



# ALBANIA CALLS A COUNTRY OF OPPORTUNITIES



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MONTENEGRO

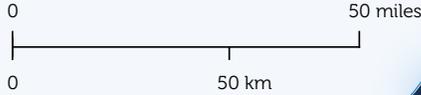
KOSOVO

NORTH  
MACEDONIA

GREECE

Adriatic  
Sea

Ionian  
Sea



# 1 | COUNTRY PROFILE

## Albania

### LOCATION:

Southeastern Europe, bordering the Adriatic Sea and Ionian Sea to the west, between Greece to the south, Macedonia east, Montenegro north and Kosovo north east.



TIME ZONE - GMT

**+1 hour**



SURFACE AREA

**28,748 km<sup>2</sup>**



LENGTH OF COASTLINE

**362 km**



LENGTH OF LAND BOUNDARIES

**691 km**

### POLITICAL SYSTEM:

Government: Parliamentary Republic  
President: HE Mr. Ilir Meta (since 2017)  
Prime minister: HE Mr. Edi Rama (since 2013)  
Membership: UN, OSCE, IMF, WB, NATO, EU Candidate

### CLIMATE



Typical Mediterranean with mild, wet winters and warm, sunny summers. Albania has up to 300 sunshine days per year.

### POPULATION:



Total population: 2.85 million<sup>1</sup>

Average age: 37.2 years<sup>2</sup>

### LANGUAGE:

Widely spoken and understood:



ALBANIAN

ENGLISH

ITALIAN

GREEK

### CAPITAL CITY:

Tirana: 895,160 inhabitants within the municipality limits.

### CURRENCY:

Albanian Lek (ALL)

### NATURAL RESOURCES:

- Key mineral resources: petroleum, gas, bauxite, chromium, copper, iron ore, nickel, salt and timber;
- Significant potential for the production of renewable energy, i.e. hydro, wind, and solar-energy.

<sup>1</sup>Source INSTAT 2020

<sup>2</sup>Source INSTAT 2020

# MOUNT KORABI



*A. Tahirov*



# 2 | TOP REASONS TO INVEST IN ALBANIA

## REASONS TO INVEST IN ALBANIA

LIBERAL INVESTMENT CLIMATE

COMPETITIVE LABOR COST

YOUNG AND WELL EDUCATED POPULATION

COMPETITIVE TAXATION AND INCENTIVES

OPTIMAL GEOGRAPHIC LOCATION

STRONG GROWTH POTENTIAL

FREE ACCESS TO LARGE MARKETS

MACROECONOMIC STABILITY

ALBANIAN INVESTMENT DEVELOPMENT AGENCY – AIDA

### LIBERAL INVESTMENT CLIMATE

Albania applies a liberal foreign investment regime with the goal of increasing foreign direct investment. **The Law “On Foreign Investment” allows a 100% ownership for foreign companies** and outlines specific protections for foreign investors. Albania is committed to developing a stable and predictable business climate by continuing the implementation of overarching reforms, fiscal consolidation aimed at reducing the national debt, improvement of regional cooperation, investments into infrastructure, and reform of the educational system. The Albanian government has also moved ahead with an ambitious economic and structural reform agenda which will contribute to a more attractive business environment: restoring growth, improving competitiveness and creating new jobs. The new “Strategic Investment Law” provides maximum legal guarantees for foreign investors.

- The legal framework of public procurement is governed by non-discriminatory & transparent principles.
- The creation of economic zones with special incentives for investors is a cornerstone for further development.
- The Law “On Tourism” provides new incentives for investors in the tourism sector.
- The Government of Albania has improved the communication with the business community through the National Economic Council and the Investment Council, created jointly with the EBRD.
- The National Business Center serves as a one-stop-shop for business registration and licensing.
- Starting a business is easier with online forms and procedures, reduction of registration costs and the consolidation of tax, health insurance, and labor registration into a single application.

### COMPETITIVE LABOR COST

- Albania has the most competitive wage rates in the region and a highly productive workforce.
- Competitive income tax, overtimes and social security.
- Vocational training for specific sectors.

### YOUNG AND WELL EDUCATED POPULATION

- 48 % of population is under 35 years old<sup>3</sup>
- 139,043 students are enrolled at Albanian universities in the academic year 2018-2019.
- A high number of Albanian students are frequenting European universities<sup>4</sup> in countries such as Italy, Greece, Germany, France, etc.
- English, Italian and Greek are all widely spoken while French and German are taught at school.

### COMPETITIVE TAXATION AND INCENTIVES

- Competitive tax rates.
- Incentives for strategic investments, large-scale investments and regional investments.
- Albania 1 Euro – scheme.
- Other sectorial incentives.

### OPTIMAL 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 world's biggest trade.
- Connection to European markets through various ports in the Adriatic and Ionian Sea.
- Albania is a bridge between northern and southern Europe with a growing network of transport links such as ports, roads and airports.



<sup>3</sup>Data from INSTAT 2019

<sup>4</sup>Data from INSTAT 2019

### STRONG GROWTH POTENTIAL

- The real GDP growth for 2019 was 2.2% compared to 4.1% in 2018 and 3.8% in 2017. High performance of exports and foreign investments have been the main contributor to the economic growth for 2019.
- During 2019, the exports of goods amounted to All 299 billion, down by 3.8% compared to the previous year, while imports of goods reached ALL 649 billion, increasing by 1.2% compared to the previous year. The trade deficit amounted All 350 billion, increasing by 5.7% compared to 2018.<sup>5</sup>
- FDIs accounted for 8.4% of the GDP in 2019<sup>6</sup>. For the first half of 2020 the FDI inflow amounts to € 454 million. Compared to the same period in 2019, there is a decrease of about 17%.
- Construction on the Trans-Adriatic Pipeline begun in 2015 with more than 1.5 billion USD to be invested in Albania. Trans-Adriatic Pipeline route through Albania is approximately 215 km onshore and 37 km offshore in the Albanian section of the Adriatic Sea.
- Significant natural resources. Albania's Patos - Marinza is the biggest on-shore oil field in Europe.

- Albania offers a wide range of public-private investment opportunities. The main opportunities are referred to the growing sectors such as: Energy, Mining, Transport & Logistics, Tourism and Agriculture.
- The registration of a new business and requests for licenses, permits, authorizations can be completed within 24 hrs. through the one-stop-shop service for 0.7 Euro only.
- A one-stop-shop department in AIDA handles the application requests to receive the status of "Strategic Investment/Investor Assisted Procedure" and "Strategic Investment/Investor Special Procedure" as well as the implementation of the investment projects.

### FREE ACCESS TO LARGE MARKETS

Albania has signed several Free Trade Agreements (FTAs) with key markets (European Union, Turkey, CEFTA, EFTA countries), offering customs-free access to a large consumers market.



<sup>5</sup> Source: INSTAT

<sup>6</sup> Source: Bank of Albania

### MACROECONOMIC STABILITY

- The macroeconomic situation in Albania is characterized by stable prices, low inflation rates and solid exchange rates.
- Albania pursues stimulating monetary policies aiming at the maintaining of low interest rates and favoring the growth of the economy's crediting. The registered inflation has been within the objective of the monetary policy of 1-3%<sup>7</sup>.
- Average annual inflation has remained relatively stable for more than a decade with 2.0% recored in 2017, 2.0% in 2018 and 1.4% in 2019.
- The unemployment rate in 2019 reached 11.2% marking a decrease compared to 12.3% in 2018<sup>8</sup>.



<sup>7</sup> Source: Data from INSTAT 2019

<sup>8</sup> Source: Data from INSTAT 2019

ALBANIA'S ECONOMIC GROWTH REMAINS STRONG. THE COUNTRY HAS BENEFITED FROM IMPLEMENTING NEW REFORMS.

-THE INTERNATIONAL MONETARY FUND (IMF)

### ALBANIAN INVESTMENT DEVELOPMENT AGENCY – AIDA

- Professional service for investors, free of charge.
- Highly motivated team of experienced professionals.
- Provides information, contacts and investment management support to potential investors as well as pre and post investment care.
- OneStop Shop for strategic investments.

invest in Albania

**OLD  
CASTLE**  
GJIROKASTËR





# 3 | INVESTMENT AND BUSINESS CLIMATE

The EU integration process serves as a strong incentive for Albania to push forward on structural reforms and improve the business climate as the country aligns its legislation with the EU.

**ECONOMIC FREEDOM INDEX** Report of Heritage Foundation, 2020: Albania ranks 57<sup>th</sup> globally and 30<sup>th</sup> regionally. Its overall score increased slightly by 0.4 point, led by an improvement in fiscal health. The economy is considered moderately free and continues to register a healthy rate of GDP growth.

**GLOBAL COMPETITIVENESS INDEX** report of World Economic Forum 2018-2019: Albania ranks 81<sup>st</sup> among 141 countries. Ranked **no. 1** for "Ease of hiring foreign labor".

## INTERNATIONAL RATING

<b>B+ Stable</b>	STANDARD POORS RATINGS SERVICES
<b>B1 Stable</b>	MOODY'S
<b>26 Stable</b>	TRADING ECONOMICS



Albania has signed **45 bilateral treaties** for the promotion and protection of investments, of which 39 are in force.

