

# Fifth project management meeting for reducing cash transactions in Kosovo

Project management group within the National Payments Council  
(NPC)

14 December, 2011

# Content

- Approval of minutes from the last meeting (September 21<sup>st</sup>, 2011);
- Information and short presentation from the working group within the project management team for the reduction of cash payments (Akile, Boryana and Edmond)
- Information / Presentation regarding MasterCard
- Payment instruments and terminals - Kosovo compared to the countries in Southeastern and Central Europe (*short presentation*)
- Next steps – conclusions

# 1. Approval of minutes from the last meeting

**Mr. Robert Wright**

## 2. Information/ presentation from the working group

## 3. Information/presentation regarding MasterCard

About Master Card Bill Payments

*(attach 1: for more information the presentations with 24 slides)*

**Mr. Robert Wright**

### 3. Information/presentation regarding MasterCard

About VISA'S financial literacy programs  
- A Global View

*(attach 2: for general information the presentations with 23 slides)*

**Mr. Robert Wright**

## 4. Presentation:

### Payment instruments and terminals - Kosovo compared to the countries in Southeastern and Central Europe

Gjylfidane Kadrijaj, Director  
Interbank Payment Systems Directorate  
Central Bank of the Republic of Kosovo

# Comparative table

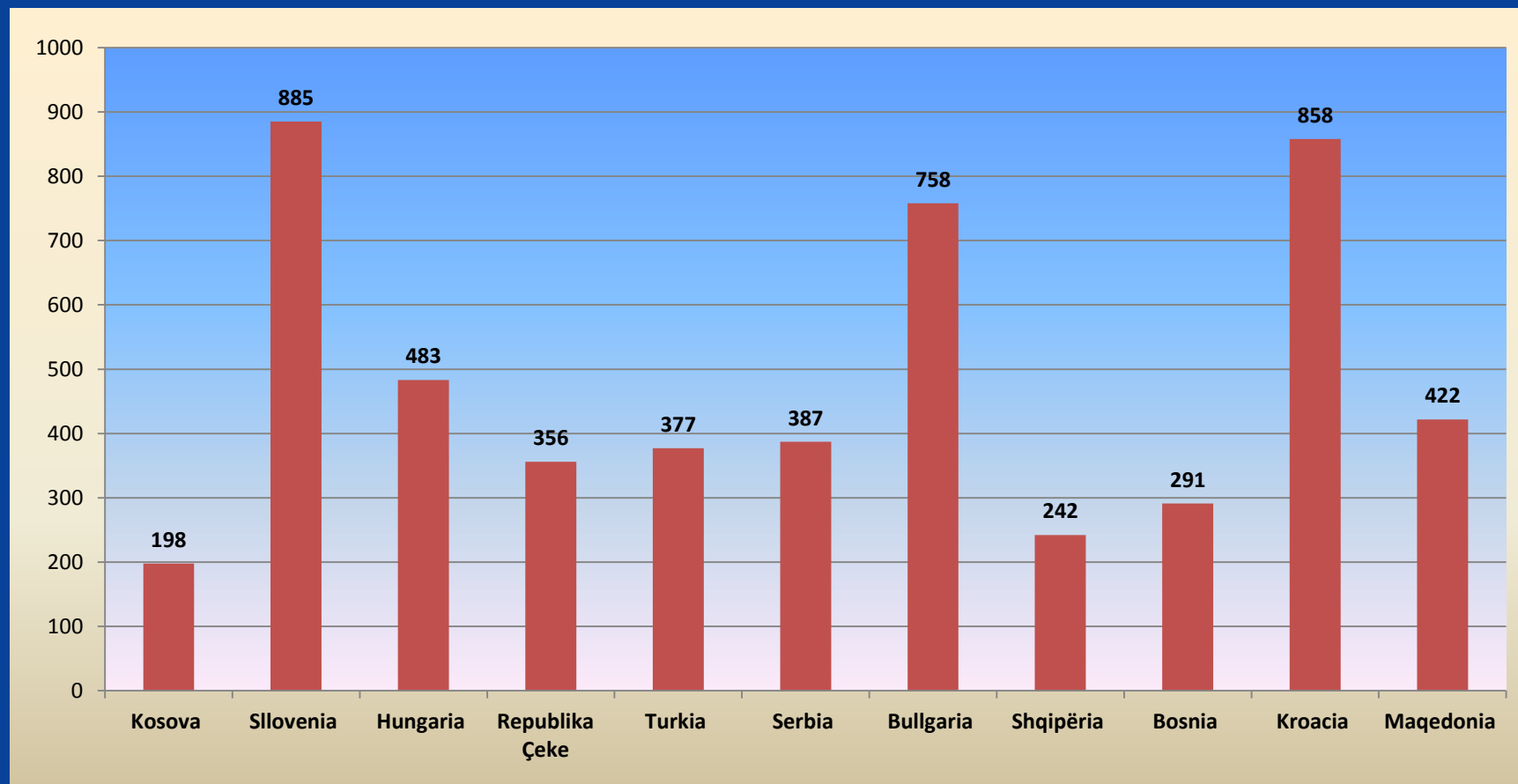
Description	Kosovo	Slovenia	Hungary	Czech Republic	Turkey	Serbia	Bulgaria	Albania	Bosnia	Montenegro	Croatia	Macedonia
<b>Population</b> <i>(in million)</i>	2.1	2.05	10.02	10.51	73.3	7.38	7.54	3.19	3.77	0.62	4.42	2.06
<b>ATM</b>	415	1.814	4.843	3.742	27.649	2.857	5.718	771	1.098	-	3.794	869
<b>POS</b>	6.194	35.622	78.441	96.958	1.823.530	57.459	60.762	4.903	17.834	-	92.690	31.491
<b>Credit Cards</b>	37.922	122.638	1.367.928	1.587889	46.956.124	936.008	992.428	27.300	-	-	1.990.395	303.158
<b>Debit Cards</b>	480.659	2.742.470	7.553.209	7.888.879	69.916.462	5.211.929	6.623.423	667.548	-	-	6.846.034	1.048.180
<b>Total Cards</b>	518.581	2.865.108	8.921.137	9.476.768	116.872.586	6.147.937	7.615.851	694.848	1.663.466	-	8.836.429	1.351.338
<b>E-Banking Accounts</b>	55.292	-	-	-	-	-	-	27.368	67.802	-	989.862	211.599

