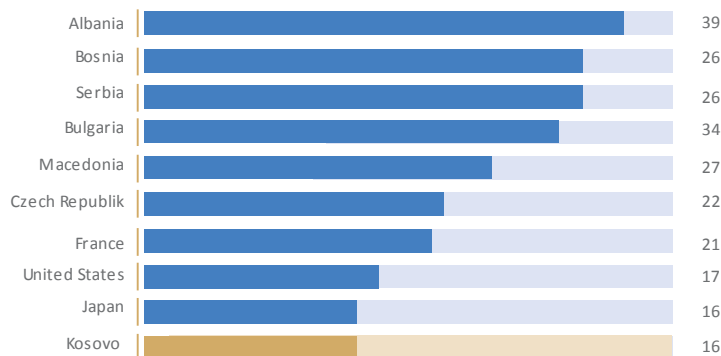
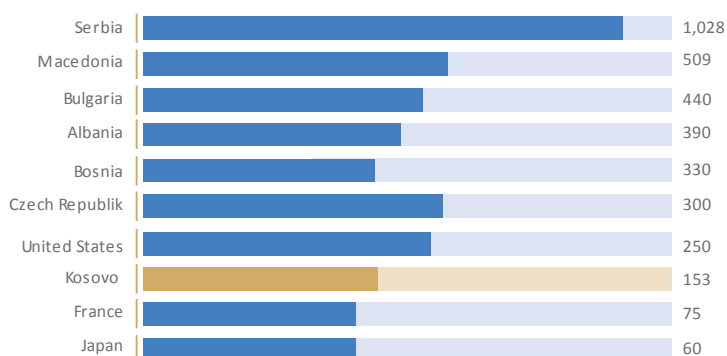


Figure: 29
Enforcing contracts - number of days



Patents

Patent related matters in Kosovo are governed by the Patent Law (Regulation No.2004/49). According to this law, an invention shall be patentable if it is new, involves an inventive step and is industrially applicable. Patentable inventions are protected by patents in accordance with the provisions of the above mentioned Law. A patent right is granted for the duration of 20 years.

The application for a patent is to be submitted at the Patent Office and shall contain:

- a request for the grant of a patent,
- a description of the invention,
- one or more claims,
- any drawings referred to in the description or the claims,
- an abstract of the invention.

Trade Marks

The Law on Trademarks (Regulation No. 2006/38) provides the protection of trademarks and commercial designations in accordance with the requirements of international conventions and the law and practice of the EU and its member states.

Any signs, particularly words, including personal names, designs, letters, numerals, audio marks, three-dimensional configurations, including the shape of goods or their wrapping or other packaging, including colours, or combinations of colours, that are capable of distinguishing the goods or services of one undertaking from those of other undertakings may be protected as trademarks in Kosovo.

Trademarks are to be registered at the Industrial Property office. The proprietor of a registered trademark will after registration have exclusive rights in relation to the goods or services covered by the registration. In particular these rights are:

- a. to use the trademark;
- b. to authorize another to use the trademark;
- c. to consent to the use of the trademark; or
- d. to obtain judicial remedy for a violation of the trademark

Industrial Design

Industrial Design can be protected in Kosovo under the clauses of the Law on Industrial Design (Regulation No. 2006/17). Industrial design is protected by the Law up to the point that it is still an innovation, and has a specific character. The design of a product is considered to be an innovation if not identical to a design previously available to the public, and that the design has a specific character if the consumers' impression differs from the impression left by any other design that was previously available to public.

Industrial design protection can be obtained by issuing a decision on the industrial design registration and the recording thereof in the register. Application for industrial design registration is to be submitted to the Industrial Property Office. Protection of the industrial design lasts five years and can be extended to a maximum of 25 years.

Standardisation

The certification of products, processing, services, quality and personnel systems, are regulated by the Law on Standardisation (Regulation No.2004/12). Under this Law, the institution responsible for the issuing, application and determination of standards is the Kosovo Standardisation Agency (KSA). Standards issued by KSA are equally determined and applicable for all legal and physical, domestic and foreign persons that do business within the territory of Kosovo.

