

SUGGESTIONS ON DRAFT BUSINESS AND INVESTMENTS DEVELOPMENT STRATEGY 2021-2027

ALBANIA INVESTMENT COUNCIL

Meeting XXIV

21 June 2021



SUGGESTIONS ON BIDS 2021-2027



GENERAL



ON SPECIFIC OBJECTIVES



SURVEY COVID-19 (May 2021)



IC RECOMMENDATIONS (2015-2021)

GENERAL SUGGESTIONS

● VISION

Wise approach to stimulate innovation and 7 year period
We suggest to add in the material "the private sector is vital for the economic growth of Albania as the major contributor to budget revenues, through which the government provides services to society in education, health, etc."

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● DIGITAL & GREEN TRANSFORMATION

Clarifying the interconnection and better promotion of concepts, enabling concrete measures related to business awareness regarding "transformations"; access to funds that enable new investments in technology, digitalization / innovation.

● GOOD GOVERNANCE

The sustainability of institutions to be considered as the fourth area of policy objectives - *How it is intended to address at a hierarchical level the need for institutional coordination and the sustainability of the institutions envisaged to pursue the implementation of the Strategy?*

● SUSTAINABILITY

Between the new strategy and the legal & regulatory initiatives recently undertaken to improve the investment climate, transparency of their current status to increase trust in institutions.

● FISCAL POLICY

Sustainability, harmonization, simplification of fiscal policy measures towards investments and SMEs - *moment to think about a "guillotine fiscal reform/substantial reform"*.

● STANDARDIZATION OF GOVERNMENT CONSULTATION

Based on concrete results avoiding "boom" and overlapping of "ad hoc" platforms, without concrete results; Clear identification of the risks associated with the strategy and mitigation plan.

● INFORMALITY

The "gangrene" of competitiveness - the emergence of the pandemic conditions the challenge of a local market in coherence with European standards; data update.





SPECIFIC OBJECTIVES

INVESTMENT ATTRACTION AND INTERNATIONALIZATION

Strategic orientation on prioritization of which investments we will "target", as a basis for "screening" of new investments

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Transparency, sustainability and coordination of public investment plans as important factors in attracting private investment

Identifying models for internationalizing business would complement the strategic vision

SME DEVELOPMENT, ENTREPRENEURSHIP AND INNOVATION

Integration of Albanian enterprises in international value chains requires support for SMEs to be structured and well governed

Are there any plans to revitalize new industries or certain sectors?

HUMAN CAPITAL DEVELOPMENT

How will be managed the challenge of work force reduction as a result of the aging of the Albanian population, and the emigration of the young population?

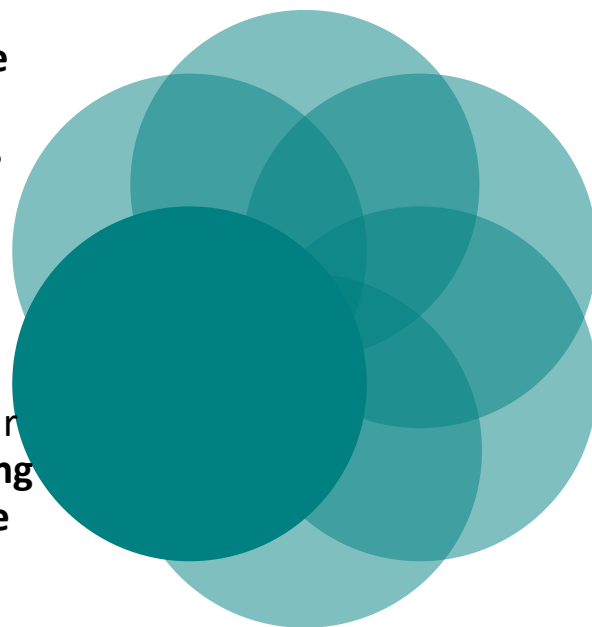
INPUT

- IC COVID-19 SURVEY (MAY 2021)

Keeping in mind the *various impacts of COVID-19 on different sectors of the economy*

COVID-19 emphasized that the **role and assistance of the state is irreplaceable in ensuring business continuity/prosperity**

Facing total closure during COVID-19, companies are considering remodelling markets, and **Albania could be considered an investment alternative to remote markets**



