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# SALES AND MARKETING SUPPORT ACTIVITIES

KOSOVO CLUSTER AND BUSINESS SUPPORT PROJECT



18 November 2005

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# SALES AND MARKETING SUPPORT ACTIVITIES

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Kosovo Cluster and Business Support project "Sales and Marketing Support Activities"  
Contract No. AFP-I-00-03-00030-00, TO #800

This report submitted by Chemonics International Inc. / 18 November 2005

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

# CONTENTS

	Page
Purpose of Assignment	1
Background	1
Executive Summary	2
Field Activities to Achieve Purpose	4
Task Findings and Recommendations	7
Conclusions and Recommendations for Future Activity	9
Annexes	10

# PURPOSE OF ASSIGNMENT

The consultant shall provide advisory and support services to cluster groups by identifying and facilitating contacts between buyers and cluster groups in niche markets and by chasing new sales and business development opportunities for current and new products. The consultant shall facilitate the organization of buyer-seller discussion forums through associations' supply groups and potential buyers, by marketing strategies to improve the sales potential at individual enterprises, and by identifying and following through on business development opportunities within, and beyond, the demand identified by the cluster groups themselves. In particular, the consultant shall spend the majority of his time in developing the potential for Kosovo's decorative and building stone resources into a major employment and poverty reduction activity.

## BACKGROUND

KCBS is the primary program through which USAID will attain its Strategic objective SO 1.3, Accelerated Private Sector Growth. KCBS committed in its first year Work Plan to show results by June 2005 that would give Kosovars a reason to believe that their lives and livelihoods were improving. The driver of KCBS is increased jobs, sales and deals and everything we do should contribute directly to those results. Resources are too scarce to do just "good" things; KCBS needs to do cost-effective things. If a proposed use of resources has a high probability of delivering sales and jobs, KCBS will do it; if not, KCBS will not.

KCBS anticipated that the activities described in the Work Plan would have a demonstrable impact on increased jobs, sales and deals, but KCBS cannot be certain of that until we have a better understanding of effective demand within the cluster or value chain. KCBS will undertake these activities only if they respond directly to market demand, which, as a practical matter, means buyers.

KCBS recognized that they would be held accountable only for higher-level results measured by increased jobs, sales and deals (trade and investment). In the final analysis, everything else is subordinate to that end. Considering the other objectives of the program on which the three cluster teams would also be concentrating, it was agreed that a senior advisor on sales and marketing to all cluster teams would be employed as a short term technical advisor with responsibility for forming a business support team to search out opportunities that will match market demand with Kosovo products from the three target clusters.

The senior advisor completed his first assignment on July 15, 2005. After a review of the work he had accomplished and his recommendations for future activities, KCBS had recommended to USAID that the same consultant be engaged for a second assignment for a twelve-week period August 30 through November 18.

## EXECUTIVE SUMMARY

The consultant maintained communication with management of “Kremikovtzi Trade LLC” of Bulgaria until their privatization of Newcom Llamkos LLC was finalized in September, 2005. Thereafter he continued communication with the new management of Llamkos to monitor the firms interest to become a potential supplier of 1.1 cubic meter waste containers for both the Kosovo and export markets, with potential for 60-70 jobs. Upon successful introduction and testing of its steel galvanizing operations, expected to be completed by the end of November, 2005, Llamkos is planning to augment production equipment for manufacturing waste containers with modern welding facilities to become competitive with current regional Balkans manufacturers in the Kosovo and export markets. The consultant provided Llamkos management with contact details at each of the 7 regional waste POE’s, and the sales team at Llamkos has already contacted some of these POE’s to follow up with potential sales.

The consultant has assisted the newly privatized firm “Pista-Ekoplast” in Rahovac, to establish waste collection procedures for its feedstock requirements to manufacture construction and irrigation pipe from recycled Kosovo waste PVC, polyethylene, plastic, and rubber materials. On a small scale, this firm has started to collect these materials, as well as having them delivered to their site. Kosovo has not yet advanced its collection procedure to a level where these materials can be separated on a large scale from bulk waste at residential or commercial origin and land fills. The consultant arranged for McGill Environmental Services (MES) of Ireland to present their successful approach to recycling these materials in Macedonia in a pilot project funded by USAID. The consensus among the donor and industry representatives at this presentation concluded that Kosovo should also embark on such a pilot project as soon as possible. The EAR has indicated its interest to fund this pilot project, and communications have begun between EAR, MIS, and KTA in this respect.

