

BRING YOUR BUSINESS T[☀] ALBANIA

#INVEST IN YOUR FUTURE



invest in Albania

READY TO TALK GROWTH?





CONTENTS

Reasons to invest in Albania

Law on Foreign Investments

1 Euro Contract

Energy Incentives

Tourism Incentives

Agrotourism Incentives

Manufacture Incentives

Agriculture Incentives

TEDA Incentives

Employment Incentives

Law on Strategic Investments

Contacts

REASONS TO INVEST

COMPETITIVE LABOR COST

Albania has the most competitive wage rates in the region, as well as a productive and cost-competitive (minimum monthly wage of 40.000 ALL ~ 385 EUR).

This creates a favorable climate for initiatives, considering that a cheap labor force and low costs expenses provide a good start for businesses.

COMPETITIVE TAXATION AND INVESTMENT INCENTIVES

The Albanian tax system does not discriminate against foreign investors and makes no distinguishment between foreign and domestic investors. Albania offers competitive taxation, the 1 Euro Contract scheme, fiscal and administrative incentives for strategic investors, and tax payments.

HIGHLY RECOMMENDED TOURISTIC DESTINATION

In 2023, along the dynamic global tourism landscape, Albania has reached a remarkable achievement, securing the 4th position worldwide for the highest percentage change in international tourist arrivals compared to 2019.

Taking an adventure trip to Albania was rated as one of the top tours by National Geographic France in 2018, which suggested discovering the UNESCO World Heritage sites of Berat, Gjirokastra, and Butrint.

Business Insider rates Albania among the Top 15 Destinations to visit post-COVID

SUSTAINABLE GROWTH POTENTIAL

The Albanian economy has shown remarkable resilience in the face of consecutive shocks.

The real GDP growth for the last quarter of 2023, according to the Institute of Statistics (INSTAT), is 3.8% and it was distributed in all sectors of the economy.

The high performance of exports and foreign investments has been the main contributor to the economic growth for 2023.

For 2023, the flow indicator marks the value of around 1.5 billion euros, marking a record figure in the flow of foreign direct investments in the country.

IN ALBANIA

STRATEGIC GEOGRAPHIC LOCATION

Albania has a strategic location in the Western Balkans, at the crossroads of Europe's major transit corridors, giving you access to the largest international trade. Albania is the gateway to international trade markets through its four ports in Durres, Vlore, Shengjin, and Saranda. The Shengjin Port is potentially the deepest (25) port in the region and the Mediterranean Sea.

RAPID DEVELOPMENT OF INFRASTRUCTURE

Albania provides road transport and direct mechanisms with the majority of EU states. Developments consist of new and improved infrastructure in energy, telecommunication, and transport, development, and low costs of maritime transport. The new Vlora Airport project will have a great impact on the economic growth of Albania and its tourism sector.

MACROECONOMIC STABILITY

The macroeconomic situation in Albania is characterized by stable prices, low inflation rates and solid exchange rates

YOUNG AND EDUCATED POPULATION

46% of the population is under the age of 35, and the median age is 38.5 years. Almost 124,000 students enrolled in higher education. 15.3% of the total graduates in upper secondary education come from vocational schools.

The Skills of the current and future workforce of Albania rank first in the region, according to The Global Competitiveness Report 2019. The population has a notable foreign language proficiency, with 40% speaking at least 1 foreign language.

CUSTOMS-FREE ACCESS

Albania has signed several Free Trade Agreements with key markets (European Union, Turkey, CEFT, EFTA states), offering customs-free access to the largest European markets. Generalized System of Preferences (GSP) with USA, Australia, Japan, New Zealand, Russian Federation, Belarus, and Kazakhstan.

FAST FACTS

3.4 %

REAL GDP GROWTH FOR 2023

EXPORTS

4.2

(BILLION EUR)

2023

IMPORTS

8.4

(BILLION EUR)

2023

10.7 %

UNEMPLOYMENT
(2023)

46%

UNDER 35 YEARS OLD

40,000 (ALL)

MINIMAL WAGE (2023)

*APPROX. 385 EUR

61,898

(ALL) AVERAGE WAGE

*APPROX. 590 EUR





“

S&P assesses that Albania's fiscal performance is expected to remain relatively strong throughout its forecast horizon until 2022, and notes that Albania is fiscally ahead of similar Western Balkan countries that are in the same assessment category.

