THE FACTORS AFFECTING THE TREND OF FDI-S IN ALBANIA DURING THE LAST 5 YEARS

Blerta Dragusha556
Erjola Barbullushi (Sakti)557

DOI: https://doi.org/10.31410/eraz.2018.866

Abstract: Foreign Direct investments are considered very important for a country's economic growth. Foreign direct investments in Albania have had their trend over the last 25 years. Over recent years, a high priority has been given to foreign investments and potential investors through the liberalization of investment absorption policies. In line with these policies, a series of reforms and laws have been implemented, guaranteeing and supporting foreign investments. With a liberal legislation where foreign and domestic investors have the same obligations and rights, the Albanian Government has given particular priority to sectors with high potential to develop such as: Renewable Energy, Mining Industry, Tourism, Industry Processing, Agriculture, Transportation and Logistics, as well as the Information and Communication Technology sector.

Foreign Direct Investments inflows increased by 15.7% in 2017 compared to the previous year. But S & P warns that this growth is coming as a result of major projects, and then will fall to 10% of GDP in 2019-2020. Albania offers great investment opportunities in sectors with sustainable economic growth such as: Energy & Miner Industries; Transport & Logistics; Tourism; Agriculture; Manufacturing.

In this paper, through the data provided by Albanian and foreign institutions we will make a description of the trend of Foreign Investments in Albania over the last 5 years, focusing on the type of investments, country of origin and industries where they are concentrated.

Then we will analyze the main factors that have affected the actual level of Foreign Investments in Albania over the last 5 years.

556 University of Shkodra "Luigj Gurakuqi", Godina e Rektoratit, Sheshi 2 Prilli, Shkoder, Albania
557 University of Shkodra "Luigj Gurakuqi", Godina e Rektoratit, Sheshi 2 Prilli, Shkoder, Albania
Key words: FDI, Albania, economic growth

Dr. Erjola Barbullushi (Sakti)
She is a Lecturer of Finance and Accounting at Economic Faculty of University of Shkodra “Luigj Gurakuqi”. She graduated in 2005 in University of Shkodra, and followed master studies in Finance at University of Tirana. Since 2005 the main subjects taught are Cost and Management Accounting, Taxation and Risk Management. Her field of interest lately consists on International Corporate Finance and Bank Efficiency Evaluation.
Dr. Barbullushi is engaged in international projects and teaching. She was engaged in teaching at Sandhills Community College, North Carolina, USA, and University of Warsaw, Poland. Recently, she has been part of Final project for Financial Management, Auditing and Controlling curricula development for capacity building of public administration in Albania. In this way focusing in fiscal policies and financial control.
She is an active member of some Professional Organizations especially regarding Finance and Accounting and holds a CFA since 2011.