

Summary

Economic activity in Kosovo has continued to grow also in Q3 2013. In this context, it is worth mentioning the improvement of the trade balance. This improvement is influenced by the growth of exports and the decline of imports, which may suggest that a part of imports might have been substituted by domestic production. Remittances and foreign direct investments have increased despite the difficulties that the euro area is facing. Fiscal sector has continued to extend its expenditures thus continuing to positively contribute to the economic growth. Assets of the banking sector have continued to grow. The largest increase in assets was marked by reserves held by the CBK, while bank lending, despite positive growth rate continues to be characterized by slower growth trend. Based on the Bank Lending Survey, credit tightening significantly was influenced by standard and criteria tightening in lending to enterprises. On the other hand, survey data from Kosovo Chamber of Commerce with businesses mainly show that businesses have reported a more favorable business situation in Q3 2013 compared with the previous quarter.

Inflation rate in Kosovo continued with its downward trend during Q3 2013, which mainly is in line with the trend of import prices.

Treasury bond market continued to be characterized by high offer and low interest rates that reflect the financial and fiscal stability in Kosovo.

Trade balance has marked an improvement as result of exports growth and the decline of imports.

Remittances and foreign direct investments have marked a growth.

Inflation has continued with its declining trend. Annual average inflation rate in Q3 2013 was 1.2 percent..

The survey on business environment show favourable developments compared to the previous quarter.

For Q4 2013, it is expected that the main sources of financing and consumption in the domestic economy continue to grow. Businesses generally reported positive expectations regarding general economic activity, while employment is expected to remain about the same. Also, commercial banks reported that crediting standards are expected to ease, while crediting demand for enterprises, particularly loans to SMEs are expected to grow.

BANKA QENDRORE E REPUBLIKËS SË KOSOVËS
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ABBREVIATIONS:

CAR	Capital Adequacy Ratio
CBK	Central Bank of the Republic of Kosovo
CHF	Swiss Franc
CPI	Consumer Price Index
ECB	European Central Bank
EU	European Union
EUR	Euro currency
IPI	Import Price Index
FDI	Foreign Direct Investments
GBP	The Pound Sterling
GDP	Gross Domestic Product
IMF	International Monetary Fund
KAS	Kosovo Agency of Statistics
KCC	Kosovo Chamber of Commerce
NPL	Non-Performing Loans
PPI	Producer Price Index
REER	Real Effective Exchange Rate
ROAA	Return on Average Assets
ROAE	Return on Average Equity
RWA	Risk Weighted Assets
SEE	Southeast Europe
USA	United States of America
USD	United States Dollar

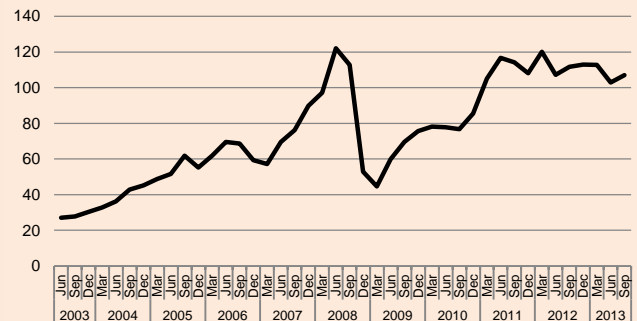
Global Economy

Developed countries continued to be characterized by accelerated economic activity also in Q3 2013, while developing countries despite of being the main contributors of the global economic growth, had lower growth rates compared to the same period of the previous year. On the other hand, Eurostat estimated that in Q3 2013 euro area economy marked an economic decline of 0.4 percent compared with Q3 2012. Consequently, global economic growth for 2013 is expected to be 2.9 percent compared to 2012 when it was marked an increase of 3.2 percent (IMF, WOE 2013).

The Southeastern Europe (SEE) in general was characterized by economic growth. Macedonia, Montenegro and Kosovo marked the highest growth rates, while Albania and Serbia despite their positive growth rates, were faced with a decline of the forecasted economic growth rate.

Inflation is estimated to have marked a decline in Q3 2013. According to Eurostat estimates, inflation in the euro area marked a decline from 2.5 percent as it was in Q3 2012 to 1.3 percent in Q3 2013. Also in the US was marked a decline in the inflation rate from 1.7 percent in Q3 2012 to 1.1 percent in Q3 2013. Brent crude oil¹ prices in Q3 2013 marked a decline of around 4.2 percent compared to Q3 2012. The effect of oil prices is reflected in narrowing the current account deficit of the countries which mainly are considered to be oil importing countries.

Figure 1. The price of Brent crude oil, in USD

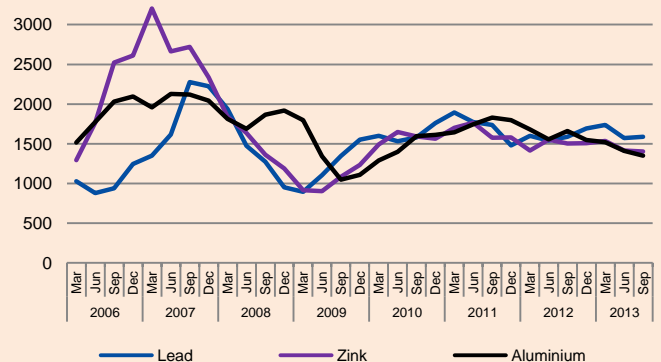


Source: Bloomberg (2013)

On the other hand, the decline of prices of the main products continues to reflect also in the price of metals which over the years were characterized by small changes and a declining trend.

