

## Albania

	1980	1985	1990	1995	2000	2004	2005	2006
<b>Chain-Linked</b>								
Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)	Rating (Rank)
<b>Summary Rating (Rank) &gt;</b>			4.12 (99)	4.49 (105)	5.97 (82)	6.46 (64)	6.81 (56)	6.99 (51)
<b>1. Size of Government</b>	4.42 (68)	4.49 (69)	2.80 (109)	5.21 (78)	7.63 (15)	7.84 (18)	8.89 (3)	8.92 (4)
<b>2. Legal Structure and Security of Property Rights</b>		4.63 (62)	4.59 (65)	4.09 (99)	4.03 (96)	3.77 (93)	4.08 (99)	4.13 (95)
<b>3. Access to Sound Money</b>		4.89 (95)	4.90 (88)	3.26 (106)	7.40 (71)	9.66 (5)	9.64 (7)	9.57 (7)
<b>4. Freedom to Trade Internationally</b>				5.46 (96)	5.40 (108)	5.35 (119)	5.44 (111)	5.93 (104)
<b>5. Regulation of Credit, Labor and Business</b>			2.46 (115)	4.33 (105)	5.32 (90)	5.66 (85)	5.98 (85)	6.40 (72)
<b>Unadjusted</b>								
<b>Summary Rating (Rank) &gt;</b>			4.26 (99)	4.47 (108)	5.98 (82)	6.46 (64)	6.69 (69)	6.86 (65)
Rating Data	Rating Data	Rating Data	Rating Data	Rating Data	Rating Data	Rating Data	Rating Data	Rating Data
<b>1. Size of Government</b>	3.85	3.91	2.80	5.21	7.63	7.84	8.04	8.07
<b>A. Government consumption</b>	7.70 13.81	7.83 13.39	4.87 23.44	7.78 13.55	9.10 9.07	8.91 9.70	8.99 9.42	9.11 9.03
<b>B. Transfers and subsidies</b>			3.51 24.30	7.85 8.40	7.80 8.57	7.60 9.29	9.66 1.73	9.66 1.73
<b>C. Government enterprises and investment</b>	0.00	0.00	0.00	0.00	6.00 26.70	7.00 21.13	8.00 19.45	7.00 22.46
<b>D. Top marginal tax rate</b>							5.50	6.50
(i) Top marginal income tax rate							9.00 25	10.00 20
(ii) Top marginal income and payroll tax rates							2.00 51	3.00 47
<b>2. Legal Structure and Security of Property Rights</b>		5.25	5.21	4.64	4.58	3.77	4.87	4.94
<b>A. Judicial Independence</b>						2.94	2.38	2.30
<b>B. Impartial courts</b>				3.94	4.31	2.42	2.66	2.68
<b>C. Protection of property rights</b>						1.81	3.36	3.54
<b>D. Military interference</b>				3.65	6.67	8.33	8.33	8.33
<b>E. Integrity of the legal system</b>				6.96	3.33	3.33	3.68	4.17
<b>F. Legal enforcement of contracts</b>							5.79	5.59
<b>G. Regulatory restrictions of sale of real property</b>							7.93	7.96
<b>3. Access to Sound Money</b>		6.52	6.54	3.26	7.40	9.66	9.64	9.57
<b>A. Money growth</b>				0.00 78.90	9.57 2.16	9.57 2.17	9.50 2.50	9.35 3.24
<b>B. Standard deviation of Inflation</b>		9.64 0.91	9.62 0.95	0.00 86.94	5.03 12.43	9.54 1.15	9.53 1.16	9.41 1.47
<b>C. Inflation: most recent year</b>		9.93 0.35	10.00 0.00	8.03 9.83	9.99 0.05	9.54 2.28	9.53 2.37	9.53 2.37
<b>D. Freedom to own foreign currency</b>	0.00	0.00	0.00	5.00	5.00	10.00	10.00	10.00
<b>4. Freedom to Trade Internationally</b>				5.18	5.32	5.35	5.44	5.93
<b>A. Taxes on International trade</b>				5.70	6.11	7.91	8.24	8.28
(i) Revenues from trade taxes (% of trade sector)				5.70 6.45	5.14 7.29	8.14 2.79	8.14 2.79	8.14 2.79
(ii) Mean tariff rate					6.60 17.00	8.34 8.30	8.74 6.30	8.86 5.70
(iii) Standard deviation of tariff rates					6.60 8.50	7.24 6.90	7.83 5.42	7.83 5.42
<b>B. Regulatory trade barriers</b>						4.91	4.55	6.21
(i) Non-tariff trade barriers						5.40	4.41	5.39
(ii) Compliance cost of importing and exporting						4.42	4.69	7.03
<b>C. Size of trade sector</b>	0.40	0.00	0.00	0.00	0.72	0.75	1.15	1.69
<b>D. Black-market exchange rates</b>	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00
<b>E. International capital market controls</b>	0.00	0.00	0.00	2.00	1.54	3.20	3.28	3.48
(i) Foreign ownership/investment restrictions						5.62	5.02	5.42
(ii) Capital controls	0.00	0.00	0.00	2.00	1.54	0.77	1.54	1.54
<b>5. Regulation of Credit, Labor and Business</b>			2.47	4.05	4.98	5.66	5.43	5.80
<b>A. Credit market regulations</b>			0.00	2.90	3.63	6.64	6.65	7.12
(i) Ownership of banks			0.00	2.00	2.00	5.00	5.00	5.00
(ii) Foreign bank competition						9.00	9.00	9.00
(iii) Private sector credit				0.70	0.90	2.55	3.60	4.47
(iv) Interest rate controls/negative real int. rates			0.00	6.00	8.00	10.00	9.00	10.00
<b>B. Labor market regulations</b>						5.73	4.65	4.98
(i) Minimum wage						5.70	5.70	5.12
(ii) Hiring and firing regulations						6.34	6.69	6.03
(iii) Centralized collective bargaining						7.86	7.74	7.64
(iv) Mandated cost of hiring							0.67	3.31
(v) Mandated cost of dismissing							4.10	4.81
(vi) Conscription	0.00	0.00	0.00	3.00	10.00	3.00	3.00	3.00
<b>C. Business regulations</b>						4.62	5.00	5.31
(i) Price controls			0.00	4.00	4.00	6.00	6.00	6.00
(ii) Administrative requirements						2.64	2.66	3.30
(iii) Bureaucracy costs						4.25	0.99	2.64
(iv) Starting a business						6.06	8.23	8.52
(v) Extra payments/bribes						4.12	4.94	4.71
(vi) Licensing restrictions							4.90	4.69
(vii) Cost of tax compliance							7.31	7.31

**Exhibit 1.2: Summary Economic Freedom Ratings, 2006**