



Ministria e Tregtisë dhe Industrisë
Ministarstvo Trgovine i Industrije
Ministry of Trade and Industry



BASIC PERFORMANCE INDICATORS REPORT ON BUSINESS REGISTRATION IN KOSOVO FOR THE PERIOD JULY - SEPTEMBER 2018

KOSOVO BUSINESS REGISTRATION AGENCY

OCTOBER 2018

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I. INTRODUCTION

This report is a result of assessment conducted for the third quarter of 2018 by the Kosovo Business Registration Agency (hereinafter “KBRA”) of several performance indicators related to the business registration process in Kosovo.

During this period, a team composed of KBRA officials analyzed a range of indicators related to the performance of KBRA, including:

- Times of business registration in general in Kosovo and for Limited Liability Companies in particular, and by municipality;
- Total number of businesses registered by legal form and by total number of businesses deregistered by the form of the business organization;
- Total number of branches of business organizations registered by country of origin;
- Number of foreign owners, partners or shareholders included in the business organizations in Kosovo, by types of business organizations;
- Percentage of women-owned individual businesses; and
- Percentage of partners or shareholders by gender in the business organizations in Kosovo.

As the business registration process enhances further, including efforts for the functionalization of full electronic registration, it is expected that the number of indicators and the quality of the data will be increased and reflected in subsequent reports.

This report analyses data extracted from the business registry of KBRA on businesses required by specific laws in Kosovo to be registered at KBRA. This report does not make any assumptions or provide any information on the number of business organizations which are active and operating in Kosovo, but it focuses mainly in measuring efficiency of KBRA and municipal registration centers in conducting business registration or deregistration procedures.

From the comparison of the data for this quarter, which includes the period July 1 – September 30, 2018 with the same quarter of last year, July – September 2017, there is increase in the registration time for all companies of **16.67 %**.

For the purposes of this report days are calculated based on the measurement of business days. The comparison between the cumulative averages of days of the previous quarter (“old value”) with the cumulative averages of days of the current quarter (“new value”) is calculated using the percentage change formula¹.

To obtain a clearer picture of the number, size and operational status of business organizations and other economic entities engaged in economic activity in Kosovo would require a more comprehensive effort involving other Government institutions, primarily the Tax Administration of Kosovo and the Ministry of Public Administration.

According to the Law on Business Organizations and other applicable laws, KBRA currently registers the following legal forms of business organizations: Individual Business, General Partnership, Limited Partnership, Limited Liability Companies, Joint Stock Companies, Branches of Business Organization and Agricultural Cooperatives.

¹ $\text{New value (V2) - Old value (V1)} \div \text{Old value (V1)} \times 100\% = \text{Percentage change}$

