



# WESTERN BALKANS

*Europe's Next Nearshoring  
Growth Engine*

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Executive partner:



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## LIST OF ABBREVIATIONS

|                    |   |
|--------------------|---|
| <b>AI / ML</b>     | Artificial Intelligence / Machine Learning  |
| <b>BAM</b>         | Bosnia and Herzegovina Convertible Mark   |
| <b>BiH</b>         | Bosnia and Herzegovina  |
| <b>BPO</b>         | Business Process Outsourcing  |
| <b>BTI</b>         | BertelsmannTransformation Index   |
| <b>CBCG</b>        | Central Bank of Montenegro  |
| <b>CET</b>         | Central European Time   |
| <b>CIT</b>         | Corporate Income Tax  |
| <b>COVID-19</b>    | Coronavirus Disease 2019  |
| <b>ABRD</b>        | European Bank for Reconstruction and Development                                  |
| <b>EIB</b>         | European Investment Bank  |
| <b>EU</b>          | European Union  |
| <b>FBiH</b>        | Federation of Bosnia and Herzegovina  |
| <b>FDI</b>         | Foreign Direct Investment   |
| <b>GDP</b>         | Gross Domestic Product  |
| <b>GLA</b>         | Gross Lettable Area   |
| <b>ICT</b>         | Information and Communication Technology  |
| <b>IMF</b>         | International Monetary Fund   |
| <b>ITU</b>         | International Telecommunication Union   |
| <b>KAS</b>         | Kosovo Agency of Statistics   |
| <b>KPO</b>         | Knowledge Process Outsourcing   |
| <b>MASHT</b>       | Ministry of Education, Science, Technology and Innovation (Kosovo)                |
| <b>MFIC</b>        | Montenegrin Foreign Investors Council   |
| <b>MONSTAT</b>     | Statistical Office of Montenegro  |
| <b>NACE Rev. 2</b> | Statistical Classification of Economic Activities in the EU Community, Revision 2 |
| <b>NBS</b>         | National Bank of Serbia   |
| <b>NDA</b>         | Non-Disclosure Agreement  |
| <b>OECD</b>        | Organization of Economic Co-operation and Development                             |
| <b>QA</b>          | Quality Assurance   |
| <b>RSD</b>         | Serbian Dinar   |
| <b>STEM</b>        | Science, Technology, Engineering and Mathematics                                  |
| <b>USA</b>         | United States of America  |
| <b>VAT</b>         | Value Added Tax   |
| <b>WBIF</b>        | Western Balkans Investment Framework  |

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# Foreword

The business services sector has become the European engine of growth improving Europe's economic competitiveness, digital transformation, and resilience. As global companies seek stable, cost-efficient, and talent-rich locations, the Western Balkans are increasingly recognized as a strategic destination for business services investment.

Over the past decade, the region has demonstrated strong growth in ICT, BPO, shared services, and knowledge-intensive operations. Investors are drawn by a highly skilled and multilingual talent pool, competitive operating costs, cultural proximity to EU markets, and a growing digital and regulatory alignment with European standards. These advantages position the Western Balkans as a compelling nearshoring and long-term investment location for global companies.

This report offers a comprehensive overview of the business services ecosystem across the Western Balkans, presenting key market insights, investment trends, and structural opportunities. It highlights how the sector contributes to job creation, productivity growth, and value-chain integration, while supporting broader objectives related to innovation, sustainability, and regional economic convergence.

ABSL Country Chapters united under ABSL Western Balkans were established to support and accelerate this momentum. By fostering regional cooperation and serving as a platform for dialogue between investors, companies, and public institutions, ABSL Western Balkans works to strengthen market transparency, reduce investment barriers, and promote sustainable sector growth. Supported by the RECONOMY program, our initiatives focus on supporting the sector growth, cross-border collaboration, and the promotion of the region as a unified and competitive business services market.

As global investment strategies evolve, the Western Balkans offer a rare combination of scalability, quality, and proximity. This report reflects our belief that, through coordinated regional action and long-term partnerships, the business services sector can become a cornerstone of the region's economic development and a strong contributor to Europe's future growth.

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# Methodology

This brochure provides a comparative overview of the BPO and IT sectors across six Western Balkan economies: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. The objective of the research is to provide investors with a structured, comparable, and data-driven assessment of market fundamentals, sector development, and talent availability in each country.

## 1. Scope and structure

Each country profile is structured into four analytical pillars:

1. Demographics and Macroeconomic Indicators
2. Sector Overview (IT, Contact Centers, and Finance-related activities)
3. Talent Pool Analysis and Salary Benchmarks
4. Enabling environment

This standardized structure ensures cross-country comparability and consistency throughout the brochure.

## 2. Data Resources

### 2.1 Demographic and Macroeconomic Data (2025)

Demographic and macroeconomic indicators – including population size, active workforce, employment and unemployment rates, number of students, GDP growth, tax regime, and currency stability – are based on the most recently published official data available in 2025.

Primary sources include:

- National statistical offices of each respective country
- National central banks
- Ministries of finance and tax authorities

Only officially published and publicly available data were used to ensure reliability and institutional credibility.

### 2.2 Sector Overview and Market Structure (2024)

Sector-specific data are based on the **Dun & Bradstreet Report (2024)** and refer to companies registered under the relevant NACE Rev. 2 classifications.

The analysis covers companies operating under the following NACE Rev. 2 codes:

#### IT Industry

- Computer programming activities
- Computer consultancy activities
- Other information technology and computer service activities

#### Contact Centers

- Activities of call centers

#### Finance related activities

- Legal and accounting activities
- Management consultancy activities

Unless otherwise specified, company-level revenue and market share data are derived from the Dun & Bradstreet database for 2024.

Where tables present the number of companies or revenue concentration, they refer to companies with **10 or more employees**, in order to focus on operationally relevant and scalable market participants.

Where total market counts are referenced, they include all registered entities under the specified NACE codes, regardless of company size.

## 3. Company Selection Criteria

Demographic and macroeconomic indicators – including population size, active workforce, employment and unemployment rates, number of students, GDP growth, tax regime, and currency stability – are based on the most recently published official data available in 2025.

For sector benchmarking and market concentration analysis:

- Only companies active in 2024 were considered.
- Revenue-based rankings include companies with 10+ employees.
- The “Top 10” company tables are ranked based on reported or estimated revenue figures from Dun & Bradstreet. Where revenues are not publicly available, Top 10 companies are ranked based on the number of employees.

#### 4. Talent Pool Analysis

The Talent Pool Analysis combines:

- Dun & Bradstreet employment data (2024)
- LinkedIn Talent Insights data (2024/2025)
- Salary expectation surveys conducted among professionals in relevant roles

The analysis includes:

- Total number of employees in IT and Contact Center sectors
- Geographic concentration of talent
- Core programming languages and technical competencies
- Main foreign languages used in service delivery
- Seniority-based salary benchmarks

##### 4.1 Salary Benchmarking Methodology

Salary ranges presented in the brochure reflect **monthly gross employer cost (grand gross salary)** in EUR.

Respondents are categorized into three seniority levels:

- **Junior:** Up to 2 years of relevant work experience
- **Medior:** 2–5 years of relevant work experience
- **Senior:** 5+ years of relevant work experience

The presented salary ranges shown refer to the last quarter of 2025.

#### 5. Limitations

- Revenue transparency varies across markets, and not all companies publicly disclose financial data.
- Market share calculations are based on available data and may not reflect informal or micro-enterprises below reporting thresholds.
- Salary benchmarks reflect reported expectations and may vary depending on company size, export orientation, and specific skill sets.
- Demographic and macroeconomic data reflect the most recent official publications as of 2025 and may be subject to revision by national authorities.

#### 6. Comparability and Standardization

All monetary values are presented in EUR for comparability.

All sectors are classified using the standardized **NACE Rev. 2 framework** to ensure methodological consistency across all six countries.

This unified methodology enables investors to assess:

- Market size and maturity
- Revenue concentration and competitive landscape
- Talent availability and cost structure
- Regulatory and macroeconomic stability

The result is a harmonized regional overview designed to support strategic investment decision-making in the Western Balkans BPI and IT ecosystem.



# Executive Summary

The Western Balkans has emerged as one of Europe's most attractive outsourcing destinations in recent years, particularly in ICT, business process outsourcing (BPO), customer service, and financial services. Countries including Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia have made significant investments in digital and office infrastructure, workforce development, and regulatory alignment, establishing a solid foundation for continued sector growth. A key driver of the region's outsourcing appeal is its highly competitive labor cost structure. Companies gain access to well-educated, capable professionals at significantly lower costs compared to Western Europe. This advantage is especially valuable for people-intensive sectors such as customer support, software development, and technical services. Importantly, lower costs do not come at the expense of quality; they reflect macroeconomic conditions and cost-of-living differences rather than lower skill levels. As a result, businesses benefit from affordable, yet skilled talent trained in modern digital and business practices.

The region's workforce is young, dynamic, and increasingly tech-savvy, with many professionals experienced in working with international clients and familiar with Western business standards. Language proficiency further strengthens the Western Balkans' competitive position. English is widely spoken and taught from an early age, while strong capabilities also exist in German, Italian, French, Turkish, and several Nordic languages. This multilingual talent pool is a significant differentiator compared to many other outsourcing destinations and is particularly valuable for customer-facing services, sales support, and IT consulting.

Geographical proximity and cultural alignment with the European Union enhance the region's attractiveness. Most Western Balkan countries operate within the Central European Time zone or one hour ahead, enabling real-time collaboration with major European markets. Cultural similarities, shared work ethics, and familiarity with European norms contribute to smoother cooperation, higher service quality, and long-term partnership potential.

ICT and BPO activities have expanded rapidly, supported by government incentives, foreign investment, and the development of local tech ecosystems. Cities such as Belgrade, Tirana, Prishtina, Sarajevo, Skopje, and Novi Sad have become regional hubs offering modern office space, competitive operating costs, and access to large talent pools.

Overall, the Western Balkans present a compelling value proposition as an emerging nearshoring hub for Europe. The combination of cost efficiency, skilled and multilingual workforce, cultural compatibility, and improving regulatory frameworks makes it an increasingly strategic partner for companies seeking scalable, reliable, and high-quality outsourcing solutions.



# More Than Nearshore: A Region Built for Scalable Growth

## 1. Scalable, Multilingual Talent Pool

The Western Balkans offer access to a young, well-educated, and highly adaptable workforce with strong proficiency in English, German, Italian, and other European languages. The region is particularly competitive in ICT, BPO, shared services, and engineering roles, supporting both entry-level scale and mid-to-advanced delivery operations.

## 2. Competitive Cost–Quality Ratio

Operating costs across the region remain significantly lower than in Western and Central Europe, while productivity and service quality continue to improve. Investors benefit from competitive salary levels, moderate real estate costs, and favorable tax regimes, delivering strong value without compromising operational standards.

## 3. Nearshore Proximity to EU Markets

Located within 1–2 hours of major European business hubs, the Western Balkans enable real-time collaboration, frequent travel, and cultural alignment with EU clients. This near-shore positioning reduces operational friction compared to offshore locations while maintaining cost advantages.

## 4. Shared Time Zone and Cultural Compatibility

Operating in the Central European Time (CET) zone ensures full business-day overlap with EU headquarters. Combined with strong cultural affinity, Western business practices, and high service orientation, the region supports seamless integration into European operating models.

## 5. Strong Momentum in ICT and Business Services

The region has experienced sustained growth in ICT, BPO, and shared services, driven by foreign investment, digital transformation, and export-oriented service delivery. Established international players coexist with fast-growing local companies, creating mature ecosystems and reliable delivery capacity.

## 6. Increasing Regulatory Alignment and Investor Support

Western Balkan countries are progressively aligning legal, tax, and regulatory frameworks with EU standards. Investment promotion agencies, strategic investment laws, and digitalized public services improve transparency, reduce administrative burden, and support foreign investors throughout the investment lifecycle.

## 7. Flexible Entry and Expansion Opportunities

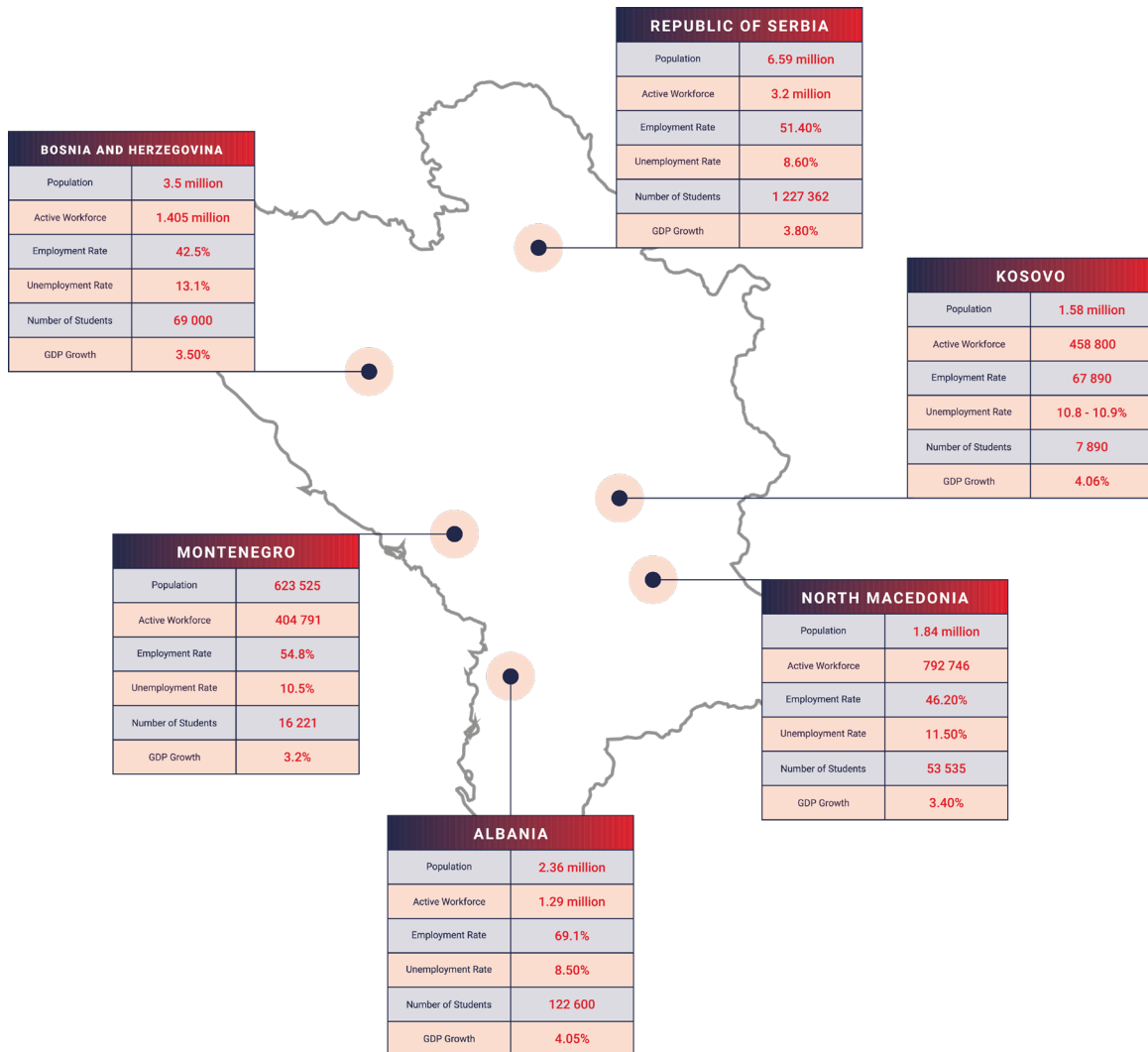
The region supports a wide range of investment strategies—from pilot teams and satellite offices to regional delivery hubs and centers of excellence. Investors can enter smaller markets for cost efficiency and expand into larger ones for scale, creating a balanced and resilient regional footprint.



**REGIONAL  
SNAPSHOT**

# 1.1 Demographics

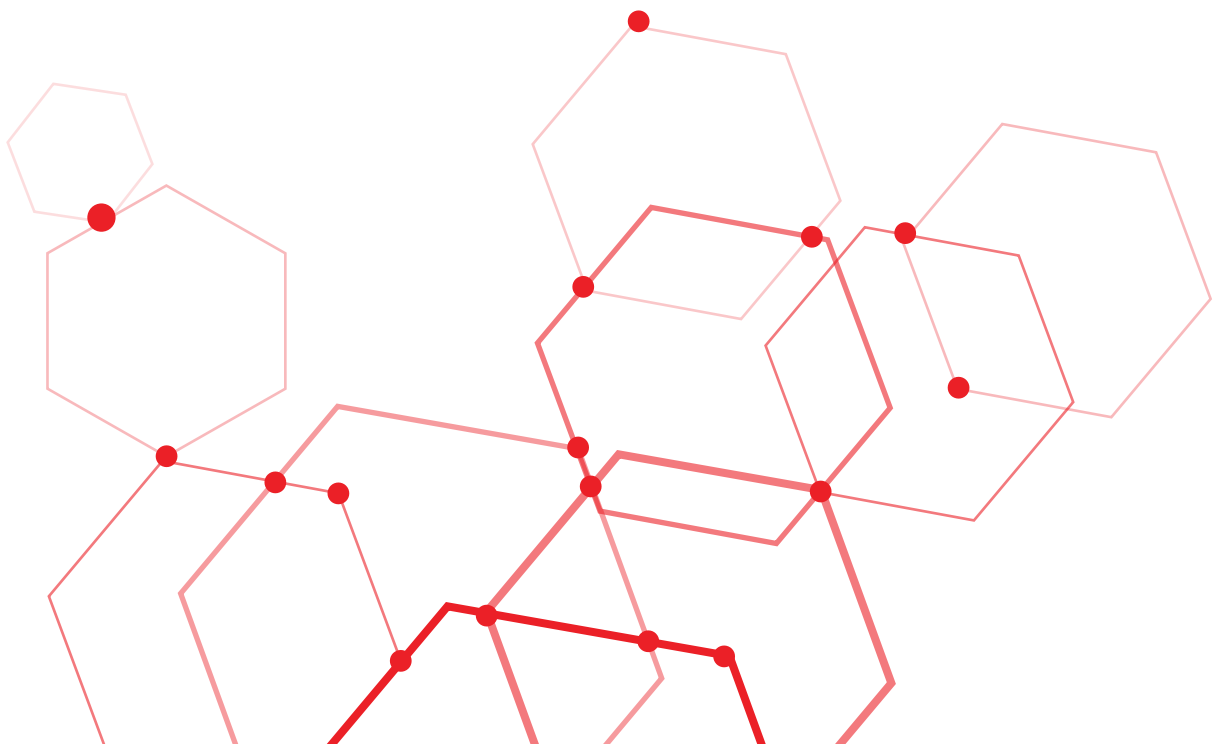
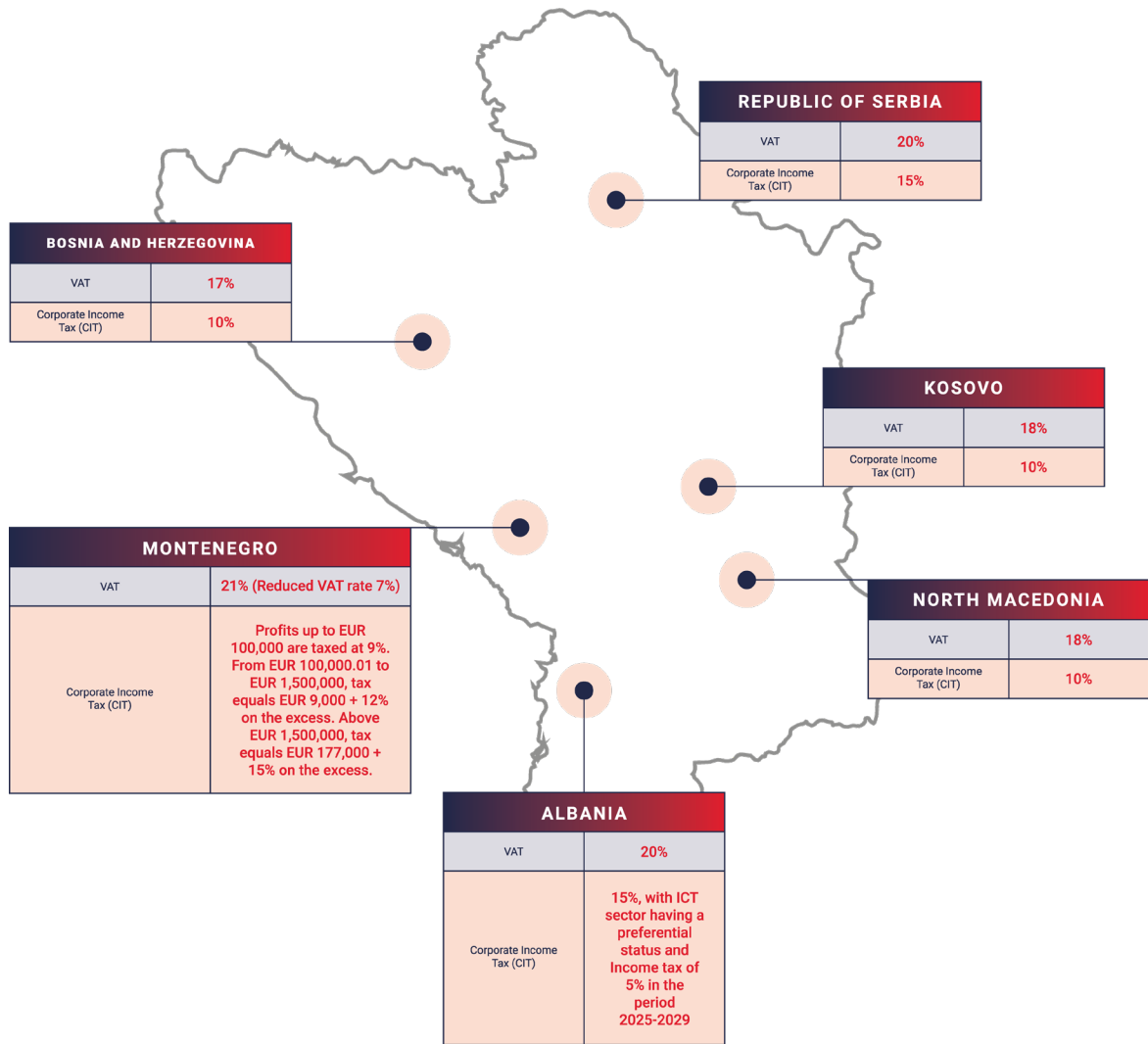
## DEMOGRAPHICS



Albania and Serbia stand out as the largest labor markets among the six countries, with Serbia having by far the largest population and active workforce, while Albania shows a relatively strong employment rate and one of the lowest unemployment levels. Montenegro, despite its small population, performs comparatively well in employment, though its workforce size is limited by scale. North Macedonia, Kosovo, and Bosnia and Herzegovina face more pronounced labor market challenges, reflected in lower employment rates and higher unemployment, particularly in Kosovo, which has the lowest employment rate

despite a sizable active workforce. In terms of human capital, Serbia and Albania have the highest number of students, suggesting stronger long-term labor supply potential. GDP growth is relatively balanced across the region, with Kosovo and Albania recording the highest growth rates, indicating positive economic momentum despite structural differences among the countries. The data presented in the table are the latest figures published in 2025 by the official statistical institutions in each of the mentioned countries. The sources of the presented information are shown in the overview of the individual countries.

