

Durres a good business choice

a geo-strategic location



a coastal area of 62 km



a rich cultural inheritance



CONTENT

- 1. DURRES, A GOOD BUSINESS CHOICE**
- 2. A HISTORICAL REVIEW**
- 3. GEOGRAPHY**
- 4. A SHORT ECONOMIC VIEW**
- 5. THE PORT**
- 6. FAVORABLE BUSINESS PREMISSES**
- 7. SME SECTOR IN DURRES REGION**
- 8. TOURISM DEVELOPMENT OPPORTUNITIES**
- 9. THE NEW DEVELOPMENTS IN NORTHERN DURRES**

1. DURRES, A GOOD BUSINESS CHOICE



Durres, with a population over 200 thousand inhabitants, is the center of the Region with the same name, which is extended on a surface of 740 km², where live and work about 400 thousand inhabitants. It creates an operation space for nearly 10,000 private enterprises traditionally going around **3 T-s, Trade-Transport-Tourism**. But is considerable even the contribution of urban, trade, industrial and tourist constructions, industrial and agro-alimentary production, the fishery with the biggest fleet in the country, and other services, as well. Durres Region, with a favorable business climate for anyone, gives over 10 % of all country's GDP.

You, who want to invest in Durres, should know that its future economic development relies on its **three** strong points: *geo-strategic location, coastal area* and *cultural inheritance*.

The *geo-strategic location* of Albania is generally valued as one of Balkans head-bridges of communication between East and West and vice versa. And, for sure, Durres Region represents its essence. It is part of the biggest Albanian Metropolis, Tirana-Durres area, where live and work approximately 1 million inhabitants. With "Mother Teresa" airport in its territory, Durres Region is just the crossroad of all land, railway and maritime roads that enable its connection with all other parts of the country, neighboring countries, and the rest of the world.

It's worth mentioning here the Durres-Pristine Road, which ends in summer 2009. This road will bring important developments for tourism and commercial exchanges. Its connection with Corridor 10 in Nish and onward with Romania, Bulgaria, and elsewhere, makes this artery, very attractive and with perspective for Kosovo, Albania and the region of South-East Europe itself.



The coastal area, 62 km long, offers a lot of *beaches* and also some natural places for *ports*.



Durres Beach, extended on 7 km, from Dalani Bridge to Agai Stream, represents today the most important destination of tourism for Albania. Due to the soft white sand, gradual sea depth, over 100 quality hotels and hundreds of apartments, it can receive approximately 150 thousand visitors, domestic and foreign, in its peak days.

Two virgin coastal areas await new developments: Kallmet- Porto Romano area, round 5 km long and that of Ishmi, round 15 km. Feasibility studies of these areas have aroused the interest of domestic and foreign investors inclined toward middle class and elite tourism.



The **Port**, one of the most important of Eastern Adriatic coast, is situated in the Bay of Durres. Delivering 3.5 million ton of conventional goods in 2007, it has covered 77% of imports and 89% of Albanian exports. The same year, approximately 770 thousand passengers, 170 thousand cars and 63, 5 thousand trucks have moved through it by ferry-boats. Nearly, private companies will take *on concession* all services, the *Passengers Terminal* will be finished, and the *Container Square* will have a considerable widening.

New and ambitious developments have been projected in **Northern Durres**, which potential investors, domestic or foreign, should know:

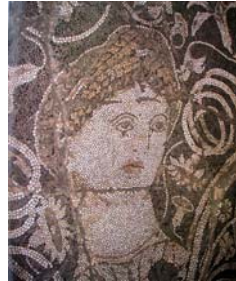
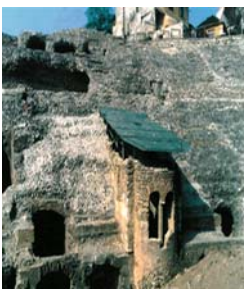
The Terminal of petroleum products, suitable for tanks up to 20.000 ton, with annual capacity of 140.000 m³ petroleum products and 14.000 m³ liquid gases. It ends in the beginning of the year 2009.

Energetic Park, approved by the Government, on a surface of 550 ha, where thermal power plants will be established, as well as plants processing petroleum products

Industrial Park, approved by the Government, on a surface of 850 ha, where industrial, commercial and logistic activities will be developed.

New Port, which project study is in preparation, is foreseen to be built up in Ishem Golf. With a coastal extension up to 5 km, it will have about a three times bigger delivering capacity of conventional goods compared to the existing Durres Port.

Its building opens quite new perspectives even for container transport, and also the creation of free quays for sailing and pleasure boats in the existing Port.



The **history** of all Albania crucifies in Durres. Some packets of tourist operators offer guided tours in Durres and Kruja, through which the visitor can see many witnesses of **cultural inheritance** of Pellasgian, Ilirian, Greek, Roman, Middle Ages and Modern Times, as well. Known as an “air open museum”, Durres is now an inevitable destination for all levels of interest to the cultural tourism in Albania.

Investing in Durres will be a good choice for you.

Welcome in Durres!

2. A HISTORICAL REVIEW

Durrës is the most ancient city of Albania. It was founded on a prehistorical settlement of Illyrian tribe of Taulants by two kings, Dyrrah and Epidamn. The city was known with both their names during all ancient time, VIII-I century B.C. The name Dyrrah represents the first harbor, while Epidamn the upper city, acropolis. The city survived during VIII-II century B.C. with the name Dyrrah, like the metropolis of the kings Glaukia, Monun, Mytil, with an overall flourishing of Illyrian civic culture.



Its name changed into **Dyrrachium** during the **Roman period**, (.I-IV century A.D). The interventions of emperors, like Trajan (97-117) and Adrian (117-138), gave to it a physiognomy similar to Roman cities. Constructions of defensive character, civil, engineering and cult buildings were followed by the amphitheatre, theatre, library, Odeon, gymnasium, thermals, stadium, water-supply system, Egnatia Road, canalizations. Gravestone objects (steles, altars and sarcophagus) weren't lacking, while private buildings were decorated with mosaic floors, white and black and multicolored.

Christian religion was embraced early in this city, since Saint Paul's preaching. It is known the first martyr, Saint Asti, executed during Trajan period.



Dyrrah becomes the heartland of the New Epirus province, being also an important city and one of most well-known ports of the **Byzantine Empire**. The city achieved a great power during the period of the emperors Anastas I (491-518), with provenience from the city and also Justinian I (527-565). Important administrative, political, military and ecclesiastical centre, it was distinguished for the defensive system, encircled by three rows of walls and for magnificent private or social-cultural buildings. The city, with several state armament production manufactories and a powerful shipyard, had all characteristics of a developed handicraft-commercial centre. It was distinguished for a perfect system of canalizations, while it had also a hippodrome, indicator of big cities at that time. The Basilica of Saint Mëhill (Michael) in Arapaj, with a very beautiful mosaic, is a witness of Christian religion strengthening.



In 1392, Durres was invaded from **Venetian Republic**, which possessed the city for nearly 109 years. For the Saint Marc Republic, Durres was an important strategic point for the control of its commerce in the Adriatic Sea, for the economic power of its port, and also for the rich salt-mines. Many were the foreign consulates in the city. The pressure of the autonomous city, used to enjoy the status of “Free Civic Commune”, and the evident Turkish danger obliged Venetian Republic to take measures for the defensive system of the city. Such are the building of the Venetian Tower and the upper castle fortifications. Interesting is the natives request, of the year 1471, to turn the city into an island, aiming to increase its security. A well-known figure of this period is the Durres Bishop, Pal Engjëlli, one of Skanderbeg closest collaborators, elected by him member of the High Council and in charge of diplomatic missions. Laic and religious personality, he has the merit of of the formula in Albanian language (1462) that facilitated parents to baptize their newborn children, in case of the priest absence.



