



REPUBLIC OF KOSOVO
Ministry of Trade and Industry

TOP 10 REASONS TO INVEST IN KOSOVO



① Youngest population in Europe

With an average age of 25 years, Kosovo has the youngest population in Europe. Albanian and Serbian are the official languages, English and German are widely used. With two public and numerous private universities (over 40,000 students), a high knowledge society is emerging from the young and dynamic population. Many Kosovars who have lived and studied abroad are acting as a bridge to Western cultures and guarantee business success for foreign operations in Kosovo.



② High availability of skilled and cost effective labor

The average monthly cost of labor in Kosovo is slightly over 250 Euro. Wages in Kosovo are unburdened by costly social contributions, unlike those in the countries of the region. With ca. 300,000 existing jobseekers and ca. 20,000 (8,000 graduates) new jobseekers entering the labor market every year, a sufficient stream of labor of all profiles is guaranteed. Any foreigner who has visited Kosovo will confirm the exceptional dynamic and entrepreneurial spirit of the Kosovars.



③ EURO as the official currency

Euro is the official currency in Kosovo, thereby eliminating currency and exchange rate risks. The Euro gives Kosovo a considerable advantage over its competitors in the region by making it more attractive to foreign investment and by ensuring financial and macroeconomic stability. It also enables Kosovo to offer the lowest transaction costs in the region.

④ Free access to markets of EU, US and CEFTA

Kosovo derives three major benefits from trade liberalization, namely improved export possibilities, a better investment environment, and stable relations with its neighbors. Exporters enjoy free access to a market of over 500 million consumers. Kosovo is a member of CEFTA and it benefits from non-reciprocal, customs-free access to the EU market based on the EU Autonomous Trade Preference (ATP) Regime. Kosovo goods also enjoy preferential treatment in the US market.



5 Low taxes

Kosovo has a simple and straightforward tax system. International Accounting Standards apply.

The tax burden is very low:

- Personal Income Tax 0-10%
- VAT 16%
- Corporate Income Tax 10%
- Mandatory contributions for employees only 5% of gross salaries



6 Stabilizing political environment

Kosovo's independence marks the end to a long period of economic and political uncertainty. In addition to increased stability being created in the entire region, it presents a perspective of regional economic development and EU integration. So far, Kosovo has been recognized by the most powerful nations worldwide and has become a member of international institutions such as the International Monetary Fund and the World Bank. The international presence in Kosovo is strengthening the stabilization process and the rule of law and is bringing legal security to foreign investments.



7 EU-compatible legislation

Since 1999, Kosovo's legal system has been re-built and is now completely compatible with the EU legislation. Foreign investors enjoy national treatment, protection against expropriation and nationalization. The repatriation of profits and transfer of invested capital is free and unrestricted. All laws and regulation in Kosovo are available online and in English, making Kosovo's legislation system the most transparent in the region



8 Strategic location and developing infrastructure

Located in the heart of the Balkans, Kosovo's capital Prishtina is one hour driving time to any neighboring country. Ongoing infrastructure projects include modern highway connections to Albania, Serbia, and Macedonia. The driving time to the Albanian Sea Port of Dures is three hours, and Thessaloniki Sea Port four hours. In addition, the recently concessioned Prishtina International Airport offers daily air connections to many major European cities.






9 Sound banking system

Kosovo's financial sector has been built on completely new foundations. All financial institutions in Kosovo are private and have remained stable despite the financial crisis. There are eight licensed banks, two pension funds, 19 other financial intermediaries, 28 financial auxiliaries and ten insurance companies in Kosovo. Six out of eight banks in Kosovo are foreign-owned.



10 Great investment opportunities

Kosovo is well endowed with natural resources and agricultural land. The sectors of agriculture, food and wood processing, construction, textile, IT, automotive components, energy, and mining offer the most opportunities for foreign investors. Bearing in mind the advantages of a young, skilled and multilingual population as well as the low taxes, IT-outsourcing is an interesting opportunity.



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