

Firms' expectations for 2026 and the environment of doing business in Kosovo

Survey with the private sector



Methodology and Objectives

Methodology:

- Implementation: Survey sent via online platform.
- Targeted firms: about 5,500 firms.
- Survey period: 16 December 2025 – 22 December 2025.
- Result: 240 valid answers.

Objectives:

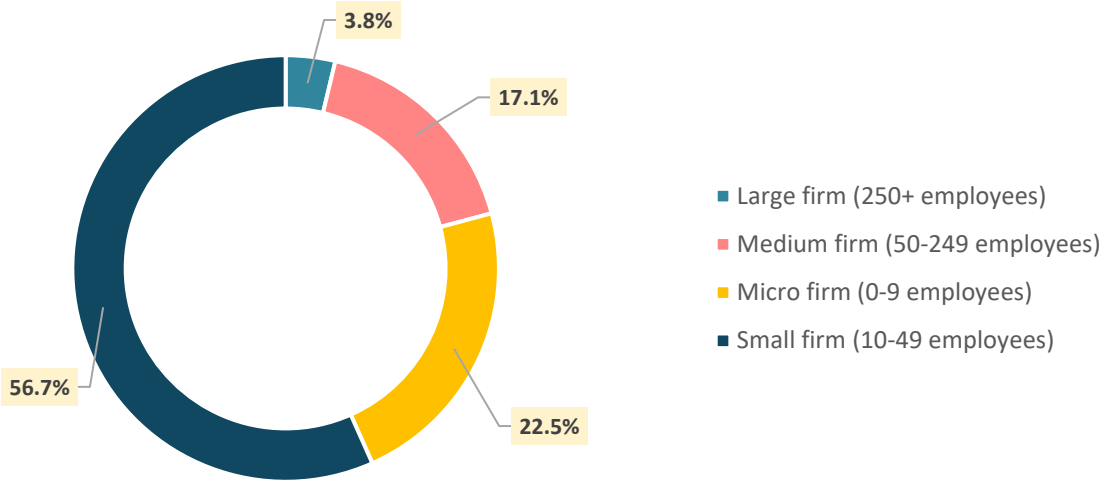
- To provide an overview of firms' forecast for their performance in 2026.
- To provide an assessment from the perspective of firms on the various factors influencing the environment of doing business in Kosovo.

Profile of surveyed firms

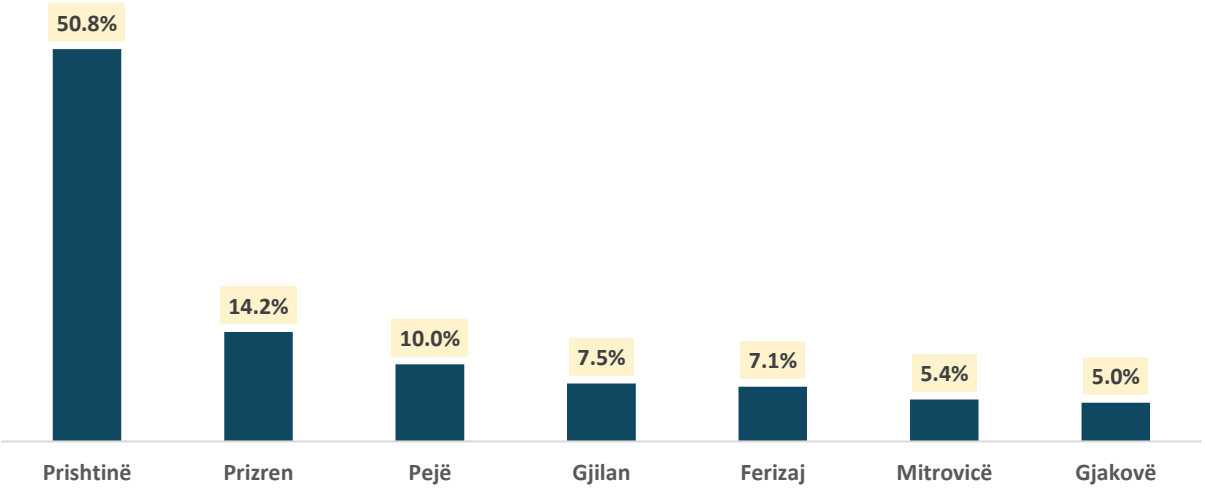
The structure of surveyed firms by size (based on the number of employees) was dominated by small and micro firms, which represented over 79.2 % of firms. The rest consisted of medium and large businesses.

