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Activité hebdomadaire de la CCIFA /Aktiviteti javor i CCIFA /CCIFA Weekly activity**



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INTERNATIONAL TASTING WINE & SPIRITS



More than 100 companies from different nationalities participated to the 1st edition of this unique and multicultural event "International Tasting: Wine & Spirits –Held on the 18/10/2017, at Tirana Business Park TBP premises, organized by DIHA the German Association of Industry and Trade in Albania and CCI France Albania

With the participation of their excellencies; Ambassador of France Mrs. Christina Vasak and Deputy Head of the Mission of German Embassy, Mrs. Anke Holstein, Our Chairman Julien Roche, and the Chairman of DIHA Mrs. Stephanie Sieg, as well as representatives from the Embassies of Switzerland and Turkey .

"Ladies and gentlemen, I believe that entrepreneurship is the glue that holds economies together and I would like to congratulate the entrepreneurs present here tonight, importing wine from: France, Germany, Austria, UK, Swiss, Turkey, Greece, Italy, Nordic Countries, and of course, Albania" said Julien Roche, Chairman of CCI France Albania in his speech

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A LA UNE CETTE SEMAINE/HIGHLIGHTS

AmCham urges gov't to present 2018 Budget in due time for suggestions

In an interview with SCAN, the Executive Director of the American Chamber of Commerce, Enida Bezhani, said that entrepreneurs are now expecting a new fiscal package that will accompany next year's state budget. Meanwhile, the business community has urged the government to be "correct" by giving them the needed time to get informed and to respond to this possible intervention. "Giving an opinion on the fiscal package is one of the Chamber's traditions. It is one of the processes that we follow attentively each and every year. Now we are expecting by the government the fiscal package of 2018. What remains of great importance to us is that this new fiscal package is presented in time so that we can give our suggestions, our recommendations in due time, because we pursue some internal parameters in the context of the Chamber in order to have a clear panorama of the whole process." she said. As it has been the case with all the fiscal packages over the years, the expected fiscal package will be passed on to all our membership, across the board, through the Law and Taxation Committee, and then to continue a discussion with the Ministry respectively and with the Economy Committee until the its adoption" she added. A year ago the focus of the fiscal package was improving tax procedures and administration. While for this year there is still no draft published by the Ministry of Finance as yet. But the premature prime minister's statement on the extension of VAT to small businesses has prompted a "mercurial" climate among this community.

PM Rama states that southern coast's power supply issues will be settled by investments

Energy investments will ultimately resolve the power supply drama that the southern coast of Albania has experienced in recent years. During his stay in Vlora, Prime Minister Edi Rama, as well as ministers of his cabinet, held several meetings and inspections in this district. Initially, Rama held a visit in Kanina, whose center has been declared a protected area. Subsequently, accompanied by the Minister of Infrastructure and Energy Damian Gjijnuri, PM Rama inspected the Orikum Electric Substation. At the end of the visit, the Prime Minister was also informed on the plans and projects for the transformation of the Orikum Archaeological Park.

Tax Department owes over ALL 33.8 million to businesses

The number of businesses that do not pay tax liabilities has been declining this year. According to the most recent data published by the General Directory of Taxation, it is clear that the number of businesses that have not paid their obligations from the end of last year until June, when the last update from this administration was made, has decreased with a significant number of businesses. But situation is not the same for the tax administration, which has increased the amount of accumulated liabilities. Thus, according to the latest report of the Ministry of Finance on the newly created arrears, it results that only for the period May-July this year the tax administration owes to businesses about ALL 3.9 million. According to the same sources, the total value that the General Directory of Taxation has accumulated as arrears amounts to ALL 33.8 million. The tax administration updates the "blacklist" of those businesses that have arrears to this institution, but does not inform the businesses that is indebted to. Normally, the greatest value as well as the inherited problems in years belongs to VAT reimbursement. For this, in a few cases, entrepreneurship have complained by making it public and presenting it in different business roundtables.