In August 1501 the city was invaded by **Turks**, who called Durres fall *a second Kostandinopol*. But, they narrowed the ancient city, turning it into a military garrison, in a strategic fortress. From a city with 60 thousand inhabitants before the invasion, it was reduced into a miserable centre with not more than 2 thousand inhabitants. Many of them took the road of immigration, over the Adriatic, like in Croatia, Slovenia, Italy etc., where they created new Albanian plantations.

Only after two centuries Durres recovered, competing with well-known ports such as Thessalonica and Ragusa. In its transit store-houses were gathered goods from Albania, Macedonia, Bulgaria and Serbia, to be delivered then over the Adriatic, in Venetian Republic, Messina, Ancon. It was natural to see ships of France, Netherlands, Ragusa, Venetian Republic, England , etc., anchored in Durres wharf and as a consequence to be opened consular offices of these countries in the city. Among the first was Saint Marc Republic (Venetian Republic). At the end of XVIII century, Durres wharf was visited by 694 foreign ships, with an overall tonnage round 280 thousand tons. Since that time Durres had also a Naval Register. At the beginning of XX century Durres was an important centre of the **Patriotic Movement**, which topnotch moment was the national flag raise on 26 November 1912, predecessor date to the independence proclamation day of Albania.



In the period **March-September 1914** Durres became the **capital of Albanian Kingdom**, headed by Prince Wied, appointed from Great Powers. This is the time of the de jure acknowledgement of the Albanian state in the international arena.

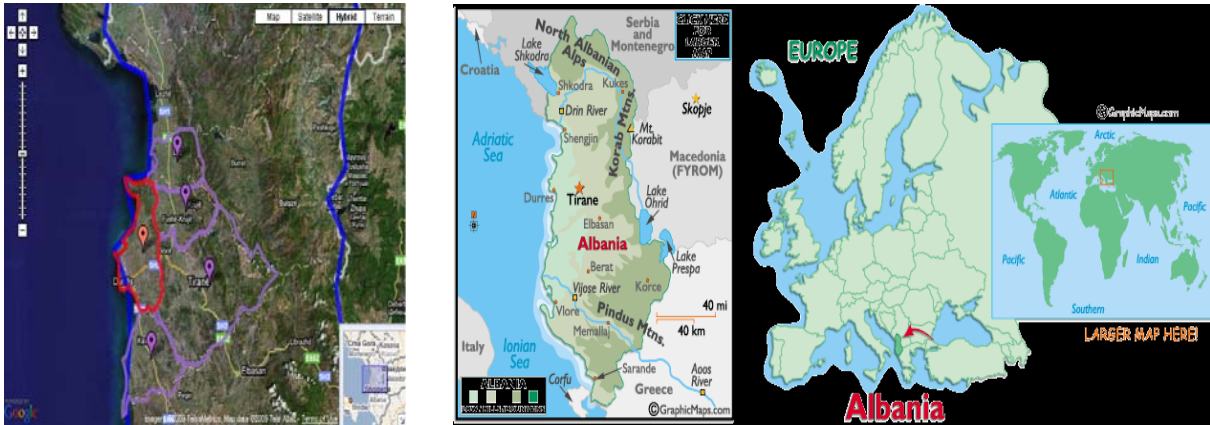
During **Ahmet Zogu Reign**, Durres knew some economic development priority, and also considerable domestic and foreign investments. Most of this period construction is situated nowadays in the “Old City” part.

In the stage of **Second World War**, Albania was aligned by the side of the countries of the Antifascist Coalition. Durres city has its martyrs in this war, while 14th November 1944 is the day of its liberation.

Even during the period of communist dictatorship, Durres was the second most developed city of the country and its most important port.

3. GEOGRAPHY

Durres Region covers a surface of 76.600 ha and is *situated* in the Western Lowland of Central Albania, with geographic boundaries the meridians 19° 25'-19° 55' and parallels 41° 16'- 41° 37'. It is washed by the Adriatic Sea along round 62 km of its western boundary, at distance 102 miles from the port of Bari (Italy).



The *relief* is mainly field and hilly with the biggest height 178 m, hill of Durres. Only a small part of it, around Kruja, is a highland zone, with maximal height 1724 m. The giant terrace created by them allows to see from there all south and north Albania. Hills are generally dressed with Mediterranean bushes, while mountains are covered with woody forests, varying to their height. The Region is traversed from two rivers that pour within its boundaries, while numerous sources bring fresh waters with curative values all the year. A large number of reservoirs, spread all over the territory, add positive values for the economy, landscape and climate. The variety of the relief, the closeness with the sea, the numerous flowing waters, bushes and forests give life to a very rich flora and fauna.

The *climate* is soft in low zones. Indicator of this are the average temperature from 25-26⁰ C of the sea water during summer and 2700 sunny hours during the year. The contrary happens in highland zones, where during winter the temperature decreases very much less than zero and there is a lot of snowfall.

4. A SHORT ECONOMIC VIEW

▲ The administrative division

- The Region comprehends two districts, Durres and Kruja, an administrative division still retained for effect of tax collection, security, etc. Their structures contain **6 municipalities**, which are cities or inhabited centers, and **10 communes**, which are union of nearby villages. Municipalities and Communes are even the territories corresponding to local government with their decision-making attributes. They are independent, but all represented in **Durres Regional Council**, playing the role of a local coordinative government. The following figures may help one to create an idea about territorial and human resources and on size of our regional market, as well



Durres District in figures

Division Municipality	Surface (m ²)	Population			Families
		Total	F	M	
Durres	45.1	197699	97782	99917	46119
Shijak	1.9	12840	6361	6479	4373
Sukth	51.9	24598	12104	12494	5934
Manze	44.9	10757	5158	5599	1941
Commune					
Katund i Ri	50	15488	7589	7899	4260
Rrashbull	56.1	26099	12695	13404	6187
Xhafzotaj	27.6	16387	8175	8212	3984
Mamins	29	6698	3230	3468	1553
Gjepalaj	34	5849	2863	2986	1359
Ishem	92.9	8201	4044	4157	2024
Durres District	433.4	324616	160001	164615	77734

Kruja District

Division Municipality	Surface (km ²)	Population			
		Total	F	M	Familie
Kruje	40	15.829	7.864	7.965	4.155
F-Kruje	49	23.671	11.706	11.965	5.951
Comunne					
Bubq	50	7.918	3.796	4.122	1.868
Thumane	71	16.784	8.376	8.408	3.977
Nikel	35	10.499	5.234	5.265	2.087
Cudhi	88	3.626	1.750	1.876	979
Kruja District	333	78.327	38.726	39.601	19.017

