

In association with the UK's biggest selling
quality newspaper - The Daily Telegraph
iD presents

ALBANIA

PART ONE

Land of Eagles Spreads its Wings

The Balkan nation has witnessed great democratic and economic changes - but there is still a long way to go. Discover how its people and enterprises are driving the country into the next phase in this digital version of the 4-page special as published inside The Daily Telegraph on 15 June 2015.

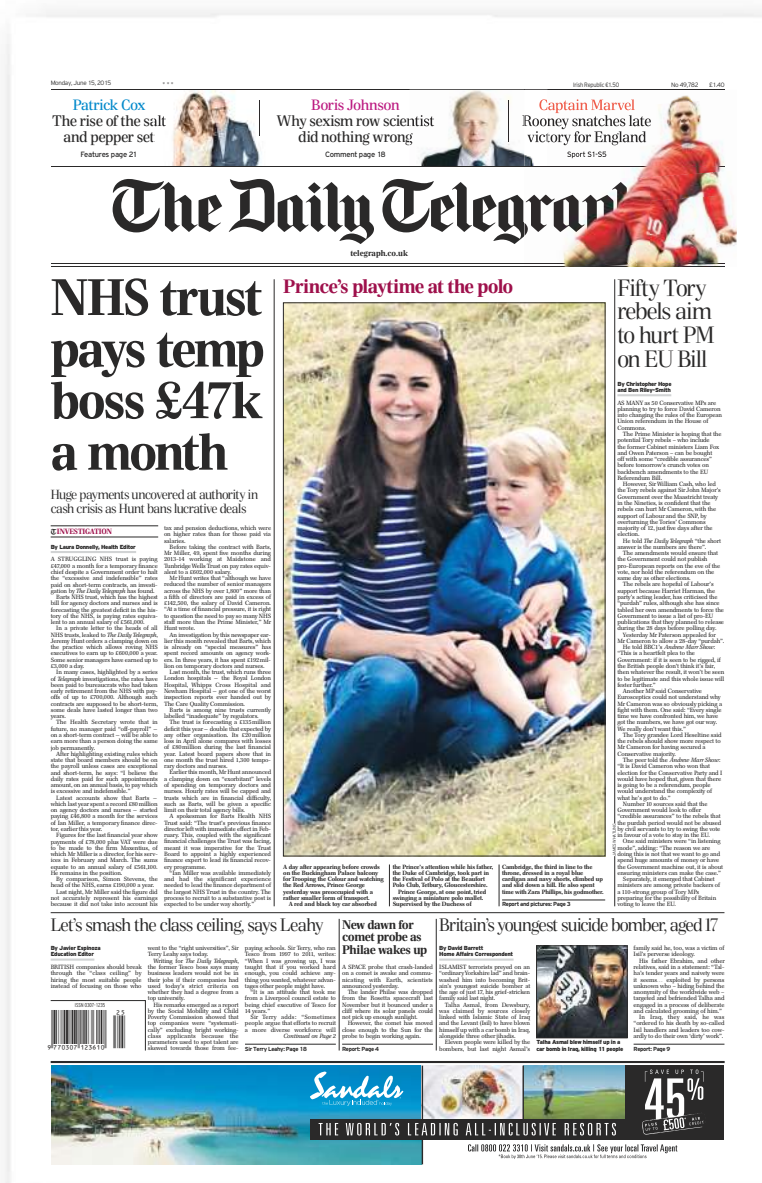


IMAGE
DIPLOMACY iD
communicating with passion

WWW.IMAGEDIPLOMACY.COM

ALBANIA

Land of Eagles Spreads its Wings

PART ONE



01 Infrastructure
Rising to the challenge



02 Tourism
Bridging past & future



03 Trends
The makeover phase



04 FDI (Foreign Direct Investment)
A basketful of options

Winding road from isolation to integration

The first time Albania applied for EU candidacy, upon joining NATO in 2009, it got turned down, not once but twice, on the basis of the inadequacy of its democratic reform process and its ineffectiveness in fighting organised crime and corruption. Six years later, Prime Minister Edi Rama sees the EU integration process as the only way for Albania to get out of the vicious circle it has been trapped in, and start laying down the foundations of a modern democratic state.

BY MICHELE GRIMALDI ▶ Albania's history has indeed been clustered with an exceptional string of challenges: scourged for centuries by foreign dominations, including by the Romans, the Serbians and the Ottomans, then firmly in the grip of communism for five decades thanks to dictator Enver Hoxha, Albanians were long deprived of the most basic human and civil rights, growing largely isolated from the rest of the world.

Making reference to that period, Rama highlights, "It disrupted the very core texture of our society and seriously hampered our institution-building process." Then adds, "Against such a background, integrating within the EU became the only safety belt we could embrace, to start patching up the puzzle of mechanisms that a functioning democratic nation requires."

Relentlessly bullied and brutally oppressed, yet never entirely defeated, Albania has developed the fibre survivors are made of. Resilient as it may be though, breaking free from the stranglehold of the past and embarking on its new path towards a more open economy has been anything but easy for the small Balkan nation.

For years, the country's growth model has largely relied on foreign remittances and a domestic construction boom, fuelled by the people's attempt to regain ownership of what they perceived as their dispossessed properties during the Hoxha regime. After weathering the global financial crunch reasonably well, a stalled eurozone economy, especially in recession-hit Greece and Italy where a large Albanian diaspora lives, has opened a crack in the cash funnel feeding Albania, exposing the system to a series of vulnerabilities. That, coupled with its existing structural weaknesses, placed the economy under increasing pressure.



"Integrating within the EU became the only safety belt we could embrace, to start patching up the puzzle of mechanisms that a functioning democratic nation requires"

EDI RAMA, Prime Minister of Albania



When it comes to the EU accession process, Albania has some catching up to do. Concepts like accountability, transparency, compliance with the law, ethical and fair business practices, international standards, widely adopted and implemented throughout the EU community, are still fuzzy words in the vocabulary of the average Albanian entrepreneur or public servant. The path ahead is a steep one and Rama is well aware of it. Since taking office in September 2013, he has enacted a series of strong measures to crack down on corruption, cronyism and widespread informality, including the massive tearing down of illegal constructions and the exemplary punishment of electricity theft and other violations by severe fining and even incarceration.

However harsh such measures may appear or feel, he views this shock therapy as an essential instrument to set the country on the right path, and ultimately raise the living standards of its people to more acceptable levels. If the universal truth, that having a sound rule of law builds confidence in the nation's institutions, leading to higher productivity and economic development, holds true, the Prime Minister may have just found the right formula to turn the country's fate around, in the medium to long term.

