



Albania
Investment
Council

Improving Transparency and Investment Climate

Innovation as a tool in driving economic growth

Opportunities and Challenges
February - March 2021

METHODOLOGY

Companies

75 companies filled an online questionnaire

Questionnaire had 3 pillars: (1)Company Profile (2)Business and Innovation (3)Business vs Public Institutions

Context

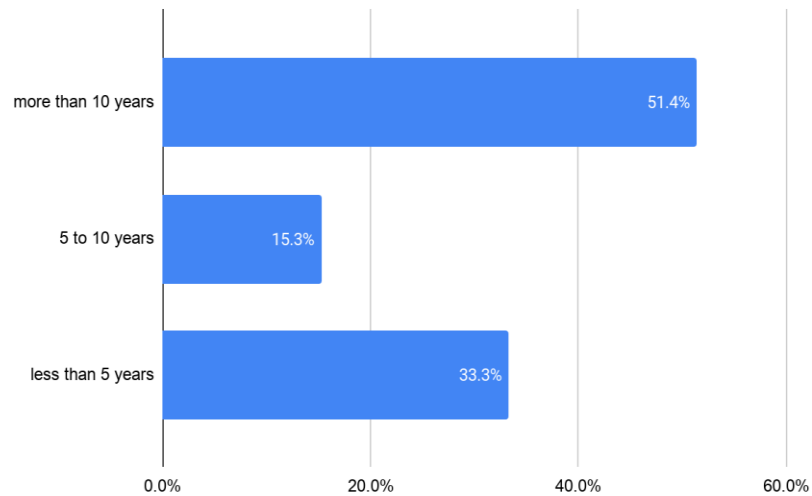
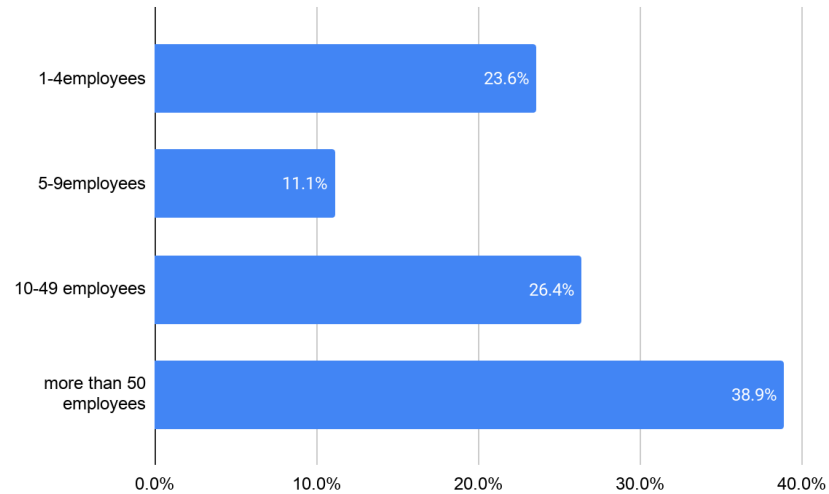
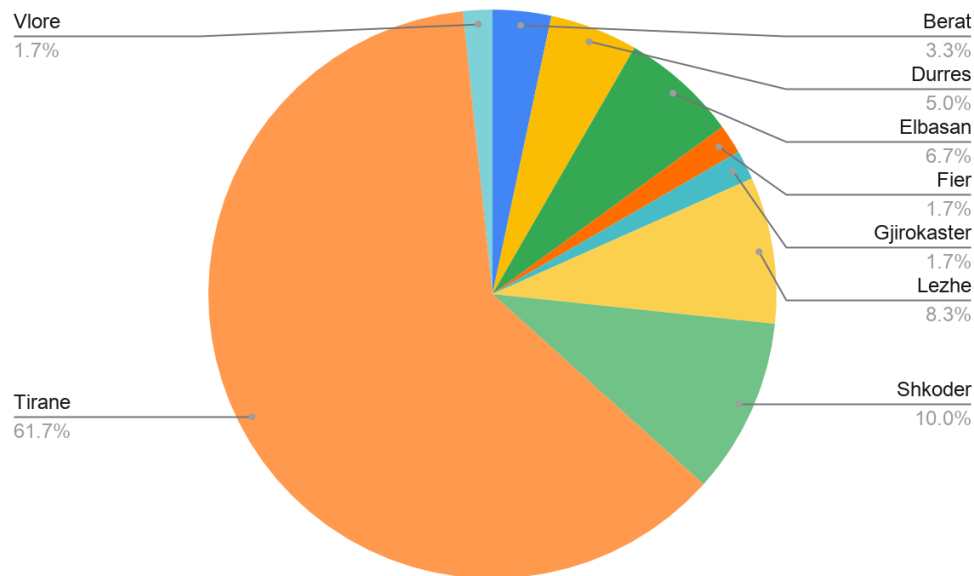
In the next IC meeting, on 23 March 2021, will be discussed on Innovation potentials for the country economic growth, opportunities and challenges

Problem statement

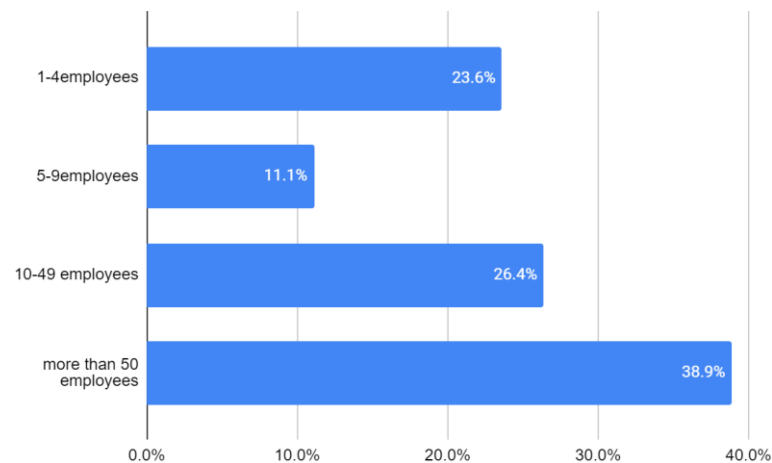
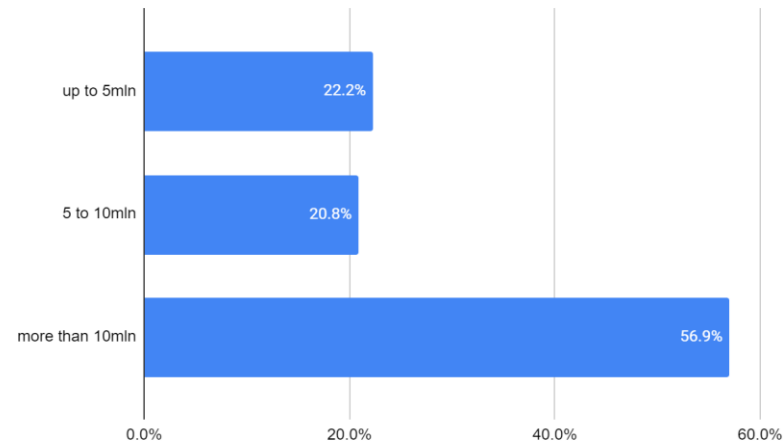
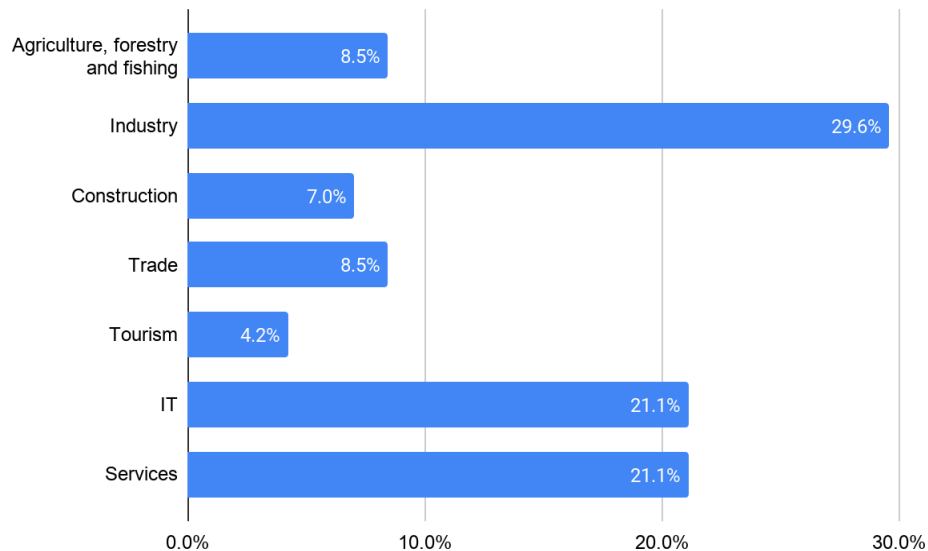
Finding new investments potentials in Innovation, focusing in priority sectors