▲ The economic activity

- The natural resources (sea or mountain), location particularity or tradition has served as starting bases for local economies responding to new open market after '90. The fertile land and the balanced climate with long warm summer alternated by mild winter have determined most of people living in communes to operate agricultural and farming activities.
- But, certainly, one may easily distinguish *Ishem* for its new agro tourism, *Sukth* for its well drained lands, *Maminas* for agricultural inputs, *Manze* for its massive olive grove, *Katundi i Ri* for its very fertile land, *Khafzotaj* for its modern poultries and piggy farming, *Bubq* for its thermal waters, *Cudh* for its tiny livestock, nut forests and mineral waters.
By tradition, people in *Kruja city* and its surroundings is dedicated to manufacture of handicrafts and souvenirs, and cultural tourism, *Nikel* is the much known area for furniture manufacturing, while *Fushe Kruja* for cement and brick production.
- It is worth to mention the impetus of viticulture and olive grove in all communes with hill areas, pushed even by some government incentives
- New other developments are in a rapid progress in communes like *Rrashbull*, *Khafzotaj*, *Maminas*. Their areas along the highway and the old road that connect Tirana with Durres has favored the foster of many new establishment dedicated to manufacture or service.
- The vicinity with Durres Port has created good conditions almost in all communes for the flourishing production of textile or leather products, or processing of medicinal herbs, metal scrap, etc for (re)export.
- Nowadays, all companies everywhere in European countries need to increase their competitiveness. Exporting the technology and a part of their value added by labor to a developing country will give benefits to both partners. And, surely, all Durres Region is one of best opportunities to do so.

5. THE PORT

▲ Geo-strategic location

The Durres Port, one of the most important of Eastern Adriatic coast, is situated in the Bay with the same name. It, surely, enables almost all the values of Albania's *geo-strategic location*, as one of Balkans head-bridges that facilitates transit of passengers and freight to and from the European continent.

In fact, in this port crucify all going *land, railway* and *maritime* roads from Albania to its landlocked-neighboring countries, respectively, Kosovo and Macedonia.

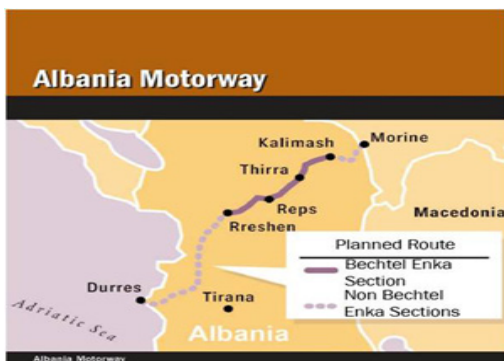
a) Roads connections

“Corridor 8” and “Road of Arberi” passing through Durres Port, offer, obviously, the two best alternatives for Macedonia to transit people and goods to and from Western Europe.

◆ **The Corridor 8**, which will be completed in 2028, links the Adriatic-Ionian regions with the Balkan regions and Black Sea countries. It is a multi-modal transport system along the East-West axis comprising of sea and river ports, airports, roads and railways, for a total extension of 1270 kilometers of railways and 960 kilometers of roads. Its main route follows the Bari – Brindisi – Durres - Tirana – Skopje – Burgas – Varna axis (There are also branches leading to Greece and, through Corridor 4, to Turkey). Nowadays, an existing road in good conditions connects Durres with Skopje.

◆ **The Road of Arber** will connect Tirana and Durres harbor to the eastern regions of Albania, as Peshkopia, Diber and Mat, as well as neighbor regions of Macedonia, Bulgaria, etc. Considered as an alternative or branch of Corridor 8, it is now in the road sector priorities for the Albanian Government.

◆ **The Durres-Morin Road**, ending in summer 2009, will considerably augment the economic exchanges between Albania and Kosovo, particularly tourism and commercial ones. This road, connected with Corridor 10 in Nish, opens a new opportunity even for transit of goods to and from Romania and Bulgaria.



◆ **The Albanian Nord-South Corridor**, at length 405 km from Hani i Hotit to Kakavija, passes through Durres. It certainly links its Port with regions of Greece, Montenegro and other countries of East-Central Europe.

b) *Rail connections*

The Albania's Central Railway Station is placed near Durres Port and has a direct connection with it. Continuing from the Port, the rail reaches The Montenegro and from there the European Rail Network. Except the rail link between the ports of Durres and Vlora, it is another branch that traverses the space between Durres and Skopje. There is only a still missing link of about 30 km length on the Macedonian side to complete the rail connection between these two cities.

As the distance table indicates, Durres Port has good chances to capture an increasing share of Kosovo and Macedonia markets exchanging with Europe, in the competition between three nearest ports to both these countries.

Distance between ports and markets

PORT	MARKET	
	SKOPJE	PRISTINA
DURRES	120 km by rail 200 km by road	No direct rail 230 km by road
THESSALONIKI	225 km by rail	310 km by rail
BAR	715 km by rail	630 km by rail

c) *Ferry lines*

There are four ferry lines linking Durres Port with ports of **Bari, Ancon, Trieste (Italy)** and **Copper (Slovenia)**. They transit trucks, containers, cars and people, from and to Albania, and cover a considerable part of total traffic through the Port. Other lines are expected to be opened in the near future, connecting the Port with **Brindisi (Italy), Istanbul (Turkey), Rijeka (Croatia), Bar (Montenegro)** and some other.

▲ **Main carateristics-features**

Position 41° 19' N / 19° 27' E	Quay depth 6.6-11.15 m
Land area 1,200,000 m ²	Maximal ship length 220 m
Aquarium 670,000 m ²	Maximal ship dive 8.5 m
Operational quays 11	Grain silos capacity 1,500 ton
Quays' length 2.2 km	Depos 15.000 m ²

▲ Handled traffic

a) The Durres Port represents the major interface for Albanian international trade. It delivers general, bulk, dry and liquid cargo ships. It is also open to container, roll-on, roll off and passenger vessels. Its labor force is capable to operate all kind of cargos, at a lower cost compared with competitor ports.

The port currently serves 77% imports and 89% of Albania's exports; this equals to 78% of total seaborne trade on a national level. Meanwhile, Durres is primarily import-oriented, where inbound traffic accounts for 91% of the total throughput.

b) Main *imported* goods are grain, flour, sugar, cement, clinker, containerized cargo, oil, kerosene, benzyl, construction materials and chemicals. Mayor import partners are Italy, Greece, Lebanon, Turkey, Croatia, Russia, Ukraine, Spain, etc.

Main *exported* goods are ferrochrome, chrome mineral, scrap, and various general cargos. Mayor export partners are Italy, Greece, Russia, China, Ukraine, Sweden, Spain, etc.

d) By the following tables, one can create a more complete idea about Port activity during the year 2007.

