The Republic of Kosovo
Republika Kosova - Republic of Kosovo
Kosovo Competition Authority
Autoritet Kosova za Konkurenciju - Kosovo Competition Authority

REPORT ON PERFORMANCE OF DUTIES DERIVING FROM THE EUROPEAN REFORM AGENDA

KOSOVO COMPETITION AUTHORITY
20 December 2017
Prishtina

CONTENT

Report regarding E.1 and E.2 of the EUROPEAN REFORM AGENDA

Pursuant to Law no. 03/L-229 ON PROTECTION OF COMPETITION, Article 28 paragraph 1 point 1.7, 1.11, 1.12, Article 23, and based on the EUROPEAN REFORM AGENDA point E.1 and E.2, as well as based on the Decision no.22/17 issued on 04.08.2017 "Strategy on Implementation of the European Reform Agenda", the Kosovo Competition Authority issues the following Report:

DESCRIPTION

Stabilization and Association Agreement (SAA) between EU and Kosovo has entered into force on 1st of April 2016. The said Agreement is the first official contractual agreement bound between EU and Kosovo. It provides opportunities and incentives to Kosovo for strengthening good governance and Rule of Law, as well as promoting economic growth and employment. It ensures gradual development of a free market area with the EU, it can help in attracting foreign and internal investments, and also improve the business environment.

European Reform Agenda shall be seen to be interrelated to the Kosovo Economic Reforms Program, which was submitted to the Commission in January of 2016, and it remains the key comprehensive policy document governing macro-economic and fiscal reforms, including recommendations on improving competition and mitigation of labor market pressures.

Priority actions within the European Reform Agenda were jointly identified by Kosovo Government and European Commission, in a close consultation with IFIs, business sector, civil society and social partners.

"Action Plan on implementation of key priorities" within the ERA, is the main integral part of this document (ERA), which foresees priorities set by the Government and Assembly on initiating implementation of economic reforms in all State sectors.

Concrete actions that shall be taken into account and which are part of ERA implementation applicable for the Kosovo Competition Authority scope, are the following:

E.1 Enhancing KCA internal procedures and capacities.
E 2 Kosovo Competition Authority shall research and prepare a report regarding the current state of monopolies in the Kosovo market, and bring appropriate recommendations as well.

E.1. Enhancing KCA internal procedures and capacities

Kosovo Competition Authority by using all legal, financial and strategic tools to enhance procedures and human capacities has managed to complete the secondary legislation as set by the Law on Protection of Competition.

Drafting of secondary legislation sets legal foundations for initiating strengthening of procedures and human capacities. In this area, the Authority has drafted and approved the following Administrative Instructions:

1. *A.I. ON GROUP EXEMPTIONS - HORIZONTAL AGREEMENTS* –
    a. A horizontal agreement is a contract, a certain provision of a contract, a verbal or written agreement, coordinated practices that derive from such agreements, decisions of entrepreneurs or entrepreneurs groups, general business conditions and other entrepreneurs acts, which are or may be integral parts of the agreement and similar, reached between two or more independent

between two or more independent entrepreneurs operating *at the same production level,* namely distribution, and for whom conditions are regulated upon which Agreement parties may purchase, sell or resell goods and/or certain services;

2. *A.I ON GROUP EXEMPTIONS - VERTICAL AGREEMENTS -*
   a. A vertical Agreement- is a contract, a certain provision of a contract, a verbal or written agreement, coordinated practices that derive from such agreements, decisions of entrepreneurs or entrepreneurs associations, general business conditions and other entrepreneurs acts, which are or may be integral parts of the agreement, bound between parties *that do not operate at the same production level* , and to which conditions are imposed upon which Agreement Parties may purchase, sell or resell goods and/or certain services;
3. *A.I on GROUP EXEMPTIONS REGARDING THE TRANSPORT SECTOR AGREEMENTS –*
   a. This Administrative Instruction defines criteria that the agreements bound between entrepreneurs dealing with road and railway transport shall contain, as well as restrictions or criteria that such Agreements shall not contain, in order to be exempted from general prohibitions, referred to in Article 4 of the Law no. 04/L-226 on Amending and Supplementing the Law no. 03/L-229 on Protection of Competition. Agreements bound between entrepreneurs regulating air transport cannot be exempted in terms of this Directive, yet they may be exempted from general prohibitions, as per Article 4 of the Law on amending and supplementing, and if in a cumulative manner during their term they meet the criteria stipulated by Article 4 of the Law on Amending and Supplementing.
4. *A.I ON GROUP EXEMPTIONS REGARDING THE INSURANCE SECTOR AGREEMENTS –*
   a. This Administrative Instructions defines the criteria that shall be met by Insurance Agreements, as well as restrictions or criteria the respective Agreements shall not contain in order to have group exemption from general prohibitions, referred to in Article 4 of the Law no. 03/L-229 on Protection of Competition. Insurance Companies under the control of another Insurance Company or concentrated company, is established as per Article 13, paragraph 1, point 1.2 of the Law no. 03/L-229 on Protection of Competition, via the direct or indirect control or through the dominant position of one or more enterprises (Insurance Companies) or parts of enterprises (Insurance Companies).
5. *A.I. ON GROUP EXEMPTIONS REGARDING AGREEMENTS IN THE MOTOR VEHICLES DISTRIBUTION AND MAINTENANCE SECTOR*
   a. A Vertical Agreement in the motor vehicles distribution and maintenance sector is a contract, a certain provision of the contract, a verbal or written agreement, and a coordinated practice deriving from such agreements, decision of an entrepreneur or entrepreneurs association, general business conditions and other entrepreneurs acts, which are or may be integral parts of the contract and similar, bound between entrepreneurs not operating at the same production level or distribution, through which conditions are defined in which agreement parties may purchase, sell or resell new motor vehicles, spare parts of motor vehicles or provide motor vehicles repairing and maintenance services;

Kosovo Competition Authority has requested the Ministry of Finance to increase the budget for economic categories, in particular the economic category of “Salaries and Wages”, and to allow the Authority to develop recruitment procedures for improving human capacities. So far, Ministry of Finance did not implement or take into consideration requests of the Authority. Our requests were substantiated, reasonable and entirely within the budgetary possibilities. As stated above, we have addressed our requests to the Assembly of the RKS, namely to the Budget and Finance Committee. The request of the Kosovo Competition Authority, upon consent of the Ministry of Finance, has been approved by the Budget and Finance Committee.

For purposes of building professional relations, we have held consecutive meetings with representatives of the European Commission, Quint Embassies and others. We have requested their assistance and expertise in providing professional training, involvement of foreign experts, study visits in counterpart institutions, etc. We have created genuine and professional cooperation with the Ministry of European Integration, since they are the direct carriers and overseers of the SAA implementation and all other forms liaising local Institutions with European Union. The Authority has used the TAIEX supporting mechanism for providing prompt professional assistance for the internal matters of the Authority.

Improving human capacities shall be achieved through staff recruitment and professional trainings for the current staff. Kosovo Competition Authority, namely the Department of Market Supervision has 5 (five) investigation inspectors who cover the entire geographical market of the Republic of Kosovo, thus due to this low number of Inspectors it is physically impossible to monitor and inspect the entire market of the Republic of Kosovo. Kosovo Competition Authority has requested the Ministry of Finance to increase the budget and allow staff recruitment for:

a. Two (3) Investigation Inspectors (Legal expert and Economist)
b. One (1) Investigation Inspector (Information Technology)
c. Two (3) Market Analysts (Legal expert and Economist)

Whereas, as far as the category of goods and services in the budget of Kosovo Competition Authority is concerned, we have requested to have a systematic budgetary increase, in accordance with the increase in activities of the Kosovo Competition Authority. The various advocacy activities must be taken into account (workshops, Regional Conferences organized in Kosovo, different trainings, etc.)

E.2 Kosovo Competition Authority shall research and prepare a report regarding the current state of monopolies in the Kosovo market, and bring appropriate recommendations as well.

EUROPEAN REFORM AGENDA, respectively point E.2 charges the Kosovo Competition Authority to research and prepare a report regarding the current state of monopolies in Kosovo market, together with the appropriate recommendations.

Market research on identification of monopolies in the Republic of Kosovo is the main task of the Authority, set as per ERA.

Kosovo Competition Authority has used a method of defining the dominant position and monopolies based on the annual turnover of companies operating in the same market, in proportion to the annual turnover of the particular enterprise.

WE INFORM the Assembly of the Republic of Kosovo, Government of the Republic of Kosovo, and European Commission Office in Kosovo, that Kosovo Competition Authority has conducted the research and identification of the monopolies in the Republic of Kosovo for 14 markets, and it has provided information on the structure of the companies market and their dominant position, as set by Law no. 03/L-229 on Protection of Competition.

Telecommunication Market	Energy Market	Insurance Market	Petroleum Products Market	Pharmaceutical Products Market
Transport Market	Media and Cinematographic Productions Market	Procurement[1]	Banking Sector Market	Fiscal Equipment Market
Gambling Market	Mining Market	Waste Market	Water Supply Market	

1 Procurement cannot be treated as Market. However, Kosovo Competition Authority has closely cooperated with PPRC regarding tendering taking place by the Budgetary Organizations, and obtaining information of companies invited in Public Tenders.

The research conducted by

Kosovo Competition Authority

ELECTRONIC COMMUNICATION AND POSTAL COMMUNICATIONS MARKET

Number of operators in the electronic communication market registered in the General Authorizations Registry is 98, with 205 activities in total, whereas in the postal services market currently there are 14 postal operators in total.
Electronic communications market is one among the most dynamic and competitive markets.

Usage of electronic communication carries on with positive development trends, referring to traffic volume increase and considerable investments in the development and increasing of the existing capacities (telecommunication infrastructure), providing new generation services through known mobile phone technologies, such as 3G and 4G. Yet, a decline of financial revenues is noted in the mobile phone and landlines telephone market, and increase of revenues from Internet and cable TV services.

Revenues from electronic communications for 2016 has reached the amount of 168,347,895 Euro, mobile phone operators and Internet service providers own the biggest part of the electronic telecommunications market with approximately 80% of the revenues, mobile phone operators include 66.7% of the total market revenues, followed by Internet service providers with 13.36%, cable TV services with 14.12%, and land line phone operators with 5.53%.

Usage of mobile phone services year on year continues to show an increase in the number of users. At the end of 2016 the number of mobile phone users has reached over 2 million users.

Until 2016, Internet access to citizens of the Republic of Kosovo was provided by 52 authorized companies, 4 of them having direct access to international Gateway, which provide access to smaller ISPs operating in different Kosovo regions.
General Internet Traffic is provided by 4 operators linked to Internet exchange points in Kosovo (KOS-IX) established as technical units at the Authority with access to international network; Kosovo Telecom, IPKO Telecommunication, Kujtesa net and NTSH Art motion, total of Internet traffic from those operators is 111 Gbps.
The estimations are that in Kosovo over 30% of mobile phone users use smart phones which enable and support using Internet application.

Land line Phone Market continues to develop at a slow pace, an occurrence similar to countries of the region and European countries, where a slowdown is noted in particular in increasing penetration and general revenues.

Postal services revenues reported by the postal operators were in the amount of 5,857,040.61 Euro, with a stable increase of the postal services market in the Republic of Kosovo. Post of Kosovo SH.A owns the market with 67.10% of the revenues in the postal sector, whereas private operators own 32.9% of the total revenues.
Post of Kosovo SH.A is a public postal operator enjoying the exclusive right to provide reserved postal services and for a certain time period.

The purpose behind the Law No. 04/L-109 on Electronic Communications is regulating the electronic communications activities based on the principle of the technological neutrality and EU regulatory framework, by promoting effective competition and infrastructure in electronic communications, as well as guaranteeing proper and suitable services in the territory of the Republic of Kosovo.
Regulation of electronic communication activities is based on the principle of effective management and usage of limited resources, technological neutrality, functional equivalence, proportionality, minimal necessary regulation, legal certainty in a dynamic market, thus ensuring effective competition, protection of consumers` rights, objectivity of the regulatory criteria, conditions and procedures, transparency and non-discrimination.
Hence, RAEPC in the process of market regulations treats all enterprises equally and does not discriminate them based on the public or private division.
As far as companies with significant market power (CSMP) are concerned, RAPEC in accordance with the Regulatory Framework, following the market analysis process imposes additional obligations to them (Asymmetric regulation *ex-ante*), in order to prevent them from abusing with the position they have.
As far as markets, subject of analysis and ex-ante regulation, are concerned, one of the imposed regulatory obligations by RAPEC is obligation of price controls and cost calculations, in compliance with the provisions of Article 35 of the Law on Electronic Communications and Regulation no. 27 on Market Analysis. There are different models for setting prices, which are applied as: pure LRIC, method of fully distributed cost (FDC), comparative effectiveness (Benchmarking), etc.

So far, RAEPC in the analysis and regulating markets process has applied the FDC method and comparative effectiveness through applying the gradual escalation method (Glide Path).

As emphasized above, the current regulatory Framework has eliminated unnecessary barriers for new investors market entering. Individual licenses regime has been replaced by General Authorizations Regime. As far as limited resources (numbering and frequency) are concerned, individual authorizations are applied, namely certain set payments.
Taking into account the fact that operators revenues are experiencing a decline (mainly mobile phone and land lines phones services), the main addressed challenge is decreasing limited (frequency and number) resources tariffs. Upon approval of the new Regulation on the Numbering Plan, RAEPC has during this year decreased annual payments for numbering resources by 40%, whilst it is in the process of annual tariffs review and, one-off tariffs for frequency resources.

The market is considered to be competitive when there is a presence of more than one operators in the market providing similar products/services.
Yet, following a Market Analysis process, with the aim of eliminating barriers for new market entrants, RAEPC has set ex-ante regulatory obligations for a company with significant market power in the respective markets:

Land line phone

Retail sales:

a) Access to phone public network in fixed locations
b) Local and/or national phone services available to the public provided in the fixed location
c) International phone services available to the public provided in the fixed location

Wholesale market:

a) Originating calls in the public telephone network provided in a fixed location
b) Termination of calls for individual telephone public network in a fixed location
c) Transit services in the land line telephone public network
d) Wholesale access to the physical network infrastructure (including separated, partial and complete access) to providing telecommunication services:

Mobile phone services:

Wholesale:

a) Calls termination to individual cellphone networks

RAEPC is in the process of Broadband Wholesale Access Market Analysis and wholesale access to physical networks infrastructure (including separated, partial and complete access) to providing telecommunication services.

