

EBRD activities in Kosovo

UK/US-Kosovo Trade & Investment Forum 2016

- **Holger Muent, Regional Head Western Balkans**



European Bank
for Reconstruction and Development

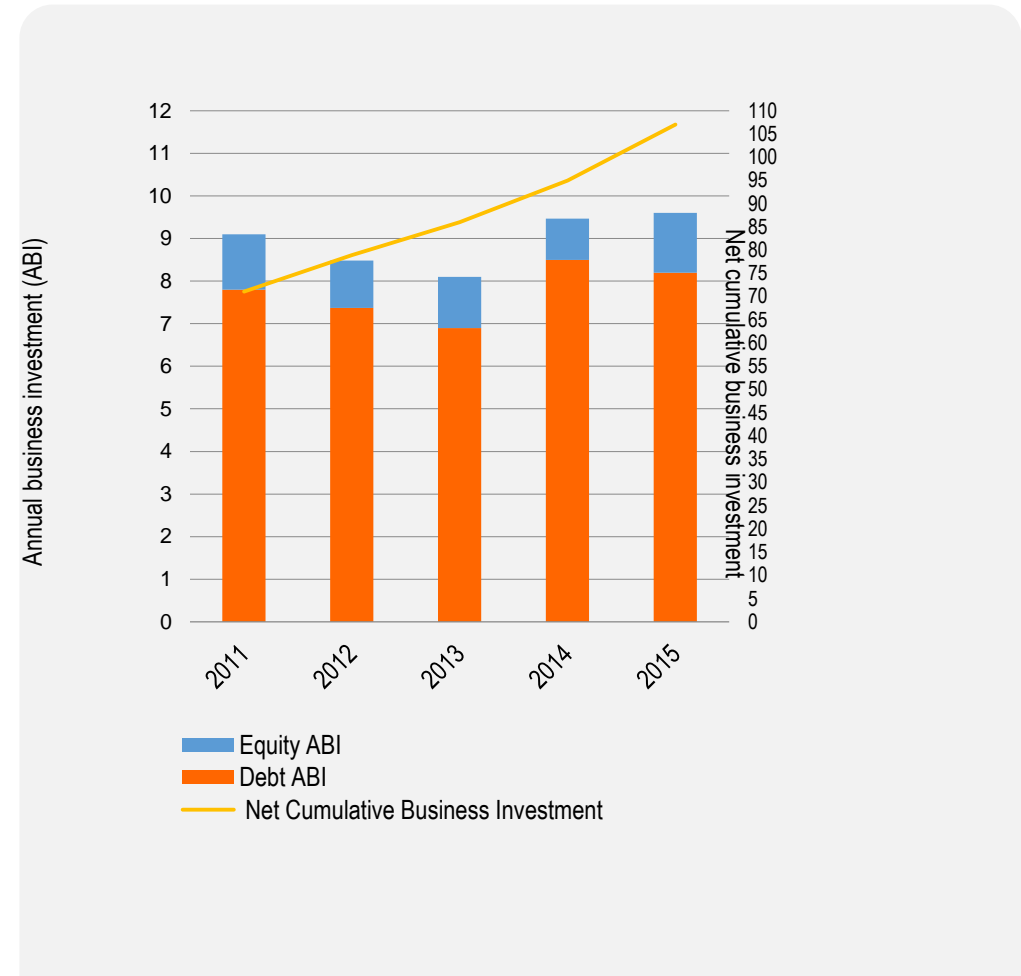
KOSOVO ECONOMIC Development – The EBRD Perspective

1. The EBRD in Kosovo
2. Kosovo Economic Overview
3. The EBRD Strategy for Kosovo

What is the EBRD?

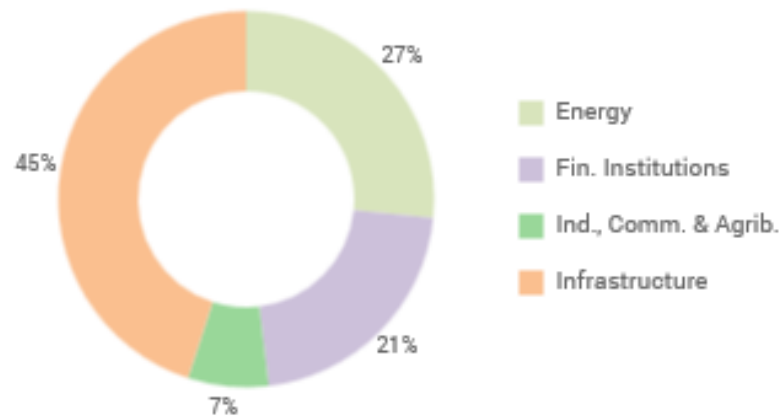
- International financial institution, promotes transition to market economies in 35 countries from central Europe to central Asia and the Southern and Eastern Mediterranean – SEMED region)
- Owned by 65 countries and two inter-governmental institutions.
- Capital base of €30 billion.
- Invested over €86 billion in more than 4,007 projects since 1991

