Albcontrol
AIR NAVIGATION SERVICES

2016 ANNUAL REPORT

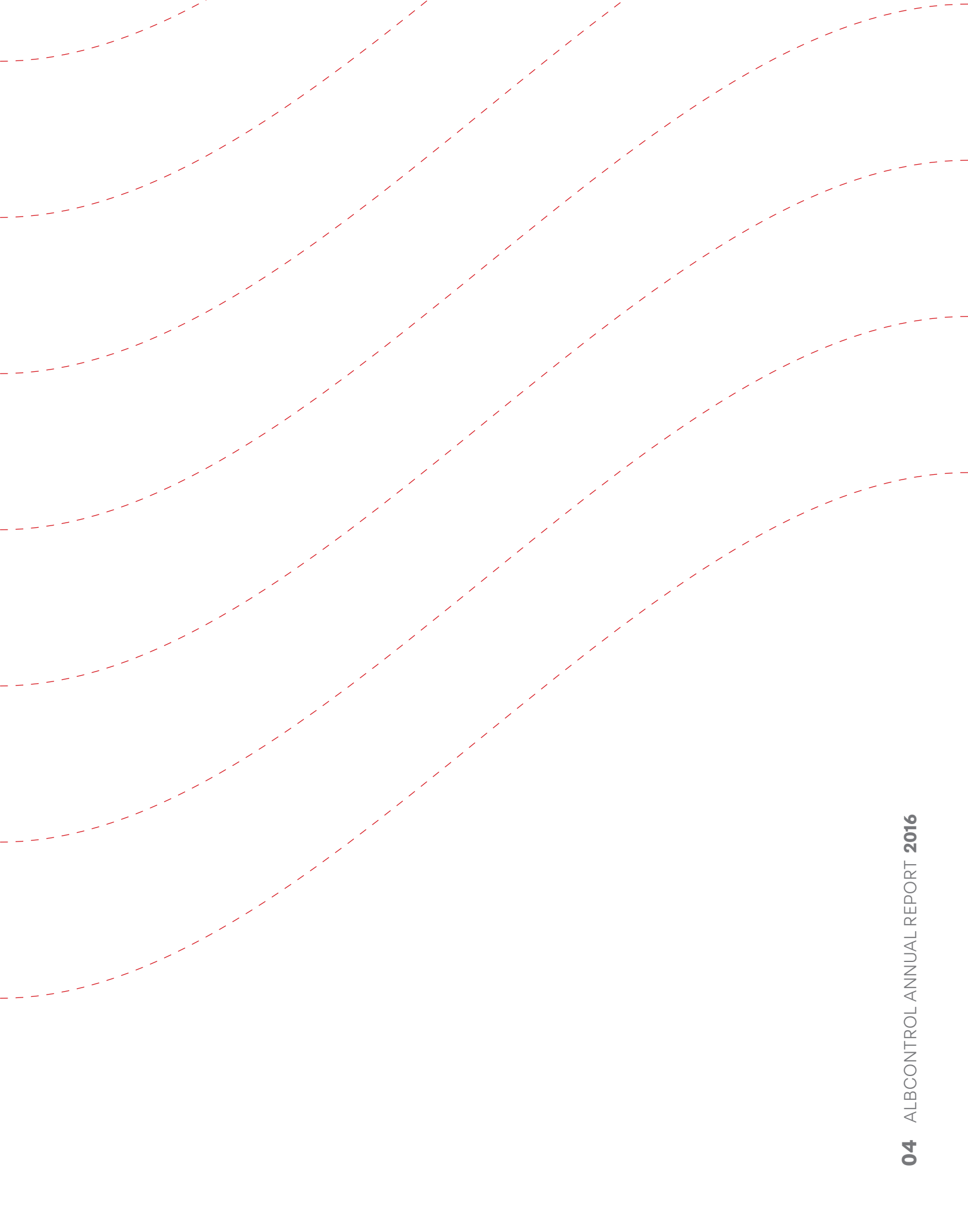# Albcontrol
AIR NAVIGATION SERVICES

FIGURES

185,681 Total Number of Flights
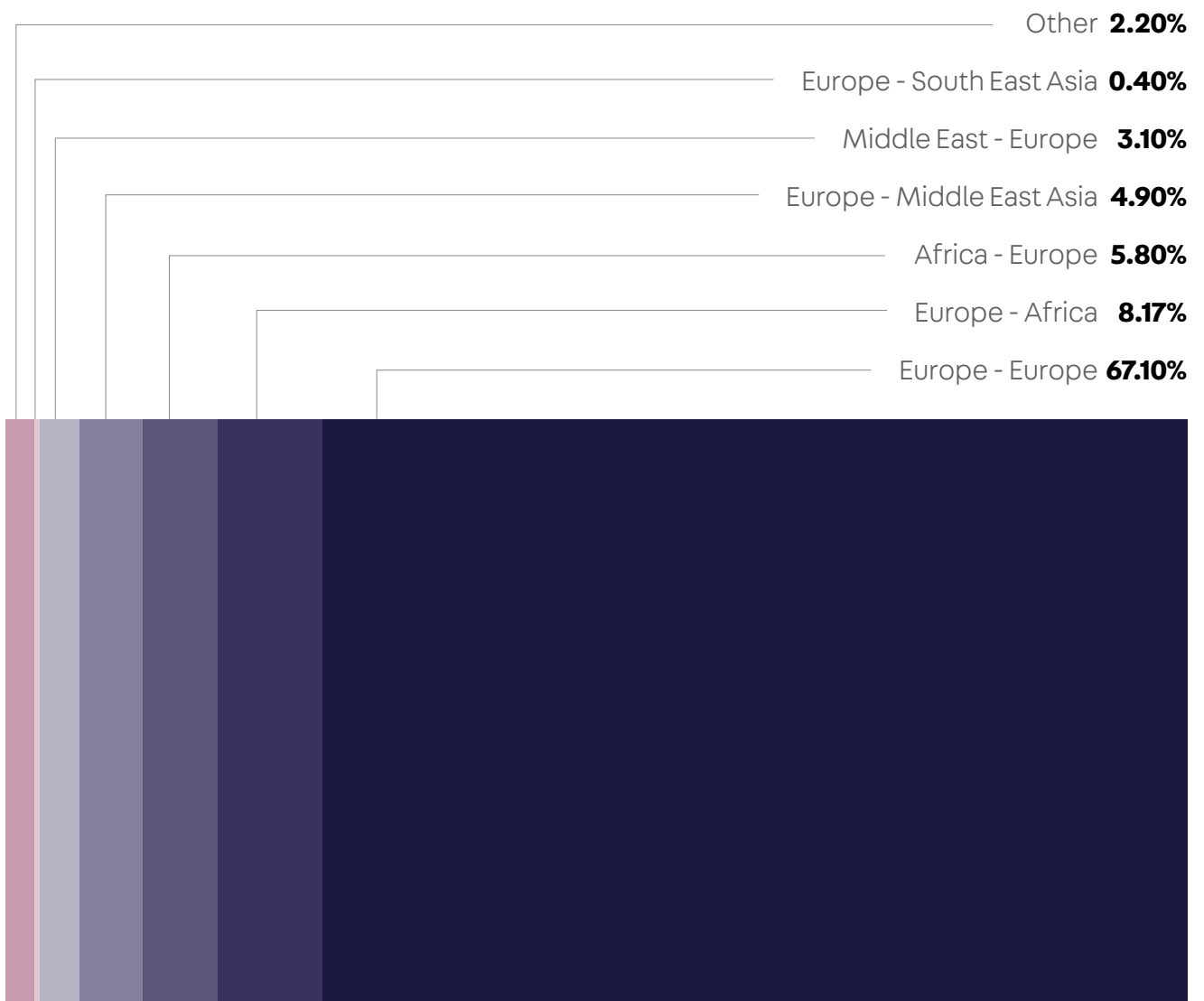
22,104 Number of International Departures and Arrivals

1,681 Exempted Flights

161,896 Number of Overflights

992 Peak of the Day

Flights per Region Pair 2016

Other **2.20%**

Europe - South East Asia **0.40%**

Middle East - Europe **3.10%**

Europe - Middle East Asia **4.90%**

Africa - Europe **5.80%**

Europe - Africa **8.17%**

Europe - Europe **67.10%**

FOREWORD

Belinda Balluku
DG ALBCONTROL

Dear friend,

In ALBCONTROL during 2016 we have accomplished substantial and innovative changes. Our ATM system has been subject to significant improvement such as automated coordination functions, implementation of MTCD and some other new functions or tools with a clear objective to increase capabilities of ANS System, while maintaining smooth and safe operations. The implementation of Free Route Airspace has required considerable updates of Skyline System that resulted in an improvement of functionalities such as FRA Operations, stripless, receiving capabilities and MLAT/WAM data processing. We have installed the Service Desk System, IT Service Management solution that helps reduce costs and minimize service disruptions through automated service request and incident management handling, efficient change management, optimized asset life cycle, management across IT and enterprise domain.

In 2016, the terminal charges system started to be operated by the Central Route Charges Office of EUROCONTROL on behalf of Albania, according to the terms of the Bilateral Agreement signed between ALBCONTROL and EUROCONTROL on December 2015.

We were actively engaged this year in many international initiatives where ALBCONTROL's managers were elected in the Executive Boards of ANSB and NewPENS.

During 2016, two million one hundred ninety-five thousand and one hundred passengers have entered Albania via air routes. The crucial changes of the last four years are the main reason why today a growing number of tourists, investors, partnerships and foreign companies have been attracted and have experienced the new development policies of the Albanian Government, where transport is a priority.

Proudly, we have chosen to complement graphics and numbers of this Annual Report 2016 with some recent photos of our capital, Tirana, just to give you a flavor of our amazing country located in the heart of Europe, but still mystic and undiscovered to many of you.

Consider this an open invitation and I assure you that the pictures can't do justice to the beauty of our country.

Mirë se të vini!
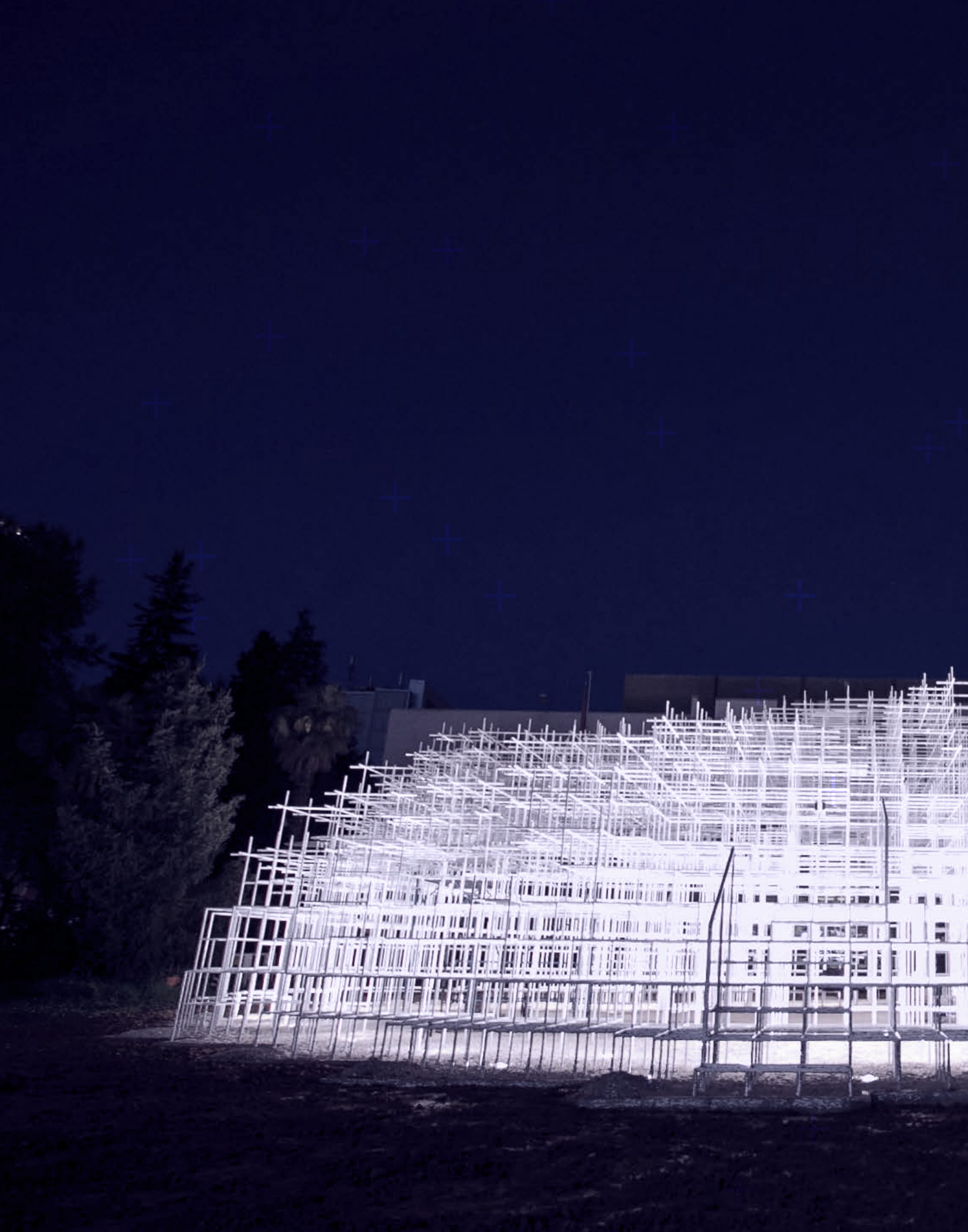
COMPANY PROFILE

History

ALBCONTROL manages and controls the airspace of Albania (FIR) in accordance with national and international standards of air navigation services. Our company is a 100% state owned joint stock Company, property of the Ministry of Economic Development Trade, Tourism and Entrepreneurship, established as state-owned enterprise since 1992. Since 2003, ALBCONTROL is a member of EUROCONTROL. In 2009, ALBCONTROL joins CANSO and starting from January 2016 it is a full member of CANSO Region Europe.

Vision

Being responsive to the dynamic of the requirements of customers' need, we are determined, based on safety and investments, to be an important growing factor in the international level of Air Navigation Service Providers.

Mission

The mission of ALBCONTROL is to provide air navigation services in the Albanian FIR, in compliance with international standards regarding safety, quality, and environmental care, and to be customer oriented. ALBCONTROL uses its human resources, as well as operational, technical and financial assets to successfully execute its mission, to reduce delays in operation in order to increase air traffic capacity. Cooperation with neighbors and partners in the field of air navigation is a significant tool to successfully achieve our mission.

