

# European Investors Council Monthly Newsletter



**EIC team Happy New Year 2022**



## White Book 2021: The rule of law and corruption the biggest barriers for FDIs

December 14, 2021, Prishtina

The White Book, is an annual publication of the European Investors Council-EIC, that addresses difficulties foreign investors face in Kosovo, and provides recommendations how to tackle these issues. Findings of this report were presented in a conference, on December 14, and one of the main problems the White Book addresses is the high level of corruption, a subject that was mentioned as well, by the Prime Minister of Kosovo, Mr. Albin Kurti, in this conference.

*“The biggest obstacle in attracting investments is corruption in the public procurement, and we’re committed to have concrete engagement so that there are no files covered in dust in the shelves of courts. Cases should be treated on time and properly,”* he said.

He added that Kosovo could lead in the region in attracting FDIs, by improving the infrastructure and minimizing the human capital gap. He highlighted advantages Kosovo has, such as its favorable geographical position between the Western Europe and the Near East and North Africa, it also has low tax rates, young population and competitive labor costs, and flexible rules in doing business.

The Prime Minister Mr. Kurti, has said that “White Book” recommendations will be carefully reviewed by the government, and by increasing the public-private dialogue, challenges that businesses continue to have will be reduced.

The EU office in Prishtina, as well encouraged the government to address issues presented in the White Book. The Head of Politics, Economics and EU integration, Mrs. Anna Carin Platon, said that the Kosovo government should make the necessary economic reforms to help the country to move forward. *“The EU is the largest investor in Kosovo, and your country should support its investors through its economic recovery plan,”* she said.

Strengthening the rule of law is essential in improving the business climate in Kosovo, said the CEO of EIC, Mr. Emrush Ujkani. *“Among the seven fundamental*

*principles of the White Book are measurements of doing business, strengthening the rule of law, identifying business barriers and risk mitigation,”* he said, adding that the White Book aims to contribute in all these aspects, to improve the investment climate in Kosovo.

Representatives of different sectors, members of EIC, listed the issues respective sectors have. Mr. Astrit Shehu from the telecom industry said that there should be more in law enforcement in eliminating illegal operators, and in copyright as well.

While the new CEO of Raiffeisen Bank Mrs. Anita Kavacic said the establishment of the commercial court should be followed by a legal framework.

A need for a more efficient justice system is required by the insurance sector as well. As representing the insurance sector, Mr. Genond Mesareja raised as well the issue of unregistered vehicles in Kosovo counted a huge number of around 60 thousand.

Health insurance is another issue that needs to be addressed by the Kosovo government, and it was raised in this conference by Mrs. Luljeta Tinjic, who represented the pharmaceutical sector. She also raised the problem of counterfeit drugs and the procurement law.

In the White Book 2021, are reflected as well problems and recommendations from the ICT sector represented by Mr. Ardian Shehu; Petroleum Sector by Mr. Paul Garinis; Taxation Sector by Mrs. Afrore Rudi; and Automotive Sector by Mr. Fioret Pruthi.



White Book 2021 The rule of law and corruption the biggest barriers for FDIs

## Interview with the German Ambassador to Kosovo, Mr. Jörn Rohde

Interviewed by: Majlinda Aliu

We are seeing a new wave of Covid19 spreading all over your country. In addition to health problems, the restrictive measures, including lockdowns are burdening the economy of the country too. How much it can affect German plans for investments abroad and the aid for developing countries?

**Mr. Jörn Rohde:** *There has indeed been a worrying upward trend of Covid 19 infections in Germany in November and December, followed lately by restrictive measures nationally and locally. However, no complete lockdown is expected. Regarding investment plans and development cooperation funds, both require more long-term thinking and decision-making; so I do not anticipate that these will be affected by the current Covid 19 wave. Yet, economic development and public health are connected: Travel is again starting to be restricted in Europe, and supply chains might again be suffering; this will again be an obstacle to our bilateral trade in the short term.*

This year, Germany held the national elections which brought changes in the political spectrum. The former Chancellor Madam Angela Merkel had put the Western Balkan region into Germany's agenda. Do we expect the same approach from the current German government?

**Mr. Jörn Rohde:** *Yes, you may expect the Western Balkans to stay on the German government's agenda. In fact, it is already there. The three parties, which formed the new government, included the Western Balkan region into the foreign policy chapter of their coalition agreement. The new government also underlined its full support for the EU facilitated Kosovo-Serbia dialogue and visa liberalization for Kosovo. Also, the new German Foreign Minister already found the region on the agenda of the very first EU foreign ministers' meeting which she attended in early December.*

As a diplomat, your role is to bridge between your country and the country you're in the mission (in this case Kosovo) are there enough accessible information for Kosovo market to offer to German interested investors?