The government has identified energy, agriculture, tourism and manufacturing as Albania's primary sources of sustainable growth and FDI (Foreign Direct Investment), though further diversification is key to boosting competitiveness going forward. Having a safe and efficient transport and infrastructure system is also a priority, and Public-Private Partnership (PPP) is viewed as a vital tool to achieve this goal. Hence, the importance of foreign investors and the support of the EU, with regards to the modernisation of seaports, the upgrading of the national grid and the strengthening of intraregional connectivity through an integrated intermodal transport network. The man in charge of this process, Minister of Transport and Infrastructure, Edmond Haxhinasto, shows confidence, "As an active promoter of good neighbourly relations across the region, Albania is in a unique position to promote projects that are beneficial to all."

According to the authorities, the existing national laws on concessions and public procurement meet European standards. Thus, they guarantee the transparency of deals, the accountability of officials and, most importantly, level playing fields for both local and foreign investors.



"As an active promoter of good neighbourly relations across the region, Albania is in a unique position to promote projects that are beneficial to all"

EDMOND HAXHINASTO
Minister of Transport and Infrastructure



"The same good reasons that made the Romans decide to place a harbour here 2000 years ago, are still valid today"

GAZMEND SHALSI
General Director, Durrës Port Authority

DURRËS PORT AUTHORITY

Longstanding hub

Strategically placed in the heart of the Adriatic Sea and a comfortable 20-minute drive from Tirana, is Albania's second city Durrës, home among others to the country's largest port and economic powerhouse. Owned by the State and controlled by the Ministry of Transport and Infrastructure, the port is managed and operated by the Durrës Port Authority (DPA).

A quick glance from the sky is enough to realise that this is not your average harbour: stretching 18 km from north to south, the Durrës Cape shields it from winds and currents, transforming it into a natural shelter for vessels waiting to be anchored. As the newly appointed CEO, Gazmend Shalsi, rightly observes, "The same good reasons that made the Romans decide to place a harbour here 2,000 years ago, are still valid today." Shalsi may have a valid point, as the port's location seems anything but accidental: a mere 120km from Montenegro, 150km from Macedonia and less than 200km from Greece, make Durrës the de facto transport and logistic hub for the entire region.

Despite its many advantages, the port is facing some serious challenges to compete in the current global environment; words like lean administration, computerisation, enhanced communication, economies of scale, quicker upload, offload and delivery times have become a "conditio sine qua non" for the effective management of ports worldwide. Shalsi is well aware that foreign investment is no longer an option - it is a must - if the port's future is to be ensured, and comments laconically, "It is time this port is given in concession to an international operator, and not just partially but in its entirety." Indeed, the administration's ultimate goal is to restructure it into a landlord port with most of its services being provided by the private sector.

In recent years, the port has undergone several major upgrades, including the opening of a new ferry terminal in 2012, an investment of approximately \$35m, which has turned Durrës into one of Europe's premier sea gateways. Additional operational and administrative improvements are underway to enhance trade activities through the Balkans in view of the ongoing Euro-Atlantic integration process.

Shalsi notes, "The port's current depth levels are not allowing the handling of high tonnage vessels, with the result that often loading procedures need to be performed on the road instead of on the quay, causing transport and operational costs to inevitably escalate." The DPA has therefore made it a priority to dredge the entrance channel up to 12.5 metres and the basin up to 11.5 metres, so as to enable it to receive vessels up to 30,000 DWT and containers of 1800-2000 TEU capacity.

The port's ferry terminal can handle up to 800,000 passengers and five ferries at a time, making tourism a priority area for Shalsi, "In view of the upcoming summer season, we are evaluating a variety of strategies to boost our tourism potential, including a review of our tariffs and price policy. We are aware that we need to offer visitors an exciting entertainment package with more activities and cultural tours, as Durrës has an important amphitheatre and other historical and archaeological venues that can draw significant numbers of visitors to Albania."



Your Trusted Partner in the Balkans

The port of Durrës, Albania's largest and busiest port, is located near the centre of the Adriatic Sea. It is on the eastern shore in the heart of Albania's principal industrial zone and is well connected to the country's main highway and railway transport links to the interior. Due to its favourable geographic location it has been an active port for over 2,600 years, serving as a principal gateway to southeast Europe via the Pan-European Transport Corridor, 8th corridor through the Balkans. The region represents a hinterland of approximately 40 million inhabitants and encompasses Albania, Kosovo, Macedonia, parts of Serbia, Bulgaria and Romania.

Autoriteti Portual Durrës
DURRES PORT AUTHORITY



www.apdurrës.com.al

BALFIN GROUP

A Balkan success story

The fall of communism in Albania marked the start of a new life chapter for Samir Mane. Vienna is where he relocated and discovered his vocation for business, founding Balkan Finance Investment Group (BALFIN) at the age of 26 and turning it, in the space of just two decades, into a thriving business empire with diversified interests in retail, real estate, mining, logistic services, financing and telecommunications. One of Europe's boldest and

most innovative self-made tycoons, Mane personifies Albanian entrepreneurship at its best.

"Finding the right business associates and earning their loyalty has been a vital ingredient of our success over the years," he highlights. His longstanding, in some cases symbiotic, partnerships with Albanian American Enterprise (AAEF), EBRD, Raiffeisen Bank, DEG, AlbStar, Samsung, LG and BEKO speak eloquently about BALFIN's standards and reputation.

Mane explains his strategy in a nutshell, "We believe in diversification, both geographically and business-wise. So far, our growth has largely been organic, though we do not disdain acquisitions whenever the right opportunity arises." This is a formula that has allowed the group to outgrow Albania's market capacity, and successfully expand into Kosovo, Macedonia, Montenegro, Greece and USA, as well as in Austria, Italy and Dubai.

Today its portfolio includes renowned brand names Alba Trade, Neptun, Neptun International, Mane TCI, AlbChrome, Fashion Group, ACREM, Food Way, Skopje City Mall, QTU, TEG, Tirana Logistic Park, Jumbo, Plus Communications, Faleminderit.al, FinAl, Elektro-Servis, Kidzone-Jumbo, and recently Carrefour. Altogether, the group employs over 3,000 staff.

