

OBSERVATION OF DOING
BUSINESS IN KOSOVO
TRENDS THAT WILL
SHAPE 2025



THE FUTURE
OF BUSINESS

ORGANIZUAR NGA:

Data4all

MBËSHETETUR NGA:



Prishtinë, 2024

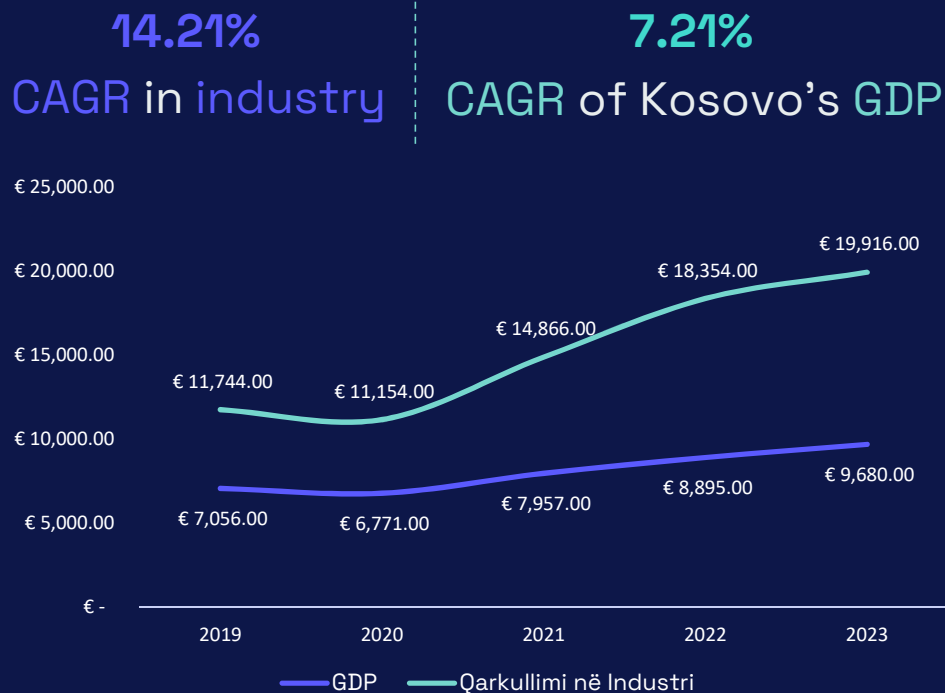
Approach and Methodology

- **Survey** and **internal** analysis
- Methodologies that are used by leading companies **like McKensey, Deloitte**
- The same **approach** used by **Oxford Economics in 2023**, in a **survey** of the worlds **500** biggest companies from different industries and regions
- **Adapting** to the specifics of **Kosovo market**

Approach and Methodology

- **Business priorities, the internal and external** challenges in achieving them, **and the readiness of businesses** to tackle these challenges
- **Maturity level** of businesses across a) dimensions (Processes & Management, People & Culture, and IT & Infrastructure), b) function and c) industry.
- **Readiness** of businesses to transform and increase their maturity level.
- **Talent Management**
- **Financing** business activities and accessibility to funding
- **Challenges** with regulators (TAK and Customs)
- **Adapting new technologies** and readiness to implement those technologies
- **2025 – Trends and Prediction** and the readiness of businesses to adapt to these trends

Business landscape in Kosovo



The private sector is growing at a faster rate, mainly because of a) inflation b) formalization, and c) structure of consumer spending in industries such as retail and leisure which do not contribute at same rate in GDP growth. To catch up Government should increase a) capital investment, b) support to production and c) financial incentives to sectors that contribute to GDP

Structure of Kosovo's businesses based on revenue

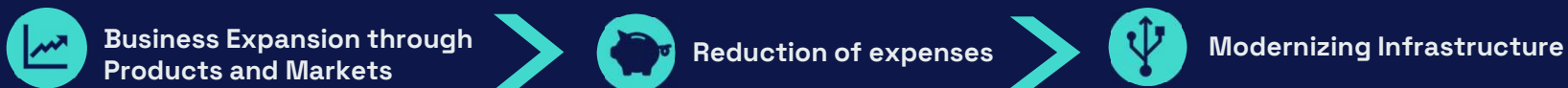
The table shows that most companies in Kosovo generate low revenues, while a small fraction of large firms contribute disproportionately to the total turnover.

To balance this structure, we should implement targeted financial and training programs to help mid-sized companies (100K–1M EUR revenue) scale up and compete more effectively in the market.

