

Introductory Speech by H.E. Genc Ruli
Minister for Economy, Trade and Energy

Honourable Participants,

Ladies and Gentlemen,

Allow me to thank the organisers of this conference which serves for the reinforcement of the economic and trade relationships between our two countries in the political, economical and social aspects.

Businesses and the environment they are developed in consist of the primary focus of the policies of the Albanian Government and are showing noticeable progress. The annual report of the World Bank and the International Financial Cooperation (“Doing Business 2009”) puts Albania on second place in the world for countries that have undertaken successful reforms for helping businesses during the years 2007-2008. In the general classification concerning the reforms of helping businesses, Albania has moved from 135th place to the 86th place.

Albania offers a secure legislation for foreign investments. Foreign investors have the right to establish economic activities in Albania without the need of any authorisation or permission. In 2008 a new law concerning “Traders and Trade Entities”

An important and sensitive index for the investors is the Macroeconomic Stability. Our countries GDP increases by the fastest rate in the region, by 6-7% in real terms, by keeping, at the same time, an inflation rate of 2-4% and a constantly reduced budget deficit. The macroeconomic stability is followed by **a stable and friendly legal environment** that has direct influence on the business’ environment and the economic development. For this purpose has been elaborated in several directions such as: the registration of the business in one day through specific offices called “one-stop-shop”, offering the service of licensing through “one-stop-shop” within the first six months of 2009, functioning of **the electronic procurements and electronic tax payment**, reduction of the fiscal rate for taxation over profit for the companies from 23% to 100% along with the social and medical security contributions which is 21.7% of the gross salary, the approval of the new law on taxation procedures which will lead to improved aspects of the of the tax administration and to the rights of the tax payers.

Albania offers **a liberal trade regime**. Our trade policies are progressively reinforcing the index of the widening rate of our economy, by aiming the further growth of the domestic products. During the first six months of 2008, the average weight fee was 2.4% and always diminishing in accordance to the rules and regulations of WTO.

The “Interim” agreement of trade with the EU is being executed successfully. CEFTA is operating successfully in regional level and this is another positive achievement which gives space to our products for export in the region.

Steps forward have also been achieved for **the establishment of economic zones**. After the approval of the relevant legal framework, in execution of the governmental programme was approved the establishment of six industrial parks with a territorial coverage almost through out all of Albania and specifically in Spitalle/Durres, Shengjin/Lezhe, Koplik/Shkoder, Vlore, Elbasan and Shkoder. Three projects are ready to start (Vlora, Kopliku and Shengjini).

The economic reforms undertaken by the Albanian government, apart from the harmonisation of the legislation and the development of the institutional frame, have aimed for a better cooperation in the strategic investments and also in the reinforcement of the economic and trade relationships with the neighbour countries. In this context, the economic and trade cooperation with Greece is one of the priorities of the Albanian government.

Through the investment point of view according to the place of origin, Greece attains the primary position for direct foreign investments in Albania. The close geographical distance of Albania with Greece as well as the economic cooperation that is constantly increasing are the basic reasons of the presence of Greek investments in Albania. I gladly realise that the exchange of trade with Greece is continuously growing. Greece is Albania's second trade partner. Exports of 2007 result to have increased by 10% compared to 2006. Also imports result to have increased by 16%. The first six months of 2008 compared to the same period during 2007 report an increase of exports towards Greece by 30% and an increase of imports by 22%.

Many Greek companies have invested in several sectors of the economy such as mobile telecommunication, banking system, construction, services, industry, especially in the sector of shoes and confections, etc.

Electrical energy is one of the areas that attracts great interest from the private domestic and foreign business. The Albanian government's policy of "pro-participation" for the private capital in this sector approved the law "**For Concessions**" and the legal acts for its execution. The Ministry of Economy, Trade and Energetic (METE) and the responsible structures under its authority are engaged in an evaluation process of the project proposals for the construction through concession of the hydro centrals in Albania such as at the rivers Drin, Devoll, Vjosa, Osumi etc.

