

FOCUS

Monthly Newsletter - January 2023 Edition

Volume 27 | 01/02/2023



sweden
2023
Swedish Presidency of the Council
of the European Union

Welcome to the January 2023 edition of FOCUS, the European Investors Council's monthly newsletter! This month, we bring you a wealth of information and insights on the latest developments in the council's activities. From a joint event with the Swedish Embassy, where we discussed Sweden's plans since taking on the Presidency of the Council of the European Union, to a meeting with Minister of Finance Hekuran Murati to discuss the current state of the economy. Our publication also includes an in-depth interview with the Managing Director of Moxico Luma Mining, the first Strategic Investor of Kosovo, and updates from our valued members. Get ready to stay informed with the FOCUS of European Investors Council.



EIC Collaborates with Swedish Presidency to Strengthen EU-Kosovo Relations and Encourage Investment

The European Investors Council (EIC) co-hosted an event with the Embassy of Sweden in Pristina to discuss the plans and priorities of the Swedish Presidency of the Council of the European Union. The event was attended by His Excellency Swedish Ambassador Jonas B. Westerlund, His Excellency EU Special Representative Tomáš Szunyog, and His Excellency President of Kosovo Vjosa Osmani. The main topic of discussion was to explore ways to strengthen cooperation between Swedish and EU states, and to attract new investors to Kosovo. EIC is committed to supporting the growth and development of Kosovo, and to creating investment opportunities for those interested in the region. EIC is confident that with the support of the Swedish Presidency, Kosovo will become an attractive destination for investors who are looking to expand their operations and create new business opportunities.



EIC Members Meet with Minister of Finance to Discuss Business Climate and Future Opportunities in Kosovo

Members of the European Investors Council had the opportunity to meet the Minister of Finance, Labour and Transfers, Mr. Hekuran Murati, and members of EIC., and discuss together the experience of doing business in Kosovo from the perspective of European investors, as well as share and share their experiences, barriers, suggestions for improving the business environment in the country.

Minister Murati informed the business community about the latest economic developments in the country, as well as the measures taken by the Government of Kosovo to face the global inflation and energy crises.

Important issues were also raised by EIC members such as fighting the informality, improving digital infrastructure, it was also emphasized the importance of pushing forward the implementation of ESG.

The EIC Executive Director thanked the Minister for the meeting and the willingness to deepen cooperation with foreign investors in Kosovo and the business community.



Burim Asllani, Managing Director of Moxico Luma Kosovo Mining L.L.C.

Interview with Burim Asllani, Managing Director of Moxico Luma Kosovo Mining L.L.C.

1. Moxico Luma Kosova (MLK) Mining has recently obtained Strategic Investor status in Kosovo. Can you let us know about this process, namely about the special incentives and benefits this title provides for both the company and the citizens of Kosovo?

MLK Mining LLC and its shareholders, consider Kosovo as a strategic location for its investments. Therefore, the latest decision of the Government of the Republic of Kosovo for granting the Status of Strategic Investor for MLK Mining LLC is received and considered of high importance and achievement, and a first step on the path of future modernization of the Kosovo mining industry. For what at the same time also high responsibility. The process itself was not the easiest, especially when considering the time from application up to the final evaluation and approval. It was strongly impacted by Covid19 pandemic, nevertheless, we do expect the complete process to go as planned.

The Law on Strategic Investment in Kosovo aims to create better conditions for the implementation of key projects for the country's development. As a Strategic Investment, it is foreseen to benefit from various assistance on administrative procedures when it comes to licenses, permits, and other authorizations from public institutions, as well as more accelerated procedures when it comes to examining applications during the preparations and implementation of the project. Taking into consideration the nature of the project to be developed by MLK Mining LLC those steps are critical. MLK Mining LLC's mission is to develop a sustainable, environmentally friendly, modern industry. The Company's vision is to implement an innovative approach to the mining and processing sector, setting development trends and values by promoting respect, sincerity, tolerance, and diversity.

This investment will not only develop the Kosovo industry, strengthen the country's economic growth, and provide new job opportunities but will create an outstanding example for future investors and promote Kosovo on a global scale.

2. MLK Mining is highly committed to operating transparently and responsibly whilst upholding good business practices. Can you let us know what measures have been taken to ensure the sustainable development of the Vicianum mining project?

ESG aspects – related to environmental, social, and governance metrics are of critical importance for the investor, therefore they will be properly measured and reported to all stakeholders involved. A proactive approach, ongoing dialogue with community representatives, and structured and efficient value-added support implemented together with local government authorities – are one of our top priorities.

On the CSR Policies of MLK Mining LLC, the long-term community sustainable economic development is based and relies on the support of community and local administration on the diversifying of the local economies.

Relying on the conditions of the targeted areas, more precisely in the wider region of Shala e Bajgores, we will use all our professional human resources, experts, and relevant local administrations, to reach the best Community Support Programs.

