STIKK

SHOQATA PËR TEKNOLOGJI TË INFORMACIONIT DHE TË KOMUNIKIMIT TË KOSOVËS

KOSOVO ASSOCIATION OF INFORMATION AND COMMUNICATION TECHNOLOGY

Application of reduced VAT rates to certain ICT products and services

Socio-economic impact for Kosovo

Position Paper

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List of Abbreviations

BoP	Balance of Payments
EU	European Union
FDI	Foreign Direct Investments
FYROM	Former Yugoslav Republic of Macedonia
ICT	Information and Communication Technology
OECD	Organisation for Economic Co-operation and Development
SAA	Stabilisation and Association Agreement
STIKK	Kosovo Association of Information and Communication Technology
TAK	Tax Administration of Kosovo
VAT	Value Added Tax

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I. Introduction

This paper assesses the potential socio-economic effects of an eventual application of reduced VAT rate for ICT equipment and services in Kosovo, based on best practices and standards applied in some countries of Western Balkans and EU. The analysis includes effects on prices, sales, informal economy, education and employment, among others. Survey for Kosovo is done by STIKK using the services of an independent consultant who met with several business managers and owners' in ICT industry and also undertook a desk research on the topic.

The VAT, as the indirect tax, is assumed to be borne by the end users – in this instance the "consumer" of a good or a service. Kosovo since post-conflict in 1999 has applied a flat general rate of 16% VAT, applicable to all goods and services traded inside and outside of it including imports and exports. Given some recent developments in this field by some neighbouring countries (namely, Macedonia, Albania and Serbia), Kosovo is lagging behind in this regard. Hence, an eventual VAT scale or reduction for certain products or services is considered important to foster economic development in general and would have multi-dimensional positive effects. In particular, this incentive would directly support the expanding ICT industry in Kosovo – being considered as a matured sector with lots of additional opportunities for growth, employment generation and subsequently contribution to state budget through its generated outputs.

In 2012, VAT revenues in percentage of total revenues of the TAK Budget counted for 45.78% of the total revenues from taxes[1]. The eventual scale of VAT rate would have a positive impact on the economy by: **decreasing prices, increasing demand/consumption/quality, and informal economy reduction,** thus generating additional revenues for the Kosovo budget in several segments of tax revenues, coming indirectly from: **employment generation** – *due to increased demand* and **profit tax** – *due to increased turnover of companies*. This measure would be crucial for the small businesses and more importantly among young population in Kosovo (more than 50% are aged between 0-25 years) which usually have a moderate budget for ICT equipment while there is a huge potential for their active involvement into ICT industry and in general they will be equipped with recent technology and good quality products. *Most importantly, their dedicated budget for ICT equipment will be spent within Kosovo*.

Many Kosovo citizens purchase individually PC's and other ICT equipment in Skopje, FYROM due to lower prices exactly as a consequence of recent VAT reduction for ICT equipment in this neighbouring country from **18%** to **5%** → representing around at least **11%** discount only on VAT difference versus purchased equipment in Kosovo. In addition, ICT equipment is easily imported with favourable customs duties by FYROM which increases the bargain for Kosovo individual shoppers only few miles away, in a range between 15-20% of the sale price including VAT.

Therefore, ICT companies mainly involved in hardware sale are struggling (this also impacts the ones in software development and services), while this is also negative for the Balance of Payment (BoP) of Kosovo as substantial amounts of cash dedicated to ICT equipment purchases is being deviated from the internal economy. In case of a VAT reduction, the ICT prices would drop and all these financial resources would be channelled internally contributing to higher turnover of ICT companies and also higher revenues from taxes

[1] Source – Tax Administration of Kosovo (TAK) 2012 Annual Report – page 7 – Table 1 (available only in Albanian) http://www.atk-ks.org/wp-content/uploads/2013/02/Raporti-Janar-Dhjetor-2012-07-02-2013-PDF.pdf

(VAT and profit tax) and employment generation (direct employee/r contributions) at Kosovo's budget. This latter fact would alleviate any initial reduction of VAT income for the TAK, while incentives/reduction of VAT for ICT equipment quite soon given the high demand and young population of Kosovo.