Food prices continue to be characterized by a decline which was caused by energy and oil prices. Also the relatively stable offer during 2013 has had an effect on the food prices which marked no increase.

Figure 2. The price of metals, in USD per ton

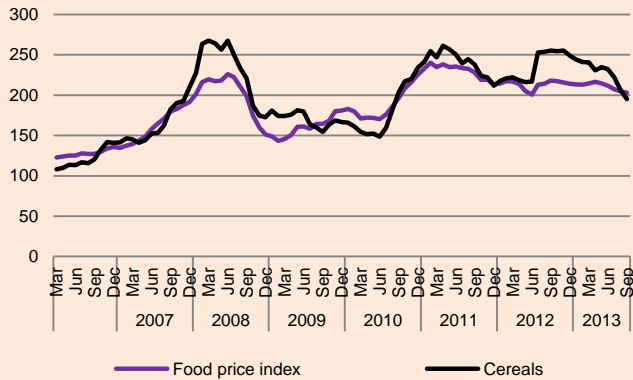


Source: Bloomberg (2013)

¹ 'Brent Crude' represents commercial classification for oil produced in the North Sea as a representative of oil prices on the global level.

The annual decline of food prices on the global level in Q3 2013 was 4.6 percent, which mainly was driven by the decline of cereal prices.

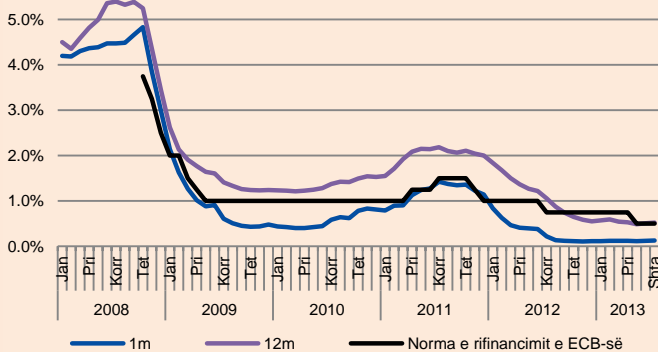
Figure 3. Food price index



Source: FAOUN (2013)

Since last change which took place in May 2013, the key refinancing rate of the ECB remained unchanged at 0.5 percent until September 2013. The ECB also announced that starting from 13 November 2013, the rate will further decline to 0.25 percent, which simultaneously represents the lowest historical level.

Figure 4. EURIBOR interbank crediting rate and the rate of ECB financing



Source: Euribor (2013) and ECB (2013)

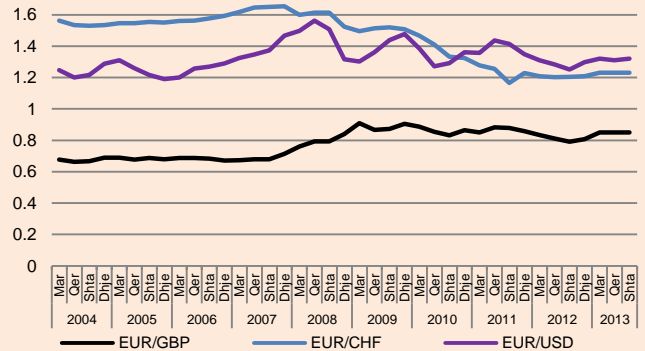
Reasons for changes in the key interest rate is considered to be the continuous decline of the inflation rate in the euro area, and therefore, through the

facilitation of financing the banks, besides stimulating the economic activity, the ECB aims to achieve the level of inflation which is in compliance with the targeted inflation rate of around 2 percent.

Interest rates on interbank lending declined during Q3 2013. One-month rates did not mark changes during Q3 2013, while 12-month rates marked a decline from 0.89 as they were in Q3 2012 to 0.54 percent in Q3 2013.

Exchange rate of the euro against major currencies continued to strengthen in Q3 2013 compared to Q3 2012.

Figure 5. Euro exchange rate



Source: CBK (2013)

Exchange rate of euro against British pound strengthened with 7.9 percent, against U.S. dollar with 5.8 percent and against Swiss franc with 2.6 percent (Figure 5).

Kosovo's Economy

Real Sector

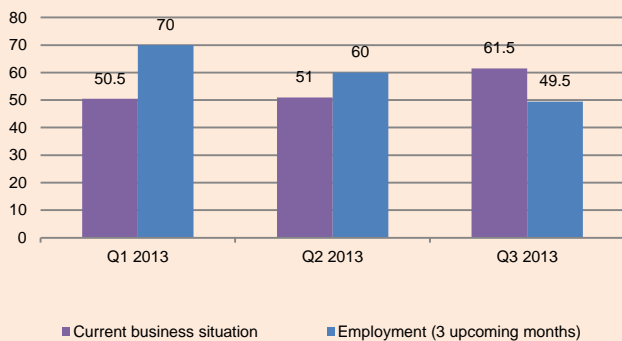
Developments in the key macroeconomic indicators suggest that the economic activity in the country has improved slightly. Consequently, expectations are

that the economic growth in 2013 will be higher than in 2012. Unlike previous years, until September 2013, there have been improvements in the external sector of the economy. Other sectors of the economy also continued to have positive growth rates, but their effect has remained more limited.

