BANK OF ALBANIA'S GOVERNOR PRESS CONFERENCE, NOVEMBER 17, 2000

I. MONETARY POLICY, MONETARY OPERATIONS, CAPITAL AND FOREIGN EXCHANGE MARKET DEVELOPMENTS.

1. How did macroeconomic developments show up and what are their nearest prospects?

The data reported on various aspects of economy do confirm some improvements on the whole of Albanian economy in 2000. This has been also reflected in the review of the main macroeconomic indicators performed in October of the same year. Based on the available data, there were noticed improvements in some sectors of economy.

The marked recovery was in the public sector of industry. The volume of industrial production index at the end of September (on 1993 as basic year) ascended in 85.8 per cent from 68 and 58.3 per cent, respectively in the second and first quarter. This growth was mainly due to the share brought by the metallurgical metal processing and extracting industry. It seems that the reorganizing process is under the way of generating positive expected effects.

At nearly US$ 829 million, trade activity at the end of August was 4.1 per cent higher than in the previous year. At 7.7 per cent growth, imports represented the only cause for the increase of foreign trade transactions with the rest of the world while exports remained under their accomplishing level of the previous year, (7.9 per cent lower).

If we refer to the statistical information for the first six-month period of the year, external sector developments seem to have been under control and reflect the performance of domestic economy.

Opposed to the previous year, current expenditures have been raised by about 34 per cent, while income indicate 5 per cent lower. However, current deficit seems to comply with the anticipated forecast and is expected to remain as such until year-end. Emigrant remittances amounted in US$ 280 million until the end of the first six-month period.

Contrasted to the first half and also based on the common "tradition" that emigrant remittances have a growing tendency in the second half of the year, emigrant remittances exceeded their initial year forecast of US$ 450 million, substituting the increase of foreign trade deficit.

Positive tendencies appeared with investment area. Therefore, imported machinery and equipment for the first eight month period of the year reached in US$ 777.7 million from 66.9 million of the corresponding period previous year, or were at 16 per cent higher than the same period, previous year.

The agricultural situation of this year is estimated as the best of these recent ten years. The cultivated area (under cultivation) is the highest observed until now. This is reflected in the market attendance of larger amount of domestic production of higher quality and lower prices.

The trade balance (import-export) of foodstuffs (in value), compared to the same period, previous year, has been significantly improved by US$ 23 million in the current first half. While agro-exports increased by 10 per cent agro-imports reduced by 18 per cent. Inflation at the end of October 2000 reached an annual positive rate of 1,7 per cent. Unemployment was further reduced, driving at 219,170 persons, in September 2000.

Whether the unemployment rate can not be stated because the labor force figure on the same period has not been posted yet (it was 17.1 per cent at the end of June), enough to mention that the unemployment reached in 223 persons at the end August. Thus, within a month time, we have an unemployment shortage by 4 thousand persons.

2. What has been the inflation performance and expectancy to the end of 2000?

"Achieving and maintaining the consumer price stability" needs once more underlining as Bank of Albania's final target. Consumer price stability means a low but positive inflation rate, generally by 2-4 per cent rate, which happens to be Bank of Albania's target for 2000.

Since, annual inflation reached 1.7 per cent rate to the end of October; Bank of Albania is endeavoring to achieve the floor limit of 2-4 per cent target.

The main factors to have affected maintenance of a low and stable performance of consumer prices for 2000 are considered:

- Observing the program with respect to fiscal and monetary aspects measured by the obedience of quantitative monetary and fiscal targets. In view of monetary aspects, it has been observed the Bank of Albania's Net International Reserves at the end of October were at US$ 359 million or 80,8 million more than the floor target. Bank of Albania's Net Domestic Assets were at LEK 80.5 billion or 2,3 billion below the ceiling. Until end of September, broad money had LEK 18,85 billion increase. As to the monetary program, broad money should be increased by Lek 16.47 billion until year-end. By its Lek 10, 61 billion increase, the money outside the

banks had the main share in the growth of broad money whereas, total deposits otherwise than pervious periods had lower growing rates. To be mentioned is the 29.5 per cent increase (from 27.5 per cent in the previous year) of money outside the banks/ total money and the 40.22 per cent increase (from 33.6 per cent) of foreign exchange deposits/Lek deposits.

This is also affected by the exchange rate of LEK / US$. The first ratio points out the current growth of the money demand of economy, indicating upkeep of the same tendency even for the future. This means that inflanatory pressures will be higher than in the previous periods.

On the other side, domestic financing to the end of September figures out LEK 15,89 billion from 23,65 billion to year-end. This period is also characterized by fiscal evasion decrease and an increase of budget incomes due to a higher engagement in tax collecting. This process was not accompanied with the extension of tax rates but on the contrary it disclosed a slackening of custom tariffs.

It should be noted the increase of operating expenditures for capital or public investments. This factor generally helps in the extension of inflanatory pressures, expanding at the same time the space for economic growth over a medium term period.

- The growth of GDP was higher than expected. This was particularly due to the increase of agricultural production. This enforced substitution of imported goods with other domestic products, which emerged on lower market prices.

To confirm this, it would be enough to refer to the consumer price levels of May, June and July (See: Table 1).

Table 1. Monthly series of inflation rate.

Months	1994	1995	1996	1997	1998	1999	2000
January	2.02	1.75	2.04	1.62	3.46	0.91	0.63
February	1.70	2.31	1.73	5.32	1.81	-0.61	-0.6
March	0.63	0.31	1.56	14.05	1.16	-0.29	-1.11
April	9.00	1.67	1.45	-1.53	1.61	0.01	0.72
May	1.72	-0.47	1.04	1.04	-0.19	-0.64	0.67
June	1.66	-1.82	-0.75	5.42	-1.74	-2.28	-2.1
July	-3.34	-3.30	2.52	-1.21	-2.01	-1.30	-2.7
August	-2.06	0.82	2.36	0.61	0.41	-0.28	0.39
September	0.13	1.07	2.45	1.61	1.45	0.10	1.7
October	1.00	0.67	1.61	5.04	0.26	0.39	1.3
November	0.87	2.32	-0.47	2.28	0.21	0.78	
December	1.90	0.69	0.67	2.29	2.05	2.25	

- The low level of imported inflation. As already known 78 per cent of domestic imports are from EU countries mainly from Italy and Greece, typical for their consumer price stability. Moreover the Euro depreciation against the green currency has been a characterizing feature for this period. Reflecting international market movements, the domestic currency recognized appreciation in ratio with European currencies and depreciation in ratio with US$. This has been reflected in cheaper imports, affecting consumer price lessening in domestic market.

