

**ALBANIA CALLS
A COUNTRY OF
OPPORTUNITIES**

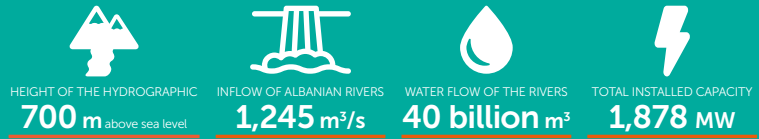
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Why Invest in Renewable Energy in Albania:

- ▶ The Government in its National Economic development plan 2013-2020 has set Renewable Energy as the key priority, for developing a "Green Energy"-driven economy.
- ▶ Incentives, governmental support and facilitation of investments.
- ▶ High-quality experienced engineering and technical workforce, particularly in the hydropower sector.
- ▶ Proven record of successful foreign investments in the sector - AYEN AS Energy, ENSO Hydro Energy, ETEA, Schneider Electric Sas, Amadeus Group, CNR (Compagnie Nationale du Rhone), VERBUND AG, Essegei S.p.A, San Leon Energy, IDROENERGIA ALBANIA SHPK.

Albania has huge potential for hydroelectric energy:

Water resources are amongst Albania's most important natural resources. Eight large rivers, fed by hundreds of smaller rivers and streams, run through the country from the mountainous East to the Adriatic and Ionian seas to the West. The average height of the hydrographic territory of Albania is about **700 m** above sea level. As of 2017 the hydroenergy accounts for 23,5% of the total production of the primary products. Also, more than 35.5% of hydroenergy has been provided by the private sector operators



- ▶ Total installed capacity of **1,878 MW**;
- ▶ Potential installed capacity of **4,500 MW**;
- ▶ Average power production of **4.2 TWh**;
- ▶ Potential annual power production of **16-18 TWh**;
- ▶ Only **35%** of hydroelectric energy potential is currently being utilized.

Main indicators of electricity

(date in MWh)	2017	2018
Energy	7.439.609	7.638.848
Production	4.524.981	8.552.154
HHPs	4.524.981	8.552.154
Import gross	3.403.043	1.771.740
Export gross	488.415	2.685.045
Consumption by consumer	7.439.609	7.638.848

Solar Energy

The territory of Albania is located in the western part of the Balkan Peninsula at the eastern coast of Adriatic and Ionian seas. The average intensity varies from 1185 to 1690 kWh/m² per year with most of areas being exposed to more than 1 500 kWh/m² per year.

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



ALBANIA'S SOLAR RADIATION
1,500 kWh/m²/yr



AVERAGE DAILY SOLAR RADIATION
4.1 kWh/m²



AVERAGE OF SUNSHINE
2,400 hours/year



Wind Energy

Albania has an unexploited wind power potential, especially along the Adriatic Coast where many areas with high wind energy potential are situated. The main part of the territory (app. 2/3 of the whole surface) is hilly and mountainous (east of the country). The coast line is in the direction of North-South.

- ▶ Average annual wind speed of **6-8 m/s**
- ▶ Average energy density of **250-600 W/m²**
- ▶ Potential for at least **20 oleic** electricity centrals

The overall potential of eolic energy that may be produced through eolic parks has been estimated at more than 2,000 MW. In the next five years the Government of Albania aims to generate 5% of total electricity from the wind sources.

Petroleum and Gas Energy

Albania has a significant volume of oil reserves, producing more than 1.4 million ton/year. International oil & gas exploration companies are already established in Albania. The Albanian oil, gas and by products market is a free, open, and liberalized market and the Government of Albania plays only a regulatory role.



ALBANIA OIL RESERVES
1.4 mln ton/year



ESTIMATED OIL RESERVES
500 mln barrels



PATOS-MARINZA OIL RESERVES
200 mln barrels

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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.

Key areas of mining include:

Chromium ore

There is an estimated geologic reserve volume of **36.9 million tons**, located in three main regions:

- ▶ **North-eastern Region - Tropoja** with **6.1 million tones x 26.48% Cr₂O₃** and Kukës Ultrabasic Massif with **6.8 million tones x 21.4% Cr₂O**;
- ▶ **Central Region - Bulqiza and Lura** Ultrabasic Massif with **12 millions tones** with more than **38% Cr₂O₃**;
- ▶ **South-eastern Region - Shebenik - Pogradec** Ultrabasic Massif with **7.5 millions tones**, from which **1.2 million tons**, more than **38% Cr₂O₃**.
- ▶ Plus **6.3 million tons** in different smaller areas

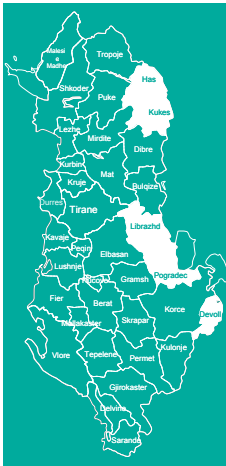
Currently there are 250 active exploitation permits distributed on 13 districts in chromium industry.



