

European Investors Council Monthly Newsletter



The August edition of the Newsletter of the European Investors Council (EIC) includes an editorial written by EIC that focuses on latest cultural events “Sunny Hill Festival” and “Manifesta 14 Prishtina” and their economic impact. This edition of the Newsletter includes an exclusive interview with Mr. Senad Ramaj, CEO of the Public-Private-Partnership, Eco-Higijena. The Newsletter furthermore goes on to focus on news from EIC members, and other important news related to the business environment and investment climate in Kosovo and beyond.



The economic impact of cultural events: Sunny Hill Festival and Manifesta Biennale in focus

Different cultural events happening this summer in Kosovo have proven to be attractive tourist destinations, thus influencing a boost on the revenue of the local economy, while at the same time planting a sense of cultural exchange between locals and foreigners. Such events are seen to have brought significant socio-cultural impacts in the community. The successful hosting of this year's Sunny Hill Festival, as well as Manifesta Biennale, are indicators that Kosovo has the potential to create a thriving tourism industry.

The benefits from these cultural events are manifold. This year's edition of the Sunny Hill Festival brought to Kosovo people of 60 different countries from all over the world, while contributing to the promotion of the image of Kosovo, as well as bringing extra economic benefits. The founder of this event, Dukagjin Lipa, has noted that the previous edition of the festival held in Prishtina, which was smaller in terms of attendees, generated at least 10 million euros for the country's economy. The turnout for this year's edition of the festival is expected to be even larger, considering that the number of attendees was notably higher as compared to the previous edition.

Sunny Hill Festival also contributed to raising awareness about Kosovo's visa liberalization situation. This year, the festival set the motto #SetMeFree as a plea to the European Union to liberalize visas – a request also made by participants and singers who appeared on stage.

Moreover, the world's only nomadic biennial, Manifesta, for its 14th edition is taking place for the first time ever in Prishtina. Manifesta, the European Biennial of Contemporary Art, aims to promote contemporary arts as a force for social and economic change. Contributing to the long-term development of a host city is one of Manifesta's overarching goals. The hosting of this cultural event is a major matter for the country, considering that this is the first time it is being hosted in the Western Balkans Region. Manifesta 14 has brought many foreign visitors to Prishtina so far, and it should bring even more until its due date. The event opened on 22 July, and will remain in Kosovo until 30 October 2022.

In addition to the cultural and social value that Sunny Hill Festival and Manifesta Biennale have added to the country, they can both be considered as sources for producing economic flow, represented by the additional income they have brought to the local community. Since the Sunny Hill Festival is being organized in Kosovo on a yearly basis, we can expect a direct economic impact from this event to occur every year. Different cultural events can be seen as instruments for economic development, considering their influence in tourism development, country image improvement and overall economy boosting.



Interview with Mr. Senad Ramaj, CEO of the Public-Private Partnership Eco-Higjiëna

The current state of waste management in Kosovo is problematic, posing significant threats for the environment and the public health. Eco Higjiëna is a public-private partnership that deals with waste collection. Could you let us know about the work you have been doing so far?

Everyone is responsible to protect the environment, and demand responsibility for it. Awareness for protecting the environment should start from the family, schools, and institutions. Kosovo is a new state with a young population and very dynamic life, and this is exactly what causes significant and diverse amounts of waste. While in the EU there is a categorization of waste and its management, in Kosovo there is a categorization of waste, but not an implementation of further management and monitoring for it. This will be a challenge during this decade for the whole society, in order to prevent further degradation and contamination of the environment. Waste should be turned into raw material, so that we can gradually deposit only about 10% of it in landfills.

If we consider the existing problems of the time 10 years ago when we started Eco-Higjiëna, I can say that we encountered many difficulties. At that time, we analyzed the whole situation and rolled up our sleeves in the full sense of this sentence to solve waste management problems one by one. The reorganization of work and the preparation of the financial plan was immediate; we set mandatory priorities and started their strict implementation. Despite objective difficulties, others were also created from the outside and the inside. However, we did not waver from our purpose and attitude.

Eco Higjiëna is one of the first public-private partnerships in Kosovo. How has this business model worked out for you?

