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Doing Business in Kosovo

Market Overview

The Republic of Kosovo is Europe's youngest country – and one of its poorest – but one that has maintained positive economic growth rates for over a decade. Growth in 2019 was approximately 4.2 percent. While the COVID-19 pandemic will take a toll on economic growth in 2020, with the IMF predicting a 5 percent drop in Kosovo's GDP that is about average for the region, Kosovo entered the pandemic with a robust financial system, sufficient liquidity in government coffers, and an isolated economy not prone to global supply chain disturbances. These factors have thus far helped to buffer Kosovo from the most negative financial aspects of the COVID-19 pandemic and should help position Kosovo for more business opportunities during the recovery.

Kosovo's main trade partners are the EU countries (approximately 50 percent of imports and 36.1 percent of exports), and its Western Balkans neighbors, with which Kosovo trades tariff-free under the terms of the Central European Free Trade Agreement (CEFTA). CEFTA countries are the source of approximately 14.4 percent of imports, and the destination for 43 percent of exports. Kosovo continues to post a large trade deficit, with exports covering only about 11 percent of imports.

Kosovo's high unemployment, estimated at 25.7 percent, is a symptom of the difficult business environment and a perennial political concern. The difficult labor-market conditions affect youth and women disproportionately and risk undermining the country's social fabric.

Despite these challenges, Kosovo's relatively young population, low labor costs, and abundant natural resources have attracted several significant investments, and several international firms and franchises are present in the market.

The Central Bank of Kosovo reports 2019 Foreign Direct Investment (FDI) at €271.8 million, a slight drop from €272.1 million in 2018. Germany, which brought €72 million to the country in 2019, was the largest investor in Kosovo. U.S. investment totaled €21 million in 2019. Some beneficial characteristics of the market include:

- Kosovo's **liberal trade regime**, which enables duty-free exports for the majority of Kosovo goods to the EU market. The Stabilization and Association Agreement (SAA) with the EU has further reinforced trade liberalization and removed many of the remaining trade and tariff barriers.
- Kosovo's **location** in the heart of the Balkans offers easy access to neighboring markets and CEFTA members, a market of approximately 28 million people.
- Kosovo's **infrastructure** has steadily improved in recent years, including the completion of a modern highway to Albania and a second highway to North Macedonia. More than two million passengers passed through Pristina's international airport in 2019. The airport authority is currently extending the runway and upgrading the landing systems, which should lower flight cancellations in the winter months and accommodate larger planes.
- Kosovo's **young workforce** is mostly multilingual (often speaking English and German).
- Kosovo **labor costs and tax policies** are very competitive. Kosovo's average monthly salary of €381 is amongst the lowest in Europe, and the current tax regime is business-friendly with a flat, 10 percent corporate income tax.
- Kosovo **ranked 57th out of 190 countries in the World Bank's 2020 Doing Business report**, placing it in the middle of the pack among its Western Balkans neighbors. However, Kosovo scored highly in the sub-categories for ease of "Starting a Business" and "Getting Credit", ranking 12th and 15th, respectively out of the 190 countries measured in the report and leading the pack among Western Balkans countries in those two categories.

- Kosovo is very **pro-American**, with American businesses viewed very highly by the public, and the government planning to establish a U.S.-focused special economic zone near Gjakove/Djakovica.
- As a **member of the EU-funded Western Balkans 6 (WB6) core transportation network**, which aims at improving regional connectivity, Kosovo plans to revitalize key railway lines for both domestic transport and connections with neighboring countries.

Market Challenges

Market size: Kosovo’s small population – officially only 1.8 million people based on the last census, conducted in 2011 – can present a challenge to investment in industries requiring a substantial economy of scale to realize profitability.

Judicial system: Kosovo's judicial system remains weak but is improving. One of the system's main challenges was addressed when Kosovo courts resolved 84% of backlogged cases. In addition, the clearance rate for civil and criminal cases has significantly improved. The system is becoming more business-oriented and enforcement of commercial contracts will be met by the recent development of the Commercial Court, enhancing arbitration, and professionalizing the private enforcement system. The number of firms providing high level professional legal services is small but increasing. Ongoing challenges remain in hearing postponement, rescheduling of hearings, lack of effective and timely adjudication of high-profile criminal cases, and lack of uniform application of criminal sanctions.

Corruption: Perceived and actual corruption is widespread in Kosovo. Senior-level public officials have been accused of bribery, racketeering, and other forms of corruption. Widespread corruption reflects a “cost-of-doing business” mentality prevalent in many parts of the region. Anti-corruption efforts suffer from a lack of cohesion, forceful action, and follow-through measures, including prosecution.

Public procurement: The government lacks the capacity to successfully manage large-scale public-sector transactions on its own. The Government of Kosovo contracts international firms as transaction advisors, which has resulted in cases of conflict of interest, delay, and issues with technical specifications in tender documentation. Local and regional distributors often complain about irregularities in the conduct of public tenders at the national and municipal levels. Most large contracts incorporate an Alternative Dispute Resolution clause to mitigate these risks.

Weak IPR enforcement: Despite having EU-compliant legislation on IPR protection, there is a general lack of awareness and capacity to investigate and enforce provisions. Most local legal professionals lack the necessary expertise to effectively pursue IPR cases. This situation is a particular impediment to franchise growth in the Kosovo market.

Workforce: Kosovo’s young, educated, and multi-lingual workforce is not trained in the skill sets required by employers, increasing training costs. Remittance flows from its diaspora create a high reserve wage that disincentivizes youth from seeking employment.

Lack of Diplomatic Recognition: Kosovo’s lack of recognition by other countries causes numerous problems, including: more expensive flights, fewer transport options, failure to list Kosovo as a country in standard drop down lists in software and applications, and challenges with international bank transfers.

Market Opportunities

The World Bank reports Kosovo experienced a 4.2 percent growth rate in 2019, but the COVID-19 pandemic will take a toll on economic growth in 2020, with the IMF predicting a 5 percent drop in Kosovo’s GDP that is about

average for the region. The pandemic has had, and will continue to have, a significant negative impact on the Western Balkan economies, effecting all economic sectors, especially the SME sector. All six countries of the Western Balkans are forecasted to experience negative economic growth and enter a recession in 2020. According to the World Bank, GDP growth in the Western Balkan countries is forecast to be between -2.5% and -9%, investment between 1% and -29%, and exports between -0.1% and -30%. The severity of the impact will depend on the recovery scenario internationally, regionally, and in each of the Western Balkan countries. Kosovo entered the pandemic with a robust financial system, sufficient liquidity in government coffers, and an isolated economy not prone to global supply chain disturbances. Remittances from the Kosovo diaspora are also an important contributor to the Kosovo economy, typically equating to 10% or more of GDP, and for the first half of 2020, the Kosovo Ministry of Finance reported a 7% increase in remittances over the same period in 2019. These factors have thus far helped to buffer Kosovo from the most negative financial aspects of the COVID-19 pandemic and should help position Kosovo for more business opportunities during the recovery.