In his preceding assignment, the consultant had identified the potential for Kosovo’s decorative and dimension stone resources to be developed into a major employment and poverty reduction activity. In accordance with the SOW and the work schedule adopted by KCBS, the consultant spent the majority of his time stimulating investment and production interests outside Kosovo, and particularly in Turkey and Italy. The consultant arranged for a simple brochure to be printed in time for leading a team from KCBS to a major trade fair of the industry in Istanbul from August 31 to September 3. Because KCBS had no samples at the fair, this brochure was an invaluable instrument for opening discussions with over 75 potential investors at this venue. The major lesson learned was that the competition to Kosovo’s resources was not the product, but rather the competition was the industry’s almost complete unawareness of Kosovo’s location and size, its current investment climate, and its vast unexploited resources available for development investments. Nonetheless, the team’s marketing efforts resulted in no less that 3 major Turkish production companies indicating their plans to visit Kosovo within 2-3 months to investigate the opportunities presented “on the ground”. Follow-up communication with these and other interested investors commenced and is continuing to date.

From lessons learned in Istanbul and in preparation for attending the Verona Fair, the consultant arranged for the brochure used in Istanbul to be modified to include a general location map of Kosovo within south-central Europe and for a one-page description of the Kosovo investment climate to be included with this brochure as required – see Annex 1.

The consultant led a KCBS team to the Verona, Italy MARMOMACC International Exhibition of Marble, Natural Stone, and Technology from September 29 to October 3. The Verona venue provided KCBS with an excellent opportunity to present Kosovo’s investment and sales opportunities to over 100 potential investors, including major international firms, using the marketing approach of offering Kosovo’s investment opportunities, rather than products, in its decorative and dimension stone resources and processing capabilities. No less than 6

companies indicated their intent to visit Kosovo at the earliest opportunity for on-ground observations. It was not possible to have a booth in Verona because the application to, and approval by, the fair organizers had had to be completed in March, 2005.

This venue reinforced to the consultant the immediate need for KCBS to contract international expertise in the natural stone industry to provide an overview of Kosovo's resource potential and problems, as well as professional technical observations and recommendations, prior to the arrival of investors. Accordingly, working under a Chemonics' subcontract with Paradiso Mermer Granit of Pristina, Short Term Technical Advisor, Paolo Giovannangeli of Verona, Italy was engaged from October 24 to November 6. He has over 35 years experience in over 30 countries advising both private companies and governments on decorative and dimension stone development and marketing opportunities. The consultant assisted Mr. Giovannangeli with meetings, field visits, and report writing to permit his tasks to be completed within this short time frame. Within the first day of field observations, Mr. Giovannangeli was very pleasantly astonished that he could inspect Kosovo's different types and vast quantities of unexploited decorative stone resources within very short driving distances. The STTA's tasks were modified to survey 24 sites in Kosovo, rather than 6, to provide a much stronger information base with which to attract marble companies and investors to Kosovo for development of the vast potential Kosovo offers to the world decorative and dimension stone industry. His report has been reviewed by the United States Agency for International Development.

Based on technical information generated by Mr. Giovannangeli's report, the consultant provided information to the European Union Independent Commission of Mines and Minerals to include in their CD to be made available to over 2000 potential investors at the Money and Mines Congress to be held in London on November 21-23. This information will now be placed at the same level of importance in the CD as the information concerning the base metal mining industry in Kosovo. The consultant has also arranged for the printing of material extracted from this report into a 14 page brochure, with USAID acknowledgement, for Kosovo representatives attending the Congress to make available and discuss with potential investors. The consultant has also assisted EAR to contract Mr. Giovannangeli to attend this Congress to promote Kosovo's potential.

The consultant and Mr. Giovannangeli have communicated since his return on November 4 to Italy with samples from Kosovo. These samples and photos of site inspections have been shown to no less than 10 major potential investors in Italy, of whom no less than 5 have expressed great enthusiasm to visit Kosovo after the Congress in London. Specifically, these investors are interested in the operating and abandoned marble, andesite, onyx, and magnesite quarries for block cutting.

