



Hekurudhat e Kosovës ShA
Kosovske Železnice DD
Kosovo Railways JSC



***The impact of the global
financial crisis at the
Kosovo Railways business
environment***



**Bucharest
5th September, 2010**



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SHORT HISTORY

- First railway line in Kosovo was built in 1874;
- In year 1963 the construction of other railway lines in Kosovo is completed.
- Kosovo Railways are spread in all the territory of Kosovo with a length of 333,451 km.

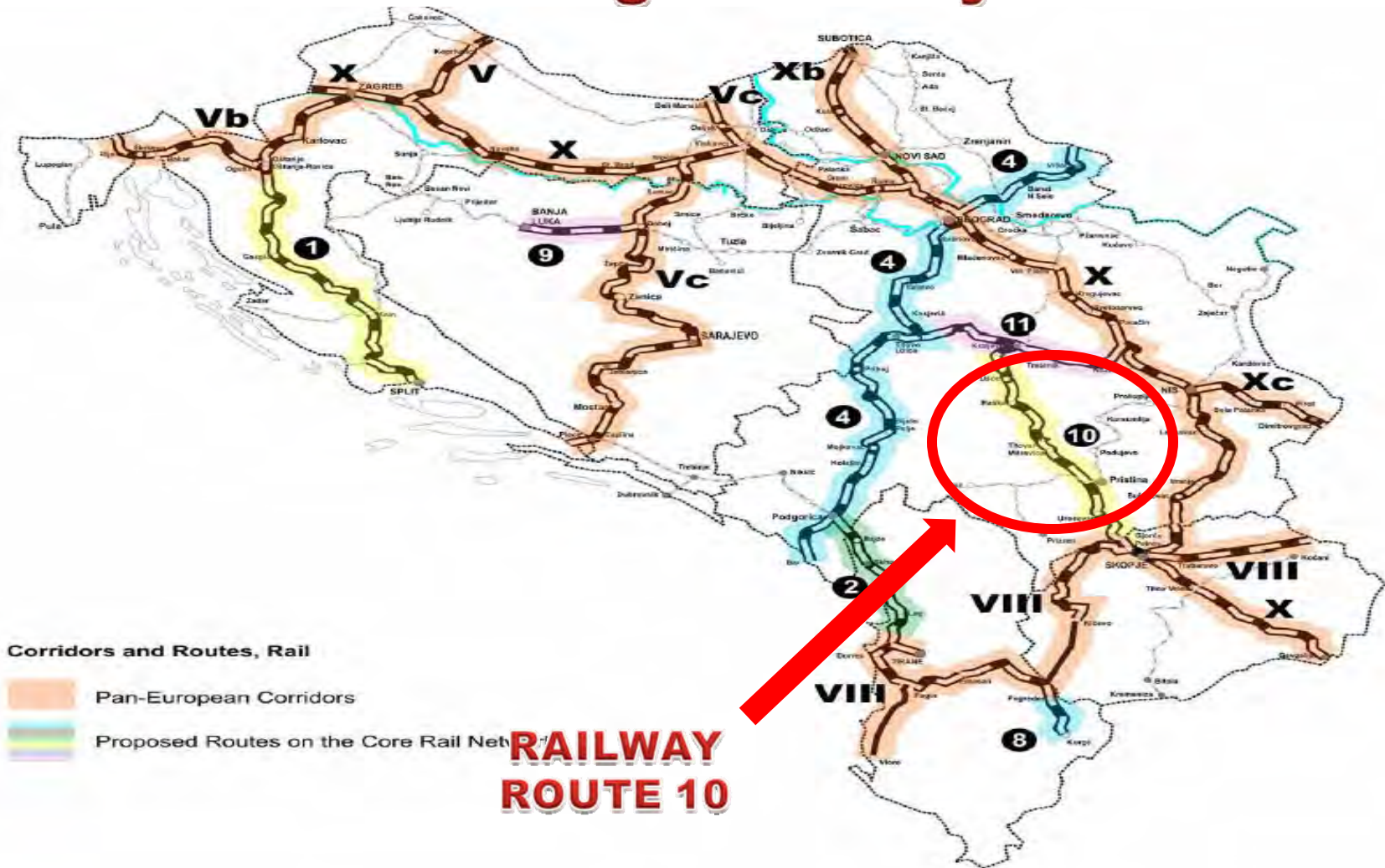




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Kosovo strategic railway axes





KOSOVO RAILWAYS IN FIGURES



- Staff 464
- Turnover 6.1 mil euro
- 333 km. railway network, single track non electrified
- Siemens communication system and Ericsson interlocking relay system in signaling
- Railway stations 23
- Net/tons 911 830
- Passengers 374 504
- Locomotives 8
- DMU's 4
- Freight wagons 44
- Passenger coaches 12
- Maintenance workshops 3



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First impact of global crisis in 2009



- In Kosovo the impact of financial crises is manifest especially in three ways:
- Outside trade
- Transport of freight , exports
- Remittance , and directly foreign investments
- Beginning of the year 2009 we have had first direct impact from world global crisis
- Our main client in freight transport which is at nickel business has had cancelled 50% of transport
- **Our projections have not been achieved for around 1 million net ton of nickel ore.**