By implementing standards based on the EU and international practices, KSA aims to secure:

- a. the protection of human life and health, environmental protection and other natural assets, and safety in the workplace;
- b. the technical insurance of buildings, equipment, tools, and the work process;
- c. the protection of customers that consume and use products and services, and the respective protection of participants' interests in a given process.

14 Guidelines for finding a strategic partner and sourcing locally

There are plenty of business support institutions in Kosovo that can offer advice to foreign companies searching for local partners or outsourcing possibilities. Based on parameters provided by foreign businesses -- product data, pricing guidelines and other information -- these organisations can conduct a

pre-screened search to identify a potential partner and organise a face-to-face meeting.

The details of the business support institutions that can be contacted for business purposes in Kosovo are provided at the end of this brochure.

15 Availability and cost of industrial property

Industrial property in Kosovo can be acquired for business purposes in two different ways. Foreign companies can freely buy land and buildings through the ongoing privatisation procedures. For information on current privatisation opportunities contact the Kosovo Trust Agency. Investors can also freely get a lease hold for land from the responsible municipality for the term of 10 years with an extension opportunity to 99 years (see <http://www.komunat-ks.net> for details on 30 municipalities across Kosovo).



and foreign enterprises will be placed. Three sizes of plots are available, 1,000m², 3,000m² and 6,000m².

Industrial Parks

The industrial park initiative was launched by the Ministry of Trade and Industry as a concrete measure to boost business in Kosovo.

It has been identified that business growth is hindered by a lack of good quality and reliable amenities. The concept of the industrial park is relatively simple, its aim being to provide high quality facilities and infrastructure at a competitive market price, from which businesses can operate effectively and efficiently.

In addition to providing a solid base from which to operate, additional effects such as business clustering may also take place thus facilitating exchange of business knowledge and know-how transfer, and developing synergies to further accelerate business development and growth. There are currently two industrial parks under development, one in Mitrovica and a second in Drenas/Gillogovc.

The “Drenas Industrial Park” covers an area of 24 hectares, in which 72 local



The Mitrovica Industrial Park covers an area of 3.5 hectares and offers 22 parcels.

Both industrial parks have very good infrastructure connections. Drenas Industrial Park lies on the highway connection between Prishtina and Peja, near Prishtina International Airport. Businesses that will be located in this industrial park will therefore have a unique possibility to serve the local market from a very central position. In addition, due to the proximity of regional roads, any neighbouring country is accessible within one hour.

Details concerning industrial parks are provided by the SME-Agency, which is part of the Ministry of Trade and Industry of the Republic of Kosovo.

16

Transport and distribution

Located in the heart of the Balkans, Kosovo is a connecting bridge between the countries of South Eastern Europe. Through its unique geographical position and its liberal trade regime, it offers instant access to the interesting and growing market in the Balkans and Central Europe, compromising 100 million potential customers.

Kosovo's capital Prishtina is within one hour's distance of driving to any neighbouring country (Albania, Montenegro, Macedonia, and Serbia), thereby providing a connection for all countries in the region.

Road network: The road network consisting of 630 km of main roads has been rebuilt to a high extent during the past years, but some completely new roads have also been built. With the planned construction of the highway that will connect Kosovo with Albania on one side and with Serbia on the other, Kosovo is becoming an important gateway in the corridor that will connect the Adriatic Sea with Western Europe.

Railway: The railway network in Kosovo has a combined length of 330 km. It covers the entire territory, connecting both the south with north and east with west. On the south side as well as the north side the railway line provides access to the international railway network. The ongoing rehabilitation and modernisation of Kosovo railways is providing a solid base to satisfy the growing demand on logistical services.

Air communication: Besides the road and railway network, Kosovo has a modern international airport. With over one million passengers per year, Prishtina International Airport is ranked under the most frequented airports of the region, serving several international airway lines and offering flights to the most important European centres.

Table 10: Travelling distances from Prishtina to major regional centres

Regional Centre	Travelling Distance from Prishtina (km)
Skopje	86
Sofia	279
Thessaloniki (port city)	312
Tirana	330
Belgrade	355
Durrës (port city)	355
Sarajevo	390
Bar (port city)	570
Zagreb	741
Budapest	747

17 Setting up a business in the country

Businesses operating in Kosovo must be registered with the Ministry of Trade & Industry's Business Registration Agency (<http://www.arbk.org>).