At the moment the ICT sector in Kosovo is progressing solidly, however there is a need for additional **support by the Government through some incentives such as Customs tariffs, and VAT scale**. In turn, there is necessity for local capacity development concerning internet supply, specialized IT trainings/education and consultations, and software development specialisations including specific programmes within the Educational system in order to prepare Kosovo young interested in ICT field to be better equipped with necessary qualifications/certifications to compete in the region. Concerning market and investment safety and stability it is important to note that some of the largest international ICT companies such as Microsoft, HP, IBM, and Cisco have already found their partners among Kosovo ICT companies. On its way towards EU integration Kosovo has formally liberalized its ICT networks and services through the Law on Telecommunications from May, 2003. In addition, these services might be further liberalised during the anticipated SAA negotiations of Kosovo with EU. For the last ten years the number of internet users and IT services has rapidly increased. The hardware technology used in the private sector is mainly based on CISCO, IBM, Huawei, NERA, Iskra Transmission, Airspan, Motorola, Tsunami, etc. Software systems are mainly built on Microsoft and Linux platforms.

An illustration about the ICT structure, employment and company size is reflected on the below enclosed tables 1 and 2.

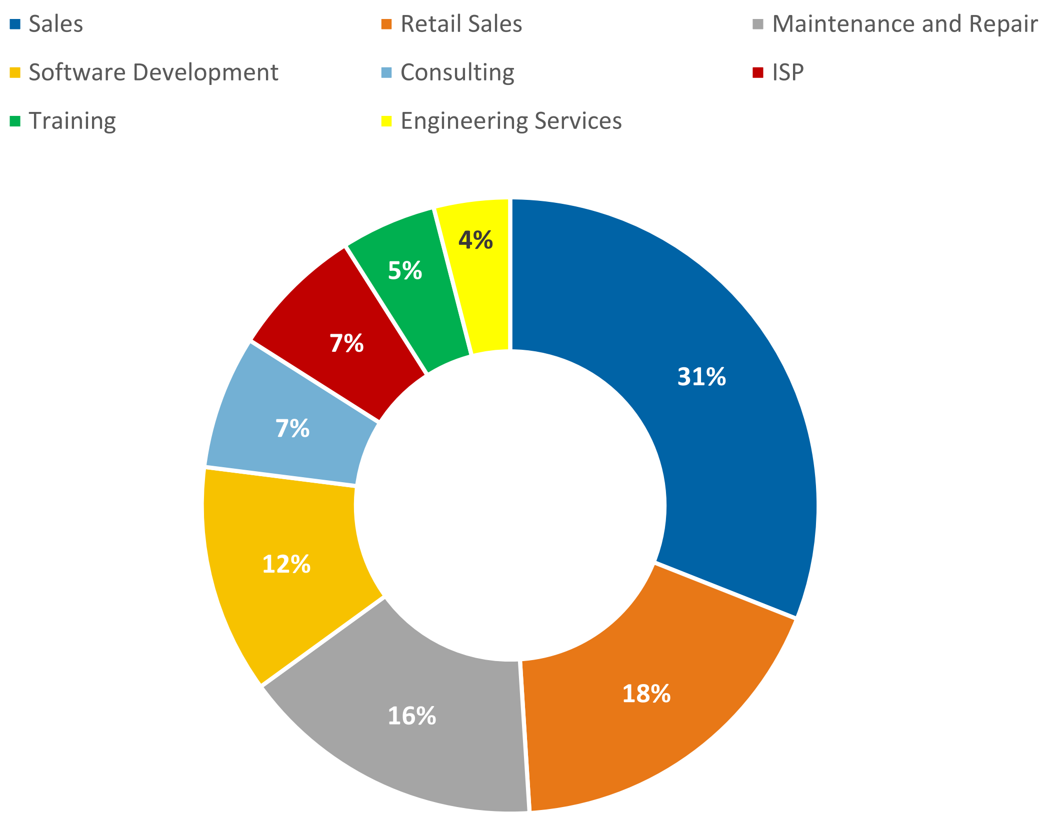

Table 1: The structure of the ICT market in Kosovo

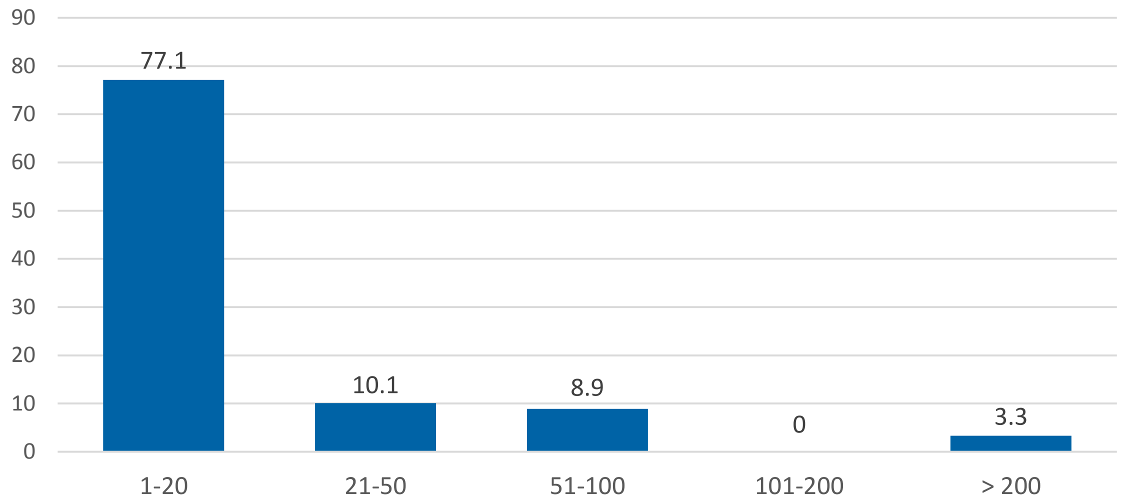

Table 2: Employment and Size of ICT Companies in Kosovo[2]

Thus, over *one fifth* of the companies on the market have chosen vendor hardware and software for their main business activity, another *one fifth* do software development and programming. Maintenance and repair, consulting and engineering services are among the main secondary business activities of the ICT companies in Kosovo. Most of the ICT companies are targeting their expansion mainly locally. However about one third of the companies are oriented towards expansion in the neighbouring countries, and less than 20% seek opportunities for development either in Europe or in Asia and USA[3].