Main Activities
Of Albcontrol

+ AIR TRAFFIC MANAGEMENT
+ AERONAUTICAL INFORMATION SERVICE
+ COMMUNICATION
+ NAVIGATION
+ SURVEILLANCE
+ METEOROLOGICAL SERVICES

36,000 km²
Controlled Airspace

TIRANA

Major Customers

Top Overflight Users 2016

+ AEGEAN AIRLINE
+ BRITISH AIRWAYS
+ EASYJET AIRLINES
+ TURKISH AIRLINES
+ EGYPTAIR
+ LUFTHANSA
+ AIR FRANCE
+ ETHIOPIAN AIRLINES

Top Terminal Users 2016

+ BLUE PANORAMA
+ ALITALIA CAI
+ ADRIA AIRWAYS
+ MISTRAL AIR ROMA
+ TURKISH AIRLINES
+ AUSTRIAN AIRLINES
+ AEGEAN AIR
+ BRITISH AIRWAYS

Partners and Suppliers

+ RADIO FREQUENCY & ADVANCE ENGINEERING
+ 4 A – M
+ TRAINING MANAGEMENT CONSULTING - TMC
+ EN – EL
+ AIR COMMUNICATION
+ INFOSOFT SYSTEMS
+ TCN
+ R & T
+ LOCKHEED MARTIN
+ FREQUENTIS AG
+ INDRA SISTEMAS S.A.
+ SELEX ES
+ TIRANA INTERNATIONAL AIRPORT

International Partnership

ICAO
The ICAO (International Civil Aviation Organization), is a UN specialized agency, created in 1944 upon the signing of the Convention on International Civil Aviation (Chicago Convention). Albania is member since 1991.

ECAC
ECAC (European Civil Aviation Occupation Conference), its mission is promotion of the continued development of a safe, efficient and sustainable European air transport system. Albania is member since 1998.

EUROCONTROL
EUROCONTROL (European Organization for the Safety of Air Navigation) based in Brussels, is an intergovernmental Organization with 41 Member States, committed to building, together with its partners, a Single European Sky. Albania is member since 2002.

ECAA
ECAA European Common Aviation Area, is an agreement with partners from South-Eastern and Northern Europe: Albania, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo under UNSCR 1244, Norway and Iceland. It was signed in 2006.

BLUE MED
The BLUE MED FAB, a cooperative of air navigation service providers (ANSPs) of Cyprus, Greece, Italy, and Malta. From 2008, Albania is part of BLUE MED FAB as Associated Partner.

CANSO
Member since 2009. The Mission of CANSO is to be the global voice of air traffic management (ATM) in the transformation of the aviation system, creating value for members and stakeholders.

Consultation
with Users

ALBCONTROL receives on an annual basis a complete and detailed Customer Satisfaction Questionnaire from the main airlines, regarding the provision of air navigation services, with detailed quantitative and qualitative feedback - in all key areas. The feedback obtained is subsequently used to identify customer needs and expectations. This process allows the continuous improvement of ALBCONTROL customer services, in order to achieve safe, efficient and cost-effective air navigation services. The Scorecard generates formal feedback from each customer and enables ALBCONTROL to identify its optimal services, and areas that require improvement from the customer's point of view.
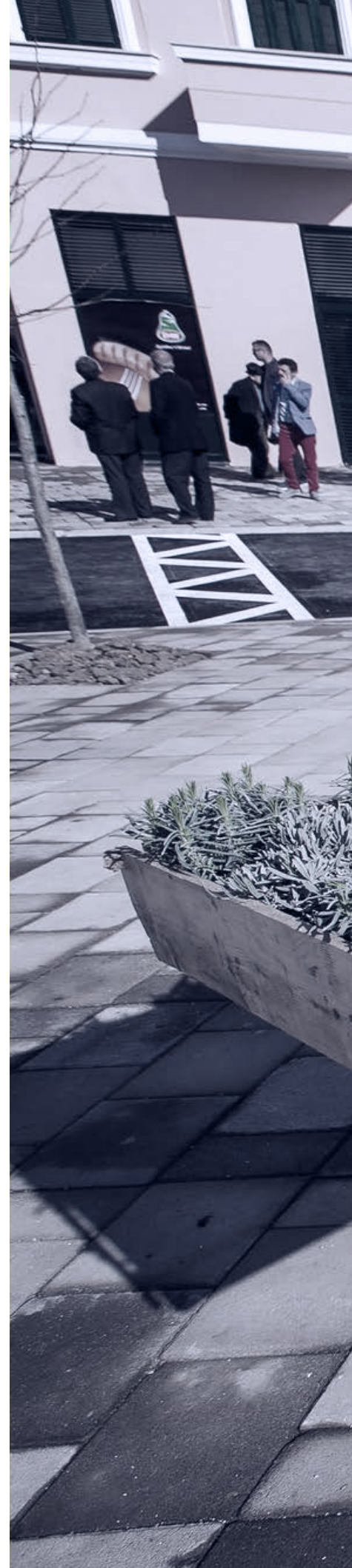
SUPERVISORY BOARD

GENCI GJONÇAJ
Chairman of the Supervisory Board

MIRLINDA KARCANAJ
Member of the Supervisory Board

SULO HADERI
Member of the Supervisory Board

ROBERT PETRI
Member of the Supervisory Board

SONIA POPA
Member of the Supervisory Board

On the 4th of October 2016, Mr. Çollaku was replaced by Mrs. Shehaj.

ARDIT ÇOLLAKU*/BRISIDA SHEHAJ
Member of the Supervisory Board

Director General is nominated by the Supervisory Board of ALBCONTROL.

ORGANIZATIONAL STRUCTURE

Supervisory Board

- Director General ----- DG Cabinet
- Internal Audit
- Operational Division
  - Aeronautical Information Service
  - Air Traffic Service
  - ATM Development & Strategy
- Technical Division
  - Systems Directorate
  - Systems Monitor & Control Directorate
  - Maintenance Site & Power Supply
  - MET Sector
  - IT Directorate
- Administrative Division
  - Human Resources Directorate
  - Legal Directorate
  - Procurement Directorate
  - Economic Directorate
  - Supporting Systems Directorate
- Safety & IMS Division
  - Information Security Office
  - Safety Directorate
  - Quality & Standards Directorate
  - Security Directorate
- External Relations Division
  - Foreign Relations Office
  - Institutional Relations
  - Public Relations Office

PERFORMANCE INDICATORS

Traffic Values

Exempted **01%**

Arrivals / Departures **12%**

Civil Overflights **87%**

1,681

22,104

161,896
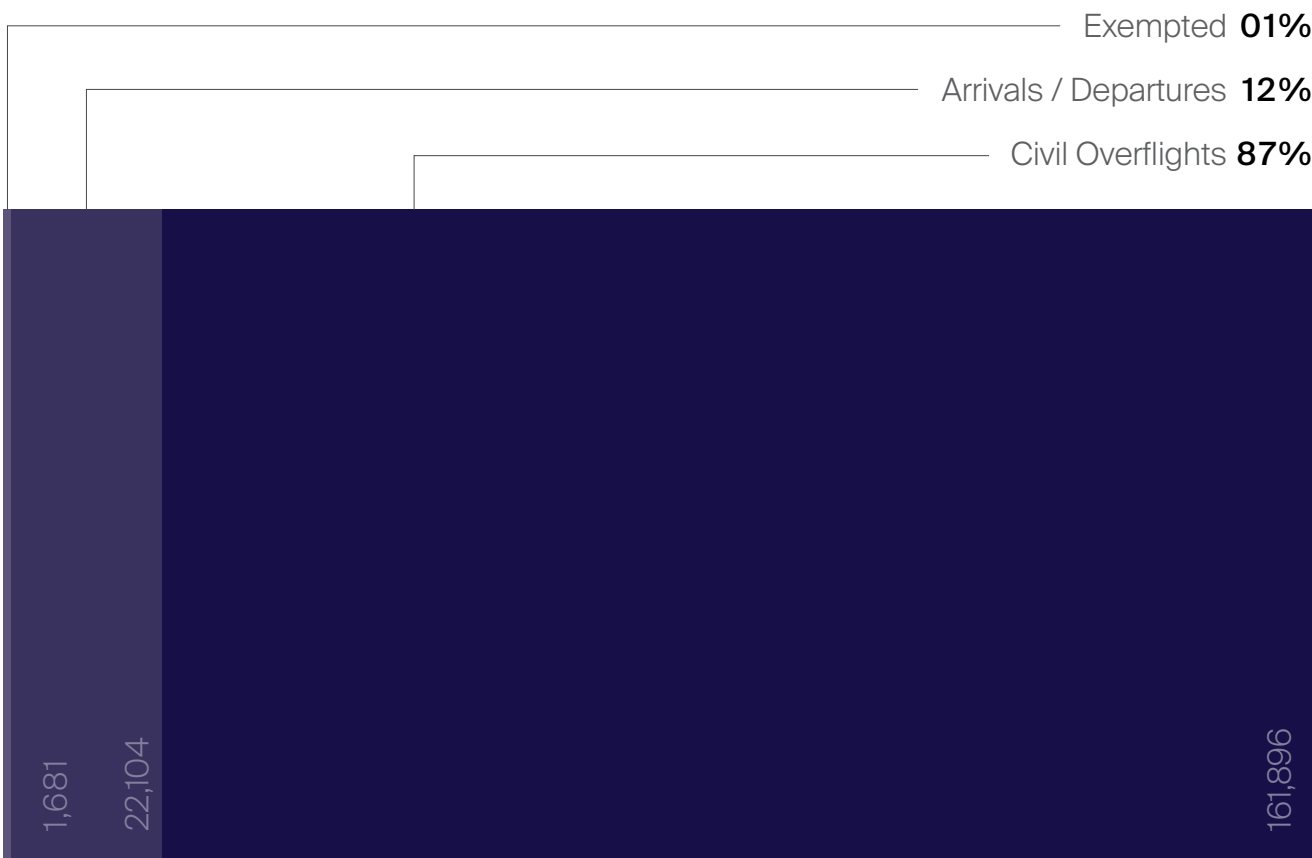
En–Route Flights 2015–2016

During 2016, overflights in Eastern Europe slightly decreased due to the reduction of terminal traffic from Turkey and Egypt. Aircrafts were redirected to the north and east towards Serbia, Montenegro - KFOR and Bulgaria and there was a decline of flights between Egypt and Russia.
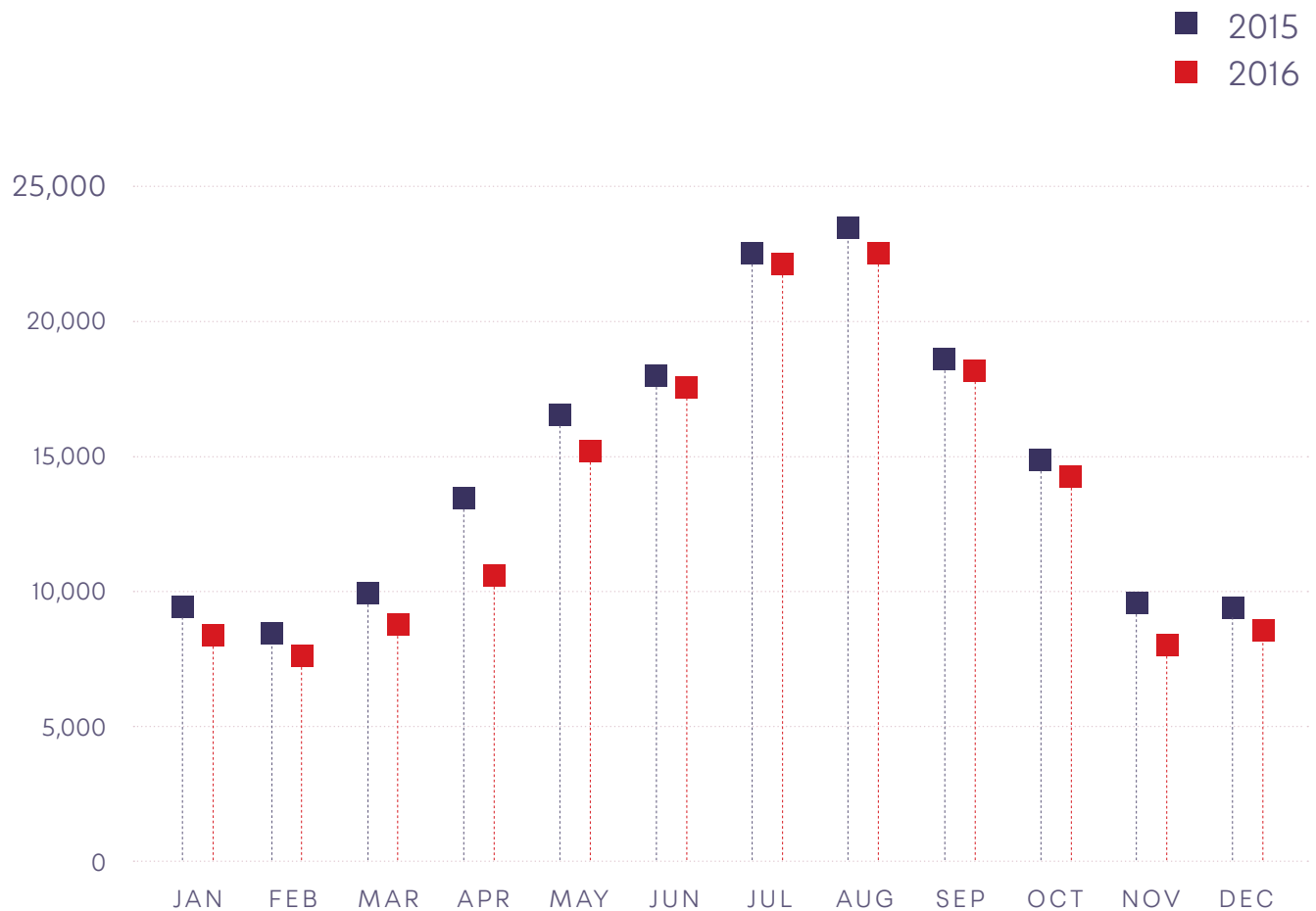
■ 2015
■ 2016

Top users "en-route"

ALBCONTROL Top Users of "en-route" navigation services (%
Share in the total volume of services provided during 2015-2016)

