

## European Investors Council Monthly Newsletter



It is my pleasure to introduce, the White Book 2020 edition published by the European Investors Council. EIC is the main business association representing the EU and EFTA firms in Kosovo to create more jobs. The main objective of EIC is to make Kosovo a more attractive place to do business while supporting business reforms in line with the EU directives and best business practices, which lead to job creation and economic growth for Kosovo.

Adoption of efficient and cost effective legislation will significantly contribute more jobs being created and higher economic growth for Kosovo. Our recommendations in the White Book will lead to a reduction of business costs, reduction of risk and uncertainty and fair competition in the free market economy. Such business reforms will mean increasing profits to the firms thereby increasing investment inflows, job creation, and more tax revenues for the state budget. In addition, reducing the risks which are produced by a poorly drafted legislation and frequently changing government policies will have an impact on the value of capital and the number of investments in the market.

**Visar Ramajli, Chairman of the Board, European Investors Council**

## EIC published the White Book 2020 addressing 30 issues to improve business environment

The European Investors Council published its second edition of the White Book. This strategic document provides over 30 specific recommendations for improving the business environment in Kosovo. These recommendations range from reducing business costs and the administrative burden, to ensuring fair competition in a free market economy, strengthening the rule of law, increasing competitiveness and creating jobs.

The EU ambassador to Kosovo and EU special representative, Mr. Tomáš Szunyog as a guest of honour to this event said that this publication addresses key issues that have been discussed by EIC for a number of years already and assesses the progress made so far.

***"Most importantly, this publication is intended to serve as a tool for the Government, helping it to be better aware of the hurdles that foreign investors encounter when doing business in Kosovo,"*** said ambassador Mr. Szunyog.



The Ambassador of European Union in Kosovo, Mr. Tomáš Szunyog

This is a clear limitation for attracting business to Kosovo and a clear call for the Government of Kosovo to lead and push for the necessary reforms, in partnership with the local and foreign Investors, he said.

The Kosovo Prime Minister Mr. Avdullah Hoti praised the work of EIC in preparing the White Book 2020. He pledged that the government he led will treat with seriousness findings and recommendations addressed in this document by foreign investors. ***"EIC is becoming a strong voice for the interests of foreign investors in our country,"*** said Prime Minister Mr. Hoti.



The Prime Minister of Kosovo, Mr. Avdullah Hoti

In his speech the Vice Chairman of the Board of EIC, Mr. Robert Wright, as well the CEO of Raiffeisen Bank in Kosovo pointed out the importance of the White Book 2020 in improving the investment climate in Kosovo. ***"This publication aims to contribute in a long-lasting and structured dialogue and partnership between private sector and the Government of Kosovo,"*** said Mr. Wright.

In this event with limited number of participants due to the pandemic, was invited the chief for Kosovo of the EBRD, Mr. Neil Taylor, and in his speech he confirmed that this financial institution remains a serious partner and committed to advance economic processes in cooperation with Kosovo institutions, to promote the economic development of Kosovo.

The CEO at EIC Mr. Emrush Ujkani who presented key aspects of this document, emphasized that EIC will continue to work in establishing a favourable environment for FDI.

The White Book has seven main objectives, aiming to stimulate a more investor's friendly environment in Kosovo, and create more business opportunities. The full document can be found at our website: <https://eic-kos.eu/>



Publication of White Book 2020. Present in the event were: Mr. Tomáš Szunyog, Mr. Avdullah Hoti, Mr. Neil Taylor, Mr. Vadim Deleu, Mr. Robertt Wright and Mr. Emrush Ujkani

## EIC hosted a meeting between the insurance sector and the EU Office in Kosovo

December 11<sup>th</sup>, 2020

Legal structure in the insurance sector and liberalization of the market, were the main themes discussed during the meeting between the deputy head of the mission of the EU Office in Kosovo, Mr. Riccardo Serri and the heads of three insurance companies in Kosovo, Mr. Shpend Balija, CEO at “Illyria” Mr. Saimir Dharmo “Sigal Uniq Group Austria” and Mr. Genond Mesareja “Sigma Vienna Insurance Group” The meeting was hosted by the CEO of EIC, Mr. Emrush Ujkani. Representatives of these leading insurance companies in Kosovo emphasized the need to adopt new legislation that addresses more clearly the claims for compensation.



Zoom meeting with the Insurance Companies and the EU Office in Kosovo

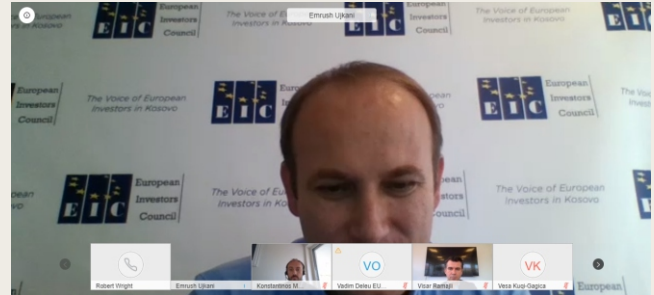
Another important issue that was discussed during this meeting was liberalization of the market, on which issue, participants agreed that there is a need for an analytical approach in coordination with relevant institutions. Strengthening and improving regulatory institutions in the insurance Industry were considered important steps to be taken. The executive director Mr. Ujkani, stated that, EIC will continue to contribute in creating more suitable conditions for foreign investors and the possibility of creating various facilities for the insurance industry in Kosovo.