II. Development of the Kosovo ICT Sector and VAT Rates

The development of the Kosovo ICT sector has immense influence on: (i) upgrade of the business environment in Kosovo, as well as on the productivity of large number of companies employing a substantial number of young people; (ii) creation of possibilities for transforming Kosovo economy into a modern knowledge-based economy; (iii) exports of services from Kosovo namely with regards to software development and testing, network management, call centres, etc.; (iv) development of local ICT solutions which help improve the quality of life of Kosovo citizens through Government sponsored platforms (e-Health, e-Government, e-Education. e-Technology); (v) upgrading of the overall productivity and facilitating access to information in the areas of health, social services and education at all levels; (vi) align and keep Kosovo users updated with new technologies, trends, and opportunities in this field.

All the above mentioned main sector activities, among others, represent a huge potential for growth, employment generation and opportunities for young unemployed people – thus generating indirect revenues for the Kosovo budget through various internally generated contributions and tax payments (company creation and employment).

During the last five years, the ICT sector in Kosovo has marked an increase of average annual rate of growth of its revenues, while the sector's average annual rate of growth of value added and number of employees

[2] Source "ICT in Kosovo – a sector decoded" (PDF). Kosovo Private Enterprise Program (KPEP). 2010
[3] Source - http://www.rciproject.com/itprofiles_files/ICT_Country_Profile-Kosovo.pdf

also has shown improvement but still there is a necessity for local capacity concerning IT infrastructure, internet supply, specialized ICT trainings and certifications, software development and testing, including trade in services with abroad.

