

Kosovo

Special Report 2026

Kosovo: A Balkan Success Story

With a young, highly skilled workforce, rising industrial activity and rapid modernization across key sectors, Kosovo is positioning itself as one of Southeast Europe's most compelling under-the-radar investment markets.

From Foundation to Innovation

For years, Kosovo existed largely outside the main conversation around European investment, as international audiences historically viewed the country through the lens of post-war recovery rather than economic opportunity. Today, the country tells a remarkably different story.

Across Southeast Europe, investors are increasingly searching for markets that combine long-term growth potential, competitive operating costs and access to adaptable emerging talent. Kosovo is beginning to provide a compelling answer. Home to Europe's youngest population and strategically positioned at the center of the Balkans, the country is attracting growing attention across sectors ranging from energy and healthcare to finance, technology and manufacturing.

Yet the appeal extends beyond demographics and geography. The momentum visible on the ground is increasingly shaping investor perceptions. Institutions continue aligning with international frameworks while private-sector activity accelerates across multiple industries. "Kosovo is underrepresented, despite being a small but strong economy in the middle of Europe," said Shpend Luzha, Chief Executive Officer of Banka Ekonomike.

The transformation itself has been significant. Kosovo has moved beyond the initial phase of rebuilding institutions and basic economic structures toward creating an environment increasingly centered on competitiveness and growth. "Kosovo is no longer simply receiving security support — it is actively contributing to international peace and stability," said Ejup Maqedonci, Minister of Defense.

That broader sense of stability has helped create the foundation for private-sector expansion. Business leaders increasingly describe an economy shaped by resilience and a strong entrepreneurial culture, particularly among small and medium-sized enterprises that continue to drive domestic activity. "You cannot have a growing and healthy economy without a strong SME sector," Luzha said.

The private sector itself has evolved alongside the economy. Businesses that initially emerged to address immediate market needs have increasingly transformed into scalable companies with regional ambitions. A younger generation of entrepreneurs is entering industries such as technology, digital services and advanced business support functions with a different mindset — one focused not simply on local growth, but on international competitiveness from the outset.

This entrepreneurial energy has also been reinforced by an internationally connected diaspora that continues supporting investment, business creation and cross-border commercial relationships. Together with a multilingual and

technologically capable workforce, these factors are helping reshape Kosovo's economic identity.

Expanding Beyond Borders

For a country with a relatively small domestic market, international connectivity has become central to Kosovo's economic strategy.

Historically, market size might have been viewed as a limitation. Increasingly, policymakers and businesses are framing it differently. Rather than relying solely on the scale of its domestic economy, Kosovo is increasingly building its growth strategy around connectivity, regional integration and outward-facing industries.

Trade agreements and regional integration frameworks have become increasingly important components of that strategy. Access to neighboring markets and wider European commercial networks allows companies operating in Kosovo to think beyond national boundaries from the beginning.

"These agreements effectively transform Kosovo from a small domestic market of around 1.5 million people into a gateway to a much larger regional and international consumer base, reaching over 20 million people in the Western Balkans and hundreds of millions across EU and EFTA markets," said Mimoza Kusari-Lila, Minister of Industry, Entrepreneurship, Trade and Innovation.

For businesses considering expansion in Southeast Europe, that shift matters significantly. Increasingly, companies operating in Kosovo are building business models designed around exports, regional operations and international partnerships rather than relying solely on domestic demand.

This shift is changing the way companies approach growth, with many businesses designing products, services and operational structures for international markets from their earliest stages of development. Manufacturing firms are serving external markets, technology companies are integrating into international ecosystems and service providers are supporting global clients.

The economy's outward orientation increasingly means that growth is being driven not only by domestic consumption, but also by Kosovo's expanding ability to export services, talent and expertise.

Powering Growth

Infrastructure has become one of the most visible symbols of Kosovo's economic evolution, particularly within the energy sector. Reliable electricity remains essential to industrial growth, manufacturing expansion and long-term investor confidence. For years, however, energy reliability represented one of Kosovo's major economic challenges. Businesses often faced disruptions that complicated operations and limited expansion opportunities.