- The political environment has been relatively stable serving as a favorable point of support for monitored inflanatory developments and by low levels.

Next year, inflanatory pressures are assessed on a growth prospect, especially for the first six-month term based on:

- The consumer price performance of the last three years, focusing more on 1999-2000 (See: Table 2);

Table 2. Annual series of inflation rate.

Months	1998	1999	2000
January	37.3	6.0	-1.3
February	22.6	3.5	-1.3
March	24.0	2.0	-2.1
April	28.0	0.4	-1.4
May	26.4	-0.1	-0.1
June	17.8	-0.6	0.1
July	16.9	0.1	-1.3
August	16.7	-0.6	-0.7
September	16.5	-1.9	0.9
October	11.2	-1.8	1.7
November	8.9	-1.2	
December	8.7	-1.0	

- The assumption that annual inflation rate at 2000-end will be around 2 per cent;
- The assumption that 2001 will mark a turn in the EURO price performance with respect to its appreciation;
- The power crises that seized our country either in the extension of fuel prices or in the restrictions of power supply. This grounds the premises for a higher level of imported inflation. The higher oil prices internationally were somewhat reflected since in October of the current year. The component prices of "fuel and power supply" and "transport" for October 2000 increased by 3.6 and 1.7 per cent respectively;
- The transmission of monetary policy decisions, endeavoring mitigation through interest rate reductions;
- The statement for higher wages and holding parliamentary elections which situations along with their psychological effects are likely to allow avoidance or at least stiffen the management of problems.

More precisely, I want to cease by the power crisis. Fuels and electricity do not weigh considerably according to the current basket and the frequent rise in their prices is not directly converted in inflation growth. However, we must be considerate of the chain effect, the power price growth yields in transport or production prices (higher expense), something be converted in products emerging on higher market prices at a later period.

That's why the crisis starting in October, produced its effects some months later. Which would be the real effect of this crisis is still impossible to identify for, first, it has not been measured for the interim period yet, something to clarify by the obtaining results for November and December. Second, yet, it not clears for how long will it prolong and will it have any improvement or deterioration.

However, I want to once more stress, that based on the inflation performance of 1999, 2000, as well as taking spur from the current power crisis, we appreciate that

final targets will be accomplished until the end of 2000 and next year, inflation target will be the same, between 2-4 per cent interval. In this way, Bank of Albania has managed to achieve the inflation target as well as to successively follow all ESAF indicators for the third year in succession.

3. What has been the new element of monetary policy, more precisely, of interest rates during the year?

To apply its monetary policy, Bank of Albania currently operates only on indirect instruments of monetary policy and more precisely on: auctions of re-purchase agreements, mandatory reserves, refinancing and LOMBARD credit.

It has started to totally operate on indirect instruments since September, when it fully resigned the direct monetary control through minimum rates on time deposits in LEK.

Bank of Albania, actually, bases the application of its monetary policy on indirect instruments and, concretely, on weekly auctions on re-purchase agreements as available instrument, where it also decides the minimum interest rate.

Thus, the new element in the interest rate policy is its successful resignation from indirect instruments of monetary control and its shifting onto the use of indirect instruments, which pave the way for market development.

This was an outcome of the current year developments in deposit rates. The floor rate fixed by Bank of Albania on state-owned banks continued to remain the main instrument in the transmission of monetary policy decisions during the first half of 2000.

Based on the macroeconomic and financial performance of core indicators in the country, as well as, on the effect they issued in the achievement of quantitative targets during the first half of 2000, Bank of Albania had a four times change of minimum interest rates on LEK deposits.

However, the frequent cuts of minimum deposit rates, performed by Bank of Albania, did not find the appropriate market reflection in market rates.

A similar behavior has been attracting the attention of Bank of Albania to hasten in the road toward the transition from the administrative adjustment of interest rates to the use of indirect instruments of monetary policy. For this reason, parallel with the prudent steps undertaken to fall under the total support of indirect instruments, it was soon acted with the liberalization of Lek deposit rates.

Running parallel with these developments, interest rates on time deposits in Lek were soon liberalized after one-another interim May-September period. This process had initial start with the liberalization of 12-month deposit rates. In compliance with the market developments and the initial functioning of Repo auctions, Bank of Albania performed respective liberalization of the minimum rates for 12- and 3-month deposits in July and September.

On the other side, the privatization of the National Commercial Bank concluded within the period conducted important developments in the market shares between banks according to capital. Bank of Albania started the application of weekly Repo auctions as there were consolidated the previous experiences of using short term instruments for market movements, ect. According to the features and the rate of financial system development in different countries as well as instruments, selected by respective central bank to transmit monetary policy signals, are different. Therefore, while some countries use refinancing as signalizing instrument some others use Repo auctions (EBC).

As financial markets are still undeveloped and the Albanian banking system has been characterized by excessive liquidity for more than a two-year period, Bank of Albania has chosen as optimal to operate in the market through "Auctions of re-purchase agreements". This instrument has been bank applicable since in June. Bank of Albania has been using this instrument to affect the level of excessive reserves on short-term periods to one week. The application of "Repo auctions" instrument invites a number of priorities:

- a broad range of auctions and maturity types ect, giving Bank of Albania a wider space to market maneuvers;

- funds have a flexible passing through auctions, providing Bank of Albania of the possibility to have quick and efficient reaction against liquidity oscillations through fixing the auction type;

- posting bids and auction results guarantees a high level of transparency for the entire market;

- As all bank meet with almost the same technical problems performing auctions represents a right and fair instrument in the resolving their needs for liquidity.

The last months indicate a falling yield of T-bills especially for 3-month T-bills. Based on this fact, we believe, that is a good premise for other money market rates, namely credit to economy for as already known T-bill rates serve as reference rates for other interest rates in the market. The falling tendency of such rates would produce its own effects in arousing banks to make a more aggressive policy with lending in domestic currency. Although the level of credit extensions increased, its market price did not change apparently. Perhaps, this may be for the way of fixing credit rates in domestic currency, where the risk of return and that of country are also accounted.

The structural reform of the banking system (the end privatization for the National Commercial Bank and the initial process for the Savings Bank) the institutional reform that has seized all the public institutions, the financial and the economic stability of domestic economy will naturally bear their own effects for assessing the risk of the country. We believe that their effect will be tangible for the Albanian economy, subsequently.