Net cumulative business investment



EBRD Investments in Kosovo

- Kosovo has been EBRD country of operations since 2012
- Total commitment of € 204 million in 49 projects
- Largest share in infrastructure and energy; 21% of total commitments in the financial sector



Significant infrastructure projects:

- North-South Railway Line
- Road Rehabilitation
- Transmission Network Strengthening
- Municipal Transport in Pristina

KOSOVO Economic Development – Fundamentals

- Prospective EU membership
- Macro-economic stability
- Strategic location
- Low labour costs, young population
- Regional Integration



Kosovo Economic Overview

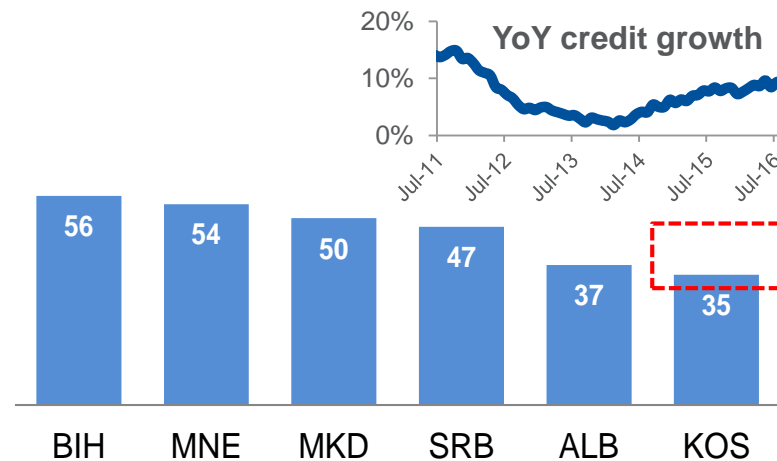
- GDP growth picked up in 2015
- EU Approximation has advanced
- Improvements in Business Climate Reforms
- National Development Strategy in place



Kosovo – Financial Sector Overview

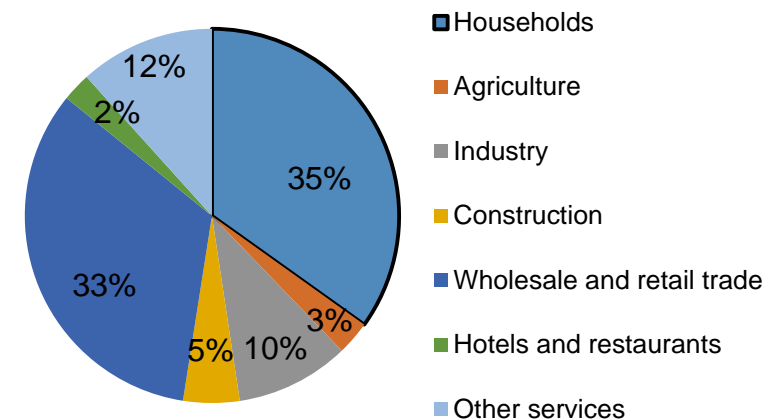
- Kosovo’s banking sector comprises of 10 active banks, all private, of which 8 majority foreign-owned
- Liquidity and Capital Adequacy are high
- Asset Quality remains very good
- Lending Activity is recovering, but still low in regional context
- Private Sector Loan Portfolio is divided between loans to households and loans to enterprises 35/65

Private sector credit, % GDP



Source: National central banks via CEIC

Private sector loans by sector, per cent share



Source: Central Bank of Kosovo

The EBRD Strategy for Kosovo

- Close alignment with government priorities and EU approximation process
- **Key themes:**
 - Competitiveness of Private Sector
 - Energy Security and Sustainability
 - Connectivity and Regional Integration

Private Sector Competitiveness Key for Future Economic Growth



Private Sector Competitiveness

- Investment
 - Through financial intermediaries:
 - Reaching smaller companies
 - Specialised products, focussing on underserved segments and specific investments
 - Direct Investments:
 - FDI
 - Larger Local Investors (not in competition with local banks!)
- Advisory

Contacts

•For all further enquiries, please contact:

- Holger Muent
Director, Western Balkans
Tel: + 44 207 338 7413
Email: MuentH@ebrd.com
EBRD, One Exchange Square
London, EC2A 2JN UK

- Elena Petrovska
- Head of Office
Rruga Prishtinë-Fushë
Kosovë
- 10060 Prishtina
- Kosovo
- Tel: +381 38 242 07000
- Email: PetrovsE@ebrd.com
- www.ebrd.com

