

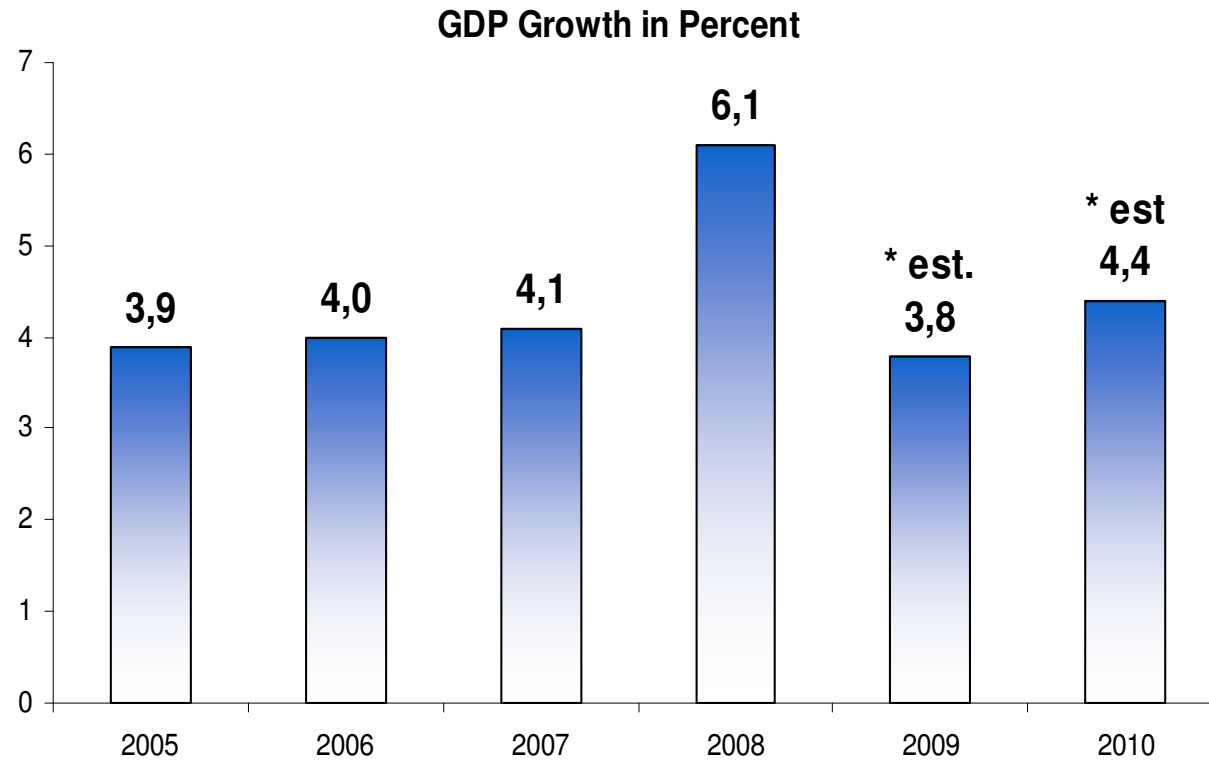
INVESTING IN KOSOVO

Kujtim Dobruna
President of ECIKS
Head of IPAK-Vienna

- Independence as stabilizing factor
- EULEX increasing rule of law
- ISG: “Kosovo has made substantial progress and is on the road towards EU”, (Feb 27, 2009)
- German FM Steinmeier: “I am positively impressed with the Kosovo developments”, (March 13, 2009)