That situation has changed significantly over the past decade. Since the privatization of Kosovo's electricity distribution sector in 2013, KEDS has invested more than \$340 million into upgrading and modernizing the country's electricity network. Improvements to operational systems and long-term infrastructure projects have strengthened reliability while supporting increasing industrial demand. "Reliable electricity is one of the most important foundations for economic development," said Alpin Doğan, Chief Executive Officer of KEDS.

The impact is increasingly visible throughout the economy. Beyond supporting factories and industrial activity, improved infrastructure also creates secondary effects throughout the economy, increasing business confidence, reducing operational uncertainty and encouraging longer-term investment planning. Manufacturing activity has expanded steadily, particularly among export-oriented businesses serving European markets. Growing industrial electricity demand has become one indicator of broader commercial activity taking place across the country.

The transition taking place inside the energy sector is also creating opportunities beyond utilities themselves. Renewable energy projects, digital monitoring systems, engineering services and smart-grid technologies are opening new investment areas that extend well beyond traditional power generation. As Kosovo's economy expands, energy is evolving from a historical challenge into an increasingly important competitive advantage.

Building Smarter Systems

Alongside physical infrastructure, Kosovo has also been strengthening the institutional systems that support economic growth. The banking sector has developed a reputation for strong capitalization, liquidity and regulatory discipline, helping maintain market confidence during periods of international uncertainty. Financial institutions are investing heavily in digital services, remote-access banking and faster payment solutions designed for an increasingly connected customer base.

Banka Ekonomike, Kosovo's only fully locally owned commercial bank, sees technology becoming central to the country's next stage of development. "The next phase of transformation for the economy is ICT and SMEs," Luzha explained.

Digital transformation increasingly extends beyond banking itself. Across industries, businesses are investing in systems designed to improve efficiency, accelerate service delivery and strengthen operational capabilities. Increasingly, competitiveness is being defined not only by what companies produce, but by how effectively they manage information, processes and customer experience.

The same evolution is becoming visible within healthcare. Rather than focusing solely on expansion, companies are increasingly emphasizing quality, transparency and international compliance standards. Meditech, one of Kosovo's leading pharmaceutical distributors, has built its development strategy around that approach. "We are not just distributing medicines, we are bringing standards to the healthcare market," said Arianit Jakupi, Chief Executive Officer of Meditech.

The broader significance is institutional maturity. Increasingly, operational quality, speed and regulatory compliance are becoming competitive advantages that shape how companies position themselves internationally.

Talent Driving the Knowledge Economy

As businesses worldwide grapple with chronic skill shortages and wage inflation, Kosovo presents a compelling antidote. Beyond mere demographic availability, the country's true competitive edge lies in the quality and structural alignment of its hu-

man capital. Kosovo has quietly cultivated an adaptable workforce that blends deep digital literacy with a strong familiarity with international business environments. This is driven largely by an agile domestic education sector that prioritizes market readiness over traditional academia, allowing local tech and services talent to integrate seamlessly into global corporate workflows.

A prime example is the University for Business and Technology (UBT). By anchoring an expansive ecosystem of tech parks, labs, and incubators, the institution has earned a reputation as the "Silicon Valley of the Balkans." Rather than operating as a traditional university, it co-designs curricula directly with global technology firms to match real-time market demands. As Prof. Dr. Edmond Hajrizi, Founder and Rector of UBT, notes: "Western enterprises do not just face a shortage of numbers; they face a shortage of specific, agile skills. By synchronizing our academic output with real-time market demands, we are positioning Kosovo as a vital reserve of high-tier competence."

Consequently, Kosovo's workforce possesses a distinct linguistic and operational flexibility—fluency in English and German is common, backed by a strong cultural affinity with Western Europe. For foreign investors looking to scale operations without sacrificing output quality, the country offers an increasingly rare proposition: a sophisticated, multilingual talent pool ready to plug into the knowledge economy, available at a highly sustainable cost structure.

The Investment Window

Kosovo occupies a distinctive position within Southeast Europe: a market offering increasing institutional confidence while still remaining early enough in its development cycle to provide substantial room for growth.

