



U.S. DEPARTMENT of STATE

Bureau of European and Eurasian Affairs
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Background Note: Albania



PROFILE

OFFICIAL NAME:
[Republic of Albania](#)

Geography

Area: 28,748 sq. km. (slightly larger than Maryland).

Major cities: Capital--Tirana (600,000, 2005 est.). Others--Durrës (200,000, 2005 est.), Shkoder (81,000, 2005 est.), Vlore (72,000, 2005 est.).

Terrain: Situated in the southwestern region of the Balkan Peninsula, Albania is predominantly mountainous but flat along its coastline with the Adriatic Sea.

Climate: Mild temperate--cool, wet winters; dry, hot summers.

People

Population (June 2004 Institute of Statistics est.): 3,129,000.

Growth rate (2001 est.): -0.88%.

Ethnic groups (2004 Foreign Ministry and Institute of Statistics est.): Albanian 98.6%, Greeks 1.17%, others 0.23% (Vlachs, Roma, Serbs, Montenegrins, Macedonians, Egyptians, and Bulgarians).

Religions: Muslim (Sunni and Bektashi) 70%, Albanian Orthodox 20%, and Roman Catholic 10%.

Official language: Albanian.

Health (2001 est.): Life expectancy--males 69.01 years; females 74.87 years. Infant mortality rate--39.99 deaths per 1,000 live births.

Government

Type: Parliamentary democracy.

Constitution: Adopted by popular referendum November 28, 1998.

Independence: November 28, 1912 (from the Ottoman Empire).

Branches: Executive--President (chief of state), Prime Minister (head of government), Council of Ministers (cabinet). Legislative--Unicameral People's Assembly or Kuvendi Popullor--140 seats (100 members elected by direct popular vote; 40 by proportional vote; all serve 4-year terms). Judicial--Constitutional Court, Court of Cassation, multiple district and appeals courts.

Suffrage: Universal at age 18.

Main political parties; Albanian Republican Party (PR); Albanian Socialist Party (PS); Democratic Party of Albania (PD); New Democrat Party (New DP); Socialist Movement for Integration (LSI); Liberal Democratic Union Party (PBL); Movement of Legality Party (PLL); Social Democratic Party (PSD); Unity for Human Rights Party (PBDNJ).

Economy

Real GDP growth (2005): 5.5%.

Inflation rate (2005): 2.4%.

Unemployment rate (2005): 14.2%.

Natural resources: Oil, gas, coal, iron, copper and chrome ores.

GEOGRAPHY

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Albania shares a border with Greece to the south/southeast, Macedonia to the east, and Serbia and Montenegro (including Kosovo) to the north and northeast. Eastern Albania lies along the Adriatic and Ionian Sea coastlines. Albania's primary seaport is Durres, which handles 90% of its maritime cargo.

PEOPLE AND HISTORY

Over 90% of Albania's people are ethnic Albanian, and Albanian is the official language. Religions include Muslim (Sunni and Bektashi), Albanian Orthodox, and Roman Catholic.

Scholars believe the Albanian people are descended from a non-Slavic, non-Turkic group of tribes known as Illyrians, who arrived in the Balkans around 2000 BC. Modern Albanians still distinguish between Ghegs (northern tribes) and Tosks (southern tribes). After falling under Roman authority in 165 BC, Albania was controlled nearly continuously by a succession of foreign powers until the mid-20th century, with only brief periods of self-rule.

Following the split of the Roman Empire in 395, the Byzantine Empire established control over present-day Albania. In the 11th century, Byzantine Emperor Alexius I Comnenus made the first recorded reference to a distinct area of land known as Albania and to its people.

The Ottoman Empire ruled Albania from 1385-1912. During this time, much of the population converted to the Islamic faith, and Albanians also emigrated to Italy, Greece, Egypt and Turkey. Although its control was briefly disrupted during the 1443-78 revolt, led by Albania's national hero, Gjergj Kastrioti Skenderbeg, the Ottomans eventually reasserted their dominance.