Copper ore

The extraction of copper ore and its processing in Albania is partially developed, because of small amount of reserves on each deposit, low content of copper and their underground exploitation conditions.

This sector offers sizeable opportunity to invest, particularly in Mirdita region, Spaçi and Perlati deposits and Korça region, Rehova deposit, which owns together about **6,774,173 tones** of total geological reserves with **1.79% Cu**, or **28%** of them.



Iron Nickel & Nickel Silicate ore

Iron-Nickel & Nickel – Silicate reserves are considered as the largest mineral deposits in Albania.

Geological reserve are estimated at around **364 millions tones** and the main deposits of them are located in:

- ▶ **Librazhd Region with 84,6 million tons;**
- ▶ **Prrenjas-Pogradeci region with 66,1 million tons;**
- ▶ **Bilishti region with 110,8 million tones;**
- ▶ **Has-Kukes-Lure region with 102,8 million tons.**



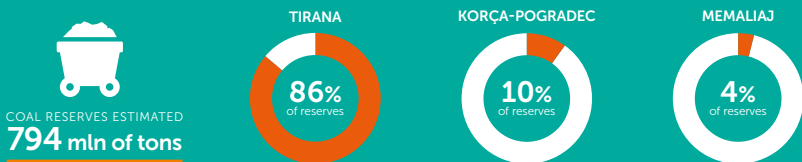
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Coal

Albania has considerable coal reserves. The reserves are estimated about **794 million tons** and are mainly located in three coal reserves areas:



Albanian coal reserves are of the lignite type, with a calorific analytic power in the limits between **2000-5600 KCal/Kg**. The coals could be washed after mining increasing so their calorific value in concentrates can be up to **4500-5500 kcal/kg**.

Development 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, olivinites, 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;

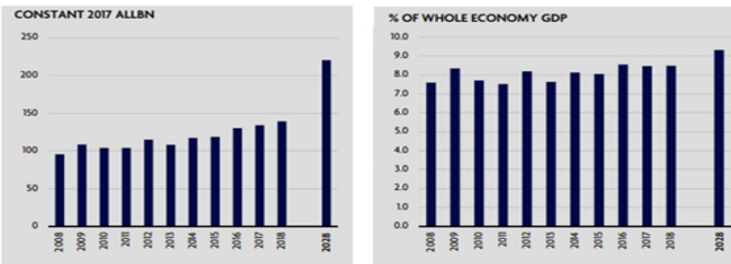
TRAVEL & TOURISM

Travel and Tourism was 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 2017 was ALL134.1bn (**8.5% of GDP**). This is forecast to rise by **3.9%** to ALL139.3bn in 2018.

This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported.

The direct contribution of Travel & Tourism to GDP is expected to grow by 4.7% pa to ALL 220.4 bn (**9.3% of GDP**) by 2028.

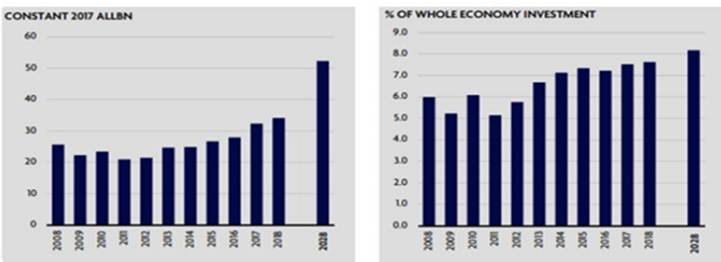
ALBANIA: DIRECT CONTRIBUTION OF TRAVEL & TOURISM TO GDP²



According to the WTTC report Albania has improved its ranking with 24 places over 2015 – 2017 with the perspective of improving its positioning over 2018 - 2028. The direct contribution of tourism to the GDP for 2017 has been **8,5%** with an overall contribution of **26,2% of the GDP**.

