

Ardian Fullani: Monitoring of the economy to be conducted not only in the metropolis but in the regions as well

Article from Mr Ardian Fullani, Governor of the Bank of Albania, published in the *Ekonomia* newspaper, 21 January 2005.

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Our economy has long ago been integrated in a continuous process of quality and quantity development, including an increasingly wider geographical expansion. Both Communities, bank and business, need to cooperate more closely with each other. In order that this cooperation becomes more efficient, we deem, as Bank of Albania, to play our active role not only through establishing a safe macroeconomic environment, but also by providing a range of other operations that will encourage lending activity of the banking system from one side and impact a more correct tendency of business toward more reliable projects and investments, on the other side. To this end, we estimate in our short-term and medium-term programs to give our regional branches spread throughout the country a different role from the one they played till now. We deem appropriate it's time now for our branches not to be simply cash storerooms and distributors. Also, we shall try to renounce some operations of non-central banking nature, which gradually shall be absorbed by commercial banks.

Our goal is these branches be changed into an advanced model of the Bank of Albania presence throughout various regions of the country. They will become genuine stations of information gathering about the economic and financial activity of the region, being preceded by further analyses and studies. This research work will serve not only to a more explicit monetary programming but also to the modernization of transmission elements of this policy from the higher authority to the lower authority and vice versa.

I estimate that this initiative of the Bank of Albania to monitor the economic activity not only in the metropolis but also in other regions of the country would be of particular interest for all the interested groups.

Further, I would like to add some other comments on the latest developments of the banking system, which I deem have created good premises for a real expansion of this business, an expansion that will positively impact on the performance of business activities.

After completion of the Real Time Gross Settlement (RTGS) system, the Bank of Albania inaugurated some times ago the initiation of a very important project on the Automated Electronic Clearing House (AECH). The operation of this new system will considerably increase the payment speed for the customers, knowing that the lack of this element has maintained businesses far from banks. I take this opportunity to make businesses aware of the advantages of the operation of this system, as both systems together will help reach the international standards of ATM and AIPS (automatic and electronic payment equipments), per population number. The challenge to the banking system and businesses, but also to the Bank of Albania, still remains the public encouragement to use them.

So, to put this into practice, I shall stimulate the banking system to become more active, that is banks should provide to the households and businesses clear and ready products, quick and efficient services.

Given the latest developments in the banking system and the increasing number of the branches as well as the increasing banking services, I advocate the banking system will be more attractive in 2005.

I consider the optimistic signals of the previous year will be followed by more vigorous operations of the banking system related to the business of electronic card payments. In this spirit I would say that banking system solutions properly consist in issuing a unified card.

Evidently, steps to be taken in this direction will be more complex, and naturally some of them imply inter-institutional cooperation. Bank of Albania is already paving the way toward wider use of cards in Albania.

Credit cards service shall not only contribute to cash reduction in the economy, but also provide a positive impact on the reduction of informal economy. However, I deem as important encouraging and

stimulating the banking system in order the service level be uniformly present all over the Albanian territory where banks conduct their activity. Only in this manner electronic payment advantages and all other facilities will be equal to you and to all the public in general throughout the territory of the Republic of Albania. I believe, in the spirit of this reasoning, we shall establish real opportunities for a harmonised geographical progress, providing a concrete contribution to the growth of country's welfare.