

# Lucrative energy deals expected as Italian and Albanian premiers meet

**Berisha in bid to ease power crisis**

**Concern over delays and corruption**

**By Guy Dinmore in Rome and Kerin Hope in Athens**

Grandiose energy projects, including what is billed as Europe's largest wind farm, will be on the table for signing when Silvio Berlusconi, Italy's premier, meets Sali Berisha, his Albanian counterpart, in Tirana tomorrow.

Albania's chronic energy crisis and Mr Berisha's ambitions to create a regional energy hub in Europe's second poorest country have opened a new market for many Italian companies.

There is also a sense of urgency for Mr Berisha, who faces elections in June and needs to convince Albanians tired of constant blackouts that relief is on its way. Mr Berisha is offering attractive terms to investors, including long leases on state-owned land for a nominal amount under his "Albania one euro" policy.

People involved in the projects, however, suggest that they could face prolonged delays, warning of corruption, lack of transparency in approval procedures, land ownership disputes and resistance from Albanian environmentalists.

One of the foreign companies involved alleged that Albanian officials had demanded bribes, although Tirana insists it follows

European Union procedures.

According to the official schedule, Genc Ruli, Albania's energy minister, is to sign two energy projects - a €1bn (\$1.3bn, £800m) contract for Italy's Falcione Group to build a regasification plant near Fier in southern Albania and an undersea gas pipeline to Italy; and a €1.15bn deal for Moncada, a Sicilian construction company, for a wind farm on the Karaburun peninsula and a power cable across the Adriatic Sea to Italy.

Italy's energy deficit and internal problems in building new infrastructure make Albania an attractive option for sourcing electricity.

Moncada's proposed 500MW wind farm, comprising 250 turbines, is billed as Europe's largest.

Falcione appears to have beaten off a rival project proposed by ASG Power, a Swiss-based project company 75 per cent owned by Agim Gjinali, a Kosovo Albanian entrepreneur.

It proposed a large-scale regasification plant that would take gas shipped from North Africa and Qatar and then feed it to Italy and Albanian industry.

In addition, Italy's Marseglia group said Mr Berlusconi would cut the ribbon on its own wind farm and undersea power line project, which already has Albanian approval. Mr Berlusconi's office denied such an event was planned. Marseglia later told the Financial Times that there would just be a meeting with company representatives.