The League of Prizren (1878) promoted the idea of an Albanian nation-state and established the modern Albanian alphabet, updating a language that survived the hundreds of years of Ottoman rule despite being outlawed. By the early 20th century, the weakened Ottoman Empire was no longer able to suppress Albanian nationalism. Following the conclusion of the First Balkan War, Albanians issued the Vlore Proclamation of November 28, 1912, declaring independence and the Great Powers established Albania's borders in 1913. Albania's territorial integrity was confirmed at the Paris Peace Conference in 1919, after U.S. President Woodrow Wilson dismissed a plan by the European powers to divide Albania among its neighbors.

During the Second World War, Albania was occupied first by Italy (1939-43) and then by Germany (1943-44). After the war, Communist Party leader Enver Hoxha, through a combination of ruthlessness and strategic alliances, managed to preserve Albania's territorial integrity during the next 40 years, but exacted a terrible price from the population, which was subjected to purges, shortages, repression of civil and political rights, a total ban on religious observance, and increased isolation. Albania adhered to a strict Stalinist philosophy, eventually withdrawing from the Warsaw Pact in 1968 and alienating its final remaining ally, China, in 1978.

Following Hoxha's death in 1985 and the subsequent fall of Communism in 1991, Albanian society struggled to overcome its historical isolation and underdevelopment. During the initial transition period, the Albanian Government sought closer ties with the West in order to improve economic conditions and introduced basic democratic reforms, including a multi-party system.

In 1992, after the sweeping electoral victory of the Democratic Party, Sali Berisha became the first democratically elected President of Albania. Berisha began a more deliberate program of economic and democratic reform but progress on these issues stalled in the mid-1990s, due to political gridlock. At the same time, unscrupulous investment companies defrauded investors all over Albania using pyramid schemes. In early 1997, several of these pyramid schemes collapsed, leaving thousands of people bankrupt, disillusioned, and angry. Armed revolts broke out across the country, leading to the near-total collapse of government authority. During this time, Albania's already inadequate and antiquated infrastructure suffered tremendous damage, as people looted public works for building materials. Weapons depots all over the country were raided. The anarchy of early 1997 alarmed the world and prompted intensive international mediation.

A UN Multinational Protection Force restored order, and an interim national reconciliation government oversaw the general elections of June 1997, which returned the Socialists and their allies to power at the national level. President Berisha resigned, and the Socialists elected Rexhep Meidani as President of the Republic.

During the transitional period of 1997-2002, a series of short-lived Socialist-led governments succeeded one another as Albania's fragile democratic structures were strengthened. Additional political parties formed, media outlets expanded, non-governmental organizations and business associations developed. In 1998, Albanians ratified a new constitution via popular referendum, guaranteeing the rule of law and the protection of

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fundamental human rights and religious freedom. Fatos Nano, Chairman of the Socialist Party, emerged as Prime Minister in July 2002.

On July 24, 2002, Alfred Moisiu was sworn in as President of the Republic. A nonpartisan figure, he was elected as a consensus candidate of the ruling and opposition parties. The peaceful transfer of power from President Meidani to President Moisiu was the result of an agreement between the parties to engage each other within established parliamentary structures. This "truce" ushered in a new period of political stability in Albania, making possible significant progress in democratic and economic reforms, rule of law initiatives, and the development of Albania's relations with its neighbors and the U.S.

The "truce" between party leaders began to fray in summer 2003 and progress on economic and political reforms suffered noticeably due to political infighting. The municipal elections of 2003 and national elections of 2005 were an improvement over past years, adding to the consolidation of democracy despite the continued presence of administrative errors and inaccuracies in voter lists.

In 2005, the Democratic Party and its allies returned to power, pledging to fight crime and corruption, decrease the size and scope of government, and promote economic growth. Their leader, Sali Berisha, was sworn in as Prime Minister on September 11, 2005.

Since the election, PM Berisha's Government has made the fight against corruption and organized crime its first priority and has begun administrative and legal reforms toward that end. This brought repeated clashes with the opposition, which condemned the government's approach as unconstitutional and an attempt to undermine independent institutions. Both sides remain combative over a range of political and substantive issues.