In the postal services market the competition is significantly high between operators. In the postal and electronic communications market monopolies are natural.
Economic communications: In addition to the market of termination of calls in the land line phone and mobile phone networks, which due to the technological barriers is considered natural monopoly, in other electronic communications markets are considered to be competitive at the service level, whereas, in the market of Internet and land line phone services though, the market is also competitive at the level of the present infrastructures in the market (all operators in the market operate based on their own infrastructure), whereas at:

Postal Services: The Law on postal services represents a monopoly in delivery services of simple mail up to 1 kg. RAEPC has taken measures and actions in this regard by reducing the weight requirement for this service from January 1, 2014 from 1 kg to 500 grams and from January 1, 2016 to 100 grams.
It is worth mentioning that based on the Telecommunication Agreement entered into between the Republic of Kosovo and Serbia with the mediation of the European Union, the RAEPC has issued the following for "MTS" D.O.O enterprise: General authorization for the provision of landline telephony services and Temporary Authorization for the provision of a public mobile network limited to operations and infrastructure in accordance with item 4.0 of the Telecommunication Agreement.
In addition, the RAEPC has made field measurements and verified that Telenor, Vip mobile have discontinued providing services in the territory of the Republic of Kosovo.

The telecommunication market in the Republic of Kosovo is divided into 4 (four) sectors:

1. ***Landline services sector***
2. ***Mobile services sector***
3. ***Internet provision sector.***
4. ***The postal services sector.***

1. Relevant market:
- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Landline Telephony Services

	Identification of companies operating in the LANDLINE SERVICES SECTOR market	*Market Structure of companies LANDLINE SERVICES SECTOR*	*Dominant Position > 25% of the relevant market*
1.	Kosovo Telecomm Sh.A former PTK,	80%	Dominant Position
2.	Ipko telecomunications LLC	18%	No DP
3.	Kujtesa.net	2%	No DP
4.	Fiberlink	0%	No DP
	Total:	100%	

2. Relevant market:
- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Mobile Telephony Services

	Identification of companies operating in the market for MOBILE SERVICES SECTOR	*Market Structure of companies MOBILE SERVICES SECTOR*	*Dominant Position > 25% of the relevant market*
1.	Kosovo Telecomm SH.A /Vala	59.8%	Dominant Position
2.	IPKO Telekomunication LLC	32.6%	Dominant Position
3.	Dardafon.net LLC (Z-mobile)	7.6%	No DP
4.	*Dukagjini Telekomunication SH.A.(D3 mobile)*	0 %	No DP
	Total:	100%	

3. Relevant market:
- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Internet Services

	Identification of companies operating in the market for INTERNET PROVISION SERVICES	*Market Structure of companies INTERNET PROVISION SECTOR*	*Dominant Position > 25% of the relevant market*
1.	**Ipko**	**48%**	**Pozite dominuese**
2.	**Kujtesa Net**	**25%**	**Pozite dominuese**
3.	Kosovo Telecomm	14%	No DP
4	Art motion	2 %	No DP
5.	Other	11 %	No DP
	Total:	100%	

4. Relevant market:
- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Postal Services

	Identification of companies operating in the market for PROVISION OF POSTAL SERVICES	*Market structure of companies SECTOR OF PROVISION OF POSTAL SERVICES*	*Dominant Position > 25% of the relevant market*
1.	Posta e Kosovës Sh.A.	67.10 %	Pozite dominuese
2.	Sh.P.K DHL	17.17 %	No DP
3.	NTSH KCC-TNT	8.11 %	No DP
4.	Korier Express KOEX SHPK	3.18 %	No DP
5.	Al Dushi SH.P.K UPS	1.86 %	No DP
6.	6 Other economic operators	2.58 %	No DP
	Total:	100%	

Professional recommendations and opinions

The market for electronic communications and postal services is generally competitive, in particular the landline telephony market, despite the fact that there is one dominant operator, however, the market is regulated by RAEPC by imposing regulatory obligations.

Despite market concentration in two network operators, the mobile telephone market is competitive at the service level, given the fact that there are two virtual operators (MVNOs) and one of them is quite active in the market. The presence of an operator with limited infrastructure contributes to this market being competitive to a certain degree.

However, given the fact that there is a sufficient frequency band, we recommend that this band is opened to enable further development of networks and services, which would influence further dynamism of this market.

The Internet services market is considered to be competitive at the infrastructure level as each operator bases the provision of its services on its own infrastructure (over 54 operators).
However, given the convergence of technologies that enable the provision of packaged services, the issue is sensitive when it comes to providing Internet services as a package with content broadcasting services.

Ipko operator, which accounts for 48% of the Internet services market, provides Internet and content broadcasting services in a package. Broadcasting content is provided on basis of an exclusive agreement between Ipko and DigitAlb, thus the exclusive agreement has a large impact and enables Ipko to have a dominant position in the Internet services market.

The electricity market in the Republic of Kosovo has started to liberalize with entry into force of a third package of laws. In this sense, the ERO has undertaken all necessary activities to create the necessary legal and regulatory framework as a prerequisite for this process.

The Energy Regulatory Office is the only body with the legal responsibility to promote the domestic competitive energy market by ensuring an effective open market for all customers and suppliers and creating the necessary conditions for the effective functioning of energy networks.

In addition, within the framework of international obligations (as part of the Energy Community), the Regulator has the responsibility to develop competitive and functional markets within Kosovo.
The electricity sector was entirely regulated before adoption of the third package laws, now the Regulator has decided that some of the activities which were regulated are to operate under the electricity market conditions.

The energy market supervised by ERO provides equal treatment to all economic operators licensed by the Regulator who operate in the energy sector, regardless of state or private ownership, they are treated in accordance with the applicable legislation, respectively in accordance with the terms and conditions set out in relevant licenses. The ERO is responsible for monitoring operation of electricity, heat and natural gas markets in order to ensure the efficient functioning of such markets. In addition, policies, prices and shares for the enterprises whether publicly owned or privately owned are provided equal treatment in regulatory terms.

The transmission and distribution networks are considered to be natural monopolies, as defined by the energy sector legislation in force, therefore their prices are regulated. There is no monopoly for any particular product.

Economic Operators operating in the electricity market in Kosovo are the following:
- Kosovo Energy Corporation (KEK),
- Transmission and Market Operator (KOSTT),
- Distribution System Operator (KEDS),
- Kosovo Electricity Supply Company KESCO,
- HC Iber Lepenc,
- HC KELKOS Energy and
- Small generators connected to the distribution.

In addition, there are two licensed power suppliers, HEP and GSA, which are not active yet up to present.

Economic Operators operating in the thermal energy market (district heating) are the following:
- DH Termokos producing, distributing and supplying thermal energy (district heating) to the Municipality of Prishtina;
- DH Gjakova producing, distributing and supplying thermal energy (district heating) to the Municipality of Gjakova.

Steps that were taken to open the market:

As a concrete step towards market opening at the level of retail supply, the Regulator has adopted a Market Liberalization Guide. It sets the criteria and timelines for opening the energy market. One of the activities that are now subject to market conditions is also the activity of generation (production) of electricity. The prices (tariffs) of electricity generation by KEK JSC from April 1, 2017 are not regulated.

A next step in opening the market is the activity of electricity supply, which is now exercised through the operators licensed by ERO to provide electricity supply, so far there are three suppliers licensed by the Regulator.

Transmission and distribution are natural monopolies, while generation and supply are competitive activities.

About 95% of the energy produced in the country comes from KEK generating units, 5% of production comes from other generating units such as HPP Ujmani/Ibër lepenci, HPP Lumëbardhi/KELKOS Energy and other generators connected to distribution. The energy produced locally is purchased by KESCO Supplier in accordance with energy sales agreements and sold to all customers in the country, excluding only Ferronikel, which purchases energy on the market with unregulated tariffs. To cover consumption, KESCO imports energy at 12-15%. Transmission and distribution networks are natural monopolies, these networks cover 100% of the territory of the Republic of Kosovo. KESCO currently supplies consumers at 100%, two other suppliers who are licensed to perform the Supply activity are not active.

The prices for regulated entities are set by ERO, such entities in our case are the KOSTT and KEDS, as well as supplier prices due from the public service. In accordance with legal provisions of the Law on Electricity and the Rule on Replacement of Suppliers, all customers have the right to choose their supplier, respectively the option of price selection. KEK determines the product price as of 1 April 2017. ERO defines incentive tariffs for all operators who are in the support scheme for renewable energy sources.

The Energy Market in the Republic of Kosovo is divided into 4 (four) sectors:

1. Production Sector
2. Distribution Sector
3. Supply Sector
4. Transmission Sector.

1. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Production Sector

Identification of companies operating in the market of PRODUCTION SECTOR		*Market Structure of companies PRODUCTION SECTOR*	*Dominant Position > 25% of the relevant market*
1.	Kosovo Energy Corporation (KEK),	95%	Dominant Position
2.	HC Ujmani / Iber Lepenci, HC Lumëbardhi/KELKOS Energy and Other generators connected to the distribution	5%	No DP
	Total:	100%	

2. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Distribution Sector

Identification of companies operating in the DISTRIBUTION AND SUPPLY SECTOR		*Market structure of companies in the SECTOR OF DISTRIBUTION AND SUPPLY*	*Dominant Position > 25% of the relevant market*
1.	Distribution System Operator KEDS	100%	Natural monopoly

3. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Supply market

Identification of companies operating in the SUPPLY SECTOR		*Market structure of companies in the SECTOR OF SUPPLY*	*Dominant Position > 25% of the relevant market*
1.	Kosovo Electricity Supply Company KESCO	100%	Monopoly
2.	HEP and GSA	0 %	

4. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Transmission Sector

Identification of companies operating In the Transmission Sector.		*Market Structure of companies Transmission Sector.*	*Dominant Position > 25% of the relevant market*
1.	Market transmission operator KOSTT	100%	Natural monopoly

Professional recommendations and opinions

The Competition Authority assesses that there is no sufficient competition in supply. At present, there are three licensed suppliers to supply the entire retail electricity market in Kosovo, but judging from the market situation we conclude that two of these suppliers are not fully active and therefore it is concluded that KESCO still has 100% of participation in market, which shows that the market is concentrated in only one supplier and there is no effective competition in the market.

To observe the setting of prices in accordance with the rules approved by ERO. Costs for the provision of customer services (fees) must reflect reasonable, transparent and non-discriminatory costs.
Prices for electricity supply must take into account competitive conditions (energy purchases), productivity performance elements, and comparisons with similar industry markets in the region.
The Authority recommends transparency and that the best practices provided by the Energy Community Secretariat and the member states should be used when supplying electricity.

A research conducted by the

Kosovo Competition Authority on

THE INSURANCE MARKET

A total of 15 economic operators/insurers operate in the insurances market, out of which 12 are non-life insurers and 3 are life insurers.

The structure of the insurance sector continues to be dominated by non-life insurance services, which represents 96.9 % of the insurance market, while the remainder of 3.1% consists of 'life insurance'.

The insurance market in Kosovo had a turnover in the amount of 83,509.000 Euros in 2016, of which 80,889.000 Euros were premiums underwritten by non-life insurances, while 2,621.00 Euros for the premiums underwritten by life insurance.

Regarding the auto liability products, this is regulated by the regulation on premium structure, which sets out the premium structure that the insurer must apply in setting the compulsory insurance premium. As for other voluntary products, prices are set according to analyzes and individual actuarial calculations of Insurers, which may vary.

The conditions for licensing of insurers and intermediaries in insurance are determined by Law no. 05 / L-045 on Insurance. The way in which new operators function in the insurance market is determined according to the insurer's own strategy, otherwise legal requirements are similar for each insurer, regardless of whether it is new or longer in the market.
Having 12 non-life insurance and 3 life insurance providers, there is enough competition in the non-life insurance market.

Article 7 paragraph 4 of the Law on Central Bank and Article 4 of the Law on Insurance has determined the CBK objectives and responsibilities and stipulated that the Central Bank acts in accordance with the open market economy principle, with free competition, favoring efficient allocation of resources, respectively ensuring fair and orderly competition, thus encouraging the development, expansion of insurance products and services to the benefit of public welfare, as well as the creation of an environment suitable for potential investors in the insurance industry in Kosovo.

There is no legal restrictions on the market. Everyone has the right to choose whichever insurer they wish. The insurance market in Kosovo has increased, both in terms of increasing the number of companies and in terms of gross premiums written and assets in general.

Foreign-owned companies represent 50.2 percent of total assets, while domestic companies have a 49.8 percent share in total assets of the insurance sector.
In 2016, the sale of a foreign-owned company to local owners and the opening of a new company with local shareholders was approved, which was also reflected in the ownership structure of assets.

As a result, seven domestic-owned companies and eight foreign-owned insurance companies now operate in the insurance sector. The degree of market concentration in the insurance sector can be considered low, especially in comparison to the degree of concentration of the banking market. Expressed through the participation of three largest companies in total assets of the insurance sector, the concentration rate stood at 33.3 percent in 2016, representing a level similar to the previous year.

Competition in the insurance market represents a developed insurance market which harmonizes the supply and demand for "insurance" in any time and space: by type, quality and quantity, whereby the coverage is different as the objects of insurance and risks are different.

The characteristics of the insurance market competition respectively its functioning are the following:
- Homogeneity
- Transparency
- establishing economic principles, time and spatial preferences

The insurance industry is defined as a form of determining security, self-confidence, guarantee for the human life and business of various economic entities. An important task is to create a good image with its services in this field, provided that the clients feel good and safe from any unexpected events.

Second, insurance companies must constantly monitor and know what is happening in the insurance market, in order to develop its activities and be present in that area on the basis of that information.

The insurance market in the Republic of Kosovo is divided into 2 (two) sectors:

1. *Life insurance*
2. *Non-life insurance*

1. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Life Insurance

	Identification of companies operating in the life insurance market	*Market Structure of companies Of life insurance*	*Dominant Position > 25% of the relevant market*
1.	Ilyrija Life	64.6 %	Has DP
2.	Sigal Kosova Life	29.1 %	Has DP
3.	Grave Life	6.3 %	No DP
	Total:	100%	

2. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Non-Life Insurance

	Identification of companies operating in the non-life insurance	*Market structure of companies in non-life insurance*	*Dominant Position > 25% of the relevant market*
1.	Eurosig	15.3 %	No DP
2.	Sigal UGA	13.0 %	No DP
3.	Sigma VIG	12.0 %	No DP
4.	Elsig	9.8 %	No DP
5.	Illyrija	8.8 %	No DP
6.	Siguria	8.4 %	No DP

7.	Prisig	8.4 %	No DP
8.	Kosova e re	7.1 %	No DP
9.	Scardian	6.7 %	No DP
10.	Dukagjini	4.1 %	No DP
11.	Insig	3.6 %	No DP
12.	Sig Kos	2.8 %	No DP
	Total:	100 %	

Professional recommendations and opinions

The price of compulsory insurance policies is standard prices, determined by the CBK, applicable by all. The KCA recommends the Central Bank of Kosovo as a regulator and supervisory body of the insurance industry to consider the possibility to set an upper limit of the insurance policy price setting rather than fixed standard pricing in the near future.

Therefore, it is recommended that the CBK considers the possibility of further opening the market according to best practices. KCA will react in cases where economic operators act in a coordinated way (informal cooperation), or through banned agreements/cartels, eliminating the effects of competition on consumers.