Imported goods	Quantity (ton)
Dry bulk	883.541
Liquid bulk	270.447
General cargo	781.783
Containerized cargo	287.751
Ro-Ro cargo	404.372
Total	2.627.894

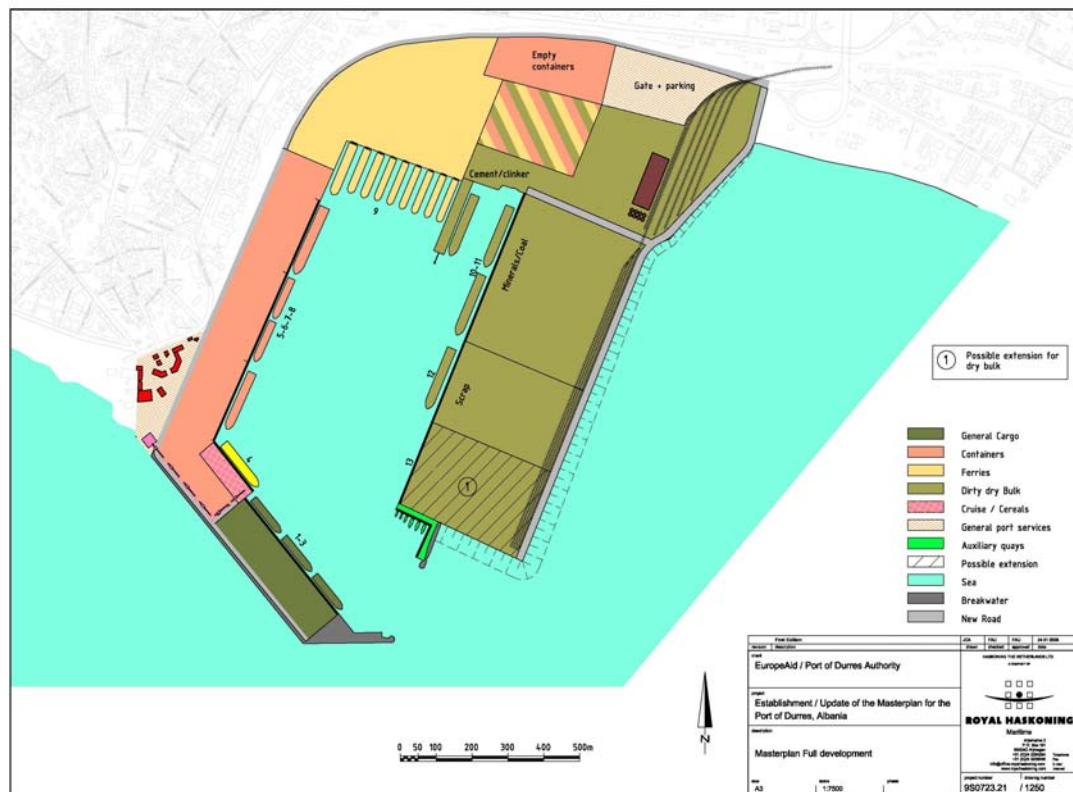
Exsported goods	ton
Dry bulk	493.336
General cargo	25.136
Containerized cargo	69.423
Ro-Ro cargo	225.760
Total ekpsort	813.655
TOTAL Imported+Exported goods	3.441.549

	Arrivals	Departures	Total
Passengers	388.000	382.000	770.000
Cars	99.000	70.000	169.000
Trucks & trailers	33.000	31.000	64.000

▲ By master plan

The Royal Haskoning Company has already drafted the *Master plan of Durres Port*. By this draft, Durres Port will transit 8.2 million ton of goods, 1.9 million passengers, 140 thousand trucks and 350 thousand cars in the year 2020. These predictions suppose even some new changes in its performance of two next years:

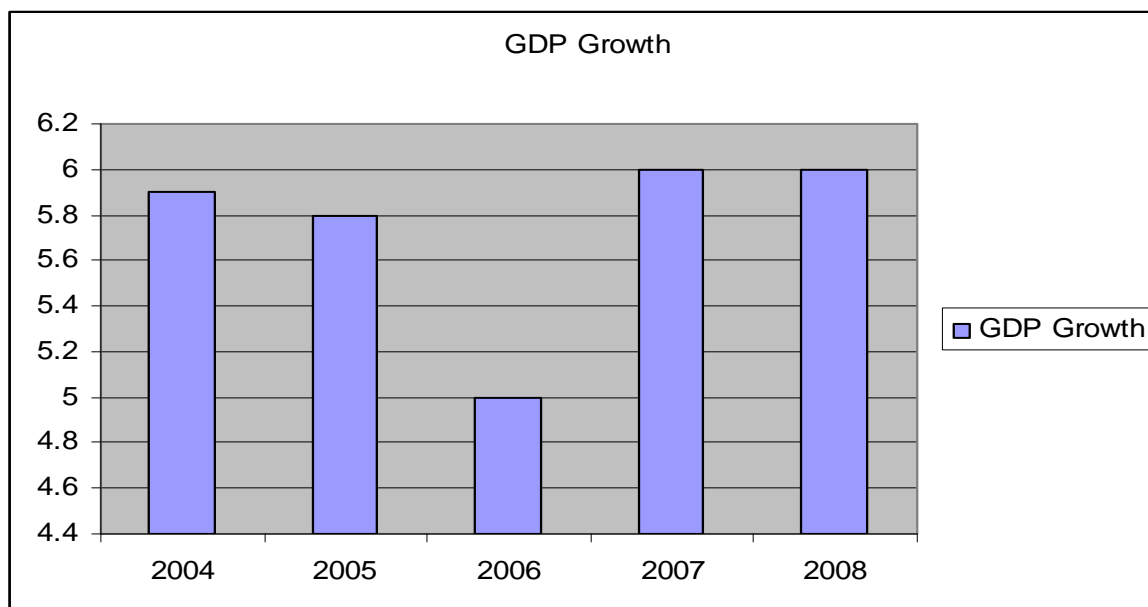
- A very improved placement and use of all existing harbor assets
- The dredging of the basin and entrance channel for vessels of 30000 GTW;
- The building of Passenger Terminal
- Considerable investments by private companies, which will have in concession all port services



6. FAVORABLE BUSINESS PREMISES

▲ Albania

◆ **Macroeconomic performance** reveals a healthy and a non-inflationary growth since 1998. Over the last two years the real growth averages to 6%, while the inflation to the 2-4% target range.



Source: METE

◆ Foreign direct investment climate

Foreign investors:

- are treated no less favourably than domestic ones
- do not need any prior government authorization
- have the right to transfer outside of Albania all types of funds and in kind contributions
- brought 463 million Euros of direct investments to Albanian economy in 2007, giving 6.8 percent of its GDP.

The “Doing Business 2009” report of World Bank ranked Albania 2nd and 14th place, respectively for *economic reforms* and *foreign investment protection*.

◆ An Euro-Atlantic trend

Albania

- ✓ has ratified the SAA with all countries of the European Union, getting a clear perspective for the status of “Candidate Country”

- ✓ receives the invitation for full NATO membership in April 2009
- ✓ is part of the CEFTA, entering the new regional market with very much opportunities for a more sustainable development and the increase of investments and cooperation among the partner countries
- ✓ knew a good increase of its trade flow in 2007, 36% in exports and 37.8% in imports.

Source: ACIT. The geography of Albania's trade flows, 2007

	Exports			Imports		
	Value	Share to total	Growth rate	Value	Share to total	Growth rate
	Million USD	%	%	Million USD	%	%
EU 27 (EU 25)	894.8	83%	28%	2642.02	62.8%	38.0%
Italy	733.4	68.0%	28.0%	1225.9	29.0%	39.0%
Greece	88.7	8.0%	18.0%	652.9	15.0%	28.0%
Germany	26.3	2.0%	5.0%	191.3	5.0%	35.0%
Sweden	17.1	2.0%	154.0%	10.1	0.0%	-22.0%
France	6.7	1.0%	22.0%	36.2	1.0%	34.0%
Bulgaria	7.6	1.0%	131.0%	87.1	2.0%	-13.0%
Other of EU	15	1.0%	52.0%	438.2	11.0%	30.0%
Countries of the region						
Countries of the region	107.8	10.0%	68.4%	333.1	8.0%	5.2%
Kosovo	51.5	5.0%	71.0%	30.8	1.0%	72.0%
Macedonia	25.3	2.5%	101.0%	99.9	2.0%	59.0%
Serbia - Montenegro	25.7	2.5%	101.0%	99.9	2.0%	59.0%
Bosnia-Herzegovina	4.2	0.0%	-2.0%	13.4	0.0%	46.0%
Croatia	1.1	0.0%	-55.0%	42	2.0%	18.0%
Moldova	0	0.0%	-	3.1	0.0%	-39.0%
Other countries						
Turkey	23.6	2.2%	137%	323	8.0%	33.0%
China	27.3	3.0%	199.0%	216	5.0%	53.0%
US	7.1	1.0%	108.0%	33.2	1.0%	29.0%
Rest of World	16.4	1.0%	118.0%	655.8	15.0%	21.0%
Total Flows	1077.4		36.0%	4203.4		37.8%

You can obtain more detailed information on Albania's trade flows by ACIT (Albanian Centre for International Trade, at address: www.acit-org.al)

◆ A group of incentives

- ✓ **Albania 1 Euro.** The government is launching a wide-ranging scheme known as the "Albania 1 Euro". It aims to accelerate the uptake of foreign investors, by prioritizing their global market entry plans.