The number of foreign nationals entering IN Albania during 2018 is 5,926,803 with an increase of **15.8%** compared to 2017. According to Bank of Albania the foreign visitors generated approximately 1.5 billion Euros for the third quarter 2018

ALBANIA: CAPITAL INVESTMENT IN TRAVEL & TOURISM



1 - WTTC, World travel and tourism council

2 - WTTC Travel & Tourism Economic Impact 2018

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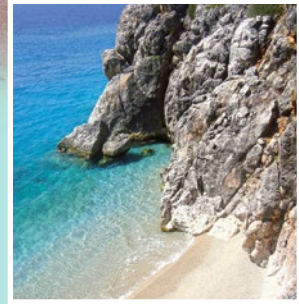
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Main Tourism Products



Coast

- ▶ Unique development potential, attractive coastline;
- ▶ Ionian sea in the south and the Adriatic sea in the north;
- ▶ Long sandy beaches and clear water;
- ▶ Long, hot and sunny summer season;



Nature, Eco, Rural

- ▶ Adventure (Hard and Soft)
- ▶ Eco-tourism
- ▶ Rural environment
- ▶ Agro-tourism
- ▶ Rural Heritage
- ▶ Cultural activities
- ▶ Rural livelihoods

Cultural and Heritage

- ▶ 1.600 cultural monuments
- ▶ Museums
- ▶ 4 UNESCO sites
- ▶ Festivals
- ▶ Folklore
- ▶ Arts and Crafts
- ▶ History and Architecture
- ▶ 9 archeological parks
- ▶ 56 protected natural areas



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 Wellnes and Thermal)
- ▶ Four and five stars hotels of an internationally recognized and registered trademark

A global-recommended tourist destination for 2015

- ▶ A global-recommended tourist destination;
- ▶ Albania tourism is Top 10 fastest growing tourism markets in the world;
- ▶ Albania is ranked the 1st among 15 best destinations tourism for 2018 according to Travel+Leisure.
- ▶ Albania is ranked the 8th among 10 most special destinations in Europe, according to Harpers Bazaar UK for 2019.

Travelling to Albania can be in different ways:

- ▶ **By air:** “Mother Theresa” International Airport, located in Rinas, just 17 km northwest of Tirana.
 - ▶ **By Road:** Kosovo, Greece, Montenegro, and Macedonia.
 - ▶ **By sea:** Port of Durrës Connects to the Italian ports of Bari, Ancona and Trieste in Italy and Koper in Slovenia.
- Port of Saranda:** Daily trips are made to the Greek island of Corfu.
- Port of Vlora:** Connects to Brindisi and Otranto in Italy.

Visitor Exports and International Tourist Arrival

Visitor exports generated ALL 191.5bn in 2014. This is forecast to grow by **3.9%** annually, from 2015-2025, to ALL 273.1bn in 2025 (**24.2%** of total)

Investment incentives

New accommodation facilities and hotels with four and five stars with special status are exempted from corporate income tax for 10 years starting from the commencing of activity ;

The holders of internationally recognized and registered trademark (brand name) are subject to a reduced VAT rate of 6%. Investments in the cultural monuments and cultural heritage) enjoying a protection status are exempted from the tax on the impact in the infrastructure.

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MANUFACTURING

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. The manufacturing sector represents about 15% of GDP while accounting for about 11.4% total employment.



Key facts:

- ▶ In **2015**, exports in manufacturing increased by **24.6%** or USD **165.0** million.
- ▶ **5,000 new jobs** were created within the year
- ▶ **14%** increase in imports of machineries and equipment.
- ▶ Partnerships with major brands and retailers throughout Europe.



EXPORTS IN MANUFACTURING

24.6% in 2015



NEW JOBS WERE CREATED

5,000 within the year

Export in textiles and footwear industries

- ▶ Major markets are **Italy, Germany, Spain and Scandinavian.**



EXPORTS 2014-2015

85,569

89,566



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Key advantages of the textiles and footwear industries in Albania

- ▶ Highly skilled and cost-competitive workforce (**57%** of Albania's population is under age of 35)
- ▶ High quality products, experience and tradition
- ▶ Short-time deliveries to EU countries
- ▶ Comparatively low transport costs to Europe according to Eurostat
- ▶ Competitive labor cost due to lower salaries than other countries in the region (the min. wage in Albania is **26,000 ALL/approx. 206 Euro**).
- ▶ Excellent language skills – English, Italian, French, German, Spanish, etc.
- ▶ Stable and favorable investment climate - According to World Bank Report for 2015, Albania has experienced the highest economic growth in the region.
- ▶ A consolidated legal framework in compliance with international standards
- ▶ Full cycle production – design, sourcing, pattern making, cutting, finishing
- ▶ New equipment and technological processes
- ▶ Consolidated legal framework in compliance with EU and international standards



Government Incentives

The government has rolled out the "**Inward processing Industry**", giving a strong stimulus to the fashion industry.

- Symbolic lease cost of € 1.00 per contract, when renting government property.
- Instant reimbursement of VAT, in case of taxpayers with zero risk, and within 30 days in case of exporter taxpayers.
- Exemption from VAT on imported machineries and equipment;
- Different financing incentives for professional on-the-job-training
- Facilitation of customs procedures - Reduction of the administrative costs and time for economic operators. Opportunity to declare and control after official hours in customs offices.
- Simplification of procedures regarding employment and social security insurances
- The Textile and Footwear plays a decisive role in the Albanian economy. It represents about 39,9% of total exports (2018) and more than 40% of the labor force in the processing industry.
- A one-stop-shop dedicated solely to textiles and footwear investors has been established within the Albanian Investment Development Agency (AIDA).