TAX REGIME



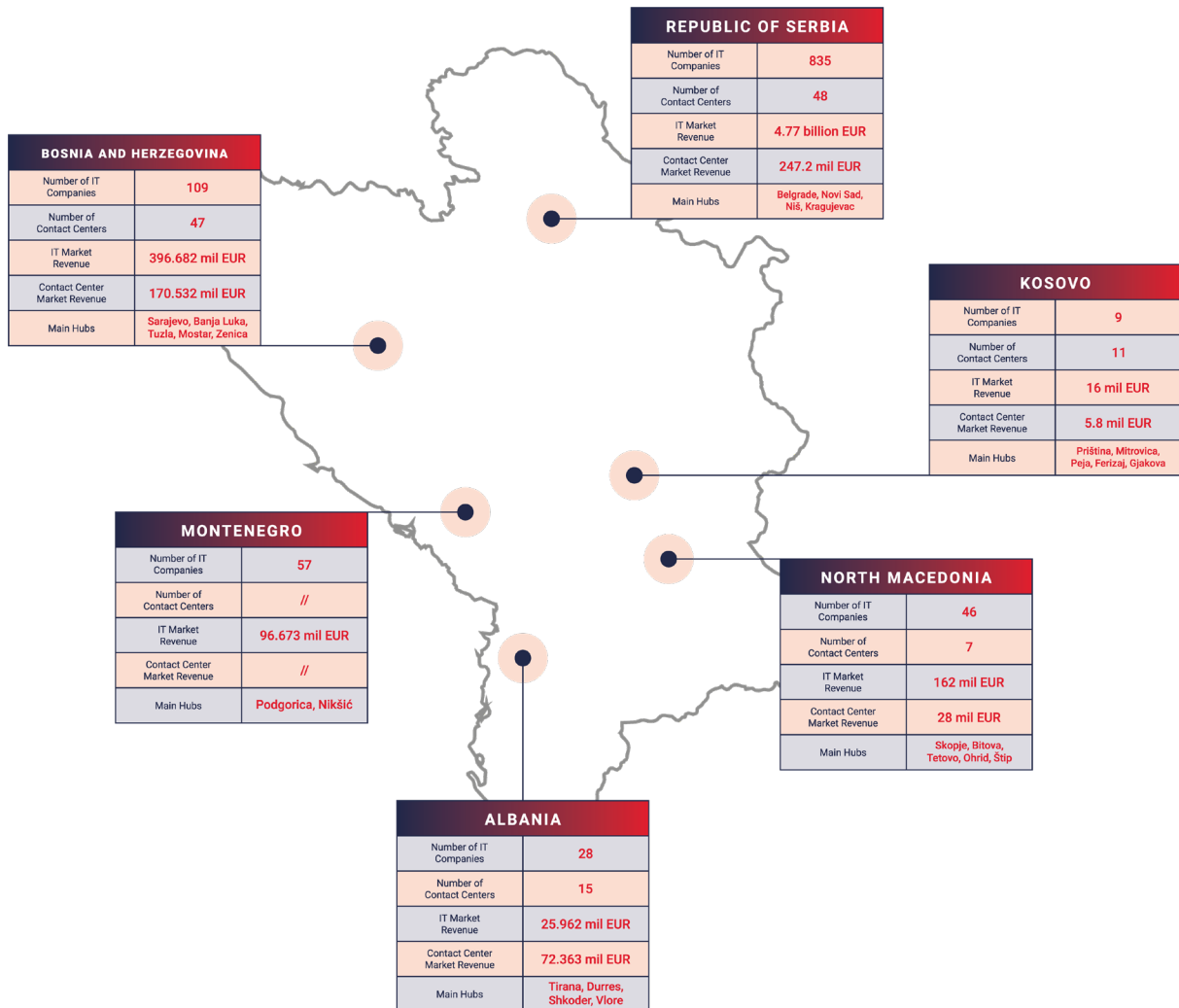
# 1.2 Sector Analysis

The IT and BPO sectors across the Western Balkans show significant variation in scale, maturity, and market value, reflecting differing levels of economic development, workforce availability, and integration into international markets.

Serbia clearly dominates the regional IT and BPO landscape. With 835 IT companies employing more than 10 people, Serbia has built the most mature and diversified technology ecosystem among the six countries. Its IT market revenue

of €4.77 billion far exceeds that of its neighbors, positioning the country as a regional technology hub with strong export orientation. The BPO sector is also well developed, supported by 48 contact centers generating €247.2 million in revenue. Major urban hubs such as Belgrade and Novi Sad act as magnets for talent, multinational companies, and venture capital, while secondary cities like Niš and Kragujevac further support geographic diversification.

## SECTOR ANALYSIS



\*companies with more than 10 employees (Dun and Bradstreet)

Bosnia and Herzegovina represents the second-largest market in terms of overall scale. The country hosts 109 IT companies and 47 contact centers. With IT revenues nearing €397 million and contact center revenues exceeding €170 million, Bosnia and Herzegovina has established itself as a competitive nearshoring destination, particularly for European clients. Cities such as Sarajevo and Banja Luka function as key technology and outsourcing centers, supported by a growing pool of multilingual professionals.

North Macedonia stands out for its relatively high IT market revenue compared to the number of companies. With 46 IT companies, the sector generates approximately €162 million, suggesting higher average company size or stronger export performance. The BPO segment is smaller but stable, with 7 contact centers producing €28 million in revenue. Skopje serves as the primary hub, while cities like Bitola and Tetovo contribute to regional dispersion and talent development.

Montenegro shows moderate development in the IT sector but limited visibility in BPO activities. Despite having only 57 IT companies, the country generates nearly €97 million in IT revenue, indicating relatively high productivity or specialization in niche services. However, the absence of structured data on contact centers suggests that BPO remains underdeveloped or fragmented. Podgorica and Nikšić are the main centers of IT activity, with growth constrained by the country's smaller labor market.

Albania demonstrates a more BPO-oriented profile compared to its IT sector. With 28 IT companies and €26 million in IT revenue, the technology sector remains relatively small. In contrast, 15 contact centers generate a substantial €72.4

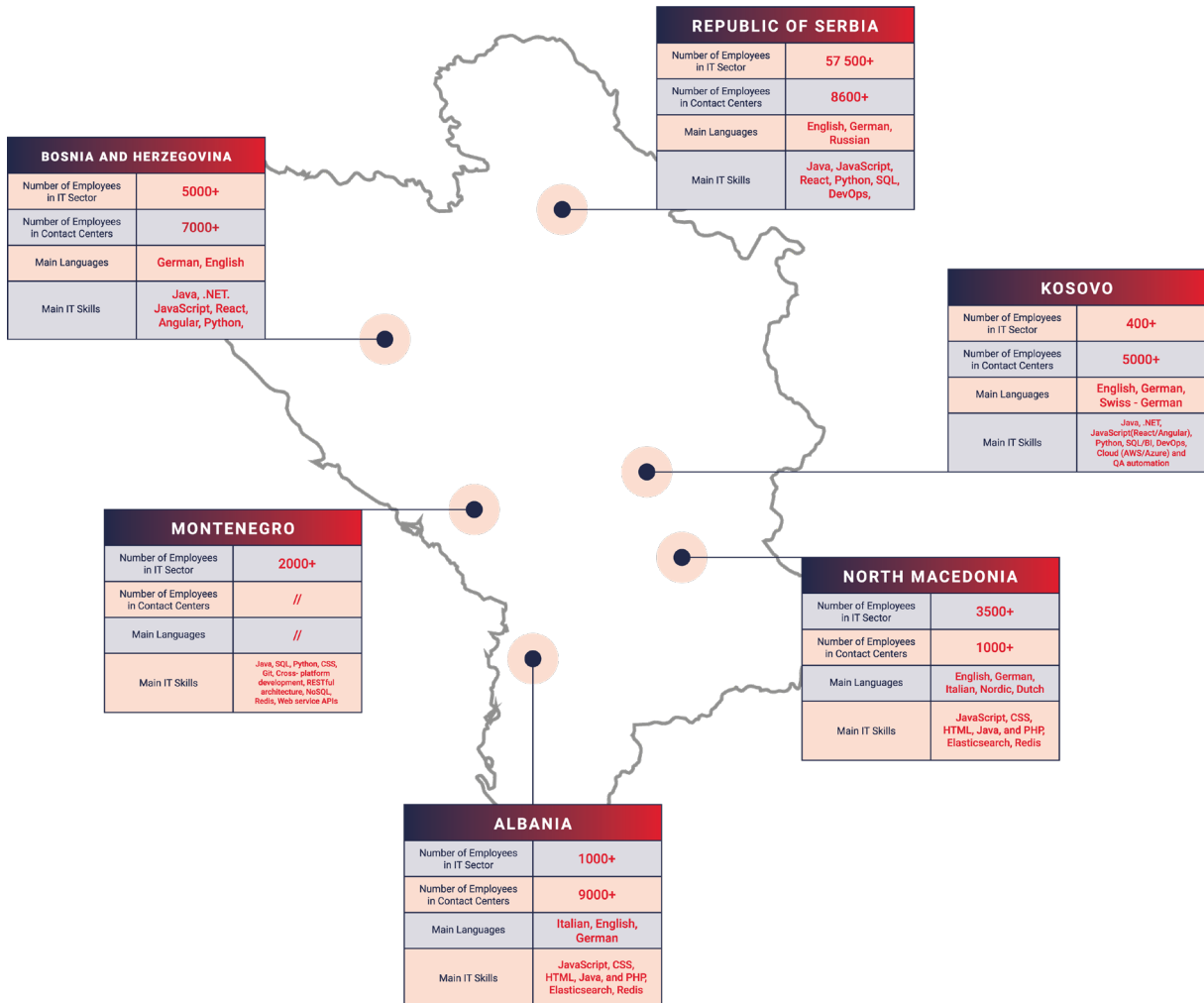
million, highlighting Albania's attractiveness for customer support and multilingual outsourcing services. Cities such as Tirana and Durrës are well-established BPO hubs, benefiting from competitive labor costs and strong foreign language skills, particularly in Italian and English.

Kosovo is the smallest and least mature market among the six countries but shows early signs of development. The country has 135 IT companies, and 11 contact centers. Out of these, 9 IT companies and 11 contact centers employ more than 10 employees, producing €16 million in IT revenue and €5.8 million in contact center revenue. The BPO sector slightly outweighs IT in terms of company count, reflecting Kosovo's young, multilingual workforce. Pristina dominates as the primary hub, with smaller cities contributing modestly to sector growth.

Overall, the comparison highlights a clear regional hierarchy, with Serbia as the dominant IT and BPO powerhouse, Bosnia and Herzegovina and North Macedonia as strong mid-tier players, and Albania, Montenegro, and Kosovo operating as smaller, more specialized or emerging markets. While IT maturity varies widely, BPO activities tend to concentrate in countries offering competitive labor costs and strong language capabilities, suggesting continued opportunities for nearshoring growth across the region.

# 1.3 Talent Pool Analysis

## TALENT POOL ANALYSIS



The availability and quality of talent in the IT and BPO sectors across the Western Balkans vary significantly, shaping each country’s competitive positioning and capacity for growth in nearshoring and outsourcing services.

Serbia possesses by far the largest and most mature talent pool in the region. With more than 57,500 professionals employed in the IT sector, the country has developed a deep and diverse skills base that supports complex software

development, product engineering, and advanced services. Serbian IT talent is particularly strong in Java, JavaScript, React, Python, SQL, and DevOps, enabling the delivery of high-value projects for international clients. The BPO workforce, with 8,671 contact center employees, is similarly well established and supported by strong proficiency in English and German, as well as Russian. This scale and skill diversity allow Serbia to serve as a regional center for both IT innovation and multilingual outsourcing.

Bosnia and Herzegovina represents the second-largest talent base among the analyzed countries. The IT sector employs more than 5,000 professionals, while the BPO industry engages over 7,000 contact center employees, reflecting a well-balanced distribution between technical and service-oriented roles. The country's IT workforce is skilled in Java, .NET, JavaScript frameworks, Python, and increasingly AI and machine learning, signaling a gradual move toward higher-value services. Language capabilities, particularly in English and German, strengthen Bosnia and Herzegovina's attractiveness as a nearshoring destination for Western European markets.

North Macedonia has developed a relatively strong IT talent pool in proportion to its population size. With approximately 3,500 IT professionals, the country demonstrates solid capacity in modern development stacks, including Java, .NET, JavaScript (React and Angular), Python, DevOps, cloud technologies (AWS and Azure), and QA automation. The BPO sector employs around 1,000 professionals, supported by strong multilingual capabilities in English, German, Italian, and several Nordic and Dutch languages. This linguistic diversity enhances North Macedonia's competitiveness in specialized customer support and shared services.

Albania shows a distinct BPO-driven talent profile. While the IT sector employs over 1,000 professionals, the contact center workforce exceeds 9,000 employees, making BPO one of the country's most significant export-oriented service industries. Albania's IT talent is mainly concentrated in web development technologies, including JavaScript, Java, PHP, HTML, CSS, and supporting technologies such as Elasticsearch and Redis. The BPO workforce benefits from strong language skills,

particularly in Italian and English, with growing capacity in German, positioning Albania as a preferred destination for Southern European customer support operations.

Montenegro has a smaller but specialized IT talent pool, with just over 2,000 IT professionals. Despite its limited scale, the workforce demonstrates solid technical capabilities in Java, Python, SQL, NoSQL, RESTful architectures, cross-platform development, and web service APIs, indicating a focus on quality and niche expertise. Available data on BPO employment is limited, suggesting that contact center activities remain underdeveloped or are still emerging. Montenegro's small population constrains scalability but allows for targeted, high-skill IT services.



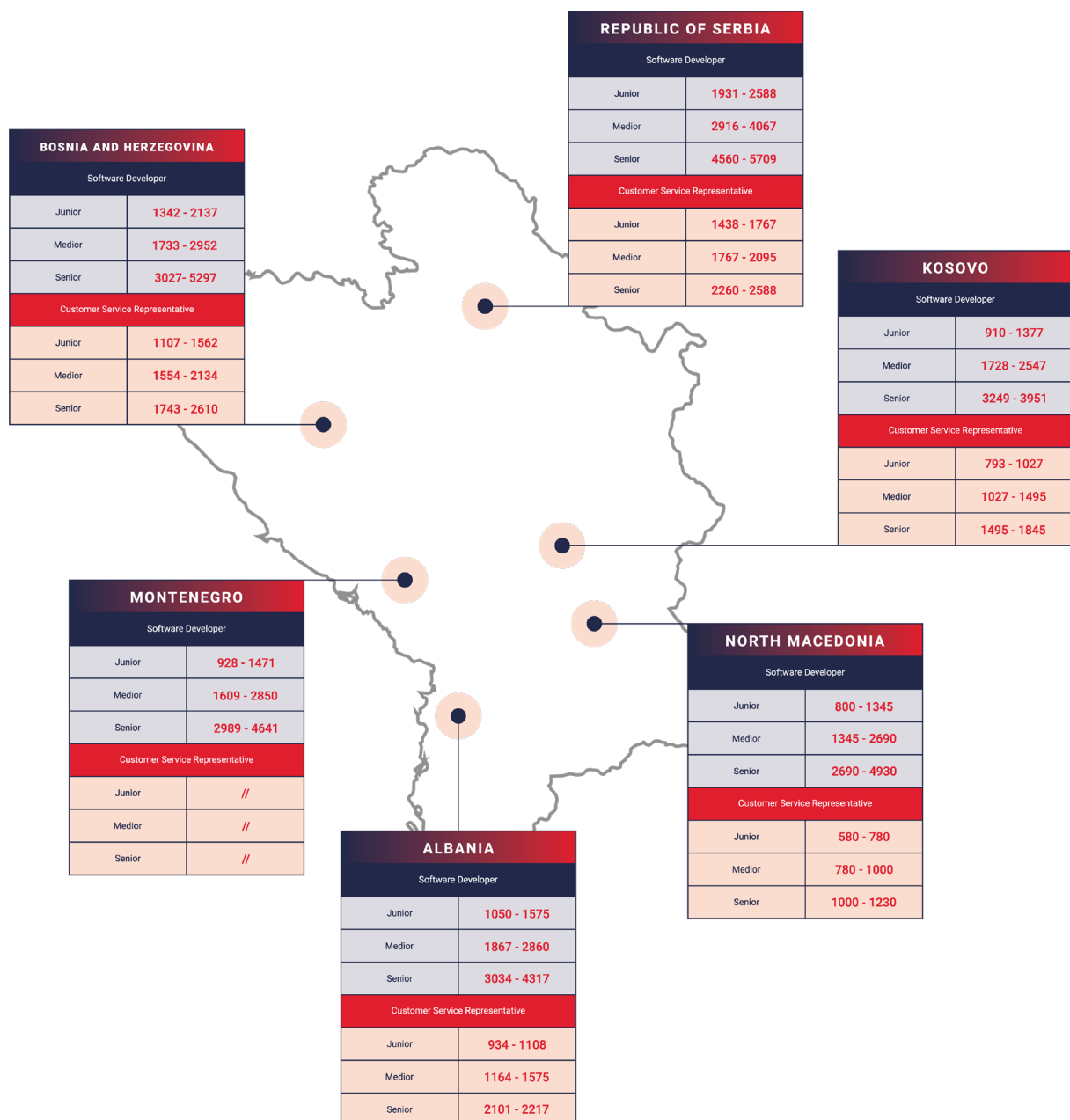
Kosovo represents an emerging talent market with strong long-term potential. The IT sector employs more than 400 professionals, while the BPO sector engages over 5000 employees, reflecting an early stage but growing ecosystem. Kosovo’s IT workforce is largely focused on web development and foundational programming skills, including JavaScript, Java, SQL, C#, PHP, and modern web frameworks. High proficiency in German and English among young professionals provides a strong foundation for expansion in both IT outsourcing and customer support services.

scale and skill diversity, followed by Bosnia and Herzegovina and North Macedonia as strong mid-tier talent markets. Albania stands out for its large and language-rich BPO workforce, while Montenegro and Kosovo remain smaller but increasingly specialized or fast-growing talent pools. Together, these countries offer a complementary mix of technical expertise and multilingual service capabilities, reinforcing the Western Balkans’ role as a competitive nearshoring region for Europe.

