

2016

GENERAL INFORMATION
TEDA KOPLIK



MEDTTE

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I. ALBANIA

Brief description/introduction



Figure 1 – Map of Albania

Albania is bordered by Montenegro to the northwest, Kosovo to the northeast, the Republic of Macedonia to the east, and Greece to the south and southeast. It has a coast on the Adriatic Sea to the west and on the Ionian Sea to the southwest. It is less than 72 km from Italy, across the Strait of Otranto which connects the Adriatic Sea to the Ionian Sea.

Albania's mountainous landscape is rugged and for the most part inaccessible from the outside. To the west, facing the Adriatic Sea, are the lowlands. The climate on the coast is typically Mediterranean with mild, wet winters and warm, sunny, and rather dry summers. Inland the climate conditions vary depending on elevation, but areas above 1,500 m are rather cold and frequently snowy in winter; cold conditions with snow may linger into spring.

Albania has a favorable geographical position, located at the crossroads which connect the western Mediterranean countries with the Balkan Peninsula and Asia Minor as well as being in control of the passage through the Strait of Otranto.

Moreover, Albania is part of the pan European Corridor 8 and TAP pipeline further increasing its strategic importance in the region for trade and logistics development.

Albania is easily accessible by sea. A total of six seaports are operational along the Albanian coast, with Port of Durrës, Port of Vlora and Port of Shëngjin being the most important.

Tirana International Airport is the only airport in Albania and is located 17 km northeast of the capital.

The national railway network extends for 450 km of rails used primarily for transport of goods and passengers. The only link with international railways is possible through the Hani Hotit customs point (Montenegro border).

Macroeconomic situation

The economy of Albania has considerably improved after 1998 and a trend that is discernable in the infrastructure of major cities of the country. The Albanian Lek is a stable flexible currency with interest rates having been gradually lowered.

Albania continues to rely on remittances from countries such as Greece, Italy, Switzerland and Germany, thus forming the main source of income for many Albanian families. However, following the global economic crisis the level of remittances has diminished and the country is looking ahead to new economic model, one that is aimed primarily at attracting FDI.

During this period, the business structure underwent changes at a national level to better align with the European level. The main goal has been the stabilization of macroeconomic indicators, inflation control, rapid completion of structural reform (infrastructure, electricity), price liberalization and the establishment of an environment suitable for development.

Attracting foreign investment remains a priority and one of the main ways to provide the first push to revitalize the economy. In this regard, Albania deems very important the continued cooperation with international financial institutions. Meanwhile, the country is enjoying infrastructural improvement and tourism development.

FDI are present in different sectors of the Albanian economy. The FDI stock in 2014 netted at EUR 4.55 billion with the main countries of origins of foreign companies that have invested in Albania being Greece at 26%, Canada at 17% and Italy at 12%.

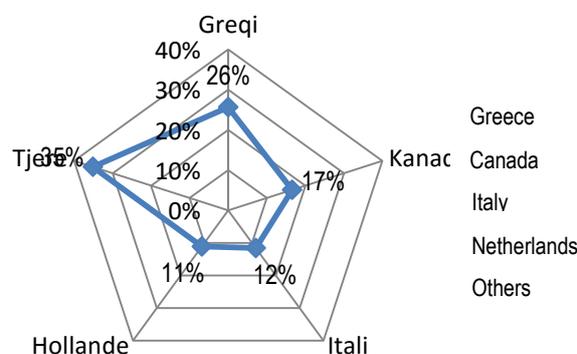


Figure 2 – FDI stock for 2014

In 2014, the inflow of FDI rose by EUR 869 million, aimed at the following main sectors: extractive industry (58%), transport and telecommunication (13%), and energy (9%).

Albania has an open economy which is reflected in the fact that a large part of the domestic needs are met through imports from various countries, while the domestic economy is active in certain sectors.

Table 1 – Imports from EU and non-EU countries

	2014				2015			
	Volume (ton)	%	Value (EUR)	%	Volume (ton)	%	Value (EUR)	%
EU	1,418,784	48.1%	244,574	60.7%	1,520,390	51.4%	241,432	61.5%
Non EU	1,530,345	51.9%	158,062	39.3%	1,436,859	48.6%	151,423	38.5%
Tota l	2,949,129	100%	402,636	100%	2,957,249	100%	392,854	100%

