

COMMENTS ON The Challenges for Fiscal Policy in the Future.

Fiscal Policy is an instrument and not an objective in itself. The real objective of any successful government is to promote a stable, constant growth for the economy and higher income for its subjects, while maintaining a controlled inflation rate. That can be achieved through a set of instruments, the fiscal policy being one of them.

The right fiscal policies try to be predictable, transparent and enforceable.

- Predictable means that it the right policy or any business law, for that matter, has to fall under the right business philosophy
- Transparent means that it will be try to be just and fair to all the formal players in the market.
- Enforceable means that it can be rightly and efficiently applied the same way to any business, no matter its status and form. The state has the obligation to apply right fiscal policy in no selective form or procedure to a particular entity in the market.

Saying that, the right fiscal policies will not be successful without the philosophy of good governance and the application of the Rule of Law put into good use. In this area Albania has a long to come a long way. As most of the recent studies show, we are not well placed compared to our neighbors or any other state in Europe. World Bank ranks Albania 136 out of 178 countries; World Economic Forum ranks it 109 out of 121 countries in the Global Competitiveness Index.

That is possible because even though we might produce the right policies in every field we think imaginable; these steps have to be performed by the right administration and the right team of professional people. These government officials have to be selected according to professional skills and not some other status. The Albanian administrative apparatus has to be permanent and highly professional in the future.

In the other hand, the Albanian government has the duty to create the right business climate, in order to promote the passage from a purely consumer

society to the investing economical stage that we need to move on, as soon as possible. That will have to be achieved through thorough reform and a lot of good political will, a will that, frankly, we have not seen so far. In a closing remark, I would like to thank you and conclude that any successful policy in the future has to be realistic and rational. It also has to be applied and enforced by the right team.

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