



TURKEY-KOSOVO BUSINESS COUNCIL

**INTERCONNECTED BUSINESS SERIES:
TÜRKİYE-KOSOVO**

29 June 2021

Zoom Online Conference System





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Moderator

- **MERVE ÖZER YILMAZ**
Chairperson of the DEİK/Turkey-Kosovo Business Council

Participants

- **ÇAĞRI SAKAR**
Ambassador of the Republic of Turkey to Kosovo
- **ILIR DUGOLLI**
Ambassador of the Republic of Kosovo to Turkey
- **BERAT RUKIQI**
OEK President
- **ABDURRAHMAN BALKIZ**
President of the Kosovo-Turkey Chamber of Commerce

Registered Attendees: 97

MEETING NOTES

“Interconnected Business Series: Türkiye-Kosovo” was organised by DEİK/Turkey-Kosovo Business Council moderated by Merve Özer Yılmaz, Chairperson of the Business Council and with participations of H.E. Çağrı Sakar, Ambassador of the Republic of Turkey to Kosovo, H.E. Ilir Dugolli, Ambassador of the Republic of Kosovo to Turkey, Berat Rukiqi, OEK President, Abdurrahman Balkız, President of the Kosovo-Turkey Chamber of Commerce. Also, Turkish and Kosovar business people came together on the simultaneous sectoral sessions on agriculture & food, furniture and textile.



MERVE ÖZER YILMAZ

Chairperson of the
DEİK/Turkey-Kosovo Business Council

As Kosovo's first Turkish investor, we believe that improving economic relations can be achieved by empowering the private sector in the region. Kosovo has special importance for us in terms of both our common history and culture, and also economic relations. In this respect, Turkey-Kosovo Business Council under the roof of DEİK has been founded in 2008. Since its foundation, our aim is to constantly inform Turkish private sector about business and investment opportunities in Kosovo and to provide different platforms like Interconnected Business Series, bringing Turkish and Kosovar business people together in order to increase bilateral economic and commercial relations which have been remaining below potential.

To facilitate and increase the trade between Turkey and Kosovo up until now, following agreements have been signed and applied; Prevention of Double Taxation Agreement, Agreement on Cooperation in the Field of Health, Mutual Promotion and Protection Agreement of Investments and, finally, since September 2019 Free Trade Agreement. Regarding to Free Trade Agreement, as the Business Council, we have created and published a report last year, called Free Trade Agreement and Its Effects on Mutual Trade. Also, through our webinar in June 2020 we discussed business opportunities of Free Trade Agreement in detail.

During this global pandemic that gives us hard times and that we think we are heading to the end, as DEİK we have been one of the most effective working non-governmental organisation, thanks to the leadership of our dear President Mr. Nail Olpak. Today, we will be hosting business people from furniture, agro-food and textile industries in order to plant a seed for long term future cooperations.



BERAT RUKIQI
OEK President

There is a difficult period due to the pandemic, but it is also giving us some hope that new opportunities might appear for business people of Kosovo and business people Turkey. So, I think, also a good opportunity for all of us to explore those opportunities, not just in this meeting, but also in follow up, and especially to give a space for businesses to have some exchange. Although it is not easy in this visual format, at least we have some more communication between two business communities, and today is quite important, because it is not involvement of just business associations and the diplomatic parties, but also it is involvement of companies.

We appreciate friendship between two countries and Turkish business people as they have made great investments and they are contributing a lot to job creation and also with some new investment plans that we are very much looking forward to discuss.

I would like to give you short information about the recent developments in terms of pandemic, politics and economy in Kosovo. So, as for pandemic, in last couple of weeks there is a good trend in terms of cases, because infection and death rates are decreasing. Although there is no progress in vaccination, first vaccines arrived last night and so, massive vaccination process will start so. This will help us a lot because non-vaccination is blocking business activities, exports and imports.

In terms of economy, latest trends are also positive. There is 20% increase on internal businesses after the Eid because of the very minimal restrictions. I think boosting the confidence of businesses had good impact in terms of economic

activity, especially, there is a good sign related with purchasing power so purchasing power is getting back to normal. We expect a huge boost during summer due to visits by our diaspora that will have multiplier effect in some other sectors, especially in some of the sectors that were hit by the pandemic.

In terms of politics, you know Kosovo has a new government. Right now, they are in kind of learning process, because it is full of new establishment, but I can say that there is some emphasis in terms of rule of law, and recently there is good news of business community which is approval of Commercial Court Law. We believe that this will help to reduce backlog of commercial cases. According to surveys with businesses here, but also with businesses from other countries, this will help a lot in terms of legal security from businesses, and I think legal security is one of the most important elements for attracting FDIs. We expect support from Turkish business community and the government to improve skills of labour force in Kosovo. We think it is quite useful not only for us, but also for foreign investors.

Currently, there is an around 20% increase of exports of Kosovo. Also, our companies are becoming important players in some supply chains for Turkish and European Union markets.





ILIR DUGOLLI

Ambassador of the Republic of
Kosovo to Turkey

For me, as the Ambassador of the Republic of Kosovo in Turkey, it is a genuine privilege to know that we have solid foundation for our bilateral economic cooperation with professional and vibrant institutions on both sides, such as DEİK, Kosovo Chamber of Commerce, but also Kosovo-Turkey Chamber of Commerce.

It is even better when relations are not limited to institutions, no matter how important these may be, but they efficiently materialise day in and day out at business to business and people to people level, so these multifaceted relations are probably our strongest asset, I believe. Our economies are indeed interconnected and the greatest value of events like this dresses in deepening close relation in strengthening that interconnectedness.