- (1)Ecosystem
- (2)Business & Innovation
- (3)Access to Finance

COMPANIES PROFILE



COMPANIES PROFILE



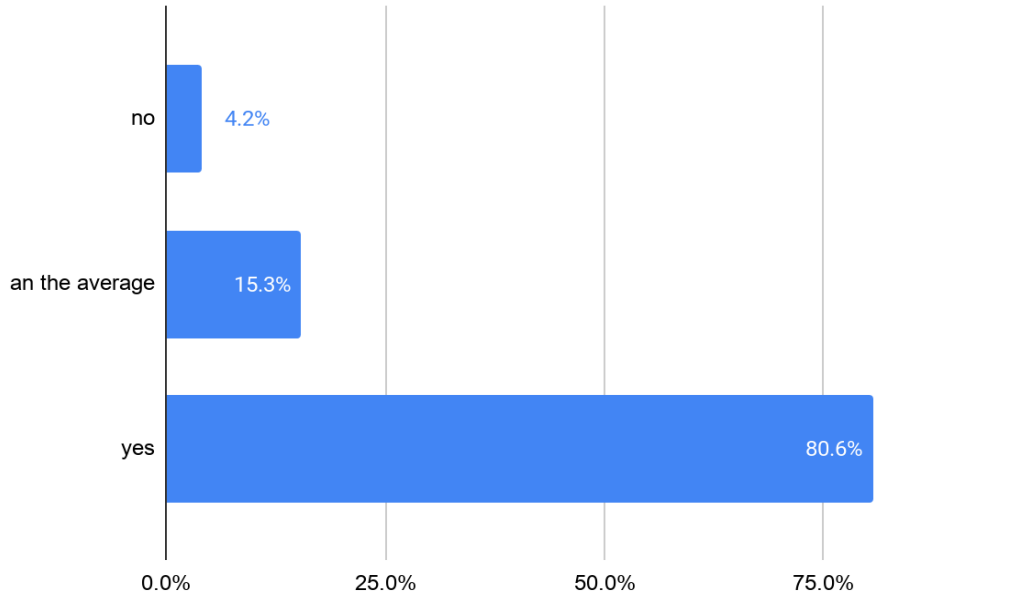
GOOD IDEA



Business and Innovation

Challenges and
Opportunities

Do you consider Innovation as a driver in increasing the company's revenue? (Rate from 1 to 5 where 1 = Not at all and 5 = Very much)



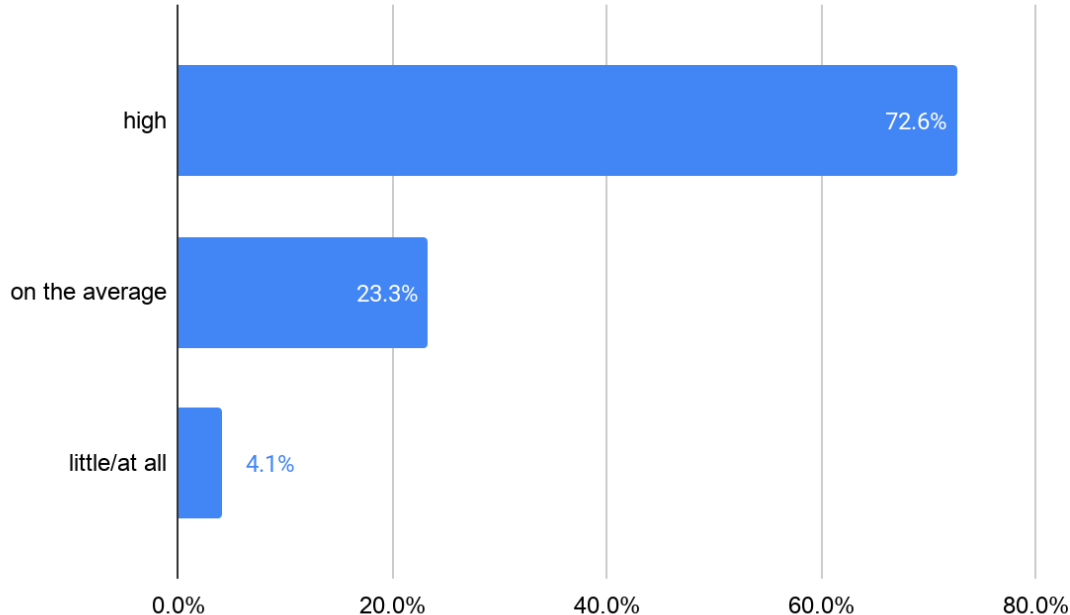
Innovation is the Production, Assimilation and Utilization of innovations in an economic environment

Product, Services, process, marketing, organisation process never used before

58 out of 75 interviewed companies consider Innovation as driver of growth

How much attention is paid to innovation in your company?

Rate from 1 to 5 where 1 = Not at all and 5 = A lot)

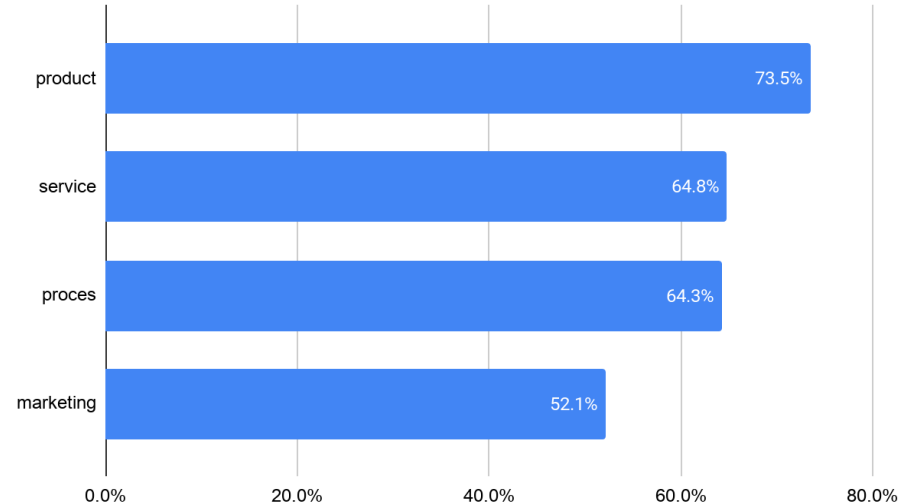


Companies declare to **pay high attention** to the introduction of Innovation in their companies

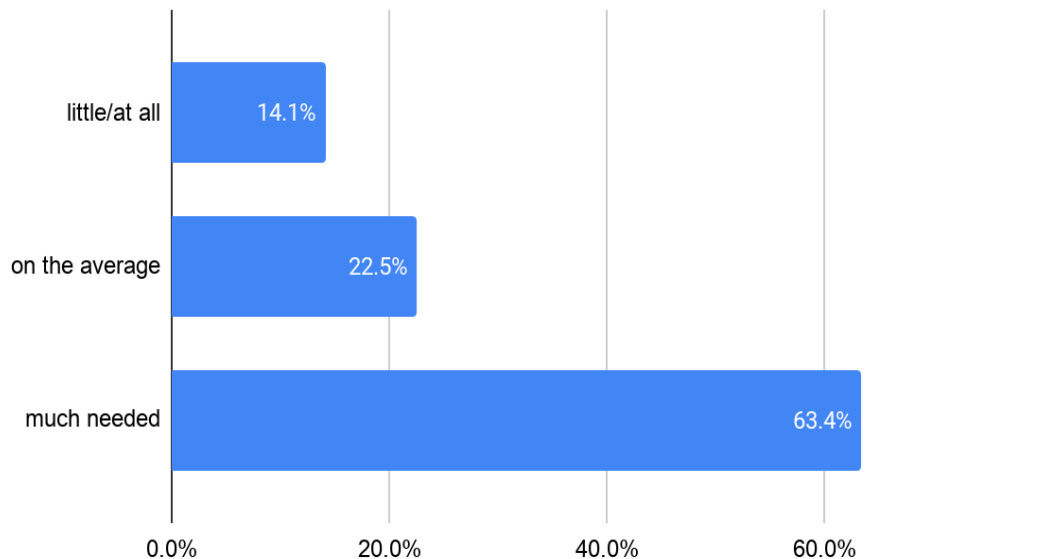
In the the last 3 years they declare to have introduced a product, service or process innovation in their activity.

Has your company introduced an Innovation in the organization in the last three years?

Most companies **have introduced an Innovation in product and service**, specially after COVID19 pandemic

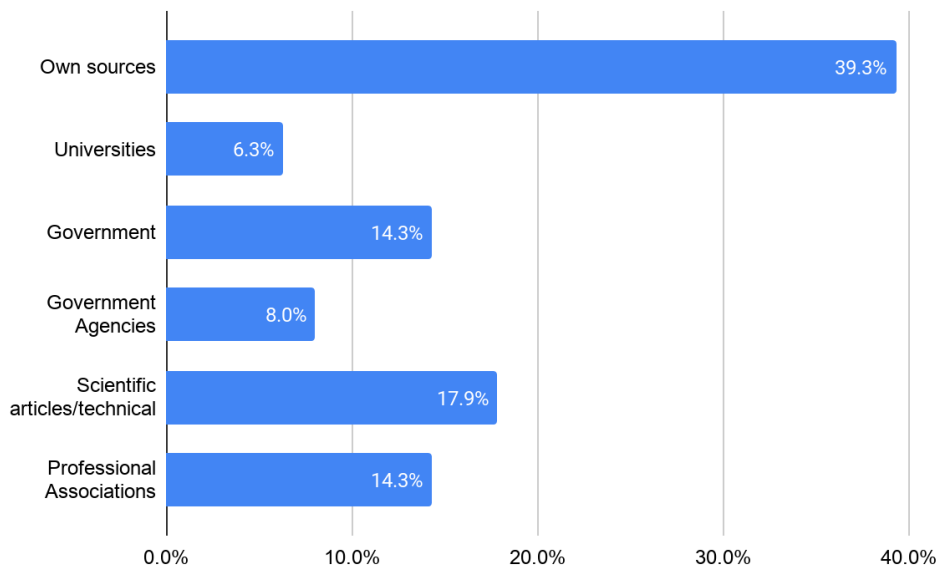


Do you think that a cooperation with the academic sector is necessary in providing information on new development opportunities (Rate from 1 to 5 where 1 = not at all necessary and 5 = very necessary)



86% of companies think that a collaboration with the academic sector on new development opportunities is moderately or very necessary

