

## **ALBANIA**

### **PROGRESS REPORT<sup>1</sup>**

#### **on recent developments regarding S&T cooperation in/with the WBC (1<sup>st</sup> half 2011 or November 2010 / Becici - May 2011 / Ohrid)**

#### **1 Policy actions**

(e.g. essential changes in the political authorities, administrative bodies, agencies, institutions, personnel, development/launch of new national funding programmes, etc.)

- The Government of Albania through the Law no. 10303, dated 15.07.2010 “On creation and organization and functioning of the Albanian Investment Development Agency” that entered into force on 26 August 2010, creates AIDA as an investment promotion agency, and as a key player for attracting FDI-s in the country. The Agency, in view of its activities, performs all acts and undertakes all the necessary initiatives to support private sector development and improving business climate, pursuing and helping private commercial entities in all phases of their economic activity as well as by intermediating and cooperating with investors and state authorities. The new Albanian Investment Development Agency (AIDA) is established replacing the late Albanian Agency of Investment and Business (Albinvest) and has three main mandates: facilitation and support to direct investments into Albania; increasing competitiveness of small and medium enterprises in Albania; and promotion of, and support to, export of goods and services.
- Business Relay and Innovation Center (BRIC)/AIDA  
Business Relay and Innovation centre (BRIC) is being set up to fill the institutional gap in the Albanian innovation system. The BRIC will deliver the proposed BITS Programmes and Supporting Actions according to the innovation strategy with five people in the staff, within an existing institution. Organised in such way, BRIC can handle the proposed first programmes dealing with innovation funding and enhancing the business innovation services of BSPs and also undertake awareness rising, taken care of by the parent body (putatively referred to as AIDA). By being initially hosted within ALBINVEST (AIDA), the BRIC will be best aligned with a business support organisation, which can programme internationalisation for the enterprises.
- An Innovation Fund about 500.000 Euro for the period 2011-2013 was proposed by METE, and at the time being is in the process of approval.

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<sup>1</sup> The progress reports are collected in preparation of the meetings of the Steering Platform on Research for the Western Balkan Countries and will be provided for download from the WBC-INCO.Net homepage ([www.wbc-inco.net](http://www.wbc-inco.net)) about one week before the meeting takes place. Therefore please submit your report to [office@wbc-inco.net](mailto:office@wbc-inco.net) until Monday, May 16, 2011.

- Provision of individual authorization for use of frequencies for providing 3G services entrepreneurs standard "Vodafone Albania" sh.a, which was announced winner of the bid price on the value 31.400.000 Euro and dated 10 January 2011 "Vodafone Albania" sh.a, launched for the first time these services.
- Signing of the contract by Authority of Electronic and Postal Communications (AKEP) with the winning firm for the "Establishment of a database to provide number portability" on 22 December 2010. And on 02.05.2011 has been developed the ceremony of inauguration of the Reference Data Base Centralized opening the way for number portability.
- Commercial appearance in the market on 27 November 2010, the fourth operator of mobile telephony "Plus Communication" premise for the establishment of efficient competition in the market.
- Policy For Electronic Communications In The Republic Of Albania, 16 February 2010 by NAIS

## **2 Legislative initiatives - development of the legal and strategic framework**

- Decision of Council of Ministers (DCM) no 104 dated 09.02.2011 “Strategic Programme on the development of SMEs’ Innovation and Technology for the period 2011-2016” and its Action Plan BITS .
- Decision of Council of Ministers (DCM) no.760, dated 01.09.2010 “On approval of National Strategy for Intellectual and Industrial Property, 2010-2015”
- Decision No. 723 Dated 01.09.2010 For The Design, Implementation And Operation Of Electronic Systems
- Law No. 10 325, Dated 23.9.2010 State Database

