

MEETING MINUTES OVERVIEW

NATIONAL COUNCIL FOR ECONOMICS AND INVESTMENTS (NCEI)

REGULAR MEETING, III

Prishtina, October 8, 2024, 10:00 – 12:30

The meeting was chaired by Prime Minister Albin Kurti, while moderated by Artan Mehmeti, Head of the Secretariat of the National Council for Economy and Investment. The meeting was attended by 22 members and about 40 observers. Participants were representatives of local business associations, foreign organizations, and state institutions in Kosovo.

The opening words

Artan Mehmeti, Secretariat, NCEI, in his opening address thanked Prime Minister Kurti, members of the government cabinet, the staff, local institutions, representatives of the international community, chambers and representative associations of local businesses for participating in the NCEI meeting, and for the general cooperation in the public-private dialogue. He further emphasized the purpose of the meeting, which serves to bring public institutions and the private sector closer, and thus enable facilitating reforms pertaining to investment climate and the doing business environment in Kosovo. The Head of the Secretariat added that this meeting also enables better diagnosis of recommendations, and drafting of policies and reforms. He also informed the participants of the change in the agenda and that after the presentation of the Investment and Export Agency there will be a presentation of the establishment of the Kosovo Innovation and Enterprise Agency.

Prime Minister Albin Kurti, Chairman, NCEI, stressed that Kosovo is an attractive country for investments with a young population. The country has the potential to become a regional center for *business process outsourcing*. Some of the supporting factors of this potential are:

- Institutional stability, strengthening of democracy and rule of law;
- Proximity to Western European markets;
- Average economic growth of 6.2% over the last two years, which shows a positive trend in economic development;
- Development of infrastructure projects for a sustainable economy;

- Development of sectoral groups such as IT services, manufacturing, and agriculture, with qualified youth as an important resource, along with the goodwill of our diaspora.

The prime minister stressed that the current government is the first to complete a full term, reflecting stability and confidence in democratic processes.

He also highlighted the *friendly shoring policy*, which provides opportunities for producers to re-enlist in our region, in order to move away from different conflict zones or tensions giving Kosovo an advantage in global development.

An essential focus is improvement of vocational education and training to prepare skilled workers for the private sector. There are now 23 schools in 14 municipalities with 1600 students. The government has created 75,000 new jobs, resulting in people no longer protesting with slogans demanding jobs.

Through the public-private dialogue, have been identified opportunities for the advancement of the private sector and for attracting foreign investment. This platform helps private actors identify the challenges they face, and public institutions should assess and resolve these issues. However, the Secretariat should evaluate and validate the issues in accordance with the working methodology. The processes and methodology for their resolution should be established, issues validated with the public institutions, including stages and deadlines for each request submitted. The Secretariat should also monitor the effects of interventions by the public sector and use outcome indicators. I invite the Secretariat to prepare these steps for the next meeting, so that we can have a clear picture on the requirements of the private sector and the possibilities of the public sector. Only through partnership between government institutions and the private sector can we improve infrastructure and ensure that Kosovo remains a sustainable destination for investment. I thank you for the attention and welcome discussions for further improvements.

Artan Mehmeti, NCEI Secretariat, informed that after the Council meeting in May, several discussions were organized between the private sector and public institutions in sectoral forums to identify recommendations and requests for facilitating doing business. Some of these issues will be discussed today, especially the issues on the connection to electricity and another proposal from the American Chamber of Commerce.

Tax incentives for workforce development

For the tax incentives, Mr. Mehmeti informed that at the last meeting, there was discussion about amendments to the law facilitating recognition of costs for professional training of staff or workforce. MLFT has established a working group to address this issue, which has submitted proposals to the Ministry of Finance for further analysis, with the goal of including them in the relevant legislation. The proposed changes include significant facilities for education and

vocational training in strategic sectors for the state, while other incentives for general education and training (such as master's and doctoral education). Importantly, it is proposed to remove the obligation of the employee to work with the employer for two more years after receiving the training, rather leaving details like these to be determined by employment contract.

Natural losses, damage, destruction of products for tax purposes

In relation to natural losses and destruction of products for tax purposes, a legal act on excise product losses has been discussed. Customs has started a draft, expected to be finalized in November, and then inputs will be received from stakeholders. Whereas, for natural loss of food and other products, we have no information whether any measures have been taken. I think that establishment of a working group by MLFT is required.

Business Surveys

As part of our Secretariat methodology is also the survey of businesses to analyze the overall business climate, but also specific issues that affect doing business in Kosovo.

