

NewsLetter 20 Years



THE OFFICIAL NEWSLETTER OF THE AMERICAN CHAMBER OF COMMERCE IN ALBANIA

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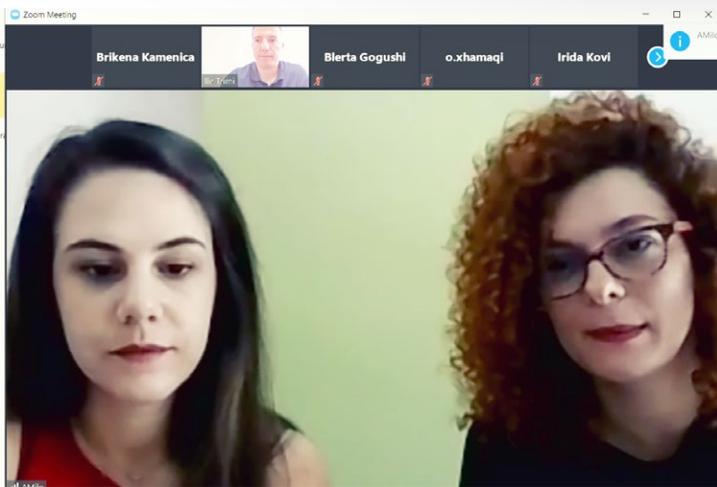
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AmCham Labor and Ethics Committee explains issues to members

Maternity leave and annual leave: What does the Labor Code mandate?



The American Chamber of Commerce in Albania and its Labor and Ethics Committee organized a training session for AmCham members to explain how to best interpret the Labor Code when dealing with employees' annual leave, maternity leave or adoption procedures -- all of which have provisions set in the Code.

The training was provided by two attorneys from Deloitte Albania, Ms. Aidi Milo and Ms. Edita Poro, and focused on issues such as dealing with maternity leave as well as the similarities and differences when dealing with an adoption process, taking a look at how the calculations are done based on the law.

The training session explained in detail how many days off are the right of a woman when she takes maternity leave, and if she wants to take all the allowed days in the Labor Code, which are 365 days in total, or 390 for women who have more than one child. Members found the explanation of how payments are calculated through social security for employment days quite interesting.

Paid annual leave and the concept of the law that mandates how

“**The Employer has the legal obligation** to record the annual paid leave days in the employees' register as stipulated in the labor code.”

the leave is applied were also addressed at the training. A part of the session that drew a lot of discussion related to Article 93 of the Labor Code, which specifies: “Annual leave must be granted during the working year until the end of the last quarter of the following year, but it must never be less than one uninterrupted calendar week.”

The idea is that very often employees request to take annual leave for less than one calendar week. This happens because either they want to take care of personal issues or leveraging this paid leave for bridging between public holidays and weekends or for longer weekends based on their needs. This is against the above mentioned provision of the labor code and Employers are faced with fines imposed by the Labor Inspectorate.

The Labor Code does not foresee any other type of paid leave for personal obligations or urgent cases as is predicted in the Legislation of Kosovo Labor Law for example in the case of Blood Donation. This obliges employees to submit requests to their Employers for days-off deducted from their own annual accrued paid leave days, otherwise they would

have to take this as an unpaid leave.

There are also cases that international companies, based on their incentive packages and internal policies, grant some extra days of paid leave to employees for urgent cases but this remains at the discretion of the companies.

The Employer has the legal obligation to record the annual paid leave days in the employees' register as stipulated in the labor code. In case the Labor Inspectorate, during their inspection process of the Employer, identifies/finds out that in the employee's register records employee paid leave days of less than one uninterrupted calendar week (or less than 5 consecutive working days), the employer is subject to administrative penalties (fines) even though the leave might have been granted upon employee request.

