

PN-ABT-029

Best available copy -- page C7 missing

**Deloitte &
Touche**



*Albania Trade,
Investment and
Privatization Program
A Strategy for a Trade and
Business Information Center
in Albania*

Prepared by Deloitte & Touche and
Development Alternatives, Inc.
Delivery Order No. 23

Project No. 180-0014
Contract No. EUR-0014-I-00-1056-00
Eastern European Enterprise Restructuring
and Privatization Project

U.S. Agency for International Development

July 1994



July 28, 1994

Mr. Mark Karns
Agency for International Development
320 21st Street, NW
Washington, DC 20523

Mr. Gary Maher
Agency for International Development
320 21st Street, NW
Washington, DC 20523

**Re: Contract No. EUR-0014-I-00-1056-00, Delivery Order No.
23, Albania Trade, Investment, and Privatization,
Transmittal of Deliverables**

Dear Mark and Gary:

In accordance with Article IV of the above-referenced Delivery Order and recent discussions, enclosed please find the report A Strategy for a Trade and Business Information Center in Albania, written in conjunction with the Albania Trade, Investment, and Privatization project.

These deliverables were prepared by Alan Osman of Development Alternatives, Inc. in Albania. If you have any questions concerning these deliverables, please call Adrienne Brombaugh at (202) 879-5650.

Sincerely,

Lizann Prosser
Senior Manager
Central & Eastern Europe

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
TRADE AND BUSINESS INFORMATION IN ALBANIA	1
The Ministry of Industry and Trade	2
The Albanian National Institute of Statistics	3
The Chambers of Commerce and Industry	4
A STRATEGY FOR A TRADE AND BUSINESS INFORMATION CENTER	6
Introduction	6
The Mission of the Center	8
The Functions of the Center	9
The Activities Of The Center	10
Types of Information	12
Sources of Information	12
Required Resources for the Center	13
ANNEX A: WORLD BANK PROJECT ON MINISTRY REORGANIZATION	A-1
ANNEX B: PROJECTS IN PROGRESS OR UNDER PLANNING, THE INSTITUTE OF STUDIES AND DESIGNS OF LIGHT INDUSTRY, TIRANA	B-1
ANNEX C: INTERNATIONAL TRADE AND BUSINESS INFORMATION RESOURCES	C-1

INTRODUCTION

The transition from a command to a market-driven Albanian economy has created the need for comprehensive, relevant, and well-communicated trade and business information conducive to private market development. The transition has created not only a demand for new types of information, but also a need for an efficient mechanism of information collection, processing, and dissemination. Currently, one serious impediment to economic development in Albania is the inadequacy and unsatisfactory quality not only of the information itself but also of the means of accessing and communicating it in practically every sphere of activity within and between the public and private sectors and with the outside world. The lack of adequate information and the inefficient exchange of information constitute a major obstacle to policy formulation in the public sector and to the facilitation of business development and economic growth in the private sector.

As designed in late 1992, the Investment and Privatization Program (IPP) task on developing a strategy for a trade and business information database has sought to address the information impediment through the Ministry of Industry and Trade (MIT). This task had the objective "to develop within MIT the capacity to build and maintain a data base containing relevant trade and business statistics and essential information."

However, what is proposed in this report goes further than that objective, in that it recommends a strategy for a multifunctional Trade and Business Information Center. The recommendation is based on the concept that information is a vital resource that must be efficiently and purposefully managed rather than merely provided. An active and dynamic role for information is essential for the development and maintenance of a reasonably functioning private market economy. This role can best be filled by a multifunctional, interactive, flexible, and continuously evolving information-processing mechanism, such as the Trade and Business Information Center proposed here.

TRADE AND BUSINESS INFORMATION IN ALBANIA

Three institutional bodies are involved in collecting, processing, and publicly communicating economic and other information: the National Institute of Statistics (NIS), the ministries' Statistics and Information Departments (SIDs), and the Chamber of Commerce and Industry (CCI). Two other institutions collect information for use by various government organs but, in principle, do not make it directly public. These are the Customs Bureau and the district tax offices. The description below will be limited to the first three institutions, which process and partially disseminate the information obtained from the latter two and from the enterprises directly.

The Albanian Telegraphic Agency (ATA), domestic publications such as the *Albanian Economic Tribune*, and other media make efforts to obtain information from the above-mentioned sources for external and domestic dissemination. Information is a vital contributor to a market-driven economy, and the lack of regular access to information is counterproductive and defeats the purpose of efforts to transform the economy into a market-driven system.

The Ministry of Industry and Trade

The Statistics and Information Department

In July 1993, a World Bank project report recommended an extensive plan to restructure the Ministry of Trade and Foreign Economic Cooperation (MOT). At the request of the Minister, this writer participated in the discussions and provided input into the deliberations on the reorganization of MOT into the Ministry of Industry and Trade.