The Republic of Albania has signed investment protection treaties with the following countries: Austria; Azerbaijan; Bosnia and Herzegovina; Bulgaria; China; Croatia; Cyprus; Czech Republic; Denmark; Egypt; Finland; France; Greece; Germany; Hungary; Italy; Israel; BLEU (Belgium-Luxembourg Economic Union); Islamic Republic of Iran; Korea, Republic of Kuwait; Lithuania; North Macedonia; Malaysia; Malta; Moldova; Netherlands; Poland; Portugal; Qatar; Romania; Russian Federation; San Marino; Serbia; Slovenia; Spain; Sweden; Switzerland; Tunisia; Turkey; Ukraine; United Kingdom; United States of America, United Arab Emirates.

## FDI INFLOW IN ALBANIA

Foreign Direct Investment annual inflows in Albania have maintained a positive performance from 2008 until now. The FDI inflow in the end of 2019 exceeded 1 billion EUR, increasing with 5.8% compared to the previous year. The largest recipients of FDIs are the energy, mining and telecommunication sectors.

- Albania's business philosophy is characterized by minimal governmental intervention, total transparency and zero bureaucracy.

- The Government of Albania will mainly focus on promoting and attracting FDIs in the key sectors: renewable energy, tourism, agriculture, infrastructure, manufacturing and services. By the end of 2019, the FDI Stock reached a value of 8.5 billion EUR increasing with 12.4% compared to 2018. The FDI originating from EU countries are the highest in the region.

#### FDI PARTNERS

Regarding the FDI Stock by the end of 2nd quarter of 2020, the most important partners are: Switzerland (1,584 million Euros), Netherlands (1,353 million Euros), Canada (1,107), Italy (795 million Euros), Turkey (608 million Euros), Austria (550 million Euros), Bulgaria (530 million Euros) and Greece (487 million Euros).

#### FDI INFLOW 2012 - 2019 (MLN EURO)

Year	2012	2013	2014	2015	2016	2017	2018	2019
Mln Euro	665	825	869	890	943	899	1,022	1,079

Source: Bank of Albania



#### TAXATION

TYPE OF TAXES	TAX RATE
<b>Personal Income Tax</b> <ul style="list-style-type: none"> <li>- 0 - 30 000 ALL (approx. 243 Euro)</li> <li>- 30 001 - 150 000 ALL (approx. 1220 Euro)</li> <li>- 150 001 - and above ALL</li> </ul>	<ul style="list-style-type: none"> <li>- 0%</li> <li>- 13%</li> <li>- 23%</li> </ul>
<b>Profit Tax</b> <ul style="list-style-type: none"> <li>- Companies with annual turnover from ALL 0 - 5 million (approx. €0 - €40,000)</li> <li>- Companies with annual turnover from ALL 5-14 million (approx. €40,000 – €114,000)</li> </ul>	<p>Simplified profit tax on small business is zero per year.</p> <p>Simplified profit tax on small business is 5% of the taxable profit.</p>
<b>Corporate Income Tax</b>	<p>Standard rate 15% (5% for companies that produce/develop software; agritourism and manufacture)</p>
<b>Withholding Tax</b>	<p>15%</p>
<b>VAT</b>	<p>0%, 20%, 6% 6% for supplies of services within the new accommodation facilities such as “5 stars hotels/resorts, with special status” holders of an internationally recognized and registered trademark brand name).</p>
<b>Customs duty on import</b>	<p>0 to 15%</p>

# SCANDERBEG SQUARE

TIRANA





# 4 | FREE TRADE AGREEMENTS

Albania's foreign trade regime has been liberalized since 1990 and is in compliance with the guidelines set by the EU and WTO (member since 2000).

## STABILIZATION AND ASSOCIATION AGREEMENT - SAA EU ALBANIA

The Stabilization Association Agreement allows all industrial goods originating in Albania to be exported into the EU, and 83% of industrial goods to be imported into Albania from the EU without any customs tariffs. Imports and exports of commodities with the EU are not generally subjected to special authorization requirements. Exceptions apply to quotas or control requirements imposed through different bilateral or multilateral agreements signed by Albania. Licenses are also required for specific commodities with restricted circulation within the country such as military or strategic goods, radioactive materials and psychotropic substances, drugs etc.

## CENTRAL EUROPEAN FREE TRADE AGREEMENT (CEFTA)

- On December 19, 2006, Albania, Bosnia and Herzegovina, Croatia, North Macedonia, Moldova, Montenegro, Serbia and Kosovo signed an Agreement to amend and enlarge the Central European Free Trade – CEFTA 2006.
- CEFTA aims to, inter alia, expand trade in goods and services and foster investment by means of fair, stable and predictable rules, eliminate barriers to trade between the signatories, provide appropriate protection of intellectual property rights in accordance with international standards and harmonize provisions on modern trade policy issues such as competition rules and state aid.

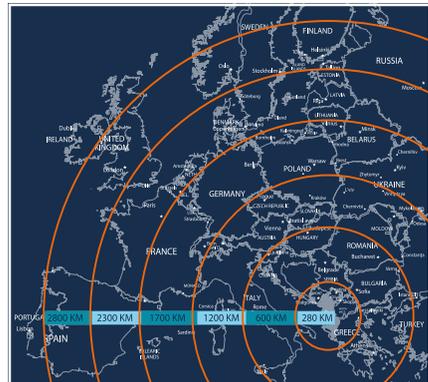
## EUROPEAN FREE TRADE ASSOCIATION (EFTA)

The Free Trade Agreement between Albania and Iceland, Liechtenstein, Norway and Switzerland focuses on the liberalization of trade in goods by abolishing all customs duties on industrial products, including fish and other marine products.

Bilateral arrangements on agricultural products between the individual EFTA States and Albania also form part of the instruments establishing the free-trade area between both sides.

## FREE TRADE AGREEMENT WITH TURKEY

Albania has also a Free Trade Agreement with Turkey removing tariffs on Albanian industrial goods exported into Turkey and on certain Turkish products exported into Albania.



### GENERALIZED SYSTEM OF PREFERENCES (GSP)

Albania benefits from the Generalized System of Preferences (GSP) with USA, Australia, Japan, New Zealand, Russian Federation, Belarus, and Kazakhstan.

### BILATERAL INVESTMENT TREATIES

Albania has signed 45 bilateral treaties (39 are in force) for the promotion and protection of investments.

Albania has signed 42 bilateral treaties (39 are in force) for the avoidance of double taxation and fiscal evasion.



### ALBANIA'S TRADE AGREEMENTS

Market	Trade Regime	No. of Inhabitants
CEFTA	Free trade agreement	22,000,000
EFTA	Free Trade Agreement	15,081,000
USA, Australia, Japan, New Zealand, Russian Federation, Belarus, Kazakhstan.	Generalized System of Preferences	648,600,000
EU	Preferential Trade regime	508,200,000
TURKEY	Free Trade Agreement	79,000,000

**KORÇA**

**ALBANIA**





# 5 | LEGAL FRAMEWORK ON FOREIGN INVESTMENTS

## FOREIGN INVESTMENTS LAW & INCENTIVES

The Law on "Foreign Investments" attempts to create a friendly investment climate. The law provides the guarantees for protection to all foreigners (either physical or judicial persons) willing to invest in Albania, as follows:

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



## STRATEGIC INVESTMENT LAW

The new legal package on strategic investments increases the contractual and judicial security of foreign and domestic entrepreneurs and provides a fast road for the implementation of strategic investments projects. According to SIL, Strategic Investments are all private, public, or public-private investments in the following sectors:

- Energy and mining
- Transport, telecommunication infrastructure and urban waste
- Tourism
- Agriculture and fisheries
- Economic zones
- Priority development areas

Based on the strategic sector, the investment values vary from 1 million Euros to 50 million Euros. Some sectors require the creation of a certain number of new jobs.

This law foresees the establishment of the Committee of Strategic Investments, as a collegial body of the Council of Ministers, which is headed by the Prime Minister of the Republic of Albania. The Committee has the right to take decisions on giving the status to investments as associated or specific strategic investments.

**ALBANIAN INVESTMENT DEVELOPMENT AGENCY (AIDA)**, is the responsible administrative structure for providing services to investors in a "single window".

AIDA performs the role of the assisting agent, and follows all the administrative procedures till the realization of the investment project. In the meantime AIDA is the Technical Secretariat of the Strategic Investment Committee, a collegial body led by the Prime Minister of the Republic of Albania, which has the right to approve the strategic status of the investment projects.

These three essential functions confirm the key position of AIDA in the context of the inter-institutional communication.

### STRATEGIC STATUS TYPES

The Albanian Investment Development Agency is the best source to find incentives offered across a variety of sectors. For strategic investments in the Republic of Albania:

**TWO TYPES OF STRATEGIC STATUS:**

**ASSISTED STATUS**

**SPECIAL STATUS**

Following the approval of the status of an assisted procedure, the investor may benefit the following services:

- Application through the One Stop Shop model at AIDA
- Priority Treatment
- Fast track procedures
- Land Consolidation
- Supporting Programs
- Supporting Infrastructure
- Access to immovable state properties



Following the approval of the status of special procedure, the investor may benefit the following in addition to what the investor benefits in the case of an assisted procedure:

- Expropriation of private immovable assets to enable the development and execution of strategic investment projects;
- Investment Contract endorsement by the Parliament.

### TOURISM LAW & INCENTIVES

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#### TOURISM LAW

Law No. 93/2015 on Tourism provides a very competitive offer to foreign and domestic investors. The law provides a range of changes for the tourism sector, aiming to transform it into one of the most important economic sectors in the coming years.