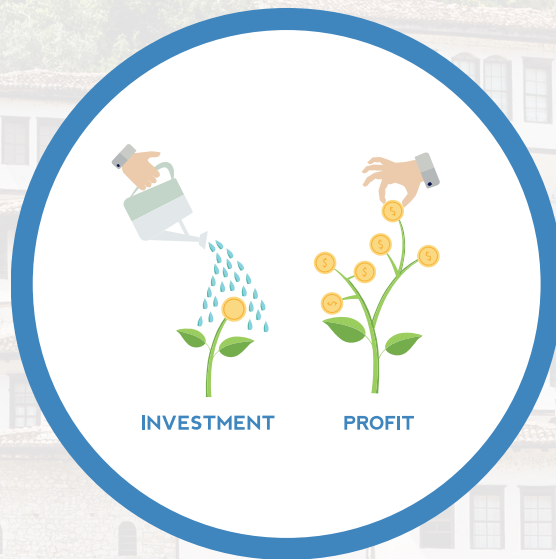
-Standard & Poors

“

Albania's economic growth remains strong. The country has benefited from implementing new reforms.

- The International Monetary Fund (IMF)

FOREIGN INVESTMENT INCENTIVES



LAW ON FOREIGN INVESTMENTS

THE LAW ON “**FOREIGN INVESTMENTS**” aims to create a friendly investment climate. The law provides the guarantees for protection to all foreigners (either physical or juridical persons) willing to invest in Albania, as follows:

- No prior government authorization is needed and no sector is closed to foreign investment.
- There are limited expectations to this liberal investment regime, most of which apply to the purchase of **real estate**:
- There is no limitation on the share percentage of foreign participation in companies.
A 100% foreign ownership is possible.
- **Agricultural land** cannot be purchased by foreigners and foreign entities but may be rented for up to 99 years.
- Foreign investors are entitled to expatriate all funds and contributions in kind of their investment.
- **Commercial property** may be purchased, but only if the proposed investment is worth three times the price of the land.
- Albania's tax system does not distinguish between foreign and domestic investors.
- Investors in Albania are entitled to judicial protection of legal rights related to their investments.
- Foreign investments are treated in a non-discriminatory manner and paid immediately, and in a fair and effective manner, in accordance with the law.
- The Code of Civil Procedure outlines provisions regarding domestic and international commercial arbitration.
- Foreign investments enjoy equal and unbiased treatment as the domestic investments, and have complete protection.
- The International Centre for Settlement of Investment Disputes Convention has entered into force for Albania since November 14, 1991.
- There are no restrictions on the purchase of private residential property.

1 EURO CONTRACT

The Government of Albania give on lease or emphyteusis on public property of more than 500 m2, for the symbolic price of 1 EURO, if the property shall be used for:



- Manufacturing activities with an investment level of over 300,000,000 ALL.
- Manufacturing (Inward Processing Activities) with over 50 new jobs.

Activities of construction, maintenance, and deconstruction of sailing vessels, with investment levels over 500,000,000 ALL.



Activities in industry and advanced technology, with investment levels over 800,000,000 ALL, which shall open no less than 500 jobs.

Agribusiness activities with investment levels over 100,000,000 ALL.



Activities in education and media, with investment value over 200,000,000 ALL.



INCENTIVES SCHEME

- In case the company, which has entered into a lease/ emphyteusis contract, carries out investment in accordance with the business plan, and of a value over 150% of the plot values, after 5 years the subject gains the right of privatizing the object of the contract.
- In case the company, which has entered into a lease/ emphyteusis contract, carries out investment in accordance with the business plan, and of a value over 750% of the plot value, the subject gains the right of direct privatization of the object of the contract, without need of fulfilling 5 years.
- In case the company, which has entered into a lease/ emphyteusis contract with the right of development, fulfills the requirements foreseen in the contract, the subject gains the right of filling a request to buy the land plot, which is the object of lease/ emphyteusis contract.

invest in Albania



SECTORIAL INCENTIVES



ENERGY



TOURISM



AGRITOURISM



MANUFACTURE



AGRICULTURE






AQUACULTURE



TEDA

ENERGY INCENTIVES

-  The obligatory connection with transmission or distribution networks;
-  The payment of only direct costs of the connection produced to transmission or distribution networks;
-  Long term agreement (15 years) for electricity produced from plants of a 15 MW capacity or higher;

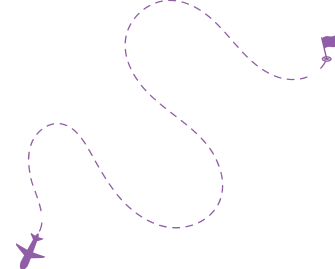
DUE TO POTENTIALLY VERY HIGH
SOLAR ENERGY SOURCES

(OVER 1700 mw/ M2/ YEAR)

IN SPECIFIC REGIONS, THE UNUSED
POTENTIAL FOR PHOTOVOLTAIC
INSTALLATIONS IN SALINE SOILS IS
OVER 1900 MW.