■ 2016
■ 2015

ETHIOPIAN AIRLINES

AIR FRANCE

LUFTHANSA

EGYPTAIR

TURKISH AIRLINES

EASYJET AIRLINES

BRITISH AIRWAYS

AEGEAN AIRLINES

8.00%   7.00%   6.00%   5.00%   4.00%   3.00%   2.00%   1.00%   0.00%
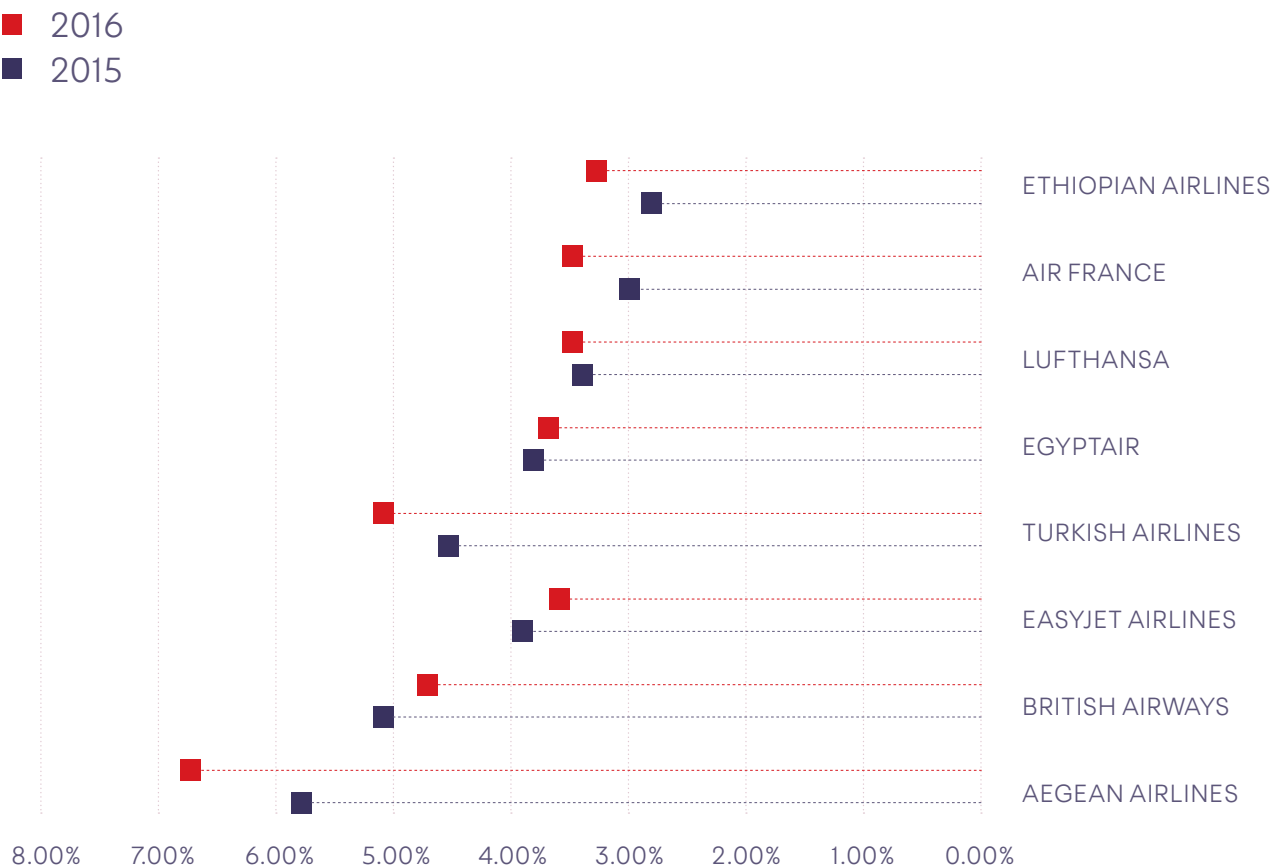
Terminal

+ Terminal Flights increased during 2016 by **6.01 %**, reaching a total number of **22,104**.
+ **"Albawings"**, new Albanian carrier started operations in Tirana International Airport flying to six Italian destinations.
+ New destinations were launched such as **Munich** operated by Adria Airlines and **Frankfurt** operated daily by Lufthansa Airlines.

■ 2015
■ 2016
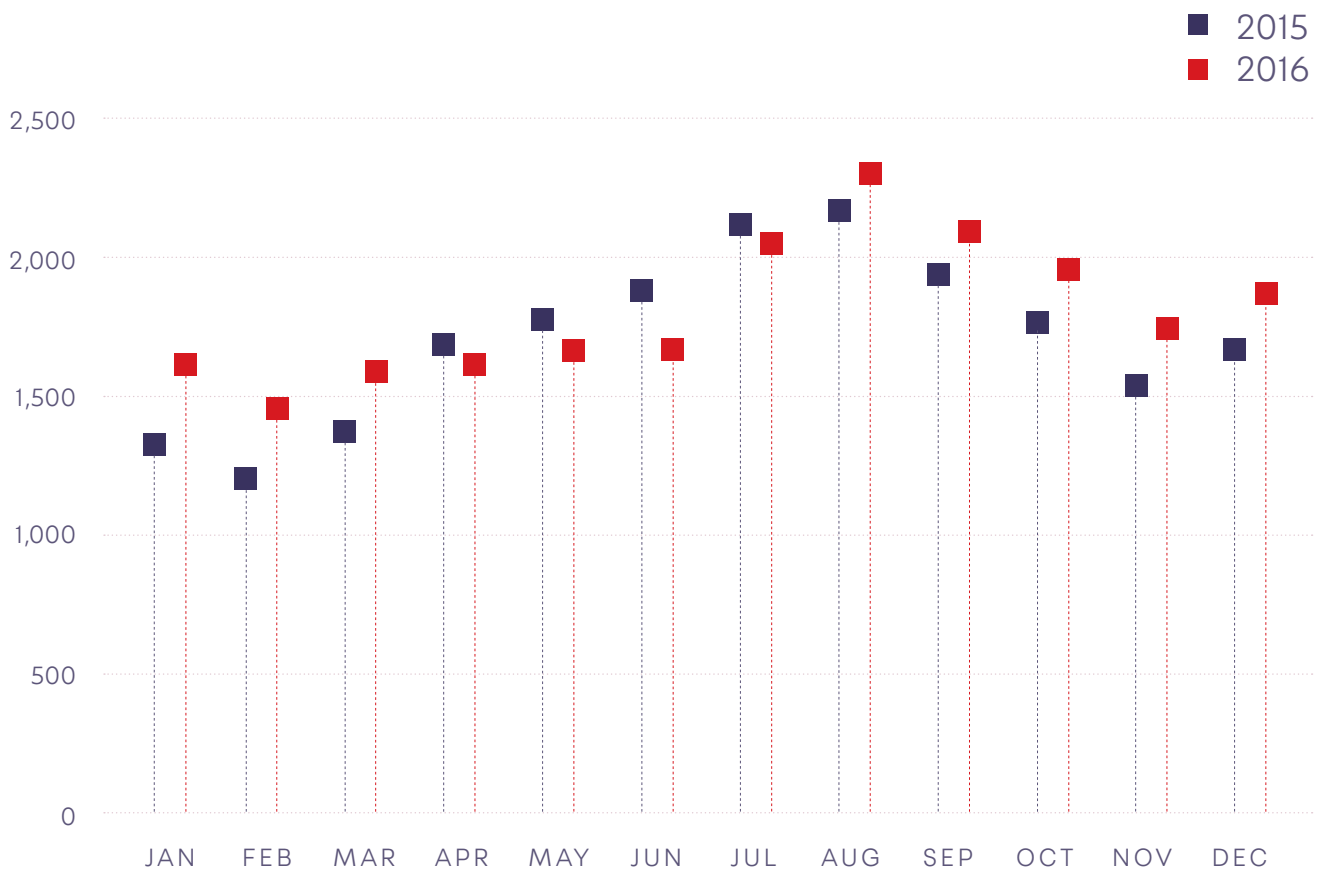
Terminal Users at
Mother Teresa Airport

■ 2015
■ 2016

	VOLOTEA AIRLINES
	TURKISH AIRLINES
	PEGASUS AIRLINES
	LUFTHANSA AG
	CHARTERS
	BRITISH AIRWAYS
	BLUE PANORAMA
	AUSTRIAN AIRLINES
	ALITALIA CAI
	MISTRAL AIR ROMA
	AEGEAN AIR
	ADRIA AIRWAYS

3000   2500   2000   1500   1.000   500   0
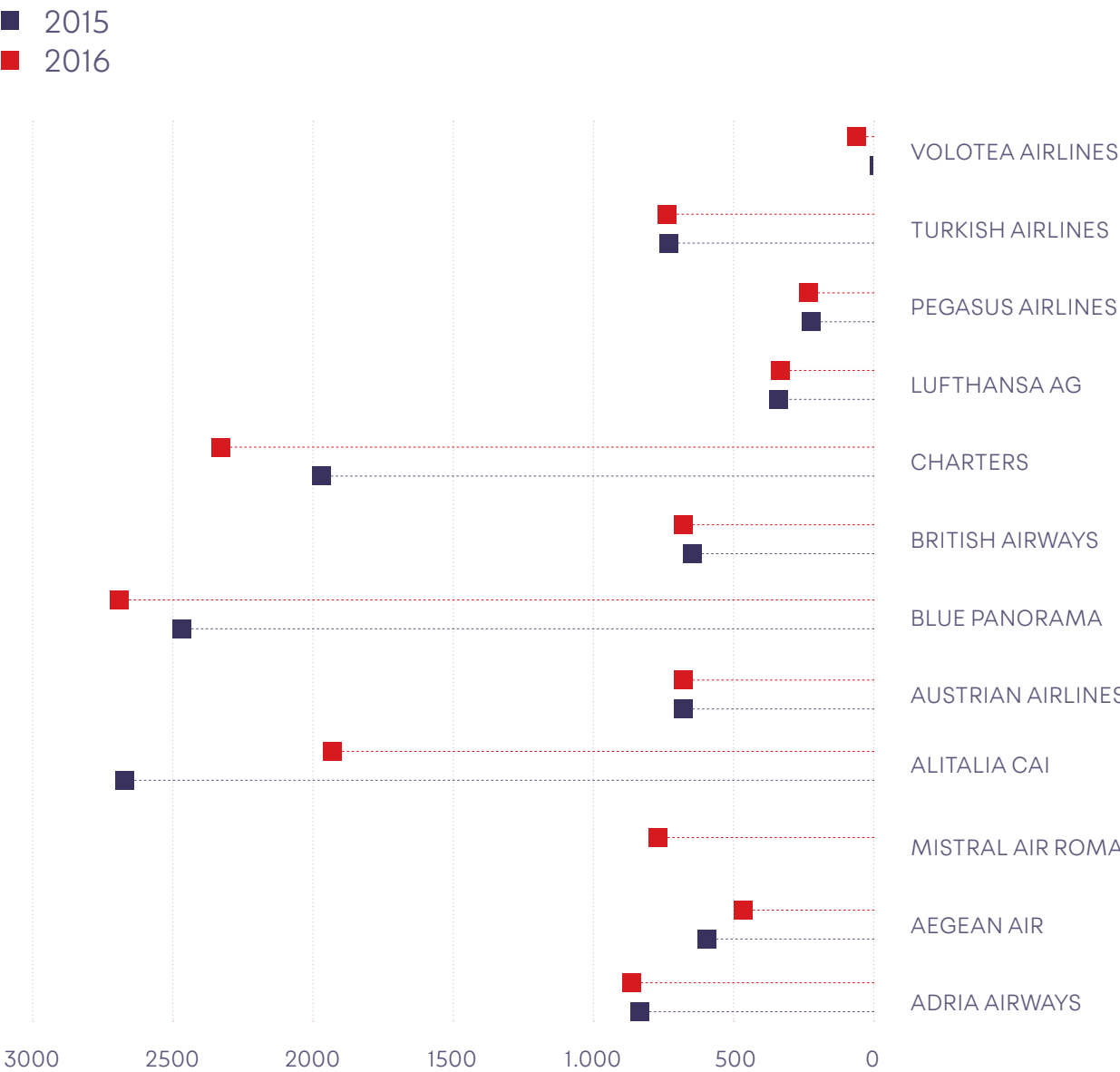
Service Unit

Figures of total Service Unit for 2016 show the same picture when compared to the number of movements, due to the decrease of the total number of over-flights with 9.02%.

2011 - **447,587**

2012 - **442,921**

2013 - **455,595**

2014 - **468,799**

2015 - **484,426**
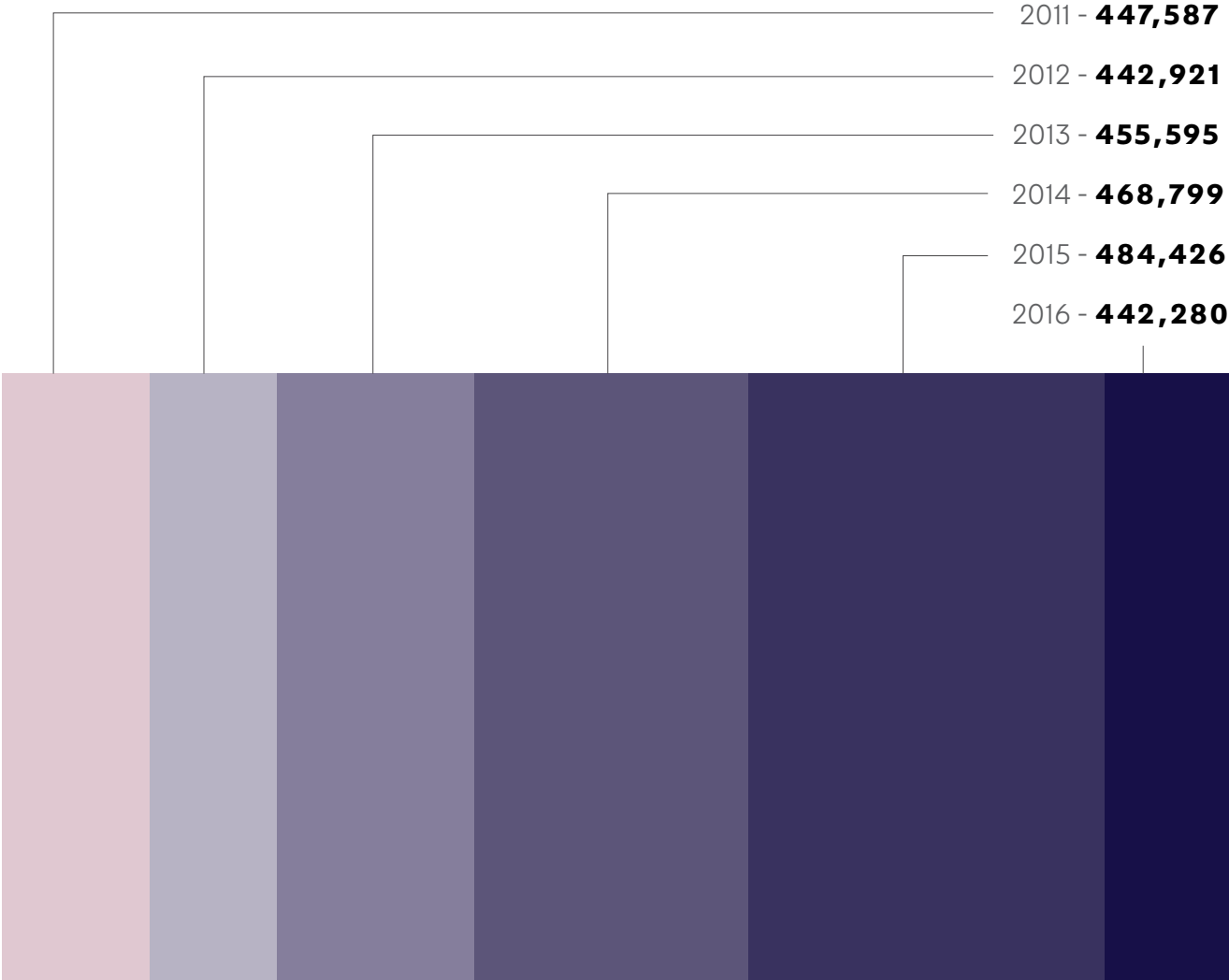
2016 - **442,280**

Total Service Unit decreased by 8.7% compared to 2015

Value of the total Service Unit 442,280

Value of the chargeable service unit for 2016 439,144

Charges for
Air Navigation Services

In 2016, both charges for "en-route", as well as for terminal navigation services at "Mother Teresa" Airport, were set in accordance with the rules of the International Civil Organization (ICAO) and Commission Regulation EC Regulation No. 1794/2006, which has been applied by Albania since 2008, amended in (EC) No.1191/2010.

