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# ICT COUNTRY PROFILE

## ALBANIA

2011

REGIONAL COMPETITIVENESS INITIATIVE

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### REGIONAL COMPETITIVENESS INITIATIVE

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### **DISCLAIMER**

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## I. EXECUTIVE SUMMARY

The purpose of this report is to provide a look from outside at the ICT development in the country and to reveal the possibilities for regional ICT cooperation. A research of this kind could clear up what kind of activities related to ICT are held in the country and what national strategies, policies and action plans for ICT development are conducted.

The report should reveal the real picture of the local Albanian ICT market as it can be seen by external analyst of the sector. The respective sources of information are marked as foot notes at the end of each paragraph or section.

For the purpose of this report and with the aim of facilitating further research the author has used many relevant sources of information on the subject such as reports, analyses, legal documents published, action plans, statistics, and strategies, found in internet.

The future growth of the ICT sector and Albania's competitiveness potential are highly supported by the increasing quality of the university technical education in the country. Another factor that fosters this development is the increase in investments in the country which will lead to increase of the demand for Information Technologies and will in this way support the sector as well.

The considerable efforts of the government and its serious commitment towards developing the ICT sector led to the establishment of the Electronic and Postal Communications regulatory authority (AKEP) and the National Agency on Information Society. The main goals to be achieved by them are to promote an information society, to set up an adequate regulatory framework for the development of the sector and to encourage and endorse an investment-friendly environment providing better opportunities to the ICT sector in Albania. In 2009 the 'Digital Albania' Initiative was launched almost together with the start-up of the Ministry for Innovation and Information and Communication Technologies. The main responsibilities ahead of the new ministry were the digitalization of the society, implementation of reforms in the ICT sector and the management and realization of the initiative. Albania has a fully liberalized telecommunications market as well.

However the rapid development and improvement of the ICT infrastructure is still not sufficient enough and cannot adequately respond to the demand of the market which many companies state as a disadvantage to doing business in Albania. For example the use of broadband internet is extremely low especially when compared to other European countries.

In order to attain a more resulting and faster development of the ICT sector both improvement and implementation of new policies will be necessary together with achieving an increase in investments which will boost up market competition infrastructure capacity. The main goals in this direction should therefore be to implement successfully the Albanian National Strategy for Integration and Development and the new law on electronic communications which would lead to lowering the costs of newly introduced technologies and services.<sup>1</sup>

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<sup>1</sup>[http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/11/21/000333037\\_2010112123513/Rendered/PDF/535990ESW0gray1e0only1910BOX353785B.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/11/21/000333037_2010112123513/Rendered/PDF/535990ESW0gray1e0only1910BOX353785B.pdf)

## II. ANALYSIS OF THE ICT SECTOR IN ALBANIA

### A. PAST, PRESENT AND FUTURE TRENDS

Since 2006 substantial changes have been made in the legislative framework concerning the progress and development of the ICT sector in Albania. These include an amendment to the Telecommunications Law, implementing legislation, and provisions on Voice over Internet Protocol (VoIP) services introduced into the law.

Despite the fact that the Albanian ICT sector has achieved much in its development in the last few years there still are a few technological needs to be covered such as the countrywide Internet coverage and a faster and more reliable network infrastructure. The main infrastructural issues to be covered are the low penetration of fixed lines and Internet, low percentage of PC ownership, high costs of Internet and mobile access and services, low level of awareness of the benefits of the use of Information and communication technologies, digital gap between urban and rural areas and in comparison to other countries in Europe, low level of state subsidies and lack of policies to support all these.

Still Albania has succeeded in increasing substantially its investments in the ICT sector. A considerable growth in the availability of e-services across most basic government services is being noticed in the last years – almost 80% of the basic e-government services at the central government level are currently accessible.

Having in mind that through introducing broadband networks and services strong economic growth and increased competitiveness can be achieved, one of the main targets of the Albanian government is the building of a national, wireless broadband network which will provide Internet to all public schools, academic institutions, government agencies and the Albanian citizenry in general. The installation of this network will foster Albania's further modernization and economic, social, cultural, and political integration. The ICT for Development (ICTD) Agenda of the Albanian government is also in place with the aim to strengthen the positions of the public sector among citizens.

Thanks to the establishment of a stable ICT policy, strong political commitment towards investing in the sector and the founding of the National Agency for Information Society (NAIS) Albania managed to launch its e-governance program ahead of schedule. The 'Digital Albania Program' was set up together with the i2010 EU initiative and is likely to lead to further over-achievement by 2015.