This participation was all the more useful given that the Investment and Privatization Program for MOT, coordinated by this writer, involved the provision of technical assistance directly related to the missions of several Ministry departments, including the Trade Information Center (TIC) proposed by the World Bank project, the Business Development Department, the Privatization Department, and the Trade Policy Department.

The World Bank Report included a recommended set of functions and responsibilities for TIC (refer to Appendix A). A few of these functions were pre-empted by the governmental restructuring that occurred in 1993 and the resulting merger of part of the Ministry of Industry, Mining, and Energy with MOT. Other functions were not directly relevant to the proposed mission of the Center.

However, the current function of the Statistics and Information Department, which, before the Ministry reorganization in November 1993, was the Import/Export Department, consists of collecting production information from its relevant state-owned enterprises (SOEs), receiving external trade information from the National Institute of Statistics, and publishing periodic bulletins on the basis of these two sets of information.

Domestic production data are collated from two forms designed by NIS that each SOE hand-delivers to MIT 12 times a year. Production data, however, are incomplete, in that fewer than the 217 industrial and food processing SOEs that are responsible to MIT actually file their forms with the Ministry. Only 147 SOEs turned in their forms for the first quarter of 1994.

Both external trade and production information are processed and printed in house, in two bulletins — one annual bulletin (*Buletin Informativ Per Vitin*) and one quarterly bulletin (*Buletin Informativ mbi aktivitetin tregtar e industrial gjate 3 mujorit . . .*). The first issue of a semi-annual bulletin will cover the first half of 1994. Most information in the bulletins consists of import and export data. A few tables show domestic production by product and industry, small "object" privatizations by economic sector, and food aid by contributing country and by product.

Except for one copy of the annual bulletin, sent to the Council of Ministers, all bulletins are distributed only within MIT — to the Minister and to some department directors. Aside from this, occasional requests for information are made by some newspapers. In this regard, two information disseminators, ATA and the *Albanian Economic Tribune*, would welcome a regularly cooperative response to their information needs.

The Statistics and Information Department employs six staff members, including the Director. It is organized into two sections. One section is for data collection, employing three persons — a section chief, a domestic trade and industry specialist, and an import/export specialist. A second section, staffed by two persons, is involved in computer data entry and processing and in bulletin and charts preparation.

The limited activities of the Department make the second section simply an information processing and printing office for the Ministry. This, evidently, is the result of a failure to implement the recommendations of the World Bank Report between its submission to the Ministry in July 1993 and the restructuring of the Ministry in November 1993. However, since the Ministry's restructuring, this information processing and printing function has mostly been because of the absence of a policy initiative for the Department issued from the Ministry, or a mission statement from the Department, with clear definitions of functions. A policy initiative would be based on a serious consideration of the potential contribution of this Department to the Ministry's mission and to economic activity.

The Department of Business Development

The World Bank Report also included recommendations for a Business Research/Information and Publications Section, lobbied for by MIT's Department of Business Development.

Appendix L.2 of the World Bank Report proposed the following mission statement for the Business Research/Information and Publications Section: "to collate and publish information required by private sector businesses." The following imprecise responsibilities were proposed for the Section:

- Review the information needs of private sector businesses and their advisors;
- Prepare a work program for the production of priority information within the budget available;
- Source and collate the information required and prepare the scripts and so forth for dissemination; and
- Monitor the use that businesses and their advisors make of the information provided.

However, the Business Development Department has been unable to launch this Section because of understaffing and the pressing task of the reorganization of the PHARE Program's credit line channeling structure, which has put an undue demand on the resources of the Department.

In the strategy described below, SID is to be developed into a Trade and Business Information Center, which will encompass the functions of the Business Research/Information and Publications Section and will pre-empt the establishment of the Section as a stand-alone unit in the Business Development Department.

The PHARE Program for the development of the small and medium-sized enterprise (SME) sector has a 1994-1995 fund allocation of 300,000 ECUs for a Trade Information Center, one of whose objectives is to promote the SME sector. According to the Business Development Department, no terms of reference have been drawn up for the proposed Center.

The Albanian National Institute of Statistics

The Institute is a major component in the information environment. It is the recipient of information from all other collectors, including the Customs Office, the district tax offices, its own district

branch offices, and various Ministries. It is conducting a pilot household survey and preparing for a pilot business survey.

With funding from the European Union's (EU's) PHARE Program, the Institute has received ongoing technical assistance from INSEE in France and EUROSTAT in Luxembourg. The assistance covers three areas: an Albanian business register, business statistics, and foreign trade statistics.

