



LOCAL BUSINESS ENABLING ENVIRONMENT SURVEY MAY 2004

REPORT

Introduction

The World Bank initiated, designed and financed this survey, and the Foundation for Local Autonomy and Governance (FLAG) carried it over. The survey was conducted in five cities: Korça, Berati, Lezha, Shkodra and Durrësi.

The aim of the survey was to obtain information on the perception of the local businesses regarding local conditions and regulations that affect them. The range of the questions varied from testing the knowledge of the businesses about the functions of the municipality departments, regulations etc. to collecting their opinions about SWOT of the municipality.

The report aims presents in a comparative manner the responses of the interviewees. It would help the readers of this report to compare the results of different municipalities and consequently draw conclusions on their relative performance or conditions.

Questions from 1 to 7 are related to the characteristics of the sample selected in each municipality. These characteristics will be described in the reports issued to the individual municipalities. As a result, this report starts with the question number 8.

Methodology

The five municipalities provided the list of the registered businesses. In order to have representative opinions and to complete the survey within the time frame and financial resources available, it was decided to interview 5% of them. There were interviewed a total of 353 businesses in all five municipalities.

The businesses in the lists provided by the municipalities were categorized in order to determine the percentage of each category. Then, based on the percentage of each category, was determined the number of the businesses that will be interviewed from the respective category. The same percentages were applied to the number of the businesses interviewed in each municipality.

Another criterion that was followed was the proportion between small and medium and large businesses. Generally in a municipality this proportion was 10-15 percent large and medium businesses and the rest small. In order to give more weight to the opinions of the large businesses because they provide more employment and tax revenue as well as deal more often with the issues covered by this questionnaire. The proportion between in the sample of the businesses selected was 35-40% to 65-70% in favor of small businesses.

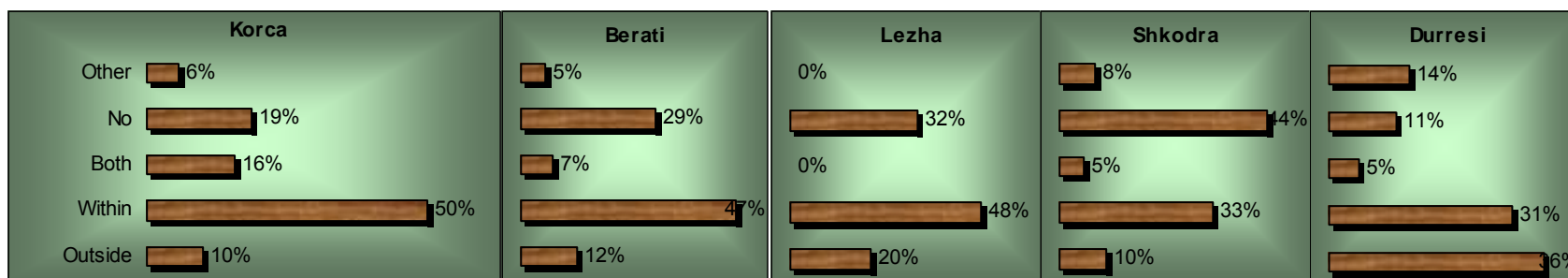
After the percentages and the numbers from each category were decided, from the lists provided by the municipalities FLAG randomly selected the businesses that will be interviewed. In order to give more flexibility to the interviewers there were determined a few more additional businesses for each category. So, if a difficult interviewee the interviewer had the possibility to move to another person.

To interview the businesses were engaged to groups of people in every municipality. The trained interviewers of FLAG that interviewed some of the large businesses and trained the local interviewers and the local interviewers that carried out most of the interviews. The local interviewers were selected with the assistance of the respective municipalities.



QUESTION No 8: Do you intend to expand your business? If YES, in what area: within the Municipality, outside the municipality, outside Albania.

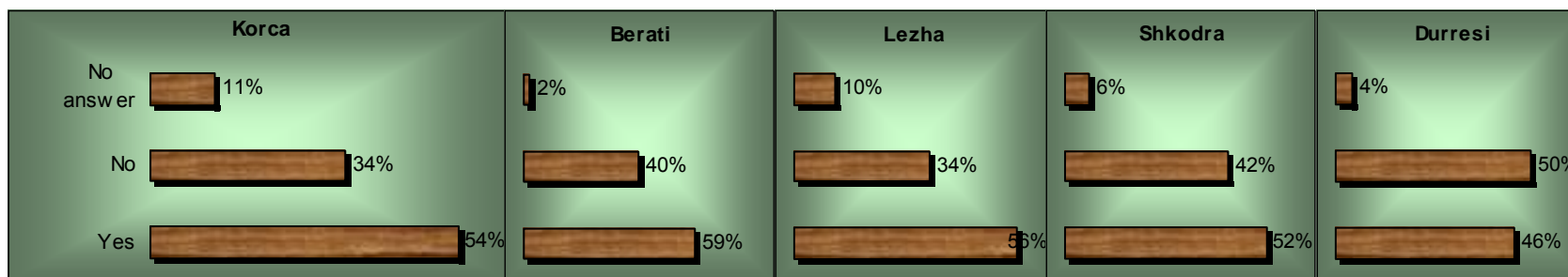
Generally, the main percentage of the businesses thinks of investing within the municipality, except in Durres. The number of the businesses that think of not investing is high, especially in Shkodra.



Other - includes those who selected at least one option investing outside Albania. **Both** - includes those who plan to invest in and out the municipality. **No** - those who don't plan to invest.

QUESTION No 9: Is it difficult for you to find qualified people?

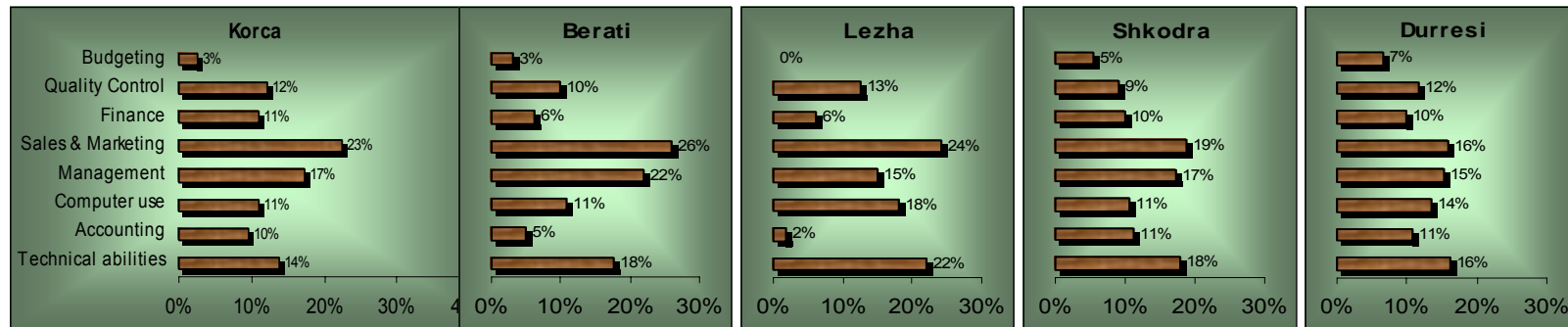
In the majority of the municipalities, most of the businesses say that it is difficult for them to find qualified work force, except in Durres.





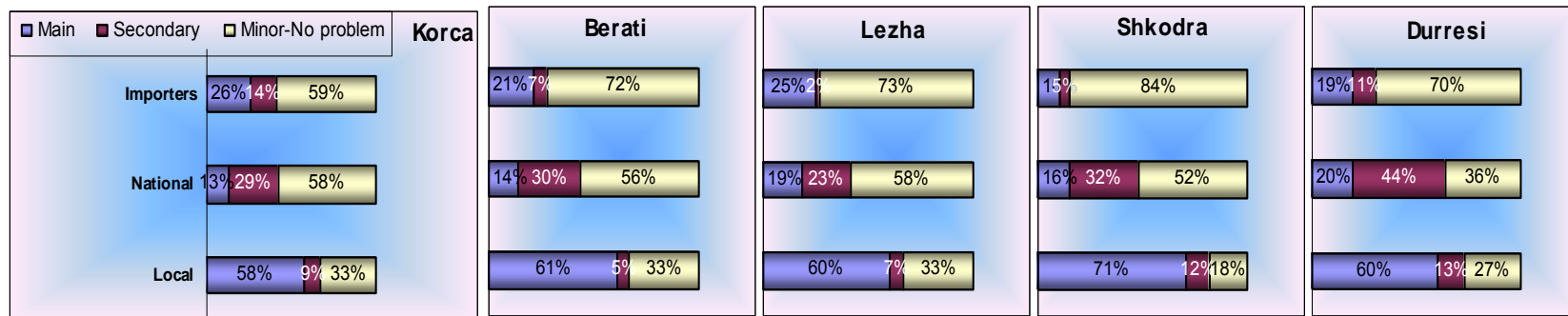
QUESTION No 10: In which skills areas do you think your staff needs training? Select the most important starting with 1.