A special focus will be given also to cooperation with the University of Mitrovica (UMIB) where we have students of geology, mining, environmental protection as well as metallurgy. With the initiative of MLK, we have already signed a Memorandum of Cooperation with UMIB, through which cooperation we aim to integrate the students into practice and professional, which will reflect in the sustainable development of the project itself as well as society.

Traceability measures based on blockchain solutions will be implemented not only to report and present future product passports but to enable its users and access to the product history and details related to its Kosovo origin.

3. Kosovo's mining industry is a significant contributor to the country's economy. What are the main challenges you see for the mining industry in Kosovo, and how do you think they should be addressed?

The mining industry and mining professional community in Kosovo will benefit directly from new technologies and world-class know-how to be implemented within the project. Holistic exploration and modernized mining will create a space for new investment in the added value generation, modernization, and development of the lead and zinc metallurgical processing units.

Kosovo has tremendous potential related to its mineral reserves, which should be developed sustainably and smartly. We must remember that without the mining of critical metals, the green energy deal will never happen, therefore Kosovo should use its potential and play a significant role in the European green transition.

In the last decades, Kosovo mining wasn't actively developed, and the sector needs serious investments, planning, and strategic decisions. Kosovo and Kosovars should benefit from the knowledge developed by key European Institutions, like for example EIT Raw Materials, to speed up the processes and implement proven solutions.

With the increase of the overall mineral ore reserves and ore production of Pb-Zn, the Country will enable new investments opportunities in the metallurgical processing and metal processing industry.

A vertically integrated business line, covering exploration assets, mining assets, and metallurgical units is an option to be implemented in Kosovo, and MLK Mining investors have significant experience in that field.

This is where we see the future of the mining industry in Kosovo – modern mining and added value generation for the stability and security of European sources of critical metals.

4. Overall, how does MLK Mining LLC ensure that Environmental, Social, and Governance (ESG) aspects are integrated into your strategy and operations?

As mentioned previously, our project and planned investment are based on a strong ESG fundament. The company will be publicly reporting its ESG metrics to all of its stakeholders.

We have identified eight main areas from UN Sustainable Development Goals that are directly impacted by the Company's line of business and where it can contribute the most, including good health and well-being (Goal 3), quality education (Goal 4), gender equality (Goal 5), decent work and economic growth (Goal 8), industry innovation and infrastructure (Goal 9), responsible consumption and production (Goal 12), climate action (Goal 13), and last but not least partnership for the goals (Goal 17). Implemented policies are guaranteeing the highest standards of operations.

MLK Mining will implement responsible and sustainable environmental practices, starting from its exploration project through mining practice and processing. During each phase of our operations, the environmental protection plan is taken with very high professionalism. Therefore, not only are we capable and willing to respect the laws in force, but with our operations, we aim to bring new and higher standards of environmental protection.

In MLK we will be implementing a Quality Control policy, its implementation will be the main responsibility of the Environmental Engineer. This makes it possible to have under regular control and supervision all the activities during the exploration phase as well as during the mine preparation. Exploration & mining projects deliver significant direct and indirect economic benefits to people living in the immediate and surrounding areas and are often the key economic drivers of the communities and regions.

The Company plan to provide support for educational endeavors, such as cooperation with Kosovo, UK, and EU universities, internship programs, and scholarships for promising, engaged students and young professionals.

Our goal is to create value for society beyond our direct economic impacts. The Steering Board of our Consortium – MLK Mining LLC, is encouraging our employees to participate in voluntary activities, where the actions are coordinated by a Senior Community Relations Officer assigned to that task.

Future CSR projects will be based on a constant dialogue with community representatives –structured and efficient support will be implemented jointly with local government authorities. MLK will also focus on cooperation with chosen non-governmental organizations, with proven track records and important missions.

5. MLK Mining is a member of EIC. What is your message to the readers of the Newsletter of the European Investors Council?

MLK Mining is in close cooperation with the EIC since the end of the year 2021 and we highly evaluate and appreciate all the support we have been provided ever since. We believe that the readers of the EIC Newsletter will always find good and interesting information in the Newsletter as well as a very efficient partner in EIC.

MLK Mining will be happy to continue its cooperation with EIC and look forward to a more efficient collaboration, especially with joint efforts in promoting the economic growth of Kosovo and implementing joint social and development programs, where we see a lot of cooperation with EIC in near future.



Mastercard expands e-commerce access opportunities for Kosovars

The Paysera Kosova Financial Institution, as of August 29, 2022, is licensed as Principal, "Issuer and Acceptor" of Mastercard cards. Also, Paysera Kosova has managed to successfully carry out technical integrations to offer advanced card services to its customers by the end of January 2023.

Paysera Kosova has assessed as necessary the advancement of services for the acceptance of cards, where now the possibility of acceptance with Mastercard will be added to the Payment Gateway.