Business Register

The objective of this technical assistance project is to establish a statistical enterprise register, excluding agricultural enterprises, for Albania and to implement the adoption of the European Union's classification of activities. The project also aims to set up a computerized system of data entry throughout the Institute's network of district branches. Complementary aims of the project include working with the Directorate of Taxes in the Ministry of Finance on a common enterprise identification system and working with the Post Office on establishing an address coding system.

Business Statistics

This involves the adoption of modern statistical methods based on EU standards and U.N. international definitions to collect business information from the construction, industry, services, trade, and transport sectors. Goals in this field include the construction of production and cost indices and industry indicators based on survey techniques and the business register.

Foreign Trade Statistics

The objective of technical assistance is to help the Institute to implement a system of foreign trade statistics according to EU standards, using international classifications. The process includes the adoption by the Customs Office of a declaration of value method according to balance of payments and external trade definitions, adoption of the Harmonized System, and the setting up of a computerized system for transfer of data from customs offices to the Institute.

The Chambers of Commerce and Industry

The recently passed Law 7491, of April 29, 1994, permits the establishment of Chambers of Commerce and Industry in the 36 districts of Albania, each being an independent nonprofit juridical entity. The Law also states that all Chambers will form a Union of Chambers of Commerce and Industry. The Union also enjoys the status of a juridical person. The Chambers and the Union are subject to the oversight of the Ministry of Industry and Trade.

Unfortunately, the Law does not define the functional and operational relationships between the Union and the individual Chambers, especially the Tirana District Chamber, which, because of its location and the range of potential activities and services it may be allowed to offer, will be the major player in the Chamber system. However, one fails to see in the Law the benefit of such a cumbersome and potentially duplicative administrative system for "the promotion of Trade and Industry."

The Council of Ministers is studying a draft amendment to the Law on Chambers of Commerce that will assign to MIT the task of deciding on the disposition of the physical assets currently in the possession of the various Chambers and of the financial assets blocked by the state. The Government of Albania considers both of these assets state property.

Membership in the Chamber system is mandatory for the following persons and entities: businesspersons registered in the Trade Register; commercial companies founded and registered in accordance with the Law on Commercial Companies and the Law on the Trade Register; and state enterprises that carry activities in accordance with the Law on State Enterprises. However, individual farmers and cooperative undertakings are exempt from this mandate. As of June 1994, 540 District of Tirana enterprises had paid the Tirana Chamber the membership fee of US\$60. Of these, approximately 90 percent are private and 80 percent are in the trade sector.

All the Chambers are in transition, pending an authorization to operate from the Ministry of Industry and Trade and pending the elections of Chamber assemblies and a Union assembly. Only then will executive bodies throughout the system be able to assume their responsibilities. In this regard, this writer and an MIT official in charge of special projects, including organizing the Chamber elections, had a long discussion on procedural matters related to the election process of Chamber assemblies. Without the Ministry authorization, the elections, and the appointment of executive bodies, the Tirana Chamber can not proceed with certain of its previously planned activities. These activities include establishing links with on-line data services such as CERVED in Italy and EUNET in the Netherlands.

Other activities in the planning stage or in progress but unable to be finalized include a business register; a brochure on how to do business in Albania; basic information brochures on five European countries and China, with both types of brochures aimed at the Albanian business community; a library of trade and business publications and reference works; an arbitration court (which the new Law authorizes, but now only at the Union level); and an investigative service on behalf of foreign and domestic businesses with claims of patent and trademark infringements.

Because the Institute and the Tirana Chamber each had planned to produce a business register, the two have concluded to cooperate on this endeavor and have agreed to distribute a questionnaire prepared by the Tirana Chamber for use by the enterprises.

Other publications or services are already available from the Tirana Chamber: an information brochure consisting of an overview of the industrial sector in Albania; assistance with visa requirements; a free advertising service to those members who are interested in buying or selling products (the Tirana Chamber places the advertisements in the *Albanian Business* newspaper); Certificates of Origin; and training workshops.

Presently, the only way members can learn of the availability of published material such as the above mentioned brochures is if they happen to come to the Tirana Chamber and see posted signs relevant to the particular subject, obviously not the best means of communication. However, announcements are sometimes placed in the newspapers. In the future, the Tirana Chamber is expected to rely more on mail communication with its members.

The Tirana Chamber receives no technical assistance from any source. Yet, it certainly can make use of such assistance in the future in a number of areas ranging from functional organization to information know-how and service and market development.

The Tirana Chamber suffers from a lingering and less than a complimentary image in certain circles, both public and private, as a result apparently of a period during which it was exploited for personal gain by a former administration. However, the oversight mechanism dictated by the new Law, including the presumed accountability of its administration to an assembly that is representative of the Chamber's members, should preclude similar tendencies in the future and encourage instead an attitude of serious professionalism.