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Agriculture has traditionally been the backbone of Albania's economy and remains one of the largest and most important sectors in Albania.

Agriculture is a main source of employment and income – especially in the country's rural areas and represents about 20% of GDP while accounting for about 41.8% total employment.

As the country progresses towards EU accession, Albania is implementing the strategy with national and international donor funds and support from the EU's "Instrument for Pre-Accession Assistance on Rural Development 2014 - 2020" (IPARD). The main objectives for 2018 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.



Governmental Incentives

- ▶ Reimbursement of VAT for agricultural products
- ▶ Governmental property lease contracts for a symbolic EUR 1.00
- ▶ Revision of tax on raw materials and breeding animals
- ▶ Exemption from import VAT for agricultural machinery
- ▶ Revision of customs tariff for seedlings
- ▶ Registration of agricultural mechanics.



There are many reasons to invest in the agriculture sector in Albania:

- ▶ Favorable climate
- ▶ Annual average temperature of 16 Celsius 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.
- ▶ Recently the Albanian Government devised a New Strategy to help and support the young farmers.
- ▶ Advantages from free trade agreements with EU countries
- ▶ Non-affected by the European debt crisis
- ▶ A special attention will be paid to the diversification of economic activity in rural areas for investments in agrotourism to which a reduced VAT of 6% is applied



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Albania's location and the 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 Centre South East Europe Transport (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.



Corridors of Albania leading international interest are as follows:

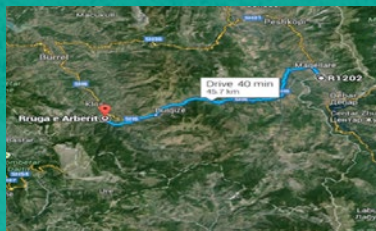
- ▶ **The Adriatic – Ionian** road corridor compiles of Albanian, Greece and Montenegro territory.
- ▶ **The East-West** road corridor VIII compiles of Albania, Macedonia and Bulgaria territory. It starts from Italian ports (Bari and Brindizi), Albania ports (Durrës and Vlora) and ends in Bulgaria ports (Varna and Burgas).
- ▶ Albania access corridor X through an important road axe Durrës – Kukes – Morinë and Kosovo.



Projects:

“Adriatic-Ionian Corridor”

It will link the Montenegro Coast with the Greek Coast. This road is a must for the development of the economy and tourism, giving tourists access to vast seaside areas. The entire road axis is part of the Core Network (Total length of about **350 km**, divided in several segments). Core network standards are estimated approx. **875 mln Euro**.



“Arbri Road”

It is the main road which provides the shortest link between the port of Durres and the Republic of Macedonia. It links Tirana with Macedonian borders, through the city of Peshkopia.

Priority: The establishment of a sustainable transport system, safe and environmentally friendly, integrated into the region and Europe, accessible by all, contributing to economic growth and quality of life of its citizens. The road segment will shorten the distance between Tirana and Dibra, from **173 km** approximately to **74 km**.

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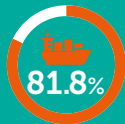
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Sea Ports

Albania currently has ports in four main cities - Durrës, Vlora, Saranda and Shengjini - with plans for continuous expansion. There are two other ports, Porto Romano and Petrolifera mainly for oil and gas byproducts.

PORT OF DURRES



COUNTRY'S MARITIME TRANSPORT

Port of Durrës is:

- ▶ Largest and most important port in Albania
- ▶ The main gateway to Pan-European Corridor VIII
- ▶ Covers **81.8%** of all the country's maritime transport
- ▶ Has a processing capacity of **4 million tons** per year

Port of Vlora is:

- ▶ Albania's second largest port
- ▶ Primarily a passenger port

Port of Saranda is:

Saranda port is small and the main itinerary is Corfu, Greece. The port serves mainly for tourism destination getting in and out from Saranda. Tourists from Albania will go to Corfu and vice-versa.

Porto Romano:

- ▶ Located 6.5 km north of the city of Durrës.
- ▶ It's infrastructure supports coastal deposits of oil, gas and of their byproducts and L.P.G.

Petrolifera Port:

- ▶ Terminal port for petroleum, by-products, and LPG, in the Vlora Bay.
- ▶ Access to Corridor VIII
- ▶ Positioned nearby the Greek and Italian refineries.

