

# COUNTRY REVIEWS

## LABOUR MARKET REVIEW- WESTERN BALKANS



THE PURPOSE OF THIS REPORT IS TO PROVIDE AN INSIGHTFUL OVERVIEW ON THE CURRENT LABOUR MARKETS AND RELATED TOPICS CONNECTED TO THE EMPLOYMENT AND FOREIGN INVESTMENT ACTIVITIES IN THE COUNTRIES OF THE WESTERN BALKANS.

IN ADDITION, THE REPORT CONTAINS A CURRENT INFO IN CONNECTION TO THE PANDEMIC SITUATION SUCH AS VACCINATION AND IN-FORCE MEASURES IN EACH COUNTRY IN 2021 Q1.

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# ALBANIA

## COUNTRY FACTS AND FIGURES

- **GDP per capita (nominal): 5847 \$**
  - Capital: Tirana
  - Surface Area: 28,750 km<sup>2</sup>
  - Currency: Lek (1 EUR=123 ALL)
  - Inflation: 1.4%
  - **Belongs to:** CoE, IMF, NATO, UN, OSCE
  - **Average gross monthly wage: 54.951 ALL (Euro 447)**
  - *Natural resources: petroleum, natural gas, coal, bauxite, chromite, copper, iron ore, nickel, salt, timber, hydropower, arable land*
- Total Foreign Direct Investment: Euro 10 billion**  
Population: 2,845,955 - 99 people per km<sup>2</sup>
- Remittances: 9.6% of GDP

## COVID-19 SITUATION- QUICK KEY FIGURES

(Updated 7 April 2021)

- **Total Cases: 127,000**      **Deaths: 2288**      **Covid death rate: 77 per 100.000 people**
- **Vaccination** has reached 10% of the population aiming at least 30-40% for this summer coming as Hotels and Tourism services will be open to host visitors.
- During the pandemic the Albanian Government once issued a flat compensation salary of 40.000 LEK (Euro 325) to all formal employees.
- The Government is hoping to end the pandemic in 10 months by having 100% vaccination.
- **No covid test needed to enter the country**

## LABOUR MARKET

- **Minimum gross monthly wage: ALL 30.000 (Euro 243)**
- **Average gross monthly wage: 54.951 ALL (Euro 447)**
- Unemployment: 11.8%
- Unemployment is lower in Tirana area, and higher in northeast of the country
- Employers' social security, health and pension contribution: 16.7 % of salary
- Employee's social security, health and pension contribution: 11.2 % of salary
- Corporate and other income taxation (not from wages): 15%
- According to Konfindustria Albania's informal economy equals 50% of Albania's GDP.

## PERSONAL / WAGE INCOME TAX RATE (LEK)

Corporate Tax Rate in Albania remained unchanged at 15 percent in 2021 from 15 percent in 2020.

MONTHLY INCOME	TAX
To 30,000	Monthly exemption
30,001 - 150,000	13%
Over 150,001	15,600 lek + 23%

Comment: the national **minimum wage has been raised 4,000 Lek per month from the previous year, 15.38%** in the last year.

Remittances may reach 1 Billion Euro this year, cca 5000 \$ per capita in average, so GNI is including cca 1 Billion Euro originating from the remittances from working Albanians abroad.

## MANAGEMENT FORCE

Banking, Oil and Gas, Telecommunication industries mostly have Senior Expats CEO with international packages.

- Local General Managers, Managing Directors: Euro 2.000 - 4.000 / Monthly Gross base salary
- Marketing and Sales Directors Euro 800 - 1.000 / Monthly Gross base salary

Benefits may include: Bonus, company car, mobile phone, paid accommodation, training courses

## TOP INVESTORS COMING FROM: NETHERLANDS, TURKEY, ITALY, GREECE, UNITED STATES, FRANCE

- OTP BANK ALBANIA
- BANKERS PETROLEUM ALBANIA
- LA PETROLIFERA ITALO ALBANESE SH.A
- DEVOLL HYDROPOWER/STATKRAFT
- IDROENERGIA SRL
- STATKRAFT MARKET BV
- SHELL UPSTREAM ALBANIA B.V. BRANCH OFFICE
- TRANS ADRIATIC PIPELINE AG (TAP)
- BECHTEL
- HILTON
- STRABAG
- ANTEA CEMENT SH.A
- SCHNEIDER ELECTRIC INDUSTRIES SAS
- KARAVASTA SOLAR/VOLTALIA
- ACCOR

- National Agency for support of new investors in the country: [Albanian Investment Development Agency \(aida.gov.al\)](http://aida.gov.al)

Registering a new business in the country: National Business Center: [Kreu \(kru.gov.al\)](http://kru.gov.al)

- Register online with few steps and in just 5 days you can set up the company.

