

RPTR1

TRADE AND INVESTMENT PROMOTION PLANNING SYSTEM

89/90 TRADE AND ECONOMIC OVERVIEW

Mission: BELGRADE

Country: ALBANIA

CANADA AND ALBANIA ESTABLISHED DIPLOMATIC RELATIONS IN SEPTEMBER OF 1987 SINCE THEN. CANADIAN BUSINESSMEN AND EMBASSY STAFF HAVE TAKEN THE FIRST FEW TRIPS TO THIS PREVIOUSLY-CLOSED COUNTRY TO EVALUATE BUSINESS OPPORTUNITIES.

ALBANIA IS FIRMLY COMMITTED TO ITS POLICY OF "SELF-RELIANT, MUTUAL BALANCING OF TRADE"; THIS MEANS THAT THE COUNTRY'S STATE TRADING ORGANIZATIONS WILL NOT UNDERTAKE ANY MAJOR IMPORT BEFORE AN EXPORT OF SIMILAR VALUE HAS BEEN IDENTIFIED. THE CORRESPONDING ALBANIAN EXPORT NEED NOT BE DESTINED FOR CANADA: THE MATCH CAN BE MADE WITH DIFFERENT FOREIGN TRADE ORGANIZATIONS IN COMPLETELY DIFFERENT MERCHANDISE, TO CANADA OR A THIRD COUNTRY. THE IMPORTER IS REQUIRED TO PAY CASH, AND THE EXPORTER WILL THEN RECEIVE CASH: THIS IS THEIR INSTITUTIONALIZED WAY OF ENSURING BALANCED TRADE.

ALBANIA HAS REQUIREMENTS FOR EQUIPMENT AND SERVICES TO MODERNIZE THEIR HARD-CURRENCY-EARNING INDUSTRIES, SUCH AS CHROME AND COPPER MINING, FERROCHROME PRODUCTION, PROCESSING OF DOLOMITE, ETC. THE COUNTRY IS ALSO IN NEED OF A WIDE VARIETY OF CONSUMER GOODS. CANADIAN EXPORTS ARE LIMITED ONLY BY OUR COLLECTIVE ABILITY TO LOCATE PURCHASES OF ALBANIA'S MINERALS, HANDCRAFTS, AGRICULTURAL PRODUCE, HAND TOOLS, ETC. THE ONUS WILL CONTINUE TO BE ON THE INTERESTED EXPORTER TO FIND INTERNATIONAL MARKETS FOR ALBANIAN GOODS.

CANADIAN EXPORTS TO ALBANIA HAVE ALWAYS BEEN RATHER MODEST, BUT THEY HAVE, IN FACT, GROWN EXPONENTIALLY OVER THE LAST FEW YEARS (FROM \$112,669 IN 1985 TO \$1.3 MILLION IN 1988. IN THE COMING YEAR, WE WOULD HOPE TO SEE A MORE INSTITUTIONALIZED TRADING ARRANGEMENT NEGOTIATED WITH ALBANIA, WHICH COULD OPEN THE DOORS FOR INCREASED CANADIAN SALES PROSPECTS.