

## European Investors Council Monthly Newsletter



*The cooperation between the United Kingdom and Kosovo goes a long way. In this edition of the newsletter, the British Ambassador to Kosovo, H.E. Nicholas Abbott, shares his current perspective on what the United Kingdom's top priorities are, in relation to economic ties with Kosovo. During the interview, Ambassador Abbott also points out the sectors of the economy, which are of greater interest for British businesses, as well as the improvements Kosovo institutions should make in order to attract more British investors to the country. In this edition of the Newsletter, we also share important news about the European Investors Council's activity throughout the month of May, news from our members, as well as other relevant news for the business community.*



EIC and French Embassy sign a Memorandum of Understanding

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The European Investors Council (EIC) has signed a memorandum of understanding with the French embassy. This memorandum aims to promote economic cooperation between the two countries, contributing to trade, investment, and economic expansion between the business communities of France and Kosovo.

This memorandum was signed by the Ambassador of France Marie-Christine Butel, and the CEO of the Council of European Investors, Emrush Ujkani. The memorandum was signed in the presence of the Head of Regional Economic Service in the Balkans, Florence Dobbelle.

The Chief Executive Officer of EIC, Mr.Emrush Ujkani, noted that due to this memorandum, EIC in coordination with the Regional Economic Office and the Embassy of France would support French companies/industries, which may have an interest to invest and/or establish economic activities in Kosovo with all the necessary information.

### EIC Members meet TAK Director, Ilir Murtezaj

The European Investors Council has organized a meeting with the Executive Director of the Tax Administration of Kosovo (TAK), Ilir Murtezaj.

Throughout this meeting, EIC members had the opportunity to hear about the reforms the Tax Administration has done and is doing to improve access to this institution's services for citizens and businesses, while also noting their concerns and recommendations.

The Executive Director of the Tax Administration, Mr.Murtezaj, noted that as the head of this institution he supports the concerns raised by businesses, and that he would be ready to support them within legal possibilities of TAK. Mr. Murtezaj expressed willingness to welcome any potential investor who is interested in being informed about TAK services.

The CEO of EIC, Emrush Ujkani, during this meeting has stated that EIC is highly engaged in informing members about current policies, and advocating for further development of legislation and practices, as well as addressing the difficulties of businesses.



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EIC meets Greek Liaison Office to discuss cooperation opportunities between the two countries

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The European Investors Council has met with the Greek Liaison Office in Prishtina, namely H.E. Ambassador Heleni Vakali, and the Economic Attaché, Mr. Michail Vrettakis) to discuss economic cooperation opportunities between the two countries.

Throughout this meeting, topics such as improving the commercial relations between two countries, promoting the modernized profile of Kosovo to Greece, and increasing the cooperation between the two countries was discussed. While there are various sectors in which the two countries can cooperate, in this meeting, special emphasis was put on tourism, energy, and construction.

### EIC participates in the last consultative meeting for the Energy Strategy 2022 – 2031

The European Investors Council has participated in the last consultative meeting for the Energy Strategy 2022 – 2031, which was organized by the Minister of Economy, Artane Rizvanolli. This is the last meeting prior to the document going through consultations within the Government, and then in public consultation.

EIC contributed the recommendations of its members regarding this strategy. During the discussion, Minister Rizvanolli with representatives of the working groups presented five strategic and specific objectives of the strategy, which include:

1. Improving the sustainability and safety of the power system;
2. Decarbonization and promotion of renewable energy;
3. Increasing energy efficiency;
4. Strengthening regional cooperation and market functioning; and
5. Consumer protection and empowerment.

Among other things, the Energy Strategy 2022 - 2031 is the first energy strategy which does not envisage new lignite, envisages carbon tax and envisages ambitious targets for renewable energy, especially solar and wind.