A STRATEGY FOR A TRADE AND BUSINESS INFORMATION CENTER

Introduction

The approach taken here regarding an Information Center avoids viewing it in terms of its relation to the Ministry only and in isolation from the rest of the information field. Rather, it treats such a Center as an important component in an integrated information structure based on component complementarity.

However, some basic questions need to be asked in order to pre-empt an assumption about the need for a Trade and Business Information Center at MIT as opposed to just an expanded role for the existing SID:

- Is there a need for such a Center at MIT?
- If so, what should be its mission?
- What should be its functions? and
- What should be its activities?

One would be tempted to readily assume that a Ministry of Industry and Trade should have, and be a logical venue for, such a center and that the question itself is superfluous. However, this need not be the case. Given the presence of an increasingly active and progressively expanding Institute of Statistics and a reorganizing Chamber of Commerce and Industry system with a range of services soon to resume and expand, the question assumes relevance.

The answer to the need for a Trade and Business Information Center depends as well on the nature of the functions to be assumed by the Center. Will the Center be a manager of information resources with a particular mission and capable of conducting strategic planning? Or just a disseminator of information obtained from elsewhere? And will it be able to coordinate its activities with other providers of information as it seeks complementarity and tries to avoid duplication?

Given that the present Statistics and Information Department at MIT gets the input for most of its statistical output (the bulletins) from the Institute, that the latter organ will be assuming the collection of an increasingly extensive amount of information, and that the Tirana Chamber may be expected to provide the business community with a wide range of gradually upgraded services, it would seem that, unless SID's functions are redefined and convincingly so, the Center's potential contribution to the developing market economy would be extremely limited.

Given, also, that the Institute will be collecting a wide range of information from a growing sector of private enterprises, that SID presently collects information from its SOEs only, that this latter function will gradually decrease in significance as these enterprises are privatized or shut down, that the Institute can very easily assume that function, and that, presently, SID provides no information to the Albanian business community, it would be logical to conclude against the necessity of maintaining SID.

Consequently, and notwithstanding the Law on Statistics which mandates that a Ministry's SOEs file certain forms with it, SID's present function does not justify its continuation.

The external trade data, which are provided to SID by the Institute, can be readily processed, tabulated, and graphed by the latter, then provided to the Ministry and to other potential users.

The data forms that the SOEs hand deliver 12 times a year to the Ministry can, instead and more efficiently, be delivered to the Institute's district branches for dispatch to Tirana (and in the future, electronically mailed) for processing by the Institute with the results, again, shared with the Ministry.

Also, and unless carefully positioned in the information environment, the business information that the new Center will aim to provide to the business community may duplicate, or even lag in usefulness behind, the information services to be launched by a reorganized Chamber.

For example, one on-line service to which the Tirana Chamber expects to subscribe, CERVED, will make available information on the following:

- Italian commercial register;
- Italian trade laws;
- Trading opportunities — offers to sell and buy;
- Exhibitions and trade fairs;
- American company register; and
- Eurosportel — information on EU trade laws, and trade opportunities.

If planning is any indication, the Tirana Chamber's planned formulation of its role in the information field may be reflected in the roster of activities being prepared or designed by the Chamber in its drive to provide useful services to businesses whose membership in it is mandated by law.

These businesses will, very likely, insist on informational and service satisfaction as a justification of that mandate and its costs to them (membership dues and other fees) or, if the Chamber failed to deliver, on answers from MIT, the overseer and discipliner of the Chamber system. The Chamber will, as well, be driven by the obligation to be financially self-sufficient.

Therefore, in light of the above, there does not seem to be a functional reason for the Ministry's Statistics and Information Department to continue in its present responsibilities, or if transformed into a Trade and Business Information Center, without a justifiable mission and redefined functions and activities.

Nor will there be room, alongside the Center, for a Business Research/Publications unit focused on the SME sector under the Department of Business Development. For, although the Center's proposed mission, functions, and activities do not specifically refer to this sector, they, nonetheless and necessarily, imply such a reference, given the likely structure of the Albanian economy that will emerge as the result of the transformation.

A redeeming mission for the Center will be one that will satisfy the business community's needs for a differentiated and complementary type of information that is not expected to be filled by other information providers. The implementation of such a mission, functions, and activities to consider those of the Institute's and the Chamber's and in coordination with both of these institutions.

However, since the Chamber's own future mission and functions are still to be finally agreed, presumably with the active input of the Ministry, the latter is in a position to coordinate with the Institute the strategies of the Center and the Chamber.

Only then will the Center be able to serve the business community's information needs in such a way as to optimize the use of resources available to each, given the vantage point that each enjoys in the information collection and dissemination field.