## EDUCATION

Universities: Universita Nostra Signora del Buon Consiglio -UniZKM, Agricultural University of Albania -UBT, University of New York Tirana -UNYT, Polytechnic University of Tirana UPT, Mediterranean University of Albania

*General Elections in Albania will be held in 25 April 2021.*



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# KOSOVO

*“Small Country, younger workforce”*

*Kosovo’s young population needs to be equipped with the skills demanded by a modern economy. Gender gaps in access to economic opportunity remain one of the country main challenges*

## COUNTRY FACTS AND FIGURES

- **GDP per capita (nominal) : 4,649 \$**
  - Capital: Pristina
  - Currency: Used Euro
  - Inflation: 1.3%
  - **Average gross monthly wage: 504 Euro**
  - *Natural resources: nickel, lead, zinc, magnesium, lignite, kaolin, chrome, bauxite*
- Total Foreign Direct Investment: Euro 3 billion**  
 Population: 1,873,16 Surface Area: 10,887 km2  
 Remittances: 15,6% GDP

## COVID-19 SITUATION- QUICK KEY FIGURES

(Updated 7 April 2021)

- **Total cases: 94000**      **Deaths: 1900,**      **Covid death rate: 101.1 per 100,000 people**
- Kosovo government accorded 60 Mil Euro fund for the recovery benefiting 90 thousand businesses and 200,000 employers.

Entry in Kosovo is allowed only accompanied by negative Covid test, people other than from, Serbia, Albania, Kosovo, Bosnia-Herzegovina, North Macedonia should test negative 72 hours prior to entry the Country.

## LABOUR MARKET

- **Minimum gross monthly wage: 170 Euro**
- **Average gross monthly wage: 504 Euro**
- Unemployment: 25%  
 Kosovo is one of the smallest countries in Europe employment is higher in the Capital Pristina and Prizren, and lower in the north.
- Employers' social security, health and pension contribution: 5 % of salary
- Employee's social security, health and pension contribution: 5 % of salary
- The Corporate Tax Rate is 10 percent

## INCOME TAX RATE (EURO)

MONTHLY INCOME	TAX
Up to 80	Monthly exemption
80 - 250	4%
250 - 450	8%
Over 450	10%

## MANAGEMENT FORCE

Monthly Gross base salary

- General Managers, Managing Directors gross per month  
Euro 2.000 - 3.000 / Monthly Gross base salary
- Marketing and Sales Directors Gross per month  
Euro 600 - 800 / Monthly Gross base salary

Benefits may include: Bonus, company car, mobile phone, training courses

## TOP INVESTORS COMING FROM: GERMANY, UNITED STATES, ITALY, UK

- B. L. HARBERT
- KELLOGG BROWN & ROOT (KBR)
- APPEN
- XOGITO GROUP
- RAIFFEISEN INTERNATIONAL
- GUANGDONG MIDEA ELECTRIC APPLIANCES
- DYNACORP INTERNATIONAL
- TETRA TECH
- MAHA MASCHINENBAU HALDENWANG
- TIVE

- National Agency for the support of new Investor in the country: [KIESA \(rks-gov.net\)](http://KIESA.rks-gov.net)
- Registering a business in Kosovo: Online method, easy steps in few days [ARBK \(rks-gov.net\)](http://ARBK.rks-gov.net)

## EDUCATION

UNIVERSITY OF PRISHTINA UP; AAB COLLEGE.

Last election held in Kosovo were on 14 February 2021, next to be held in 4 years.



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# MONTENEGRO

## COUNTRY FACTS AND FIGURES

- **GDP per capita (nominal) : 7,933 \$**
  - Capital: Podgorica
  - Currency: Used Euro
  - Inflation: 0.7 %
  - **Average gross monthly wage: 790 Euro**
  - *Natural resources: bauxite, hydroelectricity*
- Total Foreign Direct Investment: Euro 6 billion**  
Population: 621,873 Surface Area: 13,812 km<sup>2</sup>
- Remittances: 11.4% of GDP

## COVID-19 SITUATION- QUICK KEY FIGURES

(Updated 7 April 2021)

- **Total Cases: 94,000**      **Deaths: 1334**      **Covid death rate: 202.9 per 100,000 people**
- Until April 31,000 citizen received their first shot of vaccine and 5400 with both shots.
- Montenegro plans to open for this summer for tourism and people other than from, Serbia, Albania, Kosovo, Bosnia-Herzegovina should test negative 72 hours prior to entry the Country.