The consultant recommends that Mr. Musli Berisha, who has been an understudy to the consultant since March, 2005, be appointed by the COP to carry out future activities initiated by the consultant in all the activities described above, and to initiate new opportunities as directed by the COP. Specifically in the decorative stone initiative, Mr. Bane Dimitrijevic, who showed to be very effective before, during, and after the Istanbul and Verona exhibitions, should assist Mr. Berisha as required.

# FIELD ACTIVITIES TO ACHIEVE PURPOSE

## **1. Waste container import substitution initiative.**

The consultant maintained communication with management of “Kremikovtzi Trade LLC” of Bulgaria until their privatization of Newcom Llamkos LLC was finalized in September, 2005. Thereafter he met several times with the new management of Llamkos to monitor the firm’s interest to become a potential supplier of 1.1 cubic meter waste containers for both the Kosovo and export markets, with potential for 60-70 jobs. The consultant provided Llamkos management with contact details at each of the 7 regional waste POE’s, and the sales team at Llamkos has already contacted some of these POE’s to follow up with potential sales.

## **2. Waste plastic supply to Pista Ekoplast for manufacturing construction pipes.**

The consultant visited the Pista Ekoplast recycling plant in Rahovac to monitor the firm’s progress in collecting waste plastic, PVC, polyethelene and rubber tubing as a feedstock for it’s recycling requirements., The firm has started to collect these materials on a small scale, as well as having it delivered to their site, but this supply provided only about 2-3 5 of their requirements, and they are importing waste pellets at high costs. The consultant met with the KTA Waste Division to determine the capabilities of the Division for separating waste products required by Pista Ekoplast from bulk waste at collection points or in land fills managed by the Division to supply feedstock to Pista Ekoplast. He was advised that neither the collection nor disposal systems in Kosovo had advanced to this capability. The pilot project in Macedonia, funded by USAID, was described by the consultant to KTA, and it was agreed that the consultant would arrange for McGill Environmental Services (MES) of Ireland to present their successful approach to recycling these materials in Macedonia. On November 9 the consultant met McGill Environmental Services at the Ekoplast plant, which they viewed as a very efficient and effective recycling operation, and would be suitable partners for their firm. Later the same day MES presented their project and how it may assist Kosovo to a meeting of 20 persons interested and involved in solid waste management in Kosovo. The consensus among the donor and industry representatives at this presentation concluded that Kosovo should also embark on such a pilot project as soon as possible. The EAR has indicated its interest to fund this pilot project, and communications have begun between EAR, MIS, and KTA in this respect.

## **3. Marketing awareness of Kosovos’ decorative stone resources as a major new employment activity.**

Upon returning to the KCBS project on August 29, the consultant arranged for a simple brochure to be printed in Pristina in time for attending a major trade fair of the decorative and dimension stone industry in Istanbul from August 31 to September 3. Because KCBS had no samples at the fair, this brochure was an invaluable instrument for opening discussions with over 75 potential investors at this venue. The consultant especially noted in his report within 5 days of returning from the fair that the major lesson learned was that the competition to Kosovo’s resources was not the product, but rather the competition was the industry’s almost complete unawareness of Kosovo’s location and size, its current investment climate, and its vast unexploited resources available for development investments. Nonetheless, the consultant’s marketing efforts resulted in 3 major Turkish production companies indicating their plans to visit Kosovo within 2-3 months to investigate the opportunities presented “on the ground”. Follow-up communication with these and other interested investors commenced immediately following the fair and is continuing to date. This venue reinforced to the

consultant the immediate need for KCBS to contract international expertise in the natural stone industry to provide an overview of Kosovo's resource potential and problems, as well as professional technical observations and recommendations, prior to the arrival of investors. The STTA SOW for this purpose, which the consultant had prepared during his previous assignment, was provided to a prospective STTA in Istanbul, but because of other work commitments, this STTA was not engaged by KCBS. The consultant also had several meetings with Head of the Turkish Liaison Office in Pristina to obtain the support of this office to provide its investor visitors from Turkey with the brochures and other technical information available to KCBS.

The consultant met twice with the Director of Mining of the Kosovo Ministry of Energy and Mining to describe the awareness campaign KCBS was conducting. The Director provided the consultant with detailed geology and mining location maps, as well as the new regulations for the Establishment of the Independent Commission of Mines and Minerals and Mines and Minerals Development regulations. The Director will be working with the KCBS after he returns from the Money and Mines Congress in London on November 24 to develop a government policy supporting the development of Kosovo's decorative and dimension stone industry.