During October, online surveys were conducted with 267 businesses to understand their perception of obstacles and expectations in doing business. Expectations for 2024 show that 48.7% of businesses expect growth, averaging to about 22.9%, while 18% expect a decline. For exports, 65% of exporting businesses foresee a 34.2% increase. In terms of the number of workers, 14% expect growth, while 14.2% predict decline. In terms of investments, 34.5% of businesses anticipate growth, while 52.8% expect no changes. The survey will be repeated at least once a year to monitor business expectations.

Presentation of the NCEI website

The website of the Council www.forumiks.org, will help to organize inputs we receive from businesses and organize the calendar of public-private discussions, forums, and council meetings.

The most important element of the website is the issues database, which has gathered about 200 issues raised by the private sector. This will help analyze, report, and monitor issues, by providing concrete steps and timelines for resolving these issues. For this, Mr. Mehmeti sought cooperation with public institutions to address these issues and pledged that the Secretariat would try to validate issues with the responsible institutions, and then together with them, set concrete deadlines and steps for resolving each issue.

Luan Dalipi, Chief of Staff of the Prime Minister, congratulated the Secretariat for the work done. He said that the issues raised by the private sector would have to be validated by the

respective public institution and given an action plan. He expressed gratitude to the Swiss government that funds the Secretariat, and also USAID, IFC, EBRD, some 15 business associations and other institutions with which they cooperate. He continued further by saying that for the branding only had 3 percent left until the finalization. Furthermore, Mr. Dalipi said that the Export Promotion Agency, to be established within the OPM, is being discussed with the Ministry of Finance to determine the budget and organizational structure, which is anticipated to include 70 staff members. This structure consists of four main offices: 1) investment office or department, 2) export office, 3) sectors' office and 4) service office.

1) The Investment Office and 2) Export Office are foreseen to focus primarily on countries like Switzerland and are targeted through Commercial Attachés, specialized in promoting investment and exports.

3) The Sectors' Office, which includes expert staff for 4 main sectors in Kosovo: it services, digital accounting, digital marketing, software development, as well as light manufacturing. This lightweight manufacturing sector has great potential, including companies identified in 15 countries, which are ready for re-deployment in Kosovo, thanks to the advantages of near-shoring and friendly-shoring. Also, agriculture, food processing, energy and mining are included.

(4) The Service Office, with experts who will facilitate foreign investment and export, covering the part of the post-investment care.

Kosovo has a favorable position in promoting investment thanks to democracy and favorable environmental indicators. The agency is expected to be operationalized by the first quarter of next year, and everyone's commitment for the promotion of the job vacancy is required.

Zef Dedaj, KIESA, initially announced the creation of two agencies: 1) The Kosovo Innovation and Enterprise Support Agency and 2) the Agency for Innovation and Entrepreneurship Development.

The Kosovo Innovation and Enterprise Support Agency will focus on four main pillars, in accordance with the Law on Sustainable Investment and a regulation that is being finalized:

- First pillar - Development of production capacities intended for export, through grant schemes for technological growth, digitalization, certification, tourism, craft products and innovation – with the ultimate aim to increase production and improve trade balance as the final output. It also includes the organization of joint economic forums.

Second pillar – Industrial and technological parks, which include their establishment, financing and promotion, including innovation centers and business incubators.

- Third pillar - Innovation and Entrepreneurship Development, through the establishment of the Innovation Fund, which will support small and medium-sized startups and enterprises with innovative concepts, empowering the innovative ecosystem.

- Fourth pillar - Tourism promotion, planning capital investments in this sector. The relevant Regulation is 70% completed and the goal is to have a structure with 40 employees.

Nora Hasani, GKCC, asks Mr. Luan Dalipi and Mr. Zef Dedaj, about the dates these two agencies will become operational and the anticipated budget for them?

Luan Dalipi, Chief of Staff of the Prime Minister, responds to Mrs. Hasani, that the Law on Sustainable Investment was approved by the Government in January 2023 and by parliament in October 2023. The law had been sent to the Constitutional Court by an opposition party, and it only came into force in September 2024. Meanwhile, the Government has used the time to prepare the business plan and are in discussions with the Ministry of Finance about the final budget, which will also determine the number of staff. 70 staff and 23 Commercial Attachés were proposed to promote investment. The costs for the Attachés will be higher, since they are diplomats. We hope for genuine candidates for these positions and expect cooperation and support from business associations. He also sought the help of Mrs. Hasani in identifying candidates for Commercial Attaché in Germany, where a larger number of Attachés is needed due to market size and other factors.

Mr. Dedaj, Kiesa, replied to Mrs. Hasani adding that they are in full coordination with the Office of the Prime Minister in order to operationalize both agencies together with the completion of regulations.

