



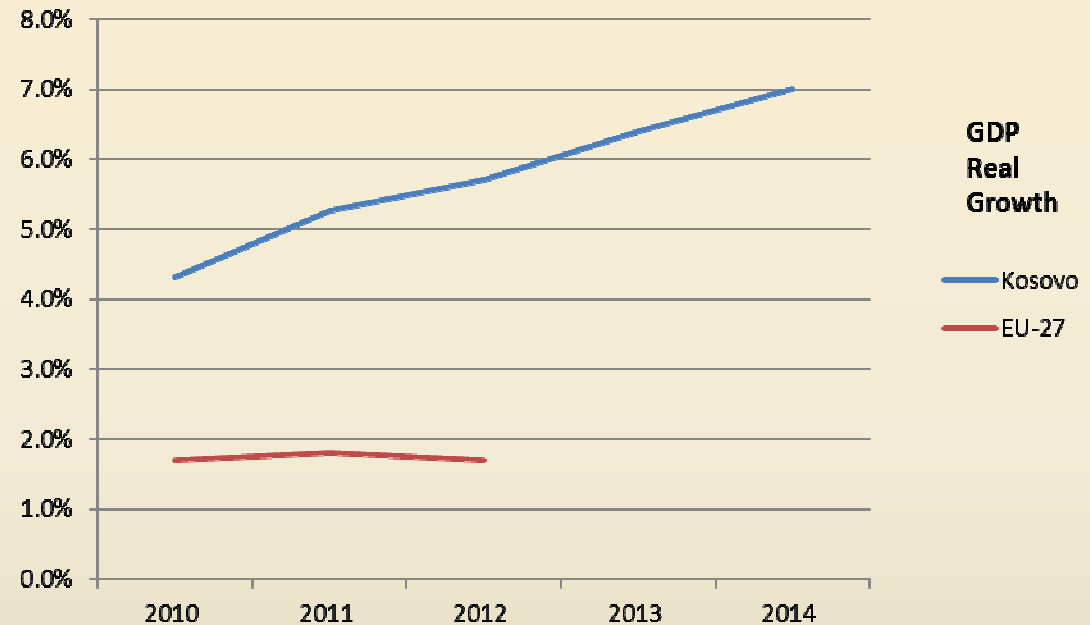
Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria - Vlada - Government

Business and Investment Climate In Kosovo

Besim Beqaj
Minister of Economic Development

Economic Trends

- **GDP growth rates**
 - 2010: +4.3%
 - 2011: +5.3%
 - Midterm Target +7-8%
- **GDP per capita**
 - 2009: 1795 euro
 - 2010: 2385 euro
- **Unemployment**
 - ~35 % (estimated)



Fostering Growth

•Structural reforms

➤ *Private Investments share of Total Investments*

- 2010: 60%
- 2014: 76%

➤ *Private Investments promotion*

- Privatization of Public Assets
- Public Private Partnership investments
- Removal of Business Barriers
- Free economic areas

Energy Sector

- **Kosovo Electricity Distribution and Sales Company**
 - Includes the:
 - Distribution Network
 - Sales of Electricity
 - Around 400,000 consumers (households + commercial)
 - 4 pre-qualified consortiums:
 - Calik
 - Elsewedy
 - Limak
 - TAIB Bank & Yildizlar
 - Request for Proposal and Share Purchase Agreement issued to bidders
- **Energy transmission network :**
 - Construction of 400Kv line with Albania is expected to be finalized during 2014;
 - The ongoing discussion for a new project for the network with Macedonia has started

Energy Sector

- **New Kosovo Power Plant - PPP**

- Generation Company, that will own and operate:
 - 600 MW Greenfield Coal Fired Power Plant
 - Kosovo B (680 MW installed capacity), includes investment for rehabilitation
- Mining Company that will own and operate the:
 - Sibovc Mine Field – 830 million tones of mineable lignite
- Total Investments up to 1.5 Billion Euros
- 4 Pre-qualified investors:
 - AES Electric & Demir Export
 - Adani Power
 - Park Holding
 - PPC & Contour Global
- Request for Proposal, Power Purchase Agreements, and other Project Agreements (18 in total) commented by investors

Energy Sector/Renewables

- Guaranteed off-take of electricity at:
 - Wind: 85 Euros per MWh
 - Hydro: 63.3 Euros per MWh
- Simple Authorization Procedure Administer by the Energy Regulatory Office on a First Come First Serve Basis
- Hydro: 3 studies on identifying potential projects: capacity of 128 MW
- Wind: studies in the process
- Up to now: ERO has received applications for Wind and Hydro up to 230 MW

Telecommunication Sector

- **PTK:**
 - Pre-qualification, 2 companies were qualified for the privatization of PTK;
 - All the necessary documents for the process of privatization have been prepared
 - As a consequence of the withdrawal of one of the bidders from the privatization process, it was decided the restart of the process in order to guarantee competition
 - Telecommunication Regulatory Authority regulates the telecommunication market according to international rules

Mining Sector

•Legislation

- The Parliament of Kosovo has approved the:
 - Law on Reorganization of Certain Companies
 - Law on the Kosovo privatization Agency
 - Law on the Special Chamber of the Supreme Court

- Law on Mines and Minerals – implementation:
 - 16 new Administrative Instructions are expected to come into force before the end of the year
 - ✓ Mining Strategy
 - ✓ Mining royalties
 - ✓ 11 Zones of Special Interest
 - ✓ Mining Waste

Mining Sector/Licenses

–Exploration License

- Construction materials: 2 years validity, with a possibility of extension for another 2 years
- Other minerals: 3 years with a possibility of extension up to three times for 2 years.

–Exploitation License

- Construction minerals: initial term of no more than 25 years, extendable for up to another 25 years.
- Any other minerals: valid for up to 30 years, extendable for up to another 15 years.

–In principle, there are two ways for obtaining an exploration/exploitation license in Kosovo:

- Authorization procedure — First come first served provided by ICM
- Competitive Tendering – provided by MED

–Licenses Subject to Competitive Tender are:

- An Exploration or Mining License that relates to an **Energy Mineral**; and
- Minerals located within an area that is designated as an “Area of Special Interest”



Thank You!