In summary, the regional talent landscape is characterized by Serbia’s clear dominance in

Salaries for the Software Developer and Customer Service Representative are presented in the table below:

**SALARIES**



\*salaries are presented in EUR - total cost of the employer



02

**ALBANIA**

## 2.1 Demographics

The gender ratio in Albania shows a slight female majority, with 50.6% women versus 49.4% men, equivalent to 97.8 men per 100 women (Instat). The capital city, Tirana, hosts over 32% of the national workforce and serves as the country's main economic and ICT-BPO hub (Instat).



Source: Instat; National Bank of Albania

### 2.1.1. EDUCATION

The Albanian education system features several major public universities, including the University of Tirana, the country's largest and consistently highly ranked university, the Polytechnic University of Tirana for technical and engineering education, and the Agricultural University of Tirana focused on agriculture-related fields.

### 2.1.2. TAX REGIME

| VAT | INCOME TAX  |
|-----|---|
| 20% | 15%, with IT sector having a preferential status and Income tax of 5% in the period 2025-2029 |

Source: PWC

### 2.1.3. CURRENCY STABILITY

Albania maintains the stability of its currency, the lek, through a free-floating exchange rate system. The Bank of Albania may intervene in the foreign exchange market to address significant fluctuations and maintain macroeconomic stability. Positive macroeconomic trends, low inflation, prudent fiscal policies, and strong foreign investment have contributed to the lek's strength against major currencies like the euro and US dollar (National Bank of Albania). Albanian tax law applies worldwide taxation for resident entities, while non-resident entities are taxed only on income generated within Albania. Local taxes vary depending on activity type, municipality, and annual turnover (PWC).

### 2.1.4. INFRASTRUCTURE

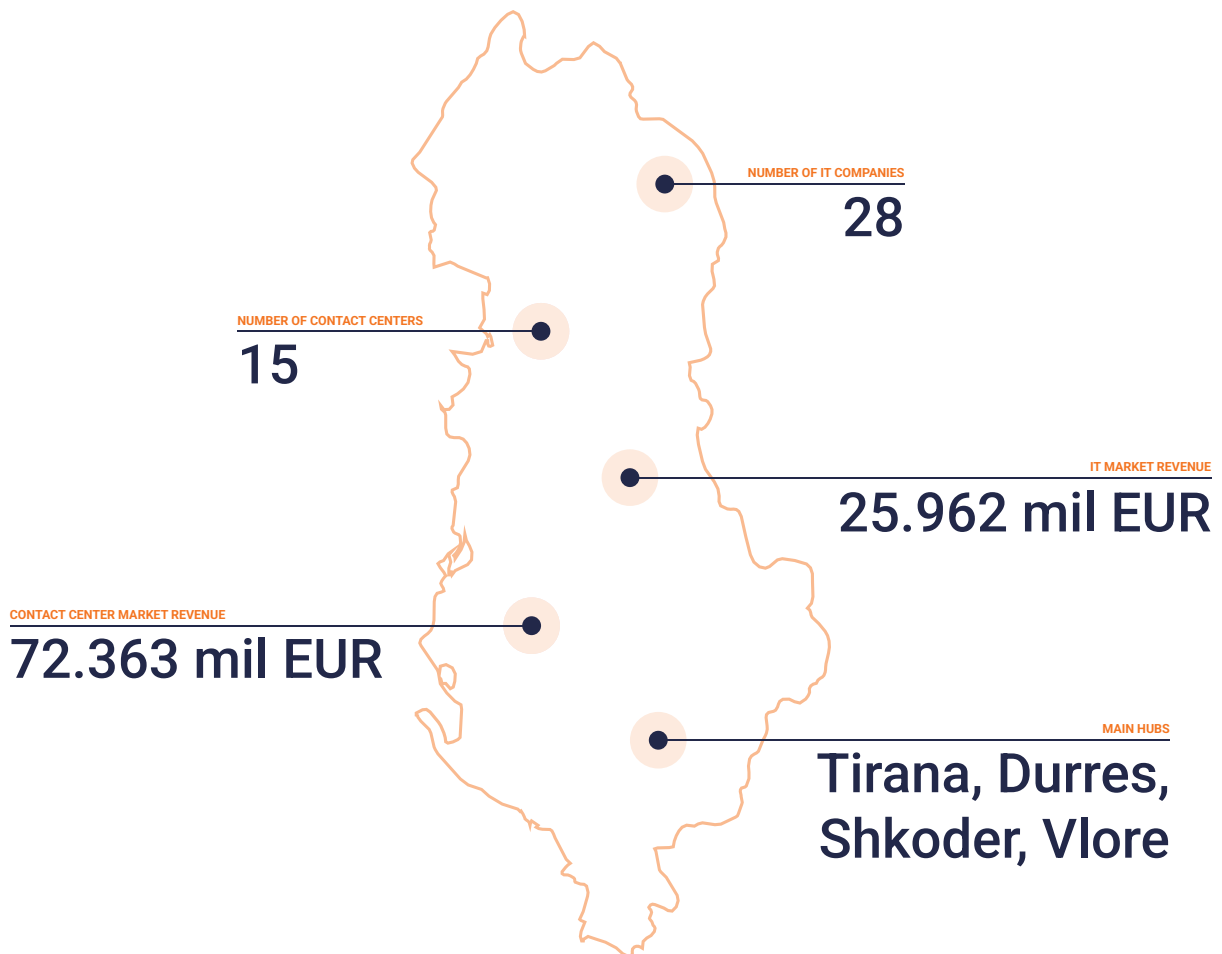
According to Colliers Albania Market 2024, Tirana's office market is rapidly modernizing, with B+ and A-class offices totaling 189,608 m<sup>2</sup>, 82% of which are in the CBD. Vacancy fell to 12.55% in 2024, while prime rents reached €30/m<sup>2</sup>/month and average rents €19/m<sup>2</sup>/month. Demand is strongest for modern, green-certified buildings, with large mixed-use developments reshaping the city. Digital infrastructure is also advancing, with 1.79 million mobile and 436,000 fixed broadband subscriptions. Internet penetration stands at 68.5%, supported by widespread 4G coverage and a strong national digital score of 91 (ITU).



## 2.2 Sector Analysis

In 2024, Foreign Direct Investment (FDI) inflows into Albania totaled approximately €1.583 billion, according to Colliers and the National Bank of Albania. Information on FDI per sector is not currently available. Some of the largest foreign investors in Albania include Turkey, Italy, Austria, and the Netherlands, highlighting the country's appeal to European and regional capital (National Bank of Albania). The Albanian investment landscape, particularly in the services and ICT

sectors, serves a range of internationally renowned brands, including Apple, Vodafone, Adidas, eBay, Barclays, Groupon, Lufthansa Group, Air France, and Alitalia (AIDA,2025). Major client markets for Albanian- based companies are concentrated in Italy, the UK, France, Spain, Germany, Austria, and Switzerland, underlining Albania's role as a competitive hub for export-oriented services and business process outsourcing. (AIDA,2025).



Source: Dun and Bradstreet;  
 \*The table represents a number of companies with 10 or more employees

The table above represents the number of companies that have 10 or more employees. According to the Dun & Bradstreet report, Albania has a total 42 Contact centers operating under the NACE Rev. 2 Activities of call centers. In addition, there are a total of 179 IT companies registered under the NACE Rev. 2 codes for Computer Consultancy Activities, Other Information Technology and Computer Services, and Computer Programming Activities, however the table represents the number with 10 or more employees. Teleperformance is the largest Contact Center operator in Albania, employing over 3000 people (Teleperformance Albania).

According to IT market revenue data shown in the first table: Axians has a 44.3% share, Facilization has a 14% share, and Tetra has a 5.6% share. For Contact Centers: AlbaCall holds a 27.2% market share, Assist holds 25.4%, and Konecta holds 9.7%.. In Albania, company revenues are not publicly available, and these figures are presented based on information provided by Dun & Bradstreet report.

| IT COMPANIES    | CONTACT CENTERS       |
|-----------------|-----------------------|
| Axians          | AlbaCall              |
| Facilization    | Assist                |
| Tetra           | Konecta               |
| Atis            | Nethex BPO            |
| ASEE Albania    | BConnect              |
| Divitech        | Intercom Data Service |
| Horizon         | Concentrix            |
| Synapse ATS     | Consulcesi Service    |
| S-System        | Transcom              |
| Printec Albania | EW Innovation         |

Source: Dun and Bradstreet;

The table represents the top ten companies in the market based on the revenue. The revenue data is derived from companies with 10+ employees, excluding Teleperformance Albania as their revenue is not publicly available



## 2.3 Talent Pool Analysis

Software development and outsourcing/offshoring, particularly Contact Centers, represent the two fastest-growing industries in Albania. The country has developed a robust talent pool in both sectors.



**1000+**

NUMBER OF EMPLOYEES IN IT COMPANIES



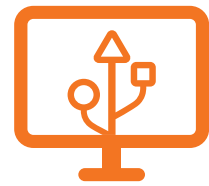
**9000+**

NUMBER OF EMPLOYEES IN CONTACT CENTERS



**Italian, English, German**

MAIN LANGUAGES



**JavaScript, CSS, HTML, Java, and PHP, Elasticsearch, Redis**

MAIN IT SKILLS

Source: Dun&Bradstreet; LinkedIn Talent Insight

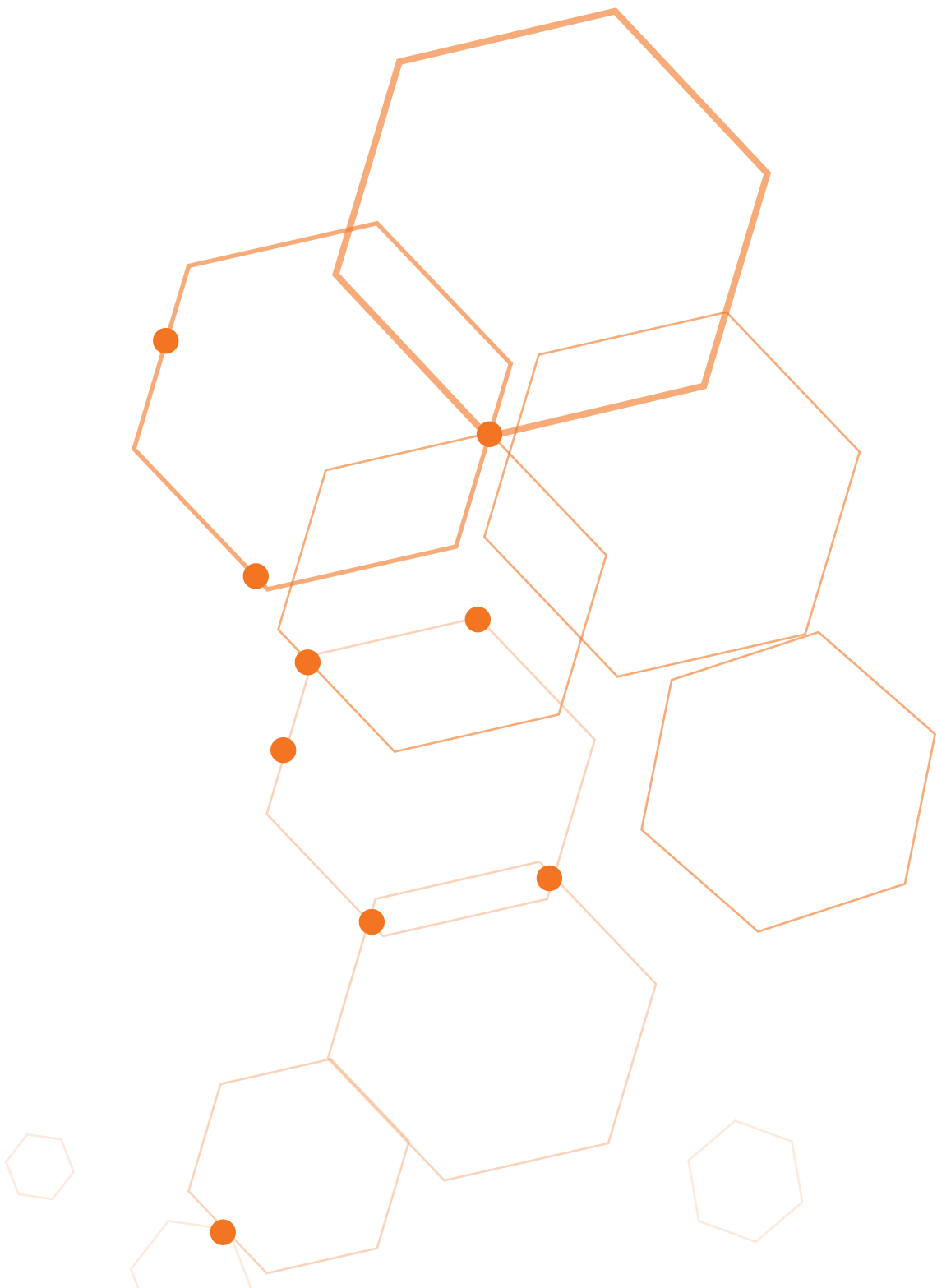
Geographically, Tirana serves as the primary ICT-BPO hub, followed by Durrës, Shkodër, and Vlorë (AIDA, 2025). Tirana’s concentration of business centers makes it the most attractive location for domestic talent, though post-Covid developments and the rise of remote work have enabled employees to access opportunities without relocating, both domestically and across the Western Balkans. While regional mobility exists, the majority of Albanians seeking employment abroad migrate to Western Europe.

The following table presents the typical financial expectations associated with the monthly gross salary of respondents currently employed in the roles of interest and they represent the total cost of the employer for the worker. These findings are displayed separately for two key sectors (Contact centers and IT). The numbers presented are in Euros.

| SENIORITY | SOFTWARE DEVELOPER | CUSTOMER SERVICE REPRESENTATIVE |
|-----------|--------------------|---------------------------------|
| Junior    | 1050 - 1575        | 934- 1108                       |
| Medior    | 1867 - 2860        | 1164- 1575                      |
| Senior    | 3034 - 4317        | 2101 - 2217                     |

Benefits such as hot meal allowance, social and health insurance, paid maternity leave, sick leave, and paid annual leave are mandatory in Albania. Employees enjoy a comprehensive range of benefits designed to support both professional growth and personal well-being. These include the flexibility of remote or hybrid work, performance

and referral bonuses, structured training and coaching programs, as well as discounts and vouchers. Additional support comes through wellness initiatives, generous sick and parental leave, flexible working hours, and clear opportunities for career advancement.



## 2.4 Enabling Environment

Albania's market growth is influenced by a combination of regulatory, technological, and economic factors. The country maintains an FDI-friendly legal framework, with laws supporting strategic investments in tourism, energy, agriculture, industry, and ICT. Public-private partnerships (PPPs) provide a mechanism for large-scale infrastructure and development projects. On the technological side, digitalization of public services has reduced bureaucracy and improved administrative efficiency, while a growing ICT sector and high internet penetration facilitate investment in digital and technology-driven industries. Economically, Albania benefits from a diversified economy, strong services sector, natural resources, and potential in renewable energy and agro-processing.

Three positive regulatory practices stand out:

- Simplified administrative processes and priority access to permits for high-value investments under the Strategic Investment Regime (Law on Strategic Investment in the Republic of Albania)
- Electronic application through e-Albania portal (e-Albania, Albania-US Department of State, 2025) Senior (5 or more years of experience)
- Institutional frameworks encouraging foreign and domestic investment, with ongoing EU-oriented reforms enhancing transparency and efficiency

Despite these advantages, two major challenges hinder new investments:

- Perceived corruption in public administration, the judiciary, and procurement processes
- Slow government response when applying through online portals (Albania-US Department of State, 2025)

Opportunities for growth include leveraging a young, educated, and multilingual workforce, attracting investments in ICT, BPO, tourism, and renewable energy, and expanding export-oriented services to Western European markets. The country's digital infrastructure and strategic location provide additional advantages.

Threats and risks primarily relate to regulatory uncertainty, perceived corruption, and limitations in the legal enforcement of property and contractual rights, which can affect investor confidence and long-term planning.



A stylized map of Bosnia and Herzegovina is rendered in various shades of orange and brown. The map is overlaid with several large, five-pointed stars of varying sizes and colors, creating a layered, geometric effect. The background is a solid, vibrant orange.

03

**BOSNIA AND  
HERZEGOVINA**

# 3.1 Demographics



**3.5 mil**  
POPOULATION



**1.405 mil**  
ACTIVE WORKFORCE



**42.5%**  
EMPLOYMENT RATE



**13.1%**  
UNEMPLOYMENT RATE



**69 000**  
NUMBER OF STUDENTS



**3.5%**  
GDP GROWTH

Source: Agency for Statistics BiH; Central Bank of Bosnia and Herzegovina

## 3.1.1. EDUCATION

Bosnia and Herzegovina has a well-established higher education system that provides a steady pipeline of skilled graduates for ICT, engineering, business services, and technical industries. Leading public universities—including the University of Sarajevo (UNSA), University of Tuzla (UNTZ), University of Zenica (UNZE), University of Banja Luka (UNBL), and the Universities in Mostar—play a central role in educating talent in STEM, economics, and applied sciences.

## 3.1.2. TAX REGIME

| VAT | INCOME TAX |
|-----|------------|
| 17% | 10%        |



### 3.1.3. CURRENCY STABILITY

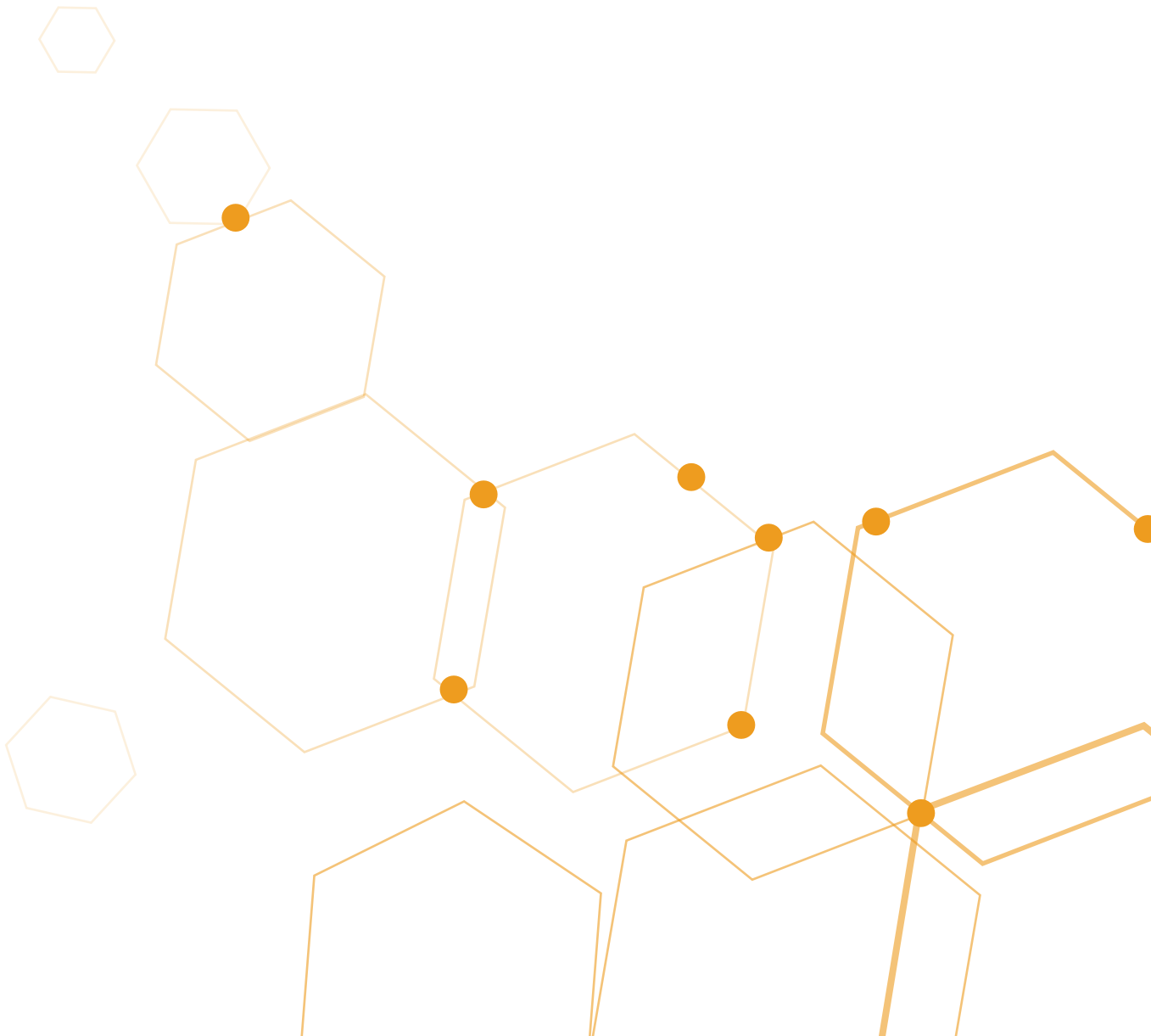
Macroeconomic indicators point to moderate but stable economic growth. The Convertible Mark remains the anchor of macroeconomic stability thanks to the currency board arrangement and its peg to the Euro, which has ensured full monetary reliability for 25 years.