Obviously, this strategy's designing exercise will also consider the needs of MIT's own Departments of Business Development, Industrial and Trade Policy, and International Economic Relations for business and trade and other information relevant to policy formulation and to negotiations of international agreements.

However, without corollary funding and technical assistance to implement the recommendations of this report, such implementation will undoubtedly be preempted by the PHARE's proposed independent Trade Information Center referred to above and on which, at this time, information is lacking. Given this eventuality, the PHARE project designers and the Ministry will have the advantage of leveraging the present Report for the benefit of the Center project.

The Mission of the Center

Annex Q of the World Bank Report recommended the following objectives as a mission statement for TIC:

- To operate a central library and an information and statistics center for all trade-related matters; and
- To ensure that comprehensive, relevant, and up-to-date information is available to all the departments of the Ministry.

It is suggested here that the above statements constitute neither a mission statement nor objectives for the Center, but instead represent two narrow functions.

As proposed here, the right cue for an appropriate mission statement for the Center is provided in the introduction to this Report, namely, that the current state of information and the mechanism of communicating it are a major impediment to policy formulation and business development.

Consequently, an appropriate mission statement for the Center would be one that addressed this impediment:

"To provide, to the Ministry, information relevant to policy formulation and to legislative and regulatory initiatives and, to the business community, information responsive to its needs and critical to business creation and development."

The Functions of the Center

With the above mission statement in mind, and given the expanding and quality-upgraded role of the Institute and the future role of the Chamber, the functions of a Trade and Business Information Center at MIT may now be elaborated.

As proposed here, the Center's functions will, first and as soon as legally and operationally possible, exclude those being presently performed as described above, except for incorporating import/export data from the Institute into its information dissemination process. And, second, they will go beyond collecting, processing, and disseminating trade and business information.

Depending on the qualifications and number of staff, on funding, technical assistance, and appropriate training, the functions will include the preparation and dissemination of brief and rapid market studies highlighting domestic trade and investment opportunities and foreign trade opportunities for Albanian enterprises. This, of course, in addition to publishing newsletters, pamphlets, information sheets, and trade statistics.

The information on the domestic market required for such studies and publications can be obtained from the Institute, and also, through surveys from the Institute of Studies and Designs of the Light Industry (ISPIL—refer to Appendix B for a list of projects in progress or under planning), and, potentially, from the Chamber system.

And on the external market, from external sources through both on-line information services and various publications and reports to which the Center will subscribe. A list of these external resources as providers of information and, potentially, as users of information on Albania, is provided in Appendix C.

The proposed functions of the Center are to:

- **Obtain** information and statistics useful for Ministry policy formulation;
- **Monitor** the business community's changing needs for information in various sectors;
- **Publish** regular and periodic trade and business information relevant to the needs of various sectors of the business community;
- **Establish** links with domestic and external providers and users of information;
- **Prepare** rapid and brief studies on domestic and external trade and industrial opportunities and readily communicate results to the business community;
- **Research** and prepare export promotional material;

- Maintain a library of reference works, trade and business publications, and related periodicals; and
- Coordinate the management of the information process with other concerned parties in the information field for the purpose of optimizing resource utilization while seeking complementarity of efforts.

The Activities Of The Center

The Center's proposed activities aimed at the realization of its mission and the implementation of its functions are divided into two categories — long term and short term.

Long-Term Activities

- Subscribe to various information sources, printed, PC-based, and on-line;
- Collate and provide trade and industrial information to policy setting MIT departments and, upon request, to various government organs;
- Using domestic and external sources, cooperate with the Tirana Chamber to expand a current service to provide to various sectors information and referrals on output marketing and input sourcing (short term for the Center but long term for the Chamber);
- Research, prepare (in cooperation with ISPIL, for example, in the case of studies), and make available studies, reports, newsletters, brochures, pamphlets, information sheets, etc. on trade and investment opportunities;
- Publish, distribute, and electronically communicate, to a data base of potential foreign importers, export promotion information (one sub-project under the present Investment and Privatization Program has prepared for MIT's Department of Industrial and Trade Policy a model export promotion pamphlet and will print and help mail a couple of thousand copies—a data base of American companies is being prepared in Washington and will be provided to MIT before June 30);
- Provide regular information to, and respond to requests from, the Albanian Telegraphic Agency and the news media;
- Prepare and issue MIT press releases (a recent IPP sub-project mission prepared for the Department of Industrial and Trade Policy a model press release explaining the structure and economy of a release);
- Coordinate with NIS to disseminate, through various means, detailed import/export information;
- Seek to establish, in cooperation with NIS, CCI, and other concerned parties, an advisory body to coordinate and advise on the management of information resources and, where feasible, to coordinate requests for assistance from various donors;

- Establish on-line links with NIS, the Chamber, and the Center for Foreign Investment Promotion; and
- Maintain and update a data base of external and domestic users of Center-provided information.