Projects:

New Port of Shëngjin

The port of Shengjin is meant to substitute the Port of Durrës as the biggest industrial port in Albania, and one of the biggest in the region, by building a capacity to sustain not only the national needs but those of the region as well. Through its 60 Million Tons of capacity per year, the New Port of Shëngjin is expected to fulfill the needs of Kosovo, Serbia, Macedonia and further. The construction cost of this project stands at 1.2 Billion Euros.



Air Transport

Tirana International Airport named after Mother Teresa:

- ▶ Located in an excellent geographical position at 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 biggest port
- ▶ Located at a major crossroad between northern, southern, central and eastern Albania
- ▶ Located very closely to Albania's core industries, in or around Tirana

Key facts:

- ▶ Total Aircraft movements of **17,928** in **2014**
- ▶ Total passenger volume of **1,810,301** in **2014**
- ▶ Total cargo volume (in tons) of **2,324** in **2014**



Projects:

Kukësi Airport

The main objective is to attract low-cost airline companies to start of operation of the Kukësi airport, in terms of offering service with fees based on low costs. Kukësi Airport is the second civil airport in Albania. The GoA intent to start the negotiation for a concession agreement, in order to reactivate the operation in this airport.



Airport in Southern Albania

The development of the Airport in the Southern Albania project idea goes in line with the increase in capacity of the Albanian civil aviation sector and the increased access to the tourism potential of the Albanian southern region. According to (ATAG, 2012), 51% of international tourists travel by air transport, so it becomes necessary the need for an air gateway in the area of the highest tourism potential, namely the southern region.

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Rail Transport Infrastructure

The Albanian Railway network comprises of **441 km** of single-track rails. In the north, it is functionally linked with Montenegro. In the east, a **2.8 km** missing line would create the link to Macedonia.

The feasibility study has already identified the importance and economic feasibility of the core sections of the network and in particular.

Projects

The Albanian Government intends to revive the railway sector and to improve the core and comprehensive railway network in Albania, (corridor VIII and the railway connection with Montenegro) as an important transportation mean in order to increase trade in the region and connecting the region with the European Railway Network.

Three main priorities in the railway sector are: (I) Tiranë - Rinas - Durrës; (II) Vorë - Shkodër - Hani Hotit (Montenegrin Border) and (III) Durrës - Elbasan - Pogradec - Lin (Macedonian Border).

1. **Tirana-Rinas-Durrës** railway section
2. **Vorë-Shkodër-Hani Hotit** (Border) railway section: total length 120 km estimated cost: **160 mln Euros.**
3. **Durrës-Elbasan-Pogradec-Lin** (Border) railway section: total length 140 km **estimated cost: 220 mln Euros.**
4. **Rrogzhiinë - Vlorë** railway section
5. **Other potential railway linkages with existing/new ports**



The Albanian ICT sector has improved significantly in the last 6 years. Furthermore, the annual report indicates that the ICT-sector is one of the main development opportunities in Albania. The ICT sector is composed of four subsectors: IT Software Development, IT Hardware, BPO - Business Process Outsourcing and Telecommunication. Albania is strongly developing BPO-Business Process Outsourcing and telecommunication.

Albania has relatively a small share in the software development but it is a potential market for growth. It is a new market for the software development and it is in the initial phase of development. Informational Technology Outsourcing, ITO involves outsourcing of services related to IT functions. They consist of, among others, infrastructure management services, software related services, software research and development, and IT consulting services. The level of skills required in employment in the sector varies, accordingly, from low to very highly skilled IT expertise.

The top 5 IT/ITO and training service provider in Albania are **InfoSoft Group**, composed of eleven companies that, with their unique products and services, are successfully serving in the Albanian and the regional market. **Ikclub.al** is one of the most successful initiatives in the market regarding information portal.



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CCS-Computer and Copier Systems/Tetra represents one of the oldest IT Companies in the Albanian market. DM Consulting Services that provide clients with top-quality, innovative, reliable, cost effective, and time-saving business and IT solutions.

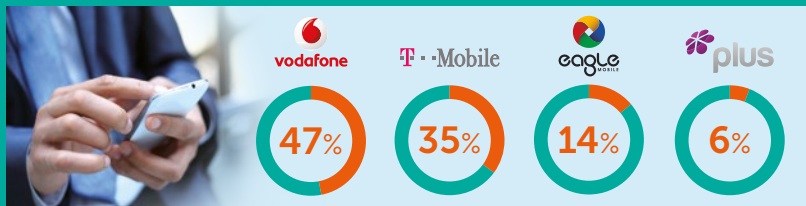
The BPO and telecommunication subsectors are well established in Albania. The BPO subsector in Albania is developing and turning out to be a real employment generator, especially for young people. As of June 2015, there are around **300 call-centres** in Albania with over **20.000 employees** (Referring to AOA, Albanian Outsourcing Association members). The BPO sector is mostly working with Italian market but it has potential to growth in other European markets.

