THE IMPACT OF COVID-19 ON KOSOVO STARTUPS

(Research and Recommendations)
INNOVATION CENTRE KOSOVO (ICK) IN COLLABORATION WITH THE RESEARCH COMPANY PYPER HAS CONDUCTED A STUDY REGARDING THE IMPACT OF COVID-19 ON THE STARTUP COMMUNITY IN KOSOVO.

THE PARTICIPANTS OF THIS RESEARCH WERE 218 START-UPS THAT OPERATE IN THE IT INDUSTRY IN KOSOVO.
WHO ARE THE PARTICIPANTS
In which markets does your business operate?

- Local: 65.6%
- International: 11.01%
- Both Markets: 23.39%

65% of participants operate in the local market.

23.39% of participants operate in the local and international market.
In terms of financial aspect, in which stage does your business belong?

Not looking for funds: 18.35%
Self-funding: 56.88%
Pre-seed: 6.88%
Seed: 13.30%
Round A: 1.83%
Round B: 2.29%
Round C: 0.46%

56.88% of participants are self-funded.
How many employees do you have?

57.7% have 1-4 employees.
22.48% have 5-10 employees.

57.7%  8.25%  4.58%  6.88%  22.4%  57.7%  1-4  5-10  11-12  21-35  35+
In which industry(ies) does your business operate?

- **AI & Machine Learning**: 7.34%
- **Big Data & Analytics**: 3.67%
- **Blockchain**: 5.50%
- **Media & Communication**: 8.72%
- **E-commerce**: 22.02%
- **EdTech**: 3.67%
- **Enterprise Software**: 16.06%
- **FinTech**: 5.05%
- **Games**: 2.75%
- **Hardware**: 6.88%
- **IoT**: 4.13%
- **Marketing & Advertising Technology**: 18.35%
- **HealthTech**: 5.05%
- **Robotics**: 0.92%
- **Security Technology**: 7.34%
- **AR/VR**: 3.67%
- **Other**: 20.64%

**22.02%** operate in e-commerce.

**18.35%** are focused in marketing.

**Whereas**

**16.06%** operate in enterprise software.
Impact of COVID-19 on startups
How concerned are you about the economic situation due to COVID-19?

- Not at all: 3.67%
- Somewhat: 4.13%
- Slightly: 6.88%
- Very: 24.31%
- Very much: 61.01%

61.01% are very much concerned.
As a result of COVID-19, do you consider the future of your business to be uncertain?

- **Yes, we will most likely**: 30.28%
- **Yes, we have experienced changes**: 43.58%
- **I don't know**: 17.43%
- **NO**: 8.72%

**Results:**
- 43.58% have experienced changes.
- 30.28% expect to experience changes.
- 43.58% consider the future of their business to be uncertain.
As a result of the situation created due to COVID-19, which aspects are adversely affecting your business?

- Revenue loss due to decrease in sales: 74.53%
- Revenue loss due to exportation obstacles: 21.74%
- Lack of goods and equipment: 10.56%
- Problems in the foreseen financial plan: 40.37%
- Difficulties in paying taxes or government-related rates: 36.02%
- Inability to keep employees in the payroll: 47.83%
- Other: 2.48%

74.53% have encountered revenue loss
47.83% are unable to keep employees in the payroll
Does your business currently have plans to reduce its workforce by 2020 due to COVID-19?

No: 38.53%
Yes: 32.11%
Don't know: 29.36%

As a result of the impact of COVID-19, 32.11% of startups plan to downsize during 2020.
HOW TO HELP STARTUPS IN KOSOVO?
What assistance provided by the government and the country’s institutions would be most necessary to cope with and overcome the current situation created by COVID-19?

79.36% of startups think that the governmental financial package will profoundly help in overcoming the current situation.
What assistance from startup support organizations would be most necessary to cope with and overcome the situation created by COVID-19?

63.76% of startups think that monetary help for employees’ payment would be most necessary in order to overcome the situation.