Registering a business in Kosovo is both simple and inexpensive. The cost of registration is 5 Euro for a personal business and 20 Euro for all other forms of business entities.

All business and trade names are listed with the Kosovo Business registration Agency and the basic information regarding registered companies can be transparently and freely accessed in the Internet.

Five procedures are required to start a business in Kosovo:

Step 1	Deposit the required minimum (UNMIK/REG/2001/6 ON BUSINESS ORGANIZATIONS)
Step 2	Procurement of any other documents obligatory under local law, (UNMIK Regulation 2000/45, On Self-Government of Municipalities in Kosovo)
Step 3	Payment of registration fees payable to the Business Registration Agency
Step 4	Registration with the Business Registration Agency
Step 5	Register the company for the specific taxes (www.atk-ks.org)

With only five procedures to start a business, Kosovo compares well with

other South East Europe countries. The average time (days) spent in completing the five procedures for starting a business, namely 23 days, is also a very good average for the region.

In addition to the speed with which businesses are able to enter the market, Kosovo can also outperform most other former Yugoslav republics with its ability to allow businesses to leave the market. With less than a year needed to close the business and the cost limited to only 18 % of estate, Kosovo has the most liberal business regulating legal framework in the region.

Figure 30
Time for starting a business (days)

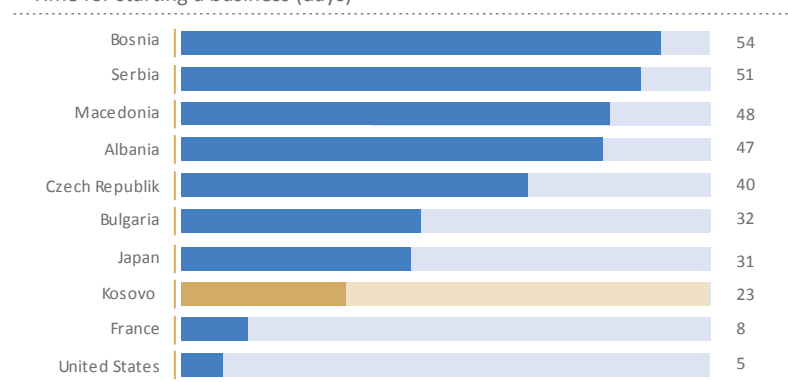
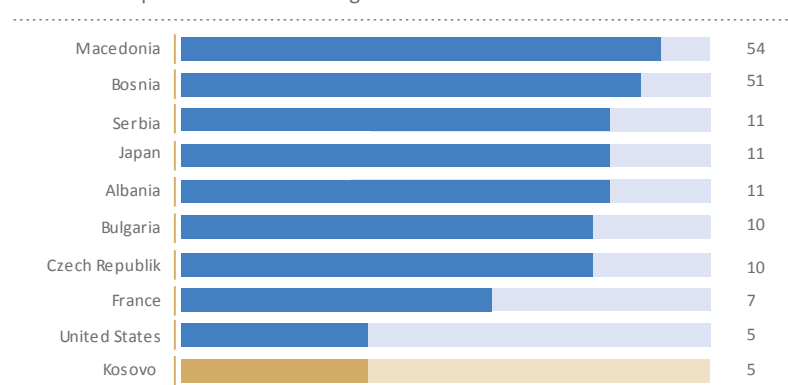


Figure 31
Number of procedures for starting a business



18 Utility costs and availability

Fuel

The supply with fuel is sufficient in all regions of Kosovo. Measured with one fuel station per 1000 inhabitants, Kosovo has one of the highest fuel station densities in Europe.

Telecommunication

The telecommunication sector in Kosovo is dominated by the Post and Telecommunications of Kosovo (PTK). The PTK was established in 2005 and is still a fully state owned enterprise. It provides various telecommunication services ranging from post and fixed telephony to mobile telephony and Internet.