Pursuant to the Regulation of the European Commission No, 391/2013, during 2016 Albania continued to apply the principle of the full cost recovery method.

The "en-route" navigation charges in 2016 were in compliance with "The principles for establishing the cost-base for route facility charges and the calculation of the unit rates", issued by EUROCONTROL.

ALBCONTROL has been consistently applying a customer oriented policy in setting charges for air navigation services. Prior to final approval, the charges are consulted with air space users. Consultations on charges for "en-route" navigation service in 2016 took place during the process of establishing the charges at EUROCONTROL level, including consultation with IATA.

Charges for "En-route" Navigation Services

Since 2003 the "en-route" service charges are applied based on the rules established in the Multilateral Agreement Relating to Route Charges and EUROCONTROL principles. Consequently, the billing, collection, and recovery of charges for "en-route" navigation services are managed by the Central Route Charges Office (CRCO). The basis for calculation of the "en-route" navigation charges is the rate for Service Unite. The Service Unite is defined as the number of kilometers flown in airspace for the Albania Republic divided by 100, multiplied by the square root of one fiftieth of the maximum take-off weights of the aircraft (MTOW) in tons.
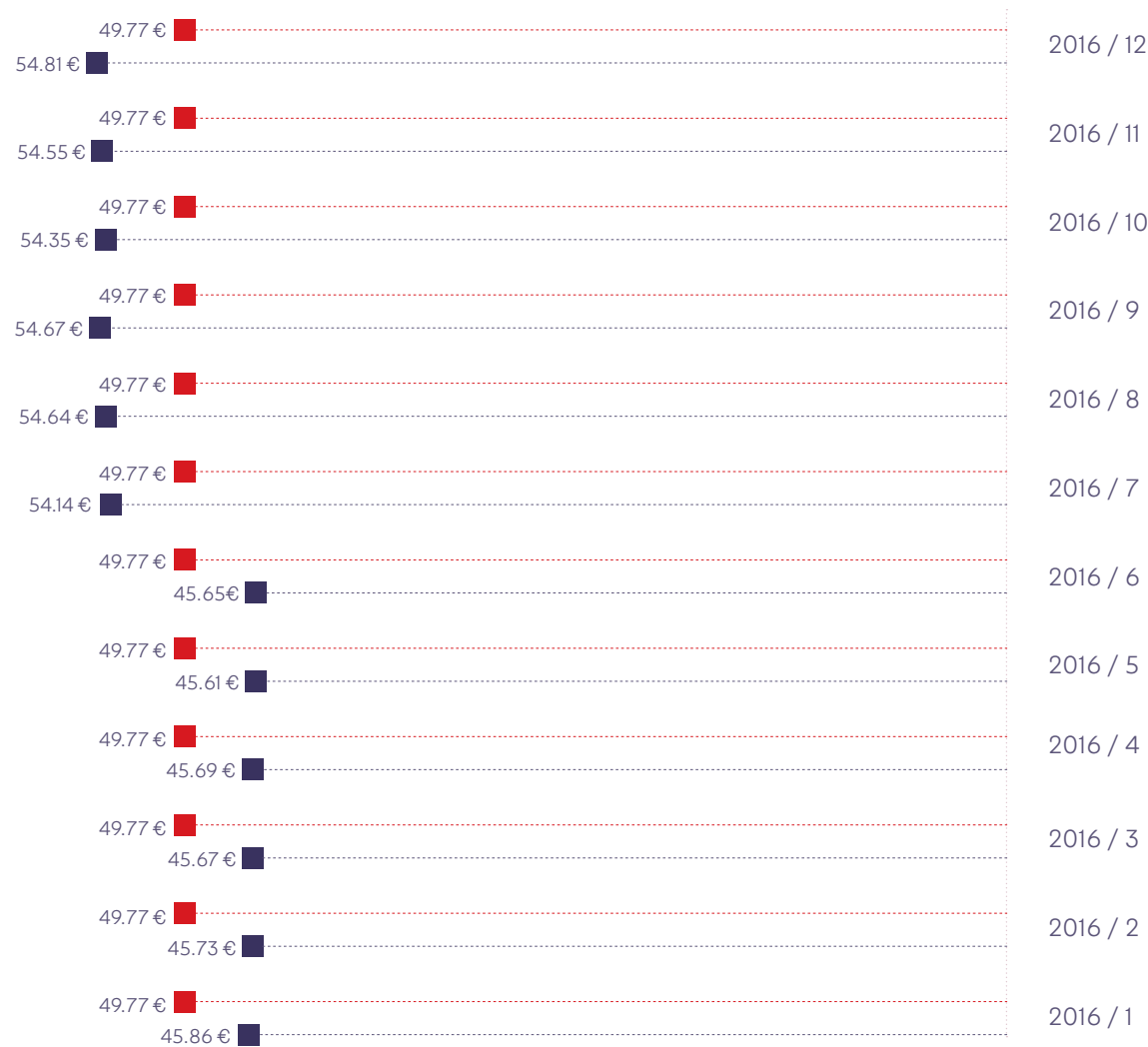
Albania initially submitted for 2016 a national Unit Rate of 45.17 EUR, approved by EUROCONTROL, dated December 9, 2015.

The STATFOR Service Unit Forecast 2016-2022 of February 2016 predicted over 14% of traffic decline for Albania (expressed in chargeable service units), compared to the prediction forecast of the STATFOR Service Unit Forecast 2015-2021 published in September 2015. Under these circumstances and in accordance with Article 3.2.3 of the "Principles for the establishing the cost-base for "en-route" charges and the calculation of the unit rates", Albania decided to revise its National Unit Rate. This decision was taken further to consultation with airspace users, and the new national unit rate for the second semester, effective from July 1st 2016, was set to 53.40 EUR per Service Unit, and the basic unit rate for en-route navigation services in 2016 was set at 6,919 ALL = 49.77 € per Service Unit. The cost base was calculated in Albanian ALL.

However the basic unit rate converted to the Euro, which is valid for a period of one year, is used for reference only, as the actual rates paid by users of services for a single calendar month depend on EUR/ALL exchange rate fluctuations during the year.

Development of Monthly Unit Rates

■ Basic Unit Rate (49.77 €)
■ Monthly Unit Rate 2016

49.77 € ■
54.81 € ■   2016 / 12

49.77 € ■
54.55 € ■   2016 / 11

49.77 € ■
54.35 € ■   2016 / 10

49.77 € ■
54.67 € ■   2016 / 9

49.77 € ■
54.64 € ■   2016 / 8

49.77 € ■
54.14 € ■   2016 / 7

49.77 € ■
    45.65€ ■   2016 / 6

49.77 € ■
    45.61 € ■   2016 / 5

49.77 € ■
    45.69 € ■   2016 / 4

49.77 € ■
    45.67 € ■   2016 / 3

49.77 € ■
    45.73 € ■   2016 / 2

49.77 € ■
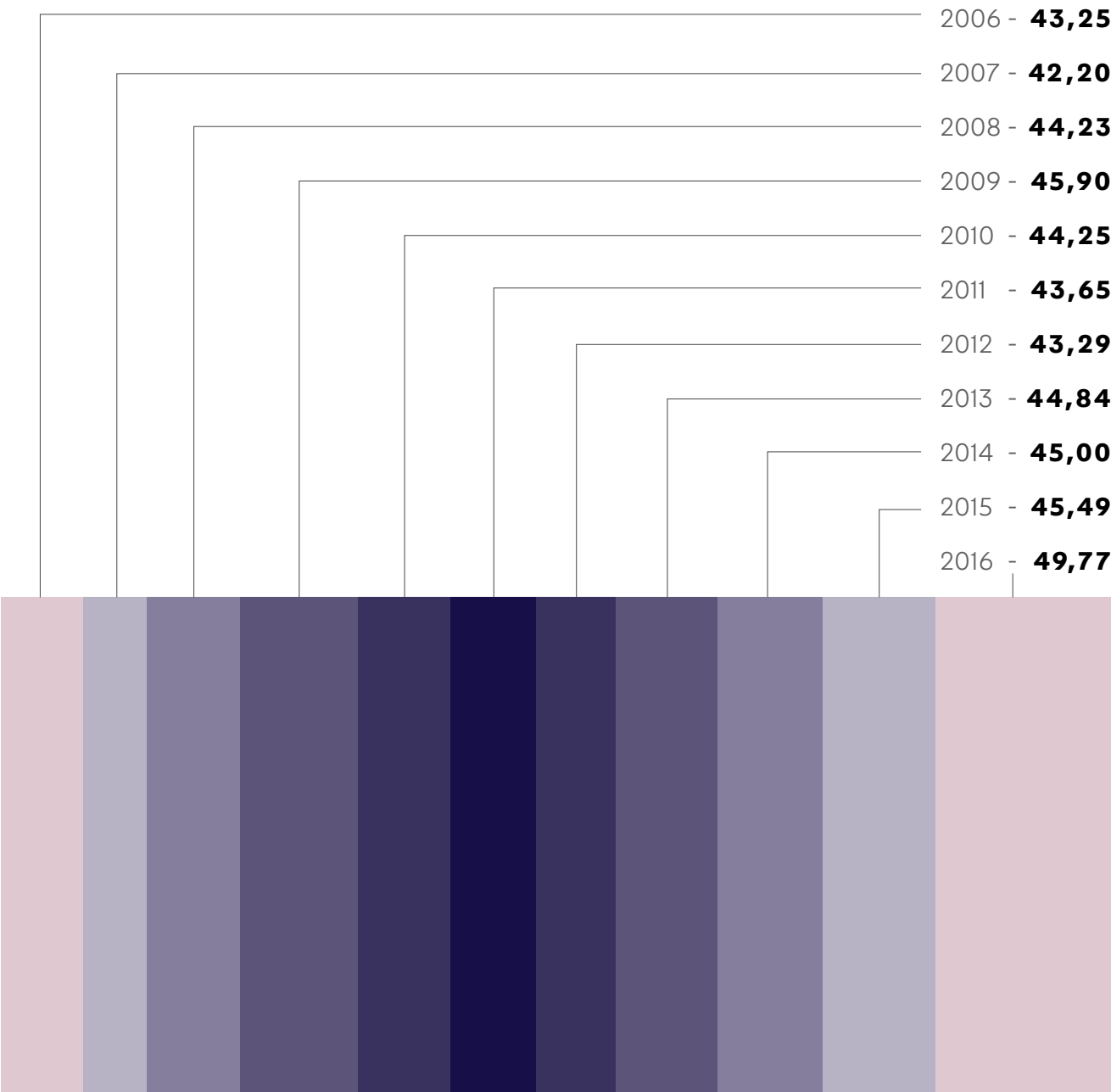   45.86 € ■   2016 / 1

EUROCONTROL Member States Unit Rate 2016

The basic unit rate applicable in Albania for year 2016 is lower than the average of the unit rate range of EUROCONTROL's Member.

Country	Unit Rate
Turkey	24.25
Moldova	56.32
FYROM	52.36
Croatia	47.33
Bosnia Herzegovina	41.97
Serbia / Montenegro / KFOR	37.79
Armenia	38.95
Albania	49.77
United Kingdom	99.5
Switzerland	104.15
Sweden	61.68
Spain Con.	71.69
Spain Can.	58.36
Slovenia	65.38
Slovakia	52.54
Romania	36.8
Portugal Santa Maria	10.8
Portugal Lisboa	39.9
Poland	34.5
Norway	41
Netherlands	67
Malta	25.79
Lithuania	44.9
Latvia	27.31
Italy	80.08
Ireland	29.67
Hungary	34.75
Greece	36.02
Germany	82.59
France	67.54
Finland	56.23
Denmark	61.67
Czech Republic	42.87
Cyprus	33.57
Bulgaria	22.52
Belg - Luxembourg	65.41
Austria	73.63

Unit Rate 2006-2016

2006 - **43,25**

2007 - **42,20**

2008 - **44,23**

2009 - **45,90**

2010 - **44,25**

2011 - **43,65**

2012 - **43,29**

2013 - **44,84**

2014 - **45,00**

2015 - **45,49**

2016 - **49,77**

Exempted Flights 2016 for "En-Route" Charges

*Unit Rate values during the last 10 years in Albania have been stable

+ VFR flights
+ MTOW up to 2 tones
+ Flights of national importance
+ Military flights
+ Check and test ground navigation equipments
+ Customs and police bodies

Charges for Terminal Navigation Service

From January 1, 2016, EUROCONTROL is entrusted with the collection of terminal charges on behalf of ALBCONTROL. The terminal charge is levied for each IFR flight departing from Tirana International Airport (LATI). The terminal charge R is calculated in accordance with the following formula:

$$R = t \times N$$

Where t is the unit rate of charge and N the number of service units corresponding to terminal air navigation services made available. The unit rate t is calculated by dividing the forecast number of total terminal service units for the relevant year into the corresponding cost-base for terminal services.

For a given departing flight, the number of service units in respect of terminal charges, designated N, is obtained by dividing by fifty the Maximum Take-off Weight (MTOW), expressed in metric tons, which is used for calculating the EUROCONTROL route charge for the flight concerned, to the power of 0.7. The basic unit rate of charge applicable from 1 January 2016 was EUR 158.70.

The rate of interest on late payment of terminal charges applicable from 1 January 2016 was 10.06% per annum.