The Ministry responsible for the tourism sector is the link between the Government of Albania, local authorities and the strategic investors and plays the monitoring role in the implementation of the signed agreements for different investments in this sector.

#### INVESTMENTS IN TOURISM

The new law encourages potential investors to invest in touristic resorts by offering state owned land through the "Albania 1 Euro scheme" for a period of 99 years.

#### TOURISM INCENTIVES

- Accommodation facilities such as "Four and five stars hotels, 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 activity, but no later than 3 years from the obtaining the special status. This exemption is granted for the "Four and five stars hotels, until December 2024.
- Exemption from the tax of impact on infrastructure for investments in construction of new accommodation facilities

facilities "5 star hotels, with special status", holders of an internationally recognized and registered trademark (brand name).

- Exemptions from the tax on construction for accommodation facilities "5 stars hotels, with special status" as per the definition provided in the legislation on tourism, holders of an internationally recognized and registered trademark (brand name).
- Reduced VAT of 6% for all touristic accommodation services, as well as for investments in agro-tourism.

#### FINANCIAL INCENTIVES

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- Foreign tax credit: Albania applies foreign tax credits rights even in case there is no double tax treaty in place with the country where the tax is paid. If a double taxation treaty is in force, double taxation is avoided either through an exemption or by granting tax credit up to the amount of the applicable Albanian corporate income tax rate (currently 15%).

- Tax exemption on dividends designated for investments: Dividends and profit share paid by a resident or non-resident company to a resident taxpayer will not be subject to corporate income tax for the resident taxpayer.
- Financing schemes for employment of certain categories of jobseekers and on the job trainings.

**VAT EXEMPTION ON IMPORT OF MACHINERIES AND EQUIPMENT USED IN:**



- Investments over 50 million ALL (approx. 406,500 Euro);
- Agro-processing;
- Inward processing regime;
- Agriculture.

The Manufacturing sector obtains VAT refunds immediately.

**EMPLOYMENT INCENTIVES**

The purpose of Law No.15/2019 on Employment Promotion is to increase the employment of the free labor force in Albania through employment/ self-employment/ vocational incentive programs, as well as supporting unemployed job seekers and specific groups, through the payment of unemploy-

ment income and the establishment of the Social Employment Fund.

Employment of free labor force in Albania aims to be promoted through:

- employment services;
- employment promotion programs;
- vocational training programs.

**BENEFICIARIES**

- All jobseekers 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 the refugee status, as well as asylum seekers in the Republic of Albania.
- The possibility of obtaining a work permit for foreigners is provided as well.

**OTHER INCENTIVES**

Lease of public property: the Government of Albania can lease public property of more than 500 m2, or grant a concession for the **SYMBOLIC PRICE OF 1 EURO** if the properties will be used for:



- Manufacturing activities with an investment level over 300,000,000 ALL (≈ 2.4 million Euros).
- Activities of construction, maintenance and deconstruction of sailing vessels, with investment levels over 500,000,000 ALL (≈ 4.1 million Euros).
- Activities in industry and advanced technology, with investment levels over 800,000,000 ALL (≈ 6.5 million Euros),

- which shall open no less than 500 jobs.
- Inward processing activities ("Fason") with over 50 new jobs.
- Agribusiness activities with investment levels over 100,000,000 ALL (≈ 0.8 million Euros).
- Activities in education and media, with investment value over 200,000,000 ALL (≈ 1.6 million Euros).

# ANCIENT CITY OF BUTRINT

SARANDA





# 6 | MACRO-ECONOMIC INDICATORS 2019

Real GDP growth	2.2% (Source MFE)
Average Annual Inflation Rate	1.4%
Unemployment Rate	11.2%
Fiscal Deficit (% of GDP)	1.9%
Exports	299 billion ALL
Imports	649 billion ALL
Minimum Wage	26,000 ALL (= 210 Euro)



## GROSS DOMESTIC PRODUCT BY SECTORS<sup>9</sup>

During the year 2019, Albanian economy performed a real GDP growth rate by 2.2 % compared with the year 2018. Related to GDP structure by economic activities, Services continue to represent the main share in the economy for year 2019, by 48,58 % of GDP and they increased by 3,34 % in real terms. Industry and Construction realized 20,06 % of Gross Domestic Products. Industry rose by 2,72 % in real terms, meanwhile Construction decreased by 3,72 %. Agriculture, hunting and forestry with 18,63 % share of GDP, grew by 1,35 % in real terms.

### Albania's domestic currency

The Lek (ALL) is extremely stable, with €1 being the equivalent of 122.17 ALL through 2019.

Item	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Exchange Rate (EUR/ALL)	138.77	138.93	139.59	140.2	140.14	139.7	135.23	132.95	126.29	122.17

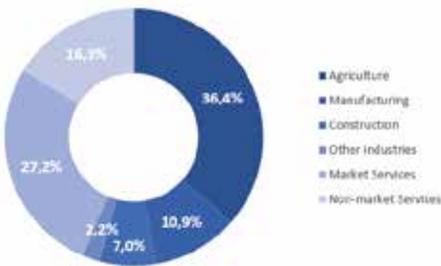
Source: Bank of Albania

<sup>9</sup>Source: INSTAT



EMPLOYMENT (15+) BY ECONOMIC ACTIVITIES, 2019

Agriculture	Manufacturing	Construction	Other industries	Market Services	Non-market Services
36.4 %	10.9 %	7.0 %	2.2 %	27.2 %	16.3 %



UNEMPLOYMENT RATE BY AGE-GROUP

Age group	2017	2018	2019
15+	13.7 %	12.3 %	11.5 %
15-64	14.1 %	12.8 %	12.0 %
15-24	31.9 %	28.3 %	27.2 %
25-54	12.6 %	11.2 %	10.6 %
55-64	9.6 %	8.6 %	7.4 %

Source: INSTAT

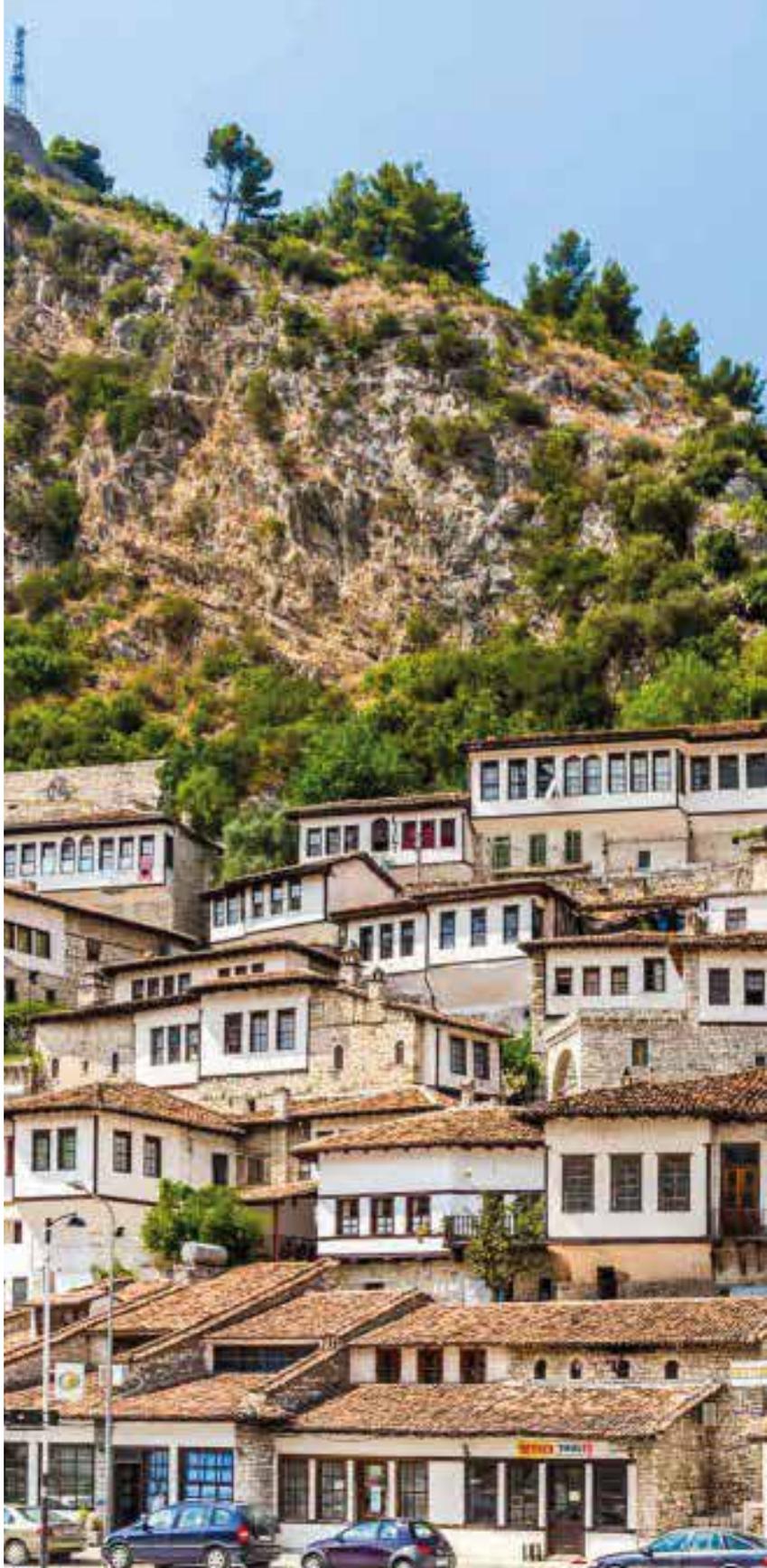
STRONG BANKING SECTOR



In the absence of a stock market, the country's banking sector remains the main channel for business financing. It is stable, profitable, and well-capitalized. The sector remained **profitable even during the peak of the financial crisis**. The BOA maintains a floating free exchange rate regime for its domestic currency, the Lek (ALL). Foreign exchange is readily available at banks and exchange bureaus. The Banking Law does not impose any restrictions on the purchase, sale, holding, or transfer of foreign monetary exchanges. The Law on Foreign Investment guarantees the right to transfer and repatriate any funds associated with an investment from Albania into a freely usable currency at a market-clearing rate. The banking sector is fully private and consists of 12 banks, most of which are subsidiaries of foreign banks.