The top **5 BPO** in Albania are **Teleperformance Albania, Albacall, IDS - Intercom Data Services, Future Generation, Tregi Marketing Group.**

The telecommunication subsector is well developed in Albania. There are 4 telecommunication companies offering 3G /4G to their customers such as: **Vodafone, T-Mobile, Eagle Mobile** and **Plus**. The first three companies are of foreign capital while the fourth one is Albanian owned. Market penetration of mobile communication has surpassed 90%, being one of the highest rates in the region. More than half of the population is using the internet and also the e-services. Almost 80% of the central government services are accessible online.

Mobile Telecommunication

Mobile telephones are more intensively used in Albania than in other countries of the region. Mobile telephone companies in Albania, operating under the 3G/4G network:



At the end of 2015, the number of mobile phone users (active SIM cards) reached about **4.7 million**, out of which 3.4 million were active users. Penetration rate (users per 100 inhabitants) at the end of 2015 was 120% for active users and 167% for SIM cards users.

Indicators of 3G/4G services are all growing. The number of active users of 3G/4G mobile services in 2015 was 1.3 million which represents 43% more than in 2014.

The substantial growth of broadband use from 3G / 4G networks access is observed especially in the third quarter of 2015, coinciding with the beginning of providing services in 4G networks.

Fixed Telecommunication

Albanian telecommunications services include fixed telephony and mobile telephony. The main fixed telephone operator is Albtelecom Sh.a., a subsidiary of Turkish telecom companies Çalik and Turk Telekom with 77% of shares and the remaining shares of 23% owned by the Albanian government and other stakeholders.

Operators Abcom, ASC, Nisatel, and T-Albania Fix are the most alternative operators, holding about **26%** of the total fixed telephony subscribers.

Albtelecom has **80%** market share in 2015, while **Abcom** as the largest alternative operator has only **5%** market share.

ALBtelecom offers besides its fixed telephony services, the '3 play' services, where each user can get voice services, internet and ALBtv through one single cable.

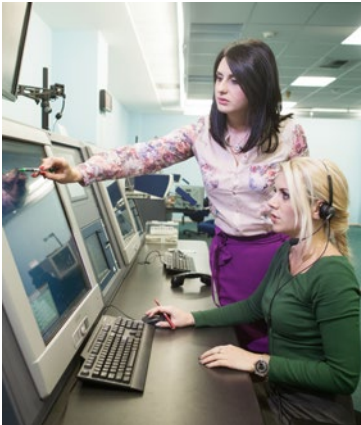


Internet Service

From 2010-2014 the internet subscribers service both by fixed and mobile networks is characterized by positive growth rates. Over the 2014 the number of broadband access subscribers on fixed networks increased from 182.556 to 206.896.

The main operator is Alb-Telecom, representing 32% of the market. Most of the providers are located in Tirana and other cities in western Albania. Internet is mainly offered through ADSL and the Hybrid Fiber-Coax.

Number of subscribers to broadband access from fixed networks at the end of 2014 amounted to about 207,000, compared to 183,000 in 2013, which represents an annual increase of 13.3%. The penetration rate (number of subscribers per 100 inhabitants) of fixed network broadband access by the end of 2014 was 7.31% compared to 6.4 % in 2013. Technology DSL represents 62% of the fixed broadband connections and subsequently with 24% cable ties. Most DSL connections are related to optical fiber lines.



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Albania offers a unique economic and location opportunity to develop modern industries.

One of the Albanian Government's objectives is the development of economic zones based on public-private partnerships. In this framework GOA has approved two economic zones, which have the status of "Technical and Economic Development Areas (TEDA)" and more to come... The Government of Albania is looking for developers and investors in order to create world-class technical and economic development areas (TEDA) in Koplik (Shkodër district, approx. 61 ha) and Spitala (Durrës district, approx. 200 ha) The Government has approved a new TEDA legislation, the objective of which is to create perfect conditions of predictability, productivity and profitability for developers and users of the TEDAs.

Incentives



CAPITAL EXPENSES
120% deductible



PROFIT TAX
-50% for 5 years



WAGES & SOCIAL COSTS
150% deductible



TRAINING COSTS
Twice deductible

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The legislation proposes measures, amongst other things, for:

Productivity

- ▶ Reliable infrastructure to the borders of TEDAs
- ▶ Fiscal incentives for R&D and training of labor force

Predictability

- ▶ Stabilization clause
- ▶ Use of International Accounting Standards
- ▶ Fair settlement of disputes through international arbitration

Profitability

- ▶ Exemptions from VAT & customs duties on goods, raw materials and machinery for developers, operators & users inside the TEDAs
- ▶ Tax incentives and exemption from income and real-estate taxes to minimize start-up costs
- ▶ Fiscal incentives to promote employment