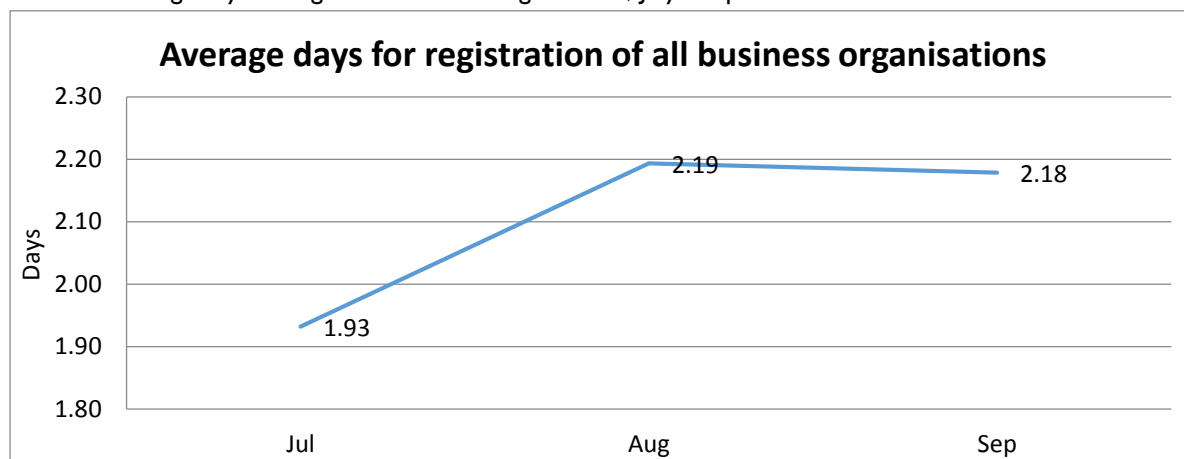
II. AVERAGE DAYS TO REGISTER A BUSINESS

Business organizations, as defined in the Law on Business Organizations are required to register at the KBRA central office in Prishtina or in one of the 29 municipal business registration centres across Kosovo. This section of the report measures the number of days needed to register a business organization.

Chart I presents the total average of days based on registration of all legal forms of business organizations despite large variances in the time required for the registration of various types, e.g. the time required to register an Individual Business is considerably shorter than the time required to register a Joint Stock Company.

The cumulative average of days for registration of all business organizations in the same quarter of the previous year was 1.80 days, which when compared to the current quarter when the cumulative average of days increased to 2.10 days, represents a decline of 16.67%.

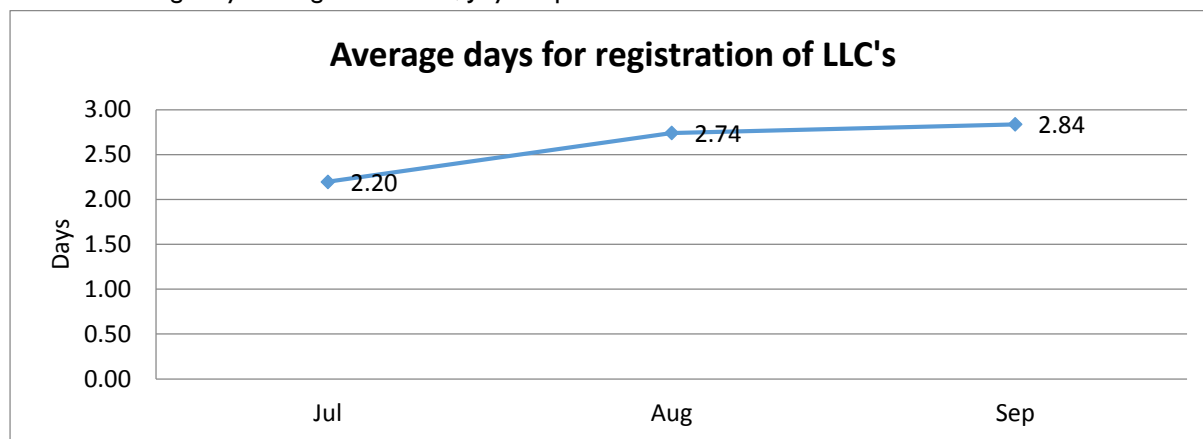
Chart I: Average days to register a business organization, July - September 2018:



III. AVERAGE DAYS TO REGISTER AN LLC

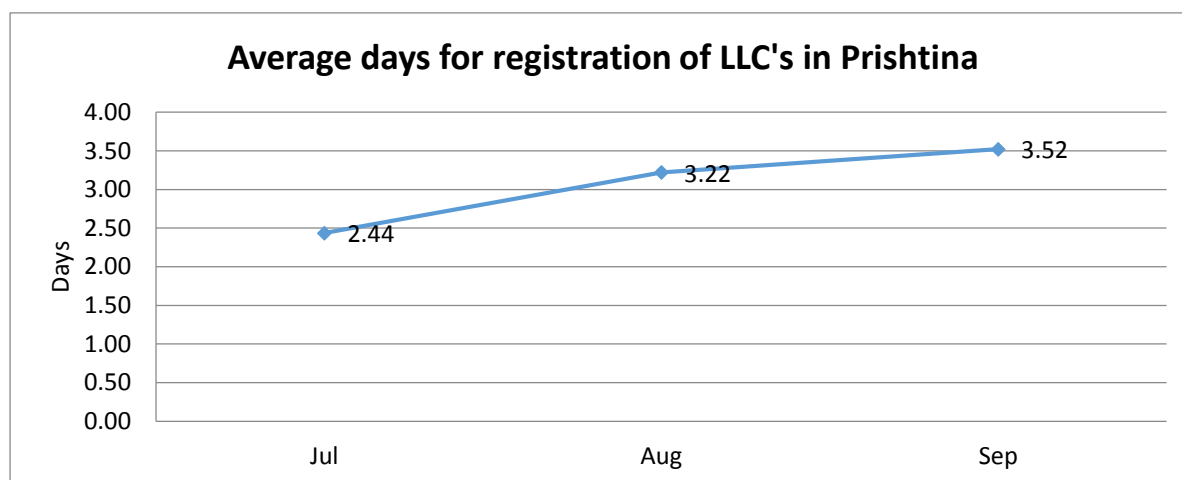
This section of the report analyzes the time required to register a Limited Liability Company (LLC). The cumulative average of days for registration of LLCs in the same quarter of the previous year was 2.10 days, which when compared to this quarter when the cumulative average of days has increased to 2.57 days, represents a decline of 22.38%.

Chart 2: Average days to register an LLC, July - September 2018:



Furthermore, Chart 3 below shows the average days to register an LLC at the KBRA Business Registration Centre in Prishtina. The cumulative average of days for registration of LLCs in Prishtina in the same quarter of the previous year was 2.08 days, which when compared to this quarter when the cumulative average of days increased to 3.04 days, represents a decline of 46.02%. This decline in the performance is as a result of the greater number of applications due to some grant schemes and subsidies for private sector implemented by the Government.

Chart 3: Average days to register an LLC at the business registration center in Prishtina, July - September 2018:



IV. BUSINESS REGISTRATION TIME BY REGISTRATION CENTER

Table I below shows the average number of days to register a business organization by municipal business registration center. The table displayed below includes 29 municipal business registration centers and the KBRA central office in Prishtina.

The separation by registration centers is created based on the data of registered addresses of business organizations. If a business has a registered address in Gjilan, it is assumed that the business is registered at the registration center in Gjilan, even though it is possible that this business had registered at the main KBRA registration center in Prishtina. The reason for this is because KBRA

currently has a unified system of registering business organizations which includes data for business organizations registered in the entire territory of Kosovo and not by registration center.

Table I: Average days to register a business organization by Municipal Business Registration Centers, April – June 2018:

Registration Center	July	August	September	Average (days)	# of businesses registered
Hani i Elezit	2.00	1.25	2.50	1.75	8
Shtërpce	5.67	7.50	2.33	4.88	8
NovoBërda	1.00		1.88	1.70	10
Dragash	1.00	1.80	1.00	1.21	19
Obiliq	1.67	1.33	1.75	1.61	23
Graçanica	1.89	1.67	2.17	1.88	24
Kaçanik	1.91	1.00	1.57	1.58	24
Deçan	1.50	1.50	2.00	1.62	26
Shtime	3.00	1.64	2.67	2.31	26
Skenderaj	2.00	1.14	1.83	1.67	27
Glllogoc	1.27	2.00	1.33	1.45	29
Kamenica	1.70	1.14	1.33	1.41	29
Klinë	2.13	3.25	2.07	2.39	31
Suhareka	2.41	1.33	1.00	1.73	37
Lipjan	1.27	2.00	2.00	1.71	38
North Mitrovica	2.00	2.50	1.53	2.00	38
Istog	1.36	1.00	1.80	1.48	44
Malisheva	1.72	1.29	1.86	1.72	46
Rahovec	2.45	1.20	2.14	2.09	46
Viti	1.84	1.36	2.00	1.81	53
Vushtrri	1.90	2.29	1.88	2.02	53
Podujeva	1.38	1.30	1.32	1.33	78
Fushë Kosova	2.12	3.19	2.72	2.68	84
Gjakova	1.43	1.81	1.63	1.61	84
Mitrovica	1.78	1.88	1.75	1.78	93
Pejë	1.82	1.51	1.94	1.75	115
Gjilan	1.61	1.65	1.78	1.67	135
Prizren	1.32	1.18	1.50	1.33	164
Ferizaj	2.26	1.71	2.05	2.02	193
Prishtina	2.27	2.91	3.14	2.77	667
Average	1.93	2.19	2.18	2.10	2,252

* Red color represents a high average of days for registration of a business organization.