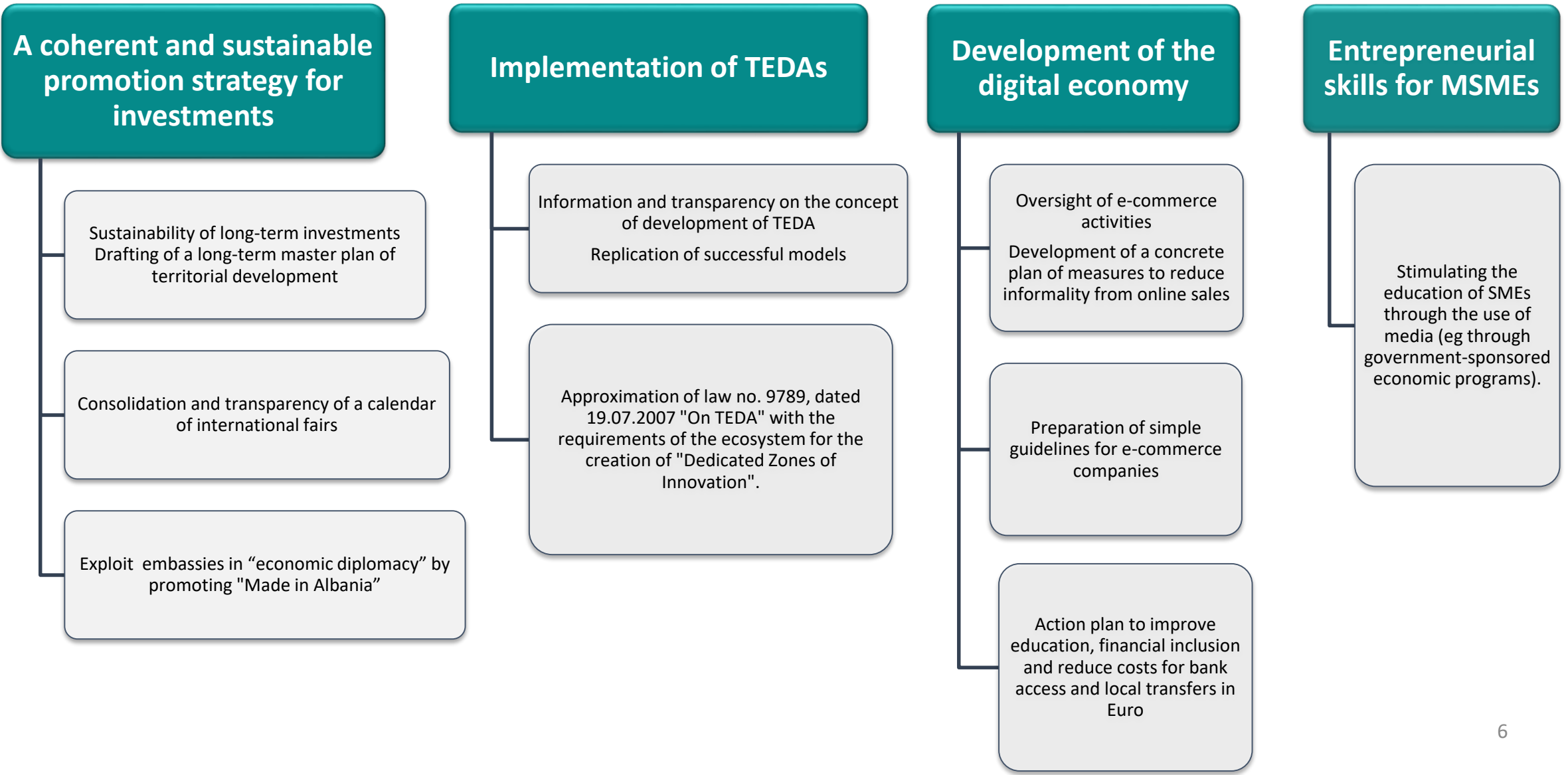
The agricultural sector is changing its behaviour towards adaptability and innovation, **highlighting the fact of factoring the priority sectors in the country's economy**

Liquidity continues to be an issue for most companies regardless of size or sector and **access to finance is of particular importance to be addressed by the government**

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SUGGESTIONS BASED ON IC RECOMMENDATIONS (2015 – 2021)





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Export strategy

Consolidating high value-added sectors
Inclusiveness of all actors
Incentivizing exports by strengthening the regulatory and institutional framework

Increased access to finance for MSMEs

Simplification of procedures/ reduction of administrative costs of support schemes

Joint Public-Private Innovation Fund covering all economic sectors

Start-up and innovation program

Strengthening the innovation ecosystem through a comprehensive legal and regulatory framework

Structuring Triple Helix formats as links between academia, businesses and financial institutions to diversify Start - up funding based on the identified needs of SMEs