Incentives

- ▶ Imported goods are exempted from custom duties and VAT
- ▶ Albanian goods that enter TEDA are exempted from VAT taxation
- ▶ Goods can be transported from one TEDA to another without paying custom duties or VAT
- ▶ Capital expenses are **120 percent deductible** during a period of 2 years if developers and users invest in TEDA within three years of its operation
- ▶ Developers and users are also exempted from **50 percent** of the profit tax rate (currently at a rate of 15 percent) for a period of 5 years
- ▶ A developer's project is exempted from infrastructure taxes
- ▶ Buildings in TEDA are exempted from real estate taxes for a period of 5 years
- ▶ Buildings transferred to the TEDA are not subject to the transfer tax on real estate
- ▶ Wages and social costs are **150 percent deductible** for the first year, and new expenses for wages and social costs compared to the previous year are 150 percent deductible for the subsequent years
- ▶ Training costs are twice deductible for a period of 10 years
- ▶ Research and development costs are twice deductible for a period of 10 years.

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TEDA Koplík - Shkodra

- ▶ 61 ha of flat land
- ▶ Excellent for light industry, electronics, auto parts manufacturing, construction
- ▶ Near the biggest city in the north, with educated workforce and outstanding natural beauty
- ▶ Near the border to Montenegro, enjoying reasonable access to two ports
- ▶ Connection hub for Montenegro, Serbia and Kosovo
- ▶ 15 km from Monte Negro (Hani - Hotit custom point)
- ▶ 34 km from the Port of Bar (Montenegro)
- ▶ 127 km from the Port of Durrës
- ▶ 2 km from Koplík
- ▶ 20 km from Shkodra
- ▶ 115 km from the capital Tirana

Potential Industrial Hub

- ▶ Electronics
- ▶ Mechanical Industry
- ▶ Light industry
- ▶ Agro-processing
- ▶ Automotive Industries
- ▶ Trade and storage of goods
- ▶ Services (excluding call-centers)



TEDA Spitalla - Durrës

- ▶ 209 ha situated on the suburbs of Durrës, second most developed city in Albania
- ▶ 36 km from the capital Tirana
- ▶ Direct exchange with Tirana – Durrës motorway Highest concentration of businesses in Albania
- ▶ 6.4 km away from Durrës Seaport Main Albanian seaport One of the largest in the Adriatic and Ionian seas
- ▶ 33 km from Tirana International Airport “Nënë Tereza”
- ▶ Crossroad of Corridor 8 and Adriatic-Ionian highway (Blue Corridor)

Potential Industrial Hub

- ▶ Electronics
- ▶ Mechanical Industry
- ▶ Light industry
- ▶ Agro-processing
- ▶ Automotive Industries
- ▶ Trade and storage of goods
- ▶ Services (excluding call-centers)



1. TIRANA UNDERGROUND PARKING

Developing underground public parking spaces in a number of strategically located areas of Tirana through partnerships with investors in order to improve the situation of the traffic in Tirana and assist in the implementation of the Strategy for Transport.



2. TIRANA WEST (TERMINAL)

Tirana West Terminal is one of the most important infrastructure developments in Tirana. It will contribute to the disciplining of interurban traffic coming into Tirana from the western and northern areas of Albania, thus easing the congestion in one of Tirana's main entrances. North-South Tramline will be constructed from the Intermodal Transportation Terminal to Nene Tereza Square. The tramline passes through the existing Tirana-Durres railway and main boulevards including the new section. New rail-based transportation airport line will be constructed from the Intermodal Transportation Terminal to Tirana Airport. It passes through the existing Tirana-Durres railway and a new section up to Airport will be constructed.


 BUDGET
 ALL **6,270,000** (EX. VAT)

3. WATER GAMES AND SAILING IN THE LAKES OF TIRANA

Water sports and/or other activities in the lakes of Kashar, Farka and the Tirana Artificial lake are entirely lacking despite earlier traditions of using the lakes. The proposed project aims to build public infrastructure and offer services through the use of amphibious vehicles, boats, kayaks, pedaling boats, sail boat and small motor operated boats or jet skis. It is anticipated that this investment will provide residents and visitors with the opportunity to view and enjoy the local landscape and nature around these lakes, ultimately increasing the attractiveness and touristic offer of these areas.


 BUDGET
 EUR **200,000** (EX. VAT)

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4. TIRANA'S TECHNOLOGICAL AND ECONOMIC DEVELOPMENT ZONE

The project aims to establish an economic area with a special status and to transform it into an effective mechanism in order to improve the social-economic situation of the city and attract foreign direct investments, hence boosting employment. The Technology and Economic Development Area will be built on a land owned by the Municipality of Tirana and will provide any infrastructural, fiscal and procedural incentive provided for by the respective legislation to all foreign companies that decide to move or to extend their business in Tirana.