Due to the relative importance of imports for meeting consumer demand, the country maintains a persistent trade deficit. Leading domestic industries include agriculture, mining, and construction. Kosovo's largest exports are scrap metal, nickel, and lead. Kosovo's highly pro-American population welcomes U.S. investment in various sectors, including:

- **Energy:** Faced with a significant domestic power deficit, Kosovo is looking to expand its power generation capacity and diversify its energy supply, including through commitments to renewable energy. The vast majority of electricity in Kosovo is currently produced by two Soviet-era lignite-fired thermal power plants, known as Kosovo A and Kosovo B, which are capable of producing up to 880 MW. As Kosovo modernizes its power generation and diversifies its energy supply, natural gas and renewables present potential market opportunities.
- **Mining:** Historically an important contributor to Kosovo's economy, mining has declined in relevance due to a lack of investment in equipment, facilities, and development of new mines. The sector has significant foreign investment potential, and the Independent Commission of Mines and Minerals (ICMM) has issued over 500 exploration and mining licenses since 2007. In 2016, the Kosovo Assembly passed a law which transformed Trepca – the biggest mining company in Kosovo – from a socially owned enterprise into a joint stock company with the majority of shares belonging to the government.
- **Telecommunications:** Kosovo's telecommunications operators have transitioned to 3G and 4G services. The Government of Kosovo is working to position the country as a regional hub for information technology (IT)-related products and services, building on the strong IT and English-language skills within the workforce. There are a growing number of IT companies focused on outsourcing for European and U.S. companies, and the number of inbound and outbound call centers is growing. However, the sector is currently in flux. Kosovo Telecom, a state-owned company, is under significant financial pressure and on the verge of bankruptcy. IPKO, another leading mobile and broadband operator, is being sold by its foreign parent company, and the transaction could lead to some consolidation in the sector.
- **Health:** Kosovo has an urgent and growing need for quality basic and specialized health and medical services, personnel, facilities, and products. The sector is dominated by public-sector services, but private-sector investment has recently increased. Many Kosovo citizens have traveled to other countries to meet their health-care needs, but the pandemic is likely to change those habits at least in the short term. Local solutions present a potentially lucrative opportunity for outside investors. The ongoing pandemic has caused the Ministry of Health to purchase additional products and services for management of the crisis, but the highly fragile health system in Kosovo has struggled to manage the sudden influx of patients seeking treatment. As in other countries, Kosovo has experienced a rise in demand for telemedicine services as a result of the pandemic.

- **Waste Management and Recycling:** As a developing country, Kosovo's waste has increased faster than its capacity to manage it. Although recycling has only recently begun in Kosovo, certain companies in niche markets have been able to operate profitably in this sector
- **Other Services:** As Kosovo's economy develops, the need for expert financial, legal, architectural, engineering, software development, public relations, and graphic design services will grow.

Market Entry Strategy

- Conduct appropriate market research and due diligence to adequately assess investment climate.
- Visit Kosovo and meet potential partners, government officials, and business associations. This is essential for understanding the local business climate.
- Establish strong personal ties, a key to doing business in Kosovo.
- Choose good legal representation (both local and international) to protect your interests.
- Exercise due diligence when identifying a local agent or partner to enhance business opportunities.
- Note that commercial and physical infrastructure, including electricity and some transport facilities, is limited and not reliable.
- Consider opportunities to develop company-based workforce training and development programs with local partners to build necessary labor inputs for investments.
- The U.S. Embassy in Kosovo can offer Department of Commerce's branded services for U.S. companies.

More information on doing business in Kosovo is available on the U.S. Embassy in Kosovo's [website](#).

Leading Sectors for U.S. Exports and Investment

Energy

Overview

Kosovo is currently unable to generate enough electricity domestically to fully meet demand for energy. Electricity consumption and peak demand in Kosovo grew more than 90 percent between 2000 and 2010. Peak demand has remained relatively steady in recent years at approximately 1200 MWh. There is a vital need for stable, base-load power generation in Kosovo that can meet demand. Power shortages and outages have grown less frequent, but can still occur when generation and import capacity do not meet demand or when there is a service failure at one of Kosovo's outdated power plants.

The vast majority of electricity in Kosovo is produced by two Soviet-era lignite-fired thermal power plants, known as Kosovo A and Kosovo B. The two thermal power plants are currently capable of producing up to 880 MW. Small hydropower plants (HPP) produce an additional 106 MW. Other renewable energy sources (RES) are a growing source of domestic supply, currently contributing another 44 MW. To encourage RES, Kosovo has established the necessary legal framework and has offered a feed-in tariff for hydropower, wind, photovoltaic, and biomass generation. Increased base-load conventional generation will be needed to provide a flexible back up and baseload for new renewable energy generation.

As a member of the Energy Community, Kosovo has committed to meet mandatory RES targets for 2020, which were defined and approved by the Energy Community Ministerial Council in 2012. The mandatory commitment is to reach a 25 percent of final gross energy consumption, but in 2017 Kosovo voluntarily committed to a target of approximately 30 percent RES by 2020. Kosovo is currently on track to meet the mandatory target of 25 percent on time. The Turkish company Guris has developed a 32 MW wind farm using General Electric turbines, and a second, larger 103 MW wind farm also using General Electric turbines is expected to come online in late 2020 or early 2021. The Government of Kosovo has committed to a target of 29.89 percent RES as a share of total gross consumption by 2020. As of 2019, Kosovo has 143 MW of RES capacity installed.

	2015	2016	2017	2018	2019
Total Local Production	5,600 GWh	5,835 GWh	5,300 GWh	5,600 GWh	5718 GWh
Total Exports	601 GWh	1,121 GWh	880 GWh	671 GWh	905 GWh
Total Imports	668 GWh	534 GWh	1,242 GWh	659 GWh	928 GWh
Imports from the US	0 GWh	0 GWh	0 GWh	0 GWh	0 GWh
Total Market Size	5,667 GWh	5,248 GWh	5,662 GWh	5, 588 GWh	5,741 GWh

Unit: Gigawatt hour (GWh)

Total market size = (total local production + imports) - exports

Data Source: ERO measured and estimated data

Energy-efficiency improvements will become increasingly attractive for consumers as gaps in energy bill collection are resolved and full-cost energy tariffs are established. The Millennium Challenge Corporation (MCC) and several donors are implementing programs in this area.

Analysis estimates Kosovo loses over \$300 million in economic opportunity each year due to its unreliable and insufficient energy supply. Expanding domestic generation is a priority. Recently, ContourGlobal announced it canceled its implementation of a long-planned new coal-fired power plant. The government is in the process of completing the national energy strategy. Meanwhile, Greece and North Macedonia are preparing for construction of a gas pipeline connecting northern Greece with North Macedonia, and the Western Balkan Investment Fund has commissioned a study that looks at the possibility of extending the project across the North Macedonia-Kosovo border, potentially supported also by an MCC Compact.

Leading Sub-Sectors

- Turbines
- Generators
- Mining equipment
- Power system spare parts
- Power operation and maintenance services
- Legal and consulting services

Opportunities

- Engineering and construction of a new power plant
- Providing equipment for wind farms
- Renewable energy
- Energy efficiency, especially in residential dwellings

Resources

[Kosovo Energy Corporation](#)

[Kosovo Energy Distribution Service](#)

[Kosovo Energy Supply Company](#)

[Kosovo Energy Regulatory Office](#)

[Office Kosovo Transmission, System, and Market Operator \(KOSTT\)](#)

[Ministry of Economy and Environment](#)

[World Bank Kosovo Office](#)

Waste Management and Recycling

Overview

Kosovo's waste management issues continue to build as more and more of its citizens migrate to urban areas. Growing waste generation and lack of proper infrastructure creates opportunities for U.S. companies to provide a

variety of waste management and recycling services, including basic waste collection, machinery, and equipment for waste management.

Local governments are responsible for waste management programs, and the Law on Waste regulates waste collection, transportation, treatment, storage, disposal, import, export, plans for environmental management, and the rights and obligations of licensed entities in the sector. The Ministry of Economic Development manages the publicly owned Kosovo Landfill Management Company (KLMC), which is responsible for supervising and managing disposal sites.