The numbers increasingly reflect that momentum. Foreign direct investment surpassed \$1.1 billion for the first time in 2025, representing approximately 30% year-on-year growth. Services exports reached roughly \$4.2 billion, generating a surplus of approximately \$2.5 billion and reinforcing the sector as an increasingly important economic engine.

Opportunities continue emerging across renewable energy, digital services, healthcare, logistics and advanced manufacturing. Challenges remain, as they do in any developing economy. Continued infrastructure investment and deeper regional integration will remain important as growth accelerates further. Yet increasingly, business leaders see these requirements not as limitations but as the next stage of development. "There are still challenges, as in any developing market, but the direction is very positive," Doğan said.

The growth is real, the momentum is building and, for investors looking beyond traditional perceptions, Kosovo is increasingly becoming one of the most compelling economic stories emerging from Southeast Europe.



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Banking on Homegrown Strength

As Kosovo's only fully locally owned commercial bank, Banka Ekonomike has built a distinctive position in the country's financial sector, combining domestic ownership, nationwide reach and a long-term commitment to economic development.



BANKA EKONOMIKE IS LED BY CHIEF EXECUTIVE OFFICER SHPEND LUZHA, ALONG WITH TWO DEPUTY CHIEF EXECUTIVE OFFICERS, HAMIDE PACOLLI GASHI (IN THE MIDDLE) AND ARIJAN HAXHIBEQIRI.

A Local Bank in a Foreign-Owned Market

In a banking industry largely shaped by foreign capital, Banka Ekonomike stands apart. For 25 years, the institution has operated as a wholly local bank, growing alongside Kosovo's economy and establishing itself as a national financial player with around 35 branches across the country.

That distinction matters in a market where ownership often carries strategic weight. As the only bank fully owned in Kosovo, Banka Ekonomike represents more than a commercial lender. Its position speaks to local confidence in the country's economy and to the capacity of domestic institutions to compete, expand and modernize in step with larger regional players.

The bank's footprint now stretches across nearly all major cities and towns, including expansion into northern Kosovo in recent years. That national presence has helped reinforce its role as a commercial bank serving a broad client base, from individuals and SMEs to corporates and diaspora customers.

"We have been operating for 25 years, and during that time we've grown with double-digit numbers, much as the Kosovo banking market has grown as well," said company CEO Shpend Luzha.

A Sector Built on Stability

Banka Ekonomike's growth has unfolded within one of Kosovo's strongest economic pillars. The country's banking sector has developed a reputation for resilience, supported by strong capitalization, close and careful regulation and a high level of liquidity.

That stability has been crucial in building trust among depositors, businesses and international stakeholders. It has also allowed the sector to navigate successive external shocks, from the global financial crisis to the pandemic years, while maintaining its role as a reliable source of financing for the domestic economy. "It is a well-capitalized sector, very closely regulated, and that has created a big foundation of trust for clients and stakeholders in the banking market," said Luzha.

A Commercial Role with National Reach

Banka Ekonomike's business model remains rooted in broad-based commercial banking. Retail customers, SMEs, larger corporates and diaspora clients all form part of the bank's target market, reflecting both the structure of Kosovo's economy and the bank's ambition to serve it comprehensively.

That range is especially important in Kosovo, where smaller enterprises play an outsized role in employment and economic activity. A bank with local reach and local ownership is positioned to understand those

businesses more closely, particularly in a market where entrepreneurship remains one of the economy's defining features.

"We serve all economic stakeholders starting from individual clients, SMEs, corporate clients. We serve the diaspora as well and foreign-owned companies," said Luzha.

The bank's positioning as a mid-sized institution also gives it room to remain flexible. In a fast-moving market, that can be an advantage, particularly when customer expectations are shifting quickly and businesses increasingly expect faster service, simpler access to financing and more efficient products.

Digital Transformation as the Next Growth Phase

The next stage of Banka Ekonomike's development is being shaped by digital transformation. As competition broadens beyond domestic banks to include fintechs and cross-border digital players, the institution is investing in the technology and infrastructure needed to keep pace.

At the center of that effort is a transformation of the bank's core banking system through a partnership with a global leading company in the field. The goal is not merely technical modernization, but a wider redesign of how customers access and use banking services. "What this will enable us to do is offer clients more digital products, faster and cheaper services, and more importantly increase financial inclusion," said Luzha.