When identifying companies operating in the insurance market, we find that there are two companies that own the relevant market with a percentage above 90%, both of which have dominant positions under the Law on Protection of Competition. KCA finds that there is insufficient competition in the life insurance market,

The insurance market regulator is required to notify the Competition Authority on any case of concentrations in the insurance industry based on the Law on Protection of Competition in cases of:

- merging of two or more independent enterprises or parts of these enterprises;
- direct or indirect control, or influence on the dominating position of one or more enterprises or parts of enterprises, as follows:
- taking over majority of shares or of a part of them;

Research conducted by the

Kosovo Competition Authority on

OIL IMPORT MARKET

The oil derivatives sector in Kosovo is regulated by Law No. 2004/5 on Trade in Petroleum and Petroleum Products, the purpose of which is to encourage the participation of free and fair competition in the oil sector in Kosovo; to ensure payment of all tax and fiscal duties on petroleum and petroleum products; to eliminate illegal behavior in the oil sector; to help ensure the quality, safety, and security of supply with petroleum products.
The Law on Trade in Petroleum and Petroleum Products applies to all persons engaged in the wholesale, retail, transportation and storage of petroleum and petroleum products in Kosovo.
No person can handle transportation, storage or sale of petroleum products in wholesale and retail capacity for business purposes without a valid current license.

The petroleum products market in Kosovo is liberalized, economic operators are completely free to set prices. The price trend of oil products is closely related to a number of key parameters that are the same for all economic operators. These are mainly crude oil prices in the world market and the US dollar exchange rate as the accounting currency. Both of these parameters have been very volatile over the last few years.

Regarding prices of petroleum derivatives in the Kosovo market, the Kosovo Competition Authority may react when it comes to high prices or below cost (predatory) pricing and currently against companies that are in a dominant position in the relevant market.

Similarly, KCA will react in cases where economic operators act in a coordinated way (informal cooperation), or through banned agreements/cartels, eliminating the effects of competition for consumers (lower prices, better quality, and choice).

In this context, the Competition Authority will monitor the situation on the oil products market within its competencies and if it finds any irregularities, it will react as per its official duty.

The petroleum import market in the Republic of Kosovo is divided into 3 (three) sectors:

1 Petroleum import
2. Wholesale and retail
3. Petroleum products processing

1. Relevant Market:
   - Geographic Market - Territory of the Republic of Kosovo
   - Product Market - Petroleum import

	Identification of companies operating In the petroleum imports trade	*Market structure of Petroleum imports companies*	*Dominant Position > 25% of the relevant market*
1.	''HIB PETROL'' SH.P.K.	21.68%	No DP

2.	"LAB - OIL " SH.P.K.	15.47%	No DP
3.	"AL - PETROL" SH.P.K.	12.44%	No DP
4.	"EX FIS" SH.P.K.	10.50%	No DP
5.	"IP - KOS " SH.P.K.	5.81%	No DP
6.	"PETROL COMPANY - SH.P.K.	4.11%	No DP
7.	"N.T.SH. "PATRONI"	4.42%	No DP
8.	"ALBAPETROL" SH.P.K.	4.45%	No DP
9.	"ALFA TRADE" SH.P.K.	2.63%	No DP
10.	"PETROL - OTI - SLOVENIJA L.L.C	2.26%	No DP
11.	"KASTRATI" SH.P.K.	2.21%	No DP
12.	"BENITA COMPANY.SH.P.K	1.89%	No DP
13.	"HIT - PETROLL" SH.P.K.	1.58%	No DP
14.	"N.P.T IBRAHIMI	1.35%	No DP
15.	"N.P.T. "FAT OIL" SH.P.K.	1.27%	No DP
16.	24 Other economic operators	7.94%	No DP
	Total:	100 %	

2. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Wholesale

Identification of companies operating In the wholesale market		*Market Structure of companies In the wholesale and retail market*	*Dominant Position > 25% of the relevant market*
1.	"HIB PETROL"SH.P.K.	25.36%	Dominant Position
2.	" LAB-OIL " SH.P.K.	15.64%	No DP
3.	" EX FIS " SH.P.K.	15.47%	No DP
4.	"AL-PETROL" SH.P.K.	14.63%	No DP
5.	,, ALBAPETROL " SH.P.K.	4.27%	No DP
6.	N.T.SH.,,PATRONI"	4.21%	No DP
7.	,,ALFA TRADE" SH.P.K.	3.96%	No DP
8.	" KASTRATI " SH.P.K.	2.84%	No DP
9.	N.P.T.,,IBRAHIMI"	1.43%	No DP
10	N.P.T." FAT OIL "SH.P.K	1.25%	No DP
11	106 Other economic operators	37.48%	
	TOTAL:	100%	

3. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Retail

	Identification of companies operating In the RETAIL MARKET	*Market Structure of companies IN THE WHOLESALE AND RETAIL MARKET*	*Dominant Position > 25% of the relevant market*
1.	" IP - KOS " SH.P.K.	14.54%	No DP
2.	"FAM -GAS"" L.L.C."	13.93%	No DP
3.	‘’PETROL COMPANY -SH.P.K.	12.56%	No DP
4.	‘’PETROL - OTI -SLOVENIJA L.L.C.	5.81%	No DP
5.	" HIT-PETROLL " SH.P.K	4.26%	No DP
6.	N.T. ‘’STANDARD - BENZ " SH.P.K.	3.61%	No DP
7.	N.T.P. " BALLKAN - PETROLL "	2.99%	No DP
8.	N.T.P. " FLAMURI "	2.89%	No DP
9.	N.T. "SPAHIA- PETROL''	1.92%	No DP
10.	106 Other economic operators	37.49%	
	TOTAL:	100%	

5. Relevant Market:

- Geographic Market - Territory of the Republic of Kosovo
- Product Market - Petroleum Products Processing

	Identification of companies operating in the market for processing petroleum products	*Market structure of companies processing petroleum products*	*Dominant Position > 25% of the relevant market*
1.	"INN-OIL-RECYCLING"SH.P.K.	52.80%	Dominant Position
2.	‘’KOSOVA REFINERY SH.P.K.	47.20%	Dominant Position
	TOTAL:	100%	

Professional recommendations and opinions

The Kosovo Competition Authority recommends the Ministry of Trade and Industry to establish a database through which to collect data from business entities holding a license for trading and turnover of petroleum products in the territory of the Republic of Kosovo, which will be available to relevant institutions and market regulators.

The formed base will have to enable monitoring of the following data:

- wholesale turnover of petroleum products (in liters);
- revenues from wholesale of petroleum products (in Euros);
- retail sales of petroleum products (in liters);
- revenues from retail sales of petroleum products (in Euros);
- total number of gas stations per category;

Research conducted by

the Kosovo Competition Authority on

PHARMACEUTICALS MARKET

In accordance with Law no. 04/L-190 on Medicinal Products and Medical Devices and by-laws deriving from this Law, the scope of this law is applicable to all public authorities, public and private enterprises as well as legal and natural entities engaged in the manufacturing, trading and other activities that involve medicinal products and medical devices, products containing radioactive substances or dealing with the safety of using radioactive radiation, immunologic preparations and blood products, medicinal gas, vitamins, herbal and mineral preparations, diet and cosmetic preparations with therapeutic action, raw material for manufacturing medicinal products, semi products of medicinal products.

The import of pharmaceuticals and medical devices is regulated by the Law on Medicinal Products and Medical Devices and other legal norms. The KAMPD is responsible for protecting people's lives by providing good quality and guaranteed medical products and devices, and services related to medical products and devices by licensing professional companies and individuals.

The market structure of pharmaceuticals varies, 70% for medicinal products, 30% for medical devices.

This market has some specifics that make it different from other markets, due to the specific nature of supply and demand for this product. Unlike other markets, demand for medicine is not directly determined by the consumer (patient), but by doctors, and thus the consumer is not able to make his choice based on cheaper prices and better quality but as a rule follows guidelines of the doctors and the patients have no opportunity to judge whether the products can be substituted.

In the studies conducted it was concluded that price reduction for generic products does not work and there is no evidence that prices decrease after terminating monopoly rights. Many patients and doctors do not have the same behavior towards branded and generic brand products, thus leaving prices at a high level. The latter, in many cases, have a significant impact on the competition or its market distortions.
On the supply side, competition is limited because of the high degree of market power by patent holders which follow monopoly principles in the market to maximize revenue.

According to the KAMPD there is a monopoly for a certain number of medicinal products, products that are patented (with international licenses for 10 years from discovery of the drug) and for products that are registered as single products for the market. Currently it is required that only registered medicines operate on the market, so a significant number is registered by one or two producers only in the relevant market, creating a monopoly opportunity and raising prices.

The Kosovo Agency for Medicinal Products (KAMPD), in cooperation with Kosovo Customs, controls the import of pharmaceuticals and medical devices. A valid import license is required for importing such products.

The telecommunications market in the Republic of Kosovo is divided into 2 (two) sectors:

1. ***Manufacture and import of pharmaceutical products.***
2. ***Medical devices***

1. Relevant market:
   - Geographical market – Territory of the Republic of Kosovo
   - Product market – Wholesale of pharmaceutical products

Identification of companies operating in the market for WHOLESALE OF PHARMACEUTICAL PRODUCTS		*Market Structure of companies WHOLESALE OF PHARMACEUTICAL PRODUCTS*	*Dominant Position > 25% of the relevant market*
1.	,,Santefarm" Sh.p.k.	15.86%	No DP
2.	"ASGETO"SHPK.	11.09%	No DP
3.	N.T.P. " ICN & BM "	4.93%	No DP
4.	"EXCLUSIVE" SH.P.K	4.17%	No DP
5.	" BIO - PHARM " SH.P.K.	4.05%	No DP
6.	"Alk& Kos Pharmaceuticals" Sh.p.k.	3.97%	No DP
7.	"PHOENIX PHARMA" SH.P.K.	3.22%	No DP
8.	N.P.T. " XH. P. - DEA "	3.16%	No DP
9.	N.T.Sh.,,Rimed"	3.00%	No DP
10.	" NIKA PHARM " SH.P.K.	2.76%	No DP
11.	"ALTUPHARMA PHARMACEUTICALS"SH.A.	2.46%	No DP
12.	" Liri - Med " SH.P.K.	2.30%	No DP
13.	" GENTIPHARM " SH.P.K.	2.24%	No DP
14.	N.T.SH."Koslabor"	2.05%	No DP
15.	"KEIS(KOSOVA EX.IMP.SUPPLY PHARMACEUT)"SH.P.K.	1.97%	No DP
16.	"PHARMA COMPANY" SH.P.K.	1.90%	No DP
17.	39 Other economic operators	30.86%	No DP
	Total:	100%	

2. Relevant Market:
   - Geographical Market – Territory of the Republic of Kosovo
   - Product Market - Retail trade of Pharmaceuticals in Specialized Stores (Pharmacies)

Identification of companies operating in the market for RETAIL TRADE IN PHARMACEUTICALS IN SPECIALIZED SHOPS (PHARMACIES)		*Enterprise Market Structure RETAIL TRADE OF PHARMACEUTICALS IN SPECIALIZED STORES (PHARMACIES)*	*Dominant Position > 25% of the relevant market*
1.	"INTERNATIONAL MEDICINE HOSPITAL"SH.P.K	30.43%	Dominant Position
2.	N.P.T. "LM-KUSHTRIMII"	11.22%	No DP
3.	" REXALL " PHARMACY	10.18%	No DP
4.	"T- PHARM" SH.P.K.	8.74%	No DP
5.	N.P."BARKOS"	6.77%	No DP

6.	N.T.P. ,, DIOR - PHARM "	6.03%	No DP
7.	Pharmaceutical Company "Gega -Pharm " Sh.p.k.	5.79%	No DP
8.	B.P. " Blerta Pharm "	5.75%	No DP
9.	N.T.P.Pharmacy " Guri "	5.53%	No DP
10.	N.T.P. " BESI "	4.92%	No DP
11.	" Aura " Pharmacy	4.64%	No DP
	Total:	100%	

3. Relevant Market:

- Geographical Market – Territory of the Republic of Kosovo
- Product Market - Retail trade of Orthopedic and Medical Products, in Specialized Stores

Identification of companies operating in the market for RETAIL TRADE IN ORTHOPEDIC AND MEDICAL PRODUCTS, IN SPECIALIZED STORES		*Market structure of companies in RETAIL TRADE IN ORTHOPEDIC AND MEDICAL PRODUCTS, IN SPECIALIZED STORES*	*Dominant Position > 25% of the relevant market*
1.	"MEDITECH" SH.P.K.	67.98%	Dominant Position
2.	Trade Company "Valeriana"	7.14%	No DP
3.	N.T.SH. " Atom - Med "	6.53%	No DP
4.	N.T.P. " Joni "	5.28%	No DP
5.	N.T.P. " Amici "	4.81%	No DP
6.	N.T.SH. " AGS "	4.60%	No DP
7.	N.T. " Neki Dent"	3.66%	No DP
	Total:	100%	

4. Relevant Market:

- Geographical Market – Territory of the Republic of Kosovo
- Product Market - Import of pharmaceutical products

Identification of companies operating In the market for IMPORT TRADE OF PHARMACEUTICAL PRODUCTS		*Market Structure of companies IMPORT TRADE OF PHARMACEUTICAL PRODUCTS*	*Dominant Position > 25% of the relevant market*
1.	''SANTEFARM'' SH.P.K.	17.31%	No DP
2.	''MEDITECH'' SH.P.K.	11.07%	No DP
3.	KOSOVO UNIVERSITY CLINICAL CENTER	9.12%	No DP
4.	N.Q.BARNAVE,, ASGETO'' SH.P.K.	7.92%	No DP
5.	''EXCLUSIV'' SH.P.K.	4.35%	No DP
6.	'' PHOENIX PHARMA '' SH.P.K.	3.30%	No DP
7.	N.T.SH. ''ITALMED''	2.16%	No DP
8.	''LIRI - MED'' SH.P.K.	1.75%	No DP
9.	,,ALTUPHARMA PHARMACEUTICALS'' SH.A	1.52%	No DP
10.	N.T. FARM ITALIA	1.33%	No DP
11.	N.T.P. ''ICN & BM''	1.24%	No DP

12.	MINISTRY OF HEALTH	1.23%	No DP
13	"PROMED" SH.P.K.	1.23%	No DP
14.	"PHARMAPLUS" SH.P.K.	1.21%	No DP
15.	" MARKETING & DISTRIBUTION " SH.P.K	1.12%	No DP
16.	" FARMALOGIST CONNECT " D.O.O.	1.10%	No DP
17.	N.T.SH. "FAUNA"	1.07%	No DP
	128 Other economic operators	17.65%	

5. Relevant Market:

- Geographical Market – Territory of the Republic of Kosovo
- Product Market - Production of basic pharmaceutical products

Identification of companies operating In the MARKET FOR PRODUCTION OF BASIC PHARMACEUTICAL PRODUCTS		*Market Structure of companies PRODUCTION OF BASIC PHARMACEUTICAL PRODUCTS*	*Dominant Position > 25% of the relevant market*
1.	N.P.T. " Trepharm "	99%	Dominant Position
2.	GENTI pharm	1%	No DP
3.	Prima pharm	0	No DP

Professional recommendations and opinions

The Kosovo Competition Authority recommends the KAMPD to establish a database through which to collect data from economic operators holding a license for trading and turnover of pharmaceutical products and equipment and production, in the territory of the Republic of Kosovo, which will be available to relevant institutions and market regulators.