In 2013, the Ministry of Environment and Spatial Planning (MESP) drafted a Strategy on Waste Management for 2013–2022 covering hazardous and non-hazardous waste. The strategy highlights the impact of lack of proper waste management on water, air, land, and human health, and notes that groundwater is the most endangered. Kosovo also must address large quantities of industrial and mining tailings with a high content of heavy metals inherited from the pre-war era.

Leading Sub-Sectors

- Waste collection
- Waste treatment
- Waste disposal
- Recycling equipment and facilities
- E-waste recycling, physical recycling, and chemical recycling
- Legal and consulting services

Opportunities

- Municipal waste management and recycling
- Industrial waste management and recycling
- Hazardous waste management

Resources

[Ministry of Economy and Environment](#)

[Kosovo Environmental Protection Agency](#)

[Kosovo Landfill Management Company](#)

Health

Overview

Kosovo's healthcare system dates from the Yugoslav era. Although the last decade has been marked by some significant improvement, the COVID-19 pandemic is showing there are still significant challenges. Kosovo's poor health and medical facilities have led many local residents to seek healthcare services in neighboring countries, even for routine check-ups, although this is complicated in the current pandemic context. The growing demand for quality healthcare and the lack of government resources to meet these needs create opportunities for U.S. companies to provide a variety of health-related services, including basic and specialized treatments, hospitals, clinics, emergency medical treatment facilities, and high-quality medicines and pharmaceutical products.

Throughout the country, there are seven regional public hospitals, and one university hospital located in Pristina. The American Hospital opened in 2015, offering state-of-the-art technology and equipment, as well as more advanced procedures than typically offered locally.

In 2017, Ministry of Health adopted a National Health Sector Strategy for 2017 -2021, which aims to provide better financing and better access for marginalized groups. In 2014, Kosovo enacted a Law on Health Insurance, which gives all citizens the right and obligation to carry mandatory health insurance. However, to date, Kosovo has still not implemented the law. Although Kosovo's public health facilities are available to all Kosovo citizens, the Government of Serbia pays for many of the public health services in Serb-majority areas. The public procurement process in the health sector is characterized as difficult, time-consuming, and lacking transparency.

Kosovo pharmacies and healthcare facilities rely on imported medical equipment and pharmaceuticals. There is some limited production locally of generic pharmaceuticals. The Kosovo Medicines Agency is responsible for licensing of importers and quality control.

Leading Sub-Sectors

- Hospitals, clinics, and other medical facilities
- Emergency medical treatment services and equipment
- Medicines, pharmaceutical products, and pharmacies
- Hospital management, staff training, legal services

Opportunities

- Primary, secondary, and tertiary level healthcare facilities
- Private hospitals, clinics, and emergency medical facilities
- Medical supplies and pharmacies
- Provision of medical equipment and supplies
- Professional staff training and consulting
- National Health Information System

Resources

[Ministry of Health](#)

[National Institute of Public Health](#)

[Kosovo Medicine Agency](#)

[Kosovo Pharmaceutical Association](#)

Mining and Minerals

Overview

Kosovo has a varied geology that includes a number of exploitable metal and mineral deposits, including: gold, chrome, nickel, aluminum, copper, iron metals, and lead-zinc. Kosovo also possesses the world's fifth-largest proven reserves of lignite. Kosovo's coal mines are the fuel source for over 90 percent of Kosovo's power. There is some potential to also exploit gold, silver, and marble. The mining sector has traditionally been an important contributor to Kosovo's economy, although the industry declined during the 1990s due to a lack of investment in equipment,

facilities, and failure to develop new sites. Significant foreign investment potential exists in this sector though the political situation makes such investments very difficult.

The Independent Commission for Mines and Minerals (ICMM) regulates Kosovo's minerals sector, issues exploration and mining licenses, and ensures legislative compliance with international mining, environment, and safety standards. ICMM provides key technical information to prospective bidders.

Many of the existing mines have been privatized, with varying degrees of success. The Trepca mining complex contains Kosovo's largest mines. At the height of production in the 1970s and 1980s, Trepca employed over 22,000 workers and accounted for more than 70 percent of Yugoslavia's mineral extraction.

Leading Sub-Sectors

- Exploration, mining, and extraction
- Legal and consulting services
- Equipment and spare parts sales; maintenance services

Opportunities

- Possible full ownership or operation of new or existing mines following a PPP structure
- Sales of equipment, spare parts, and maintenance services
- Minerals export to global markets

Resources

[Kosovo Energy Regulatory Office](#)

[Ministry of Economy and Environment](#)

[Kosovo Privatization Agency](#)

[Independent Commission on Mines and Minerals](#)

Telecommunications

Overview

The Regulatory Authority of Electronic and Postal Communications (RAEPC) estimated the total number of fixed and mobile internet users in Kosovo in 2018 was 356,637 and 1,316,983, respectively. These numbers equate to 19 and 72.5 percent penetration rates. RAEPC data indicates mobile telephone penetration in Kosovo covers 100 percent of inhabited zones and 94 percent of Kosovo's territory. Kosovo's telecommunications sector is one of the least expensive in the region and has similar quality voice services in comparison with other providers in the region. Five main companies – IPKO; Kosovo Telecom (KT); ArtMotion; Kujtesa; and a branch of Serbia's telecom company, MTS – provide internet service for about 73 percent of Kosovo's market, while TK, IPKO, and MTS, also provide mobile internet (3G and 4G). IPKO, a leading mobile and broadband provider is currently being sold by its parent company, Slovenian state-owned Telekom Slovenije. Kujtesa and ArtMotion are both pursuing the IPKO transaction, among other bidders, so the sector could undergo considerable consolidation in the near future. Kosovo Telecom offers mobile telephone services through its subsidiary Vala and has over 59 percent of the market share. KT, once the most profitable state-owned enterprise and still the major provider of landline services, is in a crisis state due political interference, a bloated workforce, inflated wages, and years of mismanagement. The company is facing its current financial crisis in part due to failure to pay an international arbitration award, and, as of August 2020, was facing possible bankruptcy.

Leading Sub-Sectors

- General service mobile (GSM) operator
- GSM network supplies, equipment, and technology
- Network management
- Telecommunications infrastructure development, including WiMax and other municipal wireless internet services.
- Digitalization of TV broadcasting

Opportunities

- Infrastructure development
- Network upgrades, including a likely 5G roll-out in the coming years

Resources

[Regulatory Authority of Electronic & Postal Communications](#)

[Independent Media Commission](#)

[IPKO Telecommunications, LLC](#)

[Kosovo Telecom](#)

Customs, Regulations and Standards

Trade Barriers

Kosovo has no general restrictions on imports. Some animal and plant products are required to undergo phytosanitary or veterinary inspections at border control. U.S. companies' local distributors must complete an application form and health certificate to import animal food products, including poultry products. Kosovo accepts USDA food-safety inspection service certificates. The Kosovo Food and Veterinary Agency's Phytosanitary Division requires control certificates and certificates of origin for all imports.

Import licenses are required for pharmaceutical products, live animals, and tobacco products. An import license is required for production inputs and raw materials associated with manufacturing of pharmaceutical products. Licenses can be obtained from the Kosovo Medicines Agency (KMA) for six months, with an additional six months in case the import was not completed as scheduled. Quality and safety requirements for pharmaceutical products also stipulate that the following documents accompany every import:

- Business license issued by the Competent Authority;
- Marketing authorization for medicinal product issued by KMA;
- Importing authorization held by the importer granted by the KMA, or an
- Import license issued by KMA that should meet the Good Manufacturing Practice standards;
- Batch Certificate of Analysis for each batch of medicinal product imported.