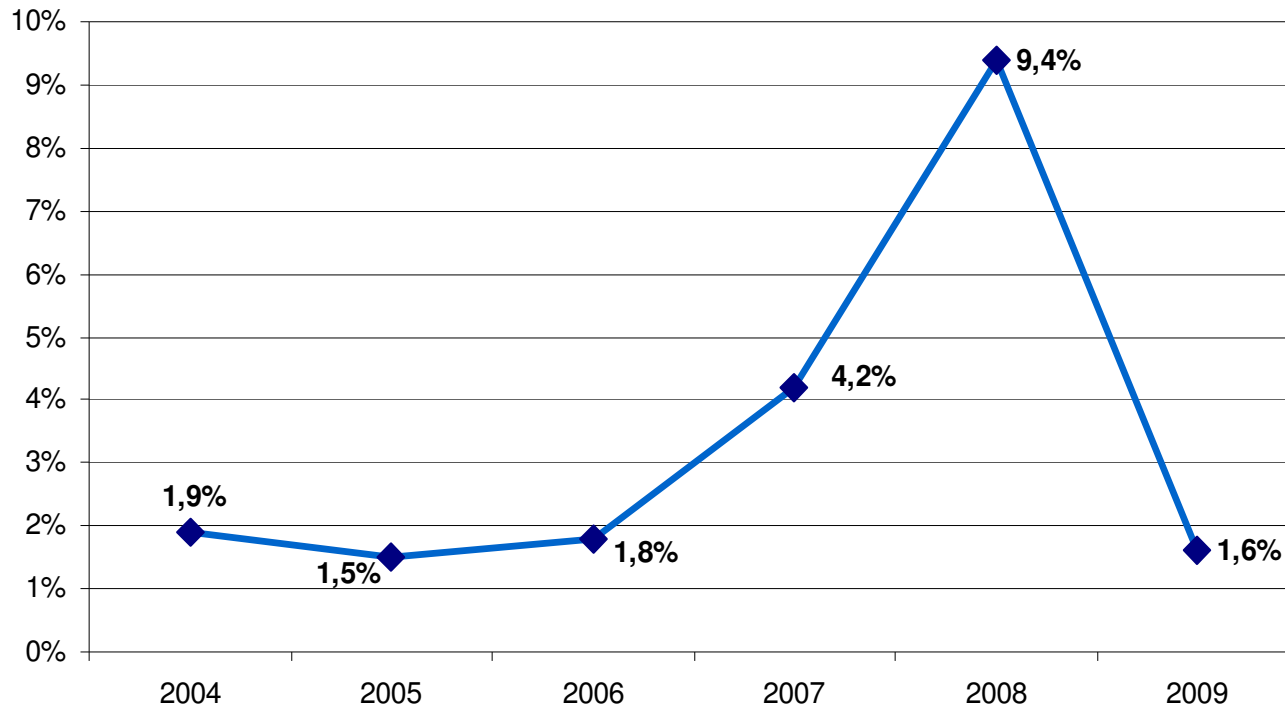


GDP GROWTH 2005 – 2010*

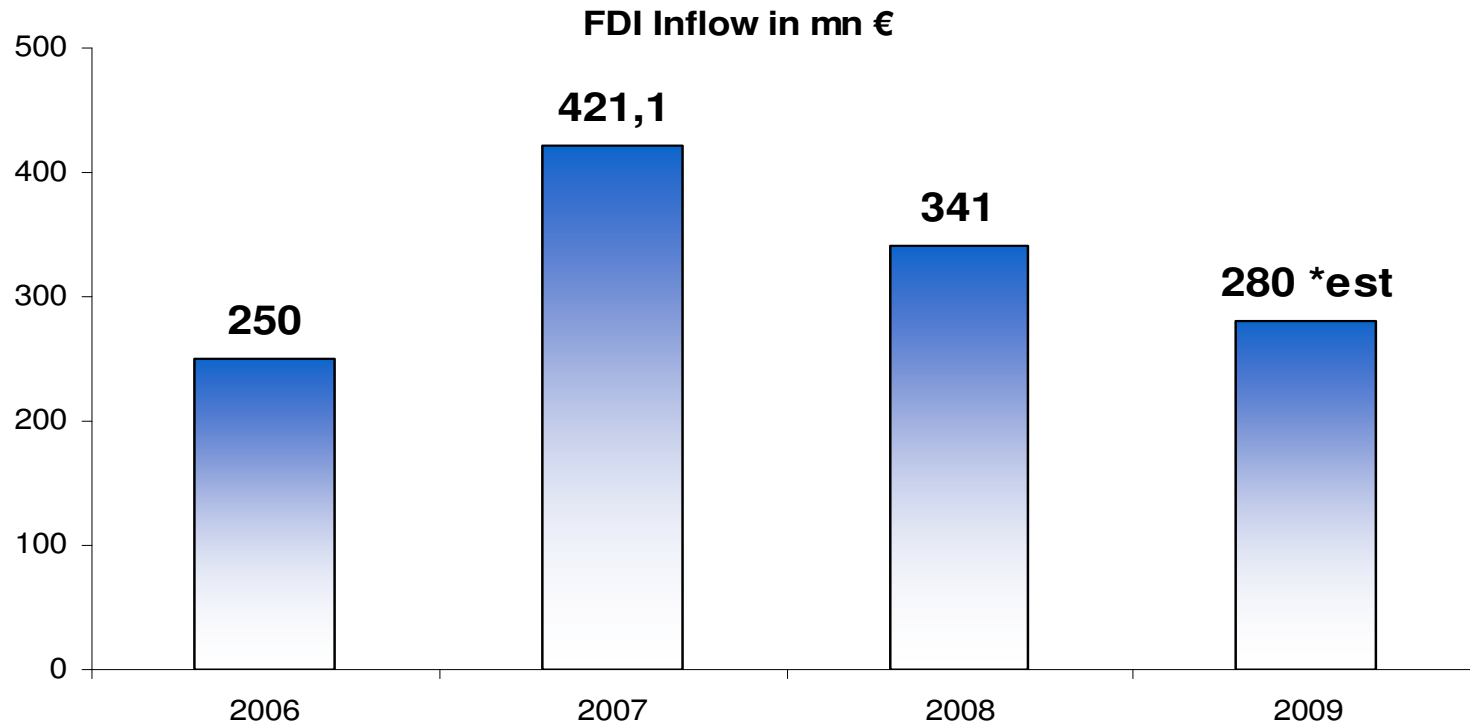


