

# PM COMMUNICATIONS REPORTING

The eagle takes off

# Albania

Albania has made major progress in its efforts to shed its cold, isolated, communist past and accept a modern globalised economy. Over the past 17 years the Balkan state has implemented major reforms and fought for a role on the world stage by serving as a strategic ally to the UK and the United States. Remarkably, Albanians are very close to achieving some of their ambitious goals: a fluid, free market economy, membership in the European Union and admission into NATO. In late October, US President George W. Bush signed NATO admission protocol for Albania, calling it a "historic step for the Balkans"; EU membership is nearly within grasp, and the recent privatisation of state-owned companies opens Albania's once tightly controlled industries to foreign investors.



The US ratification of the country's protocols of accession was a most significant moment in the process among all 26 NATO member-countries, which is expected to be completed by the next summit of the alliance in spring 2009.

**President Bamir Topi has been a key ally to British and American leaders. Albania is expected to gain admission into NATO in 2009 for its support of coalition forces**

Albanian leaders are due their share of credit for their country's surge towards modernisation. President Bamir Topi has pushed for Albanian involvement in the war on terrorism, seeking to gain key ally support from UK and American officials. Prime Minister Sali Berisha

has campaigned hard for lowered taxes, increased foreign investment and reductions in corruption and crime. The efforts of both officials have not gone unnoticed. The World Bank and the European Bank for Reconstruction and Development (EBRD) have recognised Mr Berisha's desire for change by stepping up funding. The most recent EBRD report awarded Albania full marks for large- and small-scale privatisation, trade systems and price liberalisation.

The funding has gone directly

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# Albanian leaders push for EU admission

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towards improving the nation's outdated infrastructures and making the required modifications for EU admission. Changes in fiscal policy soon followed. The current administration cut back taxes in an effort to increase foreign investment. "We have launched a tax revolution. Income tax was reduced by 10 per cent and in January the corporate tax decreased by 10 per cent," Prime Minister Berisha states. "Personally, I believe in low taxes, and I want Albania to be the European country with the lowest fiscal burden." The new tax measures took effect last July and have produced encouraging results. "Since we came into power, FDI has tripled in Albania," Mr Berisha remarks.

A wave of new foreign investors is snapping up ailing state-owned Albanian companies, which received little or no funding under communism, and bringing them up to a modern industrial economy's standards, accelerating the country's economic development and EU admission process at the same time. Perhaps the most contentious area for Albanians and foreign investors at the moment



Albania has been striving to meet the criteria for EU accession and is expected to join NATO in 2009

is the energy sector. Hydroelectric stations account for nearly all the power facilities in Albania and severe droughts have left the country with little electricity, forcing it to import supplies from neighbouring countries. The government is currently privatising its state-owned energy company that oversees the plants and seeking the right foreign investor to col-

laborate in the construction of new thermal power plants.

Officials are cognizant that to move forward as a country they need to encourage privatisation of state-owned entities and let foreign operators enter the Albanian market. "Our constitution law supports foreign investors and our labour market is cheap and abundant in human resources," the Prime Minister remarks. Albania's predominantly young population has been noted for exceptional labour skills.

To entice foreign companies to set up operations in Albania and take advantage of the skilled workforce, the Albanian government has developed a new project called 'Albania 1 Euro'. The intriguing project offers Albanian companies, land, buildings and labour for the price of one euro. The Prime Minister explains: "The initiative allows foreign investors to acquire land in Albania for one euro in order to use it for industrial, agriculture and tourism purposes. Also a foreign investor is able to hire qualified workers for

one euro a month or use water resources and mine exploration as well. There are already several companies that have shown interest, for example, in the purchase of an old thermo power plant for one euro."

While some investors might not be interested in owning an obsolete power station, Albania does hold tremendous potential for development as a holiday destination. A ferry ride from Italy and Corfu, Albania contains equally impressive beaches with very few tourists. British Airways has three weekly flights from London to Albania's capital city, Tirana.