These procedures are subject to change; please contact the KMA for up-to-date guidance. Information on sanitary requirements can be obtained from the Kosovo Ministry of Health. Information on phytosanitary and veterinary requirements can be obtained from the Kosovo Food and Veterinary Agency in the Office of the Prime Minister.

Import Tariffs

Kosovo is a member of the Central European Free Trade Agreement (CEFTA) and the World Customs Organization. Most imports from CEFTA countries are duty free. For countries that Kosovo does not have a free trade agreement with, there is a 10 percent customs duty. There is also an eight percent VAT on essential goods and an 18 percent VAT on all other imported goods. Since April 2016, a Stabilization and Association Agreement (SAA) has been in effect, which eliminates customs duties on over 1,044 agricultural and 487 fishery imports from the EU. Under the same agreement, customs tariffs on industrial imports will be phased out gradually over a period of 10 years, with complete phase-out set to occur in 2026.

The VAT law and system in Kosovo is based on the EU Directive for VAT (Directive 2006/112/EC and its subsequent amendments). VAT legislation is regulated by Law No.05/L-037 'On Value Added Tax' and the corresponding sub-legal acts. VAT is assessed on the price, insurance cost, and freight cost of the goods. Certain products are also subject to an additional excise tax that can significantly increase the final price of goods to consumers. These include petroleum, tobacco, vehicles, and alcohol. The excise tax is applied as a flat percentage rate of the value of the item or as a pre-determined amount depending on the item. Information on Kosovo's applicable excise taxes can be found in the [Official Gazette – Law No. 03/L-220](#). Most agricultural inputs, chemical agents, wood products, health and medical devices, production-line expenses, raw materials, machinery used in production, and IT equipment purchases are exempt from the tax.

Kosovo adopted a Customs and Excise Code in compliance with European Union and World Customs Organization standards in early 2009: [Official Gazette - Law NO. 04](#).

Kosovo uses an integrated tariff schedule broken down into goods categories and applicable rates: [Kosovo Customs](#).

Detailed information on the SAA between Kosovo and the EU is available at: [European Council - \(SAA\) Signed between the EU and Kosovo](#).

Import Requirements and Documentation

Kosovo's Customs Law requires that a single administrative document (SAD) be completed by the importer. The SAD must be obtained from the Kosovo Customs' office in Pristina and is not available online. Completion of the SAD requires the certificate of origin, commercial invoice, and customs goods declaration.

More information on import requirements and documentation can be found at [Dogana](#).

Labeling and Marking Requirements

Labels must contain the name of the product, full address of the importer and country of origin, net quantity/weight/volume of the product, ingredients, method of storage (transport, use, or maintenance), and any applicable consumer warnings. Labels must be written in Kosovo's two official languages (Albanian and Serbian), but labeling in additional languages beyond those two is permitted.

Consumer protection legislation requires that technical products be accompanied by instructions for usage, the manufacturer's specifications, a list of authorized maintenance offices, warranty information, warranty period, and other applicable data.

For food importers, it is advisable to use the European date system for expiry or spell out the month of expiration on the label.

More information on labeling requirements can be found on the website of the Ministry of Trade and Industry at: [Ministry of Trade and Industry](#), and the Regulation on Labeling, Presentation, and Advertising Food Products: [Official Gazette of the Republic of Kosovo](#).

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists

of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

Kosovo permits the temporary importation of products for re-exportation provided they do not undergo any change while in country. Such goods are assessed import duties at a rate of 3 percent of value for every month or fraction of a month in storage. Kosovo has “bonded” customs warehouses, which are privately-owned storage facilities that allow importers to store goods duty free until they are released into the local economy or re-exported free-of-charge. Their use, however, is limited. Companies importing warranty and non-warranty items for repair must be authorized by Customs for internal repair or repair under Customs’ control.

Prohibited and Restricted Imports

The importation of narcotics is prohibited. The importation of most non-hunting use firearms is prohibited. The importation of certain chemicals and pharmaceuticals is restricted.

More information on chemical import regulations can be found at: [Official Gazette - Law on Chemicals](#).

More information on pharmaceutical import regulations can be found at: [Official Gazette - Law on Medicinal Products and Medical Devices](#)

More information on firearm import regulations can be found at: [Official Gazette - Law on Weapons](#).

Customs Regulations

Kosovo Customs

Telephone: +383 (0)38 541 031

Web: [Kosovo Customs](#)

Laws and regulations are translated into English and are available online.

[Customs and Excise Code](#)

[Integrated Tariff Schedule](#)

[Kosovo International Trade Guide](#)

Standards for Trade

Overview

Kosovo’s Law on Standardization reflects European and international systems of standards, and outlines procedural rules on drafting, approval, determination, and application of these standards in Kosovo. Product certification also falls under this law. Kosovo implements European and international standards as Kosovo standards. The law is available online in English: [Law on Standardization](#).

The Kosovo Standardization Agency (KSA) identified and adopted construction codes that are equivalent to the “eurocodes” that lay out the ten European standards specifying how structural design should be conducted in the

EU. Kosovo is not a member of the ISO or any other international or regional standardization bodies. The government is pursuing membership and/or alternatives methods of cooperation with these organizations.

Standards

The KSA and Accreditation Directorate (AD) within the Ministry of Trade and Industry are the only government bodies responsible for standardization and accreditation activities in Kosovo. The government relies on the KSA to:

- Organize procedures on the formulation of standards; approve and apply such standards; certify products, services, quality systems, and personnel.
- Organize procedures on standardization, accreditation, and certification based on international and European standardization systems.
- Approve, adapt, and implement international and European standards, except in the area of telecommunications.
- Revise existing standards in Kosovo.
- Maintain and administer a standardizations archive on foreign and local standards; upon request, communicate technical information to domestic and foreign subjects that conduct business activities in the territory of Kosovo.
- Prepare the laws and by-laws for activities it covers.

Kosovo standards are identified as “SK”, with other letters based on the origin of the product. For example, a product that complies with Kosovo Standards and was produced in Europe in accordance with ISO standards would be marked “SK EN ISO.”

Testing, inspection and certification

The KSA and AD are the primary conformity and accreditation assessment bodies in Kosovo. Kosovo does not have a national product certification body, but it has certified experts in ISO 9001 and similar areas cooperating with relevant foreign companies in the certification of Kosovo businesses. U.S. exporters have not reported problems related to product-certification requirements. Kosovo has no product certification agreements with the United States. It is a member of the European co-operation for Accreditation (EA), the International Laboratory Accreditation Cooperation (ILAC), and has adopted the code of conduct of International Accreditation Forum (IAF). Test certificates are accepted from laboratories in countries that have signed multilateral agreements with ILAC, IAF, and EA and from countries with which AD has agreements. Seven inspection bodies and 33 testing laboratories are currently accredited by the AD. All U.S. testing laboratories which are accredited by the American National Standards Institute are assumed to comply with Kosovo regulatory requirements, as they follow the same ISO/IEC standards.

More information on accreditation is available at the AD’s website: <http://dak.rks-gov.net/>

Publication of technical regulations

Publication of Technical Regulations

The Government publishes all laws and regulations in the Official Gazette: [Official Gazette of the Republic of Kosovo](#). Only final regulations are published. U.S. entities can comment on regulations by attending the relevant working groups or upon invitation by the government agency sponsoring the regulation. Business associations such as the American Chamber of Commerce also regularly collect comments from members on proposed legislation. Kosovo maintains an annual legislative program available on the website of the Office of Prime Minister at: [The Republic of Kosovo: The Office of the Prime Minister](#).