### 3.1.4. INFRASTRUCTURE

Bosnia and Herzegovina's infrastructure is rapidly modernizing, driven by strategic projects such as Corridor Vc, improving connectivity with the EU. Investments by the EBRD, EIB, and the EU support motorway construction, energy upgrades, and railway modernization, including new and planned rail routes. Air connectivity with major European cities is well developed.

Digital infrastructure is advancing, with BiH joining the Digital Europe Program in 2024. Regulatory changes have enabled 4G expansion and laid the groundwork for 5G, with telecom operators already preparing for commercial rollout (ITU).

The BiH office market, with 184,000 m<sup>2</sup> of modern GLA stock in Sarajevo, a vacancy rate below 10%, and rents ranging from €8–12 per m<sup>2</sup> (prime) and €10–16 per m<sup>2</sup> in the city centre, is characterized by a relatively limited supply of modern office space compared to neighboring countries, a focus on regional and local investors, no major project completions in 2024 (although construction began on World Trade Center Sarajevo and the expansion of Importanne Center) (Colliers, 2024)



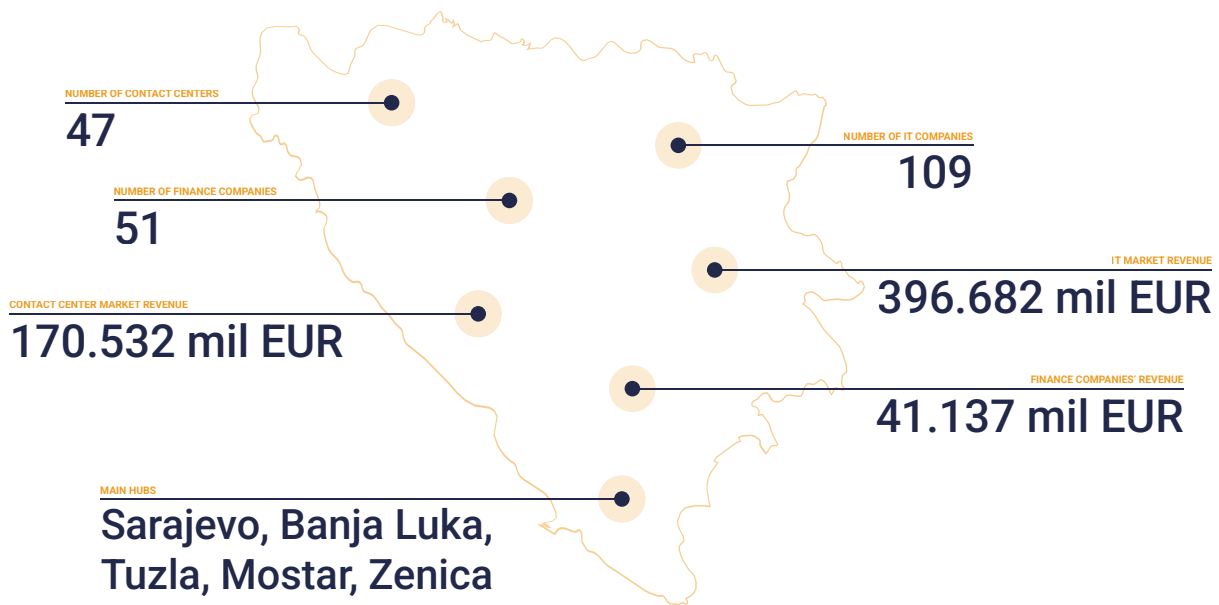
## 3.2 Sector Analysis

In 2024, Bosnia and Herzegovina recorded stable FDI inflows of €900 million, with Croatia, Slovenia, and Germany as the largest investors regardless of sector. FDI in the ICT sector reached approximately €24.0 million in 2024, with a total stock of about €141.0 million.

The call-center sector attracted around €7.0 million, reaching a total stock of approximately €62.8 million, while financial services recorded

about €19.4 million in new FDI and a total stock of roughly €185.0 million (Central Bank BiH). Information on the biggest investors per sector is not publicly available.

Over the past three years, the IT sector grew by 41%, contact centers by 62%, and financial services by 38%, based on Dun& Bradstreet data.



Source: Dun and Bradstreet  
 \*Only companies with 10 or more employees are represented in the table

According to Dun & Bradstreet (2024), the IT sector in Bosnia and Herzegovina is led by Symphony, which holds a 13.8% market share, followed by Personify Health (6.19%) and Glassfaser Connect (6.07%), positioning them as the three most influential players in the market. The Contact Center industry is highly concentrated, with DDC MLS as the market leader holding 15.23%, closely

followed by Teleperformance (TP BH d.o.o.) with 14.44% and Monetize AD with 13.11% of total market share. In Financial Services, the market is dominated by global consulting and auditing firms. Deloitte leads with a 15.73% market share, followed by Jitasa (9.06%) and Ernst & Young (EY) with 6.52%.

Most ICT and BPO companies operating in Bosnia and Herzegovina originate from the USA, UK, the Netherlands, Austria, Germany, and other European countries.

| IT COMPANIES                | CONTACT CENTERS         | FINANCIAL SERVICES     |
|-----------------------------|-------------------------|------------------------|
| Symphony                    | DDC MLS                 | Deloitte               |
| Personify Health            | Teleperformance (TP BH) | Jitasa                 |
| Glassfaser Connect          | Monetize AD             | Ernst & Young (EY)     |
| NSoft                       | M+ BH                   | PwC                    |
| BS TS                       | TELUS International     | KPMG                   |
| HTEC                        | NCR                     | FinanceTeams           |
| Comtrade System Integration | Transcom                | Unija Smart Accounting |
| ZIRA Group                  | IMS                     | BeckyWorks             |
| InfoBip                     | Cada Solutions          | Establish              |
| Atlantbh                    | In Motion               | Agencija Poslovnost    |

Source: Dun and Bradstreet;

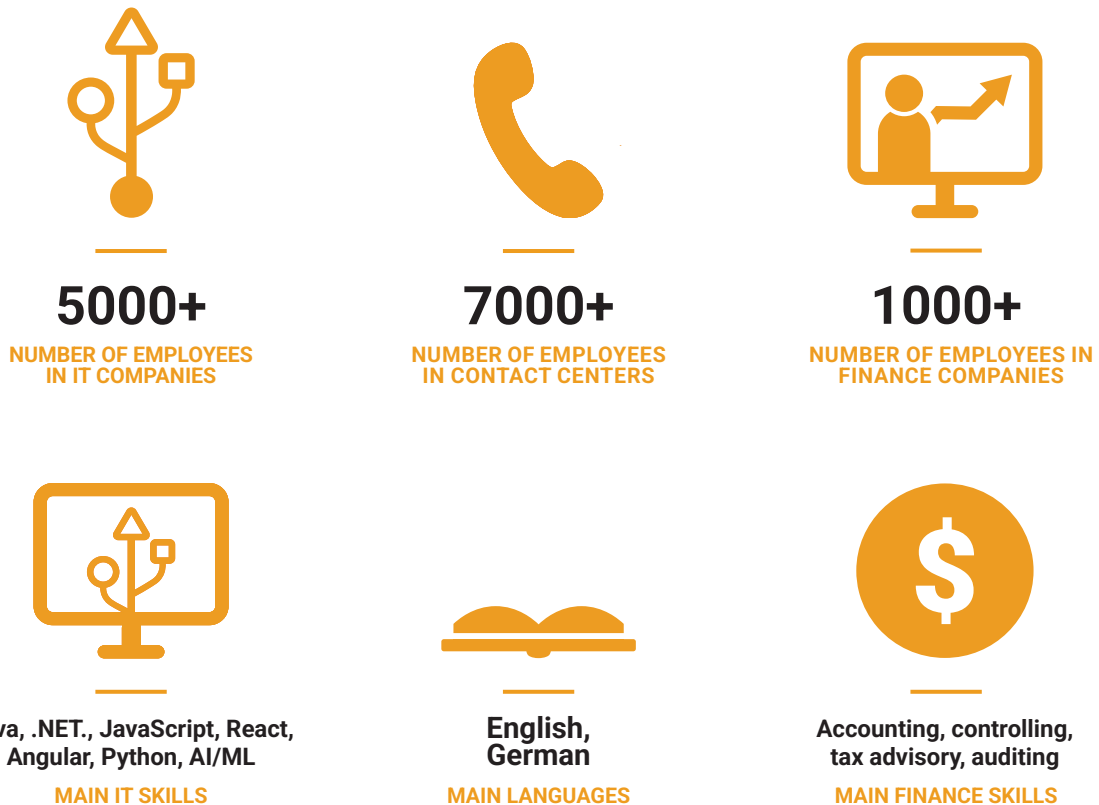
The table represents the top ten companies in the market based on the revenue. The revenue data is derived from companies with 10+ employees



## 3.3 Talent Pool Analysis

Bosnia and Herzegovina has developed a strong foundation in outsourced services, with three major segments driving industry growth. The country offers a high-quality workforce that is cost-competitive compared to Western Europe and the United States. Key advantages include: competitive

costs for commercial properties, electricity, and internet services, cultural similarities with investor countries, coupled with a strong work ethic and a high sense of responsibility, a track record of successful collaborations and projects delivered for global markets.



Source: Dun and Bradstreet; LinkedIn Talent Insights

Bosnian firms work with a diverse base of international clients including global tech companies, major financial institutions, international corporations, aerospace and defense firms, and healthcare and biotech organizations. Due to strict NDA agreements, many of these partnerships cannot be publicly disclosed. Key client and investor markets include Italy, Germany, the UK, Sweden, Croatia, the Netherlands, and the United States.

Mobility patterns in Bosnia and Herzegovina have shifted significantly. While workers previously relocated mainly to Sarajevo and Banja Luka, the rise of remote work since COVID-19 has reduced domestic and cross-border mobility. Many employees now access competitive, often international, salaries while remaining in their home cities, supported by fully remote work models.

The following table presents the typical financial expectations associated with the monthly gross salary of respondents currently employed in the roles of interest and they represent the total cost of the employer for the worker. These findings are displayed separately for three key sectors (Contact centers, Finance and IT). The numbers presented are in Euros.

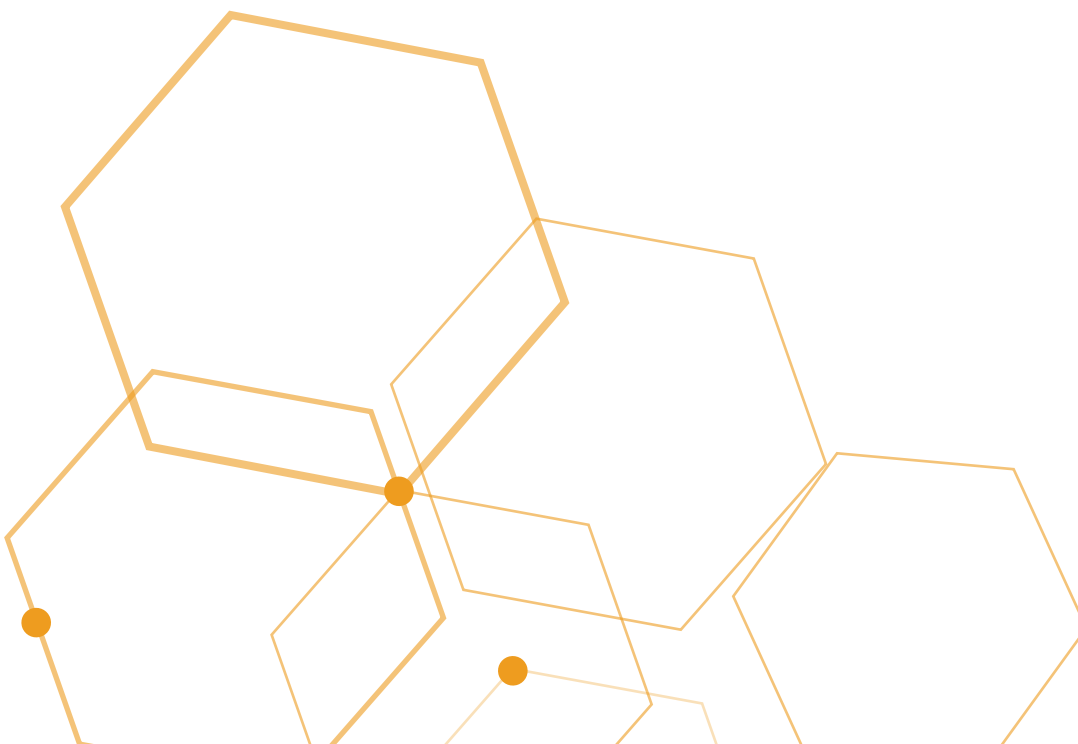
The seniority level is grouped as follows:

- Junior (up to 2 years of relevant work experience)
- Medior (2 - 5 years of relevant work experience)
- Senior (5 or more years of experience)

| SENIORITY | SOFTWARE DEVELOPER | CUSTOMER CARE REPRESENTATIVE | FINANCE SPECIALISTS |
|-----------|--------------------|------------------------------|---------------------|
| Junior    | 1342 - 2137        | 1107 - 1562                  | 1442 - 1659         |
| Medior    | 1733 - 2952        | 1554 - 2134                  | 1710 - 2283         |
| Senior    | 3027 - 5297        | 1743 - 2610                  | 1905 - 3239         |

Talent development in Bosnia and Herzegovina is supported by extensive professional training, including language courses, programming, mentorship, digital platforms, and sometimes training abroad. Most companies offer hybrid work, team-building, flexible hours, health insurance, gym memberships, and extra leave.

Additional benefits may include programs for employees' children, paid parking, career coaching, fully paid sick leave, life insurance, retirement funds, and call-center bonuses up to €500/month. Mandatory benefits include health and social insurance, paid leave, and public/religious holidays. Hot meal allowance is common (mandatory in Republika Srpska, optional in FBiH) and other perks may cover vacation or commuting support.



## 3.4 Enabling Environment

### Key Regulatory and Institutional Factors

Investors benefit from a stable institutional framework and a clear legal environment, which are crucial for attracting foreign direct investment (FDI). The country guarantees equal treatment for foreign and domestic investors, allowing foreign investors the same rights and obligations as local companies, without discrimination based on nationality or origin of investment. Investments are protected against nationalization or expropriation, except with appropriate and prompt compensation, and foreign investors are entitled to freely transfer profits abroad and open bank accounts in BAM or convertible currencies.

Customs and tax incentives further support investment. Imported capital and equipment for foreign investments are often exempt from customs duties, while free trade zones offer additional exemptions from VAT and import duties. Tax structures are among the most competitive in the region, with a flat 10% corporate income tax, 17% VAT. These mechanisms collectively create a business-friendly environment for foreign and domestic investors alike.

### Positive Regulatory Practices

- National treatment of foreign investors – Foreign investors enjoy equal rights and obligations as domestic companies, ensuring a level playing field and predictable legal protection.
- Protection of assets and freedom of capital transfer – Investors can freely transfer profits abroad, own property, and are safeguarded against nationalization or expropriation.
- Customs and tax incentives – Equipment and capital imported for foreign investments are often exempt from duties, and various incentives exist at the entity and canton levels, including corporate tax relief and free trade zone benefits.



### Challenges for Investors

Despite these advantages, new investors in Bosnia and Herzegovina may encounter two structural challenges, primarily related to the administrative environment rather than operational delivery:

- **Administrative complexity** – Company incorporation and regulatory procedures can take up to three months, with additional complexity stemming from differences between entities and cantons within the Federation of BiH. In practice, however, investors typically mitigate this through local legal and advisory partners, allowing core operations to start in parallel with formal procedures.
- **Perceived governance risks** – While ongoing reforms aim to improve transparency and digitalization of public services, perceptions of corruption remain a concern at the administrative level. Importantly, this does not translate into day-to-day operational risk within the BPO and ICT sectors, which operate under international compliance standards and client-driven governance frameworks.

### Technological and Structural Drivers

The ICT and digital sectors are significant growth engines for Bosnia and Herzegovina. Recent OECD reports highlight strong growth in the ICT sector, with rising contributions to GDP and employment. Digitalization and the development of IT services, software exports, and innovation ecosystems contribute directly to market expansion.

### Opportunities and Risks

Bosnia and Herzegovina presents a range of opportunities for investors in IT, BPO, and KPO services. Rising global demand for these services, combined with the country's cost advantages and multilingual workforce, positions BiH as an increasingly competitive nearshoring destination. Furthermore, ongoing digital transformation initiatives and alignment with EU standards continue to enhance both service quality and regulatory compliance, making the business environment more attractive for international investors.

At the same time, certain risks remain. Political instability and the slow pace of EU accession may create uncertainty for long-term investments. Challenges such as corruption and administrative complexity can delay or complicate the investment process, while shortages of senior and specialized technical talent may limit the capacity of companies to scale or deliver high-end services efficiently.



The background features a stylized map of Kosovo in a light pink color, centered on a darker pink background. The map is surrounded by abstract, gear-like or star-like shapes in various shades of pink, creating a textured, layered effect.

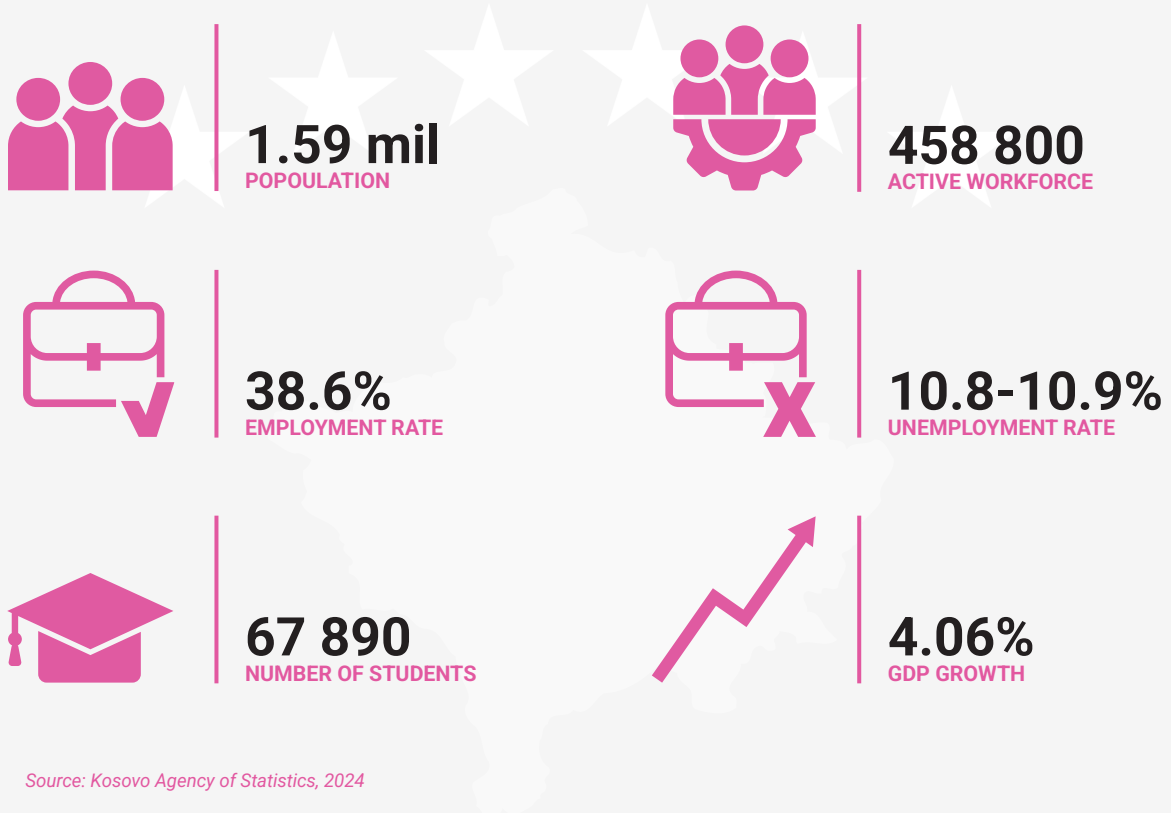
04

**KOSOVO**

## 4.1 Demographics

Kosovo is a small but developing economy with a population of approximately 1,585,590 according to the 2024 estimates (KAS,2024). Pristina remains the country's primary economic and ICT hub, concentrating on the largest share

of the workforce and hosting the most developed infrastructure. Secondary centers such as Mitrovica, Peja, Ferizaj, and Gjakova contribute to regional employment and service-oriented activities (KAS, 2024).