Based on the region where they operate, most of the surveyed firms (about 50.8%) are based in the Prishtina region, followed by the Prizren region with about 14.2% of firms.

Structure of surveyed firms by size



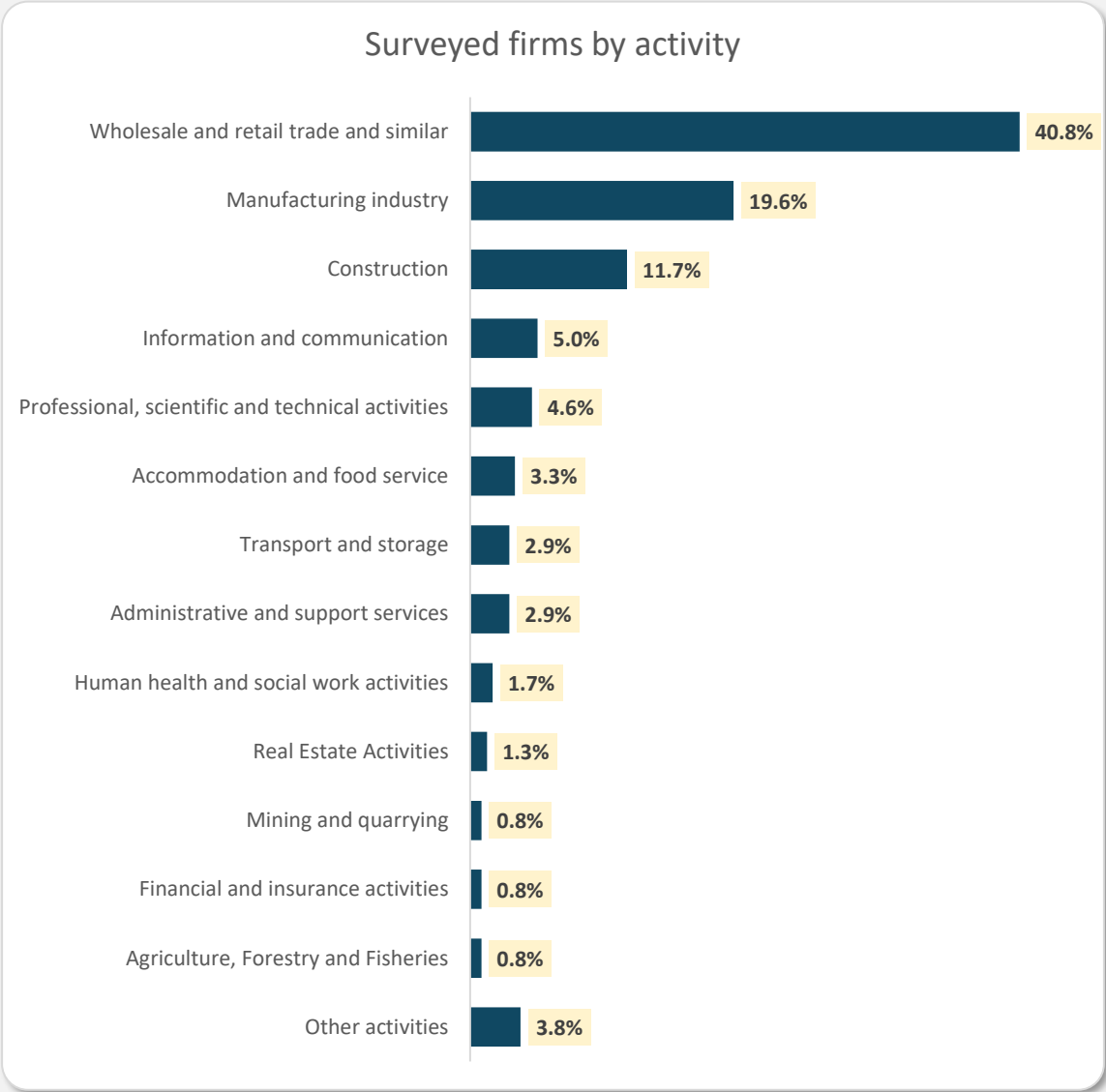
Surveyed firms by region



Profile of surveyed firms (continued)

