

SUMMARY OF RECOMMENDATIONS INVESTMENT COUNCIL - 2017

-MEETING NO. 9-

QUALIFIED WORKFORCE –AN OPPORTUNITY FOR INVESTMENTS SECTOR OF BUSINESS PROCESS OUTSOURCING (BPO)

In this Meeting were highlighted main problems regarding Investment Potentials and Challenges of the Labour Market (BPO sector). In this meeting was provided a presentation from the experts of AVASANT, contracted in the framework of a project funded by the Swiss Government as well as findings of a Questionnaire conducted by the Secretariat with 17 companies operation in BPO, represented 10,000 employees. It was noted an increase in the requests for services by Albania towards EU countries and the potential for investment in certain segments in the sector, which demand a high quality of human resources. IC approved in total 13 recommendations as provided by the Secretariat in cooperation with the involved actors.

To be implemented in the short term

Recommendation 1

Strengthening of the role of AOA (Albanian Outsourcing Association) and other associations in the fight against informality. State (GDI, Inspectorates) to apply the monitoring competences to enable fair competition in the sector (to be initiated with pilot campaigns).

Recommendation 2

The Ministry of Social Welfare and Youth to consider the possibility of having the State, not the entrepreneur, provide for the social and health insurance contributions for the first month of work (training period) of newly hired staff in *labour intense and in-development sectors* such as BPO (*companies that operate activities for services outsourcing & call centres*). (*According to the Recommendation No. 2.3 of IC Meeting dated 27.04.2016*).

To be implemented within a medium term

Recommendation 3

To consider as soon as possible the integration of the new “core” knowledge at certain levels of education with focus on: 1) analytical skills (problem solving) 2) foreign languages, 3) computer skills, 4) communication skills. Internships to be standard practices and subject of curricula - project business model-university- teaching. Accreditation process of Universities to consider monitoring of state-business practices on internships.

Recommendation 4

To establish a working group (INSTAT, AIDA, BPO Association, MES etc.) to scan the sector, its statistics, cooperation model with VET (Vocational Educational Trainings) and business.

Recommendation 5

Increase of partnership among universities, private sector and Labour Offices through strengthening of Career Offices in internships, practices and students hiring; early career counselling in Universities.

Recommendation 6

University curricula consider the specific industries through the implementation of projects and subjects to development by the local business environment. Intervention in university curricula to implement programs related to the growth of analytical and practical skills of students. Flexibility in offering knowledge by the public universities through short-term innovative programmes in partnership with the business: Business Academy (intensive programmes 1-3 days in certain areas, e.g.: Consulting in Management and Operations, Taxes, drafting business plans, feasibility studies, etc.). Certifications issued after successful completion should be accredited by the Ministry of Education and Labour as an added value to access labour market.

Recommendation 7

The initiative for creating a "pool of talents" in the IT sector who can be identified through competitions or other activities that may be organized in cooperation with vocational schools, high schools and/or universities with focus in IT.

Recommendation 8

Support to business initiatives for the creation of continuous training centres in technology and innovation (Digital Academy), as well as "software house" for the creation of a pool of certified IT experts.

Recommendation 9

To be taken into consideration, incentivising of trainings i.e. IT Companies winners of public procurement funds to provide trainings and internships in IT for students or fresh graduates for internships in relevant professions in the context of the tender won for a certain time period.

Recommendation 10

Promotion of good HR Management practices of several large companies in some other companies through business associations, HR forums organised by academic institutions and businesses, and Ministry of Social Affairs, including:

- a) Analysis of the request for competences according to the BPO sector;
- b) Accurate definition of “Value Proposition” offered to the working forces by BOPs: apart from the salary, development cycle of professional skills in these companies, career path in medium and long term, trainings being offered and how much competitive will be the competences earned from this work;
- c) Development of politics for motivation and maintaining qualitative staff in the long term;

For continuous and long term implementation

Recommendation 11

Creation of a WEB-Platform (AIDA, Business, Universities etc.) to support business in recruiting-hiring personnel and thesis/project proposals to be implemented by the business.

Recommendation 12

Capacity building and monitoring by the Employment Offices to respond with employment and qualification programmes as per BPO business needs.

Recommendation 13

Discussion with shareholders on the establishment of an BPO Academy for the re-qualification of the workforce, by licensed trainers, under the support of the central or local government as per partnership model public private (Protik) or TEDA model.

-MEETING NO. 10-

ON THE FACILITATION OF CUSTOMS PROCEDURES

The topic of the meeting was the facilitation of customs procedures, aiming the increase of the competitiveness and promotion of the Albanian exports. IC approved in total 17 recommendations, in 6 main groups as following:

a) LEGAL FRAMEWORK ON CUSTOMS

To be implemented in the short term

Recommendation 1

Due adoption of the secondary legislation and consultation with business as a good practice for increasing partnership.

1. Preparation and adoption on time of the secondary customs legislation to ensure the proper application of the new Customs Code.
2. The transition phase - until the replacement of the customs legal framework and entry into force of the new Customs Code on 1 June 2017 - in meetings and roundtables with businesses, experts, customs agencies, business associations, etc., to hear opinions, to inform all interested parties about the drafting of these by-laws and to hold consultations with them, with a focus to DCM "On Implementing Provisions of the Customs Code", as being of par-ticular importance.

b) AVAILABLE DATA (REFERENCE PRICES)

To be implemented in the short term

Recommendation 2

Clearly record and trace in the GCD internal system how the customs value is calculated. In order to clarify the procedures, for both, the customs administration and businesses is suggested:

1. A more comprehensible manual with the steps to be taken for customs revaluation (reviewing Instruction No. 25, dated 30.11.2007), by reducing the indicators that need to be analysed/ followed by the customs officials in recognising the value of the transaction.