To serve the financial developments and the behavior of monetary market participants, Bank of Albania has started reformation for all disposed of instruments that will bring in a growing flexibility of its own interventions to achieve the quantitative and the final target, that of maintaining the consumer price stability.

4. How does the use of indirect instruments of monetary policy work in the Albanian monetary market?

The world experience has shown that the efficient application of indirect instruments of monetary policy as well as the successful accomplishment of their using purpose at the same time, generally, needs a stable macroeconomic situation and healthy fiscal policy for applicable country.

Additionally to these real sector- related conditions, it is very important to work for the development of a sound and competitive financial system and the completion of a contemporary regulatory framework on the supervision side.

Bank of Albania operates exclusively on indirect instruments and managed to successfully achieve this target since September, which means earlier than the fixed target that was for the end of 2000.

Bank of Albania stepped in the road of using indirect instruments for the application of monetary policy under the conditions of:

- an overall macroeconomic stability;
- a sound fiscal situation;
- a capable supervision to perform its own duty, (herewith it is accounted even the regulatory framework as of international standards);
- Incapacity to apply the monetary policy through indirect instruments;
- a financial system not so competitive;
- lacking an advanced monetary market;
- Lacking a comprehensive experience with respect of selection, formulation and the use of indirect instruments.

Since the first steps and in the following process, Bank of Albania has always sought for the understanding and the help of the Ministry of Finance and other second-tier banks, the reaction of which has been variable.

At the same time, it became necessary for Bank of Albania to review its own stand with second –tier banks' respect, as they were changed from passive into active banks.

In this way, Bank of Albania could be enabled to say "no" to the operating requirements of second –tier banks, having as final principal target the application of monetary policy.

This changing behavior of Bank of Albania is expected to yield positive results even with the interbank market respect and the increase of the intermediate role of second-tier banks.

Since at early process, Bank of Albania fixed operating targets and available instruments for achieving them. More precisely, there were specified:
A. As operating targets: Three month T-bill rates (primary) and the level of excessive reserves by banks;
B. As available instruments: Weekly Repo Auctions.

A. OPERATING TARGETS.

a. Three-month T-bill rates.

What must be confirmed right from the very beginning is that Bank of Albania has been successful to affect reduction of quarterly T-bill rates per 285 (p. b.) basis points (On June 6, the quarterly T-bill rate has been 10.6691 per cent whereas, on November 14, the result was 7.82 per cent). The interest rate of quarterly T-bills has been typical for its constant declining tendency. Whereas, for the first half of the year, indirect instruments (three times cut from 9.25 per cent into 6.50 per cent) were used to affect the interest rates, during the third quarter and beyond, there have been used indirect instruments to reach the same scope.

Bank of Albania tested the application of indirect instruments as more successful than direct ones and keeps running on them for the further perfection of money. To be more specific, throughout the whole time of applying indirect instruments, the interest rate has been daily reduced by 0.25 per cent or by 2.71 B/P. as of 0.15 per cent or 2.30 B/P. During the application of direct instruments.

To influence quarterly T-bill rates did not compose a specific goal all by itself; however, Bank of Albania has endeavored to influence the level of deposit rates paid by banks. Their movement has been also positive even with this respect. This movement indicates that second-tier banks have started to sense the market competition and the level of interest rates is almost at the end of the circle.

From the monetary policy pursued with this bearing, Bank of Albania has also managed to influence the T-bill rates on six and 12-month maturity however they have been found on slighter declining tendency. Second–tier banks have also reacted in the direction of cutting the interest's payable on 6- and 12- month deposits.

b. The level of excessive reserves in the system.

Bank of Albania started the process of applying indirect instruments of monetary policy at the time when the excessive reserves counted no more than Lek 1 billion for the banking system.

Such a low level of excessive reserves did not concede it the practical possibility to run the application of the indirect instruments of monetary policy, the less think of how to affect the level of interest rates, which was out of reach. Thus, Bank's principal duty was to raise the level of excessive reserves in the system.

For this it was searched for second-tier banks' understanding, which reaction was passive? In view of second-tier banks reaction, the only remaining partner that

showed ready to collaborate, was the Ministry of Finance.

This collaboration was substantiated by the arrangement of weekly meetings between the Bank of Albania and the Ministry of Finance, which main target was the projection budgetary deficit on a two weeks time, and finding modes for its financing.

At the same time, Bank of Albania started the work for the identification of the main factors to affect the level of excessive reserves, which would be later used during the process of planning excessive reserves in the system.

The sound fiscal situation in the country and the considerable receipts ensured by the privatization of strategic enterprises relaxed the process of providing excessive reserves. Remaining under the same aspect, Bank of Albania used the direct credit potentiality to finance the Government needs, planned for use even under the monetary program approved by the Bank of Albania's Supervisory Board for year 2000.

The level of excessive reserves had a constant growing tendency during the entire term, oscillating around Lek 8 billion by mid-October. A similar policy followed by Bank of Albania was conditioned by the second-tier banks' behavior, which were not reacting to the appropriate extent with interest rates respect. The level of excessive reserves was successfully used under the conditions when the Bank of Albania sought to reduce the level of interest rates.

B. AVAILABLE INSTRUMENTS : WEEKLY REPO AUCTIONS.

Since at the very beginning, this instrument was conceived to operate on the aspect of attracting market liquidity so as to comply with the changing attitude of Bank of Albania, from passive into active. Attracting or injecting liquidity by / in the market would be accomplished through changing the REPO portfolio. The quarterly experience in applying Repo-auctions indicated that Bank

of Albania could use this instrument in both respects, relative to the level of excessive reserves in the system.

As to the level of interest rates, Bank of Albania intends to use this instrument as "price detective" so that this role may not remain only on the primary auctions of T-bills. This will help the Bank ongoing to not only change its operating target from the interest on quarterly T-bills to the interest rate on Repo auctions, but it will also create the premises for money market development on shorter terms than quarterly ones.

Following the enhancement of transparency, in the framework of monetary policy, bank of Albania will go on keeping contacts with second-tier banks so as to explain operations performed by it.

It is necessary for the Bank to clearly explain the structure of instruments and the scope of their application in the future. The Monetary Policy and the Monetary Operation Department have stared the work for accomplishing this duty.

5. What has been the performance of the foreign exchange market during the first 10-month period of 2000?

A typical feature for the period has been the depreciation of domestic currency against American currency and its appreciation against DEM. The domestic currency has been also moving under the same tendency even with respect of the Italian and Greek currency.