GOVERNMENT AND POLITICAL CONDITIONS

The unicameral People's Assembly (Kuvendi Popullor) consists of 140 seats, 100 of which are determined by direct popular vote. The remaining seats are distributed by proportional representation. All members serve 4-year terms. The Speaker of Parliament (Jozefina Topalli) has two deputies, along with 13 parliamentary commissions, to legislate Albanian affairs.

The President is the head of state and elected by a three-fifths majority vote of all Assembly members. The President serves a term of 5 years with the right to one re-election. Although the position is largely ceremonial, the Constitution gives the President authority to appoint and dismiss some high-ranking civil servants in the executive and judicial branches, and this authority can have political implications. The current President's term expires on July 23, 2007.

The Prime Minister is appointed by the President and approved by a simple majority of all members of the Assembly. The Prime Minister serves as the Chairman of the Council of Ministers (cabinet), which consists of the Prime Minister, Deputy Prime Minister, and other ministers. Members of the Council of Ministers are nominated by the Prime Minister and approved by the President.

Albania's civil law system is similar to that of other European countries. The court structure consists of a Constitutional Court, a Supreme Court, and multiple appeal and district courts. The Constitutional Court is comprised of nine members appointed by the Assembly for one 9-year term. The Constitutional Court interprets the Constitution, determines the constitutionality of laws, and resolves disagreements between local and federal authorities. The Supreme Court is the highest court of appeal and consists of 11 members appointed by the President with the consent of the Assembly for 9-year terms. The President chairs the High Council of Justice, which is responsible for appointing and dismissing other judges. The High Court of Justice is comprised of 15 members--the President of the Republic, the Chairman of the High Court, the Minister of Justice, three members elected by the Assembly, and nine judges of all levels elected by the National Judicial Conference.

The remaining courts are divided into three jurisdictions: criminal, civil, and military. There are no jury trials under the Albanian system of justice. A college of three judges, who are sometimes referred to as a "jury" by the Albanian press, render court verdicts.

Principal Government Officials

President--Alfred Moisiu

Prime Minister--Sali Berisha

Deputy Prime Minister--Ilir Rusmali

Minister of Foreign Affairs--Besnik Mustafaj

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ECONOMY

Albania remains one of the poorest countries in Europe. According to the Bank of Albania per capita income was U.S. \$2,550 in 2005. The official unemployment rate is 14.2%, and 18.5% of the population lives below the poverty line according to the World Bank's 2005 Poverty Assessment. Almost 60% of all workers are employed in the agricultural sector, although the construction and service industries have been expanding recently; the latter boosted significantly by ethnic Albanian tourists from throughout the Balkans. The GDP is comprised of agriculture (approx. 24%), industry (approx. 13%), service sector (approx. 39%), transport and communication (12%), construction (11%), and remittances from Albanian workers abroad--mostly in Greece and Italy (approx. 14%).

Albania was the last of the central and eastern European countries to embark upon democratic and free market reforms. Further, Albania started from a comparatively disadvantaged position, due to Hoxha's catastrophic economic policies. Transition from a centrally planned economy to a market orientated system has been almost as difficult for Albania as the country's Communist period.

The democratically elected government that assumed office in April 1992 launched an ambitious economic reform program meant to halt economic deterioration and put the country on the path toward a market economy. Key elements included price and exchange system liberalization, fiscal consolidation, monetary restraint, and a firm income policy. These were complemented by a comprehensive package of structural reforms, including privatization, enterprise and financial sector reform, and creation of the legal framework for a market economy and private sector activity.

Results of Albania's efforts were initially encouraging. Led by the agricultural sector, real GDP grew, and Albania's currency, the lek, stabilized. The speed and vigor of private entrepreneurial response to Albania's opening and liberalizing was better than expected. Beginning in 1995, however, progress stalled. The collapse of the infamous pyramid schemes of the 1990s and the instability that followed were a tremendous setback, from which Albania's economy continues to recover.