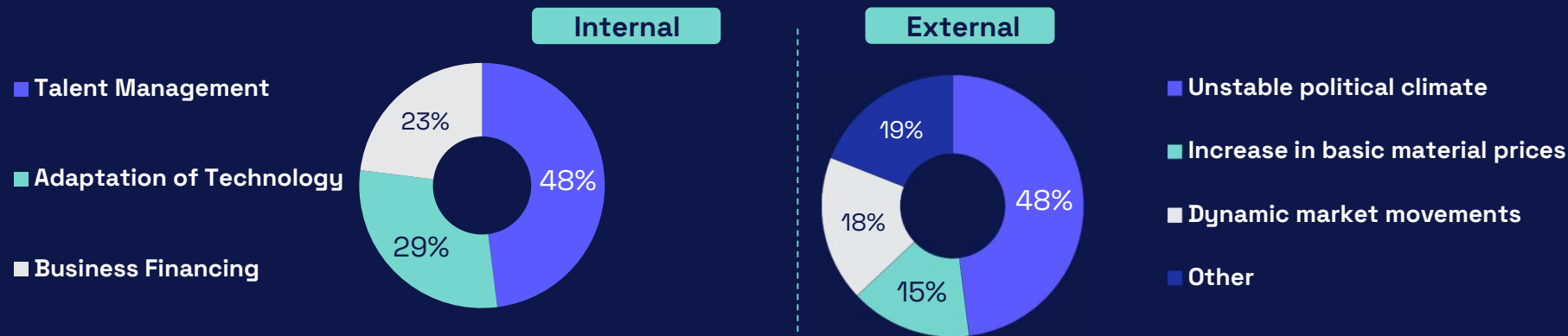
Revenue range	% of companies	% of revenues
<100K	64%	9%
100K-249K	12%	7%
250K-499K	10%	12%
500K-1M	6%	15%
1M- 5M	3%	26%
5M-10M	0.28%	8%
10M<	0.22%	24%

Business Pulse – Priorities, challenges and readiness

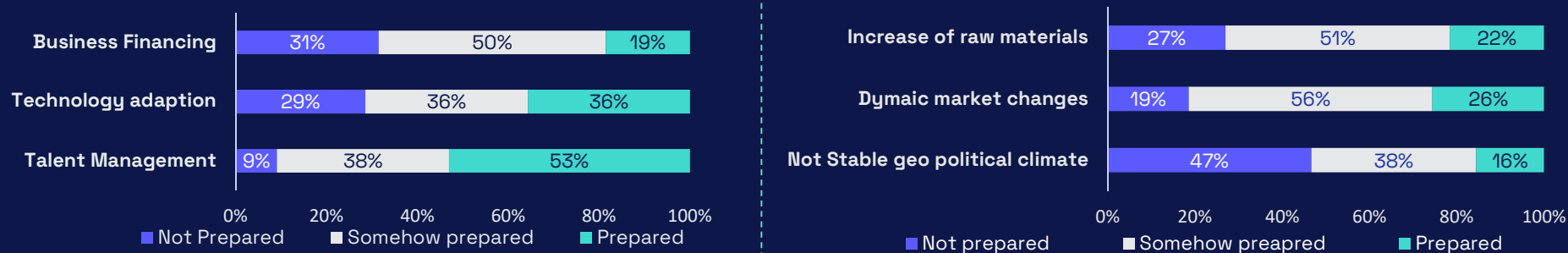
PRIORITIES



CHALLENGES



READINESS

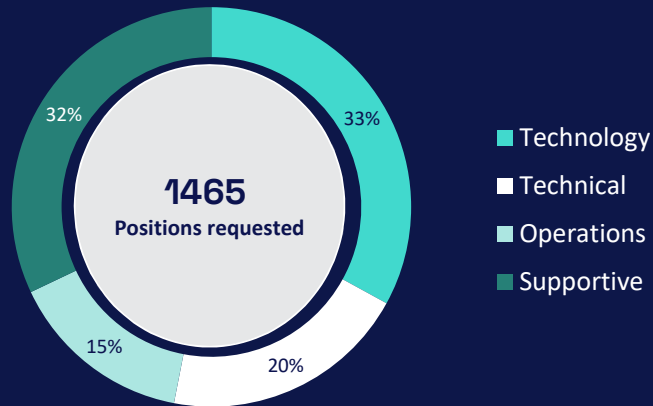


Talent Management

28% is the **turnover** of workers in all industries.