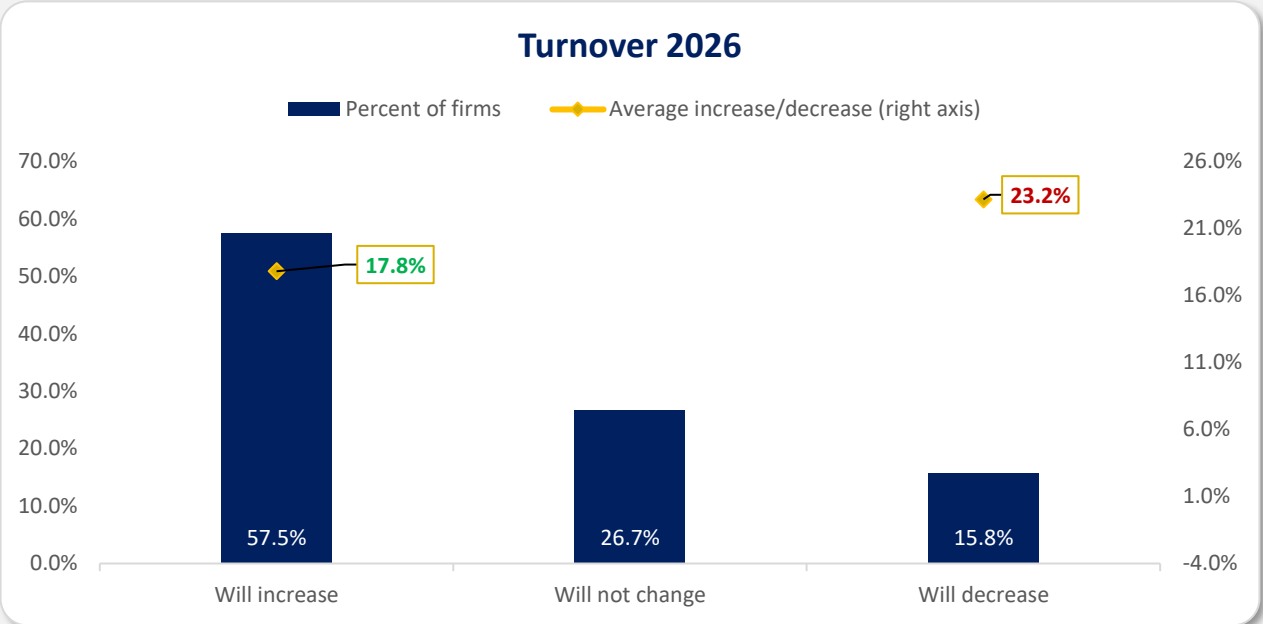
Most of the surveyed firms (40.8%) operate in the wholesale and retail trade sector, followed by the processing industry (19.6%) and construction (11.7%).

Other sectors are represented by smaller shares. Specifically, 5.0% of surveyed firms operate in information and communication, while 4.6% are engaged in professional, scientific, and technical activities. The remaining sectors each account for between 0.8% and 3.3% of surveyed firms.