The set of charts shows how vary with the municipality the percentages of businesses in favor of each skill. From here could be seen how the priorities of the municipalities might differ with respect to this question's contest. These priorities could be compared with those of the other municipalities as well.



QUESTION No 11: Where do you see the main competition for your products/services coming from? Specify the most competitive by putting 1 to 3.

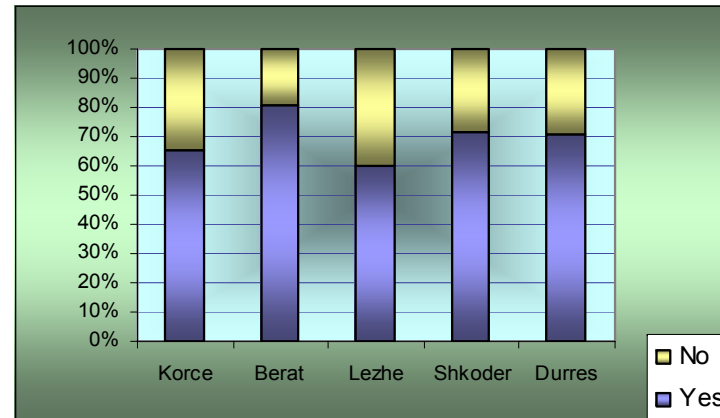
The set of charts allows seeing and comparing the source of the competition that businesses face.





QUESTION No 12: Do you think that business associations can help you develop your business?

The following chart shows the percentages of the businesses that responded yes or no to the question.



QUESTION No 13: Please, list any business association operating in your community.

The following tables (question 13, 14, 15) represent the percentage of the number of the businesses in each municipality that mentioned the respective category in their answers.

%	Korça	%	Durresi	%	Berati	%	Lezha	%	Shkodra
52,9	Chamber	34,7	Chamber	34,5	Chamber	10	Constructors	17,8	13Chamber
14,3	Constructors	18,9	Constructors	13,8	Constructors	4	Chamber	2,7	2Teuleda
8,6	ARZH	8,4	Businessmen	3,4	Taxi drivers'	2	Environmentalists	2,7	2UNOPS
5,7	GTZ	1,1	Hoteliers	1,7	Handcrafters			2,7	2Handycrafters
4,3	ATADA	1,1	AFERDITA	1,7	Bread makers			2,7	2Constructors
2,9	Architects			1,7	ARZH			1,4	Businessmen
1,4	Beverage Producers							1,4	Services
1,4	Hotels							1,4	Physicians
1,4	Agro tourism								
1,4	Besa								
1,4	Agro business								



QUESTION No 14: In which business sector would invest in a new business?

Korça		Durrësi		Berati		Lezha		Shkodra	
%		%		%		%		%	
17,1	Construction	29,5	Construction	17,2	Construction	32	Trading	14	Construction
17,1	Trading	14,7	Manufacturing	13,8	Services	8	Services	9	Services
11,4	Services;	14,7	Trading	12,1	Trading	6	Tourism-Hotel	8	Tourism
7,1	Food processing	9,5	Services	8,6	Hotel - tourism	4	Manufacturing	8	Trading
4,3	Fast food-restaurant	3,2	Hotel	3,4	Agro business	4	Furniture	8	Manufacturing
4,3	Tourism	2,1	Restaurant	3,4	Food Processing	2	Wood products	6	Restaurant
4,3	Garment	2,1	Furniture production	1,7	Security	2	Post service	5	Food processing
2,9	Furniture Manufacturing	2,1	Security systems	1,7	Bread production	2	Construction	4	Hotel
1,4	Vineyards	2,1	Garment	1,7	Paint production	2	Printing	4	Wood processing
1,4	Banking	2,1	Truism	1,7	Vineyards	2	Restaurant	4	Garment
1,4	Private security	2,1	Education	1,7	Furniture	2	Education	3	Real Estate
1,4	Transportation	1,1	Rubber	1,7	Restaurant	2	Sports	1	Desserts
1,4	Agro business	1,1	Egg production	1,7	Flower growing	2	Carpenter	1	Veterinary
1,4	Milk processing	1,1	Food for animals	1,7	Art	2	Tailor	1	Dentistry
1,4	Medicinal plants	1,1	Constructions in sea	1,7	Internet	2	Greening the city	1	Transportation
1,4	Qendisje	1,1	Cosmetics	1,7	Informatics	2	Beauty saloon	1	Chiropractor
1,4	Shoe- manufacturing	1,1	Medical	1,7	Manufacturing	2	Photo	1	Beauty salon
1,4	Carpets manufacturing	1,1	Mattresses	1,7	Lawyer			1	Play ground
1,4	Steel production	1,1	Transportation	1,7	Education				
1,4	Ice cream production	1,1	Internet provider						
1,4	Recreational areas	1,1	Desserts						
1,4	Telecommunication	1,1	Private education						



DELTA - ALBANIA



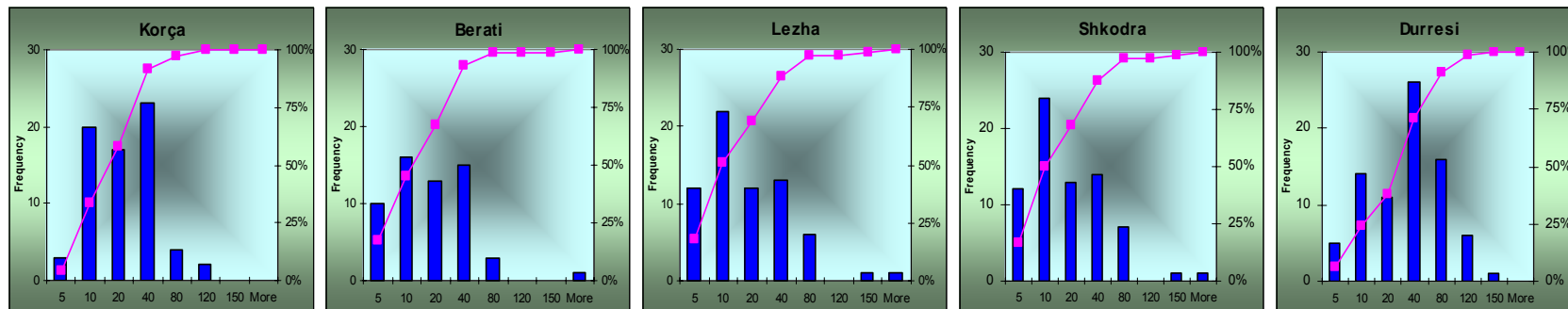
QUESTION No 15: Please list, according to importance, 5 factors that hinder you from expanding your business.

Freq	Korça	%	Durrësi	%	Berati	%	Lezha	%	Shkodra
17,1	Informal market	45,3	High taxes	55,2	Informal competition	56	Informal competition	64,4	Electricity
17,1	Corruption	42,1	Infrastructure	41,4	Electricity	34	Energy	43,8	Informal Competition
11,4	High taxes;	35,8	Electricity & energy	41,4	Taxes	28	High taxes	39,7	Infrastructure
7,1	Bureaucracy	32,6	Informal competition	34,5	Low purchasing power	22	Financing	34,2	High financing cost
4,3	Economic level	22,1	High cost financing	20,7	Local government	20	Infrastructure	34,2	Low purchasing power
4,3	Electricity	21,1	Corruption	19,0	Corruption	16	Low economic level	34,2	Law and order
4,3	Financing;	18,9	Bureaucracy - procedures	15,5	Infrastructure - Roads	12	Water	15,1	Corruption
2,9	Customs	9,5	Customs	15,5	High financing cost	10	Corruption	11,0	High taxes
1,4	Legislation	8,4	Legislation	8,6	Migration	8	Hygiene	8,2	Unqualified working force
1,4	Infrastructure	6,3	Political instability	8,6	Legislation	8	Safety	6,8	Free movement
1,4	Competition	6,3	Absence of facilities	6,9	Non application of legislation	8	High crediting cost	5,5	Uncertainty for the future
1,4	Local government	5,3	No qualified work force	6,9	Licensing procedures	6	Legislation	5,5	Information on the market
1,4	Poor management loc gov	4,2	Low purchasing power	5,2	Water	4	Human resources	5,5	Legislation
1,4	Political situation	4,2	Inequality among businesses (monopolization)	5,2	Financing	4	Political stability	5,5	Political stability
1,4	Non affectivity of the law	4,2	No information about the market	3,4	No development strategy	2	Monopoly on public funds	4,1	Limited financing
1,4	Mentality	3,2	Water	3,4	Discrimination of local products	2	Bureaucracy	4,1	No urban plan
1,4	No stability	3,2	Registration of the properties	3,4	Trained staff	2	Political preferences	4,1	Difficult to find other site
1,4	Contraband	3,2	Indifferentism of the municipality	3,4	Geographical position	2	Local government	2,7	Bureaucracy
1,4	Small size market	3,2	Urban plan	3,4	Information			2,7	Local gov
1,4	Qualified people	3,2	Low guarantee for investment	1,7	Bureaucracy			2,7	Monopolies
1,4	Discrimination in public bids	2,1	Economic conditions	1,7	Hygiene			2,7	Political preferences
1,4	Monopolies	2,1	Tourism policies	1,7	Small market size			2,7	Customs
1,4	Cultural life	2,1	Sewerage system	1,7	Transparency			1,4	Construction permit in touristy areas
1,4	Major	2,1	Management inexperience	1,7	Qualified personnel			1,4	Endless procedures
1,4	Ownership on land	2,1	Free movement	1,7	Decline of construction			1,4	Uncertified imported goods
1,4	Difficult to get license	1,7	Contraband	1,7	Monopolies on imports			1,4	Unpredictable costs
1,4	Issue licenses w/out criteria	1,7	High starting cost	1,7	Small market size			1,4	Reference prices in customs Information
1,4	Old technology	1,7	Public services						
		1,7	Law & Order						
		1,7	Illegal pressure of tax officers						



QUESTION No 16-a: How much time per year does it take you to process and receive all of the required licenses and permits that allow you to operate as a business?

