

Dynamic Albanian paper trader explores new avenues in world trade

by Dominique Huret- Cape Decision



Albania is not a country regularly under the spotlight, even less so in the business world. It is often associated with post-communist reconstruction, pre-EU adhesion or even corruption and emigration issues. Down in this Balkan country, one company proves it all wrong. Dominique Huret reports on Algrafika Ilc, an ambitious and successful paper trader. Conveniently located outside Tirana on the main highway to the Durrës harbor, Algrafika boasts a superb new building and warehouse. Its core business consists of selling prime quality and stock lots of paper and board products to packaging producers and commercial printing houses, in Albania and in the Balkan countries.

“Although Algrafika was founded in 1999, I bought it six years ago, with a view to give it a new boost, together with my two sons. With a robust

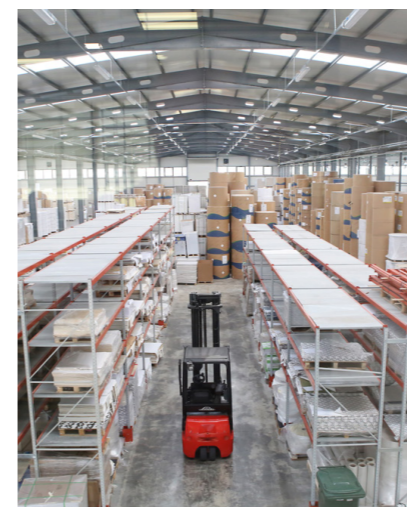
business education in the USA and as true citizens of the world, they came back full of ideas, ready to boost the dormant company. Since then, it has been an incredible journey. Indeed, we left the six warehouses scattered around Tirana in 2017 for a brand new building of 8.000m² with 1.600m² of office space. We massively invested in a sales and purchasing force to increase our local market share” says Gezim Dobi, the founding father, engineer in nuclear physics and fluent in Russian.

Algrafika imports prime quality paper and cardboard, but also stock-lots from cancelled orders, left overs, side reels, shaded rolls or sheets etc... Thanks to their close relationships with paper producers located all over the world, the purchasing team buys lots of paper at competitive price. Goods are then shipped to the Durrës port where they enter the country without taxes. Finally,

they reach Algrafika which reprocess if needed and transport by truck to their local customers.

Ilir Dobi, Management Director: *“There are very few paper mills in the Balkans and paper trading has always been important because of high demand in developing economies. Today, Algrafika covers 60% of the Albanian market, with about 20 different paper types from offset quality to carbonless and from thermal papers to a large variety of carton boards”.*

“We are working with about 60 suppliers and mills from around the world, many in Europe, but also in Indonesia, China and South America. As these paper mills are closing and opening at a high pace, their capacities are constantly moving. Careful planning is also needed as transport of goods from China can take up to 3 months to reach us. On average, we have a continuous flow of about 2.000 tons or 80 containers travelling, whether



on ships or on trucks” adds Sales Director Enrik Koci.

Ilir Dobi knows the company assets: *“Here in Albania, our labor is not expensive, our location is very central and close to the port so containers of goods arrive easily, and we have converting equipment for product customization. We can serve our customers by truck in a matter of days. But we have to be realistic: with mature products and markets, the company has limited expansion opportunities in Albania. This is why, last year we have started exporting little quantities.*

After first timid attempts, the future development of the export market has now proven promising. We started providing papers to our neighbor-

ing markets : Greece, Macedonia (FYROM), Montenegro, Kosovo, Croatia and even Syria. But we have been especially successful at exporting to Greece” says MD Dobi.

“It wasn’t easy. As an Albanian company, we had to work twice as hard to build trust. In addition, credit insurance is unknown here. So now, we use bank guarantees and cash prepayments, where good relationships are key. And yet starting from scratch, export represented 5% of turnover in 2017 and is expected to reach 20% this year. Three export managers are now fully dedicated to this : the right paper, at the best price at a short time” explains Enrik Koci Algrafika Sales Director.

“We have witnessed a substantial growth since the acquisition, and we will soon add an additional 2.000 m² of warehouse. In addition, we will soon start a global digital marketing campaign to increase our visibility and a FSC certification program to meet the latest industry standards. At the moment, pulp and paper products are in high demand, so we want to grow accordingly” concludes Ilir Dobi.

For the European Bank of Reconstruction and Development, active player in technical assistance prior to a potential loan, a vibrant small and medium sized enterprise sector is a vital ingredient in a healthy market economy. Algrafika team definitely shares this belief.

Algrafika figures in short	
Turnover 2017	4.6 Mio EUR
imports and export trades per year	over 2000
headcount	42
Turnover of the stock	4 months
Company’s current local client base	300 printing houses
Product	Paper for printing, writing, graphical, packaging and specialty grades
Best selling paper type	Offset
Most lucrative paper	Thermal paper
Volume bought at discounted price	45%
Volume bought at prime papers market price	55%