Short-Term Activities (with updates where applicable)

- Cooperate with appropriate institutions (NIS, CCI, ISPIL, SME Foundation-once fully operational-, Tirana University, etc.) to survey the changing needs of the business community;
- Assist, and coordinate with, CCI and the Center for Foreign Investment Promotion to prepare, publish, and make available to potential interested foreign parties and to the Albanian business community, business guides relevant to doing business in various sectors in Albania;
- Arrange with international consulting companies to obtain, translate, and make available to the business community through the Chamber system and other organs guides on doing business in various foreign countries;
- Obtain from GTZ (Tirana) a data base of profiles of MIT's enterprises and advertise availability for privatization domestically and abroad (through specialized information sources, including the investment guides listed in Appendix C);
- In conjunction with No. 4., obtain from GTZ a data base on the balance of 1500 industrial SOEs for use in drawing up a general industrial profile useful to MIT for policy formulation;
- Prepare and make available to the Albanian business community information guides on various donor activities concerning the availability of credit, eligibility, conditions, training, business services, and so forth;
- Prepare and make available a guide on the legal and regulatory framework affecting all aspects of business operations with specific references for further and detailed information;
- Prepare and make available a guide on joint-venture process and procedures, including preparation, negotiations, contracts, and suggestions on maintaining a successful relationship;
- In cooperation with other ministries, government organs, donor agencies, and other concerned parties, prepare a guide on the general tendering process and procedures;
- Prepare, in cooperation with other information organs, a guide on domestic information sources, specific information publications, and issuing parties; and

- Cooperate with NIS, the Chamber, and the Finance Ministry to minimize the number of forms enterprises must fill out and file with various government organs, without compromising the quantity and quality of the information needed by these organs.

Types of Information

In addition to the types of information inherent in the activities listed above, the Center should endeavor to obtain and make available to the business community specific types of information, including the following (external sources of information are listed in Appendix C):

- Imports of potential country trading partners, per product, per country of origin, and import quantity and price;
- Regulations of potential country trading partners regarding quality and other standards relevant to potential Albanian exports to them;
- Sources of information on trade organizations and business associations in potential country trading partners;
- Information on foreign investment activity in Albania by sector, by legal type, by activity, by district, and the like;
- Information on specific European countries engaged in off-shore semi-processing (Facon): products, producing countries, contracting firms, and means of reaching them;
- Information on retail prices in neighboring countries of various products sold in Albania;
- Information on European companies looking for trading contacts and other cooperative opportunities; and
- Information from GTZ (Tirana) on capacity utilization, operational conditions, state of physical assets, work force, and output for 1500 industrial SOEs for drawing up a profile of the industrial sector in terms of needs and potential by industry, sub-industry, product, and so forth.

Sources of Information

In Appendix C, the sources of information are divided into two main categories: users and providers of mainly trade statistics, and users and providers of mainly business information, though neither one is strictly limited to the respective specialty.

The first category generally covers information sources available through the UN system organizations such as UNCTAD and ITC. One service under UNCTAD's "TRAINS", the Importers Data Base, is of interest for export promotion efforts to potential Albanian exporters.

The second category on business information contains references to periodicals, business directories, investment guides, on-line data bases, and on-line advertising.

A final reference in the Appendix is to Euro Info Centers which focus on serving the needs of SMEs in matters related to the European Community. According to an information sheet on the Euro Info Center Network, it is expected that Albania will eventually have such a center, though no date has been indicated.

Required Resources for the Center

Presently, SID's resources are awfully lacking for the purpose of carrying out the Strategy proposed here for a Trade and Business Information Center.

Understandably, and much dedicated they may be, the staff lacks the experience and training relevant to the activities of the Center. Their knowledge of English is inadequate. And for the tasks currently undertaken, SID appears to be slightly overstaffed. However, the staff will need to be expanded and trained, in-house and abroad, to satisfy the needs of the future Center.

The physical facilities are extremely limited for a Trade and Business Information Center. Also, though currently adequate, computer services will need to be vastly expanded. Copying facilities, communications means, such as an international telephone line and a fax machine, and a reference library are non-existent. So are the means to perform desk top publishing tasks.

In sum, the basic resources required for a reasonably efficient operation of the future Center are presently unavailable. These would include the following:

- Adequate and sufficient premises;
- Commensurate expansion of staff with persons proficient in English;
- Proper training of all staff;
- Proper facility for a well-stocked reference library;
- Technical assistance for various areas of Center activities;
- Sufficient computing (with capacity to do desktop publishing), copying, and telecommunications equipment;
- At minimum, one international telephone line; and
- Sufficient budgetary allocation.