Source: Directorate General of Customs

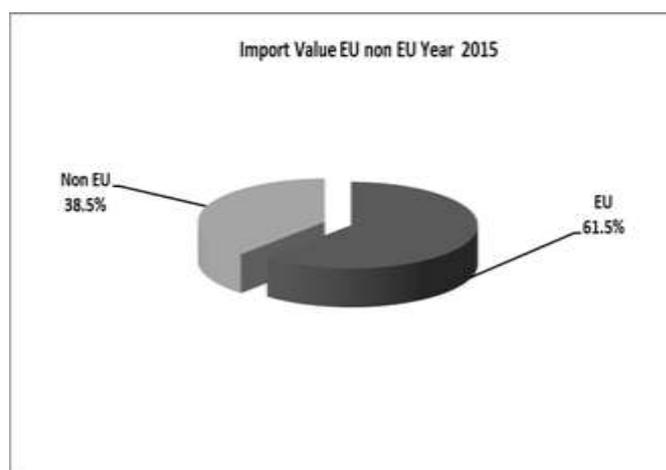
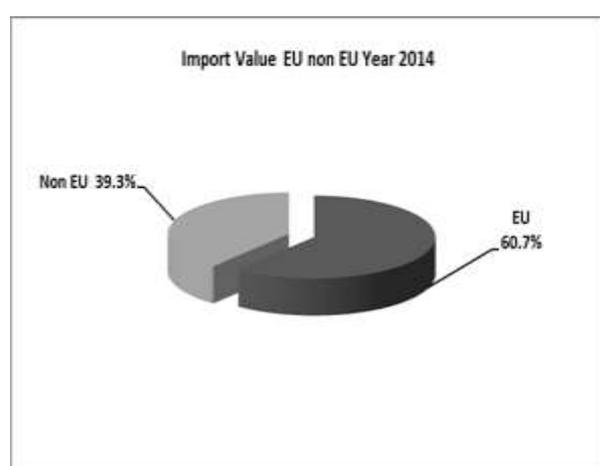


Table 2 – Value of imports (January-September 2015)

Value of exports in mln Euro

Vitet	2011	2012	2013	2014	2015
Eksportet	1,045.5	1,124.5	1,295.4	1,375.9	1,325.0

Source: Directorate General of Customs

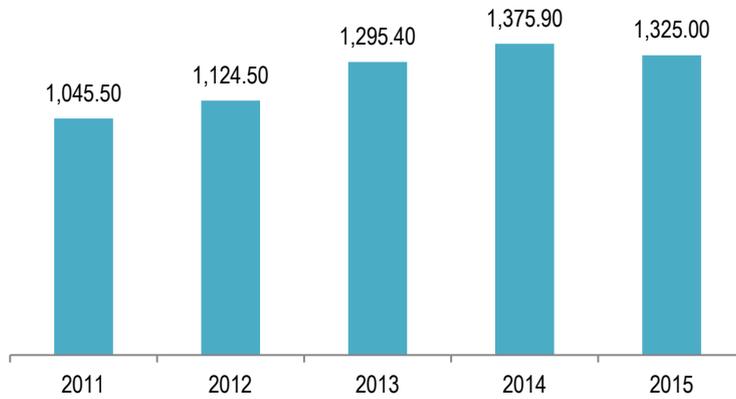


Figure 3 – Value of exports during 2011-2015, in mln EUR

	2011	2012	2013	2014	2015
Taxable imports	310,450	314,695	289,387	317,614	312,931
Untaxable imports	23,332	23,026	24,142	15,161	6,013
Imports under inward processing	60,335	53,076	55,875	70,773	74,777
Other imports	6,860	6,946	6,154	7,804	16,084
Total imports	400,976	397,743	375,558	411,352	409,805