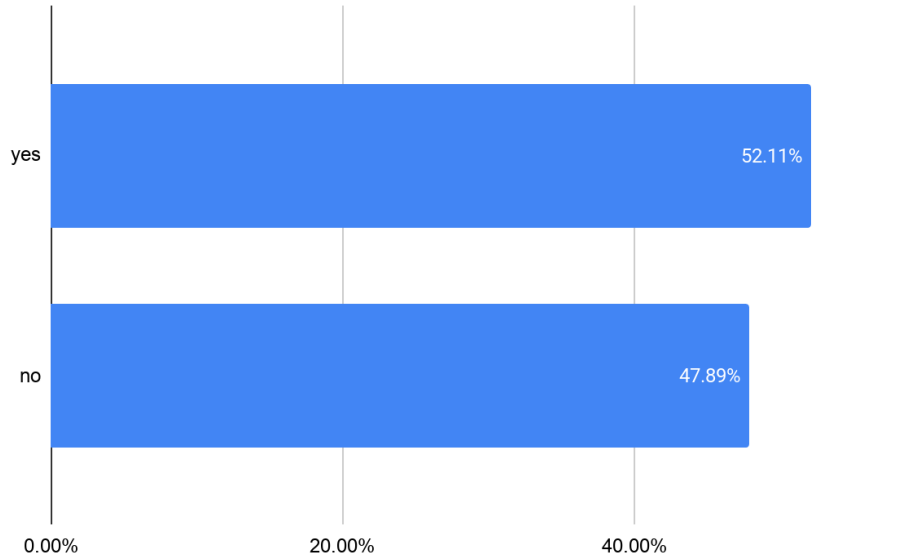
During the last 3 years, how important the following sources of information have been in your innovative activities? (rate from 1 to 5 where 1 = Not at all and 5 = very important)



ideas within company are evaluated as the most used, followed by scientific articles and technical publications.

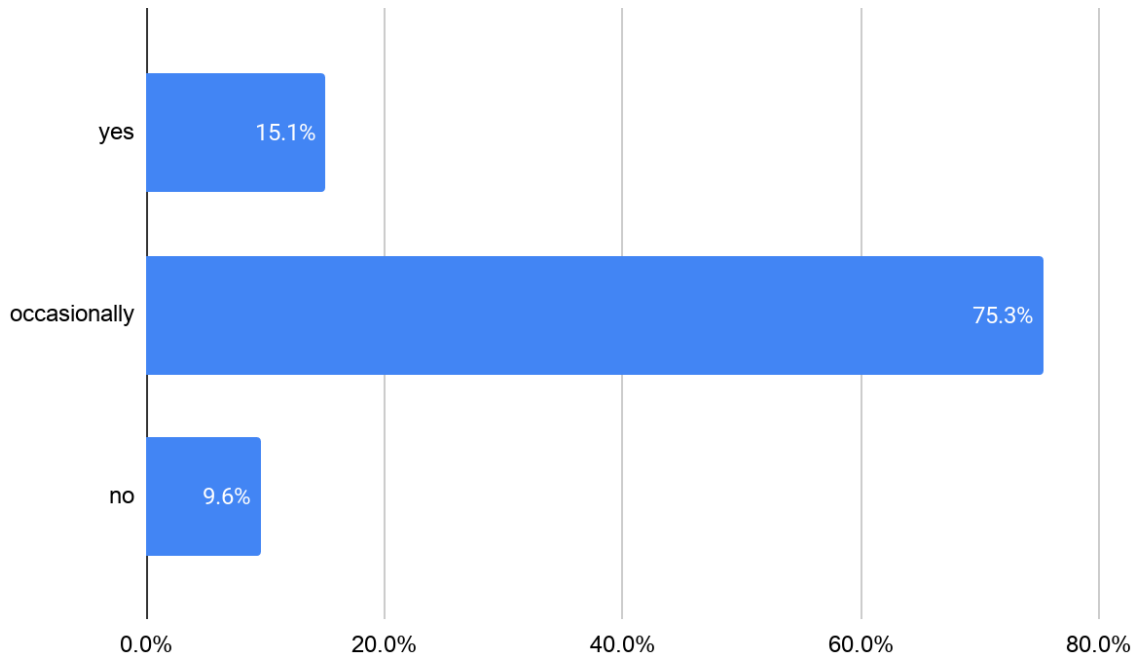
Universities are the last source used by companies although 86% of companies consider necessary cooperation with them

Have you developed Research and Development activities in the last three years?



52% of companies **state that they have undertaken research and development** activities in the last 3 years

Does your company have a dedicated R&D fund?



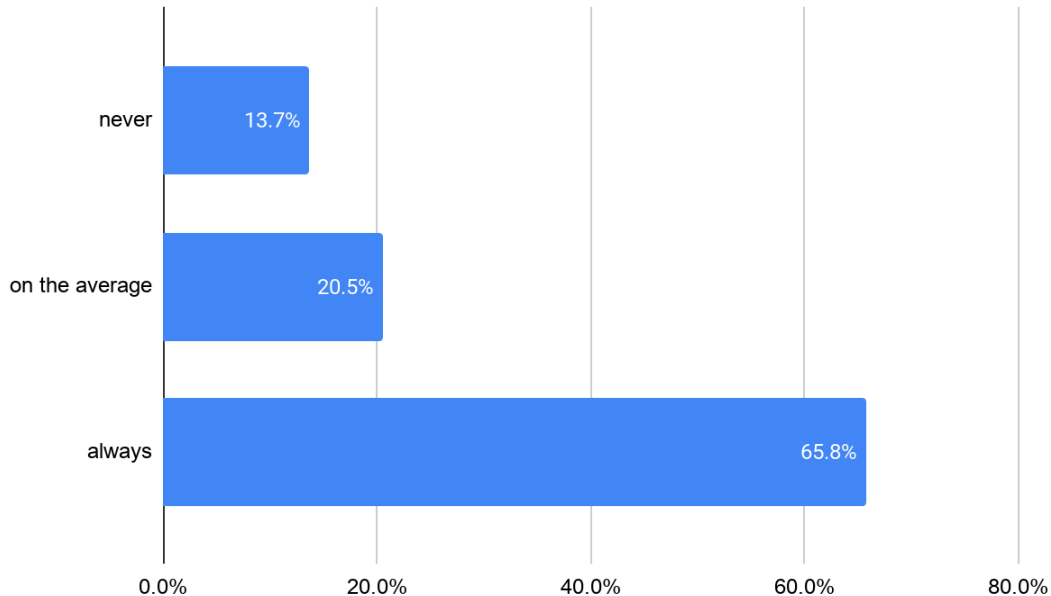
Only 15% of companies **have a dedicated R&D fund**; meanwhile 75% of them state that they allocate funds occasionally

The picture is the same regardless of the size of the business;

Companies allocate funds on R&D on random basis

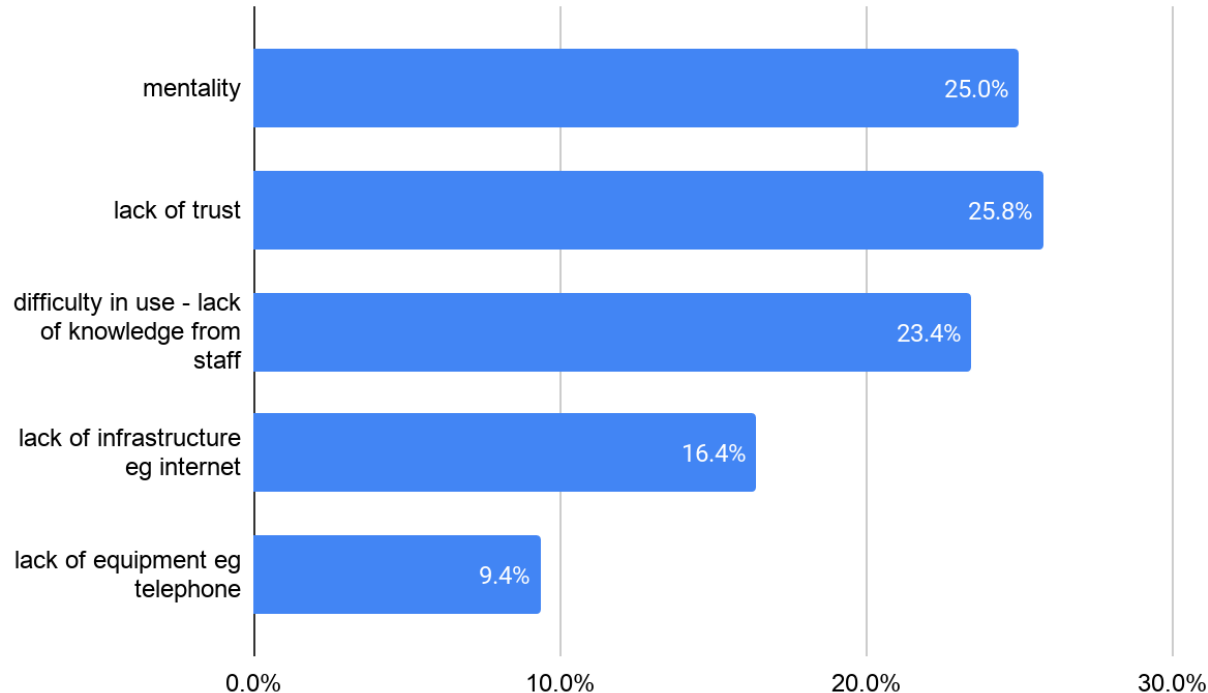
Do you use the Innovative services offered by other companies such as POS, ATM, E-banking, Online Transfers, etc.

