



## Municipality fact sheet for Istog / Istok

### 1.1. Overview

<b>Population</b>
<ul style="list-style-type: none"> <li>Population density of 87 inhabitants/km<sup>2</sup> is considerably lower than the Kosovar average (159)</li> <li>Main source of livelihood: other sources play a major role as compared to Kosovo as a whole</li> </ul>
<b>Performance of the local business sector</b>
<ul style="list-style-type: none"> <li>Number of businesses per 1,000 economically active inhabitants (58) is lower than for Kosovo in total (76)</li> <li>The development of businesses is not as dynamic as the Kosovar development; however, the development of employment has been above average since 2012</li> <li>The business entry rate (10.0 %) is below the Kosovar value (13.6 %) – since 2011, this gap has been relatively stable</li> <li>The business exit rate (8.2 %) is higher than for total Kosovo (6.5 %) – before 2012, the exit rate was lower than the Kosovar average</li> <li>Sectoral structure of the local economy: trade, manufacturing and construction are the main sectors; business services are underrepresented</li> <li>Legal form of businesses: 91.2 % are individual businesses (Kosovo: 85.2 %); there are no foreign companies or joint stock companies</li> </ul>
<b>Municipal taxes and fees related to businesses</b>
<ul style="list-style-type: none"> <li>Immovable property tax</li> <li>Permit fees for construction and demolition of buildings and other structures</li> <li>Inspection and supervisory fee</li> <li>Fees for the change of land use</li> </ul>
<b>Supply of human resources</b>
<ul style="list-style-type: none"> <li>The participation rate (40.5 %) is lower than the Kosovar average (44.7 %)</li> <li>Educational attainment of the population: the share of people with not completed or primary education is higher than for Kosovo as a whole</li> <li>No tertiary education institutions</li> </ul>
<b>Infrastructure, business support services and events</b>
<ul style="list-style-type: none"> <li>Travel distance to the next highway / upper level road: 24.4 km</li> <li>Availability of business registration centre, banks, lawyers, business consultancies and tax consultancies</li> <li>No chambers</li> <li>No business incubators, economic zones and technology parks</li> <li>Existence of financial support for businesses</li> </ul>
<b>Municipal administration</b>
<ul style="list-style-type: none"> <li>Municipal budget: share of public services, civil protection and emergency in total budget (6.7 %) is below the Kosovar average (15.8 %)</li> <li>Information on municipal taxes and fees available only upon request</li> </ul>

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## 1.2. Population

### Area and population

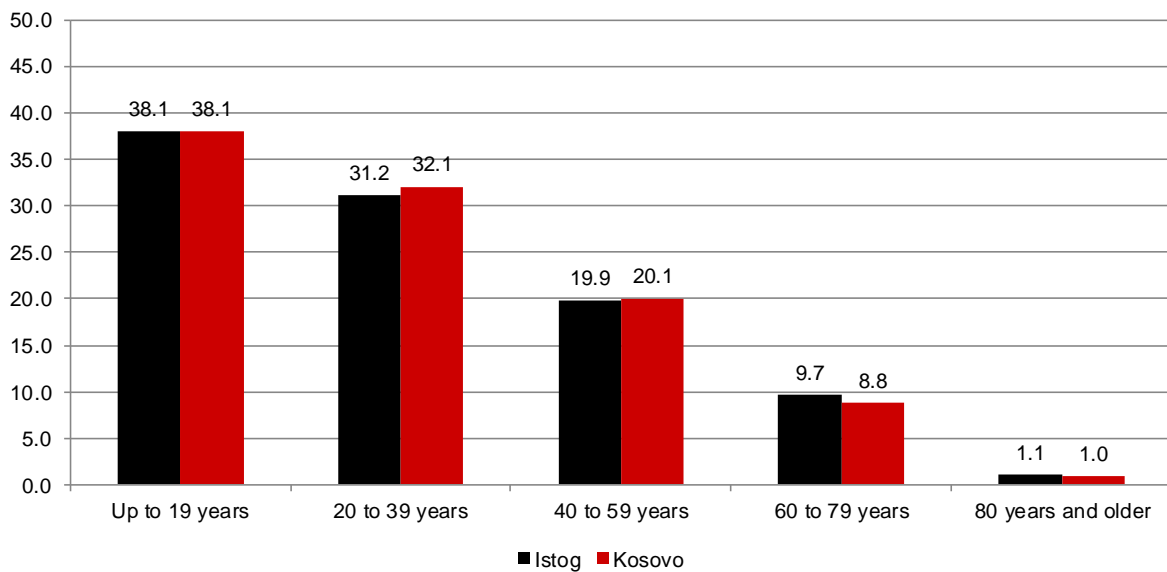
Table 1 Area, population and population density

	Istog	Kosovo	Share of Istog in Kosovo in %
Area in km <sup>2</sup>	453	11,187	4.0
Total population	39,289	1,819,785	2.2
Population density (inhabitants per km <sup>2</sup> )	87	159	-

