



REPUBLIC OF KOSOVO
Ministry of Trade and Industry

PRIMARY WOOD PRODUCTION AND WOOD PROCESSING INDUSTRY

KOSOVO 2008

Legal Notice and Information

Status of information: June 2008. Changes reserved.

Publisher:

Economic Initiative for Kosova - ECIKS

on behalf of:

Investment Promotion Agency of Kosovo - IPAK

This brochure was published within a project financed by:

Austrian Development Cooperation

Contacts:

Ministry of Trade and Industry

Perandori Justinian Nr. 3-5

Qyteza Pejton

10000 Prishtinë, KOSOVO

Tel.: +381 (0) 38 200 36010

Fax.: + 381 (0) 38 212 807

Web: www.mti-ks.org

Investment Promotion Agency of Kosovo

Perandori Justinian Nr. 3-5

Qyteza Pejton

10000 Prishtinë, KOSOVO

Tel. & Fax.: +381 (0) 38 200 36041

Email: info@invest-ks.org

Web: www.invest-ks.org

Investment Promotion Agency of Kosovo - Office in Vienna Implemented by Economic Initiative for Kosova (ECIKS)

Nussdorfer Strasse 20/23

A - 1090 Vienna, AUSTRIA

Tel: +43 (0) 1 890 50 26

Fax: +43 (0) 1 890 50 26 26

Email: info@ipak-vienna.org, info@eciks.org

Web: www.ipak-vienna.org, www.eciks.org

Disclaimer

The information provided in this brochure was correct at the time it went to press, September 2008. However, legislative changes and changes in interpretation by the authorities and courts can generally occur frequently. This brochure contains information that is summarized and, in part, simplified. It does not substitute for specific legal and tax advice. Despite attempting to exercise care in compiling this brochure, the authors can not warrant the accuracy, completeness, or up-to-date character of its contents. Any liability on the part of ECIKS, IPAK and the Government of Kosovo is therefore excluded.

Content

1. Kosovo – a general overview	5
1.1 Kosovo at a glance	6
2. About Kosovo	8
3. Investment Environment	9
4. Foreign companies in Kosovo	15
5. Opportunities – Primary wood production and wood processing industry	16
6. Sector Specific Content	17
6.1 Industrial Policy	18
6.2 Primary wood production	19
6.3 Wood processing industry	22
7. Trade structure in m	23
8. Meteorological Data	24
9. Industry leaders	25
10. About IPAK	28
11. Projects	29
12. Important addresses	34



1. Kosovo – a general overview

Dear Investor,

In previous years, Kosovo has made remarkable progress in establishing the foundations of a modern market-led economy. The real economic growth in 2007 is estimated by the IMF to be over 3.5 percent, thereby outperforming the 3.1 percent growth of the previous year. The really good news is that the main engine behind this growth is the SME sector, which is gradually becoming the backbone of the Kosovar economy. The macroeconomic stability is maintained continuously with an inflation rate below 2 percent and a continued increase in exports.

The inflow of FDI is also rising. Estimations indicate that in 2007 alone, some 300 million Euros were invested in Kosovo. Among foreign investors operating profitably in Kosovo are Raiffeisen, Uniq, Vienna Insurance Group, Xella, BNP Paribas, Telekom Slovenia, Holcim, Nova Ljubljanska Banka, Strabag etc.

Great investment opportunities will also be available in the years to come. The Government of Kosovo is planning to proceed with the project for the construction of the new power plant Kosova C, an investment amounting to 3.5 billion Euro. In addition, the privatisation process will continue, offering great opportunities in the sectors of agriculture, tourism, energy, mining, and metal processing. Kosovo is planning to invest 1.3 billion Euro for the construction of new highways to Albania, Serbia, and Macedonia, and has announced the privatisation of the mobile telephone network operator Vala.

With the independence declaration of Kosovo and the subsequent international recognition, the last obstacle for economic development and thus the continuous inflow of foreign investments has been removed. Now, in Kosovo, it is all about the economy. And we are ready to tackle all the challenges Kosovo faces in this area.

The Investment Promotion Agency of Kosovo, including its office in Vienna, is increasing its promotional activities and investment facilitation processes and will be at your service. Welcome to the New Kosovo.

