

Durres 12 May 2015

Foreword of Mr. Bashkim Sykja, Director of Entrepreneurship Policy Support in MZHETTS held the 15th Forum of the Adriatic-Ionian of UCCI

"Doing business in a new region of the Adriatic and Ionian: new policies for the development of SMEs and contextual elements" ..

Dear Ladies and Gentlemen,

Allow me on behalf of MZHETTS, to thank the organizers for the invitation, in particular the secretariat of the Adriatic-Ionian Initiative, the president of the Union of Chambers of Commerce of the region, as well as Chairman of CCI - Durres, Mr. Andrea Xhavara, for the excellent organization this event. The 15 th Forum of Chambers of Adriatic and Ionian of Commerce is an important event for the business community and the governments of the participating countries, in particular for the chambers of commerce of the countries who live alongside the shores of the Adriatic and Ionian such as Italy, Croatia, Bosnia and Herzegovina, Montenegro, Slovenia, Greece and Albania.

Since the establishment of this union in 2001, and every year it has deepened the cooperation between these actors and creating more opportunities for socio-economic development of the macro region.

More and more are being transformed concepts of territorial cohesion, environmental protection, sustainable economic development and social development, and taking the tangible results and using the existing networks in the framework of this regional initiative. These networks, in cooperation with the Forum AIC, create an inclusive body that contributes to the economic development, sustainable growth and the exchange of best practices within the region.

This regional initiative aimed at making the Adriatic and the Ionian Sea in a large and reach area of the United Europe as an irreplaceable instrument for common solutions to the macro-region. One of the most important challenges of this regional initiative is to manage to integrate as many local actors, enterprises, institutions, local communities, municipalities, universities, ministries, schools and all interested individuals.

The Albanian government has been committed to creating a more complete synergy between the implementation of the European strategy for macro-Adriatic-Ionian region and commitment to sustainable development in the region to which we belong.

The Albanian government is developing an energy policy strongly based on the interaction and regional cooperation in support of strengthening energy, renewable energy and diversification of energy sources. The Gas Trans-Adriatic Pipeline Project, is a concrete example of the commitment of the Albanian government, which will contribute to increasing the energy capacity of the countries of the region. As regards the maritime sector, Albania is engaged in the development of aquaculture policy, as our region presents an unexploited potential.

With regard to infrastructure, the interest of the Albanian government is focused on what we call the Blue Corridor or touristic Adriatic-Ionian highway, which connects our shores eventually, between Albania, Montenegro, Bosnia, Croatia and above, with Slovenia and Italy, laid the foundation of a terrestrial communication completely transform us, in all of this space.

Ladies and Gentlemen,

- Increase of foreign and local investment is a key objective for economic development and strategic priority of the government, as they bring needed capital, boost productivity of economy and through the transfer of knowledge and technology, contribute to the opening of new markets; influence on the reduction of current account deficit, increase employment, and above all affecting the welfare of the population. One of the problems identified so far in terms of FDI, is that they were Capital Intensive (examples of investments in the banking sector, telecommunications, etc.) and have not produced new working places. They generally didn't serve as a promoter of development, through value chain model for local enterprises. Exactly policy of promoting foreign investment by the government is based on the recovery of these weak links, and we support local enterprises to make them capable to compete in the local market, regionally and more wide.

For this reason continuous improvements required in the legal and institutional framework, further improvement and modernization of infrastructure. We are on the eve of the adoption by parliament of some important laws, such as those for strategic investments, for the development of economic zones, tourism and public private partnerships and their implementation will have a positive impact on the growth of investment in our country.

Small and medium enterprises are the engine of the economy. They are important, as a source of employment, create entrepreneurial spirit and essential for promoting innovation and competitiveness. Private sector contribution is estimated over 80% of

GDP, and employment. Referring to the structure of enterprises, SMEs represent about 99% of active enterprises in Albania.

-Implementation of SBA Principles, constitutes one of the most important agreements with the European Commission's agenda for the development of SMEs, not only for the Member States of the EU, but also for the countries of the Western Balkans. The principles of the Small Business Act have been implemented in the direction of improvement of the legislation and the regulatory framework for SMEs, improving the tax system, reducing the cost to start a business, licensing, enforcement of the law, late payments, the VAT reimbursement, development of entrepreneurship training system, improving electronic communication of businesses, increasing the effectiveness of representation of business interests, etc., measures which make up the backbone of the government policy of the Albanian Government for the support and SME development.

Albanian -The government in October 2014, has adopted the Strategy of Business and Investment Development for the period 2014-2020. The strategy is in line with the principles of the Stabilization and Association Agreement (SAA) and its chapters related to the industry, micro, small and medium enterprises and the principles of the Small Business Act / SBA.

This strategy is in line with the industrial policy of the EU, based on the principles of the European strategy "Europe 2020" strategy, and with SEE2020. It aims at increasing employment, improving living conditions and promoting competitiveness of SMEs, support for innovation, human resource development and social cohesion.

The main government objective for the development of SMEs has consisted in whole reform of the regulatory framework in the field of business, targeted specifically at improving the business environment, reducing bureaucracy. In the report "Doing Business" for 2015, Albania has shown significant improvement in the overall standings, especially the ease of doing business. From the 108th country that was in 2013 is set with 40 countries reaching the 68th place.