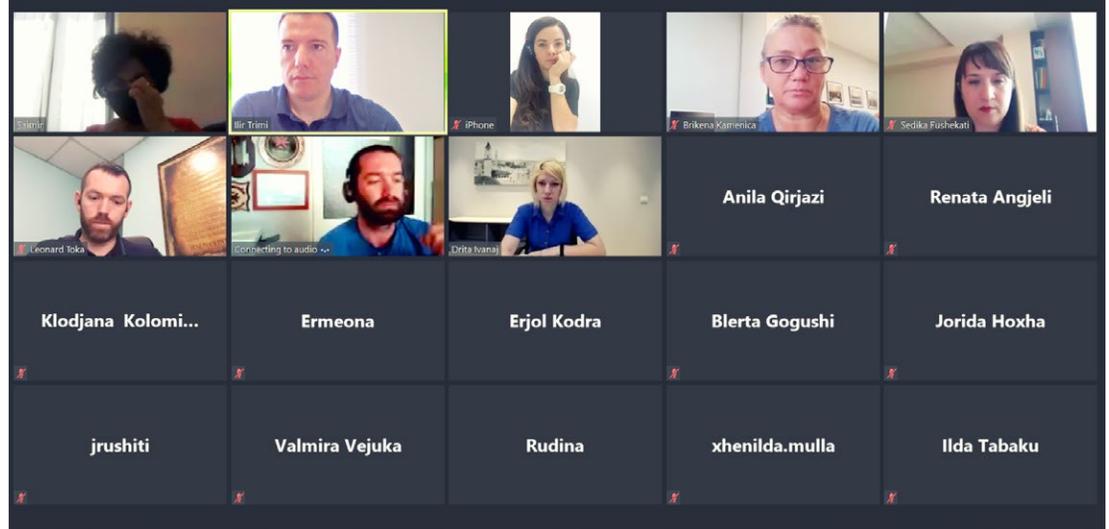
MATERNITY LEAVE/PARENTAL LEAVE

Pregnant women are not allowed to work:

- 35 days before giving birth to a child – this period is prolonged to 60 days when the pregnant is bearing more than one child and
- 63 days after giving birth to a child.

After the 63 days the woman shall decide on her own if she shall continue work or maternity leave. Should she decide to return to work, until the child is one year old she will benefit from:

- Paid 2 hours break or
- Reduced working hours, with a salary paid as if she works 8 hours.



IN CASE THE WOMAN DECIDES TO CONTINUE BENEFITTING FROM SOCIAL SECURITY PAYMENTS:

- Total maternity leave days are 365
 - Total maternity leave for more than one child is 390 days.
- The husband/partner has the right to 3 paid vacation days for one child, when the child is born.

MATERNITY LEAVE

Payment is settled by ISSH and calculations are as below:

- 80% of the daily average of the estimated net base of the last twelve months starting from the rightful birth date for the duration before birth and for 150 calendared days after birth.
- 50% of the daily average of the estimated net base of the last twelve months from the rightful date of birth to payment for the next continuing period.
- In order to profit the maternity leave payment after the first 63 days period, the woman should have paid social security for at least 12 months.
- After the 63 days period, the right to childcare is also valid for the father/ legal guardian if this right under any circumstances cannot be carried out by the mother.

ADOPTION LEAVE

In case of newborn child adoption (up to 1 year old), the employee has the right to leave as follows:

- Adoption leave can be provided only to one of the parents, adopting mother/ father.
- Adoption leave given to adopter is up to 330 days starting from the birthday.
- Minimum of 28 days.

SPECIAL PROTECTION FOR WOMEN

It is a special focus of the Labor Code the protection of the women during pregnancy and with children.

- Adaption to work environment (act. 104);
- Break every 3 hours not less than 30 minutes (act. 54);
- Cargo transportation is not allowed (act. 55);
- Cannot be forced to work night shifts (act. 80)
- Not allowed to work overtime (act. 90);
- Not allowed to take over dangerous jobs (act. 104);

PRACTICE PROBLEMATIC

- Termination of work relations during pregnancy and maternity leave is not allowed;
- Maternity leave is calculated for the tenure/seniority at work with the employer;
- Annual leave is accumulated during maternity leave.

PARENTAL LEAVE

- Law changes as of 2015;
- Change on maternity leave payment calculation;
- Unpaid vacations;
- Not less than 4 months;
- Can be divided but not less than one week in a year.

PATERNAL LEAVE CONDITIONS

- Until the child is 6 years old;
- This leave is lawful to employees working for more than one year at the same employer;
- In case of adoption parental leave can be granted within 6 years, but not after the child has reached the age of 12;
- For all the above is necessary prior notice and agreement with the employer.

TAKING CARE OF DEPENDENT CHILDREN

- In case of necessary taking care of dependent children the employee has the right to benefit - 12 days of leave (paid leave);
- For parents with children up to 3 years, in case of illnesses (medical report) – 15 days (paid leave);
- Leave is granted to the spouse that effectively takes care of the child.
- Leave is transferrable

LEGAL BASE

- Law No. 7961, date 12.7.1995 "Labor Code of the Republic of Albania", adjusted;
- Law No. 7703, date 11.05.1993 "For Social Security for the Republic of Albania" adjusted;
- Decision of the Ministries Council no. 634, date 15.7.2015 "For regulations approvals" "For presenting of measures for security and health in work environments for pregnant women and new mothers";
- Decisions of the Ministries Council no. 207, date 09.05.2020 "For specification of difficult or dangerous jobs", adjusted.

The performance of U.S. trade and direct investments in Albania

TRADING WITH AMERICA: ALBANIA AND THE WORLD'S LARGEST MARKET

Trade relations between Albania and the United States have developed further in recent years, consolidating through a continuous exchange of products flowing in both directions.

According to U.S. Trade Numbers, the United States is increasingly bringing its products to the Albanian consumer, especially things like electronics and meat products. Albania, on the other hand, exports medicinal plants and raw materials like iron to the United States.

Going through the figures published in U.S. Trade Numbers, one realizes that Albania has not always had a trade deficit with the United States. Figures for 2014-2016, for example, show an increase in export-import activity, with Albanian exports being higher than American imports.