1.1 Kosovo at a glance

Geography	<ul style="list-style-type: none"> • Land area: 10,908 km² • Terrain: Low flood plains throughout central Kosovo, surrounded by mountains to the north, west and south. • Land Use: 53% agriculture, 39% forests • Largest City: Prishtina - est. pop. 500,000
Population	<ul style="list-style-type: none"> • Population Description: approximately 2.2 million people composed of about 90% Albanian, 5% Serbs, 2% Muslim Slavs (Bosniaks, Gorani), 2% Roma and 1% Turks • Distribution: 42% urban, 58% rural • Diaspora: app. 500,000 people living abroad. • Languages: Albanian, Serbian, English
Economic Description	<ul style="list-style-type: none"> • Currency: EURO, GDP 2007: € 2.378 billion, Per capita: € 1,150 • Inflation: since 2004 close to 0 percent, 2007 – 2% • Financial Sector: Two tier Banking System consisting of Central Bank of the Republic of Kosovo and 8 private Banks, 9 Insurance companies and 2 pension schemes • Enterprises: 87,960 SME in 2008, app. 47% of total SME engaged in trade industry. 500 Socially Owned Enterprises of which 300 already privatized • Budget: In 2008 totalling app. 1,090 € million. • Tariff duties: Customs duties: 10% on imports; Excise tax on fuel, tobacco alcohol and luxury goods. No duties and taxes on exports. • Taxes in place: VAT 15%, Corporate Profit TAX 20 %, Wage Tax progressive max. 20% (tax reform in process) • Free trade: Customs-free access to the EU market based on the EU Autonomous Trade Preference (ATP) Regime, Central European Free Trade Area – CEFTA • Location factors: Competitive and well educated workforce, enviable natural resources (mining, agriculture), low taxes and a transparent tax system, high purchase power through remittances (app. 400 million € annually), customs free access to the EU market and CEFTA members market
Legal Framework	<ul style="list-style-type: none"> • Applicable Law: Laws of the Republic of Kosovo, UNMIK Regulations, Instructions and Administrative Directions; The law in force on 22 March 1989 • Regulations available at: • http://www.assembly-kosova.org • http://www.unmikonline.org/regulations/unmikgazette/index.htm



2. About Kosovo

Located in the heart of the Balkans, Kosovo represents a bridge between the countries of South Eastern Europe. Through its unique geographical position and its liberal trade regime it offers instant access to the interesting and growing market in the Balkans and Central Europe, compromising 100 million potential customers.

Kosovo's capital Prishtina is within one hour's distance of driving to any neighbouring country (Albania, Montenegro, Macedonia, and Serbia), thereby providing a connection for all countries in the region.

Road network: The road network consisting of 630 km of main roads has been rebuilt to a high extent during the past years, but some completely new roads have also been built. With the planned construction of the highway that will connect Kosovo with Albania on one side and with Serbia on the other, Kosovo is becoming an important gateway in the corridor that will connect the Adriatic Sea with Western Europe.

Railway: The railway network in Kosovo has a combined length of 330 km. It covers the entire territory, connecting both the south with north and east with west. On the south side as well as the north side the railway line provides access to the international railway network. The ongoing rehabilitation and modernisation of Kosovo railways is providing a solid base to satisfy the growing demand on logistical services.

Air communication: Besides the road and railway network, Kosovo has a modern international airport. With over one million passengers per year, Prishtina International Airport is ranked under the most frequented airports of the region, serving several international airway lines and offering flights to the most important European centres.

Regional Centre	Travelling Distance (km)
Skopje	86
Sofia	279
Thessaloniki (port city)	312
Tirana	330
Belgrade	355
Durres (port city)	355
Sarajevo	390
Bar (port city)	570
Zagreb	741
Budapest	747
Vienna	938

3. Investment Environment

Modern, EU-compatible legislation, including “National Treatment” for foreign Investors

Since 1999 Kosovo’s legal system has been re-built. While other countries in the region are having to undergo the difficult and complicated procedure of bringing in excess of 80,000 laws into line with European Union regulations, Kosovo has already started this procedure and is in the process of adopting totally EU compatible legislation.

In order to put in place certain legal guarantees that are necessary to encourage foreign investment, in April 2006 the Government of Kosovo promulgated a Law on Foreign Investment. According to this regulation, foreign investors are to be governed by the principle of national treatment, meaning that foreign enterprises will be treated no less favourably than similar domestic enterprises.

Quick and simple business registration

The clause of non-discriminatory treatment applies also to the procedures needed to start up a business. Thereby no other country in SEE can outperform Kosovo in its ability to allow businesses to enter the market. Registering a business in Kosovo is both simple and inexpensive. Depending on the type of business, it takes usually between one and three days to register a business, with a maximum registration cost of 20 Euro. Registered businesses are required to sign up with the Ministry of Finance’s Tax Authority to obtain a VAT number. Obtaining a VAT number normally takes eight days. For import-export activities businesses need to register with the Customs Office to obtain a customs number. This procedure can be completed within one day upon the presentation of the VAT number to the Kosovo Customs Service.





Young, educated, multilingual, dynamic population with high entrepreneurial spirit

With 70 percent of its population being under 35 years of age, Kosovo has the youngest population in Europe. Albanian and Serbian are both official languages in Kosovo, with English being only just short of an official language due to the high long-term international presence. Accordingly, the number of English-speaking Kosovars is far above the regional average. About 25 percent of Kosovars live in the European Union, mostly in German-speaking countries. Their connections to Kosovo, including business links, are permanent. Therefore Kosovo is by far the most multilingual society in the Balkans. The school and higher education systems have been reformed in recent years lending great emphasis on the quality of education, and thus creating the basic preconditions for the creation and development of a knowledge based society. With approximately 30,000 students at the two state universities, and at least 10,000 students studying at private universities and colleges, a sufficient stream of highly educated labour is guaranteed. Any foreigner who has visited Kosovo will confirm the exceptional dynamic and entrepreneurial spirit of the Kosovars.