# BERAT

ALBANIA





# 7 | POTENTIAL INVESTMENT SECTORS

## RENEWABLE ENERGY

Albania has a considerable potential of Renewable Energy Sources (RES). RES represent an important energy source available in Albania. The use of such sources for energy production represents a long-term strategy for implementation of three objectives of energy policies of the country, such as: support for the overall economic development; increase of the security of energy supply and protection of environment. Production of energy from renewable energy sources is beneficial to Albania, since it decreases the dependence on energy imports, and provides greater security for energy supply.

Albania has committed to a binding 42% target of energy from renewable sources in gross final consumption in 2030, starting with 31.2% in 2009.

Thanks to the favorable geographic position in the Mediterranean Sea Basin, Albania has significant potential of renewable energy sources such as, **WATER, WIND, SUN, AND BIOMASS AND GEOTHERMAL.**

The price for all contractors of PV and Eolic Plants:

- a) **71.2 EURO/MWH** for PV energy sources (Photovoltaic)
- b) **76 EURO/MWH** for wind energy sources (Wind)

## HYDROENERGY



Albania has a big hydro-energetic potential and only 35.4% of it is being used so far. The country has a total installed capacity of 1466 MW and marks an average hydropower production of 5283 GW/h. The total hydro-energetic reserves enable the installation of 4500MW power network and its annual electric power production could reach up to 16TWh.

Albanian hydrographical territory is 44,000 km<sup>2</sup> or 57% larger than its geographical territory, taking under consideration the catchment area of the rivers.

## SOLAR ENERGY

Albania is located in the western part of the Balkan Peninsula at the eastern coast of Adriatic and Ionian seas. In the territory of our country there is a considerable potential of solar energy, where many of its areas are exposed to a radiation that reaches from **1185 KWH/M2 PER YEAR UP TO 1700KWH/M2 PER YEAR.** On clear weather, every square meter of the horizontal surface of this area may absorb around 2200 kWh per year.



## 7 | POTENTIAL INVESTMENT SECTORS

The climatic conditions make Albania a favourite destination for investing in solar energy including:



Average daily solar radiation of 4.1kWh/m<sup>2</sup>.



2,400 average sunshine hours per year.



240-300 average sunshine days per year.

Favorable tariffs for buying the energy produced from solar plants up to 2 MW.

In the past, the solar energy has been used mainly for water heating purposes. During 2017 - 2018 there has been an increased interest for investing in small photovoltaic plants with a capacity of up to two megawatt. In 2018 Albania has procured the construction of the biggest plant in the region with a capacity of more than 50 megawatt.



## WIND ENERGY

Albania has an unexploited wind power potential, especially along the Adriatic Coast where many areas with high wind energy potential are situated.



Average annual wind speed of 6-8 m/s.



Average energy density of 250-600 W/m<sup>2</sup>.



Potential for at least 20 eolic electricity centrals.

Favorable tariffs for buying the energy produced from eolic plants up to 3 MW.

The overall potential of eolic energy that may be produced through eolic parks has been estimated at **MORE THAN 2,000 MW**.

**THE MAIN DIRECTIONS OF WIND** in our country are northwest-southeast and southwest-northeast, with dominant direction towards land. Our country's coastline is 345 km north-south direction, where a part of the coast is near flat lands, while the other part is close to south seaside mountains. Inside the territory, the direction and intensity of wind from area to area varies in time.

In some areas, wind speed can be used as an energy source for specific periods of time. There have been recorded very high wind speeds in Kryevindh stations, Gilaves, Xarrës, Sheqeras and Durrës.

### ENERGY INVESTMENT INCENTIVES

- The obligatory connection with transmission or distribution networks;
- The payment of only direct costs of the connection to transmission or distribution networks;
- Long term agreement (15 years) for electricity produced from plants of a capacity 15 MW and over;
- Exemption from custom duties and VAT for the manufacturing or the mounting of the solar panel systems for hot water production;
- Reimbursement of the custom duties on imported raw materials for the manufacture

or assembly of solar panels systems for hot water production for sanitary purposes in buildings or for technological processes in the industry;

- FIP (Feed-in-Premium) tariffs through a competitive, non-discriminatory tendering process (auctions) for new PV installations over 2MW through Contracts for Difference (CfD);
- Due to the potentially high sources of solar energy (over 1700 kw / m<sup>2</sup> / year) in limited regions, the untapped potential for PV installation on infertile land is up to 1900 mW.

### MINING INDUSTRY

Albania is very rich in mineral resources. Albania's mineral deposits include chrome (32.8 million ton), copper (53 million ton), iron-nickel (220 million ton), limestone, sandstone, asphalt and natural bitumen, decorative limestone, decorative massive sandstone. Exploration, exploitation and processing of the mineral ores constitute a significant activity of the Albanian economy.

**THE MINING SECTOR HAS BEEN GROWING EVERY YEAR** and being focused mainly on the production of chromium, copper, iron, nickel, bitumen and inert minerals being used as raw materials in the construction industry. Recently the chromium and copper production and processing has seen a significant increase of investment.

"Albchrome" is the biggest investor in the sector of chromium and ferrochromium production with more than 43 million Euros being invested in the last five years. "Albchrome" has been qualified as one of the five most qualitative producers of ferrochromium in the world.



### MAIN ORIENTATIONS OF MINING INDUSTRY IN ALBANIA

The Albanian Strategy on Mining Industry has the following priorities:

- **PRODUCTION** increase of the traditional resources, such as chrome, copper, nickel, as well as enhancement of their processing scale, in order to make them competitive in supplying the domestic and foreign market;
- **EXPANSION** of the production range and processing of other minerals, such as bituminous sands, olivine, basalts, decorative stones, etc.;
- **PROMOTING** existing reserves, enabling the exploitation, processing of the products, both domestic and foreign market;
- **UPDATED TECHNOLOGIES** in mines and processing units (enriching plants, breaking-fractioning-grinding plants, metallurgic factories, etc.), enabling a complex mineral exploitation;

# 8 | TRAVEL & TOURISM

Travel and Tourism is selected as an important sector with great relevance to the Albanian economy and to employment as well as for its positive growth forecasts. The direct contribution of Travel & Tourism to GDP in 2019 was ALL 154.1 billion. The forecast is to rise to ALL 164 billion in 2020, and ALL 176.8 billion in 2021. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation.

The direct contribution of Travel & Tourism to GDP is expected to grow by 4.03% pa. The forecast is to rise to 320.09 billion ALL (9.4% of GDP) by 2029.

The direct contribution of Travel & Tourism to GDP in 2019 was ALL 154.1 billion. The forecast is to rise to ALL 164 billion in 2020, and ALL 176.8 billion in 2021.

The number of foreign nationals entering in Albania during 2019 is 6,406,038, increasing by 8% compared to 2018, and 25.1% compared to 2017.

In 2019, Travel & Tourism directly supported 92,515 jobs (8% of total employment). This is expected to rise by 1.01 % in 2020, and 1.57% in 2021. This increase is projected to be 0.9% pa to 101,441 jobs (8.9% of total employment) by 2029.

In 2019, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry was 25% of total employment (289,811 jobs). This is expected to rise by 1.1% in 2020 to 292,992 jobs, and rise by 0.8% pa to 315,933 jobs in 2029 (27.8% of total).