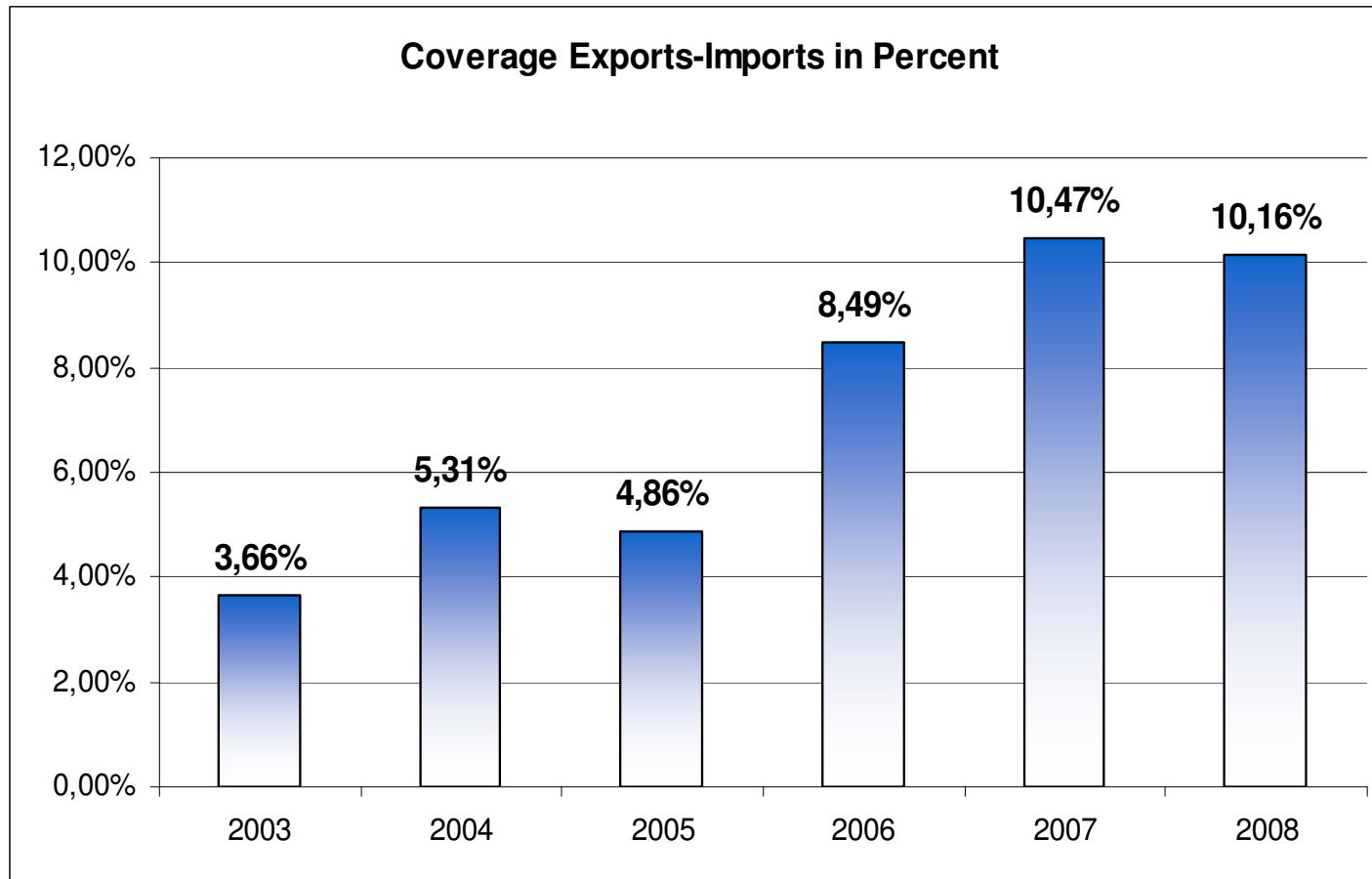
INFLATION RATE 2004 - 2009

Inflation Rate in Percent



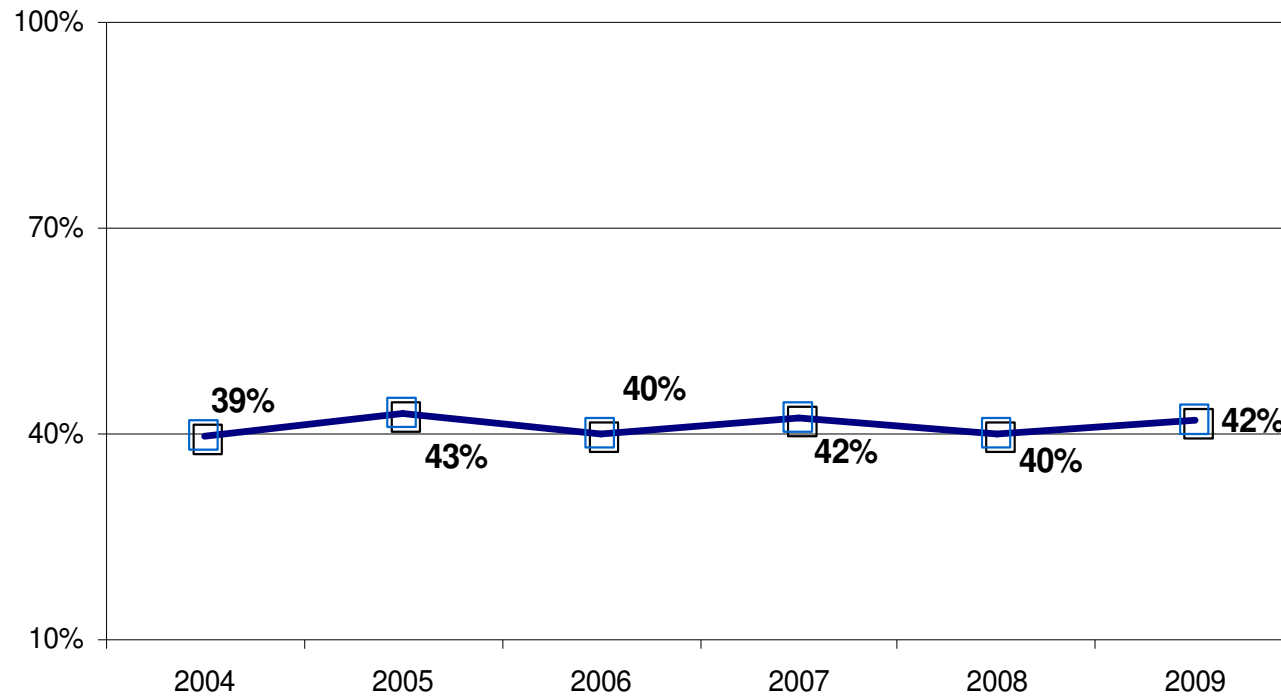