The tax legislations explicitly provides under what conditions and in which cases taxable persons who are entrepreneurs are obliged to register for VAT. The inclusion in or removal from the system depends on the level of turnover realized in a certain taxable period (usually a year), the so-called VAT registration threshold. Entrepreneurs participating in the VAT system are obliged to charge VAT on all supplies of goods and services, but are also entitled to deduct the VAT declared on their input invoices for the purchased goods and services. Entrepreneurs who do not qualify for VAT registration due to their low turnovers, do not declare VAT on their delivery invoices, and are not allowed to deduct VAT paid on the purchases of goods and services. Kosovo's legislation on VAT policy just like in other areas in most of the cases was drafted based on EU and international standards.

Based on the law the Minister of Economy and Finance may, upon decision of the Government of Kosovo after the approval of the Assembly, issue a sub-legal act for introducing a **reduced rate of VAT not lower than five percent (5 %) for designated supplies of goods and services**. Subject to the same procedure and as deemed necessary, the Minister may also introduce a temporary higher rate of VAT not higher than twenty-one (21 %) to be applied against designated supplies of goods and services. The reduced and increased rates may only apply to supplies of goods and services as listed in Annex III.[4] **Therefore, it is highly necessary to include at this list and effectively introduce a VAT reduction for ICT equipment including services linked to it**. In addition, it is wise to reduce VAT on some basic food ingredients and finished products, known as 'basic food basket'.

With reduced VAT rates to certain ICT products and services, businesses operating in ICT industry would be encouraged to increase their employment, mainly by hiring young dynamic individuals thus decreasing the unemployment in general and specifically among youth – being still the highest in the region. A simpler, more transparent VAT system would relieve businesses of considerable administrative burdens and encourage greater cross-border trade of goods and services. This, in turn will contribute to sustainable economic growth and generate internally additional revenues mentioned earlier, thus mitigating the initial decrease of income from VAT at the state budget, due to its rate reduction.

[4] See Article 26 of the Law 03/146 on Value Added Tax and page 75 for Annex III
http://www.assembly-kosova.org/common/docs/ligjet/2009-146-eng.pdf

III. EU Legal Framework

It is worth also referring briefly to some the key features of the EU VAT system and the approach towards reduced VAT rates as they are introduced in the legal framework and overall functioning of the EU VAT. This is very important also for Kosovo as potential candidate country for the membership into the European Union.

VAT in the EU is regulated by a council directive[5] and its recent amendment[6]. Any changes to the regime require a unanimous decision by the 27 state secretaries of finance. The VAT directive is an EU legal instrument. Directives are binding and must be implemented in the member states' domestic legislation. However, each state has a choice regarding the method of implementation.

To follow the spirit of the 6th Directive, reduced rates (and in general all non-standard rates) should remain exceptions to the standard rate. Therefore, we consider that the standard VAT rate should cover a broad range of the taxable VAT base. In other words, we expect that most of the transactions subject to VAT are taxed at the standard rate. Nevertheless the exception rule should apply also for ICT goods and services. **These rates must not be less that 5% and should apply only to supplies of the categories of ICT goods and services**.

A Digital Agenda for Europe[7] is a most recent strategic directional document advising and highlighting the important steps including VAT Directives transpositions (ftn's. 5, 6) that each member state need to follow in order to enhance and foster better ICT online cross-border transactions and services. Some actions described, might be useful also for Kosovo's ICT industry and strategy development perspective which will align Kosovo with key acqui's of the European Union, thus increasing mutual collaboration and potential for trade in services in this field.

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[5] 2006/112/EC (the VAT directive) of November 28th 2006, on the common system of value added tax
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:347:0001:0118:en:PDF

[6] 2009/47 of May 5th 2009 – Amending the 2006/112 Directive on common system of VAT
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:116:0018:0020:EN:PDF

[7] A Digital Agenda for Europe
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0245:FIN:EN:PDF

IV. Best Practices Review – Some countries of Western Balkans & Turkey (Albania, FYROM, Serbia, Turkey)

In current economic uncertainty among many countries, most government responses[8] to the economic crisis include measures targeting the ICT sector and promoting ICT-based innovation, diffusion and use. To boost the recovery, three-quarters of governments have increased the priority of at least one ICT policy area. Recent policy emphasis on areas that contribute directly to short- and long-term growth – ICT jobs, broadband, R&D and venture finance, and smart ICTs for the environment –provides evidence of the key roles that ICT policy can and must play.