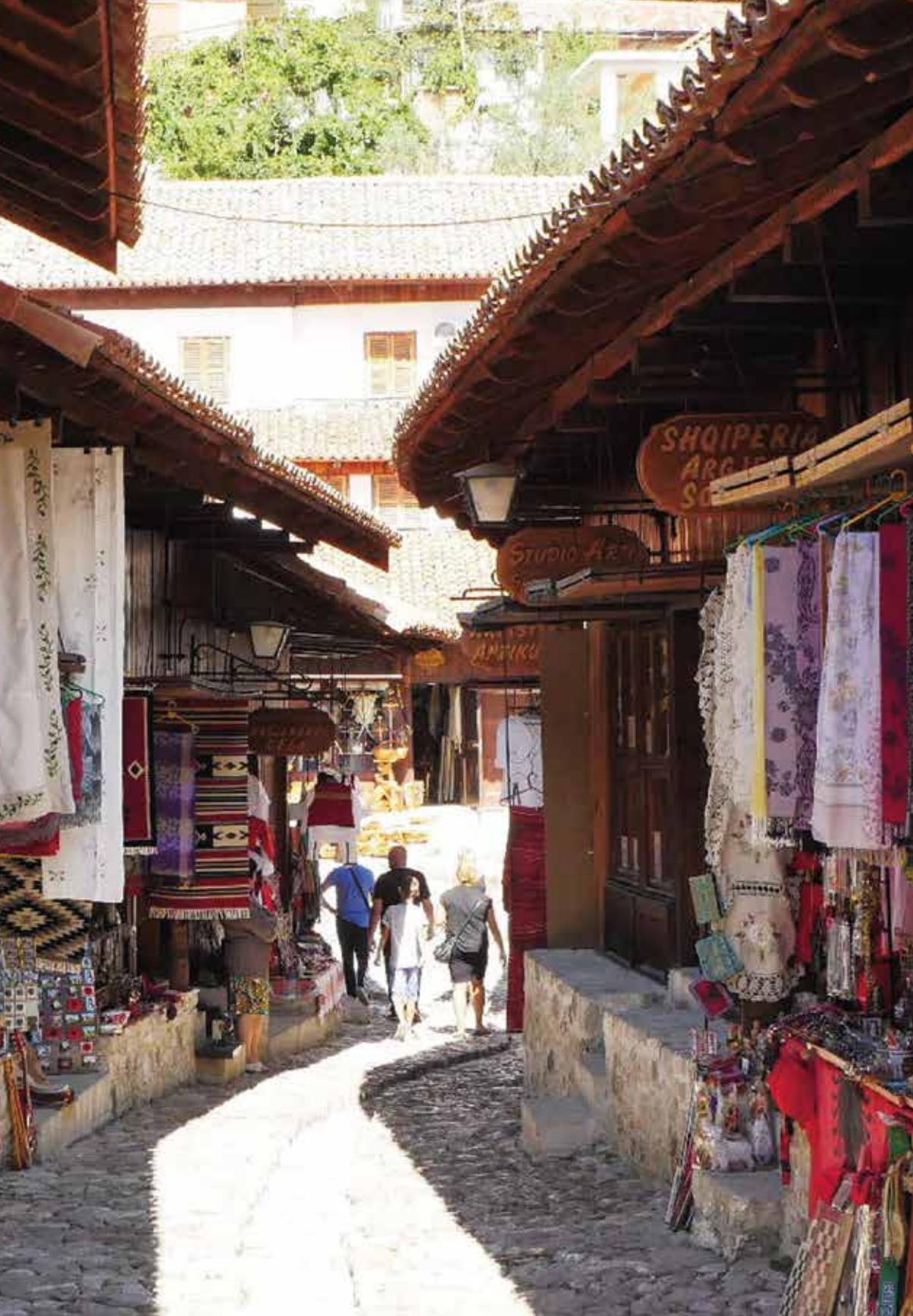
Travel & Tourism investment in 2019 was ALL 35.97 million, or 8% of total investment (USD 360 mln). The forecast of growth for 2020 is 8.1%, while over the next 10 years Travel and Tourism investment will reach 75.3 billion ALL.



# KRUJA

ALBANIA





SHQIPERIA ARGENTINE

STUDIO

STUDIO

Handwritten text on a white fabric hanging on the left side of the street.

Handwritten text on a small sign or label near the bottom left.

Handwritten text on various items and signs on the right side of the street, including a sign for "STUDIO" and other labels.

**KEY TOURISM SEGMENTS TO DEVELOP BUSINESSES**

- BEACH RESORTS.
- NATURE TOURISM (INCLUDING TREKKING, CLIMBING AND RAFTING, CAMPING).
- MICE (MEETINGS INCENTIVES CONFERENCES AND EVENTS) TOURISM.
- HEALTH TOURISM (SPA WELLNESS AND THERMAL).
- FOUR AND FIVE STARS HOTELS OF AN INTERNATIONALLY RECOGNIZED AND REGISTERED TRADEMARK.



**TOURISM: INVESTMENT INCENTIVES**

**EXEMPTIONS FROM CORPORATE INCOME TAX:**

New accommodation facilities and hotels with four and five stars with special status and the holders of an internationally recognized and registered trademark (brand name), are exempted from corporate income tax for 10 years starting from the commencing of activity, but no later than 3 years from the date of obtaining the special status.



**REDUCED VAT:**

Supplies of services in the accommodation facilities "Five stars hotels/resorts, with special status", the holders of internationally recognized and registered trademark (brand name) are subject to a reduced VAT rate of 6%.

**EXEMPTIONS FROM THE TAX ON IMPACT IN INFRASTRUCTURE:**

Investments in construction of new accommodation facilities "Five star hotels, with special status" are exempted from the tax on the impact in the infrastructure.

**EXEMPTIONS FROM THE TAX OF BUILDINGS**

Investments in the cultural monuments and cultural heritage) enjoying a protection status are exempted from the tax on the impact in the infrastructure.

**OTHER INCENTIVES**

- Public land on 99 years lease;
- Public tenders on available plots for tourism development and investments;
- The government provides all necessary supporting and technical infrastructure, such as roads, water, electricity, etc.

# 9 | MANUFACTURE

Albania has a strong and vibrant manufacturing sector, which is driven by highly successful enterprises in the textile and footwear industry. Having this great experience and skilled labor force, Albania offers a great potential to diversify its own economy by passing from the textile and footwear industry to the automotive industry.

## EXPORTS

The Textile and Footwear plays a decisive role in the Albanian economy.

 **39.6%** of total exports (2019)  **+40%** of the labor force in the processing industry

In 2019 the most exported industrial products were "Textiles and Footwear", "Construction Materials and Metals" and "Machinery, Equipment and Spare Parts." The growth of "Textiles and footwear" exports has been 10.8% compared to 2016, reaching a value of 118.2 billion ALL in 2019.



## EDUCATED, PRODUCTIVE AND COST-COMPETITIVE WORKFORCE

Over 1,000,000 of the population of Albania are young and well-educated professionals. 48% of Albania's population is under the age of 35 and the median age is 37.2 years. High literacy rate (97.6%) and many graduates from secondary and tertiary education excellent language skills: English, Italian, French, German, Spanish, etc. Most competitive wage rates in the region workforce (the minimum wage in Albania is 26.000 ALL (approx. 214 Euro)).

### THE SKILLS ARE THERE

- Cost-competitive Inward Processing Industry ("Fason")
- Significant expertise accumulated over the last 20 years.

## EDUCATED WORKFORCE

- 35 VET Schools in different cities of Albania
- A main asset is the Polytechnic University of Tirana, which provides highly qualified workers.



### KEY FACTS ON THE MANUFACTURING SECTOR

- The manufacture sector has been continuously diversifying its activities and the range of its exports.
- Exports of machinery, equipment and spare parts in 2019 increased by 16% compared to 2018, and by 38.5% in a span of two years.
- Partnerships with the most popular companies and retailers across Europe.



### PROXIMITY TO A GROWING MARKET

The global auto parts manufacturing market is projected to grow at a CAGR of 3.6% and is expected to reach more than 408 billion Euros by the end 2025, creating new sale opportunities.

**THE EUROPEAN AUTOMOTIVE INDUSTRY** is a key sector for the European economy, providing a positive contribution to the trade balance.

### GOVERNMENT INCENTIVES

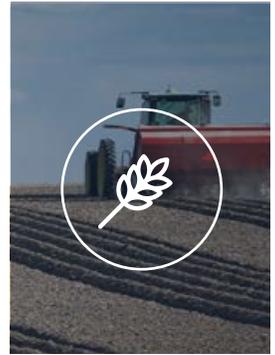
The government has rolled out the Textile and Footwear Industry Package 2014, giving a strong stimulus to the fashion industry.

- The Government provides a symbolic tariff of € 1 leasing contract, when renting government property for:
  - Manufacturing activities, with investment levels above 300,000,000 ALL (Approx. 2.4 Million Euros);
  - or
  - Active processing of goods, which will provide not less than 50 jobs;
- 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.
- Exemption from VAT on import of machinery and equipment;
- Different financing incentives for professional on the job training;
- Facilitation of Customs Procedures;
- Simplification of procedures on the Employment and Social Security;
- Zero-Rated VAT for the supply of processing services of non-Albanian goods intended for re-export. (Fiscal Package 2019).



# 10 | AGRICULTURE

- Agriculture remains one of the sectors with the greatest potential for development in Albania. Agriculture is the main source of employment and income especially in rural areas of the country. This sector provides about **17,8% of GDP and about 40% of total employment.**
- The main objectives for 2020 in agriculture are the improvement of irrigation and drainage systems, the improvement of the food safety chain and the increase of competitiveness of agricultural products.
- The Albanian government aims to transform the brand "Made in Albania" into a certified and trusted brand in the international market.



## THERE ARE MANY REASONS TO INVEST IN THE AGRICULTURE SECTOR IN ALBANIA:

### I. SUSTAINABLE GROWTH AND ADDED OPPORTUNITIES FOR DOING BUSINESS

- In the last three years, the agricultural sector experienced a steady growth and an increasing contribution to GDP;
- Increased opportunities to climb into the value chain and increase return on investment;
- An expanding and steadily growing market of agricultural products exports;
- Free trade agreements with EU countries.

### II. FAVORABLE CLIMATE

- Annual average temperature of 16°C in the coastal areas;
- Diverse micro-climate that is suitable for a broad diversity of agricultural products;
- Appropriate land and improved irrigation and drainage systems.