The fixed network currently consists of 135.000 telephone connections. Addi-

tionally, there are 600 pay phones located in public areas as well as 470 in post offices. A second fixed phone licence was issued in 2006 to the private company and internet provider IpkoNet.

GSM-services in Kosovo are provided currently by Vala, a subsidiary of PTK, and IPKO, a company owned by Slovenian Telecom, which has acquired the second mobile operator license in Kosovo and has started operations in late 2007. Vala has over 850.000 subscribers, mostly using the pre-paid system, whereas IPKO has gained over 40,000 subscribers within just a few months.

In addition to 120 post offices belonging to the PTK, Kosovo has a wide variety of international courier service providers operating in its territory (UPS, TNT, FEDEX, DHL). As a consequence, quick and reliable shipping possibilities to different international destinations are available.

Kosovo has four licensed internet-providers of which three are private (IpkoNet, Kujtesa, VIP Trading) and one state owned (DardaNet, a subsidiary of PTK). The high competition in this sector, caused in main by the high share of privately owned businesses, has produced a very wide internet coverage, comprehensive product packages and low prices for internet services. The society of internet users is estimated to have around 350.000 members.

Energy, water and sewage

Kosovo uses 220 V energy network and the plug socket system corresponds to the German standard.

A public water supply system as well as sewage services are available throughout the country. The cost for energy and water supply can be taken from table 13 (left).

Table 11: Tariffs for fuel

Description	EUR/Lit
Diesel	1,08
Petrol	1,10

Prices: April 2008

Table 12: Tariffs for Fixed telephone, Mobile, Internet

Description	Within the network	To other local	International
Fixed telephone (PTK)	0.017	From 0.16	From 0.26
Mobile Phone (VALA)	0.08-0.014	From 0.19	From 0.41
Mobile phone (IPKO)	0.03-0.10	From 0.10	From 0.44

Prices: April 2008

Table 13: Tariffs for Water Supply and Energy

Description	Cost EUR
Water Supply	0,25 - 0,60
Energy	0,063 - 0,086

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Quality of life

Hotels

Kosovo has plenty of hotels spread throughout its territory. The hotels are usually two to four-star rated and the prices range from between 20 and 100 Euro per night. The most known hotels of the capital Prishtina are Hotel Baci, Hotel Pejton, Hotel Prishtina, Hotel Afa, Hotel Royal, Hotel Ambassador and Hotel Gorenje. The newer and more modern hotels usually operate at full capacity. Booking prior to travel is therefore advisable.

Money

The Euro is the official currency in Kosovo and the majority of payments are usually made in cash. However, all major shops, restaurants and hotels are equipped with electronic payment devices, thus enabling payments to be made with credit cards and other means of electronic payment.

There is no restriction on the amount of cash that may be imported into Kosovo. However, amounts greater than

10,000 Euro must be declared at the border.

Communication

Kosovo has a developed telecommunication system. There are 600 pay phones located in the public areas as well as 470 in the post offices. GSM providers are Vala and IPKO and roaming is offered for the majority of international telephone service providers. For longer stays in Kosovo the purchase of a local pre-paid number is recommended. Prishtina and other larger cities have numerous Internet Cafés. Some parts of the city are also covered by a WLAN network.

Traffic

Traffic in Kosovo keeps to the right, and an EU driving licence is sufficient. The major and smaller roads are to a large extent rehabilitated and offer good connections to neighbouring countries. There are numerous "rental car" companies and daily charges range from between 20 and 75 Euro depending on the class of vehicle. Rental car companies with premises at the Prishtina Airport are Eu-

ropcar and Auto Shkodra. For travel in the city, a taxi is recommended (approx. EUR 3. - for 3km ride).

The international green insurance card is still not valid in Kosovo. Foreigners travelling by car must therefore obtain additional insurance at the Kosovo border crossover. No toll fees are levied for the use of the road network.

Health care

There are six regional hospitals situated in the major towns of Kosovo. These are supported by health houses in each of the 30 municipalities. Apart from the Public Health System there are numerous private hospitals. Due to the higher quality of their equipment and sanitation, private health institutions are more favourable.

Sufficiently outfitted pharmacies may be found in every town throughout Kosovo, some of which are open 24 hours per day.