Favourable tax rates and cheap labour all play a part in the Prime Minister's plans to widen trade and relations with the UK, which he says is revered by Albanians. "The United Kingdom is fully supporting Albania's European Union aspirations," says Mr Berisha. "Tony Blair is a national hero in Albania. Every Albanian is very grateful to Mr Blair, despite the fact that he has now left politics."



**Sali Berisha**  
Prime Minister

Not only has Albania's National Air Traffic Agency (Nata) succeeded in reaching international standards in terms of security, technology and the training of its staff, it is an Albanian flagship agency which plays an important role in the qualitative development of the country and its consolidation with the region, allowing Albania to gain well deserved wider international recognition. Here at Nata not only are we fully integrated into Europe, but we are more than prepared for the even bigger challenges that lie ahead.

## An eye in the sky

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Mother Teresa Airport, PO 8172 Rinas - Tirana  
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The Port of Durres has a history spanning three millennia and is an important gateway linking the Adriatic and Mediterranean Seas

## Paving the road to European Union admission

Albanian airports, seaports and highways are gearing up for a rise in tourists and business travelers

Opening Albania to foreign trade on all fronts, is at the top of the government's priorities. Major plans are underway to improve key infrastructures, including highways, airports, and seaports. Officials hope improved infrastructures will facilitate the transport of precious resources, such as chrome, petrol and tourists.

The trick to ensuring that tourists reach their beaches and miners their mountains will be strategic development and improvements in three transport sub-sectors. Topping the list is air transport. The Albanian government poured a significant amount of money into a massive extension of Albania's Mother Teresa airport in anticipation of increased tourism and business. The new terminals will support direct flights from across Europe. According to Arben Xhiku, General Director of the National Agency of Air Traffic, known by its Albanian acronym ANTA, the government expects significant growth: "In 2020, our activity will be tripled and we must be prepared in all aspects."

To aid them in their quest to expand Albania's air traffic, officials are looking to one of the most experienced groups in dealing with high volumes of air traffic: the British version of ANTA, known as NATS. "The objective of ANTA is to progress to the same level as NATS," Mr Xhiku remarked. They have also contracted an American

group, Lockheed Martin, to upgrade existing air traffic control equipment. "The project allows ANTA to be integrated with productions coming from the US, but also to converge with European knowledge as well."

The process of getting to the airport should improve as well. Albanian roads are among the least maintained in Europe. The Ministry of Public Works is working hard to deal with the issue. Officials claim that within the next couple years motorists can look forward to 2,400 new miles of freshly laid motorways.

**'We are negotiating with the World Bank for a 3,700-mile project for the construction of rural roads'**

The expansion projects are aimed at opening isolated areas, particularly rural villages, to the rest of the country and surrounding states. "The project is going to initiate the motorway from Fier to Vloera, connecting Tirana with another main city in Albania," explains Minister of Public Works, Transport and Telecommunications and former Minister of the Interior Sokol Olldashi.

Mr Olldashi and his colleagues are working with the World Bank to secure further financing for road construction. "We are negotiating with the World Bank and the talks are at a good stage for a 3,700-mile project for the construction of rural roads."

The last major change, and the one receiving the most press of late, will be the new Port of Durres. The port is located to the West of Albania's capital and has been a

strategic location for centuries. "The port has a 2,900-year-old history and has been described as an extremely important gateway, linking the Adriatic Sea with the Mediterranean Sea," relates Eduard Ndreu, Director of the Port Authority.

Funding conferred from the European Investment Bank provided £22.1 million for the construction of a new ferry terminal. The improvements have increased passenger numbers. "This year we expect a growth of 10 per cent, although the port's capability is much higher," Mr Ndreu says. The increase in passenger traffic, however, pales in comparison to the increase in material and exports.

In 2007, exports were up 85 per cent and cargo containers up 56 per cent.