Source: Kosovo Agency of Statistics, Census 2011


### Age of the population

Figure 1 Population by age groups, in %



Source: Kosovo Agency of Statistics, Census 2011

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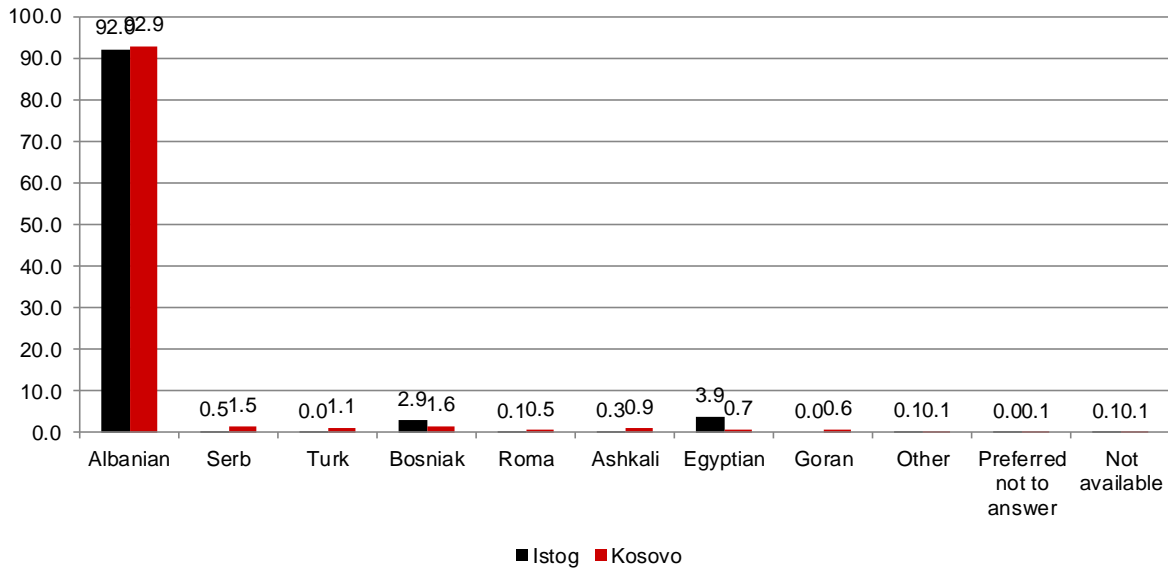


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## Ethnic distribution

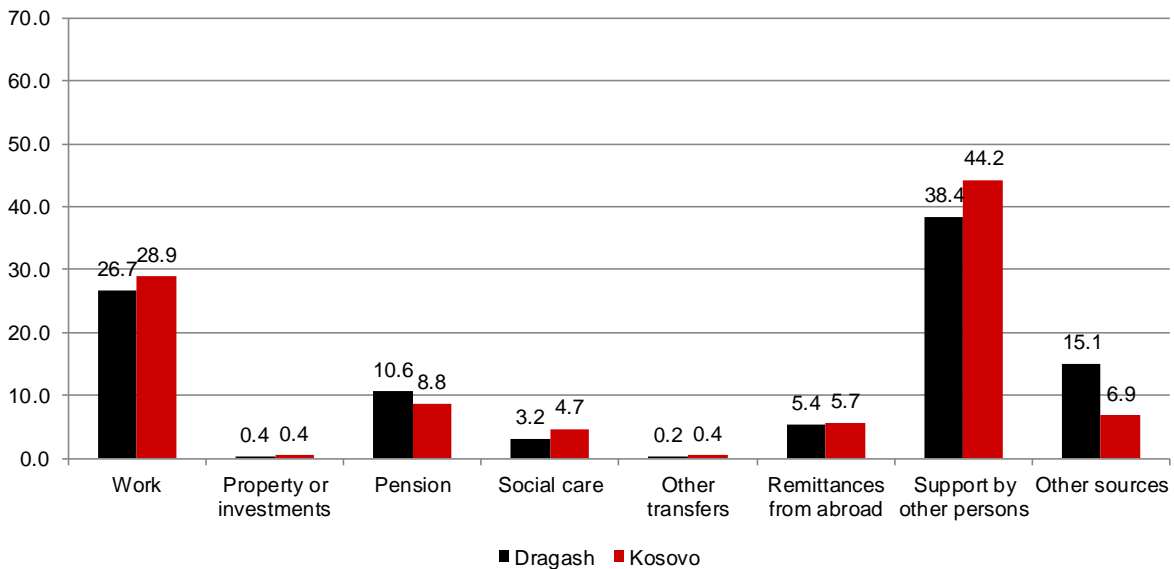
Figure 2 Population by ethnic background, in %



Source: Kosovo Agency of Statistics, Census 2011

## Sources of livelihood

Figure 3 Population<sup>1</sup> by first main source of livelihood<sup>2</sup>, in %



<sup>1</sup> Population 15 years and older

<sup>2</sup> The first main source of income from which all of a person's expenditure was financed during the last 12 months

Source: Kosovo Agency of Statistics, Census 2011

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### 1.3. Performance of the local business sector

The number of enterprises and employees are based on data from the Tax Administration of Kosovo (ATK). The database of ATK only includes enterprises that are paying taxes.

#### Business demography: businesses, employees, business entries and business exits

Table 2 Number of businesses and employees, business entries and business exits, 2013

	Istog	Kosovo
Number of businesses <sup>1</sup>	637	46,032
Number of employees <sup>2</sup>	2,330	189,623
Number of businesses per 1,000 economically active inhabitants <sup>3</sup>	58	76
Number of business entries <sup>4</sup>	64	6,253
Business entry rate <sup>5</sup>	10.0	13.6
Number of business exits <sup>6</sup>	52	2,987
Business exit rate <sup>7</sup>	8.2	6.5

<sup>1</sup> Businesses registered with ATK; the sectors Public administration, defence and social security; Activities of households as employers; Activities of extraterritorial organisations; Private persons and businesses with missing sector information have been excluded.