That shift is expected to improve everything from account opening and onboarding to spot loans and speed to cash. Rather than limiting digital banking to transactions, balance checks and inquiries, the bank is working to expand the range of products customers can access remotely. "We have to keep up with international competitors, including fintechs and international banks," Luzha said.

Expanding the Product Platform

Growth is also coming through expansion beyond the bank's traditional base. In recent years, Banka Ekonomike has completed two acquisitions, making it one of the few banks in Kosovo to pursue mergers and acquisitions as part of its strategy.

The acquisition of the Kosovo branch of Türkiye İş Bankası strengthened the bank's market position, while the acquisition of an insurance company within the wider group expanded its ability to offer a broader set of financial services. "The reason for this is to offer customers more insurance products and integrate them with banking products, so clients have an easier and faster way of fulfilling their financial service needs," said Luzha.

Financing Kosovo's Next Economy

Banka Ekonomike's strategy is tied closely to the sectors expected to define Kosovo's next

phase of growth. SMEs remain central to that picture, but the bank is also looking closely at newer areas such as ICT, startups and diaspora-backed investment.

Support from the Credit Guarantee Fund has played an important role in that process, allowing the bank to share risk and expand financing into segments that traditional commercial lending might otherwise approach more cautiously. "You cannot have a growing and healthy economy without a strong SME sector," said Luzha.

That support has extended to women-owned businesses and to diaspora-led ventures investing in Kosovo, particularly in sectors such as agriculture and production. In those areas, risk-sharing mechanisms have made it easier for the bank to support investments that carry strong development potential.

A More Connected Financial Future

Broader changes in the market are also creating new opportunities. Regional and European payment integration projects, including SEPA-related reforms and other modernization efforts in the Western Balkans led by the Central Bank of Kosovo, are expected to make cross-border transfers faster, easier and less costly.

For businesses, especially SMEs and diaspora-linked firms, that could have a meaningful effect. Lower transaction friction would improve competitiveness, simplify trade and reduce one of the practical barriers facing companies operating across borders.

«Kosovo is where opportunity meets ambition. With a growing economy, strategic location, and a business environment open to innovation and collaboration, it offers strong potential for investors and entrepreneurs seeking new opportunities and meaningful partnerships.»

SHPEND LUZHA

An Invitation to Investors

Banka Ekonomike's story ultimately sits within a broader national one. Kosovo's investment case continues to be built around a favorable geographic position, a young workforce, a strong diaspora and an attractive tax environment. For a domestic bank with national reach, those fundamentals offer both opportunity and responsibility.

The bank's local ownership but worldwide group presence gives it a particular role in that narrative. It is not only financing households and businesses, but also helping present Kosovo as a market with credible institutions, entrepreneurial energy and room for long-term growth. "Kosovo is where opportunity meets ambition. With a growing economy, strategic location, and a business environment open to innovation and collaboration, it offers strong potential for investors and entrepreneurs seeking new opportunities and meaningful partnerships. And this is only one of the many reasons why you should come and experience Kosovo for yourself", said Luzha. ■

Banka Ekonomike

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SHPEND LUZHA



The Energy Bet Reshaping Kosovo

Energy has always sat at the center of Kosovo's economic story. Today, it may also define its future.

For much of the past two decades, Kosovo's electricity sector symbolized both the country's vulnerabilities and its untapped potential. Aging infrastructure, chronic underinvestment and heavy dependence on coal-based generation created a system that struggled to keep pace with rising demand and industrial growth. Electricity shortages were once common, particularly during winter months, while businesses frequently relied on backup generators to maintain operations.

Yet across the Western Balkans, few energy markets are now changing as quickly as Kosovo's.

Driven by rising industrial consumption, ambitious renewable energy targets and growing regional integration with European energy systems, Kosovo is entering a new phase of energy transformation, one that is increasingly attracting the attention of investors, infrastructure developers and technology providers looking for opportunities in Southeast Europe.

At the heart of that transition lies a simple economic reality: energy security and economic growth have become inseparable.