Budget issue, projections are for about 20 million euros, with 11 million destined for completion of the current infrastructure, including two recently established industrial parks, and the business incubator. Seven million are planned for grant schemes. It will be required to increase the budget here because the Innovation Fund will be added, while the rest remains for goods and services where KIESA also covers the EU single market program with the European Union.

Arian Zeka, American Chamber of Commerce (AmCham), expressed appreciation for the Secretariat, and appreciation for the enactment of the Law on Sustainable Investment, as a law addressing some of the business community's recommendations over the past years on structuring capacities for promoting investments and exports.

Mr. Zeka continued by asking a question to Mr. Dalipi: in which countries are Commercial/Trade Attachés foreseen to be appointed? and another question for Mr. Dedaj: Is it possible to see the Regulation that is expected to be approved by the end of this month, so that we can comment, in order that the regulation be comprehensive and of high quality.

Luan Dalipi, Chief of Staff of the Prime Minister, responds to Mr. Zeka saying that, until the budget is finalized and approved, I cannot tell with complete certainty which country it will be and how quickly these will be functionalized, because a very important factor is to have good candidates. We would welcome any suggestions you may have in this regard.

Hartim Gashi, PePeKo, expresses gratitude for the cooperation with KIESA and asks about the status of bookings for participation in fairs in early 2025 and some at the end of 2024. He expresses concerns about the “Gulfood” Fair to be held in Dubai, for which KIESA has made lot of efforts to have Kosovo included in the list for that Fair, while the waiting list is up to five years. He is concerned that Kosovo might lose the possibility to participate in this fair due to the transfer of responsibilities between agencies.

Luan Dalipi, Chief of Staff of the Prime Minister, responds to Mr. Hartim Gashi expressing readiness to cooperate so that there will be no vacuum for participation in these fairs, but notes that the budget for 2025 has not yet been set. He continues further by saying they will collaborate on other fairs such as “Swissbau” in Basel, which will be held in 2026 and that planning can be started jointly in January 2025.

Zed Dedaj, KIESA, responds to Mr. Arian Zeka regarding the date of the regulation that it will also be shared with foreign Chambers of Commerce whenever approved and that they expect their suggestions.

Response to Hartim Gashi, PePeKo: You know that based on the requests of the companies, KIESA has drafted the annual work plan. In January 2025, the fair in Sweden will be held, in the furniture sector, while for the rest, the one in Dubai has been very important this year. The agency will try to secure a corner in coordination with Mr. Dalipi due to budget.

Arjeta Pozhegu, KAWP, expressed concern about the gap that is created by the season of fairs held in January and February, then the summer season through September is without activities for the wood processing sector. Further, she continues by asking for the address to request funds, in order to support local producers for this period, since payment for participation in fairs is done at the end of the year. This would help them not to disengage during that period until strategies are developed and approved. she also expressed concern about the branding that makes Kosovo unknown in Europe for products and that its products are not identified with a particular product. She emphasizes that she sees the Government as a main pillar of support in these promotional events, B2B meetings and trade missions.

Minister Rozeta Hajdari, MIET, responds to Mrs. Arjeta Pozhegu: The Law on Sustainable Investments obliges KIESA to continue its operation until the entry into force of the two new agency regulations. In this case, KIESA is continuing its operation with the budget and with the planning of fairs. There are 40 fairs for this year and consecutive bookings are being made. All

scheduled fairs will be implemented or carried out and at the moment when the two regulations are in force KIESA will shut down and two new agencies will start functioning, where in that case, we, as a new innovation agency will transfer the budget to the OPM for export promotion.

Emrush Ujkani, EIC, expressed gratitude for the cooperation with the chief of the cabinet of the OPM and for the establishment of two agencies.

Mr. Ujkani raised questions about Economic Attachés working within the MFAD, stressing that the ministry has a department and staff engaged in these missions. He asked for clarifications on how these activities would be synchronized, stressing the importance of a diplomatic democracy and asked about their mission and function.

Luan Dalipi, Chief of Staff, OPM, responds to Mr. Ujkani by explaining the difference between economic diplomacy and commercial diplomacy.

Of course, we cooperate and will continue close cooperation with the Ministry of Foreign Affairs and all ministries according to sectors that are promoted at certain times during the year.

Minister Donika Gërvalla Schwarz, MFAD, emphasized the Attaché issue by clarifying that they receive diplomatic status and that the ministry, in cooperation with other agencies, gives them this status. However, there are technical and administrative barriers that make this process difficult.

She also spoke of the investments from diaspora and continued by emphasizing that a large part of the recent economic progress is related to active businesses from diaspora, which contribute not only to the economy, but also to the overall life in Kosovo. She further said that successful businesses operate in a democratic environment and know how to manage the risks and challenges facing the country.