MANUFACTURING AND RETAIL ARE THE ONLY INDUSTRIES THAT WORSENED EMPLOYEE TURNOVER IN 2024



73% of businesses have stated that they **have demand for positions in key functions**

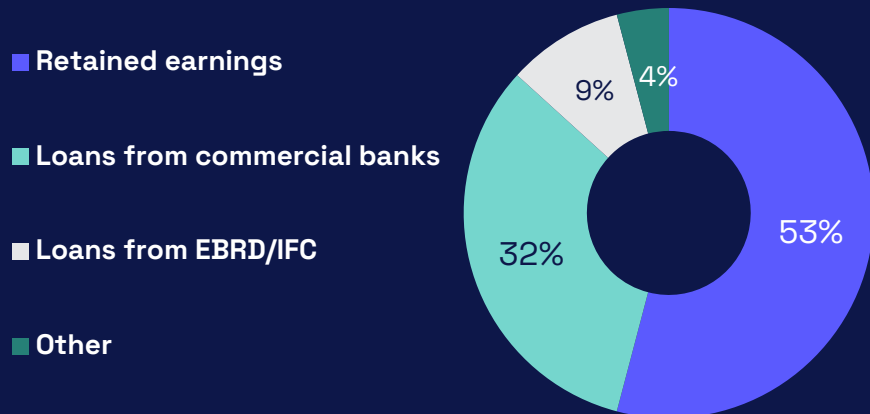
Towards the future

Improve turnover rate of employees through

- a) Improvement of the employee experience with the company
- b) Empowerment of first line managers
- c) Building the missing capacities

Business Financing – Source , suggestions and loan criteria

Funding channels of Businesses



LOAN REQUESTS

OVER THE NEXT TWO YEARS, BUSINESSES CONSIDER INCREASING THE VALUE OF LOANS BY **61%**

24% RETAIL TRADE

27% WHOLESALE TRADE

56% MANUFACTURING ENTERPRISES

LOAN CRITERIA

32% STATE THAT THE WAY MORTGAGES ARE ASSESSED IS AN OBSTACLE TO EXPANSION THROUGH LOANS

Requirements for Government and Policymakers

1 Improvement of the legal framework

- Law on Losses & Damages
- Appraisal of mortgages
- Monitoring the implementation of laws

2 Support in financing through

- Extension of support from KCGF
- Capital market

3 Fiscal incentives and support

- Tax breaks
- Interest subsidies for producers

NEW FINANCIAL PRODUCTS

7.9% of businesses declare that they do not receive loans and seek **other financing products**

30% would consider bringing in investors to **accelerate business expansion**

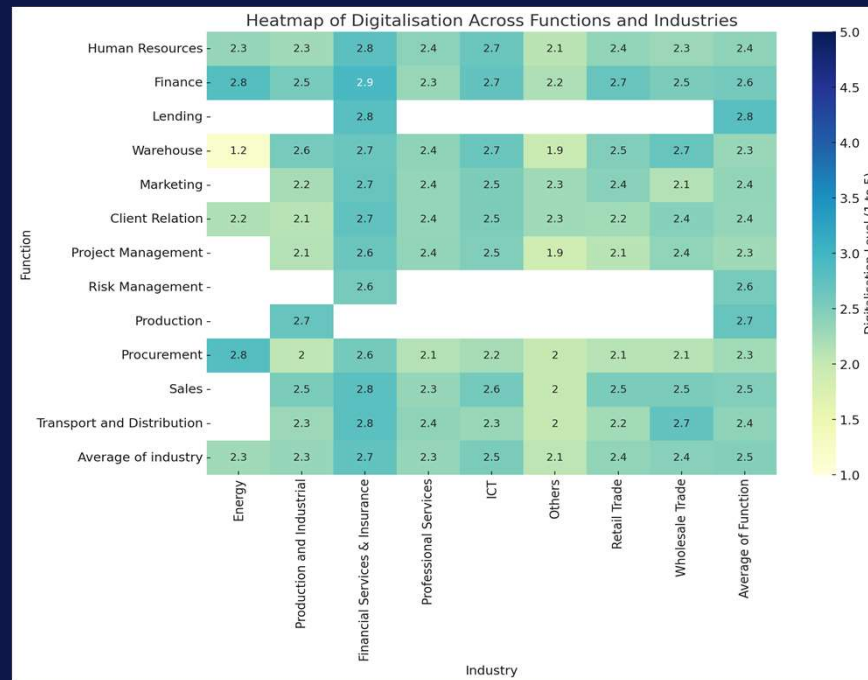
Digital Wallet although rated as low impact there will be pressure from clients

Business Transformation – Digital Maturity

The methodology used includes the assessment of the level of maturity in **a) Process, b) Infrastructure and IT, and c) People and culture across business functions**