"Reliable electricity is fundamental for economic confidence, industrial development and long-term growth," said Alpin Doğan, CEO of KEDS, the company responsible for distributing electricity across Kosovo.

That relationship is becoming increasingly visible across Kosovo's economy. Manufacturing activity has expanded steadily in recent years, particularly among export-oriented industries serving European markets. Industrial electricity demand has also increased sharply, reflecting broader economic modernization and growing confidence in the country's infrastructure.

The challenge now is no longer simply rebuilding the electricity system. It is preparing it for an entirely new economic era.

Kosovo's energy sector remains heavily dependent on lignite, one of the country's largest natural resources and historically the backbone of domestic electricity generation. According to the International Energy Agency, coal still dominates Kosovo's power mix, making the transition toward cleaner and more diversified energy sources both a major challenge and a major opportunity.

That transition has accelerated significantly in recent years.

Under Kosovo's Energy Strategy 2022–2031, the government aims to increase renewable energy to at least 35% of electricity consumption by 2031 while reducing greenhouse gas emissions from the power sector by 32%. The strategy also targets major investments in solar, wind and battery storage infrastructure, alongside modernization of the transmission and distribution network.

For investors, the scale of the opportunity is considerable.

Kosovo plans to install up to 1.6 gigawatts of renewable energy capacity by 2031, including large expansions in solar and wind generation. Regional energy specialists say the country's geographic conditions, including high solar irradiation levels and favorable terrain for wind projects, create strong long-term potential for renewable development.

"Existing thermal generation assets are being modernized to reduce emissions and meet new environmental standards, while renewable capacity is gradually introduced into the energy mix," said Gramos Hashani, CEO of KEK, Kosovo's largest electricity producer. "This dual-track strategy allows Kosovo to maintain energy stability today while building cleaner and more diversified generation capacity for the future."

At the same time, the modernization effort extends far beyond renewable generation itself. Distribution systems, grid flexibility, battery storage and cross-border interconnections are becoming equally important as Kosovo seeks closer integration with regional and pan-European electricity markets.

That urgency is being felt across Southeast Europe, where governments are balancing the realities of energy security, industrial competitiveness and decarbonization pressures simultaneously. In Kosovo, however, the transition carries an additional layer of significance because of the sector's central role in economic development.

Few industries influence investor confidence more directly than electricity infrastructure. For years, concerns over reliability represented one of the biggest barriers to large-scale industrial investment in Kosovo. Companies considering manufacturing operations or export facilities

often questioned whether the electricity system could support long-term growth.

The situation today looks markedly different. Since the privatization of the electricity distribution sector in 2013, KEDS has invested more than \$340 million into network modernization and infrastructure upgrades. According to the company, outage frequency and interruption times have declined substantially, while technical and commercial losses have been reduced dramatically compared to historical levels.

Perhaps most importantly, perceptions of reliability have changed alongside the infrastructure itself. "Ten years ago, industrial demand represented only around 10% to 12% of overall consumption," Doğan said. "Today, that figure has increased to roughly 25% to 30%."

That shift reflects more than rising electricity consumption. It reflects a broader transformation in Kosovo's economic structure as manufacturing, commercial activity and export-oriented industries continue expanding.

"Reliable energy is one of the most important drivers of economic development. Industrial growth, business expansion and foreign investment all depend on access to stable and affordable electricity. Without a strong energy foundation, long-term economic growth becomes difficult to sustain," Hashani added.

The energy transition is also creating opportunities beyond utilities and infrastructure alone. Engineering services, energy technology, digital grid management and energy-efficiency solutions are all expected to become increasingly important as Kosovo modernizes its electricity ecosystem.

Digitalization is emerging as a particularly important component of that process.

Across Europe, electricity systems are becoming more decentralized, data-driven and technologically integrated. Kosovo is now moving in the same direction, investing in advanced monitoring systems, network automation and smart-grid technologies designed to improve operational efficiency and support renewable integration.

KEDS is currently implementing major digital modernization projects, including upgraded network monitoring systems and nationwide infrastructure mapping platforms aimed at improving real-time operational management.

«Kosovo is serious about its energy transition. We've set an ambitious goal to reach a 35% renewable energy mix by 2031, and across the region, there is a clear and growing urgency to move away from our heavy reliance on coal.»