Gastronomy

In restaurants, bistros, cafés and hotels, a good variety of meals and beverages are offered (Balkans, Italian cuisine). Furthermore, there are numerous restaurants located in Prishtina and other larger towns offering international cuisine (Thai, Indian, Chinese, Mexican, etc.). The fish restaurants in Vërmicë and Istog with their unique trout specialities are also major attractions.

Groceries

The supply of groceries is very good. Smaller shops can be found at each street corner. Supermarkets with ever-increasing assortments are usually located in the suburbs.

Map material

There are several good road maps and city plans, available at kiosks and fuel stations.

Cultural attractions

The cultural heritage in Kosovo is very rich, especially in the south and west of Kosovo, including the Dukagjin region and towns of Peja, Gjakova, and Prizren. The small fortresses such as the Albanian “Kullas”, mills and bridges, the mosques, the Catholic and Orthodox churches, and the Turkish baths, the castles and archaeological settlements, all make up a part of the extraordinarily rich history of the region

Kosovo presents a rich ethno-cultural, material and spiritual heritage treasure-house of various historical periods. With their unique characteristics, features, and qualities, each culture has contributed its diverse values to the cultural heritage of Kosovo.

In the figurative-applicative establishment (composition) of Kosovo, the influence of Illyrian, Byzantine, Helen, Roman, Western and Eastern, and Ottoman cultures are present.

For detailed attractions in Kosovar cities please visit www.visitkosova.org.

20 Role and services of IPAK

Our vision, mission and our services

The Investment Promotion Agency of Kosova was established as an Executive Agency under the administration of the Ministry of Trade and Industry, regulated by the Law on Foreign Investments no 02/L-33, article 19.

In November 2006 the Economic Initiative for Kosova (EIKS), with financial support from the Austrian Federal Ministry of Foreign Affairs through the Austrian Development Cooperation, opened the first official representation of Kosovo abroad. The Vienna Office of the Investment Promotion Agency of Kosovo provides existing and potential foreign investors from German-speaking countries (Austria, Germany, and Switzerland) with free-of-charge services on a confidential basis.

Vision

To support economic development of Kosovo by stimulating and facilitating foreign direct investments which will have a direct impact in reducing unemployment and increasing the social welfare of our citizens.

Mission

Improve the image of Kosovo and attract foreign investors to Kosovo through a proactive marketing cam-

paign, through increasing FDI inflows and through offering free-of-charge information and services to foreign potential investors..

Services

One stop shop for all investors - free of charge services:

- Collection and dissemination of information and assistance during all phases of investments: pre-investments, investments and after care:
- Provide information on the general business environment and specific industries
- Provide information on Taxation, Employment, Customs, Real Estate and other relevant laws and regulations Advice on business service providers: financial, consulting etc
- Assistance with registration, licensing, work permits, and other documentation
- Linking potential investors to Brownfield, Greenfield, and JV opportunities, including site visit organization Provide offers for specific projects and locations
- Assistance in dealing with administration on all levels

Contact:

Ministry of Trade and Industry

Perandori Justinian Nr. 3-5
Qyteza Pejton
10000 Prishtinë, KOSOVO
Tel.: +381 (0) 38 200 36010
Fax.: + 381 (0) 38 212 807
Web: www.mti-ks.org

Investment Promotion Agency of Kosovo

Perandori Justinian Nr. 3-5
Qyteza Pejton
KS - 10000 Prishtinë
Republic of Kosovo
Tel. & Fax: +381 38 200 36041
Email: info@invest-ks.org
Web: www.invest-ks.org

Investment Promotion Agency of Kosovo - Office in Vienna

Nussdorfer Strasse 20/23
A-1090 Vienna, Austria
Tel.: +43 (01) 890 50 26
Mob.: +43 676 338 09 35
E-Mail: info@ipak-vienna.org
Web: www.ipak-vienna.org

Websites of Institutions:

Websites of Kosovo Institutions

Presidency of Republic of Kosovo:
<http://www.president-ks.gov.net/>

Assembly of the Republic of Kosovo:
<http://www.assembly-kosova.org/>

The Office of the Prime Minister of the Republic of Kosovo:
<http://www.ks-gov.net/pm>