(Rate from 1 to 5 where 1 = Never and 5 = Always)



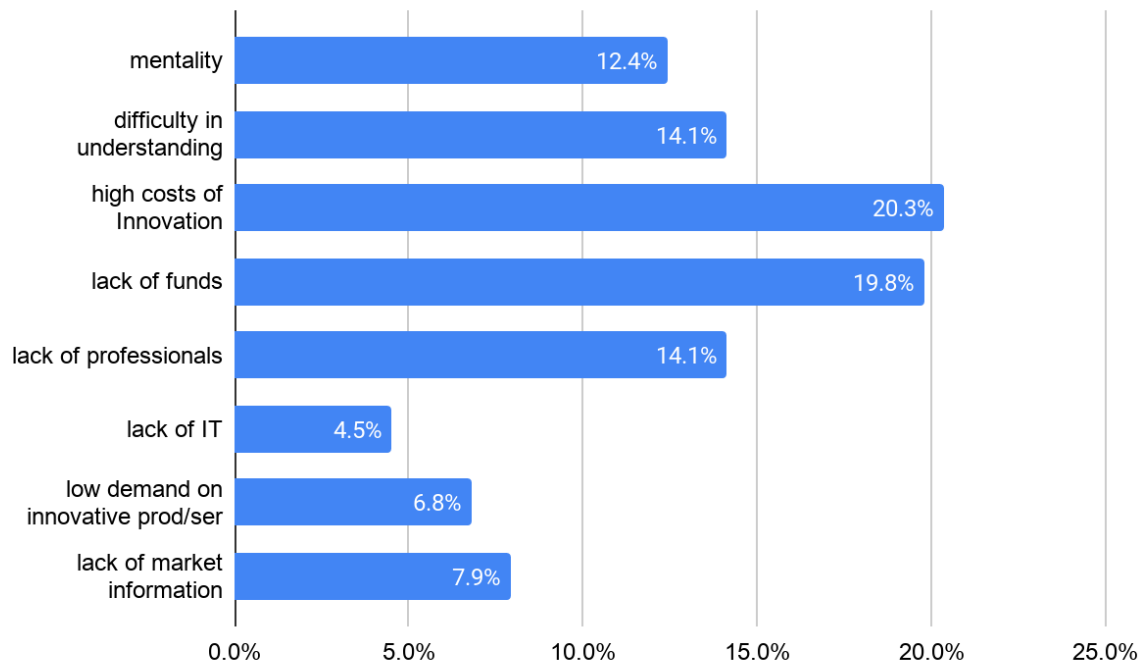
Approximately 86% of companies state **they use innovative services** provided by various financial companies always or occasionally

What do you consider to be the 3 main obstacles in using Innovative services / products in Albania:



mentality, lack of trust and difficulties in use are 3 main impediments that prevent companies from using innovative services

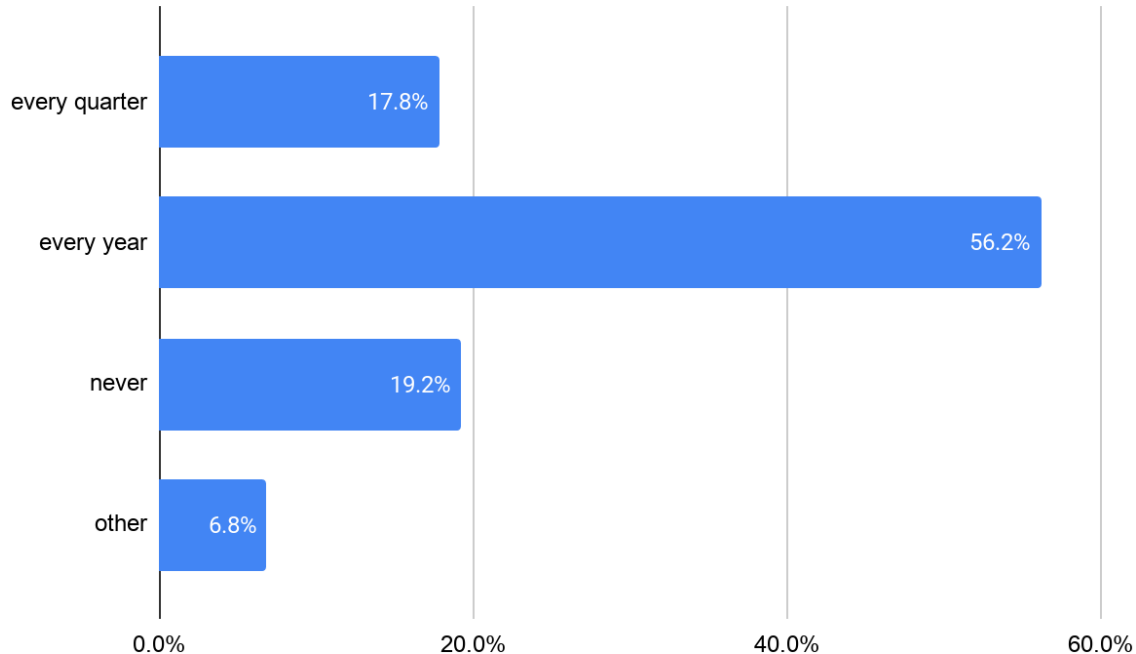
What do you consider to be the 3 main obstacles in the development of Innovative products / services by companies in Albania:



In terms of innovative product development, **high innovation costs, lack of funding, and lack of professionals** are considered as 3 main obstacles

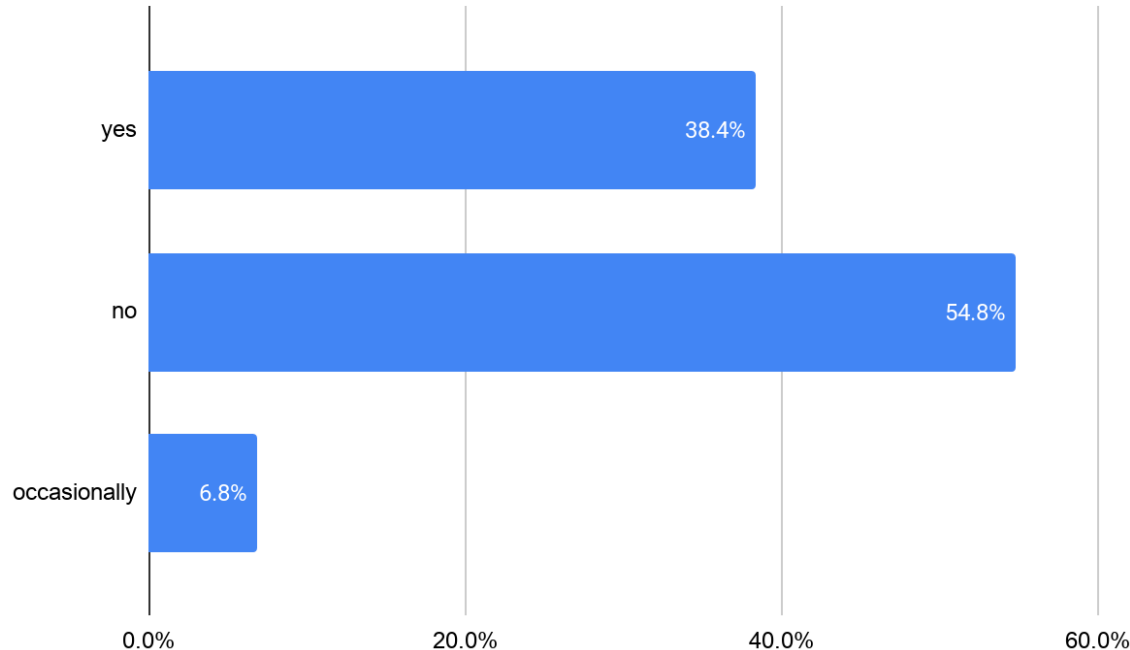
Despite age in the market **high costs of innovation** are considered as the main obstacle by companies

Does your company conduct periodic assessments of employee skills and training needs?



In general, **companies** seem to conduct employee skills and training needs assessments

Does your company have a dedicated fund for employee training?

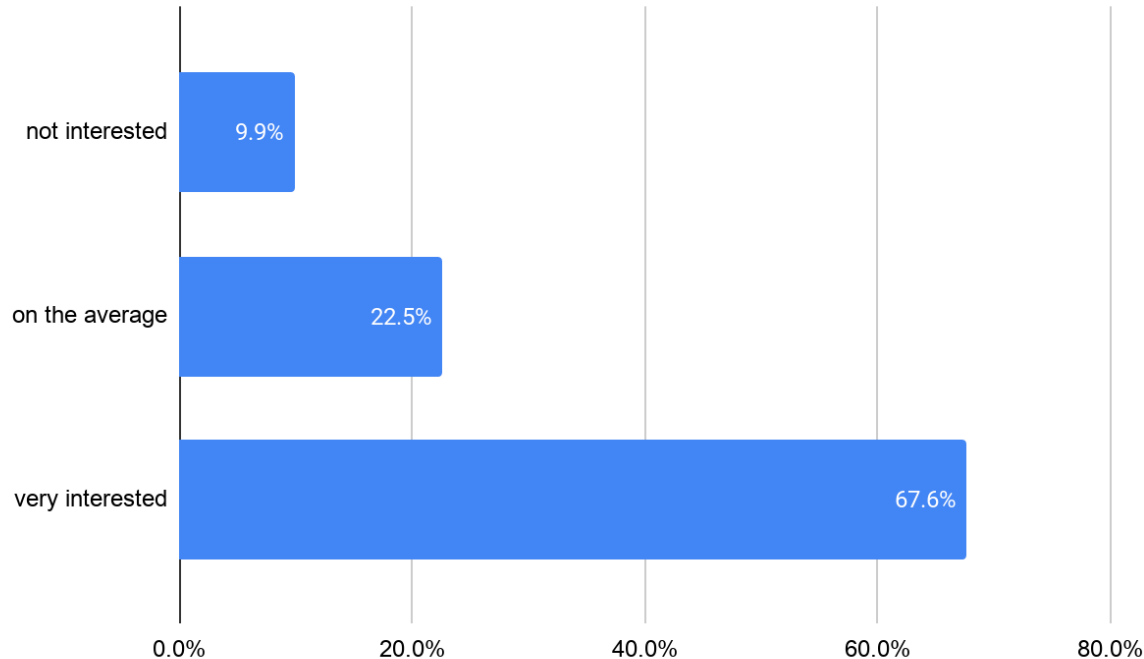


Meanwhile 55% of companies **do not have a dedicated fund** for employee training;

while 38% of companies state that they have a dedicated fund, regardless of their size

How do you assess your employees' willingness to acquire new skills?

