Removing Regulatory and Procedural Barriers to Trade in Albania

Initial Results from the Traders’ Survey

Mariela Stefanllari
Removing Regulatory and Procedural Barriers to Trade in Albania

Traders’ Questionnaire
Assessing Regulatory & Procedural Barriers to Trade in ALBANIA

- The traders’ questionnaire is a central component of the Study which seeks to identify regulatory and procedural barriers to trade in Albania.

- It comprises structured, semi-structured and open-ended questions covering:
  a. Company Information
  b. Export activities
  c. Import activities
  d. Received support information
  e. Concluding questions

The questionnaire was pilot tested to capture the specific conditions in Albania.
Removing Regulatory and Procedural Barriers to Trade in Albania

Interviewing Process

- Traders were selected based on the size of their exports and imports.
- Those with significant exports and imports were interviewed.
- The traders were selected using the database of the Customs and the Chambers of Commerce and HEC Foundation (*Business WEB Network*).

- The interviews proceeded in 2 stages:
  
  **First:**
  To establish a general understanding of the company and go over the questions, leaving the ones that require detailed answers and specific information to the second stage;

  **Second:**
  The more detailed questions.
Removing Regulatory and Procedural Barriers to Trade in Albania

- The Surveying process required 4 months to complete.

- The process involved hard work as we interviewed a broad social spectrum, convincing traders that the information they gave is confidential.

- It was not just an interview, but a conversation, highlighting issues and problems that require solutions.

- We believe and are convinced that we have achieved the objective, having the real picture of the current situation.

- At present: follow-up questions to certain traders, to address gaps in the data and inconsistent answers.
Removing Regulatory and Procedural Barriers to Trade in Albania

The Territorial Distribution of questionnaires addressed to 80 traders.

The interview process was conducted in 11 Regions of the Republic of Albania, or 16 Municipalities, covering in all the country territory, to capture problems across the trading community, with differences in their social and economic life and with specific characteristics on their entrepreneurialship.
Removing Regulatory and Procedural Barriers to Trade in Albania

**Products**

- Agricultural products
- Medical plants
- Fruits & vegetables
- Meat
- Wood / Timber
- Different articles
- Sugar
- Alarm systems, Wi-Fi, audio-visual
- Toys / Child items
- Textile
- Water pipes
- Cosmetic products
- Natural water (*bottle*)
- Distribution / Transport
- Auto spare parts
- Conditioning equipment
- Kitchen herbs
Removing Regulatory and Procedural Barriers to Trade in Albania

**Products**

- Coffee
- Pharmaceutics
- Food articles
- Fertilizers
- Raw materials / Construction materials / Vanishes
- Electronic Equipment
- Honey *(production)*
- Flour *(production)*
- Beer
- Oil *(import & processing)*
- Tiles and bricks
- Furniture
- Soft drinks
- Hydro-sanitary products
- Metal construction parts
- School supplies
Removing Regulatory and Procedural Barriers to Trade in Albania

Main Exports

- Agricultural products
- Medical plants
- Fruits & vegetables
- Meat
- Wood / Timber
- Natural water (bottle)
- Kitchen herbs

Countries

- Kosovo
- Greece
- FYR of Macedonia
- Italy
- USA
- Canada
Removing Regulatory and Procedural Barriers to Trade in Albania

Main Imports

- Coffee
- Pharmaceutics
- Food articles
- Fertilizers
- Raw materials / Construction materials / Vanishes
- Electronic Equipment
- Honey (production)
- Flour (production)
- Oil (import & processing)
- Tiles and bricks
- Furniture
- Soft drinks
- Hydro-sanitary products
- Metal construction parts
- School supplies
- Sugar
Removing Regulatory and Procedural Barriers to Trade in Albania

Main Imports

- Alarm systems, Wi-Fi, audio-visual
- Toys / Child items
- Textile
- Water pipes
- Cosmetic products
- Auto spare parts
- Conditioning equipment

Countries

- China
- Greece
- Italy
- Spain
- Russia
- Brazil
- Ecuador
- Turkey
Most Difficult Documents to Obtain?

1. The most difficult document to obtain is the *Permission* to import pharmaceutical products. Requires numerous samples and testing, additional costs due to storage. Often, this process lasts over 1 year, damaging the economical interests of the importer.

2. The *Certificate of Analysis* for the exporters of food articles provided by AKU (Food Control Agency – FCA). The analysis process lasts an extended period of time (8 to 15 days) endangering the quality of the perishable products. FCA procedures are not clear to traders (*lack transparency*).
Removing Regulatory and Procedural Barriers to Trade in Albania

Costs of Exporting by Shipment

* From the Port of Durrës maritime transport has a cost starting from 300 Euros per shipment (destination: Italy).

* For Truck transport with the neighboring countries (Greece, FYR of Macedonia, Kosovo, Montenegro, Serbia) starts from 80 Euros per shipment.

The cost of transport by truck is 500 Euros per shipment at most.
Removing Regulatory and Procedural Barriers to Trade in Albania

Main Problem in Terms of Transport

1. Transport trucks spend long time at the border for completing customs clearance procedure.
   In some cases more than 24 hours.
   These delays impact negatively on costs, especially food and agricultural products.

2. Lack of rail transport, mainly with the Balkan countries. Given that train transport is the lowest cost, this is a main trade barrier.
Removing Regulatory and Procedural Barriers to Trade in Albania

Most Difficult Country to Export To

Kosovo is the most difficult country to export to. There are some documents that traders can not provide to the Kosovo Customs, because these documents are not foreseen to the Albanian Customs Code and to the Albanian Legislation / or the Albanian Authorities do not provide the required documents.
Removing Regulatory and Procedural Barriers to Trade in Albania

On import side: Main problems

Weight measuring is the most common essential problem. Often the product being imported alters its weight due to physical properties of the materials and the trader is fined for attempting tax evasion. Even after the physical control is conducted and there are no changes in quantity, the fine still applies.
Removing Regulatory and Procedural Barriers to Trade in Albania

Support services

The Support Services are not at the desired level regarding Quality and Time Efficiency.

The traders lack information

(Electronic Support Service to keep them up to date).
Removing Regulatory and Procedural Barriers to Trade in Albania

Thank YOU!