



Economy

Currency: EURO

Gross Domestic Product (GDP): In 2014 (est.): € 5.579 billion, Per capita: € 2,955, Growth rate: 3.3%
Mostly driven by private sector growth

Inflation: On average 2.5 % per annum over the past five years.

Financial Sector: Banking system consisting ten private Banks, 13 Insurance companies, two pension schemes and 18 micro finance institutions.

Enterprises: Over 50,000 active SMEs in 2014, app. 50 % of total SMEs engaged in trade industry. The number of SOEs in PAK's portfolio is 595, out of which 406 SOE were partially privatized, resulting with the sale of 763 New Companies and 451 Assets sold through liquidation sales.

Budget: In 2015 totalling app. € 1.6 billion.

Tax System: VAT Standart Rate 18 %; in basic living goods 8%; in basic living services and some other services including health services and education 0%; Income Tax progressive max. 10%; Mandatory contribution for employees minimum 5% to maximum 15% (obligatory 5%) of gross salaries.

Exemption on importation: Production lines and machinery for use in production process, Raw materials used for the production process; Information Technology equipment; Newspapers and periodic publications. Equipment and materials used for electronic and written media.

Tariff duties: 10 % customs duties on imports, no duties on capital and intermediary goods, and selected raw materials; Excise tax; on fuel, tobacco alcohol, and luxury goods. No duties and taxes on exports.

Free trade: Customs-free access to the EU market based on the EU Autonomous Trade Preference (ATP) Regime, Central European Free Trade Agreement – CEFTA and preferential treatment of exported goods in the US market. SAA Agreement has already been negotiated; bilateral agreement with Turkey (under ratification process)

Labour market: Average labour cost 416 Euro in 2014, skilled and well educated work force.

Location factors: Competitive, well educated and young workforce, enviable natural resources (mining, agriculture), low taxes and a transparent tax system, customs free access to the markets of CEFTA, EU and USA, Euro as official currency.



European Integration and Membership to international Bodies

Participant in the Stabilization and Association Process (SAP), the EU's policy framework towards the Western Balkans, by following the guidelines of steers Kosovo's reform process according to EU best practice and European legislation.

EU-Mission in Kosovo (EULEX) helping to strengthen rule of law.

Member of the World Bank and International Monetary Fund.

Negotiations for a trade agreement with the EU currently underway.



Judiciary

Applicable commercial Law: Built in compliance with EU-Legal Framework, all laws available online and in English.

Court structure includes the Supreme Court of Kosovo, Appeal Court and Basic Court. A Special Chamber of the Supreme Court deals with Kosovo Privatization Agency related matters. Arbitration disputes are handled by American Chamber of Commerce in Kosovo and Kosova Chamber of Commerce.



Security

App. 8000 Kosovo Police (KP) officers; 4500 NATO Peacekeepers, 1,950 international officials.

Specialized agencies, including Kosovo Anti-Corruption Agency, investigate misuse of public money and financial crime.



Telecommunication

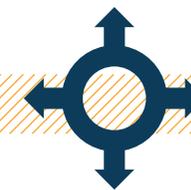
Telecommunication: Telecommunication market in Kosovo throughout 2014 has continued to record positive trends in some market segments of Electronic Communications.

Fixed network: The fixed network currently consists of 64,297 active telephone connections. Additionally, there are 341 pay phones located in public areas as well as in post offices. There are 5 authorized operators, PTK, IPKO, Kujtesa.Net, FiberLink and KONET. PTK holds 83% of the market.

Mobile Network: GSM-services in Kosovo are provided currently by Vala, a subsidiary of PTK, IPKO, a company owned by Slovenian Telecom, and two licensed virtual operators "Zmobile" and "D3 mobile". In addition operators Vala and IPKO provide UMTS and LTE services. VALA has over 924.000 users, whereas IPKO has gained over 630.000 users within eight years of its establishment. Vala and IPKO holds around 90% of the market.

Internet: Kosovo has over 50 authorized internet providers of which four of them have direct connection in International Gateway. The internet penetration on households is 64%. In the year 2014 the main providers of the market: IPKO 47.30%, PTK/TIK 17.70%, Kujtesa.Net 24.70%.

Source: Regulatory Authority of Electronic and Postal Communications



Transportation

Road network: The road network consist of 2.003,1 km, where the Motorway rods were 78,0 km, National 630,4 km and 1.294,7 km were Regional roads.

Railway: Combined length of 333 km. It covers the entire territory, connecting both the south with the north and east with west.

Air transportation: Prishtina International Airport is, with over one million passengers per year, one of the most frequented airports of the region.

Source: Kosovo Agency of Statistics (KAS)



Population

Population	1.8 million
Ethnic composition	90% Albanians, 5% Serbs, 2% Muslim Slavs (Bosniaks, Gorans), 2% Roma and 1% Turks
Distribution	42% urban, 58% rural
Diaspora	over 800,000 people living abroad
Languages	Albanian, Serbian, English.



Investment Opportunities

Kosovo offers excellent investment opportunities in agriculture, food processing, wood processing, ICT and shared services, construction, automotive components, textiles, tourism, mining, and energy.

For additional information on investment opportunities contact: KIESA at www.invest-ks.org



Education

The compulsory school and higher education systems have been reformed, lending great importance to their quality.

Currently Kosovo has six state universities and several private universities and colleges, with worldwide known educational institutions among them.

With more than 50,000 students at the six state universities, and at least 10,000 students at private universities and colleges a sufficient stream of highly educated labour is guaranteed.

OUR MESSAGE TO FOREIGN INVESTORS

The Kosovo Investment and Enterprise Support Agency (KIESA) is the primary Government Institution supporting foreign investments in the Republic of Kosovo. KIESA is responsible for protection and promotion of investments, supports application of public policies and programs for Micro, Small and Medium enterprises and develops policies related to establishment and development of economic zones.

Free-of-charge Services
Information on investment opportunities in Kosovo, business and legal environment, assistance with local authorities, after-care-services, etc.

INVEST IN KOSOVO.

For further information please contact:

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REPUBLIC OF KOSOVO
Ministry of Trade and Industry

KOSOVO
INVESTMENT
AND ENTERPRISE
SUPPORT AGENCY **KIESA**

FACTSHEET



GEOGRAPHY

Land area	10,908 km ²
Terrain	Low flood plains through central Kosovo, surrounded by mountains to the north, west and south.
Land Use	52% agriculture, 39% forests
Capital	Prishtina, est. population 200,000