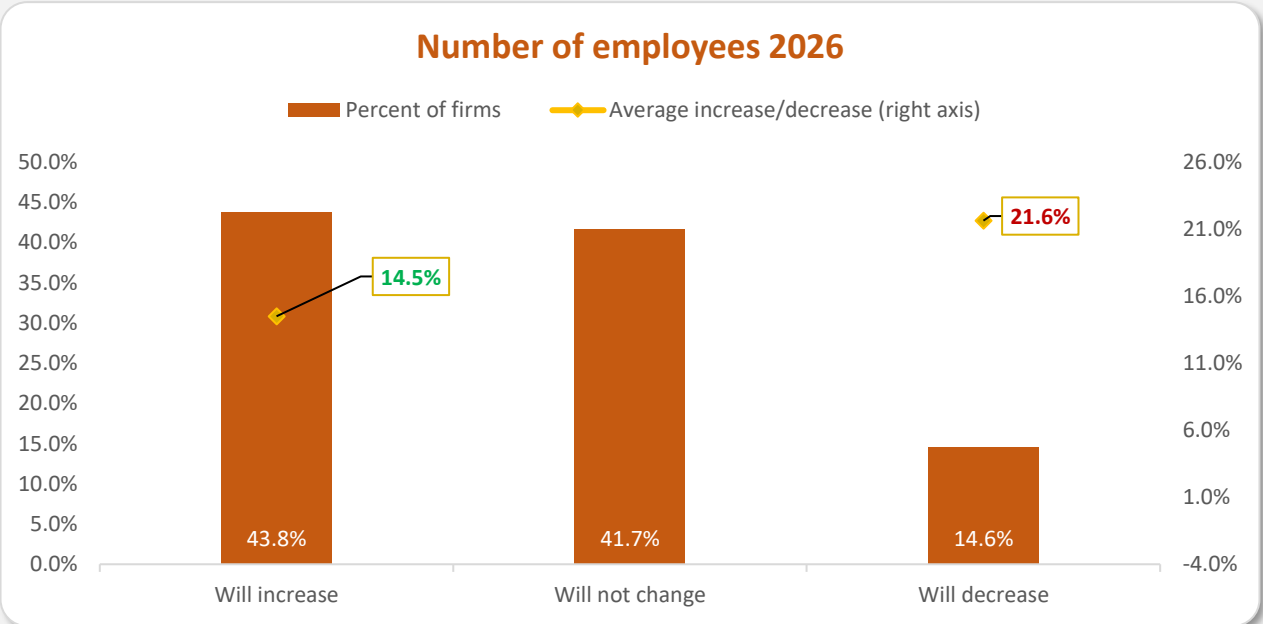


Firms' expectations for 2026

About 57.5% of surveyed firms expect their turnover to increase in 2026, with an average anticipated growth of 17.8%. Meanwhile, 26.7% of firms think that their turnover will not change. On the other hand, 15.8% of firms anticipate a decrease in turnover, with an average decrease of 23.2%.