Contact Information:

U.S. Embassy Pristina

Yllka Bina, Commercial Advisor

Telephone: +383 (0)38 5959 3211

E-mail: PristinaCommercial@state.gov

Kosovo Standardization Agency

Hafiz Gara, Chief Executive

Telephone: +383 (0)38 51 21 27

E-mail: hafiz.gara@rks-gov.net

Kosovo Accreditation Directorate

Naim Gashi, Director of Kosovo Accreditation Directorate

Telephone: +383 (0)38 21 27 62

E-mail: naim.m.gashi@rks-gov.net

Office of the Prime Minister

Kosovo Food and Veterinary Agency

Valdet Gjinovci, Executive Director

Telephone: +383 (0)38 551 957

E-mail: valdet.gjinovci@rks-gov.net

Kosovo Medicines Agency

Ardian Rugova, Acting Director

Telephone: +383 (0)38 21 20 66

E-mail: info@akppm.com

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify the WTO of any proposed technical regulations and conformity assessment procedures that could affect trade. "Notify U.S." (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Trade Agreements

Kosovo's Ministry of Trade and Industry manages its international trade relations. In some cases, opposition by non-recognizing states means that Kosovo is included under the name Kosovo*, with a footnote clarifying that the name is made without prejudice to Kosovo's legal status. In other cases, the United Nations Mission in Kosovo (UNMIK) ensures Kosovo's ability to fulfill international obligations under agreements where UNMIK is the signatory on behalf of Kosovo.

Kosovo, through UNMIK, is a member of the Central European Free Trade Agreement (CEFTA) and has signed Free-Trade Agreements (FTA) with Albania, North Macedonia, Croatia, Bosnia-Herzegovina, and Turkey. The Stabilization and Association Agreement aimed at liberalizing trade with the EU entered into force in April 2016.

Additionally, Kosovo has signed double taxation treaties with Albania, North Macedonia, Slovenia, Austria, Turkey, the United Arab Emirates, and the United Kingdom. Older treaties with Hungary, Netherlands, Germany, Finland, and Belgium from the time of the former Yugoslavia still apply for Kosovo.

Kosovo is member of the European Common Aviation Area and member of the Athens Process on Energy for the Southeastern Europe Energy Community Treaty.

More information on Kosovo's trade agreements can be found on the [website of the Ministry of Trade and Industry](#).

Licensing Requirements for Professional Services

According to the Kosovo Business Registration Agency (KBRA), many professional services do not require a license. The Law on the License and Permit System adopted in 2013 stipulates the procedures and general criteria for licensing of foreign professional services by competent boards of respective ministries. Legal and accountancy professions require a license, while consulting does not.

Foreigners who wish to practice law in Kosovo must register with the Kosovo Bar Association, present their home country Bar Association certificate and law license, and pass a test on their knowledge of Kosovo legislation before applying for a license at the Ministry of Justice. Details on licensing of foreign lawyers may be found on the website of [Kosovo Bar Association](#).

Similarly, to become a licensed accountant, a foreign professional must apply for registration with the Society of Certified Accountants and Auditors of Kosovo (SCAAK), documenting their professional standing from their respective home country, and pass SCAAk's eligibility test. The licensing determination is made by the Kosovo Council for Financial Reporting, which is part of the Ministry of Finance.

Selling U.S. Products and Services

Distribution & Sales Channels

Overview

Many local importers are also wholesalers, distributors, and retailers. Locally-owned supermarket chains ETC, Meridian Express, and Viva Fresh all operate large stores in key cities, supplementing and replacing traditional family-owned businesses in these areas. Foreign companies have successfully partnered with local businesses to open large furniture stores, such as JYSK and Lesna, and supermarkets, such as Interex and Conad. Because Kosovo is land-locked, all goods arrive by road, limited rail service from North Macedonia, or air. Goods usually arrive at border crossing points and are then taken to customs terminals for clearance. The closest seaports are Durres, Albania and Thessaloniki, Greece (about 130 miles and 170 miles from Pristina, respectively). Modern highways connect Pristina to Durres (4 hours) and Skopje (less than an hour).

Using an Agent of Distributor

Foreign companies doing business in Kosovo are not required to have a local agent, but it is advisable to retain one in order to gain insight into local economic and market conditions. Kosovo does not have laws regulating local agent and distributor agreements, except for dental products, where a contract with a licensed distributor is required. Any local agent or distributorship relationship should be clearly defined, stipulated by contract, and contain an alternative dispute resolution clause. Agreements should also be registered with local courts in case of a legal disagreement.

U.S. Embassy Pristina is a Department of State Commercial Partnership Post, and we provide business facilitation and Commercial Services to interested U.S. and U.S.-affiliated businesses. Some of the typical services the [U.S. Embassy Pristina Commercial Team](#) can provide include initial market checks, international company profiles, international partner searches, single company promotions, trade show representation, and virtual introductions. Many of these services are being offered virtually during the COVID-19 pandemic.

Establishing an Office

The procedure for business registration is the same for local and foreign owners. There is a single procedure to file and obtain a unified registration, fiscal and VAT number through registration centers operating in 26 municipalities. As described by the World Bank in its Doing Business report, the steps to establish an LLC are: (i) register with the Kosovo Business Registration Agency (KBRA); (ii) design a company seal; and (iii) register future local employees for the pension scheme with the Tax Administration. While a company seal is not required by law, it is generally expected in customary practice. Business registration takes approximately 3 days. Registration can be as an individual business; a general partnership; a partnership; a limited-liability company; a foreign company; or a joint-stock company.

Registration forms vary by type of business and can be found on the KBRA's [website](#).

There is no limitation on foreign ownership of local companies and foreign investors face no restrictions on moving capital and profits outside of Kosovo.

Franchising

There are no legal requirements for franchising. With improved legal and physical infrastructure, the Kosovo market is receptive to franchising opportunities, especially in the hotel, restaurant, and hospitality industries. Kosovo opened its first U.S. food franchise in 2016 to much fanfare, and significant demand remains for other U.S. brands.

Current U.S. franchisees and licensees operating in Kosovo include: Apple (branch of Apple Premium Reseller in Croatia), Century 21, Coca-Cola, Enterprise, Hertz Rent-a-Car, KFC, Domino's, Pizza Famiglia, Burger King, Marriott, Best Western, Nike (distribution license for Kosovo), Office One Superstore, and RC Cola (bottling license in Kosovo, distribution rights for Serbia, North Macedonia, Albania, and Montenegro). Recently, a new Four Points by Sheraton opened in Kosovo, and a new Courtyard by Marriott and Hilton are both expected to open in 2021.

Direct Marketing

Many foreign companies actively market their products and services in Kosovo. The Internet is used, but more traditional means of advertising, such as television and radio, are generally more effective. Social media marketing is gaining prevalence.

Joint Ventures/Licensing

The Foreign Investment Law (Kosovo Assembly Law 04/L-220) allows foreign investors to wholly own businesses in all sectors of the economy, with the exception of the manufacturing or distribution of military products, where their equity is limited to 49 percent. Foreign investors in all other areas are subject to the same licensing requirements as local investors. Licensing is done by the economic regulator in the respective sector. Foreign

investors may be required to file a statement with local authorities identifying principal stakeholders and types of investment. No other filing requirements in excess of those required for similar domestic businesses are required for foreign investors.