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## INTERVIEW:

*The cooperation between the United Kingdom and Kosovo goes a long way. In this edition of the newsletter, the British Ambassador to Kosovo, H.E. Nicholas Abbott, shares his current perspective on what the United Kingdom's top priorities are, in relation to economic ties with Kosovo. During the interview, Ambassador Abbott also points out the sectors of the economy, which are of greater interest for British businesses, as well as the improvements Kosovo institutions should make in order to attract more British investors to the country.*

### **1. The cooperation between the United Kingdom and Kosovo goes a long way. From your current perspective as British Ambassador to Kosovo, what are the UK's top priorities in Kosovo, in relation to economic ties?**

While the UK and Kosovo have always been close partners, trade has not traditionally been a large part of our relationship. But we want to change that, and are working on a number of fronts to do this.

Our first priority in 2019 was to sign a UK-Kosovo Partnership Trade and Economic Agreement, following our exit from the EU, covering trade in both goods and services. Secondly, we are working together with Kosovo institutions to promote sustainable development and a level playing field for investors, including from the UK. This includes co-operating to tackle corruption and economic crime, and improve the rule of law. All of this work has a positive impact on investor confidence. Finally, we are engaging more in support of British business and other economic links between our two countries. Earlier this year we welcomed the UK Prime Minister's Trade Envoy to the Western Balkans, Martin Vickers, to Kosovo.

### **2. The world is currently suffering a crisis on top of another crisis. First, with the pandemic, and now, with Russia's invasion of Ukraine. These have put the global economy into a significant slowdown. Has this impacted the United Kingdom's plans for investment abroad?**

The UK and our international partners, including Kosovo, stand united in condemning Russia's unprovoked and barbaric attack against a sovereign

state. The consequences of Russia's aggression are hitting the poorest the hardest and are exacerbating trends already existing as a result of COVID-19 disruptions. The UK, working with international partners, is determined to support countries to mitigate the impact on their economies and their people. We are calling on all countries to keep trade and food flowing; we know from the last crisis the best way to keep prices down is to keep trade flowing. While business confidence has understandably been hit, the UK government remains committed to continuing international investment, including in the Western Balkans. In fact, we will be extending our offer to the region as an honest and reliable partner in trade and investment. The Foreign Secretary has recently announced that we will aim to mobilise \$100 million of UK-backed investment in the Western Balkans by 2025, in areas such as energy and infrastructure.

Our economic engagement with the region is a fundamental part of efforts to make sure that Russia cannot further undermine European stability.

### **3. What do you believe is crucial for Kosovo institutions to do, in order to improve the business environment in Kosovo and attract more British investors?**

The development of the private sector in Kosovo will be crucial to attracting greater foreign investment in Kosovo, driving sustainable growth and job creation. While Kosovo continues to have higher-than-average economic growth relative to the region, much of this stems from public investment, private consumption and remittance revenues.

The domestic and international private sector in Kosovo still faces challenges barriers to doing business still remain unaddressed. Kosovo should focus on strengthening the rule of law, reducing business costs and the administrative burden, and increasing competitiveness. The government's reform plans are a very positive step, but businesses need to be confident of quick and sustainable implementation.

### **4. Which sectors of the economy are of greater interest for British businesses, and are there any potential impactful investors interested to come in the region?**



We are ready to support British businesses looking at opportunities across a wide range of sectors. Some sectors naturally appeal to British business expertise more. For example, we have a strong historical relationship with Kosovo's mining sector, which we would like to develop further this year. The UK leads the way in new green technologies such as hydrogen and energy storage, as well as wind technologies. The UK could greatly contribute to infrastructure development projects, with its world-leading finance, project preparation and management capabilities. The transport sector is another major opportunity and the government's plans to develop new rail links, for example, are interesting to UK business. And on a personal note, I would love to see more, highly respected, British brands on the shelves in the malls and shops of Prishtina.

**5. The British Embassy in Prishtina has offered great support for the Tax Administration in Kosovo, by supporting different projects in fight of the informal economy? How do you think these efforts are developing so far?**

Kosovo's Tax Administration is going from strength to strength. I am proud the UK has been able to support its development in recent years. For example, we have worked together to improve TAK's Intelligence and Investigation function with some great results in fighting tax evasion and associated money laundering. As part of these efforts, we are following the implementation of the Strategy for Informal Economy, Money Laundering, Financing of Terrorism and Economic Crimes. In this regard, Kosovo institutions still need to do a lot more, and in a joined up manner, to effectively fight such challenges.