Most of the companies working in the ICT sector in Albania are not specialized in a particular market segment but have two or more activities in their portfolio. Very few companies are specialized for example only in software development, design, system integration, or hardware distribution. As the main market of the local companies is mainly the domestic one the companies have to adjust their specializations in wider aspects. Most of their products and services are built upon their customers' requirements, but still they possess and develop their own products and services in different fields.<sup>2</sup>

In the last few years Albania has achieved a considerable progress in the development of its ICT infrastructure but still lags behind its neighboring countries in terms of introducing new technologies such as 3G mobile, DSL, cable TV and WiMax. For example Albania was the only country in Europe (in addition to Kosovo) that had yet to issue a 3G license, but in January 2011, Vodafone Albania launched the country's first 3G network with coverage that will initially be available only on the territory of the capital city of Tirana.<sup>3</sup>

A progress that is worth mentioning is in the area of mobile communications which was developed and improved to one of best levels in the region. By 2009 there were already 4 mobile operators in Albania which highly stimulated competition and brought Albania a mobile penetration rate of 135% in 2010. It is expected to grow

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<sup>2</sup><http://intra.undp.org.al/ext/elib/download/?id=1058&name=Albania%20National%20MDG%20Report%20%2D%20July%202010%2Epdf>

<sup>3</sup> <http://www.itu.int/ITU-D/ict/newslog/Vodafone+Launches+Its+3G+Network+In+Albania.aspx>

more and more in the next couple of years as the mobile networks are now expanding in rural areas looking for more customers.

Albania should seriously consider the need of investments in building high capacity optical fiber terrestrial backbone infrastructure in order to support the building and delivery of a broadband internet network. Albtelecom is still the only operator with national and international connections available but still has a very limited coverage. With the help of more investments in infrastructure and more preliminary construction planning of pipes and ducts in new roads, a lot can be done to improve the urban, inter-urban and international connections.

Concerning the legal framework which is needed in order to facilitate and support the implementation and improvement of new technologies, new services and new regulations in the Albanian ICT sector little is left to be done, as most of the basic requirements for success in this field have been fulfilled. Based mainly on EU legislation a new law on electronic communications was adopted in 2008 organizing the governance for the ICT sector. In the next couple of years the Digital Albania Initiative was launched and a new policy paper for the electronic communications sector was approved.

The establishment of the Electronic and Postal Communications regulatory authority (AKEP) in 2008 which replaced the previous Telecommunications Regulatory Entity was a step towards the implementation and regulation of the development of the ICT sector in Albania. This is an independent and self-financing organization accountable to the Albanian Parliament.

In 2007 the National Agency on Information Society was also established with the goal of coordinating the development of the sector, administration of state information systems and promotion of an information society.

In 2008 was established also the National Authority for Electronic Certification (NAEC) with the main responsibility to supervise and to monitor the use of Electronic signature in Albania. In the same year the Commissioner for the Protection of Personal Data was created in order to ensure the protection of personal information privacy.

In connection with the management and supervision of media content the National Council of Radio and Television was established as well.

The Ministry for Innovation and Information and Communication Technologies was created in order to coordinate the reforms in the ICT sector, manage the digitalization as planned and supervise the implementation of the Digital Albania Initiative, the National e-Strategy, the e-Government Project, and the National Plan for Radiofrequency.<sup>4</sup>

## **COMPETITIVE INDEXES AND DATA<sup>5</sup>**

ICT competitiveness indicators of Albania measured through the World Economic Forum competitiveness indexes, position the country in the middle of the countries researched. Having into account the positive trend of the Albanian economic and ICT infrastructure development in the last few years one can expect that the country will improve its competitive position in the next three years.

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<sup>4</sup>[http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/11/21/000333037\\_20101121235513/Rendered/PDF/535990ESW0gray1e0only1910BOX353785B.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/11/21/000333037_20101121235513/Rendered/PDF/535990ESW0gray1e0only1910BOX353785B.pdf)

<sup>5</sup> [http://www2.unpan.org/egovkb/global\\_reports/10report.htm](http://www2.unpan.org/egovkb/global_reports/10report.htm) ; <http://www.worldbank.org/> <http://gcr.weforum.org/gcr2010/> ; <http://www.networkedreadiness.com/gitr/>;

	Population (m)	GDP \$ (b)	GDP per capita \$	WEF GCR index Rank (value)	GCR innovation Rank (value)	WEF GITR Rank (value)	E-gov. development Rank (value)	E- participation Rank (value)
Albania	3,2	11,8	3,7	88(3,94)	121(2,57)	87(3,56)	85(0.4519)	86(0.1286)
Armenia	3,1	9,3	3	98(3,76)	116(2,63)	109(3,24)	110(0.4025)	135(0.0429)
Azerbaijan	8,9	51,1	5,7	57(4,29)	61(3,16)	70(3,79)	83(0.4571)	68(0.1714)
BiH	3,8	16,9	4,5	102(3,70)	120(2,59)	110(3,24)	74(0.4698)	135(0.0429)
Georgia	4,4	11,7	2,6	93(3,86)	121(2,51)	98(3,45)	100(0.4248)	127(0.0571)
Kosovo	1,8	5,6	3,1	n/a	n/a	n/a	n/a	n/a
Macedonia	2,1	9,1	4,4	79(4,02)	97(2,88)	72(3,79)	52(0.5261)	55(0.2143)
Moldova	3,6	5,8	1,6	94(3,86)	129(2,49)	97 (3,45)	80(0.4611)	58(0.2000)
Montenegro	0,6	4	6,4	49(4,36)	45(3,48)	44(4,09)	60(0.5101)	76(0.1571)
Serbia	7,3	39,1	5,4	96(3,84)	88(2,93)	93(3,52)	81(0.4585)	135(0.0429)
Ukraine	45,8	138	3	89(3,90)	63(3,11)	90(3,53)	54(0.5181)	48(0.2571)

## B. ICT ASSOCIATIONS

**THE ALBANIAN IT ASSOCIATION (AITA) – <http://www.aita-al.org/>** (no English version of the website available)

Found in 2007 the Association represents the interests of the private ICT sector having about 40 members among which many IT companies, non-government organizations and IT institutions from all over Albania belonging to the scope of hardware, software development, consulting, business application solutions, IT training and education, and information services. The association is very active in the development of the ICT sector and in the promotion of regional and international cooperation.