Competitive, flexible and well skilled labour force

The average gross wage in Kosovo is a little more than 230 Euro. Furthermore, wages in Kosovo are unburdened by costly social contributions, unlike those in other countries of the region. The only mandatory contributions are for individual pension savings accounts, financed by the employer (5 percent) and the employee (5 percent) contributions on total gross wages paid. Having had to survive the destruction of the economy during the 1990s, many Kosovars have established smaller workshops and private businesses spreading across various sectors. In addition, together with the international community, the Kosovo Government has established vocational training programs, which benefit workers and employers, thereby developing a highly-skilled labour force for potential investors. The Labour Law in Kosovo

does not stipulate any specific requirements for foreigners wishing to enter into a contract of employment. As a consequence of the liberal labour market regulations, work permits can be freely obtained for foreign employees from the tax administration where the business is located.

Sound banking system

During recent years, Kosovo's financial sector has been re-built from scratch. The Central Bank of the Republic of Kosovo (CBK), established in November 1999, is an independent body which successfully regulates the banking and insurance sectors. There are eight licensed banks, two pension funds, 16 other financial intermediaries, 27 financial auxiliaries and nine insurance companies in Kosovo, including the Austrian Uniqa and Vienna Insurance Group. Six out of eight banks in Kosovo are foreign-owned, including the Pro Credit Bank, established upon the initiative of several leading international financial institutions, Raiffeisen Bank of Austria, Nova Ljubljanska Banka, BNP Paribas, Banka Kombetare Tregtare and Komercijalna Banka. All banks and insurance companies are privately run.

Currency: EURO

Kosovo adopted the Euro as its official currency on 1 January 2002, thereby eliminating currency and exchange rate risks. In particular, the Euro has given Kosovo a considerable advantage over its competitors in the region by making it more attractive to foreign investment and by bringing financial and macroeconomic stability that many countries in the region still lack. In addition, it has allowed Kosovo to offer the lowest transaction costs in the region.



Modern Telecommunications

Kosovo offers modern telecommunication systems, similar to those in other developed EU countries. There are three fixed and two mobile telephony operators, offering the latest and most modern technologies, including VoIP, GPRS, etc. Three main internet service providers offer stable and broadband internet, including DSL, wireless, and cable, with lower prices than in any other European Country. According to the Cullen International Country Comparative report, with 15.3 percent of the population regularly using the internet, Kosovo has one of the highest usage rates in the region.

Liberal trade regime

Kosovo has a liberal trade regime and derives three major benefits from the trade liberalisation, namely improved export possibilities, a better investment environment and stable relations with its neighbours. Kosovo signed the Central European Free Trade Agreement (CEFTA) in December 2006. As part of CEFTA, Kosovar exporters enjoy a duty free access to the regional market comprising over 30 million consumers.

In addition, Kosovo benefits from non-reciprocal, customs-free access to the EU market based on the EU Autonomous Trade Preference (ATP) Regime (EU Council Resolution 2007/2000). Quantitative and qualitative restrictions remain in force only for a very limited number of goods.

Taxation

Kosovo's tax policies are streamlined and efficient. Unlike many other countries in the region, Kosovo has laid out a taxation system that is simple and that reduces the tax burden for individuals and businesses. Compliance is straightforward and taxes are few. Furthermore, the Government is introducing tax incentives to support domestic production.

Value Added Tax

The Value Added Tax (Regulation No. 2001/11) is applied to all importers and businesses with an annual turnover in excess of 50,000 Euro. A common VAT rate of 15 percent is levied on all goods and services, although certain agricultural and capital goods remain VAT exempt. Exporters receive a full VAT rebate.

From January 2009 the VAT rate applicable in Kosovo will be 16 percent.

Corporate Income Tax

Depending on annual income, domestic legal entities and permanent establishments of foreign legal entities are taxed as follows (Regulation no. 2004/51):

Annual income € 0 - € 5.000	24.5 € / quarter
Annual income € 5,001 - € 50,000	3-16% of income
Annual income (higher than?) € 50,000	20% of income

Corporate income tax is paid on the basis of quarterly net income predictions.

With the new tax reform Kosovo has introduced a flat corporate income tax of 10 percent. The new tax rate will be applicable from January 2009.



Personal income tax

Personal income tax (Regulation no. 2004/51) applies to natural persons receiving income from Kosovo sources and also to foreign incomes, received by Kosovo residents. The rate of personal income tax depends on annual income and ranges from between zero percent and 20 percent. With the new tax reform the personal income tax rate will be decreased to between zero and 10 percent.