The consultant attended a presentation of the Kosovo Quarry Plan by Beak Consultants Germany, which had been prepared for the EU Independent Commission of Mines and Minerals (ICMM) of Kosovo. Because ICMM had been engaged to this time mostly with the energy, base metals, and aggregate resources available in Kosovo, they had not extended their interest to Kosovo's decorative and dimension stone geology. The consultant met several times with the staff of ICMM in Pristina to discuss the potential of developing the decorative stone industry and to examine the vast amount of information at their offices, which could be provided to investors interested in developing quarries.

From lessons learned in Istanbul and in preparation for attending the Verona fair, the consultant arranged for the brochure used in Istanbul to be slightly modified to include a general location map of Kosovo within south-central Europe and for a one-page description of the Kosovo investment climate to be included with this brochure as required. (Annex 1).

The consultant attended the Verona, Italy MARMOMACC International Exhibition of Marble, Natural Stone, and Technology. from September 29 to October 3 with 2 colleagues from the Verona venue provided KCBS with an excellent opportunity to present Kosovo's investment and sales opportunities to over 100 potential investors, including major international firms, using the marketing approach of offering Kosovo's investment opportunities, rather than products, in its decorative and dimension stone resources and processing capabilities. It was not possible to have a booth and stone samples in Verona because the application to and approval by the fair organizers had to be completed in March, 2005. No less than 6 companies indicated their intent to visit Kosovo at the earliest opportunity for on-ground observations. Communication with over 50 potential investors showing a high to medium interest commenced immediately upon the consultants return to Pristina, and is continuing by the KCBS sales and management team.

This venue reinforced to the consultant, as he strongly noted in his report within 5 days of returning to Pristina, the immediate need for KCBS to contract a STTA for technical and market observations and recommendations prior to the arrival of investors. Accordingly, the consultant assisted KCBS to engage Paolo Giovannangeli of Verona, Italy to work under a Chemonics' subcontract with Paradiso Mermer Granit of Pristina, and managed by the consultant. Prior to the arrival of Mr. Giovannangeli, the consultant visited, took samples, and photographed numerous sites throughout Kosovo, to ensure that the STTA's short time in Kosovo from October 24 to November 4 would be most effective. Within the first day of field observations, Mr. Giovannangeli was very pleasantly astonished that he could inspect Kosovo's different types and vast quantities of unexploited decorative stone resources within very short driving distances. His SOW tasks were modified by the consultant to survey 24 sites in Kosovo, rather than 6, to provide a much stronger information base with which to



attract marble companies and investors to Kosovo for development of the vast potential Kosovo offers to the world decorative and dimension stone industry. The consultant assisted Mr. Giovannangeli with meetings at the ICMM, field visits to over 20 sites, and writing his report to Paradiso so as to permit his tasks to be completed within this short time frame. His covering letter to his report is included in Annex 2. The report was submitted to the United States Agency for International Development on November 15, 2005. It included site specific information pages of all the site visited.

Based on technical information generated by Mr. Giovannangeli's report, the consultant provided information to the European Union Independent Commission of Mines and Minerals to include in their CD to be made available to over 2000 potential investors at the Money and Mines Congress to be held in London on November 21-23. This information will now be placed at the same level of importance in the CD as the information concerning the base metal mining industry in Kosovo. The consultant has also arranged for the printing of material extracted from this report - see Annex 3 for a sample pages of site specific information into a 14 page brochure, with acknowledgement to USAID, for Kosovo representatives attending the Congress to make available to and discuss with potential investors. These brochures will be sent by KCBS to approximately 30 potential investors identified at the Istanbul and Verona fairs. The consultant has also assisted EAR to contract Mr. Giovannangeli to attend this Congress to promote Kosovo's potential.

The consultant and Mr. Giovannangeli have communicated several times since his return on November 4 to Italy with samples from Kosovo. These samples and photos of site inspections have been shown to 10 major potential investors in Italy, of whom 5 have expressed great enthusiasm to visit Kosovo after the Congress in London. Specifically, these investors are interested in the operating and abandoned marble, andesite, onyx, and magnesite quarries for block cutting.