Digital technologies is a central element of the structure in today's society being able to proficiently use them is considered a vital skill for any citizen of the 21st-century.

Its unquestionable the potential in different sectors of professional activities makes technology a powerful tool for solving economic and societal problems and, ultimately, to increase the quality of human life conditions.

ICT and ICT-related employment account for a significant share of total employment. **The ICT sector had close to 6% of total OECD business sector employment in 2010** and long-term growth has been somewhat faster than for total business. This trend is increasing due to high growth of mobile industry and its related services. The table below illustrates this trend.

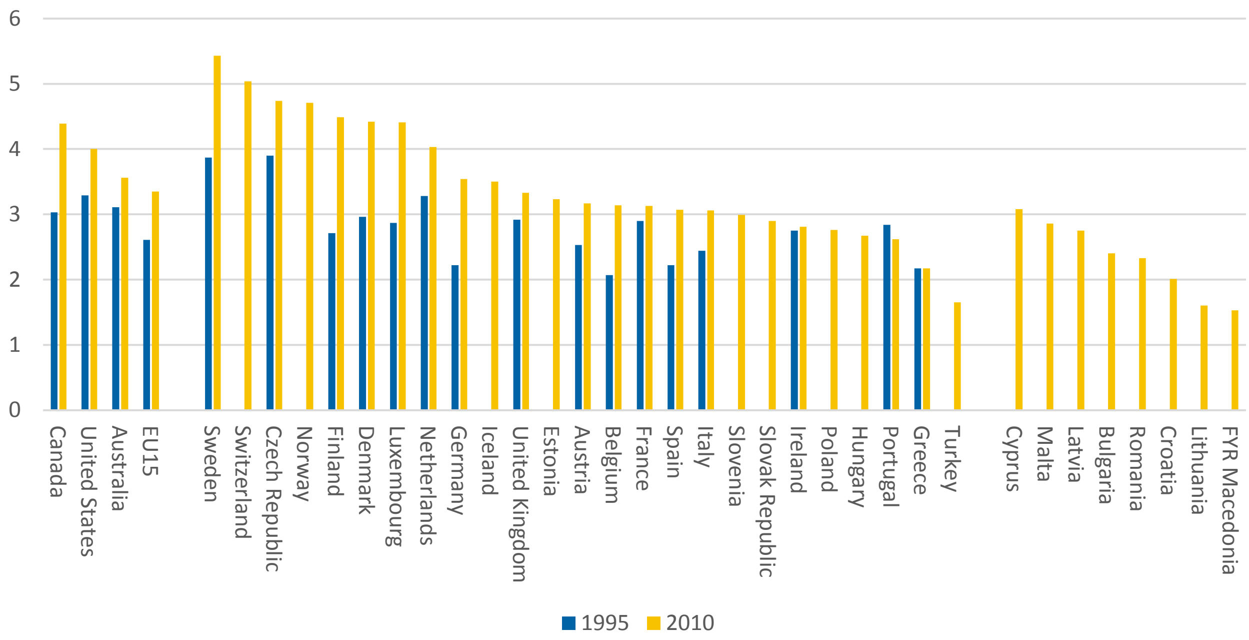

Table 3: OECD Key ICT indicators (source OECD IT Outlook 2010)
Share of ICT-specialist users in the total economy, 1995 and 2010

[8] Source – OECD IT Outlook 2010 – Highlights http://www.oecd.org/sti/ieconomy/46444955.pdf

Kosovo, is not yet member of the OECD while it is estimated that country has at least the level of employment equal to FYROM or higher given the higher number of young population and some ICT specific service based companies, namely recently developed and established in Kosovo-Call Centres.

Below is a specific best practice review related to VAT scaling in some countries of the Western Balkans and Turkey.