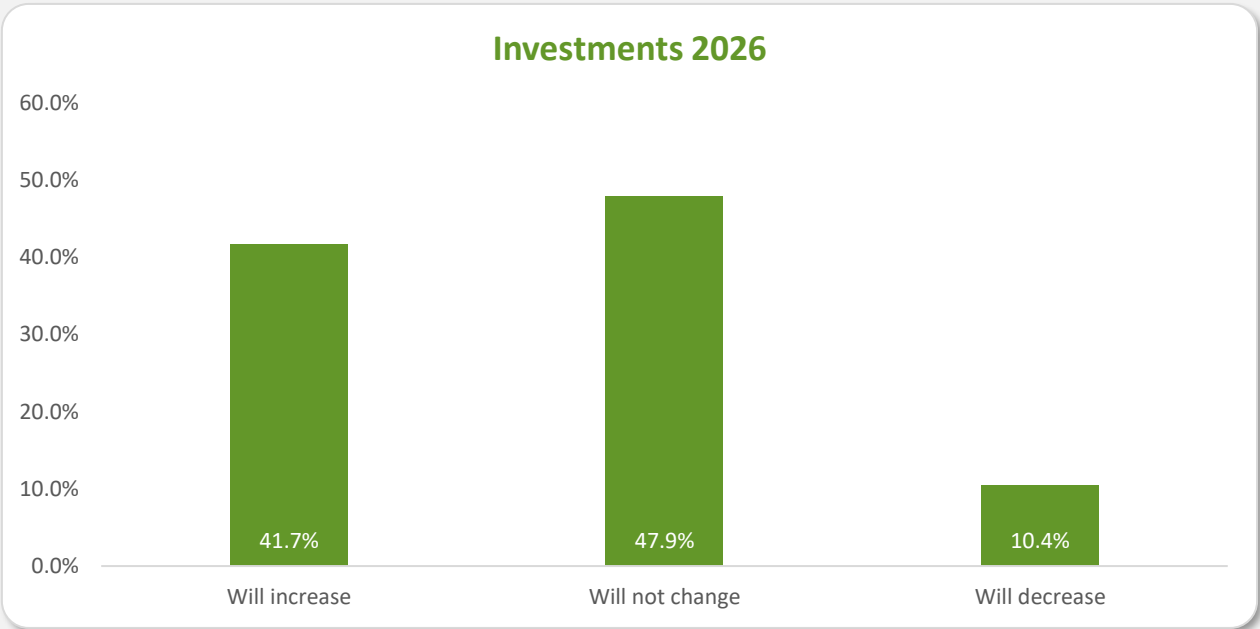
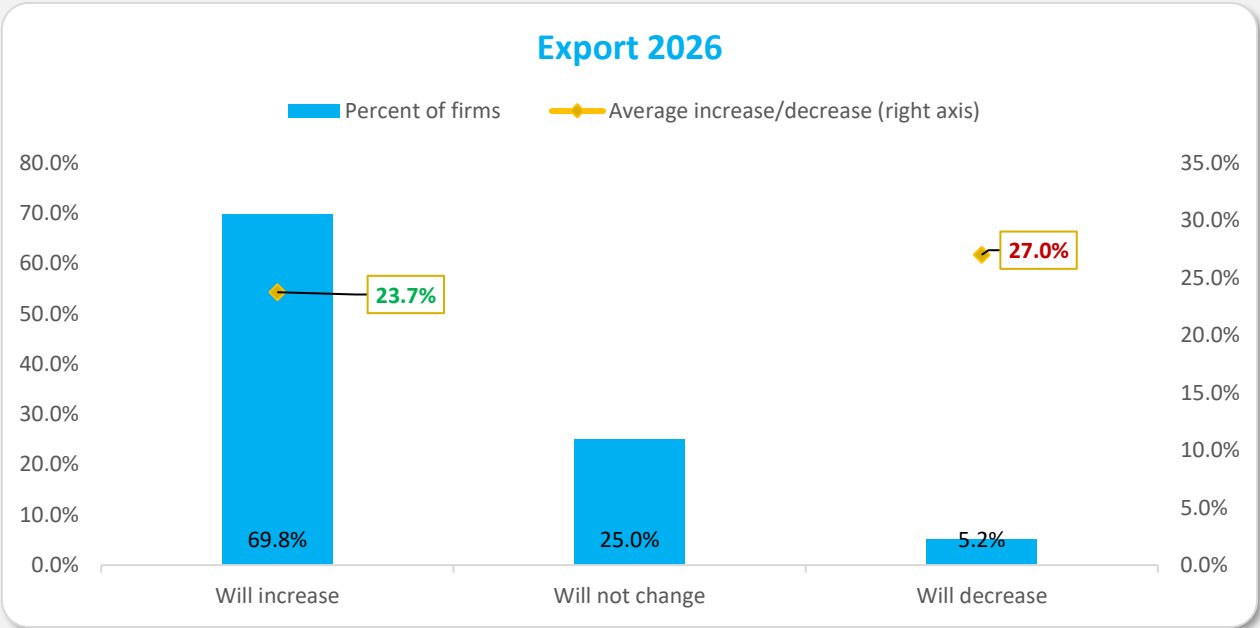
Firms have also expressed their expectations regarding the number of employees. About 43.8% of surveyed firms expect the number of employees to increase in 2026. On the other hand, 41.7% of businesses expect the number of employees to increase, while 14.6% expect a decrease in this number.



Firms' expectations for 2026 (continued)

About 40.0% of surveyed firms expect to export in 2026. Of these firms, about 69.8% expect their exports to grow at an average rate of 23.7%. On the other hand, 5.2% expect their exports to fall, while 25.0% do not anticipate changes in their export level.

