

Gent Sejko: Bank of Albania's achievements in 2024

Address by Mr Gent Sejko, Governor of the Bank of Albania, at the end-of-year meeting with the media and the Governor's Award ceremony, Tirana, 16 December 2024.

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Dear media representatives,

Dear students,

Dear participants,

Welcome to our traditional end-of-year meeting! The Bank of Albania holds this annual event every end of year to extend our gratitude and to thank you, media colleagues, for your work in conveying and communicating our policies and activities. As traditionally, we also hand out the Governor's Award for the Best Diploma Thesis.

Dear journalists present here today, as well as all those who, for various reasons, were unable to join us in this year-end celebration; throughout 2024, you have worked tirelessly to transmit with objectivity, truthfulness, and in real time the entire activity of the Bank of Albania. For this, I sincerely thank you! Through your work, the Bank of Albania has been able to communicate to the public its decision-making in the field of monetary policy and financial stability, announce regulatory amendments, and provide the latest updates in the areas of banking supervision, payment systems, financial education and inclusion, and financial digitalization. Your professionalism has enabled us to have an effective communication, helping to transmit our policies in the economy, and consequently, preserving price stability, financial sector stability, and macroeconomic stability in the country.

New technological developments and global uncertainties render the communication of central banks with the public even more important. For Albania, this communication becomes even more valuable, as individuals are challenged by the unsatisfactory level of financial literacy, particularly digital literacy. Nevertheless, thanks to your work and in close collaboration with you, we have succeeded in conveying to the public the stance and expected consequences of every policy undertaken, reflecting the truth and eliminating any misinterpretation or deviation from it.

Since this is also our closing meeting for this year, I would like to briefly address some of our most recent achievements and the challenges we are facing.

The latest data for 2024 on macroeconomic developments in Albania, show that the positive performance of the economy coupled with the increased employment and revenues, have led to elevated income for businesses and households, which in turn are reflected in higher household's spending and business investments.

In parallel with these developments, inflation has been rapidly declining, fully recovering from the shock it experienced due to surge in prices in international markets, and reached 2% in November 2024. This return to price stability has been accompanied by a reduction in the cost of living for households and an increase in business investments.

Also, overall inflationary pressures have been reduced, on the back of declined inflation in trading partners, appreciated exchange rate and the normalization of monetary policy stance over the past two years.

During 2024, the Bank of Albania has achieved significant progress in two key initiatives in the areas of payments and banking supervision: joining SEPA on November 21, 2024, and advancing open banking. Participation in SEPA will enable the conduction of cross-border financial transfers with European Union countries, making them faster and at lower costs – an important step towards economic integration and improving services for businesses and consumers. Also, the Bank of Albania, in line with EU regulations, has advanced in implementing open banking, by promoting the use of digital platforms with the aim of enhancing financial inclusion and establishing a more open ecosystem for clients and businesses. Open banking will empower citizen with higher and more transparent access to financial services. This development is part of a broader strategy to improve financial infrastructure and digitalize the economy.

Both initiatives aim to expand financial inclusion, by directly contributing to the reduction of informality, in turn supporting long-term sustainable growth.

Regarding the future, our forecasts remain positive, mainly based on positive developments in terms of economic activity growth. The financial environment, characterized by ample liquidity, relatively low and stable interest rates, and contained risk premiums, thus transforming bank credit into an important and reliable source of financing for the Albanian economy, has played an important role in this regard. To this end, the Bank of Albania will continue to remain vigilant to accurately reacting and in timely manner to the economic and financial developments.

Concluding, I would like to shift the focus to an 18-year tradition that enriches this annual event of the Bank of Albania. I have the pleasure to present the winners of the Governor's Award for the Best Diploma Thesis.

This activity, invites Albanian students from all over the world to present their work in the field of economics and finance. This year 24 participants have participated in this competition with impressive papers. I am delighted to note that the topics addressed in these studies are related to the traditional objectives and policies of central banks, but at the same time, many of them have focused on issues that have dominated the activity of the Bank of Albania over 2024. The authors have addressed problems related to climate change, financial education and inclusion of the population, and payment systems. This attention inspires us to do more in these areas in the future.

2025 will be a jubilee year for us, as it marks the 100th anniversary of our central bank. In the context of this anniversary, some of the topics have focused on the field of historical research, analysing the character and evolution of trade agreements, as well as monetary and financial developments. I am pleased to say that the topics align with our expectations and meet the best characteristics of scientific work. They remain focused on the real problems of the economy and finance, hence embodying a particular value for the authorities and the private sector. I thank all the participants in this competition and their mentors for the attention given to issues of interest to the central bank.

We, the members of the selection committee, have the pleasure of reading the papers, but at the same time, we also faced the difficulty of selecting three winners among them. After many discussions, the committee reached a unanimous decision on the winners of the Governor's Award for the Best Diploma Thesis, who will be presented below. I congratulate the winners and encourage all applicants to continue showing the same dedication and intellectual ambition in the future!