

European Investors Council Monthly Newsletter



As COVID-19 slows and economy recovers, the shift towards digital makes telecom more valuable for consumers and businesses. The CEO of IPKO Mr. Robert Erzin says that with government intervention supporting consumers and business, the economy would recover faster thus, regulating dynamics of telecom industry. However, in economies such as Kosovo, with little or no governmental financial support, the purchasing power of customers can lower, thus creating a demand for lower prices. On the other hand increasing demand and general digitalization of business operations, governmental institutions services and people's lives in general are increasing demands for investments increasing network capacities and coverage as well as constantly improving quality of services provided. We are bringing to our readers the interview conducted with the Mr. Robert Erzin, from IPKO, an honored member of EIC.

SAA helps Kosovo to strengthen democracy and stability

The agreement with the EU is in its halfway through implementation and has been put in the list of priorities of the new government.

In the 5th anniversary of the entry into force of the Stabilization Association Agreement-SAA, the European Investors Council organized a joint meeting of its members with the EU representative in Kosovo and a high ranked government's official.

SAA is an important agreement for both Kosovo and the European Union, said the Head of the EU Office in Kosovo, Mr. Thomas Szunyoug. "SAA helps Kosovo to strengthen democracy and institutional stability," he said, urging the government of Kosovo to take concrete measure to attract foreign investors. On the other hand, Deputy Prime Minister Mr. Besnik Bislimi noted that the SAA is halfway through its implementation and what remains to be done is to strengthen the legislation. He confirmed that the SAA criteria are priorities of the government.

The Director of the Board of the Investors Council, Mr. Visar Ramajli, said that implementation of the SAA is a national interest, adding that competition cannot be achieved overnight or by passing a law. "We must prepare businesses and the economy to be competitive in order to join the EU," said Ramajli. While the CEO at EIC Mr. Emrush Ujkani, pointed out that the discussion for SAA implementation is of high importance as it will address benefits for the private sector. Remarks were made from representatives of the private sector-members of EIC, from Raiffeisen Bank Mr. Robert Wright, Deloitte Mrs Afrore Rudi, and from IPKO Mrs. Blinera Osmani.



SAA helps Kosovo to strengthen democracy and stability

Financial sector remains stable and liquid despite the Covid19

Central Bank Governor confirms that CBK will help institutions, the economy and its citizens.

The current situation in the financial sector and measures taken by the Central Bank of Kosovo to overcome the hard situation caused by the pandemic were issues discussed between the Executive Director of the European Investors Council Mr. Emrush Ujkani and the Governor of the Central Bank of the Republic of Kosovo, Mr. Fehmi Mehmeti, during a meeting held in mid April. The Governor Mr. Mehmeti said that the CBK since the beginning of the pandemic has been committed to helping institutions, the economy, and citizens. In this meeting he confirmed that the financial sector in Kosovo remains stable and liquid. On the other hand, the representative of the EIC, Mr. Ujkani praised the Governor for maintaining a stable financial system and expressed the readiness to increase cooperation, in order to help the economy and create a better environment for foreign direct investments in Kosovo.



Foreign investors' recommendations will be taken seriously by the government

EIC representatives met with deputy finance minister Mr Ilir Kapiti

Cooperation in economic recovery and supporting businesses to overcome the Covid-19 pandemic, were main topics EIC representatives discussed with the deputy minister of finance Mr. Ilir Kapiti. During the meeting EIC officials expressed the need in creating legal and economic facilities to improve the environment of doing business in Kosovo. Minister Kapiti stated that the new government will take seriously all findings and recommendations given by foreign investors. EIC has expressed readiness to assist the ministry and any other relevant institution, giving its recommendations and analysis in key economic sectors. The meeting was conducted in the framework of institutional dialogue and commitment to improve conditions in the economic sector.