The consultant assisted the COP with arrangements for the Investment Promotion Agency (IPA) to lead protocol requirements for investors, with assistance from KCBS as required, when they arrive in Kosovo, IPA will also follow up with investors identified by Mr. Giovannangeli in London.

This report fulfills the consultants' tasks within this Scope of Work to present and deliver a final report in written and oral form to USAID before the end of assignment evaluating status of other initiatives identified in the first assignment and making recommendations of next steps to be taken.

# TASK FINDINGS AND RECOMMENDATIONS

The following general tasks were included in the consultant's second SOW.

Develop the potential for Kosovo's decorative and building stone resources into a major employment and poverty reduction activity, concentrating on investor and sales interests in Europe and Turkey. This work will be carried out generally in accordance with the attached schedule. It is anticipated that this task will be the dominant one of the assignment.

Organize at least two workshops between ministerial and municipal public authorities and the private sector suppliers to expand the initiative for creating jobs by using Kosovar products and services.

Follow through on previous initiatives from his first assignment by providing oversight, and reporting to the Chief of Party where further action by the Cluster teams is needed to fully capitalize on the opportunities identified. These initiatives concern:

- Reactivation of the lamb industry in Kosovo
- Fabrication of Municipal Waste containers by newly privatized New Co Llamkos
- Sales possibilities to Alcred Food Processing Co. of Albania
- Sales possibilities by New Co Silcapor of thermal insulating blocks
- Sales possibilities by Pista-Ekoplast of PVC piping based on recycled feedstock.

The consultant's specific tasks were to:

- Prepare a report within five days of returning from the decorative stone fair to be held in Istanbul, September 1 - 4, describing future action as a result of lessons learned at the fair and modifying the current plan accordingly.
- Develop a sales brochure and decorative stone samples, and organize for a booth at the Verona decorative stone fair to be held September 29 - October 2. Advise leading companies in the industry of our attendance and arrange meetings.
- Prepare a report within five days of returning from the decorative stone fair to be held in Verona, September 29 - October 2, describing future action as a result of lessons learned at the fair and modifying/elaborating on the development plan accordingly.
- Manage the work of an industry specialist during a two-week STTA assignment in which the STTA shall evaluate the data and information collected by KCBS regarding the industry, and advise on how development should proceed. It is expected that this STTA assignment will take place in the second half of October 2005.
- Deliver a final report in written and oral form to USAID before end of assignment evaluating the decorative stone initiative and making recommendations of next steps to be taken. Report should include:
  - List of seriously interested investors from within Kosovo and from outside;
  - Evaluation of investment required to develop an industry, both as a raw material supplier and as a primary processor of the stones;
  - Other actions required by Kosovo authorities to further the development, such as:
    - ◆ Municipality actions on leasing, ownership or sale
    - ◆ Access to quarries
    - ◆ Formation of cooperatives
- Deliver a final report in written and oral form to USAID before end of assignment evaluating status of other initiatives identified in the first assignment – see above under Tasks - and making recommendations of next steps to be taken.

Experience during the course of this assignment led to with a revised set of tasks. The results of the work done for the revised tasks have been presented above in Field Activities to Achieve Purposes. Those tasks which were not required to be implement included:

- Organize at least two workshops between ministerial and municipal public authorities and the private sector suppliers to expand the initiative for creating jobs by using Kosovar products and services.

Because the consultant's activities during this assignment did not present a need for such workshops, this task was not achieved. Rather a major part of this task was achieved through the Public-Private Dialogue project of the Business Services Support Group of KCBS.

- List of seriously interested investors from within Kosovo and from outside, because the list is continually evolving;
- Other actions required by Kosovo authorities to further the development, such as:
  - ◆ Municipality actions on leasing, ownership or sale, because this provided for in the new Mines and Minerals Regulations of Kosovo, which is administered by the Independent Commission of Mines and Minerals.
  - ◆ Access to quarries, because each existing or new quarry will need an engineering feasibility study which will include access to location
  - ◆ Formation of cooperatives, because investors in the decorative and dimension stone industry work as private companies.

# CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE ACTIVITY

The consultant's initiative to adapt his scope of work, as ground conditions required, permitted the achievements noted above in both this assignment and the previous one. It is recommended that this flexibility be continued for the successor to the consultant.