However, trade with the United States has seen its ups and downs, and continues from a strong and stable base of trade between the two countries.

Trade relations between Albania and the United States in 2019 reached the level of 142 million dollars, marking a trade deficit for Albania at the level of 29.8 million dollars. Last year, Albania ranked 157th globally in terms of trade with the United States.

It is interesting that the trade volume of U.S. products coming to Albania consists of meat and poultry products, liquefied gas, vehicles and mobile phones. Meanwhile, the American market gets back from Albania medicinal plants, raw materials like iron, resin and essential oils as well as leather shoes.

TRADE VOLUME OF THE UNITED STATES WITH ALBANIA (IN MILLION USD)

Trade Volume	2014	2015	2016	2017	2018	2019	May-20
Exports to Albania	51.3	30.9	50.3	62.1	59.2	86.3	23.9
Imports to USA	69.1	160.1	124.6	41.6	68	56.5	18.4
Total	120.4	191	174.9	103.7	127.2	142.8	42.3



FOREIGN DIRECT INVESTMENT FROM AMERIKA

YEAR	FDIs
2014	35 million Eur
2015	9 million Eur
2016	11 million Eur
2017	4 million Eur
2018	14 million Eur
2019	20 million Eur
Q1 2020	5 million Eur

INVESTMENTS: WHAT THE NUMBERS SHOW ABOUT AMERICAN INVESTORS

While the trade volume, despite fluctuations, has stabilized in optimistic territory in relations with the United States, it seems that investors across the ocean have been reluctant to invest in Albania.

The total foreign direct investment from the United States to Albania in 2019 was 20 million euros, but the good news was that it marked an increase of 6 million euros compared to a year earlier, according to the Bank of Albania. In the first three months of 2020, as the global crisis kicked in, American direct investments in

Albania were 5 million euros.

In the statistics of the Bank of Albania, 2014 marked the best year of American investments in the country with a total of 35 million euros, while the worst year was 2017 with 4 million euros. Later, American investments in Albania saw an increase to 14 million euros for 2018 and 20 million for 2019.

TOTAL TRADE IN 2020

Exports totaled \$23.87 million

Imports totaled \$18.41 million, Albania is ranked No. 163 in total trade value through May with a total of \$42.29 million.

WHAT WE TRADE MOST WITH THE U.S.A.

Five top products U.S. exports to Alb

- Passenger vehicles
- LNG, other petroleum gases
- Chicken and other poultry
- Pork meat, fresh, frozen or chilled
- Cell phones, related equipment

Five top products U.S. imports from Albania:

- Plants for pharmacy, perfume, insecticides
- Ferroalloys 7202.
- Leather shoes.
- Essential oil resins
- Mattresses and other bedding products

MONITOR MAGAZINE

Businesses could improve their competitiveness in the aftermath of the coronavirus pandemic.

- EBRD and EU prepare additional financial package for SMEs in Western Balkans
- First common programme to help businesses overcome coronavirus impact
- Up to €70 million in EBRD loans and €15 million in EU funds for on-lending

The European Bank for Reconstruction and Development (EBRD) and the European Union (EU) are increasing their support for small and medium-sized enterprises (SMEs) in the Western Balkans with the provision of additional financing, following the outbreak of the coronavirus pandemic.

The Bank will provide up to €70 million in new credit lines to partner financial institutions for on-lending to local businesses in Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia. The EU is complementing these funds with €15 million to identify and verify the best available equipment and technologies to ensure that SMEs increase their competitiveness and support the shift towards a green economy.

EBRD AND EU TO INCREASE FINANCE

FOR SMES IN WESTERN BALKANS



The countries of the Western Balkans have responded to the outbreak of the coronavirus pandemic with strict public health measures which have had a severe economic impact. The countries are also suffering from

a global economic downturn and reduced demand for their products.

The EBRD and the EU through Team Europe support SMEs in their ambition to become more competitive and

find innovative solutions to face the new challenges. The funds will ensure that vital businesses continue to have adequate access to finance, can meet high product standards and are well positioned to take advantage of export opportunities offered to them in the region and on the European market.

“We are strongly committed to supporting businesses during these difficult times,” says Pierre Heilbronn, EBRD Vice President, Policy and Partnerships. “Our additional funds will lend support to their recovery, growth and getting ready for the future. This engagement is also testimony to our strong partnership and cooperation with the EU in the Western Balkans.”

Olivér Várhelyi, European Union Commissioner for Neighbourhood and Enlargement, said: “Small and medium-sized enterprises are vital for the Western Balkan economies and have been particularly hit by this crisis. That is why, building on our longstanding cooperation with the EBRD in the region, we are increasing our support to SMEs – not only to keep businesses afloat, but also to strengthen their resilience and sow the seeds for a sustainable recovery.”

The EBRD is one of the largest institutional investors in the Western Balkans. To date, it has invested over €13 billion in more than 700 projects, including in key infrastructure, the SME segments and the green economy.