

ALBANIA

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Real figures on the Albanian economy show that the long a waited move towards stable growth is quite a long way ahead. Compared with one year ago, growth indicators are lower. Official statistics clearly show that agriculture remained the major sector which contributed to some economic growth. Construction, the booming sector during last years showed during 2002 the first signs of decline. Wide and deep power shortage continued throughout the year, seriously impacting the activities and performance of the businesses and overall economic development of the country. Implementation of the laws still remained highly problematic with a public administration continuously criticised from the opposition political parties of being inefficient and widely corrupted.

The left-aligned coalition led by the socialists has not been able to address some of the most critical issues that face the country. A new government was established chaired by Fatos Nano, also chairman of the Socialist party. It faces a daunting task of leading the country's deep reforms.

Public investments were reduced during 2002 by 17%, with the transportation sector being among the leading sectors to suffer, with 39% less investments that a year ago. The mining industry was characterised by low levels of developments in all kinds of metal and non-metal ores.

The chromium industry showed a slight improvement, mainly because of the activity of the Italian company Darfo, which has a concession agreement with the Albanian Government, although output still remains far from the foreseen figures presented when the agreement was signed. Efforts to put back into operation the ferrochrome factory in Burrel, which has a smelting capacity of 36,000 t/y, failed completely. The company has also had serious problems with hundreds of its workers who risk remaining jobless because of lack of operations. However, production and processing figures for 2002 provided by Darfo suggest that the company is moving towards growth and stabilisation.

The Turkish company Ber Oner started the reconstruction of some horizontal mining operations at the copper mine of Munelle, which represents the most important source for this ore in Albania. Estimated reserves there are calculated to be around 9 Mt. Analysis of the copper ore in this area indicate components of 1.4% Cu, 25% sulphur, 0.6 g/t zinc and 0.73 g/t gold. It is also expected that the same company will reconstruct the enriching copper factory in Fushe Arrez with an annual capacity of 70,000 t.

A French company KLP invested in the bitumen field of Vlora under the name 'Selenica Bitumen'. During 2002, about 4,000 t of bitumen was produced and exported to France.

In October of last year, in an effort to stop erosion and serious damage to bridges and ecology, the Albanian Government issued a drastic decision halting the production of gravel alongside rivers. This increased demand for limestone gravel in open-pit mines.

The country's fragile banking sector was still not in a position to support, through long-term loans, the mining sector. This is a serious obstacle in the development of this sector. This has resulted in a sporadic and fragmented development of this sector, contributing to a further ruining of many of the mines closed during the previous years because of the enormous financial problems they were faced with.

The following chart gives main figures and indicators for the mining sector in Albania during 2002.

Mineral Production '000 t

Sector	2000		2001		2002	
	Public	Private	Public	Private	Public	Private
Gross Oil	314	0	308	0	275	0
Natural Gas	11,490	0	10,980	0	9,150	0
Coal	20.6	0	15.7	7	7.5	12.8
Chrome ore	46.4	70.6	12.9	73	0	82
Chrome concentrate	3.4	0	0	0	0	9
Ferrochrome	8.7	3.8	0	11.9	0	22.1
Steel	0	64.7	26.6	67.5	18	78.6
Limestone	0	641	0	590	0	650
Bitumen	0	0	0	0	0	4.2
Clay	0	420	0	385	0	350
River gravel	0	1,630	0	1,370	0	1,070