Interview with Robert Erzin, CEO at IPKO

The pandemic has had devastating effects in all aspects of life, the economy in particular has suffered significantly, with some sectors harshly being affected. Nevertheless, the adoption of social distancing new rules has fostered the digitalization process, where telecommunication plays a key role. To understand more about the impact the pandemic has had in the telecommunication industry we have interviewed Mr. Robert Erzin, the CEO of IPKO, the biggest telecom company in Kosovo.

Asked what he expects as a leader in the telecom industry post-pandemic, Mr. Erzin admits that the pandemic has put an emphasis on the telecom industry, more than ever. *“It has been years that most people can’t go through the day without using internet or mobile phones; however, now it has become a must: a must to work, to learn, to stay in communication, to function,”* says the CEO of IPKO, Mr. Erzin.

Nevertheless, the effect of the pandemic was felt in their company from the day one, as they needed to organize most of their employees to work from home. *“We had to guarantee the strong connectivity and back up, in order to ensure business continuity. And our business continuity was crucial for other businesses to continue operating,”* he says.

As COVID-19 slows and the economy recovers, the shift towards digital makes telecom more valuable for consumers and businesses. The CEO of IPKO says that with government intervention supporting consumers and business, the economy would recover faster thus, regulating the dynamics of the telecom industry. *“However, in economies such as Kosovo, with little or no governmental financial support, the purchasing power of customers can be lower, thus creating a demand for lower prices. On the other hand, increasing demand and general digitalization of business operations, governmental institutions services and people’s lives in general are increasing demands for investments, increasing network capacities and coverage as well as constantly improving quality of services provided.”*

The necessity for strong and stable connectivity lists telecom services as essentials and in this unpredictable world we are living right now there’s a need to acknowledge uncertainty and try to anticipate all possibilities.

“One thing is for sure, telecom services will always be in increasing demand year after year. This was true before the COVID-19. The pandemic has only

accelerated the acknowledgment of this fact. For years I have been stating that telecommunication services and information infrastructure is one of the key pillars which should be addressed by all countries as I believe they were and are now even more important for the development of every country,” says Mr. Erzin.

The ICT sector is evolving with the new trends and innovations growing fast, which requires new approaches to catch the pace. How is IPKO moving with the cutting edge technology?

Mr. Robert Erzin says that IPKO continues to be the main provider of services in each segment - mobile, internet and digital cable television, with the widest network coverage, offering superior quality of products, services and customer care. *“IPKO is the only GSM provider in Kosovo to have updated infrastructure with the latest technology and being in line with the latest technological developments in the telecommunication industry in developed countries,”* he says, adding that IPKO is committed to constantly upgrading and improving telecommunication infrastructure in order to provide stable, fast and quality services to all its customers.

IPKO’s dedication to improvement and quality was also confirmed at the beginning of 2021, when IPKO was certified according to the international standards ISO 9001 for Quality Management System, and ISO 27001 for Information Security Management System. As a leader in innovation, IPKO was the first operator to enable 3G and 4G to its customers in Kosovo. Now, 5G is on the horizon, and most of the developed countries are investing a lot on this technological revolution. Where does Kosovo stand in integrating the 5G network, and will IPKO lead in the process?

Mr. Erzin says that *“Kosovo still has a lot of space for developing mobile data services over 4G technology for which further proper distribution of available frequencies is needed. But being always at the forefront of technology development, IPKO is investing in preparing its network for 5G (for example, by connecting its mobile sites with fiber optics) and once the regulator shall disseminate the frequencies over which 5G is mostly deployed, IPKO shall promptly utilize them for providing 5G services to Kosovo citizens.”*

During this period it seemed that IPKO has had its difficult moments too. Last year, IPKO was about to open the call for acquisition, a process that was canceled in November 2020. What were the challenges that brought IPKO to this point and for how

long it's expected the Slovenian telecom to keep the ownership of IPKO?