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First impact of global crisis in 2009



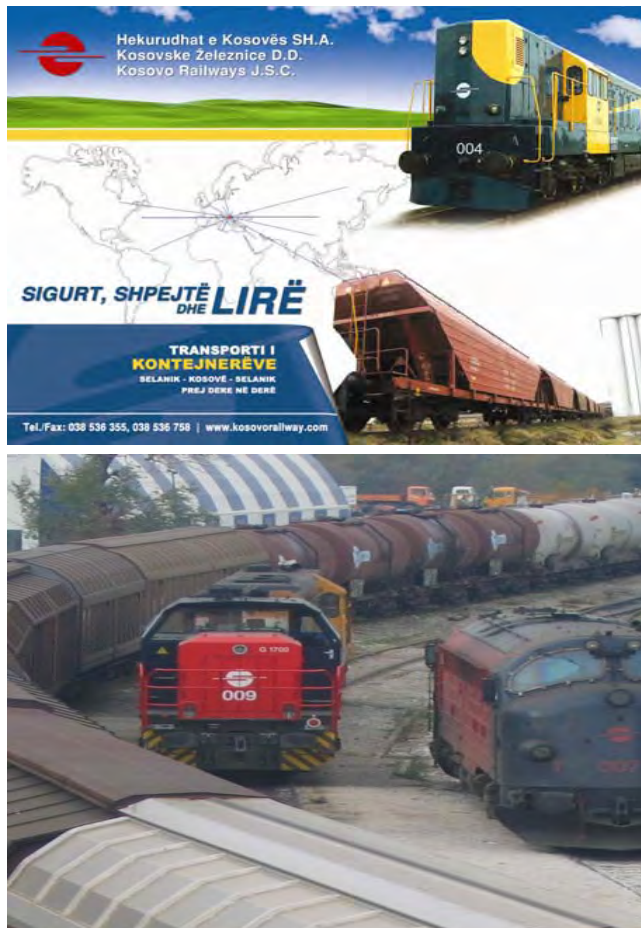
- In passenger transport we had 5.9% less passengers than it was planned
- We had 11.9% decrease of the number of containers
- Similar situation was also in fuel transport, coal and other materials
- So, the global financial crises has had an impact in Kosovo and the railway market too.



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Actions taken to reflect toward global crisis in 2009



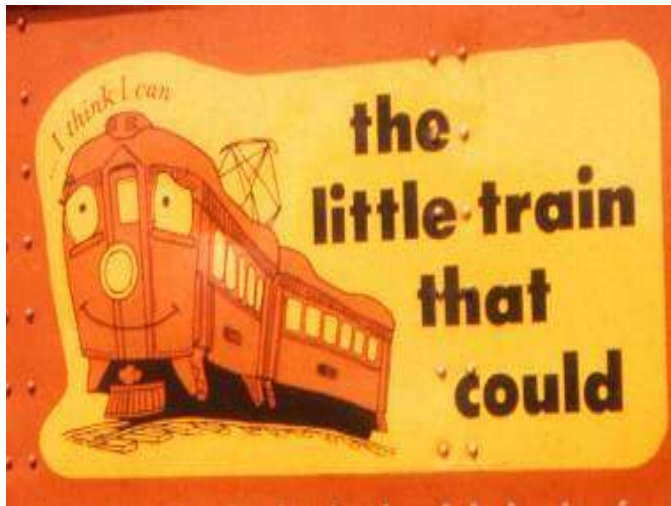
- Seeing and analyzing existing situation, we have changed our policy toward the market and functioning of the company
- We made a very strong marketing campaign toward small and medium companies in order to convince them to transport by rail.
- We cut certain expenses with reviewed budget in order to accommodate with new situation
- We sent certain group of employees in annual leaves in order not to have an overstaffing problems in operation



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Actions taken to reflect toward global crisis in 2009



- These measures has shown that we made right steps in that time
- We achieved to turn a certain number of small and medium companies from road into railway transport. Therefore in the end of 2009 we had transported 10.8% more than in 2008, and 14.76% more than it was planned.
- Cutting certain expenses we achieved to develop all capital projects foreseen for 2009.
- We were not forced to reduce a number of employees, and this was our best achievement.



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Impact of global financial crisis in 2010



- The changes in the transport market has started in the end of 2009, so in 2010 the growth has exceeded our expectations.
- Luckily(fortunately) we hadn't more financial problems with our projections, but?
- Our market structure has changed
- A lot of small and medium enterprises who worked in the business of diesel, building material etc, and which made our market more wider and different are vanished.



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Conclusion

To summarize the impact of global financial crisis in Kosovo Railways, I can say that it was not easy, especially when you know that you cannot expect any outside support.

During that time we learned that:

- Acting is million times better than waiting for help; and
- With right objectives and good team work you can solve all problems.

In the end, I would like to take your attention with the sentence of famous American general who said:

“You must never try to make circumstances fit the plan, you must always make the plan fit the circumstances”

General George S. Patton 1944.



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*Thank you for your attention
and I welcome your comments*



*Sejdi Hoxha
Chairman of the KR Board of Directors*