Source: Directorate General of Customs

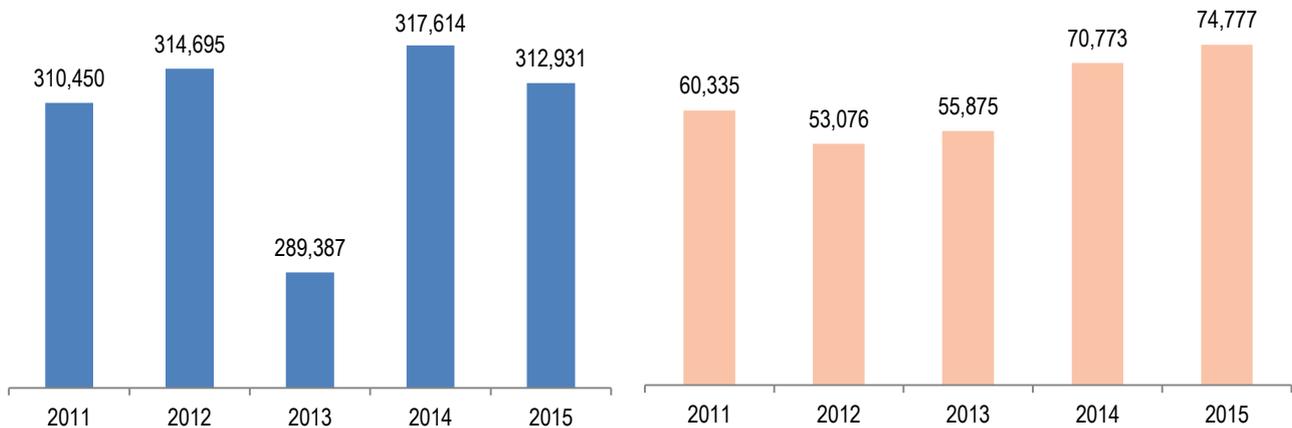


Figure 4 – Imports under inward processing

Figure 5 – Taxable imports

Table 3 – GDP by economic activity

	Gross Domestic Product (GDP)	Gross national income	Real annual growth of GDP at constant prices compared to the preceding year (%)
2012	1,332,811	1,322,883.5	1.4
2013	1,350,554	1,355,514.3	1.1
2014	1,400,549	1,388,843.5	2.0

(source; The Bank of Albania)

Political developments in Albania

In June 2014, Albania was granted candidate country status for membership in the European Union. The EU has played an increasingly important role, among the international community, in the democratization process for/in Albania, it being one of the membership criteria to join the EU. Research shows that there is a clear causality in the enforcement of conditionality on the part of the EU to ensure political or institutional results in the countries aspiring to join it. The democratic criterion comes into play once new members have fulfilled all the conditions set out by the EU. Based on the conditionality model, in the political aspect, membership in the EU is seen as having equivalent value to democratization.

Albania is a NATO member country since 2009 and has shown itself an important factor in preserving stability in the region, through support and political dispute resolution in the Balkan.

Albania is a member of the World Trade Organization and the European Community. The latter has granted the country autonomous trade preferences. Albania is also a member of CEFTA, the European Convention of Free Trade which was revised after the accession of Bulgaria and Romania to the European Union.

TECHNICAL AND ECONOMIC DEVELOPMENT AREAS

Relevance

Albania was the last country in Central and Eastern Europe, to experience the collapse of Communism and embrace democracy and free market reforms. The transition to a free market economy was gradual and difficult as a result of the consequences of the previous regime's economic policies. The political revolution followed by the transformation of the economic system as well as Albania's reopening of its borders to the rest of the world brought in a series of challenges/struggles that needed to be overcome in order to adapt to this new market environment in the region and beyond.

Albania is a country in constant development with an active economy and interesting markets waiting to be explored. In order to push forward the country's market growth, "aggressive" liberal economic policies aimed at attracting foreign direct investments are needed.

Technical and Economic Development Areas (TEDA) are a new GoA initiative that seek to attract foreign investment by providing incentives for domestic and foreign

investors. TEDAs greatly benefit from the country's favorable location among other advantages and have the potential to become the driving force for sustainable economic development.

Two TEDAs are currently ready to be developed: TEDA Koplík which is located in the north of Albania, and TEDA Spitalla located in Durrës. There are plans to announce more TEDAs in the future, to be situated in key regions on the country.

General description of TEDA Koplík



TEDA Koplík, in Malësi e Madhe, extends over an area of 61 ha of greenfield land at the edges of the Shkodër-Hani Hotit road, 2 km north of Koplík. The area is located 20 km from the city of Shkodra and 15 km from Hani Hotit customs border (border with Montenegro).

Activities in the zone

The region around Koplík is known primarily for economic activities in the agricultural sector. Koplík lies in a fertile lowland area; however priority has taken husbandry and wood processing.

Being close to the Lake of Shkodra has created favorable conditions for lake tourism to develop around the region. Mountain Tourism is also gaining importance recently, especially in areas such as Razëm, Bogë, Theth and Vermosh and efforts are being made to harmonize mountain and lake to tourism, preserve biodiversity, protect the lake from pollution, afforestation of the region with ash-trees, willows etc.

Medium and large enterprises, both Albanian and foreign in origin will be the main focus for the region/zone, in areas such as: confectionery products, footwear, construction, agro-food products, aluminum processing, wood processing, trade, services etc. Priority will also have those industrial activities that have low adverse effect on the environment.