KCA will react in cases where economic operators act in a coordinated way (informal cooperation), or through banned agreements/cartels, eliminating the effects of competition for consumers, public institutions (lower prices, better quality, and choice).

The Competition Authority will monitor the situation on the pharmaceutical products market within its competencies and if it finds any irregularities, it will react as per its official duty.

A research conducted by
the Kosovo Competition Authority on
TRANSPORT MARKET

This report presents the theoretical and empirical part in implementing the European Reform Agenda, we have provided information from different RKS regulators and made economic, statistical and legal analyses on Monopoly markets as well as sensitive dominant positions.

In the scope of Transport **Market Research**, Kosovo Competition Authority has held meetings with the Ministry of Infrastructure (respective departments) and regulators. As per information we collected, the Kosovo transport market is divided into 3 (three) types of transport:

1. Air Transport
2. Railway Transport
3. Road Transport.

These 3 (three) types of transport have been broken down into other subcategories, such as services and goods.

The TRANSPORT market in the Republic of Kosovo is divided into 3 (three) types of transport

6. **Air Transport**
7. **Railway Transport**
8. **Road Transport**

Air transport is divided into sub categories and sectors as follows:

a. Services sub-category is divided into the following sectors:
    i. Airport
    ii. Tourist Agencies
    iii. Contracting Agencies for Passenger Transport

Railway transport is divided into sub categories and sectors:

b. Railways sub-category is divided into the following sectors:
    i. Freight and Passenger Transport
    ii. Services

Road transport is divided into sub categories and sectors as follows:

c. Passenger sub-category is divided into the following sectors:
    i. Buses
    ii. Taxi
d. Goods sub-category in this sector “
    i. Freight Carriers
e. Services sub-category is divided into the following sectors:
    i. Homologation
    ii. Technical controls
    iii. Vehicle Maintenance

Air Transport, when researching this market we found that there is no airline company registered in the Republic of Kosovo to exercise this economic activity.

Since *air transport* is considered to be a very important segment in the composition of our local economy and highly profitable, we have divided this type of transport into sub-categories of services and sectors as illustrated in the table above.

The Kosovo Competition Authority has found that in terms of *air transport* services, Prishtina Airport plays a key role in this economic activity. Prishtina Airport holds the dominant position of 100% of the respective market, it namely is a natural monopoly. It provides infrastructure services to customers in order to serve the public, business, government and military demands of the country.

Prishtina Airport services are the following:

1. Passenger processing service
2. Lost and Found information and luggage
3. CIP Service and 17/02
4. Commercial Unit
5. Ramp services
6. Goods
7. Security and Scanning Unit
8. Medical care
9. TIK2

The airline ticket sales market is quite competitive. There are hundreds of Tourist Agencies in the Republic of Kosovo, exercising their economic activity in the entire geographic market of the Republic of Kosovo. When analyzing the market structure we find that only one enterprise holds the Dominant Position. (see Tablet).

We have identified another sub-category within the transport market respectively within Air Transport. This research has shown that some tourist agencies registered in the Republic of Kosovo play the role of a contractor who is obliged to sell tickets in a certain amount and period and contract air companies from other countries to carry out the *air transport market* for Kosovar passengers. We have identified one tourist agency in this service, which holds a dominant position of approximately 90% and has only 2 (two) other companies as potential competitors. (see Tables).

Railway transport is divided into the category of railways, which is divided into the sectors of transport of goods and passengers and services.

The authority has identified 2 (two) companies in the railway transport market that exercise their activity in goods and passengers transport. It is worth pointing out that there are 2 economic operators operating in goods transport and only one operator in passenger transport. The Authority considers that one company holds a dominant position of 100% in the railway transport of ***passengers***, respectively it is a monopoly in the relevant market, while with regard to the ***goods*** railway transport there are 2 (two) competing companies which hold significantly dominant positions.

2 http://www.airportpristina.com/shq/services

Railway transport respectively maintenance, administration of railway infrastructure and railways is performed only by one public enterprise, which according to the Authority holds a dominant position of 100% or is a monopoly in the relevant market. The enterprise in question is a public enterprise, with the main shareholder being the Government of the Republic of Kosovo.

The mission of this public enterprise, namely "INFRAKOS", is to operate the Kosovo rail network, to enhance and maintain railway lines for operation based on European Union standards, to provide a competitive, sustainable and successful rail network in accordance with the needs of Kosovo society and economy.

Road transport - Passenger transport companies, i.e., Bus companies in this market The Authority has conducted research and defined the market structure. We find that this market is competitive. For the purpose of more accurate research of the respective bus passenger transport market, the Authority has analyzed the market in the regions of the Republic of Kosovo. From data processing and statistics received by regulators as well as from the field, we conclude that there is no company with a dominant position of 25% in the relevant market.

Road transport - Passenger transport companies, respectively Taxi companies, according to the authority's research based on statistical data and the market structure we conclude that there is a market with considerable competitiveness, and as regards a more realistic definition of the market structure, The Authority has conducted its own research separately in each region of the Republic of Kosovo for the identification of all economic operators operating in the respective market. (see Tables)

Multi-modal transport - the Republic of Kosovo has no complete multi-modal transport due to the country's landscape which has no sea or streams of rivers on which ships would sail for the transport of people and goods, although this transport is among the cheapest. However, we find that the transport of goods in the country and beyond is conducted through air, road and rail transport. Therefore, with regard to this transport as well it is worth noting that there is sufficient competition, though we consider that this sector is developing.

In terms of road transport respectively, the **service delivery**, the Kosovo Competition Authority has analyzed and defined the relevant market in 3 types of services:

1. Homologation of vehicles
2. Technical Control of vehicles
3. Vehicle maintenance

In close cooperation with other regulators overseeing and controlling these markets we have identified their dominant and monopolistic position. The Authority concludes that there is only one economic operator throughout Kosovo to offer the homologation service, thus it holds 100% dominant position respectively it is a natural monopoly.

The Economic operator Kosovo Vehicles Center or Eurolab is the only private operator with a monopoly in providing homologation services. At the same time, the Kosovo Competition Authority is addressing the issue of homologation as a matter of particular concern and is expected to give a final verdict on further action in this matter.

As far as the relevant road transport market in the Republic of Kosovo is concerned, there are many economic operators performing activity in this sector which seems highly competitive and no enterprises in dominant position were identified.
As noted above, the Republic of Kosovo, both in the passenger and cargo transport sector, still has no no domestic airline company for transport purposes, however, this sector is only developed through contracting foreign companies.

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – AIR TRANSPORT - AIRPORT SERVICES

	Identification of companies operating in the AIRPORT SERVICES MARKET	*Market structure of companies in AIRPORT SERVICES*	*Dominant Position > 25% of the relevant market*
1.	ADEM JASHARI (LIMAK) Airport	100%	MONOPOLY

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **AIR TRANSPORT -** CONTRACTED AIRLINE COMPANIES

	Identification of companies operating in the AIRLINE COMPANIES CONTRACTING MARKET	*Market structure of AIRLINE CONTRACTING COMPANIES CONTRACTING MARKET*	*Dominant Position > 25% of the relevant market*
1.	TAK ,,Kosova Airlines-KSA"	87.73%	Has DP
2.	,, Air Prishtina " Sh.p.k.	8.22%	No DP
3.	Turkish Airlines Kosovo Branch	4.35%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **AIR TRANSPORT -** SALES OF AIRLINE TOURISTIC TICKETS

	Identification of companies operating in the TOURISTIC TICKET SALES MARKET AIRLINES	*Market Structure of companies OF TOURISTIC TICKETS SALES AIRLINES*	*Dominant Position > 25% of the relevant market*
1.	TAK ,,Kosova Airlines-KSA"	37.46%	Has DP
2.	" MALËSIA Reisen " SH.P.K.	12.66%	No DP
3.	" Kosova Airways.com " SH.P.K.	8.45%	No DP
4.	"Altavia Travel Sh.p.k."	4.62%	No DP
5.	N.P.SH." TRAVEL AGENCY FIBULA "	3.82%	No DP
6.	,, Air Prishtina " Sh.p.k.	3.59%	No DP
7.	"ALBTOURS VAS TOUROPERATOR" SH.P.K.	3.52%	No DP
8.	" SAVATOURS " SH.P.K.	2.99%	No DP
9.	NTSH ,, Eurokoha -Reisen"	2.71%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **RAILWAYS TRANSPORT**

Identification of companies operating in the RAILWAYS TRANSPORT SERVICES - PASSENGERS		*Market structure of companies for RAILWAYS TRANSPORT SERVICES - PASSENGERS*	*Dominant Position > 25% of the relevant market*
1.	TRAINKOS	100%	MONOPOLY
Identification of companies operating in the RAILWAYS TRANSPORT SERVICES - GOODS market		*Market Structure of companies TRANSPORT SERVICES - GOODS*	*Dominant Position > 25% of the relevant market*
1.	TRAINKOS	33.02%	Has DP
2.	RAILTRANS	66.98%	Has DP

Relevant market:

- Geographic Market REPUBLIC OF KOSOVO
- Product market – **RAIL TRANSPORT** - RAILWAYS SERVICES

Identification of companies operating in the RAILWAYS SERVICES MARKET		*Market structure of RAILWAYS SERVICES COMPANIES*	*Dominant Position > 25% of the relevant market*
1.	INFRAKOS	100%	MONOPOLY

Relevant market:

- Geographical Market – REPUBLIC OF KOSOVO
  - PRISHTINA REGION
  - MITROVICA REGION
  - GJILANI REGION
  - PRIZREN REGION
  - PEJA REGION
  - FERIZAJ REGION
  - GJAKOVA REGION
- Product market – **ROAD TRANSPORT** –PASSENGER TRANSPORT BY BUS

PRISHTINA REGION			
Identification of companies operating in the PASSENGER TRANSPORT BY BUS market		*Market structure of companies for PASSENGER TRANSPORT BY BUS*	*Dominant Position > 25% of the relevant market*
1.	" Barileva Turist " SH.P.K.	23,181%	No DP
2.	"Autotransporti" Sh.a.	9,714%	No DP
3.	N.T.SH."SHARR TRAVEL"	8,108%	No DP
4.	" 24 Yjet " Sh.a.	4,857%	No DP
5.	N.P.K. " TRAFIKU URBAN " SH.A.	3,333%	No DP
6.	" ADIO " SH.P.K.	3,084%	No DP
7.	N.T.Sh. " Barileva Turist "	2,672%	No DP
8.	N.T.SH."KOSOVA TURIST"	2,630%	No DP
9.	" TURKER LOJISTIK " SH.P.K.	2,525%	No DP
10.	N. T. Sh. " VËLLËZERIT THAQI "	2,324%	No DP
11.	N.SH.T. " FESTIMI - TOURS "	2,315%	No DP

12.	N.T.Sh.,,Fadili Tours"	2,263%	No DP
13.	N.T. " Qendra 2 " Sh.p.k.	2,109%	No DP
14.	Prishtina Sh.p.k.	2,025%	No DP

MITROVICA REGION			
Identification of companies operating in the PASSENGER TRANSPORT BY BUS market		*Market structure of companies for PASSENGER TRANSPORT BY BUS*	*Dominant Position > 25% of the relevant market*
1.	A.T. " Loshi Reisen "	19,168%	No DP
2.	N.P.T. ARIANI	8,488%	No DP
3.	N.P.T.,, Albani"	7,852%	No DP
4.	T.P.,, KOLAŠIN PREVOZ "	6,949%	No DP
5.	N.P.T."Labinoti"	5,888%	No DP
6.	N.P.T. " UNION "	5,784%	No DP
7.	K.T.U. KOSOVATRANS	4,464%	No DP
8.	"Sion Reisen " SH.P.K.	3,815%	No DP
9.	N.T.SH. "Albakos "	3,779%	No DP
10.	NTPSH "LINDI TOURS"	3,262%	No DP
11.	N.T.SH. " Vellezërit Rrustemi "	2,767%	No DP
12.	N.SH. "SCANDIBUSS"	2,727%	No DP
13.	N.T.P.,,Qendrimi Tours "	2,518%	No DP
14.	N.T.T. " Memi Reisen "	2,499%	No DP
15.	N.P.T. " Andi "	2,479%	No DP
16.	N.T.,,Bare Tours"	2,436%	No DP
17.	N.T."ZEKAJ TURS"	2,413%	No DP

GJILANI REGION			
Identification of companies operating in the market for PASSENGER TRANSPORT BY BUS		*Market structure of companies for PASSENGER TRANSPORT BY BUS*	*Dominant Position > 25% of the relevant market*
1.	,,M & B Company" Sh.p.k.	68,686%	Has DP
2.	"Merkatori" SH.A.	4,764%	No DP
3.	"MAXHARI TOURS " SH.P.K.	3,991%	No DP
4.	N.P.T. " Alp - Commerc "	2,904%	No DP
5.	N.T. " Egnatia "	2,770%	No DP
6.	" ZHEGRA-TRANS " SH.P.K	2,296%	No DP

PRIZREN REGION			
Identification of companies operating In the PASSENGER TRANSPORT BY BUS market		*Market Structure of companies PASSENGER TRANSPORT BY BUS*	*Dominant Position > 25% of the relevant market*
1.	N.Tsh. " Shpejtimi "	13,715%	No DP
2.	N.T.T. " Zhur Tours "	10,942%	No DP
3.	N.T."ATMAXHA-TRANS"	9,046%	No DP
4.	N.T.",Aroma Reisen"	6,207%	No DP
5.	N.T.T.Sh. ,,Tosa"	4,745%	No DP
6.	N.T.U. KOSOVATRANS	4,571%	No DP
7.	NTT. " Polluzha - Tours "	3,455%	No DP

8.	NTT,,Dardani"	3,270%	No DP
9.	N.T."Bres Tours"	2,583%	No DP
10.	N.T.T.,,Jeta"	2,450%	No DP

PEJA REGION			
Identification of companies operating in the PASSENGER TRANSPORT BY BUS market		*Market structure of companies for PASSENGER TRANSPORT BY BUS*	*Dominant Position > 25% of the relevant market*
1.	N.T.SH. "AIR ZEKAJ TOURS "	24,472%	No DP
2.	N.P.SH. " MONIKA "	10,044%	No DP
3.	N.T.T. "Pranvera"	5,907%	No DP
4.	N.T.P. " Miroci - Reiesen "	4,999%	No DP
5.	" ENDRITI " SH.P.K.	4,637%	No DP
6.	N.T.SH. " GJOCAJ TOURS "	4,551%	No DP
7.	N.T.P. "Niku Tours "	3,634%	No DP
8.	N.P.T." KOHA TOURS "	3,318%	No DP
9.	N.T.SH. " MENDI "	3,286%	No DP
10.	" KE LUANI " SH.P.K.	2,243%	No DP
11.	Passenger T. Company " Orbita Tours"	2,227%	No DP

