ICT COUNTRY PROFILE

ALBANIA

2013

REGIONAL COMPETIVENESS INITIATIVE
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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 domestic Albanian ICT market as it can be seen by external analyst of the sector. The respective sources of information are marked as footnotes 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 such as reports, analyses, legal documents, action plans, statistics and strategies found in internet.

Albania is a candidate for EU membership. The latest progress report showed that significant improvement has been achieved in the field of politics (transparency, political dialogue, modification of legislative framework for elections, adoption of new laws and regulations, etc.). Recommendations are to continue working in the following areas: fight against organized crime, justice system, corruption, property rights, etc.1

The economic development of the country has also been positively evaluated. The Albanian economy came out of the world financial crisis relatively well, without any major shocks. After a biennial period of stability, in 2012 there has been a deceleration in the development of the economy (growth around 1%). A slight increase of 1.3% is expected in 2013. The financial sector remained stable, there were no major investment withdrawals and the decline in the remittances was compensated by the inflow of returning migrants bringing back their savings to Albania.2

Albania actively participates in regional initiatives. The country is further developing bilateral relations with other enlargement countries and neighboring EU Member States like Bosnia and Herzegovina for example. Albania and Montenegro signed agreements (1 for cooperation in education and 1 for recovery of Albania’s debt to Montenegro, 1 for opening a joint border crossing point and a cooperation plan on defense). Relations with Serbia are also relatively stable. An agreement on veterinary co-operation was signed in April 2012. A readmission agreement and an agreement on reciprocal movement of citizens were also signed. Albania continued its excellent relations with Kosovo - protocols on border police cooperation, including joint patrolling, were signed. Relations with Croatia and Turkey are also stable. Relations with neighboring EU Member States Greece and Italy remained very good. Overall, Albania continued to play a constructive role in contributing to the stability of the region.

Albania continued to implement the Stabilisation and Association Process conditions.3

The abovementioned shows that Albania is turning into a functioning market economy which is on its way to become a competitive player on the EU markets.

2 http://www.imf.org/external/pubs/ft/survey/so/2013/cr01113b.htm
II. ANALYSIS OF THE ICT SECTOR IN ALBANIA

A. PAST, PRESENT AND FUTURE TRENDS

Albania economy is relatively new and efficiency driven. Research of the World Economic Forum shows that the country has achieved the average values of all indicators, characterizing an efficiency driven economy. For the past 9 years Albania had a stable development. In the period 2004 – 2008 the country recorded around 6% yearly GDP growth rate, which dropped to 3% in 2009-2011.

The financial crisis had a negative impact on one of the biggest income sources of the country – remittances declined by around 7% in the period 2008 – 2010, mostly from Albanians residing in Greece and Italy. The level of FDIs remained one of the lowest in Eastern Europe. The forecasts indicate that the increasing public debt around 62% in 2012 and the strong relations of the trade, remittance, and banking sectors with Greece and Italy make Albania vulnerable to spillover effects of the global financial crisis.4

Due to the joint efforts of different stakeholders like government, donors and businesses there has been significant improvement in Albanian ICT in the past 6 years. A proof for this is that the lat annual report (2012) on doing business in Albania identifies ICT as one of the main development opportunities for the country’s economy. What concerns access to finance, corruption, tax rates and tax regulations a lot more needs to be done. The latter are pointed out as the main obstacles for doing business in Albania.

The industry has realized the importance of organizations offering professional services to companies, thus helping them to enhance the quality of their workforce and ensure the best possible positioning of the Albanian ICT sector on the regional and international markets. Furthermore the Albanian ICT organizations are actively involved in attracting investors from the Albanian Diaspora.5

One of the biggest advancements is in the field of ICT infrastructure. There are 4 mobile operators in Albania, 2 of them are offering 3G to their customers. Currently the operators are preparing to introduce 4G. The mobile penetration in the country is quite intensive; by the end of 2011 the rates were close to 90%. This is one of the rates in the region. More than half of the Albanian population is using Internet.6 Furthermore there has been a big progress in the field of public procurement - all services are electronic.