- ✓ Special status of a “promoted person” investing in tourism, who: will be exempted from custom duties, excise tax and profit tax for first 5 years; will have a reduction at 50% of profit tax for next 5 years
- ✓ Investors in power production over 5 MW will be exempted of custom duties on imported machinery, and reimbursed for the custom and excise duties paid on the import of relative liquid or solid combustibles
- ✓ Importers of machinery and equipment can take advantage of a 100% VAT credit, if they are used solely as part of their taxable economic activity
- ✓ *Fason* producers are not subject to VAT for services to their contractors, providing that products are re-exported.
- ✓ Investors are eligible to lease state-owned property, such as land or buildings, at rents below market rates.

◆ A very low taxation level

Albania is implementing a *flat tax* system of 10% rate

Tax name	Tax rate
Tax on profit	10 %
Tax on personal income	10 %
Withholding tax	10 %
Value added Tax	20 %

- **Social and health contributions** will be 15% starting April 1st, 2009.
- **Avoidance of double taxation.** A reduced tax rate (a foreign investor can choose to pay in the country with the lower tax) has to be applied for foreign investors according to the treaties between *Albania* and: Austria, Poland, Romania, Hungary, Turkey, Czech Republic, Russia, Macedonia (FYROM), Croatia, Italy, Bulgaria, Sweden, Norway, Greece, Malta, Switzerland, France and Belgium.

◆ Banking

- ✓ An active and open banking system made up of mainly private banks, crediting the economy to almost 45% of GDP during the year 2007
- ✓ The most of 18 operating banks are foreign owned, like Raiffeisen (Austria), BKT (Turkey), Intesa San Paolo (Italy), Alpha, NBG, Tirana Bank Greece), General Societè (France), etc.
- ✓ High quality services, including the credit cards

- ✓ The recent banking reform increased the role of banking supervision authorities, and introduced strict reporting and auditing requirements

◆ A one-stop-shop solution for business registration

- ✓ *The National Registration Centre (NRC)*, with its windows overspread in all Albania, offers the company registration just in one day, at cost 1€
- ✓ In Albania is possible to run a business as an *entrepreneur* or under one of company type: ***general partnership, limited partnership, limited liability partnership, joint stock***
You can obtain public information for any Albanian enterprise at address: www.qkr.gov.al

◆ An agency supporting foreign investments

Albinvest is the government agency in charge of promoting the increase of foreign direct investments by means of information on legal framework and all business opportunities in Albania. A potential foreign investor may obtain much information on Albania's opportunities at address: www.albinvest.gov.al

▲ Durres Region

- Albania's 2nd most developed region
- A population of 400 thousand with an average age of 28, and a dynamic-qualified work force
- A warm climate with 300 days of sunshine a year
- With center Durres city, with a story of more 3000 years
- With the biggest Port of Albania, one of the most important of Eastern Adriatic coast
- The crossroad of all land, railway and maritime roads that enables its connection with all other parts of the country, and also with neighboring countries
- With two NRC windows, near Durres Chamber and Durres Municipality
- The most important destination of sea and cultural tourism for Albania
- With the University "Alexander Moisiu" established in 2006, offering studies in Business and Social Science, Engineering, Science and Technology, Art and Humanities. It has opened recently the dual Faculty of Business for Bank, SME and Tourism Management.
- People in Durres could easily speak Italian, English language, but you can find also Greek and German speakers as well

- Favorable rents of state offices and private property. (Durres rent is a bit lower than Tirana city, which is taken as reference for ceiling prices in Albania)
- A private market for office space growing rapidly, with current trend to the construction of high-tech business centers

Rental rates for a state-owned property (2007)

Location	Minimum Rent (ALL / m² / month)
a) Production buildings	
Inner Tirana city	300
Outer Tirana city	200
Inner big cities	150
Outer big cities	100
Inner small cities	100
Outer small cities	50
b) Offices, shops and service agencies in airports, ports and customs	
	2500
c) Museums, historical, archeological and cultural buildings	
Inner Tirana city	600
Other locations	300
d) Machineries, equipment, technological lines	
	To be negotiated
e) Tanks, oil deposits, silos	
Inner Tirana and other big cities	400 ALL/m ³ /month
Other locations	200 ALL/m ³ /month
f) Free functional land outside the building	
	Annual rate of 10 % of sale price
g) Sport parks	
	50

Source: DCM no.315, 24.04.2003 “On the leasing of state enterprises and institutions property”

Office space for sale in Tirana, Albania (May 2007)

Class	Definition	Zone 1 Downtown	Zone 2 Ring surrounding downtown	Zone 3 Periphery
		Price per m2	Price per m2	Price per m2
A	Business centers facilities with full services. Typically entire first floor	2100-3600 USD	1200-2400 USD	950-1800 USD
B	(opportunity for multiple floor occupation) fully or partly serviced	2400-3600 USD	1200-2400 USD	840-1450 USD
C	Converted apartments into offices – partly serviced.	960- 2200 USD	650-800 USD	600 - 720 USD

Source: Leading real estate companies in Tirana

7. SME SECTOR IN DURRES REGION

A). Trend

- The private sector constitutes the economic engine of the Durres region. There is a high trend of new established businesses and entrepreneurship development in this area. During 2007 and 2006 year is evidenced a growth of start-up companies, respectively 1,568 and 2,083 companies.
- The removal of trade barriers in Balkan region, European and World market has offered a new format for enterprise competition. New free trade agreement, stabilization and association process, international market competition have required quicker and more dynamic changes to achieve new standards in business management and operation.

B). Features

- Durres was the second region in the country by the number of operating enterprises in its territory in 2007.