Plans are underway to deepen the port and to introduce new terminals for the processing of minerals, cement and wheat. The increase in infrastructure coincides with plans to increase access to the port from various locations. Minister Olldashi points out, "The main project we have at the moment is the road that links the Port of Durres with Kosovo, via Kukes. It is a huge project for Albania because it will not only connect Albania and Kosovo, but will also enhance connections further south, reaching Serbia and other countries in southeastern Europe."



## Energy sector warms up to new thermal plants

The privatisation of the state-owned energy company has foreign investors buzzing



**GENC RULI**  
Minister of Economy and Energy

Energy is a major concern and an area of contention for Albanians. Lack of options, corroded infrastructure, and bad luck with mother nature over the last 15 years have led to rationing and reliance on imports. Electricity remains the main worry, as it is scarce and is the only prominent form of energy. Droughts have consistently plagued hydroelectric power production, forcing officials to limit electricity to three hours a day in major cities.

The Minister of Economy and Energy, Genc Ruli, is leading a campaign to revamp existing infrastructure and to light up the greater Albanian electric grid with fresh direct foreign investment. "Only five years ago, with some international support from financial institutions, some basic improvements were made in the energy sector," Mr Genc Ruli said. "In order to overcome the critical situation of the current system, Albania will need a tremendous in-

### ARMO looks to private sector

The privatisation of the state-owned refinery ARMO (Albanian Refining and Marketing of Oil) is likely to be formalised some time this year. The change of ownership will improve refining efficiency and reduce the plants' environmental impact.

ARMO is divided between two refinery plants, one in Ballsh and the other in Fier, and is responsible for 25 per

cent of the Albanian market for oil and gasoline. More importantly,

the organisation oversees all the production of bitumen, a key ingredient in getting Albanian roads up to date.

The two refineries are equipped with Chinese technology, and together they have the ability to process 1.5 million tonnes of oil per year. The Ballsh plant presently operates at 30 per cent of its refining capacity due to lack of crude oil.

Halim Dariu, General Director of ARMO, says that cleaning up the refining process

in Albania was requisite for the purchaser and would help Albania's leverage for European Union admission. "We believe that the final solution to environmental issues will be made possible through the private sector, by the company that will qualify to purchase the State's shares."

Funding to help ARMO reduce its environmental foot-

print comes directly from the European Union. The two major

concerns are water purification and gas emissions. Mr Dariu points out, "The biggest challenge for Albania is to keep pace with European standards. The Albanian people look forward to joining the European Union."

Offers to purchase the state-run company have come in from around the globe. Strong profits in the last couple of years and adjustments in leadership have sparked interest among international investors.



A Tacı Oil petrol station sparkles. The company has led the way for the private

vestment, something in the range of 1.5 to 2 billion euros."

Albania has relied heavily on its own hydroelectric production to power the country. The introduction of democracy and a market-based economy in the 1990s coincided, unfortunately, with the beginning of a series of droughts and an increased domestic demand that would force the once self-sufficient country to ration, and even import from neighbouring countries, key supplies of electricity.

Despite access to an open-market economy for the last 17 years, little has been done to diversify the production of electricity. Officials hoped that by restructuring KESH, the state electric utility, for eventual privatisation, they would increase energy output and efficiency.

There have been minimal improvements as a result, but hardly enough to support the entire country. Hydroelectric power stations continue to dominate as energy sources, accounting for nearly 99 per cent of all electricity generated in the country. According to the World Bank, Albania has to import 42 per cent of its electricity.

"Albania is in need of thermal facilities, with the capability of at least responding to the current crisis and also in order to balance the energy supply," Mr Ruli remarks. At least one power station is under construction. An oil-powered thermal power plant is presently being built in the Vlore region thanks to funding from the World Bank, European Bank, European Investment Bank and KESH.