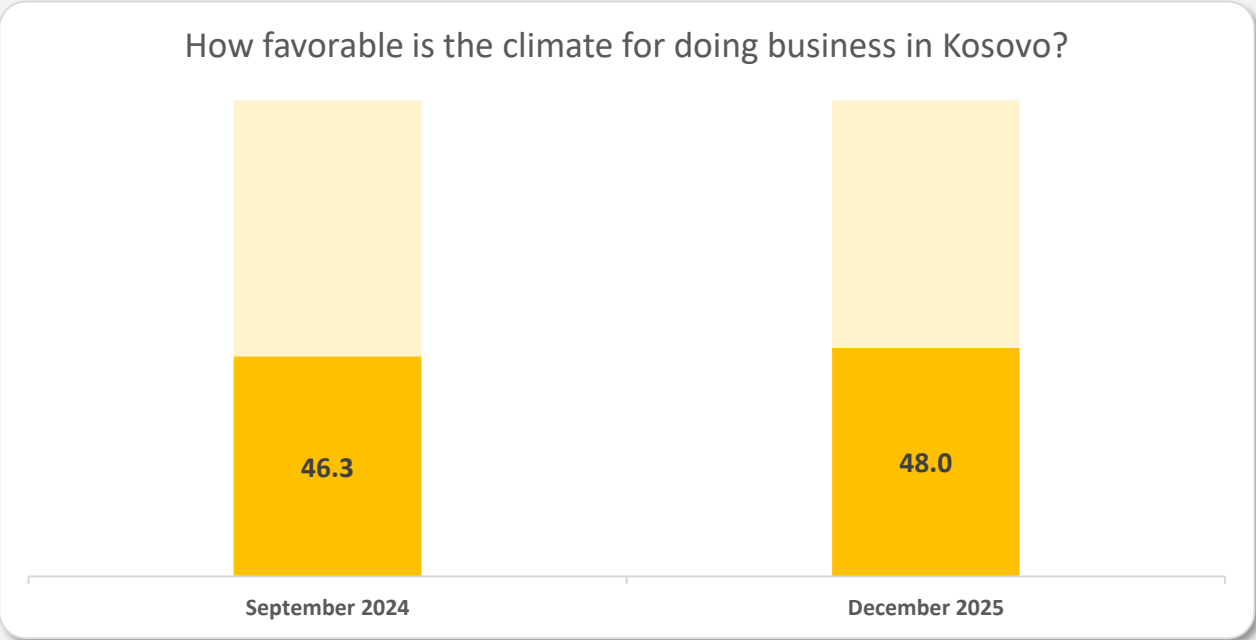
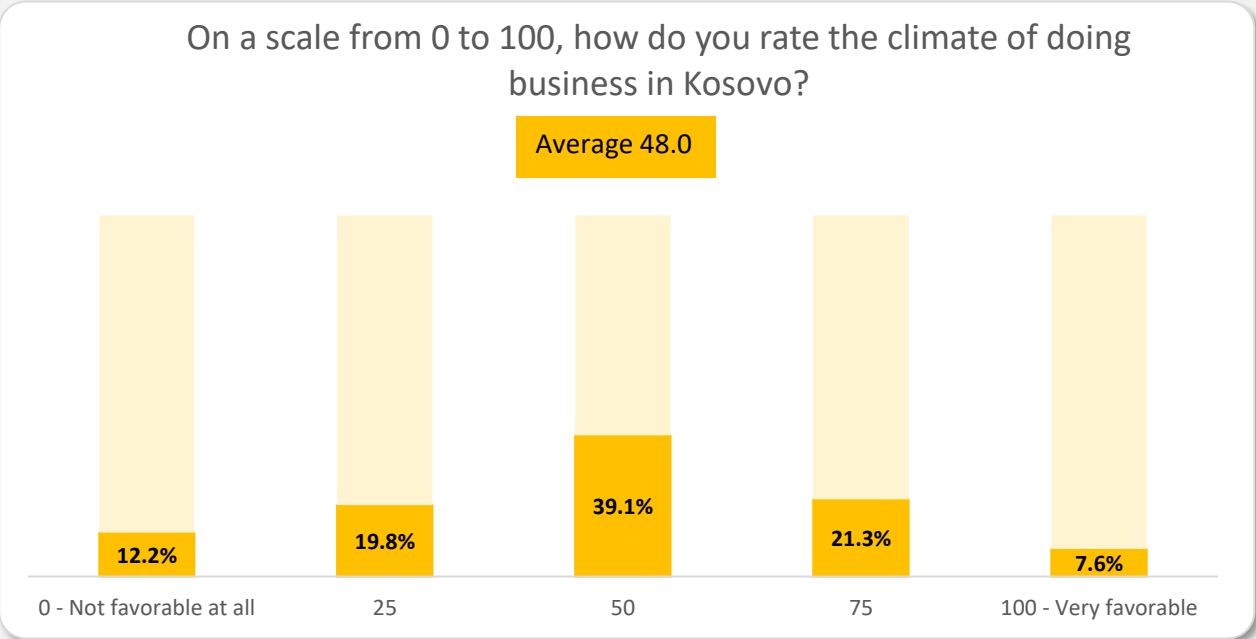
As for investments, 41.7% of surveyed firms predict an increase in 2026. Meanwhile, 47.9% of firms do not expect any changes in the level of investments, while 10.4% predict a decrease.