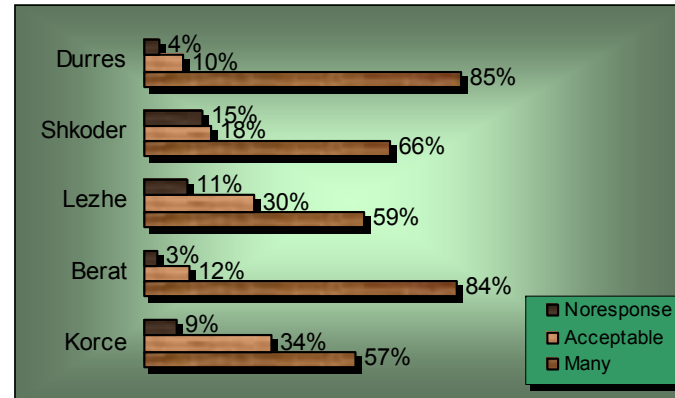
The following charts show how long does it take for different businesses to renew their licenses. It is interesting to notice that in all municipalities around 15% of the businesses report that complete this process in less than 20 days. The percentage of the businesses served within the same time interval could easily be compared.



Note: In all histograms red line represents the cumulative percentage and blue bars represent the frequency (how many time the values that belong to that interval are mentioned). The value at the point where two intervals are divided is represented by the frequency bar in the second interval.

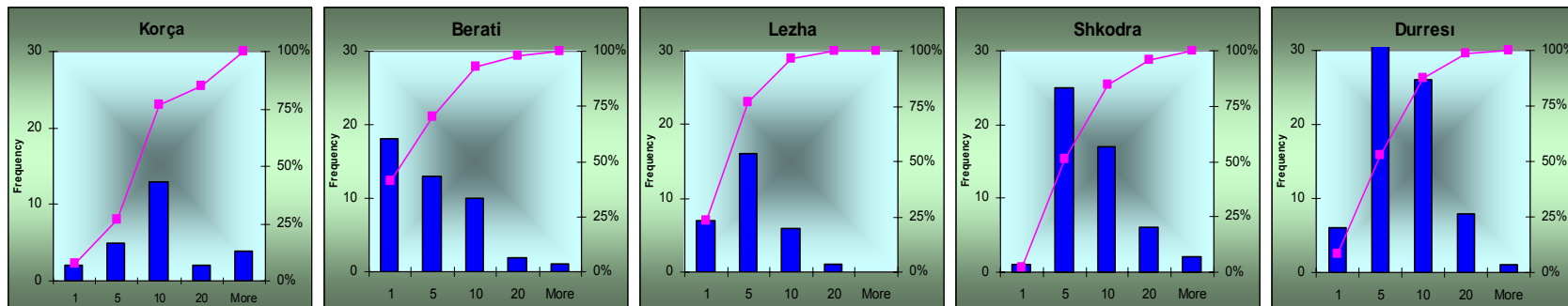


16 – b: How do you think, you spend many, a few or an acceptable number of days?



16-c How many days do you think would be enough?

Clearly most of the businesses would be happy if they renew their licenses in about 10 days.





QUESTION No 17: Based on your current experience with LOCAL GOVERNMENT and using a scale of 1 - 5 (where 1 is ‘problem’ and 5 is ‘very big problem’), please rate each of the following aspects in terms of how they impact your business.

Note: The following table gives the **percentages** of the businesses. In order to for the table to be easier to read, categories ‘No problem’ and ‘Small Problem’ are included under the column ‘Small’ and the categories ‘Big Problem’ and ‘Very Big Problem’ are included under the category ‘Big’. This was considered as adequate for comparative reasons. A more detailed description of the answers will be delivered with the individual reports for each municipality.

Possible aspects	Korça			Berati			Lezha			Shkodra			Durrresi		
	Small	Minor	Big	Small	Minor	Big	Small	Minor	Big	Small	Minor	Big	Small	Minor	Big
Regulations and laws change very often	27	21	51	43	22	34	32	10	56	54	18	28	22	10	67
Too much time is spent with local authorities	33	20	47	29	10	60	32	16	46	53	9	38	17	16	68
Regulations overlap, are repetitive or have contradictions	37	19	43	53	22	24	48	18	26	51	18	32	18	30	46
Regulations are too complex impossible to implement	37	19	44	47	24	29	40	18	34	61	15	24	21	23	54
Requirements are unpredictable and depend on officials	34	16	50	40	10	50	42	18	30	47	16	35	16	20	64
Absence of the clear regulations in some areas	17	19	61	34	26	40	36	14	42	44	19	37	18	26	52
Costs are too high and unpredictable	19	13	66	24	17	59	28	14	48	41	19	39	15	19	64
Use of the power to stimulate dishonest competition	47	16	37	24	9	67	42	16	28	58	15	25	28	9	56
Competition from the informal sector	27	13	59	22	7	69	30	8	48	10	8	82	10	9	75
Corruption and illegal practices	10	11	79	22	16	62	32	8	50	24	14	61	7	2	90

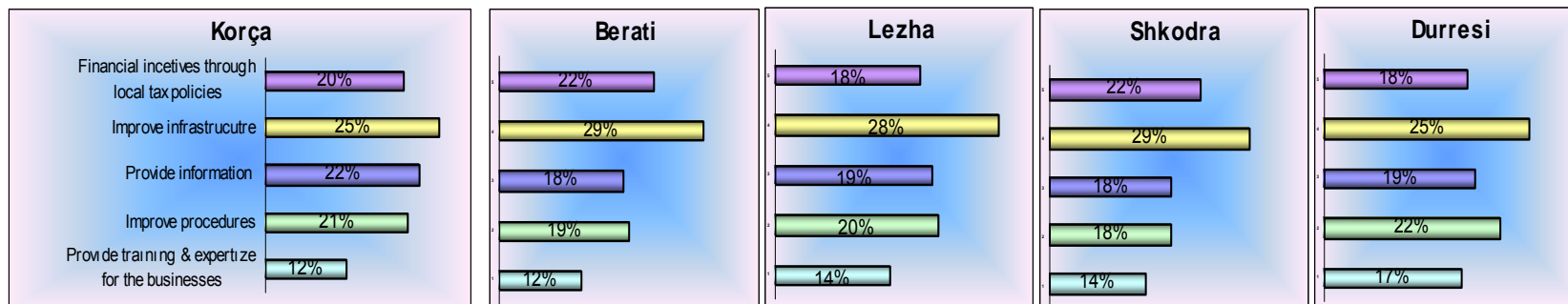


QUESTION No 18: What are the three most important things the municipality could do to make it easier for your business to grow?

The following table represents the percentage of the number of the businesses in each municipality that mentioned the respective category in their answers