### Albpetrol widens search for oil in the Adriatic Sea

ARMO handles the majority of the refining of Albanian oil, leaving Albpetrol, also a state-owned company, to manage the upstream procedures, principally exploration and production. Similar to the changes in store for ARMO, the Albanian government is looking to privatise Albpetrol to provide more funding and resources for exploration of potential Albanian oil reserves.

Proven oil reserves in 2006 were estimated at nearly 200 million barrels. However, officials believe the Adriatic Sea holds far more oil and

have committed to drilling 2,000 exploration wells. "There are several studies being conducted in cooperation with other foreign companies and institutions, especially the studies of offshore explorations," explains Ylli Gjoni, Albpetrol's General Director.

Collaboration with foreign companies has proven essential to getting oil production flowing in Albania. Thanks to an agreement with Saxon International Energy, a Canadian company, Albpetrol has been able to double production in less than four years.

Albpetrol considers foreign involvement in the production highly beneficial to all parties involved. "The aim of our country remains



sector in the Albanian oil market

Albania is self-sufficient in natural gas, but at current consumption rates, its self-sufficiency will last only 29 more years, leaving officials another quandary. They are presently looking into the feasibility of joining the Southeast European gas grid to supply their new thermal power stations.

**Oil is a key ingredient for new thermal power stations that will generate much-needed electricity**



cooperation with Western nations. The strategy of the company is to establish relations with those companies that can implement advanced technology, which will no doubt increase the rates of oil and gas production, especially for the treatment of refinery oil."

Improvements in the Albanian economy and increased remittances from Albanians abroad have allowed more people to purchase cars, increasing the demand for petrol. Presently, Albania has to import three-quarters of its oil to keep up with consumption demands.

As new, oil-powered thermal power stations go up to combat the electricity crisis, the necessi-

## TACI OIL strengthens foreign partnerships with solid returns

Overseeing the complex oil trade in Albania and leading the private sector is Taci Oil. Established in 2001 with Albanian capital, the private enterprise owned by Rezart Taci, plays a major role in the oil sector and in the future of Albania.

While working for an investment company that traded derivatives in Italy, Mr Taci came into contact with financial products related to oil for the first time. The idea to start an oil company followed shortly after. Using contacts he had made in the financial world, he raised the necessary capital and launched Taci Oil.

The company serves as a wholesaler for oil commodities, importing foreign oil products and selling them on the Albanian market, and selling Albanian oil to neighbouring countries.

In its few years of operation, Taci Oil has secured a firm place in the domestic market. "In product sales, we cover around 35 per cent of the total market share, and we are currently the

company with the most petrol stations in Albania," Mr Taci remarks.

One of the most important contributors to the company's rapid dominance of the market is the funding and confidence of foreign players. "Our company collaborates with a French Bank and Lloyds of London. They have been a great help in the various forms of purchase we are interested in," Mr Taci notes.

The products Taci deals in are primarily gas, oil, diesel and premium gasoline, many of them derived from companies such as Trafigura, Faloil and BP, with operations in the United Kingdom.

Taci helps export Albanian oil to neighbouring Macedonia and Kosovo. "The Albanian oil products we exchange on the international market are from the only refinery existing here in Albania, known as ARMO."

**'We cover 35 per cent of the market share and are currently the company that has the most petrol stations in Albania'**



REZART TACI CEO of Taci Oil

Selling mostly foreign oil through its 88 petrol stations, the company has generated solid profits and has plans to expand to 200 stations in the next few years. To achieve its goals, the company has started construction of a 17-million litre storage deposit in Shengjin and another 80-million litre facility in Porto Romano. Taci plans to expand its stations into Kosovo, Macedonia and Montenegro in the near future.




Ranked 1st among petrol products wholesale dealers in Albania, Taci Oil International continues to steadily increase market share.

As a leading importer and retailer of oil and its sub-products, Taci Oil already covers 35% of the domestic market through wholesale and 80 petrol stations strategically located around the country. The company's excellent management and planning will ensure its success in the future.