A. ALBANIA

Albania has made important steps at improving socio-economic environment and business climate in recent years. An important element at this contribution is the attraction of FDI's in key sectors of the economy (i.e. Telecomm, Hydro-energy production, Construction, Manufacturing, IT services, etc). **In May 2010 the Council of Ministers approved a decision to cut Value Added Tax (VAT) in health and information technology sector from 20% to 10%.**

Key factors underlying the development of ICT in Albania[9]:

- Telecommunications had been among the most dynamic service activities in Albania, having developed through privatization and subsequent investments of foreign investors and to some extent through domestic investments;
- The Albanian government has implemented a number of fiscal and legislative reforms to improve the business climate for foreign investors. Albania has applied a policy framework favourable to FDI, and has more recently introduced policies to support private-sector development in general;
- **Government recognizes the importance of ICT** and has taken actions to facilitate the development of the sector and integrate ICT in governance through a wide variety of ICT actions in cross-cutting sectors;
- Members of the foreign business community also expect for the future that the Albanian Government further improves the business climate by simplifying administrative procedures, improving licensing and implementing the rule of law.

In addition, the following operations are excluded completely from payment of VAT:

- Education;
- financial services supply;
- gold, bank-notes or currencies supplies to the Bank of Albania;
- Postage-stamp supply used for mail service or similar stamps;
- Supply provided by a non-profit organization against a reduced payment is considered an excluded supply under the conditions laid down by the article 24 etc.

[9] Source: UNDP, Foreign Direct Investment Report. Albania 2011
http://intra.undp.org.al/ext/elib/download/?id=1120&name=web%20fdi%20report%20english%2Epdf

B. FYR OF MACEDONIA

The Macedonian Information Technology market had marked significant growth in 2009 of 7.7%, reaching $164.5 million[10]. Over the five-year forecast period, the country's IT market is expected to expand at a compound annual growth rate (CAGR) of 5.2%, and reach $212 million in 2014. Hardware is the largest and most dynamic segment of the Macedonian IT market, with a striking yearly growth of 84.7%, taking up nearly 62% of the total IT market. IT services is the second largest segment, comprising 25.6% of the total IT expenditure, with a 15.8% rise in 2009, whereas packaged software is in third place comprising 13% of the total market, with an 8.2% yearly growth rate.

This growth is spurred by large investments by the government and telecommunications companies in IT, continued spending in the financial sector, a decrease in the price of IT equipment, and **a decrease in VAT for the equipment -> from 18% general VAT to 5% scaled only for ICT equipment**.

Macedonia is the first country in the WB region to have this specific VAT rate applicable only to ICT equipment. The benefits and internally generated outputs and income for the Government are deemed to prosper well and had an immense impact on the industry growth and niche opportunities.

C. SERBIA

With a two-digit annual growth in the years prior to the crisis in 2008, ICT[11] is among the most vibrant and the fastest growing Serbian sectors, which illustrates the vitality and significance of this sector for the country. However, the economic crisis hit Serbia heavily, negatively affecting the ICT industry as well. The Serbian IT market value will most probably stay captured in the "tunnel" between 400 million and 450 million EUR, for almost 5 years (2009-2013).

As of December 2012 - ICT contributed with 6.1% at the GDP of €29.5 billion or around €1.8 billion. The actual standard VAT rate in Serbia is 20%. There are two reduced rates of a 0% and 8%.

VAT rate of 0% is applicable on:

- Exports from Serbia are not subject to Value Added Tax;
- Income from financial services, such as insurance and banking services, investment income are exempt from VAT;
- Any business the annual turnover of which exceeds 4 million Dinars[12] (Euro 35, 145.78) in 12 months (or whose owner, at the beginning of their business estimates that the business turnover will exceed that amount) becomes a VAT taxpayer.

[10] Source: Invest in Macedonia – ICT Industry
http://www.investinmacedonia.com/sites/invest/files/content_resources/ICT%20Industry.pdf

[11] Source: ICT in Serbia at a Glance - http://www.scribd.com/doc/122764289/ICT-in-Serbia-at-a-Glance-2013

[12] http://www.xe.com/currencyconverter/convert/?Amount=4000000&From=RSD&To=EUR

VAT of 8% is payable on the following:

- Bread, milk, flour, sugar, edible sunflower, maize, rape, soybean and olive oil, edible animal and vegetable fats; fresh and frozen fruits and vegetables, meat, fish, and eggs;
- Medicines included in the list of medicines to be sold on prescription and made out from the funds for health insurance, in accordance with the health insurance regulations; orthotic and prosthetic means, as well as medical products that are surgically implanted; dialysis materials;
- Fertilizers, pesticides, seed stock, nursery stock and complete fodder mixtures for animal feeding;
- Textbooks and teaching aids; daily newspapers; monographs and serial publications;
- Firewood;
- Accommodation in hotels, motels, resorts, recreation centres and camps;
- Utility services;
- Natural gas delivered to individual producers through the gas distribution network.