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 expected increase in investments in the country which will lead to increase of the demand for Information Technologies.

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.7

In order to gain recognition and better positions on the regional and international markets ICTS Media has launched the Albanian ICT Awards, aimed to promote the latest achievements in the Albanian ICT sector.8

5 http://www.aita-al.org/
6 http://www.itu.int/ITU-D/tdb/publications/BBD_MDG_Albania_Final.pdf
8 http://ictawards.org/
ICT competitiveness indicators, measured through the World Economic Forum competitiveness indexes, position Albania 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 years. Innovation, local competition and business environment are necessary prerequisites for the further enhancement of the competitiveness of the country.

### B. ICT ASSOCIATIONS

The desktop research showed that there are a small number of ICT associations in Albania, which are focused mainly in the IT sub sector. There is no association representing the interests of the communications sector which is the biggest sub sector from ICT. Furthermore the main activities of all of them are oriented towards the provision of training services. The biggest threat is that the local ICT organizations fail to initiate, develop and implement strategies on national and regional level and the industry focus remains only on operational level.


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 wide 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.


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.


The organization was founded as a result of the joint efforts of government, donor organizations and international corporations. PROTIK is focused on promoting innovation and entrepreneurship, providing training services, organizing networking events, working with the educational institutions for the enhancement of the professional qualifications of the workforce.

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ISSETI - http://www.isseti.org/
The organization was founded in 2003 by professional in mathematics and informatics. ISSETI 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.

C. PROFILE OF SELECTED COMPANIES

The majority of ICT companies in Albania are SMEs, working mainly on the local market. Gradually companies are starting to expand on the EU markets too. The search of new markets will enhance the demand for introduction of latest technologies, bigger investments in R&D and increase in the management and marketing skills. This will have a positive influence on local competition also.

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:

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.

ikubInfoSoft - http://www.ikubinfosoft.al/
Joint venture between ikubINFO Software Solutions and the software solution unit of the InfoSoft Systems. Company is providing software solutions and IT services to local public institutions and private organizations.

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
The company offers a complete cycle of IT solutions, elaboration of information flow and workflow management systems, as well as consulting services.

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.sintez-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.

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

D. ACADEMIC PROGRAMS

There are a lot of public and private Universities having ICT related specialties. Most of the Universities have experience working under different EU and donor funded projects. Modernizing infrastructure and increasing funding in R&D are among the necessary prerequisites for the improvement of the ICT education in Albania. Another burning issue is that the majority of Universities do not have available English version of their website, which limits the access of foreign students to Albanian education.

POLYTECHNIC UNIVERSITY OF TIRANA – www.upt.al
Faculty of Information Technology (where there are surely courses on Software Engineering)

UNIVERSITY OF TIRANA - http://www.unitir.edu.al/
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/

Development of competences in different fields of science and technology.

TRAINING CENTER “LINCOLN CENTER” - http://lincolnalbania.org/EN/
Provides language and computer trainings from Microsoft Office to Cisco Network Setup. Certifications confirm competency to both employers and clients and are recognized worldwide.

“FAN S. NOLI” UNIVERSITY, KORCE TOWN – http://www.unkorce.edu.al/
Mathematics-Informatics Department at Faculty of Education

“EQREM CABEL” UNIVERSITY – www.uogi.edu.al
Department of Mathematics, Informatics and Physics at Faculty of Natural Sciences

UNIVERSITY OF VLORA – http://www.univlora.edu.al/
Department of Computer Science and Electrical Engineering (CSEE)

Economic and Administration Faculty (no English version available)

UNIVERSITY OF NEW YORK, TIRANA – www.unyt.edu.al
Computer Science and Information Systems Faculty

UFO UNIVERSITY – 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.scholzesimmel.at/starbus/ws4/albania.pdf

**E. STATE AGENCIES AND ORGANIZATIONS**

Albanian Agency on Information Society with EU support has launched an e-Albania portal (http://www.e-albania.al/Pages/default.aspx), which contains information about the services provided by Albanian government to citizens and businesses, links to official web sites of governmental institutions, industry organizations and others.

