

Project management group meeting for reducing cash transactions in Kosovo

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5 September, 2013

Content

- Approval of minutes from the last meeting (February 22nd 2013); (completion of conclusions from the last meeting)
- General information from the working groups of CBK and commercial banks, and activities regarding project management group for reducing cash transactions in Kosovo;
- Payment instruments and terminals - Kosovo compared to the countries in Southeastern and Central Europe;
- Information about Mastercard and Visa
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1. Approval of minutes from the last meeting (February 22nd 2013)

- With VISA assistance will be materialized, it is thought this assistance to be in regard of education / campaign for cash reduction and the use of electronic payments. From MasterCard we will request support at no cost for a specific area (the regulatory, operational, etc.) if we agree during the ongoing discussions. Budget planning for this purpose may be in the later stages for concrete work. (CBK and the team are already in the course of activities, market analysis, financial analysis, etc.)
-in process
- By March 11th, 2013 to prepare and send to “paymentsystems@bqk-kos.org” draft request/needs for assistance from VISA (from banks: PCB,RBKO,NLB,TEB, BEK have informed CBK, other banks (BPB, BKT, etc.), companies and institutions will be again contacted by CBK. Members of the working group for reducing cash transactions in Kosovo to respond to the previous e-mail (sent by CBK on February 13th, 2013)
-in process
- Pillar III subgroup to prepare and send analysis about Interbank Processing Center (technical, functional, financial, etc.) by April, 2013
-Has been finalized by the CBK with the support from the commercial banks by information materials and discussions
- CBK to organize meeting with banks and utility companies regarding further proceeding and discussion about signing the authorization at the client’s bank.
-is finished, banks and companies are instructed, and the instruction on Direct Debit scheme was adapted.
- Next meeting of the team will be held in the first half of July,2013, i.e., after the support of experienced companies (Master Card and Visa) is secured, for the conditions and manner of their assistance, without expenses during this initial phase. After discussions with the World Bank for assistance within Pillar III and also after the finalization of comparative statistical report.

2. General information from the working groups of CBK and commercial banks, and activities regarding project management group for reducing cash transactions in Kosovo

- Analysis on the creation of a card processing center in Kosovo (technical, operational and financial issues) (Annex 1);
- Analysis on the use of payment instruments, and statistical reports on payment instruments and terminals (<http://www.bqk-kos.org/?cid=1>, 59.54);
- Analysis on Kos Giro and Direct Debit scheme;
- Meetings with banks and companies participating and not participating in Kos Giro and Direct Debit schemes;

3. Payment instruments and terminals - Kosovo compared to the countries in Southeastern and Central Europe (1)

Tab 1. Comparative table of the number of terminals and payment instruments in 2012

Description	Population	Size (km ²)	Density (per km ²)	ATM	per 1 million people	per 100 km ²	POS	per 1 million people	per 100 km ²	Credit Cards	per 1 million people	Debit Cards	per 1 million people	E-Banking
Kosovo	1.8	10,887	177	483	268	4	8,592	4,773	79	95,942	53,301	599,651	333,139	97,089
Albania	2.8	28,748	97	823	294	3	5,307	1,895	18	49,173	17,562	719,809	257,075	54,926
Bosnia	3.77	51,197	74	1,284	341	3	19,320	5,125	38	202,866	53,811	1,513,818	401,543	94,339
Serbia	7.12	77,474	92	2,785	391	4	62,656	8,800	81	951,614	133,654	4,875,796	684,803	-
Croatia	4.28	56,594	76	4,083	954	7	90,433	21,129	160	1,872,949	437,605	6,664,654	1,557,162	1,368,975
Macedonia	2.08	25,713	81	852	410	3	33,267	15,994	129	295,815	142,219	1,156,562	556,039	389,772

Kosovo continues to have the highest growth rate in the number of payment instruments and terminals, and this has resulted that today Kosovo to be near the average of the countries in the region regarding payment instruments and terminals.

Tab 2. Comparative table of number and value of card transactions in 2012

Country	Number of card transactions (in million)	Value of card transactions (in billion euro)	Number of transactions per card (year 2012)
Kosovo	12.43	1.08	17.87
Albania	1.11	0.10	1.44
Macedonia	37.21	1.93	25.62
Croatia	292.74	14.56	34.29
Bosnia and Herz.	60.28	3.24	35.12
Serbia	141.62	5.04	24.30