Annual income € 0 - € 960	0%
Annual income € 960 - € 3,000	5% of the amount over € 960
Annual income € 3,001 - € 5400	€ 102 + 10% of the amount over € 3,000
Annual income € 5,401	€ 342 + 20% of the amount over and above € 5,400

Customs

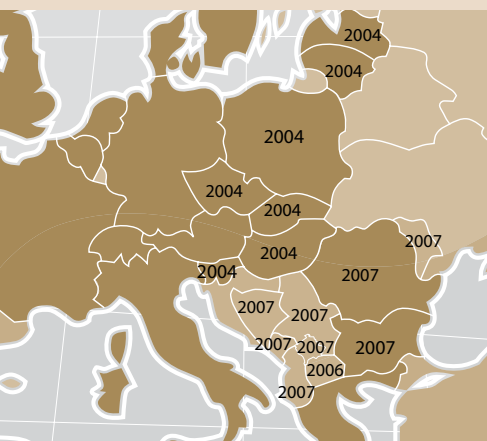
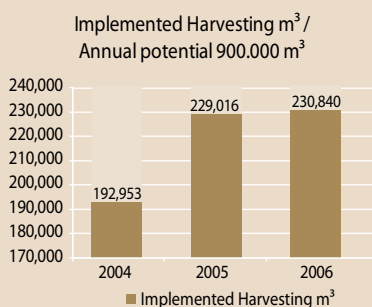
Kosovo is an independent customs entity with a liberal trade regime. The general tariff rate is currently at 10 percent for imports and zero percent for exports. Exemptions exist for a range of capital and intermediary goods and raw materials, but also for pharmaceutical goods, which are zero rated. With these policies, Kosovo is certainly the most advantageous tax environment in the wider region.

The Customs Code of Kosovo is based on the EU customs code and is fully WCO compliant. In addition, it provides for a number of business friendly trade-facilitating instruments such as:

- Inward processing relief
- Processing under customs control
- Temporary admission
- Outward processing

4. Foreign companies in Kosovo



5. Opportunities – Primary wood production and wood processing industry

Benefits for potential investors

High availability of primary wood – currently the harvesting potential of Kosovo is to a high extent under-utilised. Not only are the various types of wood in Kosovo easily accessible in terms of quantity but they are also available at competitive prices.

Low cost of production – taking into consideration that wage levels in Kosovo are below the regional average, and that the cost of inputs are competitive, one of the main advantages of the wood processing industry in Kosovo is its low cost. In addition to basic labour available at low rates, there is also a large pool of highly skilled workers available at a reasonable cost.

Free access to the CEFTA and EU market – Given its central position in the Balkans and its liberal trade regime, Kosovo offers potential investors a favourable place from which products can be exported, free of any customs duties to the CEFTA and EU-markets. In particular, the wood industry therefore represents a good investment opportunity for those companies wishing to offer wood products to the regional market, manufactured at reasonable production costs.

Import substitution – currently the demand for finished wood products in Kosovo is higher than local business can satisfy. In addition to the opportunities for export therefore, there is huge potential to fulfil local market needs.

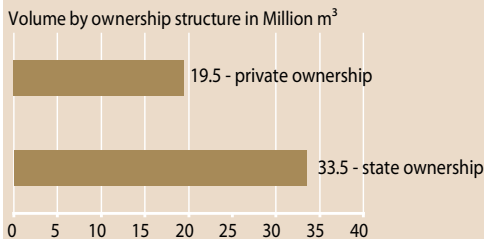
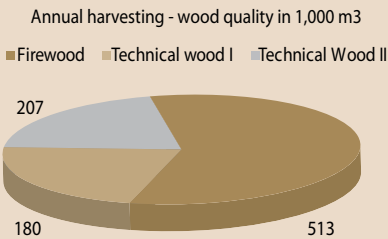
6. Sector Specific Content

Forests and related area cover approximately 39 percent of the total surface of Kosovo and represent a resource of special importance for the Kosovo economy. The annual value of wood products and other benefits arising from forests and related areas is estimated to be between approximately 50 and 75 Euro Mil. , resulting in a contribution by the wood industry of between 1.8 percent and 2.6 percent to GDP. The wood sector is also an important employment provider in Kosovo. The livelihood of between 8 and 10 percent of the population depends upon the forestry and wood industries.

Apart from its use solely for heating purposes, forestry represents an important input for the domestic wood processing industry. Until 1989 this sector was rated among the most significant export sectors. Kosovo used to export wood products as far away as the US and several European countries, in addition to its traditional FYR markets.

Currently the wood products made in Kosovo include doors, window frames, furniture and various wood construction materials, while the manufacture of other products such as fencing material, pallets, boxes, dimension and prefabricated components, is still limited.

Although the domestic production currently caters solely to the Kosovo market, with a limited (and insignificant) number of products being exported to Albania and Macedonia, the cluster has enough capacity not only to meet the domestic demand, but also to expand into export markets. Owing to the vast experience and expert knowledge in wood processing, the Kosovar wood industry is particularly well suited to the manufacture of hand-made luxury products. In addition, most sawmills in Kosovo only saw logs into rough, mixed grade lumber, and do not appear to recognize, or have not yet explored, the potential value of waste products from lumber production, i.e. sawdust and wood chips.