<sup>2</sup> Annual average number of employees

<sup>3</sup> Economically active inhabitants (=labour force): Working-age people (15-64 years) who are employed or registered as unemployed (job seekers); data from 2011

<sup>4</sup> Business entries: New entries into the register of ATK


<sup>5</sup> Business entry rate: Newly registered businesses as a percentage of total businesses registered with ATK

<sup>6</sup> Business exits: Exits from the register of ATK

<sup>7</sup> Business exit rate: Business exits as a percentage of total businesses registered with ATK

Source: Tax Administration of Kosovo (ATK), 2014; Kosovo Agency of Statistics, Census 2011

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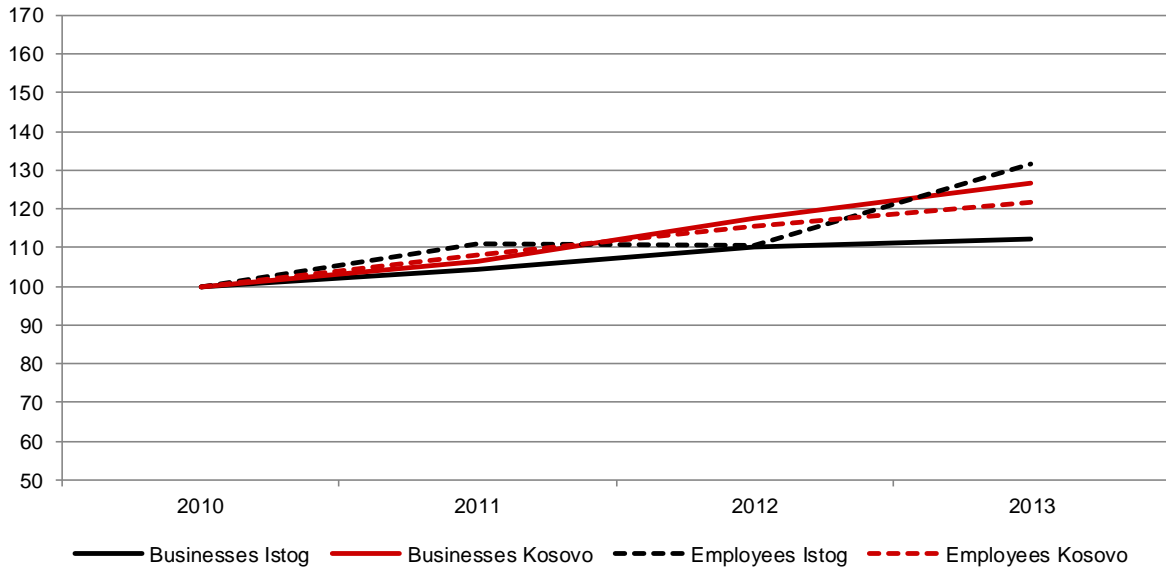
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## Development of businesses and employees

Figure 4 Development of the number of businesses and employees, 2010-2013

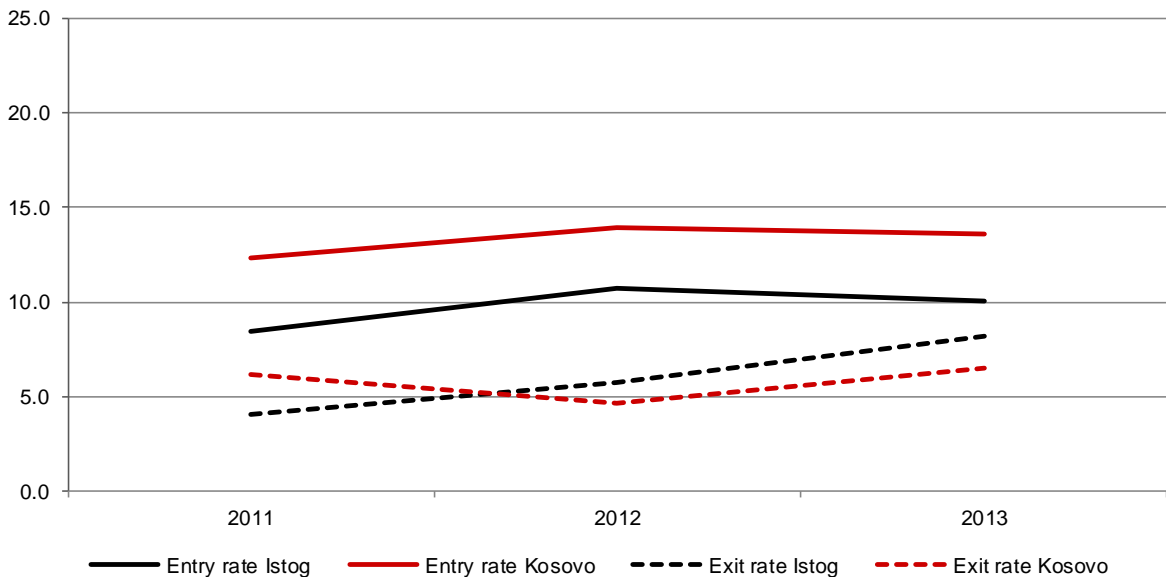
Index (2010=100)



Source: Tax Administration of Kosovo (ATK), 2014

## Development of business entry and business exit rates

Figure 5 Development of business entry rates<sup>1</sup> and business exit rates<sup>2</sup>, 2011-2013, in %



<sup>1</sup> Business entry rate: Newly registered businesses as a percentage of total businesses registered with ATK

<sup>2</sup> Business exit rate: Business exits as a percentage of total businesses registered with ATK

Source: Tax Administration of Kosovo (ATK), 2014

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## Sectoral structure of the local economy

