

DEVELOPMENT OF WOOD PROCESSING AND FURNITURE MANUFACTURING SECTOR IN ALBANIA AND THE WESTERN BALKANS

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ABSTRACT

This article contains the results of research conducted on the current situation in wood processing and furniture industries in Albania, compared with other western Balkan countries. Wood processing industry in Albania faces several problems, and depends on various factors, which influence the technological and economic indicators of these companies in different ways. Albanian wood processing industry consists of three dozens of large companies and hundreds of small and medium enterprises spread throughout the country, that deal every day with several technical and organizational problems. Development of this industry in Albania has increasingly sped up in recent years. Domestic producers use various domestic and imported inputs in the production process. Manufacturing of furniture is based mainly on usage of wood panels and MDF; an indicator that shows that the furniture structure has changed a lot in recent decades. Development of these sectors requires further political and economic systems that are transparent and market driven, as well as investments in production technology and employee training. Since there is an obvious lack of general information, this study aims to ascertain the financial situation and progress of wood processing and manufacturing companies by considering several problematic issues in order to recommend possible improvements. A review of secondary literature and government statistics was conducted for seven countries: Albania, Bosnia and Herzegovina, Croatia, Kosovo, Montenegro, Macedonia and Serbia. The main factors we examined were the current status of these sectors, their economic role and significance, and the business climate. These factors are important not only to the countries themselves but also to potential foreign investors, customers, and raw material suppliers. Information sources include the WB, UNECE, FAO, USAID, and the EC. In addition, official government data were collected from institutions and organizations in the selected countries (ministries, agencies, and statistical offices), as were research results from scientific organizations (universities and institutes).

Results of this research are useful to a wide range of policymakers and academics.

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