6.1 Industrial Policy

Forests and related surfaces in Kosovo are managed by the Kosovo Forests Agency, which is a part of the Ministry of Agriculture, Forestry and Rural Development. According to the principles of Law on Forests, this Agency is responsible for undertaking every required procedure in order to preserve the biodiversity of forests while providing a valuable yield. The Kosovo Forest Agency is therefore the sole authority in charge of compiling and implementing long term forest development plans, carrying inventory, assigning annual harvesting allowances and issuing permits and licences in order to undertake such harvestings.

Another body, the Kosovo Association of the Private Forest's Owners, promotes the interests of its members, facilitates the trade of wood, and provides assistance to others in order to ensure the development of the private forests.

Last, but by no means the least important is the Association of Wood Processors of Kosovo, a cluster which fosters the development of the processing industry by helping the wood processors to implement new technologies and know-how, as well as to find new markets and expand their exports.

Through the efforts and engagement of the members of this rich institutional environment of the wood Industry, Kosovo has started to implement various incentives that aim to further promote and facilitate primary and secondary wood production. Recently, the Government approved a zero tariff rate for the imports of machinery and capital goods related to this sector, while further negotiations for the exemption of wood raw material from VAT and Customs policy are currently taking place. Furthermore in cooperation with several international institutions, the Government is implementing various programs in order to increase the quality, know-how and economic results of this industry.

6.2 Primary wood production

The primary production of wood in Kosovo is dominated by public forests. Out of a total forest area of 464,800 ha, as much as 278,880 ha or 60 percent is in public ownership, while the remaining part of 185,920 ha is split between approximately 120,000 private forest owners.

The total standing volume of wood is estimated at 53 million m³. Out of the total volume, 40.4 million m³ of trees have a diameter greater than 7 cm. Broadleaved forests predominate covering 90 percent of the area, whereby oak and beech are the main species.

The annual increment of forests is calculated to be 1.30 million m³. Thus, based on international standards, the annual felling allowance is 900,000 m³, corresponding to 77 percent of the annual increment. Out of this figure about 700,000 m³ can be harvested in high forest and about 200,000 m³ in low forest areas. These figures are gross and additionally include tops, bark and larger branches.

Depending on the quality of the harvested wood, a relatively high percentage can be used for the processing industry. Out of the total annual felling allowance 43 percent is categorised as technical wood (class1 and 2), while the remaining part is used for heating purposes.

With a high capacity for supply, the Kosovo wood primary production is able to cover to a certain extent the demands of the local processing industry. Furthermore, owing to low wood prices per m³ wood produced in Kosovo will become an important item in foreign trade.

In addition to wood, the Kosovo forests are well endowed with non-wood products such as mushrooms, etc. The growth of these species is continuously increasing, mainly due to the low degree of environmental pollution and adequate treatment by the rural population.



Different wood types

Beech (Fagus)

Growing stock 15.96 mill m³
(public 11.83 mill. m³, private 4.12 mill. m³)

Annual felling allowance 436,000 m³
(public 320,000 m³, private 116,000 m³)



Oak (Quercus)

Growing stock 9.67 mill m³
(public 2.87 mill. m³, private 6.80 mill. m³)

Annual felling allowance 212,000 m³
(public 50,000 m³, private 162,000 m³)

Other Broadleaves:

Growing stock 9.69 mill m³
(public 6.96 mill. m³, private 2.72 mill. m³)

Annual felling allowance 129,000 m³
(public 64,000 m³, private 65,000 m³)



Abies Alba (Fir)

Growing stock 1.57 mill m³
(public 1.41 mill. m³, private 0.16 mill. m³)

Annual felling allowance cut 42,000 m³
(public 36,000 m³, private 6,000 m³)



Pinus Abies

Growing stock 1.40 mill m³
(public 0.83 mill. m³, private 0.57 mill. m³)

Annual felling allowance 26,000 m³
(public 13,000 m³, private 13,000 m³)



Pinus ssp

Growing stock 2.02 mill m³
(public 1.99 mill. m³, private 0.03 mill. m³)

Annual felling allowance 49,000 m³
(public 48,000 m³, private 1,000 m³)



Other coniferous

Growing stock 0.22 mill m³
(public 0.18 mill. m³, private 0.04 mill. m³)

Annual felling allowance 6,000 m³
(public 5,000 m³, private 1,000 m³)