**ALBANIAN INSTITUTE OF TECHNOLOGY – <http://www.italbania.org/>**

The Albanian Institute of Technology is a non-profit organization created to research new technologies. The institute was created in 2006 with the aim to develop, implement and popularize innovative, sustainable technologies designed to improve the quality of life and also generate new employment opportunities in rural areas.

## C. PROFILE OF SELECTED COMPANIES

Due to the current economic situation in Albania and the level of development of the ICT sector the majority of the companies operating in the IT field seek to expand their market of products and services mainly within the country. Few companies are internationally oriented but the number is rising with each year. As the number of companies specializing in one or more activities in the field of IT is growing the number of companies planning to implement new technologies and offer new products and services on the market is also increasing. However, one of the leading concerns of companies is dishonest competition.

There are companies deeply specialized in software programming, designing, developing and hardware distribution according to their clients' needs. Some of them which are also members of AITA are:

**INFOSOFT SYSTEMS – <http://www.infosoftgroup.com.al/>**

Established in 1991, 100% private Albanian company, InfoSoft Systems is one of the first and biggest companies in the country in the area of Information Technology. The company provides consulting services in the field of technology, as well as system integration services for all sizes of enterprises.

#### **INFOSOFT SOFTWARE DEVELOPER (ISD) – <http://www.isd.com.al/>**

The first private programming company in Albania created in 1991. The main activity of ISD is the financial oriented software on business management, accounting, economic process for business application, government, public or private companies, national institution, etc.

#### **COMPUTER & COPIER SYSTEMS (CCS) – <http://www.ccs-albania.com/>**

CCS is one of the oldest companies on the IT market in Albania, established in 1993. The main activities of the company include supply and installation of computer and copier systems, system integration and technical support, hardware service, software development and support, mobile communication applications and consulting. CCS is an authorized dealer-distributor of HP, Xerox, Sharp, Brother, Cisco, ZyXEL, Esri, Symantec, Mustek, IBM, DELL, Microsoft, and many other brands in Albania, delivering cutting-age technology to customers.

#### **INTECH – <http://www.intech-al.com>**

Oracle and Microsoft Partner providing IT services on the Albanian market.

#### **S@N – System Applications Networking – <http://www.sanx.net/>**

A company with long and extensive experience in Networking Technologies, Internet Service Provider, System integrator, IT Consulting, Software and Hardware sales, Corporate Internet/Intranet Solutions

#### **EPOINT – <http://www.epoint.al/>**

Established in 2001 this company offers, develops and maintains information systems (hardware and software), application design, hardware devices sale, logistical assistance offering, etc.

#### **SINTEZ – <http://www.sinteza-al.com/>**

Created in 1994 Sintez is licensed for trade and installation of electronic equipment, computers, telecommunications and all their accessories; design, implementation and maintenance of networking systems. The company offers services for all the products, computers, servers, printers, UPSs, inverters, power supply systems; one of the major suppliers of POS systems in Albania.

#### **DM CONSULTING SERVICES – <http://dm-consulting.biz/>**

One of the leading companies on the Albanian IT market offering e-Business and IT solutions, Business Process Analysis and Management, HR Management, Recruitment, Training, Business and Financial Management.

#### **ISSETI – <http://www.isseti.org/>**

The company offers ICT services, computer trainings, foreign language and financial classes. ISSETI is involved in both EU and national Projects covering a wide area of ICT education and ICT initiatives in Albania.

#### **ALFA-SERVICES LTD – <http://www.alfaservices.com/>**

One of the first private companies established in 1991 in Albania having trade activities on the IT and telecommunication market, offering installation, maintenance and technical assistance as well. It is an official Distributor of NEC, Olivetti, Bull, Kyocera-Mita, Document Management System, DSR Information Technologies, Microform partner group, and NAS Informatika. .

#### **ADDITIONAL COMPANIES**

More companies can be found at: <http://www.aita-al.org/Anetaret.html> and <http://www.directory.albic.net/category.php?idkat=12>.

## **D. ACADEMIC PROGRAMS**

#### **POLYTECHNIC UNIVERSITY OF TIRANA – [www.upt.al](http://www.upt.al)**

Faculty of Information Technology (where there are surely courses on Software Engineering) (no English version available)

#### **UNIVERSITY OF TIRANA**

- a) Department of Informatics and Department of Mathematics at Faculty of Natural Sciences - <http://www.fshn.edu.al/>
- b) Department of Mathematics, Informatics and Statistics at Faculty of Economy - <http://www.fakultetiekonomise.edu.al/> (no English version available)

#### **TECHNICAL SCHOOL “HARRY FULTZ”**

Development of competences in different fields of science and technology

#### **TRAINING CENTER “LINCOLN CENTER”**

Provides computer training both for novice and professional users, and IT certification