Business excellence

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## Industries focus on specialisation

Industries are retooling outdated machinery for competition in the world market

An unshaven construction worker walks carefully across a brick wall in his sturdy rubber-soled boots. He pauses for a moment and surveys the Adriatic seascape. In a crescent-shaped bay below, he sees tiny silhouettes floating and splashing in green seawater. He checks his watch and resumes work.

This prosaic image combines the most prospective elements in Albania's emerging industries: rubber

shoes, cement bricks and hot beaches. Improvements in the economy and new reforms have helped Albanians revive manufacturing, construction and tourism. Nevertheless, the three industries are in need of new technologies, better infrastructure and more investment.

The communist, isolationist economic policies that dominated the latter half of the 20<sup>th</sup> century in Al-

bania encouraged self-sufficiency in its industries. Unfortunately, those same policies built a major barrier between Albania and the rest of the rapidly developing world. Today nearly all of Albania's infrastructure and industries are severely outdated.

The World Bank is helping to revive the Albanian economy, and consequently many of its industries, by offering generous funding. The money will go to improvements in infrastructure, in particular to roads and power, which will have a direct effect in helping larger industries get back on their feet.

Many of the big industries that flourished during socialist rule came to a screeching halt after the transition from communism to capitalism and the financial crisis of 1997. The mining industry thrived during the second part of the twentieth century but today has fizzled to a mere fraction of what it once was. Albania contains vast reserves of precious natural resources: nickel, chrome, copper, bauxite and iron ore but little infrastructure and funding to facilitate their extraction.

Helping create a stable, investor friendly climate to combat the trade disparity is at the top of the government's agenda. "We now collect around 10 to 15 per cent, more than we did three years ago," Minister of Finance Ridvan Bode states. Tax revenue collected by the government is important in helping support the funding granted by the World Bank to develop infrastructure. "I believe exports are increasing very quickly not because the pyramid of goods is increasing but thanks to improved tax administration."



The World Bank has been supporting the Albanian economy, which is based on manufacturing, construction and tourism

Two industries where Albanians have seen significant resistance and growth are textiles and tourism. Albania is the second-largest exporter, behind Italy, of shoes and shoe components in Europe. Its young, highly skilled labour force helps shoe manufacturers stay competitive on the European market.

East of the heel of Italy and bordering Greece, it should come as no surprise to learn that Albania's lengthy coast offers a similar climate to those of its neighbours but far less trampled beaches and destinations. The tourism sector has grown significantly in the past few years but has by no means reached its full potential.

Efforts to modernise the country for EU admission have brought about some improvements. Independent regulatory bodies are helping quantify Albania's progress. Elisabeta Gjoni, Chairperson of the Albanian Financial Supervisory Authority, states, "From the government's point of view, we need to create a business-friendly environ-

### Aurora profits from rise in construction

A thriving construction sector continues to fuel profits for the Aurora Group. Established in 1996, the construction services company secured a niche market – gypsum-based products – and quickly became the market leader in Albania.

"The reason why Albanian construction has seen such rapid development is due mainly to the population movements after 1992, after the collapse of the communist regime," the Group's President, Rakip Suli, declares. "Also, Albanian emigrants who have gone abroad always want to have a house in Albania."

The group's success in over a decade of operation can be at-

tributed to its large network of foreign partners and affiliates. Securing an exclusive agreement with United States Gypsum, the Aurora Group supplies materials for Albania, Kosovo and Macedonia. "We collaborate with several European companies as well, the Greek enterprise Metaxofis and the British company Arid Drips."

Between its 18 foreign partners the group occupies 60 per cent of the market share in Albania. "To sum it up," Mr Suli concludes, "the Aurora Group is the leader in the Albanian market for interior decoration and exterior facades."

Based on large-scale domestic success, Mr Suli is working with the Albanian government to help expand operations. "We hope to obtain a permit for getting duty free warehouses to facilitate our extension into Kosovo and Macedonia."