6.3 Wood processing industry

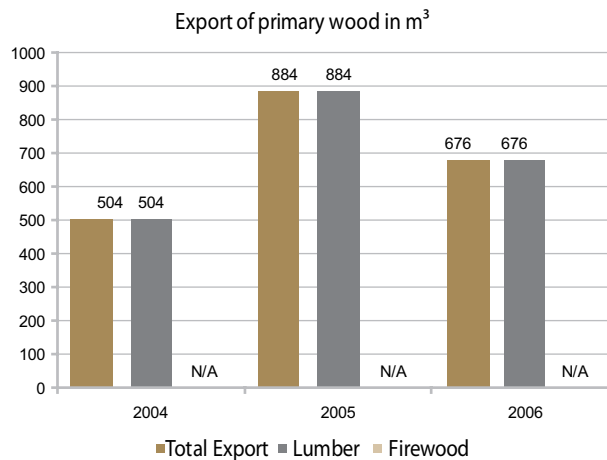
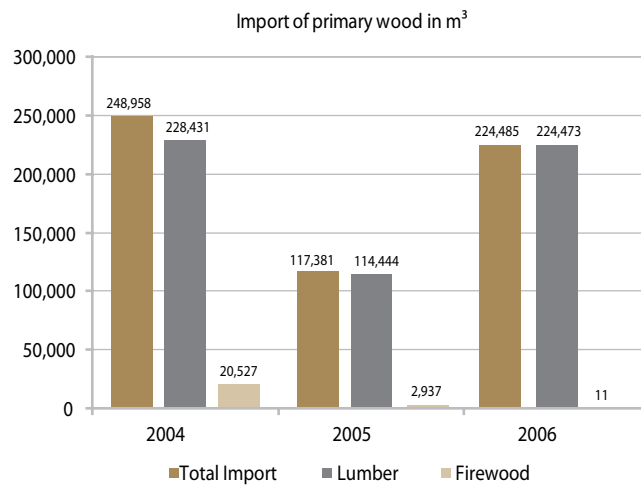
According to the Ministry of Trade and Industry there are 1480 enterprises registered as wood processors in Kosovo. The Association of Wood Processors accounts for some 80 of the most important companies, employing over 1,800 workers.

Owing to the sufficient availability of inputs, Kosovar wood processing companies mostly use beech (*Fagus*), Oak (*Quercus*) and other broadleaves in their production cycle. The majority of these processors mainly produce furniture, doors, and windows. As a subset of the secondary manufacturing sector, there are also several enterprises engaged in cutting or milling lumber.

During the past eight years, Kosovo's wood processing industry has experienced some significant changes. Owing to better organisation and satisfactory service-providing clusters, producers were able to increase the quality and product range, and expanded into foreign markets. Currently, Kosovar wood processors supply home and hotel furniture to companies in Germany, Netherlands, Switzerland, as well as other neighbouring markets.

According to the UNMIK Customs Service, the total amount of imported wood products in 2006 was over € 52 million, while exports reached t € 1 million. In the first ten months of 2007, the import of wood products reached € 53.4 million euro and exports amounted to just under € 3 million.

7. Trade structure in m³



8. Meteorological Data

2006	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Average/year
T-max	2.4	5.1	12.2	17.1	20.6	24.9	27.2	28.3	23.2	19.7	10.4	5.4	16.4
T-min	-5	-3.5	0.7	6.8	8.6	12.3	14.5	14.4	10.7	6.2	-0.9	-1.9	5.2
T-average	-1	0.1	4.9	11.7	14	18.4	21.3	22.9	16.8	13.4	6.3	3.9	11
Humidity	80.3	78.7	72.3	73.7	70	69	62	67	70.3	77	80	83.7	73.7
Atmospheric pressure	951.6	949.4	945.8	945.6	949.2	951.4	951.3	947	951.7	949.4	951.9	954.9	949.9
Wind/ms	1.3	1.3	1.8	1.6	1.7	1.2	1.4	1.2	1	1	1.3	1.6	1.4
Rainfalls	69.7	62.2	86.7	60.7	35.8	82.4	68.3	71.2	37.1	48.6	37.7	29.5	58

2007	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Average/year
T-max	3.6	1.8	11.1	16.1	21.6	24.7	27.3	28.4	20.8	16.7	10.4	4.8	15.6
T-min	-5.1	-3.9	0.2	4.6	9.5	12.3	14.5	15	11.3	5.5	1.2	2.3	5.6
T-average	-0.9	0.6	6.9	10.5	16.2	19	21.7	23.6	16.2	10.8	5.1	1.8	11.1
Humidity	80	78.7	69	68.3	68.7	65.7	63	63.7	74.3	74.3	79.7	83.7	72.7
Atmospheric pressure	947.4	947.5	948.1	947.5	947.3	950.8	950.2	945.5	950	948.9	945.6	946	947.9
Wind/ms	1.1	1.3	1.2	1.7	1.5	1.4	1.2	1.6	1	1.1	1	1.3	1.3
Rainfalls	32.1	60.4	53.4	57.2	88.1	61.6	41	66.3	33.7	51.5	61	132.8	60.4

9. Industry leaders across different sectors

Ukaj/Elnor

The company UKAJ started its operations as a family workshop back in 1914 with the production of wooden wheelbarrows. In 1957 it widened its product range and began producing wood doors and windows. During the following years it continued to invest in new technologies. UKAJ introduced additional wooden products to the Kosovar market, such as woodstairs, interior furnishings, and kitchen elements.