Express Delivery

FedEx, DHL, and UPS operate in Kosovo. It normally takes two days for express delivery to arrive from major U.S. cities, and the service is generally reliable. While the ongoing COVID-19 pandemic initially resulted in express delivery delays, as of August 2020, most of the delivery services were reporting that express deliveries were back to their usual expected timeframes. Goods arriving via express delivery undergo the same customs procedures as goods arriving through other channels. The de minimis amount for customs duty purposes is applied to goods worth less than €22 per delivery.

Due Diligence

No credit rating agencies in Kosovo cover private-sector actors. All U.S. businesses are advised to perform their own due diligence prior to developing relationships with local firms. Due diligence checks on socially-owned enterprises are particularly important since the Privatization Agency of Kosovo (PAK) does not extend liability warranties to purchasers. U.S. companies are strongly encouraged to perform due diligence checks on private firms to ensure that the local company:

- is not facing any bribery or corruption charges;
- maintains a certain level of financial stability that will enable it to meet financial obligations; and
- holds, along with its owners, a solid professional reputation in Kosovo.

Businesses are also encouraged to consult the chambers of commerce (American, Kosovo, Turkish, and German) and the Kosovo Business Alliance (KBA).

In addition, the U.S. Embassy's Economic/Commercial team offers fee-based [International Company Profile \(ICP\)](#) services containing limited background checks on local companies.

eCommerce

[The eCommerce Innovation Lab \(EIL\)](#) is a national office within the U.S. International Trade Administration (ITA) that positions the U.S. Commercial Service as a pacesetter resource for U.S. businesses through empowering client-facing staff with a baseline understanding of digital trade, enabling quicker response to client needs by providing value add digital client counseling. This helps ITA to adapt alongside industry to remain ahead of the curve on client service, trade promotion, and trade policy development through more knowledgeable and effective collaboration.

Our office has created a U.S. field-based client digital strategy counseling process that focuses on these key concepts:

- [eCommerce is a sales channel](#) that crosses all industries that sell or promote brand awareness online. eCommerce as a sales channel is part of a businesses' B2B and/or B2C digital strategy;
- [A digital strategy](#) addresses the basic needs of a business required to succeed in cross-border ecommerce sales channels. Our counseling process focuses on identifying these needs;
- [eCommerce Key Performance Indicators](#) allows businesses to understand where their digital efforts are paying off;
- [eCommerce Business Service Provider Directory \(BSP\)](#) provides the much-needed follow-up to our digital strategy recommendations that will help the client to succeed in overseas markets;

According to data from the Kosovo telecom regulator, more than 90 percent of Kosovo households regularly use internet, and the number of individuals using mobile internet has reached 92.3 percent of total mobile users. While Kosovo has the highest internet penetration rate in the region, the e-Commerce sector remains nascent. As a result of the COVID-19 pandemic more companies in Kosovo are experimenting with using eCommerce. Most commercial banks have introduced internet banking and all utilities offer online bill payment options. Kosovo follows EU standards for eCommerce and consumer protection. Well-known eCommerce websites - including Amazon, Aliexpress, and ASOS -ship to Kosovo. According to data from the Kosovo Statistics Agency, the majority of online purchases in Kosovo are made through E.U. and U.S. retailers. Payment methods for eCommerce transactions include e-banking, credit cards (Visa and Mastercard), and cash-on-delivery for the domestic market. While third-party payment methods such as PayPal and Payoneer generally do not offer services in Kosovo, some users find work-arounds leveraging banks in neighboring countries.

Selling Factors & Techniques

Overview

U.S. goods and services enjoy an excellent reputation in Kosovo. If a U.S. representative is unable to be in Kosovo full-time, a local agent or distributor is recommended. The capacity of local marketing firms is improving, but local companies distributing U.S. goods usually seek marketing assistance from the producer or let the foreign company market the product directly. Domestic and regional business exhibitions are useful for identifying and establishing contacts with local distributors. Although English is widely spoken in Kosovo, it is advisable that sales materials be printed in Albanian and Serbian if possible.

Trade Promotion and Advertising

Local advertising and marketing firms primarily provide services to domestic companies, but also cater to a handful of established international firms operating in Kosovo. Several companies offer strictly promotional services, while others offer fully-integrated marketing and advertising packages. In addition, Congress and Event Organization is a private company that organizes local and regional tradeshows. Embassy Pristina's commercial unit also offers Single Company Promotion (SCP) services.

Pricing

Kosovo uses the euro as its currency. The Central Bank of Kosovo does not have an independent monetary policy and prices largely reflect market trends in the larger eurozone. Prices include a VAT rate of 8 and 18 percent depending on the product. Local consumers are price conscious and actively seek out sales and discounts. Local businesses frequently offer promotions and sales events in order to attract customers and gain market share. U.S. firms should study the market carefully to ensure that their goods and services are competitively priced.

Sale Services and Customer Support

After-sales service and customer support are considered to be the responsibility of the local agent or distributor.

Local Professional Services

Auditing Firms:

[Deloitte LLP Albania and Kosovo](#)

[Grant Thornton](#)

[KPMG](#)

[Price Waterhouse Coopers](#)

Banking:

[ProCredit Bank](#)

[Raiffeisen Bank](#)

[NLB Banka](#)

[Banka Ekonomike](#)

[Banka per Biznes](#)

[Banka Kombëtare Tregtare](#)

[TEB Turkiye](#)

[Is Bankasi](#)

[Komercijalna Banka AD Beograd](#) (NOTE: This bank operates only in Serb-majority areas)

Insurance Companies:

[Illyria Insurance](#)

[SIGURIA](#)

[SIGAL](#)

[SIGMA](#)

Note: You can find more information on banks and insurance companies on the Central Bank of Kosovo's website:

[Central Bank of Kosovo](#)

Courier Services:

FedEx (express mail services only)

Eqrem Cabej St. 147

10000 Pristina, Kosovo

Contact: Agon Haxha, General Manager

Tel: +383 (0)38 550 870;

E-mail: fedexkosovo@gmail.com

UPS

105/1 UCK Street

10000 Pristina, Kosovo

Contact: Artan Bislimi, Manager of A.L. Dushi Services (authorized service contractor for UPS)

Tel: +383 (0)38 242-222

Fax: +383 (0)38 249 999

E-mail: artanb@aldushi.com

DHL
25b Mother Teresa Street
10000 Pristina, Kosovo
Tel: +383 (0)38 545-545
E-mail: dhl@kujtesa.com
Web: www.dhl.com

Principal Business Associations

The American Chamber of Commerce in Kosovo, the Kosovo Chamber of Commerce, the German Chamber of Commerce, the Kosovo Turkey Chamber of Commerce, and the Kosovo Business Alliance are the main business organizations in Kosovo. Most are open to U.S. companies. Their primary role is to protect the interests of the business community and advocate for policies to improve the business environment. These associations lobby the government on business issues.

Limitations on Selling U.S. Products and Services

Kosovo legislation does not stipulate that any particular sector or service is only available to its nationals. Foreigners can own property and invest in the same way as locals.

Trade Financing

Methods of Payment

About 75 percent of Kosovo importers regularly receive goods under short-term supplier credit agreements. Longer-term financing may be sought for larger purchases but may be difficult to obtain. No credit rating agencies currently operate in Kosovo. Kosovo has a SWIFT code and uses the IBAN format for bank accounts.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at www.Export.gov/TradeFinanceGuide.

Banking Systems

Kosovo uses the euro as its national currency even though the country is not a member of the European Central Bank. As such, the country has no independent monetary policy.