**Mr. Jörn Rohde:** *You are right about the bridging function of diplomats and diplomacy, but for Kosovo as an investment destination, it is first and foremost Kosovo's own diplomats in Germany, of which there are quite a few, who should do the promotion. I believe that the current Kosovo government has recognized this and the Kosovo Ministry of Foreign Affairs is planning to strengthen what you may call economic diplomacy. What I have already noticed, positively, in the past is that KIESA, that is the Kosovo Investment and Enterprise Support Agency, has participated with Kosovo companies in German trade fairs. Germany has some of the world's largest trade fairs and I am convinced that Kosovo's presence there was and will continue to be money well invested. Regarding our own contribution to promoting Kosovo as a destination for German investment, we do inform German businessmen about Kosovo's potential when they contact us for information, and the Kosovo-German Business Association (KDWW) offers both general information and specific support packages when German companies knock at their door.*

Germany is amongst the biggest investors in Kosovo, through governmental projects and through business community. Yet, there is no well-known or a large German company that has shown a serious interest to make bigger investments in Kosovo. Which are the main concerns for German firms in being reluctant to invest in Kosovo?

**Mr. Jörn Rohde:** *Your observation is correct; there are not yet any German big names visible in Kosovo with their own investments. I believe there are a number of reasons for this. To begin with, many people in Germany, including also company bosses, still remember 1999 and associate Kosovo with war and high risk. This is outdated; all the German businessmen who visit Kosovo are very surprised how much the country has developed. Second, the lack of normalization with Serbia is a problem; Kosovo goods face extra bureaucratic hurdles when traveling through Serbia, and German goods too face hurdles when their destination is the Republic of Kosovo. The sooner Kosovo negotiates a solution with Serbia in Brussels, the higher will be the foreign direct investment in Kosovo. Third, Kosovo is a small market and, from Yugoslav times, it inherited very little industry that foreign companies could build on and develop. Both Serbia and Northern Macedonia have a historic advantage here. Fourth, the rule of law in*

*Kosovo has been weak, with court cases dragging on for years, and corruption has been high. This makes potential investors hesitate. The current Kosovo government has promised to tackle this and has won the February election on a platform of jobs and justice. I can only encourage this: sustainably strengthening the rule of law more justice will markedly improve the often quoted 'ease of doing business' parameters in Kosovo. Then we surely will see more jobs created by foreign companies.*

Kosovo has the biggest diaspora concentrated in German speaking countries (Germany, Switzerland, and Austria) and they are a very important source of finance for Kosovo, what role does our diaspora in Germany is playing in Kosovo (in economic terms)?

**Mr. Jörn Rohde:** *Yes, that is true; indeed, Germany has the largest Kosovo diaspora among the three and is the largest source of remittances for Kosovo; these remittances from Germany amount to hundreds of millions of euros every year. But regrettably, in economic terms, the role of the diaspora from Germany so far is much smaller than it could be, because its money is rarely used to invest in factories or service companies, which would create jobs for Kosovo's young generation. Instead, it is spent on properties or consumption. When you buy land, this creates no jobs; when you build a house, the jobs disappear once the house is finished. And when you buy your relatives a car, most of that money goes to the foreign car company. The Kosovo-German Business Association has asked the diaspora in a survey last year why they hesitate to invest in Kosovo jobs, and the answer is similar to what you hear from foreign companies: They are worried about the rule of law and corruption, and some of them have suffered from bad experiences in the past. Kosovo will need to improve the track record of its justice system, while promoting and then showing off some success stories to prove that the country is changing. There is a lot of potential, which has not been properly used.*

For more than a year, the European Investors Council is publishing a monthly newsletter, bringing professional views of our valuable members, activities of EIC and success stories of foreign companies in Kosovo. How relevant are such media products and information for foreign investors?

**Mr. Jörn Rohde:** *I consider such a newsletter a very useful instrument, informing existing members as well as the wider business community about your activities and about Kosovo success stories, be they from EIC members or non-members. I therefore welcome that the newsletters are publicly available on your website. Of course, no investor will only rely on newsletters for his or her investment decision. But it represents one useful piece in their information puzzle before they travel to Kosovo and see the investment potential for themselves. Let me point out, in this context, that your sister organization, the Kosovo-German Business Association, puts out an Investor Guide Book and a Facts About Kosovo book for very much the same reasons. All these products help to put Kosovo on the map of foreign investors.*

What is your message for EIC readers, and would you like to add something that was not addressed in question above?