#### **“FAN S. NOLI” UNIVERSITY, KORCE TOWN – [www.unkorce.edu.al](http://www.unkorce.edu.al)**

Mathematics-Informatics Department at Faculty of Education

#### **“EQREM CABEJ” UNIVERSITY – [www.uogj.edu.al](http://www.uogj.edu.al)**

Department of Mathematics, Informatics and Physics at Faculty of Natural Sciences (no English version available)

#### **UNIVERSITY OF VLORA – <http://fsht.univlora.edu.al/csee/>**

Department of Computer Science and Electrical Engineering (CSEE)

#### **“ALEKSANDË MOISIU’ UNIVERSITY – <http://www.uamd.edu.al/EA.html>**

Economic and Administration Faculty (no English version available)

#### **UNIVERSITY OF NEW YORK, TIRANA – [www.unyt.edu.al](http://www.unyt.edu.al)**

Computer Science and Information Systems Faculty

#### **UFO UNIVERSITY – [www.ufouniversity.al](http://www.ufouniversity.al)**

Department of Communication Science

#### **EPOKA UNIVERSITY – <http://www.epoka.edu.al>**

Computer Engineering Department at Faculty of Engineering and Architecture

#### **ADDITIONAL INFORMATION**

For more information on ICT education in Albania you can see - <http://www.scholze-simmel.at/starbus/ws4/albania.pdf>

## **E. STATE AGENCIES AND ORGANIZATIONS**

#### **ALBANIA’S NATIONAL AGENCY FOR THE INFORMATION SOCIETY - [http://www.e-albania.al/web/Our\\_Mission\\_National\\_Agency\\_for\\_Information\\_Society\\_55\\_2.php](http://www.e-albania.al/web/Our_Mission_National_Agency_for_Information_Society_55_2.php)**

National Agency on Information Society (NAIS) was established by the Council of Ministers. Its overall objective is to coordinate all of the Government of Albania’s activities in the field of Information and Communication Technologies. Some of its main duties are Policymaking, Coordinating all ICT related projects and Standardization and Technical Assistance

#### **AKEP - <http://www.akep.al/en/akep>**

(Former ERT - Telecommunications Regulatory Entity) is the regulatory body in the field of electronic communications and postal service, which supervises the regulatory framework defined by the law on electronic communications, by the Law on postal service and the development policies, defined by the Council of Ministers.

#### **AGENCY FOR RESEARCH, TECHNOLOGY AND INNOVATION (ARTI) – <http://www.akti.gov.al>**

ARTI is a public, legal institution under the competences of the Council of Ministers. It is established with the Decision of Council of Ministers and has started its activity in March 2010. The mission of the Agency for

Research, Technology and Innovation is to evaluate, finance, monitor and manage programs and projects in the fields of science, technology and innovation in Albania. ARTI aims to fund projects in the field of Small and Medium Business as well as transfer, modernization and renewal of their technologies.

## F. NATIONAL STRATEGIES AND POLICIES FOR ICT DEVELOPMENT

The Government of the Republic of Albania has taken numerous steps to underline the importance of the development of the ICT sector in the country, stating it as a high-priority sector on its way to achieving higher living standards and economic growth. The first steps in terms of policy making and strategies have been made in the face of:

- **National Information and Communication Technologies Strategy<sup>6</sup>** (created 2005/2006) - The Strategy is built upon the many e-initiatives which have already been implemented by other organizations, such as the e-governance activities led by the Italian Government, World Bank, European Union, DFID and USAID, e-vocational and e-education and information activities led by the Open Society Institute and GTZ, as well as many other cross-cutting ICT activities supported by these and other donors. The goal of this strategy is to coordinate efforts together with different national and international stakeholders in order to identify the mechanisms as well as the legal and financial frameworks necessary to implement different initiatives such as e-Government, e-Education, and e-Commerce, support the expansion of the needed infrastructure, and maintain the growing development of the Albanian ICT sector.
- **Policy for Electronic Communications in the Republic of Albania<sup>7</sup>** – February 2010 – The policy lays out the medium term strategy of the Government to develop the networks and services connected with the electronic communications in Albania. The strategy will cover the development of telecommunications, data transmission and broadcast media. The policy follows from the “National Strategy for Development and Integration 2007-2013”<sup>8</sup> and, in conformity with Albania’s treaty and political relations with the EU, seeks to achieve integration into the EU electronic communications market.
- **Cross Cutting strategy 2008-2013<sup>9</sup>** - The Strategy is based on European best practices and at the same time is taking into account the specific features of the Albanian society and economy. The main objective of the strategy is the creation and coordination of an information based economy and society through the development of the ICT infrastructure of the country together with e-Government, e-business, e-education and public services.
- **Digital Albania Initiative** – This is a program of the Albanian Government in line with i2010 of EU initiative aiming all inclusive e-governance, and speeding up ICT penetration in the country, through infrastructural investments, institutional reforms, improvements in the legislation, and capacity building.
- **ICT Work Program 2007-2008** within the Seventh Framework Program: the program faces some challenges which are at the same time objective of its – network and service infrastructure, engineering, digital libraries and content, ICT for mobility and sustainable growth and so on;<sup>10</sup>
- **ICT4D National Strategy<sup>11</sup>** - The main objective of this strategy is to prepare policy, strategy and implementation plan in order to utilize and develop further the ICT potential of Albania.
- **Cross-Sector Strategy for Information Society<sup>12</sup>**. Government decision no. 59 date 21-1-2009. – No English version available.