## The EIC reps. met virtually with country manager of the European Investment Bank

November, 2020

The European Investment Bank is one of the main financial supporters for the Western Balkans, and its funds will be delivered through a number of financial institutions across the region. The European Investors Council representatives, Mr. Emrush Ujkan and Mr. Visar Ramajli, conducted a zoom meeting with the Country Manager for Kosovo of the European Investment Bank, Mr. Konstantinos Mastrogiannopoulos. The focus of the meeting was the economic recovery process in Kosovo from the perspective of the EIB. A special importance

was paid to applicable investments that we will be able to benefit from the European Investment Bank, especially the private sector and beyond. The EIC is committed to facilitate dialogue with the country's institutions, with the EU office, EBRD International Monetary Fund and European Investment Bank.



Virtual meeting of EIC and European Investment Bank

The European Investment Bank Group will provide **€1.7 billion** to support the Western Balkans in the social and economic recovery from the COVID-19 pandemic. This is part of the €3.3 billion financial support package for the region announced on April 29<sup>th</sup>, 2020 by the European Commission. In that context, the EIB has put in place two facilities to support the Western Balkans region, as an immediate response to the COVID-19 pandemic. Up to EUR 500 million address urgent needs in supporting the health care systems and other activities directly linked to the outbreak of the disease, as well as to support the economic recovery, with particular focus on SMEs and the public sector.

## EIC will join European Industry Week 2021 aiming to increase competitiveness

The European Investors Council has been selected to organize the conference *"Increasing Kosovo's economic competitiveness in post-Covid-19 era"* This event will take place under European Industry Week 2021 and will therefore be labeled as a EU Industry Week event and promoted on the EU Industry Days website. Over the past years, the European Commission has organized EU Industry Days as an opportunity for stakeholders and citizens from all over Europe to establish a strong dialogue on the future of European industry. The 4<sup>th</sup> edition of EU Industry Days will focus on the accelerated twin green and digital transition, and the changing global competitive landscape in the post-COVID context. Against this background, it will provide important input for the update of the EU industrial strategy announced by European Commission President Ursula von der Leyen. Taking into account the uncertainties related to the current pandemic, the event will take be organized virtually between 22 and 25 February 2021. The programme will be co-created by the European Commission and industrial stakeholders.



**NLB will finance €16.5 million to build the Courtyard by Marriot hotel, which is €26 Million investment**

MarigonaTower officially signed the financial contract for construction of the Courtyard by Marriott Hotel and MarigonaTower Business Hub, a €26 million value project, of which €16 million will be financed by NLB Banka. The agreement was signed between Valton Billalli and Rasim Mrlaku, shareholders in Marigona Tower and Andres Burkhardt, chairman of the Board of Directors of NLB Banka and Albert Lumezi, the president of the Management Board of NLB Banka. This investment came, following the successful opening of the first branded hotel in Kosovo, Four Points by Sheraton. *“Today we are signing this financial agreement and for the first time it is entirely commercial project, which will be built in the center of Prishtina and will include the Courtyard by Marriott Hotel and the MarigonaTower Business Hub.”* The entire amount of the project is local investment by MarigonaTower. NLB Banka is one of the most active banks in the market in project financing and

it has a consolidated portfolio already in many sectors. Mr. Valton Bilalli from Marigona Tower showed his gratitude to NLB Banka for financing this important project for them and for the country. NLB Banka is one of the most active banks in the market in terms of project financing segment and has a consolidated portfolio already in many sectors. Mr. Lumezi, from NLB Banka said that this financing of NLB Banka shows that our focus is always on meeting the demands of customers and market needs even in this challenging time of the COVID-19 pandemic. Courtyard by Marriott, will be located in the center of Prishtina, with a capacity of 147 high standard rooms, taking the primacy of the largest hotel in Kosovo. The hotel will also have six meeting rooms and multifunctional rooms with service opportunities from 25 up to 300 people, a fitness center, restaurant and underground parking. Courtyard by Marriott is scheduled to open in mid-2023. **MarigonaTower Business Hub** will be in the same building with Courtyard by Marriott while it will benefit at least 400 employees.



### The Parliament of Kosovo passed the economic recovery, Covid 19 law

After eight months of crisis caused by the pandemic, and with over ten attempts, on December 4th, 2020, the government of Kosovo successfully passed the Law Nr. 07/L 016, for economic recovery, Covid19, in the Parliament. The purpose of this law is to make amendments to certain other laws, aiming to contribute to the economic recovery of the Republic of Kosovo, as a response to negative impact caused by the pandemic Covid19.

Based on changes made by this law, contributors can now withdraw from the Trusti pension fund, 10% of their savings. There are approximately 700,000 opened accounts of contributors at the Trusti, while this institution manages with 2.8 billion Euros.

The economic recovery package will bring changes in the VAT laws; the VAT has been declined from 18% to 8% on the supply chain for hotels, restaurants and other food services. Raw materials as well, will be duty free, with the right on compensation. This law provides forgiveness on tax debts, and all physical and legal persons will not be obliged to pay interest for nonpayment of tax, conditionally, all debts have to be repaid by December 31th, 2020. The government has planned a 200 million Euros budget to cover operational expenses for all businesses that were shut down or had difficulties due to Covid19 restrictive measures. Employees that lost their jobs or were suspended will receive three salaries in the amount of 300 Euros.

The law favors domestic products over foreign ones throughout public bidding, but only when not exceeding 15% of the bidding price.



Photo illustration: <http://kuvendikosoves.org/shq/lajmi/nga-punimet-e-seances-plenare-te-kuvendit-25546/>



📍 European Investors Council  
Tringë Smajli, nr. 23

☎ +383 49 632 777  
+383 49 398 600

🌐 [www.eic-kos.eu](http://www.eic-kos.eu)

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