The consultant recommends that Mr. Musli Berisha, who has been an understudy to the consultant since March, 2005, be appointed by the COP to carry out future activities initiated by the consultant in all the activities described above, and to initiate new opportunities as directed by the COP. Specifically in the decorative stone initiative, Mr. Bane Dimitrijevic, who showed to be very effective before, during, and after the Istanbul and Verona exhibitions, should assist Mr. Berisha as required.

It is recommended that the consultant's successor continue to provide advisory and support services to cluster groups by identifying and facilitating contacts between buyers and cluster groups in niche markets, chasing new sales and business development opportunities for current and new products, facilitating the organization of buyer-seller discussion forums through associations' supply groups and potential buyers, by marketing strategies to improve the sales potential at individual enterprises, and by identifying and following through on business development opportunities within, and beyond, the demand identified by the cluster groups themselves.

The work schedule designed for the decorative stone project (Annex 4) will require considerable time of the consultant's successor to further develop the potential for Kosovo's decorative and building stone resources into a major employment and poverty reduction activity. Specifically, the successor should:

- Provide the brochure designed and printed for the London Money and Mines Congress to the investor contacts identified in Istanbul and Verona immediately.
- Continually liaise with the delegates from the Investment Advisory Agency and ICMM to ensure that investment interests be coordinated for the benefit of the potential investor and for Kosovo.
- Provide assistance to the Director Mining as required in the preparation of the Ministry of Energy and Mining decorative and dimension stone policy.

# ANNEXES

- Annex 1      Brochure and Kosovo Information For the Verona Trade Fair
- Annex 2      Covering Letter for Paolo Giovannangeli's Report to Paradiso
- Annex 3      Sample Page from Brochure for London's Money and Mines Congress

## Annex 1 - Brochure and Kosovo Information For the Verona Trade Fair



Kosovo's natural stones have beautified buildings and gardens throughout the Balkans for centuries. They are available to the world market.

Pietre Decorative del Kosovo hanno costruito palazzi e giardini eccellenti nel Balcan attraverso i secoli. Sono a disposizione nel mercato del Mondo.



The objective of the USAID Kosovo Cluster and Business Support project is to stimulate economic growth by promoting productive investment and integration of the economy into the region, whereby value-added goods and services are produced in Kosovo for internal or external consumption, thus creating new sustainable employment opportunities.

Il progetto d'USAID "Kosovo Cluster and Business Support" ha come obiettivo stimolare lo sviluppo economico tramite l'investimento produttivo, integrando l'economia regionale, dove il valore aggiunto e i servizi sono prodotti del Kosovo per il consumo nazionale ed esterno, creando così nuova possibilità per occupazione durevole.

### CONTACTS

To explore opportunities with Kosovo stone businesses, contact USAID's Kosovo Cluster and Business Support Project.

Esplorando nuove l'opportunità con affari delle pietre proveniente dal Kosova. Prendi contatto il progetto d'USAID "Kosovo Cluster and Business Support".

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For detailed geological information visit:  
[www.kosovo-mining.com](http://www.kosovo-mining.com)



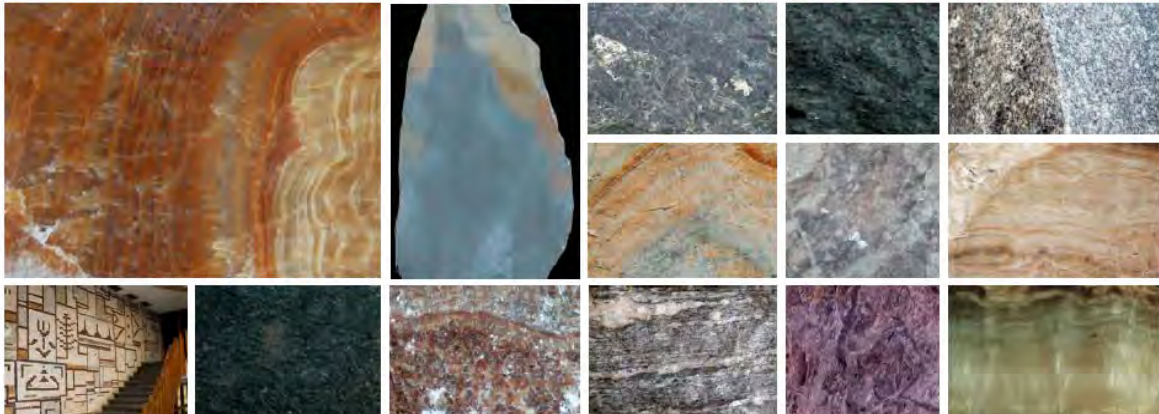
The decorative  
**stone**  
of KOSOVO

Pietre Decorative  
del Kosova

Product quality, quantity, prices, and accessibility provide great opportunities for investors, manufacturers, builders, and designers.