<sup>6</sup> <http://unpan1.un.org/intradoc/groups/public/documents/UNDP-Europe/UNPAN022222.pdf>

<sup>7</sup> <http://www.keshilliministrave.al/skedaret/Document.pdf>

<sup>8</sup> <http://www.km.gov.al/?fq=brenda&r=&gj=gj1&kid=71>

<sup>9</sup> [http://www.dsd.gov.al/dsd/pub/strategy\\_printed\\_version\\_en\\_545\\_1.pdf](http://www.dsd.gov.al/dsd/pub/strategy_printed_version_en_545_1.pdf)

<sup>10</sup> [http://www.mash.gov.al/FP\\_7/ICT](http://www.mash.gov.al/FP_7/ICT)

<sup>11</sup> <http://www.comminit.com/en/node/148453/36>

<sup>12</sup> <http://www.qpz.gov.al/doc.jsp?doc=docs/Vendim%20Nr%2059%20Dat%C3%AB%2021-01-2009.htm>

## G. DONOR PROGRAMS IN THE IT SECTORS

The development of the ICT sector is an area where the government of Albania has focused a lot of attention and efforts to gain support and investments. The main donor and business support programs in Albania that support the ICT sector and the software development segment in particular are:

### WORLD BANK

The World Bank has had a number of projects in Albania for nearly two decades having the objective to support the country in achieving economic and social development on its way closer to Europe and European markets. The World Bank's support programs aim to contribute to poverty reduction and improvements in living standards, job creation, government accountability, and infrastructure and social services. A new Country Partnership Strategy (CPS) for FY 2011-2014 was endorsed by the World Bank Board of Directors in July 2010. The main driver of the CPS is the Government's development strategy as stated in the National Strategy for Development and Innovations.

### E-SCHOOL PROJECT

The Government of Albania initiated the E-school program with the support from the World Bank and other donors with the main goal to introduce ICT skills to Albanian students from both basic and secondary schools. The World Bank is supporting this program by providing a credit in the amount of US\$15 million under the "Education Excellence and Equity Project" (EEE Project). The strategy includes the development and the implementation of a national ICT curriculum framework and computer textbooks for the students, providing of computer equipment and digital resources to the schools, and informatics training for the teachers.<sup>13</sup>

### UNDP

Some of the most recent UNDP projects concerning the development of the ICT sector in Albania are:

- **Introducing ICT Applications at Local Level And Enhancing Citizens' Participation (April 2010 - November 2011)**<sup>14</sup> – The main objectives of this project are to provide direct support towards increasing the capacities of local administrations in two municipalities of Albania in order to deliver their services better, to improve the communication between the local governments and citizens, and to increase the involvement of citizens in decision making.
- **e-Accounting Program (January 2006 - December 2008)**<sup>15</sup> – The programs objectives were to provide technical assistance for a draft public accounting law, to supply technical assistance for migration to international public sector accounting standards (IPSASs), and the initiation and implementation of the E-Accounting Pilot Project
- **e-School Program for Albania (December 2005 - June 2009)**<sup>16</sup> - The e- School Project's aims were to provide primary and secondary schools in Albania with modern computer labs, equipped with high-speed, reliable Internet connectivity. The program was successfully accomplished with the support of a number of private donors as well.

### USAID RITJE ALBANIA – COMPETITIVE ENTERPRISE DEVELOPMENT

The main role of the USAID funded Competitive Enterprise Development project Rritje Albania is to encourage and support the continuous growth of Albania's small and medium sized enterprises (SMEs), to help increase household income, and to increase employment in the targeted industries in which it operates and in selected municipalities through strengthening trade and investment capacity, increasing enterprise productivity, and improving workforce development. The project is very active and cooperative and works directly with client enterprises to support them to become more competitive, increase sales and create additional jobs. When it

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<sup>13</sup>

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/ALBANIAEXTN/0,,contentMDK:22648623~menuPK:301417~pagePK:2865066~piPK:2865079~theSitePK:301412,00.html>

<sup>14</sup> <http://www.undp.org.al/index.php?page=projects/project&id=206>

<sup>15</sup> <http://www.undp.org.al/index.php?page=projects/project&id=65>

<sup>16</sup> <http://www.undp.org.al/index.php?page=projects/project&id=92>

started its activities in Albania the project focused on companies operating in five target industries one of which is the ICT Sector in ten municipalities, which in 2010-2011 increased to fifteen.<sup>17</sup>

Currently the project in cooperation with the USAID funded Regional Competitiveness Initiative, Albanian IT Association and European Software Institute Center Eastern Europe is executing a process improvement program for 5 enterprises based on ITMark and CMMI models.

'In July, 2011 under the auspices of USAID the Software Engineering Institute of the Carnegie Mellon University started a year-long project which will help the Albanian government support a national incident management capability. Drawing on its experience in the areas of organizational resilience and incident management, the SEI will work with the Albanian government to promote the adoption and sustainment of best practices in cyber-security and to foster understanding of these practices among organizations and institutions providing e-Government services. The effort intends to help the Albanian government develop the capabilities necessary for meeting its cyber-security goals in a climate of serious and ever-changing threats.