Mastercard Inc. is the second largest Payment Processing Corporation worldwide. Headquartered in New York, it offers a range of financial services. Worldwide, its core business is to process payments between merchant banks and card-issuing banks or credit unions of shoppers who use Mastercard-branded debit and credit cards to make purchases. Mastercard has been in public use since 2006.

After the e-commerce part, Paysera Kosova will continue with additional and advanced card functions that are not yet applicable in the Kosovo market. Developments and advancements in payment services are of great importance in raising the capacities of online digital commerce and enabling new businesses and individual businesses easy and fast access to international markets.

Paysera Kosova, for e-commerce services, offers a very advanced and easy technology, where you can connect your website to Paysera's payment gateway and start online services within 20 minutes. This whole process in the past has taken 3 to 6 months from Traditional Banks, and the approval and service process has been and is currently very complicated.

Paysera is also connected to "Shopify" and allows you to build websites and then you can select Paysera, which will enable you to accept payments from many ways, and now also from Mastercard. Paysera Kosova continues to bring to Kosovo the latest payment innovations and the latest trends for global digital services.



ProCredit group joins the Net-Zero Banking Alliance and commits to set near- and long-term emissions reductions company-wide with the Science Based Target initiative (SBTi) Net-Zero Standard

In line with its commitment to a climate-positive future and confirming its net-zero ambition, ProCredit Holding AG & Co. KGaA (ProCredit Holding), the parent company of the impact- and development-oriented ProCredit group, has joined the Net-Zero Banking Alliance (NZBA). This industry-led, UN-convened alliance of banks worldwide is committed to aligning their lending and investment portfolios with net-zero emissions by 2050 or sooner. This is in accordance with the most ambitious targets set in the Paris Climate Agreement. Furthermore, the ProCredit group has committed to set its future near- and long-term emissions reductions in accordance with the Science Based Targets initiative (SBTi) Net-Zero Standard, as part of the Business Ambition for 1.5°C and UNFCCC Race to Zero campaign. The SBTi has yet to approve the targets.

With over 124 members from 41 countries and USD 73 trillion in total assets, representing 41% of total global banking assets, the Alliance is a critical step in the mobilization of the financial sector for climate action. It recognises the vital role of banks in supporting the global transition of the real economy to net-zero emissions, encompassing both operational and attributable emissions and including Scope 3 emissions.



Protecting Your Business from DDoS Attacks: How IPKO's Modern Solution Keeps Your Online Services Safe

The increase of internet use and online services makes the security of systems and internet connection the main concern of companies. The most sensitive point of internet access is exposure to cyber attacks, especially the DDoS type. Some of the most common attacks in the digital world are DDoS attacks – viruses, malicious codes, etc. In the event of an attack, the attacker generates a large amount of fake data traffic, which is usually greater than the internet connection capacity that the company has leased to use for its services. As a result, the attack makes it impossible to provide online services to customers. In order to prevent such attacks, IPKO has implemented a modern solution for preventing and avoiding DDoS attacks.

IPKO is the only operator providing such a service in Kosovo and the region. How does DDoS protection work? DDoS attack prevention works by clearing and redirecting the user's internet traffic to a network secure from attacks. In the event of an attack, protection is made to enable all traffic destined for a particular user to be diverted to a DDoS.



Euro zone business activity back to growth in January - PMI

Euro zone business activity made a surprise return to modest growth in January, adding to signs the downturn in the bloc may not be as deep as feared and that the currency union may escape recession, a survey showed.

S&P Global's flash Composite Purchasing Managers' Index (PMI), seen as a good gauge of overall economic health, climbed to 50.2 this month from 49.3 in December.

January was the first time the index has been above the 50 mark, which separates growth from contraction, since June and the reading was ahead of the median Reuters poll forecast of 49.8.



Belgian companies say weather beginning to have an impact on their business, EIB survey shows

European Investment Bank (EIB) launched its annual investment survey at an event organised with the National Bank of Belgium today. Keynote speeches by EIB Vice-President Kris Peeters and National Bank of Belgium Governor Pierre Wunsch, as well as presentations by staff of both institutions, described the state of the Belgian economy and companies' perceptions of the challenges they face. The survey interviewed over 12 000 companies across the European Union (including 482 in Belgium) and 800 US firms.

One of the main results of the survey is that over half of all companies in Belgium (53%) report that weather events have an impact on their business. Belgian firms are nevertheless addressing this issue and are more likely than the average EU firm to have an adaptation strategy for physical risks (19% vs. 14%) and to have invested in solutions to avoid or reduce exposure to physical risks (26% vs. 20%).

Further key points include that the corporate sector navigated the pandemic better than expected, but the economic outlook has been turning fast, testing firms' resilience. As expected after the Russian invasion of Ukraine and its effect on the energy sector, the cost of energy is a key constraint for firms, together with uncertainty and the availability of skills.

 European Investors Council
Tringë Smajli, nr. 23

 +383 49 632 777
+383 49 398 600

 EICKosovo  www.eic-kos.eu