### 4.1.1. EDUCATION

Higher education is supported by several public universities, private institutions, and vocational schools. In the 2023/24 academic year, Kosovo had approximately 7,890 new university students enrolled in the first year, contributing to a wider talent pool for the ICT and service sectors (MASHT, 2024). Efforts to strengthen digital skills through vocational programs and partnerships are ongoing, supporting ICT sector growth and the development of a skilled workforce (MASHT, 2024).

**4.1.2. TAX REGIME**

| VAT | INCOME TAX |
|-----|------------|
| 18% | 10%        |

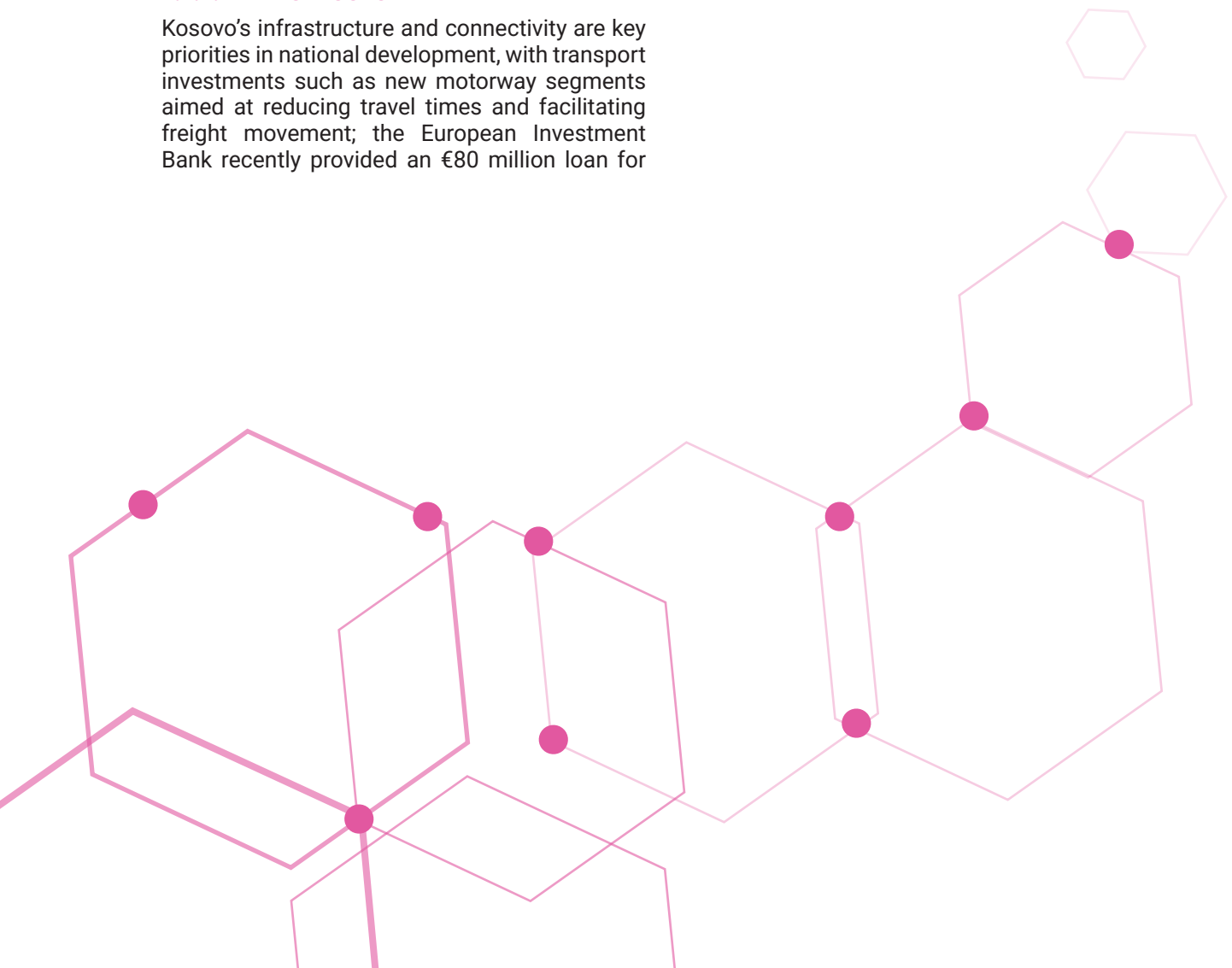
**4.1.3. CURRENCY STABILITY**

Kosovo operates with the euro as its de facto currency, which ensures the absence of exchange-rate volatility and contributes to predictable macroeconomic conditions. According to the BTI 2024 Kosovo Country Report, the country maintains a generally stable macro-financial environment supported by prudent fiscal policy and limited exposure to currency risks. The Central Bank of Kosovo also reports that The European Commission has positively assessed the stability of Kosovo’s financial sector and the progress made in strengthening institutional frameworks, further reinforcing overall monetary stability.

a major western motorway project connecting Peja to Pristina, improving one of the country’s vital road corridors. Despite progress in digital connectivity and relatively competitive energy costs compared with regional peers, Kosovo still faces challenges in fully developing its transport network, including underdeveloped rail and road infrastructure that constrains regional integration. Recent World Bank financing also targets improvements in transport facilitation and trade connectivity through technology and infrastructure upgrades such as e-tolling systems and safer level crossings on key routes.

**4.1.4. INFRASTRUCTURE**

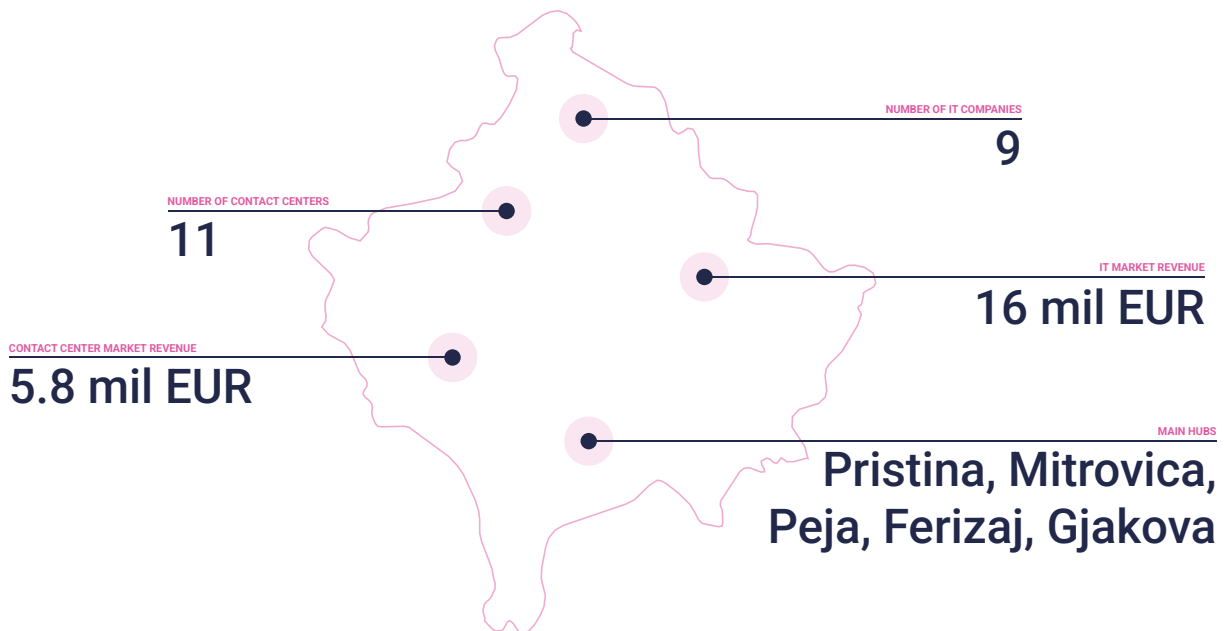
Kosovo’s infrastructure and connectivity are key priorities in national development, with transport investments such as new motorway segments aimed at reducing travel times and facilitating freight movement; the European Investment Bank recently provided an €80 million loan for



## 4.2 Sector Analysis

Kosovo's ICT sector is an emerging and expanding part of the national economy, served by a diverse set of companies and supported by developing infrastructure. The ARKEP registry indicates a broad presence of licensed operators

across mobile, fixed, and value-added service segments, confirming a healthy market entry environment and diversified service offerings, though the exact total number of companies in the sector is not fully specified.



Source: Dun and Bradstreet

According to the Dun & Bradstreet report from 2024, the market includes 135 IT companies under the NACE Rev. 2 codes for Computer Programming Activities, Computer Consultancy Activities, and Other Information Technology and Computer Service Activities. Of these, nine companies have more than 10 employees and generated over €16 million in 2024. Due to limited publicly available data, the sector revenue was calculated based on these nine companies. Among them, the top three companies by market share are Prosperoware Kosovo (35%), Expik (29%), and Infosoft Systems (28%).

When it comes to Contact Centers, the BPO sector in Kosovo includes 11 registered companies under the NACE Rev. 2 code for Activities of Call Centers. Of these, only two companies have more than 10 employees, generating a combined revenue of €5.8 million in 2024. Due to limited publicly available data, the sector revenue was calculated based on all 11 companies. Among them, the top three companies by market share are Sutherland Global Services (73%), Twenty4Help (3.7%), and L&D Contact Center (2.6%), with Sutherland Global Services and Twenty4Help clearly standing out as the market leaders in terms of revenue.

Although it is known that Concentrix and Teleperformance are present in Kosovo, there is no official,

| IT COMPANIES                                      | CONTACT CENTERS                   |
|---|-----------------------------------|
| Prosperoware Kosovo                               | Concentrix                        |
| Expik   | Teleperformance                   |
| Infosoft Systems                                  | Kikxxl&Evrotarget                 |
| Verso Altima                                      | Speex                             |
| Axians Software Consulting and Development Kosovo | Sutherland Global Services Kosovo |
| Wayland   | IQ-TQ-Link Dega Ne Kosove         |
| eDev  | Avedo                             |
| 91Life  | Bambus Group                      |
| S-Systems   | Baruti AG                         |
| Musala Soft Kosovo                                | Fusion CX                         |

Source: Dun and Bradstreet;  
The table represents the top ten companies in the market based on the number of employees

Foreign direct investment in Kosovo is rising, with net FDI reaching €441 million in the first half of 2025, up from €419 million in the same period in 2024. Germany and Switzerland are the leading sources, followed by Austria, Turkey, and Albania. Currently there are no available FDI data per sector.

Leading projects illustrating market attractiveness include TechPark Pristina, which fosters ICT education and innovation, and company-led

initiatives by Bambus, Fusion, and Variant Solutions, which utilize local talent for outsourced services to international markets.

Main client segments for Kosovo's ICT and BPO services include international markets, particularly Germany, Switzerland, and the United States, covering software development, cloud services, IT support, and business process outsourcing.

## 4.3 Talent Pool Analysis

According to Dun and Bradstreet report there are over 400 people employed in the IT sector in the companies registered under the NACE REV 2 code Computer programming, Computer consultancy activities and Other information and computer service activities. When it comes to Contact center sector there is over 500 individuals working in the sector in the companies registered under the NACE Rev 2 code "Activities of call centers". Workforce availability is strongest at junior and mid-level

positions, particularly in front-end development, general IT support, customer service, and entry-level finance roles. Backend developers, database administrators, QA engineers, and junior-to-mid cloud specialists are moderately available, while senior positions, such as software architects, DevOps/cloud experts, ML/AI engineers, cybersecurity specialists, and senior BPO managers, remain scarce (IOM Labor Mobility Strategy, 2025; STIKK ICT Skills Gap Analysis, 2024).



**400+**

NUMBER OF EMPLOYEES IN IT COMPANIES



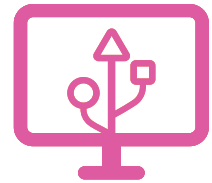
**5000+**

NUMBER OF EMPLOYEES IN CONTACT CENTERS



**English, German, Swiss-German**

MAIN LANGUAGES



**JavaScript, SQL, MySQL, Java, HTML, CSS, C#, PHP, Web Dev frameworks**

MAIN IT SKILLS

Source: Dun and Bradstreet;

The following table presents the typical financial expectations associated with the monthly grand gross salary of respondents currently employed in the roles of interest and they represent the total cost of the employer for the worker. The numbers presented are in Euros.

The seniority level is grouped as follows:

- Junior (up to 2 years of relevant work experience)
- Medior (2 - 5 years of relevant work experience)
- Senior (5 or more years of experience)

| SENIORITY | SOFTWARE DEVELOPER | CUSTOMER CARE REPRESENTATIVE |
|-----------|--------------------|------------------------------|
| Junior    | 910 - 1377         | 793 - 1027                   |
| Medior    | 1728 - 2547        | 1027 - 1495                  |
| Senior    | 3249 - 3951        | 1495 - 1845                  |

The most common benefits reported in the sector include remote work options, flexible working hours, professional development opportunities, and occasional bonuses or incentives. Although specific company-level packages are not publicly disclosed, the regulatory framework in Kosovo supports inclusive and quality working conditions (ETF Kosovo Country Report, 2024).

Domestic mobility is limited, as many ICT and BPO workers operate remotely, reducing the need for relocation. Regional mobility within the Western Balkans is relatively low, with most workforce migration directed toward EU

countries. Nevertheless, the ICT and BPO sector increasingly supports remote work, allowing for cross-border operations without physical movement. GAP Institute data underscore the importance of activating economically inactive populations, particularly women and youth, to fill sector gaps, while STIKK highlights ongoing initiatives to improve workforce skills through training, mentorship, and collaboration with educational institutions (GAP Institute, 2025; STIKK ICT Skills Gap Analysis, 2024).



## 4.4 Enabling Environment

Kosovo's regulatory, technological, and economic environment supports growth in ICT, BPO, and digital service sectors. Key technological enablers include near-universal broadband coverage following the World Bank-supported KODE Project, connecting all villages to high-speed internet, and enabling cloud services, remote work, and digital service delivery (World Bank, 2023). Economic stability is supported by gradual improvements in macroeconomic indicators, though challenges remain in governance and institutional effectiveness (BTI, 2024). OECD (2024) notes that Kosovo's digital sector is increasingly integrated into international markets, highlighting both export potential and the need for improved workforce skills.

Positive regulatory practices include:

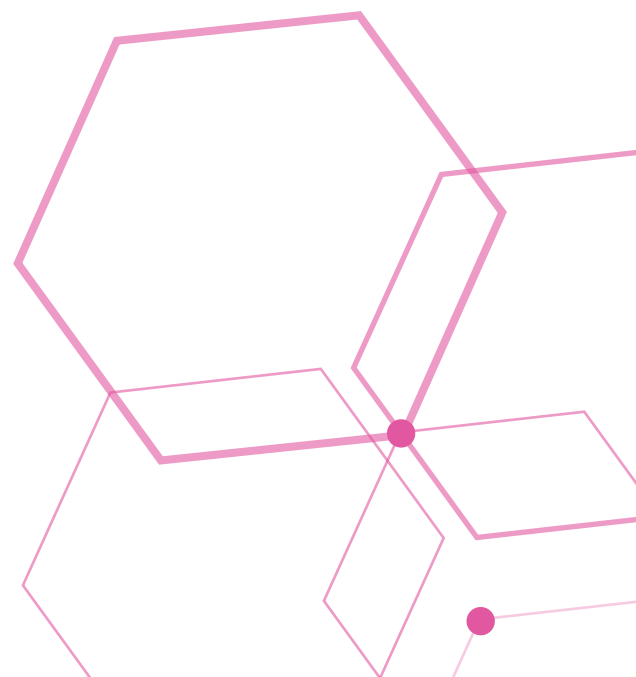
- Government-backed initiatives to expand digital infrastructure and internet access (World Bank, 2023);
- Reforms aimed at improving the business environment and facilitating market entry for ICT firms, and;
- Public programs promoting digital inclusion and ICT-enabled services (BTI, 2024; OECD, 2024).

At the same time, two major challenges remain:

- Limited availability of highly skilled ICT professionals, particularly in advanced software development, DevOps, and cybersecurity roles, and;
- Ongoing institutional weaknesses, including bureaucratic inefficiencies and gaps in governance, which can slow investment processes (Riinvest, 2025; BTI, 2024).

High-potential opportunities in Kosovo's ICT and BPO market include leveraging newly available high-speed internet for digital service delivery, establishing nearshore outsourcing hubs for EU clients, expanding ICT-enabled public and private services, and developing e-learning or digital skill programs to strengthen the domestic talent pool (World Bank, 2023; OECD, 2024). Kosovo's strategic location in the Balkans, combined with growing ICT infrastructure, further enhances its attractiveness as an emerging regional ICT hub.

However, risks persist. Institutional weaknesses and governance challenges may limit the efficiency and predictability of the investment environment. Talent shortages and skill mismatches could constrain the growth of high-value ICT services. Infrastructure gaps outside of internet connectivity—such as transport and energy—may hinder expansion, and reliance on external financial inflows could expose the sector to economic volatility (BTI, 2024; World Bank, 2023; OECD, 2024).





05

**MONTENEGRO**

## 5.1 Demographics

Montenegro's population is predominantly working-age, with 404,791 individuals (64.9%) aged 15–64, while 17% are aged 65+, indicating gradual demographic ageing. Labor market indicators show sustained stability. The employment rate for individuals aged 15–89 stands at 54.8%, unemployment at approximately 10.5%, and labor force participation at 61.2%. Youth aged 15–29 participate in the labor market at roughly 50%, although youth unemployment remains higher at around 15% (MONSTAT, 2024).

The GDP of Montenegro in 2024 reached €7,645 million in current prices, with a GDP per capita of €12,260, reflecting growth from 2023 (€11,337 per capita). Real GDP growth was 3.2% (MONSTAT, 2024).



**623 525**  
POPOULATION



**404 791**  
ACTIVE WORKFORCE



**54.8%**  
EMPLOYMENT RATE



**10.5%**  
UNEMPLOYMENT RATE



**16 221**  
NUMBER OF STUDENTS



**3.2%**  
GDP GROWTH

Source: Statistical Office of Montenegro

### 5.1.1. EDUCATION

Higher education is anchored by the University of Montenegro (public), several private universities, and a wide network of vocational schools. In the 2024/25 academic year, 16,221 students were enrolled at undergraduate level, including 6,019 first-year students. Women account for 59% of the student population. In 2024, 2,241 students completed undergraduate studies, marking a 27% year-on-year decline (MONSTAT, 2024). Postgraduate and doctoral studies remain stable but relatively small in size.