According to the agreement, the SEI will deliver a combined program of assessment; collaborative planning, training, facilitated workshops, and technical guidance. "The primary goal is to create a computer security incident response team (CSIRT) for the government of Albania," said John Haller, member of the technical staff in the SEI's CERT® Program. Haller noted the second goal of the engagement is to help the Albanian government institutionalize and sustain best practices for security across its government infrastructure. To begin to address this need, CERT provided an introduction to the CERT® Resilience Management Model (CERT®-RMM).<sup>18</sup>

## GIZ

The cooperation in terms of support and development between the Albania and the Federal Republic of Germany started in 1988. The key role of GIZ (former GTZ) has always been to work together with the Albanian Government towards EU integration and achieving economic stability. GIZ promotes economic development at national, regional and local levels. Special emphasis is placed on the progressively improving software sector.

GIZ in cooperation with the Albanian IT Association and the European Software Institute Center Eastern Europe also supported a pilot project for ITMark certification of two Albanian companies.

Under the **Economic Development and Employment Promotion Program** developed by GIZ in Albania, one of the steps to be taken will be the establishment of an IT cluster in Albania.

## EU

Probably the biggest donor supporting Albania's development strategies and progress in integrating in the competitive EU markets is the European Union itself. Through its Partnership with Albania it is helping the Government with the encouragement and strengthening of the ICT sector in Albania. A part of this support is given through an EU funded project Support to the National Agency on Information Society (NAIS) whereas 800,000 Euros are already invested in ICT related hardware for all public administration while 200,000 Euros is being used for assistance in ICT legal framework. Initiatives such as providing internet at every school and promoting online services for tax administration, procurement and the civil registry help make Albania more effective in ICT.<sup>19</sup>

The IPA 2009 National Program for Albania, "Building an e-Government Infrastructure that is in line with EU Personal Data Protection standards" project aims to integrate all the existing Information Systems (Hardware and Software) into a single logical environment, which is fully interoperable at national and international level. This environment will enhance the services that the Government provide to citizens and businesses and at the same

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<sup>17</sup> <http://www.rritjealbania.com/>

<sup>18</sup> <http://www.sei.cmu.edu/newsitems/rmm-usaid.cfm>

<sup>19</sup> <http://www.aidharmonisation.org.al/skedaret/1231250133-GovernmentDonorDialogue%20Issue%20No.23%20-%20November%202008.pdf>

time will ensure that personal data of citizens are protected. This project aims also to create the interoperability framework for projects that will be developed in the future.<sup>20</sup>

Many Donor and Business support programs assist in raising the awareness on ICT and also help in increasing competitiveness as a tool for further development. The negative side is that many programs like electronic Public Procurement, Access in ICT in the Albanian Schools, Setting up of computer labs in general high schools, e-services which includes e-accounting are more concentrated in the public sector and the reorganization of its ICT infrastructure than refining the quality processes in different IT companies.

## H. EXHIBITIONS, CONFERENCES AND EVENTS

The major events held in Albania are:

- 28th April – 30th April, 2011  
Tirana International fair of "Industry and Technology"  
<http://www.konfindustria.al/mat.php?idr=1012&idm=255&lang=2>
- 2nd June – 4th June, 2011  
Turana, Durres - 1st International Symposium on Computing in Informatics and Mathematics -  
<http://iscim2011.epoka.edu.al/>
- 13th June – 16th June, 2011  
Tirana - The 1st International Conference on Business Modeling, Information Systems and Enterprise Optimization - <http://uet.edu.al/BM2011/index.html>
- 7th September – 9th September, 2011  
Tirana - The 2-nd International Conference on Emerging Intelligent Data and Web Technologies in conjunction with NBIS 2011 - The 14-th International Conference on Network-Based Information Systems - <http://voyager.ce.fit.ac.jp/~eidwt2011/>
- 17th February 2010  
Shkodra, Albania - ICT-WEB-PROMS Road-show
- 7th December, 2010  
Tirana - 2nd Albanian Telecom forum  
<http://www.atf.al/agenda.html>

As a result of the conducted desk research, it could be concluded that it's hard to find any current and valid information about forthcoming IT events in Albania. This could lead to problems regarding the access of the majority of people and organizations' managers to find the appropriate information. The lack of any reference point in Internet for future ICT events in the country could be considered as a sign of negligence to those issues. It could be just on the contrary, but without any clues so as to be proved – it's just unreachable. Thus, the attracting of foreign investments could be easily restricted as well.