BUDGET

Undefined



5. TRAM AND TRAIN IN TIRANA

North South Tramline will be constructed from the Intermodal Transportation Terminal to Nene Tereza Square. The tramline passes through the existing Tirana-Durres railway and main boulevards including the new section.

A new rail-based transportation airport line will be constructed from the Intermodal Transportation Terminal to TiranaAirport. It passes through the existing Tirana-Durres railway and a new section up to airport will be constructed.

The project aims to construct the new North-South Tramline and the new rail-based transportation airport lines.



BUDGET

EUR 67,500,000 (EX. VAT)

AND DON'T JUST TAKE OUR WORD FOR IT...

AMERICAN BANK OF INVESTMENTS

American Bank of Investments is part of the American Group NCH Capital, with global investments and headquartered in New York.

The mission of the Bank is to become an important Bank in Albanian market (Top 6 in terms of Assets) through expanding earning assets, reducing expenses and improving quality of loan portfolio.

The Bank caters to both the Retail and Corporate Markets. Within the framework of satisfying customers' needs, the Bank focuses on three pillars - competitive products especially focused on deposits, modern, competitive pricing - in providing a full range of contemporary banking products and services.

www.abi.al

LINDNER GROUP

The Lindner Group is Europe's leading company for the building envelope, complete interior fit-out, insulation and construction related services and also the Investor of Tirana Business Park.

Operating from the Bavarian city of Arnstorf, where the company was founded in 1965, we develop customised solutions for our clients applying our inimitable range of capabilities, "Concepts-Products-Service".

Lindner, a responsible and innovative family owned business, highly values sustainable development. The effective management of our environmental impact, caused both by operations in production facilities and on construction sites, is a key issue for our company.

Building New Solutions

Lindner undertakes major projects worldwide in all areas of interior finishes, insulation technology, industrial services and building facades. From pre-planning through to project completion Lindner is your partner of choice.

The Company's extensive manufacturing capability enables quality to be strictly maintained whilst allowing maximum flexibility to meet individual project requirements. Environmental considerations are fundamental to all Lindner's business principles. Through partnerships with clients Lindner turns concepts into reality.

www.lindner-group.com

PwC

PwC is a global network of 208,000 people, with member firm offices in 157 countries.

PwC provides industry-focused assurance, tax and advisory services to build public trust and enhance value for its clients and their stakeholders. We believe in creating and sustaining value, building trust through dedication to quality, attracting and retaining outstanding people and demonstrating leadership through sound governance and transparency. We use our networks to draw on the experience, industry knowledge and business understanding of our people.

PwC has more than 10 years of successful operation in Albania. As elsewhere in the world, PwC in Albania uses the benefit of its hand-on experience to provide a strong level of local understanding and support, in accordance with the international professional standards of the PwC worldwide organization. The clients of PwC in Albania are key players in the Albanian market, leading Albanian and international companies. We consider it our mission to help our clients find solutions to complex problems arising in the course of today and offer them services of the highest quality.

www.pwc.com

KALO & ASSOCIATES

KALO & ASSOCIATES established in 1994 is a leading full service commercial law practice operating both in Albania and Kosovo. The Firm represents prominent foreign and multinational companies and agencies, in a variety of sectors and industries across the globe, priding itself on its solution driven approach to client problems, offering tailored legal advice to suit specific needs. The Firm's diverse work force, with international experience and specialisation, serves to combine comparative approaches and local legal knowledge in finding the most appropriate resolution to problems. With a team of highly qualified and experienced lawyers led by 5 dedicated partners, the firm stands out for its sophisticated practice handling intricate and complex legal matters at an international standard.

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INVESTORS ALREADY IN ALBANIA



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TIRANA BUSINESS PARK

Tirana Business Park (TBP) is the largest German real estate, direct private investment in Albania. It is located nearby the International Airport "Mother Theresa" in an area of 22 ha. By 2022, 17 buildings will be erected, with a total built up area of app. 176,500 m² and 3600 parking spaces. TBP is divided in two main areas PDA (Project Development Area) and RA (Resale Area) each of them 110.000m². PDA will be dedicated for offices, retail space, commercial areas, shops, food, storage, internal and external parking spaces and supporting services. The Resale Area (RA) will serve to any market demand arising, so it is an area to be tailored to the needs of TBP's customers and market requirements. This ambitious, 100 million euro project is being developed and implemented by Lindner Group of Germany.

PRODUCTS

OFFICE

CO.WORKING

CONFERENCE ROOMS

RETAIL

VIRTUAL OFFICE

EVENTS

Address:
Tirana Business Park
Rinas Road, Tirana | Albania

For further info
please visit:
www.tiranabusinesspark.com