### III. NATIONAL SCHEME 2020

The National Agricultural Support Scheme 2020, addresses a fund of 7 billion ALL from the state budget in support of farmers, which will be used for:

1. Increasing the competitiveness of livestock products, agricultural products in protected environments and reducing production costs, through the payment of matriculated animals and subsidizing the price of plastic;

2. Addition of areas planted with medicinal and aromatic plants;
3. Certification of agricultural products and organic farms;
4. Supporting the diversification of economic activities in rural areas.

### IV. INCENTIVES

Reduced VAT of 6% for accommodation facilities certified as "agro-tourism subject". One of the main criteria for certifying the "agro-tourism subject" is that they should have accommodation capacities from 6-30 rooms.

1euro fee for rent / emphyteusis contract is offered when the investment is over 100,000,000 ALL for fishing related infrastructure, at fishing ports, for construction activities and for the maintenance services of vessels. The term of the contract is 20 years.

The rent of the fishing related infrastructure, which will be the subject of the rent/emphyteusis contract, is 100 (one hundred) ALL / m2 per month.

# RETRO EVENT

TIRANA, 2019





RETRO AL

RETRO

# 11 | TRANSPORT & LOGISTICS



Albania's location and its connection to the most important European corridors differentiate the country for its unique geographic position. Investments in infrastructure have increased the contribution and role of the transport sector to the overall economic development of the country.

Albania is a member of the South East Europe Transport Observatory (SEETO) and of BSEC (Black Sea Economic Cooperation). The participation in these organizations will help the country for further integration into the regional markets as well as the European ones.

## ROAD TRANSPORT

Albania has **3,719 KM OF ROAD NETWORK** comprised of primary roads 1.198 km (32% of network), secondary roads 2.083 km (56% of network) and planned new roads (12% of network).

### THE MAIN REGIONAL CORRIDORS ARE:

#### CORRIDOR VIII

- Connecting the Adriatic Sea to the Black Sea;
- Passing through Albania, North Macedonia and Bulgaria;
- Connect the port of Durres with Tirana, Skopje, Sofia, Burgas, Varna and Plovdiv.

#### CORRIDOR "DURRËS – KUKËS - MORINË", known as "Rruga e Kombit":

- It is Albania's best individual connection with the Balkan and the European corridors;
- Total length 170 km;
- Connecting the port of Durrës to the capital (Tirana) and with Kosovo (Pristina) and Serbia (Nis / Belgrade).

### OTHER IMPORTANT PROJECTS UNDER CONSTRUCTION:

#### BLUE CORRIDOR ROAD

It is part of the Adriatic - Ionian corridor, linking Albania with Montenegro and Greece as well as with Croatia. This corridor will enhance the development of tourism and increase the tourist's access to seaside areas. The total length is 350 km.

#### ARBËRI ROAD

A dual carriage road which will facilitate the road traffic between Tirana and North Macedonia. Total length is 72 km long.

## RAILWAY TRANSPORT

The Albanian railway network has a **416 KM MAIN RAILWAY LINE** (one binary), 343.35km with a standard width of 1435mm and about 92km of secondary lines of industrial stations and branches. There are a total of 45 railway stations.

## SEA TRANSPORT

Albania has seaports in four main cities: **Durrës, Vlorë, Saranda and Shëngjin**, with plans for further expansion of the capacity and services provided.



### PORT OF DURRËS

- Largest and most important port in Albania.
- Main gateway to Corridor VIII and Corridor Durrës - Kukës - Morinë.
- Covering 81.8% of all country's shipping and over 90% of freight shipping.
- Freight processing capacity of 4,022 million tons per year ('2017).
- Largest ferry terminal, container and passenger service terminal.

### PORT OF VLORË

- Second largest port of Albania.
- Mainly a passenger port and partly a freight port.
- Part of Corridor VIII.

### PORT OF SARANDA

- Saranda port is small and the main itinerary is Corfu, Greece.
- The port serves mainly for accommodation of the domestic tourism demand as well as tourism exchanges with Corfu and vice-versa.

### PORT OF SHËNGJIN

- Port of Shëngjin is expected to accommodate the trade exchanges with Kosovo, Serbia and North Macedonia and further.
- Total capacity is 60 million Tons per year.
- The overall construction cost is 1.2 billion Euros.

### PORTO ROMANO

- A specialized Port as a terminal for coastal oil and gas services and their byproducts and liquefied gas.
- Located 6.5 km north of the city of Durrës.

### PETROLIFERA PORT:

- A specialized Port situated in Vlorë bay, servicing as a terminal for oil and liquefied gas.
- Positioned near Greek and Italian refineries.
- Part of Corridor VIII.



AIR TRANSPORT



**TIRANA INTERNATIONAL AIRPORT**  
 (“MOTHER TERESA AIRPORT”)

- Located in the heart of Albania;
- 17 km (30 minutes) north of the Tirana city center;
- 32 km (45 minutes) north east from Durres, the country’s largest port;
- Located at a major crossroad between northern, southern, central and eastern Albania;
- Located very closely to Albania’s core industrial areas.



MAIN INDICATORS 2019 <sup>10</sup> :	
Number of Flights:	28,270
Number of Passengers:	3,338,147 (increasing 13% compared to 2018)
Freight Volume:	2,372 Ton (increasing 5% compared to 2018)
Number of Companies:	15 airlines operating in 50 destinations

**KUKËSI AIRPORT**

- Second civil airport in Albania;
- Main destination is to attract low-cost airline companies  
 This airport is not yet in operation.

**VLORA AIRPORT**

Vlorë International Airport is expected to start building in 2020. This will be the third international airport in Albania after Tirana International Airport and Kukës International Airport. In addition to the construction of the airport, the project includes a marina and agri-tourism site. The new airport is expected to have a major impact on economic growth and tourism.

<sup>10</sup> Source: TIA report 2019

# 12 | BUSINESS PROCESS OUTSOURCING



Albania emerged in 2000 as a developed market and regional power in the Balkan for BPO services, due to its urban culture, availability of resources, infrastructure and attractive investment incentives. The BPO sector in Albania has seen steady growth since its inception and currently employs approximately 35,000 professionals across more than 400 outsourcing companies. BPO services in Albania are used by renowned brands such as Adidas, Vodafone, eBay, Sky, Apple, Barclays, Groupon, Air France and Alitalia. **CURRENT CLIENT MARKETS ARE THE UK, FRANCE, SPAIN, GERMANY, AUSTRIA, SWITZERLAND AND ITALY.**

Data entry and Call centers are among the top outsourced services in Albania. Some of the other major business processes being outsourced to Albania include inbound services of customer support, outbound marketing and research services, IT and Software operations, as well as finance and accounting services. The ICT-BPO sector shows the prospective to further develop by jumping into niche services and diversify the range of activities in Digital processes, Software Design and Development, Blockchain technologies, Cyber-security, etc. Some of the most successful BPO companies operating in Albania are **LUFTHANSA INDUSTRY SOLUTIONS, DELOITTE, TELEPERFORMANCE, IDS, REWORK, INNOVAWAY, ALBA CONTACT, ALBACALL, ERNEST & YOUNG, EUROSERVICES AND LOCALEYES.**

Albania, with over 20 universities, generates graduates in most faculties including Engineering, Medical, Finance, IT, Social and other sciences. This offers a large pool of foreign speaking graduates and skilled workforce which can be immediately absorbed by the flourishing BPO Albania industry.

To promote the development of this sector even further, a **5% RATE OF CORPORATE INCOME TAX** is provided to taxpayers, whose activity is **SOFTWARE PRODUCTION AND DEVELOPMENT.**