(per 1,000,000 people in 2010)

Description	Kosovo	Slovenia	Hungary	Czech Republic	Turkey	Serbia	Bulgaria	Albania	Bosnia	Montenegro	Croatia	Macedonia
<b>ATM</b>	198	885	483	356	377	387	758	242	291	-	858	442
<b>POS</b>	2.950	17.377	7.828	9.225	24.878	7.786	8.059	1.537	4.731	-	20.971	15.287
<b>Credit Cards</b>	18.058	59.823	136.520	151.084	640.602	126.830	131.622	8.558	-	-	450.316	147.164
<b>Debit Cards</b>	228.885	1.337.790	753.813	750.607	953.840	706.223	878.438	209.263	-	-	1.548.876	508.825
<b>Total Cards</b>	246.943	1.379.614	890.333	901.691	1.594.442	833.054	1.010.060	217.821	449.195	-	1.999.192	655.989
<b>E-Banking Accounts</b>	26.330	-	-	-	-	-	-	8.579	17.985	-	223.951	107.572

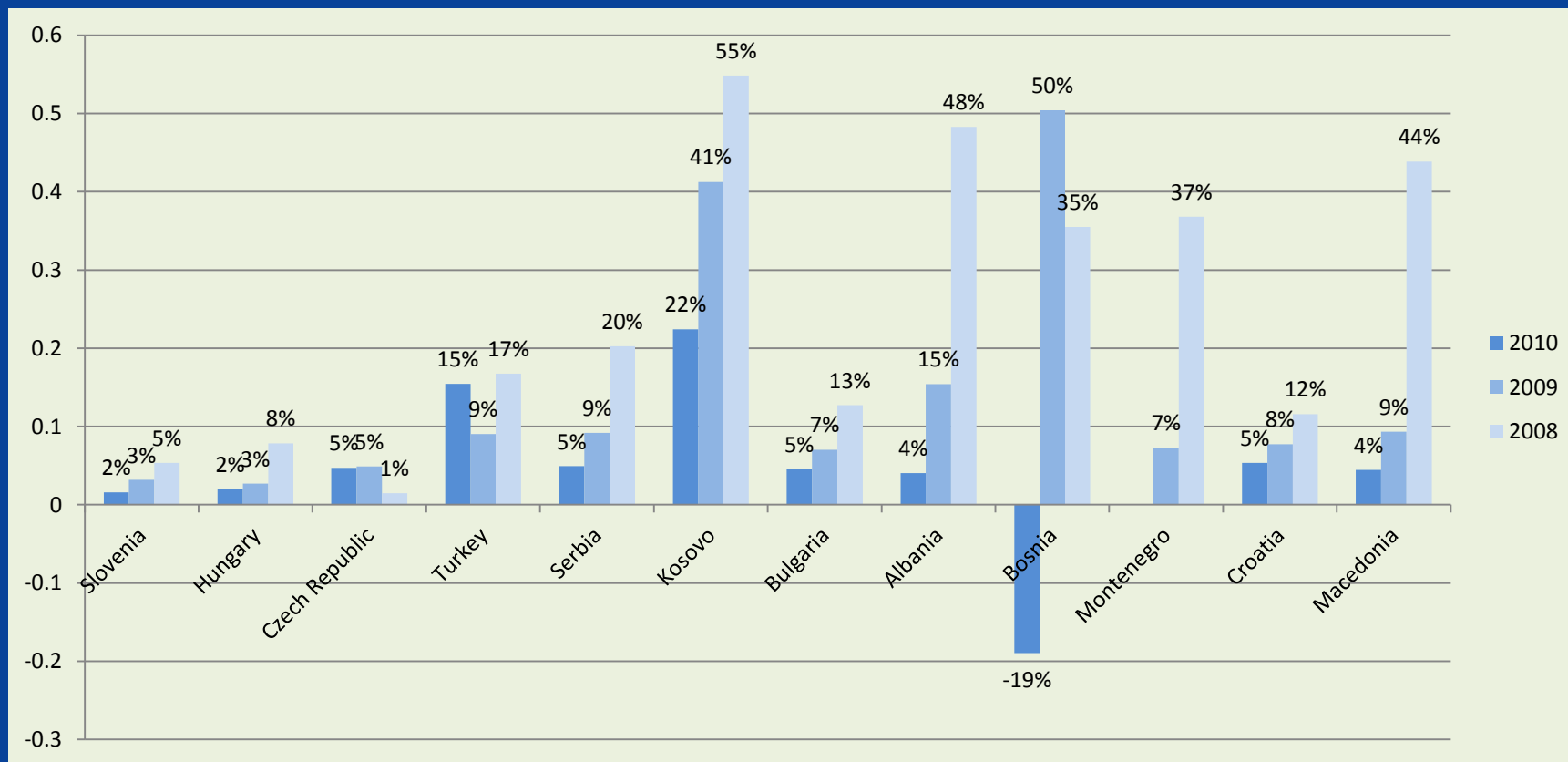


## Number of ATM terminals per 1,000,000 people in 2010



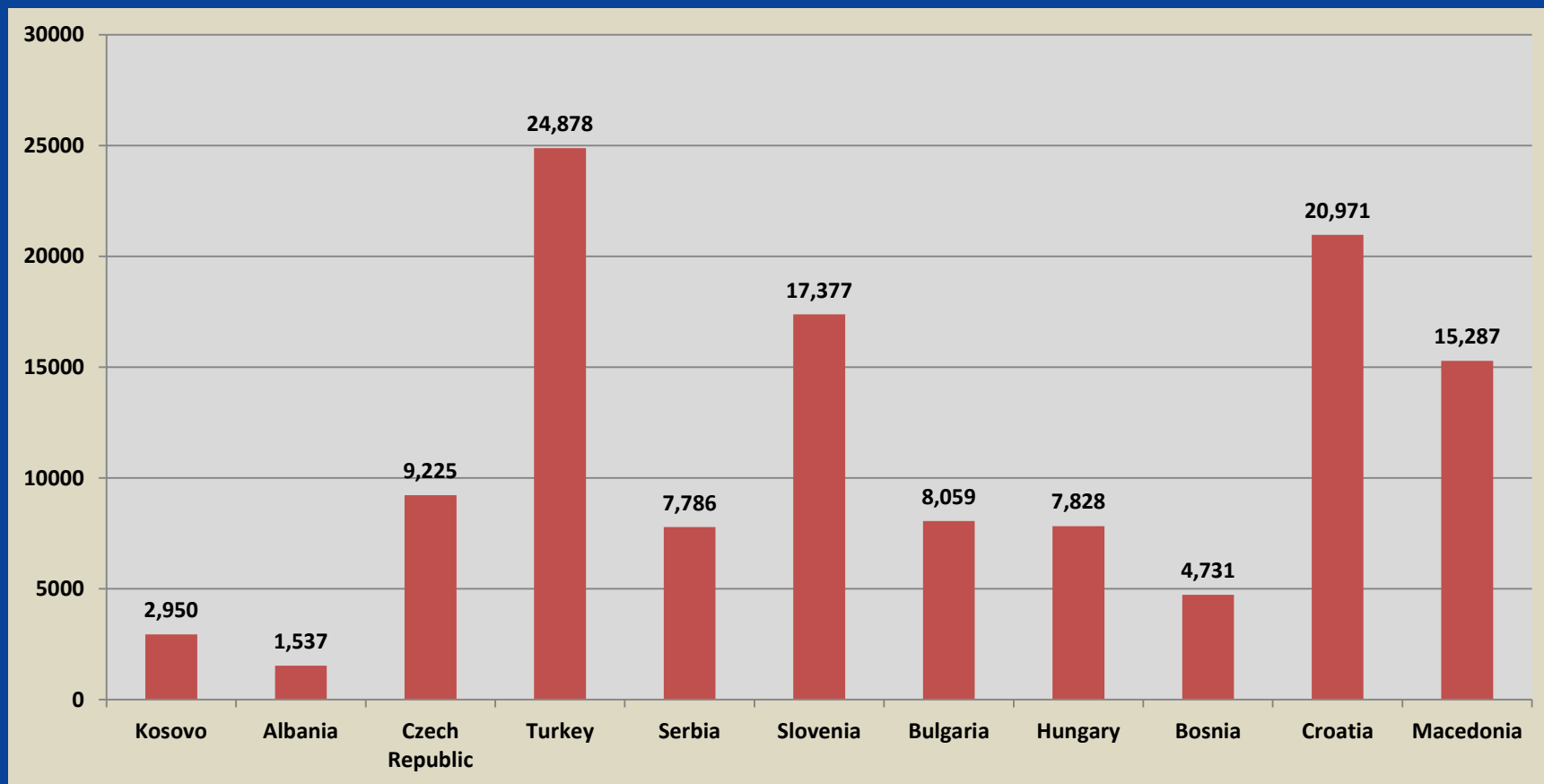
\* The data is taken from the central banks and other regulatory authorities