5.1.2. TAX REGIME

| VAT                                  | INCOME TAX   |
|--------------------------------------|--|
| <p>21%<br/>(Reduced VAT rate 7%)</p> | <p>Profits up to EUR 100,000 are taxed at 9%. From EUR 100,000.01 to EUR 1,500,000, tax equals EUR 9,000 + 12% on the excess. Above EUR 1,500,000, tax equals EUR 177,000 + 15% on the excess.</p> |

Source: CBCG, 2025 Gov.me, 2025

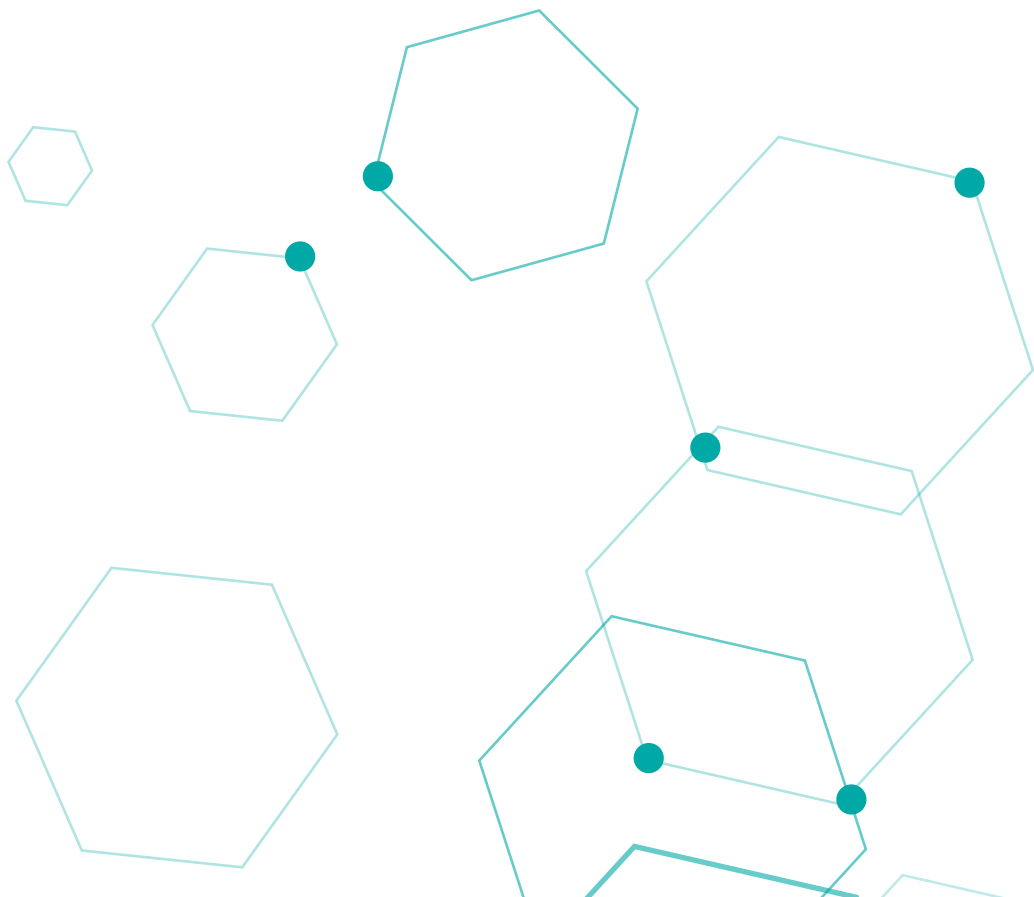
5.1.3. CURRENCY STABILITY

The official currency is the Euro, used since 2002, providing currency stability under a euroized regime, with the Central Bank focused on supervision and financial stability (CBCG, 2025).

5.1.4. INFRASTRUCTURE

Montenegro has launched a substantial €9 billion transport infrastructure investment programme focusing on road and rail links, including priority segments of the Matešev–Andrijevića motorway to strengthen connectivity within the country and to the wider Western Balkans. (WBIF, 2025)

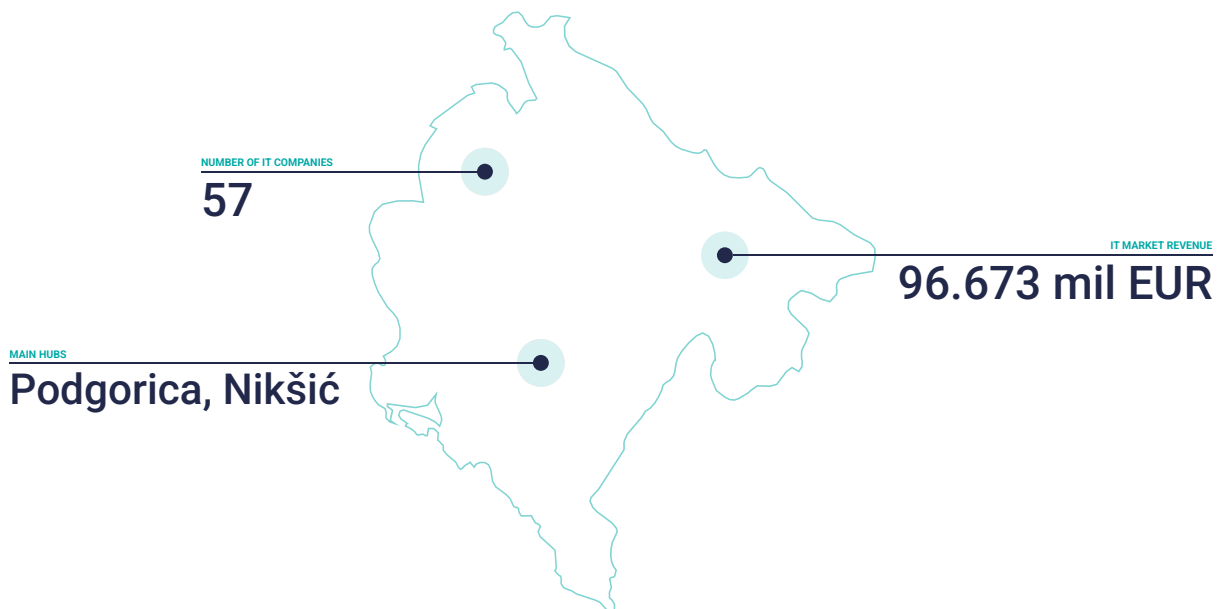
Montenegro’s ICT sector is supported by strong digital infrastructure, including widespread broadband access and high 4G mobile coverage, with 5G networks expanding across urban areas (Trade.gov, 2025). Ongoing national initiatives are extending high-speed broadband to rural regions, improving connectivity and accelerating digital transformation (Gov.me, 2024). Together, this infrastructure forms the foundation for continued ICT sector development, digital services, and broader economic growth (OECD, 2024; ITU, 2024).



## 5.2 Sector Analysis

In 2024, Foreign Direct Investment (FDI) inflows into Montenegro totaled approximately 889.8 million euros (Central Bank of Montenegro). The FDI data per sector is not available. Foreign direct investment in the ICT sector is actively encouraged through strategic investment legislation, allow corporate income tax rate of 9%, favorable VAT and personal income tax structures, and the use

of the euro, which eliminates foreign exchange risk and facilitates integration with EU markets. FDI originates from a mix of US, EU, and regional firms, alongside strong local service providers. Notable investment projects include large-scale software development outsourcing contracts, cloud infrastructure deployments, and regional ICT hubs supporting BPO operations.



Source: Dun and Bradstreet

According to the Dun & Bradstreet report, Montenegro has 421 IT companies operating under the NACE Rev. 2 codes for Computer Programming Activities, Computer Consultancy Activities, and Other Information Technology Services. Of these, the data is shown for 57 companies which employ 10 or more people, representing a total workforce of 2,064 professionals.

The total market revenue for the IT sector amounts to EUR96,672.976, based on revenue data provided by Dun & Bradstreet for the latest reporting year. Revenue data is based only on companies with 10 or more employees. According to this data, EPAM Systems Montenegro holds a 15.3% market share,

followed by Data Design with 10.47%, and Čikom with 10.06% of total sector revenue. As company revenues in Montenegro are not publicly available, all financial figures presented in this analysis are based on information provided by the Dun & Bradstreet report.

Within the broader ICT sector, telecommunications remain the dominant subsector, while software development and outsourcing services contribute notably to overall revenues. Podgorica serves as the primary industry hub due to its concentration of skilled labor, while Nikšić offers lower operational costs and emerging potential for secondary activities.

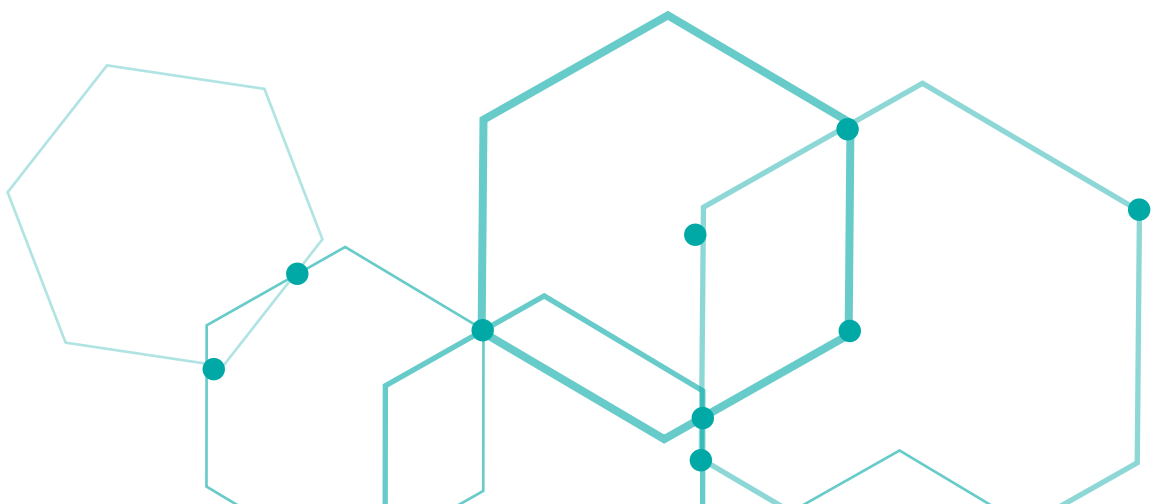
While revenues of cluster member companies recorded modest growth, the overall workforce experienced a slight decline in 2024, primarily due to automation and organizational restructuring. The sector is predominantly export-oriented, serving international clients through software outsourcing and IT services. The most outsourced roles include software developers, QA Engineers, and DevOps/cloud specialists, supported by

competitive labor costs, multilingual talent availability, EU- aligned regulations, and flexible working arrangements.

According to Dun & Bradstreet, over the period 2022–2024, the IT sector recorded an overall revenue decline of approximately 1%, but the number of employees has increased by 17%.

| IT COMPANIES              |
|---------------------------|
| EPAM Systems              |
| Data design               |
| Čikom                     |
| Kodio                     |
| G5 Entertainment          |
| First Line Software       |
| G Tech                    |
| Galleon                   |
| Customer Times Montenegro |

Source: Dun and Bradstreet;  
 The table represents the top ten companies in the market based on the revenue. The revenue data is derived from companies with 10+ employees



## 5.3 Talent Pool Analysis

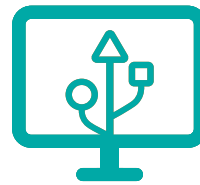
According to Dun and Bradstreet report there are over 2000 people employed in the IT sector in the companies registered under the NACE REV 2 code Computer programming, Computer consultancy activities and Other information and computer service activities, with a talent pool skilled in Java, SQL, Python, CSS, Git, cross-platform development, RESTful architecture, NoSQL, Redis, and web service APIs. The workforce is well-positioned to support software development,

fintech, and digital services, reflecting the country's growing focus on tech-driven economic growth. Outsourcing trends reveal high demand for software development, QA, DevOps/cloud engineering, and multilingual customer support, with Montenegro's competitive labor costs, tech-savvy workforce, EU-aligned regulations, and robust digital infrastructure recognized as key advantages for domestic and international clients (Montenegro ICT BPO Overview, 2025).



**2000+**

NUMBER OF EMPLOYEES  
IN IT COMPANIES



JavaScript, SQL, MySQL, Java,  
HTML, CSS, C#, PHP,  
Web Dev frameworks  
MAIN IT SKILLS

Source: Dun and Bradstreet, LinkedIn Talent Insight

The following table presents the typical financial expectations associated with the monthly grand gross salary of respondents currently employed in the roles of interest and they represent the total cost of the employer for the worker. The numbers presented are in Euros.

The seniority level is grouped as follows:

- Junior (up to 2 years of relevant work experience)
- Medior (2 - 5 years of relevant work experience)
- Senior (5 or more years of experience)

| SENIORITY | SOFTWARE DEVELOPER |
|-----------|--------------------|
| Junior    | 928 - 1471         |
| Medior    | 1609 - 2850        |
| Senior    | 2989 - 4641        |

Key benefits include remote and hybrid work options, flexible hours, exposure to international projects, and professional development opportunities (Montenegro ICT BPO Overview, 2025).

Internal mobility trends indicate a concentration of talent in Podgorica, the primary ICT and BPO hub, while Nikšić offers lower operational costs and secondary growth potential. Coastal towns contribute seasonal labor, especially for service-oriented operations. Regional mobility trends show skilled professionals moving

toward neighboring Western Balkan countries and EU markets, attracted by higher wages and career development opportunities, while national initiatives such as the digital nomad visa aim to attract foreign ICT talent and mitigate domestic outflows (Monstat, 2024, OECD, 2024; IU Travnik, 2021). Data gaps remain in precise internal mobility metrics, exact numbers of foreign ICT professionals employed locally, and quantitative assessment of FDI's direct impact on talent availability (OECD, 2024).



## 5.4 Enabling Environment

Montenegro's regulatory, technological, and economic environment supports growth in ICT, BPO, KPO, and FinTech sectors. Foreign investors benefit from equal treatment alongside domestic firms, strong protection of assets, freedom of capital transfer, and unrestricted profit repatriation. Strategic investment legislation provides customs and tax incentives, while the competitive corporate tax rate of 9%, coupled with targeted VAT benefits, strengthens the country's investment attractiveness. Technological enablers include expanding fiber-optic networks, high 4G/4.5G coverage, early 5G readiness, increasing adoption of cloud services, and alignment with EU digital frameworks under the Digital Transformation Strategy 2022–2026 (State Department, 2024; MFIC, 2025; OECD, 2024; World Bank, 2025). The euro as the de facto currency stabilizes exchange-rate risk and facilitates integration with EU markets.

According to State Department, 2024; World Bank, 2025, positive regulatory practices include:

- Equal treatment of foreign and domestic investors
- Strong protection of assets and freedom of capital transfer
- Government-backed programs supporting digital skills, e-governance, and sector growth

At the same time, two major challenges remain:

- A scarcity of senior ICT talent;
- And occasional bureaucratic inconsistencies or administrative opacity, which can slow investment processes (ICT Cortex Report, 2024; Montenegro ICT BPO Overview, 2025)

High-potential opportunities in Montenegro's ICT and BPO market include the expansion of software development and outsourcing services, nearshore delivery hubs for EU clients, multilingual customer support centers leveraging English, Italian, German, and regional languages, and fintech or digital financial services enabled by recent World Bank-supported infrastructure upgrades (World Bank, 2025; ICT Cortex Report, 2024). Montenegro's strategic location, low operational costs, and favorable investment framework further enhance its attractiveness as a regional ICT hub.

However, risks persist. The small domestic market may limit the scale of BPO or shared-service operations, senior talent shortages and brain drain can constrain growth, workforce concentration in Podgorica creates regional labor imbalances, and administrative complexities may prolong investment procedures. Additionally, shifts in FDI patterns toward other sectors could reduce available capital for ICT-focused investments (OECD, 2024; MFIC, 2025).





06

**NORTH  
MACEDONIA**

## 6.1 Demographics

The gender ratio in North Macedonia shows women slightly outnumbering men at 50.4% versus 49.6%. In recent years, the country has been experiencing clear signs of population ageing. The share of residents aged 65 and over has grown from 13.5% in 2014 to 18.6% in 2024. This demographic shift is also reflected

in rising mortality, with the mortality rate increasing from 9.5‰ to 11.1‰ over the same period. (State Statistical Office) Men made up 65.5% of the unemployed, while employment slightly decreased overall, with men accounting for 57.2% of the workforce and women 42.8%. (State Statistical Office)



**1.84 mil**  
POPULATION



**792 746**  
ACTIVE WORKFORCE



**46.2%**  
EMPLOYMENT RATE



**11.5%**  
UNEMPLOYMENT RATE



**53 535**  
NUMBER OF STUDENTS



**3.4%**  
GDP GROWTH

Source: State Statistical Office, IMF, Ministry of Education and Science of the Republic of North Macedonia

### 6.1.1. EDUCATION

North Macedonia's higher education system includes seven public universities, seven public scientific institutions and over twenty private universities, institutes and vocational schools. Leading institutions include the University "St. Cyril and Methodius" in Skopje, the South East European University and the St. Clement of Ohrid University of Bitola. In the 2024/2025 academic year, women constituted the majority of students in tertiary education, approximately 59.3% of the total student population. However, overall enrollment has been declining, falling by 9.8% compared to 2014/2015. (Ministry of Education and Science of the Republic of North Macedonia)

## 6.1.2. TAX REGIME

| VAT | INCOME TAX |
|-----|------------|
| 18% | 10%        |

Source: CEE Legal Matte

## 6.1.3. CURRENCY STABILITY

According to the 2025 IMF report, North Macedonia's denar is formally a floating currency, determined by market supply and demand. In practice, the National Bank maintains stability by targeting the exchange rate against the euro, keeping it within a narrow band. The country complies with IMF rules on free international payments, making the denar a stable currency.

## 6.1.4. INFRASTRUCTURE

North Macedonia has made significant strides in infrastructure development, leveraging foreign investment and public-private partnerships (PPPs), with streamlined procedures and improved risk-sharing to attract private participation. Key

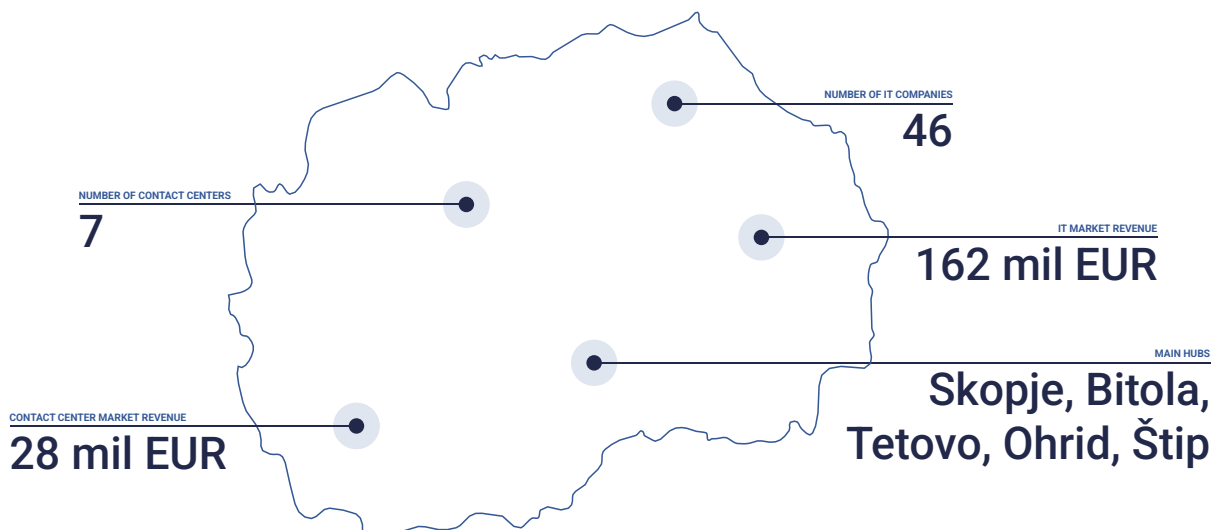
sectors include transportation, energy and water management, supported by the country's strategic location and EU funding. In 2024, the Ministry of Digital Transformation was established to advance a secure and inclusive digital society, overseeing ICT infrastructure, cybersecurity and e-governance. Its SMART/MK 2030 strategy aims to make North Macedonia a smart, digitally connected country, improving public services, supporting businesses and fostering economic growth (Invest North Macedonia, Ministry of Digital Transformation).