&	Korça	&	Durrësi	&	Berati	&	Lezha	&	Shkodra
51,4	Decrease taxes	42,1	Infrastructure	39,7	Reduce taxes	44	Reduce taxes	43,8	Infrastructure
48,6	Equality for all	24,2	Improve procedures	22,4	Electricity	30	Reduce informal	23,3	Electricity
20,0	Improve infrastructure	23,2	Reduce taxes	22,4	Infrastructure	26	Electricity	21,9	Clean the environment & collect garbage
17,1	Improve the procedures	23,2	Provide expertise	19,0	Reduce informal competition	16	Infrastructure	17,8	Reduce informal competition
17,1	Stop informal market	13,7	Provide information	12,1	Treat all equally	16	Financing	15,1	Financial support
15,7	Collaboration w/business	7,4	Issue license for all & improve procedures	8,6	Public investment	16	Improve procedures	15,1	Reduce taxes
15,7	Reduce bureaucracy	6,3	Reduce bureaucracy	6,9	Promote touristy business	14	Water	13,7	Issue license for all & improve procedures
5,7	Electricity	5,3	Hygiene	6,9	Information	8	Clean environment	12,3	Information
5,7	Provide training information	5,3	Electricity	6,9	Consider business as partner	8	Provide training	8,2	Provide construction sites
5,7	Clean roads & city	5,3	Collaboration w/businesses	6,9	Collaborate w/community	6	Collaborate w/business	6,8	To be business advocate
4,3	Improve cultural life	5,3	Reduce informal economy	6,9	Transparency	6	Urban study	5,5	Transparency
4,3	Improve legislation	4,2	Provide financial incentives	5,2	Force the law	4	Follow the law	5,5	Improve business climate
4,3	Open new jobs	4,2	Transparency	5,2	Apply criteria for licensing	2	Competition	5,5	Fight corruption
4,3	Apply the law	3,2	Promote tourism	5,2	Involve bus community	2	Partnership w/businesses	5,5	Promote internationally local businesses
4,3	Provide training	3,2	Collaborate w/other municipal.	5,2	Long term Financing	2	Improve the traffic for delivering goods	4,1	Lightening the city
4,3	Stop corruption	3,2	Collaborate w/other municipal.	5,2	Improve procedures	2	Promote international partnerships	4,1	Law and order
2,9	Development plan	3,2	Force the law	3,4	Fight corruption in loc gov	2	Apply the rule same for all	2,7	Systemize the market sites
2,9	Accelerate construction permits	2,1	Safety and security	3,4	Clean environment	2		2,7	Reduce start-up cost
2,9	Solve urban problem	2,1	Accelerate construction permits	1,7	Financing	1,7		2,7	Collect all taxes & use properly
2,9	Support legally businesses	1,1	Detailed information from employment office	1,7	Reduce bureaucracy	1,7		2,7	Improve services
1,4	Non inhibit private activity	1,1	Urban transportation	1,7	Equality for all	1,7		2,7	Urban Study
1,4	Regulation and control on license issuing	1,1	Improve legislation for tourism	1,7	Urban plan	1,7		1,4	Collaboration w/other municipals
1,4	Urban services	1,1	Check construction permits	1,7	Improve employment office	1,7		1,4	Attract donors
1,4	Free movement	1,1	Train municipal staff	1,7	Accelerate construction permits	1,7		1,4	Introduce professional licenses
1,4	Increase the investments	1,1	Respect the business	1,7		1,7			
		1,1	Information on market						
		1,1	Promote employment						

QUESTION No 19: What can the Municipality do to help you develop your business? Put 1 to the option that you think has the greatest impact.



Note: The percentages represent the how many of the total given points was collected by the representative category. In order to give more weight to the areas that were given higher priority, the points were distributed as follows: 1=16pts, 2=12, 3=9, 4=7, 5=6.

QUESTION No 20: How many times during the last 12 months was your business inspected by the authorities listed below?

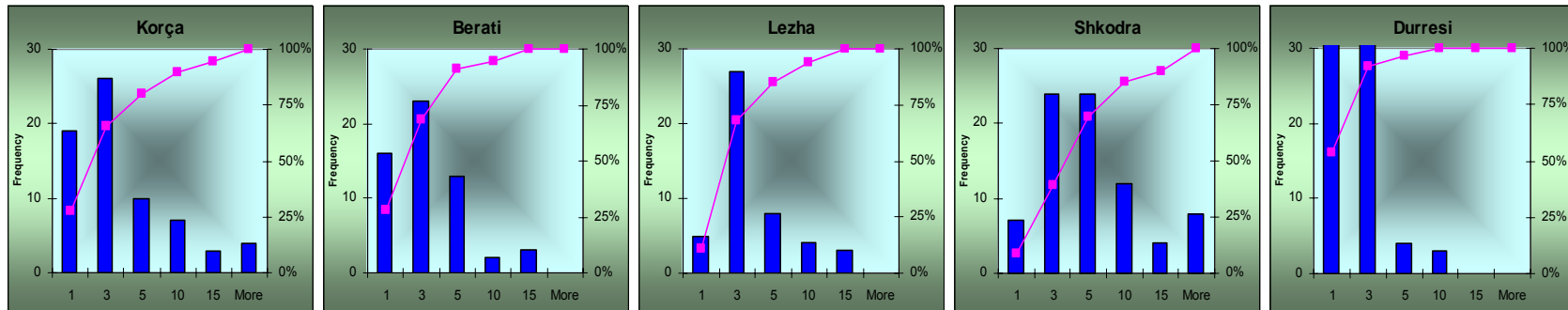
For each category a serie of histogrames shows the numbers of inspections done by each authority. All authorities are separated, so they can be compared easily.

All the notes made for the previous histogrames, are aplicable in the following ones as well. Differently from the previous histogrames, the following ones have an additional category: 0-0,5. It was created in order to make clear visibly how many zeros are in the answers. In this way it was possible to separate zeros from ones, so they can be easily seen and compared. It was as consequence of too man zeros in the answeres of the busiensses.

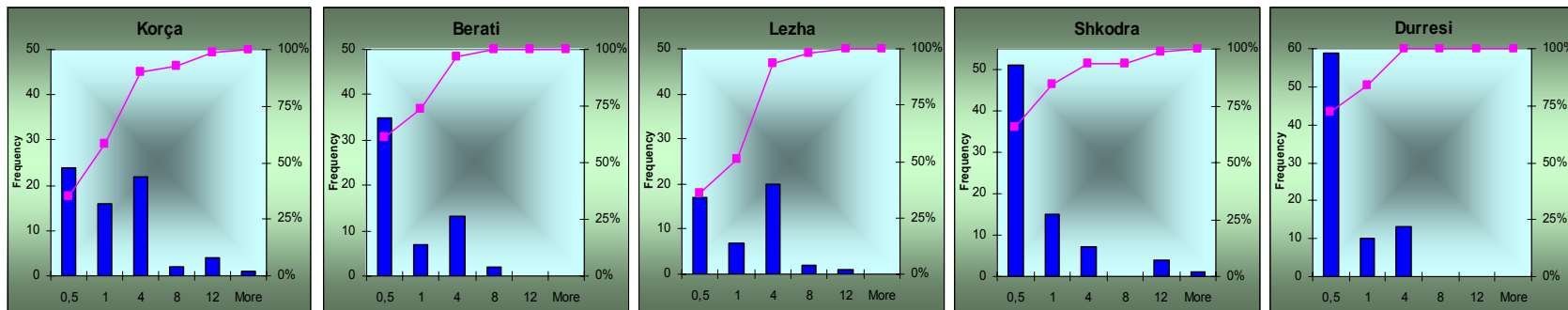
After the histogrames for all the authoritirs are shown, follows the table that shows the percentages of the businesses that have paid a fine or a bribe. The fines and pribes are not quantified because during the interviews, the businesses felt more comfortable telling whether they have paid a fine or bribe rather that amout they paid.



20-a: Tax Directorate.