## LABOUR MARKET

- **Minimum gross monthly wage: 331 Euro**
- **Average gross monthly wage: 790 Euro**
- Unemployment: 16.2%
- As Montenegro most profitable industry is Tourism employment is higher in the seaside and the capital Podgorica, and lower in the east side mountainous area.
- Social security contribution an employer is due to make is 9.8% of the employee's wages. This is comprised of pensions (5.5%), health (3.8%) and unemployment (0.5%).
- Corporate Tax Rate in Montenegro remained unchanged at 9 percent in 2021 from 9 percent in 2020.

## INCOME TAX RATE

The income tax rate in Montenegro is 9% and 11% for wages more than the average.

## MANAGEMENT FORCE

Montenegro's economy is focused in Tourism and Seaside resorts plays a key role in High management wages.

- General Managers, Managing Directors:  
Euro 3.000 - 4.000 / Monthly Gross base salary
- Marketing and Sales Directors  
Euro 1.000 - 1.500 / Monthly Gross base salary

Benefits may include: Bonus, company car, mobile phone, training courses

## TOP INVESTORS COMING FROM: RUSSIA, ITALY, NORWAY, AUSTRIA, HUNGARY AND THE UNITED KINGDOM

- IBEROSTAR HOTELS & RESORTS
- AMAN RESORTS
- ERSTE GROUP
- JOHN LEWIS & PARTNERS
- KONE
- OTP BANK
- BOKA RESTAURANT GROUP
- MEDITERRANEAN SHIPPING COMPANY
- ROYAL CARIBBEAN GROUP
- DELOITTE

## NATIONAL AGENCY FOR THE SUPPORT OF FDI:

MIA – Montenegrin Investments Agency – Montenegro, more than investment [www.mia.gov.me](http://www.mia.gov.me)

The registration procedure of a Limited liability company (D.O.O.) takes 5 business days [Ministry of Economy \(mek.gov.me\)](http://mek.gov.me)

## EDUCATION

The University of Montenegro UCG; Mediteranean University UM; University of Donja Gorica

**Parliamentary elections** were held in Montenegro on 30 August 2020



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# NORTH MACEDONIA

*"Best Country in the region for Doing Business"  
 According to World Bank Doing Business 2020*

## COUNTRY FACTS AND FIGURES

- **GDP per capita (nominal): 6,143 \$**
  - Capital: Skopje
  - Currency: North Macedonian Denar (MKD) (Euro 1 = MKD 62.19)
  - Inflation: 1.2 %
  - **Average gross monthly wage: 42,313.58 MKD (Euro 680)**
  - *Natural resources: petroleum, natural gas, coal, bauxite, chromite, copper, iron ore, nickel, salt, timber, hydropower, arable land*
- Total Foreign Direct Investment: Euro 7 billion**  
 Population: 2,077,132      Surface Area: 25,713 km<sup>2</sup>  
 Remittances: 11% of GDP

## COVID-19 SITUATION- QUICK KEY FIGURES

(Updated 7 April 2021)

- **Total cases: 135,167**      **Total deaths: 3988**      **Death rate: 181.5 per 100,000 people**
- By 6 April 0.60% of population received at least one dose of the Vaccine, with 12,000 doses administered the process is slow for the moment.
- To enter in North Macedonia, you should have a negative test if you are not from neighbouring countries.

## LABOUR MARKET

- **Minimum gross monthly wage: 21,106.79 MKD (Euro 339)**
- **Average gross monthly wage: 42,313.58 MKD (Euro 680)**
- Unemployment: 16.7%
- Employment is higher in Skopje as most of industry and factories are located in the capital area, and lower in the east side of the country.
- The contribution types and rates are as follows:  
 Pension and disability – 18.8%- Health insurance – 7.5% Employment insurance - 1.2% ,  
 Additional health insurance for workplace injury and occupational disease - 0.5%

## INCOME TAX

The personal income tax rate is set at 10%. Out of that 7531 MKD is income tax free

Corporate Tax Rate in Macedonia remained unchanged at 10 percent in 2021 from 10 percent in 2020.