The CEO of IPKO Mr. Robert Erzin says that currently there are no new plans to sell IPKO. *"As owners of IPKO, Telekom Slovenije is the leader of this process. As the CEO of IPKO, appointed by Telekom Slovenije, I can confirm that process was cancelled last November, and IPKO stays under 100% ownership of Telekom Slovenije."*

The European Investors Council is in charge of protecting EU businesses in Kosovo and defending their interests. How would you assess its performance so far?

The leader of IPKO that is a member of EIC says that the mission of this organization is very important for foreign businesses. *"Foreign investors need a common voice to address certain issues with respective institutions or government, which EIC provides."*

Furthermore, its role into bringing together foreign investors, is very important since it provides for us a safe place to discuss on our common issues, obstacles or plans.

The COVID19 vaccine is considered the card to get rid of the pandemic. However, its aftermath generated a lot of changes. What are the lesson learned from this episode and what would be your message to our readers?

There are some messages the CEO of IPKO, Mr. Robert Erzin delivers to our readers:

1. *We can truly say that we are in unprecedented times, because history is no guide. There was no precedent where a pandemic of multi-wave and substantial economic shrinkage has occurred and that we can learn from. Therefore, we realized that we need to consider our business continuity plan more carefully and that there are other events that we need to be prepared for, being a pillar industry in today's digital world.*

2. *COVID has taught us that our usual ways of working can be rapidly changed, and we should be ready to adjust fast. We also realized that our technologically advanced way of doing business has enabled us to rapidly adjust to unusual working circumstances in a very short time and to continue offering stable and fast internet connection, despite an increase in demand for 20%.*

3. *"We should keep in mind that fast and big changes require thinking in advance. Our updated infrastructure, in line with current trends in developed countries, our cutting-edge technology, and our innovative ways of doing business and performing our daily operations, have enabled us to fully integrate and continue providing our services, as always, without any interruption."*

4. *While the world is depending more and more on online connecting, it is important to be aware of the threats that this commodity bring with itself. Cyber-attacks are a real threat which, especially businesses, should take very seriously and choose very carefully their internet provider.*

5. *That's why we at IPKO, in partnership with CISCO, have made free activation of the protection platform 'Cisco Umbrella Easy Protect' for all customers, which detects and blocks Websites that have high risk content. We put an emphasis on this, specifically during this time when it was detected a global trend of significant increase in the level of cyber-attacks during the Covid-19 pandemic. Cisco Umbrella acts as a secure internet gateway to support maximum security adequacy and provide effective protection against potential cyber threat to internet service users.*

6. *Last and not least, we have learned that in order for many other industries and institutions to not fail, we need to be prepared and stand still. For this reason, we will continue our journey into remaining the best telecommunication company in the country and provide all the support to ensure stable business continuity for everyone and every industry. -Robert Erzin, the CEO of IPKO.*



Robert Erzin, CEO at IPKO

Raiffeisen Bank brings to Kosovo the credit card "Visa Platinum"

Raiffeisen Bank in cooperation with Visa have introduced the credit card "Visa Platinum" for the first time in Kosovo. Credit card "Visa Platinum" offers customers a list of daily benefits, and various benefits when traveling abroad, such as free entry to special premises for business at airports (business lounges), provides information on assistance medical and travel instructions, numerous discounts on priority boarding services, discounts in hotel reservations or car rentals and many other special offers from well-known brands worldwide. The introduction of the Visa Platinum credit card is a result of efforts and commitments of Raiffeisen Bank to innovate and offer new products that would

not only meet the demands of customers, but also exceed them. This card is unique and through its features, among other things, enables a different travel experience around the world, an opportunity that customers in Kosovo have not had until now.