- Improve the Doing Business indicators, it is at the core of the reforms undertaken by the government, by introducing new initiatives. It is set up a ministerial working group, headed by the Minister of Economy (MEDTTE) to evaluate and permanently improve the indicators of doing business.

During February 2015, the Albanian Parliament passed several amendments to the NRC law, aligning with European Commission directives 2009/101 / which legitimizes online

application for business registration and without additional costs and expanding counters of local government units.

Parliament also approved during February 2015 the amendments of the existing NLC law in order to further harmonization with the EU legislation and the inclusion of authorizations, to be treated within the NLC. Also in the framework of the reform that deregulation is working to unify the NRC with the NLC to turn into a unified institution and it is considered an reduction step less, on the procedures of starting a business.

Based on the importance and contribution of the inward processing in export production and employment, the government cooperating closely with the inward processing companies during 2014 and in continuity has adopted a package of concrete measures. The package represents a group supporting legal and administrative measures, coordinated with the financial support that will enable the development of technology as well as a series of quality services for the development of this sector. As a result of implementation of these measures, inward processing industry compared with 2013 have increased by 24%.

The package of support measures for the plastic industry, based on the positive experience regarding with inward processing industry, MEDTTE for 2015 year, launched the initiative to support the development of plastics and recycling industry. The purpose of supporting this sector is the fact that its development trend is growing increasingly, with potential for export and employment opportunities. During February 2015, in close consultation with industry representatives and based on their requirements, were undertaken 26 concrete measures. For their implementation by the government has been set up an inter ministerial working group that will implement and monitor the implementation of these measures during in 2015.

The development of women entrepreneurship policies remains a real challenge for the Albanian government. Although after of nineties years, efforts have been made in increasing the number of them, today they represent 27.2% of the total number of active companies operating in Albania. But in the view of the ownership of these businesses and the type of activity in which they are involved it is still considered limited and therefore require a special attention by the government. This is the reason why MEDTTE with a support of UN Woman, launched an important study on "Women's entrepreneurship in Albania", which was conducted during 2013 and drafting of the action plan for the support of women entrepreneurship for the period 2014-2020. This action plan was launched in June 2014, and is in line with the economic program of the Albanian government, with the draft strategy for business and Investment development for the period 2014-2020.

Strengthening the technological capacity of SMEs is being implemented pursuant to the Strategic Programme for Innovation and Technology Development of SMEs. The program aims to fill the existing gap in the field of innovation, fostering Albanian companies to improve their technological capabilities, increasing inter-institutional cooperation between universities, SMEs and government, to create an innovation system in support of SMEs. Developing business infrastructure will enable the creation of incubators (both in terms of physical space as well as in the development of business support services) with the task of providing a favorable environment to support innovative initiatives of business, creating new working places. It will be built first technology business incubator.

Creating Cluster support businesses in key sectors, providing support for collaborative platforms, which will enable and support the strategic cooperation between enterprises and other organizations, to enhance the value chain of products and services, favoring the internationalization and accessibility in new markets. Will be established three new clusters.

- In the framework of the regional project "Enterprise Development Facility Innovation" / EDIF, which started in 2014, will create the possibility of Albanian SMEs, to promote transfer of technologies, innovation development, by facilitating access to finance for SMEs with equity funds and promoting activation of capital market investors.

- In the framework of EDIF project, with technical assistance of OECD, government is committed to strengthening triple-helix partnership (business-academia-government), in view of the development of innovation and technology transfer. In this context MEDTTE for 2015 year has planned the design of the legal framework for the implementation of the Innovation Voucher scheme, which will help cooperation between the SME sector with the University for innovation.

- Creation of venture capital schemes, business angels, etc., are important objectives for the Albanian Government. These financial schemes currently are missing in the Albanian market, affecting the technology financing for SME-s and increasing their competitiveness.

- Albania Is now part of the European Network of SMEs, the EEN. Implementing proactive policies to support technological capacity, and development of innovative businesses is considered a challenge for enterprises, especially for SMEs for the next period 2014-2020.

- Albania is also participating in community programs COSME, Horizon 2020, which are very important and create access for Albanian SMEs to apply in support of increasing competitiveness and innovation.

Such implemented policies cannot be effective if they are not consulted in a permanent dialogue with representatives of business community. National Economic Council / NEC which was adopted in 2014, by the Albanian parliament. NEC will establish appropriate relations between the government and business, by providing a common framework for consultation. The NEC will facilitate dialogue on finding appropriate ways to accelerate economic growth and the creation of a legal framework for economic incentives, business, investment and employment.

Also in April 2015, the Albanian government has established the Investment Council in cooperation with the EBRD. This council will give a push to the development of policies that will affect the improvement of investment climate in our country.

Ladies and Gentlemen,

The current stage of the business development level in our country, requires the increase and to strengthen its representative institutions . One of the most business representative institutions is the Chamber of Commerce. Chambers of Commerce and Industry, along with business associations, are the most active members in the private sector development policies and serve as bridges of cooperation between the business organizations with the government.

This relationships cannot be established according to the political considerations, but their cooperation should be based in a common mission; for economic and social development of the country. This activity today, is the concrete expression of the role of Durres Chamber of Commerce, as an key institution that promotes and supports internationalization of SMEs in our country.

Thank you