FDI INFLOWS 2006 – 2009*





UNEMPLOYMENT

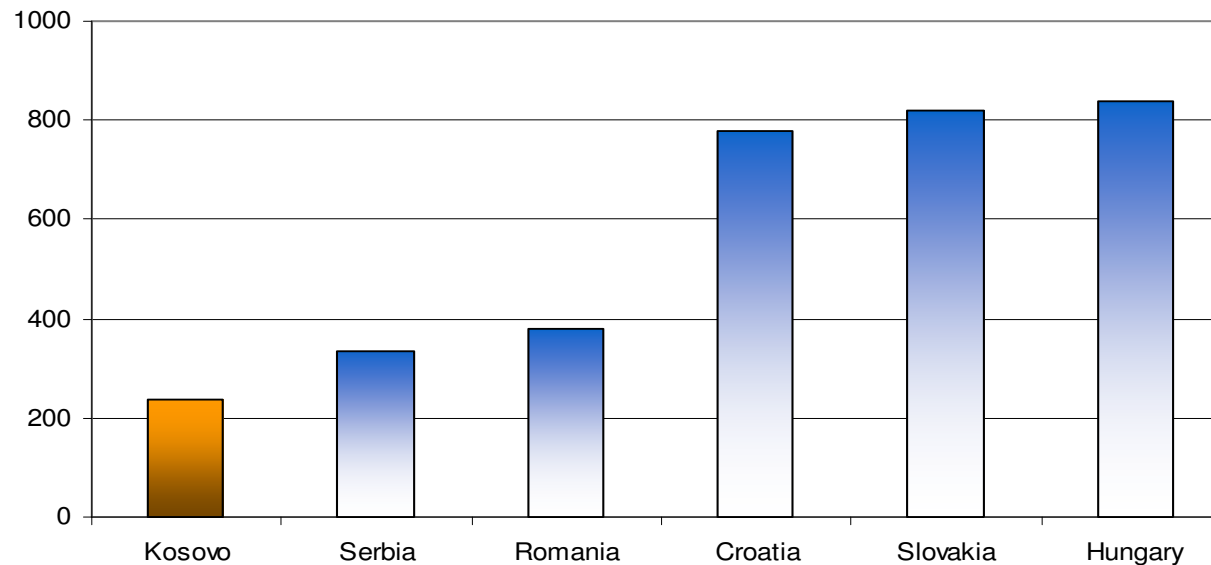
Unemployment



- Euro - official currency
- EU-compatible legal framework
- Equal treatment of foreign investors
- Stable banking system