Following the conflict in 1999 it restarted production with totally new technology. With high quality products and commitment to its customers, UKAJ developed itself to be one of the main wood processors in Kosovo, increasing its capacities and penetrating the regional market.

In 2007 a new company ELNOR was established and it is geared towards entry into the EU-market. With annual sales of approximately two million, UKAJ/ELNOR currently employs 120 people. In addition to sales to the local market, the company's products are sold to Albania, Macedonia, Serbia and Germany. The current product palette includes doors, tables, parquet flooring and various interior elements.





Galanteria

Galanteria is a private company founded in 1987, which prior to the conflict was primarily engaged in wooden stairs production. Following the conflict and with even more determination, Galanteria recommenced its work. In a very short time it increased its capacity for production, installed modern technologies in workshops and persisted in their development.

Although as mentioned Galanteria started with the manufacturing of wood stairs, its commitment to its product, as well as quality meant an excellent market reputation. The company employs 40 workers and owns a production facility of 2,000 m². The high quality and inherited workmanship are today passed on to the totally new product range. Currently Galanteria produces a wide range of office furniture, school and hotel furniture, as well as furniture for clients with special requirements. The company also owns a metal working unit which enables Galanteria to produce metal frames for wood furniture.

Galanteria is currently one of the market leaders for wood processing in Kosovo. The new designs, coupled with professionalism and high quality production, further facilitate the development of the company. In order to be close to its clients, Galanteria has developed a network of its own retail stores in the main cities of Kosovo such as Prishtina, Peja, and Prizren.

Brovina

Founded as a family business in 1928, the company Brovina experienced accelerated development during the 1980s and 1990s, and especially after the conflict in 1999. With a long tradition in wood processing and a commitment to offer tailored products to its clients, the company has gained an excellent reputation in the Kosovar market.

Brovina's production base is based in Gjakova in a facility covering 1,100 m². Apart from a retail store in its home city, the company has another store in Fushe Kosova, near to the centre of town. The Brovina products can be found throughout Kosovo in the retail stores of its partners. It currently produces a wide range of wood products including doors, windows, various wood interior elements as well as tailored wood products based on customer needs. With its high quality products Brovina has successfully gained entry to foreign markets and is now producing for several partners in the Netherlands, Germany and Albania. The company currently employs 28 experienced and skilled workers.

10. About IPAK

The Branch Office for German-speaking countries of the Investment Promotion Agency of Kosovo was established by the Economic Initiative for Kosova (ECIKS) in Vienna, to promote foreign direct investments in Kosovo. This project has been developed with the financial support of the Austrian Development Agency.

The Branch Office of IPAK in Vienna serves as an official single-point-of-contact for investors, offering full support to companies through all stages of the investment process. In delivering its services to potential investors, the Vienna Branch Office works in close cooperation with a wide range of partner institutions in Kosovo and German-speaking countries.

The office of IPAK in Vienna offers professional and free-of-charge information, consultancy and other services on a confidential basis – a unique service from Kosovo for all investors!

Our services include:

- Information on Investment Opportunities
- Information on the Business Environment
- Information on the Legal Environment
- Assistance with Local Institutions
- Identification of Local Partners
- Exploring New Markets
- After-Investment Care

NOTE: Due to data privacy and data protection issues, pages 29-33 were removed from the online version of the brochure.

These pages contain specific project proposals of Kosovar companies for the purpose of identifying foreign investors interested in joint investments.

These project proposals are included in the printed version of the brochure which will be disseminated to foreign potential investors.

ECIKS

12. Important addresses:

Websites of Kosovo Institutions

Presidency of the Republic of Kosovo:
<http://www.president-ks.gov.net/>

Assembly of the Republic of Kosovo:
<http://www.assembly-kosova.org/>

The Office of the Prime Minister of the Republic of Kosovo:
<http://www.ks-gov.net/pm>

Ministry of Trade and Industry of the Republic of Kosovo:
<http://www.mti-ks.org/>

Ministry of Finance and Economy of the Republic of Kosovo:
<http://www.mfe-ks.org/>

Ministry of Science, Education and Technology of the Republic of Kosovo:
<http://www.ks-gov.net/masht>

Ministry of Agriculture, Forestry and Rural Development of the Republic of Kosovo:
<http://mafrd-ks.org/>

Ministry of Energy and Mining of the Republic of Kosovo:
<http://www.ks-gov.net/mem>

Ministry of Justice of the Republic of Kosovo:
<http://www.md-ks.org/>

Ministry of Internal Affairs of the Republic of Kosovo:
<http://www.mpb-ks.org/>

Ministry of Foreign Affairs of the Republic of Kosovo:
<http://www.ks-gov.net/mpj>