FERIZAJ REGION			
Identification of companies operating in the PASSENGER TRANSPORT BY BUS market		*Market structure of companies for PASSENGER TRANSPORT BY BUS*	*Dominant Position > 25% of the relevant market*
1.	"Endriti"Sh.p.k	34,178%	Has DP
2.	" ARDITI TOURS " SH.P.K.	16,369%	No DP
3.	P.P. " Tandems "	10,486%	No DP
4.	N.P.L."STACIONI AUTOBUSËVE"SH.A	7,322%	No DP
5.	Transport and Services Company " Beka"	4,935%	No DP
6.	Transport Company "Elita Tours"	3,986%	No DP
7.	N.T.P. " Fershped "	2,360%	No DP
8.	NTP,,Azizi"	2,210%	No DP
9.	NT "Arbeni Tours"	2,139%	No DP

GJAKOVA REGION			
Identification of companies operating in the market for PASSENGER TRANSPORT BY BUS		*Market structure of companies for PASSENGER TRANSPORT BY BUS*	*Dominant Position > 25% of the relevant market*
1.	NTP,, Meti - Comerc - H " Sh.p.k.	13,338%	No DP
2.	N.P.T."Armend Tours"	11,243%	No DP
3.	N.T. "SHPATTURS"	9,143%	No DP
4.	N.T.Sh.,, Gramozi Trade "	8,788%	No DP
5.	N.T.P."METI-COMERC"SH.P.K	7,767%	No DP
6.	N.P.T. "Kushtrimi NM I"	7,014%	No DP
7.	N.P.T. "Bledi"	6,643%	No DP
8.	N.P.T. " Cali"	5,299%	No DP

9.	N.P.SH. " Dreni "	4,829%	No DP
10.	N.T. " Edonisi Tours "	4,520%	No DP
11.	N.T.P. " Çlirimi "	4,450%	No DP
12.	N.T.SH. 'ALBI'	3,649%	No DP
13.	N.P.SH." YLLI "	3,552%	No DP
14.	NT ,, Ekremi Tours "	2,935%	No DP
15.	N.T.SH."ALPET-REISEN"	2,215%	No DP
16.	" ERBLINI " SH.P.K.	2,127%	No DP

Relevant market:

- Geographical Market – REPUBLIC OF KOSOVO
    - PRISHTINA REGION
    - MITROVICA REGION
    - GJILANI REGION
    - PRIZREN REGION
    - PEJA REGION
    - FERIZAJ REGION
    - GJAKOVA REGION
- Product market – **ROAD TRANSPORT -** TAXI SERVICES

PRISHTINA REGION			
Identification of companies operating in the TAXI SERVICES MARKET		*Market structure of TAXI SERVICES companies*	*Dominant Position > 25% of the relevant market*
1.	" Golden Taxi " SH.P.K.	13.62%	No DP
2.	Radio Taxi " Roberti "	13.32%	No DP
3.	Radio Taxi,,Geti"	11.22%	No DP
4.	Service Company " E - Victory "	10.75%	No DP
5.	Taxi Group 51 SH.P.K.	9.51%	No DP
6.	N.SH.T. " ASI RADIO TAXI "	6.84%	No DP
7.	Radio Taxi " Dallas"	6.43%	No DP
8.	N.SH. " LINORI "	5.71%	No DP
9.	" ELM GROUP " Sh.p.k.	3.66%	No DP
10.	KOMBI TAXI ZORAN SLAVIC	2.79%	No DP

MITROVICA REGION			
Identification of companies operating in the TAXI SERVICES MARKET		*Market structure of TAXI SERVICES companies*	*Dominant Position > 25% of the relevant market*
1.	"KALTRINA"SH.P.K.	21.85%	No DP
2.	N.SH. "SPEED"	15.45%	No DP
3.	N.SH. Radio Taksi " Red"	8.86%	No DP
4.	N.SH."ERA"	7.01%	No DP
5.	LEONARD TAHIRI & ORTAKU O.P.	6.22%	No DP
6.	N.SH. " Forca "	5.57%	No DP
7.	Auto Taxi Fahri Salihu	5.22%	No DP
8.	N.Sh. " City Taxi "	5.10%	No DP
9.	N.P.Sh.,,Trepça"	4.68%	No DP
10.	N.SH.T. Radio Taxi " GRANITI "	2.90%	No DP

GJILANI REGION			
Identification of companies operating in the TAXI SERVICES MARKET		Market structure of TAXI SERVICES companies	Dominant Position > 25% of the relevant market
1.	" Shaqa" Sh.p.k.	81.86%	Has DP
2.	Private Radio Taxi Company ,,Luli"	9.30%	No DP
3.	N.SH.T. ,,PËRLEPNICA - TRANS "	1.25%	No DP
4.	N.T.SH. "YLLI TRANS"	1.06%	No DP

PRIZREN REGION			
Identification of companies operating in the TAXI SERVICES MARKET		Market structure of TAXI SERVICES companies	Dominant Position > 25% of the relevant market
1.	N.SH. " Radio Blue Taxi "	17.56%	No DP
2.	N.SH. RADIO-TAXI ,,O.K."	11.24%	No DP
3.	N.T."GRNCARE TOURS"	6.01%	No DP
4.	N.SH.T. Radiotaxi " Fortuna "	5.18%	No DP
5.	N.T.T.,,Shala Trans"	5.09%	No DP
6.	Tourist Agency " Royal Travel "	4.79%	No DP
7.	N.SH. "RADIO TAXI ONLINE"	3.04%	No DP

PEJA REGION			
Identification of companies operating in the TAXI SERVICES MARKET		Market structure of TAXI SERVICES companies	Dominant Position > 25% of the relevant market
1.	" LONDON TAXI " SH.P.K.	46.65%	Has DP
2.	RADIO TAXI " BEKA " SH.P.K.	20.98%	No DP
3.	N.SH. RADIO TAXI " BEKA - PEJË "	17.19%	No DP
4.	" Radio Taxi NJACI " SH.P.K.	5.45%	No DP
5.	N.SH."RADIO TAXI-VIP"	2.89%	No DP
6.	D.P.T." D - MARKET "	2.16%	No DP

FERIZAJ REGION			
Identification of companies operating in the TAXI SERVICES MARKET		Market structure of TAXI SERVICES companies	Dominant Position > 25% of the relevant market
1.	N.SH. Radio Taxi " Europa "	19.69%	No DP
2.	Auto Taxi Fatmir Kashtanjeva	17.16%	No DP
3.	Radio Taxi ,,Vala"	12.47%	No DP
4.	N.T."FLAMURI-TOURS"	8.92%	No DP
5.	N.SH. " Glloboçica "	7.43%	No DP
6.	AUTO TAXI ENVER IBRAHIMI	4.93%	No DP
7.	MINIBUS "KEQA"	4.16%	No DP
8.	Kombi Taxi Rufki Livoreka	2.74%	No DP
9.	Gramoz Bekteshi B.I.	2.18%	No DP
10.	Kombi - Taxi Hesat Mulaku	2.06%	No DP
11.	Auto Taxi Luan Kashtanjeva	2.00%	No DP

GJAKOVA REGION			
Identification of companies operating in the TAXI SERVICES MARKET		*Market structure of TAXI SERVICES companies*	*Dominant Position > 25% of the relevant market*
1.	N.SH.T."RADIO TAXI STAR"	49.76%	Has DP
2.	N.T.SH."TOP"	21.55%	No DP
3.	"N.T.Sh.""Arti - Taxi"""	8.05%	No DP
4.	Auto Taxi BLERAT TANUSHI	2.56%	No DP
5.	Auto Taxi BLENDOR MAKSUTI	2.54%	No DP
6.	Auto - Taxi Agron Gola	2.44%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **ROAD TRANSPORT -** FREIGHT TRANSPORT

Identification of companies operating in the FREIGHT TRANSPORT market		*Market structure of companies in FREIGHT TRANSPORT*	*Dominant Position > 25% of the relevant market*
1.	" Euro Star " SH.P.K.	13.09%	No DP
2.	" FERTRANS " SH.P.K.	11.29%	No DP
3.	N.T.SH.DURIMI TRANS"	8.29%	No DP
4.	" INTERCARGO " SH.P.K.	7.23%	No DP
5.	" PRINCE " SH.P.K.	6.15%	No DP
6.	" Railtrans " L.L.C.	4.18%	No DP
7.	N.P." NEXT MARKET "	3.51%	No DP
8.	" PRO TRANSPORT " SH.P.K.	3.17%	No DP
9.	" Star Trans " SH.P.K.	3.03%	No DP
10.	Intereuropa Kosova L.L.C.	3.00%	No DP
11.	N.T.T.,,Fershped - VM"	2.40%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **ROAD TRANSPORT -** VEHICLE MAINTENANCE

Identification of companies operating in the VEHICLE MAINTENANCE market		*Market structure of VEHICLE MAINTENANCE companies*	*Dominant Position > 25% of the relevant market*
1.	" A.S. ALBERTI " SH.P.K.	9.72%	No DP
2.	" Auto Mita " SH.P.K.	6.46%	No DP
3.	N.P.SH."ALLMAKES GLOBAL SERVICES"	5.11%	No DP
4.	" ARRBORA " SH.P.K.	4.79%	No DP
5.	" AVATAR " SH.P.K.	3.77%	No DP
6.	" Auto Kaçandolli " SH.P.K.	3.56%	No DP
7.	N.T.Sh. Auto-Sallon ,,Endriti"	2.53%	No DP
8.	KOSOVA MOTORS J.S.C.	2.41%	No DP
9.	" AS PRISHTINA " SH.P.K.	2.37%	No DP
10.	N.T.P " VSM"	2.32%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
  - PRISHTINA REGION
  - MITROVICA REGION
  - GJILANI REGION
  - PRIZREN REGION
  - PEJA REGION
  - FERIZAJ REGION
  - GJAKOVA REGION
- Product market – ROAD TRANSPORT –VEHICLE TECHNICAL CONTROL

PRISHTINA REGION			
Identification of companies operating in the TECHNICAL CONTROL market		*Market structure of TECHNICAL CONTROL companies*	*Dominant Position > 25% of the relevant market*
1.	N.T.SH. "MONTING "	40.96%	Has DP
2.	N.SH. " ETL - KOSOVA "	10.35%	No DP
3.	" SHAR " SH.P.K.	7.23%	No DP
4.	" HAM GROUP " SH.P.K.	6.02%	No DP
5.	" PROLAB " SH.P.K.	3.97%	No DP
6.	,,Saybolt Pan Adriatika" d.o.o.-Pred. Kosovo	3.96%	No DP
7.	" VLLEZRIT MUSTAFA " SH.P.K.	2.57%	No DP
8.	" ADRIAINSPEKT KOSOVA " SH.P.K.	2.53%	No DP
9.	" PMB Global " SH.P.K.	2.17%	No DP

MITROVICA REGION			
Identification of companies operating in the TECHNICAL CONTROL market		*Market structure of TECHNICAL CONTROL companies*	*Dominant Position > 25% of the relevant market*
1.	"FIBERGLASS KOSOVA "SH.P.K.	44.36 %	Has DP
2.	N.P.SH. " SKAB "	27.41 %	Has DP
3.	" SKAB GROUP '' SH.P.K.	11.91%	No DP
4.	NSH ,, Agroni "	7.57%	No DP
5.	N.P.SH. NORI -GR "	6.21%	No DP
6.	N.SH. " Ylberi. ''	2.36%	No DP

GJILANI REGION			
Identification of companies operating in the TECHNICAL CONTROL market		*Market structure of TECHNICAL CONTROL companies*	*Dominant Position > 25% of the relevant market*
1.	" K E A " SH.P.K.	23.82%	No DP
2.	N.SH.T. "ISTRIA"	22.16%	No DP
3.	N.T.P." NUHA "	21.20%	No DP
4.	N.T.SH. " EUROPA "	11.34%	No DP
5.	IMN " Test - Beton " SH.P.K.	9.95%	No DP
6.	N.SH. "J-E-K"	9.65%	No DP

PRIZREN REGION			
Identification of companies operating in the TECHNICAL CONTROL market		Market structure of TECHNICAL CONTROL companies	Dominant Position > 25% of the relevant market
1.	"MODERNE"SH.P.K.	31.63%	Has DP
2.	"REBEGI" SH.P.K.	18.37%	No DP
3.	FATI SH.P.K.	13.38%	No DP
4.	N.P.Sh.,,Krasniqi"	11.00%	No DP
5.	N.SH."TEST&ING"	10.33%	No DP
6.	N.T.Sh. " Besi "	7.09%	No DP
7.	NSHT"EURO FOOD-REMONT SERVISI"SHPK	3.39%	No DP

PEJA REGION			
Identification of companies operating in the TECHNICAL CONTROL market		Market structure of TECHNICAL CONTROL companies	Dominant Position > 25% of the relevant market
1.	N.SH. " MEGA "	84.84%	Has DP
2.	N.T.SH. "Teuta AG"	3.92%	No DP
3.	N.T.SH. " Tekniku "	3.52%	No DP
4.	'' Auto - Comerce '' SH.P.K.	3.02%	No DP

FERIZAJ REGION			
Identification of companies operating in the TECHNICAL CONTROL market		Market structure of TECHNICAL CONTROL companies	Dominant Position > 25% of the relevant market
1.	" LLF CONTROL " SH. P.K.	33.33 %	Has DP
2.	N.SH. " Real "	25.11 %	Has DP
3.	N.T.P. " Auto Atllas "	18.31%	No DP
4.	"TOP"SH.P.K.	10.45%	No DP
5.	" FERTEST " SH.P.K.	9.61%	No DP
6.	N.SH."Krisma 9001"	3.20%	No DP

GJAKOVA REGION			
Identification of companies operating in the TECHNICAL CONTROL market		Market structure of TECHNICAL CONTROL companies	Dominant Position > 25% of the relevant market
1.	N.Sh.,,Leka" Sh.p.k.	30.49%	Has DP
2.	NTSH,, Palma -P.M. " Sh.p.k.	19.17%	No DP
3.	INSTITUTE OF RESEARCH AND ANALYSIS "LEKA-GAS"SH.P.K.	16.42%	No DP
4.	" Autosistem " Sh.p.k.	13.30%	No DP
5.	" EUROSISTEM " SH.P.K.	12.15%	No DP
6.	N.SH. '' AL-ING ''	4.79%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **ROAD TRANSPORT -** VEHICLE HOMOLOGATION

	Identification of companies operating in the VEHICLE HOMOLOGATION market	*Market structure of companies VEHICLE HOMOLOGATION*	*Dominant Position > 25% of the relevant market*
1.	" EUROLAB " SH.P.K.	100%	MONOPOLY

Professional recommendations and opinions

We consider that the transport market includes 3 types of markets, Air, Railway and Road has a wide economic involvement in the Republic of Kosovo, where different economic activities are carried out by the respective operators. When operators provide products-services, we conclude that there is potential competition, both from the quantitative and the qualitative point of view.