A year ago we were under serious lockdowns and with countless hurdles for business community which affected movement of people, movement of goods and that could have had even worse negative impacts for our citizens.

So, we were reminded of the importance of unhindered trade and economic cooperation in general, luckily solutions were found with considerable energy being invested in patients also, and in order to provide a continuation of our cooperation. Today, we are at a point with some limitations be lifted, so we see gradual normalisation and that provides, I believe, for a new momentum for everyone, business community included.

Legal infrastructure between Kosovo and Turkey is good, as we have a solid base through agreements abovementioned and we do not have that with all countries. Also, we see signs of recovery and positive outlook for this year and for the next

year. Besides, there is also a growing demand and that, of course, provides more and more opportunity for business community, more chances to explore new markets, new ideas, create new jobs and so on and so forth. We also have a new government in Kosovo new institutions altogether actually with significant focus on the rule of law, economy and job creation.

A better balance is reached, so all in all, these are some of main points of highlights that I would just like to point out in my introductory remarks, and of course as Embassy, we are ready to facilitate anytime and any way we can, but the greatest value of meetings like this is of course sessions that you are going to have later between business communities.





ÇAĞRI SAKAR
Ambassador of the Republic of
Turkey to Kosovo

In the latest ministerial meetings, both sides reiterated their will to further enhance and deepen the commercial and economic relations between our countries. With the establishment of a stable government in Kosovo, I believe we have the potential to materialise this political will. Political stability in Kosovo will not only help Kosovo's prosperity, but it will also benefit Kosovo's friends in terms of projects to boost cooperation, particularly in economic and commercial fields. In this context, Turkey is ready to work with our friends in Kosovo government to capitalise on this opportunity.

We have an important medium to boost our economic and commercial relations that is the Free Trade Agreement between Turkey and Kosovo which entered into force in 2019. So, Kosovo's exports to Turkey have increased by 67% according to Turkish statistics in 2020 and this year also we witness a very positive course in our bilateral trade volume and Kosovo's exports to Turkey. We expect the Free Trade Agreement to yield more positive results in the longer run on the other hand, not all provisions of the agreement are yet implemented according to the agreement, the same tariffs should be applied to Turkish products with EU products. We keep emphasising our expectation in this regard in our contacts with the Kosovo government. I believe this would particularly contribute Kosovo in attracting more Turkish investors. We also expect the appointment of co-chairs of the Joint Economic Commission in both Turkey and Kosovo, after that we will be able to work for setting the date for the first ever Joint Economic Commission meeting between our countries.

Excluding the remittances of Kosovo diaspora living abroad, Turkey ranks first in terms of foreign direct investments in Kosovo. Turkish companies create jobs for

approximately 10.000 Kosovars with their investments exceeding €368 million in Kosovo. We have no doubt that the interest of our companies in Kosovo will increase, as the investment atmosphere in the country improves. We gladly observed that the Ministry of Justice sent the draft law on the establishment of commercial courts to government. When this process is completed, it will undoubtedly contribute to the investment environment in Kosovo.

We should continue to work together to increase Turkish companies' investments in Kosovo and to attract more Turkish investors to Kosovo. Of course, we also welcome the entrepreneurs of Kosovo to Turkey. I believe that it is also important for Kosovo exporters and entrepreneurs to use the Business Council as a contact point and benefit from its experience and knowledge. The Council's experience will definitely add value.





ABDURRAHMAN BALKIZ

President of the Kosovo-Turkey
Chamber of Commerce

Turkey-Kosovo Chamber of Commerce was established in 2008 with the big support of the Turkish Embassy here. As the Chamber, we have 56 members and their total direct investment amount in Kosovo is €400 million with more than 10.000 employees contribution to the country.

Kosovo had -4,1% GDP growth in 2020 with the negative effect of Covid-19 pandemic, but in the last quarter of 2020, its GDP growth became positive, 0,72%. The total GDP is €6,8 billion and per capita is €3.800. Also, the other indicators show many advantages for the country. That is, average age of Kosovo is 30, making it a very young country with its open-minded people. Kosovar people are immigrating to other countries for work, mainly to Germany, Switzerland and Italy. We are working to stop this tendency because this country needs its young and open-minded population.

Regarding the finance issue, in Kosovo we totally have 11 banks 9 of them are foreign owned and all the banks are private. A lot of big international banks are operating here, such as Raiffeisen, ProCredit, TEB, İş Bank and Ziraat Bank. Those are, including BKT, a local bank here, the most effective banks in the region. In the banking sector in Kosovo, there are 3.400 employees, €5,3 billion total assets, €4,4 billion total deposits, and €611 million total shareholder's equity.

The advantages of doing business in Kosovo, being the youngest population in Europe, low corporate taxes, great access to EU, CEFTA and Turkish markets, low public debt, easiness to start up a company and highly liberal rules, natural resources and so on. Energy sector, especially electrical consumption, is another indication to invest in Kosovo. Another advantage that I would like to highlight

here, Kosovo is a kind of logistic centre in Europe, as it is very close to the ports such as Durres and Bar, and also big capitals in the region like Tirana and Skopje.

The presentation shared by Mr. Balkız during his speech can be received via the link: file:///C:/Users/DEIK/Desktop/why_to_invest_in_kosova.pdf

The event went on with simultaneous sectoral sessions on agriculture & food, furniture and textile.



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INTERCONNECTED BUSINESS
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