The following flights are exempted from the payment of the terminal charges:

+ Flight performed by aircraft of which the maximum take-off weight authorized is less than 2 (two) metric tons.
+ Flights performed exclusively for the transport, on official mission, of the reigning Monarch and his/her immediate family, Heads of State, Heads of Government, and Government Ministers. In all cases, this must be substantiated by the appropriate status indicator or remark on the flight plan.
+ Search and rescue flights authorized by the appropriate competent body.
+ Military flights performed by military aircraft of any State.
+ Flights performed exclusively for the purpose of checking or testing equipment used or intended to be used as ground aids to air navigation, excluding positioning flights by the aircraft concerned.
+ Flights performed exclusively under VFR.
+ Humanitarian flights authorized by the appropriate competent body.
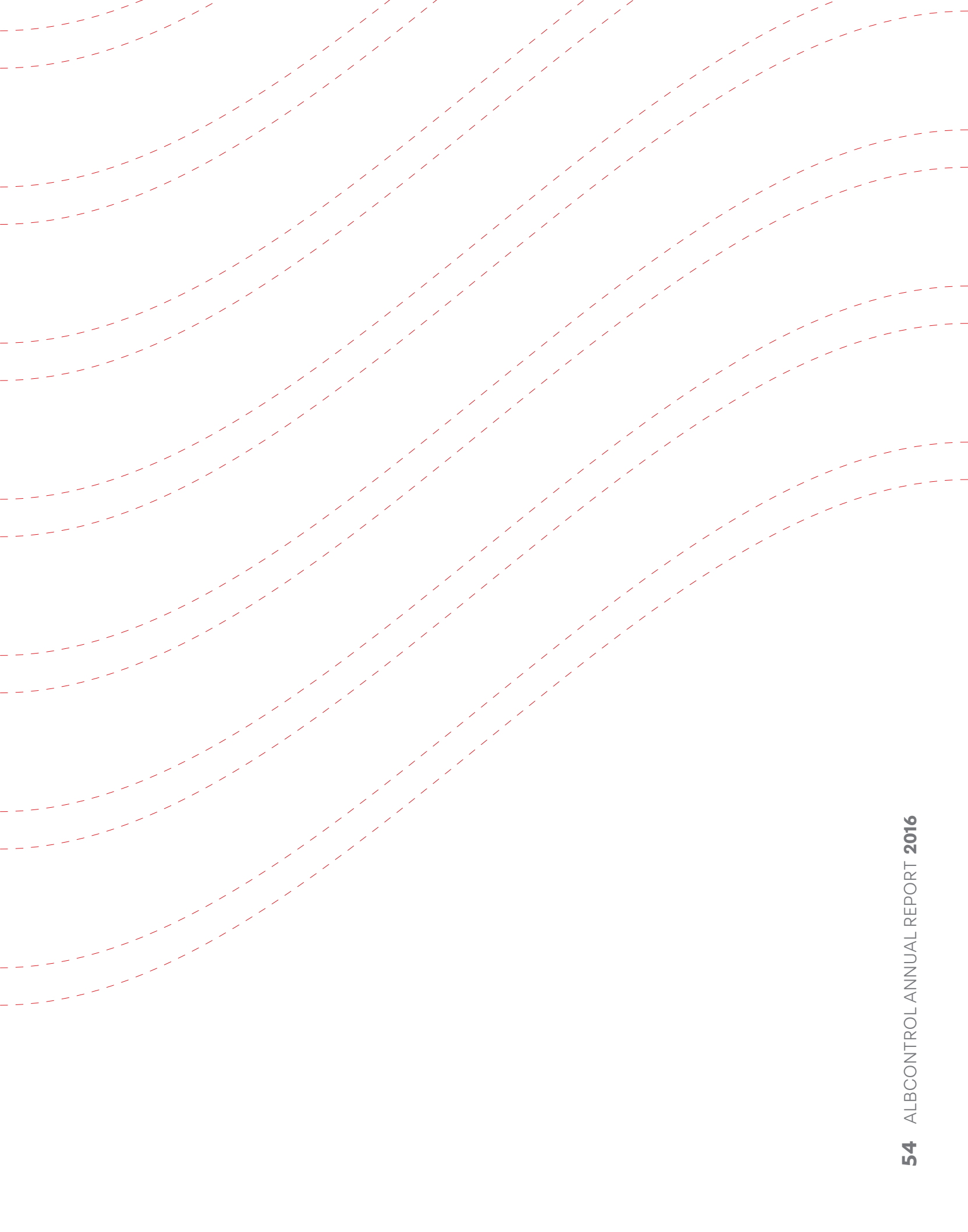
SAFETY & IMS IN ALBCONTROL

ALBCONTROL developed and implemented the Safety Integrated Management System (SIMS), in order to operate with increased level of effectiveness, safety, consistency and customer satisfaction. Our SIM utilizes the process approach for the standards of safety, quality, environment, and occupational health, ATM security including information and physical security, and service management principles in accordance with SES Requirements, International Standards, ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, ISO 27001:2013 and ISO 20000-1:2011.

SMS Performance Indicators

The efficiency of Safety Management at ALBCONTROL is ensured through the implementation of three pillars of Safety KPI deriving from EU Regulations.

Efficiency of Safety Management

The last EUROCONTROL CANSO SMS Standard of Excellence Measurement presented in November 2016, confirmed that ALBCONTROL has achieved high level D in about 80% of the selected fields, in accordance with the CANSO / EUROCONTROL methodology.

The severity rating based on the RAT (Risk Analysis Tool) methodology

The severity rating based on the RAT (Risk Analysis Tool) methodology is, in accordance with EU requirements, used to evaluate events such as a failure to comply with minimum separation, a runway incursion, or an ATM-specific event.

Implementation of Just Culture

ALBCONTROL has a clearly stated Just Culture Policy which is known to the safety related staff and we are dedicated to fully implement it, as we consider implementation of Just Culture the best way to collect safety information and take actions to improve safety level.

Two Safety Bulletins have been published during 2016, providing detailed information of safety level, occurrences and recommended implementation process.

Safety Monitoring & Safety Targets

MEASURE	PURPOSE	FORMULA	TARGET 2016
Safety	Total nr. of Occurrence Reports	Measure in Annual Basis	393
Safety	Separation Minimal Infringement	Measure in Annual Basis	13
Safety	Runway Incursion	Measure in Annual Basis	Not more than 2
Safety	Availability in all Communication	Measure in Annual Basis	99.95%
Safety	Airspace Infringement Level	Measure in Annual Basis	4

ALBCONTROL has achieved 2016 Key Performance Indicators as determined in the Strategic Business Plan of the company

YEAR 2013	YEAR 2014	YEAR 2015	YEAR 2016	WHO MEASURE	PERFORMANCE AREAS
450	N/A	353	325	Safety	Safety Directory
3	13	14	6	Safety	Safety Directory
N/A	N/A	3	1	Safety	Safety Directory
100%	100%	100%	100%	Safety	Safety Directory
2	5	3	2	Safety	Safety Directory

Reporting during 2016 and 5 Top Risks

Safety & IMS reviewed and evaluated 325 reports. On 8 investigations made, there were 6 ATM related occurrences and 2 ATM specific occurrences. Appropriate recommendations have been issued for each event and their implementation has been monitored.

Total number of reports 2012 — 2016

Safety Reports 2012-2016

- Operational Reports
- Technical reports
- Total
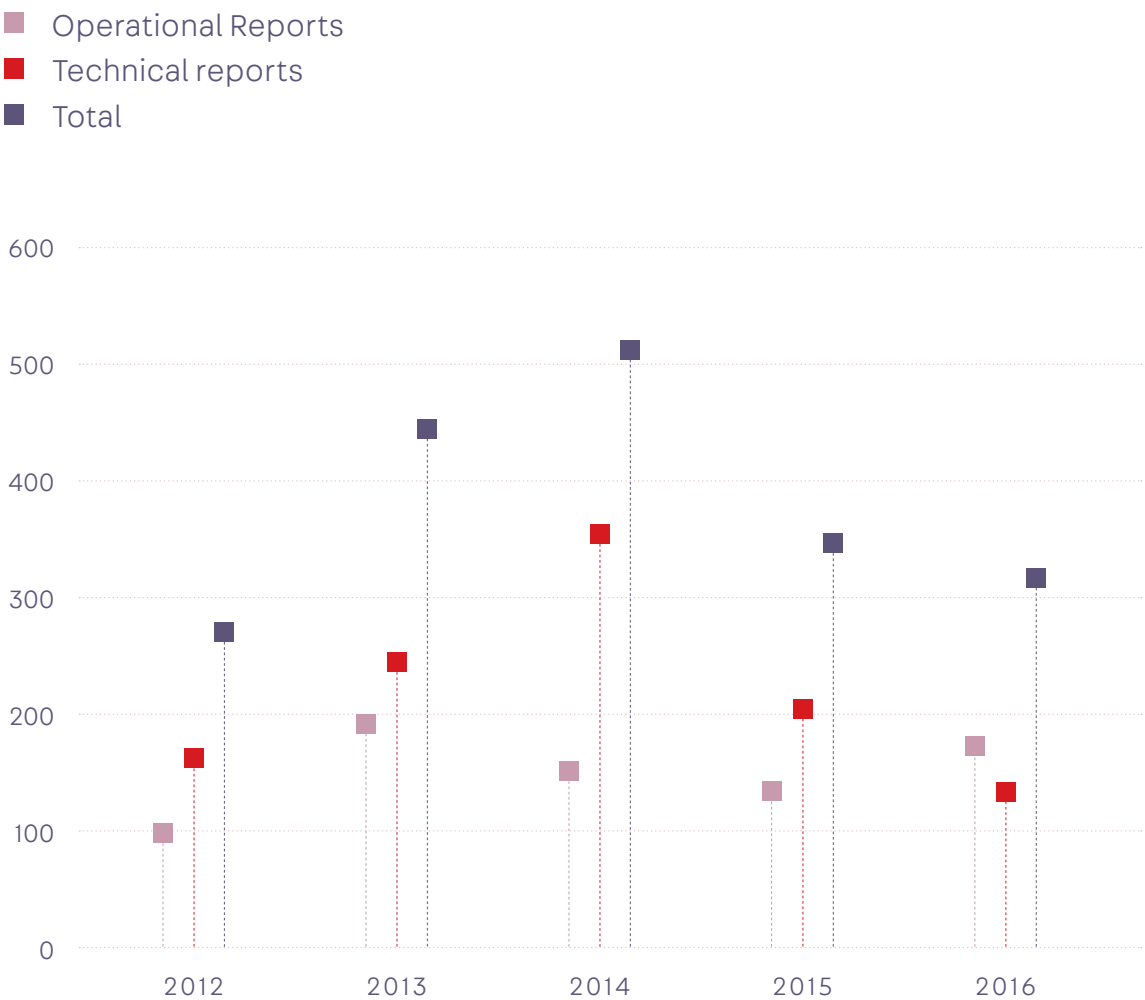
Based on the collected and evaluated safety reports, we assessed the achievement of the specific safety performance indicators taking in consideration the severity of the occurrences, KPIs approved by Albcontrol Safety Committee and published in the Albcontrol Safety Plan 2016.

ATS Reports 2015-2016
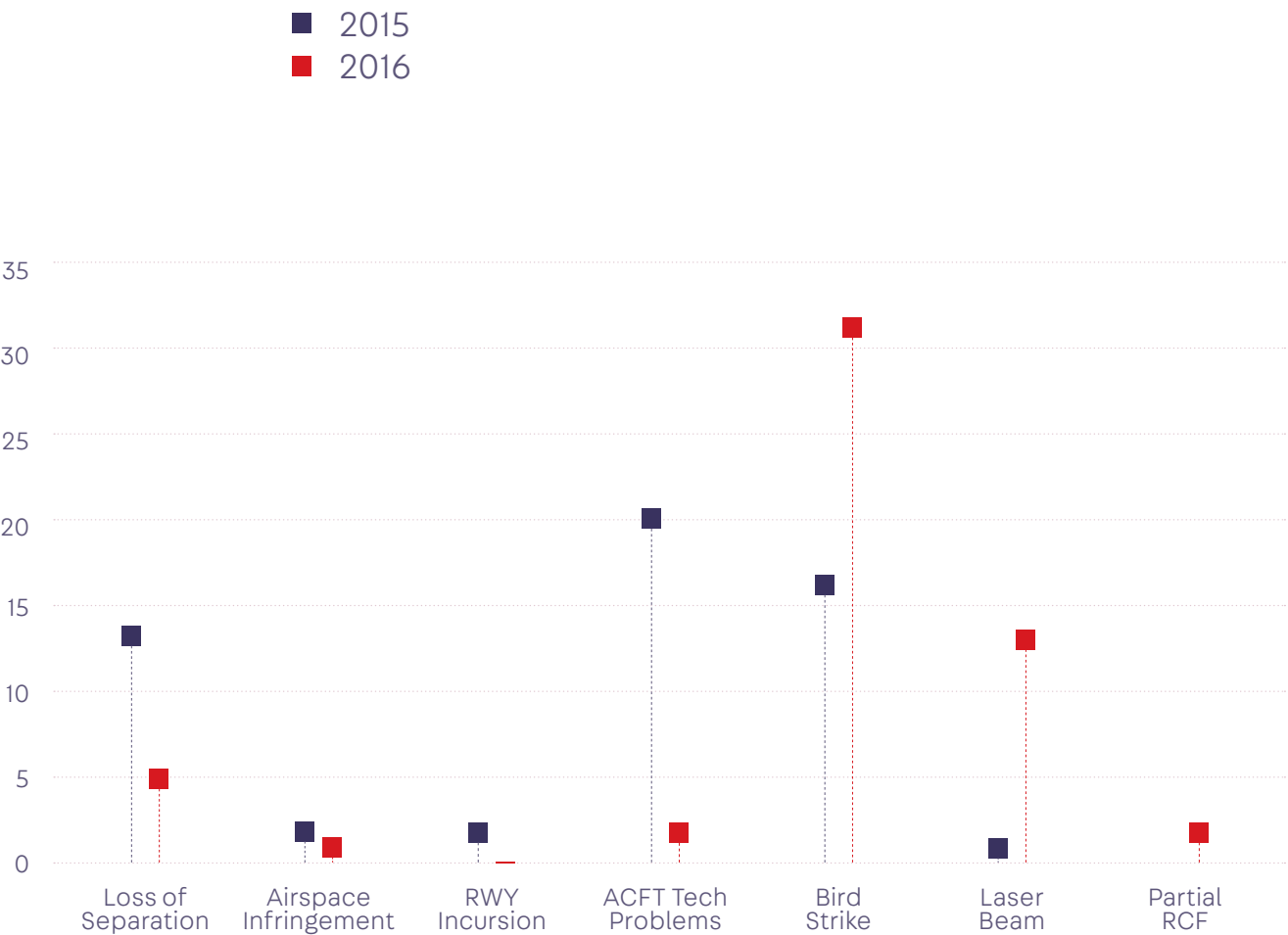
■ 2015
■ 2016

Assessments of Safety Reports 2016

YEAR	OCCURRENCE SEVERITY A	OCCURRENCE SEVERITY B	OCCURRENCE SEVERITY C	OCCURRENCE SEVERITY E
2013	1	1	6	N/A
2014	0	4	16	158
2015	0	0	8	141
2016 / Target	0	1	20	145
2016 / Results	0	1	16	144

5 Top Risks 2016

Based on the process of collecting and evaluating safety reports we identified 5 top risk areas, and action plans are in progress to avoid at maximum these safety risks.