Eco-Higjiëna was founded as an enterprise in the collection and transportation of waste, with the possibility of its treatment. After a successful negotiation, our company turned in a Private-Public Partnership in 2012. A few weeks ago, we celebrated

the 10th anniversary of the establishment and operation! It was a special pleasure to see the happy and confident faces of all staff. When we started, the rate of collection was below 50%, and only around 17,000 customers were served. Today, the collection rate is over 94% of issued invoices, and the number of customers has increased to 28,000, extending the service to the most remote rural areas.

Old obligations to suppliers and institutions have been fulfilled since 2 years ago and since that period; the company only has current obligations within a month. There are many such joint ventures in Serbia, Hungary and almost in the entire Eastern and Western EU. Whether it is an adequate model or not, it can be assessed when taking into consideration the rate of its success when it was public, as compared to now that it is a public-private partnership. We believe that the Eco Higjiëna is a successful PPP project.

Apart from handling waste, what other services does Eco Higjiëna provide, and are you planning any new projects?

Eco-Higjiëna used to perform the maintenance service of public surfaces, parks and green spaces and the maintenance of summer-winter roads as well as the management of green markets. In recent years, apart from the management of the green markets in Vitia and Kamenica, the municipalities have given other services to other operators to carry out. So, our company mainly deals with the collection and transportation of municipal waste. We hope that we will be the first enterprise in cooperation with the Municipality of Gjilan that undertakes the initiative to make the separation of some fractions of waste, in order to reduce the volume of waste for disposal in landfills. Waste separation creates jobs, so municipalities should really consider this activity.

To your view, what should be changed further in order to see positive trends and improvements regarding environmental challenges in Kosovo, especially waste management?

First of all, we need to change the current approach to the environment and to treat it the same way we treat our house, our yard or our private fields and

mountains. We protect them at all costs! Media and social networks play a big role in this. Our country is a small space in terms of territory, and its environment does not deserve to be treated as it is being treated now. Moreover, waste should be thrown where it is supposed to be thrown. I think that policymakers should create the frameworks and define the objectives in the waste sector, while private sector companies should be engaged to carry out the work in this regard.

What is a lesson you have learned from dealing with recent crises, first the COVID-19 outbreak, then Russia's invasion of Ukraine, both affecting the global supply chain?

The outbreak of Covid-19 was something unknown for us, as it was for the whole world. On one side were the measures that were set and had to be respected and on the other side, the service that had to be performed. However, what we did, respectively, what I asked from the managerial staff and all other operative colleagues, was not to fall into the traps of rumors and not to listen to fabricated information, which is intended to cause panic. Personally, I was always with the staff and motivating them. The situation in Ukraine caused another wave of global worries and problems. We are feeling it the most because of fuels and lubricants as well as repair parts and servicing.

Eco Higijena is a member of EIC. What is your message to the readers of the Newsletter of the European Investors Council?

We mentioned crises above. In crises, there are also opportunities. Right in the middle of the crisis, we invested in waste collection equipment and vehicles. This year we invested in IT system equipment. The equipment so far were used for almost 9 years and it was time to invest in sophisticated equipment. The nature of our activity, despite the crises we went through and are going through, has proven to be a safe and stable place of work.

From the experience so far, it can be observed that in Kosovo you can invest and earn! I consider that the PPP Model is a challenge but also an opportunity for both the foreign investor and the local or central institutions for economic development and job creation.

I would conclude with a quote from Bill Gates, which says:

"Some people do some things right. Very few people do everything right. At least we did most things right."

I think, that we have done most of the things right, otherwise we would not be here today. Kosovo has a young and dynamic population, eager for construction and development. This potential and opportunity should not be wasted.



Mr.Senad Ramaj, CEO of the Public-Private Partnership Eco-Higijena

IPKO is ready to offer the 5G experience

IPKO Telecommunications L.L.C has successfully completed the testing of the fifth generation (5G) mobile network technology.

IPKO Telecommunications L.L.C is the first operator in Kosovo that has successfully completed the testing of the fifth generation (5G) mobile network technology, which has reached an impressive speed of 1.2 Gb/sec. The fifth generation (5G) mobile network technology represents a fundamental re-architecture of the network approach by leveraging key innovative technology trends. In accordance with the latest technology trends, IPKO has adapted the latest mobile network technology and now positions Kosovo on the world map of 5G.