Developments in the business sector according to the survey of Kosovo Chamber of Commerce (KCC), presented in the form of Business Confidence Index² (BCI), are reported to be more positive compared with the previous quarter (Figure 6).

In the context of the general business situation, the result of the survey shows that the index reached 61.5 points, which is more favorable situation compared to Q2 2013. On the other hand, expectations are that employment will not rise in the next quarter.

Figure 6. The assessment of business for business situation and employment expectations, index



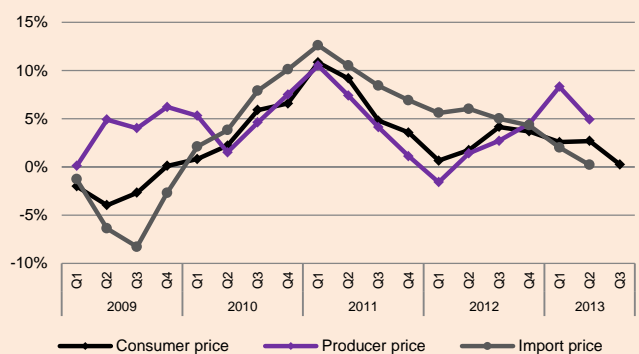
Source: KCC (2013)

Inflation in Kosovo, represented by the consumer price index (CPI) during Q3 2013 was characterized by a significant decline. The average annual inflation

rate in Q3 2013 was 1.2 percent compared with the rate of 3.2 percent in Q3 2012 (Figure 7).

Price movements in Kosovo continue to be quite similar to the global developments since the decline of the prices of the main commodities, such as oil, affects also the cost of production in Kosovo.

Figure 7. Consumer, Producer and Imports Price Index, annual change



Source: KAS (2013)

This is confirmed to some extent also by the Import Price Index (IPI). CPI data have very similar behavior to those of IPI, which on annual basis marked a 0.2 percent in Q2 2013. Meanwhile, producer prices in Q2 2013 were characterized with annual growth of 4.9 percent, an increase that was driven by the component of lignite, minerals and other mining industries; prices which are administered by regulators.

During Q3 2013, in Kosovo were registered 2011 new businesses, whereas 342 businesses were closed. During January - September 2013 were registered 7,616 new businesses or 285 businesses more than in the same period of the previous year. However, the closure of businesses marked an increase in January - September 2013 as around 1,104 businesses were

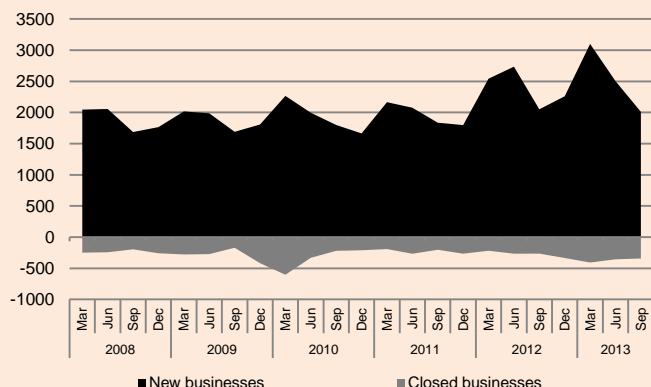
²The calculation of BCI is as follows:

$$BCI = (P * 1) + (A * 0.5) + (N * 0)$$

Where "P" presents positive answers, "A" presents neutral whereas "N" presents negative answers. In this context, when the index result is 50 the general situation remains unchanged. When the index value is below 50 the situation is considered negative, whereas when the index exceeds 50 the situation is considered to be positive.

closed or 357 more than in the period from January to September 2012.

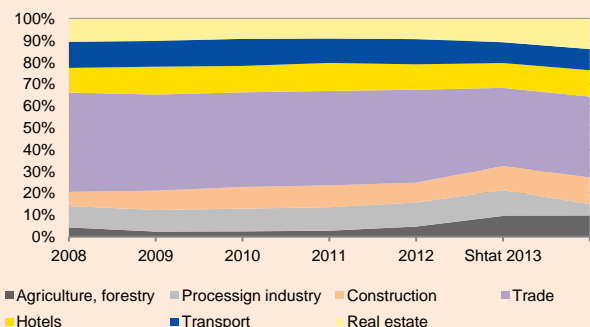
Figura 8. Busines registry, non-cummulative



Source: KAS (2013)

Trends regarding the structure of enterprises continued to be similar to previous periods, where the trade sector dominates with 29.5 percent, followed by hotels and restaurants with 11.9 percent, construction 10.0 percent, real estate with 8.9 percent, etc. (Figure 9).

Figure 9. Structure of new enterprises



Source: KAS (2013)

Financial System

Banking Sector

The banking sector was characterized by increased activity in Q3 2013. Total assets of the banking sector reached the value of euro 2.9 billion in September

2013, representing an annual increase of 6.1 percent. However, the growth of the banking sector assets is not associated with a significant increase of flow of funds to the economy, given that the highest growth within the assets category was marked by the balance with CBK. The balance of commercial banks with CBK amounted to euro 323.8 million, representing an annual growth of 34.7%.