## TELECOMMUNICATION



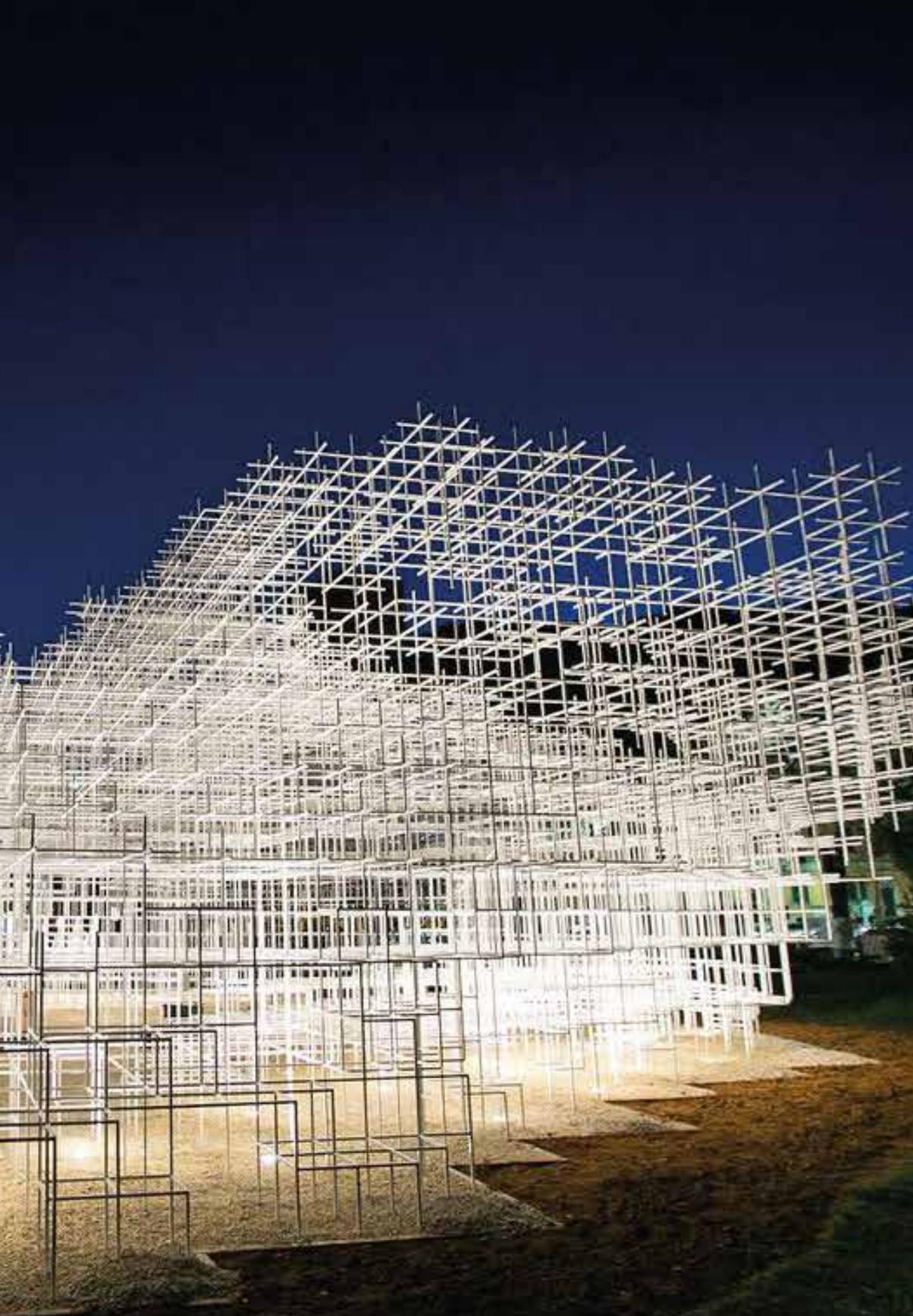
Albania has a high ratio of internet penetration and fixed line connectivity, where 63% of the population has 3G/4G broadband access, while 58% of families had fixed broadband access.<sup>11</sup> **ALBANIA ALSO HAS THE HIGHEST LEVEL OF MOBILE PHONE PENETRATION IN THE REGION**, counting more than 2.6 million active subscribers by the end of 2019<sup>13</sup>. The percentage of enterprises with internet access is 97.8% of total enterprises and 100% of the enterprises with 250+ employees, exceeding the EU member states' indicator average of 97.0 %<sup>14</sup>.

<sup>11</sup> Source: AKEP, Annual Activity Report 2019  
<sup>12</sup> Source: AKEP, Annual Activity Report 2019  
<sup>13</sup> Source: Eurostat, Key Figures on Enlargement  
<sup>14</sup> Countries: 2019 Edition  
Source: Instat 2020

# FUJIMOTO'S CLOUD

TIRANA





# 13 | TECHNOLOGICAL AND ECONOMIC DEVELOPMENT AREAS (TEDAs)

“Technological and economic development area” (“TEDA”) is a separate territory, a designated area of land or buildings and other immovable properties, developed in accordance with a general plan and provided with the relevant infrastructure for production, industrial development, trade and provision of services, which is estimated as a part of the customs territory of the Republic of Albania, separate from this territory in terms of fiscal and customs regime and which is governed in accordance with the provisions of the Law On the Establishment and Operation of Technological and Economic Development Areas and its bylaws.

The Government of Albania seeks developers and investors to create world-class TEDAs on land areas in Spitalla, Koplik and Kashar. As currently envisioned, future developers will be offered exclusive development and operator rights on these properties, through a long-term lease.

The areas are in close proximity to a skilled labor force, educational institutions, and city centers with sizable populations. Developers and investors will benefit from Albania’s competitive, educated and multi-lingual labor force, as well as recent reforms that have improved the country’s business climate and competitiveness. These include steps to strengthen the conditions for investment and improve business and transportation linkages, especially in Europe. These initiatives make Albania an exciting venue to work in the region.

## INVESTMENT INCENTIVES INSIDE TEDA

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- The supply of Albanian goods to the technology and economic development area shall be considered as a supply with zero VAT rate.
- Imported goods in TEDA are exempted from customs duties and VAT.
- Goods can be transported from one TEDA to another without paying custom duties or VAT.
- Capital expenses are 20 % deductible during a period of 2 years if developers and users invest in TEDA within 3 years of its operation.
- Developers and users are exempted from 50% of the profit tax rate for a period of 5 years (currently at a rate of 15 %).
- A developer’s project is exempted from the tax of impact on infrastructure;
- Buildings in TEDA 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.
- Wages and social costs are 150 % deductible for the first year. New expenses for wages and social costs compared to the previous year are 150 % deductible for the subsequent years.
- Costs of training and expenses for scientific research and development in TEDA are recognized as accepted expenses of the tax period with double value, for a 10-year period from the commencement of the economic activity.

# 14 | ATTRACTIONS

## ANCIENT CITIES

Antiquity has given a wonderful present to Albania, thanks to the ruins that are spread in many archaeological parks across the country. Some of them are built on the top of the hills, which gives to everyone the possibility to make both a trip in Albanian history and its beautiful nature.

**Destinations:** Apollonia, Burtrint, Bylis, Amantia, Finiq, Antigonea.



Amantia Archaeological Park, photo by IntoAlbania



Archeological Park of Butrint, Saranda, photo by IntoAlbania



Archeological Park of Apollonia, photo by IntoAlbania

## LAKE AND RIVERS

Home to the biggest lake of Southern Europe (Lake of Shkodër), and also the oldest one (Lake Ohrid), Albania is known for its rich water resources. In Albania you'll find also beautiful crystalline rivers that flow between breathtaking mountains like Gashi River in Kukës, Black Drin River in Dibra, etc.



View of the lake from the Castle of Shkodra, photo by IntoAlbania.



Gashi River, photo source: agroweb.org



Black Drin River, photo by IntoAlbania

## MOUNTAINS

In Albania are located some of the highest mountain peaks of the Balkans. Touristic villages in picturesque valleys and familiar traditional atmosphere make Albanian mountains a must-visit for all the nature lovers. **Destinations:** Mount Korabi, Çika, Tomorr, Dardha etc.



Mount Çika, photo by IntoAlbania



Mount Corab, photo by IntoAlbania



Mount Dardha, photo by IntoAlbania

## NATIONAL PARKS

Start a journey into the green world of Albanian natural parks, where you'll have the chance to discover lakes, lagoons, waterfalls, and many other surprises.

Destinations: Theth National Park, Llogora National Park, Divjaka - Karavasta, Lura National Park, Bashtova Castle, Rrajca, The Blue Eye etc.



Bashtova Castle, photo by IntoAlbania.



Theth National Park, photo by IntoAlbania



The Blue Eye, photo by IntoAlbania

## BEACHES

Crystalline waters and virgin beaches: it is quite easy to fall in love with Albanian Riviera. Explore closer some of the most breathtaking destinations of the country.

Destinations: Himara, Drymades, Grama Bay, Karaburun Peninsula, Qeparo etc.



Karaburun Peninsula, photo by IntoAlbania.



Himara, photo by IntoAlbania



Drymades, photo by IntoAlbania

## HIKING

From the valleys full of rivers to famous antique streets, from archeological parks up on the hills to wonderful virgin bays: hiking in Albania is one of the best ways to fully discover the country. Prepare your backpack, the proper clothes for long walking, some fast-foods, and be ready to start a journey that will leave a mark on you for the rest of your life! Available tours focus on UNESCO protected sights and cities such as Berat, Gjirokastra and Butrint as well as the exploration of the area's rivers and lagoons.



Valbonë, Tropogji, photo by IntoAlbania



Hiking, photo by Albania Adventure



Hiking, photo by Albania Adventure

## RAFTING AND KAYAKING

The numerous river streams in our country have created the perfect environment for the practice of rafting and kayaking. With the help of professional guides, you can navigate and become one with the wild nature of Albania. mentioning rafting in Osum and Vjosa rivers, kayaking in Koman and in the albanian riviera, etc.



Rafting in Osum canyons, photo by IntoAlbania



Rafting in Vjosa river, photo by IntoAlbania



Kayaking in the Albanian Riviera, photo by Albania Adventure

## DIVING

The calm and clear waters of Albania are a paradise for divers of any sort. A kaleidoscope of colors and a rich biodiversity make Albania the ultimate Mediterranean diving destination.



Diving, photo by Albania Adventure



Diving, photo by Albania Adventure



Paragliding, photo by Albania Adventure

## PARAGLIDING

It's time to fulfill the eternal dream of flying! Be part of a breathtaking paragliding experience, or follow some of the international competitions that are held each year in Albania.

## CYCLING

It has become without a doubt one of the most popular sports in Albania, with many visitors choosing to explore the country through its roads. It is quite easy to forget the tired muscles while cycling into a country full of surprises and wonderful landscapes!



Cycling, photo by Albania Adventure



Rally, photo by Albania Adventure

## RALLY DRIVING

Be ready to drive your car in tough tracks, surrounded by breathtaking sceneries that include high mountains and crystalline beaches. Follow closer the international competitions of rally driving in Albania.