+ Laser beam attacks
+ Bird strikes
+ Airspace infringements
+ Infringement of separation minima
+ Technical problem on ATM Skyline System

ATM Security

Activities carried out within the ATM Security Management System, are performed according to national/international regulations & methodology. During 2016, the ATM Security was mainly focused on updating methodological documents following the request of the International Organizations of Civil Aviation and Civil Aviation Authority.

Updated documents:

+ Procedure for Crisis Management, amended 30.05.2016, Edition 3.
+ Procedure for Emergency Preparedness and Response, amended 30.05.2016 Edition 3.
+ ATM Security Procedure, amended 06.06.2016, Edition 3
+ TM SEC Operating Manual, amended 20.12.2016, Edition 5.
+ ATM SEC the Program of Quality & Safety Internal Auditing, amended 20.12.2016, Edition 3.
+ RM Methodology for Risk Assessment in ATM Security, amended 20.12.2016, Edition 2.
+ ATM SEC Security Training Program, amended 20.12.2016, Edition 4.
+ ATM SEC Awareness with Security Rules, amended 20.12.2016, Edition 4.
+ EPR, ALBCONTROL Emergency Action Plan (ATM Security Sector), amended 20.12.2016, Edition 5.
+ Standard Operating Forms of the ATM Security Sector, amended 20.12.2016.

Quality Management System

In collaboration with "Quality Austria", IMS experts conducted periodical audits during the year, verifying the compliance of the following ISO standards:

+ Quality Management System ISO9001/2008
+ Environment Management System ISO14001/2004
+ Occupational Health and Safety Management System OHSAS18001/2007
+ Information Security Management ISO27001/2013
+ Information Technology Service Management System ISO20 000/2011
+ Single European Sky Requirements SES-CR

Environment

ALBCONTROL fulfilled an Integrated Management System related to the environment in accordance with ISO14001:2004.

In accordance with SESAR 2020, ALBCONTROL aims to reduce CO_2 emission and to have a positive impact on air quality, noise level, water quality and wastes.

During 2016, ALBCONTROL continued the implementation of the environment action plan program, such as separation of waste, storage of electronic devices and batteries. Environmental policies and procedures were also updated accordingly.

Aiming to improve environmental performance and to minimize environmental impacts on land, and controlled air space, ALBCONTROL implemented new direct routes such as ATS Route AKIKA-TRN-DIMIS, approx. 5 km shorter. From April 2016, 729 aircrafts used ATS Route AKIKA-TRN-DIMIS with a benefit on the environment and reducing co2 emissions by 52873,94 kg.

ALBCONTROL staff has been constantly trained, in accordance with ISO14001:2004.

OPERATIONS

Air Traffic Management
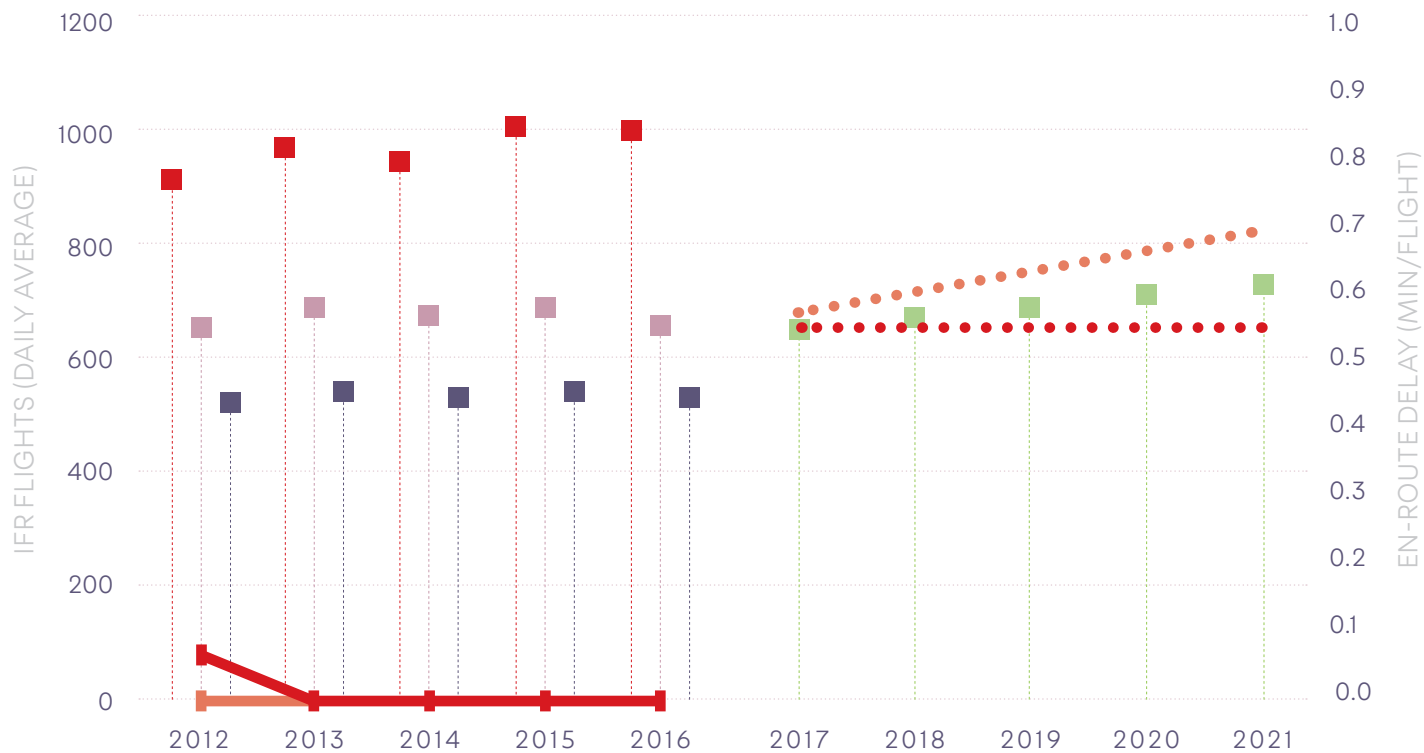
Operations in ALBCONTROL reached the KPI set for 2016, and maintained an average of 0 minutes delay for 'en-route' and terminal flights.

YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Peak Day Traffic	926	984	959	1020	1014					
Summer Traffic	666	704	692	705	670					
Yearly Traffic	533	550	543	553	544					
Summer Traffic Forecast						667	684	703	723	743
High Traffic Forecast - Summer						681	716	750	790	830
Low Traffic Forecast - Summer						658	657	664	669	674
Summer En-route Delay (all causes)	0.00	0.00	0.00	0.00	0.00					
Yearly En-route Delay (all causes)*	0.06	0.00	0.00	0.00	0.00					

Performance

Traffic in Albania decreased by 5.0% during summer 2016 (May to October inclusive), when compared to summer 2015. The ACC capacity baseline per hour was estimated at 65, same to 2015. During the measured period, the average peak 1 hour demand was 53 and the average peak 3 hour demand was 47.

TRAFFIC EVOLUTION	2016 CAPACITY BASELINE	EN-ROUTE (MIN/FLIGHT) - SUMMER		CAPACITY GAP
		REF VALUE	ACTUAL	
-5.0%	65 (0%)	0.13	0.00	NO
The average en-route delay per flight remained at zero minutes per flight in Summer 2016.				

CAPACITY PLAN +B%	ACHIEVED	COMMENTS
ATS route network improvements	YES	
Maximum configuration. 3/4 ENR + 1 APP sectors	YES	3 ENR + 1 APP sectors were sufficient

ATM Key Performance Indicators (KPI)

+ The maximum number of managed flights per hour – 75 flights, was reached on the 16th of July 2016, 16:00 – 17:00 h.
+ The average minutes of delays per flight during 2016 was 0.
+ LoA with ANSPs
  ALBCONTROL- SMATSA Beograd, Amended 08.12.2016
  ALBCONTROL- M-Nav Skopje, Amended 08.12.2016
  ALBCONTROL- ENAV Brindisi, Amended 08.12.2016
  ALBCONTROL- Macedonia ACC, Amended 30.04.2016
  ALBCONTROL- Athens and Kerkyra ACC, Amended 30.04.2016
+ Institutional LoA
  Technical Agreement between ALBCONTROL and Albanian Armed Forces, 08.12.2016

Technology Upgrades

Remote Surface Management System

The Remote Surface Management System (RSMS), installed by ALBCONTROL, captures real time videos of movements on the apron and surrounding area, offers the possibility of visual sight during landing and takeoff, or on unusual situation.

The activation of RSMS significantly increases the visual control of TXW Whiskey, in the main and north part of the apron, the visual contact during landing and takeoff and the visibility during night and bad weather.

RSMS enhances the controller's awareness of the situation, increasing safety, efficiency and security in operations.

BEYOND Project

The BEYOND Project (Building EGNSS capacity on EU and Neighboring multi-modal Domains) is part of the European H2020 framework of projects funded by the European Commission, managed by the European GNSS Agency (GSA), that offers opportunities for the development of applications to use with EGNOS and Galileo which is crucial to meet the overall objectives of the Galileo program and to foster the uptake of E-GNSS.

In cooperation with ENAV, ALBCONTROL will elaborate a "Performance Based Navigation Strategy for GNSS adoption". The Project will also assist ALBCONTROL in deploying RNAV Approach procedures for both runway ends at Tirana International Airport.

This collaboration follows-up the opportunity raised by EC to support ALBCONTROL in the development of a PBN Plan that enable the adoption of GNSS as main navigation infrastructure for all phases of flight and the design and validation of RNP APCH in the Tirana International Airport.

New procedures and updates

+ ATM APP Manual - Tirana Approach Control Surveillance, Part II, Edition_5, amendment 2/- 08-12-2016
+ ATM TWR Manual of Tower, Part II, Edition_3, amendment 2, 08-12-2016
+ ATM - Overall training objectives, methods of work in APP sector, edition 1, amendment 2 /08-12-2016
+ ATM - Overall objectives and operating methods for ADI TWR, amendment 2/ 08-12-2016;
+ MATM part 1, edition 2, amendment 1
+ ATM Operational Manual Part I, amended

Aeronautical Information Service (AIS)

In 2016, the Aeronautical Publications Unit published two AIRAC AIP AMDT, two AIP AMDT and one AIC, a total of 324 pages. More than 252 CD-ROMs containing electronic AIP were produced and sent to internal and external subscribers.

The number of NOTAM messages series A released in 2016 was 126. Audit reports on NOTAM message issues for 2016 were received from Group EAD. The reports revealed three errors, two minor and one medium error. The trend in the errors discovered remained approximately at the same level as 2015. All the errors discovered were immediately rectified and discussed at refresher INO trainings/briefings.

In 2016, INO registered and processed 1018 permits for charter flights, in the airspace of Albania, which represents an increase of 23 %, compared to the 824 permits handled in 2015.
With regard to the number of processed flight plans in 2016, there were considerable seasonal fluctuations, the peak being between May and September, while it got less and less busy towards the beginning and the end of the year.
The number of PIBs was stable throughout the year, with slight fluctuations in the winter season.

DEVELOPMENT & INVESTMENT

Technical Division

Strategic Cooperation

Feasibility study on the implementation of the MLAT/WAM system in cooperation with EUROCONTROL – ISAL project

During 2016 the Technical Division in ALBCONTROL revised the surveillance strategy including the latest delivers of Deployment Manager. This update includes the feasibility study on the implementation of the MLAT/WAM system that will start implementation in 2017 and is expected to be completed within 2 -3 years.

MRT evaluation of sensor and trackers

Based on EC regulation 1207 "Surveillance Performance and Interoperability Implementing Rule – SPI IR" for the evaluation of sensor and tracker of multi radar tracking system (MRT), ALBCONTROL in cooperation with Skyguide (ISAL project) completed SASS-C evaluation that established the conformity with applicable standards. During 2016, ALBCONTROL surveillance staff successfully completed training for self-assessment in routine base, and all recommendations from the evaluation reports and maintenance procedures will be addressed and solved by ALBCONTROL accordingly.

Signature of Loa with SMATSA on Radar Data Exchange

On May 2016 a Radar data Sharing Agreement was signed between ALBCONTROL and SMATSA in order to improve surveillance. Porto Romano Radar and MSSR Rinas operated with an availability of 99.9%.

Data Processing

SKYLINE activities

+ Build 8.0 Implementation

Build 8.0 was implemented on spring 2016 which included some new functions such as automate coordination between TWR and APP, introduction of new conflict detection tool (MTCD), introduction of automatically display rate of climb/rate of descent. Existing functions like Next Sector Frequencies (NSF) or Loss of Separation (LOS) were also improved by this upgrade.

+ System design and new functions

In October 2016, Factory Acceptance Tests on two milestone projects System Design Review and Critical Design Review have been successfully concluded after a long process of specifications and tests.

+ System maintenance

Further improvement of Skyline System were made following the LSSIP/ESSIP request to ANSP to implement FRA. Due to risks and workload raised by FRA implementation, implementation of Stripless, new surveillance technologies and aircraft automatic identification were necessary. After several consultations with Leidos, new prototype model was used.

During 2016, two maintenance build have been delivered, tested and implemented and every problem observed and reported from ATCO with Skyline application (PLB, COD, COF) has been solved through maintenance activities.

As a result of the RWY designation change., SkyLine was adapted to reflect changes in terms of SID, STAR, RWY layout, etc.

Implementation of FMTP

ALBCONTROL and SMATSA has successfully completed FMTP test during 2016, and the SkyLine system fully supports the operation with FMTP, once the two ANSP perform the operational evaluation including exchange of complementary OLDI (REV, MAX, PAC). All the test campaign was performed in accordance with EUROCONTROL requirements.

Two flight checks validated the conformity of the transmitted signal with the requirements of ICAO Annex 10.

ILS

ALBCONTROL has been operating with ILS 18 which has served users at 99.9%. Minor problems have been identified such as lack of monitoring or loss of signal because of the weather. During 2016 a new contract for ILS 36 has been signed and starting from 2017 by implementing ILS 36 ALBCONTROL will provide vertical guidance approach for both runway ends.

In 2016 DVOR/DME has been reliable and available 100%.

The Help Desk System became operational on February 1st 2016 and gave a trusted view of the problems.

Process/equipment Disponibility

+ MSSR Porto Romano 99.9%
+ MSSR Rinas 99.9%
+ SkyLine 100%
+ IT (on line reporting) 100 %
+ ILS 99.9%
+ DVOR 100%
+ DME 100%
+ OLDI 99.95%
+ Voice communication 100%

HUMAN
RESOURCES

We consider human resources as a precious asset and it is our priority to provide the employees with the highest standards of working conditions, and to reduce risk and liability exposure on the organization. In this perspective, ALBCONTROL offers all year long external and in-house trainings to enhance the professionalism and motivation of the employees.