Investments in securities, where a significant part consists of investments in treasury bonds in the Government of Kosovo, in September 2013 reached a value of euro 276.0 million, representing an annual increase of 8.1 percent.

In terms of lending to the economy by the banking sector, also during the third quarter this activity continued to increase, but at a slower pace compared to the previous year. In September 2013, total loans amounted to euro 1.8 billion, which represents an annual increase of 2.2 percent which is lower compared with the growth of 2.8 % in Q3 2012 (Figure 10). The largest part of the banking sector loans continues to be represented by loans issued to enterprises which comprise 68 percent of total loans. The value of loans to enterprises in September 2013 marked an annual growth of 3.1 percent (4.2 percent in September 2012). Household loans have a share of 31 percent of total loans, and their value marked an annual increase of 2.6 percent in September 2013 (8.6 percent in September 2012). This indicates that the slowdown in lending in previous years had more affected enterprises, during 2013 has begun more significantly to have an effect also in loans to households.

Compared to Q2 2013, total loans marked a decline of 1.5 percent, mainly due to the reduction of loans to private enterprises, and to a lower extent the reduction of household loans. However, in figure 11 can be noticed the existence of the seasonal factor (seasonality) in the trend of loans growth, where it is shown that continuously the third quarter of the year was characterized by a lower level of lending also during the past years.

The results of the Bank Lending Survey show that during Q3 2013 compared to Q2 2013 banks have tightened standards and criteria applied for lending to enterprises in general, with special emphasis on large enterprises. The main factors that banks reported to have contributed in credit tightening were expectations about economic activity in the country, specific problems of the sector where the enterprises develop their activity and the risk of the collateral requirement. Banks implemented their tighter lending policies for enterprises mainly through increased interest rates for higher risk loans, reduction of the loan amount, the higher demand for collateral and shortened maturity.

Regarding standards applied to household lending, banks have reported an ease, to some extent, during this period. As reported by banks, the ease of standards for household lending mainly resulted of competitive pressures from other banks.

Based on the survey results, during Q3 2013 the demand for loans by enterprises in general has decreased to some extent, as for large enterprises and

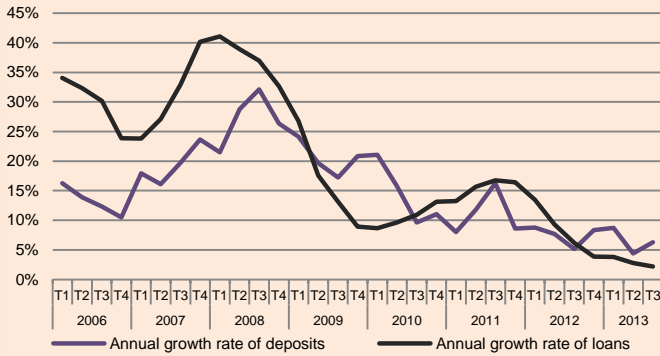
medium and small enterprises as well. Regarding the demand for loans by households, banks reported increased demand for loans for house purchase, while demand for consumer loans and other loans was lower compared to Q2 2013.

In the context of the demand for loans, in recent years has been observed a shift of businesses from using short-term loans to using overdrafts as a form of short-term financing. This shift may have been a result of the tightening of lending criteria by banks, but also because of the lower cost of financing through the overdraft product.

Regarding expectations for Q4 2013, lending standards are expected to ease to some extent (for enterprises and households). The demand for loans by enterprises, especially small and medium enterprises (SME), is expected to increase over the next three months. Banks expect increased demand for consumer loans and other loans, while demand for loans for house purchase is expected to decrease to some extent.

Structure of loans to enterprises continues to be dominated by trade loans, which have a share of 51.7 percent to total loans to enterprises. The annual growth rate of loans to commercial enterprises was 1.6 percent in September 2013, compared to the growth of 2.8 percent in the same period of the previous year.

Figure 10. Growth trend of loans and deposits, in percent

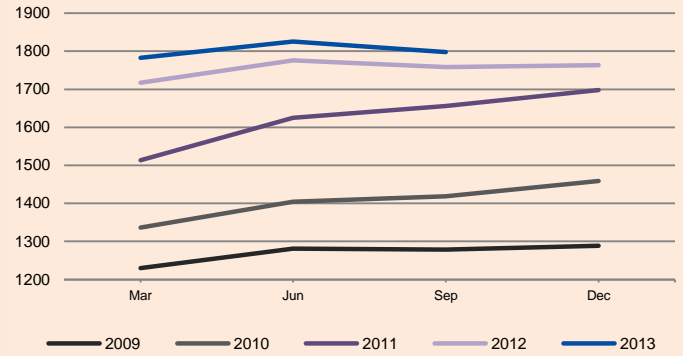


Source: CBK (2013)

The slowdown of lending of the banking sector during Q3 2013 had more impact on loans to manufacturing and construction. Loans to manufacturing marked an annual decline of 3.1 percent, while loans to construction marked a decline of 2.4 percent. On the other hand, loans to agricultural sector were characterized with positive developments during this period, marking an annual growth of 30.9 percent in September 2013. Loans to agriculture in September 2013 reached the value of euro 55.4 million. A considerable growth was registered also in loans for other financial services (real estate, renting, etc.) which amounted to euro 67.8 million in September 2013, marking an annual growth rate of 31.5 percent.