## PEOPLE OF ALBANIA

Through rapid development and modernization, Albania has not lost its traditional flair! Quite the opposite, the traditional has merged with the modern to create a uniquely Albanian atmosphere that is worth experiencing firsthand. To the visitors' great joy, Albania remains a wonderfully hospitable country with warm and enthusiastic hosts. Communication is a kind of sport among Albanians, as is abundantly clear from the countless, constantly buzzing cafes and restaurants in its major cities. Yet, these are not the only places one encounters fascinating people. It is actually in the many small shops and boutiques around the cities, the old historic streets, the old bazaars that sell fresh food, spices and artisanal objects, the outdoor parks and even in the organized street parties that the visitor can have a stab at really knowing Albania through its people.

## NOTABLE NAMES

Throughout history up until this day, Albania's small population has produced some notable names, a list of astounding, courageous, and talented individuals. Here, it is only fair to mention the one name that continues to engender great pride in the country, the world-class humanitarian, winner of the Nobel Peace Prize, ordained saint Mother Theresa. Second to none is the country's fearless national hero who brought Albania its independence, Gjergj Kastriot Skanderbeg. Just to name a few, the list of internationally popular names includes the Nobel Prize shortlisted author Ismail Kadare, the acclaimed soprano Ermonela Jaho, whose interpretation of La Traviata's Violetta is lauded around the globe, the photographer who took some of Pablo Picasso's most famous shots, Gjon Mili, and even pop starlets like Dua Lipa, Rita Ora and Bebe Rexha. Not to be left out are Jim and John Belushi, the Albanian brothers of Saturday Night Live fame. The country has been muse to many an international poet, artist, traveller or storytellers such as Lord Byron, Edward Lear, and Edith Durham who ardently shares Albania's particular charm with the world through sketches, poems, and prose.



# 15 | TIRANA, THE CAPITAL CITY



Picture credit © Tirana Municipality

Tirana is one of the bounciest capital cities in Europe, and it is becoming very attractive for expats who are pursuing new opportunities. Tirana is the capital and the largest city of Albania (906,166 inhabitants, January 2020). It is the administrative, cultural, economic, and industrial center of the Republic of Albania, projected to have more than 1 million inhabitants by 2027.

- **YOUTHFUL CITY:** 48.5% of the population is under the age of 35 years old (that is around 390,000 young people).
- **INCLUSIVE & TOLERANT CITY:** People from 4 different religious groups, diverse socio-economic backgrounds and more than 140 different nationalities live in continuous harmony.
- **EUROPEAN CITY:** 93% of youth support EU membership. “European Youth Capital 2022” prize.
- **ECONOMIC ENGINE:** Tirana accounts for more than 40% of Albania’s GDP.
- **EDUCATION CITY:** Home to 90 high schools, and 30 public and private universities.
- **STUDENT CITY:** Around 78,000 university students.
- **VIBRANT CITY:** Rich nightlife and cultural life with more than 3-5 events per day.
- **SMART CITY:** Aspiring to become a tech and innovation hub in the region.
- **GREEN CITY:** On-going effort to plant 2 million trees while promoting biking, recycling, green energy.
- **COLOURFUL CITY:** The dull communist style buildings have been painted over with bright colours with abstract patterns.
- **CHILD-FRIENDLY:** all urban projects are child/youth-centred.
- **LIGHTHOUSE CITY:** It guides Albania and the entire Albanian factor in the Balkans towards the EU.
- **FORWARD-LOOKING:** Empowering the youth to pursue their passions.



### LIFE IN TIRANA

As a typical Mediterranean town, Tirana is full of small café-s, and petite restaurants. The cuisine is one of a kind; not only you could try delicious specific Albanian dishes, but also easily taste all the great influences from the worldwide cuisine. As in the middle of east and west, north and south, located in between two beautiful seas and covered by mountains, Tirana is finding it very easy to adapt to the good taste in eating and drinking, however still, at very good prices. Between communism and cocktails, stands the nightlife of Tirana. Most of the clubs and pubs of the city are located in the Bllok area, which during the communist regime used to be the residence of all the main figures of the dictatorship and the citizens of Tirana weren't allowed even to pass through. Nevertheless, after the 90s, Bllok turned into the coolest area of the city and all the bars and pubs are nowadays concentrated there.

### TOURISM & ATTRACTIONS



#### CULTURAL TOURISM

Tirana has in its territory a considerable number of cultural monuments, such as; the Castle of Tirana, The Mosaic of Tirana, Caste of Dajti, Castle of Tujan, Bari Bridge, Castle of Ndroqi, Castle of Dorzi, Castle of Petrela, Castle of Persqopit, Castle of Lalmi, Pëllumbasi Cave, The Bride's tomb.

Meanwhile, in Tirana can be found other historical monuments and buildings to be visited, such as The Clock Tower, Et'hem Beu Mosque, University of Tirana, University of Arts, the Ministries, National Historic Museum, Archeological Museum, the Tanner's Bridge, National Gallery of Arts, the Pyramid, etc.



#### AGRO – TOURISM AND CULINARY TOURISM

Fairs with local products held by the Municipality, motivate and encourage farmers to produce and market of products "Made in Tirana", pulling in these markets not only citizens but also many foreign tourists and giving zest to the surrounding area. In Tirana and in the hinterland there are many restaurants and resorts, which have a rich menu not only with traditional dishes, but also with international cuisine. They bring the best mix of local cuisine with popular European and Oriental menus. Meanwhile in Tirana, can be found Italian, Turkish, Greek, Chinese, Japanese and other international cuisines.

## OPPORTUNITIES

The EU progress report on Albania, highlights the following aspects most relevant to socio-economic development of the country, and indirectly Tirana:

- Dominance of the private sector and key role of the small and medium-sized enterprises.
- Well-functioning procedures for business start-ups.
- The EU as the main trading partner and source of FDIs.

### ENVIRONMENT FOR START UPS

The ecosystem of start ups in Tirana is growing rapidly and the Albanian young entrepreneurs are launching innovative startups and business ideas continuously. Many youth organizations and the government are also running startup programs and competitions in order to raise awareness about the importance of entrepreneurship, to boost and encourage the creation of new startups and innovations in Albania.

## SPORTS AND ENTERTAINMENT

### SPORTS

Tirana offers great opportunities for doing sports. Rapidly developing infrastructure, the diversity of nature's resources and the many sports activities being organized frequently in Tirana have become the main drivers for growing the passion for sports among citizens. Running, hiking, biking canoeing, running, parachuting, skating etc are among the sport disciplines being practised in Tirana.



### NIGHT LIFE

Night life in Tirana makes up for an unbeatable atmosphere. With a high number of bars and pubs in the city, there is a whole range of entertainments you can't miss while visiting Tirana. Also, the Municipality of Tirana often hosts international artists in the main squares, offering spectacular shows in the open.



## RECENT PROJECTS

### PUBLIC TRANSPORT

The municipality is going to introduce a new line of electric buses in the public transport sector, supporting the global environmental campaign.

### TEDA

The Municipality of Tirana is looking the possibility to develop a new TEDA within its jurisdiction.

**CENTER FOR CREATIVE TECHNOLOGIES**

The Pyramid of Tirana, a structure and former museum placed near the center of the city, is being transformed into the largest center for creative technologies in the country, named **TUMO center**. The Center will increase the competitiveness among youth and employability prospects in fields which are part of the global trends of technological development.



**MAIN SECTORS INVESTED:**

Trade, Hotel, Communication and Transport

Tirana and its hinterland can play the role of a regional Western Balkan (international) center in terms of:

- **FINANCIAL SERVICES.** Not excluding the possibility of a stock exchange.
- **MODERN MEDICAL SERVICES** with internationally recognized hospitals.
- **EDUCATION SERVICES** Esp. in higher education with universities serving Albanian speaking populations from neighboring countries and not only.

**POTENTIAL SECTORS:**

- **TOURISM** (Including night life);
- **SERVICES**  
E.g. business process outsourcing, shared services centers.



**EUROPEAN YOUTH CAPITAL, 2022**

In November 21<sup>st</sup> 2019, Tirana has been awarded the 'European Youth Capital 2022' title by the European Youth Forum, a collaboration between various youth organizations, funded by ERASMUS and the Council of Europe.



The Active program for 2022 aims to activate Tirana's youth into becoming more proactive on issues that concern them, on exploring existing opportunities, and on understanding their true power. It encourages positive activism by presenting 8 intertwined themes make up of dozen of projects and hundreds of activities as for the topics below:

**YOUTH** - Make Creative Economy and Innovation.

**YOUTH** - Creates Culture

**YOUTH** - Develops Capacity

**YOUTH** - Participates

**YOUTH** - Embraces Diversity

**YOUTH** - Are Europeans

**YOUTH** - Eco Health

**YOUTH** - Space



As EYC 2022, Tirana will have an ambitious programme that will aim to address the needs of all its young people, championing non-formal education and striving to connect the city and its youth with European values.



## AGENCY PROFILE

### GOVERNMENTAL AGENCY:

- MANAGEMENT BOARD CHAIRED BY THE PRIME MINISTER

### AIDA'S MISSION IS FOCUSED ON:

- ACQUISITION OF FDI'S 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.

Contact us:  
At AIDA, our specialized, multidisciplinary team will provide you with no-cost professional services Tailored to your project's needs.





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