The exchange rate of domestic currency against the main foreign currencies has been mostly fixed throughout all the time by the foreign exchange requirement and supply, which have been constantly influenced by cyclic factors related to the foreign trade features of our country. Oscillations by the international market of foreign exchange had an important effect in the exchange rate, where an almost constant depreciation of Euro against US$ exercised pressure for a weakening of DEM/Lek and a rising rate of US$/Lek.

The high level of imports in the first 4-month period of the year was accompanied with a weakening of Euro against US$ made the US$ gain 7.0 per cent against Lek and DEM decline by 1.1 per cent.

In the first half of May, Lek was globally weakened by nearly 3.0 per cent after the spreading news that Bank of Albania was interested in a weakening of Lek to avoid dis-inflation pressures.

The termination of the import period and the initial period of the foreign exchange inflows from emigrants gradually brought in Lek strengthening at the end of August, Lek was stronger than at the end of April either against DEM (Lek 66.5 against 68.00) or US$ (Lek 141. 50 to Lek 145). For this reason, Bank of Albania began to quote in bank purchasing to disallow a rapid weakening of European currency funder pressure from the breakdown in by the international market. Therefore Bank of Albania has been purchasing from early 2000 till mid-November US$ 35.5 million from the banking system, interim US$ 52.7 million purchased by the Ministry of Finance.

During September, the ratio US$/ Lek has been oscillating by about Lek 148.00 while pressures for the decline ratio DEM/ Lek have been very noticeable.

At the end of September, ECB started its interventions in the foreign exchange market in Euro support, something-causing oscillations by foreign exchange market. Domestic market was characterized by a stability of foreign exchange demand and supply; nevertheless international market movements have continuously affected oscillations in international market. During the forthcoming weeks till year-end we believe that the situation will be similar.

International reserves.

The level of foreign exchange reserves at initial period has been around US$ 481 million and US$ 563 million on November 14, 2000. A typical feature for the period has been its growing trend, which was

more sloping during the second half. The main factors to affect this growth have been:

1- Bank of Albania's purchasing to the banking system and the Ministry of Finance.
2- Foreign disbursements (mainly IMF, EC) in favor of the Bank of Albania and the Ministry of Finance.

As of its monetary program, the year-end level of gross reserves must have been about US$ 550 million something, giving Bank of Albania the comfort to be sure in the achievement of this indicator.

6. What has been bank credit to the economy?

A stable economic growth is the main target of any long-term macroeconomic program. In this framework, investments in real yielding activities assume a specific role to, which there must be paid a high importance.

The importance of bank credit for financing economy especially with undeveloped financial markets is broadly known and accepted. Bank of Albania view point with this bearing is that not avoiding its primary target that is maintaining the consumer price stability, it must be made much more concerning the support of economy with necessary financing.

Bank of Albania became the instigator of credit campaign to economy.

This credit campaign was organized in the form of business meetings with the participation of various level representatives such as from the second-tier banks, business community, and media as well as legislative and administrative organs. This credit t campaign aimed extension of credit activity and absorbing the opinion and the requirements of bank business and the rest part.

From the various meetings it was underlined the idea that the education of the Albanian business should be achieved

through public talks, publications, financial and professional assistance and confluence that must be given from specialized units inside and outside the bank (to compile business plans).

It is important to clarify and make public aware how to become a bank creditor to what terms one must comply (business and private individuals) in order to be a bank borrower. This must be accompanied with leaflets and notice posts in bank reception environments.

To enhance the transparency of bank credit activity Bank of Albania offered its publication opportunities. For this we are always awaiting for second-tier bank projects. Besides its publications, Bank of Albania also offered its web site to get the information they want.

Nevertheless, what has been the credit situation of banks to economy during 2000? Concerning the credit facility to economy, banks of the system have been characterized by an active involvement from January to the end of September compared with the three years previously. As 9-month period, the level of newly accorded credits to economy reached in Lek 17.2 billion as of Lek 14 billion announced for the two previous year period 1998-1999.

As to the monetary program for 2000, credit to economy is expected to grow by Lek 7.5 billion. During December 1999 – September 2000, credit to economy has been growing by Lek 5,29 billion, from which Lek 5,27 billion has been in foreign exchange and the remaining part of 0,02 in domestic currency or the monetary program has been accomplished at 70,5 per cent. Compared to the second quarter "00, the total outstanding credit of the banking system for the third quarter 2000 has been grown by Lek 2,5 billion meantime that the total credit to economy has been by Lek 2, 2 billion for 1999. As to the terms of issuing, the short and midterm credit have been increased by Lek 2,7 and 2,3 billion respectively whereas the long term credit by Lek 0,29 billion.

Referring to the figure Lek 17,2 billion, (new credit) the credit situation since at the beginning of the year is as follows:

- foreign exchange credits - Lek 14,5 billion,
- From which Lek 8,8 is short-term credits.

We believe that, the supremacy of foreign exchange credits against the increase of the total credit stock is as of:

- The high growth of foreign exchange deposits makes banks invest a part of these resources in the lending market and at the same time be not exposed by the exchange rate risk. In this context it must be accentuated that construction loans occupy a considerable share;
- Credit rates in foreign exhale are more advantageous than those in Lek.

Based on the above-mentioned indicators, we evidence a benchmark in bank orientation concerning their related resource investments, which appears on triple interest, bank-business- economic growth.

The newly accorded credits have been entirely to the private sector of economy and individuals. The most active banks of the lending market are the Albanian –Italian Bank, Tirana Bank, FEFAD Bank, the American Bank and Alpha Credit Bank. So The Albanian-Italian Bank has extended 37,4 per cent of new credits while FEFAD Bank and Tirana Bank occupy about 17,8 and 16,2 per cent each in the total of the newly accorded credits.

From the data reported on business credits extended through the banking system, 29 per cent of them have been accorded to construction, nearly 23 percent to trade, about 17 per cent to processing industry, 5 per cent to hotels and restaurants, 8 per cent to real estates and the rest part has been launched to agriculture, fishing, transport, services etc.

The monthly average of credits to economy has been Lek 0,6 billion.

The economy is expected to credit by an additional of nearly Lek 2 billion for October- December 2000.