In September 2013, total deposits in the banking system recorded an annual growth of 6.3 percent (5.2 percent in September 2012), reaching a value of euro 2.3 billion. The main contributor to the growth of total deposits of the banking system continued to be household deposits. Regarding deposits of enterprises, private enterprises deposits and deposits of other public corporations marked an annual growth of 10.1 percent and 8 percent, respectively, in Q3 2013. An exception is observed with deposits of other financial

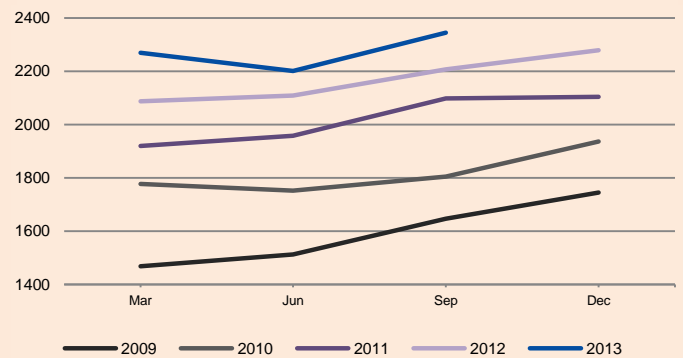
Figure 11. Growth trend of loans, in millions of euro



Source: CBK (2013)

corporations that were characterized by decrease in September 2013, mainly due to the negative performance of the insurance companies during the recent periods and withdrawal of a part of the deposits of Kosovo Pension Saving Trust from banking sector during the second quarter of the year.

Figure 12. Growth trend of deposits, in millions of euro

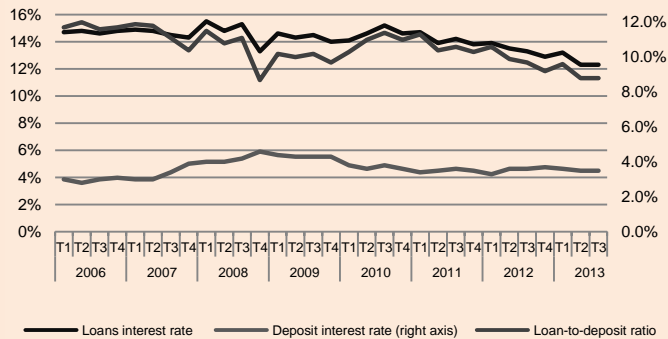


Source: CBK (2013)

Compared to Q2 2013, when it was marked a quarterly decline of 3.0 percent in deposits, during Q3 2013 the quarterly growth rate of deposits was 6.5 percent. Deposits growth during the third quarter also reflects the seasonal effect.

Figure 12 shows that also in the previous years the second quarter is characterized with a lower level of deposits, while the third quarter was characterized by recovery trend of deposits in the banking sector.

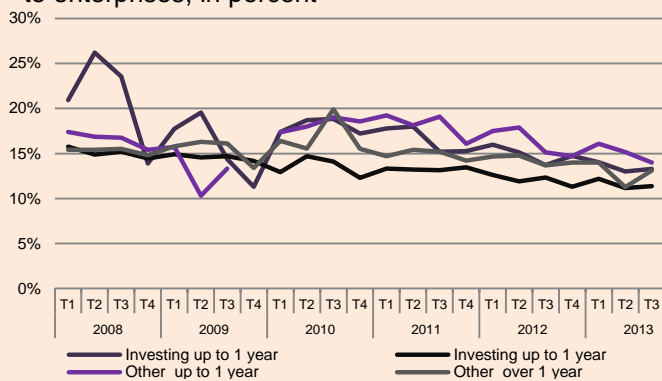
Figure 13. Quarterly average interest rate, in percent



Source: CBK (2013)

The main sectors that contributed to the faster growth of deposits in Q3 2013 compared to Q2 2013 were deposit growth of private enterprises and household deposits.

Figure 14. Quarterly average interest rates on loans to enterprises, in percent



Source: CBK (2013)

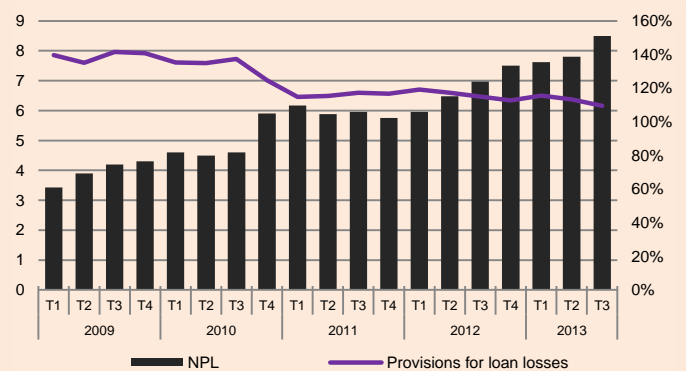
The continuous decline of interest rates on bank loans is reflected in narrowing the interest rate spread. In Q3 2013, this difference was reduced to 8.8 percent,

compared to 9.7 percent in Q3 2012, while remained at the same level as in Q2 2012.

In Q3 2013, the effective interest rate on loans marked a decline compared to the same period of the previous year. During Q3 2013, the average interest rate on loans was 12.3 percent, compared with the average of 13.4 percent in Q3 2012 (Figure 13). Compared to Q2 2013, it is observed that the average interest rates on loans to enterprises, both for investment loans and other business loans, have marked a slight increase in Q3 2013 (Figure 14).