Mane's pioneering and innovative drive find their full expression in some of his latest ventures such as Green Coast Resort. An integrated residential complex on Palasa beach, it features a variety of villas, apartments and a hotel, complemented by top-notch infrastructure facilities, gracefully surrounded by lush Mediterranean scrub and the crystal clear waters of the Ionian sea. Or Tirana Logistic Park (TLP), a \$50m, 200,000 sq m industrial complex offering storage, distribution, intra-logistics and customs services to both domestic and foreign firms, that is

quickly establishing itself as a regional hub, thanks to its strategic proximity to Tirana International Airport and Dürres Port. Finally there is AlbChrome, Europe's second ferrochrome producer and the feather in BALFIN's cap. The company, since 2013 under its full ownership, exports primarily to developed markets in Europe, Asia and America, and is currently engaged in the acquisition of new chrome ore reserves and in the overall upgrading of its assets in Bulqiza, Klos, Burrel and Elbasan.

Mane needs no more than one sentence to sum up his life-long business philosophy, "Our goal is to be the No1 in each activity we undertake." Reportedly, that is the case for 90% of BALFIN's investments today. The group targets to achieve over \$1bn in revenues by 2017, a figure that the serial entrepreneur claims is well within their reach. And looking at his track record, there is little reason to doubt it.



Youth Park, Tirana



Mountain range, Himara region



Green Coast Resort, Palasa Beach

TOURISM

Master key to a world of hidden treasures

One of the very last stretches of largely unexplored land in the Old Continent, Albania exerts a seductive, almost hypnotic lure on the visitor. Perhaps due to the genuinely friendly, at times disarmingly open, nature of its people - a rather unexplainable outcome of its long drawn-out period of isolation - or the aura of mystery surrounding it, as one of Europe's oldest and least understood civilisations, there is just something about Albania that is, at once, hard to grasp and hard to let go.

Ordered by Montenegro, Kosovo and Macedonia to the north, and Greece to the south, within a 2-4hr flight from Europe's major urban centres and a mere 70km away from Italy, this small Balkan nation of only 28,750 sq km packs a heap of attractions within its borders. With seven different mountain ranges, 247 natural lakes, 25 canyons, 360km of beautifully rugged coastline, four UNESCO World Heritage sites and much more, the country is not short of options when it comes to getting your hard-earned travelling money's worth. Albania is about savouring conveniently served geographic and cultural diversity, in the comfort of a cosy and hospitable setting. Its climate is also the envy of many, with around 2,500 hours of sunshine per year and temperatures above 20°C for almost a third of it. Not to mention its wide selection of fresh produce, and a cuisine that can conquer even the most demanding of palates.

Since the early 2000s, Albania's tourism sector has registered a steep growth in demand. According to the Albanian Institute of Statistics (INSTAT), in 2013 its contribution to national GDP amounted to approx. 4.8% and projections indicate that by 2024 the figure will escalate to more than 6%. The number of tourists also registered an impressive tenfold increase, jumping from around 300,000 in the early 2000s to almost 3.5m in 2013. In terms of employment creation, the WITC reports that the sector currently contributes to roughly 4.3% of Albania's total workforce, and it is expected to rise to 5.7%, or 61,000 jobs, over the next decade. Needless to say, tourism is seen by many as the master key that can unlock Albania's unexploited potential going forward. A series of obstacles, however, stand in the way of achieving such a goal. Insufficient and unsafe roads, malfunctioning public utilities, unregulated waste disposal, illegal construction and insecure land



property rights are only some of the hurdles that have stifled and constrained the development of a truly attractive tourism proposition for Albania, so far. Much work remains to be done.

The country is, among others, an oil producer, which poses an additional challenge when trying to pursue development in a sustainable manner. A concern that the Minister of Economic Development, Tourism, Trade and Entrepreneurship, Arben Ahmetaj, quickly dispels, "We are doing our best to strike a healthy balance between the needs to diversify our energy portfolio and to protect the environment." The recent addition of tourism to Ahmetaj's busy portfolio indicates the government's commitment to make it a pillar of its development strategy for the years to come.

Tourism can indeed become a significant draw of fresh FDI (Foreign Direct Investment) to the economy and Ahmetaj points out, "Large-scale investments of \$10m and over are protected under a 2010 amendment to the law which states that, in the event of a title dispute, foreign investors are substituted in the judiciary process by the Albanian state and any injunction order issued by the court shall be executed over state properties." British investors are thus informed, Albania's tourism is ripe and ready to be taken to the next level, and opportunities abound.

One organisation that is actively engaged in raising and keeping Britain's interest in Albania high, is the Albanian British Chamber of Commerce and Industry (ABCCI). Like many others, in the early 90s, its Chairman, Zenel Hoxha, left Albania (due to the hostile political situation at the time) with one key item on his wish list, "I chose the UK as the country that would allow me to improve myself, and London as the city offering the best conditions for this to happen." Together with some friends, in 1997 he decided to set up the ABCCI, which became a reality



"We are doing our best to strike a healthy balance between the needs to diversify our energy portfolio and to protect the environment"

ARBEN AHMETAJ
Minister of Economic Development, Tourism, Trade and Entrepreneurship



"We have over 300 members and represent the most reputable UK and Albanian firms in the market, across all sectors"

ZENEL HOXHA
Chairman of the Albanian British Chamber of Commerce and Industry



in 2002 in Albania and in 2004 in the UK, and today is active in both territories with the same organisational model. Hoxha proudly highlights, "Today we have over 300 members and represent the most reputable brands and firms in both markets, across all sectors." The ABCCI provides certifications in the English language on behalf of Cambridge University, and works closely with several colleges and educational institutions, as well as with a wide range of public and private sector stakeholders, to promote bilateral relations in several areas, including industry, trade, agriculture, tourism, energy and ICT.

ALBANIAN LANGUAGE

Echoes of ancient sounds and languages

When listening to, say, your local business partner, people sitting at busy cafés or impromptu markets on street corners speak, be aware of the precious heritage surrounding you. Intangible yet substance-filled, present day Albanian features scores of millennia-old words, tracing back to civilisations that are now confined to pavilions of antiquities. A priceless living vestige of the archaic past of the Mediterranean and beyond, as revealed by emergent literature on linguistics, it shares profound and profuse affinities with some of our planet's most ancient tongues, including Sanskrit, Persian, Hebrew, Akkadian, Hittite, Greek, Latin and the oldest branches of German.

Indeed, the many archeological artifacts and linguistic relics that bear witness to a glorious past for this corner of Europe, speak of a cultural and spiritual hub, and a "melting pot" of the mythological lore of remote ages. After all, notwithstanding disputes on the exact location, these territories hosted the prominent Dodona oracle, drawing visitors from all corners of the globe long before the Hellenic, Latin and eventually Slavic civilisations appeared and thrived in the broader region.

