
CORRUPTION, NON-TRANSPARENCY REMAIN KEY ISSUES FOR INVESTORS IN ALBANIA - US STATE DEPT.

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Foreign investors cite corruption, particularly in the judiciary, a lack of transparency in public procurement, and poor enforcement of contracts as continuing problems in Albania, the US Department of State said.

The implementation of judicial reform is underway, including the vetting of judges and prosecutors for unexplained wealth, but foreign investors perceive the investment climate as problematic and say Albania remains a difficult place to do business, the State Department said in its annual Investment Climate Statements for 2018.

According to the publication, the investors report ongoing concerns that regulators use difficult-to-interpret or inconsistent legislation and regulations as tools to dissuade foreign investors and favour politically connected companies.

Regulations and laws governing business activity change frequently and without meaningful consultation with the business community. Major foreign investors report pressure to hire specific, politically connected subcontractors and express concern about compliance with the Foreign Corrupt Practices Act while operating in Albania. Reports of corruption in government procurement are commonplace, the report noted.

The increasing use of public private partnership (PPP) contracts has narrowed the opportunities for competition, including by foreign investors, in infrastructure and other sectors, the report said, adding that the poor cost-benefit analyses and a lack of technical expertise in drafting and monitoring PPP contracts are ongoing concerns. The Albanian government had signed more than 200 PPP contracts by the end of 2017.

Property rights remain another challenge in Albania, as clear title is difficult to obtain, the US Department of State said, adding that some factors include unscrupulous actors who manipulate the corrupt court system to obtain title to land not their own.

Compensation for land confiscated by the former communist regime is difficult to obtain and inadequate. Meanwhile, the agency charged with removing illegally constructed buildings often acts without full consultation and fails to follow procedures.

Transparency Internationals 2017 Corruption Perceptions Index ranked Albania 91st of 180 countries, a drop of eight places from 2016, making Albania to be perceived as the second most corrupt country in the Western Balkans.

Albania continued to score poorly in the areas of enforcing contracts, registering property, and obtaining electricity," the State Department added.

However, the report noted the Albanian legal system ostensibly does not discriminate against foreign investors.

According to the State Department, energy and power, tourism, water supply and sewerage, road and rail, mining, and information communication technology represent the best prospects for foreign direct investment in Albania over the next several years.

<https://seenews.com/news/corruption-non-transparency-remain-key-issues-for-investors-in-albania-us-state-dept-621834#sthash.UjQRGcRc.dpuf>

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