**6. Since you have been in Kosovo for a while now, what is your opinion on the work of the European Investors Council, and the business community in the country?**

The business community in Kosovo, as everywhere, has had a hard couple of years in the face of the pandemic and political uncertainty but there is a lot of resilience and reasons for optimism. If the authorities can provide essential support and stability, I have no doubt Kosovo's private sector and impressive young entrepreneurs will play a crucial role in the country's future. The EIC and other groups representing the

business community play a vital role in engaging to help improve the business environment and remove the obstacles that foreign investors face while doing business in Kosovo.

**7. What is your message for EIC readers, and would you like to add something that was not addressed in the questions above?**

The economic and business opportunities in Kosovo are very exciting, but I think under explored. So as a community, I would encourage all your readers to act as economic ambassadors for Kosovo throughout Europe – share your experiences, and advertise the opportunities. Together we can ensure a more prosperous future.

Speaking for the UK, 14 years after independence and emerging from recent challenges, it feels very much like we are entering a new era of our partnership with Kosovo. If you think you or your business think you can contribute, or would like to learn more about UK services to businesses, then my team is of course happy to help – feel free to get in touch [CommercialEnquiries.Pristina@fcdo.gov.uk](mailto:CommercialEnquiries.Pristina@fcdo.gov.uk)



His Excellency Nicholas Abbott, Ambassador of the British Embassy in Prishtina

## Më shumë se vetëm shitje



**Joy**  
from GjirafaMall

### GjirafaMall has launched 'Joy from GjirafaMall'

GjirafaMall has launched 'Joy from GjirafaMall' project. Joy was created in order to donate to charity through every purchase made at <https://joy.gjirafamall.com/>. The non-governmental organizations that will be part of the project, will benefit from the donations of the Joy from GjirafaMall at the moment when the customers make the purchase of the products in Joy from GjirafaMall.

The client will pay the regular price, while Gjirafa will allocate a certain percentage for the organizations that are part of the Program. Some of the organizations that are already part of the program support certain groups of society such as: young people with Down syndrome, people with Autism, SOS children's village, victims of domestic violence. Products from all GjirafaMall categories can also be purchased at Joy from GjirafaMall.

### NLB Banka together with FC Prishtina donate sports shirts to children

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There is nothing more precious than a smile on the faces of children, so with much love, today NLB Banka together with the football players of FC Prishtina donated sports shirts to 6th grade children at SHFMU "Dardania".

Social responsibility is at the heart of NLB Banka's strategy and we pay special attention and importance in supporting professional and youth sports activities. We traditionally support the oldest football club in Kosovo, FC Prishtina, so with the players of this team today we organized a visit to SHFMU "Dardania" to make the children happy. Children meeting with their sports idols was very emotional.

Sport unites us all and is important for our physical and mental health. It has the power to unite and change the world.

Children, you are our future.

Play, dream, win!



### The magic of football becomes a reality: The real FIFA World Cup Trophy Tour arrives in Prishtina

For the first time in the history of Kosovo Football, our country was part of the fifth FIFA World Cup™ Trophy Tour organized by Coca-Cola.

The real FIFA World Cup™ Trophy Tour together with the football legend Gilberto Silvia, arrived in Prishtina May the 20th allowing Kosovan people and football fans to experience a unique opportunity to see close up and live the famous FIFA World Cup™ Trophy, raised only by the world's greatest football players.

As a longtime FIFA partner, Coca-Cola through the FIFA World Cup™ Trophy Tour provides an opportunity for thousands of fans around the world to experience the true magic of football. Just as Coca-Cola brands encourage connecting, sharing moments, joy, advocating for universal values, so the FIFA World Cup™ Trophy Tour by Coca-Cola brought the magic of connecting and sharing the same football passion.

This is definitely the sports event of the year, and we are excited to be part of this turning point in the history of Kosovar Football.