DP's Basha urges small businesses to oppose introduction of VAT regime

The head of the Democratic Party Lulzim Basha met on Sunday representatives of small businesses. According to small traders operating family businesses in the Paskuqan area, their introduction into the VAT regime will create additional costs, price increases and an inability to maintain and operate their economic activity. Basha requested the small businesses to unify their forces in this battle so that this move would not happen. Basha has gone into a lengthy discussion, asking some of the small business owners about the fact that what happens to their businesses if they are included in the VAT scheme. "We have come here today to hear you. We believe that the VAT introduction will destroy the businesses and will increase the prices. That is why we are against it, and not for politics," Basha replied to one of the owners of a small business.

World Bank's Weigher

World Bank has updated the worldwide governance indicators: voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law; control of corruption. The latest update refers to data gathered in 2016. In comparison to 2015, 4 of Albania's governance indicators have deteriorated. Albania has made progress only in terms of control of corruption and regulatory quality. Data shows that Albania and Kosovo rank in the last position in the rule of law index. In terms of control of corruption, Albania ranks behind Macedonia, Montenegro and Serbia. In regards to government effectiveness, Albania outranks Bosnia Hercegovina and Kosovo. Albania has the best performance in the region in terms of absence of violence and political stability whereas the country ranks in the second place in terms of government accountability.

IMF: VAT is unsuitable for small businesses

At a time when Albanian politics has been involved in a debate on the introduction of Value Added Tax for small businesses starting from 1 January 2018, a report of the International Monetary Fund points out that such measure would not be efficient. In the newly released report "Tax Administration and Firm Performance: New Data and Evidence for Emerging Market and Developing Economies", IMF experts say that the introduction of VAT would increase real costs for small sized businesses. This, according to them, would restrict their investment in production and innovation. Besides this, IMF experts explain that the tax administration costs may significantly increase the burden for businesses in their day to day activity, in particular for small and medium sized businesses. It seems that IMF is against the complexity of taxes, which in Albania's case, translates into the fact that authorities have not been involved in consultations about the application of VAT for small sized businesses.

TAP wraps up pipe deliveries to Albania, Greece, Italy

The last shipment of steel line-pipes for the construction of the Trans Adriatic Pipeline (TAP) arrived in Thessaloniki, Greece, on October 10 marking the completion and final delivery of all line-pipes to TAP's host countries, TAP said on October 16. The transport of 55,000 TAP pipes and bends was completed in approximately one year and a half. The first pipes arrived in Durrës, Albania in April 2016 and deliveries to Greece started one month later, in May 2016. Approximately 55,000 pipes are used to build TAP – 32,000 in Greece; 13,000 in Albania; 9,150 offshore and 670 in Italy. The weight of all pipes amounts to 520,000 tonnes: or approximately 71 Eiffel towers. The weight of a single 18-metre pipe ranges from 9.3 tonnes to 16.3 tonnes, depending on the wall thickness. The pipes were transported to TAP's main marshalling yards in 79 sea vessel shipments of various sizes and 158 block trains within Greece. The consortium constructing the Trans Adriatic Pipeline (TAP) is investing a total of 800 million euros in Albania in 2017-2018, a sum which represents the largest single input of FDI in the country. (FDI for the whole country is approximately 1.5 billion euros). TAP will additionally create job opportunities for Albanian companies during construction. More than 2,800 people are already working directly for the project. According to Albanian Ministry of Energy and Industry, TAP is expected to increase demand for gas-fired energy and manufacturing investments in Albania, with the first gas deliveries scheduled for 2020.

Albania's trade gap increases 2.1% y/y in Jan-Sept

Albania's trade deficit increased by 2.1% year-on-year to 252 billion leks (\$2.2 billion/1.8 billion euro) in the first nine months of 2017, statistical office INSTAT said on Tuesday. Exports rose 13.3% year-on-year to 201 billion leks, whereas imports added 6.8% to 453 billion leks. In September alone, exports grew 16.8% on the year to 24 billion leks, while imports rose 10.5% to 53 billion leks, INSTAT added. Italy remained Albania's main trading partner in the first nine months of 2017, absorbing Albanian exports of 107.4 billion leks and providing imports of 129.6 billion leks. Other major importers were China, Turkey, Greece and Germany. Albania exported mainly textiles, footwear, minerals, fuels and construction materials. The country imported chiefly machinery, equipment and spare parts, as well as food, beverages and tobacco.