However, Kosovo still has difficulty in being attractive in the global economic market. The slogan "Live in Kosovo, and work in Germany" is an area where more investment should be made, promoting the idea that companies from the diaspora, active in sectors such as gastronomy, construction and information technology, can increase employment and well-being in Kosovo.

Artan Mehmeti, Secretariat, NCEI, emphasized the next point in the agenda, that of the connection to electricity network. He continued by highlighting the complaints of businesses regarding additional costs for adequate access to the electricity network, which have been raised in various sectoral forums. He further highlighted two different types of connections: 1) *connections to distribution network lock* and 2) *connections to transmission network*.

Businesses that are consumers are having difficulty connecting to distribution network. Often, the required capacities are not available and companies have to wait for KEDS investments,

which may be in the long-term plans. For this reason, many companies are forced to invest on their own, as they don't have time to wait.

As for the connection to the transmission network, companies that want to produce energy complain that KOSTT does not treat them as equal to the Government.

As key recommendations, although a wider list of recommendations is forwarded with the report of the work of this meeting, Mr. Mehmeti listed the following:

- Inform businesses about possible network access points through a portal or interactive map. This is because, often, even after they have a business plan, they cannot connect to the distribution network, due to a lack of prior information.
- Municipalities pay for the substations, stations or lines related to businesses that have received construction permits.
- The regulator should accept investments of companies that positively affect the country's economy, or reflect individual investments in the fee only for companies that have made those investments – for that respective line or station.

Petrit Pepaj, ERO, expressed gratitude to the secretariat's work. He informed that investment plans are approved by the Regulator after public consultation and are based on the energy strategy adopted by the Government and the Assembly of Kosovo. Plans are directed towards investments in electricity generation, and planning is done in cooperation with municipalities. On the other hand, the Regulator has developed a methodology that guides consumers to network connection.

Investors in the planned areas pay no connectivity costs, while in those without planning they have to wait or fund the investment themselves. The problems raised at recent meetings will be addressed in the development plan to be discussed publicly, including concerns of business members.

ERO has requested that KEDS publish the profile of the loads, facilitating the access for investors who want to invest in certain areas. This portal will serve as a guide, but it needs more data.

Mr. Pepaj presented two proposed solutions: 1) every consumer to pay for new investments, regardless of the place of investment; 2) investors who choose remote areas where there is no planned network, invest for themselves and be compensated by other customers through network payments. We propose that the consumer pay according to the schedules done on the distribution network, taking into account at least three key elements: elimination of risk, quality of services and expansion of energy infrastructure. The assessment of investments (cost-benefit based) will be done based on the benefits that consumers in a given area will receive, and if these are assessed with high marks, then the investment will start automatically.

Also, discussions were held with the Association of Municipalities to address the challenges of expropriation.

Artan Mehmeti, Secretariat, NCEI, asks about the possibility of amending the law in the future so that foreign investors who want to invest more quickly in Kosovo, have the opportunity to do so.

Since some businesses are determined by specific regions, i.e., milk collection somewhere in a region and there is no access to the network, but it has an economic impact for that area, is there a possibility – although not in the plan – to be considered by the ERO for inclusion into KEDS investments or have the investment recognized or included in the tariff?

Petrit Pepaj, ERO, answers Mr. Artan Mehmeti's question that regulations are usually amended when there is reasonable and necessary need. He stresses that the latest investment has been made in the region of Malisheva. It is set as a priority because investment in the 110-voltage level at the station takes a long time. KEDS was obliged to make a temporary solution by a very fast investment with a line that is being implemented for the first time in Kosovo, a line that shall contain 3-4 times more capacity than the existing lines, until the infrastructural solution is created at the transmission level.

Investments of national interest will be included in development plans, but it is important to note that any investment in electricity generation, the cost of investment is in its tariff. Meaning that even now that the maximum price for solar energy and wind energy has been made, the cost of the investor has been calculated exactly for a certain period and the time needed to return that investment in the price that will be sold to our country's consumers.

Hartim Gashi, PePeKo, expressed his concern about the access to electricity network that agricultural businesses have mainly in rural areas. For this reason, as an association together with a USAID project, they have proposed incentives in order to promote investments in renewable energy. Their association's request is to be exempt from the VAT payment, which would serve as a kind of incentive in order to encourage businesses to invest in solar panels. Their concrete question is, who can help them in this direction? Should they address the issue to the Ministry of Finance, to the ERO or submit a request together with Minister Faton Peci, who is a major supporter of their causes as an industry.