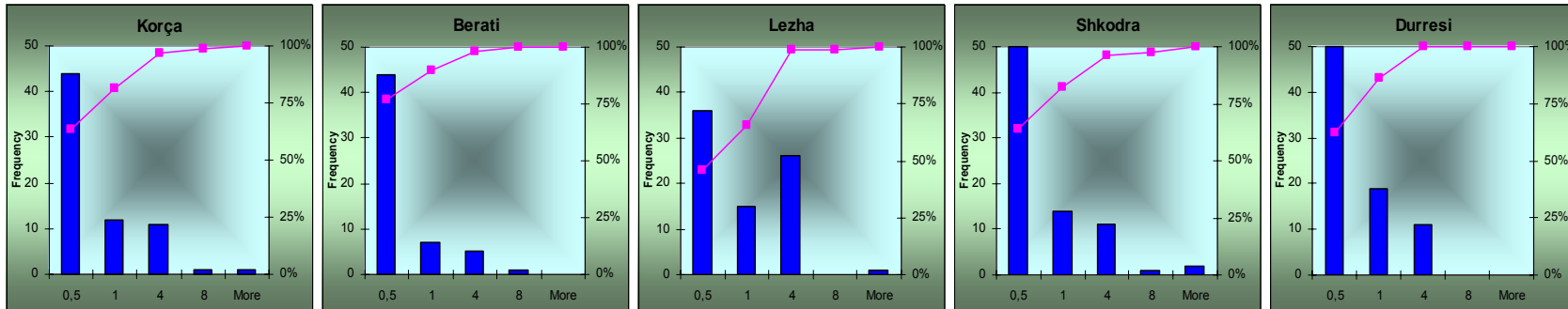


20-b: Sanitary Inspection

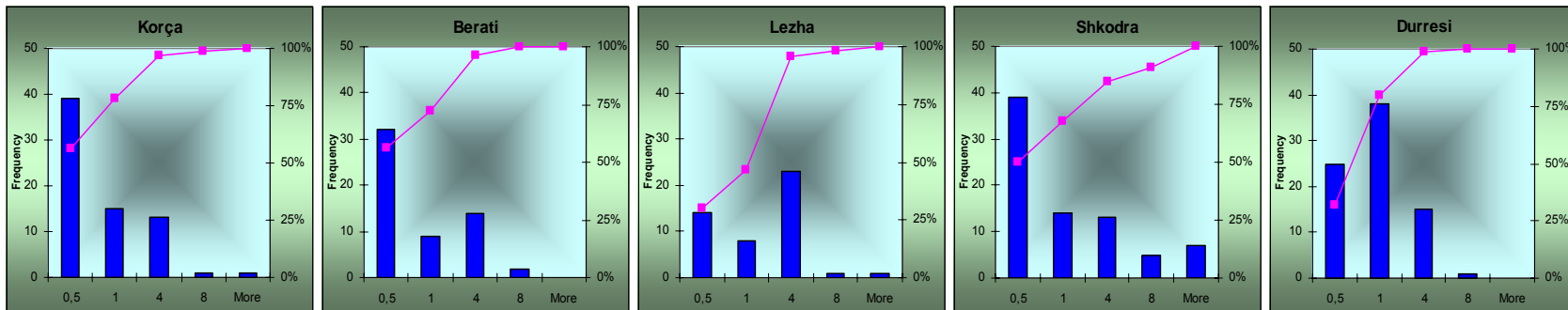




20-c: Municipal authority

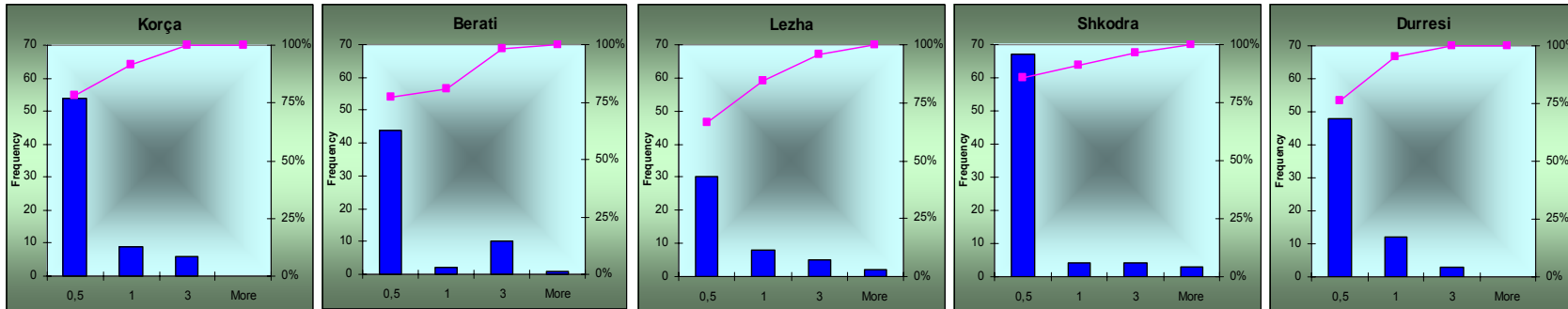


20-d: Authority of licenses – It is often performed by tax inspenstors, so the responses may reflect the visots from tax directorate.

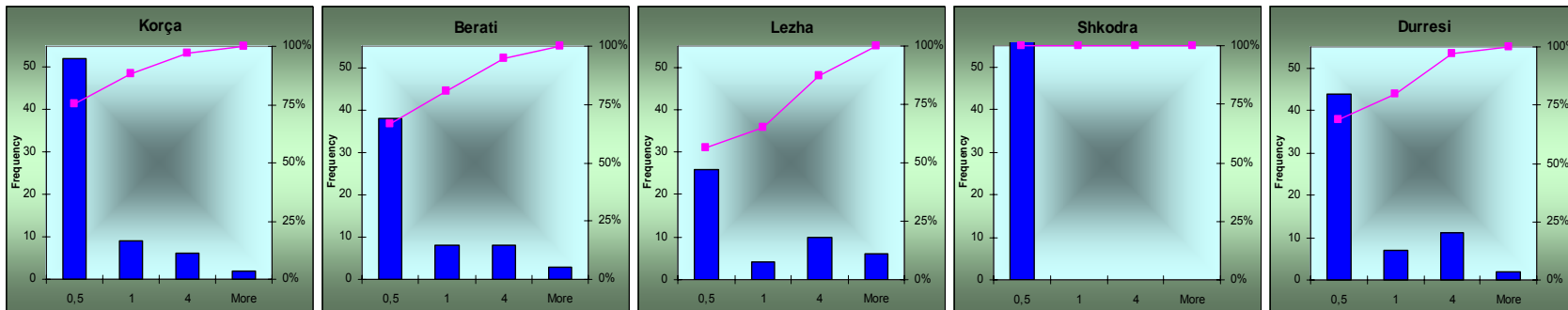




20-e: Environment Authority



20-f: Municipal police





The following table shows the percentages of the businesses that were fined or paid bribe to there special authorities.

	Korça		Berati		Lezha		Shkodra		Durrresi	
	Fines	Bribes	Fines	Bribes	Fines	Bribes	Fines	Bribes	Fines	Bribes
Tax Directorate	16	4	19	9	4	0	13	5	11	5
Sanitary inspection	0	0	2	2	0	2	0	0	0	0
Municipal authority	1	0	0	0	0	0	0	0	0	0
Authority of licenses	0	0	0	2	0	0	0	0	0	0
Environment body	0	0	0	0	0	0	0	0	0	0
Municipal police	0	0	0	0	0	0	0	0	0	0

QUESTION No 21: Based on your current experience and using a scale of 1 - 5, please rate each of the following factors as a problem for the growth and effective operation of your business.

Note: The following tables, which belong to the question 21 show percerntages. In order to for the table to be easier to read, categories ‘No problem’ and ‘Small Problem’ are included under the column ‘Small’; the categories ‘Big Problem’ and ‘Very Big Problem’ are included under the category ‘Big’ and ‘Don’t know’ and ‘Don’t apply’ are included under ‘N/A’. This was considered as adequate for comparative reasons. A more detailed description of the answers will be delivered with the individual reports for each municipality.



21-a: Infrastructure

	Korça				Berati				Lezha				Shkodra				Durrresi			
	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A
Roads	3	6	90	1	5	16	79	0	34	14	52	0	3	1	95	1	7	8	83	0
Railway	11	0	4	84	9	0	3	88	48	4	12	36	41	4	3	51	46	15	6	31
Airport	6	1	9	84	7	2	5	86	48	4	2	42	37	4	0	57	49	14	5	30
Sea-port	7	6	7	87	10	0	9	81	42	8	16	30	32	3	6	57	31	19	33	16
Land - facilities	44	13	31	11	40	16	34	10	48	4	30	14	30	10	51	6	28	56	14	2

21-b: Public Services

	Korça				Berati				Lezha				Shkodra				Durrresi			
	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A
Tax administration	41	21	36	0	50	16	31	2	50	14	36	0	49	25	24	0	13	7	79	0
Permits and Licenses to exercise the activity	66	17	17	0	57	17	22	0	68	8	16	2	59	16	19	0	42	8	49	0
Power supply	6	4	90	0	9	2	90	0	16	2	76	2	0	1	99	0	4	11	81	2
Water supply	86	3	10	0	41	21	38	0	36	20	42	0	63	15	20	0	58	19	18	4
Collection of garbage	46	13	41	0	22	28	50	0	32	12	50	4	43	16	41	0	25	7	64	3
Telecommunication capacities	76	13	11	0	40	21	40	0	56	14	18	2	49	16	32	0	41	29	18	6
Police protection	61	10	21	7	31	17	48	3	60	10	18	8	15	18	66	0	58	34	5	0
Fire protection	64	9	17	10	57	22	19	2	62	10	14	10	29	13	56	0	81	14	4	0
Regulations of urban zoning	30	13	26	30	34	5	47	12	38	18	26	12	25	4	53	13	23	23	50	1



21-c: Cilesia e jetesws: Many businesses were confused from the requirements of this question. Many didn't respond at all.

	Korça				Berati				Lezha				Shkodra				Durrresi			
	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A
Tax level	41	21	36	0	14	7	78	2	26	14	56	0	15	22	63	0	4	2	91	0
Hospitals and health care	66	17	17	0	34	22	33	10	46	12	22	18	42	14	42	0	20	22	52	2
Educational system	6	4	90	0	24	21	45	10	52	12	14	20	44	14	41	0	35	10	51	2
Hotels	87	3	10	0	62	10	14	12	56	10	2	26	57	11	9	20	53	25	1	14
Telecommunication cost	49	11	40	0	24	19	52	5	52	8	24	10	20	3	77	0	27	26	36	3
Crime, burglary, absence of law	76	13	11	0	19	24	55	2	52	14	22	6	9	14	77	0	14	15	63	2
Living cost	63	9	21	7	55	21	19	5	44	4	30	18	62	18	8	11	11	48	26	7
Recreational areas	66	9	16	10	26	19	48	7	44	10	20	22	27	9	51	14	18	30	32	13
Cultural ceners	33	13	24	30	22	16	53	9	42	6	20	22	32	8	44	16	24	33	23	14



21-d: Other factors

	Korça				Berati				Lezha				Shkodra				Durrësi			
	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A	Small	Minor	Big	N/A
The absence of the qualified personnel	40	13	47	0	45	19	36	0	52	10	38	0	41	6	53	0	54	35	9	1
Regulations in market and in customs	20	13	67	0	33	2	57	7	46	12	36	6	24	15	54	6	24	29	43	3
Corruption	10	4	86	0	24	12	64	0	44	8	34	8	16	8	76	0	7	5	85	2
Access to and cost of financial resources	33	26	34	7	34	19	45	0	34	16	42	6	25	28	43	3	19	35	36	6
Effective services to support business	19	19	26	37	28	24	47	0	34	14	38	10	23	24	37	15	23	38	29	8
Behaviour of the local government	24	23	27	26	43	19	36	0	56	16	16	8	52	23	18	4	33	35	27	3



QUESTION No 22: How good, do you think, is the support to SMEs in your Community? Based on your current experience and using a scale of 1 - 5 (where 1 is ‘not very good’ and 5 is ‘very’).