*Green color represents a low average of days for registration of a business organization.

V. REGISTRATION AND DEREGISTRATION BY LEGAL FORM OF BUSINESS ORGANIZATION

Table 2 below presents the number of registered and deregistered business organizations by legal form of business organization and by month of registration for the period July - September 2018. The most registered legal form during this quarter is the Limited Liability Company, followed by the Individual Business. The legal form most deregistered is the Individual Business, followed by the Limited Liability Company.

Table 2: Number of business organizations registered and deregistered by legal form, July - September 2018:

Registration by legal form	Month	Individual businesses	General partnership	Limited partnership	Limited liability company	Joint stock company	Branch of foreign business organisation	Agricultural cooperatives	Socially owned enterprise	Total
Business organisations registered	July	329	1		439	2	8	1		780
	August	305			369	1	7		1	683
	September	405	1		379		2	1	1	789
	Total	1,039	2	0	1,187	3	17	2	2	2,252
Business organisations deregistered	July	122	6	0	11	1	2	0		142
	August	93	2	0	9		1	0		105
	September	74	1	0	16	1		0		92
	Total	289	9	0	36	2	3	0	0	339

VI. REGISTRATION OF BRANCHES OF FOREIGN BUSINESS ORGANIZATION BY COUNTRY OF ORIGIN

Based on the Law on Business Organizations, registration of foreign business organizations is done at KBRA and Municipal Business Centers. Table 3 below shows the total number of branches of foreign business organization registered in Kosovo pursuant to the Law on Business Organizations for the period July - September 2018.

Table 3: Branches of foreign business organization registered in Kosovo by country of origin, July - September 2018:

Country of origin of foreign business organizations	Branches of foreign business organizations
Croatia	1
Germany	3

Serbia	1
Montenegro	1
Albania	7
Turkey	3
Switzerland	1
Grand Total	17

VII. NUMBER OF BUSINESS ORGANIZATIONS INCLUDING AT LEAST ONE FOREIGN OWNER, PARTNER OR SHAREHOLDER

The data in Table 4 present the number of business organizations which include at least one foreign owner, partner or shareholder. During the period July - September 2018, a total of 2,252 business organizations were registered, from which 164 have one foreign natural or legal person as owner, partner or shareholder. This number does not include branches of foreign business organizations, which are presented in Table 3.

As can be seen in Table 4, the most registered legal form of business organization among foreign persons is the Limited Liability Company.

Table 4: Number of business organizations including at least one foreign owner, partner or shareholder, July - September 2018:

Month	Individual Business	General Partnership	Limited Partnership	Limited Liability Company	Joint Stock Company	Total
July	11			59		70
August	3			43	2	48
September	5			41		46
Total	19			143	2	164

* The data presented in the table does not include the percentage of capital of foreign persons. The purpose of this table is to present the participation of foreign persons as owners, partners or shareholders in business organizations in Kosovo.

*This table does not include the number of "Branches of Foreign Business Organization" which is presented in Table 3.

VIII. REGISTRATION OF BUSINESS ORGANIZATIONS BY GENDER

Data in Chart 4 and 5 present the gender participation in business organizations registered during the period July - September 2018. Due to the nature of different legal forms of business organizations, the data below are presented separately for Individual Businesses, which are sole proprietorships and are usually small businesses, and separately for other legal forms of business organizations where owners participate as partners or shareholders in larger or more diverse business organizations.

Chart 4 shows the percentage of female and male owners in Individual Businesses.