Functions and services in the zone

TEDA Koplík will function/operate as a public entity with the state, pursuant to the law on technical and economic development areas and the relevant bylaws. The land and the buildings on it are state property.

The Technical and Economic Development Areas seek to attract foreign investors and promote international trade. The zone has the capacity to sustain the considerable flow of goods from the port of Trieste, Koper, Split etc. to the rest of the Balkan countries. Moreover, customs warehouse are expected to be constructed, and occupy a considerable size of the TEDA.

The main focus for selection of eligible economic activities inside the TEDA will be storage, export and import, packaging, distribution and other authorized activities.

Social and economic impact

TEDA Koplík will bring many benefits for the surrounding region, such as: new job creation; increased economic and social welfare of the population; increased level of exports; empowered regional trade links; transfer of know-how etc.

II. KOPLIK

General description



Koplík is the administrative center of the county of Malësia e Madhe, located northwest of Albania close to the border with Montenegro. It is very close to the city of Shkodra (18 km) and only 112 km from Tirana.

Surrounded by nature and very close to the shore of Lake Shkodra, Koplík presents great opportunities for tourism both nature and culture.

The neighboring mountain ranges grant Koplík a magnificent landscape, and at the same time it shields the city from the cold winds blowing from the Alps. The breeze from Lake Shkodra gives the region cool summers and mild winters.

Lake Shkodra has historically been the lifeblood and a very important source of natural resources for the region. The variety of fish that call the lake their home has helped the neighboring communities and improved the welfare of their inhabitants.

Opportunities for development



Economic development needs to go hand in hand with the betterment of the social welfare of a community. Economic development touches upon a number of variables that must be accounted for, such as manufacturing growth and effective use of resources.

The economic and social development of Koplik and the surrounding regions is expected to be a gradual process and will require time. Decision makers will need to forego traditional methods and look ahead to accelerate the transformation process via contemporary methods that are sure to attract investments.

Koplik is rich in resources (mineral, hydro etc.) and boasts favorable conditions for the development of tourism and a workforce that is both dynamic and competitive in the region. These qualities have garnered the attention of foreign investors who see great potential for development in the region but are looking for fiscal and legal predictability.

The Technical and Economic Development Areas are a step forward toward creating conditions that are favorable to investors by offering a number of incentives (fiscal, administrative procedural and legal) to interested investors.

Once established/developed, TEDA Koplik promises to eliminate/reduce hurdles faced by foreign investors in the emerging markets of Shkodra, Koplik and the neighboring region. Companies operating inside the TEDA will be able to sell their products in the domestic, regional, and international markets.

Flora and fauna

The ecosystem around the lake hosts a dynamic and complex community of flora and fauna. The trees that are most encountered are willow, ash, wild poplar, etc., whereas among the herbaceous plants, the most abundant are: field buttercup, water lily, reeds, berries, nettles etc. The rich and diverse flora has created favorable conditions for the fauna inhabiting the lake shore.

Transport infrastructure



The region around Koplik and the TEDA have immediate access to the Shkoder-Hani i Hotit highway that connects Tirana with Montenegro. TEDA Koplik greatly benefits from this road to connect to the major ports and cities in Albania and neighboring countries.

Origin	Destination	Distance (km)
Koplik	→ Tirana	118
	▪ Tirana International Airport "Nënë Tereza"	102
		124
	→ Durrës	125
	▪ Port of Durrës	
		45
	→ Port of Shëngjin	
		68
	→ Port of Bar (Montenegro)	
	16	
	→ Hani Hotit customs border crossing (border with Montenegro)	187
	→ Morina customs border (border with Kosovo)	

Energy infrastructure

The area is connected to the national power grid via the substation of Koplik (220/110/20 kV), which is connected to nearby substations via a 35 kV L3-55 transmission line. North of the TEDA is located the Koplik-Podgorica transmission line (220 kV) and the Tirana 2-Podgoriaca transmission line (400 kV).

Water infrastructure

Drainage system

The existing infrastructure of irrigation and drainage is designed and built to provide irrigation, drainage and flood protection of agricultural lands.

Expansion or creation of new urban areas has increased the risk of flooding in these areas, even more so in locations where drainage and flood protection infrastructure is depreciated or blocked by illegal constructions.

Hydrological conditions

Underground water is found very close to the surface, at a depth of 6 m. Its level remains almost unaffected by the passing of seasons (winter, summer). It is advisable that all necessary measures be taken to ensure that underground water has been displaced before any construction begins in the area, which can reach higher levels in summer.