Improving the value chain based on competition

At the central level be considered incentives fiscal policies for those enterprises that have a budget and a certain number of employees dedicated to R&D

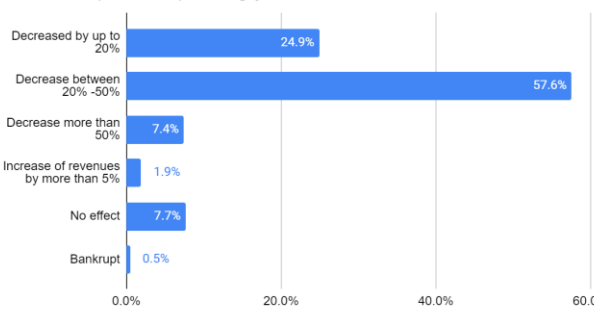
Support human capital up-skilling

The strategy should have a sectoral approach on adapting employment policies and up-skilling of the workforce towards the priority sectors

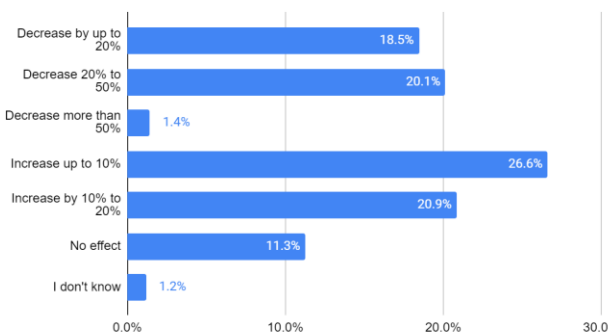
Creating a systematic cooperation format between schools and businesses

SURVEY FINDINGS

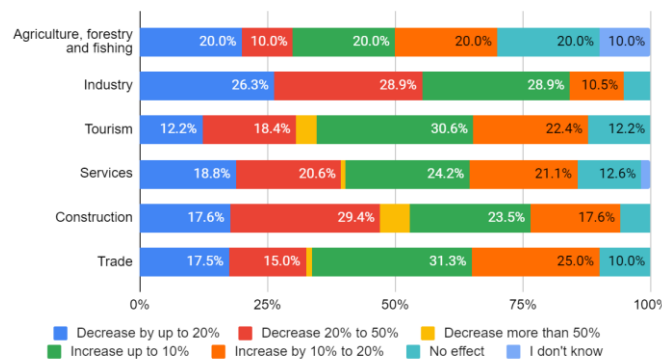
How do you assess COVID19 impact on your business revenues (turnover) during year 2020?



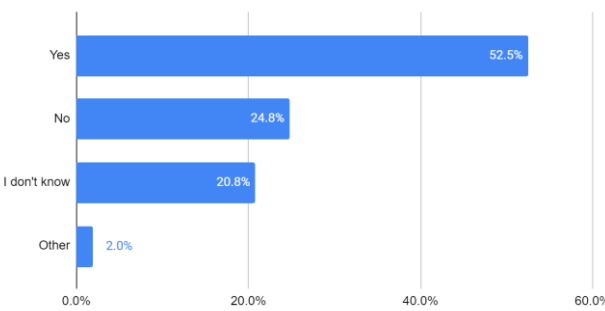
What are your expectations for year 2021?



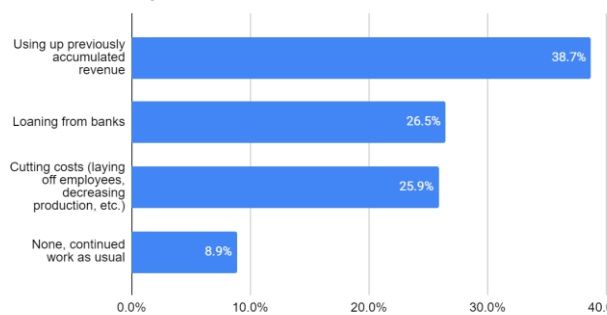
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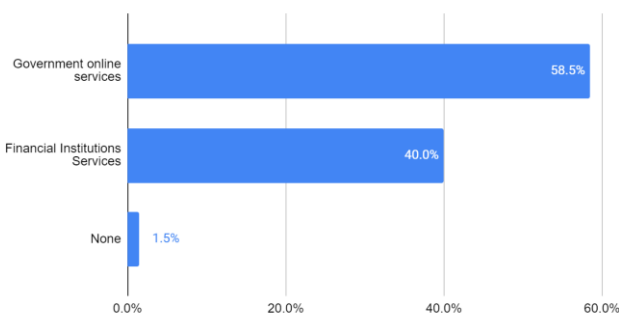
In the future, will you consider online working as an alternative to office work?