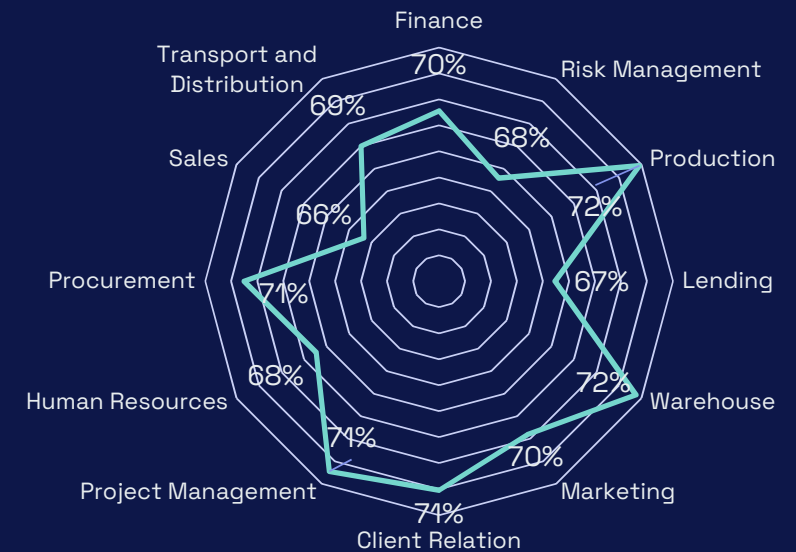
1. It doesn't exist 2. Defined, 3. Developing, 4. Advance, 5. Leader

MATURITY LEVEL



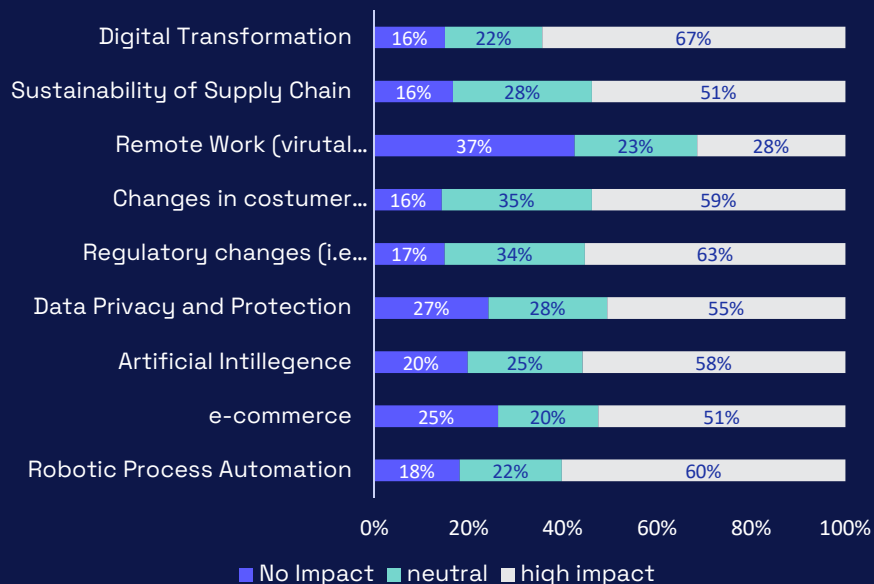
Financial services and ICT are in **phase 3**, while other industries included are still in the definition phase. The lending function has the highest level of digitization followed by Production and Finance.

READINESS LEVEL



Trends, Prediction and Technology Adaption

Trends

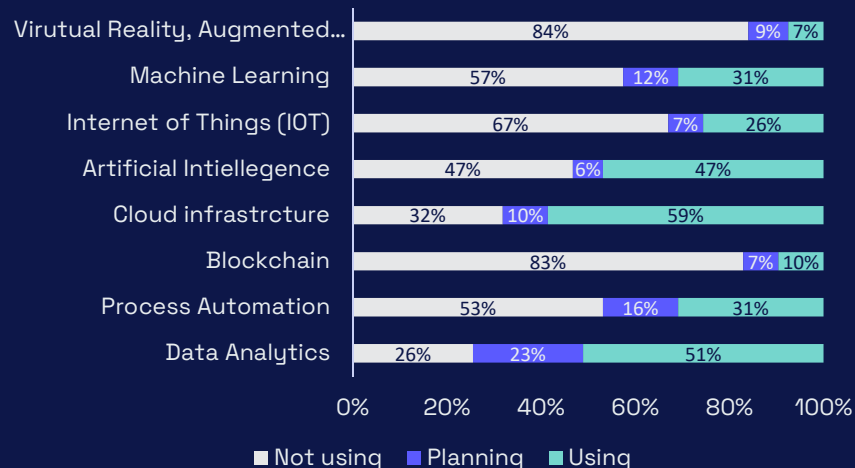


Prediction

21 billion turnover for **2024**
23 billion forecast for **2025**
4 billion retail trade in **2025**

Leaders prioritize growth through product & market expansion, and transformation but face talent management challenges and external insecurities.

Technology Adaption



Cloud Infrastructure leads by implementing technologies followed by **data analysis**

Artificial Intelligence, Robotic Process Automation and **Machine Learning** are at the beginning of applicability

Blockchain and **IoT** have no applicability at all, also the developments are not in process

Neutrality in the face of challenges shows uncertainty in planning and building strategies. The focus of businesses should be on improving management and processes before entering the transformation.

THANK YOU!



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OF BUSINESS**