

Bank of Albania
and
South East European Studies at Oxford (SEESOX)

*Strengthening linkages in South East Europe:
Policy anchors and business perspectives*

Sheraton Tirana Hotel, Tirana, Albania
September 19th, 2013

Conference overview

The past four years have seen major adjustments in South East European economies in the wake of shocks from global markets and from the euro area. The profile of institutional changes underway in the EU/euro area is now taking shape more clearly. It is also becoming more apparent what permanent changes for the region may result from these events, for example in terms of the pattern of growth and the scale and composition of financial flows.

It is thus a promising moment to take stock of these changes and to explore, specifically, two sets of issues. First, there is a question on how far official policies across the region can be strengthened and anchored more deeply over the medium term – laying a stronger foundation for growth, and ensuring that shocks to the public finances during the crisis can be reversed at a suitable pace, and fiscal space rebuilt for the future. Second, it is valuable to reflect on what kinds of economic linkages are developing across the region, and what these trends tell us about remaining barriers or challenges for economic co-operation and the creation of a wider regional market.

Session I

9:30 am – 12:30 pm

Albania in a European and Regional Context: Strengthening Policy Reforms and Anchors

Since the onset of the global financial/euro area crisis, it has been clear that some change is needed in the 'growth model' of the South East Europe - shifting more towards exports and inflows of FDI to the tradeable sector. Previous research has shown that the Albanian economy would have to move away from its reliance on consumption as a source of growth. Structural reform in the labour and capital markets, and economic integration have been identified as the most important sources of economic growth and stability. These structural reforms are complex and cannot be accomplished in the short term and in isolation. They must be sequenced in design and implementation, and require appropriate time span and coordination efforts, including a regional dimension. Adequate domestic and external policy anchors are needed to help sustain this strategy and foster investor confidence.

Ardian Fullani	Governor, Bank of Albania
Edi Rama	Prime Minister of Albania
Shkëlqim Cani	Minister of Finance
Othon Anastasakis	St Antony's College, Oxford - The West Balkans in a European political setting
Frank Moss	Director General, International and European Relations, ECB - "Albania and its peers: the macroeconomic and financial picture"
Adam Bennett	St Antony's College, Oxford - Regional fiscal anchors
Nadeem Ilahi	Mission Chief, IMF – Current policy challenges in Albania
James Roaf	Regional Resident Representative, IMF – The spillover of the euro zone crisis to Southeast Europe

Lunch 12:30-13:30

Session II

1.30pm – 3.00pm

Regional Commercial Linkages and the Scope to Enhance the Business Environment: the business view

Given the size of most countries in the region, and remaining obstacles to trade, there is a question whether investors see a 'regional market' for sales or for the production/clustering of facilities. The IMF and the EBRD have pointed out that intra-regional trade is surprisingly low. That is disturbing in light of today's challenges. The conference will bring forward business perceptions as an input for policy-makers, with academic and IFI participation, thus setting the stage for further analysis and cooperation.

Moderator: **Othon Anastasakis**

Marko Skreb	Chief Economist, Privredna Banka Zagreb
Branko Urosevic	Associate Professor of Economics, Univ. of Belgrade
Gillian Edgeworth	Chief European Emerging Market Economist, Unicredit
Nigel Davies	Managing Director, Wyn River Limited
Edmond Leka	President, Union Bank
Samir Mane	President, Balfin Group
Dietlof Mare	CEO, Vodafone Albania

Coffee break

Session III

4.00 pm – 5.00 pm

Central Banking Panel Discussion: The enduring impact on the region of the global and euro area crises: a central banking perspective

- Is financing a constraint on growth; what are the implications; and how to deal with these?
- What are the implications of the recent legal and institutional changes in EU? How may Single Supervisory Mechanism and Banking Union affect the economies of the region?
- How is the rethinking of macroeconomic policy changing central banking in the region, central bank policies and their policy instruments?

Moderator: **Max Watson**

Ardian Fullani	Governor, Bank of Albania
Bedri Hamza	Governor, Central Bank of Kosovo
Milojica Dakić	Governor, Central Bank of Montenegro
Helen Dendrinou-Louri	Deputy Governor, Bank of Greece
Turalay Kenç	Deputy Governor, Central Bank of the Republic of Turkey
Max Watson (Moderator)	St Antony's College, Oxford