## 6.2 Sector Analysis

In recent years, North Macedonia has become a dynamic investment destination in Southeast Europe, ranking first among emerging European economies and sixth globally in the Greenfield FDI Performance Index. Its attractiveness is driven by strategic reforms, a competitive tax regime and a strategic location between the Balkans and Central Europe. FDI inflows reached EUR 1.255 billion in 2024, more than double the previous year, with net inflows of EUR838.2 million in the first three quarters, reflecting strong investor confidence. (FDI Intelligence)

The government prioritizes high value-added industries such as automotive components, renewable energy, medical devices and IT/shared services, moving away from low-cost, labor-intensive production. Austria, Greece, Turkey, Germany and the Netherlands account for over 50% of total FDI. While sector-specific FDI data for ICT and BPO are not publicly available, North Macedonia's strong FDI performance, policy stability and strategic focus on advanced sectors reinforce its position as a competitive and attractive investment destination. (fDi Intelligence, Bank of Scotland)



Source: Dun and Bradstreet; LinkedIn Talent Insights

North Macedonia is also a hub for international ICT and outsourcing companies. Although Contact Centers are not highly established or widespread in North Macedonia, major industry players such as Teleperformance and Concentrix have still chosen to open operations here, highlighting the strong potential of this market.

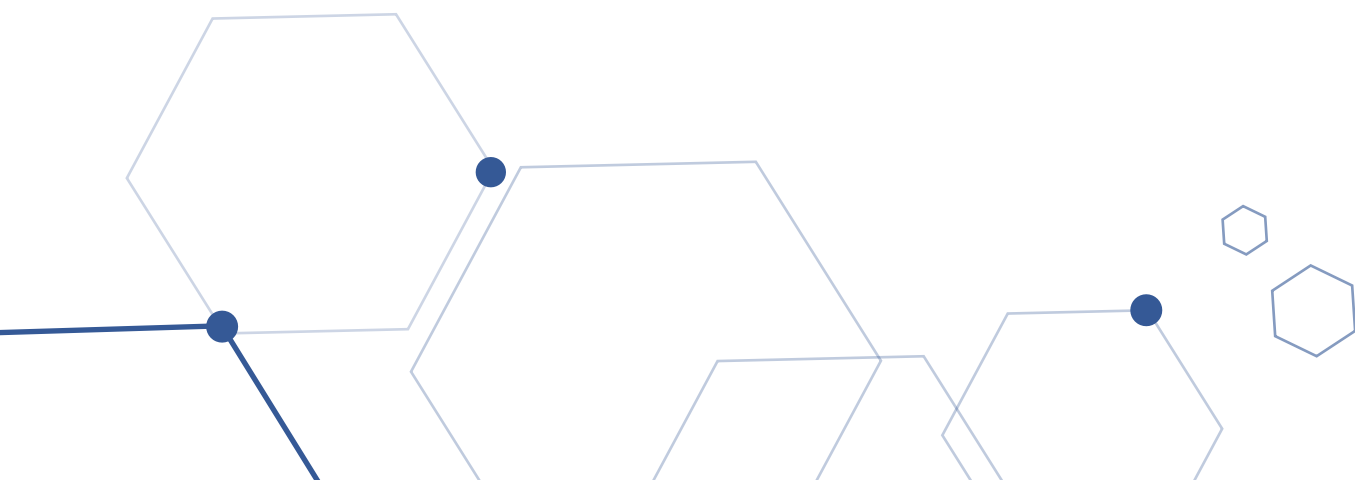
Many firms also hire remote or freelance workers locally, reflecting the country's skilled labor market and favorable business environment. Its top ranking in the 2025 Greenfield FDI Performance Index underscores North Macedonia's attractiveness for long-term investment across energy, manufacturing, ICT and outsourcing sectors. (European Investment Bank, Invest North Macedonia)

Multiple development and contact center operations are active mainly in Skopje and Bitola, covering software development, multilingual customer support, and finance administration. Most investors originate from EU countries (particularly Germany, Italy, and the UK) and the United States through BPO partnerships, while regional players from Serbia and Bulgaria are also expanding locally.

According to Emapta, North Macedonia’s leading BPO firm, the most outsourced roles include Customer Service Representatives, Technical Support Specialists, Software Developers, Data Analysts, Digital Marketing Specialists, Graphic Designers, Social Media Managers, Content Writers, Financial Analysts and Sales Development Representatives. These positions reflect the country’s growing capacity to provide a wide range of business processes and IT services to international clients.

| IT COMPANIES      | CONTACT CENTERS |
|-------------------|-----------------|
| Avenga            | Transcom        |
| Comtrade Group    | Helpsense       |
| Axapta Masters    | Teleperformance |
| Nectcetera        | Euro Answer     |
| ASEE              | Concentrix      |
| Axians Makedonija | Jupiter BPO     |
| Valtech           | CMX Solutions   |
| Kin and Carta     |                 |
| Vista group       |                 |
| Semos             |                 |

Source: Dun and Bradstreet;  
 The table represents the top ten companies in the market based in the revenue.  
 The revenue data is derived from companies with 10+ employees.



## 6.3 Talent Pool Analysis

Although North Macedonia's ICT sector has a growing, highly skilled workforce, the market faces senior-level talent shortages. Despite this, the sector continues to grow due to foreign investment and its role in the service economy. BPO relies on multilingual, service-oriented professionals, with key skills including analytical thinking, customer

support, CRM, data entry and proficiency in foreign languages. In-demand skills also include advanced English, communication, teamwork, customer orientation, inbound lead generation, medical terminology and digital copywriting. Talent shortages exist for multilingual speakers of less common languages.



**3500+**

NUMBER OF EMPLOYEES  
IN IT COMPANIES



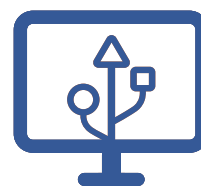
**1000+**

NUMBER OF EMPLOYEES  
IN CONTACT CENTERS



**English, German,  
Italian, Nordic, Dutch**

MAIN LANGUAGES



**Java, .NET, JavaScript (React Angular),  
Python, SQL/BI, DevOps, Cloud (AWS/  
Azure) and QA automation**

MAIN IT SKILLS

Source: Dun and Bradstreet; LinkedIn Talent Insights, Statista

The following table presents the typical financial expectations associated with the monthly grand gross salary of respondents currently employed in the roles of interest and they represent the total cost of the employer for the worker. The numbers presented are in Euros.

The seniority level is grouped as follows:

- Junior (up to 2 years of relevant work experience)
- Medior (2 - 5 years of relevant work experience)
- Senior (5 or more years of experience)

| SENIORITY | SOFTWARE DEVELOPER | CUSTOMER CARE REPRESENTATIVE |
|-----------|--------------------|------------------------------|
| Junior    | 800 - 1345         | 580 - 780                    |
| Medior    | 1345 - 2690        | 780 - 1000                   |
| Senior    | 2690 - 4930        | 1000 - 1230                  |

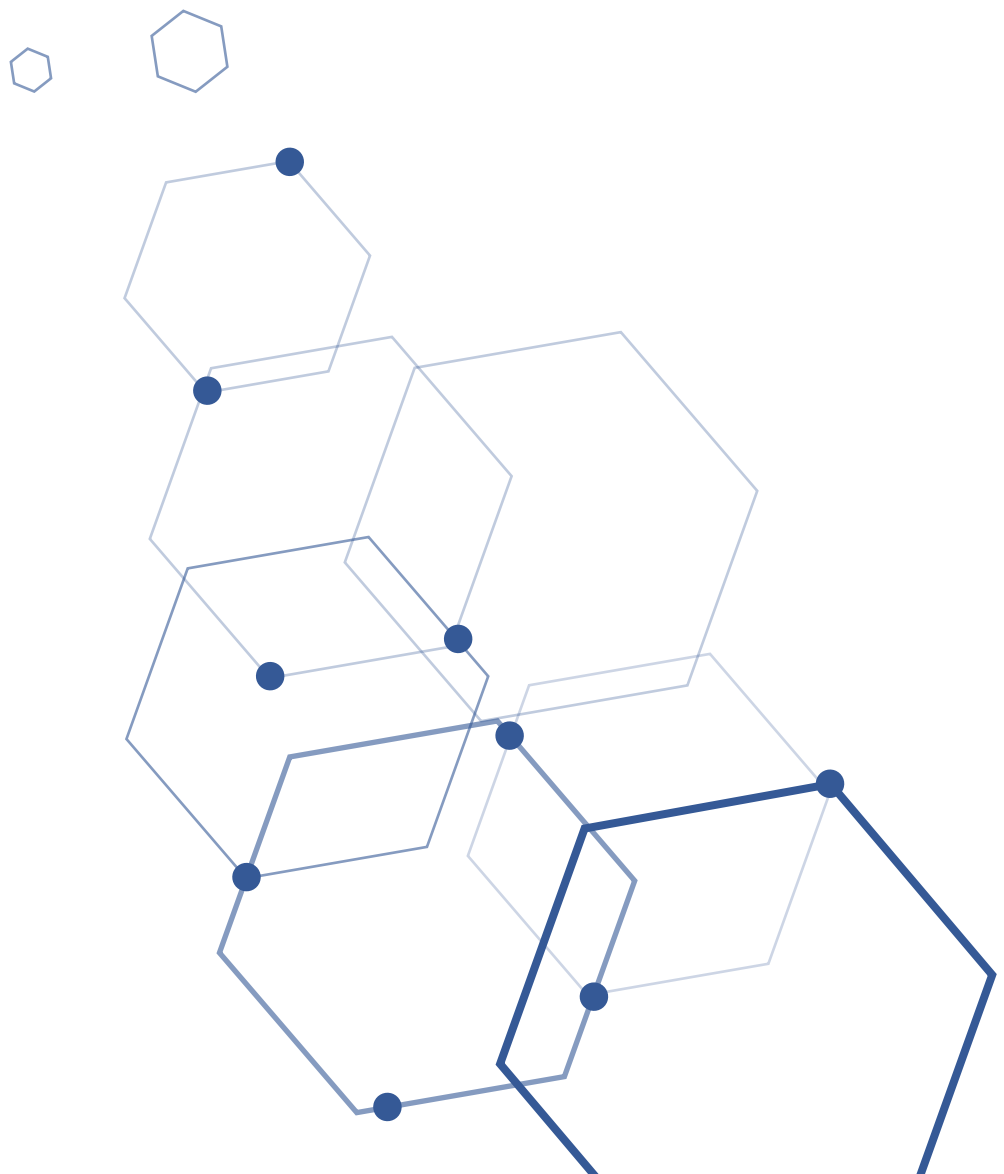
\*Salaries are presented in EUR - total cost of the employer.

In North Macedonia, BPO and ICT employees receive statutory benefits including 20 days of paid leave, public holidays, sick leave and parental leave (nine months maternity, several days paternity). Employers often add performance bonuses, overtime, 13th-month salary, flexible work and professional development, creating a competitive environment to attract and retain talent.

In North Macedonia, both the ICT and BPO sectors place strong emphasis on employee benefits to attract and retain talent. According to the 2025 MASIT report, ICT companies invested €32 million in fringe benefits in 2024, covering bonuses, training, business travel and private health insurance. Common benefits across ICT and BPO firms include flexible working hours, remote or hybrid work, professional

development, education budgets, health and wellness programs, paid leave, recognition programs, team-building activities, performance bonuses, referral schemes and career growth opportunities. These initiatives demonstrate a clear commitment to workforce development, well-being, flexibility and engagement, making both ICT and BPO roles appealing for employees seeking learning opportunities, stability, and work-life balance.

In North Macedonia, 42% of moves in 2024 were rural-to-urban, concentrating populations in cities and shrinking rural areas. Nearly one in four Western Balkans residents lives abroad, highlighting both challenges and opportunities for development through remittances and skilled returnees. (Bruegel, IMF)



## 6.4 Enabling Environment

North Macedonia's ICT and BPO sector has experienced significant growth in 2024 and 2025, supported by a combination of favorable regulatory, technological and economic factors. The government considers the sector a strategic priority and offers tax incentives, institutional support for startups and programs to foster innovation. The regulatory framework is aligned with EU standards, which strengthens investor confidence, while well-developed telecommunications and digital infrastructure, including widespread internet coverage and stable networks, enable high-quality remote work. The education system contributes to a skilled, language-proficient workforce, particularly in IT and technical fields, supporting the sector's capacity to deliver export-oriented services to international clients. Low labor costs compared to Western Europe make North Macedonia an attractive nearshore outsourcing destination. Investments from global companies also facilitate technological development and knowledge transfer, while government incentives support ICT startups and innovation. (Invest North Macedonia, MASIT, Ministry of Digital Transformation, Emapta)

Several positive regulatory practices further enhance the business environment:

- First, North Macedonia has advanced the digitalization of public services and e-government. Amendments in 2024–2025 to laws on electronic documents, electronic identification and trust services introduced the Digital Identity Wallet (mDL application), streamlining access to public services and reducing bureaucracy, which can attract IT and digital-sector investment.
- Second, the government has established a strategic framework for public administration and finance reforms, adopting the Public Administration Reform (PAR) Strategy 2023–2030, its Action Plan and the Public Financial Management (PFM) reform program. These measures create a more stable, transparent and predictable environment for investors.
- Third, digital infrastructure and communications regulation were strengthened with the 2025 Electronic Communications Act, aligning with EU directives on gigabit networks and signaling strong support for technological development. Together, these practices enhance administrative efficiency, regulatory predictability, and infrastructure readiness. (Ministry of Digital Transformation, Ministry of Finance, European Western Balkans)

North Macedonia offers several market advantages for international companies. Labor costs and social contributions are lower than in Western Europe and the workforce is well-educated, particularly in technical and engineering fields. Its strategic Southeast European location, cultural ties, growing economy, European integration prospects and high English proficiency make collaboration with international clients easier and the country attractive for investment.

However, companies may face challenges, including intense competition for skilled professionals, complex bureaucratic and labor regulations, rising salaries in high-demand roles, talent retention issues and regional skill shortages. To address these, employers may need to implement remote or hybrid work models or establish offices outside the capital to access specific talent pools.

Overall, North Macedonia's ICT and BPO sector demonstrates how regulatory support, technological infrastructure, a skilled workforce and market competitiveness can attract and retain international investment, foster innovation and create employment opportunities, while addressing challenges such as talent shortages and institutional uncertainty.



**SERBIA**

## 7.1 Demographics



**6.59 mil**  
POPOULATION



**3.2 mil**  
ACTIVE WORKFORCE



**51.4%**  
EMPLOYMENT RATE



**8.6%**  
UNEMPLOYMENT RATE



**1.227 mil**  
NUMBER OF STUDENTS



**3.8%**  
GDP GROWTH

Source: Statistical Office of the Republic of Serbia; IMF

### 7.1.1. EDUCATION

Total number of enrolled students in 2024/2025 school year was 251812. Among university students: 175,789 ( $\approx 83.4\%$ ) study at state (public) institutions, and 34,889 ( $\approx 16.6\%$ ) at private ones. Number of students enrolled in Information and communication technologies is 25 624 which is 10% of the total number of enrolled students. (Statistical Office of the Republic of Serbia)

### 7.1.2. TAX REGIME

| VAT | INCOME TAX |
|-----|------------|
| 20% | 15%        |

Source: Statistical Office of the Republic of Serbia; IMF

### 7.1.3. CURRENCY STABILITY

The Serbian currency and monetary system are relatively stable, with controlled inflation and sustainable foreign debt – this creates decent macroeconomic stability. According to the IMF, inflation in May 2025 was within the target range of the National Bank of Serbia (NBS), which indicates a stable monetary policy. According to the statements of the authorities and the NBS in the context of the budget for 2026, the exchange rate of the RSD is considered stable.

### 7.1.4. INFRASTRUCTURE

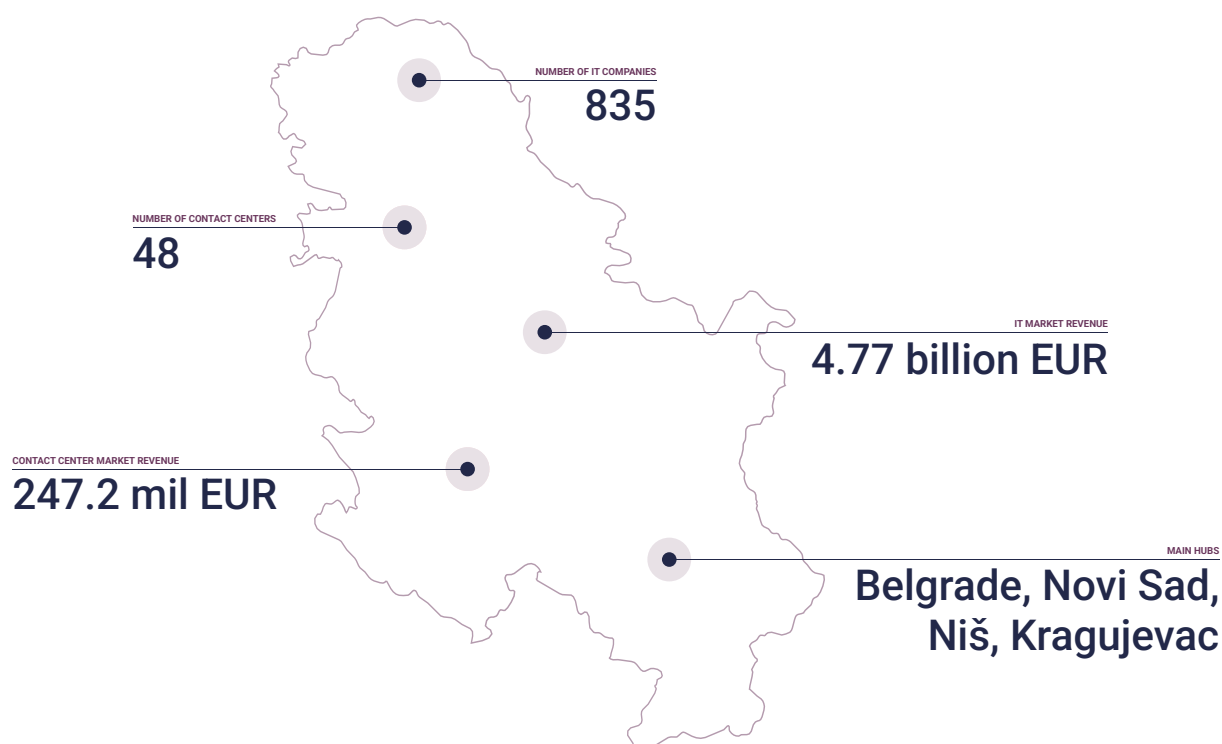
Serbia's infrastructure is undergoing rapid modernization and expansion, with a strategic focus on upgrading roads, railways, energy networks and multimodal transport, in order to strengthen its connectivity within the Western Balkans and with the European Union. The country aims to position itself as a logistics hub and to improve mobility, trade, and regional integration. Serbia's transport infrastructure is not limited to roads and rail: the national transport network includes a broad road network, a railway network of more than 3,700 km (of which a significant portion is electrified), multiple international airports, and inland-waterway connections. The main international gateway by air remains Belgrade Nikola Tesla Airport, complemented by regional airports such as those in Niš and Morava, supporting both passenger and cargo traffic. (The Government of the Republic of Serbia)

On the energy-infrastructure side, Serbia is also investing in upgrading its electrical grid: a recent project launched in 2025 involves the construction of a major transmission-line corridor (the "Trans-Balkan Electricity Corridor") that will strengthen electricity interconnections not only within Serbia but also with neighboring states. (Western Balkan Investment Framework)

In Serbia, the real-estate market in recent years has shown consistent growth, especially in the residential sector. According to recent data from 2024–2025, apartments in major cities – especially in the capital Belgrade – command high prices per square meter, reflecting strong demand and limited supply. For instance, in Belgrade the average listed price per square meter in early 2025 reached around €2,990/m<sup>2</sup>, marking about a 9.4% increase compared to the previous year (Royal institution of Chartered Surveyors – RICS)



## 7.2 Sector Analysis



Source: Dun and Bradstreet

### CONTACT CENTERS

The Contact Center industry in Serbia consists of a total of 103 registered companies, of which 48 employ more than ten people as of 2024. In 2024, the sector generated a total income of approximately €247.2 million, reflecting steady growth over the past three years (these figures are derived from the Dun & Bradstreet database and only include active companies under the NACE Rev. 2 code Activities of Call Centers that recorded any revenue in 2024).

Market concentration is significant, with the three largest companies accounting for the majority of sector revenue. NCR DOO Beograd alone holds a market share of 48%, while Foundever SBA d.o.o. and Transcom Worldwide d.o.o. each account for 7% of the total market. Over the past three years, the industry has experienced

an overall revenue growth of 7%, indicating a stable expansion of the sector. At the same time, the number of employees in the industry has slightly declined by approximately 2% over the same period, reflecting modest adjustments in workforce levels despite revenue growth. Several leading projects in Serbia illustrate the attractiveness of the market. These include large-scale outsourcing and customer service contracts for international clients, particularly in the telecommunications, banking, e-commerce, and technology sectors. The client base of Serbian contact centers is highly diversified, with a majority of contracts coming from Western Europe, the United States, and other international markets. This international demand highlights Serbia's competitive advantage in providing high-quality, cost-effective services, combined with strong language capabilities and favorable time zones.