Albania to auction T-bonds worth 26 million euros

Albania will auction on Wednesday 3.5 billion leks (\$30.8 million/ 26.2 million euro) worth of two-year government bonds with a coupon of 2.8%, the central bank's calendar shows. The bonds will mature on October 23, 2019. At the latest auction on September 21, the bank sold 3.4 billion leks of two-year treasury bonds with a yield of 2.89%.

A LA UNE CETTE SEMAINE/HIGHLIGHTS

European Commission: Albanian economy is performing well

The Albanian economy has a positive performance, with an annual growth which goes up to 4.1%. This is stated in the recent report of the European Commission for candidate and potential candidate countries of the EU. According to the report, the growth of foreign investments in Albania also registered a growth of 14.3% as a result of foreign investments from the construction of TAP pipeline and Devolli power plant. Economic activity has continued to expand in the third quarter, consumer confidence has improved and business confidence remains high. Meanwhile, according to the European Commission report, the labor market has also seen favorable developments. As far as the region is concerned, the report says that growth improved in the majority of Western Balkan countries in the second quarter of 2017. Montenegro is reported with the biggest growth in the region with 5.1% compared to 3.2% in the first quarter, driven mainly by a strong consumption. The European Commission reports that for the second quarter of 2017, real growth of GDP in Western Balkans was 1.8% as opposed to 1.9% in the previous quarter and 2.2% in the same quarter of last year

International Day against Poverty

Investing in education is the best ticket against poverty, Mayor Erion Veliaj said in the international day against poverty. On this occasion, the municipality and World Bank held an open lecture with students and teachers of the Ardian Klosi school in Bregu i Lumit area in Tirana. Participants discussed about the challenges of society and the importance of drafting new policies in support of groups in need. Veliaj said that the municipality will continue to support young people through scholarships and vocational education. He added that Tirana has made significant progress in the battle against poverty.

World Bank: It's time for reforms

The post-election period is crucial to advance in the reform agenda which will lead to lowered poverty, according to World Bank. In its newly released Europe and Central Asia Economic Update, October 2017 : Migration and Mobility report, World Bank addresses challenges and risks to the Albanian economy. World Bank urges more structural reforms in improving business climate, reforms in the justice sector, energy sector, management of public investments and improving capacities. In terms of its short term outlook, World Bank is optimistic and has upgraded its forecast for the economic growth to 3.6 percent from 3.5 percent. In mid-term and long-term, World Bank has downgraded its growth projections to 3.5 percent from 3.8 percent in the June report. World Bank has undermined the hopes of the government for a 5 percent economic growth in medium term. World Bank says that foreign direct investments, domestic consumption and increase in exports will drive the economic growth in the upcoming years while poverty will be in decline.

Albanian state budget 2018 underway, more expenses next year

The Albanian government has drafted the 2018 budget, which includes more expenses than this year. In total, these expenses are expected to be 5.8% higher than in 2017. The Albanian government is expected to spend during 2018 around 3,7 billion euros for salaries, pensions, administrative expenses, road investments, schools, reconstructions, support for the local government, debt interests and jobseekers allowance. As far as investments are concerned, they are expected to amount to 86 billion lek or 16% higher than this year. In terms of revenues, the Albanian government is expected to collect 27 billion lek more in taxes mainly from VAT and tax on profit, but also by the increase of the tax on property, which will initially be applied in several municipalities of the country