This slight increase in interest rates was driven by the increase of interest rate for long-term loans (over five years), while interest rates for loans over one to five years maturity were characterized with a decline.

Figure 15. NPL and provisions for loan losses

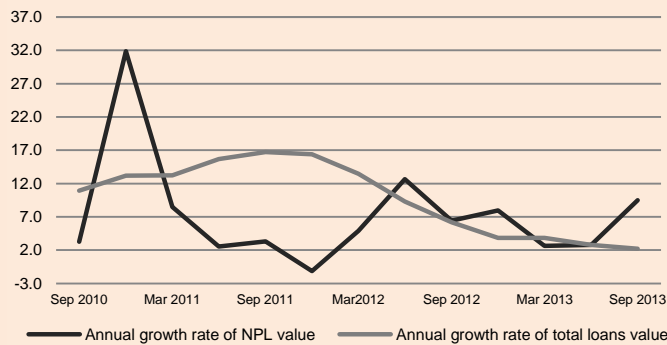


Source: CBK (2013)

Regarding interest rates on loans to households, the average interest rate for consumer loans in Q3 2013 was 12.4 percent compared with 12.0 percent in Q2 2013, while average interest rates on loans for house purchase were lower.

The average interest rate on deposits was lower in Q3 2013 compared to the same period of the previous year. In Q3 2013 the average interest rate on deposits decreased to 3.5 percent from 3.7 percent as it was in Q3 2012, mainly as a result of decreased average interest rates on deposits of enterprises as well as in household deposits. Compared to Q2 2013, the average interest rate on deposits maintained a similar level.

Figure 16. Annual growth rate of loans and non-performing loans, in percent



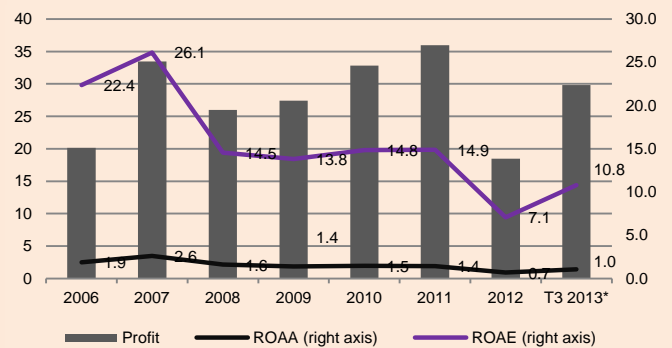
Source: CBK (2013)

The banking sector was characterized by positive performance also in Q3 2013, where the net profit of the sector amounted to euro 22.4 million, presenting an increase of euro 5.2 million compared to the same period of the previous year. While the banking sector income marked a slight increase compared to the same period of the previous year, total expenditures marked a decrease, mainly due to lower expenditures in the category of provisions and non-interest expenditures.

Until September 2013, Return on Average Assets (ROAA)³ improved to 1.0 percent from 0.7 percent as it was in December 2012. Also Return on Average

Equity (ROAE) in September 2013 improved to 10.8 percent from 7.1 percent as it was in December 2012 (Figure 17).

Figure 17. Profitability indicators



*Annualized profit of Q3
Source: CBK (2013)

The reduction of expenditures of the banking sector is also reflected on the expenditures to income ratio of the banking sector. In September 2013, expenditure to income ratio was 87.2 percent, compared to the level of 88.8 percent in September 2012. However, primarily as a more significant decline of expenditures in June 2013 compared to September 2013, the expenditures to income ratio of the banking sector was higher in September of this year compared to June 2013 when the ratio stood at 86.7 percent.

The share of non-performing loans to total loans reached 8.5 percent in September 2013, from 7.8 percent in June 2013 and 7.5 percent in December 2012 (Figure 15).

This increased share of non-performing loans to total loans is mainly attributed to the lower growth rate of total loans during this period, but there is also observed a more significant increase of the value of NPL in the third quarter (Figure 16). The sectors that contributed to the increase of non-performing loans

³ ROAA and ROAE are annualized.

during this period were mainly trade and manufacturing industry.

Non-performing loans continue to be well covered by provisions for potential loan losses (Figure 17). In September 2013, the coverage of non-performing loans by provisions for loan losses increased to 113.2 percent compared to 112.6 percent as it was in December 2012. The banking sector continued to have satisfactory capital adequacy level also in Q3 2013. Capital Adequacy Ratio (CAR) in September 2013 increased to 16.4 percent from 14.2 percent in December 2012.

Strengthening of the banking sector capitalization compared to the end of the previous year is mainly attributed to improved performance of the banking sector due to increased profitability and capital increase by shareholders as a result of new regulatory requirements.

The banking sector continued also to maintain a satisfactory liquidity level. In Q3 2013, the loan to deposit ratio decreased to 76.7 percent from 77.4 percent in December 2012. In the same period, the ratio of broad liquid assets to total assets decreased slightly to 32.1 percent from 32.6 percent as it was in December 2012.

Insurance companies

Until September 2013, total assets of the insurance industry in Kosovo reached euro 131.6 million, which presents an annual increase of 0.9 percent. The contracted value of the premiums during this period reached euro 49.9 million, which represent an annual growth of 8.6 percent. With a higher annual growth

rate of 11.3 percent were characterized the incurred claims, which until September 2013 reached the value of euro 19.9 million. Insurance market was characterized with a loss of euro 96,326 until September 2013, mainly as a result of annual growth of the level of total other expenditures and incurred claims during this period.