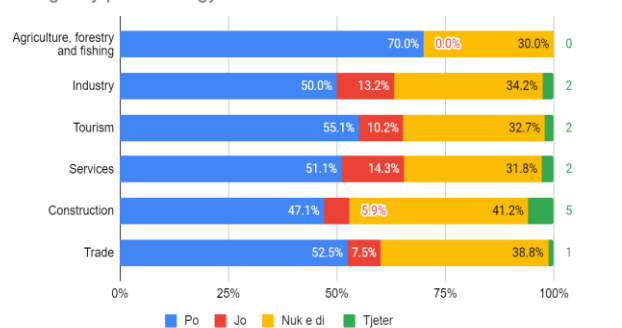
What measures have you taken to ensure continuity of your business activity



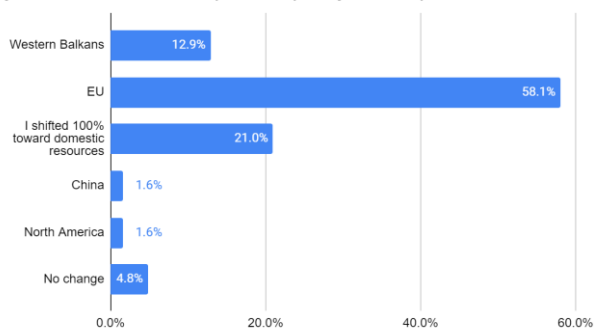
If yes, please specify which online services have been more useful:



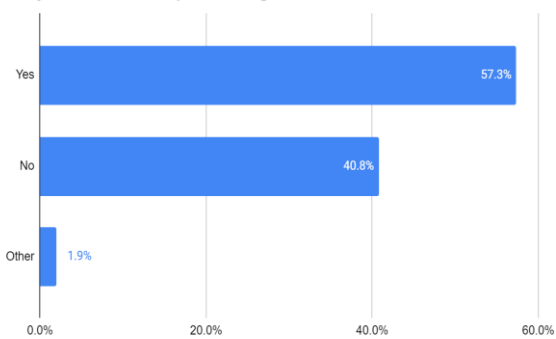
Given the COVID19 pandemic, do you intend to adopt an emergency plan/strategy?



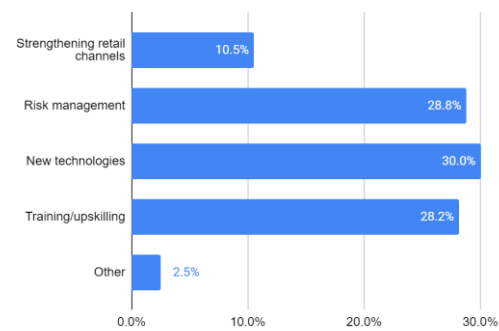
If you shifted resources, please specify new import sources:



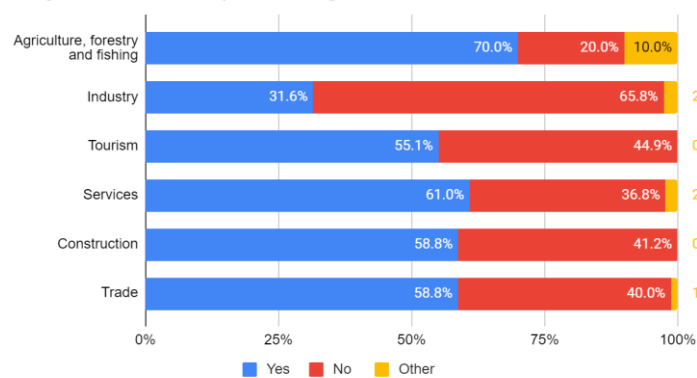
Did your investment plan change in the direction of Innovation?



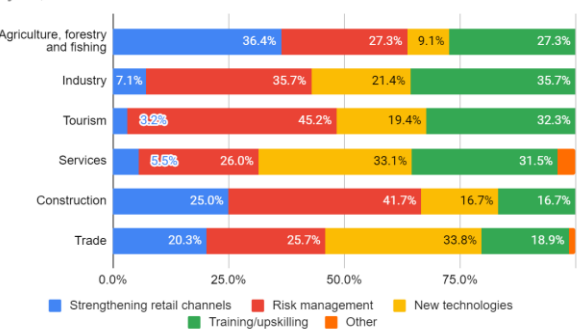
If yes, investment will be focused on:



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If yes, investment will be focused on:



THANK YOU!
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