Similar to the handful of Albania's cultural and historical assets, both tangible and intangible, that have been awarded "UNESCO World Heritage" status - including the 6th century illuminated Gospel manuscript "Codex Purpureus Beratinus", the iso-polyphonic music performed by Labs and Tosks of Southern Albania, the citadel of Gjirokastra, the 2,400-year old town of Berat, and the ancient city of Butrint, inhabited since pre-historic times and described in Virgil's Aeneid as a "Troy in miniature" - the Albanian language represents yet another invaluable treasure that has been preserved for the world. A meaningful contribution to the European "puzzle" of cultures and languages, modern Albanian provides an interpretation key not only to long-standing linguistic enigmas, but also to the historiography of the ancient Mediterranean in its entirety.

Certainly, the country's uneven, often rugged geography has played a role in its preservation, providing a natural shield from the random ravages of rising and declining empires throughout the course of time. It is the remarkable resilience and vitality of the Albanian people though, that ultimately allowed the spoken language to be passed on to successive generations, turning it into an essential component of Albania's national sentiment and core identity. And most likely, these very qualities will guarantee its longevity for centuries to come.

Since the post-1990 democratic transition, Albania has gradually made its way out of Europe's "blind spot". Yet, the country's splendid heritage - the Albanian language being a prime asset - has yet to be fully cherished by visiting tourists and scholars alike. Taking stock of such amazing legacies will go a long way to ensure that Albania is no longer seen as a backward country in the backyard of Europe, but rather as a gem of immeasurable historical and cultural value for all.

WHERE QUALITY MEETS HOSPITALITY





TIRANA INTERNATIONAL

HOTEL & CONFERENCE CENTRE

TIRANA - ALBANIA

www.tiranainternational.com



TIRANA INTERNATIONAL HOTEL & CONFERENCE CENTRE

Albania's in-house ambassador

At 15 storeys and as one of Albania's longest established and most iconic luxury hospitality brands, Tirana International Hotel & Conference Centre dominates the capital's landmark area "par excellence", Skanderbeg Square, on the verge of Tirana's cultural, business and entertainment section. Ram Geci is the man with the passe-partout and runs it with an eye on the numbers and the other on giving patrons a reason to be back.

The affable and charming entrepreneur explains how it all began, "I had my start in the private sector in 1992, when pluralism and free entrepreneurship finally made their way into Albania. The market had been closed for so long, that there was a need for virtually everything so for the first couple of years I was engaged in trading all sorts of products, from foodstuffs to home appliances and electronics." He recalls the many challenges he had to face, as banks were not granting loans, but things went well and two years later he established Geci Group. "Initially, we were mainly engaged in home restructuring and renovations, then, as the economy grew, we gradually expanded to road and infrastructure works, water management systems and hydropower stations."

The acquisition of 100% of Tirana International Hotel & Conference Centre, in 2011, marks yet another milestone and a new professional adventure for Geci. He recalls that time with a smile imbued with pride and satisfaction, "Interacting on a regular basis with people from different latitudes and cultures can be a challenge, but a very fulfilling one nevertheless. Welcoming visitors with first-rate customer service remains our No1 priority: we are a 100% Albanian hotel and we want people to not only feel at home here but to also get a true taste of Albanian hospitality."

As the largest hotel and conference centre in the country, the structure features 170 rooms, a wide range of amenities and 14 conference spaces of different shapes and sizes which play host to meetings for a number of high-profile clients, including EU, Council of Europe and NATO.

Currently valued around \$45m, the property has recently undergone an extensive \$4.3m renovation and Geci notes, "This latest investment is enabling us to offer our guests top-level service and enhanced security, which, coupled with our flexible price policy, makes us particularly palatable to international

visitors," and he quickly adds, "We are mainly a business hotel but we also cater to large groups of tourists coming from every corner of the world." Geci's strategy seems to have paid off, judging from the bustling activity on a regular day in the lobby, at times resembling more a trading floor than a hotel.

Geci is upbeat about Albania's journey, "A lot of the people who have been coming to this hotel over the years, be they leisure travellers or businessmen, are surprised at how much this country has changed over the years. Unfortunately, when it comes to Albania good news does not travel as fast as less flattering news, but I assure you that the changes are palpable." He continues, "Albania has fought hard to make up for the time lost during communism and today it represents a role model of stability, security and democratic governance for the region. Foreign investors must be made aware that Albania has much untapped potential to offer, and that if they give it a chance they are likely to find what they are looking for, here."

Proud of his group's standing in the economic landscape, he remarks, "We are a reliable and fair partner that has grown steadily since the early 90s. This enables us to offer prospective partners the security and stability they need for a long lasting collaboration in Albania."

When asked what he has in store for the future, he replies confidently, "We are currently assessing how to expand our activities through new investments in the area of tourism, perhaps through a resort development."

All the indications point to the fact that he is setting the stage for yet another exciting project.

RAM GECI
Property Owner of Tirana International Hotel



EUROPEAN UNIVERSITY OF TIRANA (UET)

Anglo-Saxon at heart

Strategically placed in one of Tirana's liveliest spots, yet steps away from the placid waters of the Lana River, the 15,000 sq m campus of the European University of Tirana (UET) plays host to more than 190 academicians and around 4,000 active students out of 6,000 registered.

It was founded in 2006, at the peak of Albania's private education boom, thanks to the decision of four PhD students who wished to replicate the Anglo-Saxon education system in the country. Their initiative, at once bold and visionary, ended up shaping UET's core identity, and to this day, remains one of its most defining

traits. The university eclectic administrator and co-founder, Henri Çili, sums it up in a nutshell, "Here everything, from our management team to our academic pool, our teaching methods, our textbooks and the other educational materials in use, is either based on or permeated by the Anglo-Saxon model."

"A francophone by education yet anglophile at heart," as he likes to define himself, Çili considers English the "lingua franca of modern universities" - much like Latin was for 15 straight centuries. And as a proof of that, he observes, "During the 90s it was common for our elite society to send

their children to France or Italy for studying, while nowadays they are predominantly opting for UK or US institutes, instead."

He may have a valid point. According to the latest report by the Times Higher Education World University Rankings, most of the world's Top 100 universities are either British, American or follow the Anglo-Saxon model, regardless of their geographical location.