**Table 3** Businesses and employees in businesses by sector of economic activity, 2013, in %

Sector of economic activity <sup>1</sup>	Istog		Kosovo	
	% of enterprises	% of employees	% of enterprises	% of employees
Manufacturing <sup>2</sup>	13.9	16.2	11.1	18.9
Energy and water supply <sup>3</sup>	-	-	0.3	1.7
Construction	10.6	20.7	7.3	11.0
Wholesale and retail trade	45.5	35.3	43.6	33.0
Transport	3.8	3.1	5.8	5.6
Hotels and restaurants	8.5	5.7	7.7	5.5
Business services <sup>4</sup>	5.7	6.3	10.4	13.4
Education	c	0.6	1.2	2.1
Human health	2.9	7.5	2.9	2.1
Personal services <sup>5</sup>	8.3	4.6	9.7	6.7
Total <sup>6</sup>	611	2,161	45,156	187,480

<sup>1</sup> According to NACE Rev. 2

<sup>2</sup> Manufacturing: includes mining and quarrying

<sup>3</sup> Energy and water supply: electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities

<sup>4</sup> Business services: information and communication; financial and insurance activities; real estate activities; professional, scientific and technical activities; administrative and support service activities

<sup>5</sup> Personal services: arts, entertainment and recreation; other service activities


<sup>6</sup> Data refer to the non-agricultural business sector; the sectors agriculture, public administration, defence and social security; activities of households as employers; activities of extraterritorial organisations; private persons and businesses with missing sector information have been excluded.

c...Existing data, but confidential treatment for data protection reasons (absolute number of cases is less than 5)

Source: Tax Administration of Kosovo (ATK), 2014

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## Size of businesses

**Table 4** Businesses and employees in businesses by enterprise size, 2013, in %

Enterprise size	Istog		Kosovo	
	% of businesses	% of employees	% of businesses	% of employees
OPE <sup>1</sup>	57.3	15.7	56.3	13.7
2 to 4 employees	29.5	21.9	30.5	19.3
5 to 9 employees	8.2	14.5	8.2	12.5
10 to 49 employees	3.6	16.5	4.2	18.7
50 and more employees	1.4	31.5	0.8	35.7
Total	637	2,330	46,032	189,623

<sup>1</sup> OPE: One-Person-Enterprise: Businesses with less than 2 persons employed

Source: Tax Administration of Kosovo (ATK), 2014

## Legal form of businesses

**Table 5** Legal forms of businesses, 2013, in %


Legal form	Istog	Kosovo
Individual business (B.I.)	91.2	85.2
Limited liability company (SH.P.K).	7.2	11.4
General partnership (O.P.)	1.1	1.2
Non-governmental Organisation (OJK)	c	1.1
Foreign company	-	0.5
Joint Stock Company (SH.A.)	-	0.3
Other	c	0.3
Total	637	46,032

c...Existing data, but confidential treatment for data protection reasons (absolute number of cases is less than 5)

Source: Tax Administration of Kosovo (ATK), 2014

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## 1.4. Local business environment

### 1.4.1. Municipal taxes and fees related to businesses<sup>1</sup>

#### Immovable property tax

Table 6 Immovable property tax<sup>1</sup>

	Existence (X for yes)	Details
Annual property tax	X	See table 7
Property transfer tax <sup>2</sup>	-	-

<sup>1</sup> According to the Law on local government finance (No. 03/L-049), Art. 9 “Immovable Property Tax”, p.7

<sup>2</sup> Municipal tax on real estate transaction

Source: Municipality of Istog, 2014

Table 7 Property tax<sup>1</sup>: Property values by categories and value zones, in €/m<sup>2</sup>, and tax rates, in %

Property categories	Zone I	Zone II	Zone III	Zone IV	Tax rates in %
Residential (housing)	250	250	180	150	0.15
Residential (apartment)	300	250	180	150	0.15
Garages	150	120	100	80	0.15
Commercial property	600	500	400	300	0.20
Industrial property	450	400	350	300	0.20
Swimming pools, sports fields, gas stations, and warehouses	100	80	60	40	0.20
Agricultural property	100	80	60	40	0.15
Fish ponds	200	160	120	80	0.15
Unfinished properties	250	200	180	150	0.15

<sup>1</sup> According to the Law on local government finance (No. 03/L-049), Art. 9 “Immovable Property Tax”, p.7

Source: Municipality of Istog, 2014

<sup>1</sup> According to the Law on local government finance (No. 03/L-049), chapter II “Municipal Taxes and Fees”, p.7-11

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## Business license fees

Table 8 Business license fees<sup>1</sup>

	Existence (X for yes)	Details
Annual business license fee <sup>2</sup>	-	-
Annual professional business license fee <sup>3</sup>	-	-

<sup>1</sup> According to the Law on local government finance (No. 03/L-049), Art. 10 and Art. 11, p.7-9

<sup>2</sup> Business activity: retail sales, food processing, handicraft, hotel and restaurant services, banking activities and financial services, insurance, and other business activities

<sup>3</sup> Business activity: professional services, accountants, lawyers, doctors, dentists and other professions

Source: Municipality of Istog, 2014

## Permit fees for construction and demolition of buildings and other structures

Table 9 Permit fees for construction and demolition of buildings and other structures<sup>1</sup>

	Existence (X for yes)	Details
Construction permit fee <sup>2</sup>	X	Construction of any kind: € 2.56/m <sup>2</sup> Density tax: (square meters/50) x 99.87

<sup>1</sup> According to the Law on local government finance (No. 03/L-049), Art. 14, p.10

<sup>2</sup> Same formula for all municipalities: (Administrative costs of issuing permits / Number of permits issued in previous year) x Surface (square meters) of construction

Source: Municipality of Istog, 2014

## Municipal administrative fees

Table 10 Municipal administrative fees<sup>1</sup>

Inspection and supervisory fees, such as...	Existence (X for yes)	Details
...construction and demolition of buildings and other structures	-	-
...sanitary and hygienic inspection <sup>2</sup>	X	€ 10
...agriculture inspection	-	-

<sup>1</sup> According to the Law on local government finance (No. 03/L-049), Art. 13, p.10

<sup>2</sup> Inspection of sanitary conditions, safety of the premise etc.