### **EU and Kosovo sign the IPA III Financial Framework Partnership Agreement**

The EU Ambassador in Kosovo, Tomas Szunyog, handed over today in Pristina to the First Deputy Prime Minister of Kosovo, Besnik Bislimi, the European Commission-approved IPA III Financial Framework Partnership Agreement (FFPA).

Mr Bislimi signed the FFPA, which will, once ratified by the Assembly of Kosovo, enable Kosovo to receive further technical and financial assistance from the European Union. It covers IPA annual programmes for the period 2021-2027 and will allow for immediate approval of IPA 2021 funds to Kosovo in the amount of EUR 64 million.

“We will use the IPA III funding to improve the protection of human rights, gender equality, municipal governance, and security and public safety in Kosovo,” said Ambassador Szunyog.

“The funding will also be directed towards enhancing the capacities of the Kosovo administration to comply with EU standards and rapidly respond to urgent economic, health or social needs, protect the environment in line with the best EU practices, enhance the competitiveness of Kosovo’s agri-food sector, and help achieve EU’s economic accession criteria.”

Kosovo began benefiting from IPA funding in 2007. Since then, and up to the end of 2022, a total of EUR 1.21 billion have been allocated to Kosovo through IPA I and IPA II.

### **EBRD predicts a low economic growth for Kosovo in 2022**

The European Bank for Reconstruction and Development (EBRD) is predicting a greater economic slowdown and more inflationary pressure in its regions as a result of the war on Ukraine. During May, the EBRD published the report "Regional Economic Prospects, May 2022".

In this report, the European Bank for Reconstruction and Development forecasts that the economic growth of Kosovo in 2022 will be 4%, or 6.5% less than it was in the previous year. According to the EBRD, inflation is expected to reach levels not seen since the 2008 financial crisis.

## **REGIONAL ECONOMIC PROSPECTS**



MAY  
2022

**THE RETURN OF RUNAWAY PRICES**  
Dealing with expensive food and energy





### REPowerEU: Commission establishes the EU Energy Platform Task Force to secure alternative supplies

The European Commission has set up a new Task Force within its Directorate-General for Energy, to provide support to the EU Energy Platform and implement the REPowerEU goal of supply diversification. Following a mandate from the European Council in March 2022, the Commission and Member States have established the EU Energy Platform to coordinate measures to secure energy supplies for the EU, including through the voluntary common purchase of pipeline gas, LNG and hydrogen.

The new Task Force will help deliver on the REPowerEU objective of reducing our dependence on Russian fossil fuels, by enabling Member States and neighboring countries to have access to alternative energy supplies at affordable prices in the coming years. The Energy Platform Task Force will start work next week, on 1 June, and immediately tackle the new tasks outlined in the REPowerEU Plan adopted on 18 May. It will work towards demand aggregation, coordination of capacity and negotiation of energy supplies, while also providing support for the Regional Task Forces of Member States and neighbouring countries. Furthermore, it will manage outreach to international partners.

### State of Schengen: Commission sets new priorities and new governance model

The Commission is presenting the State of Schengen Report 2022. This is the first time the Commission is presenting such a report, following last year's Schengen Strategy. This report is part of the Commission's initiative to reinforce the Schengen governance through a yearly reporting exercise presenting the state of Schengen, identifying priorities for the year ahead and monitoring progress made at the end of a given year.

The State of Schengen report will serve as the basis for discussions of Members of the European Parliament and Home Affairs Ministers in the Schengen Forum on 2 June, and in the upcoming Schengen Council on 10 June.

The State of Schengen Report 2022 is the starting point for the new annual Schengen cycle. The cycle provides for a regular 'health-check' on Schengen, allowing to identify problems early on to ensure common responsibility and to promote the uptake of appropriate measures. Interinstitutional discussion will take place at the Schengen Forum on 2 June, and political deliberations will follow in the June Schengen Council. This process is part of the new Schengen governance that enhances participation of all the actors involved to monitoring the functioning of the Schengen area and follow-up with necessary measures. The new Schengen Evaluation and Monitoring Mechanism, which the Commission proposed in June 2021 and which has been recently adopted by the Council, will play a crucial role in this new Schengen governance model.



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