Geological and technical conditions

The soil where TEDA Koplík will be developed is composed of four layers:

Vegetated land and thrown over soil, which consists of clay with minimal amount of fine sand in beige and brown color, with vegetation root content. The surface is compact in some places and less compact in others.

Beige color damp gravel with an average compact level.

Fine to average size beige damp clay with minimal amount of fine sand. It contains small pebbles and gravel grit. Sandy beige to gray clay silts with a highly compact poor cementation



Water supply and sewerage network

The local population (24,500 inhabitants) gets its water supply from the aqueduct in Malesia e Madhe. The existing water reserves in Koplík and Malesia e Madhe are not sufficient to fulfil the needs of TEDA Koplík. Investments in the capacity and branching out of the network to the borders of the zone are necessary.

Wastewater network is partially damaged and in need of upgrading due to constructions carried out over the years. At present the network fulfils the needs of 5000 inhabitants and extends over 14 km.

Climate

Malesia e Madhe lies east of Podgorica (Montenegro) and to the side of Lake Shkodra until the border with Kosovo. Its isolated location, limited arable lands; droughts caused by the presence of limestone rocks, little presence of rainfall, etc. have all contributed to the region's dry and barren-like appearance and focus on agriculture. The river Cem flows downstream from the Albanian Alps through Malesia e Madhe and into Morava.

The mountain range going through the province shields it from the cold northern winds. The region along the lake shore has a temperate climate with hot dry summers and mild rainy winters.

Port of Shëngjin



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The port contains closed storehouses/warehouses (2000 m² and 10000 m² in size) used for the storage of goods. The goods terminal is 2440 m², while the passenger terminal is 250 m². The port has a maximum/installed capacity of 500,000 Ton, while the operating capacity is 1,500-2,000 Ton/day and can accept ships/vessels up to 5,000 Ton.

SHKODRA

HISTORIKU



Shkodra (*alb. Shkodër*), the largest city in the north of Albania (87,500 inhabitants, 2008 estimate), is located on the east side of Shkodra Lake, on the southern part of the Mbishkodra plain, between the rivers Drini and Buna. The city is one of the oldest in Albania and it is also an important cultural and economic center.



View to Shkodra from Rozafa Castle

Shkodra has been inhabited continuously since its foundation in the 4th century BC. It was the chief town of Illyrian tribe of Labeats and later on during the reign of King Gent and Queen Teuta the chief centre of the Illyrian state. In the year 168 BC, the city was taken by the Romans and it became an important trade and military route for them. In 1040 AD, Shkodra was captured by the Serbs and became an important economic and administrative center. In 1396, the city came under Venetian rule, forming a coalition against Ottoman Empire. Despite resisting attacks for some years, Shkodra fell under Turkish rule in 1479. Many inhabitants fled shortly after the occupation that devastated the city. It did not gain its prosperity until about the 17th century.

During its long history the city has played important role in Albanian culture and history. In the southerly part of the city rises the Castle of Rozafa, and in the surrounding neighbourhood there are prehistoric burial grounds and both ancient and medieval fortified settlements.



Rozafa Castle

Today the city and the area around it is blessed with numerous different natural and cultural objects. The city retains its characteristic appearance with narrow streets with tall stone walls on both sides and tall gates. After World War II, Shkodra rebuilt with wider streets and new residential buildings. These were built in several new quarters.

Apart from being a historic centre, Shkodra has always been a centre of education, culture and trade. It has always developed and maintained links to the West, especially to Italy and Austria. Shkodra is also the centre of Albanian Catholicism as well as a fine example of tolerance between religions, with the city comprising all the major faiths found in Albania.

What to see

Rozafa Castle (fortress of Shkodra) - at the entrance of the town, 3km south of the city centre, located on rocky hill 133m high. It is one of the biggest and most famous castles in Albania. The Rozafa castle has a fascinating history, that relates to one of the most beautiful of Albanian Legends. Archaeological excavations have yielded finds extending from the early Bronze Age until the present day. Within its massive defensive walls stand the Church of St. Stephen, several Venetian administrative buildings, a belfry and some medieval rooms. There is also small museum and traditional restaurant. *Open 08:00 - 22:00. Admission 200 lek.*

St. Stephen's Church - stands in the principal court of Rozafa Castle. It was constructed in two phases at the end of the 13th and in the 14th century, and was later converted into a mosque.

Leaden Mosque - stands below Rozafa Castle in a medieval quarter, once old bazaar area. It was built in 1773 by Mehmet Pasha Bushati on the model of the Blue Mosque in Istanbul, and is roofed with lead.