The increase of credit stock from one quarter to another is as of the following table:

Table 3. Credit indicators.   (In billions of Lek)

Indicators	1998	1999	T-1 '00	T-2 '00	T-3 '00
Total outstanding credit of the banking system	17.7	19.9	21.4	22.7	25.2
The increase of credit supply per described quarter		2.2	1.5	1.3	2.5

We believe that if the monthly average is maintained as in the third quarter, the monetary program forecast (Lek 7,5 billion) on credit to economy will be achieved at the end of 2000. Also based on the previous year practice, banks do accord much more credits in the third and the fourth quarter of the year.

7. What has been the deposit performance of the banking system?

At the end of September 2000, broad money (M3) has been raised by 13.4 per cent as of annual basis. The annual growing rate of money supply has tended decrease even for September, marking the lowest level ever registered before.

Lek deposits have been falling from LEK 156,7 billion in September '00 to Lek 158,3 billion at 1999-end. This decline has been affected either by required deposits in Lek (from Lek 21,6 to 20,9 billion) or by time deposit in Lek (from Lek 136,6 to 135,7 billion). Household deposits in Lek, which make up the largest element of the money supply comprised 43.5 per cent of the money supply at the end of September. The share that this deposit group occupies against the total has been on a constant falling tendency. The declining share is also explained by the low growing rates of time deposits in Lek. The squeezing of the deposit growing rates is hard to explain, however, Bank of Albania believes that the contraction of interest rates is reflected by the investors and savers' decisions for finding other investment alternatives, especially, by T-bills, foreign exchange deposits etc. on the other side the gradual and constant cutting of interest rate has significantly lowered the level of interest rates capitalized in the deposit supply after deposit maturity and reinvestment.

Foreign exchange deposits have maintained higher growing rates than the previous year. The stock of foreign exchange deposits has been growing from Lek 53,2 billion at the end of 1999 to 63,0 billion at the end of September 2000. This has been carrying along the effect of exchange rate (the changing exchange, since early year, will produce an effect of nearly + Lek 1,5 billion) and the depositor preference to hold their deposits in foreign exchange. The public option for deposit holding n foreign exchange has been as of the narrowing spread between the interest rates in domestic and foreign currency as well as the foreign exchange performance in the domestic market of foreign exchange.

8. What have been the capital market and Tirana stock exchange developments, particularly?

The capital market development leaves much to desire. The activity of Tirana Stock Exchange Department has been sluggish. Tirana stock exchange sessions reflect no

securities transaction performed during 2000.

*   Treasury bills.

The main cause for these missing transactions of T-bills has been bank listing only as purchasers and the total deficiency of any offer for T-bill sale. Consequently we can not have a combination of transaction or their execution.

*   Equity securities (shares).

Yet, Tirana Stock Exchange does not quote any equity securities from any company. This has been as a result of:

- non-fulfillment of qualitative criterion for stock exchange listing such as: conspicuous capacities in management and production of transparent qualitative and financial ratios;
- most frequently, the missing reality of a sound financial position of companies:
- These latter disregard to inscribe equity securities in the official list of Tirana Stock Exchange and their unwillingness to become a public company and raise capital through the Stock Exchange, consequently.

However, this year marked some positive steps with this respect:

1. the completion of the legal framework to regulate Tirana Stock Exchange functioning and business;
2. Undertaking a promotion campaign for Tirana Stock Exchange and financial instruments on the whole.

As to the issue of Tirana stock exchange division from the central bank body and its founding as separate insubordinate institution, we would like to state that the Committee for Economic Policies has recently approved the draft law "For some changes in law no. 8080 dated 01.03.1936 " On securities" proposed by the Securities Commission. This draft law is expected on soon discussion in the Council of Ministers and further proposed for examination and approval in Parliament.

Its approbation will mark a positive step with respect to the final separation of Tirana Stock Exchange from the central bank body.

9. What are the main monetary targets of Bank of Albania recently discused with IMF for 2001?

Based on the to-date performance of monetary policy, inflation, monetary market, foreign exchange and institutional developments, Bank of Albania will continue to follow its main target of maintaining consumer price stability, already confirmed by low levels for the three years, recently.

Based on these developments and in collaboration with IMF in the framework of complying with PRGF program (Reduction of Poverty and Growth Facility), there have been also revised 2000 targets and fixed new ones on 2001 as below:

Table 4. Main macroeconomic indicators.

Indicators (in %)	Target	
	Year 2000	Year 2001
1. The growth of GDP.	7.8	7.3
2. The annual inflation rate.	2 - 4	2 - 4
3. Foreign exchange reserves in months of imports of goods and services.	4.4	4.6
4. The current account deficit in percent of GDP.	7.1	7.0
5. The overall budgetary deficit in percent of GDP.	9.5	9.1

Bank of Albania held Government and IMF dissuations from October 16-31 to decide these targets and the main quantitative indicators of Bank of Albania's monetary program for 2001.

In preparing the monetary program of Bank of Albania, a special attention is paid to maintaining the consumer price stability as Bank of Albania's final target. Bank of Albania intends to keep the monetary supply under control in view of its growing tendency as the best explanatory of inflation. Thus based on:

- the growth forecasts of real GDP by 7.3 per cent for 2001;

- forecasts and considerations that a growing inflation to 2-4 per cent interval for 2001 would be reasonable and helpful for the Albanian economy;

- confirmations that the velocity of circulating currency will be stable for 2001, there is no reason to confide in another change for 2001;

The extension of the money supplies (M3 aggregate) for 2001 is envisaged and endeavored to be at 11.2 per cent extent.

To compose this monetary supply by various aggregates, two important trends observed in 2000 are considered while preparing the program:

- the growth of money ousted the banks against the money aggregate and
- The increase of foreign exchange deposits against total deposits.
- In compliance with the growing tendency of money outside the banks against the total money, the program forecast for this ratio on 2001 will be 29 per cent and the money outside the banks will extend by Lek 10.7 billion.

It is also assumed that the growing tendency of the deposits in foreign currency against the total deposit will continue even for 2001 considering that:

- the interest rates will continue to be in favor of deposits in foreign currency;

- The political and the electoral developments interim 2001 may be accompanied with a displacement of preferences of economic against foreign currency a similar trend finds confirmation even in the chronicle of economic facts in Albania.

Based on these assumptions, the total deposits are envisaged to grow by Lek 26.2 billion where is included an extension of Lek 16,4 billion of Lek deposits (this is 9.7 per cent higher compared with their anticipated stock of December '00). The other growing share of these deposits will be in the form of Lek 9,8 billion of foreign exchange deposits. (15.1 growth compared with their anticipated stock of December '00). As a result, we will have a decreasing share of the monetary supply in Lek (M2) against the broad money aggregate (M3) from 80.19 per cent in 2000 to 79.51 per cent in 2001.