MONTHLY INCOME	TAX
Up to 1,080,000 MKD	10%
Above 1,080,000 MKD	18% of the difference above 1,080,000 MKD



# NORTH MACEDONIA

## MANAGEMENT FORCE

Monthly gross salary range:

- General Managers, Managing Directors: Gross Euro 3.000 / Monthly Gross base salary
- Marketing and Sales Directors Gross Euro 1.000 - 1.500 / Monthly Gross base salary

Benefits may include: Bonus, company car, mobile phone, training courses

## TOP INVESTORS COMING FROM: AUSTRIA, UK, GREECE, NETHERLANDS AND SLOVENIA

- VANHOOL
- ARCELOR MITTAL
- JOHNSON MATTEY
- TEKNOHOSE
- ARC AUTOMOTIVE MACEDONIA
- JOHNSON CONTROLS

- National Agency for foreign investment support: Invest North Macedonia [www.investnorthmacedonia.gov.mk](http://www.investnorthmacedonia.gov.mk)
- Business registration center: Home ([cm.com.mk](http://cm.com.mk))

Early parliamentary elections were held in North Macedonia in 2020

## EDUCATION

- University American College Skopje UACS
- Saints Cyril and Methodius University, Skopje



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AESC / Association of Executive Search Consultants

# BOSNIA AND HERCEGOVINA

## COUNTRY FACTS AND FIGURES

- **GDP per capita (nominal): 6009 \$**
  - Capital: Sarajevo
  - Currency: Convertible mark (BAM) (Euro 1 = BAM 1.97)
  - Inflation: -1.30 %
  - Average gross monthly wage: 1532 BAM (**Euro 777**)
  - **Bosnia and Herzegovina remittances were 11% of the GDP for 2018**
  - *Natural resources: coal, iron ore, antimony, bauxite, copper, lead, zinc, chromite, cobalt, manganese, nickel, clay, gypsum, salt, sand, timber, hydropower*
- Total Foreign Direct Investment: Euro 9 billion**  
Population: 3,301,000 Surface Area: 51,129 km<sup>2</sup>

## COVID-19 SITUATION- QUICK KEY FIGURES

(Updated 7 April 2021)

- **Total cases: 176,600**      **Total deaths: 6960**      **Death rate: 198.5 per 100,000 people**
- Vaccination process is slow counting on COVAX system that slowed the doses, as a federation Republika Srpska received free vaccines from Serbia and the central government is contracting to receive Sinovac Vaccine from China.
- **To travel to BiH you should have been vaccinated or have a negative result no more than 72 hours prior to the visit.**

## LABOUR MARKET

- **Minimum gross monthly wage: 406 (Euro 206)**
- **Average g. m. wage: 1532 BAM (Euro 777)**
- Unemployment: 33.9%  
Wich may have significant differences, depending on regions within the Federation.
- Employee's share:
  - FB&H: 17% for pension insurance, 12.5% for health insurance, 1.5% for unemployment insurance (in total: 31% on gross wage).
  - RS: 18,5% for pension insurance, 12% for health insurance, 0,8% for unemployment insurance, 1,7% for child protection (in total: 33% on gross wage)
  - For Brcko District is almost the same
- Employer's share:
  - FB&H: 6% for pension insurance, 4% for health insurance, 0,50% for unemployment insurance (in total: 10.50% on gross wage).
  - RS: no such contributions are paid.
  - For Brcko District the is the almost the same.

According to the International Labour Organization the informal employment is 30.5%; 27,6% of this is in the informal sector and 2,7% in the formal sector, 0,2% in households.

Corporate Tax in FBiH is 10%

## PERSONAL INCOME TAX RATES

Income tax is paid at the rate of 10% in all tax jurisdictions in Bosnia and Herzegovina.

Personal Income Tax : 10% (FB&H, RS, BD)

General elections will be held in Bosnia and Herzegovina most likely in October 2022.

## MANAGEMENT FORCE

Monthly gross salary range in Euro

- General Managers, Managing Directors:  
Up to BAM 6.000/ Monthly Gross base salary (Euro 3.040)
- Marketing and Sales Directors  
BAM 2.000 - 3.000/ Monthly Gross base salary (Euro 1.015- 1.523)

Benefits may include: Bonus, company car, mobile phone, training courses

## TOP INVESTORS COMING FROM: AUSTRIA, CROATIA, SERBIA, SLOVENIA AND THE NETHERLANDS

source: Central Bank of Bosnia and Herzegovina.

The largest investors in Bosnia and Herzegovina are Austria, Croatia, Serbia, Slovenia and the Netherlands source: Central Bank of Bosnia and Herzegovina.

- INFOBIP
- BERLIN CHEMIE
- COMTRADE
- ORACLE
- NOKIA
- SBERBANK
- UNIQA
- MICROSOFT
- AL JAZEERA
- MESSER GROUP

National Agency for the support of FDI: FIPA <http://fipa.gov.ba/>

Central business registration center: Single Registry of Accounts of Business Entities in Bosnia and Herzegovina ([cbbh.ba](http://cbbh.ba))

## EDUCATION

University of Sarajevo, University of Mostar, American University in Bosnia and Herzegovina, Sarajevo School of Science and Technology.



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