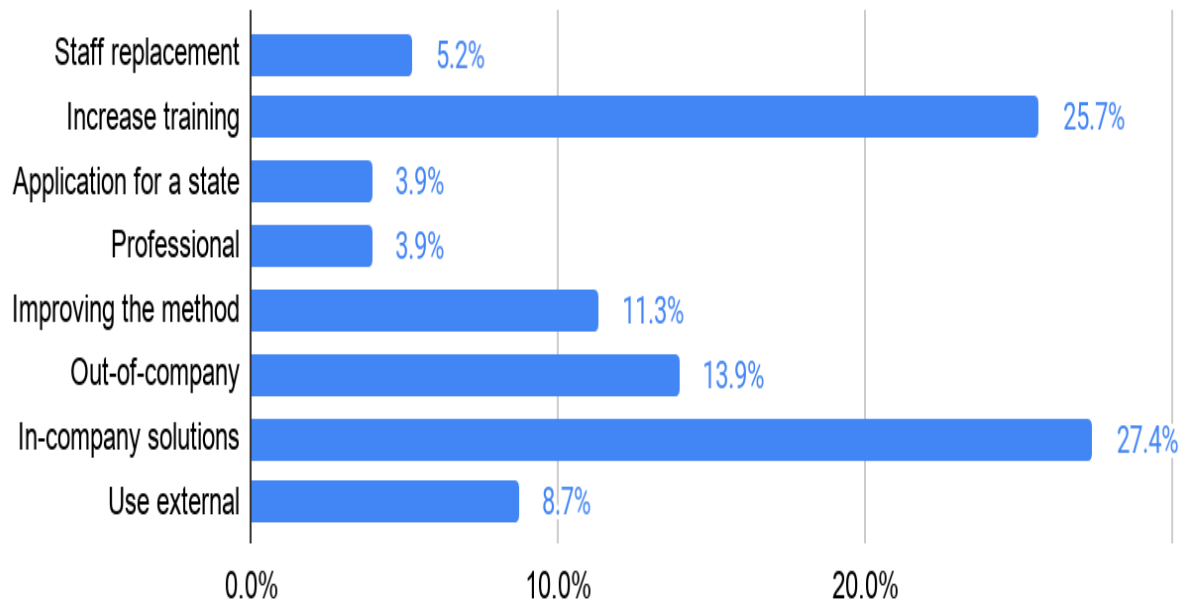
Rate from 1 to 5 where 1 = Not at all interested and 5 = very interested



***Data **confirm readiness**
of staff to gain new
knowledge***

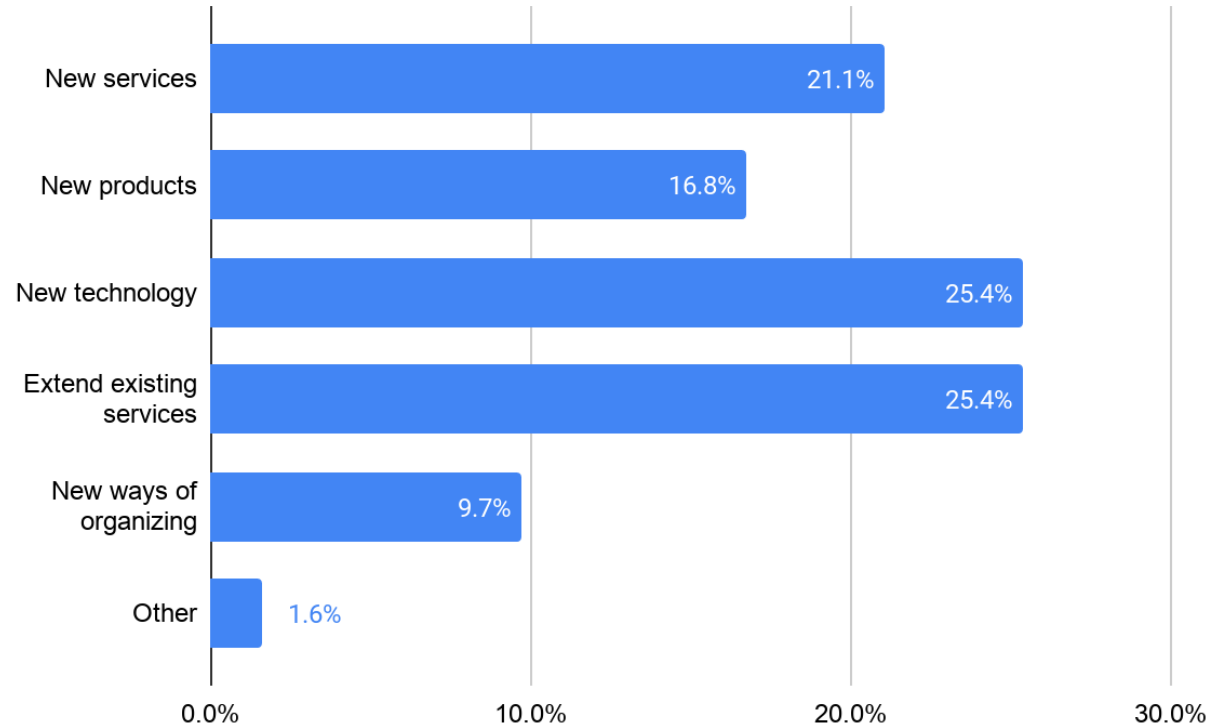
***67% of companies
declared high interest of
staff to acquire new skill***

What actions does the company take to address the skills shortages of existing employees? (choose up to 3 options)



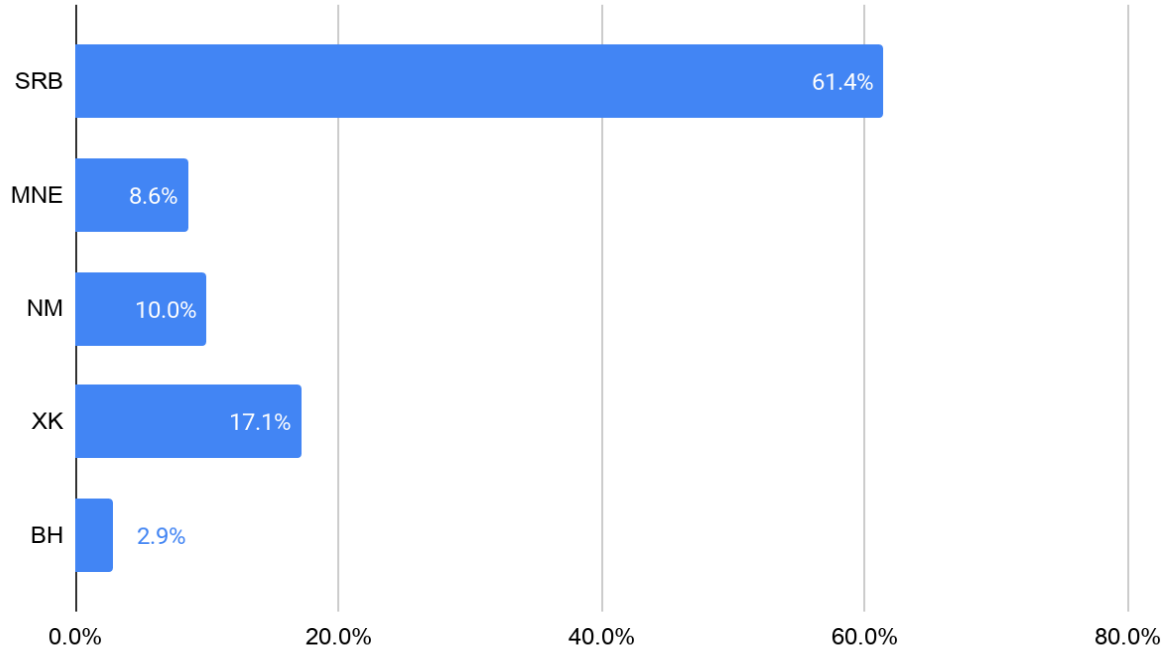
Skills shortages of staff is addressed mainly through **in-company reorganization**

Do you plan to introduce one of the following items in the next 12 months



***Companies will mainly
add new technologies,
expand existing
activities or introduce
new services over the
next 12 months***

Which country in the region do you see as the most innovative:



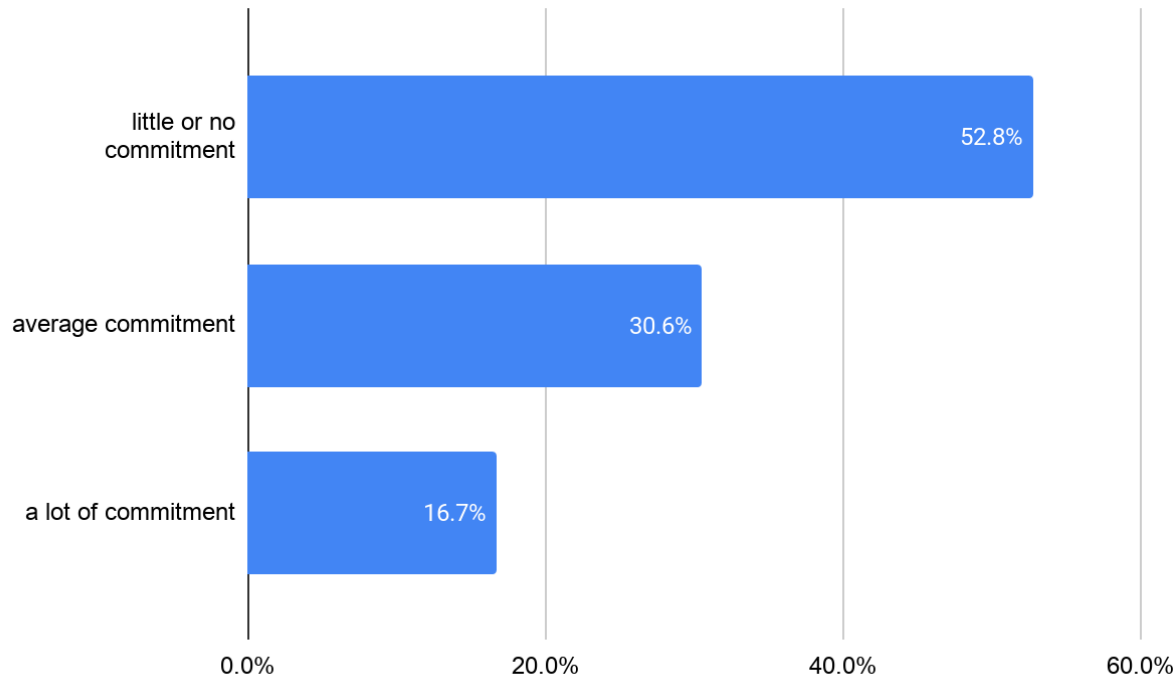
Serbia **is considered the most innovative country** (61% of companies) followed by Kosovo (17%)

GOOD IDEA



Business vs Government

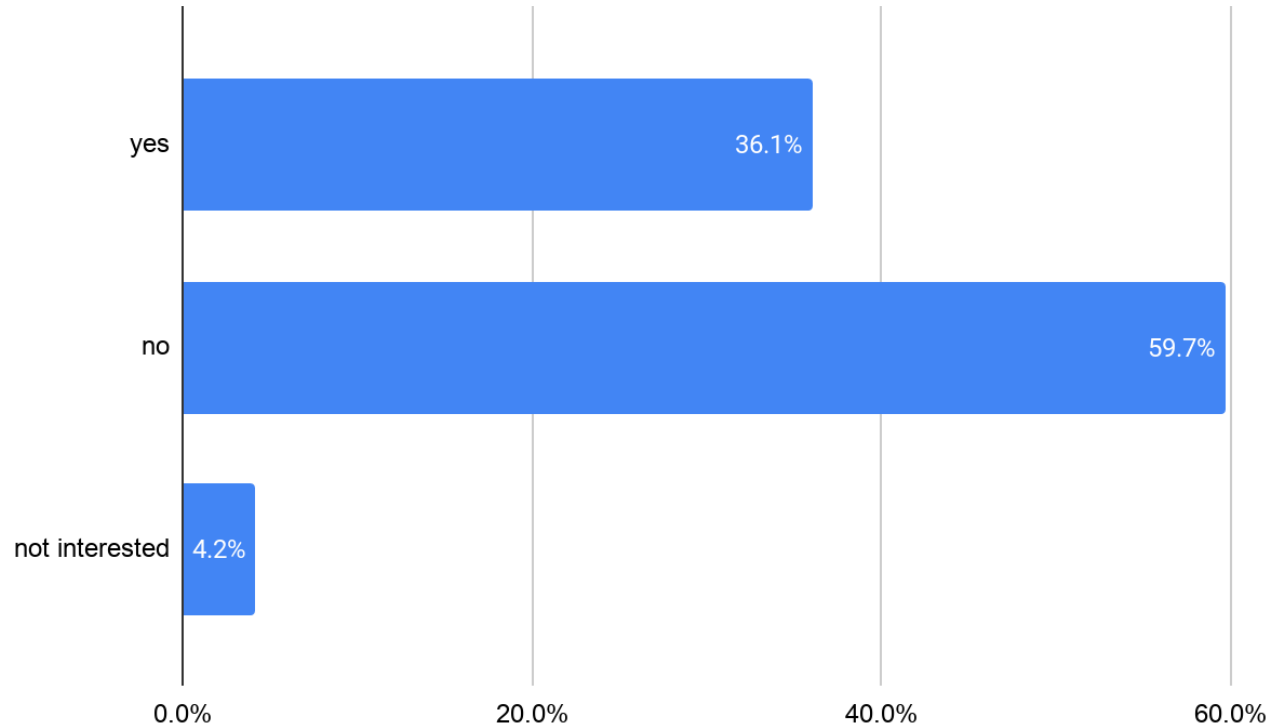
Evaluate commitment of public institutions to the provision of Innovative services for business from 1 to 5 (where 1 little / no commitment and 5 = much commitment)



The perception of companies is for **an insignificant commitment by public institutions** to the provision of innovative services

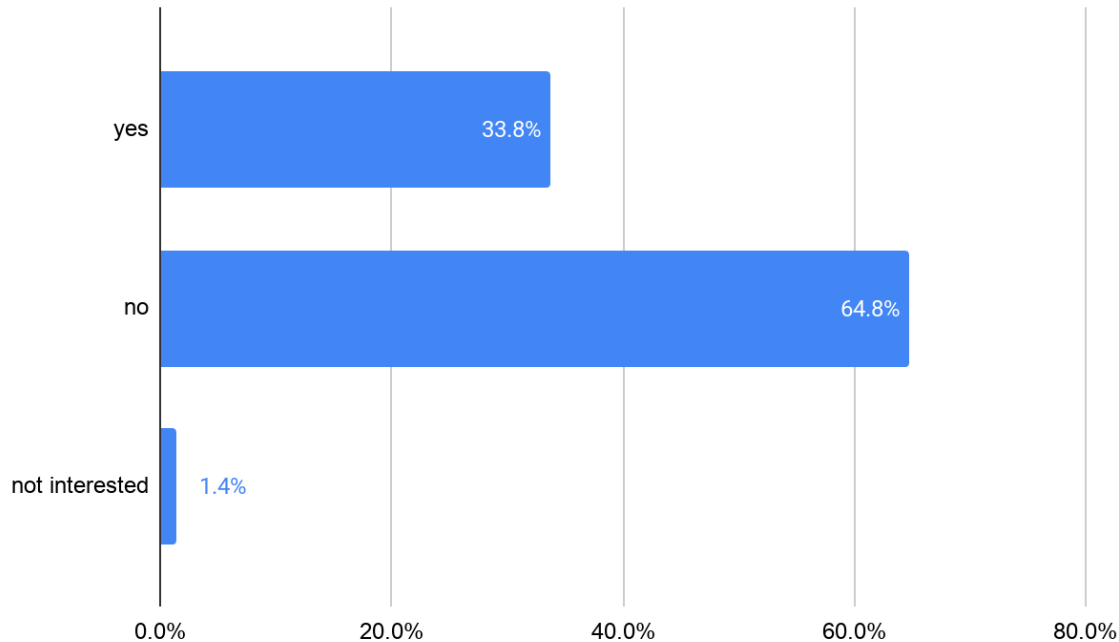
Only 17% believe that government show high commitment

Do you know if there is an Innovation Strategy in Albania?



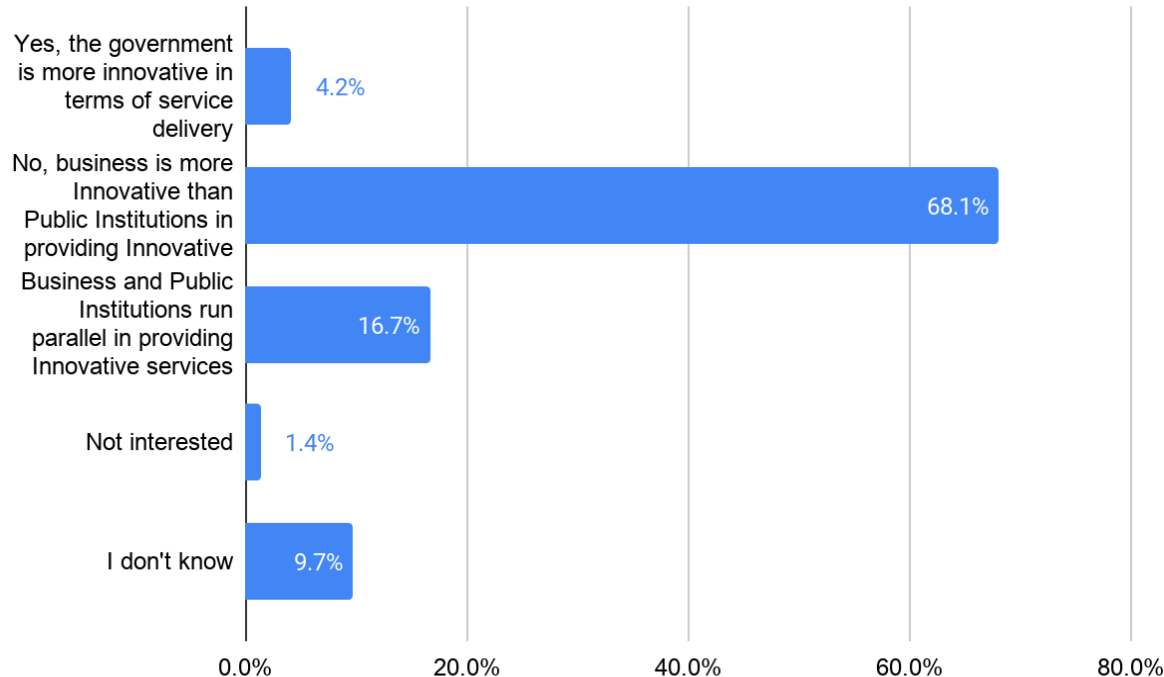
60% of companies *do not know* if there is an Innovation Strategy in Albania

Do you know who is the institution responsible for the development of Innovation in the country?