## Annual growth of the number of ATMs in the last 3 years:



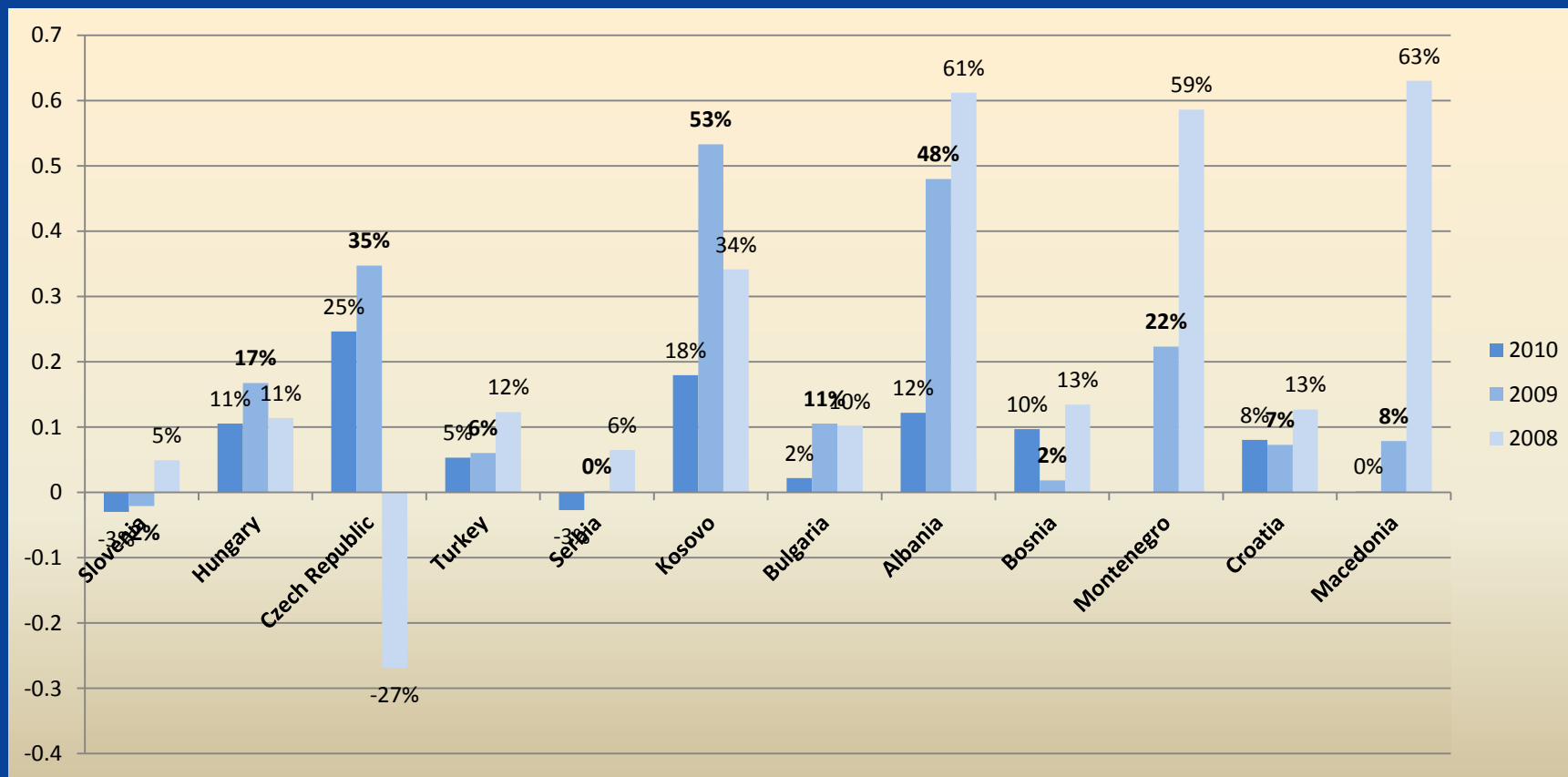
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## Number of POS terminals per 1,000,000 people in 2010