Historical Museum - Ottoman-era building (1815) with archaeological and ethnographic collections.

National Photo Gallery "Marubi" - is located in the centre of the town and is the richest and most important photographic archive in Albania. It contains more than 500,000 negatives, of which the earliest go back to 1858.

Catholic Cathedral (*Kisha e Madhe*) - one of the biggest catholic cathedrals in Balkans dedicated to St. Stephen. After it's reconstruction in 1991, the cathedrait was inaugurated by Mother Theresa and two years later it was visited by Pope John Paul II. Inide of the cathedral is a copy of the Turin Shrout. *Free Access.*

Al-Zamil Mosque, New Mosque - two mosques in the centre of city.

Shkodra Surroundings



Mes Bridge (*Ura e Mesit*) - is 6 km north of Shkodra, near the village of Mesi, builded in 1768, over the Kir river. This is the largest and best preserved Ottoman bridge in Albania, built along the ancient trade route from Shkodra to Kosovo. The bridge is 108m long, 3m wide, with 13 asymmetrical archs. The Kir river it crosses has incredibly blue, clear mountain water and the bridge is located in a picturesque landscape.

Shkodra Lake - on the border of Montenegro with Albania is in fact a former sea bay that was cut off from the Adriatic when the sea levels dropped, thousands of years ago. The lake is the largest in the Balkans at 41km long and with surface between 370-530 km². As its depth is up to 60 metres, the bottom of the lake is well below sea level, making it a so-called cryptodepression. Shkodra Lake is one of the largest bird reserves in Europe, having some 240 bird species inhabiting its shores, including some of the last pelicans in Europe, and thus popular with birders.

Albanian Alps - embrace roughly 2240 km² and lie in the prefectures of Shkodra and Tropoja. Thirteen peaks exceed 2500 m in height and the principal rivers are the Valbona, Shala, Cemi and Kiri. There is a great diversity of fauna and flora, particularly in the Thethi National Park. Centres of Alpine tourism are Boga, Thethi, Vermosh and Valbona.



Lezha Castle

Lezha - town 59 km south of Shkodra founded in ancient times. Lezha was the site where Gjergj Kastrioti Scanderbeg united the Albanian princes in the fight against the Ottoman Empire. Skanderbeg is buried in the cathedral of Lezha which is dedicated to Saint Nicholas. Skanderberg museum has also the outer sector - archaeological environment with objects from Lezha ancient and medieval period, found around the museum. To the east of town on top of a 186m high hill is located Lezha Castle, which bears traces of Illyrian, Roman, Byzantine and Ottoman architecture.

III. GENERAL INFORMATION

Demographic, Enterprises, Education

The population of Malesia e Madhe is growing at a fast pace mainly among the village communities.

Table 4 – Data on the Malesia e Madhe and Shkodra district/county

	Po- pulation	Workforce		Enterprises					
		Empl- oyed	Unempl- oyed	Agricu- lture	Indu- stry	Constru- ction	Servi- ces	Exp- Imp	Ente- rpris- es
Malësi e Madhe	106 91	2330	2027	50	503	157	1954	100	4259
Shkodër	219 879	65686	16449 ¹	141	379	108	2348	281	5446

Source: INSTAT

Table 5 – Number of schools and of their students

	Primary education	Secondary education	Tertiary education
Shkodër	137 (29578)	47 (14619)	1 ²
Koplik	24 (3359)	8 (1097)	

Source: INSTAT

Financial system

The law on banks in Albania has given/granted the Central Bank of Albania an independent status and great operating autonomy. The Bank of Albania controls and regulates the activities of the commercial banks and other financial institutions in Albania. Today there are many commercial banks operating in Albania. Many of the major banks operating in Albania have opened branches in Shkodra and Malesia e Madhe:

- Banka Kombëtare Tregtare
- Banka Raiffeisen
- Banka Tirana
- Banka NBG Albania
- Banka Alpha Albania
- Banka Procredit
- Banka e Parë e Investimeve, Albania
- Banka Credins
- Banka Union
- Banka Societe Generale Albania
- Banka Intesa Sanpaolo Albania
- Banka Veneto

¹ Prej të cilëve 788 janë me arsim të lartë, ndërsa 7657 kanë arsim të mesëm

² Universiteti i Shkodrës (Social Sciences, Natural Sciences, Law, Economics, Nursing, Pedagogical)

- Banka Ndërkombëtare Tregtare