**Mr. Jörn Rohde:** *I thank EIC for the opportunity to express my views in this interview and wish the organization success in their mission to promote investors' interests in Kosovo. As to missing questions, I consider that you could have asked at least one question with respect to the „E“ in your council's name. This „E“ means Europe. I believe it is in your name not only because of geography, but because EIC members and staff support Kosovo's path towards the European Union as the place where Kosovo belongs. This European Union is facing many new challenges in the 21st century, but it is still the most successful peace project on this continent. Due to the EU's challenges, but also its successes, my new Government has declared that it will support European integration even more than its predecessors. My message to the EIC and its newsletter readers would therefore be this: Do not forget where Kosovo belongs and strive to get there, for Kosovo's benefit as well as for the EU's benefit.*



*Interview with the German Ambassador to Kosovo, Mr. Jörn Rohde*

## EIC's proposal will be part of EU Industry Days 2022

CTopic of the event is: *"Green, Digital and Growth in Kosovo - Together it's possible"*

We are happy to inform all of you that European Commission - Directorate - General for Neighborhood and Enlargement Negotiations (DGNEAR) has accepted European Investors Council's proposal for a local event to be organized under EU Industry Days 2022. The topic proposed by EIC for this year is: *"Green, Digital and Growth in Kosovo - Together it's possible"*

The EU Industry Days is Europe's flagship annual event, highlighting industrial frontrunners, ongoing industrial policy discussions and improving the knowledge base of European industry. It is the main platform to discuss industry challenges and co-develop opportunities and policy responses in an inclusive dialogue with a wide range of stakeholders.

The 2022 edition will stimulate discussions across industrial ecosystems on their green and digital pathways, to strengthen the resilience of EU companies and SMEs EU Industry Days 2022 will take place in all EU Member States and those aspiring EU Membership. Therefore, through this EIC event, Kosovo becomes part of the EU Industry Days, in two consecutive years.



EIC's proposal will be part of EU Industry Days 2022

## EIC organized the meeting "Economic Dialogue with the EU, the UK, Swiss and Norway"

November 30, 2021, Prishtina

The economic crisis caused by the pandemic COVID19, have opened new windows of opportunities for economies, like Kosovo. To find ways in enhancing cooperation with European Countries, the EIC has organized a meeting with Economic Attachés under the topic "Economic Dialogue with the EU, the UK, Swiss and Norway"



EIC organized the meeting "Economic Dialogue with the EU, the UK, Swiss and Norway"

In his opening remarks, the CEO of EIC, Mr. Emrush Ujkani emphasized that the main goals of EIC are to strengthen cooperation with EU member states, EFTA member states and the UK, aiming to increase investments from these countries in Kosovo. He also presented EIC's objectives for the upcoming year, and one of the main activities of EIC for 2022 is organizing a Business Forum with EU member states, for which preparations and discussions with some EU embassies in Kosovo have already started. Mrs. Eriola Bibolli, Chairperson of the EIC Board said in this meeting that the role of EIC is as well to help in pushing further issues such as, Green Economy, Digitalization, and Fighting corruption. She expressed her appreciation to EU missions in Kosovo for their cooperation, adding that, such events helps EIC improve and remodel itself. She also mentioned that the dialogue with the government of Kosovo has significantly improved. During this meeting EU officials were interested to learn more how much of the last years's White Book were taken into account by the government and the answer was, very few, due to the change of governments, but some legislative improvements have been made.

## Economic cooperation between Kosovo and the UK should improve

The good relation between Kosovo and the United Kingdom have a long history, in particular in political level, where the UK remains a strong ally of Kosovo in helping the country in the state-building process, post-war security matters, etc. However, much needs to be done in strengthening economic cooperations between the two countries. This topic was in the core of discussion between the executive director of EIC Mr. Emrush Ujkani and the UK deputy Head of the Mission in Kosovo, Mr. Jacob Webber. The UK diplomat highlighted that Kosovo should work harder in improving the investment climate, so the UK investors would be attracted. On the other side, the EIC has shown its readiness in helping Kosovo institutions to improve the legal framework in relation to investment climate and in attracting FDIs.

## Rumanian investors may soon visit Kosovo

EIC continues its work in helping Kosovo to strengthen its economic cooperation with EU economies. During December, the head of EIC, Mr. Emrush Ujkani met again with Mr. Daniel Onișor, the Head of the Liaison Office of Romania in Prishtina. Present in this meeting was also the Vice President of General Union of Romania's Industrialists Mr. Tiberu Andrioaiei. The discussion was focused mainly on increasing cooperation between the two countries, and bringing to Kosovo, investors from Rumania. Both sides agreed to organize visits to Kosovo for Rumanian potential investors, and to arrange meetings with current foreign successful investors in Kosovo. During the meeting it was said that there should be a commitment in not allowing any political issue to interfere in the business life, in particular in the Romanian investments in Kosovo. Mr. Tiberu ANDRIOAIEI from the Union of Rumanian Industries, expressed his will to continue cooperation with neighboring countries, including Kosovo, in promoting country's capital and informing investors about advantages to invest in Kosovo.