Chart 4: Percentage of Individual Businesses by Gender, July - September 2018:

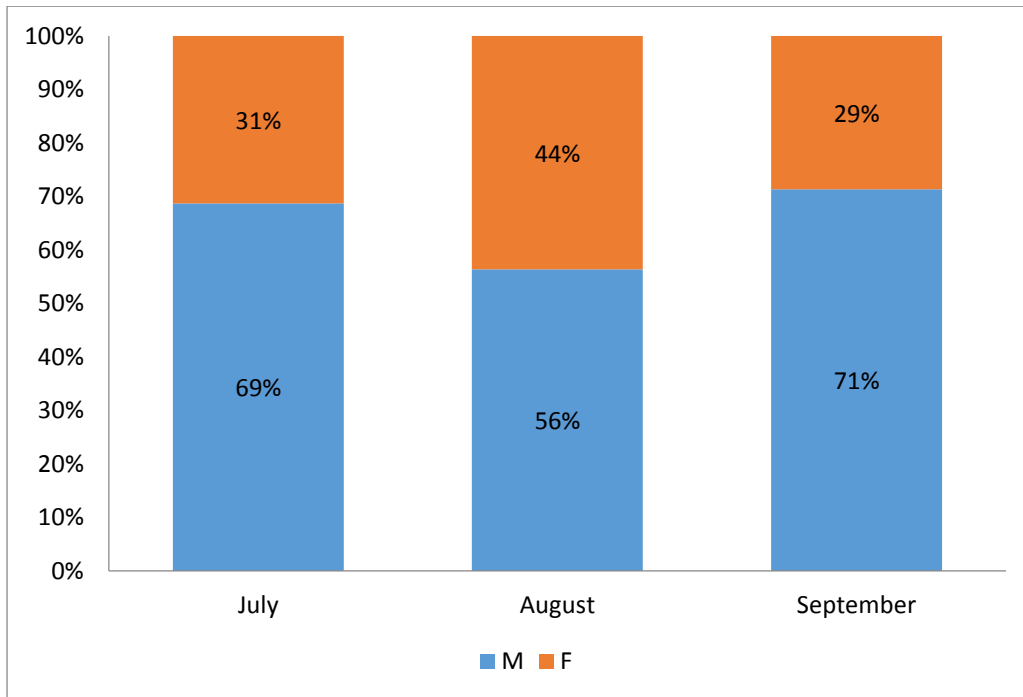
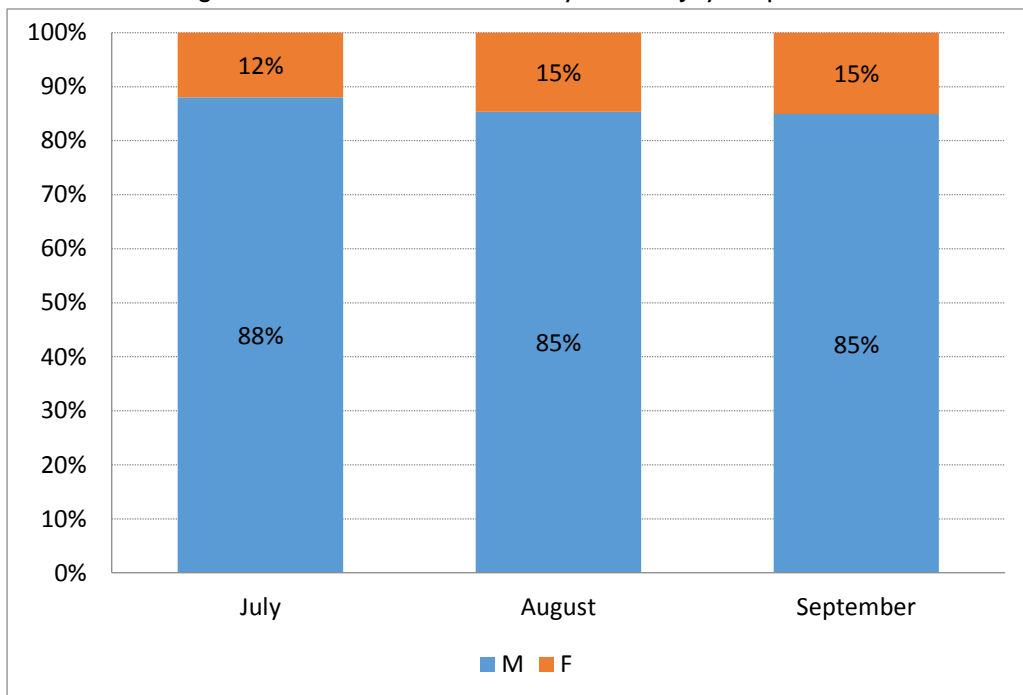


Chart 5 shows the percentage of partners or shareholders of business organizations by gender registered, excluding individual businesses and branches of foreign business organization.