FATBARDHA BYTYÇI,
CEO OF FUENTE DYNAMICS

These investments matter because renewable energy introduces entirely new operational dynamics into electricity systems. Unlike traditional coal generation, solar and wind production fluctuate according to weather conditions, requiring more sophisticated balancing mechanisms and grid flexibility.

Battery storage is therefore expected to become another major growth area within Kosovo's energy transition.

The country's broader strategy includes plans for large-scale storage capacity capable of stabilizing future renewable production and strengthening supply security. International development institutions and regional energy organizations have already identified battery investments as one of the most important next steps for the Western Balkans' energy modernization.

Meanwhile, Kosovo's growing integration with regional electricity markets is opening additional possibilities.

Cross-border interconnections with neighboring countries are helping strengthen supply resilience and create greater market flexibility, particularly as renewable capacity expands across the Balkans. Regional market integration is also expected to improve pricing efficiency and facilitate larger-scale energy trading opportunities in the years ahead.

For investors looking at Southeast Europe, Kosovo increasingly represents not a mature energy market, but one still actively building the infrastructure, technologies and generation capacity that will define its next economic chapter. ■

Powering Kosovo's Future

KEDS has spent the past decade transforming Kosovo's electricity distribution network from an unstable post-war system into a platform capable of supporting industrial growth, renewable energy expansion, and investor confidence.

Rebuilding Reliability

When Kosovo's electricity distribution sector was privatized in 2013, the network faced major structural challenges. Years of underinvestment and aging infrastructure had left households and businesses struggling with frequent outages and widespread dependence on diesel generators.

"Generators were everywhere," CEO Alpin Doğan recalled. "People were without electricity for six, eight, sometimes ten hours."

Since privatization, KEDS has invested more than \$340 million into modernizing the distribution network. The company says interruption frequency and outage duration have been reduced dramatically, helping stabilize electricity supply across the country and bringing parts of the system closer to European operational standards.

Today, KEDS serves around 800,000 customers, nearly double the number connected at the time of privatization. Electricity consumption has also increased by approximately 50% during the same period, driven by a combination of population dynamics, urban development, improvements in metering coverage, and gradual changes in consumption patterns across residential and commercial sectors.

One of the company's biggest achievements has been reducing technical and commercial losses in the network. Losses that once stood at roughly 40% have fallen to around 15%, easing pressure on the system and helping Kosovo maintain some of the region's most competitive electricity tariffs.

Building a Smarter Grid

Having stabilized the infrastructure, KEDS is now entering a new phase focused on digitalization and advanced network management.

The company is modernizing its SCADA monitoring system in partnership with Siemens while implementing a nationwide GIS platform that will digitally map every component of Kosovo's electricity network by 2028. The initiative will allow operators to monitor substations, customer connections, and network assets in real time.

"We are moving from infrastructure investment toward technological investment," Doğan explained. "The goal is to manage the network more efficiently and respond faster."



ALPIN DOĞAN CEO OF KEDS

The upgrades are also designed to support Kosovo's growing renewable energy ambitions. KEDS has already issued permits for more than 500 MW of small-scale solar generation projects that are either already connected or are in development process to be connected to the distribution network, with applications accelerating over the past two years.

Developing the Next Generation

KEDS is also one of Kosovo's largest private employers, with a workforce of around 2,000 people. As one of the most significant private investors in the country, the company has placed particular emphasis on job stability and the protection of employee rights — an approach that reflects its broader commitment to sustainable, long-term operations rather than short-term extraction.

That social dimension extends into workforce development. Through the KEDS Acad-

emy, a long-term education and training initiative launched in 2013, the company has created a structured pathway from technical training directly into employment.

The academy combines classroom learning with practical field experience, allowing participants to work alongside engineers, visit substations, and gain hands-on exposure to modern electricity systems. Over 13 generations, the program has produced 873 graduates and has become a direct pathway into employment within the company.

KEDS says the academy is the only program of its kind in Kosovo and the wider region because it combines long-term technical education, field training, and direct employment opportunities. The initiative has also received international recognition, earning awards in cities including Paris, London, Istanbul, and Washington.