Albania's finest products are shoes, construction materials and unspoiled beaches





ment for domestic business as well as foreign." The signing of the Stabilisation and Association Agreement between the European Union official and the Albanian government provides framework to help Albanian officials reach EU standards and markets in a variety of different sectors.

"Albania has very quickly reduced its trade tariffs with the EU. Within two months it has affected 40 ex-

isting tariffs. This will help revive business, increase imports, and start a positive trend for market labour," says Gjoke Uldedaj, Chairman of the Chamber of Commerce and Industry.

Should Albania be admitted to the EU, it will improve opportunities in underdeveloped industries. The Albanian government is helping aid the private sector's development. Minister of Finance Ridvan

Bode explains: "On one side, we have lowered the fiscal and administrative burden and on the other side, we have established penalties to halt the spread of the informal economy." To help attract FDI, Mr Bode says that the government has drafted a number of fiscal policies targeting the decrease of the fiscal burden. "Starting from 1 July, we will promote a 10 per cent corporate tax."

## Quality supercedes quantity in high-growth sector

The leader of one of Albania's largest pharmaceutical distributors believes that a portion of Albania's public health system should be privatised. Genci Guga, the current Executive Director of Albtrade Pharma, has ample experience working in the private healthcare sector and would like to increase its range in Albania.

The current preparations for Albania's admission in to the European Union will improve the quality of public healthcare, but Mr Guga does not think it will be enough. "The government, in order to save money, is focused on generic medicines. We are completely the opposite because we focus on patents."

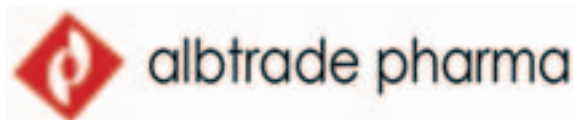
Operating in the private sector, Albtrade has achieved considerable success by concentrating on small-

er markets. The original company, started in 1996 by Enver Guga, originally focused its operations on the distribution of syringes. The Guga strategy paid off and the company branched out into other products and has become a market leader.

"In Albania with the introduction of capitalism, the first rule Albanians learned was to decrease the price. We, as a company, have done it a completely different way – we are directed to the quality of services," states Mr Guga. "We work on totally different principles, not at the expense of quality."

The employees of Albtrade want to translate their commitment to quality services and products into a new, ambitious project. "With the collaboration of some other entrepreneurs, Albtrade Pharma is aiming to build a private hospital."

To orchestrate such a project, the group is collaborating with the government. Mr Guga believes that the present Minister of Health will approve the project. "We are hoping he is going to do something that other ministers were reluctant to do."



## SIGAL: the leading insurance company in Albania

Founded in 1999 after the liberalisation of the Albanian insurance market, SIGAL Insurance Company quickly established itself as not only national leader in the sector, where it commands a 30 per cent market share, but a regional heavyweight as well with a significant portfolio in both Macedonia and Kosovo.

The Group includes SIGAL Non Life, SIGAL Life, SIGAL Kosovo and SIGAL Macedonia. With equity of over 8 million euros, SIGAL is a financially solid company that has attracted the interest of a number of investors, who now own 14 per cent of company shares.

This year, SIGAL joined forces with Austria's UNIQA Group as part of its strategic expansion into southern Europe. The know-how and international experience that the partnership will bring to SIGAL will further enhance the company's product development, while SIGAL's extensive knowledge of the local market ensures the joint venture's future success.



**AVNI PONARI**  
General Director of SIGAL

## Agriculture ripe for investment

Lack of resources and infrastructure have prevented agriculture from taking off

Albanian agriculture, like many other industries, holds tremendous potential but is largely underdeveloped, lacking resources and investment. The transition from large-scale, collective farms during the communist era to small-scale private ownership in 1991 raised issues about property rights and forced farmers to radically adjust the way they earned a living. A wave of droughts further complicated any progress in the industry. However, the government is fighting back, working to reconcile differ-

ences on land issues and to promote sustainability.