Kosovo's banking system is well-regulated, profitable, and liquid. The Central Bank of Kosovo (CBK) is an independent public agency with the authority to license, supervise, and regulate financial institutions and insurance companies in Kosovo. The CBK has adopted banking rules and regulations in line with the Basel Accords and EU directives.

Ten commercial banks, eight of which are foreign-owned, operate in Kosovo, representing 66.1 percent of total assets in the financial sector. Foreign commercial banks account for about 86.6 percent of total banking system assets, and two domestic banks account for the remaining 13.4 percent. Pension funds represent 26.7 percent of financial system assets, followed by microfinance institutions (4.4 percent), and insurance companies (2.8 percent), while other financial intermediaries comprise the rest. In May 2020, financial sector assets amounted to €7.19 billion, recording an annual growth rate of about 10 percent.

Neither the banking sector nor local commercial enterprises are sufficiently capitalized to finance large investment projects. In 2019, new investment loaned to enterprises represented 69.3 percent of total new loans issued during that period. As of May 2020, approximately 81 percent of bank loans have maturities of over two years, with

maturities of two to five years accounting for 32.6 percent of loans. Nearly 64 percent of loans are directed towards enterprises and 3.7 percent towards the agricultural sector. Kosovo signed the Foreign Account Tax Compliance Act (FATCA) with the United States in March 2015. FACTA is an information-sharing agreement between the GoK and the U.S. Department of Treasury that ensures that American citizens and legal permanent residences with foreign-held bank accounts comply with their U.S. tax obligations.

There are no special rules or regulations that might impact U.S. businesses.

Foreign Exchange Controls

Kosovo unilaterally adopted the euro as its national currency in 2002. The CBK has no monetary policy tools to influence its currency. Other than reporting to Kosovo Customs the removal or importation of €10,000 into the country, there are no currency or payment restrictions related to the use of the euro in Kosovo.

U.S. Banks and Local correspondent Banks: There are no U.S. banks operating in the market or local correspondent banks in Kosovo.

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources.

The [U.S. Patent and Trademark Office \(PTO\) Intellectual Property Attaché](#) with responsibility for Kosovo is Mr. Dorian Mazurkevich (dorian.mazurkevich@trade.gov), based out of U.S. Embassy Kyiv or [Stevan Mitchell at ITA's Office of Intellectual Property Rights, at \[Stevan.Mitchell@trade.gov\]\(mailto:Stevan.Mitchell@trade.gov\)](#).

Companies may wish to seek advice from local attorneys or IP consultants who are experts in Kosovo law. The Embassy provides a [list of local lawyers](#) on its website.

Selling to the Public Sector

Selling to the Government

Kosovo is not a WTO member and thus not a signatory of the Government Procurement Agreement. Similarly, Kosovo is not a party to a Free-Trade Agreement (FTA) with the United States, and accordingly, is not bound by any U.S. FTA commitments on government procurement. The procurement process in Kosovo is based on the tendering procedures outlined in the Public Procurement Law, which applies to all procurement-related actions involving funds from the Kosovo consolidated budget. The law provides guarantees for equal treatment and non-discrimination, transparency, fair competition, and accountability. Foreign companies bid on an equal basis with local firms. Despite an absence of local-content requirements, the amended Public Procurement Law gives preference to local bidders when the quality and price are comparable to that of foreign bidders. Nevertheless, vendors routinely complain about irregular conduct in public tenders at the national and municipal levels, and have generally found the official appeals system inadequate to redress grievances. In an effort to enhance transparency, the GoK amended the Public Procurement Law to mandate electronic procurement across the government, and in early 2017 implemented e-procurement at the municipal level.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S.

Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

Financing of Projects

Like many governments, Kosovo finances some public works projects through borrowing from the Multilateral Development Banks.

Multilateral Development Banks and Financing Government Sales:

Price, payment terms, and financing can be significant factors in winning a government contract. Many governments finance public works projects through borrowing from the Multilateral Development Banks (MDB). A helpful guide for working with the MDBs is the [Guide to Doing Business with the Multilateral Development Banks](#). The U.S. Department of Commerce's (USDOC) International Trade Administration (ITA) has a Foreign Commercial Service Officer stationed at each of the five different Multilateral Development Banks (MDBs): the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the World Bank. Learn more by contacting the:

- Commercial Liaison Office to the [European Bank for Reconstruction and Development](#)
- Commercial Liaison Office to the [World Bank](#)

U.S. International Development Finance Corporation (DFC):

The U.S. International Development Finance Corporation (DFC) is America's development bank. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. It invests across sectors including: energy, healthcare, critical infrastructure, and technology. DFC also provides financing for small businesses and women entrepreneurs to create jobs in emerging markets. DFC investments adhere to high standards and respect the environment, human rights, and worker rights.

U.S. International Development Finance Corporation
1100 New York Avenue, NW
Washington, DC 20527

Tel: +1 (202) 336-8400

Web: www.dfc.gov

U.S. Trade and Development Agency (USTDA):

USTDA is a U.S. Government agency that advances economic development and U.S. commercial interests in developing and middle-income countries. The Agency funds various forms of technical assistance, early investment analysis, training programs, orientation visits, and business workshops that support the development of modern infrastructure and a fair and open trading environment. Contracts funded by USTDA grants must be awarded to U.S. companies. USTDA has been active in Kosovo's telecommunications and information technology sectors.

United States Trade and Development Agency
1000 Wilson Blvd., Suite 1600
Arlington, VA 22209

Web: www.ustda.gov

Export-Import Bank of the United States (EXIM):

The Export-Import Bank of the United States (EXIM) is the official export credit agency of the United States. EXIM is an independent Executive Branch agency with a mission of supporting American jobs by facilitating the export of U.S. goods and services. When private sector lenders are unable or unwilling to provide financing, EXIM fills in the gap for American businesses by equipping them with the financing tools necessary to compete for global sales. In doing so, the agency levels the playing field for U.S. goods and services going up against foreign competition in overseas markets, so that American companies can create more well-paying American jobs. Because it is backed by the full faith and credit of the United States, EXIM assumes credit and country risks that the private sector is unable or unwilling to accept. The agency's charter requires that all transactions it authorizes demonstrate a reasonable assurance of repayment; EXIM consistently maintains a low default rate, and closely monitors credit and other risks in its portfolio.

Export-Import Bank
811 Vermont Avenue, NW
Washington, DC 20571

Web: www.exim.gov

World Bank:

The World Bank serves as a vital source of financial and technical assistance to developing countries around the world.

Mr. Massimiliano Paolucci is Country Manager for Kosovo and for North Macedonia.

Telephone: +383 38 224 454

Web: www.worldbank.org

European Investment Bank (EIB):

The EIB is the European Union's bank. It is owned by and represents the interests of European Union Member States. It works closely with other EU institutions to implement EU policy. In June 2013, the EIB signed a Framework Agreement with Kosovo, allowing it to finance priority projects, particularly in the areas of the environment, transport, telecommunications, and energy infrastructure. EIB's involvement facilitates the co-financing of projects with other donors and supports the implementation of the Western Balkans Investment Framework (WBIF) and the Western Balkans Enterprise Development and Innovation Facility. Kosovo has identified eight priority projects for potential EIB support, six of which are in the infrastructure sector, including the rehabilitation and modernization of railways.

European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg

Web: www.eib.org

Council of Europe Development Bank (CEB):

The CEB is a multilateral development bank with a social vocation. Established in 1956 to bring solutions to the problems of refugees, its scope of action has progressively widened to other sectors of action directly contributing to strengthening social cohesion in Europe.

