



invest in Albania



# FACTSHEET

## Agriculture, Agrotourism and Aquaculture Sector



## OVERVIEW

Albania with its geographical position, natural resources, relief and climate offers all the possibilities to become a potential exporter in European markets. It has a population of about 2.87 million inhabitants. One third of the employees is in the agricultural sector. Albania is rich in water resources, with abundant amounts of water covering 65% of the entire area of 43,900 km<sup>2</sup>.

Agriculture is one of the most dominant sectors of the economy with a high development potential, constituting the main source of income and employment in the country. This sector employed almost 34% of the country's working population and that accounted for 16.8% of the country's GDP in 2021. During 2021 there is an increasing trend of agricultural production. Vegetable production in 2021, compared to 2020, has increased by 3.28%. The highest level of vegetable production is in the regions of Fier, Tirana and Berat.

An increase is observed also in the production of fruit trees. The production of fruit trees in 2021 is 287,210 tons, increasing by 4.92%, compared to 2020. Other products such as olives, grapes etc. show a positive trend of production as well.

Aquaculture has seen rapid growth as a promising sector. During 2021, 18,503 tons of fish were caught from all water categories, marking an increase of 9.53% compared to 2020.

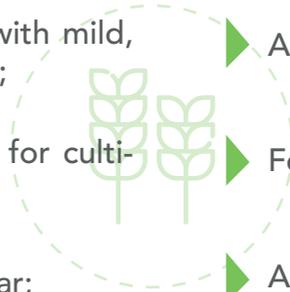
Agro-tourism as a subsector, is also a strong point of the economy, aiming not only at developing the local economy through diversification of the activities on farms, but also at welcoming tourists, with the added interest of getting to know Albania and enjoying the typical products of the area. Albania offers fiscal facilities for the agrotourism entities like VAT 6%, exemption form the infrastructure impact tax.

Agricultural exports have increased by 14% in 2021, compared to 2020. For 2021, "Food and live animals" constitute 10% of exports.



## WHY INVEST IN AGRICULTURE

- ▶ Typical Mediterranean climate with mild, wet winters and sunny summers;
- ▶ Different microclimate, suitable for cultivating different products;
- ▶ Up to 300 days of sunshine a year;
- ▶ About 560,000 hectares of arable land;
- ▶ Fertile soil;
- ▶ Abundant water resources.



-  **ZERO VAT:** for the import of agricultural machineries; for the import of machineries and equipments for the purpose of realizing investment contracts in the agribusiness sector
-  **ZERO TARIFF:** for registration and compulsory vaccination of livestock
-  **ZERO TAX:** for the purchase of diesel from fishing vessels (0 excise, 0 fuel tax, zero carbon tax)
-  **PROFIT TAX:** reduction of profit tax up to 5% for Agricultural Cooperative Societies
-  **Reduced VAT:** For the supply of agricultural inputs, which include chemical fertilizers, - pesticides, seeds and seedlings the VAT is 10 %.
-  **Rent for Agriculture Land** from 10 to 99 years



## NATIONAL SCHEME 2023

The fund in the national scheme for 2023 is estimated at 3.313 billion ALL. There are 10 measures provided by the scheme. The fund will be used for:

-  Increasing the competitiveness of livestock and agricultural products in protected environments, reducing costs through payments for registered animals, as well as for cultivated surface;
-  Certification of agricultural products and organic farms;
-  Construction of agricultural products markets and live animal markets in some municipalities of the country;
-  improving energy efficiency and adapting fishing capacities to fish resources;
-  Oil support for agriculture for the performance of mechanized works in agricultural crops;
-  Support for training and knowledge transfer in the field of agriculture and rural development.

## IPARD III 2021 - 2027

IPARD is an EU and state budget funded program to support Albanian agriculture. IPARD offers Grants to farmers based on the application projects they make. Applications must be for investments that the program supports, within the terms, rules and criteria of the application, according to each call for applications.

There are three areas where IPARD program can be applied:

-  Investments in physical assets in agricultural holdings.
-  Investments in physical assets for processing and marketing of agricultural and fishery products.
-  Farm Diversification and Business Development.

IPARD III program will inject to the sector a total of 146 million euros. The program offers a wider support by increasing the intervention measures and the range of investment distribution such as: agro-environment and forests, organic agriculture, rural infrastructure, etc.



## STRATEGIC INVESTMENT PROCEDURES



AGRICULTURE SECTOR

### STRATEGIC INVESTOR STATUS

PROCEDURES	ASSISTED	SPECIAL
VALUE OF INVESTMENT	≥ 3 000 000 €	≥ 50 000 000 €
NEW JOBS	50	-

## SUCCESS STORIES





# AIDA

ALBANIAN INVESTMENT DEVELOPMENT AGENCY

*invest in Albania*



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