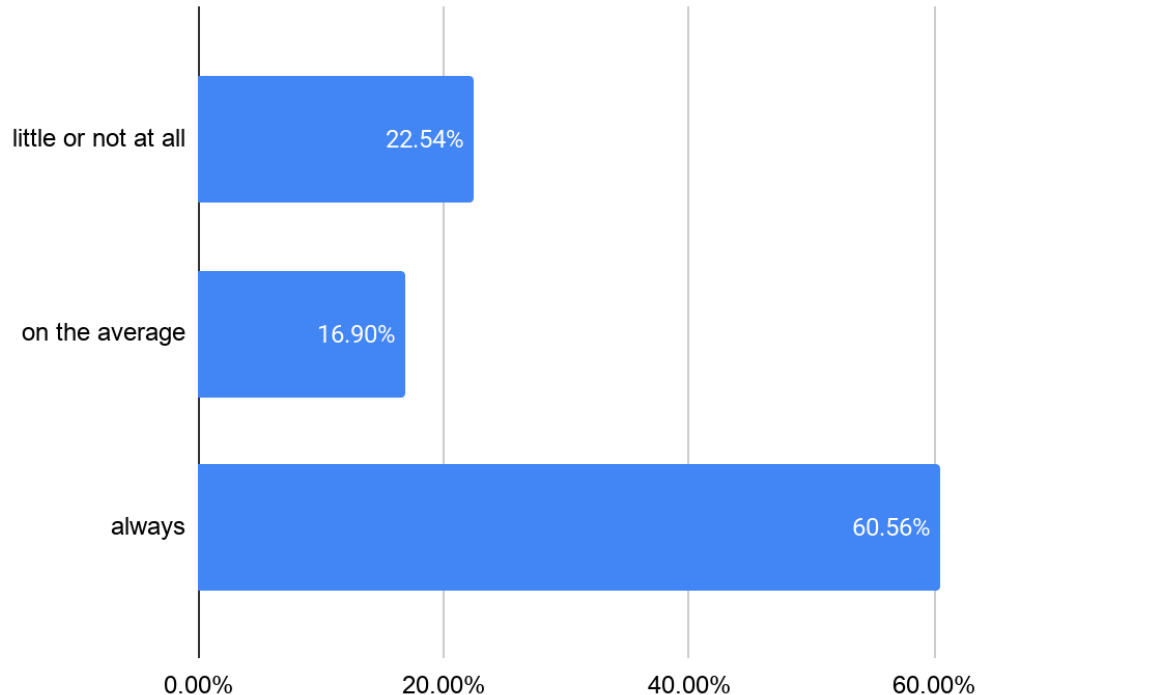
Meanwhile 65% **do not know** who is the leading institution responsible for the development of Innovation

Do you think government is ahead of business in providing innovative services?



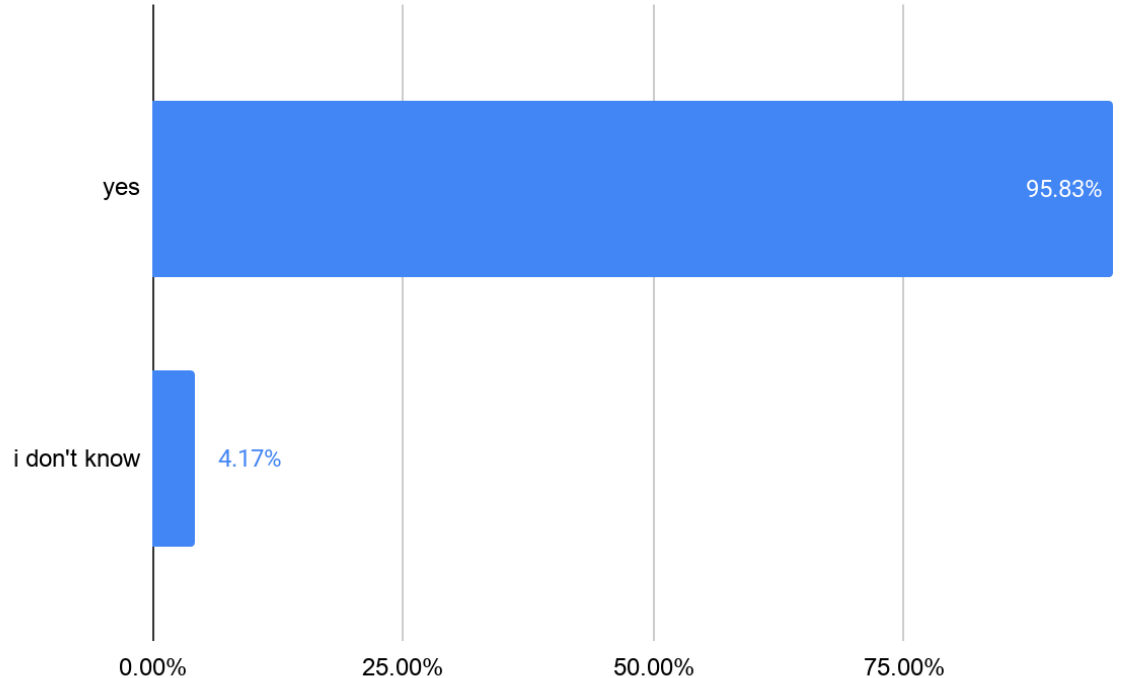
***Private sector is
considered **leader**
in Innovation***

Do you use the Innovative services offered by Public Institutions (rate from 1 to 5 where 1 = does not use them at all and 5 = always uses them)



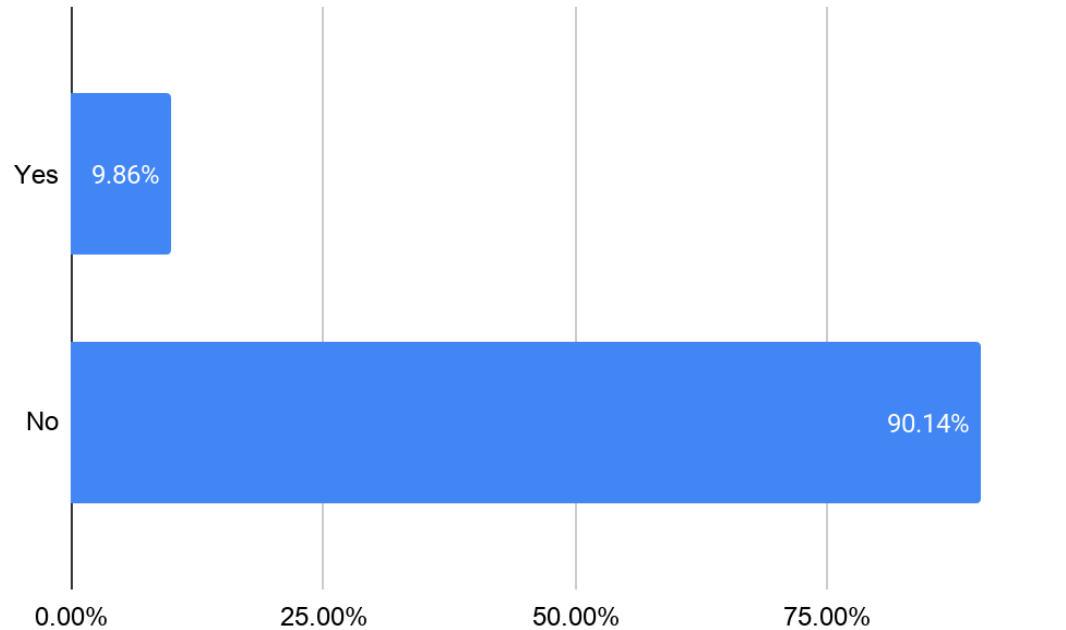
Services provided by the state **are always** used by 61% of companies, mainly e-albania and e-tax

Do you think that the state should be Innovative in the provision of services or Traditional:



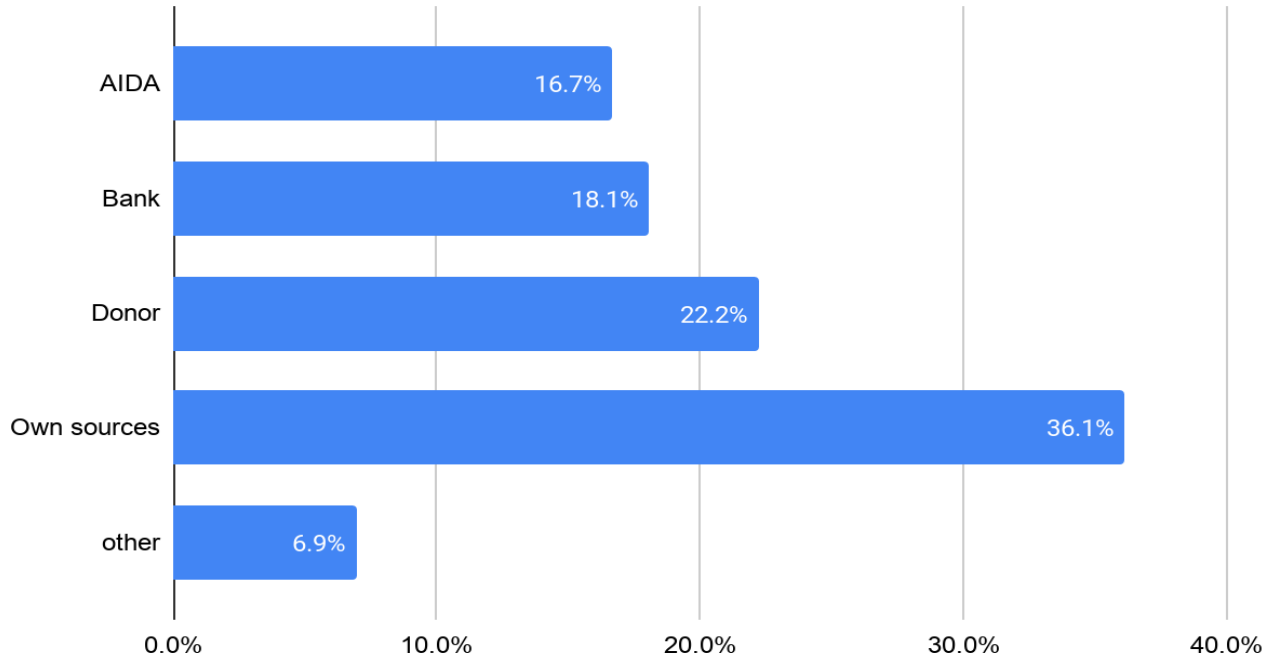
***Companies expect the
state to focus on
Innovation***

Do you have information about funds available to support innovation?