Kosovo's Representative to the CEB Governing Board:

Mimoza Ahmetaj, Consul General of Kosovo, Strasbourg

Kosovo's Representative to the Administrative Council of the CEB:

Lum Mita, Head of Division for International Financial Cooperation, Ministry of Finance, Pristina

Web: <https://coebank.org/en/about/member-countries/kosovo/>

European Bank for Reconstruction and Development (EBRD):

The EBRD is an international financial institution that supports projects in 30 countries from central Europe to central Asia. Investing primarily in private sector clients whose needs cannot be fully met by the market, the EBRD promotes entrepreneurship and fosters transition towards open and democratic market economies.

European Bank for Reconstruction and Development
Pristina-Fushe Kosove Main Road
PO Box 122
Pristina, Kosovo

Tel: +383 (0)38 242 07000 Fax: +383 (0)38 242 07071

Web: www.ebrd.com

Business Travel

Business Customs

Business meetings occur at any time of the business day, which usually starts at 8:00 a.m. and ends at 4:00 p.m. Government ministries and offices are open Monday through Friday during these hours. Business meetings can be formal or informal.

English is generally understood by business professionals in most communities in Kosovo, but not always by the general public. Most Kosovo Albanians over the age of 35 speak Serbian; however, unless you know your interlocutors well, it is preferable to use English or Albanian. Kosovo Serbs who operate businesses are generally fluent in English, but rarely in Albanian. Many Kosovo nationals – Albanians more so than Serbs – have studied in the United States.

Kosovo nationals of all ethnic backgrounds are hospitable to foreigners, especially Westerners. Invitations to lunch, dinner, receptions, even religious family customs and other official and/or private family hospitalities are normally offered and should be accepted if possible. Be prepared for small talk dominating much of the discussion and do not be concerned if your interlocutor does not immediately get down to business. If offered, be prepared to accept coffee, tea, or other beverages, which are signs of respect for the host.

Dress at meetings should be business attire, but a formal suit is not expected. It is preferable to print business cards with one side in English and the other side in Albanian and/or Serbian. It is advisable, but not necessary, to have a temporary local or international mobile phone, which can be obtained locally. While not expected, giving gifts depends on the closeness of the relationship. If it is known that your local contact will offer you a gift, be prepared to offer one in exchange. Emphasis is not placed on the value of the item, but on the thought.

Travel Advisory

Consult the State Department [Consular Information Sheet for Kosovo](#).

Visa Requirements

To enter Kosovo, U.S. citizens need a passport that will be valid at least six months upon entry. No visa is required, but visitors may be asked to produce documentation to demonstrate the purpose of their visit. Visitors authorized entry into Kosovo are permitted to stay up to 90 days within a six-month period. Persons who wish to prolong their stay beyond 90 days will need to register at the Office for Registration of Foreigners, located in the Main Police Headquarters in Pristina. Any cash carried in the amount of \$10,000 or more should be declared. Prior to traveling to Kosovo, U.S. business travelers are strongly encouraged to obtain general and [country-specific travel information from the U.S. Department of State's website](#).

U.S. companies that require travel of foreign business persons to the United States should be advised that applicants are required to apply for, and qualify for, a U.S. visa. Visa applicants should go to the following links:

[State Department Visa Website](#)

[United States Embassy in Pristina, Kosovo](#)

Currency

Kosovo has adopted the euro as its currency. Serbia's dinar is also used in the northern part of the country. Visa and MasterCard are increasingly accepted, and ATMs are available throughout Kosovo. Travelers' checks are not routinely accepted.

Telecommunications/Electric

Kosovo has both fixed line and mobile telephony services, which are in the process of being modernized and updated. Telephone charges are the lowest in the region. U.S. calling cards are not accepted in Kosovo. Most major

U.S. cell phone carriers work in Kosovo, including AT&T, Verizon, and TMobile (through Kosovo Telecom only). Please note that roaming charges will apply. There are charges on all calls made from and received on cellular phones.

Kosovo's Internet service is provided by three privately-owned companies – Kujtesa, ArtMotion, and IPKO – and through the public provider Kosovo Telecom. Free Wi-Fi is common in Pristina's cafes, restaurants, and hotels. Like elsewhere in Europe, appliances in Kosovo run on 220 volts. Plug adapters and power converters are needed for U.S. appliances.

Transportation

The most convenient way to travel to and from Kosovo is through its modern international airport, located in Slatina, 20 minutes from the capital Pristina. Road transportation options for business travelers are limited to car rentals or private taxi.

International rental firms, including Enterprise, Europcar, and Hertz, operate in Kosovo. Local travel company MCM offers similar services, with locations at the airport and downtown Pristina. A considerable number of private taxis are available.

Language

Albanian and Serbian are the official languages in Kosovo. English is widely spoken and understood, but it is advisable to use an interpreter.

Health

Kosovo's public health and medical facilities are in poor condition. The quality of the numerous private clinics varies. Many locals and internationals travel to North Macedonia, Albania, Serbia, and Turkey for more complex health-care services and medical treatment. The American Hospital in Kosovo is one of the newest facilities and offers state-of-the-art technology and equipment, as well as more advanced procedures than typically offered elsewhere.

For additional medical information, visit the [U.S. Embassy Pristina's website](#).

Local Time, Business Hours and Holidays

Kosovo is six hours ahead of U.S. Eastern Standard Time. Kosovo local time is GMT plus one hour. The Government of Kosovo's official working hours are from 8:00 a.m. to 4:00 p.m., Monday through Friday. Banking hours depend on the bank and the location, although most are open from 9:00 a.m. to 5:00 p.m. and closed on public holidays. Some banks are open on Saturdays from 9:00 a.m. to 2:00 p.m.

U.S. Embassy Pristina hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. The Embassy closes for U.S. and Kosovo holidays. The list of public holidays for U.S. Embassy Pristina is available at: <https://xk.usembassy.gov/holiday-calendar/>.

Two major Muslim holidays are observed based on the lunar calendar: Eid al-Fitr marks the end of the fasting month of Ramadan and Eid al-Adha marks the conclusion of the pilgrimage (Hajj) to Mecca. The exact dates of these holidays are determined by the government and religious leaders in advance of their observance. Catholic and Orthodox Christian holidays are also observed.

Public-sector officials and private-industry representatives often take vacation from July to September. The week between New Year's and Orthodox Christmas is also a popular time to take leave.

The list of Kosovo's national holidays is available on the [Ministry of Public Administration website](#).

Temporary Entry of Materials or Personal Belongings

Most standard business equipment for individual use may be brought into Kosovo temporarily without incurring customs duties. Exhibition materials may be imported for temporary use, but a tax-based bank guarantee must be paid. Upon departure, the guarantee is reimbursed to the importer. If the items are sold in Kosovo, customs duties will be applied.

Exhibition organizers generally designate a local freight forwarder and a clearing agent for specific events in order to assist foreign exhibitors with entry procedures.

Travel Related Web Resources

[State Department Visa Website](#)

[State Department Travel Advisories](#)

[United States Embassy in Pristina, Kosovo](#)

[Kosovo Embassy in Washington, D.C.](#)

[Kosovo National Holidays](#)

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements, prepared annually by U.S. embassies and diplomatic missions abroad, provide country-specific information and assessments of the investment climate in foreign markets. Topics include: Market barriers, business risk, legal and regulatory system, dispute resolution, corruption, political violence, labor issues, and intellectual property rights. The statements are available by visiting the U.S. Department of State's [Investment Climate Statement](#) website.

Political Environment

For background information on the political and economic environment in Kosovo, please visit the [U.S. Department of State Bilateral Relations Fact Sheet](#).