

## **Ardian Fullani: Bank-business relationship in Albania**

Greeting speech by Mr Ardian Fullani, Governor of the Bank of Albania, at the meeting "Business - Bank Communication Day", Tirana, 20 October 2005.

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Ladies and Gentlemen,

Recently, the promising paces in the increase of crediting to the economy from the banking sector make us realize that the numerous meetings organized with the scope of approaching banks to businesses are finally producing their results. Nonetheless, it is yet, too soon to describe it as a victory. Without diminishing the significance of these meetings, I think that the expansion of business crediting is not an effortless issue to be solved, especially when considered that our economy is still in transition. Frequently, the solution to the arousing issues goes beyond the good will of both, the business and banking community. Thus, avoiding the rhetoric of the previous meetings which habitually sets one's party claims against the other, I would like to emphasize the need of a better coordination of efforts by the two communities to the solution of various issues.

A few days ago, on the privatisation anniversary of one of the participant banks present in this meeting, I stressed the necessity of intensifying the institutional relationship between the banking system and the different business associations. Therefore, this meeting is an outstanding example of putting this initiative into practice and I trust it will serve as a good start of the regular contacts between the banking association and the business one.

The bank-business relationship institutionalisation might assist in resolving a number of issues, which may be challenging to be addressed individually by banks or businesses, be they large ones. The best example is the effort of reducing the informal economy. All present parties in this meeting have expressed their pros to the fight against evasion and informality. In reality, however, the dishonest competition forces many of them to choose the informal means, since, contrary, they will find themselves out of the market. The breaking of this vicious circle could be made possible by a better coordination of our efforts, in order to avoid the so-called *free-rider* phenomenon, where the dishonest business is given too much room to take advantage of the situation.

Hence, I welcome today's meeting, hoping that it shall not simply remain within the communication context, but rise in a higher level of coordination.