

Decision

Bank of Albania does not change interest rates

Supervising Council of Bank of Albania, during its last meeting, after taking into consideration "Report of monetary policy for July 2007" decided to keep unchanged basic interest rate in level of 5.75%. This decision was taken considering that annual inflation in July was 2.1%, being close to its average historical figure. But Bank of Albania emphasized that analysis of risk balance and also forecasts for inflation for the coming 12 months, give clear signals for a revival of inflationist pressures in future. Among these risks, Supervising Council distinguished serious electricity situation that our country is having, consequences of which will be especially related to its endurance. Intensity and expansion of direct consequences and second round ones will be subjects of its endurance, especially in case it passes borders forecasted and factorized by economical agents. In this way, BoA give signals that it will be on alert for another increase of interest rates.

Government

Electricity from generators

Government is preparing to apply B plan to somehow improve the fierce electricity situation in our country. Sources of ministry of Electricity claim that directors of this ministry have already asked to domestic or foreign companies to officially represent their offers to install these mobile generators known as generators of emergency. These generators are implants that are connected to 20 kilowatt network and work with fuel. Considering serious electricity situation in our country, soon government is expected to take measures to install 4 such generators. Their installation will be done in different places and all together will have a production capacity of 100 megawatts. In total their production will reach 2.4 million kilowatts/hour per day. But because these generators work with fuel, whose price is continuously increasing, production of electricity by these thermo centrals will have a very high cost. According to experts of electricity, one kilowatt hour electricity will have a cost greater than 10 ALL.

Electricity

Construction of TEC of Vlora starts

Work for construction of new TEC in Vlora has begun. Experts of "Maire Engineering" company have started work for construction of this TEC after the decision taken some days ago by KRT of Vlora District, which approved the area for construction of this TEC. According to signed contract between representatives of this company and high management of Albanian government, in May 2009 it is expected to be put into function with a production capacity of 97 MW, ensuring a secure source for energy generation. Construction of this TEC will begin despite protests of various environmental associations. This TEC together with 400 kWh line of interconnection, which is also a contract process, will enable that in the beginning of 2009 to end once and forever fatal dependence of electricity supply by atmospheric conditions. A contract worth 92 million EUR, TEC of Vlora is a financing of EU, EBRD and BEI and will be implemented by "Maire Engineering" company, selected as a winner.

TEC of Fieri

Restarts functioning

Director of KESH, Mr. Gjergj Bojaxhu, confirmed that during the third week of September TEC of Fieri will start functioning. Being unable to increase more imports of energy, government decided to return once more into work TEC of Fieri, which actually is in process of being given with concession. It is learned that after official request of KESH, made a week ago, Ministry of Energy has approved restart working of TEC, which can produce about 900 thousand kilowatts hour electricity per day, quantity equal to 1/5 of electricity produced actually in our country. It is known that after decision of government for giving this TEC with concession, its ownership was transferred from KESH to Ministry of energy, by request of the latter. It is announced that this thermo central will work with fuel produced in our country and according to experts, its cost will be lower than cost of electricity that KESH is actually getting from import.

Investments**Spanish in sector of cement**

Spanish of "Aricam" group will built a cement factory in Albania. Managers of this company have represented project of factory to the head of government, Mr. Berisha. This group specified as leader for inert and materials of construction, operates in some countries of the world such as Portugal, Morocco, Croatia, Monte Negro etc. In our country "Aricam" Group will finance the project for construction of cement factory in Mamurras, with a total investment of 250 million EUR and will operate in zone of Laçi, Kruja, Mamurras and Thumana. In first phase of production, quantity of cement will be 1 million and 500 thousand tons, whereas after the end of this phase and beginning of second phase, production will be increased to 2 million and 600 thousand tons per year, from which 50% will be destined for Albania and other part for export.

Legalizations**105 zones waiting**

Financial compensation for ex owners, in lands of whom buildings without permission are constructed, will be same with compensation of other ex owners and not immediately.

According to law of legalization, all buildings constructed without permission, but which are self declared, have enter process of legalization. Money that citizens will pay for occupied land will automatically go as a supplement to annual fund, which is decided by State budget for compensation of ex owners. After this procedure all ex owners that have gained the right for compensation of occupied property, will follow all legal steps in order to be included in division of money of fund for financial compensation. General Manager of Agency of Return and Compensation of Properties, Mr. Besnik Maho, claimed that "we will work with priority for evidencing requests of dispossessed subjects. As a consequence, work process of Agency will be concentrated on knowing and compensating properties to ex owners of lands, which are occupied with constructions without permission".