In recent years the Albanian economy has improved, although infrastructure development and major reforms in areas such as tax collection, property laws, and banking are proceeding slowly. Between 2001-2005, Albania experienced an average 5.8% annual growth in GDP. Fiscal and monetary discipline has kept inflation relatively low, averaging roughly 2.5% per year between 2003-2005. Albania's public debt reached 55% of GDP in 2005, and the growing trade deficit was estimated at 21.8% of GDP in 2005. Economic reform has also been hampered by Albania's very large informal economy, which the IMF estimates equals 50% of GDP.

Albania's trade imbalance is severe. In 2005, Albanian trade was U.S. \$1.8 billion in imports, and U.S. \$350 million in exports. Albania has concluded Free Trade Agreements (FTAs) with Macedonia, Croatia, UNMIK (Kosovo), Bulgaria, Romania, Bosnia, and Moldova. In April 2006, these bilateral agreements were replaced by a multiregional agreement based on the CEFTA model. However, combined trade with all these countries constitutes a small percentage of Albania's trade, while trade with EU member states (notably Greece, Italy, and Turkey) accounts for nearly 68%. U.S. two-way trade with Albania is very low. In 2005, U.S. exports to Albania totaled \$23.3 million. U.S. imports, during the same time period, totaled \$6.3 million, making the U.S. the 17th overall trade partner of Albania. Major U.S. investment to date has been limited to large-scale infrastructure contracts with the government, but there is increasing interest on the part of U.S. companies for further investment opportunities. The Albanian Government signed a FTA with the EU as part of its Stabilization and Association Agreement negotiations, which will significantly reduce revenue collection as tariffs on EU imports drop.

Albania is assiduously trying to attract foreign investment and promote domestic investment, but significant impediments exist. The Albanian government faces the daunting but essential task of rationalizing and uniformly applying business laws, improving transparency in business procedures, restructuring the banking and tax systems (including tax collection), reducing corruption in the bureaucracy, and resolving property ownership disputes.

Business growth is further hampered by Albania's inadequate energy and transportation infrastructure. The capital, Tirana, generally receives electricity most of the day, but constant power outages plague every other major city, small town and rural village. Although recent steps have been taken to improve the transportation infrastructure, Albania has a limited railway system and just one domestic airport. Because of the mountainous terrain, goods traveling overland must spend hours traversing the relatively sparse network of switchback roads, many of them of poor quality, to reach destinations that are relatively close.

MILITARY AFFAIRS

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Since the fall of Communism in Albania in 1991, the country has played a constructive role in resolving several of the inter-ethnic conflicts in south central Europe, promoting peaceful dispute resolution and discouraging ethnic Albanian extremists. Albania sheltered many thousands of Kosovar refugees during the 1999 conflict, and now provides logistical assistance for Kosovo Force (KFOR) troops. Albania is part of the international Stabilization Force (SFOR) serving in Bosnia, and Albanian peacekeepers are part of the International Security Assistance Force in Afghanistan and the international stabilization force in Iraq. Albania has been a steadfast supporter of U.S. policy in Iraq, and one of only four nations to contribute troops to the combat phase of Operation Enduring Freedom.

Albania continues to work with the international community to restructure its armed forces and strengthen democratic structures pursuant to its Membership Action Plan. NATO members continue to encourage Albania to address military reforms that will bring it closer to membership. Since 1999, Albania has spent approximately \$108 million annually on military expenditures, roughly 1.35% of its GDP. With bilateral and multi-lateral assistance, the Ministry of Defense is transitioning to a smaller, voluntary, professional military, and reducing the vast amounts of excess weaponry and ammunition that litter the country and pose a significant public hazard and proliferation risk. The government continues efforts to collect from civilians the weapons that were seized during the chaos of 1997. The Albanian government and the international community are working together on a project that will make Albania a mine-safe country by 2007. Most high- and medium-priority mine clearance has been completed in the mined areas of northeast Albania, a legacy of the 1999 Kosovo crisis.