Roughly 20 per cent of Albania's 10,578 square miles of land is arable, and only a quarter of it is being farmed. The same series of droughts in the 1990s that drained Albania's power supply crippled any chances Albanians had of self-sufficiency. Shortages forced Albanian officials to import large quantities of food to provide for its 3.6 million citizens.

"Albania has a bad balance between imports and exports re-

garding food agriculture and livestock products," explains Minister of Agriculture Jemin Gjana. "The ratio was 1:10 according to reports from some years ago. From 1:8 in 2005, I am happy to say that last year it was further reduced to 1:7."

The number of agricultural workers is increasing by the month as citizens struggle to find jobs in the larger cities. "It is a fact that the majority of the population is engaged in agriculture and the average age in Albania is between 25 and 50. I consider it a positive fact for our agricultural work force," Mr Gjana says.

Mr Gjana views specialisation in a few fields as essential to reducing imports and boosting exports. "It is not good practice for Albania to produce everything from cereals to maize, wheat, tobacco, sunflowers, etc.," he says. "Vegetables, fruit trees, olive trees, vineyards and livestock must be the main four or five sectors of our agriculture economy. These have the most importance and should receive the greatest focus."

Officials are currently working on a 10-year EU integration development plan. "We have taken into consideration all the recommendations from the EU to introduce a strategy that faces the new challenges: the specialisation in Albanian agriculture, improved balance between imports and exports and international marketing."



A mere quarter of arable Albanian land is currently in use

## Neranxi plans to expand booming trade

A specialist in olives, Nikolla Neranxi left Albania in 1991 for Corfu. He quickly earned a name for himself as a professional olive cutter. He later bought a boat and entered the fishing industry. On one of his multiple trips to Albania for fuel, he decided to purchase some raw materials and trade them back in Greece. That journey marked the beginning of the Neranxi trade enterprise.

Returning to Albania in 1994, Mr Neranxi sold his boat, put the money into his trade business and focused on importing hard-to-get products from around the world without using banks. His business grew accordingly.

He was fortunate to avoid the

pyramid crisis in 1997. "We did not put any money in these pyramid schemes as we needed the cash to increase our imports."

Having endured the difficulty of the 1990s, things began to look up for Neranxi and Albania. "In 2000 the second level banks started operating. The Albanian economy experienced an increase, and we were also part of this increase."

Today the company trades over 3,200 products, ranging from food products like dried fruits and bakery products to the basics – starches, sugars and soya products.

Mr Neranxi has refused to follow the low-quality, low-price trend

of the region. "The most important thing about our company is that we sell goods of a very high quality which is in contrast with the quality of goods coming from the Balkan countries."

Albania remains one of Europe's poorest countries, which would normally pose a risk for high-end products. "We circulate more money to buy the same quantity of goods because in Europe these goods are more expensive. This is a risk for our company, which we have not viewed as a threat, but rather as an opportunity. We are planning to expand further."



## The leading pasta maker in Albania credits innovation for its success



Prima, formerly known as Bloja, received one of the first business licenses in democratic Albania. Trading principally in wheat, Prima is currently Albania's largest wheat importer.

Liberalisation of wheat imports by the Albanian government gave the company more freedom and resources to conduct business. In 1998 the group purchased its first mill. Today they own the biggest flour factory in Albania, processing over 400 tonnes of wheat per year.

The company recently expanded its operations with another major investment. "We have just completed our investment for the only durum wheat factory in Albania," says Adi-Fuad Haxhiymeri, General Director of Prima.

Innovation has played a key part in the success of Prima. "We always need to be in line with innovation and create new products all the time," adds Mr Haxhiymeri. At the present, Prima makes over 35 types of pasta and 10 different types of flour.



ADI-FUAD HAXHIYMERI  
General Director, PRIMA