



## 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. The highway which connects Kosovo with Albania is finished. Ongoing infrastructure project include modern highway connections to 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 the financial institutions in Kosovo are private and have remained stable despite the financial crisis. There are ten licensed bank, two pension schemes, 18 microfinance institutions and 15 insurance companies in Kosovo. Eight of ten 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.





## 1. Youngest population in Europe

Kosovo has the youngest population in Europe with 70 percent of the population being under the age of 35. Albanian and Serbian are the official languages, English and German are widely used. With six public and numerous private universities (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 guaranteed 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 446 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. Stabilization and Association Agreement (SAA) with the European Union (EU) – signed in October 2015, effective 1 April 2016.



## 5. Low taxes

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

The tax burden is very low:

- Personal Income Tax progressive max. 10 % ;
- VAT Standard Rate 18 %; in basic living goods 8%; in basic living services and some other services including health services and education 0%;
- Corporate income tax 10%
- Mandatory contribution 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.