Albania and the US enjoy a military partnership and are signatories to treaties including the 2003 Prevention of Proliferation of Weapons of Mass Destruction and the Promotion of Defense and Military Relations and the 2004 Supplementary Agreement to the Partnership for Peace Status of Forces Agreement, which defines the status of American military troops in Albania and further enables military cooperation. In May 2003, Albania, Croatia, Macedonia, and the U.S. created the [Adriatic Charter](#), modeled on the Baltic Charter, as a mechanism for promoting regional cooperation to advance each country's NATO candidacy.

In 2004 President Bush authorized the use of the Nunn-Lugar Cooperative Threat Reduction program funds for projects in Albania, marking the first time such funds are used outside the former Soviet Union. With this funding the United States is assisting the Government of Albania with the destruction of a stockpile of chemical agents left over from the communist regime. The project is scheduled for completion in spring of 2007.

FOREIGN RELATIONS

Albania is currently pursuing a path of greater Euro-Atlantic integration. Its primary long-term goals are to gain NATO and EU membership and to promote closer bilateral ties with its neighbors and with the U.S. Albania is a member of a number of international organizations, including the Organization for Security and Cooperation in Europe (OSCE), the UN, the Stability Pact, the Adriatic Charter, and the WTO. In June 2006, Albania and the EU signed a Stabilization and Association Agreement, the first step to EU membership, which will focus on implementing essential rule of law reforms and curbing corruption and organized crime.

Albania maintains generally good relations with its neighbors. It re-established diplomatic relations with the Former Republic of Yugoslavia following the ousting of Slobodan Milosevic in 2000. Although the final status of Kosovo remains a key issue in Albanian-Serbian relations, both nations are committed to achieving a peaceful resolution. Albanian, Macedonian, and Italian law enforcement agencies are cooperating with increasing efficiency to crack down on the trafficking of arms, drugs, contraband, and human beings across their borders. Albania has also arrested and prosecuted several ethnic-Albanian extremists on charges of inciting interethnic hatred in Macedonia and Kosovo. Tensions occasionally arise with Greece over the treatment of the Greek minority in Albania or the Albanian community in Greece, but overall relations are good, and Greece is a strong proponent of Albania's eventual integration into the EU and NATO.

U.S.-ALBANIAN RELATIONS

Albania enjoys friendly and cooperative bilateral relations with the U.S. Pro-U.S. sentiment is widespread among the population. Even while the U.S., which had closed its mission to Albania in 1946, was being vilified by Communist propaganda during the Hoxha regime, ordinary Albanians remembered that Woodrow Wilson had protected Albanian independence in 1919. Albanians credit the NATO bombing of Serbia in 1999 with saving thousands of Kosovar-Albanian lives.

In 2003, Albania and the U.S. signed and ratified a number of agreements, including a treaty on the Prevention of Proliferation of Weapons of Mass Destruction and the Promotion of Defense and Military Relations; the Adriatic Charter; and an Agreement regarding the non-surrender of persons to the International Criminal Court. The U.S. strongly supports Albania's EU and NATO membership goals. Working towards NATO membership, the U.S. and Albania signed a Supplementary Agreement to the Partnership for Peace Status of Forces Agreement, an important step in strengthening bilateral cooperation and enhancing security, peace, and

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stability in the region.

Since FY 1991, the U.S. has provided Albania with more than \$550 million in assistance, not counting U.S. Department of Agriculture (USDA) food aid. The aid has served to facilitate Albania's transition from the most isolated and repressive communist state in Europe to a modern democracy with a market-oriented economy, and to support long-term development. In 2006, the U.S. gave over \$24 million to Albania under the Support for East European Democracy (SEED) Act program. Albania was among the first countries selected to participate in the Threshold Program under the Millennium Challenge Account, winning a grant of \$13.8 million. In September 2006, Albania began implementation of the program, which targets two critical stumbling blocks to development--corruption and rule of law.

Despite daunting problems at home, Albania has wholeheartedly supported the U.S. in the global war on terrorism by freezing terrorist assets, shutting down NGOs with possible links to terrorist financing, expelling extremists, and providing military and diplomatic support for the U.S.-led actions in Afghanistan and Iraq. Albania has played a moderating role in the region and has fully supported UN mediation efforts in Kosovo.