Chart 5: Percentage of Partners and Shareholders by Gender, July - September 2018:



IX. CONCLUSION

The Ministry of Trade and Industry, in order to further improve the efficiency of registration at KBRA undertook a number of actions:

- Initiated development, institutionalization, and regular use of performance metrics drawing on official registration data to monitor the time across municipal registration centers for processing of registration applications and identifying best performers and most improved ones;
- The new electronic platform is in the process of development and by the end of this year will be functional;
- Increased focus on ensuring compliance with the Law on Business Organizations, in force from May 2018;

The publication of regular performance measurement reports prepared and published by the KBRA serve as an informative tool for further process improvements.

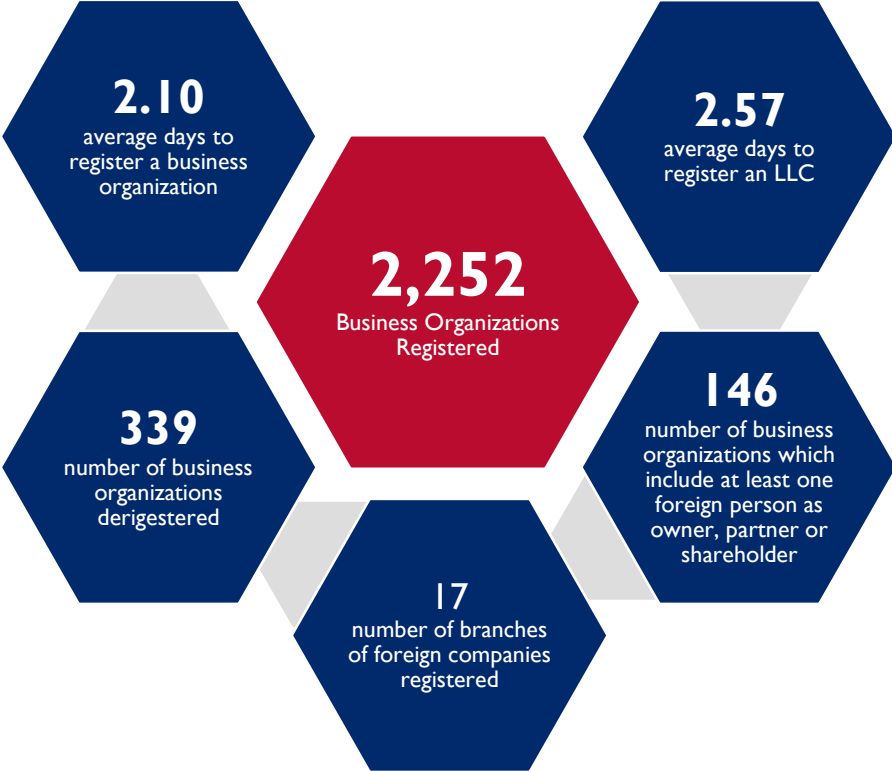
QUICK FACTS ON BUSINESS REGISTRATION IN KOSOVO

Below is a quick summary of the data presented in the “Basic Performance Indicators for Business Registration in Kosovo” Report for the July - September 2018 period.

This report and summary were prepared by the Kosovo Business Registration Agency (KBRA).

These data present various figures, ranging from the average days for registration of a business organization to the number of business organizations including at least one foreign person as owner, partner or shareholder.

SUMMARY FOR THE PERIOD July - September 2018



**SUMMARY OF ACTIVE BUSINESSES FROM
1999 – September 2018**