Mr. Besnik Bislimi, First Deputy Prime Minister, first emphasized that the state develops fiscal policies for the citizens of the country and not for certain business groups. He further spoke about the importance of sustainability, not only political, but also fiscal one for the business community. The government should design stable tax policies and address problems with other instruments which should be assessed. He mentioned the 10 long energy strategies, where the charging of transmission points and investment planning are envisaged. The government is not against

allocating investment funds, as long as they align with the government's priorities. If Government sees the IT sector as a priority, investments can be made in this sector, providing support without charging consumers. Further, he proposed to the Secretariat to validate and filter even more the recommendations before presenting them to the Council.

Artan Mehmeti, NCEI Secretariat, stressed that the Secretariat has deemed it necessary to discuss the issue of energy production, and the fact that it must be waited for an answer from the Ministry. This can often hinder investment. He asked if exceptions could be made for projects with great impact on the economy and if regulations could be changed for a long period. Mr. Mehmeti explained that a sense of injustice is present among businesses, who contribute to the network, but do not feel supported. He suggested that there be transparency on connection points through a portal, giving businesses a possibility to plan their investments. Furthermore, he mentioned the infrastructural taxes that businesses pay, but which often do not include energy infrastructure. He suggested that if a municipality grants permission and the company pay the fee, it should also be required that the municipality cover the costs for energy infrastructure.

Luan Dalipi, Chief of Staff, ZKM, asked that the requirements be validated by relevant public institutions, stressing the importance of the Government's commitment to plan actions and to determine responsibilities for each problem and challenge.

The Development Strategy - stressed the importance of the development strategy, mentioning that economic zones and industrial parks should be planned in relation to the transmission network. The ideas are to designate potential locations for the development of industrial parks so that businesses do not have to decide individually. Several international financial institutions, such as IFC and EBRD, have offered planning assistance to create industrial eco parks to ease the burden of carbon tax on exports.

Minister Faton Peci, MAFRD, related to the topic of renewable energy, saying that renewable energy as an investment in farms is mainly an investment of the Ministry of Agriculture but also a private incentive. As a ministry, we have approached ERO a year ago, because a significant amount of renewable energy produced in certain phases is lost and is not part of the network. From ERO we ask to see modalities so that amount of electricity produced in these farms is not lost, and moreover, that during our term in office we have faced a general crisis in the energy sector.

In principle, I agree with the Deputy Prime Minister that the state sets the rules, there are tax rates, but I still think that in very remote areas where it is estimated that the multiplicative effect and the possibility of investment to be evoked in certain areas, I believe that some modality can be found. In the EU countries, balanced development between regions is a value of governance.

Therefore, in the prism of the governance aspect of a balanced development for the most backward areas a solution can be found - the jurists say "modus vivendi".

Deputy Minister Getoar Mjeku, ME, expressed support for the Deputy Prime Minister's comments on the need for government intervention in helping businesses' investments. It emphasized the importance of balancing requirements with state interests to stimulate priority sectors and objectives elaborated in the Law on Sustainable Investment.

As for financing, possible sources for these expenses should be considered, taking care of the revenue. While some businesses continue to receive institutional support, it is important to maintain an affordable energy price. Also, the target is integration of 1600 MW of energy from renewable sources by 2031, highlighting the need for strategic projects in cooperation with the private sector. Energy should be seen as a means of development, not as an end in itself.

Arian Zeka, executive director of the American Chamber of Commerce (AmCham), presented AmCham's proposal entitled "Accelerating Economic Growth through Targeted Financial Support," which aims to advance economic development in Kosovo through targeted support.

He stressed that this proposal is built on the methodology of "strategic benchmarking", which means comparing Kosovo's economic performance with countries considered leaders. This approach aims to learn from global best practices, therefore, for reference are taken states such as Israel, Estonia, New Zealand, the United Kingdom and Singapore. By analyzing their performance over the years, we have come to understand and identify the factors that contribute to their success. Some of the proposals involved may be related to the Innovation Fund mentioned by Mr. Dedaj, as well as with existing grant schemes, including those of the Ministry of Industry, Entrepreneurship and Trade, aimed at standardization – one of the main challenges to achieve the impact we aim for.

He further added that the proposed package amounts to EUR 120 million of which EUR 30 million are contemplated for promotion of export of services, EUR 20 million for increasing export of goods, EUR 30 million for startups' support, and EUR 40 million for digitalization.

Mr. Zeka presented the details of the business support package, proposed as follows:

1. **Export of Services Promotion Fund** - EUR 30 million to support IT, business services and high value sectors.
 - Direct assistance to companies operating in foreign markets.
 - Grants for expanding markets, certifications, participation in international fairs and marketing abroad.
 - Incentives for talent hiring through subsidizing salaries for new employees involved in this process.