The following sectors and services are exempt from VAT:

- Educational services;
- Medical services;
- Cultural services;
- Gifts and charity donations;
- Rent (when used for housing purposes only;
- Financial services provided by banks and insurance companies;
- Land;
- Services of organizing lotteries and gambling;
- Transportation.

D. TURKEY

The Turkish ICT market grew exponentially by 14 percent CAGR between 2002 and 2010, reaching USD 28, 5 billion in 2010, and is expected to exceed USD 30 billion in 2011.

The standard rate of VAT is 18%. There is also a reduced rate of 8% applied to: basic foodstuffs; medical products; books; and other, and a super-reduced rate of 1% applied to: agricultural products; certain residential properties; newspapers & periodicals; and other.

Turkey, introduces regularly theirs so called 'Temporarily Consumption Tax Cuts' targeting mainly widely consumed goods such as **ICT equipment**, cars, etc. This fiscal incentive, among many others has contributed directly and indirectly at its important economic growth in the last decade situated between 6-8 % on annual basis.

V. Financial Impact for Kosovo's budget

The potential financial impact on Kosovo's budget is illustrated below based on figures from Tax Administration (2012) and estimations by the consultant for 2014/15/16 – using the trends of that year and projections for growth in ICT sector and expected internal direct and indirect generation of revenues for Kosovo budget through increased consumption and employment. They are based on a VAT reduction for ICT products and services from 16% to 5% and 5%. In medium term the impact would be multi-dimensional in positive sense with **increased internal sources of tax revenues** due to **higher domestic consumption, employment generation**, **developed skills and FDI's** in ICT companies and services (medium term perspective). Also, this analysis includes an estimated turnover of KS citizens consuming/purchasing ICT equipment in MK-Skopje due to an average price bargain between 11%-20% (see section I above, for details) mainly due their VAT scale, recently introduced. The below table and calculations reflects the impact on the Kosovo budget, based on simple estimations, considering that additional benefits will be obvious in medium term perspective, if a VAT scale is introduced for ICT equipment and services.

		Short-term perspective Budget reduction		Mid-term perspective Budget increase
Year	2012	2014[13]	2015	2016
Kosovo Budget (Euro Million) ***(a)***	1,500	1,500	1,650 (10% increase)	1,815 (10% increase)
VAT Revenues of Kosovo budget (Euro Million)[14] ***(b)***	129,96	128,48	131,04 (128, 48*20%)	134,31 (131, 04*25%)
VAT participation at KS total tax income (%) ©	45,78	45,25	49,75 (10% increase)	54,72 (10% increase)
ICT weight on Kosovo budget estimated (%) ***(d)***	1,00	1,50 (d*0.5)	2,00 (d*0.5)	2,50 (d*0.5)
Budget implications - short-term perspective 2012 (11% reduction of VAT – from 16% to 5%) VS Positive impact on VAT revenues – medium term 2014/15/16 (Euro Million) ***(e)***	(1,65)	2,47 (e*d)	2,56 (e*d)	2,68 (e*d)
KS individual consumers spending on ICT equipment in MK-Skopje 2012 – VAT loss at 16% VS Internal consumption in Kosovo – VAT at 5% - estimates 2014/5/16 (Euro Million) – VAT gain at 5% in 2014/15/16 ***(f)***	(1,60) (20,000 PCs*500=10,00)	0,50 (20,000 PCs*500=10,00)	0,625 (25,000 PCs*500=12,50)	0,75 (30,000 PCs*500=15,00)

Table 4: Analysis of financial impact 2014-2016 (estimates)

[13] Estimated for easier comparison purposes
[14] TAK Annual Reports - http://www.atk-ks.org/publikime/raportet-vjetore/

As illustrated above, the impact is *positive* based on simple estimates, which did not took other variables (i.e. increased company profit tax contributions, pension scheme, reduction of unemployment, reduction of informal economy, etc). Therefore, the positive effects would be *immediate* within 1 (one) year period (i.e. as of 01/2015 if VAT reduction is introduced on 01/2014), while multi-dimensional benefits of Kosovo budget will offset the symbolic loss during first year – 2014.