## I. IT NEWS: SOURCES OF INFORMATION

In Albania there are mainly editions of International magazines or newspapers produced somewhere else but distributed to Albania as well. Some examples are the following computer magazines and newspapers:

- "3D world", the magazine for 3D artists - <http://www.3dworldmag.com/>
- "Computer arts" - <http://www.computerarts.co.uk/>

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<sup>20</sup> [http://ec.europa.eu/enlargement/pdf/albania/ipa/2009/pf\\_15\\_\\_data\\_protection\\_and\\_e\\_gov\\_en.pdf](http://ec.europa.eu/enlargement/pdf/albania/ipa/2009/pf_15__data_protection_and_e_gov_en.pdf)

- “Access VB-SQL Advisor” - technical magazine devoted to Microsoft Database and Web development with Access, Visual Basic, SQL Server, Office, Visual InterDev, and VBA. Written by leading experts for serious developers. <http://www.magazines.com/ncom/mag>
- “FoxPro advisor” - The only magazine for developing business solutions with Microsoft Visual FoxPro and FoxPro 2.x. Each issue is filled with hands-on information, including significant news, feature articles by renowned experts, tips & techniques, reviews of related products, and answers to programming problems. <http://www.magazines.com/ncom/mag>
- “PC Magazine”
- “Wired” - WIRED delivers a glimpse into the future of how technology is shaping innovation, business, entertainment, culture, and communications
- “Maximum PC” – a magazine full of breaking news, techniques, in-depth reviews.
- “Tirana times” - Tirana Times is Albania’s first weekly newspaper of original news and views devoted to serving the English speaking audience of Albania and abroad. The newspaper is not completely devoted to IT news only but in its section for Business and news – it could be found information about current affairs in that sector. <http://www.tiranatimes.com/>

Most of the Albanian newspapers or magazines which have their own websites are not adapted to a wider audience – most often they are written in Albanian only. Only the foreign editions are more reachable as they are in English.

### III. IT FOR OTHER INDUSTRIES IN THE COUNTRY

In recent years the ICT development in Albania shows strong ambitions leading to further progress. However, companies are not specializing in any particular product niche and operate in a number of sectors and categories. A lot of companies which are known to be specialized mostly in the sphere of installation, maintenance and IT supplying, internet services or software designing and development, produce or offer a lot of other services and products. Thus, they interfere the manufacturing of the other industries in the country and not only and contribute to the development of the latter and to the market growth. For example:

- “ePoint” - Company for installation, maintenance, IT supplier and Internet services, provides also activities such as industrial, agricultural and others in Albania and out of the country
- “SINTEZA” - Except of being an IT supplier, maintenance and installation, the company’s activity consists of also trading of different goods – pharmaceuticals, plastics, chemicals, food articles, textiles, construction materials, raw materials, machines and equipments and so on;
- “BNT ELECTRONICS” - (IT supplier, maintenance and installation) – the company has additional activities like import-export of different industrial articles, materials for the food industry. The company also provides different services involving mechanical and electronic equipments – their maintenance and repairing
- “Infosoft SD” - (Software designer and developer) – The company creates also financial oriented software for business management, accounting, government, public or private companies, national institutions
- “CCS” (Information technology) Products, services for business and personal)- the company acts as an information agency for real estate activities as well.

A few Albanian companies are presented on the web platform IT2Business ([www.it2business.org](http://www.it2business.org)), an online catalogue with successful practices and Information Technology (IT) solutions for the business, aimed at increasing the ICT competitiveness in Eastern Europe and Caucasus. The platform is designed and launched by the USAID funded RCI (Regional Competitiveness Initiative) project through the European Software Institute - Center Bulgaria/Eastern Europe. It fosters the direct contact between the IT and other economic sectors. This enables the promotion of the local industry and the region as a whole. Currently there are 51 companies from the region offering 117 products/solutions from which 2 are Albanian companies registered in the platform.

## IV. QUALITY TENDENCIES

Working in compliance with the international quality standards is one of the obligatory prerequisites for developing a competitive ICT industry and gaining strong positions on the international market for every country.

Companies in Albania face steep challenges in meeting international standards or EU technical requirements which must be implemented if their products are to be exported or if they want to increase their competitiveness in the international market. Many of the companies in Albania are at a very low level of understanding and technical expertise concerning international standards.

In general Albanian companies are aware of the need to continually train and re-educate their workforce to take advantage of the latest techniques and methodologies in the ICT sector and are devoting significant (relative to their size) efforts and resources to that purpose. However, most of the Albanian companies could allocate relatively small amount of resources to this activity, so most often it could happen with the help of an external assistance or with the protection and support of some country authorities. In addition, however, another problem is posed – the activities, conducted by the Government in Albania are more concentrated in the public sector, especially in the educational system and more seem to be part of the creation of information society than related to the SMEs' development or improvement of the quality of the processes and products of some companies.

For example there are several companies in Albania specializing in digital animation, and there are institutions specializing in offering education in this field, but the size and number of the companies suggest that without major efforts at domestic and maybe also regional cooperation, winning big contracts will remain a problem. Albania realizes the need of qualified software specialists and implementation of process improvement models like CMMI, SPICE, and ISO. However, there is much more to be done regarding ICT sector in Albania.

The Albanian IT companies need to gain awareness of the benefits to be part of the common capacity fund of ICT training and certification providers in Eastern Europe.

The web platform Quality2IT ([www.quality2it.org](http://www.quality2it.org)) – Eastern Europe Training and Certification Network, provides excellent opportunities to participate in the establishment of a common regional ICT brand based on high quality and innovations. The platform is designed and launched by USAID funded RCI (Regional Competitiveness Initiative) project through European Software Institute - Center Bulgaria/Eastern Europe.

For the time being there are 19 companies with 90 services registered in the platform and 2 of them are from Albania.