I. **In the air transport market** - we consider that Prishtina Airport is a natural monopoly created by the Government of the Republic of Kosovo with a concessionary contract by Ministry of Finance, Public Private Partnership Department (PPP).

The Kosovo Competition Authority recommends the Ministry of Finance that, on all occasions where competition is concerned, to address the Kosovo Competition Authority for Professional Opinion based on the Law

II. **In the rail transport market** - we consider that TRAINKOS company holds a monopoly position in transport of passengers. The passenger transport market is not liberalized, therefore we recommend the Railways Regulatory Authority to take all legal steps to liberalize the passenger transport. In terms of rail freight transport, we consider that the market is liberalized de minimis, because there are only 2 (two) operators to exercise this economic activity, which are: TrainKos and Rail Trans. These two companies hold dominant positions in the relevant market.

The Authority recommends the Railway Regulatory Authority to further continue to create legal and technical conditions for liberalization of the relevant market.

III. **In terms of the road transport market**, the Authority has divided it into sub-categories, in order to cover all the companies operating within this market, efforts were made to be as specific in identifying and analyzing the structure of this market as possible. Thus, the road market is divided into 3 (three) subcategories and each subcategory is divided into several sectors:

1.1.1. **The passenger road transport market, bus sector** - is a dispersed, liberalized and competitive market. Based on statistical analysis of the geographic market in seven (7) regions of the Republic of Kosovo, we find that in some regions there are companies that hold dominant positions in the relevant market. In the Gjilan/Gnjilane and Ferizaj/Uroševac regions, the companies mentioned above on tables have significant dominant positions in the relevant market. In accordance with Law 03/L-229 on Protection of Competition, a dominant position is not illegal, but its abuse is in violation of provisions of this law. The Kosovo Competition Authority will continuously monitor the behavior of such companies in the relevant market.

The Authority has no specific recommendations regarding this market.

1.1.2. **The passenger road transport market, taxi sector** - is a dispersed, liberalized and competitive market. Based on statistical analysis of the geographic market in seven regions of the Republic of Kosovo, we find that in some regions there are companies that hold dominant positions in the relevant market. In the Gjilan, Peja and Gjakova regions, the companies mentioned above on tables have significant dominant positions in the relevant market. In accordance with Law 03/L-229 on Protection of Competition, a dominant position is not illegal, but its abuse is in violation of provisions of this law. The Kosovo Competition Authority will continuously monitor the behavior of such companies in the relevant market.

The Authority has no specific recommendations regarding this market.

2.2.1. **The road freight transport market** is a fairly dispersed, liberalized and competitive market. Based on an analysis of the market structure, it was found that no company in this market holds a dominant or monopolistic position. The relevant market has a proper level of competition.

The Kosovo Competition Authority has no specific recommendation

3.3.1. **The market for road transport services, homologation sector**, is a limited market, a natural monopoly created by the Government of the Republic of Kosovo.

The Kosovo Competition Authority is addressing the issue of homologation services as a natural monopoly. The Kosovo Competition Authority will provide several recommendations (Professional Opinions), or decisions to the relevant institutions as to what they shall undertake in relation to this issue.

3.3.2. **The road transport services market - sector of technical control**, on basis of statistical analysis of the geographic market in seven regions of the Republic of Kosovo, we find that in some regions there are companies that hold dominant positions in the relevant market. In the Prishtina, Mitrovica, Prizren, Ferizaj, Peja and Gjakova regions, the companies mentioned above on tables have significant dominant positions in the relevant market. In accordance with Law no. 03/L-229 on Protection of Competition, a dominant position is not illegal, but its abuse is in violation of provisions of the same law. The Kosovo Competition Authority will continuously monitor the behavior of such companies in the relevant market.

The Kosovo Competition Authority concludes and recommends the following:

The Kosovo Competition Authority, upon analyzing the Law no. 05/L-132 on Vehicles, concludes that article 87 paragraph 2 and article 89 paragraph 3, is in collusion with Law no. 03/L-229 on Protection of Competition, the scope and field of its implementation as set out in Sections 1, 2 and 4 para. 1.2 and 1.3. *WE RECOMMEND the Ministry of Infrastructure to initiate amendment of the Law no. 05/L-132 on Vehicles, respectively Article 87, paragraph 2 and Article 89, paragraph 3, which restrict the provision of services to customers within the municipality where the owner of the vehicle is residing. In this case, competition is restricted, customers are imposed the service or product within a given geographical area, they are restricted and directed to certain municipal or regional operators when obtaining services for vehicle technical control, hence by the competition perspective, the laws and regulations that limit the number of economic operators in the relevant market and restrict the provision of services are not in line with competition rules and practices.* *Article 87 item 2, the Authority concludes that a free market is the determinant of setting the price of a particular product or service in the relevant market. In this case, we recommend to the Minister of Infrastructure, to only define the upper limit of pricing for technical control service.*

3.3.3. **The road transport services market - Vehicle maintenance sector**, is a properly dispersed, liberalized and competitive market. Based on an analysis of the market structure, it was found that no company in this market holds a dominant or monopolistic position. The relevant market has a proper level of competition, and

The Kosovo Competition Authority has no specific recommendation.

A research conducted by
the Kosovo Competition Authority on
GAMBLING MARKET

The gambling industry has experienced very steady growth since the day it became legal and this results in the generation of a large amount of international revenue. The gambling industry provides employment for a part of the population. The gambling industry consists of any kind of gambling or betting.

This includes, but is not limited to: slot machines, card games, roulette, sports betting, online games, bingo, cash games and charity, private and state lotteries. Internet gambling includes games played over the internet, mobile devices with online connection and/or iTV.

Virtual games, online gambling is growing steadily due to more widespread Internet access. The state of local and global economics does not appear to have a negative or positive impact on the gambling industry. Globally, depending on the economic situation, this exciting industry has remained consistent and stable. Demand for the gambling industry is based on increasing consumer incomes and also on government spending. Smaller corporations focus on providing excellent services while larger gambling companies have far more advantages to generate profit as they have greater financial resources.

The extent of gambling market structure in the Republic of Kosovo by companies operating in the relevant market can be considered highly competitive and we have a good distribution of the market from the competition perspective. Based on data collected from the respective bodies, the Kosovo Competition Authority has defined the market structure of companies operating in the territory of the Republic of Kosovo. No company exercising this activity enjoys a dominant or monopolistic position. The joint structure of PLAY4WIN, ARENA SPORT and EGTK II is approximately **42% of the market**, while others together hold **58% of the market.**

This market will not result in the restriction, prevention or distortion of competition in the gambling market due to the fact that the relevant market will remain sufficiently competitive in Kosovo. All gambling games are present in the market, offering comprehensive services. Companies will face huge and strict competition and 3 of them, very powerful in the market.
There are competing price elements, which shows that not only there is a high level of competition pressure among competitors, but also the fact that there is a high degree of switching among customers who consider that the products of 3 strongest companies are very high priced.

Based on the available data and an analytical assessment of the structure of this market, the Authority has no specific **recommendation** for the relevant market.

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **GAMBLING**

Identification of companies operating in the GAMBLING market		*Market structure of GAMBLING companies*	*Dominant Position > 25% of the relevant market*
1.	"PLAY 4 WIN"SH.P.K.	16.43%	No DP
2.	" Arena Sport " Sh.p.k.	15.68%	No DP
3.	" EGTK II " SH.P.K.	10.04%	No DP
4.	N.T.SH. " GAME PLUS "	8.55%	No DP
5.	Co-Colina Sh.p.k.	8.04%	No DP
6.	N.SH.H. " PLANET WIN 365 "	7.92%	No DP
7.	N.SH. LOTTERY OF KOSOVO	6.23%	No DP
8.	" EUROLLOTO " SH.P.K.	5.26%	No DP
9.	" MARKET PLUS 1 " SH.P.K.	3.46%	No DP
10.	N.SH. "Toto Sport"	3.15%	No DP
11.	"EURO GAME " SH.P.K.	3.01%	No DP
12.	LOT. COM. "ARTI SPORTIV " SH.P.K.	2.51%	No DP
13.	" LOTTO SPORT " SH.A.-BRANCH IN KOSOVO	2.50%	No DP

Professional recommendations and opinions

The Authority considers that the gambling market is liberalized, competitive and the market structure of companies is very well organized in terms of distribution, concentration and competitiveness.

The Authority has no recommendations regarding this market.

A research conducted by

the Kosovo Competition Authority on

MEDIA AND CINEMATOGRAPHIC PRODUCTION MARKET

In terms of research on the Media and Film Production Market, the Kosovo Competition Authority has held meetings with the relevant regulator. We have obtained information that the media and film production market in Kosovo is divided into 6 (six) types of media and film productions.

The media and film productions market

1. Television and Radio
2. Newspapers and portals
    a. Web Portals and newspaper publishing
    b. Newspaper printing
3. Artistic creations
4. Cinematography
    a. Production of films, video and television programs
    b. Film, video and TV program post production
    c. Distribution of movies, videos and TV programs
    d. Film projection
5. Voice recording and music publishing

LICENSING AUDIOVISUAL MEDIA SERVICES

To operate in the field of audiovisual media services in the Republic of Kosovo in accordance with Law no. 04/L-44 on the Independent Media Commission, a broadcast license is required, issued by the Independent Media Commission (IMC).

Licensed entities must act in full compliance with Law no. 04/L-44 on the IMC, as well as all subsidiary legislation as defined by IMC.

Under the broadcasting frequency plan available for the Republic of Kosovo, IMC allocates sufficient frequencies to the Public Broadcaster to make it possible for it to offer the population of Kosovo a radio and television coverage to the maximum extent possible.

With the aim to perform the most accurate research of the respective market, the Authority has administered a questionnaire to the IMC, as the regulator and licensor of operators in the respective market, in the territory of the Republic of Kosovo.

The following companies operate in the media market in Kosovo: Audiovisual Media Services Providers (national and regional radio and television stations, non-frequency televisions, i.e., through distribution operators and Distribution Operators (Cable and IPTV).

The structure of media in Kosovo is as follows: 20 TV stations with frequency (3 national, 12 regional, 5 local) 83 Radio stations (4 national, 15 regional, 61 local, 3 low power), 48 Audio and Audio-Visual Media Service Providers (non-frequency, broadcasting through distribution operators) and 40 distribution operators (cable and 4 IPTV operators). Currently, only 62.7% of the territory of the Republic of Kosovo is covered by national television signal. While over 90% is covered by radio signal .

On basis of data obtained by the Authority from the media regulator IMC and from TAK, and from a detailed analysis and evaluation thereof, we find that in the territory of the Republic of Kosovo, the media market is regulated, liberalized and competitive.

The market research and its analysis shows that only the public broadcaster, RTK, has a status regulated by a special law, but in relation to the Law on IMC, this broadcaster is treated equally as other private media operating in the relevant market.

The authority considers that the newspapers and portals market involves two areas: 1. Websites and Newspaper Publishing and 2. Newspaper printing.
At present, the newspaper and media industry is developing in the direction of online presentation. People are always connected to the Internet to stay informed about what is happening around the world, due to a dynamic life in today's world, portals now operate and play a significant role for the readers.

Relevant market:
- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **MEDIA MARKET – TELEVISION AND RADIO**

Identification of companies operating in the MEDIA - TELEVISION market		*Market structure of MEDIA - TELEVISION companies*	*Dominant Position > 25% of the relevant market*
1.	"COMPANY 21" SH.P.K.	26.81%	Has DP
2.	" Grupi Koha " Sh.p.k.	22.93%	No DP
3.	"KLAN KOSOVA " SH.P.K.	14.94%	No DP
4.	RADIO TELEVIZIONI I KOSOVËS RTK	14.69%	No DP
5.	Radio Televizioni " Dukagjini " Sh.p.k.	5.21%	No DP

Relevant market:
- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **MEDIA MARKET – WEB PORTAL AND NEWSPAPER PUBLISHING**

Identification of companies operating in the WEB PORTAL AND NEWSPAPER PUBLISHING MARKET		*Market structure of companies for WEB PORTALS AND NEWSPAPER PUBLISHING*	*Dominant Position > 25% of the relevant market*
1.	N.B. " Media Works " Sh.p.k.	26.28%	Has DP
2.	NGB " KOSOVA SOT " SH.P.K.	14.53%	No DP
3.	NGB " Zëri " SH.P.K.	12.59%	No DP
4.	" Tribuna Media Group " SH.P.K.	9.98%	No DP
5.	" AVAMO " L.L.C.	9.97%	No DP
6.	"JAVA MULTIMEDIA PRODUCTION"SH.P.K.	6.64%	No DP
7.	N.SH. " TECH VISION "	6.40%	No DP
8.	,,Epoka e Re"	5.43%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **MEDIA MARKET – NEWSPAPER PRINTING**

Identification of companies operating in the NEWSPAPER PRINTING MARKET		*Market structure of NEWSPAPER PRINTING companies*	*Dominant Position > 25% of the relevant market*
1.	" Roto Print " Sh.p.k.	55.38%	Has DP
2.	N.B.T. " Siprint " Sh.p.k.	17.58%	No DP
3.	N.G. RILINDJA	9.42%	No DP
4.	N.SH.G. " X print "	5.01%	No DP
5.	“PROJECTGRAPHICS " SH.P.K.	3.64%	No DP
6.	N.SH.T. " DDPRINT "	2.75%	No DP
7.	N.P.T. SHTYPSHKRONJA " ERA "	2.23%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **MEDIA MARKET – ARTISTIC CREATIONS**

Identification of companies operating in the ARTISTIC CREATIONS market		*Market structure of ARTISTIC CREATION companies*	*Dominant Position > 25% of the relevant market*
1.	N.SH.H. ARTIST ESTRADE 'XENI'	30.23%	Has DP
2.	N.SH."B.DINA-OXYGEN"	10.74%	No DP
3.	“BUKA " SH.P.K.	8.25%	No DP
4.	N.T.SH. " TICK MEDIA "	3.73%	No DP
5.	“MONEYZ " SH.P.K.	3.46%	No DP
6.	N.I. PETRIT HALILAJ	2.92%	No DP
7.	N.SH. " STUDIO BY HEKI "	2.72%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **CINEMATOGRAPH**

Identification of companies operating in the CINEMATOGRAPHY MARKET		*The market structure of companies on CINEMATOGRAPHY*	*Dominant Position > 25% of the relevant market*
1.	" OnAir Media " SH.P.K.	21.78%	No DP
2.	N.SH. " KOPERATIVA COMMUNICATIONS"	10.20%	No DP
3.	SOLIDAR SUISSE SCHWEIZERISCHES ARBEITERPILFSWERK	8.20%	No DP
4.	K.D.SH.F. "GENCI"	6.74%	No DP
5.	“PULLA " SH.P.K.	6.30%	No DP
6.	“SKY MEDIA " SH.P.K.	5.81%	No DP
7.	“ALBUNION-MEDIA “SH.P.K.	5.20%	No DP
8.	“IKONË- STUDIO " SH.P.K.	4.31%	No DP
9.	N.T.SH. " Almiri - AS " Sh.p.k.	2.51%	No DP
10.	N.SH." BEZE "	2.43%	No DP

Relevant market:
- Geographic Market - REPUBLIC OF KOSOVO
- Product market – **VOICE RECORDING AND OTHER**

	Identification of companies operating in the VOICE RECORDING MARKET	*Market structure of VOICE RECORDING companies*	*Dominant Position > 25% of the relevant market*
1.	N.F.M.,,Eurolindi"	59.96%	Has DP
2.	“BM 654 " SH.P.K.	8.10%	No DP
3.	N.SH. " HYXHYM "	6.17%	No DP
4.	“REDBOX " SH.P.K.	5.47%	No DP
5.	“V & L " SH.P.K.	4.49%	No DP
6.	N.P.T. " Kola - Commerc "	3.77%	No DP

Professional recommendations and opinions

Television and Radio Market - Kosovo Competition Authority concludes that it is important to emphasize that the legislation regulating this market is drafted in the spirit of competition, and the relevant market is also liberalized.