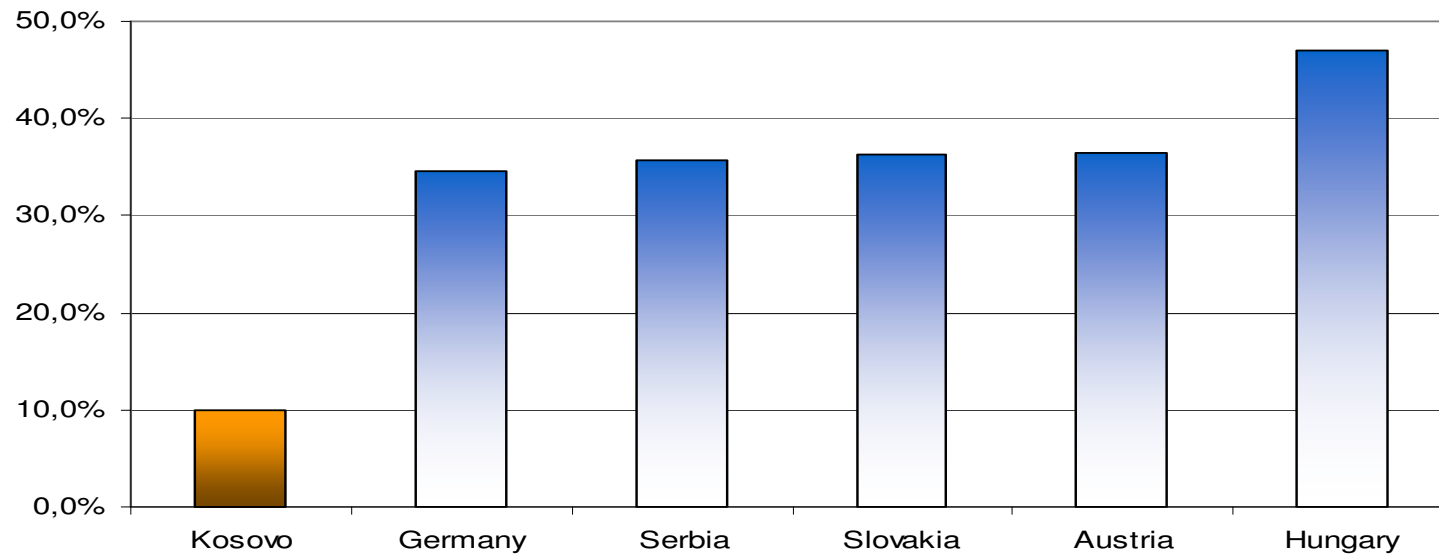
- Youngest population in Europe
- Motivated, skilled and multilingual work force

Labour costs in EUR

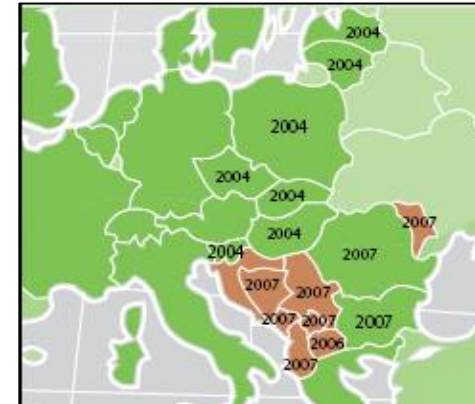
LOW TAX BURDEN ON SALARIES

- Progressive Income Tax 0-10%
- Only 4 % Income Tax for Average Salary

Contribution rates as % of salary



- CEFTA 2007
- Preferential trade agreement with EU
- Preferential trade agreement with US
- Tax reform:
 - > Corporate income tax, flat 10 %
 - > Progressive Income Tax 0-10 %
 - > VAT 16 %



- Thermal Energy
 - 2nd largest coal reserves in Europe
 - Kosova e Re: ~€3.5bn (4 comp. qualified)
 - Kosovo A & B

- Hydropower plants
 - 18 Greenfield Licences expected
 - 6 existing
 - Zhur HPP ~300 MW