TOURISM INCENTIVES



EXEMPTION FROM CORPORATE INCOME TAX

New accommodation facilities, “Four five stars hotel, with special status” and the holders of an internationally recognized and registered trademark (brand name) are exempted from corporate income tax for a period of 10 years starting from the commencement of their activity, but no later than 3 years from the date of obtaining the special status.

REDUCED VAT

Providers of services in accommodation facilities “Four and five stars hotel, with special status” and the holders of an internationally recognized and registered trademark (brand name) are subject to a reduced 6% VAT rate.

EXEMPTION FROM THE TAX OF IMPACT ON INFRASTRUCTURE + TAX ON CONSTRUCTION

Investments in the construction of accommodation facilities “Four and five stars hotels, with special status” are exempted from the impact tax on infrastructure and construction for the objects of the accommodation facility “Four and five stars hotels, with special status”.

FAST FACTS

6% VAT

FOR FIVE-STAR
HOTELS/RESORTS

0% TAX

FOR FIVE-STAR
HOTELS/RESORTS

**0% TAX
ON PROFIT**

CORPORATE INCOME
TAX FOR 10 YEARS



AGROTOURISM INCENTIVES



Reduced VAT of 6% for the supply of accommodation services and restaurants, with the exemption of beverages for entities that conduct hosting activities certified as “agrotourism” according to the legislation in force in the field of tourism.



Lease of public land for a period of 99 years.



The government provides all necessary supporting and technical infrastructure, such as roads, water, electricity, etc.



Reduced VAT of 6% for the supply of accommodation services and restaurants, with the exemption of beverages for entities that conduct hosting activities certified as “agrotourism” according to the legislation in force in the field of tourism.

FAST FACTS

6% VAT








For the supply of accommodation services and restaurants

99 YEAR

Lease of public land



MANUFACTURE INCENTIVES

-  The government has approved some facilities measures on the textile and footwear industry, giving a strong stimulus to the fashion industry.
-  The government provides a symbolic tariff of 1 EURO leasing contract, for lease of state-owned property.
-  Instant reimbursement of VAT in the case of taxpayers with a zero risk, and within 30 days in the case of exporter taxpayers.
-  5% rate of corporate income tax for legal persons with economic activities in the automotive industry.
-  Several incentives on financing personnel training.
-  Facilitation of customs procedures.
-  Exemption from VAT on import of machinery and equipment.