Next year UET will celebrate its 10th anniversary and - in parallel with the anticipated reform of the Albanian higher education system, also largely inspired by the English model - it plans to change its status from a for-profit to a non-profit organisation (NPO), a growing trend also in the UK.

The goal is to provide more personalized attention to each student, by shifting the focus on creating value and serving its scholars, instead of its shareholders.

UET enjoys strong collaborations with leading institutions from Southeast Europe and the EU in the framework of the Tempus, Jean Monnet and Erasmus+ programmes, and it plans to offer joint doctorates in partnership with Aston University in Birmingham, UK.

Other agreements worthy of mention are with the University of Marseille and the Panthéon-Assas University, France; the University of Bari, Italy; the University of Montenegro; the South East European University, Macedonia; Bar-Ilan University, Israel and the University of Santiago, Chile.

With over 90% of its graduates already employed in the private and public sector or who have transformed themselves into entrepreneurs, according to Çili, UET's contribution to the Albanian economy is one that can be neither overlooked nor underestimated.

"Here everything, from our management team to our academic pool, our teaching methods, our textbooks and the other educational materials in use, is either based on or permeated by the Anglo-Saxon model"

HENRI ÇILI
Co-Founder of UET



TRENDS

Actors of the turnaround

Albania has come a long way from the staggering 85% illiteracy rate of the immediate post-WW1 period, when the country counted only 14,000 students, as opposed to the 172,000 of today. Indeed, academic institutions were a rare commodity in the country up until 1944, when communist dictator Enver Hoxha rose to power and rendered primary education mandatory for everyone, through a law requiring all illiterate citizens aged 12-40 to attend classes in reading and writing.

While considerable progress was undeniably made at a basic level, with the virtual eradication of illiteracy by the late 80s, reportedly higher education was used largely as a tool for social and political advancement, rather than for personal and professional development.

"The first major thrust towards upgrading the sector did not take place until the early 90s", notes Deputy Minister of Education, Arbian Mazniku, "When a new higher education law was adopted, allowing private institutions to set up business and defining how they would operate, as opposed to state universities. Despite the good intentions however, somewhere along the way the government started loosening its control over the process, and a number of them turned into strictly commercially driven ventures, otherwise referred to as 'degree mills'. Inevitably, the quality standards of the entire industry deteriorated."

Minister of Education and Sports Lindita Nikolla further stresses the point, "Some of these universities were operating as pure profit oriented entities, not showing any concern nor taking any responsibility for training and educating the next generation. Consequently, as soon as this administration took office we decided to tackle the phenomenon and put a halt to it." One of the first measures Nikolla took was to run a full review of the 54 institutions forming the sector, in order to verify their level of compliance to the law. At the end of the process, 18 licenses were revoked and another 13 suspended with a one-year grace period, thereby allowing them to fulfil certain requirements before having a chance to qualify again for admission. The British Council and the Quality Assurance Agency (QAA) were charged with carrying out the necessary verification process for accreditation on the remaining 36 universities, and ensuring that the quality of higher education throughout the sector would meet EU standards. "By September-October of this year we should be able to assess what has been achieved through this coordinated action," comments Nikolla, and concludes, "The reform process we launched marks the start of a new era for the Albanian higher education system."

In reality, this is not the first time Albania retouched its higher education legislation. Since its admission to the Bologna Process, on September 18, 2003, and in compliance with its requirements, successive administrations have been tackling a number of key issues, including the introduction of the European Credit Transfer and Accumulation System (ECTS), the consolidation of the three-cycle system of studies, the financing methods and mechanisms of higher education, the setting up of performance based academic standards, the teaching loads and the criteria used to enrol students.

DONIANNA

Growing with style "step by step"

When it comes to pioneering an industry and building a success story from the ground up, Donianna's founder and CEO, Donika Mici, knows one or two things about that. "We started out in 2005 and today we are the only Albanian company operating in the international market with its own brand and, most importantly, with 100% "Made in Albania" footwear, from design to the finished product."

From her humble beginnings as a "façonista" (third-party producer), Mici soon realised she could have been successful striking out on her own. "Honestly, we did not expect to have such level of acceptance so early on", she highlights, "However this gave us the confidence we needed to enter highly competitive markets like Italy, France, Austria and Germany." The company has been active in the global marketplace for three years and feels it is now mature enough to penetrate the UK and US markets.

"We believe we have found the right formula: Donianna products today are synonym with captivating design and value for money," she concludes.

ALBANIA
FACTS & FIGURES

Official name: Republic of Albania
Political system: Parliamentary Republic
Prime Minister: Mr Edi Rama
President: Mr Bujar Nishani
Language: Albanian
Population: 2,821,977 (INSTAT)
Area: Land: 28,748 sq km; Water: 1,350 sq km
Time zone: GMT +1 hour
Currency: Albanian Lek (ALL)
Largest cities: Tirana (capital), Durrës, Elbasan, Vlorë and Shkodër
Length of coast: 360km
Ports: Durrës with a movement of goods for 2011: 3,526,114 tonnes and 853,748 passengers. Vlorë, Shengjin, Saranda, Porto Romano Port, Petrolifera Port (Vlorë)
Airport passenger quota: Riinas 1,665,331 passengers for 2012
Road network: 18,000km linking Albania with all neighbouring countries



According to Nikolla, the new law, effective since April 1, 2015 and largely inspired by the English model, will help align the country's universities to EU standards and at the same time improve their ability to access funding through the European Research Council (ERC), which Albania belongs to. It will boost the quality of teaching and scientific research, provide outstanding students with the opportunity to qualify for scholarships, increase



"The reform process we launched marks the start of a new era for the Albanian higher education system"

LINDITA NIKOLLA
Minister of Education and Sports

the autonomy of institutions, strengthen the auditing and control mechanisms, facilitate international relations and, overall, endow Albania with a stronger, more competitive tertiary education sector. And last but not least, it will lead to an optimisation of public resources though the encouragement of private financing.

Nikolla points out two further innovations introduced, "We are turning schools into community centres, thereby encouraging the participation of all stakeholders as citizens, and we also have a new curriculum with a focus on reducing gender disparity."

Needless to say, Albanian youths and their families are pinning high hopes on the success of this reform. As one of Europe's youngest countries, for Albania refounding its higher education sector means not only catering to the needs of a vast and vitally important segment of its society, but most importantly, handing the next generation the key to a more prosperous future.

For sure though, no one is looking at this new law with more interest, a mixture of concern and hope, than the country's universities themselves. Starting from the private ones, like The University of New York in Tirana (UNYT).