\* The data is taken from the central banks and other regulatory authorities

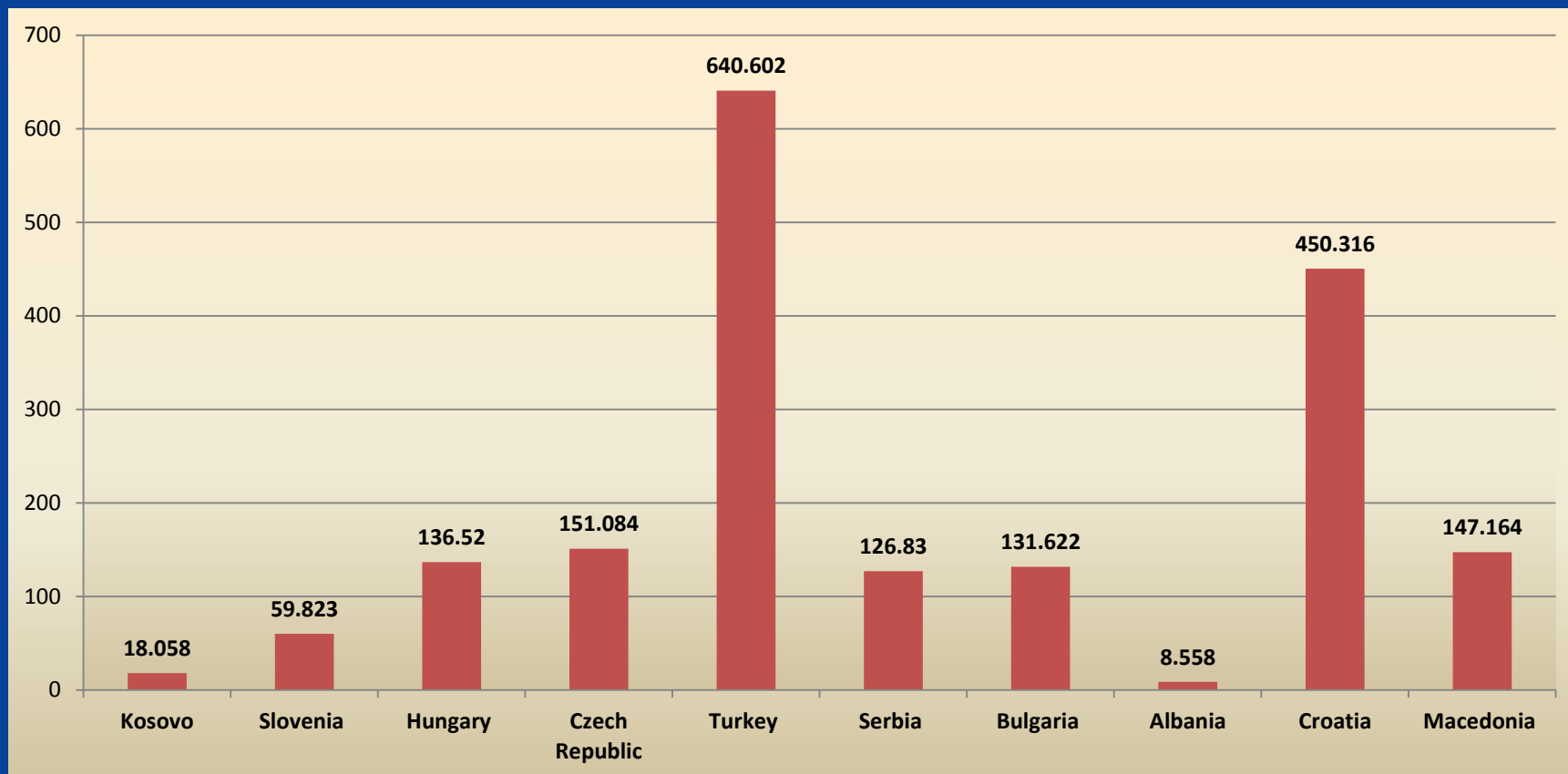
## Annual growth of the number of POS terminals in the last 3 years:



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# Credit Cards

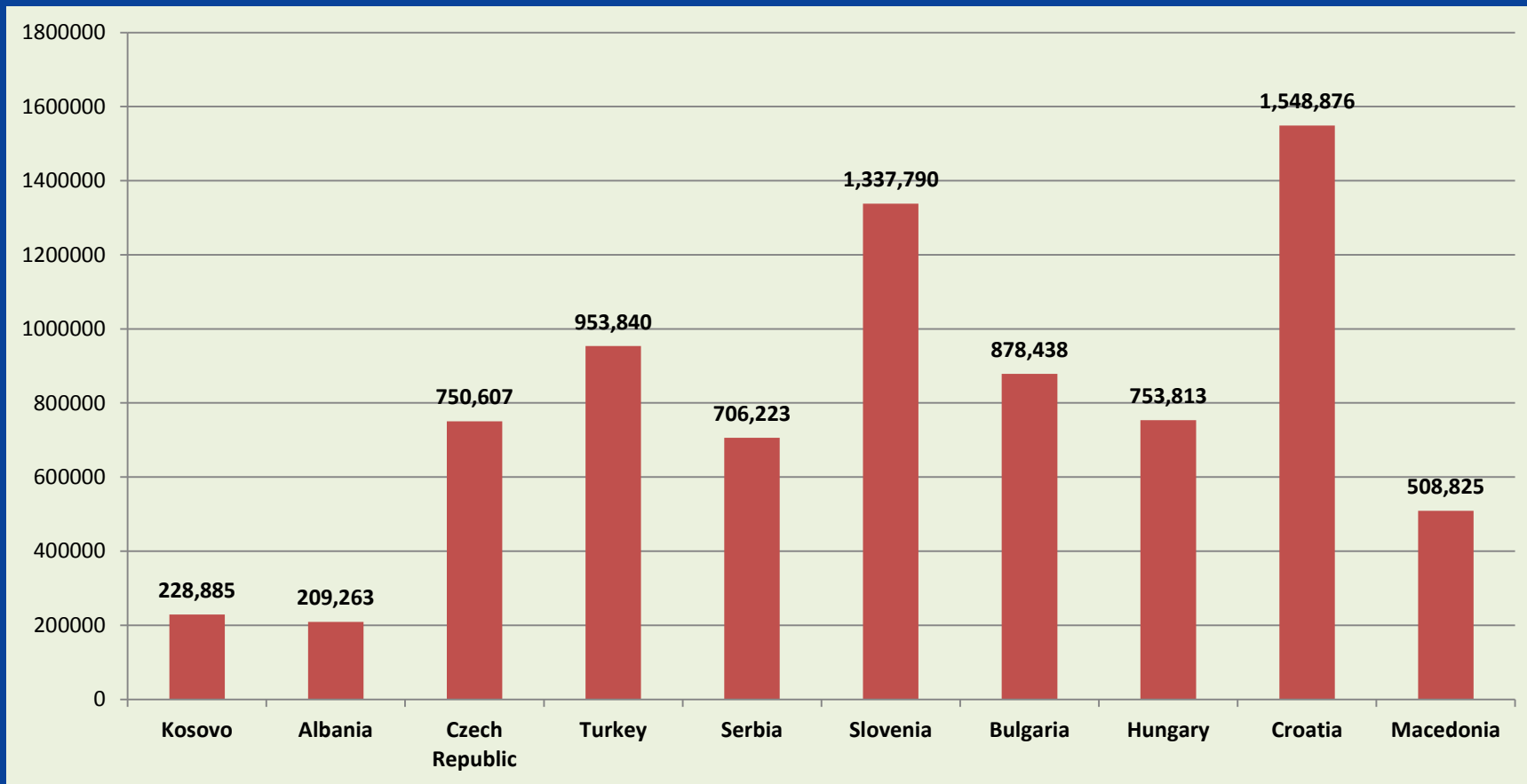
## Number of credit cards per 1,000,000 people in 2010