No	Qarku Region	Ndermarrje Enterprises	%
1	Tirana	34,131	39.1
2	Durres	10,624	12.1
3	Fier	8,321	9.5
4	Korce	6,875	7.9
5	Vlore	6,826	7.8
6	Elbasan	5,971	6.8
7	Shkoder	4,323	4.9
8	Berat	3,554	4.1
9	Gjirokaster	2,493	2.8
10	Lezhe	2,207	2.5
11	Diber	1,395	1.6
12	Kukes	764	0.9
	Shqiperia /Albania	87,484	100

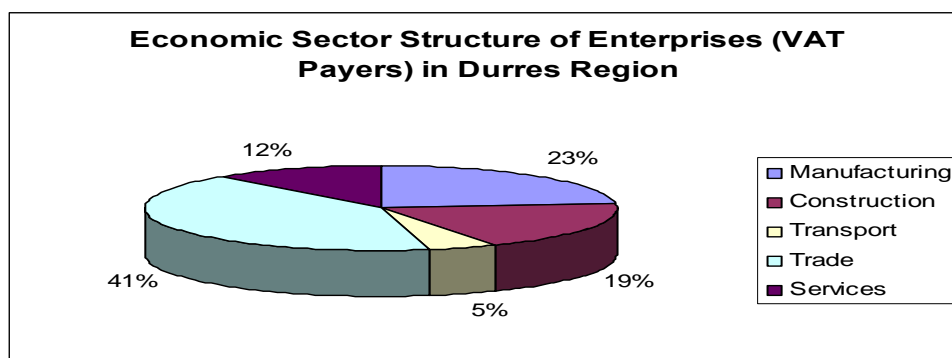
- The private sector in Durres Region should be considered as almost an SME oriented. The large enterprises compound less than 1 % of their number

Territori <i>Territory</i>	Grupi sipas numrit te punonjesve ne % <i>Group by number of employees in %</i>			
	1-4	5-19	20-79	80+
Shqiperia/Albania	91.6	6.2	1.7	0.5
Qarku Durres/Durres Region	91.8	6.4	1.4	0.4

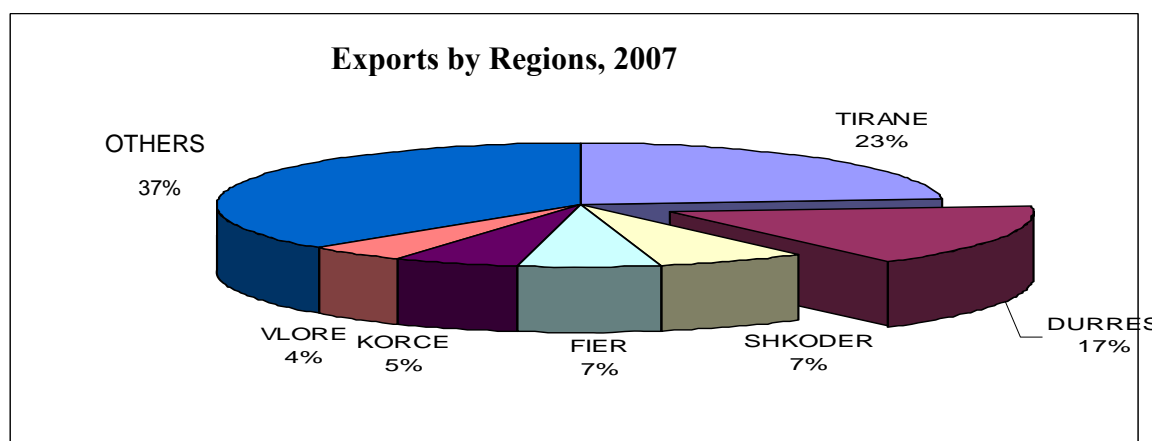
- Since 1991, the structure of SME-s has been changing and adapting to the open market economy. In 2007 it had a view similar to many other developing countries entering the global market

Sektori/Sector	Ndermarrje <i>Enterprises</i>		%
Prodhim/ Production	1,955	18.40	
Bujqesi&Peshkim/Agriculture&Fishing	161		1.51
Industri/Industry	1,096		10.32
Ndertim/Construction	698		6.57
Sherbime/Services	8.669	81.60	
Tregti/Commerce	4,732		44.54
Hotel, restorant, etj/Hotel, restaurant, etc	1,732		16.31
Transport&Komunikim/Transport& Comm	1,111		10.46
Sherbime te tjera/Other services	1,094		10.29
Qarku Durres/Durres Region	10,624	100.00	100.00

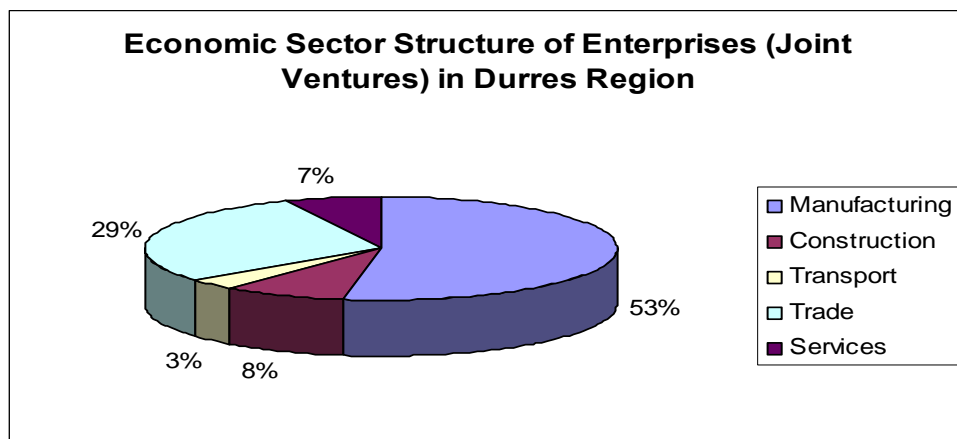
- Considering the distribution of VAT Payers in Durres Region, manufacturing sector represents a higher portion (26 %) related to the other ones, except trade sector



- Due to the geographical position close to major regional and European markets, and also by good access to Adriatic and Mediterranean seas, the enterprises in Durres Region has paid much attention to international trade. They occupied the second place for the Albanian exports in 2007.



- Durres Region, with its unique geographical location, with its labor force of low-cost skilled and good learning capacities, has always attracted the attention of foreign investors. There were nearly 120 enterprises established up to 2007, with their capital all or partially possessed by foreigners. More than 50% of them are present in textile and leather processing, operating at *active* regime with the raw material of the foreign buyer. The later is located in Italy or Germany in most of the cases.



- The new great opportunities revealing in Durres Nord, with its Industrial and Energy Park, and the New Port, will certainly attract many other foreign investors, interested in manufacturing, trade, transport or other services.

8. TOURISM DEVELOPMENT OPPORTUNITIES

▲ ALBANIA

- A new tourist market of the Mediterranean in rapid growth, reaching more than 2.5 million visitors for 2008, mainly from Europe, and from other continents, as well.
- Has generated about 1 billion € sales in tourist sector for 2007, a contribution of 11% to its GDP, covering 0.6% of the total demand in Central-Eastern Europe tourism market
- Is raising its tourist industry offering accommodation with 35,000 bed unit, by means of 120 travel agents, who work even on “booking online”
- Offers the sunny tourism in a multitude of sandy and pine beaches along the Adriatic Sea and the rocky coast of Ionian Sea, or the mountain and climate tourism as a very interesting alternative
- Has 13 protected national parks rich of natural beauty and cultural heritage, as well
- Is a country of a rich ancient history and cultural heritage. About 2000 cultural monuments may be visited, being some of them under UNESCO-s protection
- Is now calm and a safe country for visitors. By old tradition of hospitality, its people pay a great respect for foreigners. A seat at the head of their table and their help, when you are lost or in trouble, are the most common habits for them.
- Continues to improve the legislation on foreign investments, human safety, and clarity of land property. Foreign investors interested at tourism industry can take advantage of laws “on the concession” and “on the promoted person”
- Is accomplishing and expecting big investments in its infrastructure including:
 - ◆ national road network, water resources and drainage, power and telecommunication
 - ◆ modernization of Tirana airport and construction of new airports in North and South
 - ◆ improvement and enlargement of ports like in Durres, Vlora, Saranda and Shengjin
 - ◆ construction of new maritime ports for yachts and sailboats
 - ◆ realization of an integrated plan for the southern coast development (Albanian Riviera)
 - ◆ the intact mountains ready to be turned into adorable touristic attractions