Established in 2002, it is Albania's first privately owned and run university and belongs to a group that owns campuses also in Athens, Thessaloniki and Prague.

It stemmed from Its founders' vision to "provide young Albanians with US-standard higher education at home and at a reasonable cost", and 13 years later it is ranked among the finest in the country.

A number of successful partnerships with renowned international institutions, such as the State University of New York/Empire State College, USA, the University of Greenwich, UK, the Institute of Political Sciences in Reims, France, and the Institut Universitaire Kurt Bösch, Switzerland, according to its management, give it an edge over its direct competitors, locally as well as in the broader region.

UNYT prides on being highly selective in its student recruitment process and on employing top-notch academic staff. Its Deputy Rector, Prof. Konstantinos Giakoumis, highlights, "We are the first English speaking university in the country and the majority of our teachers hold a PhD from either the UK or the US. That, coupled with the quality of our programmes, gives us the confidence that we are among the best of our league". According to Giakoumis, this value package provides UNYT graduates with a fast-track access to the labour market, as well as to the world's best universities, should they decide to continue their studies.

Talking about UNYT's prospects going forward, he is quite buoyant, "The fact that over the last 13 years we haven't lost any scholars to other institutions, and none of the 12,000 students who were left stranded following the shutting down of their university came to us," he notes, "shows that the market perceives us as a serious player and we are confident that it will continue to place its full trust in us."

Zip-file of European biodiversity

As one of Europe's most exciting yet largely undiscovered "biodiversity hotspots", Albania offers tourists the opportunity to appreciate a wide array of species and rarities in a conveniently packed geographical area. Indeed, when it comes to the environment, the country's asset menu is one to command full attention: with 1m hectares of forests and woodlands, it boasts 700 protected areas, 30% of the continent's flora and 42% of its mammals. Albania is also one of the world's top 15 exporters of medicinal and aromatic plants with over 3,250 different specimens, 27 of which are endemic.

With so much potential at hand, little has been done to capitalise on these natural assets. To the contrary, Albania records one of the highest rates of biodiversity loss in Europe. Land exploitation by construction companies and farmers, soil and subsoil erosion through deforestation and oil drilling, industrial pollution, not to mention unsustainable levels of hunting, fishing and grazing, are taking a heavy toll on its precious biodiversity. Many of its ecosystems are at risk, from river deltas, to lakes, coastal lagoons, woodlands and dunes.

Albania is located on an important bird migration route with coastal wetlands and lakes lending a providential shelter for the wintering of migratory species, including the globally endangered Dalmatian pelican. Furthermore, its 3 million-year old Ohrid lake, a UNESCO World Heritage protected site, is a true "museum of living fossils", featuring among others a rare trout species known locally as "Koran", whose closest relatives "survive" only as fossils in natural history museums, and harbouring 90% of snails that cannot be found anywhere else on earth.

One must wonder then, with so much going for it, how Albania got into such a situation? Certainly, its troubled post-1990 transition caused it to lag behind in standards and fall out of step with European initiatives and developments in this area. Furthermore, awareness from local communities, lack of sustainable platforms for public-private partnerships coupled with a lack of proper coordination and cooperation among key stakeholders (both at a domestic and regional level), have all played their parts in the loss of biodiversity.

Albania needs to convince local, regional and European actors to take stock of their shared duty, and to cultivate interest in preserving this unique "bank of species". It also needs to set in motion the required mechanisms for its safeguard and promotion.

With this goal in mind, AAA Consulting has developed a groundbreaking "Protect & Profit" approach to the pursuit of Albania's sustainable economic growth and employment generation, precisely through the focused preservation of its ecosystem. By effectively branding this new business niche as "biodiversity tourism", and enabling a synergic relationship between Albania's natural resources and its local know-how, the firm is convinced that this area of business will soon be perceived as profitable and finally get the attention it deserves.

Key to achieving this goal is the development of a customised portfolio of tourism services, including bird-watching, guided explorations of medicinal and rare endemic plants, research and academic tourism on "living fossils", as well as various other endangered flora and fauna species.

The world is at long last coming to terms with the wide-ranging tantalising beauties that Albania has to offer. Aside from its historical and cultural heritage, biodiversity is the latest sizzling entry in its rich tourism basket.

As Minister of Environment Lefter Koka effectively puts it, "The environment is our common shelter, it knows no borders nor political colours. It is therefore our shared duty to protect it, now and for generations to come."



DONIANNA
Made for Walking...

Rruga e Durrësit | Tirana | ALBANIA
Web: www.donianna.al | Email: info@donianna.al



**University of
New York Tirana**

In cooperation with State University of New York / Empire State College, USA
Educating Tomorrow's Leaders

www.unyt.edu.al

EAGLE LNG

The game changer

The sudden passing of founder Luigi Falcione in the late 70s propelled 24-year old Edmondo and his sibling Edoardo straight into the control room of their family construction business. Learning the ropes in such adverse conditions prepared the brothers and business partners for the challenges that lay ahead, when in the late 80s an economic crisis hit Italy, putting once again their entrepreneurial bravery through the test.

Seemingly ominous events can sometimes be a blessing in disguise. As it turned out, the thorny predicament gave them the courage to leap into the global stage, and two decades on, the group's geographic span has grown significantly larger. Starting from the construction business, the Falcione family gradually extended their activities to the energy sector. With a current turnover of around \$170m and a workforce of 55, Burns, the energy holding of Gruppo Falcione, today is one of the most important players in the Italian energy industry, with controlling interests in Phlogas, Compagnia Italiana del Gas, Molise Energia, Molise Gestioni and the Albania-based Trans European Energy.

In 1992 came the first job in Albania: to build the Tirana aqueduct. Edmondo Falcione, the current Group Chairman and CEO, recalls that day with noticeable satisfaction, "Back then Albania was quite backwards compared to what it is today, and we were the first Italian company to be awarded a public works contract." Things went well and led to other assignments in the country for road infrastructure projects.

Over the years, the focus gradually shifted from construction to energy and the scale of the projects expanded. In 2003, following a four-year negotiation with Sonatrach, the largest oil and gas company in Algeria and Africa, Falcione Group became the first private player in the world to sign a 19-year contract to deliver 500m cubic metres per annum via a pipeline from Algeria to Italy. "At the time we were selling about 30m cma per annum, so you can imagine what a change of pace that meant for us," notes Falcione. His experience as a challenge-taker once again came in handy.