Banking credit to economy is expected to be Lek 8.1 billion or 8 per cent higher than 2000 forecast. Since this lending level has been accomplished at 70 per cent to September 2000, a similar forecast is considered attainable and consistent with other figures of the monetary program.

Theoretically, there are two financing resources for the budgetary deficit, domestic and foreign financing.

The foreign financing of budgetary deficit is reflected in the change of the Net Foreign Asset of the Bank of Albania. Implying foreign financing, the Bank of Albania's Net Foreign Asset is expected to grow by Lek 11,3 billion as by monetary program.

Domestic financing of budget deficit by banks is foreseen at Lek 17,8 billion or as much as 2.8 per cent of GDP in budget of state, whereas deficit financing from the monetary authority is expected to be within permissible limits by law.

In asset's light, another component element of the monetary demand is the Net Foreign Asset. On the whole, the Net Foreign Asset of the banking system is envisaged to grow by Lek 11 billion. The Bank of Albania's Net Foreign Assists are anticipated on Lek 11,3 billion growth based on the extension of the gross international reserves by US\$ 70 million. The Net Foreign Assets of commercial banks are foreseen on Lek 0,3 billion decrease.

In addition to the main macroeconomic indicators of inflation, monetary indicators of budgetary deficit etc, in IMF discussions, there were also held other issues for the further development of the banking system. This way, it was accentuated the necessity to terminate the privatization process of the National Commercial Bank de facto, something already accomplished, as well as other re-capitalization problems of the Savings Bank. The latter was underlined by Bank of Albania as a condition for the successful pursuit of the privatization process of the Savings Bank.

Another discussion subject was the potentiality for the further development of the monetary market, T-bill market and the application of indirect instruments of control during 2001. Bank of Albania was further encouraged by the IMF mission to continue the work started for the successful replacement of direct instruments with indirect ones, concerning the improvement of operational techniques and growing feasibility of operations. These discussions considered the perfection of monetary operations as a Bank of Albania's prospect for 2001. Discussions were also held even to the feasibility of improving the market of government securities as well as to the weakening of the monopoly situation in the this market, the inducement of post offices besides banks, the attraction of individuals in this market, the advancement of the secondary market of T-bills etc.

With the IMF mission there were also discussed other improvement and enrichment issues of the legal framework relative to the banking system and the drafting performance of the draft law on Deposit Security, amendment of Bank of Albania's law ect.

*   The monopoly situations in the banking system.

So, the financial system in Albania is ruled by the banking system on the whole. The financial institutions or capital markets, which are not established yet or are at original phase leave free spaces or create favorable positions to banks. On the other side, the universal banks rule the banking system. There are no cooperative, development or investment banks.

The market mastery by the Savings Bank is very high in the total activity of the banking system, its repository activity, mainly in domestic currency, in T-bill investments, in bank network and the capacity of payment procedures. Whereas in the lending market it is observed a total rule of the Savings Bank based on the outstanding credit, however once the administrative decisions were taken it can not exercise any effect in it any more. The most noticeable (considerable 0 effect remains that of the T-bills market.

The monopoly situation of the banking system has issued some negative effects.

- Lowers the efficiency of the interest rates policy of the Bank of Albania and does not allow price fixing as that of the T-bills bank lending on market basis. In this way, despite the favorable economic condition, economy financing remains costly.

- Lowers the efficiency of transmission mechanism of decisions in economy and obstructs the rapid rate application of indirect instruments on monetary policy.

- Keep high costs of providing services.

- Bank of Albania is also studying the world experience in collaboration with other international financial institutions to get the feasibility of adopting inflation targeting in conditions of Albanian economy as a monetary alternative of a not far away future.

II. DEVELOPMENTS IN BANK SUPERVISION.

10. What are supervision results of the banking system during the year?

The nine-month results indicate that banking system appears on growing indicators on the whole which are not only comparable to 1999-end but also from one quarter to another of the year.

In view of bank expansion, no new bank or bank branch has been licensed interim 2000. However, based on our recent information on already licensed banks they result to have expanded their network by 7 new branches in various districts of the country during 2000. So, Tirana Bank has opened a new branch in Gjirokaster; Alpha Credit Bank -in Durres, Elbasan; FEFAD Bank - in Durres Elbasan, Fier and Korce.

To examine the financial institutions (banks) and assess their overall financial condition, Bank of Albania beginning from 1999-end, will start to apply the assessment experience, based on CAMEL system, also appraised as one of the most advanced experiences of bank supervision. The supervisory Council formally accepted this experience by decision no. 62, dated 05.07.2000.

Based on the Bank of Albania's development strategy, each bank has been actually managed to submit to a full inspection once in 12 months, which has been also appraised as a positive achievement of bank supervision as to the international practices and standards.

The Supervision Department - Inspection Sector follows the financial performance of banks by undertaking periodic inspections where off-site analysis are monthly or quarterly.

Performed inspections within the 12- month frame indicate that banks are improving their management and result on safe financial condition. There have been strengthened the core elements of incomes as the net margin of interest rates, the assets quality and the efficiency. Most

banks have a regulatory capital some times higher than that required by Bank of Albania.

Bank of Albania has performed full inspections for 9 banks and other two are in the process so that all banks be inspected within December, by sop reaching in anticipation since this year the strategic target of Bank of Labia that all banks must be inspected once in 12 months in 2001. Based on the performed assessment from in-site inspections and off-site analysis the overall statement of the banking system is appraised as relatively sound.

Bank managing boards and executive directors had a positive reaction toward Bank of Albania's recommendations related to: (i) appropriate improvements in lending assets policies and procedures, foreign exchange operations; risk management ect; (ii) the rising independence for internal control; (iii) management of assists and liabilities; (iv) the application of the bank accounting manual; (v) bank strategic developments (vi) the provision of necessary domestic assets for new operations etc. Bank of Albania has established direct contacts with bank managing boards, intending extension of management responsibility for a rightful application of law and regulations to a sound bank operation. Bank of Albania is constantly enhancing the range of banks and their mangers' familiarity with CAMELS system, commonly used for ass-essaying the financial condition of banks.