Regarding outsourcing preferences, companies increasingly seek services such as customer support, technical assistance, help desk operations, back-office processing, and multilingual call handling. The local market is recognized for its skilled workforce, strong foreign language proficiency, and ability to provide flexible and scalable solutions. Many clients also value the proximity to major European markets, the relatively low operational costs, and the high level of workforce reliability, which collectively make Serbia a preferred location for outsourcing contact center operations.

Overall, Serbia's contact center industry demonstrates a robust and growing market dominated by a few major players, with stable revenues, a mature employment base, and a strong presence of international clients. Its combination of skilled human capital, competitive costs, and strategic location makes it an increasingly attractive destination for global outsourcing projects and an important segment of the country's business services sector.

| IT COMPANIES                | CONTACT CENTERS           |
|-----------------------------|---------------------------|
| Smart Business Technologies | NCR d.o.o.                |
| HTEC                        | Foundever                 |
| Comtrade System Integration | Transcom Worldwide        |
| Luxoft                      | DNATA                     |
| Wargaming                   | MDG                       |
| GL Trade Software           | Gevekom Customer Services |
| Orion Innovation            | TaskUS SB                 |
| Hyperoptic LTD              | Callosseum Call Center    |
| Endava                      | DDC OSS                   |
| Microsoft Software          | Contact Service           |

*Source: Dun and Bradstreet;  
The table represents the top ten companies in the market based on the revenue. The revenue data is derived from companies with 10+ employees*

## IT INDUSTRY

The IT industry in Serbia is one of the fastest-growing sectors in the country, with a total of 3,783 registered companies, of which 835 employ more than ten people as of 2024. The majority of these companies – 613 – are concentrated in Belgrade and its surrounding area, highlighting the city's role as the central hub of Serbia's IT ecosystem. In 2024, the industry generated a total income

of approximately €4.77 billion, reflecting robust growth over the past three years (these figures are derived from the Dun & Bradstreet database and only include active companies under the NACE Rev. 2 codes for Computer Consultancy Activities, Other Information Technology and Computer Services, and Computer Programming Activities that recorded any revenue in 2024).

Market concentration is notable, with the three largest companies accounting for a significant portion of sector revenue: Smart Business Technologies d.o.o. Beograd holds 6% of the total market, HTEC DOO Beograd 3%, and Comtrade System Integration d.o.o. 2%. Over the past three years, the IT sector has experienced remarkable growth, with total revenues increasing by 31% and the number of employees rising by 18%, demonstrating strong expansion and increasing capacity to serve both domestic and international clients (Dun&Bradstreet).

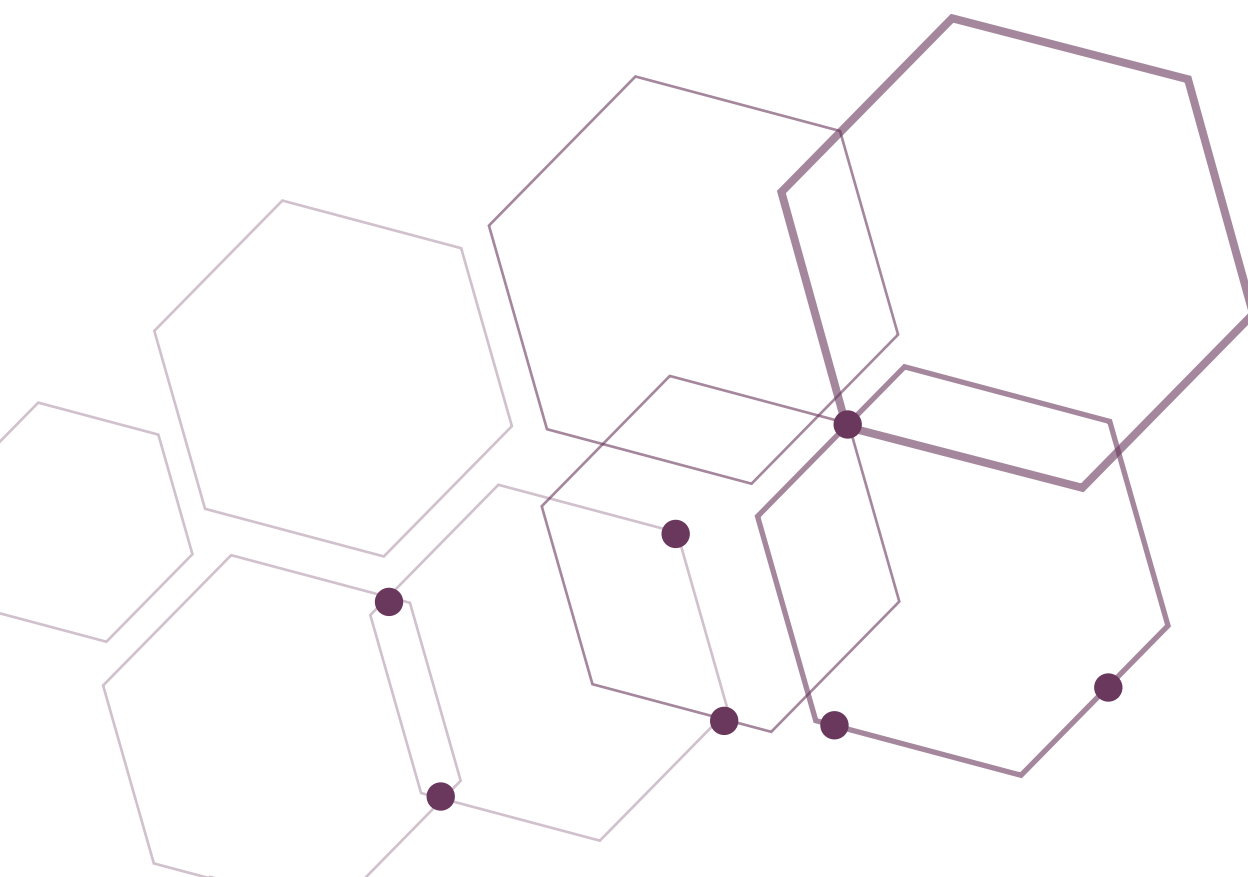
Several leading projects in Serbia illustrate the country's attractiveness as an IT hub. Major initiatives include software development, systems integration, cloud solutions, game development, cybersecurity, and AI-driven projects, often executed for clients in Europe, the United States, and other international markets. The client base spans a wide range of sectors including finance, telecommunications, gaming, energy, and technology, reflecting the versatility and maturity of the local IT workforce.

Serbian IT companies are increasingly sought after for software engineering, product development, system integration, cloud services, and managed IT solutions. The local market is recognized for

its highly skilled workforce, strong proficiency in multiple foreign languages, technological expertise, and ability to deliver scalable, flexible, and cost-effective solutions. Companies also benefit from Serbia's strategic location, favorable labor costs, and a growing ecosystem of tech startups and innovation hubs, which collectively make Serbia an attractive destination for IT outsourcing and global software development projects.

Overall, Serbia's IT industry demonstrates a dynamic and rapidly expanding market, dominated by both large and mid-sized players, with strong international integration, growing revenues, and a skilled and increasing workforce. The combination of human capital, technological expertise, and strategic positioning continues to strengthen Serbia's reputation as a leading IT and software development hub in the region.

Net foreign direct investment in the first half of 2025 reached €441 million, up from €419 million in the same period in 2024, with Germany and Switzerland as top sources, followed by Austria, Turkey, and Albania. While real estate dominates FDI, strategic policy reforms aim to attract investment to ICT, renewable energy, and other knowledge-based sectors.



## 7.3 Talent Pool Analysis

Serbia’s competitive edge in the ICT and BPO sectors is rooted in its combination of cost efficiency, technical talent, and geographic proximity to European markets. Compared with Western Europe, Serbia offers significantly lower operational and labor costs while maintaining strong standards in engineering, software development, and multilingual customer service—an advantage that has encouraged many global firms to establish regional hubs in the country. When viewed against neighboring Central and Eastern European economies, Serbia competes favorably on talent availability and English language proficiency while offering a more cost-competitive environment than EU member states such as Hungary, Romania, or Croatia. The country also benefits from a time zone alignment

that is ideal for European and Middle Eastern clients, and from a cultural affinity that supports seamless collaboration with Western European partners. Although countries like Poland or the Czech Republic maintain larger and more mature ICT sectors, Serbia’s rapid growth trajectory, strong pipeline of STEM graduates, and targeted government investment in digital infrastructure position it as an increasingly attractive nearshoring alternative for companies seeking scalable, high-value services. Multilingualism further enhances Serbia’s attractiveness. English proficiency is widespread among ICT and BPO employees, while German, French, Russian, and several regional languages—such as Hungarian, Romanian, and Slovak—are well represented, enabling service provision to diverse European markets.



**57525**

NUMBER OF EMPLOYEES  
IN IT COMPANIES



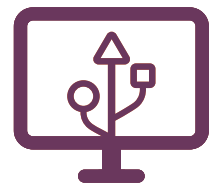
**8671**

NUMBER OF EMPLOYEES  
IN CONTACT CENTERS



**English, German,  
Russian**

MAIN LANGUAGES



**Java, JavaScript, React,  
Python, SQL, DevOps**

MAIN IT SKILLS

Source: Dun and Bradstreet; LinkedIn Talent Insight

### BPO / CONTACT CENTERS

The talent pool for Serbia’s contact center industry remains stable and sizeable, with a total of 8,671 employees recorded in 2024 according to Dun & Bradstreet data, based exclusively on active companies that generated any revenue during the year. Over the past three years, the workforce has experienced a modest decline of around 2%, indicating slight adjustments in labor supply but not affecting the overall availability

of experienced customer-service professionals in the market. This level of employment demonstrates the existence of a well-established and operationally mature talent base capable of supporting both domestic and international outsourcing projects. The availability of talent in the sector is supported by the long-standing presence of international BPO companies and the continuous inflow of candidates with experience in multilingual customer support, technical assistance, and global service delivery. The skill

profile of the Serbian contact-center workforce is particularly shaped by multilingual capabilities. Companies frequently seek agents fluent in English, German, Italian, French, and other European languages, which makes Serbia a favorable location for serving clients from Western Europe and beyond. English proficiency is widespread among ICT and BPO employees, while German, French, Russian, and several regional languages—such as Hungarian, Romanian, and Slovak—are well represented, enabling service provision to diverse European markets. Alongside foreign-language proficiency, employees typically possess strong communication competencies, customer-service orientation, problem-solving abilities, and familiarity with CRM platforms and call-center software. This combination of soft skills, technical readiness, and outsourcing experience enhances Serbia's attractiveness for BPO and customer-support operations.

### IT INDUSTRY

The IT talent pool in Serbia has grown into one of the country's strongest competitive advantages, supported by sustained expansion, increasing specialization, and a steady inflow of highly skilled professionals. According to Dun & Bradstreet data, the industry employed 57,525 people in 2024, based solely on active companies that recorded revenue during the year. Over the past three years, the IT workforce has expanded by 18%, reflecting continuous demand from both domestic technology firms and foreign investors establishing development, engineering, and delivery hubs in the country. This growth indicates a dynamic and maturing labor market with strong capacity to support large-scale software, engineering, and digital-transformation projects.

The availability of IT talent is reinforced by Serbia's well-developed higher-education ecosystem, a strong engineering tradition, and the presence of global technology companies that provide advanced training, international project exposure, and opportunities for career progression. The workforce is diverse in skills and seniority, ranging from junior developers entering the market through universities and coding academies to seasoned engineers, cloud architects, cybersecurity experts, and senior software developers with extensive international experience. Serbia's IT professionals are recognized for strong proficiency in English, hands-on engineering capabilities, and familiarity with modern technology stacks used across major global industries.

The skill profile of Serbia's IT workforce is broad and technologically advanced, covering software engineering, data science, AI and machine learning, DevOps, cloud computing, QA automation, cybersecurity, embedded systems, and gaming technologies. The sector is particularly strong in backend development, systems engineering, fintech solutions, telecom software, and enterprise-scale product development. Many engineers frequently work with clients from Western Europe, North America, and the Middle East, contributing to Serbia's reputation as a reliable and sophisticated nearshoring and outsourcing hub.

Benefits commonly offered in IT and BPO the sector include private health insurance, performance-based bonuses, paid holiday packages that expand with tenure, additional leave days, and varying Forms of flexible or hybrid work arrangements, depending on the employer. These non-salary elements help improve retention, especially in competitive positions.



Labor mobility patterns within the sector are difficult to quantify due to the absence of formal public statistics, yet certain trends can be observed. A significant share of contact-center employment remains concentrated in Belgrade and central Serbia, which suggests that internal mobility is primarily directed toward major urban centers where international employers operate. At the same time, the increasing availability of remote and hybrid roles may reduce the need for relocation and allow companies to source talent from different regions of the country. Regional mobility within the Western Balkans

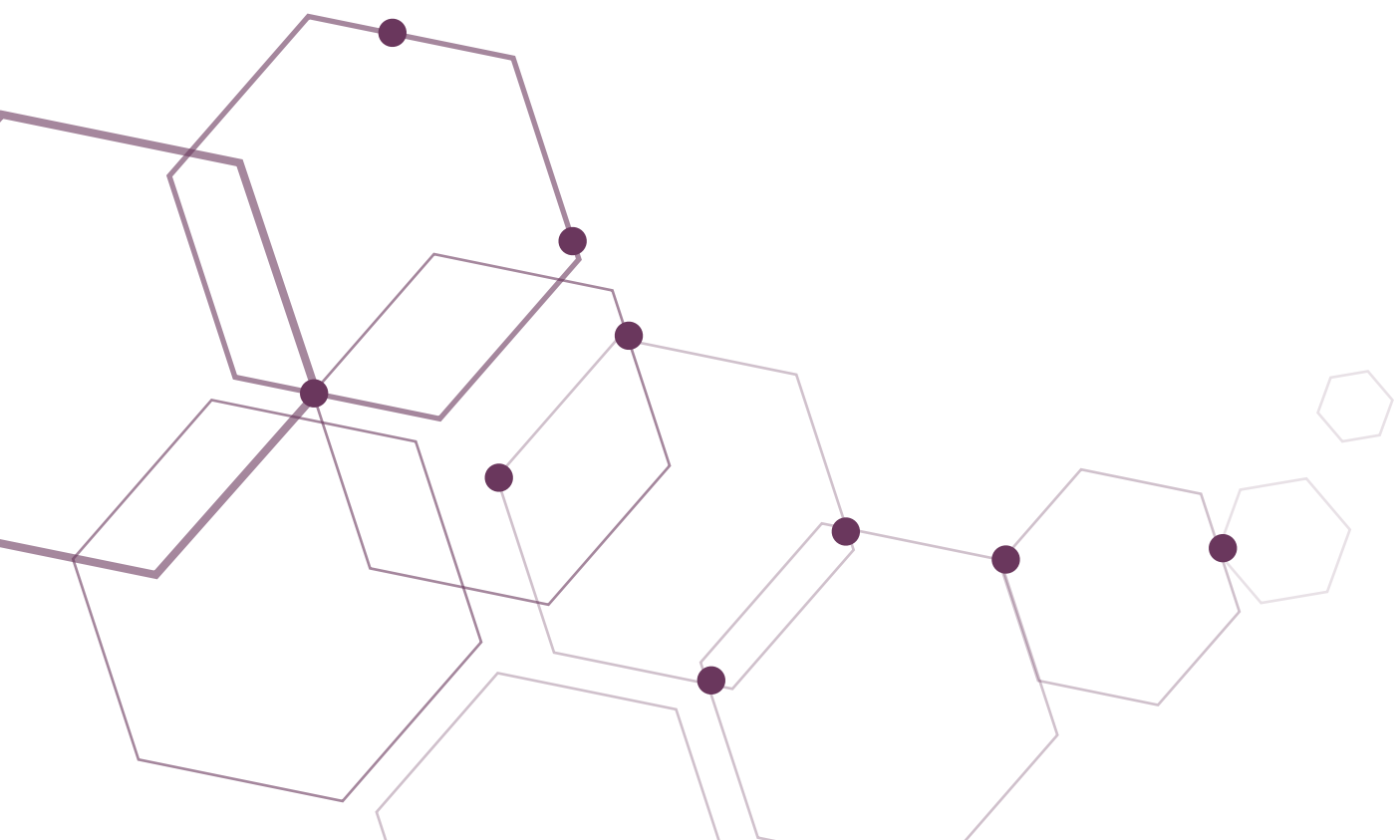
is less documented, but modest fluctuations in headcount, combined with the presence of multinational employers, suggest that some cross-border movement occurs as workers shift between neighboring markets in search of higher wages or multilingual opportunities.

The seniority level is grouped as follows:

- Junior (up to 2 years of relevant work experience)
- Medior (2 - 5 years of relevant work experience)
- Senior (5 or more years of experience)

| SENIORITY | SOFTWARE DEVELOPER | CUSTOMER CARE REPRESENTATIVE |
|-----------|--------------------|------------------------------|
| Junior    | 1931 - 2588        | 1438 - 1767                  |
| Medior    | 2916 - 4067        | 1767 - 2095                  |
| Senior    | 4560 - 5709        | 2260 - 2588                  |

*\*Salaries are presented in EUR – total cost of the employer*



## 7.4 Enabling Environment

Serbia today offers a decidedly investor-friendly environment that supports the continued growth of the IT and business-services (including contact center and outsourcing sectors). The regulatory, economic, and institutional framework provides strong incentives for both domestic and foreign companies, underpinned by competitive costs, legal protections, and targeted support for investment. From a regulatory and institutional standpoint, Serbia ensures that foreign and domestic investors are treated equally: there are no formal restrictions on foreign ownership or direction, and foreign-owned firms enjoy the same rights to capital transfer, profit repatriation, and corporate governance as local ones. This parity builds trust and reduces barriers for international firms considering setting up operations in Serbia – a vital factor for attracting foreign direct investment (FDI).

Serbia offers a favourable business environment (The Government of the Republic of Serbia) with numerous incentives for investors, including:

- Reduction of the payroll burden by up to 75%
- Temporary exemption from corporate profit tax (depending on the investment size and number of created jobs)
- Avoidance of double taxation
- The possibility of duty-free imports of raw materials and intermediate products
- Duty-free imports of machinery and equipment
- Exemption from VAT in free zones
- Additional benefits at the local level (exemptions or reductions of fees for lease of urban construction land, benefits for fees for urban construction land development, exemptions or reductions of other local fees, etc.)

Despite these strengths, there remain a few significant challenges that may hinder new investment or slow expansion:

- First, while the incentive framework is generous, recent analyses suggest that changes at the EU level – including potential future restrictions on state aid for foreign direct investment in the Western Balkans – could reduce the attractiveness of such incentives after 2027

- Second, structural issues such as bureaucratic complexity, delays in administrative procedures (permits, approvals), and, in some cases, concerns about governance or regulatory uncertainty still represent obstacles for some investors

Serbia's ICT and BPO sectors benefit from a strong momentum that creates significant opportunities for investors. Rising export revenues, a favorable credit upgrade to investment-grade status, and steady macroeconomic indicators have bolstered confidence in the country's long-term economic trajectory. Government initiatives—ranging from major investments in AI and supercomputing platforms to widespread digitalization efforts—signal a commitment to developing high-value, innovation-driven industries. With competitive labor costs and a rapidly growing technology ecosystem, Serbia is positioned to expand its role as a leading nearshoring hub in Southeast Europe. Yet several challenges could temper this potential. Talent retention remains the most pressing concern, as many skilled professionals continue to pursue higher salaries and career opportunities abroad. While Serbia produces large numbers of technical graduates, employers frequently identify skill gaps related to hands-on experience and modern toolsets, creating a mismatch between academic training and market needs. Wage inflation, shifting government incentive policies, and regional inequalities—particularly the concentration of ICT and BPO activity in major cities—also present ongoing constraints. Infrastructure gaps in certain rural areas can limit the diffusion of digital jobs beyond core urban centers.

Overall, the interplay of strong growth drivers and structural challenges creates a landscape of both considerable opportunity and necessary adaptation. Serbia's ability to maintain its competitive edge will depend on sustained investment in talent development, continued support for innovation, and effective strategies to retain skilled professionals in a rapidly globalizing market.

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