The environment of doing business

Surveyed firms rated the business climate in Kosovo on a scale from 0, meaning not favorable at all, to 100, meaning very favorable. The results show that firms view the business climate as generally not very favorable. While 12.2% of firms rated the business climate as not favorable at all, only 7.6% of them found it very favorable.

Firms rate the overall climate for doing business in Kosovo at 48.0 points in December 2025, reflecting a modest improvement compared to September 2024 (46.3). The results suggest a slight improvement in business sentiment, with most firms assessing the climate around the mid-range of the scale. However, the share of firms perceiving the environment as very favorable remains limited, indicating that overall perceptions have improved only marginally.



The environment of doing business (continued)

Firms assessed the impact of 14 factors on their operations and growth using a scale from 0 (no obstacle) to 100 (very significant obstacle).

In December 2025, the most significant obstacles are access to qualified staff, migration of workers, and electricity supply, followed by unfair competition, access to finance, and informality. In contrast, water supply, local administrative burdens, and transportation are perceived as the least significant constraints.

Compared to September 2024, labor-related constraints and unfair competition have eased, while infrastructure and regulatory issues, particularly electricity supply and tax procedures, have become more prominent.

Obstacle	September 2024	December 2025
Access to qualified staff	60.4	56.1
Migration of workers	62.0	54.2
Electricity supply	42.1	52.7
Unfair competition	66.0	52.1
Access to finance	49.1	51.7
informality	57.3	51.5
Small market	55.7	51.1
Cost of financing	55.4	51.0
Road infrastructure	48.3	49.4
Tax procedures	41.6	48.1
Administrative burdens at the central level (Government and Ministries)	46.3	48.0
Transportation	40.1	47.5
Administrative burdens at the local level (Municipality)	44.2	45.2
Water supply	35.7	40.3

Summary Notes

- About 57.5% of firms expect an increase in turnover in 2026, while 26.7% anticipate no change and 15.8% expect a decline.
- Around 40.0% of surveyed firms expect to export in 2026; among these firms, nearly 70% anticipate an increase in exports, while the rest expect exports to remain stable or decline.
- Regarding employment and investments, a large share of firms expect no changes, although 43.8% of firms plan to increase employment, and 34.5% anticipate higher investment levels in 2026.
- Firms assess the business environment in Kosovo as somewhat challenging, with an average rating of 48.0 points out of 100 in December 2025, showing a slight improvement compared to September 2024, though perceptions remain cautious.
- The main barriers to doing business, according to firms, are access to qualified staff, migration of workers, and electricity supply, followed by unfair competition, access to finance, and informality.