Source: Municipality of Istog, 2014

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## Other municipal fees

Table 11 Other municipal fees<sup>1</sup>

	Existence (X for yes)	Details
Change of land use	X	Class I-IV: € 1/m <sup>2</sup> Class V-VI: € 0.75/m <sup>2</sup> Class VII-VIII: € 0.50/m <sup>2</sup>

<sup>1</sup> According to the Law on local government finance (No. 03/L-049), Art. 15, p.10

Source: Municipality of Istog, 2014

### 1.4.2. Supply of human resources

#### Employment and unemployment

Table 12 Employment and unemployment

	Istog	Kosovo
Working-age population (15-64 years)	25,504	1,135,463
Total labour force <sup>1</sup>	10,327	508,100
Participation rate in % <sup>2</sup>	40.5	44.7
Number of employed persons <sup>3</sup>	5,748	280,454
Employment rate in % <sup>4</sup>	22.5	24.7
Number of unemployed persons <sup>5</sup>	4,579	227,646
Unemployment rate in % <sup>6</sup>	44.3	44.8

<sup>1</sup> Labour force: The number of working-age people (15-64 years) who are economically active. The economically active consist of the employed and the registered unemployed (job seekers).

<sup>2</sup> Participation rate: Proportion of the working-age population (15-64 years) that is economically active

<sup>3</sup> Employed person: Person who works in a job where an explicit or implicit contract of employment exists and gives the person a basic remuneration or person that performs seasonal, agricultural or other temporary work from which this person derives a source of livelihood, in cash or in kind, regardless of being socially insured.


<sup>4</sup> Employment rate: Proportion of the working-age population (15-64 years) that is employed

<sup>5</sup> Unemployed person: Someone not currently working (neither in paid employment nor in self-employment), but currently available for work and actively looking for any kind of paid work.

<sup>6</sup> Unemployment rate: Proportion of the labour force that is unemployed

Source: Kosovo Agency of Statistics, Census 2011

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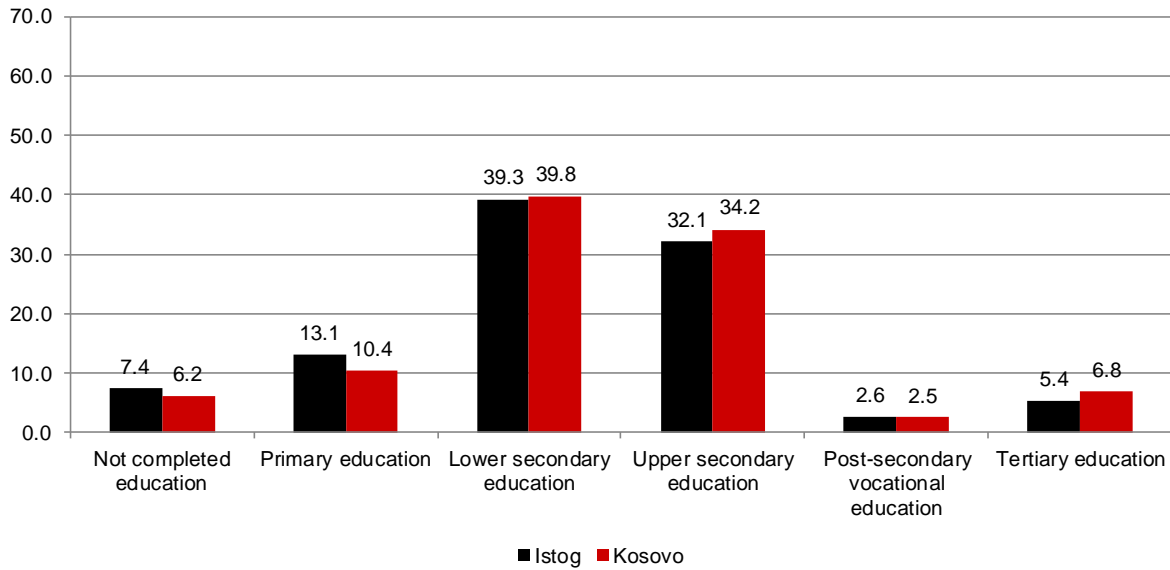


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## Educational attainment of the population

Figure 6 Population<sup>1</sup> by completed educational level<sup>2</sup>, in %



<sup>1</sup> Population 15 years and older

<sup>2</sup> Primary education: 5 years, age 6-11; lower secondary education: 4 years, age 12-15; upper secondary education, gymnasium, vocational school: 3-4 years, age 15-19; post-secondary vocational education: high level of post-secondary education, professional studies from 6 months up to 2 years, age 19-24; tertiary education: bachelor, master, PhD-studies, age 19-26

Source: Kosovo Agency of Statistics, Census 2011

## Secondary education

Table 13 Secondary schools: number and students

	Istog	Kosovo	Share of Istog in Kosovo in %
Number of secondary schools	2	95	2.1
Number of students in secondary schools	2,083	99,578	2.1