Pension fund

The total value of assets under Kosovo Pension Saving Trust management in September 2013 reached euro 854 million. Kosovo Pension Saving Trust had positive return on investments with an amount of euro 41.5 million until September 2013. At the same time also the value of the share price amounted to euro 1.17, which represents an annual increase of 6.4 percent.

Microfinancial institutions

In September 2013, assets of the microfinancial institutions (MFI) had a value of euro 111.8 million, representing a decrease of 7.5 percent compared to the same period of the previous year. The decline of assets reflects on further reduction of lending by MFIs. In September 2013, total loans issued by MFIs reached a value of euro 72.5 million, representing an annual decline of 8.6 percent.

The average interest rate on loans issued by MFIs marked a further increase reaching 23.2 percent in Q3 2013, compared with 23 percent in Q2 2012. However, this sector continued to operate with a loss, but which was lower than in the same period of the previous year. In September 2013, MFI sector marked a loss of euro 1.3 million compared to the loss of euro 3.9

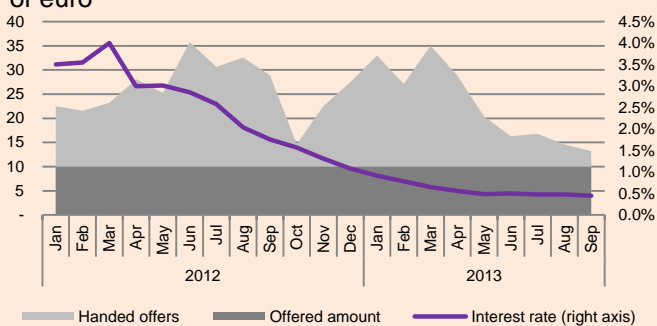
million in September 2012. Loss reduction resulted from the reduction of total expenditures which marked a decline of 17.2 percent, while income marked an annual decline of 4.6 percent.

Treasury bonds market

Until September 2013, according to the published calendar, 16 securities auctions were announced, of which 9 with 91 days maturity, 6 with 182 days maturity, and for the first time, one with a maturity of 364 days.

As presented in figure 18, bidding in 2013 as in 2012 was twice as high as the amount requested, while the annual interest rates for the amounts of euro 10 million continued to be around 0.5 percent.

Figure 18. Government securities auction, in millions of euro



Note: Auctions are for the amount offered for 91 days.
Source: CBK (2013)

Whereas in auctions for amounts of euro 20 million, with 182 days of maturity, bidding was 1.8 times higher and the average annual interest rate was 1.42 percent. A higher interest rate was recorded for the auction of euro 20 million with a maturity of 364 days, which reached the interest rates of 2.26 percent.

Fiscal sector

The total value of expenditures by the end of September 2013 amounted to euro 1.01 billion which represents an increase of 1.4 percent compared with the same period of the previous year. On the other hand, budget revenues declined by 6.2 percent, reaching a value of euro 1.06 billion.

Government expenditures for capital investments until September 2013 marked an annual decline of 5.7 percent. Capital outlays represent the main category within the budget expenditures, with a share of 34.7 percent of total expenditures (euro 348.4 million). On the other hand, until September, government expenditures on goods and services marked an annual growth of 1.5 percent, thus reaching euro 115.0 million.

Government expenditures on wages and salaries and government expenditures on subsidies and transfers marked an increase of 2.4 and 20.7 percent, respectively, amounting to euro 277.5 million and euro 227.3 million, respectively.

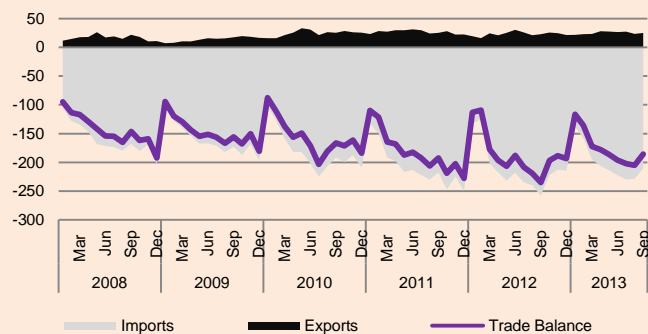
The decline of budget revenues of 6.2 percent mainly is addressed to the decline of municipal own resources and to the central level with 8.0 percent and lower level of receipts from the issuance of securities which marked a decline of 18.6 percent. On the other hand, net revenues collected by KTA marked an increase of 12.1 percent reaching a net value of euro 202.9 million. Despite the decline of imports, revenues collected at the border amounted to euro 608.2 million net, marking an increase of 1.3 percent.

External Sector

The balance of payments of Kosovo continues to be characterized with a deficit of the current account, which in Q2 2013 was euro 147.6 million, representing an annual growth of 4.2 percent. This deficit level of the current account is mainly caused by trade deficit which until September 2013 marked a decline of 4.6 percent amounting to euro 1.6 billion.