2. The final inspection act should clearly identify all the steps followed and should be formatted in the system to document alternative ways of valuation.
3. The customs authorities shall make available to the economic operator (either printed or electronically) the act of inspection which keeps records of the customs value and the results of physical control, if any.

Recommendation 3

Update the list of available data on the website. In order to increase transparency and businesses' trust, it is necessary to refresh the list of available data with also the history of its updates. It is preferable to include information on the consultation process with businesses or other sources as well as the date of the list update.

Recommendation 4

Ministry of Finance and General Customs Directorate to consider with an order/instruction the removal of reference prices for the costs of transport by container.

Recommendation 5

Interpretation through a Council of Ministers Decision of procedures that must be followed to adequately meet recommendations of SAI reports. Public administration bodies, including the customs administration, should establish working groups to review the tasks and recommendations given by the SAI, avoiding their *a priori and automatic fulfilment*, especially where their arbitrary implementation and with retroactive effect violates legal certainty and legitimate business rights.

For continuous and long term implementation

Recommendation 6

The GCD should publish data on the application of reference prices and the most commonly dealt cases related to the origin of goods, their nature, etc. The GCD should periodically publish monitoring reports or as part of the annual activity report the progress of the application of alternative valuation of customs values, especially reference prices, about the most typical cases, etc.

c) *TARIFF CLASIFFICATION OF GOODS*

To be implemented in the short term

Recommendation 7

Customs Branches shall inform the business via written response to the conclusions of the Customs Laboratory when taking a sample for analysis by arguing the reasons for changing the tariff classification of the goods.

Recommendation 8

The Compulsory Tariff Information guidelines should be more visible at the GCD website and publish all decisions taken on such requests by the business for obligatory information. At the same time, cooperation with business associations should be enhanced as their role to encourage the use of this tool.

d) ***EFFICIENCY OF PHYSICAL INSPECTIONS***

For continuous and long term implementation

Recommendation 9

Publication of data on types inspections (excluding data on risk indicators or findings from controls that serve only for internal use within GCD) as part of the annual performance report of the customs administration to increase transparency and accountability to taxpayers.

Recommendation 10

Consider the possibility of reducing the percentage of physical inspections through the continuous update of risk indicators, investment in Intelligence and IT systems and coordination of inspections with the General Tax Directorate (use of blue channel). Ongoing investments in information technology to enable the updating of indicators and exchange of information among law enforcement agencies will increase the efficiency of the risk management system. These measures will also address the requirements of the new Customs Code regarding the *preliminary risk analysis* on the basis of prior submission of information by economic operators.

Recommendation 11

Establish appropriate premises for physical control at the customs offices. If it will be unable to implement this recommendation in the short term, increase the number of physical checks carried out in the premises of economic operators where during the discharge of the goods and representatives of the customs authority. Achievement of the above objectives requires the Government's budget support and human resources available to the GCD.

e) ***INSTITUTIONALISATION OF INFORMATION AND CONSULTATION WITH BUSINESSES***

To be implemented in the short term

Recommendation 12

Reconfigure the website; preferably test it with businesses to make it more informative and usable by businesses. It should be enriched with information and explanatory guidelines in Albanian and English. Consider the possibility of online registration of businesses to get real-time notifications and news. It is suggested that the information be updated and supplemented with clarifications and guidelines for businesses and be provided in English language, also.

Recommendation 13

Consider the publication of a consultation agenda with representatives of business community and maybe sectorial ones. Consult with groups of interest on the implementing provisions of the new Customs Code being drafted by the GCD and the Ministry of Finance is crucial. Number of consulted businesses should be an indicator of GCD performance and part of the annual report. The Secretariat can serve as a mechanism to provide consultation opportunities with certain groups of interest.

To be implemented in the medium term

Recommendation 14

Financial support to the GCD for establishing a dedicated structure to provide ongoing assistance and communication with economic operators and business associations.

f) OTHER

To be implemented in the short term

Recommendation 15

Applications for authorizations should be made online.

1. Applications for authorisations or certifications to be submitted online and be acknowledged the scanned documents.
2. The businesses should not be requested to provide to the customs administration the certification on their financial situation, when the customs administration can verify itself in the system. GCD Short-term

Recommendation 16

Consider publishing of a consultation plan with prospective and sectorial business community representatives. Consultation with interest groups on the implementing provisions of the new Customs Code that are in the process of drafting by the GCD and the Ministry of Finance is indispensable. The number of consulted businesses should be a performance indicator for GCD and part of annual reporting.

To be implemented in the medium term

Recommendation 17

Enhance online exchange of information or access to a certain amount of information to reduce the burden on businesses and to increase the speed of processing trade exchanges, e.g. the case of fiscal liabilities attestations.

-MBLEDHJA NR. 11-

SURVEY ON TAX ADMINISTRATION & INFORMALITY

In the focus of the meeting was the presentation and discussion of the IC Survey conducted by the Secretariat with 146 companies, in collaboration with University of Epoka, during July – September 2017. The purpose of the Survey was to highlight the progress of the main business concerns, compared to the findings of the Secretariat during 2015-2016, mainly related to the Tax Inspection and Relations with the Tax Administration, Informality, and VAT Refund. No concrete recommendations were not adopted at the meeting, but was provided a report on the status of relevant recommendations on the above issues as per the the previous IC meetings.