The relationships between our two countries in the area of cooperation in the energy sector have been present since 1980 between the Albanian and the Greek public power cooperation. This has started with the construction of the system conjunctions which are made possible by the inter conjunction networks of 154 kV of Bistrica (first operated in 1981) and by the network of 400 kV Elbasan – Kardia that was first operated in 1985 and that connected in parallel our two electro-energetic systems.

The 400 kV system conjunction between our two systems consists of a great advantage for both countries but especially for our system because it increased the job security of our system and made possible the exchange (import – export) of electricity.

In the protocol of the Ninth Session of the Albanian – Greek Governmental Committee for the Economic, Industrial and Technical-Scientific cooperation held in Ioannina in March of 2005, amongst others, is discussed about a cooperation agreement between the

two electro-energetic corporations and about the mutual usage of the waters of the river Vjosa for energetic needs.

For this purpose, the Albanian government created the governmental commission for the water problems with the neighbouring countries in March of 2006. Related to this, there have been two meetings, one in Tirana and one lately, in December 2008, in Ioannina – Greece, where, among others, the commission has discusses about the protection and the management of the waters of Vjosa river.

Also, the Albanian government, in October of 2006 approved the agreement between the Council of Ministers of the Republic of Albania and the Government of the Hellenic Republic for cooperation in the energy sector which is signed in September 2006 by the respective ministers of both countries.

Referring to the article 4 of this agreement, for the establishment of a common committee with representatives from both countries, the Albanian party established this committee and officially announced it to the Greek party.

It should be emphasised that until now the relationships in the electro-energetic sector have consisted of trade relationships.

In the sector of hydro-fuels, the cooperation between our two countries has involved the activity of trade of diesel and its sub products as well as the sector of research-production of diesel, natural gas and bio-fuels. In Albania, for more than ten years, there have been operating several Greek companies in the sector of fuel trading which have been equipped with the relevant permits and licenses in accordance with the legislation in power. Meanwhile, many of the Albanian companies that trade fuels or gas cooperate with Greek refineries. At this point I have to mention the presence of the company Hellenic Petroleum in Albania since a long period of time which has operated and has made possible important investments in relation to the bio-fuel agreement that had with the Albanian government.

The cooperation between the relevant institutions of the hydro-fuel sector of both countries for experience exchange and assistance in the field of preparation of the legislation framework for this sector has been one of the most important directions of the relationship between the two countries during the two last decades. For this purpose, the Greek experience and legislation has been adopted for treatment, transportation and trade of diesel, gas and its sub products as well as the relevant legislation for production and trade of bio-fuels since Greece operates based on the legislation of the EU.

Also, an important field of cooperation is the development of the gas sector in Albania, for which the cooperation between the two countries is considered to be of much interest since Greece is considered one of the most possible options for the conjunction of Albania with the regional network of gas supply. Meanwhile the Greece can use the advantages that offers our country in this field like the possibilities for underground canalisation of gas, etc. In order to make this project come to life, it is useful to materialise the agreements or the declarations of both parties.

Following the above mentioned, I suggest that the following should consist of priorities of both parties:

According to the agreement in the energy sector which was signed on 13 September 2006 from the relevant ministers of both countries, the representatives unanimous committee of the both parties should start contacting each other.

The negotiation and the signing of an agreement between KESH and PPC.

Continuation of contacting between the representatives of the Albanian-Greek committee for the protection and management of the waters of the river Vjosa, aiming towards an agreement for using the waters of the river Vjosa by the Albanian party.

Cooperation for exchange of experience in the sector of electrical energy production from renewable sources and especially for hot water from sun panels.

Cooperation in the gas sector for the concretisation of project that consist of mutual interest.

Ladies and Gentlemen,

The present achievements of the economic development of the country along with the progress that we have reached in the economic – trade relationships between our two countries, moreover when we are experiencing the global crisis, increases the need for further mutual cooperation. In this context, the organisation of this conference will serve the above mentioned purpose.

Thank you.