Until September 2013, total exports marked an annual growth of 9.4 percent amounting to euro 224.0 million, while imports marked a decline of 3.0 percent amounting to euro 1.8 billion. Exports growth and the decline of imports made the trade deficit mark an annual decline of 4.6 percent thus improve the coverage rate of imports by exports from 11.0 percent as it was in September of the previous year to 12.4 percent until September 2013 (Figure 19).

Figure 19. Imports, exports and trade balance, non cummulative



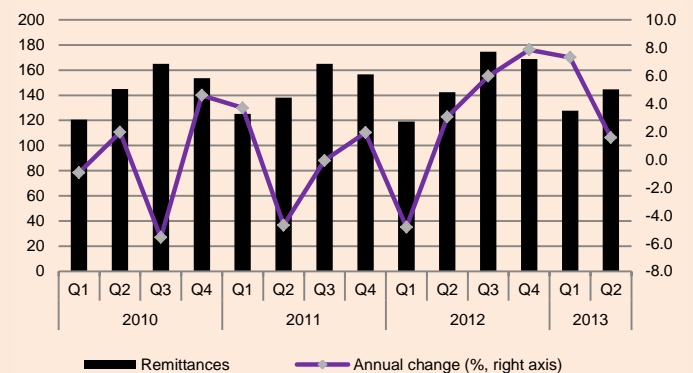
Source: KAS (2013)

Other components of the current account have positive balances, thus consequently having an impact on narrowing the current account deficit. The decline of 8.8 percent of imports of services, despite the decline of 0.8 percent of export of services, had an impact on the balance of services account marking a

growth of 7.0 percent amounting to euro 137.9 million in June 2013.

On the other hand, balances of income account and current transfers, despite the positive impact in narrowing the current account deficit, marked a decline of 8.4 and 1.1 percent, respectively. Compensation of employees, mainly those working in Iraq and Afghanistan, as one of the main components of receipts within income, has marked a slight decline of 0.7 percent, reaching a value of euro 110.0 million. On the other hand, the category of income from investments which primarily consist of the distribution of dividends from foreign companies that have invested in Kosovo, is with continuous negative balance. Until June 2013, this category had a negative balance of euro 36.0 million which compared to the same period of the previous year marked an increase of 13.1 percent.

Figure 20. Received remittances, in millions of euro



Source: CBK (2013)

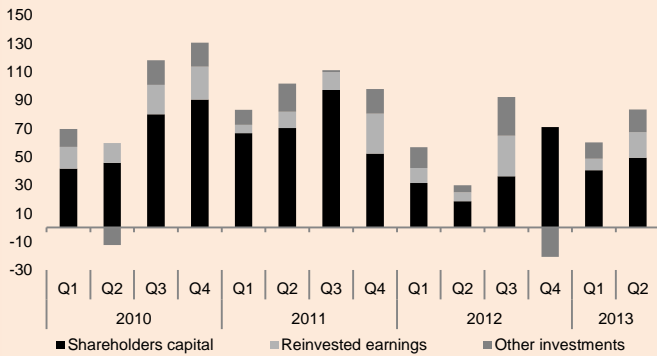
Remittances, which represent the main component within current transfers, at the end of June 2013 reached a value of euro 272.4 million, marking an annual increase of 4.2 percent. This increase of remittances represents an important contribution in

narrowing the current account deficit and consequently increasing consumption in the country (Figure 20).

Until June 2013, the value of FDI amounted to euro 143.4 million, representing an annual growth of 66.4 percent. All components of FDI marked an increase compared to the same period of the previous year (Figure 21).

Countries from where originated the largest part of FDI during the first half of 2013 were Turkey with 36.1 percent, followed by Great Britain and Switzerland with 18.1 and 14.3 percent, respectively.

Figure 21. Structure of Foreign Direct Investments by components, in millions of euro



Source: CBK (2013)

In terms of sectors, also during this period, FDI has been concentrated in the real estate sector (32.4 percent), construction (15.7 percent), transport and telecommunication (12.7 percent).

Selected Macroeconomic Indicators

Description	September 2012	September 2013
Real sector 1/		
GDP (in millions of euro)	-	-
Prices (annual average)	2.1%	2.2%
Prices (year-on-year)	4.1%	0.2%
Fiscal Sector 2/		
Revenues (in millions of euro)	1,127.1	1,056.8
Expenditures (in millions of euro)	992.1	1,005.5
Balance, As share to GDP	-	-
Financial sector (in millions of euro) 3/		
Financial corporation assets	3,724.3	4,045.7
Of which: Banks	2,765.3	2,935.4
Loans	1,758.7	1,798.0
Deposits	2,206.5	2,344.7
Interest rates on loans	13.8	12.2
Interest rates on deposits	3.7	3.4
Interest rate spread	10.1	8.8
External sector (in millions of euro) 3/		
	June 2012	June 2013
Balance of payments		
Current account	-141.7	-147.6
of which: goods imported	-1,062.1	-1,075.4
of which: remittances	261.5	272.4
Financial account	89.6	143.1
Foreign Direct Investments in Kosovo	86.2	143.4
Portfolio investments, net	-43.8	-136.2
Other investments, net	79.8	149.8
International investments position, net	173.1	281.7
Assets	3,352.7	3,848.7
Liabilities	3,179.6	3,567.0
External debt, total	1,385.0	1,514.3
Private debt	1,064.1	1,119.5
Public debt	320.9	394.8

Source:

1/ KAS (2013)

2/ MF (2013)

3/ CBK (2013)