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Supporting Investment

KEDS believes reliable electricity infrastructure is now becoming one of Kosovo's strongest advantages for investors.

Executives point to rising industrial consumption and growing manufacturing activity as evidence that confidence in the system has improved significantly. One symbolic milestone came when the NATO-operated Bondsteel military base transitioned from diesel generators to Kosovo's electricity grid after years of operating independently because of reliability concerns. "They are now supplied without interruption," Doğan said. "That demonstrates how much the system has changed." ■



Raising the Standard

As Kosovo modernizes its economy, healthcare, digital services and specialized business sectors are emerging as some of the country's most sophisticated growth engines, driven by rising standards, international integration and a workforce increasingly capable of competing across global markets.

For years, much of Southeast Europe competed internationally on a familiar formula: lower operating costs, affordable labor and proximity to European markets. Kosovo is increasingly trying to position itself differently.

Across sectors ranging from technology and business services to healthcare and logistics, companies are beginning to frame the country not simply as a cost-efficient destination, but as a market capable of delivering quality, adaptability and operational reliability. That shift may prove critical as global industries place greater emphasis on precision, compliance and integration across international operations.

"It's not a cost story," said Jeta Zagragja, Founder and CEO of AnchorzUp, a Kosovo-based outsourcing and talent integration company working with clients across sectors including fintech, medtech and energy. "Cost may attract initial interest, but it does not sustain partnerships. What really keeps them is reliability, quality, and the ability to deliver consistently."

That distinction reflects a broader evolution underway inside Kosovo's economy. Companies increasingly want to compete on capability rather than price alone, building workforces able to integrate into international systems, operate according to global standards and deliver consistently across highly regulated industries.

«Cost may attract initial interest, but it does not sustain partnerships. What really keeps them is reliability, quality, and the ability to deliver consistently.»

JETA ZAGRAGJA

The transformation is particularly visible in knowledge-based sectors. Kosovo's young population, growing digital literacy and multilingual workforce are helping attract international companies looking for operational flexibility alongside technical competence. English proficiency remains widespread across the technology sector, while demand from German-speaking markets has also contributed to the expansion of language and outsourcing capabilities.

Healthcare as a Maturity Signal

Healthcare is becoming one of the clearest indicators of that transition. Historically focused on rebuilding systems and expanding access following the post-war period, the sector is now entering a different phase, shaped by operational quality, international standards and institutional modernization. Private investment has expanded steadily, accompanied by growth in pharmaceutical distribution, specialized clinics and medical services.

For many business leaders, healthcare represents more than a social necessity — it is a signal of institutional development. Meditech, one of Kosovo's leading pharmaceutical distributors, has built its growth around that principle. "The pharmaceutical sector is about more than business; it is an integral part of the healthcare system," said Arianit Jakupi, CEO of Meditech. Founded in 1999, the company evolved from a local distributor into a partner for international pharmaceutical brands seeking reliable representation in the market.

Building a Knowledge Economy

Kosovo's long-term opportunity may lie less in traditional manufacturing and more

in its ability to build knowledge-intensive industries. With one of the youngest populations in Europe, the country offers a labor force that companies increasingly describe as technologically capable, internationally connected and highly adaptable. "The local talent pool is not limited to support roles but is capable of contributing to core business functions in complex and regulated industries," Zagragja added.

Kosovo is no longer competing solely as an outsourcing destination for low-cost support functions. That shift is visible in the trajectory of companies like Gjirafa, which spent the past decade building digital infrastructure for a market that largely lacked it. Starting as an Albanian-language search engine, the company expanded into e-commerce, digital advertising and content production, constructing a connected digital economy across Kosovo, Albania and North Macedonia. Its ranking on Deloitte's Fast 50 for Central Europe, the first time a Kosovo company had appeared on that list, was less a commercial milestone than a signal that businesses built here can compete at a European level. "Kosovo should be viewed as one of Europe's hidden opportunities," said Mergim Cahani, Founder and CEO of Gjirafa. "Those who come early, recognize the talent, and invest strategically will have the opportunity to benefit from that growth."