Thus, only as per above column (f) the positive impact is of more than Euro million 3,00 (three) just using simple estimates of individual consumers (excluding companies/government) for period 2014/15/16. In addition, if we add the current money flow – only VAT loss of 1.60 Euro million for 2012, is results that an approximate mid-term benefits *only from individual consumption* would be around *Euro million 5,00 (five) for the Kosovo budget for period 2014/15/16 only for VAT*, whereas other indirect positive impacts would be multi-dimensional.

VI. Recommendations

Based on the above-mentioned **facts**, **analysis** and **review of best practices** from neighbouring countries, the following measures are recommended to be taken by the Government**:**

A. VAT RELATED

1. Kosovo Government should as soon as possible continue negotiations with various countries (the ones who did recognise Kosovo) for concluding **"double tax avoidance agreements"** allowing many companies as part of the same group or based in different locations, to become more competitive (i.e. by not invoicing the VAT for service or good supplied). In addition this is also a tax incentive for FDI attraction;
2. STIKK recommends an introduction of a **flat rate of 5% VAT** (reduction form 16%) applicable for **ICT equipment (hardware's and software's)** by amending the Law on VAT currently in force (Law nr. 03/L-146); This should be combined with the **Customs duty exemption** for all imported ICT equipment (mainly hardware's and software's);
3. STIKK recommends an introduction of a **flat rate of 5% VAT** (reduction form 16%) applicable for **ICT related services** by amending the Law on VAT currently in force (Law nr. 03/L- 146);
4. Educational institutions – both public and private should be encouraged to purchase and enhance ICT equipment at reduced VAT and Customs rates helping them at creating specific programmes and laboratories for ICT skill enhancement and certification;
5. **Create a voucher system[15] for purchase of new PC's** (desktops and laptops) dedicated to specific target groups (i.e. university students) of all public and privately licensed schools in Kosovo;
6. STIKK would also be at disposal and ready to help on creation of a **comprehensive list of ICT equipment and services** at which a Government decision for **VAT and/or Customs duty scale or reduction** would be applicable;

[15] Details need to be tailored under a specific centralised procedure – STIKK would volunteer to assist on the process design and monitoring using best practice

B. GENERAL FISCAL POLICY MEASURES

7. Kosovo Government with direct assistance of STIKK should establish a specific **National ICT Forum** or **Task Force** (comprising key line ministries, donors, agencies, educational institutions, public and private companies, associations, etc.) in order to prioritize the potential that Kosovo companies and its young population have in the ICT field;
8. Create a **National Fiscal Policy Reform Group** (Line Ministries, Donors, Private Sector, Academia, Civil Society, Social partners) in order to broaden/coordinate/create a fiscal package stimulation (including VAT reduction) targeting mainly the attraction of FDI's;
9. **Ministry of Education and its Accreditation Agency** need to address the need to **specific trainings and certification**s which are accepted internationally, making Kosovo young students capable to compete at regional and international scene with regards to employment opportunities; STIKK would be pleased to **assist with its resources** and member companies at these efforts;
10. It is also recommended, that certain added value services having growth and employment potential (i.e. professional services such as legal, accounting, auditing, engineering, architectural, printing and publishing, etc.) be also included on the VAT scale of 5% - similar to ICT services;
11. VAT scale of 5% should be also introduced for "**basic food package**" mentioned earlier on (section II) – for ingredients and finished products;
12. STIKK would available to assist the Government of the Republic of Kosovo in sharing best practices and models used by the ICT industry, aiming at enhancement of business climate in Kosovo which could also apply at some other sectors, such as professional services, etc.

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