## **3 Important events, meetings, training activities, etc.**

- CIP/EIP (Competitiveness and Innovation Framework Program – Entrepreneurship and Innovation Program) study visit in the EU institutions, Brussels March 21-25, 2011 (METE, ARTI) )
- Workshop on Framework Program 7 “How to participate competitively in FP 7” April 19-20, 2011 coo-funded by EU and ASO in Tirana/Albania
- Working meeting on Donor/IFI Funding of the Business Innovation & Technology Strategy and respective Action Plan, May 9, 2011 organized by EU Project “Supporting SMEs to become more competitive in the EU market”
- Conference – Information Day- COST November 20, 2010 organized by ARTI and COST
- Workshop – ARTI, TURBO, TUBITAK, December 20,2010 “Human Capacity Development Strategy in Science and Technology and Actions Marie Curie

#### **4 Development of international cooperation and actions on integration into ERA**

(e.g. new bilateral/international agreements, memberships, support structures, important international projects, programmes, etc.)

#### **5 Statistics - major changes / updates of relevant statistical data**

##### **Mobile telephony:**

- The penetration rate of mobile telephony reached 140/100 inhabitants in 2010 from 129/100 in 2009 as well as higher than average level of 122% in EU countries in 2009.
- The number of users of mobile telephony in 2010 was 4, 5 million persons.
- Reduction in mobile tariffs in recent years as a result of interventions in these fees by Authority of Electronic and Postal Communications (AKEP) and higher competition in the market, Albania has improved its position compared with EU countries by bringing about average levels of these costs (from maximum levels by the year 2008). This position around the average level of tariffs in the EU, continued in 2010. However, Albania remains above the average in region and this is now the target of Albania authority.

##### **Fix line telephony:**

- Fix line penetration for Albania is low 10.2 % compared to the countries in the region (40-50%)
- In late 2010, the number of fixed line subscribers reached about 332 thousand, a level which represents a reduction compared to 338 thousand that were at the end of 2009 in mean time the number of subscribers of the alternative operators increased with round 8 thousand subscribers: from 45 thousand at the end of 2009 to 53 thousand at the end of 2010.

##### **Internet:**

- The internet penetration rate in Albania grew to 43.5% in 2010 compared to 20.6% in 2009, with the number of Albanians using internet reaching 1.3 million. Albania is one of the countries with the most rapid increase in the number of internet users with the internet penetration rate doubled in 2010. Nevertheless, the internet penetration rate is still low compared to an EU average of 67.6%.
- PC/100 inhabitants 4.6 in 2010
- Broadband connections 3.75. According to latest estimates from the operators and AKEP number of families having access to broadband Internet (broadband) is about 110 thousand or approximately 13.7% of families, and are estimated to be over 10,000 business subscribers. Based on these data, the number of broadband lines per 100 inhabitants is around 3.7%, compared with 2.5% in late 2009.
- By comparing the rates of broadband Internet access to 2 Mbps speed without limit, with the countries of the region, it is noted that rates in Albania are on the average of the region, for the incumbent operator and alternative operators. This represents a significant improvement to previous years when the tariff for access to 2 Mbps was the highest level in the region.
- The minimum speed of 1-2 Mbit 2010 is provided from 256 Kbits in 2009 .
- Mobile Internet penetration 31.5
- e-gov. readiness index 49.7

- 1/3 of Albanian citizens are users of the Facebook network according to the official statisticians of the Social Bakers Group

## **6 Assessment of the developments and outlook on the next 6 months**

*(Optional personal opinion)*

According to the Minister for Innovation and Information Technology Communication:

- 2011-will be the year of building national broadband network (National Broadband Network), essential for economic and social development of the country and connection to international fiber optic cable
  - 2011-will be the year of the expansion of e-Cabinet system and the construction of e-Parliament and e-Presidency, so that all documentation, legislative initiatives, etc., will be only digital path.
  - Also in 2011 will be completed the project GovNet, for connecting public institutions with all districts (the regions) of the country (the project is wrapping up in Tirana, Durrës and expected Elbasan district) with the benefit of the services mentioned above.
  - Better services and lower costs for mobile telephony users
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### **Appendix: additional data**

*(Delete if not applicable.)*

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