\* The data is taken from the central banks and other regulatory authorities

# Debit Cards

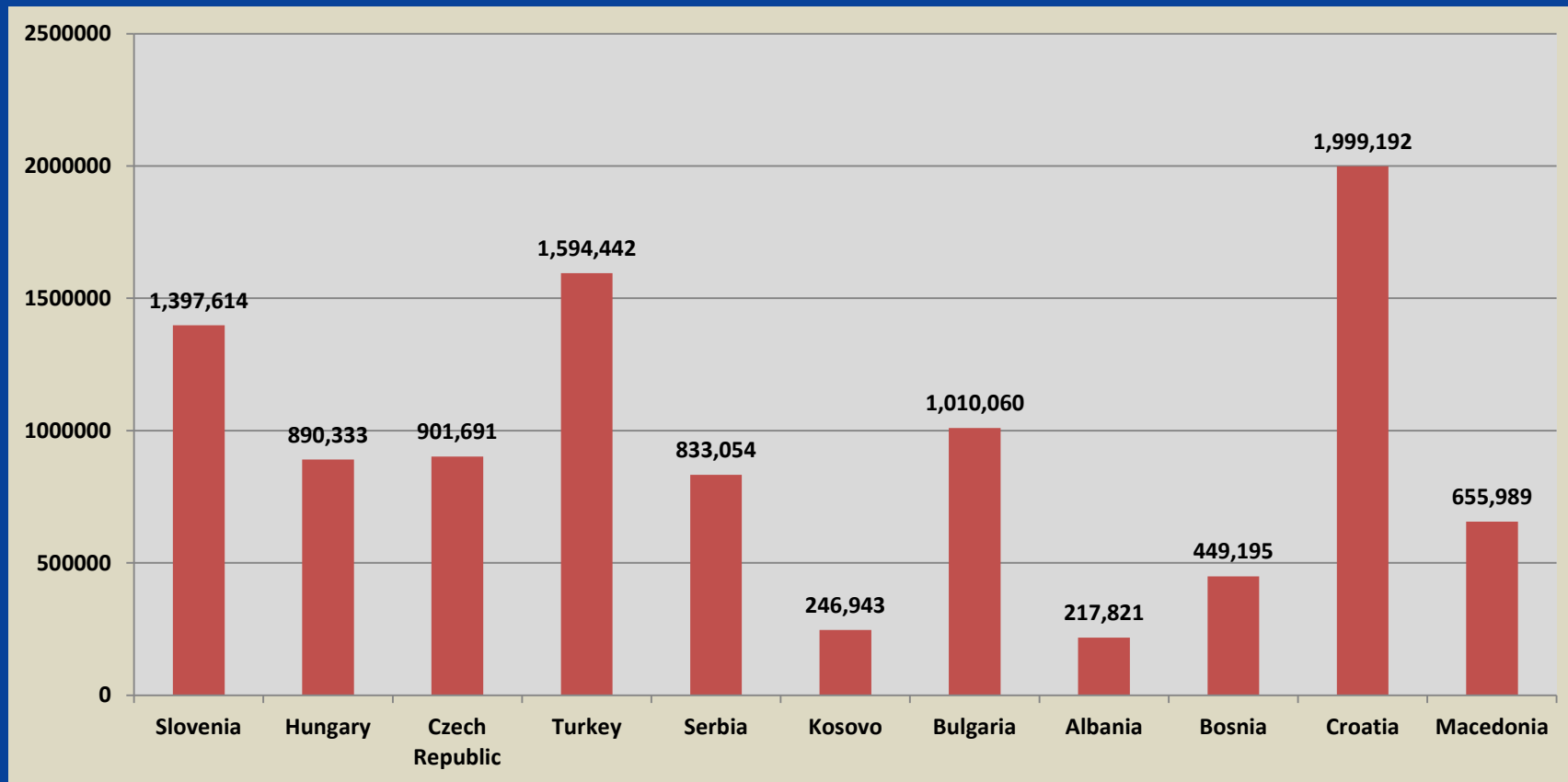
## Number of debit cards per 1,000,000 people in 2010



