



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 km².

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. The contribution of the Agriculture sector to GDP for 2020 is 18.39%. During 2020 there is an increasing trend of agricultural production. Vegetable production in 2020, compared to 2019 has increased by 2.99%. The highest level of vegetable production is in the regions of Fier, Berat and Tirana.

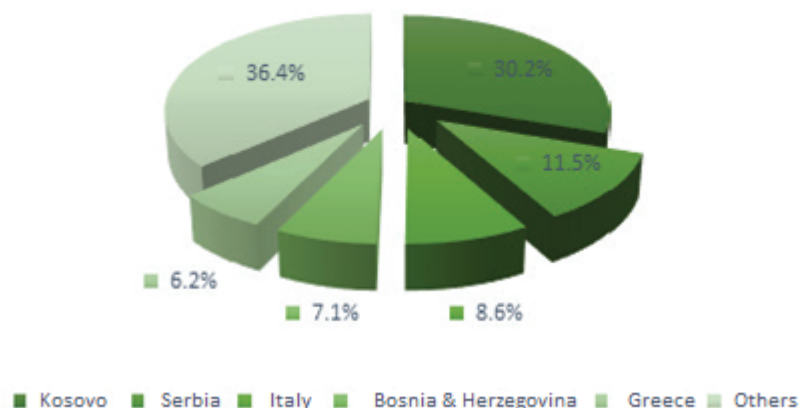
An increase is observed in the production of aromatic, medicinal plants and cooking spices. Production of aromatic, medicinal plants and cooking spices in 2020 amounts to 14,400 tons. Also other products show a positive trend of production.

Aquaculture has seen rapid growth as a promising sector. During 2019, about 15,011 tons of fish were caught while during 2020 this amount was increased to 16,892 tons for all categories.

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 5% profit tax; VAT 6%, exemption form the infrastructure impact tax.

Agricultural exports have increased by 9.7% in 2020 compared to 2019. The most significant increase has the chapter of agriculture with +14.3%; fishery with +12.8%; agro industry with + 4.9%.







Export Structure per Countries 2019- 2020



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 agricultural machines both imported and domestically; 27 customs fisheries items; ships, nets, electronic equipment, refrigerators, ship engines
-  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 2022


The fund in the national scheme for 2022 is estimated at 3.2 billion ALL, which includes the guarantee fund and the oil scheme. There are at least 13 measures provided by the scheme, including among others:

-  Support for the construction of new solar greenhouses for vegetable production.
-  Support for the cultivation of medicinal and aromatic plants.
-  Support for the renewal of the fishing vessel infrastructure.
-  Support for the construction of markets for agricultural products and/or markets for live animals.
-  Support for the establishment of a national training scheme in agriculture and the establishment of a Center of Excellence and Innovation of production systems.
-  Support for automation and digitalization of farm work processes.

IPARD II 2014 - 2020

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.

While the IPARD III Program is under preparation an upgraded financial support of 146 million euros will be injected to the sector. The new program will offer 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