Source: Number of secondary schools: Ministry of Education, Science and Technology (MEST), 2014; Number of students in secondary schools: Kosovo Agency of Statistics, Education Statistics 2014

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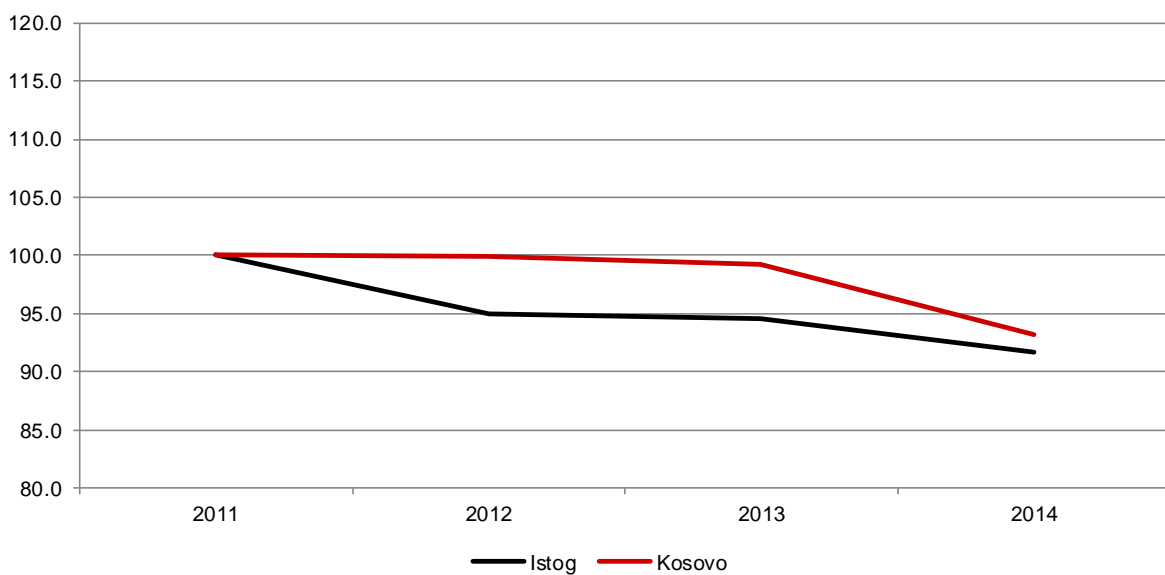
**Table 14 Types and areas of education of secondary schools**

Type of secondary school	Number of schools	Existence (X for Yes)	Area of education
Gymnasium	1	X	-
Vocational school	1	-	Chemistry, non-metals and graphics
		-	Culture, art and public information
		-	Economy and law
		X	Electrical engineering
		-	Forestry and wood processing
		X	Geodesy and construction
		-	Health and social protection
		X	Machinery and metal processing
		-	Textile and leather
		-	Trade, hospitality and tourism
		-	Mining, metallurgy and geology
		-	Natural sciences - mathematics
		-	Traffic

Source: Ministry of Education, Science and Technology (MEST), 2014; own research by KOSME, 2014

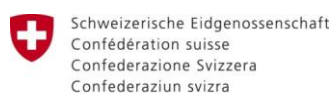
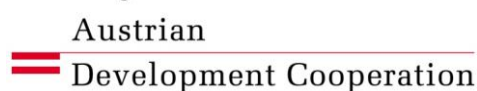
**Figure 7 Development of the number of students in secondary schools, 2011-2014**

Index (2011=100)



Source: Kosovo Agency of Statistics, Education Statistics 2011-2014

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### Tertiary education

There are no tertiary education institutions in Istog (2014).

### Adult education

Table 15 Existence of vocational training services for adults

Fields / areas	Kind of vocational training for adults
ICT (information and communication technology)	n/a
Business and management	n/a
Engineering and technology	n/a
Construction (e.g. house-painter, bricklayer, plumber...)	n/a
Languages	n/a
Personality development and communication skills	n/a

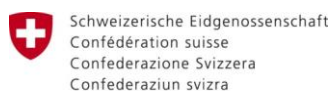
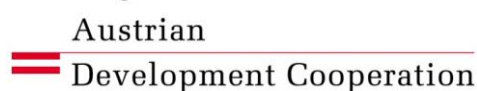
Note: Vocational training for adults comprises all public and private vocational learning and training for adults after leaving initial education and training (initial education and training = formal education system, usually before entering working life). It includes work- and career-oriented learning (obtaining new qualifications, up-skilling or re-skilling for employment) but also learning for personal development.

The list of vocational training services is not exhaustive, since not all approached training providers presented information on their training courses.

n/a...There is no information on training opportunities in this field

Source: Municipality; Ministry of Education, Science and Technology (MEST), 2014

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### 1.4.3. Infrastructure, business support services and events

#### Traffic infrastructure

Travel distance in km from the centre of the municipality to the next highway or upper-level road:  
24.4 km (Source: Municipality; Google Maps, 2014)

#### Existence of business support services

Table 16 Availability of business support services

Business support services	Availability in Istog		Availability in Kosovo		Share of Istog in Kosovo in %
	Absolute	Per 100 enterprises*	Absolute	Per 100 enterprises*	
Business registration centre <sup>1</sup>	1	-	30	-	-
Banks (including branches) <sup>2</sup>	5	0.8	243	0.5	2.1
Lawyers <sup>3</sup>	9	1.4	852	1.9	1.1
Business consultancies <sup>3</sup>	1	0.2	383	0.8	0.3
Tax consultancies <sup>3</sup>	3	0.5	636	1.4	0.5