**ALBANIA’S NATIONAL AGENCY FOR THE INFORMATION SOCIETY (NAIS)** -
http://www.akshi.gov.al/
National Agency on Information Society (NAIS) was established by the Council of Ministers. Its overall objective is to coordinate all the activities of Albanian government 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.

**ELECTRONIC AND POSTAL COMMUNICATIONS AUTHORITY (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.

**DIGITAL ALBANIA DEPARTMENT**
The department was created in 2009 and is part of the Prime Minister’s office and under the control of the Minister of Innovation and Information and Communication Technologies. The Digital Albania department is responsible for: development of electronic government projects and integration of ICT in all economic and social areas by fulfilling the needs of a society based on knowledge and information; development of a national market of information and communication technologies; development of initiatives on digitalization, electronic communications, information society and ICT, and preparation of respective policies.

**NATIONAL AUTHORITY FOR ELECTRONIC CERTIFICATION (NAEC)** -
HTTP://WWW.AKCE.GOV.AL/ENGLISH.HTM
NAEC was established in 2009 and is dependent of the Minister of State. The main responsibility of NAEC include: registering certification service providers, testing and confirmation bodies, performs audits of the service providers, etc.
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.

**National Broadband Plan 2012** is an operational document developed in alignment with the European Broadband targets by the Ministry of ICT and Innovation. This is a strategic document, outlining actions to enhance availability, affordability and accessibility of Broadband communications services in Albania.

In April 2012 the National Agency for Information Society started the implementation of the e-Government Interoperability Framework (e-GIF), which aims to improve the communication between government institutions through the creation of a centralized datacenter for public services. This way not only the quality of public services will increase, but the exchange of information between public institutions. Introduction of complex integrated systems in the tax administration and customs is also underway. The new upgrades of the Integrated Case Management Information System (ICMIS) will allow the online transfer of files between different judicial institutions and online inspection of courts and judicial hearings in the country.

In 2012 the Ministry of Labor, Social Affairs and Equal Opportunities launched the e-employment project, which aims to create a centralize database with the information from all employment offices.

Since 2011 all public schools in Albania have computer laboratories (PC and laptop) and Internet connection. ICT curricula have also been implemented in the program. The focus of the governmental projects in the field of education are now oriented towards raising ICT awareness, optimizing Internet connectivity. The implementation of systems for conducting State Matura online is also underway.

**National Strategy for Development and Integration 2007-2013** the first strategic document uniting the economic and social development goals, EU and NATO membership candidacy. ICT is recognized as a priority and the objectives of the strategy include the elaboration of a policy, strategy and implementation plan in order to utilize and develop further the ICT potential of Albania. Following the National Strategy for Development and Integration is the 2010 Policy for Electronic Communications in the Republic of Albania, which covers the development of telecommunications, data transmission and broadcast media.

**Digital Albania Initiative** is a program adopted by Albanian government in 2009. The goals of the program include all inclusive e-governance, increased efficiency of state administration, strengthening the public participation in the decision-making process, etc.

**Cross-Sector Strategy for Information Society** is adopted in the beginning of 2009 and its goals are the development of an Information Society, support for the development of the ICT private sector.\(^\text{10}\)

**Cross Cutting strategy 2008-2013**\(^\text{11}\) - 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.

G. DONOR PROGRAMS IN THE IT SECTORS

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

\(^\text{10}\) Draft_Final_National_Broadband_Plan_3 May
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.

**Education Excellence and Equity Project** is a 7 year project (2006 – 2013) funded by the **WORLD BANK** aiming to support the Albanian government in its efforts to improve the learning environment in education, including increasing management and leadership qualifications of lecturers, improving infrastructure, setting the stage for higher education reform.12

**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)**13 – 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)**14 – 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)**15 - 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.

In 2011 United Nations and Albanian government signed a national program for cooperation for the period 2012 – 2016. The priority areas of the program include governance and rule of Law; economy and environment; regional and local development; inclusive social Policy.

**USAID**

USAID Albania has projects in 2 main areas - STRENGTHENED RULE OF LAW AND IMPROVED GOVERNANCE and CONDITIONS CREATED FOR BROAD-BASED & SUSTAINABLE ECONOMIC GROWTH.