Ministry of Trade and Industry of the Republic of Kosovo:
<http://www.mti-ks.org/>

Ministry of Finance and Economy of the Republic of Kosovo:
<http://www.mfe-ks.org/>

Ministry of Science, Education and Technology of the Republic of Kosovo:
<http://www.ks-gov.net/masht>

Ministry of Agriculture, Forestry and Rural Development of the Republic of Kosovo:
<http://mafrd-ks.org/>

Ministry of Energy and Mining of the Republic of Kosovo:
<http://www.ks-gov.net/mem>

Ministry of Justice of the Republic of Kosovo:
<http://www.md-ks.org/>

Ministry of Internal Affairs of the Republic of Kosovo:
<http://www.mpb-ks.org/>

Ministry of Foreign Affairs of the Republic of Kosovo:
<http://www.ks-gov.net/mpj>

Ministry of Labour and Social Welfare of the Republic of Kosovo:
<http://www.mpms-ks.org/>

Ministry of Transport and Telecommunication of the Republic of Kosovo:
<http://www.mtpt.org/>

Ministry of Environment and Spatial Planning of the Republic of Kosovo:
<http://www.ks-gov.net/mmph>

Ministry of Local Government Administration of the Republic of Kosovo:
<http://www.ks-gov.net/mapl>

Ministry of Public Services of the Republic of Kosovo:
<http://www.ks-gov.net/mshp>

Ministry of Health of the Republic of Kosovo:
<http://www.mshgov-ks.org/>

Ministry of Culture, Youth, Sports and Non-Residential Issues of the Republic of Kosovo:
<http://www.mkrs-ks.org/>

Ministry of Community and Return of the Republic of Kosovo:
<http://www.ks-gov.net/mkk>

Central Banking Authority of the Republic of Kosovo:
<http://www.cbak-kos.org/>

Kosovo Business Registration Agency:
<http://www.arbk.org/>

Kosovo Trust Agency: <http://www.kta-kosovo.org/>

Kosovo Customs: <http://www.unmikcustoms.org/>

Statistical Office of Kosovo: <http://www.ks-gov.net/esk/>

Society of Certified Accountants and Auditors of Kosovo:
<http://www.scaak-ks.org/>

The Kosovo Pension Saving Trust: <http://www.kpst.org/>

Kosovo Energy Corporation: <http://www.kek-energy.com/>

Post and Telecommunications of Kosovo: <http://www.ptkonline.com/>

Websites of International Institutions in Kosovo

UNMIK – United Nations Mission in Kosovo: <http://www.unmikonline.org/>

European Commission in Kosovo: <http://www.delprn.ec.europa.eu>

International Civilian Office / EU Special Representative <http://www.ico-kos.org>

EULEX Kosovo <http://www.eulex-kosovo.eu>

World Bank - Kosovo: <http://www.worldbank.org/kosovo>

European Agency for Reconstruction: <http://www.ear.eu.int/kosovo>

UNDP United Nations Development Programme - Kosovo:
<http://www.ks.undp.org/>

United States Agency for International Development – Prishtina Office:
<http://usaid.gov>

Banks

ProCredit Bank

Skenderbeu Street
10000 Prishtina
Tel.: +381 (0) 38 240 248
Fax.: + 381 (0) 38 248 777
<http://www.procreditbank-kos.com>
info@procreditbank-kos.com

TEB – BNP Paribas

Agim Ramadani Street no.15
10000 Prishtina
tel.+381 (0) 38 230 000
fax.+ 381 (0) 38 224 699
<http://www.teb-kos.com>
info@teb-kos.com

Raiffeisen Bank

UÇK Stre et 51
10000 Prishtinë
Tel.:+381 (0) 38 226 400, 401
Fax.:+381 (0) 38 226 408
<http://www.raiffeisen-kosovo.com>
info@raiffeisen-kosovo.com

Banka Ekonomike

Migjeni Street 1
10000 Prishtina
Tel.:+381 (0) 38 22 53 53
Fax.: + 381 (0) 38 22 54 54
<http://www.bekonomike.com>
info@bekonomike.com