5G technology is much more than the generation of wireless technology; it is the beginning of a journey towards amazing speeds and even more reliable mobile connection, raising the quality of services for the consumer. As the company with the most advanced infrastructure in the country, IPKO will soon be ready to enable its customers to experience the latest technology. IPKO is the largest foreign investment company in the country, which for 15 years of its operation has managed to invest 400 million euros in mobile and fixed infrastructure, and still continues to expand.

Tomaz Seljak, executive director at IPKO, has said that IPKO will switch to the 5G network as soon as possible. "We always want our customers to have the best possible mobile internet experience and we are very happy to enable them with the next generation technology through the 5G network. In addition, to meet the demand for higher Internet speeds at home, we are also investing in fiber optic infrastructure and

continue to expand the coverage and capacity of the 4G network," continued Mr. Seljak.

IPKO Telecommunications L.L.C continues to be the leading operator in Kosovo and is fully committed to providing its customers with the best quality of service and customer care, as well as simplifying and improving the quality of life. IPKO covers 90 percent of the country with fixed and mobile services. IPKO is the most innovative operator in the introduction and implementation of modern technologies, the leader, who for the first time managed to offer 3G and 4G in Kosovo, and now the first operator who has successfully completed the testing of the 5G mobile network in Kosovo.

ProCredit Bank, the first financial partner of GROW

The Kosovo Credit Guarantee Fund (FKGK) and partners launched the new bank guarantee window GROW - Green Recovery Window; which will support Kosovar businesses' investments in efficiency and renewable energy sources. ProCredit Bank, as the first financial partner, will provide support and facilitation of access to finance for small and medium enterprises that plan to invest in energy efficient equipment and other technologies that use renewable energy sources, through the GROW project.

GROW or Green Recovery Opportunity Window is a guarantee fund that supports investments in renewable energy sources or measures that increase energy efficiency. The development of Green Recovery projects will influence the flow of much-needed investments for small-scale renewable energy production and energy efficiency projects in Kosovo, enabling the private sector and SMEs, saving energy, increase their competitiveness and as a result promote national economic growth and greater energy security as well as reduction of carbon in the atmosphere.



UBT is again ranked as the first private higher education institution in Kosovo, based on scientific performance

UBT has been ranked as the first private higher education institution in the country for scientific performance by the platform "The AD Scientific Index", which has a ranking and analysis system based on scientific performance, thus evaluating the productivity and scientific work of academic institutions and individual scientists.

Based on this ranking, UBT leads this list together with the University of Pristina, proving the high quality and commitment around the formation of an ecosystem that connects innovation, science, and entrepreneurship.

In this ranking of educational institutions by "The AD Scientific Index", the academic staff of UBT is ranked first in most fields, including the fields: Business & Management and Strategic Management. This report of "The AD Scientific Index" evaluates the competence of educational institutions to attract valuable scientists, as well as their ability to encourage scientific research and support scientists.



Eurozone inflation forecast to stay higher for longer as gas prices surge

Economists predict consumer prices will exceed 10% this year, and recession will hit bloc in 2023. Eurozone inflation will hit a double-digit rate in the autumn and remain higher for longer because of the surge in gas prices, economists have warned.

The higher inflation expectations are putting pressure on the European Central Bank to consider a bigger rise in interest rates despite many economists forecasting an increasingly deeper recession as soaring energy prices hit business and consumer activity.

ECB policymakers warned at last weekend's gathering of central bankers at Jackson Hole, Wyoming, that greater sacrifices in terms of lost growth and jobs will be needed to bring inflation back under control.

Many economists, who have also revised up their inflation forecast for next year, now predict that the annual change in consumer prices will accelerate from July's record level of 8.9 per cent to above 10 per cent in October. They expect August's inflation figure, to be released on Wednesday, to reach 9 per cent.



 European Investors Council
Tringë Smajli, nr. 23

 +383 49 632 777
+383 49 398 600

 EICKosovo  www.eic-kos.eu