Coming back to Albania, nowadays the energy group is 100% focused on its Eagle LNG project, a \$800m gas infrastructure project consisting of a 4-8bn cubic metres per annum (bcm/a) floating LNG import terminal (FSRU vessel) located off the Albanian Coast, integrated by a 10 bcm/a-110 km subsea gas pipeline that will connect Albania to Brindisi, Italy across the Adriatic. Up to 90% of the gas volumes will be directed to the Italian market, while Albania in the initial phase will receive up to 0.5-1.0 bcm/a for its own consumption, plausibly reaching around 2-3 bcm/a once the gas grids are completed.

"The project is highly strategic not just for Albania but for the entire Western Balkans, as more countries are lined up to join the EU and the region's 25m inhabitants currently have very limited access to gas," comments Falcione, and adds, "We foresee a significant boost in industrial production in the coming years and conversion to gas of old lignite power plants so we must be ready to supply the required volumes of gas." For Albania, being almost entirely dependent on hydropower for power generation, it means the project also becomes vital to the diversification of its energy supply. The EU Commission and Energy Community has in fact classified it as a "Project of Energy Community Interest (PECI)", recognition given to only 10 gas infrastructure projects bearing the "highest positive impact on the largest possible number of countries". This entitles Eagle LNG to receive financial support, as well as be subject to a special regulatory regime and accelerated permit processing. The LNG plant and pipeline are expected to be operational from 2018 and will require several hundred full time workers and technicians. The gas obtained from it will serve new turbogas power stations, in support of Albania's growing domestic and industrial demand. More specifically, the licence agreement gives the Albanian government the right to request up to 500m cm/yr of gas, to supply Vlorë's Thermo Power Plant, recently built gas fired power plants and industrial facilities in Elbasan's upcoming Industrial Park.



eagle lng

www.eagle-lng.com

@eagle_lng

FDI (Foreign Direct Investment)

Ready for mutual commitment

At the time Enver Hoxha's totalitarian rule was overturned, in 1991, Albania's international credibility had reached a historical low. It took nearly two decades of structural reforms and macro-prudential policies for the country to see its efforts recognised and start reversing the situation.

In mid-2008, it graduated from the International Development Association (IDA) - the World Bank's soft financing arm dealing with poor nations - to the International Bank for Reconstruction and Development (IBRD), which deals with upper-middle income economies. This means Albania can now get loans from international banks as opposed to relying mainly on hand-outs from funding bodies. A tangible sign of its hard-earned maturity.

To its credit, the country has emerged relatively unscathed from the worldwide financial turbulence of the past few years. In addition it weathered the storm better than the rest of Europe, preserving a stable financial system, a low external debt and sufficient foreign exchange reserve buffers. Most importantly FDI has kept coming in. During the period 2007-2013, the UN Conference on Trade and Development (UNCTAD) recorded cumulative FDI inflows in excess of \$6.6bn, nearly quadrupling the \$1.6bn of 2000-2006.

All this did not come about by chance, Albania's investment regime is indeed quite alluring. To begin with, it takes a mere four days and five procedures to establish a foreign-owned limited liability company. A timeframe that is well below the region and OECD-wide average. Furthermore, foreign investments are not subject to restrictions, need no prior government authorisation and may not be expropriated or nationalised, except in special cases. Finally, both full transfer of capital and full repatriation of profits and dividends are allowed, as well as 100% ownership of a local company, excluding the transportation and the media sectors; the former being limited to a maximum share of 49% for both local and international air transportation (though these equity ceilings apply only to investors from countries outside the Common European Aviation Zone) and the latter to no more than a 40% stake in a television company.

For the past year or so, the government has been fine-tuning a strategic investment law designed to provide investors with a quicker response to their needs, regarding permits, authorisations, documentation and any administrative procedures they are required to go through. The Minister of Economic Development, Arben Ahmetaj, outlines a couple of important innovations, "We have split investors into two categories: special investors and assisted investors. They are both subject to the same regime, be they domestic or foreign investors, though those investing more than \$5.5m will get the status of 'special investors' and obtain fast-track treatment, while the others will have to go through the regular procedure. Additionally, for investments above \$55m, we are discussing the possibility to turn their contract into law in Parliament, in order to grant them maximum legal security. Of course, they will still go through regular tendering and procurement processes like any other investor would."

Albania has yet more to offer. In terms of natural resources, it is one of the wealthiest nations per square kilometre in the world, although hydropower has been its only source of electricity so far, hence the need to diversify and beef up its energy portfolio. Minister of Energy and Industry, Damian Gjiknuri, sums it up in a sentence, "Albania is blessed with energy resources. It is now time to put them into use, in order to unleash our full potential and start attracting higher volumes of FDI."

Ever since taking office, Gjiknuri has been grappling with a bundle of challenges, including chronic resource mismanagement - amounting to roughly \$150m a year in losses - an out-dated and largely inadequate tariff structure and widespread electricity theft, a nationwide phenomenon he intends to stop once and for all. As a measure of his commitment, over the next five years around \$450m will be invested in the power sector alone.

Along with energy, Gjiknuri is also in charge of industry, a sector that has maintained a GDP share of approx. 14%, fuelled by strong demand for construction-related materials and chemicals, as well as textile and shoe products, where Albania retains a leading position worldwide. Today over 1,000 foreign companies - mostly from Italy, Greece, Germany, Turkey, the US and Great Britain - are operating in Albania and benefitting from its comparatively good fiscal terms, such as a corporate tax at only 15%, 20% VAT, a minimum wage of around \$180 per month and an abundance of skilled workers in a variety of industries. With leading UK brands such as Vodafone, British Airways, British Petroleum, GlaxoSmithKline and Lalzit Bay (amongst others), already having a stronghold in the market, the conditions look ripe again for more UK companies to place their lucky bet on Albania.



Certainly, the government's pro-business and pro-investment attitude is a relevant consideration when weighing up the nation's benefits and opportunities. "Albania is a partner that is eager to cooperate and has an open-door policy towards foreign investors," remarks emphatically the Albanian Ambassador to the UK, Mal Berisha, and concludes, "Here they can easily access the highest level institutions, up to the Prime Minister." If his words hold some truth, in the case of Albania short-term risks may very well be outweighed by long-term rewards.

"Albania is blessed with energy resources. It is now time to put them into use, in order to unleash our full potential and start attracting higher volumes of FDI"

DAMIAN GJIKNURI
Minister of Energy and Industry



HYGEIA HOSPITAL

Investing in medical tourism

Established in Athens in the 70s as a joint venture between American investors and US-trained Greek doctors, and named after ancient Greece's Goddess of Health, Hygeia Group prides itself as being one of the region's most recognisable high-end healthcare brands. "Everywhere we operate, mention our name to a taxi driver and he will get you to your destination," Stavros Krasadakis, CEO of Hygeia Tirana, states confidently.

