



REPUBLIC OF KOSOVO

MINISTRY OF INDUSTRY,  
ENTREPRENEURSHIP AND TRADE

## FACTSHEET

# KOSOVA

**Lowest** operational cost in Europe

Free access to **520 million** EU consumers

Great **Investment Opportunities**

### Geography

Land area: **10,905 km<sup>2</sup>**

### Terrain:

Low flood plains through central Kosova, surrounded by mountains to the north, west and south.

Land use:

52%

agriculture

39%

forests

Capital: **Prishtina**

est. Population **1,773,971**

# ECONOMY



**Currency: EURO**

**Gross Domestic Product (GDP):**

**In 2021: € 7,957 million, per capita: € 4,485**

**GDP Growth 2021: 10.7%**

**Financial Sector: Banking system consisting 11 private banks,**

14 Insurance companies, two pension schemes and 11 micro finance institutions.

**Enterprises: Over 100,000 active SME-s in 2021,** app. 31.7 % of total SMEs engaged in trade industry. The number of SOEs in Privatization Agency of Kosova (PAK) portfolio is 592, out of which 377 SOE were partially privatized, resulting with the sale of 768 new companies and 1495 assets sold through liquidation sales.

**Budget: In 2021 totaling € 2,748 million.**

Tax System: VAT Standard 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: Exemption from customs duty for all manufacturers who import themselves or through contractors for: Raw material used in production, Semi-finished products used in production, Production machinery lines and 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; Furthermore production lines and raw materials are tax-free. 0% duties and taxes on exports. Excise tax: on fuel, tobacco, alcohol and luxury goods.

Free trade: Stabilization and Association Agreement (SAA) with the European Union (EU) – signed in October 2015, effective 1st April 2016. Kosova currently enjoys free trade within the Central European Free Trade Agreement – CEFTA. Autonomous Trade System of Preferences with EU, United States of America, Norway, Japan and Switzerland. This program of autonomous trade performances offers a custom free treatment for a wide range of Kosova products. Kosova has an agreement on free trade with Turkey and United Kingdom.

**Labor market in Kosova** - skilled and well educated work force: Average labor cost 466 Euro.

**Location factors:** located in the heart of the Balkans, Kosova's capital Prishtina is one hour driving time to any neighboring country. The highways connecting Kosova with Albania and North Macedonia are finalized. Kosova has enviable natural resources (Mining, Information and Technology, Wood Processing and 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

Implementing 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 practices and European legislation. In cooperation with EU-Mission in Kosovo (EULEX) helping to strengthen rule of law. Member of the World Bank and International Monetary Fund, EBRD, the International Development Association and the International Finance Cooperation.

Member of the Apostille Conventions from July 14th, 2016.

Kosovo is a member of the Council of Europe Development Bank (CEB) and the Venice Commission since 2014.



## JUDICIARY

Applicable commercial Law: Built in compliance with EU-Legal Framework, all laws are available online and in English. Court structure includes the Supreme Court of Kosovo, Commercial Court, 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 Kosovo Chamber of Commerce.



## SECURITY

Approximately 8176 Kosovo Police (KP) officers; app. 5000 NATO-KFOR, Peacekeepers, 1950 international officials  
Specialized agencies, including Kosovo Anti-Corruption Agency, investigate misuse of public money and financial crime.



## TELECOMMUNICATION

Telecommunication sector in Kosovo is dominated by the Post Telecommunications of Kosovo PTK and IPKO. The PTK was incorporated in 2005 and is still a fully state owned enterprise. It provides various telecommunication services ranging from fixed telephony, mobile telephony and internet.

**Fixed network:** The fixed network currently consists of 10,298 active telephone connections. Additionally, there are 328 pay phones located in public areas as well as in post offices. There are 5 authorized operators, Telecom of Kosovo, IPKO, Kujtesa, Fiber Link, KONET, Art Motion and TelKos. Telecom of Kosovo holds 80.5% of the market.

**Mobile network:** GSM-services in Kosovo are provided currently by Telecom of Kosovo (TiK), IPKO, a company owned by Slovenian Telecom. In addition operators TiK and IPKO provide UMTS and LTE services. TiK has over 1,018,324 users, whereas IPKO has gained 592,876 users within nine years of its establishment. Vala and IPKO holds more than 90% of the market.

**Internet:** Kosovo has over 54 authorized internet providers (ISP) of which four of them have direct connection in the international gateway. In 2020 a study conducted by the Kosovo Statistics Agency shows that percentage of families that have access to the internet at home is 96.4 %, the highest internet penetration in Europe.

Source: Kosovo Statistics Agency.



## TRANSPORTATION

**Road network:** consists of 2,378.7 km, where the Motorway roads were 755 km, National 137.7 km and 1.485 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:** Pristina International Airport, with over two million passengers per year, is one of the most frequented airports in the region.

Source: Kosovo Statistics Agency

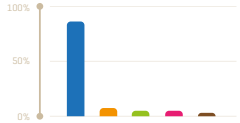
# POPULATION



Population: 1,773,971

Ethnic composition:

- 90% ● Albanians
- 5% ● Serbs
- 2% ● Bosniaks, Gorans
- 2% ● Roma
- 1% ● Turks



Distribution:



Languages:

- Albanian
- Serbian
- English

Diaspora: over 1,000,000 people living abroad.

# INVESTMENT OPPORTUNITIES



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

For additional information on investment opportunities contact KIESA at: [info.kiesa@rks-gov.net](mailto:info.kiesa@rks-gov.net)

# EDUCATION



The compulsory school and higher education systems in Kosova are being reformed continuously while landing great importance to their quality.

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

With more than 54,000 students, a sufficient stream of highly educated labor is guaranteed. The number of graduates is increasing continuously, with social science graduates over-performing those studying the natural sciences.


## OUR MESSAGE TO FOREIGN INVESTORS


Kosovo Investment and Enterprise Support Agency - KIESA is the primary Government Institution supporting foreign investments in the Republic of Kosova. KIESA is the Kosovar state agency mandated to promote and support investments, exports, tourism, SMEs, and economic zones in the Republic of Kosova.

### Free-of-charge Services:

Information on investment opportunities in Kosova, business and legal environment, assistance with local authorities, after-care-services, etc.

# INVEST IN KOSOVA

 Lagjja e Spitalit, "Arbënor e Astrit Dehari" Street, no. 21,  
10000 - Prishtina / Republic of Kosova

 +383 (0) 38 200 36 585  
+383 (0) 38 200 36 542

 [info.kiesa@rks-gov.net](mailto:info.kiesa@rks-gov.net)

 <https://kiesa.rks-gov.net>  
<https://mint.rks-gov.net>