NLB Prishtina

Rexhep Luci Street 5
10000 Prishtina
tel.+381 (0) 38 246 180
fax.+381 (0) 38 246 189
<http://www.nlbprishtina-kos.com>
info@nlbprishtina-kos.com

Bank for Business

UÇK Street 41
10000 Prishtina
Tel.: +381 (0) 38 244 666
Fax.: + 381 (0) 38 243 656, 657
<http://www.bpb-bank.com>
hq@bpb-bank.com

Banka Kombëtare Tregtare

Qyteza Pejton
10000 Prishtina
+381 (0) 38 222 910
+ 381 (0) 38 222 907
<http://www.bkt.com.al>
infoBktKosova@bkt.com.al

Komercijalna Banka

Kralja Petra Prvog 33
40000 Mitrovica
tel.+381 (0) 28 423 822
fax.+ 381 (0) 28 425 295
<http://www.kombank.com>
posta@kombank.com

Insurance Companies

Uniq Group Austria - SIGAL

Vellusha e Poshtme 16
Tel.: + 381 29 42 772, + 381 29 44 025

Vienna Insurance Group - SIGMA

Pashko Vasa Street p.n
Prishtina,
Tel.: + 381 38 246 301,
+ 381 38 246 302

SIGKOS

Sylejman Vokshi Sreet 1
10.000 Prishtina
Tel.: + 381 38 24 00 22,
Fax: +381 38 24 02 22
Email: info@sigkos.com
Web: www.sigkos.com

DUKAGJINI

Bulevardi i Dëshmorëve Street
Prishtina
Tel.: + 381 38 543 575,
+ 381 38 576 577

KOSOVA E RE

Fazli Graiqevci Street 5
Prishtina
Tel.: + 381 38 244 081;
+ 381 38 229 455

SIGURIA

Qamil Hoxha Street 15
Prishtina
Tel.: + 381 38 248 850

DARDANIA

Nëna Terezë Street
Prishtina
Tel.: +381 38 244 080,
+381 38 244 081

CROATIA Osiguranje

Fehmi Agani Street 69, D/1-2
Prishtina,
Tel.: + 381 38 246 - 956,
Fax.: + 381 38 246 957

INSIG Tirana

Branch "INSIG" Prishtina,
Pejton 4
Prishtina,
Tel.: + 381 38 259 902

Business Support Institutions

Investment Promotion Agency of Kosovo

Perandori Justinian Nr. 3-5
Qyteza Pejton
10000 Prishtinë, KOSOVO
Tel. & Fax.: +381 (0) 38 200 36041
Email: info@invest-ks.org
Web: www.invest-ks.org

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Perandori Justinian Nr. 3-5
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Tel.: +381 (0) 38 2003 6007
Fax.: +381 (0) 38 212 807
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Investment Promotion Agency of Kosovo - Office in Vienna

Nussdorfer Strasse 20/23
A - 1090 Vienna, Austria
Tel: +43 (0) 1 890 50 26
Fax: +43 (0) 1 890 50 26 26
Web: www.ipak-vienna.org
Email: info@ipak-vienna.org

American Chamber of Commerce in Kosovo

Gustav Majer #6
10000 Prishtinë
Republic of Kosovo
Tel: +381 (0) 38 246 012
Fax: +381 (0) 38 248 012
Email: info@amchamksv.org
Web: www.amchamksv.org

Economic Initiative for Kosova (ECIKS)

Nussdorfer Strasse 20/23
A - 1090 Vienna, Austria
Tel: +43 (0) 1 890 50 26
Fax: +43 (0) 1 890 50 26 26
Web: www.eciks.org
E-Mail: info@eciks.org

Aleanca Kosovare e Bizneseve

Dardania SB-6 6/6 B4
10000 Prishtinë
Republic of Kosovo
Tel/Fax: +381 (0) 38 541 683
Email: alenacakosovarebizneseve@gmail.com
Web: www.akb-ks.org

Kosovo Chamber of Commerce

Nëna Terezë Street 20
KS - 10000 Prishtinë
Republic of Kosovo
Tel.: +381 (0) 38 524 741
Fax.: +381 (0) 38 23 397
Web: www.oek-kcc.org

Airlines

Kosova Airlines

Vellusha e Poshtme Street 17
10000 Prishtina
Tel.: +381 38 24 91 85,
+381 38 24 91 84
Fax.: +381 38 24 91 86
Mobil: +377 44/11 37 86
Web: <http://www.kosovairlines.com>
Flight Destinations: DÜSSELDORF;
STUTTGART; KÖLN; FRANKFURT;
ZURICH; GENEVA.