The total balance of the banking system compared to '99-end has been increased by 3.2 per cent or Lek 8 billion. In rising the indicator, private banks have been of principal effect. So, the total balance of private banks is 56.6 per cent or Lek 18,3 billion higher compared to 1999-end, indicating not only their growing confidence but also their improving quality and dexterity in providing services. Though figures are in the above-mentioned limits, the state owned banks continue to rule the banking system although on a declining tendency. The following indicators also express this conclusion:

? The total balance of public banks represents 73.7 percent f the banking system;

?? Joint venture banks represent 6.9 per cent;

?? Whereas private banks and foreign bank branches represent 19.4 percent.

*   **Customer accounts and deposit performance.**

The private bank sector is investing in direction of contemporary banking techniques attracting various customers through quick services by it. This is best indicated by the extension of personal current accounts without disgracing the increase of time deposits. So, the following data present the situation and the comparison with 1999-end:

- the banking system indicates growth by current accounts per Lek 2,1 billion meantime that the same indicator presents an increase per Lek 4,5 billion by private banks (including both groups);
- time deposits for the banking system have been growing by Lek 9,8 billion from which 9,7 billion are of private banks.

The growth and advancement of the private bank activity (of lending especially) had a significant effect in the improving **quality of loans portfolio**.

Nearly 44.7 per cent of bank credits are classified as standard loans where private and joint venture bank credit is of significant effect.

This indicator has the following semblance for each group of banks:

- public banks classify only 8.8 per cent of credits as standard loans;
- joint venture banks classify 66,6 per cent;
- private banks and foreign bank branches classify 89.6 per cent.

The reverse happens with lost loans.

While, lost loans represent nearly 42.5 per cent of classified loans of the banking system, this indicator has the following presentation for each bank group:

- public banks classify about 85 per cent of their loans as lost;
- private banks- 2,8 per cent;
- private and foreign bank branches – only 2,3 per cent.

As already noticed, this indicator is negatively affected by public banks, but we accentuate that this has been an inherited trouble for these banks, enforcing the central bank to undertake interruption of lending activity against these banks.

Only for the Savings Bank the situation of credit portfolio is generally presented as below:

Vetëm në Bankën e Kursimeve, për tre vitet e fundit, situata e portofolit të huave në tërësi paraqitet si më poshtë:

Table 5. Credit quality.   In millions of Lek

Term	Outstanding credit (principal + interest)	Provisions (principal + interests)	Ratio in % (provisions / outstanding credit)
1998	13122.5	9834.9	74.9
1999*	12674.0	10749.5	84.8
9-month 2000	12156.6	10650.0	87.6

* Herein, it has been discounted the amount of Lek 1.230 million.

Although, the outstanding credit for private banks, at the end of September, compared to 1999-end, was Lek 5,7 higher, we assess that it must be made more with this respect? This is also as based on the fact that these are the only banks to exercise this activity since this has been a forbidden activity for public banks.

Private and joint venture banks disclose as **adequately capitalized**. Hence, private banks indicate 42.2 per cent of capital adequacy versus 12 per cent, allowable. Such a high level of this indicator provides these banks of a higher investment potentially, particularly, in lending to domestic economy.

*   **Financial result.**

At the end of September, the realized profit from the banking system has been about Lek 2,7 billion from Lek 1,3 billion at 1999-end, affecting improvement of profitability indicators either for the banking system or each bank, separately. From the 13 component banks of the banking system in Albania, only 3 banks recorded loss whereas the other 10 resulted on profit. Public banks reflect a better performance of this indicator even though some private and joint venture banks display a satisfactory array on a growing tendency.

III. OTHER DEVELOPMENTS OF BANK OF ALBANIA.

11. What has been the developing performance of payments system and accounting?

a.   The payments system.

Although the Bank of Albania has continued the work even during 2000, for the fulfillment of the payment system targets, we could say that still there is no noticeable progress. The performed work has followed these main directions:

- the standardization of payment instruments used currently. Although this target requires a long process to its fulfillment as it includes an entire range of payment instruments and problems, the previous months marked initial working under the agreement "For the unification of payment orders and check".

- Bank of Albania, exercising an incentive role to get the access of new payment instruments, purposed fulfillment of its strategic target that is the reduction of the cash amount in economy.
- the unification of processing terms for payment order and checks was finalized in the agreement between the second-tier banks and the Bank of Albania.
- The computerization of clearing services as one of the three component elements of the payments system directly related with bank customers, individuals and domestic business. Banks and Bank of Albania are expressed favorably to its computerization and its centralized form development.
- The job performed by specialists (law specialists and economists) has been with respect of improving the legal base for check payments and the revision of the effective law" On check payments" and the specialized work is actually moving on further stages of it.
- It has been drafted the new identification scheme, BIC (bank identification code).

It has been carried on a higher volume of payments during this 10-month term:
- fund transfers through second-tier banks, for this period, registered the value of Lek 40,764 million against 31,228 million of the same period 1999, or were at 30 per cent higher.
- payment orders and check clearing priced the amount of Lek 43,526 million (or had the daily average of Lek 207 million) against Lek 41,017 of the same period, previous year. The growth against previous year has been 6.1 per cent. Payment orders, as the most applicable instrument of the banking system, assigned the largest weight of 51.3 per cent, against the same period previous year.

b. Accounting.

The strategy for the development of Bank of Albania, viewed from accounting viewpoint, was conceived in the light of the fulfilling project on *"The modernization of the accounting system in the Bank of Albania".*

The steps, to be undertaken for the fulfillment of this project, would be the following;

- controlling accounts and giving opinions on the financial tables of the Bank of Albania for 1999 by external auditors of international reputation;
- preparing the Accounting Manual for Bank of Albania observing IAS;
- the complete computerization of accounting system.

The first project: "The inspection of 1999 accounts by external auditors".

This project was accomplished by auditing the financial tables of Bank of Albania by the Deloide & Touche Company interim March 15- 31, 2000.

The second project: "Preparing the Accounting Manual for Bank of Albania observing IAS"

This project was realized by Bank of Albania's stuffs, following IMF recommendations. The draft of accounting manual was sent for preliminary opinion to the International Monetary Fund, the Institute of Accounting Experts, and the National Board of Accounting and to the Bank of Albania's departments. IMF experts gave an opposite opinion, appraising the manual as complete (all embracing) and according to the International Accounting Standards (IAS).

The institute of Accounting Experts also gave its opinions whereas the National Board of Accounting discussed the draft manual of Bank of Albania in its meeting of 30.10.2000 and is expected to give its opinion interim November 2000. In compliance with Supervisory Council decision no. 63 of 05.07. 2000 there have raised and approved working groups composed by Bank of Albania's specialists to study the manner for further

implementing and improvement of this manual.