Note: The following table shows percenrtages. In order to for the table to be easier to read, categories ‘Acceptable’ and ‘Satisfactory’ are included under the column ‘Accept’; the categories ‘Good’ and ‘Very Good’ are included under the category ‘Good’ and ‘Don’t know’ and ‘Don’t apply’ are included under ‘N/A’. This was considered as adequate for comparative reasons. A more detailed description of the answers will be delivered with the individual reports for each municipality.

	Korça				Berati				Lezha				Shkodra				Durrresi			
	None	Accep	Good	N/A	None	Accep	Good	N/A	None	Accep	Good	N/A	None	Accep	Good	N/A	None	Accep	Good	N/A
Business associations	24	27	33	16	31	10	14	45	42	30	0	22	18	11	1	68	57	16	7	20
Professional associations	6	9	10	76	9	14	5	69	32	34	0	28	11	3	4	81	44	24	6	26
Local government	39	30	6	26	48	36	7	9	20	56	8	12	34	34	5	25	22	64	9	5
Private professional services	9	26	20	46	2	38	24	36	22	54	6	14	10	29	8	49	30	19	18	33
LEd office	9	9	11	70	12	16	3	69	20	30	2	40	13	13	3	70	32	13	7	48
RED office	9	9	14	67	14	14	2	71	24	26	2	44	13	1	0	84	27	6	6	56
International organizations	4	14	7	74	9	3	5	83	26	24	0	44	19	3	4	73	13	47	3	35
NGO	7	19	9	66	5	3	5	86	22	14	4	52	20	3	3	73	19	66	2	13



QUESTION No 23: How would you rate your relationship with the following?

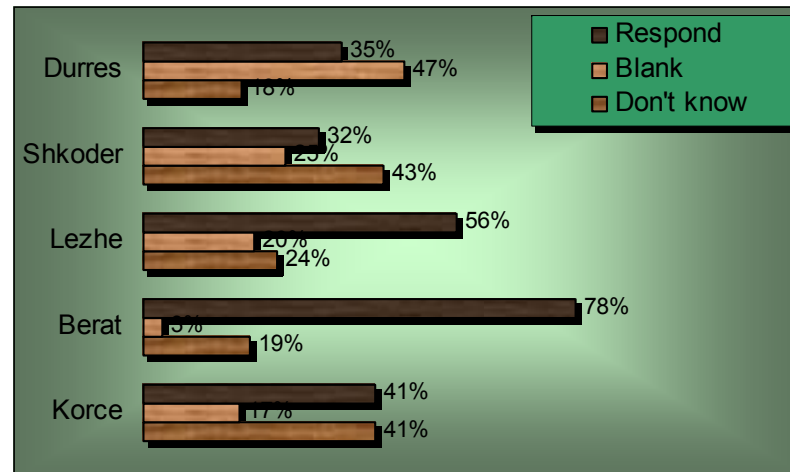
Note: The following table shows percentages. In order to for the table to be easier to read, categories ‘A little supportive’ and ‘Not much supportive’ are included under the column ‘Accept’; the categories ‘Much supportive’ and ‘Very much supportive’ are included under the category ‘Good’ and ‘Don’t know’ and ‘Don’t apply’ are included under ‘N/A’. This was considered as adequate for comparative reasons. A more detailed description of the answers will be delivered with the individual reports for each municipality.

	Korça				Berati				Lezha				Shkodra				Durrresi			
	None	Accep	Good	N/A	None	Accep	Good	N/A	None	Accep	Good	N/A	None	Accep	Good	N/A	None	Accep	Good	N/A
Major	23	27	17	33	28	31	10	48	8	28	46	16	15	14	18	52	3	15	60	22
Municipal Council	24	27	13	36	33	24	7	36	18	40	14	26	11	18	15	54	13	53	11	23
Tax Dept in Municipality	30	57	4	9	28	47	12	14	16	44	24	12	19	32	14	33	15	60	14	9
ED office near the Regional Council	26	11	13	50	21	16	5	59	22	32	2	42	10	8	6	75	11	31	7	49
Prefect	27	24	14	34	19	16	16	48	12	30	10	46	27	8	11	53	13	42	16	28
Tax directory	24	56	14	6	26	50	17	7	26	42	22	6	33	28	22	16	19	58	20	2



QUESTION No 24: Which municipal department positively effects the development of your business?

The following chart shows the rate of respond to this question. Most of the businesses whether don't give an answer at all or say don't know.



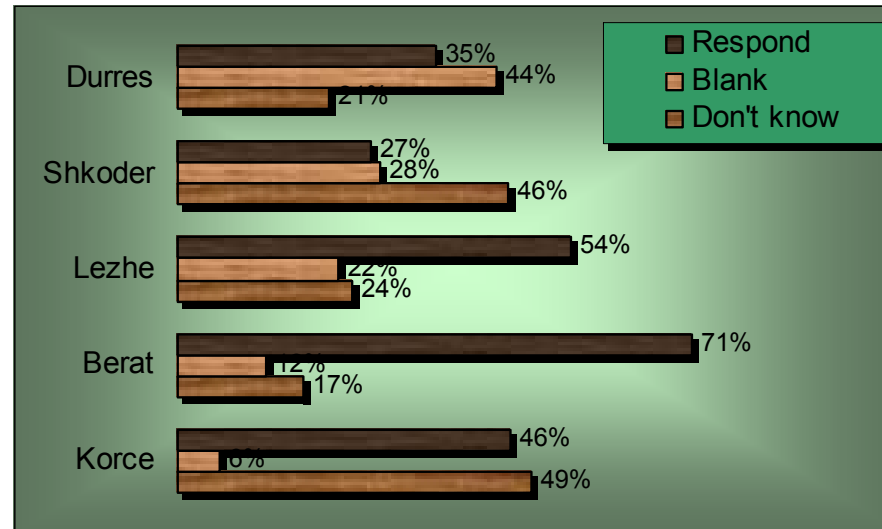
The following table gives the **percentages** of the businesses in each municipality that mentioned in their answer the respective departments.

Korça		Durrësi		Berati		Lezha		Shkodra	
12,9	Information	4,2	4Tax	8,6	RDO	12	Services	6,3	RDO
10,0	Services	4,2	4Urbanistic	8,6	Urban	10	Tax	6,3	Urban
8,6	Urban	3,1	3Employment Office	5,2	Investment	6	RDO	3,8	Public services
5,7	Investing	3,1	3Services	3,4	Transport	4	Urban	1,3	Tax
2,9	RDO	3,1	3RDO	3,4	Finance	2	Environment	1,3	Culture
2,9	Taxes	3,1	3Public relations	1,7	Legal	2	Major	1,3	Information
2,9	Culture	2,1	2Major	1,7	Education				
1,4	Economic	1,1	Labor inspectorate	1,7	Public relations				
1,4	Transportation	1,1	Transportation	1,7	Foreign relations				
1,4	Environment	1,1	Archeology	1,7	Culture				
		1,1	Education	1,7	Human resources				
				1,7	Services				



QUESTION No 25: Which municipal department negatively effects the development of your business?

The respond rate for this question was better than that of the previous question.



The following table gives the **percentages** of the businesses in each municipality that mentioned in their answer the respective departments.

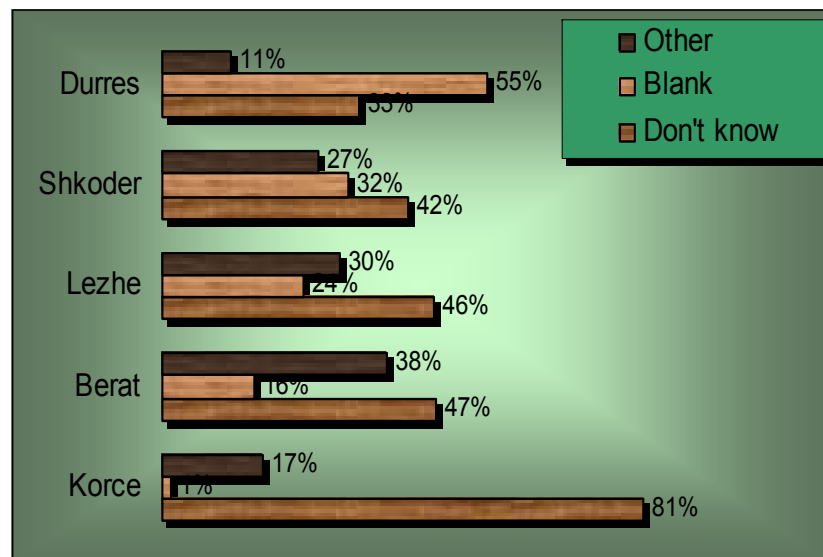
% Korça		% Durresi		% Berati		% Lezha		% Shkodra	
27,1	Tax;	11,5	Taxes	22,4	Tax	22	Tax	11,4	Tax
5,7	Services;	2,1	Urban	8,6	Municipal police	16	Services	1,3	Services
2,9	Major;	2,1	Municipal police	3,4	KRT	4	Urban		
2,9	Urban;	1,1	Services	1,7	Services	2	Municipal police		
1,4	Investing;	1,1	KRT	1,7	Foreign relations				
1,4	Veterinary Control	1,1	Infrastructure	1,7	Major				



QUESTION No 26: Can you name one municipal department that deals with local economic development?