### A. ISO

Standardization activities in Albania began in 1950 under the Bureau of Standards, which was the National Standards Body for the country and member body of ISO from 1956 to 1981. In 1981, the Bureau was changed into the Committee for Prices and Standards. The Directorate of Standardization and Quality was established in 1993 as an independent legal body. Finally, in March 1999, according to Act 8664, the name changed to the General Directorate of Standardization. It deals with standardization except in the field of telecommunications.<sup>21</sup>

The National Authority for Electronic Certification (NAEC) is the competent authority that has the duties to register the Certification Service Providers and the Testing and Confirmation Bodies and register the valid, suspended and revoked certificates. More information you can find at: [http://www.akce.gov.al/about\\_us.htm](http://www.akce.gov.al/about_us.htm)

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<sup>21</sup> [http://www.iso.org/iso/about/iso\\_members/iso\\_member\\_body.htm?member\\_id=1495](http://www.iso.org/iso/about/iso_members/iso_member_body.htm?member_id=1495)

The desk research did not reveal any accurate information about ISO certified companies in Albania. It was found some data regarding the following issue:

- “ILAR” - one of the leading printing and publishing companies in Albania, aimed at growing beyond Albanian boundaries, recently invested in modern equipment and machinery to cope with local competition. Moreover, its management rapidly came to realize the importance of implementing a quality control system and international quality standards such as the ISO 9001/2000.<sup>22</sup>
- InfoSoft Systems has been certified with the quality management certificate ISO 9001:2000 in 28.02.2005
- Sinteza Co is ISO 9001-2000 certified

Information on ISO certification ownership (% of firms) in Albania can also be found at:  
<http://www.tradingeconomics.com/albania/iso-certification-ownership-percent-of-firms-wb-data.html>

## **B. CMM/CMMI**

Some Albanian companies, Universities’ representatives and representatives of the business circles, became aware of CMMI and the need to implement the latest standards relevant to IT companies. That is why, the country – its companies’ representatives and members of the legal authorities participate in different projects and programs in order to be supported in that activity.

Two companies - DM Consulting and Infosoft SD have successfully implemented process improvement programs based on ITMark and CMMI. According the found data the expectations could be that at least 20 companies would express interest in launching process improvement initiatives. They regard themselves as prepared to meet the international recommendations and ready to try the implementation of ICT standards. Moreover, they are aware of the condition to provide internal company information and be supervised the quality of their services in order to achieve internationally recognized certification and competitiveness.

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<sup>22</sup> <http://www.ebrd.com/apply/tambas/news/070212.htm>

## V. SWOT ANALYSIS

The SWOT analysis of Albanian ICT environment generated the following conclusions:

### Strengths:

- Presence of ICT in government agencies
- In general the Albanian companies are aware of the need to implement the latest standards relevant to IT companies
- The Albanian ICT companies could boast of qualified human resources, flexibility, short time-to-market period
- Labor costs are considerably lower than in Western Europe
- Companies have key knowledge of emerging markets in the Balkans and the Eastern markets
- Local IT companies could be small but with quite a good management
- The Government has already realized the need of faster ICT development in all sectors of the country and investments are increasing.

### Weaknesses:

- Country does not have the image of an IT supplier
- Outdated products/services
- Lack of quality certification and development methodologies
- State and public monopolies in the area of telecommunications, leading to low-quality service and high prices
- Lack of specialization among firms
- Lack of international marketing skills and expertise
- Lack of focused international marketing strategy
- Company size and resources of many ICT companies are too small for international expansion
- Lack of project management skills and/or industrial production of software
- Lack of capital for implementation of new competitive standards which can ensure the potential clients in the quality of the provided services
- Extent of business Internet use
- Accessibility of digital content
- Limited broadband connectivity
- Insufficient international connectivity

### Opportunities:

- Increased understanding of software process improvement methodologies
- Implementation of world recognized models and practices
- International competitiveness
- International growth prospects
- European Union market potential
- Partnerships with significant foreign companies can subsequently support the „professionalization“ of ICT companies
- New ICT opportunities will help offset the impact of the ageing population and increase active participation in economy and society
- Strategic alliances with foreign companies to increase exports
- Clustering with other competitive sectors in Albania and the region
- Strengthen business-education links

**Threats:**

- The industry's representation may remain fragmented
- Lack of domestic market to enable industry to develop expertise
- Lack of a coherent industry image
- "Brain Drain" of IT specialists in search of higher salaries
- Challenges in gaining an image of new-born IT supplier

**CMMI IMPLEMENTATION CAN SUPPORT FOLLOWING OPPORTUNITIES:**

- Increased understanding of software process improvement methodologies
- Implementation of world recognized models and practices
- International competitiveness
- International growth prospects
- Partnerships with significant foreign companies can subsequently support the „professionalization“ of ICT companies
- Strategic alliances with foreign companies to increase exports
- Clustering with other competitive sectors in Albania and the region

**CMMI IMPLEMENTATION CAN HELP MITIGATE THE FOLLOWING WEAKNESSES**

- Country does not have the image of an IT supplier
- Outdated products/services
- Lack of quality certification and development methodologies.
- Lack of project management skills and/or industrial production of software
- Potential for work-sharing in the region is not extensively used
- Lack of focused international marketing strategy

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