Trainings 2016

+ DPS-DPC (Data Processing Chain) ATCO/AIS/IT, 17 participants
+ Refresh Training, 4 ATCO Supervisors
+ Refresh Training, 3 ATCO Competence Assessors
+ Build 8.0 Training, all ATCOs
+ Emergency Training, all ATCO
+ Refresh Training, OJTI
+ Introduction to new airspace routes Training, ACC staff
+ Service Desk Training, MET/AIS/TECH/ATCO
+ "Remote Surface Management System" Training
+ Security Inspector Course, UK, 2 employee
+ Security Crisis Management, UK, 1 employee
+ X-Ray Screening Operator Training, Security, 23 employees
+ Cyber Security Training, 1 employee
+ Training for the changes in ATM Manual - all ATCOs
+ SAF-SMS Training, 20 employees
+ 17 EAD Training for AIS
+ Electrical Systems, 6 employees from Technical Division
+ INDRA, DME Rating Training Course, 20 ATSEP and 2 ATSEP Advance Training
+ Frequentis, Advanced Training, 3 COM Engineers
+ SAS-C Training – Radar Performance
+ Institute of Air Navigation Services in Luxembourg (IANS), 47 courses
+ 2 Basic Trainings, 2 new AIS specialist
+ RAD Training in Israel for 3 COM Engineers
+ Q Plan Training, 30 employees
+ Albanian School of Public Administration (ASPA), 4 employees.

ALBCONTROL staff level of education, age and gender for 2016

Employee Level of Education in 2016

Primary School - **0.30%**

Post University Degree - **6.02%**

College Degree - **21.08%**

University Degree - **72.59%**
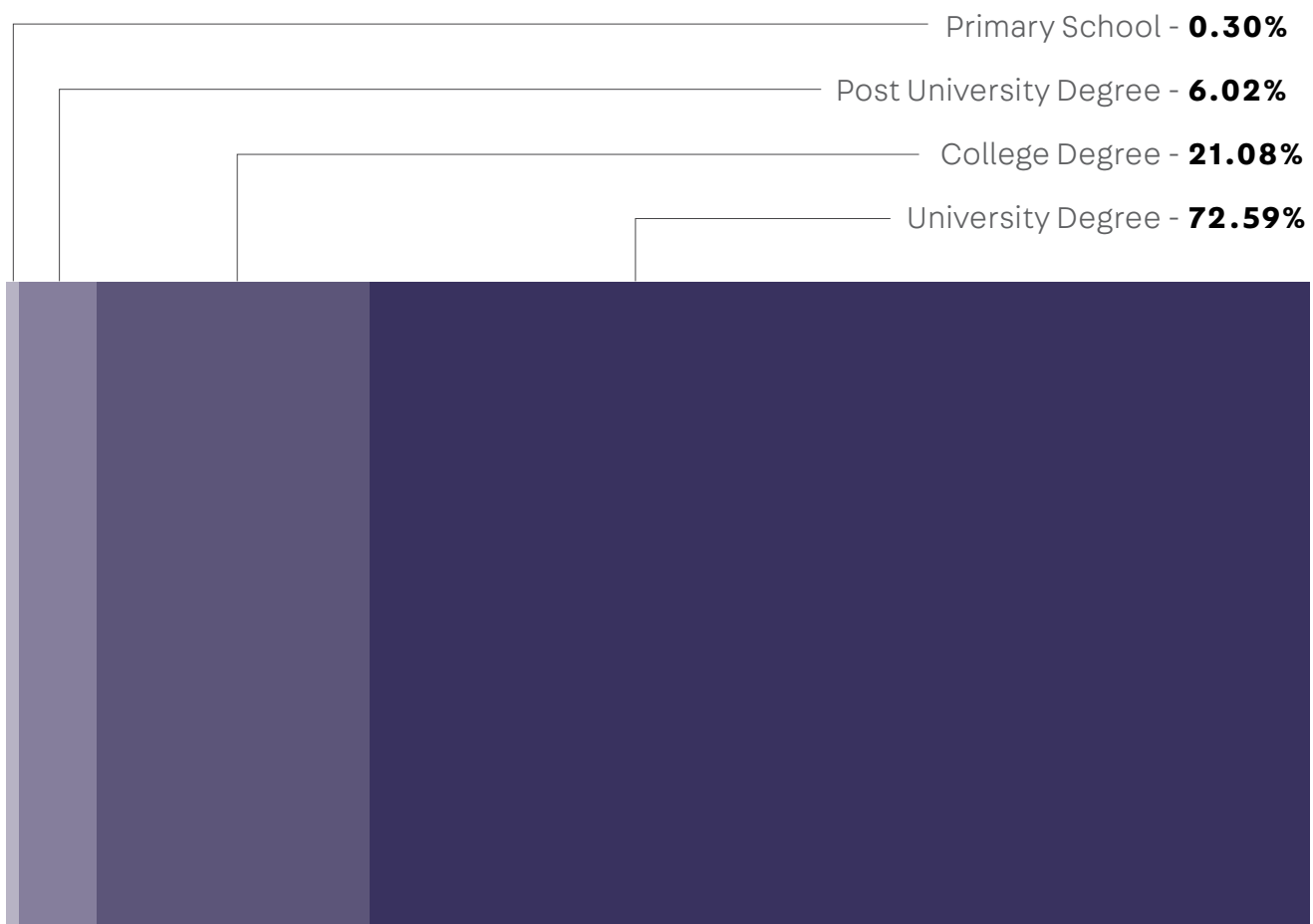
Employee Structure by Gender in 2016

Women - **23%**

Men - **77%**
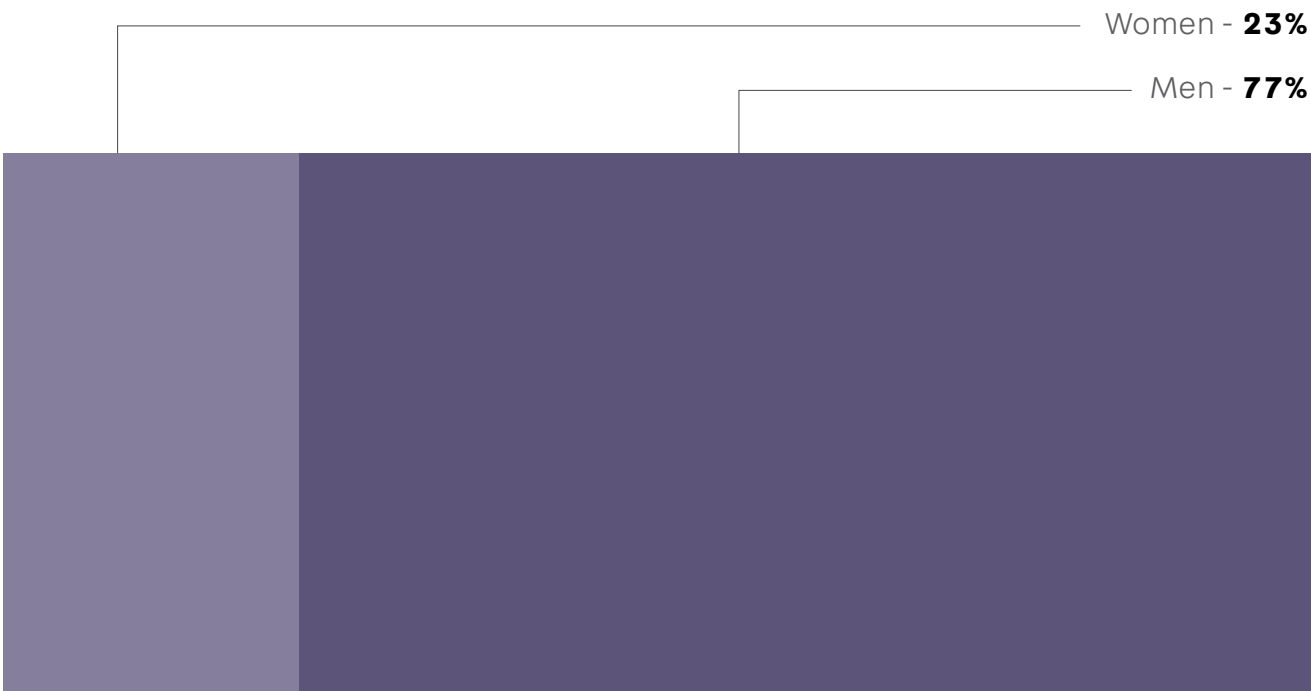
Employee Structure by Age in 2016

> 60 - **10%**

21-30 - **11%**

51-60 - **20%**

41-50 - **27%**

31-40 - **33%**
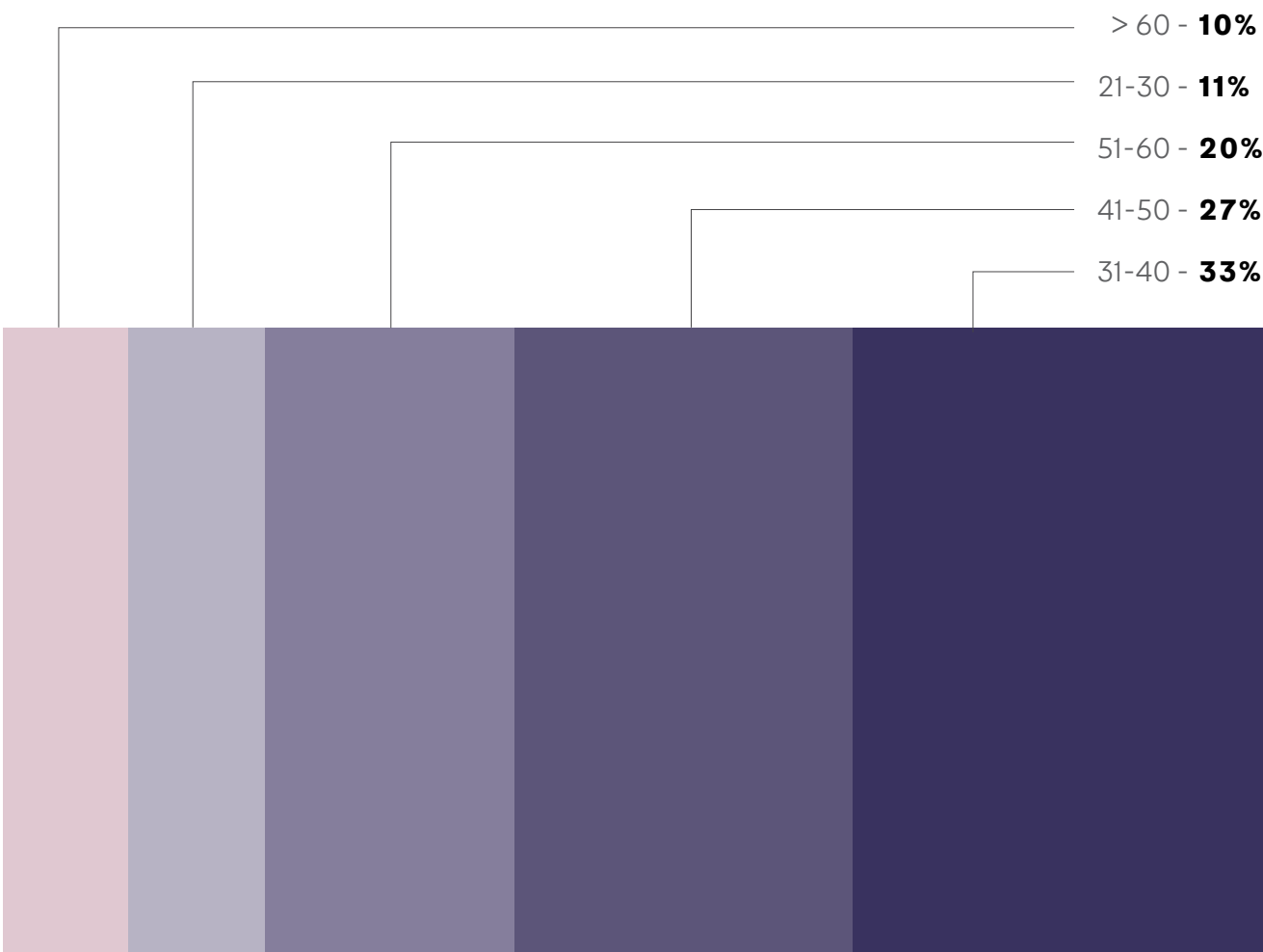
SIGNIFICANT EVENTS & SOCIAL COMMITMENT

ALBCONTROL - part of the Executive Board of NewPENS

On January 14th, 2016 ALBCONTROL attended the meeting organized by EUROCONTROL on the steps taken to implement NewPENS, which will provide a common, secure IP-based network service across Europe, making it easier to share information while at the same time reducing costs.

Mr. Maxim Et'hemaj, Director of the Technical Division at ALBCONTROL, was elected Vice Chairman of the Executive Board.

NewPENS will be implemented in 2018 and it will enable data exchange (SWIM) across Europe. It will also take inputs from the Network Manager, EUROCONTROL Centralized Services as well as from ANSP's.

ELPAC Annual Meeting hosted by ALBCONTROL

On the 20th of April 2016, representatives from different countries, members of EUROCONTROL, representatives from ANSP or other international institutions in the field of air traffic attended the ELPAC annual meeting in Tirana.

During the meeting useful inputs and feedbacks were discussed to help all ELPAC users and the ELPAC team to be compliant and meet ICAO LPR requirements.