The third project: The complete computerization of the accounting system".

To realize this project it has been prepared the file "On business requests for the complete computerization of accounting system". This project is in the phase of tendering procedures to select the procuring councilor of the Payments and Accounting System.

For the remaining period up to year-end:

- it will be proceeded with approval of Accounting Manual for Bank of Albania and the tendering procedures will be for the selection of foreign auditor to examine the financial tables of Bank of Albania for 2000;
- it will be ensued with the project for the Accounting and Payments System, RTGS. The Assessing commission will select within a month time the procuring councilor of Payments and Accounting System, RTGS.

12. What has been Bank of Albania's contribution in improving statistics?

In the press conference of May 19, 2000, there were announced, in front of the media, the common efforts of Bank of Albania and INSTAT to organize a national conference on "The statistical information in Albania".

This conference was held in the Palace of Congresses on November 2-3, 2000.

On the whole, we appraise that the conference reached the goal it was organized.

- The Conference was the first of this king and attached special attention on the issue of statistical development in Albania.
- The Conference was a very good example of the collaboration between two Albanian institutions and of the very useful assets that may be assembled

from a similar collaboration. Whether allowed, I would like to express that this conference was organized, as totally based on "our forces".
- The conference awakened the interest and ensured the support from the highest authorities of the Albanian State. I would like to thank the Republic of Albania's President, in particular.
- The conference received the best sentiments from foreign institution representatives such as IMF, the Federal Reserve, or Eurostat, which gave a their presentations in the conference.
- The conference enhanced INSTAT and the Bank of Albania's transparency. It changed into a forum where all problems, preoccupying the actual development of statistics, were tackled on high sincerity.
- The conference concluded even on the most important issues, which are entrusted to help statistical progress in the future.

Taking the opportunity, I want to thank media for the correct reflection of this activity and invite all of you to attach more attention and care to figures and try " to better understand their language".

Downward, there are once more listed the most important proposals of this conference:

1. To create an operational and research atmosphere, where statistical information is viewed as a serviceable investment to the process of regional integration and stability of Albania.

2. The improvement of the effective legal framework is performed in the light of monitoring the social economic changes of the country, strengthening and enrichment of institutional collaboration and duties deriving by it, targeting growth of statistical asset.

3. The daily convenience of the National Statistical Program by INSTAT, should be considered as a short-term target. It should be based on fixing concrete

duties on other state institutions. INSTAT should strengthen its own role as methodological guide and producer for any indicator serving as national data.

4. The provision of the necessary financial support to INSTAT so as to enable a better coverage of needs in the undertaking expansion for the number of indicators, the improvement of the technical quality for the data processing systems and for a faster spread of automated information.

5. The strengthening role of statistical services for every institution requires by all means that the statistic sector, its structure and functioning be placed under the custody of the highest authorities of state administrate.

6. The constant awareness of data users to rightfully address their application for data collection and usage.

7. The constant awareness of data suppliers and private sector, particularly, on the role they bear in the extension and improvement of statistical data quality. Without their direct role in providing timely statistical data and of quality we can not have good statistics and no right decision can be taken to directly affect their business activity.

8. The compulsory use of national classifications approved by the Council of Minster should find application by all actors of National Statistical Service. INSTAT should assume the role of director in the spread and control of their application.

9. The rising investment in area of information technology should be considered as an investment to expand the knowledge and the serviceability of statistical information used by domestic and foreign users.

10. To preserve the spirit of dialogue and institutional communication let's

consider this conference as a founding moment for a statistical forum which will time and again confront achievements by released duties and give advice for further improvement.

13. What have been issuing developments of domestic currency?

As ten-month term, even the issuing area recognized achievements in meeting program duties. Hence:

- there is a preparation and ambition for issuing commemorative coins. There have been drafted programs and there have been taken decisions that promise concrete achievement in 2001;
- three have been priced improvements in the structure of circulating currency;
- there has been launched in circulation the double denomination of Lek 100, which has been welcomed in its position;
- the circulation of domestic currency has been growing per LEK 12,9 billion or 15,5 per cent higher compared to its 1999-end statement;
- although increased in comparison within its programmed levels, the circulating currency has not infringed the Bank of Albania's targets on monetary indicators.

*   Public relations.

These reactions have registered a growing curve in quantity and quality under this vocative term. Herewith there must be mentioned the admission of the regulation on Transparency and Confidentiality in Bank of Albania as well as the improvement of information technology either inside or outside the Bank.

Similar advertisements as the subject matter and the data schedule on Supervisory Council meetings are made ether before or after the termination of these meetings. They are already made known to the entire staff of Bank of Albania, media, central government institutions, and banks and to all interested persons and organizations.

There have been added the press conferences held by the Bank of Albania's Governor and there will be a periodic expansion for the press conferences of the Fist Deputy Governor and press releases by main departments of Bank of Albania.

*   **Bank of Albania publications.**

It has been for nearly two years by now that Bank of Albania prepares and disseminates for the common public a whole series of periodic and non-periodic publications mostly of explanatory and technical nature.

These publications have been tending addition either in titles or number of copies, being ameliorated by both, visual aspect and contents.

The lack of tradition and the fact of being always in direct contact with the opinion of specialized public did not indicate to be an obstacle in providing a respectful name for Bank of Albania in this gallant engagement of it. Another obvious and irrefutable indicator is the augmenting requirement for this publication coming from various financial institutions, private users inside the country and abroad.

So whether, at first, they were dispersed by nearly 100 copies per publication, their current dissemination is by about 300 copies.

Hence, an immediate and a direct aftermath of the Conference " Statistical Information in Albania" were the augmentation of solicitors for Bank of Albania's publications by 30 new ones. This added request was similar for all publications and for almost both languages.

It should not be neglected the fact that most conference participants were formerly listed. The peculiarity of the new listed ones is that most of them pertain to scholars, faculty libraries, researchers and private businesses. I believe that this indicator is worthy of comment. More than that, this is an indicator of the interest and care shown towards Bank of Albania and its staff options and toward the seriousness by which this institution is introduced in public.

However, Bank of Albania's intention will go further. Availed of the opportunity, I want to address to the journalists attending this conference and the others (journalists) dealing with the same seriousness the information ensured from these publications. Bank of Albania's instant target is to be soon engaged in training journalists with issues from economy.