Expected impact from this program:

- 20% growth in the short term, with additional revenue of EUR 100 million over two years.
- Export of services increased by 150% until 2028, with IT contributing EUR 1.1 billion.
- 30,000 new jobs and an additional EUR 1.5 billion in GDP by 2035.

2. **Fund for promotion of export of goods** - EUR 20 million for agricultural products, textiles and processed goods.

- Financial support for commodity exporters.
- Facilitation of logistics and trade, reduced transportation and warehousing costs.
- Improve the quality of products to comply with international standards.

Expected impact from this program:

- 10% growth in the short term, contributing EUR 200 million to the economy in two years.
- Double exports by 2028, with an additional €1 billion.
- 15,000 new jobs and EUR 1.3 billion in GDP by 2035.

3. **Startups support fund** – EUR 30 million for the development of startups in technology, innovation and business services.

- Support for initial funding, grants, incubators and accelerators for mentorship, and training resources.
- Tax incentives for the first five years of operation.

Expected impact from this program:

- EUR 100 million in revenue and 2,000 jobs within two years.
- Medium term (2030): 50% growth in the number of startups, 300 million euros contribution to the economy and 10,000 jobs.
- In the long run, Kosovo can develop a robust ecosystem of startups worth over 1 billion euros, attracting foreign investors and positioning as a hub for innovation in Southeast Europe.

4. **Private sector digitalization fund** – EUR 40 million for accelerating the digital transformation of companies.

- Digital transformation grants, employee training and subsidies for cloud services and data storage.

Expected impact from this program:

- 500 digitalized companies, 10% productivity growth and EUR 20 million in operational cost savings in the short term.
- EUR 500 million in GDP and 5,000 new jobs by 2030.
- Digitalized industries are expected to add EUR 1 billion to Kosovo's economy by 2040, contributing to a sustainable and technologically driven economic model.

Nora Hasani, GKCC, thanked deputy prime minister Mr. Bislimi for receiving a large delegation of German companies together with the GKCC. She mentioned the organization of the Economic Forum by the GKCC, thanking him for his support also in 2022. Ms. Hasani also mentioned that one of the main topics of the discussion were geopolitical difficulties, including the Berlin process, which she considered important for German companies interested in investments in Kosovo. She asked questions regarding the position of the Government of Kosovo and future developments, with a particular focus on the next Summit to be held in Berlin.

Prime Minister Albin Kurti, Chairman, NCEI, stressed that tomorrow the CEFTA meeting will be held, and after that there will be more information about the Berlin Process Summit that will take place next week. He expressed optimism for the government's path, although the promised scanners as a donation have not yet been secured, nor the ones the Government intended to buy.

A border crossing point will be opened in Merdare, with additional control at the crossing, located only 300 meters from the Customs Terminal. Mr. Kurti mentioned that he has seen 2D and 3D scanners in Hamburg, pointing out that static scanners are more efficient than mobile ones, but that they are sophisticated buildings that Kosovo will not be able to build because of the price and duration of construction. Mr. Kurti further continued saying: When trucks with wheat or corn enter, it can easily be understood if there is weaponry or ammunition inside, but when there are ready products in boxes, then it is very difficult to open everything to see what is inside. He stressed the importance of security measures to control goods, ensuring that these measures are not trade ones but necessary for security.

He added that in these last two years we have confiscated huge quantities of weapons that in northern Kosovo have been brought for a wide and a long conflict that has not occurred due to proper decisions, and the professionalism and integrity of the police.

Mr. Besnik Bislimi, First Deputy Prime Minister, joins the conversation:

Regarding the security measure against Serbian goods: The security measure is only a security measure and not a trade measure, for which CEFTA protocols allow that in case of threat of

security, free trade rules can be suspended. Mr. Bislimi further stressed that Kosovo has been constantly ready to have free movement of goods and capital with all neighboring countries, because Kosovo believes that this is the best way to increase the productive capacities of businesses, but also the well-being of the citizens. As long as the security risk exists, there will be increased security measures in the passage of goods coming from Serbia.

Further on, Mr. Bislimi cited a case where a Hungarian company tried to buy a Spanish train manufacturer, but the Spanish government vetoed it, making it impossible to make the transaction. Despite the indictment in the European Commission, the EC Court stressed that security issues took precedence over the freedoms of commerce and capital, supporting Spain's action. The veto was justified because one of the Hungarian company's shareholders had Russian origin, which alarmed an EU member state. This shows that Kosovo has the right to care for its own security. At the same time, Bislimi stressed the importance of removing UNMIK's influence from decision-making and participation in CEFTA forums at the upcoming meeting in Belgrade.