Entering the Albanian market was a natural choice for the group. "With nearly 1.3m Albanians living in Greece at the time, most of whom well acquainted with our brand, the demand for our services was already here," he explains, and proceeds to highlight some of the key differentiating traits of Hygeia Tirana, "We are the largest private investment in Albania's medical sector, at around \$70m, and the only private hospital in Tirana featuring a scientific committee. This means that, while functioning as a business, we understand science must be given the utmost importance in order to keep high quality standards. Hygeia is an environment where teamwork is the name of the game.

"Another key pillar of ours is the strict adherence to protocols. Designing a modern and efficient hospital is a complex task that requires a high level of commitment and responsibility, as in the field of medicine breaches of protocol can have devastating consequences. This is a 24/7 business and if you do not follow strict procedures you potentially allow your staff to do whatever they please, and that is a risk that no one in this industry should take."

Krasadakis praises the current Health Minister for conveying to the Albanian medical community that non-stop training is a must and hospitals should pursue quality through proper certifications. This is a path Hygeia has already embarked on, as he remarks, "We decided to be certified by TEMOS as a medical tourism destination and we are the first hospital of our group offering certified in vitro fertilisation services. Looking at the wider region, Italy becomes a natural target for IVF services and being less than two hours away places us in the ideal position to cater to that market as well."



"Our goal is to become a centre of excellence for international travellers seeking high quality medical services at competitive rates in comparison with their country of origin or other destinations in the region"

STAVROS KRASADAKIS
CEO of Hygeia Hospital Tirana

AMERICAN HOSPITAL

Results build confidence

The first private hospital to get licensed in Albania, American Hospital began operating at the end of 2005. Dr Klodjan Allajbeu, the company's CEO, notes, "We started with cardiac surgery, a service at that time almost non-existent in the country, with a modest investment of 30 beds, two operating theatres and a small staff of around 50 employees. Today we feature over 1,000 staff, a 280-bed capacity, two major hospitals in Tirana and two diagnostic centres, one in Fier and one in Durrës, plus a hospital in Kosovo and a second one coming up soon. We are also keeping an eye open on new opportunities, including acquisitions, with a view to further expanding into Macedonia and Montenegro."

Reportedly, a decade ago large numbers of Albanians used to travel abroad, mostly for cardiovascular-related treatments, representing a cash outflow of nearly \$80m. Allajbeu points out, "By introducing open heart surgery, we helped stop the cash outflow and re-injected it into our economy. We brought in international doctors with high-level expertise, which immediately increased the industry standards, giving us an early edge over our competitors."

He praises the government in power at the time for lending them the needed support, "They gave us an old and disused military hospital, which we reconstructed, and once we gained the population's acceptance, we began expanding. Six months later we opened our general surgery centre and performed the first kidney transplant in the country, with an international team of US, Austrian and Turkish doctors. Today we carry out around 100 kidney transplants a year and the good news is, they are no longer performed only by international specialists but by our domestic doctors as well, all internally-trained. We are also bringing advanced neurosurgery to Albania, by investing in a neuro-navigator and in whatever other equipment is needed."

Since 2006, the hospital has offered dialysis treatment - a key necessity as Allajbeu elucidates, "In the past Albania used to treat around 60 to 70 patients a year for this condition, out of a population of 3m, while the rest were going abroad." He concludes, "Our initiative prompted the government to take a step forward and subsidise this service, thereby triggering new developments in the sector. As a result, today nearly 800 patients each year can avail of this therapy right here in the country."

American Hospital has so far treated around 300,000 single patients, representing roughly 10% of Albania's population.



Publishers:
Gabriele Villa & Sorcha Hellyer
Writer: Michele Grimaldi
Copy Editor: Penelope Hellyer
Editorial Contribution: Albjon Bogdani

info@imagediplomacy.com

Special thanks to:
Mal Berisha, Ambassador of Albania to the UK



"Couples facing the most important decision of their lives must know that, at Hygeia, they are in safe hands: our 60% plus success rate is a sign that things here are done right," Krasadakis highlights.

He cites oncology as another area of strength, "We are the only hospital in Albania featuring two Linear Accelerators and PET-CT, a notoriously very expensive device available only at top oncology centres worldwide."

This year Hygeia will open the first centre for bone marrow transplantation, "Another procedure," Krasadakis explains, "that previously required patients to travel abroad and face accommodation and treatment expenses that could easily exceed \$100,000."

A further area worthy of mention is emergency, a service normally considered the responsibility of public hospitals. "For an organisation like Hygeia, offering emergency care means giving our people the comfort of knowing that we have a structure where every second counts. As a measure of our commitment, we have 11 emergency doctors from different specialities on shift 24hrs a day."

Krasadakis sees this as an aspect of vital importance within Albania's tourism package, "For visitors, knowing that while vacationing here they can rely on prompt emergency services if needed, even by helicopter, adds an important sense of security to their stay," and he concludes, "We believe that our strong emphasis on emergency care will help the government to effectively brand tourism in Albania, as without the adequate medical infrastructure tourism is a crippled industry."

Indeed, having scientists who are committed to excellence, meticulous procedures and advanced technology provides the country with an important competitive advantage vis-a-vis other travelling options in the region and beyond. Furthermore, the hospital prides itself on its multinational character and multicultural environment, featuring doctors from Greece, Turkey, Italy and Germany among others.

Currently, Hygeia's focus is on oncology, bone marrow transplantation, IVF and cardiology. The hospital is open to cross-the-board collaborations with reputable medical and research centres from the UK and Krasadakis notes, "We aim to incorporate a university into the hospital, in order to combine theory with real time training, and we believe an international partnership is the way to go. Our goal is to become a centre of excellence for international travellers seeking high quality medical services at competitive rates in comparison with their country of origin or other destinations in the region."

Besides its hospitable people, exquisite cuisine and breathtaking landscapes, Albania has yet another hot item on offer for its citizens and discerning tourists alike: affordable first-rate healthcare services.





American Hospital

Embrace life!

www.spitaliamerikan.com



AMERICAN HOSPITAL

Rr. Lord BAJRON, pranë S.U.T.
Laprake, Tirana, Albania
Tel.: 0355 4 235 75 35
www.facebook.com/spitaliamerikan