Note: Lawyers, business consultancies and tax consultancies according to NACE Rev. 2

\* Istog: 637 enterprises; Kosovo: 46,032 enterprises

Source: <sup>1</sup> Ministry of Trade and Industry (MTI), 2014; <sup>2</sup> Banks operating in Kosovo, 2014; <sup>3</sup> Tax Administration of Kosovo (ATK), 2014

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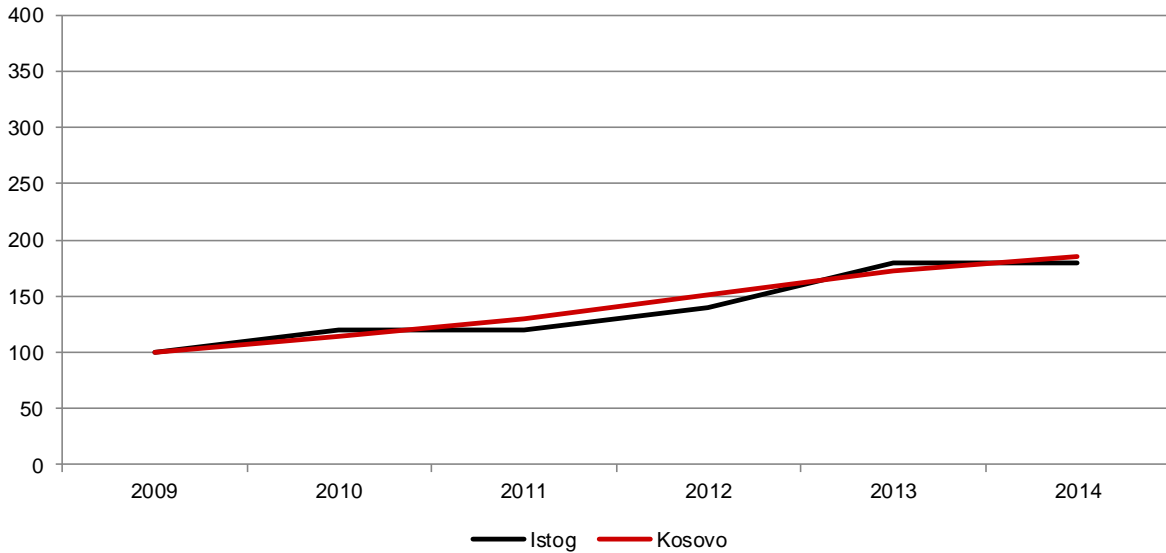
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**Development of the number of lawyers, business consultancies and tax consultancies**

**Figure 8 Development of the number of lawyers, 2009-2014**

Index (2009=100)

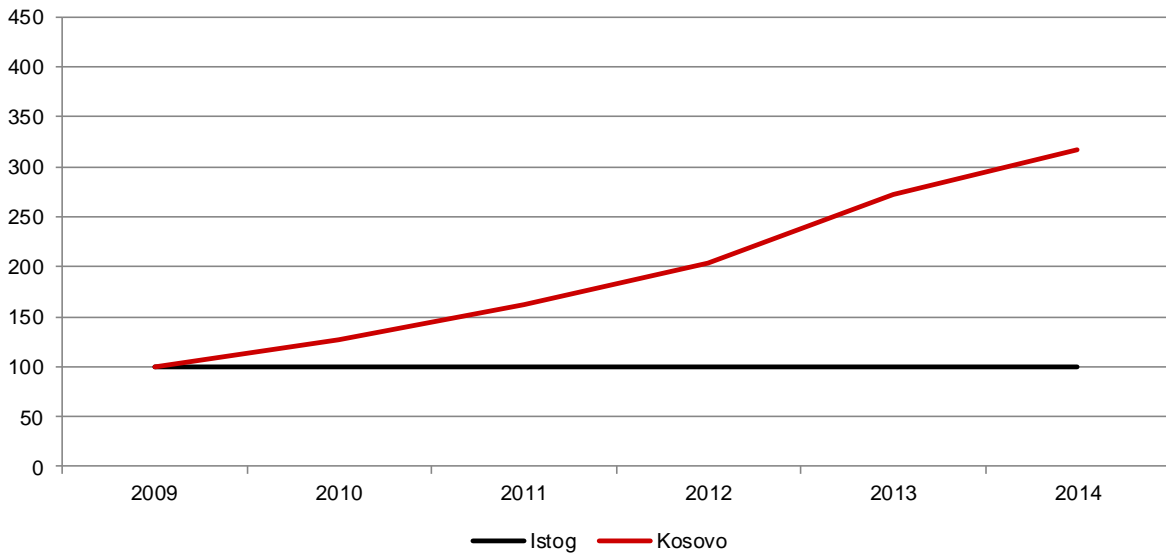


Note: Lawyers according to NACE Rev. 2

Source: Tax Administration of Kosovo (ATK), 2009 – 2014

**Figure 9 Development of the number of business consultancies, 2009-2014**

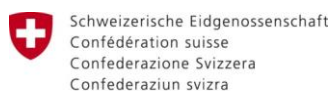
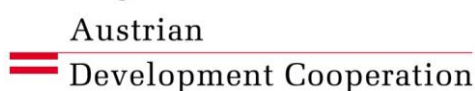
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Note: Business consultancies according to NACE Rev. 2