▲ DURRES REGION

- Is developing an all-year integral tourist offer that alternates all kinds of tourism, using in an optimal way the advantages donated by nature and history
- Is participating even in “Adrion” initiative- the new unique brand name for tourism in Adriatic and Ionian lands
- Durres Beach extended in a length of 7 km, with its soft white sand and gradual sea depth, represents today the biggest destination of sunny and beach tourism for Albania. With over 100 quality hotels and hundreds of apartments, it receives in its peak days approximately 150 thousand visitors, domestic and foreign



- A new trend of agro-tourism holding out local hospitality and food-drink enriched by bio products, and particularly by *rakia*, a traditional drink produced from grapes
- Durres is the most ancient city of the country, with a rich cultural inheritance of a more than 3000 years old story.
- Offers a sightseeing tour named “Virtual Park” that follows the line passing through its 12 most significant historical and archaeological sites
- Kruja and its surroundings completes tourist interest with its museum set up on premises of old Castle, dedicated to the national hero Scanderbeg, Old Bazaar offering traditional local handicraft, and national park of Qafeshtama



- Has a strategic plan in public investments of some thousands million Euro, for an efficient regional road network, and particularly for improvement of all infrastructure in Durres Beach
- Has a great potential of growth, with expected investments by domestic and foreign companies, mainly dedicated to middle, high-class and elite tourism, in areas like:
 - ◆ beaches of Lalez Golf”, with 20 km length where virgin sand is followed by pine forest and green hills
 - ◆ beaches of village “Rinia”, with some restaurants amidst the pine trees
 - ◆ area of Kallm, composed by a number of small beaches laying at the foot of the hills eastward the Durres city



9. THE NEW DEVELOPMENTS IN NORTHERN DURRES

▲ The dilemma and its solution

It has always been to a great interest the question: Could it be possible to profit much more from both strong points donated by nature to Durres region, the *geo-strategic location* and the *coastal area*? Otherwise, in the macro meaning: In which part of this territory could *industry* and *services* develop, as it has already happened with *tourism*? As a matter of fact, dices are thrown. Decision makers have already given an answer to the long dilemma: **Yes**, in the **northern area** of Durres! Moreover, this area, almost forgotten until three years ago, is foreseen to host a whole ensemble of new and very ambitious industrial investments. Below are listed even many business opportunities related to these great investments.



▲ The Terminal of petroleum products

Taking the respective concession of the form “BOT” since two years ago, the company “Romano Port” has started the construction of a wharf delivering petroleum products (gasoil, gasoline, coal-oil, combustibles) and of liquid gas. This investment, approximately 25 million €, enters in function at the beginning of the year 2009. The terminal, by the wharf with a length of 1.100 m, reaches at its edge the depth 12 m, suitable for tanks up to 20.000 ton. Its annual capacity goes around 140.000 m³ of petroleum products and 14.000 m³ liquid gas.

It is situated in the northern area of Durres, called Porto-Romano, extending on a surface of 2 ha. All portal and state services will function there, equally as in any other port of the country.

▲ Petroleum and liquid gas deposits

In a square with a surface of ha (51,7+1,76) has already began the deposits placement of round 12 companies, authorized for their construction, with an overall capacity of 140.000 m³ petroleum products and 18.400 m³ liquid gas. They occupy a surface of 26 ha, that together with the free surfaces between them, fill all the foreseen territory. By main pipe managed by the Terminal, liquid hydrocarbons arrive in the Central Collector, whereof branches, at the responsibility of collector companies, supply each of the deposits.

▲ Energetic Park (EP).

By Minister's Council Decree No. 703, date 23.4.2008 has been approved the raising of an **EP** in the northern area of Durres. **EP** will occupy a surface round 550 ha, exactly the marsh land reclaimed from the former Durres Swamp, situated between Porto Romano and Bishti i Palles. Aiming **EP** to supply a good part of the country demand for energy, in the study approved by MCD are foreseen investments like:

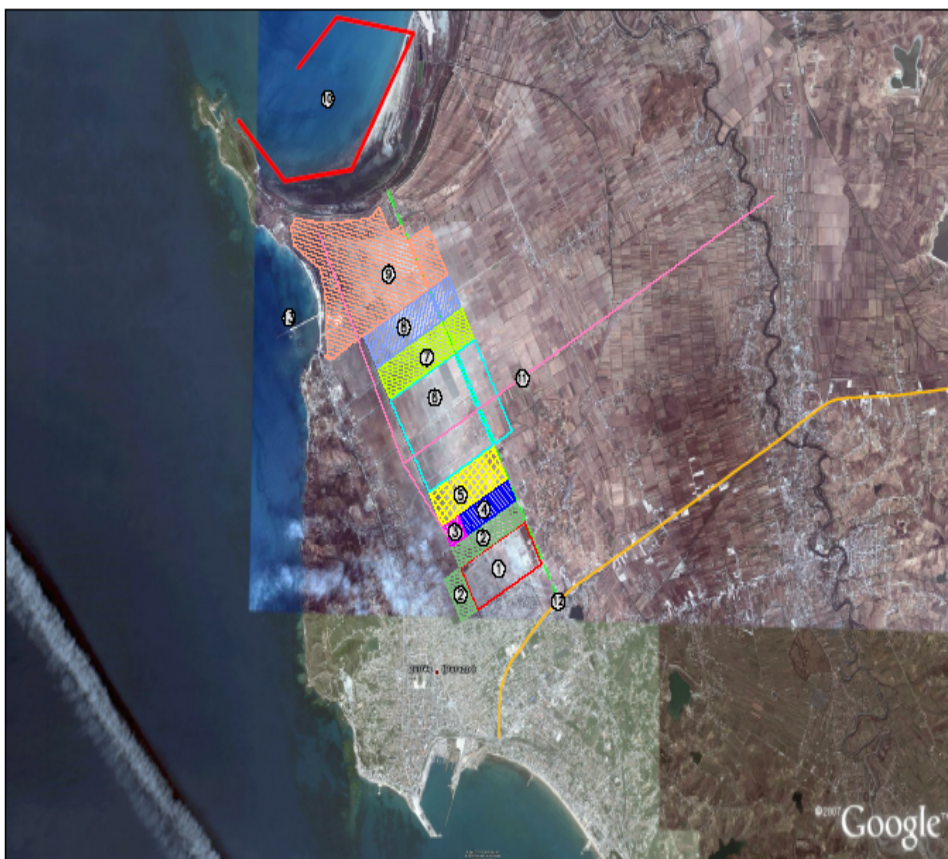
- The terminal of gross petroleum, an investment of 10 million €, on a surface of 9 ha
- Refinery 3-5 million ton/year, an investment of 700 million €, on a surface of 45 ha
- Two TEC, each 800 MW, of combined cycle technology, each an investment of 1.2 billion €, on a surface of 40 ha
- The park of storehouses of chemical substances and oils, an investment of 15 million €, on a surface of 15 ha
- The plant of bio combustibles elaboration, an investment of 45 million €, on a surface of 15 ha
- The plant of gasification of liquid gas, an investment of 100 million €, on a surface of 15 ha
- The plant of cleaning and security of the area, an investment of 60 million €, on a surface of 18 ha



▲ The New Port

Its idea is now revealed, while its feasibility study is in preparation. This new port is foreseen to be built up in Ishem Golf, west Erzeni river outfall. With a coastal extension up to 5 km, it will have about a three times bigger delivering capacity of conventional goods, compared to the existing Durres Port.