Kosovo presents large quantities of decorative and natural stone in a wide spectrum of types and colors.

# The Decorative Stone of Kosovo



Qualità del prodotto, quantità, prezzo, avvicinano le possibilità per gli investitori, produttori, costruttori e disegnatori.

Kosova presenta una gran quantità di pietre decorative naturali con tipi e colori diversi.

## **Annex 2 – Covering Letter for Paolo Giovannangeli’s Report to Paradiso**

November 6, 2005

Mr. Fadil Uka  
General Manager, Paradiso Granit I Mermer  
Shkabaj, Pristina, Kosovo

Dear Mr. Uka,

Our Services Agreement of October 21 outlined my Scope of Work to provide an overview evaluation of the potential for Kosovo to develop its decorative and dimension stone resources within a competitive European and world market. My tasks included observation of two artesian open decorative stone quarries, no less than four unexploited potential decorative and dimension stone quarries, and two firms with stone cutting, polishing and finishing capabilities.

My assignment for you was my first visit to Kosovo. Within the first day of field observations, I was very happily astonished that within very short driving distances I could inspect Kosovos’s different types and vast quantities of unexploited decorative stone resources. As a result, in agreement with you, my tasks were modified to permit me to visit twenty-four, rather than 6 existing and potential quarry sites. This was necessary to provide a much stronger position for Kosovo to attract foreign marble companies and investors for development of the tremendous potential Kosovo offers to the world decorative and dimension stone industry.

The geological information and maps provided to me by the EU Independent Commission for Mines and Minerals in Kosovo were of great help during this assignment. The assistance of the USAID Kosovo Cluster and Business Support project team members Roman Herchak, Musli Berisha and Branimir Dimitrijevic was a very important contribution to my assignment, as was the driving of Gani Zabergia to the many places where I inspected the reserve deposits or existing quarries. Most importantly, I would like to thank USAID in Kosovo for providing Paradiso, through my services, with an opportunity to identify immediate and potential quarry development locations and products.

In my report I have provided field observations on each site visited, as examples for investors where to start investing in Kosovo’s vast decorative stone resources most easily and quickly for quarry development and production, as well as current market prices in Europe for exporting both raw blocks and polished slabs. I found that the types of marbles that occur in Kosovo especially are of particular interest to foreign marble companies and investors for their color, attractiveness, and the variety of combinations of colors and patterns available in such a concentrated area. The international market demand for decorative stone tiles in standard sizes also provides an excellent opportunity for local processors to develop the vast Kosovo unexploited resources of decorative stone. Your firm is, in my opinion, an excellent candidate for this initiative.

Thank you very much for the opportunity to be of service to you.

Signed \_\_\_\_\_ Paolo Giovannangeli

### Annex 3 – Sample Page from Brochure for London’s Money and Mines Congress



#### Name of the Site: Smerkovnica, Trachyte - Tuff

Date of survey on site:	29 October, 2005
Inspected stone petrographical name:	Tuff
Inspected stone commercial name:	Tuff
Colours:	Clear beige.
Grain:	Fine
Pattern and aesthetic aspect:	Good
Available resource estimated volume:	Large deposit.
Similarity with stones available in the international market:	Similar to the volcanic tuff extracted in Viterbo province in Italy.
Description of the inspected stone:	Of good interest. At present is used for decoration purposes.
Description of open quarry:	Small quarries operated by hand tools.
Present operation:	Small operation
Method of exploitation:	By hand tools
Improvements required for site exploitation	It is suggested to use a small excavator and drilling equipment for starting quarrying operation.
Number of workers:	No
Machines available at the site:	No
Distance from the main road:	Next to the village and the main road.
Availability of water:	Yes.
Availability of electricity:	No
International demand of similar stones:	Medium
European market value:	Low (200-400 euros / m3)