Regarding the presentation of Mr. Arian Zeka (AmCham): The Government has continuously shown readiness to seriously address the further increase support for businesses, especially to address those businesses that have the potential for export or development of strategic sectors. Of course, paying attention to those businesses that have the potential to grow exports. But we need to jointly develop a program with exact criteria so that those figures can materialize. Support shall be linked to materialization of expectations with a subsequent government analysis.

Commentary on Nora Hasani, GKCC: The government has continuously shown that it is a serious partner of every Chamber of Commerce that supports the interest of the economy and businesses.

Minister Donika Gërvalla Schwarz, MFAD, took the opportunity to address some comments regarding barriers referred to economic ones, by representatives of business associations. She explained that there were no economic barriers in this process, it was a simple security process. For this reason, she suggested that statements on these barriers reflect the reality of operating in Kosovo.

She also cited examples from countries like the Netherlands and Poland that implement control measures for migration management, stressing that countries are sovereign and have the right to decide their own security measures. She also raised the issue of Kosovo's representation at CEFTA through UNMIK and invited open discussions to see if this is right, underscoring the importance of avoiding disinformation that could undermine processes.

Emrush Ujkani, EIC, expressed gratitude for the excellent cooperation with the OPM for common cause. Emphasized the interest for a deeper discussion on the Growth Plan and other issues raised by associations during this Council meeting.

Deputy Prime Minister Gërvalla-Schwarz's remark was correct, pointing out that the EU's founding treaties allow protection in case of public health and security of a country is compromised.

Mr. Besnik Bislimi, First Deputy Prime Minister, stressed that the Government has adopted the Growth Plan and that on Friday the discussions were concluded within the EC on five reform agendas to move forward, including those of Montenegro, North Macedonia, Albania, Kosovo and Serbia. Bosnia has failed to deposit its plan.

The most important point is to create a clear public communication plan on the content of the Growth Plan and the ways in which different actors can help to realize the objectives of the reforms that the Government has undertaken, as well as how this will translate into infrastructure investment. After the plan is approved by the Government, a meeting will be organized to share information with the network of chambers of commerce.

Artan Mehmeti, Secretariat, NCEI, mentioned the next point of the agenda which is the adoption of the NCEI Rules of Procedure.

Minister Rozeta Hajdari, MIET, raised the matter the Rules of Procedure of the NCEI Secretariat since this Regulation foresees the Secretariat as independent. She added that there is a Law on State Administration and Independent Agencies that are subordinate to either parliament or the OPM, just like the MIET itself, that reports to OPM. She went on to propose to take into account all the laws in force such as the Law on State Administration, the Government Regulation on The Work of the OPM and Ministries' Responsibilities and then identify where the Secretariat belongs there.

Artan Mehmeti, Secretariat, NCEI, asked Minister Hajdari to emphasize the article that he thinks should be changed since this Regulation is more for the work of the Secretariat.

Minister Rozeta Hajdari, MINT, offered the assistance of MIET to consolidate this Regulation, in order to expand the scope of the Secretariat and not as it is now at a narrow level of the doing business climate, because there are many other areas of the national level. She further added that the changes made by MIET will be sent with track changes to propose how this Council should work. She also pointed out that there is an Industry Council that is established by a Government Decision and which convenes in meetings four times a year. In this way it will be completed with various Councils at the sectoral level of industry - the National Council for Economy and Investment and then it will be presented for discussion and voted on.

Artan Mehmeti, Secretariat, NCEI, expressed readiness for cooperation with MIET for the amendments they will propose regarding the Rules of Procedure of the NCEI Secretariat. He also

said that this Regulation can be voted on online, and if there is no vote against it, it can be considered approved.

Minister Rozeta Hajdari, MIET, stressed that she will propose changes to the NCEI Regulation over the weekend and will forward it to the Secretariat next week.

Endrita Xhaferaj, EBRD, thanked the attendees. She provided an explanation for the creation of the Secretariat, stressing that the basic criterion was to make it independent, not making it part of the Government, nor any of the Chambers, because this is what was agreed with the OPM. Furthermore, she said, that it is comprised of professionals from relevant fields dedicated only to filtering issues coming from the private sector, to then compile analytical analysis and provide recommendations to government bodies. This dialogue works, and the moment it is embedded within the Government, then one can say it is dependent and structured according to the laws on how it should be treated.

Arian Zeka, American Chamber of Commerce (AmCham), reacted to Minister Gërvalla-Schwarz's comment on the security of Serbian goods, stressing that the minister cannot impose on the economic chambers how they should talk in the media. He added that such a statement should not come from a senior government official, because it undermines the democratic functioning of Kosovo society and undermines the spirit of this National Council for Economics and Investment. Mr. Zeka insisted that this reaction of his be included in the minutes.