The geographic market is the territory of the Republic of Kosovo and their structure as a percentage (see table) shows that Compania 21 -sh.pk holds the dominant position with 26.81% of the market, in relation to the other broadcasters-operators in the relevant market.

Since Law no. 04/L-44 on the IMC Article 9 - Broadcasting Policy, Point 6 stipulates that "Broadcasting Policy shall promote the implementation of provisions which prevent monopoly of broadcasting in Kosovo by promoting fair competition for the provision of audiovisual media services".

Therefore, in regard to the Market of Television and Radio, the Authority has no recommendation, but shall monitor all the enterprises holding a dominant position in the relevant market.

Newspapers and Web Portals Market - Based on the market research, the Authority concludes that this market is liberalized and competitive. Based on statistical results of the market structure, we find that N.B. Media Works sh.pk holds a dominant position of 26.28%.

The Authority has no recommendations for this market, but it shall monitor all the enterprises holding a dominant position in the relevant market.

The Authority considers that the **Newspaper Printing market** is liberalized and competitive, but when analyzing and evaluating data obtained from other regulators, we find that Roto Print Sh.p.K holds a significant dominant position at a percentage of 55.38%.

The Authority has no recommendations for this market, but it shall monitor all the enterprises holding a dominant position in the relevant market.

The Authority considers that **the market of artistic creation** is liberalized and competitive throughout the Republic of Kosovo but we find that company N.SH.H. ARTIST ESTRADE 'XENI' holds a dominant position at a percentage of 30.23%.

The Authority has no recommendations for this market, but it shall monitor all the enterprises holding a dominant position in the relevant market.

The Authority considers that the **cinematography market** is liberalized, competitive and the market structure of companies is very well organized in terms of distribution, concentration and competitiveness.

The Authority has no recommendations regarding this market.

The Authority considers that **the voice recording and music publishing market** is liberalized and competitive throughout the Republic of Kosovo but we find that *Eurolindi sh.pk* holds a dominant position at a percentage of 59.96%.

The Authority has no recommendations for this market, but it shall monitor all the enterprises holding a dominant position in the relevant market.

Research conducted by

the Kosovo Competition Authority on

FINANCIAL AND BANKING MARKET

Within the financial and banking market, this research aims to analyze the banking system in Kosovo and determine and then analyze its structure, the degree of concentration of commercial banks in the banking market and the number of participants/banks operating in this market. The Kosovo Competition Authority concludes that there are 3 types of financial services at country level in the finance and banking market. They are divided into Commercial Banks, Microfinance Institutions and Non-Banking Financial Institutions.

Despite complexity in this market, we have attempted to make this research not only informative, but to analyze and determine the dominant or monopolistic position of enterprises operating in the relevant market, its trends and developments, and the sensitivity of effective competition by identifying the real market structure.

The FINANCIAL AND BANKING market is divided into

1. Banks
2. MFIs (Microfinance Institutions)
3. NBFIs (Non-Banking Financial Institutions)

Relevant Market:

- Geographical Market – REPUBLIC OF KOSOVO
- Product market – BANKS AND SERVICES

Identification of companies operating in the BANK AND SERVICES market		*Market structure of companies BANKS AND SERVICES*	*Dominant Position > 25% of the relevant market*
1.	Raiffeisen Bank Kosovo J.S.C.	25.49%	Has DP
2.	"PROCREDIT BANK" SH.A	19.90%	No DP
3.	TEB SH A	17.56%	No DP
4.	“NLB Banka “SH.A.	14.09%	No DP
5.	Banka Kombëtare Tregtare - Branch in Kosovo	7.48%	No DP
6.	Banka Ekonomike Sh.a	6.84%	No DP
7.	“Banka për Biznes "Sh.a.	6.77%	No DP
8.	" TURKIYE IS BANKASI A.S. " BRANCH IN KOSOVO	1.73%	No DP
9.	"TURKIYE CUMHURIYETI ZIRAAT BANKASI A.S" - BRANCH IN KOSOVO	0.14%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – MICROFINANCE INSTITUTION SERVICES

Identification of companies operating in the MFI SERVICES		Market structure of MFI SERVICE companies	Dominant Position > 25% of the relevant market
1.	Timi Invest	1.79%	No DP
2.	START	2.06%	No DP
3.	Perspektiva 4	0.10%	No DP
4.	Rural Credits in Kosovo	15.32%	No DP
5.	KosInvest	1.62%	No DP
6.	KGMAMF	4.40%	No DP
7.	KEP Trust	19.72%	No DP
8.	FINCA	18.72%	No DP
9.	Qelim Kosovë	0.40%	No DP
10.	Atlantic Capital Partners	0.19%	No DP
11.	Financing Agency of Kosovo	13.13%	No DP
12.	Factor Leasing	0.12%	No DP
13.	LESNA	2.52%	No DP
14.	Crimson Finance Fund	3.37%	No DP
15.	Raiffeisen Leasing Kosovo	16.53%	No DP

Relevant market:

- Geographic Market - REPUBLIC OF KOSOVO
- Product market – NBFI SERVICES (NON BANK FINANCIAL INSTITUTIONS)

Identification of companies operating in the NBFI SERVICES market		Market structure of NBFI SERVICES companies	Dominant Position > 25% of the relevant market
1.	Unioni Financiar Prishtinë Sh.p.k.	40.94%	Has DP
2.	"MONETA SH.P.K.	24.75%	No DP
3.	IFJB “CAPITAL " SH.P.K.	11.84%	No DP
4.	N.SH.P."VLLESA-CO"SH.P.K	11.17%	No DP
5.	" NON BANK FINANCIAL INSTITUTION" LESNA “SH.A.	9.01%	No DP
6.	"AGC FAKTOR"L.L.C.	2.16%	No DP
7.	“PRO PAID " SH.P.K.	0.13%	No DP

Professional recommendations and opinions

The Authority considers that the **banking market** is liberalized and competitive throughout the Republic of Kosovo but we find that Raiffeisen Bank J.S.C holds a dominant position at a percentage of 25.49%. However, it must be emphasized that a steady increase in the activity of smaller banks has caused that the concentration degree in the banking market declines steadily since the previous year.

Professional Opinion - The banking system in Kosovo has a fall of market concentration, where about 62.95% percent of the market structure is held by 3 (three) major banks (Raiffeisen Bank, Procredit Bank and TEB Bank). The two largest banks, Raiffeisen Bank and ProCredit Bank, have a market share of 45.85%. Two or more independent companies may be in a dominant position if, in relation to their competitors, they operate jointly in the relevant market, and their overall market share is higher than 40% (collective dominant position).

Therefore, we emphasize that the Authority has the burden of finding that the dominant position in the market may be held by a participant, whose share in the relevant market is less than (25%), respectively in cases of collective dominance, less than (40%).

The Authority has no recommendations for this market, but it shall monitor all the enterprises holding a dominant position in the relevant market.

The Authority considers that the **microfinance institution market** is liberalized, competitive and the market structure of companies is very well organized in terms of distribution, concentration and competitiveness.

The Authority has no recommendations regarding this market.

The Authority considers that **the non-bank financial institutions market** is liberalized and competitive throughout the Republic of Kosovo but we find that *NBFI Unioni Financiar Prishtine sh.p.k* holds a dominant position at a percentage of 40.94%.

The Authority has no recommendations for this market, but it shall monitor all the enterprises holding a dominant position in the relevant market.

A research conducted by
the Kosovo Competition Authority on
MINING AND MINERALS MARKET

In the framework of this research on Mining and Minerals Market, the Kosovo Competition Authority has held meetings with the regulator in this field, namely the Independent Commission for Mines and Minerals (ICMM). This market is regulated by the Law on Mines and Minerals no. 03/L-163 as well as Law no. 04/L-158 on Amending and Supplementing it, which applies to all activities in this sector, including: Exploitation, research and special activities.

The mining sector is one of the most important sectors for the country's economic development, but this sector has not yet managed to have a significant effect on the country's economic development. Sustainable development of this sector can be achieved based on the resources Kosovo has and relying on the best practices of the countries that have developed this sector.

The mining and minerals market, in accordance with the Law on Mines and Minerals, includes 3 types of activities:

9. Exploitation
10. Exploration
11. Special activities

The mining and minerals sector, respectively the Exploitation sector, means an activity that applies to the area for the use of respective mineral resource.

The mining and minerals market, respectively the Exploration Sector, includes activities involving geological mapping, soil and rock sampling, opening trenches, drilling, geophysical measurements and similar activities undertaken for exploration or other purposes.
Mining and minerals market, respectively, the Special Activities sector includes research activities involving: drilling, excavation, sampling, geophysical measurements, machinery or equipment operation, and related activities that are carried out for the purpose of research and that physically alter or distort the surface of the earth, use of explosives for purposes of exploitation or exploration of minerals, craftsmanship, other mineral activities as defined by the ICMM.

Relevant Market:

- Geographic Market - **Territory of the Republic of Kosovo**
- Product Market - **Exploitation Sector**

Companies operating in the Exploitation sector market		*Market structure of exploitation sector market companies*	*Dominant Position 25% of the relevant market*
1.	Kosovo Energy Corporation JSC	42.96%	Dominant Position
2.	"SharrCem" sh.p.k.	10.17%	No DP
3.	Newco Ferronikeli Complex LL.C.	6.96%	No DP
4.	"Trepça - Enterprise under Administration of the KPA"	5.90%	No DP
5.	"Benita Company" Sh.p.k.	3.45%	No DP
6.	N.T.SH. "Dino" Sh.p.k.	2.46%	No DP
7.	"Eskavatori" Sh.p.k.	2.12%	No DP

Relevant Market:

- Geographic Market - **Territory of the Republic of Kosovo**
- Product Market - **Exploration Sector**

*Companies operating in the **Exploration** sector market*		*Market Structure of companies In the **exploration** sector market*	*Dominant Position 25% of the relevant market*
1.	"Conex Group" SH.P.K	37,532%	Dominant Position
2.	"Soal" sh.p.k. - Branch in Kosovo	9,090%	No DP
3.	"Shkembi " Sh.p.k	8,120%	No DP
4.	"Fidani- Beton" sh.p.k.	7,372%	No DP
5.	"Agi - Dani" sh.p.k.	6,702%	No DP
6.	"DE-KO" SH.P.K.	5,673%	No DP
7.	"Çeta -General Invest Group"sh.p.k	5,488%	No DP
8.	"SKP" sh.p.k.	3,747%	No DP
9.	"Kushtrimi NM" Sh.P.K	3,168%	No DP
10.	"EUROKOFIX Gmbh" Sh.p.k.	2,539%	No DP

Relevant Market:

- Geographic Market - **Territory of the Republic of Kosovo**
- Product Market - **Special Activities Sector**

*Companies operating in the **special activities** sector market*		*Market structure of companies In the **special activities** sector*	*Dominant Position 25% of the relevant market*
1.	"Fitorja" Sh.p. k.	20.05%	No DP
2.	N.N. "R & Rukolli" Sh.p.k	8.19%	No DP
3.	"Jaha Company" Sh.p.k.	6.98%	No DP
4.	K.N.P.SH. "PAPENBURG & ADRIANI COMPANY" Sh.p.k.	5.52%	No DP
5.	"Ndërtimtari" SH.P.K	5.15%	No DP
6.	"Toni Compani" sh.p.k.	4.97%	No DP
7.	N.N.T.SH. "Drini Company" Sh.p.k.	4.64%	No DP
8.	KOSOVA THËNGJILLI - SH.A	4.55%	No DP
9.	"Jehona" Sh.p.k.	3.33%	No DP
10.	"Arbëria Turist " Sh.p.k.	3.15%	No DP
11.	"Eti" Sh.p.k.	2.70%	No DP
12.	N.P.N "Albing" Sh.p.k	2.50%	No DP
13.	"Titan Beton" S h.p.k.	2.47%	No DP
14.	"Unioni" Sh.p.k.	2.27%	No DP
15.	"ALBIONI" SH.P.K.	2.03%	No DP
16.	"BENI - COM" Sh.P.K.	2.00%	No DP

Professional recommendations and opinions

Based on findings from the Authority's analysis it is concluded that 180 companies licensed by the regulatory body operate in the mining and minerals market, respectively the exploitation sector. The Kosovo Competition Authority considers that this market is liberalized and competitive. The relevant law regulating this sector does not restrict any new company to enter the market, but during the analysis and the relevant research, statistical results show that the *Kosovo Energy Corporation sh.a.* holds a dominant position in the relevant market with a percentage of 42.96%.

The Kosovo Competition Authority has no specific recommendation about market liberalization and competitiveness, but underlines that the company holding a dominant position in the relevant market may abuse its position. Therefore, to prevent this from occurring, the Authority will continuously monitor and coordinate with the relevant regulator.

Based on findings from the Authority, it is concluded that 165 companies licensed by the regulatory body operate in the mining and minerals market, respectively the exploration sector. The Kosovo Competition Authority considers that this market is liberalized and competitive. The relevant law does not restrict any new company to enter the market, but during the analysis and the relevant research, statistical results show that *"Conex Group" Sh.p.k* holds a dominant position in this market.

The Kosovo Competition Authority has no specific recommendation about market liberalization and competitiveness, but underlines that the company holding a dominant position may abuse its position or its power in the relevant market. Therefore, to prevent this from occurring, the Authority will continuously monitor and coordinate with the relevant regulator.

Based on findings from the Authority, it is concluded that 165 companies licensed by the regulatory body operate in the mining and minerals market, respectively the special activities sector. The Kosovo Competition Authority considers that this market is liberalized and competitive. The relevant law does not restrict any new company from entering the market. We consider that in the sector for specific activities, no company holds a dominant position and therefore the market structure and concentration is quite competitive.

The Kosovo Competition Authority has no specific recommendation on Market Liberalization and Competitiveness in the Special Activities Sector.