- Alternative Energy
 - Wind, Solar, Biomass



Photo: Kastriot (Obilic) Coal Mine



- Residential Construction
 - Apartments
 - Housing

- Infrastructure
 - Highways
 - Motorways
 - Railways

- Industry
 - Touristic capacities (hotels)
 - Industrial capacities





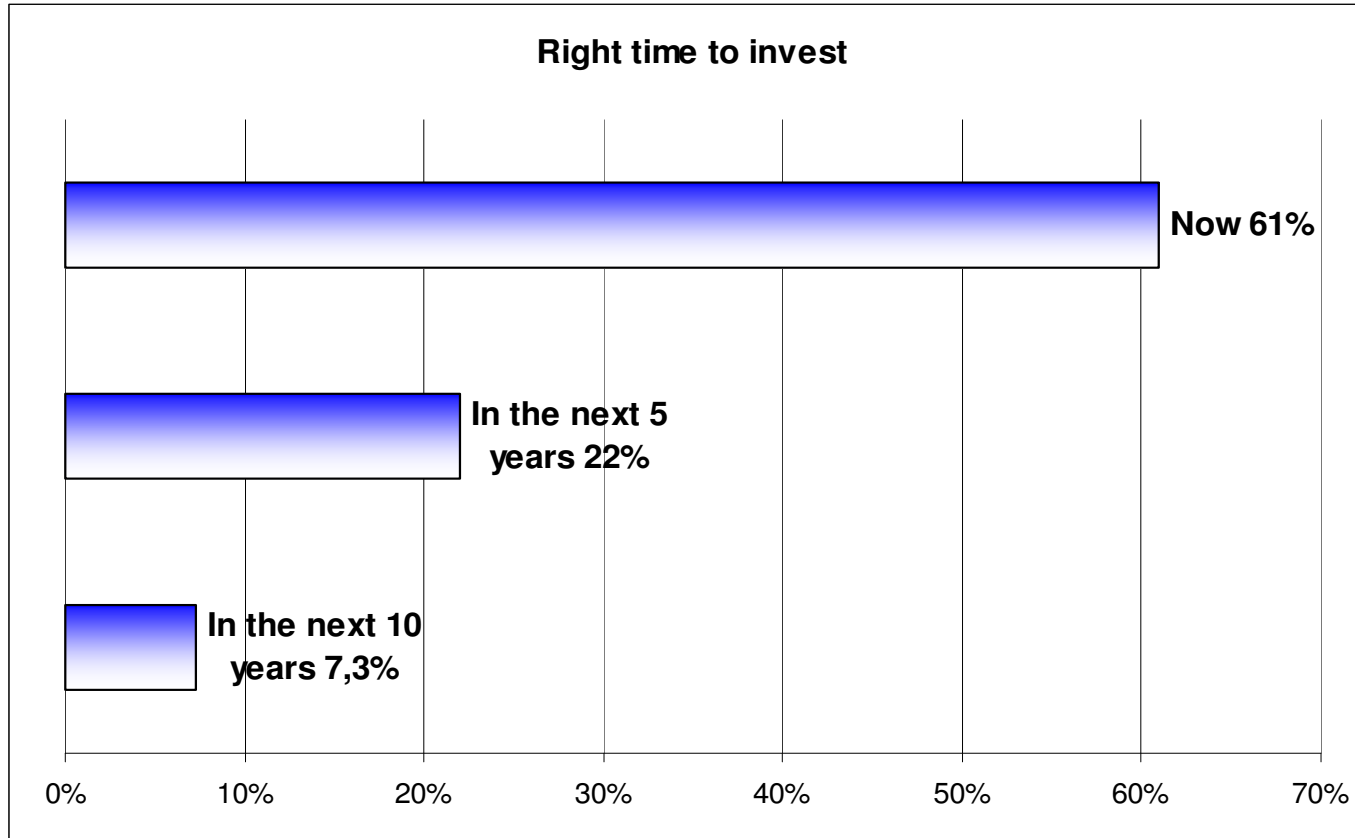
- TOP FIVE OBSTACLES

1. Infrastructure
2. Political Issues
3. Legal Issues
4. Business Environment
5. Lack of Information

- TOP FIVE REASONS

1. Market Access
2. Labour Costs
3. Labour Availability
4. Low Taxes
5. Access to natural resources

RESULTS OF INVESTORS' SURVEY IN AUSTRIA



THANK YOU FOR YOUR ATTENTION!