The category 'Other' in the chart include all those that named a department.

The following table (on the right) gives a resume of how many times each of the departments was mentioned by the businesses in the respective municipality.

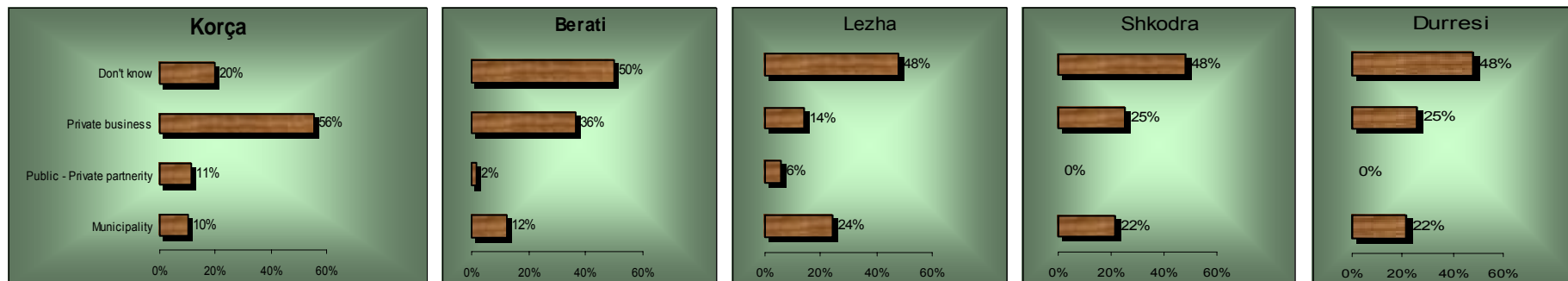


	Korca	Berati	Lezha	Shkodra	Durresi
RDO*	6	10	1	17	5
NONE	4	1	3		2
ECONOMIC		2	1		
FINANCE		2	6		1
INVESTING		4			
SERVICES		1			
TAX		2	4	1	3
URBANISTIC				1	
CULTURE				2	
KRT**					1

Note: *RDO means Regional Development Office;
 **KRT means The Council for Regulation of the Territories.

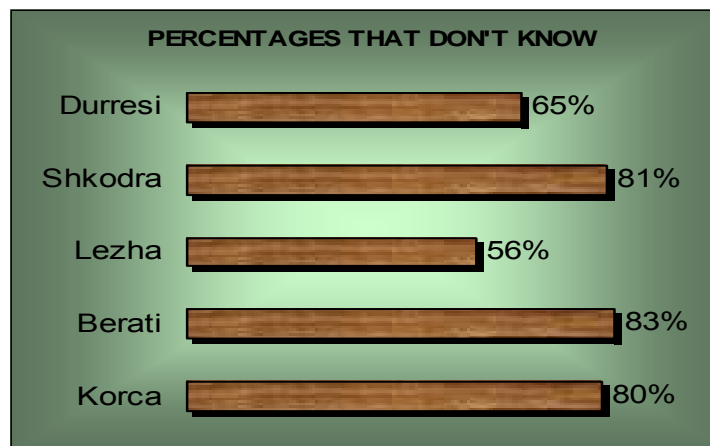


QUESTION No 27: Which of the following groups, if any, is the most active in promoting economic development in your community?



QUESTION No 28: Which of the following deals with the economic development activities in your municipality?

The following chart shows the percentages of the businesses that said 'Don't know'. Those few who gave answers mainly mentioned the Office of the Mayor.





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QUESTION No 29: In your opinion which are the three fastest growing sectors/industries in your community?

The following tables, regarding to the questions 29, 30, 31, 32, and 34 show the **percentage** of the businesses that mentioned the respective option. There are made effort to categorize all the opinions of the businesses, so that the tables could be easily readable and the responses in different municipalities could be easily comparable.

%	Korça	%	Durresi	%	Berati	%	Lezha	%	Shkodra
88,6	Construction	76,0	Construction	50,0	Construction materials	40	Construction	67,1	53Construction
38,6	Services	49,0	Trading	31,0	Food processing	32	Trading	25,3	20Services
31,4	Trading	34,4	Tourism & HOTEL	29,3	Services	28	Tourism	16,5	13Food industry
20,0	Garment	25,0	Manufacturing	25,9	Agro business	16	Services	16,5	13Tourism
8,6	Food processing	12,5	Transportation	17,2	Trading	14	Light Industry	15,2	12Trading
4,3	Manufacturing	11,5	Internet & electronic systems	15,5	Garment	6	Fishing	13,9	11Bar-Reastaurants
4,3	Agro business	9,4	Services	15,5	Handcrafting	6	Restaurants	13,9	11Garment
2,9	Transportation	7,3	Light Industry	15,5	Tourism	4	Telecommunication	5,1	4Gambling
1,4	Banking	4,2	Garment	10,3	Hotel	4	Transportation	3,8	3Hand crafting
1,4	Brick production	1,1	Fishing	8,6	Restaurant	2	Health care	3,8	3Wood processing
1,4	Computers	1,1	Agriculture	5,2	Transportation	2	Computers	2,5	2Bank system
1,4	Hotels	1,1	Corruption	5,2	Wood industry	2	Livestock	2,5	2Shoe's
1,4	Light industry	1,1	Travel agencies	5,2	Light industry	2	Gambling	2,5	2Transportation
1,4	Vineyards	1,1	Animal's food	3,4	Faison	2	Agriculture	1,3	Telecommunication
1,4	Leather processing			1,7	Telecommunication	2	Handicraft	1,3	Livestock
1,4	Telecommunication			1,7	Sailors			1,3	None
1,4	Media								



QUESTION No 30: In your opinion, which are the three sectors that are declining the most in your community?

Korça		Durrësi		Berati		Lezha		Shkodra	
41,4	Agriculture	39,6	Agriculture	41,4	Construction	28	Agriculture	39,2	31Manufacturing
38,6	Manufacturing	37,5	Public Services	32,8	Garment	20	Food industry	24,1	19Trading
34,3	Trading	20,8	Manufacturing	31,0	Mechanical Industry	8	Light Industry	13,9	11Agriculture
21,4	Food Processing	15,6	Chemical & Mechanical	20,7	Trading	8	Food processing	7,6	6services
10,0	Garment	10,4	Transportation	19,0	Small business	8	Manufacturing	7,6	6Small business
8,6	Health care	10,4	Trading	10,3	Agriculture	6	Fishing	6,3	5Tourism
4,3	Fason	8,3	Food processing	10,3	Tourism	4	Public transportation	6,3	5Light Industry
4,3	Transportation	6,3	Energy	8,6	Handicraft	2	Livestock	2,5	2All
4,3	Construction	5,2	Small business	8,6	Manufacturing	2	Restaurant	2,5	2Mines
4,3	Tourism	2,1	Construction	6,9	Light industry	2	Tourism	2,5	2Wood industry
4,3	Livestock	2,1	Education	3,4	Food industry	2	Energy	2,5	2Fishing
2,9	Services	1,1	Culture	3,4	Education	2	Small business	2,5	2Garment
1,4	Mines	1,1	Industries	1,7	Dairy farm	2	Art & culture	1,3	Hand crafting
1,4	Hand crafting	1,1	Fishing	1,7	Services			1,3	Health service
1,4	Education			1,7	Transportation people			1,3	Construction
								1,3	Electric power
								1,3	Railways

QUESTION No 31: Which are the three most attractive business enabling environment features about your community for investors (three strengths)?

