

# Economy

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mso-font-charset:1;
mso-generic-font-family:roman;
mso-font-format:other;
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mso-font-signature:0 0 0 0 0 0;}
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/* Style Definitions */
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mso-hansi-font-family:Calibri;
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.MsoChpDefault
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mso-fareast-theme-font:minor-latin;
mso-hansi-font-family:Calibri;
mso-hansi-theme-font:minor-latin;
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mso-fareast-language:EN-US;}
.MsoPapDefault
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mso-footer-margin:35.4pt;
mso-paper-source:0;}
div.Section1

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{page:Section1;}

-->

## Economy

Currency: EURO

Gross Domestic Product (GDP):

In 2008: 3,804 bn Euro; GDP growth rate: 5.4%;

GDP growth comes mostly from private sector.

Inflation:

Since 2004 close to 0 percent; 2009: 7.2%.

Financial  
Sector:

Two tier banking system consisting of Central  
Banking Authority of Kosovo and 8 private banks,  
10 insurance companies and 2 pension schemes.

Enterprises:

87,960 SME in 2008; 500 Socially Owned Enter-  
prises of which 300 already privatized.

Budget: In 2009 totalling 1.430 bn Euro.

Tax  
System:

VAT 16%, Corporate Profit TAX 10 %, Wage Tax  
progressive max. 10%.

Tariff  
duties:

Customs duties: 10% on imports; Excise tax on  
fuel, tobacco alcohol and luxury goods. No duties  
and taxes on exports.

Free  
trade:

Customs-free access to the EU market based on  
the EU Autonomous Trade Preference (ATP) Re-  
gime, Central European Free Trade Area – CEFTA,

Free Trade Agreement with US.

Labour  
market:

Average wage 242, multilingual, skilled and well educated work force.

Location factors:

Competitive and well educated workforce, enviable natural resources (mining, agriculture), low taxes and a transparent tax system, high purchase power through remittances (app. 400 million annually), customs free access to the EU market and CEFTA members market as well as US market.