Rumanian investors may soon visit Kosovo

**NLB will support autistic children to develop their talents and children of marginalized groups to better educate**

In the list of giving back to community, for 2022, NLB bank has put children with autism and children and youth from marginalized communities.

The program "For each other" for 2022 will be run by the National Autism Association in Kosovo – ANAK,



NLB Bank supports women affected by breast cancer

and it aim to promote the talent of children with autism through paintings. All expenses related to painting materials will be covered by the Bank throughout the year so that children with more

severe socio-economic status have the opportunity to develop their talent in painting.

Also, NLB Banka will support children and youngsters from marginalized communities by providing better quality education in kindergartens and extracurricular activities in partnership with the Ideas Partnership such as: parenting classes, child councils, young leaders, youth social workers, girls club, reading club and educative health activities.

**NLB Bank supports women affected by breast cancer**

Following the end of October, Breast Cancer Awareness Month, and the annual international campaign to provide information and educate people about the importance of the breast health, NLB Banka has donated epithets, bras, and wigs to women affected by breast cancer. *The donation was handed over to the NGO "Have Hope", founded in 2020, and led by Arnisa Osmani who beat the breast cancer. The goal of the organization is to help patients affected by breast cancer in all aspects, both moral and financial, she said* by thanking NLB Bank for this donation which is very welcome, as the epithet in the rehabilitation phase is more than necessary. *"In the great battle of these women where appearance also plays a great psychological role, a wig changes the smile on their faces,"* said Mrs. Osmani. The biggest challenge is the disease itself. But, in Kosovo it takes on other dimensions, such as diagnosis, treatment, therefore NLB bank considers that, it is very important to join forces and contribute in raising public awareness and

fight against this disease, following the motto: Early detection saves lives!

**Powerpack -Exporting for growth**



2021 has been a year of growth and innovation for Powerpack LLC. Its exports to European market have grown by 20% this year compared to 2020. With its ever-growing presence in the EU market, Powerpack LLC is proud to present its latest investment in machinery. Our FAS Euroline



2.0 machine has significantly increased the capacity of waste bags in the bottom-seal segment while ensuring that all our products are produced in line with the highest quality standards of the industry.

**Powerpack LLC** will further grow its production capacities by 25% with the installment of additional extrusion capacities starting from March 2022. The advanced technology and highly specialized technicians ensure a steady and high quality of the end products.

**Bio-based products**

With the aim to diversify its portfolio in 2022 Powerpack will also start to produce bio waste bags, to address the recent trends and developments in the European Union, in line with the European Green Agenda. In our current portfolio, already more than 90% of raw materials are from post-consumer recycled material, so this next step is to address the growing demand in the organic waste stream.



The term "bio-based" describes the part of a material or product that is derived from biomass, and consequently all products in our bio-segment will be both bio-degradable and compostable, thanks to the resin which will be produced by BRESKO, a new venture specialized in the production of bio-resin.

### GjirafaMall and Gjirafa50 has opened a showroom

A showroom has been opened by GjirafaMall and Gjirafa50 with the most demanded products from brands: Apple, Samsung, MSI, SteelSeries, Zowie, Logitech, Kindle in Gjirafa50 and Rayban, Anastasia Beverly Hills, NYX, Jack & Jones, Only & Sons, Zipro, and many other brands with a variety of products. The products include many categories, ranging from technology, home products, sports, personal care and much more.

Clients can visit the showroom from Monday to Friday from 08:00-21:00 and on Saturday from 09:00-18:00 on the highway Prishtina-Ferizaj, 6th km. Visitors can see up close their favorite products, test them or even have fun with electronic games in a warm and modern environment.



GjirafaMall and Gjirafa50 showroom

### NEWS OF THE MONTH

Members of the National Assembly, with 69 have votes in favor, have approved the Law on electronic identification services and electronic transactions. This law regulates the identification method and electronic identification schemes; conditions on the use of electronic signature, electronic seal, electronic time stamp and equipment for creating them; Electronic registered delivery service for judicial proceedings; conditions for issuing and using qualified

certificates for service certification and website authentication; and trust services in electronic transactions and electronic documents. The law on electronic identification services and electronic transactions will facilitate the loan process as well, in line with the proper application of the database and certainly another legal basis to further facilitate the process and reduce hard copies of certain documents.

Source (Telegrafi)



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