Ministry of Labour and Social Welfare of the Republic of Kosovo:
<http://www.mpsms-ks.org/>

Ministry of Transport and Telecommunication of the Republic of Kosovo:
<http://www.mtpt.org/>

Ministry of Environment and Spatial Planning of the Republic of Kosovo:
<http://www.ks-gov.net/mmph>

Ministry of Local Government Administration of the Republic of Kosovo:
<http://www.ks-gov.net/mapl>

Ministry of Public Services of the Republic of Kosovo:
<http://www.ks-gov.net/mshp>

Ministry of Health of the Republic of Kosovo:
<http://www.mshgov-ks.org/>

Ministry of Culture, Youth, Sports and Non-Residential Issues of the Republic of Kosovo:
<http://www.mkrs-ks.org/>

Ministry of Community and Return of the Republic of Kosovo:
<http://www.ks-gov.net/mkk>

Central Banking Authority of the Republic of Kosovo:
<http://www.cbak-kos.org/>

Kosovo Business Registration Agency:<http://www.arbk.org/>

Kosovo Trust Agency: <http://www.kta-kosovo.org/>

Kosovo Customs: <http://www.unmikcustoms.org/>

Statistical Office of Kosovo: <http://www.ks-gov.net/esk/>

Society of Certified Accountants and Auditors of Kosovo:
<http://www.scaak-ks.org/>

The Kosovo Pension Saving Trust: <http://www.kpst.org/>

Kosovo Energy Corporation: <http://www.kek-energy.com/>

Post and Telecommunications of Kosovo: <http://www.ptkonline.com/>

Websites of International Institutions in Kosovo

UNMIK – United Nations Mission in Kosovo:

<http://www.unmikonline.org/>

European Commission in Kosovo:

<http://www.delprn.ec.europa.eu>

International Civilian Office / EU Special Representative: <http://www.ico-kos.org>

EULEX Kosovo: <http://www.eulex-kosovo.eu>

World Bank - Kosovo: <http://www.worldbank.org/kosovo>

European Agency for Reconstruction: <http://www.ear.eu.int/kosovo>

UNDP United Nations Development Programme - Kosovo:

<http://www.ks.undp.org/>

United States Agency for International Development – Prishtina Office:

<http://usaid.gov>

Business support Institutions

Investment Promotion Agency of Kosovo

Perandori Justinian Nr. 3-5
Qyteza Pejton
10000 Prishtinë, KOSOVO
Tel. & Fax.: +381 (0) 38 200 36041
Email: info@invest-ks.org
Web: www.invest-ks.org

Investment Promotion Agency of Kosovo - Office in Vienna

Nussdorfer Strasse 20/23
A - 1090 Vienna, Austria
Tel: +43 (0) 1 890 50 26
Fax: +43 (0) 1 890 50 26 26
Web: www.ipak-vienna.org
Email: info@ipak-vienna.org

Economic Initiative for Kosova (ECIKS)

Nussdorfer Strasse 20/23
A - 1090 Vienna, Austria
Tel: +43 (0) 1 890 50 26
Fax: +43 (0) 1 890 50 26 26
Web: www.eciks.org
E-Mail: info@eciks.org

Kosovo Chamber of Commerce

Nëna Terezë Street 20
KS - 10000 Prishtinë
Republic of Kosovo
Tel.: +381 (0) 38 524 741
Fax.: +381 (0) 38 23 397
Web: www.oek-kcc.org

SME Support Agency

Perandori Justinian Nr. 3-5
Qyteza Pejton
10000 Prishtinë, KOSOVO
Tel.+381 (0) 38 2003 6007
Fax.+381 (0) 38 212 807
Web: www.sme-ks.org

American Chamber of Commerce in Kosovo

Gustav Majer #6
10000 Prishtinë
Republic of Kosovo
Tel: +381 (0) 38 246 012
Fax: +381 (0) 38 248 012
Email: info@amchamksv.org
Web: www.amchamksv.org

Aleanca Kosovare e Bizneseve

Dardania SB-6 6/6 B4
10000 Prishtinë
Republic of Kosovo
Tel/Fax: +381 (0) 38 541 683
Email: alenacakosovarebizneseve@gmail.com
Web: www.akb-ks.org

**Ministry of Trade and Industry of Kosovo
Investment Promotion Agency of Kosovo**

Perandori Justinian Nr. 3-5
Qyteza Pejton
10000 Priştinë, KOSOVO
Tel. & Fax.: +381 (0) 38 200 38041
Email: info@invest-ks.org
Web: www.invest-ks.org

**Investment Promotion Agency of Kosovo - Office in Vienna
Implemented by Economic Initiative for Kosovo (EClKS)**

Nussdorfer Strasse 20/23
A - 1090 Vienna, AUSTRIA
Tel: +43 (0) 1 890 50 26
Fax: +43 (0) 1 890 50 26 25
Email: info@ipak-vienna.org, info@eciks.org
Web: www.ipak-vienna.org, www.eciks.org