Korça		Durrësi		Berati		Lezha		Shkodra	
27,1	Geographical position	47,9	Near the sea-port	63,8	Museum and touristy values	34	Geographical position	25,3	Geographical position
27,1	Educated (qualified) people	25,0	Geographical position	29,3	Civilized society	24	Near seaside & seaport	22,8	Touristy resources
17,1	Obedience to the law	24,0	Climate	20,7	Natural resources	10	Natural resources	13,9	Agricultural resources
17,1	Entry port	20,8	Touristy place	15,5	Geographical position	8	Touristy resources	10,1	Handicraft tradition
10,0	Low labor cost	12,5	Demographic growth	13,8	Clean environment	6	Growing population	10,1	Low labor cost
5,7	Income from emigration	8,3	Low labor cost	12,1	Climate	2	Climate	8,9	Entry port to the country
5,7	Rich soil	6,3	Vicinity to Tirana	12,1	Low labor cost	2	Near highway	7,6	Natural resources
4,3	Touristy resources	5,2	Transportation hub	8,6	Agricultural resources	2	Crossroad	7,6	Cultural tradition
2,9	High living standard	5,2	Educated work force	8,6	Yong work force	2	Agricultural resources	5,1	Young population
2,9	Climate	4,2	Income from emigration	5,2	Handicraft	2	Income from emigration	3,8	Lake and beach
1,4	Disciplined people	2,1	Law and order	1,7	Qualified people			2,5	Low salaries
1,4	Existence of handcrafters	2,1	8 th corridor	1,7	Hospitality			2,5	Fishing tradition
1,4	Business climate	1,1	Archaeological resources					1,3	Manageable working force
1,4	Mentality								
1,4	Businesses are divided								
1,4	Support the farmers								

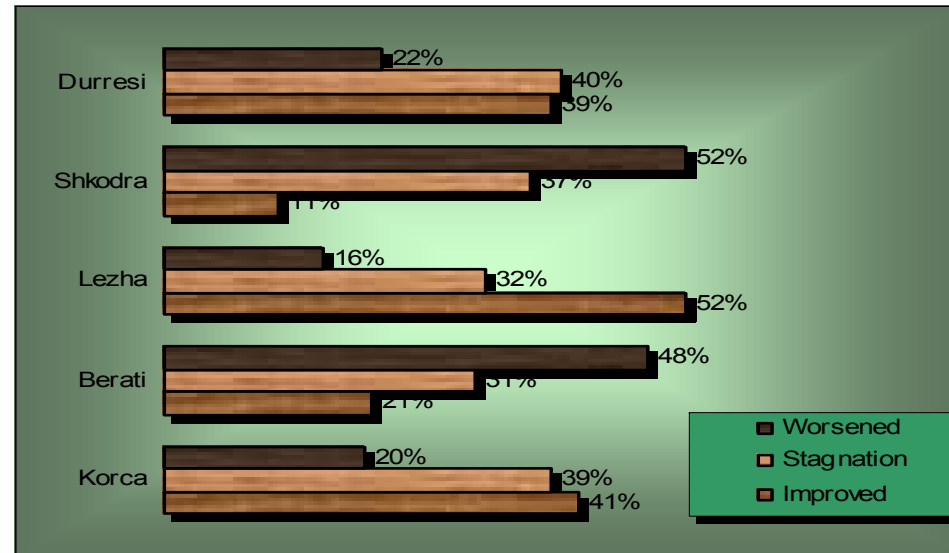


QUESTION No 32: Which are the three worst business enabling environment features (three weaknesses)?

%	Korça	%	Durresi	%	Berati	%	Lezha	%	Shkodra
72,9	Infrastructure	38,5	Infrastructure	37,9	Isolation	20	Informal competition	34,2	Infrastructure
24,3	Economic level	27,1	Vicinity to Tirana	27,6	Migration	20	Electricity	32,9	Electricity
14,3	Energy	24,0	Electricity & energy	25,9	Infrastructure	14	Corruption	13,9	Law and order
14,3	Tax policy	13,5	Corruption	20,7	Unemployment	12	High taxes	12,7	Poverty
12,9	Corruption	10,4	Informal competition	19,0	Poverty	10	Infrastructure	10,1	Economic recession
10,0	Emigration	10,4	High taxes	15,5	Incapable local government	8	No financing	6,3	Unemployment
8,6	Informal market	8,3	Low economic level	13,8	Electricity	8	Unqualified work force	5,1	Corruption
7,1	Local government	4,2	No urban study	10,3	Political Uncertainty	8	Water	5,1	Low income
7,1	Mentality	3,1	Hygiene	8,6	Corruption	8	Low purchasing power	3,8	No long term financing
5,7	Absence of entrepreneurship	3,1	Conservative mentality	8,6	Bad image of '97	6	Public administration	3,8	No information
5,7	Geographical position	2,1	Communal services	5,2	No investments	6	Safety	3,8	No investments
4,3	People save too much	2,1	No financing	5,2	Water	4	Mentality	3,8	Government
4,3	Bureaucracy	2,1	Bureaucracy	5,2	Geographical position	2	Customs	2,5	Business climate
4,3	Bureaucracy	1,1	Transparency	5,2	High taxes	2	Ownership	2,5	Dirty environment
4,3	Climate	1,1	Water	3,4	Uncertain future	2	Management of resources	2,5	No development strategy
2,9	Trained people	1,1	Portal procedures	1,7	Information	2	No development study	2,5	Customs
2,9	Monopolies in Tirana	1,1	Police	1,7	No running water	2	Telecommunication	2,5	Corruption of local government
2,9	Loss of the confidence	1,1	Urban Transportation			2	Demographic growth	2,5	In-capability of loc gov
1,4	Living cost	1,1	Political Instability			2	Dirty environment	1,3	Bureaucracy
1,4	Contraband	1,1	Dirty market site			2	Monopolies	1,3	Intelligence leaves the city
1,4	Juridical system	1,1	Disorganized businesses					1,3	Ownership problems
1,4	No investments	1,1	Tax authorities feel superior against business					1,3	Construction permits without criteria
1,4	No crediting	1,1	Un-justified expenses of public officials						
1,4	Absence of the urban plan	1,1	No information						
1,4	"Ownership" on customs	1,1	Overpopulation						
		1,1	No qualified work force						



QUESTION No 33: In your opinion, how has the overall business enabling environment changed over the last three years?





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QUESTION No 34: What three things could you do to contribute towards the development of the local economy in your city?

%	Korça	%	Durresi	%	Berati	%	Lezha	%	Shkodra
18,6	Improve infrastructure	34,4	Cleaning & greening the city (&beach)	36,2	Infrastructure - roads	10	Collaborate to development projects	20,3	Infrastructure
17,1	Improve my business			10,3	Collaborate w/other stakeholders	8	Increase activity	13,9	Electricity
14,3	Increase investments	25,0	Infrastructure			6	Support businesses	10,1	Clean & greening the city
8,6	Low cost credits to collaborate	4,2	Promote internationally tourism & culture	8,6	Clean & improve environment	4	Reduce taxes	6,3	Financial incentives to business
7,1	Improve services	4,2	Recreation areas	8,6	Build highway to Lushnja	4	Increase Financing	5,1	Establish law and order
7,1	Open new jobs	4,2	Collaboration w/public sector	8,6	Lightening the city	4	Increase investments	5,1	Collaborate w/business
7,1	Improve the cultural life	3,1	Improve financing	6,9	Promote touristy travels	4	Free movement	3,8	Free movement
7,1	Reduce informal competition	3,1	Fight informal economy	5,2	Maintain cultural sites	4	New jobs	3,8	Increase cultural activity
5,7	Involve the community to the dev. projects	2,1	Electricity distribution	5,2	Systemize the river	4	Clean the city	2,5	Tourism
5,7	Promote honest competition	2,1	Charity	5,2	Increase investments	2	Energy	2,5	Health
4,3	Improve legislation	1,1	Transparency	5,2	Train public administration	2	Charity	2,5	Education
4,3	Development strategy	1,1	Rational use of the land	3,4	Provide employment	2	Help professional training	2,5	Transparency
4,3	Decrease prices	1,1	Legalization of the migrants	3,4	Recreational activities	2	Create a business centre	1,3	Open professional courses
4,3	Fiscal policy	1,1	Clean& maintain the sea-port area	3,4	Touristy guide	2	Improve procedures	1,3	Privatize public service
4,3	Improve information	1,1	Improve my business	1,7	Cultural activities	2	Improve services	1,3	House for old people Hospital
4,3	Pay taxes	1,1	Open new jobs	1,7	Enhance my business	2	Urban study	1,3	Water distribution system
4,3	Improve my business	1,1	Library	1,7	Electricity			1,3	Recreational areas
4,3	Return of the old bazaar to identity	1,1	Movie theatre	1,7	Development plan of city			1,3	Sewerage
2,9	Seeding the surrounding hills	1,1	Health care	1,7	Water			1,3	Public services
2,9	Sports	1,1	Reduce start up cost	1,7	Education			1,3	Open information
2,9	Arts	1,1	Promote production	1,7	Fight corruption				
1,4	Recreational areas	1,1	Traditional markets near touristy places	1,7	Maintain businesses				
1,4	Attract foreign investors	1,1	Improving roads lightening						
1,4	New bank services	1,1	Water						
1,4	Increase salaries	1,1	Sewerage system						
1,4	Stop power cuts	1,1	Improvement of schools						
1,4	Force the law	1,1	Law and order						
1,4	Fix power problem								
1,4	Improve security								



QUESTION No 35: Which of these describes most closely your community's economy during the last five years?