Principal U.S. Embassy Officials

Ambassador--[Marcie B. Ries](#)

Deputy Chief of Mission--Stephen A. Cristina

Political/Economic Section Chief—Paula Thiede

Political Officers—Dena Brownlow, Charles Morrill, Victor Myev, Chris Olson

Economic/Commercial Officer—Robert Newsome

Consular Officer--Alma Gurski

USAID Director—Edward Landau

Public Affairs Officer—Stephanie Wickes

Defense Attaché--Cmdr. Shaun Hollenbaugh

Regional Security Officer--S. Wade DeWitt

Management Officer—C. Wakefield Martin

The [U.S. Embassy](#) is located at 103 Tirana Rruga Elbasanit, Tirana; telephone: [355] (4) 247-285; facsimile: [355] (4) 232-222.

TRAVEL AND BUSINESS INFORMATION

The U.S. Department of State's Consular Information Program advises Americans traveling and residing abroad through Consular Information Sheets, Public Announcements, and Travel Warnings. **Consular Information Sheets** exist for all countries and include information on entry and exit requirements, currency regulations, health conditions, safety and security, crime, political disturbances, and the addresses of the U.S. embassies and consulates abroad. **Public Announcements** are issued to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas that pose significant risks to the security of American travelers. **Travel Warnings** are issued when the State Department recommends that Americans avoid travel to a certain country because the situation is dangerous or unstable.

For the latest security information, Americans living and traveling abroad should regularly monitor the Department's Bureau of Consular Affairs Internet web site at <http://www.travel.state.gov>, where the current [Worldwide Caution](#), [Public Announcements](#), and [Travel Warnings](#) can be found. [Consular Affairs Publications](#), which contain information on obtaining passports and planning a safe trip abroad, are also available at <http://www.travel.state.gov>. For additional information on international travel, see <http://www.usa.gov/Citizen/Topics/Travel/International.shtml>.

The Department of State encourages all U.S. citizens who traveling or residing abroad to register via the [State Department's travel registration](#) website or at the nearest U.S. embassy or consulate abroad. Registration will make your presence and whereabouts known in case it is necessary to contact you in an emergency and will enable you to receive up-to-date information on security conditions.

Emergency information concerning Americans traveling abroad may be obtained by calling 1-888-407-4747 toll free in the U.S. and Canada or the regular toll line 1-202-501-4444 for callers outside the U.S. and Canada.

The National Passport Information Center (NPIC) is the U.S. Department of State's single, centralized public contact center for U.S. passport information. Telephone: 1-877-4USA-PPT (1-877-487-2778). Customer service representatives and operators for TDD/TTY are available Monday-Friday, 7:00 a.m. to 12:00 midnight, Eastern Time, excluding federal holidays.

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Travelers can check the latest health information with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at 877-FYI-TRIP (877-394-8747) and a web site at <http://www.cdc.gov/travel/index.htm> give the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. A booklet entitled "Health Information for International Travel" (HHS publication number CDC-95-8280) is available from the U.S. Government Printing Office, Washington, DC 20402, tel. (202) 512-1800.

Further Electronic Information

Department of State Web Site. Available on the Internet at <http://www.state.gov>, the Department of State web site provides timely, global access to official U.S. foreign policy information, including [Background Notes](#) and [daily press briefings](#) along with the directory of [key officers](#) of Foreign Service posts and more. The Overseas Security Advisory Council (OSAC) provides security information and regional news that impact U.S. companies working abroad through its website <http://www.osac.gov>

[Export.gov](#) provides a portal to all export-related assistance and market information offered by the federal government and provides trade leads, free export counseling, help with the export process, and more.

[STAT-USA/Internet](#), a service of the U.S. Department of Commerce, provides authoritative economic, business, and international trade information from the Federal government. The site includes current and historical trade-related releases, international market research, trade opportunities, and country analysis and provides access to the [National Trade Data Bank](#).