Albanian Airlines

Grand Hotel Prishtina
10000 Prishtina
Tel.: +381 38 24 20 57
Web: <http://www.flyalbanian.com>
Flight Destinations: TIRANA

Austrian Airlines

Lidhja e Pejës Street E-12
10000 Prishtina
Tel: +381 38 24 24 24
Web: <http://www.mcmtravel.com>
Flight Destinations: VIENNA

British Airways

Prishtina International Airport -
Departure Terminal
10000 Prishtina
Tel: +381 38 54 86 61
Web: <http://www.britishairways.com>
Flight Destinations: LONDON

Malev

Trade Centre Lesna - Eqrem Qabej
Street
10000 Prishtina
Tel: +381 38 502 481
Web: <http://www.malev.com>
Flight Destination: BUDAPEST

Adria Airways

Qamil Hoxha Street 12
10000 Prishtina
Tel.: +381 (0) 38 548 437
Web: <http://www.adria-airways.com>
Flight Destination: LJUBLJANA

Turkish Airlines

Tel: +381 38 24 77 11
Web: <http://www.turkishairlines.com>
Flight Destination: ISTANBUL

Lufthansa

Vellusha e poshtme Street 17
10000 Prishtina
Tel: +381 38 24 91 85/84
Web: <http://www.kosovairlines.com>
Flight Destination: DUSSELDORF;
STUTTGART

DBA

Vellusha e poshtme Street 17
10000 Prishtina
Tel: +381 38 24 91 85/84
Web: <http://www.kosovairlines.com>
Flight Destination: DUSSELDORF;
STUTTGART; BERLIN; HANNOVER;
MUNICHEN; HAMBURG

Swiss

Grand Hotel Prishtina
10000 Prishtina
Tel.: +381 38 548 438/439
Web: <http://www.swiss.com>
Flight Destination: ZURICH; GENEVA

Hello

Vellusha e poshtme Street 17
10000 Prishtina
Tel: +381 38 24 91 85/84
Web: <http://www.kosovairlines.com>
Flight Destination: ZURICH; GENEVA.

Edelweiss Air

Mother Theresa Street No23
10000 Prishtina
Tel: +381 38 54 84 33
Web: <http://www.airprishtina.com>
Flight Destination: ZURICH; GENEVA.

German Wings

Vellusha e poshtme Street 17
10000 Prishtina
Tel: +381 38 24 91 85/84
Web: <http://www.kosovaaairlines.com>
Flight Destination: COLOGNE.

Club Air

Hotel Iliria
10000 Prishtina
Tel: +381 38 23 31 80
Web: <http://www.clubair.it>
Flight Destination: VERONA.

Hamburg International

Vellusha e poshtme Street 17
10000 Prishtina
Tel: +381 38 24 91 85/84
Web: <http://www.kosovaaairlines.com>
Flight Destination: ZURICH; GENEVA.

Hotels

Hotel Prishtina

Vaso Pasha no/20
10000 Prishtina
Tel: +381 38 223 284/225
E-mail: reservations@hotelprishtina.com
Web: www.hotelprishtina.com

Hotel Ambassador

Ardian Krasniqi
10000 Prishtina
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Production:

www.rrota.com

Design and Layout: Arbër Matoshi

Cover: Kushtrim Balaj

Special thanks to:

The staff of the Ministry of Trade and Industry of the Republic of Kosovo and all other Institutions of Kosovo who have provided data and information or have contributed in any way to the publication of this brochure.

Particular thanks go to the Austrian Development Cooperation who has made the publishing of this brochure possible by financing the Vienna Office of IPAK.