Remark:
Most operators in the respective Mining and Minerals Market have licenses for and all three activities (Exploitation, Exploration & Special Activities). The Authority has obtained data from relevant regulators and from TAK on the annual turnover of respective operators. The methodology for obtaining the market structure for this sector is based on the annual turnover of operators. In the course of detailed research we have found that it is impossible to analyze the annual turnover of companies into each activity separately. Therefore there may be a low percentage of discrepancy in providing the data presented above.

A research conducted by
the Kosovo Competition Authority on
FISCAL EQUIPMENT MARKET

In the course of research of this market the Working Group has found that the Division on fiscal registers, within the Tax Administration of Kosovo (TAK) regulates, monitors and licenses economic operators and regulates the fiscal equipment market. This Division licenses economic operators for fiscal cash registers. This market is regulated by Administrative Instruction 01/2015 on EFEs (Electronic Fiscal Equipment) and a DOCUMENT on "Electronic Fiscal Devices, Requirements and Functional and Technical Characteristics". In accordance with this Administrative Instruction there are no legal restrictions in terms of its liberalization because any EFE producer, importer or installer can become an authorized EFE operator for one or more specific models at any time according to the criteria published by the Unit on Fiscal Cash Registers Management (UFCRM).

The Kosovo Competition Authority's commission has in 2010 intervened into this market by conducting investigations and imposing administrative sanctions in the amount of 100,000 Euros against two operators who were found to exhibit anti-competitive behavior and essential violations of the legal provisions of the Law on Protection of Competition. The Authority's decision had an influence on the oversight body to liberalize this market.

By the end of 2016 TAK has authorized a total of 7 economic operators to exercise this economic activity. All such economic operators, besides dealing with fiscal equipment trading, also offer installation and maintenance of electronic fiscal devices. Such companies are active and perform their economic activity.

Relevant Market:
- Geographic Market - **Territory of the Republic of Kosovo**
- Product Market – **Electronic Fiscal Equipment – EFE**

*Identification of companies operating in the **EFE** market*		*Market structure of companies in the **EFE** market*	*Dominant Position 25% of the relevant market*
1.	"GEKOS" Sh.p.k	58.28%	Dominant Position
2.	"Dukagjini" Sh.p.k	25.84%	Dominant Position
3.	"PRINTEC " L.L.C.	8.08%	No DP
4.	N.T.SH. " Enternet "	5.85%	No DP
5.	"BBROS " L.L.C	1.39%	No DP
6.	"SERVICE GLOBAL EU" SH.P.K.	0.49%	No DP
7.	N.T."GLOBAL TRADE"	0.07%	No DP

Professional recommendations and opinions

Based on findings of the Authority, the fiscal equipment market is liberalized and competitive. The relevant legislation does not restrict any new company to enter the market, however during analysis and the relevant research, statistical results show that "GEKOS" Sh.p.k (58.28%) and "Dukagjini" Sh.a. (25.84%) hold dominant positions in this market at a common percentage of about 84% of the market.

This market is regulated by law and other subsidiary legislation, and as such it is liberalized and there is sufficient competition, therefore the Authority has no specific recommendations to the institutions that regulate this market, but underlines that companies in a dominant position may abuse their position or power in the market. Therefore, to prevent this from occurring, the Authority will continuously monitor and coordinate with the relevant regulator.

A research conducted by
the Kosovo Competition Authority on

WATER SUPPLY MARKET

In the framework of water market research, the Competition Authority held meetings with relevant regulators and obtained information that the relevant market includes 3 types of sectors.

Sectors on:
1. Supply of drinking water (water supply)
2. Water supply for irrigation and
3. Production of bottled water and refreshing beverages.

The water supply market is regulated by Law no. 04/L-147 on Waters and Law no. 05/L-042, regulating the licensing, service fees, service standards, monitoring and consumer protection. The main regulator for monitoring and managing water supply is the Water Regulatory Authority, which implements the two above-mentioned laws.

Since Kosovo's water resources are state-owned, the water supply market, through the water supply company, has a natural monopoly. There are 7 regional public water companies (RWCs) operating in this market, namely the shareholder of such companies is the Government of the Republic of Kosovo with 100% of the shares. The companies cover about 90% of dwellings throughout the territory of the Republic of Kosovo, offering services and products. In addition to supply of drinking water, the companies also provide maintenance services of the water and sewage network. We also found that the water price per cubic meter is exclusively defined by WRA based on the criteria set out in the Tariff Regulation. It is worth emphasizing that no regional company has the same prices for such services.

The Kosovo Competition Authority considers that this market is technically and physically impossible to liberalize. The reason for not liberalizing this market is because no private company has the infrastructure capacity to provide this service.

The water supply market for irrigation in the Republic of Kosovo is regulated by Law no. 04/L- 147 on Water, this market is supervised and regulated by the Water Regulatory Authority (WRA). On basis of information obtained by WRA, 3 public enterprises operate in this market, whose shareholder/owner is the Government of the Republic of Kosovo respectively the Ministry of Economic Development. Since Kosovo's water resources are state-owned, the irrigation water supply market, has a natural monopoly. 2 public regional enterprises and public enterprise Ibër Lepenci operate in this market, and this is above the size of the region. The Ibër Lepenci Company carries out the following activities: Supply of crude water, accumulated in Lake Ujeman for:

1. Industry (TREPÇA, KEK and FERONIKEL)
2. Regional Water Companies in Prishtina and Mitrovica
3. Agriculture (maintenance and supply of irrigation network up to hydrant)

The market for production of bottled water and refreshment beverages in the Republic of Kosovo is a market dominated by private companies. On basis of research carried out by the Authority, we found that no public company exercises economic activity in this sector. Companies have no legal restrictions to enter this market. In this market the company development is based on providing good quality products, best services and innovations. Approximately 150 different companies operate in this market and exercise economic activity in the same market sector. The Authority considers that the relevant market is liberalized with sufficient competitive pressure to lead economic operators to higher quality, more favorable prices and the creation of innovative products.

Relevant Market:

- Geographical Market
  - PRISHTINA Region
  - PRIZREN Region
  - MITROVICA Region
  - PEJA Region
  - GJAKOVA Region
  - FERIZAJ Region
  - GJILANI Region
  - ZUBIN POTOK
  - LEPOSAVIQ

- Product Market – Drinking water (WATER)

	Identification of enterprises operating In the drinking water supply market	*Market Structure of companies For drinking water supply*	*Dominant Position 25% of the relevant market*
1.	KUR "PRISHTINA" SH.A.	100%	Monopoly

	Identification of companies operating In the drinking water supply market	*Market Structure of companies For drinking water supply*	*Dominant Position 25% of the relevant market*
1.	KUR "HIDRO-REGJIONI JUGORË" SH.A.	100%	Monopoly

	Identification of companies operating In the drinking water supply market	*Market Structure of companies For drinking water supply*	*Dominant Position 25% of the relevant market*
1.	KUR "MITROVICA" SH.A.	100%	Monopoly

	Identification of companies operating In the drinking water supply market	*Market Structure of companies For drinking water supply*	*Dominant Position 25% of the relevant market*
1.	KRU "HIDRO-DRINI" SH.A.	100%	Monopoly

	Identification of companies operating In the drinking water supply market	*Market Structure of companies For drinking water supply*	*Dominant Position 25% of the relevant market*
1.	KRU "RADONIQI" SH.A.	100%	Monopoly

	Identification of companies operating In the drinking water supply market	*Market Structure of companies For drinking water supply*	*Dominant Position 25% of the relevant market*
1.	KUR "BIFURKACIONI" SH.A.	100%	Monopoly

	Identification of companies operating In the drinking water supply market	Market structure of companies For drinking water supply	Dominant Position 25% of the relevant market
1.	KUR "HIDRO-MORAVA" SH.A	100%	Monopoly

	Identification of companies operating In the drinking water supply market	Market structure of companies For drinking water supply	Dominant Position 25% of the relevant market
1.	Water and waste company "IBRI" Zubin Potok SH.A	100%	Monopoly
	Identification of companies operating In the drinking water supply market	Market structure of companies For drinking water supply	Dominant Position 25% of the relevant market
1.	Water and waste company "24 Nëntori" SH.A. Leposaviç	100%	Monopoly

1. JKP '24 Novembar' Leposaviq
    a. held a license for water and wastewater services no. SL/204/05 from 01.11.2005 to 30.04.2006;
    b. held a service license for waste collection no. SL/325 from 30.11.2005 to 30.05.2006;

with Regulatory Decision no. 323/SL and no. 325/SL and dt. 08.06.2006 the service license was renewed for both services until 31.12.2006.

2. JKSP "Zveqan" Zveqan
    a. had a service license no. 204/SL/05 on waste collection from 30.11.2005 until 30.05.2006, with Regulator's Decision no. 326/SL and dt. 08.06.2006 the service license was renewed until 31.12.2006.

3. JPKD "Ibar" Zubin Potok
    a. held a service license for water and wastewater services no. 203/SL/05 from 01.11.2005 to 30.04.2006;
    b. held a service license for waste collection no. 327/SL from 30.11.2005 to 30.05.2006;

with Regulatory Decision no. 319/SL and dt. 08.06.2006 the service license was renewed until 31.12.2006;

4. Vodovod "Ibar" Mitrovica never applied and did not hold a service license;
5. JKP "Standard" Mitrovica never applied and did not hold a service license;

Remark: According to WRA data, after 31.12.2006 the above-mentioned companies (both licensed and unlicensed) did not apply for a license despite the WRA's insistence on processing several documents. From that date onwards there is no information on who they report to.

Relevant Market:

-Geographical market

- PRISHTINA AND MITROVICA region
- GJAKOVA Region
- PEJA Region

-Product market - **Water for irrigation**

	Identification** of companies operating In the **water for irrigation supply market	***Market structure** of companies in the **irrigation water supply market***	*Dominant Position 25% of the relevant market*
1.	Hydro- Economy Enterprise "Ibër Lepenc "SH.A. PRISHTINË	100%	Monopoly

	Identification** of companies operating In the **water for irrigation supply market	***Market structure** of companies in the **irrigation water supply market***	*Dominant Position 25% of the relevant market*
1.	Regional Water Company "RADONIQI-DUKAGJINI" SH.A. GJAKOVA	100%	Monopoly

	Identification** of companies operating In the **water for irrigation supply market	***Market structure** of companies in the **irrigation water supply market***	*Dominant Position > 25% of the relevant market*
1.	Regional Water Company "DRINI I BARDHË"SH.A .PEJA	100%	Monopoly

Relevant Market:

- Geographical Market - **REPUBLIC OF KOSOVO**
- Product market - **Production of water (natural and sparkling) and bottled refreshing beverages**.

As far as this market is concerned, and as per data from the relevant institutions it appears that there is sufficient competition in the market. According to KBRA - MTI evidence, 151 economic operators are licensed to produce refreshment beverages, mineral water and other bottled water. According to the research, it is impossible to reflect the exact market structure due to TAK revenue system for the said product since the annual turnover is merged.

A research conducted by
the Kosovo Competition Authority on

WASTE MARKET

In the scope of Waste Market Research, Kosovo Competition Authority has held meetings with the Ministry of Environment and Spatial Planning which regulates this sector. This market is regulated by the Law on Waste which regulates waste management, environmental management plans, rights and obligations of licensed persons who deal with waste management, waste collection methods and conditions, transportation, handling, processing, storage and final disposal, import, export and transit of waste, monitoring, information system and financing.

There are 85 public and private companies licensed by the relevant authority in this market. Prices for municipal waste collection services are set by the Municipalities by approving them in their assemblies, while for other types of waste the price is determined on a market basis. According to data provided by the respective officials, the licensing process is regulated by Administrative Instruction No. 09/2014 and there are no restrictions on the introduction of new operators in the market.

The structure of the waste market in terms of municipal waste collection services throughout the territory of the Republic of Kosovo according to MLGA performance for 2016 at the country level is 72.58%. Based on data provided by the relevant regulators, the Authority concludes that the market for municipal waste collection has market restrictions. As per research data, in most municipalities there is only one public operator.

In the recent past the Authority had information that public companies that exercise this economic activity have monopoly positions in service delivery, transport, collection and disposal of municipal waste. The Law on Waste does not restrict this market and does not place private enterprises in unfavorable competitive positions.

Identification of companies operating in the ***Waste market***		*Market structure of companies in the* ***Waste market***	*Dominant Position 25% of the relevant market*
1.	"Rec Kos" sh.p.k.	30.58%	Has dominant position
2.	K.r.m. "Pastrimi" SH.A.	18.94%	No DP
3.	"Plastika" Sh.p.k.	15.33%	No DP
4.	Sh.p.k. "G- Plus"	10.77%	No DP
5.	K.r.m. "Eko Regjioni" Sh.A.	9.58%	No DP
6.	Mobile Sanitary Services (MSS) Sh.p.k.	7.64%	No DP
7.	"KMI" sh.p.k.	4.69%	No DP
8.	N.t.sh. "Stina"	4.57%	No DP
9.	K.r.m. "Patërtia" SH.A.	4.57%	No DP
10.	"Eco-Higjiena" shpk	4.53%	No DP
11.	Sh.p.k. Euro Still	4.22%	No DP
12.	"Toifor" Sh.p.k.	3.99%	No DP
13.	K.r.m. "Çabrati" SH.A.	2.79%	No DP

Professional recommendations and opinions

Based on findings of the Authority, the waste market is liberalized and competitive. The relevant legislation does not restrict any new company to enter the market, however after analysis and the relevant research, the statistical results show that "Rec Kos" Sh.a. has (30.58%) of the market share and accordingly the operator holds a dominant position in this market while the other operators have a small percentage share, but the market is sufficiently competitive according to the Authority.

However, in the context of municipal waste collection, the relevant market is restricted because public enterprises are the only ones to exercise this activity, despite the fact that waste legislation has no market restrictions.

This market is regulated by law and other subsidiary legislation, and as such it is liberalized and there is sufficient competition, therefore the Authority has no specific recommendations to the institutions that regulate this market, but underlines that companies in a dominant position may abuse their position or power in the market. Therefore, to prevent this from occurring, the Authority will continuously monitor and coordinate with the relevant regulator. In the context of municipal waste collection, the market is restricted, therefore the Authority recommends regulatory and municipal institutions to liberalize this market by creating favorable competitive conditions for the introduction of new operators in the market.

Kosovo Competition Authority would like to thank the following entities for their efficient cooperation:

1. Tax Administration of Kosovo (TAK)
2. Kosovo Customs
3. Central Bank of Kosovo (CBK)
4. Water Regulatory Authority (WRA)
5. The Independent Media Commission (IMC)
6. Regulatory Authority of Electronic and Postal Communications (RAEPC)
7. Independent Commission of Mines and Minerals (ICMM)
8. Energy Regulatory Office (ERO)
9. Kosovo Agency for Medicinal Products and Devices (KAMPD)
10. Public Procurement Regulatory Commission (PPRC)
11. The Ministry of Infrastructure
12. The Ministry of Finance
13. The Ministry of Health
14. The Ministry of Trade and Industry
15. The Ministry of Environment and Spatial Planning