\* The data is taken from the central banks and other regulatory authorities

# Total payment cards

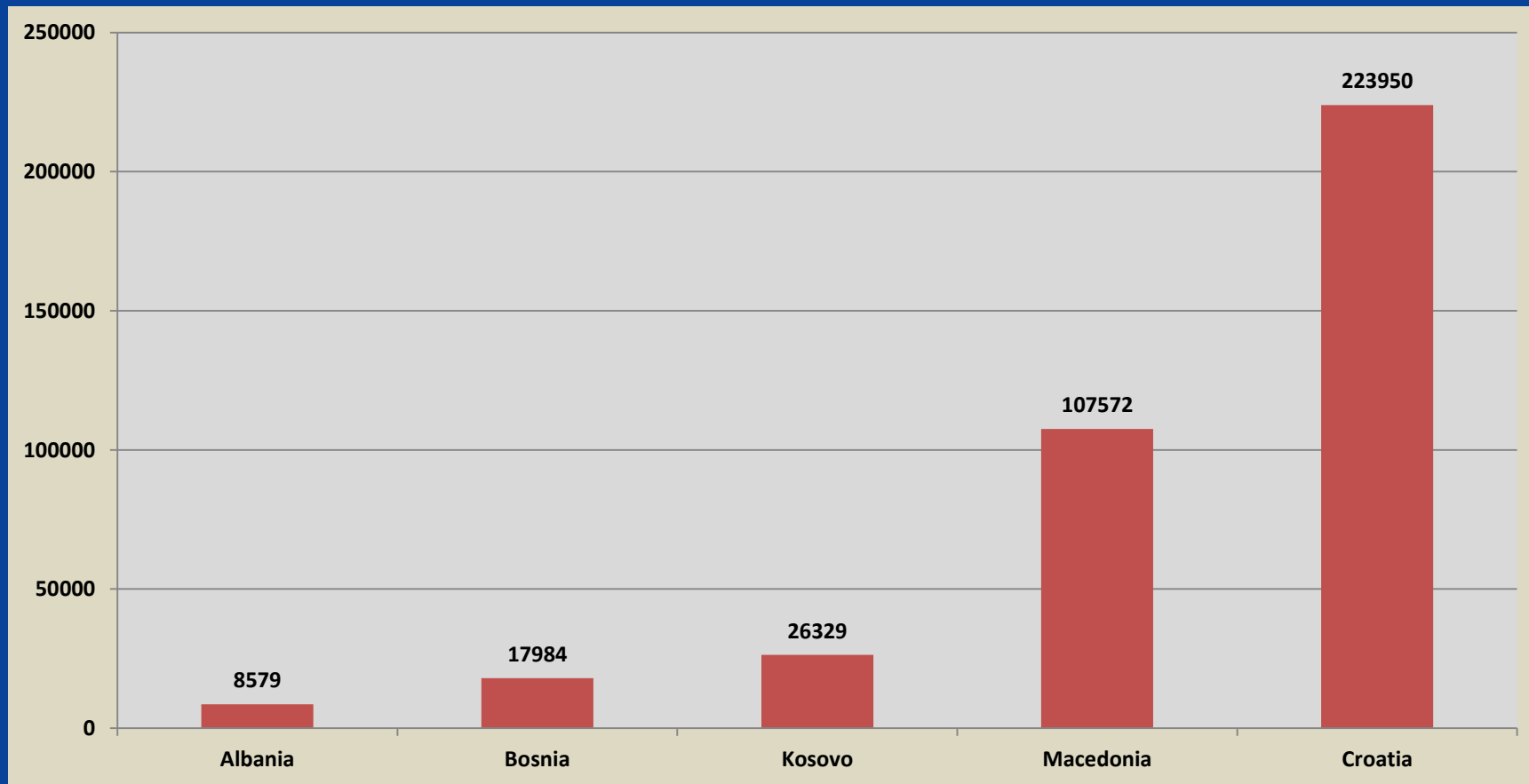
Number of payment cards (both debit and credit) per 1,000,000 people in 2010



\* The data is taken from the central banks and other regulatory authorities

# E-Banking accounts

Number of E-Banking accounts per 1,000,000 people in 2010



\* The data is taken from the central banks and other regulatory authorities



# Conclusions (1)

- Kosovo started 'developing' its banking sector and payments infrastructure from scratch after the war in '99, much later than the countries in the South-eastern and Central Europe.
- The terminal infrastructure (ATM and POS) is growing at a faster rate than the average growth in the region. However, currently in terms of terminals per 1 million people, Kosovo has:
  - **ATM**: The fewest ATMS's in the region (198), 4 times less than Slovenia and 2 times less than Macedonia
  - **POS**: The second fewest POS terminals in the region (2,950)
- The number of payment cards is increasing, however Kosovo still lacks behind other countries in South eastern and Central Europe. Kosovo is ahead of only Albania regarding the number of payment cards per 1 million people.

# Conclusions (2)

- Even the number of installed POS terminals in Kosovo is somewhat misleading, as **many retail outlets have POS terminals from several banks**. The installation of multiple terminals in a single outlet is necessary because **there is no national electronic interbank card switch and clearing house and thus no special domestic interoperability arrangement between different banks' networks** (it should also be noted that the same applies to ATMs).



The installation of multiple ATM terminals in a single spot, near the NEWBORN sign.

## Conclusions (3)

- Lack of domestically-arranged interoperability or interconnection of card networks in Kosovo causes **inefficiency**.
- CBK in collaboration with commercial banks and other stakeholders have prepared the **Strategy for the development of National Payment System**, which also deals with small value payments (*pillar 3*). The overall objective is to provide the economy with a broad range of safe and efficient payment services\*.

\* The strategy is published in CBK official web site at: <http://www.bqk-kos.org/?cid=2,59,306>

## 4. Questions, requests and proposals

# Thank you

National Payments Council

<http://www.bqk-kos.org/?cid=1,59,55>