

Address by Mr. Genc Ruli
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The mission of the Competition Authority is essential to the existence of a functioning market economy

Let me first thank you for your invitation to participate in this event that celebrates the fifth anniversary of the creation of the Competition Authority.

In my view, the mission of your institution is essential for the existence of a functioning market economy. This statement is one of the basic criteria of Copenhagen, and as such, it is determinant to the European and Euro-Atlantic integration of our country. It enables the correct functioning of market, the application of transparent and equal rules for all and a market that encourages innovation and promotes fair play by its actors.

We live in a period when a rapid and universal economic globalization is going on. Albania is implementing an aggressive trade policy, focused on the gradual opening and liberalization, while accomplishing in a satisfactory manner all the direct and indirect obligations stemming from the Stabilization and Association Agreement. All these steps have significantly increased competitive pressure on domestic business. We note this fact not just in the regional context, but also in the European and broader contexts. Exactly in this medium where market players and actors perform transactions on a daily basis, the market and consumers have a particular importance.

In today's economic theory it is widely accepted that liberal trade policies have brought significant benefits to local business – as well as a good dose of innovation, especially when it comes to smaller markets such as Albania. Meanwhile, in order to ensure that the customers receive the optimal service and product quality, we must be sure that the market functions, and that it promotes the best practice and is customer oriented. In this perspective, competition policies are implemented under the Regulatory Reform undertaken by the Albanian government, the Competition Authority and the State Aid Program.

The application of competition policies by all these three institutions may sound a bit confusing to the ears of ordinary citizens. However, as the Minister responsible for two of them, I would like to stress the fact that the Albanian Government has made large steps forward with regard to deregulation and facilitating the market entry of economic operators, but also with regard to the steady implementation of state aid. These interventions have produced market opening and have enlivened competition, but with an efficient use of taxpayers' money, this concept is closely linked to State Aid. On the other hand, the Competition Authority is providing evidence that through the mechanisms it has available, is increasingly affecting the economic efficiency of products and services markets to the benefit of the Albanian consumer. This is especially true with regard to markets that have a concentrated structure, such as the telecommunications, energy, etc.

I would like to congratulate and encourage, in particular regarding your interventions in the fixed and mobile telephony market, the insurance market, the producers of bread and producers of concrete markets. The Albanian market is a relatively small market, and concentrations of commercial activities in the hands of a few players happen much more easily than they do in large markets. But precisely these phenomena create a major impact on the end user, the citizens of this country, who just like the European citizens have the right to obtain products of a fair and competitive market.

I would like to focus on the topic you have selected for today's event, i.e. "The legal rights and competition policies in small and informal markets." Albania is becoming more and more less formal and bigger market! CEFTA Agreement, which has already entered the phase of its implementation is without doubt our greatest achievement, and at the same time, our greatest reform concerning the integration of our economy in a regional context. The implementation of this agreement shall cause the "defeat" of the perception of Albanian economy as a small economy, and more so today when the Albanian Government is allocating 10% of Gross Domestic Product in infrastructure investments, which will bring an inevitable impact on the size of market economy.

At the same time, Albania is becoming increasingly less informal: the reforms of the last three years have been drastic, well-thought and fully effective. The result is visible, and marks the "entry into formality of the economy at a considerable scale. However, there is no room for complacency: the basis of the Albanian economy are small medium enterprises (SMEs), in support of which we are implementing various projects. We are implementing step by step the European Charter of SMEs, with a special focus on the primary objectives of the Lisbon Agenda: support for innovation and competitiveness.

We are convinced that by promoting competition, we'll achieve sustainable economic growth and create new employment opportunities. However, the effects of the government reforms will be less effective if they would not be accompanied by the implementation of efficient instruments [for intervention into the market] that are available to the Competition Authority. Here I see an inevitable point in common, such that it would leave a trace in the economic environment and the Albanian market typology. If our institutions will fail to act in full coordination, i.e. on one hand the Government fostering its advanced, deregulation reforms, and on the other hand, the Competition Authority, it is likely that we will not succeed in having competitive SMEs and consumers satisfied with the products or services provided. Of course, while I am stating these considerations, I am very much aware that the "culture of competitiveness" is a long process, difficult and not an instantaneous action. This process requires a change of mentality, requires determination on your side, but also support from the government, - support which has not missed these last years.

At the conclusion of my speech, I wish to congratulate you for your achievements and to encourage you to keep this satisfactory pace in your work for the achievement of your future objectives!