Source: Tax Administration of Kosovo (ATK), 2009 – 2014

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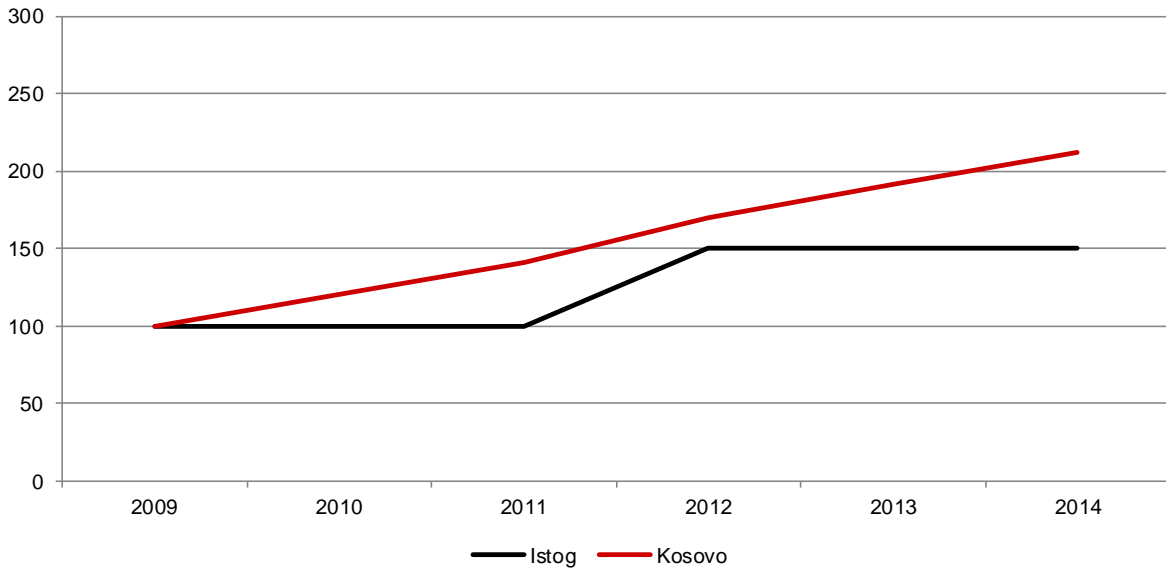
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Figure 10 Development of the number of tax consultancies, 2009-2014

Index (2009=100)



Note: Tax consultancies according to NACE Rev. 2

Source: Tax Administration of Kosovo (ATK), 2009 – 2014

### Existence of chambers

Table 17 Availability of chambers

	Name of chamber
Istog	There is no chamber in the municipality
District of Pejë	<ul style="list-style-type: none"> <li>• Kosovo Chamber of Commerce (KCC)</li> <li>• Business Alliance of Kosovo (AKB, Aleanca Kosovare e Bizneseve)</li> <li>• Liberia Chamber of Commerce in Kosovo (LCCK)</li> </ul>

Source: Ministry of Public Administration, 2014

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**Existence of business incubators, economic zones and technology parks**

There are no business incubators, economic zones or technology parks in Istog (Source: Ministry of Trade and Industry – MTI, 2014).

**Existence of financial support for businesses**

Existence and number of e.g. grants and micro finance on municipal level

**Table 18 Availability and range of financial support**

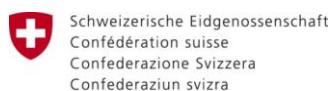
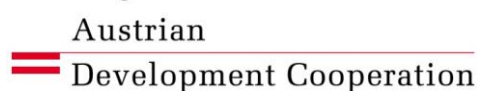
Grants / microfinance	Details
Rural Credit Kosovo	Loans for villages, small businesses, agricultural and individual purposes
KEP	Loans for solidarity groups, villages, agricultural and individual purposes
Finca	Loans for villages (in groups), individuals, improvement/renovation of household conditions, and rural loans

Source: Websites of micro finance institutions, 2014

**Existence of B2B events and trade fairs**

There is no information on any B2B events and fairs in Istog (Source: Kosovo Chamber of Commerce, KIESA - Kosovo Investment and Enterprise Support Agency, 2014).

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#### 1.4.4. Municipal administration

### Municipal budget

Table 19 Municipal budget

Budget	Budget of Istog in € (2014)			Total budget of all municipalities of Kosovo in € (2014)		
	Absolute	Per capita	Change of budget 2012-2014 in %	Absolute	Per capita	Change of budget 2012-2014 in %
Public services, civil protection, emergency	523,455	13.3	-31.0	61,349,364	33.7	+12.0
Total budget	7,789,708	198.3	+3.0	389,518,818	214.0	+5.9
Share of public services, civil protection, emergency in total budget	6.7	-	-3.3	15.8	-	+0.9

Note: Public services, civil protection, emergency include road infrastructure, public infrastructure, fire prevention and inspections, management of natural disasters and water management

Source: Ministry of Finance; Assembly of Republic of Kosovo, 2014

### Transparency on municipal taxes and fees

Access to written information on municipal taxes and fees e.g. on municipal websites and in municipalities itself (written documents)

Table 20 Transparency on municipal taxes and fees

Availability of written information (documents)	Yes	No
Available on the municipality website	-	X
Publicly available at the municipality building (e.g. brochure at the entrance)	-	X
Available only upon request	X	-
Not available at all	-	X

Source: Municipality, 2014

with funding from



co-financed by



## Opening hours of local authorities


08:00-16:00

Source: Municipality, 2014

## Municipality website

<https://kk.rks-gov.net/istog/>

with funding from

 Austrian  
Development Cooperation



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC

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Ministry of Trade  
and Industry