‘In July, 2011 under the auspices of USAID the Software Engineering Institute of the Carnegie Melon University started a 2 year-long project aiming to help Albanian government support a national incident management capability. Drawing on its experience in the areas of organizational resilience and incident management, the SEI worked 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 goals of the project were to help the Albanian government develop the capabilities necessary for meeting its cyber-security goals in a climate of serious and ever-changing threats and institutionalize and sustain best practices for security across its government infrastructure. 16

The main role of the 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 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. 17

16 http://www.sei.cmu.edu/newsitems/rmm-usaid.cfm
17 http://www.rritjealbania.com/
In 2013 in cooperation with the USAID funded Regional Competitiveness Initiative, Albanian IT Association and European Software Institute Center Eastern Europe Rritje Albania completed the “Process Improvement Implementation Program. The goal of the program was to increase awareness of ICT process improvement practices and provide firm-level assistance to Albanian companies to implement ITMark. 4 companies successfully received certification under the international process improvement model – ITMark.

**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.

**EU**

Albania is an EU membership candidate since 2009. The majority of the EU funded initiatives in Albania are projects implemented by the government and focused on support for democratic development and good governance, regulatory reform and administrative capacity building and infrastructure development. EU funding for projects in Albania is provided in the form of grants, contracts and increasingly budget support.

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 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.

### H. EXHIBITIONS, CONFERENCES AND EVENTS

In the last years a lot of efforts have been put in order to promote Albania as a host of various international events. Among the major events held in Albania are:

- **26**th – **30**th November, 2012
  **19**th International trade fair
- **26**th – **28**th September, 2012
  The **15**-th International Conference on Network-Based Information Systems
- **10**th May 2012
  **ICT Regional Conference and B2B meetings**
- **16**th November 2012
  Technological Albania at the **100**th Independence Anniversary
- March 2013
  **IMAGINE CUP competition**
- **28**th March 2013

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As a result of the conducted research, it could be concluded that it’s hard to find current information about forthcoming IT events in Albania. This is a constraint towards the promotion of the Albanian ICT sector and thus the attraction of FDIs.

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:

- “PC World” – no English version available (http://www.pcworld.al/albanian-ict-awards-drejt-finalizimit/)
- “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. (http://www.tiranatimes.com/)

The research showed that it is really hard to find information about Albanian IT related media. Furthermore the majority of 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. This is presents an obstacle in the promotion of the Albanian ICT sector. A list of the main Albanian media can be found on: http://www.abyznewslinks.com/alban.htm.

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. A few Albanian companies are presented on the web platform IT2Business (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 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 64 companies from the region offering 148 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.

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. Albanian companies also realize the need of qualified software specialists and implementation of process improvement models like CMMI, SPICE, and ISO.

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) – 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 Eastern Europe.

For the time being there are 45 companies with 136 services registered in the platform and 3 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.19

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

According to data from the World Bank from 2007 24.6% of the companies in Albania are ISO certified. One should take into account that this is a cumulative % of the companies from all industries. Furthermore in 2007 there were significantly fewer number of companies in Albania.

B. CMM/CMMI

Representatives of industry, government, and academia became aware of CMMI and the need to implement the latest standards relevant to IT companies. After undergoing a series of trainings four companies have successfully implemented complicated process improvement programs based on ITMark and CMMI.

19 http://www.iso.org/iso/about/iso_members/iso_member_body.htm?member_id=1495
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 relatively 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;
- 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;
- Insufficient international connectivity.

Opportunities:

- Increased understanding of software process improvement methodologies;
- Implementation of world recognized models and practices;
- Entering regional/international competition;
- Gaining advantage from international growth prospects;
- Especially European Union growth market potential;
- Partnerships with significant foreign companies can subsequently support the „professionalization“ of ICT companies;
- New ICT opportunities will increase active participation in economy and society. Albania is among the youngest nations in Europe;
- 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.
For further information please do not hesitate to contact the RCI IT team in ESI Center Eastern Europe, office@esicenter.bg, tel. +359 2 4899740.