ANNEX A

WORLD BANK PROJECT ON MINISTRY REORGANIZATION

WORLD BANK PROJECT ON MINISTRY REORGANIZATION

(ANNEX Q OF THE WORLD BANK REPORT)

PHASE TWO REPORT, VOLUME TWO FUNCTIONS AND RESPONSIBILITIES

- To collect, process, and disseminate international market information relevant to trade and industry in Albania;
- To collect, process, and disseminate information on the trade capacity and performance of Albania's industrial sector;
- To prepare and publish information guides for foreigners wishing to trade with Albania;
- To develop and maintain a comprehensive library of trade journals and publications of relevance to Albania's commercial activities;
- To establish a database of trade information by subscribing to such information services as are considered relevant to Albania's trade needs;
- To maintain registers of trading and manufacturing companies within Albania, and foreign companies active in, or having expressed interest in, trading with Albania;
- To supply actively to other departments, other Government ministries or to any private sector bodies involved in trading activities, information which it believes to be of interest to them;
- To prepare and publish regular bulletins of statistics and trade information for general circulation to the press and the public
- To collect and make available comprehensive information on laws and regulations relevant to potential investors in Albania
- To act as a first point of contact for outsiders wishing to deal with the Ministry, and to direct all enquiries to the appropriate department.
- To react to requests for information from other departments or directorates by locating the requested information either from its existing resources or from outside sources.

ANNEX B

PROJECTS IN PROGRESS OR UNDER PLANNING

**THE INSTITUTE OF STUDIES AND DESIGNS OF LIGHT INDUSTRY
TIRANA**

PROJECTS IN PROGRESS OR UNDER PLANNING

**THE INSTITUTE OF STUDIES AND DESIGNS OF LIGHT INDUSTRY
TIRANA**

1. Computerize existing anthropometric data for Albania's population. Output: computer data base of population measurements by sex and age.
2. Assessment of the country's carpet industry from an economic and technical basis to determine existing status and potential for future viability. Output: comprehensive study.
3. Ongoing project development. Constant assessments of domestic and foreign textile markets with the aim of developing new products.
4. Development of survey to establish baseline of preferences in color and materials for a broad cross section of textiles for clothing and home furnishings. Output: statistical survey in computerized data base form categorized by income levels, geographical location, and sex.
5. Creation of CAD (computer-aided design) center promotional materials including stationary, business cards, envelopes, and brochures.
6. Design work related to exhibition in Vienna for approximately 25 Albanian carpets to be derived from five contemporary artists working in traditional and modern themes.
7. Public relations interface. Contacts and promotional activity with foreign commercial attaches, textile enterprise directors, government agencies, TV, and radio.
8. Creation of a Society of Albanian Stylists (fashion designers) for development of future clothing and fashion promotion of higher end styles suitable for the country's emerging entrepreneurial class.

ANNEX C
INTERNATIONAL TRADE AND BUSINESS
INFORMATION RESOURCES

INTERNATIONAL TRADE AND BUSINESS**INFORMATION RESOURCES****I. PROVIDERS AND USERS OF MAINLY TRADE STATISTICS**

1. UNCTAD's Trade Analysis and Information System - TRAINS
A PC based information system whose aim is to increase transparency in international trading conditions. Very useful for policy makers and exporters. A powerful tool for trade negotiations as well as for general research on international trade. Contains information on Trade Control Measures, trade data on imports, names and addresses of importers, etc. Uses the Harmonized Commodity Description and Coding System (HS) which comprises 5,018 basic items. TRAINS components are:
 - a) UNCTAD Database on Trade Control Measures
Covers tariff, para-tariff, and non-tariff measures (TM, PTM, & NTM). Contains information on the Generalized System of Preferences (GSP) which enables users to have easy access to full details of GSP schemes, including quantitative restrictions and rules of origin associated with the GSP rates.
 - b) Trade Data on Imports
Supplied by countries at the most detailed level of the Harmonized System (6-digit level).
 - c) System of International Customs Tariffs Bureau (ICTB)
Provides product descriptions of the national tariff items beyond 6-digit level of the HS.
 - d) Alphabetic Index of Standard International Trade Classification (SITC), Revision 3, prepared by UNSTAT.
For finding the corresponding SITC Rev. 3 code of an alphabetically arranged list of commodities.
 - e) Importers Data Base - International Trade Center
Contains, for selected product categories and markets, names and addresses of importers, together with other products imported by the respective companies. Data on potential importers can be accessed at 2,4, and 6 digit levels of HS.
 - f) General Documentation
On various data elements including the import regimes, the GSP and other preferential schemes, and bibliographic references to published market research studies and reports.