FAST FACTS

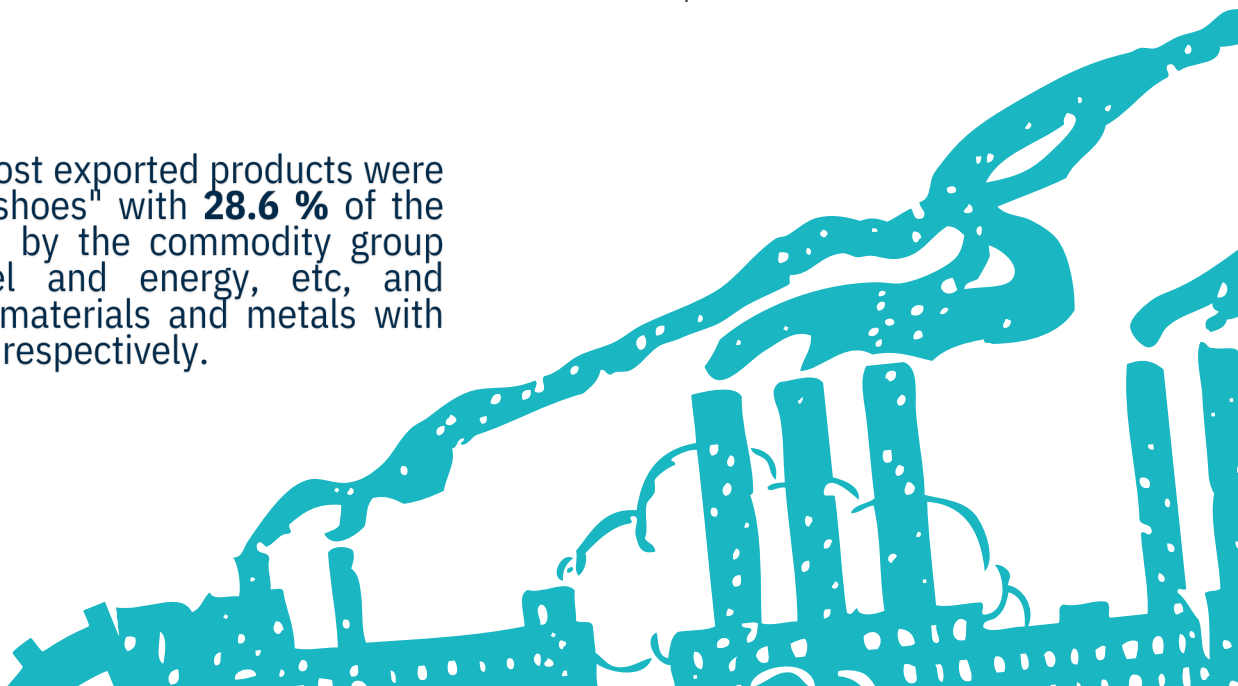
1€ LEASE
of state-owned
property

0% VAT
for import of
machinery & equipment

28.6%
EXPORTS
Total of textile and
footwear exports

5% CIT
for the automotive
industry

In 2023 the most exported products were "Textiles and shoes" with **28.6 %** of the total, followed by the commodity group "Minerals, fuel and energy, etc, and "Construction materials and metals with **21%** and **19%** respectively.



AGRICULTURE INCENTIVES

NATIONAL SCHEME 2024

The National Scheme 2024 contains 8 support measures with a value of **3.4 billion ALL**. The fund approved will be used for:



Increasing the competitiveness of agricultural products in protected environments, of medicinal and aromatic plants and livestock products, reducing costs through payments for cultivated surface and registered animals.



Certification of agricultural products and organic farms.



Supporting farmers through payments, for reducing the cost of oil used, for mechanized work on agricultural crops.



Supporting forms of cooperation in agriculture.

FAST FACTS

0% VAT

For supply of agricultural inputs

6% VAT

For investments in agrotourism



IPARD II 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.



AQUACULTURE INCENTIVES



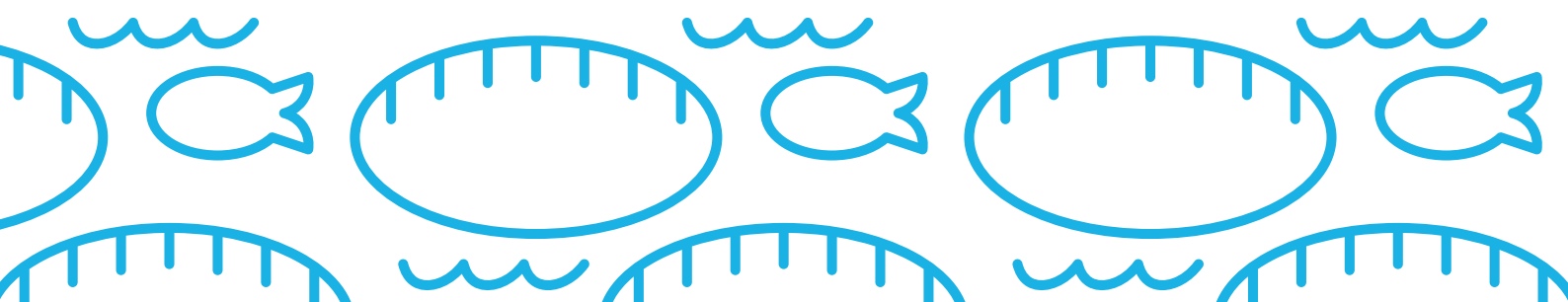
Lease/ emphyteusis contracts with a fee of 1 EURO/ Contract, where the investment is higher than 100,000,000 (a hundred million) ALL, for infrastructure related to fishing (repairment degrees), in fishing ports, for construction activities, and maintenance services of sailing vessels.



The term of entering into the contract with the symbolic fee of 1 EURO/ Contract is 20 (twenty) years.



Lease of infrastructure related to fishing, which shall be the object of the lease/ emphyteusis contract is 100 (a hundred) ALL per month.



TEDA INCENTIVES

Technological and Economic Development Areas benefit from the following INCENTIVES:



Entrance and exit of goods into and from the area, formalities, and procedures are carried out in accordance to the provisions of the Code of Customs



Capital expenses are 20% deductible during a period of 2 years for developers and users that invest in TEDA within 3 years from the commencement of the economic activity of the area. Developers and users are also exempted from 50% of the profit tax rate during the first 5 (five) years.