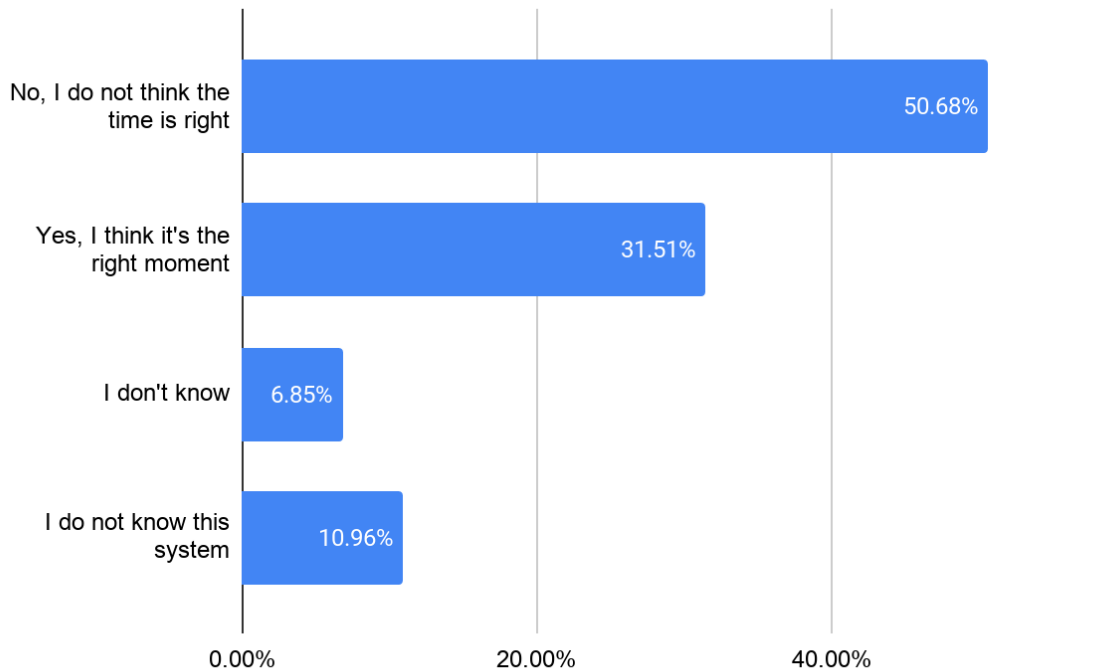
Companies **are not informed** about the availability of funds in innovation support

If you were to seek funding for Innovation where would you head first?



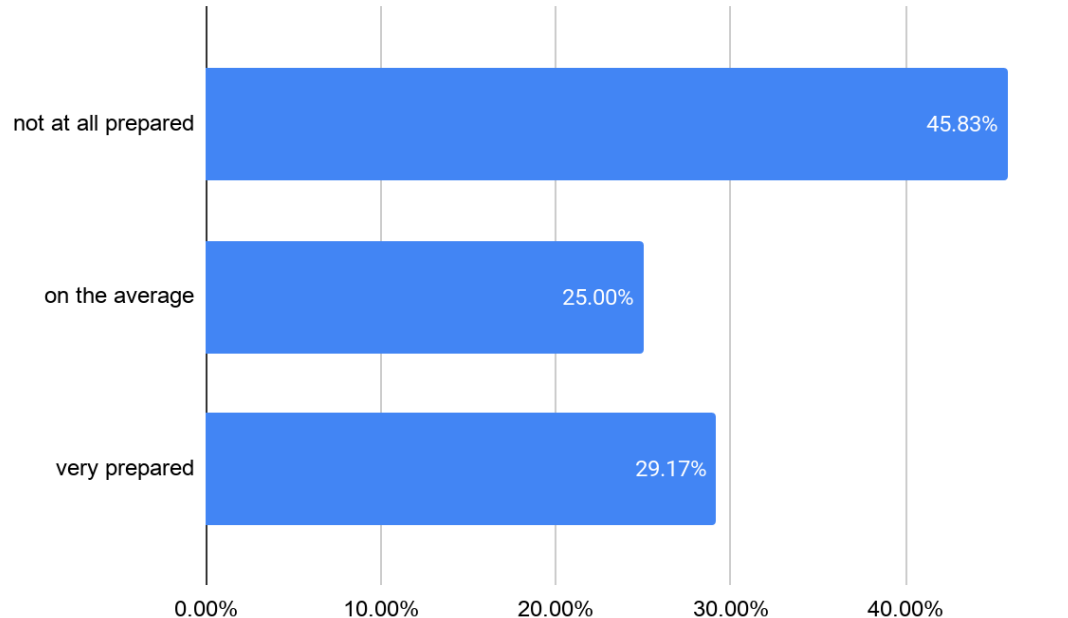
***own funds are mainly
considered to finance
innovation (36%)***

Do you think that the new invoice monitoring and circulation system (Fiscalization) is being implemented at the right time?



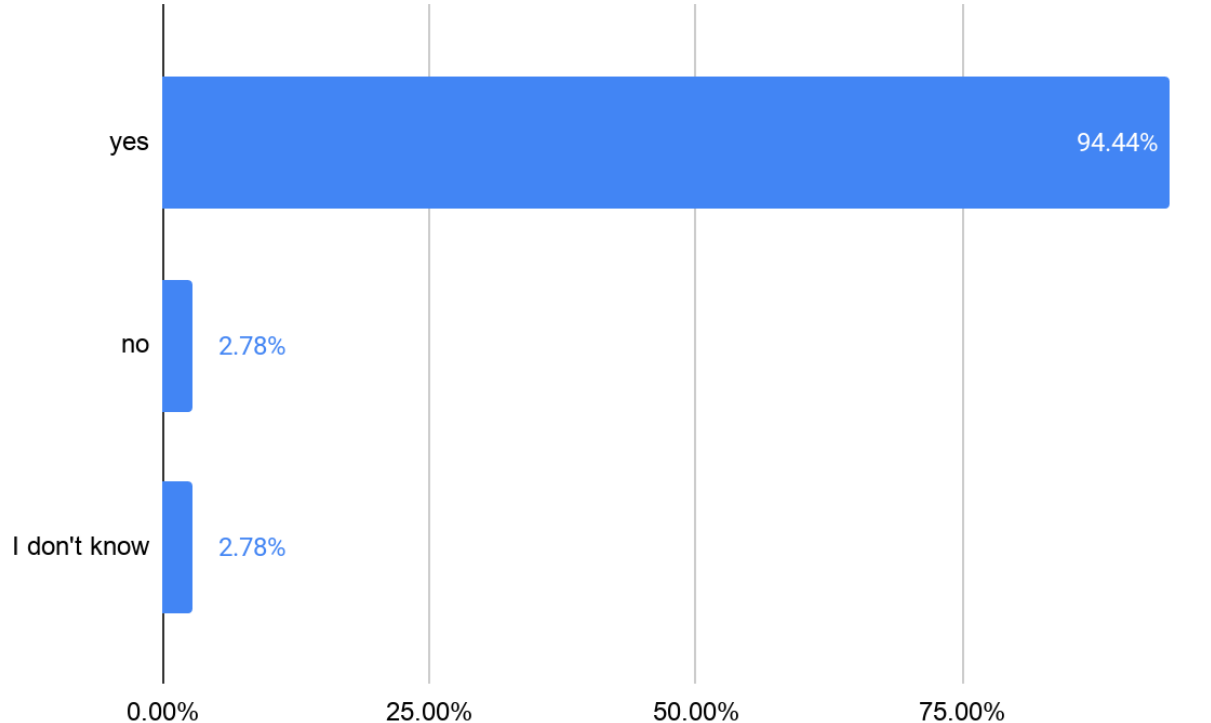
***Fiscalization is
considered hasty
although 32% of
companies think it is the
right time to implement***

Do you think you are prepared to use the new Fiscalization system (rate from 1 to 5 where 1 = not at all prepared and 5 = very prepared)



50% of companies **are not prepared** to use this system

Do you think that public institutions should support the development of Innovation in the private sector?



Unanimously companies think that **the state** should be supportive to private sector in innovation development



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THANK YOU



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About Investment Council in Albania

The Investment Council facilitates the development of mutual trust between the business community and the government in Albania and contributes to an incremental institutionalization of effective policy dialogue. It contributes to the national reform and economic transition process by enhancing institutions, laws and policies that promote market functioning and efficiency.

Secretariat of Albania Investment Council – Team

The work of the Investment Council is supported by the Secretariat, an independent body of professionals selected and contracted by the EBRD to directly engage with the business community.

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