The rapid start of this port construction is now a necessity. From AIC Forum studies results that in the Adriatic may show up new transport opportunities, particularly in the *containers segment*. They are related with the general increment of international commercial traffics, and especially with an always more central position of China and India in the maritime world trade. As well, the double of Suez Channel wideness, will soon allow mother ships of big dimensions to enter Mediterranean Sea, from where smaller ships would transport goods even to the Adriatic ports. With New Port ending also will be created the opportunity to liberate the existing Port from conventional goods and transform it in a “city” port, mainly for ferry-pleasure-boats and other small means of navigation.



Legjenda:

1. Depuratori i ujrave te zeza te qytetit 70HA
2. Braz sanitar (peme, gjelberim i larte) 50HA
3. Stacioni i ri hekurudhor Terminali i autobuseve per linjat kombetare dhe nderkombetare 20HA
4. Zone per ekspozita "Durres Expo" 50HA
5. Zone rekreative (park, pishina, kinema, balla lajtrash, disneyland) 100HA
6. Zone magazinash per industri te paster. 400HA
7. Sheshe per depozitim mallraash rifuzho.(Hakur, Kontanier, etj.) 100HA
8. Zone per parking veturash si terminali tranzitimi. 100HA
9. Zona parkut energjetik. 550HA
10. Porti i ri komercial.
11. Linja hekurudhore. (pika lidhese, stacioni sukhit 13km)
12. Rruga lidhese me autostraden Durres-Tirane 8Km
13. Pontili hidrokabureve.

▲ Industrial Park (IP)

Four complexes briefly described above, not only closely circle the **IP** like a crown, but for sure also condition the nature of its components. The functioning as a whole of them together the IP, would also express the essence of the term “synergy”, frequently used in the studies for the future development in northern Durres area.

By MCR No. 391, date 21.2.2008 is declared an economic zone, with status of “Industrial Park” the territory with a surface of 850 ha, part of the cadastral zone nr.8517, determining also the number of each parcel included in the IP.

According to the article no.3 of this resolution, in this area will develop economic activities, like:

- ✓ production: industrial and agroprocessing
- ✓ commercial
- ✓ services

Furthermore, the Articles 7 and 8 of this resolution give to the commercial and processing activities the opportunity to enjoy the status of bonded warehouse, and also the right of VAT reimbursement within one month.

By means of an open tender, the management of the investments in the IP will be given *on concession to a single developer*. The concession will have a symbolic price 1€ all surface, for a term of 25 years, with the renewal right.

The developer will have the commitment of:

- ✓ Land provision, industrial projection and construction, according to the investor request.
- ✓ Contract of leasehold or sale, or according to any other scheme proposed by the investor for the industrial construction.
- ✓ Recruitment of qualified human resources
- ✓ Business management consult
- ✓ Administrative services

Parceling the IP, the developer, certainly will see its functioning in harmony with the ensemble of other investments in the northern area of Durres. Particularly, it should consider the “heavy weight” of future investments in EP, as well as the support to an as much possible complete performance of New Port. In the actual stage, it can be imagined a division of the IP in four principal areas, with a distinct typology of investments: *industrial, sanitary –recreational, promotional and that logistic*. The size of each of them will be determined, not only by the investors’ interest, but also by the developer’s vision.

The *surface* appointed for the IP is relatively much bigger compared to other parks raised in Europe, like in Kechnec (Slovakia)- 332 ha, or Maritsa -195 ha, Lenitsa -54 ha, Rakovski-81,5 ha, (

Bulgaria), etc. For an efficient use of the whole surface should be considered also the investments made till now in Albania. With a relative approach, for enterprises like textile manufacturing, which work with high coefficient of surface use, 0.5-2 ha, could be sufficient. Industries that need big surfaces for raw materials and final product storage, like shoe plants, enterprises of prefabricate construction, companies of international transport and others like that could need parcels of 2-10 ha. Meanwhile for strategic investors, round 3-4 of them, parcels of 10-20 ha could be separated. Even from analysis of other parks, it results that for the IP could be applied a coefficient of use up to 50%. This means that covered surfaces should occupy not more than half of the territory, while the other part pertains to internal roads, secondary services areas and obligatory green areas for each plot.

The expected employment in the IP is closely related with the type of business involved in it. Considering the present Albanian enterprises, in the textile manufacturing sector we have the higher utilization of surface, with an average coefficient 20 m²/employee. But, transport or construction enterprises have a low surface utilization, about 250 m²/employee. We could foresee, with a pondering approximation, the employment of not less than 30.000 thousand persons in a full functioning IP. Meanwhile, the professional training of these employees becomes an important issue. That's why is considered that in the IP should be included proper centers and institutions dedicated to this purpose.

▲ Infrastructure

The realization of the investments in Northern Durres requires a series of coordinated actions between the private and public investor. It's the first time in Albania that in one area concentrate so many big investments. The central and local Government has taken the commitment to foresee and realize the investments for external infrastructure in well determined terms. Listed below they can sound really attractive also for domestic or foreign companies, specialized in relative field:

6 Transformers with capacity 1 MW, of the line 20 KV

Potable water

Industrial water

Pump station

Depurator

Optic fibbers

Connective road with the highway

Enlargement of Durres-Spitalle road

The railway Sukth-Northern Durres

To the perspective of the above investments should be added also those of the internal infrastructure. For the IP, they are in charge of the developer. According to a feasibility study already done, they will be:

Power network

Potable water system, with pipes of a diameter not less than 300 mm

Industrial water system, with pipes of a diameter not less than 200 mm

Sewage canalizations, with pipes of a diameter not less than 300, 500, 600 mm

Drainage pipes system, for all the park surface.

Optic fibers network for phone lines and fast internet connections

Asphalted road network

The conditioning of internal infrastructure for each complex part from that of the external one is resolved with a Government decree that imposes respective institutions to complete Infrastructural Study before the tender announcement for the selection of IP developer. This tender is expected to take place with the beginning of the year 2009.

It is natural to suppose that placing in IP can be started with domestic investors, who immediately understand the advantages that an area with available infrastructure assures for their business.

It is evident that the investments described above realize more than an “optimal benefit” from the location of Durres Northern territory. They would transform it in the Albania’s most powerful economic pole. The compatibility of the new itself ensemble’s parts, and also with the rest of the region becomes very important in facing out this big challenge. The Environmental Impact Assessment Study of each investment has to demonstrate its being “friendly” with the quality life of people, existing businesses, and particularly with tourism development. The new investments must certainly respect European standards on their environment impact. Only in this case all will be sure of the contribution of Northern Durres projects for a sustainable development of Durres Region as a whole.

OUR SERVICES

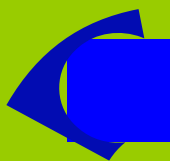
- ◆ *Information*
- ◆ *Business expansion*
- ◆ *Lobbing for business issues*
- ◆ *Qualification of business management*
- ◆ *Promotion of territory development*
- ◆ *Regional and European Integration*

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