The supply of Albanian goods to the technology and economic development area shall be considered as supplies for export with zero VAT rate, by the provisions of the Law on the value-added tax and customs legislation.



The developer's project is exempted from the tax of impact on infrastructure.



Buildings constructed in the area, according to the developer's project, are exempted from the tax on immovable property for a period of 5 years.



The developers or users of the area are exempted from the tax on transferring the right of ownership on immovable properties.



Expenses for wages, socials, and health contributions that the employer pays to the employee are 150% deductible for the first year.



EMPLOYMENT INCENTIVES

Increasing the employment in Albania through:

- Employment services;
- Employment promotion programs;
- Vocational training programs.

BENEFICIARIES:



All jobkeepers and employers that are registered in regional/ local structures.



All foreign citizens or stateless persons, who enter and reside lawfully in the territory of the Republic of Albania for employment purposes.



Foreigners, who have obtained refugee status, as well as asylum seekers in the Republic of Albania.



Foreigners are also provided with the possibility of obtaining a work permit.

LAW 15/2019, ON PROMOTION OF EMPLOYMENT FORSEES:

- Subsidy, in a certain percentage, of costs related to social and health insurance.
- Subsidy is a certain percentage of wages.
- Professional vocational training, self-employment, support for new businesses and business incubators.
- Employment of graduates/ certified in vocational education and training.
- Vocational practices, etc.

INCOME FROM SALARY / MONTH		TAXABLE INCOME / MONTH		TAX RATE IN % / MONTH
From	To	From	To	
0	50,000 ALL (480€)	0	50,000ALL (480€)	0%
50,001 ALL (480€)	60,000 ALL (577€)	0	35,000 ALL (336€)	0%
		35,001 ALL (336€)	60,000 ALL (577€)	13% on the amount exceeding 35,000 ALL
60,001 ALL (577€)	More	0	30,000 ALL (288€)	0%
		30,001 ALL (288 €)	200,000 ALL (1923€)	13% on the amount exceeding 30000 ALL
		200,001 ALL (1923 €)	More	22,100 ALL (212 €) + 23% on the amount exceeding 200,000 ALL (1923 €)

LAW ON STRATEGIC INVESTMENTS

SUPPORT SCHEMES

- ⇒ Land consolidation.
- ⇒ Support regarding the complementary infrastructure.
- ⇒ Availability of public immovable property.

ADMINISTRATIVE SUPPORT

- ⇒ One Stop Shop service.
- ⇒ Accelerated procedures.

SPECIAL PROCEDURES

- ⇒ Expropriation of private immovable property for the purpose of developing and implementing strategic investment projects.
- ⇒ Parliamentary approval, if necessary, and of the Council of Ministers on strategic investment contracts.

AGENCY PROFILE

GOVERNMENTAL AGENCY:

- MANAGEMENT BOARD CHAIRED BY THE PRIME MINISTER.

AIDA'S MISSION IS FOCUSED ON:

- ACQUISITION OF FDIS IN ALBANIA.
- INCREASING THE COMPETITIVENESS OF ALBANIAN SME-S.
- PROMOTING ALBANIAN EXPORTS.
- AFTERCARE SERVICE TO EXISTING INVESTORS.

WHAT WE DO IN DETAIL...

- PROMOTE ALBANIA, ALBANIAN PRODUCTS AND SERVICES IN INTERNATIONAL MARKETS.
- PROMOTING ALBANIA AS AN INVESTMENT DESTINATION.
- FACILITATING AND SUPPORTING DIRECT INVESTMENTS IN ALBANIA.
- QUALIFIED INFORMATION ON OPPORTUNITIES, INCENTIVES, POLICIES AND GOVERNMENTAL SCHEMES.
- ONE STOP SHOP FOR STRATEGIC INVESTORS.
- HANDLING ALL APPLICATIONS RELATED TO STRATEGIC INVESTMENTS.
- ESTABLISH CONTACTS WITH THE GOVERNMENTAL BODIES, AUTHORITIES .
- HELPING AND SUPPORTING INVESTORS TO PLAN THEIR INVESTMENT ITINERARIES.
- SUPPORTING REINVESTMENTS THROUGH AFTERCARE SERVICE.



Albanian Investment Development Agency
Agjencia Shqiptare e Zhvillimit të Investimeve



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