BoA: TAP, Devoll HPP projects boost Swiss, Dutch FDI to Albania

Swiss and Dutch foreign direct investment in Albania have registered a sharp increase in the past couple of years thanks to two major energy-related foreign direct investment which are being channeled through these countries. Data published by Albania's central bank shows the Swiss FDI stock to Albania grew by six times in the past couple of years, climbing to €647 million at the end of the first half of 2017, up from a mere €98 million in mid-2015. The sharp increase is almost entirely dedicated to a surge in investment by Switzerland-based TAG AG consortium that is building the Albanian section of a major project bringing Caspian gas to Europe. The Trans Adriatic Pipeline consortium has already completed half of its Albania onshore route works and is on track to start its offshore section across the Adriatic to Italy next year. One of Albania's main development donors, Switzerland has also recently opened a Swiss-Albanian Chamber of Commerce in Tirana. The Chamber initially has five Swiss companies as its founding members including Switzerland-based Trans Adriatic Pipeline (TAP), the SGS vehicles technical control concessionaire, the SICPA tax stamp concessionaire, PWC accounting firm which is one of the Big Four and the SIKA construction chemicals and industrial adhesives company. Trade exchanges between Albania and Switzerland have been at an average of about 10 billion lek (€74 million) annually in the past couple of years, representing only about 1.1 percent of Albania's trade volume, according to INSTAT, the Albanian state statistical institute. Dutch investment to Albania has also sharply increased in the past couple of years, making the Netherlands the second largest foreign investor in Albania. Bank of Albania data shows Dutch FDI stock to Albania rose to €817 million at the end of the first half of this year, up from about €530 million in early 2015. The sharp increase in Dutch FDI in the past couple of years is mostly related to a major hydropower plant that is being built by Norway's Statkraft through its wholly-owned Netherlands-based Statkraft Markets B.V. A wholly state-owned Norwegian company, Norway's Statkraft has already made operational its first Banja HPP as part of its Devoll HPP project, one of the country largest foreign investment projects and is set to complete its second and final Moglice HPP by 2018. The Banja and Moglice HPPs, part of the €535 million Devoll Hydropower project, are being built on the Devoll River, about 70 km southeast of Tirana. The Netherlands has emerged as the second largest foreign direct investor in Albania in the past couple of years and is on track to further increase its presence in the Balkan country thanks to increased investment in the oil industry and most recently retail trade by the Royal Dutch Shell and Spar International retailer. Dutch companies in Albania also operate in the banking, mail delivery and agriculture. However, trade exchanges between the two countries remain modest at only about €43 million.

Albania to complete Tirana-Elbasan highway by end-2017

The Tirana-Elbasan highway will be completed by the end of 2017, the Abu Dhabi Fund for Development (ADFD) said after an inspection of its three key funded projects in Albania. The ADFD delegation toured the sites, discussed funding parameters and got an update on the progress of the projects for which the fund had provided a combined AED 423.6 million (\$115 million/105 million euro) since 2011, ADFD said in a press release . The Tirana-Elbasan highway, with a total investment of around \$400 million (339 million euro), was partially funded by ADFD through a \$49.8 million concessionary loan. The 27 kilometre motorway will ensure smooth flow of traffic between the capital Tirana and the city of Elbasan. ADFD inspected also the Tirana River Rehabilitation site, for which it had granted \$24.5 million in 2013, noting that 70% of the works had been completed and the project will be handed over by the second quarter of 2018. The third project, Tirana River Northern Boulevard, for which ADFD had provided \$40.8 million, was 50% completed, the press release added.

VAT will not have an impact on small businesses, Albanian Finance Minister says

The application of Value Added Tax on all business categories will not have any negative consequences for the finances of the Albanian business. This was the assurance given to business representatives by the minister of Economy and Finance, Arben Ahmetaj. Meanwhile, Ahmetaj has also assured the public that such measure will not lead to price increases. "No burden will be added to small businesses. 99% of VAT is paid by large sized businesses. The application of VAT on small businesses will not have any impact on this ration", Ahmetaj said. Meanwhile, Ahmetaj added that in the past three years alone, around 3700 small businesses have joined the VAT scheme. "None of them has gone bust", Ahmetaj said

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