Pristina airport "Adem Jashari" the busiest in the region during the pandemic

Pristina International Airport was the busiest in the Western Balkans during the first quarter of the year, achieving the milestone for the first time in history. It also became the first airport in the region to mark an end to the monthly decline in passenger numbers, which began as a result of the coronavirus pandemic. In March it saw its figures grow 23.3% on 2020. The airport handled 330.787 passengers during the January - March period, compared to some 283.000 at second-placed Belgrade and 148.991 travelers at third-placed Skopje. However, Pristina International Airport, as well as Belgrade, performed better than other major European airports including Budapest, Prague, London Gatwick, Luxembourg, Larnaca and Malta, to name a few. Pristina Airport has been more resilient than most others in the region to the Covid-19 downturn as it depends on a high volume of diaspora traffic who are based in the European Union, and, in turn, are permitted to enter both their country of residence, as well as their homeland. Furthermore, parliamentary elections aided figures in February when a large number of those living abroad, particularly from Switzerland, returned to their

homeland to cast their vote. The pandemic has changed the usual traffic flow at airports in the Western Balkans. In addition to Pristina becoming the busiest



during the first quarter, Skopje has leaped past Zagreb to become the third busiest, while both Sarajevo and Tuzla have overtaken Ljubljana, with Slovenia continuing to be among the most affected markets on the continent. (Source: Ex-Yu Aviation News)

NEWS OF THE MONTH

Vjosa Osmani appointed the new president of Kosovo

K o s o v o ' s parliament has appointed a 38-year-old U.S.-educated female law professor and candidate of the ruling "Vetevendosje" party as the country's new president, following an election in February. Vjosa Osmani took over as acting president of



President of the Republic of Kosovo, Vjosa Osmani

Kosovo last November when her predecessor, Hashim Thaci, resigned ahead of his impending war crimes trial in the Netherlands. Osmani's initial mandate expired when the new government of Prime Minister Albin Kurti, the head of Vetevendosje, took over following the February 14 election. (Source: Reuters)

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For two weeks Kosovo was under tight Covid-19 restrictions

Kosovo authorities tightened COVID-19 restrictions for two weeks starting from April 7 until April 18. During this period all catering establishment were closed expect for delivery and takeaway. In addition, during the same time frame, all shopping malls were closed too, while essential businesses such as pharmacies and grocery markets were allowed to be open within these centers. Other restrictive measures that remain in place nationwide are: a daily 10 PM to 5 AM curfew, public gatherings are capped at 10 persons; public transport will operate at 50% capacity. All persons must wear protective face-masks in all enclosed and outdoor public spaces, while 2meters must be practiced where possible, while persons with chronic illnesses and pregnant women are excused from work.




Sigma Inter-albanian Vienna Insurance Group Sh.A


Sigma Inter-albanian Vienna Insurance Group Sh.A. Kosovo Branch was established in Kosovo in year 2004. It is part of Vienna Insurance Group (VIG), that is the leading insurance group in Austria and among the top insurance companies in the Central East Europe region. The Vienna Insurance Group has over 25,000 employees, at around 50 companies in 30 countries. The company obtains an A+ rating with stable outlook from well-known rating agency Standard & Poor's, meaning that it remains the top-rated company on the Vienna Stock Exchange's index of leading shares, the ATX. Sigma in Kosovo has become a leading company in the market, and this was achieved with the support and influence of VIG group in building standards, policies, capital and all other steps. Throughout the period of operation in the Kosovo market, Sigma VIG has had evident positive results especially in terms of stable financial situation, fulfillment customers' needs for insurance products, increased guarantees and reliability by supporting an efficient reinsurance network, as it operates in the domestic market in a large geographical area by offering its services throughout the territory of Kosovo. For many years now, it is among the leading companies in the market based on the volume of premiums conducted for all business lines. As a company that operates with high standards supported by the parent company Vienna Insurance Group and reinsurance partners, Sigma gives the maximum contribution towards meeting the conditions for the development and consolidation of the local insurance market. The company applies a strategy that allows handling and reimbursing claims for compensation, an important principle that should be applicable for any insurance company. More than 90% of customers of Sigma Inter Albanian Vienna Insurance Group Kosovo Branch choose to renew their insurance policies with us, and only customer satisfaction can produce such high renewal rates.



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