We care…

Blood donation has become a tradition in ALBCONTROL. Just like in the previous years, ALBCONTROL joined Albania Red Cross in the annual blood donation campaign.
On June 1st, many employees donated blood in ALBCONTROL premises, for children with thalassemia, demonstrating once again humanism, solidarity and social responsibility.
ALBCONTROL's employees donated food, money, and clothes for another campaign 2016 organized by Red Cross for orphan children, as well.
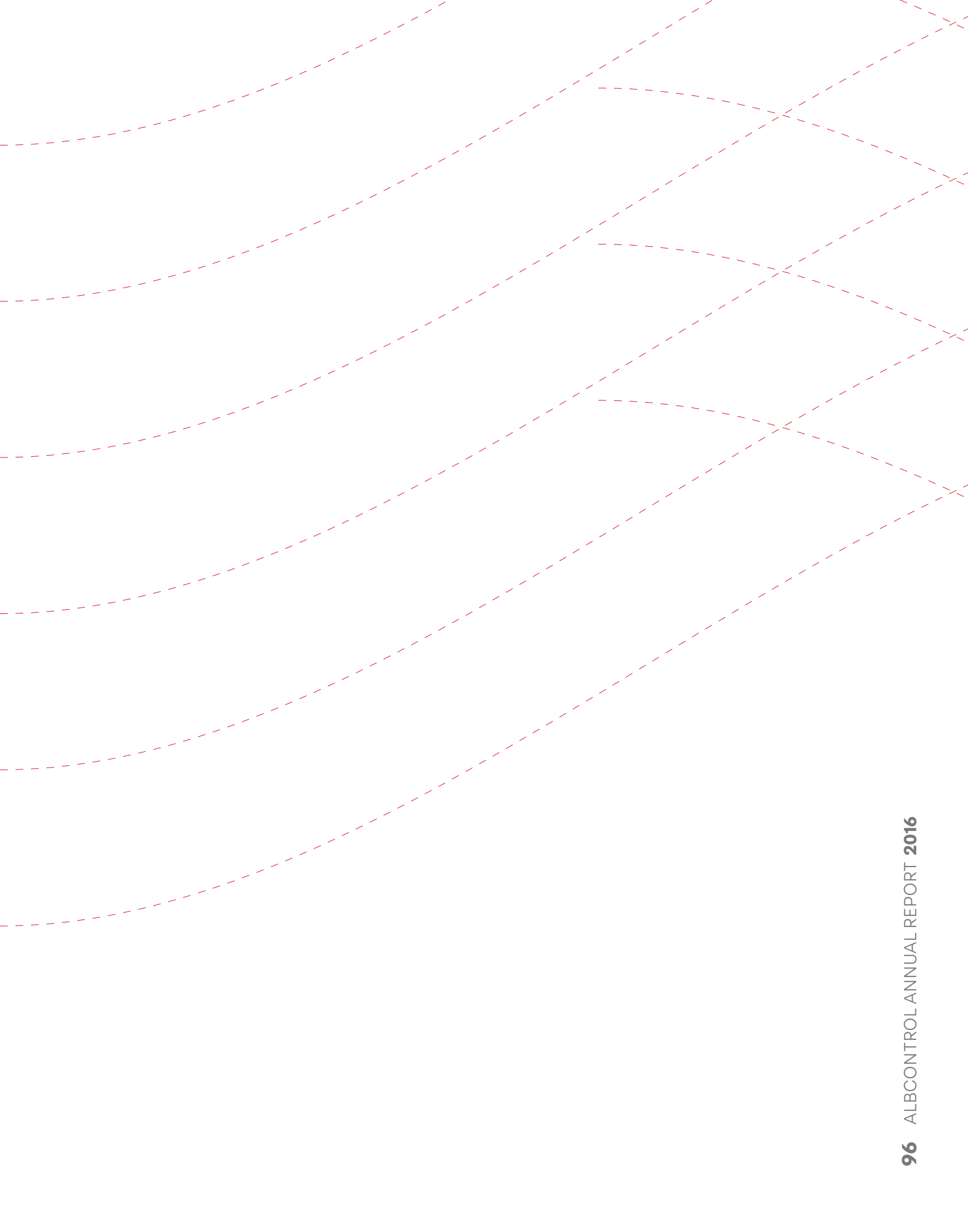
INDEPENDENT AUDITORS REPORT

For Managers and Shareholders of ALBCONTROL sh.a.

We have audited the financial statements of the Company ALBCONTROL sh.a. (The Company) which includes the statement of financial position at 31 December 2016, the statement of profit or loss and all inclusive income, the statement of changes in equity and the cash flow statement for the year ended on this date, as well as the notes for the financial statements, including a summary of the most important accounting policies.

Administration Responsibilities and Managed Persons with Governance with regard to the Financial Statements

Administration is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for internal controls that the management judges necessary to enable the preparation of the financial statements that do not contain material misstatement, whether due to fraud or error.

In preparing of the financial statements, Management is responsible for assessing the Company`s ability to continue its activity on the basis of principle of continuity, explanatory notes as well as issues related to the continuity of the Company`s activity, using the basic principles of continuity, except the Administration intends to liquidate the activity, or terminate the operational activity, or there is no other real alternative to the above.

The parties tasked with administration are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole do not have material misstatement due to fraud or error, and to issue an audit report that includes our opinion. Reasonable security is high level security, but there is no guarantee that an audit carried out according to ISAs will always identify a material misstatement when it exists. Anomalies may arise as a result of error or fraud and are considered material if, individually or jointly, it is expected to reasonably affect the economic decisions of users taken based on these financial statements.

As part of the audit in accordance with ISAs, we exercise our judgment and professional skepticism throughout the audit period. We also:

+ Identify and evaluate the risk of material misstatement in the financial statements as a result of fraud or error, plan and implement the relevant procedures to mitigate these risks, as well as obtain sufficient evidence and appropriate to create basis for our opinion. The risk of not discovering an anomaly as a result of fraud is higher than the risk of failure to find an error due to an error because fraud may include information concealment, forgery of information, intentional misappropriation, misrepresentation or violation of internal control.

+ We get an understanding of those internal controls relevant to the audit process in order to draft audit results accordingly, not to express an opinion on the effectiveness of internal controls.

+ We evaluate the appropriateness of the accounting policies used and the reasons of the accounting estimates performed as well as the presentation at the relevant explanatory notes made be management.

+ We evaluate the presentation, structure and the content of the financial statements and explanatory notes, whether they represent transactions and events.

We communicate with the persons in charge of administration of the Company, except for other issues, the scope and timing of the audit, the main audit findings, including any relevant deficiencies in the internal audit identified during our audit.

01 June 2017

Aida Maloku
Auditues Ligjor

Anita Pulaj
Auditues Ligjor

Diana Ybi
Auditues Ligjor

Eneida Rahmani
Auditues Ligjor

Ilia Çeçe
Auditues Ligjor

Kristaq Ndini
Auditues Ligjor

FINANCIAL STATEMENT

Profit & Loss Statement

Statement of Income for the year 1 January - 31 December 2016

NO.	DESCRIPTION	NOTES	CURRENT YEAR 2016	CURRENT YEAR 2015
01	Incomes		3,301,851,390	3,229,725,466
02	Other incomes		5,127,727	3,100,077
03	Changes in inventories of finished goods and products provided under process			
04	Work performed by the economic entity and capitalized one			
05	Raw materials and consumables used		-75,572,132	-63,246,548
06	Expenses related with employee benefits		-1,311,902,310	-1,363,756,918
07	Depreciation expenses		-741,025,472	-648,279,828
08	Impairment of property, plant and equipment			
09	Other Expendures		-969,580,169	-1,194,138,729
10	Expendures / Financial Incomes		-30,044,192	-30,026,874
	Profit before Taxing		178,854,842	-66,623,354
	Expenses of Income taxation		-58,137,092	-14,928,849
	Profit of the period		120,717,750	-81,552,202

Balance Sheet

Balance Sheet for the year 2016

NO.	VOICES	NOTES	31 DECEMBER 2016	31 DECEMBER 2015
	ACTIVES			
	I. LONG TERM ACTIVES	1		
01	Property, plant and equipment	1/A	5,668,328,610	5,414,952,914
02	Intangible assets			
03	Financial assets	1/C	5,029,945	5,961,245
	Total long-term assets		**5,673,358,555**	**5,420,914,159**
	II. SHORT TERM ACTIVES	2		
01	Inventories	2/A	18,023,648	20,293,570
02	Financial assets	2/B		
03	Receivables and other receivables	2/C	614,603,775	601,951,620
04	Prepaid Profit Tax	2/D		
05	Prepayments and deferred expenses	2/E	441,644,417	640,266,885
06	Cash at checkout and bank	2/F	1,099,034,771	1,257,040,661
	Total of the short term assets		**2,173,306,611**	**2,519,552,735**
	TOTAL OF THE ACTIVES (I & II)		**7,846,665,166**	**7,940,466,894**

NO.	VOICES	NOTES	31 DECEMBER 2016	31 DECEMBER 2015
	CAPITAL AND LIABILITIES			
	I. CAPITAL	3		
01	Share capital	3/A	5,018,346,000	5,018,346,000
02	Unregistered capital add-on	3/B		
03	Unregistered capital reduction	3/C		
04	Reserve from revaluation	3/D	123,958,777	123,958,777
05	Other reserves	3/E	908,028,673	908,028,673
06	Legal Reserve	3/F		
07	Retained Losses	3/G	(81,552,202)	
08	Profit / loss of the period	3/H	120,717,750	(81,552,202)
	Total of the capital		**6,089,498,998**	**5,968,781,249**
	II. LONG-TERM LIABILITIES	4		
01	Long-term loans	4/A	1,271,847,447	1,656,899,680
02	Deferred taxation	4/B	57,874,196	53,794,109
03	Government Grants	4/C		
04	Other long-term liabilities	4/D	3,435,797	4,309,016
	Total long-term liabilities		**1,333,157,440**	**1,715,002,805**
	III. SHORT TERM LIABILITIES	5		
01	Trade payables and other payables	5/A	152,212,388	106,580,769
02	Short-term loans	5/B		
03	Payable Current tax	5/D	85,773,061	48,256,806
04	Short term provisions	5/E	79,870,316	
05	Other short-term liabilities	5/F	106,152,963	101,845,266
	Total current liabilities		**424,008,728**	**256,682,841**
	Total of liabilities (II & III)		**1,757,166,168**	**1,971,685,645**
	TOTAL CAPITAL AND LIABILITIES		**7,846,665,166**	**7,940,466,894**

Statement of Cash Flow for the year 2016

OPERATING ACTIVITIES	INDIRECT METHOD DECEMBER 31, 2016	INDIRECT METHOD DECEMBER 31, 2015
Profit / loss before tax	176,476,770	(66,623,353)
Regulations for		
+ Amortization	741,025,472	648,279,828
+ Loss from disposal of Long Term Assets		187,505,959
+ Provisions	79,870,316	
+ Losses / profits from exchange	-	-
+ Interest costs	-	-
Changes in working capital:		
+ Decrease / (Increase) in inventories	2,269,922	(226,087,717)
+ Decrease / (Increase) of receivables	(88,885,395)	(17,503,626)
+ Decrease / (Increase) other receivable accounts	293,187,143	(231,262,686)
+ Increase / (decrease) of payable accounts	34,244,033	10,771,577
+ Increase / (decrease) in other payable accounts	(385,052,233)	(407,856,024)
Profit tax paid during the year	(16,740,750)	(21,228,741)
Cash flow generated from operating activities	836,395,278	(124,004,783)
Net cash flow from operating activities	**836,395,278**	**(124,004,783)**
Investing Activities		
+ Buying of Longs Term Actives	(994,401,168)	(1,136,750,554)
+ Cashing from the sale of Long Term Actives	-	-
+ Cashing & Interest	-	-
+ Decrease / (Increase) of long-term financial investments	-	-
Net cash flow used in investment activities	**(994,401,168)**	**(1,136,750,554)**
Financing Activities		
+ Cashing from loanings	-	-
+ Cashing by the emission of capital	-	-
+ Paid Dividends		(20,814,384)
+ Paid Interests		
Net cash flow used in financing activities	**-**	**(20,814,384)**
NET Increase / decrease in cash during the year	**(158,005,890)**	**(1,281,569,721)**
Monetary means & cash equivalent at beginning of year	**1,257,040,661**	**2,538,610,382**
Monetary means & cash equivalents at end of year	**1,099,034,771**	**1,257,040,661**

Changes In Equity

Statement of Changes in Equity for the year 2016

	SHARE CAPITAL	OTHER RESERVES
Statement on 31 December 2013	**5,018,346,000**	**534,098,039**
Profit from revaluation of land, buildings and machinery equipment		
Net income recognized directly in net equity		
Profit for the period		
Dividends		186,601,189
Emission of share capital		
Statement on 31 December 2014	**5,018,346,000**	**720,699,228**
Profit from revaluation of land, buildings and machinery equipment		
Net income recognized directly in net equity		
Profit for the period		
Dividends		187,329,446
Emission of share capital		
Statement on 31 December 2015	**5,018,346,000.40**	**908,028,674.00**
Profit from revaluation of land, buildings and machinery equipment		
Net income recognized directly in net equity		
Profit for the period		
Loss of the Year 2015		
Dividends		
Emission of share capital		
Statement on 31 December 2016	**5,018,346,000**	**908,028,674**

	REVALUATION RESERVE	UNALLOCATED PROFIT	TOTAL
	123,958,777	**207,334,654**	**5,883,737,471**
		208,143,830	208,143,830
		-207,334,654	-20,733,465
	123,958,777	**–**	**5,886,277,954**
		(81,552,202)	(81,552,202)
		(208,143,830)	(20,814,384)
	123,958,777.05	**−81,552,202.00**	5,968,781,249
		120,701,303	120,701,303
		(81,552,202)	(81,552,202)
	123,958,777	**39,149,101**	**6,089,482,552**

GLOSSARY

Area Control Center	**ACC**
Albanian Civil Aviation Authority	**ACAA**
Aeronautical Fixed Telecommunication - Broadcast	**AFTN**
Aeronautical Message Handling System	**AMHS**
Aeronautical Information Services	**AIS**
Air Navigation Services	**ANS**
Air Navigation Service Provider	**ANSP**
Air Traffic Control	**ATC**
Air Traffic Controller	**ATCO**
Air Traffic Management	**ATM**
Air Traffic Safety Electronics Personnel	**ATSEP**
Approach	**APP**
Automated Weather Observing System	**AWOS**
Civil Air Navigation Services Organization	**CANSO**
Chief Executive Officer	**CEO**
Communication, Navigation and Surveillance	**CNS**
Central Route Charges Office	**CRCO**
Distance Measuring Equipment	**DME**
Data Processing System	**DPC**
Data Processing Chain	**DPS**
European Aviation Safety Agency	**EASA**
European Civil Aviation Conference	**ECAC**
Environmental Management System	**EMS**
European Agency for the Safety of Air Navigation	**EUROCONTROL**

FAB	Functional Airspace Block
FIR	Flight Information Region
HVAC	Heating Ventilation and Air Conditioning
HUM	Human Resources
ICAO	International Civil Aviation Organization
IDS	Information Display System
IFR	Instrumental Flight Rules
ILS	Instrumental Landing Systems
IMS	Integrated Management System
ISAL	Infrastructure & Safety ALBCONTROL
ISO	International Organization for Standardization
KPI	Key Performance Indicators
LSSIP	Local Single Sky Implementation Plan
MET	Meteorological
MEDTE	Ministry of Economic Dev, Trade and Entrepr.
MSAW	Minimum Safe Altitude Warning
MSSR	Mono-pulse Secondary Surveillance Radar
MTDC	Medium – Term Conflict Detection
NAV	Navigation
OLDI	On-Line Data Interchange
OPS	Operational
SAR	Search & Rescue
SES	Single European Sky
SESAR	Single European Sky ATM Research
SMATSA	Serbia & Montenegro Air Traffic Service Agency
SMC	System Monitoring Control
SMS	Safety Management System
STCA	Short Term Conflict Alert
SWAL	Software Assurance Level
RAT	Risk Analysis Tool
TWR	Tower
VCS	Voice Communication System
VRF	Visual Flight Rules
VHF	Very High Frequency
WAM	Wide Area Multilateration