3. Payment instruments and terminals - Kosovo compared to the countries in Southeastern and Central Europe(2)

Fig 1. ATM terminals growth rate

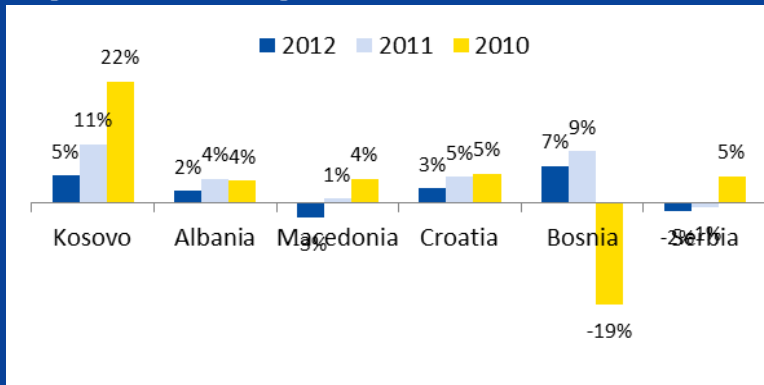


Fig 2. POS terminals growth rate

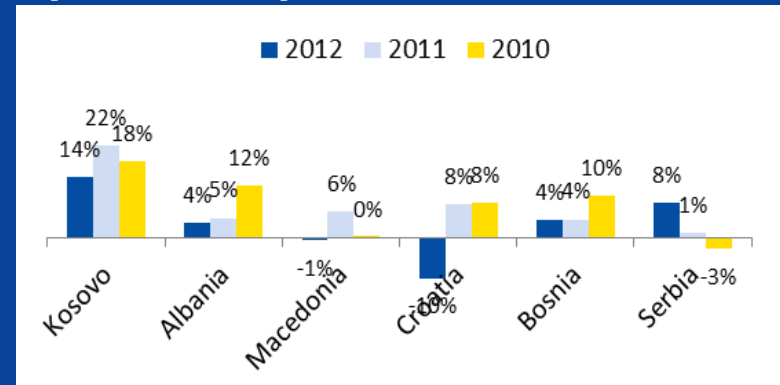


Fig 3. Credit cards growth rate

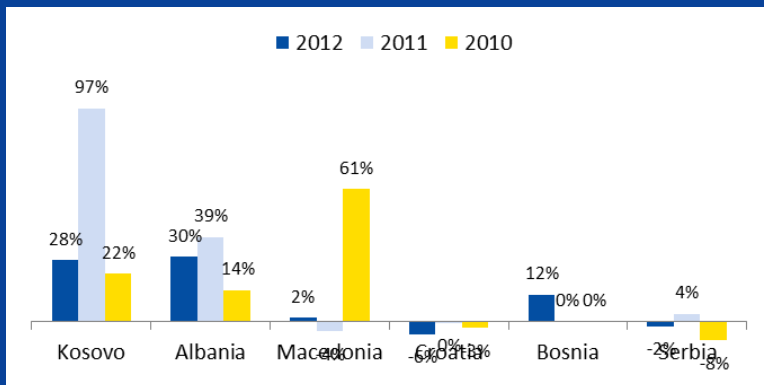
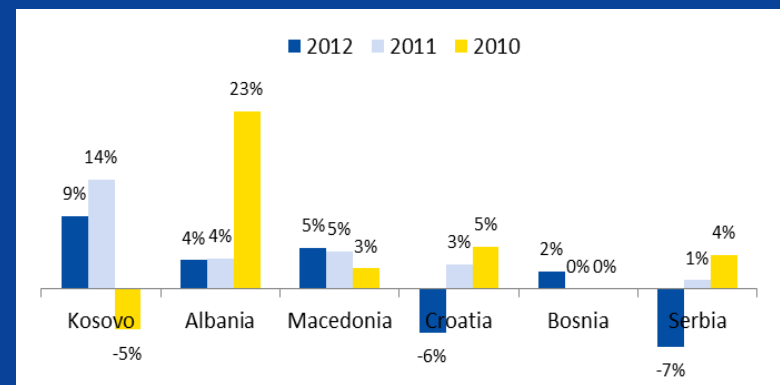
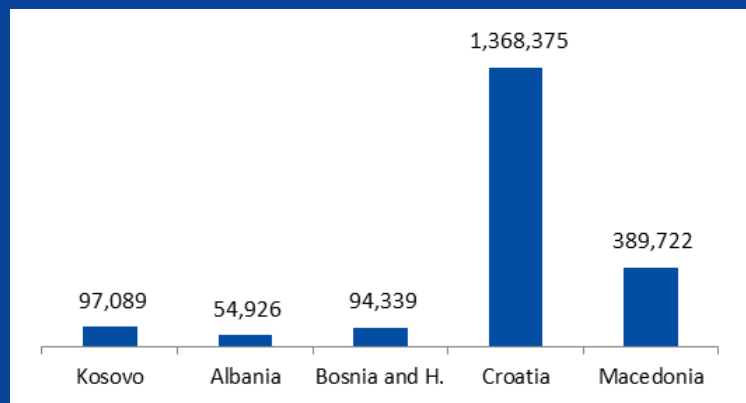


Fig 4. Debit cards growth rate



3. Payment instruments and terminals - Kosovo compared to the countries in Southeastern and Central Europe(3)

Fig 5. Number of e-banking accounts



Regarding the use of e-banking service, the total number of transactions during 2012 was 626,762 transactions, and the value 1,499,093,438.23 €. If we compare these data with those of 2011, it will be concluded that the number of transactions was increased by 47.7%, and the value was increased by 23.1%

4. Information about Mastercard and Visa

5. Next steps

Thank you

<http://www.bqk-kos.org/?cid=1,59,55>