Mr. Besnik Bislimi, First Deputy Prime Minister, in absence of Minister Gërvalla, reacted to Mr. Zeka's comment by saying that he did not see the reaction of Mrs. Gërvalla-Schwarz as a tendency to formulate the statement of Mr. Zeka. He further added that as a country we have not yet reached the level to giving responsibility to the Ministry of Internal Affairs to impose trade and economic barriers. Further clarifying minister Gërvalla's reaction, he said that the measure in question is from the Ministry of Internal Affairs, and no economic measures can be attributed to this ministry. So, the Minister did not address specific persons, but expressed concern about the negative energy that can be created within the state for very important and political processes.

Artan Mehmeti, Secretariat, NCEI, thanked the participants for their contribution and invited them to prepare for the next NCEI meeting. Since we failed to approve the Rules of Procedure of the NCEI in today's discussion, we will put it out for approval electronically after receiving recommendations from MIET.

The NCEI Secretariat's engagement until the next meeting:

- Evaluation of issues raised by the private sector, in accordance with the methodology of work;

- Validation of issues with public institutions, trying to set steps and deadlines for each request or recommendation.

LIST OF PARTICIPANTS

Representatives from public institutions:

1. Prime Minister, Chairman;
2. First Deputy Prime Minister for European Integration, Development and Dialogue;
3. Minister of Foreign Affairs and Diaspora;
4. Minister of Industry, Entrepreneurship and Trade;
5. Deputy Minister of Economics;
6. Deputy Minister of Finance, Labor and Transfers;
7. Deputy Minister of Local Government Administration;
8. Chief of Staff of the Prime Minister;
9. Deputy Minister of Environment, Spatial Planning and Infrastructure;
10. Representative of the Central Bank of Kosovo;
11. Director General of Tax Administration of Kosovo;
12. Director General of Customs of Kosovo;
13. Acting Director General of KIESA;

Representatives from chambers and business associations:

14. President of the Kosovo Chamber of Commerce;
15. Executive Director of the German Kosovo Chamber of Commerce;
16. Executive Director of the Kosovo American Chamber of Commerce;
17. Executive Director of the Council of European Investors;
18. Executive Director of the Kosovo Association of Wood Processors (KAWP);
19. Executive Director of the Kosovo Association for Information and Communication Technology (STIKK);
20. Executive Director of the Metal and Renewable Energy Industry in Kosovo (KIMERK);
21. Executive Director of the Kosovo Association for Processing of Fruits and Vegetables (PePeKo);
22. Director of the Kosovo Prefabricated Constructions Cluster (PREFAB);
23. President of the Women Economic Forum;

Representatives from embassies and diplomatic missions:

24. Representative from the U.S. Embassy;
25. Representative from the Embassy of Italy;
26. Representative from the Embassy of the Netherlands;
27. Representative from the Embassy of Austria;
28. Representative of the Embassy of Israel;
29. Representative from the Swiss Embassy
30. Representative from the European Union Office in Kosovo;

Representatives from international partners:

31. Director of the European Bank for Reconstruction and Development (EBRD), Office in Kosovo (EBRD);
32. Director of the Swiss State Secretariat for Economic Affairs (SECO);
33. Representative from the World Bank in Kosovo (WB);
34. Program Leader of the U.S. Agency for International Development (USAID)
35. Head of the International Financial Corporation Office in Kosovo (IFC);
36. Head of the International Monetary Fund (IMF) Office

Other participants:

37. Executive Director of the Energy Regulatory Office (ERO);
38. Additional representative from the EBRD;
39. Additional representatives from the OPM;
40. Additional representatives from Kosovo Chamber of Commerce (KCC);

ACRONYMS USED

NCEI – National Council for Economics and Investment

KCC – Kosovo Chamber of Commerce

GKCC – German-Kosovar Chamber of Commerce

AmCham – American Chamber of Commerce in Kosovo

STIKK - Association for Information and Communication Technology of Kosovo

KAWP – Kosovo Association of Wood Processors

OPM – Office of the Prime Minister

OSP – Office for Strategic Planning

ERO – Energy Regulatory Office

MIA – Ministry of Internal Affairs

MIET – Ministry of Industry and Entrepreneurship and Trade

MAFRD – Ministry of Agriculture, Forestry and Rural Development

CBK – Central Bank of Kosovo

TAK – Tax Administration of Kosovo

KC – Kosovo Customs

EFTA – European Free Trade Association

CEFTA - Central Europe Free Trade Agreement

EU – European Union

EC - European Commission

GDP – Gross Domestic Product