2. East European Statistics Service - monthly survey
East-West Publications, Brussels, Fax: 10322 218 1985
3. Tradstat - on-line official international trade
statistics. Available through Data-Star gateway, UK
Fax: 71 930 7646

II. PROVIDERS AND USERS OF MAINLY BUSINESS INFORMATION

Periodicals

1. East European Trade Council
UK Fax: 71 222 7622
2. Business Eastern Europe (weekly newsletter)
Business International
UK Fax: 322 223803
3. Central and East European Business Law (quarterly
newsletter)
Butterworths
UK Fax: 732 885966
4. European Business Information Briefing (EBIC)
Willings Press Guide, Reed Information Services
UK Fax: 342 326972
5. Doing Business with Eastern Europe (quarterly updated
reports with business and investment guidance)
Business International
6. East European Business Law (monthly newsletter)
Financial Times
UK Fax: 71 240 7946
7. East European Industrial Monitoring Service (monthly
focus on industrial sector with section on food
processing)
Business International
8. East European Markets (monthly newsletter)
Financial Times
9. Insight. East European Business Report (monthly report)
Insight International Publishing
UK Fax: 81 203 4740
10. Soviet and Eastern European Report (monthly newsletter
on developments in business, law, finance)
Interforum Services
UK Fax: 71 381 8914

11. East Europe Opportunities (weekly newsletter)
Infomat
UK Fax: 71 434 2954
12. East Europe Opportunities (weekly newsletter)
Infomat
Fax: 635 34867
13. Financial Times Newsletters
Potential user of information on Albanian investment and
other laws
UK Fax: 71 240 7946
14. Business International Newsletters
Potential user of information on Albanian investment and
other laws
UK Fax: 322 223803

Directories:

1. Comprehensive Data on All Foreign Trade Companies in Ex-Socialist Countries.
Foreign trade contact data. Continuously updated.
MZM Publishing
Poland Fax: 48 58 219632
2. East European Business Information
Headland Press
UK Fax: 429 861403
3. East European Trade Directory
Global Trade Books
1730 K Street, N.W.
Washington, D.C. 20006
4. Eastern Europe: A Directory and Sourcebook
Euromonitor
UK Fax: 71 608 3149
5. News Sources and Directories on Eastern Europe
Eastern Europe Business Information Center
USA Fax: 202 377 4473

Investment Guides:

1. Doing Business in...
Kogan Page
UK Fax: 71 837 6348
2. Privatization in Central and Eastern Europe
Review of situation with excerpts from current
legislation

Europe Information Service
Belgium Fax: 32 2 242 9410

3. Taxation and Investment in Central European Countries
Comparative analysis of taxes
Continuously updated
IBFD
Holland Fax: 31 20 620 9397
4. East-West Investment
United Nations Economic Commission for Europe
Switzerland Fax: 41 22 917 0027

On-Line Databases:

1. Internet
2. Business International (Dialog 627)
Contains the specialized newsletters of the
Business International Group
3. GBI (German business information host),
carries East European files: BOW, East-West
Cooperation lists requests for cooperation
Fax: 10 49 89 954229
4. Predicasts Databases: PROMT and PTS Newsletters
Carry specialized newsletters on and from the
region
UK Fax: 71 434 2954
5. CERVED
Updated quarterly
Italy Fax: 39 6 225 91255

On-Line Advertising:

1. ADVE
Advertise
Business opportunities for small to medium size
companies. For companies which need customers,
suppliers, or business partners for products or services
Weekly updates
BUSINESS Datenbanken GmbH
Germany Fax: 49 711 7871 1635
2. BUSI
International Business Opportunities Service
Brings together offers and demands for goods, services,
and corporate business interests
BUSINESS Datenbanken GmbH

19. Rolf Fehlings, Privatization Advisor, GTZ, Tirana
20. Bashkim Sala, Dir., Confederation of Commercial and Industrial Enterprises, Tirana
21. Agron Deliu, Dir., Chemical Association Company, Tirana
22. Besnik Shtylla, private businessman and investor, Tirana
23. Michelle Morgan, former staff member, Trade Statistics, OECD, Paris

LONG DISTANCE PHONE CONVERSATIONS WERE MADE
WITH STAFF IN THE FOLLOWING INSTITUTIONS:

1. OECD, Paris
2. Eurostat, Luxembourg
3. International Trade Center, Geneva

PRINTED MATERIAL WAS KINDLY MADE AVAILABLE
BY THE FOLLOWING:

1. OECD, Paris
2. EUROSTAT, Luxembourg
3. DeLoitte Touche Tohmatsu International, London and Brussels
4. The Chamber of Commerce and Industry, Tirana
5. The National Institute of Statistics, Tirana
6. The Tirana District Tax Office
7. The Statistics and Information Department, MIT
8. The Business Development Department, MIT
9. The Institute of Design and Study of Light Industry, Tirana
10. Mr. Rolf Fehlings, GTZ, Tirana