As businesses gain experience operating inside international systems, knowledge transfer accelerates across the wider economy. Healthcare and technology are increasingly intersecting within that process, with Kosovo's growing ICT capabilities complementing the modernization taking place across pharmaceutical and healthcare sectors, a combination

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MERGIM CAHANI

business leaders describe as one of the country's strongest long-term advantages.

The Next Competitive Advantage

Kosovo remains an early-stage market in many respects, yet large portions of healthcare, technology and specialized business services are still developing, creating opportunities for investors willing to enter before sectors become fully mature. Businesses are becoming more export-oriented, operational standards are improving and younger companies are building around digital systems and international delivery models from the outset.

What is changing is the nature of the value proposition itself. Kosovo is moving from a labor-cost economy toward a capability economy: one where competitiveness depends on reliability, integration capacity and operational sophistication. For sectors such as healthcare and medtech, that transition could prove especially important as regional demand grows and healthcare systems modernize across Southeast Europe.

Challenges remain. Infrastructure still requires investment and institutional modernization is ongoing. For investors prepared to act early, the opportunity extends beyond participation: it is a chance to help build the industries, institutions and partnerships that will define Kosovo's future. ■

Raising the Bar in Emerging Healthcare Markets

Meditech has established itself as a central force in Kosovo's healthcare ecosystem, combining pharmaceutical distribution with a broader push to elevate standards across the sector.



ARIANIT JAKUPI
CEO OF
MEDITECH

Building a Trusted Platform

Founded in 1999, at a time when Kosovo was rebuilding its institutions, Meditech began as a distributor of multinational pharmaceutical brands, addressing urgent gaps in access to essential medicines. Over time, it evolved into a trusted partner for global companies seeking reliable representation in the market. Long-term contracts reflect that trust, reinforced by a consistent ability to meet stringent international requirements.

Rigorous audits from global partners have shaped the company's operational culture. Compliance with regulatory frameworks and quality assurance protocols ensures that products are handled according to the highest standards throughout the supply chain, safeguarding patient health. This consistency has helped

«We are not just distributing medicines, we are bringing standards to the healthcare market.»

ARIANIT JAKUPI

position the company as a dependable bridge between international manufacturers and the local healthcare system.

Standards as Strategy

Operations today extend beyond distribution. The company's positioning is built on aligning Kosovo's healthcare market with international benchmarks, including EU Good Distribution Practice standards and US FDA requirements. "We are not just distributing medicines, we are bringing standards to the healthcare market," said CEO Arianit Jakupi.

Since 2023, the focus has been on strengthening internal systems and advancing corporatization. Enhancing quality assurance and refining operations aim to ensure readiness for international audits and attract further partnerships. This approach is designed to embed global best practices across every layer of the business.

Growth and Expanding Access

Performance in 2025 reflects stable growth, supported by new partnerships and an expanding supplier network across public and private healthcare providers. This is matched by in-

creases in workforce and continued investment in human capital. "We are growing in employees, in revenues, and investing in our people," Jakupi noted.

A central priority is addressing gaps in access to essential medicines. Over the next three years, the company aims to introduce therapies currently unavailable in Kosovo by securing partnerships with globally recognized brands. "This is not just about doing business; it is about providing services that are a must for the population," he said. Expanding the availability of treatments is expected to strengthen both patient outcomes and overall market maturity.

Market Opportunity

Kosovo's healthcare sector is evolving, with growth in private providers and increased investment in larger facilities creating new opportunities. Demand is shifting toward high-quality, reputable brands, driven by healthcare professionals prioritizing reliability and patient outcomes.

Healthcare spending remains below European averages, leaving room for expansion. Greater investment in infrastructure and institutions is expected to unlock further growth and attract inter-

«Patients should receive the same level of care, regardless of where they live.»

ARIANIT JAKUPI

national players. Strengthening regulatory capacity will also play a key role in supporting a more efficient and transparent market environment.

Looking Ahead

By aligning operations with global benchmarks and expanding access to therapies, Meditech is contributing to a more resilient healthcare system. The company's long-term strategy centers on closing treatment gaps while reinforcing trust among international partners. "Patients should receive the same level of care, regardless of where they live," Jakupi said, pointing to a future defined by higher standards and access for all. ■

meditech

